



MNRB HOLDINGS BERHAD

Bursa Announcement

First Quarter Ended 30 June 2011



MNRB HOLDINGS BERHAD (13487-A)
INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2011
(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENT

| | GROUP | | | |
|--|---|---|---|---|
| | Individual Period | | Cumulative Period | |
| | 3 months ended 30 Jun 2011 RM'000 | 3 months ended 30 Jun 2010 RM'000 | 3 months ended 30 Jun 2011 RM'000 | 3 months ended 30 Jun 2010 RM'000 |
| Operating revenue | 398,893 | 386,687 | 398,893 | 386,687 |
| Gross earned premiums | 305,551 | 292,393 | 305,551 | 292,393 |
| Premiums ceded to reinsurers | (44,525) | (38,355) | (44,525) | (38,355) |
| Net earned premiums | 261,026 | 254,038 | 261,026 | 254,038 |
| Investment income | 21,161 | 16,754 | 21,161 | 16,754 |
| Realised gains and losses | 518 | 8,565 | 518 | 8,565 |
| Fair value gains and losses | 319 | 236 | 319 | 236 |
| Fee and commission income | 64,592 | 49,234 | 64,592 | 49,234 |
| Other operating revenue | 1,705 | 741 | 1,705 | 741 |
| Other revenue | 88,295 | 75,530 | 88,295 | 75,530 |
| Gross claims paid | (154,571) | (149,791) | (154,571) | (149,791) |
| Claims ceded to reinsurers | 10,634 | 9,368 | 10,634 | 9,368 |
| Gross change in contract liabilities | (13,224) | (18,454) | (13,224) | (18,454) |
| Change in contract liabilities ceded to reinsurers | 7,753 | 8,338 | 7,753 | 8,338 |
| Net claims | (149,408) | (150,539) | (149,408) | (150,539) |
| Fee and commission expense | (100,194) | (103,672) | (100,194) | (103,672) |
| Management expenses | (42,665) | (38,466) | (42,665) | (38,466) |
| Finance cost | (3,053) | (1,782) | (3,053) | (1,782) |
| Other operating expenses | (1,099) | (288) | (1,099) | (288) |
| Other expenses | (147,011) | (144,208) | (147,011) | (144,208) |
| Share of results of associates | (1,117) | 814 | (1,117) | 814 |
| Profit/(loss) before zakat and tax | 51,785 | 35,635 | 51,785 | 35,635 |
| Zakat | (100) | (100) | (100) | (100) |
| Tax expenses | (8,721) | (9,396) | (8,721) | (9,396) |
| Net profit/(loss) for the period | 42,964 | 26,139 | 42,964 | 26,139 |
| Earnings per share (sen) - Basic | 20.2 | 12.3 | 20.2 | 12.3 |

*The Condensed Financial Statements should be read in conjunction with
the Annual Financial Report for the year ended 31 March 2011*



MNRB HOLDINGS BERHAD (13487-A)
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 Jun 2011 RM'000 | 3 months ended 30 Jun 2010 RM'000 | 3 months ended 30 Jun 2011 RM'000 | 3 months ended 30 Jun 2010 RM'000 |
| Net profit for the period | 42,964 | 26,139 | 42,964 | 26,139 |
| Other comprehensive (loss)/income: | | | | |
| Fair value change of available-for-sale financial assets, net of tax | 3,983 | (1,923) | 3,983 | (1,923) |
| Effects of post acquisition exchange translation reserve | (148) | (901) | (148) | (901) |
| Total comprehensive income for the period | 46,799 | 23,315 | 46,799 | 23,315 |
| | | | | |

*The Condensed Financial Statements should be read in conjunction with
the Annual Financial Report for the year ended 31 March 2011*



