



Sulaiman (left) and Sun Life Malaysia chief executive officer Ooi Say Teng at the launch of Sun EduSmart yesterday.

CIMB partners Sun Life to grow insurance arm

BY JOSHUA LIM

KUALA LUMPUR: CIMB Group Holdings Bhd (fundamental: 1.05; valuation: 2.25) is growing its insurance arm via an education-based insurance product in collaboration with Sun Life Malaysia, known as Sun EduSmart.

"The price of education has gone up. The whole idea is to start saving now as things get more expensive over time. It is not a luxury item. This is something that you must do if you care about your child," CIMB Group's unit CIMB Bank Bhd chief executive officer Datuk Sulaiman Mohd Tahir

told reporters at the launch of Sun EduSmart here yesterday.

Sulaiman said Sun Life, which will manage the plan's funds, is positive about the growth of the insurance plan and is looking at a 20% annual growth over the next five years.

Sulaiman said the product had seen positive response since its soft launch in January. The product had so far generated RM1.2 million in first-year annual premiums (FYAP) from some 200 policyholders.

Sulaiman said CIMB Group is hopeful of securing 5,000 policies by year-end, which should result in

about RM25 million worth of FYAP.

CIMB Group's move to expand its insurance unit comes at a time when the group has been seeing weaker financials.

Net profit fell to RM3.11 billion in the financial year ended Dec 31, 2014 (FY14) from RM4.54 billion a year earlier. Revenue was lower at RM14.15 billion versus RM14.67 billion. CIMB Group is scheduled to report its first quarter FY15 results this month.

Yesterday, CIMB Group shares closed at RM5.89, down one sen, for a market capitalisation of RM49.41 billion.