



Bursa Announcement

Second Quarter Ended 30 September 2014



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

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2014

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 30 Sep 2014	3 months ended 30 Sep 2013	6 months ended 30 Sep 2014	6 months ended 30 Sep 2013
	RM'000	RM'000	RM'000	RM'000
Gross earned premiums/contributions	534,004	547,106	1,063,538	1,061,327
Premiums/contributions ceded to reinsurers and retakaful operators	(56,367)	(43,911)	(117,369)	(92,479)
Net earned premiums/contributions	477,637	503,195	946,169	968,848
Investment income	42,851	39,417	94,590	83,001
Realised gains and losses	(1,180)	4,914	8,962	10,961
Fair value gains and losses	2,039	(1,176)	5,199	1,221
Fee and commission income	9,218	5,914	16,604	11,545
Other operating revenue	(971)	3,322	2,154	5,621
Other revenue	51,957	52,391	127,509	112,349
Gross claims and benefits paid	(277,876)	(225,090)	(559,448)	(473,998)
Claims ceded to reinsurers/retakaful operators	39,435	3,704	67,076	55,092
Gross change in contract liabilities	67,031	(225,082)	(11,460)	(310,628)
Change in contract liabilities ceded to reinsurers/retakaful operators	(128,614)	120,223	(74,745)	125,418
Net claims and benefits	(300,024)	(326,245)	(578,577)	(604,116)
Fee and commission expense	(104,429)	(119,392)	(219,557)	(236,906)
Management expenses	(53,613)	(46,428)	(103,037)	(87,258)
Finance cost	(4,657)	(4,493)	(9,093)	(9,023)
Other operating expenses	(3,938)	(1,339)	(5,118)	(8,190)
Change in expenses liabilities	1,196	(1,792)	1,129	(1,894)
Tax borne by participants	(299)	(2,556)	(3,799)	(3,877)
Other expenses	(165,740)	(176,000)	(339,475)	(347,148)
Share of results of associates	(130)	846	3,916	3,081
Operating profit before surplus attributable to takaful participants, zakat and taxation	63,700	54,187	159,542	133,014
Surplus attributable to takaful participants	(23,740)	(9,428)	(61,473)	(38,039)
Operating profit before zakat and taxation	39,960	44,759	98,069	94,975
Zakat	(150)	(100)	(300)	(200)
Taxation	(11,329)	(15,976)	(27,012)	(27,496)
Net profit for the period attributable to equity holders of the Parent	28,481	28,683	70,757	67,279
Basic earnings per share attributable to equity holders of the Parent (sen):	13.4	13.5	33.2	31.6

The Condensed Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2014



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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2014

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 30 Sep 2014	3 months ended 30 Sep 2013	6 months ended 30 Sep 2014	6 months ended 30 Sep 2013
	RM'000	RM'000	RM'000	RM'000
Net profit for the period	28,481	28,683	70,757	67,279
<u>Other comprehensive income/(loss):</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	1,830	2,970	5,340	4,980
Effects of foreign exchange translation reserve on investment in subsidiary	75	189	14	350
Net gain/(loss) on AFS financial assets:				
Net gain/(loss) on fair value changes	19,983	(23,863)	24,769	(24,235)
Realised loss/(gain) transferred to income statement	3,716	(3,939)	(4,493)	(6,922)
Deferred tax relating to net (gain)/loss on AFS financial assets	(1,817)	1,400	(2,210)	2,021
Other comprehensive (income)/losses attributable to participants	(17,888)	14,853	(15,101)	15,959
Other comprehensive income not to be reclassified to income statement in subsequent periods:				
Revaluation of land and buildings	595	1,121	1,172	1,121
Deferred tax relating to revaluation of land and buildings	(48)	(90)	(94)	(90)
Total comprehensive income for the period	34,927	21,324	80,154	60,463

