

Takaful Ikhlas General Berhad
(201701019705 (1233870-A))
(Incorporated in Malaysia)

Unaudited Interim Financial Statements
For the six months period ended 30 September 2022

201701019705 (1233870-A)

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

Contents	Page
Unaudited statements of comprehensive income	1 - 3
Unaudited statements of financial position	4
Unaudited statements of changes in equity	5
Unaudited statement of cash flows	6 - 7
Notes to the unaudited interim financial statements	8 - 30

201701019705 (1233870-A)

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

Unaudited statements of comprehensive income
For the six months period ended 30 September 2022

	1.4.2022 to 30.9.2022			1.4.2021 to 30.9.2021		
	Shareholder's fund RM '000	General takaful fund RM '000	Company RM '000	Shareholder's fund RM '000	General takaful fund RM '000	Company RM '000
Gross earned contributions	-	281,033	281,033	-	218,425	218,425
Earned contributions ceded to retakaful	-	(95,930)	(95,930)	-	(79,685)	(79,685)
Net earned contributions	-	185,103	185,103	-	138,740	138,740
Investment income	3,897	9,790	13,687	3,900	7,831	11,731
Realised (losses)/gains	(161)	(870)	(1,031)	222	301	523
Fair value (losses)/gains	(729)	(4,202)	(4,931)	168	2,000	2,168
Fee and commission income	107,090	22,865	22,865	74,287	15,946	15,946
Other operating income	344	-	344	99	4,489	4,588
Other revenue	110,441	27,583	30,934	78,676	30,567	34,956
Gross claims paid	-	(128,470)	(128,470)	-	(87,067)	(87,067)
Claims ceded to retakaful	-	59,043	59,043	-	44,524	44,524
Gross change to certificate liabilities	-	(42,927)	(42,927)	-	(43,741)	(43,741)
Change in certificate liabilities ceded to retakaful	-	15,008	15,008	-	18,043	18,043
Net claims and benefits	-	(97,346)	(97,346)	-	(68,241)	(68,241)
Fee and commission expenses	(35,624)	(107,090)	(35,624)	(24,039)	(74,287)	(24,039)
Management expenses	(48,343)	-	(48,343)	(38,667)	-	(38,667)
Finance costs	(323)	-	(323)	(68)	-	(68)
Other operating expenses	-	(453)	(453)	-	-	-
Change in expense liabilities	(4,222)	-	(4,222)	1,796	-	1,796
Tax borne by participants	-	118	118	-	(6,793)	(6,793)
Other expenses	(88,512)	(107,425)	(88,847)	(60,978)	(81,080)	(67,771)

201701019705 (1233870-A)

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

Unaudited statements of comprehensive income (cont'd.)
For the period ended 30 September 2022

	1.4.2022 to 30.9.2022			1.4.2021 to 30.9.2021		
	Shareholder's fund RM '000	General takaful fund RM '000	Company RM '000	Shareholder's fund RM '000	General takaful fund RM '000	Company RM '000
Operating profit (cont'd.)	21,929	7,915	29,844	17,698	19,986	37,684
Surplus attributable to participants	-	(7,915)	(7,915)	-	(19,986)	(19,986)
Profit before zakat and taxation	21,929	-	21,929	17,698	-	17,698
Zakat	(408)	-	(408)	(327)	-	(327)
Taxation	(5,614)	-	(5,614)	(4,602)	-	(4,602)
Net profit for the period	15,907	-	15,907	12,769	-	12,769
Basic earnings per share (sen)	-	-	6.9	-	-	6.8

201701019705 (1233870-A)

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

Unaudited statements of comprehensive income (cont'd.)
For the period ended 30 September 2022

	1.4.2022 to 30.9.2022			1.4.2021 to 30.9.2021		
	Shareholder's fund RM '000	General takaful fund RM '000	Company RM '000	Shareholder's fund RM '000	General takaful fund RM '000	Company RM '000
Net profit for the period	15,907	-	15,907	12,769	-	12,769
Other comprehensive income:						
Items that may be subsequently reclassified to income statement:						
Net (loss)/gains on financial assets at Fair Value through Other Comprehensive Income ("FVOCI"):						
- Fair value changes	(4,047)	(6,960)	(11,007)	(138)	(812)	(950)
- Transferred to profit or loss upon disposal	-	-	-	-	-	-
Tax effects relating to components of other comprehensive income	1,412	2,044	3,456	44	715	759
Other comprehensive income attributable to participants	-	4,916	4,916	-	97	97
Total comprehensive income for the period	13,272	-	13,272	12,675	-	12,675

These unaudited financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2022. The accompanying explanatory notes form an integral part of these interim financial statements.

