



Bursa Announcement

First Quarter Ended 30 June 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 JUNE 2016

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 30 Jun 2016	3 months ended 30 Jun 2015	3 months ended 30 Jun 2016	3 months ended 30 Jun 2015
	RM'000	RM'000	RM'000	RM'000
Gross earned premiums/contributions	539,219	568,378	539,219	568,378
Premiums/contributions ceded to reinsurers and retakaful operators	(74,805)	(93,022)	(74,805)	(93,022)
Net earned premiums/contributions	464,414	475,356	464,414	475,356
Investment income	56,606	51,172	56,606	51,172
Realised gains and losses	2,809	3,276	2,809	3,276
Fair value gains and losses	(6,670)	(5,345)	(6,670)	(5,345)
Fee and commission income	9,839	9,676	9,839	9,676
Other operating revenue	13,705	3,843	13,705	3,843
Other revenue	76,289	62,622	76,289	62,622
Gross claims and benefits paid	(297,529)	(292,206)	(297,529)	(292,206)
Claims ceded to reinsurers/retakaful operators	36,388	22,759	36,388	22,759
Gross change in contract liabilities	(68,978)	(126,668)	(68,978)	(126,668)
Change in contract liabilities ceded to reinsurers/retakaful operators	(12,252)	47,683	(12,252)	47,683
Net claims and benefits	(342,371)	(348,432)	(342,371)	(348,432)
Fee and commission expense	(116,524)	(117,330)	(116,524)	(117,330)
Management expenses	(55,464)	(54,007)	(55,464)	(54,007)
Finance cost	(4,581)	(4,677)	(4,581)	(4,677)
Other operating expenses	(2,453)	(9,385)	(2,453)	(9,385)
Change in expenses liabilities	934	(3,702)	934	(3,702)
Tax borne by participants	(3,535)	(2,563)	(3,535)	(2,563)
Other expenses	(181,623)	(191,664)	(181,623)	(191,664)
Share of results of associates	5,470	9,169	5,470	9,169
Operating profit before surplus attributable to takaful participants, zakat and taxation	22,179	7,051	22,179	7,051
Deficit attributable to takaful participants	13,830	39,601	13,830	39,601
Operating profit before zakat and taxation	36,009	46,652	36,009	46,652
Zakat	(255)	(250)	(255)	(250)
Taxation	(4,808)	(8,366)	(4,808)	(8,366)
Net profit for the period attributable to equity holders of the Company	30,946	38,036	30,946	38,036
Basic earnings per share attributable to equity holders of the Company (sen):	14.5	17.9	14.5	17.9

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 JUNE 2016

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 30 Jun 2016	3 months ended 30 Jun 2015	3 months ended 30 Jun 2016	3 months ended 30 Jun 2015
	RM'000	RM'000	RM'000	RM'000
Net profit for the period	30,946	38,036	30,946	38,036
<u>Other comprehensive income/(losses):</u>				
Other comprehensive income/(losses) to be reclassified to income statement in subsequent periods:				
Effects of post acquisition foreign exchange translation reserve on investment in associate	3,235	2,529	3,235	2,529
Effects of foreign exchange translation reserve on investment in subsidiary	624	(780)	624	(780)
Net gain/(loss) on AFS financial assets:				
Net gain/(loss) on fair value changes	5,550	(6,019)	5,550	(6,019)
Realised gain transferred to income statement	(3,026)	(3,343)	(3,026)	(3,343)
Deferred tax relating to net (gain)/loss on AFS financial assets	(49)	1,721	(49)	1,721
Other comprehensive (income)/losses attributable to participants	(1,627)	1,874	(1,627)	1,874
Other comprehensive income not to be reclassified to income statement in subsequent periods:				
Revaluation of land and buildings	659	595	659	595
Deferred tax relating to revaluation of land and buildings	(53)	(48)	(53)	(48)
Other comprehensive income attributable to participants	(606)	(547)	(606)	(547)
Total comprehensive income for the period	35,653	34,018	35,653	34,018

