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| <b>Publication</b> | The Edge  | <b>Section / Page</b> | Online | <b>Date</b> | 27 May 2021 |
| <b>Headline</b>    | Takaful Malaysia Posts Slightly Lower 1Q Net Profit Of RM101.14 Mil |                       |        |             |             |

KUALA LUMPUR (May 25): Syarikat Takaful Malaysia Keluarga Bhd (Takaful Malaysia) posted a slightly lower net profit of RM101.14 million for the first quarter ended March 31, 2021 (1Q2021), from RM101.59 million registered in the same quarter last year.

However, revenue improved to RM915.50 million from RM913.04 million previously.

In a filing to Bursa Malaysia, the company said the higher revenue was mainly attributable to higher sales from the General Takaful business.

It said the General Takaful business generated gross earned contributions of RM218.0 million in 1Q2021, up 8% from RM202.0 million in the same period of the preceding year, mainly attributable to motor and fire class.

The net benefits and claims for General Takaful business decreased by 3% to RM56.0 million in the quarter under review from RM57.7 million in the same period last year, mainly due to lower claims relating to fire and personal accident class.

For the Family Takaful business, it said the division generated a lower gross earned contributions of RM480.8 million for 1Q2021, compared with RM496.3 million in 1Q2020, due to lower sales from group medical products.

The company noted the net benefits and claims for Family Takaful business also decreased by 14% to RM184.3 million for the quarter, from RM214.6 million in the same period previously, mainly attributable to lower medical claims.

For its Indonesian operations, Takaful Malaysia said the takaful industry in the republic was anticipated to continue experiencing challenges due to the financial market volatility, in addition to the economic conditions.

The operating revenue of the Indonesian operations decreased to RM31.5 million, from RM35.0 million in the same period of the preceding year, while the gross earned contributions decreased to RM25.1 million, compared with RM29.2 million in the same period previously.

Moving forward, the group said the Covid-19 pandemic and associated economic impact continued to pose challenges and uncertainties to the Malaysian economy and the insurance and takaful industry.

“The group has been taking necessary steps to strengthen its business resilience and adjust its operating models in managing the business in a very different market and dynamic operating landscape, as concerns on job security remain heightened and consumers will be more cautious on their spending.

“It is expected that economic activities will take some time to recover; and amid the uncertainties in the current economic environment to support business expansion, the group would remain vigilant and cautious in managing operating costs, business growth and risk profile of our portfolio,” it added.