



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

Note	←----- As at 30 June 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
ASSETS						
Property and equipment	-	-	235,664	-	-	236,202
Right-of-use assets	-	-	55,206	-	-	56,303
Investment properties	279,313	10,980	46,682	273,491	10,980	40,410
Intangible assets	-	-	23,276	-	-	25,375
Deferred tax assets	-	-	273,108	-	-	272,668
Investments	28 7,602,059	804,379	9,884,303	7,140,293	747,405	9,259,624
Takaful contract assets	23 540,851	18,181	565,509	346,138	13,335	383,856
Retakaful contract assets	23 339,689	1,116,145	1,467,950	392,815	971,856	1,375,501
Current tax assets	-	-	12,593	-	-	21,511
Loans and receivables	1,095,004	592,065	2,520,241	960,994	487,700	2,153,011
Cash and cash equivalents	397,830	46,795	608,703	547,142	64,236	851,429
TOTAL ASSETS	10,254,746	2,588,545	15,693,235	9,660,873	2,295,512	14,675,890
EQUITY AND LIABILITIES						
Share Capital	-	-	241,376	-	-	241,376
Reserves	-	-	1,633,698	-	-	1,437,645
Owners Of The Company	-	-	1,875,074	-	-	1,679,021
Non-controlling interests	-	-	35,187	-	-	35,175
TOTAL EQUITY	-	-	1,910,261	-	-	1,714,196
LIABILITIES						
Takaful contract liabilities	23 9,988,230	2,484,055	13,271,565	9,431,105	2,126,280	12,318,524
Retakaful contract liabilities	23 170,411	81,131	252,336	138,413	127,560	267,667
Lease liabilities	-	-	731	-	-	907
Other payables	96,105	20,704	246,911	80,885	38,619	361,073
Current tax liabilities	-	2,655	11,431	10,470	3,053	13,523
TOTAL LIABILITIES	10,254,746	2,588,545	13,782,974	9,660,873	2,295,512	12,961,694
TOTAL EQUITY AND LIABILITIES	10,254,746	2,588,545	15,693,235	9,660,873	2,295,512	14,675,890
Net assets per share (RM)			2.24			2.01

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 JUNE 2024

← --- Current Year-to-date 30.06.2024 --- → ← --- Corresponding Year-to-date 30.06.2023 --- →

	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	929,191	716,712	1,688,500	601,361	599,678	1,374,857*
Takaful service expenses	25	(1,119,237)	(716,112)	(1,606,643)	(710,312)	(539,712)	(1,182,399)*
Takaful service result before retakaful contracts held		(190,046)	600	81,857	(108,951)	59,966	192,458
Allocation of retakaful contribution		(111,278)	(248,665)	(368,566)	(89,279)	(214,278)	(309,855)
Amounts recoverable from retakaful operators for incurred claims		125,002	231,741	356,743	76,430	138,397	213,497
Net income/ (expense) from retakaful contracts held		13,724	(16,924)	(11,823)	(12,849)	(75,881)	(96,358)
Takaful service result		(176,322)	(16,324)	70,034	(121,800)	(15,915)	96,100
Investment income on financial assets not measured at fair value through profit or loss	26	175,169	28,523	249,623	163,049	24,507	231,338
Investment income - others	26	15,254	260	18,369	13,620	77	16,447
Net realised gains	27	6,441	385	9,526	9,467	1,058	14,752
Net fair value gains and losses on financial assets		66,240	-	67,574	(9,964)	-	(10,368)
Net impairment loss on financial instruments		640	(159)	387	(251)	(21)	(293)
Net investment income		263,744	29,009	345,479	175,921	25,621	251,876
Takaful finance expenses from takaful contracts issued		(86,126)	(29,713)	(141,664)	(55,149)	(24,589)	(101,603)
Retakaful finance income from retakaful contracts held		(47)	16,924	16,920	1,605	15,210	16,869
Net takaful financial results		(86,173)	(12,789)	(124,744)	(53,544)	(9,379)	(84,734)
Other operating income		415	-	1,217	-	-	954
Other operating expenses		(1,664)	104	(5,083)	(577)	(327)	(2,774)
Profit before zakat and taxation		-	-	286,903	-	-	261,422
Tax expense attributable to Takaful Operator	18	-	-	(84,036)	-	-	(70,271)
Zakat		-	-	(6,909)	-	-	(5,416)
Profit for the period		-	-	195,958	-	-	185,735

* 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 JUNE 2024

←--- Current Year-to-date 30.06.2024 ---→ ←--- Corresponding Year-to-date 30.06.2023 ---→

