

RHB Bank sees 50% jump in bancassurance contribution

By Surin Murugiah

RHB Bank Bhd expects a more than 50% jump in contribution from its bancassurance business to its earnings following the latest tie-up with MCIS Zurich Insurance Bhd.

For this year, the bank is looking at RM11 million contribution to its bottomline compared with RM7.5 million in 2005.

RHB Bank head of consumer banking Michael Lor said the bank expects to rake in RM150 million in revenue from life and general insurance products this year.

"We have a good mix of life and general insurance products on offer, from which our customers can select what suits their needs best," he told reporters after RHB Bank signed a distribution and service level agreement with MCIS Zurich in Kuala Lumpur on Feb 7.

RHB Bank targets a premium of RM25 million from the marketing of five MCIS Zurich products, translating into an estimated RM2 million in earnings.

One of the five products, MZ CashSure RM10 million closed fund, was launched on Feb 7 with all the units taken up.

"We might have to revise our target for the year since we have already achieved RM10 million in premiums today," said Lor.

He said: "2006 is an exciting year ahead for wealth management services at the bank as we will now be including many more insurance products.

"Product differentiation, best practices and products that fit different needs and segments are synergistic benefits of our partnership with MCIS Zurich, which will definitely boost our competitive edge in the financial market."



RHB Bank CEO Michael J Barrett (centre) exchanging documents with MCIS Zurich Insurance CEO Md Adnan Md Zain, while RHB Bank deputy chairman Datuk Abdullah Mat Noh looks on

Besides the five MCIS Zurich products, RHB Bank also carries products from Malaysian Assurance Alliance Bhd and ING Insurance Bhd.

"With the stable of products that we offer, our customers are not compelled to choose from a limited option," he said.

Meanwhile, MCIS Zurich chief executive officer Md Adnan Md Zain said the company was positioning itself towards being a local insurer with global standards.

He said the insurer was working on a variety of initiatives to meet the demands of a more investment savvy society, and that these products would appear in the market soon.

"We are currently eighth among life insurers in the country in terms of premium size and rank among the top half in the list of general insurance players here."

"MCIS Zurich certainly has the capabilities and characteristics to become a resilient, financially strong insurance company commanding a better ranking," he said.

MCIS Zurich has at present total assets in excess of RM2.6 billion and gross premium income close to RM500 million, he said.