



## **Bursa Announcement**

First Quarter Ended 30 June 2015



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

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015**

	<b>GROUP</b>			
	<b>Individual Period</b>		<b>Cumulative Period</b>	
	3 months ended 30 Jun 2015	3 months ended 30 Jun 2014	3 months ended 30 Jun 2015	3 months ended 30 Jun 2014
	RM'000	RM'000	RM'000	RM'000
Gross earned premiums/contributions	568,378	529,534	568,378	529,534
Premiums/contributions ceded to reinsurers and retakaful operators	(93,022)	(61,002)	(93,022)	(61,002)
<b>Net earned premiums/contributions</b>	<b>475,356</b>	<b>468,532</b>	<b>475,356</b>	<b>468,532</b>
Investment income	51,172	51,739	51,172	51,739
Realised gains and losses	3,276	10,142	3,276	10,142
Fair value gains and losses	(5,345)	3,160	(5,345)	3,160
Fee and commission income	9,676	7,386	9,676	7,386
Other operating revenue	3,843	3,125	3,843	3,125
<b>Other revenue</b>	<b>62,622</b>	<b>75,552</b>	<b>62,622</b>	<b>75,552</b>
Gross claims and benefits paid	(292,206)	(281,572)	(292,206)	(281,572)
Claims ceded to reinsurers/retakaful operators	22,759	27,641	22,759	27,641
Gross change in contract liabilities	(126,668)	(78,491)	(126,668)	(78,491)
Change in contract liabilities ceded to reinsurers/retakaful operators	47,683	53,869	47,683	53,869
<b>Net claims and benefits</b>	<b>(348,432)</b>	<b>(278,553)</b>	<b>(348,432)</b>	<b>(278,553)</b>
Fee and commission expense	(117,330)	(115,128)	(117,330)	(115,128)
Management expenses	(54,007)	(49,424)	(54,007)	(49,424)
Finance cost	(4,677)	(4,436)	(4,677)	(4,436)
Other operating expenses	(9,385)	(1,180)	(9,385)	(1,180)
Change in expenses liabilities	(3,702)	(67)	(3,702)	(67)
Tax borne by participants	(2,563)	(3,500)	(2,563)	(3,500)
<b>Other expenses</b>	<b>(191,664)</b>	<b>(173,735)</b>	<b>(191,664)</b>	<b>(173,735)</b>
Share of results of associates	9,169	4,046	9,169	4,046
<b>Operating profit before surplus attributable to takaful participants, zakat and taxation</b>	<b>7,051</b>	<b>95,842</b>	<b>7,051</b>	<b>95,842</b>
Deficit/(surplus) attributable to takaful participants	39,601	(37,733)	39,601	(37,733)
<b>Operating profit before zakat and taxation</b>	<b>46,652</b>	<b>58,109</b>	<b>46,652</b>	<b>58,109</b>
Zakat	(250)	(150)	(250)	(150)
Taxation	(8,366)	(15,683)	(8,366)	(15,683)
<b>Net profit for the period attributable to equity holders of the Parent</b>	<b>38,036</b>	<b>42,276</b>	<b>38,036</b>	<b>42,276</b>
Basic earnings per share attributable to equity holders of the Parent (sen):	17.9	19.8	17.9	19.8

*The Condensed Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2015*



**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 JUNE 2015**

	<b>GROUP</b>			
	<b>Individual Period</b>		<b>Cumulative Period</b>	
	3 months ended 30 Jun 2015	3 months ended 30 Jun 2014	3 months ended 30 Jun 2015	3 months ended 30 Jun 2014
	RM'000	RM'000	RM'000	RM'000
<b>Net profit for the period</b>	38,036	42,276	38,036	42,276
<b><u>Other comprehensive loss:</u></b>				
<b>Other comprehensive losses to be reclassified to income statement in subsequent periods:</b>				
Effects of post acquisition foreign exchange translation reserve on investment in associate	2,529	5,160	2,529	5,160
Effects of foreign exchange translation reserve on investment in subsidiary	(780)	369	(780)	369
Net loss on AFS financial assets:				
Net loss on fair value changes	(6,019)	(50,487)	(6,019)	(50,487)
Realised gain transferred to income statement	(3,343)	(13,626)	(3,343)	(13,626)
Deferred tax relating to net loss on AFS financial assets	1,721	8,646	1,721	8,646
Other comprehensive losses attributable to participants	1,327	32,006	1,327	32,006
<b>Other comprehensive income not to be reclassified to income statement in subsequent periods:</b>				
Revaluation of land and buildings	595	4,749	595	4,749
Deferred tax relating to revaluation of land and buildings	(48)	(141)	(48)	(141)
<b>Total comprehensive income for the period</b>	<b>34,018</b>	<b>28,952</b>	<b>34,018</b>	<b>28,952</b>

