

Strength in Diversity

ANNUAL REPORT 2010



MNRB HOLDINGS BERHAD
(13487-A)



Strength in Diversity

MNRB Holdings Berhad (MNRB) today represents a solid combination of various subsidiaries with diverse strengths to benefit its clients. Vast experience and strong leadership form a unified Group that will continuously soar to a greater height.

The visual presentation emphasises the key pillars within MNRB. Grooved for architectural perfection, these pillars reflect the strength and tenacity of MNRB.

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MNRB HOLDINGS BERHAD



Bonded for **Security,**
Bound by **Trust**

With more than 3 decades of commitment to excellence, MNRB surges ahead, powered by success and forged on trust.

corporate profile

In early 1965, the Malaysian Government conceived the idea of forming a national reinsurance company in order to curtail the ever increasing outflow of reinsurance premium overseas. A feasibility study on the formation of such company was done in 1971 and on 30 December 1972, Malaysian National Reinsurance Berhad was incorporated under the Companies Act, 1965. It commenced operations on 19 February 1973. Effective 1 April 2005, as part of the restructuring exercise of the MNRB Group, the reinsurance business, reinsurance licence and reinsurance assets, up to a net amount of RM400 million, were transferred from Malaysian National Reinsurance Berhad to Malaysian Reinsurance Berhad (Malaysian Re). Pursuant to the restructuring, Malaysian National Reinsurance Berhad became an investment holding company and was renamed **MNRB Holdings Berhad (MNRB)**.

MNRB is listed on the Main Market of Bursa Malaysia Securities Berhad (Bursa Securities). Its wholly-owned subsidiaries are Malaysian Re, a general reinsurance company, Takaful Ikhlas Sdn. Bhd. (Takaful IKHLAS), an Islamic insurance provider, MNRB Retakaful Berhad (MRT), a general and family retakaful operator and Malaysian Re (Dubai) Ltd. (MRDL), a company incorporated in Dubai, UAE, to underwrite the reinsurance business for Malaysian Re and to service Malaysian Re's business partners in the Middle East and North Africa (MENA) regions. Another subsidiary company is MMIP Services Sdn. Bhd. (MSSB), the manager of the Malaysian Motor Insurance Pool (MMIP), a pool established by the local insurance industry to provide insurance coverage for vehicle owners who have difficulty in obtaining motor insurance coverage.

In addition, Motordata Research Consortium Sdn. Bhd. (MRC), a company that manages database for standard motor parts, prices and repairs, is an associate company of MNRB whilst Labuan Reinsurance (L) Ltd. (Labuan Re), an offshore reinsurance company incorporated in the Labuan International Offshore Financial Centre (IOFC), is an associate company of Malaysian Re.

Backed by a wealth of experience and knowledge in the reinsurance, takaful and retakaful businesses, sound financial position and the strong support from its substantial shareholders, namely, Permodalan Nasional Berhad (PNB) and the various unit trust schemes of PNB, the MNRB Group will continue to grow as a renowned corporation, both locally and internationally.

CAPITAL STRUCTURE

The Company has an Authorised Capital of RM500 million, divided into 500 million ordinary shares of RM1.00 each and a Paid-up Capital of RM213 million, divided into 213 million ordinary shares of RM1.00 each.

corporate milestones

1973-1975

- Malaysian National Reinsurance Berhad commenced operations on 19 February 1973
- Voluntary Cessions (VC) to Malaysian National Reinsurance Berhad commenced 4 months later
- Began to offer Excess of Loss Treaties to local insurance companies
- Began to write Local Facultative business and non-reciprocal inwards overseas business

1976-1978

- Retroceded part of the VC cessions to the local insurance companies for their net account
- Sponsored the 1st Kuala Lumpur Insurance Seminar, attended by over 400 delegates
- Commenced writing 10% Quota Share of the Miscellaneous Accidents and Motor businesses
- Increased level of retrocessions from 25% to 30% for Fire and Personal Accident businesses

1979-1981

- Increased paid-up capital from RM5,200,002 to RM6,240,003
- Commenced reciprocal exchange with overseas companies
- Perbadanan Nasional Berhad's (PERNAS) 50% share in Malaysian National Reinsurance Berhad was transferred to PNB

1982-1984

- Paid-up capital increased to RM8,216,004
- Published the 1st edition of the Malaysian Insurance Directory
- Introduced Common Account Excess of Loss for retrocessionaires

1985-1987

- Formation of the following departments:
 - * *Technical Services Department* - to conduct fire surveys including advisory services on risk management with the cost mostly borne by Malaysian National Reinsurance Berhad
 - * *Inspection Department* - to ensure companies' adherence to the various Inter-Company Agreements
 - * *Rating Committee* - to determine special rate under the Fire Tariff for Fire and Industrial All Risks Insurances

1988-1990

- Increased level of retrocession from 50% to 55% to shareholding companies of Malaysian National Reinsurance Berhad
- Implementation of Stage 1 - new levels of VC, Retrocessions and other market reinsurance arrangements
- Began to organise Annual Golf Tournaments and Outward Bound School for the insurance industry

1991-1993

- Implementation of automatic cessions on Facultative and Treaty business
- Appointed as the Administration Manager of Malaysian Motor Insurance Pool
- Malaysian-Re International Insurance (L) Ltd. (MIRL) was set up as a wholly-owned subsidiary
- Implementation of Stage II - new levels of VC, Retrocessions and other market reinsurance arrangements
- Malaysian National Reinsurance Berhad and MNI jointly hosted and organised the 13th General Meeting of the Federation of AFRO-Asian Insurers and Reinsurers (F.A.I.R.) attended by over 350 international and local participants

1994-1996

- Bank Negara Malaysia (BNM) appointed Malaysian National Reinsurance Berhad to manage the Scheme for Insurance of Large and Specialised Risks
- Appointed as Manager for the Malaysian Energy Risks Consortium
- Launching of the Central Administration Bureau
- Implementation of Stage III - new levels of VC, Retrocessions and other market reinsurance arrangements
- MIRL, now known as Labuan Reinsurance (L) Ltd. (Labuan Re), ceased to be a wholly-owned subsidiary of Malaysian National Reinsurance Berhad with the equity interest being diluted to 20%
- Appointed as Manager of the Malaysian Aviation Pool
- Malaysian National Reinsurance Berhad was listed on the Main Board of the Kuala Lumpur Stock Exchange (now known as Bursa Malaysia Securities Berhad)

1997-1999

- Commencement of Overseas Facultative business
- Launching of Malaysian National Reinsurance Berhad Homepage (<http://www.malaysian-re.com.my>)
- Launching of MNRB Scholarship Fund of RM1 million
- Malaysian National Reinsurance Berhad moved to its own building, Bangunan Malaysian Re
- Implementation of new levels of VC, Retrocessions and other market reinsurance arrangements

2000-2001

- Awarded the MS ISO 9002:1994 certification
- Appointed as Account Manager for the Sihat Malaysia Scheme
- Injected additional RM1 million to the MNRB Scholarship Fund
- Acquired another building, Wisma KT (now known as Bangunan Takaful IKHLAS), Petaling Jaya, Selangor

2002

- Arrangement of terrorism insurance via the Malaysian Terrorism Facility
- Received approval in principle from BNM to set up a takaful operation

corporate milestones

2003

- BNM approved the registration of Takaful Ikhlas Sdn. Bhd. (Takaful IKHLAS) on 21 April 2003 and it commenced operations on 2 July 2003
- MNRB was granted the approval on Certification to the new ISO Standard, MS ISO 9001:2000
- Implementation of new levels of VC, Retrocessions to the industry ceased with effect from 1 January 2003
- Acquired another building, Block A, Plaza Damansara, Kuala Lumpur

2004

- Commenced the restructuring exercise of the Group

2005

- The Group's restructuring exercise was completed on 1 April 2005 and hereon Malaysian National Reinsurance Berhad became MNRB Holdings Berhad (MNRB). The new holding company is an investment holding company that focuses on business expansion to broaden the Group's income base and further strengthen its financial position. The reinsurance business was then transferred to a newly incorporated 100% subsidiary of MNRB, Malaysian Reinsurance Berhad (Malaysian Re). The takaful business continues to be undertaken by Takaful IKHLAS, a wholly-owned subsidiary of MNRB. Labuan Re became an associate company of Malaysian Re

2006

- MMIP Services Sdn. Bhd. (MSSB), was formed to manage the administrative of Malaysian Motor Insurance Pool (MMIP), a pool established by the insurance industry to provide insurance coverage for vehicle owner who finds difficulty in obtaining coverage
- MNRB obtained BNM's approval to establish a retakaful operation under the Takaful Act, 1984 to conduct both general and family retakaful businesses. The wholly-owned subsidiary company of MNRB is known as MNRB Retakaful Berhad (MRT)
- Malaysian Re (Dubai) Ltd. (MRDL) a wholly-owned subsidiary of Malaysian Re was incorporated
- Malaysian Re won the prestigious Reinsurance Industry Contribution Award given by the Asia Insurance Review and the Review Magazine
- Malaysian Re was assigned a Financial Strength Rating (FSR) of A- (Excellent) and an Issuer Credit Rating (ICR) of 'a-' by A.M. Best Co.
- Malaysian Re was assigned an 'A-' Insurer Financial Strength (IFS) rating with stable outlook by Fitch Ratings

2007

- Malaysian Re was reaffirmed the FSR of A- (Excellent) and an ICR of 'a-' by A.M. Best Co.
- Malaysian Re was reaffirmed the 'A-' IFS rating with stable outlook by Fitch Ratings
- MRT commenced operations in August 2007 as the first retakaful operator in Malaysia

2008

- MRDL was officially launched on 18 March 2008
- MRDL was wholly transferred from Malaysian Re to MNRB
- MNRB acquired 9.99% stake in Principal Insurance Holdings Limited (PIHL) (formerly known as British Islamic Insurance Holdings Ltd.)
- MRT was officially launched on 11 August 2008
- MRT was assigned an IFS rating of 'BBB+' with stable outlook by Fitch Ratings
- MRT was awarded "The Most Outstanding Retakaful Operator 2008" at the KL Islamic Finance Forum 2008 (KLIFF 2008)
- Malaysian Re was reaffirmed the MS ISO 9001:2000 Quality Management Systems certification
- Takaful IKHLAS was awarded "Best Takaful/Retakaful Provider 2008" by Islamic Finance News (IFN)
- Takaful IKHLAS won The BrandLaureate - SMEs Chapter Award 2008, "Best Brands in Product Branding, Consumer Healthcare Insurance"
- IKHLAS Medic Assist Takaful (IMAT) won the "Most Innovative Product Award" by KLIFF 2008

2009

- Malaysian Re was reaffirmed the FSR of A- (Excellent) and an ICR of 'a-' by A.M. Best Co.
- Malaysian Re was reaffirmed the 'A-' IFS rating with stable outlook by Fitch Ratings
- A recertification audit was conducted by SIRIM. Malaysian Re was reaffirmed the MS ISO 9001:2000 Quality Management Systems certification
- MRT was reaffirmed the IFS rating of 'BBB+' with stable outlook by Fitch Ratings
- Malaysian Re and Labuan Re jointly hosted and organised the 21st F.A.I.R. Conference, attended by over 600 delegates including leaders and experts in the insurance industry
- Takaful IKHLAS won "Best Takaful/Retakaful Provider" for the second time at the Islamic Finance News Polls Awards 2009
- Takaful IKHLAS won The BrandLaureate - SMEs Chapter Award 2009, "Best Brands in Product Branding, Consumer Healthcare Insurance" & The BrandLaureate - SMEs Chapter Award 2009, Corporate Branding - "Best Brands in Services-Islamic Protection Services"

2010

- Takaful IKHLAS was named the "Best Takaful Provider" at the Euromoney Islamic Finance Awards 2010 organised by financial magazine, Euromoney
- IKHLAS Medical Assistance Takaful won "Best Takaful Product" by International Takaful Awards 2010
- Takaful IKHLAS moved to its new corporate office, *IKHLAS Point*, in Bangsar South, Kuala Lumpur



notice of 37th annual general meeting

NOTICE IS HEREBY given that the Thirty-Seventh Annual General Meeting of the Company will be held at the Auditorium, 3rd Floor, Bangunan Malaysian Re, No. 17, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur on Thursday, 23 September 2010 at 3.30 p.m. for the purpose of transacting the following business:

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2010 and the Reports of the Directors and Auditors thereon.

(Ordinary Resolution 1)

2. To re-elect the following Directors retiring pursuant to Article 86 of the Company's Articles of Association:

(i) Yusoff Yaacob

(Ordinary Resolution 2)

(ii) Megat Dziauddin Megat Mahmud

(Ordinary Resolution 3)

(iii) Paisol Ahmad

(Ordinary Resolution 4)

3. To approve Directors' remuneration amounting to RM725,000 for the year ended 31 March 2010 (2009: RM700,300).

(Ordinary Resolution 5)

4. To re-appoint Messrs Ernst & Young as Auditors and to authorise the Directors to fix their remuneration.

(Ordinary Resolution 6)

5. To transact any other business which may properly be transacted at the Annual General Meeting.

NOTE:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his behalf. A proxy need not be a member of the Company.
2. A member may appoint more than two (2) proxies to attend the meeting provided the member shall specify in each proxy the proportion of the member's shareholdings to be represented by each proxy and only one (1) proxy shall be entitled to vote on a show of hands.
3. Where a member is an authorised nominee, it may appoint at least one (1) proxy in respect of each securities account it holds.
4. An instrument appointing a proxy shall be in writing, and in the case of an individual shall be signed by the appointor or by his attorney duly authorised in writing, and in the case of a Corporation shall be either given under its common seal or signed on its behalf by its attorney or an officer of the Corporation so authorised.
5. All proxies must be deposited at the office of the Share Registrar of the Company, Symphony Share Registrars Sdn. Bhd., Level 6, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, not less than 48 hours before the time set for the Annual General Meeting or any adjournment thereof.

