



Bursa Announcement

Second Quarter Ended 30 September 2015



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

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 30 Sep 2015	3 months ended 30 Sep 2014	6 months ended 30 Sep 2015	6 months ended 30 Sep 2014
	RM'000	RM'000	RM'000	RM'000
Gross earned premiums/contributions	545,814	534,004	1,114,192	1,063,538
Premiums/contributions ceded to reinsurers and retakaful operators	(69,232)	(56,367)	(162,254)	(117,369)
Net earned premiums/contributions	476,582	477,637	951,938	946,169
Investment income	51,004	42,851	102,176	94,590
Realised gains and losses	195	(1,180)	3,471	8,962
Fair value gains and losses	(12,914)	2,039	(18,259)	5,199
Fee and commission income	8,013	9,218	17,689	16,604
Other operating revenue	17,545	(971)	21,388	2,154
Other revenue	63,843	51,957	126,465	127,509
Gross claims and benefits paid	(291,578)	(277,876)	(583,784)	(559,448)
Claims ceded to reinsurers/retakaful operators	46,422	39,435	69,181	67,076
Gross change in contract liabilities	(223,366)	67,031	(350,034)	(11,460)
Change in contract liabilities ceded to reinsurers/retakaful operators	30,527	(128,614)	78,210	(74,745)
Net claims and benefits	(437,995)	(300,024)	(786,427)	(578,577)
Fee and commission expense	(108,907)	(104,429)	(226,237)	(219,557)
Management expenses	(53,172)	(53,613)	(107,179)	(103,037)
Finance cost	(4,410)	(4,657)	(9,087)	(9,093)
Other operating expenses	5,756	(3,938)	(3,629)	(5,118)
Change in expenses liabilities	(1,503)	1,196	(5,205)	1,129
Tax borne by participants	(2,426)	(299)	(4,989)	(3,799)
Other expenses	(164,662)	(165,740)	(356,326)	(339,475)
Share of results of associates	(7,648)	(130)	1,521	3,916
Operating (loss)/profit before surplus attributable to takaful participants, zakat and taxation	(69,880)	63,700	(62,829)	159,542
(Surplus)/deficit attributable to takaful participants	(786)	(23,740)	38,815	(61,473)
Operating (loss)/profit before zakat and taxation	(70,666)	39,960	(24,014)	98,069
Zakat	(250)	(150)	(500)	(300)
Taxation	14,421	(11,329)	6,055	(27,012)
Net (loss)/profit for the period attributable to equity holders of the Parent	(56,495)	28,481	(18,459)	70,757
Basic (loss)/earnings per share attributable to equity holders of the Parent (sen):	(26.5)	13.4	(8.7)	33.2

The Condensed Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2015



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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 30 Sep 2015	3 months ended 30 Sep 2014	6 months ended 30 Sep 2015	6 months ended 30 Sep 2014
	RM'000	RM'000	RM'000	RM'000
Net (loss)/profit for the period	(56,495)	28,481	(18,459)	70,757
<u>Other comprehensive income/(losses):</u>				
Other comprehensive income/(losses) to be reclassified to income statement in subsequent periods:				
Effects of post acquisition foreign exchange translation reserve on investment in associate	9,525	180	12,054	5,340
Effects of foreign exchange translation reserve on investment in subsidiary	1,492	(355)	712	14
Net (loss)/gain on AFS financial assets:				
Net (loss)/gain on fair value changes	(37,131)	75,256	(43,150)	24,769
Realised gain/(loss) transferred to income statement	(201)	9,133	(3,544)	(4,493)
Deferred tax relating to net gain/(loss) on AFS financial assets	5,282	(10,856)	7,003	(2,210)
Other comprehensive (losses)/income attributable to participants	21,561	(47,107)	22,888	(15,101)
Other comprehensive income/(losses) not to be reclassified to income statement in subsequent periods:				
Revaluation of land and buildings	595	(3,577)	1,190	1,172
Deferred tax relating to revaluation of land and buildings	(47)	47	(95)	(94)
Total comprehensive (losses)/income for the period	(55,419)	51,202	(21,401)	80,154

