

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

**Unaudited Interim Financial Statements**  
**For the six months period ended 30 September 2023**

**201701019705 (1233870-A)**

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

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201701019705 (1233870-A)

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

**Unaudited condensed interim statement of profit or loss**  
**for the period ended 30 September 2023**

		01.04.2023 to 30.09.2023		01.04.2022 to 30.09.2022 (Restated)	
	Note	General Takaful Fund RM '000	Company RM '000	General Takaful Fund RM '000	Company RM '000
Takaful revenue		356,118	356,118	261,818	261,818
Takaful service expense	10	(332,964)	(298,992)	(255,930)	(242,720)
<b>Takaful service result before retakaful certificates held</b>		<b>23,154</b>	<b>57,127</b>	<b>5,888</b>	<b>19,098</b>
Allocation of retakaful contribution		(95,023)	(95,023)	(85,782)	(85,782)
Amounts recoverable from retakaful operators		80,043	82,175	71,215	72,368
<b>Net expense from retakaful certificates held</b>	11	<b>(14,980)</b>	<b>(12,848)</b>	<b>(14,566)</b>	<b>(13,414)</b>
<b>Takaful service result</b>		<b>8,173</b>	<b>44,279</b>	<b>(8,678)</b>	<b>5,684</b>
Investment income	12	16,899	20,638	9,790	13,687
Net realised losses	13	(1,502)	(1,393)	(870)	(1,031)
Net fair value gains/(losses)	14	2,116	2,260	(4,202)	(4,931)
<b>Net investment income</b>		<b>17,513</b>	<b>21,505</b>	<b>4,718</b>	<b>7,725</b>
Net takaful profit (expenses)/income from takaful certificates issued		(5,763)	(7,204)	431	455
Net takaful profit income/(expenses) from retakaful certificates held		2,456	2,722	(259)	(292)
<b>Net takaful financial result</b>	15	<b>(3,308)</b>	<b>(4,482)</b>	<b>171</b>	<b>163</b>
Other operating income		3,564	3,539	3,007	3,351
Other operating expenses		(6,323)	(8,222)	(453)	(2,380)
Finance cost		-	(158)	-	(323)
<b>Net other operating income and expenses</b>		<b>(2,759)</b>	<b>(4,841)</b>	<b>2,554</b>	<b>648</b>
<b>Recognition of actual unallocated (surplus)/deficit</b>		<b>(19,620)</b>	<b>(19,620)</b>	<b>1,235</b>	<b>1,235</b>

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Unaudited condensed interim statement of profit or loss  
for the period ended 30 September 2023 (cont'd.)

	01.04.2023 to 30.09.2023		01.04.2022 to 30.09.2022 (Restated)	
	General Takaful Fund RM '000	Company RM '000	General Takaful Fund RM '000	Company RM '000
<b>Note</b>				
<b>Profit before taxation and zakat</b>	-	36,841	-	15,454
Zakat	-	(703)	-	(408)
Taxation	-	(9,593)	-	(4,060)
<b>Net profit for the financial period</b>	-	26,544	-	10,986

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Takaful Ikhlas General Berhad  
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Unaudited condensed interim statement of comprehensive income  
for the period ended 30 September 2023

	01.04.2023 to 30.09.2023		01.04.2022 to 30.09.2022 (Restated)	
	General Takaful Fund RM '000	Company RM '000	General Takaful Fund RM '000	Company RM '000
Note				
Net profit for the financial period	-	26,544	-	10,986
Other comprehensive income:				
Items that may be subsequently reclassified to income statement:				
Net gains/(losses) on financial assets at Fair Value through Other Comprehensive Income ("FVOCI"):				
- Fair value changes	(450)	(1)	(6,960)	(11,007)
- Transferred to profit or loss upon disposal	615	428	(222)	(303)
Tax effects relating to components of other comprehensive income	(47)	(109)	2,044	3,456
Other comprehensive (income)/loss attributable to participants	(118)	(118)	5,138	5,138
<b>Total comprehensive income for the financial period</b>	<b>-</b>	<b>26,744</b>	<b>-</b>	<b>8,270</b>

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

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

**Unaudited condensed interim statement of financial position**  
**as at 30 September 2023**

		30.09.2023		31.03.2023 (Restated)	
		General		General	
	Note	Takaful Fund	Company	Takaful Fund	Company
		RM '000	RM '000	RM '000	RM '000
<b>Assets</b>					
Equipment		-	813	-	825
Intangible assets		-	14,732	-	11,519
Right-of-use assets		-	6,852	-	7,964
Deferred tax assets		1,190	18,885	7,628	25,665
Financial and other assets	16	947,797	1,168,532	826,780	1,039,364
Retakaful certificate assets	17	275,455	299,560	209,204	230,909
Cash and bank balances		4,404	7,099	47,196	50,928
<b>Total assets</b>		<b>1,228,846</b>	<b>1,516,472</b>	<b>1,090,808</b>	<b>1,367,174</b>
<b>Liabilities</b>					
Takaful certificate liabilities	17	1,028,088	1,075,255	889,108	927,357
Lease liabilities		-	7,127	-	8,202
Zakat payable		-	2,563	-	1,961
Tax payable		5,364	10,985	3,784	7,436
Other payables	18	195,394	96,823	197,916	125,243
<b>Total liabilities</b>		<b>1,228,846</b>	<b>1,192,753</b>	<b>1,090,808</b>	<b>1,070,199</b>
<b>Equity</b>					
Share capital		-	230,000	-	230,000
Reserves		-	93,719	-	66,975
<b>Total equity</b>		<b>-</b>	<b>323,719</b>	<b>-</b>	<b>296,975</b>
<b>Total liabilities, participants' funds and equity</b>					
		<b>1,228,846</b>	<b>1,516,472</b>	<b>1,090,808</b>	<b>1,367,174</b>

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

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**Takaful Ikhlas General Berhad**  
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**Unaudited condensed interim statement of changes in equity  
for the period ended 30 September 2023**

<b>Company</b>	<b>Note</b>	<b>Share capital RM '000</b>	<b>Non distributable fair value reserves RM '000</b>	<b>Distributable retained profits RM '000</b>	<b>Total RM '000</b>
<b>At 1 April 2023 (As previously reported)</b>		230,000	(1,599)	68,555	296,956
- Effects on the initial adoption of MFRS 17	2.3	-	-	19	19
<b>At 1 April 2023 (Restated)</b>		230,000	(1,599)	68,574	296,975
Net profit for the period		-	-	26,544	26,544
Other comprehensive income for the period		-	200	-	200
Total comprehensive income for the period		-	200	26,544	26,744
<b>At 30 September 2023</b>		<b>230,000</b>	<b>(1,399)</b>	<b>95,118</b>	<b>323,719</b>
<b>At 1 April 2022 (As previously reported)</b>		230,000	(1,835)	46,474	274,639
- Effects on the initial adoption of MFRS 17	2.3	-	-	(2,728)	(2,728)
<b>At 1 April 2022 (Restated)</b>		230,000	(1,835)	43,746	271,911
Net profit for the period		-	-	10,986	10,986
Other comprehensive loss for the period		-	(2,716)	-	(2,716)
Total comprehensive (loss)/income for the period		-	(2,716)	10,986	8,270
<b>At 30 September 2022</b>		<b>230,000</b>	<b>(4,551)</b>	<b>54,732</b>	<b>280,181</b>

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

**Takaful Ikhlas General Berhad**  
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**Unaudited condensed interim statement of cash flows**  
**for the period ended 30 September 2023**

