



Bursa Announcement

First Quarter Ended 30 June 2014



MNRB HOLDINGS BERHAD (13487-A)
INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2014
(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENT

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 30 Jun 2014	3 months ended 30 Jun 2013	3 months ended 30 Jun 2014	3 months ended 30 Jun 2013
	RM'000	RM'000	RM'000	RM'000
Gross earned premiums/contributions	529,534	514,221	529,534	514,221
Premiums/contributions ceded to reinsurers and retakaful operators	(61,002)	(48,568)	(61,002)	(48,568)
Net earned premiums/contributions	468,532	465,653	468,532	465,653
Investment income	51,739	43,584	51,739	43,584
Realised gains and losses	10,142	6,047	10,142	6,047
Fair value gains and losses	3,160	2,397	3,160	2,397
Fee and commission income	7,386	5,631	7,386	5,631
Other operating revenue	3,125	2,299	3,125	2,299
Other revenue	75,552	59,958	75,552	59,958
Gross claims and benefits paid	(281,572)	(248,908)	(281,572)	(248,908)
Claims ceded to reinsurers/retakaful operators	27,641	51,388	27,641	51,388
Gross change in contract liabilities	(78,491)	(85,546)	(78,491)	(85,546)
Change in contract liabilities ceded to reinsurers/retakaful operators	53,869	5,195	53,869	5,195
Net claims and benefits	(278,553)	(277,871)	(278,553)	(277,871)
Fee and commission expense	(115,128)	(117,514)	(115,128)	(117,514)
Management expenses	(49,424)	(40,830)	(49,424)	(40,830)
Finance cost	(4,436)	(4,530)	(4,436)	(4,530)
Other operating expenses	(1,180)	(6,851)	(1,180)	(6,851)
Change in expenses liabilities	(67)	(102)	(67)	(102)
Tax borne by participants	(3,500)	(1,321)	(3,500)	(1,321)
Other expenses	(173,735)	(171,148)	(173,735)	(171,148)
Share of results of associates	4,046	2,235	4,046	2,235
Operating profit before surplus attributable to takaful participants, zakat and taxation	95,842	78,827	95,842	78,827
Surplus attributable to takaful participants	(37,733)	(28,611)	(37,733)	(28,611)
Operating profit before zakat and taxation	58,109	50,216	58,109	50,216
Zakat	(150)	(100)	(150)	(100)
Taxation	(15,683)	(11,520)	(15,683)	(11,520)
Net profit for the period attributable to equity holders of the Parent	42,276	38,596	42,276	38,596
Basic earnings per share attributable to equity holders of the Parent (sen):	19.8	18.1	19.8	18.1

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 JUNE 2014
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 30 Jun 2014	3 months ended 30 Jun 2013	3 months ended 30 Jun 2014	3 months ended 30 Jun 2013
	RM'000	RM'000	RM'000	RM'000
Net profit for the period	42,276	38,596	42,276	38,596
<u>Other comprehensive (loss)/income:</u>				
Other comprehensive income to be reclassified to income statement in subsequent periods:				
Effects of post acquisition foreign exchange translation reserve on investment in associate	3,510	2,010	3,510	2,010
Effects of foreign exchange translation reserve on investment in subsidiary	(61)	161	(61)	161
Net (loss)/gain on AFS financial assets:				
Net (loss)/gain on fair value changes	4,786	(372)	4,786	(372)
Realised (gain)/loss transferred to income statement	(8,209)	(2,983)	(8,209)	(2,983)
Deferred tax relating to net loss/(gain) on AFS financial assets	(393)	621	(393)	621
Other comprehensive income attributable to participants	2,787	1,106	2,787	1,106
Other comprehensive income not to be reclassified to income statement in subsequent periods:				
Revaluation of land and buildings	577	-	577	-
Deferred tax relating to revaluation of land and buildings	(46)	-	(46)	-
Total comprehensive income for the period	45,227	39,139	45,227	39,139

