



Bursa Announcement

Third Quarter Ended 31 December 2014



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

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2014

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 31 Dec 2014	3 months ended 31 Dec 2013	9 months ended 31 Dec 2014	9 months ended 31 Dec 2013
	RM'000	RM'000	RM'000	RM'000
Gross earned premiums/contributions	550,973	556,573	1,614,511	1,617,900
Premiums/contributions ceded to reinsurers and retakaful operators	(55,864)	(62,936)	(173,233)	(155,415)
Net earned premiums/contributions	495,109	493,637	1,441,278	1,462,485
Investment income	44,228	43,945	138,818	126,946
Realised gains and losses	(2,074)	10,240	6,888	21,201
Fair value gains and losses	(6,355)	3,262	(1,156)	4,483
Fee and commission income	4,121	7,906	20,725	19,451
Other operating revenue	239	(419)	2,393	5,202
Other revenue	40,159	64,933	167,668	177,282
Gross claims and benefits paid	(379,502)	(298,534)	(938,950)	(772,532)
Claims ceded to reinsurers/retakaful operators	58,988	49,031	126,064	104,123
Gross change in contract liabilities	(105,591)	(20,033)	(117,051)	(330,661)
Change in contract liabilities ceded to reinsurers/retakaful operators	54,076	(91,913)	(20,669)	33,505
Net claims and benefits	(372,029)	(361,450)	(950,606)	(965,566)
Fee and commission expense	(124,654)	(103,262)	(344,211)	(340,168)
Management expenses	(46,932)	(52,786)	(149,969)	(140,044)
Finance cost	(6,302)	(4,512)	(15,395)	(13,535)
Other operating expenses	(1,142)	3,797	(6,260)	(4,393)
Change in expenses liabilities	(3,373)	(5,782)	(2,244)	(7,676)
Tax borne by participants	(6,304)	(5,150)	(10,103)	(9,027)
Other expenses	(188,707)	(167,696)	(528,182)	(514,844)
Share of results of associates	(4,491)	1,071	(575)	4,152
Operating (loss)/profit before surplus attributable to takaful participants, zakat and taxation	(29,959)	30,496	129,583	163,510
Deficit/(surplus) attributable to takaful participants	15,671	(3,939)	(45,802)	(41,978)
Operating (loss)/profit before zakat and taxation	(14,288)	26,557	83,781	121,532
Zakat	(240)	(100)	(540)	(300)
Taxation	(5,558)	(12,478)	(32,570)	(39,974)
Net (loss)/profit for the period attributable to equity holders of the Parent	(20,086)	13,979	50,671	81,258
Basic (loss)/earnings per share attributable to equity holders of the Parent (sen):	(9.4)	6.6	23.8	38.1

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
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2014

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 31 Dec 2014	3 months ended 31 Dec 2013	9 months ended 31 Dec 2014	9 months ended 31 Dec 2013
	RM'000	RM'000	RM'000	RM'000
Net (loss)/profit for the period	(20,086)	13,979	50,671	81,258
<u>Other comprehensive (loss)/income:</u>				
Other comprehensive (losses)/income to be reclassified to income statement in subsequent periods:				
Effects of post acquisition foreign exchange translation reserve on investment in associate	6,706	480	12,046	5,460
Effects of foreign exchange translation reserve on investment in subsidiary	537	24	551	374
Net gain/(loss) on AFS financial assets:				
Net gain/(loss) on fair value changes	(11,587)	(16,248)	13,182	(40,483)
Realised loss/(gain) transferred to income statement	(3,966)	4,756	(8,459)	(2,166)
Deferred tax relating to net (gain)/loss on AFS financial assets	3,064	(7,064)	854	(5,043)
Other comprehensive income/(losses) attributable to participants	4,513	14,259	(10,588)	30,218
Other comprehensive income not to be reclassified to income statement in subsequent periods:				
Revaluation of land and buildings	577	-	1,749	1,121
Deferred tax relating to revaluation of land and buildings	(46)	-	(140)	(90)
Total comprehensive (loss)/income for the period	(20,288)	10,186	59,866	70,649

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 FINANCIAL POSITION AS AT 31 DECEMBER 2014