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

Unaudited statements of financial position
As at 30 September 2022

		30.09.2022			31.03.2022		
	Note	Shareholder's fund RM '000	General takaful fund RM '000	Company RM '000	Shareholder's fund RM '000	General takaful fund RM '000	Company RM '000
Assets							
Equipment		710	-	710	397	-	397
Intangible assets		62,317	-	62,317	10,637	-	10,637
Right-of-use assets		11,596	-	11,596	3,430	-	3,430
Deferred tax assets		16,969	10,537	27,506	14,754	5,836	20,590
Financial assets	11	283,166	708,310	935,234	319,234	670,735	949,334
Retakaful certificate assets	13	-	273,949	273,949	-	259,972	259,972
Takaful certificate receivables	12	-	80,213	80,213	-	68,044	68,044
Cash and bank balances		2,997	5,798	8,795	3,376	7,167	10,543
Total assets		377,755	1,078,807	1,400,320	351,828	1,011,754	1,322,947
Liabilities							
Takaful certificate liabilities	13	-	726,158	726,158	-	672,298	672,298
Expense liabilities	14	55,613	-	55,613	51,391	-	51,391
Takaful certificate payables	15	-	32,234	32,234	-	59,657	59,657
Lease liabilities		11,810	-	11,810	3,511	-	3,511
Zakat payable		1,744	-	1,744	1,336	-	1,336
Tax payable		4,549	3,031	7,580	4,895	-	4,895
Other payables	16	16,127	143,805	103,690	16,056	109,219	84,640
Total liabilities		89,843	905,228	938,829	77,189	841,174	877,728
Participants' fund							
General takaful fund	17	-	173,579	173,579	-	170,580	170,580
Equity							
Share capital		230,000	-	230,000	230,000	-	230,000
Reserves		57,912	-	57,912	44,639	-	44,639
Total equity		287,912	-	287,912	274,639	-	274,639
Total liabilities, participants' funds and equity		377,755	1,078,807	1,400,320	351,828	1,011,754	1,322,947

These unaudited financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2022. The accompanying explanatory notes form an integral part of these interim financial statements.

201701019705 (1233870-A)

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

Unaudited statements of changes in equity
For the six months period ended 30 September 2022

Shareholder's fund and Company	Share capital RM '000	Non distributable fair value reserves RM '000	Distributable retained profits RM '000	Total RM '000
At 1 April 2020	230,000	234	34,612	264,846
Net profit for the period	-	-	12,769	12,769
Other comprehensive loss for the period	-	(94)	-	(94)
Total comprehensive (loss)/income for the period	-	(94)	12,769	12,675
Dividend paid	-	-	(21,000)	(21,000)
At 30 September 2021	230,000	140	26,381	256,521
At 1 April 2021	230,000	(1,835)	46,474	274,639
Net profit for the period	-	-	15,907	15,907
Other comprehensive loss for the period	-	(2,635)	-	(2,635)
Total comprehensive (loss)/income for the period	-	(2,635)	15,907	13,272
At 30 September 2022	230,000	(4,470)	62,381	287,912

These unaudited financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2022. The accompanying explanatory notes form an integral part of these interim financial statements.

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

Unaudited statement of cash flows
For the six months period ended 30 September 2022

	1.4.2022 to 30.9.2022 RM '000	1.4.2021 to 30.9.2021 RM '000
Cash flows from operating activities		
Profit before zakat and taxation	21,929	17,698
Adjustments for:		
Depreciation of equipment	90	33
Depreciation of right-of-use assets	1,030	1,101
Finance costs on lease liabilities	323	68
Amortisation of intangible assets	1,932	496
Net amortisation of premiums	873	639
Profit income	(13,836)	(11,560)
Dividend income	(779)	(834)
Fair value adjustments of financial assets at fair value through profit or loss ("FVTPL")	4,931	(2,168)
(Writeback of impairment)/impairment loss of financial assets at FVOCI	-	(62)
Realised loss/(gain) on disposal of investments	1,031	(523)
Allowance for/(writeback of) impairment of takaful certificate receivables	915	(4,339)
Surplus transferred to general takaful fund	7,915	19,986
Operating cash flows before working capital changes	<u>26,354</u>	<u>20,534</u>
Changes in working capital:		
Net purchase of financial assets	16,098	(17,341)
Increase in placement of Islamic investment accounts	(10,305)	(44,364)
Decrease in staff financing	141	85
Increase in retakaful certificate assets	(13,977)	(13,433)
(Increase)/decrease in takaful certificate receivables	(13,084)	34,822
(Increase)/decrease in other receivables and deposits	(67,349)	2,935
Increase fair value reserves	(2,635)	(94)
Net change in balance with related companies	6,885	(7,401)
Increase in gross claims liabilities	42,927	43,741
Increase/(decrease) in gross contribution liabilities	10,933	(15,500)
Increase/(decrease) in expense liabilities	4,222	(1,796)
(Decrease)/increase in takaful certificate payables (and due to agents, retakaful and brokers)	(27,423)	2,089
Increase in zakat, tax and other payables	20,615	16,517
Operating cash flows after working capital changes	<u>(6,597)</u>	<u>20,793</u>

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

Unaudited statement of cash flows (cont'd.)
For the six months period ended 30 September 2022

	1.4.2022 to 30.9.2022 RM '000	1.4.2021 to 30.9.2021 RM '000
Cash flows from operating activities (cont'd.)		
Operating cash flows after working capital changes (cont'd.)	(6,597)	20,793
Profit income received	14,671	11,361
Finance cost paid on lease liabilities	(323)	(68)
Dividend income received	756	1,025
Surplus paid to participants	-	(688)
Income tax paid	(7,342)	(6,458)
Net cash generated from operating activities	1,165	25,965
Cash flows from investing activities		
Purchase of equipment	(403)	-
Purchase of intangible assets	(1,611)	(1,826)
Payment of principal portion of lease liabilities	(899)	(1,140)
Net cash used in investing activities	(2,913)	(2,966)
Cash flows from financing activity		
Dividend paid	-	(21,000)
Net cash used in financing activities	-	(21,000)
Net (decrease)/increase in cash and cash equivalents	(1,748)	1,999
Cash and cash equivalents at beginning of period	10,543	9,637
Cash and cash equivalents at end of period	8,795	11,636
Cash and cash equivalents comprise:		
Cash and bank balances of:		
Shareholder's fund	2,997	7,827
General takaful fund	5,798	3,809
	8,795	11,636

These unaudited financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2022. The accompanying explanatory notes form an integral part of these interim financial statements.