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 FINANCIAL POSITION AS AT 30 JUNE 2016

	GROUP	
	Unaudited 30 Jun 2016 RM'000	Audited 31 Mar 2015 RM'000
Assets		
Property, plant and equipment	246,021	247,497
Investment properties	7,400	7,400
Intangible assets	14,243	14,824
Deferred tax assets	9,647	15,551
Investment in associates	137,225	128,521
Financial assets:		
Financial assets at fair value through profit or loss ("FVTPL")	130,570	129,096
Held-to-maturity ("HTM") investments	701,195	701,430
Available-for-sale ("AFS") financial assets	2,897,186	2,744,399
Loans and receivables ("LAR")	2,067,491	2,060,905
Reinsurance/retakaful assets	488,531	497,180
Insurance/takaful receivables	343,261	357,012
Tax recoverable	25,205	26,592
Cash and bank balances	117,214	177,313
Total assets	7,185,189	7,107,720
Liabilities and Participants' funds		
Participants' funds	189,570	201,186
Borrowings	320,000	320,000
Insurance/takaful contract liabilities	4,923,193	4,847,518
Insurance/takaful payables	135,231	199,285
Other payables	241,890	194,004
Deferred tax liabilities	2,468	10,791
Provision for taxation	2,247	4,614
Provision for zakat	4,757	142
Total liabilities and participants' funds	5,819,356	5,777,540
Equity		
Share capital	213,070	213,070
Reserves	1,152,763	1,117,110
Total equity attributable to equity holders of the Company	1,365,833	1,330,180
Total liabilities, participants' funds and equity	7,185,189	7,107,720
Net assets per share (RM)	6.41	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)
INTERIM FINANCIAL REPORT
(The figures have not been audited)

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

	GROUP								
	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	-	-	3,859	848	-	-	30,946	35,653	
At 30 June 2016	213,070	105,051	42,635	4,375	41,666	928,090	30,946	1,365,833	

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

	GROUP								
	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	22,257	(12,080)	32,244	862,927	-	1,223,469	
Total comprehensive income/(loss) for the period	-	-	3,449	(1,029)	531	-	42,276	45,227	
At 30 June 2015	213,070	105,051	25,706	(13,109)	32,775	862,927	42,276	1,268,696	

*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 CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016

	GROUP	
	3 months ended 30 Jun 2016	3 months ended 30 Jun 2015
	RM'000	RM'000
Cash flows from operating activities		
Profit before surplus transfer, zakat and tax	36,009	46,652
Adjustments for:		
Net fair value losses on financial assets at FVTPL	3,260	3,158
Impairment loss on AFS financial assets	3,410	2,187
(Reversal of impairment loss)/impairment loss on insurance/takaful receivables	(5,477)	10,689
Depreciation of property, plant and equipment	2,300	2,222
Amortisation of intangible assets	662	471
(Gains)/losses on disposal of property, plant and equipment	(2)	1
Increase in gross premium and contribution liabilities	7,631	22,088
Interest/profit income	(49,997)	(46,883)
Dividend income	(6,323)	(3,774)
Rental income	(1,813)	(1,669)
Finance cost	4,581	4,677
Net gains on disposal of investments	(2,807)	(3,277)
Net amortisation of premiums on investments	1,066	510
Share of results of associates	(5,470)	(9,169)
(Loss)/profit from operations before changes in operating assets and liabilities	(12,970)	27,883
Increase in placements with licensed financial institutions, Islamic investment accounts and marketable securities	(287,483)	(114,638)
Net proceeds from disposal of investments	143,168	23,057
Decrease in staff loans	542	509
Decrease/(increase) in insurance/takaful receivables	20,816	(38,611)
Increase in other receivables	(27,684)	(12,812)
Increase in gross claim and actuarial liabilities	68,978	128,993
(Decrease)/increase in expense liabilities	(934)	3,702
Decrease in participants' funds	(13,830)	(39,601)
Decrease in insurance/takaful payables	(64,054)	(31,281)
Increase in other payables	47,886	81,142
Taxes and zakat paid	(7,488)	(17,733)
Interest/profit received	63,056	50,570
Dividend received	5,570	3,060
Rental received	1,709	1,494
Decrease/(increase) in reinsurance/retakaful assets	8,649	(65,706)
Net cash (used in)/generated from operating activities	(54,069)	28