The Condensed Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2014



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 2014

	GROUP	
	Unaudited 30 Sep 2014 RM'000	Audited 31 Mar 2014 RM'000
Assets		
Property, plant and equipment	233,471	236,936
Investment properties	6,900	6,900
Intangible assets	16,125	14,519
Deferred tax assets	15,193	24,595
Investment in associates	105,308	96,053
Financial assets:		
Financial assets at fair value through profit or loss ("FVTPL")	127,478	139,478
Held-to-maturity ("HTM") investments	723,143	718,597
Available-for-sale ("AFS") financial assets	2,413,596	2,303,023
Loans and receivables ("LAR")	2,103,406	1,783,211
Reinsurance/retakaful assets	324,447	399,787
Insurance/takaful receivables	346,568	369,611
Tax recoverable	20,126	5,462
Cash and bank balances	93,636	36,644
Non-current asset held for sale	1,696	1,696
Total assets	6,531,093	6,136,512
Liabilities and Participants' funds		
Participants' funds	293,846	217,476
Borrowings	320,000	320,000
Insurance/takaful contract liabilities	4,007,852	4,012,263
Insurance/takaful payables	315,187	169,865
Other payables	252,969	157,393
Deferred tax liabilities	2,419	8,713
Provision for taxation	34,852	26,965
Provision for zakat	345	368
Total liabilities and participants' funds	5,227,470	4,913,043
Equity		
Share capital	213,070	213,070
Reserves	1,090,553	1,010,399
Total equity attributable to equity holders of the Company	1,303,623	1,223,469
Total liabilities, participants' funds and equity	6,531,093	6,136,512
Net assets per share (RM)	6.12	5.74

*The Condensed Financial Statements should be read in conjunction with
the Annual Financial Statements for the year ended 31 March 2014*



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

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

	GROUP							
	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 period RM'000	
At 1 April 2014	213,070	105,051	22,257	(12,080)	32,244	862,927	-	1,223,469
Total comprehensive income for the period	-	-	5,354	2,965	1,078	-	70,757	80,154
At 30 September 2014	213,070	105,051	27,611	(9,115)	33,322	862,927	70,757	1,303,623

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

	GROUP							
	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 period RM'000	
At 1 April 2013	213,070	105,051	16,728	8,472	30,660	757,963	-	1,131,944
Total comprehensive income/(loss) for the period	-	-	5,330	(13,177)	1,031	-	67,279	60,463
At 30 September 2013	213,070	105,051	22,058	(4,705)	31,691	757,963	67,279	1,192,407

*The Condensed Financial Statements should be read in conjunction with
the Annual Financial Statements for the year ended 31 March 2014*



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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2014

	GROUP	
	6 months ended 30 Sep 2014	6 months ended 30 Sep 2013
	RM'000	RM'000
Cash flows from operating activities		
Profit before surplus transfer, zakat and tax	98,069	94,975
Adjustments for:		
Net fair value (losses)/gains on financial assets at FVTPL	1,513	(1,082)
Reversal of impairment loss on AFS financial assets	(6,703)	(117)
Reversal of impairment loss on HTM investments	(10)	(15)
Impairment loss on insurance/takaful receivables	1,267	1,833
Depreciation of property, plant and equipment	5,282	4,660
Amortisation of intangible assets	721	1,526
(Decrease)/increase in net premium and contribution liabilities	(14,146)	45,522
Interest/profit income	(83,145)	(81,351)
Dividend income	(7,570)	(3,708)
Rental income	(1,957)	(4,847)
Finance cost	9,093	9,023
Gains on disposal of investments	(9,047)	(10,961)
Net (accretion of discounts)/amortisation of premiums on investments	(2,886)	1,715
Share of results of associates	(3,916)	(3,081)
(Loss)/profit from operations before changes in operating assets and liabilities	(13,435)	54,092
Decrease in placements with licensed financial institutions, Islamic investment accounts and marketable securities	149,769	76,240
Net purchase of investments	(475,639)	(332,087)
Increase in staff loans	(393)	(382)
Decrease/(increase) in insurance/takaful receivables	21,776	(81,866)
Decrease/(increase) in other receivables	75,639	(205,034)
Increase in net claim and actuarial liabilities	31,012	89,311
(Decrease)/increase in expense liabilities	(1,129)	1,895
Increase in participants' funds	61,473	41,916
Increase/(decrease) in insurance/takaful payables	145,322	(189)
(Decrease)/increase in other payables	(3,576)	292,750
Taxes and zakat paid	(18,581)	(27,119)
Interest/profit received	86,131	92,534
Dividend received	6,851	4,781
Rental received	3,601	4,717
Net cash generated from operating activities	68,821	11,559



