



MNRB HOLDINGS BERHAD

Bursa Announcement

First Quarter Ended 30 June 2010



MNRB HOLDINGS BERHAD (13487-A)
INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2010
(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENT

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 30 June 2010 RM'000	3 months ended 30 June 2009 RM'000	3 months ended 30 June 2010 RM'000	3 months ended 30 June 2009 RM'000
Operating revenue	386,687	340,338	386,687	340,338
Deficit from Shareholders' fund	(3,319)	(4,330)	(3,319)	(4,330)
Surplus/(deficit) transferred from General Reinsurance Revenue Account	38,140	(29,866)	38,140	(29,866)
Share of profits of associates	814	7,657	814	7,657
Profit/(loss) before zakat and tax	35,635	(26,539)	35,635	(26,539)
Zakat	(100)	(62)	(100)	(62)
Tax expenses	(9,396)	4,352	(9,396)	4,352
Net profit/(loss) for the period	26,139	(22,249)	26,139	(22,249)
Earnings/(loss) per share (sen) - Basic	12.3	(10.4)	12.3	(10.4)

*The Condensed Financial Statements should be read in conjunction with
the Annual Financial Report for the year ended 31 March 2010*



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INTERIM FINANCIAL REPORT
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(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 30 June 2010 RM'000	3 months ended 30 June 2009 RM'000	3 months ended 30 June 2010 RM'000	3 months ended 30 June 2009 RM'000
Net profit/(loss) for the period	26,139	(22,249)	26,139	(22,249)
Other comprehensive income/(loss):				
Fair value change of available-for-sale financial assets, net of tax	(1,923)	16,972	(1,923)	16,972
Effects of post acquisition exchange translation reserve	(901)	(3,944)	(901)	(3,944)
Total comprehensive income/(loss) for the period	23,315	(9,221)	23,315	(9,221)

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the Annual Financial Report for the year ended 31 March 2010*



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(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	Note	GROUP	
		Unaudited 30 June 2010 RM'000	Audited 31 March 2010 RM'000
ASSETS			
Property, plant and equipment		119,715	117,523
Investment properties		34,600	34,600
Prepaid land lease payments		4,998	5,021
Intangible assets		13,169	13,101
Deferred tax assets		6,945	5,967
Investment in associates		122,616	122,268
Financial investment assets:			
Financial assets at fair value through profit or loss		45,791	51,315
Held-to-maturity investments		305,890	297,050
Available-for-sale financial assets		624,882	535,345
Loans and receivables		959,238	1,024,849
Reinsurance assets		83,207	69,398
Trade receivables		174,377	149,383
Tax recoverable		7,031	13,290
Cash and bank balances		8,801	5,997
Total general reinsurance business and shareholders' fund assets		2,511,260	2,445,107
General takaful fund assets		256,961	257,952
Family takaful fund assets		926,986	843,955
General retakaful fund assets		57,832	50,936
Family retakaful fund assets		14,997	13,828
Total assets		3,768,036	3,611,778
LIABILITIES			
Islamic medium term notes	B10	150,000	150,000
Claims liabilities		1,043,448	1,019,523
Premium liabilities		238,078	210,516
Trade payables		75,644	78,992
Other payables		71,579	76,946
Deferred tax liabilities		89	89
Provision for zakat		465	399
Total general reinsurance business and shareholders' fund liabilities		1,579,303	1,536,465
General takaful fund liabilities		163,218	176,300
Family takaful fund liabilities		106,249	84,625
General retakaful fund liabilities		44,732	38,966
Family retakaful fund liabilities		11,966	11,756
Total liabilities		1,905,468	1,848,112



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	Note	GROUP	
		Unaudited 30 June 2010 RM'000	Audited 31 March 2010 RM'000
EQUITY			
Share capital		213,070	213,070
Reserves		718,887	695,572
Total equity attributable to equity holders of the Company		931,957	908,642
TAKAFUL AND RETAKAFUL FUNDS			
General takaful fund		93,743	81,652
Family takaful fund		820,737	716,623
Takaful Investment linked fund		-	42,707
General retakaful fund		13,100	11,970
Family retakaful fund		3,031	2,072
Total takaful and retakaful funds		930,611	855,024
Total liabilities, equity, takaful and retakaful funds		3,768,036	3,611,778
Net assets per share (RM)		4.37	4.26

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the Annual Financial Report for the year ended 31 March 2010*



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FOR THE PERIOD ENDED 30 JUNE 2010
(The figures have not been audited)