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

	GROUP	
	3 months ended 30 Jun 2016	3 months ended 30 Jun 2015
	RM'000	RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(38)	(1,830)
Purchase of intangible assets	(1,942)	(842)
Proceeds from disposal of intangible assets	-	18
Proceeds from disposal of property, plant and equipment	525	1,406
Net cash used in investing activities	(1,455)	(1,248)
Cash flows from financing activities		
Finance cost paid	(4,575)	(4,531)
Net cash used in financing activities	(4,575)	(4,531)
Cash and bank balances		
Net decrease during the period	(60,099)	(5,751)
At the beginning of the period	177,313	82,702
At the end of the period	117,214	76,951

*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
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016
(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 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 June 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 June 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 June 2016.

A8. Segmental reporting

Financial period ended 30 June 2016

	Investment Holding RM'000	Reinsurance Business RM'000	Takaful Business RM'000	Retakaful Business RM'000	Intra-Group Adjustments RM'000	Consolidated RM'000
Revenue						
External	1,004	368,657	230,812	5,259		605,732
Inter-segment	7,715	476	-	-	(8,191)	-
	8,719	369,133	230,812	5,259	(8,191)	605,732
Results						
Segment results	(4,603)	16,589	(9,913)	14,637	-	16,710
Share of results of associates	49	5,420	-	-	-	5,469
Operating (loss)/profit before surplus attributable to takaful participants, zakat and taxation	(4,554)	22,009	(9,913)	14,637	-	22,179
Deficit attributable to takaful participants	-	-	13,830	-	-	13,830
Operating (loss)/profit before zakat and taxation	(4,554)	22,009	3,917	14,637	-	36,009
Zakat and taxation	468	(3,906)	(1,719)	94	-	(5,063)
Net (loss)/profit for the period attributable to equity holders of the Company	(4,086)	18,103	2,198	14,731	-	30,946

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
Revenue						
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
Results						
Segment results	(5,298)	33,228	(35,268)	5,220	-	(2,118)
Share of results of associates	192	8,977	-	-	-	9,169
Operating (loss)/profit before surplus attributable to takaful participants, zakat and taxation	(5,106)	42,205	(35,268)	5,220	-	7,051
Deficit attributable to takaful participants	-	-	39,601	-	-	39,601
Operating (loss)/profit before zakat and taxation	(5,106)	42,205	4,333	5,220	-	46,652
Zakat and taxation	1,071	(8,296)	(1,391)	-	-	(8,616)
Net (loss)/profit for the period attributable to equity holders of the Company	(4,035)	33,909	2,942	5,220	-	38,036



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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 2016.

A10. Significant events

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

A11. Subsequent events

There were no significant subsequent events from 30 June 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 June 2016.

A13. Capital Commitments

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

Authorised and contracted for:

- Intangible assets*

* Relating to purchases and enhancement of computer systems.