Note	Family Takaful	General Takaful	Group	Family Takaful	General Takaful	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Profit for the period	-	-	195,958	-	-	185,735
Other comprehensive income, net of tax						
<i>Items that will not be reclassified subsequently to profit or loss</i>						
Remeasurement of defined benefit liability	-	-	-	-	-	(6)
Revaluation of property, plant and equipment	-	-	2,694	-	-	2,670
Other comprehensive income attributable to participants	-	-	(2,254)	-	-	(2,196)
	-	-	440	-	-	468
<i>Items that may be reclassified subsequently to profit or loss</i>						
Foreign currency translation differences for foreign operations	-	-	(2,163)	-	-	7,773
Debits investment at fair value through other comprehensive income ("FVOCI")						
- net change in fair value	44,365	1,347	52,022	200,187	11,457	242,531
- reclassified to profit or loss	(6,441)	(385)	(8,878)	(9,467)	(1,058)	(13,737)
Takaful finance income/ (expenses) from takaful contracts issued	1,101	2,021	694	2,256	(2,064)	4,070
Takaful finance (expenses)/ income from retakaful contracts held	-	(1,158)	(1,158)	-	1,299	-
Other comprehensive income attributable to participants	(39,025)	(1,825)	(40,850)	(192,976)	(9,634)	(201,119)
	-	-	(333)	-	-	39,518
Total other comprehensive income for the period, net of tax	-	-	107	-	-	39,986
Total comprehensive income for the period	-	-	196,065	-	-	225,721
Profit/ (Loss) for the period attributable to:						
Owners of the Company	-	-	195,401	-	-	185,495
Non-controlling interests	-	-	557	-	-	240
	-	-	195,958	-	-	185,735
Total comprehensive income attributable to:						
Owners of the Company	-	-	196,053	-	-	223,014
Non-controlling interests	-	-	12	-	-	2,707
	-	-	196,065	-	-	225,721
Basic earnings per ordinary share (sen)	22		23.34			22.15
Diluted earnings per ordinary share (sen)	22		23.34			22.15

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 JUNE 2024

←--- Current Quarter ended 30.06.2024 ---→ ← Corresponding Quarter ended 30.06.2023 →

		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	479,590	366,300	862,473	314,874	308,311	717,242*
Takaful service expenses	25	(587,874)	(365,949)	(842,257)	(366,716)	(217,228)	(556,094)*
Takaful service result before retakaful contracts held		(108,284)	351	20,216	(51,842)	91,083	161,148
Allocation of retakaful contribution		(61,366)	(126,882)	(192,500)	(46,046)	(104,750)	(153,884)
Amounts recoverable from retakaful operators for incurred claims		71,062	118,200	189,262	34,521	5,998	39,970
Net expense from retakaful contracts held		9,696	(8,682)	(3,238)	(11,525)	(98,752)	(113,914)
Takaful service result		(98,588)	(8,331)	16,978	(63,367)	(7,669)	47,234
Investment income on financial assets not measured at fair value through profit or loss	26	88,280	14,459	126,119	84,006	12,424	119,417
Investment income/ (losses) - others	26	7,782	198	9,480	5,287	(1)	6,310
Net realised gains	27	4,039	385	5,333	3,811	(1)	5,361
Net fair value gains and losses on financial assets		44,213	-	45,159	(1,244)	-	(1,362)
Net impairment loss on financial instruments		944	(151)	709	151	30	207
Net investment income		145,258	14,891	186,800	92,011	12,452	129,933
Takaful finance expenses from takaful contracts issued		(45,375)	(15,278)	(73,110)	(28,150)	(12,335)	(51,708)
Retakaful finance income from retakaful contracts held		(571)	8,682	8,133	(17)	7,659	7,674
Net takaful financial results		(45,946)	(6,596)	(64,977)	(28,167)	(4,676)	(44,034)
Other operating income		415	(18)	941	(164)	-	609
Other operating expenses		(1,139)	54	(3,111)	(313)	(107)	(1,943)
Profit before zakat and taxation		-	-	136,631	-	-	131,799
Tax expense attributable to Takaful Operator	18	-	-	(39,247)	-	-	(36,493)
Zakat		-	-	(3,706)	-	-	(3,426)
Profit for the period		-	-	93,678	-	-	91,880

* 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 JUNE 2024

←--- Current Quarter ended 30.06.2024 ---→ ←--- Corresponding Quarter ended 30.06.2023 ---→

