



MNRB HOLDINGS BERHAD

Bursa Announcement

First Quarter Ended 30 June 2013



MNRB HOLDINGS BERHAD (13487-A)
INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2013
(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENT

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 30 Jun 2013 RM'000	3 months ended 30 Jun 2012 (Restated) RM'000	3 months ended 30 Jun 2013 RM'000	3 months ended 30 Jun 2012 (Restated) RM'000
The Group's net profit was lower by 20.7% from RM48.7 million to RM38.6 million due to the lower investment i				
Gross earned premiums/contributions	514,221	483,566	514,221	483,566
Premiums/contributions ceded to reinsurers and retakaful operators	(48,568)	(108,271)	(48,568)	(108,271)
Net earned premiums/contributions	465,653	375,295	465,653	375,295
Investment income	43,584	38,716	43,584	38,716
Realised gains and losses	6,047	15,027	6,047	15,027
Fair value gains and losses	2,397	2,946	2,397	2,946
Fee and commission income	5,631	2,773	5,631	2,773
Other operating revenue	2,299	7,367	2,299	7,367
Other revenue	59,958	66,829	59,958	66,829
Gross claims and benefits paid	(248,908)	(230,934)	(248,908)	(230,934)
Claims ceded to reinsurers/retakaful	51,388	74,532	51,388	74,532
Gross change in contract liabilities	(85,546)	(62,446)	(85,546)	(62,446)
Change in contract liabilities ceded to reinsurers/retakaful	5,195	16,594	5,195	16,594
Net claims and benefits	(277,871)	(202,254)	(277,871)	(202,254)
Fee and commission expense	(117,514)	(111,973)	(117,514)	(111,973)
Management expenses	(40,830)	(42,366)	(40,830)	(42,366)
Finance cost	(4,530)	(3,197)	(4,530)	(3,197)
Other operating expenses	(6,851)	(1,130)	(6,851)	(1,130)
Changes in expenses liabilities	(102)	(913)	(102)	(913)
Other expenses	(169,827)	(159,579)	(169,827)	(159,579)
Share of profit/(loss) of associates	2,235	(1,859)	2,235	(1,859)
Operating profit before surplus transfer, zakat and tax	80,148	78,432	80,148	78,432
Zakat	(100)	(113)	(100)	(113)
Tax expenses	(12,841)	(14,993)	(12,841)	(14,993)
Net profit before surplus transfer	67,207	63,326	67,207	63,326
Surplus attributable to takaful participants	(28,611)	(14,622)	(28,611)	(14,622)
Net profit for the period attributable to equity holders of the Company	38,596	48,704	38,596	48,704
Earnings per share (sen) - Basic	18.1	22.9	18.1	22.9

The Condensed Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2013



MNRB HOLDINGS BERHAD (13487-A)
INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2013
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 30 Jun 2013 RM'000	3 months ended 30 Jun 2012 (Restated) RM'000	3 months ended 30 Jun 2013 RM'000	3 months ended 30 Jun 2012 (Restated) RM'000
Net profit The Group's net profit was lower by 20.7% from f	38,596	48,704	38,596	48,704
Other comprehensive (loss)/income:				
Effects of post acquisition foreign exchange translation reserve on investment in associate	2,010	3,645	2,010	3,645
Effects of foreign exchange translation reserve on investment in subsidiary	161	76	161	76
Net (loss)/gain on AFS financial assets:				
Net (loss)/gain on fair value changes	(372)	1,271	(372)	1,271
Realised gain transferred to income statement	(2,983)	(14,639)	(2,983)	(14,639)
Deferred tax relating to components of other comprehensive income	621	(587)	621	(587)
Other comprehensive income attributable to participants	1,106	2,547	1,106	2,547
Total comprehensive income for the period	39,139	41,017	39,139	41,017