The Condensed Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2015



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015

	GROUP	
	Unaudited 30 Sep 2015 RM'000	Audited 31 Mar 2015 RM'000
Assets		
Property, plant and equipment	128,729	237,495
Investment properties	114,022	7,100
Intangible assets	14,705	14,632
Deferred tax assets	22,172	11,484
Investment in associates	124,019	110,567
Financial assets:		
Financial assets at fair value through profit or loss ("FVTPL")	125,247	137,934
Held-to-maturity ("HTM") investments	701,895	722,356
Available-for-sale ("AFS") financial assets	2,563,453	2,530,716
Loans and receivables ("LAR")	2,094,024	1,917,938
Reinsurance/retakaful assets	460,515	374,653
Insurance/takaful receivables	422,370	303,918
Tax recoverable	42,537	25,216
Cash and bank balances	74,368	82,702
Total assets	6,888,056	6,476,711
Liabilities and Participants' funds		
Participants' funds	217,994	286,726
Borrowings	320,000	320,000
Insurance/takaful contract liabilities	4,531,750	4,159,278
Insurance/takaful payables	154,426	169,424
Other payables	323,315	170,807
Deferred tax liabilities	-	7,676
Provision for taxation	11,438	12,455
Provision for zakat	1,060	871
Total liabilities and participants' funds	5,559,983	5,127,237
Equity		
Share capital	213,070	213,070
Reserves	1,115,003	1,136,404
Total equity attributable to equity holders of the Company	1,328,073	1,349,474
Total liabilities, participants' funds and equity	6,888,056	6,476,711
Net assets per share (RM)	6.23	6.33

*The Condensed Financial Statements should be read in conjunction with
the Annual Financial Statements for the year ended 31 March 2015*



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

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

	GROUP								
	Attributable to Equity Holders of the Company								
	Share capital RM'000	Reserves						Net loss for the year 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 2015	213,070	105,051	33,047	(5,812)	37,199	966,919	-	1,349,474	
Total comprehensive income/(loss) for the year	-	-	12,766	(16,803)	1,095	-	(18,459)	(21,401)	
At 30 September 2015	213,070	105,051	45,813	(22,615)	38,294	966,919	(18,459)	1,328,073	

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

	GROUP								
	Attributable to Equity Holders of the Company								
	Share capital RM'000	Reserves						Net profit for the year 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 year	-	-	3,449	(1,029)	531	-	42,276	45,227	
At 30 September 2014	213,070	105,051	25,706	(13,109)	32,775	862,927	42,276	1,268,696	

*The Condensed Financial Statements should be read in conjunction with
the Annual Financial Statements for the year ended 31 March 2015*



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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

	GROUP	
	6 months ended 30 Sep 2015	6 months ended 30 Sep 2014
	RM'000	RM'000
Cash flows from operating activities		
(Loss)/profit before surplus transfer, zakat and tax	(24,014)	98,069
Adjustments for:		
Net fair value losses on financial assets at FVTPL	4,449	1,513
Impairment loss/(reversal of impairment loss) on AFS financial assets	13,809	(6,703)
Impairment loss on insurance/takaful receivables	267	1,267
Depreciation of property, plant and equipment	4,634	5,282
Amortisation of intangible assets	673	721
Loss on disposal of property, plant and equipment	1	-
Increase/(decrease) in gross premium and contribution liabilities	17,234	(14,742)
Interest/profit income	(93,303)	(83,145)
Dividend income	(9,685)	(7,570)
Rental income	(3,136)	(1,957)
Finance cost	9,087	9,093
Net gains on disposal of investments	(3,472)	(9,047)
Net amortisation of premiums/(accretion of discounts) on investments	2,622	(2,886)
Share of results of associates	(1,521)	(3,916)
Loss from operations before changes in operating assets and liabilities	(82,355)	(14,021)
(Increase)/decrease in placements with licensed financial institutions, Islamic investment accounts and marketable securities	(75,201)	149,770
Net purchase of investments	(62,091)	(530,838)
Decrease/(increase) in staff loans	1,597	(393)
(Increase)/decrease in insurance/takaful receivables	(118,719)	21,776
(Increase)/decrease in other receivables	(2,461)	75,639
Increase in gross claim and actuarial liabilities	350,034	11,460
Increase/(decrease) in expense liabilities	5,205	(1,129)
(Decrease)/increase in participants' funds	(38,815)	61,473
(Decrease)/increase in insurance/takaful payables	(14,997)	145,322
Increase/(decrease) in other payables	53,088	(3,581)
Taxes and zakat paid	(31,584)	(18,581)
Interest/profit received	92,196	86,131
Dividend received	9,739	6,851
Rental received	2,425	3,601
(Increase)/decrease in reinsurance/retakaful assets	(85,862)	75,341
Net cash generated from operating activities	2,199	68,821



