



Bursa Announcement

Third Quarter Ended 31 December 2015



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

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 31 Dec 2015	3 months ended 31 Dec 2014	9 months ended 31 Dec 2015	9 months ended 31 Dec 2014
	RM'000	RM'000	RM'000	RM'000
Gross earned premiums/contributions	533,869	550,973	1,648,061	1,614,511
Premiums/contributions ceded to reinsurers and retakaful operators	(70,992)	(55,864)	(233,246)	(173,233)
Net earned premiums/contributions	462,877	495,109	1,414,815	1,441,278
Investment income	54,448	44,228	156,624	138,818
Realised gains and losses	2,761	(2,074)	6,232	6,888
Fair value gains and losses	(1,190)	(6,355)	(19,449)	(1,156)
Fee and commission income	15,191	4,121	32,880	20,725
Other operating revenue	7,641	239	29,029	2,393
Other revenue	78,851	40,159	205,316	167,668
Gross claims and benefits paid	(320,260)	(379,502)	(904,044)	(938,950)
Claims ceded to reinsurers/retakaful operators	6,310	58,988	75,491	126,064
Gross change in contract liabilities	(51,830)	(105,591)	(401,864)	(117,051)
Change in contract liabilities ceded to reinsurers/retakaful operators	(11,490)	54,076	66,720	(20,669)
Net claims and benefits	(377,270)	(372,029)	(1,163,697)	(950,606)
Fee and commission expense	(110,623)	(124,654)	(336,860)	(344,211)
Management expenses	(55,451)	(46,932)	(162,630)	(149,969)
Finance cost	(4,560)	(6,302)	(13,647)	(15,395)
Other operating expenses	(2,413)	(1,142)	(6,042)	(6,260)
Change in expenses liabilities	622	(3,373)	(4,583)	(2,244)
Tax borne by participants	(3,711)	(6,304)	(8,700)	(10,103)
Other expenses	(176,136)	(188,707)	(532,462)	(528,182)
Share of results of associates	5,538	(4,491)	7,059	(575)
Operating (loss)/profit before surplus attributable to takaful participants, zakat and taxation	(6,140)	(29,959)	(68,969)	129,583
Deficit/(surplus) attributable to takaful participants	7,555	15,671	46,370	(45,802)
Operating profit/(loss) before zakat and taxation	1,415	(14,288)	(22,599)	83,781
Zakat	(250)	(240)	(750)	(540)
Taxation	(1,648)	(5,558)	4,407	(32,570)
Net (loss)/profit for the period attributable to equity holders of the Parent	(483)	(20,086)	(18,942)	50,671
Basic (loss)/earnings per share attributable to equity holders of the Parent (sen):	(0.2)	(9.4)	(8.9)	23.8

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 31 DECEMBER 2015

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 31 Dec 2015	3 months ended 31 Dec 2014	9 months ended 31 Dec 2015	9 months ended 31 Dec 2014
	RM'000	RM'000	RM'000	RM'000
Net (loss)/profit for the period	(483)	(20,086)	(18,942)	50,671
<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	(4,451)	6,706	7,603	12,046
Effects of foreign exchange translation reserve on investment in subsidiary	102	537	814	551
Net gain/(loss) on AFS financial assets:				
Net gain/(loss) on fair value changes	30,265	(11,587)	(12,885)	13,182
Realised gain transferred to income statement	(1,517)	(3,966)	(5,061)	(8,459)
Deferred tax relating to net (gain)/loss on AFS financial assets	(4,287)	3,064	2,716	854
Other comprehensive (losses)/income attributable to participants	(13,943)	4,513	8,945	(10,588)
Other comprehensive income not to be reclassified to income statement in subsequent periods:				
Revaluation of land and buildings	596	577	1,786	1,749
Deferred tax relating to revaluation of land and buildings	(48)	(46)	(143)	(140)
Total comprehensive income/(losses) for the period	6,234	(20,288)	(15,167)	59,866