	GROUP	
	Unaudited 31 Dec 2014 RM'000	Audited 31 Mar 2014 RM'000
Assets		
Property, plant and equipment	235,217	236,936
Investment properties	6,900	6,900
Intangible assets	10,740	14,519
Deferred tax assets	13,126	24,595
Investment in associates	107,522	96,053
Financial assets:		
Financial assets at fair value through profit or loss ("FVTPL")	133,076	139,478
Held-to-maturity ("HTM") investments	722,566	718,597
Available-for-sale ("AFS") financial assets	2,484,041	2,303,023
Loans and receivables ("LAR")	1,875,676	1,783,211
Reinsurance/retakaful assets	386,768	399,787
Insurance/takaful receivables	336,042	369,611
Tax recoverable	13,529	5,462
Cash and bank balances	46,025	36,644
Non-current asset held for sale	1,696	1,696
Total assets	6,372,924	6,136,512
Liabilities and Participants' funds		
Participants' funds	273,999	217,476
Borrowings	320,000	320,000
Insurance/takaful contract liabilities	4,128,609	4,012,263
Insurance/takaful payables	120,439	169,865
Other payables	271,361	157,393
Deferred tax liabilities	193	8,713
Provision for taxation	9,668	26,965
Provision for zakat	476	368
Total liabilities and participants' funds	5,124,745	4,913,043
Equity		
Share capital	213,070	213,070
Reserves	1,035,109	1,010,399
Total equity attributable to equity holders of the Company	1,248,179	1,223,469
Total liabilities, participants' funds and equity	6,372,924	6,136,512
Net assets per share (RM)	5.86	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 31 DECEMBER 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/(loss) for the period	-	-	12,597	(5,011)	1,609	-	50,671	59,866	
Dividend paid during the period	-	-	-	-	-	-	(35,156)	(35,156)	
At 31 December 2014	213,070	105,051	34,854	(17,091)	33,853	862,927	15,515	1,248,179	

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 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	-	-	5,834	(17,474)	1,031	-	81,258	70,649	
Dividend paid during the period	-	-	-	-	-	-	(51,137)	(51,137)	
At 31 December 2013	213,070	105,051	22,562	(9,002)	31,691	757,963	30,121	1,151,456	

*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 CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2014

	GROUP	
	9 months ended 31 Dec 2014	9 months ended 31 Dec 2013
	RM'000	RM'000
Cash flows from operating activities		
Profit before surplus transfer, zakat and tax	83,781	121,532
Adjustments for:		
Net fair value gains/(losses) on financial assets at FVTPL	7,855	(3,348)
(Reversal of impairment loss)/impairment loss on AFS financial assets	(6,644)	26
Reversal of impairment loss on HTM investments	(54)	(29)
Impairment loss/(reversal of impairment loss) on insurance/takaful receivables	3,669	(2,462)
Depreciation of property, plant and equipment	6,253	7,501
Amortisation of intangible assets	1,431	2,715
Loss on disposal of property, plant and equipment	-	(45)
(Decrease)/increase in net premium and contribution liabilities	(10,599)	15,104
Interest/profit income	(122,406)	(123,659)
Dividend income	(14,020)	(5,039)
Rental income	(3,690)	(3,838)
Finance cost	15,395	13,535
Net gains on disposal of investments	(6,972)	(21,159)
Net (accretion of discounts)/amortisation of premiums on investments	(3,367)	2,609
Share of results of associates	575	(4,152)
Loss from operations before changes in operating assets and liabilities	(48,793)	(708)
Decrease/(increase) in placements with licensed financial institutions, Islamic investment accounts and marketable securities	158,540	(38,371)
Net purchase of investments	(434,917)	(338,979)
Increase in staff loans	(1,091)	(339)
Decrease/(increase) in insurance/takaful receivables	29,900	(14,541)
Decrease/(increase) in other receivables	102,730	(112,164)
Increase in net claim and actuarial liabilities	44,679	154,240
Increase in expense liabilities	2,244	7,676
Increase in participants' funds	45,802	51,005
Decrease in insurance/takaful payables	(49,426)	(11,348)
Increase in other payables	93,137	253,490
Taxes and zakat paid	(42,458)	(39,721)
Interest/profit received	141,454	139,459
Dividend received	13,068	4,811
Rental received	3,285	6,231
Net cash generated from operating activities	58,154	60,742