	30.09.2023	30.09.2022 (Restated)
	RM '000	RM '000
<b>Cash flows from operating activities</b>		
Profit before zakat and taxation	36,841	15,454
Adjustments for:		
MFRS 17 non-cash items	12,303	14,109
Profit income	(20,832)	(13,836)
Dividend income	(625)	(779)
Fair value adjustments of financial assets at fair value through profit or loss ("FVTPL")	(2,662)	4,931
Impairment loss of financial assets at FVOCI	28	-
Operating cash flows before working capital changes	25,053	19,880
Changes in working capital:		
Net change in financial assets	(50,198)	5,793
Net change in operating assets	(33,602)	(95,393)
Net change in operating liabilities	15,052	56,239
Net change in balance with related companies	441	6,885
Operating cash flows after working capital changes	(43,254)	(6,597)
Profit income received	14,075	14,671
Finance cost paid on lease liabilities	(158)	(323)
Dividend income received	639	756
Surplus paid to participants	(281)	-
Income tax paid	(11,284)	(7,342)
Zakat paid	(101)	-
<b>Net cash (used in)/generated from operating activities</b>	<b>(40,364)</b>	<b>1,165</b>
<b>Cash flows from investing activities</b>		
Purchase of equipment	(649)	(403)
Purchase of intangible assets	(518)	(1,611)
Payment of principal portion of lease liabilities	(2,298)	(899)
<b>Net cash used in investing activities</b>	<b>(3,465)</b>	<b>(2,913)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(43,829)</b>	<b>(1,748)</b>
Cash and cash equivalents at beginning of period	50,928	10,543
<b>Cash and cash equivalents at end of period</b>	<b>7,099</b>	<b>8,795</b>
Cash and cash equivalents comprise:		
Cash and bank balances of:		
Shareholder's fund	2,695	2,997
General takaful fund	4,404	5,798
	<b>7,099</b>	<b>8,795</b>

The accompanying notes form an integral part of these unaudited condensed interim financial statements.



**Takaful Ikhlas General Berhad**  
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**Notes to the unaudited condensed interim financial statements - 30 September 2023**

**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 5<sup>th</sup> 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 2023 to 30 September 2023.

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 condensed interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 17 November 2023.

**2. Significant accounting policies**

**2.1 Basis of preparation**

The unaudited condensed interim financial statements for the six months period ended 30 September 2023 have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 *Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB")*, International Accounting Standard ("IAS") 34 *Interim Financial Reporting* issued by the International Accounting Standards Board ("IASB") and the Guidelines/ Circulars issued by the Bank Negara Malaysia.

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 main business model adopted by the Company. Under the Wakalah model, Takaful Operator is not a participant in the fund but manages the funds (including the relevant assets and liabilities) towards the purpose outline above.

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 2023 as described fully in Note 2.2.

The unaudited condensed interim financial statements of the Company have been prepared on a historical cost basis, unless otherwise stated in the accounting policies. The unaudited condensed interim 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 unaudited condensed 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 2023.

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**2. Significant accounting policies (cont'd.)**

**2.1 Basis of preparation (cont'd.)**

The unaudited condensed 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 year ended 31 March 2023.

**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 2023, except for the adoption of the following standard and amendments to standards issued by the Malaysian Accounting Standards Board ("MASB") that are effective for the Company's financial year beginning 1 April 2023:

Amendments to MFRS 101 *Presentation of Financial Statements*

*Classification of Liabilities as Current or Non-current*

Amendments to MFRS 101 *Presentation of Financial Statements*

*Disclosure of Accounting Policies*

MFRS 17 *Insurance Contracts*

Amendments to MFRS 17 *Insurance Contracts Initial Application*  
*of MFRS 17 and MFRS 9 - Comparative Information*

Amendments to MFRS 108 Accounting Policies, Changes in  
*Accounting Estimates and Errors - Definition of*  
*Accounting Estimates*

Amendments to MFRS 112 Income Taxes *Deferred Tax related to*  
*Assets and Liabilities arising from Single Transaction*

The adoption of the above standard and amendments to standards did not have any significant effect on the disclosures or amounts recognised in the Company's unaudited condensed interim financial statements except for MFRS 17 *Insurance Contracts*.

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**2. Significant accounting policies (cont'd.)**

**2.3 MFRS 17 *Insurance Contracts* ("MFRS 17") and its amendments**

The Company initially applied MFRS 17, including any consequential amendments to the other standards, from 1 April 2023. This standard has brought significant changes to the accounting for takaful and retakaful certificates. As a result, the Company has restated certain comparative amounts.

The nature and effects of the key changes in the Company's accounting policies resulting from its adoption of MFRS 17 are summarised below:

**(a) Separating components from takaful and retakaful certificates**

The Company assesses its general takaful and retakaful products to determine whether they contain distinct components which must be accounted for under another MFRS rather than MFRS 17. After separating any distinct components, an entity must apply MFRS 17 to all remaining components of the (host) takaful certificates. Currently, the Company's products do not include distinct components that require separation.

MFRS 17 defines investment components as the amounts that a takaful certificate requires a takaful operator to repay to a participant even if a covered event does not occur. Investment components which are highly interrelated with the takaful certificate of which they form a part are considered non-distinct and are not separately accounted for. Receipts and payments of the investment components (including non-distinct investment components) are recorded outside of profit or loss.

Some certificates issued contain profit or ceding commission arrangements. Under these arrangements, there is a minimum guaranteed amount that the participant will always receive – either in the form of profit commission, or as claims, or another contractual payment irrespective of the covered event happening. Ceding commission in the form of contribution discount is not deemed as a non-distinct investment component. The minimum guaranteed amount and profit commission may or may not be deemed as a non-distinct investment component, depending on whether there is a loss-carry forward mechanism.

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**2. Significant accounting policies (cont'd.)**

**2.3 MFRS 17 *Insurance Contracts* ("MFRS 17") and its amendments (cont'd.)**

**(b) Level of aggregation**

The level of aggregation for the Company is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of certificates with similar risks which are managed together. Portfolios are further divided based on expected profitability at inception into three categories: onerous certificates, certificates with no significant risk of becoming onerous, and the remainder. This means that, for determining the level of aggregation, the Company identifies a certificate as the smallest 'unit', i.e., the lowest common denominator. An evaluation is made to determine whether a series of certificates can be treated together in making the profitability assessment based on reasonable and supportable information, or whether a single certificate contains components that need to be separated and treated as if they were stand-alone certificates. As such, what is treated as a certificate for accounting purposes may differ from what is considered as a certificate for other purposes (i.e., legal or management). For retakaful certificates held, the basis depends on the type of retakaful arrangement. The minimum unit of account is at treaty level.

The groups of certificates for which the fully retrospective approach, modified retrospective and the fair value approach have been adopted on transition include certificates issued more than one year apart. The portfolio are further divided by year of issue and profitability for recognition and measurement purposes. Hence, within each year of issue portfolios of certificates are divided into three groups, as follows:

- A group of certificates that are onerous at initial recognition.
- A group of certificates that at initial recognition have no significant possibility of becoming onerous subsequently.
- A group of the remaining certificates in the portfolio.

The retakaful certificates held portfolios are divided into:

- A group of certificates on which there is a net gain on initial recognition.
- A group of certificates that have no significant possibility of a net gain arising subsequent to initial recognition.
- A group of the remaining certificates in the portfolio.

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**2. Significant accounting policies (cont'd.)**

**2.3 MFRS 17 *Insurance Contracts* ("MFRS 17") and its amendments (cont'd.)**

**(c) Recognition**

The Company recognises groups of takaful certificates that it issues from the earliest of the following:

- The beginning of the coverage period of the group of certificates.
- The date when the first payment from a participant is due, or when the first payment is received if there is no due date.
- For a group of onerous certificates, as soon as facts and circumstances indicate that the group of certificate is onerous.

The Company recognises a group of retakaful certificates held it has entered into from the earliest of the following:

- The beginning of the coverage period of the group of retakaful certificates held. However, the Company delays the recognition of a group of retakaful certificates held that provide proportionate coverage until the date when any underlying takaful certificate is initially recognised, if that date is later than beginning of the coverage period of the group of retakaful certificates held; and
- The date the Company recognises an onerous group of underlying takaful certificates if the Company entered into the related retakaful certificates held in the group of retakaful certificates held at or before that date.