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 31 DECEMBER 2015

	GROUP	
	Unaudited 31 Dec 2015 RM'000	Audited 31 Mar 2015 RM'000
Assets		
Property, plant and equipment	234,446	237,495
Investment properties	7,100	7,100
Intangible assets	15,119	14,632
Deferred tax assets	16,898	11,484
Investment in associates	125,106	110,567
Financial assets:		
Financial assets at fair value through profit or loss ("FVTPL")	122,723	137,934
Held-to-maturity ("HTM") investments	701,655	722,356
Available-for-sale ("AFS") financial assets	2,650,107	2,530,716
Loans and receivables ("LAR")	2,068,505	1,917,938
Reinsurance/retakaful assets	444,698	374,653
Insurance/takaful receivables	340,989	303,918
Tax recoverable	52,214	25,216
Cash and bank balances	95,775	82,702
Total assets	6,875,335	6,476,711
Liabilities and Participants' funds		
Participants' funds	225,226	286,726
Borrowings	320,000	320,000
Insurance/takaful contract liabilities	4,581,544	4,159,278
Insurance/takaful payables	179,192	169,424
Other payables	218,726	170,807
Deferred tax liabilities	-	7,676
Provision for taxation	15,158	12,455
Provision for zakat	1,182	871
Total liabilities and participants' funds	5,541,028	5,127,237
Equity		
Share capital	213,070	213,070
Reserves	1,121,237	1,136,404
Total equity attributable to equity holders of the Company	1,334,307	1,349,474
Total liabilities, participants' funds and equity	6,875,335	6,476,711
Net assets per share (RM)	6.26	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 31 DECEMBER 2015**

	GROUP								
	Attributable to Equity Holders of the Company								
	Share capital RM'000	Reserves						Net loss for the period RM'000	Total RM'000
		Non- distributable			Distributable				
Share premium RM'000		Foreign exchange translation reserve RM'000	AFS reserve RM'000	Revaluation reserve RM'000	Retained profits brought forward RM'000				
At 1 April 2015	213,070	105,051	33,047	(5,812)	37,199	966,919	-	1,349,474	
Total comprehensive income/(loss) for the period	-	-	8,417	(6,285)	1,643	-	(18,942)	(15,167)	
At 31 December 2015	213,070	105,051	41,464	(12,097)	38,842	966,919	(18,942)	1,334,307	

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014**

	GROUP								
	Attributable to Equity Holders of the Company								
	Share capital RM'000	Reserves						Net profit for the period RM'000	Total RM'000
		Non- distributable			Distributable				
Share premium RM'000		Foreign exchange translation reserve RM'000	AFS reserve RM'000	Revaluation reserve RM'000	Retained profits brought forward RM'000				
At 1 April 2014	213,070	105,051	22,257	(12,080)	32,244	862,927	-	1,223,469	
Total comprehensive income/(loss) for the period	-	-	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	

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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 31 DECEMBER 2015

	GROUP	
	9 months ended 31 Dec 2015	9 months ended 31 Dec 2014
	RM'000	RM'000
Cash flows from operating activities		
(Loss)/profit before surplus transfer, zakat and tax	(22,599)	83,781
Adjustments for:		
Net fair value losses on financial assets at FVTPL	1,182	7,855
Impairment loss/(reversal of impairment loss) on AFS financial assets	18,278	(6,644)
Reversal of impairment loss on HTM investments	(12)	(54)
(Reversal of impairment loss)/impairment loss on insurance/takaful receivables	(5,417)	3,669
Depreciation of property, plant and equipment	6,819	6,253
Amortisation of intangible assets	1,282	1,431
Loss on disposal of property, plant and equipment	1	-
Increase/(decrease) in gross premium and contribution liabilities	17,308	(4,917)
Interest/profit income	(141,329)	(122,406)
Dividend income	(14,964)	(14,020)
Rental income	(5,005)	(3,690)
Finance cost	13,647	15,395
Net gains on disposal of investments	(6,232)	(6,972)
Net amortisation of premiums/(accretion of discounts) on investments	2,622	(3,367)
Share of results of associates	(7,059)	575
Loss from operations before changes in operating assets and liabilities	(141,478)	(43,111)
(Increase)/decrease in placements with licensed financial institutions, Islamic investment accounts and marketable securities	(161,220)	158,540
Net purchase of investments	(115,959)	(527,960)
Decrease/(increase) in staff loans	1,852	(1,091)
(Increase)/decrease in insurance/takaful receivables	(20,196)	29,900
Decrease in other receivables	9,587	102,730
Increase in gross claim and actuarial liabilities	400,377	119,020
(Decrease)/increase in expense liabilities	(4,583)	2,244
(Decrease)/increase in participants' funds	(38,815)	45,802
Increase/(decrease) in insurance/takaful payables	3,729	(49,426)
(Decrease)/increase in other payables	51,918	93,137
Taxes and zakat paid	(40,171)	(42,458)
Interest/profit received	138,264	141,454
Dividend received	16,880	13,068
Rental received	4,168	3,285
(Increase)/decrease in reinsurance/retakaful assets	(74,289)	13,020
Net cash generated from operating activities	30,064	58,154