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2014

	GROUP	
	6 months ended 30 Sep 2014	6 months ended 30 Sep 2013
	RM'000	RM'000
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(960)	(3,533)
Purchase of intangible assets	(2,511)	(2,387)
Proceeds from disposal of property, plant and equipment	531	1
Net cash used in investing activities	(2,940)	(5,919)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Finance cost paid	(8,889)	(9,023)
Net cash used in financing activities	(8,889)	(9,023)
CASH AND BANK BALANCES		
Net increase/(decrease) during the period	56,992	(3,383)
At the beginning of the period	36,644	74,728
At the end of the period	93,636	71,345

*The Condensed Financial Statements should be read in conjunction with
the Annual Financial Statements for the year ended 31 March 2014*



MNRB HOLDINGS BERHAD (13487-A)
INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2014
(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 2014.

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 2014 except for the adoption of the following amendments to the existing accounting standards and Issues Committee ("IC") Interpretations issued by MASB that are effective for the Group's financial year beginning 1 April 2014:

Amendments to MFRS 10, MFRS 12 and MFRS 127: *Investment Entities*

Amendments to MFRS 132: *Offsetting Financial Assets and Financial Liabilities*

Amendments to MFRS 136: *Recoverable Amount Disclosures for Non-Financial Assets*

Amendments to MFRS 139: *Novation of Derivatives and Continuation of Hedge Accounting*

IC Interpretation 21 *Levies*

The adoption of the above standards, amendments and interpretations 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 2014 was not subject to any qualification.

A3. Seasonal or cyclical factors

During the financial period ended 30 September 2014, 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 2014.

A5. Changes in estimates

There were no other 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 period ended 30 September 2014.

A8. Segmental reporting

Financial period ended 30 September 2014

	Investment Holding RM'000	Reinsurance Business RM'000	Takaful Business RM'000	Retakaful Business RM'000	Inter-Group Adjustments RM'000	Consolidated RM'000
Revenue						
External	421	681,031	445,946	22,259	-	1,149,657
Inter-segment	78,290	1,920	502	14,353	(95,065)	-
	78,711	682,951	446,448	36,612	(95,065)	1,149,657
Results						
Segment results	49,895	102,509	69,288	(5,066)	(61,000)	155,626
Share of results of associates	(1,062)	4,978	-	-	-	3,916
Operating profit/(loss) before surplus attributable to takaful participants, zakat and taxation	48,833	107,487	69,288	(5,066)	(61,000)	159,542
Surplus attributable to takaful participants	-	-	(61,473)	-	-	(61,473)
Operating profit/(loss) before zakat and taxation	48,833	107,487	7,815	(5,066)	(61,000)	98,069
Zakat and taxation	(153)	(23,984)	(3,175)	-	-	(27,312)
Net profit/(loss) for the period attributable to equity holders of the Parent	48,680	83,503	4,640	(5,066)	(61,000)	70,757

