



MNRB HOLDINGS BERHAD
197201001795 (13487-A)



FORGING AHEAD, FUTURE READY

ANNUAL REPORT 2026



FUTURE-FOCUSED: THRIVING WITH IMPACT

At MNRB, we recognise that the risk landscape continues to evolve, shaped by economic shifts, regulatory developments and emerging global challenges. In response, we remain proactive and forward-looking.

By strengthening capabilities, embracing digitalisation and investing in talent, we are positioning MNRB to remain competitive and resilient.

As we forge ahead, we do so with confidence, ensuring that we are prepared not only for today's demands but for the opportunities of tomorrow.



Scan the QR code to download our Annual Report 2026 or visit our website <https://www.mnrb.com.my/investorrelations/annual-report>



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53rd Annual General Meeting



Date

Friday, 25 September 2026



Time

9.00 am



Venue

Ballroom 1, Level 1
KLGCC Convention Centre
(*formerly known as Sime Darby Convention Centre*)
1A, Jalan Bukit Kiara 1
60000 Kuala Lumpur

WHO WE ARE



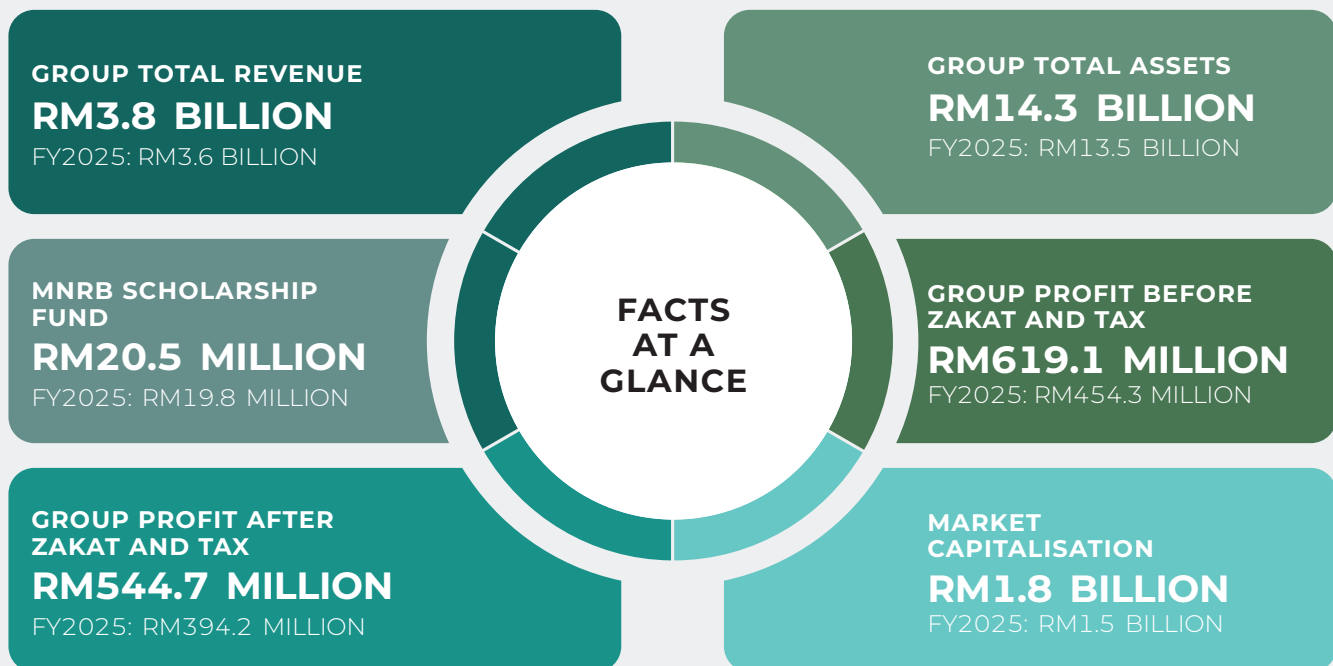
MNRB HOLDINGS BERHAD

Malaysian National Reinsurance Berhad, the country's national reinsurer was set up in 1972 to reduce the outflow of reinsurance premiums overseas. The Company commenced operations on 19 February 1973.

In 2005, as a result of a restructuring exercise within the MNRB Group, the Company's reinsurance licence, business and assets were transferred to its subsidiary company, Malaysian Reinsurance Berhad. Pursuant to the restructuring, Malaysian National Reinsurance Berhad became an investment holding company and changed its name to MNRB Holdings Berhad ("MNRB"). Today, MNRB is listed on the Main Market of Bursa Malaysia Securities Berhad.

The MNRB Group comprises a leading wholesale provider of reinsurance and retakaful as well as two takaful operators. Its reinsurance subsidiary stands tall among the top reinsurers in the region, writing lines of general businesses locally and abroad. In Malaysia, its takaful operators are amongst the pioneers in the provision of financial protection services based on the takaful system.

The Company has a Share Capital of 738.5 million.



KEY BUSINESS ENTITIES

Malaysian Reinsurance Berhad ("Malaysian Re") is a wholly owned subsidiary of MNRB Holdings Berhad. As the national reinsurer, Malaysian Re continues to enhance the competitiveness and efficiency of the local insurance companies in an increasingly globalised marketplace through its active involvement in leading and underwriting their reinsurance needs.



Malaysian Re underwrites all classes of general reinsurance business as well as general and family retakaful businesses through its retakaful division, Malaysian Re Retakaful Division.

Leveraging on its breadth and depth of experience and expertise, strong fundamentals and proven record of accomplishment, Malaysian Re has grown in stature as an international player having established a strong market presence in Asia.

Malaysian Re is the largest national reinsurer (by asset) in the Southeast Asia region.

The Company has a Share Capital of RM663.1 million.



Takaful Ikhlas General Berhad ("Takaful IKHLAS General") was incorporated on 5 June 2017 as a wholly owned subsidiary of MNRB Holdings Berhad, following the legislative requirement under the IFSA which requires Takaful Operators to separate its family and general takaful licences.

The Company commenced operations on 28 November 2018 as the general takaful arm of MNRB.

Takaful IKHLAS General offers a comprehensive range of general takaful solutions which comprises motor and non-motor general takaful protection products. The Company is committed to deliver quality services through competent staff and effective distribution networks. Its distribution channels comprise knowledgeable and well-trained agents, brokers, financial institutions, motor franchise holders and cooperatives as well as the digital platform.

Takaful IKHLAS General currently records more than 600,000 registered certificate (policy) holders and more than 4,000 agents.

The Company has a Share Capital of RM230.0 million.



Takaful Ikhlas Sdn. Bhd. was incorporated on 18 September 2002 and is a wholly owned subsidiary of MNRB Holdings Berhad. The Company converted its status to Berhad on 5 May 2014.

On 30 November 2018, the Company announced the split of its composite takaful licence into two i.e. one for family takaful business and the other for general takaful business. The split is in accordance with the legislative requirement under the Islamic Financial Services Act, 2013 ("IFSA").

Pursuant to this, Takaful Ikhlas Berhad was renamed Takaful Ikhlas Family Berhad ("Takaful IKHLAS Family") and manages the family takaful business. The general takaful business is being managed by a new entity, Takaful Ikhlas General Berhad ("Takaful IKHLAS General").

Takaful IKHLAS Family offers a comprehensive range of family takaful products and currently records more than 150,000 certificate (inforce policy) holders as well as more than 1,500 agents.

The Company has a Share Capital of RM405.0 million.

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATO' SULAIMAN MOHD TAHIR

Non-Independent Non-Executive Chairman

GEORGE OOMMEN

Senior Independent Non-Executive Director

JUNAIDAH MOHD SAID

Independent Non-Executive Director

ZAIDA KHALIDA SHAARI

Independent Non-Executive Director

KAMARUL ARIFFIN MOHD JAMIL

Independent Non-Executive Director

(Appointed on 1 July 2026)

CHIN SEE MEI

Independent Non-Executive Director

DATO' WAN ROSHDI WAN MUSA

Independent Non-Executive Director

(Resigned on 11 February 2026)

INTERIM PRESIDENT & GROUP CHIEF EXECUTIVE OFFICER

Dato' Rodzila @ Rudy Che Lamin

COMPANY SECRETARY

Lena Abd Latif

(LS 0008766)

(SSM PC No. 201908002386)

AUDIT COMMITTEE

George Oommen (Chairman)

Zaida Khalida Shaari

Chin See Mei

GROUP NOMINATION & REMUNERATION COMMITTEE

Zaida Khalida Shaari (Chairman)

Junaidah Mohd Said

George Oommen

Permanent Invitees:

George Oommen

(From Malaysian Reinsurance Berhad)
(Appointed on 25 August 2025)

Azizul Mohd Said

(From Takaful Ikhlas Family Berhad)

Datuk Adillah Ahmad Nordin

(From Takaful Ikhlas General Berhad)

RISK MANAGEMENT COMMITTEE OF THE BOARD

Junaidah Mohd Said (Chairman)

Chin See Mei

(Appointed on 1 October 2025)

Zaida Khalida Shaari

(Appointed on 14 January 2026)

Dato' Sulaiman Mohd Tahir

(Ceased on 1 October 2025)

Dato' Wan Roshdi Wan Musa

(Ceased on 11 February 2026)

GROUP INVESTMENT COMMITTEE

Zaida Khalida Shaari (Chairman)

(Appointed as Chairman on

11 February 2026)

George Oommen

Dato' Amirudin Abdul Halim

Datin Joanne Marie Lopez

Dato' Sulaiman Mohd Tahir

Kamarul Ariffin Mohd Jamil

(Appointed on 1 July 2026)

Dato' Wan Roshdi Wan Musa

(Ceased as Chairman on

11 February 2026)

GROUP DIGITAL & INFORMATION TECHNOLOGY COMMITTEE

Woon Tai Hai (Chairman)

Md Azmi Abu Bakar

Chin See Mei

Wan Zamri Wan Zain

AUDITORS

Ernst & Young PLT

(202006000003

(LLP0022760-LCA) & AF: 0039)

Chartered Accountants

Level 23A, Menara Millenium

Jalan Damanlela

Pusat Bandar Damansara

50490 Kuala Lumpur

Tel : +603-7495 8000

Fax : +603-2095 5332

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd

11th Floor, Menara Symphony

No. 5 Jalan Prof. Khoo Kay Kim

Seksyen 13, 46200 Petaling Jaya

Selangor Darul Ehsan

Tel : +603-7890 4700

Fax : +603-7890 4670

Email: bsr.helpdesk@boardroomlimited.com

PRINCIPAL BANKERS

Ambank (M) Berhad

Ambank Islamic Berhad

Malayan Banking Berhad

Maybank Islamic Berhad

Standard Chartered Bank Malaysia Berhad

Standard Chartered Saadiq Berhad

REGISTERED OFFICE

12th Floor, Bangunan Malaysian Re

No. 17, Lorong Dungun

Damansara Heights

50490 Kuala Lumpur

Tel : +603-2096 8000

Fax : +603-2096 7000

E-mail : enquiry@mnr.com.my

Website : www.mnr.com.my

Investor relations : ir@mnr.com.my

Social media : https://www.linkedin.

com/company/mnr-group/

STOCK EXCHANGE LISTING

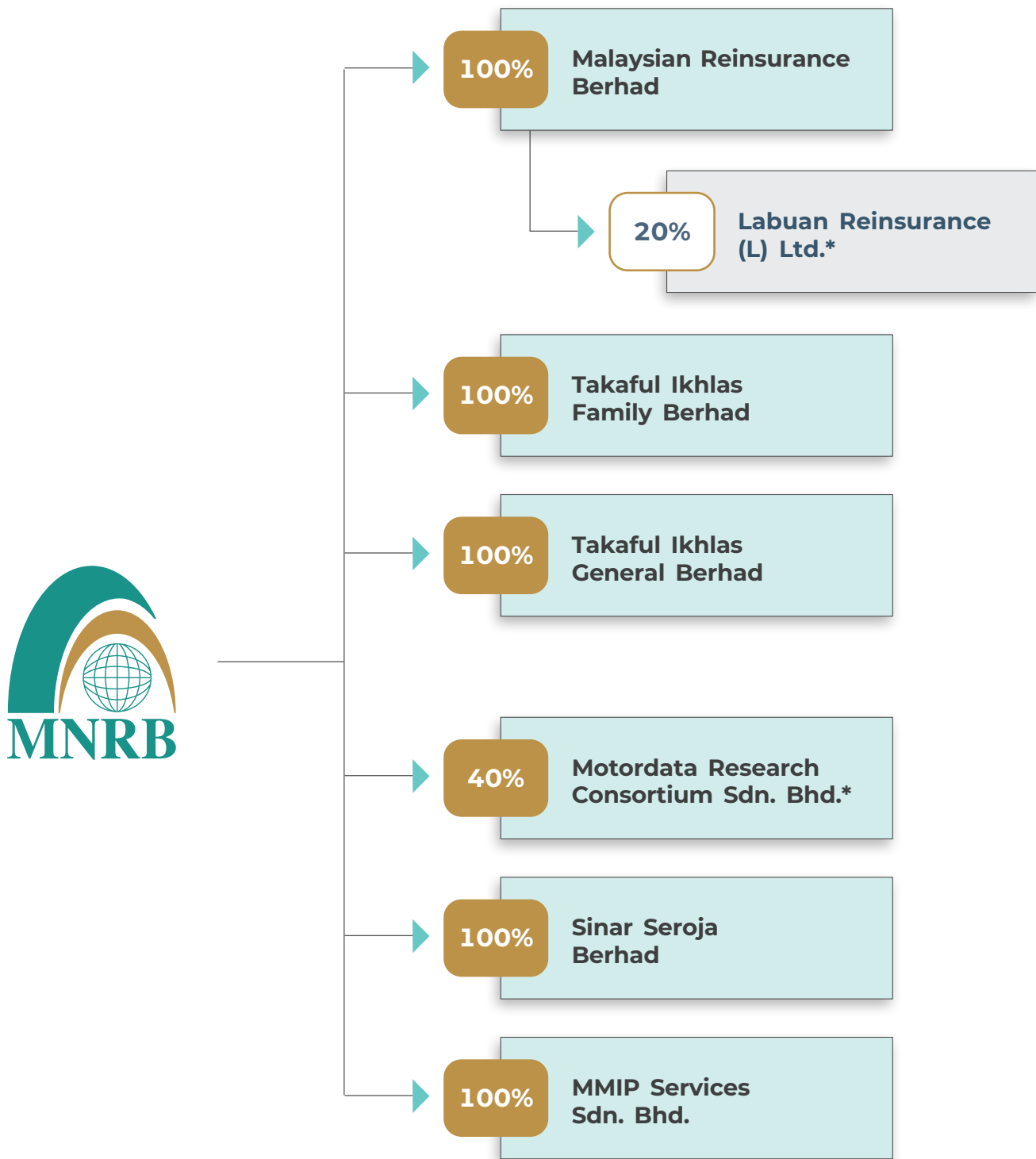
Main Market of Bursa Malaysia Securities Berhad

Stock Name : MNRB

Stock Code : 6459

Stock Sector : Financial Services

GROUP CORPORATE STRUCTURE

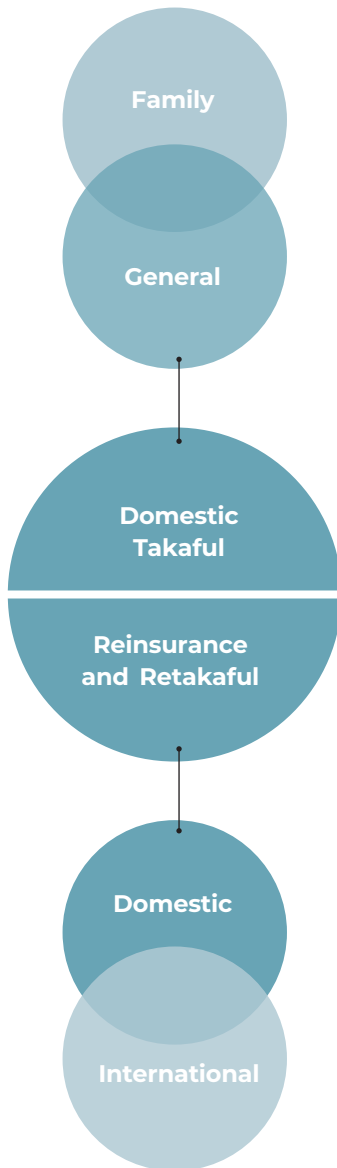


* Associate Company

OUR BUSINESS MODEL

OUR BUSINESS PILLARS

Our business is positioned on two main pillars: Family and General Takaful in Malaysia as well as Reinsurance and Retakaful in Malaysian and overseas markets.

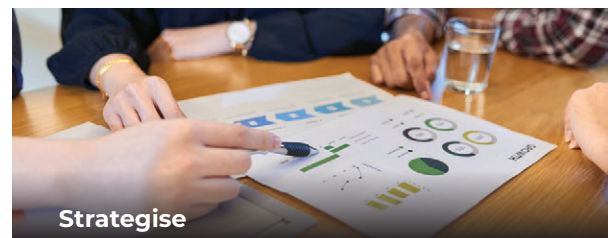
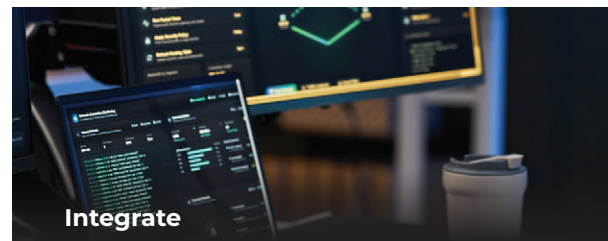


The Group supports these pillars with our various business enablers that perform diverse functions, e.g. information technology, human capital, finance and risk management, amongst others.

OUR STRATEGIC PILLARS

OUR STRATEGIC PILLARS

Our strategies focus on driving transformation through enterprise agility, operational integration, future-ready talent, sustainability, and new revenue streams, positioning us for resilient and scalable growth.



...VALUE FOR OUR STAKEHOLDERS.

MNRB 5 RISES STRATEGIES

R

Refining Enterprise Transformation

through cultural change, organisational restructuring, and efficient expense management enables greater agility, streamlined operations, and long-term growth.

I

Integrating Operational System

serves as a catalyst for streamlining operational and business efficiency across the MNRB Group, fostering enterprise-wide integration, agility, and performance-driven outcomes.

S

Secure Future-Ready Workforce

by attracting top talent, empowering young professionals, and cultivating a culture of continuous improvement through AI-driven upskilling and reskilling.

E

Embedding Sustainability through net zero carbon commitments, phased integration of sustainability principles, and climate-resilient operations ensures long-term business adaptability and environmental stewardship.

S

Seeking New Revenue Streams

through strategic expansion, transforming key functions into profit centers, and leveraging Group-wide synergies to unlock scalable growth and operational value.

RISES



S1 Our People

- Exciting career paths and systematic professional development
- Competitive remuneration and benefits



S2 Our Shareholders

- Share price appreciation and dividends



S3 Our Customers

- Balancing risk and opportunities, providing financial protection for continuity of lives and livelihoods



S4 Our Regulators

- Development of local and international insurance and takaful markets



S5 Our Communities

- Supporting economic growth
- Promoting economic, societal and environmental resilience

GROUP CODE OF ETHICS

The Code promotes a culture of compliance, professionalism, ethical standards, and responsible conduct among its Board of Directors (including Group Shariah Committee members), management, employees, and stakeholders, as well as third parties, and discourages any conduct that may have an adverse impact to the Group. It makes references to the underlying Group policies and procedures, which offers specific ethical and legal guidance to assist the Group in making business decisions professionally, prudently, and legitimately.

The purpose of this Code is to:



Ensure compliance with the regulatory rules and regulations as well as all the internal policies and procedures



Uphold the reputation of the Group and maintain public confidence



Uphold the highest standard of personal integrity and professionalism of MNRB Group



THE GROUP RUNS ITS BUSINESS BASED ON:

- 1 Integrity, intelligence, care, and professionalism.
- 2 Equal opportunities and non-discrimination to all.
- 3 Zero-tolerance on any type of harassment and violence.
- 4 Safe and sound working environment.
- 5 Ethical and responsible communication, including on social media.
- 6 Responsible use of IT systems.
- 7 Proper use of Group facilities and properties.
- 8 Commitment towards sustainable development.
- 9 No misuse of position or authority.
- 10 Strict prohibition on substance abuse.
- 11 Proper dealing with confidential information.

MNRB GROUP'S STAND AGAINST CORRUPTION

The Group has adopted a zero-tolerance approach against all forms of bribery and corruption. We are committed to conduct our business in accordance with all applicable laws, rules, and regulations at the highest ethical standards. The Group has established its Group Anti-Bribery & Corruption Policy ("ABC Policy") to show its commitment in combatting corruption and to support the National Anti-Corruption Plan ("NACP") initiated by the Government.

DEALING WITH STAKEHOLDERS

The Group always act with the best interests of the Group and stakeholders in mind. In no way should a staff personally profit from transactions based on his/her role or position in the Group. Potential conflicts of interest should be avoided, either real or perceived.

The Group is committed to comply with the anti-money laundering and counter financing of terrorism rules and regulations by prohibiting and actively prevent any activity that facilitates money laundering and financing of terrorism.

As a responsible corporate citizen, we are committed to contributing to the well-being of the people and the country. It is important that all Corporate Social Responsibility ("CSR"), sponsorships and donations are made in accordance with the Group policies.

Please refer to <https://www.mnrb.com.my/about-us/corporate-governance/code-of-ethics> for detailed information on the MNRB Group Code of Ethics.



CHAIRMAN'S STATEMENT

Dear Shareholders,
I am pleased to present the Annual Report of MNRB Holdings Berhad (“MNRB” or “the Group”) for the financial year ended 31 March 2026 (“FY2026”), a landmark year that reflects the success of our long-term strategic transformation and our continued commitment to sustainable value creation.

Guided by our shared purpose of “We Protect Everyone”, MNRB continued to build on its position as Malaysia’s national reinsurer and the largest reinsurer in Southeast Asia by asset size, delivering a record-breaking financial performance amidst an increasingly complex operating environment.

FY2026 marked an important achievement for the Group as we surpassed the RM500 million profit mark, establishing a new earnings baseline that reflects the successful outcome of our long-term strategic execution. This achievement was driven by a culture of collaboration and excellence, disciplined strategy implementation, strong underwriting execution, prudent capital management and sustained investment in strengthening our reinsurance, retakaful and takaful businesses. The broad-based contribution from our core businesses also demonstrates the growing resilience of our diversified earnings model and provides a stronger platform from which to pursue our longer-term growth ambitions.

As we look ahead, our role extends beyond commercial performance. As Malaysia’s national reinsurer, we recognise our responsibility to bolster regional risk capacity and support the broader financial ecosystem. Building on our robust financial position, we will continue to deepen our specialty capabilities, broaden our regional presence and enhance our operational and digital capabilities, ensuring that MNRB remains well positioned to deliver sustainable long-term value for our shareholders, customers and the nation. We intend to pursue this value creation responsibly, with disciplined capital stewardship, sound governance and a clear commitment to protecting the interests of all stakeholders.

CHAIRMAN'S STATEMENT

A ROBUST PERFORMANCE AMID SHIFTING MARKET DYNAMICS

An Increasingly Complex Operating Environment

FY2026 unfolded against an increasingly complex global landscape characterised by geopolitical tensions, evolving trade policies and heightened uncertainty across financial and commodity markets. Despite these external headwinds, Malaysia's economy remained resilient, expanding by 5.2% in 2025 and providing a stable foundation for the financial services sector.

Against this backdrop, the (re)insurance and (re)takaful sectors operated in an increasingly competitive environment marked by softer reinsurance market conditions, abundant capacity and pricing pressure. Rising medical inflation and greater healthcare utilisation also continued to place pressure on claims costs, particularly within the life insurance and family takaful industries. At the same time, operational resilience, cybersecurity, fraud risk management and responsible digitalisation assumed greater importance as the industry responded to rapidly evolving technology and customer expectations.

Alongside these market and operational pressures, the industry continued to navigate in an evolving regulatory landscape, with growing emphasis on intermediary accountability, consumer protection, capital resilience and sustainability disclosures. Bank Negara Malaysia's Policy Document on Prudent and Professional Conduct of Insurance and Takaful Brokers strengthened standards of conduct across the industry, while ongoing enhancements to the Risk-Based Capital ("RBC") Framework are expected to introduce more granular risk assessments and bolster the industry's capital resilience. At the same time, increasing expectations under the National Sustainability Reporting Framework ("NSRF") are requiring companies to improve the quality and transparency of their sustainability-related disclosures. Coupled with increasing climate-related risks and changing market dynamics, these developments reinforce the need for insurers and reinsurers to remain agile, disciplined and well capitalised.

A Record Financial Performance

FY2026 marked the strongest financial performance in MNRB's history, underscoring the resilience of our diversified business model and the cumulative impact of the strategic initiatives implemented across the Group over recent years. Through disciplined underwriting, prudent capital management, continued operational excellence and a strong enterprise-wide risk management, we further enhanced our earnings while reinforcing our long-term capacity to create sustainable value.

Total revenue grew by **6.8% to RM3.8 billion (FY2025: RM3.6 billion)**, while insurance and takaful revenue increased by 7.6% to RM3.4 billion (FY2025: RM3.1 billion), reflecting continued business expansion and stronger contributions across the Group's operating segments. Profit after tax ("PAT") rose by 38.2% to a record RM544.7 million (FY2025: RM394.2 million), while return on equity rose to 14.9% (FY2025: 12.0%).

The Group's strengthened financial profile also continued to receive independent external validation. Fitch Ratings and AM Best affirmed Malaysian Re's respective financial strength ratings of A and A-, respectively with a Stable outlook during the year. Subsequent to the close of FY2026, RAM Ratings maintained its rating of AA3 and AA2 for MNRB and Malaysian Re respectively while upgrading the outlook from Stable to Positive in April 2026. These assessments reinforce confidence in the Group's capitalisation, earnings quality, balance sheet strength, and sound enterprise risk management.

Strong Performance Across Our Core Businesses

MNRB's record performance in FY2026 was underpinned by strong contributions across all three of its core business pillars, reflecting the strength of the Group's diversified business model and the disciplined execution of strategies tailored to each operating segment. Collectively, these businesses continued to reinforce the Group's earnings resilience while advancing our position across the reinsurance, retakaful and takaful landscape.

✔ **Malaysian Reinsurance Berhad ("Malaysian Re"),** the Group's reinsurance and retakaful arm, remained the principal earnings contributor, delivering a 25.5% increase in PAT to RM408.1 million (FY2025: RM325.2 million). The strong performance was supported by stronger underwriting performance, higher investment income and disciplined expense management.

During the year, Malaysian Re continued to expand its international portfolio through its quality risk selection methodology and diversified underwriting approach, supported by enhanced facultative capabilities and a greater emphasis on specialty lines and family retakaful business. These initiatives further strengthened underwriting quality, reinforced its competitive positioning and broadened avenues for sustainable long-term growth.

The international business continued to contribute approximately half of Malaysian Re's total gross written premium and contribution during FY2026, reflecting the strength of its international portfolio and a well-balanced geographical mix. The business also continued to strengthen its specialty, facultative and retakaful capabilities to broaden its earnings base and support sustainable regional growth.

✔ **Takaful Ikhlas General Berhad ("Takaful IKHLAS General")** also delivered another strong performance, with PAT increasing by 36.2% to RM82.8 million (FY2025: RM60.8 million). The company achieved a significant milestone during the year by surpassing RM1 billion in gross written contribution for the first time, reflecting sustained expansion across its distribution channels and lines of business.

Continued momentum in the motor and fire portfolios, alongside progress across the commercial and small and medium-sized enterprise ("SME") segments and bancatakaful partnerships, supported the company's market expansion. Ongoing digitalisation initiatives to enhance customer reach and operational efficiency further strengthened its market position and supported profitable growth. Continued enhancements to underwriting, claims management, pricing and customer journeys also supported sustainable profitability as the business expanded.

✔ **Takaful Ikhlas Family Berhad ("Takaful IKHLAS Family")** recorded the strongest percentage earnings growth among the Group's operating subsidiaries, with PAT more than doubling to RM25.5 million (FY2025: RM12.5 million). The improvement was driven primarily by stronger contributions from its group credit term takaful and group hospitalisation portfolios, on top of a one-off gain arising from changes to the distribution arrangement. The growth reflected sustained demand for group protection solutions and improved capital efficiency. The company also continued to broaden its agency capabilities and customer engagement initiatives, further enhancing distribution effectiveness and supporting future business growth.

During the year, Takaful IKHLAS Family further strengthened its multi-channel distribution, strategic partnerships and digital service capabilities, broadening market access while improving operational efficiency and customer accessibility.

Collectively, these performances demonstrate the complementary strengths of our reinsurance, retakaful and takaful businesses and validate our strategy of maintaining a balanced and diversified portfolio. More importantly, the broad-based contributions from all three business pillars reinforce the resilience and sustainability of our earnings, positioning MNRB for continued growth in an increasingly dynamic operating environment.

📄 *For further details on the financial and operational performance of the Group and its subsidiaries, please refer to the Management Discussion & Analysis ("MD&A") section.*

CHAIRMAN'S STATEMENT

AN ONGOING COMMITMENT TO SUSTAINABLE VALUE CREATION

Rewarding Shareholders

As we focus our efforts on creating sustainable value for all stakeholders, the Board remains committed to delivering long-term shareholder returns, underpinned by our appreciation for the continued trust and confidence placed in the Group. At the same time, we recognise the importance of balancing shareholder distributions with the Group's future capital requirements to ensure the continued strength, resilience and growth of our reinsurance, retakaful and takaful businesses.

The Board also takes into consideration the Group's capital adequacy and solvency position, prevailing macroeconomic conditions, strategic investment requirements and applicable regulatory approvals.

In respect of FY2025, the Group in October 2025 paid a final single-tier dividend of 5.0 sen per ordinary share together with a final single-tier special dividend of 5.0 sen per ordinary share, amounting to 10.0 sen per ordinary share or RM78.3 million. Reflecting the Group's record financial performance and strengthened earnings profile, the Board also declared and paid an interim single-tier cash dividend of 5.0 sen per ordinary share in respect of FY2026, amounting to RM39.2 million.

These distributions reflect the Board's confidence in our long-term prospects and our disciplined approach to capital management. By balancing sustainable dividend returns with the capital required for future growth initiatives, we remain well positioned to support the Group's continued expansion while delivering long-term value to our shareholders.

Future-Proofing the Group

For more than 50 years, MNRB has remained steadfast in its purpose of protecting people, businesses and communities by continually adapting to an evolving risk landscape. As market dynamics and customer expectations continue to evolve, we remain focused on enhancing our capabilities, accelerating innovation and bolstering organisational agility to ensure the Group remains resilient, competitive and well positioned for sustainable long-term growth.

At the same time, we are reinforcing our enterprise-wide risk management capabilities to address emerging risks arising from climate change, cyber threats, evolving regulatory expectations and shifting market conditions. We are also strengthening our readiness to manage operational disruption, fraud risk, technology-related exposures and the growing complexity of regional and specialty risks. By embedding resilience across the Group, we are better equipped to anticipate change, respond effectively to emerging challenges and create sustainable value over the long term.

Enhancing Organisational Agility and Market Responsiveness

During FY2026, we continued to elevate our organisational capabilities to support transformation, resilience and long-term competitiveness. At the Board level, we focused on ensuring that MNRB has the right leadership depth, technical expertise, governance structures and operating discipline to respond effectively to changing market conditions and stakeholder expectations.

We also continued to build a high-performing culture grounded in integrity, accountability, collaboration and performance excellence. These foundations are integral to sustaining the Group's transformation and ensuring that our businesses remain agile, resilient and well positioned for future growth.

Collectively, these initiatives enhance MNRB's ability to adapt to evolving industry dynamics while reinforcing the operational resilience and adaptability required to strengthen long-term competitiveness and create sustainable value across market cycles.

Fast-tracking Digitalisation and Elevating Customer Experience

We also continued to accelerate our digital transformation agenda by leveraging technology to enhance customer experience, improve operational efficiency and sharpen business responsiveness. Investments in digital platforms, process automation and analytics capabilities are simplifying customer journeys, streamlining operations, enhancing pricing discipline and enabling faster, more informed decision-making.

The Group also continued to strengthen customer self-service functionalities and the use of data and analytics in risk assessment, underwriting, portfolio optimisation and service delivery. These initiatives continue to support a more agile and customer-centric operating model while positioning the Group to compete effectively in an increasingly digital marketplace.

Strengthening Regional Relevance and International Connectivity

MNRB continues to reinforce its regional relevance by expanding strategic partnerships and deepening engagement across the international reinsurance and retakaful ecosystem. Malaysian Re continues to play a key role in this effort by broadening its international footprint through selective portfolio diversification and deeper participation across regional and specialty markets, supported by stronger strategic collaborations.

Our evolving international platform and growing participation across ASEAN, the wider Asia-Pacific region and selected markets beyond the region are supporting greater geographical diversification, reducing concentration risk and broadening the Group's sources of earnings.

On 19 May 2026, the Group announced the proposed acquisition of the remaining 80% equity interest in Labuan Reinsurance (L) Ltd ("Labuan Re"), after entering into a conditional Share Purchase Agreement with the existing shareholders of Labuan Re. Subject to the necessary regulatory and your approval, Labuan Re will become a wholly-owned subsidiary of MNRB. The proposed acquisition represents a strategic milestone in MNRB's history. It is expected to materially strengthen our regional reinsurance and retakaful presence through Labuan Re's established and market conducive offshore platform as well as access to the long established Lloyd's of London market.

By complementing Malaysian Re's established domestic and regional presence with Labuan Re's international market connectivity, the enlarged Group will gain broader access to markets, clients and risk segments. This will support greater geographical and business-line diversification, reduce concentration risk and strengthen the resilience of our portfolio across different market cycles. It will also enhance our scale, broaden our earnings base and support a more diversified platform for sustainable regional and international growth.

The transaction is expected to enhance capital and capacity management, support more effective capital optimisation and create further opportunities across the region and selected markets beyond the region.

Advancing Industry Resilience Through Collaboration

MNRB continues to support the resilience and development of the insurance and takaful ecosystem through regulatory collaboration, knowledge-sharing and capability-building. During FY2026, the Group participated in key industry and sustainability platforms and contributed to discussions on applying Bank Negara Malaysia's Climate Change and Principle-based Taxonomy to insurance and takaful underwriting, as well as the development of guidance to support industry adoption of the NSRF.

Complementing these industry contributions, Malaysian Re's market services and technical training programmes supported clients and business partners in strengthening their capabilities relating to emerging risks, Economic, Environmental, Social and Governance ("EESG") considerations and climate-related developments. These initiatives reinforce MNRB's stewardship role within the national and regional ecosystem.

CHAIRMAN'S STATEMENT

DEEPENING OUR SUSTAINABILITY COMMITMENT

Sustainability remains integral to our long-term strategy and value creation approach. Guided by the principles of Value-Based Intermediation ("VBI") and Maqasid Shariah, we continue to integrate EESG considerations into our business practices, recognising that sustainable performance is fundamental to building resilience, maintaining credibility and delivering enduring value for our shareholders and other stakeholders.

We are also committed to our ambition of becoming a Net Zero Carbon organisation by 2050. This long-term commitment guides our efforts to strengthen climate resilience, improve the management of environmental risks and progressively embed sustainability considerations into our business, investment and risk management decisions.

During FY2026, the Group advanced its sustainability agenda through enhanced EESG practices and governance. Reflecting this progress, MNRB achieved an improved 4-star rating under the FTSE4Good Bursa Malaysia Index, with an overall ESG score of 3.7, supported by stronger performance across its ESG pillars.

The Group also reinforced its commitment to inclusive and responsible growth through the implementation of the National Living Wage Commitment, ensuring that eligible permanent Malaysian employees receive a minimum monthly salary of RM3,100. This supports employee well-being, talent retention and organisational resilience, which are important foundations for long-term performance and value creation. Further details of MNRB's sustainability efforts and achievements can be found in the Sustainability Statement.

UPHOLDING GOOD GOVERNANCE PRACTICES

Strong governance is fundamental to MNRB's long-term success and its ability to create sustainable value for stakeholders. We are committed to upholding the highest standards of corporate governance, integrity and accountability, ensuring that sound oversight, prudent risk management and ethical business conduct are embedded across the organisation.

During FY2026, the Board continued to strengthen MNRB's governance framework by reinforcing oversight of risk, regulatory compliance, cyber resilience, internal controls, capital management, sustainability governance and operational resilience, in line with evolving regulatory expectations and industry standards. The Board also remained focused on supporting effective Board renewal, maintaining Board effectiveness and strengthening diversity of experience, skills and perspectives to ensure that MNRB remains well equipped to navigate an increasingly complex operating environment. These efforts support the Group's long-term strategic objectives while enhancing organisational resilience, safeguarding stakeholder interests and reinforcing confidence in the Group's governance practices.

Further information on the Group's corporate governance framework and initiatives during FY2026 is set out in the Corporate Governance Overview Statement, which forms an integral part of this Annual Report.

MOVING INTO FY2027 AND BEYOND

The global operating environment is expected to be characterised by geopolitical uncertainty, trade tensions and a competitive reinsurance landscape. Against this backdrop, MNRB enters FY2027 from a position of strength. The Group's record FY2026 performance has established a stronger earnings platform and enhanced financial flexibility, reflecting the cumulative impact of the strategic repositioning undertaken across our reinsurance, retakaful and takaful businesses over recent years.

We are mindful of the risks arising from softer reinsurance conditions, claims inflation, financial market volatility, climate-related events, cybersecurity threats and evolving regulatory requirements. At the same time, growing protection needs, increasing takaful adoption and emerging opportunities in specialty risks, climate resilience and regional markets provide meaningful avenues for longer-term growth.

Looking ahead, the Board will continue to focus on enhancing the resilience and quality of the Group's earnings through disciplined strategic execution across its core businesses. Our priorities will centre on portfolio optimisation, disciplined capital allocation and operational excellence, supported by stronger underwriting, greater use of data and analytics, selective expansion into higher-quality and specialty segments and continued investment in customer experience.

Talent development, leadership succession and cultural alignment will be key enablers of this strategy. We will continue to build workforce capabilities and foster a culture anchored in integrity, accountability, collaboration and performance excellence, while advancing employee well-being and responsible employment practices.

Subject to the necessary approvals and successful completion, the proposed acquisition of Labuan Re will support these priorities by providing a broader international platform, strengthening portfolio diversification and expanding the Group's participation in regional and global reinsurance and retakaful markets.

Building on the strong foundations established over recent years, the Board is confident that MNRB's strengthened financial position, diversified business portfolio, disciplined risk management framework and clear strategic direction will enable us to navigate evolving market conditions while capitalising on emerging opportunities. By remaining disciplined in execution and focused on long-term value creation, we believe the Group is well positioned to deliver sustainable growth and further strengthen its standing as a leading regional reinsurance, retakaful and takaful group.

IN APPRECIATION

On behalf of the Board, I would like to express our sincere appreciation to our shareholders, customers, business partners, agents, intermediaries, regulators and all other stakeholders for your continued trust, confidence and steadfast support throughout FY2026. Your partnership has been instrumental in enabling MNRB to achieve a year of record performance and strategic progress.

I also extend my heartfelt gratitude to my fellow Board members for their invaluable guidance, stewardship and commitment to providing sound oversight and strategic direction to the Group. During FY2026, Dato' Wan Roshdi Wan Musa, an Independent Non-Executive Director of the Company, left with effect from 11 February 2026. On behalf of the Board, I would like to record our sincere appreciation to Dato' Wan Roshdi for his service and contribution to MNRB and wish him every success in his future endeavours.

On 1 July 2026, we welcomed Encik Kamarul Ariffin Mohd Jamil to the Board as an Independent Non-Executive Director. Bringing over 30 years of leadership experience spanning the banking, corporate strategy and energy sectors, we are confident that his strategic acumen and breadth of experience will strengthen the Board and support our continued focus on sound governance, strategic oversight and sustainable value creation. We certainly look forward to his contributions.

My sincere appreciation goes to our Management team and employees across the Group for their professionalism, resilience and dedication to excellence. Their unwavering commitment has been instrumental in strengthening MNRB's performance, capabilities and long-term competitiveness.

As we look ahead, the Board remains confident in MNRB's ability to build on the strong momentum established over recent years. Supported by a resilient business model, disciplined execution and clear strategic priorities, we will continue to pursue sustainable growth, deepen our regional presence and create enduring value for our shareholders and stakeholders. I call upon all our valued stakeholders to lend us their kind support. Together, we will build a stronger, more resilient and more internationally connected MNRB for generations to come.

On behalf of the Board

Dato' Sulaiman Mohd Tahir
Chairman
31 July 2026

ECONOMIC AND INDUSTRY REVIEW AND PROSPECTS



GLOBAL ECONOMY

The global economy remained resilient in 2025 despite multiple shocks, including trade tensions, inflation and geopolitical uncertainties, with global GDP growth remained steady at 3.4% (2024: 3.3%). Global growth was supported by steady domestic demand, improvements in supply chain conditions and continued policy support across major economies. Economic activity was driven in part by temporary factors, including the frontloading of trade and stockpiling of goods ahead of anticipated tariff increases. At the same time, structural factors such as strong investor confidence and rising investment in technology, particularly artificial intelligence (AI), also contributed to sustaining growth.

At the same time, inflation showed signs of moderation during the year as supply conditions improved and demand pressures eased. While inflation remained slightly above pre-pandemic levels in some economies, the overall trend allowed central banks to gradually adopt a more accommodative policy stance. Despite the overall positive performance, the recovery remained uneven across regions. Advanced economies generally recorded stronger growth and recovery in income levels, while many emerging and developing economies continued to face challenges, including weaker domestic demand and structural constraints.

GLOBAL ECONOMY OUTLOOK

Global economic growth is expected to moderate to 2.7%-3.2% supported mainly by steady domestic demand and continued investments in technology, especially in digitalisation and artificial intelligence (AI). Supportive monetary and fiscal policies in major economies are also expected to help sustain economic activity. However, growth will face challenges from trade tensions, higher tariffs and geopolitical conflicts, particularly in the Middle East. These may affect trade, investment and overall economic confidence.

Growth in advanced economies is expected to remain stable. In the United States, household spending will continue to support the economy, while investment in technology remains strong. In the euro area, growth will be supported by stable labour markets and government spending. Regional economies are expected to grow steadily, supported by domestic demand and ongoing investments in technology. However, countries that rely heavily on trade may be affected by slower global trade. China's growth is expected to moderate due to ongoing property sector challenges and trade pressures. Inflation may increase slightly due to higher energy prices and global uncertainties, while financial conditions are expected to remain supportive but cautious.

Overall, risks to global growth remain tilted to the downside, mainly due to geopolitical tensions and trade uncertainties. However, stronger technology investment and policy support could help offset these risks.



MALAYSIAN ECONOMY

Malaysia's economy expanded by 5.2% in 2025 (2024: 5.1%), supported by resilient domestic demand despite a challenging global environment marked by geopolitical tensions, uneven external growth, and continued financial market volatility. Growth was primarily driven by household consumption and sustained investment activity, underpinned by favourable labour market conditions, stable income growth, and ongoing implementation of key national development initiatives.

From a sectoral perspective, growth remained broad-based, led by services and manufacturing sectors. The services sector which expanded by 5.5% in 2025 (2024: 5.3%), continued to benefit from sustained consumer spending, tourism activity, and business-related services, while manufacturing sector increased by 4.5% in 2025 (2024: 4.2%) was supported by steady external demand and ongoing industrial activity. Construction activity also remained supportive, driven by infrastructure development, while the tourism sector continued its recovery momentum, contributing positively to overall growth.

Within the financial services sector, operating conditions remained generally stable. The environment was supported by a steady monetary policy stance and moderating inflation, although financial markets experienced periods of volatility throughout the year. For the insurance and reinsurance industry, the macroeconomic environment remained broadly supportive with domestic demand contributing to business activity. However, financial market volatility and external uncertainties continued to require disciplined capital and investment management.

MALAYSIAN ECONOMY OUTLOOK

Malaysia's economy is expected to remain resilient in 2026, with GDP growth projected at 4.0% to 5.0%, supported primarily by sustained domestic demand despite an increasingly challenging global environment. The IMF projects Malaysia's growth at approximately 4.7%, underpinned by steady domestic consumption and investment activity. While global growth is anticipated to moderate amid geopolitical tensions, trade-related uncertainties, and heightened volatility in international markets, Malaysia is well-positioned to navigate these headwinds, underpinned by its diversified economic base, sound financial system, and strong domestic fundamentals.

Domestic demand is expected to remain as the key driver of economic growth, underpinned by steady private consumption and investment activities. Private consumption is projected to expand by 5.0% in 2026, supported by firm labour market conditions and continued income growth. Investment activity is also projected to continue expanding, even though at a more moderate pace, driven by the ongoing implementation of approved projects in high-technology services, digital infrastructure, advanced manufacturing, and the electrical and electronics (E&E) sector. Continued investment in artificial intelligence (AI)-related activities and data centre developments is

expected to further support economic activity. The continued rollout of national development initiatives under the 13th Malaysia Plan (RMK-13) is also expected to provide additional impetus to economic growth.

From a sectoral perspective, growth is expected to remain broad-based, led by the services and manufacturing sectors. The services sector is expected to grow by 5.2% in 2026. This is anticipated to benefit from sustained consumer spending, tourism-related activities, and business services, while the manufacturing sector is expected to be supported by continued demand for semiconductor and technology-related products. The external sector is also expected to remain resilient, supported by the global technology cycle and increased tourism arrivals in conjunction with Visit Malaysia Year 2026.

Headline inflation in 2026 is projected to remain moderate at 1.5%-2.5%, influenced by a stronger exchange rate and domestic policy measures that help reduce imported cost pressures. Although global commodity prices remain volatile due to geopolitical tensions, inflation is expected to stay contained as firms remain cautious in adjusting prices amid manageable costs. Bank Negara Malaysia is expected to maintain the Overnight Policy Rate (OPR) at 2.75%, to ensure price stability while supporting sustainable economic growth.

ECONOMIC AND INDUSTRY REVIEW AND PROSPECTS



GLOBAL INSURANCE INDUSTRY OVERVIEW

The global insurance industry grew by 7.1% in 2025, reaching approximately USD8.0 trillion (1 Euro = 1.157 USD), with an increase of about USD 527 billion in premiums. Although this was lower than the exceptional 9.4% growth in 2024, it remained well above the 10 year average of 5.6%, highlighting continued strong underlying fundamentals. Life insurance remained the largest segment at around USD3.31 trillion, followed by P&C at about USD2.68 trillion and health at approximately USD1.95 trillion.