**Takaful Ikhlas General Berhad
(Incorporated in Malaysia)**

Notes to the unaudited interim financial statements - 30 September 2022

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at 5th Floor, Bangunan Malaysian Re, No. 17, Lorong Dungun, Damansara Heights, 59490 Kuala Lumpur, Malaysia.

The Company is engaged principally in the management of general takaful businesses. There were no significant changes in the principal activities of the Company during the financial period from 1 April 2022 to 30 September 2022.

The holding and ultimate holding company is MNRB Holdings Berhad ("MNRB"), a company incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The unaudited interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 November 2022.

2. Significant accounting policies

2.1 Basis of preparation

The unaudited interim financial statements for the six months period ended 30 September 2021 have been prepared in accordance with Malaysia Financial Reporting Standards ("MFRS") 134 *Interim Financial Reporting*, IAS 34 *Interim Financial Reporting* issued by the International Financial Reporting Standards Board and the Guidelines/ Circulars issued by the Bank Negara Malaysia.

At the beginning of the current financial year, the Company had adopted the new MFRSs applicable for annual financial periods beginning on or after 1 January 2021 as described fully in Note 2.2.

The financial statements of the Company have been prepared on a historical cost basis, unless otherwise stated in the accounting policies. The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM '000) except when otherwise indicated.

The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company since the financial year ended 31 March 2022.

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

2. Significant accounting policies (cont'd.)

2.1 Basis of preparation (cont'd.)

The interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's audited financial statements for the financial period ended 31 March 2022.

Takaful operations and its funds

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. Income and expense will not be offset in the statements of comprehensive income unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Company.

The statements of comprehensive income and statements of financial position of the shareholder's fund and general takaful fund which are presented on pages 1 to 3 and page 4 of the interim financial statements have been provided as supplementary financial information and to comply with the requirements of BNM/RH/PD 033-5: Financial Reporting for Takaful Operators issued by BNM. The Islamic Financial Services Act, ("IFSA") 2013 in Malaysia requires the clear segregation of the assets, liabilities, income and expenses of the shareholder's fund and the general takaful fund. Accordingly, the statements of financial position and statements of comprehensive income prepared for the shareholder's fund and general takaful fund as referred to above reflect only the assets, liabilities, income, expenses and comprehensive income or losses of the individual funds.

However, in compliance with MFRS 10 *Consolidated Financial Statements*, the assets, liabilities, income and expenses of the general takaful fund are consolidated with those of the takaful operator to represent the control possessed by the operator over the respective funds.

In preparing the Company-level financial statements, the balances and transactions of the shareholder's fund are consolidated with those of the general takaful fund. Interfund assets and liabilities, income, and expenses relating to transactions between the funds are eliminated in full during consolidation. The accounting policies adopted for the shareholder's and general takaful fund are uniform for like transactions and events in similar circumstances.

Under the concept of takaful, individuals make contributions to a pool which is managed by a third party with the overall aim of using the monies to aid fellow participants in times of need. Accordingly, as a takaful operator, the Company manages the general takaful fund in line with the principles of Wakalah (agency), which is the business model used by the Company. Under the Wakalah model, the takaful operator is not a participant in the fund but manages the funds (including the relevant assets and liabilities) towards the purpose outlined above.

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

2. Significant accounting policies (cont'd.)

2.2 Changes in accounting policies

The significant accounting policies adopted are consistent with those applied in the annual audited financial statements for the financial year ended 31 March 2022, except for the adoption of the following standards, amendments to standards and interpretations issued by the Malaysian Accounting Standards Board ("MASB") that are effective for the Company's financial year beginning 1 April 2022:

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16
Interest Rate Benchmark Reform-Phase 2
- Amendments to MFRS 16 *Leases*
Covid-19 - Related Rent Concessions beyond 30 June 2021

The adoption of the above standards, amendments to standards and interpretations did not have any significant effect on the disclosures or amounts recognised in the Company's financial statements.

Standards issued but not yet effective

The Standards, Amendments to Standards and Annual Improvements to Standards that have been issued but not yet effective up to the date of issuance of the Group's unaudited financial statements are disclosed below. The Group intend to adopt these Standards, Amendments to Standards and Annual Improvements to Standards, if applicable, when they become effective:

Description	Effective for annual periods beginning on or after
Amendments to <i>MFRS 101 Presentation of Financial Statements</i> <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to <i>MFRS 101 Presentation of Financial</i> <i>Statements Disclosure of Accounting Policies</i>	1 January 2023
<i>MFRS 17 Insurance Contracts</i> <i>Amendments to MFRS 17 Insurance Contracts</i>	1 January 2023
Amendments to <i>MFRS 17 Insurance Contracts - Initial Application</i> <i>of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
Amendments to <i>MFRS 108 Accounting Policies,</i> <i>Changes in Accounting Estimates and Errors</i> <i>- Definition of Accounting Estimates</i>	1 January 2023
Amendments to <i>MFRS 112 Income Taxes Deferred Tax related to</i> <i>Assets and Liabilities arising from Single Transaction</i>	1 January 2023
Amendments to <i>MFRS 10 Consolidated Financial Statements and</i> <i>MFRS 128 Investment in Associates and Joint Ventures</i>	1 January 2023

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

3. Auditor's report

The auditor's report on the audited financial statements of the preceding year ended 31 March 2022 does not contain any qualification.