Financial period ended 30 September 2013

	Investment Holding RM'000	Reinsurance Business RM'000	Takaful Business RM'000	Retakaful Business RM'000	Inter-Group Adjustments RM'000	Consolidated RM'000
Revenue						
External	158	687,948	416,947	54,513	-	1,159,566
Inter-segment	118,627	18,608	369	13,151	(150,755)	-
	118,785	706,556	417,316	67,664	(150,755)	1,159,566
Results						
Segment results	90,994	111,963	43,523	(11,547)	(105,000)	129,933
Share of results of associates	400	2,681	-	-	-	3,081
Operating profit/(loss) before surplus attributable to takaful participants, zakat and taxation	91,394	114,644	43,523	(11,547)	(105,000)	133,014
Surplus attributable to takaful participants	-	-	(38,039)	-	-	(38,039)
Operating profit/(loss) before zakat and taxation	91,394	114,644	5,484	(11,547)	(105,000)	94,975
Zakat and taxation	(22,344)	(26,934)	(2,418)	-	24,000	(27,696)
Net profit/(loss) for the period attributable to equity holders of the Parent	69,050	87,710	3,066	(11,547)	(81,000)	67,279



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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 major change, from the financial statements for the financial year ended 31 March 2014.

A10. Significant events

The Company, in the previous quarters, had made disclosures on the notices of assessment and notices of additional assessment (i.e. Form J and Form JA) for the years of assessment 2006, 2007, 2008 and 2009, issued by the Inland Revenue Board ("IRB") to its wholly owned subsidiary Takaful IKHLAS Berhad ("Takaful IKHLAS"), disallowing Family business' commission expenses as deductions against the earning of wakalah fee income. The additional tax payable by Takaful IKHLAS under the said notices was RM48,982,970. In addition, the IRB had also imposed a penalty of RM22,042,336 as the tax returns by Takaful IKHLAS for those years were regarded as incorrect.

The Company's takaful subsidiary, Takaful IKHLAS, had on 11 August 2014, received a letter dated 8 August 2014 from the Ministry of Finance ("MOF"), granting an exemption of tax on the wakalah fee income of the shareholder's fund received from the family takaful fund for the years of assessment 2004 to 2014.

With MOF's above exemption, the total instalment payments made to date to the IRB which amounted to RM18,239,672 would be receivable from the IRB. The Company is currently pursuing the recovery of the instalment payments made from the IRB.

There were no other significant events during the current financial period ended 30 September 2014.

A11. Subsequent events

There were no significant subsequent events from 30 September 2014 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 2014 other than the reinsurance and takaful subsidiaries' acquisition of 100% interest in two wholesale unit trust funds.

During the financial period, the Company's reinsurance and takaful subsidiaries acquired all the units in two wholesale unit trust funds which are managed by an external fund manager. The principal activities of these funds is to invest in Shariah compliant money market instruments and Sukuk. As at the reporting date, the Company's subsidiaries have an effective direct interest of 100% in the funds. In accordance with the exemption provisions under MFRS 10 *Consolidated Financial Statements*, the financial statements of the funds are not consolidated at the subsidiaries' level as they are wholly owned subsidiaries of the Company, a company incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad which produces financial statements that are available for public use and which comply with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

A13. Capital Commitments

The amount of capital commitments of the Group as at 30 September 2014 were as follows:

	RM'000
Authorised and contracted for:	
- Tangible assets	629
- Intangible assets*	4,886
	<u>5,515</u>

