

**SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2024**

Note	←----- As at 30 September 2024 ----->			←----- As at 31 December 2023 ----->		
	Family Takaful RM'000	General Takaful RM'000	Group RM'000	Family Takaful RM'000	General Takaful RM'000	Group RM'000
<b>ASSETS</b>						
Property and equipment	-	-	235,268	-	-	236,202
Right-of-use assets	-	-	52,931	-	-	56,303
Investment properties	262,787	10,980	46,952	273,491	10,980	40,410
Intangible assets	-	-	26,033	-	-	25,375
Deferred tax assets	-	-	271,406	-	-	272,668
Investments	28 7,825,230	817,191	10,187,598	7,140,293	747,405	9,259,624
Takaful contract assets	23 528,311	18,182	552,978	346,138	13,335	383,856
Retakaful contract assets	23 380,314	1,132,248	1,524,897	392,815	971,856	1,375,501
Current tax assets	-	-	14,897	-	-	21,511
Loans and receivables	1,077,153	577,361	2,536,852	960,994	487,700	2,153,011
Cash and cash equivalents	416,044	91,408	653,842	547,142	64,236	851,429
<b>TOTAL ASSETS</b>	<b>10,489,839</b>	<b>2,647,370</b>	<b>16,103,654</b>	<b>9,660,873</b>	<b>2,295,512</b>	<b>14,675,890</b>
<b>EQUITY AND LIABILITIES</b>						
Share Capital	-	-	241,376	-	-	241,376
Reserves	-	-	1,736,086	-	-	1,437,645
<b>Total Equity Attributable To Owners Of The Company</b>	-	-	1,977,462	-	-	1,679,021
Non-controlling interests	-	-	33,623	-	-	35,175
<b>TOTAL EQUITY</b>	-	-	2,011,085	-	-	1,714,196
<b>LIABILITIES</b>						
Takaful contract liabilities	23 10,183,784	2,538,408	13,529,480	9,431,105	2,126,280	12,318,524
Retakaful contract liabilities	23 217,684	82,843	301,164	138,413	127,560	267,667
Lease liabilities	-	-	550	-	-	907
Other payables	88,371	23,364	235,992	80,885	38,619	361,073
Current tax liabilities	-	2,755	25,383	10,470	3,053	13,523
<b>TOTAL LIABILITIES</b>	<b>10,489,839</b>	<b>2,647,370</b>	<b>14,092,569</b>	<b>9,660,873</b>	<b>2,295,512</b>	<b>12,961,694</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>10,489,839</b>	<b>2,647,370</b>	<b>16,103,654</b>	<b>9,660,873</b>	<b>2,295,512</b>	<b>14,675,890</b>
<b>Net assets per share (RM)</b>			<b>2.36</b>			<b>2.01</b>

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.



**SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

←--- Current Year-to-date 30.09.2024 ---→    ←--- Corresponding Year-to-date 30.09.2023 ---→

	Note	Family Takaful RM'000	General Takaful RM'000	Group RM'000	Family Takaful RM'000	General Takaful RM'000	Group RM'000
Takaful revenue	24	1,484,180	1,094,423	2,664,479	1,124,875	932,398	2,166,224 *
Takaful service expenses	25	(1,698,701)	(1,091,633)	(2,468,189)	(1,304,021)	(805,003)	(1,857,609)*
<b>Takaful service result before retakaful contracts held</b>		<b>(214,521)</b>	<b>2,790</b>	<b>196,290</b>	<b>(179,146)</b>	<b>127,395</b>	<b>308,615</b>
Allocation of retakaful contribution		(170,235)	(383,634)	(565,056)	(141,422)	(340,105)	(485,745)
Amounts recoverable from retakaful operators for incurred claims		186,609	357,435	544,044	135,261	189,189	322,622
<b>Net income/ (expense) from retakaful contracts held</b>		<b>16,374</b>	<b>(26,199)</b>	<b>(21,012)</b>	<b>(6,161)</b>	<b>(150,916)</b>	<b>(163,123)</b>
<b>Takaful service result</b>		<b>(198,147)</b>	<b>(23,409)</b>	<b>175,278</b>	<b>(185,307)</b>	<b>(23,521)</b>	<b>145,492</b>
Investment income on financial assets not measured at fair value through profit or loss	26	265,471	43,660	379,608	247,739	37,263	350,642
Investment income - others	26	26,313	41	30,625	21,080	45	25,292
Net realised gains	27	9,638	469	13,303	10,059	1,059	22,150
Net fair value gains and losses on financial assets		31,196	-	31,253	(5,372)	-	(4,935)
Net impairment loss on financial instruments		(10,663)	(1,798)	(12,532)	23	(36)	(28)
<b>Net investment income</b>		<b>321,955</b>	<b>42,372</b>	<b>442,257</b>	<b>273,529</b>	<b>38,331</b>	<b>393,121</b>
Takaful finance expenses from takaful contracts issued		(123,118)	(45,292)	(203,396)	(89,294)	(36,589)	(164,210)
Retakaful finance income from retakaful contracts held		433	26,199	26,692	1,592	22,071	23,746
<b>Net takaful financial results</b>		<b>(122,685)</b>	<b>(19,093)</b>	<b>(176,704)</b>	<b>(87,702)</b>	<b>(14,518)</b>	<b>(140,464)</b>
Other operating income		673	192	1,712	270	-	1,937
Other operating expenses		(1,796)	(62)	(7,308)	(790)	(292)	(7,778)
<b>Profit before zakat and taxation</b>		<b>-</b>	<b>-</b>	<b>435,235</b>	<b>-</b>	<b>-</b>	<b>392,308</b>
Tax expense attributable to Takaful Operator	18	-	-	(128,443)	-	-	(107,972)
Zakat		-	-	(10,326)	-	-	(7,543)
<b>Profit for the period</b>		<b>-</b>	<b>-</b>	<b>296,466</b>	<b>-</b>	<b>-</b>	<b>276,793</b>

\* There were reclassifications performed on prior period comparatives for Takaful Revenue and Takaful Service Expenses for better comparability with current period disclosures. The reclassifications do not have any impact on the Takaful Service Results and Profit before Zakat and Tax.

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.



**SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

←--- Current Year-to-date 30.09.2024 ---→    ←--- Corresponding Year-to-date 30.09.2023 ---→

	Note	Current Year-to-date 30.09.2024			Corresponding Year-to-date 30.09.2023		
		Family Takaful RM'000	General Takaful RM'000	Group RM'000	Family Takaful RM'000	General Takaful RM'000	Group RM'000
<b>Profit for the period</b>		-	-	296,466	-	-	276,793
<b>Other comprehensive income, net of tax</b>							
<i>Items that will not be reclassified subsequently to profit or loss</i>							
Remeasurement of defined benefit liability		-	-	-	-	-	(6)
Revaluation of property and equipment		-	-	3,972	-	-	3,799
Other comprehensive income attributable to participants				(3,361)	-	-	(3,298)
				611	-	-	495
<i>Items that may be reclassified subsequently to profit or loss</i>							
Foreign currency translation differences for foreign operations		-	-	(7,006)	-	-	5,807
Debts investment at fair value through other comprehensive income ("FVOCI")							
- net change in fair value		94,716	4,840	110,691	162,613	10,610	202,307
- reclassified to profit or loss		(9,638)	(469)	(12,527)	(10,059)	(1,059)	(19,500)
Takaful finance income/ (expenses) from takaful contracts issued		1,630	2,820	2,553	1,086	(3,442)	2,192
Retakaful finance (expenses)/ income from retakaful contracts held		-	(1,621)	(1,621)	-	2,166	1
Other comprehensive income attributable to participants		(86,708)	(5,570)	(92,278)	(153,640)	(8,275)	(162,105)
				(188)	-	-	28,702
<b>Total other comprehensive income for the period, net of tax</b>		-	-	423	-	-	29,197
<b>Total comprehensive income for the period</b>		-	-	296,889	-	-	305,990
<b>Profit for the period attributable to:</b>							
Owners of the Company		-	-	296,052	-	-	276,596
Non-controlling interests		-	-	414	-	-	197
				296,466	-	-	276,793
<b>Total comprehensive income attributable to:</b>							
Owners of the Company		-	-	298,441	-	-	303,864
Non-controlling interests		-	-	(1,552)	-	-	2,126
				296,889	-	-	305,990
<b>Basic earnings per ordinary share (sen)</b>	22			35.36			33.03
<b>Diluted earnings per ordinary share (sen)</b>	22			35.36			33.03

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.



**SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

←--- Current Quarter ended 30.09.2024 ---→ ← Corresponding Quarter ended 30.09.2023 →

		Family Fund	General Fund	Group	Family Fund	General Fund	Group
	Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Takaful revenue	24	554,989	377,711	975,979	523,514	332,720	791,367 *
Takaful service expenses	25	(579,464)	(375,521)	(861,546)	(593,709)	(265,291)	(675,210) *
<b>Takaful service result before retakaful contracts held</b>		<b>(24,475)</b>	<b>2,190</b>	<b>114,433</b>	<b>(70,195)</b>	<b>67,429</b>	<b>116,157</b>
Allocation of retakaful contribution		(58,957)	(134,969)	(196,490)	(52,143)	(125,827)	(175,890)
Amounts recoverable from retakaful operators for incurred claims		61,607	125,694	187,301	58,831	50,792	109,125
<b>Net income/ (expense) from retakaful contracts held</b>		<b>2,650</b>	<b>(9,275)</b>	<b>(9,189)</b>	<b>6,688</b>	<b>(75,035)</b>	<b>(66,765)</b>
<b>Takaful service result</b>		<b>(21,825)</b>	<b>(7,085)</b>	<b>105,244</b>	<b>(63,507)</b>	<b>(7,606)</b>	<b>49,392</b>
Investment income on financial assets not measured at fair value through profit or loss	26	90,302	15,137	129,985	84,690	12,756	119,304
Investment income/ (losses) - others	26	11,059	(219)	12,256	7,460	(32)	8,845
Net realised gains	27	3,197	84	3,777	592	1	7,398
Net fair value gains and losses on financial assets		(35,044)	-	(36,321)	4,592	-	5,433
Net impairment loss on financial instruments		(11,303)	(1,639)	(12,919)	274	(15)	265
<b>Net investment income</b>		<b>58,211</b>	<b>13,363</b>	<b>96,778</b>	<b>97,608</b>	<b>12,710</b>	<b>141,245</b>
Takaful finance expenses from takaful contracts issued		(36,992)	(15,579)	(61,732)	(34,145)	(12,000)	(62,607)
Retakaful finance income from retakaful contracts held		480	9,275	9,772	(13)	6,861	6,877
<b>Net takaful financial results</b>		<b>(36,512)</b>	<b>(6,304)</b>	<b>(51,960)</b>	<b>(34,158)</b>	<b>(5,139)</b>	<b>(55,730)</b>
Other operating income		258	192	495	270	-	983
Other operating expenses		(132)	(166)	(2,225)	(213)	35	(5,004)
<b>Profit before zakat and taxation</b>		<b>-</b>	<b>-</b>	<b>148,332</b>	<b>-</b>	<b>-</b>	<b>130,886</b>
Tax expense attributable to Takaful Operator	18	-	-	(44,407)	-	-	(37,701)
Zakat		-	-	(3,417)	-	-	(2,127)
<b>Profit for the period</b>		<b>-</b>	<b>-</b>	<b>100,508</b>	<b>-</b>	<b>-</b>	<b>91,058</b>

\* There were reclassifications performed on prior period comparatives for Takaful Revenue and Takaful Service Expenses for better comparability with current period disclosures. The reclassifications do not have any impact on the Takaful Service Results and Profit before Zakat and Tax.

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.



**SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

←--- Current Quarter ended 30.09.2024 ---→ ← Corresponding Quarter ended 30.09.2023 →

Note	Family Fund	General Fund	Group	Family Fund	General Fund	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Profit for the period</b>	-	-	<b>100,508</b>	-	-	<b>91,058</b>
<b>Other comprehensive income, net of tax</b>						
<i>Items that will not be reclassified subsequently to profit or loss</i>						
Remeasurement of defined benefit liability	-	-	-	-	-	-
Revaluation of property and equipment	-	-	1,278	-	-	1,128
Other comprehensive income attributable to participants	-	-	(1,107)	-	-	(1,102)
	-	-	171	-	-	26
<i>Items that may be reclassified subsequently to profit or loss</i>						
Foreign currency translation differences for foreign operations	-	-	(4,843)	-	-	(1,965)
Debts investment at fair value through other comprehensive income ("FVOCI")						
- net change in fair value	50,351	3,493	58,669	(37,574)	(847)	(40,224)
- reclassified to profit or loss	(3,197)	(84)	(3,649)	(592)	(1)	(5,763)
Takaful finance income from takaful contracts issued	529	799	1,859	(1,170)	(1,378)	(1,878)
Retakaful finance (expenses)/ income from retakaful contracts held	-	(463)	(463)	-	867	1
Other comprehensive income attributable to participants	(47,683)	(3,745)	(51,428)	39,336	1,359	39,014
	-	-	145	-	-	(10,815)
<b>Total other comprehensive income/(loss) for the period, net of tax</b>	-	-	<b>316</b>	-	-	<b>(10,789)</b>
<b>Total comprehensive income for the period</b>	-	-	<b>100,824</b>	-	-	<b>80,269</b>
<b>Profit/ (Loss) for the period attributable to:</b>						
Owners of the Company	-	-	100,651	-	-	91,101
Non-controlling interests	-	-	(143)	-	-	(43)
	-	-	<b>100,508</b>	-	-	<b>91,058</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	-	-	102,388	-	-	80,850
Non-controlling interests	-	-	(1,564)	-	-	(581)
	-	-	<b>100,824</b>	-	-	<b>80,269</b>
<b>Basic earnings per ordinary share (sen)</b>	22		<b>12.02</b>			<b>10.88</b>
<b>Diluted earnings per ordinary share (sen)</b>	22		<b>12.02</b>			<b>10.88</b>

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

**SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

	←----- Non-distributable -----→					Distributable			
	Share Capital RM'000	Translation Reserves RM'000	Revaluation Reserves RM'000	Fair Value Reserves RM'000	LTIP Reserves RM'000	Takaful/ retakaful finance reserve RM'000	Retained Profits RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
<b>AS AT 1 JANUARY 2023</b>	<b>241,376</b>	<b>(8,197)</b>	<b>19,950</b>	<b>(21,564)</b>	<b>3,083</b>	<b>(4,825)</b>	<b>1,180,116</b>	<b>33,520</b>	<b>1,443,459</b>
Foreign currency translation differences for foreign operations	-	2,857	-	-	-	-	-	1,317	4,174
Revaluation of property and equipment	-	-	607	-	-	-	-	227	834
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	(57)	(57)
Fair value of debt investments measured at FVOCI	-	-	-	32,892	-	-	-	-	32,892
Takaful finance expenses from takaful contracts issued	-	-	-	-	-	5,104	-	-	5,104
Retakaful finance income from retakaful contracts held	-	-	-	-	-	(11)	-	-	(11)
Total other comprehensive income for the year	-	2,857	607	32,892	-	5,093	-	1,487	42,936
Profit for the year	-	-	-	-	-	-	346,911	168	347,079
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>2,857</b>	<b>607</b>	<b>32,892</b>	<b>-</b>	<b>5,093</b>	<b>346,911</b>	<b>1,655</b>	<b>390,015</b>
<i>Contributions by and distributions to owners of the Group</i>									
- Share-based payment transactions	-	-	-	-	(2,055)	-	-	-	(2,055)
- Transfer to retained earnings	-	-	-	-	(1,028)	-	1,028	-	-
- Dividends to owners of the Group	-	-	-	-	-	-	(117,223)	-	(117,223)
Total transactions with owners of the Group	-	-	-	-	(3,083)	-	(116,195)	-	(119,278)
<b>AS AT 31 DECEMBER 2023</b>	<b>241,376</b>	<b>(5,340)</b>	<b>20,557</b>	<b>11,328</b>	<b>-</b>	<b>268</b>	<b>1,410,832</b>	<b>35,175</b>	<b>1,714,196</b>

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

**SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

	←----- Non-distributable -----→					Distributable			
	Share Capital RM'000	Translation Reserves RM'000	Revaluation Reserves RM'000	Fair Value Reserves RM'000	LTIP Reserves RM'000	Takaful/ retakaful finance reserve RM'000	Retained Profits RM'000	Non-Controlling Interest RM'000	Total Equity RM'000
<b>AS AT 1 JANUARY 2024</b>	<b>241,376</b>	<b>(5,340)</b>	<b>20,557</b>	<b>11,328</b>	<b>-</b>	<b>268</b>	<b>1,410,832</b>	<b>35,175</b>	<b>1,714,196</b>
Foreign currency translation differences for foreign operations	-	(4,888)	-	-	-	-	-	(2,118)	(7,006)
Revaluation of property and equipment	-	-	459	-	-	-	-	152	611
Fair value of debt investments measured at FVOCI	-	-	-	8,715	-	-	-	-	8,715
Net finance expenses from takaful contracts issued	-	-	-	-	-	(1,897)	-	-	(1,897)
Total other comprehensive income for the period	-	(4,888)	459	8,715	-	(1,897)	-	(1,966)	423
Profit for the period	-	-	-	-	-	-	296,052	414	296,466
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(4,888)</b>	<b>459</b>	<b>8,715</b>	<b>-</b>	<b>(1,897)</b>	<b>296,052</b>	<b>(1,552)</b>	<b>296,889</b>
<b>AS AT 30 SEPTEMBER 2024</b>	<b>241,376</b>	<b>(10,228)</b>	<b>21,016</b>	<b>20,043</b>	<b>-</b>	<b>(1,629)</b>	<b>1,706,884</b>	<b>33,623</b>	<b>2,011,085</b>