Note	Family Fund	General Fund	Group	Family Fund	General Fund	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Profit for the period	-	-	93,678	-	-	91,880
Other comprehensive income, net of tax						
<i>Items that will not be reclassified subsequently to profit or loss</i>						
Remeasurement of defined benefit liability	-	-	-	-	-	-
Revaluation of property, plant and equipment	-	-	1,322	-	-	1,727
Other comprehensive income attributable to participants	-	-	(1,121)	-	-	(1,332)
	-	-	201	-	-	395
<i>Items that may be reclassified subsequently to profit or loss</i>						
Foreign currency translation differences for foreign operations	-	-	(2,160)	-	-	5,002
Debts investment at fair value through other comprehensive income ("FVOCI")						
- net change in fair value	(9,702)	(666)	(10,504)	74,291	2,893	86,114
- reclassified to profit or loss	(4,039)	(385)	(5,116)	(3,811)	1	(5,077)
Takaful finance income from takaful contracts issued	(974)	953	(4,510)	1,813	(1,182)	2,480
Takaful finance (expenses)/ income from retakaful contracts held	-	(544)	(544)	-	758	(541)
Other comprehensive income attributable to participants	14,715	642	15,357	(72,293)	(2,470)	(73,272)
	-	-	(7,477)	-	-	14,706
Total other comprehensive income/(loss) for the period, net of tax	-	-	(7,276)	-	-	15,101
Total comprehensive income for the period	-	-	86,402	-	-	106,981
Profit/ (Loss) for the period attributable to:						
Owners of the Company	-	-	93,102	-	-	92,051
Non-controlling interests	-	-	576	-	-	(171)
	-	-	93,678	-	-	91,880
Total comprehensive income attributable to:						
Owners of the Company	-	-	86,429	-	-	102,170
Non-controlling interests	-	-	(27)	-	-	4,811
	-	-	86,402	-	-	106,981
Basic earnings per ordinary share (sen)	22		11.12			10.99
Diluted earnings per ordinary share (sen)	22		11.12			10.99

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 JUNE 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
AS AT 1 JANUARY 2023	241,376	(8,197)	19,950	(21,564)	3,083	(4,825)	1,180,116	33,520	1,443,459
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
Total comprehensive income for the year	-	2,857	607	32,892	-	5,093	346,911	1,655	390,015
<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)
AS AT 31 DECEMBER 2023	241,376	(5,340)	20,557	11,328	-	268	1,410,832	35,175	1,714,196

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 JUNE 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
AS AT 1 JANUARY 2024	241,376	(5,340)	20,557	11,328	-	268	1,410,832	35,175	1,714,196
Foreign currency translation differences for foreign operations	-	(1,510)	-	-	-	-	-	(653)	(2,163)
Revaluation of property and equipment	-	-	332	-	-	-	-	108	440
Fair value of debt investments measured at FVOCI	-	-	-	4,258	-	-	-	-	4,258
Net profit expenses from takaful contracts issued	-	-	-	-	-	(2,428)	-	-	(2,428)
Total other comprehensive income for the period	-	(1,510)	332	4,258	-	(2,428)	-	(545)	107
Profit for the period	-	-	-	-	-	-	195,401	557	195,958
Total comprehensive income for the period	-	(1,510)	332	4,258	-	(2,428)	195,401	12	196,065
AS AT 30 JUNE 2024	241,376	(6,850)	20,889	15,586	-	(2,160)	1,606,233	35,187	1,910,261

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 JUNE 2024

	Current Period Ended 30.06.2024 RM'000	Corresponding Year Ended 31.12.2023 RM'000
Cash flows from operating activities		
Profit before zakat and taxation	286,903	507,641
Adjustments for:		
MFRS 17 non cash items included in takaful service expenses	1,477	13,471
Fair value (losses)/gains of FVTPL financial assets	(64,885)	3,288
Profit from Malaysian Government Islamic papers	(17,274)	(30,010)
Profit from Islamic Debt Securities, cash and cash equivalents and other investment accounts	(246,437)	(479,894)
Dividend income from equity securities and unit trusts	(5,500)	(10,585)
Equity settled share-based payment	-	(2,055)
Gains from disposal of debt investments measured at FVOCI	(9,526)	(24,154)
Amortisation of premiums, net of accretion of discounts	5,032	12,169
Impairment losses on financial instruments	(387)	6,006
Operating profit before changes in working capital	(50,597)	(4,123)
Profit received from Malaysian Government Islamic papers	17,274	30,010
Profit received from Islamic Debt Securities and investment accounts	142,318	466,922
Dividend income from equity securities and unit trusts	5,500	10,585
Purchase of investment	(801,317)	(1,030,406)
Proceeds from disposal of investments	317,380	525,986
Maturity of investments	20,809	200,928
Increase in receivables	(314,176)	(1,545,085)
Decrease in payables	(124,780)	(109,654)
Decrease in Retakaful contract balances	(109,729)	(253,675)
Increase in Takaful contract balances	863,670	799,463
	(33,648)	(909,049)
Zakat paid	(3,201)	(8,804)
Income taxes paid	(80,000)	(166,100)
Net cash used in from operating activities	(116,849)	(1,083,953)
Cash flows from investing activities		
Acquisition of intangible assets	(1,767)	(10,956)
Purchase of property and equipment	(2,883)	(14,939)
Proceeds from sale of property and equipment	6	123
Net cash used in investing activities	(4,644)	(25,772)
Cash flows from financing activities		
Dividends paid to owners of the Company	(117,223)	(113,036)
Payment of lease liabilities	(332)	(809)
Net cash used in financing activities	(117,555)	(113,845)
Net decrease in cash and cash equivalents	(239,048)	(1,223,570)
Effect of exchange rate fluctuations on cash held	(3,678)	7,698
Cash and cash equivalents at the beginning of period/ year	851,429	2,067,301
Cash and cash equivalents at the end of period/ year	608,703	851,429