In the P&C segment, global premiums grew by 3.8% in 2025, slowing from 8.5% in 2024 as pricing cycles began to normalize and claims inflation stabilised. Concurrently, the life insurance sector expanded by 6.9%, down from 11.3% in 2024. Health insurance was the fastest-growing segment, increasing by 12.3% in 2025, supported by ageing populations, rising medical costs, and strained public healthcare systems.

At the same time, increasing geopolitical fragmentation is reshaping the industry, creating more complex risk environments but also driving demand for new protection solutions in areas such as infrastructure, energy security, and political risk, requiring insurers to adapt their strategies and operating models.

Reinsurance capital increased by 11% to USD648 billion in 2025, marking the second strongest year of capital growth in over a decade. The increase was primarily driven by retained earnings and inflows of alternative capital, supported by favourable financial market conditions and foreign exchange movements. Capital growth significantly outpaced revenue growth (11% versus 1.4%), reflecting the growing imbalance between market capacity and demand.

GLOBAL INSURANCE INDUSTRY OUTLOOK

Global insurance premium growth is expected to slow to around 2.0% in real terms across 2026–2027, reflecting a normalisation after the strong expansion seen in the past two years. Despite this moderation, firm long-term bond yields will continue to support insurers, providing a reinvestment tailwind for fixed-income portfolios and sustaining profitability across both P&C and life & health sectors.

In the P&C segment, growth is projected to reach a cyclical low at about 1.1%, driven by intensifying competition. However, demand will remain supported over the medium term by structural factors such as rising natural catastrophe risks, increasing liability costs, and AI-related investments. Meanwhile, the life & health sector remains more resilient, with life premiums expected to grow at around 2.8% annually, supported by higher consumer risk awareness, improving mortality trends, and continued benefits from stable bond yields, all of which should help maintain profitability.

The global reinsurance sector remains stable, although it continues to face several headwinds. Pricing is gradually softening as competition increases across the market. At the same time, claims costs are rising due to persistent social inflation and the growing frequency and severity of natural catastrophe losses. In addition, ongoing macroeconomic uncertainty is placing further pressure on the sector's overall outlook.

Despite these challenges, the sector is supported by a number of strong fundamentals. Reinsurers continue to maintain robust capital positions and disciplined underwriting practices, with terms and pricing still broadly adequate. Higher interest rates are also helping to strengthen investment income and overall profitability. Furthermore, the limited entry of new market players is supporting pricing stability and helping to protect underwriting margins.



MALAYSIA INSURANCE INDUSTRY OVERVIEW

The Malaysian general insurance and general takaful industry's gross premiums and contributions grew by 6.3% to RM30.8 billion in 2025, up from RM29.0 billion in 2024. The general insurance industry continued to record growth in 2025, with gross written premiums increasing by 4.8% to RM24.2 billion, compared to RM23.1 billion in 2024. Motor insurance accounted for 45.2% of total premiums, followed by Fire insurance at 20.9%, while Marine, Aviation and Transit ("MAT") represented 7.4% of the industry portfolio. Personal Accident ("PA") insurance also recorded strong growth, supported by increased demand for travel and personal protection coverage.

The Takaful industry demonstrated continued resilience, with total gross contributions rising by 4.7% to RM16.4 billion in 2025. General takaful remained as key contributor, growing by 12.3% to RM6.6 billion, largely driven by motor takaful business, which accounted nearly 69.0% of total general takaful contributions. Fire and personal accident takaful segments also recorded healthy growth during the year.

The new business contributions for family takaful segment remained broadly stable at RM9.7 billion, while in-force contributions increased to RM10.1 billion from RM9.6 billion in 2024. The total sum participated grew by 4.5% to RM1.6 trillion, reflecting continued demand for long term protection and savings products. However, the number of new takaful certificates issued moderated to 861,956 in 2025 (2024: 993,393), indicating a softer new business environment amid evolving consumer spending priorities.

MALAYSIA INSURANCE INDUSTRY OUTLOOK

The Malaysian insurance and takaful industry are expected to remain stable in 2026, supported by strong capital positions and sufficient liquidity. The industry continues to be well-capitalised, allowing insurers and takaful operators to absorb market volatility and support ongoing business activities.

However, profitability is expected to remain under pressure due to rising claims costs, particularly in the health and motor segments. Medical inflation and higher healthcare utilisation continue to be key challenges for the industry, affecting both life insurers and family takaful operators.

In response, ongoing reforms in the medical and health insurance/takaful (MHIT) segment, including initiatives under Bank Negara Malaysia's RESET strategy and the proposed Base MHIT plan, are expected to support longer-term affordability and sustainability of protection products.

The industry is expected to continue growing at a moderate pace, supported by steady demand for protection products. However, new business growth may be moderated by affordability pressures and changing customer needs, especially in the life and family takaful segments. From reinsurance perspective, market conditions are expected to remain stable, with sufficient capacity and strong capital support. Reinsurers are expected to remain selective in underwriting, focusing on risk quality and sustainable returns.

Overall, the outlook remains stable but challenging, supported by strong capital buffers and regulatory strength, but weighed down by rising claims costs, medical inflation and global market uncertainties.

MANAGEMENT DISCUSSION & ANALYSIS



Dear Shareholders,

FY2026 marked a milestone year for MNRB as the Group delivered its highest-ever profit after tax as stronger execution across our reinsurance, retakaful and takaful businesses enabled us to deliver a record PAT of RM544.7 million.

Insurance and Takaful Revenue

RM3.4
billion

(RM3.1 billion in FY2025)

Profit After Tax ("PAT")

RM544.7
million

(RM394.2 million in FY2025)

Return on Equity ("ROE")

14.9%

(12.0% in FY2025)

This milestone is all the more satisfying as it was achieved amid softer conditions in selected reinsurance markets, rising claims costs, intensifying competition, evolving regulatory expectations and rapid technological change. I applaud the steadfast efforts of Team MNRB even as they upheld a disciplined focus on underwriting quality, portfolio resilience, operational efficiency and sound risk management throughout the financial year.

I am also pleased to say that we made good headway under the Group's strategic RISES framework by strengthening Group-wide collaboration, accelerating digitalisation and automation, enhancing data capabilities and improving customer access and service delivery. At the same time, we continued to invest in leadership, technical expertise and organisational capability. Together, these initiatives strengthened our ability to respond to changing market conditions, capture emerging opportunities and support sustainable growth.

Financially, insurance and takaful revenue increased by 7.6% to RM3.4 billion from RM3.1 billion in FY2025 arising from a stronger takaful growth complemented by disciplined underwriting policies across our core businesses, stronger investment results from favourable markets, and better claims experience despite the rising claims costs. This results in the growth of profit after tax ("PAT") by 38.2% to a record RM544.7 million, while return on equity ("ROE") improved to 14.9% from 12.0%.

This Management Discussion & Analysis ("MD&A") reviews MNRB's operational and financial performance for the financial year ended 31 March 2026 ("FY2026"), the progress achieved against our strategic priorities and the factors shaping our outlook.

OUR BUSINESSES AND STRATEGIC PRIORITIES

Our Businesses

The MNRB Group operates across the reinsurance, retakaful and takaful segments through three distinct yet complementary subsidiaries. Malaysian Reinsurance Berhad ("Malaysian Re") serves as Malaysia's national reinsurer and provides reinsurance and retakaful solutions across domestic and international markets. Takaful Ikhlas Family Berhad ("Takaful IKHLAS Family") offers Shariah-compliant family protection, health and savings solutions, while Takaful Ikhlas General Berhad ("Takaful IKHLAS General") provides general takaful protection across individual, commercial and institutional risks.

While each operating entity maintains clear strategic and operational accountability, the Group continues to strengthen collaboration through an integrated business model which includes shared services among the Group such as Risk Management, Digital, and Technology. This allows the Group to leverage on common governance, capital strength, shared capabilities and collective market expertise.

During FY2026, closer coordination in business development, distribution, client engagement and market expansion enabled the Group to unlock new opportunities and create greater customer value through cross-selling, integrated solutions and stronger ecosystem partnerships, particularly within the commercial and corporate segments. This diversified business structure continues to provide multiple earnings streams, enhances portfolio resilience across market cycles and strengthens the Group's ability to pursue sustainable growth while responding effectively to evolving customer needs and market dynamics.

Group-wide Strategic Priorities

Throughout FY2026, MNRB focused on strengthening its business fundamentals, improving operational effectiveness and preparing the Group for its next phase of growth. Our priorities are centred on growth and market expansion, prudent capital and portfolio management, strengthening organisational capability, and advancing digital transformation.

MANAGEMENT DISCUSSION & ANALYSIS

Advancing the RISES Framework

Having introduced RISES – Remodel, Integrate, Strengthen, Empower and Strategise – as the Group's strategic transformation framework in FY2025, FY2026 marked a year of disciplined execution, with the framework guiding key initiatives across the organisation. RISES continued to shape the Group's priorities, thus reinforcing MNRB's ability to deliver sustainable growth, improve operational agility and create long-term value for customers, shareholders and other stakeholders.

Bolstering Core Operations

Underwriting discipline remains central to our strategy. Across the Group, FY2026 saw us enhancing risk selection, reviewing pricing adequacy and strengthening claims and expense management. These efforts contributed to improved insurance and takaful service results across all operating businesses despite softer reinsurance pricing and rising claims costs in selected portfolios. We also improved portfolio quality and diversification across markets, business lines and distribution channels. These initiatives supported a more balanced earnings base while maintaining a clear focus on sustainable risk-adjusted returns.

Strengthening Regional Relevance

In FY2026, the Group went on to reinforce its regional relevance by expanding Malaysian Re's participation across key regional and international markets while enhancing its specialty, facultative and retakaful capabilities. These initiatives helped broaden the Group's portfolio, strengthening access to higher-value risks and cementing its position as a leading regional reinsurance and retakaful player.

To further strengthen our regional presence, MNRB entered into a conditional agreement to acquire the remaining equity interest in Labuan Re, showcasing our commitment towards strengthening our international reinsurance operations.

Driving Customer-Centric Innovation

Digitalisation continues to strengthen customer experience, operational efficiency and scalable growth across the Group. Alongside digital enablement, the takaful businesses continue to enhance customer value through product innovation, broader distribution partnerships and improved accessibility. This allows our customers to benefit from a faster onboarding process,

improved claims servicing, and enhanced accessibility through expanded digital channels. Collectively, these initiatives underscore MNRB's commitment to placing customers and business partners at the centre of its growth strategy while ensuring that its products, services and solutions remain relevant in an increasingly dynamic marketplace.

Capital and Resource Optimisation

The Group also maintains a disciplined approach to capital deployment, balancing growth opportunities with the need to preserve strong solvency and liquidity buffers. In the year under review, we continued to enhance financial governance, cost management, tax efficiency and process standardisation. These initiatives contributed to a lower cost-income ratio, improved process turnaround times, and generated operational savings through development of automation processes. Collectively, these efforts supported greater transparency, accountability and capital productivity across the Group.

Championing the Islamic Finance Ecosystem

MNRB continues to support the development of the Islamic finance ecosystem through its retakaful and takaful businesses. In FY2026, Malaysian Re expanded its Shariah-compliant risk capacity, while Takaful IKHLAS Family and Takaful IKHLAS General broadened access to protection through agency, bancatakaful, corporate and digital partnerships. These initiatives extended the Group's reach across financing, employee benefits, small and medium-sized enterprises and other customer segments.

Industry Leadership and Stakeholder Engagement

MNRB is deeply committed to championing industry development through knowledge-sharing, technical capability-building and participation in key industry platforms. Throughout FY2026, the Group remained engaged in Bursa Malaysia's Public Listed Companies Transformation Programme, the Malaysian Takaful Association's working groups and the subcommittees under the Joint Committee on Climate Change.

During the year, we also contributed to discussions on the application of the Climate Change and Principle-based Taxonomy to insurance and takaful underwriting and the development of guidance under the National Sustainability Reporting Framework. These initiatives are going a long way in helping strengthen industry readiness, stakeholder relationships and the Group's role as a responsible market participant.

Building Organisational and Sustainability Capabilities

Our people are integral to the execution of our strategy. During FY2026, we strengthened succession planning, expanded the high-potential talent pool and enhanced leadership and capability-development programmes. We also continued to build expertise in underwriting, actuarial disciplines, technology, data, artificial intelligence ("AI") and sustainability to support the Group's evolving business priorities.

In preparation for the next phase of its sustainability journey, the Group completed the enhancement of its Sustainability Framework, Policy and Roadmap in FY2026, providing a stronger foundation for implementation from FY2027 onwards. To further strengthen the sustainability governance and oversight, the Group also established a dedicated Sustainability Committee ("SusCo"), replacing the previous Sustainability Working Group ("SWG"), with effect from 1 April 2026. These enhancements support the progressive integration of sustainability and climate-related considerations into underwriting, investments, decision-making, procurement and operations, including climate risk management, responsible investment and decarbonisation initiatives. Together, these strategic priorities have strengthened the Group's operating foundations and positioned MNRB to pursue sustainable growth with greater discipline, resilience and regional relevance.

Subsidiary-Level Strategic Priorities

Each subsidiary continues to execute strategies aligned with the Group's RISES framework while responding to the distinct dynamics of its respective market segment.

Although their strategic priorities differ, all our businesses remain focused on strengthening profitability, enhancing customer relevance and building long-term resilience.

In FY2026, our subsidiaries focused on the following strategic priorities:



Malaysian Re continued to expand its international, specialty, facultative and retakaful portfolios while maintaining disciplined risk selection and capital management. These initiatives supported greater portfolio diversification, regional relevance and sustainable profit growth.



Takaful IKHLAS Family strengthened its multi-channel distribution model through its Agency, Bancatakaful and Corporate Solutions channels, supported by new partnerships, product innovation and improved customer accessibility.



Takaful IKHLAS General continued to diversify its portfolio by expanding the higher-quality non-motor, commercial as well as small and medium-sized enterprise ("SME") segments while strengthening its Agency, Bancatakaful, Corporate and Direct distribution channels.

The financial and operational outcomes of these strategies are discussed under the "Performance by Business Segment" section within this MD&A.

Fast-Tracking MNRB's Digital Transformation Agenda

Digitalisation remains an important enabler of MNRB's strategy to improve operational efficiency, strengthen the customer experience and build scalable capabilities for long-term growth. During FY2026, the Group continued to expand digital platforms, automate selected processes and strengthen data and analytics capabilities across underwriting, claims, finance, distribution and customer servicing.

Scaling the Go Digital Ecosystem

The Group is continuously expanding its Go Digital ecosystem through enhancements to customer platforms, digital distribution, websites and system integration, creating a more connected and seamless experience for customers, partners and employees.

In FY2026, Go Serve further strengthened its role as the Group's digital servicing platform, providing convenient access to payments, policy servicing, claims-related services and customer information. The platform recorded more than 76,000 registered users, improving by 89.5% from the previous year, while Group-wide self-service utilisation reached 77%, reflecting growing customer adoption of digital channels. Go Serve Phase 2 also progressed during the year, with further enhancements focused on simplifying onboarding and extending end-to-end servicing capabilities.

Accelerating Automation and Process Efficiency

The Group continues to embed automation across key business functions, streamlining processes in claims, finance, compliance and operational support. FY2026's initiatives reduced manual intervention, improved processing accuracy and supported faster turnaround times. Digital claims capabilities also advanced through Claims App 2.0, Claims Portal 2.0 and claims investigation management tools.

MANAGEMENT DISCUSSION & ANALYSIS

Strengthening Data and AI Capabilities

MNRB continues to strengthen data integration through bridge applications and the ongoing development of its Enterprise Data Warehouse. These efforts enhanced data quality, accessibility and reporting to support more informed business decisions. AI proofs of concept also progressed in underwriting, claims and customer servicing. Together with the Enterprise Data Warehouse and automation initiatives, these capabilities are strengthening the Group's ability to make data-driven decisions while improving operational productivity.

Expanding Digital Distribution and Customer Access

Today, application programming interfaces, microsites and integrated sales platforms are augmenting MNRB's connections with agents, bancatakaful partners and digital collaborators. These capabilities also support onboarding, product access and cross-selling across multiple distribution channels.

In FY2026, AI Chat and Live Chat complemented existing customer channels by improving responsiveness and accessibility. Collectively, these initiatives are strengthening the Group's ability to deliver more accessible and efficient services while building the digital foundation required for future growth.

GROUP FINANCIAL PERFORMANCE FY2026

FY2026 marked a significant improvement in MNRB's financial performance, supported by stronger results across all three operating businesses. Despite softer pricing in selected reinsurance markets, higher claims costs and continued volatility across financial and currency markets, the Group achieved strong overall revenue growth, improved underwriting outcomes and stronger investment performance.

Revenue and Profitability

The Group's insurance and takaful revenue increased by 7.6% to RM3.4 billion from RM3.1 billion in FY2025. Growth was driven primarily by Malaysian Re, contributing 51.8% of total insurance and takaful revenue driven by the continued growth in gross written premium and contribution ("GWPC"). Meanwhile, higher takaful revenue from the family and general takaful businesses also contributed to the Group's performance, accounting for 14.3% and 33.9% of total insurance and takaful revenue, respectively.

PAT rose by 38.2% to a record RM544.7 million from RM394.2 million in FY2025. The improvement reflected stronger insurance and takaful service results, higher investment returns and better operational performance across the Group.

Insurance and takaful service results increased by 46.5% to RM507.2 million from RM346.2 million in FY2025. All three operating businesses recorded improved service results, supported by better claims experience at Malaysian Re, higher takaful revenue and disciplined expense management within the takaful businesses. This represented a marked recovery from FY2025, when insurance and takaful service results had declined by 30.0%.

ROE improved by 2.9 percentage points to 14.9% from 12.0%, reflecting the increase in profitability and more effective utilisation of the Group's capital base. Total assets expanded by 6.4% to RM14.3 billion from RM13.5 billion in FY2025. The increase was primarily attributable to growth in the Group's financial assets as well as reinsurance contracts/retakaful certificates assets and insurance contracts/takaful certificates assets, supported by business expansion and the continued reinvestment of earnings.

Looking ahead, the Group remains committed to driving sustainable growth through disciplined risk management and underwriting, accelerating digital transformation, as well as strengthening our sustainability governance and oversight across the organisation. With the establishment of a dedicated Sustainability Committee following FY2026, the Group is expected to enhance the integration of sustainability and climate-related considerations across its operations, governance, and decision-making processes. This will further reinforce the Group's resilience, support sustainable earnings growth, and drive long-term value creation for stakeholders.

Key Performance Drivers and Market Trends

Several factors shaped the Group's FY2026 performance:

- 
Stronger underwriting fundamentals:
 Disciplined risk selection, pricing adequacy, improved claims experience and expense management supported stronger insurance and takaful service results.
- 
Broad-based business growth:
 Stronger contributions from the family and general takaful businesses complemented continued expansion across Malaysian Re's reinsurance, facultative and retakaful portfolios.
- 
Resilient investment performance:
 Improved fixed-income returns and higher fair value gains, reflecting favourable market conditions across both bond and equity portfolios, supported earnings growth.
- 
Operational and capital discipline:
 Claims management, automation, process improvements and prudent capital deployment supported productivity, financial resilience and the Group's capacity to fund future growth.

Investment Performance

Investment results increased by 13.6% to RM447.3 million in FY2026 from RM393.7 million in FY2025. This contrasted with FY2025, when investment results had declined by 34.5% from RM601.0 million due mainly to adverse fair value movements and foreign-exchange losses.

The FY2026 improvement was driven by higher unrealised net fair value gains amid more favourable conditions across bond and quoted equity markets. Income from fixed-income and equity portfolios also remained an important contributor to the Group's earnings.

The Group continued to manage its investment portfolio prudently, balancing income generation with capital preservation, liquidity and the need to match its insurance and takaful liabilities. Today, asset allocation decisions continue to be guided by the Group's risk appetite, liability profile and long-term financial obligations.

In FY2026, foreign exchange volatility remained an important consideration, particularly given Malaysian Re's growing international portfolio. While unrealised gains on investment assets contributed positively at Group level, the appreciation of the ringgit against the US dollar affected the translation of selected overseas liabilities. The Group continued to manage these exposures through asset-liability matching, portfolio diversification and active monitoring of currency positions.

Capital and Liquidity

The Group maintained a strong capital position throughout FY2026, supported by resilient operating cash flows, improved business performance and prudent financial management. Disciplined capital allocation, effective asset-liability management and a diversified investment portfolio enabled the Group to meet its operational and claims obligations while continuing to invest in digital capabilities, technology infrastructure and organisational development.

These strong financial foundations provide the flexibility to support business growth, respond to evolving market conditions and pursue strategic opportunities while maintaining a disciplined approach to risk management. Together with the Group's diversified business portfolio and clear strategic direction, they position MNRB to continue delivering sustainable long-term value for its stakeholders.



MANAGEMENT DISCUSSION & ANALYSIS

PERFORMANCE BY BUSINESS SEGMENT

01

REINSURANCE/RETAKAFUL BUSINESS

Malaysian Re remained the Group's principal earnings contributor in FY2026, reflecting its continued role as a key pillar of MNRB's growth strategy. As Malaysia's national reinsurer, the company continued to strengthen domestic risk capacity while helping clients across regional markets manage increasingly complex risks.

Insurance and takaful revenue stood at RM1.8 billion, compared with RM1.9 billion in FY2025, while GWPC increased by 5.1% to RM2.4 billion. PAT rose by 25.5% to RM408.1 million from RM325.2 million in FY2025. Insurance and takaful service result improved by 16.0% to RM404.1 million, supported by improved claims experience, lower large losses and disciplined expense management, which collectively strengthened underwriting profitability. The combined ratio improved to 73.0% from 78.1%, reflecting greater underwriting efficiency. ROE improved to 14.8% reflecting higher profitability and capital efficiency.

Market Environment

The global reinsurance market softened as greater capacity and competitive pricing placed pressure on selected portfolios. Growth was also moderated by lower contributions from the managing general agent and overseas treaty businesses, delays in receiving statements of account from selected cedants and the ringgit's appreciation against the US dollar, which affected the translation of overseas business performance.

Despite these headwinds, Malaysian Re maintained growth momentum through disciplined underwriting, strong client relationships and selective participation in attractive market segments. The company continued to leverage its diversified portfolio, technical expertise and regional presence to navigate evolving market conditions while strengthening the quality and sustainability of its business performance. Investment performance remained strong, supported by higher income from fixed-income and equity portfolios. Domestically, the voluntary cession ("VC") arrangement for 2025 to 2027 continued to reinforce Malaysian Re's position as Malaysia's national reinsurer by supporting market capacity, strengthening industry resilience and ensuring continued access to reinsurance solutions for local insurers and takaful operators.

Insurance and Takaful Revenue

RM1.8
billion

(RM1.9 billion in FY2025)

Profit After Tax ("PAT")

RM408.1
million

(RM325.2 million in FY2025)

Combined Ratio

73.0%

(78.1% in FY2025)

Return On Equity ("ROE")

14.8%

(13.3% in FY2025)

Growth Strategies

Malaysian Re continues to build a more balanced and resilient portfolio through disciplined underwriting, geographical diversification and selective expansion into higher-value risks.

In FY2026, the reinsurance business grew by 3.0%, underpinned by continued contributions from specialty, facultative, risk transfer facility and VC portfolios, reflecting the resilience of the company's diversified reinsurance offerings. Retakaful expanded strongly by 39.4%, reflecting increasing demand for Shariah-compliant solutions and deeper engagement with key cedants. VC, domestic treaty and overseas treaty remained important contributors, while domestic and overseas markets each accounted for approximately half of total GWPC.

Regional expansion remained focused on ASEAN, North Asia and South Asia, supported by active engagement with cedants, brokers and industry stakeholders through international and domestic conferences, seminars, market briefings and business development initiatives. These engagements strengthened market presence, deepened relationships and enhanced Malaysian Re's access to regional growth opportunities. The company also expanded its specialty and facultative participation across aviation, fire, engineering, credit and surety, liability, cargo and power-related risks, further strengthening the diversification of its business portfolio. Growth in family retakaful broadened participation in life-related risks, while structured solutions, health and life reinsurance and international retakaful supported its progression towards a more diversified multiline business.

Digital capabilities continued to enhance Malaysian Re's underwriting effectiveness and portfolio management through greater utilisation of data analytics to support risk assessment, pricing decisions and client engagement. These initiatives complemented the company's broader efforts to strengthen technical capabilities and market competitiveness.

Validations and Recognitions

During the year under review, Fitch Ratings reaffirmed Malaysian Re's Insurer Financial Strength Rating of 'A', while AM Best reaffirmed its Financial Strength Rating of 'A-' and Long-Term Issuer Credit Rating of 'A-', both with Stable Outlooks. Subsequent to year-end, RAM Ratings maintained its AA2/P1 ratings and revised the outlook to Positive.

At the Insurance Asia Awards 2025, Malaysian Re received the Editor's Choice for Asian Reinsurance Excellence Award for Outstanding Growth and the Training & Development Initiative of the Year – Malaysia. These validations reflect its capital strength, underwriting discipline and commitment to developing technical capabilities within the reinsurance ecosystem.

Looking Ahead

Malaysian Re remains focused on advancing its ambition to become a leading global reinsurer, with a long-term aspiration to grow its premium base beyond USD1.0 billion by FY2030. It will deepen its treaty presence across high-growth Asian markets, accelerate family retakaful and facultative growth and strengthen its treaty and specialty portfolios.

The Company will also expand its structured, health and life reinsurance capabilities while advancing strategic partnerships, digitalisation and talent development. Through disciplined execution and a clear sense of purpose, Malaysian Re aims to reinforce its position as a trusted reinsurer of choice, strengthen national and regional resilience and deliver sustainable profitability and long-term value.

MANAGEMENT DISCUSSION & ANALYSIS

02

FAMILY TAKAFUL BUSINESS

Takaful IKHLAS Family manages the Group's family takaful business, providing Shariah-compliant protection, savings, medical and employee benefit solutions. The business continues to support MNRB's purpose of widening access to meaningful financial protection while strengthening its position in the family takaful market.

FY2026 marked a significant improvement in Takaful IKHLAS Family's financial performance, supported by stronger business growth, improved underlying takaful fundamentals and resilient investment performance. Takaful revenue rose by 17.4% to RM484.7 million from RM412.8 million, while gross contributions increased by 6.3% to RM653.5 million. PAT more than doubled to RM25.5 million from RM12.5 million. Although the takaful service result recorded a deficit of RM17.8 million, it improved from a deficit of RM63.8 million, reflecting stronger revenue, disciplined underwriting and improved claims and expense management. Investment results remained resilient at RM213.5 million, compared with RM214.8 million in FY2025, while ROE improved to 4.8%.

Takaful Revenue

RM484.7
million

(RM412.8 million in FY2025)

Profit After Tax ("PAT")

RM25.5
million

(RM12.5 million in FY2025)

Return On Equity ("ROE")

4.8%

(2.4% in FY2025)

Growth Strategies

Takaful IKHLAS Family continues to strengthen its multi-channel distribution strategy, building a more balanced business portfolio across Agency, Bancatakaful and Corporate Solutions.

In FY2026, its total annualised contribution equivalent ("ACE") increased by 15.9% to RM75.6 million. The Agency channel remained the largest channel, with ACE increasing by 11.8% to RM39.1 million, supported by a 57% increase in new agent recruitment and targeted productivity programmes. Bancatakaful ACE rose by 8.6% to RM18.1 million, supported by financing-related protection and new panel partnerships with Borneo Housing Mortgage Finance Berhad and SME Bank. Corporate Solutions ACE increased by 35.4% to RM18.3 million, driven by employee benefits, group protection and renewal activity.

Product innovation remained a key growth driver for Takaful IKHLAS Family as the company continued to develop customer-centric solutions that addressed evolving financial protection and savings needs in response to changing consumer demand. These efforts were complemented by targeted promotional campaigns, marketing activities and customer engagement initiatives, including the IKHLAS Active Zones, which enhanced the customer value proposition, supported business growth and strengthened the company's competitive position in the family takaful market.

Looking Ahead

Takaful IKHLAS Family will continue to strengthen its multi-channel growth strategy by scaling its Agency, Bancatakaful and Corporate Solutions channels, improving agent productivity and increasing regular contribution business. Product rejuvenation, medical portfolio sustainability, pricing discipline and partnership-led distribution will remain priorities.

Further automation and self-service enhancements will support a more seamless customer experience and a stronger, more balanced earnings contribution. Through these efforts, the Company remains committed to helping customers safeguard their financial wellbeing and build a more secure future for themselves and their loved ones.

03

GENERAL TAKAFUL BUSINESS

Takaful IKHLAS General manages the Group's general takaful business, providing Shariah-compliant protection across motor, fire, personal accident, commercial and other non-motor risks. The business continues to bolster MNRB's position in the general takaful market by delivering accessible protection solutions while supporting individuals and businesses in managing evolving risks.

FY2026 marked another year of strong growth, underpinned by broad-based business expansion, disciplined execution and improved operational performance. Takaful revenue increased by 32.0% to RM1.1 billion from RM871.0 million, while gross written contribution ("GWC") rose by 28.4% to RM1.2 billion, surpassing RM1.0 billion for the first time. Market share increased to 4.1% from 3.9%, ranking us as at number 12 in terms of GWC among the general insurance and takaful industry.

PAT increased by 36.2% to RM82.8 million from RM60.8 million, while ROE improved to 20.6%. This strong growth momentum was achieved despite continued claims pressure, particularly in the motor segment, where net claims incurred increased by 42.2%. Nevertheless, the MFRS 17 combined ratio stood at 91.0%, reflecting the business' focus on underwriting discipline, pricing adequacy, cost management and operational efficiency.

Growth Strategies

Takaful IKHLAS General continues to execute a disciplined growth strategy focused on expanding scale while enhancing portfolio quality.

Although motor remained the largest contributor, accounting for 73.7% of FY2026's GWC, the company continued to diversify its business mix through stronger growth in its non-motor, commercial and SME segments. Non-motor GWC increased by 13.3%, while the commercial and SME businesses expanded by 7.4%, supported by the Bancatakaful and Corporate channels and an overall renewal ratio of 71.0%.

Growth remained broad-based across all distribution channels. The Agency channel continued to be the largest contributor, with GWC increasing by 25.3% to RM774.0 million. Bancatakaful grew by 18.4% to RM224.6 million, Corporate business increased by 6.2% to RM77.5 million and the Direct business expanded by 93.4% to RM161.0 million.

Strategic partnerships remained an important growth enabler, broadening market reach and customer accessibility across multiple distribution channels. The company continued to deepen collaborations with key banking partners, including CIMB, Bank Kerjasama Rakyat Malaysia and Bank Simpanan Nasional, while reinforcing its automotive ecosystem through its franchise partnership with Perodua and an extensive dealer network.

Takaful Revenue

RM1.1
billion

(RM871.0 million in FY2025)

Profit After Tax ("PAT")

RM82.8
million

(RM60.8 million in FY2025)

Return On Equity ("ROE")

20.6%

(17.6% in FY2025)

MANAGEMENT DISCUSSION & ANALYSIS

Relationships with brokers and digital platforms, including Shopee, further strengthened its distribution capabilities and customer reach. These efforts were complemented by a nationwide network of thirteen (13) branches and eight (8) Virtual IKHLAS Points, enhancing customer convenience and market penetration.

Digital transformation continued to enhance operational efficiency and customer experience. The rollout of Claims Portal 2.0 Phase 1A and four automation projects streamlined claims processing and strengthened service delivery. Customer self-service accounted for 67% of interactions, while a transactional Net Promoter Score of 72 reflected positive customer experiences across key touchpoints.

Looking Ahead

Takaful IKHLAS General will continue to strengthen portfolio resilience by accelerating growth in the non-motor, commercial and SME segments while maintaining disciplined underwriting, dynamic pricing and effective claims management. The company will continue to enhance portfolio quality through preferred risk selection, claims transformation and data-driven pricing initiatives to support sustainable profitability.

Leveraging its diversified distribution network, strategic partnerships and digital capabilities, Takaful IKHLAS General will continue to strengthen customer accessibility, improve retention and expand market reach. These initiatives will support the company's ambition to progress towards becoming a top ten (10) general takaful operator while delivering sustainable growth and long-term value for its stakeholders.

BUSINESS RISKS AND MITIGATION STRATEGIES

As MNRB expands across reinsurance, retakaful and takaful, the Group remains exposed to market volatility, underwriting and claims risk, capital and liquidity pressures, regulatory change and operational disruption. During FY2026, rising motor and medical claims costs, climate-related events, foreign-exchange movements and softer reinsurance pricing remained key considerations, while increasing reliance on digital platforms and AI heightened cybersecurity and system-resilience risks.

These exposures are managed through an integrated Enterprise Risk Management ("ERM") Framework supported by Board and Management oversight, stress testing, prudent capital and liquidity management, portfolio diversification and business continuity arrangements. This disciplined approach safeguards financial resilience and enables the Group to pursue sustainable growth within its risk appetite. Further details are provided in the relevant risk-management disclosures within the Financial Statements.

MOVING FORWARD

As we enter FY2027, we do so with measured optimism and greater confidence in MNRB's capacity to shape its next phase of growth. Having surpassed the RM500 million profit threshold for the first time, the Group begins the new financial year from a position of strength, supported by record profitability of RM544.7 million, resilient operating cash flows and prudent financial management.

The operating environment will remain demanding, shaped by geopolitical uncertainty, softer pricing in selected reinsurance markets, rising claims costs, climate-related risks and evolving regulatory expectations. Guided by the RISES framework, we will continue to respond through disciplined underwriting, portfolio optimisation and prudent capital stewardship.



As part of our RISES framework, the Group have established a Digital & IT Strategic Roadmap to integrate Operational System to serve as a catalyst in streamlining business efficiency across the Group and Embed Sustainability through net zero carbon commitments. This roadmap consists of 6 strategic focus areas designed to strengthen our technology, improve efficiency, and support business growth. To support the delivery of these strategic initiatives, the Group has dedicated a total investment of RM119.0 million, reflecting our commitment in fostering innovation, sustainable value creation, and enhancing operational excellence.

Across the Group, we will continue to strengthen the specialty, facultative and retakaful businesses, improve the balance of our takaful portfolios and advance digital, data, AI and talent capabilities. With stronger foundations and an expanding international platform, MNRB will continue to protect with greater reach, grow with discipline and create enduring value for our stakeholders.

ACKNOWLEDGEMENTS

As we reflect on a landmark FY2026 and look ahead to the opportunities before us, I extend my sincere appreciation to everyone who contributed to MNRB's record performance and continued progress. Our achievements reflect the collective commitment, trust and support of our stakeholders across the reinsurance, retakaful and takaful ecosystem.

To our shareholders, customers, regulators, agents, intermediaries, business partners and the communities in which we operate, thank you for your continued confidence in MNRB. Your partnership has enabled us to strengthen our businesses, broaden our reach and pursue growth responsibly.

I also express my gratitude to our Board of Directors for its astute guidance, wise counsel and steadfast stewardship throughout the year. To the Management team and employees across the Group, your dedication, resilience and professionalism have been fundamental to our achievements. Your willingness to embrace change, strengthen execution and serve our customers with purpose continues to drive MNRB forward.

Together, guided by our shared purpose of "We Protect Everyone", we will continue to serve with integrity, strengthen the trust placed in us and build a more resilient future for all stakeholders. Thank you for your continued support.

Dato' Rudy Rodzila Che Lamin

Interim President & Group Chief Executive Officer
31 July 2026

Sustainability Statement

MNRB Holdings Berhad is honoured to present our FY2026 Sustainability Statement ("Statement"). This Statement provides a transparent account of the Group's performance and ongoing efforts in accordance with our sustainability commitments and the Group's vision of "We Protect Everyone".

ABOUT THIS STATEMENT

REPORTING SCOPE AND BOUNDARY

This Statement covers sustainability performance and progress of MNRB Holdings Berhad and all its subsidiaries - Malaysian Reinsurance Berhad ("Malaysian Re"), Takaful IKHLAS Family Berhad ("Takaful IKHLAS Family"), and Takaful IKHLAS General Berhad ("Takaful IKHLAS General"), across fourteen (14) branches and premises, as well as business and operating activities in Malaysia (collectively referred to as the "MNRB Group" or "the Group" or "we" or "our"). It covers the reporting period from 1 April 2025 to 31 March 2026, or Financial Year Ended 31 March 2026 ("FY2026"), unless specified otherwise.

Additional information for this reporting cycle can be found in the Performance Data table page 96 to 107.

ASSURANCE STATEMENT

This Statement has been reviewed through the Group's established governance and oversight processes and has not been subjected to external assurance for the current reporting period. In lieu of external assurance, the Group Internal Audit conducted a review over the accuracy of the data relating to the Group's Sustainability Material Matters ("SMMs") reported in the Statement against the underlying source records, as part of the Group's overall control and governance framework.

As part of our continuous improvement efforts, the Group intends to progressively adopt external assurance, aligned with the phased implementation of Malaysia's National Sustainability Reporting Framework ("NSRF") and International Sustainability Standards Board ("ISSB") reporting requirements.

ALIGNMENT WITH SUSTAINABILITY REPORTING STANDARDS FRAMEWORKS AND GUIDELINES

This Statement has been prepared in compliance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and also aligns to international standards, frameworks and guidelines as follows:

In alignment to:



FTSE4Good

FTSE4Good Bursa Malaysia Sustainability Index ("F4GBM")



United Nations Environment Programme Finance Initiative Principles of Sustainable Insurance ("UNEP PSI")



Malaysian Takaful Association's ("MTA") Value-Based Intermediation for Takaful ("VBIF") Framework



BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA

BNM's Value-based Intermediation Financing and Investment Impact Assessment Framework ("VBIF")

In accordance with:



Bursa Malaysia's Sustainability Reporting Guide (3rd Edition)

With reference to:



Task Force on Climate-related Financial Disclosures ("TCFD")



National Sustainability Reporting Framework ("NSRF") and International Sustainability Standards Board ("ISSB")

In contribution and support of:



United Nations Sustainable Development Goals ("SDGs")

Point of Contact and Accessibility

MNRB Group welcomes all questions, inquiries or feedback regarding the contents of this statement as they play a crucial role in continuously improving our disclosure.

Please reach out via the following contact:

MNRB Group Sustainability Management Department
sustainability@mnr.com.my

The Sustainability Statements are also available on our corporate website:
<https://www.mnr.com.my/sustainability>.



MESSAGE FROM THE GROUP CHIEF STRATEGY OFFICER & CHAIRMAN OF SUSTAINABILITY WORKING GROUP

Ekmarrudy Othman

Dear Stakeholders,

At MNRB, sustainability is the standard by which we measure the integrity of how we protect, invest, and operate. It is embedded in the governance decisions we make, the risks we accept, the capital we deploy, and the communities we serve.

As we navigate a more demanding regulatory, disclosure and climate landscape in FY2026, this commitment does not waver - *it sharpens.*

At MNRB, sustainability is the lens through which we understand risk, create long-term value, and fulfil our responsibility to the communities and institutions that depend on a resilient financial system. As we step into FY2026, our commitment remains shaped by a strategic reading of the environment in which we operate.

Globally, geoeconomic fragmentation, evolving trade dynamics, and the continued repricing of climate-related risks are reshaping capital markets and underwriting discipline. Domestically, Malaysia's economy demonstrated resilience, expanding by 5.2% in 2025^[1] and surpassing earlier forecasts of 4.0% to 4.8%, driven by strong domestic demand and accelerating investment activity. The ringgit also strengthened against the US dollar, reflecting improved market confidence in the country^[2].

NAVIGATING COMPLEX LANDSCAPE WHILE STRENGTHENING RESILIENCE

Notwithstanding positive developments, structural protection gaps remain. Insurance and takaful penetration stands at 4.4% of GDP^[3], below Bank Negara Malaysia's (BNM) target of approximately 5% by 2026 under the Financial Inclusion Framework 2023–2026^[4]. At the individual level, only 42% of Malaysian adults hold at least one life insurance or family takaful certificate^[5].



In addition, a significant proportion of small and medium enterprises (“SMEs”) remains underinsured, with only 15% of SMEs that have adequate insurance or takaful coverage^[6], leaving many businesses exposed to financial disruption. More than half of Malaysian households also remain without protection against fire and natural disasters^[7], risks that are becoming increasingly prevalent in the country.

These protection gaps are central to MNRB's role as a reinsurer and takaful operator. They define where our capabilities can contribute most meaningfully to strengthening financial resilience and closing protection gaps in the economy.

1. https://www.bnm.gov.my/-/qb25q4_en_pr
2. <https://www.bernama.com/en/news.php?id=2505143>
3. <https://www.insurancebusinessmag.com/asia/news/marine/malaysia-general-insurance-set-for-growth-amid-market-shifts-536349.aspx>
4. <https://www.bnm.gov.my/publications/fsb3>
5. <https://www.pwc.com/my/en/assets/publications/2023/20230416-revolutionising-financial-inclusion-through-digital-insurance-and-takaful.pdf>
6. <https://www.pwc.com/my/en/assets/publications/2023/20230416-revolutionising-financial-inclusion-through-digital-insurance-and-takaful.pdf>
7. <https://www.eco-business.com/opinion/is-malaysia-heading-towards-an-uninsurability-crisis/>

SUSTAINABILITY @ MNRB

MNRB Group's sustainability journey is anchored by an enduring intent to act as a steward of resilience - for our organisation, our stakeholders, and the broader society we serve.

OUR SUSTAINABILITY ASPIRATIONS

MNRB Group strives to be a responsible and caring corporate citizen, creating long-term value while contributing to the resilience of the environment, society, and the communities we serve. We remain committed to balancing financial performance with broader environmental and social outcomes, while upholding high standards of ethical conduct and fostering trusted stakeholder relationships.

As a group operating within the (re)insurance and (re) takaful industry, we recognise our inherent role in enabling resilience. Through risk transfer, protection, and recovery solutions, the industry plays a critical function in supporting individuals, businesses, and economies in managing economic, environmental, and societal shocks. This positions MNRB to contribute meaningfully to sustainable development and financial resilience.



OUR SUSTAINABILITY VALUE INTENT (SVI)

MNRB Group's sustainability journey is anchored by an enduring intent to act as a steward of resilience - for our organisation, our stakeholders, and the broader society we serve. This intent is encapsulated in our Sustainability Value Intent ("SVI"): **Enabling a Resilient Tomorrow through Strategic Sustainability Stewardship.**

The SVI positions sustainability not as a compliance obligation, but as a strategic enabler of enterprise-wide resilience, long-term value creation, and stakeholder trust. It reflects our recognition that our role extends beyond risk transfer; we are an active participant in the financial, environmental, and social fabric of the economy. This approach is also consistent with the enduring principles of Maqasid Shariah, which emphasise the preservation of faith, life, intellect, lineage, and wealth, and resonates with our broader sustainability objectives of resilience, protection, and inclusive value creation.

At the Group level, this stewardship role is expressed through four interconnected focus areas:

01

Strategic governance and oversight

embedding sustainability into Board and executive decision-making, enterprise risk management, and capital allocation.

02

Policy and operational enablement

establishing Group-wide policies, standards, and frameworks to ensure consistent and effective implementation across entities.

03

Capability-building

equipping entities with guidance and tools aligned with regulatory expectations and long-term resilience objectives; and

04

Market and societal impact

supporting initiatives that enhance protection, inclusion, and resilience for people, communities, and the environment.

Together, these focus areas translate our SVI into structured and measurable action across the Group, ensuring alignment between strategic intent and operational execution.

CLIMATE TRANSITION COMMITMENT

In response to increasing frequency and severity of climate-related events as well as the growing urgency of the transition to low-carbon economy, we continue to strengthen the resilience of our business and investments. This is reflected in our long-term decarbonisation ambition: Net Zero Carbon Enterprise by 2030, Net Zero Carbon Investment Portfolio by 2050, and Net Zero Carbon Business Portfolio by 2050.

These commitments guide our ongoing efforts to integrate climate considerations into investment decision-making, underwriting activities and enterprise risk management, forming an integral part of our broader transition strategy.

SOCIAL PURPOSE AND FINANCIAL INCLUSION

Alongside our environmental commitments, we remain firmly anchored in our social purpose. Through our Value-Based Intermediation for Takaful ("VBIT") aligned strategy, we continue to serve underserved B40 and M40 segments and support Bank Negara Malaysia's financial inclusion agenda.

Our community investments under the IKHLAS Barakah House initiative are directed towards measurable outcomes aligned with national priorities and the Sustainable Development Goals ("SDGs"), reinforcing our commitment to delivering tangible and inclusive social impact.

SUSTAINABILITY LEADERSHIP

The Group continues to strengthen its sustainability leadership through continuous learning, structured capability building, and active participation in industry platforms. These efforts reinforce our ability to respond effectively to evolving sustainability expectations and regulatory developments.

Leadership Development

Throughout the year, we enhanced sustainability training programmes for the Board*, Senior Management, and relevant employees to strengthen understanding of climate risk, sustainability disclosure requirements, and global developments. These programmes ensure leadership readiness to guide the Group's sustainability agenda in a rapidly evolving landscape.

* Details of the sustainability-related training attended by the Board of Directors are available in MNRB's Corporate Governance Report for FYE2026, submitted to Bursa Malaysia Securities Berhad.

SUSTAINABILITY @ MNRB

Sustainability-linked Performance Management

We continue to embed sustainability into Group performance management through a Sustainability Corporate Key Performance Indicator (“KPI”) cascaded across subsidiaries. This KPI serves as an initial foundation for aligning business objectives with sustainability priorities. As our understanding of climate-related risks and opportunities deepens, we aim to progressively refine our performance framework to incorporate more targeted climate-linked indicators and incentives.

Industry Engagement and Advocacy

The Group remains actively represented in key sustainability platforms, including Bursa Malaysia’s Public Listed Companies Transformation (“PLCT”) Programme, MTA Working Groups, and multiple subcommittees under the Joint Committee on Climate Change (“JC3”).

During the year, we contributed to industry discussions on the application of Bank Negara Malaysia’s Climate Change and Principle-based Taxonomy (“CCPT”) to takaful and insurance underwriting, as well as providing inputs for the development of the insurance and takaful operators’ guidance document under the National Sustainability Reporting Framework (“NSRF”). This participation reflects our continued commitment to supporting practical and inclusive pathways for climate-aligned industry transition.

Market Services

The Group continues to advance its sustainability commitment through structured capacity-building initiatives led by the Market Training Department under the Market Services Division at Malaysian Re. Technical training programmes delivered to clients and business partners incorporate ESG and climate-related considerations, supporting the development of sustainability competencies across the insurance and takaful sector. These efforts contribute to strengthening industry readiness in managing sustainability risks and opportunities, in line with evolving regulatory and reporting expectations.

