

# **SYARIKAT TAKAFUL MALAYSIA BERHAD**

## **NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS** **QUARTER ENDED 30 JUNE 2013**

### **1 Basis of Preparation**

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") and Shariah rulings and precepts.

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 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 June 2013. 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 profit or loss and other comprehensive income of the Takaful Operator, Family Takaful Fund and General Takaful Fund are supplementary financial information presented in accordance with the requirements of BNM and Takaful Act, 1984 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 Takaful Operator include only assets, liabilities, income and expenses of the Takaful Operator, excluding the Takaful funds managed by it. 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.

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 2012. 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 2012.

### **2 Auditors' Report**

The auditors' report on the audited financial statements of the preceding year ended 31 December 2012 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.

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## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS QUARTER ENDED 30 JUNE 2013

### 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 June 2013.

### 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 Directors on 14 December 2012 declared a second interim dividend of 10% single tier in respect of the financial year ending 31 December 2012 and paid on 11 January 2013.

No dividend was declared for the current quarter under review.

### 8 Segmental Reporting

#### Geographical Segments

	Malaysia RM'000	Indonesia RM'000	Consolidated RM'000
<b>6 months ended 30 June 2013</b>			
Revenue from external participants	865,081	92,399	957,480
Profit before zakat and taxation	80,035	2,758	82,793
<b>As at 30 June 2013</b>			
Segment assets by location of assets	6,376,343	458,483	6,834,826
<b>6 months ended 30 June 2012</b>			
Revenue from external participants	781,761	93,410	875,171
Profit before zakat and taxation	65,140	(1,204)	63,936
<b>As at 30 June 2012</b>			
Segment assets by location of assets	5,865,972	417,546	6,283,518

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## **NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS** **QUARTER ENDED 30 JUNE 2013**

### **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 2012.

### **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 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 2nd quarter ended 30 June 2013, the Group generated Operating Revenue of RM437.9 million, slightly below corresponding quarter of the preceding year of RM446.1 million. The decrease is mainly attributable to lower sales generated by Family Takaful business. The half year Operating Revenue increased by 9.4% to RM957.5 million from RM875.2 million in the same period of the preceding year. The increase is mainly attributable to higher sales generated by both Family and General Takaful and higher investment income.

For the quarter under review, Family Takaful recorded gross earned contributions of RM314.9 million against RM280.8 million for the same period last year and General Takaful generated gross earned contributions of RM102.3 million as compared to RM118.3 million in the corresponding quarter of the preceding year. For the 6 months period, Family Takaful generated gross earned contributions of RM599.7 million as compared to RM529.3 million in the corresponding period last year, whereas General Takaful recorded gross earned contributions of RM215.1 million, which is consistent with the corresponding period last year. The Family Takaful recorded gross earned contribution growth of 13.3% for the 6 months period, mainly attributable to higher sales from Group Family products.

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## **NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS** **QUARTER ENDED 30 JUNE 2013**

### **14 Review of Performance (continued)**

The surplus transfer in the quarter under review from Family Takaful was RM31.8 million as compared to RM24.5 million in the same period last year. The higher surplus transfer from Family Takaful is mainly due to higher investment income and realized gains from disposal of investments. For the 6 months period, the surplus transfer from Family Takaful decreased by RM13.3 million to RM67.3 million as compared to the same period last year, mainly attributable to higher claims incurred and wakalah fee expense.

For the quarter under review, the surplus transfer from General Takaful was RM10.8 million as compared to RM17.7 million in the same period last year. For the 6 months period, General Takaful recorded RM20.9 million as compared to RM30.6 million last year. The General Takaful reported lower surplus transfer mainly due to shift to wakalah model products where margins are being transferred in the form of wakalah fee to Takaful Operator.

For the quarter under review, the Group recorded profit before zakat and taxation of RM42.5 million, increased by 61.0% as compared to RM26.4 million in the same period last year. For the 6 months period, the Group recorded profit before zakat and taxation of RM82.8 million, increased by 29.6% as compared to RM63.9 million in the same period last year.

### **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 RM437.9 million as compared to preceding quarter of RM519.5 million. The lower operating revenue is attributable to lower contribution generated by both Family and General Takaful businesses.

### **16 Current Year Prospects**

The Company will continue its "We Should Talk" marketing campaign to create more awareness of the "15% No Claim Rebate" value proposition in positioning Takaful Malaysia as the leading takaful operator in Malaysia. With the introduction of new products and services in 2013, the Company is expected to increase its market share while improving on shareholder value. The Company will also be looking at increasing the number of exclusive or preferred partnerships with major financial institutions to grow the bancatakaful business.