By Order of the Board

NORAZMAN HASHIM (MIA 5817)

LENA ABD LATIF (LS 8766)

Company Secretaries

Kuala Lumpur

1 September 2010

statement accompanying notice of annual general meeting

Pursuant to Paragraph 8.27(2) of the Bursa Malaysia Main Market Listing Requirements

There is no individual standing for election as Director (other than Directors standing for re-election i.e. Yusoff Yaacob, Megat Dziauddin Megat Mahmud and Paisol Ahmad) at this forthcoming Thirty-Seventh Annual General Meeting of the Company.

corporate information

BOARD OF DIRECTORS

SHARKAWI ALIS

*Non-Independent Non-Executive
Chairman*

ANUAR MOHD HASSAN

*President & Group Chief Executive
Officer
Non-Independent Executive Director*

P. RAVEENDEREN

*Senior Independent Non-Executive
Director*

DATO' SYED ARIFF FADZILLAH

SYED AWALLUDDIN
Independent Non-Executive Director

YUSOFF YAACOB

Independent Non-Executive Director

DATUK MOHD KHALIL

DATO' MOHD NOOR
*Non-Independent Non-Executive
Director*

MEGAT DZIAUDDIN MEGAT MAHMUD

Independent Non-Executive Director

PAISOL AHMAD

*Non-Independent Non-Executive
Director*

COMPANY SECRETARIES

Norazman Hashim (MIA 5817)
Lena Abd Latif (LS 8766)

AUDIT COMMITTEE

P. Raveenderen (Chairman)
Dato' Syed Ariff Fadzillah
Syed Awalluddin
Megat Dziauddin Megat Mahmud
Paisol Ahmad

NOMINATION COMMITTEE

Dato' Syed Ariff Fadzillah
Syed Awalluddin (Chairman)
Sharkawi Alis
P. Raveenderen

REMUNERATION COMMITTEE

Megat Dziauddin Megat Mahmud
(Chairman)
Dato' Syed Ariff Fadzillah
Syed Awalluddin
Yusoff Yaacob

RISK MANAGEMENT COMMITTEE

Yusoff Yaacob (Chairman)
P. Raveenderen
Datuk Mohd Khalil Dato' Mohd Noor

INVESTMENT COMMITTEE

Datuk Mohd Khalil Dato' Mohd Noor
(Chairman)
Anuar Mohd Hassan
Megat Dziauddin Megat Mahmud
Paisol Ahmad

AUDITORS

Ernst & Young
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel : +603-7495 8000
Fax : +603-2095 5332

SHARE REGISTRAR

Symphony Share Registrars Sdn. Bhd.
Level 6, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya, Selangor DE
Tel : +603- 7841 8000
Fax : +603- 7841 8151 / 7841 8152

BANKERS

Malayan Banking Berhad
CIMB Bank Berhad

REGISTERED OFFICE

12th Floor, Bangunan Malaysian Re
No. 17, Lorong Dungun
Damansara Heights
50490 Kuala Lumpur
Tel : +603-2096 8000
Fax : +603-2096 7000
E-mail : enquiry@mnr.com.my
Website: www.mnr.com.my

STOCK EXCHANGE LISTING

Bursa Securities
- Main Market

directors' profile



SHARKAWI ALIS, aged 63, Malaysian. Non-Independent Non-Executive Director since 7 January 2005 and was subsequently appointed as Non-Independent Non-Executive Chairman on 3 September 2007. Member of the Nomination Committee.

He is a Barrister-at-Law from Middle Temple, London where he was called in 1971. He served in the Malaysian Judicial and Legal Service in various capacities for 11 years before he was appointed as the Group Legal Adviser of Malaysia Mining Corporation Berhad. In January 1997, he joined the Securities Commission, Malaysia as Director of Market Supervision and subsequently as Director of Corporate Resources Division till March 2003. Also Chairman of Malaysian Re, Takaful IKHLAS, MRT, Labuan Re and MRDL. Director of MIDF Amanah Asset Management Berhad, Malaysian Industrial Development Finance Berhad, MIDF Amanah Investment Bank Berhad, MIDF Property Berhad and MRC. Not related to any Directors and/or major shareholders of MNRB except by virtue of being a nominee Director of PNB. Does not have any conflict of interest with MNRB and has never been convicted for any offences within the past 10 years. Attended all the nine Board Meetings held in the financial year.



ANUAR MOHD HASSAN, aged 57, Malaysian. Non-Independent Executive Director of MNRB with effect from 1 April 2008 and President & Group Chief Executive Officer of the Company. Member of the Investment Committee.

He was the Managing Director of the Company from 1 November 1994 until 31 March 2005 and pursuant to the restructuring exercise undertaken by the MNRB Group, his appointment had been re-designated as Non-Independent Non-Executive Director effective from 1 April 2005 until 31 March 2008. A Chartered Insurer and an Associate Member of the Malaysian Insurance Institute (MII) since 1996. Attended and completed the Advanced Management Programme (AMP) conducted by the Harvard Business School in 2004. More than 30 years experience in the insurance industry. Began his career in 1974 as an Executive in Great Eastern Life Assurance Co. Ltd. Following which he was attached to the New Zealand Insurance Co. Ltd.'s office in the United Kingdom as Trainee Executive. Subsequently, joined the New Zealand Insurance Co. Ltd., Kuala Lumpur office as Executive/Manager. Joined the then Malaysian National Reinsurance Berhad in 1980 as an Underwriting Manager, then held various positions as Assistant General Manager, Deputy General Manager, General Manager/Company Secretary and Senior General Manager. Was a member of MAPEN 2. Also a Director of Malaysian Re, Takaful IKHLAS, Labuan Re, International Centre for Leadership in Finance (ICLIF), MRC, MRDL, MRT and Labuan Re Underwriting Limited. Not related to any Directors and/or major shareholders of MNRB except by virtue of being a nominee Director of PNB. Does not have any conflict of interest with MNRB and has never been convicted for any offences within the past 10 years. Attended all the nine Board Meetings held in the financial year.

directors' profile



P. RAVEENDEREN, aged 65, Malaysian. Senior Independent Non-Executive Director since 11 November 1993. Chairman of the Audit Committee, member of the Risk Management Committee and the Nomination Committee. A Chartered Insurer. Was the Chief Executive Officer of Royal Insurance (M) Sdn. Bhd. since 1985 until the Company merged with Sun Alliance Insurance (M) Sdn. Bhd. on 1 September 1999 when he assumed the position of an Executive Director of the merged Royal & Sun Alliance Insurance (M) Bhd. until his retirement on 31 August 2001. Also a Director of Malaysian Re. Not related to any Directors and/or major shareholders of MNRB. Does not have any conflict of interest with MNRB and has never been convicted for any offences within the past 10 years. Attended all the nine Board Meetings held in the financial year.



DATO' SYED ARIFF FADZILLAH SYED AWALLUDDIN, aged 66, Malaysian. Independent Non-Executive Director since 31 January 2003. Chairman of the Nomination Committee, member of the Audit Committee and the Remuneration Committee. Graduated from the University of Malaya with a Bachelor of Arts degree, then obtained a Diploma in International Relations from University of Oslo, Diploma in Development Administration from London School of Economics and Masters Degree in International Relations from University of New York. Joined the Government service in 1967 and was later posted abroad to serve in Canada, Libya and the United Nations in New York and Indonesia. Was appointed the Ambassador to Fiji, Republic of Korea and Thailand until his retirement from Government Service in 2001. Also a Director of Malaysian Re, MRT, EcoFirst Consolidated Bhd. and 1 other private limited company. Not related to any Directors and/or major shareholders of MNRB. Does not have any conflict of interest with MNRB and has never been convicted for any offences within the past 10 years. Attended all the nine Board Meetings held in the financial year.



YUSOFF YAACOB, aged 62, Malaysian. Independent Non-Executive Director since 10 November 2004. Chairman of the Risk Management Committee and member of the Remuneration Committee. Obtained a Diploma in Insurance Studies & Insurance Management from the University of Nottingham, United Kingdom. A Chartered Insurance Practitioner and a Fellow of the Chartered Insurance Institute, United Kingdom. Started his career as an Insurance Trainee with Malaysia National Insurance Berhad in 1970 and held the position of Marine Manager until 1979. Joined Petroliaam Nasional Berhad (PETRONAS) in 1979 and was the General Manager (Insurance Division) until his retirement in 2003. Also a Director of Malaysian Re and Takaful IKHLAS. Not related to any Directors and/or major shareholders of MNRB. Does not have any conflict of interest with MNRB and has never been convicted for any offences within the past 10 years. Attended all the nine Board Meetings held in the financial year.

directors' profile



DATUK MOHD KHALIL DATO' MOHD NOOR, aged 69, Malaysian. Non-Independent Non-Executive Director since 14 December 2004. Chairman of the Investment Committee and member of the Risk Management Committee. Graduated from the University of Malaya with a Bachelor of Arts degree and then obtained a Diploma in Commercial Policy from GATT Training Institute in Geneva, Switzerland. Was the former Auditor-General of Malaysia from 1994 to 2000. Also the former Secretary of the Foreign Investment Committee, Deputy Secretary General of the Ministry of Trade and Industry and Secretary General of the Ministry of Works. Currently, the Chairman of TIME Engineering Berhad, Director of IOI Corporation Berhad, Malaysian Re, MRT and Dagang Net Technologies Sdn. Bhd.. Not related to any Directors and/or major shareholders of MNRB except by virtue of being a nominee Director of PNB. Does not have any conflict of interest with MNRB and has never been convicted for any offences within the past 10 years. Attended all the nine Board Meetings held in the financial year.



MEGAT DZIAUDDIN MEGAT MAHMUD, aged 64, Malaysian. Independent Non-Executive Director since 24 August 2006. Chairman of the Remuneration Committee, member of the Audit Committee and the Investment Committee. He holds a Bachelor of Science (Econs.) (Hons.) degree from the Queen's University of Belfast, Northern Ireland and is a Fellow of the Institute of Chartered Accountants in Ireland as well as a Chartered Accountant with the Malaysian Institute of Accountants. He had served Golden Hope Plantations Berhad as Group Director, Finance, Arab-Malaysian Merchant Bank, first as General Manager - Operations and later as General Manager - Investment, Bank Simpanan Nasional as Finance Manager and the Accountant - General Department as Treasury Accountant. Also a Director of Malaysian Re, Pernec Corporation Bhd., Alliance Financial Group Bhd. (formerly known as Malaysian Plantations Berhad), Alliance Bank Berhad, Alliance Investment Bank Berhad, Alliance Investment Management Berhad, MRT and several private limited companies. Not related to any Directors and/or shareholders of MNRB. Does not have any conflict of interest with MNRB and has never been convicted for any offences within the past 10 years. Attended all the nine Board Meetings held in the financial year.



PAISOL AHMAD, aged 56, Malaysian. Non-Independent Non-Executive Director since 11 April 2008. Member of the Audit Committee and the Investment Committee. Obtained Diploma in Accountancy from Universiti Teknologi MARA and a Fellow of the Association of Chartered Certified Accountants, United Kingdom. Also a Chartered Accountant with the Malaysian Institute of Accountants, a Fellow of the Financial Services Institute of Australasia and a Certified Financial Planner with the Financial Planning Association of Malaysia. Was the Senior Accountant of Pernas Charter Management Sdn. Bhd.. Then held various positions in Amanah Saham Nasional Berhad before being appointed as its Executive Director/Senior Vice President II. Subsequently, being transferred to PNB and is currently the Senior Vice President I of its Financial Management Audit & Risk Management Division. Also a director of Takaful IKHLAS, KAF Investment Bank Berhad and 2 other private limited companies. Not related to any Directors and/or shareholders of MNRB except by virtue of being a nominee director and employee of PNB. Does not have any conflict of interest with MNRB and has never been convicted for any offences within the past 10 years. Attended all the nine Board Meetings held in the financial year.

management team

President & Group Chief Executive Officer	:	Anuar Mohd Hassan, ACII
Executive Vice President & Group Chief Financial Officer / Company Secretary	:	Norazman Hashim, CA (M), FCCA, MBA

SENIOR VICE PRESIDENTS

Group Chief Investment Officer	:	Ahkter Abdul Manan, B Soc. Sc. (Hons)
Group Chief Information Officer	:	Azlan A. Azizee, M Sc.
Group Chief Strategy Officer	:	Ahmad Ruhaizad Hashim, CPA, BA (Hons) in Economics and Accounting

VICE PRESIDENTS

Company Secretary / Head of Legal & Secretarial	:	Lena Abd Latif, LL.B (Hons)
Group Risk Management & Compliance Officer	:	Syahrul Imran Mahadzir, MSc in Actuarial Science
Group Chief Internal Auditor	:	Romie Khalid, B Sc Economics (Hons)
Corporate Services	:	Nazzahatol Azura Aziz, BSc in Management (Hons)
Head of Finance	:	Sharmini Perampalam, CA (M), CMLIA, B.Acc (Hons)
Head of Investment	:	Mona Mazleen Mokhtar, B. Bus (Acct)
Head of Corporate Finance	:	Harun Mohamad Isa, CPA, B.Acc (Hons)
Head of Corporate Communications	:	Noorazimah Tahir, MSc Corporate Communications
Information Communication Technology	:	Ahmad Refaei Saibon, MBA (IT)
Human Capital Management	:	Fuzaidah Yusof, CIPM
	:	Azlinda Ahmad Zainal, BBA (Hons) in Marketing

ASSISTANT VICE PRESIDENTS

Head of Administration	:	Raihanah Yahaya, MBA (Finance)
Head of Property	:	Zulkifli Abdul Razak, BA (Hons.) in Risk Management
Head of Market Training	:	Noridora Ibrahim, Dip in Business Studies

profile of management team



The President & Group Chief Executive Officer, **ANUAR MOHD HASSAN**, leads the day-to-day operations of MNRB together with the key management staff which includes:



NORAZMAN HASHIM is the Executive Vice President & Group Chief Financial Officer/ Company Secretary of MNRB. He obtained his Masters degree in Business Administration from the Cranfield School of Management, United Kingdom in 1990. He is also a fellow member of the Association of Chartered Certified Accountants (ACCA), United Kingdom and a member of the Malaysian Institute of Accountants (MIA). He joined the then Malaysian National Reinsurance Berhad in 1985 and was appointed as its Financial Controller and Company Secretary in 1994. He was subsequently transferred to Malaysian Re on 1 April 2005 and promoted to General Manager to head the Corporate Services Division, comprising Administration, Legal & Secretarial, Corporate Communications, Human Capital Management and Finance Departments in June 2005. He was transferred to MNRB on 1 April 2008 and assumed his current position. He is also a Director of MSSB, Alternate Director to Anuar Mohd Hassan on the Board of Labuan Re and the Company Secretary of Malaysian Re, MRT, MRDL and Takaful IKHLAS.



AHKTER ABDUL MANAN is the Senior Vice President & Group Chief Investment Officer of MNRB. He graduated from University Science of Malaysia with a Bachelor of Social Science (Honours) majoring in Management. He is responsible for the overall investment and property division of MNRB Group. He started his career in the Investment and Securities Department (IVS) of Malaysian International Merchant Bankers Berhad (MIMB) in 1987 as an Investment Analyst. In 1991, he was promoted to Manager, Head of IVS and in 1995 to Assistant General Manager. He was subsequently promoted to General Manager of IVS in 1997. He was then seconded to MIDF Aberdeen Asset Management Sdn. Bhd. (MIDF Aberdeen), which he set up in 1998. On 1 January 2001, he was appointed as the Chief Executive Officer and Executive Director of MIDF Aberdeen. He joined Asia Unit Trust Berhad (AUTB) on 1 September 2004 as Chief Executive Officer following the transfer of business of MIDF Aberdeen to Amanah SSCM Asset Management Berhad. He left AUTB on 16 July 2007 and joined MNRB on 17 July 2007. In total, he brings along to the Company more than 20 years experience in the fund management industry.

profile of management team



AZLAN A. AZIZ is the Senior Vice President & Group Chief Information Officer of MNRB. He obtained his Bachelor of Science degree in Computer Science from the University of Wisconsin, Green Bay, United States of America and a Masters of Science degree in Information Systems Technology from the George Washington University, Washington D.C., United States of America. He joined the then Malaysian National Reinsurance Berhad in 1987 and was promoted to Assistant General Manager in 1994. He was transferred to Malaysian Re on 1 April 2005. On 1 April 2008, he was transferred to MNRB to assume his current position.



