

We  
Should  
Talk...

# The Transformation Journey of Takaful Malaysia

Presented by  
Dato' Sri Mohamed Hassan Kamil  
Group Managing Director



# AGENDA

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## INTRODUCTION

- The Emergence of an Islamic Insurance Pioneer
- The Transformation Journey



## PERFORMANCE

- Financial Dynamics
- Market Position
- Our Key Success Factors
- Our Unique Proposition



## ACHIEVEMENTS

- Milestones
- Awards & Accolades



## OUTLOOK

- Issues and Challenges
- Our Current Activities & Development

- 
- **The Emergence of an Islamic Insurance Pioneer**
  - **The Transformation Journey**

# THE EMERGENCE OF AN ISLAMIC INSURANCE PIONEER

- ❖ Special Task Force set up by Government of Malaysia in 1981 to establish the FIRST Islamic Insurer in Malaysia
- ❖ Takaful Act 1984 was gazetted and Takaful Malaysia was born on 29 November 1984
- ❖ Commenced operations on 22 July 1985
- ❖ Officially launched on 2 August 1985 by the then Prime Minister of Malaysia, YABhg. Tun Dr. Mahathir Mohamad
- ❖ Transformed into a public limited company on 30 July 1996 followed by listing of its shares on the Main Board of KLSE
- ❖ The paid-up capital was raised to RM55 million
- ❖ Post 2003 restructuring exercise led to the increase of the paid-up share capital to RM156 million in 2007



Your **Preferred** Choice for Insurance

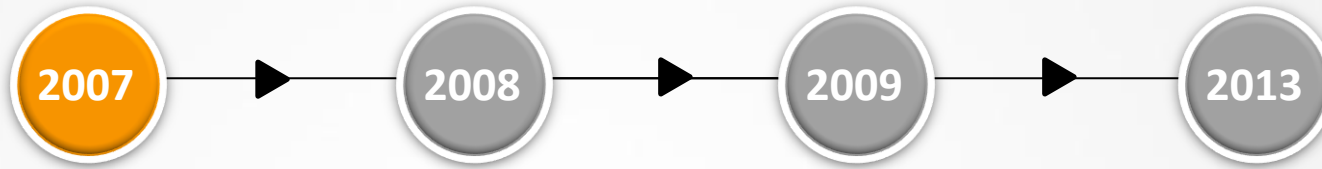
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# THE TRANSFORMATION JOURNEY

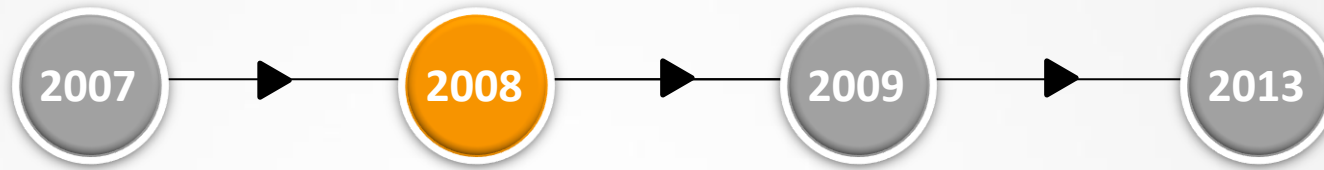
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- Transformation of existing culture to be at par with industry practice
- Focused on “important” strategic decisions to get the company back on track
- The paid-up share capital in 2006 was RM153 million which was increased to RM156 million in 2007
- Recruited a dynamic Management team of excellent caliber

# THE TRANSFORMATION JOURNEY

*cont'd.*



- ❑ Revamp of the core operating system was performed with minimum disruptions to company operations
- ❑ Operating procedures were streamlined
- ❑ Products and services were restructured
- ❑ Conversion of Takaful model from Mudharabah to Walakah
- ❑ Realignment of agency remuneration to follow the conventional insurance
- ❑ The transformation initiatives, budgets and financial targets were knitted together and articulated across the team members
- ❑ Company was well equipped to develop the best solutions to support the transformation journey

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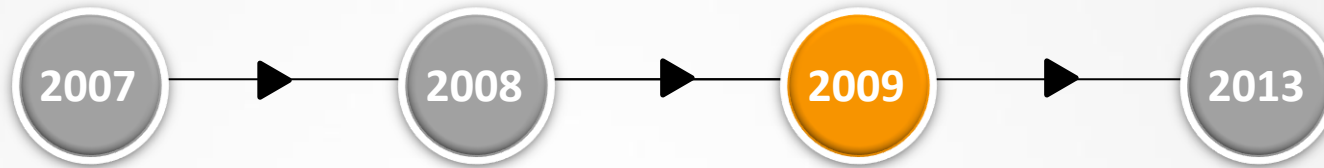
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# THE TRANSFORMATION JOURNEY

cont'd.