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

| | Note | GROUP | |
|--|------|------------------------------------|------------------------------------|
| | | Unaudited 30 Jun 2011 RM'000 | Audited 31 March 2011 RM'000 |
| ASSETS | | | |
| Property, plant and equipment | | 102,233 | 101,887 |
| Investment properties | | 28,600 | 28,600 |
| Intangible assets | | 13,988 | 12,969 |
| Deferred tax assets | | 6,214 | 5,474 |
| Investment in associates | | 116,262 | 117,542 |
| Financial assets at fair value through profit or loss | | 15,472 | 14,912 |
| Held-to-maturity investments | | 325,543 | 329,758 |
| Available-for-sale financial assets | | 773,895 | 736,632 |
| Loans and receivables | | 1,150,669 | 1,034,574 |
| Reinsurance assets | | 173,689 | 146,597 |
| Insurance receivables | | 164,832 | 138,173 |
| Tax recoverable | | 12,396 | 11,476 |
| Cash and bank balances | | 9,476 | 9,483 |
| Non-current asset held for sale | | 34,173 | 34,173 |
| Total general reinsurance business and shareholders' fund assets | | 2,927,442 | 2,722,250 |
| General takaful fund assets | | 347,150 | 350,197 |
| Family takaful fund assets | | 1,449,593 | 1,300,836 |
| General retakaful fund assets | | 85,910 | 76,853 |
| Family retakaful fund assets | | 16,678 | 16,320 |
| Total assets | | 4,826,773 | 4,466,456 |
| LIABILITIES | | | |
| Islamic medium term notes | B9 | 150,000 | 150,000 |
| Short term revolving credit facility | B9 | 120,000 | - |
| Insurance and takaful contract liabilities | | 1,440,413 | 1,412,707 |
| Insurance and takaful payables | | 77,052 | 65,394 |
| Other payables | | 94,168 | 94,859 |
| Provision for zakat | | 294 | 574 |
| Total general reinsurance business and shareholders' fund liabilities | | 1,881,927 | 1,723,534 |
| General takaful fund liabilities | | 331,379 | 339,704 |
| Family takaful fund liabilities | | 1,151,301 | 1,108,260 |
| General retakaful fund liabilities | | 85,825 | 76,783 |
| Family retakaful fund liabilities | | 15,212 | 14,974 |
| Total liabilities | | 3,465,644 | 3,263,255 |



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(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

| | Note | GROUP | |
|---|------|------------------------------------|------------------------------------|
| | | Unaudited 30 Jun 2011 RM'000 | Audited 31 March 2011 RM'000 |
| EQUITY | | | |
| Share capital | | 213,070 | 213,070 |
| Reserves | | 832,445 | 785,646 |
| Total equity attributable to equity holders of the Company | | 1,045,515 | 998,716 |
| TAKAFUL AND RETAKAFUL FUNDS | | | |
| General takaful fund | | 15,771 | 10,493 |
| Family takaful fund | | 298,292 | 192,576 |
| General retakaful fund | | 85 | 70 |
| Family retakaful fund | | 1,466 | 1,346 |
| Total takaful and retakaful funds | | 315,614 | 204,485 |
| Total liabilities, equity, takaful and retakaful funds | | 4,826,773 | 4,466,456 |
| Net assets per share (RM) | | 4.91 | 4.69 |

*The Condensed Financial Statements should be read in conjunction with
the Annual Financial Report for the year ended 31 March 2011*



MNRB HOLDINGS BERHAD (13487-A)
INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2011
(The figures have not been audited)

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2011

| | GROUP | | | | | | | |
|--|--|----------------------------|---------------------------------|---|----------------------------------|---|--|-----------------|
| | Attributable to Equity Holder of the Company | | | | | | | |
| | | Reserves | | | | | | Total RM'000 |
| | | Non- distributable | | | Distributable | | | |
| Share capital RM'000 | | Share premium RM'000 | Fair value reserve RM'000 | Foreign exchange translation reserve RM'000 | Revaluation reserve RM'000 | Retained profits brought forward RM'000 | Net profit for the period RM'000 | |
| At 1 April 2011 | 213,070 | 105,051 | 11,156 | 15,108 | 3,184 | 651,147 | - | 998,716 |
| Total comprehensive income/(loss) for the period | - | - | 3,983 | (148) | - | - | 42,964 | 46,799 |
| At 30 June 2011 | 213,070 | 105,051 | 15,139 | 14,960 | 3,184 | 651,147 | 42,964 | 1,045,515 |

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

| | GROUP | | | | | | | |
|--|--|----------------------------|---------------------------------|---|----------------------------------|---|--|-----------------|
| | Attributable to Equity Holder of the Company | | | | | | | |
| | | Reserves | | | | | | Total RM'000 |
| | | Non- distributable | | | Distributable | | | |
| Share capital RM'000 | | Share premium RM'000 | Fair value reserve RM'000 | Foreign exchange translation reserve RM'000 | Revaluation 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 |