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 June 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 June 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
6 months ended 30 June 2024			
Takaful revenue	929,191	716,712	1,688,500
Profit before zakat and tax	-	-	286,903
6 months ended 30 June 2023			
Takaful revenue	601,361	599,678	1,374,857*
Profit before zakat and tax	-	-	261,422

* 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			6 months ended		
	30.06.2024	30.06.2023	Changes	30.06.2024	30.06.2023	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Takaful revenue	862,473	717,242*	20%	1,688,500	1,374,857*	23%
Takaful service results	16,978	47,234	-64%	70,034	96,100	-27%
Profit before zakat and tax	136,631	131,799	4%	286,903	261,422	10%

* 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 RM1.69 billion for the first half of 2024, which was higher by RM313.6 million (23%) compared to RM1.37 billion in the same period last year. The increase was mainly attributable to:

- i) Higher contribution release of RM143.2 million;
- ii) Higher amount charged for Takaful coverage and wakalah fees for both Family Takaful and General Takaful, by RM158.5 million; and
- iii) Higher release of contractual service margin ("CSM") of RM6.6 million.

Group Takaful service results

Excluding profit attributable to participants' movements (RM141.2 million), Takaful Service Results have increased by RM113.1 million. This is due to a higher amount charged for Takaful coverage of RM114.6 million, higher PAA profit of RM11.8 million and higher CSM released by RM6.6 million.

Group Profit before zakat and tax

For the first half of 2024, the Group recorded profit before zakat and tax of RM286.9 million, increased by 10% or RM25.5 million as compared to the same period last year of RM261.4. The increase in profit before zakat and tax is mainly attributable to the increase in CSM release and higher profit from General Takaful.

Family Takaful

i) Takaful revenue

Family Takaful generated takaful revenue of RM929.2 million for the first half of 2024, increased by 55% as compared to RM601.4 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 RM88.2 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 first half of 2024 was RM263.7 million, increased by RM87.8 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 RM86.2 million for first half of 2024, increase of RM32.6 million as compared to the same period last year of RM53.6 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 RM716.7 million for the first half of 2024, 20% higher as compared to the same period last year of RM599.7 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 remains consistent compared to the same period last year.

iii) Net investment income

The net investment income for the first half of 2024 was RM29.0 million, RM3.4 million higher compared to the same period last year of RM25.6 million, mainly due to higher profit income from fixed income investments.

iv) Net Takaful Financial Results

General Takaful recorded net takaful financial results of RM12.8 million for the first half of 2024, RM3.4 million higher than RM9.4 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.

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****Group Takaful revenue**

The Group recorded takaful revenue of RM862.5 million for the second quarter of 2024, which was higher by RM145.3 million (20%) compared to RM717.2 million in the same period last year. The increase was mainly attributable to higher contribution release of RM75.9 million and higher amount charged for Takaful coverage for both Family Takaful and General Takaful, by RM60.1 million.

Group Takaful service results

Excluding profit attributable to participants movements (RM56.9 million), the Takaful Service Results have increased by RM24.6 million in tandem with growth in takaful revenue.

Group Profit before zakat and tax

For the second quarter of 2024, the Group recorded a profit before tax and zakat of RM136.6 million, 4% increase compared to the same period last year of RM131.8 million.

Family Takaful**i) Takaful revenue**

Family Takaful generated takaful revenue of RM479.6 million for the second quarter of 2024, increased by 52% as compared to RM314.9 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 RM38.0 million mainly contributed by higher contribution release.

iii) Net investment income

The investment income for the second quarter of 2024 was RM145.3 million, increased by RM53.2 million, mainly due to higher net fair value gains on financial assets.

iv) Net Takaful Financial Results

The Group recorded net takaful financial results of RM46.0 million for the second quarter of 2024, higher by RM17.8 million as compared to the same period last year of RM28.2 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 RM366.3 million for the second quarter of 2024, 19% higher as compared to the same period last year of RM308.3 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 second quarter of 2024 increased by 9% or RM0.7 million compared to the same period last year.

iii) Net investment income

The net investment income for the second quarter of 2024 was RM14.9 million, higher by RM2.5 million as compared to the same period last year of RM12.4 million, mainly due to higher profit income from fixed income investments.

iv) Net Takaful Financial Results

General Takaful recorded net takaful financial results of RM6.6 million for the second quarter of 2024, RM1.9 million higher as compared to the same period last year of RM4.7 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 June 2024, total assets of RM15.69 billion, increased by 7% as compared to RM14.67 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 RM2.52 billion whilst cash and cash equivalents decreased from RM851.4 million to RM608.7 million as at 30 June 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 7% from RM9.26 billion as at 31 December 2023 to RM9.88 billion as at 30 June 2024, mainly attributable to net purchases of investments increased by RM472.7 million and fair value gain in Equity and Islamic debt increased by RM52.2 million and RM46.1 million respectively.