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2014

	GROUP	
	9 months ended 31 Dec 2014	9 months ended 31 Dec 2013
	RM'000	RM'000
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,525)	(3,829)
Purchase of intangible assets	(80)	(3,516)
Proceeds from disposal of property, plant and equipment	2,482	1
Net cash used in investing activities	(123)	(7,344)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Finance cost paid	(13,494)	(13,503)
Dividend paid	(35,156)	(51,137)
Net cash used in financing activities	(48,650)	(64,639)
CASH AND BANK BALANCES		
Net increase/(decrease) during the period	9,381	(11,242)
At the beginning of the period	36,644	74,728
At the end of the period	46,025	63,486

*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 31 DECEMBER 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 31 December 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 31 December 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

A first and final single-tier dividend in respect of the financial year ended 31 March 2014 of 16.5% amounting to RM35,156,468 was approved by the Company's shareholders at the 41st Annual General Meeting of the Company and paid on 29 October 2014.

A8. Segmental reporting

Financial period ended 31 December 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	831	1,062,494	652,427	40,610	-	1,756,362
Inter-segment	87,429	3,664	721	17,694	(109,508)	-
	88,260	1,066,158	653,148	58,304	(109,508)	1,756,362
Results						
Segment results	43,896	107,185	55,205	(15,128)	(61,000)	130,158
Share of results of associates	(736)	161	-	-	-	(575)
Operating profit/(loss) before surplus attributable to takaful participants, zakat and taxation	43,160	107,346	55,205	(15,128)	(61,000)	129,583
Surplus attributable to takaful participants	-	-	(45,802)	-	-	(45,802)
Operating profit/(loss) before zakat and taxation	43,160	107,346	9,403	(15,128)	(61,000)	83,781
Zakat and taxation	-	(25,873)	(7,237)	-	-	(33,110)
Net profit/(loss) for the period attributable to equity holders of the Parent	43,160	81,473	2,166	(15,128)	(61,000)	50,671

Financial period ended 31 December 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	661	1,075,437	629,728	89,356	-	1,795,182
Inter-segment	126,050	4,682	466	4,853	(136,051)	-
	126,711	1,080,119	630,194	94,209	(136,051)	1,795,182
Results						
Segment results	85,412	155,791	51,304	(28,149)	(105,000)	159,358
Share of results of associates	(325)	4,477	-	-	-	4,152
Operating profit/(loss) before surplus attributable to takaful participants, zakat and taxation	85,087	160,268	51,304	(28,149)	(105,000)	163,510
Surplus attributable to takaful participants	-	-	(41,978)	-	-	(41,978)
Operating profit/(loss) before zakat and taxation	85,087	160,268	9,326	(28,149)	(105,000)	121,532
Zakat and taxation	(23,495)	(38,348)	(2,431)	-	24,000	(40,274)
Net profit/(loss) for the period attributable to equity holders of the Parent	61,592	121,920	6,895	(28,149)	(81,000)	81,258



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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.

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 31 December 2014.

A11. Subsequent events

There were no significant subsequent events from 31 December 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 31 December 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 31 December 2014 were as follows:

