



## **Bursa Announcement**

Second Quarter Ended 30 September 2016



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

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016**

	<b>GROUP</b>			
	<b>Individual Period</b>		<b>Cumulative Period</b>	
	3 months ended 30 Sep 2016	3 months ended 30 Sep 2015	6 months ended 30 Sep 2016	6 months ended 30 Sep 2015
	RM'000	RM'000	RM'000	RM'000
Gross earned premiums/contributions	570,416	545,814	1,109,635	1,114,192
Premiums/contributions ceded to reinsurers and retakaful operators	(76,621)	(69,232)	(151,426)	(162,254)
<b>Net earned premiums/contributions</b>	<b>493,795</b>	<b>476,582</b>	<b>958,209</b>	<b>951,938</b>
Investment income	55,196	51,004	111,802	102,176
Realised gains and losses	1,779	195	4,588	3,471
Fair value gains and losses	(29)	(12,914)	(6,699)	(18,259)
Fee and commission income	8,355	8,013	18,194	17,689
Other operating revenue	(774)	17,545	12,931	21,388
<b>Other revenue</b>	<b>64,527</b>	<b>63,843</b>	<b>140,816</b>	<b>126,465</b>
Gross claims and benefits paid	(335,887)	(291,578)	(633,416)	(583,784)
Claims ceded to reinsurers/retakaful operators	50,235	46,422	86,623	69,181
Gross change in contract liabilities	(85,427)	(223,366)	(154,405)	(350,034)
Change in contract liabilities ceded to reinsurers/retakaful operators	49,143	30,527	36,891	78,210
<b>Net claims and benefits</b>	<b>(321,936)</b>	<b>(437,995)</b>	<b>(664,307)</b>	<b>(786,427)</b>
Fee and commission expense	(105,382)	(108,907)	(221,906)	(226,237)
Management expenses	(51,257)	(53,172)	(106,721)	(107,179)
Finance cost	(4,588)	(4,410)	(9,169)	(9,087)
Other operating expenses	(334)	5,756	(2,787)	(3,629)
Change in expenses liabilities	60	(1,503)	994	(5,205)
Tax borne by participants	(3,628)	(2,426)	(7,163)	(4,989)
<b>Other expenses</b>	<b>(165,129)</b>	<b>(164,662)</b>	<b>(346,752)</b>	<b>(356,326)</b>
Share of results of associates	227	(7,648)	5,697	1,521
<b>Operating profit/(loss) before surplus attributable to takaful participants, zakat and taxation</b>	<b>71,484</b>	<b>(69,880)</b>	<b>93,663</b>	<b>(62,829)</b>
(Surplus)/deficit attributable to takaful participants	(59,915)	(16,863)	(46,085)	22,738
<b>Operating profit/(loss) before zakat and taxation</b>	<b>11,569</b>	<b>(86,743)</b>	<b>47,578</b>	<b>(40,091)</b>
Zakat	(197)	(250)	(452)	(500)
Taxation	(3,873)	14,421	(8,681)	6,055
<b>Net profit/(loss) for the period attributable to equity holders of the Company</b>	<b>7,499</b>	<b>(72,572)</b>	<b>38,445</b>	<b>(34,536)</b>
Basic earnings/(loss) per share attributable to equity holders of the Company (sen):	3.5	(34.1)	18.0	(16.2)

*The Condensed Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2016*



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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016**

	<b>GROUP</b>			
	<b>Individual Period</b>		<b>Cumulative Period</b>	
	3 months ended 30 Sep 2016	3 months ended 30 Sep 2015	6 months ended 30 Sep 2016	6 months ended 30 Sep 2015
	RM'000	RM'000	RM'000	RM'000
<b>Net profit for the period</b>	7,499	(72,572)	38,445	(34,536)
<b><u>Other comprehensive income/(losses):</u></b>				
<b>Other comprehensive income/(losses) to be reclassified to income statement in subsequent periods:</b>				
Effects of post acquisition foreign exchange translation reserve on investment in associate	3,860	9,525	7,095	12,054
Effects of foreign exchange translation reserve on investment in subsidiary	1,214	1,492	1,838	712
Net gain/(loss) on AFS financial assets:				
Net gain/(loss) on fair value changes	35,848	(37,131)	41,398	(43,150)
Realised gain transferred to income statement	(1,624)	(201)	(4,650)	(3,544)
Deferred tax relating to net (gain)/loss on AFS financial assets	(4,938)	5,282	(4,987)	7,003
Other comprehensive (income)/losses attributable to participants	(21,122)	22,109	(22,749)	23,983
<b>Other comprehensive income not to be reclassified to income statement in subsequent periods:</b>				
Revaluation of land and buildings	658	595	1,317	1,190
Deferred tax relating to revaluation of land and buildings	(52)	(47)	(105)	(95)
Other comprehensive income attributable to participants	(606)	(548)	(1,212)	(1,095)
<b>Total comprehensive income for the period</b>	<b>20,737</b>	<b>(71,496)</b>	<b>56,390</b>	<b>(37,478)</b>