The retakaful certificates held by the Company provide proportionate cover. Therefore, the Company does not recognise a proportional retakaful certificate held until at least one underlying direct takaful certificate has been recognised.

The Company adds new certificates in the reporting period in which the certificate meets one of the criteria set out above.

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**2. Significant accounting policies (cont'd.)**

**2.3 MFRS 17 *Insurance Contracts* ("MFRS 17") and its amendments (cont'd.)**

**(d) Contract boundary**

The Company includes in the measurement of a group of takaful certificates all the future cash flows within the boundary of each certificate in the Company. Cash flows are within the boundary of a takaful certificate if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the participant to pay the contribution, or in which the Company has a substantive obligation to provide the participant with services. A substantive obligation to provide services ends when:

- (i) the Company has the practical ability to reassess the risks of the particular participant and, as a result, can set a price or level of benefits that fully reflects those risks; or
- (ii) The Company has the practical ability to reassess the risks of the portfolio that contains the certificate and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the contributions up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

**(e) Measurement**

The Company's takaful certificates issued and retakaful certificates held are eligible for the measurement models as below:

**Premium Allocation Approach ("PAA")**

This model is applied for certificates which have certificate boundaries (i.e. coverage periods) of less than 1 year as well as for certificates with certificate boundaries of more than 1 year but which are able to pass the PAA eligibility test.

Under the PAA, the liability for remaining coverage is measured as the amount of contribution received net of acquisition cash flows paid, less the net amount of contribution and acquisition cash flows that have been recognised in profit or loss over the expired portion of the coverage period based on the passage of time. The measurement of the liability for incurred claims is identical under all three measurement models, apart from the determination of locked-in interest rates used for discounting.

The Company applies PAA models for all retakaful certificates held, depending on the specific certificate boundaries for each retakaful certificates.

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**2. Significant accounting policies (cont'd.)**

**2.3 MFRS 17 *Insurance Contracts* ("MFRS 17") and its amendments (cont'd.)**

**(f) Presentation and disclosure**

There are significant changes to presentation and disclosure of the financial statements upon the adoption of MFRS 17. The following outlines some of the key presentation and disclosure changes:

**Statement of financial position**

The Company presents portfolios of takaful certificate separately from portfolios of retakaful certificate held, and portfolios of asset position are further presented separately from portfolios of liability position. Groups of takaful certificates issued will include any assets for takaful acquisition cash flows. Takaful receivables and payables will be assessed on net portfolio position and reported within takaful certificate liabilities or assets as these are takaful certificate related balances. Retakaful receivables and payables, retakaful assets and liabilities will be assessed on a net portfolio position and reported within retakaful certificate liabilities or assets as these are retakaful certificates related. Under MFRS 4, certificates were not split and presented by asset and liability position.

**Statement of profit or loss**

Upon the adoption of MFRS 17, the statement of profit or loss presents clearly the underwriting and investment results of the Company. There is no longer items such as gross and net earned contributions or net claims incurred shown on the profit or loss. Under MFRS 17, the Company separately presents takaful service results which consist of takaful revenue and takaful service expense. Income or expenses from retakaful certificates held need to be presented separately from the expenses or income from takaful certificates issued.

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**2. Significant accounting policies (cont'd.)**

**2.3 MFRS 17 *Insurance Contracts* ("MFRS 17") and its amendments (cont'd.)**

**(f) Presentation and disclosure (cont'd.)**

**Statement of profit or loss (cont'd.)**

**(i) Takaful Service Result**

Takaful revenue in each reporting period represents the changes in the liabilities for remaining coverage that relate to services for which the Company expects to receive consideration and an allocation of contribution that relate to recovering takaful acquisition cash flows.

Expenses that relate directly to the fulfilment of certificates are recognised in profit or loss as takaful service expenses when incurred. Expenses that do not relate directly to the fulfilment of certificates are presented in other operating expenses in profit or loss.

Amount recovered from retakaful and retakaful expenses are no longer presented separately as the Company presents on a net basis as net expenses from retakaful certificates as part of takaful service result.

**(ii) Net takaful profit expenses/income**

It comprises the change in the carrying amount of the group of takaful certificates arising from the effect of the time value of money and the effect of financial risk and changes in financial risk.

**(g) Takaful acquisition cash flows**

Takaful acquisition cash flows arise from the costs of distributing, underwriting and starting a group of takaful certificates (issued or expected to be issued) that are directly attributable to the portfolio of takaful certificates to which the group belongs.

Where takaful acquisition cash flows have been paid or incurred before the related group of takaful certificates is recognised in the statement of financial position, a separate asset for takaful acquisition cash flows is recognised for each related group.

The asset for takaful acquisition cash flow is derecognised from the statement of financial position when the takaful acquisition cash flows are included in the initial measurement of the related group of takaful certificates. The Company expects to derecognise all assets for takaful acquisition cash flows within the takaful covered period.



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**2. Significant accounting policies (cont'd.)**

**2.3 MFRS 17 *Insurance Contracts* ("MFRS 17") and its amendments (cont'd.)**

**(g) Takaful acquisition cash flows (cont'd.)**

At the end of each reporting period, the Company revises amounts of takaful acquisition cash flows allocated to groups of takaful certificates not yet recognised, to reflect changes in assumptions related to the method of allocation used.

After any re-allocation, the Company assesses the recoverability of the asset for takaful acquisition cash flows, if facts and circumstances indicate the asset may be impaired. When assessing the recoverability, the Company applies:

- An impairment test at the level of an existing or future group of takaful certificates; and
- An additional impairment test specifically covering the takaful acquisition cash flows allocated to expected future contract renewals.

If an impairment loss is recognised, the carrying amount of the asset is adjusted and an impairment loss is recognised in profit or loss.

The Company recognises in profit or loss a reversal of some or all of an impairment loss previously recognised and increases the carrying amount of the asset, to the extent that the impairment conditions no longer exist or have improved.

**(i) Transition**

On the transition date of 1 April 2022, the Company has:

- Identified, recognised and measured each group of takaful and retakaful certificates as if MFRS 17 had always applied (unless impracticable), using the full retrospective approach;
- Identified, recognised and measured assets for takaful acquisition cash flows as if MFRS 17 had always applied;
- Derecognised any existing balances that would not exist had MFRS 17 always applied; and
- Recognised any resulting net difference in equity.

Where the Full Retrospective Approach ("FRA") has been determined to be impracticable to apply during the implementation period, due to constraints on data or other relevant inputs, the Company has applied the Full Retrospective Approach ("FRA") and Fair Value Approach ("FVA"). These are described in further detail below.

**Takaful Ikhlas General Berhad**  
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**2. Significant accounting policies (cont'd.)**

**2.3 MFRS 17 *Insurance Contracts* ("MFRS 17") and its amendments (cont'd.)**

**(i) Transition (cont'd.)**

**(a) Full retrospective approach ("FRA")**

The determination of whether it is impracticable to adopt the FRA for group of certificates as at the transition date was made after considering the cost or effort required to collect the required information or create information where the required data is unavailable (either due to system migrations in the past, data retention policies, and changes in requirements introduced by MFRS 17) and if hindsight is needed to determine the estimates at prior periods.

**(b) Fair value approach ("FVA")**

Under the FVA, the contractual service margin ("CSM") is determined as the positive difference between the fair value determined in accordance with MFRS 13 *Fair Value Measurement* and the fulfilment cash flows (any negative difference will be recognised in retained earnings at the transition date).

The Company has ascertained the takaful certificate portfolios to which the Company will apply the transition approaches above.

