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Headline	Syarikat Takaful To See Continued Strong Earnings Momentum				

KUALA LUMPUR: MIDF Research has maintained a 'buy' call on Syarikat Takaful Malaysia Bhd and raised the valuation of the insurer's share price to RM4.75 from RM4.49.

In its recent note to investors, MIDF Research noted that Syarikat Takaful's 2018 earnings jumped 43 per cent to RM292.6 million, thanks to higher contributions from both its family and general takaful businesses.

"The growth in family takaful was also in line with the industry growth trend, which is growing at a faster pace than conventional and general takaful market," it said.

Last year, Syarikat Takaful 2018's combined ratio was at a healthy level of 69.5 per cent, representing a net decrease of 3.4 percentage points (ppts), from a year ago.

This was due to the downtick in the group's claims ratio and management expense ratio of 1.9 ppts and 1.5ppts respectively. As a result, underwriting margin improved 3.4ppts to 30.5 per cent, from a year ago.

MIDF Research said Syarikat Takaful's digital strategy and prudent underwriting was instrumental to the strong double-digit growth in its underwriting business.

Recently, the government announced monthly tax rebate of RM250 for life and takaful insurance products. This will most likely prompt non-policy holders to take up insurance products.

"We see Syarikat Takaful capitalising on the favourable government stimulus. This year, Syarikat Takaful's earnings is expected to jump 25 per cent to RM315 million, on continued strong momentum in its family and takaful businesses," the firm said.