

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

**Unaudited Interim Financial Statements
For the six months period ended 30 September 2016**

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

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Takaful Ikhlas Berhad
(Incorporated in Malaysia)

Unaudited statements of comprehensive income
For the six months period ended 30 September 2016

	01.04.2016 to 30.09.2016				01.04.2015 to 30.09.2015			
	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
Gross earned contributions	-	139,850	307,268	445,359	-	133,492	303,916	435,375
Earned contributions ceded to retakaful	-	(57,113)	(35,539)	(92,652)	-	(47,603)	(38,452)	(86,055)
Net earned contributions	-	82,737	271,729	352,707	-	85,889	265,464	349,320
Investment income	5,864	7,229	46,795	57,401	6,021	6,071	40,671	50,275
Realised gains	281	418	1,880	2,579	15	116	2,154	2,285
Fair value losses	(560)	(462)	(1,632)	(2,654)	(539)	(532)	(6,057)	(7,128)
Fee and commission income	132,810	12,966	-	12,966	124,216	12,532	-	12,532
Other operating income	779	-	5,385	3,663	1,050	-	1,535	809
Other revenue	139,174	20,151	52,428	73,955	130,763	18,187	38,303	58,773
Gross claims and benefits paid	-	(64,538)	(134,713)	(199,251)	-	(61,834)	(132,336)	(194,170)
Claims and benefits ceded to retakaful	-	27,583	35,961	63,544	-	25,918	19,436	45,354
Gross change to certificate liabilities	-	(21,391)	(100,127)	(121,518)	-	(23,208)	(143,463)	(166,671)
Change in certificate liabilities ceded to retakaful	-	13,229	9,543	22,772	-	8,010	1,687	9,697
Net claims and benefits	-	(45,117)	(189,336)	(234,453)	-	(51,114)	(254,676)	(305,790)
Fee and commission expenses	(52,895)	(41,872)	(90,938)	(52,895)	(53,986)	(43,226)	(80,990)	(53,986)
Management expenses	(73,019)	(1,906)	(1,808)	(73,804)	(63,681)	(1,348)	(7,349)	(69,047)
Other operating expenses	-	(2,501)	-	-	-	(1,776)	-	-
Change in expense liabilities	(16)	-	-	(16)	(5,935)	-	-	(5,935)
Tax borne by participants	-	(3,134)	(4,029)	(7,163)	-	(1,906)	(3,083)	(4,989)
Other expenses	(125,930)	(49,413)	(96,775)	(133,878)	(123,602)	(48,256)	(91,422)	(133,957)
Operating profit attributable to participants, zakat and taxation	13,244	8,358	38,046	58,331	7,161	4,706	(42,331)	(31,654)
(Surplus)/deficit attributable to participants	-	(8,358)	(38,046)	(45,087)	-	(4,706)	42,331	38,815
Profit before zakat and taxation	13,244	-	-	13,244	7,161	-	-	7,161
Zakat	(452)	-	-	(452)	(500)	-	-	(500)
Taxation	(3,304)	-	-	(3,304)	(2,630)	-	-	(2,630)
Net profit for the period	9,488	-	-	9,488	4,031	-	-	4,031
Basic and diluted earnings per share (sen)				3.2				1.4

These unaudited financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2016. 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 statements of comprehensive income
For the six months period ended 30 September 2016 (cont'd.)

	01.04.2016 to 30.09.2016				01.04.2015 to 30.09.2015			
	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
Net profit for the period	9,488	-	-	9,488	4,031	-	-	4,031
Other comprehensive income:								
Items that will not be reclassified subsequently to profit or loss:								
Revaluation reserves:								
Net gains on fair value changes	-	-	-	1,317	-	-	-	1,190
Deferred tax on fair value changes	-	-	-	(105)	-	-	-	(95)
Items that may be subsequently reclassified to profit or loss:								
Available-for-sale fair value reserves:								
Net gains/(losses) on fair value changes	1,918	1,366	25,866	29,496	(2,834)	(3,544)	(20,803)	(27,281)
Deferred tax on fair value changes	(391)	(225)	(1,915)	(2,614)	684	879	1,844	3,431
Net gains transferred to profit or loss	(286)	(423)	(1,919)	(2,628)	(15)	(116)	(2,243)	(2,374)
Other comprehensive income attributable to participants	-	(718)	(22,032)	(23,962)	-	2,781	21,202	22,888
Total comprehensive profit for the period	10,729	-	-	10,992	1,866	-	-	1,790

These unaudited financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2016. The accompanying explanatory notes form an integral part of these interim financial statements.

Note:

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Unaudited statements of financial position
As at 30 September 2016

Note	30.09.2016				31.03.2016			
	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	2,441	-	-	118,099	3,614	-	-	119,272
Investment properties	-	-	115,658	-	-	-	115,658	-
Intangible assets	4,100	-	-	4,100	4,061	-	-	4,061
Deferred tax assets	4,832	2,264	-	2,970	5,393	1,638	-	4,930
Financial assets:								
Financial assets at fair value through profit or loss ("FVTPL")	12(a) 499	800	133,863	135,162	480	773	127,174	128,427
Held-to-maturity investments ("HTM")	12(b) 62,021	71,793	336,850	470,664	62,049	71,845	336,957	470,851
Available-for-sale ("AFS") financial assets	12(c) 189,210	167,772	1,347,148	1,690,771	200,388	196,954	1,223,635	1,607,272
Loans and receivables ("LAR")	12(d) 126,298	170,115	609,629	852,643	110,707	88,156	504,537	685,175
Retakaful certificate assets	14 -	146,538	42,641	189,179	-	127,454	33,098	160,552
Takaful certificate receivables	-	40,661	62,400	103,061	-	29,449	45,104	74,553
Tax recoverable	7,729	-	-	7,729	7,729	-	-	7,729
Cash and bank balances	15,465	2,247	35,806	53,518	10,213	26,846	117,734	154,793
Total assets	412,595	602,190	2,683,995	3,627,896	404,634	543,115	2,503,897	3,417,615
Liabilities								
Takaful certificate liabilities	14 -	407,033	2,363,441	2,760,474	-	378,049	2,263,314	2,631,363
Expense liabilities	15 56,704	-	-	56,704	56,688	-	-	56,688
Takaful certificate payables	-	24,513	43,370	67,883	-	24,305	49,876	74,181
Due to agents, retakaful and brokers	2,563	-	-	2,563	6,968	-	-	6,968
Deferred tax liabilities	-	-	3,731	-	-	-	1,895	-
Zakat payable	514	-	-	514	142	-	-	142
Tax payable	2,537	3,384	1,444	7,365	1,763	862	5	2,630
Other payables	48,916	64,137	103,707	163,361	48,441	45,841	80,583	156,640
Total liabilities	111,234	499,067	2,515,693	3,058,864	114,002	449,057	2,395,673	2,928,612
Participants' fund								
General takaful fund	17 -	103,123	-	103,123	-	94,058	-	94,058
Family takaful fund	18 -	-	168,302	167,101	-	-	108,224	107,129
Total participants' funds	-	103,123	168,302	270,224	-	94,058	108,224	201,187
Equity								
Share capital	295,000	-	-	295,000	295,000	-	-	295,000
Reserves	6,361	-	-	3,808	(4,368)	-	-	(7,184)
Total equity	301,361	-	-	298,808	290,632	-	-	287,816
Total liabilities, participants' funds and equity	412,595	602,190	2,683,995	3,627,896	404,634	543,115	2,503,897	3,417,615

