

**Takaful Ikhlas Family Berhad
(593075-U)
(Incorporated in Malaysia)**

**Unaudited Interim Financial Statements
For the six months period ended 30 September 2019**

593075-U

**Takaful Ikhlas Family Berhad
(formerly known as Takaful Ikhlas Berhad)
(Incorporated in Malaysia)**

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Takaful Ikhlas Family Berhad
(formerly known as Takaful Ikhlas Berhad)
(Incorporated in Malaysia)

Unaudited statements of comprehensive income
For the six months period ended 30 September 2019

	----- 01.04.2019 to 30.09.2019 -----			-----01.04.2018 to 30.09.2018-----			
	Shareholder's 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	-	287,781	287,443	-	128,382	257,470	257,437
Earned contributions ceded to retakaful	-	(36,506)	(36,506)	-	(48,760)	(25,559)	(25,559)
Net earned contributions	-	251,275	250,937	-	79,622	231,911	231,878
Investment income	8,096	65,148	71,725	5,642	8,184	61,330	64,517
Realised gains/(losses)	4,493	54,498	58,991	179	446	202	381
Fair value (losses)/gains	959	101,570	102,529	(763)	(1,043)	7,654	6,891
Fee and commission income	117,343	10	10	133,391	10,044	2	2
Other operating income	1,028	-	546	519	-	-	-
Other revenue	131,919	221,226	233,801	138,968	17,631	69,188	71,791
Gross claims and benefits paid	-	(155,780)	(155,780)	-	(66,817)	(147,571)	(147,571)
Claims and benefits ceded to retakaful	-	22,762	22,762	-	25,760	8,548	8,548
Gross change to certificate liabilities	-	(177,382)	(177,382)	-	(58,269)	(122,396)	(122,396)
Change in certificate liabilities ceded to retakaful	-	3,741	3,741	-	39,663	65,684	65,684
Net claims and benefits	-	(306,659)	(306,659)	-	(59,663)	(195,735)	(195,735)
Fee and commission expenses	(43,980)	(117,343)	(43,980)	(54,140)	(39,679)	(93,712)	(40,909)
Management expenses	(52,881)	(625)	(52,647)	(67,584)	-	(296)	(45,856)
Other operating expenses	-	(482)	-	-	(3,092)	(1,835)	(1,316)
Change in expense liabilities	4,224	-	4,224	4,440	-	-	3,890
Tax borne by participants	-	(17,456)	(17,456)	-	955	(4,794)	(4,794)
Other expenses	(92,637)	(135,906)	(109,859)	(117,284)	(41,816)	(100,637)	(88,985)
Operating profit attributable to participants, zakat and taxation	39,282	29,936	68,220	21,684	(4,226)	4,727	18,949
Surplus attributable to participants	-	(29,936)	(28,938)	-	4,226	(4,727)	(3,346)
Profit before zakat and taxation from continuing operations	39,282	-	39,282	21,684	-	-	15,603
Zakat	(564)	-	(564)	(213)	-	-	(125)
Taxation	(4,150)	-	(4,150)	(5,036)	-	-	(3,577)
Net profit from continuing operations	34,568	-	34,568	16,435	-	-	11,901
Discontinued operations							
Profit before zakat and taxation from discontinued operations	-	-	-	-	-	-	6,081
Zakat for discontinued operations	-	-	-	-	-	-	(88)
Taxation for discontinued operations	-	-	-	-	-	-	(1,459)
Net profit for the period from discontinued operations	-	-	-	-	-	-	4,534
Net profit for the period	34,568	-	34,568	16,435	-	-	16,435
Basic and diluted (loss)/earnings per share (sen)			<u>6.6</u>				<u>3.6</u>

These unaudited financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2019. The accompanying explanatory notes form an integral part of these interim financial statements.

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Takaful Ikhlas Family Berhad
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Unaudited statements of comprehensive income
For the six months period ended 30 September 2019 (cont'd.)

	01.04.2019 to 30.09.2019			01.04.2018 to 30.09.2018			
	Shareholder's 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	34,568	-	34,568	16,435	-	-	16,435
Other comprehensive income:							
Items that will not be reclassified subsequently to profit or loss:							
Revaluation reserves:							
Net gains on fair value changes	-	-	998	-	-	-	1,381
Deferred tax on fair value changes	-	-	(80)	-	-	-	(111)
Items that may be subsequently reclassified to profit or loss:							
Fair value reserves:							
Net gains on fair value changes	9,236	-	8,908	454	1,008	-	489
Deferred tax on fair value changes	(1,205)	-	(1,126)	(109)	(212)	-	(117)
Realised losses/(gains) on fair value changes transferred to profit or loss	(4,493)	-	(4,493)	-	(127)	-	-
Other comprehensive (income)/loss attributable to participants	-	-	(918)	-	(669)	-	(1,270)
Total comprehensive income for the year	38,106	-	37,857	16,780	-	-	16,807

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Takaful Ikhlas Family Berhad
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Unaudited statements of financial position
As at 30 September 2019