4. Seasonality or cyclical factors

The businesses of the Company was not materially affected by any seasonal or cyclical fluctuations during the six months financial period ended 30 September 2022.

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the six months financial period ended 30 September 2022.

6. Changes in estimates

There was a change in the unearned contribution reserves ("UCR") computation by deducting net wakalah from gross contribution less ceded amount during the financial year ended 31 March 2021. The net wakalah fee is determined based on proportion of contribution retained instead of gross contribution. As contrasted with the previous computation basis for net UCR where in gross wakalah fee were deducted from net contribution.

The revised computation is more accurate in reflecting the unexpired portion of tabarru' allocation where a proportional treaty is in place. The change in the computation of net UCR has been accounted for prospectively in the last financial year ended 31 March 2021 in accordance with the requirements of MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors.

7. Issuances, cancellations, repurchase, resale and repayments of debt and equity securities

There were no issues, repurchases and repayment of debt and equity securities for the six months financial period ended .

8. Significant and subsequent event

There were no significant and subsequent events during the current financial period ended.

9. Dividend payable

Dividend of RM18 million in respect of the financial year ended 31 March 2022 was paid on 5 October 2022.

10. Changes in the composition of the Company

There is no change in the composition of the Company since the end of the previous financial year ended .

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

11. Financial assets

The following table summarises the fair values and carrying values of financial assets of the Company other than cash and bank balances:

	30.09.2022			31.03.2022		
	Shareholder's fund RM '000	General takaful fund RM '000	Company RM '000	Shareholder's fund RM '000	General takaful fund RM '000	Company RM '000
Unquoted sukuk	158,423	183,431	341,854	104,763	181,761	286,524
Government investment issues	25,227	112,598	137,825	80,863	135,879	216,742
Quoted Shariah approved						
equities in Malaysia	4,987	15,925	20,912	8,253	26,073	34,326
Real estate investment trusts	-	814	814	780	809	1,589
Shariah approved unit trust funds	-	12,893	12,893	-	14,515	14,515
Islamic commercial papers	4,994	14,987	19,981	1,990	2,985	4,975
Islamic investment accounts with licensed:						
Islamic banks	23,017	296,762	319,779	70,716	235,688	306,404
Development banks	1,097	58,671	59,768	3,185	58,285	61,470
Secured staff financing:						
Receivable within 12 months	356	-	356	360	-	360
Receivable after 12 months	636	-	636	773	-	773
Due from general takaful fund *	56,242	-	-	40,635	-	-
Amount due from:						
Holding company *	1,023	-	1,023	4,041	-	4,041
Fellow subsidiary *	-	111	111	-	2,498	2,498
Income due and accrued	2,257	4,143	6,400	2,261	4,951	7,212
Sundry receivables	4,907	7,975	12,882	614	7,291	7,905
	283,166	708,310	935,234	319,234	670,735	949,334
Financial assets at FVTPL (Note 11(a))	4,987	29,632	34,619	9,033	41,397	50,430
Financial assets at FVOCI (Note 11(b))	183,650	296,029	479,679	185,626	317,640	503,266
Financial assets at AC (Note 11(c))	94,529	382,649	420,936	124,575	311,698	395,638
	283,166	708,310	935,234	319,234	670,735	949,334

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

11. Financial assets (cont'd.)**(a) Financial assets at FVTPL****At fair value:**

- Mandatorily measured:

Quoted Shariah approved
equities in Malaysia

Real estate investment trusts

Shariah approved unit trust funds

	30.09.2022		31.03.2022		
Shareholder's fund RM '000	General takaful fund RM '000	Company RM '000	Shareholder's fund RM '000	General takaful fund RM '000	Company RM '000
4,987	15,925	20,912	8,253	26,073	34,326
-	814	814	780	809	1,589
-	12,893	12,893	-	14,515	14,515
4,987	29,632	34,619	9,033	41,397	50,430

(b) Financial assets at FVOCI**At fair value:**

Unquoted sukuk

Government investment issues

	30.09.2022		31.03.2022		
Shareholder's fund RM '000	General takaful fund RM '000	Company RM '000	Shareholder's fund RM '000	General takaful fund RM '000	Company RM '000
158,423	183,431	341,854	104,763	181,761	286,524
25,227	112,598	137,825	80,863	135,879	216,742
183,650	296,029	479,679	185,626	317,640	503,266