During the reporting period, Malaysian Re delivered the Programme for Insurance Executives Development (“PIED”) 2025, centred on the theme of “Renewable Energy.” The programme covered key concepts, risk exposures, and insurance implications associated with renewable energy projects, including focused discussions on Commercial General Liability (“CGL”) and Professional Indemnity (“PI”).



This supports participants’ understanding of emerging risk profiles and the role of insurance in facilitating the transition to a low-carbon economy through effective risk management and risk transfer solutions.

Participants’ feedback was positive, highlighting the relevance and practical applicability of the programme. The integration of sustainability considerations extended beyond awareness, equipping participants with technical knowledge to support informed decision-making and responsible underwriting practices. This demonstrates the Group’s ongoing efforts to integrate sustainability into talent development and industry engagement, contributing to enhanced resilience, improved risk management practices, and the advancement of sustainable growth across the sector.

GOVERNANCE AND CONTINUOUS EVOLUTION

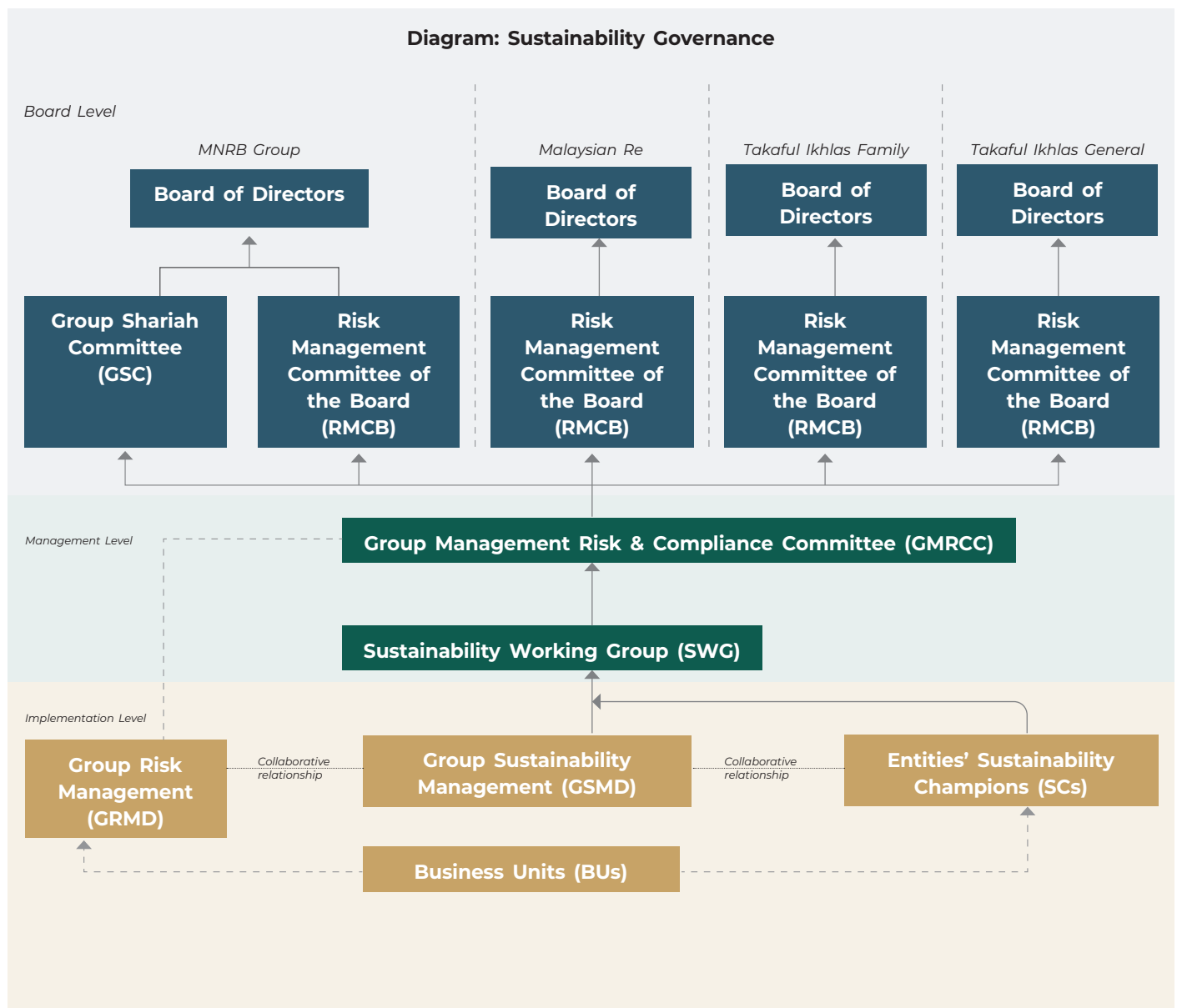
Strong governance remains the foundation of our sustainability approach, ensuring that our sustainability aspirations are translated into disciplined execution across the Group. Accordingly, we continue to strengthen oversight, accountability, and transparency across our sustainability framework, in line with stakeholder expectations, evolving regulatory expectations, and emerging sustainability risks and opportunities.

The delivery and oversight of this sustainability agenda is anchored within a structured governance framework spanning the Board, Board-level committees, management committees, and dedicated sustainability supporting functions across the Group. We continue to periodically review and enhance this governance framework to ensure continued relevance and support timely and effective oversight of sustainability-related matters.

SUSTAINABILITY GOVERNANCE

During the reporting period, MNRB Group continued to uphold robust sustainability governance standards through a comprehensive governance framework. This framework includes the Board of Directors (“the Board”), Senior Managements, Sustainability Champions, and the respective business units, which comprise multifunctional experts from various departments across all operating entities.

The Group’s sustainability strategy and performance are monitored by the Board and are further supported by key committees including the Risk Management Committee of the Board (“RMCB”), Group Shariah Committee (“GSC”), Group Management for Risk and Compliance Committee (“GMRCC”) and the Sustainability Working Group (“SWG”).



SUSTAINABILITY GOVERNANCE

GOVERNANCE BODIES

Board of Directors

The Board is responsible for overseeing MNRB's overall operations and ensuring alignment with stakeholder interests. This includes compliance with all relevant laws and regulations, such as the Malaysian Code on Corporate Governance ("MCCG"), the Main Market Listing Requirements ("MMLR"), and the BNM Policy Document on Corporate Governance ("PD CG") and the BNM Policy Document on Responsibility Mapping ("PD RM").

In addition to its core responsibilities, the Board provides oversight of sustainability matters and climate-related risks. It approves key sustainability directions and monitors progress, supported by ongoing capacity building through periodic programmes on emerging sustainability and climate-related developments.

The Board's effectiveness in overseeing sustainability risks and opportunities, including climate-related risks, is periodically assessed through the Board Effectiveness Evaluation ("BEE"), which supports continuous governance enhancement.

Group Shariah Committee ("GSC")

The GSC oversees Shariah-related strategies delegated by the Board. This includes ensuring that sustainability initiatives are aligned with Maqasid Shariah and Value-Based Intermediation ("VBI") principles and supervising the Shariah-related components of the Group's sustainability agenda.



Risk Management Committee of the Board ("RMCB")

The RMCB is a Board-level committee that meets at least quarterly and provides oversight of risk, compliance, and business continuity matters, including sustainability and climate-related risks. Sustainability is a standing agenda item, covering updates on the Group's Sustainability Roadmap, GHG assessment, and finalisation of the Sustainability Statement, all of which are ultimately endorsed by the Board.

The RMCB works closely with the Group Management Risk & Compliance Committee ("GMRCC") to ensure the Group's risk appetite, policy implementation, and internal controls support long-term resilience and sustainable value creation.

Group Management Risk & Compliance Committee ("GMRCC")

The GMRCC supports the RMCB in managing risk and compliance matters across the Group, including sustainability and climate-related risks. It holds at minimum four (4) meetings in a year and ensures risk-taking activities remain within defined sustainability risk appetites. The GMRCC supports both the Group Management Committee ("GMC") and main operating subsidiaries Senior Management Committees ("SMC") in implementing sustainability risk management frameworks aligned with Board-approved limits and governance expectations.

Sustainability Working Group ("SWG")

Chaired by the Group Chief Strategy Officer ("GCSO"), the SWG drives implementation of the Group's sustainability agenda and monitors performance, regulatory compliance, internal coordination, and oversight of the Group Sustainability Fund ("GSF"). The SWG reports regularly to the GMRCC and Board-level committees and is supported by representatives from Malaysian Re, Takaful IKHLAS Family, and Takaful IKHLAS General.



Group Risk Management Department ("GRMD")

Under the stewardship of the Group Chief Risk Officer and operating entities' Heads of Risk Management, GRMD plays a key role in driving climate-related initiatives and ensuring alignment with regulatory expectations.

GRMD monitors key risk areas including establishing indicators, and reports to the GMRCC, supporting the Group's resilience against sustainability-related risks that may impact financial and operational performance.

Group Sustainability Management Department ("GSMD")

GSMD serves as the central coordination function for sustainability at MNRB Group. It leads the development and implementation of the Group's Sustainability Roadmap and supports integration of sustainability across business functions.

In FY2026, GSMD conducted a sustainability strategy review through structured bottom-up engagements and workshops, enabling stronger entity-level alignment and co-development of entity-specific Sustainability Frameworks and Roadmaps grounded in operational realities, risk profiles, and business priorities.

GSMD continues to strengthen sustainability capability through capacity building, stakeholder engagement, and governance oversight, ensuring regulatory compliance and alignment with global best practices. This has enhanced internal capability, cross-functional alignment, and reinforced management accountability across the Group.

Sustainability Champions ("SCs")

Sustainability Champions from Malaysian Re, Takaful IKHLAS Family, and Takaful IKHLAS General play a key role in supporting implementation of the Group's Sustainability Roadmap and related initiatives. As permanent invitees to the SWG, they act as liaisons between Group-level strategy and entity-level execution.

They support progress reporting, data collection, awareness building, and internal knowledge sharing, ensuring consistent execution of sustainability initiatives across the Group.

Additional Note:

The Board approved an enhanced sustainability governance structure in February 2026, effective 1 April 2026. Accordingly, this Sustainability Statement for FY2026 has been prepared, reviewed, and finalised in consideration of the enhanced governance arrangements to ensure continuity and alignment with the Group's strengthened sustainability oversight framework.

SUSTAINABILITY GOVERNANCE



Sustainability-related Policies

Group Sustainability Policy

The Policy defines MNRB's overarching approach to sustainability, setting out governance structures and embedding sustainability across strategy, risk management, operations, disclosures, and the full value chain, including underwriting, investments, suppliers, intermediaries, and client engagement.

Group Sustainability Disclosure Policy

The Policy establishes principles and requirements for sustainability disclosures, ensuring compliance with regulatory requirements and supporting transparency, consistency, and data quality. It provides a structured framework for communicating across Economic, Environmental, Social and Governance ("EESG") performance and initiatives aligned with Maqasid Shariah principles.

Group Procurement Policy

The Policy governs the procurement of goods and services across the Group, ensuring a centralised, structured, and transparent process for all entities. It serves as the primary guideline for promoting efficiency, value for money, and compliance with relevant laws and industry standards, while fostering trust-based supplier relationships that safeguard the Group's interests. The Policy also supports the integration of sustainability considerations into procurement management and oversight, reinforcing responsible sourcing practices across the Group's value chain.

Group Labour Rights Policy

The Policy sets out the Group's commitment to fair, safe, and dignified working conditions, aligned with applicable laws, International Labour Organisation ("ILO") principles, and the United Nations Global Compact ("UNGC"). The Group maintains a total compensation structure above statutory minimum wage requirements, reflecting its commitment to workforce resilience and social sustainability.

Group Sustainability Risk Management Framework

The Framework complements the Group sustainability commitments by integrating risk considerations into the Group's broader sustainability objectives. It enables proactive, assessment, and mitigation of potential risks that may impact environmental, social, and governance practices, aligning with regulatory requirements. By promoting a culture of continuous improvement, supporting effective decision-making, and facilitating transparent reporting and disclosure, the Framework ensures that sustainability objectives are pursued in a risk-conscious manner, enhancing the organisation's resilience and long-term sustainability.

SUSTAINABILITY HIGHLIGHTS

RECOGNITION & AWARDS

MNRB continued to receive recognition at both industry and national levels during the year, reflecting sustained progress in governance practices, disclosure quality, and the integration of sustainability considerations across the Group.

The Group remained included in the FTSE4Good Bursa Malaysia ("F4GBM") Index, achieving a score of 3.7 and a 4-star rating, an improvement from previous financial year. This reflects continued progress in strengthening sustainability disclosures and aligning sustainability practices with recognised assessment frameworks.

At the national level, MNRB was recognised at the National Corporate Governance and Sustainability Awards ("NACGSA"), achieving 4-star and 3-star ratings in the Corporate Governance and Sustainability categories, respectively^[1]. This reflects the Group's continued commitment to governance integrity, transparency, and the progressive strengthening of its sustainability reporting practices.

These outcomes reflect continued strengthening of governance, sustainability disclosure maturity, and alignment with stakeholder expectations.

Reference: ^[1] NACGSA Assessment Report 2025



Sustainability Performance Highlights

During the year, MNRB Group continued to advance the integration of sustainability across its operations through stronger data maturity, digital transformation, and enhanced alignment between business activities and environmental, social, and governance priorities.

Digital Transformation as a Sustainability Enabler

The continued expansion of the Group's digital ecosystem has become a key enabler of operational efficiency and sustainable service delivery, reducing reliance on physical servicing channels while improving overall service accessibility and scalability.

77% customer interactions via self-service (FY2025: 50%)  **21** digital transformation projects completed 

460,786 digital login sessions  **75,907** AI chatbot sessions 

55,478 digital payment transactions (RM11.95 million) 

[Refer to SMM 2 (page 60), SMM 9 (page 76) for more info]

Environmental Performance

Environmental indicators during the year reflect improved measurement accuracy and expanded reporting coverage, including the inclusion of the branch network, stabilisation of hybrid working arrangements, ongoing office renovation works for ergonomic comfort enhancement, and water meter recalibration, all of which improved data accuracy and completeness of reporting.

Key Metric:

Electricity consumption: 4,627,214 kWh (+3.3%) 

Water consumption: 36,903 m³ (+23.2%) 

Waste generated: 107.59 tonnes (-11.7%) 

The changes primarily reflect improvements in data maturity, expanded reporting boundaries, and temporary operational adjustments (including renovation-related works).

[Refer to SMM 4 (page 65), SMM 8 (page 74) and SMM 14 (page 91) for more info]

SUSTAINABILITY HIGHLIGHTS

Financial Protection and Social Value Creation

In parallel, the Group continued to deliver meaningful social value through its takaful operations and community-focused initiatives, reinforcing financial resilience, mutual assistance, and inclusive protection outcomes.



Takaful IKHLAS' claims paid:
RM817.3 million benefitting 130,592 individuals



Surplus distribution (Takaful IKHLAS General): RM6.17 million to 376,470 participants



Community investment: RM470,110 (IBH)



Waqf contribution: RM43,500

[Refer to SMM 5 (page 67), SMM 9 (page 76) and SMM 13 (page 88) for more info]

These developments demonstrate the continued strengthening of sustainability integration across digital transformation, environmental management, and social impact delivery, reinforcing MNRB Group's commitment to long-term responsible value creation.

SUSTAINABILITY EVENTS AND INITIATIVES

During the reporting period, the Group further strengthened sustainability awareness, internal capability, and cross-functional alignment through structured engagement initiatives that embed sustainability more deeply into organisational culture and decision-making.

1

Sustainability Week FY2026

The Sustainability Week was conducted from 9 to 11 December 2025, in collaboration with the Securities Industry Development Corporation ("SIDC"). The programme featured an SDG-based simulation exercise designed to enhance employees' understanding of sustainability-related decision-making, risk trade-offs, and stakeholder impact considerations.

A total of 621 employees participated in the programme, which required participants to evaluate business decisions under simulated conditions while balancing financial performance, risk exposure, and sustainability outcomes aligned with the SDGs. The initiative also included engagement sessions with organisations such as Silent Teddies and FatHopes Energy, providing exposure to real-world sustainability-driven business models.

Beyond awareness-building, the programme strengthened understanding of how sustainability considerations influence business decision-making and reinforced the integration of ESG principles into operational thinking and risk awareness.



2 Sustainability Strategy Engagement and Workshop



Between October and December 2025, the Group Sustainability Management Department ("GSMD") conducted a series of engagement sessions and eleven (11) workshops involving 131 participants across all operating entities.

The Sustainability Strategy Refresh exercise evolved from an initial roadmap review into a comprehensive, enterprise-wide engagement process aimed at strengthening strategic alignment, governance integration, and subsidiary-level ownership of sustainability outcomes. This evolution was driven by the need to better align sustainability priorities with operational realities, risk profiles, and emerging regulatory and stakeholder expectations.

The workshops adopted a bottom-up and participatory approach to strengthen entity-level ownership of sustainability priorities and to support the co-development of subsidiary-specific Sustainability Frameworks and Roadmaps aligned with their respective business contexts.

Key discussions focused on reviewing the existing Group Sustainability Roadmap, identifying implementation gaps, and translating strategic priorities into actionable and measurable initiatives. The process enhanced internal capabilities, strengthened cross-functional alignment, and reinforced management accountability for sustainability delivery Group-wide.

The outcomes of these engagements culminated in an enhanced Group Sustainability Framework and Roadmap, integrating subsidiary-level sustainability roadmaps within a unified Group structure. These were approved by the Boards of all entities in February 2026 and will take effect from 1 April 2026, further strengthening the integration of sustainability.

3 Tides of Tomorrow



The Group's environmental engagement initiative for the year focused on water stewardship through its collaboration with Selangor Maritime Gateway ("SMG"). The programme combined a river educational experience with plastic upcycling workshops aimed at strengthening environmental awareness and behavioural change.

A total of 200 participants took part in the three-day programme, gaining first-hand exposure to the environmental and community challenges affecting Sungai Klang. The initiative highlighted the impact of improper waste disposal on river ecosystems, public health, and surrounding communities.

The experience provided participants with a clearer understanding of how individual behavioural choices, including proper waste management, collectively influence environmental outcomes and river ecosystem health. It reinforced the importance of responsible environmental stewardship at both organisational and individual levels.

Collectively, the Group's sustainability performance, recognitions, and initiatives demonstrate continued progress in embedding sustainability into governance, operations, and stakeholder engagement. The year reflects a strengthening organisational progress, where sustainability is increasingly integrated into strategic decision-making, operational execution, and long-term value creation.

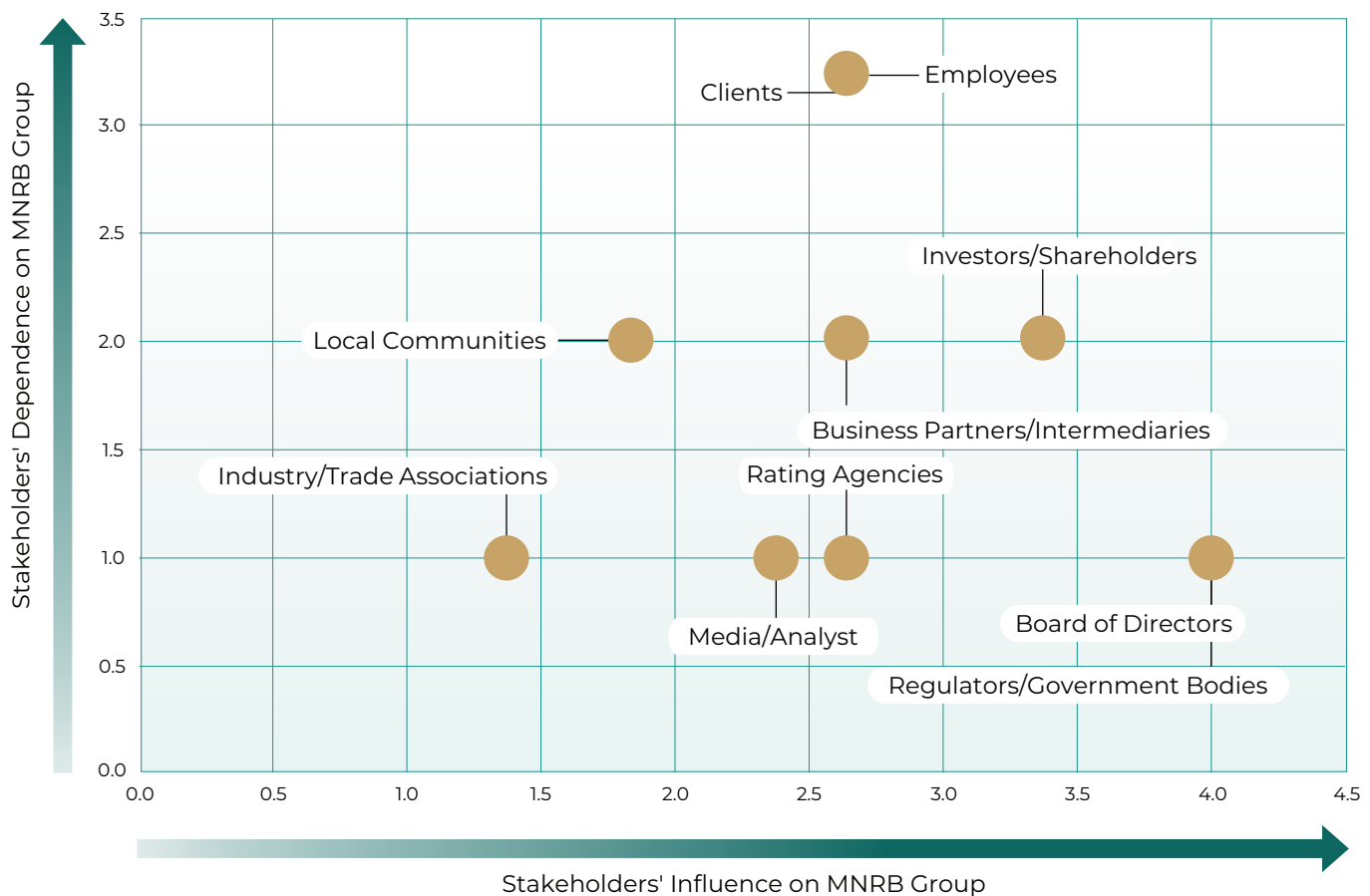
OUR SUSTAINABILITY PRIORITIES

STAKEHOLDER ENGAGEMENT

At MNRB, we engage our stakeholders to gain insights, gather feedback, and align our actions with their key concerns. These engagements support the identification of material matters and provide insights into emerging risks and opportunities, enabling more informed understanding of the operating environment.

They also strengthen our understanding of how our activities impact stakeholders and how evolving expectations may influence our business strategy. This process continues to inform and validate our materiality assessment, while supporting effective sustainability governance and the integration of EESG considerations across the Group.

We will continue to enhance our stakeholder engagement approach through more structured and proactive mechanisms, including the use of digital platforms, strategic collaborations, and targeted outreach initiatives, with the aim of fostering trust and supporting long-term value creation.



STAKEHOLDER ENGAGEMENT



Employees

Why They Matter

Shape organisational culture, operational resilience, and the effective delivery of sustainability priorities

Key Expectations

- Fair compensation and benefits
- Positive work culture
- Flexible working arrangement
- Career development
- Occupational safety and health ("OSH")

Our Approach

- Promote work-life balance
- Provide training and development opportunities
- Maintain clear OSH governance

Engagement Channels

- Quarterly Townhalls
- Internal portal (ICEbox)
- Emails (Sustainability Buzz)
- Engagement activities and surveys
- Training sessions
- Meetings
- Performance reviews

Shared Impact

- Engaged employees contribute to higher productivity, innovation, and organisational success.
- The company fosters a supportive work environment, offers growth opportunities, and prioritises employee well-being to retain and empower talent.



Clients

Why They Matter

Influence product relevance, responsible service delivery, and main purpose of the Group's protection mandate

Key Expectations

- High-quality services
- Product innovation
- Digital solutions
- Data privacy and security

Our Approach

- Enhance customer experience
- Expand digital eco system (IKHLAS GO)
- Development of innovative products and services
- Strengthened cybersecurity practices

Engagement Channels

- Corporate websites
- IKHLAS GO ecosystem
- Social media platforms
- Customer service hotline and email

Shared Impact

- Satisfied clients drive business growth, brand reputation, and long-term sustainability.
- The company ensures service excellence, product innovation, and strong data protection practices to build trust and lasting client relationships.

OUR SUSTAINABILITY PRIORITIES



Investors/Shareholders

Why They Matter

Support long-term value creation and drive expectations for sustainable financial performance and responsible business practices

Key Expectations

- Financial performance
- Market outlook
- Responsible investment
- Sustainable returns

Our Approach

- Transparent financial and sustainability reporting
- Address responsible investment considerations

Engagement Channels

- Annual General Meeting
- Analyst briefings
- Media releases
- Corporate website

Shared Impact

- Investors enable business growth through capital and confidence.
- In return, the company delivers transparency, sustainable returns, and long-term value, reinforcing investor trust and confidence.



Business Partners/Intermediaries

Why They Matter

A key part of the Group's value chain and play a key role in upholding the Group's ethical standards, service quality, and responsible practices

Key Expectations

- Product updates
- Regulatory compliance
- Ethical business practices
- Digital capabilities
- Customer service standards
- Responsible sourcing practices

Our Approach

- Collaborate on product development
- Conduct joint marketing initiatives
- Provide training and compliance updates
- Strengthen procurement processes

Engagement Channels

- Regular meetings and market trainings
- Email updates
- Conference calls
- Digital platforms
- Vendor management meetings

Shared Impact

- Collaborative relationships strengthen the value chain and support market responsiveness.
- The company ensures ethical practices, transparent engagement, and shared innovation to drive mutual success and sustainability.

STAKEHOLDER ENGAGEMENT

**Board of Directors****Why They Matter**

Provide oversight on strategy, risk, and governance, including sustainability and climate-related considerations

Engagement Channels

- Meetings
- Training sessions

Key Expectations

- Financial and sustainability performance
- Corporate governance standards
- Strategic directions

Our Approach

- Provide regular updates on performance and business strategy
- Engage on sustainability and climate matters
- Support informed decision-making

Shared Impact

- The Board offers strategic leadership and oversight, guiding the company toward long-term sustainability
- Through informed decision-making and governance, they shape the company's performance and sustainability goals.

**Regulators/Government bodies****Why They Matter**

Establish the regulatory and policy environment that shapes sustainable and responsible business conduct

Engagement Channels

- Conferences
- Working groups
- Meetings
- Seminars, workshops and webinars

Key Expectations

- Compliance with prevailing laws and regulations
- Alignment with industry standards and best practices

Our Approach

- Ensure timely compliance reporting
- Participate in regulatory engagements
- Strengthen internal controls and governance

Shared Impact

- Regulators provide the framework for responsible and lawful operations.
- The company supports this by ensuring full compliance, contributing to policy discussions, and aligning operations with national development goals.

OUR SUSTAINABILITY PRIORITIES



Communities

Why They Matter

Represent the broader societal context in which the Group operates, influencing the Group's "social licence" to operate and long-term impact

Key Expectations

- Community development
- Education and capacity building
- Social welfare programs
- Access to funding, grants and scholarships

Our Approach

- Deliver impactful community-based programmes (IBH, IKHLAS Waqf and Endowment ("IWE"), Program Lestari Cemerlang ("PLC") and MNRB Scholarship)
- Support local volunteering and philanthropy efforts

Engagement Channels

- Volunteering activities
- CSR and VBIT activities
- IBH and IWE financial aids and community engagements

Shared Impact

- Community engagement enhances the company's "social" license to operate.
- Through impactful programs in education, welfare, and empowerment, the company supports inclusive development and contributes to resilient, thriving communities.



Rating agencies

Why They Matter

Provide independent assessments that reflect the Group's financial strength, risk profile, and sustainability performance, which can directly influence investors and cedant confidence

Key Expectations

- Financial and sustainability performance
- Sustainability disclosures

Our Approach

- Provide consistent and transparent disclosures
- Regular engagements through briefings

Engagement Channels

- Meetings and Analyst Briefing sessions

Shared Impact

- Rating agencies help assess and validate corporate performance and risk.
- The company upholds transparency and responsible disclosure to maintain credibility and trust in capital markets.

STAKEHOLDER ENGAGEMENT



Media/Analysts

Why They Matter

Shape market perception and investor sentiment around the Group's performance and business practices

Key Expectations

- Financial and sustainability performance
- Sustainability disclosures

Our Approach

- Engage through media releases and briefings
- Ensure consistent and transparent communication

Engagement Channels

- Corporate websites
- Events
- Media releases
- Interviews

Shared Impact

- Media and analysts shape public perception and stakeholder awareness.
- The company engages transparently to provide accurate, timely insights on business and sustainability performance, supporting informed discourse.



Industry/Trade associations

Why They Matter

Enable collective action in advancing industry standards, sustainability practices, and regulatory alignment

Key Expectations

- Policy advocacy
- Regulatory collaboration
- Industry sustainability initiatives

Our Approach

- Participate in industry platforms
- Contribute to policy discussions
- Support collective sustainability efforts

Engagement Channels

- Conferences
- Working group
- Meetings
- Seminars, workshops and webinars

Shared Impact

- Industry associations amplify collective influence on policy and standards.
- The company contributes expertise to drive shared sustainability goals and strengthen industry resilience.

OUR SUSTAINABILITY PRIORITIES

SUSTAINABILITY MATERIALITY MATTERS (“SMMs”)

Materiality remains a core component of MNRB’s sustainability approach. We strategically identify, assess, and prioritise the sustainability issues most relevant to our business operations and stakeholder expectations. In line with our vision of “We Protect Everyone,” the materiality assessment conducted for FY2025 continues to guide our sustainability priorities for the current financial year, taking into account the evolving operating environment and stakeholder expectations.

Materiality Assessment Process

The FY2025 materiality assessment was conducted using a structured approach aligned with the Bursa Malaysia Sustainability Reporting Guide (3rd Edition). The process incorporated the identification of sustainability-related risks and opportunities across the Group’s value chain, consistent with relevant disclosure expectations, including TCFD-aligned considerations.

The assessment comprised four key phases:

- **Identification:** Review of existing material matters and identification of relevant topics, taking into account Bursa Malaysia requirements, BNM priorities, VBIT considerations, sustainability trends, peer practices, and internal inputs.
- **Stakeholder Engagement:** Engagement with internal and external stakeholders through surveys and discussions to assess the relevance of identified topics.
- **Prioritisation:** Application of a scoring approach to evaluate the importance of each topic to stakeholders and its potential impact on the Group.
- **Review and Validation:** Validation of outcomes by the SWG, GMRCC, RMCB, and the Board to ensure alignment with business strategy and risk considerations.

Sustainability Materiality Matters (“SMMs”)

The FY2025 assessment identified **sixteen (16) SMMs**, which continue to be relevant for the current financial year. These matters reflect key areas of focus in managing sustainability-related risks and opportunities, as well as meeting stakeholder expectations and regulatory requirements.

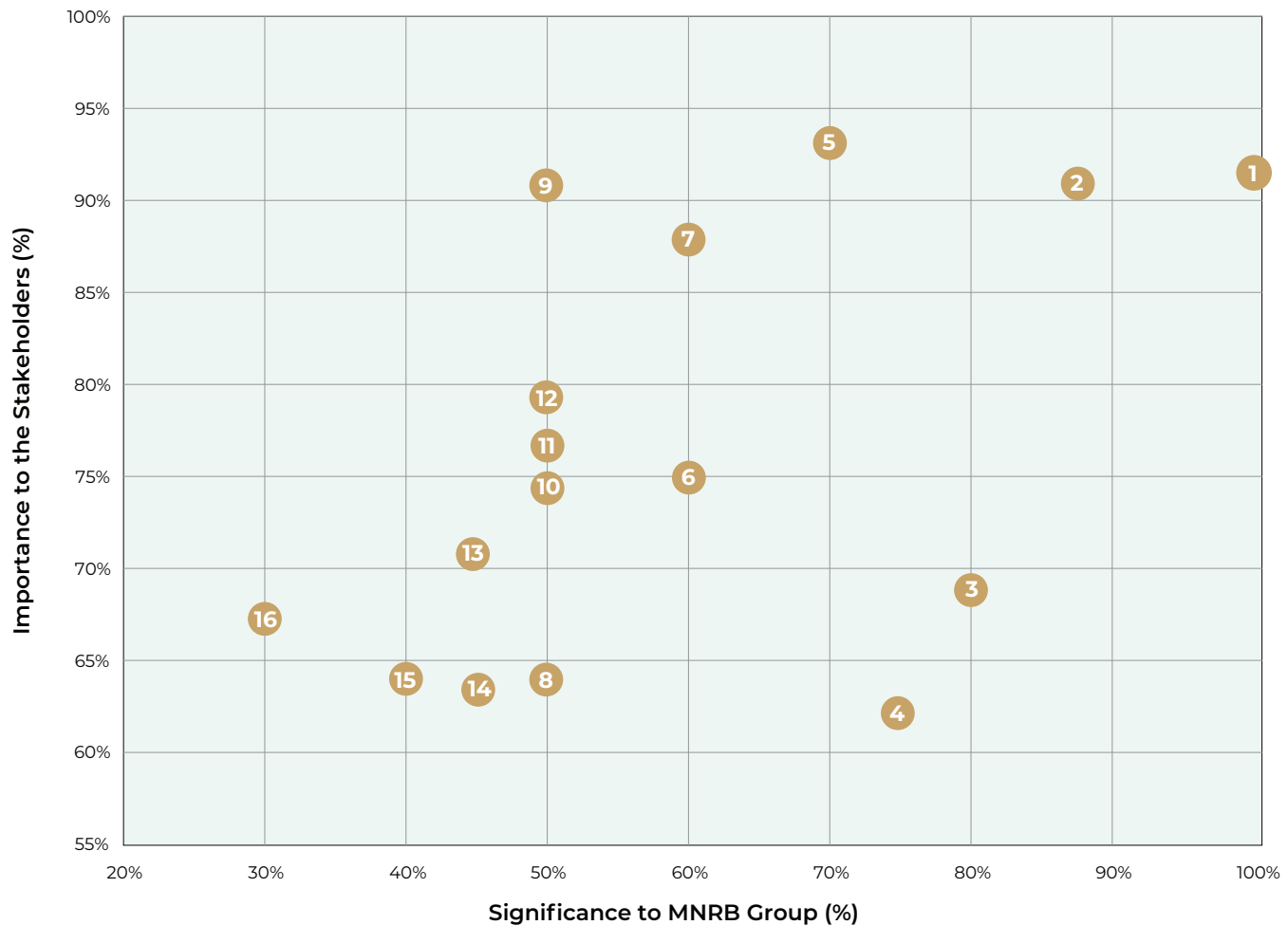
Key SMMs include **Anti-Bribery and Corruption, Climate Risk Management, Customer Experience and Satisfaction, Data Privacy & Cybersecurity, and Responsible Investment**, which remain important in supporting stakeholder confidence, regulatory compliance, and business resilience.

Anti-Bribery and Corruption was identified as a high-priority matter across stakeholder groups, consistent with the Group’s commitment to ethical business conduct. Climate Risk Management remains a material consideration given its potential long-term impact and relevance to national and global climate priorities.

Other SMMs, including Customer Experience and Satisfaction, Community Engagement, and Diversity, Equity and Inclusion, reflect ongoing stakeholder expectations in relation to service delivery, social impact, and inclusive practices. Bursa Malaysia-prescribed topics such as Waste, Water, and Energy Management are also maintained to support reporting completeness and compliance.

Sustainability Materiality Matrix

The matrix below illustrates the sixteen (16) identified SMMs, mapped according to their relative importance to stakeholders and their significance to the Group.



1 Anti-bribery and Corruption	7 Responsible Investment	13 Community Engagement
2 Data Privacy and Cybersecurity	8 Energy Management	14 Waste Management
3 Climate Risk Management	9 Products and Services: Digitalisation and Innovation	15 Water Management
4 Emissions Management	10 Talent Attraction, Growth and Retention	16 Supply Chain Management
5 Customer Experience and Satisfaction	11 Diversity, Equity and Inclusion ("DEI")	
6 Health, Safety and Well-being	12 Labour Practices and Standards	

Note:

- "Importance to Stakeholders (%)" corresponds to the Bursa's concept of "Influence on Stakeholder Assessments and Decisions".
- "Significance to MNRB Group (%)" corresponds to the Bursa's concept of "Significance of the Company's Economic, Environmental and Social Impacts".

OUR SUSTAINABILITY PRIORITIES

Risks and Opportunities for Each Material Matters

In an evolving operating environment, MNRB Group continues to monitor sustainability-related developments that may give rise to risks and opportunities across our business and value chain. This includes consideration of external trends, regulatory developments, and stakeholder expectations relevant to the Group's SMMs.

The potential risks and opportunities outlined below reflect conditions observed within the Group's operating environment and the broader financial services sector. They provide context on how sustainability-related factors may influence business performance, financial position, and long-term value creation, and support ongoing efforts to strengthen resilience and enhance decision-making across the Group.

1 Anti-bribery and Corruption

page 58

Possible Risk Event

- Financial penalties and legal liabilities arising from non-compliance
- Loss of business and restricted market access due to governance failures
- Reputational damage affecting stakeholder confidence and partnerships

Possible Opportunities

- Strengthen governance and internal controls to reduce compliance risk
- Enhance reputation as a trusted and ethical operator
- Improve access to capital and partnerships with sustainability-focused stakeholders

2 Data Privacy and Cybersecurity

page 60

Possible Risk Event

- Financial losses and operational disruption from cyber incidents
- Regulatory sanctions due to data protection breaches
- Reduced customer trust impacting retention and acquisition

Possible Opportunities

- Strengthen digital resilience and risk management capabilities
- Enhance customer trust and retention through robust data protection
- Differentiated service through secure and reliable digital platforms

3 Climate Risk Management

[Aligned with IFRS S2] page 62

Possible Risk Event

- Increased claims volatility and underwriting losses due to physical climate risks (e.g. floods, heatwave)
- Asset devaluation and portfolio exposure to climate-sensitive sectors (transition risk)
- Compliance and cost pressures from evolving climate-related regulations and disclosures

Possible Opportunities

- Develop climate-resilient insurance/takaful solutions
- Enhance underwriting and risk modelling capabilities
- Align portfolio with transition pathways and capture opportunities in green and transition sectors

4 Emissions Management**page 65****Possible Risk Event**

- Increased operating costs and compliance burden from carbon regulations and reporting requirements
- Exposure to transition risks through insured and invested entities with high emissions
- Reputational risks from failure to meet emissions targets

Possible Opportunities

- Improve operational efficiency through emissions reduction initiatives
- Strengthen positioning with low-carbon and sustainability-aligned clients
- Enhance transparency to meet investor and regulatory expectations

5 Customer Experience and Satisfaction**page 67****Possible Risk Event**

- Loss of revenue from declining customer retention due to service inefficiencies
- Reputational impact from poor service delivery
- Increased complaints and regulatory scrutiny

Possible Opportunities

- Drive retention and lifetime value through improved service delivery
- Leverage digital solutions to enhance customer experience
- Strengthen brand differentiation through service excellence

6 Health, Safety and Well-being**page 70****Possible Risk Event**

- Financial and legal liabilities arising from workplace incidents
- Reduced productivity and increased absenteeism
- Higher insurance and healthcare-related costs

Possible Opportunities

- Enhance workforce productivity and engagement
- Strengthen employer value proposition
- Reduce long-term health-related costs through preventive programmes

7 Responsible Investment**page 73****Possible Risk Event**

- Portfolio underperformance due to unmanaged sustainability risks
- Exposure to stranded assets (e.g. carbon-intensive sectors)
- Regulatory and reputational risks from misalignment with sustainable finance expectations

Possible Opportunities

- Improve risk-adjusted returns through sustainability integration
- Capture growth in sustainable and transition investments
- Align with investor expectations and sustainable finance frameworks

OUR SUSTAINABILITY PRIORITIES

8 Energy Management

page 74

Possible Risk Event

- Rising operating costs due to energy price volatility
- Exposure to transition risks from reliance on non-renewable
- Increased scrutiny on energy consumption practices

Possible Opportunities

- Achieve cost savings through energy efficiency initiatives
- Reduce emissions through renewable energy adoption
- Support decarbonisation commitments and stakeholder expectations

9 Products and Services: Digitalisation and Innovation

page 76

Possible Risk Event

- Technology implementation risks leading to cost overruns or inefficiencies
- Cybersecurity vulnerabilities in digital platforms
- Customer adoption risks affecting return on investment

Possible Opportunities

- Expand market reach through digital channels
- Improve operational efficiency and cost optimisation
- Develop innovative, customer-centric solutions

10 Talent Attraction, Growth and Retention

page 80

Possible Risk Event

- Increased recruitment and training costs due to high turnover
- Capability gaps affecting execution of strategic and sustainability priorities
- Loss of institutional knowledge

Possible Opportunities

- Build a future-ready workforce aligned with business and sustainability needs
- Improve employee engagement and retention
- Strengthen organisational capability and resilience

11 Diversity, Equity and Inclusion (“DEI”)

page 82

Possible Risk Event

- Talent constraints due to limited diversity
- Legal and reputational risks related to discrimination or inequity
- Reduced innovation and decision-making effectiveness

Possible Opportunities

- Enhance innovation and decision quality through diverse perspectives
- Broaden talent pool and improve attraction
- Strengthen reputation and stakeholder trust

12 Labour Practices and Standards

page 86

Possible Risk Event

- Legal and compliance risks from labour standard violations
- Employee dissatisfaction affecting productivity and retention
- Reputational risks from poor labour practices

Possible Opportunities

- Strengthen workforce stability and morale
- Enhance compliance and risk management
- Support long-term productivity and organisational performance

13 Community Engagement

page 88

Possible Risk Event

- Reputational risks and reduced social licence to operate
- Increased stakeholder scrutiny on social impact

Possible Opportunities

- Strengthen stakeholder trust and brand reputation
- Support inclusive growth and community resilience
- Enhance long-term social impact aligned with business values

14 Waste Management

page 91

Possible Risk Event

- Compliance risks and penalties from improper waste handling
- Inefficiencies from paper-based processes
- Reputational risks from poor environmental practices

Possible Opportunities

- Improve operational efficiency through paperless processes
- Reduce environmental footprint
- Strengthen environmental stewardship positioning

15 Water Management

page 92

Possible Risk Event

- Operational disruptions and cost increases from water scarcity or tariffs
- Exposure to physical climate risks affecting water availability

Possible Opportunities

- Improve resource efficiency and cost management
- Support water stewardship initiatives
- Enhance resilience to environmental risks

16 Supply Chain Management

page 93

Possible Risk Event

- Disruptions from geopolitical or environmental events
- Reputational and compliance risks from unethical suppliers
- Increased costs from supply chain instability

Possible Opportunities

- Strengthen supply chain resilience and continuity
- Enhance due diligence and responsible sourcing practices
- Build long-term supplier partnerships aligned with sustainability standards

OUR SUSTAINABILITY PRIORITIES

SMM 1: ANTI BRIBERY AND CORRUPTION



Why It Is Important

Global governance conditions continue to reflect heightened systemic uncertainty, with corruption risks remaining persistent in environments where institutional strength and transparency are uneven. This is reinforced by global risk insights and corruption perception trends indicating continued exposure to governance-related risks. ^{[1] [2]}

For Financial institutions ("FIs") such as (re)insurance and takaful operators, the trust-based nature of intermediation makes strong Anti-Bribery and Corruption ("ABC") and Anti-Money Laundering/Countering the Financing of Terrorism ("AML/CFT") controls essential to maintaining regulatory compliance, operational legitimacy, and

market confidence. Weak governance and unethical conduct may expose the FIs to regulatory sanctions, financial crime risk, and reputational damage, ultimately undermining stakeholder trust.

As such, strong integrity systems and the need for continued discipline on ethics, internal controls, and accountability practices are fundamental to sustaining long-term resilience and credibility in the financial services sector.

For reference:

1. <https://www.weforum.org/publications/global-risks-report-2025/>
2. <https://www.transparency.org/en/cpi/2024>

Our Approach

We adopt a zero-tolerance approach towards bribery, corruption, and all forms of unethical conduct, and we are committed to conducting our business with integrity, transparency, and full compliance with applicable laws, regulations, and industry standards.

Governance Oversight

Oversight of ABC matters is undertaken by the Group Integrity & Governance Unit ("IGU"). The IGU is responsible for four core functions, as prescribed in the Malaysian Anti-Corruption Commission ("MACC") Guidelines for the Management of Integrity and Governance Units, namely: Complaints Management, Detection and Verification, Integrity Enhancement, and Governance. It also leads the Group's integrity programme and maintains direct access to the Board and Senior Management on matters relating to bribery and corruption.

Policy and Control Framework

The Group's ABC governance framework is designed and guided by the following key policies and mechanisms:

④ Group Anti-Bribery and Corruption Policy

Outlines the Group's zero-tolerance stance on bribery, corruption, fraud, and related misconduct, in line with the Malaysian Anti-Corruption Commission Act 2009 and applicable regulatory requirements.

④ Group Code of Ethics

Establishes expected standards of integrity, professionalism, and ethical conduct for Directors, employees, and business partners, including compliance with applicable laws and prohibition of discrimination, harassment, and unethical practices.

④ Group AML/CFT/CPF & TFS Policy

Provides a risk-based framework to prevent money laundering, terrorism financing, proliferation financing, and targeted financial sanctions breaches, aligned with the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 and Bank Negara Malaysia requirements.

④ Group Whistleblowing Policy

Provides secure and confidential reporting channels for suspected misconduct, with safeguards to protect whistleblowers against retaliation for disclosures made in good faith.

④ No Gift Policy

Prohibits the giving and receiving of gifts, subject to limited exceptions, to mitigate conflicts of interest and the risk of perceived impropriety.

Awareness, Communication and Embedding Integrity Culture

To reinforce expectations across the value chain, we also issued the MNRB ABC Handbook for Employees and the MNRB ABC Handbook for Business Partners, which outline compliance requirements in line with the MACC Act 2009.

These policies and commitments are publicly disclosed on the corporate website and reinforced internally through the internal platform, onboarding programmes, and ongoing employee communications.

Our Progress

During the reporting period, we continued to strengthen our anti-corruption governance, awareness, and monitoring mechanisms through the following initiatives:

① Governance and Compliance Activities:

- IGU conducted Group-wide compliance assessments, including Conflict of Interest declarations, Integrity Pledge renewals, and ABC assessments, strengthening accountability and compliance with Section 17A of the MACC Act.

