

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

**Unaudited Interim Financial Statements
For the six months period ended 30 September 2015**

593075-U

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

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Takaful Ikhlas Berhad
(Incorporated in Malaysia)

Unaudited statement of comprehensive income
For the six months period ended 30 September 2015

	01.04.2015 to 30.09.2015				01.04.2014 to 30.09.2014			
	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	-	133,492	303,916	435,375	-	120,149	271,678	390,454
Earned contributions ceded to retakaful	-	(47,603)	(38,452)	(86,055)	-	(44,079)	(27,957)	(72,036)
Net earned contributions	-	85,889	265,464	349,320	-	76,070	243,721	318,418
Investment income	6,021	6,071	40,671	50,275	5,220	5,905	37,977	46,862
Realised gains/(losses)	15	116	2,154	2,285	(1,502)	622	6,454	5,574
Fair value (losses)/gains	(539)	(532)	(6,057)	(7,128)	1,935	(83)	(1,289)	563
Fee and commission income	124,216	12,532	-	12,532	117,167	11,035	-	11,035
Other operating income	1,050	-	1,535	809	761	-	1,706	1,018
Other revenue	130,763	18,187	38,303	58,773	123,581	17,479	44,848	65,052
Gross claims and benefits paid	-	(61,834)	(132,336)	(194,170)	-	(54,660)	(112,219)	(166,879)
Claims and benefits ceded to retakaful	-	25,918	19,436	45,354	-	18,675	23,735	42,410
Gross change to certificate liabilities	-	(23,208)	(143,463)	(166,671)	-	(9,678)	42,822	33,144
Change in certificate liabilities ceded to retakaful	-	8,010	1,687	9,697	-	367	(99,540)	(99,173)
Net claims and benefits	-	(51,114)	(254,676)	(305,790)	-	(45,296)	(145,202)	(190,498)
Fee and commission expenses	(53,986)	(43,226)	(80,990)	(53,986)	(58,391)	(36,015)	(81,152)	(58,391)
Management expenses	(63,681)	(1,348)	(7,349)	(69,047)	(58,456)	(1,711)	(4,849)	(62,575)
Other operating expenses	-	(1,776)	-	-	-	(1,449)	-	-
Change in expense liabilities	(5,935)	-	-	(5,935)	1,081	-	-	1,081
Tax borne by participants	-	(1,906)	(3,083)	(4,989)	-	53	(3,852)	(3,799)
Other expenses	(123,602)	(48,256)	(91,422)	(133,957)	(115,766)	(39,122)	(89,853)	(123,684)
Operating profit/(loss) before surplus/(deficit) attributable to participants, zakat and taxation	7,161	4,706	(42,331)	(31,654)	7,815	9,131	53,514	69,288
(Surplus)/deficit attributable to participants	-	(4,706)	42,331	38,815	-	(9,131)	(53,514)	(61,473)
Profit before zakat and taxation	7,161	-	-	7,161	7,815	-	-	7,815
Zakat	(500)	-	-	(500)	(300)	-	-	(300)
Taxation	(2,630)	-	-	(2,630)	(2,875)	-	-	(2,875)
Net profit for the period	4,031	-	-	4,031	4,640	-	-	4,640
Basic and diluted earnings per share (sen)				1.4				1.6

These unaudited financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2015. The accompanying explanatory notes form an integral part of these interim financial statements.

Note:

* In preparing the Company-level financial statements, balances and transactions of shareholder's fund and takaful funds are amalgamated and during the amalgamation, interfund balances and transactions are eliminated in full.

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Unaudited statement of comprehensive income
For the six months period ended 30 September 2015 (cont'd.)

	01.04.2015 to 30.09.2015				01.04.2014 to 30.09.2014			
	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	4,031	-	-	4,031	4,640	-	-	4,640
Other comprehensive income:								
Items that will not be reclassified subsequently to profit or loss:								
Revaluation reserves:								
Net gains on fair value changes	-	-	-	1,190	-	-	-	1,172
Deferred tax on fair value changes	-	-	-	(95)	-	-	-	(94)
Items that may be subsequently reclassified to profit or loss:								
Available-for-sale fair value reserves:								
Net (losses)/gains on fair value changes	(2,834)	(3,544)	(20,803)	(27,281)	(772)	97	17,736	17,061
Deferred tax on fair value changes	684	879	1,844	3,431	183	(25)	(1,237)	(1,079)
Realised losses/(gains) transferred to profit or loss	(15)	(116)	(2,243)	(2,374)	1,502	-	(2,547)	(1,045)
Other comprehensive (loss)/income attributable to participants	-	2,781	21,202	22,888	-	(72)	(13,952)	(15,102)
Total comprehensive income for the period	1,866	-	-	1,790	5,553	-	-	5,553

These unaudited financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2015. The accompanying explanatory notes form an integral part of these interim financial statements.

Note:

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Unaudited statement of financial position
As at 30 September 2015

	Note	30.09.2015				31.03.2015			
		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		4,520	-	-	111,442	5,842	-	-	112,764
Investment properties		-	-	106,922	-	-	106,922	-	
Intangible assets		4,024	-	-	4,024	4,401	-	4,401	
Deferred tax assets		5,780	2,358	48	7,986	5,523	-	2,879	
Financial assets:									
Financial assets at fair value									
through profit or loss ("FVTPL")	12(a)	407	663	123,512	124,582	429	135,972	137,125	
Held-to-maturity investments ("HTM")	12(b)	62,078	71,892	337,060	471,030	62,105	337,163	471,209	
Available-for-sale ("AFS") financial assets	12(c)	208,582	200,571	1,092,701	1,488,521	186,727	1,084,084	1,430,736	
Loans and receivables ("LAR")	12(d)	117,573	69,509	556,074	694,868	139,547	469,808	627,428	
Retakaful certificate assets	14	-	121,640	31,903	153,543	-	111,633	141,849	
Takaful certificate receivables		-	28,670	83,443	112,113	-	29,296	73,529	
Tax recoverable		28,754	-	-	28,754	24,856	-	25,216	
Cash and bank balances		11,946	6,769	31,208	49,923	9,773	42,523	76,412	
Total assets		443,664	502,072	2,362,871	3,246,786	439,203	2,251,281	3,103,548	
Liabilities									
Takaful certificate liabilities	14	-	359,124	2,046,477	2,395,601	-	336,180	1,903,014	2,229,194
Expense liabilities	15	53,597	-	-	53,597	47,662	-	-	47,662
Takaful certificate payables		-	21,539	34,078	55,617	-	21,797	32,131	53,928
Due to agents, retakaful and brokers		6,530	-	-	6,530	6,967	-	6,967	
Deferred tax liabilities		-	-	-	-	-	420	2,095	
Zakat payable		1,060	-	-	1,060	871	-	871	
Tax payable		-	7,243	2,185	9,428	-	3,994	3,994	
Other payables		55,702	64,930	111,373	183,717	58,794	66,919	151,754	
Total liabilities		116,889	452,836	2,194,113	2,705,550	114,294	429,310	2,018,990	2,494,370
Participants' fund									
General takaful fund	17	-	49,236	-	49,236	-	55,340	-	55,340
Family takaful fund	18	-	-	168,758	167,758	-	-	232,291	231,386
Total participants' funds		-	49,236	168,758	216,994	-	55,340	232,291	286,726
Equity									
Share capital		295,000	-	-	295,000	295,000	-	-	295,000
Reserves		31,775	-	-	29,242	29,909	-	-	27,452
Total equity		326,775	-	-	324,242	324,909	-	-	322,452
Total liabilities, participants' funds and equity		443,664	502,072	2,362,871	3,246,786	439,203	484,650	2,251,281	3,103,548

These unaudited financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2015. The accompanying explanatory notes form an integral part of

Note:

* In preparing the Company-level financial statements, balances and transactions of shareholder's fund and takaful funds are amalgamated and during the amalgamation, interfund balances and transactions are eliminated in full.

