

TAKAFUL IKHLAS SDN. BHD.
(593075-U)
(Incorporated in Malaysia)

Unaudited Interim Financial Statements
For the six months period ended 30 September 2013

593075-U

Takaful Ikhlas Sdn. Bhd.
(Incorporated in Malaysia)

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Takaful Ikhlas Sdn. Bhd.
(Incorporated in Malaysia)

Unaudited statement of comprehensive income
For the six months period ended 30 September 2013

	01.04.2013 to 30.09.2013				1.04.2012 to 30.09.2012			
	Shareholder's fund RM '000	General takaful fund RM '000	Family takaful fund RM '000	Company RM '000	Shareholder's fund RM '000	General takaful fund RM '000	Family takaful fund RM '000	Company RM '000
Gross earned contributions	-	98,531	265,171	361,499	-	84,407	267,224	349,778
Earned contributions ceded to retakaful	-	(31,753)	(17,433)	(49,186)	-	(24,582)	(24,020)	(48,602)
Net earned contributions	-	66,778	247,738	312,313	-	59,825	243,204	301,176
Investment income	5,152	5,498	28,986	37,505	5,275	5,377	25,053	33,574
Realised gains	108	617	9,509	10,234	521	1,166	6,807	8,494
Fair value (losses)/gains	(10)	(23)	1,643	1,610	56	62	3,103	3,221
Fee and commission income	103,627	6,367	101	6,468	101,374	4,029	-	4,029
Other operating income	116	-	-	-	559	-	-	-
Other revenue	108,993	12,459	40,239	55,817	107,785	10,634	34,963	49,318
Gross claims and benefits paid	-	(49,898)	(57,950)	(107,848)	-	(58,611)	(81,046)	(139,657)
Claims and benefits ceded to retakaful	-	11,878	(16,714)	(4,836)	-	8,928	14,252	23,180
Gross change to certificate liabilities	-	(16,756)	(244,550)	(261,306)	-	23,973	(139,873)	(115,900)
Change in certificate liabilities ceded to retakaful	-	6,960	148,807	155,767	-	400	59,326	59,726
Net claims and benefits	-	(47,816)	(170,407)	(218,223)	-	(25,310)	(147,341)	(172,651)
Fee and commission expenses	(50,930)	(26,883)	(76,744)	(50,930)	(54,250)	(26,804)	(74,570)	(54,250)
Management expenses	(50,771)	-	-	(47,572)	(48,271)	-	-	(45,359)
Other operating expenses	-	(237)	(2,076)	(2,197)	-	2	(231)	330
Change in expense liabilities	(1,808)	-	-	(1,808)	(1,324)	-	-	(1,324)
Other expenses	(103,509)	(27,120)	(78,820)	(102,507)	(103,845)	(26,802)	(74,801)	(100,603)
Profit/operating surplus before zakat and taxation	5,484	4,301	38,750	47,400	3,940	18,347	56,025	77,240
Zakat	(200)	-	-	(200)	(301)	-	-	(301)
Taxation	(2,218)	(769)	(3,108)	(6,095)	(1,680)	(4,477)	(2,810)	(8,967)
Net surplus attributable to takaful funds	-	(3,532)	(35,642)	(38,039)	-	(13,870)	(53,215)	(66,013)
Net profit for the period	3,066	-	-	3,066	1,959	-	-	1,959

These unaudited financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2013. The accompanying explanatory notes form an integral part of these interim financial statements.

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Takaful Ikhlas Sdn. Bhd.
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Unaudited statement of comprehensive income
For the six months period ended 30 September 2013 (cont'd.)

	01.04.2013 to 30.09.2013				1.04.2012 to 30.09.2012			
	Shareholder's fund RM '000	General takaful fund RM '000	Family takaful fund RM '000	Company RM '000	Shareholder's fund RM '000	General takaful fund RM '000	Family takaful fund RM '000	Company RM '000
Net profit for the period	3,066	-	-	3,066	1,959	-	-	1,959
Other comprehensive income:								
Available-for-sale fair value reserves:								
Net (losses)/gains on fair value changes	(992)	(610)	(13,103)	(14,705)	(16)	261	101	346
Deferred tax on fair value changes	275	195	1,385	1,855	(125)	9	497	381
Realised gain transferred to statement of comprehensive income	(108)	(617)	(3,994)	(4,719)	(503)	(1,166)	(3,728)	(5,397)
Other comprehensive income attributable to participants	-	1,032	15,712	16,744	-	896	3,130	4,026
Total comprehensive income for the period	2,241	-	-	2,241	1,315	-	-	1,315

These unaudited financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2013. The accompanying explanatory notes form an integral part of these interim financial statements.

