

CIMB Islamic aims RM10m contributions from Takaful Mulia

by NG MIN SHEN

CIMB Islamic Bank Bhd is eyeing RM10 million in contributions this year from Takaful Mulia, its latest takaful solution developed by the bank's bancatakal partner, Sun Life Malaysia Takaful Bhd.

"We're looking at about RM10 million in premiums from this product, to be achieved in 2018," CIMB Bank Bhd regional head of wealth management Gary Yong said at the launch in Kuala Lumpur yesterday.

"Since the soft launch of Takaful Mulia, which was done towards the end of 2017, we've already recorded some RM3 million in premiums from the product," he said, noting that the product is mostly geared towards the mass affluent and affluent markets.

Takaful Mulia is also a follow-up to Takaful Suria, a universal takaful haj product developed by Sun Life Malaysia Takaful for CIMB Islamic, which was launched in early 2016.

"When we launched Takaful Suria we had a target of RM24 million in premiums, and we achieved RM30 million that year," Yong said.

The banking group's latest takaful solution is designed for Muslims to benefit from coverage upon death or



(From left) Yong, Rafe, Sun Life Malaysia CEO/president and country head Raymond Lew and Sun Life Malaysia Takaful CEO Muhammad Fikri Mohamad Rawi at the launch of Takaful Mulia in Kuala Lumpur yesterday

total permanent disability, as well as from savings and benefits related to Islamic obligations.

The takaful policy also provides an additional 100% of sum assured for accidental death or total permanent disability that occurs in a mosque or surau, and/or while performing the haj or umrah.

Meanwhile, CIMB Islamic, the

main Islamic banking entity of CIMB Group Holdings Bhd, expects Malaysia's sukuk market not being significantly affected by the delay or cancellation of several major infrastructure projects in the country.

Its CEO Rafe Haneef noted that Malaysia held a large majority of global sukuk issuances last year, underpinned by several infrastruc-

ture projects which were financed through sukuk.

"This year, the momentum will continue. Although there are projects that may be delayed or cancelled, there will be continuity in infrastructure building in Malaysia. On average, we see about US\$45 billion to US\$50 billion (RM198.9 billion) of sukuk issuance per annum, and

Malaysia should be comfortably taking about half of that," he said.

Rafe said business continues as usual in the sukuk market, adding that if the projects were continued and funded via sukuk, the size of the sukuk market would grow to about US\$60 billion to US\$70 billion, but if the projects were cancelled the market size would be maintained at US\$45 billion to US\$50 billion.

"There will be some impact on our deal pipeline, but currently, we have about seven to eight deals in local currency we're working on which should provide enough cushioning to achieve our target this year. Some of the deals are for infrastructure, some for corporate and some for refinancing," he said.

He added that the deals are expected to be completed within the current or third quarter of the year, while declining to reveal the value of the deals.

According to a recent report by the Malaysia International Islamic Financial Centre in collaboration with the Islamic Corp for the Development of the Private Sector, Malaysia's global market share of sukuk outstanding and sukuk issuance stood at 51% and 36.2% respectively, as at end 2017.