*The Condensed Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2015*



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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015**

	<b>GROUP</b>	
	Unaudited 30 Jun 2015 RM'000	Audited 31 Mar 2015 RM'000
<b>Assets</b>		
Property, plant and equipment	129,422	237,495
Investment properties	114,022	7,100
Intangible assets	14,980	14,632
Deferred tax assets	10,477	11,484
Investment in associates	122,139	110,567
Financial assets:		
Financial assets at fair value through profit or loss ("FVTPL")	129,140	137,934
Held-to-maturity ("HTM") investments	702,129	722,356
Available-for-sale ("AFS") financial assets	2,520,551	2,530,716
Loans and receivables ("LAR")	2,043,904	1,917,938
Reinsurance/retakaful assets	482,957	374,653
Insurance/takaful receivables	337,880	303,918
Tax recoverable	26,630	25,216
Cash and bank balances	76,951	82,702
<b>Total assets</b>	<b>6,711,182</b>	<b>6,476,711</b>
<b>Liabilities and Participants' funds</b>		
Participants' funds	241,497	286,726
Borrowings	320,000	320,000
Insurance/takaful contract liabilities	4,356,656	4,159,278
Insurance/takaful payables	144,183	169,424
Other payables	251,803	170,807
Deferred tax liabilities	2,265	7,676
Provision for taxation	10,350	12,455
Provision for zakat	936	871
<b>Total liabilities and participants' funds</b>	<b>5,327,690</b>	<b>5,127,237</b>
<b>Equity</b>		
Share capital	213,070	213,070
Reserves	1,170,422	1,136,404
<b>Total equity attributable to equity holders of the Company</b>	<b>1,383,492</b>	<b>1,349,474</b>
<b>Total liabilities, participants' funds and equity</b>	<b>6,711,182</b>	<b>6,476,711</b>
Net assets per share (RM)	6.49	6.33

*The Condensed Financial Statements should be read in conjunction with  
the Annual Financial Statements for the year ended 31 March 2015*



**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 30 JUNE 2015**

	<b>GROUP</b>							
	Attributable to Equity Holders of the Company							
		Reserves						Total RM'000
		Non- distributable			Distributable			
Share capital RM'000		Share premium RM'000	Foreign exchange translation reserve RM'000	AFS reserve RM'000	Revaluation reserve RM'000	Retained profits brought forward RM'000	Net profit for the year RM'000	
At 1 April 2015	213,070	105,051	33,047	(5,812)	37,199	966,919	-	1,349,474
Total comprehensive (loss)/income for the year	-	-	1,749	(6,314)	547	-	38,036	34,018
At 30 June 2015	213,070	105,051	34,796	(12,126)	37,746	966,919	38,036	1,383,492

**CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014**

	<b>GROUP</b>							
	Attributable to Equity Holders of the Company							
		Reserves						Total RM'000
		Non- distributable			Distributable			
Share capital RM'000		Share premium RM'000	Foreign exchange translation reserve RM'000	AFS reserve RM'000	Revaluation reserve RM'000	Retained profits brought forward RM'000	Net profit for the year RM'000	
At 1 April 2014	213,070	105,051	22,257	(12,080)	32,244	862,927	-	1,223,469
Total comprehensive income/(loss) for the year	-	-	3,449	(1,029)	531	-	42,276	45,227
At 30 June 2014	213,070	105,051	25,706	(13,109)	32,775	862,927	42,276	1,268,696

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the Annual Financial Statements for the year ended 31 March 2015*



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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015**