These unaudited financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2016. The accompanying explanatory notes form an integral part of these

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 statements of changes in equity
For the six months period ended 30 September 2016

Shareholder's fund	Share capital RM '000	Non distributable available-for sale reserves RM '000	Distributable retained profits/ (accumulated losses) RM '000	Total RM '000
At 1 April 2015	295,000	2,315	27,594	324,909
Net profit for the year	-	-	4,031	4,031
Other comprehensive income for the period	-	(2,165)	-	(2,165)
Total comprehensive income for the period	-	(2,165)	4,031	1,866
At 30 September 2015	295,000	150	31,625	326,775
At 1 April 2016	295,000	2,868	(7,236)	290,632
Net profit for the period	-	-	9,488	9,488
Other comprehensive income for the period	-	1,241	-	1,241
Total comprehensive income for the period	-	1,241	9,488	10,729
At 30 September 2016	295,000	4,109	2,252	301,361

These unaudited financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2016. 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 2016 (cont'd.)

Company	Share capital RM '000	Non distributable available-for sale reserves RM '000	Non distributable revaluation reserve RM '000	Distributable retained profits/ (accumulated losses) RM '000	Total RM '000
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 period	-	(26,224)	1,095	-	(25,129)
Total comprehensive income/(loss) for the period	-	(26,224)	1,095	4,031	(21,098)
Attributable to participants	-	23,983	(1,095)	-	22,888
At 30 September 2015	295,000	(2,383)	-	31,625	324,242
At 1 April 2016	295,000	52	-	(7,236)	287,816
Net profit for the period	-	-	-	9,488	9,488
Other comprehensive income for the period	-	24,254	1,212	-	25,466
Total comprehensive income for the period	-	24,254	1,212	9,488	34,954
Attributable to participants	-	(22,750)	(1,212)	-	(23,962)
At 30 September 2016	295,000	1,556	-	2,252	298,808

These unaudited financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2016. 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 2016

	01.04.2016 to 30.09.2016 RM '000	1.04.2015 to 30.09.2015 RM '000
Cash flows from operating activities		
Profit before zakat and taxation	13,244	7,161
Adjustments for:		
Depreciation of property and equipment	2,518	2,687
Amortisation of intangible assets	543	412
Net amortisation of premiums	1,269	1,773
Profit income	(53,022)	(48,337)
Rental income	(506)	(747)
Gross dividend income	(6,161)	(4,183)
Fair value adjustments of financial assets at FVTPL	(753)	4,313
Allowance for impairment of AFS financial assets	3,407	2,815
Gain on disposal of investments	(2,579)	(2,285)
(Writeback of)/allowance for impairment of takaful certificate receivables	(2,707)	295
Increase/(decrease) in gross contribution liabilities	7,593	(2,261)
Increase in expense liabilities	16	5,935
Increase in general takaful fund	8,358	4,706
Increase/(decrease) in family takaful fund	36,729	(43,521)
Operating cash flows before working capital changes	<u>7,949</u>	<u>(71,237)</u>
Changes in working capital:		
Purchase of financial assets	(64,756)	(34,438)
Proceeds from disposal of of financial assets	233	(44,803)
Increase in placement of Islamic investment accounts	(159,894)	(70,399)
Decrease in staff financing	444	232
Increase in retakaful certificate assets	(28,627)	(11,694)
Increase in takaful certificate receivables	(25,801)	(38,879)
Increase in tax recoverables	-	(3,538)
(Increase)/decrease in other receivables and deposits	(10,802)	1,992
Movement in AFS reserves	-	(2,844)
Increase in gross claims and certificate liabilities	121,518	168,668
(Decrease)/increase in takaful certificate payables (and due to agents, retakaful and brokers)	(10,703)	1,252
Increase in zakat, tax and other payables	14,591	34,778
Net change in balance with holding company	(15)	(906)
Operating cash flows after working capital changes	<u>(155,863)</u>	<u>(71,816)</u>

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Unaudited statement of cash flows

For the six months period ended 30 September 2016 (cont'd.)

	01.04.2016 to 30.09.2016 RM '000	1.04.2015 to 30.09.2015 RM '000
Cash flows from operating activities (cont'd.)		
Operating cash flows after working capital changes	(155,863)	(71,816)
Profit income received	56,172	49,869
Rental income received	506	747
Dividend income received	5,795	3,385
Hibah paid to participants	(916)	(653)
Income tax paid	(6,500)	(7,500)
Zakat paid	(80)	(311)
Net cash used in operating activities	(100,886)	(26,279)
Cash flows from investing activities		
Purchase of property and equipment	514	(175)
Purchase of intangible assets	(903)	(35)
Net cash used in investing activities	(389)	(210)
Net decrease in cash and cash equivalents	(101,275)	(26,489)
Cash and cash equivalents at beginning of period	154,793	76,412
Cash and cash equivalents at end of period	53,518	49,923
Cash and cash equivalents comprise:		
Cash and bank balances of:		
Shareholder's fund	15,465	11,946
General takaful fund	2,247	6,769
Family takaful fund	35,806	31,208
	53,518	49,923

These unaudited financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2016. 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 2016

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 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 2016 to 30 September 2016.

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 17 November 2016.