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**2. Significant accounting policies (cont'd.)**

**2.3 MFRS 17 Insurance Contracts ("MFRS 17") and its amendments (cont'd.)**

Financial Effect arising from the adoption of MFRS 17

The comparative figures have been restated to conform with current year's presentation in accordance with MFRS 17. The effects of the adjustments on the assets, liabilities and equity on the statement of financial position of the Company as at 31 March 2023 and on the components of profit or loss for the period ended 30 September 2022 are presented below:

(a) Statement of financial position as at 31 March 2023

<b>Company</b>	<b>MFRS 4 31.03.2023 RM '000</b>	<b>Remapping/ removal of MFRS 4 RM '000</b>	<b>Remeasurement effects of MFRS 17 RM '000</b>	<b>MFRS 17 01.04.2023 RM '000</b>
<b>Assets</b>				
Takaful certificate receivabl	92,583	(92,583)	-	-
Retakaful certificate assets	314,224	(395,697)	312,382	230,909
Deferred tax assets	25,877	(138,100)	137,888	25,665
Other assets	1,155,349	(44,749)	-	1,110,600
<b>Total assets</b>	<b>1,588,033</b>	<b>(671,129)</b>	<b>450,270</b>	<b>1,367,174</b>
<b>Liabilities</b>				
Takaful certificate liabilities	828,323	(397,819)	496,853	927,357
Takaful certificate payables	81,473	(81,473)	-	-
Expenses liabilities	61,318	(61,318)	-	-
Other liabilities	142,842	-	-	142,842
<b>Total Liabilities</b>	<b>1,113,956</b>	<b>(540,610)</b>	<b>496,853</b>	<b>1,070,199</b>
<b>Participants' fund</b>				
General takaful fund	177,121	(177,121)	-	-
<b>Equity</b>				
Share capital	230,000	-	-	230,000
Reserves	66,956	46,602	(46,583)	66,975
<b>Total Equity</b>	<b>296,956</b>	<b>46,602</b>	<b>(46,583)</b>	<b>296,975</b>
<b>Total liabilities, participants' funds and equity</b>	<b>1,588,033</b>	<b>(671,129)</b>	<b>450,270</b>	<b>1,367,174</b>

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**2. Significant accounting policies (cont'd.)**

**2.3 MFRS 17 Insurance Contracts ("MFRS 17") and its amendments (cont'd.)**

Financial Effect arising from the adoption of MFRS 17 (cont'd.)

(b) Statement of profit or loss for the financial period ended 30 September 2022:

	<b>As previously stated for the period ended 30.09.2022 RM '000</b>	<b>Classification and measurement RM '000</b>	<b>As restated for the period ended 30.09.2022 RM '000</b>
Profit before taxation and zakat	21,929	(6,475)	15,455
Net profit for the financial period	15,907	(4,921)	10,987

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**2. Significant accounting policies (cont'd.)**

**2.4 MFRS 9 *Financial Instruments* ("MFRS 9")**

MFRS 9 replaces MFRS 139 *Financial Instruments: Recognition and Measurement* and was effective for annual period beginning on or after 1 April 2018. At the date of initial application of MFRS 17, an entity that had applied MFRS 9 to annual reporting periods before the initial application of MFRS 17:

- may reassess whether an eligible financial asset meets the condition of MFRS 9. A financial asset is eligible only if the financial asset is not held in respect of an activity that is unconnected with contracts within the scope of MFRS 17;
- shall revoke its previous designation of a financial asset as measured at fair value through profit or loss if the condition in MFRS 9 is no longer met because of the application of MFRS 17;
- may designate a financial asset as measured at fair value through profit or loss ("FVTPL"); and
- may designate an investment in an equity instrument as at fair value through other comprehensive income ("FVOCI").

The Company decided to redesignate its financial assets with effect from 1 April 2023, aligned with the adoption of MFRS 17 as explained below.

**Recognition and measurement**

The classification of financial assets at initial recognition depends on the Company's business model for managing them and the financial asset's contractual cash flow characteristics. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost ("AC"), FVOCI and FVTPL.

In order for a financial asset to be classified and measured at AC or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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**2. Significant accounting policies (cont'd.)**

**2.4 MFRS 9 (cont'd.)**

**Recognition and measurement (cont'd.)**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at AC;
- Financial assets at FVOCI with recycling of cumulative gains and losses;
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition; or
- Financial assets at FVTPL.

**Redesignation**

The following table shows the original measurement categories and the new measurement categories under MFRS 9 for the Company's financial asset as at 1 April 2023.

	<b>Original classification and measurement under MFRS 9</b>	<b>New classification and measurement under MFRS 9</b>
	<b>RM '000</b>	<b>RM '000</b>
Financial assets at FVOCI	149,151	-
Financial assets at FVTPL	-	149,151

**3. Auditor's report**

The auditor's report on the audited financial statements of the preceding year ended 31 March 2023 was not qualified.

**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 2023.

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**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 2023.

**6. 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 30 September 2023.

**7. Significant and subsequent event**

There were no significant and subsequent events during the current financial period ended 30 September 2023.

**8. Dividend paid**

Dividend of RM10 million in respect of the financial year ended 31 March 2023 was paid on 4 October 2023.

**9. Changes in the composition of the Company**

There were no changes in the composition of the Company since the end of the previous financial year ended 31 March 2023.

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**10. Takaful service expense**

The table below presents an analysis of the total takaful service expenses recognised in the financial period.

	<b>01.04.2023 to 30.09.2023</b>		<b>01.04.2022 to 30.09.2022</b> <b>(Restated)</b>	
	<b>General</b>	<b>Company</b>	<b>General</b>	<b>Company</b>
	<b>Takaful Fund</b>	<b>Takaful Fund</b>	<b>Takaful Fund</b>	<b>Takaful Fund</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
Incurring claims and other takaful service expenses	171,253	155,287	158,620	148,646
Amortisation of acquisition cash flows - wakalah fees (Note a)	94,288	71,703	61,650	56,040
Changes to liabilities for incurred claims	67,422	72,002	35,661	38,033
<b>Total takaful service expense</b>	<b>332,964</b>	<b>298,992</b>	<b>255,930</b>	<b>242,720</b>

**Note:**

(a) Acquisition cash flows are allocated on a straight-line basis over the coverage period of the group of certificates.



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**10. Takaful service expense (cont'd.)**

The breakdown of expenses incurred by the Company:-

<b>Company</b>	<b>01.04.2023</b>	<b>01.04.2022</b>
	<b>to</b>	<b>to</b>
	<b>30.09.2023</b>	<b>30.09.2022</b>
		<b>(Restated)</b>
	<b>RM '000</b>	<b>RM '000</b>
Commission expenses	42,501	32,503
Staff costs	10,856	6,946
Management fees paid to holding and related companies	6,138	8,276
Depreciation and amortisation expenses	1,176	1,257
Electronic data processing costs	4,249	2,817
Other expenses	6,255	2,213
Add: Amortisation of acquisition cash flows	29,202	23,537
<b>Total takaful service expense</b>	<b>100,376</b>	<b>77,549</b>
<b>Represented by:</b>		
Takaful service expenses:		
Maintenance expenses	26,774	19,582
Acquisition expenses	71,703	56,040
Other expenses	1,899	1,927
	<b>100,376</b>	<b>77,549</b>

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**11. Net expense from retakaful certificates held**

	<b>01.04.2023 to 30.09.2023</b>		<b>01.04.2022 to 30.09.2022</b> <b>(Restated)</b>	
	<b>General Takaful Fund RM '000</b>	<b>Company RM '000</b>	<b>General Takaful Fund RM '000</b>	<b>Company RM '000</b>
<b>Allocation of retakaful contribution</b>				
Retakaful expenses - certificates measured under PAA	(127,050)	(127,050)	(108,646)	(108,646)
Retakaful commission	32,027	32,027	22,865	22,865
	<u>(95,023)</u>	<u>(95,023)</u>	<u>(85,782)</u>	<u>(85,782)</u>
<b>Amounts recoverable from retakaful operators</b>				
Claims recovered	22,121	22,121	57,512	57,512
Changes that relate to the past service - adjustment to incurred claims	57,922	60,055	13,703	14,856
	<u>80,043</u>	<u>82,175</u>	<u>71,215</u>	<u>72,368</u>
<b>Net expense from retakaful certificates held</b>	<b><u>(14,980)</u></b>	<b><u>(12,848)</u></b>	<b><u>(14,566)</u></b>	<b><u>(13,414)</u></b>