② Capability and Awareness Building:

- Substantially all employees have completed the mandatory e-learning on AML/CFT/TFS and the Group Code of Ethics, which incorporates ABC requirements.
- We organised Governance Week, themed “Rooted in Integrity, Growing with Collaboration, Thriving in Excellence”, to reinforce ethical awareness and organisational accountability.

③ Monitoring and Incident Management:

- Several cases were reported during FY2026; however, following assessment, none were substantiated as corruption, bribery, money laundering, terrorism financing or proliferation financing.

Way Forward

We will continue to strengthen our culture of integrity and ethical conduct through ongoing enhancement of governance practices, in line with evolving regulatory expectations and industry standards. We will continue to enhance internal controls, invest in staff training and periodically review and improve our compliance management framework to ensure continued effectiveness and relevance.

Bursa Performance Data Table

Indicator	Measurement Unit	FY2024	FY2025	FY2026
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Senior Vice Presidents and above	Percentage	100	100	100
Vice Presidents	Percentage	100	100	100
Assistant Vice Presidents	Percentage	100	100	100
Executive	Percentage	100	100	100
Personal Assistant	Percentage	100	100	100
Clerk	Percentage	100	100	100
Uniform	Percentage	100	100	100
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100	100	100
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0

OUR SUSTAINABILITY PRIORITIES

SMM 2: DATA PRIVACY AND CYBERSECURITY



Why It Is Important

Cybersecurity risk continues to intensify, posing increasing threats to business continuity, financial stability, and customer trust, due to increasing digitalisation, interconnected systems, and the growing sophistication of cyber threats and ransomware, including AI-enabled attacks and deepfakes.

For FIs, cyber incidents can disrupt core operations such as underwriting, claims processing, and financial management, while also exposing sensitive customer data and has cascading consequences that extend beyond immediate operational recovery to long-term reputational and regulatory exposure.

The increasing reliance on digital ecosystems and third-party providers further amplifies systemic exposure across the financial services value chain^[1]. Accordingly, robust data privacy and cybersecurity governance remain essential to safeguarding operational resilience, protecting data integrity and sustaining stakeholder confidence.

For reference:

1. https://reports.weforum.org/docs/WEF_Global_Cybersecurity_Outlook_2025.pdf

Our Approach

We are committed to upholding high standards of data privacy and cybersecurity across the Group. Our cybersecurity and data protection framework is aligned with relevant regulatory requirements and industry practices including applicable BNM policies and guidelines.

Our approach incorporates regular risk assessments, internal audits, periodic policy reviews, and layered cybersecurity controls to strengthen operational resilience and safeguard sensitive information. Third-party and vendor risk management is also embedded within our cybersecurity governance framework, ensuring that data protection and security standards extend across our digital ecosystem, including key service providers and technology partners.

Cybersecurity awareness remains a core pillar of our strategy. We continue to foster a security-conscious culture through structured awareness programmes, employee engagement initiatives, and ongoing capability-building efforts across the organisation. These efforts are reinforced by our core values of Integrity, Collaboration, and Excellence ("ICE"), which are embedded throughout employee onboarding, awareness campaigns, and leadership engagement initiatives.

Our Progress

Cybersecurity and Data Protection

We maintained strong cybersecurity performance throughout the reporting period, with no incidents affecting data integrity or confidentiality. Security events encountered during the year were promptly contained and managed through established response and monitoring protocols as part of our ongoing cyber resilience efforts.

Employee Training & Awareness

We continued to strengthen cybersecurity awareness and data protection practices through structured employee training and engagement programmes conducted across the organisation.

In collaboration with KnowBe4, we conducted phishing simulations, awareness campaigns, and targeted training sessions to reinforce cybersecurity awareness and promote responsible digital behaviour among employees. These initiatives were complemented by regular internal communications, including the weekly "ICT Tips of the Day", as well as cybersecurity forums, webinars, onboarding programmes, and executive-level security awareness sessions.

Our Progress

Enhanced Cybersecurity Infrastructure

During the reporting period, we further strengthened our cybersecurity infrastructure and monitoring capabilities to strengthen threat detection, access security, operational resilience, and data protection across the digital environment. Key technologies and controls implemented or enhanced include:

Security Area	Key Technologies and Controls
Threat Monitoring & Detection	Hybrid Security Operations Centre ("SOC") Advanced Persistent Threat ("APT") Protection Endpoint Detection and Response ("EDR") Suite
Access & Identity Security	Multi-Factor Authentication ("MFA") Privileged Access Management Identity Access Management ("IAM") Solution
Network & Application Security	Web Application Firewall ("WAF") Secure Web Gateway Network Access Control ("NAC") DDoS Protection
Data Protection	Data Loss Prevention ("DLP") Solution Email Security Solution with AI and Machine Learning ("ML") capabilities

Way Forward

We will continue strengthening cybersecurity capabilities to address evolving threats and enhance business resilience. In parallel, we will further strengthen data privacy practices through ongoing policy reviews, enhancement of data subject rights management processes, and targeted training for personnel handling personal data to ensure the highest standards of compliance and accountability. Our continued focus remains on being proactive, vigilant, and transparent in safeguarding data privacy and cybersecurity across the Group.

Bursa Performance Data Table

Indicator	Measurement Unit	FY2024	FY2025	FY2026
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Percentage	0	0	0

OUR SUSTAINABILITY PRIORITIES

SMM 3: CLIMATE RISK MANAGEMENT



Why It Is Important

Climate change presents a systemic and accelerating risk to the financial services sector, including (re) insurance and (re)takaful businesses where underwriting and investment activities, as well as the long-term liabilities are exposed to both physical and transition risks.

The increasing frequency and severity of climate-related events, alongside evolving regulatory requirements, stakeholder expectations on climate accountability, and the global transition to a low-carbon economy, have material implication on asset valuations, claims patterns, capital adequacy and overall business resilience.

These developments may also influence claims frequency and severity, pricing assumptions, reserving adequacy, underwriting profitability, and capital requirements across the Group, further reinforcing the growing interconnection between sustainability considerations and long-term business performance.

Climate-related risks extend far beyond environmental impacts and encompass the following dimensions:

⑩ **Physical Risks** - Arising from acute events (example: floods, storms, and heatwaves) and chronic changes (example: shift in climate patterns), potentially leading to increased claims frequency and severity, operational disruptions, and deterioration in asset values.

⑩ **Transition Risks** – Resulting from policy, legal, technological and market shifts towards a low-carbon economy, which may affect underwriting portfolios, investment strategies and the valuation of carbon-intensive assets.

⑩ **Liability Risks** - Emerging from potential legal or regulatory actions due to inadequate mitigation, adaptation, or disclosure of climate-related risks, leading to increased claims and reputational exposure.

As a financial holding company with diversified operations across reinsurance, retakaful, general takaful and family takaful, MNRB Group recognises our dual role as a risk carrier and steward of capital in supporting a sustainable and orderly transition. Effective climate risk management is therefore critical to safeguarding financial stability, protecting policyholders' interests, and creating long-term enterprise value.

From a Shariah perspective, climate risk management aligns with the principles of *Maqasid al-Shariah*, particularly the preservation of wealth (*hifz al-mal*), and life (*hifz al-nafs*), including environmental stewardship. As (re)takaful operators are founded on mutual cooperation (*ta'awun*) and shared responsibility, there is an inherent obligation to promote sustainability, avoid harm (*darar*), and promote sustainable practices that contribute positively to society and the environment.

Our Approach

We are committed to strengthening our climate-related risk management practices and disclosures in line with regulatory expectations and global standards. Following the transition from the Task Force on Climate-related Financial Disclosures ("TCFD"), we are progressing to align our practices with **IFRS S1** and **IFRS S2**, as adopted under the **National Sustainability Reporting Framework ("NSRF")**.

This approach reflects our commitment to providing transparent, decision-useful disclosures on climate-related risks and opportunities, while embedding climate considerations into governance, strategy, risk management, and performance measurement.

Our Progress

Enhancement of Group Sustainability Framework

Building on the establishment of a Group-wide and entity-level sustainability roadmap in 2023, we are enhancing our Sustainability Framework to extend beyond climate considerations into broader ESG priorities. A Group Sustainability Risk Management Framework has been established, aligned with regulatory expectations from Bank Negara Malaysia (BNM) and Bursa Malaysia, integrating climate considerations across governance, strategy, risk management, and metrics & targets.

Integration into Overall Risk Management

Climate-related risk considerations are embedded across the Group's core business functions, including:

Underwriting

④ Reinsurance & Retakaful:

Malaysian Re manages exposure across multiple regions with different natural disasters, including Asia Pacific, Europe, and the Middle East. Climate risk is assessed through accumulation controls, enhanced catastrophe modelling, and retrocession strategies.

④ General Takaful:

Climate considerations are integrated into underwriting, pricing, claims, and portfolio management, particularly for flood-prone property and motor segments. Retakaful treaty arrangements are maintained to mitigate natural catastrophe-related losses.

④ Family Takaful:

Longer-term climate impacts on mortality, morbidity, and persistency trends are considered, particularly for vulnerable populations.

Investment

- ④ Integration of transition risk considerations into investment analysis, particularly for carbon-intensive sectors. The climate-related impacts are transmitted in investments through changes in asset valuations and creditworthiness.

- ④ Monitoring of ESG exposures in line with the Group Sustainable Investment Guidelines ("GSIG"), with classification of assets aligned to BNM's Climate Change and Principle-based Taxonomy ("CCPT").

Operational Resilience

- ④ Identification of climate-related risks relating to business operations, including infrastructure vulnerability and supply chain disruption.
- ④ Strengthening business continuity to enhance operational resilience across operating regions.

Enterprise Risk Integration

- ④ Incorporation of sustainability-related risk, including climate risk within enterprise risk registers.
- ④ Application of stress testing and scenario analysis aligned with Network for Greening the Financial System ("NGFS") pathways.

Metrics & Targets

We are progressively enhancing climate-related metrics, including:

- ④ Exposure to climate sensitive lines of business and geographies;
- ④ Catastrophe risk indicators and accumulation metrics;
- ④ Claims trends linked to climate-related events; and
- ④ Investment portfolio carbon and transition risk indicators.

We are also developing internal targets to:

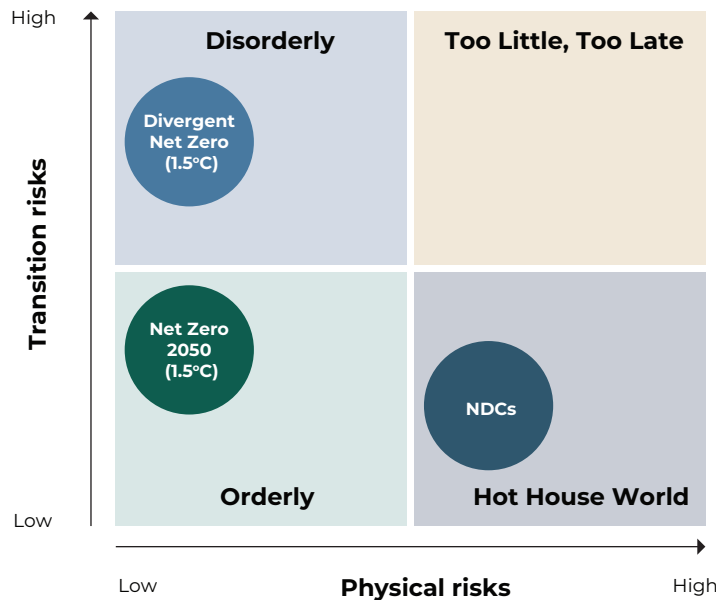
- ④ Strengthen operational resilience under different climate scenarios; and
- ④ Support alignment with regulatory expectations, including BNM requirements and IFRS S1 & S2.

OUR SUSTAINABILITY PRIORITIES

Our Progress

Climate Scenario Analysis

NGFS Representative Scenarios



We commenced the application of long-term climate scenario analysis to assess the business resilience under different climate pathways, leveraging NGFS Phase III scenarios, including:

- ④ **Net Zero 2050 (Orderly Transition)**
Assumes strong climate policies and significant green technology breakthroughs to rapidly reduce GHG emissions.
- ④ **Divergent Net Zero 2050 (Disorderly Transition)**
Reflects uneven policy implementation across selected economic sectors.
- ④ **Nationally Determined Contributions (Hot House World)**
Assumes current commitments are insufficient to meet climate targets.

Source:
Adapted from NGFS Phase III issued on September 2022

These scenarios assess impacts over a 27-year period from December 2023 until 2050:

- ④ Claims experience and underwriting profitability;
- ④ Investment portfolio valuations; and
- ④ Operational continuity and resilience against impact from climate-related risks.

In addition, Malaysian Re and Takaful IKHLAS General have conducted additional short-term stress testing for acute physical risk scenario, including a 1-in-200-year flood event based on catastrophe modelling outputs.

Way Forward

We will continue to strengthen the integration of climate risk considerations into capital management and financial planning processes. This will be supported by ongoing enhancements to data quality, analytical tools, and modelling capabilities for climate risk assessment as we progress towards full alignment with IFRS S1 and IFRS S2 requirements, as well as BNM's CRMSA expectation.

SMM 4 EMISSIONS MANAGEMENT



Why It Is Important

Emissions management has evolved from a reporting obligation into a measurable, target-driven discipline, particularly as frameworks such as TCFD and IFRS S2 emphasise the reporting of climate-related risks and opportunities, including quantitative metrics and targets.

For MNRB Group, emissions performance is increasingly used by investors, rating agencies, and other stakeholders as an indicator of transition readiness, management credibility, and alignment with long-term climate commitments. As such, there is growing expectation for clear, consistent,

and transparent disclosure of emissions metrics, methodologies, targets, and progress, including relevant value chain considerations where applicable. Effective emissions management also supports operational efficiency through energy optimisation, while enabling year-on-year comparability of performance. This provides decision-useful insights into how climate-related considerations are translated into measurable organisational actions. As Malaysia's NSRF continues to be implemented, emissions-related disclosures are expected to become increasingly material from both a regulatory and reputational perspective.

Our Approach

We are committed to measuring, reporting, and reducing our greenhouse gas emissions in accordance with internationally recognised standards, including the GHG Protocol and the Partnership for Carbon Accounting Financials ("PCAF").

Our enterprise emissions inventory is calculated using the emissions calculator provided by the Malaysian Green Technology and Climate Change Corporation ("MGTC"), an agency under the Ministry of Natural Resources and Environmental Sustainability ("NRES"). This framework applies the GHG Protocol's operational control approach, covering emissions from operations where we have direct control over activities and policies.

Our Progress

During the reporting period:

- ④ Adopted and updated the Malaysian Green Technology and Climate Change Corporation ("MGTC")-developed emissions calculator for FY2025 and FY2026 reporting.
- ④ Further developed the enterprise emissions abatement plan as part of the Sustainability Strategy Engagement, which was embedded in the enhanced Sustainability Roadmap effective 1 April 2026.
- ④ Recorded total Group emissions of 6,569.55 tCO₂e in FY2026, representing a marginal increase of approximately 0.6%. This increase was primarily driven by expanded operational boundary coverage, particularly the inclusion of Takaful IKHLAS General branch-level electricity consumption (Scope 2), and higher air-conditioning maintenance activities at Takaful IKHLAS Family (Scope 1). This was partially offset by lower air-conditioning maintenance volumes at Malaysian Re in FY2026 compared to FY2025.
- ④ On a like-for-like basis, excluding the newly included Takaful IKHLAS General branch consumption, total emissions would have decreased by approximately 3.6%, reflecting improved operational efficiency and emissions management performance. We are currently working to complete the FY2025 branch electricity consumption dataset to further strengthen year-on-year comparability.

OUR SUSTAINABILITY PRIORITIES

Category	Source	GHG Emissions (tCO ₂ e)					TOTAL
		MNRB	Malaysian Re	Takaful IKHLAS Family	Takaful IKHLAS General	MSSB	
Scope 1		7.98	273.01	82.59	6.48	–	370.06
Scope 2		82.34	2,330.37	856.35	283.68	6.52	3,559.26
Scope 3	C3: Fuel-and-Energy Related Activities	15.51	371.44	138.25	50.58	1.04	575.78
	C5: Waste Generated in Operations	0.02	0.01	0.01	0.00	–	0.03
	C6: Business Travel	9.55	71.74	94.00	157.97	–	333.26
	C7: Employee Commuting	412.26	222.95	477.83	591.87	25.22	1,730.13
Total (tCO ₂ e)		527.66	3,269.52	1,649.03	1,090.58	32.78	6,569.55*

* Individual figures are rounded to two decimal places for presentation purposes. Minor (± 0.01) differences between the sum of individual line items and reported totals may occur due to rounding at the source data level.

Way Forward

As part of our emissions management journey, improved understanding of emissions trends and early-stage abatement initiatives will support the progressive development of clearer interim emissions reduction targets over time. These efforts will strengthen the Group's approach to enterprise emissions management and support continued progress in environmental stewardship and climate-related governance.

Bursa Performance Data Table

Indicator	Measurement Unit	FY2024	FY2025	FY2026
Bursa C11(a) Scope 1 Emissions in tonnes of CO ₂ e	Metric Tonnes	140.43	526.52	370.06
Bursa C11(b) Scope 2 Emissions in tonnes of CO ₂ e	Metric Tonnes	3,342.63	3,466.66	3,559.26
Bursa C11(c) Scope 3 Emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric Tonnes	1,983.09	1,974.97	2,063.39

SMM 5: CUSTOMER EXPERIENCE AND SATISFACTION



Why It Is Important

Customer expectations in the insurance and takaful industry are increasingly shaped by the quality of digital interactions, particularly during claims, where service quality is most visible and trust between insurer/takaful operators and policy/certificate holders is most directly tested.

In today's competitive market, claims handling remains a key differentiator influencing customer retention, reputation, and long-term performance^[1]. For the Group, delivering consistent and thoughtful customer outcomes supports sustainable growth across direct and intermediary channels while strengthening relationships with clients and business partners. Customer alignment with brand values further reinforces loyalty, trust, and advocacy as additional dimensions of differentiation.

A structured focus on customer experience also helps mitigate conduct and complaints risk, reinforcing the reliability, transparency and fairness expected of financial institutions, particularly during periods of stress and uncertainty. Companies that lead in service excellence and sustainability create a unique value proposition that sets them apart, as customers who feel genuinely valued often become vocal advocates for the brand. These considerations remain closely aligned with the Group's vision of protecting everyone.

For reference (footnotes):

[1] https://www.mckinsey.com/~media/mckinsey/industries/financial_services/our_insights/global_insurance_report_2025/global-insurance-report-2025-the-pursuit-of-growth.pdf

Our Approach

We continuously monitor customer experience indicators across key service touchpoints to assess the service quality, customer satisfaction and digital engagement across the subsidiaries.

Transactional Net Promoter Score ("TNPS")

TNPS measures customers' likelihood to recommend Takaful IKHLAS following service interactions and serves as a key indicator of customer loyalty and advocacy. The score is reviewed monthly and reported quarterly for both Takaful IKHLAS Family and Takaful IKHLAS General.

Customer Experience Measure ("CX Measure")

The CX Measure assesses customer interaction and perception across service channels, providing insights into service effectiveness, customer engagement, and retention trends. Improvements in this measure typically reflect positive outcomes from service enhancements and digital transformation initiatives.

Customer Satisfaction Index ("CSI")

The CSI benchmarks Takaful IKHLAS against industry peers across Customer Service Charter ("CSC") pillars including responsiveness, transparency, fairness, and overall service quality. The index provides insight into customer perception and service performance relative to the broader industry.

Digital Self-Service Transformation

Aligned with our digital transformation strategy, the IKHLAS GO Ecosystem enhances accessibility, efficiency, and service responsiveness across customer journeys.

The platform supports greater customer autonomy through self-service capabilities, reduced manual processes, and enabling faster, and improved digital engagement across web-based and mobile channels.

OUR SUSTAINABILITY PRIORITIES

Our Progress

TNPS FOR TAKAFUL IKHLAS

Takaful IKHLAS Family

Transactional Net Promote Score (tNPS)			
Survey Touchpoints	FY24	FY25	FY26
Family Claims	59	61	54
Branches	97	97	95
Go Serve (new)	–	–	58
Total Average	78	79	69

CX MEASURE FOR TAKAFUL IKHLAS

Takaful IKHLAS Family

Customer Experience (CX) Measure			
Survey Touchpoints	FY24	FY25	FY26
Family Claims	91%	93%	87%
Branches	100%	99%	99%
Go Serve (new)	–	–	90%
Total Average	96%	96%	92%

Takaful IKHLAS General

Transactional Net Promote Score (tNPS)			
Survey Touchpoints	FY24	FY25	FY26
OD Claims	20	30	32
Branches	97	97	95
Salam IKHLAS	81	88	92
Go Direct	75	76	78
Go Serve (new)	–	–	58
Bantuan IKHLAS (new)	–	–	76
Total Average	68	73	72

Takaful IKHLAS General

Customer Experience (CX) Measure			
Survey Touchpoints	FY24	FY25	FY26
OD Claims	81%	84%	80%
Branches	100%	99%	99%
Salam IKHLAS	99%	97%	100%
Go Direct	93%	93%	97%
Go Serve (new)	–	–	90%
Bantuan IKHLAS (new)	–	–	98%
Total Average	93%	93%	94%

CSI for Takaful IKHLAS

- ⑩ Takaful IKHLAS Family: CSI improved to 91 (2024), ahead of sector average (90). NPS strengthened significantly to 50, above sector benchmark (37). However, CSC awareness declined to 31%, below sector average (38%), indicating need for targeted education and communication in FYE 2027.
- ⑩ Takaful IKHLAS General: CSI improved to 87 (2024), though slightly below sector average (89). NPS improved to 27 but remains below benchmark (38), highlighting opportunity to enhance advocacy through claims and service experience. CSC awareness improved to 31%, exceeding sector average (26%), reflecting stronger customer familiarity with service standards.

Digital Self-Service Platform - GO Serve and AI Chatbot

- ⑨ During the reporting period, adoption of digital self-service channels continued to strengthen among Takaful IKHLAS customers, reflecting the sustained shift toward digital self-service as the preferred mode of engagement:

Metric	As at FY2026
Total Registered Users	76,509 Takaful IKHLAS Family: 48,370 (63%) Takaful IKHLAS General: 28,139 (37%)
Total Login Sessions	460,786 Takaful IKHLAS Family: 340,066 (74%) Takaful IKHLAS General: 120,720 (26%)
Service Requests Submitted	19,235 Takaful IKHLAS Family: 5,601 (29%) Takaful IKHLAS General: 13,634 (71%)
Payment Transactions	55,478 transactions / RM11,954,497
Live Chat sessions	Total: 21,512 Takaful IKHLAS Family: 5,372 (25%) Takaful IKHLAS General: 16,140 (75%)
AI Chat sessions	Total: 75,907 Takaful IKHLAS Family: 10,088 (13%) Takaful IKHLAS General: 65,819 (87%)

The GO Serve platform continued to support customers through 24/7 self-service capabilities, including certificate management, payment services, and service request submissions. The IVA Chatbot complemented these capabilities by providing automated customer support across digital channels.

Overall, customer interactions conducted via self-service platforms increased from 50% in FY2025 to 77% in FY2026, demonstrating continued customer adoption of digital engagement channels and the effectiveness of ongoing investments in the IKHLAS GO Ecosystem.

Digital Platform Enhancements

In FYE 2026, two key enhancements were initiated under the IKHLAS GO Ecosystem:

⑨ GO Serve Customer Portal - Phase 2 (November 2025):

Expanding digital self-service capabilities, including a mobile application for convenient management of payment and account details. It improves the overall customer experience through real-time updates, automated processes, and timely notification, while broadening accessibility across customer segments.

⑨ GO Serve Claim Portal - Phase 2(A) (January 2026):

Enhanced claim tracking visibility, improved multi-claim record management, and expanded online claim submission for Non-Motor claim types, enabling a more transparent, paperless processes, and efficient self-service digital claims journey.

Way Forward

Looking ahead, our priorities are fourfold.

First, we will enhance the end-to-end claims experience, with focus on turnaround time and proactive communication throughout the claims journey.

Second, we will strengthen digital service delivery through GO Serve. Phase 2A web enhancements are currently underway and are targeted for full delivery in FY2027. This phase will introduce additional service request capabilities, extend access to Group customers, and simplify onboarding, thereby broadening self-service adoption across Takaful IKHLAS customers.

Third, we will sustain frontline and branch service excellence, recognising the continued importance of human touchpoints in building trust.

Fourth, we aim to stabilise and progressively improve TNPS, with the objective of strengthening customer advocacy into FY2027 as service and digital investments mature.

OUR SUSTAINABILITY PRIORITIES

SMM 6: HEALTH, SAFETY AND WELL-BEING



Why It Is Important

Although MNRB operates primarily in an office-based environment, health, safety, and well-being remain essential to supporting workforce resilience, operational continuity, and productivity, particularly in settings involving frequent interactions, meetings, events, and third-party engagements.

Effective occupational safety and health (“OSH”) practices help minimise operational disruptions, strengthen employee confidence, and reflect the

Group’s duty of care. They also align with evolving stakeholder expectations for organisations to proactively manage human capital and well-being-related risks through appropriate controls and preventive measures.

Providing a safe, healthy, and supportive work environment enables employees to perform effectively, fosters a sense of belonging, and contributes to sustainable organisational performance.

Our Approach

At MNRB, the health, safety, and well-being of our people are integral to our sustainability agenda. Our approach is aligned with national legislation and guided by leading practices, with a strong focus on prevention, proactive risk management, and continuous improvement. Oversight is led by the Group Occupational Safety & Health Committee (“GOSHC”), comprising senior leadership, which provides strategic direction, drives implementation, and monitors performance across the organisation.

Occupational Safety & Health (“OSH”)

We maintain a safe working environment through the following key measures:

- ④ **Workplace Safety & Comfort**
Implementation of hygiene protocols, ergonomic assessments, and regular inspections to maintain safe and productive workspaces.
- ④ **Hazard Identification & Risk Control (“HIRARC”)**
Regular risk assessments, hazard detection, and mitigation activities in accordance with the Malaysian OSH Act 1994 (Amendment 2022).
- ④ **Accident Response & Prevention**
Emergency preparedness and incident response training, including fire drills and first aid, to minimise workplace risks and ensure swift response during incidents.

④ Competency Appointments:

Designation of trained First Aiders and OSH-C certified Safety Coordinators across departments to strengthen internal safety networks.

④ Safety Policy & Governance:

Adoption of a Group-wide Safety Policy Statement to reinforce our commitment to safe operations and stakeholder well-being.

Employee Well-being

We are committed to fostering a supportive, inclusive, and people-centric workplace that prioritises the mental, physical, and social well-being of our employees. Through a range of structured initiatives and engagement programmes, we aim to create a resilient workforce, enhance employee experience, and cultivate a healthy work environment where our people can thrive both personally and professionally. Key initiatives include:

④ Mental Wellness Campaigns

Webinars, mental health talks, and workshops aimed at reducing stigma, encouraging open conversations and strengthening emotional intelligence, resilience, and psychological well-being across the organisation.

⑨ **Flexi Working Policy**

Implementation of hybrid and flexible working arrangements to support work-life integration, improve employee productivity and engagement, and help reduce workplace stress and burnout while accommodating diverse employee needs.

⑨ **Wellness Activities**

Regular wellness activities and company-wide programmes, including Zumba, tennis, brisk

walks, health screenings, and fitness initiatives that encourage physical well-being, social interaction, and a culture of preventive health.

Through these measures, MNRB integrates safety and well-being into daily operations while fostering a resilient and supportive work environment.

Our Progress

SAFETY AND HEALTH

⑨ **Office Safety Awareness Programmes**

Workshops and campaigns to cultivate a culture of safety among employees.

⑨ **Ergonomic Workplace Enhancement**

Ergonomic workstation and seating upgrades were implemented as part of the office renovation initiatives to enhance employee comfort, support well-being, and reduce physical strain.

⑨ **Emergency Response Training**

Ongoing drills and simulations to build preparedness and awareness.

⑨ **Introduction of Safety Champions**

Department-level Safety Champions to advocate and lead safety efforts.

These efforts have contributed to reduced workplace incidents, improved employee confidence, and enhanced operational stability.

WELL-BEING

⑨ **Health & Wellness Week**

Purpose: To promote a holistic and preventive approach to employee well-being by raising awareness on physical, mental, and workplace health.

Impact: Employees were provided with access to complimentary health screenings, wellness and health awareness talks, ergonomic assessments, and fitness challenges, encouraging healthier lifestyle choices, early detection of health risks, and greater overall well-being.

Participants: 450 – 500 employees

⑨ **International Women's Day Program: "Radiant Minds, Resilient Hearts: A celebration of Mind, Heart & Soul"**

Purpose: To celebrate women's emotional intelligence, resilience, and contributions while reinforcing our commitment to diversity, equity, and an inclusive workplace culture.

Impact: The programme featured offered mindfulness sessions, mental wellness workshops, and motivational talks designed to foster self-awareness, emotional well-being, while encouraging greater inclusivity and support for women in the workplace.

Participant: 200 staff inclusive of both males and females

OUR SUSTAINABILITY PRIORITIES

④ Weekly/Monthly Sports Activities

Purpose: Boost physical and mental endurance through Zumba, futsal, tennis, badminton, and brisk walks.

Impact: Enhanced employee morale, reduced stress, and improved workplace energy.

Participants: 100-150 monthly

④ Hybrid Working Arrangement & Flexi Working Policy

Purpose: To promote better work-life balance and support mental well-being.

Impact: These initiatives contributed to higher employee engagement and morale, reduced stress levels, strengthened team camaraderie, and fostered a healthier, more energetic workplace culture.

Participants: All eligible employees

These well-being initiatives have enhanced employee engagement, supported emotional resilience, and promoted healthier lifestyles. By fostering a culture of openness and care, we continue to build a motivated, inclusive, and connected workforce.

Way Forward

We remain committed to embedding health, safety, and well-being as integral elements of our organisational culture. Moving forward, we will continue to strengthen our holistic well-being agenda through initiatives guided by the eight pillars of wellness, encompassing physical, emotional, mental, social, financial, occupational, environmental, and spiritual well-being. Through continuous awareness, engagement, and employee support programmes, we aim to foster a healthier, more inclusive, and resilient workforce where employees can thrive both personally and professionally.

We will strengthen our safety culture through regular engagement activities, leadership involvement, and the integration of safety-related performance indicators. In line with evolving work arrangements, additional safety measures will be introduced to address remote working, business travel, and contractor management.

Bursa Performance Table Data

- a) Number of work-related fatalities (employee) – NIL
- b) Lost time Incident Rate: 0.22
- c) Number of employees trained on health & safety standards: 51

Indicator	Measurement Unit	FY2024	FY2025	FY2026
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0	0.56	0.22
Bursa C5(c) Number of employees trained on health and safety standards	Number	1	23	51

SMM 7: RESPONSIBLE INVESTMENT



Why It Is Important

For MNRB, responsible investment enhances risk-adjusted returns, strengthens portfolio resilience against physical and transition risks, and supports alignment with evolving regulatory expectations, including climate-related disclosures and sustainable finance frameworks. It also reinforces our role as a responsible steward of capital, contributing to broader economic and societal outcomes while safeguarding long-term value for stakeholders.

Our Approach

Strong governance and integration

Sustainability is embedded within the Investment Policy Statement ("IPS") and Group Sustainable Investing Guideline ("GSIG"), with oversight by the Group Investment Committee ("GIC") to ensure ESG factors are systematically integrated into investment decisions and portfolio construction.

Climate-focused strategy and portfolio sustainability

Building on progress achieved in recent years and guided by long-term sustainability considerations, we continue to prioritise climate transition and opportunities, supported by financed emissions monitoring and portfolio decarbonisation pathways to strengthen long-term resilience.

Our Progress

Emissions Footprint

During the year, the global economy was challenged by shifting macroeconomic dynamics and heightened geopolitical tensions, resulting in periods of elevated volatility and market dislocations. Against this backdrop, we proactively adapted our portfolio to take advantage of prevailing market conditions, enhancing risk-adjusted returns through disciplined positioning and active portfolio optimisation, while continuing to support long-term portfolio sustainability.

As at 31 March 2026, the portfolio demonstrated measurable progress in emissions efficiency, with a 13% improvement in carbon intensity, declining from 173 tCO₂e per RM million in FY2025 to 151 tCO₂e per RM million in FY2026. This progress was driven by a deliberate rebalancing towards lower-emission sectors, which generate fewer emissions per unit of investment exposure, alongside ongoing efforts to strengthen climate alignment across the portfolio.

Notwithstanding this improvement, total financed emissions increased to 691,740 tCO₂e (FY2025: 504,161 tCO₂e), largely influenced by growth in portfolio market value and continued portfolio optimisation through deployment into equities and fixed income, particularly within the corporate bond portfolio. Comparative figures for FY2025 have been adjusted to reflect data enhancements and methodological refinements.

Financed emissions are measured in absolute terms based on total attributed emissions across holdings and typically increase in line with portfolio growth and higher exposure to emissions-intensive assets. In contrast, carbon intensity (tCO₂e per RM million invested) is a ratio-based metric that adjusts for portfolio size. During the period, growth in lower-emission sectors outpaced emissions growth, resulting in an overall improvement in portfolio carbon intensity.

Way Forward

In line with the enhanced Group Sustainability Roadmap effective 1 April 2026, we have introduced new initiatives under the C.A.R.E Pillar to further embed climate-focused responsible investment practices across our portfolio. These initiatives reinforce our commitment to systematically integrate ESG considerations into investment decision-making, while supporting the transition to a low-carbon and more resilient economy.

In addition, we will continue to strengthen portfolio monitoring through forward-looking metrics, including emissions intensity, to ensure alignment with our sustainability objectives. Engagement with investee companies will also be intensified to promote greater transparency, improved ESG practices, and meaningful progress on decarbonisation.

OUR SUSTAINABILITY PRIORITIES

SMM 8: ENERGY MANAGEMENT



Why It Is Important

Global energy demand and electricity consumption continue to rise alongside increasing electrification, digitalisation, and cooling requirements across economies and business operations^[1]. These trends reinforce the growing importance of energy efficiency and responsible consumption management as organisations respond to evolving climate-related expectations and operational cost pressures.

For the Group, effective energy management supports operational efficiency, resource optimisation, and cost management, while contributing to overall emissions performance. It also provides measurable insights into how climate-related considerations are integrated into day-to-day operations and broader environmental commitments.

Reference:

[1] <https://www.iea.org/reports/global-energy-review-2025/electricity>

Our Approach

During the reporting period, we initiated the development of a formal energy consumption baseline, focusing primarily on electricity usage. The assessment covers key occupied buildings, namely Bangunan Malaysian Re ("BMR") and IKHLAS Point ("IP"), as well as the Group's branch network, which was included for the first time in FY2026 to provide a more comprehensive view of our operational energy footprint. Our approach focuses on strengthening energy consumption monitoring, improving energy efficiency, and promoting responsible consumption practices across operations.

Our Progress

Total electricity consumption increased from 4,478,897 kWh in FY2025 to 4,627,214 kWh in FY2026, representing a year-on-year increase of 3.3%. The increase was primarily influenced by the following operational factors:

1. Expanded reporting boundary

FY2026 includes branch-level electricity consumption for the first time. This expansion provides a more complete and accurate view of the Group's energy footprint. As such, the increase partly reflects improved coverage rather than purely higher consumption. Going forward, the expanded reporting boundary will be applied consistently, with any material scope changes clearly disclosed to support year-on-year comparability.

2. Facility renovation and upgrading works

Facility renovation and upgrading works undertaken across Group premises, including ergonomic workstation enhancements aimed at improving employee comfort and well-being, contributed to temporary increases in electricity consumption above normal operational levels during the reporting period.

3. Higher office utilisation post-hybrid stabilisation

FY2026 marked the full stabilisation of hybrid working arrangements, with office occupancy reaching its highest post-pandemic level. This resulted in higher demand for cooling, lighting, and shared building systems.

Way Forward

The inclusion of branch operations in FY2026 represents an important step towards establishing a more comprehensive and transparent view of the Group's energy footprint. Building on this, we will continue to identify and implement practical energy efficiency opportunities across both principal buildings and branch networks, with particular focus on cooling systems optimisation, lighting optimisation, and management of non-operational energy consumption.

As reporting maturity strengthens, we will further enhance our monitoring and analysis of energy consumption trends to support more informed operational decision-making and improve year-on-year performance visibility. We remain committed to responsible energy management in support of the Net Zero Carbon Enterprise by 2030 commitment and broader environmental objectives.

Bursa Performance Data Table

Indicator	Measurement Unit	FY2024	FY2025	FY2026
Bursa C4(a) Total energy consumption	KWh	4,318,037	4,478,897	4,627,214

OUR SUSTAINABILITY PRIORITIES

SMM 9: PRODUCTS AND SERVICES: DIGITALISATION AND INNOVATION



Why It Is Important

Insurance and takaful products and services are evolving rapidly as customer behaviours shift, digital distribution expands, and analytics and artificial intelligence (“AI”) increasingly reshaping underwriting, claims and and customer servicing processes. Across the financial services sector, AI and digital technologies are becoming more widely embedded in areas such as pricing, underwriting, claims management, and operational decision-making, reflecting the ongoing transformation of how insurance value is delivered^[1].

For the Group, maintaining product relevance and service capability supports sustainable growth, strengthens customer retention, and enhances operational efficiency. At the same time, governance frameworks and internal controls must continue to evolve alongside technological adoption to effectively manage emerging operational, cybersecurity, conduct, and data-related risks.

For reference:

^[1] https://www.oecd.org/content/dam/oecd/en/publications/reports/2025/12/artificial-intelligence-in-asia-s-financial-sector_b8532d0b/3385bbd8-en.pdf

Our Approach

We remain committed to driving innovation through the integration of digital technologies across all aspects of our business. This includes creating accessible, customer-centric platforms and developing products and services that leverage digitalisation to streamline processes, improve engagement, and increase productivity. Our digitalisation approach integrates with our Shariah values and ethical practices, fostering responsible growth while shaping the environmental and social impacts of our operations.

The IKHLAS GO serves as our unified digital architecture, spanning six interconnected ecosystems that collectively cover the customer and intermediary journey, from product discovery and onboarding through to post-sales servicing, claims, and partner integration. We aim to make our services more accessible, convenient, and transparent, enabling customers and intermediaries to manage their takaful needs with ease across both web-based and mobile channels.

Our Progress

④ Digitalisation of our Products and Services:

In FY2026, we completed 21 projects across the IKHLAS GO Ecosystem, advancing digital capabilities across all six platforms and further embedding the Group's digital-first service proposition.

IKHLAS GO Ecosystem	Purpose	Impact	# of Projects Completed in FY2026 and Key Highlights
GO Serve	Web-based platform for post-sales services catering to both customers and agents.	Enhances customer capabilities by offering post sales self-services through an online portal.	3 projects completed including: - Takaful IKHLAS Family E-Invoicing for Go Serve - Claim Portal for Death, TPD and Critical Illness (ASNB Release 3) - Claim Portal 2.0 Phase 1A

IKHLAS GO Ecosystem	Purpose	Impact	# of Projects Completed in FY2026 and Key Highlights
GO Direct	Web-based services for customers to directly purchase our products and services.	Facilitates swift customer onboarding and improves accessibility to new products for our customers.	4 projects completed including: • IKHLAS Home Protect • Renewal Reminder Phase 2C (Non Motor) • New Underwriting Online Motor Guideline • GTSR Phase 2 for Go Ecosystem
GO Partner	Web-based and mobile app platform designed for General Agents to streamline sales processes.	Offers a new platform for General Takaful agents to onboard customers seamlessly through both an online portal and mobile apps.	4 projects completed including: • Takaful IKHLAS General E-Invoicing for Go Platform • Agency Portal Phase 3a (Comission Statement, CP58 & Password Enhancement) • Agency Portal Phase 2 (IKHLAS Secure Travel) • Agency Portal Phase 3b (SOA Statement)
GO Financial	Facilitates sales for the Bancatakaful and Corporate distributions.	Business uplift by enhancing customer capabilities and experience.	6 projects completed including: • IKHLAS Idaman Corporate Solution • IKHLAS Idaman Public Bank • BSN Phase 3 – Motorcycle • BKRM Motor Phase 1 & 2 • Takaful IKHLAS Family E-Invoicing for Go Platform (Direct & Financial)
GO Connect	Platform for potential partners to access our API suites.	Promotes integration of an open API platform with new digital partners.	4 projects completed: • IKHLAS Idaman ASNB • Shopee Partnership - IKHLAS Motorcycle • Go Ecosystem Moodys Integration • Document Versioning Phase 1
GO Prime	Mobile-based services for family agents to facilitates sales.	Introduces a new platform for Family Takaful agents to onboard customer via mobile apps.	For GO prime, we continued to focus on enhancing mobile apps and web-based functionality. Specifically, we improved the e-quotation and e-submission processes and further integrated our systems with those of our Family Takaful intermediaries.

OUR SUSTAINABILITY PRIORITIES

☉ Sustainability-Linked Offerings

Our vision of “We Protect Everyone” underpins our sustainability-linked offerings, through which we continue to provide (re)insurance and takaful solutions addressing emerging economic, environmental and social risks. A sustainability and maqasid shariah-related checklist is integrated into our product development and review processes to ensure ongoing alignment with the principles of VBIT and our broader sustainability commitments.

Our key sustainability-linked offerings in FY2026 include:

Takaful IKHLAS Family

- **IKHLAS Lestari**
Enables Family Takaful participants to contribute to sustainability and community well-being goals through a value-driven, Shariah-compliant protection solution.
- **IKHLAS Ilhamku**
Targeted at parents, this supports the building of a secure financial foundation for their children's future, contributing to long-term financial resilience and intergenerational well-being through structured protection and savings.
- **IKHLAS Impianku**
Designed to help participants realise their financial goals through structured savings, protection, and periodic benefits, promoting responsible financial behaviour and long-term financial resilience.
- **IKHLAS Idaman**
Provides an accessible Group Family Takaful solution, with comprehensive protection and savings benefits with contributions starting from RM10, ensuring essential financial security remains accessible while promoting long-term resilience for participants and their families.

Takaful IKHLAS General

- **IKHLAS Merawat Personal Accident Takaful**
Designed for daily paid workers including delivery riders and e-hailing drivers, this product provides coverage for death, permanent disablement, and medical expenses, extending financial protection to essential workers in the gig economy.
- **IKHLAS Membantu Personal Accident Takaful**
Targeted at B40 breadwinners, this product provides financial protection for families facing the sudden loss of a primary income earner, including coverage for funeral expenses and associated financial hardship.
- **IKHLAS Clinic Niaga Takaful**
Tailored for medical professionals and clinics, this product provides financial protection against unforeseen risks, enabling healthcare providers to focus on delivering essential services to their communities.
- **IKHLAS Retail Niaga Takaful**
Designed for small businesses including provision shops, minimarts, tailors, and small workshops, this product protects against financial losses and supports the continuity and resilience of local economies.
- **Bantuan IKHLAS Road Assist**
Providing 24/7 roadside assistance across Malaysia, Singapore, Southern Thailand, and Brunei, this service covers jumpstart, flat tyre, petrol delivery, towing, and locksmith services. The Digital Road Assist solution, introduced in FY2025, continues to streamline assistance requests and improve response times, delivering faster and more efficient support to customers in need.
- ☉ **Transparent Claims Payout**
MNRB continues to uphold transparency and efficiency in claims settlement as a core expression of our protection mandate. Through the IKHLAS GO Serve platform, customers can seamlessly submit and track their claims digitally, enhancing the overall claims experience while reducing paperwork and operational costs in support of our sustainability objectives.

During the period, we were able to support our customers in their time of need through the following claims settlement:

Company	FY2024		FY2025		FY2026	
	Claims Amount (RM mil)	Number of Recipients	Claims Amount (RM mil)	Number of Recipients	Claims Amount (RM mil)	Number of Recipients
Takaful IKHLAS Family	266.1	36,096	247.5	34,956	279.6	34,165
Takaful IKHLAS General	409.2	73,903	422.4	74,740	537.7	96,427
Total	675.3	109,999	669.9	109,696	817.3	130,592

⑨ Surplus Distribution:

As part of our commitment to responsible and ethical business conduct, Takaful IKHLAS General distributed a portion of surplus from the Participants' Risk Funds to eligible takaful participants in FYE 2026, paying RM6.17 million to more than 376,470 certificates recipients.

This distribution upholds the core takaful principles of mutual assistance and shared responsibility, returning tangible value to participants and reinforcing our commitment to fair and transparent business conduct.

Way Forward

We will continue expanding our digital offerings and product innovation pipeline through the IKHLAS GO Ecosystem, with a focus on delivering more seamless, accessible, and personalised experiences across all customer and intermediary touchpoints. In parallel, we will also advance our digital transformation efforts, ensuring that technology investments contribute meaningfully towards our Net Zero Carbon by 2050 commitment, alongside our broader sustainability objectives.

OUR SUSTAINABILITY PRIORITIES

SMM 10: TALENT ATTRACTION, GROWTH AND RETENTION



Why It Is Important

At MNRB, we recognise that sustainable growth is driven by our people. Building a high-performing organisation depends on creating an environment where employees are empowered to grow, take ownership of their development, and contribute meaningfully to the Group's success.

Investing in talent development is critical to maintaining workforce capability, strengthening organisational resilience, and ensuring the Group remains competitive in a rapidly evolving business landscape. By fostering a culture of shared accountability for growth, MNRB aims to support long-term value creation for stakeholders.

Our Approach

We adopt a holistic and employee-centric approach towards building a high-performing organisation, anchored on strengthening our learning ecosystem, fostering a culture of continuous development, and enabling employees to take ownership of their growth. We implement enhanced development pathways across all career stages, supported by learning programmes, capability-building initiatives, and targeted development interventions aligned with evolving business and industry requirements.

Our approach promotes shared accountability, where employees are empowered and supported to actively drive their own development, while the organisation provides the necessary frameworks, tools, and opportunities to enable continuous learning and performance excellence. Through this integrated approach, we ensure continuous capability development and build a resilient, agile, and high-performing workforce that is aligned with the Group's long-term strategic priorities.

Our Progress

A total of 55% employees participated in formal, classroom-based learning programmes during the year, while the remaining 45% engaged in alternative learning methods, including on-the-job training and e-learning programmes offered by ICTD (cybersecurity), Compliance, Sustainability and other functions.

This blended learning approach supports continuous capability building and ensures employees are equipped with the skills required to meet business needs and adapt to evolving industry demands. It also reflects our commitment to providing equitable access to learning and development opportunities through diverse learning methodologies.