### **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.

# SYARIKAT TAKAFUL MALAYSIA BERHAD

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS QUARTER ENDED 30 JUNE 2013

### 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 6 months ended	
	30.6.2013	30.6.2012	30.6.2013	30.6.2012
	RM'000	RM'000	RM'000	RM'000
Current tax expense:				
- Current financial period	16,171	13,652	27,935	22,322
Deferred tax benefits:				
- Current financial period	(4,014)	(8,515)	(7,986)	(10,703)
Total tax expense	<u>12,157</u>	<u>5,137</u>	<u>19,949</u>	<u>11,619</u>

### 19 Status of Corporate Proposal

On 15 March 2013, Maybank Investment Bank Berhad on behalf of Takaful Malaysia, announced that Takaful Malaysia proposes to establish and implement a long-term incentive plan of up to ten percent (10%) of the issued and paid-up share capital of Takaful Malaysia (excluding treasury shares, if any) at any point in time for the eligible employees and executive directors of Takaful Malaysia and its subsidiaries ("LTIP").

Bursa Malaysia Securities Berhad had vide its letter dated 1 April 2013, approved the listing of and quotation for the new ordinary shares of RM1.00 each in Takaful Malaysia, representing up to ten percent (10%) of the issued and paid-up share capital of Takaful Malaysia (excluding treasury shares, if any), to be issued pursuant to the LTIP. Subsequently, shareholders of Takaful Malaysia have approved the ordinary resolutions in relation to the LTIP as set out in the notice of extraordinary general meeting ("EGM") dated 9 July 2013 at the EGM held on 24 July 2013.

Save for the above, there are no other corporate proposals announced but not completed, as at the reporting date.

### 20 Group Borrowings and Debt Securities

The Group does not have any borrowings and debt securities as at 30 June 2013.

# SYARIKAT TAKAFUL MALAYSIA BERHAD

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS QUARTER ENDED 30 JUNE 2013

### 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 6 months ended	
		30.6.2013	30.6.2012	30.6.2013	30.6.2012
Owners of the Company	(RM'000)	<u>33,715</u>	<u>22,580</u>	<u>65,938</u>	<u>53,541</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>20.71</u>	<u>13.87</u>	<u>40.50</u>	<u>32.88</u>

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**QUARTER ENDED 30 JUNE 2013**

**23 Takaful Contract Liabilities**

The takaful contract liabilities consist of the following:

**Family Takaful Fund**

	30 June 2013		31 December 2012		
	Gross RM'000	Retakaful RM'000	Gross RM'000	Retakaful RM'000	Net RM'000
Provision for claims reported by participants	49,687	(4,809)	28,387	(3,707)	24,680
Provision for IBNR	134,687	(20,168)	120,178	(14,964)	105,214
Provision for outstanding claims	184,374	(24,977)	148,565	(18,671)	129,894
Actuarial liabilities	3,688,867	(125,162)	3,274,935	(63,856)	3,211,079
Unallocated surplus	564,842	-	681,054	-	681,054
AFS reserves	76,803	-	97,326	-	97,326
Translation reserves	371	-	359	-	359
Net asset value attributable to unitholders	153,161	-	201,097	-	201,097
Participants' fund	4,484,044	(125,162)	4,254,771	(63,856)	4,190,915
	4,668,418	(150,139)	4,403,336	(82,527)	4,320,809

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**23 Takaful Contract Liabilities (continued)**

	30 June 2013		31 December 2012		
	Gross RM'000	Retakaful RM'000	Gross RM'000	Retakaful RM'000	Net RM'000
<b>General Takaful Fund</b>					
Provision for claims reported by participants	397,989	(237,367)	389,557	(221,036)	168,521
Provision for IBNR	230,887	(88,123)	194,952	(61,443)	133,509
Provision for outstanding claims	628,876	(325,490)	584,509	(282,479)	302,030
Provision for unearned contributions	292,015	(58,500)	295,439	(72,297)	223,142
	920,891	(383,990)	879,948	(354,776)	525,172
Unallocated surplus	207,420	-	209,283	-	209,283
AFS reserves	10,177	-	10,464	-	10,464
Translation reserves	1,067	-	1,048	-	1,048
Participants' fund	218,664	-	220,795	-	220,785
	1,139,555	(383,990)	1,100,743	(354,776)	745,957