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

	GROUP	
	6 months ended 30 Sep 2015	6 months ended 30 Sep 2014
	RM'000	RM'000
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,293)	(960)
Purchase of intangible assets	(767)	(2,511)
Proceeds from disposal of intangible assets	18	-
Proceeds from disposal of property, plant and equipment	596	531
Net cash used in investing activities	(1,446)	(2,940)
CASH FLOWS USED IN FINANCING ACTIVITY		
Finance cost paid	(9,087)	(8,889)
Net cash used in financing activity	(9,087)	(8,889)
CASH AND BANK BALANCES		
Net (decrease)/increase during the period	(8,334)	56,992
At the beginning of the period	82,702	36,644
At the end of the period	74,368	93,636

*The Condensed Financial Statements should be read in conjunction with
the Annual Financial Statements for the year ended 31 March 2015*



MNRB HOLDINGS BERHAD (13487-A)
INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015
(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 2015.

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 2015 except for the adoption of the following amendments to accounting standard and annual improvements to Malaysian Financial Reporting Standards ("MFRSs") issued by MASB that are effective for the Group's financial year beginning 1 April 2015:

Amendments to MFRS 119 *Defined Benefit Plans: Employee Contributions*

Annual Improvements to MFRS 2010 - 2012 Cycle

Annual Improvements to MFRS 2011 - 2013 Cycle

The adoption of the above amendments to accounting standard and annual improvements to MFRSs 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 2015 was not subject to any qualification.

A3. Seasonal or cyclical factors

During the financial period ended 30 September 2015, the operations of the Group were not materially affected by any seasonal factors. With regard to cyclical factors, the performance of the Group is directly correlated with the industry cycle and the economic performance of the countries in which the Group has business dealings with.

A4. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the financial period ended 30 September 2015.

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



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(The figures have not been audited)

PART A – NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

A7. Dividend paid

No dividend was paid during the second quarter ended 30 September 2015.

A8. Segmental reporting

Financial period ended 30 September 2015

	Investment Holding RM'000	Reinsurance Business RM'000	Takaful Business RM'000	Retakaful Business RM'000	Intra-Group Adjustments RM'000	Consolidated RM'000
Revenue						
External	615	735,260	486,834	15,536	-	1,238,245
Inter-segment	115,772	1,249	811	1,455	(119,287)	-
	116,387	736,509	487,645	16,991	(119,287)	1,238,245
Results						
Segment results	88,393	(37,495)	1,926	16,404	(100,000)	(30,772)
Share of results of associates	298	1,224	-	-	-	1,522
Operating profit/(loss) before surplus attributable to takaful participants, zakat and taxation	88,691	(36,271)	1,926	16,404	(100,000)	(29,250)
Deficit attributable to takaful participants	-	-	5,235	-	-	5,235
Operating profit/(loss) before zakat and taxation	88,691	(36,271)	7,161	16,404	(100,000)	(24,015)
Zakat and taxation	424	8,262	(3,130)	-	-	5,556
Net profit/(loss) for the period attributable to equity holders of the Parent	89,115	(28,009)	4,031	16,404	(100,000)	(18,459)

Financial period ended 30 September 2014

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



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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 change, from the financial statements for the financial year ended 31 March 2015.