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

**SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD**  
**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

	<b>Current Period Ended 30.09.2024 RM'000</b>	<b>Corresponding Year Ended 31.12.2023 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before zakat and taxation	435,235	507,641
Adjustments for:		
MFRS 17 non cash items included in takaful service expenses	6,184	13,471
Fair value (losses)/gains of FVTPL financial assets	(32,126)	3,288
Profit from Malaysian Government Islamic papers	(27,715)	(30,010)
Profit from Islamic Debt Securities, cash and cash equivalents and other investment accounts	(374,101)	(479,894)
Dividend income from equity securities and unit trusts	(8,847)	(10,585)
Equity settled share-based payment	-	(2,055)
Gains from disposal of debt investments measured at FVOCI	(13,303)	(24,154)
Amortisation of premiums, net of accretion of discounts	7,664	12,169
Impairment losses on financial instruments	12,532	6,006
Operating profit/ (loss) before changes in working capital	5,523	(4,123)
Profit received from Malaysian Government Islamic papers	27,715	30,010
Profit received from Islamic Debt Securities and investment accounts	226,220	466,922
Dividend income from equity securities and unit trusts	8,847	10,585
Purchase of investment	(1,284,481)	(1,030,406)
Proceeds from disposal of investments	464,208	525,986
Maturity of investments	66,647	200,928
Increase in receivables	(305,921)	(1,545,085)
Decrease in payables	(130,114)	(109,654)
Decrease in Retakaful contract balances	(122,030)	(253,675)
Increase in Takaful contract balances	1,106,277	799,463
	62,891	(909,049)
Zakat paid	(3,440)	(8,804)
Income taxes paid	(120,000)	(166,100)
Net cash used in from operating activities	(60,549)	(1,083,953)
<b>Cash flows from investing activities</b>		
Acquisition of intangible assets	(4,164)	(10,956)
Purchase of property and equipment	(3,723)	(14,939)
Proceeds from sale of property and equipment	3	123
Net cash used in investing activities	(7,884)	(25,772)
<b>Cash flows from financing activities</b>		
Dividends paid to owners of the Company	(117,223)	(113,036)
Payment of lease liabilities	(555)	(809)
Net cash used in financing activities	(117,778)	(113,845)
Net decrease in cash and cash equivalents	(186,211)	(1,223,570)
Effect of exchange rate fluctuations on cash held	(11,376)	7,698
Cash and cash equivalents at the beginning of period/ year	851,429	2,067,301
<b>Cash and cash equivalents at the end of period/ year</b>	<b>653,842</b>	<b>851,429</b>

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

# Syarikat Takaful Malaysia Keluarga Berhad

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1 Basis of preparation

The condensed consolidated interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), IAS 34 Interim Financial Reporting issued by International Accounting Standards Board, paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements"), and Guidelines/ Circulars issued by Bank Negara Malaysia ("BNM") and Shariah rulings and precepts.

The condensed consolidated interim financial statements of the Group comprise the Company and its subsidiaries as at and for the quarter ended 30 September 2024. It also includes Takaful funds established in accordance with Islamic Financial Services Act, 2013 in Malaysia, which are managed and controlled by the Group and by the Company as operator of the fund.

The statements of financial position and the statements of profit or loss and other comprehensive income of the Family Takaful Fund and General Takaful Fund are supplementary financial information presented in accordance with the requirements of BNM and Islamic Financial Services Act, 2013 in Malaysia to segregate assets, liabilities, income and expenses of Takaful funds from its own. The statements of financial position and profit or loss and other comprehensive income of the Family and General Takaful Fund include only the assets, liabilities, income and expenses of the family solidarity fund and General Takaful Fund that is set up, managed and controlled by the Takaful Operator.

In preparing the Group-level consolidated financial statements, the balances and transactions of the Takaful Operator are amalgamated and combined with those of the Takaful funds. Interfund assets and liabilities, income and expenses relating to transactions between the funds are eliminated in full during amalgamation. The accounting policies adopted for the Takaful Operator and Takaful funds are uniform for like transactions and events in similar circumstances.

The Takaful fund are consolidated and amalgamated from the date of control and continue to be consolidated until the date such control ceases which occur when the Group's and the Company's license to manage Takaful business is withdrawn or surrendered.

The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2023.

The accounting policies and presentation adopted by the Group for the unaudited condensed consolidated interim financial statements are consistent with those adopted in the Group's audited financial statements for the financial year ended 31 December 2023, except for the adoption of the following:

#### **MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2024**

- Amendments to MFRS 16 "Leases - Lease Liabilities in a Sale and Leaseback";
- Amendments to MFRS 101 "Presentation of Financial Statements - Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current";
- Amendments to MFRS 107 "Statement of Cash Flows" and MFRS 7 "Financial Instruments: Disclosures-Supplier Finance Arrangements"

The initial application of the abovementioned standards, amendments and interpretations do not have any material impacts to the current and prior period's financial statements upon their first adoption.

# Syarikat Takaful Malaysia Keluarga Berhad

## **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

### **2 Auditors' Report**

The auditors' report on the audited financial statements of the preceding year ended 31 December 2023 did not contain any qualification.

### **3 Seasonality of Operations**

The Group's operations are not materially affected by seasonal or cyclical factors for the period under review.

### **4 Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows in the current quarter ended 30 September 2024.

### **5 Estimates**

There were no material changes in the basis used for accounting estimates for the current quarter under review.

### **6 Debt and Equity Securities**

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter under review.

### **7 Dividends**

The Company on 29 December 2023, declared an interim single tier dividend of 14.00 sen per ordinary share in respect of the financial year ended 31 December 2023 which was paid on 2 February 2024.

No dividend was declared for the current quarter under review.

# Syarikat Takaful Malaysia Keluarga Berhad

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 8 Segmental Reporting

#### Business Segments:

	Family RM'000	General RM'000	Group RM'000
<b>9 months ended 30 September 2024</b>			
Takaful revenue	<u>1,484,180</u>	<u>1,094,423</u>	<u>2,664,479</u>
Profit before zakat and tax	<u>-</u>	<u>-</u>	<u>435,235</u>
<b>9 months ended 30 September 2023</b>			
Takaful revenue	<u>1,124,875</u>	<u>932,398</u>	<u>2,166,224</u> *
Profit before zakat and tax	<u>-</u>	<u>-</u>	<u>392,308</u>

\* There were reclassifications performed on prior period comparatives for Takaful Revenue and Takaful Service Expenses for better comparability with current period disclosures. The reclassifications do not have any impact on the Takaful Service Results and Profit before Zakat and Tax.

### 9 Investment Properties

The valuation of investment properties has been brought forward without amendment from the annual audited financial statements for the year ended 31 December 2023.

### 10 Material Events Subsequent to the End of the Period

There was no material event subsequent to the end of the period under review that has not been reported in the unaudited condensed consolidated financial statements for the current financial quarter.

### 11 Financial Risk Management

The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statement as at and for the year ended 31 December 2023.

### 12 Effect of Changes in Composition of the Company/ Group

There was no change in the composition of the Group for the current financial quarter under review.

### 13 Contingent Liabilities

There were no contingent liabilities as at the date of this announcement.

## Syarikat Takaful Malaysia Keluarga Berhad

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### 14 Review of Performance

	3 months ended			9 months ended		
	30.09.2024	30.09.2023	Changes	30.09.2024	30.09.2023	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Takaful revenue	975,979	791,367*	23%	2,664,479	2,166,224*	23%
Takaful service results	105,244	49,392	113%	175,278	145,492	20%
Profit before zakat and tax	148,332	130,886	13%	435,235	392,308	11%

\* There were reclassifications performed on prior period comparatives for Takaful Revenue and Takaful Service Expenses for better comparability with current period disclosures. The reclassifications do not have any impact on the Takaful Service Results and Profit before Zakat and Tax.

#### 14.1 Financial results of the current year-to-date against preceding year-to-date

##### Group Takaful revenue

The Group recorded takaful revenue of RM2.66 billion for the nine month period ended of 2024, which was higher by RM498.3 million (23%) compared to RM2.17 billion in the same period last year. The increase was mainly attributable to:

- i) Higher contribution release of RM214.6 million; and
- ii) Higher amount charged for Takaful coverage for both Family Takaful and General Takaful, by RM187.2 million.

##### Group Takaful service results

Excluding profit attributable to participants' movements (RM191.2 million), Takaful Service Results have increased by RM221.0 million. This is due to a higher amount charged for Takaful coverage of RM187.2 million and higher PAA profit of RM58.3 million.

##### Group Profit before zakat and tax

For the nine month period ended of 2024, the Group recorded profit before zakat and tax of RM435.2 million, increased by 11% or RM42.9 million as compared to the same period last year of RM392.3 million. The increase in profit before zakat and tax is mainly attributable to the higher Takaful coverage and higher profit from General Takaful.

##### Family Takaful

###### i) Takaful revenue

Family Takaful generated takaful revenue of RM1.48 million for the nine month period ended of 2024, increased by 32% as compared to RM1.12 billion in the same period last year, mainly attributable to higher takaful revenue earned for takaful services provided.

###### ii) Takaful service results

Excluding surplus attributable to participants movement, the Takaful Service Results increased by RM175.4 million mainly contributed by higher takaful revenue earned.

## Syarikat Takaful Malaysia Keluarga Berhad

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### 14 Review of Performance (continued)

##### 14.1 Financial results of the current year-to-date against preceding year-to-date (continued)

###### Family Takaful (continued)

###### iii) Net investment income

The investment income for the nine month period ended for 2024 was RM322.0 million, increased by RM48.5 million, mainly due to a fair value gain as a results of better performance of equity securities.

###### iv) Net Takaful Financial Results

The Group recorded net takaful financial results of RM122.7 million for the nine month period ended for 2024, increase of RM35.0 million as compared to the same period last year of RM87.7 million. The higher net negative takaful financial results were mainly attributable to higher unwinding effect from higher takaful contract liabilities.