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2016**

	<b>GROUP</b>	
	Unaudited 30 Sep 2016 RM'000	Audited 31 Mar 2016 RM'000
<b>Assets</b>		
Property, plant and equipment	244,728	247,497
Investment properties	7,400	7,400
Intangible assets	14,080	14,824
Deferred tax assets	5,517	15,551
Investment in associates	141,313	128,521
Financial assets:		
Financial assets at fair value through profit or loss ("FVTPL")	135,887	129,096
Held-to-maturity ("HTM") investments	700,953	701,430
Available-for-sale ("AFS") financial assets	3,155,101	2,744,399
Loans and receivables ("LAR")	1,921,933	2,060,905
Reinsurance/retakaful assets	538,831	497,180
Insurance/takaful receivables	405,230	357,012
Tax recoverable	31,547	26,592
Cash and bank balances	102,969	177,313
<b>Total assets</b>	<b>7,405,489</b>	<b>7,107,720</b>
<b>Liabilities and Participants' funds</b>		
Participants' funds	270,224	201,186
Borrowings	320,000	320,000
Insurance/takaful contract liabilities	4,999,622	4,847,518
Insurance/takaful payables	199,922	199,285
Other payables	212,318	194,004
Deferred tax liabilities	6,785	10,791
Provision for taxation	9,534	4,614
Provision for zakat	514	142
<b>Total liabilities and participants' funds</b>	<b>6,018,919</b>	<b>5,777,540</b>
<b>Equity</b>		
Share capital	213,070	213,070
Reserves	1,173,500	1,117,110
<b>Total equity attributable to equity holders of the Company</b>	<b>1,386,570</b>	<b>1,330,180</b>
<b>Total liabilities, participants' funds and equity</b>	<b>7,405,489</b>	<b>7,107,720</b>
Net assets per share (RM)	6.51	6.24

*The Condensed Financial Statements should be read in conjunction with  
the Annual Financial Statements for the year ended 31 March 2016*



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

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

	<b>GROUP</b>								
	Attributable to Equity Holders of the Company								
	Share capital RM'000	Reserves						Net profit for the period RM'000	Total RM'000
		Non-distributable			Distributable				
Share premium RM'000		Foreign exchange translation reserve RM'000	AFS reserve RM'000	Revaluation reserve RM'000	Retained profits brought forward RM'000				
At 1 April 2016	213,070	105,051	38,776	3,527	41,666	928,090	-	1,330,180	
Total comprehensive income for the period	-	-	8,933	9,012	-	-	38,445	56,390	
At 30 September 2016	213,070	105,051	47,709	12,539	41,666	928,090	38,445	1,386,570	

**CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

	<b>GROUP</b>								
	Attributable to Equity Holders of the Company								
	Share capital RM'000	Reserves						Net profit for the period RM'000	Total RM'000
		Non-distributable			Distributable				
Share premium RM'000		Foreign exchange translation reserve RM'000	AFS reserve RM'000	Revaluation reserve RM'000	Retained profits brought forward RM'000				
At 1 April 2015	213,070	105,051	33,047	(5,812)	37,199	966,919	-	1,349,474	
Total comprehensive income/(loss) for the period	-	-	12,766	(15,708)	-	-	(34,536)	(37,478)	
At 30 September 2015	213,070	105,051	45,813	(21,520)	37,199	966,919	(34,536)	1,311,996	

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**MNRB HOLDINGS BERHAD** (13487-A)  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016**

	<b>GROUP</b>	
	6 months ended 30 Sep 2016	6 months ended 30 Sep 2015
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Profit before surplus transfer, zakat and tax	47,578	(40,091)
Adjustments for:		
Net fair value losses on financial assets at FVTPL	(808)	4,449
Impairment loss on AFS financial assets	7,508	13,809
(Reversal of impairment loss)/impairment loss on insurance/takaful receivables	(2,625)	267
Depreciation of property, plant and equipment	4,399	4,634
Amortisation of intangible assets	1,125	673
(Gains)/losses on disposal of property, plant and equipment	(2)	1
(Decrease)/increase in gross premium and contribution liabilities	(2,306)	17,234
Interest/profit income	(99,910)	(93,303)
Dividend income	(11,781)	(9,685)
Rental income	(3,181)	(3,136)
Finance cost	9,168	9,087
Net gains on disposal of investments	(4,603)	(3,472)
Net amortisation of premiums on investments	2,168	2,622
Share of results of associates	(5,697)	(1,521)
(Loss)/profit from operations before changes in operating assets and liabilities	(58,967)	(98,432)
Increase in placements with licensed financial institutions, Islamic investment accounts and marketable securities	(140,889)	(75,201)
Net purchase from disposal of investments	(91,121)	(62,091)
Decrease in staff loans	1,071	1,597
Increase in insurance/takaful receivables	(44,004)	(118,719)
Increase in other receivables	(15,762)	(2,461)
Increase in gross claim and actuarial liabilities	155,404	350,034
(Decrease)/increase in expense liabilities	(994)	5,205
Increase/(decrease) in participants' funds	45,087	(22,738)
Increase/(decrease) in insurance/takaful payables	376	(14,997)
Increase in other payables	25,240	53,088
Taxes and zakat paid	(15,235)	(31,584)
Interest/profit received	106,253	92,196
Dividend received	6,932	9,739
Rental received	3,314	2,425
Increase in reinsurance/retakaful assets	(41,651)	(85,862)
Net cash (used in)/generated from operating activities	(64,946)	2,199