2. Significant accounting policies

2.1 Basis of preparation

The unaudited interim financial statements for the six months period ended 30 September 2016 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 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 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 assets and liabilities, income, and expenses relating to transactions between the funds 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 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, 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 2016.

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 2016.

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 2016, 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 2016:

Description	Effective for annual periods beginning on or after
MFRS 14 <i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 <i>Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
Amendments to MFRS 11 <i>Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Amendments to MFRS 101 <i>Disclosure Initiatives</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 MFRSs 2012 - 2014 Cycle	1 January 2016

The adoption of the above MFRS, Amendments and Improvements to MFRSs did not have any significant effect on the disclosures or amounts recognised in the Company's financial statements.

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2. Significant accounting policies (cont'd.)

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.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 107 <i>Disclosure Initiatives</i>	1 January 2017
Amendments to MFRS 112 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
MFRS 9 <i>Financial Instruments</i>	1 January 2018
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
MFRS 16 <i>Leases</i>	1 January 2019
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be announced

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 2016 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 2016.

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 2016.

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 2016.

8. Significant event

The Company, in the previous financial year ended 31 March 2016, 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 2016.

9. Subsequent events

There were no significant subsequent events during the current financial period ended 30 September 2016.

10. Dividend paid

No dividend was paid during the current financial period ended 30 September 2016.

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 2016.

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12. Financial assets

	30.09.2016				31.03.2016			
	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	31,711	36,651	424,533	492,895	36,587	41,709	351,645	429,941
Unsecured	115,929	65,463	503,052	684,444	112,379	80,126	473,691	666,196
Government investment issues	42,770	71,744	577,984	692,498	53,045	81,910	559,976	694,931
Quoted shares in Malaysia:								
Shariah approved equities	14,858	20,554	106,568	141,980	13,851	19,842	103,080	136,773
Warrants	21	43	385	449	27	46	325	398
Property trust funds	904	910	5,645	7,459	1,145	939	5,703	7,787
Shariah approved unit trust funds	-	-	131,694	131,694	-	-	125,346	125,346
Golf club memberships	178	-	-	178	178	-	-	178
Islamic investment accounts with licensed:								
Islamic banks	39,072	142,152	343,852	525,076	70,973	60,633	393,352	524,958
Investment banks	2,011	8,007	83,015	93,033	11,606	10,033	25,022	46,661
Development bank	10,385	10,069	157,762	178,216	1,778	4,623	58,411	64,812
Units held in investment-linked fund	13,359	-	-	-	13,705	-	-	-
Wholesale unit trust fund	32,000	45,000	68,000	145,000	32,000	45,000	68,000	145,000
Secured staff financing:								
Receivable within 12 months	1,575	-	-	1,575	1,616	-	-	1,616
Receivable after 12 months	3,309	-	-	3,309	3,712	-	-	3,712
Due from:								
General takaful fund	26,512	-	210	-	9,630	-	27	-
Family takaful fund	12,905	-	-	-	124	4,196	-	-
Investment-linked fund	13,772	-	-	-	4,248	-	-	-
Amount due from related companies	34	-	-	34	34	-	-	34
Income due and accrued	2,277	2,681	18,408	23,366	3,015	3,333	19,802	26,150
Other receivables and deposits	14,446	7,206	6,382	28,034	3,971	5,338	7,923	17,232
	378,028	410,480	2,427,490	3,149,240	373,624	357,728	2,192,303	2,891,725

Financial assets also include cash and bank balances which are disclosed on the face of the statements 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 as described in page 13 (other than cash and bank balances and takaful certificate receivables) are summarised by categories as follows:

	30.09.2016				31.03.2016			
	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))	499	800	133,863	135,162	480	773	127,174	128,427
HTM investments (Note 12(b))	62,021	71,793	336,850	470,664	62,049	71,845	336,957	470,851
AFS financial assets (Note 12(c))	189,210	167,772	1,347,148	1,690,771	200,388	196,954	1,223,635	1,607,272
Loans and receivables (Note 12(d))	126,298	170,115	609,629	852,643	110,707	88,156	504,537	685,175
	378,028	410,480	2,427,490	3,149,240	373,624	357,728	2,192,303	2,891,725

(a) Financial assets at FVTPL

At fair value:

Quoted shares in Malaysia:

Shariah approved equities	484	784	2,150	3,418	461	754	1,805	3,020
Warrants	15	16	19	50	19	19	23	61
Shariah approved unit trust funds	-	-	131,694	131,694	-	-	125,346	125,346
	499	800	133,863	135,162	480	773	127,174	128,427

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12. Financial assets (cont'd.)

	30.09.2016				31.03.2016			
	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	19,005	18,305	36,985	74,295	19,009	18,309	36,905	74,223
Unsecured	246	-	-	246	246	-	-	246
Government investment issues	42,770	53,488	299,865	396,123	42,794	53,536	300,052	396,382
	<u>62,021</u>	<u>71,793</u>	<u>336,850</u>	<u>470,664</u>	<u>62,049</u>	<u>71,845</u>	<u>336,957</u>	<u>470,851</u>
At fair value:								
Unquoted Islamic private debt securities:								
Government guaranteed	19,208	18,502	37,494	75,204	19,072	18,368	37,100	74,540
Unsecured	759	-	-	759	730	-	-	730
Government investment issues	43,418	54,851	305,365	403,634	42,280	54,114	299,567	395,961
	<u>63,385</u>	<u>73,353</u>	<u>342,859</u>	<u>479,597</u>	<u>62,082</u>	<u>72,482</u>	<u>336,667</u>	<u>471,231</u>

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12. Financial assets (cont'd.)

	30.09.2016				31.03.2016			
	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	12,706	18,346	387,548	418,600	17,578	23,400	314,740	355,718
Unsecured	115,683	65,463	503,052	684,198	112,133	80,126	473,691	665,950
Government investment issues	-	18,256	278,119	296,375	10,251	28,374	259,924	298,549
Quoted shares in Malaysia:								
Shariah approved equities	14,374	19,770	104,418	138,562	13,390	19,088	101,275	133,753
Warrants	6	27	366	399	8	27	302	337
Units held in investment-linked fund	13,359	-	-	-	13,705	-	-	-
Property trust funds	904	910	5,645	7,459	1,145	939	5,703	7,787
Wholesale unit trust fund ⁽ⁱ⁾	32,000	45,000	68,000	145,000	32,000	45,000	68,000	145,000
	<u>189,210</u>	<u>167,772</u>	<u>1,347,148</u>	<u>1,690,771</u>	<u>200,388</u>	<u>196,954</u>	<u>1,223,635</u>	<u>1,607,272</u>

- (i) 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	
		30.09.2016	31.03.2016
Amlslamic Cash 2	Investment in Shariah compliant money market	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.