* 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 Insurance Funds

(i) Unaudited as at 30 September 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
Assets							
Property, plant and equipment	126,549	-	-	-	-	106,922	233,471
Investment properties	6,900	-	106,922	-	-	(106,922)	6,900
Intangible assets	16,125	-	-	-	-	-	16,125
Deferred tax assets	13,438	4,130	-	135	1	(2,511)	15,193
Investment in subsidiaries	872,032	-	-	-	-	(872,032)	-
Investment in associates	77,615	-	-	-	-	27,693	105,308
Financial assets:							
Financial assets at fair value							
through profit or loss ("FVTPL")	1,175	1,018	124,784	483	18	-	127,478
Held-to-maturity ("HTM") investments	290,628	71,986	337,248	19,227	4,054	-	723,143
Available-for-sale ("AFS")							
financial assets	1,495,514	148,539	1,028,905	29,961	5,722	(295,045)	2,413,596
Loans and receivables ("LAR")	1,174,534	114,248	521,237	47,824	18,347	227,216	2,103,406
Reinsurance/retakaful assets	163,775	82,935	39,998	30,444	7,295	-	324,447
Insurance/takaful receivables	253,861	19,927	56,610	12,065	4,105	-	346,568
Tax recoverable	20,125	-	-	1	-	-	20,126
Cash and bank balances	23,041	9,440	61,004	141	10	-	93,636
Non-current asset held for sale	1,696	-	-	-	-	-	1,696
Total assets	4,537,008	452,223	2,276,708	140,281	39,552	(914,679)	6,531,093
Liabilities and Participants' funds							
Participants' funds	-	42,849	251,810	5,751	1,619	(8,183)	293,846
Borrowings	320,000	-	-	-	-	-	320,000
Insurance/takaful contract liabilities	1,777,394	337,990	1,757,338	115,277	29,853	(10,000)	4,007,852
Insurance/takaful payables	115,377	21,907	160,168	9,655	8,080	-	315,187
Other payables	141,625	44,724	101,796	9,598	-	(44,774)	252,969
Deferred tax liabilities	2,419	-	1,698	-	-	(1,698)	2,419
Provision for taxation	26,201	4,753	3,898	-	-	-	34,852
Provision for zakat	345	-	-	-	-	-	345
Total liabilities and participants' funds	2,383,361	452,223	2,276,708	140,281	39,552	(64,655)	5,227,470
Equity							
Share capital	1,124,570	-	-	-	-	(911,500)	213,070
Reserves	1,029,078	-	-	-	-	61,475	1,090,553
Total equity attributable to equity holders of the Parent	2,153,648	-	-	-	-	(850,025)	1,303,623
Total liabilities, participants' funds and equity	4,537,009	452,223	2,276,708	140,281	39,552	(914,680)	6,531,093



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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 Insurance Funds (Cont'd.)

(ii) As at 31 March 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
Assets							
Property, plant and equipment	130,014	-	-	-	-	106,922	236,936
Investment properties	6,900	-	106,922	-	-	(106,922)	6,900
Intangible assets	14,519	-	-	-	-	-	14,519
Deferred tax assets	21,846	1,155	-	215	-	1,379	24,595
Investment in subsidiaries	872,032	-	-	-	-	(872,032)	-
Investment in associates	77,615	-	-	-	-	18,438	96,053
Financial assets:							
Financial assets at fair value through profit or loss ("FVTPL")	1,841	1,372	135,626	616	23	-	139,478
Held-to-maturity ("HTM") investments	290,927	72,033	332,336	19,243	4,058	-	718,597
Available-for-sale ("AFS") financial assets	1,213,832	93,341	958,347	31,250	6,253	-	2,303,023
Loans and receivables ("LAR")	1,342,899	163,957	337,568	54,640	19,850	(135,703)	1,783,211
Reinsurance/retakaful assets	150,214	80,289	139,538	22,858	6,888	-	399,787
Insurance/takaful receivables	228,906	32,274	88,964	16,121	3,346	-	369,611
Tax recoverable	5,461	-	-	1	-	-	5,462
Cash and bank balances	15,911	7,551	13,140	33	9	-	36,644
Non-current asset held for sale	1,696	-	-	-	-	-	1,696
Total assets	4,374,613	451,972	2,112,441	144,977	40,427	(987,918)	6,136,512
Liabilities and Participants' funds							
Participants' funds	-	33,850	184,344	13,415	-	(14,133)	217,476
Borrowings	320,000	-	-	-	-	-	320,000
Insurance/takaful contract liabilities	1,760,604	320,552	1,800,160	107,064	33,883	(10,000)	4,012,263
Insurance/takaful payables	102,005	16,580	28,417	16,319	6,544	-	169,865
Other payables	83,689	79,183	98,987	8,179	-	(112,645)	157,393
Deferred tax liabilities	6,504	-	112	-	-	2,097	8,713
Provision for taxation	24,737	1,807	421	-	-	-	26,965
Provision for zakat	368	-	-	-	-	-	368
Total liabilities and participants' funds	2,297,907	451,972	2,112,441	144,977	40,427	(134,681)	4,913,043
Equity							
Share capital	1,124,570	-	-	-	-	(911,500)	213,070
Reserves	952,136	-	-	-	-	58,263	1,010,399
Total equity attributable to equity holders of the Parent	2,076,706	-	-	-	-	(853,237)	1,223,469
Total liabilities, participants' funds and equity	4,374,613	451,972	2,112,441	144,977	40,427	(987,918)	6,136,512