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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016**

	<b>GROUP</b>	
	6 months ended 30 Sep 2016	6 months ended 30 Sep 2015
	RM'000	RM'000
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	469	(1,293)
Purchase of intangible assets	(2,249)	(767)
Proceeds from disposal of intangible assets	-	18
Proceeds from disposal of property, plant and equipment	1,565	596
Net cash used in investing activities	(215)	(1,446)
<b>Cash flows from financing activities</b>		
Finance cost paid	(9,183)	(9,087)
Net cash used in financing activities	(9,183)	(9,087)
<b>Cash and bank balances</b>		
Net decrease during the period	(74,344)	(8,334)
At the beginning of the period	177,313	82,702
<b>At the end of the period</b>	<b>102,969</b>	<b>74,368</b>

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the Annual Financial Statements for the year ended 31 March 2016*



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**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 year ended 31 March 2016.

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 year ended 31 March 2016 except for the adoption of the following accounting standard and amendments/improvements to Malaysian Financial Reporting Standards ("MFRSs") issued by MASB that are effective for the Group's financial year beginning 1 April 2016:

*MFRS 14 Regulatory Deferral Accounts*

*Amendments to MFRS 10, MFRS 12 and MFRS 128 Investment Entities: Applying the Consolidation Exception*

*Amendments to MFRS 11 Accounting for Acquisitions of Interests in Joint Operations*

*Amendments to MFRS 101 Disclosure Initiative*

*Amendments to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation*

*Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants*

*Amendments to MFRS 127 Equity Method in Separate Financial Statements*

*Annual Improvements to MFRS 2012 - 2014 Cycle*

The adoption of the above accounting standard 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 2016 was not subject to any qualification.

**A3. Seasonal or cyclical factors**

During the financial period ended 30 September 2016, the operations of the Group were not materially affected by any seasonal factors. With regard to cyclical factors, the performance of the Group is directly correlated with the industry cycle and the economic performance of the countries in which the Group has business dealings with.

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the financial period ended 30 September 2016.

**A5. Changes in estimates**

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

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

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities during the current financial period under review.



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*(The figures have not been audited)*

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

**A7. Dividend paid**

No dividend was paid during the first quarter ended 30 September 2016.

**A8. Segmental reporting**

Financial period ended 30 September 2016

	Investment Holding RM'000	Reinsurance Business RM'000	Takaful Business RM'000	Retakaful Business RM'000	Intra-Group Adjustments RM'000	Consolidated RM'000
<b>Revenue</b>						
External	1,997	696,684	509,583	15,311		1,223,575
Inter-segment	17,276	1,158	770	80	(19,284)	-
	<b>19,273</b>	<b>697,842</b>	<b>510,353</b>	<b>15,391</b>	<b>(19,284)</b>	<b>1,223,575</b>
<b>Results</b>						
<b>Segment results</b>	<b>(7,300)</b>	<b>21,198</b>	<b>58,331</b>	<b>15,737</b>	<b>-</b>	<b>87,966</b>
Share of results of associates	23	5,674	-	-	-	5,697
<b>Operating (loss)/profit before surplus attributable to takaful participants, zakat and taxation</b>	<b>(7,277)</b>	<b>26,872</b>	<b>58,331</b>	<b>15,737</b>	<b>-</b>	<b>93,663</b>
Deficit attributable to takaful participants	-	-	(45,087)	(998)	-	(46,085)
<b>Operating (loss)/profit before zakat and taxation</b>	<b>(7,277)</b>	<b>26,872</b>	<b>13,244</b>	<b>14,739</b>	<b>-</b>	<b>47,578</b>
Zakat and taxation	(714)	(4,651)	(3,756)	(2)	-	(9,123)
<b>Net (loss)/profit for the period attributable to equity holders of the Company</b>	<b>(7,991)</b>	<b>22,221</b>	<b>9,488</b>	<b>14,737</b>	<b>-</b>	<b>38,455</b>