	RM'000
Authorised and contracted for:	
- Tangible assets	1,754
- Intangible assets*	5,773
	<u>7,527</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 31 December 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	128,295	-	-	-	-	106,922	235,217
Investment properties	6,900	-	106,922	-	-	(106,922)	6,900
Intangible assets	10,740	-	-	-	-	-	10,740
Deferred tax assets	13,488	1,317	-	180	3	(1,862)	13,126
Investment in subsidiaries	872,032	-	-	-	-	(872,032)	-
Investment in associates	77,614	-	-	-	-	29,908	107,522
Financial assets:							
Financial assets at fair value							
through profit or loss ("FVTPL")	911	748	131,062	345	10	-	133,076
Held-to-maturity ("HTM") investments	281,713	71,962	337,209	19,219	12,463	-	722,566
Available-for-sale ("AFS")							
financial assets	1,516,055	182,389	1,031,796	29,776	18,610	(294,585)	2,484,041
Loans and receivables ("LAR")	1,080,107	86,046	474,161	37,659	5,149	192,554	1,875,676
Reinsurance/retakaful assets	230,654	96,460	15,881	30,047	13,726	-	386,768
Insurance/takaful receivables	197,521	20,470	94,711	15,423	7,917	-	336,042
Tax recoverable	13,529	-	-	8	5	(13)	13,529
Cash and bank balances	17,127	614	28,248	11	25	-	46,025
Non-current asset held for sale	1,696	-	-	-	-	-	1,696
Total assets	4,448,382	460,006	2,219,990	132,668	57,908	(946,030)	6,372,924
Liabilities and Participants' funds							
Participants' funds	-	47,127	227,731	4,205	-	(5,064)	273,999
Borrowings	320,000	-	-	-	-	-	320,000
Insurance/takaful contract liabilities	1,862,057	342,124	1,782,431	113,127	38,870	(10,000)	4,128,609
Insurance/takaful payables	69,567	20,728	13,552	6,931	9,661	-	120,439
Other payables	86,446	47,270	193,008	8,405	9,377	(73,145)	271,361
Deferred tax liabilities	193	-	1,003	-	-	(1,003)	193
Provision for taxation	4,659	2,757	2,265	-	-	(13)	9,668
Provision for zakat	476	-	-	-	-	-	476
Total liabilities and participants' funds	2,343,398	460,006	2,219,990	132,668	57,908	(89,225)	5,124,745
Equity							
Share capital	1,124,570	-	-	-	-	(911,500)	213,070
Reserves	980,414	-	-	-	-	54,695	1,035,109
Total equity attributable to equity holders of the Parent	2,104,984	-	-	-	-	(856,805)	1,248,179
Total liabilities, participants' funds and equity	4,448,382	460,006	2,219,990	132,668	57,908	(946,030)	6,372,924



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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) 9 months ended 31 December 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	992,723	179,789	406,279	28,964	29,653	(22,897)	1,614,511
Premiums/contributions ceded to reinsurers and retakaful operators	(81,345)	(59,799)	(36,309)	(9,672)	(6,155)	20,047	(173,233)
Net earned premiums/contributions	911,378	119,990	369,970	19,292	23,498	(2,850)	1,441,278
Investment income	140,147	9,261	51,853	2,656	572	(65,671)	138,818
Realised gains and losses	1,264	617	4,855	112	40	-	6,888
Fair value gains and losses	6,325	(353)	(6,970)	(143)	(15)	-	(1,156)
Fee and commission income	214,563	16,232	-	492	412	(210,974)	20,725
Other operating revenue	6,949	586	-	330	-	(5,472)	2,393
Other revenue	369,248	26,343	49,738	3,447	1,009	(282,117)	167,668
Gross claims and benefit paid	(597,020)	(90,359)	(204,218)	(32,630)	(33,564)	18,841	(938,950)
Claims ceded to reinsurers/retakaful operators	36,967	32,777	57,405	11,002	6,754	(18,841)	126,064
Gross change in contract liabilities	(99,874)	(18,295)	17,729	(10,564)	(6,047)	-	(117,051)
Change in contract liabilities ceded to reinsurers/retakaful operators	79,152	8,224	(123,657)	7,714	7,898	-	(20,669)
Net claims and benefits	(580,775)	(67,653)	(252,741)	(24,478)	(24,959)	-	(950,606)
Fee and commission expenses	(338,837)	(57,542)	(117,413)	(7,114)	(5,354)	182,049	(344,211)
Management expenses	(177,798)	(2,695)	(6,936)	-	-	37,460	(149,969)
Finance cost	(15,395)	-	-	-	-	-	(15,395)
Other operating expenses	(5,094)	-	(3,407)	(456)	(12)	2,709	(6,260)
Changes in expenses liabilities	(2,244)	-	-	-	-	-	(2,244)
Tax borne by participants	-	(4,825)	(5,278)	-	-	-	(10,103)
Other expenses	(539,368)	(65,062)	(133,034)	(7,570)	(5,366)	222,218	(528,182)
Share of results of associates	-	-	-	-	-	(575)	(575)
Operating profit/(loss) before surplus attributable to takaful participants, zakat and taxation	160,483	13,618	33,933	(9,309)	(5,818)	(63,324)	129,583
Surplus attributable to takaful participants	-	(13,618)	(33,933)	-	-	1,749	(45,802)
Operating profit/(loss) before zakat and taxation	160,483	-	-	(9,309)	(5,818)	(61,575)	83,781
Zakat	(540)	-	-	-	-	-	(540)
Taxation	(32,570)	-	-	-	-	-	(32,570)
Net profit/(loss) for the period attributable to equity holders of the Parent	127,373	-	-	(9,309)	(5,818)	(61,575)	50,671