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2010

	GROUP						
	Attributable to Equity Holder of the Company						
		Reserves					
		Non- distributable			Distributable		
Share capital RM'000		Share premium RM'000	Fair value reserve RM'000	Foreign exchange translation reserve RM'000	Retained profits brought forward RM'000	Net profit for the period RM'000	
At 1 April 2010	213,070	105,051	23,287	22,901	544,333	-	908,642
Total comprehensive (loss)/ income for the period	-	-	(1,923)	(901)	-	26,139	23,315
At 30 June 2010	213,070	105,051	21,364	22,000	544,333	26,139	931,957

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2009

	GROUP						
	Attributable to Equity Holder of the Company						
		Reserves					
		Non- distributable			Distributable		
Share capital RM'000		Share premium RM'000	Fair value reserve RM'000	Foreign exchange translation reserve RM'000	Retained profits brought forward RM'000	Net loss for the period RM'000	
At 1 April 2009	213,070	105,051	-	34,450	543,435	-	896,006
Effect of adoption of FRS 139	-	-	925	-	(1,147)	-	(222)
At 1 April 2009, restated	213,070	105,051	925	34,450	542,288	-	895,784
Total comprehensive income/(loss) for the period	-	-	16,972	(3,944)	-	(22,249)	(9,221)
At 30 June 2009	213,070	105,051	17,897	30,506	542,288	(22,249)	886,563

The Condensed Financial Statements should be read in conjunction with the Annual Financial Report for the year ended 31 March 2010



MNRB HOLDINGS BERHAD (13487-A)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP	
	3 months ended 30 June 2010 RM'000	3 months ended 30 June 2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before zakat and taxation	35,635	(26,539)
Adjustments for:		
Non-cash items	(20,252)	(43,335)
Profit/(loss) from operations before changes in operating assets and liabilities	15,383	(69,874)
Net change in current assets	(15,711)	(23,589)
Net change in current liabilities	(5,235)	88,016
Cash operating items	15,486	11,444
Net cash generated from operating activities	9,923	5,997
CASH FLOWS USED IN INVESTING ACTIVITIES	(5,335)	(813)
CASH FLOWS USED IN FINANCING ACTIVITIES	(1,782)	(1,782)
CASH AND BANK BALANCES		
Net increase during the period	2,806	3,402
Cash and bank balances at the beginning of the period	5,997	1,096
Effect of changes in foreign exchange rate	(2)	(14)
Cash and bank balances at the end of the period	8,801	4,484

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the Annual Financial Report for the year ended 31 March 2010*



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

PART A – NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

A1. Basis of preparation

The interim financial report has been prepared in accordance with FRS 134 on “Interim Financial Reporting” that was issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”). The interim financial report also comply with the Companies Act, 1965, Insurance Act and Regulations, 1996, the Takaful Act, 1984 and where applicable, modified to comply with the guidelines issued by Bank Negara Malaysia (“BNM”). The figures have not been audited.

The interim financial report should be read in conjunction with the Group’s most recent audited financial statements for the year ended 31 March 2010.

The significant accounting policies and methods of computation adopted in the interim financial statements are consistent with those adopted in the audited financial statements for the year ended 31 March 2010 except for the adoption of the following new Financial Reporting Standards (“FRSs”), amendments to the existing FRSs, Issues Committee (“IC”) Interpretations and Technical Release (“TR”) issued by MASB that are effective for the Group’s financial year beginning on 1 April 2010:

FRS 8:	Operating Segments
FRS 4:	Insurance Contracts
FRS 7:	Financial Instruments: Disclosures
FRS 101:	Presentation of Financial Statements (Revised 2009)
FRS 123:	Borrowing Costs
Amendments to FRS 1:	First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2:	Share-based Payment - Vesting Conditions and Cancellations
Amendments to FRS 132:	Financial Instruments: Presentation
Amendments to FRS 132:	Financial Instruments: Presentation (Classification of Rights Issues)
Amendments to FRS 7:	Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives
Amendments to FRS	'Improvements to FRSs (2009)'
IC Interpretation 9:	Reassessment of Embedded Derivatives
IC Interpretation 10:	Interim Financial Reporting and Impairment
IC Interpretation 11:	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13:	Customer Loyalty Programmes
IC Interpretation 14:	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TR i - 3:	Presentation of Financial Statements of Islamic Financial Institutions

The adoption of the above standards, amendments and interpretations does not have any material impact to the financial statements of the Group and of the Company other than expanded disclosure requirements.