AHMAD RUHAIZAD HASHIM is the Senior Vice President & Group Chief Strategy Officer of MNRB. He graduated in 1990 with a Bachelor of Economics and Accounting Degree from the University of Leeds, England. He is a member of the Malaysian Institute of Certified Public Accountants (MICPA) since 1995 as well as a member of the MIA. He brings over 17 years of experience in corporate management and advisory services. His career started in 1991 when he joined Arthur Andersen as an auditor. He served Arthur Andersen for more than five years until 1996 when he left to join KUB Malaysia Berhad. He then rejoined Arthur Andersen in 1999 to head the Kuala Terengganu branch operation. In 2002, he joined Putrajaya Holdings Sdn. Bhd. as the Head of the Corporate Planning Department. He joined MNRB on 2 January 2008.



SYAHRUL IMRAN MAHAZDIR is the Vice President & Group Risk Management and Compliance Officer of MNRB. He obtained his Masters in Actuarial Science from the Heriot-Watt University, Edinburgh, Scotland in 2003. He is also an affiliate member of the ACCA, United Kingdom. Prior to his current appointment, he served in BNM for 9 years – initially, in the Insurance Regulation Department and subsequently Prudential Financial Policy Department. He joined MNRB on 2 July 2007.

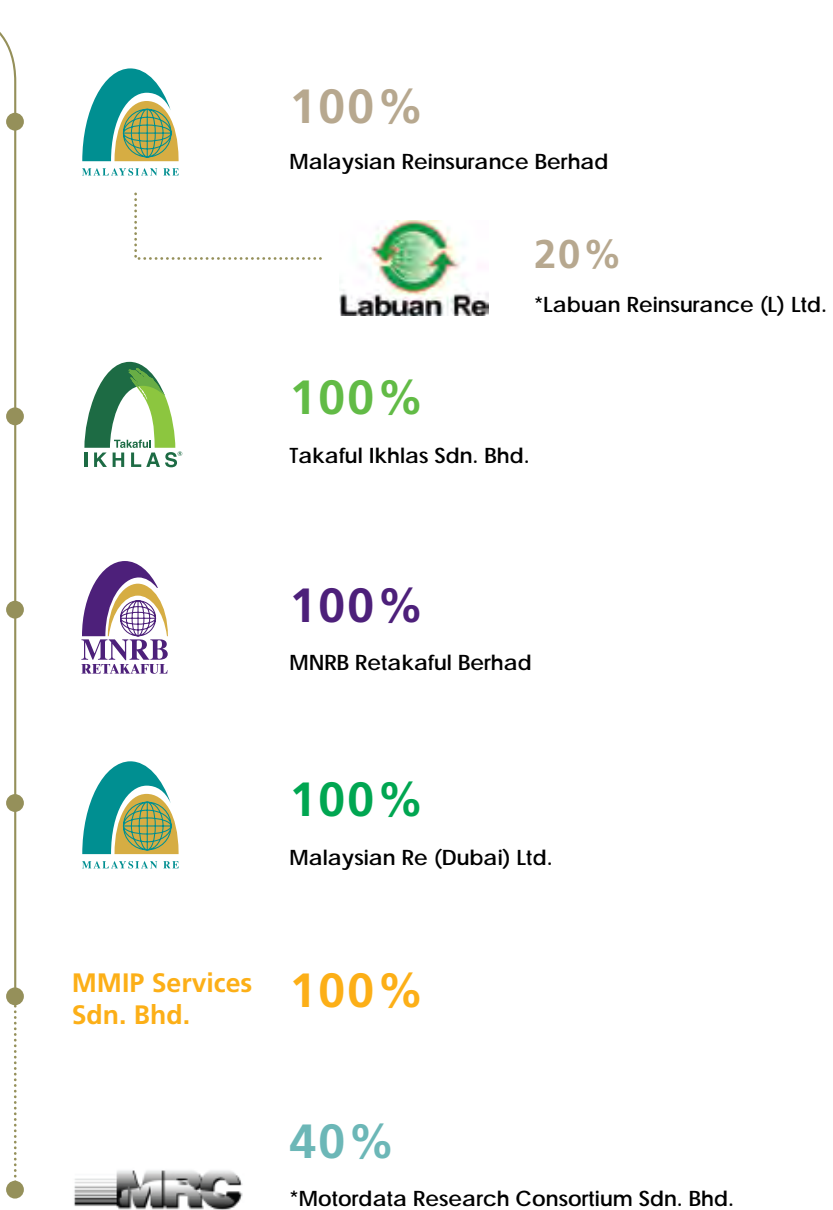


ROMIE KHALID is the Vice President & Group Chief Internal Auditor of MNRB. He graduated in 1996 with a Bachelor of Science (Economics), majoring in Accounting & Finance from the London School of Economics & Political Science. He started his career as an auditor with Arthur Andersen in 1997, where he served in the financial services group of the audit division. In 2003, he joined the then Malaysian National Reinsurance Berhad as an Executive in the Finance Department. He was then transferred to the Risk Management Department in 2004 to take up the role as the Risk Management Officer (RMO). On 1 April 2005, he was transferred to Malaysian Re, serving as the Malaysian Re's RMO. Subsequently on 1 August 2007, he was transferred back to MNRB and assumed his current position on 7 August 2007.

group structure



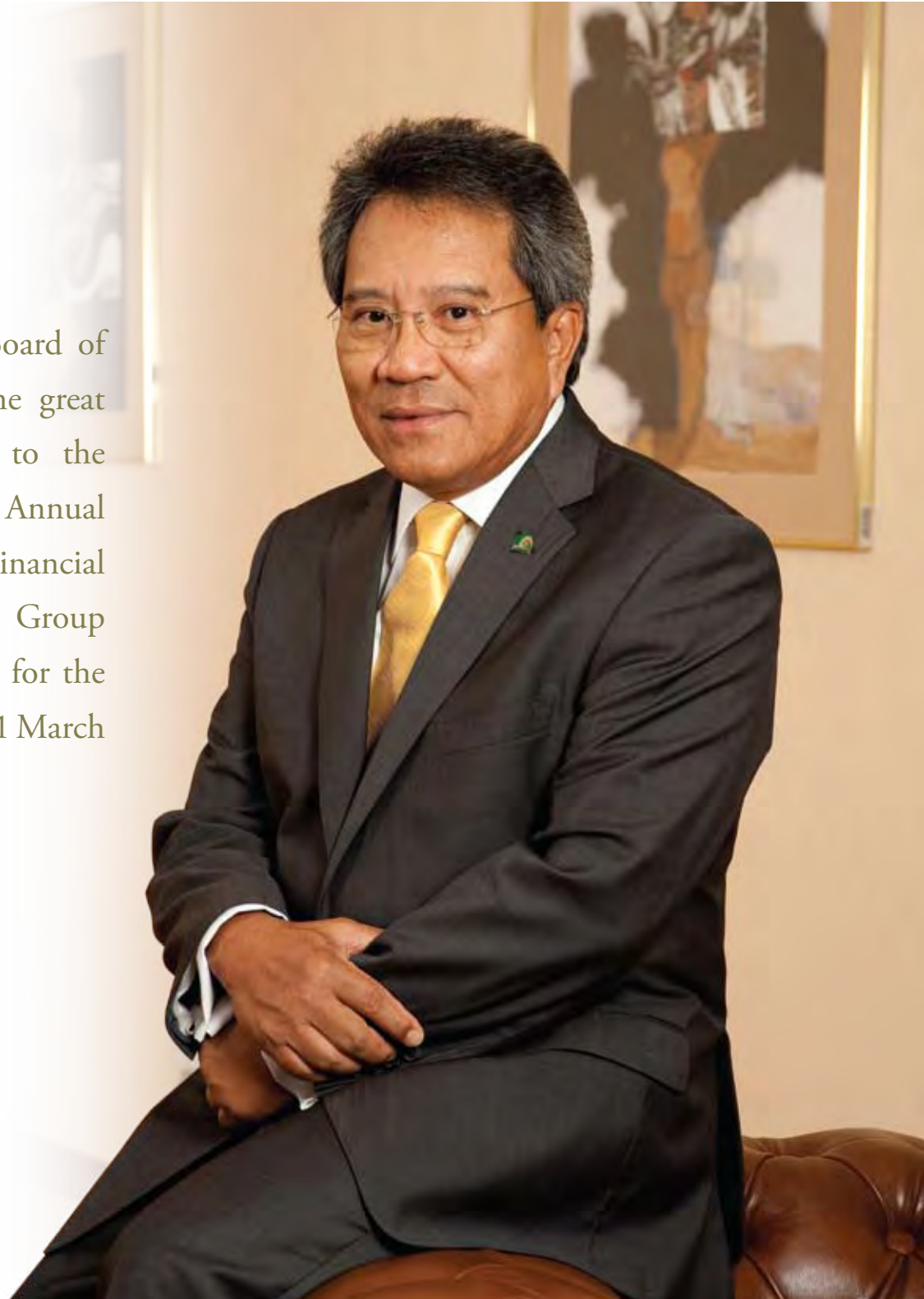
MNRB HOLDINGS BERHAD



* Associate Company

chairman's statement

“On behalf of the Board of Directors, it gives me great pleasure to present to the Shareholders, the Annual Report and Audited Financial Statements of the Group and of the Company for the financial year ended 31 March 2010.”



chairman's statement

GENERAL OVERVIEW

During the year under review, the Group was operating in a climate of global recession. Despite this challenge, the Malaysian economy fared better than expected, posting an overall Gross Domestic Product (GDP) contraction of -1.7% against an earlier projected GDP contraction of -3%. This was attributed to the Government's multi-billion Ringgit stimulus packages in March 2009 and the year before, as well as the strengthening of external demand. Supported by strong domestic demand and global economic recovery, the Malaysian economy rebounded with a robust growth of 10.1% during the first quarter of 2010, the highest since the first quarter of 2000. Headline inflation meanwhile, averaged 0.6% in 2009 as inflationary pressure in Malaysia moderated substantially, in line with the global recovery momentum. Unemployment rate on the other hand, stood at 3.7%, lower than the initial forecast of 4.5%.

In manifesting the recovery, Bursa Malaysia Berhad (Bursa Malaysia) showed better trading activities and a resurgence of local investors' participation in the local market during the year, in line with the improved global market optimism from the second quarter onwards. Bursa Malaysia recorded 14 new Initial Public Offerings (IPOs) which generated RM12.04 billion in total funds raised during 2009, compared to RM1.3 billion in 2008. The Malaysian Ringgit, which was very much influenced by external factors, also strengthened due to the positive market reaction to the second stimulus package announced on 10 March 2009. Investors' confidence remained cautiously optimistic as the value of Ringgit appreciated against the regional and other major currencies, except for some fluctuations from mid-October to December 2009.

Reflecting the improved economic condition, the local insurers and takaful operators recorded an increase in total gross direct premiums/contributions from RM11.4 billion in 2008 to RM12.8 billion in 2009. The growth was driven mainly by the ordinary life segment for the life and family takaful industry and a broad-based demand for the general sector. The improved performance of the general business was attributed to lower motor claims ratio of 60.8% (2008: 62.0%). However, the marine, aviation and transit business, contractors all risks and engineering sectors were affected by the difficult business environment. The operating profit of the general segment for 2009 improved by 169.5% to RM2.2 billion, driven mainly by the exceptionally higher capital gains on investments which amounted to RM470.9 million (2008: RM175.1 million).

From the Group's standpoint, the number of players currently operating in the market; twenty-three (23) general insurers and eight (8) takaful operators, are provided with sufficient share of market opportunities to capture, considering the lion share of the market still untapped. For the general reinsurance business, the number of reinsurers remains at five (5), while retakaful business has two (2) full-fledged operators and one (1) branch operation.

OVERVIEW OF GROUP'S PERFORMANCE

Amidst the challenging background, the Group had, during the year under review, successfully recorded an improved set of financial results, principally attributed by leaner management of its business units, and more focused strategic approach.

The Group recorded a total revenue of RM1.3 billion, compared to RM1.2 billion in the preceding year. The 14.6% increase in revenue was largely

attributed to the increase in gross premium written by our reinsurance subsidiary, Malaysian Re, higher investment income and the increase in wakalah fees earned by our takaful and retakaful subsidiaries, namely, Takaful IKHLAS and MRT.

The Group also registered higher pre-tax profit of RM75.4 million compared to RM40.5 million in the previous year. The higher pre-tax profit was contributed by an increase in the share of profit from the reinsurance associate at RM14.3 million, compared to share of losses amounting to RM5.9 million in the preceding year and higher investment income. In addition, the effect of release in unearned premium reserves by Malaysian Re also contributed to the increased pre-tax profit.

The increase in the pre-tax profit is however, partly offset by the provision for impairment loss of RM44.5 million made on investment in Principle Insurance Holdings Limited, United Kingdom (PIHL). MNRB has decided to allocate for this provision due to the uncertainty surrounding PIHL as its subsidiary, Principle Insurance Company Limited (PICL), had ceased issuing new and renewal of takaful policies. In addition, PIHL had also been unsuccessful in raising the mandatory capital top-up requirement to meet the United Kingdom's Financial Service Authority's requirement. PIHL had also announced on 28 April 2010, the conditional sale of its subsidiaries, PICL and Principle Marketing Services Limited to a third party, for an undisclosed amount.

Against this backdrop, the Group recorded a profit after tax of RM48.2 million and Earnings Per Share of 22.6 sen for the financial year ended 31 March 2010, compared to RM26.3 million, and 12.3 sen respectively, in the previous year.

chairman's statement

Malaysian Reinsurance Berhad (Malaysian Re)

For the financial year ended 31 March 2010, Malaysian Re registered a 16% increase in gross premium, from RM941.0 million last year, to RM1.1 billion this year. The increase that was recorded across all classes of business was the result of a more focused strategic approach, which enhanced its business portfolio. Domestic demand made up 72% of Malaysian Re's total business volume during the year, while the remaining 28% came from overseas business. Voluntary Cession (VC) accounted for 42% of the total business volume, while the remaining 58% was contributed by non-VC business.

The loss incurred ratio however, has deteriorated from 64.2% previously to 67.7% this year, attributable mainly by the adverse claims experience from Marine and Motor classes. Malaysian Re also suffered heavy losses from catastrophic events, such as the Istanbul flood in Turkey, the Padang earthquake in Indonesia, the Chile earthquake and the Ketsana Typhoon in the Philippines.

For the year under review, Malaysian Re registered a total investment income of RM76.1 million. This represents an increase of RM35.8 million or 89%, compared to RM40.2 million last year. The increase was mainly due to improvements in the performance of Bursa Malaysia, resulting in the recognition of a RM18.6 million gain on disposal of shares as opposed to the RM25.1 million losses recognised in the previous year. This consequently, had enabled Malaysian Re to record a higher pre-tax profit of RM113.0 million for the year under review, compared to RM55.3 million achieved in the preceding year. Profit after tax stood

at RM88.6 million this year compared to RM40.9 million in the previous year.