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PART A – NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

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

(ii) 9 months ended 31 December 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	995,810	153,593	388,143	55,038	33,505	(8,190)	1,617,900
Premiums/contributions ceded to reinsurers and retakaful operators	(69,722)	(48,804)	(26,807)	(11,389)	(4,214)	5,521	(155,415)
Net earned premiums/contributions	926,089	104,789	361,336	43,650	29,291	(2,669)	1,462,485
Investment income	179,255	8,135	44,919	2,376	346	(108,085)	126,946
Realised gains and losses	4,595	1,539	14,852	171	44	-	21,201
Fair value gains and losses	(433)	(51)	4,905	62	(1)	-	4,483
Fee and commission income	200,627	10,221	101	854	70	(192,422)	19,451
Other operating revenue	5,035	-	-	10	-	157	5,202
Other revenue	389,078	19,844	64,777	3,474	460	(300,351)	177,282
Gross claims and benefit paid	(500,777)	(80,793)	(124,757)	(22,056)	(49,280)	5,131	(772,532)
Claims ceded to reinsurers/retakaful operators	82,203	18,825	6,964	1,262	-	(5,131)	104,123
Gross change in contract liabilities	(61,237)	(15,280)	(221,499)	(32,645)	-	-	(330,661)
Change in contract liabilities ceded to reinsurers/retakaful	(62,160)	11,510	67,242	16,913	-	-	33,505
Net claims and benefits	(541,971)	(65,738)	(272,050)	(36,526)	(49,280)	-	(965,566)
Fee and commission expense	(351,659)	(43,708)	(114,067)	(19,190)	(4,480)	192,936	(340,168)
Management expenses	(144,111)	-	-	-	-	4,066	(140,044)
Finance cost	(13,535)	-	-	-	-	-	(13,535)
Other operating expenses	(310)	39	(2,529)	(846)	(76)	(670)	(4,393)
Changes in expenses liabilities	(7,676)	-	-	-	-	-	(7,676)
Tax borne by participants	-	(3,998)	(5,029)	-	-	-	(9,027)
Other expenses	(517,292)	(47,667)	(121,625)	(20,036)	(4,556)	196,332	(514,844)
Share of results of associates	-	-	-	-	-	4,152	4,152
Operating profit/(loss) before surplus attributable to takaful participants, zakat and taxation	255,905	11,228	32,438	(9,439)	(24,086)	(102,536)	163,510
Surplus attributable to takaful participants	-	(11,228)	(32,438)	-	-	1,688	(41,978)
Operating profit/(loss) before zakat and taxation	255,905	-	-	(9,439)	(24,086)	(100,848)	121,532
Zakat	(300)	-	-	-	-	-	(300)
Taxation	(63,974)	-	-	-	-	24,000	(39,974)
Net profit/(loss) for the period attributable to equity holders of the Parent	191,631	-	-	(9,439)	(24,086)	(76,848)	81,258



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**PART B – ADDITIONAL INFORMATION REQUIRED BY THE
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B1. Review of performance

For the period ended 31 December 2014, the Group recorded a revenue of RM1.76 billion, 2.2% or RM38.8 million lower than RM1.80 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 and lower investment income recorded by the Company's takaful subsidiary.

The Group's net profit for the current period was RM50.7 million, 37.6% lower than the RM81.3 million reported in the corresponding period last year mainly due to several large losses reported during the period which impacted the results of the Company's reinsurance and retakaful subsidiaries.

Investment holding

The revenue for the period ended 31 December 2014 of RM88.3 million was lower by RM38.5 million or 30.3% as compared against the corresponding period last year of RM126.7 million.

There was a lower net profit reported of RM43.2 million as compared to RM61.6 million in the corresponding period last year.

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

Reinsurance business

The reinsurance business reported RM1.07 billion in revenue for the period ended 31 December 2014, a decrease of 1.3% from RM1.08 billion in the corresponding period last year. The marginal 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 31 December 2014 reduced by 33.2% from RM121.9 million to RM81.5 million as a result of several large losses reported during the period including the Peninsular Malaysia Flood losses.

Takaful business

The revenue for takaful business for the period ended 31 December 2014 increased by 3.6% from RM630.2 million to RM653.1 million. This was mainly due to the increase in gross contributions of the family and general takaful funds.