A10. Significant events

The Company, in the previous financial year, had made disclosures on the tax matters in regard to the Company's takaful subsidiary, Takaful IKHLAS Berhad ("Takaful IKHLAS"). Takaful IKHLAS is still pursuing this matter with the Inland Revenue Board ("IRB").

There were no other significant events during the current financial period ended 30 September 2015.

A11. Subsequent events

There were no significant subsequent events from 30 September 2015 to the date of this report.

A12. Changes in the composition of the Group

There were no significant changes in the composition of the Group during the current financial period ended 30 September 2015.

A13. Capital Commitments

The amount of capital commitments of the Group as at 30 September 2015 were as follows:

	RM'000
Authorised and contracted for:	
- Tangible assets	1,315
- Intangible assets*	<u>1,652</u>
	<u><u>2,967</u></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 Reinsurance, Takaful and Retakaful Funds

(i) **Unaudited as at 30 September 2015**

	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	128,729	-	-	-	-	-	128,729
Investment properties	7,100	-	106,922	-	-	-	114,022
Intangible assets	14,705	-	-	-	-	-	14,705
Deferred tax assets	18,747	2,358	48	194	25	800	22,172
Investment in subsidiaries	843,705	-	-	-	-	(843,705)	-
Investment in associates	77,615	-	-	-	-	46,404	124,019
Financial assets:							
Financial assets at fair value							
through profit or loss ("FVTPL")	807	663	123,512	258	7	-	125,247
Held-to-maturity ("HTM") investments	262,287	71,892	337,060	19,194	12,462	(1,000)	701,895
Available-for-sale ("AFS")							
financial assets	1,536,206	200,571	1,092,701	26,893	15,000	(307,918)	2,563,453
Loans and receivables ("LAR")	1,217,273	69,509	556,074	36,129	8,754	206,285	2,094,024
Reinsurance/retakaful assets	274,651	121,640	31,903	26,757	5,564	-	460,515
Insurance/takaful receivables	297,888	28,670	83,443	11,181	1,188	-	422,370
Tax recoverable	42,537	-	-	-	-	-	42,537
Cash and bank balances	35,464	6,769	31,208	858	69	-	74,368
Total assets	4,757,714	502,072	2,362,871	121,464	43,069	(899,134)	6,888,056
Liabilities and Participants' funds							
Participants' funds	-	49,236	168,758	10,178	8,651	(18,829)	217,994
Borrowings	321,000	-	-	-	-	(1,000)	320,000
Insurance/takaful contract liabilities	2,020,180	359,124	2,046,477	94,549	21,420	(10,000)	4,531,750
Insurance/takaful payables	91,249	21,539	34,078	6,500	1,060	-	154,426
Other payables	201,029	64,930	111,373	10,237	11,938	(76,192)	323,315
Provision for taxation	2,023	7,243	2,185	-	-	(13)	11,438
Provision for zakat	1,060	-	-	-	-	-	1,060
Total liabilities and participants' funds	2,636,541	502,072	2,362,871	121,464	43,069	(106,034)	5,559,983
Equity							
Share capital	1,126,570	-	-	-	-	(913,500)	213,070
Reserves	994,603	-	-	-	-	120,400	1,115,003
Total equity attributable to equity holders of the Parent	2,121,173	-	-	-	-	(793,100)	1,328,073
Total liabilities, participants' funds and equity	4,757,714	502,072	2,362,871	121,464	43,069	(899,134)	6,888,056



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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 Reinsurance, Takaful and Retakaful Funds (Cont'd.)