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Unaudited statement of changes in equity
For the six months period ended 30 September 2015

Shareholder's fund	Share capital RM '000	Non distributable Available-for sale reserves RM '000	Distributable retained profits/ (losses) RM '000	Total RM '000
At 1 April 2015	295,000	(1,885)	19,225	312,340
Net profit for the year	-	-	4,640	4,640
Other comprehensive income for the year	-	913	-	913
Total comprehensive income for the year	-	913	4,640	5,553
Dividend on ordinary shares	-	-	(11,000)	(11,000)
At 30 September 2014	295,000	(972)	12,865	306,893
At 1 April 2015	295,000	2,315	27,594	324,909
Net profit for the year	-	-	4,031	4,031
Other comprehensive loss for the year	-	(2,165)	-	(2,165)
Total comprehensive income for the year	-	(2,165)	4,031	1,866
Dividend on ordinary shares	-	-	-	-
At 30 September 2015	295,000	150	31,625	326,775

These unaudited financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2015. The accompanying explanatory notes form an integral part of these interim financial statements.

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Unaudited statement of changes in equity
For the six months period ended 30 September 2015 (cont'd.)

Company	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
At 1 April 2014	295,000	(1,885)	-	19,225	312,340
Net profit for the year	-	-	-	4,640	4,640
Other comprehensive income for the year	-	14,937	1,078	-	16,015
Total comprehensive income for the year	-	14,937	1,078	4,640	20,655
Attributable to participants	-	(14,024)	(1,078)	-	(15,102)
Dividend on ordinary shares	-	-	-	(11,000)	(11,000)
At 30 September 2014	295,000	(972)	-	12,865	306,893
At 1 April 2015	295,000	(142)	-	27,594	322,452
Net profit for the year	-	-	-	4,031	4,031
Other comprehensive (loss)/income for the year	-	(26,224)	1,095	-	(25,129)
Total comprehensive loss for the year	-	(26,224)	1,095	4,031	(21,098)
Attributable to participants	-	23,983	(1,095)	-	22,888
Dividend on ordinary shares	-	-	-	-	-
At 30 September 2015	295,000	(2,383)	-	31,625	324,242

These unaudited financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2015. The accompanying explanatory notes form an integral part of these interim financial statements.

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Unaudited statement of cash flows
For the six months period ended 30 September 2015

	01.04.2015 to 30.09.2015 RM '000	1.04.2014 to 30.09.2014 RM '000
Cash flows from operating activities		
Profit before zakat and taxation	7,161	7,815
Adjustments for:		
Depreciation of property and equipment	2,687	2,809
Amortisation of intangible assets	412	320
Net amortisation of premiums/(net accretion of discounts)	1,773	(2,516)
Profit and rental income	(49,084)	(40,292)
Gross dividend income	(4,183)	(5,073)
Fair value adjustments of financial assets at FVTPL	4,313	1,426
Allowance for/(writeback of) impairment of AFS financial assets	2,815	(1,979)
Gain on disposal of investments	(2,285)	(5,574)
Allowance for/(writeback of) impairment of takaful certificate receivables	295	(360)
(Decrease)/increase in contribution liabilities	(2,261)	5,481
Increase/(decrease) in expense liabilities	5,935	(1,081)
Increase in general takaful fund	4,706	9,131
(Decrease)/increase in family takaful fund	(43,521)	52,342
Operating cash flows before working capital changes	(71,237)	22,439
Changes in working capital:		
Purchase of financial assets	(34,438)	(254,353)
Proceeds from disposal of of financial assets	(44,803)	12,108
Increase in placement of Islamic investment accounts	(70,399)	(14,438)
Decrease/(increase) in staff financing	232	(327)
(Increase)/decrease in takaful certificate receivables	(38,879)	45,061
Increase in tax recoverables	(3,538)	(12,216)
Decrease in other receivables and deposits	1,992	102,120
Increase in claims and certificate liabilities	156,974	10,836
Increase in takaful certificate payables and due to agents, retakaful and brokers	1,252	136,437
Increase/(decrease) in zakat, tax and other payables	34,778	(13,504)
Net change in balance with holding company	(906)	-
Operating cash flows after working capital changes	(71,816)	34,163

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Unaudited statement of cash flows

For the six months period ended 30 September 2015 (cont'd.)

	01.04.2015 to 30.09.2015 RM '000	1.04.2014 to 30.09.2014 RM '000
Cash flows from operating activities (cont'd.)		
Profit and rental income received	50,616	44,179
Dividend income received	3,385	4,281
Hibah paid to participants	(653)	(683)
Income tax paid	(7,500)	(6,688)
Zakat paid	(311)	(323)
Net cash used in operating activities	(26,279)	74,929
Cash flows from investing activities		
Purchase of property and equipment	(175)	(130)
Purchase of intangible assets	(35)	(2,258)
Net cash used in investing activities	(210)	(2,388)
Cash flows from financing activity		
Dividend paid	-	(11,000)
Net cash used in financing activity	-	(11,000)
Net (decrease)/increase in cash and cash equivalents	(26,489)	61,541
Cash and cash equivalents at beginning of period	76,412	26,390
Cash and cash equivalents at end of period	49,923	87,931
Cash and cash equivalents comprise:		
Cash and bank balances of:		
Shareholder's fund	11,946	17,487
General takaful fund	6,769	9,440
Family takaful fund	31,208	61,004
	49,923	87,931

These unaudited financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2015. The accompanying explanatory notes form an integral part of these interim financial statements.

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Notes to the unaudited interim financial statements - 30 September 2015

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 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 2015 to 30 September 2015.

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.

The unaudited interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 19 November 2015.

2. Significant accounting policies

2.1 Basis of preparation

The unaudited interim financial statements for the six months period ended 30 September 2015 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, family takaful fund and general takaful fund which are presented on pages 14 to 16 of the financial statements have been provided as supplementary financial information and to comply with the requirements of the guidelines issued by Bank Negara Malaysia ("BNM"); *BNM/RH/STD 033-5 : Financial Reporting for Takaful Operators*. The Islamic Financial Services Act ("IFSA") 2013 and, previously, the Takaful Act, 1984, 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.

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2. Significant accounting policies (cont'd.)

2.1 Basis of preparation (cont'd.)

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.

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 been prepared on a historical cost basis, except for those financial instruments that have been measured at their fair values. 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 2015.