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12. Financial assets (cont'd.)

(d) Loans and receivables	30.09.2016				31.03.2016			
	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	39,072	142,152	343,852	525,076	70,973	60,633	393,352	524,958
Investment banks	2,011	8,007	83,015	93,033	11,606	10,033	25,022	46,661
Development banks	10,385	10,069	157,762	178,216	1,778	4,623	58,411	64,812
Building society	-	-	-	-	-	-	-	-
Secured staff financing:								
Receivable within 12 months	1,575	-	-	1,575	1,616	-	-	1,616
Receivable after 12 months	3,309	-	-	3,309	3,712	-	-	3,712
Due from:								
Shareholder's fund	-	-	-	-	-	-	-	-
General takaful fund	26,512	-	210	-	9,630	-	27	-
Family takaful fund	12,905	-	-	-	124	4,196	-	-
Investment-linked fund	13,772	-	-	-	4,248	-	-	-
Amount due from related companies	34	-	-	34	34	-	-	34
Income due and accrued	2,277	2,681	18,408	23,366	3,015	3,333	19,802	26,150
Other receivables and deposits	14,446	7,206	6,382	28,034	3,971	5,338	7,923	17,232
	<u>126,298</u>	<u>170,115</u>	<u>609,629</u>	<u>852,643</u>	<u>110,707</u>	<u>88,156</u>	<u>504,537</u>	<u>685,175</u>

The carrying amounts of LAR are reasonable approximations of fair value due to the short term maturity of these financial assets.

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 are repayable on demand.

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13. Takaful certificate receivables

	General takaful fund RM '000	Family takaful fund RM '000	Company RM '000
30.09.2016			
Due contributions including agents/brokers and co-takaful balances	42,496	60,786	103,282
Due from retakaful operators	4,466	11,997	16,463
	<u>46,962</u>	<u>72,783</u>	<u>119,745</u>
Allowance for impairment	(6,301)	(10,383)	(16,684)
	<u>40,661</u>	<u>62,400</u>	<u>103,061</u>
31.03.2016			
Due contributions including agents/brokers and co-takaful balances	26,887	54,752	81,639
Due from retakaful operators	6,275	6,030	12,305
	<u>33,162</u>	<u>60,782</u>	<u>93,944</u>
Allowance for impairment	(3,713)	(15,678)	(19,391)
	<u>29,449</u>	<u>45,104</u>	<u>74,553</u>

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

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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
30.09.2016									
General takaful fund (Note (a))	407,033	(146,538)	260,495	-	-	-	407,033	(146,538)	260,495
Family takaful fund (Note (b))	-	-	-	2,363,441	(42,641)	2,320,800	2,353,441	(42,641)	2,310,800
	<u>407,033</u>	<u>(146,538)</u>	<u>260,495</u>	<u>2,363,441</u>	<u>(42,641)</u>	<u>2,320,800</u>	<u>2,760,474</u>	<u>(189,179)</u>	<u>2,571,295</u>
31.03.2016									
General takaful fund (Note (a))	378,049	(127,454)	250,595	-	-	-	378,049	(127,454)	250,595
Family takaful fund (Note (b))	-	-	-	2,263,314	(33,098)	2,230,216	2,253,314	(33,098)	2,220,216
	<u>378,049</u>	<u>(127,454)</u>	<u>250,595</u>	<u>2,263,314</u>	<u>(33,098)</u>	<u>2,230,216</u>	<u>2,631,363</u>	<u>(160,552)</u>	<u>2,470,811</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
30.09.2016			
Provision for claims reported by certificate holders	154,976	(59,319)	95,657
Provision for IBNR	79,537	(28,529)	51,008
Provision for PRAD	27,135	(9,996)	17,139
Claim liabilities ⁽ⁱ⁾	261,648	(97,844)	163,804
Contribution liabilities ⁽ⁱⁱ⁾	145,385	(48,694)	96,691
	<u>407,033</u>	<u>(146,538)</u>	<u>260,495</u>
31.03.2016			
Provision for claims reported by certificate holders	127,414	(44,211)	83,203
Provision for IBNR	87,891	(31,507)	56,384
Provision for PRAD	24,952	(8,897)	16,055
Claim liabilities ⁽ⁱ⁾	240,257	(84,615)	155,642
Contribution liabilities ⁽ⁱⁱ⁾	137,792	(42,839)	94,953
	<u>378,049</u>	<u>(127,454)</u>	<u>250,595</u>

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

(i) Claim liabilities

General takaful fund and Company	Gross RM '000	Retakaful RM '000	Net RM '000
30.09.2016			
At 1 April 2016	240,257	(84,615)	155,642
Claims incurred in the current accident period	107,997	(43,884)	64,113
Adjustment to claims incurred in prior accident years due to changes in assumptions:			
Increase in PRAD	2,183	(1,100)	1,083
Decrease in expected ultimate loss ratios	(33,404)	12,164	(21,240)
Movements in claims incurred in prior accident years	9,153	(7,992)	1,161
Claims paid during the period	(64,538)	27,583	(36,955)
At 30 September 2016	<u>261,648</u>	<u>(97,844)</u>	<u>163,804</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
31.03.2016			
At 1 April 2015	210,339	(74,129)	136,210
Claims incurred in the current accident year	200,582	(75,460)	125,122
Adjustment to claims incurred in prior accident years due to changes in assumptions:			
Increase in PRAD	772	(375)	397
Decrease in expected ultimate loss ratios	(33,879)	10,901	(22,978)
Movements in claims incurred in prior accident years	2,663	(2,716)	(53)
Claims paid during the year	(140,220)	57,164	(83,056)
At 31 March 2016	<u>240,257</u>	<u>(84,615)</u>	<u>155,642</u>