Financial period ended 30 September 2015

	Investment Holding RM'000	Reinsurance Business RM'000	Takaful Business RM'000	Retakaful Business RM'000	Intra-Group Adjustments RM'000	Consolidated RM'000
<b>Revenue</b>						
External	615	735,260	486,834	15,536	-	1,238,245
Inter-segment	115,772	1,249	811	1,455	(119,287)	-
	<b>116,387</b>	<b>736,509</b>	<b>487,645</b>	<b>16,991</b>	<b>(119,287)</b>	<b>1,238,245</b>
<b>Results</b>						
<b>Segment results</b>	<b>88,393</b>	<b>(37,495)</b>	<b>1,926</b>	<b>16,404</b>	<b>(100,000)</b>	<b>(30,772)</b>
Share of results of associates	298	1,224	-	-	-	1,522
<b>Operating profit/(loss) before surplus attributable to takaful participants, zakat and taxation</b>	<b>88,691</b>	<b>(36,271)</b>	<b>1,926</b>	<b>16,404</b>	<b>(100,000)</b>	<b>(29,250)</b>
Deficit attributable to takaful participants	-	-	5,235	(16,077)	-	(10,842)
<b>Operating (loss)/profit before zakat and taxation</b>	<b>88,691</b>	<b>(36,271)</b>	<b>7,161</b>	<b>327</b>	<b>(100,000)</b>	<b>(40,092)</b>
Zakat and taxation	424	8,262	(3,130)	-	-	5,556
<b>Net (loss)/profit for the period attributable to equity holders of the Company</b>	<b>89,115</b>	<b>(28,009)</b>	<b>4,031</b>	<b>327</b>	<b>(100,000)</b>	<b>(34,536)</b>



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

**A9. Carrying amount of revalued properties**

The valuations 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 2016.

**A10. Significant events**

There were no significant events during the current financial period ended 30 September 2016.

**A11. Subsequent events**

Pursuant to the issuance of the bonus share as disclosed under Note B6 below, the paid up share capital of the Company had increased from RM213,069,500 to RM319,604,193 with effect from 8 November 2016. Consequently, the share premium and retained profit of the Company had also reduced.

There were no other significant subsequent events from 30 September 2016 to the date of this report.

**A12. Changes in the composition of the Group**

There were no significant changes in the composition of the Group during the current financial period ended 30 September 2016.

**A13. Capital Commitments**

The amount of capital commitments of the Group as at 30 September 2016 were as follows:

Authorised and contracted for:

- Intangible assets\*

\* Relating to purchases and enhancement of computer systems.

**RM'000**

6,089



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

**A14. Condensed Consolidated Statement of Financial Position by Reinsurance, Takaful and Retakaful Funds**

(i) **Unaudited as at 30 September 2016**

	General reinsurance and shareholders' fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	General retakaful fund RM'000	Family retakaful fund RM'000	Elimination and adjustment RM'000	Consolidated RM'000
<b>Assets</b>							
Property, plant and equipment	129,070	-	-	-	-	115,658	244,728
Investment properties	7,400	-	115,658	-	-	(115,658)	7,400
Intangible assets	14,080	-	-	-	-	-	14,080
Deferred tax assets	7,382	2,264	-	(3)	-	(4,126)	5,517
Investment in subsidiaries	843,705	-	-	-	-	(843,705)	-
Investment in associates	77,614	-	-	-	-	63,699	141,313
Financial assets at fair value through profit or loss ("FVTPL")	899	800	133,863	313	12	-	135,887
Held-to-maturity ("HTM") investments	261,687	71,793	336,850	19,160	12,463	(1,000)	700,953
Available-for-sale ("AFS") financial assets	1,626,183	167,771	1,347,148	20,929	6,429	(13,359)	3,155,101
Loans and receivables ("LAR")	1,230,025	170,115	609,629	40,017	12,488	(140,341)	1,921,933
Reinsurance/retakaful assets	320,962	146,540	42,641	22,744	5,944	-	538,831
Insurance/takaful receivables	285,775	40,661	62,400	8,456	7,938	-	405,230
Tax recoverable	31,547	-	-	8	5	(13)	31,547
Cash and bank balances	64,773	2,247	35,806	20	123	-	102,969
<b>Total assets</b>	<b>4,901,102</b>	<b>602,191</b>	<b>2,683,995</b>	<b>111,644</b>	<b>45,402</b>	<b>(938,845)</b>	<b>7,405,489</b>
<b>Liabilities and Participants' funds</b>							
Participants' funds	-	103,123	168,302	10,099	2,593	(13,893)	270,224
Borrowings	321,000	-	-	-	-	(1,000)	320,000
Insurance/takaful contract liabilities	2,136,675	407,033	2,363,441	82,383	10,907	(817)	4,999,622
Insurance/takaful payables	115,107	24,514	43,370	6,598	10,333	-	199,922
Other payables	137,973	64,137	103,707	13,940	21,569	(129,008)	212,318
Deferred tax liabilities	6,785	-	3,731	-	-	(3,731)	6,785
Provision for taxation	4,716	3,384	1,444	3	-	(13)	9,534
Provision for zakat	514	-	-	-	-	-	514
<b>Total liabilities and participants' funds</b>	<b>2,722,770</b>	<b>602,191</b>	<b>2,683,995</b>	<b>113,023</b>	<b>45,402</b>	<b>(148,462)</b>	<b>6,018,919</b>
<b>Equity</b>							
Share capital	1,126,570	-	-	-	-	(913,500)	213,070
Reserves	1,051,762	-	-	(1,379)	-	123,117	1,173,500
<b>Total equity attributable to equity holders of the Parent</b>	<b>2,178,332</b>	<b>-</b>	<b>-</b>	<b>(1,379)</b>	<b>-</b>	<b>(790,383)</b>	<b>1,386,570</b>
<b>Total liabilities, participants' funds and equity</b>	<b>4,901,102</b>	<b>602,191</b>	<b>2,683,995</b>	<b>111,644</b>	<b>45,402</b>	<b>(938,845)</b>	<b>7,405,489</b>