###### General Takaful

###### i) Takaful revenue

General takaful recorded Takaful revenue of RM1.09 billion for the nine month period ended for 2024, 17% higher as compared to the same period last year of RM932.4 million. The higher takaful revenue was mainly attributable to higher contribution release from fire and motor class of businesses.

###### ii) Takaful service results

General takaful's Takaful service results remained consistent compared to the same period last year.

###### iii) Net investment income

The net investment income for the nine month period ended for 2024 was RM42.4 million, RM4.1 million higher compared to the same period last year of RM38.3 million, mainly due to higher profit income from fixed income investments.

###### iv) Net Takaful Financial Results

General Takaful recorded net takaful financial results of RM19.1 million for the nine month period ended for 2024, RM4.6 million higher than RM14.5 million recorded for the same period last year. The higher net negative takaful financial results was mainly attributable to higher unwinding effect from higher takaful contract liabilities.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**14 Review of Performance (continued)**

**14.2 Financial results of the current quarter against preceding year corresponding quarter**

**Group Takaful revenue**

The Group recorded takaful revenue of RM976.0 million for the third quarter of 2024, which was higher by RM184.6 million (23%) compared to RM791.4 million in the same period last year. The increase was mainly attributable to higher contribution release of RM76.7 million and higher amount charged for Takaful coverage for both Family Takaful and General Takaful, by RM72.8 million.

**Group Takaful service results**

Excluding profit attributable to participants movements (RM49.8 million), the Takaful Service Results have increased by RM105.6 million in tandem with growth in takaful revenue.

**Group Profit before zakat and tax**

For the third quarter of 2024, the Group recorded a profit before tax and zakat of RM148.3 million, 13% increase compared to the same period last year of RM130.9 million.

**Family Takaful**

**i) Takaful revenue**

Family Takaful generated takaful revenue of RM555.0 million for the third quarter of 2024, increased by 6% as compared to RM523.5 million in the same period last year, mainly attributable to higher takaful revenue earned for takaful services provided.

**ii) Takaful service results**

Excluding surplus attributable to participants movement, the Takaful Service Results increased by RM87.2 million mainly contributed by higher contribution release.

**iii) Net investment income**

The investment income for the third quarter of 2024 was RM58.2 million, decreased by RM39.4 million, mainly due to lower net fair value gains on financial assets.

**iv) Net Takaful Financial Results**

The Group recorded net takaful financial results of RM36.5 million for the third quarter of 2024, higher by RM2.3 million as compared to the same period last year of RM34.2 million. The higher net negative takaful financial results were mainly attributable to higher unwinding effect from higher takaful contract liabilities.

# Syarikat Takaful Malaysia Keluarga Berhad

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 14 Review of Performance (continued)

#### 14.2 Financial results of the current quarter against preceding year corresponding quarter (continued)

##### General Takaful

##### i) Takaful revenue

General takaful recorded Takaful revenue of RM377.7 million for the third quarter of 2024, 14% higher as compared to the same period last year of RM332.7 million. The higher takaful revenue was mainly attributable to higher contribution release recorded from fire and motor class of businesses.

##### ii) Takaful service results

The General takaful service results for the third quarter of 2024 improved by 7% or RM0.5 million compared to the same period last year.

##### iii) Net investment income

The net investment income for the third quarter of 2024 was RM13.4 million, higher by RM0.7 million as compared to the same period last year of RM12.7 million, mainly due to higher profit income from fixed income investments.

##### iv) Net Takaful Financial Results

General Takaful recorded net takaful financial results of RM6.3 million for the third quarter of 2024, RM1.2 million higher as compared to the same period last year of RM5.1 million. The higher net negative takaful financial results were mainly attributable to higher unwinding effect from higher takaful contract liabilities.

#### 14.3 Review of Statements of Financial Position

As at 30 September 2024, total assets of RM16.10 billion, increased by 10% as compared to RM14.68 billion as at 31 December 2023, mainly attributable to higher loans and receivables, investments, and partially offset by lower cash and cash equivalents.

Loans and receivables increased from RM2.15 billion to RM2.54 billion whilst cash and cash equivalents decreased from RM851.4 million to RM653.8 million as at 30 September 2024 mainly due to increase in placement in fixed and call deposits at licensed institutions with maturity more than 3 months arising from business growth.

Investments increased by 10% from RM9.26 billion as at 31 December 2023 to RM10.19 billion as at 30 September 2024, mainly attributable to net purchases of investments increased by RM820.3 million and increase in fair value gain in Islamic debt.

Total liabilities increased to RM14.01 billion as at 30 September 2024 as compared to RM12.96 billion as at 31 December 2023, which was mainly attributable to higher takaful contract liabilities.

Shareholders' equity increased by 17% to RM2.01 billion as at 30 September 2024. This is mainly attributed to the net profit generated during the financial period of RM296.5 million.

## Syarikat Takaful Malaysia Keluarga Berhad

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### 14 Review of Performance (continued)

##### 14.4 Review of Statements of Cash Flows

For the third quarter of 2024, the Group's cash flow position decreased to RM653.8 million as compared to the position as at 31 December 2023 of RM851.4 million, mainly attributable to utilisation of cash towards placement of money market instruments with maturity profile above 3 months during the quarter. The Group's cash flow position remain healthy and able to meet its obligation.

#### 15 Financial review for current quarter compared with immediate preceding quarter

	Current Quarter 30.09.2024	Immediate Preceding Quarter 30.06.2024	Changes
	RM'000	RM'000	%
Takaful revenue	975,979	862,473	13%
Takaful service results	105,244	16,978	520%
Profit before zakat and tax	148,332	136,631	9%

##### Group Takaful revenue

For the current quarter under review, the Group recorded takaful revenue of RM976.0 million, increased by RM113.5 million or 13% as compared to RM862.5 million in the immediate preceding quarter, mainly attributable to higher contribution release of RM22.6 million and higher amount charged for Takaful coverage for both Family Takaful and General Takaful, by RM57.7 million.

##### Group Takaful service results

Excluding surplus attributable to participants movement, the Takaful Service Results increased by RM90.6 million mainly contributed by higher amount charged for Takaful coverage and higher net income from retakaful contracts.

##### Group Profit before zakat and tax

For the current quarter under review, the Group recorded profit before tax and zakat of RM148.3 million, increased by 9% as compared to the immediate preceding quarter of RM136.6 million.

##### Family Takaful

###### i) Takaful revenue

For the current quarter under review, Family Takaful generated takaful revenue of RM555.0 million, increased by 16% as compared to RM479.6 million in the immediate preceding quarter, mainly attributable to higher takaful revenue earned for takaful services provided.

# Syarikat Takaful Malaysia Keluarga Berhad

## **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

### **15 Financial review for current quarter compared with immediate preceding quarter (continued)**

#### **Family Takaful (continued)**

##### **ii) Takaful service results**

Takaful Service Results increased by RM76.8 million. The increase was mainly attributable to higher takaful revenue earned for takaful services provided.

##### **iii) Net Takaful Financial Results**

For the current quarter under review, Family Takaful recorded net takaful financial results of RM36.5 million, decreased by RM9.4 million as compared to the immediate preceding quarter of RM45.9 million.

#### **General Takaful**

##### **i) Takaful revenue**

For the current quarter under review, General takaful recorded Takaful revenue of RM377.7 million, higher by 3% as compared to the immediate preceding quarter of RM366.3 million. The higher takaful revenue was mainly attributable to higher contribution income recorded from fire and motor class of businesses.

##### **ii) Takaful service results**

Takaful Service Results for general takaful improved by 15% or RM1.2 million compared to the same period last year.

##### **iii) Net Takaful Financial Results**

General Takaful recorded net takaful financial results of RM6.3 million for the third quarter ended 30 September 2024, RM0.3 million lower as compared to immediate preceding quarter of RM6.6 million.

### **16 Current Year Prospects**

BNM earlier this year forecast for GDP growth in 2024 to be in the range of 4% to 5% and 2024 quarter two growth proved stronger at around 5.9 percent (quarter one: 4.2 percent). With the recent announcement of Budget 2025, the Malaysian government has announced that expectations of GDP growth in 2025 shall be between 4.5% and 5.5%. Domestic inflationary pressure remains due to various cost adjustments and is expected to see the same trend into 2025. There are uncertainties of profit rate movement in the United States of America due to an impending change in presidency, which may have spillover effects globally and commodity and energy prices continued to be impacted by the continuing conflicts in the Middle East and Ukraine. Domestically, consumer protection gap is still apparent, we believe that significant opportunities in the Takaful market, supported by the Group's strong fundamentals, the Group will continue to capture these opportunities in spite of many challenges.

Our focus will continue on the Group's core businesses in Bancatakaful, Treasury, Employee Benefits and General Takaful, being the key drivers of our success as leader in the Takaful industry. In these segments, we continue to be our customers' preferred Takaful operator, and as we celebrate our 40th year of operation, our pioneer status strengthen the value to our brand and affirm our customer's trust in our products and services.

## Syarikat Takaful Malaysia Keluarga Berhad

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### 16 Current Year Prospects (continued)

Our strategy to diversify into the digital segment, in particular targeting the retail general and family takaful market, remain a key focus and our flagship digital platform, Kaotim, has achieved positive results since our launch in late 2023. In this segment, our focus remain with young professionals and the digital savvy, a market segment which cannot be ignored and we believe that these customers will mature into a key customer segment with growing protection needs in future. To supplement our Kaotim platform, and to add to the hibah Takaful plan launched in July 2024, we have also launched Kaotim Car and Kaotim Motor, to increase our product offerings on our platform.