*The Condensed Financial Statements should be read in conjunction with
the Annual Financial Report for the year ended 31 March 2011*



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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | GROUP | |
|--|---|---|
| | 3 months ended 30 Jun 2011 RM'000 | 3 months ended 30 Jun 2010 RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before zakat and taxation | 51,785 | 35,635 |
| Adjustments for: | | |
| Non-cash items | (28,025) | (20,252) |
| Profit/(loss) from operations before changes in operating assets and liabilities | 23,760 | 15,383 |
| Net change in current assets | (161,523) | (15,711) |
| Net change in current liabilities | 11,860 | (5,235) |
| Cash operating items | 12,808 | 15,486 |
| Net cash generated from operating activities | (113,095) | 9,923 |
| CASH FLOWS USED IN INVESTING ACTIVITIES | (3,873) | (5,335) |
| CASH FLOWS USED IN FINANCING ACTIVITIES | 116,947 | (1,782) |
| CASH AND BANK BALANCES | | |
| Net increase during the period | (21) | 2,806 |
| Cash and bank balances at the beginning of the period | 9,483 | 5,997 |
| Effect of changes in foreign exchange rate | 14 | (2) |
| Cash and bank balances at the end of the period | 9,476 | 8,801 |

*The Condensed Financial Statements should be read in conjunction with
the Annual Financial Report for the year ended 31 March 2011*



MNRB HOLDINGS BERHAD (13487-A)
INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2011
(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 complies with the Companies Act, 1965, Insurance Act and Regulations, 1996, the Takaful Act, 1984 and where applicable, has been 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 2011.

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 2011 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 2011:

| | |
|-------------------------------------|--|
| FRS 1: | First-time Adoption of Financial Reporting Standards |
| FRS 3: | Business Combinations (Revised) |
| Amendments to FRS 2: | Share-based Payment |
| Amendments to FRS 5: | Non-current Assets Held for Sale and Discontinued Operations |
| Amendments to FRS 127: | Consolidated and Separate Financial Statements |
| Amendments to FRS 138: | Intangible Assets |
| Amendments to IC Interpretation 9: | Reassessment of Embedded Derivatives |
| Amendments to FRS 1: | Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters |
| Amendments to FRS 1: | Additional Exemptions for First-time Adopters |
| Amendments to FRS 2: | Group Cash-settled Share-based Payment Transactions |
| Amendments to FRS 7: | Improving Disclosures about Financial Instruments |
| Amendments to FRSs: | ‘Improvements to FRSs (2010)’ |
| Amendments to IC Interpretation 14: | Prepayments of a Minimum Funding Requirement |
| IC Interpretation 12: | Service Concession Arrangements |
| IC Interpretation 15: | Agreements for the Construction of Real Estate |
| IC Interpretation 16: | Hedges of a Net Investment in a Foreign Operation |
| IC Interpretation 17: | Distributions of Non-cash assets to Owners |
| IC Interpretation 4: | Determining whether an Arrangement contains a Lease |
| IC Interpretation 18: | Transfers of Assets from Customers |
| TR 3: | Guidance on Disclosures of Transition to IFRSs |
| TR i-4: | Shariah Compliant Sale Contracts |

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.

A2. Auditors’ Report on preceding annual financial statements

The auditors’ report on the audited financial statements for the financial year ended 31 March 2011 was not subject to any qualification.



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

A3. Seasonal or cyclical factors

During the period ended 30 June 2011, 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 2011.

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 2011.

A8. Segmental reporting

Financial period ended 30 June 2011

| | 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 | 127 | 338,308 | 57,117 | 3,341 | - | 398,893 |
| Inter-segment | 10,232 | 1,895 | - | 119 | (12,246) | - |
| | 10,359 | 340,203 | 57,117 | 3,460 | (12,246) | 398,893 |
| Results | | | | | | |
| Segment results | 10,232 | 49,170 | 54,703 | 2,677 | (11,274) | 105,508 |
| (Loss)/Profit from operations | (1,705) | 49,391 | 3,630 | 1,586 | - | 52,902 |
| Share of results of associates | (9) | (1,108) | - | - | - | (1,117) |
| (Loss)/Profit before zakat and taxation | (1,714) | 48,283 | 3,630 | 1,586 | - | 51,785 |
| Zakat and taxation | (854) | (7,461) | (506) | - | - | (8,821) |
| Net (loss)/profit for the year | (2,568) | 40,822 | 3,124 | 1,586 | - | 42,964 |



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PART A – NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

A8. Segmental reporting (Cont'd)

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 | (5,616) | 73,543 |
| (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 year | (5,044) | 28,911 | 1,597 | 983 | (308) | 26,139 |

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 period ended 30 June 2011.