	Note	30.09.2019			31.03.2019		
		Shareholder's fund RM '000	Family takaful fund RM '000	Company RM '000	Shareholder's fund RM '000	Family takaful fund RM '000	Company RM '000
Assets							
Property and equipment		1,062	-	82,822	964	-	82,724
Right-of-use assets		2,614	-	2,614	-	-	-
Investment properties		-	81,760	-	-	81,760	-
Intangible assets		27,830	-	27,830	27,564	-	27,564
Deferred tax assets		-	-	-	218	-	-
Financial assets	12	519,440	3,301,997	3,764,449	506,940	3,095,850	3,514,956
Retakaful certificate assets	14	-	61,497	61,497	-	57,756	57,756
Takaful certificate receivables	13	-	32,170	32,170	-	25,433	25,433
Tax recoverable		12,928	-	12,928	12,928	-	12,928
Non-current assets held for sale		-	45,875	45,875	-	45,875	45,875
Cash and bank balances		5,463	45,137	50,600	786	32,486	33,272
		<u>569,337</u>	<u>3,568,436</u>	<u>4,080,785</u>	<u>549,400</u>	<u>3,339,160</u>	<u>3,800,508</u>
Total assets		569,337	3,568,436	4,080,785	549,400	3,339,160	3,800,508
Liabilities							
Takaful certificate liabilities	14	-	3,124,617	3,114,617	-	2,947,235	2,937,235
Expense liabilities	15	31,242	-	31,242	35,466	-	35,466
Lease liabilities		2,717	-	2,717	-	-	-
Takaful certificate payables	16	-	39,788	39,788	-	27,132	27,132
Commissions due to agents, retakaful and brokers		-	-	-	4,675	-	4,675
Deferred tax liabilities		1,351	16,629	18,929	-	8,507	9,237
Zakat payable		1,142	-	1,142	1,129	-	1,129
Tax payable		-	3,983	3,983	-	-	-
Other payables		34,839	186,149	177,645	48,065	188,952	162,500
		<u>71,291</u>	<u>3,371,166</u>	<u>3,390,063</u>	<u>89,335</u>	<u>3,171,826</u>	<u>3,177,374</u>
Total liabilities		71,291	3,371,166	3,390,063	89,335	3,171,826	3,177,374
Participants' fund							
Family takaful fund	17	-	197,270	195,446	-	167,334	165,590
Total participants' funds		-	197,270	195,446	-	167,334	165,590
Equity							
Share capital		405,000	-	405,000	405,000	-	405,000
Reserves		93,046	-	90,276	55,065	-	52,544
Total equity		498,046	-	495,276	460,065	-	457,544
Total liabilities, participants' funds and equity		569,337	3,568,436	4,080,785	549,400	3,339,160	3,800,508

These unaudited financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2019. The accompanying explanatory notes form an integral part of these interim financial statements.

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Unaudited statements of changes in equity
For the six months period ended 30 September 2019

Shareholder's fund	Note	Share capital RM '000	Non distributable fair value reserves RM '000	(Accumulated losses)/ distributable retained profits RM '000	Total RM '000
At 1 April 2018 (as previously stated)		335,000	2,720	21,942	359,662
Effects of adopting MFRS 9		-	(3,146)	3,124	(22)
At 1 April 2018 (as restated)		<u>335,000</u>	<u>(426)</u>	<u>25,066</u>	<u>359,640</u>
Net profit for the period		-	-	16,435	16,435
Other comprehensive income for the period		-	345	-	345
Total comprehensive income for the period		-	345	16,435	16,780
At 30 September 2018		<u>335,000</u>	<u>(81)</u>	<u>41,501</u>	<u>376,420</u>
At 1 April 2019 (as previously stated)		405,000	1,647	53,418	460,065
Effects of adopting MFRS 16	2.3	-	-	(125)	(125)
At 1 April 2019 (as restated)		<u>405,000</u>	<u>1,647</u>	<u>53,293</u>	<u>459,940</u>
Net profit for the period		-	-	34,568	34,568
Other comprehensive income for the period		-	3,538	-	3,538
Total comprehensive income for the period		-	3,538	34,568	38,106
At 30 September 2019		<u>405,000</u>	<u>5,185</u>	<u>87,861</u>	<u>498,046</u>

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Unaudited statements of changes in equity
For the six months period ended 30 September 2019 (cont'd.)

Company	Note	Share capital RM '000	Non distributable fair value reserves RM '000	Non distributable revaluation reserve RM '000	Distributable retained profits/ (accumulated losses) RM '000	Total RM '000
At 1 April 2018 (as previously stated)		335,000	(8)	-	21,942	356,934
Effects of adopting MFRS 9			(3,146)	-	3,124	(22)
At 1 April 2018 (as restated)		335,000	(3,154)	-	25,066	356,912
Net profit for the year		-	-	-	16,435	16,435
Other comprehensive income for the period		-	372	1,270	-	1,642
Total comprehensive income for the period		-	372	1,270	16,435	18,077
Attributable to participants		-	-	(1,270)	-	(1,270)
At 30 September 2018		335,000	(2,782)	-	41,501	373,719
At 1 April 2019 (as previously stated)		405,000	(874)	-	53,418	457,544
Effects of adopting MFRS 16	2.3		-	-	(125)	(125)
At 1 April 2019 (as restated)		405,000	(874)	-	53,293	457,419
Net profit for the period		-	-	-	34,568	34,568
Other comprehensive income for the period		-	3,289	918	-	4,207
Total comprehensive income for the period		-	3,289	918	34,568	38,775
Attributable to participants		-	-	(918)	-	(918)
At 30 September 2019		405,000	2,415	-	87,861	495,276

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Takaful Ikhlas Family Berhad
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Unaudited statement of cash flows
For the six months period ended 30 September 2019

	01.04.2019	01.04.2018
	to	to
	30.09.2019	30.09.2018
	RM '000	RM '000
Cash flows from operating activities		
Profit before zakat and taxation	39,282	21,684
Adjustments for:		
Depreciation of property and equipment	2,719	1,724
Amortisation of intangible assets	1,939	1,653
Net amortisation of premiums	1,302	1,311
Profit income	(69,312)	(10,878)
Rental income	(1,286)	(448)
Dividend income	(2,693)	(1,788)
Fair value adjustments of financial assets at FVTPL	(102,529)	(6,891)
(Gain)/loss on disposal of investments	(58,991)	305
Allowance for impairment of takaful certificate receivables	809	2,313
(Decrease)/increase in gross contribution liabilities	-	137,265
Decrease in expense liabilities	(4,224)	(3,890)
(Decrease)/Increase in general takaful fund	-	116,976
Increase in family takaful fund	28,938	3,346
Operating cash flows before working capital changes	<u>(164,046)</u>	<u>262,682</u>
Changes in working capital:		
Net purchase of financial assets	301,729	(435,353)
(Increase) in placement of Islamic investment accounts	(387,105)	(131,228)
Decrease in staff financing	129	485
(Decrease) retakaful certificate assets	(3,741)	(252,740)
(Increase) in takaful certificate receivables	(7,546)	(771)
Decrease in other receivables and deposits	9,889	11,486
Increase in gross claims and certificate liabilities	177,054	440,647
(Decrease) in lease liabilities	(1,499)	-
Increase in takaful certificate payables (and due to agents, retakaful and brokers)	7,981	25,904
Increase in other payables	20,518	46,742
Net change in balance with holding company	55	1
Operating cash flows after working capital changes	<u>(46,582)</u>	<u>(32,118)</u>

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Unaudited statement of cash flows
For the six months period ended 30 September 2019 (cont'd.)

