

Al Rajhi Bank eyes RM3.5m in takaful contributions by year-end

KUALA LUMPUR: Al Rajhi Bank Malaysia aims to garner RM3.5 million in takaful contributions by year-end, leveraging on its partnership with Sun Life Malaysia Takaful Bhd.

Al Rajhi Bank Chief Executive Officer (CEO) Steve Chen said the bank is currently on track and is confident of achieving the target.

"We are confident and are focused on our 2018 plans, after our reboot in 2016 after not having a CEO in 2014 and 2015," he told reporters at the signing ceremony between Al Rajhi Bank and Sun Life Malaysia here on Thursday.

The two entities inked an exclusive 10-year bancatakaful agreement that will see Sun Life Malaysia as the sole distributor of family takaful products and services to Al Rajhi Bank's 150,000 customers nationwide.

"We are seeing momentum coming through, with two insurance products launched in the market earlier this year and another one which management has signed off and obtained regulatory approval to launch. Furthermore, we are looking to launch more products in the future," said Chen.

The first product, Sinar Health Plan, launched on Feb 15 this year, is a medical health plan that provides emergency cash. It has recorded sales worth RM230,754 and

aims to grow this to RM1.2 million by year-end.

The second product, 'Sinar Baraqah', launched on April 2018 caters for the Muslim market to fulfil one of five Islamic pillars - haji. It has garnered sales of RM44,741 with target sales of RM1.5 million by year-end.

Meanwhile, the third product, 'Sinar Ri'ayah', expected to be launched in June this year, entails a coverage against credit facilities given by the bank.

Chen said the bank also aspired to build its wealth management business to enable it to contribute 30 per cent to revenue.

"We would like to move to investment-linked products, and in addition to bancatakaful products, we are adding on deposit products and digital banking. We look forward to launch them in the second half of the year," he said.

"We expect immediate impact of this (partnership) on our financial performance this year but the benefits of all our partnerships would be more evident in 2019 and beyond," said Chen.

Sun Life Malaysia (Sun Life Malaysia Assurance Bhd and Sun Life Malaysia Takaful Bhd) is a joint-venture between Sun Life Financial Inc. and Avicennia Capital Sdn Bhd, a fully owned Khazanah Nasional Bhd investment holding unit specialising in insurance and takaful. -Bernama