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015

	GROUP	
	9 months ended 31 Dec 2015	9 months ended 31 Dec 2014
	RM'000	RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,122)	(2,525)
Purchase of intangible assets	(1,901)	(80)
Proceeds from disposal of property, plant and equipment	679	2,482
Net cash used in investing activities	(3,344)	(123)
Cash flows from financing activities		
Finance cost paid	(13,647)	(13,494)
Dividend paid	-	(35,156)
Net cash used in financing activities	(13,647)	(48,650)
Cash and bank balances		
Net increase during the period	13,073	9,381
At the beginning of the period	82,702	36,644
At the end of the period	95,775	46,025

*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)

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 31 December 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 31 December 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 third quarter ended 31 December 2015.

A8. Segmental reporting

Financial period ended 31 December 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	1,649	1,099,669	701,140	23,034	-	1,825,492
Inter-segment	123,950	1,759	841	40	(126,590)	-
	125,599	1,101,428	701,981	23,074	(126,590)	1,825,492
Results						
Segment results	84,095	(36,661)	(46,514)	16,030	(100,000)	(83,050)
Share of results of associates	554	6,505	-	-	-	7,059
Operating profit/(loss) before surplus attributable to takaful participants, zakat and taxation	84,649	(30,156)	(46,514)	16,030	(100,000)	(75,991)
Deficit attributable to takaful participants	-	-	53,392	-	-	53,392
Operating profit/(loss) before zakat and taxation	84,649	(30,156)	6,878	16,030	(100,000)	(22,599)
Zakat and taxation	879	7,396	(4,618)	-	-	3,657
Net profit/(loss) for the period attributable to equity holders of the Parent	85,528	(22,760)	2,260	16,030	(100,000)	(18,942)

Financial period ended 31 December 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	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



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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"). Recovery of taxes paid in excess for years of assessment 2004 to 2009 have been made in full by setting off against the taxes payable for years of assessment 2014 to 2016.

There were no other significant events during the current financial period ended 31 December 2015.

A11. Subsequent events

There were no significant subsequent events from 31 December 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 31 December 2015.

A13. Capital Commitments

The amount of capital commitments of the Group as at 31 December 2015 were as follows:

Authorised and contracted for:

- Tangible assets
- Intangible assets*

RM'000

637

5,689

6,326

* 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 31 December 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	127,524	-	-	-	-	106,922	234,446
Investment properties	7,100	-	106,922	-	-	(106,922)	7,100
Intangible assets	15,119	-	-	-	-	-	15,119
Deferred tax assets	16,070	2,060	-	166	9	(1,407)	16,898
Investment in subsidiaries	843,705	-	-	-	-	(843,705)	-
Investment in associates	77,615	-	-	-	-	47,491	125,106
Financial assets:							
Financial assets at fair value							
through profit or loss ("FVTPL")	851	762	120,817	284	9	-	122,723
Held-to-maturity ("HTM") investments	262,131	71,868	337,007	19,186	12,463	(1,000)	701,655
Available-for-sale ("AFS")							
financial assets	1,561,699	200,514	1,158,307	26,000	12,071	(308,484)	2,650,107
Loans and receivables ("LAR")	1,155,654	75,681	577,957	38,042	18,060	203,111	2,068,505
Reinsurance/retakaful assets	265,566	123,758	25,970	24,977	4,427	-	444,698
Insurance/takaful receivables	276,751	21,041	31,380	8,395	3,422	-	340,989
Tax recoverable	52,213	-	-	9	5	(13)	52,214
Cash and bank balances	40,501	10,489	44,708	64	13	-	95,775
Total assets	4,702,499	506,173	2,403,068	117,123	50,479	(904,007)	6,875,335
Liabilities and Participants' funds							
Participants' funds	-	56,976	169,298	7,268	11,881	(20,197)	225,226
Borrowings	321,000	-	-	-	-	(1,000)	320,000
Insurance/takaful contract liabilities	2,067,387	366,675	2,049,462	90,992	17,028	(10,000)	4,581,544
Insurance/takaful payables	86,268	19,616	55,458	8,401	9,449	-	179,192
Other payables	98,234	54,076	123,211	10,462	12,121	(79,378)	218,726
Provision for taxation	1,997	8,830	4,344	-	-	(13)	15,158
Provision for zakat	1,182	-	-	-	-	-	1,182
Total liabilities and participants' funds	2,576,068	506,173	2,403,068	117,123	50,479	(111,883)	5,541,028
Equity							
Share capital	1,126,570	-	-	-	-	(913,500)	213,070
Reserves	999,861	-	-	-	-	121,376	1,121,237
Total equity attributable to equity holders of the Parent	2,126,431	-	-	-	-	(792,124)	1,334,307
Total liabilities, participants' funds and equity	4,702,499	506,173	2,403,068	117,123	50,479	(904,007)	6,875,335