(ii) Contribution liabilities

General takaful fund and Company	Gross RM '000	Retakaful RM '000	Net RM '000
30.09.2016			
At 1 April 2016	137,792	(42,839)	94,953
Contributions written during the period	147,443	(62,968)	84,475
Contributions earned during the period	(139,850)	57,113	(82,737)
At 30 September 2016	<u>145,385</u>	<u>(48,694)</u>	<u>96,691</u>
31.03.2016			
At 1 April 2015	125,841	(37,504)	88,337
Contributions written during the year	293,915	(113,100)	180,815
Contributions earned during the year	(281,964)	107,765	(174,199)
At 31 March 2016	<u>137,792</u>	<u>(42,839)</u>	<u>94,953</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
30.09.2016						
Provision for claims reported by certificate holders	71,618	(11,318)	60,300	71,618	(11,318)	60,300
Participants' Investment Fund ("PIF")	2,017,159	-	2,017,159	2,017,159	-	2,017,159
Participants' Risk Fund ("PRF")	157,373	(31,323)	126,050	157,373	(31,323)	126,050
NAV attributable to unitholders	117,291	-	117,291	107,291	-	107,291
	<u>2,363,441</u>	<u>(42,641)</u>	<u>2,320,800</u>	<u>2,353,441</u>	<u>(42,641)</u>	<u>2,310,800</u>
31.03.2016						
Provision for claims reported by certificate holders	63,149	(3,468)	59,681	63,149	(3,468)	59,681
Participants' Investment Fund ("PIF")	1,927,157	-	1,927,157	1,927,157	-	1,927,157
Participants' Risk Fund ("PRF")	152,001	(29,630)	122,371	152,001	(29,630)	122,371
NAV attributable to unitholders	121,007	-	121,007	111,007	-	111,007
	<u>2,263,314</u>	<u>(33,098)</u>	<u>2,230,216</u>	<u>2,253,314</u>	<u>(33,098)</u>	<u>2,220,216</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:

30.09.2016	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 2016	2,263,314	(33,098)	2,230,216	2,253,314	(33,098)	2,220,216
Net earned contributions	296,938	(35,539)	261,399	296,938	(35,539)	261,399
Net creation of units	10,330	-	10,330	10,330	-	10,330
Liabilities paid for death, maturities, surrenders, benefits and claims	(134,713)	35,961	(98,752)	(134,713)	35,961	(98,752)
Net cancellation of units	(14,556)	-	(14,556)	(14,556)	-	(14,556)
Benefits and claims experience variation	8,469	(7,850)	619	8,469	(7,850)	619
Fees deducted	(87,114)	-	(87,114)	(87,114)	-	(87,114)
Other revenue and expenses	510	-	510	510	-	510
Transfer to shareholder's fund	(3,824)	-	(3,824)	(3,824)	-	(3,824)
Increase in reserve	24,087	(2,115)	21,972	24,087	(2,115)	21,972
At 30 September 2016	<u>2,363,441</u>	<u>(42,641)</u>	<u>2,320,800</u>	<u>2,353,441</u>	<u>(42,641)</u>	<u>2,310,800</u>

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14. Takaful certificate liabilities (cont'd.)

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

31.03.2016	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	598,555	(63,278)	535,277	598,555	(63,278)	535,277
Net creation of units	16,548	-	16,548	16,548	-	16,548
Liabilities paid for death, maturities, surrenders, benefits and claims	(271,589)	11,749	(259,840)	(271,589)	11,749	(259,840)
Net cancellation of units	(24,455)	-	(24,455)	(24,455)	-	(24,455)
Benefits and claims experience variation	(7,470)	17,252	9,782	(7,470)	17,252	9,782
Fees deducted	(135,902)	-	(135,902)	(135,902)	-	(135,902)
Other revenue and expenses	(1,854)	-	(1,854)	(1,854)	-	(1,854)
Transfer to shareholder's fund	(11,908)	-	(11,908)	(11,908)	-	(11,908)
Increase in reserve	198,375	31,395	229,770	198,375	31,395	229,770
Assignment of unallocated surplus from/(to):						
PIF	25,000	-	25,000	-	-	-
PRF	(25,000)	-	(25,000)	-	-	-
At 31 March 2016	<u>2,263,314</u>	<u>(33,098)</u>	<u>2,230,216</u>	<u>2,253,314</u>	<u>(33,098)</u>	<u>2,220,216</u>

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(Incorporated in Malaysia)

15. Expense liabilities

	30.09.2016	31.03.2016
	RM '000	RM '000
Shareholder's fund and Company		
General takaful fund		
Unearned wakalah fees reserve	19,331	18,626
Family takaful fund		
Unexpired expense reserve ("UER")	37,373	38,062
	<u>56,704</u>	<u>56,688</u>

The movement of expense liabilities are presented as follows:

	General takaful fund RM '000	Family takaful fund RM '000	Total RM '000
30.09.2016			
At 1 April 2016	18,626	38,062	56,688
- Wakalah fees received during the period	41,872	-	41,872
- Wakalah fees earned during the period	(41,167)	-	(41,167)
- Movement in provision for UER	-	(689)	(689)
At 30 September 2016	<u>19,331</u>	<u>37,373</u>	<u>56,704</u>
31.03.2016			
At 1 April 2015	18,226	29,436	47,662
- Wakalah fees received during the year	84,310	-	84,310
- Wakalah fees earned during the year	(83,910)	-	(83,910)
- Movement in provision for UER	-	8,626	8,626
At 31 March 2016	<u>18,626</u>	<u>38,062</u>	<u>56,688</u>

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(Incorporated in Malaysia)

16. Takaful certificate payables

	General takaful fund RM '000	Family takaful fund RM '000	Company RM '000
30.09.2016			
Due to agents and brokers	-	20,143	20,143
Due to retakaful operators	24,513	23,227	47,740
	<u>24,513</u>	<u>43,370</u>	<u>67,883</u>
31.03.2016			
Due to agents and brokers	-	20,463	20,463
Due to retakaful operators	24,305	29,413	53,718
	<u>24,305</u>	<u>49,876</u>	<u>74,181</u>

17. General takaful fund

General takaful fund and Company

	30.09.2016 RM '000	31.03.2016 RM '000
Accumulated surplus		
At beginning of period/year	93,988	55,450
Surplus attributable to participants (Hibah paid and payable)/reversal of hibah payable to participants during the period/year	8,358	37,318
	(11)	1,220
At end of period/year	<u>102,335</u>	<u>93,988</u>
AFS reserves		
At beginning of period/year	70	(110)
Net gains on fair value changes	1,366	742
Deferred tax on fair value changes	(225)	(59)
Realised gains transferred to profit or loss	(423)	(503)
At end of period/year	<u>788</u>	<u>70</u>
General takaful fund at end of the period		
Accumulated surplus	102,335	93,988
AFS reserves	788	70
	<u>103,123</u>	<u>94,058</u>