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 2015.

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 Islamic Financial Services Act 2013 and, previously, the Takaful Act 1984, 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 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.

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 2015, except for the adoption of the following amendments to the existing accounting standards and Issues Committee ("IC") Interpretation issued by the Malaysian Accounting Standards Board ("MASB") that are effective for the Company's financial year beginning 1 April 2015:

Standard/Interpretation	Effective for annual periods beginning on or after
Amendments to MFRS 119 Defined Benefit Plans: <i>Employee Contributions</i>	1 July 2014
Annual Improvements to MFRS 2010 - 2012 Cycle	1 July 2014
Annual Improvements to MFRS 2011 - 2013 Cycle	1 July 2014

The adoption of the above Amendments to MFRSs and IC Interpretation did not have any significant effect on the financial performance or position of the Company.

2.4 Standards issued but not yet effective

The standards and interpretations 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.

Standard/Interpretation	Effective for annual periods beginning on or after
MFRS 14 <i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	1 January 2016

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2. Significant accounting policies (cont'd.)

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

Standard/Interpretation	Effective for annual periods beginning on or after
Amendments to MFRS 11 <i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Amendments to MFRS 101 <i>Disclosure Initiative</i>	1 January 2016
Amendments to MFRS 116 and MFRS 138 <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to MFRS 116 and MFRS 141 <i>Agriculture: Bearer Plants</i>	1 January 2016
Amendments to MFRS 127 <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Annual improvements to MFRS 2012 - 2014 Cycle	1 January 2016
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2017
Amendments to MFRS 9 and MFRS 7 <i>Mandatory Effective Date of MFRS 9 and Transition Disclosures</i>	1 January 2018
MFRS 9 <i>Financial Instruments</i>	1 January 2018

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:

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

In November 2014, MASB issued the final version of MFRS 9 which reflects all phases of the financial instruments project and replaces MFRS 139 and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but no impact on the classification and measurement of the Company's financial liabilities. The Directors are in the process of assessing the financial implications for adopting the new standard.

3. Auditor's report

The auditor's report on the audited financial statements of the preceding year ended 31 March 2015 does not contain any qualification.

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4. Seasonality or cyclical factors

The businesses of the Company was not materially affected by any seasonal or cyclical fluctuations during the six months financial period ended 30 September 2015.

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 2015.

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 2015.

8. Significant event

The Company, in the previous financial year, had made disclosures on the matter in regard to tax and is still pursuing this matter with the Inland Revenue Board ("IRB").

There were no other significant events during the current financial period ended 30 September 2015.

9. Subsequent events

There were no significant subsequent events during the current financial period ended 30 September 2015.

10. Dividend paid

No dividend was paid during the current financial period ended 30 September 2015.

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 2015.

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12. Financial assets

	30.09.2015				31.03.2015			
	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	31,253	18,310	313,173	362,736	33,474	36,462	352,914	422,850
Unsecured	120,587	102,009	424,566	647,162	110,186	78,104	451,319	639,609
Government investment issues	57,729	86,041	518,074	661,844	42,840	61,416	438,585	542,841
Quoted shares in Malaysia:								
Shariah approved equities	14,734	18,887	101,515	135,136	16,066	23,622	106,857	146,545
Warrants	20	39	108	167	18	38	113	169
Property trust funds	1,193	2,784	5,911	9,888	1,247	1,154	5,435	7,836
Shariah approved unit trust funds	-	-	121,842	121,842	-	-	133,955	133,955
Golf club memberships	178	-	-	178	178	-	-	178
Islamic investment accounts with licensed:								
Islamic banks	51,178	58,406	375,402	484,986	61,948	58,980	397,077	518,005
Investment banks	-	-	56,167	56,167	-	-	1,996	1,996
Development bank	3,327	2,795	102,287	108,409	10,646	7,213	41,048	58,907
Building society	-	-	-	-	256	-	-	256
Institutional trust fund	-	-	-	-	-	-	-	-
Units held in investment-linked fund	13,333	-	-	-	13,233	-	-	-
Wholesale unit trust fund	32,040	45,056	68,084	145,180	32,019	45,027	68,041	145,087
Secured staff financing:								
Receivable within 12 months	1,362	-	-	1,362	1,547	-	-	1,547
Receivable after 12 months	3,048	-	-	3,048	3,095	-	-	3,095
Due from:								
General takaful fund	16,943	-	159	-	29,647	-	6	-
Family takaful fund	18,014	-	-	-	22,005	877	-	-
Investment-linked fund	13,172	-	-	-	3,174	-	-	-
Amount due from related companies	34	-	557	591	34	-	557	591
Income due and accrued	2,792	3,024	16,264	22,080	2,369	3,135	17,310	22,814
Other receivables and deposits	7,703	5,284	5,238	18,225	4,826	3,577	11,814	20,217
	<u>388,640</u>	<u>342,635</u>	<u>2,109,347</u>	<u>2,779,001</u>	<u>388,808</u>	<u>319,605</u>	<u>2,027,027</u>	<u>2,666,498</u>

Financial assets also include cash and bank balances which are disclosed on the face of the statement of financial position. Takaful certificate receivables are financial assets categorised as LAR and are disclosed separately in Note 13.

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12. Financial assets (cont'd.)

The Company's financial instruments other than cash and bank balances and takaful certificate receivables as described in page 23 are summarised by categories as follows:

	30.09.2015				31.03.2015			
	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))	407	663	123,512	124,582	429	724	135,972	137,125
HTM investments (Note 12(b))	62,078	71,892	337,060	471,030	62,105	71,941	337,163	471,209
AFS financial assets (Note 12(c))	208,582	200,571	1,092,701	1,488,521	186,727	173,158	1,084,084	1,430,736
Loans and receivables (Note 12(d))	117,573	69,509	556,074	694,868	139,547	73,782	469,808	627,428
	<u>388,640</u>	<u>342,635</u>	<u>2,109,347</u>	<u>2,779,001</u>	<u>388,808</u>	<u>319,605</u>	<u>2,027,027</u>	<u>2,666,498</u>

(a) Financial assets at FVTPL

At fair value:

Quoted shares in Malaysia:

Shariah approved equities

Warrants

Shariah approved unit trust funds

Shariah approved equities	387	650	1,655	2,692	419	715	2,008	3,142
Warrants	20	13	15	48	10	9	9	28
Shariah approved unit trust funds	-	-	121,842	121,842	-	-	133,955	133,955
	<u>407</u>	<u>663</u>	<u>123,512</u>	<u>124,582</u>	<u>429</u>	<u>724</u>	<u>135,972</u>	<u>137,125</u>

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12. Financial assets (cont'd.)

