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Syarikat Takaful quarterly results hit by lower sales in family segment

KUALA LUMPUR: Syarikat Takaful Malaysia Keluarga Bhd's net profit eased to RM75.09 million in the second quarter ended June 30, 2020, from RM80.95 million in the same period a year earlier.

Revenue for the quarter fell to RM515.73 million from RM672.98 million year-on-year, mainly attributable to lower sales generated by the family takaful business.

For the six-month period, Syarikat Takaful recorded a net profit of RM176.67 million from RM177.39 million a year earlier while revenue declined to RM1.43 billion from RM1.59 billion, also mainly driven

by lower sales generated from the family takaful business.

"The family takaful business generated gross earned contributions of RM772.1 million for the six-month period ended June 30, 2020, lower, as compared with RM967.5 million in the corresponding period last year," said Syarikat Takaful in a filing to Bursa Malaysia yesterday.

It added that this was due to lower sales from credit-related and group medical products as business

activities have been impacted by the movement control order and conditional movement control order arising from the Covid-19 pandemic over the period of 84 days.

Meanwhile, the net benefits and claims for the family takaful business decreased by 9% to RM350.1 million for the six-month period from RM384.6 million in the same period of the preceding year, mainly attributable to lower death and medical claims.

For the six-month period, the group's cash flow position of RM712.1 million, and the ratio of cash flow from operating activities to profit for the period of 53%, indicate its ability to generate sufficient cash flow to meet its obligations.

Moving forward, Syarikat Takaful said it will continue with its innovative strategies via the implementation of its digital strategy, online solutions and digital ecosystem, expansion of its distribution capabilities, strategic partnerships with leading Islamic banks, and brand awareness initiatives. - Bernama