The Condensed Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2013



MNRB HOLDINGS BERHAD (13487-A)
INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2013
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	GROUP	
	Unaudited 30 Jun 2013 RM'000	Audited 31 Mar 2013 RM'000
Assets		
Property, plant and equipment	238,213	237,965
InvestmeBhd.	6,200	6,200
Intangible assets	12,734	13,189
Deferred tax assets	8,892	10,955
Investment in associates	92,700	88,456
Financial assets:		
Financial assets at fair value through profit or loss ("FVTPL")	111,777	129,167
Held-to-maturity ("HTM") investments	776,606	786,653
Available-for-sale ("AFS") financial assets	1,848,659	1,789,502
Loans and receivables ("LAR")	1,853,000	1,698,605
Reinsurance/retakaful assets	392,251	387,976
Insurance/takaful receivables	432,296	404,059
Tax recoverable	13,532	15,923
Cash and bank balances	55,758	74,728
Total assets	5,842,618	5,643,378
Liabilities and Participant's fund		
Participant's fund	261,660	234,155
Borrowings	320,000	320,000
Insurance/takaful contract liabilities	3,700,573	3,592,961
Insurance/takaful payables	213,072	211,724
Other payables	142,147	116,975
Deferred tax liabilities	8,819	12,579
Provision for taxation	24,801	22,525
Provision for zakat	463	515
Total liabilities and participant's fund	4,671,535	4,511,434
Equity		
Share capital	213,070	213,070
Reserves	958,013	918,874
Total equity attributable to equity holders of the Company	1,171,083	1,131,944
Total liabilities, participants' fund and equity	5,842,618	5,643,378
Net assets per share (RM)	5.50	5.31

*The Condensed Financial Statements should be read in conjunction with
the Annual Financial Statements for the year ended 31 March 2013*



MNRB HOLDINGS BERHAD (13487-A)
INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2013
(The figures have not been audited)

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

	GROUP								
	Attributable to Equity Holder 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		
The Group's net profit									
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	-	-	2,171	(1,628)	-	-	38,596	39,139	
At 30 June 2013	213,070	105,051	18,899	6,844	30,660	757,963	38,596	1,171,083	

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2012

	GROUP								
	Attributable to Equity Holder 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 2012, restated	213,070	105,051	16,426	20,817	33,844	669,280	-	1,058,488	
Total comprehensive income/(loss) for the period	-	-	3,721	(11,408)	-	-	48,704	41,017	
At 30 June 2012, restated	213,070	105,051	20,147	9,409	33,844	669,280	48,704	1,099,505	

*The Condensed Financial Statements should be read in conjunction with
the Annual Financial Statements for the year ended 31 March 2013*



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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP	
	3 months ended 30 Jun 2013	3 months ended 30 Jun 2012 (Restated)
	RM'000	RM'000
Cash flows from operating activities		
Profit before surplus transfer, zakat and tax	80,148	78,432
Adjustment The Group's net profit was lower by 20.7% from RM48.7 million to RM38.6 million due to the lower investment in		
Net fair value gains on financial assets at FVTPL	(2,514)	(264)
Impairment loss/(reversal of impairment loss) on AFS financial assets	10	(97)
Reversal of impairment loss on HTM investments	-	(15)
(Reversal of impairment loss)/impairment loss on insurance/takaful receivables	(1,006)	347
Depreciation of property, plant and equipment	2,464	2,443
Amortisation of intangible assets	818	717
Property, plant and equipment written off	-	-
Gain on fair value adjustments of investment properties	-	(4,078)
Gain on disposal of property, plant and equipment	-	(3)
Increase in premium and contribution liabilities	29,055	33,303
Interest/profit income	(41,073)	(34,112)
Dividend income	(1,509)	(1,527)
Rental income	(2,107)	(2,823)
Finance cost	4,530	3,197
Gain on disposal of investments	(5,841)	(14,632)
Net amortisation of premiums/(accretion of discounts) on investments	829	109
Share of (profits)/losses of associates	(2,235)	1,859
Net surplus attributable to takaful participants	28,611	9,753
Profit from operations before changes in operating assets and liabilities	90,180	72,609
Increase in placements with licensed financial institutions, Islamic investment accounts and marketable securities	(128,912)	(54,977)
Net (purchase of)/proceeds from disposal of investments	(26,941)	84,098
Increase in insurance/takaful receivables	(22,751)	(180,792)
Increase in other receivables	(45,873)	(128,780)
Increase/(decrease) in net claims liabilities	30,617	(40,269)
Increase in expense liabilities	102	3,699
(Decrease)/increase in insurance/takaful payables	(3,114)	78,412
Increase/(decrease) in other payables	46,712	22,815
Taxes and zakat paid	(12,719)	(1,251)
Interest/profit received	57,713	47,745
Dividend received	1,439	1,630
Rental received	2,081	2,814
Net cash used in operating activities	(11,466)	(92,247)