Total liabilities increased to RM13.78 billion as at 30 June 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 11% to RM1.91 billion as at 30 June 2024. This is mainly attributed to the net profit generated during the financial period of RM196.0 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 first half of 2024, the Group's cash flow position decreased to RM608.7 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	Immediate	Changes
	30.06.2024	Preceding Quarter	
	RM'000	31.03.2024	%
	RM'000	RM'000	
Takaful revenue	862,473	826,027*	4%
Takaful service results	16,978	53,056	-68%
Profit before zakat and tax	136,631	150,272	-9%

* There were reclassifications performed on prior quarter 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.

Group Takaful revenue

For the current quarter under review, the Group recorded takaful revenue of RM862.5 million, increased by RM36.4 million or 4% as compared to RM826.0 million in the immediate preceding quarter, mainly attributable to higher takaful revenue earned for takaful services provided.

Group Takaful service results

Excluding surplus attributable to participants movement, the Takaful Service Results decreased by RM30.2 million mainly contributed by effect of operating experience changes from General Takaful business.

Group Profit before zakat and tax

For the current quarter under review, the Group recorded profit before tax and zakat of RM136.6 million, decreased by 9% as compared to the immediate preceding quarter of RM150.3 million. This was mainly attributable to lower takaful service results as a results of effect of operating experience changes from General Takaful business.

Family Takaful

i) Takaful revenue

For the current quarter under review, Family Takaful generated takaful revenue of RM479.6 million, increased by 7% as compared to RM449.6 million in the immediate preceding quarter, mainly attributable to higher takaful revenue earned for takaful services provided.

ii) Takaful service results

Takaful Service Results decreased by RM20.9 million. The decrease was mainly attributable to higher actual expense experience.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

Family Takaful (continued)

iii) Net Takaful Financial Results

For the current quarter under review, Family Takaful recorded a negative net takaful financial results of RM45.9 million, increased by RM5.7 million as compared to the immediate preceding quarter of RM40.2 million. The increased of net negative takaful financial results were mainly attributable to higher unwinding effect from takaful contract liabilities.

General Takaful

i) Takaful revenue

For the current quarter under review, General takaful recorded Takaful revenue of RM366.3 million, higher by 5% as compared to the immediate preceding quarter of RM350.4 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 increased by 4% or RM0.3 million compared to the same period last year.

iii) Net Takaful Financial Results

General Takaful recorded net takaful financial results of RM6.5 million for the second quarter ended 30 June 2024, RM0.4 million higher as compared to immediate preceding quarter of RM6.2 million. The higher net negative takaful financial results were mainly attributable to higher unwinding effect from higher takaful contract liabilities.

16 Current Year Prospects

BNM has maintained its forecast for GDP growth in 2024 to be in the range of 4% to 5%, with 2024 quarter one growth coming in at around 4.2 percent. We continue to see domestic inflationary pressure due to various factors and there are also uncertainties of profit rate cut in the United States of America, and these are compounded by weakened consumer sentiments and continuing conflicts in the Middle East and Ukraine, which have significant impact on both commodity and energy prices. Nevertheless, with consumer protection gap observed, we believe that significant opportunities in the Takaful market, supported by the Group's strong fundamentals, would allow the Group to capture these opportunities in spite of significant 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, we believe that our pioneer status brings value to our brand and affirm our customer's trust in our products and services.

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, we have recently launched a hibah Takaful plan with life cover of up to RM2 million. We expect to build on this positive momentum by further launches of new products in Kaotim in the near future.

Syarikat Takaful Malaysia Keluarga Berhad

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

16 Current Year Prospects (continued)

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 6 months ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
- Current financial period	36,709	29,337	85,089	77,480
Deferred tax expense				
- Current financial period	2,538	7,156	(1,053)	(7,209)
Total tax expense	<u>39,247</u>	<u>36,493</u>	<u>84,036</u>	<u>70,271</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 27th July 2024 was postponed to a later date. The next court mention is fixed on 26th September 2024.

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 June 2024.

Syarikat Takaful Malaysia Keluarga Berhad

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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 6 months ended	
		30.06.2024	30.06.2023	30.06.2024	30.06.2023
		RM'000	RM'000	RM'000	RM'000
Owners of the Company	(RM'000)	93,102	92,051	195,401	185,495
Weighted average number of ordinary shares in issue	('000)	837,306	837,306	837,306	837,306
Basic EPS	(sen)	11.12	10.99	23.34	22.15

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 6 months ended	
		30.06.2024	30.06.2023	30.06.2024	30.06.2023
		RM'000	RM'000	RM'000	RM'000
Owners of the Company	(RM'000)	93,102	92,051	195,401	185,495
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
Diluted EPS	(sen)	11.12	10.99	23.34	22.15