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Takaful Ikhlas Sdn. Bhd.
(Incorporated in Malaysia)
Unaudited statement of financial position
As at 30 September 2013

	Note	30.09.2013				31.03.2013			
		Shareholder's fund RM '000	General takaful fund RM '000	Family takaful fund RM '000	Company RM '000	Shareholder's fund RM '000	General takaful fund RM '000	Family takaful fund RM '000	Company RM '000
Assets									
Property and equipment		9,409	-	-	114,231	10,769	-	-	115,961
Intangible assets		5,845	-	-	5,845	6,222	-	-	6,222
Investment properties		-	-	105,957	-	-	105,192	-	-
Financial assets:									
Financial assets at fair value									
through profit or loss ("FVTPL")	12(a)	1,110	1,624	115,710	118,444	1,153	1,153	120,194	122,500
Held-to-maturity investments ("HTM")	12(b)	59,583	72,077	342,452	474,112	59,605	74,621	352,546	486,772
Available-for-sale ("AFS") financial assets	12(c)	133,016	101,744	846,419	1,081,179	119,327	82,117	644,184	845,628
Loans and receivables ("LAR")	12(d)	138,311	124,575	329,107	543,164	168,607	123,093	409,891	623,514
Retakaful certificate assets	13	-	63,401	238,650	302,051	-	62,912	89,843	152,755
Takaful certificate receivables		-	21,142	153,911	175,053	-	28,804	121,439	150,243
Deferred tax assets		6,603	451	-	5,082	6,437	317	-	3,529
Tax recoverable		7,577	-	-	7,577	6,235	-	-	6,235
Cash and bank balances		5,353	17,861	40,537	63,751	2,840	32,549	32,026	67,415
Total assets		366,807	402,875	2,172,743	2,890,489	381,195	405,566	1,875,315	2,580,774
Liabilities									
Takaful certificate liabilities	13	-	315,624	1,763,668	2,069,292	-	301,553	1,513,237	1,804,790
Expense liabilities	14	23,848	-	-	23,848	22,040	-	-	22,040
Takaful certificate payables		-	17,446	73,411	90,857	-	20,299	65,253	85,552
Due to agents, retakaful and brokers		14,781	-	-	14,781	16,100	-	-	16,100
Deferred tax liabilities		-	-	1,432	-	-	-	2,685	-
Zakat payable		503	-	-	503	515	-	-	515
Tax payable		-	5,862	7,563	13,425	-	5,853	4,587	10,440
Other payables		26,428	49,096	96,733	133,428	34,534	57,515	75,214	99,186
Total liabilities		65,560	388,028	1,942,807	2,346,134	73,189	385,220	1,660,976	2,038,623
Participants' fund									
General takaful fund	15	-	14,847	-	14,847	-	20,346	-	20,346
Family takaful fund	16	-	-	229,936	228,261	-	-	214,339	213,799
Total participants' funds		-	14,847	229,936	243,108	-	20,346	214,339	234,145
Equity									
Share capital		295,000	-	-	295,000	295,000	-	-	295,000
Reserves		6,247	-	-	6,247	13,006	-	-	13,006
Total equity		301,247	-	-	301,247	308,006	-	-	308,006
Total liabilities, participants' funds and equity		366,807	402,875	2,172,743	2,890,489	381,195	405,566	1,875,315	2,580,774

These unaudited financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2013. The accompanying explanatory notes form an integral part of these interim financial statements.

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Takaful Ikhlas Sdn. Bhd.
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Unaudited statement of changes in equity
For the six months period ended 30 September 2013

	Note	Share capital RM '000	Non distributable Available-for sale reserves RM '000	Non distributable revaluation reserve RM '000	Distributable retained profits/ (losses) RM '000	Total RM '000
Shareholder's fund						
At 1 April 2013		295,000	913	-	12,093	308,006
Total comprehensive income for the period		-	(825)	-	3,066	2,241
Dividend on ordinary shares		-	-	-	(9,000)	(9,000)
At 30 September 2013		<u>295,000</u>	<u>88</u>	<u>-</u>	<u>6,159</u>	<u>301,247</u>
At 1 April 2012		295,000	2,078	-	6,974	304,052
Total comprehensive income for the period		-	(644)	-	1,959	1,315
Dividend on ordinary shares		-	-	-	(5,000)	(5,000)
At 30 September 2012		<u>295,000</u>	<u>1,434</u>	<u>-</u>	<u>3,933</u>	<u>300,367</u>
Company						
At 1 April 2013		295,000	913	-	12,093	308,006
Total comprehensive income for the period		-	(17,569)	-	3,066	(14,503)
Attributable to participants		-	16,744	-	-	16,744
Dividend on ordinary shares		-	-	-	(9,000)	(9,000)
At 30 September 2013		<u>295,000</u>	<u>88</u>	<u>-</u>	<u>6,159</u>	<u>301,247</u>
At 1 April 2012		295,000	2,078	-	6,974	304,052
Total comprehensive income for the period		-	(4,670)	-	1,959	(2,711)
Attributable to participants		-	4,026	-	-	4,026
Dividend on ordinary shares		-	-	-	(5,000)	(5,000)
At 30 September 2012		<u>295,000</u>	<u>1,434</u>	<u>-</u>	<u>3,933</u>	<u>300,367</u>

These unaudited financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2013. The accompanying explanatory notes form an integral part of these interim financial statements.