A2. Auditors’ Report on preceding annual financial statements

The auditors’ report on the audited financial statements for the financial year ended 31 March 2010 was not subject to any qualification.



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PART A – NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

A3. Seasonal or cyclical factors

During the period ended 30 June 2010, the operations of the Group were not materially affected by any seasonal factors. With regards 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 operates.

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 during the financial period ended 30 June 2010.

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, replacement, resale or repayment of debt and equity securities during the current financial period under review.

A7. Dividend paid

No dividend was paid during the first quarter ended 30 June 2010.

A8. Segmental reporting

Financial period ended 30 June 2010

	Investment Holding RM'000	Reinsurance Business RM'000	Takaful Operator RM'000	Retakaful Operator RM'000	Inter-Group Adjustments RM'000	Consolidated RM'000
Revenue						
External	68	338,727	45,233	2,659	-	386,687
Inter-segment	4,755	1,235	-	119	(6,109)	-
	4,823	339,962	45,233	2,778	(6,109)	386,687
Results						
Segment results	4,755	28,903	43,415	2,086	(5,516)	73,643
(Loss)/Profit from operations	(5,213)	37,096	2,263	983	(308)	34,821
Share of results of associates	169	645	-	-	-	814
(Loss)/Profit before zakat and taxation	(5,044)	37,741	2,263	983	(308)	35,635
Zakat and taxation	-	(8,830)	(666)	-	-	(9,496)
Net (loss)/profit for the period	(5,044)	28,911	1,597	983	(308)	26,139



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PART A – NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

A8. Segmental reporting (Cont'd)

Financial period ended 30 June 2009

	Investment Holding RM'000	Reinsurance Business RM'000	Takaful Operator RM'000	Retakaful Operator RM'000	Inter-Group Adjustments RM'000	Consolidated RM'000
Revenue						
External	132	292,233	46,286	1,687	-	340,338
Inter-segment	3,663	1,220	-	119	(5,002)	-
	3,795	293,453	46,286	1,806	(5,002)	340,338
Results						
Segment results	3,663	(36,552)	44,988	1,218	(4,409)	8,908
(Loss)/Profit from operations	(8,883)	(30,875)	5,372	500	(310)	(34,196)
Share of results of associates	214	7,443	-	-	-	7,657
(Loss)/Profit before zakat and taxation	(8,669)	(23,432)	5,372	500	(310)	(26,539)
Zakat and taxation	-	5,820	(1,393)	(137)	-	4,290
Net (loss)/profit for the period	(8,669)	(17,612)	3,979	363	(310)	(22,249)

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 year ended 31 March 2010.

A10. Significant events

There were no significant events during the current financial period ended 30 June 2010.

A11. Subsequent events

There were no significant subsequent events from 30 June 2010 to the date of this report.

A12. Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial period ended 30 June 2010.



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PART A – NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

A13. Capital Commitments

The amount of capital commitments of the Group as at 30 June 2010 are as follows:

Authorised and contracted for:	RM'000
- Intangible assets*	<u>5,553</u>

* Relating to purchases and enhancement of computer systems.

A14. Contingent liabilities or contingent assets

The amount of contingent liabilities of the Group as at 30 June 2010 are as follows:

Contingent liabilities arising from interest in associate:	RM'000
Share of contingent liabilities in relation to the letter of credit issued by a bank on behalf of the associate (Secured on fixed deposits)	<u>48,112</u>

There was no other contingent liability or asset as at the date of the issue of this report. For the purpose of this paragraph, Contingent Liabilities or Assets do not include those arising from the contract of reinsurance, takaful or retakaful operation.



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FOR THE PERIOD ENDED 31 MARCH 2010
(The figures have not been audited)

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

B1. Review of performance

For the 3-month period ended 30 June 2010, the Group recorded a revenue of RM386.7 million, 13.6% higher than the RM340.3 million for the same period in the preceding year. The higher revenue was a result of the increase in the gross premium written by the reinsurance subsidiary.

The Group recorded a profit before zakat and taxation of RM35.6 million for the 3-month period ended 30 June 2010, as compared to a loss before zakat and taxation of RM26.5 million for the same period in the preceding year.

The loss before zakat and taxation of RM26.5 million recorded for the 3-month period ended 30 June 2009 was mainly due to the one-off additional provision of RM51.8 million (net of tax RM41.8 million) made for the claims reserving by the reinsurance subsidiary, in line with BNM's Risk Based Capital Framework requirement which was implemented with effect from 1 January 2009. However, in the fourth quarter ended 31 March 2010, the said one-off adjustment was reversed from the income statement and adjusted against the opening retained profits, to be in line with the transitional provision allowed by BNM for the reinsurance subsidiary.