## 12. Investment income

### General takaful fund and Company

	01.04.2023 to 30.09.2023		01.04.2022 to 30.09.2022	
	General		General	
	Takaful Fund	Company	Takaful Fund	Company
	RM '000	RM '000	RM '000	RM '000
<b>Financial assets at FVTPL:</b>				
- Dividend income from:				
Quoted Shariah approved equities in Malaysia	372	468	490	661
Real estate investment trusts	23	23	23	47
Unit trusts in Malaysia	134	134	71	71
<b>Financial assets at FVOCI:</b>				
Profit income	5,618	7,814	6,258	9,866
<b>Financial assets at amortised cost:</b>				
Profit income	11,260	13,018	3,436	3,970
Net amortisation of premiums	(489)	(800)	(431)	(871)
Investment expenses	(19)	(19)	(57)	(57)
	<u>16,899</u>	<u>20,638</u>	<u>9,790</u>	<u>13,687</u>

## 13. Net realised losses

	01.04.2023 to 30.09.2023		01.04.2022 to 30.09.2022	
	General		General	
	Takaful Fund	Company	Takaful Fund	Company
	RM '000	RM '000	RM '000	RM '000
<b>Financial assets at FVTPL:</b>				
Quoted Shariah approved equities in Malaysia	(887)	(965)	(1,092)	(1,251)
Real estate investment trusts	-	-	-	(83)
	<u>(887)</u>	<u>(965)</u>	<u>(1,092)</u>	<u>(1,334)</u>
<b>Financial assets at FVOCI:</b>				
Government investment issues	(615)	(428)	222	303
	<u>(615)</u>	<u>(428)</u>	<u>222</u>	<u>303</u>
	<u>(1,502)</u>	<u>(1,393)</u>	<u>(870)</u>	<u>(1,031)</u>

## 14. Net fair value gains/(losses)

### General takaful fund and Company

	01.04.2023 to 30.09.2023		01.04.2022 to 30.09.2022	
	General		General	
	Takaful Fund	Company	Takaful Fund	Company
	RM '000	RM '000	RM '000	RM '000
Financial assets at FVTPL	<u>2,116</u>	<u>2,260</u>	<u>(4,202)</u>	<u>(4,931)</u>

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**15. Net takaful financial result**

The table below presents an analysis of the total takaful service expenses recognised in the financial period.

	<b>01.04.2023 to 30.09.2023</b>		<b>01.04.2022 to 30.09.2022</b> <b>1.4.2022 to 30.09.2022</b>	
	<b>General</b>		<b>General</b>	
	<b>Takaful Fund</b>	<b>Company</b>	<b>Takaful Fund</b>	<b>Company</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
<b>Takaful profit income/(expenses) from takaful contracts issued</b>				
Profit accreted to takaful contracts using locked-in rate	(6,891)	(8,463)	(3,676)	(4,291)
Due to changes in profit rates and other financial assumptions	1,127	1,258	4,106	4,746
<b>Net profit expenses from takaful contracts issued</b>	<b>(5,763)</b>	<b>(7,204)</b>	<b>431</b>	<b>455</b>
<b>Profit accreted to retakaful contracts using locked-in rate</b>				
Profit accreted to takaful contracts using locked-in rate	2,975	3,307	1,716	1,917
Due to changes in profit rates and other financial assumptions	(519)	(584)	(1,976)	(2,209)
<b>Net profit income from retakaful contracts held</b>	<b>2,456</b>	<b>2,722</b>	<b>(259)</b>	<b>(292)</b>
<b>Net takaful financial result</b>	<b>(3,308)</b>	<b>(4,482)</b>	<b>171</b>	<b>163</b>

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**16. Financial and other assets**

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

	<b>30.09.2023</b>		<b>31.03.2023</b>	
	<b>General Takaful Fund RM '000</b>	<b>Company RM '000</b>	<b>General Takaful Fund RM '000</b>	<b>Company RM '000</b>
Unquoted sukuk	151,527	190,818	146,700	193,219
Government investment issues	120,837	181,548	130,150	200,469
Quoted Shariah approved equities in Malaysia	17,674	22,974	15,095	19,617
Real estate investment trusts	1,017	1,017	842	842
Shariah approved unit trust funds	5,228	5,228	13,660	13,660
Deposit placements with licensed:				
Islamic banks	634,511	741,559	437,666	524,505
Development banks	-	1,569	70,428	71,335
Staff financing:				
Receivable within 12 months	-	292	-	343
Receivable after 12 months	-	422	-	496
Income due and accrued	11,458	13,615	5,495	6,872
Sundry receivables and prepayments	5,545	9,490	6,744	8,006
	<b>947,797</b>	<b>1,168,532</b>	<b>826,780</b>	<b>1,039,364</b>
Financial assets at FVTPL	183,694	188,994	29,597	34,119
Financial assets at FVOCI	112,589	212,591	276,850	393,688
Financial assets at AC and other assets	651,514	766,947	520,333	611,557
	<b>947,797</b>	<b>1,168,532</b>	<b>826,780</b>	<b>1,039,364</b>

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**16. Financial and other assets (cont'd.)**

	<b>30.09.2023</b>		<b>31.03.2023</b>	
	<b>General Takaful Fund RM '000</b>	<b>Company RM '000</b>	<b>General Takaful Fund RM '000</b>	<b>Company RM '000</b>
<b>(a) Financial assets at FVTPL</b>				
<b>At fair value:</b>				
Unquoted sukuku	38,938	38,938	-	-
Government investment issues	120,837	120,837	-	-
Quoted Shariah approved equities in Malaysia	17,674	22,974	15,095	19,617
Real estate investment trusts	1,017	1,017	842	842
Shariah approved unit trust funds	5,228	5,228	13,660	13,660
	<b>183,694</b>	<b>188,994</b>	<b>29,597</b>	<b>34,119</b>
<b>(b) Financial assets at FVOCI</b>				
<b>At fair value:</b>				
Unquoted sukuku	112,589	151,880	146,700	193,219
Government investment issues	-	60,711	130,150	200,469
	<b>112,589</b>	<b>212,591</b>	<b>276,850</b>	<b>393,688</b>

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**16. Financial and other assets (cont'd.)**

	<b>30.09.2023</b>		<b>31.03.2023</b>	
	<b>General</b>	<b>Company</b>	<b>General</b>	<b>Company</b>
	<b>Takaful Fund</b>	<b>RM '000</b>	<b>Takaful Fund</b>	<b>Company</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
<b>(c) Financial assets at AC and other assets</b>				
<b>At amortised cost</b>				
Deposit placements with licensed:				
Islamic banks	634,511	741,559	437,666	524,505
Development banks	-	1,569	70,428	71,335
Staff financing:				
Receivable within 12 months	-	292	-	343
Receivable after 12 months	-	422	-	496
Income due and accrued	11,458	13,615	5,495	6,872
Sundry receivables	2,342	3,417	2,354	3,174
	<u>648,311</u>	<u>760,874</u>	<u>515,943</u>	<u>606,725</u>
<b>Other assets:</b>				
Prepayments	<u>3,203</u>	<u>6,073</u>	<u>4,390</u>	<u>4,832</u>
	<u>651,514</u>	<u>766,947</u>	<u>520,333</u>	<u>611,557</u>

All items above, other than prepayments are financial assets measured at amortised cost.