Takaful Ikhlas Sdn. Bhd.
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Unaudited statement of cash flows
For the six months period ended 30 September 2013

	1.04.2013 to 30.09.2013 RM '000	1.04.2012 to 30.09.2012 RM '000
Cash flows from operating activities		
Profit before zakat and taxation	47,400	77,240
Adjustments for:		
Depreciation of equipment	3,057	2,875
Amortisation of intangible assets	596	501
Net amortisation/(accretion) of discounts	982	224
Profit on investment accounts	(38,872)	(32,201)
Gross dividend income	(2,538)	(2,462)
Fair value adjustments of financial assets at FVTPL	(1,595)	(3,197)
Writeback for impairment of HTM financial asset	(15)	(24)
Gain on disposal of investments	(10,234)	(8,494)
Allowance/(writeback) for impairment of takaful receivables	247	(390)
Increase in contribution liabilities	3,786	3,650
Increase in expense liabilities	1,808	1,324
Operating cash flows before working capital changes	<u>4,622</u>	<u>39,046</u>
Changes in working capital:		
Purchase of financial assets	(284,604)	(491,593)
Proceeds from disposal of of financial assets	62,667	279,083
Decrease in placement of Islamic investment accounts	101,949	40,700
Decrease in staff financing	295	132
Increase in takaful receivables	(25,057)	(30,039)
Increase in tax recoverable	(1,342)	(1,582)
Increase in other receivables, deposits and prepayments	(189,600)	(61,578)
Increase/(decrease) in claims liabilities	10,570	(10,477)
Increase/(decrease) in takaful certificate payables	3,986	(691)
Increase in other payables	279,422	168,240
Net change in balance with holding company	<u>3</u>	<u>927</u>
Operating cash flows after working capital changes	<u>(37,089)</u>	<u>(67,832)</u>
Investment income received	51,286	26,821
Dividend income received	2,529	1,327
Dividend paid	(9,000)	(5,000)
Income tax paid	(9,632)	(3,521)
Zakat paid	(212)	(179)
Net cash used in operating activities	<u>(2,118)</u>	<u>(48,384)</u>

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Unaudited statement of cash flows
For the six months period ended 30 September 2013 (cont'd.)

	1.04.2013 to 30.09.2013 RM '000	1.04.2012 to 30.09.2012 RM '000
Cash flows from investing activities		
Purchase of property and equipment	(1,327)	(527)
Purchase of intangible assets	(219)	(511)
Net cash used in investing activities	(1,546)	(1,038)
Net decrease in cash and cash equivalents	(3,664)	(49,422)
Cash and cash equivalents at beginning of period	67,415	79,166
Cash and cash equivalents at end of period	63,751	29,744
Cash and cash equivalents comprise:		
Cash and bank balances of:		
Shareholder's fund	5,353	8,059
General takaful fund	17,861	636
Family takaful fund	40,537	21,049
	63,751	29,744

These unaudited financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2013. The accompanying explanatory notes form an integral part of these interim financial statements.

Takaful Ikhlas Sdn. Bhd.
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Notes to the Unaudited interim financial statements - 30 September 2013

1. Corporate information

The Company is engaged principally in the managing of general, family and investment-linked takaful businesses. There were no significant changes in the principal activities of the Company during the financial period from 1 April 2013 to 30 September 2013.

The Company is a private limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at 9th Floor, IKHLAS Point, Tower 11A, Avenue 5, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

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

2. Significant accounting policies

2.1 Basis of preparation

The unaudited interim financial statements for the six months period ended 30 September 2013 have been prepared in accordance with Malaysia Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting in Malaysia, International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 1965 in Malaysia.

The statements of financial position and statements of comprehensive income of the shareholder's fund, family takaful fund and general takaful fund which are presented on pages 1 to 3 of the interim financial statements have been provided as supplementary financial information and to comply with the requirements of BNM's Guideline BNM/RH/GL 004-6 : Guidelines on Financial Reporting for Takaful Operators. The Islamic Financial Services Act, 2013, in Malaysia requires the clear segregation of the assets, liabilities, income and expenses of the shareholder's funds and the respective takaful funds. Accordingly, the statements of financial position and statements of comprehensive income prepared for the shareholder's fund, family takaful fund and general takaful fund as referred to above, reflect only the assets, liabilities, income, expenses and comprehensive gains or losses of the individual funds.

In preparing the Company-level financial statements, the balances and transactions of the shareholder's fund are amalgamated and combined with those of the takaful funds. Interfund balances, transactions and unrealised gains or losses are eliminated in full during amalgamation. The accounting policies adopted for the shareholder's and takaful funds are uniform for like transactions and events in similar circumstances.

The takaful funds are consolidated and amalgamated from the date of control and continue to be consolidated until the date such control ceases which will occur when the Company's licence to manage takaful business is withdrawn or surrendered.

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2. Significant accounting policies (cont'd.)

2.1 Basis of preparation (cont'd.)

Financial assets and financial liabilities are offset and the net amount reported in the statement 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 assets and settle the liability simultaneously. Income and expense will not be offset in the statement of comprehensive income unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Company.

The financial statements of the Company have also been prepared on a historical cost basis, except for those financial instruments that have been measured at their fair values.

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 period ended 31 March 2013.

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 2013.

The interim financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM '000) except when otherwise indicated.

2.2 Takaful operations and its funds

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 and family takaful funds in line with the principles of Wakalah (agency), which is the main 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.

In accordance with the The Islamic Financial Services Act, 2013, the assets and liabilities of the takaful funds are segregated from those of the takaful operator: a concept known as segregation of funds. Accordingly, in prior years, the financial statements of the takaful operator presented separate statements of financial position, income statements and statements of comprehensive income for the takaful funds to clearly segregate the assets, liabilities, income and expenses of the takaful operator from those of the takaful funds which it manages but does not own. This was a modification to FRS by Bank Negara Malaysia as permitted under Section 57 of the Islamic Financial Services Act, 2013 in Malaysia.