- Rebranding campaign was launched
- Positioned Takaful Malaysia as a modern, vibrant and appealing brand to all Malaysians
- New logo positioned company as an innovator and market leader
- Transformation program contributed to company's sustainable top and bottom line growth



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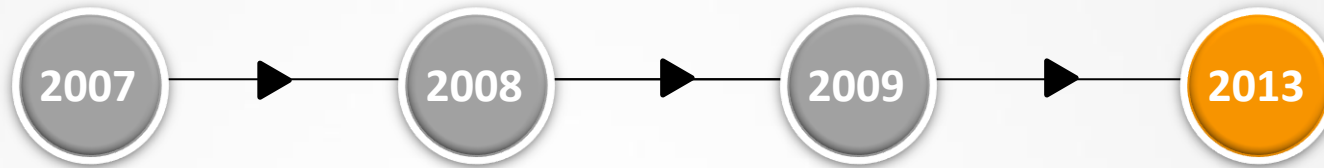
  
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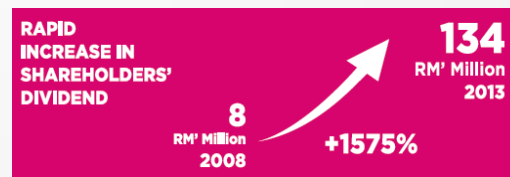
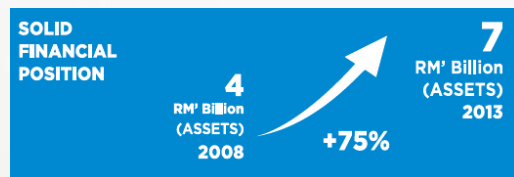
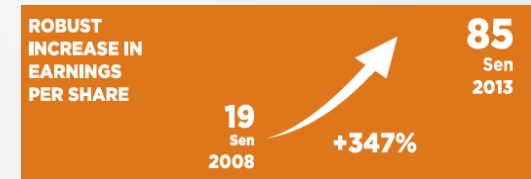
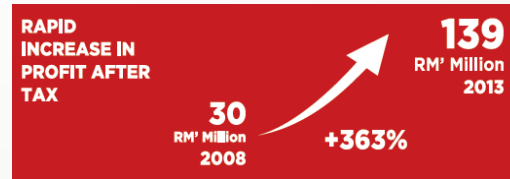


# THE TRANSFORMATION JOURNEY

cont'd.



- Focused on profitable underwriting contracts and exercised prudent measures on areas prone to greater risks
- Embarking on strategic investor relations program led to investor confidence and a significant increase of the share price by more than 600%
- Awarded the 'Best Performing Stock' under the Finance Sector at The Edge Billion Ringgit Club Corporate Awards 2013



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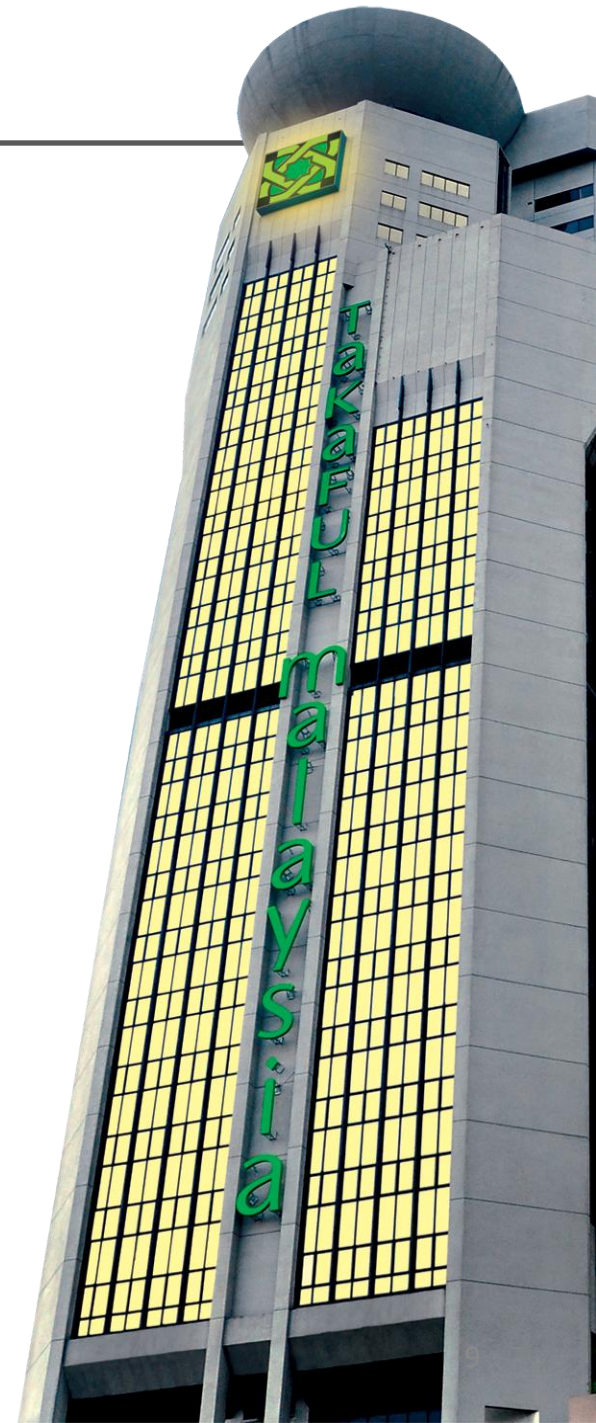