(ii) As at 31 March 2015

	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	130,573	-	-	-	-	106,922	237,495
Investment properties	7,100	-	106,922	-	-	(106,922)	7,100
Intangible assets	14,632	-	-	-	-	-	14,632
Deferred tax assets	7,835	-	-	95	-	3,554	11,484
Investment in subsidiaries	843,705	-	-	-	-	(843,705)	-
Investment in associates	77,615	-	-	-	-	32,952	110,567
Financial assets:							
Financial assets at fair value through profit or loss ("FVTPL")	886	724	135,972	341	11	-	137,934
Held-to-maturity ("HTM") investments	281,578	71,941	337,163	19,211	12,463	-	722,356
Available-for-sale ("AFS") financial assets	1,532,603	173,158	1,084,084	30,075	18,661	(307,865)	2,530,716
Loans and receivables ("LAR")	1,131,858	73,782	469,808	38,710	3,748	200,032	1,917,938
Reinsurance/retakaful assets	196,676	111,633	30,216	28,868	7,260	-	374,653
Insurance/takaful receivables	218,963	29,296	44,233	14,825	2,642	(6,041)	303,918
Tax recoverable	24,856	-	360	-	-	-	25,216
Cash and bank balances	16,044	24,116	42,523	9	10	-	82,702
Total assets	4,484,924	484,650	2,251,281	132,134	44,795	(921,073)	6,476,711
Liabilities and Participants' funds							
Participants' funds	-	55,340	232,291	3,173	-	(4,078)	286,726
Borrowings	320,000	-	-	-	-	-	320,000
Insurance/takaful contract liabilities	1,792,782	336,180	1,903,014	108,532	28,770	(10,000)	4,159,278
Insurance/takaful payables	105,713	21,797	32,131	10,273	5,551	(6,041)	169,424
Other payables	84,021	66,919	81,750	10,156	10,465	(82,504)	170,807
Deferred tax liabilities	1,470	420	2,095	-	9	3,682	7,676
Provision for taxation	8,461	3,994	-	-	-	-	12,455
Provision for zakat	871	-	-	-	-	-	871
Total liabilities and participants' funds	2,313,318	484,650	2,251,281	132,134	44,795	(98,941)	5,127,237
Equity							
Share capital	1,126,570	-	-	-	-	(913,500)	213,070
Reserves	1,045,036	-	-	-	-	91,368	1,136,404
Total equity attributable to equity holders of the Parent	2,171,606	-	-	-	-	(822,132)	1,349,474
Total liabilities, participants' funds and equity	4,484,924	484,650	2,251,281	132,134	44,795	(921,073)	6,476,711



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INTERIM FINANCIAL REPORT
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(The figures have not been audited)