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2. Significant accounting policies (cont'd.)

2.2 Takaful operations and its funds (cont'd.)

In full compliance with MFRS 127 *Consolidated and Separate Financial Statements*, the assets, liabilities, income and expenses of the takaful funds are consolidated with those of the takaful operator to represent the control possessed by the operator over the financial and operating policies of the respective funds. Upon consolidation, the related interfund balances and transactions are eliminated in full.

The inclusion of separate information of the takaful funds and the takaful operator together with the consolidated financial information of the Company in the statement of financial position, the income statement, the statement of comprehensive income as well as certain relevant notes to the financial statements represents additional supplementary information required for Bank Negara Malaysia reporting.

3. Auditor's report

The auditor's report on the audited financial statements of the preceding year ended 31 March 2013 does not contain any qualification.

4. Seasonality or cyclicity 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 2013.

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 2013.

6. Changes in estimates

There was no change in estimates of amounts reported in prior financial period that has a material effect in the unaudited interim financial statements.

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 30 September 2013.

8. Significant events

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

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9. Subsequent events

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

10. Dividends paid

The amount of dividends paid by the Company since 31 March 2013 was as follows:

	RM '000
In respect of financial year ended 31 March 2013:	
Final single tier dividend of 3.1% on 295,000,000 ordinary shares, approved on 25 September 2013 and paid on 30 September 2013	<u>9,000</u>

No dividend was declared for the interim period under review.

11. Changes in the composition of the company

There is no change in the composition of the Company since the end of the previous financial period ended 31 March 2013.

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12. Financial assets

	30.09.2013				31.03.2013			
	Shareholder's fund RM '000	General takaful fund RM '000	Family takaful fund RM '000	Company RM '000	Shareholder's fund RM '000	General takaful fund RM '000	Family takaful fund RM '000	Company RM '000
Unquoted Islamic private debt securities:								
Government guaranteed	19,018	18,317	173,902	211,237	19,019	18,318	213,940	251,277
Unsecured	112,876	69,014	498,856	680,746	112,094	65,071	403,682	580,847
Government investment issues	40,305	63,560	404,604	508,469	40,320	59,349	318,201	417,870
Quoted shares in Malaysia:								
Shariah approved equities	20,700	24,521	115,912	161,133	8,382	6,632	51,088	66,102
Warrants	30	33	-	63	26	29	-	55
Property trust funds	602	-	-	602	66	98	328	492
Shariah approved unit trust funds	-	-	111,307	111,307	-	8,394	129,685	138,079
Golf club memberships	178	-	-	178	178	-	-	178
Islamic investment accounts with licensed:								
Islamic banks	26,796	44,748	145,868	217,412	45,599	69,532	191,139	306,270
Investment banks	7,319	18,663	6,968	32,950	2,361	8,882	16,365	27,608
Development bank	9,496	41,894	97,465	148,855	17,061	39,557	80,666	137,284
Building society	-	-	10,464	10,464	400	-	27,703	28,103
Islamic repo placements	24,563	13,517	17,648	55,728	14,967	-	53,126	68,093
Institutional trust fund	7,426	-	20,945	28,371	7,246	-	20,437	27,683
Units held in investment-linked fund	10,000	-	-	-	10,000	-	-	-
Qard receivable	-	-	-	-	-	-	-	-
Secured staff financing:								
Receivable within 12 months	1,173	-	-	1,173	1,121	-	-	1,121
Receivable after 12 months	1,587	-	-	1,587	1,934	-	-	1,934
Due from:								
General takaful fund	6,616	-	1	-	28,873	-	5,502	-
Family takaful fund	31,263	949	-	-	33,702	-	-	-
Investment-linked fund	-	-	-	-	-	-	-	-
Amount due from related companies	31	-	541	572	34	-	541	575
Income due and accrued	1,954	3,075	2,246	7,275	2,024	3,552	14,104	19,680
Other receivables, deposits and prepayments	10,087	1,729	26,961	38,777	3,285	1,570	308	5,163
	332,020	300,020	1,633,688	2,216,899	348,692	280,984	1,526,815	2,078,414

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12. Financial assets (cont'd.)

The Company's financial instruments are summarised by categories as follows:

	30.09.2013				31.03.2013			
	Shareholder's fund RM '000	General takaful fund RM '000	Family takaful fund RM '000	Company RM '000	Shareholder's fund RM '000	General takaful fund RM '000	Family takaful fund RM '000	Company RM '000
Financial assets at FVTPL (Note 12(a))	1,110	1,624	115,710	118,444	1,153	1,153	120,194	122,500
HTM investments (Note 12(b))	59,583	72,077	342,452	474,112	59,605	74,621	352,546	486,772
AFS financial assets (Note 12(c))	133,016	101,744	846,419	1,081,179	119,327	82,117	644,184	845,628
Loans and receivables (Note 12(d))	138,311	124,575	329,107	543,164	168,607	123,093	409,891	623,514
	<u>332,020</u>	<u>300,020</u>	<u>1,633,688</u>	<u>2,216,899</u>	<u>348,692</u>	<u>280,984</u>	<u>1,526,815</u>	<u>2,078,414</u>

(a) Financial assets at FVTPL

At fair value:

Unquoted Islamic private debt securities:

Government guaranteed

- - - - - - - - - -

Unsecured

- - - - - - - - - -

Government investment issues

- - - - - - - - - -

Quoted shares in Malaysia:

Shariah approved equities

1,104 1,602 4,403 7,109 1,131 1,133 3,100 5,364

Warrants

6 22 - 28 22 20 - 42

Shariah approved unit trust funds

- - 111,307 111,307 - - 117,094 117,094

1,110 1,624 115,710 118,444 1,153 1,153 120,194 122,500

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12. Financial assets (cont'd.)