A10. Significant events

There were no significant events during the current financial period ended 30 June 2011.

A11. Subsequent events

There were no significant subsequent events from 30 June 2011 to the date of this report.



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(The figures have not been audited)

PART A – NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

A12. Changes in the composition of the Group

Subscription of additional shares in Malaysian Reinsurance Berhad ("Malaysian Re") and Takaful Ikhlas Sdn. Bhd. ("Takaful Ikhlas")

During the current financial period ended 30 June 2011, MNRB increased its investment in Malaysian Re and Takaful Ikhlas, as follows:

- (i) MNRB's investment in Malaysian Re was increased by RM10 million, via the issuance of 10 million new ordinary shares of RM1.00 each in Malaysian Re at an issue price of RM1.00 per share; and
- (ii) MNRB's investment in Takaful Ikhlas was increased by RM100 million, via the issuance of 100 million new ordinary shares of RM1.00 each in Takaful Ikhlas at an issue price of RM1.00 per share.

The new ordinary shares issued by Malaysian Re and Takaful Ikhlas rank pari passu with the ordinary shares of the two subsidiaries in existence as at the issue date above.

There were no other changes in the composition of the Group during the current financial period ended 30 June 2011.

A13. Capital Commitments

The amount of capital commitments of the Group as at 30 June 2011 are as follows:

| | |
|--------------------------------|--------------|
| | RM'000 |
| Authorised and contracted for: | |
| - Intangible assets* | <u>4,860</u> |

* Relating to purchases and enhancement of the takaful and retakaful subsidiaries' computer systems.

A14. Contingent liabilities or contingent assets

The amount of contingent liabilities of the Group as at 30 June 2011 are as follows:

| | |
|---|---------------|
| | RM'000 |
| Contingent liabilities arising from interest in associate: | |
| 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>34,721</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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**PART B – ADDITIONAL INFORMATION REQUIRED BY THE
LISTING REQUIREMENTS OF BURSA MALAYSIA**

B1. Review of performance

For the period ended 30 June 2011, the Group recorded a revenue of RM398.9 million, 3.2% higher than the RM386.7 million recorded in the corresponding quarter last year. The higher revenue was a result of the increase in the gross premium written by the reinsurance subsidiary and the increase in the wakalah fees earned by the takaful and retakaful operator.

The Group's profit before zakat and taxation increased by 45.3% from RM35.6 million to RM51.8 million as a result of lower claims incurred by the Group's reinsurance subsidiary.

B2. Review of current quarter profitability against immediate preceding quarter

The Group's profit before zakat and taxation decreased by RM4.4 million from RM56.1 million in the preceding quarter to RM51.8 million in the current quarter. This was mainly due to the relatively lower claims incurred reported by the Group's reinsurance subsidiary in the preceding quarter and the lower capital gain realised from investments in the current quarter as compared to the preceding quarter.

B3. Current year prospects

Based on the current economic conditions, the Group is expected to achieve good results for the financial year ending 31 March 2012.

B4. Explanatory note for variance from profit forecast

There was no profit forecast issued by the Group during the financial period ended 30 June 2011.



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

B5. Taxation

| | GROUP | | | |
|----------------------------------|--|--|--|--|
| | Individual Period | | Cumulative Period | |
| | 3 months ended 30 Jun 2011 RM'000 | 3 months ended 30 Jun 2010 RM'000 | 3 months ended 30 Jun 2011 RM'000 | 3 months ended 30 Jun 2010 RM'000 |
| Profit before zakat and taxation | 51,785 | 35,635 | 51,785 | 35,635 |
| Current tax | (10,248) | (9,843) | (10,248) | (9,843) |
| Deferred tax | 1,527 | 447 | 1,527 | 447 |
| Zakat | (8,721) | (9,396) | (8,721) | (9,396) |
| | (100) | (100) | (100) | (100) |
| | (8,821) | (9,496) | (8,821) | (9,496) |
| Net profit for the period | 42,964 | 26,139 | 42,964 | 26,139 |
| Effective tax rate | 16.8% | 26.4% | 16.8% | 26.4% |

The effective tax rate for the financial period ended 30 June 2011 were lower than the statutory tax rate of 25% principally due to the profitable inward and offshore reinsurance business which benefited the Group due to the lower tax rate.