Training and Development Key Metrics

- ⑤ Total Expenditure on Training & Development: RM1.1 million
- ⑤ Total Programmes: 170 (inhouse & public programmes)
- ⑤ Average Learning Hours per Employee: 30.67
- ⑤ Number of Employees Certified with Professional Industry Certificates: 119

Way Forward

We will continue to strengthen our focus on building a future-ready and high-performing workforce by anchoring our capability development efforts to Bank Negara Malaysia's Future Skills Framework. This will ensure that our workforce is equipped with the critical skills required to navigate evolving industry demands and support the Group's long-term strategic priorities.

We will deepen partnerships with industry bodies and professional institutions to deliver curated learning programmes that enhance technical expertise and core competencies, particularly in insurance, reinsurance, and other key business areas. These collaborations will enable our employees to remain relevant, highly skilled, and aligned with industry best practices.

Through these efforts, MNRB remains committed to developing a resilient, future-ready workforce while reinforcing a strong culture of continuous learning and high performance.

Bursa Performance Data Table

Indicator	Measurement Unit	FY2024	FY2025	FY2026
Bursa C6(a) Total hours of training by employee category				
Senior Vice Presidents and above	Hours	878	647	505
Vice Presidents	Hours	1,853	3,608	3,104
Assistant Vice Presidents	Hours	3,329	11,652	6,756
Executive	Hours	4,330	17,070	9,044
Personal Assistant	Hours	96	120	152
Clerk	Hours	166	347	42
Uniform	Hours	122	50	0
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	4	3	3
Bursa C6(c) Total number of employee turnover by employee category				
Senior Vice Presidents and above	Number	2	6	4
Vice Presidents	Number	20	4	14
Assistant Vice Presidents	Number	33	41	30
Executive	Number	55	69	53
Personal Assistant	Number	0	1	0
Clerk	Number	1	2	0
Uniform	Number	1	2	1

OUR SUSTAINABILITY PRIORITIES

SMM 11: DIVERSITY, EQUITY AND INCLUSION (“DEI”)



Why It Is Important

DEI is increasingly recognised as both a governance consideration and a contributor to organisational effectiveness, supporting leadership development, a more balanced risk culture, and more inclusive decision-making. Across industries, continued gaps in workforce participation and leadership representation highlight the importance of sustained efforts to promote equitable opportunities and inclusive workplaces ^[1].

For the Group, strengthening DEI enhances talent attraction and retention, enhances employee engagement, and contributes to long-term organisational capability and resilience. An inclusive environment

enables employees to contribute authentically, fostering collaboration, innovation, and stronger performance outcomes, while aligning with evolving stakeholder expectations on fairness, equal opportunity, and responsible human capital management.

Guided by our ICE Values and the principle of “We Protect Everyone,” MNRB remains committed to fostering a respectful, inclusive, and empowering workplace for all employees.

For reference:

[1] <https://www.weforum.org/publications/global-gender-gap-report-2025>

Our Approach

We adopt a structured approach to embed DEI across the organisation and to fostering an inclusive culture that celebrates diversity, led by the Group People Division (“GPD”) and supported by policies and practices that promote non-discrimination, equitable treatment, and inclusive hiring.

We integrate DEI principles across the employee lifecycle by ensuring fair and consistent talent practices, including recruitment, development, and career progression. Employees are provided with equitable access to opportunities, resources and development pathways to support their growth and participation within the organisation.

Employee engagement and inclusivity are monitored through structured feedback mechanisms, including employee surveys and open communication channels, to better understand employee sentiment, workplace experience, and sense of belonging across the Group. Beyond measuring engagement scores, MNRB places strong emphasis on building a sustainable Employee Engagement Index that reflects long-term organisational health, employee trust, workplace culture, and overall employee experience.

To encourage greater transparency and authentic participation, we have branded our employee engagement survey as Suara Kita (“Our Voice”), providing employees with a trusted platform to freely share their perspectives, feedback, and aspirations. Insights gathered are systematically analysed and translated into targeted action plans and continuous improvements in workplace practices, leadership effectiveness, performance culture, and employee experience.

We also continue to promote inclusivity and employee well-being through cultural engagement activities and employee support initiatives that foster belonging, respect, and workplace connectivity. Through these actions, we operationalises our commitment to DEI while strengthening an inclusive, supportive, and high-performing workplace.

Our Progress

In FY2026, we made meaningful progress across workforce representation, inclusive engagement, and employee well-being.

⑨ Workforce Representation

Women represented 55% of the Group's total workforce, with 33% of Senior Management positions held by female employees. The Group's workforce composition by age and ethnicity remained broadly stable.

⑨ Merit-Based Opportunities

All hiring and advancement decisions are based on capability, performance, leadership potential and alignment with organisational values. Through this approach, we continue to reinforce a high-performance, purpose-driven culture that supports long-term organisational growth, sustainability, and transformation.

⑨ Employee Engagement

Company	Employee Engagement Index ("EEI") FY2024	EEI FY2025	EEI FY2026
MNRB	81%	88%	72%
Malaysian Re	96%	94%	79%
Takaful IKHLAS Family	88%	92%	84%
Takaful IKHLAS General	91%	92%	87%

Employee feedback remained positive in areas such as training accessibility and flexible working arrangements. At the same time, opportunities for improvement were identified in communication effectiveness, career development visibility, and inter-departmental collaboration. These valuable insights have informed targeted action plans across business units, enabling the Group to strengthen employee experience, enhance organisational connectivity, and drive continuous workplace improvement.

⑨ Celebrated Key Festive & DEI Occasions

We successfully hosted inclusive celebrations for Chinese New Year, Deepavali, International Women's Day, and International Men's Day, fostering cultural appreciation, unity, and a stronger sense of belonging across a diverse workforce.

⑨ Enhanced Employee Well-Being through Inclusive Support

In support of employees' holistic well-being, we implemented early salary disbursement ahead of key festive periods, enabling better financial planning and reducing seasonal financial stress. This initiative reflects MNRB's continued commitment to caring for its people and supporting their overall well-being in a meaningful and practical manner.



Way Forward

We will continue to strengthen our DEI efforts by fostering a workplace where all employees feel respected, valued, and supported. This includes enhancing inclusivity across people practices and embedding DEI principles throughout the organisation to support long-term sustainability and value creation.

In parallel, we will adopt a more structured and holistic approach to employee well-being, anchored on the eight dimensions of wellness. By promoting a supportive and inclusive work environment, we aim to enhance employee experience, resilience, and sustained performance.

OUR SUSTAINABILITY PRIORITIES

Bursa Performance Data Table

Indicator	Measurement Unit	FY2024	FY2025	FY2026
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Senior Vice Presidents and above Under 30	Percentage	0	0	0
Senior Vice Presidents and above 30 - 39	Percentage	8	9	0
Senior Vice Presidents and above 40 - 49	Percentage	28	43	46
Senior Vice Presidents and above Above 50	Percentage	64	48	54
Vice Presidents Under 30	Percentage	0	0	0
Vice Presidents 30 - 39	Percentage	11	13	11
Vice Presidents 40 - 49	Percentage	45	44	47
Vice Presidents Above 50	Percentage	44	44	42
Assistant Vice Presidents Under 30	Percentage	3	3	3
Assistant Vice Presidents 30 - 39	Percentage	39	43	43
Assistant Vice Presidents 40 - 49	Percentage	43	40	42
Assistant Vice Presidents Above 50	Percentage	15	13	12
Executive Under 30	Percentage	36	38	36
Executive 30 - 39	Percentage	42	41	41
Executive 40 - 49	Percentage	15	15	16
Executive Above 50	Percentage	6	6	7
Personal Assistant Under 30	Percentage	0	0	0
Personal Assistant 30 - 39	Percentage	23	25	15
Personal Assistant 40 - 49	Percentage	32	0	25
Personal Assistant Above 50	Percentage	45	75	60
Clerk Under 30	Percentage	0	0	0
Clerk 30 - 39	Percentage	52	47	42
Clerk 40 - 49	Percentage	9	18	17
Clerk Above 50	Percentage	39	35	42
Uniform Under 30	Percentage	0	0	0
Uniform 30 - 39	Percentage	0	0	0
Uniform 40 - 49	Percentage	67	55	50
Uniform Above 50	Percentage	33	45	50

Indicator	Measurement Unit	FY2024	FY2025	FY2026
Gender Group by Employee Category				
Senior Vice Presidents and above Male	Percentage	64	70	67
Senior Vice Presidents and above Female	Percentage	36	30	33
Vice Presidents Male	Percentage	68	65	63
Vice Presidents Female	Percentage	32	35	37
Assistant Vice Presidents Male	Percentage	49	48	50
Assistant Vice Presidents Female	Percentage	51	52	50
Executive Male	Percentage	35	36	38
Executive Female	Percentage	65	64	62
Personal Assistant Male	Percentage	0	0	0
Personal Assistant Female	Percentage	100	100	100
Clerk Male	Percentage	48	53	58
Clerk Female	Percentage	52	47	42
Uniform Male	Percentage	75	73	70
Uniform Female	Percentage	25	27	30
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	57	77	58
Female	Percentage	43	23	42
Under 30	Percentage	0	0	0
30 - 39	Percentage	0	0	0
40 - 49	Percentage	0	3	4
Above 50	Percentage	100	97	96

OUR SUSTAINABILITY PRIORITIES

SMM 12: LABOUR PRACTICES AND STANDARDS



Why It Is Important

Labour practices remain an important stakeholder consideration globally, particularly risks such as modern slavery and forced labour risks persist across economies and extended value chains^[1]. These issues continue to affect millions of people worldwide, underscoring the importance of ethical employment practices, accessible grievance mechanisms, and awareness of third-party labour risks^[2].

For the Group, responsible labour practices remain fundamental to sustaining long-term business resilience and value creation. Strong labour governance supports workforce stability, mitigates legal and reputational

risks, and reinforces the standard of integrity expected of financial institutions, particularly where outsourced services and vendor ecosystems form part of core operations. By embedding fairness, transparency, and respect across employment practices, the Group strengthens its ability to attract, retain, and develop talent while protecting long-term shareholder value, in line with broader principles of responsible business conduct.

For reference (footnotes)

1. https://www.ilo.org/topics-and-sectors/forced-labour-modern-slavery-and-trafficking-persons?utm_
2. <https://www.ilo.org/publications/major-publications/global-estimates-modern-slavery-forced-labour-and-forced-marriage>

Our Approach

We continue to anchor our labour practices on six priority areas: fair wages and benefits; diversity, non-discrimination and inclusion; freedom of association; occupational safety and health; talent development; and upskilling and education. These are implemented through clear policies, structured governance, and defined accountability across business units.

We also maintain flexible work arrangements, targeted benefits, and structured learning pathways to support employees across different life stages and career progression, alongside robust governance and accessible grievance mechanisms that uphold employee rights and sustain a safe, respectful, and purpose-driven work environment.

Our Progress

- ④ **Zero Labour-Related Grievances:** We recorded zero substantiated labour-related grievances during the reporting period, underscoring the effectiveness of the grievance mechanisms and the strength of our governance framework. This achievement reflects MNRB's continued commitment to fostering a respectful, inclusive, and psychologically safe workplace culture where employees are encouraged to raise concerns through established and trusted channels.
- ④ **Upskilling Initiatives:** Ongoing upskilling initiatives and talent development pathways continue to support employee mobility and retention, reflecting sustained investment in employee development and capability building.
- ④ **Holistic Benefits:** Holistic benefits and flexible arrangements continue to support employee well-being, alongside our ongoing emphasis on workplace safety and well-being and strengthened policy implementation.

Way Forward

We remain committed to strengthening robust labour practices as a cornerstone of our people-centric culture. This includes equipping our workforce with future-ready capabilities through targeted skills development, strengthening leadership and succession pipelines, and enhancing transparency in employment practices. Our ongoing commitment is to uphold fairness, safety, and respect, across all levels of the organisation, while creating an environment where employees are empowered to grow, contribute meaningfully, and succeed in a dynamic and supportive workplace.

Bursa Performance Data Table

Indicator	Measurement Unit	FY2024	FY2025	FY2026
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0

OUR SUSTAINABILITY PRIORITIES

SMM 13: COMMUNITY ENGAGEMENT



Why It Is Important

Consistent and meaningful community engagement builds long-term trust and social licence to operate, particularly for financial institutions where reputation and public confidence influence brand value, stakeholder relationships, and market positioning. It also contributes to broader economic resilience and financial inclusion outcomes.

While access to financial services continue to expand through digital channels, responsible engagement remains important to ensure inclusion benefits are safe, equitable, and sustainable. Recent global financial inclusion insights highlight ongoing developments in how individuals access and use

financial services, including the growing importance of digital financial inclusion and related safeguards^[1].

For the Group, structured and outcome-driven community engagement programmes strengthen stakeholder relationships, support inclusive development and reinforce its long-term role in enabling resilience and shared progress. These efforts also ensure that social investments are aligned with material societal needs and deliver measurable impact.

For reference:

[1] <https://www.worldbank.org/en/publication/globalindex/report>

Our Approach

Our community engagement strategy focuses on long-term, outcome-driven initiatives anchored in inclusivity, empowerment, and sustainable development. Through strategic partnerships and stakeholder collaboration, we support programmes across health, education, economic empowerment, and environmental conservation.

These initiatives are primarily led by Takaful IKHLAS through IKHLAS Barakah House (IBH), supported by

funding from IKHLAS Waqf and Endowment (IWE) and IKHLAS Lestari initiatives, and further strengthened through MNRB Program Lestari Cemerlang (PLC). Our aim is to co-create meaningful impact aligned with the SDGs and national development priorities, and ensuring that our efforts are continuously guided by the principles of Maqasid Shariah, ensuring that programmes promote well-being, education and social equity.

Our Progress

④ IKHLAS Barakah House (“IBH”)

IBH remained the Group’s primary community empowerment platform during the year, reaching over 3,390 individuals through 10 initiatives delivered under four key pillars: **Health, Education, Community, and Environment**. In total, RM470,110 was invested to support marginalised communities, fostering resilience and self-sufficiency in line with the Group’s commitment to inclusive growth.



IBH Initiatives by Pillar for FY2026	Objectives	Amount Invested	# of Initiatives	Beneficiaries
1) Community - i-Tekad Protection Programme - Various CSR Programmes for underserved communities such as B40s, Asnaf, students and etc	To alleviate cost-of-living pressures through targeted food aid, financial assistance and essential household support, including Ramadhan outreach programmes.	RM299,110	6	~ 2'728 underserved individuals
2) Education - Sekolah Islah, Kota Bharu, Kelantan - Universiti Pertahanan Nasional Malaysia (UPNM)	To improved access to education and support for living/financial expenses.	RM81,000	2	62 students in Sekolah Islah and 100 <i>fakir</i> students in UPNM
3) Health - Majlis Kanser Nasional (MAKNA)	To support paediatric cancer patients and their caregivers, including assistance for transportation, nutrition and essential care needs.	RM50,000	1	Paediatric cancer patients and their caregivers
4) Environment - Mosque Clean Up and Tree Planting	To promote environmental stewardship and volunteerism.	RM40,000	1	500 congregants and residents
Overall Total		RM470,110	10	~3390

④ IKHLAS Waqf and Endowment ("IWE")

The IWE initiative continues to channel meaningful social impact through complimentary waqf contributions made on behalf of Takaful IKHLAS General participants, embedding the principle of shared responsibility within our takaful offerings.

In FY2026, RM43,500 was channelled to Management Science University (MSU) Medical Centre in Kuala Lumpur to support newborn care facilities. This initiative is expected to benefit at least 360 babies annually, strengthening community health outcomes and reinforcing our commitment to inclusive social protection.



⑤ MNRB Program Lestari Cemerlang ("PLC")

The PLC continue to reflect our commitment to quality education through the adopt-a-school model. In FY2026, SMK Kubor Panjang, Kedah was added as the fifth adopted school, benefiting 1,046 students with an investment of RM47,000.

Key initiatives included:

- Establishment of an e-Learning Room equipped with digital learning tools to support visual learning and bridge the rural-urban digital divide;
- Program E-Drill 2026 to support Sijil Peperiksaan Malaysian (SPM) preparations; and
- Provision of sports equipment to promote holistic student development.



OUR SUSTAINABILITY PRIORITIES

The programme also supports talent development, with ten (10) high-performing students having received MNRB scholarships to date, of which eight (8) are now part of the Group's workforce.

Metrics	FY2025	FY2026
# of Adopted Schools during the Year	1	1
Amount Invested (RM)	RM69,000	RM47,000
# of Students from Adopted Schools with Good SPM Results receiving MNRB Scholarship (to date)	10	10
# of Scholarship Recipients from the PLC Integrated into MNRB's Workforce (to date)	8	8

⑨ MNRB Scholarship Programme

The MNRB Scholarship Programme remains a key component of our talent development and community investment strategy, to develop high-calibre professionals for the insurance and takaful industry.

In FY2026, RM636,450 was awarded to 18 scholars sourced through the PLC pipeline and broader academic partnerships. Since inception, the programme has supported 736 scholars, with many progressing into the Group's workforce, reinforcing its dual role as both a social investment and a long-term talent pipeline.

Metrics	FY2023	FY2024	FY2025	FY2026
Scholarships Awarded	10	10	14	18
Integrated into MNRB's Workforce	10	15	8	8
Amount Invested (RM)	RM533,587	RM581,373	RM408,888	RM636,450

Way Forward

MNRB will continue to strengthen our community investment efforts through purposeful, outcome-oriented initiatives across education, health and community well-being, aligned with national development priorities and the SDGs.

As impact tracking capabilities mature, greater emphasis will be placed on measuring long-term outcomes, particularly for programmes such as PLC and the Scholarship Programme, where community impact and talent development are closely linked. Through sustained partnerships and a long-term perspective we remain committed to delivering measurable and meaningful impact to the communities we serve.

Bursa Performance Data Table

Indicator	Measurement Unit	FY2024	FY2025	FY2026
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer (IBH, IWE, PLC, Scholarship)	MYR	2,034,285	1,233,479	1,197,060
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	12,549	5,966	3,410

SMM14: WASTE MANAGEMENT



Why It Is Important

Waste management is increasingly framed through circular economy principles and cost-of-inaction considerations, as global waste generation continues to rise alongside urbanisation, consumption growth, and economic development. Projections indicate that municipal solid waste volumes are expected to increase significantly toward 2050, with mismanaged waste contributing to environmental degradation, public health risks, and climate-related impact^[1].

For the Group, while direct operational waste impact may be limited, responsible waste management

remains an important aspect of environmental stewardship. It supports operational efficiency, reduces the Group's environmental footprint, and strengthens overall environmental performance credibility. It also aligns with evolving sustainability reporting expectations, which place greater emphasis on measurable outcomes, transparency, and evidence-based progress.

For reference:

<https://www.unep.org/news-and-stories/press-release/world-must-move-beyond-waste-era-and-turn-rubbish-resource-un-report>

Our Approach

Our waste management approach has progressed towards more consistent monitoring and strengthened employee awareness across principal office buildings. Waste is managed through two main streams: general waste disposed to landfill, and recyclable materials segregated through on-site recycling bins and channelled to external recycling facilities.

Our Progress

In FY2026, total waste generated decreased by 17.6% from 121.83 metric tonnes in FY2025 to 100.43 metric tonnes.

⑩ Recyclable waste

Recyclable waste diverted from disposal declined to 4.89 metric tonnes (FY2025: 28.80 metric tonnes). This reduction reflects the one-off large-scale document decluttering exercise during workplace renovation in FY2025, rather than a decline in recycling effort. Recycling bins remain in place across all floors of BMR and IP to support ongoing recycling activity.

⑪ General Waste

General waste directed to disposal stood at 95.55 metric tonnes in FY2026, compared to 92.95 metric tonnes in FY2025, a moderate increase of 2.8%. This was mainly driven by higher office occupancy following the transition to full operational capacity, as well as renovation-related activities during the year.

Way Forward

Moving forward, we will focus on strengthening waste segregation practices across all floors of BMR and IKHLAS Point and embedding waste reduction awareness into internal sustainability communications.

Bursa Performance Data Table

Indicator	Measurement Unit	FY2024	FY2025	FY2026
Bursa C10(a) Total waste generated	Metric tonnes	100.42	121.83	100.43
Bursa C10(a) (i) Total waste diverted from disposal	Metric tonnes	6.17	28.8	4.89
Bursa C10(a) (ii) Total waste directed to disposal	Metric tonnes	94.25	92.95	95.55

OUR SUSTAINABILITY PRIORITIES

SMM15: WATER MANAGEMENT



Why It Is Important

Water security is an increasingly material global risk, with floods and droughts becoming more frequent and severe. Global assessments indicate that a significant proportion of the population experiences periods of water stress each year, reinforcing the importance of water-related resilience across sectors, including those not traditionally considered water-intensive^[1].

For the Group, responsible water management supports resource stewardship across its facilities and contributes to broader operational resilience. This is particularly relevant in the context of climate-related disruptions, which may affect utility availability, workplace continuity, and employee well-being.

For reference:

<https://www.worldbank.org/en/topic/waterresourcesmanagement>

Our Approach

Water management continues to develop as a focus area within our broader resource efficiency agenda, reflecting its increasing relevance to our sustainability commitments and our responsibility as a multi-site building occupant operating across branches.

Current efforts are focused on establishing structured data collection, monitoring, and analysis of water consumption across key operational sites. This enables the identification of usage patterns and key drivers of consumption, supporting more informed decision-making and the progressive development of targeted water efficiency and conservation measures.

Our Progress

Total water consumption increased from 29,946 m³ in FY2025 to 36,903 m³ in FY2026, representing an increase of approximately 23.2% year-on-year. The increase was primarily influenced by improved measurement accuracy following recalibration of the water metering system at BMR premises, alongside broader reporting coverage and temporary operational factors during the reporting period, including office renovation activities.

During the reporting period, it was identified that the water meter at BMR premises required recalibration. Following the necessary rectification works by Syarikat Bekalan Air Selangor ("SYABAS") completed in early FY2026, readings from the recalibrated meter now reflect a more accurate measurement of actual water usage. As such, the FY2026 figure reflects improved data accuracy and completeness, and the year-on-year variance should not be interpreted solely as an indication of deterioration in underlying resource efficiency.

Way Forward

With metering now recalibrated and a more reliable consumption baseline established from FY2026 onwards, we are better positioned to monitor water usage accurately and develop meaningful reduction targets. Key priorities for the coming year may

include establishing a water consumption intensity baseline normalised against headcount or occupied floor area, to enable more meaningful year-on-year comparisons that account for occupancy fluctuations.

Bursa Performance Data Table

Indicator	Measurement Unit	FY2024	FY2025	FY2026
Bursa C9(a) Total volume of water used	Megalitres	27.079	29.946	36.903

SMM16: SUPPLY CHAIN MANAGEMENT



Why It Is Important

Supply chain risk has expanded beyond delivery and cost to include integrity, human rights and labour risks, as well as cybersecurity exposure through third-party relationships. International guidance increasingly emphasises risk-based due diligence across business relationships to identify, prevent and mitigate adverse impacts within the value chain^[1].

For the Group, strengthened supplier governance supports operational resilience, protects information

security, and reduces reputational and compliance exposure, particularly where vendors support critical processes or handle sensitive data. It also aligns with ISSB expectations on value chain transparency and credible risk management practices.

For reference:

https://www.oecd.org/content/dam/oecd/en/publications/reports/2018/02/oecd-due-diligence-guidance-for-responsible-business-conduct_c669bd57/15f5f4b3-en.pdf

Our Approach

Our procurement practices incorporate sustainability considerations, with preference for local sourcing where feasible. This supports local economic development, job creation, and the growth of domestic capabilities and innovation. Where local alternatives are not available, particularly due to regulatory or specialised technical requirements, we engage overseas suppliers, which may increase in the near

term. Nevertheless, our commitment to supporting a resilient local supply chain remains unchanged.

To strengthen responsible procurement practices, we have introduced the Sustainability Due Diligence Questionnaire ("SDDQ") as part of the Group-wide vendor assessment process to evaluate suppliers' sustainability-related practices.

Our Progress

Local Spending	FY2024		FY2025		FY2026	
MNRB	RM63.2 million	99%	RM74.2 million	98%	RM81.29 million	98%
Malaysian Re	RM73.7 million	96%	RM81.5 million	93%	RM84.95 million	97%
Takaful IKHLAS Family	RM112.2 million	99%	RM109.2 million	99%	RM104.8 million	97%
Takaful IKHLAS General	RM144.7 million	100%	RM179.4 million	99%	RM193.3 million	99%

OUR SUSTAINABILITY PRIORITIES

Way Forward

We will continue strengthening supply chain governance by formalising sustainability evaluation mechanisms and enhancing supplier engagement on ESG matters within procurement processes. These efforts aim to further embed sustainability considerations into supplier selection and management, support responsible sourcing, and build a more resilient and sustainable supply chain.

We will also establish periodic monitoring and reporting mechanisms, with key developments escalated to relevant Management and Board Committees to enhance oversight, transparency, and accountability.

Bursa Performance Data Table

Indicator	Measurement Unit	FY2024	FY2025	FY2026
Bursa C7(a) Proportion of spending on local suppliers - MNRB	Percentage	98.5	98.0	97.9%
Bursa C7(a) Proportion of spending on local suppliers - Malaysian Re	Percentage	95.8	93.3	97.1%
Bursa C7(a) Proportion of spending on local suppliers – Takaful IKHLAS Family	Percentage	98.8	98.6	96.6%
Bursa C7(a) Proportion of spending on local suppliers - Takaful IKHLAS General	Percentage	99.7	99.3	99.4%

FUTURE OUTLOOK

Looking ahead, we will continue to advance our sustainability journey with greater clarity of intent and focus. Anchored in our commitment to responsible growth, we will further embed sustainability considerations into business strategic planning, risk management and operational decision-making across the Group to support long-term value creation.

In the coming financial year, as we enhance our Sustainability Framework, Roadmap and governance structure, we aim to improve execution effectiveness and internal capabilities, with greater involvement from subsidiaries. This will ensure that the Group's sustainability initiatives are aligned with each entity's business model, strategic priorities, risk profile, and operational realities. This includes strengthening the integration of sustainability-related considerations into core business functions, capital allocation, operational resilience, and enterprise risk management processes across the Group.

In response to evolving regulatory frameworks such as the NSRF and enhanced Bursa Malaysia disclosure requirements, we are progressively strengthening our sustainability governance practices, data management

capabilities, and organisational readiness. We will also continue progressing towards meeting the IFRS S1 and IFRS S2 disclosure requirements, while enhancing the quality, consistency, and traceability of sustainability-related data to support more robust reporting and informed decision-making. These efforts will support greater transparency, improved comparability, and continued alignment with both national and global sustainability standards.

We will also continue to cultivate a sustainability mindset across all levels of the organisation by empowering our people, promoting responsible innovation, and strengthening stakeholder collaboration. At the same time, the Group will continue identifying practical opportunities to improve operational efficiency, strengthen climate and operational resilience, support responsible digital transformation, and enhance long-term business sustainability across our operations and value chain. Collectively, these efforts will position the Group to navigate increasingly complex environmental and social challenges, while contributing meaningfully to Malaysia's low-carbon transition and the development of a more resilient and inclusive economy.



PERFORMANCE DATA TABLE

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MNRB HOLDINGS BHD
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category; Senior Vice Presidents and above	Percentage	100	100	—	Internal
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category; Vice Presidents	Percentage	100	100	—	Internal
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category; Assistant Vice Presidents	Percentage	100	100	—	Internal
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category; Executive	Percentage	100	100	—	Internal
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category; Personal Assistant	Percentage	100	100	—	Internal
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category; Clerk	Percentage	100	100	—	Internal
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category; Uniform	Percentage	100	100	—	Internal

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Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Bursa (Anti-corruption)	Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100	100	—	Internal
Bursa (Anti-corruption)	Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	—	Internal
Bursa (Community/Society)	Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	1233,479	1197060	—	Internal
Bursa (Community/Society)	Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	5966	3410	—	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Age Group by Employee Category; Senior Vice Presidents and above Under 30	Percentage	0	0	—	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Age Group by Employee Category; Senior Vice Presidents and above 30 - 39	Percentage	9	0	—	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Age Group by Employee Category; Senior Vice Presidents and above 40 - 49	Percentage	43	46	—	Internal

PERFORMANCE DATA TABLE

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MNRB HOLDINGS BHD
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Age Group by Employee Category; Senior Vice Presidents and above Above 50	Percentage	48	54	—	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Age Group by Employee Category; Vice Presidents Under 30	Percentage	0	0	—	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Age Group by Employee Category; Vice Presidents 30 - 39	Percentage	13	11	—	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Age Group by Employee Category; Vice Presidents 40 - 49	Percentage	44	47	—	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Age Group by Employee Category; Vice Presidents Above 50	Percentage	44	42	—	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Age Group by Employee Category; Assistant Vice Presidents Under 30	Percentage	3	3	—	Internal

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Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Age Group by Employee Category; Assistant Vice Presidents 30 - 39	Percentage	43	43	—	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Age Group by Employee Category; Assistant Vice Presidents 40 - 49	Percentage	40	42	—	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Age Group by Employee Category; Assistant Vice Presidents Above 50	Percentage	13	12	—	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Age Group by Employee Category; Executive Under 30	Percentage	38	36	—	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Age Group by Employee Category; Executive 30 - 39	Percentage	41	41	—	Internal

PERFORMANCE DATA TABLE

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MNRB HOLDINGS BHD
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Age Group by Employee Category; Executive 40 - 49	Percentage	15	16	—	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Age Group by Employee Category; Executive Above 50	Percentage	6	7	—	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Age Group by Employee Category; Personal Assistant Under 30	Percentage	0	0	—	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Age Group by Employee Category; Personal Assistant 30 - 39	Percentage	25	15	—	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Age Group by Employee Category; Personal Assistant 40 - 49	Percentage	0	25	—	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Age Group by Employee Category; Personal Assistant Above 50	Percentage	75	60	—	Internal

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Age Group by Employee Category; Clerk Under 30	Percentage	0	0	—	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Age Group by Employee Category; Clerk 30 - 39	Percentage	47	42	—	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Age Group by Employee Category; Clerk 40 - 49	Percentage	18	17	—	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Age Group by Employee Category; Clerk Above 50	Percentage	35	42	—	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Age Group by Employee Category; Uniform Under 30	Percentage	0	0	—	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Age Group by Employee Category; Uniform 30 - 39	Percentage	0	0	—	Internal

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MNRB HOLDINGS BHD
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Age Group by Employee Category; Uniform 40 - 49	Percentage	55	50	—	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Age Group by Employee Category; Uniform Above 50	Percentage	45	50	—	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Gender Group by Employee Category; Senior Vice Presidents and above Male	Percentage	70	67	—	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Gender Group by Employee Category; Senior Vice Presidents and above Female	Percentage	30	33	—	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Gender Group by Employee Category; Vice Presidents Male	Percentage	65	63	—	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Gender Group by Employee Category; Vice Presidents Female	Percentage	35	37	—	Internal

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Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Gender Group by Employee Category; Assistant Vice Presidents Male	Percentage	48	50	—	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Gender Group by Employee Category; Assistant Vice Presidents Female	Percentage	52	50	—	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Gender Group by Employee Category; Executive Male	Percentage	36	38	—	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Gender Group by Employee Category; Executive Female	Percentage	64	62	—	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Gender Group by Employee Category; Personal Assistant Male	Percentage	0	0	—	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Gender Group by Employee Category; Personal Assistant Female	Percentage	100	100	—	Internal

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MNRB HOLDINGS BHD
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Gender Group by Employee Category; Clerk Male	Percentage	53	58	—	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Gender Group by Employee Category; Clerk Female	Percentage	47	42	—	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Gender Group by Employee Category; Uniform Male	Percentage	73	70	—	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category; Gender Group by Employee Category; Uniform Female	Percentage	27	30	—	Internal
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group; Male	Percentage	77	58	—	Internal
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group; Female	Percentage	23	42	—	Internal
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group; Under 30	Percentage	0	0	—	Internal
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group; 30 - 39	Percentage	0	0	—	Internal

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Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group; 40 - 49	Percentage	3	4	—	Internal
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group; Above 50	Percentage	97	96	—	Internal
Bursa (Energy management)	Bursa C4(a) Total energy consumption	Kilowatt-hour	4,478,897	4,627,214	—	Internal
Bursa (Health and safety)	Bursa C5(a) Number of work-related fatalities	Number	0	0	—	Internal
Bursa (Health and safety)	Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.56	0.22	—	Internal
Bursa (Health and safety)	Bursa C5(c) Number of employees trained on health and safety standards	Number	23	51	—	Internal
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category; Senior Vice Presidents and above	Hours	647	505	—	Internal
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category; Vice Presidents	Hours	3608	3104	—	Internal
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category; Assistant Vice Presidents	Hours	11652	6756	—	Internal
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category; Executive	Hours	17070	9044	—	Internal
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category; Personal Assistant	Hours	120	152	—	Internal

PERFORMANCE DATA TABLE

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MNRB HOLDINGS BHD
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category; Clerk	Hours	347	42	—	Internal
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category; Uniform	Hours	50	0	—	Internal
Bursa (Labour practices and standards)	Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	3	3	—	Internal
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category; Senior Vice Presidents and above	Number	6	4	—	Internal
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category; Vice Presidents	Number	4	14	—	Internal
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category; Assistant Vice Presidents	Number	41	30	—	Internal
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category; Executive	Number	69	53	—	Internal
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category; Personal Assistant	Number	1	0	—	Internal
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category; Clerk	Number	2	0	—	Internal
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category; Uniform	Number	2	1	—	Internal

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Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Bursa (Labour practices and standards)	Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	—	Internal
Bursa (Supply chain management)	Bursa C7(a) Proportion of spending on local suppliers	Percentage	98.0	97.9	—	Internal
Bursa (Data privacy and security)	Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	—	Internal
Bursa (Water)	Bursa C9(a) Total volume of water used	Megalitres	29,946	36,903	—	Internal
Bursa (Waste management)	Bursa C10(a) Total waste generated	Metric tonnes	121.83	100.43	—	Internal
Bursa (Waste management)	Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	28.8	4.89	—	Internal
Bursa (Waste management)	Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	92.95	95.55	—	Internal
Bursa (Emissions management)	Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	526.52	370.06	—	Internal
Bursa (Emissions management)	Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	3,466.66	3,559.26	—	Internal
Bursa (Emissions management)	Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	1,974.97	2,063.39	—	Internal

FIVE-YEAR FINANCIAL HIGHLIGHTS

In RM'000	FY2026 ¹	FY2025 ¹	FY2024 ¹	FY2023 ¹	FY2022 ²
Revenue	3,823,001	3,579,283	3,512,781	2,843,240	3,257,512
Profit before zakat and tax	619,095	454,250	505,781	144,684	127,482
Profit after zakat and tax	544,675	394,246	433,539	118,280	114,422
Total assets	14,330,742	13,468,748	12,572,633	11,391,932	11,272,159
Shareholders' fund	3,885,883	3,440,866	3,123,632	2,736,621	2,471,674
Share capital	738,502	738,502	738,502	738,502	738,502
Earnings per share (sen)	69.6	50.3	55.4	15.1	14.6
Net assets per share (RM)	4.96	4.39	3.99	3.49	3.16
Profit before zakat and tax to Shareholders' fund (%)	15.93	13.20	16.19	5.29	5.16
Profit after zakat and tax to Shareholders' fund (%)	14.02	11.46	13.88	4.32	4.63

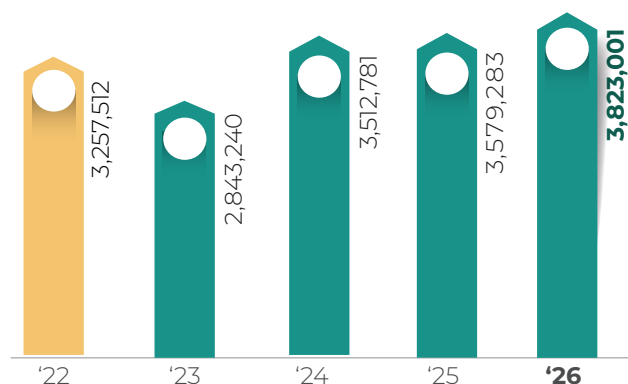
1. FY2023 to FY2026 numbers are presented in accordance with MFRS 17.

2. FY2022 numbers are presented in accordance with MFRS 4.

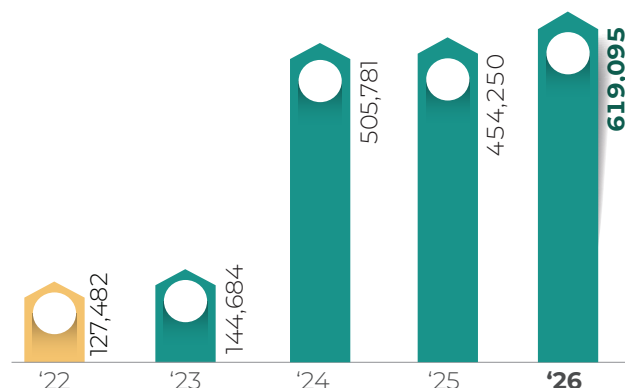
FIVE-YEAR GROUP PERFORMANCE

MFRS 4 MFRS 17

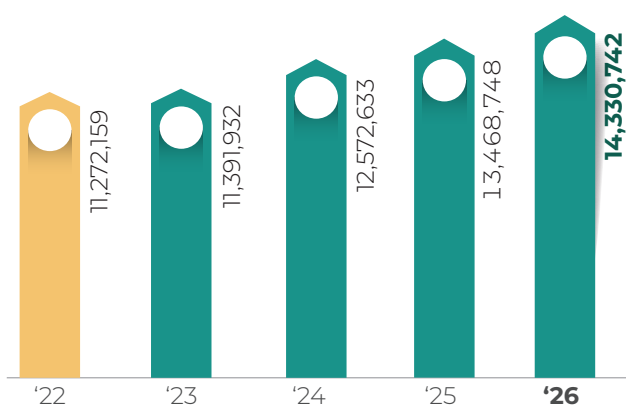
REVENUE (RM'000)



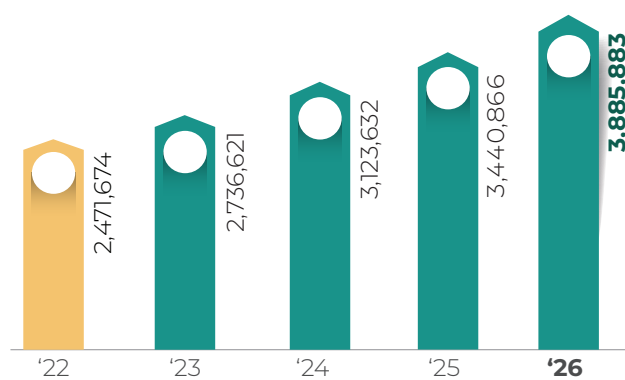
PROFIT BEFORE ZAKAT AND TAX (RM'000)



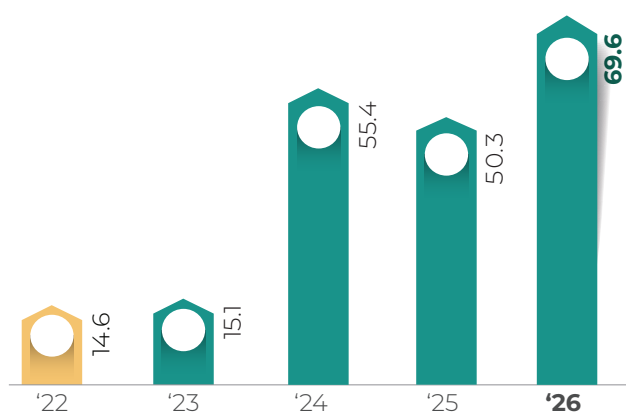
TOTAL ASSETS (RM'000)



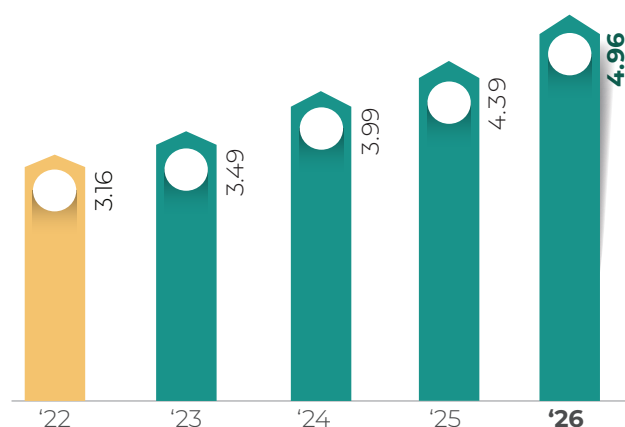
SHAREHOLDERS' FUND (RM'000)



EARNINGS PER SHARE (SEN)

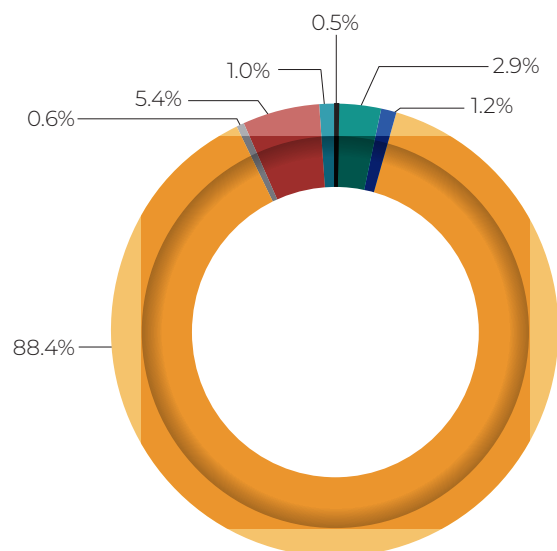


NET ASSETS PER SHARE (RM)

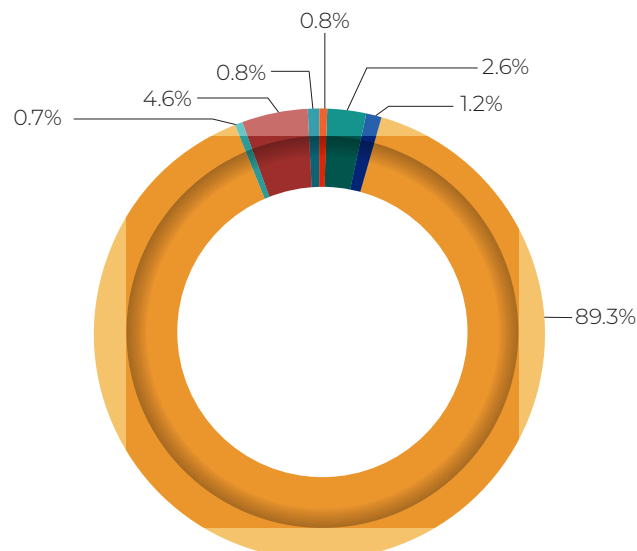


SIMPLIFIED GROUP STATEMENTS OF FINANCIAL POSITION

ASSETS



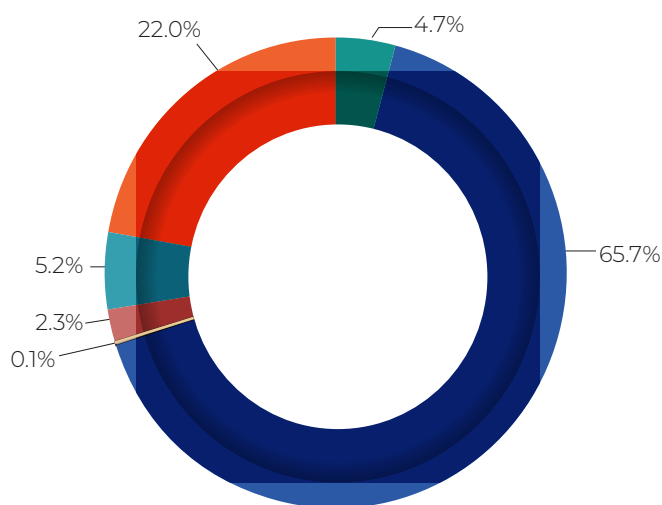
31 March 2026



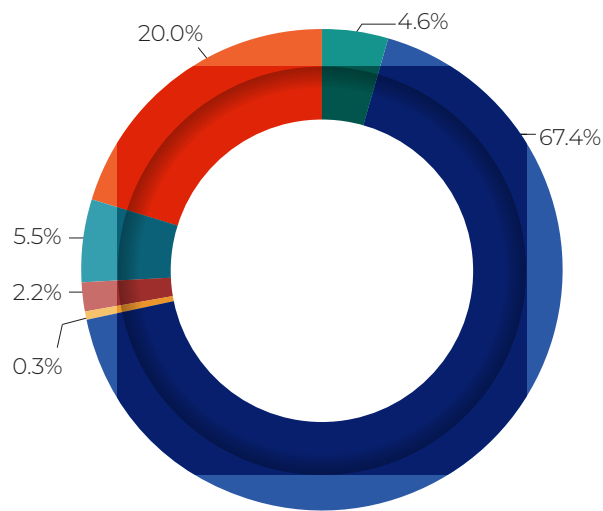
31 March 2025



LIABILITIES & EQUITY



31 March 2026



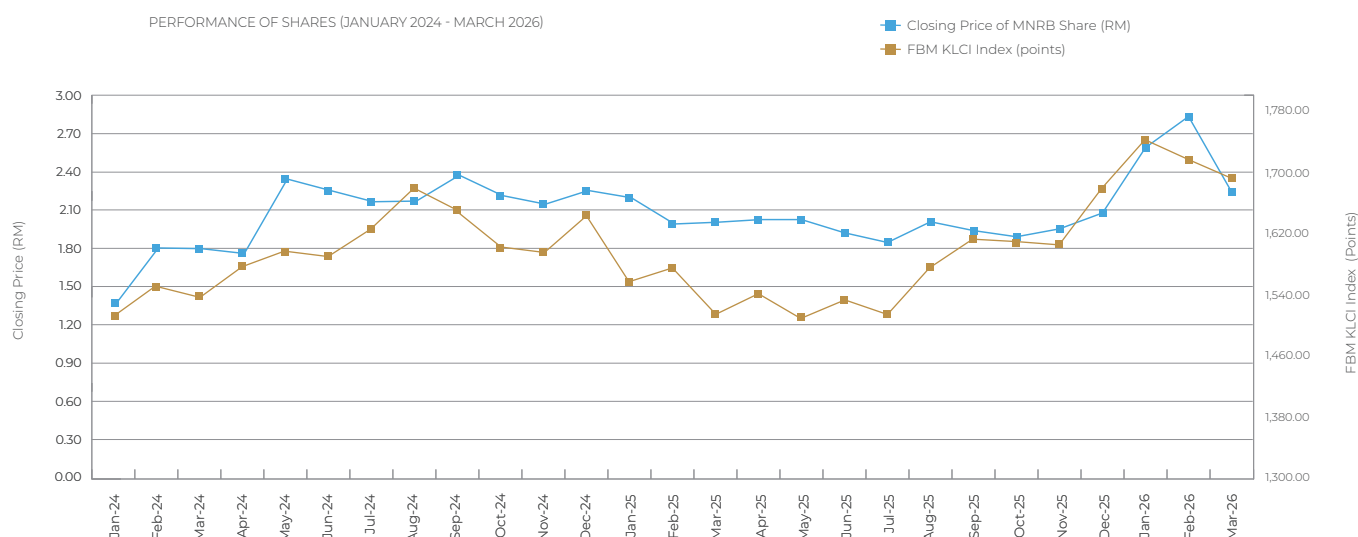
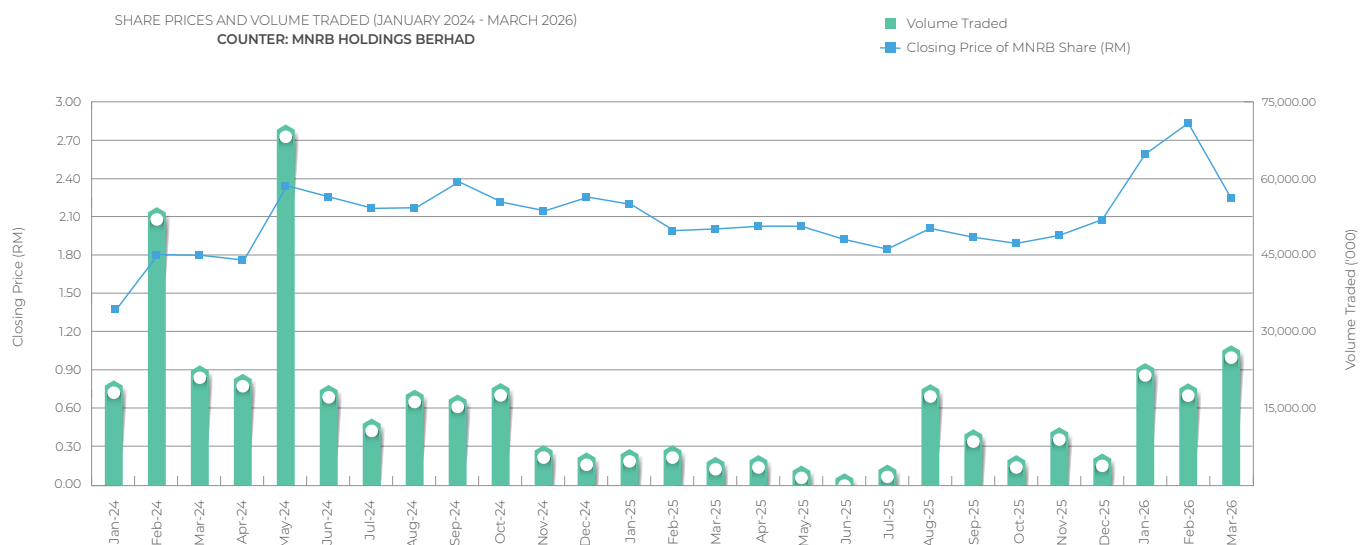
31 March 2025



INVESTORS INFORMATION

	1/4/25 - 31/3/26	1/4/24 - 31/3/25	1/4/23 - 31/3/24	1/4/22 - 31/3/23	1/4/21 - 31/3/22	1/4/20 - 31/3/21	1/4/19 - 31/3/20	1/4/18 - 31/3/19
Closing Price	2.24	2.01	1.79	0.93	1.08	1.30	0.565	1.03
Highest Price	2.92	2.62	1.97	1.13	1.45	1.47	1.19	1.99
Lowest Price	1.66	1.60	0.93	0.845	0.98	0.55	0.47	0.85
Total Volume Traded ('000)	138,410	213,570	139,881	19,437	164,720	344,640	113,710	202,783
Gross Dividend Yield (%)	4.46	4.98	4.93	2.69	3.70	2.31	4.42	0.00
Price Earning Ratio (x)	3.22	4.00	3.23	5.95	7.20	5.37	3.32	5.15

Source: Bloomberg @ 12/06/2026



FINANCIAL CALENDAR 2026



53rd Annual General Meeting

31 July 2026

Date of Notice of AGM

25 September 2026

AGM Date



Unaudited Consolidated Financial Results

1st quarter result

Report as at 30 June 2025

14 August 2025

Announcement Date

2nd quarter result

Report as at 30 September 2025

17 November 2025

Announcement Date

3rd quarter result

Report as at 31 December 2025

13 February 2026

Announcement Date

4th quarter result

Report as at 31 March 2026

21 May 2026

Announcement Date

DIRECTORS' PROFILE



DATO' SULAIMAN MOHD TAHIR

Non-Independent Non-Executive Chairman

	Nationality	Malaysian		Age	63 years
	Gender	Male		Date of Appointment	14 February 2025
	Length of Service	1 year and 4 months			

Academic and Professional Qualifications:

- Bachelor of Business in Accountancy, RMIT University, Melbourne, Australia
- Fellow Chartered Banker, Asian Institute of Chartered Banker

Skill and Experience:

Dato' Sulaiman Mohd Tahir ("**Dato' Sulaiman**") has over thirty-five (35) years of experience in Malaysia's financial sector. He began his banking career in 1987 at Bank of Commerce Berhad. There he took on several front-line roles, including in branch banking, corporate banking and as an area business manager covering SMEs and Corporates. In 2000, he joined Bank Bumiputra Commerce Berhad, overseeing the bank's retail sales and distribution channels. In 2006 when Bank Bumiputra Commerce Group merged with CIMB creating CIMB Group, Dato' Sulaiman was appointed as Regional Head of Consumer Sales and Distribution. His journey with CIMB Group concluded with his appointment as the Chief Executive Officer ("CEO")/Executive Director of CIMB Bank.