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(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP	
	3 months ended 30 Jun 2013 RM'000	3 months ended 30 Jun 2012 (Restated) RM'000
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,610)	(1,529)
Purchase of intangible assets	(364)	(629)
Proceed from disposal of investment properties	-	62,003
Proceeds from disposal of property, plant and equipment	-	-
Net cash (used in)/generated from investing activities	(2,974)	59,845
CASH FLOWS USED IN FINANCING ACTIVITIES		
Interest paid	(4,530)	(3,197)
Net cash used in financing activities	(4,530)	(3,197)
CASH AND BANK BALANCES		
Net increase/(decrease) during the period	(18,970)	(35,599)
At the beginning of the period	74,728	80,570
At the end of the period	55,758	44,971

*The Condensed Financial Statements should be read in conjunction with
the Annual Financial Statements for the year ended 31 March 2013*



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 unaudited condensed interim financial statements for the financial period ended 30 June 2013 have been prepared in accordance with MFRS 134 *Interim Financial Reporting* that was issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”). The unaudited condensed interim financial statements also comply with the Companies Act, 1965, the Insurance Act and Regulations, 1996, the Takaful Act, 1984 and where applicable, have been modified to comply with the guidelines issued by Bank Negara Malaysia (“BNM”).

The Group's net profit was lower by 20.7% from RM48.7 million to RM38.6 million due to the lower investment income earned in the current period. The interim financial report should be read in conjunction with the Group's most recent audited financial statements for the year ended 31 March 2013.

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 2013 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 2013:

MFRS 101 Presentation of Items of Other Comprehensive Income (Amendments to MFRS 101)
Amendments to MFRS 101 Presentation of Financial Statements (Annual Improvements 2009 - 2011 Cycle)
MFRS 3 Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)
MFRS 10 Consolidated Financial Statements
MFRS 11 Joint Arrangements
MFRS 12 Disclosure of interests in Other Entities
MFRS 13 Fair Value Measurement
MFRS 119 Employee Benefits
MFRS 127 Separate Financial Statements
MFRS 128 Investment in Associate and Joint Ventures
MFRS 127 Consolidated and Separate Financial Statements (IAS 27 as revised by IASB in December 2003)
Amendment to IC Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments (Annual Improvements 2009 - 2011 Cycle)
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine
Amendments to MFRS 7 Disclosures - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards - Government Loans
Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards - Annual Improvements 2009 - 2011 Cycle)
Amendments to MFRS 116 Property, Plant and Equipment (Annual Improvements 2009 - 2011 Cycle)
Amendments to MFRS 132 Financial Instruments: Presentation (Annual Improvements 2009 - 2011 Cycle)
Amendments to MFRS134 Interim Financial Reporting (Annual Improvements 2009 - 2011 Cycle)
Amendments to MFRS 10 Consolidated Financial Statements: Transition Guidance
Amendments to MFRS 11 Joint Arrangements: Transition Guidance
Amendments to MFRS 12 Disclosure of Interests in Other Entities: Transition Guidance
Amendments to MFRS 132 Offsetting Financial Assets and Financial Liabilities

The adoption of the above standards, amendments and interpretations does not have any material 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 2013 was not subject to any qualification.

A3. Seasonal or cyclical factors

During the financial period ended 30 June 2013, 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 operates.



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PART A – NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period ended 30 June 2013.

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 other than those disclosed in B6.