	01.04.2019	01.04.2018
	to	to
	30.09.2019	30.09.2018
	RM '000	RM '000
Cash flows from operating activities (cont'd.)		
Operating cash flows after working capital changes	(46,582)	(32,118)
Profit income received	69,763	1,939
Rental income received	1,286	448
Dividend income received	2,705	1,763
Income tax paid	(8,225)	(7,792)
Zakat paid	(551)	(18)
Net cash used in operating activities	18,396	(35,778)
Cash flows from investing activities		
Purchase of property and equipment	1,137	(1,065)
Purchase of intangible assets	(2,205)	(5,218)
Net cash used in investing activities	(1,068)	(6,283)
Net increase/(decrease) in cash and cash equivalent:	17,328	(42,061)
Cash and cash equivalents at beginning of period	33,272	72,679
Cash and cash equivalents at end of period	50,600	30,618
Cash and cash equivalents comprise:		
Cash and bank balances of:		
Shareholder's fund	5,463	13,344
Family takaful fund	45,137	17,274
	50,600	30,618

These unaudited financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2019. The accompanying explanatory notes form an integral part of these interim financial statements.

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

Notes to the unaudited interim financial statements - 30 September 2019

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 9th Floor, IKHLAS Point, Tower 11A, Avenue 5, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

The Company is engaged principally in the management of 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 2019 to 30 September 2019.

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

The unaudited interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 November 2019.

2. Significant accounting policies

2.1 Basis of preparation

The unaudited interim financial statements for the six months period ended 30 September 2018 have been prepared in accordance with Malaysia Financial Reporting Standards ("MFRS") 134 *Interim Financial Reporting*, IAS 34 *Interim Financial Reporting* issued by the International Financial Reporting Standards Board and the Guidelines/ Circulars issued by the Bank Negara Malaysia.

The statements of financial position and statements of comprehensive income of the shareholder's fund and family takaful fund which are presented on pages 1 to 2 and page 3 of the interim financial statements have been provided as supplementary financial information and to comply with the requirements of BNM/RH/STD 033-5 : Financial Reporting for Takaful Operators issued by Bank Negara Malaysia ("BNM"). The Islamic Financial Services Act ("IFSA") 2013 in Malaysia requires the clear segregation of the assets, liabilities, income and expenses of the shareholder's fund and the takaful funds. Accordingly, the statements of financial position and statements of comprehensive income prepared for the shareholder's fund and family 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 consolidated with the takaful funds. Interfund assets and liabilities, income, and expenses relating to transactions between the funds are eliminated in full during consolidation. The accounting policies adopted for the shareholder's and takaful fund are uniform for like transactions and events in similar circumstances.

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2. Significant accounting policies (cont'd.)

2.1 Basis of preparation (cont'd.)

The takaful fund are consolidated 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.

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

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

The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company since the financial year ended 31 March 2019.

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 year ended 31 March 2019.

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 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 IFSA 2013, the assets and liabilities of the takaful funds are segregated from those of the takaful operator, a concept known as segregation of funds. However, in compliance with MFRS 10 *Consolidated 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 respective funds.

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2. Significant accounting policies (cont'd.)

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

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

2.3 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 2019, except for the adoption of the following standards, amendments to standards and interpretations issued by the Malaysian Accounting Standards Board ("MASB") that are effective for the Company's financial year beginning 1 April 2019:

Description	Effective for annual periods beginning on or after
MFRS 16 <i>Leases</i>	1 January 2019
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensations</i>	1 January 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019
<i>Amendments to MFRS 128 Long-term Interests in Associates and Joint Ventures</i>	1 January 2019

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

MFRS 16 Leases

MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on balance sheet model, similar to the accounting for finance leases under MFRS 117. The standard will supersede MFRS 117 *Leases*, IC Interpretation 4 *Determining whether an Arrangement contains a Lease*, IC Interpretation 115 *Operating Lease-Incentives* and IC Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

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2. Significant accounting policies (cont'd.)

2.3 Changes in accounting policies (cont'd.)

(i) Lessee

At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Subsequently, lessees will be required to recognise interest expense on the lease liability and the depreciation expense on the right-of-use asset.

(ii) Lessor

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

The standard is effective for annual periods beginning on or after 1 January 2019. Early application is permitted but not before an entity applies MFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach.

The Company have adopted MFRS 16 for the first time as of 1 April 2019, using the modified retrospective approach, whereby comparative information is not required to be restated. In line with the practical expedient allowed under MFRS 16, the Company will elect to apply the Standard to contracts that were previously identified as leases applying MFRS 117 and IC Interpretation 4. The Company will therefore not apply the standard to contracts that were not previously identified as containing a lease when applying MFRS 117 and IC Interpretation 4.

The Company will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of the initial application, and lease contracts for which the underlying asset is of low value. The Company have lease contracts for certain office equipments that are considered low in value.

The following table set out the financial impact arising from the adoption the MFRS 16:

	RM '000
Retained profits at 31 March 2019	52,544
Effect on adoption of MFRS 16:	
- Recognition of rights-of-use assets	4,091
- Recognition of lease liabilities	(4,216)
	(125)
Retained profits at 31 March 2019, as restated	<u>52,419</u>

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2.3 Changes in accounting policies (cont'd.)