Dato' Sulaiman then joined Ambank Group in 2015 as the Group CEO until his retirement in November 2023. While in Ambank Group, he held several directorships in its group of companies. On 25 September 2019, he was appointed as Non-Independent Non-Executive Director ("**NINED**") of Financial Industry Collective Outreach until 22 November 2023. He was formerly a NINED of Payment Network Malaysia Sdn Bhd (PayNet) from 1 June 2020 until 22 November 2023. He was then reappointed as Independent Non-Executive Director ("**INED**") on 24 October 2024 in PayNet. Along with his current directorship in PayNet, he is also the Chairman and INED of Bank Pembangunan Malaysia Berhad and a Non-Independent Non-Executive Chairman of Malaysian Reinsurance Berhad, Takaful Ikhlas Family Berhad and Takaful Ikhlas General Berhad.

Directorship in Other Public Companies:

Listed Entities

- Nil

Other Public Companies

- Bank Pembangunan Malaysia Berhad
- Malaysian Reinsurance Berhad
- Takaful Ikhlas Family Berhad
- Takaful Ikhlas General Berhad

Attendance: **AGM:**

Interest in securities of the Company and its Subsidiaries: Nil

Board Committee Membership: Nil*

Other Committee Membership

- Member of Group Investment Committee (Representing Takaful Ikhlas Family Berhad)

*Note:

Dato' Sulaiman does not sit in any of the Board Committee in line with Practice 1.4 and the Guideline of the Malaysian Code on Corporate Governance to ensure there is check and balance as well as objective views of the Board.

- Not related to any Director and/or major shareholder of MNRB, except being a Nominee Director of Permodalan Nasional Berhad.
- Does not have any conflict of interest or potential conflict of interest, including interest in any competing business with MNRB or its subsidiaries.
- Has never been convicted for any offences, other than traffic offences, if any, within the past five (5) years.
- Has never been imposed public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 March 2026.

DIRECTORS' PROFILE



GEORGE OOMMEN

Senior Independent Non-Executive Director



Nationality Malaysian



Age 72 years



Gender Male



Date of Appointment
1 January 2018



Length of Service 8 years 5 months

Academic and Professional Qualifications:

- Fellow of the Association of Chartered Certified Accountants (UK)
- Member of Malaysian Institute of Accountants
- Member of Malaysian Institute of Certified Public Accountants

Skill and Experience:

He has forty (40) years of experience in the insurance industry. He began his insurance career in 1981 when he joined American International Assurance Company Limited as an Accountant. In 1999, he was transferred to AIG Lippo Life Insurance Company, Indonesia as Vice President-Director. Subsequently, in 2000, he joined TATA AIG Life Insurance Company, India as Managing Director.

He later joined ACE INA Holdings Inc, India as Country Head/CEO in 2002 and thereafter in 2003 he was appointed Chairman/Managing Director of ACE Life, Egypt, concurrently.

In 2007, he joined the Dubai International Financial Centre, UAE as the Executive Director, Business Development. In 2010, he was appointed as the CEO & General Representative, Assicurazioni Generali, S.p.A. for the Middle East and North African Region based in Dubai.

Directorship in Other Public Companies:

Listed Entities

- Nil

Other Public Companies

- Takaful Ikhlas Family Berhad
- Malaysian Reinsurance Berhad

Other Appointment

- Labuan Reinsurance (L) Ltd
- Labuan Re Underwriting Ltd

Attendance:

9 / 10

AGM:

1 / 1

Interest in securities of the Company and its Subsidiaries: Nil

Board Committee Membership

- Chairman of Audit Committee
- Member of Group Nomination & Remuneration Committee

Other Committee Membership

- Member of Group Investment Committee (Representing Takaful Ikhlas Family Berhad)
- Member of Board Steering Committee

- Not related to any Director and/or major shareholder of MNRB.
- Does not have any conflict of interest or potential conflict of interest, including interest in any competing business with MNRB or its subsidiaries.
- Has never been convicted for any offences, other than traffic offences, if any, within the past five (5) years.
- Has never been imposed public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 March 2026.



JUNAIDAH MOHD SAID

Independent Non-Executive Director

	Nationality	Malaysian		Age	67 years
	Gender	Female		Date of Appointment	1 October 2019
	Length of Service	6 years 8 months			

Academic and Professional Qualifications:

- Diploma in Investment Analysis, Institut Teknologi MARA
- Bachelor of Business Administration majoring in Finance, Western Michigan University, United States of America

Skill and Experience:

Junaidah began her career as an Executive Officer of Bank Bumiputra Malaysia Berhad in 1984.

Her career in central banking began in 1988 when she joined Bank Negara Malaysia ("BNM"). Her over 30-year experience in BNM had been mainly in the area of policy development and the regulation and supervision of the insurance and insurance-related industry including insurance intermediaries.

Throughout her career in the central bank, she had contributed significantly to the development of the Malaysian insurance industry driving major policy initiatives among which include liberalisation of the motor and fire tariffs, development of micro insurance framework, optimisation of national retention, introduction of deferred annuity scheme and establishment of Protection and Indemnity Malaysia (a Malaysian P&I Club).

Directorship in Other Public Companies:

Listed Entities

- Nil

Other Public Companies

- Nil

Attendance: 10/10 AGM: 1/1

Interest in securities of the Company and its Subsidiaries: Nil

Board Committee Membership

- Chairman of Risk Management Committee of the Board
- Member of Group Nomination & Remuneration Committee

- Not related to any Director and/or major shareholder of MNRB.
- Does not have any conflict of interest or potential conflict of interest, including interest in any competing business with MNRB or its subsidiaries.
- Has never been convicted for any offences, other than traffic offences, if any, within the past five (5) years.
- Has never been imposed public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 March 2026.

DIRECTORS' PROFILE



ZAIDA KHALIDA SHAARI

Independent Non-Executive Director

	Nationality	Malaysian		Age	58 years
	Gender	Female		Date of Appointment	1 October 2019
	Length of Service	6 years 8 months			

Academic and Professional Qualifications:

- LLB (Hons), University of Warwick, United Kingdom
- Barrister-at-Law at Gray's Inn, United Kingdom
- Master of Business Administration, University of Strathclyde, United Kingdom

Skill and Experience:

Zaida Khalida began her career in 1991 in legal practice with Messrs. Zain & Co. Thereafter, in 1997, she joined Permodalan Nasional Berhad ("PNB") as legal advisor to the corporate finance group and subsequently appointed as the Senior Compliance Officer & Head of Legal Department. She was also appointed as the joint Company Secretary of PNB.

She joined Khazanah Nasional Berhad ("Khazanah") in January 2007 as a Senior Vice President of Investments and was subsequently appointed as Director of Investments in April 2009. During her stint in Khazanah, she oversaw the real estate and education investments of Khazanah. She served Khazanah as an Executive Director of Investments until January 2019.

Zaida Khalida was later appointed as Chief Executive Officer of Yayasan AMIR, a non-profit organisation that focus to improve accessibility to quality education in public schools through a Public-Private Partnership with the Ministry of Education Malaysia from 1 June 2020 until 30 June 2022. On 1 July 2022, she was appointed as an Advisor for Yayasan AMIR.

She is also an Advisor of Yayasan MeReka, an alternative education entity that aims to level up the youth skills on the necessary digital and other skills for the future.

On 1 March 2024, Zaida Khalida was appointed as a member of the Investment Panel for Kumpulan Wang Amanah Persaraan (Diperbadankan).

Directorship in Other Public Companies:

Listed Entities

- AEON Co. (M) Berhad

Other Public Companies

- Pelaburan Hartanah Nasional Berhad
- Prima Ekuiti (UK) Limited
- RHB Islamic Bank Berhad
- Credit Guarantee Corporation Malaysia Berhad

- Not related to any Director and/or major shareholder of MNRB.
- Does not have any conflict of interest or potential conflict of interest, including interest in any competing business with MNRB or its subsidiaries.
- Has never been convicted for any offences, other than traffic offences, if any, within the past five (5) years.
- Has never been imposed public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 March 2026.
- Will retire at the upcoming 53rd AGM pursuant to Clause 90 of the Company's Constitution and being eligible for re-election.

Attendance:



AGM:



Interest in securities of the Company and its Subsidiaries: Nil

Board Committee Membership

- Chairman of Group Nomination & Remuneration Committee
- Member of Audit Committee
- Member of Risk Management Committee of the Board (Appointed on 14 January 2026)

Other Committee Membership

- Chairman of Group Investment Committee (Appointed on 11 February 2026)



CHIN SEE MEI

Independent Non-Executive Director

	Nationality	Malaysian		Age	57 years
	Gender	Female		Date of Appointment	1 October 2023
	Length of Service	2 years 8 months			

Academic and Professional Qualifications:

- Bachelor of Arts (Economics) University of Malaya

Skill and Experience:

See Mei brings over 28 years of experience in technology-led enterprise transformation, having spent her entire executive career with IBM Malaysia. She last served as General Manager, Industries, where she led strategic engagements with large enterprises and public listed companies across the financial services, oil and gas, telecommunications, transportation and public sectors.

Throughout her career, she advised organisations on the adoption and deployment of emerging technologies including hybrid cloud, mobile, Internet of Things (IoT), data analytics, artificial intelligence (AI) and blockchain to accelerate digital transformation, strengthen operational resilience and enhance customer experience. She worked closely with global subject matter experts and industry leaders to bring international best practices to complex transformation programmes, enabling organisations to build agile, secure and future-ready business architectures.

Beginning her career as a systems engineer, See Mei progressively assumed leadership roles across IT services delivery, technical support, sales and operations before advancing to her C-suite leadership position. Her broad cross-functional and cross-industry experience provides her with deep insight into organisational transformation, agile operating models, business optimisation and the development of new digital business models and revenue streams.

Directorship in Other Public Companies:

Listed Entities

- Nil

Other Public Companies

- Nil

Attendance: **AGM:**

Interest in securities of the Company and its Subsidiaries: Nil

Board Committee Membership

- Member of Audit Committee
- Member of Risk Management Committee of the Board (Appointed on 1 October 2025)

Other Committee Membership

- Member of Group Digital & Information Technology Committee (Representing MNRB Holdings Berhad)

DIRECTORS' PROFILE



KAMARUL ARIFFIN MOHD JAMIL

Independent Non-Executive Director



Nationality Malaysian



Age 57 years



Gender Male



Date of Appointment
1 July 2026



Length of Service 1 month

Academic and Professional Qualifications:

- Bachelor of Arts Economics, University of Cambridge
- Member of the Asian Institute of Chartered Bankers

Skill and Experience:

Kamarul Ariffin has over three decades of leadership experience across the oil and gas, asset management and financial services sectors. He began his career in the oil and gas sector, serving in downstream operations at Shell Malaysia Trading Sdn Bhd and upstream activities at Trenergy Malaysia Berhad, before spending five years with Pengurusan Danaharta Nasional Berhad.

He subsequently built an extensive career in the banking industry, holding senior leadership positions at Affin Bank Berhad, including Senior Vice President of Corporate Strategy, Chief Executive Officer of Affin Islamic Bank Berhad and Group Chief Executive Officer of Affin Bank Berhad. During his tenure, he was responsible for driving corporate strategy, business transformation and the overall performance of the Affin Group.

He currently serves as Chairman of Maybank Islamic Asset Management Sdn Bhd and sits on the boards of Maybank Asset Management Group Berhad, Marine & General Berhad, Kwasa Land Sdn Bhd and AmanahRaya-Kenedix REIT Manager Sdn Bhd. He is also a member of the Asian Institute of Chartered Bankers.

Directorship in Other Public Companies:

Listed Entities

- Marine & General Berhad

Other Public Company

- Maybank Asset Management Group Berhad

Other Appointment

- Nil

*Attendance:



AGM:



Interest in securities of the Company and its Subsidiaries: Nil

Board Committee Membership

- Nil

Other Committee Membership

- Member of Group Investment Committee

*Note:

Encik Kamarul Ariffin was appointed on 1 July 2026.

- Not related to any Director and/or major shareholder of MNRB.
- Does not have any conflict of interest or potential conflict of interest, including interest in any competing business with MNRB or its subsidiaries.
- Has never been convicted for any offences, other than traffic offences, if any, within the past five (5) years.
- Has never been imposed public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 March 2026.
- Will retire at the upcoming 53rd AGM pursuant to Clause 95 of the Company's Constitution and being eligible for re-election.

GROUP SHARIAH COMMITTEE'S PROFILE



PROF. DR. YOUNES SOUALHI

Chairman of Group Shariah Committee

📅 58 | 🕌 Male | 📍 Algerian

Academic/Professional Qualification

- Bachelor in Usul al Fiqh, Emir University of Islamic Sciences, Algeria
- Masters in Usul al-Fiqh, International Islamic University Malaysia
- Ph.D in Usul al-Fiqh, University of Malaya
- Registered Financial Planner (RFP), Malaysian Financial Planning Council (MFPC)
- Certificate of Takaful and Retakaful (INCEIF, 2026)

Skills and Experience

- Chairman, Group Shariah Committee (appointed 3 November 2022)
- Member, AAOIFI Shariah Sub-Committee
- Senior Researcher and Head of PhD Programme (Applied Shariah in Islamic Economics and Finance), ISRA
- Professor, INCEIF University, Malaysia
- Chairman, Shariah Committee, Al-Rajhi Bank Malaysia
- Sole Shariah Advisor, Kuwait Retakaful (Labuan)
- Chairman, Shariah Council of Experts, Salam Takaful (Nigeria)
- Deputy Chairman, Aljazair Mutahidah Takaful (Algeria)
- Former Chairman, Shariah Board, Munich Re Retakaful
- Former Member, Shariah Committee, HSBC Amanah Malaysia
- Over 30 years of experience in Islamic finance
- Teaching experience in Takaful and Retakaful at master's and PhD level
- Published works in Islamic banking and finance, focusing on Takaful and Retakaful



ASSOC. PROF. DATUK DR. LUQMAN HAJI ABDULLAH

Group Shariah Committee Member

📅 56 | 🕌 Male | 📍 Malaysian

Academic/Professional Qualification

- PhD in Islamic Law of Property, University of Edinburgh, Scotland

Skills and Experience

- Group Shariah Committee member (appointed 3 November 2020)
- Former Mufti of Wilayah Persekutuan (May 2020 – May 2025)
- Shariah Committee Member, MBSB Bank
- Shariah Panel Expert, JAKIM
- Committee Member, Shariah Advisory Council, Amanah Raya Berhad
- Chairman, Madrasah Rahmaniah Pondok Lubuk Tapah, Kelantan
- Visiting Scholar, University of Edinburgh (2013)
- Member, Association of Shariah Advisors in Islamic Finance (ASAS)
- Former Head, Fiqh and Usul Department, University of Malaya
- Specialisation: Islamic Law of Property, Islamic Jurisprudence/Legal Theories, and Shariah/Fiqh Textual Studies (Dirasah Nassiyyah)

GROUP SHARIAH COMMITTEE'S PROFILE



DR. SHAMSIAH MOHAMAD

Group Shariah Committee Member

 59 |  Female |  Malaysian

Academic/Professional Qualification

- PhD in Fiqh and Usul Fiqh, University of Jordan

Skills and Experience

- Group Shariah Committee member (appointed 3 November 2020)
- Former Associate Professor, Academy of Islamic Studies, University of Malaya
- Former Senior Researcher, ISRA
- Member, Group Shariah Supervisory Council, Bank Islam Malaysia Berhad
- Resident Shariah Adviser, Amanie Advisors Sdn. Bhd.
- Member, Shariah Committee, Lembaga Zakat Selangor
- Member, Shariah Committee, Dana Peladang Kebangsaan and Pertubuhan Peladang Kebangsaan
- Member, Hajj Advisory Committee (TH-JAKIM)
- Former Member, Shariah Advisory Council, Securities Commission Malaysia
- Former Member, Shariah Committee, Bursa Malaysia Securities Berhad
- Former Subject Matter Expert, IBFIM
- Former Member, Shariah Committee: SME Bank and AIBIM
- Former Shariah Adviser to Standard Chartered Bank, Bank Muamalat Malaysia Berhad, Standard Chartered Saadiq Berhad, JAKIM, Medic IG Holdings, BIMB Investment and BIMB Securities Sdn. Bhd.
- Former Member, Shariah Advisory Council, Bank Negara Malaysia (2013–2019)
- Focus area: Islamic finance and Islamic commercial transactions



SHAHIRIR SOFIAN

Group Shariah Committee Member

 62 |  Male |  Malaysian

Academic/Professional Qualification

- Master's in Actuarial Science (Distinction), City University London
- Degree in Economics and Islamic Studies (Shariah)

Skills and Experience

- Group Shariah Committee member (appointed 3 November 2020)
- Shariah Committee Member, Citibank Islamic Banking Window
- Bank Negara Malaysia (BNM), various roles (since 1987)
- Manager, Financial Sector Development Department, BNM
- Manager, Insurance Development Department, BNM
- Involved in compliance review processes and policy development at BNM
- Contributed to Balance Score Card for Life Insurance/Family Takaful Agents
- Involved in Insurance Development Department business planning
- Involved in formulation of policy on direct channels
- Involved in establishment of Islamic Banking and Takaful Department
- Experience in insurance regulation and operations



DR. KHAIRUL ANUAR AHMAD

Group Shariah Committee Member



52



Male



Malaysian

Academic/Professional Qualification

- PhD in Islamic Banking and Finance, International Islamic University Malaysia (IIUM)

Skills and Experience

- Group Shariah Committee member (appointed 1 July 2022)
- Senior Lecturer, Universiti Islam Selangor (UIS), specialising in Fiqh Muamalat (Islamic Law of Transactions) and Islamic Economics & Banking
- Chairman, Shariah Committee, OCBC Al-Amin Bank Berhad
- Member, Shariah Committees: YAPEIM, KOPSYA, Afsha Shariah Advisory, Sedania As-Salam Capital
- Former Member, Shariah Committee, HSBC Amanah
- Former Member, Shariah Committee, FWD Takaful
- Member, Association of Shariah Advisors in Islamic Finance (ASAS)
- Publications in Islamic finance and Shariah



WAN RUMAIZI WAN HUSIN

Group Shariah Committee Member



51



Male



Malaysian

Academic/Professional Qualification

- Bachelor in Fiqh and Usul al-Fiqh, Al al-Bayt University, Jordan
- Master's in Fiqh and Usul al-Fiqh, International Islamic University Malaysia

Skills and Experience

- Group Shariah Committee member (appointed 1 August 2023)
- Former lecturer, Department of Fiqh and Usul al-Fiqh, Kulliyah of Islamic Revealed Knowledge and Human Sciences, International Islamic University Malaysia
- Experience in Shariah training and public speaking (Fiqh Muamalat, Islamic Economics, Fiqhi-Medico)
- Module Developer and Member, MS 1900:2014 Shariah-based Quality Management Systems Working Group (SIRIM)
- Shariah Advisor: Yayasan Muamalat Belia, Tissue Bank HUSM Kubang Kerian
- Shariah Committee representative, BKRM BOD meeting
- Member, JAKIM Muamalat Panel of Experts
- Board Member and Chairman, Shariah Committee, AEON Bank (M) Berhad
- Chairman, Shariah Committee, Agrobank Berhad
- Member, Shariah Committee, Lembaga Tabung Haji
- Member, MAIK Baitulmal Committee
- Panel Consultant, IRCIEF UIS
- Member, International Union for Muslim Scholars (Qatar)
- Former Chairman, Shariah Board, Al-Rajhi Bank Malaysia
- Former Member, Shariah Committee, Bank Rakyat Malaysia
- Former Member, Shariah Committee, PruBSN Takaful

GROUP SHARIAH COMMITTEE'S PROFILE



DR. SAFINAR SALLEH

Group Shariah Committee Member



49



Female



Malaysian

Academic/Professional Qualification

- PhD in Islamic Studies (Shariah), Glasgow Caledonian University, UK
- Master's in Shariah, University of Malaya
- Bachelor's in Shariah, Al-Azhar University, Egypt

Skills and Experience

- Group Shariah Committee member (appointed 1 April 2025)
- Lecturer, Department of Islamic Law, Ahmad Ibrahim Kulliyah of Laws (AIKOL), International Islamic University Malaysia (IIUM)
- Shariah Committee Member, EXIM Bank Malaysia
- Shariah Committee Member, Hong Leong Islamic Bank
- Former Shariah Committee Member: Swiss Re Retakaful, MUFG Bank Malaysia, MUA Life Ltd, Bank Simpanan Nasional
- Expertise in Islamic banking, Takaful, and Retakaful
- Focus areas: Islamic capital market, Islamic law of contracts, Waqf
- Co-author of publications in Islamic banking and Takaful
- Module reviewer, ASAS Certified Shariah Advisor (CSA) and Certified Shariah Practitioner (CSP) programmes

KEY SENIOR MANAGEMENT TEAM'S PROFILE



DATO' RUDY RODZILA CHE LAMIN
Interim President & Group Chief Executive Officer, MNRB Holdings Berhad and President & Chief Executive Officer, Takaful Ikhlas General Berhad

Malaysian

Age 57

Male

🕒 **Date of Appointment:**

- 23 November 2024 (MNRB Holdings Berhad)
- 30 November 2021 (Takaful Ikhlas General Berhad)

🎓 **Academic/Professional Qualification:**

- Master of Management from International Islamic University Malaysia
- Professional body accountant qualification ("AAIA") from The Association of International Accountants ("UK")

🔧 **Skills and Experience:**

- He has over thirty (30) years of combined experience in the financial, banking and insurance industries.
- Prior to joining Takaful Ikhlas General Berhad, he was the Executive Vice President, Head of Regional Distribution in Etiqa Group.
- He joined Takaful Ikhlas General Berhad on 1 November 2021 as the President & CEO Designate.



AHMAD NOOR AZHARI ABDUL MANAF
President & Chief Executive Officer, Malaysian Reinsurance Berhad

Malaysian

Age 54

Male

🕒 **Date of Appointment:**

- 1 April 2023

🎓 **Academic/Professional Qualification:**

- Investment Analysis from Universiti Teknologi MARA ("UiTM")
- Insurance (Risk Management) from Malaysian Insurance Institute ("MII")

🔧 **Skills and Experience:**

- Nearly three (3) decades of experience in insurance and reinsurance.
- He has worked with leading companies such as Etiqa Insurance ("MNI"), Hannover Re, Malaysia and Kuwait Re Far East Regional Office where the last position held was as the Principal Officer.
- He has been a part of Malaysian Re since August 2016 and has served as the Chief Underwriting Officer since December 2021.
- In his previous role, he was responsible for the underwriting of Business Region 2 (East Asia, ASEAN, Africa & Europe) and has contributed significantly to the growth and success of Malaysian Re.



WAN AHMAD NAJIB WAN AHMAD LOTFI
President & Chief Executive Office, Takaful Ikhlas Family Berhad

Malaysian

Age 45

Male

🕒 **Date of Appointment:**

- 14 January 2025

🎓 **Academic/Professional Qualification:**

- Bachelor of Science (Honors) in Information Technology from Universiti Tenaga Nasional
- Certificate in Shariah from International Islamic University Malaysia
- Fellow Chartered Professional in Islamic Finance ("F.CPIF")

🔧 **Skills and Experience:**

- With over twenty (20) years of experience in the Takaful and Islamic finance industry, he is a distinguished leader known for his expertise in strategic planning, inclusive takaful, and digital transformation.
- Before joining Takaful Ikhlas Family Berhad, he served as the Chief Distribution Officer at FWD Takaful Berhad.
- He has also held leadership roles at Great Eastern Takaful and Prudential BSN Takaful, being among the pioneers in early years of both entities.

KEY SENIOR MANAGEMENT TEAM'S PROFILE



SHARMINI PERAMPALAM

Executive Vice President &
Group Chief Financial Officer

Malaysian

Age 58

Female

🕒 Date of Appointment:

- 1 March 2026

🎓 Academic/Professional Qualification:

- Degree in Accountancy from Universiti Putra Malaysia ("UPM")
- Chartered Accountant of the Malaysian Institute of Accountants and an Associate Member of the Malaysian Institute of Insurance ("AMII")

🔧 Skills and Experience:

- After an early career as a tax consultant and Internal Auditor she joined the then Malaysian National Reinsurance Berhad in 1995 as an Internal Audit Executive and moved up the ranks to Manager before being transferred to the Finance Department.
- She was promoted to Senior Vice President & Head of Finance in 2011.
- She left MNRB to join a general insurer as Chief Financial Officer in 2017 before returning as Group Head of Finance, MNRB on 15 January 2021.
- She is also a Director of Sinar Seroja Berhad, MMIP Services Sdn Bhd, and Labuan Reinsurance (L) Ltd.
- She is a Reinsurance Accounting specialist, with a wealth of experience in insurance operations and is known for driving operations management to align finance functions with business operations and increase efficiency and bottom-line profit.



EKMARRUDY OTHMAN

Senior Vice President &
Group Chief Strategy Officer

Malaysian

Age 49

Male

🕒 Date of Appointment:

- 1 October 2024

🎓 Academic/Professional Qualification:

- Bachelor of Science with Honours in Finance and Accounting from the University of Salford, Manchester

🔧 Skills and Experience:

- He began his career at two of the Big Four audit firms, where he gained experience in financial audits, corporate finance, and transaction advisory services.
- This experience led him to the commercial sector, where he was involved in corporate strategy and transformation management within a listed Islamic banking group.
- He joined MNRB in 2011 as the Head of Corporate Finance and was later promoted to Senior Vice President & Head of Finance in August 2017.
- In September 2020, he took on the role of Senior Vice President & Chief Financial Officer at Malaysian Re.



DURRAINI BAHARUDDIN

Senior Vice President &
Group Chief Investment Officer

Malaysian

Age 42

Female

🕒 Date of Appointment:

- 13 February 2023

🎓 Academic/Professional Qualification:

- Bachelor of Laws (LLB) from King's College, University of London
- Master of Applied Finance by Kaplan Professional, Australia

🔧 Skills and Experience:

- She started her career in 2007 as an Investment Analyst with Permodalan Nasional Berhad, before taking on the role of Regional Fund Manager with Permodalan Nasional Berhad and its formerly fully owned subsidiary Singapore Unit Trusts Limited.
- In 2016, she went on to take up a role in Business Development with Franklin Templeton Malaysia before joining Value Partners Malaysia in 2018 and subsequently taking on the role of Chief Executive Officer.

**LENA ABD LATIF**

Senior Vice President, Group Company Secretary & Chief Legal Officer

Malaysian

Age 59

Female

➔ **Date of Appointment:**

- 1 October 2011

➔ **Academic/Professional Qualification:**

- Bachelor of Laws (Honours) Degree from the International Islamic University Malaysia and was called to the Malaysian Bar.

➔ **Skills and Experience:**

- Up till now she has over thirty (30) years of accumulated working experience in legal, secretarial and corporate affairs starting at Utusan Melayu (Malaysia) Berhad and Land & General Berhad.
- She joined the then Malaysian National Reinsurance Berhad in 2003 as Manager, Legal & Secretarial and was appointed as its Company Secretary in February 2004.
- She was promoted to her current position as Senior Vice President & Head of Legal & Secretarial in 2011.
- She is also the Company Secretary of Malaysian Reinsurance Berhad, Takaful Ikhlas Family Berhad, Takaful Ikhlas General Berhad, Sinar Seroja Berhad, and MMIP Services Sdn Bhd.

**HAZLINA MOHD HAZANI**

Senior Vice President & Group Chief People Officer

Malaysian

Age 49

Female

➔ **Date of Appointment:**

- 13 January 2026

➔ **Academic/Professional Qualification:**

- Executive Education, University of Cambridge, Judge Business School, UK
- Bachelor of Science, Major in Actuarial Science and Minor in Economics, The Ohio State University, USA

➔ **Skills and Experience:**

- She has more than twenty (20) years of experience in human capital, people management and the financial services industry.
- She began her career as an actuarial consultant before transitioning into the Financial Services industry where she developed regional expertise in total rewards, including compensation, incentives and employee benefits.
- Experienced in leading remuneration and human capital initiatives in compliance with regulatory requirements issued by Bank Negara Malaysia (BNM), the Hong Kong Monetary Authority (HKMA) and the UK Prudential Regulation Authority (PRA).
- Led organisation design and HR transformation initiatives focusing on workforce effectiveness, workforce planning, culture, change management and sustainability.
- Prior to joining MNRB Holdings Berhad, her career includes tenures with RHB Group, AmBank Group, CIMB Group, ING Insurance, HSBC Bank, UniAsia Life and Mercer.

**ABD GHAFUR AHMAD**

Senior Vice President & Group Chief Compliance Officer

Malaysian

Age 52

Male

➔ **Date of Appointment:**

- 1 October 2025

➔ **Academic/Professional Qualification:**

- Bachelor of Business from Monash University, Australia

➔ **Skills and Experience:**

- He has over twenty five (25) years of experience in governance, risk management, compliance, and internal audit, serving in senior roles across leading financial institutions.
- Throughout his career, developing and implementing risk and compliance frameworks, strengthening regulatory engagement, and embedding a culture of integrity and risk awareness across organisations.
- Prior to joining MNRB Holdings Berhad, he was the Chief Risk Officer at FWD Takaful Berhad and previously held leadership positions at Labuan Reinsurance (L) Ltd, MCIS Insurance Berhad, Hong Leong MSIG Takaful Berhad, Great Eastern Life Assurance, and Malaysia Airlines.

KEY SENIOR MANAGEMENT TEAM'S PROFILE



**HANIZA FILZAH HAYANI
ABU HANIFFA**

Senior Vice President &
Group Chief Internal Auditor

Malaysian

Age 57

Female

🕒 **Date of Appointment:**

- 2 May 2019

🎓 **Academic/Professional
Qualification:**

- Bachelor in Accountancy Degree from the International Islamic University Malaysia
- Chartered Accountant ("C.A.")
- Associate member of the Institute of Chartered Secretaries and Administrators ("ICSA")
- Chartered member of the Institute of the Internal Auditors ("CMIIA")

🔧 **Skills and Experience:**

- She started her career in 1992 with Messrs. Arthur Andersen & Co. and later served in an associate company of Petronas for about eight (8) years as the Head of Corporate Services and Finance before moving on to MAS where she was given the opportunity to work closely with the Turnaround office as the Manager, Group Reporting & Control.
- In 2007, she joined Syarikat Takaful Malaysia Berhad ("STMB") and moved her way up from Senior Manager to Head of the Internal Audit Division until April 2019.
- She left STMB in April 2019 to join MNRB on 3 May 2019.
- She has vast experience in both external and internal auditing, besides other areas in finance field.



AARON LOO BOON SENG

Senior Vice President &
Chief Transformation Officer

Malaysian

Age 53

Male

🕒 **Date of Appointment:**

- 18 May 2026

🎓 **Academic/Professional
Qualification:**

- B.Eng in Computing (1st class honours) and an M.Sc in Advanced Computing from Imperial Collage, London

🔧 **Skills and Experience:**

- Over 25 years of senior leadership in financial services across AmBank, OCBC, Standard Chartered, CIMB, and Southern Bank, most recently as Managing Director, Retail Banking at AmBank Group
- He has proven track record in business transformation and digital innovation, including tripling fee-based income, growing digital banking users ~3x, and launching Malaysia's first AI voice bot for outbound customer engagement.
- Complemented by early strategy experience at McKinsey & Co, he also has served on multiple Group-level committees (Risk Management, Asset & Liabilities, Governance & Compliance) and as Non-Independent Non-Executive Director of BonusLink, alongside earlier roles on CIMB's Group Risk and Balance Sheet Management Committees.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“**Board**”) of MNRB Holdings Berhad (“**MNRB**” or “**Company**”) presents this Corporate Governance Overview Statement (“**CG Overview Statement**”) to provide shareholders and investors with an overview of the key features of the corporate governance practices adopted by the Company and its subsidiaries (collectively referred to as “**Group**”) during the financial year ended 31 March 2026 (“**FY2026**”), as well as the Group’s key focus areas and future priorities in relation to corporate governance.

The Board remains committed to upholding high standards of corporate governance across the Group and continuously strives to enhance the effective application of the principles and best practices as set out in the following:

1

Companies Act 2016 (“**CA 2016**”)

2

Malaysian Code on Corporate Governance issued by the Securities Commission Malaysia (“**MCCG**”)

3

Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”)

4

Policy Document on Corporate Governance issued by Bank Negara Malaysia (“**BNM**”) (“**BNM PD CG**”)

5

Islamic Financial Services Act 2013 (“**IFSA 2013**”)

6

Financial Services Act 2013 (“**FSA 2013**”)

7

Policy Document on Responsibility Mapping issued by BNM (“**BNM PD RM**”). (collectively referred to as the “**Guiding Principles**”)

8

Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries issued by the Securities Commission Malaysia

9

Corporate Governance Guide published by Bursa Securities

The CG Overview Statement is a statement describing the manner in which MNRB has applied the principles and complied with the best practices prescribed under the Guiding Principles during the FY2026.

This CG Overview Statement is prepared in compliance with the MMLR and should be read together with MNRB’s Corporate Governance Report 2026 (“CG Report”), which has been prepared in accordance with the format prescribed under Paragraph 15.25(2) of the MMLR of Bursa Securities.

The CG Report provides a detailed account of the Company’s application of, and compliance with, the corporate governance practices set out in the MCCG. The CG Report is available on the Company’s website at www.mnrb.com.my, as well as on the website of Bursa Securities.

Additionally, this CG Overview Statement should also be read in conjunction with other statements in this Annual Report, including the Statement on Risk Management and Internal Control, the Audit Committee Report, and the Sustainability Statement, where certain corporate governance disclosures are elaborated in the context of those respective sections.

MNRB places strong emphasis on the effective application of these principles and best practices, while upholding high standards of business integrity in all of its activities. This includes a commitment to adopting sound industry practices and ensuring compliance with applicable regulatory requirements and guidelines.

CORPORATE GOVERNANCE OVERVIEW STATEMENT



BOARD LEADERSHIP AND EFFECTIVENESS BOARD RESPONSIBILITIES

The Board is responsible for overseeing MNRB's overall strategic direction and operations, while ensuring alignment with the interests of stakeholders. This includes ensuring compliance with all applicable laws and regulations, including the MCCG, MMLR of Bursa Securities, and the BNM PD CG and BNM PD RM.

The Board provides effective oversight of the Group's affairs and is responsible for setting the Group's strategic direction and development. Key matters reserved for the Board and its Committees include, among others, the approval of quarterly and annual financial results, strategic plans and business plans, major acquisitions and disposals, significant capital expenditure, budgets, risk management framework, internal control systems, succession planning for senior management, as well as sustainability and climate-related matters.

In discharging its responsibilities and in line with the MCCG, the Board, together with Senior Management ("**SM**"), undertakes the following:

	Ensures the establishment and maintenance of a sound framework for internal controls and risk management.	Safeguards the integrity of the Company's financial and non-financial reporting.	
	Reviews, challenges, and deliberates on Management's proposals, and monitors their effective implementation.	Establishes the Group's risk appetite and ensures the implementation of an effective risk management framework to identify, assess, manage, and monitor key financial and non-financial risks.	
	Promotes a strong corporate governance culture that reinforces ethical, prudent, and professional conduct.	Understands the principal risks of the Group's business and recognises that business decisions involve the taking of appropriate and measured risks.	
	Oversees and evaluates Management's performance to ensure effective and prudent management of the business.	Ensures that appropriate mechanisms are in place to facilitate effective communication with stakeholders.	
	Ensures that the Company's strategic plans support long-term value creation, including considerations relating to economic, environmental, and social sustainability.	Ensures that SM possesses the requisite experience and competencies, and that appropriate succession planning is in place for the Board and SM.	

The Board also undertakes periodic financial and operational reviews, including an assessment of the Group's quarterly performance against the approved annual budget and business plan.

The roles and responsibilities of the Board and SM are clearly delineated in the Board Charter to ensure effective governance and operational efficiency. While the Board retains responsibility for significant matters, the day-to-day management of the Group's operations is delegated to SM, in accordance with the limits of authority set out in Appendix A of the Board Charter.

To promote an ethical culture, the Company has established a Code of Ethics and Whistleblowing Policy ("**Code**"), which provides a framework for raising concerns in confidence without fear of reprisal. The Code is reviewed periodically by the Board and is available on the Company's website.

During the financial year, strategic meetings involving the Boards of the four (4) entities within the Group were held to deliberate on the Group's strategic direction and future priorities. This collaborative approach enhances alignment across the subsidiaries and strengthens the overall execution of the Group's strategy.

BOARD COMPOSITION

The Board is committed to promoting diversity and inclusiveness in its composition and deliberations, recognising that a diverse Board contributes positively to the Group's performance and long-term value creation.

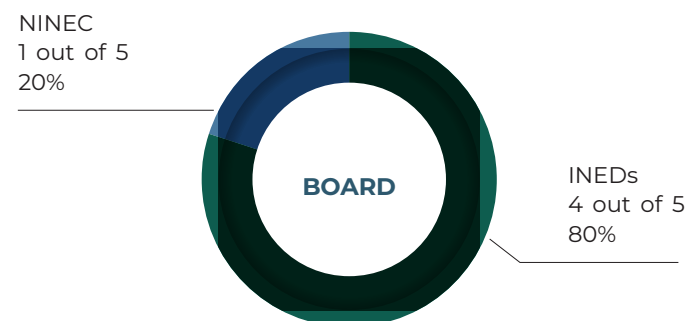
The Board comprises individuals with diverse expertise and extensive experience across key disciplines, including reinsurance, insurance/takaful/retakaful, regulatory affairs, accounting, banking, legal, investment, business operations and information technology. This breadth of knowledge and experience strengthens the Board's effectiveness in providing strategic leadership and oversight of the Group.

During the financial year, the Board comprised five (5) members, all of whom were Non-Executive Directors ("**NED**"), including the Chairman. Of these, four (4) were Independent Non-Executive Directors ("**INED**") and one (1) was a Non-Independent Non-Executive Chairman ("**NINEC**"). The majority representation of independent directors enables the Board to exercise objective judgment, provide constructive challenge to Management, and uphold effective oversight, thereby mitigating the risk of undue influence and fostering balanced decision-making within the boardroom.

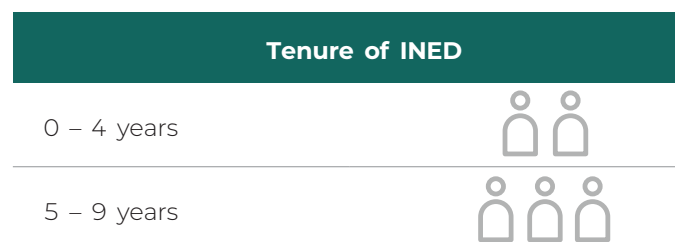
The table below sets out the qualifications, experience, and tenure of the existing Directors during the financial year:

Board	Qualification/ Experience	Duration of Tenure
Dato' Sulaiman Mohd Tahir, NINEC	Banking, Insurance/Takaful	1 year, 4 months
George Oommen, Senior INED	Accounting, Insurance/ Reinsurance / Takaful	8 years, 5 months
Junaidah Mohd Said, INED	Regulatory & Reinsurance	6 years, 8 months
Zaida Khalida Shaari, INED	Law & Investment	6 years, 8 months
Chin See Mei, INED	Information Technology	2 years, 8 months

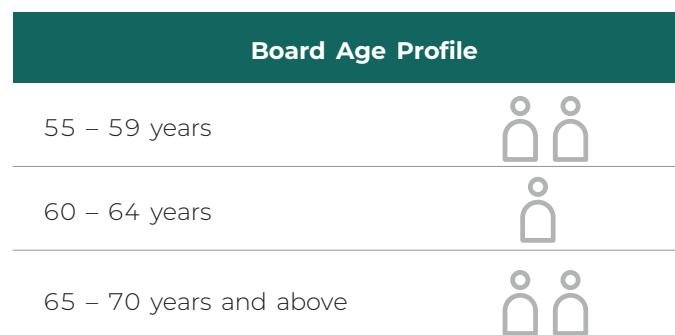
As at the date of this report, the percentage of the Board composition is as follows:



TENURE OF INED:



AGE PROFILE OF BOARD:



CORPORATE GOVERNANCE OVERVIEW STATEMENT

By virtue of its current composition, the Company is in compliance with the following requirements:

- Paragraph 15.02(1)(a) of the MMLR of Bursa Securities, which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, to be Independent Directors.
- Paragraph 11.3 of the BNM PD CG, which requires the Chairman of the Board to be a NED.
- Paragraph 11.4 of the BNM PD CG, which stipulates that the Board shall comprise not more than one (1) Executive Director. Currently, the Board does not have any Executive Director.