	<b>GROUP</b>	
	3 months ended 30 Jun 2015	3 months ended 30 Jun 2014
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Profit before surplus transfer, zakat and tax	46,652	58,109
Adjustments for:		
Net fair value losses/(gains) on financial assets at FVTPL	3,158	(1,180)
Impairment loss/(reversal of impairment loss) on AFS financial assets	2,187	(1,979)
Impairment loss/(reversal of impairment loss) on insurance/takaful receivables	10,689	(1,321)
Depreciation of property, plant and equipment	2,222	2,497
Amortisation of intangible assets	471	367
Loss/(gain) on disposal of property, plant and equipment	1	(5)
Increase/(decrease) in gross premium and contribution liabilities	22,088	(7,624)
Interest/profit income	(46,883)	(42,901)
Dividend income	(3,774)	(4,409)
Rental income	(1,669)	(1,229)
Finance cost	4,677	4,436
Net gains on disposal of investments	(3,277)	(10,137)
Net amortisation of premiums/(accretion of discounts) on investments	510	(2,973)
Share of results of associates	(9,169)	(4,046)
Profit/(loss) from operations before changes in operating assets and liabilities	27,883	(12,395)
(Increase)/decrease in placements with licensed financial institutions, Islamic investment accounts and marketable securities	(114,637)	111,212
Net proceeds from disposal/(purchase) of investments	23,057	(192,205)
Decrease in staff loans	509	8
(Increase)/decrease in insurance/takaful receivables	(38,611)	25,579
Increase in other receivables	(12,812)	(87,700)
Increase in gross claim and actuarial liabilities	128,993	46,894
Increase in expense liabilities	3,701	67
(Decrease)/increase in participants' funds	(39,601)	25,757
(Decrease)/increase in insurance/takaful payables	(31,281)	15,870
Increase in other payables	81,142	141,880
Taxes and zakat paid	(17,733)	(28,810)
Interest/profit received	50,570	61,302
Dividend received	3,060	3,807
Rental received	1,494	1,248
Increase in reinsurance/retakaful assets	(65,706)	(46,525)
Net cash generated from operating activities	28	65,989



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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015**

	<b>GROUP</b>	
	3 months ended 30 Jun 2015	3 months ended 30 Jun 2014
	RM'000	RM'000
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,830)	(743)
Purchase of intangible assets	(842)	(100)
Proceeds from disposal of intangible assets	18	-
Proceeds from disposal of property, plant and equipment	1,406	11
Net cash used in investing activities	(1,248)	(832)
<b>CASH FLOWS USED IN FINANCING ACTIVITY</b>		
Finance cost paid	(4,531)	(4,436)
Net cash used in financing activity	(4,531)	(4,436)
<b>CASH AND BANK BALANCES</b>		
Net (decrease)/increase during the period	(5,751)	60,721
At the beginning of the period	82,702	36,644
<b>At the end of the period</b>	<b>76,951</b>	<b>97,365</b>

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the Annual Financial Statements for the year ended 31 March 2015*



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**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015**  
*(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 year ended 31 March 2015.

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 2015 except for the adoption of the following amendments to accounting standard and annual improvements to Malaysian Financial Reporting Standards ("MFRSs") issued by MASB that are effective for the Group's financial year beginning 1 April 2015:

Amendments to MFRS 119 *Defined Benefit Plans: Employee Contributions*

Annual Improvements to MFRS 2010 - 2012 Cycle

Annual Improvements to MFRS 2011 - 2013 Cycle

The adoption of the above amendments to accounting standard and annual improvements to MFRSs does not have any material financial 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 2015 was not subject to any qualification.

**A3. Seasonal or cyclical factors**

During the financial period ended 30 June 2015, the operations of the Group were not materially affected by any seasonal factors. With regard to cyclical factors, the performance of the Group is directly correlated with the industry cycle and the economic performance of the countries in which the Group has business dealings with.

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the financial period ended 30 June 2015.

**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.





**MNRB HOLDINGS BERHAD (13487-A)**  
**INTERIM FINANCIAL REPORT**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015**  
*(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 June 2015.

**A8. Segmental reporting**

Financial period ended 30 June 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	258	383,030	250,807	10,107	-	644,202
Inter-segment	7,742	857	56	110	(8,765)	-
	8,000	383,887	250,863	10,217	(8,765)	644,202
<b>Results</b>						
<b>Segment results</b>	<b>(5,298)</b>	<b>33,228</b>	<b>(35,268)</b>	<b>5,220</b>	-	<b>(2,118)</b>
Share of results of associates	192	8,977	-	-	-	9,169
<b>Operating (loss)/profit before surplus attributable to takaful participants, zakat and taxation</b>	<b>(5,106)</b>	<b>42,205</b>	<b>(35,268)</b>	<b>5,220</b>	-	<b>7,051</b>
Surplus attributable to takaful participants	-	-	39,601	-	-	39,601
<b>Operating (loss)/profit before zakat and taxation</b>	<b>(5,106)</b>	<b>42,205</b>	<b>4,333</b>	<b>5,220</b>	-	<b>46,652</b>
Zakat and taxation	1,071	(8,296)	(1,391)	-	-	(8,616)
<b>Net (loss)/profit for the period attributable to equity holders of the Parent</b>	<b>(4,035)</b>	<b>33,909</b>	<b>2,942</b>	<b>5,220</b>	-	<b>38,036</b>