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

11. Financial assets (cont'd.)

	30.09.2022			31.03.2022		
	Shareholder's fund RM '000	General takaful fund RM '000	Company RM '000	Shareholder's fund RM '000	General takaful fund RM '000	Company RM '000
(c) Financial assets at AC						
At amortised cost						
Islamic commercial papers	4,994	14,987	19,981	1,990	2,985	4,975
Islamic investment accounts with licensed:						
Islamic banks	23,017	296,762	319,779	70,716	235,688	306,404
Development banks	1,097	58,671	59,768	3,185	58,285	61,470
Secured staff financing:						
Receivable within 12 months	356	-	356	360	-	360
Receivable after 12 months	636	-	636	773	-	773
Due from general takaful fund *	56,242	-	-	40,635	-	-
Amount due from:						
Holding company *	1,023	-	1,023	4,041	-	4,041
Fellow subsidiary *	-	111	111	-	2,498	2,498
Income due and accrued	2,257	4,143	6,400	2,261	4,951	7,212
Sundry receivables	466	7,975	8,441	436	4,090	4,526
	<u>90,088</u>	<u>382,649</u>	<u>416,495</u>	<u>124,397</u>	<u>308,497</u>	<u>392,259</u>
Other assets:						
Prepayments	4,441	-	4,441	178	3,201	3,379
	<u>4,441</u>	<u>-</u>	<u>4,441</u>	<u>178</u>	<u>3,201</u>	<u>3,379</u>
	<u>94,529</u>	<u>382,649</u>	<u>420,936</u>	<u>124,575</u>	<u>311,698</u>	<u>395,638</u>

* The amounts due from general takaful fund and related companies are unsecured, not subject to any profit elements and are repayable on demand.

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

12. Takaful certificate receivables**General takaful fund and Company**

	30.09.2022	31.03.2022
	RM '000	RM '000
Due contributions including agents/brokers and co-takaful balances	77,520	60,240
Due from retakaful operators	13,094	17,276
	<u>90,614</u>	<u>77,516</u>
Allowance for impairment	(10,401)	(9,472)
	<u>80,213</u>	<u>68,044</u>

Included in takaful certificate receivables are amounts due from related parties as disclosed under Note 20. The amounts receivable are subject to settlement terms stipulated in the takaful and retakaful certificates.

13. Takaful certificate liabilities**General takaful fund and Company**

	Gross	Retakaful	Net
	RM '000	RM '000	RM '000
30.09.2022			
Provision for claims reported by certificate holders	321,227	(150,777)	170,450
Provision for claims incurred but not yet reported ("IBNR")	98,363	(41,104)	57,259
Provision of Risk Margin for Adverse Deviation ("PRAD")	49,352	(22,144)	27,208
Claim liabilities (i)	<u>468,942</u>	<u>(214,025)</u>	<u>254,917</u>
Contribution liabilities (ii)	<u>257,216</u>	<u>(59,924)</u>	<u>197,293</u>
	<u>726,158</u>	<u>(273,949)</u>	<u>452,210</u>
	Gross	Retakaful	Net
	RM '000	RM '000	RM '000
31.03.2022			
Provision for claims reported by certificate holders	274,276	(132,652)	141,624
Provision for claims incurred but not yet reported ("IBNR")	105,222	(45,527)	59,695
Provision of Risk Margin for Adverse Deviation ("PRAD")	46,517	(20,839)	25,678
Claim liabilities (i)	<u>426,015</u>	<u>(199,018)</u>	<u>226,997</u>
Contribution liabilities (ii)	<u>246,283</u>	<u>(60,954)</u>	<u>185,329</u>
	<u>672,298</u>	<u>(259,972)</u>	<u>412,326</u>

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

13. Takaful certificate liabilities (cont'd.)

The movement of the claim liabilities and contribution liabilities of the general takaful fund are presented as below:

(i) Claim liabilities

General takaful fund and Company

30.09.2022	Gross RM '000	Retakaful RM '000	Net RM '000
At 1 April 2022	426,015	(199,018)	226,997
Claims incurred in the current accident period	205,301	(77,277)	128,024
Adjustment to claims incurred in prior accident years due to changes in assumptions:			
Decrease in PRAD	(9,311)	3,212	(6,099)
Decrease in expected ultimate loss ratios	(44,593)	18,753	(25,840)
Movements in claims incurred in prior accident years	20,000	(18,738)	1,262
Claims paid during the period	(128,470)	59,043	(69,427)
At 30 September 2022	<u>468,942</u>	<u>(214,025)</u>	<u>254,917</u>
31.03.2022			
At 1 April 2020	325,689	(149,919)	175,770
Claims incurred in the current accident year	345,663	(161,044)	184,619
Adjustment to claims incurred in prior accident years due to changes in assumptions:			
Decrease in PRAD	(8,213)	2,902	(5,311)
Decrease in expected ultimate loss ratios	(34,465)	13,106	(21,359)
Movements in claims incurred in prior accident years	11,789	(16,702)	(4,913)
Claims paid during the year	(214,448)	112,639	(101,809)
At 31 March 2022	<u>426,015</u>	<u>(199,018)</u>	<u>226,997</u>

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

13. Takaful certificate liabilities (cont'd.)**(ii) Contribution liabilities**

General takaful fund and Company	Gross RM '000	Retakaful RM '000	Net RM '000
30.09.2022			
At 1 April 2022	246,283	(60,954)	185,330
Contributions written during the period	291,966	(94,901)	197,065
Contributions earned during the period	(281,033)	95,931	(185,102)
At 30 September 2022	<u>257,216</u>	<u>(59,924)</u>	<u>197,293</u>
31.03.2022			
At 1 April 2021	223,546	(50,394)	173,152
Contributions written during the year	516,129	(196,614)	319,515
Contributions earned during the year	(493,392)	186,054	(307,338)
At 31 March 2022	<u>246,283</u>	<u>(60,954)</u>	<u>185,329</u>

