

Publication	The Star	Section/Page No.	
Date	Wednesday, 17 August 2022	Lead Article	
Headline	Takaful Malaysia Targets Increase in 2Q Operating Profit		

Takaful Malaysia targets increase in 2Q operating profit

PETALING JAYA: Syarikat Takaful Malaysia Bhd sees an increase in its operating revenue for the second quarter ended June 30, 2022 (2Q22) fuelled by higher sales from its Family Takaful and General Takaful ventures.

Overall, the group reported an increase of nearly 20% in its operating revenue at RM831.9mil as compared with RM701.2mil in the corresponding quarter last year.

Profit before zakat and tax also rose by 12%, due to higher net wakalah fee income in 2Q22 to RM107.2mil from RM95.7mil in the previous year.

"We will leverage our market-leading position in single contribution products, whilst focusing on retail regular contribution products to diversify our business portfolio further," said group chief executive officer, Nor Azman Zanal in a press release yesterday.

"This is one of our key strategies to grow our business in the untapped retail market as the Family Takaful market has lower penetration at 18.6%."

Takaful's net profits were impacted by Cukai Makmur and the changes in the tax act on adjusted income in relation to its Family Takaful business.

The figure dropped by 15% to RM69.7mil in 2Q22 from RM81.8mil in the same period last year.

For the quarter under review, growth in the Family Takaful segment was driven by higher sales from credit-related products, with gross earned contributions of RM506.1mil, which up by almost 15%.

"Family Takaful business investment income for the quarter under review also increased to RM75.4mil, higher by 6%, mainly due to higher profit income from fixed income investments," the group said.

On the other hand, the General Takaful business' gross earned contributions surged by 18% to RM232.6mil, due to the fire and motor classes of business.

"In addition, this segment's investment income increased by 12% to RM8.2mil from RM7.3mil in the corresponding quarter of 2021, due to higher profit from fixed income investments," it said.

"We will continue striking the right balance between underwriting margins and business growth to penetrate the market further and gain a leading position among key industry players."

Meanwhile, the group's Indonesian operations saw a hike of 21% in its gross earned contribution at RM62.5mil compared to the same period last year.