	30.09.2015				31.03.2015			
	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	19,010	18,310	36,822	74,142	19,014	18,314	36,745	74,073
Unsecured	251	-	-	251	251	-	-	251
Government investment issues	42,817	53,582	300,238	396,637	42,840	53,627	300,418	396,885
	<u>62,078</u>	<u>71,892</u>	<u>337,060</u>	<u>471,030</u>	<u>62,105</u>	<u>71,941</u>	<u>337,163</u>	<u>471,209</u>
At fair value:								
Unquoted Islamic private debt securities:								
Government guaranteed	18,868	18,168	36,551	73,587	19,027	18,324	36,838	74,189
Unsecured	699	-	-	699	655	-	-	655
Government investment issues	38,394	52,886	291,476	382,756	39,376	53,858	297,557	390,791
	<u>57,961</u>	<u>71,054</u>	<u>328,027</u>	<u>457,042</u>	<u>59,058</u>	<u>72,182</u>	<u>334,395</u>	<u>465,635</u>

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12. Financial assets (cont'd.)

	30.09.2015				31.03.2015			
	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
(c) AFS financial assets								
At cost:								
Golf club memberships	178	-	-	178	178	-	-	178
At fair value:								
Unquoted Islamic private debt securities:								
Government guaranteed	12,243	-	276,351	288,594	14,460	18,148	316,169	348,777
Unsecured	120,336	102,009	424,566	646,911	109,935	78,104	451,319	639,358
Government investment issues	14,912	32,459	217,836	265,207	-	7,789	138,167	145,956
Quoted shares in Malaysia:								
Shariah approved equities ⁽ⁱ⁾	14,347	18,237	99,860	132,444	15,647	22,907	104,849	143,403
Warrants	-	26	93	119	8	29	104	141
Units held in investment-linked fund	13,333	-	-	-	13,233	-	-	-
Property trust funds	1,193	2,784	5,911	9,888	1,247	1,154	5,435	7,836
Wholesale unit trust fund ⁽ⁱⁱ⁾	32,040	45,056	68,084	145,180	32,019	45,027	68,041	145,087
	208,582	200,571	1,092,701	1,488,521	186,727	173,158	1,084,084	1,430,736

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12. Financial assets (cont'd.)

(c) AFS financial assets (cont'd.)

- (ii) The Company invests in a wholesale unit trust fund which is managed by an external fund manager. The Company has control over the fund in accordance with MFRS 10 *Consolidated Financial Statements*. Details of the investment in wholesale unit trust fund are as follows:

Name of fund	Principal activities	% of ownership interest held by the Company	
		30.09.2015	31.03.2015
Amlslamic Cash 2	Investment in Shariah compliant money market instruments	100%	100%

In accordance with the exemption provided under paragraph 4 of MFRS 10, the financial statements of the fund are not consolidated as the Company is a wholly owned subsidiary of MNRB Holdings Berhad, a company incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad which produces financial statements that are available for public use and which comply with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

(d) Loans and receivables

	30.09.2015				31.03.2015			
	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/cost								
Islamic investment accounts with licensed:								
Islamic banks	51,178	58,406	375,402	484,986	61,948	58,980	397,077	518,005
Investment banks	-	-	56,167	56,167	-	-	1,996	1,996
Development banks	3,327	2,795	102,287	108,409	10,646	7,213	41,048	58,907
Building society	-	-	-	-	256	-	-	256
Institutional trust fund	-	-	-	-	-	-	-	-
Seed money in investment-linked fund	-	-	-	-	-	-	-	-
Secured staff financing:								
Receivable within 12 months	1,362	-	-	1,362	1,547	-	-	1,547
Receivable after 12 months	3,048	-	-	3,048	3,095	-	-	3,095
Due from:								
General takaful fund	16,943	-	159	-	29,647	-	6	-
Family takaful fund	18,014	-	-	-	22,005	877	-	-
Investment-linked fund	13,172	-	-	-	3,174	-	-	-
Amount due from related companies	34	-	557	591	34	-	557	591
Income due and accrued	2,792	3,024	16,264	22,080	2,369	3,135	17,310	22,814
Other receivables and deposits	7,703	5,284	5,238	18,225	4,826	3,577	11,814	20,217
	117,573	69,509	556,074	694,868	139,547	73,782	469,808	627,428

The amounts due from general takaful fund, family takaful fund, investment-linked fund and related companies are unsecured, not subject to any profit elements and have no fixed repayment terms and/or repayable on demand.

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13. Takaful certificate receivables

	General takaful fund RM '000	Family takaful fund RM '000	Company RM '000
30.09.2015			
Due contributions including agents/brokers and co-takaful balances	29,202	80,412	109,614
Due from retakaful operators	4,831	24,073	28,904
	<u>34,033</u>	<u>104,485</u>	<u>138,518</u>
Allowance for impairment	(5,363)	(21,042)	(26,405)
	<u>28,670</u>	<u>83,443</u>	<u>112,113</u>
31.03.2015			
Due contributions including agents/brokers and co-takaful balances	26,469	43,137	69,606
Due from retakaful operators	6,401	23,632	30,033
	<u>32,870</u>	<u>66,769</u>	<u>99,639</u>
Allowance for impairment	(3,574)	(22,536)	(26,110)
	<u>29,296</u>	<u>44,233</u>	<u>73,529</u>

The carrying amounts disclosed above approximate fair value at the reporting date.

Included in amounts due from retakaful operators of the general takaful fund are amounts due from MNRB Retakaful Berhad, Labuan Reinsurance (L) Limited and Malaysian Reinsurance Berhad of RM8,000, RM7,000 and RM3,000 (31.03.2015: RM948,000 and amounts due to of RM283,000 and RM149,000), respectively.

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14. 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
30.09.2015									
General takaful fund (Note (a))	359,124	(121,640)	237,484	-	-	-	359,124	(121,640)	237,484
Family takaful fund (Note (b))	-	-	-	2,046,477	(31,903)	2,014,574	2,036,477	(31,903)	2,004,574
	<u>359,124</u>	<u>(121,640)</u>	<u>237,484</u>	<u>2,046,477</u>	<u>(31,903)</u>	<u>2,014,574</u>	<u>2,395,601</u>	<u>(153,543)</u>	<u>2,242,058</u>
31.03.2015									
General takaful fund (Note (a))	336,180	(111,633)	224,547	-	-	-	336,180	(111,633)	224,547
Family takaful fund (Note (b))	-	-	-	1,903,014	(30,216)	1,872,798	1,893,014	(30,216)	1,862,798
	<u>336,180</u>	<u>(111,633)</u>	<u>224,547</u>	<u>1,903,014</u>	<u>(30,216)</u>	<u>1,872,798</u>	<u>2,229,194</u>	<u>(141,849)</u>	<u>2,087,345</u>

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(Incorporated in Malaysia)

14. Takaful certificate liabilities (cont'd.)

(a) General takaful fund

General takaful fund and Company	Gross RM '000	Retakaful RM '000	Net RM '000
30.09.2015			
Provision for claims reported by certificate holders	132,343	(45,314)	87,029
Provision for IBNR	74,355	(27,382)	46,973
Provision for PRAD	26,849	(9,443)	17,406
Claim liabilities ⁽ⁱ⁾	<u>233,547</u>	<u>(82,139)</u>	<u>151,408</u>
Contribution liabilities ⁽ⁱⁱ⁾	125,577	(39,501)	86,076
	<u>359,124</u>	<u>(121,640)</u>	<u>237,484</u>
31.03.2015			
Provision for claims reported by certificate holders	112,582	(39,784)	72,798
Provision for IBNR	73,576	(25,823)	47,753
Provision for PRAD	24,181	(8,522)	15,659
Claim liabilities ⁽ⁱ⁾	<u>210,339</u>	<u>(74,129)</u>	<u>136,210</u>
Contribution liabilities ⁽ⁱⁱ⁾	125,841	(37,504)	88,337
	<u>336,180</u>	<u>(111,633)</u>	<u>224,547</u>

