

# SYARIKAT TAKAFUL MALAYSIA BERHAD

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS QUARTER ENDED 30 SEPTEMBER 2012

### **1 Basis of Preparation**

The Group has adopted the Malaysian Financial Reporting Standard (MFRS) framework and MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards* in these condensed interim financial statements.

The unaudited financial statements have been prepared using historical cost basis except for certain financial assets and financial liabilities that are stated at fair value.

The unaudited 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, and Guidelines/Circulars issued by Bank Negara Malaysia ("BNM").

The unaudited interim financial statements of the Group comprise the Company and its subsidiaries, and the Group's interest in an associate as at and for the quarter ended 30 September 2012. It also includes Takaful funds established in accordance with Takaful Act, 1984, 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 comprehensive income of the Operator, Family Fund and General Fund are supplementary financial information presented in accordance with the requirements of Bank Negara Malaysia. In accordance with Takaful Act, 1984 in Malaysia, the Company is required to segregate assets, liabilities, income and expenses of Takaful funds from its own. The statements of financial position and comprehensive income of the Operator include only assets, liabilities, income and expenses of the Company excluding the Takaful funds manage by it. The statements of financial position and comprehensive income of the Family Fund include only the assets, liabilities, income and expenses of the family solidarity fund that is set up, managed and controlled by the Company. The statements of financial position and comprehensive income of the General Fund include only the assets, liabilities, income and expenses of General Takaful fund other than the family solidarity fund that is set up, managed and controlled by the Company.

The unaudited interim financial statements should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 31 December 2011. 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 2011.

### **2 Auditors' Report**

The auditors' report on the audited financial statements of the preceding year ended 31 December 2011 did not contain any qualification.

# **SYARIKAT TAKAFUL MALAYSIA BERHAD**

## **NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS** **QUARTER ENDED 30 SEPTEMBER 2012**

### **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**

Save as disclosed in notes 14 and 15, there were no unusual items affecting assets, liabilities, equity, net income or cash flows in the current quarter ended 30 September 2012.

### **5 Estimates**

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

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

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

### **7 Dividends**

The shareholders at the Annual General Meeting held on 3 May 2012 approved a final dividend of 10% single tier in respect of the financial year ended 31 December 2011 as proposed by the Directors. The final dividend was paid on 28 May 2012.

The Directors on 7 August 2012 declared an interim dividend of 15% single tier in respect of the financial year ending 31 December 2012 which was paid on 21 September 2012.

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## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS QUARTER ENDED 30 SEPTEMBER 2012

### 8 Segmental Reporting

#### Geographical Segments

	Malaysia RM'000	Indonesia RM'000	Consolidated RM'000
<b>9 months ended 30.09.2012</b>			
Revenue from external participants	<u>1,142,783</u>	<u>148,624</u>	<u>1,291,407</u>
Profit before zakat and taxation	<u>86,571</u>	<u>(12)</u>	<u>86,559</u>
<b>As at 30.09.2012</b>			
Segments assets by location of assets	<u>5,997,019</u>	<u>420,688</u>	<u>6,417,707</u>
	Malaysia RM'000	Indonesia RM'000	Consolidated RM'000
<b>9 months ended 30.09.2011</b>			
Revenue from external participants	<u>899,732</u>	<u>141,656</u>	<u>1,041,388</u>
Profit before zakat and taxation	<u>58,773</u>	<u>1,252</u>	<u>60,025</u>
<b>As at 30.09.2011</b>			
Segments assets by location of assets	<u>5,216,967</u>	<u>370,684</u>	<u>5,587,652</u>

### 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 2011.

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

There is no material event subsequent to the end of the period under review that has not been reported in the interim 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 2011.

# SYARIKAT TAKAFUL MALAYSIA BERHAD

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS QUARTER ENDED 30 SEPTEMBER 2012

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

There is 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 report.

### **14 Review of Performance**

For the 3rd quarter ended 30 September 2012, the Group generated Operating Revenue of RM416.2 million, an increase of 2.7% compared to RM405.1 million in the corresponding quarter of the preceding year. For the 9 months period, Operating Revenue increased by 24.0% to RM1,291.4 million from RM1,041.4 million in the same period of the preceding year. The increase is mainly attributable to higher sales generated by Family Takaful business.