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**23 Takaful Contract Liabilities (continued)**

Group	30 June 2013			31 December 2012		
	Gross RM'000	Retakaful RM'000	Net RM'000	Gross RM'000	Retakaful RM'000	Net RM'000
Provision for claims reported by participants	447,676	(242,176)	205,500	417,944	(224,743)	193,201
Provision for IBNR	365,574	(108,291)	257,283	315,130	(76,407)	238,723
Provision for outstanding claims	813,250	(350,467)	462,783	733,074	(301,150)	431,924
Provision for unearned contributions	292,015	(58,500)	233,515	295,439	(72,297)	223,142
	1,105,265	(408,967)	696,298	1,028,513	(373,447)	655,066
Actuarial liabilities	3,688,867	(125,162)	3,563,705	3,274,935	(63,856)	3,211,079
Unallocated surplus	772,262	-	772,262	890,337	-	890,337
AFS reserves	86,981	-	86,981	107,790	-	107,790
Translation reserves	1,437	-	1,437	160,117	-	160,117
Net asset value attributable to unitholders	117,169	-	117,169	1,407	-	1,407
Participants' fund	4,666,716	(125,162)	4,541,554	4,434,586	(63,856)	4,370,730
	5,771,981	(534,129)	5,237,852	5,463,099	(437,303)	5,025,796

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**23 Takaful Contract Liabilities (continued)**

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

	Family Takaful Fund		General Takaful Fund		Group	
	Gross RM'000	Retakaful RM'000	Gross RM'000	Retakaful RM'000	Gross RM'000	Net RM'000
<b>At 1 January 2012</b>	3,935,483	(64,808)	184,039	-	4,081,300	4,016,492
Net earned contributions	987,661	(46,869)	335,174	-	1,322,835	1,275,966
Investment income	186,381	-	31,031	-	217,412	217,412
Realised gains and (losses)	98,082	-	13,508	-	111,590	111,590
Fair value gains and (losses)	10,634	-	(306)	-	10,328	10,328
Other operating income	6,587	-	5,675	-	12,262	12,262
Net benefits and claims	(530,420)	40,233	(172,553)	-	(702,973)	(662,740)
Fees deducted (net)	(195,496)	-	(80,600)	-	(276,096)	(276,096)
Other operating expenses	(12,722)	-	(5,319)	-	(18,041)	(18,041)
Profit paid to participants	(2,330)	-	(27,558)	-	(29,888)	(29,888)
Increase in actuarial liabilities	(14,309)	489	-	-	(14,309)	(13,820)
Profit attributable to the Takaful Operator	(135,816)	6,636	(61,833)	-	(200,407)	(193,771)
Change in AFS reserve	(13,384)	-	1,084	-	(12,300)	(12,300)
Withholding tax	(41,036)	-	(1,773)	-	(42,809)	(42,809)
Effect of movement in exchange rates	(24,544)	463	226	-	(24,318)	(23,855)
<b>At 31 December 2012</b>	<b>4,254,771</b>	<b>(63,856)</b>	<b>220,795</b>	<b>-</b>	<b>4,434,586</b>	<b>4,370,730</b>

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**23 Takaful Contract Liabilities (continued)**

	Family Takaful Fund		General Takaful Fund		Group		
	Gross RM'000	Retakaful RM'000	Gross RM'000	Retakaful RM'000	Gross RM'000	Retakaful RM'000	Net RM'000
<b>At 1 January 2013</b>	4,254,771	(63,856)	220,795	-	4,434,586	(63,856)	4,370,730
Net earned contributions	599,717	(28,255)	154,472	-	754,190	(28,255)	725,935
Investment income	87,002	-	15,698	-	102,700	-	102,700
Realised gains and (losses)	63,410	-	8,254	-	71,664	-	71,664
Fair value gains and (losses)	6,798	-	-	-	6,798	-	6,798
Other operating income	626	-	589	-	1,215	-	1,215
Net benefits and claims	(371,988)	27,388	(76,276)	-	(441,498)	27,388	(414,110)
Fees deducted (net)	(147,371)	-	(65,995)	-	(213,366)	-	(213,366)
Other operating expenses	(4,458)	-	(931)	-	(5,389)	-	(5,389)
Profit paid to participants	(160)	-	(15,064)	-	(15,224)	-	(15,224)
Increase in actuarial liabilities	94,661	(61,288)	-	-	94,661	(61,288)	33,373
Profit attributable to the Takaful Operator	(57,787)	866	(21,214)	-	(80,779)	866	(79,913)
Change in AFS reserve	(21,616)	-	(1,396)	-	(23,012)	-	(23,012)
Withholding tax	(20,523)	-	(287)	-	(20,810)	-	(20,810)
Effect of movement in exchange rates	962	(17)	18	-	980	(17)	963
<b>At 30 June 2013</b>	<b>4,484,044</b>	<b>(125,162)</b>	<b>218,664</b>	<b>-</b>	<b>4,666,716</b>	<b>(125,162)</b>	<b>4,541,554</b>