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
30.09.2015			
At 1 April 2015	210,339	(74,129)	136,210
Claims incurred in the current accident period	97,648	(35,097)	62,551
Adjustment to claims incurred in prior accident years due to changes in assumptions:			
(Decrease)/(decrease) in PRAD	2,668	(921)	1,747
Decrease in expected ultimate loss ratios	(24,380)	7,068	(17,312)
Movements in claims incurred in prior accident years	9,106	(4,978)	4,128
Claims paid during the period	(61,834)	25,918	(35,916)
At 30 September 2015	<u>233,547</u>	<u>(82,139)</u>	<u>151,408</u>

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(Incorporated in Malaysia)

14. Takaful certificate liabilities (cont'd.)

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

(i) Claim liabilities (cont'd.)

General takaful fund and Company	Gross RM '000	Retakaful RM '000	Net RM '000
31.03.2015			
At 1 April 2014	201,519	(53,925)	147,594
Claims incurred in the current accident year	190,366	(76,270)	114,096
Adjustment to claims incurred in prior accident years due to changes in assumptions:			
Increase/(decrease) in PRAD	(986)	(5,492)	(6,478)
Decrease in expected ultimate loss ratios	(40,988)	14,166	(26,822)
Movements in claims incurred in prior accident years	(9,474)	(1,396)	(10,870)
Claims paid during the year	(130,098)	48,788	(81,310)
At 31 March 2015	<u>210,339</u>	<u>(74,129)</u>	<u>136,210</u>

(ii) Contribution liabilities

General takaful fund and Company	Gross RM '000	Retakaful RM '000	Net RM '000
30.09.2015			
At 1 April 2015	125,841	(37,504)	88,337
Contributions written during the period	133,228	(49,600)	83,628
Contributions earned during the period	(133,492)	47,603	(85,889)
At 30 September 2015	<u>125,577</u>	<u>(39,501)</u>	<u>86,076</u>
31.03.2015			
At 1 April 2014	119,033	(26,364)	92,669
Contributions written during the year	275,164	(107,492)	167,672
Contributions earned during the year	(268,356)	96,352	(172,004)
At 31 March 2015	<u>125,841</u>	<u>(37,504)</u>	<u>88,337</u>

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14. 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
30.09.2015						
Provision for claims reported by certificate holders	81,271	(9,635)	71,636	81,271	(9,635)	71,636
Participants' Investment Fund ("PIF")	1,588,557	-	1,588,557	1,588,557	-	1,588,557
Participants' Risk Fund ("PRF")	252,831	(22,268)	230,563	252,831	(22,268)	230,563
NAV attributable to unitholders	123,818	-	123,818	113,818	-	113,818
	<u>2,046,477</u>	<u>(31,903)</u>	<u>2,014,574</u>	<u>2,036,477</u>	<u>(31,903)</u>	<u>2,004,574</u>
31.03.2015						
Provision for claims reported by certificate holders	70,619	(20,720)	49,899	70,619	(20,720)	49,899
Participants' Investment Fund ("PIF")	1,511,487	-	1,511,487	1,511,487	-	1,511,487
Participants' Risk Fund ("PRF")	190,140	(9,496)	180,644	190,140	(9,496)	180,644
NAV attributable to unitholders	130,768	-	130,768	120,768	-	120,768
	<u>1,903,014</u>	<u>(30,216)</u>	<u>1,872,798</u>	<u>1,893,014</u>	<u>(30,216)</u>	<u>1,862,798</u>

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14. Takaful certificate liabilities (cont'd.)

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

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

30.09.2015	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 2015	1,903,014	(30,216)	1,872,798	1,893,014	(30,216)	1,862,798
Net earned contributions	303,916	(38,452)	265,464	303,916	(38,452)	265,464
Net creation of units	-	-	-	-	-	-
Liabilities paid for death, maturities, surrenders, benefits and claims	(132,336)	19,436	(112,900)	(132,336)	19,436	(112,900)
Net cancellation of units	(2,734)	-	(2,734)	(2,734)	-	(2,734)
Benefits and claims experience variation	10,652	11,085	21,737	10,652	11,085	21,737
Fees deducted	(77,488)	-	(77,488)	(77,488)	-	(77,488)
Other revenue and expenses	(4,216)	-	(4,216)	(4,216)	-	(4,216)
Transfer to shareholder's fund	(3,502)	-	(3,502)	(3,502)	-	(3,502)
Increase in reserve	49,171	6,244	55,415	49,171	6,244	55,415
At 30 September 2015	<u>2,046,477</u>	<u>(31,903)</u>	<u>2,014,574</u>	<u>2,036,477</u>	<u>(31,903)</u>	<u>2,004,574</u>

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14. Takaful certificate liabilities (cont'd.)

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

31.03.2015	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 2014	1,800,160	(139,538)	1,660,622	1,790,160	(139,538)	1,650,622
Net earned contributions	530,416	(39,205)	491,211	530,416	(39,205)	491,211
Net creation of units	23,539	-	23,539	23,539	-	23,539
Liabilities paid for death, maturities, surrenders, benefits and claims	(243,079)	57,121	(185,958)	(243,079)	57,121	(185,958)
Net cancellation of units	(24,231)	-	(24,231)	(24,231)	-	(24,231)
Benefits and claims experience variation	33,471	(7,508)	25,963	33,471	(7,508)	25,963
Fees deducted	(143,299)	-	(143,299)	(143,299)	-	(143,299)
Other revenue and expenses	2,782	-	2,782	2,782	-	2,782
Transfer to shareholder's fund	(9,249)	-	(9,249)	(9,249)	-	(9,249)
Increase in reserve	(67,496)	98,914	31,418	(67,496)	98,914	31,418
At 31 March 2015	<u>1,903,014</u>	<u>(30,216)</u>	<u>1,872,798</u>	<u>1,893,014</u>	<u>(30,216)</u>	<u>1,862,798</u>

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(Incorporated in Malaysia)

15. Expense liabilities

Shareholder's fund and Company	30.09.2015	31.03.2015
	RM '000	RM '000
General takaful fund		
Unearned wakalah fees reserve	18,161	18,226
Family takaful fund		
Unexpired expense reserve ("UER")	35,436	29,436
	<u>53,597</u>	<u>47,662</u>

The movement of expense liabilities are presented as follows:

	General takaful fund RM '000	Family takaful fund RM '000	Total RM '000
30.09.2015			
At 1 April 2015	18,226	29,436	47,662
- Wakalah fee received during the period	39,666	-	39,666
- Wakalah fee earned during the period	(39,731)	-	(39,731)
- Movement in provision for UER	-	6,000	6,000
At 30 September 2015	<u>18,161</u>	<u>35,436</u>	<u>53,597</u>
31.03.2015			
At 1 April 2014	16,965	23,355	40,320
- Wakalah fee received during the year	85,082	-	85,082
- Wakalah fee earned during the year	(75,264)	-	(75,264)
- Movement in provision for expense deficiency	(8,557)	-	(8,557)
- Movement in provision for UER	-	6,081	6,081
At 31 March 2015	<u>18,226</u>	<u>29,436</u>	<u>47,662</u>