A7. Dividend paid

No dividend was paid during the first quarter ended 30 June 2013.

A8. Segmental reporting

Financial period ended 30 June 2013

	Investment Holding RM'000	Reinsurance Business RM'000	Takaful Business RM'000	Retakaful Business RM'000	Inter-Group Adjustments RM'000	Consolidated RM'000
Revenue						
External	43	327,180	212,936	34,020	-	574,179
Inter-segment	8,933	3,261	-	6,286	(18,480)	-
	8,976	330,441	212,936	40,306	(18,480)	574,179
Results						
Segment results	(3,867)	54,105	33,674	(5,999)	-	77,913
Share of results of associates	136	2,099	-	-	-	2,235
Operating profit before surplus transfer, zakat and tax	(3,731)	56,204	33,674	(5,999)	-	80,148
Zakat and taxation	(171)	(9,821)	(2,949)	-	-	(12,941)
Net profit before surplus transfer	(3,902)	46,383	30,725	(5,999)	-	67,207
Surplus attributable to takaful participants	-	-	(28,611)	-	-	(28,611)
Net profit for the period attributable to equity holders of the Company	(3,902)	46,383	2,114	(5,999)	-	38,596



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PART A – NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

A8. Segmental reporting (Contd.)

Financial period ended 30 June 2012

	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	2,630	320,730	199,380	27,655	-	550,395
Inter-segment	6,354	3,079	-	3,771	(13,204)	-
	8,984	323,809	199,380	31,426	(13,204)	550,395
Results						
Segment results	(3,800)	68,263	16,050	(222)	-	80,291
Share of results of associates	-	(1,859)	-	-	-	(1,859)
Operating profit before surplus transfer, zakat and tax	(3,800)	66,404	16,050	(222)	-	78,432
Zakat and taxation	228	(13,422)	(1,912)	-	-	(15,106)
Net profit before surplus transfer	(3,572)	52,982	14,138	(222)	-	63,326
Surplus attributable to takaful participants	-	-	(13,807)	(815)	-	(14,622)
Net profit for the period attributable to equity holders of the Company	(3,572)	52,982	331	(1,037)	-	48,704

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 2013.

A10. Significant events

There were no significant events during the current financial period ended 30 June 2013.

A11. Subsequent events

There were no significant subsequent events from 30 June 2013 to the date of this report.

A12. Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial period ended 30 June 2013.

A13. Capital Commitments

The amount of capital commitments of the Group as at 30 June 2013 were as follows:

Authorised and contracted for:	RM'000
- Tangible assets	1,286
- Intangible assets*	321
	<u>1,607</u>

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



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PART A – NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