PART A – NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

A15. Unaudited Condensed Consolidated Income Statement by Insurance Funds

(i) 6 months ended 30 September 2015

	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	664,616	133,492	303,916	9,308	6,812	(3,952)	1,114,192
Premiums/contributions ceded to reinsurers and retakaful operators	(75,118)	(47,603)	(38,452)	(838)	(2,106)	1,863	(162,254)
Net earned premiums/contributions	589,498	85,889	265,464	8,470	4,706	(2,089)	951,938
Investment income	156,512	6,071	40,671	1,572	679	(103,329)	102,176
Realised gains and losses	1,087	116	2,154	102	12	-	3,471
Fair value gains and losses	(11,558)	(532)	(6,057)	(88)	(24)	-	(18,259)
Fee and commission income	152,238	12,532	-	54	39	(147,174)	17,689
Other operating revenue	21,167	-	1,535	459	3	(1,776)	21,388
Other revenue	319,446	18,187	38,303	2,099	709	(252,279)	126,465
Gross claims and benefit paid	(365,993)	(61,834)	(132,336)	(13,523)	(2,429)	(7,669)	(583,784)
Claims ceded to reinsurers/retakaful operators	12,481	25,918	19,436	2,548	1,129	7,669	69,181
Gross change in contract liabilities	(203,083)	(23,208)	(143,463)	12,370	7,350	-	(350,034)
Change in contract liabilities ceded to reinsurers/retakaful operators	72,278	8,010	1,687	(2,069)	(1,696)	-	78,210
Net claims and benefits	(484,317)	(51,114)	(254,676)	(674)	4,354	-	(786,427)
Fee and commission expenses	(224,948)	(43,226)	(80,990)	(2,253)	(1,005)	126,185	(226,237)
Management expenses	(124,855)	(1,348)	(7,349)	-	-	26,373	(107,179)
Finance cost	(9,087)	-	-	-	-	-	(9,087)
Other operating expenses	(2,900)	(1,776)	-	(321)	(8)	1,376	(3,629)
Changes in expenses liabilities	(5,205)	-	-	-	-	-	(5,205)
Tax borne by participants	-	(1,906)	(3,083)	-	-	-	(4,989)
Other expenses	(366,995)	(48,256)	(91,422)	(2,574)	(1,013)	153,934	(356,326)
Share of results of associates	-	-	-	-	-	1,521	1,521
Operating profit/(loss) before surplus attributable to takaful participants, zakat and taxation	57,632	4,706	(42,331)	7,321	8,756	(98,913)	(62,829)
Surplus attributable to takaful participants	-	(4,706)	42,331	-	-	1,190	38,815
Operating profit/(loss) before zakat and taxation	57,632	-	-	7,321	8,756	(97,723)	(24,014)
Zakat	(500)	-	-	-	-	-	(500)
Taxation	6,055	-	-	-	-	-	6,055
Net profit/(loss) for the period attributable to equity holders of the Parent	63,187	-	-	7,321	8,756	(97,723)	(18,459)



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PART A – NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

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

(ii) 6 months ended 30 September 2014

	General reinsurance and shareholders' fund RM'000	General takaful fund RM'000	Family takaful fund RM'000	General retakaful fund RM'000	Family retakaful fund RM'000	Elimination and adjustment RM'000	Consolidated RM'000
Gross earned premiums/contributions	650,929	120,149	271,678	19,913	18,389	(17,520)	1,063,538
Premiums/contributions ceded to reinsurers and retakaful operators	(52,619)	(44,079)	(27,957)	(4,733)	(3,626)	15,645	(117,369)
Net earned premiums/contributions	598,310	76,070	243,721	15,180	14,763	(1,875)	946,169
Investment income	112,424	5,905	37,977	1,797	356	(63,869)	94,590
Realised gains and losses	1,742	622	6,454	104	40	-	8,962
Fair value gains and losses	6,648	(83)	(1,289)	(69)	(8)	-	5,199
Fee and commission income	146,285	11,035	-	243	362	(141,321)	16,604
Other operating revenue	5,112	-	1,706	147	-	(4,811)	2,154
Other revenue	272,211	17,479	44,848	2,222	750	(210,001)	127,509
Gross claims and benefit paid	(373,976)	(54,660)	(112,219)	(16,368)	(16,932)	14,707	(559,448)
Claims ceded to reinsurers/retakaful operators	35,388	18,675	23,735	1,399	2,586	(14,707)	67,076
Gross change in contract liabilities	(35,310)	(9,678)	42,822	(13,324)	4,030	-	(11,460)
Change in contract liabilities ceded to reinsurers/retakaful	15,835	367	(99,540)	8,186	407	-	(74,745)
Net claims and benefits	(358,063)	(45,296)	(145,202)	(20,107)	(9,909)	-	(578,577)
Fee and commission expense	(216,014)	(36,015)	(81,152)	(4,714)	(3,958)	122,296	(219,557)
Management expenses	(122,440)	(1,711)	(4,849)	-	-	25,963	(103,037)
Finance cost	(9,093)	-	-	-	-	-	(9,093)
Other operating expenses	(4,610)	(1,449)	-	(480)	(24)	1,445	(5,118)
Changes in expenses liabilities	1,129	-	-	-	-	-	1,129
Tax borne by participants	-	53	(3,852)	-	-	-	(3,799)
Other expenses	(351,028)	(39,122)	(89,853)	(5,194)	(3,982)	149,704	(339,475)
Share of results of associates	-	-	-	-	-	3,916	3,916
Operating profit/(loss) before surplus attributable to takaful participants, zakat and taxation	161,430	9,131	53,514	(7,899)	1,622	(58,256)	159,542
Surplus attributable to takaful participants	-	(9,131)	(53,514)	-	-	1,172	(61,473)
Operating profit/(loss) before zakat and taxation	161,430	-	-	(7,899)	1,622	(57,084)	98,069
Zakat	(300)	-	-	-	-	-	(300)
Taxation	(27,012)	-	-	-	-	-	(27,012)
Net profit/(loss) for the period attributable to equity holders of the Parent	134,118	-	-	(7,899)	1,622	(57,084)	70,757