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18. Family takaful fund

30.09.2016	Family takaful fund RM '000	Company RM '000
Unallocated surplus		
At 1 April 2016	105,659	68,284
Surplus attributable to participants	38,046	36,729
At 30 September 2016	<u>143,705</u>	<u>105,013</u>
AFS reserves		
At 1 April 2016	2,565	2,565
Net gains on fair value changes	25,866	25,866
Deferred tax on fair value changes	(1,915)	(1,915)
Realised gains transferred to profit or loss	(1,919)	(1,919)
At 30 September 2016	<u>24,597</u>	<u>24,597</u>
Revaluation reserve		
At 1 April 2016	-	36,280
Net gains on fair value changes	-	1,316
Deferred tax on fair value changes	-	(105)
At 30 September 2016	<u>-</u>	<u>37,491</u>
Family takaful fund at end of the period		
Unallocated surplus	143,705	105,013
AFS reserves	24,597	24,597
Revaluation reserve	-	37,491
	<u>168,302</u>	<u>167,101</u>
31.03.2016		
Unallocated surplus		
At 1 April 2015	231,964	205,009
Deficits attributable to participants	(126,305)	(136,725)
At 31 March 2016	<u>105,659</u>	<u>68,284</u>

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18. Family takaful fund (cont'd.)

31.03.2016 (cont'd.)

AFS reserves

At 1 April 2015	327	327
Net gains on fair value changes	5,439	5,439
Deferred tax on fair value changes	(209)	(209)
Realised gains transferred to profit or loss	(2,992)	(2,992)
At 31 March 2016	<u>2,565</u>	<u>2,565</u>

Revaluation reserve

At 1 April 2015	-	26,050
Net gains on fair value changes	-	11,120
Deferred tax on changes to revaluation reserves	-	(890)
At 31 March 2016	<u>-</u>	<u>36,280</u>

Family takaful fund at end of the year

Unallocated surplus	105,659	68,284
AFS reserves	2,565	2,565
Revaluation reserve	-	36,280
	<u>108,224</u>	<u>107,129</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:

Shareholder's fund and Company

	30.09.2016	31.03.2016
	RM '000	RM '000
Within 1 year	1,004	801
After 1 year but not more than 5 years	795	589
	<u>1,799</u>	<u>1,390</u>

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20. Capital commitments

	30.09.2016	31.03.2016
	RM '000	RM '000
Shareholder's fund and Company		
Authorised and contracted for:		
Intangible assets	4,324	4,512
Authorised but not contracted for:		
Intangible assets	37,938	6,617
Property and equipment	542	520
	<u>38,480</u>	<u>7,137</u>
Payable within 12 months	4,324	4,512
Payable after 12 months	38,480	7,137
	<u>42,804</u>	<u>11,649</u>

21. Regulatory capital requirement

The capital structure of the Company as at 30 September 2016, as prescribed under the Risk-Based Capital Framework for Takaful Operators ("RBCT Framework") is provided below:

	Shareholder's fund RM '000	General takaful fund RM '000	Family takaful fund RM '000	Company RM'000
30.09.2016				
Eligible tier-1 capital				
Share capital	295,000	-	-	295,000
Reserves, including retained earnings	2,252	99,822	156,734	258,808
Tier-2 capital				
Availabe-for-sale reserves	4,109	788	2,708	7,605
Amount deducted from capital	(8,763)	(3,115)	(236)	(12,114)
Total capital available	<u>292,598</u>	<u>97,495</u>	<u>159,206</u>	<u>549,299</u>
31.03.2016				
Eligible tier-1 capital				
Share capital	295,000	-	-	295,000
Reserves, including retained earnings	(7,236)	92,326	105,658	190,748
Tier-2 capital				
Availabe-for-sale reserves	2,868	70	1,521	4,459
Amount deducted from capital	(9,497)	(3,755)	(132)	(13,384)
Total capital available	<u>281,135</u>	<u>88,641</u>	<u>107,047</u>	<u>476,823</u>

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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:

30.09.2016	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	-	55	311	366
Investment property fees	-	-	(337)	(337)
Management fees	(5,370)	-	-	(5,370)
	<hr/>	<hr/>	<hr/>	<hr/>
Transactions with Malaysian Reinsurance Berhad ("MRE"), a fellow subsidiary:				
Gross contributions	-	117	242	359
Retakaful outward contributions	-	(444)	-	(444)
Retakaful commissions	-	36	-	36
	<hr/>	<hr/>	<hr/>	<hr/>
Transactions with MNRB Retakaful Berhad ("MRT"), a fellow subsidiary:				
Gross contributions	-	1	8	9
Retakaful outward contributions	-	(58)	-	(58)
Retakaful commissions	-	18	-	18
Claims recoveries	-	1,285	-	1,285
	<hr/>	<hr/>	<hr/>	<hr/>
Transactions with MMIP Services Sdn. Bhd. ("MMIP"), a fellow subsidiary:				
Referral fees income	62	-	-	62
Gross contributions	-	-	36	36
	<hr/>	<hr/>	<hr/>	<hr/>

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22. Related party transactions (cont'd.)

30.09.2016 (cont'd.)	Shareholder's fund RM '000	General takaful fund RM '000	Family takaful fund RM '000	Company RM '000
Income/(expenses) :				
Transactions with Labuan Reinsurance (L) Ltd ("Labuan Re"), in which MRE is a substantial shareholder:				
Gross contributions	-	9	-	9
Retakaful outward contributions	-	(3,466)	-	(3,466)
Retakaful commissions	-	18	-	18
Claims recoveries	-	3,256	-	3,256
Transactions with a related party, MIDF Amanah ("MIDF") Investment Bank Berhad:				
Fund management fees	-	-	(41)	(41)
30.09.2015				
Transactions with MNRB:				
Gross contributions	-	155	329	484
Investment property fees	-	-	(341)	(341)
Management fees	(1,363)	(522)	(3,143)	(5,028)
Transactions with MRE, a fellow subsidiary:				
Gross contributions	-	125	294	419
Retakaful outward contributions	-	(213)	-	(213)
Retakaful commissions	-	39	-	39

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22. Related party transactions (cont'd.)