14. Expense liabilities**Shareholder's fund and Company**

	30.09.2022 RM '000	31.03.2021 RM '000
Expense liabilities of general takaful fund		
Unearned wakalah fees reserve	<u>55,613</u>	<u>51,391</u>

The movement of expense liabilities are presented as follows:

	RM '000
At 1 April 2022	46,188
- Wakalah fees received during the period	107,090
- Wakalah fees earned during the period	(97,665)
	<u>9,425</u>
At 30 September 2022	<u>55,613</u>
At 1 April 2021	46,188
- Wakalah fees received during the period	187,153
- Wakalah fees earned during the period	(181,950)
	<u>5,203</u>
At 31 March 2022	<u>51,391</u>

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

15. Takaful certificate payables

General takaful fund and Company

	30.09.2022 RM '000	31.03.2022 RM '000
Due to retakaful operators	32,234	59,657

Included in takaful certificate receivables are amounts due from related parties as disclosed under Note 20. The amounts receivable are subject to settlement terms stipulated in the takaful and retakaful certificates.

16. Other payables

	Shareholder's fund RM '000	General takaful fund RM '000	Company RM '000
30.09.2022			
Provision on:			
Marketing incentive	7,532	-	7,532
Salary bonus	2,333	-	2,333
Others	2,348	-	2,348
Deposit contributions	-	971	971
Amount due to participants	-	8,024	8,024
Amount due to shareholder's fund*	-	56,242	-
Amount due to fellow subsidiaries*	2,589	-	2,589
Other accruals and payables	1,325	78,568	79,893
	<u>16,127</u>	<u>143,805</u>	<u>103,690</u>
31.03.2022			
Provision on:			
Marketing incentive	3,243	-	3,243
Salary bonus	4,737	-	4,737
Others	4,949	-	4,949
Advance contributions	-	3,485	3,485
Deposit contributions	-	2,053	2,053
Amount due to participants	-	8,341	8,341
Amount due to shareholder's fund*	-	40,635	-
Amount due to fellow subsidiaries*	1,109	-	1,109
Surplus payable	-	21,257	21,257
Other accruals and payables	2,018	33,448	35,466
	<u>16,056</u>	<u>109,219</u>	<u>84,640</u>

* The amounts due to the shareholder's fund and the holding company/fellow subsidiaries are unsecured, not subject to any profit elements and are repayable on demand.

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

17. General takaful fund

General takaful fund and Company

	30.09.2022	31.03.2022
	RM '000	RM '000
Accumulated surplus		
At beginning of the period/year	172,138	157,623
Surplus attributable to participants	7,915	22,515
Surplus payable to participants during the period/year	-	(8,000)
At end of the period/year	<u>180,053</u>	<u>172,138</u>
	30.09.2022	31.03.2022
	RM '000	RM '000
Fair value reserves		
At beginning of the period/year	(1,558)	2,362
Net losses on fair value changes	(6,960)	(4,764)
Deferred tax on fair value changes	2,044	1,238
Realised gains transferred to profit or loss	-	(394)
At end of the period/year	<u>(6,474)</u>	<u>(1,558)</u>
	30.09.2022	31.03.2022
	RM '000	RM '000
General takaful fund at end of the period		
Accumulated surplus	180,053	172,138
Fair value reserves	(6,474)	(1,558)
	<u>173,579</u>	<u>170,580</u>

18. Capital commitments and contingencies

Capital commitments

	30.09.2022	31.03.2022
	RM '000	RM '000
Shareholder's fund and Company		
Authorised and contracted for:		
Intangible assets	5,939	6,965
Authorised but not contracted for:		
Intangible assets	19,792	15,358
Equipment	2,135	2,471
	<u>21,927</u>	<u>17,829</u>
Payable within 1 year	8,080	12,152
Payable after 1 year but not more than 5 years	19,786	12,642
	<u>27,866</u>	<u>24,794</u>

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

18. Capital commitments and contingencies (cont'd.)

The Company has provided bank guarantees on the services contracts with external parties of RM476,565 in the form of cash deposit in marginal accounts.

19. Regulatory capital requirement

The capital structure of the Company as at 30 September 2022, as prescribed under the Risk-Based Capital Framework for Takaful Operators ("RBCT Framework") is provided below:

	Shareholder's fund RM '000	General takaful fund RM '000	Total RM'000
30.09.2022			
Eligible tier-1 capital			
Share capital	230,000	-	230,000
Retained profits/accumulated surplus	62,381	180,053	242,434
Tier-2 capital			
Fair value reserves	(4,470)	(6,474)	(10,944)
Amount deducted from capital	(79,288)	(10,539)	(89,827)
Total capital available	<u>208,623</u>	<u>163,040</u>	<u>371,663</u>
31.03.2022			
Eligible tier-1 capital			
Share capital	230,000	-	230,000
Retained profits/accumulated surplus	46,474	172,138	218,612
Tier-2 capital			
Fair value reserves	(1,835)	(1,558)	(3,393)
Amount deducted from capital	(25,391)	(5,836)	(31,227)
Total capital available	<u>249,248</u>	<u>164,744</u>	<u>413,993</u>

