

OTHERS SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD ("STMKB" OR "COMPANY") BANCATAKAFUL SERVICE AGREEMENTS BETWEEN SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD ("STMKB") AND ITS SUBSIDIARY SYARIKAT TAKAFUL MALAYSIA AM BERHAD ("STMAB") AND RHB ISLAMIC BANK BERHAD ("RHB ISLAMIC")

SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD

Type	Announcement
Subject	OTHERS
Description	SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD ("STMKB" OR "COMPANY") BANCATAKAFUL SERVICE AGREEMENTS BETWEEN SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD ("STMKB") AND ITS SUBSIDIARY SYARIKAT TAKAFUL MALAYSIA AM BERHAD ("STMAB") AND RHB ISLAMIC BANK BERHAD ("RHB ISLAMIC")

1. INTRODUCTION

The Board of Directors of STMKB is pleased to announce that STMKB and STMAB (a wholly owned subsidiary of STMKB) have on 28 July 2020 entered into the following agreements:

- Family bancatakaful service agreement ("**Family Bancatakaful Agreement**") between STMKB and RHB Islamic ("**Family Bancatakaful Arrangement**").
- General bancatakaful service agreement ("**General Bancatakaful Agreement**") between STMAB and RHB Islamic ("**General Bancatakaful Arrangement**").

The Family Bancatakaful Arrangement and the General Bancatakaful Arrangement shall be collectively referred to as "**Bancatakaful Arrangements**".

2. SALIENT TERMS OF THE FAMILY BANCATAKAFUL AGREEMENT AND GENERAL BANCATAKAFUL AGREEMENT

Family Bancatakaful Agreement

The salient terms of the Family Bancatakaful Agreement are as follows:

- The tenure of the Family Bancatakaful Agreement ("Contract Period") shall be for a period of 5-years commencing on 1 August 2020.
- RHB Islamic shall sell, distribute, market and promote family credit takaful products of STMKB. In consideration thereof, STMKB will pay a facilitation fee of RM145 million to RHB Islamic.
- In addition to family credit takaful products, STMKB shall have the right of first refusal to develop and market family advisory takaful products proposed by RHB Islamic.

General Bancatakaful Agreement

The salient terms of the General Bancatakaful Agreement are as follows:

- The tenure of the General Bancatakaful Agreement ("Contract Period") shall be for a period of 5-years commencing on 1 August 2020.
- RHB Islamic shall sell, distribute, market and promote general takaful products of STMAB. In consideration thereof, STMAB will pay a facilitation fee of RM6 million to RHB Islamic.

3. EFFECTS OF THE BANCATAKAFUL ARRANGEMENTS

The facilitation fees shall be amortized over the duration of the partnership.

The Bancatakaful Arrangements are not expected to have any material effect on the earnings and earnings per share of STMKB group for the financial year ending 31 December 2020 but are expected to contribute positively to the future earnings of STMKB Group.

The Bancatakaful Arrangements will not have any effect on the share capital and shareholdings of the substantial shareholders of STMKB, or the net asset per share and gearing of STMKB group.

4. APPROVALS REQUIRED

The Bancatakaful Arrangements are not subject to any authorities' and/or shareholders' approval.

5. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

None of the Directors or major shareholders of STMKB as well as persons connected with them have any interest, direct or indirect, in the Bancatakaful Arrangements, saved as disclosed below:

a) As at 30 June 2020, Employees Provident Fund Board (“**EPF**”), a major shareholder of RHB Bank with 42.54% shareholding, also holds (i) direct interest of 6.61% in STMKB and (ii) direct interest of 12.06% in BIMB Holdings Berhad (“**BHB**”), the holding company of STMKB as at 30 June 2020. As provided in paragraph 4 above, the Bancatakaful Arrangements are not subject to shareholders' approval.

This announcement is dated 28 July 2020.

 Announcement Info	
Company Name	SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD
Stock Name	TAKAFUL
Date Announced	28 Jul 2020
Category	General Announcement for PLC
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