RM'000

4,869



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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 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
Assets							
Property, plant and equipment	130,363	-	-	-	-	115,658	246,021
Investment properties	7,400	-	115,658	-	-	(115,658)	7,400
Intangible assets	14,243	-	-	-	-	-	14,243
Deferred tax assets	9,378	2,211	-	127	-	(2,069)	9,647
Investment in subsidiaries	843,705	-	-	-	-	(843,705)	-
Investment in associates	77,614	-	-	-	-	59,611	137,225
Financial assets at fair value							
through profit or loss ("FVTPL")	809	714	128,767	272	8	-	130,570
Held-to-maturity ("HTM") investments	261,838	71,820	336,905	19,169	12,463	(1,000)	701,195
Available-for-sale ("AFS")							
financial assets	1,520,907	151,864	1,209,589	21,782	6,391	(13,347)	2,897,186
Loans and receivables ("LAR")	1,313,390	163,261	626,649	41,569	12,387	(89,765)	2,067,491
Reinsurance/retakaful assets	287,405	133,425	38,367	23,699	5,635	-	488,531
Insurance/takaful receivables	239,751	21,480	71,429	5,919	4,682	-	343,261
Tax recoverable	25,205	-	-	8	5	(13)	25,205
Cash and bank balances	47,476	13,737	55,921	39	41	-	117,214
Total assets	4,779,484	558,512	2,583,285	112,584	41,612	(890,288)	7,185,189
Liabilities and Participants' funds							
Participants' funds	-	98,195	92,523	9,453	1,261	(11,862)	189,570
Borrowings	321,000	-	-	-	-	(1,000)	320,000
Insurance/takaful contract liabilities	2,118,004	391,313	2,325,064	79,767	11,407	(2,362)	4,923,193
Insurance/takaful payables	50,954	22,424	43,488	11,038	7,327	-	135,231
Other payables	124,052	43,665	118,161	12,846	21,598	(78,432)	241,890
Deferred tax liabilities	2,449	-	1,724	-	19	(1,724)	2,468
Provision for taxation	2,260	-	-	-	-	(13)	2,247
Provision for zakat	(483)	2,915	2,325	-	-	-	4,757
Total liabilities and participants' funds	2,618,236	558,512	2,583,285	113,104	41,612	(95,393)	5,819,356
Equity							
Share capital	1,126,570	-	-	-	-	(913,500)	213,070
Reserves	1,034,678	-	-	(520)	-	118,605	1,152,763
Total equity attributable to equity holders of the Parent	2,161,248	-	-	(520)	-	(794,895)	1,365,833
Total liabilities, participants' funds and equity	4,779,484	558,512	2,583,285	112,584	41,612	(890,288)	7,185,189



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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
Assets							
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
Total assets	4,756,236	543,115	2,503,898	110,534	47,811	(853,874)	7,107,720
Liabilities and Participants' funds							
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
Total liabilities and participants' funds	2,622,399	543,115	2,503,898	110,534	47,811	(50,217)	5,777,540
Equity							
Share capital	1,126,570	-	-	-	-	(913,500)	213,070
Reserves	1,007,267	-	-	-	-	109,843	1,117,110
Total equity attributable to equity holders of the Parent	2,133,837	-	-	-	-	(803,657)	1,330,180
Total liabilities, participants' funds and equity	4,756,236	543,115	2,503,898	110,534	47,811	(853,874)	7,107,720



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INTERIM FINANCIAL REPORT
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(The figures have not been audited)