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

20. Related party transactions

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The significant related party transactions during the period are as follows:

	Shareholder's fund RM '000	General takaful fund RM '000	Company RM '000
30.09.2022			
Income/(expenses) :			
Transactions with MNRB			
Gross contributions	-	445	445
Management fees	(7,151)	-	(7,151)
Management expense chargeback	(405)	-	(405)
Dividend paid	(18,000)	-	(18,000)
Transactions with Takaful IKHLAS			
Family, a fellow subsidiary:			
Gross contribution received	-	35	35
Gross contribution paid for takaful cover	(342)	-	(342)
Management fees	(512)	-	(512)
Management expense chargeback	(3,815)	-	(3,815)
Transactions with Malaysian Re, a fellow subsidiary:			
Gross contributions received	-	105	105
Contributions ceded	-	(1,649)	(1,649)
Retakaful commission income	-	10,722	10,722
Claims recoveries	-	432	432
Management fees	(313)	-	(313)
Management expense chargeback	(677)	-	(677)

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

20. Related party transactions (cont'd.)

30.09.2022 (Cont'd.)	Shareholder's fund RM '000	General takaful fund RM '000	Company RM '000
Income/(expenses) :			
Transactions with Labuan			
Reinsurance (L) Ltd			
("Labuan Re"), in which Malaysian			
Re is a substantial shareholder:			
Gross contributions received	-	19	19
Contributions ceded	-	(3,743)	(3,743)
Retakaful commission income	-	238	238
Claims recoveries	-	2,293	2,293

31.03.2022	Shareholder's fund RM '000	General takaful fund RM '000	Company RM '000
Income/(expenses) :			
Transactions with MNRB:			
Gross contributions	-	390	390
Management fees	(9,831)	-	(9,831)
Management expense chargeback	(781)	-	(781)
Dividend paid	(21,000)	-	(21,000)

Transactions with Takaful IKHLAS			
Family, a fellow subsidiary:			
Gross contribution received	-	106	106
Gross contribution paid for			
takaful cover	(310)	-	(310)
Management fees	(3,339)	-	(3,339)
Management expense chargeback	(6,651)	-	(6,651)

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

20. Related party transactions (cont'd.)

31.03.2022 (Cont'd.)	Shareholder's fund RM '000	General takaful fund RM '000	Company RM '000
Transactions with Malaysian Re, a fellow subsidiary:			
Gross contributions received	-	100	100
Contributions ceded	-	(13,537)	(13,537)
Retakaful commission income	-	1,320	1,320
Claims recoveries	-	35,191	35,191
Management fees	(74)	-	(74)
Management expense chargeback	(26)	-	(26)
Transactions with Labuan Reinsurance (L) Ltd ("Labuan Re"), in which Malaysian Re is a substantial shareholder:			
Contributions ceded	-	(6,682)	(6,682)
Retakaful commission income	-	671	671
Claims recoveries	-	6,428	6,428

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

21. Fair values

MFRS 7 *Financial Instruments: Disclosures* ("MFRS 7") requires the classification of financial instruments measured at fair value according to a hierarchy that reflects the significance of inputs used in making the measurements, in particular, whether the inputs used are observable or unobservable. MFRS 13 *Fair Value Measurement* requires similar disclosure requirements as MFRS 7, but this is extended to include all assets and liabilities measured and/or disclosed at fair value.

The levels of the fair value hierarchy as defined by the accounting standards are an indication of the observability of prices or valuation input. The following levels of hierarchy are used for determining and disclosing the fair value of the Company's assets/liabilities:

- Level - Quoted prices (unadjusted) in active markets for identical assets or liabilities, either directly or indirectly.

Refers to financial instruments which are regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. Such financial instruments include actively traded quoted equities, warrants and quoted unit and property trusts fund.

For investments in investment linked units and unit trusts, if any, fair value is determined by reference to published net asset values.

- Level - Inputs that are based on observable market data, either directly or indirectly

Refers to inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices). Such financial instruments include government guaranteed ("GG") sukuks, unsecured sukuks and government investment issues ("GII").

- Level - Inputs that are not based on observable market data

Refers to financial instruments where fair values are measured using unobservable market inputs. The valuation technique is consistent with Level 2. The chosen valuation technique incorporates management's assumptions and data.

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There were no reclassifications between Level 1 and Level 2 of the fair value hierarchy during the current and previous financial period/years.

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

21. Fair values (cont'd.)

There were no transfers in and out of Level 3 of the fair value hierarchy during the current and previous financial period/years.

(i) Cash and cash equivalents and other receivables/payables

The carrying amounts of cash and bank balances and other receivables/payables, are reasonable approximations of fair value due to the relatively short-term maturity of these financial instruments.

(ii) Financial assets at AC

The management had assessed that the fair value of financial assets at AC approximate their carrying amounts largely due to the short-term maturities of these instruments.

(iii) Takaful certificate receivables and payables

The carrying amounts are measured at amortised cost in accordance with the accounting policies as disclosed in the audited financial statements for the financial year ended 31 March 2021. The carrying amounts approximate fair values due to the relatively short-term maturity of these financial instruments.

(iv) Investments

The carrying amounts are measured at amortised cost in accordance with the accounting policies as disclosed in the audited financial statements for the financial year ended 31 March 2021.