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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		
30 June 2024						
Family Takaful						
Takaful contracts	20,766	520,085	(378,520)	(9,609,710)	540,851	(9,988,230)
Retakaful contracts	47,724	291,965	(170,406)	(5)	339,689	(170,411)
	<u>68,490</u>	<u>812,050</u>	<u>(548,926)</u>	<u>(9,609,715)</u>	<u>880,540</u>	<u>(10,158,641)</u>
General Takaful						
Takaful contracts	4,267	13,914	(480,477)	(2,003,578)	18,181	(2,484,055)
Retakaful contracts	201,394	914,751	(2,429)	(78,702)	1,116,145	(81,131)
	<u>205,661</u>	<u>928,665</u>	<u>(482,906)</u>	<u>(2,082,280)</u>	<u>1,134,326</u>	<u>(2,565,186)</u>
Group						
Takaful contracts	31,510	533,999	(1,683,621)	(11,587,944)	565,509	(13,271,565)
Retakaful contracts	261,234	1,206,716	(173,629)	(78,707)	1,467,950	(252,336)
	<u>292,744</u>	<u>1,740,715</u>	<u>(1,857,250)</u>	<u>(11,666,651)</u>	<u>2,033,459</u>	<u>(13,523,901)</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		
31 December 2023						
Family Takaful						
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>
General Takaful						
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>
Group						
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)
Net takaful contract liabilities as at 1 January	9,084,967	8,225,103	2,112,945	1,764,460	11,934,668	10,962,124
Takaful revenue	(929,191)	(1,550,704)	(716,712)	(1,279,287)	(1,688,500)	(2,942,129)
Takaful service expenses	1,119,237	1,899,189	716,112	1,281,626	1,606,643	2,839,241
Takaful service result	190,046	348,485	(600)	2,339	(81,857)	(102,888)
Takaful finance expenses from takaful contracts issued	85,025	131,322	27,692	48,964	140,970	221,336
Effect of movements in exchange rates	(11,143)	21,666	-	-	(11,537)	22,553
Total changes in the statement of profit or loss and OCI	263,928	501,473	27,092	51,303	47,576	141,001
Cash flows						
Contributions received	808,495	1,458,351	855,707	1,351,914	1,656,349	2,778,995
Claims and other expenses paid including investment components	(250,975)	(461,855)	(284,165)	(577,212)	(593,071)	(1,152,281)
Takaful acquisition cash flows	-	-	-	-	(379,767)	(1,098,624)
Deem settlement transfer	(491,150)	(883,084)	(250,564)	(488,033)	(5,103)	36,292
Total cash flows	66,370	113,412	320,978	286,669	678,408	564,382
Investment revaluation reserve	37,924	243,174	962	15,268	43,144	291,334
Other movements	(5,810)	1,805	3,897	(4,755)	2,260	(24,173)
Net takaful contract liabilities as at 30 June/ 31 December	9,447,379	9,084,967	2,465,874	2,112,945	12,706,056	11,934,668
Takaful contract liabilities as at 30 June/ 31 December	9,988,230	9,431,105	2,484,055	2,126,280	13,271,565	12,318,524
Takaful contract assets as at 30 June/ 31 December	(540,851)	(346,138)	(18,181)	(13,335)	(565,509)	(383,856)
Net takaful contract liabilities as at 30 June/ 31 December	9,447,379	9,084,967	2,465,874	2,112,945	12,706,056	11,934,668

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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)
Net retakaful contract assets as at 1 January	254,402	190,181	844,296	659,946	1,107,834	851,304
Allocation of retakaful contributions	(111,278)	(154,746)	(248,665)	(472,001)	(368,566)	(633,795)
Amounts recoverable from retakaful operators	125,002	263,800	231,741	441,802	356,743	705,602
Net income or expense from retakaful contracts held	13,724	109,054	(16,924)	(30,199)	(11,823)	71,807
Effect of changes in non-performance risk of retakaful operators	(47)	816	(434)	193	(480)	1,009
Retakaful finance income from retakaful contracts held	(47)	-	16,200	30,199	16,196	33,185
Effect of movements in exchange rates	(1,802)	2,954	-	-	(1,776)	2,909
Total changes in the statement of profit or loss and OCI	11,828	112,824	(1,158)	193	2,117	108,910
Cash flows						
Retakaful contributions paid	42,376	95,929	313,591	469,924	365,280	578,474
Amounts received	(123,164)	(152,183)	(122,872)	(285,573)	(246,035)	(437,167)
Total cash flows	(80,788)	(56,254)	190,719	184,351	119,245	141,307
Other movements	(16,164)	7,651	1,157	(194)	(13,582)	6,313
Net retakaful contract assets as at 30 June/ 31 December	169,278	254,402	1,035,014	844,296	1,215,614	1,107,834
Retakaful contract assets as at 30 June/ 31 December	339,689	392,815	1,116,145	971,856	1,467,950	1,375,501
Retakaful contract liabilities as at 30 June/ 31 December	(170,411)	(138,413)	(81,131)	(127,560)	(252,336)	(267,667)
Net retakaful contract assets as at 30 June/ 31 December	169,278	254,402	1,035,014	844,296	1,215,614	1,107,834