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**17. Takaful and retakaful certificate assets/(liabilities)**

The breakdown of groups of takaful and retakaful certificates issued, and retakaful certificates held, that are in an asset position and those in a liability position is set out in the table below:

	30.09.2023			31.03.2023		
	Assets RM '000	Liabilities RM '000	Net RM '000	Assets RM '000	Liabilities RM '000	Net RM '000
<b>General Takaful Fund</b>						
Takaful certificates issued	-	(1,028,088)	(1,028,088)	-	(889,108)	(889,108)
Retakaful certificates held	275,455	-	275,455	209,204	-	209,204
<b>Company</b>						
Takaful certificates issued	-	(1,075,255)	(1,075,255)	-	(927,357)	(927,357)
Retakaful certificates held	299,560	-	299,560	230,909	-	230,909

**Takaful certificate assets/(liabilities)**

Roll-forward of net asset or liability for takaful certificates issued showing the liability for remaining coverage and the liability for incurred claims.

	Liabilities for remaining coverage		Liabilities for incurred claims		Total RM '000
	Excluding loss component RM '000	Loss component RM '000	Estimates of the present value of future cash flows RM '000	Risk adjustment RM '000	
<b>General Takaful Fund As at 30 September 2023</b>					
<b>Net takaful certificate assets/ (liabilities) as at 1 April 2023</b>	<b>(463,869)</b>	<b>-</b>	<b>(443,887)</b>	<b>-</b>	<b>(907,756)</b>
Takaful revenue	356,118	-	-	-	356,118
Takaful service expense	(94,288)	-	(238,676)	-	(332,964)



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**17. Takaful and retakaful certificate assets/liabilities (cont'd.)**

**Takaful certificate assets/(liabilities) (cont'd.)**

**Roll-forward of net asset or liability for takaful certificates issued showing the liability for remaining coverage and the liability for incurred claims (cont'd.)**

	<b>Liabilities for remaining coverage</b>		<b>Liabilities for incurred claims</b>		<b>Total</b>
	<b>Excluding loss component</b>	<b>Loss component</b>	<b>Estimates of the present value of future cash flows</b>	<b>Risk adjustment</b>	
<b>General Takaful Fund (cont'd.)</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
<b>As at 30 September 2023</b>					
<b>Takaful service result</b>	<b>(202,039)</b>	<b>-</b>	<b>(682,562)</b>	<b>-</b>	<b>(884,601)</b>
Takaful financial result	-	-	(5,763)	-	(5,763)
<b>Total changes in the statement of profit or loss</b>	<b>(202,039)</b>	<b>-</b>	<b>(688,326)</b>	<b>-</b>	<b>(890,365)</b>
Cash (inflow)/outflow	(308,977)	-	171,254	-	(137,723)
<b>Net takaful certificate liabilities as at 30 September 2023</b>	<b>(511,016)</b>	<b>-</b>	<b>(517,072)</b>	<b>-</b>	<b>(1,028,088)</b>

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**17. Takaful and retakaful certificate assets/liabilities (cont'd.)**

**Takaful certificate assets/(liabilities) (cont'd.)**

**Roll-forward of net asset or liability for takaful certificates issued showing the liability for remaining coverage and the liability for incurred claims (cont'd.)**

Company	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
As at 30 September 2023	RM '000	RM '000	RM '000	RM '000	RM '000
<b>Net takaful certificate assets/ (liabilities) as at 1 April 2023</b>	<b>(433,659)</b>	<b>-</b>	<b>(443,887)</b>	<b>(49,811)</b>	<b>(927,357)</b>
Takaful revenue	356,118	-	-	-	356,118
Takaful service expense	(143,705)	-	(150,726)	(4,562)	(298,992)
<b>Takaful service result</b>	<b>(221,246)</b>	<b>-</b>	<b>(594,612)</b>	<b>(54,373)</b>	<b>(870,231)</b>
Takaful financial result	-	-	(6,545)	(660)	(7,204)
<b>Total changes in the statement of profit or loss</b>	<b>(221,246)</b>	<b>-</b>	<b>(601,157)</b>	<b>(55,033)</b>	<b>(877,435)</b>
Cash (inflow)/outflow	(281,904)	-	84,085	-	(197,819)
<b>Net takaful certificate liabilities as at 30 September 2023</b>	<b>(503,150)</b>	<b>-</b>	<b>(517,072)</b>	<b>(55,033)</b>	<b>(1,075,255)</b>

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**17. Takaful and retakaful certificate assets/liabilities (cont'd.)**

**Takaful certificate assets/(liabilities) (cont'd.)**

**Roll-forward of net asset or liability for takaful certificates issued showing the liability for remaining coverage and the liability for incurred claims (cont'd.)**

	<b>Liabilities for remaining coverage</b>		<b>Liabilities for incurred claims</b>		<b>Total</b> <b>RM '000</b>
	<b>Excluding loss component</b> <b>RM '000</b>	<b>Loss component</b> <b>RM '000</b>	<b>Estimates of the present value of future cash flows</b> <b>RM '000</b>	<b>Risk adjustment</b> <b>RM '000</b>	
<b>General Takaful Fund</b> <b>As at 31 March 2023</b>					
<b>Net takaful certificate assets/ (liabilities) as at 1 April 2022</b>	<b>(388,745)</b>	<b>-</b>	<b>(365,591)</b>	<b>-</b>	<b>(754,336)</b>
Takaful revenue	597,556	-	-	-	597,556
Takaful service expense	(224,165)	-	(353,156)	-	(577,321)
<b>Takaful service result</b>	<b>(15,354)</b>	<b>-</b>	<b>(718,747)</b>	<b>-</b>	<b>(734,100)</b>
Takaful financial result	-	-	(4,247)	-	(4,247)
<b>Total changes in the statement of profit or loss</b>	<b>(15,354)</b>	<b>-</b>	<b>(722,994)</b>	<b>-</b>	<b>(738,347)</b>
Cash (inflow)/outflow	(429,868)	-	279,107	-	(150,761)
<b>Net takaful certificate liabilities as at 31 March 2023</b>	<b>(445,221)</b>	<b>-</b>	<b>(443,887)</b>	<b>-</b>	<b>(889,108)</b>

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**17. Takaful and retakaful certificate assets/liabilities (cont'd.)**

**Takaful certificate assets/(liabilities) (cont'd.)**

**Roll-forward of net asset or liability for takaful certificates issued showing the liability for remaining coverage and the liability for incurred claims (cont'd.)**

Company As at 31 March 2023	<b>Liabilities for remaining coverage</b>		<b>Liabilities for incurred claims</b>		<b>Total RM '000</b>
	<b>Excluding loss component RM '000</b>	<b>Loss component RM '000</b>	<b>Estimates of the present value of future cash flows RM '000</b>	<b>Risk adjustment RM '000</b>	
<b>Net takaful certificate assets/(liabilities) as at 1 April 2022</b>	<b>(459,542)</b>	<b>-</b>	<b>(380,214)</b>	<b>(46,548)</b>	<b>(886,305)</b>
Takaful revenue	597,556	-	-	-	597,556
Takaful service expense	(205,583)	-	(314,150)	(2,710)	(522,442)
<b>Takaful service result</b>	<b>(67,569)</b>	<b>-</b>	<b>(694,364)</b>	<b>(49,258)</b>	<b>(811,191)</b>
Takaful financial result	-	-	(4,332)	(553)	(4,885)
<b>Total changes in the statement of profit or loss</b>	<b>(67,569)</b>	<b>-</b>	<b>(698,696)</b>	<b>(49,811)</b>	<b>(816,076)</b>
Cash (inflow)/outflow	(366,091)	-	254,810	-	(111,281)
<b>Net takaful certificate liabilities as at 31 March 2023</b>	<b>(433,659)</b>	<b>-</b>	<b>(443,887)</b>	<b>(49,811)</b>	<b>(927,357)</b>