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 JUNE 2014
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	GROUP	
	Unaudited 30 Jun 2014 RM'000	Audited 31 Mar 2013 RM'000
Assets		
Property, plant and equipment	235,775	236,936
Investment properties	6,900	6,900
Intangible assets	13,899	14,519
Deferred tax assets	16,861	24,595
Investment in associates	103,608	96,053
Financial assets:		
Financial assets at fair value through profit or loss ("FVTPL")	129,397	139,478
Held-to-maturity ("HTM") investments	731,273	718,597
Available-for-sale ("AFS") financial assets	2,383,706	2,303,023
Loans and receivables ("LAR")	1,878,368	1,783,211
Reinsurance/retakaful assets	460,477	399,787
Insurance/takaful receivables	345,353	369,611
Tax recoverable	7,909	5,462
Cash and bank balances	97,365	36,644
Non-current asset held for sale	1,696	1,696
Total assets	6,412,587	6,136,512
Liabilities and Participants' funds		
Participants' funds	259,039	217,476
Borrowings	320,000	320,000
Insurance/takaful contract liabilities	4,091,027	4,012,263
Insurance/takaful payables	185,737	169,865
Other payables	254,505	157,393
Deferred tax liabilities	968	8,713
Provision for taxation	32,227	26,965
Provision for zakat	387	368
Total liabilities and participants' funds	5,143,890	4,913,043
Equity		
Share capital	213,070	213,070
Reserves	1,055,627	1,010,399
Total equity attributable to equity holders of the Company	1,268,697	1,223,469
Total liabilities, participants' funds and equity	6,412,587	6,136,512
Net assets per share (RM)	5.95	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
FOR THE PERIOD ENDED 30 JUNE 2014
(The figures have not been audited)

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

	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 2014	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 2014	213,070	105,051	25,706	(13,109)	32,775	862,927	42,276	1,268,696	

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

	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 2013	213,070	105,051	16,728	8,472	30,660	757,963	-	1,058,488	
Total comprehensive income/(loss) for the period	-	-	2,171	(1,628)	-	-	38,596	39,139	
At 30 June 2013	213,070	105,051	18,899	6,844	30,660	757,963	38,596	1,097,627	

*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 JUNE 2014
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP	
	3 months ended 30 Jun 2014	3 months ended 30 Jun 2013
	RM'000	RM'000
Cash flows from operating activities		
Profit before surplus transfer, zakat and tax	58,109	50,216
Adjustments for:		
Net fair value gains on financial assets at FVTPL	(1,180)	(2,514)
(Reversal of impairment loss)/impairment loss on AFS financial assets	(1,979)	119
Reversal of impairment loss on insurance/takaful receivables	(1,321)	(1,006)
Depreciation of property, plant and equipment	2,497	2,241
Amortisation of intangible assets	367	818
Gain on disposal of property, plant and equipment	(5)	-
(Decrease)/increase in net premium and contribution liabilities	(7,077)	29,055
Interest/profit income	(42,901)	(42,040)
Dividend income	(4,409)	(1,508)
Rental income	(1,229)	(1,511)
Finance cost	4,436	4,530
Gains on disposal of investments	(10,137)	(6,048)
Net (accretion of discounts)/amortisation of premiums on investments	(2,973)	829
Share of results of associates	(4,046)	(2,235)
(Loss)/profit from operations before changes in operating assets and liabilities	(11,848)	30,946
Decrease/(increase) in placements with licensed financial institutions, Islamic investment accounts and marketable securities	111,212	(128,912)
Net purchase of investments	(192,210)	(26,941)
Decrease in staff loans	8	295
Decrease/(increase) in insurance/takaful receivables	25,579	(22,751)
Increase in other receivables	(87,700)	(46,168)
Increase in net claim and actuarial liabilities	25,084	61,240
Increase in expense liabilities	67	102
Increase in participants' funds	37,733	28,611
Increase/(decrease) in insurance/takaful payables	15,872	(3,114)
Increase in other payables	104,645	46,712
Taxes and zakat paid	(28,810)	(12,719)
Interest/profit received	61,302	57,713
Dividend received	3,807	1,439
Rental received	1,248	2,081
Net cash generated from/(used in) operating activities	65,989	(11,466)



MNRB HOLDINGS BERHAD (13487-A)
INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2014
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP	
	3 months ended 30 Jun 2014	3 months ended 30 Jun 2013
	RM'000	RM'000
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(743)	(2,610)
Purchase of intangible assets	(100)	(364)
Proceeds from disposal of property, plant and equipment	11	-
Net cash used in investing activities	(832)	(2,974)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Finance cost paid	(4,436)	(4,530)
Net cash used in financing activities	(4,436)	(4,530)
CASH AND BANK BALANCES		
Net increase/(decrease) during the period	60,721	(18,970)
At the beginning of the period	36,644	74,728
At the end of the period	97,365	55,758

*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 JUNE 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 June 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 June 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.