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

For the period ended 30 September 2015, the Group recorded a revenue of RM1.24 billion, 7.7% increase as compared to the RM1.15 billion reported in the corresponding period last year. The higher revenue was a result of the increase in gross premiums and contributions by the Company's reinsurance and takaful subsidiaries respectively.

The Group reported a net loss of RM18.5 million for the current period as compared to a net profit of RM70.8 million in the corresponding period last year. This was mainly attributable to the Group's reinsurance business as a result of several large losses reported during the period. The results were also affected by the weakening of Ringgit against other major currencies which have increased the provision for overseas claim liabilities.

The Group's investment income have also declined in tandem with the weak local market which saw the FBM KLCI drop by 11.5% for the period. Contributing factors to the weak market were broad-based. On the external front, investors were worried about the economic developments in China, United States and Eurozone. Meanwhile, locally there were lingering concerns on the weakened Ringgit, low crude oil and palm oil prices.

Investment holding

The revenue for the period ended 30 September 2015 of RM116.4 million was higher by RM37.7 million or 47.9% as compared to RM78.7 million reported in the corresponding period last year.

There was a higher net profit reported of RM89.1 million as compared to RM48.7 million in the corresponding period last year.

Reinsurance business

The revenue for reinsurance business for the period ended 30 September 2015 increased by 7.8% from RM683.0 million to RM736.5 million. The increase was mainly due to the higher gross premiums from international business.

The reinsurance business reported a net loss of RM28.0 million for the current period as compared to a net profit of RM83.5 million in the corresponding period last year. This was mainly due to several large losses, including the Tianjin Port Explosions, reported during the period and the increase in provision for overseas claim liabilities following the weakening of Ringgit Malaysia against other major currencies.

Takaful business

The revenue for takaful business for the period ended 30 September 2015 increased by 9.2% from RM446.4 million to RM487.6 million. This was mainly due to the increase in gross contributions of the family and general takaful businesses.

The net profit for the period ended 30 September 2015 was lower by 13.1% from RM4.6 million to RM4.0 million mainly due to the higher increase in provision for actuarial liabilities.

Retakaful business

The revenue for retakaful business for the period ended 30 September 2015 was lower by 53.6% from RM36.6 million to RM17.0 million, consistent with the efforts to consolidate its business portfolio.

The retakaful business recorded a profit of RM16.4 million in the current period as compared to a loss of RM5.1 million in the corresponding period last year mainly due to the release in claim liabilities and actuarial reserves of the general and family retakaful businesses.



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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 RM56.5 million in the current quarter as compared to a net profit of RM38.0 million in the preceding quarter mainly due to lower investment income across the Group and several large losses reported during the period which affected the Company's reinsurance subsidiary.

B3. Current year prospects

The Group's profit for the financial year ending 31 March 2016 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 30 September 2015.