MFRS 16 Leases (cont'd)

The day-one financial impact of the adoption of MFRS 16 on the statement of financial position of the Company were as follows:

Shareholder's fund	Carrying value	Classifications	Carrying value after
	31.03.2019		reclassification
	RM '000	RM '000	01.04.2019
			RM '000
Assets			
Property and equipment	964		964
Right-of-use assets	-	4,091	4,091
Intangible assets	27,564		27,564
Deferred tax assets	218		218
Financial assets	506,940		506,940
Tax recoverable	12,928		12,928
Cash and bank balances	786		786
Total assets	549,400	4,091	553,491
Liabilities			
Expense liabilities	35,466		35,466
Lease liabilities	-	4,216	4,216
Commissions due to agents, retakaful and brokers	4,675		4,675
Deferred tax liabilities	-		-
Zakat payable	1,129		1,129
Other payables	48,065		48,065
Total liabilities and participants' funds	89,335	4,216	93,551
Equity			
Share capital	405,000		405,000
Reserves	55,065	(125)	54,940
Total equity	460,065	(125)	459,940
Total liabilities, participants' funds and equity	549,400	4,091	553,491

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2.3 Changes in accounting policies (cont'd.)

MFRS 16 Leases (cont'd)

* Company

	Carrying value 31.03.2019 RM '000	Classifications RM '000	Carrying value after reclassification 01.04.2019 RM '000
Assets			
Property and equipment	82,724		82,724
Right-of-use assets	-	4,091	4,091
Investment properties	-		-
Intangible assets	27,564		27,564
Deferred tax assets	-		-
Financial assets	3,514,956		3,514,956
Retakaful certificate assets	57,756		57,756
Takaful certificate receivables	25,433		25,433
Tax recoverable	12,928		12,928
Non-current assets held for sale	45,875		45,875
Cash and bank balances	33,272		33,272
Total assets	3,800,508	4,091	3,804,599
Liabilities			
Takaful certificate liabilities	2,937,235		2,937,235
Expense liabilities	35,466		35,466
Lease liabilities	-	4,216	4,216
Takaful certificate payables	27,132		27,132
Commissions due to agents, retakaful and brokers	4,675		4,675
Deferred tax liabilities	9,237		9,237
Zakat payable	1,129		1,129
Other payables	162,500		162,500
Family Participants' fund	165,590		165,590
Total liabilities and participants' funds	3,342,964	4,216	3,347,180
Equity			
Share capital	405,000		405,000
Reserves	52,544	(125)	52,419
Total equity	457,544	(125)	457,419
Total liabilities, participants' funds and equity	3,800,508	4,091	3,804,599

* Company represents Family takaful fund and the Shareholder's fund assets and liabilities.

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2.4 Standards issued but not yet effective

The interpretation and amendments to standards that are issued but not yet effective up to the date of issuance of the Company's unaudited interim financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
MFRS 17 <i>Insurance Contracts</i>	1 January 2021

The Directors expect that the adoption of the above standards are not expected to have a material impact on the financial statements in the period of initial application except for as discussed below:

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2. Significant accounting policies (cont'd.)

2.4 Standards issued but not yet effective (cont'd.)

MFRS 17 *Insurance Contracts*

MFRS 17 will replace MFRS 4 *Insurance Contracts*. MFRS 17 applies to all types of insurance contracts (i.e life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The overall objective of MFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. MFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.

The core of MFRS 17 is the general measurement model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach); and
- a simplified approach (the premium allocation approach) mainly for short-duration contracts.

MFRS 17 is effective for reporting periods beginning on or after 1 January 2021, with comparative figures required. Early application is permitted, provided the entity also applies MFRS 9 and MFRS 15 on or before the date it first applies MFRS 17.

The Company had completed the gap assessment of the new MFRS 17 standard and had established a project team to implement this standard and adopt it on the required effective date.

3. Auditor's report

The auditor's report on the audited financial statements of the preceding year ended 31 March 2019 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 2019.

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 2019.

6. Changes in estimates

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

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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 2019.

8. Significant event

There were no significant events during the current financial period ended 30 September 2019.

9. Subsequent events

There were no significant subsequent events during the current financial period ended 30 September 2019.

10. Dividend paid

No dividend was paid during the current financial period ended 30 September 2019.

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 year ended 31 March 2019.

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12. Financial assets

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

	30.09.2019			31.03.2019		
	Shareholder's fund RM '000	Family takaful fund RM '000	Company RM '000	Shareholder's fund RM '000	Family takaful fund RM '000	Company RM '000
Unquoted Islamic private debt securities:						
Government guaranteed	17,198	662,238	679,436	16,769	702,381	719,150
Unsecured	89,816	525,364	615,180	89,774	507,833	597,607
Government investment issues	107,192	1,123,576	1,230,768	53,188	1,292,096	1,345,284
Quoted shares in Malaysia:						
Shariah approved equities	11,049	100,069	111,118	14,823	101,264	116,087
Warrants	-	-	-	-	43	43
Property trust funds	922	1,110	2,032	875	2,788	3,663
Shariah approved unit trust funds	-	128,741	128,741	-	128,589	128,589
Golf club memberships	178	-	178	178	-	178
Islamic investment accounts with licensed:						
Islamic banks	142,093	365,292	507,385	105,065	153,400	258,465
Investment banks	-	6,093	6,093	-	6,679	6,679
Development bank	71,628	358,828	430,456	123,594	168,091	291,685
Units held in investment-linked fund	13,645	-	-	13,317	-	-
Secured staff financing:						
Receivable within 12 months	992	-	992	1,173	-	1,173
Receivable after 12 months	1,841	-	1,841	1,789	-	1,789
Due from:						
Shareholder's fund	-	172	-	-	-	-
Family takaful fund	43,171	-	-	44,168	-	-
Investment-linked fund	-	-	-	30,349	-	-
Amount due from related companies	71	43	114	42	127	169
Income due and accrued	4,568	28,597	33,165	2,570	31,058	33,628
Other receivables and deposits	15,076	1,874	16,950	9,266	1,501	10,767
	519,440	3,301,997	3,764,449	506,940	3,095,850	3,514,956

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12. Financial assets (cont'd.)