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

A8. Segmental reporting

Financial period ended 30 June 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	200	332,498	234,677	10,660	-	578,035
Inter-segment	8,645	2,954	357	6,306	(18,262)	-
	8,845	335,452	235,034	16,966	(18,262)	578,035
Results						
Segment results	(4,111)	53,983	43,037	(1,113)	-	91,796
Share of results of associates	(264)	4,310	-	-	-	4,046
Operating (loss)/profit before surplus attributable to takaful participants, zakat and taxation	(4,375)	58,293	43,037	(1,113)	-	95,842
Surplus attributable to takaful participants	-	-	(37,733)	-	-	(37,733)
Operating (loss)/profit before zakat and taxation	(4,375)	58,293	5,304	(1,113)	-	58,109
Zakat and taxation	(372)	(13,557)	(1,904)	-	-	(15,833)
Net (loss)/profit for the period attributable to equity holders of the Parent	(4,747)	44,736	3,400	(1,113)	-	42,276

Financial period ended 30 June 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	72	343,787	207,784	33,314	-	584,957
Inter-segment	8,934	3,261	-	6,286	(18,481)	-
	9,006	347,048	207,784	39,600	(18,481)	584,957
Results						
Segment results	(3,867)	54,105	33,674	(5,999)	-	77,913
Share of results of associates	136	2,099	-	-	-	2,235
Operating (loss)/profit before surplus attributable to takaful participants, zakat and taxation	(3,731)	56,204	33,674	(5,999)	-	80,148
Surplus attributable to takaful participants	-	-	(28,611)	-	-	(28,611)
Operating (loss)/profit before zakat and taxation	(3,731)	56,204	5,063	(5,999)	-	51,537
Zakat and taxation	(171)	(9,821)	(2,949)	-	-	(12,941)
Net (loss)/profit for the period attributable to equity holders of the Parent	(3,902)	46,383	2,114	(5,999)	-	38,596



MNRB HOLDINGS BERHAD (13487-A)
INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2014
(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 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, 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 Berhad ("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.

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

A11. Subsequent events

There were no significant subsequent events from 31 March 2014 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 2014.

A13. Capital Commitments

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

Authorised and contracted for:

- Tangible assets
- Intangible assets*

RM'000

688

6,144

6,832

* Relating to purchases and enhancement of computer systems.



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

	General reinsurance and shareholders' fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	General retakaful fund RM'000	Family retakaful fund RM'000	Elimination and adjustment RM'000	Consolidated RM'000
Assets							
Property, plant and equipment	128,853	-	-	-	-	106,922	235,775
Investment properties	6,900	-	106,922	-	-	(106,922)	6,900
Intangible assets	14,253	-	-	-	-	(354)	13,899
Deferred tax assets	16,489	943	-	194	-	(765)	16,861
Investment in subsidiaries	872,032	-	-	-	-	(872,032)	-
Investment in associates	77,614	-	-	-	-	25,994	103,608
Financial assets:							
Financial assets at fair value							
through profit or loss ("FVTPL")	1,407	1,074	126,279	616	21	-	129,397
Held-to-maturity ("HTM") investments	288,182	72,011	347,789	19,235	4,056	-	731,273
Available-for-sale ("AFS")							
financial assets	1,312,436	94,346	940,450	30,394	6,080	-	2,383,706
Loans and receivables ("LAR")	1,306,180	178,689	421,118	50,991	20,004	(98,614)	1,878,368
Reinsurance/retakaful assets	188,766	75,443	158,548	26,064	11,656	-	460,477
Insurance/takaful receivables	239,666	21,788	64,357	18,770	772	-	345,353
Tax recoverable	7,896	-	-	8	5	-	7,909
Cash and bank balances	36,870	12,945	47,532	9	9	-	97,365
Non-current asset held for sale	1,696	-	-	-	-	-	1,696
Total assets	4,499,240	457,239	2,212,995	146,281	42,603	(945,771)	6,412,587
Liabilities and Participants' funds							
Participants' funds	-	36,196	223,581	9,440	2,696	(12,874)	259,039
Borrowings	320,000	-	-	-	-	-	320,000
Insurance/takaful contract liabilities	1,793,339	327,875	1,831,333	115,518	32,962	(10,000)	4,091,027
Insurance/takaful payables	113,151	20,993	32,638	12,019	6,936	-	185,737
Other payables	128,582	69,752	122,425	9,304	-	(75,558)	254,505
Deferred tax liabilities	959	-	354	-	9	(354)	968
Provision for taxation	27,140	2,423	2,664	-	-	-	32,227
Provision for zakat	387	-	-	-	-	-	387
Total liabilities and participants' funds	2,383,558	457,239	2,212,995	146,281	42,603	(98,786)	5,143,890
Equity							
Share capital	1,124,570	-	-	-	-	(911,500)	213,070
Reserves	991,112	-	-	-	-	64,515	1,055,627
Total equity attributable to equity holders of the Parent	2,115,682	-	-	-	-	(846,985)	1,268,697
Total liabilities, participants' funds and equity	4,499,240	457,239	2,212,995	146,281	42,603	(945,771)	6,412,587