Financial period ended 30 June 2014

	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	200	332,498	234,677	10,660	-	578,035
Inter-segment	8,645	2,954	357	6,306	(18,262)	-
	8,845	335,452	235,034	16,966	(18,262)	578,035
<b>Results</b>						
<b>Segment results</b>	<b>(4,111)</b>	<b>53,983</b>	<b>43,037</b>	<b>(1,113)</b>	-	<b>91,796</b>
Share of results of associates	(264)	4,310	-	-	-	4,046
<b>Operating (loss)/profit before surplus attributable to takaful participants, zakat and taxation</b>	<b>(4,375)</b>	<b>58,293</b>	<b>43,037</b>	<b>(1,113)</b>	-	<b>95,842</b>
Surplus attributable to takaful participants	-	-	(37,733)	-	-	(37,733)
<b>Operating (loss)/profit before zakat and taxation</b>	<b>(4,375)</b>	<b>58,293</b>	<b>5,304</b>	<b>(1,113)</b>	-	<b>58,109</b>
Zakat and taxation	(372)	(13,557)	(1,904)	-	-	(15,833)
<b>Net (loss)/profit for the period attributable to equity holders of the Parent</b>	<b>(4,747)</b>	<b>44,736</b>	<b>3,400</b>	<b>(1,113)</b>	-	<b>42,276</b>



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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 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 2015.

**A10. Significant events**

The Company, in the previous financial year, had made disclosures on the tax matters in regard to the Company's takaful subsidiary, Takaful IKHLAS Berhad ("Takaful IKHLAS"). Takaful IKHLAS is still pursuing this matter with the Inland Revenue Board ("IRB").

There were no other significant events during the current financial period ended 30 June 2015.

**A11. Subsequent events**

There were no significant subsequent events from 30 June 2015 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 June 2015.

**A13. Capital Commitments**

The amount of capital commitments of the Group as at 30 June 2015 were as follows:

Authorised and contracted for:

- Tangible assets
- Intangible assets\*

**RM'000**

1,420

2,881

4,301

\* Relating to purchases and enhancement of computer systems.



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*(The figures have not been audited)*

**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 June 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
<b>Assets</b>							
Property, plant and equipment	129,422	-	-	-	-	-	129,422
Investment properties	7,100	-	106,922	-	-	-	114,022
Intangible assets	14,980	-	-	-	-	-	14,980
Deferred tax assets	9,349	2,100	-	104	-	(1,076)	10,477
Investment in subsidiaries	843,705	-	-	-	-	(843,705)	-
Investment in associates	77,614	-	-	-	-	44,525	122,139
Financial assets:							
Financial assets at fair value through profit or loss ("FVTPL")	789	653	127,394	296	8	-	129,140
Held-to-maturity ("HTM") investments Available-for-sale ("AFS") financial assets	261,433	71,918	337,112	19,203	12,463	-	702,129
Loans and receivables ("LAR")	1,517,298	187,921	1,075,385	29,019	18,613	(307,685)	2,520,551
Reinsurance/retakaful assets	1,161,510	71,048	560,780	36,758	4,782	209,026	2,043,904
Insurance/takaful receivables	263,809	148,250	36,196	28,087	6,615	-	482,957
Tax recoverable	237,653	17,049	68,770	14,408	-	-	337,880
Cash and bank balances	26,630	-	-	8	5	(13)	26,630
<b>Total assets</b>	<b>4,574,536</b>	<b>509,202</b>	<b>2,355,850</b>	<b>128,028</b>	<b>42,494</b>	<b>(898,928)</b>	<b>6,711,182</b>
<b>Liabilities and Participants' funds</b>							
Participants' funds	-	49,834	191,663	7,408	694	(8,102)	241,497
Borrowings	320,000	-	-	-	-	-	320,000
Insurance/takaful contract liabilities	1,869,275	378,522	1,993,911	100,873	24,075	(10,000)	4,356,656
Insurance/takaful payables	72,171	20,252	35,906	9,451	6,403	-	144,183
Other payables	117,580	54,037	132,033	10,296	11,320	(73,463)	251,803
Deferred tax liabilities	2,263	-	1,820	-	2	(1,820)	2,265
Provision for taxation	3,289	6,557	517	-	-	(13)	10,350
Provision for zakat	936	-	-	-	-	-	936
<b>Total liabilities and participants' funds</b>	<b>2,385,514</b>	<b>509,202</b>	<b>2,355,850</b>	<b>128,028</b>	<b>42,494</b>	<b>(93,398)</b>	<b>5,327,690</b>
<b>Equity</b>							
Share capital	1,126,570	-	-	-	-	(913,500)	213,070
Reserves	1,062,452	-	-	-	-	107,970	1,170,422
<b>Total equity attributable to equity holders of the Parent</b>	<b>2,189,022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(805,530)</b>	<b>1,383,492</b>
<b>Total liabilities, participants' funds and equity</b>	<b>4,574,536</b>	<b>509,202</b>	<b>2,355,850</b>	<b>128,028</b>	<b>42,494</b>	<b>(898,928)</b>	<b>6,711,182</b>