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**17. Takaful and retakaful certificate assets/liabilities (cont'd.)**

**Retakaful certificates assets/(liabilities)**

**Roll-forward of net asset or liability for retakaful certificates held showing the liability for remaining coverage and the liability for incurred claims.**

The roll-forward of the new asset or liability for retakaful contracts issued, showing the liability for remaining coverage and the liability for incurred claims, is disclosed in the table below:

	<b>Assets for remaining coverage</b>		<b>Assets for incurred claims</b>		<b>Total</b> <b>RM '000</b>
	<b>Excluding loss recovery component</b> <b>RM '000</b>	<b>Loss recovery component</b> <b>RM '000</b>	<b>Estimates of the present value of future cash flows</b> <b>RM '000</b>	<b>Risk adjustment</b> <b>RM '000</b>	
<b>General Takaful Fund</b> <b>As at 30 September 2023</b>					
<b>Net retakaful contract assets as at 1 April 2023</b>	<b>14,854</b>	<b>-</b>	<b>194,350</b>	<b>-</b>	<b>209,204</b>
Allocation of retakaful contribution	(95,023)	-	-	-	(95,023)
Amounts recoverable from retakaful operators	-	-	80,043	-	80,043
<b>Net income or expense from retakaful certificates held</b>	<b>(80,169)</b>	<b>-</b>	<b>274,393</b>	<b>-</b>	<b>194,224</b>
Takaful financial result	-	-	2,456	-	2,456
<b>Total changes in the statement of profit or loss</b>	<b>(80,169)</b>	<b>-</b>	<b>276,849</b>	<b>-</b>	<b>196,679</b>
Cash (inflow)/outflow	130,563	-	(51,787)	-	78,776
<b>Net retakaful certificate assets as at 30 September 2023</b>	<b>50,394</b>	<b>-</b>	<b>225,062</b>	<b>-</b>	<b>275,455</b>

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**17. Takaful and retakaful certificate assets/liabilities (cont'd.)**

**Retakaful certificates assets/(liabilities) (cont'd.)**

**Roll-forward of net asset or liability for retakaful certificates held showing the liability for remaining coverage and the liability for incurred claims (cont'd.).**

Company As at 30 September 2023	Assets for remaining coverage		Assets for incurred claims		Total RM '000
	Excluding loss recovery component RM '000	Loss recovery component RM '000	Estimates of the present value of future cash flows RM '000	Risk adjustment RM '000	
<b>Net retakaful contract assets as at 1 April 2023</b>	<b>14,854</b>	<b>-</b>	<b>194,350</b>	<b>21,705</b>	<b>230,909</b>
Allocation of retakaful contribution	(95,023)	-	-	-	(95,023)
Amounts recoverable from retakaful operators	-	-	80,044	2,133	82,176
<b>Net income or expense from retakaful certificates held</b>	<b>(80,169)</b>	<b>-</b>	<b>274,394</b>	<b>23,838</b>	<b>218,062</b>
Takaful financial result	-	-	2,456	267	2,722
<b>Total changes in the statement of profit or loss</b>	<b>(80,169)</b>	<b>-</b>	<b>276,850</b>	<b>24,104</b>	<b>220,784</b>
Cash (inflow)/outflow	130,563	-	(51,788)	-	78,775
<b>Net retakaful certificate assets as at 30 September 2023</b>	<b>50,394</b>	<b>-</b>	<b>225,062</b>	<b>24,104</b>	<b>299,560</b>

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**17. Takaful and retakaful certificate assets/liabilities (cont'd.)**

**Retakaful certificates assets/(liabilities) (cont'd.)**

**Roll-forward of net asset or liability for retakaful contracts issued showing the liability for remaining coverage and the liability for incurred claims (cont'd).**

	<b>Assets for remaining coverage</b>		<b>Assets for incurred claims</b>		<b>Total RM '000</b>
	<b>Excluding loss recovery component RM '000</b>	<b>Loss recovery component RM '000</b>	<b>Estimates of the present value of future cash flows RM '000</b>	<b>Risk adjustment RM '000</b>	
<b>General Takaful Fund As at 31 March 2023</b>					
<b>Net retakaful certificate assets as at 1 April 2022</b>	<b>69,186</b>	<b>-</b>	<b>170,698</b>	<b>-</b>	<b>239,884</b>
Allocation of retakaful contribution	(176,328)	-	-	-	(176,328)
Amounts recoverable from retakaful operators	-	-	140,675	-	140,675
<b>Net income or expense from retakaful certificates held</b>	<b>(107,141)</b>	<b>-</b>	<b>311,373</b>	<b>-</b>	<b>204,231</b>
Takaful financial result	-	-	2,014	-	2,014
<b>Total changes in the statement of profit or loss</b>	<b>(107,141)</b>	<b>-</b>	<b>313,386</b>	<b>-</b>	<b>206,245</b>
Cash (inflow)/outflow	121,995	-	(119,036)	-	2,959
<b>Net retakaful certificate assets as at 31 March 2023</b>	<b>14,854</b>	<b>-</b>	<b>194,350</b>	<b>-</b>	<b>209,204</b>

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**17. Takaful and retakaful certificate assets/liabilities (cont'd.)**

**Retakaful certificates assets/(liabilities) (cont'd.)**

**Roll-forward of net asset or liability for retakaful contracts issued showing the liability for remaining coverage and the liability for incurred claims (cont'd).**

	<b>Assets for remaining coverage</b>		<b>Assets for incurred claims</b>		<b>Total</b>
	<b>Excluding loss recovery component</b>	<b>Loss recovery component</b>	<b>Estimates of the present value of future cash flows</b>	<b>Risk adjustment</b>	
<b>Company</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
<b>As at 31 March 2023</b>					
<b>Net retakaful certificate assets as at 1 April 2022</b>	<b>69,186</b>	<b>-</b>	<b>170,698</b>	<b>19,928</b>	<b>259,812</b>
Allocation of retakaful contribution	(176,328)	-	-	-	(176,328)
Amounts recoverable from retakaful operators	-	-	140,675	1,539	142,214
<b>Net income or expense from retakaful certificates held</b>	<b>(107,141)</b>	<b>-</b>	<b>311,373</b>	<b>21,467</b>	<b>225,698</b>
Takaful financial result	-	-	2,014	238	2,252
<b>Total changes in the statement of profit or loss</b>	<b>(107,141)</b>	<b>-</b>	<b>313,386</b>	<b>21,705</b>	<b>227,950</b>
Cash (inflow)/outflow	121,995	-	(119,036)	-	2,959
<b>Net retakaful certificate assets as at 31 March 2023</b>	<b>14,854</b>	<b>-</b>	<b>194,350</b>	<b>21,705</b>	<b>230,909</b>



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**18. Other payables**

	<b>General takaful fund RM '000</b>	<b>Company RM '000</b>
<b>30.09.2023</b>		
Provision on:		
Marketing-related expenses	-	10,344
Salary bonus	-	2,023
Others	-	7,431
Advance contributions	9,638	9,638
Deposit contributions	2,436	2,436
Amount due to participants	5,429	5,429
Amount due to shareholder's fund*	132,024	-
Amount due to fellow subsidiaries*	46	11,414
Surplus payable	22,366	22,366
Other accruals and payables	23,455	25,743
	<b>195,394</b>	<b>96,823</b>
	<b>General takaful fund RM '000</b>	<b>Company RM '000</b>
<b>31.03.2023</b>		
Provision on:		
Marketing-related expenses	-	7,860
Salary bonus	-	6,613
Others	-	6,619
Advance contributions	6,953	6,953
Deposit contributions	4,560	4,560
Amount due to participants	5,813	5,813
Amount due to shareholder's fund*	112,813	-
Amount due to fellow subsidiaries*	149	13,453
Surplus payable	22,647	22,647
Other accruals and payables	44,981	50,725
	<b>197,916</b>	<b>125,243</b>

\* 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.

