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Headline	Takaful Malaysia Anchors on Resilience for Continuous Growth				



Takaful Malaysia held its 37th Annual General Meeting (AGM) virtually yesterday.

The AGM was attended by the Board of Directors of STMKB and STMAB, the Group Chief Executive Officer, and the senior management team, saw eight (8) resolutions were voted on and passed by the participating shareholders.

For the financial year ended 31 December 2021, STMKB’s operating revenue increased 7% to RM3.18 billion from RM2.96 billion in 2020, and recorded profit after zakat and taxation of RM412.2 million, higher by 13% compared to RM363.6 million in the previous financial year.

STMKB maintains its position as the top two leading family takaful operators and the second-largest general takaful operator through its general takaful subsidiary, STMAB.

“The long-term outlook for the takaful sector remains positive, taking into account the low penetration rate, improved living standards, rising medical costs, an ageing population, and potential growth in the Islamic banking and finance sector,” said Nor Azman Zainal, Group Chief Executive Officer of Syarikat Takaful Malaysia Keluarga Berhad.

“As we advance in spearheading the takaful industry and leveraging our business resilience for sustainable growth, Takaful Malaysia will focus on maintaining our market leadership in bancatakaful, treasury, employee benefits, and general takaful business. In addition, we will establish a stronger presence in the retail market, strengthen our brand position, intensify marketing initiatives, enhance the digital ecosystem and embrace the sustainability agenda that includes Value-Based Intermediation for Takaful (VBIT) as part of our initiative to develop takaful industry further.”

“We will adopt a multichannel strategy to penetrate the retail segment and leverage our market-leading position in single contribution products while focusing on retail regular contribution products to diversify our business portfolio. We will continue prioritizing our strategic partnerships with leading Islamic financial institutions and introducing new savings and investment-linked advisory products. In strengthening our market reach in the employee benefits segment, we will embark on digital solutions to offer corporate clients a differentiated experience of customized services,” explained Nor Azman.

Commenting on the impact of MFRS 17, Nor Azman said that MFRS 17 is merely a change of the accounting treatment for takaful and insurance contracts and does not change the fundamentals of our business, which include financial strength, and ability to pay claims or profitability of our products.

The key impact is the timing of profit recognition, whereby MFRS 17 requires new business profits to be recorded in the Contractual Service Margin (CSM) as a liability and the CSM to be gradually released over the lifetime of the takaful contract as services are provided.

“Our general takaful business will also be an imperative growth area, reinforced by our multi-distribution strategy, a new breed of conventional corporate agents for quantum leap business expansion, and greater demand for our comprehensive general takaful product offerings. As a pioneer in providing family and general takaful solutions for over three decades and staying true to the fundamental principles that have shaped our success, we will emphasize building sustainable businesses for the long term in delivering value to shareholders and meeting customer protection needs,” said Nor Azman in conclusion.