The Group remains steadfast in its commitment to growing its business and progressing on our sustainability and environmental responsibilities. Our approach to sustainability is holistic, encompassing strong governance, environmental stewardship, responsible investments, and meaningful social contributions. Through these initiatives, we aim to create a lasting positive impact, ensuring a sustainable future for all stakeholders.

#### 17 Variance of Actual Profit from Profit Forecast or Profit Guarantee

The Group did not issue any profit forecast nor profit guarantee during the current quarter under review.

#### 18 Taxation

	3 months ended		Cumulative 9 months ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
- Current financial period	44,250	39,715	129,339	117,195
- Over provision in prior year	-	(809)	-	(809)
Deferred tax expense				
- Current financial period	157	(1,205)	(896)	(8,414)
Total tax expense	<u>44,407</u>	<u>37,701</u>	<u>128,443</u>	<u>107,972</u>

18.1 The effective tax rate is higher than the statutory tax rate for the current financial period due to higher non-deductible expenses.

18.2 The Inland Revenue Board ("IRB") had, on 8 September 2017, issued to the Company notices of additional assessment (i.e. Form JA) for the years of assessment ("YA") 2012, 2013, and 2014. The additional tax payable by the Company under the above-mentioned notices is RM12,561,630.50. As a result of the above, IRB had also treated the tax returns made by the Company for the above years of assessment as incorrect, and imposed a penalty of RM6,200,802.97 to the Company.

The Company has paid the additional tax on 4 October 2017 and submitted an appeal (Form Q) to Special Commissioner of Income Tax against the notice of assessment on 5 October 2017.

The Company is of the view that there are strong justifications for its appeal against certain matters raised by IRB and have treated the related tax payment of RM16,741,000 as tax recoverable.

The last court mention which was fixed on 25 November 2024 was postponed to a later date. The next court mention is fixed on 27 January 2025.

## Syarikat Takaful Malaysia Keluarga Berhad

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### 19 Status of Corporate Proposal

On 11 July 2024, the Group announced its intention to establish a dividend reinvestment plan (“DRP”), allowing shareholders to reinvest dividends in additional shares of Syarikat Takaful Malaysia Keluarga Berhad (“STMKB”).

The rationale of the Group embarking on the DRP are as follows:

- a) To provide flexibility in capital management and strengthening its capital position as part of the Group’s capital management strategy. The reinvestment of dividend for DRP Shares will also enlarge STMKB’s share capital base. The cash retained which would otherwise be used for the payment of dividend, may be utilised to fund the continuing business growth of the Group.
- b) To provide an opportunity to enhance shareholder’s value by investing into DRP Shares at a discount and from any future capital appreciation.
- c) To provide flexibility to meet Shareholders’ investment objectives as they would have the option of receiving Dividend in cash and/or reinvesting into DRP Shares without having to incur any brokerage fees and other related transaction costs, unless otherwise provided by any statute, law or regulation. However, shareholders who elect to participate in the DRP are required to pay RM10.00 for stamp duty and RM5.00 for handling fee if application is made through Boardroom Smart Investor Portal .
- d) The issuance of DRP shares may potentially improve the trading liquidity of STMKB Shares.

Whenever a Dividend is declared, the Board may, at its absolute discretion, determine:

- a) whether to pay such Dividend in cash or to offer a Reinvestment Option; and
- b) if the Reinvestment Option is applicable, the size of the Electable Portion. If the Reinvestment Option is not exercised by the shareholders in whole, the Balance Electable Portion will be paid in cash.

The Electable Portion may encompass the whole or part of the Dividend declared. If the Electable Portion is only applicable for part of the Dividend declared, the Remaining Portion will be paid in cash.

Each shareholder will have the following options for a Reinvestment Option:

**Option 1** : Elect to participate in the Reinvestment Option by reinvesting the entire Electable Portion into DRP Shares at the Issue Price and to receive the Remaining Portion in cash.

**Option 2** : Elect to participate in the Reinvestment Option by reinvesting part of the Electable Portion into DRP Shares at the Issue Price and to receive the Balance Electable Portion and Remaining Portion in cash.

**Option 3** : Elect not to participate in the Reinvestment Option and thereby receiving your entire Dividend entitlement (both Electable Portion and Remaining Portion) wholly in cash.

The DRP had received all necessary approvals from Bursa Securities and from its shareholders via an EGM held on 17 October 2024.

## Syarikat Takaful Malaysia Keluarga Berhad

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### 20 Group Borrowings and Debt Securities

The Group does not have any borrowings and debt securities as at 30 September 2024.

#### 21 Material Litigation

There was no material litigation pending as at the date of this announcement.

#### 22 Earnings per Share

##### Basic earnings per share (“Basic EPS”)

Basic EPS of the Group is calculated by dividing the net profit attributable to ordinary shareholders for the quarter/ period by the weighted average number of ordinary shares in issue during the period.

		3 months ended		Cumulative 9 months ended	
		30.09.2024	30.09.2023	30.09.2024	30.09.2023
		RM'000	RM'000	RM'000	RM'000
Owners of the Company	(RM'000)	100,651	91,101	296,052	276,596
Weighted average number of ordinary shares in issue	('000)	837,306	837,306	837,306	837,306
<b>Basic EPS</b>	<b>(sen)</b>	<b>12.02</b>	<b>10.88</b>	<b>35.36</b>	<b>33.03</b>

##### Diluted earnings per share (“Diluted EPS”)

The calculation of diluted earnings per ordinary share was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

		3 months ended		Cumulative 9 months ended	
		30.09.2024	30.09.2023	30.09.2024	30.09.2023
		RM'000	RM'000	RM'000	RM'000
Owners of the Company	(RM'000)	100,651	91,101	296,052	276,596
Weighted average number of ordinary shares in issue	('000)	837,306	837,306	837,306	837,306
Diluted weighted average number of ordinary shares in issue	('000)	837,306	837,306	837,306	837,306
<b>Diluted EPS</b>	<b>(sen)</b>	<b>12.02</b>	<b>10.88</b>	<b>35.36</b>	<b>33.03</b>

Syarikat Takaful Malaysia Keluarga Berhad

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

23 Takaful contract assets/ liabilities and Retakaful contract assets/ liabilities

	Assets		Liabilities		Total assets RM'000	Total liabilities RM'000
	Remaining coverage RM'000	Incurred claims RM'000	Remaining coverage RM'000	Incurred claims RM'000		
<b>30 September 2024</b>						
<b>Family Takaful</b>						
Takaful contracts	13,143	515,168	(424,584)	(9,759,200)	528,311	(10,183,784)
Retakaful contracts	42,942	337,372	(217,684)	-	380,314	(217,684)
	<u>56,085</u>	<u>852,540</u>	<u>(642,268)</u>	<u>(9,759,200)</u>	<u>908,625</u>	<u>(10,401,468)</u>
<b>General Takaful</b>						
Takaful contracts	4,256	13,926	(443,969)	(2,094,439)	18,182	(2,538,408)
Retakaful contracts	173,512	958,736	(21,603)	(61,240)	1,132,248	(82,843)
	<u>177,768</u>	<u>972,662</u>	<u>(465,572)</u>	<u>(2,155,679)</u>	<u>1,150,430</u>	<u>(2,621,251)</u>
<b>Group</b>						
Takaful contracts	23,884	529,094	(1,700,738)	(11,828,742)	552,978	(13,529,480)
Retakaful contracts	228,789	1,296,108	(239,924)	(61,240)	1,524,897	(301,164)
	<u>252,673</u>	<u>1,825,202</u>	<u>(1,940,662)</u>	<u>(11,889,982)</u>	<u>2,077,875</u>	<u>(13,830,644)</u>

Syarikat Takaful Malaysia Keluarga Berhad

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

23 Takaful contract assets/ liabilities and Retakaful contract assets/ liabilities (continued)

	Assets		Liabilities		Total assets RM'000	Total liabilities RM'000
	Remaining coverage RM'000	Incurred claims RM'000	Remaining coverage RM'000	Incurred claims RM'000		
<b>31 December 2023</b>						
<b>Family Takaful</b>						
Takaful contracts	73,301	272,837	(357,563)	(9,073,542)	346,138	(9,431,105)
Retakaful contracts	49,064	343,751	(138,413)	-	392,815	(138,413)
	<u>122,365</u>	<u>616,588</u>	<u>(495,976)</u>	<u>(9,073,542)</u>	<u>738,953</u>	<u>(9,569,518)</u>
<b>General Takaful</b>						
Takaful contracts	4,180	9,155	(323,112)	(1,803,168)	13,335	(2,126,280)
Retakaful contracts	154,583	817,273	(3,397)	(124,163)	971,856	(127,560)
	<u>158,763</u>	<u>826,428</u>	<u>(326,509)</u>	<u>(1,927,331)</u>	<u>985,191</u>	<u>(2,253,840)</u>
<b>Group</b>						
Takaful contracts	101,864	281,992	(1,464,423)	(10,854,101)	383,856	(12,318,524)
Retakaful contracts	214,477	1,161,024	(143,505)	(124,162)	1,375,501	(267,667)
	<u>316,341</u>	<u>1,443,016</u>	<u>(1,607,928)</u>	<u>(10,978,263)</u>	<u>1,759,357</u>	<u>(12,586,191)</u>