	30.09.2019			31.03.2019		
	Shareholder's fund RM '000	Family takaful fund RM '000	Company RM '000	Shareholder's fund RM '000	Family takaful fund RM '000	Company RM '000
Financial assets at FVTPL (Note 12(a))	28,778	2,541,098	2,556,231	32,279	2,734,994	2,753,956
Financial assets at FVOCI (Note 12(b))	211,222	-	211,222	156,645	-	156,645
Financial assets at AC (Note 12(c))	279,440	760,899	996,996	318,016	360,856	604,355
	<u>519,440</u>	<u>3,301,997</u>	<u>3,764,449</u>	<u>506,940</u>	<u>3,095,850</u>	<u>3,514,956</u>

(a) Financial assets at FVTPL

At fair value:

Designated upon initial recognition:

Unquoted Islamic private debt securities:

Government guaranteed	-	662,238	662,238	-	702,381	702,381
Unsecured	-	525,364	525,364	-	507,833	507,833
Government investment issues	2,520	1,123,576	1,126,096	2,525	1,292,096	1,294,621

Mandatorily measured:

Unquoted Islamic private debt securities:

Unsecured	642	-	642	739	-	739
Quoted shares in Malaysia:						
Shariah approved equities	11,049	100,069	111,118	14,823	101,264	116,087
Warrants	-	-	-	-	43	43
Units held in investment-linked fund	13,645	-	-	13,317	-	-
Property trust funds	922	1,110	2,032	875	2,788	3,663
Shariah approved unit trust funds	-	128,741	128,741	-	128,589	128,589
	<u>28,778</u>	<u>2,541,098</u>	<u>2,556,231</u>	<u>32,279</u>	<u>2,734,994</u>	<u>2,753,956</u>

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12. Financial assets (cont'd.)

	30.09.2019			31.03.2019		
	Shareholder's fund RM '000	Family takaful fund RM '000	Company RM '000	Shareholder's fund RM '000	Family takaful fund RM '000	Company RM '000
(b) Financial assets at FVOCI						
At fair value:						
Unquoted Islamic private debt securities:						
Government guaranteed	17,198	-	17,198	16,769	-	16,769
Unsecured	89,174	-	89,174	89,035	-	89,035
Government investment issues	104,672	-	104,672	50,663	-	50,663
Golf club memberships	178	-	178	178	-	178
	<u>211,222</u>	<u>-</u>	<u>211,222</u>	<u>156,645</u>	<u>-</u>	<u>156,645</u>

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12. Financial assets (cont'd.)

(c) Financial assets at AC

	30.09.2019			31.03.2019		
	Shareholder's fund RM '000	Family takaful fund RM '000	Company RM '000	Shareholder's fund RM '000	Family takaful fund RM '000	Company RM '000
At amortised cost/fair value						
Islamic investment accounts with licensed:						
Islamic banks	142,093	365,292	507,385	105,065	153,400	258,465
Investment banks	-	6,093	6,093	-	6,679	6,679
Development banks	71,628	358,828	430,456	123,594	168,091	291,685
Secured staff financing:						
Receivable within 12 months	992	-	992	1,173	-	1,173
Receivable after 12 months	1,841	-	1,841	1,789	-	1,789
Due from: *						
Shareholder's fund		172	-	-	-	-
Family takaful fund	43,171	-	-	44,168	-	-
Investment-linked fund	-	-	-	30,349	-	-
Amount due from related companies *	71	43	114	42	127	169
Income due and accrued	4,568	28,597	33,165	2,570	31,058	33,628
Other receivables and deposits	15,076	1,874	16,950	9,266	1,501	10,767
	279,440	760,899	996,996	318,016	360,856	604,355

* The amounts due from shareholder's fund, family takaful fund, investment-linked fund and related companies are unsecured, not subject to any profit elements and are repayable on demand.

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13. Takaful certificate receivables

Family takaful fund/Company

30.09.2019	RM '000
Due contributions including agents/brokers	31,493
Due from retakaful operators	5,582
	<u>37,075</u>
Allowance for impairment	(4,905)
	<u>32,170</u>
31.03.2019	RM '000
Due contributions including agents/brokers and co-takaful balances	26,904
Due from retakaful operators	2,470
	<u>29,374</u>
Allowance for impairment	(3,941)
	<u>25,433</u>

Amounts due from retakaful operators which have been offset against amounts due to retakaful operators are as follows:

	Gross carrying amount RM'000	Gross amounts offset in the statement of financial position RM'000	Net amounts in the statement of financial position RM'000
Family takaful fund/Company			
30.09.2019			
Due from retakaful operators	<u>13,691</u>	<u>(8,109)</u>	<u>5,582</u>
31.03.2019			
Due from retakaful operators	<u>5,516</u>	<u>(3,046)</u>	<u>2,470</u>

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14. Takaful certificate liabilities

Family takaful fund/Company

	Family takaful fund			Company		
	Gross RM '000	Retakaful RM '000	Net RM '000	Gross RM '000	Retakaful RM '000	Net RM '000
30.09.2019						
Provision for claims reported by certificate holders	58,968	(28,928)	30,040	58,968	(28,928)	30,040
Participants' Investment Fund ("PIF")	2,710,699	-	2,710,699	2,710,699	-	2,710,699
Participants' Risk Fund ("PRF")	210,481	(32,569)	177,912	210,481	(32,569)	177,912
NAV attributable to unitholders	144,469	-	144,469	134,469	-	134,469
	3,124,617	(61,497)	3,063,120	3,114,617	(61,497)	3,053,120
31.03.2019						
Provision for claims reported by certificate holders	66,889	(11,521)	55,368	66,889	(11,521)	55,368
Participants' Investment Fund ("PIF")	2,519,419	-	2,519,419	2,519,419	-	2,519,419
Participants' Risk Fund ("PRF")	216,449	(46,235)	170,214	216,449	(46,235)	170,214
NAV attributable to unitholders	144,478	-	144,478	134,478	-	134,478
	2,947,235	(57,756)	2,889,479	2,937,235	(57,756)	2,879,479

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14. Takaful certificate liabilities (cont'd.)