The profit before tax for the period ended 31 December 2014 have increased from RM9.3 million to RM9.4 million. However, following the enactment of the Finance (No. 2) Act 2014, wakalah fee received by shareholder's fund from family takaful fund is no longer subject to tax and accordingly, the commission and management expenses incurred

Retakaful business

The revenue for retakaful business for the period ended 31 December 2014 was lower by 38.1% from RM94.2 million to RM58.3 million, consistent with the efforts to consolidate its business portfolio.

The retakaful business recorded a lower loss of RM15.1 million in the current period as compared to a loss of RM28.1 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 loss of RM20.1 million in the current quarter as compared to a net profit of RM28.4 million in the preceding quarter mainly due to the provision for Peninsular Malaysia Flood losses recognised during the current quarter which affected the results of the Company's reinsurance and retakaful subsidiaries.

B3. Current year prospects

The Group's profit for the financial year ending 31 March 2015 is not expected to outperform the previous financial year's results.

B4. Explanatory note for variance from profit forecast

There was no profit forecast issued by the Group during the financial period ended 31 December 2014.

B5. Taxation

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 31 Dec 2014 RM'000	3 months ended 31 Dec 2013 RM'000	9 months ended 31 Dec 2014 RM'000	9 months ended 31 Dec 2013 RM'000
Operating (loss)/profit before zakat and tax	(14,288)	26,557	83,781	121,532
Current tax	(5,394)	(15,631)	(28,953)	(44,132)
Deferred tax	(163)	3,153	(3,616)	4,158
Zakat	(5,558)	(12,478)	(32,570)	(39,974)
	(240)	(100)	(540)	(300)
	(5,798)	(12,578)	(33,110)	(40,274)
Net (loss)/profit	(20,086)	13,979	50,671	81,258
Effective tax rate	38.9%	47.0%	38.9%	32.9%

The effective tax rates for the individual and cumulative periods ended 31 December 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. In addition, the aforementioned reversal of deferred tax assets for management expenses in connection with the family takaful fund, in Note B1 above, had also increased the tax expense for the period.

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 31 December 2014 were as follows:

	GROUP 31 Dec 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 (loss)/earnings per share is calculated by dividing the net profit for the period by the number of ordinary shares in issue during the period.

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 31 Dec 2014	3 months ended 31 Dec 2013	9 months ended 31 Dec 2014	9 months ended 31 Dec 2013
Net (loss)/profit for the period (RM'000)	(20,086)	13,979	50,671	81,258
Weighted average number of ordinary shares in issue ('000)	213,070	213,070	213,070	213,070
Basic (loss)/earnings per share (sen)	(9.4)	6.6	23.8	38.1

The Group has no potential dilutive ordinary shares in issue as at the end of the financial period and therefore, diluted earnings or loss 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 31 Dec 2014 RM'000	3 months ended 31 Dec 2013 RM'000	9 months ended 31 Dec 2014 RM'000	9 months ended 31 Dec 2013 RM'000
Interest/profit income	39,261	42,308	122,406	123,659
Dividend income	6,450	1,331	14,020	5,039
Rental income	1,733	1,289	3,690	3,838
Finance cost	(6,302)	(4,512)	(15,395)	(13,535)
Net (loss)/gains on disposal of investments	(2,075)	10,198	6,972	21,159
Depreciation and amortisation	(1,681)	(4,030)	(7,684)	(10,216)
(Impairment loss)/reversal of impairment loss on insurance/takaful receivables	(2,402)	4,295	(3,669)	2,462
(Impairment loss)/reversal of impairment loss on investments	(5)	(114)	6,698	3

Other than the above, there were no gain or loss on derivatives and exceptional items reported during the current financial period ended 31 December 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 31 December 2014, into realised and unrealised profits, was as follows:

	GROUP	
	31 Dec 2014	31 Mar 2014
	RM'000	RM'000
Total retained profits of the Group:		
Realised	911,584	890,944
Unrealised	6,325	11,450
	917,909	902,394
Share of realised accumulated losses from associated companies	(4,444)	(3,869)
	913,465	898,525
Less: Consolidation adjustments	(35,023)	(35,598)
Total retained profits per the statement of changes in equity	878,442	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: 17 February 2015