PART A – NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

A15. Unaudited Condensed Consolidated Income Statement by Insurance Funds

(i) 3 months ended 30 June 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	332,784	63,950	139,354	1,311	2,591	(771)	539,219
Premiums/contributions ceded to reinsurers and retakaful operators	(30,160)	(23,569)	(18,187)	(1,028)	(1,901)	40	(74,805)
Net earned premiums/contributions	302,624	40,381	121,167	283	690	(731)	464,414
Investment income	29,850	3,614	23,748	757	330	(1,693)	56,606
Realised gains and losses	1,402	325	1,082	-	-	-	2,809
Fair value gains and losses	(2,645)	(128)	(3,889)	(8)	-	-	(6,670)
Fee and commission income	73,150	5,828	-	6	-	(69,145)	9,839
Other operating revenue	22,605	-	7,358	955	1	(17,214)	13,705
Other revenue	124,362	9,639	28,299	1,710	331	(88,052)	76,289
Gross claims and benefit paid	(189,035)	(28,915)	(73,940)	(3,040)	(2,817)	218	(297,529)
Claims ceded to reinsurers/retakaful operators	13,543	11,391	9,800	92	1,780	(218)	36,388
Gross change in contract liabilities	(12,122)	(14,228)	(61,750)	7,361	992	10,769	(68,978)
Change in contract liabilities ceded to reinsurers/retakaful operators	(22,311)	6,457	5,269	(503)	(1,164)	-	(12,252)
Net claims and benefits	(209,925)	(25,295)	(120,621)	3,910	(1,209)	10,769	(342,371)
Fee and commission expenses	(116,005)	(16,851)	(43,322)	(624)	(92)	60,370	(116,524)
Management expenses	(64,166)	(733)	(1,093)	-	-	10,528	(55,464)
Finance cost	(4,594)	-	-	-	-	13	(4,581)
Other operating expenses	(1,912)	(1,207)	-	(540)	-	1,206	(2,453)
Changes in expenses liabilities	934	-	-	-	-	-	934
Tax borne by participants	-	(1,546)	(1,989)	-	-	-	(3,535)
Other expenses	(185,743)	(20,337)	(46,404)	(1,164)	(92)	72,117	(181,623)
Share of results of associates	-	-	-	-	-	5,470	5,470
Operating profit/(loss) before surplus attributable to takaful participants, zakat and taxation	31,318	4,388	(17,559)	4,739	(280)	(427)	22,179
(Surplus)/deficit attributable to takaful participants	-	(4,388)	17,559	(5,238)	-	5,897	13,830
Operating profit/(loss) before zakat and taxation	31,318	-	-	(499)	(280)	5,470	36,009
Zakat	(255)	-	-	-	-	-	(255)
Taxation	(4,889)	-	-	81	-	-	(4,808)
Net profit/(loss) for the period attributable to equity holders of the Parent	26,174	-	-	(418)	(280)	5,470	30,946



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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 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)
Net earned premiums/contributions	297,814	40,087	130,394	5,946	1,307	(192)	475,356
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
Other revenue	113,668	8,542	19,637	878	319	(80,422)	62,622
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	30,735	12,358	5,980	(745)	(645)	-	47,683
Net claims and benefits	(190,971)	(23,655)	(133,013)	(253)	(540)	-	(348,432)
Fee and commission expense	(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)
Other expenses	(188,009)	(24,070)	(56,928)	(2,307)	(369)	80,019	(191,664)
Share of results of associates	-	-	-	-	-	9,169	9,169
Operating profit/(loss) before surplus attributable to takaful participants, zakat and taxation	32,502	904	(39,910)	4,264	717	8,574	7,051
(Surplus)/deficit attributable to takaful participants	-	(904)	39,910	-	-	595	39,601
Operating profit/(loss) before zakat and taxation	32,502	-	-	4,264	717	9,169	46,652
Zakat	(250)	-	-	-	-	-	(250)
Taxation	(8,366)	-	-	-	-	-	(8,366)
Net profit/(loss) for the period attributable to equity holders of the Parent	23,886	-	-	4,264	717	9,169	38,036



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

B1. Review of performance

For the period ended 30 June 2016, the Group recorded a revenue of RM605.7 million, 6.0% decrease as compared to the RM644.2 million reported in the corresponding period last year. The lower revenue was a result of the decrease in gross premiums and contributions by the Company's reinsurance, retakaful and takaful subsidiaries.

The Group's net profit for the current period was RM30.9 million, 18.7% lower than the RM38.0 million reported in the corresponding period last year. This was mainly attributable to the Group's reinsurance business which was affected by higher claims.

Investment holding

The revenue for the period ended 30 June 2016 of RM8.7 million was higher by RM0.7 million or 9.0% as compared to RM8.0 million reported in the corresponding period last year.

The net loss reported for the period ended 30 June 2016 was RM4.1 million as compared to RM4.0 million in the corresponding period last year.