# THE TRANSFORMATION JOURNEY

- ❑ Solid financial background of RM7.5 billion Group Assets and Shareholder's Equities of close to RM690 million
- ❑ Profit after taxation and zakat growth with CAGR of 34% rose from RM37 million in 2010 to RM163 million in 2015
- ❑ Market capitalization of the company has grown from RM297 million in 2008 to RM3.2 billion as at 31 December 2015
- ❑ The shareholders' equity had also further strengthened to hit RM689 million in 2015 compared to RM304 million in 2008
- ❑ Recorded a dividend rate of 37% in 2015 where the dividend payout ratio was close to 40% of its net profit for the year
- ❑ Over 30 years in Malaysia with 23 service centres nationwide
- ❑ More than 3 million in-force certificates and over 5,000 corporate clients
- ❑ The ONLY company to offer a 15% Cash Back to General Takaful customers for no claims

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- **Financial Dynamics**
  - **Performance & Market Position**
  - **Our Key Success Factors**
  - **Our Unique Proposition**

# FINANCIAL DYNAMICS



Share Price & FBM KLCI

STMB Share Price

**STMB share price has outperformed FBM KLCI by 960% since Jan 2012**

FBMKLCI Index

**STMB : RM3.90**  
**FBM KLCI : 1,692.5pts**  
(31/12/2015)

**STMB : RM0.368**  
**FBM KLCI : 1,530.7pts**  
(1/1/2012)

**960%**

**10.6%**

Note : Price is adjusted after share split exercise of 1 into 5 shares on 25<sup>th</sup> May 2015



**Market Capitalisation as at 1<sup>st</sup> Jan 2012: RM298 million**

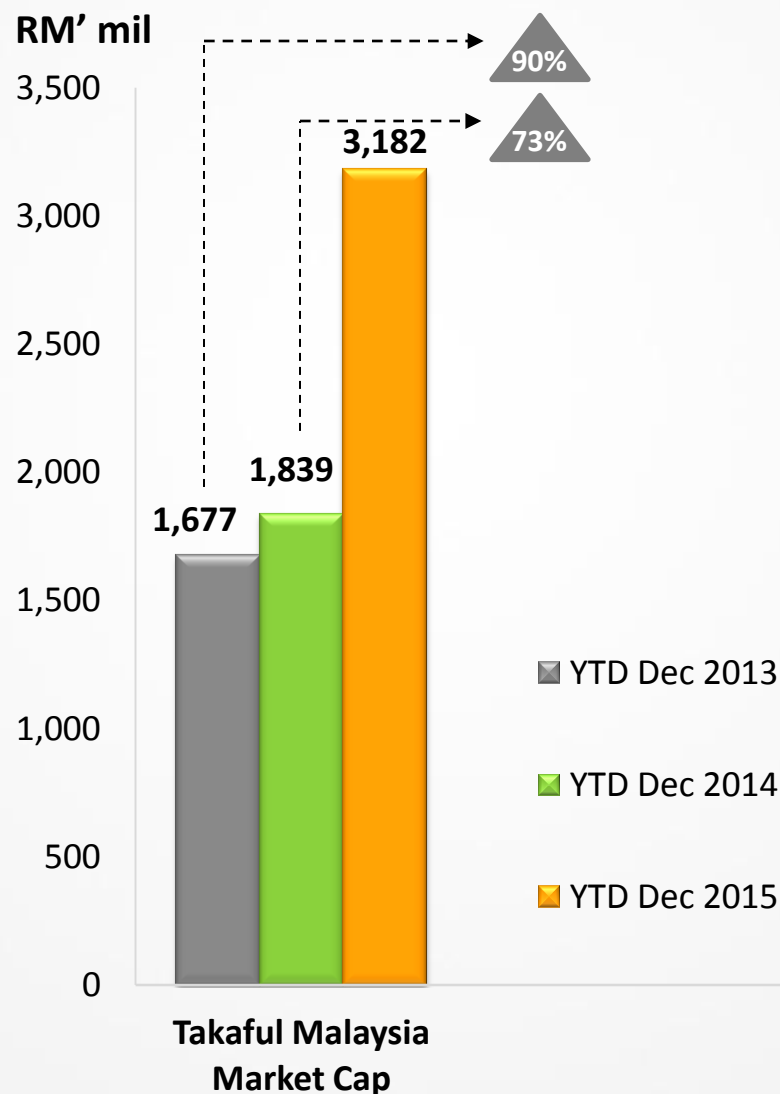
**Market Capitalisation as at 31<sup>st</sup> December 2015: RM3.2 billion**

