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| Headline | Syarikat Takaful Inks Two Bancatakaful Deals with RHB Islamic | | | | |

KUALA LUMPUR (July 28): Syarikat Takaful Malaysia Keluarga Bhd together with its subsidiary Syarikat Takaful Malaysia AM Bhd (STMAB) have entered into two bancatakaful service agreements with RHB Islamic Bank Bhd for a combined facilitation fees of RM151 million.

This includes a family bancatakaful service agreement, Syarikat Takaful said in a filing with Bursa Malaysia.

Under the agreement, RHB Islamic will sell, distribute and promote family credit takaful products developed by Syarikat Takaful. In return, Syarikat Takaful will pay a facilitation fee of RM145 million to RHB Islamic.

“In addition to family credit takaful products, Syarikat Takaful shall have the right of first refusal to develop and market family advisory takaful products proposed by RHB Islamic,” the group said.

The second agreement between Syarikat Takaful and RHB Islamic is a general bancatakaful agreement, under which RHB Islamic will sell, distribute and promote general takaful products developed by Syarikat Takaful. In return, Syarikat Takaful will pay a facilitation fee of RM6 million to RHB Islamic.

The two bancatakaful service agreements have a tenure of five years each, said the group.

The Employees Provident Fund Board (EPF) is a major shareholder in both RHB Bank and Syarikat Takaful.

As at June 30, EPF held a 42.54% shareholding in RHB Bank. It also holds a direct interest of 6.61% in Syarikat Takaful and direct interest of 12.06% in BIMB Holdings Bhd, the holding company of Syarikat Takaful.

As such, Syarikat Takaful said the bancatakaful arrangements are not subject to shareholders’ approval.

Syarikat Takaful said the facilitation fees shall be amortised over the duration of the partnership. It added that the bancatakaful arrangements are not expected to have any material effect on the group’s earnings and earnings per share for the financial year ending Dec 31, 2020 (FY20). But the agreements are expected to contribute positively to the group’s future earnings.

Syarikat Takaful’s share price closed five sen or 1.13% higher at RM4.48, bringing it a market capitalisation of RM3.71 billion. The stock has rebounded 42% from its recent low of RM3.15 on March 23. However, year-to-date, it is down 21%.