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*(The figures have not been audited)*

**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 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
<b>Assets</b>							
Property, plant and equipment	130,573	-	-	-	-	106,922	237,495
Investment properties	7,100	-	106,922	-	-	(106,922)	7,100
Intangible assets	14,632	-	-	-	-	-	14,632
Deferred tax assets	7,835	-	-	95	-	3,554	11,484
Investment in subsidiaries	843,705	-	-	-	-	(843,705)	-
Investment in associates	77,615	-	-	-	-	32,952	110,567
Financial assets:							
Financial assets at fair value through profit or loss ("FVTPL")	886	724	135,972	341	11	-	137,934
Held-to-maturity ("HTM") investments	281,578	71,941	337,163	19,211	12,463	-	722,356
Available-for-sale ("AFS") financial assets	1,532,603	173,158	1,084,084	30,075	18,661	(307,865)	2,530,716
Loans and receivables ("LAR")	1,131,858	73,782	469,808	38,710	3,748	200,032	1,917,938
Reinsurance/retakaful assets	196,676	111,633	30,216	28,868	7,260	-	374,653
Insurance/takaful receivables	218,963	29,296	44,233	14,825	2,642	(6,041)	303,918
Tax recoverable	24,856	-	360	-	-	-	25,216
Cash and bank balances	16,044	24,116	42,523	9	10	-	82,702
<b>Total assets</b>	<b>4,484,924</b>	<b>484,650</b>	<b>2,251,281</b>	<b>132,134</b>	<b>44,795</b>	<b>(921,073)</b>	<b>6,476,711</b>
<b>Liabilities and Participants' funds</b>							
Participants' funds	-	55,340	232,291	3,173	-	(4,078)	286,726
Borrowings	320,000	-	-	-	-	-	320,000
Insurance/takaful contract liabilities	1,792,782	336,180	1,903,014	108,532	28,770	(10,000)	4,159,278
Insurance/takaful payables	105,713	21,797	32,131	10,273	5,551	(6,041)	169,424
Other payables	84,021	66,919	81,750	10,156	10,465	(82,504)	170,807
Deferred tax liabilities	1,470	420	2,095	-	9	3,682	7,676
Provision for taxation	8,461	3,994	-	-	-	-	12,455
Provision for zakat	871	-	-	-	-	-	871
<b>Total liabilities and participants' funds</b>	<b>2,313,318</b>	<b>484,650</b>	<b>2,251,281</b>	<b>132,134</b>	<b>44,795</b>	<b>(98,941)</b>	<b>5,127,237</b>
<b>Equity</b>							
Share capital	1,126,570	-	-	-	-	(913,500)	213,070
Reserves	1,045,036	-	-	-	-	91,368	1,136,404
<b>Total equity attributable to equity holders of the Parent</b>	<b>2,171,606</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(822,132)</b>	<b>1,349,474</b>
<b>Total liabilities, participants' funds and equity</b>	<b>4,484,924</b>	<b>484,650</b>	<b>2,251,281</b>	<b>132,134</b>	<b>44,795</b>	<b>(921,073)</b>	<b>6,476,711</b>