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- The share price as at 31 December 2015 is RM3.90 (2014: RM2.26)

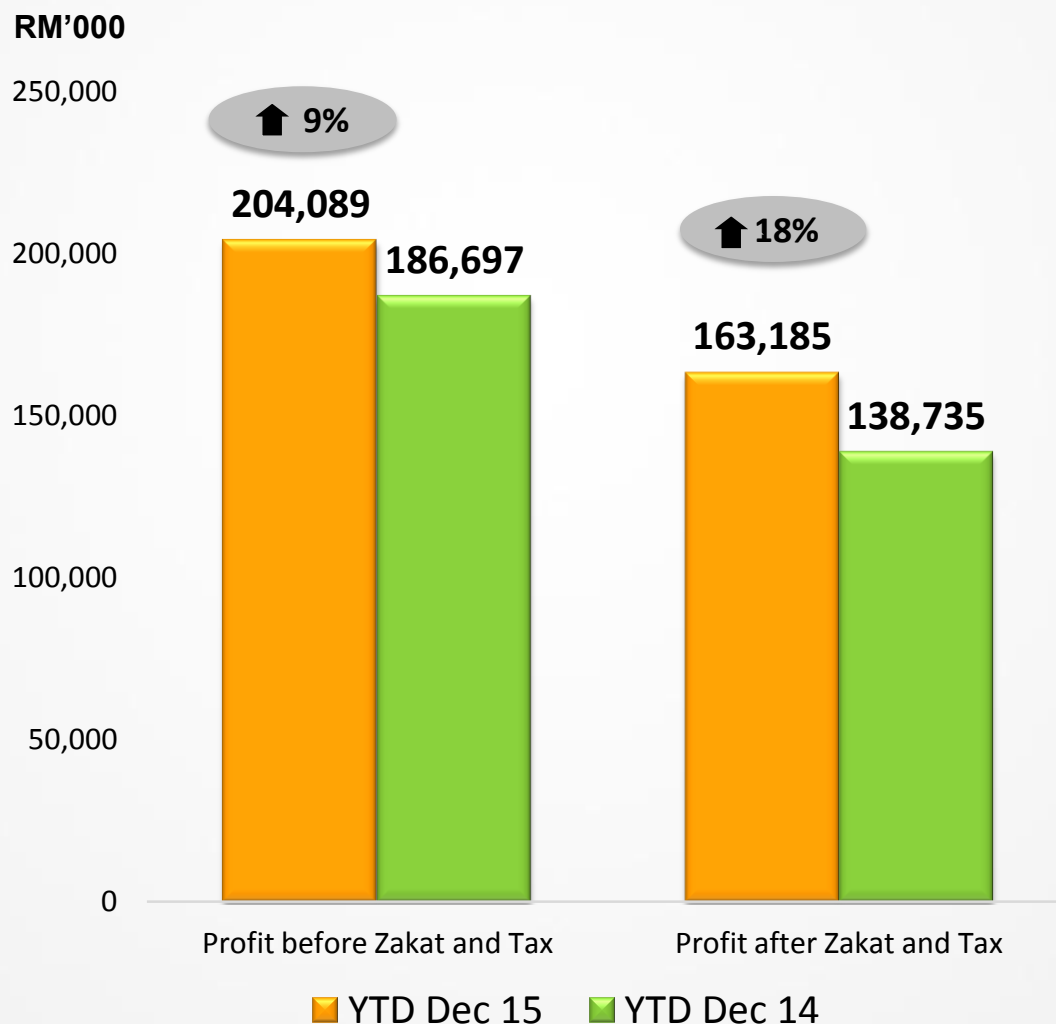
Note : Price is adjusted after share split exercise of 1 into 5 shares on 25<sup>th</sup> May 2015

- Despite the volatility of the equity market in 2015, Takaful Malaysia's share price continued to fair well and increased when compared to 2014

# FINANCIAL DYNAMICS



Group PBTZ & PATZ



- YTD Dec 2015 EPS: 19.07 sen versus YTD Dec 2014: 17.26 sen
- YTD Dec 2015 NTA per share: RM0.84 versus YTD Dec 2014: RM0.72
- YTD Dec 2015 ROE: 24.5% versus YTD Dec 2014: 24.3%