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**24 Takaful Operator Income**

The takaful operator income consists of the following:

	3 months ended		6 months ended	
	30.6.2013	30.6.2012	30.6.2013	30.6.2012
	RM'000	RM'000	RM'000	RM'000
Surplus transfer from:				
Family Takaful Fund	31,800	24,527	67,335	80,637
General Takaful Fund	10,789	17,732	20,889	30,555
Wakalah fee income	99,050	82,231	222,140	129,431
<b>Total Takaful Operator income</b>	<b>141,639</b>	<b>124,490</b>	<b>310,364</b>	<b>240,623</b>

**25 Investment Income**

The investment income consists of the following:

	Takaful Operator		Family Takaful Fund		General Takaful Fund		Group	
	3 months ended	30.6.2012	3 months ended	30.6.2012	3 months ended	30.6.2012	3 months ended	30.6.2012
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Rental income	151	139	2,014	2,273	139	207	777	1,203
Dividend income	1,711	1,214	9,911	6,017	1,286	1,163	12,908	8,394
Profit income	4,295	3,667	32,057	35,458	7,534	6,897	43,886	46,022
Accretion / (Amortisation)	(300)	(116)	(1,715)	(1,108)	(565)	(476)	(2,580)	(1,700)
Investment expenses	(39)	(123)	(992)	(1,202)	38	(80)	731	(52)
	<b>5,818</b>	<b>4,781</b>	<b>41,275</b>	<b>41,438</b>	<b>8,432</b>	<b>7,711</b>	<b>55,722</b>	<b>53,867</b>

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**25 Investment Income (continued)**

The investment income consists of the following (continued):

	Takaful Operator		Family Takaful Fund		General Takaful Fund		Group	
	6 months ended	30.6.2012	6 months ended	30.6.2012	6 months ended	30.6.2012	6 months ended	30.6.2012
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Rental income	261	354	3,754	4,329	362	490	1,523	2,342
Dividend income	2,635	2,101	13,550	10,059	2,148	1,742	18,333	13,902
Profit income	8,020	7,123	74,292	74,822	14,389	13,552	96,701	95,497
Accretion / (Amortisation)	(492)	(232)	(3,074)	(2,093)	(1,101)	(956)	(4,667)	(3,281)
Investment expenses	(208)	(298)	(1,520)	(1,891)	(100)	(233)	(185)	(744)
	10,216	9,048	87,002	85,226	15,698	14,595	112,075	107,716

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**26 Other Operating Income**

The other operating income consists of the following:

	Takaful Operator		Family Takaful Fund		General Takaful Fund		Group	
	3 months ended		3 months ended		3 months ended		3 months ended	
	30.6.2013	30.6.2012	30.6.2013	30.6.2012	30.6.2013	30.6.2012	30.6.2013	30.6.2012
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Service charged and management fee	4,421	3,031	-	-	-	-	-	763
Gain on foreign exchange	-	118	-	-	-	35	-	153
Writeback of allowance for impaired debts	-	-	588	143	1,187	1,952	1,775	2,095
Writeback of allowance for impaired financing	-	136	-	-	-	-	-	136
Gain on disposal of assets	-	71	-	-	-	-	-	71
Other income	1,173	472	614	-	272	17	1,413	489
	<u>5,594</u>	<u>3,828</u>	<u>1,202</u>	<u>143</u>	<u>1,459</u>	<u>2,004</u>	<u>3,188</u>	<u>3,707</u>

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**26 Other Operating Income (continued)**

The other operating income consists of the following (continued):