These requirements form part of the Board's holistic approach in determining its optimal size, composition, and level of independence. In this regard, the Board also takes into consideration the following guiding principles, where practicable:

- To limit the number of Executive Directors to one (1), noting that the current Board does not include any Executive Director.
- To appoint a Chairman who is a NED.
- To ensure a clear separation of roles between the Chairman of the Board and the President & Group Chief Executive Officer ("**President & Group CEO**").
- To ensure that the Chairman of the Board does not serve as Chairman of any Board Committee.
- To ensure that Board Committees comprise a majority of INEDs.
- To ensure that all Board Committees are chaired by INEDs.
- To appoint a Senior Independent Director from among the INEDs.

BOARD DIVERSITY

The Board fully recognises the importance of boardroom diversity, including diversity in gender, age, ethnicity, skills, experience and perspectives, in supporting the Group's strategic objectives and long-term aspirations. In line with this commitment, the Board established a Diversity Policy in 2016.



The Board values the broad range of expertise and insights contributed by each Director, arising from their diverse backgrounds, professional competencies, and experience.

While the Board has not set specific targets for gender diversity, it remains committed to maintaining appropriate female representation on the Board, taking into consideration merit, suitability and competency. During the financial year, the Board comprised three (3) female Directors, representing 60% of the total Board membership, as follows:



In ensuring compliance with regulatory requirements and maintaining a balanced and effective Board composition, the appointment process for new Directors takes into consideration the required skills, experience, competencies, gender and age of prospective candidates, as well as the overall size, structure, and composition of the Board.

BOARD ATTENDANCE

The Board meeting dates for the ensuing financial year are scheduled in advance prior to the end of the current financial year to enable Directors to plan their schedules accordingly.

Pursuant to Paragraph 15.05(3)(c) of the MMLR of Bursa Securities, Directors are required to attend at least fifty per cent (50%) of Board meetings held during the financial year. In addition, Paragraph 9.3 of BNM PD CG requires Directors to attend a minimum of seventy-five per cent (75%) of Board meetings held during the financial year. During the financial year under review, all Directors fully complied with both attendance requirements.

The Board meets at least six (6) times annually. During the financial year under review, a total of ten (10) Board meetings were held, comprising six (6) scheduled meetings and four (4) special meetings convened to deliberate on quarterly financial results, strategic initiatives and key projects of the Group.

The details of Directors' attendance at Board meetings held during the financial year are set out below:

Board	Scheduled Meeting	Unscheduled Meeting	Total Meeting Attended
Dato' Sulaiman Mohd Tahir , <i>Chairman</i>	6/6	4/4	10/10
George Oommen	6/6	3/4*	9/10*
Junaidah Mohd Said	6/6	4/4	10/10
Zaida Khalida Shaari	6/6	4/4	10/10
Chin See Mei	6/6	4/4	10/10
Dato' Wan Roshdi Wan Musa (Resigned on 11 February 2026)	4/4*	2/4*	6/8*
Khalid Sufat (Deceased on 24 June 2025)	1/2*	1/1*	2/3*

* Attendance at meetings is calculated based on the number of meetings held while the Director was in office as of 31 March 2026.

* Encik George did not attend the Board meeting on 8 October 2025 due to other prior commitments.

ACCESS TO INFORMATION

The Board is supported by the Group Company Secretary, who ensures that notices, agendas and meeting materials are circulated ahead of each meeting via a secure digital platform, allowing sufficient time for review and discussion. This platform also facilitates access to presentation materials to facilitate decision-making where Directors may participate in meetings via video conferencing facilities. Presentations by Management and external experts are conducted during meetings to provide context and address queries.

In consultation with the Chairman and Interim President & Group Chief Executive Officer ("**Interim President & Group CEO**"), the Group Company Secretary prepares structured agendas that prioritise matters for focused discussion. All proceedings of the Board and its Committees are properly minuted, capturing key deliberations, decisions and any dissenting views. Directors also receive regular updates on Bursa

announcements, significant transactions, media coverage, analyst reports and other relevant developments to support informed decision-making.

CONFLICT OF INTEREST POLICY

The Company's Conflict of Interest ("**COI**") Policy promotes transparency, objectivity and sound decision-making by ensuring that potential conflicts are identified and managed appropriately.

To support the effective implementation of the COI Policy, the following practices are observed during Board meetings:

- At the start of each meeting, the Chairman informs the Board of any COI declarations received by the Group Company Secretary and reminds Directors of their obligation to disclose any actual, potential or perceived conflicts that may arise during the meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

- Where a Director has an interest in a matter under consideration, the Director is required to abstain from participating in the discussions, deliberations and decision-making process relating to that matter, to ensure that Board decisions are made independently and in the best interests of the Company.

GROUP FIT AND PROPER POLICY

Pursuant to Paragraph 15.01A of the MMLR of Bursa Securities, a listed issuer must have a fit and proper policy for the appointment and re-election of directors of the listed issuer and its subsidiaries, ensure the policy addresses the Board quality and integrity and will aid the listed issuer to comply with Paragraph 2.20A of the MMLR of Bursa Securities and to make available the policy on its website.

In November 2025, the Board approved the enhancements to the Group Fit and Proper Policy, as recommended by the Group Nomination & Remuneration Committee. The key enhancements such as revision to the definition of 'Immediate Family' in accordance with the MMLR of Bursa Securities, IFSA 2013 and FSA 2013 and to also renamed the policy from 'Group Fit and Proper Policy and Procedure' to 'Group Fit and Proper Policy'.

The Board applies the Group Fit and Proper Policy to assess the suitability of Directors prior to or upon their appointment, re-appointment and/or re-election. This includes criteria such as probity, competence, integrity, financial soundness and time commitment based on background checks, ensuring that Directors are equipped to discharge their duties effectively. The policy is made available on the Company's website.

DIRECTORS' REMUNERATION

The Group Nomination & Remuneration Committee ("GNRC") is responsible for recommending to the Board appropriate remuneration packages to attract, motivate, and retain Directors within the MNRB Group. The remuneration policy for NEDs is designed to ensure competitive rewards, considering individual and collective performance, market benchmarks, and prevailing industry conditions. While not aiming to maintain a fixed market position, the GNRC considers comparable roles in organisations of similar size, industry, and business complexity in its assessment.

Following the Company's 49th AGM, the payment of Directors' fees to all NEDs was revised from a quarterly to a monthly basis. The Board is of the view that this arrangement is fair and equitable, as the NEDs have duly discharged their responsibilities and rendered their services to the Company.

The remuneration structure for the NEDs of the Company is as follows:

Fees for duties as a Director and as a Board member as well as additional fees for undertaking responsibilities as Chairman and/or Member of the respective Board Committees and/or Other Committees within the Company and Group.

Benefits which consist of cash and non-cash benefits of monetary value.

The Directors' fees and benefits for all NEDs are recommended by the Board to the shareholders for their approvals.

The Directors' fees and benefits payable to each NED for the FY2026 are as tabled below:

Board/Board Committee/ Other Committee		Annual Fee (RM)	Meeting Allowance (RM)
Board	Chairman	149,500	1,500 for each meeting attended
	Member	80,500	
Board Committee:	Chairman	25,300	
	Member	19,550	
AC			
RMCB			
GNRC	Chairman	19,550	
	Member	13,800	
Other Committee:	Chairman	19,550	
	Member	13,800	
GIC			
GDNITC			

Note:

AC	:	Audit Committee
GNRC	:	Group Nomination & Remuneration Committee
RMCB	:	Risk Management Committee of the Board
GIC	:	Group Investment Committee
GDNITC	:	Group Digital & Information Technology Committee

Further details on the remuneration of each Director of the Company are disclosed in the CG Report, which is available on the Company's website. In addition, the CG Report has been published together with this Annual Report under the "Annual Reports" section on the Bursa Securities's website.

REMUNERATION POLICY IN RESPECT OF THE INTERIM PRESIDENT & GROUP CEO AND BOARD APPOINTEES OF THE COMPANY

The Company's remuneration policy is intended to attract, motivate and retain employees, with remuneration aligned to their respective contributions to the Company's long-term success. It aims to ensure that compensation practices are aligned with the Company's strategic objectives and promote sustainable performance, while maintaining appropriate risk management practices.

The remuneration for the Interim President & Group CEO and Board Appointees of the Company is being reviewed and deliberated by the GNRC and approved by the respective Boards on annual basis and at the point of contract renewal.

The employee remuneration comprises two (2) components i.e. fixed and variable pays.

Components	Items	Remarks
Fixed Pay	Base Salary and Fixed Allowances	A fixed amount, determined with reference to responsibilities, skills, experience, and competencies, and is typically subject to annual review.
Variable Pay	Short-Term Incentive (Annual Performance Bonus)	Non-guaranteed, and awarded based on performance of the Group, the business unit and the individual performance. Performance is assessed based on Corporate Key Performance Indicators ("KPI") and targets approved by the Board at the beginning of the financial year, which include both financial and non-financial measures.

The Company's performance is measured based on the Company's strategic and operational goals that are translated into KPIs, covering financial and non-financial areas such as profitability, cost and capital management, people and culture, governance, and sustainability. The KPIs are tailored to each individual's role and are reviewed by the GNRC for clarity and alignment with long-term goals, and approved by the Board.

The allocation of the annual performance bonus pool is determined based on Company performance, taking into account corporate scorecard performance measures, prevailing and employee retention considerations. Performance bonus award to individual employees is determined based on their performance, and the performance of their respective business unit or function during the financial year, subject to the bonus pool allocation.

The employees in control functions including Risk, Compliance and Internal Audit do not carry business profit targets in their performance goals. Their compensation is determined independently based on

the achievement of key outcomes within their respective areas of responsibility and is not impacted by business profitability. The performances of the Group Chief Risk Officer and Group Chief Compliance Officer are deliberated at the Risk Management Committee of the Board, while the performance of the Group Chief Internal Auditor is deliberated by the Audit Committee, prior to submission to the Board for approval.

The annual budget for salary increments and performance-related bonuses is reviewed by the GNRC and submitted to the Board for approval. This ensures that remuneration decisions are made with appropriate oversight and in alignment with the Company's financial position and strategic priorities.

As part of the Company's ongoing efforts to strengthen alignment with the requirements and expectations set out under the BNM PD CG, the Company has commenced a Total Rewards Review (TR2) project, which includes proposed enhancements to the variable compensation structure.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The total value of remuneration for the Interim President & Group CEO and Board Appointees (i.e. President & Chief Executive Officer ("**President & CEO**"), Group Chief Financial Officer, Group Chief Investment Officer, Group Chief Risk Officer, Group Chief Internal Auditor and Group Chief Compliance Officer) and Senior Management Officers for the financial year are as follows:

Fixed Remuneration	Grade	Unrestricted (RM)	Deferred (RM)	Remark
Cash-Based	Interim President & Group CEO	305,760.33*	–	Salaries, Allowance and EPF
	BA & SM	7,368,077.38	–	
Others	Interim President & Group CEO	–	–	Benefits-in-kind
	BA & SM	–	–	
Variable Remuneration	Grade	Unrestricted (RM)	Deferred (RM)	Remark
Cash-Based	Interim President & Group CEO	–	–	Variable Bonus and EPF on Bonus
	BA & SM	2,486,529.00	–	
Others	Interim President & Group CEO	–	–	–
	BA & SM	–	–	

Note:

BA : Board Appointees

SM : Senior Management

* : The fixed remuneration of the Interim President & Group CEO consists solely of the acting allowance and the corresponding employer EPF contribution paid to the Interim President & Group CEO during the financial year, which was borne by MNRB

SM are defined as those who are primarily responsible for the management or conduct of the whole or any part of the operations/business of MNRB and/or its entities and the BA are defined as those positions named by the relevant regulators to be sanctioned by the Board, include the President & Group CEO, President & CEO and the direct reports of the President & Group CEO.

Total remuneration awarded to 2 SMs and 12 BAs for the FY2026 was RM10,160,366.71. This figure comprises both, fixed and variable components in line with MNRB's remuneration framework.

BOARD EDUCATION & TRAINING PROGRAMME

In line with MMLR of Bursa Securities, all newly appointed Directors are required to complete the Mandatory Accreditation Programme (“**MAP**”). For the financial year under review, all Directors have completed both MAP Part I and MAP Part II. During the year, Directors participated in a wide range of training sessions, including Takaful/ Insurance/Reinsurance, Leadership, Finance, Sustainability, Governance & Compliance, Risk Management, Digital & Cybersecurity as well as Shariah related.

In line with Paragraph 15.08 of the MMLR of Bursa Securities, the Board recognises the importance of continuous education in keeping abreast with industry developments, particularly in sustainability, technological advancements and regulatory matters. Directors are provided with ongoing opportunities to enhance their competencies through conferences, seminars and curated training programmes. Training needs are periodically assessed to ensure relevance and alignment with the Group’s strategic priorities.

The number of training hours completed by the Board shown below demonstrates its commitment to continuous professional development and effective stewardship in navigating an evolving and dynamic business environment:

Board	No. of Training Hours Attended by Board
Dato’ Sulaiman Mohd Tahir , <i>NINEC</i>	154.5
George Oommen, Senior <i>INED</i>	75
Junaidah Mohd Said , <i>INED</i>	104
Zaida Khalida Shaari , <i>INED</i>	72
Chin See Mei , <i>INED</i>	94

INDUCTION PROGRAMME FOR NEWLY APPOINTED DIRECTOR

All new Directors are also required to undergo an induction programme to familiarise themselves with, among others, the Group’s business operations, the roles and responsibilities of the Board, the delegation of authority to SM and Management Committees, as well as the latest financial position of the Group. This facilitates early and effective contribution by the Directors.

To complement the induction programme, a Director’s Handbook is provided by the Group Company Secretary upon appointment. The handbook includes key information such as the Directors’ disclosure obligations, Board Charter, Code of Ethics, Terms of Reference of Board Committees and the annual schedule of meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

REPORT BY THE GROUP NOMINATION & REMUNERATION COMMITTEE

COMPOSITION AND MEETING

The GNRC comprises exclusively three (3) INEDs and is chaired by an INED.

The GNRC meetings are also attended by one (1) representative or permanent invitee from each subsidiary of the Company. The representation from subsidiaries in the GNRC enables an inclusive discussion at the meetings prior to recommending the matters to the subsidiaries' respective Boards for final decision. At each Board meeting of the subsidiaries, the GNRC representatives brief their Board on matters deliberated and decided at recent GNRC meetings.

Additionally, the Interim President & Group CEO of MNRB and the President & CEO of the subsidiaries also attend the GNRC meetings as and when necessary.

The GNRC met seven (7) times during the financial year under review with details of meeting attendance of each member as follows:

GNRC Member	Attendance	Percentage (%)
Zaida Khalida Shaari , <i>Chairman/INED</i>	7/7	100
Junaidah Mohd Said , <i>INED</i>	7/7	100
George Oommen , <i>Senior INED</i> (Representing MNRB and Permanent Invitee, Malaysian Reinsurance Berhad) (Appointed on 25 August 2025)	4/4*	100
Azizul Mohd Said , <i>INED</i> (Permanent Invitee, Takaful Ikhlas Family Berhad)	6/6#	100
Datuk Adillah Ahmad Nordin , <i>INED</i> (Permanent Invitee, Takaful Ikhlas General Berhad) (Appointed on 1 October 2025)	3/3#	100
Khalid Sufat , <i>INED</i> (Representing Malaysian Reinsurance Berhad) (Deceased on 24 June 2025)	2/3*	67
Dr Wan Zamri Wan Ismail , <i>INED</i> (Permanent Invitee, Takaful Ikhlas General Berhad) (Ceased on 1 July 2025)	3/3*	100

* : Attendance at meetings is calculated based on the number of meetings held while the Director was in office as of 31 March 2026.

: The GNRC meeting held on 17 July 2025 were attended by the GNRC members only without the presence of the Permanent Invitees.

TERMS OF REFERENCE

The GNRC functions on a Group basis and is empowered to consider matters relating to composition, succession and remuneration. The GNRC reviews the size, structure and necessary competencies of the Board to promote an appropriate balance of skills, experience and independence in line with governance expectations and the Board's Group Fit and Proper Policy across the MNRB Group.

The Board views this approach as an effective way to promote consistency of standards and practices within the Group where governance, human capital and rewards are concerned.

The GNRC's Terms of Reference ("**TOR**") were updated in November 2025 to align with current regulatory requirements, prevailing best practices and the Company's internal policies. The revised TOR is published on MNRB's website.

TENURE OF DIRECTORSHIP

The Board has adopted the BNM PD CG under which the tenure limit for an INED is set at a maximum of nine (9) years. This approach is intended to help ensure that Independent Directors remain objective and are not placed in situations that could result in undue familiarity with Management, thereby safeguarding their independence.

During the financial year under review, none of the INED reached the 9-year tenure threshold.

APPOINTMENT OF DIRECTORS AND KEY SENIOR MANAGEMENT

The Board ensures that a formal and transparent nomination process for the appointment of Directors, Group Shariah Committee ("**GSC**") Members and Key Senior Management Officers are continuously maintained and improved pursuant to its nomination framework.

Individuals appointed to the Board, GSC and relevant senior positions must be fit and proper to discharge their prudential responsibilities during their appointment.

The GNRC also identifies and recommends candidates for key senior leadership roles such as the President & Group CEO, President & CEO of the subsidiaries and Group Chief Compliance Officer for the Board's approval. Independent advisors or professional recruitment firms may be engaged to ensure candidates meet the required skills, experience, competencies, and diversity standards.

During the FY2026, the GNRC made several recommendations, including:



The appointment of new Chairman for the Boards of Takaful Ikhlas Family Berhad ("**Takaful IKHLAS Family**") and Takaful Ikhlas General Berhad ("**Takaful IKHLAS General**");



The appointment of two (2) new Board members to Takaful IKHLAS General;



The appointment of one (1) additional Board member of Takaful IKHLAS Family; and



The appointment of one (1) new member to the GSC and the reappointment of two (2) members of GSC.

The candidates are assessed by the GNRC in accordance with the MNRB Group Fit and Proper Policy. These assessments and verifications are carried out on the declarations by each individual, including the record of material academic/professional qualification and the carrying out of checks by independent party on matters such as bankruptcy and regulatory disqualification.

The GNRC is tasked with developing the selection criteria, shortlisting, and interviewing candidates for the Board. At least two (2) members of GNRC shall conduct interview session with the potential candidates and assess them based on their skills and experience, independence (as the case may be) and objectivity, sound judgement as well as other relevant perspectives before presenting to the Board for approval.

All potential candidates undergo comprehensive reference checks coordinated by the Group Company Secretary, including verification with credit agencies, local authorities, industry regulators, and enforcement agencies. Candidates must also complete the Fit and Proper Declaration. The GNRC assesses all findings and makes its recommendations to the Board for final approval. The GNRC also assesses each nominee's capacity to dedicate sufficient time to meet the demands of the role, considering their concurrent Board directorships.

Pursuant to BNM PD CG, MNRB is required to make an application to BNM before the appointment/reappointment of a Director, GSM member and its President & Group CEO.

BOARD EFFECTIVENESS EVALUATION

It is our practice to conduct a Board Effectiveness Evaluation ("**BEE**") annually in order to assess the effectiveness of the Board as a whole, the respective Board Committees and Other Committees as well as the contribution of individual Directors. The Company also engage independent consultants at least once every three (3) years to support this process to facilitate more rigorous and objective evaluations.

During the financial year, Deloitte Malaysia Assurance Sdn Bhd ("**Deloitte**") was appointed to undertake an independent evaluation of the effectiveness of the Board, Board Committees and Other Committees and the performance and contribution of each Director as well as the evaluation of the Interim President & Group CEO and President & CEO of the subsidiaries.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

As part of the evaluation process, Board members of the Company were requested to complete questionnaires prepared by Deloitte, followed by interview sessions to corroborate the responses received. Both quantitative and qualitative analyses were conducted by Deloitte to identify both strengths and areas of improvement, providing the Board with insights to enhance its performance in pursuit of MNRB's objectives. The questionnaires were formulated by Deloitte based on the relevant requirements and/or practices by respective regulatory bodies.

Deloitte's findings and evaluation were presented to the GNRC on 16 April 2026 for deliberation and recommended to the Board on 21 May 2026. The Board noted the results, acknowledged suggested areas for improvement and will address them appropriately.

Overall, Deloitte concluded that the Board's performance is strong and satisfactory with no significant weaknesses. Among the strengths highlighted include the Chairman's effectiveness, the quality of the Board deliberations and decision-making, and the Board's composition and capabilities. Additionally, several opportunities for further enhancement were also identified. Accordingly, the Board is satisfied with the performance, effectiveness and composition of the Board, Board Committees and Other Committees across the MNRB Group.

The findings also form part of the Board's assessment of candidates for re-appointment, including current Directors across the MNRB Group, the Interim President & Group CEO of MNRB and the President & CEO of its subsidiaries. Annually, the GNRC reviews the performance and contributions of Directors due to retire by rotation and be eligible for re-election and advises the Board on recommendations for the Annual General Meeting ("AGM"). The Chairperson of the GNRC attends the AGM to respond to queries concerning retiring Directors.

In addition to the BEE described above, the GNRC also reviewed the term of office and performance of the Audit Committee and its members in line with the requirement under Paragraph 15.20 of the MMLR of Bursa Securities. Based on the Corporate Governance Guide issued by Bursa Securities, the assessment of the Audit Committee would include assessment on the Quality & Composition, Skills & Competencies and Meeting Considerations and Conduct.

The GNRC, having deliberated the findings, would report the results to the Board and highlight those matters that require further discussion and direction from the Board.

SUMMARY OF THE GNRC'S ACTIVITIES IN THE FINANCIAL YEAR ENDED 2026

During the financial year under review, the GNRC considered and made recommendations to the respective Boards on the following matters:

- Assessed the Results of the BEE
- Reviewed the Proposed Revision to the TOR of GNRC
- Assessed the MNRB Group Non-Executive Directors' Remuneration Policy
- Reviewed the Group Nominee Director Policy
- Reviewed the Proposed Revision on the Group Fit & Proper Policy and Procedure of the MNRB Group
- Reviewed the Appointments and Re-appointments of Directors, GSC Members and Key Senior Management within the MNRB Group
- Reviewed the MNRB Pay Benchmarking Outcomes & Recommendations
- Assessed the Corporate Key Performance Indicators for the Financial Year Ended 31 March 2026
- Assessed the Results of the Annual Assessment on the Effectiveness of the GSM for the Financial Year Ended 31 March 2026
- Reviewed the Appointment of Consultant for the Comprehensive Review of the MNRB Group Total Compensation
- Reviewed the Proposed Directors' Fees and Benefits to be approved by the Shareholders at the 52nd AGM 2025 of the Company
- Assessed the Annual Increment & Bonus for Financial Year ended 31 March 2025 of the MNRB Group
- Reviewed the Proposed Revision of Salary Scale for Non-Executives (Clerical)

- Assessed the Employee Screening Policy
- Reviewed the MNRB Group Responsibility Mapping Framework
- Assessed the Results of the Annual Assessment on the Effectiveness of the GSM for the Financial Year Ended 31 March 2026;
- Reviewed the Board Succession Planning
- Assessed the Appointment of Consultant for the Total Rewards Review Project
- Reviewed the Actuarial Benefits for Actuaries
- Assessed the Key Performance Indicators for the Interim President & Group CEO and President & CEOs of MNRB Group for the Financial Year Ended 31 March 2026
- Assessed the Findings of the Fit and Proper Assessment of Key Responsible Persons

GROUP SHARIAH COMMITTEE

The Group Shariah Committee (“GSC”) was established to cater for the Group’s Takaful and Retakaful businesses. It resides at MNRB and is leveraged by the other subsidiaries within the Group. The GSC is tasked with the responsibility of ensuring that the Group’s Takaful and Retakaful business activities are in compliance with Shariah principles at all times.

The establishment of GSC is in compliance with the IFSA 2013 and BNM’s Shariah Governance Policy Document which outlines the Bank’s strengthened expectations for effective Shariah governance arrangements that are well-integrated with business and risk strategies of the Islamic financial institutions.

The Shariah control functions i.e. Shariah Review, Shariah Audit and Shariah Risk is responsible for the effective management of the Shariah non-compliance risk. A periodic report on Shariah non-compliance risk or non-compliance events and highlights on action plans undertaken to address the issues is reported to the GSC and the Board for deliberation and decision.

The GSC plays a significant role in providing objective and sound advice to the Group’s Takaful and Retakaful businesses to ensure that its aims and operations, business, affairs, and activities are in compliance with Shariah. This includes:

- Providing a decision or advice on take application of any rulings of the Shariah Advisory Council (“SAC”) or standards on Shariah matters that are applicable to the operations, business, affairs and activities of the Group’s Takaful and Retakaful businesses;
- Providing a decision or advice on matters which require a reference to be made to the SAC of BNM;
- Providing a decision or advice on the operations, business, affairs and activities of the Group’s Takaful and Retakaful businesses which may trigger a Shariah non-compliance event;
- Deliberating and affirming a Shariah non-compliance finding by any relevant functions;
- Endorsing rectification measures to address any Shariah non-compliance event.

A total of ten (10) GSC meetings were held during the FY2026. Details of the GSC members’ attendance are as follows:

GSC Member	Attendance	Percentage (%)
Prof. Dr. Younes Soualhi, <i>Chairman</i>	10/10	100
Dr. Shamsiah Mohamad	9/10	90
Shahrir Sofian	10/10	100
Assoc. Prof. Datuk Dr. Luqman Abdullah	10/10	100
Dr. Khairul Anuar Ahmad	8/10	80
Wan Rumaizi Wan Husin	10/10	100
Dr Safinar Salleh <i>(Appointed on 1 April 2025)</i>	10/10	100

The remuneration of the GSC members is decided by the Board. The Meeting Attendance Allowance and Annual Fees of the GSC members are funded equally by subsidiaries of MNRB, namely Takaful IKHLAS Family, Malaysian Reinsurance Berhad (for its Retakaful Division) and Takaful IKHLAS General.

CORPORATE GOVERNANCE OVERVIEW STATEMENT



AUDIT COMMITTEE

During the financial year under review, the Audit Committee (“AC”) comprised three (3) members, all of whom are INEDs. The Company has complied with Paragraph 15.09 of the MMLR of Bursa Securities, which requires all members of the AC to be NEDs:

The AC met seven (5) times during the financial year under review with details of meeting attendance of each member as follows:

AC Member	Attendance	Percentage (%)
George Oommen, <i>Chairman/Senior INED</i>	4/5	80
Zaida Khalida Shaari, <i>INED</i> <i>(Appointed on 1 July 2025)</i>	3/3*	100
Chin See Mei, <i>INED</i> <i>(Appointed on 1 July 2025)</i>	3/3*	100
Junaidah Mohd Said, <i>INED</i> <i>(Resigned on 1 July 2025)</i>	2/2*	100
Khalid Sufat, <i>INED</i> <i>(Deceased on 24 June 2025)</i>	1/2*	50

* Attendance at meetings is calculated based on the number of meetings held while the Director was in office as of 31 March 2026.

One (1) member of the AC is a qualified accountant and a member of both the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants.

The duties and responsibilities of the AC, as set out in the AC Report on pages 143 to 145 of this Annual Report, include, among others, the functions prescribed under Paragraph 15.12 of the MMLR of Bursa Securities.

The AC assists the Board in reviewing information for disclosure to ensure its accuracy, adequacy and completeness. The Directors are responsible for ensuring that proper accounting records are maintained and that the Group’s financial statements are prepared in accordance with the applicable approved accounting standards in Malaysia.

The Statement by Directors pursuant to Section 251(3) of the CA 2016 is set out on page 152 and 162 of this Annual Report.

RISK MANAGEMENT COMMITTEE OF THE BOARD

The Board recognises that an effective Risk Management Framework is fundamental to the Group’s ability to achieve its corporate objectives, sustain profitability and enhance shareholders’ value in an increasingly dynamic and evolving market environment.

In discharging its oversight responsibilities on risk governance, the Board is supported by the Risk Management Committee of the Board (“**RMCB**”), which oversees the implementation of the Group’s enterprise-wide risk management framework. The RMCB comprises three (3) members, all of whom are INEDs.

The RMCB assists the Board in fulfilling its risk management responsibilities, including ensuring the effective implementation of the Enterprise Risk Management Framework.

During the financial year under review, the RMCB convened five (5) meetings.

Details of the RMCB members' attendance are as follows:

RMCB Member	Attendance	Percentage (%)
Junaidah Mohd Said, <i>Chairman/INED</i> <i>(Appointed on 1 July 2025)</i>	4/4*	100
Zaida Khalida Shaari, <i>INED</i> <i>(Resigned on 1 July 2025)</i> <i>(Reappointed on 14 January 2026)</i>	2/2*	100
Chin See Mei, INED <i>(Resigned on 1 July 2025)</i> <i>(Reappointed on 1 October 2025)</i>	4/4*	100
Dato' Wan Roshdi Wan Musa, INED <i>(Resigned on 11 February 2026)</i>	5/5	100

* Attendance at meetings is calculated based on the number of meetings held while the Director was in office as of 31 March 2026.

For the financial year under review, the Board was satisfied that the RMCB had effectively discharged its duties and responsibilities in accordance with its TOR.

Further details on the Group's internal control and risk management framework are set out in the Statement on Risk Management and Internal Control on pages 146 to 151 of this Annual Report.



The Company remains committed to upholding transparency and accountability through effective communication with shareholders. The Board is also committed to ensuring that shareholders and other stakeholders are kept well informed of the Group's significant developments, with information disseminated through various channels including the Annual Report, disclosures and announcements to Bursa Securities, press releases, dialogues and presentations at general meetings, as well as the online investor relations section on the Company's website.

INVESTOR RELATIONS

As part of its investor relations initiatives, the Group conducts regular engagement sessions and briefings with analysts and investors.

Presentations based on permissible disclosures are delivered to provide updates on the Group's financial performance and key development initiatives. Price-sensitive information, however, is not disclosed during such briefings until the requisite announcement has first been made to Bursa Securities.

ANNUAL REPORT

The Group's Annual Report serves as the primary channel of communication between the Group and its stakeholders, providing comprehensive disclosures on its financial performance and business activities. As a listed corporation, the content and disclosure requirements of the Annual Report are also governed by the MMLR of Bursa Securities and other relevant requirements.

The Company distributes its Annual Report to shareholders either in hard copy or via electronic access through a QR code. In addition, all information to shareholders is made available electronically on the Company's website upon announcement or publication of the annual report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CONDUCT OF GENERAL MEETINGS

The AGM serves as the principal forum for dialogue between the Company and its shareholders. The Company's AGM is typically well attended, as it provides shareholders with direct access to the Board, as well as the opportunity to participate effectively in discussions and exercise their voting rights.

The Company conducted its 52nd AGM on 26 September 2025 in a physical mode, in line with Paragraph 8.27A of the MMLR. All resolutions set out in the Notice of AGM dated 31 July 2025 were put to vote by way of electronic poll voting and were approved by the shareholders. The poll was administered by the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd, while SKY Corporate Services Sdn Bhd ("**SKY**") acted as the Independent Scrutineer to validate and confirm the poll results. In line with the recommendation of the Minority Shareholders Watch Group, SKY was appointed as the independent moderator to facilitate the Questions and Answers session to ensure that the AGM proceedings were conducted in a fair, orderly and impartial manner.

In addition to the standard AGM agenda, the Interim President & Group CEO presented a comprehensive and concise review of the Group's financial performance, together with key developments and progress achieved. This was supported by key highlights and financial indicators. The Interim President & Group CEO also provided an overview of the Group's performance as presented in the Annual Report and facilitated a platform for shareholders to raise questions relating to the Group's business activities.

At the 52nd AGM, shareholders were given the opportunity to raise questions and engage with the Board and Management both before the meeting via email and during the meeting through the virtual meeting platform. All questions received were addressed during the AGM, with the responses made available to shareholders via the Remote Participation and Electronic Voting (RPEV) platform to enhance transparency and shareholder engagement.

All five (5) Directors, members of Senior Management and representatives from the external audit firm were present at the 52nd AGM to respond to shareholders' queries.

The poll results were announced by the Company via announcement to Bursa Securities on the same day for the benefit of all shareholders. The minutes of the 52nd AGM, including all questions raised and responses provided, were made available on the Company's website within 30 business days after the AGM.

QUARTERLY ANNOUNCEMENTS & PRESS RELEASES

The Group makes timely announcements of its quarterly results and other material disclosures to Bursa Securities, thereby providing stakeholders with key information relevant to their decision-making and enhancing overall transparency.

To further promote broader dissemination of publicly available information, the Group also issues press releases to the media on significant corporate developments and business initiatives, keeping the investment community and other stakeholders informed of the Group's progress and developments.

This CG Overview Statement is made pursuant to the resolution of the Board of Directors dated 23 June 2026.

AUDIT COMMITTEE REPORT

MEMBERS OF THE COMMITTEE

Chairman

Khalid Sufat

Independent Non-Executive Director
(Deceased on 24 June 2025)

George Oommen

Senior Independent Non-Executive Director
(Redesignated as Chairman with effect from 1 July 2025)

Members

Junaidah Mohd Said

Independent Non-Executive Director
(Resigned on 1 July 2025)

Zaida Khalida Shaari

Independent Non-Executive Director
(Appointed with effect from 1 July 2025)

Chin See Mei

Independent Non-Executive Director
(Appointed with effect from 1 July 2025)

MEMBERSHIP

The Audit Committee shall be appointed by the Board and comprises at least three (3) members of whom all members must be non-executive directors and the majority shall be independent directors. At least one (1) member of the Committee must be a member of the Malaysian Institute of Accountants or eligible for membership.

The members of the Audit Committee must elect a Chairman among themselves who is an independent director.

As at the financial year end, the Audit Committee comprises three (3) Independent Non-Executive Directors ("INEDs"). One (1) member of the Committee is a qualified accountant and a member of the Malaysian Institute of Accountants.

The composition including the tenure of the Audit Committee members as well as the performance of the Audit Committee and each of its members had been reviewed during the financial year.

AUTHORITY

The Audit Committee is authorised by the Board to undertake any activity within its terms of reference and must have unlimited access to all information and documents relevant to its activities, to both the Internal and External Auditors, as well as to all employees of the Group.

It must be able to convene meetings with the External Auditors, the Internal Auditors or both, excluding the attendance of other directors and employees of the listed issuer, whenever deemed necessary.

It must also have the authority to obtain independent legal or other professional advice as it considers necessary.

MEETINGS

A quorum shall consist of at least two-thirds of the members with independent directors forming the majority.

A minimum of four (4) meetings per year is planned. Additional meetings may be called at any time if so requested by any Committee member, the Management, the Internal or External Auditors.

The Chairman of the Audit Committee shall invite any person to be in attendance to assist the Committee in its deliberations.

After each meeting, the Audit Committee shall report and update the Board on significant issues and concerns discussed and where appropriate, make the necessary recommendations to the Board. The minutes of the meetings shall also be circulated to the Board after confirmation.

The Secretary to the Audit Committee shall be the Company Secretary.

AUDIT COMMITTEE REPORT

ACTIVITIES

For the financial year under review, a total of five (5) Audit Committee Meetings were held. Details of members' attendance are as follows:

Name of Audit Committee member	Attendance	Percentage
i. Khalid Sufat	1/2	50%
ii. George Oommen	4/5	80%
iii. Junaidah Mohd Said	2/2	100%
iv. Zaida Khalida Shaari	3/3	100%
v. Chin See Mei	3/3	100%

The main activities that took place during the meetings were:

- Reviewed the quarterly results, unaudited interim financial statements and year-end financial statements prior to approval by the Board;
- Reviewed the disclosures in the audited financial statements to be in compliance with regulatory requirements;
- Reviewed the Statement of Directors' Responsibility in Relation to the Financial Statements, Audit Committee Report and Statement on Risk Management and Internal Control for inclusion in the Annual Report to be in compliance with Bursa Malaysia requirements;
- Evaluated the performance and recommended to the Board, the re-appointment and remuneration of the External Auditors for the financial year ended 31 March 2026;
- Deliberated on, and recommended to the Board, the proposed final dividend for the financial year ended 31 March 2025;
- Deliberated on, and recommended to the Board, the adoption of new Malaysian Financial Reporting Standards ("MFRSs") and Amendments/Annual Improvements to MFRSs that are effective for the financial year ended 31 March 2026;
- Deliberated on, and recommended to the Board, the appointment of External Auditors and Tax Agents for a period of five (5) years from the financial year ending 31 March 2027 to 31 March 2031;
- Reviewed and recommended to the Board, the Tax Agent's tax compliance fees for the years of assessment 2025 and 2026;
- Reviewed and recommended to the Board, the appointment and remuneration of the Tax Consultant to assist the Company in negotiating with Lembaga Hasil Dalam Negeri ("LHDN") for the closure of the buyout tax voluntary disclosure exercise;
- Reviewed and recommended to the Board, the Tax Corporate Governance Framework;
- Reviewed and recommended to the Board, the MNRB Group Related Party Transactions Policy;
- Reviewed and recommended to the Board, the appointment and remuneration of the External Consultant to support the Group's tax function for a duration of a six (6) months;
- Reviewed the tax matters affecting the Company;
- Reviewed the Related Party Transactions as entered into by the Company on periodic basis, including understanding the relationship of the transacting parties, the nature of these parties' business, the nature and timing of transactions and comparing the terms of the transactions with other third-party transactions;
- Deliberated on significant matters raised by the External Auditors including financial reporting issues, significant judgements made by Management, significant and unusual events or transactions and received progress updates from Management on actions taken for improvements;
- Reviewed the External Auditors' management letter and Management's response thereto. A meeting without the presence of the Management was also held with the External Auditors on 10 June 2025. Matters discussed during the meeting include key reservations noted by the External Auditors during the course of their annual audit;
- Deliberated on matters pertaining to the implementation of MFRS 17 Insurance Contract;
- Reviewed the audited Group Capital Adequacy Ratio and Group Capital Sufficiency Indicator as at 31 March 2025;

- Reviewed the Internal Audit Charter;
- Reviewed the actual and proposed Key Performance Indicators of the Internal Audit Department for the financial years ended 31 March 2025 and 31 March 2026 respectively;
- Reviewed the Internal Audit plan for FY2026/2027 and External Auditors' audit plan for the financial year ended 31 March 2026;
- Reviewed the results of the internal audit reports for the Company on the adequacy and effectiveness of governance, risk management and compliance processes;
- Reviewed the adequacy and effectiveness of corrective actions taken by Management on all significant matters raised by both the Internal and External Auditors including status of completion achieved;
- Evaluated the effectiveness of the overall compliance risk of the Company; and
- Attended training sessions on accounting and financial reporting developments.

INTERNAL AUDIT DEPARTMENT

The Audit Committee is assisted by the Internal Audit Department in the discharge of their duties and responsibilities. The Internal Audit Department is independent of operations and was set up in-house on 2 January 1991.

As at the financial year end, the Internal Audit Department is staffed by twenty eight (28) auditors. With the exception of one (1) Internal Audit Department staff who exercised the Company's ESOS in 2004 and holds shares of the Company, the rest of the Internal Audit Department staff are free from any relationship or conflict of interest. This does not result in the impairment of objectivity and independence of the internal audit function as a whole.

The Internal Audit Department's duties are guided by prevailing internal policies and procedures and the Institute of Internal Auditors' International Professional Practice Framework as well as professional standards set within the Institute of Internal Auditors Code of Ethics. Its primary responsibility is to provide assurance to the Audit Committee on the effectiveness of the governance, risk management and internal control process within the Company and its subsidiaries. Internal audit reports

are issued to the Management of the operational units and contain audit findings, management responses and recommendations for improvement in areas with risk and internal control deficiencies.

To strengthen technical competency and maintain high professional standards, members of the Internal Audit Department are affiliated as Chartered or Associate Members with the following professional bodies:

- Malaysian Institute of Accountants ("MIA")
- The Institute of Internal Auditors Malaysia ("IIAM")
- Information Systems Audit and Control Association ("ISACA") Malaysia
- Asian Institute of Chartered Banker ("AICB")
- Association of Chartered Certified Accountants ("ACCA")
- The Malaysian Insurance Institute ("MII")
- Malaysian Institute of Management ("MIM")
- Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA")
- Association of Shariah Advisors in Islamic Finance Malaysia ("ASAS")
- Islamic Banking & Finance Institute Malaysia ("IBFIM")

For the financial year ended 31 March 2026, the total costs incurred by the Internal Audit Department were RM6,137,772.

A summary of its activities for the year is as follows:

- Conducted audits of the various business portfolios/ departments of the Company and its subsidiaries, including the reviews performed over key risk areas i.e. underwriting, claims, finance, investment, property and administration management, compliance management, product management, anti-bribery corruption programme, information and communication technology, outsourcing with external parties and reviewed the Policy Document on Management of Customer Information and Permitted Closures;
- Conducted special reviews and investigations over possible threats to the safeguarding of assets and matters concerning organisational level reputational risks;
- Follow-up on audit findings rectification and actions taken by Management to resolve the issues identified during the audits; and
- Prepared annual audit plans for the Audit Committee's consideration.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This Statement on Risk Management and Internal Control (the “Statement”) is made pursuant to Paragraph 15.26(b) of the Listing Requirements of Bursa Malaysia Securities Berhad and consistent with the guidance provided in the *Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers*.

RESPONSIBILITY

The Board of MNRB Holdings Berhad (“MNRB”) acknowledges its overall responsibility for the establishment and oversight of the Group’s (comprising MNRB and its main operating subsidiaries, namely Malaysian Reinsurance Berhad, Takaful IKHLAS Family Berhad and Takaful IKHLAS General Berhad) risk management and internal control system, as well as the review of its adequacy and effectiveness. The Board also recognises that risk management is a continuous process, designed to manage risks impacting the Group’s business strategies and objectives, within the risk appetite and tolerance established by the Board. In pursuing these objectives, the internal control system can only provide reasonable, but not absolute, assurance against any material financial misstatement, fraud, or losses.

The Board has established a group-wide risk management framework, i.e. the Group Risk Management Framework and Policy (“RM Framework”) that describes the structure, approach, and process for identifying, evaluating, responding to, monitoring, and managing the significant risks faced by the Group. The RM Framework has been in place for the whole of the financial year ended 31 March 2026 and the latest review was completed in August 2024.

The RM Framework is applicable across the Group and serves as a central risk management framework, supported by related sub-frameworks, policies, and underlying procedures. It is consistent with the risk appetite defined by the Board, Group Management Risk & Compliance Committee (“GMRCC”) and based on principles of risk governance stipulated in Bank Negara Malaysia (“BNM”) Risk Governance Guidelines.

The Board is confident that the RM Framework provides reasonable assurance on the effectiveness and efficiency of the strategic, financial, and operational aspects of MNRB and its main operating subsidiaries. The RM Framework is regularly reviewed by the Board.

RISK MANAGEMENT GOVERNANCE

The Board has established a dedicated Board Committee known as the Risk Management Committee of the Board (“RMCB”) to support the Board in meeting the expectations

and responsibilities on risk and compliance management, provides assurance to the Board that the processes have been carried out effectively and inculcates a strong risk management culture on a group-wide basis.

This is replicated at each of the main operating subsidiaries (Malaysian Reinsurance Berhad, Takaful Ikhlas Family Berhad and Takaful Ikhlas General Berhad). There are clearly defined responsibilities and reporting to the RMCB from the management to provide oversight and governance over the Group’s activities, which aims to safeguard shareholders’ interests and the Group’s assets, as well as to manage the risks of MNRB and its main operating subsidiaries for the entirety of the financial year ended 31 March 2026.

The Group Shariah Committee (“GSC”) is established to provide objective and sound advice to the Group to ensure that its aims and operations, business, affairs and activities are in compliance with Shariah.

The Group Management Committee (“GMC”), together with the Senior Management Committee (“SMC”) of MNRB and its main operating subsidiaries oversee the implementation of risk and compliance management processes, establish, and implement appropriate organisational structures and systems for managing financial and non-financial risks.

The Group Management Risk & Compliance Committee (“GMRCC”), which comprises the President & Group Chief Executive Officer (“President & Group CEO”), the President & Chief Executive Officers (“President & CEOs”) of main operating subsidiaries and selected members of Senior Management from MNRB is established to support the GMC/respective SMCs to implement the risk and compliance management processes, establish clear guidance in managing the Group’s risks to ensure their alignment to their respective risk appetite for all business strategies and activities.

The Group Information Technology Steering Committee (“Group ITSC”), chaired by the President & Group CEO, is established to oversee the implementation of Information and Technology (“IT”) strategic plans and provide

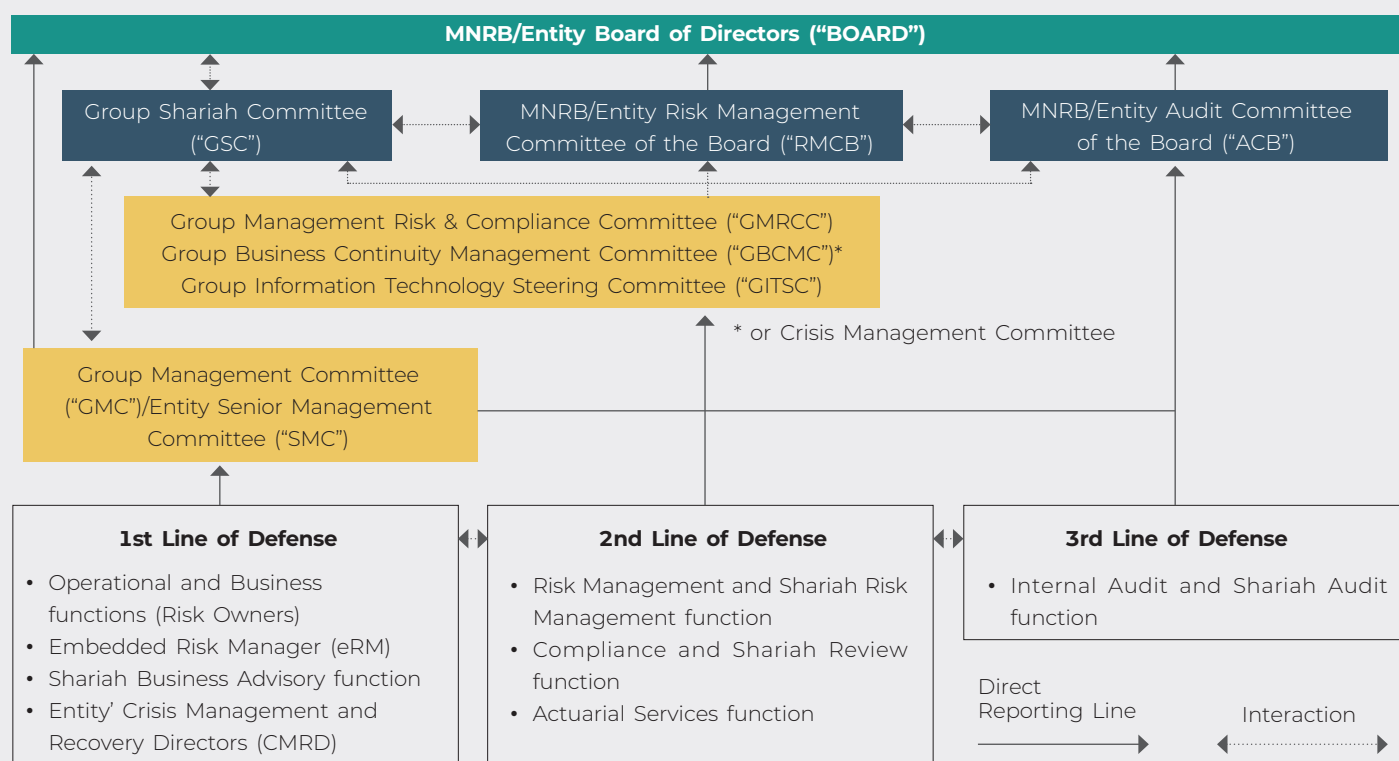
direction in support of IT related initiatives and activities. ITSC has also been established at the respective main operating subsidiaries.