30.09.2015 (cont'd.)	Shareholder's fund RM '000	General takaful fund RM '000	Family takaful fund RM '000	Company RM '000
Income/(expenses) :				
Transactions with 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
	<u>38</u>	<u>-</u>	<u>-</u>	<u>38</u>
Transactions with MMIP, a fellow subsidiary:				
Referral fees income	38	-	-	38
	<u>38</u>	<u>-</u>	<u>-</u>	<u>38</u>
Transactions with Labuan Re, in which MRE is a substantial shareholder:				
Gross contributions	-	10	-	10
Retakaful outward contributions	-	(2,654)	-	(2,654)
Retakaful commissions	-	433	-	433
	<u>-</u>	<u>433</u>	<u>-</u>	<u>433</u>
Transactions with a related party, MIDF:				
Fund management fees	-	-	(41)	(41)
	<u>-</u>	<u>-</u>	<u>(41)</u>	<u>(41)</u>

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23. 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.

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23. Fair values (cont'd.)

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

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

The carrying amounts of cash and bank balances and other payables, are reasonable approximations of fair value 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 loans and 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 2016. 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 2016 have been accounted for in accordance with the accounting policies as disclosed in the audited financial statements for the financial year ended 31 March 2016.

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23. 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	
30.09.2016				
<u>Financial assets:</u>				
Assets measured at fair value:				
Financial assets at FVTPL:				
Quoted shares in Malaysia:				
Shariah approved				
equities	484	-	-	484
Warrants	15	-	-	15
	<u>499</u>	<u>-</u>	<u>-</u>	<u>499</u>
AFS financial assets				
Unquoted Islamic private debt securities:				
Government guaranteed	-	12,706	-	12,706
Unsecured	-	115,683	-	115,683
Government investment issues	-	-	-	-
Quoted shares in Malaysia:				
Shariah approved				
equities	14,374	-	-	14,374
Warrants	6	-	-	6
Units held in investment-linked fund	13,359	-	-	13,359
Property trust funds	904	-	-	904
Wholesale unit trust fund	32,000	-	-	32,000
	<u>60,643</u>	<u>128,389</u>	<u>-</u>	<u>189,032</u>
	<u>61,142</u>	<u>128,389</u>	<u>-</u>	<u>189,531</u>

Takaful Ikhlas Berhad
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23. Fair values (cont'd.)

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

Shareholder's fund (cont'd.)	Valuation technique using:			Total
	Level 1 Quoted market prices RM '000	Level 2 Observable inputs RM '000	Level 3 Significant unobservable inputs RM '000	
30.09.2016 (cont'd.)				RM '000
<u>Financial assets:</u>				
Assets for which fair values are disclosed:				
HTM investments:				
Unquoted Islamic private debt securities:				
Government guaranteed	-	19,208	-	19,208
Unsecured	-	759	-	759
Government investment issues	-	43,418	-	43,418
	-	63,385	-	63,385
31.03.2016				
<u>Financial assets:</u>				
Assets measured at fair value:				
Financial assets at FVTPL:				
Quoted shares in Malaysia:				
Shariah approved equities	461	-	-	461
Warrants	19	-	-	19
	480	-	-	480

Takaful Ikhlas Berhad
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23. Fair values (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	
31.03.2016 (cont'd.)				
<u>Financial assets:</u>				
AFS financial assets				
Unquoted Islamic private debt securities:				
Government guaranteed	-	17,578	-	17,578
Unsecured	-	112,133	-	112,133
Government investment issues	-	10,251	-	10,251
Quoted shares in Malaysia:				
Shariah approved equities	13,390	-	-	13,390
Warrants	8	-	-	8
Units held in investment-linked fund	13,705	-	-	13,705
Property trust funds	1,145	-	-	1,145
Wholesale unit trust fund	32,000	-	-	32,000
	<u>60,248</u>	<u>139,962</u>	<u>-</u>	<u>200,210</u>
	<u>60,728</u>	<u>139,962</u>	<u>-</u>	<u>200,690</u>

Assets for which fair values are disclosed:

HTM investments:				
Unquoted Islamic private debt securities:				
Government guaranteed	-	19,072	-	19,072
Unsecured	-	730	-	730
Government investment issues	-	42,280	-	42,280
	<u>-</u>	<u>62,082</u>	<u>-</u>	<u>62,082</u>

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23. Fair values (cont'd.)

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

General takaful fund	Valuation technique using:			Total
	Level 1 Quoted market prices RM '000	Level 2 Observable inputs RM '000	Level 3 Significant unobservable inputs RM '000	
30.09.2016				
<u>Financial assets:</u>				RM '000
Assets measured at fair value:				
Financial assets at FVTPL:				
Quoted shares in Malaysia:				
Shariah approved equities	784	-	-	784
Warrants	16	-	-	16
	<u>800</u>	<u>-</u>	<u>-</u>	<u>800</u>
AFS financial assets				
Unquoted Islamic private debt securities:				
Government guaranteed Unsecured	-	18,346	-	18,346
Government investment issues	-	18,256	-	18,256
Quoted shares in Malaysia:				
Shariah approved equities	19,770	-	-	19,770
Warrants	27	-	-	27
Property trust funds	910	-	-	910
Wholesale unit trust fund	45,000	-	-	45,000
	<u>65,707</u>	<u>102,065</u>	<u>-</u>	<u>167,772</u>
	<u>66,507</u>	<u>102,065</u>	<u>-</u>	<u>168,572</u>

Assets for which fair values are disclosed:

HTM investments:

Unquoted Islamic private debt securities:

Government guaranteed

Islamic debt securities

Government investment

issues

	-	18,502	-	18,502
	-	54,851	-	54,851
	<u>-</u>	<u>73,353</u>	<u>-</u>	<u>73,353</u>