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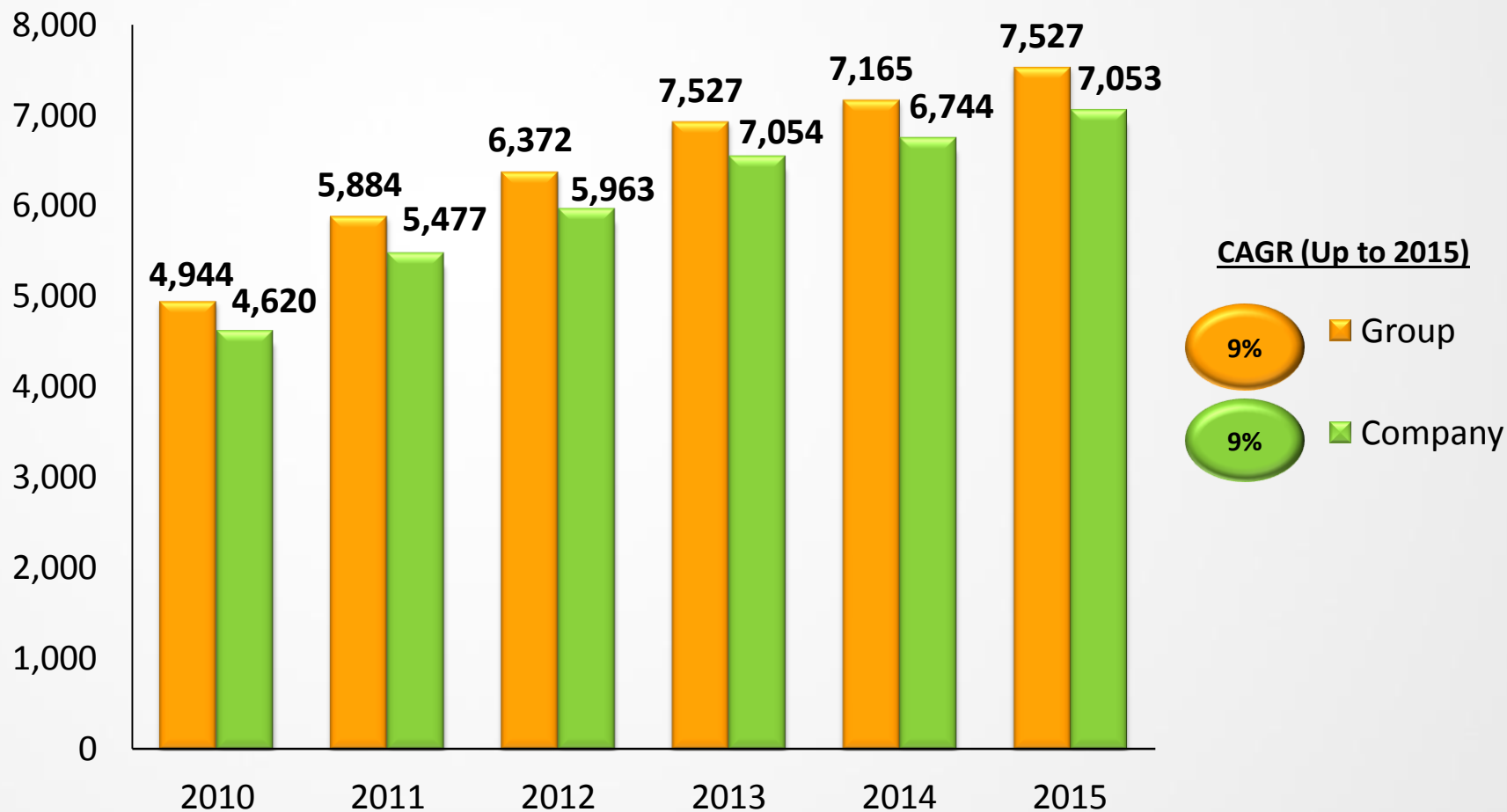
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# FINANCIAL DYNAMICS