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

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

(ii) As at 31 March 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
<b>Assets</b>							
Property, plant and equipment	131,839	-	-	-	-	115,658	247,497
Investment properties	7,400	-	115,658	-	-	(115,658)	7,400
Intangible assets	14,824	-	-	-	-	-	14,824
Deferred tax assets	8,664	1,638	-	67	-	5,182	15,551
Investment in subsidiaries	843,705	-	-	-	-	(843,705)	-
Investment in associates	77,615	-	-	-	-	50,906	128,521
Financial assets at fair value							
through profit or loss ("FVTPL")	862	773	127,174	279	8	-	129,096
Held-to-maturity ("HTM") investments	261,988	71,845	336,957	19,177	12,463	(1,000)	701,430
Available-for-sale ("AFS")							
financial assets	1,299,927	196,954	1,223,635	26,199	11,389	(13,705)	2,744,399
Loans and receivables ("LAR")	1,471,651	88,156	504,537	35,750	10,774	(49,963)	2,060,905
Reinsurance/retakaful assets	305,621	127,454	33,098	24,209	6,798	-	497,180
Insurance/takaful receivables	272,925	29,449	45,104	4,779	6,344	(1,589)	357,012
Tax recoverable	26,592	-	-	-	-	-	26,592
Cash and bank balances	32,623	26,846	117,735	74	35	-	177,313
<b>Total assets</b>	<b>4,756,236</b>	<b>543,115</b>	<b>2,503,898</b>	<b>110,534</b>	<b>47,811</b>	<b>(853,874)</b>	<b>7,107,720</b>
<b>Liabilities and Participants' funds</b>							
Participants' funds	-	94,058	108,223	4,149	17,550	(22,794)	201,186
Borrowings	321,000	-	-	-	-	(1,000)	320,000
Insurance/takaful contract liabilities	2,098,230	378,049	2,263,314	87,119	12,399	8,407	4,847,518
Insurance/takaful payables	106,185	24,305	48,366	9,473	12,545	(1,589)	199,285
Other payables	89,605	45,841	82,095	9,793	5,298	(38,628)	194,004
Deferred tax liabilities	3,490	-	1,895	-	19	5,387	10,791
Provision for taxation	3,747	862	5	-	-	-	4,614
Provision for zakat	142	-	-	-	-	-	142
<b>Total liabilities and participants' funds</b>	<b>2,622,399</b>	<b>543,115</b>	<b>2,503,898</b>	<b>110,534</b>	<b>47,811</b>	<b>(50,217)</b>	<b>5,777,540</b>
<b>Equity</b>							
Share capital	1,126,570	-	-	-	-	(913,500)	213,070
Reserves	1,007,267	-	-	-	-	109,843	1,117,110
<b>Total equity attributable to equity holders of the Parent</b>	<b>2,133,837</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(803,657)</b>	<b>1,330,180</b>
<b>Total liabilities, participants' funds and equity</b>	<b>4,756,236</b>	<b>543,115</b>	<b>2,503,898</b>	<b>110,534</b>	<b>47,811</b>	<b>(853,874)</b>	<b>7,107,720</b>



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**A15. Unaudited Condensed Consolidated Income Statement by Insurance Funds**