The higher effective tax rate for the comparative period was principally due to the losses incurred by the Company which could not be set-off against taxable profit made by other subsidiaries.

B6. 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 2011.

B7. Quoted securities

There was no purchase or disposal of quoted securities during the financial period ended 30 June 2011 by the Group other than by the reinsurance subsidiary, takaful operator and retakaful subsidiary, which are exempted from disclosure of this information.



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

B8. Status of corporate proposals and utilisation of proceeds

Proposed divestment of a portion of MNRB's equity interests in Takaful Ikhlas Sdn Bhd to Allianz Malaysia Berhad ("Proposed Divestment")

As announced on 20 December 2010, MNRB had obtained Bank Negara Malaysia's approval, via its letter dated 17 December 2010, to commence negotiations with Allianz Malaysia Berhad ("AMB") on the Proposed Divestment.

On 6 July 2011, MNRB had announced that MNRB and AMB have mutually agreed to end negotiations in relation to the Proposed Divestment.

Other than the above, there was no corporate proposal announced but not completed as at the date of this announcement.

B9. Borrowings and debt securities

The Group borrowings as at 30 June 2011 is as follows:

| | GROUP 30 Jun 2011 RM'000 |
|--|---------------------------------------|
| Long term borrowings: | |
| Unsecured: | |
| RM200.0 million Islamic Medium Term Notes ("IMTN") due in 2012 | 150,000 |
| RM120.0 million short term revolving credit facility due in 2012 | 120,000 |
| | <u>270,000</u> |
| IMTN held by the subsidiaries: | |
| Reinsurance subsidiary, Malaysian Reinsurance Berhad | 40,000 |
| Retakaful subsidiary, MNRB Retakaful Berhad | 10,000 |
| | <u>50,000</u> |

B10. Off balance sheet financial instruments

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

B11. Material litigation

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



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

B12. Dividends

The Board of Directors of MNRB Holdings Berhad had recommended the payment of First and Final Dividend of 20% less 25% income tax amounting to RM31,960,425 for the financial year ended 31 March 2011 to be paid on a date to be announced later, subject to approval by shareholders at the forthcoming 38th Annual General Meeting of the Company.

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

B13. 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 2011 | 3 months ended 30 Jun 2010 | 3 months ended 30 Jun 2011 | 3 months ended 30 Jun 2010 |
| Net profit for the period (RM'000) | 42,964 | 26,139 | 42,964 | 26,139 |
| Weighted average number of ordinary shares in issue ('000) | 213,070 | 213,070 | 213,070 | 213,070 |
| Basic EPS (sen) | 20.2 | 12.3 | 20.2 | 12.3 |

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

B14. Disclosure of realised and unrealised profits

On 25 March 2010, Bursa Securities issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of the Bursa Securities Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Securities further issued guidance on the disclosure and the format required.



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INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2011
(The figures have not been audited)

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

B14. Disclosure of realised and unrealised profits (Cont'd)

The breakdown of the retained profits of the Group as at 31 March 2011, into realised and unrealised profits, pursuant to the directive, is as follows:

| | GROUP | |
|---|-----------------------|-----------------------|
| | 30 Jun 2011 RM'000 | 31 Mar 2011 RM'000 |
| Total retained profits of the Group: | | |
| Realised | 684,501 | 634,986 |
| Unrealised | 14,626 | 13,098 |
| | 699,127 | 648,084 |
| Total share of retained profits from associate | | |
| Realised | 15,187 | 18,067 |
| Unrealised | 8,504 | 6,741 |
| | 722,818 | 672,892 |
| Less: Consolidation adjustments | (28,707) | (21,745) |
| Total retained profits per the statement of changes in equity | 694,111 | 651,147 |

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.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

By Order of the Board

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

Kuala Lumpur
Dated: 22 August 2011