## Syarikat Takaful Malaysia Keluarga Berhad

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### 23 Takaful contract assets/ liabilities and Retakaful contract assets/ liabilities (continued)

##### 23.1 Movements in takaful contract balances

	Family Takaful		General Takaful		Group	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Takaful contract liabilities as at 1 January	9,431,105	8,478,737	2,126,280	1,771,538	12,318,524	11,288,957
Takaful contract assets as at 1 January	(346,138)	(253,634)	(13,335)	(7,078)	(383,856)	(326,833)
<b>Net takaful contract liabilities as at 1 January</b>	<b>9,084,967</b>	<b>8,225,103</b>	<b>2,112,945</b>	<b>1,764,460</b>	<b>11,934,668</b>	<b>10,962,124</b>
Takaful revenue	(1,484,180)	(1,550,704)	(1,094,423)	(1,279,287)	(2,664,479)	(2,942,129)
Takaful service expenses	1,698,701	1,899,189	1,091,633	1,281,626	2,468,189	2,839,241
<b>Takaful service result</b>	<b>214,521</b>	<b>348,485</b>	<b>(2,790)</b>	<b>2,339</b>	<b>(196,290)</b>	<b>(102,888)</b>
Takaful finance expenses from takaful contracts issued	121,488	131,322	42,472	48,964	200,843	221,336
Effect of movements in exchange rates	(34,571)	21,666	-	-	(35,838)	22,553
<b>Total changes in the statement of profit or loss and OCI</b>	<b>301,438</b>	<b>501,473</b>	<b>39,682</b>	<b>51,303</b>	<b>(31,285)</b>	<b>141,001</b>
Cash flows						
Contributions received	1,306,085	1,458,351	1,166,418	1,351,914	2,450,341	2,778,995
Claims and other expenses paid including investment components	(372,312)	(461,855)	(456,292)	(577,212)	(906,523)	(1,152,281)
Takaful acquisition cash flows	-	-	-	-	(576,155)	(1,098,624)
Deem settlement transfer	(754,754)	(883,084)	(349,595)	(488,033)	(1,566)	36,292
Total cash flows	179,019	113,412	360,531	286,669	966,097	564,382
Investment revaluation reserve	85,078	243,174	4,371	15,268	98,164	291,334
Other movements	4,971	1,805	2,697	(4,755)	8,858	(24,173)
<b>Net takaful contract liabilities as at 30 September/ 31 December</b>	<b>9,655,473</b>	<b>9,084,967</b>	<b>2,520,226</b>	<b>2,112,945</b>	<b>12,976,502</b>	<b>11,934,668</b>
Takaful contract liabilities as at 30 September/ 31 December	10,183,784	9,431,105	2,538,408	2,126,280	13,529,480	12,318,524
Takaful contract assets as at 30 September/ 31 December	(528,311)	(346,138)	(18,182)	(13,335)	(552,978)	(383,856)
<b>Net takaful contract liabilities as at 30 September/ 31 December</b>	<b>9,655,473</b>	<b>9,084,967</b>	<b>2,520,226</b>	<b>2,112,945</b>	<b>12,976,502</b>	<b>11,934,668</b>

## Syarikat Takaful Malaysia Keluarga Berhad

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### 23 Takaful contract assets/ liabilities and Retakaful contract assets/ liabilities (continued)

##### 23.2 Movements in retakaful contract balances

	Family Takaful		General Takaful		Group	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Retakaful contract assets as at 1 January	392,815	267,304	971,856	792,050	1,375,501	1,061,428
Retakaful contract liabilities as at 1 January	(138,413)	(77,123)	(127,560)	(132,104)	(267,667)	(210,124)
<b>Net retakaful contract assets as at 1 January</b>	<b>254,402</b>	<b>190,181</b>	<b>844,296</b>	<b>659,946</b>	<b>1,107,834</b>	<b>851,304</b>
Allocation of retakaful contributions	(170,235)	(154,746)	(383,634)	(472,001)	(565,056)	(633,795)
Amounts recoverable from retakaful operators	186,609	263,800	357,435	441,802	544,044	705,602
Net income or expense from retakaful contracts held	<b>16,374</b>	<b>109,054</b>	<b>(26,199)</b>	<b>(30,199)</b>	<b>(21,012)</b>	<b>71,807</b>
Effect of changes in non-performance risk of retakaful operators	433	816	(472)	193	(38)	1,009
Retakaful finance income from retakaful contracts held	433	-	25,050	30,199	25,543	33,185
Effect of movements in exchange rates	(5,717)	2,954	-	-	(5,640)	2,909
<b>Total changes in the statement of profit or loss and OCI</b>	<b>11,523</b>	<b>112,824</b>	<b>(1,621)</b>	<b>193</b>	<b>(1,147)</b>	<b>108,910</b>
Cash flows						
Retakaful contributions paid	53,788	95,929	408,194	469,924	473,578	578,474
Amounts received	(150,565)	(152,183)	(203,084)	(285,573)	(353,648)	(437,167)
Total cash flows	(96,777)	(56,254)	205,110	184,351	119,930	141,307
Other movements	(6,518)	7,651	1,620	(194)	(2,884)	6,313
<b>Net retakaful contract assets as at 30 September/ 31 December</b>	<b>162,630</b>	<b>254,402</b>	<b>1,049,405</b>	<b>844,296</b>	<b>1,223,733</b>	<b>1,107,834</b>
Retakaful contract assets as at 30 September/ 31 December	380,314	392,815	1,132,248	971,856	1,524,897	1,375,501
Retakaful contract liabilities as at 30 September/ 31 December	(217,684)	(138,413)	(82,843)	(127,560)	(301,164)	(267,667)
<b>Net retakaful contract assets as at 30 September/ 31 December</b>	<b>162,630</b>	<b>254,402</b>	<b>1,049,405</b>	<b>844,296</b>	<b>1,223,733</b>	<b>1,107,834</b>

## Syarikat Takaful Malaysia Keluarga Berhad

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### 24 Takaful revenue

The table below presents an analysis of the total takaful revenue recognised in the period:

	Family Takaful		General Takaful		Group	
	3 months ended		3 months ended		3 months ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Amounts relating to the changes in the liability for remaining coverage</b>						
Expected claims and takaful service expenses incurred in the period	285,311	214,295	9,653	11,187	289,628	216,832
Change in the risk adjustment for non-financial risk	-	-	-	-	22,905	51,830
Amount of Contractual Service Margin ("CSM") recognised in the profit or loss	-	-	-	-	56,028	56,589
Other amounts including experience adjustments for income related items	814	7,602	(80)	798	(1,264)	10,738
Others	-	2	(34)	(33)	(30)	(26)
Amounts relating to recovery of takaful acquisition cash flows	151,027	218,926	2,648	2,566	124,212	176,064*
<b>Takaful revenue - contracts not measured under PAA</b>	<b>437,152</b>	<b>440,825</b>	<b>12,187</b>	<b>14,518</b>	<b>491,479</b>	<b>512,027</b>
<b>Takaful revenue - contracts measured under PAA</b>	<b>117,837</b>	<b>82,689</b>	<b>365,524</b>	<b>318,202</b>	<b>484,500</b>	<b>279,340</b>
<b>Total takaful revenue</b>	<b>554,989</b>	<b>523,514</b>	<b>377,711</b>	<b>332,720</b>	<b>975,979</b>	<b>791,367*</b>

\* There were reclassifications performed on prior period comparatives for Takaful Revenue (Amounts relating to recovery of takaful acquisition cash flows) and Takaful Service Expenses (Amortisation of acquisition cash flows - wakalah fees) for better comparability with current period disclosures. The reclassifications do not have any impact on the Takaful Service Results and Profit before Zakat and Tax.

## Syarikat Takaful Malaysia Keluarga Berhad

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### 24 Takaful revenue (continued)

The table below presents an analysis of the total takaful revenue recognised in the period (continued):

	Family Takaful		General Takaful		Group	
	9 months ended		9 months ended		9 months ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Amounts relating to the changes in the liability for remaining coverage</b>						
Expected claims and takaful service expenses incurred in the period	754,871	566,864	25,846	25,222	762,218	574,994
Change in the risk adjustment for non-financial risk	-	-	-	-	51,150	73,833
Amount of Contractual Service Margin ("CSM") recognised in the profit or loss	-	-	-	-	179,523	173,472
Other amounts including experience adjustments for income related items	(1,480)	7,047	(273)	718	(2,491)	12,666
Others	-	-	22	101	35	118
Amounts relating to recovery of takaful acquisition cash flows	414,044	301,957	8,004	7,776	296,350	304,263*
<b>Takaful revenue - contracts not measured under PAA</b>	<b>1,167,435</b>	<b>875,868</b>	<b>33,599</b>	<b>33,817</b>	<b>1,286,785</b>	<b>1,139,346</b>
<b>Takaful revenue - contracts measured under PAA</b>	<b>316,745</b>	<b>249,007</b>	<b>1,060,824</b>	<b>898,581</b>	<b>1,377,694</b>	<b>1,026,878</b>
<b>Total takaful revenue</b>	<b>1,484,180</b>	<b>1,124,875</b>	<b>1,094,423</b>	<b>932,398</b>	<b>2,664,479</b>	<b>2,166,224*</b>

\* There were reclassifications performed on prior period comparatives for Takaful Revenue (Amounts relating to recovery of takaful acquisition cash flows) and Takaful Service Expenses (Amortisation of acquisition cash flows - wakalah fees) for better comparability with current period disclosures. The reclassifications do not have any impact on the Takaful Service Results and Profit before Zakat and Tax.