Takaful Ikhlas Berhad
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23. Fair values (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	
31.03.2016				
<u>Financial assets:</u>				
Assets measured at fair value:				
Financial assets at FVTPL:				
Quoted shares in Malaysia:				
Shariah approved equities	754	-	-	754
Warrants	19	-	-	19
	<u>773</u>	<u>-</u>	<u>-</u>	<u>773</u>
AFS financial assets				
Unquoted Islamic private debt securities:				
Government guaranteed	-	23,400	-	23,400
Unsecured	-	80,126	-	80,126
Government investment issues	-	28,374	-	28,374
Quoted shares in Malaysia:				
Shariah approved equities	19,088	-	-	19,088
Warrants	27	-	-	27
Property trust funds	939	-	-	939
Wholesale unit trust fund	45,000	-	-	45,000
	<u>65,054</u>	<u>131,900</u>	<u>-</u>	<u>196,954</u>
	<u>65,827</u>	<u>131,900</u>	<u>-</u>	<u>197,727</u>
Assets for which fair values are disclosed:				
HTM investments:				
Government guaranteed Islamic debt securities	-	18,368	-	18,368
Government investment issues	-	54,114	-	54,114
	<u>-</u>	<u>72,482</u>	<u>-</u>	<u>72,482</u>

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(Incorporated in Malaysia)

23. Fair values (cont'd.)

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

Family takaful fund	Valuation technique using:			Total
	Level 1	Level 2	Level 3	
30.09.2016	Quoted market prices	Observable inputs	Significant unobservable inputs	RM '000
Assets measured at fair value:	RM '000	RM '000	RM '000	RM '000
Investment properties	-	-	115,658	115,658
<u>Financial assets:</u>				
Financial assets at FVTPL:				
Quoted shares in Malaysia:				
Shariah approved equities	2,150	-	-	2,150
Warrants	19	-	-	19
Shariah approved unit trust funds	131,694	-	-	131,694
	<u>133,863</u>	<u>-</u>	<u>-</u>	<u>133,863</u>
AFS financial assets				
Unquoted Islamic private debt securities:				
Government guaranteed	-	387,548	-	387,548
Unsecured	-	503,052	-	503,052
Government investment issues	-	278,119	-	278,119
Quoted shares in Malaysia:				
Shariah approved equities	104,418	-	-	104,418
Warrants	366	-	-	366
Property trust funds	5,645	-	-	5,645
Wholesale unit trust fund	68,000	-	-	68,000
	<u>178,429</u>	<u>1,168,719</u>	<u>-</u>	<u>1,347,148</u>
	<u>312,292</u>	<u>1,168,719</u>	<u>-</u>	<u>1,481,011</u>
Assets for which fair values are disclosed:				
HTM investments:				
Government guaranteed Islamic debt securities	-	37,494	-	37,494
Government investment issues	-	305,365	-	305,365
	<u>-</u>	<u>342,859</u>	<u>-</u>	<u>342,859</u>

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23. Fair values (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	
31.03.2016				
Assets measured at fair value:				
Investment properties	-	-	115,658	115,658
<u>Financial assets:</u>				
Financial assets at FVTPL:				
Quoted shares in Malaysia:				
Shariah approved equities	1,805	-	-	1,805
Warrants	23	-	-	23
Shariah approved unit trust funds	125,346	-	-	125,346
	<u>127,174</u>	<u>-</u>	<u>-</u>	<u>127,174</u>
AFS financial assets				
Unquoted Islamic private debt securities:				
Government guaranteed	-	314,740	-	314,740
Unsecured	-	473,691	-	473,691
Government investment issues	-	259,924	-	259,924
Quoted shares in Malaysia:				
Shariah approved equities	101,275	-	-	101,275
Warrants	302	-	-	302
Property trust funds	5,703	-	-	5,703
Wholesale unit trust fund	68,000	-	-	68,000
	<u>175,280</u>	<u>1,048,355</u>	<u>-</u>	<u>1,223,635</u>
	<u>302,454</u>	<u>1,048,355</u>	<u>-</u>	<u>1,350,809</u>

Assets for which fair values are disclosed:

HTM investments:

Government guaranteed Islamic debt securities	-	37,100	-	37,100
Government investment issues	-	299,567	-	299,567
	<u>-</u>	<u>336,667</u>	<u>-</u>	<u>336,667</u>

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23. 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	
30.09.2016				
Self occupied property	-	-	115,658	115,658
<u>Financial assets:</u>				
Financial assets at FVTPL:				
Quoted shares in Malaysia:				
Shariah approved equities	3,418	-	-	3,418
Warrants	50	-	-	50
Shariah approved unit trust funds	131,694	-	-	131,694
AFS financial assets				
Unquoted Islamic private debt securities:				
Government guaranteed	-	418,600	-	418,600
Unsecured	-	684,198	-	684,198
Government investment issues	-	296,375	-	296,375
Quoted shares in Malaysia:				
Shariah approved equities	138,562	-	-	138,562
Warrants	399	-	-	399
Property trust funds	7,459	-	-	7,459
Shariah approved unit trust funds	145,000	-	-	145,000
	<u>426,582</u>	<u>1,399,173</u>	<u>-</u>	<u>1,825,755</u>

Assets for which fair values are disclosed:

HTM investments:

Unquoted Islamic private debt securities:

Government guaranteed	-	75,204	-	75,204
Unsecured	-	759	-	759

Government investment issues

	-	403,634	-	403,634
	<u>-</u>	<u>479,597</u>	<u>-</u>	<u>479,597</u>

Takaful Ikhlas Berhad
(Incorporated in Malaysia)

23. 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	
31.03.2016				
Self occupied property	-	-	115,658	115,658
<u>Financial assets:</u>				
Financial assets at FVTPL:				
Quoted shares in Malaysia:				
Shariah approved equities	3,020	-	-	3,020
Warrants	61	-	-	61
Shariah approved unit trust funds	125,346	-	-	125,346
AFS financial assets				
Unquoted Islamic private debt securities:				
Government guaranteed	-	355,718	-	355,718
Unsecured	-	665,950	-	665,950
Government investment issues	-	298,549	-	298,549
Quoted shares in Malaysia:				
Shariah approved equities	133,753	-	-	133,753
Warrants	337	-	-	337
Property trust funds	7,787	-	-	7,787
Shariah approved unit trust funds	145,000	-	-	145,000
	<u>415,304</u>	<u>1,320,217</u>	<u>-</u>	<u>1,735,521</u>

Assets for which fair values are disclosed:

HTM investments:

Unquoted Islamic private debt securities:

Government guaranteed	-	74,540	-	74,540
Unsecured	-	730	-	730

Government investment issues

	-	395,961	-	395,961
	<u>-</u>	<u>471,231</u>	<u>-</u>	<u>471,231</u>