**(i) 6 months ended 30 September 2016**

	General reinsurance and shareholders' fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	General retakaful fund RM'000	Family retakaful fund RM'000	Elimination and adjustment RM'000	Consolidated RM'000
Gross earned premiums/contributions	654,142	139,850	307,268	5,253	6,022	(2,900)	1,109,635
Premiums/contributions ceded to reinsurers and retakaful operators	(53,151)	(57,113)	(35,539)	(2,230)	(3,764)	371	(151,426)
<b>Net earned premiums/contributions</b>	<b>600,991</b>	<b>82,737</b>	<b>271,729</b>	<b>3,023</b>	<b>2,258</b>	<b>(2,529)</b>	<b>958,209</b>
Investment income	59,041	7,229	46,795	1,489	627	(3,379)	111,802
Realised gains and losses	2,290	418	1,880	-	-	-	4,588
Fair value gains and losses	(4,642)	(462)	(1,632)	33	4	-	(6,699)
Fee and commission income	159,476	12,966	-	9	-	(154,257)	18,194
Other operating revenue	25,181	-	5,385	872	1	(18,508)	12,931
<b>Other revenue</b>	<b>241,346</b>	<b>20,151</b>	<b>52,428</b>	<b>2,403</b>	<b>632</b>	<b>(176,144)</b>	<b>140,816</b>
Gross claims and benefit paid	(425,093)	(64,538)	(134,713)	(3,550)	(5,780)	258	(633,416)
Claims ceded to reinsurers/retakaful operators	19,206	27,583	35,961	638	3,493	(258)	86,623
Gross change in contract liabilities	(50,660)	(21,391)	(100,127)	6,058	1,493	10,222	(154,405)
Change in contract liabilities ceded to reinsurers/retakaful operators	16,428	13,229	9,543	(1,455)	(854)	-	36,891
<b>Net claims and benefits</b>	<b>(440,119)</b>	<b>(45,117)</b>	<b>(189,336)</b>	<b>1,691</b>	<b>(1,648)</b>	<b>10,222</b>	<b>(664,307)</b>
Fee and commission expenses	(221,571)	(41,872)	(90,938)	(2,072)	(244)	134,791	(221,906)
Management expenses	(127,039)	(1,906)	(1,808)	-	-	24,032	(106,721)
Finance cost	(9,194)	-	-	-	-	25	(9,169)
Other operating expenses	(2,155)	(2,501)	-	(632)	-	2,501	(2,787)
Changes in expenses liabilities	994	-	-	-	-	-	994
Tax borne by participants	-	(3,134)	(4,029)	-	-	-	(7,163)
<b>Other expenses</b>	<b>(358,965)</b>	<b>(49,413)</b>	<b>(96,775)</b>	<b>(2,704)</b>	<b>(244)</b>	<b>161,349</b>	<b>(346,752)</b>
Share of results of associates	-	-	-	-	-	5,697	5,697
<b>Operating profit/(loss) before surplus/ attributable to takaful participants, zakat and taxation</b>	<b>43,253</b>	<b>8,358</b>	<b>38,046</b>	<b>4,413</b>	<b>998</b>	<b>(1,405)</b>	<b>93,663</b>
(Surplus)/deficit attributable to takaful participants	-	(8,358)	(38,046)	(5,785)	(998)	7,102	(46,085)
<b>Operating profit/(loss) before zakat and taxation</b>	<b>43,253</b>	<b>-</b>	<b>-</b>	<b>(1,372)</b>	<b>-</b>	<b>5,697</b>	<b>47,578</b>
Zakat	(452)	-	-	-	-	-	(452)
Taxation	(8,674)	-	-	(7)	-	-	(8,681)
<b>Net profit/(loss) for the period attributable to equity holders of the Parent</b>	<b>34,127</b>	<b>-</b>	<b>-</b>	<b>(1,379)</b>	<b>-</b>	<b>5,697</b>	<b>38,445</b>



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**A15. Unaudited Condensed Consolidated Income Statement by Insurance Funds (Cont'd.)**