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PART A – NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

A15. Unaudited Condensed Consolidated Income Statement by Insurance Funds

(i) 6 months ended 30 September 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	650,929	120,149	271,678	19,913	18,389	(17,520)	1,063,538
Premiums/contributions ceded to reinsurers and retakaful operators	(52,619)	(44,079)	(27,957)	(4,733)	(3,626)	15,645	(117,369)
Net earned premiums/contributions	598,310	76,070	243,721	15,180	14,763	(1,875)	946,169
Investment income	112,424	5,905	37,977	1,797	356	(63,869)	94,590
Realised gains and losses	1,742	622	6,454	104	40	-	8,962
Fair value gains and losses	6,648	(83)	(1,289)	(69)	(8)	-	5,199
Fee and commission income	146,285	11,035	-	243	362	(141,321)	16,604
Other operating revenue	5,112	-	1,706	147	-	(4,811)	2,154
Other revenue	272,211	17,479	44,848	2,222	750	(210,001)	127,509
Gross claims and benefit paid	(373,976)	(54,660)	(112,219)	(16,368)	(16,932)	14,707	(559,448)
Claims ceded to reinsurers/retakaful operators	35,388	18,675	23,735	1,399	2,586	(14,707)	67,076
Gross change in contract liabilities	(35,310)	(9,678)	42,822	(13,324)	4,030	-	(11,460)
Change in contract liabilities ceded to reinsurers/retakaful operators	15,835	367	(99,540)	8,186	407	-	(74,745)
Net claims and benefits	(358,063)	(45,296)	(145,202)	(20,107)	(9,909)	-	(578,577)
Fee and commission expenses	(216,014)	(36,015)	(81,152)	(4,714)	(3,958)	122,296	(219,557)
Management expenses	(122,440)	(1,711)	(4,849)	-	-	25,963	(103,037)
Finance cost	(9,093)	-	-	-	-	-	(9,093)
Other operating expenses	(4,610)	(1,449)	-	(480)	(24)	1,445	(5,118)
Changes in expenses liabilities	1,129	-	-	-	-	-	1,129
Tax borne by participants	-	53	(3,852)	-	-	-	(3,799)
Other expenses	(351,028)	(39,122)	(89,853)	(5,194)	(3,982)	149,704	(339,475)
Share of results of associates	-	-	-	-	-	3,916	3,916
Operating profit before surplus attributable to takaful participants, zakat and taxation	161,430	9,131	53,514	(7,899)	1,622	(58,256)	159,542
Surplus attributable to takaful participants	-	(9,131)	(53,514)	-	-	1,172	(61,473)
Operating profit before zakat and taxation	161,430	-	-	(7,899)	1,622	(57,084)	98,069
Zakat	(300)	-	-	-	-	-	(300)
Taxation	(27,012)	-	-	-	-	-	(27,012)
Net profit for the period attributable to equity holders of the Parent	134,118	-	-	(7,899)	1,622	(57,084)	70,757



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PART A – NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