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



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

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



MNRB HOLDINGS BERHAD (13487-A)
INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2014
(The figures have not been audited)

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 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	301,156	46,481	137,435	24,214	14,142	(9,207)	514,221
Premiums/contributions ceded to reinsurers and retakaful operators	(19,823)	(13,925)	(13,878)	(6,161)	(1,791)	7,010	(48,568)
Net earned premiums/contributions	281,333	32,556	123,557	18,053	12,351	(2,197)	465,653
Investment income	25,409	2,729	15,900	774	117	(1,345)	43,584
Realised gains and losses	(204)	512	5,603	109	27	-	6,047
Fair value gains and losses	230	19	2,133	15	-	-	2,397
Fee and commission income	68,804	2,613	101	200	44	(66,131)	5,631
Other operating revenue	3,641	-	-	57	-	(1,399)	2,299
Other revenue	97,880	5,873	23,737	1,155	188	(68,875)	59,958
Gross claims and benefit paid	(162,651)	(22,584)	(44,081)	(5,832)	(13,760)	-	(248,908)
Claims ceded to reinsurers/retakaful operators	37,475	6,022	9,337	185	(1,631)	-	51,388
Gross change in contract liabilities	(16,361)	(14,872)	(45,270)	(10,368)	1,325	-	(85,546)
Change in contract liabilities ceded to reinsurers/retakaful	(3,761)	7,529	2,003	(1,432)	856	-	5,195
Net claims and benefits	(145,298)	(23,905)	(78,011)	(17,447)	(13,210)	-	(277,871)
Fee and commission expense	(112,261)	(13,163)	(38,926)	(7,489)	(1,959)	56,284	(117,514)
Management expenses	(54,958)	-	-	-	-	14,128	(40,830)
Finance cost	(4,530)	-	-	-	-	-	(4,530)
Other operating expenses	(5,440)	628	(1,831)	(285)	-	77	(6,851)
Changes in expenses liabilities	(102)	-	-	-	-	-	(102)
Tax borne by participants	-	465	(1,786)	-	-	-	(1,321)
Other expenses	(177,291)	(12,070)	(42,543)	(7,774)	(1,959)	70,489	(171,148)
Share of results of associates	-	-	-	-	-	2,235	2,235
Operating profit before surplus attributable to takaful participants, zakat and taxation	56,624	2,454	26,740	(6,013)	(2,630)	-	78,827
Surplus attributable to takaful participants	-	(2,454)	(26,740)	-	-	583	(28,611)
Operating profit before zakat and taxation	56,624	-	-	(6,013)	(2,630)	583	50,216
Zakat	(100)	-	-	-	-	-	(100)
Taxation	(11,520)	-	-	-	-	-	(11,520)
Net profit for the period attributable to equity holders of the Parent	45,004	-	-	(6,013)	(2,630)	583	38,596



MNRB HOLDINGS BERHAD (13487-A)
INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2014
(The figures have not been audited)

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

B1. Review of performance

For the period ended 30 June 2014, the Group recorded a revenue of RM578.0 million, 1.2% or RM7.0 million lower than RM585.0 million 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 RM42.3 million, 9.5% higher than the RM38.6 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 June 2014 of RM8.8 million was lower by RM0.2 million or 2.2% as compared against the corresponding period last year of RM9.0 million due to lower management fee income.

There was a higher net loss reported of RM4.7 million as compared to RM3.9 million in the corresponding period last year mainly due to the loss reported by the Company's associate and the lower management fee income.