	30.09.2013				31.03.2013			
	Shareholder's fund RM '000	General takaful fund RM '000	Family takaful fund RM '000	Company RM '000	Shareholder's fund RM '000	General takaful fund RM '000	Family takaful fund RM '000	Company RM '000
(b) HTM investments								
At amortised cost:								
Unquoted Islamic private debt securities:								
Government guaranteed	19,018	18,317	36,477	73,812	19,019	18,318	41,435	78,772
Unsecured	260	-	5,032	5,292	266	2,000	8,000	10,266
Government investment issues	40,305	53,760	300,943	395,008	40,320	54,303	303,111	397,734
	<u>59,583</u>	<u>72,077</u>	<u>342,452</u>	<u>474,112</u>	<u>59,605</u>	<u>74,621</u>	<u>352,546</u>	<u>486,772</u>
At fair value:								
Unquoted Islamic private debt securities:								
Government guaranteed	19,148	18,441	5,299	42,888	19,433	18,718	42,472	80,623
Unsecured	260	-	36,599	36,859	396	2,002	8,010	10,408
Government investment issues	39,357	53,886	297,505	390,748	40,518	55,435	306,164	402,117
	<u>58,765</u>	<u>72,327</u>	<u>339,403</u>	<u>470,495</u>	<u>60,347</u>	<u>76,155</u>	<u>356,646</u>	<u>493,148</u>

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12. Financial assets (cont'd.)

(c) AFS financial assets

	30.09.2013				31.03.2013			
	Shareholder's fund RM '000	General takaful fund RM '000	Family takaful fund RM '000	Company RM '000	Shareholder's fund RM '000	General takaful fund RM '000	Family takaful fund RM '000	Company RM '000
At fair value:								
Unquoted Islamic private debt securities:								
Government guaranteed	-	-	137,425	137,425	-	-	172,505	172,505
Unsecured	112,616	69,014	493,824	675,454	111,828	63,071	395,682	570,581
Government investment issues	-	9,800	103,661	113,461	-	5,046	15,090	20,136
Quoted shares in Malaysia:								
Shariah approved equities	19,596	22,919	111,509	154,024	7,251	5,499	47,988	60,738
Warrants	24	11	-	35	4	9	-	13
Property trust funds	602	-	-	602	66	98	328	492
Shariah approved unit trust funds	-	-	-	-	-	8,394	12,591	20,985
Golf club memberships	178	-	-	178	178	-	-	178
	<u>133,016</u>	<u>101,744</u>	<u>846,419</u>	<u>1,081,179</u>	<u>119,327</u>	<u>82,117</u>	<u>644,184</u>	<u>845,628</u>

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12. Financial assets (cont'd.)

(d) Loans and receivables

	30.09.2013				31.03.2013			
	Shareholder's fund RM '000	General takaful fund RM '000	Family takaful fund RM '000	Company RM '000	Shareholder's fund RM '000	General takaful fund RM '000	Family takaful fund RM '000	Company RM '000
At amortised cost/fair value								
Islamic investment accounts with licensed:								
Islamic banks	26,796	44,748	145,868	217,412	45,599	69,532	191,139	306,270
Investment banks	7,319	18,663	6,968	32,950	2,361	8,882	16,365	27,608
Development bank	9,496	41,894	97,465	148,855	17,061	39,557	80,666	137,284
Building society	-	-	10,464	10,464	400	-	27,703	28,103
Islamic repo placements	24,563	13,517	17,648	55,728	14,967	-	53,126	68,093
Institutional trust fund	7,426	-	20,945	28,371	7,246	-	20,437	27,683
Units held in investment-linked fund	10,000	-	-	-	10,000	-	-	-
Qard receivable	-	-	-	-	-	-	-	-
Secured staff financing:								
Receivable within 12 months	1,173	-	-	1,173	1,121	-	-	1,121
Receivable after 12 months	1,587	-	-	1,587	1,934	-	-	1,934
Due from:								
General takaful fund	6,616	-	1	-	28,873	-	5,502	-
Family takaful fund	31,263	949	-	-	33,702	-	-	-
Investment-linked fund	-	-	-	-	-	-	-	-
Amount due from related companies	31	-	541	572	34	-	541	575
Income due and accrued	1,954	3,075	2,246	7,275	2,024	3,552	14,104	19,680
Other receivables, deposits and prepayments	10,087	1,729	26,961	38,777	3,285	1,570	308	5,163
	<u>138,311</u>	<u>124,575</u>	<u>329,107</u>	<u>543,164</u>	<u>168,607</u>	<u>123,093</u>	<u>409,891</u>	<u>623,514</u>

The fair values of the LAR have been established by comparing current profit rates for similar financial instruments to the rates offered when the LAR were first recognized together with appropriate market credit adjustments.