**(ii) 6 months ended 30 September 2015**

	General reinsurance and shareholders' fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	General retakaful fund RM'000	Family retakaful fund RM'000	Elimination and adjustment RM'000	Consolidated RM'000
Gross earned premiums/contributions	664,616	133,492	303,916	9,308	6,812	(3,952)	1,114,192
Premiums/contributions ceded to reinsurers and retakaful operators	(75,118)	(47,603)	(38,452)	(838)	(2,106)	1,863	(162,254)
<b>Net earned premiums/contributions</b>	<b>589,498</b>	<b>85,889</b>	<b>265,464</b>	<b>8,470</b>	<b>4,706</b>	<b>(2,089)</b>	<b>951,938</b>
Investment income	156,512	6,071	40,671	1,572	679	(103,329)	102,176
Realised gains and losses	1,087	116	2,154	102	12	-	3,471
Fair value gains and losses	(11,558)	(532)	(6,057)	(88)	(24)	-	(18,259)
Fee and commission income	152,238	12,532	-	54	39	(147,174)	17,689
Other operating revenue	21,167	-	1,535	459	3	(1,776)	21,388
<b>Other revenue</b>	<b>319,446</b>	<b>18,187</b>	<b>38,303</b>	<b>2,099</b>	<b>709</b>	<b>(252,279)</b>	<b>126,465</b>
Gross claims and benefit paid	(365,993)	(61,834)	(132,336)	(13,523)	(2,429)	(7,669)	(583,784)
Claims ceded to reinsurers/retakaful operators	12,481	25,918	19,436	2,548	1,129	7,669	69,181
Gross change in contract liabilities	(203,083)	(23,208)	(143,463)	12,370	7,350	-	(350,034)
Change in contract liabilities ceded to reinsurers/retakaful	72,278	8,010	1,687	(2,069)	(1,696)	-	78,210
<b>Net claims and benefits</b>	<b>(484,317)</b>	<b>(51,114)</b>	<b>(254,676)</b>	<b>(674)</b>	<b>4,354</b>	<b>-</b>	<b>(786,427)</b>
Fee and commission expense	(224,948)	(43,226)	(80,990)	(2,253)	(1,005)	126,185	(226,237)
Management expenses	(124,855)	(1,348)	(7,349)	-	-	26,373	(107,179)
Finance cost	(9,087)	-	-	-	-	-	(9,087)
Other operating expenses	(2,900)	(1,776)	-	(321)	(8)	1,376	(3,629)
Changes in expenses liabilities	(5,205)	-	-	-	-	-	(5,205)
Tax borne by participants	-	(1,906)	(3,083)	-	-	-	(4,989)
<b>Other expenses</b>	<b>(366,995)</b>	<b>(48,256)</b>	<b>(91,422)</b>	<b>(2,574)</b>	<b>(1,013)</b>	<b>153,934</b>	<b>(356,326)</b>
Share of results of associates	-	-	-	-	-	1,521	1,521
<b>Operating profit/(loss) before surplus attributable to takaful participants, zakat and taxation</b>	<b>57,632</b>	<b>4,706</b>	<b>(42,331)</b>	<b>7,321</b>	<b>8,756</b>	<b>(98,913)</b>	<b>(62,829)</b>
(Surplus)/deficit attributable to takaful participants	-	(4,706)	42,331	(7,321)	(8,756)	1,190	22,738
<b>Operating profit/(loss) before zakat and taxation</b>	<b>57,632</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(97,723)</b>	<b>(40,091)</b>
Zakat	(500)	-	-	-	-	-	(500)
Taxation	6,055	-	-	-	-	-	6,055
<b>Net profit/(loss) for the period attributable to equity holders of the Parent</b>	<b>63,187</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(97,723)</b>	<b>(34,536)</b>



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

For the period ended 30 September 2016, the Group recorded a revenue of RM1.22 billion as compared to the RM1.24 billion reported in the corresponding period last year. This was mainly due to lower gross premiums and contributions by the Company's subsidiaries.

The Group's net profit for the current period was RM38.4 million, higher by RM72.9 million as compared to RM34.5 million net loss reported in the corresponding period last year. This was mainly attributable to the improvement in the results of the Company's reinsurance and takaful subsidiaries as a result of lower claims and lower increase in provision for expense liabilities, respectively.

Investment holding

The revenue for the period ended 30 September 2016 of RM19.3 million was lower by RM97.1 million or 83.4% as compared to RM116.4 million reported in the corresponding period last year.

The net loss reported for the period ended 30 September 2016 was RM8.0 million as compared to a net profit of RM89.1 million in the corresponding period last year.

The lower revenue and net loss reported were mainly due to no dividend income received from the Company's subsidiaries.

Reinsurance business

The revenue for reinsurance business for the period ended 30 September 2016 decreased by 5.3% from RM736.5 million to RM697.8 million. The decrease was mainly due to the lower gross premiums from international business.

The net profit for the period ended 30 September 2016 was higher by 179.3% from net loss of RM28.0 million to net profit of RM22.2 million as a result of lower claims and higher share of profit from an associate.

Takaful business

The revenue for takaful business for the period ended 30 September 2016 increased by 4.7% from RM487.6 million to RM510.4 million. This was mainly due to higher gross contributions achieved by the takaful subsidiary.

The net profit for the period ended 30 September 2016 was higher by 135.4% from RM4.0 million to RM9.5 million. The higher profit was mainly due to lower increase in provision for expense liabilities.

Retakaful business

The revenue for retakaful business for the period ended 30 September 2016 was lower by 9.4% from RM17.0 million to RM15.4 million, consistent with the efforts to consolidate its business portfolio.

The retakaful business recorded a profit of RM14.7 million in the current period as compared to RM0.3 million in the corresponding period last year mainly due to the partial reversal of Qard impairment.



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

The Group recorded a net profit of RM7.5 million in the current quarter as compared to RM30.9 million in the preceding quarter. This was mainly attributable to Company's reinsurance subsidiary which was affected by higher claims provision in the current quarter.

**B3. Current year prospects**

Barring any unforeseen circumstances, the Group is expected to achieve improved results for the financial year ending 31 March 2017 as compared to the previous financial year.

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

There was no profit forecast issued by the Group during the financial period ended 30 September 2016.