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

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

**(i) 3 months ended 30 June 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	332,873	61,674	165,650	6,532	2,379	(730)	568,378
Premiums/contributions ceded to reinsurers and retakaful operators	(35,059)	(21,587)	(35,256)	(586)	(1,072)	538	(93,022)
<b>Net earned premiums/contributions</b>	<b>297,814</b>	<b>40,087</b>	<b>130,394</b>	<b>5,946</b>	<b>1,307</b>	<b>(192)</b>	<b>475,356</b>
Investment income	28,729	2,941	20,053	789	333	(1,673)	51,172
Realised gains and losses	554	123	2,591	8	-	-	3,276
Fair value gains and losses	(1,894)	(364)	(3,007)	(57)	(23)	-	(5,345)
Fee and commission income	81,925	5,842	-	33	20	(78,144)	9,676
Other operating revenue	4,354	-	-	105	(11)	(605)	3,843
<b>Other revenue</b>	<b>113,668</b>	<b>8,542</b>	<b>19,637</b>	<b>878</b>	<b>319</b>	<b>(80,422)</b>	<b>62,622</b>
Gross claims and benefit paid	(196,242)	(27,646)	(55,692)	(8,602)	(6,597)	2,573	(292,206)
Claims ceded to reinsurers/retakaful operators	2,266	12,089	7,596	1,375	2,006	(2,573)	22,759
Gross change in contract liabilities	(27,730)	(20,456)	(90,897)	7,719	4,696	-	(126,668)
Change in contract liabilities ceded to reinsurers/retakaful operators	30,735	12,358	5,980	(745)	(645)	-	47,683
<b>Net claims and benefits</b>	<b>(190,971)</b>	<b>(23,655)</b>	<b>(133,013)</b>	<b>(253)</b>	<b>(540)</b>	<b>-</b>	<b>(348,432)</b>
Fee and commission expenses	(116,342)	(18,260)	(46,860)	(1,836)	(372)	66,340	(117,330)
Management expenses	(62,434)	(915)	(3,743)	-	-	13,085	(54,007)
Finance cost	(4,677)	-	-	-	-	-	(4,677)
Other operating expenses	(854)	(3,935)	(4,722)	(471)	3	594	(9,385)
Changes in expenses liabilities	(3,702)	-	-	-	-	-	(3,702)
Tax borne by participants	-	(960)	(1,603)	-	-	-	(2,563)
<b>Other expenses</b>	<b>(188,009)</b>	<b>(24,070)</b>	<b>(56,928)</b>	<b>(2,307)</b>	<b>(369)</b>	<b>80,019</b>	<b>(191,664)</b>
Share of results of associates	-	-	-	-	-	9,169	9,169
<b>Operating profit/(loss) before surplus attributable to takaful participants, zakat and taxation</b>	<b>32,502</b>	<b>904</b>	<b>(39,910)</b>	<b>4,264</b>	<b>717</b>	<b>8,574</b>	<b>7,051</b>
Surplus attributable to takaful participants	-	(904)	39,910	-	-	595	39,601
<b>Operating profit/(loss) before zakat and taxation</b>	<b>32,502</b>	<b>-</b>	<b>-</b>	<b>4,264</b>	<b>717</b>	<b>9,169</b>	<b>46,652</b>
Zakat	(250)	-	-	-	-	-	(250)
Taxation	(8,366)	-	-	-	-	-	(8,366)
<b>Net profit/(loss) for the period attributable to equity holders of the Parent</b>	<b>23,886</b>	<b>-</b>	<b>-</b>	<b>4,264</b>	<b>717</b>	<b>9,169</b>	<b>38,036</b>