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13. Takaful certificate liabilities

	General Takaful Fund			Family Takaful Fund			Company		
	Gross RM '000	Retakaful RM '000	Net RM '000	Gross RM '000	Retakaful RM '000	Net RM '000	Gross RM '000	Retakaful RM '000	Net RM '000
30.09.2013									
General takaful fund (Note (a))	315,624	(63,401)	252,223	-	-	-	315,624	(63,401)	252,223
Family takaful fund (Note (b))	-	-	-	1,763,668	(238,650)	1,525,018	1,753,668	(238,650)	1,515,018
	<u>315,624</u>	<u>(63,401)</u>	<u>252,223</u>	<u>1,763,668</u>	<u>(238,650)</u>	<u>1,525,018</u>	<u>2,069,292</u>	<u>(302,051)</u>	<u>1,767,241</u>
31.03.2013									
General takaful fund (Note (a))	301,553	(62,912)	238,641	-	-	-	301,553	(62,912)	238,641
Family takaful fund (Note (b))	-	-	-	1,513,237	(89,843)	1,423,394	1,503,237	(89,843)	1,413,394
	<u>301,553</u>	<u>(62,912)</u>	<u>238,641</u>	<u>1,513,237</u>	<u>(89,843)</u>	<u>1,423,394</u>	<u>1,804,790</u>	<u>(152,755)</u>	<u>1,652,035</u>

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13. Takaful certificate liabilities (cont'd.)

(a) General takaful fund

General takaful fund and Company	Gross RM '000	Retakaful RM '000	Net RM '000
30.09.2013			
Provision for claims reported by certificate holders	108,619	(24,470)	84,149
Provision for incurred but not reported claims ("IBNR")	60,000	(8,623)	51,377
Provision for risk margin for adverse deviations ("PRAD")	40,067	(5,924)	34,143
Claim Liabilities ⁽ⁱ⁾	208,686	(39,017)	169,669
Contribution liabilities ⁽ⁱⁱ⁾	106,938	(24,384)	82,554
	315,624	(63,401)	252,223
31.03.2013			
Provision for claims reported by certificate holders	93,692	(17,510)	76,182
Provision for incurred but not reported claims ("IBNR")	77,720	(14,721)	62,999
Provision for risk margin for adverse deviations ("PRAD")	26,203	(5,511)	20,692
Claim Liabilities ⁽ⁱ⁾	197,615	(37,742)	159,873
Contribution liabilities ⁽ⁱⁱ⁾	103,938	(25,170)	78,768
	301,553	(62,912)	238,641

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13. Takaful certificate liabilities (cont'd.)

(a) General takaful fund (cont'd.)

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

(i) Claim liabilities

General takaful fund and Company	Gross RM '000	Retakaful RM '000	Net RM '000
30.09.2013			
At 1 April 2013	197,615	(37,742)	159,873
Claims incurred in the current accident period	67,310	(17,970)	49,340
Adjustment to claims incurred in prior accident years due to changes in assumptions:			
Increase/(decrease) in PRAD	13,864	(4,070)	9,794
Decrease in Expected Ultimate Loss Ratio	(26,249)	10,706	(15,543)
Movements in claims incurred in prior accident years	6,044	(1,818)	4,226
Claims paid during the period	(49,898)	11,877	(38,021)
At 30 September 2013	<u>208,686</u>	<u>(39,017)</u>	<u>169,669</u>
31.03.2013			
At 1 April 2012	210,669	(23,536)	187,133
Claims incurred in the current accident year	124,912	(33,985)	90,927
Adjustment to claims incurred in prior accident years due to changes in assumptions:			
Increase in PRAD	14,596	(4,547)	10,049
Decrease in Expected Ultimate Loss Ratio	(24,136)	1,444	(22,692)
Movements in claims incurred in prior accident years	(21,032)	1,235	(19,797)
Claims paid during the year	(107,394)	21,647	(85,747)
At 31 March 2013	<u>197,615</u>	<u>(37,742)</u>	<u>159,873</u>

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13. Takaful certificate liabilities (cont'd.)

(a) General takaful fund (cont'd.)

(ii) Contribution liabilities

General takaful fund and Company	Gross RM '000	Retakaful RM '000	Net RM '000
30.09.2013			
At 1 April 2013	103,938	(25,170)	78,768
Contributions written during the period	101,531	(30,966)	70,565
Contributions earned during the period	(98,531)	31,752	(66,779)
At 30 September 2013	<u>106,938</u>	<u>(24,384)</u>	<u>82,554</u>
31.03.2013			
At 1 April 2012	83,041	(18,620)	64,421
Contributions written during the year	205,076	(62,719)	142,357
Contributions earned during the year	(184,179)	56,169	(128,010)
At 31 March 2013	<u>103,938</u>	<u>(25,170)</u>	<u>78,768</u>

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13. Takaful certificate liabilities (cont'd.)