Reinsurance business

The reinsurance business reported RM335.5 million in revenue for the period ended 30 June 2014, a decrease of 3.3% from RM347.0 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 June 2014 reduced by 3.6% from RM46.4 million to RM44.7 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 June 2014 increased by 13.1% from RM207.8 million to RM235.0 million. This was mainly due to the increase in gross contributions and investment income of the family and general takaful funds.

The net profit attributable to equity holders for the period ended 30 June 2014 improved by 60.8% from RM2.1 million to RM3.4 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 June 2014 was lower by 57.9% from RM39.6 million to RM17.0 million, consistent with the efforts to consolidate its business portfolio.

The retakaful business recorded a lower loss of RM1.1 million in the current period as compared to a loss of RM6.0 million in the corresponding period last year mainly due to the reduction in the actuarial reserves of the family retakaful fund.



MNRB HOLDINGS BERHAD (13487-A)
INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2014
(The figures have not been audited)

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

B2. Review of current quarter profitability against immediate preceding quarter

The Group recorded a net profit of RM42.3 million in the current quarter as compared to a net profit of RM74.7 million in the preceding quarter. The preceding quarter's net profit was higher mainly due to the change in basis for estimation of the retakaful subsidiary's general retakaful claim liabilities which resulted in a reduction in the claim liabilities.

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 June 2014.

B5. Taxation

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 30 Jun 2014 RM'000	3 months ended 30 Jun 2013 RM'000	3 months ended 30 Jun 2014 RM'000	3 months ended 30 Jun 2013 RM'000
Operating profit before zakat and tax	58,109	50,216	58,109	50,216
Current tax	(15,451)	(12,739)	(15,451)	(12,739)
Deferred tax	(232)	1,219	(232)	1,219
Zakat	(15,683)	(11,520)	(15,683)	(11,520)
	(150)	(100)	(150)	(100)
	(15,833)	(11,620)	(15,833)	(11,620)
Net profit	42,276	38,596	42,276	38,596
Effective tax rate	27.0%	22.9%	27.0%	22.9%

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

The effective tax rate for the financial period ended 30 June 2013 was lower than the statutory tax rate of 25% principally due to the lower tax rate on inwards and offshore reinsurance business.

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.



MNRB HOLDINGS BERHAD (13487-A)
INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2014
(The figures have not been audited)

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

B7. Borrowings and debt securities

The Group borrowings as at 30 June 2014 were as follows:

	GROUP 30 Jun 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 Jun 2014	3 months ended 30 Jun 2013	3 months ended 30 Jun 2014	3 months ended 30 Jun 2013
Net profit for the period (RM'000)	42,276	38,596	42,276	38,596
Weighted average number of ordinary shares in issue ('000)	213,070	213,070	213,070	213,070
Basic EPS (sen)	19.8	18.1	19.8	18.1

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.



MNRB HOLDINGS BERHAD (13487-A)
INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2014
(The figures have not been audited)

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

B12. Additional disclosures for the income statement

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 30 Jun 2014 RM'000	3 months ended 30 Jun 2013 RM'000	3 months ended 30 Jun 2014 RM'000	3 months ended 30 Jun 2013 RM'000
Interest/profit income	42,901	42,040	42,901	42,040
Dividend income	4,409	1,508	4,409	1,508
Rental income	1,229	1,511	1,229	1,511
Finance cost	(4,436)	(4,530)	(4,436)	(4,530)
Net gains on disposal of investments	10,137	6,048	10,137	6,048
Depreciation and amortisation	(2,864)	(3,059)	(2,864)	(3,059)
Reversal of impairment loss on insurance/ takaful receivables	1,321	1,006	1,321	1,006
Reversal of impairment loss/(impairment loss) on investments	1,979	(119)	1,979	(119)

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

The remainder of this page is intentionally left blank



MNRB HOLDINGS BERHAD (13487-A)
INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2014
(The figures have not been audited)

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

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

	GROUP	
	30 Jun 2014	31 Mar 2014
	RM'000	RM'000
Total retained profits of the Group:		
Realised	942,171	890,944
Unrealised	2,499	11,450
	944,670	902,394
Share of accumulated profits/(losses) from associated companies:		
Realised	177	(3,869)
	944,847	898,525
Add / Less: Consolidation adjustments	(39,644)	(35,598)
Total retained profits per the statement of changes in equity	905,203	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: 28 August 2014