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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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(The figures have not been audited)

PART A – NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

A15. Unaudited Condensed Consolidated Income Statement by Insurance Funds

(i) 9 months ended 31 December 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	1,003,486	198,663	429,466	11,691	9,386	(4,631)	1,648,061
Premiums/contributions ceded to reinsurers and retakaful operators	(97,484)	(71,577)	(59,608)	(1,283)	(3,839)	545	(233,246)
Net earned premiums/contributions	906,002	127,086	369,858	10,408	5,547	(4,086)	1,414,815
Investment income	185,775	9,438	62,946	2,364	1,087	(104,986)	156,624
Realised gains and losses	1,702	354	4,134	28	14	-	6,232
Fair value gains and losses	(15,536)	(848)	(3,055)	12	(22)	-	(19,449)
Fee and commission income	215,093	18,509	-	76	74	(200,872)	32,880
Other operating revenue	22,632	-	7,210	609	34	(1,456)	29,029
Other revenue	409,666	27,453	71,235	3,089	1,187	(307,314)	205,316
Gross claims and benefit paid	(557,239)	(98,274)	(225,247)	(20,642)	(4,844)	2,202	(904,044)
Claims ceded to reinsurers/retakaful operators	20,024	39,834	12,734	2,710	2,391	(2,202)	75,491
Gross change in contract liabilities	(251,773)	(31,125)	(146,449)	15,741	11,742	-	(401,864)
Change in contract liabilities ceded to reinsurers/retakaful operators	66,548	11,080	(4,246)	(3,829)	(2,833)	-	66,720
Net claims and benefits	(722,440)	(78,485)	(363,208)	(6,020)	6,456	-	(1,163,697)
Fee and commission expenses	(335,133)	(58,215)	(117,969)	(2,950)	(1,246)	178,653	(336,860)
Management expenses	(181,188)	(3,524)	(8,659)	-	-	30,741	(162,630)
Finance cost	(13,647)	-	-	-	-	-	(13,647)
Other operating expenses	(4,595)	(1,456)	-	(204)	(6)	219	(6,042)
Changes in expenses liabilities	(4,583)	-	-	-	-	-	(4,583)
Tax borne by participants	-	(3,420)	(5,280)	-	-	-	(8,700)
Other expenses	(539,146)	(66,615)	(131,908)	(3,154)	(1,252)	209,613	(532,462)
Share of results of associates	-	-	-	-	-	7,059	7,059
Operating profit/(loss) before surplus attributable to takaful participants, zakat and taxation	54,082	9,439	(54,023)	4,323	11,938	(94,728)	(68,969)
(Surplus)/deficit attributable to takaful participants	-	(9,439)	54,023	-	-	1,786	46,370
Operating profit/(loss) before zakat and taxation	54,082	-	-	4,323	11,938	(92,942)	(22,599)
Zakat	(750)	-	-	-	-	-	(750)
Taxation	4,407	-	-	-	-	-	4,407
Net profit/(loss) for the period attributable to equity holders of the Parent	57,739	-	-	4,323	11,938	(92,942)	(18,942)



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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 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	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 expense	(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 B – ADDITIONAL INFORMATION REQUIRED BY THE
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B1. Review of performance

For the period ended 31 December 2015, the Group recorded a revenue of RM1.83 billion, 3.9% increase as compared to the RM1.76 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 RM18.9 million for the current period as compared to a net profit of RM50.7 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 provision for overseas claim liabilities were recognised at lower exchange rates in prior periods and the weakening of Ringgit Malaysia had caused an overall increase in the said provision to reflect the current exchange rates.

The Group's investment income has also declined in tandem with the weak local market which saw the FBM KLCI drop by 7.32% for the period. Contributing factors to the weak market were broad-based. On the external front, there were increasing concerns about the economic developments in China, United States and Eurozone. Meanwhile, locally there were continued concerns on the weakened Ringgit and the low crude and palm oil prices.

Investment holding

The revenue for the period ended 31 December 2015 of RM125.6 million was higher by RM37.3 million or 42.3% as compared to RM88.3 million reported in the corresponding period last year.