Takaful Ikhlas Sdn Bhd (Takaful IKHLAS)

The gross contribution income of Takaful IKHLAS increased from RM580.5 million in the previous financial year to RM614.7 million during the year under review. Family Takaful accounted for 64.7% of the total gross contribution compared to 75.9% recorded in the previous year, while the remaining 35.3% was derived from the General Takaful as against 24.1% in the preceding year.

In February 2010, Takaful IKHLAS moved to its new Head Office, the IKHLAS Point, at Bangsar South, Kuala Lumpur. Takaful IKHLAS had invested RM87.5 million for the two blocks of new buildings with total floor area of approximately 100,000 sq. ft. A revaluation conducted on both buildings by an independent valuer during the year, had seen their value appreciated to RM110.0 million.

During the year, Takaful IKHLAS registered an increase in profit before tax and zakat of RM14.9 million, compared to RM13.7 million in the preceding year. Consequently, the company's profit after tax and zakat, increased to RM9.5 million, from RM8.7 million recorded in the preceding year.

As at 31 March 2010, Takaful IKHLAS registered a total of 1,722,580 participants (policy holders) and 7,633 agents nationwide, for both Family and General Takaful. To-date, Takaful IKHLAS has introduced more than 90 products in its portfolio, with a comprehensive range of Family, Group and General Takaful Plans and Riders, for both individuals and business enterprises. As at the end of the financial year, Takaful IKHLAS has a total of 11 branches nationwide.

MNRB Retakaful Berhad (MRT)

MRT continued to progress significantly during the financial year under review, where total gross contribution almost doubled to RM45.4 million, compared to RM23.2 million recorded in the preceding year. Of this total, RM25.6 million or 68.6% was derived from domestic market. General Retakaful accounted for 82.2% of the total volume, while the remaining 17.8% came from Family Retakaful.

Overall, MRT registered a significant increase in its profit after tax and zakat, from RM789,000 in the previous year to RM4.5 million during the year.

chairman's statement

Malaysian Re (Dubai) Ltd (MRDL)

MRDL registered a higher gross premium of RM44.6 million, underwritten on behalf of Malaysian Re, as compared to RM33.3 million recorded last year. The improved performance indicates our continuous success in tapping the opportunities in the Middle East and North Africa (MENA) region, despite the adverse global economic environment.

Report on Headline Key Performance Indicators (KPIs) Achievement

The Group had, on 27 May 2009, announced the following targets as its Headline KPIs for the financial year ended 31 March 2010:

- i. Return on Equity (ROE) of 3.2%; and
- ii. Revenue Growth of 8.5%.

I am very pleased to report that the Group recorded a higher ROE of 5.4% for the financial year ended 31 March 2010, compared to the target of 3.2%. The higher ROE was mainly contributed by Malaysian Re and the higher share of profit from its reinsurance associate.

The Group also recorded a revenue growth of 14.6%, compared to the target of 8.5%. The higher revenue was contributed mainly by the increase in gross premium written by Malaysian Re, and the increase in the wakalah fees earned by Takaful IKHLAS and MRT.

With the new KPIs set for the 2011 Corporate Scorecard, we aspire to achieve better results as we continue to push the Group forward.



PROGRESS & ACHIEVEMENTS

Ratings

It is my pleasure to report that A.M Best had, on 13 November 2009, reaffirmed Malaysian Re's Financial Strength Rating (FSR) of 'A-' (Excellent) and, an Issuer Credit Rating (ICR) of 'a-'. This is in addition to the Insurer Financial Strength Rating of 'A-' assigned by Fitch Ratings on 9 June 2009. The outlook on both ratings remains stable.

As mentioned in our previous Annual Report 2009, MRT was also assigned an Insurer Financial Strength (IFS) Rating of "BBB+" by Fitch Ratings on 28 July 2009. The outlook is stable.

The security ratings and the stable outlook assigned by these reputable international rating agencies would allow both companies to further expand their overseas business portfolio; especially into regions which impose a minimum security rating as a prerequisite in doing business.

Awards

In addition to the above, it gives me great pride to report that during the financial year under review, our takaful subsidiary, Takaful IKHLAS, has won several awards, namely:

- Best Takaful Provider – Euromoney Islamic Finance Awards 2010;
- Best Takaful/Retakaful Provider (second consecutive win) – Islamic Finance News Polls Awards 2009;
- Best Brands in Product Branding, Consumer Healthcare Insurance – The BrandLaureate: SMEs Chapter Award 2009; and
- Best Brands in Service-Islamic Protection Services – The BrandLaureate: SMEs Chapter Award 2009, Corporate Branding.

The above awards are indeed a testimony to our commitment in providing the best products and services to our customers.

chairman's statement

DIVIDENDS

While we continuously strive to increase our shareholders' value, it is equally important to maintain the long term sustainability of their investments, especially during challenging situations, as indicated by the uncertain global economic outlook and the impending impact of the financial service sector liberalisation, on our industry.

In the wake of this liberalisation, competition in the local insurance industry is also expected to increase. Foreign players with stronger capital base, larger international network, and wider expertise are anticipated to make their forays into the Malaysian market, which eventually may affect our current leading position in the country.

In addition, with effect from 1 January 2009, BNM had introduced a more stringent capital requirement under its Risk-Based Capital (RBC) framework. Under this framework, all insurers and reinsurers licensed under the Insurance Act, 1996 are required to maintain a capital adequacy level that commensurate with their risk profiles. Our reinsurance subsidiary, Malaysian Re, is required to observe this new capital requirement including having sufficient buffer to reflect its own risk profiles and risk management practices. In addition, Malaysian Re is also expected to provide additional capacity to absorb unexpected losses beyond those covered under the framework.

The Group must, with these new developments, aggressively move into the next phase of growth; positioning itself to be as closest as possible, if not at par with its potential major foreign competitors. As such, it is our top priority to build a much stronger capital reserves to continue with this critical challenge.

Against this background and despite the improved financial performance, regrettably, the Board is not in the position to recommend the payment of any dividend in respect of the financial year ended 31 March 2010. Nevertheless, the Board will continue to add value, while keeping prudence and fulfil our commitment to provide better returns to your dedicated investment in the forthcoming years.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

The development of human capital remains a priority within the Group. In this respect, during the year, we continued with our various human capital development programmes, which are designed to enhance the capabilities and competencies of our people. At the same time, the Group nurtures its future leaders for continuous sustainability of our organisation. Steps are also taken to ensure retention and continuity of skills development through strategic placements of seeding positions and succession planning.

For the financial year under review, the size of the MNRB Scholarship Fund had increased to RM5.1 million. To-date, the Fund had disbursed a total of 262 scholarships to deserving students. This scholarship award reflects our unwavering commitment towards championing human capital development. We hope that this effort would produce larger number of high calibre insurance professionals, especially in the field of actuary, to address the shortage of qualified manpower in our local insurance industry.

Understanding the importance of creating rapport with the communities where it operates, the Group continues to celebrate Malaysian major festivals with these people to foster better

relationship and extend our warmest goodwill. Through personal involvement of our employees in these activities, it helps us enhance the trust of our audience towards the organization as a responsible corporate citizen.



chairman's statement

21st Federation of Afro-Asia Insurer & Reinsurers (F.A.I.R.) Conference

Malaysian Re and its associate company, Labuan Re were given the honour by F.A.I.R to jointly host the prestigious 21st F.A.I.R Conference which was held at the Mandarin Oriental Hotel, Kuala Lumpur, from 19 to 23 October 2009. More than 600 international and local participants, including leaders and experts in the insurance and reinsurance industry attended this prestigious event. Themed "Insurance & Reinsurance Environment in the AFRO-Asian Region in the Wake of the Economic and Financial Crisis", the Conference was officiated by Yang Berbahagia Tan Sri Dato' Seri Dr. Zeti Akhtar Aziz, the Governor of Bank Negara Malaysia. Yang Amat Berbahagia Tun Dr Mahathir Mohamad, who was the Honorary Speaker, also delivered a talk on "Geopolitical Change and Business Environment – Its Relevance to the Emerging Economies of Asia and Africa".

PROSPECT

As reported in the BNM Annual Report 2009, the Malaysian economy is projected to grow by 4.5% to 5.5% in 2010, against a gradual, albeit uncertain global economic recovery and a strengthening demand. The finance and insurance sectors are also expected to register higher growth, supported mainly by the finance segment, which would benefit from increased bank lending activities and higher fee income as the economic recovery gathers momentum. In the insurance and takaful segments, improvements in salaries and wages and enhanced financial literacy would contribute to the increase in demand for the life insurance and family takaful products, while the anticipated increase in the sale of motor vehicles would benefit the general insurance business.

The Government has taken new measures to make Malaysia more competitive regionally and globally, with the recent unveiling of the New Economic Model (NEM) on 30 March 2010 by the Prime Minister.

While there appears to be signs that the country is on the path of economic recovery, the uncertain conditions arising on the global front, such as the debt crisis in Greece and some other countries in Europe, will continue to pose challenges for the Group. Nevertheless, with the strong foundation that we have created throughout the Group, I am confident that we can successfully meet the challenges ahead.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to extend my appreciation and gratitude to all our business partners, ceding companies and intermediaries, Bank Negara Malaysia, and the local insurance and the takaful associations for their continued support, trust, cooperation and contributions.

I would like to also take this opportunity to express our sincere appreciation and gratitude to Permodalan Nasional Berhad and all the other shareholders of the Company for their continuous support, invaluable guidance and most of all, the confidence given to the Group. Rest assured that your Board will continue to make a concerted effort to create and build on shareholders' value.

I also wish to thank my fellow Board members for their commitment, contribution and wise counsel. MNRB is indeed fortunate to have such committed individuals to serve in its Board and I look forward to their continuous support and dedication in the coming years.

I wish to also express my heartfelt gratitude to Encik Anuar Mohd Hassan, and all MNRB Group employees for their dedication and hard work that had led the Group to where it is today. Having faced the challenges of the past years, let us now double our efforts and strive further to face even greater challenges ahead, in order to realise our aspiration to build a respectable Group that enjoys the pride of our stakeholders.

On behalf of the Board

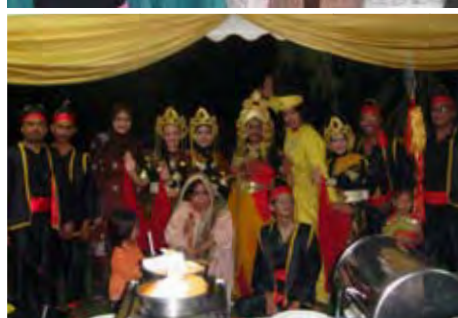
Sharkawi Alis
Chairman

1 September 2010

corporate social responsibility

The MNRB Group has progressed encouragingly along with its commitment to all stakeholders and thus will endeavour to operate in an ethical, moral and a socially responsible manner. We shall continue to be a socially responsible Group and will embark on Corporate Social Responsibility (CSR) activities beyond philanthropy initiatives.

The Group's CSR activities are aligned towards our effort in improving best practices in CSR and underscore our commitment as responsible corporate citizens. The Group is focusing on three core areas, namely, the Workplace, Marketplace and Community & Environment.



WORKPLACE

Directors and Senior Management Training

The Group places high importance on continuous learning and development of its employees and Directors. We continue to develop our people and Directors by leveraging on various training programmes.

Specially tailored training programs were organised for the Board of Directors and the Senior Management of MNRB Group.

6 - 9 April 2009

"Be Cancer Aware" Campaign

The 'Be Cancer Aware' campaign which was organised with Majlis Kanser Nasional (MAKNA) had received an overwhelming response from employees of MNRB Group. The 3-day program comprised free Clinical Breast Screening Package, Pap Smear and a talk on cancer. The campaign was also aimed to educate staff and develop preventive educational program on possible risk factors of cancer diseases.

24 - 26 July 2009

Annual Family Outing

The 27th Annual Family Outing that was held at Pangkor Island Beach Resort, Pulau Pangkor, Perak, drew an overwhelming response from both staff and family members. Staff were divided into four (4) groups with traditional 'Malaysian delicacies' names such as *Otak-Otak Otai*, *Tempe United*, *Dodol* and *Seri Muka*. All participants enjoyed the various interesting activities and games lined up for the outing.

20 August 2009

Succeed Through English Programme

Twenty-six (26) staff of Takaful IKHLAS had successfully completed their English studies and were conferred with achievement certificates by Wan Mohd Fadzlullah, Executive Vice President of Takaful IKHLAS. The staff were divided into four (4) groups namely *Effective*, *Word Founder*, *Little Oxford* and *Friendster*. They were requested to stage an act as the last requirement before graduating.

corporate social responsibility



31 August 2009 **52nd National Day Celebration 2009**

In conjunction with the 52nd National Day Celebration 2009, Takaful IKHLAS had organized various exciting activities such as Independence Day Poem writing competition and quizzes on Malaysia history. These activities were organised to instil the spirit of patriotism amongst *Warga IKHLAS*.



4 September - 30 September 2009 & 8 January - 29 January 2010 **Creative Mind Contest**

The Creative Mind Contest, which was conducted twice annually, has become a hit amongst the employees within the MNRB Group. The objectives of the contest were to reinforce word mastery, improve the employees' vocabulary and analytical thinking. Winners were rewarded with certificates of trust funds under PNB.



6 October 2009 **Syawal Nan Ceria**

A special '*Hari Raya*' gathering was organised for all employees with an objective of fostering the spirit of camaraderie and togetherness. Interesting activities and performances were lined up for this exclusive event, which was well received by all employees. Amongst the activities were *Karaoke Competition*, *Best Dressed Department* and of course everyone's favorite the *Lucky Draw!*



26 - 27 January 2010 **A to Z on Vitamins**

"A to Z" Vitamins Sale was a joint-collaboration with Chemical Company of Malaysia Berhad (CCM) and it drew an overwhelming response from not only the employees of the MNRB Group but also the tenants of Bangunan Malaysian Re. The event was in line with the Group's efforts to further enhance the employees' awareness on better lifestyles and ways to achieve optimal health.

16 - 18 March 2010 **"Healthy Heart Awareness" Campaign**

The 5th "Healthy Heart Awareness Campaign" drew a favourable response from employees of MNRB Group. A collaboration with the Heart Foundation of Malaysia, the campaign comprised free Health Screening package and health talk on "*Workplace Wellness*", which was aimed to educate staff and develop preventive educational program on heart diseases. MNRB donated RM10,000 to the Foundation.

19 March 2010 **IKHLAS Certificate Islamic Finance Ceremony**

Twenty-seven (27) staff of Takaful IKHLAS had successfully completed their studies and were conferred with the IKHLAS Certificate Islamic Finance. The program was designed to combine specialised academic theories with practical industry experience, creating a holistic and comprehensive syllabus for future knowledge leaders in Islamic finance.

corporate social responsibility



MARKETPLACE

Market Training Programs

MNRB is conscious of its commitment to all stakeholders and, in particular, the insurance industry. In order to instil a higher degree of professionalism in the industry by developing more professionals, MNRB identifies, organises and offers training programs to the industry that are aimed to provide a platform for participants to exchange ideas and update themselves on current industry developments.