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

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

**(ii) 3 months ended 30 June 2014**

	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	320,936	56,351	144,404	11,803	6,040	(10,000)	529,534
Premiums/contributions ceded to reinsurers and retakaful operators	(24,948)	(20,731)	(20,757)	(2,183)	(1,323)	8,940	(61,002)
<b>Net earned premiums/contributions</b>	<b>295,988</b>	<b>35,620</b>	<b>123,647</b>	<b>9,620</b>	<b>4,717</b>	<b>(1,060)</b>	<b>468,532</b>
Investment income	26,138	3,094	22,796	919	177	(1,385)	51,739
Realised gains and losses	6,158	512	3,370	86	16	-	10,142
Fair value gains and losses	1,979	(27)	1,210	-	(2)	-	3,160
Fee and commission income	79,333	5,107	-	232	309	(77,595)	7,386
Other operating revenue	2,251	285	652	120	(20)	(163)	3,125
<b>Other revenue</b>	<b>115,859</b>	<b>8,971</b>	<b>28,028</b>	<b>1,357</b>	<b>480</b>	<b>(79,143)</b>	<b>75,552</b>
Gross claims and benefit paid	(187,287)	(26,791)	(61,598)	(4,978)	(8,231)	7,313	(281,572)
Claims ceded to reinsurers/retakaful operators	14,700	10,411	8,304	259	1,280	(7,313)	27,641
Gross change in contract liabilities	(36,482)	(850)	(30,711)	(10,309)	(139)	-	(78,491)
Change in contract liabilities ceded to reinsurers/retakaful	31,855	(5,581)	19,010	2,757	5,828	-	53,869
<b>Net claims and benefits</b>	<b>(177,214)</b>	<b>(22,811)</b>	<b>(64,995)</b>	<b>(12,271)</b>	<b>(1,262)</b>	<b>-</b>	<b>(278,553)</b>
Fee and commission expense	(113,155)	(17,836)	(46,883)	(2,666)	(1,263)	66,675	(115,128)
Management expenses	(58,836)	(665)	(1,266)	-	-	11,343	(49,424)
Finance cost	(4,436)	-	-	-	-	-	(4,436)
Other operating expenses	(2,714)	-	-	(72)	-	1,606	(1,180)
Changes in expenses liabilities	(67)	-	-	-	-	-	(67)
Tax borne by participants	-	(812)	(2,688)	-	-	-	(3,500)
<b>Other expenses</b>	<b>(179,208)</b>	<b>(19,313)</b>	<b>(50,837)</b>	<b>(2,738)</b>	<b>(1,263)</b>	<b>79,624</b>	<b>(173,735)</b>
Share of results of associates	-	-	-	-	-	4,046	4,046
<b>Operating profit/(loss) before surplus attributable to takaful participants, zakat and taxation</b>	<b>55,425</b>	<b>2,467</b>	<b>35,843</b>	<b>(4,032)</b>	<b>2,672</b>	<b>3,467</b>	<b>95,842</b>
Surplus attributable to takaful participants	-	(2,467)	(35,843)	-	-	577	(37,733)
<b>Operating profit/(loss) before zakat and taxation</b>	<b>55,425</b>	<b>-</b>	<b>-</b>	<b>(4,032)</b>	<b>2,672</b>	<b>4,044</b>	<b>58,109</b>
Zakat	(150)	-	-	-	-	-	(150)
Taxation	(15,683)	-	-	-	-	-	(15,683)
<b>Net profit/(loss) for the period attributable to equity holders of the Parent</b>	<b>39,592</b>	<b>-</b>	<b>-</b>	<b>(4,032)</b>	<b>2,672</b>	<b>4,044</b>	<b>42,276</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 June 2015, the Group recorded a revenue of RM644.2 million, 11.5% increase as compared to the RM578.0 million reported in the corresponding period last year. The higher revenue was a result of the increase in gross premiums and contributions by the Company's reinsurance and takaful subsidiaries respectively.

The Group's net profit for the current period was RM38.0 million, 10.2% lower than the RM42.3 million reported in the corresponding period last year mainly due to several large losses reported during the period which impacted the results of the Company's reinsurance subsidiary.

Investment holding

The revenue for the period ended 30 June 2015 of RM8.0 million was lower by RM0.8 million or 9.6% as compared to RM8.8 million reported in the corresponding period last year.

There was a lower net loss reported of RM4.0 million as compared to RM4.7 million in the corresponding period last year.

Reinsurance business

The reinsurance business reported RM383.9 million in revenue for the period ended 30 June 2015, an increase of 14.4% from RM335.5 million last year. The increase was mainly due to the higher gross premiums from international business.

The net profit for the period ended 30 June 2015 was lower by 24.2% from RM44.7 million to RM33.9 million as a result of several large losses reported during the year.

Takaful business

The revenue for takaful business for the period ended 30 June 2015 increased by 6.7% from RM235.0 million to RM250.9 million. This was mainly due to the increase in gross contributions of the family and general takaful businesses.

The net profit for the period ended 30 June 2015 was lower by 13.5% from RM3.4 million to RM2.9 million mainly due to the higher increase in provision for actuarial liabilities.

Retakaful business

The revenue for retakaful business for the period ended 30 June 2015 was lower by 39.8% from RM17.0 million to RM10.2 million, consistent with the efforts to consolidate its business portfolio.

The retakaful business recorded a profit of RM5.2 million in the current period as compared to a loss of RM1.1 million in the corresponding period last year mainly due to the release in claim liabilities and actuarial reserves of the general and family retakaful businesses.