A14. Condensed Consolidated Statement of Financial Position by Insurance Fund

(i) Unaudited as at 30 June 2013

	General reinsurance & 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 & Adjustment RM'000	Consolidated RM'000
Assets							
Property, plant and equipment	132,884	-	-	-	-	105,329	238,213
Investment properties	6,200	-	105,912	-	-	(105,912)	6,200
Intangible assets	12,734	-	-	-	-	-	12,734
Deferred tax assets	8,542	296	-	54	-	-	8,892
Investment in subsidiaries	904,501	-	-	-	-	(904,501)	-
Investment in associates	77,614	-	-	-	-	15,086	92,700
Financial assets:							
Financial assets at fair value							-
through profit or loss ("FVTPL")	8,087	1,301	101,832	534	23	-	111,777
Held-to-maturity ("HTM") investments	335,240	72,599	344,499	20,204	4,064	-	776,606
Available-for-sale ("AFS")							-
financial assets	1,072,022	81,426	663,767	26,371	5,073	-	1,848,659
Loans and receivables ("LAR")	1,292,955	152,952	495,357	48,110	10,710	(147,084)	1,853,000
Reinsurance/retakaful assets	219,171	71,279	91,846	3,616	6,339	-	392,251
Insurance/takaful receivables	258,868	17,411	133,285	21,596	1,136	-	432,296
Tax recoverable	13,519	-	-	8	5	-	13,532
Cash and bank balances	8,290	3,514	43,935	9	10	-	55,758
Total assets	4,350,627	400,778	1,980,433	120,502	27,360	(1,037,082)	5,842,618
Liabilities and Participant's fund							
Participant's fund	-	22,580	240,186	-	-	(1,106)	261,660
Borrowings	320,000	-	-	-	-	-	320,000
Insurance/takaful contract liabilities	1,701,765	321,844	1,559,100	108,528	19,336	(10,000)	3,700,573
Insurance/takaful payables	104,724	11,213	77,139	11,974	8,022	-	213,072
Other payables	89,997	39,843	95,031	-	-	(82,724)	142,147
Deferred tax liabilities	5,488	-	2,789	-	2	540	8,819
Provision for taxation	13,315	5,298	6,188	-	-	-	24,801
Provision for zakat	463	-	-	-	-	-	463
Total liabilities and participant's fund	2,235,752	400,778	1,980,433	120,502	27,360	(93,290)	4,671,535
Equity							
Share capital	1,124,570	-	-	-	-	(911,500)	213,070
Reserves	990,305	-	-	-	-	(32,292)	958,013
Total equity attributable to equity holders of the Company	2,114,875	-	-	-	-	(943,792)	1,171,083
Total liabilities, participants' fund and equity	4,350,627	400,778	1,980,433	120,502	27,360	(1,037,082)	5,842,618



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PART A – NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

A14. Condensed Consolidated Statement of Financial Position by Insurance Fund (Cont'd.)

(ii) **As at 31 March 2013**

	General reinsurance & 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 & Adjustment RM'000	Consolidated RM'000
Assets							
Property, plant and equipment	132,773	-	-	-	-	105,192	237,965
Investment properties	6,200	-	105,192	-	-	(105,192)	6,200
Intangible assets	13,189	-	-	-	-	-	13,189
Deferred tax assets	7,906	317	0	37	-	2,695	10,955
Investment in subsidiaries	904,501	-	-	-	-	(904,501)	-
Investment in associates	77,615	-	-	-	-	10,841	88,456
Financial assets:							
Financial assets at fair value							
through profit or loss ("FVTPL")	7,317	1,153	120,194	480	23	-	129,167
Held-to-maturity ("HTM") investments	339,005	74,621	352,546	16,719	3,762	-	786,653
Available-for-sale ("AFS")							
financial assets	1,030,206	82,117	644,184	28,081	4,914	-	1,789,502
Loans and receivables ("LAR")	1,253,679	123,093	409,891	39,402	11,351	(138,811)	1,698,605
Reinsurance/retakaful assets	224,716	62,912	89,843	5,023	5,482	-	387,976
Insurance/takaful receivables	229,470	28,804	121,439	23,283	1,063	-	404,059
Tax recoverable	15,909	-	-	8	6	-	15,923
Cash and bank balances	10,131	32,549	32,026	13	9	-	74,728
Total assets	4,252,617	405,566	1,875,315	113,046	26,610	(1,029,776)	5,643,378
Liabilities and Participant's fund							
Participant's fund	-	20,346	214,339	-	-	(530)	234,155
Borrowings	320,000	-	-	-	-	-	320,000
Insurance/takaful contract liabilities	1,667,263	301,553	1,513,237	103,203	17,705	(10,000)	3,592,961
Insurance/takaful payables	107,428	20,299	65,253	9,843	8,901	-	211,724
Other payables	67,386	57,515	75,214	-	-	(83,140)	116,975
Deferred tax liabilities	6,655	-	2,685	-	4	3,235	12,579
Provision for taxation	12,085	5,853	4,587	-	-	-	22,525
Provision for zakat	515	-	-	-	-	-	515
Total liabilities and participant's fund	2,181,332	405,566	1,875,315	113,046	26,610	(90,435)	4,511,434
Equity							
Share capital	1,124,569	-	-	-	-	(911,499)	213,070
Reserves	946,716	-	-	-	-	(27,842)	918,874
Total equity attributable to equity holders of the Company	2,071,285	-	-	-	-	(939,341)	1,131,944
Total liabilities, participants' fund and equity	4,252,617	405,566	1,875,315	113,046	26,610	(1,029,776)	5,643,378