For the quarter under review, Family Takaful recorded gross earned contributions of RM260.1 million against RM199.1 million for the same period last year and General Takaful generated gross earned contributions of RM117.0 million compared to RM100.9 million in the corresponding quarter of the preceding year. For the 9 months period, Family Takaful generated gross earned contributions of RM789.4 million compared to RM489.1 million in the corresponding period last year whereas General Takaful recorded gross earned contribution of RM332.1 million compared to RM296.0 million in the corresponding period last year. The Family Takaful recorded gross earned contribution growth of 61.4% for the 9 months period, mainly attributable to higher sales and release of unearned contribution reserve arising from the change in reserving estimates from Group Family Takaful products.

The surplus transfer in the quarter under review from Family Takaful was RM20.9 million as compared to RM13.8 million in the same period last year, while the surplus transfer from General Takaful was RM20.0 million as compared to RM17.2 million in the same period last year. For the 9 months period under review, the surplus transfer from Family Takaful increased by RM36.9 million to RM101.6 million as compared to the same period last year while General Takaful recorded RM50.6 million compared to RM58.2 million last year. The higher surplus transfer from Family Takaful is mainly due to better underwriting, investment results and release of unearned contribution reserve. The General Takaful reported lower surplus transfer mainly due to higher wakalah fees arising from the shift to wakalah model products.

For the 9 months period, the Group recorded profit before zakat and taxation of RM86.6 million, increased by 44.2% as compared to RM60.0 million in the same period last year. Besides the higher surplus transfers as explained in the preceding paragraph, the higher profit is also attributable to higher net wakalah fee income.

# SYARIKAT TAKAFUL MALAYSIA BERHAD

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS QUARTER ENDED 30 SEPTEMBER 2012

### 15 Material Changes in the Quarterly Results Compared to the Results of the Preceding Financial Quarter

For the quarter under review, the Operating Revenue registered RM416.2 million as compared to preceding quarter of RM446.1 million. The lower operating revenue is attributable to lower sales generated by Family Takaful business.

The profit before zakat and taxation registered RM22.6 million which was lower than the preceding quarter of RM26.4 million by RM3.8 million due to higher provision for wakalah fee.

### 16 Current Year Prospects

The Group and Company's prospect for the current financial year continue to be encouraging despite growing competition from new takaful players. Barring unforeseen circumstances, the Group and Company are expected to sustain the revenue growth supported by the following strategies:

- 1) Introduction of new products,
- 2) Expanded distribution capabilities especially through telemarketing, internet sales and new agent recruitment initiatives,
- 3) New IT portal initiatives to improve customer service standards,
- 4) Future partnership tie-ups with Islamic banks, and
- 5) Launching of takaful awareness campaign.

### 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

The effective rate of taxation is higher than the statutory tax rate for the quarter mainly due to non-allowable expenses income in accordance with the Income Tax Act 1967.

	3 months ended		Cumulative 9 months ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
Current tax expense:-				
- Current financial year	14,982	7,382	37,305	20,346
Deferred tax benefit:-				
- Current financial year	(7,293)	(2,340)	(17,996)	(4,398)
Total tax expense	<u>7,689</u>	<u>5,042</u>	<u>19,309</u>	<u>15,948</u>

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## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS QUARTER ENDED 30 SEPTEMBER 2012

### 19 Status of Corporate Proposal

There has been no new corporate proposal since the date of the last quarterly report.

### 20 Group Borrowings and Debt Securities

The Group does not have any borrowings and debt securities as at 30 September 2012.

### 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 period by the weighted average number of ordinary shares in issue during the period.