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16. Takaful certificate payables

	General takaful fund RM '000	Family takaful fund RM '000	Company RM '000
30.09.2015			
Due to agents and brokers	-	19,076	19,076
Due to retakaful operators	21,539	15,002	36,541
	<u>21,539</u>	<u>34,078</u>	<u>55,617</u>
31.03.2015			
Due to agents and brokers	-	24,548	24,548
Due to retakaful operators	21,797	7,583	29,380
	<u>21,797</u>	<u>32,131</u>	<u>53,928</u>

Included in amounts due to retakaful operators of the family takaful fund is an amount due to MNRB Retakaful Berhad of RM2,519,000 (31.03.2015: amount due from of RM3,284,000). The amount payable is subject to settlement terms stipulated in the retakaful certificates.

17. General takaful fund

General takaful fund and Company

	30.09.2015 RM '000	31.03.2015 RM '000
Accumulated surplus		
At beginning of period/year	55,450	34,577
Surplus attributable to participants	4,706	26,518
Hibah paid and payable to participants during the period	(8,029)	(5,645)
At end of period/year	<u>52,127</u>	<u>55,450</u>
AFS reserves		
At beginning of period/year	(110)	(727)
Net gains on fair value changes	(3,544)	1,883
Deferred tax on fair value changes	879	(208)
Realised gain transferred to profit or loss	(116)	(1,058)
At end of period/year	<u>(2,891)</u>	<u>(110)</u>
General takaful fund at end of the period/year		
Accumulated surplus	52,127	55,450
AFS reserves	(2,891)	(110)
	<u>49,236</u>	<u>55,340</u>

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18. Family takaful fund

30.09.2015	Family takaful fund RM '000	Company RM '000
Unallocated surplus		
At 1 April 2015	231,964	205,009
Surplus attributable to participants	(42,331)	(43,521)
At 30 September 2015	<u>189,633</u>	<u>161,488</u>
AFS reserves		
At 1 April 2015	327	327
Net loss on fair value changes	(20,803)	(20,803)
Deferred tax on fair value changes	1,844	1,844
Realised gain transferred to profit or loss	(2,243)	(2,243)
At 30 September 2015	<u>(20,875)</u>	<u>(20,875)</u>
Revaluation reserve		
At 1 April 2015	-	26,050
Net gains on fair value changes	-	1,190
Deferred tax on fair value changes	-	(95)
At 30 September 2015	<u>-</u>	<u>27,145</u>
Family takaful fund at end of the period		
Unallocated surplus	189,633	161,488
AFS reserves	(20,875)	(20,875)
Revaluation reserve	-	27,145
	<u>168,758</u>	<u>167,758</u>
31.03.2015		
Unallocated surplus		
At 1 April 2014	210,521	185,892
Surplus attributable to participants	21,443	19,117
At 31 March 2015	<u>231,964</u>	<u>205,009</u>

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18. Family takaful fund (cont'd.)

31.03.2015	Family takaful fund RM '000	Company RM '000
AFS reserves		
At 1 April 2014	(26,177)	(26,177)
Net gains on fair value changes	32,150	32,150
Deferred tax on fair value changes	(2,305)	(2,305)
Realised gain transferred to profit or loss	(3,341)	(3,341)
At 31 March 2015	<u>327</u>	<u>327</u>
Revaluation reserve		
At 1 April 2014	-	23,910
Net gains on fair value changes	-	2,326
Deferred tax on changes to revaluation reserves	-	(186)
At 31 March 2015	<u>-</u>	<u>26,050</u>
Family takaful fund at end of the year		
Unallocated surplus	231,964	205,009
AFS reserves	327	327
Revaluation reserve	-	26,050
	<u>232,291</u>	<u>231,386</u>

19. Operating lease commitments

As at the reporting date, the Company leases office premises under lease agreements that are not cancellable within a year. The term of the leases ranges from 1 to 3 years and with the option to renew.

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

Company	30.09.2015 RM '000	31.03.2015 RM '000
Within 1 year	871	947
After 1 year but not more than 5 years	736	908
	<u>1,607</u>	<u>1,855</u>

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20. Capital commitments

	30.09.2015	31.03.2015
	RM '000	RM '000
Shareholder's fund and Company		
Authorised and contracted for:		
Intangible assets	4,792	3,514
Property and equipment	-	1,090
	<u>4,792</u>	<u>4,604</u>
Authorised but not contracted for:		
Intangible assets	6,703	4,409
Property and equipment	520	324
	<u>7,223</u>	<u>4,733</u>
Payable within 12 months	4,792	4,604
Payable after 12 months	7,223	4,733
	<u>12,015</u>	<u>9,337</u>

21. Regulatory capital requirement

The capital structure of the Company as at 30 September 2015, as prescribed under the Risk-Based Capital Framework for Takaful Operators ("RBCT Framework") which came into effect for financial years beginning on and after 1 January 2014, is provided below:

30.09.2015	Shareholder's fund RM '000	General takaful fund RM '000	Family takaful fund RM '000	Company RM'000
Eligible tier-1 capital				
Share capital	295,000	-	-	295,000
Reserves, including retained earnings	31,625	52,127	189,633	266,697
Tier-2 capital				
Availabe-for-sale reserves	150	(2,891)	(1,203)	(3,944)
Amount deducted from capital	(9,804)	(2,358)	-	(12,162)
Total capital available	<u>316,971</u>	<u>46,878</u>	<u>188,430</u>	<u>545,591</u>

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21. Regulatory capital requirement (cont'd.)

31.03.2015	Shareholder's fund RM '000	General takaful fund RM '000	Family takaful fund RM '000	Company RM'000
Eligible tier-1 capital				
Share capital	295,000	-	-	295,000
Reserves, including retained earnings	27,594	55,870	189,633	266,409
Tier-2 capital				
Availabe-for-sale reserves	2,315	(110)	-	2,205
Amount deducted from capital	(9,924)	-	-	(9,924)
Total capital available	<u>314,985</u>	<u>55,760</u>	<u>189,633</u>	<u>553,690</u>

22. Related party transactions

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

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

30.09.2015	Shareholder's fund RM '000	General takaful fund RM '000	Family takaful fund RM '000	Company RM '000
Income/(expenses) :				
Transactions with MNRB Holdings Berhad ("MNRB"):				
Gross contributions	-	155	329	484
Investment property fees	-	-	(341)	(341)
Management fees	(1,363)	(522)	(3,143)	(5,028)

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22. Related party transactions (cont'd.)