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PART A – NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

A15. Unaudited Condensed Consolidated Income Statement by Insurance Fund

(i) 3 months ended 30 June 2013

	General reinsurance & 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 & Adjustment RM'000	Consolidated RM'000
Gross earned premiums/contributions	301,156	46,481	137,435	24,214	14,142	(9,207)	514,221
Premiums/contributions ceded to reinsurers and retakaful operators	(19,823)	(13,925)	(13,878)	(6,161)	(1,791)	7,010	(48,568)
Net earned premiums/contributions	281,333	32,556	123,557	18,053	12,351	(2,197)	465,653
Investment income	25,409	2,729	15,900	774	117	(1,345)	43,584
Realised gains and losses	(204)	512	5,603	109	27	-	6,047
Fair value gains and losses	230	19	2,133	15	-	-	2,397
Fee and commission income	68,804	2,613	101	200	44	(66,131)	5,631
Other operating revenue	3,641	-	-	57	-	(1,399)	2,299
Other revenue	97,880	5,873	23,737	1,155	188	(68,875)	59,958
Gross claims and benefit paid	(162,651)	(22,584)	(44,081)	(5,832)	(13,760)	-	(248,908)
Claims ceded to reinsurers/retakaful	37,475	6,022	9,337	185	(1,631)	-	51,388
Gross change in contract liabilities	(16,361)	(14,872)	(45,270)	(10,368)	1,325	-	(85,546)
Change in contract liabilities ceded to reinsurers/retakaful	(3,761)	7,529	2,003	(1,432)	856	-	5,195
Net claims and benefits	(145,298)	(23,905)	(78,011)	(17,447)	(13,210)	-	(277,871)
Fee and commission expense	(112,261)	(13,163)	(38,926)	(7,489)	(1,959)	56,284	(117,514)
Management expenses	(54,958)	-	-	-	-	14,128	(40,830)
Finance cost	(4,530)	-	-	-	-	-	(4,530)
Other operating expenses	(5,440)	628	(1,831)	(285)	-	77	(6,851)
Changes in expenses liabilities	(102)	-	-	-	-	-	(102)
Other expenses	(177,291)	(12,535)	(40,757)	(7,774)	(1,959)	70,489	(169,827)
Share of results of associates	-	-	-	-	-	2,235	2,235
Operating profit before surplus transfer, zakat and tax	56,624	1,989	28,526	(6,013)	(2,630)	1,652	80,148
Zakat	(100)	-	-	-	-	-	(100)
Tax expenses	(11,520)	465	(1,786)	-	-	-	(12,841)
Net profit before surplus transfer	45,004	2,454	26,740	(6,013)	(2,630)	1,652	67,207
Surplus attributable to takaful participants	-	(2,454)	(26,740)	-	-	583	(28,611)
Net profit for the period attributable to equity holders of the Company	45,004	-	-	(6,013)	(2,630)	2,235	38,596



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PART A – NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