(b) Family takaful fund

	Family Takaful Fund			Company		
	Gross RM '000	Retakaful RM '000	Net RM '000	Gross RM '000	Retakaful RM '000	Net RM '000
30.09.2013						
Provision for claims reported by certificate holders	33,775	(970)	32,805	33,775	(970)	32,805
Participants' Account ("PA")	1,342,554	-	1,342,554	1,342,554	-	1,342,554
Participants' Special Account ("PSA")	266,742	(237,680)	29,062	266,742	(237,680)	29,062
NAV attributable to unitholders	120,597	-	120,597	110,597	-	110,597
	<u>1,763,668</u>	<u>(238,650)</u>	<u>1,525,018</u>	<u>1,753,668</u>	<u>(238,650)</u>	<u>1,515,018</u>
31.03.2013						
Provision for claims reported by certificate holders	41,695	(9,664)	32,031	41,695	(9,664)	32,031
Participants' Account ("PA")	1,257,837	-	1,257,837	1,257,837	-	1,257,837
Participants' Special Account ("PSA")	96,859	(80,179)	16,680	96,859	(80,179)	16,680
NAV attributable to unitholders	116,846	-	116,846	106,846	-	106,846
	<u>1,513,237</u>	<u>(89,843)</u>	<u>1,423,394</u>	<u>1,503,237</u>	<u>(89,843)</u>	<u>1,413,394</u>

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13. Takaful certificate liabilities (cont'd.)

(b) Family takaful fund (cont'd.)

The movement of family takaful fund liabilities are presented as follows:

30.09.2013	Family Takaful Fund			Company		
	Gross RM '000	Retakaful RM '000	Net RM '000	Gross RM '000	Retakaful RM '000	Net RM '000
At 1 April 2013	1,513,237	(89,843)	1,423,394	1,503,237	(89,843)	1,413,394
Net earned contributions	256,733	(17,433)	239,300	256,733	(17,433)	239,300
Net creation of units	8,438	-	8,438	8,438	-	8,438
Liabilities paid for death, maturities, surrenders, benefits and claims	(57,950)	(16,714)	(74,664)	(57,950)	(16,714)	(74,664)
Net cancellation of units	(10,974)	-	(10,974)	(10,974)	-	(10,974)
Benefits and claims experience variation	(7,920)	8,694	774	(7,920)	8,694	774
Fees deducted	(70,906)	-	(70,906)	(70,906)	-	(70,906)
Other revenue and expenses	6,287	-	6,287	6,287	-	6,287
Transfer to shareholder's fund	(5,838)	-	(5,838)	(5,838)	-	(5,838)
Increase/(decrease) in reserve	132,561	(123,354)	9,207	132,561	(123,354)	9,207
At 30 September 2013	<u>1,763,668</u>	<u>(238,650)</u>	<u>1,525,018</u>	<u>1,753,668</u>	<u>(238,650)</u>	<u>1,515,018</u>

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13. Takaful certificate liabilities (cont'd.)

(b) Family takaful fund (cont'd.)

31.03.2013	Family Takaful Fund			Company		
	Gross RM '000	Retakaful RM '000	Net RM '000	Gross RM '000	Retakaful RM '000	Net RM '000
At 1 April 2012	1,217,377	(24,696)	1,192,681	1,207,377	(24,696)	1,182,681
Net earned contributions	527,586	(14,607)	512,979	527,586	(14,607)	512,979
Net creation of units	14,757	-	14,757	14,757	-	14,757
Units created from surplus distribution	115	-	115	115	-	115
Liabilities paid for death, maturities, surrenders, benefits and claims	(165,843)	21,167	(144,676)	(165,843)	21,167	(144,676)
Net cancellation of units	(21,457)	-	(21,457)	(21,457)	-	(21,457)
Benefits and claims experience variation	5,255	1,176	6,431	5,255	1,176	6,431
Fees deducted	(147,757)	-	(147,757)	(147,757)	-	(147,757)
Other revenue and expenses	6,976	-	6,976	6,976	-	6,976
Transfer to shareholder's fund	(11,135)	-	(11,135)	(11,135)	-	(11,135)
Increase in reserve	87,363	(72,883)	14,480	87,363	(72,883)	14,480
At 31 March 2013	<u>1,513,237</u>	<u>(89,843)</u>	<u>1,423,394</u>	<u>1,503,237</u>	<u>(89,843)</u>	<u>1,413,394</u>

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14. Expense liabilities

Shareholder's fund and Company	30.09.2013 RM '000	31.03.2013 RM '000
Expense liabilities for general takaful fund:		
Unearned wakalah fees reserve	7,207	7,373
Provision for expense deficiency	6,565	6,091
	<u>13,772</u>	<u>13,464</u>
Expense liabilities for family takaful fund :		
Unexpired expense reserve ("UER")	10,076	8,576
	<u>23,848</u>	<u>22,040</u>

The movement of expense liabilities are presented as follows:

	General takaful fund RM '000	Family takaful fund RM '000	Total RM '000
30.09.2013			
At 1 April 2013	13,464	8,576	22,040
- Wakalah fee received during the period	24,349	-	24,349
- Wakalah fee earned during the period	(24,515)	-	(24,515)
- Movement in provision for expense deficiency	474	-	474
- Movement in provision for UER	-	1,500	1,500
At 30 September 2013	<u>13,772</u>	<u>10,076</u>	<u>23,848</u>
31.03.2013			
At 1 April 2012	9,229	7,921	17,150
- Wakalah fee received during the year	50,929	-	50,929
- Wakalah fee earned during the year	(49,104)	-	(49,104)
- Movement in provision for expense deficiency	2,410	-	2,410
- Movement in provision for UER	-	655	655
At 31 March 2013	<u>13,464</u>	<u>8,576</u>	<u>22,040</u>