## Syarikat Takaful Malaysia Keluarga Berhad

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### 25 Takaful service expenses

The table below presents an analysis of the total takaful service expenses recognised in the period:

	Family Takaful		General Takaful		Group	
	3 months ended		3 months ended		3 months ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Incurring claims and other takaful service expenses	400,449	367,711	221,543	144,357	648,149	530,528
Amortisation of acquisition cash flows - wakalah fees	180,377	245,256	118,123	121,067	168,657	163,666*
Losses on onerous contracts and reversal of losses on onerous contracts	-	-	-	-	10,247	407
Changes to liabilities for incurred claims	(1,362)	(19,258)	35,855	(133)	34,493	(19,391)
<b>Total takaful service expenses</b>	<b>579,464</b>	<b>593,709</b>	<b>375,521</b>	<b>265,291</b>	<b>861,546</b>	<b>675,210*</b>
<b>Represented by:</b>						
Contracts not measured under PAA	451,595	486,440	13,523	15,905	420,072	471,134
Contracts measured under PAA	127,869	107,269	361,998	249,386	441,474	204,076
	<b>579,464</b>	<b>593,709</b>	<b>375,521</b>	<b>265,291</b>	<b>861,546</b>	<b>675,210*</b>

\* There were reclassifications performed on prior period comparatives for Takaful Revenue (Amounts relating to recovery of takaful acquisition cash flows) and Takaful Service Expenses (Amortisation of acquisition cash flows - wakalah fees) for better comparability with current period disclosures. The reclassifications do not have any impact on the Takaful Service Results and Profit before Zakat and Tax.

## Syarikat Takaful Malaysia Keluarga Berhad

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### 25 Takaful service expenses (continued)

The table below presents an analysis of the total takaful service expenses recognised in the period:

	Family Takaful		General Takaful		Group	
	9 months ended		9 months ended		9 months ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Incurred claims and other takaful service expenses	1,203,032	968,658	630,993	425,000	1,885,568	1,449,475
Amortisation of acquisition cash flows - wakalah fees	496,412	378,952	363,707	338,452	457,024	405,569*
Losses on onerous contracts and reversal of losses on onerous contracts	-	-	-	-	29,407	4,603
Changes to liabilities for incurred claims	(743)	(43,589)	96,933	41,551	96,190	(2,038)
<b>Total takaful service expenses</b>	<b>1,698,701</b>	<b>1,304,021</b>	<b>1,091,633</b>	<b>805,003</b>	<b>2,468,189</b>	<b>1,857,609*</b>
<b>Represented by:</b>						
Contracts not measured under PAA	1,349,117	1,030,793	37,839	37,444	1,227,049	1,061,157
Contracts measured under PAA	349,584	273,228	1,053,794	767,559	1,241,140	796,452
	<b>1,698,701</b>	<b>1,304,021</b>	<b>1,091,633</b>	<b>805,003</b>	<b>2,468,189</b>	<b>1,857,609*</b>

\* There were reclassifications performed on prior period comparatives for Takaful Revenue (Amounts relating to recovery of takaful acquisition cash flows) and Takaful Service Expenses (Amortisation of acquisition cash flows - wakalah fees) for better comparability with current period disclosures. The reclassifications do not have any impact on the Takaful Service Results and Profit before Zakat and Tax.

## Syarikat Takaful Malaysia Keluarga Berhad

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### 26 Investment Income

The investment income consists of the following:

	Family Takaful		General Takaful		Group	
	3 months ended		3 months ended		3 months ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Investment income on financial assets not measured at FVTPL</u>						
Profit income	92,292	87,707	15,330	12,921	132,616	124,231
Amortisation	(1,990)	(3,017)	(193)	(165)	(2,631)	(4,927)
	<u>90,302</u>	<u>84,690</u>	<u>15,137</u>	<u>12,756</u>	<u>129,985</u>	<u>119,304</u>
<u>Investment income - others</u>						
Rental income	1,586	1,707	(140)	43	1,668	1,943
Dividend income	5,069	2,428	-	-	5,200	2,495
Profit income	4,426	3,333	-	-	5,489	4,490
Amortisation	3	3	-	-	3	3
Investment expenses	(25)	(11)	(79)	(75)	(104)	(86)
	<u>11,059</u>	<u>7,460</u>	<u>(219)</u>	<u>(32)</u>	<u>12,256</u>	<u>8,845</u>
	<u><u>101,361</u></u>	<u><u>92,150</u></u>	<u><u>14,918</u></u>	<u><u>12,724</u></u>	<u><u>142,241</u></u>	<u><u>128,149</u></u>

## Syarikat Takaful Malaysia Keluarga Berhad

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### 26 Investment Income (continued)

The investment income consists of the following:

	Family Takaful		General Takaful		Group	
	9 months ended		9 months ended		9 months ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Investment income on financial assets not measured at FVTPL</u>						
Profit income	271,280	254,331	44,233	37,746	387,269	360,340
Amortisation	(5,809)	(6,592)	(573)	(483)	(7,661)	(9,698)
	<u>265,471</u>	<u>247,739</u>	<u>43,660</u>	<u>37,263</u>	<u>379,608</u>	<u>350,642</u>
<u>Investment income - others</u>						
Rental income	4,482	4,785	(8)	142	5,069	5,501
Dividend income	11,210	6,058	-	-	11,558	6,229
Profit income	11,074	10,597	145	-	14,547	14,019
Amortisation	3	3	-	-	3	3
Investment expenses	(456)	(363)	(96)	(97)	(552)	(460)
	<u>26,313</u>	<u>21,080</u>	<u>41</u>	<u>45</u>	<u>30,625</u>	<u>25,292</u>
	<u><u>291,784</u></u>	<u><u>268,819</u></u>	<u><u>43,701</u></u>	<u><u>37,308</u></u>	<u><u>410,233</u></u>	<u><u>375,934</u></u>

## Syarikat Takaful Malaysia Keluarga Berhad

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### 27 Realised gains and losses

The realised gains and losses consist of the following:

Family Takaful 3 months ended		General Takaful 3 months ended		Group 3 months ended		
30.09.2024	30.09.2023	30.09.2024	30.09.2023	30.09.2024	30.09.2023	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>Realised gains and losses arising from:</u>						
FVOCI financial assets:						
- Islamic Debt Securities (Unquoted in Malaysia)	2,466	631	84	1	3,034	-
- Islamic Debt Securities (Unquoted outside Malaysia)	-	(39)	-	-	12	7,398
- Malaysian Government Islamic paper	731	-	-	-	731	-
	<u>3,197</u>	<u>592</u>	<u>84</u>	<u>1</u>	<u>3,777</u>	<u>7,398</u>

Family Takaful 9 months ended		General Takaful 9 months ended		Group 9 months ended		
30.09.2024	30.09.2023	30.09.2024	30.09.2023	30.09.2024	30.09.2023	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>Realised gains and losses arising from:</u>						
FVOCI financial assets:						
- Islamic Debt Securities (Unquoted in Malaysia)	6,762	10,098	469	1,059	10,415	-
- Islamic Debt Securities (Unquoted outside Malaysia)	-	(39)	-	-	12	22,150
- Malaysian Government Islamic paper	2,876	-	-	-	2,876	-
	<u>9,638</u>	<u>10,059</u>	<u>469</u>	<u>1,059</u>	<u>13,303</u>	<u>22,150</u>

## Syarikat Takaful Malaysia Keluarga Berhad

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### 28 Fair value information

The table below analyses financial instruments carried at fair value by their valuation method:

	Fair value of financial instruments carried at fair value				Carrying Amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
<b>30 September 2024</b>					
<b>Family Takaful</b>					
<b>Financial assets</b>					
Equity securities	420,990	74,873	-	495,863	495,863
Unit trusts	129,909	22,313	-	152,222	152,222
Institutional Trust Account	-	-	438,881	438,881	438,881
Islamic debt securities	180,938	5,807,426	-	5,988,364	5,988,364
Malaysian Government Islamic papers	-	749,900	-	749,900	749,900
	<u>731,837</u>	<u>6,654,512</u>	<u>438,881</u>	<u>7,825,230</u>	<u>7,825,230</u>
<b>General Takaful</b>					
<b>Financial assets</b>					
Institutional Trust Account	-	-	75,112	75,112	75,112
Islamic debt securities	-	655,836	-	655,836	655,836
Malaysian Government Islamic papers	-	86,243	-	86,243	86,243
	<u>-</u>	<u>742,079</u>	<u>75,112</u>	<u>817,191</u>	<u>817,191</u>
<b>Group</b>					
<b>Financial assets</b>					
Equity securities	438,898	107,032	380	546,310	546,310
Unit trusts	131,338	25,659	-	156,997	156,997
Institutional Trust Account	-	-	593,122	593,122	593,122
Islamic debt securities	212,831	7,638,982	-	7,851,813	7,851,813
Malaysian Government Islamic papers	-	1,039,356	-	1,039,356	1,039,356
	<u>783,067</u>	<u>8,811,029</u>	<u>593,502</u>	<u>10,187,598</u>	<u>10,187,598</u>