30.09.2015	Shareholder's fund RM '000	General takaful fund RM '000	Family takaful fund RM '000	Company RM '000
Income/(expenses) :				
Transactions with Malaysian Reinsurance Berhad ("MRE"), a fellow subsidiary:				
Gross contributions	-	125	294	419
Retakaful outward contributions	-	(213)	-	(213)
Retakaful commissions	-	39	-	39
Claims recoveries	-	-	-	-
Transactions with MNRB Retakaful Berhad ("MRT"), a fellow subsidiary:				
Gross contributions	-	1	10	11
Retakaful outward contributions	-	(27)	(10,307)	(10,334)
Retakaful commissions	-	655	-	655
Claims recoveries	-	-	4,246	4,246
Transactions with MMIP Services Sdn. Bhd. ("MMIP"), a fellow subsidiary:				
Referral fees income	38	-	-	38
Transactions with Labuan Reinsurance (L) Ltd ("Labuan Re"), in which MRE is a substantial shareholder:				
Gross contributions	-	10	-	10
Retakaful outward contributions	-	(2,654)	-	(2,654)
Retakaful commissions	-	433	-	433
Claims recoveries	-	-	-	-
Transactions with a related party, MIDF Amanah Investment Bank Berhad:				
Fund management fees	-	-	41	41

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22. Related party transactions (cont'd.)

30.09.2014	Shareholder's fund RM '000	General takaful fund RM '000	Family takaful fund RM '000	Company RM '000
Transactions with MNRB:				
Gross contributions	-	165	-	165
Management fees	(956)	(520)	(3,344)	-
<hr/>				
Transactions with MRE, a fellow subsidiary:				
Gross contributions	-	35	-	35
Retakaful outward contributions	-	(171)	-	(171)
<hr/>				
Transactions with MRT, a fellow subsidiary:				
Gross contributions	-	3	-	3
Retakaful outward contributions	-	(1,842)	-	(1,842)
Retakaful commissions	-	115	-	115
Claims recoveries	-	(697)	-	(697)
<hr/>				
Transactions with Labuan Re, in which MRE is a substantial shareholder:				
Gross contributions	-	15	-	15
Retakaful outward contributions	-	(920)	-	(920)
Retakaful commissions	-	136	-	136
<hr/>				

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23. Fair values of financial instruments

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 following levels of hierarchy are used for determining and disclosing the fair value of the Company's financial instruments:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs that are based on observable market data, either directly or indirectly

Level 3 - Inputs that are not based on observable market data

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

The carrying amounts of takaful certificates receivables, cash and bank balances, takaful certificates payables and other payables, are reasonable approximate fair values due to the relatively short-term maturity of these financial instruments.

(ii) Loans and receivables

Loans and receivables 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 the financing receivables 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 2015. 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 income 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.

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23. Fair values of financial instruments (cont'd.)

(v) Investments

Investments as at 30 September 2015 have been accounted for in accordance with the accounting policies as disclosed in the audited financial statements for the financial year ended 31 March 2015. The carrying amounts and fair values of investments are disclosed in Note 12 of the unaudited interim financial statements.

Description of overall definition of the fair value hierarchy

The levels of the fair value hierarchy as defined by the accounting standards are an indication of the observability of prices or valuation input. It can be classified into the following hierarchies/levels:

- Level 1 : Quoted price in active market data, 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.

- 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).

Examples of level 2 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 financial assets that are actively traded in organised financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the reporting date.

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

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23. Fair values of financial instruments (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	
30.09.2015				
<u>Financial assets:</u>				
Assets measured at fair value:				
Financial assets at FVTPL:				
Quoted shares in Malaysia:				
Shariah approved equities	387	-	-	387
Warrants	20	-	-	20
	<u>407</u>	<u>-</u>	<u>-</u>	<u>407</u>
AFS financial assets				
Unquoted Islamic private debt securities:				
Government guaranteed	-	12,243	-	12,243
Unsecured	-	120,336	-	120,336
Quoted shares in Malaysia:				
Shariah approved equities	14,347	-	-	14,347
Warrants	-	-	-	-
Units held in investment-linked fund	13,333	-	-	13,333
Property trust funds	1,193	-	-	1,193
Wholesale unit trust fund	32,040	-	-	32,040
	<u>60,913</u>	<u>132,579</u>	<u>-</u>	<u>193,492</u>
	<u>61,320</u>	<u>132,579</u>	<u>-</u>	<u>193,899</u>
Assets for which fair values are disclosed:				
HTM investments:				
Unquoted Islamic private debt securities:				
Government guaranteed	-	18,868	-	18,868
Unsecured	-	699	-	699
Government investment issues	-	38,394	-	38,394
	<u>-</u>	<u>57,961</u>	<u>-</u>	<u>57,961</u>

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23. Fair values of financial instruments (cont'd.)

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

Shareholder's fund (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	
31.03.2015				
<u>Financial assets:</u>				
Assets measured at fair value:				
Financial assets at FVTPL:				
Quoted shares in Malaysia:				
Shariah approved				
equities	419	-	-	419
Warrants	10	-	-	10
	<u>429</u>	<u>-</u>	<u>-</u>	<u>429</u>
AFS financial assets				
Unquoted Islamic private debt securities:				
Government guaranteed	-	14,460	-	14,460
Unsecured	-	109,935	-	109,935
Quoted shares in Malaysia:				
Shariah approved				
equities	15,647	-	-	15,647
Warrants	8	-	-	8
Units held in investment-linked fund	13,233	-	-	13,233
Property trust funds	1,247	-	-	1,247
Wholesale unit trust fund	32,019	-	-	32,019
	<u>62,154</u>	<u>124,395</u>	<u>-</u>	<u>186,549</u>
	<u>62,583</u>	<u>124,395</u>	<u>-</u>	<u>186,978</u>
Assets for which fair values are disclosed:				
HTM investments:				
Unquoted Islamic private debt securities:				
Government guaranteed	-	19,027	-	19,027
Unsecured	-	655	-	655
Government investment issues	-	39,376	-	39,376
	<u>-</u>	<u>59,058</u>	<u>-</u>	<u>59,058</u>

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23. Fair values of financial instruments (cont'd.)

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

General 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	
30.09.2015				
<u>Financial assets:</u>				
Assets measured at fair value:				
Financial assets at FVTPL:				
Quoted shares in Malaysia:				
Shariah approved equities	650	-	-	650
Warrants	13	-	-	13
	<u>663</u>	<u>-</u>	<u>-</u>	<u>663</u>
AFS financial assets				
Unquoted Islamic private debt securities:				
Government guaranteed	-	-	-	-
Unsecured	-	102,009	-	102,009
Government investment issues	-	32,459	-	32,459
Quoted shares in Malaysia:				
Shariah approved equities	18,237	-	-	18,237
Warrants	26	-	-	26
Property trust funds	2,784	-	-	2,784
Wholesale unit trust fund	45,056	-	-	45,056
	<u>66,103</u>	<u>134,468</u>	<u>-</u>	<u>200,571</u>
	<u>66,766</u>	<u>134,468</u>	<u>-</u>	<u>201,234</u>

Assets for which fair values are disclosed:

HTM investments:				
Unquoted Islamic private debt securities:				
Government guaranteed Islamic debt securities	-	18,168	-	18,168
Government investment issues	-	52,886	-	52,886
	<u>-</u>	<u>71,054</u>	<u>-</u>	<u>71,054</u>

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23. Fair values of financial instruments (cont'd.)

