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SYARIKAT TAKAFUL MALAYSIA AM BERHAD
201701032316 (1246486-D) (Incorporated in Malaysia)



STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	2021			2020		
	Takaful Operator RM'000	General Takaful RM'000	Company RM'000	Takaful Operator RM'000	General Takaful RM'000	Company RM'000
ASSETS						
Property and equipment	1,859	-	3,379	3,660	-	5,140
Right-of-use assets	-	-	6,990	-	-	6,960
Investment properties	-	10,710	2,200	-	10,640	2,200
Intangible assets	5,243	-	5,243	6,131	-	6,131
Other investments	252,382	403,187	655,569	168,444	346,576	615,020
Retafakul assets	-	709,472	709,472	-	570,549	570,549
Deferred tax assets	46,881	-	46,881	37,679	-	37,679
Current tax assets	-	-	-	7,742	-	7,742
Loans and receivables, excluding takaful receivables	251,500	592,292	812,634	283,990	512,279	773,917
Takaful receivables	-	140,772	140,772	-	125,323	125,323
Cash and cash equivalents	23,087	46,451	69,538	12,482	56,589	69,071
TOTAL ASSETS	580,502	1,902,884	2,452,678	519,528	1,621,956	2,119,732
EQUITY AND LIABILITIES						
Share capital	100,000	-	100,000	100,000	-	100,000
Reserves	259,948	-	259,948	204,201	-	204,201
Total equity attributable to owner of the Company	359,948	-	359,948	304,201	-	304,201
LIABILITIES						
Takaful contract liabilities	-	1,594,267	1,594,267	-	1,394,517	1,394,517
Expense reserves	162,128	-	162,128	164,172	-	164,172
Takaful payables	10,852	219,737	230,589	10,252	136,798	147,050
Other payables	44,024	88,084	101,400	40,903	80,690	99,841
Current tax liabilities	3,550	796	4,346	-	9,951	9,951
TOTAL LIABILITIES	220,554	1,902,884	2,092,730	215,327	1,621,956	1,815,531
TOTAL EQUITY AND LIABILITIES	580,502	1,902,884	2,452,678	519,528	1,621,956	2,119,732

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	2021			2020		
	Takaful Operator RM'000	General Takaful RM'000	Company RM'000	Takaful Operator RM'000	General Takaful RM'000	Company RM'000
Operating revenue	15,115	947,383	962,423	15,654	858,609	874,156
Takaful operator income	370,522	-	-	349,554	-	-
Gross earned contributions	-	878,668	878,655	-	756,544	756,498
Contributions ceded to retafakul	-	(391,222)	(391,222)	-	(319,313)	(319,313)
Net earned contributions	-	487,446	487,433	-	437,231	437,185
Administrative income	-	98,318	98,318	-	81,593	81,593
Investment income on financial assets not measured at fair value through profit or loss	14,162	29,500	43,662	14,699	30,215	44,914
Investment income - others	953	78	959	955	456	1,350
Realised gains	726	387	1,113	-	2,486	2,486
Fair value gains and losses	(508)	70	(508)	188	(151)	17
Reversal of impairment losses on financial instruments	-	-	-	(1)	202	201
Other operating income	916	41	957	789	253	1,042
Other income	16,249	128,394	144,511	16,530	115,054	131,603
Gross benefits and claims paid	-	(304,099)	(304,099)	-	(254,159)	(254,159)
Claims ceded to retafakul	-	146,510	146,510	-	108,762	108,762
Gross change to contract liabilities	-	(157,589)	(157,589)	-	(145,397)	(145,397)
Change to contract liabilities ceded to retafakul	-	110,812	110,812	-	161,127	161,127
Net benefits and claims	-	(212,698)	(212,698)	-	(153,166)	(153,166)
Wakalah fee expense	-	(338,933)	-	-	(318,808)	-
Administrative fees	(80,896)	-	(80,896)	(75,272)	-	(75,272)
Expense reserves	2,044	-	2,044	(7,080)	-	(7,080)
Management expenses	(142,796)	-	(143,137)	(118,464)	-	(118,752)
Impairment losses on financial instruments	(6)	(3,726)	(3,732)	-	-	-
Other operating expenses	(13,369)	(653)	(14,022)	(13,816)	(690)	(14,506)
Other expenses	(236,023)	(343,312)	(239,743)	(214,632)	(319,498)	(215,610)
Total profit for the year	151,748	59,830	179,503	151,562	79,631	200,022
Profit attributable to the Takaful Operator / participants	-	(59,830)	(27,755)	-	(79,631)	(48,460)
Profit before zakat and taxation	151,748	-	151,748	151,562	-	151,562
Zakat	(600)	-	(600)	-	-	(600)
Tax expense	(29,440)	-	(29,440)	(37,708)	-	(37,708)
Profit for the year	121,708	-	121,708	113,254	-	113,254
Other comprehensive income, net of tax						
Items that may be reclassified subsequently to profit or loss						
Debt investments measured at fair value through other comprehensive income ("FVOCI")	(5,961)	(16,519)	(22,479)	2,061	6,553	8,614
- net change in fair value	-	(387)	(387)	-	(2,486)	(2,486)
- reclassified to profit or loss	-	16,905	16,905	-	(4,067)	(4,067)
Other comprehensive income attributable to participants	-	-	-	-	-	-
Total other comprehensive income for the year	(5,961)	-	(5,961)	2,061	-	2,061
Total comprehensive income for the year	115,747	-	115,747	115,315	-	115,315