1 - 4 October 2009

Annual Malaysian Re Clients' Course

A total of thirty-two (32) participants from the local insurance companies including Malaysian Re's staff attended the Malaysian Re's market seminar at The Royal Paradise Hotel, Phuket, Thailand. Themed as "*Emotional Quotient at the Workplace*", the seminar was conducted by Ms. Rachel

Khor from Strategic Forum Expertise and managed to foster and enhance closer relationships among the participants.

COMMUNITY & ENVIRONMENT

18 - 27 April 2009

MSAM... Another Sweet Memory

MNRB and Takaful IKHLAS participated in the Minggu Saham Amanah Malaysia (MSAM) 2009 held at Plaza Angsana, Johor Bharu, Johor. This was the 10th consecutive year MNRB participated in the event. MNRB was the '*Rakan Utama*' while Takaful IKHLAS was '*Rakan Program Keagamaan*' for the second year. MNRB and Takaful IKHLAS are proud to be associated with this exclusive event and its noble initiatives. Takaful IKHLAS won the best booth competition.

28 May 2009

MNRB Awarded 41 Scholarships

MNRB had awarded forty-one (41) scholarships to young, motivated and highly inspired students to pursue their studies in various insurance related fields. This marks the highest number ever recorded in the history of the MNRB Scholarship Fund since its establishment in 1998. The Fund also offered scholarships to candidates pursuing Diploma of the Malaysian Insurance Institute (DMII) and Associateship of the Malaysian Insurance Institute (AMII). The scholarship awards are testament of the Company's commitment towards human capital development particularly in the Insurance and Takaful industry.

corporate social responsibility



3 July 2009

Takaful IKHLAS Helped Noridawati Buy Prosthetic Leg Cost RM15,000

Takaful IKHLAS contributed RM15,000 to help Noridawati Husin to buy a prosthetic leg. The contribution was part of Takaful IKHLAS' CSR initiatives. The prosthetic leg would help ease Noridawati's burden in taking care of her young children.



14 July 2009

Takaful IKHLAS Donated A Dialysis Machine Worth RM40,000

Takaful IKHLAS donated a dialysis machine worth RM40,000 to the Mersing District Hospital in Johor. The machine was presented to the hospital in conjunction with the *Program Kembara Mahkota Johor Jelajah Pedalaman 2009*.



4 September 2009

MNRB Group Share the Spirit of Ramadhan with Rumah RAHOMA

As part of the Group's CSR initiatives, thirty-five (35) residents of Rumah Perlindungan RAHOMA Darul Fakir, Kuala Lumpur were given the opportunity to share the Spirit of 'Ramadhan Al-Mubarak' with the employees of MNRB Group. The Home received RM5,000 cash donation. MNRB also handed over 'duit raya' and food hampers to the residents of the home.



10 September 2009

Takaful IKHLAS Ifar and Raya Shopping for Needy Children

Takaful IKHLAS brought cheers to twenty-five (25) poor children in the Petaling Jaya district by taking them out for Hari Raya shopping and treating them to an *Ifar* dinner. Takaful IKHLAS allocated up to RM250 for each child. The programme was organised in collaboration with the Petaling Jaya branch of *Pusat Zakat Selangor*.

13 September 2009

Raya Contribution to Underprivileged Family

Takaful IKHLAS celebrated the spirit of Ramadhan Al-Mubarak and Syawal with two (2) underprivileged families in Puchong, Selangor. Takaful IKHLAS donated cash and daily essentials to these families.

14 September 2009

Contribution to Programme 'Titipan Kasih' Harian Metro

Takaful IKHLAS participated in the 'Titipan Kasih' programme organised by Harian Metro in conjunction with 2009 Syawal celebration. It donated 'duit raya' and gifts to fifty (50) orphans and poor families in Felda Jengka 3, Maran, Terengganu.

corporate social responsibility



15 September 2009
Iftar with Pondok Penyayang Raudah

Takaful IKHLAS organised *Iftar* with underprivileged children of Pondok Penyayang Raudah. Each orphan received 'duit raya' and gifts.



13 October 2009
Celebration of Lights with Rumah Kebajikan Anbu Illam and Karunai Illam

In conjunction with the Deepavali festive season, fifty (50) underprivileged children of Rumah Kebajikan Anbu Illam and Karunai Illam received cash donations and food hampers from representatives of MNRB Group.



14 October 2009
MNRB Group Cares

Representatives of MNRB Group visited Rumah Solehah, Kuala Lumpur in conjunction with the Hari Raya celebration. The Home provides shelter and protection to neglected and homeless children and women infected by HIV / AIDS. The residents received RM5,000 cash donation, 'duit raya' and also food hampers.



27 October 2009
Takaful IKHLAS Humanitarian Aid for Padang Quake Victims

Takaful IKHLAS sent five (5) of its employees for the humanitarian mission organised by Malaysian Red Crescent to assist the earthquake victims in Padang, Indonesia. Takaful IKHLAS donated goods valued over RM20,000 to relief the burden of the victims. A monetary donation of RM10,000 was also handed over to Malaysian Red Crescent.



29 November 2009
Takaful IKHLAS Organised 'Korban Perdana' in Terengganu

Takaful IKHLAS organised *Korban Perdana* and distributed zakat to hundred fifty (150) underprivileged residents from Mukim Binjai, Kemaman, Terengganu in conjunction with the 'Eidul Adha' celebration. The event was officiated by the state assemblyman of Air Puteh, Yang Berhormat Tuan Haji Wan Abdul Hakim Wan Mokhtar. At the event, Takaful IKHLAS handed over RM10,000 to *Persatuan Persaudaraan Islam, Kemaman, Terengganu*.

corporate social responsibility



23 December 2009 **A Celebration of Joy with the Agathians**

MNRB Group celebrated Christmas in joy and cheerful spirit with some of the thirty-one (31) underprivileged boys from the Agathians Shelter, Petaling Jaya, Selangor. The orphans received food hampers and cash donations from the Group.



9 February 2010 **Donating For A Good Cause**

MNRB once again collaborated with National Blood Centre (NBC) in organising the "MNRB Blood Donation Drive" campaign. The event received overwhelming support from the employees of MNRB Group and tenants of Bangunan Malaysian Re. This joint collaboration was part of the continuous initiative between MNRB and NBC in supporting the Government's effort to urge Malaysians to donate blood.



11 February 2010 **MNRB Group Displayed Love to the Elderly**

It goes without saying that MNRB Group always remember the elderly. In conjunction with the Chinese New Year celebration, a simple celebration was held for 26 senior citizens from The King George V Silver Jubilee House. Also present at the event was Yang Berbahagia Dato' Yong Seng Yeow, Exco Chairman and Trustee of the Home.



27 - 28 March 2010 **Lawn Bowl Tournament**

MNRB participated in the PNB Lawn Bowl Tournament held at Stadium Bayuemas, Pandamaran, Klang as part of the Annual Sports Carnival organised by PNB. This marks as the inaugural participation from MNRB in the exclusive tournament.

Sponsorship of Books to MII

MNRB Group is serious in developing more professionals in the Insurance and Takaful industry. MNRB Group had donated Chartered Insurance Institute textbooks to MII. MII is the leading insurance education and training institution, providing internationally recognized qualifications in insurance, risk management and financial planning. It is highly respected as a regional center that offers an extensive range of quality education and training programmes for professionals in the insurance and financial services industry.

In-house Recycling and Environmental Campaigns

MNRB Group had carried out several initiatives in fulfilling its responsibility towards the environment. One of the initiatives conducted internally was the launching of the Recycling Campaign and the Environmental Campaign. The objective of these awareness campaigns was to educate the staff on the need to minimize the usage of electricity, water and paper. These campaigns were also testament of MNRB's pledge as a responsible corporate entity.

statement on corporate governance

The Board of Directors of MNRB is committed to maintaining high standards of corporate governance and strives to continuously improve the effective application of the principles and best practices as laid down in the Malaysian Code on Corporate Governance (Revised 2007), the Corporate Governance Guide issued by Bursa Securities, the Bursa Malaysia Securities Berhad Main Market Listing Requirements (Bursa Malaysia Main Market Listing Requirements) and the Green Book published by the Putrajaya Committee on GLC High Performance (the Green Book).

MNRB's policy is to implement all those principles and best practices and to uphold high standards of business integrity in all the activities undertaken by the Group. This includes a commitment to emulate good industry examples and comply with guidelines and recommendations in the conduct of business activities within the Group.

Set out below is a statement on how MNRB has applied the principles and complied with the Best Practices as prescribed under the above Code on Corporate Governance, Bursa Malaysia Main Market Listing Requirements and the Green Book during the financial year ended 31 March 2010.

Board of Directors

The Board of MNRB is responsible for the proper stewardship of the Group resources, the achievement of Group's objectives and good corporate citizenship. It discharges this responsibility through compliance with all the relevant Acts and Regulations, including adopting the Principles and Best Practices of the above Code on Corporate Governance, Bursa Malaysia Main Market Listing Requirements and the Green Book.

The Board retains full and effective control over the Group's affairs. This includes responsibility to determine the Group's development and overall strategic direction. Key matters, such as approval of quarterly and annual results, major acquisitions and disposals, major capital expenditures, budgets, business plans and succession planning for top management are reserved for the Board or its committees appointed to deal with.

The Board comprises members with a wide range of experience in relevant fields such as insurance and reinsurance, accounting, legal, economic, investment, international business, banking and business operations. Therefore, all Directors have the necessary depth to bring experience and judgment to bear on issues of strategy, performance, resources and ethical standards. The profiles of the Directors are provided on pages 10 to 12 of this Annual Report.

Board Composition

Under the Company's Articles of Association, the number of Directors shall not be less than two (2) or more than ten (10).

The Board currently comprises eight (8) members. Seven (7) out of the eight (8) members are Non-Executive Directors including the Chairman, and four (4) of them are independent. No individual or group of individuals dominate in the decision making process of the Board to enable a balance and objective consideration of issue, hence facilitating optimal decision making. By virtue of this composition, the Company has thus complied with Paragraph 15.02 of the Bursa Malaysia Main Market Listing Requirements which requires that at least two (2) directors or one-third (1/3rd) of the Board of Directors, whichever is the higher, to be independent.

The meetings of the Board are chaired by the Non-Executive Chairman, whose role is clearly separated from the role of the President & Group Chief Executive Officer (CEO). The Chairman is primarily responsible for ensuring the effectiveness and conduct of the Board whilst the President & Group CEO will ensure that Board policies and decisions are implemented accordingly.

The Board members are:

- Sharkawi Alis - Chairman
(Non-Independent Non-Executive Director)
- Anuar Mohd Hassan - President & Group CEO
(Non-Independent Executive Director)
- P. Raveenderen
(Senior Independent Non-Executive Director)
- Dato' Syed Ariff Fadzillah Syed Awalluddin
(Independent Non-Executive Director)
- Yusoff Yaacob
(Independent Non-Executive Director)

statement on corporate governance

- Datuk Mohd Khalil Dato' Mohd Noor
(Non-Independent Non-Executive Director)
- Paisol Ahmad
(Non-Independent Non-Executive Director)
- Megat Dziauddin Megat Mahmud
(Independent Non-Executive Director)

Conflict of Interest

Directors are required to declare their respective shareholdings in the Company and related companies and their interests in any contracts with the Company or any of its related companies. The Directors are also required to declare their directorships in other companies. The Directors concerned will abstain from any discussions and decision-making in relation to these companies.

The Board members' directorship in companies other than the Company and the Group, are well within the restriction of not more than ten (10) directorships in public listed companies and not more than fifteen (15) directorships in non-public listed companies as stated in the Bursa Malaysia Main Market Listing Requirements.

Board Meetings

The Board has scheduled meetings at least six (6) times a year, besides the Annual General Meeting (AGM). For the year ended 31 March 2010, the Board held nine (9) meetings.

The details of attendance of the Directors at Board meetings held during the financial year are as follows:

Name of Director	No. of Meetings Attended	Percentage of Attendance
Sharkawi Alis	9/9	100%
Anuar Mohd Hassan	9/9	100%
P. Raveenderen	9/9	100%
Dato' Syed Ariff Fadzillah Syed Awalluddin	9/9	100%
Yusoff Yaacob	9/9	100%
Datuk Mohd Khalil Dato' Mohd Noor	9/9	100%
Megat Dziauddin Megat Mahmud	9/9	100%
Paisol Ahmad	9/9	100%

At each scheduled Board meeting, there is a report on the six (6) elements of responsibility of the Board under the Malaysian Code on Corporate Governance, namely:

- Reviewing / adoption of strategic and business plans
- Overseeing conduct of the Group's business
- Compliance and risks management
- Succession planning
- Investor relationship and communication policy
- Internal control system

There is also a financial and business review and discussion of the Group's quarterly performance including operating performance to date against the annual budget and business plan previously approved by the Board for that year.

statement on corporate governance

Appointments to the Board

The appointment of new Board members are considered and properly evaluated by the Nomination Committee. The Nomination Committee would then recommend the proposed appointment to the Board for approval.

The Nomination Committee and the Board will devote sufficient time to review, deliberate and finalise the selection of directors.

The Company Secretary will ensure that all the appointments are properly made, all necessary information are obtained, as well as all legal and regulatory requirements are met.

Re-election of Directors

In accordance with the Company's Articles of Association, one-third (1/3rd) of the Directors for the time being or if their number is not a multiple of three (3), then the number nearest to one-third (1/3rd), shall retire from office at each AGM. All retiring Directors can offer themselves for re-election.

Directors who are appointed by the Board during the financial period before the AGM are also required to retire from office and shall seek re-election by the shareholders at the first opportunity after their appointment.

The Articles further provide that all Directors shall retire from office at least once in every 3 years but shall be eligible for re-election.

Three (3) Directors are due for re-election at the 37th AGM.

Supply of Information

The Directors have full and unrestricted access to all information pertaining to the Group's business affairs, whether as a full Board or in their individual capacity, to enable them to discharge their duties.

Prior to Board meetings, every Director receives a notice of meeting, agenda and Board papers. Sufficient time is given to the Directors to enable them to obtain further explanations, where necessary, so that the meeting will be well participated.

The Board papers include at least the following:

- Minutes of the previous Board meeting and meetings of Board Committees
- Report on the performance of the subsidiary companies
- Financial reports
- Internal Audit reports
- Compliance reports

Proper guidelines have been given by the Board pertaining to the content, presentation style and delivery of papers to the Board for each Board meeting to ensure adequate information be disseminated to the Directors.

All Directors have direct access to the members of the Senior Management team and the services of the Company Secretary. The Directors may, if necessary, obtain independent professional advice from external consultants, at the Company's expense.

Throughout their period in office, Directors are updated on the Group's business, the competitive and regulatory environments in which it operates and other changes by way of written briefings and meetings with senior executives.

Directors' Training

The Company acknowledges that continuous education is vital for the Board members to gain insight into the regulatory updates and management studies to enhance the Directors' skills and knowledge in discharging their responsibilities.