Family takaful fund/Company (cont'd.)

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

	Family takaful fund			Company		
	Gross RM '000	Retakaful RM '000	Net RM '000	Gross RM '000	Retakaful RM '000	Net RM '000
30.09.2019						
At 1 April 2019 (as previously stated)	2,947,235	(57,756)	2,889,479	2,937,235	(57,756)	2,879,479
Net earned contributions	245,541	(36,506)	209,035	245,541	(36,506)	209,035
Net creation of units	42,240	-	42,240	42,240	-	42,240
Liabilities paid for death, maturities, surrenders, benefits and claims	(155,780)	22,762	(133,018)	(155,780)	22,762	(133,018)
Net cancellation of units	(10,907)	-	(10,907)	(10,907)	-	(10,907)
Benefits and claims experience variation	(7,921)	(17,407)	(25,328)	(7,921)	(17,407)	(25,328)
Fees deducted	(101,182)	-	(101,182)	(101,182)	-	(101,182)
Other revenue and expenses	(31,342)	-	(31,342)	(31,342)	-	(31,342)
Transfer to shareholder's fund	(16,161)	-	(16,161)	(16,161)	-	(16,161)
Increase in reserve	212,894	27,410	240,304	212,894	27,410	240,304
At 30 September 2019	<u>3,124,617</u>	<u>(61,497)</u>	<u>3,063,120</u>	<u>3,114,617</u>	<u>(61,497)</u>	<u>3,053,120</u>

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14. Takaful certificate liabilities (cont'd.)

Family takaful fund/Company (cont'd.)

	Family takaful fund			Company		
	Gross RM '000	Retakaful RM '000	Net RM '000	Gross RM '000	Retakaful RM '000	Net RM '000
31.03.2019						
At 1 April 2018 (as previously stated)	2,717,435	(43,127)	2,674,308	2,707,435	(43,127)	2,664,308
Effects of adopting MFRS 9	(5,214)	-	(5,214)	(5,214)	-	(5,214)
At 1 April 2018 (as restated)	2,712,221	(43,127)	2,669,094	2,702,221	(43,127)	2,659,094
Net earned contributions	539,081	(71,594)	467,487	539,081	(71,594)	467,487
Net creation of units	42,240	-	42,240	42,240	-	42,240
Liabilities paid for death, maturities, surrenders, benefits and claims	(309,021)	52,185	(256,836)	(309,021)	52,185	(256,836)
Net cancellation of units	(10,907)	-	(10,907)	(10,907)	-	(10,907)
Benefits and claims experience variation	(24,288)	2,995	(21,293)	(24,288)	2,995	(21,293)
Fees deducted	(198,854)	-	(198,854)	(198,854)	-	(198,854)
Other revenue and expenses	(10,240)	-	(10,240)	(10,240)	-	(10,240)
Transfer to shareholder's fund	(16,738)	-	(16,738)	(16,738)	-	(16,738)
Increase in reserve	223,741	1,785	225,526	223,741	1,785	225,526
At 31 March 2019	2,947,235	(57,756)	2,889,479	2,937,235	(57,756)	2,879,479

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15. Expense liabilities

Shareholder's fund and Company

	30.09.2019	31.03.2019
	RM '000	RM '000
Unexpired expense reserve ("UER")	31,242	35,466

The movement of expense liabilities are presented as follows:

Shareholder's fund and Company

RM '000

30.09.2019

At 1 April 2019	35,466
- Movement in provision for UER	(4,224)
At 30 September 2019	<u>31,242</u>

31.03.2019

At 1 April 2018	34,593
- Movement in provision for UER	873
At 31 March 2019	<u>35,466</u>

16. Takaful certificate payables

Family takaful fund/Company

	30.09.2019	31.03.2019
	RM '000	RM '000
Due to retakaful operators	39,788	27,132
	<u>39,788</u>	<u>27,132</u>

17. Participants' fund - Family takaful fund

	Family	Company
	takaful fund	RM '000
	RM '000	RM '000
30.09.2019		
Unallocated surplus		
At 1 April 2019	167,334	110,717
Surplus attributable to participants	29,936	28,938
At 30 September 2019	<u>197,270</u>	<u>139,655</u>

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17. Participants' fund - Family takaful fund (cont'd.)

	Family takaful fund RM '000	Company RM '000
30.09.2019		
Revaluation reserve		
At 1 April 2019	-	54,873
Net gains on fair value changes	-	998
Deferred tax on fair value changes	-	(80)
At 30 September 2019	<u>-</u>	<u>55,791</u>
Family takaful fund at end of the year		
Unallocated surplus	197,270	139,655
Revaluation reserve	-	55,791
	<u>197,270</u>	<u>195,446</u>
31.03.2019		
Unallocated surplus		
At 1 April 2018 (as previously stated)	145,877	103,020
Effects of adopting MFRS 9	(540)	(540)
At 1 April 2018 (as restated)	<u>145,337</u>	<u>102,480</u>
Surplus attributable to participants	21,997	8,237
At 31 March 2019	<u>167,334</u>	<u>110,717</u>
Revaluation reserve		
At 1 April 2018	-	41,335
Net gains on fair value changes	-	14,715
Deferred tax on changes to revaluation reserves	-	(1,177)
At 31 March 2019	<u>-</u>	<u>54,873</u>
Family takaful fund at end of the year		
Unallocated surplus	167,334	110,717
Revaluation reserve	-	54,873
	<u>167,334</u>	<u>165,590</u>

