



Etiqua's Media Clippings of August 2020
(As at 20 August 2020)

Etiqua on the lookout for mergers and acquisitions

Insurer expects excellent potential in Asean

INSURANCE

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PETALING JAYA: Malayan Banking Bhd's (Maybank) insurance arm, Etiqua is not ruling out the mergers and acquisitions (M&As) route to expand its presence in Asean.

The insurer says the strategy is in line with its objective to create value in light of the tough economic conditions.

Etiqua group CEO Kamaludin Ahmad told *StarBiz* that it would continue to be on the lookout for any potential M&As that would bring value to the group across Asean.

"With overseas entities now contributing some 30% to our top line, we continue to see countries in the region as having excellent opportunities for growth.

"Although we made a couple of acquisitions in the past, the last one being in Indonesia in 2017, three of our overseas operations were greenfield," he said, pointing to one in Singapore and the two most recent set-ups of Cambodia General and Cambodia Life.

"The strong growth of our overseas operations in the past two years has been through organic growth. Any acquisitions will need to, first and foremost, bring in capabilities that we do not yet have," he added.

Maybank has a 69.05% stake in Maybank Ageas Holdings Bhd, the holding company of Etiqua's Malaysian and Singaporean entities. Ageas Insurance International holds the remaining 30.95% stake in Maybank Ageas Holdings.

Etiqua's operations in Indonesia, Cambodia and the Philippines are held directly via Etiqua International Holdings, a 100% wholly-owned subsidiary of Maybank.

Despite the challenging economic scenario spurred by the Covid-19 pandemic, Kamaludin said he foresees new business premiums and

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Kamaludin Ahmad



gross premiums to be higher this year compared with last year.

He attributed this to the various digital initiatives Etiqua had put in place before the movement control order (MCO), as well as the ones it said would allow its intermediaries to provide fast and easy services while reducing face-to-face interaction amid social distancing measures.

Last year, the company's combined gross premium and contribution stood at RM8.03bil, an increase of 11.4% year-on-year.

Commenting on its business growth amid the pandemic, he said: "Etiqua has seen a quick recovery in its business to the same levels achieved pre-MCO for both our general and life insurance, and Takaful businesses.

"Overall, there was hardly any disruption in our sales. But, our service turnaround time did suffer a little as we progressively got our staff to be fully-equipped working from home.

"As expected, there has been a drop in the sales of travel insurance.

"As for other business classes, we still see strong demand for motor, personal accident (PA) and life policies," he said, noting Etiqua is the No. 1 player for motor and PA in Malaysia in 2019.

The Singapore operations, according to

Kamaludin, have also seen strong growth in the sale of online life insurance.

The insurer raked in S\$80mil per month in online sales and for the first half of this year, it had captured more than 50% of the online market share in the city-state.

For its operations in Indonesia, Cambodia and the Philippines, he said Etiqua had registered an impressive growth in sales of 65% in the first half.

Amid the pandemic, rating agency Fitch Ratings has maintained the rating of Etiqua's group core operating entities, comprising of Etiqua General Insurance Bhd (EGIB), Etiqua Life Insurance Bhd (ELIB), Etiqua General Takaful Bhd (EGTB), Etiqua Family Takaful Bhd and Etiqua Insurance Pte Ltd (EIPL) at an A (strong) rating with a stable outlook.

Etiqua also led the way by being the only insurance and takaful player in Malaysia which honoured overseas medical claims arising from Covid-19 for selected travellers who purchased both annual as well as single trip travel policies or certificates.

In Singapore, Etiqua customers were able to purchase special coverage for Covid-19 in the form of a personal accident plan called ePROTECT safety, which also covers dengue fever. Those with annual travel insurance and private car coverage were given a six-month policy extension.

13 August 2020, TV1

Newly Signed Service Agreement Affirms Etiqa Family Takaful Berhad as Main Takaful Provider for the Royal Malaysian Police Cooperative