All new Directors are required to undergo an induction program where they receive information about the Group, the formal statement of the Board's role, the powers that have been delegated to the Company's Senior Management and Management committees and latest financial information about the Group. This is to enable them to contribute effectively from the outset of their appointment. All Directors have attended the Mandatory Accreditation Programme in accordance with the Bursa Malaysia Main Market Listing Requirements.

With the repeal of Practice Note 15 on Continuing Education Programme by Bursa Securities, the continuous training needs of the Directors are now vested on the Board.

statement on corporate governance

During the year, the Directors had attended various seminars and programmes in areas, which aid the respective Directors in carrying out their duties.

The following are some of the programmes and seminars attended by the Board members during the financial year:

- i) Bank Negara Malaysia's Financial Institutions Directors Education
- ii) Strategic Planning & Management
- iii) Investment Forum
- iv) BNM Financial Industry Forum 2009
- v) Takaful and FRS 4
- vi) Conference on "Insurance & Reinsurance Environment in the AFRO – Asia Region in the Wake of the Economic and Financial Crisis"
- vii) Blue Ocean Strategy
- viii) Forum on "The Challenges of Implementing FRS 139"
- ix) Corporate Governance Week 2009: Launch of CG Week and Launch of CG Guide
- x) SC-Bursa CG Week 2009: "Raising the Bar for Corporate Directors Toward Global Competitiveness" by Malaysian Alliance of Corporate Directors (MACD)
- xi) Islamic Banking & Finance: The Way Forward
- xii) Non-Executive Directors' Development Series "Is It Worth the Risk?"
- xiii) 2010 Budget Updates and FRS 139 & FRS 7
- xiv) Talk on "Challenges in the Innovation Economy"
- xv) Senior Leadership Program

Board Committees

The Board has delegated specific responsibilities to five (5) Board Committees, as follows:

- i) Audit Committee
- ii) Nomination Committee
- iii) Remuneration Committee
- iv) Risk Management Committee
- v) Investment Committee

These Committees have their respective Terms of Reference, which clearly defines their duties and obligations in assisting and supporting the Board. The ultimate responsibility for the final decision on all matters lies with the entire Board.

1. Audit Committee

The Audit Committee comprises four (4) members of whom three (3) are Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. Two (2) members of the Committee are qualified Accountants and members of the Malaysian Institute of Accountants. The members of the Committee are:

- P. Raveenderen – Chairman
(Senior Independent Non-Executive Director)
- Dato' Syed Ariff Fadzillah Syed Awalluddin
(Independent Non-Executive Director)
- Megat Dziauddin Megat Mahmud
(Independent Non-Executive Director)
- Paisol Ahmad
(Non-Independent Non-Executive Director)

The Committee's Terms of Reference include the review and deliberation of the Financial Statements of the Company and the Group, findings of the External and Internal Auditors, any related party transactions and any conflict of interest situation within the Group as well as making recommendation to the Board on appointment/re-appointment of External Auditors.

In order to encourage a greater exchange of free and honest views and opinions between the Audit Committee and External Auditors, meetings between them without the executive board member and the management team being present were held twice during the year.

The Audit Committee's duties, as spelt-out in the Audit Committee Report on Pages 37 to 38 of this Annual Report, include primarily the duties as spelt out in paragraph 15.12 of the Bursa Malaysia Main Market Listing Requirements.

The Committee met four (4) times during the financial year.

statement on corporate governance

2. Nomination Committee

The Board had established a Nomination Committee comprising three (3) Non-Executive Directors.

The members of the Committee are:

- Dato' Syed Ariff Fadzillah Syed Awaluddin - Chairman
(*Independent Non-Executive Director*)
- Sharkawi Alis
(*Non-Independent Non-Executive Director*)
- P.Raveenderen
(*Senior Independent Non-Executive Director*)

The Committee's primary objective is to establish a documented formal and transparent procedure for the appointment of Directors and key senior officers and to assess the effectiveness of Directors, the board as a whole and the various committees of the Board on an ongoing basis. The Committee regularly reviews the profile of the required mix of skills and attributes of the Directors and is satisfied that the Board has the appropriate balance of expertise and ability to discharge its responsibilities. All assessments and evaluations carried out by the Committee were properly documented by the Company Secretary.

The Committee, upon its recent annual review, was satisfied that the size of the MNRB Board is optimum and that there is appropriate mix of knowledge, skills, attributes and core competencies in the composition of the Board. The Committee was satisfied that all the Members of the Board are suitably qualified to hold their positions as Directors of MNRB in view of their respective academic and professional qualifications, experience and qualities. Furthermore, all the Directors had been assessed as complying with the standards for "fit and proper" criteria and the Independent Directors had also been assessed as complying with the definition of "Independent Directors" which are consistent with the BNM Guidelines on Corporate Governance for Licensed Institutions (Revised BNM/GP1) and the Bursa Malaysia Main Market Listing Requirements.

The Committee met four (4) times during the financial year.

3. Remuneration Committee

The Board had established a Remuneration Committee comprising three (3) Non-Executive Directors.

The members of the Committee are:

- Megat Dziauddin Megat Mahmud - Chairman
(*Independent Non-Executive Director*)
- Dato' Syed Ariff Fadzillah Syed Awaluddin
(*Independent Non-Executive Director*)
- Yusoff Yaacob
(*Independent Non-Executive Director*)

The Committee's primary objective is to establish a formal and transparent procedure for developing a remuneration policy for Directors, Executive Directors and key senior officers and ensuring that their compensation is competitive and consistent with the Company's culture, objectives and strategies. Additionally, the Committee is also responsible for recommending to the Board on the specific remuneration packages for Directors, Executive Directors and key senior officers.

The Board as a whole will determine the remuneration of Non-Executive Directors and each individual Director abstains from the Board decision on his own remuneration.

The Committee met five (5) times during the financial year.

4. Risk Management Committee

The Board believes that an effective Risk Management Framework is essential to the Group in its quest to achieve its corporate objectives, continued profitability and enhancement of shareholders' value in today's rapidly changing market environment.

With this in mind, the Board had established a dedicated Board Committee known as the Risk Management Committee of the Board (RMCB) to develop and oversee the implementation of an enterprise-wide risk management framework. The Committee comprises three (3) members and is chaired by an Independent Non-Executive Director.

statement on corporate governance

The members of the Committee are:

- Yusoff Yaacob - Chairman
(Independent Non-Executive Director)
- P. Raveenderen
(Senior Independent Non-Executive Director)
- Datuk Mohd Khalil Dato' Mohd Noor
(Non-Independent Non-Executive Director)

The RMCB is responsible for:

- reviewing and recommending risk management strategies, policies and risk tolerance for the Board's approval;
- reviewing and assessing the adequacy of risk management policies and framework for identifying, measuring, monitoring and controlling risks as well as the extent to which these are operating effectively;
- ensuring adequate infrastructure, resources and systems are in place for an effective risk management i.e. ensuring that the staff responsible for implementing risk management systems perform those duties independently of the Group's risk taking activities; and
- reviewing the management's periodic reports on risk exposure, risk portfolio composition and risk management activities.

The Committee met four (4) times during the financial year.

5. Investment Committee

The Investment Committee, comprising two (2) Non-Independent Non-Executive Director, one (1) Independent Non-Executive Director and one (1) Executive Director, examines strategic investment proposals and makes decisions to optimize the Group's returns on its investment activities.

The members of the Committee are:

- Datuk Mohd Khalil Dato' Mohd Noor - Chairman
(Non-Independent Non-Executive Director)
- Anuar Mohd Hassan
(Non-Independent Executive Director)
- Megat Dziauddin Megat Mahmud
(Independent Non-Executive Director)
- Paisol Ahmad
(Non-Independent Non-Executive Director)

The Committee met four (4) times during the financial year.

Directors' Remuneration

Remuneration Policy and Procedure

The recommendation to the Board on the appropriate remuneration packages for the Directors as well as Executive Director and the key senior officers in order to attract, motivate and retain the Directors, Executive Director and the key senior officers of the necessary calibre and quality required by the Group would be made by the Remuneration Committee. The Group's Remuneration policy is to reward the Executive Directors and the key senior officers competitively, taking into account performance, market comparisons and competitive pressures in the industry. Whilst not seeking to maintain a strict market position, the Committee takes into account comparable roles in similar organisations that may be similar in size, market sector or business complexity.

The Executive Director does not participate in any way in determining his individual remuneration.

All Non-Executive Directors are paid with Directors' fees, which are determined by the Board and approved annually by the shareholders at the General Meeting.

statement on corporate governance

The details of the total remuneration of each Director of the Company during the financial year ended 31 March 2010 are as follows:

Directors' Remuneration	Executive Director RM	Non-Executive Director RM	Total RM
Fees	-	725,000.00	725,000.00
Salaries and other emoluments	2,280,000.00	-	2,280,000.00
Benefits-in-kind	36,521.20	-	36,521.20
Total	2,316,521.20	725,000.00	3,041,521.20

Directors Remuneration	Number of Directors	
	Executive Director	Non-Executive Director
Up to RM50,000	-	-
RM50,001 to RM100,000	-	6
RM100,001 to RM150,000	-	1
RM150,001 to RM200,000	-	-
RM200,001 to RM1,000,000	-	-
RM1,000,001 to RM1,500,000	-	-
RM1,500,001 to RM2,000,000	-	-
Above RM2,000,000	1	-
Total	1	7

Shareholders

Discussion between the Group, Investors and Analysts

As part of the Board's responsibility in developing and implementing an investor relations program, half-yearly briefings are held between the Group with the analysts and investors immediately after the announcement of the Group's half-year and full-year results to Bursa Securities.

Presentations based on permissible disclosures are made to explain the Group's performance and major development programs. Price-sensitive information about the Group is however, not disclosed in these briefings until after the prescribed announcement to Bursa Securities has been made.

MNRB also maintains a website which shareholders and the public in general can access to gain information about the Group at www.mnrb.com.my.

In addition, shareholders and the public can also convey their concerns and queries to the Senior Independent Non-Executive Director, P. Raveenderen at praveenderen@hotmail.com

statement on corporate governance

Annual General Meeting (AGM)

The AGM is the principal forum for dialogue with shareholders. The Company's AGM is normally well attended as it provides the shareholders direct access to the Board as well as giving them opportunity to participate effectively and vote.

Notice of the AGM and annual reports are sent out to shareholders at least 21 days before the date of the meeting.

Besides the normal agenda for the AGM, the Board presents reports on the progress and performance of the Group in the annual report and provides opportunities for shareholders to raise questions pertaining to the business activities of the Group. All Directors are available to provide responses to questions from the shareholders during this meeting.

Each item of Special Business included in the notice of the meeting will be accompanied by an explanatory statement and / or Circular to Shareholders to facilitate full understanding and evaluation of the issues involved.

Accountability and Audit

Financial Reporting

For financial reporting through interim quarterly reports to Bursa Securities and the annual report to shareholders, the Directors have a responsibility to present a fair assessment of the Group's position and prospects. The Audit Committee assists the Board in scrutinizing information for disclosure to ensure accuracy, adequacy and completeness.

The Directors are responsible for ensuring that the accounting records are properly kept and that the Group's financial statements are prepared in accordance with applicable approved accounting standards in Malaysia. The Statement by Directors pursuant to Section 169 of the Companies Act, 1965 is set out on page 41 of this Annual Report.

Internal Control and Risk Management

Information on the Group's internal control is presented in the Statement on Internal Control set out on page 39. The Group's Statement on Risk Management is also set out on page 42 of this Annual Report.

Relationship with Auditors

Information on the role of the Audit Committee in relation to the External Auditors may be found in the Audit Committee Report set out in pages 37 to 38. The Group has always maintained a close and transparent relationship with its auditors in seeking professional advice and ensuring compliance with the accounting standards in Malaysia.

Management's Accountability

The Group has an organizational structure showing all reporting lines as well as clearly documented job descriptions for all its Management and Executive employees and formal performance appraisals are done on periodic basis.

Authority limits, as approved by the Board, are clearly established and made available to all employees.

None of the Directors and Senior Management staff of the Group have any conflict of interest situations as referred to in Sections 54 and 55 of the Insurance Act, 1996.

Statement on Compliance with the Best Practices of the Code

The Group is committed to achieving high standards of corporate governance and the highest level of integrity and ethical standards in all its business dealings. The Board considers that it has complied throughout the financial year with all the Principles and Best Practices as set out in Part 2 of the Malaysian Code on Corporate Governance the Corporate Governance Guide issued by Bursa Securities, the Bursa Malaysia Main Market Listing Requirements and the Green Book.

This statement is made in accordance with the resolution of the Board of Directors dated 31 May 2010.

audit committee report

Members of the Committee

P. Raveenderen

Dato' Syed Ariff Fadzillah Syed Awalluddin

Megat Dziauddin Megat Mahmud

Paisol Ahmad

Chairman & Senior Independent Non-Executive Director

Independent Non-Executive Director

Independent Non-Executive Director

Non-Independent Non-Executive Director

Membership

The Audit Committee shall be appointed by the Board and comprises at least three (3) members of whom all members must be Non-Executive Directors and the majority shall be Independent Directors. At least one member of the Committee must be a member of the MIA or eligible for membership.

The members of the Audit Committee must elect a Chairman among themselves who is an Independent Director.

The term of office shall be reviewed no less than once in every two (2) years.

Authority

The Committee is authorised by the Board to undertake any activity within its terms of reference and must have unlimited access to all information and documents relevant to its activities, to both the internal and external auditors, as well as to all employees of the Group.

It must be able to convene meetings with the External Auditors, the Internal Auditors or both, excluding the attendance of other Directors and employees of the listed issuer, whenever deemed necessary.

It must also have the authority to obtain independent legal or other professional advice as it considers necessary.

Terms of Reference

The main duties of the Committee are:

1. To review and approve the annual audit plan, audit charter, budget, scope of audit procedures, audit programmes and reports of the Internal Auditors including actions taken on internal audit recommendations;
2. To review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
3. To review annually with the External Auditors, the audit plan and the report including the coordination between the Internal and External Auditors to prevent duplication of effort;
4. To review the quarterly results and year-end financial statements before approval by the Board including the assistance given by the Company's officers to the auditors;
5. To recommend to the Board the nomination of the External Auditors after evaluating their performance and to consider the auditors' remuneration and any questions of resignation or dismissal;
6. To review the External Auditors' Management Letter and Management's response thereto;
7. To review the disclosure statements in the annual report in compliance with Bursa Securities requirements;
8. To review any related-party transactions and any conflict of interests situation that may arise within the Group; and
9. To review the allocation of options pursuant to the Company's Employees' Share Option Scheme.

audit committee report

Meetings

A quorum shall consist of at least two-third (2/3rd) of the members with Independent Directors forming the majority.

A minimum of four (4) meetings per year is planned. Additional meetings may be called at any time if so requested by any committee member, the Management, the Internal or External Auditors.

The Chairman of the Committee shall invite any person to be in attendance to assist in its deliberations.

The minutes of the meetings shall be circulated to the Board after confirmation.

The Secretary to the Committee shall be the Company Secretary.