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

The Group recorded a net profit of RM38.0 million in the current quarter as compared to a net profit of RM76.9 million in the preceding quarter mainly due to several large losses reported during the period which affected the Company's reinsurance subsidiary.

**B3. Current year prospects**

The Group is expected to achieve satisfactory results for the financial year ending 31 March 2016.

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

There was no profit forecast issued by the Group during the financial period ended 30 June 2015.

**B5. Taxation**

	<b>GROUP</b>			
	<b>Individual Period</b>		<b>Cumulative Period</b>	
	<b>3 months ended 30 Jun 2015 RM'000</b>	<b>3 months ended 30 Jun 2014 RM'000</b>	<b>3 months ended 30 Jun 2015 RM'000</b>	<b>3 months ended 30 Jun 2014 RM'000</b>
Operating profit before zakat and tax	46,652	58,109	46,652	58,109
Current tax	(7,776)	(15,451)	(7,776)	(15,451)
Deferred tax	(590)	(232)	(590)	(232)
Zakat	(8,366)	(15,683)	(8,366)	(15,683)
	(250)	(150)	(250)	(150)
	(8,616)	(15,833)	(8,616)	(15,833)
Net profit	38,036	42,276	38,036	42,276
Effective tax rate	17.9%	27.0%	17.9%	27.0%

The effective tax rate for the 3 months ended 30 June 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 the business losses carried forward.

The effective tax rate for the 3 months ended 30 June 2014 was higher than the statutory tax rate of 25% principally due to the capital expenditure incurred by the shareholder's fund of the takaful subsidiary in which no capital allowance can be claimed.

**B6. Status of corporate proposals**

The Company, in the previous quarter, had announced that the Company's reinsurance subsidiary, Malaysian Re, had been granted an approval from Bank Negara Malaysia, vide its letter dated 16 April 2015, to conduct General and Family retakaful business under Section 10 of the Islamic Financial Services Act 2013 (IFSA) via the establishment of a retakaful division. Following this, the MNRB Group plans to undertake an internal restructuring exercise for its retakaful business, the details of which will be announced at a later date.

There was 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 June 2015 were as follows:

	<b>GROUP 30 Jun 2015 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 2016.

**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.

	<b>GROUP</b>			
	<b>Individual Period</b>		<b>Cumulative Period</b>	
	<b>3 months ended 30 Jun 2015</b>	<b>3 months ended 30 Jun 2014</b>	<b>3 months ended 30 Jun 2015</b>	<b>3 months ended 30 Jun 2014</b>
Net profit for the period (RM'000)	38,036	42,276	38,036	42,276
Number of ordinary shares in issue ('000)	213,070	213,070	213,070	213,070
Basic earnings per share (sen)	17.9	19.8	17.9	19.8

The Group has no potential dilutive ordinary shares in issue as at the end of the period and therefore, diluted earnings or loss 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 Jun 2015 RM'000</b>	<b>3 months ended 30 Jun 2014 RM'000</b>	<b>3 months ended 30 Jun 2015 RM'000</b>	<b>3 months ended 30 Jun 2014 RM'000</b>
Interest/profit income	46,883	42,901	46,883	42,901
Dividend income	3,774	4,409	3,774	4,409
Rental income	1,669	1,229	1,669	1,229
Finance cost	(4,677)	(4,436)	(4,677)	(4,436)
Net gain on disposal of investments	3,277	10,137	3,277	10,137
Depreciation and amortisation	(2,693)	(2,864)	(2,693)	(2,864)
(Impairment loss)/reversal of impairment loss on insurance/takaful receivables	(10,689)	1,321	(10,689)	1,321
(Impairment loss)/reversal of impairment loss on investments	(2,187)	1,979	(2,187)	1,979

Other than the above, there were no gain or loss on derivatives and exceptional items reported during the period ended 30 June 2015.

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**PART B – ADDITIONAL INFORMATION REQUIRED BY THE  
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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 June 2015, into realised and unrealised profits, was as follows:

	<b>GROUP</b>	
	<b>30 Jun 2015</b>	<b>31 Mar 2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained profits of the Group:		
Realised	1,034,113	997,424
Unrealised	3,158	4,913
	<b>1,037,271</b>	<b>1,002,337</b>
Share of realised retained profits/(accumulated losses) from associated companies	5,713	(3,456)
	<b>1,042,984</b>	<b>998,881</b>
Less: Consolidation adjustments	(38,029)	(31,962)
Total retained profits per the statement of changes in equity	<b>1,004,955</b>	<b>966,919</b>

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: 26 August 2015**