

## BUSINESS REVIEW



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Chief Executive Officer  
AmMetLife Takaful Berhad

## AmMetLife Takaful

### Our Competitive Advantage

**AmMetLife Takaful Berhad (Family Takaful) offers a comprehensive range of Takaful solutions which are distributed by our authorised Takaful agents and Bank Partners' branches nationwide. We strive to fulfil the diverse needs of our customers by offering creative solutions throughout their life journey. Our goal is to simplify the process, enabling families and individuals to attain financial stability and pursue a richer, more fulfilling life.**



#### Protection

Offers a competitive range of shariah-compliant products and services to meet the customers' needs through life, health, accident and investment plans.



#### Savings

Provide savings plans to fulfil Hajj or Umrah needs, to other family and investment-linked plans to maximise investment potentials.



#### Health

Delivers protection through medical and health plans as well as investment-linked plans.



#### Education

Meets the future education needs of our customers' next of kin through child education plans and regular investment-linked plan contributions



#### Reducing Term Takaful

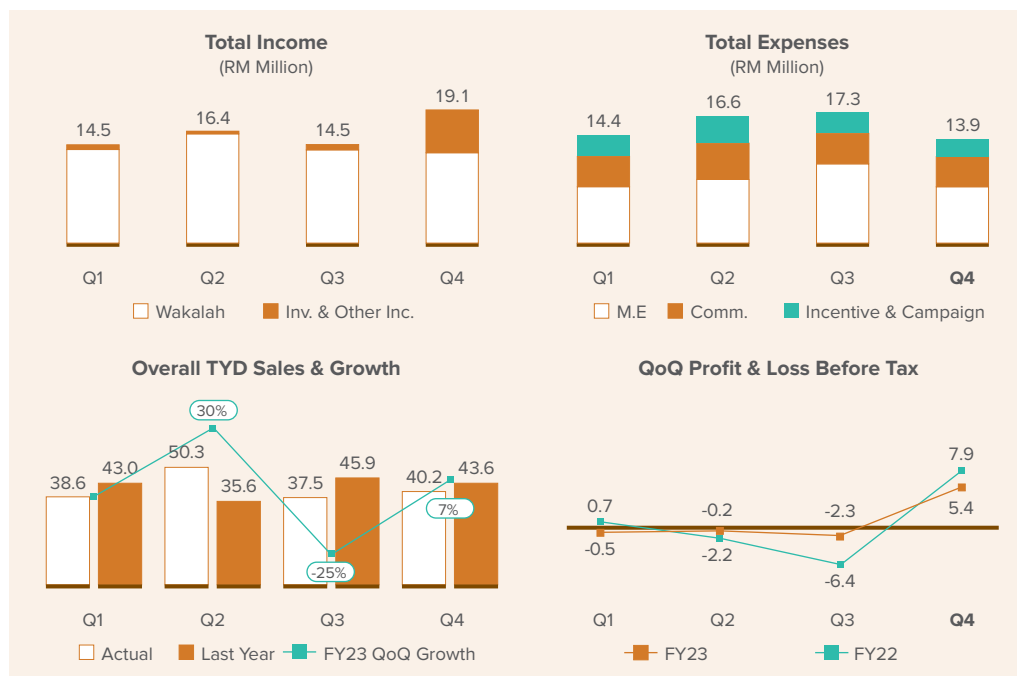
Presents our customers with solutions for hire purchase and home financing as well as personal financing debts.

## BUSINESS REVIEW AmMetLife Takaful

### PERFORMANCE REVIEW

The company continued to face headwinds throughout FY2023 primarily due to the shift in customer behaviour, likely caused by the impact of the pandemic. The change in customer behaviour altered the psychology of purchasing new Takaful products. Although we experienced traction, the company experienced challenges in trying to rapidly rebuild its business to pre-pandemic levels.

The company delivered a better financial performance compared to the previous year with an increase in sales mainly from AmBank Credit businesses and Group Employee Benefits with year-to-date overall sales of RM166.6 million. However, business from the Advisory business shrunk by 16% to RM10.2 million. This was due to the high turnover of bank sellers and lower active ratio of Agents contracting with us. We generated a Total Income amounting to RM64.5 million, which is 7% lower compared to FY2022. Total Expenses spent for FY2023 was RM62.2 million, 10% lower as compared to previous financial year. Despite a slow start to the financial year coupled with challenges faced, the company was still able to achieve a profit before tax (PBT) of RM2.6 million.



### KEY INITIATIVES & OUTCOMES

#### Key Initiatives

##### Distribution Recalibrations

- Nourishing of Bancatakaful relationship
- Enhancing hybrid channel competency through focus key strategic initiative
- Amplifying of Agency channel capacity i.e. Manpower

#### Outcomes

- Credit business from AmBank remains high with a 3% YoY increase, unaffected during the post pandemic period.
- Shared KPI between Takaful and Conventional in pursuing common target at Regional level.
- Agency's total manpower grew by 42% through aggressive recruiting campaign and sales drive.

### OUTLOOK

The company is steering our business towards pre-pandemic levels despite challenges brought about by COVID-19 and global economic pressures. We will continue to focus on our Five-Year Business Blueprint and the Seven Core Strategies to ensure that the company advances sustainably:

- Capital Efficiency** – Prudent management of expenses to generate higher profitability.
- Well Balance Business Mix** – Achieved a good blend of Single & Regular businesses to ensure continuous growth.
- Prospecting HNW Customers** – To expand into High Income Market segment from Mass Customers segment.
- Attune Group Synergy** – In alignment with AmBank & MetLife Strategic Goals and Objective.
- Digital Transformation** – To have better efficiency in term of business process and faster turnaround time.
- Advancing Talent Skill Set** – Nurture and grow existing talent for company futures.
- Sustainability Equilibrium** – To have balance in growing the business while embracing climate change impact.

AmBank's Retail and Business Banking will continue to be the main contributor to our business. The Advisory business will be driven by the improvement of sellers from Banca Specialist and growth of High-Net-Worth business portfolio. To fully harness AmBank Bancatakaful's potential, we have explored several business opportunities including the collaboration with Retail Banking for Auto Finance.

Our Agency Force will also continue to play a pivotal role in assisting us to achieve our business plans with the new Agency Leader Corporation (ALC) channel, launched in 2023. The channel is slated to accelerate the growth of our agencies through mass recruitment and aggressive sales activity by the ALC Principal while simultaneously continuing to develop the Tied Agency Force strength with the support from Hybrid Distribution agreement.