There was a higher net profit reported of RM85.3 million as compared to RM43.2 million in the corresponding period last year.

Reinsurance business

The revenue for reinsurance business for the period ended 31 December 2015 increased by 3.3% from RM1.07 billion to RM1.10 billion. The increase was mainly due to the higher gross premiums from international business.

The reinsurance business reported a net loss of RM22.8 million for the current period as compared to a net profit of RM81.5 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 31 December 2015 increased by 7.5% from RM653.1 million to RM702.0 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 31 December 2015 was higher by 4.3% from RM2.2 million to RM2.3 million.

Retakaful business

The revenue for retakaful business for the period ended 31 December 2015 was lower by 60.4% from RM58.3 million to RM23.1 million, consistent with the efforts to consolidate its business portfolio.

The retakaful business recorded a profit of RM16.0 million in the current period as compared to a loss of RM15.1 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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B2. Review of current quarter profitability against immediate preceding quarter

The Group recorded a lower net loss of RM0.5 million in the current quarter as compared to a loss of RM56.5 million in the preceding quarter mainly due to improved claims experience for the current quarter.

B3. Current year prospects

The Group's profit for the financial year ending 31 March 2016 is expected to be below 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 2015.

B5. Taxation

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 31 Dec 2015 RM'000	3 months ended 31 Dec 2014 RM'000	9 months ended 31 Dec 2015 RM'000	9 months ended 31 Dec 2014 RM'000
Operating profit/(loss) before zakat and tax	1,415	(14,288)	(22,599)	83,781
Current tax	(1,919)	(5,395)	(4,122)	(28,954)
Deferred tax	271	(163)	8,529	(3,616)
Zakat	(1,648)	(5,558)	4,407	(32,570)
	(250)	(240)	(750)	(540)
	(1,898)	(5,798)	3,657	(33,110)
Net (loss)/profit	(483)	(20,086)	(18,942)	50,671
Effective tax rate	116.5%	38.9%	19.5%	38.9%

The effective tax rate for the 9 months period ended 31 December 2015 was lower than the statutory tax rate of 24% principally due to the deferred tax asset recognised for the loss reported by the Company's reinsurance subsidiary being partially offset by the tax expenses of the Company's takaful subsidiary.

The effective tax rate for the 9 months period ended 31 December 2014 was 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, following the enactment of the Finance (No. 2) Act 2014, the reversal of deferred tax assets for management expenses in connection with the family takaful fund had also increased the tax expense for the period.

B6. Status of corporate proposals

The Company, in the previous period, 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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B7. Borrowings and debt securities

The Group borrowings as at 31 December 2015 were as follows:

	GROUP 31 Dec 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 31 Dec 2015	3 months ended 31 Dec 2014	9 months ended 31 Dec 2015	9 months ended 31 Dec 2014
Net (loss)/profit for the period (RM'000)	(483)	(20,086)	(18,942)	50,671
Number of ordinary shares in issue ('000)	213,070	213,070	213,070	213,070
Basic (loss)/earnings per share (sen)	(0.2)	(9.4)	(8.9)	23.8

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 31 Dec 2015 RM'000	3 months ended 31 Dec 2014 RM'000	9 months ended 31 Dec 2015 RM'000	9 months ended 31 Dec 2014 RM'000
Interest/profit income	48,026	39,261	141,329	122,406
Dividend income	5,279	6,450	14,964	14,020
Rental income	1,869	1,733	5,005	3,690
Finance cost	(4,560)	(6,302)	(13,647)	(15,395)
Net gain/(loss) on disposal of investments	2,760	(2,075)	6,232	6,972
Depreciation and amortisation	(2,794)	(1,681)	(8,101)	(7,684)
Reversal of impairment loss/(Impairment loss) on insurance/takaful receivables	5,684	(2,402)	5,417	(3,669)
(Impairment loss)/reversal of impairment loss on investments	(4,457)	(5)	(18,266)	6,698

Other than the above, there were no gain or loss on derivatives and exceptional items reported during the period ended 31 December 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 31 December 2015, into realised and unrealised profits, was as follows:

	GROUP	
	31 Dec 2015	31 Mar 2015
	RM'000	RM'000
Total retained profits of the Group:		
Realised	1,001,972	997,424
Unrealised	10,518	4,913
	1,012,490	1,002,337
Share of realised retained profits/(accumulated losses) from associated companies	3,603	(3,456)
	1,016,093	998,881
Less: Consolidation adjustments	(68,116)	(31,962)
Total retained profits per the statement of changes in equity	947,977	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: 25 February 2016