For the financial year under review, a total of four (4) Audit Committee meetings were held. The details of attendance of the Audit Committee members were as follows:

Name of Audit Committee member	No. of meetings attended
i. P. Raveenderen	4/4
ii. Dato' Syed Ariff Fadzillah Syed Awalluddin	4/4
iii. Megat Dziauddin Megat Mahmud	4/4
iv. Paisol Ahmad	4/4

The main activities that took place during the meetings were:

1. Review of the quarterly results and year-end financial statements prior to approval by the Board;
2. Considered and recommended to the Board the nomination of the External Auditors for the financial year ended 31 March 2010;
3. Review of the External Auditors' audit plan for the year ended 31 March 2010;

4. Review of the External Auditors' management letter and Management's response thereto. Meetings without the presence of the Management were also held with the External Auditors;
5. Review of the disclosure statements in the annual report in compliance with Bursa Securities requirements;
6. Reviewed and recommended to the Board for adoption of the new and revised Financial Reporting Standards issued by the Malaysian Accounting Standard Board;
7. Considered and recommended to the Board the payment of any interim and final dividends;
8. Review of the results of the internal audits carried out in the year and the adequacy of actions taken by Management; and
9. Review of the Internal Audit Department's annual audit plan for the year 2010.

In respect of the Company's Employees' Share Option Scheme, there was no allocation of options in the year for the Audit Committee to review.

Internal Audit Department

The Internal Audit Department was set up in-house on 2 January 1991. It is independent of the activities or operations of the operating units. For the financial year ended 31 March 2010, the total costs incurred for the Group Internal Audit function were RM1,990,000.

A summary of its activities for the year is as follows:

1. Conducted audits of the various business portfolios/ departments of the Group;
2. Conducted follow-up audits on the implementation of the Audit Committees' recommendations and Management's actions taken to improve on issues identified during the audits; and
3. Prepared the annual audit plans and budget of resources for the Audit Committees' consideration.

statement on internal control

Responsibility for Internal Control

The Board acknowledges that it is responsible for the Group's system of internal control and for reviewing its effectiveness, adequacy and integrity. It recognizes that the review of the system of internal control is a continuous process, designed to manage rather than eliminate the risk of failure to achieve the Group's business objectives. In pursuing these objectives, internal controls can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has established processes for identifying, evaluating and managing the significant risks faced by the Group. These processes have been in place for the whole of the financial year ended 31 March 2010 and have continued up to the date on which this Statement was approved. The Board is confident that these processes provide reasonable assurance on the effectiveness and efficiency of both the financial and operational aspects of the Group.

Key Processes

The key processes that the Board has established for review of the adequacy and integrity of the system of internal controls of the Group are as follows:

- The Group has a well-defined organisational structure with clear lines of responsibility and accountability.
- The Group's Risk Management policy, setting out the Board's attitude toward risks and the processes to achieve the business objectives of the Group, is clearly documented in the Statement of Risk Management as set out in this Annual Report.
- The Internal Audit Department of the Group, which reports to the Audit Committee, performs regular reviews of the business processes of the Group in an effort to assess the adequacy and effectiveness of internal controls and to highlight significant risks impacting the Group and recommends further improvement, where necessary.
- The Group holds a 20% effective equity interest in its associated company, Labuan Re through its subsidiary, Malaysian Re and is represented on the Board of Labuan Re by two (2) of its Directors. It also has a 40% effective equity interest in, another associated company, MRC and is similarly represented on the Board of MRC by two (2) of its Directors.

Committees of the Board

The Board has established Committees of the Board at both the Group and subsidiary levels with a view to assist and provide added focus in discharging its duties.

The Committees of MNRB are:

- The Audit Committee, which is appointed by the Board comprising four (4) Non-Executive Directors. The Audit Committee reviews and considers both the Internal and External Auditors' reports, and in the process gauges the effectiveness and adequacy of the system of internal controls. Appropriate recommendations for improvement are made to the Board for approval.
- The Investment Committee, which comprises three (3) Non-Executive Directors and one (1) Executive Director is responsible for reviewing and approving investment proposals, as well as monitoring the Group's investment portfolio to ensure conformity with overall business objectives and statutory requirements.
- The Risk Management Committee, which comprises three (3) Non-Executive Directors, is responsible for the review and recommendation to the full Board on the adoption of appropriate risk management strategies and policies. It is also responsible for the development and monitoring of the risk management process for the Group.

statement on internal control

- The Nomination Committee, which comprises three (3) Non-Executive Directors, is responsible to recommend to the full Board the appointment of Directors. The Nomination Committee is also responsible for the annual assessment of the effectiveness of the Board.
- The Remuneration Committee, which comprises three (3) Non-Executive Directors, is responsible to recommend the appropriate remuneration packages for the Directors.
- A detailed budgeting process has been implemented in the Group where each department prepares a budget for the up-coming financial year for the approval of the Board. The budget is monitored and major variances are followed-up by the respective Management.
- Every employee of the Group is contractually bound to observe prescribed standards of business ethics in the manner of conducting themselves at work and their relationships with external parties such as customers and suppliers. The Group expects each employee to conduct him/herself with integrity and objectivity and not to place him/herself in a position of conflict of interest. The competence of staff personnel is maintained through a structured recruitment process, a performance measurement and rewarding system and a wide variety of training and development programmes.

Other Key Elements of Internal Control

- The Board has also adopted the Communication policy to ensure that all decisions made are communicated promptly to staff of all levels within the Group and vice versa where feedbacks and suggestions on improvements could be communicated to the Management and Board.
- The Underwriting Guidelines of the reinsurance, takaful and retakaful subsidiary companies have been put in place to manage risks that are being underwritten.
- The Treaty programmes ensure that there is a spread of reinsurers with acceptable ratings from accredited agencies. The securities of treaty reinsurers are reviewed on an annual basis.
- Departmental manuals are available within the Group and these set out policies and procedures for day-to-day operations and act as guidance to employees on the necessary steps to be taken in a given set of circumstances. The manuals enable tasks to be carried out with minimal supervision. It also specifies relevant authority limits to be complied with by each level of management within the subsidiaries. In this respect, the reinsurance subsidiary company has also obtained the ISO 9001:2000 certification by SIRIM.
- The Group's financial systems record all transactions to produce monthly and quarterly performance reports that allow the respective Management to focus on key areas of concern.
- Annual business plans are submitted to the Board for approval.

The Board believes that the system of internal controls of the Group is adequate for its purposes and will adequately safeguard shareholders' investments and the Group's assets. Reviews of the state of internal controls are carried out on an on-going basis in accordance with "Statement on Internal Controls: Guidance for Directors of Public Listed Companies", to ensure continued effectiveness of the system and to further strengthen it, where necessary.

This Statement is made in accordance with a resolution of the Board of Directors dated 31 May 2010.

statement of directors' responsibility in relation to the financial statements

pursuant to paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

The Directors are required to prepare financial statements, which give a true and fair view of the state of affairs of the Company and the Group as at the end of each financial year and of their results and cash flows for that year then ended.

The Directors consider that in preparing the financial statements,

- the Company and the Group have used appropriate accounting policies, which are consistently applied;
- reasonable and prudent judgements and estimates were made; and
- all applicable approved accounting standards in Malaysia have been followed.

The Directors are responsible for ensuring that the Company and the Group maintain accounting records that disclose with reasonable accuracy on the financial position of the Company and the Group, and which enable them to ensure that the financial statements are drawn up in accordance with the requirements of the applicable approved Financial Reporting Standards issued by the Malaysian Accounting Standards Board and the provisions of the Companies Act, 1965.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Company and the Group, in that context, to have proper regard to the establishment of appropriate systems of internal control with a view to prevent and detect fraud and other irregularities.

The Directors consider that they have pursued the actions necessary to meet their responsibilities as set out in this Statement.

This Statement is made in accordance with the resolution of the Board of Directors dated 31 May 2010.

statement on risk management

Risk Management Framework

The Board of MNRB recognises that an effective risk management framework is essential for the Group in pursuit of its corporate objectives, in today's challenging market environment.

In line with the above, a dedicated Risk Management Committee of the Board (RMCB) has been established at every company within the Group with the objective to develop and oversee the implementation of the enterprise-wide risk management framework. Further, at the Management level, Operational Risk Management Committee (ORMC) was set-up to complement and assist the RMCB in ensuring a proactive risk management culture at both the enterprise-wide and operational levels.

RISK MANAGEMENT COMMITTEE OF THE BOARD (RMCB)

The RMCB's Terms of Reference are as set out below:

Objectives

The primary objective of the RMCB is to oversee the Senior Management's activities in managing the key risk areas of the company and to ensure that the risk management process is in place and functioning effectively.

Composition of the RMCB of MNRB

The members of the RMCB were appointed by the Board comprising at least three (3) Non-Executive Directors. The Chairman of the RMCB is an Independent Non-Executive Director appointed by the Board.

The members of the RMCB are as follows:

- Yusoff Yaacob - *Chairman*
- P. Raveenderen
- Datuk Mohd Khalil Dato' Mohd Noor

RMCB's Responsibilities

The RMCB is responsible for:

- i) Reviewing and recommending risk management strategies, policies and risk tolerance for the Board's approval;
- ii) Reviewing and assessing the adequacy of risk management policies and framework for identifying, measuring, monitoring and controlling risks as well as the extent to which these are operating effectively;
- iii) Ensuring adequate infrastructure, resources and systems are in place for an effective risk management; and
- iv) Reviewing the Management's periodic reports on risk exposure, risk portfolio composition and risk management activities.

Committee Meeting

The RMCB holds regular meetings, at a minimum once every quarter and reports regularly to the Board.

Quorum

The quorum for RMCB meetings consists of at least two (2) members, with one (1) being an Independent Director.

statement on risk management

Operational Risk Management Committee (ORMC)

The key role of the ORMC is to assist the RMCB in overseeing the management of operational risks. The ORMC is supported by the Risk Management Department in order to improve the operational risk management.

The Board believes that the success of risk management lies on collective responsibility and clear accountability. As such, the risk management framework of the Group is structured on the following basis:

- i) The Board is ultimately responsible for the management of risks. In this respect, the RMCB, on behalf of the Board, oversees the effective implementation of the risk management process within the Group, including the major areas of risk relating to underwriting, investments, credit and interest rates;
- ii) The Audit Committee complements the role of the RMCB by providing an independent assessment of the adequacy and reliability of the risk management process, and compliance with the risk policies and regulatory guidelines. The Audit Committee is assisted by an independent Internal Audit Department in performing its roles;
- iii) The ORMC provides the necessary assistance to the RMCB in managing the risk management process; and
- iv) The individual department plays its role by implementing the risk management policies and ensuring that they are in compliance with the day-to-day operations.

Key Initiatives Undertaken

The Group has put in place the enterprise risk management framework for the effective and ongoing identification, evaluation, management and reporting of the Group's risks in compliance with the Bursa Malaysia Main Market Listing Requirements.

The Group has also completed an enterprise-wide level assessment of its current state of risk profile, which includes the following:

- i) Identification of key risks that may impede the Group from achieving its strategic objectives;
- ii) Identification of existing controls to mitigate key risks; and
- iii) Development of action plans to further reduce and better manage the key risks.

Further to the above, the following key activities have been completed to complement the enterprise-wide risk management framework:

- i) Cascading down the risk management process to the departmental level. In this respect, all the departments of the operating subsidiaries have implemented their departmental risk management process;
- ii) Installed a risk management enabler at all the departments for continuous self assessment of risks by the risk owners; and
- iii) Apply the risk management process prior to commencement of any major project or initiative.

The Group, having established the risk management framework, has therefore put in place a structured process for risk management and formal reporting between the risk owners, the Management, the RMCB and the Board.

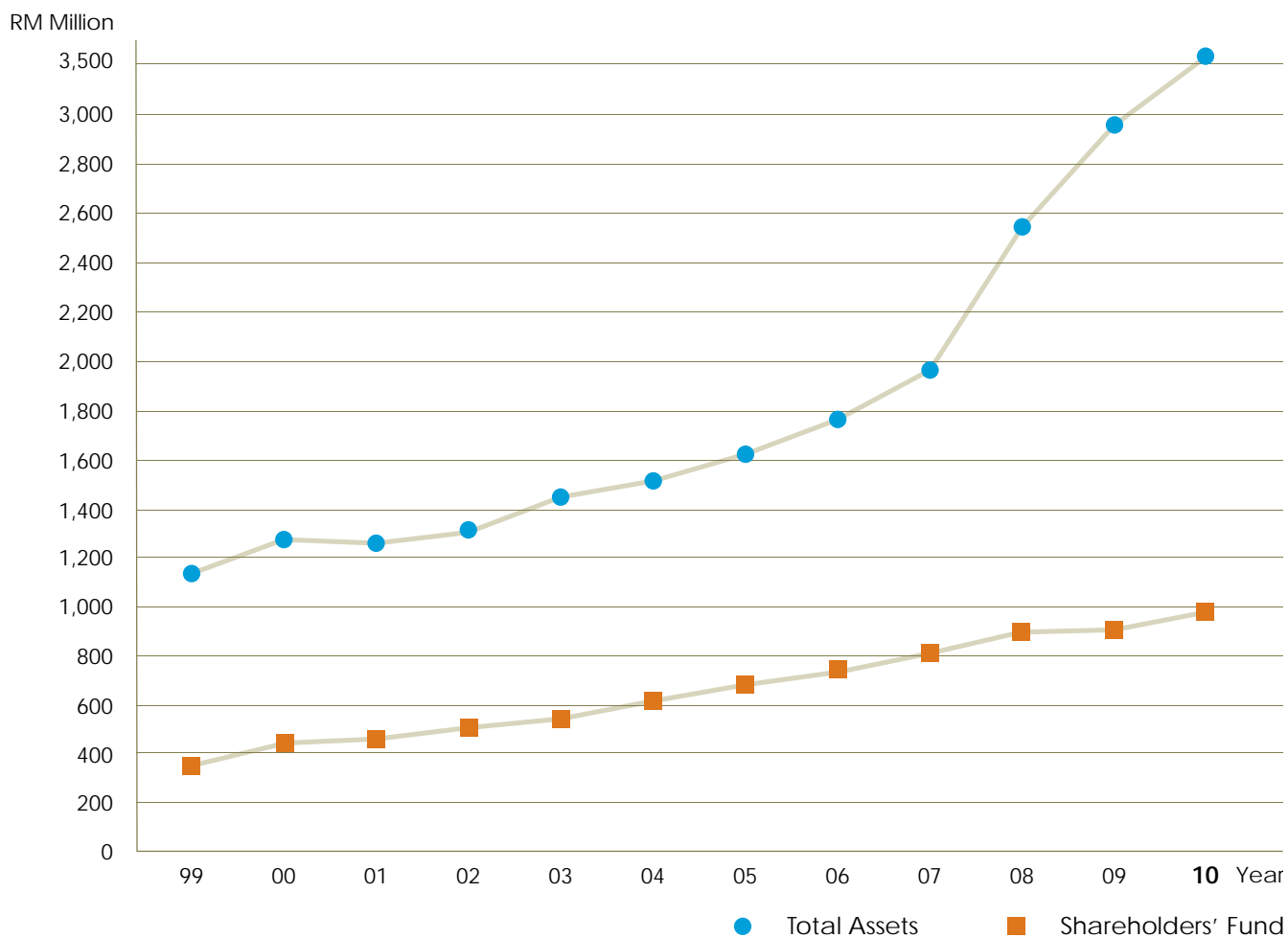
five-year financial highlights

	2010 RM'000	2009 RM'000	2008 RM'000	2007 RM'000	2006 RM'000
Operating revenue	1,345,184	1,173,819	978,555	834,127	748,694
Profit before zakat and tax	75,370	40,457	193,955	144,644	153,764
Profit after zakat and tax	48,167	26,288	170,441	129,479	115,183
Technical reserves	2,197,031	1,755,923	1,351,251	1,065,270	912,445
Total assets	3,542,380	2,985,379	2,576,247	1,963,036	1,772,311
Shareholders' fund	908,642	896,006	893,919	808,477	747,803
Paid-up capital	213,070	213,070	212,523	211,866	208,908
Earnings per share (sen)	22.6	12.3	80.3	61.4	57.5
Net assets per share (RM)	4.26	4.21	4.21	3.82	3.58
Profit before zakat and tax to					
Shareholders' fund (%)	8.3	4.5	21.7	17.9	20.6
Profit after zakat and tax to					
Shareholders' fund (%)	5.3	2.9	19.1	16.0	15.4
Dividends (%)	-	10.0	40.0	46.0	40.0
Net dividends per share (sen)	-	7.5	29.4	37.6	34.3

financial calendar

	2009						2010										
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov
Quarterly Results																	
• 1 st Quarter Results		28												25			
• 2 nd Quarter Results					26												
• 3 rd Quarter Results							25										
• 4 th Quarter Results																	
AGM																	
• Notice of AGM															1		
• AGM															23		