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

(ii) 6 months ended 30 September 2013

	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	648,691	98,531	265,171	38,731	25,152	(14,949)	1,061,327
Premiums/contributions ceded to reinsurers and retakaful operators	(45,041)	(31,753)	(17,433)	(9,266)	(1,732)	12,746	(92,479)
Net earned premiums/contributions	603,650	66,778	247,738	29,465	23,420	(2,203)	968,848
Investment income	154,476	5,498	28,986	1,557	225	(107,741)	83,001
Realised gains and losses	687	617	9,509	121	27	-	10,961
Fair value gains and losses	(391)	(23)	1,643	(6)	(2)	-	1,221
Fee and commission income	131,987	6,367	101	607	44	(127,561)	11,545
Other operating revenue	8,376	-	-	12	78	(2,845)	5,621
Other revenue	295,135	12,459	40,239	2,291	372	(238,147)	112,349
Gross claims and benefit paid	(329,155)	(49,898)	(56,010)	(12,943)	(25,992)	-	(473,998)
Claims ceded to reinsurers/retakaful operators	60,102	11,878	(18,654)	432	1,334	-	55,092
Gross change in contract liabilities	(21,423)	(16,756)	(242,610)	(28,654)	(1,185)	-	(310,628)
Change in contract liabilities ceded to reinsurers/retakaful	(43,215)	6,960	146,867	16,294	(1,488)	-	125,418
Net claims and benefits	(333,691)	(47,816)	(170,407)	(24,871)	(27,331)	-	(604,116)
Fee and commission expense	(226,256)	(26,883)	(76,744)	(15,643)	(3,383)	112,003	(236,906)
Management expenses	(109,390)	-	-	-	-	22,132	(87,258)
Finance cost	(9,023)	-	-	-	-	-	(9,023)
Other operating expenses	(5,261)	(237)	(2,076)	(696)	-	80	(8,190)
Changes in expenses liabilities	(1,894)	-	-	-	-	-	(1,894)
Tax borne by participants	-	(769)	(3,108)	-	-	-	(3,877)
Other expenses	(351,824)	(27,889)	(81,928)	(16,339)	(3,383)	134,215	(347,148)
Share of results of associates	-	-	-	-	-	3,081	3,081
Operating profit before surplus attributable to takaful participants, zakat and taxation	213,270	3,532	35,642	(9,454)	(6,922)	(103,054)	133,014
Surplus attributable to takaful participants	-	(3,532)	(35,642)	-	-	1,135	(38,039)
Operating profit before zakat and taxation	213,270	-	-	(9,454)	(6,922)	(101,919)	94,975
Zakat	(200)	-	-	-	-	-	(200)
Taxation	(51,496)	-	-	-	-	24,000	(27,496)
Net profit for the period attributable to equity holders of the Parent	161,574	-	-	(9,454)	(6,922)	(77,919)	67,279



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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 2014, the Group recorded a revenue of RM1.15 billion, 0.9% or RM9.9 million lower than RM1.16 billion recorded in the corresponding period last year. The marginally lower revenue was a result of the reduction in gross premiums and contributions by the Company's reinsurance and retakaful subsidiaries respectively.

The Group's net profit for the current period was RM70.8 million, 5.2% higher than the RM67.3 million reported in the corresponding period last year mainly due to the improvement in the results of the Company's takaful and retakaful subsidiaries.

Investment holding

The revenue for the period ended 30 September 2014 of RM78.7 million was lower by RM40.1 million or 33.7% as compared against the corresponding period last year of RM118.8 million.

There was a lower net profit reported of RM48.7 million as compared to RM69.1 million in the corresponding period last year.

The lower revenue and net profit were mainly due to the lower dividend income from Company's reinsurance subsidiary.

Reinsurance business

The reinsurance business reported RM683.0 million in revenue for the period ended 30 September 2014, a decrease of 3.3% from RM706.6 million in the corresponding period last year. The decrease was mainly due to the lower gross premiums as a result of the reduction in the level of voluntary cessions.

The net profit for the period ended 30 September 2014 reduced by 4.8% from RM87.7 million to RM83.5 million as a result of the several large losses reported during the period.

Takaful business

The revenue for takaful business for the period ended 30 September 2014 increased by 7.0% from RM417.3 million to RM446.4 million. This was mainly due to the increase in gross contributions of the family and general takaful funds.

The net profit attributable to equity holders for the period ended 30 September 2014 improved by 51.3% from RM3.1 million to RM4.6 million mainly as a result of higher wakalah fees from the takaful funds.