B5. Taxation

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 30 Sep 2015 RM'000	3 months ended 30 Sep 2014 RM'000	6 months ended 30 Sep 2015 RM'000	6 months ended 30 Sep 2014 RM'000
Operating (loss)/profit before zakat and tax	(70,666)	39,960	(24,014)	98,069
Current tax	5,573	(8,108)	(2,203)	(23,559)
Deferred tax	8,848	(3,221)	8,258	(3,453)
Zakat	14,421 (500)	(11,329) (300)	6,055 (500)	(27,012) (300)
	13,921	(11,629)	5,555	(27,312)
Net (loss)/profit	(56,745)	28,331	(18,459)	70,757
Effective tax rate	20.4%	28.4%	25.2%	27.5%

The effective tax rate for the 6 months period ended 30 September 2015 was higher than the statutory tax rate of 24% principally due to the net profit of the Company's retakaful subsidiary in which no tax expenses were being recognised due to the business losses carried forward. This was also affected by 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 6 months period ended 30 September 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.

B6. Status of corporate proposals

The Company, in the previous quarter, had announced that the Company's reinsurance subsidiary, Malaysian Re, had been granted an approval from Bank Negara Malaysia, vide its letter dated 16 April 2015, to conduct General and Family retakaful business under Section 10 of the Islamic Financial Services Act 2013 (IFSA) via the establishment of a retakaful division. Following this, the MNRB Group plans to undertake an internal restructuring exercise for its retakaful business, the details of which will be announced at a later date.

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



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**PART B – ADDITIONAL INFORMATION REQUIRED BY THE
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B7. Borrowings and debt securities

The Group borrowings as at 30 September 2015 were as follows:

	GROUP 30 Sep 2015 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 2016.

B11. (Loss)/earnings per share

The basic loss or earnings per share is calculated by dividing the net loss or profit for the period by the number of ordinary shares in issue during the period.

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 30 Sep 2015	3 months ended 30 Sep 2014	6 months ended 30 Sep 2015	6 months ended 30 Sep 2014
Net (loss)/profit for the period (RM'000)	(56,495)	28,481	(18,459)	70,757
Number of ordinary shares in issue ('000)	213,070	213,070	213,070	213,070
Basic (loss)/earnings per share (sen)	(26.5)	13.4	(8.7)	33.2

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



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**PART B – ADDITIONAL INFORMATION REQUIRED BY THE
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B12. Additional disclosures for the income statement

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 30 Sep 2015 RM'000	3 months ended 30 Sep 2014 RM'000	6 months ended 30 Sep 2015 RM'000	6 months ended 30 Sep 2014 RM'000
Interest/profit income	46,420	40,244	93,303	83,145
Dividend income	5,911	3,161	9,685	7,570
Rental income	1,467	728	3,136	1,957
Finance cost	(4,410)	(4,657)	(9,087)	(9,093)
Net gain/(loss) on disposal of investments	195	(1,090)	3,472	9,047
Depreciation and amortisation	(2,614)	(3,139)	(5,307)	(6,003)
Reversal of impairment loss/(Impairment loss) on insurance/takaful receivables	10,422	(2,588)	(267)	(1,267)
(Impairment loss)/reversal of impairment loss on investments	(11,622)	4,724	(13,809)	6,703

Other than the above, there were no gain or loss on derivatives and exceptional items reported during the period ended 30 September 2015.

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**PART B – ADDITIONAL INFORMATION REQUIRED BY THE
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B13. Disclosure of realised and unrealised profits

As required by Bursa Securities, the breakdown of the retained profits of the Group as at 30 September 2015, into realised and unrealised profits, was as follows:

	GROUP	
	30 Sep 2015	31 Mar 2015
	RM'000	RM'000
Total retained profits of the Group:		
Realised	1,006,188	997,424
Unrealised	12,066	4,913
	1,018,254	1,002,337
Share of realised accumulated losses from associated companies	(1,935)	(3,456)
	1,016,319	998,881
Less: Consolidation adjustments	(67,859)	(31,962)
Total retained profits per the statement of changes in equity	948,460	966,919

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: 26 November 2015