MNRB's growth



Year	Shareholders' Fund RM'000	Total Assets RM'000
1999	377,967	1,162,236
2000	444,833	1,283,187
2001	460,092	1,257,161
2002	506,313	1,329,716
2003	564,609	1,427,390
2004	617,010	1,476,021
2005	677,039	1,607,197
2006	747,803	1,772,311
2007	808,477	1,963,036
2008	893,919	2,576,247
2009	896,006	2,985,379
2010	908,642	3,542,380



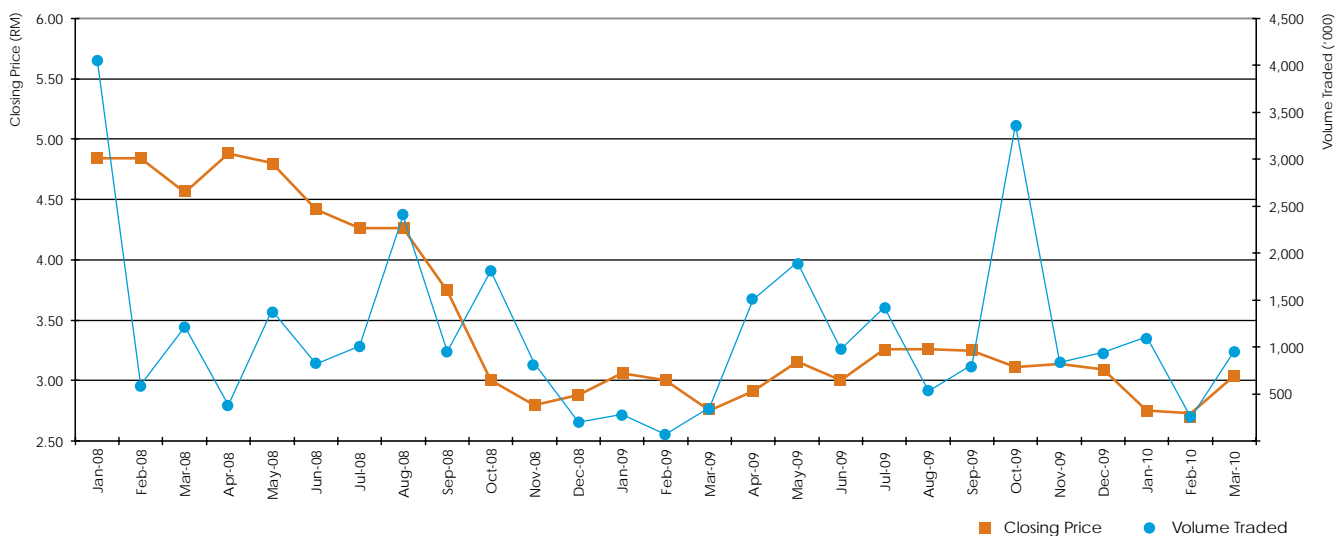
investors' information

MNRB HOLDINGS BERHAD- PERFORMANCE OF SHARE

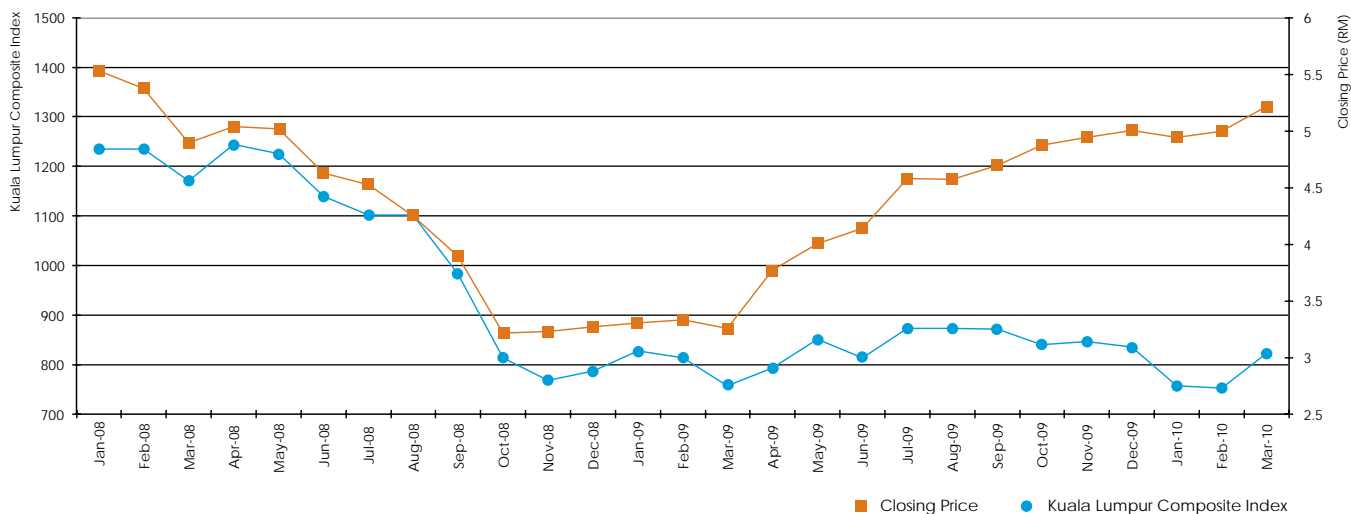
	1/4/09-31/3/10	1/4/08-31/3/09	1/4/07-31/3/08	1/4/06-31/3/07	1/4/05-31/3/06
Closing Price(RM)	3.04	2.75	4.56	4.50	3.76
Highest Price(RM)	3.39	4.92	5.8	4.88	3.92
Lowest Price(RM)	2.68	2.60	4.32	3.70	3.38
Total Volume Traded('000)	14,614	12,254	28,508	27,326	28,003
Gross Dividend Yield(%)	0	3.64	8.77	10.22	10.64
Price Earning Ratio (x)	14.27	25.7	5.68	7.33	6.54

Source: Bloomberg @ 06/05/2010

Share Prices and Volume Traded (January 2008 - March 2010)



Performance of Shares (January 2008 - March 2010)





MALAYSIAN RE

MALAYSIAN REINSURANCE BERHAD



Trusted for Decades

Built on a solid foundation of financial reliability, Malaysian Re is committed in providing financial security every time.

corporate profile

MALAYSIAN REINSURANCE BERHAD (Malaysian Re) was incorporated on 27 August 2004 as a wholly-owned subsidiary of MNRB. As part of the restructuring exercise of the MNRB Group, the reinsurance business, the reinsurance licence and reinsurance assets of MNRB were transferred to Malaysian Re on 1 April 2005. As the national reinsurer, Malaysian Re will continue to pursue the same primary objective as that successfully achieved by MNRB for more than 30 years, that is to reduce the outflow of reinsurance premiums overseas. Malaysian Re will also continue to enhance the competitiveness and efficiency of the local insurance companies in an increasingly globalised marketplace through its active involvement in leading and underwriting their reinsurance needs. The classes of business underwritten can broadly be categorised under Fire, Engineering, Motor, Marine, and Miscellaneous Accidents. Leveraging on its breadth and depth of experience and expertise, strong fundamentals and proven track record, Malaysian Re has grown in stature as an international player having established a strong market presence in Asia, the Middle East, Africa and China.

CAPITAL STRUCTURE

Malaysian Re has an Authorised Capital of RM1 billion, divided into 1 billion ordinary shares of RM1.00 each and a Paid-up Capital of RM500 million, divided into 500 million ordinary shares of RM1.00 each.

corporate information

BOARD OF DIRECTORS

SHARKAWI ALIS

*Non-Independent Non-Executive
Chairman*

HASHIM HARUN

*President & Chief Executive Officer
Non-Independent Executive Director*

ANUAR MOHD HASSAN

*Non-Independent Non-Executive
Director*

P. RAVEENDEREN

Independent Non-Executive Director

DATO' SYED ARIFF FADZILLAH

SYED AWALLUDDIN

Independent Non-Executive Director

YUSOFF YAACOB

Independent Non-Executive Director

DATUK MOHD KHALIL

DATO' MOHD NOOR

*Non-Independent Non-Executive
Director*

MEGAT DZIAUDDIN MEGAT MAHMUD

Independent Non-Executive Director

COMPANY SECRETARIES

Norazman Hashim (MIA 5817)
Lena Abd Latif (LS 8766)

AUDIT COMMITTEE

P. Raveenderen (Chairman)
Dato' Syed Ariff Fadzillah
Syed Awalluddin
Megat Dziauddin Megat Mahmud

NOMINATION COMMITTEE

Dato' Syed Ariff Fadzillah
Syed Awalluddin (Chairman)
Sharkawi Alis
P. Raveenderen
Yusoff Yaacob
Datuk Mohd Khalil Dato' Mohd Noor

REMUNERATION COMMITTEE

Megat Dziauddin Megat Mahmud
(Chairman)
Dato' Syed Ariff Fadzillah
Syed Awalluddin
Yusoff Yaacob

RISK MANAGEMENT COMMITTEE

Yusoff Yaacob (Chairman)
P. Raveenderen
Datuk Mohd Khalil Dato' Mohd Noor

INVESTMENT COMMITTEE

Datuk Mohd Khalil Dato' Mohd Noor
(Chairman)
Anuar Mohd Hassan
Megat Dziauddin Megat Mahmud
Hashim Harun

AUDITORS

Ernst & Young
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel : +603-7495 8000
Fax : +603-2095 5332

BANKERS

Malayan Banking Berhad
CIMB Bank Berhad

REGISTERED OFFICE

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50490 Kuala Lumpur
Tel : +603-2096 8000
Fax : +603-2096 7000
E-mail : enquiry@malaysian-re.com.my
Website : www.malaysian-re.com.my

directors' profile



SHARKAWI ALIS, aged 63, Malaysian. Non-Independent Non-Executive Chairman since 3 September 2007. Member of the Nomination Committee.

Other information on Sharkawi Alis is disclosed in the Directors' Profile section of MNRB on page 10 of this Annual Report.



HASHIM HARUN, aged 56, Malaysian. Non-Independent Executive Director since 1 April 2008. Member of the Investment Committee. Currently, the President & Chief Executive Officer of Malaysian Re. He is also the Chairman of Persatuan Insurans Am Malaysia (PIAM) and Malaysian Insurance Institute (MII). Obtained his Bachelor of Arts (Hons.) degree from the University of Malaya. He started his career at Credit Corporation (M) Berhad, a finance company, in 1977. He served in various capacities and was appointed as General Manager in 1988. In 1996, with the acquisition of Credit Corporation (M) Berhad by the DRB Hicom Group, he was appointed as the General Manager at one of its subsidiaries, Automotive Corporation (M) Sdn. Bhd., assembler and distributor of Isuzu vehicles and the national truck, Hicom. In 1998, he served on the Board of SEA Insurance Berhad (now UNI.Asia General Insurance Berhad) and subsequently appointed as CEO in 1999. He served as a Director at UNI.Asia Capital Berhad and UNI.Asia Life Assurance Berhad from 1999 to 2008. Held the position of Chairman of Central Administration Bureau (CAB) from 2003 to 2005. A Director of Malaysian Rating Corporation Berhad from 2005 to 2007. Currently, he is also a Director of MRDL.

directors' profile



ANUAR MOHD HASSAN, aged 57, Malaysian. President & Chief Executive Officer of Malaysian Re from 27 August 2004 until 31 March 2008. Currently, Non-Independent Non-Executive Director and member of the Investment Committee.

Other information on Anuar Mohd Hassan is disclosed in the Directors' Profile section of MNRB on page 10 of this Annual Report.



P. RAVEENDEREN, aged 65, Malaysian. Independent Non-Executive Director since 27 August 2004. Chairman of the Audit Committee and member of the Risk Management Committee and the Nomination Committee.

Other information on P. Raveenderen is disclosed in the Directors' Profile section of MNRB on page 11 of this Annual Report.



DATO' SYED ARIFF FADZILLAH SYED AWALLUDDIN, aged 66, Malaysian. Independent Non-Executive Director since 27 August 2004. Chairman of the Nomination Committee and member of the Remuneration Committee and the Audit Committee.

Other information on Dato' Syed Ariff Fadzillah Syed Awalluddin is disclosed in the Directors' Profile section of MNRB on page 11 of this Annual Report.

directors' profile



YUSOFF YAACOB, aged 62, Malaysian. Independent Non-Executive Director since 31 March 2005. Chairman of the Risk Management Committee and member of the Nomination Committee and the Remuneration Committee.

Other information on Yusoff Yaacob is disclosed in the Directors' Profile section of MNRB on page 11 of this Annual Report.



DATUK MOHD KHALIL DATO' MOHD NOOR, aged 69, Malaysian. Non-Independent Non-Executive Director since 31 March 2005. Chairman of the Investment Committee and member of the Risk Management Committee and the Nomination Committee.

Other information on Datuk Mohd Khalil Dato' Mohd Noor is disclosed in the Directors' Profile section of MNRB on page 12 of this Annual Report.



MEGAT DZIAUDDIN MEGAT MAHMUD, aged 64, Malaysian. Independent Non-Executive Director since 24 August 2006. Chairman of the Remuneration Committee and member of the Audit Committee and the Investment Committee.

Other information on Megat Dziauddin Megat Mahmud is disclosed in the Directors' Profile section of MNRB on page 12 of this Annual Report.