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

Company	Attributable to owner of the Company			
	Share Capital RM'000	Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
At 31 December 2019 / 1 January 2020	100,000	5,546	143,341	248,886
Fair value of debt investments measured at FVOCI	-	2,061	-	2,061
Other comprehensive income for the year	-	2,061	-	2,061
Profit for the year	-	-	113,254	113,254
Total comprehensive income for the year	-	2,061	113,254	115,315
Contributions by and distributions to owner of the Company	-	-	(60,000)	(60,000)
- Dividends to owner of the Company	-	-	(60,000)	(60,000)
Total transactions with owner of the Company	-	-	(60,000)	(60,000)
At 31 December 2020 / 1 January 2021	100,000	7,606	196,595	304,201
Fair value of debt investments measured at FVOCI	-	(5,961)	-	(5,961)
Other comprehensive income for the year	-	(5,961)	-	(5,961)
Profit for the year	-	-	121,708	121,708
Total comprehensive income for the year	-	(5,961)	121,708	115,747
Contributions by and distributions to owner of the Company	-	-	(60,000)	(60,000)
- Dividends to owner of the Company	-	-	(60,000)	(60,000)
Total transactions with owner of the Company	-	-	(60,000)	(60,000)
At 31 December 2021	100,000	1,645	258,303	359,948

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 RM'000	2020 RM'000
Cash flows from operating activities		
Profit before zakat and taxation	151,748	151,562
Adjustments for:		
Amortisation of intangible assets	1,179	458
Depreciation of property and equipment	2,028	1,911
Depreciation of right-of-use assets	401	379
Fair value change of fair value through profit or loss financial assets	508	(17)
Profit from Islamic debt securities and investment accounts	(44,540)	(45,597)
Profit from Malaysian Government Islamic papers	(1,177)	(710)
Amortisation of premiums, net of accretion of discounts	1,202	987
Gains from disposal of debt investments at fair value through other comprehensive income	(1,119)	(2,486)
Impairment/(Reversal of impairment) of impairment losses on financial instruments	3,732	(201)
Operating profit before changes in working capital	113,868	105,286
Profit received from Islamic debt securities, investment accounts and Malaysian Government Islamic papers	42,242	43,697
Purchase of investments	(188,948)	(48,099)
Proceeds from sale of investments	16,045	19,559
Maturity of other investments	10,000	38,718
Increase in retafakul assets	(139,923)	(184,276)
Increase in receivables	(55,867)	(224,459)
Increase in takaful contract liabilities	214,721	274,921
Increase in payables	89,482	58,323
Zakat paid	(70)	(16)
Income taxes paid	(40,560)	(39,000)
Net cash generated from operating activities	60,970	46,654
Cash flows from investing activities		
Purchase of property and equipment	(212)	(1,000)
Purchase of intangible assets	(291)	(6,544)
Net cash used in investing activities	(503)	(7,544)
Cash flows from financing activity		
Dividends paid to owner of the Company	(60,000)	(60,000)
Net cash used in financing activity	(60,000)	(60,000)
Net increase/(decrease) in cash and cash equivalents	467	(20,890)
Cash and cash equivalents at 1 January	69,071	89,961
Cash and cash equivalents at 31 December	69,538	69,071

