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Headline	Takaful Malaysia 3Q Net Profit Drops 12%, Revenue Hit by Lower Family Takaful Sales				

KUALA LUMPUR (Nov 23): Syarikat Takaful Malaysia Keluarga Bhd saw a 11% drop in net profit to RM72.6 million for the third quarter ended Sept 30, 2021, from RM82.6 million a year ago, due to a lower net wakalah fee income.

Earnings per share fell to 8.69 sen from 9.96 sen, the company said in a bourse filing.

Quarterly revenue fell 9% to RM648.32 million from RM753.47 million, mainly attributable to lower sales generated from family takaful.

No dividend was declared for the quarter.

For the nine months ended Sept 30, 2021, Takaful Malaysia posted a net profit of RM255.29 million, down 1.56% from RM259.27 million in the previous corresponding period, due to lower surplus transfer from the general takaful fund.

Nine-month revenue expanded 5% to RM2.3 billion from RM2.18 billion, on higher sales from both the family and general takaful businesses.

The group said its family takaful business recorded gross earned contributions of RM1.34 billion in the January-September period, 7% higher than the RM1.26 billion in the same period last year. The increase was due to higher sales from credit-related products.

Net benefits and claims for the family takaful segment was lower at RM550.1 million, compared with RM551.0 million previously, due to lower medical claims.

However, the family takaful segment's investment income saw a slight dip to RM213.4 million, from last year's RM216 million, due to lower profit income from fixed income investments.

The segment recorded fair value gains of RM9.8 million, compared with fair value losses of RM10.1 million previously, due to equity market performance.

Meanwhile, the general takaful business generated a 14% higher gross earned contributions of RM633.5 million in the January-September period, compared with RM556.4 million previously, as a result of higher sales from motor, fire and engineering classes, while net benefits and claims for the segment rose to RM156.6 million, from RM132.2 million, due to higher claims from motor and fire classes.

Investment income for the general takaful segment was also lower at RM21.8 million, compared with last year's RM23.3 million, due to lower profit income from fixed income investments.

Takaful Malaysia said it will remain vigilant and cautious by managing operating costs, business growth and risk profile of its portfolio, as economic activities take time to recover, job security remains heightened and consumers are more cautious with their spending amid the dynamic development of the pandemic situation.

The group added that it will strive to roll out more innovative strategies via the implementation of its digitalisation strategy, online solutions and digital ecosystem, expansion of its distribution capabilities, strategic partnerships with leading Islamic banks, and brand awareness initiatives.

Shares of Takaful Malaysia closed one sen or 0.27% higher at RM3.68 on Tuesday (Nov 23), giving the takaful group a market capitalisation of RM3.08 billion.