 Total Assets

RM' mil



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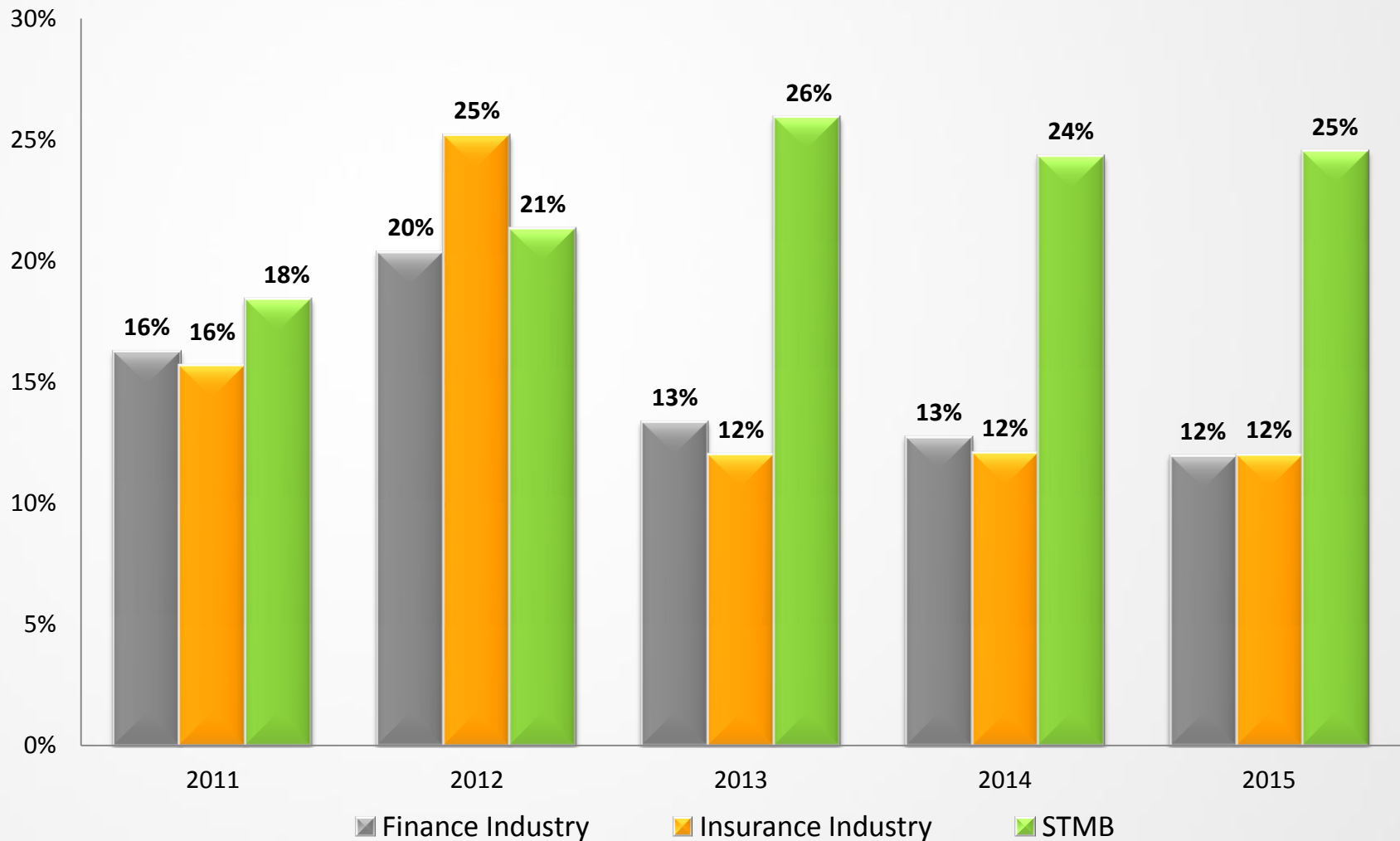
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# FINANCIAL DYNAMICS



Return on Equity



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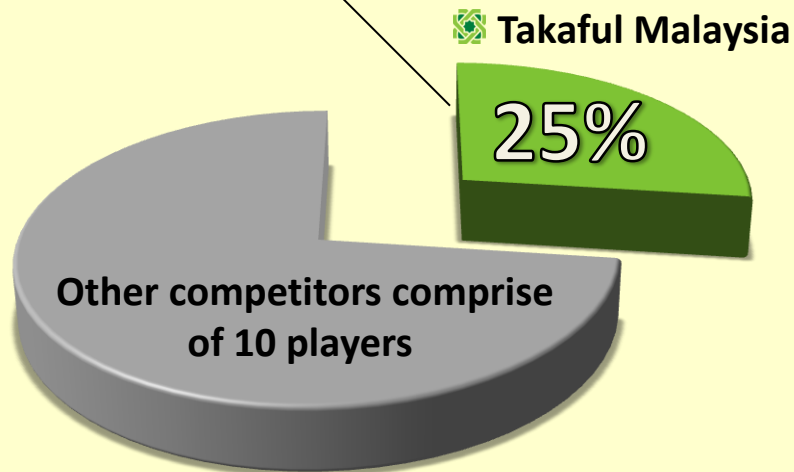
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# PERFORMANCE OF TAKAFUL MALAYSIA FY2015 Q3

