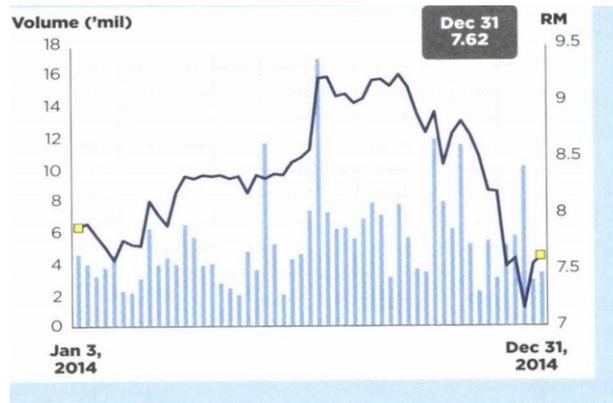




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RHB Capital Bhd

Current Price: **RM7.62 (as of Dec 31)**

Target Price: **RM10.70 BUY**

MIDF Research

IT has been announced that the group's subsidiary, RHB Bank, has entered into a new bancassurance (partnership to sell insurance to the bank's client) agreement with Tokio Marine Life Insurance Malaysia Bhd. The new agreement will be for a period of 10 years.

It will commence on Jan 1 until Dec 31, 2024. This agreement with new terms will supersede the previous 10 years collaboration agreement entered into by the two parties in 2010.

It has not been announced on how the bancassurance fee of RM210 mil will be apportioned. We believe the fee will be paid to RHB Bank in stages over the 10-year period.

RHB Bank will continue to promote Tokio Marine Life Insurance's conventional life insurance products via its branches and alternative distribution outlets.

We remain positive on the stock's decent loan growth, improving asset quality as well as the good traction seen in its Islamic banking income and non-interest income in the recent quarter's results.