Reinsurance business

The revenue for reinsurance business for the period ended 30 June 2016 decreased by 3.8% from RM383.9 million to RM369.1 million. The decrease was mainly due to the lower gross premiums from international business.

The net profit for the period ended 30 June 2016 was lower by 46.6% from RM33.9 million to RM18.1 million as a result of higher claims and lower share of profit from an associate.

Takaful business

The revenue for takaful business for the period ended 30 June 2016 decreased by 8.0% from RM250.9 million to RM230.8 million. This was mainly due to the decrease in gross contributions of the family takaful business.

The net profit for the period ended 30 June 2016 was lower by 25.3% from RM2.9 million to RM2.2 million.

Retakaful business

The revenue for retakaful business for the period ended 30 June 2016 was lower by 48.5% from RM10.2 million to RM5.3 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 RM5.2 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 RM30.9 million in the current quarter as compared to a loss of RM21.5 million in the preceding quarter. The results of the preceding quarter included one-off adjustments made by the Company's takaful subsidiary.

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 June 2016.

B5. Taxation

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 30 Jun 2016 RM'000	3 months ended 30 Jun 2015 RM'000	3 months ended 30 Jun 2016 RM'000	3 months ended 30 Jun 2015 RM'000
Operating profit before zakat and tax	36,009	46,652	36,009	46,652
Current tax	(6,298)	(7,776)	(6,298)	(7,776)
Deferred tax	1,490	(590)	1,490	(590)
Zakat	(4,808) (255)	(8,366) (250)	(4,808) (255)	(8,366) (250)
	(5,063)	(8,616)	(5,063)	(8,616)
Net profit	30,946	38,036	30,946	38,036
Effective tax rate	13.4%	17.9%	13.4%	17.9%

The effective tax rates for the 3 months periods ended 30 June 2016 and 30 June 2015 were 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.

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 said corporate proposal is ongoing and subject to all relevant approvals being obtained, the proposal is expected to be completed by the end of year 2016.

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



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**PART B – ADDITIONAL INFORMATION REQUIRED BY THE
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B7. Borrowings and debt securities

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

	GROUP 30 Jun 2016 RM'000
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
	320,000

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 per share

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

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 30 Jun 2016	3 months ended 30 Jun 2015	3 months ended 30 Jun 2016	3 months ended 30 Jun 2015
Net profit for the period (RM'000)	30,946	38,036	30,946	38,036
Number of ordinary shares in issue ('000)	213,070	213,070	213,070	213,070
Basic earnings per share (sen)	14.5	17.9	14.5	17.9

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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**PART B – ADDITIONAL INFORMATION REQUIRED BY THE
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B12. Additional disclosures for the income statement

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 30 Jun 2016 RM'000	3 months ended 30 Jun 2015 RM'000	3 months ended 30 Jun 2016 RM'000	3 months ended 30 Jun 2015 RM'000
Interest/profit income	49,997	46,883	49,997	46,883
Dividend income	6,323	3,774	6,323	3,774
Rental income	1,813	1,669	1,813	1,669
Finance cost	(4,581)	(4,677)	(4,581)	(4,677)
Net gain on disposal of investments	2,807	3,277	2,807	3,277
Depreciation and amortisation	(2,962)	(2,693)	(2,962)	(2,693)
Reversal of impairment loss/(impairment loss) on insurance/takaful receivables	5,477	(10,689)	5,477	(10,689)
Impairment loss on investments	(3,410)	(2,187)	(3,410)	(2,187)

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

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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 2016, into realised and unrealised profits, was as follows:

	GROUP	
	30 Jun 2016 RM'000	31 Mar 2016 RM'000
Total retained profits of the Group:		
Realised	1,024,910	991,375
Unrealised	3,920	6,509
	1,028,830	997,884
Share of realised retained profits from associated companies	14,629	9,159
	1,043,459	1,007,043
Less: Consolidation adjustments	(84,423)	(78,953)
Total retained profits per the statement of changes in equity	959,036	928,090

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: 24 August 2016