# Syarikat Takaful Malaysia Keluarga Berhad

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 28 Fair value information (continued)

The table below analyses financial instruments carried at fair value by their valuation method (continued):

	Fair value of financial instruments carried at fair value				Carrying Amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
<b>31 December 2023</b>					
<b>Family Takaful</b>					
<b>Financial assets</b>					
Equity securities	240,187	75,159	-	315,346	315,346
Unit trusts	93,520	26,690	-	120,210	120,210
Institutional Trust Account	-	-	403,795	403,795	403,795
Islamic debt securities	147,689	5,556,790	-	5,704,479	5,704,479
Malaysian Government Islamic papers	-	596,463	-	596,463	596,463
	<u>481,396</u>	<u>6,255,102</u>	<u>403,795</u>	<u>7,140,293</u>	<u>7,140,293</u>
<b>General Takaful</b>					
<b>Financial assets</b>					
Institutional Trust Account	-	-	58,275	58,275	58,275
Islamic debt securities	-	613,292	-	613,292	613,292
Malaysian Government Islamic papers	-	75,838	-	75,838	75,838
	<u>-</u>	<u>689,130</u>	<u>58,275</u>	<u>747,405</u>	<u>747,405</u>
<b>Group</b>					
<b>Financial assets</b>					
Equity securities	246,318	107,371	-	353,689	353,689
Unit trusts	94,166	33,748	-	127,914	127,914
Institutional Trust Account	-	-	540,040	540,040	540,040
Islamic debt securities	185,985	7,285,600	-	7,471,585	7,471,585
Malaysian Government Islamic papers	-	766,396	-	766,396	766,396
	<u>526,469</u>	<u>8,193,115</u>	<u>540,040</u>	<u>9,259,624</u>	<u>9,259,624</u>

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**28 Fair value information (continued)**

The carrying amounts of cash and cash equivalents, and short-term receivables and payables reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

It was not practicable to estimate the fair value of the Group's investment in unquoted shares due to the lack of comparable quoted market prices in an active market and the fair value cannot be reliably measured. Please refer to respective note for the fair values of other financial assets and liabilities, together with the carrying amounts shown in the statements of financial position.

**Policy on transfer between levels**

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

**Policy on transfer between levels**

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

**Level 1 fair value**

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

**Level 2 fair value**

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the identical financial assets or liabilities, either directly or indirectly. These include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in inactive markets, inputs that are observable that are not prices (such as interest rates, credit risks, etc) and inputs that are derived from or corroborated by observable market data.

**Non-derivative financial liabilities**

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and profit cash flows, discounted at the market rate of profit at the end of the reporting period.

**Transfer between Level 1 and 2 fair values**

There is no transfer between Level 1 and 2 fair values during the period.

**Level 3 fair value**

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

## Syarikat Takaful Malaysia Keluarga Berhad

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### 28 Fair value information (continued)

##### Level 3 fair value (continued)

The following table shows a reconciliation of Level 3 fair values:

	Family Takaful RM'000	General Takaful RM'000	Group RM'000
<b>Equity securities</b>			
As at 1 January 2024	-	-	-
Purchases	-	-	380
As at 30 September 2024	<u>-</u>	<u>-</u>	<u>380</u>
<b>Institutional Trust Account</b>			
As at 1 January 2023	382,872	54,958	511,757
Gains and losses recognised in profit or loss			
Investment income - realised	18,080	2,239	23,970
Gains and losses recognised in OCI			
Net change in fair value (unrealised)	2,843	1,078	4,313
As at 31 December 2023/ 1 January 2024	<u>403,795</u>	<u>58,275</u>	<u>540,040</u>
Maturities	-	102	102
Gains and losses recognised in profit or loss			
Investment income - realised	39,416	16,937	59,177
Gains and losses recognised in OCI			
Net change in fair value (unrealised)	(4,330)	(202)	(6,197)
As at 30 September 2024	<u>438,881</u>	<u>75,112</u>	<u>593,122</u>

#### 29 Additional information

##### Takaful receivables (included within Takaful Contract Liabilities/ Assets)

The age analysis of Takaful receivables as at the end of the reporting period based on days past-due was as follows:

	Family Takaful		General Takaful		Group	
	30.09.2024 RM'000	31.12.2023 RM'000	30.09.2024 RM'000	31.12.2023 RM'000	30.09.2024 RM'000	31.12.2023 RM'000
<u>Days past due</u>						
Current (not past due)	342,577	309,776	411	304,009	342,988	613,785
1-30 days	2,057	1,672	693	1,906	2,750	3,578
31-60 days	562	375	522	59	1,084	434
61-90 days	366	459	452	(5)	818	454
91-180 days	20,485	1,700	1,130	293	21,615	1,993
> 180 days	3,977	(27)	765	1,106	4,742	1,079
	<u>370,024</u>	<u>313,955</u>	<u>3,973</u>	<u>307,368</u>	<u>373,997</u>	<u>621,323</u>

The average credit terms of Takaful receivables granted to related parties and non-related parties are 12 months from the contractual due date. The recoverability of Takaful receivables which exceeds the average credit term is high especially after Letter of Demand is imposed on the debtors.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**29 Additional information (continued)**

**Takaful receivables (included within Takaful Contract Liabilities/ Assets) (continued)**

There is no significant Takaful receivables of the Group and of the Company with its related parties as at the end of the reporting period.

**Material Impairment of Assets**

Measurement of Expected Credit Loss (“ECL”)

The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired.

The key inputs into the measurement of ECL are the term structures of the following variables:

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

PD represents the likelihood of a counterparty defaulting on its financial obligation, either over the next 12 months, or over the remaining lifetime of the obligation. To determine 12-month PDs, the Group and Company use the PD table supplied by reputable rating agency based on the default history of obligors with the same credit rating. The Group and the Company adopt the same approach for unrated investments by mapping its internal risk grades to the equivalent external credit ratings. Changes in the rating for a counterparty or exposure lead to a change in the estimate of the associated PD.

LGD is the amount or the percentage of an outstanding claim on the counterparty that is not likely to be recovered in the event of a default. LGD varies by type of counterparty, type and seniority of claim and available of collateral or other credit support.

EAD is the Group’s and the Company gross credit exposure to the counterparty at the time of default.

Forward-looking information is considered in determining the PD, EAD and LGD.

For ECL modelled on a collective basis, a grouping of exposures is performing on the basis of shared risks characteristics, such as risk exposure within a group are homogeneous. The characteristics and any data used to determine the groupings includes instrument type; credit rating band; type and seniority of claim; and class of business.

The appropriateness of groupings is monitored and reviewed on a periodic basis by credit control team.

The Group and the Company has elected to measure the impairment losses for Takaful receivables at an amount equal to lifetime ECL. The Group and the Company use an allowance matrix to measure ECLs of Takaful receivables. Loss rates are calculated using a “roll rate” method based on the probability of receivable. The loss rates are based on actual credit loss experience over the past three years.

The impairment losses recognised in profit or loss is not significant to the Group.

## Syarikat Takaful Malaysia Keluarga Berhad

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### 30 Foreign exchange exposure/ hedging policy

Foreign exchange exposure is only in relation to investment in the Indonesian subsidiary, which is immaterial. Therefore, hedging policy is not applicable to the Group and the Company.

#### 31 Derivatives

The Group and Company did not enter into any derivatives for the financial period ended 30 September 2024.

#### 32 Gains/ losses arising from fair value change of financial liabilities

There were no gains/ losses arising from fair value changes of financial liabilities during the financial period ended 30 September 2024.

#### 33 Related parties

##### Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice-versa, or where the Group or the Company and the party are subject to common control or common significant influence.

Listed below are the significant transactions with related parties of the Group or the Company during the current financial period. The related party transactions described below were carried out on agreed terms with the related parties.

	Group	
	30.09.2024	30.09.2023
	RM'000	RM'000
<b>Related companies</b>		
Dividend paid	33,055	31,875
Contribution income for Family Takaful	2,881	1,142
Contribution income for General Takaful	4,250	3,900
Claims paid for Family Takaful	2,004	709
Claims paid for General Takaful	571	162
Refund of cash back	1	2
Lease rental paid	106	105

## Syarikat Takaful Malaysia Keluarga Berhad

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### 34 Regulatory capital requirements

The Company's capital management policy is to optimise the efficient and effective use of resources to maximise the return on equity and provide an appropriate level of capital to protect participants and meet regulatory requirements.

The Company is required to comply with the regulatory capital requirement prescribed in the Risk Based Capital for Takaful ("RBCT") Framework issued by Bank Negara Malaysia where Takaful operators are required to satisfy a minimum capital adequacy ratio of 130%. As at period end, the Company has a capital adequacy ratio in excess of the minimum requirement.

The capital structure of the Company as at 30 September 2024, as prescribed under the RBCT Framework is provided below:

	<b>As at 30.09.2024 RM'000</b>	<b>As at 31.12.2023 RM'000</b>
Tier 1 capital	2,978,290	2,681,349
Tier 2 capital	99,112	64,098
Amount deducted from capital	(520,025)	(598,380)
<b>Total capital available</b>	<b><u>2,557,377</u></b>	<b><u>2,147,067</u></b>

By Order of the Board

**SUHLA AL ASRI**

**Company Secretary**

**SSM Practicing Certificate No. 201908002158**

**MAICSA 7025570**

Kuala Lumpur, 29 November 2024