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15. General takaful fund

	General takaful fund RM '000	Company RM '000
30.09.2013		
Accumulated surplus		
At 1 April 2013	19,760	19,760
Underwriting surplus transferred from general takaful statement of comprehensive income	3,532	3,532
Hibah paid and payable to participants during the period	(7,999)	(7,999)
At 30 September 2013	<u>15,293</u>	<u>15,293</u>
AFS reserves		
At 1 April 2013	586	586
Net gains on fair value changes	(610)	(610)
Deferred tax on fair value changes	195	195
Realised gain transferred to statement of comprehensive income	(617)	(617)
At 30 September 2013	<u>(446)</u>	<u>(446)</u>
General takaful fund at end of the year		
Accumulated surplus	15,293	15,293
AFS reserves	(446)	(446)
	<u>14,847</u>	<u>14,847</u>
31.03.2013		
Accumulated surplus		
At 1 April 2012	7,784	7,784
Underwriting surplus transferred from general takaful statement of comprehensive income	17,197	17,197
Hibah paid and payable to participants during the year	(5,221)	(5,221)
At 31 March 2013	<u>19,760</u>	<u>19,760</u>
AFS reserves		
At 1 April 2012	1,838	1,838
Net gains on fair value changes	(737)	(737)
Deferred tax on fair value changes	417	417
Realised gain transferred to statement of comprehensive income	(932)	(932)
At 31 March 2013	<u>586</u>	<u>586</u>
General takaful fund at end of the year		
Accumulated surplus	19,760	19,760
AFS reserves	586	586
	<u>20,346</u>	<u>20,346</u>

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16. Family takaful fund

30.09.2013	Family takaful fund RM '000	Company RM '000
Unallocated surplus		
At 1 April 2013	206,923	185,382
Net surplus transferred from family takaful statement of comprehensive income	31,309	30,174
At 30 September 2013	<u>238,232</u>	<u>215,556</u>
AFS reserves		
At 1 April 2013	7,416	7,416
Net loss on fair value changes	(13,103)	(13,103)
Deferred tax on fair value changes	1,385	1,385
Realised gain transferred to statement of comprehensive income	(3,994)	(3,994)
At 30 September 2013	<u>(8,296)</u>	<u>(8,296)</u>
Revaluation reserves		
At 1 April 2013	-	21,001
Net gains on fair value changes	-	-
Deferred tax on fair value changes	-	-
At 30 September 2013	<u>-</u>	<u>21,001</u>
Family takaful fund at end of the year		
Unallocated surplus	238,232	215,556
AFS reserves	(8,296)	(8,296)
Revaluation reserves	-	21,001
	<u>229,936</u>	<u>228,261</u>
31.03.2013		
Unallocated surplus		
At 1 April 2012	148,295	129,856
Net surplus transferred from family takaful statement of comprehensive income	58,628	55,526
At 31 March 2013	<u>206,923</u>	<u>185,382</u>

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16. Family takaful fund (cont'd.)

31.03.2013 (cont'd.)	Family takaful fund RM '000	Company RM '000
AFS reserves		
At 1 April 2012	13,462	13,462
Net gains on fair value changes	(385)	(385)
Deferred tax on fair value changes	526	526
Realised gain transferred to statement of comprehensive income	(6,187)	(6,187)
At 31 March 2013	<u>7,416</u>	<u>7,416</u>
Revaluation reserves		
At 1 April 2012	-	16,140
Net gains on fair value changes	-	5,284
Deferred tax on changes to revaluation reserves	-	(423)
At 31 March 2013	<u>-</u>	<u>21,001</u>
Family takaful fund at end of the year		
Unallocated surplus	206,923	185,382
AFS reserves	7,416	7,416
Revaluation reserves	-	21,001
	<u>214,339</u>	<u>213,799</u>

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17. Operating lease commitments

As at the reporting date, the Company lease office premises under lease agreements that are not cancellable within a year. The leases contain renewable options.

Future minimum lease payments for leases with initial or remaining terms of one year or more are as follows:

Company	30.09.2013	31.03.2013
	RM '000	RM '000
Within 1 year	904	870
After 1 year but not more than 5 years	443	547
	<u>1,347</u>	<u>1,417</u>

18. Capital commitments

	30.09.2013	31.03.2013
	RM '000	RM '000
Shareholder's fund		
Authorised and contracted for:		
- Intangible assets - computer software (payable within 12 months)	159	207
- Renovation work	-	342
	<u>-</u>	<u>342</u>
Authorised but not contracted for:		
- Intangible assets - computer software	15,729	8,340
- Renovation work	550	-
	<u>16,279</u>	<u>8,340</u>
Payable within 12 months	159	549
Payable after 12 months	15,729	8,340
	<u>15,888</u>	<u>8,889</u>
Family takaful fund		
Authorised and contracted for:		
- Outstanding payments on investment properties in progress (payable within 12 months)	45	810
	<u>45</u>	<u>810</u>