**B5. Taxation**

	<b>GROUP</b>			
	<b>Individual Period</b>		<b>Cumulative Period</b>	
	<b>3 months ended 30 Sep 2016 RM'000</b>	<b>3 months ended 30 Sep 2015 RM'000</b>	<b>3 months ended 30 Sep 2016 RM'000</b>	<b>3 months ended 30 Sep 2015 RM'000</b>
Operating profit before zakat and tax	11,569	(86,743)	47,578	(40,091)
Current tax	(510)	5,573	(6,808)	(2,203)
Deferred tax	(3,363)	8,848	(1,873)	8,258
Zakat	(3,873)	14,421	(8,681)	6,055
	(197)	(250)	(452)	(500)
	(4,070)	14,171	(9,133)	5,555
Net profit	7,499	(72,572)	38,445	(34,536)
Effective tax rate	33.5%	16.6%	18.2%	15.1%

The effective tax rate for the 6 months period ended 30 September 2016 and 30 September 2015 was lower than the statutory tax rate of 24% principally due to the net profit of the Company's retakaful subsidiary in which no tax expenses were being recognised due to availability of business losses carried forward.

**B6. Status of corporate proposals**

On 10 August 2016, MIDF Amanah Investment Bank Berhad had announced, on behalf of the Company's Board of Directors, that the Company proposes to undertake a proposed bonus issue of 106,534,750 new ordinary shares of RM1.00 each in the Company, to be credited as fully paid-up, on the basis of one (1) bonus share for every two (2) existing ordinary shares of RM1.00 each in the Company held on an entitlement date to be determined later.

The bonus issue exercise was completed at 9.00 a.m. on Tuesday, 8 November 2016 following the listing and quotation of 106,534,693 bonus shares issued pursuant to the said exercise on the Main Market of Bursa Securities.

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



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**B7. Borrowings and debt securities**

The Group borrowings as at 30 September 2016 were as follows:

	<b>GROUP 30 Sep 2016 RM'000</b>
Unsecured long term borrowings:	
RM200.0 million Islamic Commodity Murabahah Facility due in 2017	200,000
RM120.0 million Sukuk Mudharabah Programme due in 2017	120,000
	<b>320,000</b>

**B8. Off balance sheet financial instruments**

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

**B9. Material litigation**

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

**B10. Dividends**

No dividends were paid or declared to date for the current financial year ending 31 March 2017.

**B11. Earnings/(loss) per share**

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

	<b>GROUP</b>			
	<b>Individual Period</b>		<b>Cumulative Period</b>	
	<b>3 months ended 30 Sep 2016</b>	<b>3 months ended 30 Sep 2015</b>	<b>6 months ended 30 Sep 2016</b>	<b>6 months ended 30 Sep 2015</b>
Net profit/(loss) for the period (RM'000)	7,499	(72,572)	38,445	(34,536)
Number of ordinary shares in issue ('000)	213,070	213,070	213,070	213,070
Basic earnings/(loss) per share (sen)	3.5	(34.1)	18.0	(16.2)

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



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

	<b>GROUP</b>			
	<b>Individual Period</b>		<b>Cumulative Period</b>	
	<b>3 months ended 30 Sep 2016 RM'000</b>	<b>3 months ended 30 Sep 2015 RM'000</b>	<b>6 months ended 30 Sep 2016 RM'000</b>	<b>6 months ended 30 Sep 2015 RM'000</b>
Interest/profit income	49,913	46,420	99,910	93,303
Dividend income	5,458	5,911	11,781	9,685
Rental income	1,368	1,467	3,181	3,136
Finance cost	(4,587)	(4,410)	(9,168)	(9,087)
Net gain on disposal of investments	1,796	195	4,603	3,472
Depreciation and amortisation	(2,562)	(2,614)	(5,524)	(5,307)
(Impairment loss)/reversal of impairment loss on insurance/takaful receivables	(2,852)	10,422	2,625	(267)
Impairment loss on investments	(4,098)	(11,622)	(7,508)	(13,809)

Other than the above, there were no gain or loss on derivatives and exceptional items reported during the period ended 30 September 2016.

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**B13. Disclosure of realised and unrealised profits**

As required by Bursa Securities, the breakdown of the retained profits of the Group as at 30 September 2016, into realised and unrealised profits, was as follows:

	<b>GROUP</b>	
	<b>30 Sep 2016</b>	<b>31 Mar 2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained profits of the Group:		
Realised	1,035,516	991,375
Unrealised	813	6,509
	<u>1,036,329</u>	<u>997,884</u>
Share of realised retained profits from associated companies	14,856	9,159
	<u>1,051,185</u>	<u>1,007,043</u>
Less: Consolidation adjustments	(84,650)	(78,953)
Total retained profits per the statement of changes in equity	<u>966,535</u>	<u>928,090</u>

The determination of realised and unrealised profits is compiled 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 BTE ABD LATIF (LS 8766)**  
**Company Secretaries**

**Kuala Lumpur**  
**Dated: 23 November 2016**