

SFP to go into takaful, unit trusts too

Negotiations with a few takaful companies are expected to be concluded by year-end

By **LEE CHERNG WEE**

FINANCIAL advisory firm Standard Financial Planner Sdn Bhd (SFP) plans to provide unit trust and takaful products, apart from its insurance line which was launched yesterday.

SFP signed a partnership agreement with four global insurance companies, namely Manulife Insurance (Malaysia) Bhd, Allianz Malaysia Bhd, AXA Affin Life Insurance Bhd and Uni.Asia Life

Insurance Bhd.

At the signing ceremony in Kuala Lumpur, SFP CEO Alfred Sek said that negotiations with a few takaful companies could bear fruit by year-end.

He said that the Islamic insurance market is attractive given the huge Malay population in the country.

For the first half of this year, the total assets of Malaysian takaful funds increased 11% to RM7.6 billion compared with at the end of 2006.

In terms of net contributions, RM1.2 billion was recorded in the first half of the year, an increase of 36% from the same period of last year.

Global takaful contributions totalled more than US\$2 billion (RM7.02 billion) in



There's huge potential for Islamic insurance in the country, given the huge Malay population, says Sek

2005 and are expected to reach US\$7 billion by 2015. The amount has been grow-

ing around 20% in past few years, indicating a high growth potential.

Sek expects SFP's major income to come from the insurance and investment sectors. Currently, the local insurance market has a low penetration rate of 20%-25% compared to Japan's 300%.

Recently, SFP received its financial adviser licence from Bank Negara Malaysia and is planning to open 20 branches next year and increase its network of representatives from 300 currently to 1,000 in the next two years.

SFP's expansion plan will follow closely the business model of Professional Investment Services (PIS), its partner since 2005. PIS is the leading financial advisory company in Australia with 1,500 advisers worldwide and owns 30% stake in SFP.