		3 months ended		Cumulative 9 months ended	
		30.09.2012	30.09.2011	30.09.2012	30.09.2011
Owners of the Company	(RM'000)	<u>15,280</u>	<u>5,324</u>	<u>68,821</u>	<u>44,220</u>
Weighted average number of ordinary shares in issue	('000)	<u>162,817</u>	<u>162,817</u>	<u>162,817</u>	<u>162,817</u>
<b>Basic earnings per share</b>	(sen)	<u>9.38</u>	<u>3.27</u>	<u>42.27</u>	<u>27.16</u>

# SYARIKAT TAKAFUL MALAYSIA BERHAD

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS QUARTER ENDED 30 SEPTEMBER 2012

### 23 Takaful Contract Liabilities

The takaful contract liabilities consists of the following:

	Family Takaful			General Takaful		
	Gross RM'000	Retakaful RM'000	Net RM'000	Gross RM'000	Retakaful RM'000	Net RM'000
<b>30 September 2012</b>						
Provision for claims reported by participants	41,007	(3,180)	37,827	396,098	(295,219)	100,879
Provision for IBNR	90,705	(5,868)	84,837	205,775	(393)	205,382
Provision for outstanding claims	131,711	(9,048)	122,663	601,873	(295,612)	306,260
Provision for unearned contributions	-	-	-	330,384	(87,363)	243,021
	<b>131,711</b>	<b>(9,048)</b>	<b>122,663</b>	<b>932,257</b>	<b>(382,975)</b>	<b>549,281</b>
Actuarial liabilities	3,291,766	(95,256)	3,196,510	-	-	-
Unallocated surplus	661,360	-	661,360	189,927	-	189,927
AFS reserve	101,913	-	101,913	11,458	-	11,458
Special reserve	24,947	-	24,947	-	-	-
Net asset value attributable to unitholders	197,055	-	197,055	-	-	-
<b>Participants' Fund liabilities</b>	<b>4,277,041</b>	<b>(95,256)</b>	<b>4,181,785</b>	<b>201,385</b>	<b>-</b>	<b>201,385</b>
<b>Total takaful contract liabilities</b>	<b>4,408,752</b>	<b>(104,304)</b>	<b>4,304,448</b>	<b>1,133,642</b>	<b>(382,975)</b>	<b>750,666</b>
<b>31 December 2011</b>						
Provision for claims reported by participants	30,237	(1,279)	28,958	387,642	(215,374)	172,268
Provision for IBNR	72,444	(6,723)	65,721	143,859	(38,643)	105,216
Provision for outstanding claims	102,681	(8,002)	94,679	531,501	(254,017)	277,484
Provision for unearned contributions	-	-	-	352,154	(88,597)	263,557
	<b>102,681</b>	<b>(8,002)</b>	<b>94,679</b>	<b>883,655</b>	<b>(342,614)</b>	<b>541,041</b>
Actuarial liabilities	3,126,369	(64,808)	3,061,561	-	-	-
Unallocated surplus	485,635	-	485,635	174,659	-	174,659
AFS reserve	110,710	-	110,710	9,380	-	9,380
Special reserve	24,947	-	24,947	-	-	-
Net asset value attributable to unitholders	187,822	-	187,822	-	-	-
<b>Participants' Fund liabilities</b>	<b>3,935,483</b>	<b>(64,808)</b>	<b>3,870,675</b>	<b>184,039</b>	<b>-</b>	<b>184,039</b>
<b>Total takaful contract liabilities</b>	<b>4,038,164</b>	<b>(72,810)</b>	<b>3,965,354</b>	<b>1,067,694</b>	<b>(342,614)</b>	<b>725,080</b>

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## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS QUARTER ENDED 30 SEPTEMBER 2012

### 23 Takaful Contract Liabilities (continued)

Participants' fund liabilities and its movements are analysed as follows:

	Family Takaful		
	Gross RM'000	Retakaful RM'000	Net RM'000
<b>At 1 January 2011, restated</b>	3,667,053	(40,617)	3,626,436
Earned contributions	694,719	(28,671)	666,048
Liabilities paid for death, maturities, surrenders, benefits and claims	(482,465)	27,743	(454,722)
Fees deducted	(127,479)	-	(127,479)
Investment income	165,760	-	165,760
Realised gains	71,641	-	71,641
Fair value gains	12,009	-	12,009
Other operating income (net)	27,572	-	27,572
Profit paid to participants	(2,420)	-	(2,420)
Increase in actuarial reserve	(863)	(24,191)	(25,054)
Surplus attributable to takaful operator	(98,746)	928	(97,818)
AFS reserve	5,370	-	5,370
Effect of movement in exchange rates	3,332	-	3,332
<b>At 31 December 2011, restated</b>	<b>3,935,483</b>	<b>(64,808)</b>	<b>3,870,675</b>
Earned contributions	789,402	(31,284)	758,118
Liabilities paid for death, maturities, surrenders, benefits and claims	-	-	-
Gross benefit and claims paid	(345,343)	-	(345,343)
Claims ceded to retakaful	-	19,593	19,593
Gross change to contract liabilities	(30,674)	-	(30,674)
Change to contract liabilities ceded to retakaful	-	1,123	1,123
Wakalah fee	(146,764)	-	(146,764)
Commission expense	(9,603)	-	(9,603)
Investment income	135,033	-	135,033
Realised gains and losses	81,359	-	81,359
Fair value gains and losses	5,213	-	5,213
Other operating income	2,405	-	2,405
Other operating expenses	(8,389)	-	(8,389)
Profit paid to participants	(1,860)	-	(1,860)
Decrease in actuarial reserves	50,635	(30,827)	19,808
Surplus attributable to takaful operator	(111,583)	10,568	(101,015)
AFS Reserves	(8,539)	-	(8,539)
Add: Unutilised FTS suspense	155	-	155
Withholding tax	(38,158)	-	(38,158)
Effect of movement in exchange rates	(21,731)	380	(21,351)
<b>As at 30 September 2012</b>	<b>4,277,041</b>	<b>(95,256)</b>	<b>4,181,785</b>



# SYARIKAT TAKAFUL MALAYSIA BERHAD

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS QUARTER ENDED 30 SEPTEMBER 2012

### 23 Takaful Contract Liabilities (continued)

Participants' fund liabilities and its movements are analysed as follows:

	<b>General Takaful</b> RM'000
<b>At 1 January 2011, restated</b>	185,448
Net contributions received/receivable	287,018
Net claims incurred for the year	(201,176)
Fees deducted, net	(31,438)
Investment income	28,532
Other operating income	57,285
Release of special reserve	(23,061)
Profit paid to participants	(23,173)
Increase in unearned contribution reserves	328
Surplus attributable to shareholder	(85,547)
AFS reserve	(9,285)
Effect of movement in exchange rates	(892)
<b>At 31 December 2011, restated</b>	<b>184,039</b>
Net contributions received/receivable	228,041
Net claims incurred for the year	(140,324)
Fees deducted, net	(57,685)
Investment income	22,004
Realised gains and losses	11,146
Fair value gains and losses	(1,470)
Other operating income	2,856
Other operating expenses	(1,776)
Profit paid to participants	(18,811)
Increase in unearned contribution reserves	18,492
Surplus transferred to statements of comprehensive income	(46,001)
AFS reserve	2,078
Withholding tax	(1,642)
Effect of movement in exchange rates	438
<b>As at 30 September 2012</b>	<b>201,385</b>

### 24 Takaful Operator Income

The takaful operator income consists of the following:

	<b>3 months ended</b>		<b>Cumulative</b>	
	<b>30.09.2012</b>	<b>30.09.2011</b>	<b>30.09.2012</b>	<b>30.09.2011</b>
Surplus transfer from:				
Family takaful	20,934	13,771	101,571	64,718
General takaful	20,017	17,208	50,572	58,224
Wakalah fee income	86,469	45,768	215,900	105,316
<b>Total Takaful operator income</b>	<b>127,420</b>	<b>76,747</b>	<b>368,043</b>	<b>228,258</b>

**SYARIKAT TAKAFUL MALAYSIA BERHAD**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**QUARTER ENDED 30 SEPTEMBER 2012**

**25 Investment Income**

The investment income consists of the following:

	Takaful Operator		Family Takaful		General Takaful		Group	
	3 months ended 30.09.2012	30.09.2011	3 months ended 30.09.2012	30.09.2011	3 months ended 30.09.2012	30.09.2011	3 months ended 30.09.2012	30.09.2011
Rental Income	211	224	2,183	1,992	290	237	1,246	1,801
Dividend from Investment	1,134	756	5,129	5,280	952	916	7,215	6,952
Accretion/ (Amortisation)	(127)	(83)	(1,225)	676	(478)	(259)	(1,830)	333
Profit from Investment	3,664	3,165	44,229	30,355	6,821	6,405	54,714	39,925
Investment expenses	(128)	(84)	(509)	(529)	(176)	(124)	(397)	(3)
<b>Total investment income</b>	<b>4,754</b>	<b>3,978</b>	<b>49,807</b>	<b>37,774</b>	<b>7,409</b>	<b>7,175</b>	<b>60,949</b>	<b>49,008</b>
	Takaful Operator Cumulative		Family Takaful Cumulative		General Takaful Cumulative		Group Cumulative	
	9 months ended 30.09.2012	30.09.2011	9 months ended 30.09.2012	30.09.2011	9 months ended 30.09.2012	30.09.2011	9 months ended 30.09.2012	30.09.2011
Rental Income	565	666	6,512	6,700	780	789	3,588	4,683
Dividend from Investment	3,236	2,212	15,188	13,522	2,694	2,444	21,116	18,178
Accretion/ (Amortisation)	(358)	(241)	(3,319)	2,750	(1,434)	(148)	(5,111)	2,361
Profit from Investment	10,787	8,725	119,051	98,675	20,373	18,873	150,212	126,272
Investment expenses	(427)	(302)	(2,399)	(1,670)	(409)	(334)	(1,141)	(724)
<b>Total investment income</b>	<b>13,803</b>	<b>11,060</b>	<b>135,033</b>	<b>119,977</b>	<b>22,004</b>	<b>21,624</b>	<b>168,664</b>	<b>150,770</b>

**SYARIKAT TAKAFUL MALAYSIA BERHAD**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**QUARTER ENDED 30 SEPTEMBER 2012**

**26 Other Operating Income**

The other operating income consists of the following:

	Takaful Operator		Family Takaful		General Takaful		Group	
	3 months ended		3 months ended		3 months ended		3 months ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011	30.09.2012	30.09.2011	30.09.2012	30.09.2011
Service charge and management fee	1,389	-	-	-	-	-	1,389	-
Gain on foreign exchange	-	-	-	50	120	4	120	53
Writeback of allowance for impaired debts	-	-	979	56	381	-	1,360	56
Writeback of allowance for impaired financing	112	-	-	-	-	-	112	-
Gain on Disposal of Assets	32	174	-	1,207	-	30	32	1,411
Other income	621	6,010	42	1,632	-	278	(831)	6,153
<b>Total other operating income</b>	<b>2,154</b>	<b>6,184</b>	<b>1,022</b>	<b>2,945</b>	<b>501</b>	<b>312</b>	<b>2,182</b>	<b>7,674</b>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
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**26 Other Operating Income (continued)**

The other operating income consists of the following:

	Takaful Operator Cumulative		Family Takaful Cumulative		General Takaful Cumulative		Group Cumulative	
	9 months ended 30.09.2012	30.09.2011	9 months ended 30.09.2012	30.09.2011	9 months ended 30.09.2012	30.09.2011	9 months ended 30.09.2012	30.09.2011
Service charge and management fee	5,868	1,045	-	-	-	-	5,868	1,045
Gain on foreign exchange	-	3	-	50	113	-	113	53
Writeback of allowance for impaired debts	-	-	2,269	2,087	2,724	11,084	4,993	13,171
Writeback of allowance for impaired financing	256	-	-	-	17	-	273	-
Gain on Disposal of Assets	111	329	-	1,207	-	30	111	1,566
Other income	1,428	5,864	202	1,449	2	1,162	(3,297)	3,673
<b>Total other operating income</b>	<b>7,663</b>	<b>7,241</b>	<b>2,471</b>	<b>4,793</b>	<b>2,856</b>	<b>12,276</b>	<b>8,061</b>	<b>19,508</b>

