

Publication	The Star	Section / Page	2	Date	25 October 2019
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Improved results due to higher net wakalah fee income

PETALING JAYA: Syarikat Takaful Malaysia Keluarga Bhd has registered a 34% year-on-year (y-o-y) increase in net profit to RM112.34mil for the third quarter ended Sept 30 on the back of higher net wakalah fee income.

Revenue for the quarter grew 16% to RM753.5mil as compared to the same quarter last year, due to higher sales generated by the family takaful business.

For the third quarter, the family takaful business recorded gross earned contributions of RM543.7mil as compared to RM436.7mil in the same period last year. The increase is mainly attributable to higher sales from credit-related products.

Meanwhile, the general takaful business generated gross earned contributions of RM171.9mil, decreasing by 3% as compared to

RM177.1mil in the corresponding quarter of the preceding year, mainly attributable to the fire and motor classes.

On a year-to-date basis, Takaful Malaysia posted a net profit of RM289.73mil for the nine months of financial year 2019, representing a 42% y-o-y growth, from higher net wakalah fee income arising from business growth in the family takaful and improved net investment income.

As at Sept 30, 2019, total assets increased by RM1.33bil to RM10.26bil as compared to RM8.93bil as at Dec 31, 2018, mainly attributable to the increase in other investments, retakaful assets and loan and receivables excluding takaful receivables.

It also had a cash position of RM555.91mil as of Sept 30, 2019

compared to RM1bil as of Dec 31, 2018.

The big difference in its cash position can be attributed to the increase in receivables of RM1.17bil as of Sept 30, 2019, compared to RM362.48mil for its year ended Dec 31, 2018.

In a filing with Bursa Malaysia, Takaful Malaysia said it is poised to further expand its market share in 2019, despite the cautious business sentiment.

This is on expectation that the takaful industry will outperform the conventional insurers in view of the strong demand for takaful products.

To sustain its market leading position, Takaful Malaysia will continue with its innovative strategies through the implementation of its digital strategy, introduction of

online solutions, expansion of its distribution capabilities, strategic partnerships with leading Islamic banks, as well as brand awareness initiatives.

"To support business growth and customer centricity, the company will continue its digital strategy to build the full digital ecosystem and expand the business focus beyond the credit-related business to reach out to the wide retail customer base of major partner banks.

"It is the commitment of Takaful Malaysia to continue responding to the needs of customers with reliable and better protection solutions and services that they deserve to firmly establish the company as the preferred choice for insurance," said Takaful Malaysia.

No dividends were declared for the financial period under review.