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18. Capital commitments

	30.09.2019	31.03.2019
	RM '000	RM '000
Shareholder's fund and Company		
Authorised and contracted for:		
Intangible assets	2,550	9,103
Authorised but not contracted for:		
Intangible assets		
- Continuing operations	2,748	1,608
	<u>2,748</u>	<u>1,608</u>
Payable within 12 months	2,550	9,103
Payable after 12 months	2,748	1,608
	<u>5,298</u>	<u>10,711</u>

19. Regulatory capital requirement

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

30.09.2019	Shareholder's fund RM '000	Family takaful fund RM '000	Total RM'000
Eligible tier-1 capital			
Share capital	405,000	-	405,000
Reserves, including retained earnings	87,861	197,613	285,474
Tier-2 capital			
Fair value reserves	5,185	-	5,185
Amount deducted from capital	(29,014)	-	(29,014)
Total capital available	<u>469,032</u>	<u>197,613</u>	<u>666,645</u>

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19. Regulatory capital requirement (cont'd.)

31.03.2019	Shareholder's fund RM '000	Family takaful fund RM '000	Total RM'000
Eligible tier-1 capital			
Share capital	405,000	-	405,000
Reserves, including retained earnings	53,418	166,843	220,261
Tier-2 capital			
Fair value reserves	1,647	-	1,647
Amount deducted from capital	(26,989)	-	(26,989)
Total capital available	<u>433,076</u>	<u>166,843</u>	<u>599,919</u>

20. Related party disclosures

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 to 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.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel include all the Directors of the Company and certain members of senior management of the Company.

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

30.09.2019	Shareholder's fund RM '000	Family takaful fund RM '000	Company RM '000
Income/(expenses):			
Transactions with MNRB Holdings Berhad ("MNRB"):			
Gross contributions	-	1,049	1,049
Management fees	(6,303)	-	(6,303)
	<u>(6,303)</u>	<u>1,049</u>	<u>(5,254)</u>

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20. Related party disclosures (cont'd.)

30.09.2019	Shareholder's fund RM '000	Family takaful fund RM '000	Company RM '000
Income/(expenses):			
Transactions with Takaful Ikhlas General Berhad ("TIGB"), a fellow subsidiary: Settlement of liabilities on behalf	5,310	-	5,310
Transactions with Malaysian Reinsurance Berhad ("MRE"), a fellow subsidiary: Gross contributions	-	18	18
Retakaful outward contributions	-	-	-
Retakaful commissions	-	-	-
Claims recoveries	-	-	-
Transactions with MMIP Services Sdn. Bhd. ("MMIP"), a fellow subsidiary: Referral fee income	-	-	-
Gross contributions	-	36	36

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20. Related party disclosures (cont'd.)

	Shareholder's fund RM '000	General takaful fund RM '000	Family takaful fund RM '000	Company RM '000
30.09.2019				
Income/(expenses) (cont'd.):				
Transactions with Labuan Reinsurance (L) Ltd ("Labuan Re"), in which MRE is a substantial shareholder:				
Gross contributions		-	-	-
Retakaful outward contributions		-	-	-
Retakaful commissions		-	-	-
Claims recoveries		-	-	-
		<hr/>	<hr/>	<hr/>
Transactions with a related party, Investment MIDF Amanah Bank Berhad:				
Fund management fees		-	(37)	(37)
		<hr/>	<hr/>	<hr/>
31.03.2019				
Income/(expenses):				
Transactions with MNRB:				
Gross contributions	-	205	576	576
Management fees	(13,094)	-	-	(10,075)
		<hr/>	<hr/>	<hr/>
Transactions with Takaful Ikhlas General Berhad ("TIGB"), a fellow subsidiary;				
Settlement of liabilities on behalf	9,545	-	-	9,545
		<hr/>	<hr/>	<hr/>

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20. Related party disclosures (cont'd.)

31.03.2019

Income/(expenses) (cont'd.):

	Shareholder's fund RM '000	General takaful fund RM '000	Family takaful fund RM '000	Company RM '000
Transactions with Malaysian Reinsurance Berhad ("MRE"), a fellow subsidiary:				
Gross contributions	-	84	37	37
Retakaful outward contributions	-	(484)	-	-
Retakaful commissions	-	15	-	-
Claims recoveries	-	603	-	-
<hr/>				
Transactions with MMIP, a fellow subsidiary:				
Referral fee income	27	-	-	27
Gross contributions	-	-	32	32
<hr/>				
Transactions with Labuan Re, in which MRE is a substantial shareholder:				
Gross contributions	-	6	-	-
Retakaful outward contributions	-	(2,233)	-	-
Retakaful commissions	-	61	-	-
Claims recoveries	-	983	-	-
<hr/>				
Transactions with a related party, Investment MIDF Amanah Bank Berhad:				
Fund Management fees	-	-	(78)	(78)
<hr/>				

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21. Fair values

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

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

Level 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 Islamic private debt securities and government investment issues.

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.

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

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21. Fair values (cont'd.)

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

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

(ii) Financial assets at AC

Financial assets are granted at profit rates which are comparable with the rates offered on similar instruments in the market and to counterparties with similar credit profiles. Accordingly, the carrying amounts of financial assets at AC approximate their fair values as the impact of discounting is not material.

(iii) Takaful certificate receivables and payables

The carrying amounts are measured at amortised cost in accordance with the accounting policies as disclosed in the audited financial statements for the financial year ended 31 March 2019. The carrying amounts approximate fair values due to the relatively short-term maturity of these financial instruments.

(iv) Investment property and self occupied property

Buildings and investment property have been revalued at financial year end based on valuations performed by an accredited independent valuer having an appropriate recognised professional qualification. The valuations are based on the comparisons approach. In arriving at the fair value of the assets, the valuer had also taken into consideration the future developments in terms of infrastructure in the vicinity of the properties.