The higher profit before zakat and taxation in the current period was also contributed by the higher underwriting contribution by the Group's reinsurance subsidiary, as a results of better claims experience.

B2. Review of current quarter profitability against immediate preceding quarter

The Group's profit before zakat and taxation increased by RM35.4 million from RM0.2 million in the preceding quarter to RM35.6 million in the current quarter.

The profit before zakat and taxation of RM0.2 million in the preceding quarter was mainly affected by the provision for impairment loss of RM44.5 million made on investment in Principle Insurance Holdings Limited.

B3. Current year prospects

Given the encouraging performance of the Malaysian economy, the Group is expected to achieve good results for the financial year ending 31 March 2011.



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

B4. Headline Key Performance Indicators (“KPI”)

Headline KPI	For financial year ending 31 March 2011	
	As announced	Estimated Actual
(i) Return on Equity (%)	9.8	10.9*
(ii) Revenue Growth (%)	12.9	13.6*

* Annualised based on 3-month results.

The Board of Directors is of the view that the Group is on track to achieve the above announced headline KPIs for the financial year ending 31 March 2011.

B5. Explanatory note for variance from profit forecast

There was no profit forecast issued by the Group during the financial period ended 30 June 2010.

B6. Taxation

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 30 June 2010 RM'000	3 months ended 30 June 2009 RM'000	3 months ended 30 June 2010 RM'000	3 months ended 30 June 2009 RM'000
Profit/(loss) before zakat and taxation	35,635	(26,539)	35,635	(26,539)
Current tax	(9,843)	6,552	(9,843)	6,552
Deferred tax	447	(2,200)	447	(2,200)
Zakat	(9,396)	4,352	(9,396)	4,352
	(100)	(62)	(100)	(62)
	(9,496)	4,290	(9,496)	4,290
Net profit/(loss) for the period	26,139	(22,249)	26,139	(22,249)
Effective tax rate	26.4%	16.4%	26.4%	16.4%

The slightly higher effective tax rate for the financial period to date was principally due to the losses incurred by the Company which was not set-off against taxable profits made by other subsidiaries.

The lower effective tax rate for the previous corresponding quarter ended 30 June 2009 was principally due to the effects of different tax rate in respect of offshore reinsurance business and the lower tax rate applicable to the Associate Company, which is incorporated in Labuan.

B7. Profit/(Loss) on sale of unquoted investments and/or properties

There was no sale of unquoted investments and/or properties during the financial period ended 30 June 2010.



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

B8. Quoted securities

There was no purchase or disposal of quoted securities during the current financial period ended 30 June 2010 by the Group other than by the reinsurance subsidiary, takaful operator and retakaful subsidiary, which are exempted from disclosure of this information.

B9. Status of corporate proposals and utilisation of proceeds

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

B10. Borrowings and debt securities

The Group borrowings as at 30 June 2010 is as follows:

	GROUP 30 June 2010 RM'000
Long term borrowings:	
Unsecured:	
RM200.0 million Islamic Medium Term Notes ("IMTN") due in 2012	150,000
IMTN held by the subsidiaries:	
Reinsurance subsidiary, Malaysian Reinsurance Berhad	40,000
Retakaful subsidiary, MNRB Retakaful Berhad	10,000
	50,000

B11. Off balance sheet financial instruments

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

B12. Material litigation

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

B13. Dividends

No dividends paid or declared for the current financial year to date.



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

B14. Earnings/(loss) per share

The basic earnings/(loss) per share (EPS/(LPS)) 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 June 2010	3 months ended 30 June 2009	3 months ended 30 June 2010	3 months ended 30 June 2009
Net profit/(loss) for the period (RM'000)	26,139	(22,249)	26,139	(22,249)
Weighted average number of ordinary shares in issue ('000)	213,070	213,070	213,070	213,070
Basic EPS/(LPS) (sen)	12.3	(10.4)	12.3	(10.4)

The Group has no potential dilutive ordinary shares in issue as at balance sheet date and therefore, diluted earnings/(loss) per share has not been presented.

By Order of the Board

NORAZMAN BIN HASHIM (MIA 5817)
LENA BTE ABD LATIF (LS 8766)
Company Secretaries

Kuala Lumpur
Dated: 25 August 2010