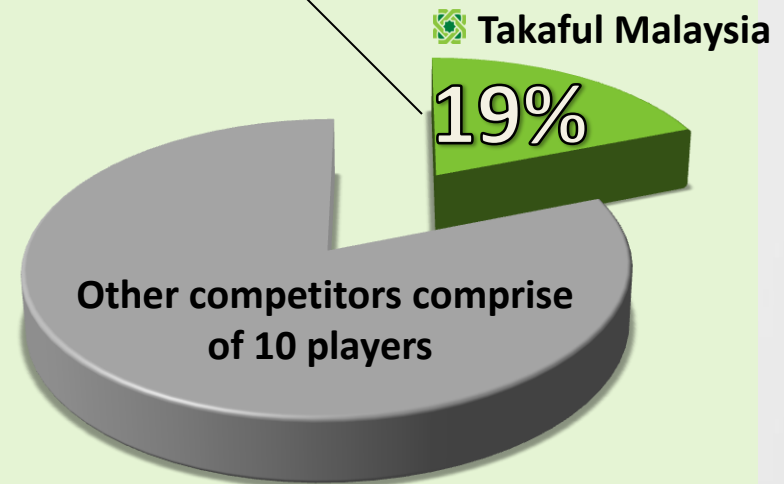
## Family Takaful Market Share in Malaysia – FY2015 Q3

**Total Gross Contributions  
RM680 million**



## General Takaful Market Share in Malaysia – FY2015 Q3

**Total Gross Contributions  
RM330 million**



\*Sources: ISM Statistical Bulletin – Family Takaful Market Performance Report January to September 2015




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# PERFORMANCE OF TAKAFUL MALAYSIA FY2015 Q3

-  Maintained our position in leading the Family Takaful business with market share of 25%
-  Sustained the 1<sup>st</sup> place in Group Family Takaful business, capturing 31% of the market share
-  Secured the 4<sup>th</sup> place in the combined Life Insurance and Family Takaful business behind AIA, Great Eastern and Prudential respectively
-  Maintained the lead in Employee Benefits business
-  Sustained our second placing in the General Takaful business with an overall market share of 19%



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# OUR UNIQUE PROPOSITION

- ❏ The FIRST and ONLY company to consistently pay out a **15% Cash Back\*** for more than 25 years to all our General Takaful customers
- ❏ Paid out a total Cash Back of RM198 million to our customers and business partners from 2009 to 2015

Switch to Takaful Malaysia and get a **15% CASH BACK.**

E.g. Motor Contribution → RM 2,600.00  
NCD@55%(Max) → (RM 1,430.00)  
Contribution Amount → RM 1,170.00  
6% GST → RM 70.20  
You Pay = RM 1,240.20

At TAKAFUL MALAYSIA We Reward You For NO CLAIMS

[RM 1,170.00 - 10% Service Fee]  
X  
**15% CASH BACK**  
→ **RM 157.95\***

*Your Cash Back can help pay GST*

\* Cash Back based on contribution amount.

*\*Applicable to General Takaful products subject to Company performance and no claims incurred during the coverage period*

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- 
- **Milestones**
  - **Awards & Accolades**



# MILESTONES

1984



شركة تাকাful ماليزيا س.ب.د  
SYARIAH TAKAFUL MALAYSIA SINCERITY BROTHER

The establishment of Takaful Malaysia on 29 November 1984. The company commenced operations in July 1985.

1985



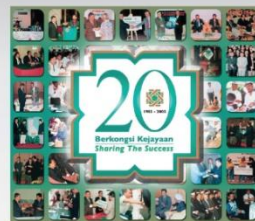
The official launch of Takaful Malaysia by the then Prime Minister of Malaysia, YABhg. Tun Dr. Mahathir Mohamad.

1996



Takaful Malaysia became a public limited company with its shares listed on the Main Board of Kuala Lumpur Stock Exchange.

2004



Takaful Malaysia celebrated its 20th Anniversary.

2009



Takaful Malaysia launched its new corporate logo and celebrated its 25th Anniversary. The event was graced by the Minister of Finance II, YB Dato' Seri Ahmad Husni Mohamad Hanadziah.

2011



Takaful Malaysia clinched the coveted BrandLaureate Award 2010-2011 in the Corporate Branding Category for Best Brands in Financial Services - Insurance Takaful for the second consecutive year.

2012



The 'Jewels of the Muslim World' Award, in recognition of his contribution towards the development of Takaful and Islamic Finance Industry was awarded to Dato' Mohamed Hassan Kamil, Group Managing Director of Takaful Malaysia.

2013



Takaful Malaysia was acclaimed as the Best Takaful Company in Malaysia at the 7th International Takaful Summit held in Cairo.

2013



Takaful Malaysia was awarded the 'Best Performing Stock' under the Finance Sector at the prestigious annual awards presentation of The Edge Billion Ringgit Club Corporate Awards 2013. Takaful Malaysia is the first ever Islamic Financial Institution to have won any awards by The Edge Billion Ringgit Club (BRC) Corporate Awards.

2014



Takaful Malaysia won the Best Takaful Company in Malaysia award for the second time at the 8th International Takaful Summit 2014 held in Abu Dhabi.