SHARIAH ADVISORY BODY'S REPORT

We have reviewed the principles and the contracts relating to the products introduced by Syarikat Takaful Malaysia Am Berhad ("STMAB") during the year ended 31 December 2021. We have also conducted our review to form an opinion as to whether STMAB has complied with the Shariah principles and with the Shariah rulings issued by the Shariah Advisory Council of Bank Negara Malaysia.

The management of STMAB is responsible for ensuring that the conduct of its business is in accordance with Shariah principles. It is our responsibility to form an independent opinion, based on our review of the operations of STMAB.

We have assessed the work carried out by Shariah review and Shariah audit which included examining, on a test basis, relevant transactions, documentation and procedures adopted by STMAB. We performed our review so as to obtain all the information and explanations which we considered necessary in order to provide us sufficient evidence to give reasonable assurance that there are no violations of the Shariah principles.

- In our opinion:
- the contracts and related documentation used by STMAB during the year ended 31 December 2021 that have been reviewed are in compliance with the Shariah principles;
 - the distribution of surplus from participants risk fund conforms to the basis that had been approved by us in accordance with Shariah principles;
 - the calculation of zakat is in compliance with Shariah principles; and
 - no earning that has been realised from sources or by means prohibited by the Shariah principles.

We, the members of the Shariah Advisory Body, do hereby confirm that the operations of STMAB for the year ended 31 December 2021 have been conducted in conformity with the Shariah principles and nothing has come to our attention that causes us to believe that the operations, business, affairs and activities of STMAB involve any material Shariah non-compliance.

For the purpose of this report, "material Shariah non-compliance" shall refer to any Shariah non-compliance issues that have an impact on the business of STMAB.

We bear witness only to what we know, and we could not well guard against the unseen! (sura Yusuf, verse 81)

Chairman of STMAB's SAB
Dr. Dr. Muzamad Rahimi Osman
 Kuala Lumpur
 Date: 17 February 2022

Member of STMAB's SAB
Dr. Ahmad Stefan Che Abdullah



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SYARIKAT TAKAFUL MALAYSIA AM BERHAD

201701032316 (1246486-D) (Incorporated in Malaysia)

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF SYARIKAT TAKAFUL MALAYSIA AM BERHAD

On 17 February 2022, we reported on the financial statements of Syarikat Takaful Malaysia Am Berhad for the financial year ended 31 December 2021. In the report we stated that:

***REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Our opinion

In our opinion, the financial statements of Syarikat Takaful Malaysia Am Berhad ('the Company') give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Company, which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 17 to 143.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the financial statements' section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ('By-Laws') and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report and Shariah Advisory Body's Report, but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

if, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OTHER MATTERS

This report is made solely to the member of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Other than the non-publication of all the notes to the financial statements, the financial statements reproduced herewith are similar in all material aspects to those reported on by us.

Accordingly for a fuller appreciation of the financial position of the Company as at 31 December 2021, and of its financial performance and cash flows for the financial year ended on that date, reference should be made to the financial statements of the Company for the financial year ended 31 December 2021, in which context our report of 17 February 2022 was made.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

MANJIT SINGH A/L HAJANDER SINGH
02964/03/2023 J
Chartered Accountant

Kuala Lumpur
17 February 2022

NOTE: The full set of these financial statements are available on the Company's website at www.takaful-malaysia.com.my

The advertisement features a central graphic with icons for various services: Breakdown, Medical, Fire Damage, and others. To the right is a smartphone displaying the 'click for cover' app interface, which lists services like Breakdown, Medical, and Fire Damage. Below the graphic are two QR codes for downloading the app.