(v) Investments

Investments as at 30 September 2019 have been accounted for in accordance with the accounting policies as disclosed under audited financial statements for the financial year ended 31 March 2019.

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21. Fair values (cont'd.)

(vi) 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:

Shareholder's fund	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	
30.09.2019				
<u>Financial assets:</u>				
Assets measured at fair value:				
Financial assets at FVTPL:				
Unquoted Islamic private debt securities:				
Unsecured	-	642	-	642
Government investment issues	-	2,520	-	2,520
Quoted shares in Malaysia:				
Shariah approved equities	11,049	-	-	11,049
Units held in investment- linked fund	13,645	-	-	13,645
Property trust funds	922	-	-	922
	<u>25,616</u>	<u>3,162</u>	<u>-</u>	<u>28,778</u>
Financial assets at FVOCI:				
Unquoted Islamic private debt securities:				
Government guaranteed Unsecured	-	17,198	-	17,198
Unsecured	-	89,174	-	89,174
Government investment issues	-	104,672	-	104,672
	<u>-</u>	<u>211,044</u>	<u>-</u>	<u>211,044</u>
	<u>25,616</u>	<u>214,206</u>	<u>-</u>	<u>239,822</u>

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21. Fair values (cont'd.)

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

Shareholder's fund (cont'd.)

Assets measured at fair value (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	
31.03.2019				
<u>Financial assets:</u>				
Financial assets at FVTPL:				
Unquoted Islamic private debt securities:				
Unsecured	-	739	-	739
Government investment issues	-	2,525	-	2,525
Quoted shares in Malaysia:				
Shariah approved equities	14,823	-	-	14,823
Units held in investment- linked fund	13,317	-	-	13,317
Property trust funds	875	-	-	875
	<u>29,015</u>	<u>3,264</u>	<u>-</u>	<u>32,279</u>
Financial assets at FVOCI:				
Unquoted Islamic private debt securities:				
Government guaranteed	-	16,769	-	16,769
Unsecured	-	89,035	-	89,035
Government investment issues	-	50,663	-	50,663
	<u>-</u>	<u>156,467</u>	<u>-</u>	<u>156,467</u>
	<u>29,015</u>	<u>159,731</u>	<u>-</u>	<u>188,746</u>

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21. Fair values (cont'd.)

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

Family takaful fund	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	
30.09.2019				
Assets measured at fair value:				
Investment properties	-	-	81,760	81,760
<u>Financial assets:</u>				
Financial assets at FVTPL:				
Unquoted Islamic private debt securities:				
Government guaranteed	-	662,238	-	662,238
Unsecured	-	525,364	-	525,364
Government investment issues	-	1,123,576	-	1,123,576
Quoted shares in Malaysia:				
Shariah approved equities	100,069	-	-	100,069
Property trust funds	1,110	-	-	1,110
Shariah approved unit trust funds	128,741	-	-	128,741
	<u>229,920</u>	<u>2,311,178</u>	<u>-</u>	<u>2,541,098</u>

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21. Fair values (cont'd.)

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

Family takaful fund (cont'd.)

31.03.2019	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	
Assets measured at fair value:				
Investment properties	-	-	81,760	81,760
Financial assets:				
Financial assets at FVTPL:				
Unquoted Islamic private debt securities:				
Government guaranteed	-	702,381	-	702,381
Unsecured	-	507,833	-	507,833
Government investment issues	-	1,292,096	-	1,292,096
Quoted shares in Malaysia:				
Shariah approved equities	101,307	-	-	101,307
Property trust funds	2,788	-	-	2,788
Shariah approved unit trust funds	128,589	-	-	128,589
	<u>232,684</u>	<u>2,502,310</u>	<u>-</u>	<u>2,734,994</u>

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21. Fair values (cont'd.)

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

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	
30.09.2019				
Assets measured at fair value:				
Self occupied property	-	-	81,760	81,760
<u>Financial assets:</u>				
Financial assets at FVTPL:				
Unquoted Islamic private debt securities:				
Government guaranteed	-	662,238	-	662,238
Unsecured	-	526,006	-	526,006
Government investment issues	-	1,126,096	-	1,126,096
Quoted shares in Malaysia:				
Shariah approved equities	111,118	-	-	111,118
Property trust funds	2,032	-	-	2,032
Shariah approved unit trust funds	128,741	-	-	128,741
	<u>241,891</u>	<u>2,314,340</u>	<u>-</u>	<u>2,556,231</u>
Financial assets at FVOCI:				
Unquoted Islamic private debt securities:				
Government guaranteed	-	17,198	-	17,198
Unsecured	-	89,174	-	89,174
Government investment issues	-	104,672	-	104,672
	<u>-</u>	<u>211,044</u>	<u>-</u>	<u>211,044</u>
	<u>241,891</u>	<u>2,525,384</u>	<u>-</u>	<u>2,767,275</u>

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21. Fair values (cont'd.)

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

Company (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	
31.03.2019				
Assets measured at fair value:				
Self occupied property	-	-	81,760	81,760
<u>Financial assets:</u>				
Financial assets at FVTPL:				
Unquoted Islamic private debt securities:				
Government guaranteed	-	702,381	-	702,381
Unsecured	-	508,572	-	508,572
Government investment issues	-	1,294,621	-	1,294,621
Quoted shares in Malaysia:				
Shariah approved equities	116,130	-	-	116,130
Property trust funds	3,663	-	-	3,663
Shariah approved unit trust funds	128,589	-	-	128,589
	<u>248,382</u>	<u>2,505,574</u>	<u>-</u>	<u>2,753,956</u>
Financial assets at FVOCI:				
Unquoted Islamic private debt securities:				
Government guaranteed	-	16,769	-	16,769
Unsecured	-	89,035	-	89,035
Government investment issues	-	50,663	-	50,663
	<u>-</u>	<u>156,467</u>	<u>-</u>	<u>156,467</u>
	<u>248,382</u>	<u>2,662,041</u>	<u>-</u>	<u>2,910,423</u>