2014



At The Edge Billion Ringgit Club Corporate Awards 2014, Takaful Malaysia was among the top three winners in the following categories under the Finance Sector:

- No. 2 for the 'Best Performing Stock - Highest returns to shareholders over 3 years'
- No. 3 for the 'Most Profitable Company - Highest return on equity over 3 years'
- No. 3 for the 'Highest Profit Growth Company - Highest compound growth in profit before tax over 3 years'

2015



Takaful Malaysia won the Best Takaful Company in Malaysia award for the third time at the 9th International Takaful Summit 2015 held in London.

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# AWARDS & ACCOLADES



**2011**  
Brand Laureate  
Award 2010-2011  
Best Brands in  
Financial Services  
- Insurance



**2012**  
The 'Jewels of  
the World' Award.



**2013**  
Best Takaful  
Company in  
Malaysia at the  
7th International  
Takaful  
Summit, Cairo.



**2013**  
'Best Performing Stock'  
under the Finance Sector  
The Edge Billion Ringgit  
Club Corporate Awards  
2013. Takaful Malaysia is  
the first ever Islamic  
Financial Institution to  
have won any awards by  
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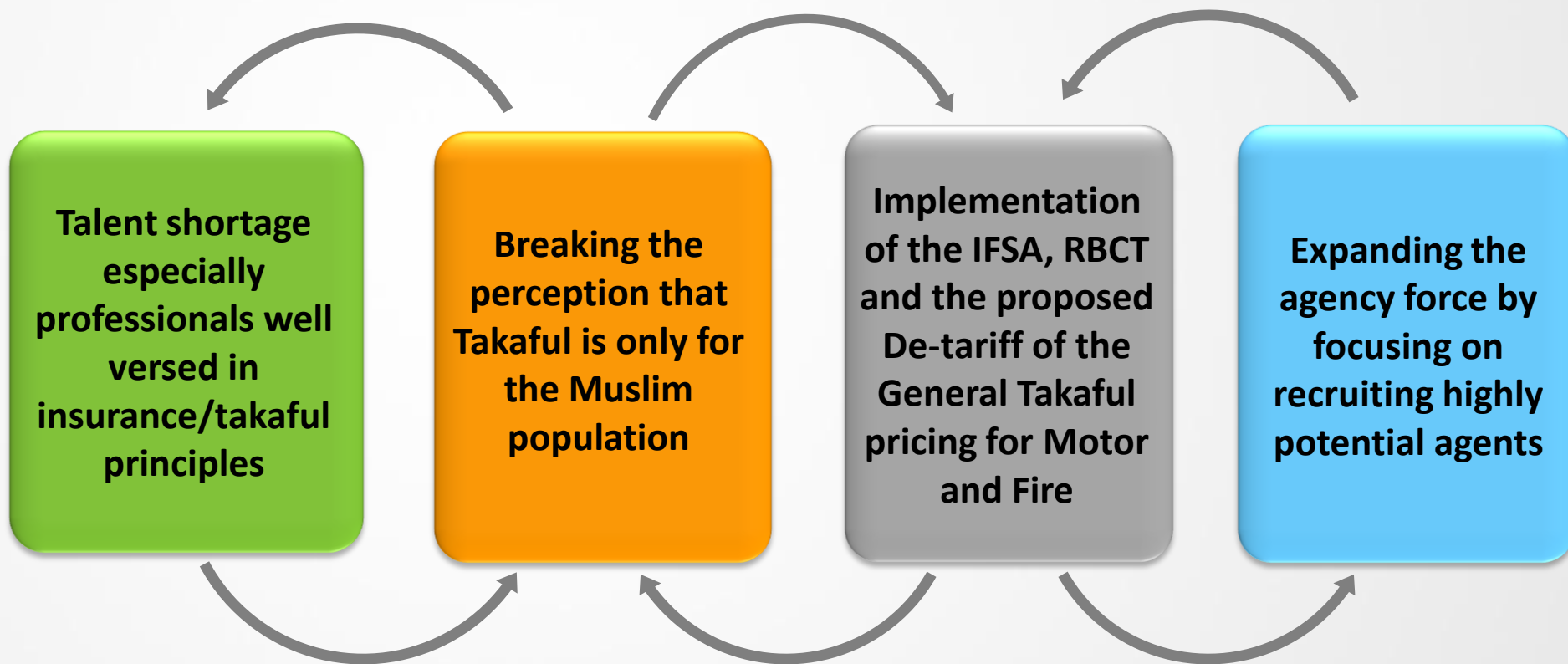
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- 
- **Issues & Challenges**
  - **Our Current Activities & Development**

# ISSUES & CHALLENGES

Main issues and challenges faced by Takaful operators in Malaysia



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# OUR CURRENT ACTIVITIES & DEVELOPMENT



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# Thank You

*Takaful Malaysia,*  
your preferred choice for **Insurance**



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