	Takaful Operator		Family Takaful Fund		General Takaful Fund		Group	
	6 months ended	30.6.2012	6 months ended	30.6.2012	6 months ended	30.6.2012	6 months ended	30.6.2012
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Service charged and management fee	6,112	4,479	-	-	-	-	54	1,044
Gain on foreign exchange	-	240	-	-	-	15	-	255
Writeback of allowance for impaired debts	-	-	-	1,289	141	2,343	141	3,632
Writeback of allowance for impaired financing	-	144	-	-	-	17	-	161
Gain on disposal of assets	148	79	-	-	-	-	148	79
Other income	1,400	808	626	161	448	28	2,474	997
	<u>7,660</u>	<u>5,750</u>	<u>626</u>	<u>1,450</u>	<u>589</u>	<u>2,403</u>	<u>2,817</u>	<u>6,168</u>

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**27 Other Operating Expenses**

The other operating expenses consist of the following:

	Takaful Operator		Family Takaful Fund		General Takaful Fund		Group	
	3 months ended		3 months ended		3 months ended		3 months ended	
	30.6.2013	30.6.2012	30.6.2013	30.6.2012	30.6.2013	30.6.2012	30.6.2013	30.6.2012
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Service charged and management fee	-	-	-	-	-	-	(396)	-
Depreciation	(2,538)	(2,678)	-	-	-	-	(3,589)	(2,678)
Impairment losses	-	(219)	-	(1,915)	(1)	(382)	(1)	(2,516)
Loss from foreign exchange	-	-	(2)	(11)	(59)	-	(61)	(11)
Commission expense / Administration fee	(31,379)	(28,419)	(34)	(5,758)	(9)	(634)	(31,999)	(34,777)
Agency related expenses	(1,494)	(718)	-	-	-	-	(1,494)	(718)
Allowance for impaired debts	-	-	-	(518)	-	-	-	(518)
Other expenses	(11,063)	(3,764)	(2,538)	(2,131)	(241)	(499)	(2,781)	(6,394)
	<u>(46,474)</u>	<u>(35,798)</u>	<u>(2,574)</u>	<u>(10,333)</u>	<u>(310)</u>	<u>(1,515)</u>	<u>(39,721)</u>	<u>(47,612)</u>



**SYARIKAT TAKAFUL MALAYSIA BERHAD**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**QUARTER ENDED 30 JUNE 2013**

**27 Other Operating Expenses (continued)**

The other operating expenses consist of the following (continued):

	Takaful Operator		Family Takaful Fund		General Takaful Fund		Group	
	6 months ended	30.6.2012	6 months ended	30.6.2012	6 months ended	30.6.2012	6 months ended	30.6.2012
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Depreciation	(5,259)	(5,368)	-	-	-	-	(7,304)	(5,368)
Impairment losses	(184)	(797)	(757)	(3,561)	(347)	(1,304)	(1,288)	(5,662)
Loss from foreign exchange	-	-	(2)	(11)	(55)	(71)	(57)	(82)
Commission	(71,917)	(48,085)	(76)	(8,496)	(19)	(7,293)	(71,959)	(63,840)
Agency related expenses	(2,470)	(967)	-	-	-	-	(2,470)	(967)
Allowance for impaired debts	-	-	(101)	-	-	-	(101)	-
Other expenses	(11,249)	(3,826)	(3,522)	(3,184)	(510)	(1,445)	(4,045)	(8,455)
	<u>(91,079)</u>	<u>(59,043)</u>	<u>(4,458)</u>	<u>(15,252)</u>	<u>(931)</u>	<u>(10,113)</u>	<u>(87,224)</u>	<u>(84,374)</u>

# SYARIKAT TAKAFUL MALAYSIA BERHAD

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS QUARTER ENDED 30 JUNE 2013

28 Disclosure 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 June 2013, into realised and unrealised profits, pursuant to Paragraphs 2.06 and 2.23 of the Bursa Malaysia Main Market Listing Requirements, are as follows:

	<b>As at 30.6.2013 RM'000</b>	<b>As at 31.12.2012 RM'000</b>
<b>Total retained profits of the Group</b>		
Realised	315,141	261,790
Unrealised	47,275	39,289
	<hr/> 362,416	<hr/> 301,079
<b>Total share of retained profits of associates:</b>		
Realised	-	-
Unrealised	-	-
	<hr/> 362,416	<hr/> 301,079
Add: Consolidation adjustments	31,822	27,221
	<hr/> 394,238	<hr/> 328,300
<b>Total retained profits as per statements of financial position</b>	<hr/> <b>394,238</b>	<hr/> <b>328,300</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 August 2013