Retakaful business

The revenue for retakaful business for the period ended 30 September 2014 was lower by 45.9% from RM67.7 million to RM36.6 million, consistent with the efforts to consolidate its business portfolio.

The retakaful business recorded a lower loss of RM5.1 million in the current period as compared to a loss of RM11.5 million in the corresponding period last year mainly due to the reduction in the actuarial reserves of the family retakaful fund.



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**PART B – ADDITIONAL INFORMATION REQUIRED BY THE
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B2. Review of current quarter profitability against immediate preceding quarter

The Group recorded a net profit of RM28.5 million in the current quarter as compared to a net profit of RM42.3 million in the preceding quarter mainly due to the several large losses reported during the current quarter which affected the results of the reinsurance and retakaful subsidiaries.

B3. Current year prospects

The Group is expected to achieve satisfactory results for the financial year ending 31 March 2015.

B4. Explanatory note for variance from profit forecast

There was no profit forecast issued by the Group during the financial period ended 30 September 2014.

B5. Taxation

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 30 Sep 2014 RM'000	3 months ended 30 Sep 2013 RM'000	6 months ended 30 Sep 2014 RM'000	6 months ended 30 Sep 2013 RM'000
Operating profit before zakat and tax	39,960	44,759	98,069	94,975
Current tax	(8,108)	(15,762)	(23,559)	(28,501)
Deferred tax	(3,221)	(214)	(3,453)	1,005
Zakat	(150)	(100)	(300)	(200)
	(11,479)	(16,076)	(27,312)	(27,696)
Net profit	28,481	28,683	70,757	67,279
Effective tax rate	28.4%	35.7%	27.5%	29.0%

The effective tax rates for the individual and cumulative periods ended 30 September 2013 and 2014 were higher than the statutory tax rate of 25% principally due to the losses incurred by the Company's retakaful subsidiary in which no tax credit is being recognised to offset the tax expenses of profitable subsidiaries and the capital expenditure incurred by the shareholder's fund of the Company's takaful subsidiary in which no capital allowance can be claimed.

B6. Status of corporate proposals and utilisation of proceeds

There was no 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 September 2014 were as follows:

	GROUP 30 Sep 2014 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 2015.

B11. Earnings per share

The basic earnings per share (EPS) 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 Sep 2014	3 months ended 30 Sep 2013	6 months ended 30 Sep 2014	6 months ended 30 Sep 2013
Net profit for the period (RM'000)	28,481	28,683	70,757	67,279
Weighted average number of ordinary shares in issue ('000)	213,070	213,070	213,070	213,070
Basic EPS (sen)	13.4	13.5	33.2	31.6

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



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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 Sep 2014 RM'000	3 months ended 30 Sep 2013 RM'000	6 months ended 30 Sep 2014 RM'000	6 months ended 30 Sep 2013 RM'000
Interest/profit income	40,244	39,311	83,145	81,351
Dividend income	3,161	2,200	7,570	3,708
Rental income	728	3,336	1,957	4,847
Finance cost	(4,657)	(4,493)	(9,093)	(9,023)
Net gains on disposal of investments	(1,090)	4,913	9,047	10,961
Depreciation and amortisation	(3,139)	(3,127)	(6,003)	(6,186)
Reversal of impairment loss on insurance/ takaful receivables	(2,588)	(2,839)	(1,267)	(1,833)
Reversal of impairment loss/(impairment loss) on investments	4,724	236	6,703	117

Other than the above, there were no gain or loss on derivatives and exceptional items reported during the current financial period ended 30 September 2014.

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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 September 2014, into realised and unrealised profits, was as follows:

	GROUP	
	30 Sep 2014	31 Mar 2014
	RM'000	RM'000
Total retained profits of the Group:		
Realised	964,246	890,944
Unrealised	8,997	11,450
	973,243	902,394
Share of accumulated profits/(losses) from associated companies:		
Realised	(46)	(3,869)
	973,197	898,525
Add / Less: Consolidation adjustments	(39,513)	(35,598)
Total retained profits per the statement of changes in equity	933,684	862,927

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: 27 November 2014