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

(ii) 3 months ended 30 June 2012

	General reinsurance & 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 & Adjustment RM'000	Consolidated RM'000
Gross earned premiums/contributions	284,944	42,716	131,896	18,433	11,449	(5,872)	483,566
Premiums/contributions ceded to reinsurers and retakaful operators	(80,863)	(14,740)	(11,991)	(2,715)	(1,757)	3,795	(108,271)
Net earned premiums/contributions	204,081	27,976	119,905	15,718	9,692	(2,077)	375,295
Investment income	25,442	2,704	11,980	547	40	(1,997)	38,716
Realised gains and losses	10,807	690	3,530	-	-	-	15,027
Fair value gains and losses	266	16	2,664	-	-	-	2,946
Fee and commission income	59,465	2,329	-	-	55	(59,076)	2,773
Other operating revenue	8,091	480	-	196	36	(1,436)	7,367
Other revenue	104,071	6,219	18,174	743	131	(62,509)	66,829
Gross claims and benefit paid	(158,253)	(31,631)	(23,689)	(9,930)	(7,431)	-	(230,934)
Claims ceded to reinsurers/retakaful	33,129	4,113	37,290	-	-	-	74,532
Gross change in contract liabilities	14,317	8,401	(85,164)	-	-	-	(62,446)
Change in contract liabilities ceded to reinsurers/retakaful	31,371	(3,567)	(11,210)	-	-	-	16,594
Net claims and benefits	(79,436)	(22,684)	(82,773)	(9,930)	(7,431)	-	(202,254)
Fee and commission expense	(103,790)	(11,534)	(38,961)	(7,842)	(1,577)	51,731	(111,973)
Management expenses	(53,810)	-	-	-	-	11,444	(42,366)
Finance cost	(3,791)	-	-	-	-	594	(3,197)
Other operating expenses	(665)	-	(318)	(429)	-	282	(1,130)
Changes in expenses liabilities	(913)	-	-	-	-	-	(913)
Other expenses	(162,969)	(11,534)	(39,279)	(8,271)	(1,577)	64,051	(159,579)
Share of results of associates	-	-	-	-	-	(1,859)	(1,859)
Operating profit before surplus transfer, zakat and tax	65,747	(23)	16,027	(1,740)	815	(2,394)	78,432
Zakat	(113)	-	-	-	-	-	(113)
Tax expenses	(13,332)	(217)	(1,444)	-	-	-	(14,993)
Net profit before surplus transfer	52,302	(240)	14,583	(1,740)	815	(2,394)	63,326
Surplus attributable to takaful participants	-	240	(14,583)	-	(815)	536	(14,622)
Net profit for the period attributable to equity holders of the Company	52,302	-	-	(1,740)	-	(1,858)	48,704



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

For the period ended 30 June 2013, the Group recorded a revenue of RM574.2 million, 4.3% or RM23.8 million higher than the RM550.4 million recorded in the corresponding period last year. The higher revenue was a result of the increase in gross premiums and contributions by all three key operating subsidiaries.

The Group's net profit was lower by 20.7% from RM48.7 million to RM38.6 million due to the lower investment income earned in the current period as the corresponding period included gain on disposal of investment in equity and property. In addition, the results of the current quarter was impacted by a late payment penalty in respect of service tax and stamp duty imposed on a subsidiary, MMIP Services Sdn Bhd.

Investment holding

The revenue for the period ended 30 June 2013 was similar to the revenue of the corresponding period last year or, RM9.0 million.

The net loss reported for the period ended 30 June 2013 was RM3.9 million, higher by RM0.3 million than the RM3.6 million recorded in the previous corresponding quarter.

Reinsurance business

The reinsurance business reported RM330.4 million in revenue for the period ended 30 June 2013, a increase of 2.0% from RM323.8 million in the corresponding period last year. The increase was mainly due to the higher gross earned premium.

The net profit for the period ended 30 June 2013 decreased by 12.5% to RM46.4 million due to lower investment income as the corresponding period included gain on disposal of investment in equity and property.

Takaful business

The takaful business revenue for the period ended 30 June 2013 increased by 6.8% from RM199.4 million to RM212.9 million. This was mainly due to an increase in gross contributions of the family and general funds as well as increase in investment income of the family fund.

The net profit attributable to equity holders for the period ended 30 June 2013 was RM2.1 million as compared to RM0.3 million recorded last year mainly as a result of higher wakalah fees and investment income earned as well as the surplus administration charges received from the risk funds.

Retakaful business

The retakaful business reported an increase of 28.3% from RM31.4 million to RM40.3 million in the current financial period. The increase was mainly contributed by the growth in gross contribution and investment income.

The higher net loss attributable to equity holders of RM6.0 million as compared to RM1.0 million recorded in the previous corresponding quarter was mainly from losses from general and family business due to the increase in IBNR and PRAD reserves as well as an increase in the reported claims.