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	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Amounts relating to the changes in the liability for remaining coverage						
Expected claims and takaful service expenses incurred in the period	229,732	171,371	8,441	6,213	231,973	175,067
Change in the risk adjustment for non-financial risk	-	-	-	-	16,771	10,821
Amount of Contractual Service Margin ("CSM") recognised in the profit or loss	-	-	-	-	59,541	59,666
Other amounts including experience adjustments for income related items	5,313	(203)	(48)	(48)	5,567	961
Others	1	103	29	(24)	34	85
Amounts relating to recovery of takaful acquisition cash flows	135,243	55,807	2,665	2,585	85,472	82,781*
Takaful revenue - contracts not measured under PAA	370,289	227,078	11,087	8,726	399,358	329,381
Takaful revenue - contracts measured under PAA	109,301	87,796	355,213	299,585	463,115	387,861
Total takaful revenue	479,590	314,874	366,300	308,311	862,473	717,242*

* 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

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

	Family Takaful		General Takaful		Group	
	6 months ended		6 months ended		6 months ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Amounts relating to the changes in the liability for remaining coverage						
Expected claims and takaful service expenses incurred in the period	469,561	352,569	16,193	14,035	472,747	358,162
Change in the risk adjustment for non-financial risk	-	-	-	-	28,245	22,003
Amount of Contractual Service Margin ("CSM") recognised in the profit or loss	-	-	-	-	123,495	116,883
Other amounts including experience adjustments for income related items	(2,291)	(555)	(193)	(80)	(1,562)	1,928
Others	-	(2)	56	134	65	144
Amounts relating to recovery of takaful acquisition cash flows	263,017	83,031	5,356	5,210	172,140	128,199*
Takaful revenue - contracts not measured under PAA	730,287	435,043	21,412	19,299	795,130	627,319
Takaful revenue - contracts measured under PAA	198,904	166,318	695,300	580,379	893,370	747,538
Total takaful revenue	929,191	601,361	716,712	599,678	1,688,500	1,374,857*

* 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	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Incurring claims and other takaful service expenses	425,942	301,951	181,770	133,004	622,739	455,202
Amortisation of acquisition cash flows - wakalah fees	162,190	81,211	123,776	112,759	141,986	151,660*
Losses on onerous contracts and reversal of losses on onerous contracts	-	-	-	-	17,387	(5,787)
Changes to liabilities for incurred claims	(258)	(16,446)	60,403	(28,535)	60,145	(44,981)
Total takaful service expenses	587,874	366,716	365,949	217,228	842,257	556,094*
Represented by:						
Contracts not measured under PAA	466,886	283,562	13,170	9,835	420,775	312,101
Contracts measured under PAA	120,988	83,154	352,779	207,393	421,482	243,993
	587,874	366,716	365,949	217,228	842,257	556,094*

* 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	
	6 months ended		6 months ended		6 months ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Incurring claims and other takaful service expenses	799,855	600,947	409,452	280,643	1,234,705	918,947
Amortisation of acquisition cash flows - wakalah fees	316,037	133,696	245,583	217,385	288,357	241,903*
Losses on onerous contracts and reversal of losses on onerous contracts	-	-	-	-	19,159	4,196
Changes to liabilities for incurred claims	3,345	(24,331)	61,077	41,684	64,422	17,353
Total takaful service expenses	1,119,237	710,312	716,112	539,712	1,606,643	1,182,399*
Represented by:						
Contracts not measured under PAA	897,309	544,353	24,319	21,539	806,983	590,024
Contracts measured under PAA	221,928	165,959	691,793	518,173	799,660	592,375
	1,119,237	710,312	716,112	539,712	1,606,643	1,182,399*

* 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	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	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	90,191	85,757	14,651	12,586	128,648	121,771
Amortisation	(1,911)	(1,751)	(192)	(162)	(2,529)	(2,354)
	<u>88,280</u>	<u>84,006</u>	<u>14,459</u>	<u>12,424</u>	<u>126,119</u>	<u>119,417</u>
<u>Investment income - others</u>						
Rental income	1,929	1,366	70	19	2,207	1,555
Dividend income	2,582	1,591	-	-	2,679	1,636
Profit income	3,613	2,651	145	-	4,953	3,460
Amortisation	(3)	(3)	-	-	(3)	(3)
Investment expenses	(339)	(318)	(17)	(20)	(356)	(338)
	<u>7,782</u>	<u>5,287</u>	<u>198</u>	<u>(1)</u>	<u>9,480</u>	<u>6,310</u>
	<u>96,062</u>	<u>89,293</u>	<u>14,657</u>	<u>12,423</u>	<u>135,599</u>	<u>125,727</u>