**SYARIKAT TAKAFUL MALAYSIA BERHAD**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**QUARTER ENDED 30 SEPTEMBER 2012**

**27 Other Operating Expenses**

The other operating expenses consist of the following:

	Takaful Operator		Family Takaful		General Takaful		Group	
	3 months ended 30.09.2012	30.09.2011	3 months ended 30.09.2012	30.09.2011	3 months ended 30.09.2012	30.09.2011	3 months ended 30.09.2012	30.09.2011
Depreciation	(2,744)	(2,885)	-	-	-	-	(4,307)	(4,379)
Impairment losses	(67)	-	(1,059)	-	(104)	-	(1,230)	-
Service charge and management fee	-	(4,836)	-	-	-	-	-	(4,836)
Loss from foreign exchange	(243)	(8)	(55)	-	-	-	(298)	(8)
Commission	(31,463)	(19,104)	(1,107)	(1,132)	(618)	(10,852)	(33,100)	(31,013)
Agency related expenses	(1,290)	-	-	-	-	-	(1,290)	-
Other expenses	(81)	(1,133)	(585)	-	(308)	(293)	2,736	(1,426)
Writeback of allowance for impaired debts	-	-	-	-	-	(1,216)	-	(1,216)
Writeback of allowance for impaired financing	-	-	-	-	-	-	-	-
<b>Total other operating expenses</b>	<b>(35,886)</b>	<b>(27,966)</b>	<b>(2,806)</b>	<b>(1,132)</b>	<b>(1,030)</b>	<b>(12,361)</b>	<b>(37,489)</b>	<b>(42,878)</b>

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**27 Other Operating Expenses (continued)**

The other operating expenses consist of the following:

	Takaful Operator Cumulative 9 months ended	Family Takaful Cumulative 9 months ended	General Takaful Cumulative 9 months ended	Group Cumulative 9 months ended
	30.09.2012	30.09.2012	30.09.2012	30.09.2012
Depreciation	(8,112)	-	-	(11,689)
Impairment losses	(864)	(4,620)	(1,408)	(6,893)
Service charge and management fee	-	-	-	-
Loss from foreign exchange	(3)	(66)	(49)	(118)
Commission	(79,549)	(9,602)	(7,911)	(96,941)
Agency related expenses	(2,256)	-	-	(2,256)
Other expenses	(3,906)	(3,769)	(1,727)	(5,692)
Writeback of allowance for impaired debts	-	-	-	-
Writeback of allowance for impaired financing	-	-	-	-
<b>Total other operating expenses</b>	<b>(94,690)</b>	<b>(18,057)</b>	<b>(11,095)</b>	<b>(123,589)</b>
				<b>(94,395)</b>

# SYARIKAT TAKAFUL MALAYSIA BERHAD

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS QUARTER ENDED 30 SEPTEMBER 2012

28 Disclosures of interest expense, provision for and write off of inventories, gain or loss on derivatives and exceptional items are not applicable to the Group and the company.

### 29 Supplementary Financial Information on the Breakdown of Realised and Unrealised Profits

The breakdown of the retained profits of the Group and of the Company as at 30 September 2012, into realised and unrealised profits, pursuant to Paragraphs 2.06 and 2.23 of the Bursa Malaysia Main Market Listing Requirements, are as follows:

	As at 30.09.2012 RM'000	As at 31.12.2011 RM'000
<b>Total retained profits of the Group:</b>		
-Realised	284,207	257,535
-Unrealised	146	(677)
<b>Total share of retained profits of associates:</b>	284,353	256,858
-Realised	-	-
-Unrealised	-	-
	284,353	256,858
Add: Consolidation adjustments	27,804	27,183
<b>Total retained profits as per statement of changes in equity</b>	<b>312,158</b>	<b>284,041</b>

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

By Order of the Board

**MOHAMAD ASRI BIN HAJI YUSOFF**  
Company Secretary (MIA 14171)  
Kuala Lumpur, 20 November 2012