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

General takaful fund (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	
31.03.2015				
<u>Financial assets:</u>				
Assets measured at fair value:				
Financial assets at FVTPL:				
Quoted shares in Malaysia:				
Shariah approved equities	715	-	-	715
Warrants	9	-	-	9
	<u>724</u>	<u>-</u>	<u>-</u>	<u>724</u>
AFS financial assets				
Unquoted Islamic private debt securities:				
Government guaranteed	-	18,148	-	18,148
Unsecured	-	78,104	-	78,104
Government investment issues	-	7,789	-	7,789
Quoted shares in Malaysia:				
Shariah approved equities	22,907	-	-	22,907
Warrants	29	-	-	29
Property trust funds	1,154	-	-	1,154
	<u>69,117</u>	<u>104,041</u>	<u>-</u>	<u>173,158</u>
	<u>69,841</u>	<u>104,041</u>	<u>-</u>	<u>173,882</u>
Assets for which fair values are disclosed:				
HTM investments:				
Government guaranteed Islamic debt securities	-	18,324	-	18,324
Government investment issues	-	53,858	-	53,858
	<u>-</u>	<u>72,182</u>	<u>-</u>	<u>72,182</u>

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23. Fair values of financial instruments (cont'd.)

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

Family takaful fund	Valuation technique using:			Total
	Level 1 Quoted market prices	Level 2 Observable inputs	Level 3 Significant unobservable inputs	
30.09.2015	RM '000	RM '000	RM '000	RM '000
Assets measured at fair value:				
Investment properties	-	106,922	-	106,922
<u>Financial assets:</u>				
Financial assets at FVTPL:				
Quoted shares in Malaysia:				
Shariah approved equities	1,655	-	-	1,655
Warrants	15	-	-	15
Shariah approved unit trust funds	121,842	-	-	121,842
	<u>123,512</u>	<u>-</u>	<u>-</u>	<u>123,512</u>
AFS financial assets				
Unquoted Islamic private debt securities:				
Government guaranteed	-	276,351	-	276,351
Unsecured	-	424,566	-	424,566
Government investment issues	-	217,836	-	217,836
Quoted shares in Malaysia:				
Shariah approved equities	99,860	-	-	99,860
Warrants	93	-	-	93
Property trust funds	5,911	-	-	5,911
Wholesale unit trust fund	68,084	-	-	68,084
	<u>173,948</u>	<u>918,753</u>	<u>-</u>	<u>1,092,701</u>
	<u>297,460</u>	<u>918,753</u>	<u>-</u>	<u>1,216,213</u>
Assets for which fair values are disclosed:				
HTM investments:				
Government guaranteed Islamic debt securities	-	36,551	-	36,551
Government investment issues	-	291,476	-	291,476
	<u>-</u>	<u>328,027</u>	<u>-</u>	<u>328,027</u>

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23. Fair values of financial instruments (cont'd.)

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

Family takaful fund (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	
31.03.2015				
Assets measured at fair value:				
Investment properties	-	106,922	-	106,922
<u>Financial assets:</u>				
Financial assets at FVTPL:				
Quoted shares in Malaysia:				
Shariah approved equities	2,008	-	-	2,008
Warrants	9	-	-	9
Shariah approved unit trust funds	133,955	-	-	133,955
	<u>135,972</u>	<u>-</u>	<u>-</u>	<u>135,972</u>
AFS financial assets				
Unquoted Islamic private debt securities:				
Government guaranteed Unsecured	-	316,169	-	316,169
Government investment issues	-	451,319	-	451,319
Quoted shares in Malaysia:				
Shariah approved equities	104,849	-	-	104,849
Warrants	104	-	-	104
Property trust funds	5,435	-	-	5,435
	<u>178,429</u>	<u>905,655</u>	<u>-</u>	<u>1,084,084</u>
	<u>314,401</u>	<u>905,655</u>	<u>-</u>	<u>1,220,056</u>

Assets for which fair values are disclosed:

HTM investments:

Government guaranteed Islamic debt securities	-	36,838	-	36,838
Government investment issues	-	297,557	-	297,557
	<u>-</u>	<u>334,395</u>	<u>-</u>	<u>334,395</u>

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23. Fair values of financial instruments (cont'd.)

(vi) Fair value hierarchy (cont'd.)	Valuation technique using:			Total RM '000
	Level 1	Level 2	Level 3	
Company	Quoted market prices	Observable inputs	Significant unobservable inputs	
30.09.2015	RM '000	RM '000	RM '000	
Self occupied property	-	106,922	-	106,922
<u>Financial assets:</u>				
Financial assets at FVTPL:				
Quoted shares in Malaysia:				
Shariah approved equities	2,692	-	-	2,692
Warrants	48	-	-	48
Shariah approved unit trust funds	121,842	-	-	121,842
AFS financial assets				
Unquoted Islamic private debt securities:				
Government guaranteed	-	288,594	-	288,594
Unsecured	-	646,911	-	646,911
Government investment issues	-	265,207	-	265,207
Quoted shares in Malaysia:				
Shariah approved equities	132,444	-	-	132,444
Property trust funds	9,888	-	-	9,888
Shariah approved unit trust funds	145,180	-	-	145,180
Golf club memberships	-	-	178	178
	<u>412,213</u>	<u>1,200,712</u>	<u>178</u>	<u>1,613,103</u>

Assets for which fair values are disclosed:

HTM investments:

Unquoted Islamic private debt securities:

Government guaranteed	-	73,587	-	73,587
Unsecured	-	699	-	699

Government investment issues

	-	382,756	-	382,756
	-	457,042	-	457,042

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23. Fair values of financial instruments (cont'd.)

(vi) Fair value hierarchy (cont'd.)	Valuation technique using:			Total RM '000
	Level 1	Level 2	Level 3	
Company (cont'd.)				
31.03.2015	Quoted market prices RM '000	Observable inputs RM '000	Significant unobservable inputs RM '000	
Self occupied property	-	106,922	-	106,922
<u>Financial assets:</u>				
Financial assets at FVTPL:				
Quoted shares in Malaysia:				
Shariah approved equities	3,142	-	-	3,142
Warrants	28	-	-	28
Shariah approved unit trust funds	133,955	-	-	133,955
AFS financial assets				
Unquoted Islamic private debt securities:				
Government guaranteed	-	348,777	-	348,777
Unsecured	-	639,358	-	639,358
Government investment issues	-	145,956	-	145,956
Quoted shares in Malaysia:				
Shariah approved equities	143,403	-	-	143,403
Warrants	141	-	-	141
Property trust funds	7,836	-	-	7,836
Shariah approved unit trust funds	145,087	-	-	145,087
Golf club memberships	-	-	178	178
	<u>433,592</u>	<u>1,134,091</u>	<u>178</u>	<u>1,567,861</u>

Assets for which fair values are disclosed:

HTM investments:

Unquoted Islamic private debt securities:

Government guaranteed	-	74,189	-	74,189
Unsecured	-	655	-	655

Government investment issues

	-	390,791	-	390,791
	-	<u>465,635</u>	-	<u>465,635</u>