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**19. Capital commitments and contingencies**

**Capital commitments**

	<b>30.09.2023</b>	<b>31.03.2023</b>
	<b>RM '000</b>	<b>RM '000</b>
<b>Shareholder's fund and Company</b>		
Authorised and contracted for:		
Intangible assets	4,338	5,244
Motor vehicle and equipment	-	64
	<u>4,338</u>	<u>5,308</u>
Authorised but not contracted for:		
Intangible assets	4,700	18,142
Equipment	-	2,071
	<u>4,700</u>	<u>20,213</u>
Payable within 1 year	5,460	9,983
Payable after 1 year but not more than 5 years	<u>3,578</u>	<u>15,538</u>
	<u>9,038</u>	<u>25,521</u>

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.

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**20. Regulatory capital requirement**

The capital structure of the Company as at 30 September 2023, as prescribed under the Risk-Based Capital Framework for Takaful Operators ("RBCT Framework") is provided below:

	<b>General takaful fund RM '000</b>	<b>Company RM'000</b>
<b>30.09.2023</b>		
<b>Eligible tier-1 capital</b>		
Share capital	-	230,000
Retained profits/accumulated surplus	187,350	283,338
<b>Tier-2 capital</b>		
Fair value reserves	(999)	(2,399)
Amount deducted from capital	(6,489)	(77,854)
Total capital available	<u>179,862</u>	<u>433,085</u>
<b>31.03.2023</b>		
<b>Eligible tier-1 capital</b>		
Share capital	-	230,000
Retained profits/accumulated surplus	178,245	246,800
<b>Tier-2 capital</b>		
Fair value reserves	(1,124)	(2,723)
Amount deducted from capital	<u>(7,834)</u>	<u>(82,145)</u>
Total capital available	<u>169,287</u>	<u>391,932</u>

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**21. 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:

	<b>General takaful fund RM '000</b>	<b>Company RM '000</b>
<b>30.09.2023</b>		
<b>Income/(expenses) :</b>		
Transactions with MNRB		
Gross contributions	483	483
Management fees	-	(7,454)
Management expense chargeback	-	(1,207)
	<hr/>	<hr/>
Transactions with Takaful IKHLAS		
Family, a fellow subsidiary:		
Gross contribution received	111	111
Gross contribution paid for takaful cover	-	(765)
Management fees	-	(339)
Management expense chargeback	-	(1,564)
	<hr/>	<hr/>
Transactions with Malaysian Re, a fellow subsidiary:		
Gross contributions received	103	103
Contributions ceded	(5,142)	(5,142)
Retakaful commission income	643	643
Claims recoveries	2,223	2,223
Management fees	-	(171)
Management expense chargeback	-	(676)
	<hr/>	<hr/>

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**21. Related party transactions (cont'd.)**

	<b>General takaful fund RM '000</b>	<b>Company RM '000</b>
<b>30.09.2023 (cont'd.)</b>		
<b>Income/(expenses) :</b>		
Transactions with Labuan Reinsurance (L) Ltd ("Labuan Re"), in which Malaysian Re is a substantial shareholder:		
Gross contributions received	18	18
Contributions ceded	(4,503)	(4,503)
Retakaful commission income	436	436
Claims recoveries	792	792
	<hr/>	<hr/>
<b>31.03.2023</b>		
<b>Income/(expenses) :</b>		
Transactions with MNRB:		
Gross contributions	445	445
Management fees	-	(16,701)
Management expense chargeback	-	(940)
Dividend paid	-	(18,000)
	<hr/>	<hr/>
Transactions with Takaful IKHLAS Family, a fellow subsidiary:		
Gross contribution received	28	28
Gross contribution paid for takaful cover	-	(353)
Management fees	-	(532)
Management expense chargeback	-	(6,233)
	<hr/>	<hr/>
Transactions with Malaysian Re, a fellow subsidiary:		
Gross contributions received	104	104
Contributions ceded	(24,838)	(24,838)
Retakaful commission income	1,240	1,240
Claims recoveries	18,990	18,990
Management fees	-	(476)
Management expense chargeback	-	(1,324)
	<hr/>	<hr/>
Transactions with Labuan Reinsurance (L) Ltd ("Labuan Re"), in which Malaysian Re is a substantial shareholder:		
Gross contributions received	19	19
Contributions ceded	(6,453)	(6,453)
Retakaful commission income	613	613
Claims recoveries	4,629	4,629
	<hr/>	<hr/>

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**22. 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 1 - 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 2 - 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 3 - 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.

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**22. 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. 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.

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**22. 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:

Company	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	
<b>30.09.2023</b>				
<u>Financial assets:</u>				
Financial assets at FVTPL:				
Unquoted sukuks Government	-	38,938	-	38,938
investment issues	-	120,837	-	120,837
Quoted Shariah approved equities in Malaysia	22,974	-	-	22,974
Real estate investment trusts	1,017	-	-	1,017
Shariah approved unit trust funds	5,228	-	-	5,228
	<u>29,219</u>	<u>159,775</u>	<u>-</u>	<u>188,994</u>
Financial assets at FVOCI:				
Unquoted sukuks Government	-	151,880	-	151,880
investment issues	-	60,711	-	60,711
	<u>-</u>	<u>212,591</u>	<u>-</u>	<u>212,591</u>
	<u>29,219</u>	<u>372,366</u>	<u>-</u>	<u>401,585</u>



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**22. 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	
<b>Company (cont'd.)</b>				
<b>31.03.2023</b>				
<u>Financial assets:</u>				
Financial assets at FVTPL:				
Quoted Shariah approved equities in Malaysia	19,617	-	-	19,617
Real estate investment trusts	842	-	-	842
Shariah approved unit trust funds	13,660	-	-	13,660
	<u>34,119</u>	<u>-</u>	<u>-</u>	<u>34,119</u>
Financial assets at FVOCI:				
Unquoted sukuks	-	193,219	-	193,219
Government investment issues	-	200,469	-	200,469
	<u>-</u>	<u>393,688</u>	<u>-</u>	<u>393,688</u>
	<u>34,119</u>	<u>393,688</u>	<u>-</u>	<u>427,807</u>

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**22. 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	Observable	Significant	
	market	inputs	unobservable	
	prices	inputs	inputs	
	RM '000	RM '000	RM '000	
General takaful fund				
31.03.2023				
Financial assets:				
Financial assets at FVTPL:				
Unquoted sukuk	-	38,938	-	38,938
Government				
investment issues	-	120,837	-	120,837
Quoted Shariah				
approved equities				
in Malaysia	17,674	-	-	17,674
Real estate				
investment trusts	1,017	-	-	1,017
Shariah approved				
unit trust funds	5,228	-	-	5,228
	23,919	159,775	-	183,694
Financial assets at FVOCI:				
Unquoted sukuk	-	112,589	-	112,589
Government				
investment issues	-	-	-	-
	-	112,589	-	112,589
	23,919	272,364	-	296,283

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**22. Fair values (cont'd.)**

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

Valuation technique using:				
	Level 1 Quoted market prices RM '000	Level 2 Observable inputs RM '000	Level 3 Significant unobservable inputs RM '000	Total RM '000
General takaful fund (cont'd.)				
31.03.2023				
Financial assets:				
Financial assets at FVTPL:				
Quoted Shariah approved equities in Malaysia	15,095	-	-	15,095
Real estate investment trusts	842	-	-	842
Shariah approved unit trust funds	13,660	-	-	13,660
	29,597	-	-	29,597
Financial assets at FVOCI:				
Unquoted sukuks	-	146,700	-	146,700
Government investment issues	-	130,150	-	130,150
	-	276,850	-	276,850
	29,597	276,850	-	306,447