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

21. Fair values (cont'd.)

(v) Fair value disclosures based on 3-level hierarchy

The following tables show financial assets that are measured and/or disclosed at fair value on a recurring basis analysed by the different bases of fair values:

	Valuation technique using:			Total RM '000
	Level 1 Quoted market prices RM '000	Level 2 Observable inputs RM '000	Level 3 Significant unobservable inputs RM '000	
Company				
30.09.2022				
<u>Financial assets:</u>				
Financial assets at FVTPL:				
Quoted Shariah approved equities in Malaysia	20,912	-	-	20,912
Real estate investment trusts	814	-	-	814
Shariah approved unit trust funds	12,893	-	-	12,893
	<u>34,619</u>	<u>-</u>	<u>-</u>	<u>34,619</u>
Financial assets at FVOCI:				
Unquoted sukuk Government investment issues	-	341,854	-	341,854
	-	137,825	-	137,825
	<u>-</u>	<u>479,679</u>	<u>-</u>	<u>479,679</u>
	<u>34,619</u>	<u>479,679</u>	<u>-</u>	<u>514,298</u>

31.03.2022

Financial assets:

Financial assets at FVTPL:

Quoted Shariah approved equities in Malaysia	34,326	-	-	34,326
Real estate investment trusts	1,589	-	-	1,589
Shariah approved unit trust funds	14,515	-	-	14,515
	<u>50,430</u>	<u>-</u>	<u>-</u>	<u>50,430</u>

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

21. Fair values (cont'd.)

(v) Fair value disclosures based on 3-level hierarchy (cont'd.)

	Valuation technique using:			Total RM '000
	Level 1 Quoted market prices RM '000	Level 2 Observable inputs RM '000	Level 3 Significant unobservable inputs RM '000	
Company (cont'd.)				
31.03.2022				
Financial assets at FVOCI:				
Unquoted sukuks	-	286,524	-	286,524
Government investment issues	-	216,742	-	216,742
	-	503,266	-	503,266
	50,430	503,266	-	553,696

	Valuation technique using:			Total RM '000
	Level 1 Quoted market prices RM '000	Level 2 Observable inputs RM '000	Level 3 Significant unobservable inputs RM '000	
Shareholder's fund				
30.09.2022				
<u>Financial assets:</u>				
Financial assets at FVTPL:				
Quoted Shariah approved equities in Malaysia	4,987	-	-	4,987
Real estate investment trusts	-	-	-	-
	4,987	-	-	4,987
Financial assets at FVOCI:				
Unquoted sukuks	-	158,423	-	158,423
Government investment issues	-	25,227	-	25,227
	-	183,650	-	183,650
	4,987	183,650	-	188,637

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

21. Fair values (cont'd.)

(v) Fair value disclosures based on 3-level hierarchy (cont'd.)

	Valuation technique using:			Total RM '000
	Level 1 Quoted market prices RM '000	Level 2 Observable inputs RM '000	Level 3 Significant unobservable inputs RM '000	
Shareholder's fund (cont'd.)				
31.03.2022				
Financial assets:				
Financial assets at FVTPL:				
Quoted Shariah approved equities in Malaysia	8,253	-	-	8,253
Real estate investment trusts	780	-	-	780
	9,033	-	-	9,033
Financial assets at FVOCI:				
Unquoted sukuks	-	104,763	-	104,763
Government investment issues	-	80,863	-	80,863
	-	185,626	-	185,626
	9,033	185,626	-	194,659

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

21. Fair values (cont'd.)

(v) Fair value disclosures based on 3-level hierarchy (cont'd.)

	Valuation technique using:			Total RM '000
	Level 1 Quoted market prices RM '000	Level 2 Observable inputs RM '000	Level 3 Significant unobservable inputs RM '000	
General takaful fund				
31.03.2022				
Financial assets:				
Financial assets at FVTPL:				
Quoted Shariah approved equities in Malaysia	15,925	-	-	15,925
Real estate investment trusts	814	-	-	814
Shariah approved unit trust funds	12,893	-	-	12,893
	29,632	-	-	29,632
Financial assets at FVOCI:				
Unquoted sukuk	-	183,431	-	183,431
Government investment issues	-	112,598	-	112,598
	-	296,029	-	296,029
	29,632	296,029	-	325,661

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

21. Fair values (cont'd.)

(v) Fair value disclosures based on 3-level hierarchy (cont'd.)

	Valuation technique using:			Total RM '000
	Level 1	Level 2	Level 3	
	Quoted		Significant	
	market prices RM '000	Observable inputs RM '000	unobservable inputs RM '000	
General takaful fund (cont'd.)				
31.03.2022				
<u>Financial assets:</u>				
Financial assets at FVTPL:				
Quoted Shariah approved equities in Malaysia	26,073	-	-	26,073
Real estate investment trusts	809	-	-	809
Shariah approved unit trust funds	14,515	-	-	14,515
	<u>41,397</u>	<u>-</u>	<u>-</u>	<u>41,397</u>
Financial assets at FVOCI:				
Unquoted sukuk Government investment issues	-	181,761	-	181,761
	-	135,879	-	135,879
	<u>-</u>	<u>317,640</u>	<u>-</u>	<u>317,640</u>
	41,397	317,640	-	359,037