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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 profit of RM38.6 million in the current quarter as compared to the net profit of RM17.1 million in the preceding quarter. The increase in profit was mainly as a result of the lower losses incurred in the general and family retakaful businesses.

B3. Current year prospects

Based on the current economic conditions, the Group is expected to achieve satisfactory results for the financial year ending 31 March 2014.

B4. Explanatory note for variance from profit forecast

There was no profit forecast issued by the Group during the financial period ended 30 June 2013.

B5. Taxation

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 30 Jun 2013 RM'000	3 months ended 30 Jun 2012 RM'000	3 months ended 30 Jun 2013 RM'000	3 months ended 30 Jun 2012 RM'000
Operating profit before surplus transfer, zakat and tax	80,148	78,432	80,148	78,432
Current tax	(14,219)	(17,052)	(14,219)	(17,052)
Deferred tax	1,378	2,059	1,378	2,059
Zakat	(12,841)	(14,993)	(12,841)	(14,993)
	(100)	(113)	(100)	(113)
	(12,941)	(15,106)	(12,941)	(15,106)
Net profit before surplus transfer	67,207	63,326	67,207	63,326
Effective tax rate	16.0%	19.1%	16.0%	19.1%

The effective tax rate for the financial period ended 30 June 2013 and 30 June 2012 was lower than the statutory tax rate of 25% principally due to the lower tax rate on inwards and offshore reinsurance business, and Family takaful business.

B6. Status of corporate proposals and utilisation of proceeds

On 6 June 2013, MNRB announced that a supplemental facility agreement was been entered with Standard Chartered Saadiq Berhad ("Saadiq") in relation to the Revolving Credit-i facility ("RC-i Facility").

The supplemental facility agreement is to address the conversion of the RC-i Facility's method of financing from Bai' Inah to Commodity Murabaha Financing-i. Pursuant to the above, the RC-i Facility will hereafter be known as the Commodity Murabaha Financing-i. Other terms and conditions of the Commodity Murabaha Financing-i (previously known as RC-i Facility) remain the same.



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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 June 2013 were as follows:

	GROUP 30 June 2013 RM'000
Unsecured long term borrowings:	
RM200.0 million Islamic Revolving Credit 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 2014.

B11. Earnings per share

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

	GROUP			
	Individual Period		Cumulative Period	
	3 months ended 30 Jun 2013	3 months ended 30 Jun 2012	3 months ended 30 Jun 2013	3 months ended 30 Jun 2012
Net profit for the period (RM'000)	38,596	48,704	38,596	48,704
Weighted average number of ordinary shares in issue ('000)	213,070	213,070	213,070	213,070
Basic EPS (sen)	18.1	22.9	18.1	22.9

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



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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 Jun 2013 RM'000	3 months ended 30 Jun 2012 RM'000	3 months ended 30 Jun 2013 RM'000	3 months ended 30 Jun 2012 RM'000
Interest/profit income	41,073	34,112	41,073	34,112
Dividend income	1,509	1,527	1,509	1,527
Rental income	2,107	2,823	2,107	2,823
Interest expense	4,530	3,197	4,530	3,197
Net gains on disposal of investments	6,047	15,027	6,047	15,027
Depreciation and amortisation	3,282	3,160	3,282	3,160
Reversal of impairment loss/(Impairment loss) on insurance receivables *	1,006	(347)	1,006	(347)
Reversal of impairment loss / (impairment) on investments	1	77	1	77

Other than the above, there were no gain or loss on derivatives and exceptional items reported during the current financial period ended 30 June 2013.

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

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

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

The breakdown of the retained profits of the Group as at 30 June 2013, into realised and unrealised profits, pursuant to the directive, were as follows:

	GROUP	
	30 Jun 2013 RM'000	31 Mar 2013 RM'000
Total retained profits of the Group:		
Realised	797,123	759,885
Unrealised	2,859	1,892
	799,982	761,777
Total share of retained profits from associate		
Realised	(4,071)	(6,306)
	795,911	755,471
Add / Less: Consolidation adjustments	648	2,492
Total retained profits per the statement of changes in equity	796,559	757,963

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: 30 August 2013