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	
	6 months ended		6 months ended		6 months ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	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	178,988	166,624	28,903	24,825	254,653	236,109
Amortisation	(3,819)	(3,575)	(380)	(318)	(5,030)	(4,771)
	<u>175,169</u>	<u>163,049</u>	<u>28,523</u>	<u>24,507</u>	<u>249,623</u>	<u>231,338</u>
<u>Investment income - others</u>						
Rental income	2,896	3,078	132	99	3,401	3,558
Dividend income	6,141	3,630	-	-	6,358	3,734
Profit income	6,648	7,264	145	-	9,058	9,529
Investment expenses	(431)	(352)	(17)	(22)	(448)	(374)
	<u>15,254</u>	<u>13,620</u>	<u>260</u>	<u>77</u>	<u>18,369</u>	<u>16,447</u>
	<u>190,423</u>	<u>176,669</u>	<u>28,783</u>	<u>24,584</u>	<u>267,992</u>	<u>247,785</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		
30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023	
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)	1,894	3,837	385	(1)	3,189	5,824
- Islamic Debt Securities (Unquoted outside Malaysia)	-	(27)	-	-	(1)	(26)
- Malaysian Government Islamic paper	2,145	1	-	-	2,145	(437)
	<u>4,039</u>	<u>3,811</u>	<u>385</u>	<u>(1)</u>	<u>5,333</u>	<u>5,361</u>

Family Takaful 6 months ended		General Takaful 6 months ended		Group 6 months ended		
30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023	
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)	4,296	9,494	385	1,058	7,381	14,778
- Islamic Debt Securities (Unquoted outside Malaysia)	-	(27)	-	-	-	(26)
- Malaysian Government Islamic paper	2,145	-	-	-	2,145	-
	<u>6,441</u>	<u>9,467</u>	<u>385</u>	<u>1,058</u>	<u>9,526</u>	<u>14,752</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				Carrying Amount RM'000
	carried at fair value				
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
30 June 2024					
Family Takaful					
Financial assets					
Equity securities	437,153	74,873	-	512,026	512,026
Unit trusts	115,883	23,489	-	139,372	139,372
Institutional Trust Account	-	-	436,543	436,543	436,543
Islamic debt securities	147,168	5,664,244	-	5,811,412	5,811,412
Malaysian Government Islamic papers	-	702,706	-	702,706	702,706
	<u>700,204</u>	<u>6,465,312</u>	<u>436,543</u>	<u>7,602,059</u>	<u>7,602,059</u>
General Takaful					
Financial assets					
Institutional Trust Account	-	-	74,578	74,578	74,578
Islamic debt securities	-	643,967	-	643,967	643,967
Malaysian Government Islamic papers	-	85,834	-	85,834	85,834
	<u>-</u>	<u>729,801</u>	<u>74,578</u>	<u>804,379</u>	<u>804,379</u>
Group					
Financial assets					
Equity securities	452,518	106,961	380	559,859	559,859
Unit trusts	117,160	30,510	-	147,670	147,670
Institutional Trust Account	-	-	590,701	590,701	590,701
Islamic debt securities	183,711	7,432,431	-	7,616,142	7,616,142
Malaysian Government Islamic papers	-	969,931	-	969,931	969,931
	<u>753,389</u>	<u>8,539,833</u>	<u>591,081</u>	<u>9,884,303</u>	<u>9,884,303</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				Carrying Amount RM'000
	carried at fair value				
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
31 December 2023					
Family Takaful					
Financial assets					
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>
General Takaful					
Financial assets					
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>
Group					
Financial assets					
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>

Syarikat Takaful Malaysia Keluarga Berhad

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
Institutional Trust Account			
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	403,795	58,275	540,040
Maturities	-	102	102
Gains and losses recognised in profit or loss			
Investment income - realised	34,424	16,224	52,504
Gains and losses recognised in OCI			
Net change in fair value (unrealised)	(1,676)	(23)	(1,945)
As at 30 June 2024	436,543	74,578	590,701

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	
	30.06.2024 RM'000	31.12.2023 RM'000	30.06.2024 RM'000	31.12.2023 RM'000	30.06.2024 RM'000	31.12.2023 RM'000
<u>Days past due</u>						
Current (not past due)	303,107	309,776	90,656	304,009	393,763	613,785
1-30 days	27,047	1,672	5,147	1,906	32,194	3,578
31-60 days	262	375	294	59	556	434
61-90 days	2,591	459	(104)	(5)	2,487	454
91-180 days	3,005	1,700	24	293	3,029	1,993
> 180 days	156	(27)	406	1,106	562	1,079
	336,168	313,955	96,423	307,368	432,591	621,323

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.

Syarikat Takaful Malaysia Keluarga Berhad

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 June 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 June 2024.

33 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 June 2024, as prescribed under the RBCT Framework is provided below:

	As at 30.06.2024 RM'000	As at 31.12.2023 RM'000
Tier 1 capital	2,900,109	2,681,349
Tier 2 capital	78,219	64,098
Amount deducted from capital	(542,158)	(598,380)
Total capital available	<u>2,436,170</u>	<u>2,147,067</u>

By Order of the Board

SUHLA AL ASRI

Company Secretary

SSM Practicing Certificate No. 201908002158

MAICSA 7025570

Kuala Lumpur, 30 August 2024