Group Business Continuity Management Committee ("GBCMC") is established and is responsible to review and recommends changes to the Group Business Continuity Management ("BCM") Framework, evaluates the business continuity, crisis management, and disaster recovery plans, approves the BCM programme workplan and deliberates on issues related to crisis management and recovery centers.

The risk governance structure is aligned across the Group through the adoption of the RM Framework in order to embed a streamlined and coherent risk management culture. The Group Chief Risk Officer ("GCRO") oversees risk governance across the Group and

is supported by the Head of Risk Management of the main operating subsidiaries. Together, they assist the Group Management Risk & Compliance Committee and the respective Risk Committees of the Board in ensuring effective implementation and maintenance of the RM Framework and its sub-frameworks. Primarily, the main operating subsidiaries provide the necessary infrastructure to carry out the risk management function and the Risk Management Department acts as the central contact and guide for risk management issues within the respective subsidiaries.

The Group adopts the **'Three Lines of Defence' ("LOD")** governance model which provides a formal, transparent and effective risk governance structure to promote active involvement from the Board, Senior Management and all staff in the risk management process across the Group.



First LOD: Risk Ownership and Steering is carried out by the business and support functions, which have primary responsibility for risk management and control activities embedded in day-to-day business operations.

Second LOD: Risk oversight and monitoring is carried out by the risk management, (including Shariah risk management and review functions), actuarial and compliance functions, which have the primary responsibility for setting up risk and risk-related policies, frameworks, guidelines, and procedures, as well as providing support and direction to the business with regard to risk.

Third LOD: Independent assurance is carried out by Group Internal Audit function who provides independent and objective assurance on the overall effectiveness of risk management and internal controls within the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

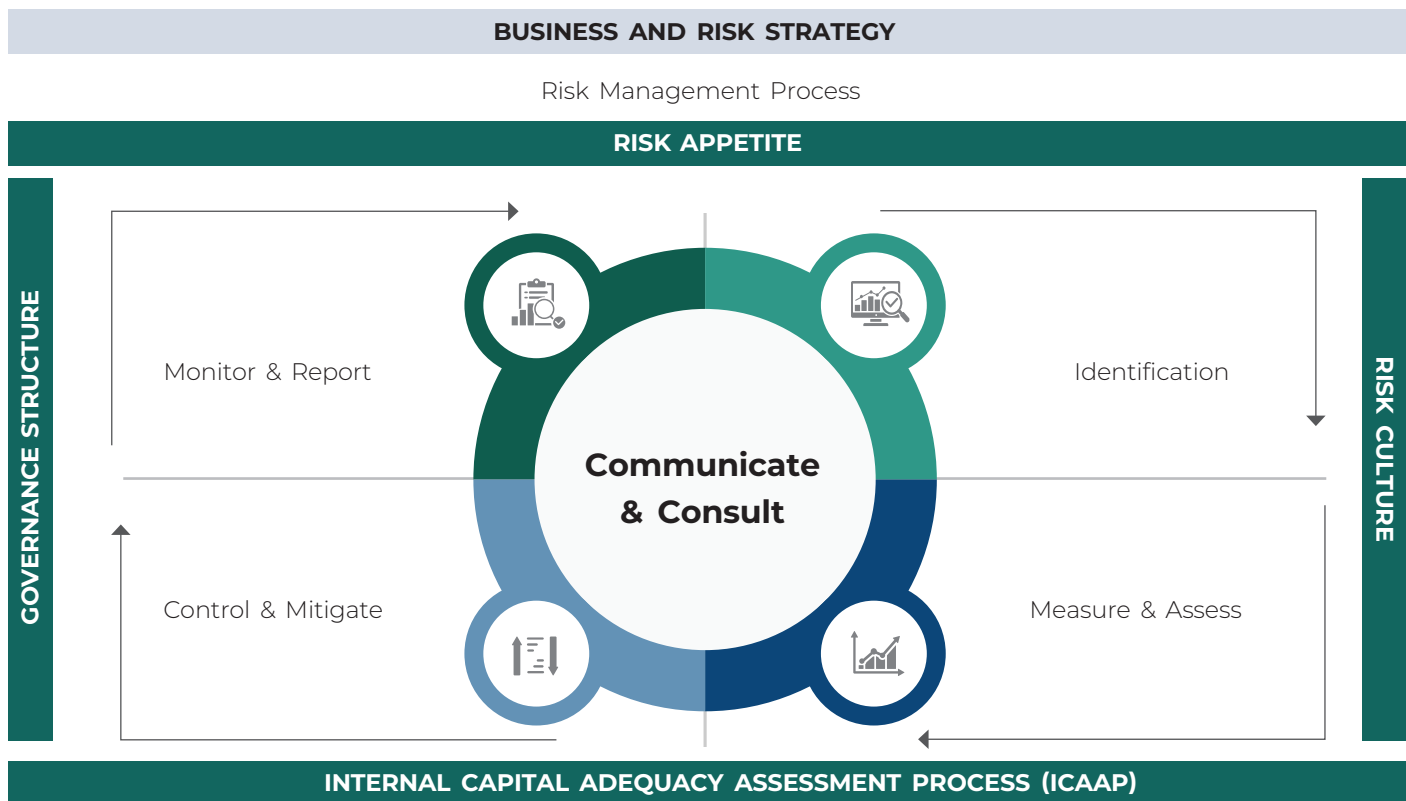
RISK MANAGEMENT AND INTERNAL CONTROL STRUCTURE

The key features that the Board has established in reviewing the adequacy and effectiveness of the risk management framework and internal control system include the following:

1. GROUP RISK MANAGEMENT FRAMEWORK AND POLICY

RM Framework

- The Board believes that an effective RM Framework and strong internal control system is essential to the Group in its pursuit to achieve its business objectives, especially on the continued profitability and enhancement of shareholders' value in today's rapidly changing market environment.



Risk Appetite

- Defining risk appetite is an essential element of the Group's risk management. When deciding on its risk appetite, the Group considers its risk capacity, i.e. the amount and type of risk the Group is able to support in pursuit of its business objectives, taking into account its capital structure and access to financial markets.
- The **Risk Appetite Statement ("RAS")** is established by the Board of MNRB and the respective main operating subsidiaries and reviewed on a yearly basis, according to the desired level of risk exposures. Management operationalises the RAS into risk tolerance levels for specific risks.

Highlights on Key Risks

The Group, through its normal day-to-day business, is exposed to different types of risks that could adversely affect the Group's operating results and financial position. Key risks are constantly monitored by the Management and escalated to the GMRCC and Risk Committee of the Board and periodically reviewed by the Board.

The Group's key risks are described in the relevant sections of the Financial Statements.

2. INTERNAL AUDIT

- The Audit Committees of MNRB and its main subsidiaries complement the oversight role of the Board by providing an independent assessment of the adequacy and effectiveness of governance, risk management and internal controls. The Audit Committees are assisted by an independent Internal Audit Department in performing its role.
- The internal audit function of the Group is undertaken by the Internal Audit Department established at MNRB. The department reports directly to the respective Audit Committees of MNRB and its main operating subsidiaries.
- The Internal Audit Department performs regular reviews of the business processes of the Group to assess the adequacy and effectiveness of governance, risk management and internal controls.
- The Internal Audit Department provides recommendations to improve on the effectiveness of risk management, controls and governance processes. Control lapses are escalated to Management and Board for deliberation. Status of rectification is tracked and monitored by Management and Audit Committees, within the committed timeline. Management will accordingly follow through to ensure the resolution of recommendations agreed upon. Audit reviews are carried out on functions that are identified on a risk-based approach, in the context of the Group's evolving business and its regulatory environment, while also taking into consideration the input of Senior Management as well as input from the respective Audit Committees.
- The Audit Committees of MNRB and its main operating subsidiaries meet at least once every quarter to review matters identified in reports prepared by the Internal Auditors, External Auditors, Regulatory Authorities and Management. It further evaluates the effectiveness and adequacy of the Group's internal control system. The Audit Committee of MNRB and its main operating subsidiaries have active oversight on the Internal Auditors' independence, scope of work and resources.

The activities undertaken by the respective Audit Committees during the year are highlighted in the Audit Committee Reports of MNRB and its main operating subsidiaries.

3. OTHER KEY ELEMENTS OF INTERNAL CONTROL

1. The Board ensures that all decisions are communicated promptly to staff of all levels within the Group and vice-versa where feedback and suggestions on improvements could be communicated to the Management and the Board.
2. The Group has a well-defined organisational structure with clear lines of responsibility and accountability. Further, to minimise errors and reduce the possibilities of fraud, segregation of duties is practised by ensuring conflicting tasks are assigned to different employees.
3. Annual business plans and budgets are developed in line with the Group's strategies and risk appetite and submitted to the respective Board of MNRB and its main operating subsidiaries for approval. Financial performance and major variances against targets are reviewed by the Management on a regular basis and reported to the Board of MNRB and its main operating subsidiaries on a quarterly basis.
4. The Group's financial systems record all transactions to produce performance reports that are submitted to the respective Management of MNRB and its main operating subsidiaries within internally stipulated timelines. These performance reports and the Quarterly Bursa Announcements are tabled to the GMC before being tabled to the respective Audit Committee and approved by the Board of MNRB and its main operating subsidiaries.
5. The Underwriting Guidelines for reinsurance, retakaful and takaful businesses have been put in place to manage risks that are being underwritten.
6. Retrocession/retrotakaful and retakaful programmes are in place as risk mitigation initiatives, supported by a spread of reinsurers and retakaful operators with acceptable ratings from accredited agencies. The credit ratings of these companies are reviewed on a regular basis.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

7. Departmental policies and procedures are available and act as guidance to employees on the necessary steps to be taken in a given set of circumstances. It also specifies relevant authority limits to be complied with by each level of Management.
8. Every employee of the Group is contractually bound to observe the MNRB Group Code of Ethics, which promotes a culture of compliance, professionalism, ethical standards and responsible conduct. The Group expects each employee to perform and work with honesty and integrity at all times and uphold the Group's values without fail.
9. The Group has implemented a Leadership Competency Framework to support the development of a strong, consistent, and future-ready leadership pipeline. The framework establishes a structured and objective approach for identifying, developing, and assessing leadership capabilities across the organisation. It is embedded within key human capital processes, including recruitment, performance management, succession planning, and talent development, to ensure alignment between leadership behaviours, organisational values, and strategic priorities. The framework also promotes consistency in talent-related decisions, strengthens leadership accountability, and supports the Group's efforts in developing and retaining high-potential talent to sustain long-term organisational resilience and growth.
10. The Group implements the annual Mandatory Block Leave ("MBL") as part of its operational risk management and internal control framework. The MBL serves as a prudent risk mitigation measure to reduce overreliance on any individual employee and to strengthen governance, transparency, and accountability within critical functions. This practice is particularly relevant for employees holding sensitive positions or operating in higher-risk areas such as underwriting, treasury, procurement, and investment management, where continuous oversight and segregation of duties are essential to maintaining effective risk and compliance controls.
11. The Group conducts an annual employee engagement survey to assess employee engagement levels and obtain feedback on the effectiveness of various employee touchpoints and workplace initiatives. The survey findings provide valuable insights to support the development and implementation of targeted action plans aimed at enhancing employee experience, strengthening organisational culture, and driving continuous improvement across the Group.
12. The Group Anti-Fraud Policy has been established to provide a consistent approach to prevent, detect and manage fraud, and to make a clear statement to all employees that the Group does not tolerate fraud of any form.
13. The Group Anti-Bribery and Corruption ("Group ABC") Policy has also been established to state the Board's and Management's commitment and stance on bribery and corruption risks, which include disciplinary actions for non-compliance, misconduct or breach of the policy. The Group ABC Policy addresses general guidelines on both internal and external concerns on bribery and corruption risk, such as conflict of interest, illegal gratification and corrupt practices, gift & entertainment, corporate social responsibility activities, sponsorship and donations, as well as dealing with public officials and third parties.
14. The Group has established the Group Anti-Money Laundering Countering Financing of Terrorism, Countering Proliferation Financing and Targeted Financial Sanctions ("AML, CFT, CPF & TFS") Policy that reflects the Group's commitment in combating money laundering and financing of terrorism. It also sets out the Group's expectations on its main subsidiaries to be vigilant in ensuring proper controls and monitoring mechanisms to safeguard the subsidiaries against being used for money laundering or terrorism financing ("ML/TF") purposes.

15. A Group Whistleblowing Policy has been put in place for employees, external parties and other stakeholders to raise concerns about illegal, unethical or unacceptable practices. This policy governs the disclosures, reporting, investigation of misconduct and protection offered to the person(s) making those disclosures in accordance with the Whistleblowing Protection Act 2010.

16. A structured BCM Programme is in place to ensure resumption of critical business operations within the pre-defined Maximum Tolerable Downtime ("MTD"). The Group has also established a Disaster Recovery Plan ("DRP") which outlines the processes and set of procedures to recover the Group's IT infrastructure within a set Recovery Time Objective ("RTO").

The BCM Programme and DRP are validated by conducting regular tests and updated as and when necessary.

17. Sufficient insurance and takaful coverage, including covers for properties, employee-related, cyber security breaches, and Directors and Officers liabilities, are in place to ensure the Group is adequately protected against these risks and/or claims that could result in financial or reputational loss.

18. The Information Communication & Technology Department ("ICTD") are established and responsible for continuously monitoring and responding to IT security threats, conducting awareness programmes, as well as performing assessments and network penetration test programmes.

19. MNRB holds a 20% effective equity interest in its associated company, Labuan Reinsurance (L) Ltd. ("Labuan Re") through its subsidiary, Malaysian Reinsurance Berhad and a 40% effective equity interest in another associated company, Motordata Research Consortium Sdn. Bhd. ("MRC"). MNRB safeguards its interests in its associates by ensuring that there is adequate representation from MNRB on the Board of Directors of the associates. During the year, Malaysian Re has two representatives on the Board of Labuan Re, whilst MNRB has two representatives on the Board of MRC.

ASSURANCE

The Board, through the Audit Committee, Risk Management Committee of the Board and reports from the Senior Management; with assurance from the President & Group CEO and the Group Chief Financial Officer ("GCFO"), is of the view that the risk management and internal control system is sound and operating adequately and effectively, in all material aspects to safeguard shareholders' interests and the Group's assets, as well as to manage the Group's risks.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and Audit and Assurance Practice Guide 3, *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* issued by the Malaysian Institute of Accountants. Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement, intended to be included in the annual report, is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control : Guidelines for Directors of Listed Issuer, nor is the Statement factually inaccurate. The external auditors are not required by AAPG 3 to consider whether this Statement covers all risks and controls, or to form an opinion on the effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The external auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

pursuant to paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

The Directors are required to prepare the financial statements which gives a true and fair view of the state of affairs of the Group and the Company as at 31 March 2026 and of their results and cash flows for the year then ended.

The Directors consider that, in preparing the financial statements for the year ended 31 March 2026,

- the Group and the Company have used appropriate accounting policies, which are consistently applied;
- reasonable and prudent judgements and estimates were made;
- all applicable approved accounting standards in Malaysia have been followed; and
- the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company maintain accounting records that disclose with reasonable accuracy the financial position of the Group and the Company, and which enable them to ensure that the financial statements are drawn up in accordance with the requirements of the applicable approved Financial Reporting Standards issued by the Malaysian Accounting Standards Board and the provisions of the Companies Act, 2016.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and the Company, in that context, to have proper regard to the establishment of appropriate systems of internal control with a view to prevent and detect fraud and other irregularities.

The Directors consider that they have pursued the actions necessary to meet their responsibilities as set out in this Statement.

This statement was approved by the Board on 26 June 2026.

ADDITIONAL COMPLIANCE INFORMATION

The information set out below is disclosed in compliance with the Listing Requirements:

1. UTILISATIONS OF PROCEEDS RAISED FROM CORPORATE

The Company had issued a RM420 million nominal value subordinated sukuk on 22 March 2024. The subordinated sukuk carries a tenure of ten (10) years from issue date on a 10-year, non-callable 5-year basis with a fixed profit rate of 4.46% per annum payable in semi-annually in arrears.

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid to external auditors by the Group and the Company for the financial year ended 31 March 2026 were as follows:

Service	Group RM'000	Company RM'000
Audit fees	4,224	334
Non-audit fees	1,537	730
Total	5,761	1,064

3. MATERIAL CONTRACTS

There were no material contracts entered into by the Group and the Company involving directors' and major shareholders' interests, which subsisted at the end of the financial year ended 31 March 2026 or, if not then subsisting, entered into since the end of the previous financial year.



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DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited consolidated financial statements of MNRB Holdings Berhad and its subsidiaries ("MNRB Group" or "the Group") and the separate financial statements of MNRB Holdings Berhad ("MNRB" or "the Company") for the financial year ended 31 March 2026.

PRINCIPAL ACTIVITIES

The Company is an investment holding company, principally engaged in the provision of management services to its subsidiaries.

The principal activities and other information of the subsidiaries are as disclosed in Note 17 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Net profit for the financial year	544,675	64,381

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDEND

The amount of dividend declared and paid by the Company since the end of the previous financial year was as follows:

	RM'000
In respect of the financial year ended 31 March 2026:	
Interim single-tier dividend of 5.0 sen per ordinary share declared on 21 May 2026 and paid on 26 June 2026	39,155
In respect of the financial year ended 31 March 2025:	
Final single-tier dividend of 5.0 sen per ordinary share declared on 22 August 2025 and paid on 6 October 2025	39,155
Final single-tier special dividend of 5.0 sen per ordinary share declared on 22 August 2025 and paid on 6 October 2025	39,155
	78,310

DIRECTORS' REPORT

SIGNIFICANT AND SUBSEQUENT EVENTS

There are no significant adjusting events after the statements of financial position date up to the date when the financial statements are authorised for issuance, other than the matter disclosed in Note 36.

CLIMATE-RELATED RISKS AND DISCLOSURES

The Group's sustainability governance and its approach to managing sustainability-related efforts, including climate-related matters, are disclosed in the Sustainability Statement within the Group's Annual Report for the financial year ended 31 March 2026 and available on the Group's corporate website.

SHARE CAPITAL AND DEBENTURES

There were no changes in the issued and paid-up capital of the Company during the financial year.

DIRECTORS

The names of the Directors of the Company and its subsidiaries in office since the beginning of the financial year to the date of this report are:

Name of Directors	Directors of the entities					
	Holding Company	Subsidiaries				
	MNRB*	Malaysian Re*	Takaful IKHLAS Family*	Takaful IKHLAS General*	MSSB*	SSB*
Dato' Sulaiman Mohd Tahir	✓	✓	Appointed on 16 July 2025	Appointed on 16 July 2025	–	–
Datuk Johar Che Mat	–	–	Retired on 15 July 2025	Retired on 15 July 2025	–	–
George Oommen	✓	Appointed on 25 August 2025	✓	–	–	–

DIRECTORS' REPORT

← Directors of the entities →

Name of Directors	Holding Company	Subsidiaries				
	MNRB*	Malaysian Re*	Takaful IKHLAS Family*	Takaful IKHLAS General*	MSSB*	SSB*
Junaidah Mohd Said	✓	–	–	–	–	–
Zaida Khalida Shaari	✓	–	–	–	–	–
Dato' Wan Roshdi Wan Musa	Resigned on 11 February 2026	–	–	–	–	–
Chin See Mei	✓	–	–	–	–	–
Khalid Sufat	Deceased on 24 June 2025	Deceased on 24 June 2025	–	–	–	–
Velayudhan Harikes	–	✓	–	–	–	–
Wan Zamri Wan Zain	–	✓	–	–	–	–
Datin Joanne Marie Lopez	–	✓	–	–	–	–
Md Azmi Abu Bakar	–	–	✓	–	–	–
Azizul Mohd Said	–	–	✓	–	–	–
Arul Sothy S Mylvaganam	–	–	–	Retired on 30 September 2025	–	–
Woon Tai Hai	–	–	–	✓	–	–
Dato' Amirudin Abdul Halim	–	–	–	✓	–	–
Dr. Wan Zamri Wan Ismail	–	–	–	✓	–	–
Suharti Mohd Ali	–	–	✓	–	–	–
Khoo Ai Lin	–	–	Appointed on 1 July 2025	–	–	–

DIRECTORS' REPORT

Directors of the entities						
Name of Directors	Holding Company	Subsidiaries				
	MNRB*	Malaysian Re*	Takaful IKHLAS Family*	Takaful IKHLAS General*	MSSB*	SSB*
Datuk Adillah Ahmad Nordin	–	–	–	Appointed on 1 July 2025	–	–
Leong May Lee	–	–	–	Appointed on 1 October 2025	–	–
Sharmini Perampalam	–	–	–	–	✓	✓
Ahmad Noor Azhari Abdul Manaf	–	–	–	–	✓	–
Ekmarrudy Othman	–	–	–	–	–	✓

Pursuant to Clause 90 of the Company's Constitution, Zaida Khalida Shaari and Chin See Mei are due to retire at the forthcoming 53rd Annual General Meeting ("AGM") and, being eligible, have the option to offer themselves for re-election.

However, Chin See Mei has informed the Company that she will not be seeking re-election at the AGM and will accordingly retire from the Board upon the conclusion of the AGM.

- * MNRB - MNRB Holdings Berhad
- Malaysian Re - Malaysian Reinsurance Berhad
- Takaful IKHLAS Family - Takaful Ikhlas Family Berhad
- Takaful IKHLAS General - Takaful Ikhlas General Berhad
- MSSB - MMIP Services Sdn. Bhd.
- SSB - Sinar Seroja Berhad

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company or its subsidiaries were a party, whereby the Directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors from the Company and its related corporations) by reason of a contract made by the Company or its related corporations with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

DIRECTORS' REPORT

	Group RM'000	Company RM'000
Directors' fee	1,238	778
Benefits-in-kind and other emoluments	431	299
	1,669	1,077

DIRECTORS' INDEMNITY

During the financial year, the Company maintained a Directors and Officers Liability Takaful certificate to indemnify the Directors of the MNRB Group, up to a coverage of RM60,000,000, at a contribution of RM111,250 for liability incurred in the discharging of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage.

DIRECTORS' INTEREST

According to the register of Directors' shareholdings, none of the Directors in office at the end of the financial year had any interest in shares of the Company or its related corporation during the financial year.

OTHER STATUTORY INFORMATION

Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

- (a) Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
 - (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONT'D.)

- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or in the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year other than those arising in the normal course of business of the Group and of the Company.
- (f) In the opinion of the Directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve (12) months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

For the purpose of paragraphs (e)(ii) and (f)(i) above, contingent or other liabilities do not include liabilities arising from reinsurance, takaful and retakaful contracts underwritten in the ordinary course of business of the reinsurance/retakaful and takaful subsidiaries and associate companies.

AUDITORS AND AUDITORS' REMUNERATION

The auditors, Messrs. Ernst & Young PLT, have expressed their willingness to continue in office. The auditors' remuneration of the Group and of the Company during the year are as follows:

	Group RM'000	Company RM'000
Ernst & Young PLT		
– Statutory audit	3,174	304
– Regulatory-related	1,050	30
– Other services	1,537	730
	5,761	1,064

Signed on behalf of the Board in accordance with a resolution of the Directors dated 26 June 2026.



Dato' Sulaiman Mohd Tahir
Kuala Lumpur, Malaysia



George Oommen

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act, 2016

We, Dato' Sulaiman Mohd Tahir and George Oommen, being two of the Directors of MNRB Holdings Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 169 to 369 are drawn up in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act, 2016 in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2026 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 26 June 2026.



Dato' Sulaiman Mohd Tahir



George Oommen

Kuala Lumpur, Malaysia

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act, 2016

I, Sharmini Perampalam (MIA membership no. 20010), being the officer primarily responsible for the financial management of MNRB Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 169 to 369 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the above named Sharmini Perampalam)
at Kuala Lumpur in Wilayah Persekutuan)
on 26 June 2026.)



Sharmini Perampalam

Before me,



Commissioner for Oaths



Kuala Lumpur

Level 25, Menara Hong Leong,
No. 6, Jalan Damansara Bukit Damansara
50490 Kuala Lumpur.

INDEPENDENT AUDITORS' REPORT

to the members of MNRB Holdings Berhad (Incorporated in Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of MNRB Holdings Berhad, which comprise the statements of financial position as at 31 March 2026 of the Group and of the Company, and income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 169 to 369.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2026, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IIIESBA Code") as applicable to audits of financial statements of public interest entities, and we have also fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITORS' REPORT

to the members of MNRB Holdings Berhad (Incorporated in Malaysia)

Key audit matters (cont'd.)

1. Measurement of the liability for incurred claims ("LFIC")

As at 31 March 2026, the Group recognised a LFIC of RM4,850 million in its consolidated statement of financial position. The measurement of the LFIC comprises an estimate of future cash flows, an adjustment to reflect the time value of money, and a risk adjustment for non-financial risk.

The estimate of future cash flows includes all expected cash outflows arising from incurred claims that have not been fully settled, including claims payments, claims handling expenses, and associated administration costs. The cash flow estimates shall reflect all reasonable and supportable information available at the reporting date without undue cost or effort and shall be updated at each reporting date. These estimates are determined on an entity-specific basis.

The estimation of future cash flows involves significant judgement and is subject to inherent uncertainty. Actuarial models are used to project the expected cash flows, taking into account historical claims experience and assumptions about future developments, including social, economic, and technological changes. In forming these estimates, the Group considers historical data, including settlement patterns from its own portfolio, supplemented by relevant external benchmarks or expert judgement where appropriate. Such assumptions include, but are not limited to, ultimate loss ratios, claims development patterns, inflation rates, and settlement delays.

The future cash flows shall be discounted to reflect the time value of money using discount rates that are consistent with the characteristics of the insurance contracts or takaful certificates, including the currency, timing, and liquidity of the underlying cash flows. The discount rates shall be consistent with observable current market prices for financial instruments with similar cash flow characteristics and shall be updated at each reporting date in accordance with the chosen measurement model.

In addition, a risk adjustment for non-financial risk is included to reflect the compensation the Group requires for bearing the uncertainty inherent in the amount and timing of future cash flows. This risk adjustment shall also be updated at each measurement date.

Given the significant degree of judgement and estimation involved in the measurement of the LFIC, particularly in relation to the expected future cash flows, discount rates, and the risk adjustment for non-financial risk, we considered this area to be subject to a risk of material misstatement. Accordingly, we identified this as a key audit matter.

Our audit procedures in this area included, among others:

- Obtaining an understanding of, and evaluating the design and operating effectiveness of, key controls over methodology selection, data completeness and accuracy, relevant information technology systems, and key assumptions applied by management in estimating the LFIC.
- With the involvement of our actuarial specialists, performing substantive procedures on selected lines of business identified based on risk considerations.
- Testing the completeness and accuracy of the data used in the estimation of the LFIC by reconciling it to the underlying accounting records and performing data-enabled audit procedures and plausibility checks on selected claims data.
- Evaluating the actuarial methodologies applied and the reasonableness of key assumptions used by the Group through both quantitative and qualitative assessments.
- Comparing the Group's recorded LFIC to an independently developed range of reasonable estimates.

INDEPENDENT AUDITORS' REPORT

to the members of MNRB Holdings Berhad (Incorporated in Malaysia)

Key audit matters (cont'd.)

2. Measurement of the liability for remaining coverage ("LFRC") under the General Measurement Model ("GMM") and the Variable Fee Approach ("VFA")

As at 31 March 2026, the Group recognised a LFRC measured under the GMM and VFA of RM3,242 million in its consolidated statement of financial position.

At initial recognition, the Group measures a group of insurance contracts or takaful certificates under the GMM or the VFA as the sum of the fulfilment cash flows and the contractual service margin ("CSM"). The fulfilment cash flows comprise an estimate of future cash flows, adjusted to reflect the time value of money and financial risks, and a risk adjustment for non-financial risk. The CSM represents the unearned profit that the Group will recognise over the coverage period as it provides insurance or takaful services.

The determination of the LFRC is inherently complex and involves significant judgement, particularly in relation to the use of actuarial models and the application of assumptions about future events. These assumptions include, among others, mortality rates, lapse rates, expense levels, and behavioural expectations of policyholders or certificate holders. Given the long-term nature of the contracts, even minor changes in key assumptions may have a material impact on the measurement of the LFRC.

Furthermore, the use of complex actuarial formulas, models, and systems in the measurement of LFRC increases the risk of error in configuration or logic, as well as the risk of using inaccurate or incomplete input data and inappropriate assumptions. In view of the complexity and estimation uncertainty involved, we identified the measurement of LFRC as a key audit matter.

Our audit procedures in this area included, among others:

- Obtaining an understanding of, and evaluating the design and operating effectiveness of, key controls over model development and configuration, data accuracy, assumption setting, and methodologies applied by management in measuring the LFRC.
- With the involvement of our actuarial specialists, performing substantive procedures on selected lines of business identified based on risk considerations.
- Testing the completeness and accuracy of input data used in the measurement of the LFRC, including in-force policy or certificate holder data, by reconciling such information to the underlying accounting records.
- Evaluating the appropriateness of key assumptions applied in selected actuarial models through quantitative and qualitative assessments, supported by reviews of relevant experience studies, market data, and macroeconomic benchmarks.
- Challenging the rationale for changes made to key assumptions, models, or methodologies and assessing whether such changes were appropriately treated as refinements of estimates or corrections of prior period errors.
- Reviewing the calculation logic and outputs of selected actuarial models and comparing the results to those reported by management.
- Performing analytical procedures, including period-over-period comparisons of LFRC movements, and assessing whether such changes appropriately reflect current period facts and circumstances.
- Assessing the adequacy of related disclosures in the notes to the consolidated financial statements.

INDEPENDENT AUDITORS' REPORT

to the members of MNRB Holdings Berhad (Incorporated in Malaysia)

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report, which we obtained prior to the date of this auditors' report, and the Annual Report, which is expected to be made available to us after the date of this auditors' report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT

to the members of MNRB Holdings Berhad (Incorporated in Malaysia)

Auditors' responsibilities for the audit of the financial statements (cont'd.)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

to the members of MNRB Holdings Berhad (Incorporated in Malaysia)

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Ernst & Young PLT

202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants



Kannan A/L Rajagopal

No. 03490/03/2028 J
Chartered Accountant

Kuala Lumpur, Malaysia
26 June 2026

INCOME STATEMENTS

for the year ended 31 March 2026

	Note	Group		Company	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Insurance/takaful revenue	3(a)	3,374,571	3,135,118	–	–
Insurance/takaful service expenses	3(b)	(2,619,094)	(2,583,495)	–	–
Insurance contracts/takaful certificates service results before reinsurance contracts/retakaful certificates held		755,477	551,623	–	–
Allocation of reinsurance/retakaful premiums/contributions		(733,767)	(665,146)	–	–
Amounts recoverable from reinsurers/retakaful operators for incurred claims		485,538	459,713	–	–
Net expense from reinsurance contracts/retakaful certificates held	6	(248,229)	(205,433)	–	–
Insurance/takaful service results		507,248	346,190	–	–
Interest income/profit revenue calculated using the effective interest/profit method	7(a)	168,480	199,951	11,719	10,989
Other investment income	7(b)	274,893	239,887	75,880	150,818
Net realised gains/(losses)	8	8,046	11,194	(141)	7,316
Net fair value gains on financial assets at fair value through profit and loss		54,698	25,334	–	–
Net foreign exchange losses on investments	9	(58,932)	(82,437)	–	–
Reversal of/(allowance for) impairment losses on financial assets	10	137	(191)	5	12
Investment results		447,322	393,738	87,463	169,135
Net insurance/takaful finance/profit expenses from insurance contracts/takaful certificates issued		(245,207)	(275,450)	–	–
Net reinsurance/retakaful finance/profit income from reinsurance contracts/retakaful certificates held		15,308	14,083	–	–
Unallocated (surplus)/deficit and changes in the value of the underlying items attributable to participants		(25,388)	52,948	–	–
Net insurance/takaful financial results	11	(255,287)	(208,419)	–	–

INCOME STATEMENTS

for the year ended 31 March 2026

	Note	Group		Company	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Fees and other income	4(a)	36,606	25,579	80,311	74,556
Management and other expenses	4(b)	(103,300)	(78,092)	(83,056)	(84,446)
Finance cost		(29,547)	(28,978)	(18,766)	(18,459)
Other expenses		(96,241)	(81,491)	(21,511)	(28,349)
Share of results of associates	18	33,140	6,471	–	–
Profit before zakat and taxation		636,182	456,489	65,952	140,786
Taxation attributable to participants	12	(17,087)	(2,239)	–	–
Profit before zakat and taxation attributable to equity holders of the Holding Company		619,095	454,250	65,952	140,786
Zakat		(78)	(1,638)	–	–
Taxation	13	(74,342)	(58,366)	(1,571)	1,397
Net profit for the year attributable to equity holders of the Holding Company		544,675	394,246	64,381	142,183
Basic and diluted earnings per share attributable to equity holders of the Holding Company (sen)	27	69.6	50.3	8.2	18.2

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 31 March 2026

	Note	Group		Company	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Net profit for the year		544,675	394,246	64,381	142,183
Other comprehensive (loss)/income					
Other comprehensive (loss)/income to be reclassified to income statements in subsequent periods:					
Effects of post-acquisition foreign exchange translation reserve on investment in associate		(24,847)	(8,300)	–	–
Effects of foreign exchange translation reserve on investment in a subsidiary		–	(641)	–	–
Net gains/(losses) on financial assets at fair value through other comprehensive income ("FVOCI"):					
Net gains on fair value changes		1,473	3,056	160	62
Realised (losses)/gains transferred to income statements	8	(2,049)	1,459	–	–
Deferred tax relating to fair value changes on financial assets at FVOCI	20	(520)	(661)	(38)	(15)
		(25,943)	(5,087)	122	47
Other comprehensive income/(loss) not to be reclassified to income statements in subsequent periods:					
Net gains on fair value changes on financial assets at FVOCI		811	5,040	–	–
Deferred tax relating to fair value changes on financial assets at FVOCI	20	(65)	(403)	–	–
Revaluation of land and buildings	14	8,099	5,929	–	–
Deferred tax relating to revaluation of land and buildings	20	(249)	(283)	–	–
Other comprehensive income attributable to participants		(4,001)	(3,898)	–	–
		4,595	6,385	–	–
Other comprehensive (loss)/income for the year, net of tax		(21,348)	1,298	122	47
Total comprehensive income for the year		523,327	395,544	64,503	142,230

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

as at 31 March 2026

	Note	Group		Company	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Assets					
Property and equipment	14	230,643	237,951	3,334	3,421
Intangible assets	15	184,276	114,438	3,542	5,960
Right-of-use assets	16	2,312	2,202	–	1,157
Investments in subsidiaries	17	–	–	1,298,106	1,298,106
Investments in associates	18	166,003	165,795	1,957	1,957
Financial and other assets	19	12,670,004	12,020,752	367,425	373,882
Deferred tax assets	20	39,812	42,442	3,424	5,978
Insurance contracts/takaful certificates assets	21	136,942	105,830	–	–
Reinsurance contracts/retakaful certificates assets	21	784,250	617,654	–	–
Tax recoverable	22	48,392	48,840	17,100	16,232
Cash and bank balances		68,108	112,844	613	2,602
Total assets		14,330,742	13,468,748	1,695,501	1,709,295

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

as at 31 March 2026

	Note	Group		Company	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Liabilities					
Borrowings	23	670,000	620,000	420,000	420,000
Insurance contracts/takaful certificates liabilities	21	9,419,792	9,077,338	–	–
Reinsurance contracts/retakaful certificates liabilities	21	18,739	34,124	–	–
Lease liabilities	16	2,096	2,293	–	1,215
Other payables	24	273,321	251,747	31,884	30,677
Deferred tax liabilities	20	45,192	33,660	–	–
Tax payable	22	14,280	6,366	224	203
Provision for zakat		1,439	2,354	–	–
Total liabilities		10,444,859	10,027,882	452,108	452,095
Equity					
Share capital	25	738,502	738,502	738,502	738,502
Reserves		3,147,381	2,702,364	504,891	518,698
Total equity attributable to equity holders of the Holding Company		3,885,883	3,440,866	1,243,393	1,257,200
Total liabilities and equity		14,330,742	13,468,748	1,695,501	1,709,295

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 March 2026

Group	Attributable to equity holders of the Holding Company					
	Reserves					
	Non-distributable				Distributable	
	Share capital RM'000	Foreign exchange translation reserve RM'000	Fair value reserve RM'000	Revaluation reserve RM'000	Retained profits RM'000	Total RM'000
At 1 April 2024	738,502	17,443	36,653	53,911	2,277,123	3,123,632
Net profit for the year	–	–	–	–	394,246	394,246
Other comprehensive (loss)/ income for the year	–	(8,941)	4,593	5,646	–	1,298
Total comprehensive (loss)/ income for the year	–	(8,941)	4,593	5,646	394,246	395,544
Dividends paid during the year (Note 26)	–	–	–	–	(78,310)	(78,310)
At 31 March 2025	738,502	8,502	41,246	59,557	2,593,059	3,440,866
At 1 April 2025	738,502	8,502	41,246	59,557	2,593,059	3,440,866
Net profit for the year	–	–	–	–	544,675	544,675
Other comprehensive (loss)/ income for the year	–	(24,847)	(4,351)	7,850	–	(21,348)
Total comprehensive (loss)/ income for the year	–	(24,847)	(4,351)	7,850	544,675	523,327
Dividends paid during the year (Note 26)	–	–	–	–	(78,310)	(78,310)
At 31 March 2026	738,502	(16,345)	36,895	67,407	3,059,424	3,885,883

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 March 2026

Company	Company			
	← Attributable to equity holders of the Company →			
	Share capital RM'000	Non-distributable Fair value reserve RM'000	Distributable Retained profits RM'000	Total RM'000
At 1 April 2024	738,502	(126)	454,904	1,193,280
Net profit for the year	–	–	142,183	142,183
Other comprehensive income for the year	–	47	–	47
Total comprehensive income for the year	–	47	142,183	142,230
Dividends paid during the year (Note 26)	–	–	(78,310)	(78,310)
At 31 March 2025	738,502	(79)	518,777	1,257,200
At 1 April 2025	738,502	(79)	518,777	1,257,200
Net profit for the year	–	–	64,381	64,381
Other comprehensive income for the year	–	122	–	122
Total comprehensive income for the year	–	122	64,381	64,503
Dividends paid during the year (Note 26)	–	–	(78,310)	(78,310)
At 31 March 2026	738,502	43	504,848	1,243,393

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

for the year ended 31 March 2026

	Note	Group		Company	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Cash flows from operating activities					
Profit before zakat and taxation		636,182	456,489	65,952	140,786
Adjustments for:					
Depreciation of:					
– property and equipment	14	9,255	9,808	929	1,076
– right-of-use assets	16	4,006	1,365	1,157	1,157
Amortisation of intangible assets	15	34,217	16,969	1,164	1,382
Reclassification of intangible assets to expenses	15	451	4,450	–	–
Finance costs on					
– lease liabilities	16	402	256	34	92
– borrowings		29,145	28,722	18,732	18,367
Losses/(gains) from disposal of:					
– property and equipment	8	141	(3,340)	141	–
– intangible asset	8	–	1	–	1
Gain from dissolution of subsidiary	8	–	–	–	(7,317)
Realised gains on disposal of investments	8	(8,187)	(7,855)	–	–
Net amortisation/(accretion) of premiums/ discount on investments	7	944	1,838	(480)	(278)
Interest income/profit revenue	7	(417,194)	(421,197)	(11,719)	(10,989)
Dividend income	7	(30,011)	(23,017)	(75,400)	(150,540)
Rental income	4(a)	(5,041)	(4,971)	–	–
Share of results of associates	18	(33,140)	(6,471)	–	–
Net foreign exchange losses	9	58,932	82,437	–	–
Net fair value gains on financial assets at FVTPL		(54,698)	(25,334)	–	–
Write-off of property and equipment	4(b)	4	9	–	–
Write-off of intangible assets	4(b)	–	2	–	–
(Reversal of)/allowance for impairment loss on:					
– financial assets	10	(137)	191	(5)	(12)
– property and equipment	14	–	1,759	–	–
– intangible assets	15	–	9,608	–	–
– other receivables		–	925	–	–
Operating cash flows before working capital changes		225,271	122,644	505	(6,275)

STATEMENTS OF CASH FLOWS

for the year ended 31 March 2026

	Note	Group		Company	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Cash flows from operating activities (cont'd.)					
Changes in working capital:					
Financial assets		(818,334)	(730,772)	35,242	(3,545)
Staff financing		477	351	155	(135)
Insurance contracts/takaful certificates		503,574	544,697	–	–
Reinsurance contracts/retakaful certificates		(181,981)	(104,387)	–	–
Balances with subsidiaries		–	–	(877)	(14,406)
Other payables and lease liabilities		28,576	19,330	588	5,640
Right-of-use assets		(110)	(740)	(1,157)	–
Interest income/profit revenue received		424,879	405,650	12,386	9,162
Dividend income received		37,324	39,679	73	140
Rental received		5,041	4,931	–	–
Income tax and zakat paid		(73,722)	(105,595)	(2,418)	(1,902)
Net cash generated from/(used in) operating activities		150,995	195,788	44,497	(11,321)
Cash flows from investing activities					
Purchase of property and equipment	14	(5,244)	(15,433)	(1,834)	(839)
Purchase of intangible assets	15	(136,282)	(32,481)	(1,584)	(3,549)
Proceed from disposal of property and equipment		3,152	11,330	7,114	4,790
Proceed from disposal of intangible assets		31,776	2,839	4,015	2,839
Proceed from dissolution of subsidiary		–	–	–	13,687
Dividend received from subsidiaries and associates		–	–	75,400	150,400
Net cash (used in)/generated from investing activities		(106,598)	(33,745)	83,111	167,328

STATEMENTS OF CASH FLOWS

for the year ended 31 March 2026

	Note	Group		Company	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Cash flows from financing activities					
Proceed from borrowings	23	50,000	–	–	–
Payment of lease liabilities	16	(4,212)	(2,280)	(1,249)	(1,250)
Interest/profit paid		(25,305)	(28,722)	(18,732)	(18,835)
Dividend paid	26	(78,310)	(78,310)	(78,310)	(78,310)
Net cash used in financing activities		(57,827)	(109,312)	(98,291)	(98,395)
Net (decrease)/increase during the year		(13,430)	52,731	29,317	57,612
Cash and cash equivalents at beginning of year		168,335	115,604	58,093	481
Cash and cash equivalents at end of year		154,905	168,335	87,410	58,093
Cash and cash equivalents comprise:					
Fixed and call deposits (with original maturities of less than three-months) with licensed financial institutions		86,797	55,491	86,797	55,491
Cash and bank balances		68,108	112,844	613	2,602
		154,905	168,335	87,410	58,093

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at 12th Floor, Bangunan Malaysian Re, No. 17, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur, Malaysia.

The Company is an investment holding company, principally engaged in the provision of management services to its subsidiaries.

The principal activities of the subsidiaries are as disclosed in Note 17. There have been no significant changes in the nature of the principal activities of the Company and its subsidiaries during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution on 26 June 2026.

2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation and presentation of financial statements

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act, 2016 in Malaysia.

At the beginning of the current financial year, the Group and the Company had adopted the amended MFRS Accounting Standards applicable for annual financial periods beginning on or after 1 January 2025, as fully described in Note 2.3.

As at the end of the financial year, the reinsurance and takaful subsidiaries have met the minimum capital requirements as prescribed by the Risk-Based Capital for Insurer ("RBC") Framework and Risk-Based Capital for Takaful Operators ("RBCT") Framework issued by Bank Negara Malaysia ("BNM").

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position, only when there is a legally enforceable right to offset the recognised amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expense will not be offset in the income statements and the statements of comprehensive income unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Group and of the Company.

(b) Basis of measurement

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise stated in the accounting policies.

(c) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.1 Basis of preparation and presentation of financial statements (cont'd.)

(d) Use of estimates and judgements

The preparation of financial statements in conformity with MFRS Accounting Standards and IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have a significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

Takaful certificates and reinsurance contracts/retakaful certificates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The Group disaggregates information to disclose insurance contracts/takaful certificates issued with reinsurance contracts/retakaful certificates held separately. This aggregation determined based on how the Group is managed.

(i) Estimates of future cash flows

In estimating the future cash flows, the Group incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experiences, updated to reflect current expectations of future events.

The estimates of future cash flows reflect the Group's view of current conditions at the reporting date and current expectations of future events that might affect those cash flows.

Cash flows within the boundary of contracts/certificates are those contracts/certificates that relate directly to the fulfilment of the contracts/certificates, including those for which the Group has discretion over the amount or timing. These include payments to (or on behalf of) cedants, participants, insurance/takaful acquisition cash flows and other costs that are incurred in fulfilling contracts/certificates. Insurance/takaful acquisition cash flows and other costs that are incurred in fulfilling contracts/certificates comprise both direct costs and an allocation of fixed and variable overheads.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.1 Basis of preparation and presentation of financial statements (cont'd.)

(d) Use of estimates and judgements (cont'd.)

Takaful certificates and reinsurance contracts/retakaful certificates (cont'd.)

(i) Estimates of future cash flows (cont'd.)

Cash flows are attributed to acquisition activities and other fulfilment activities either directly or estimated based on the type of activities performed by the respective business function. Cash flows attributable to acquisition and other fulfilment activities are allocated to groups of contracts/certificates using methods that are systematic and rational and will be consistently applied to all costs that have similar characteristics, such as based on total contributions, number of certificates or number of claims.

For reinsurance/retakaful businesses, the main assumption underlying these techniques is that the past claims development experience can be used to project future claims development and hence, ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses and average costs per claim based on the observed development of earlier years and expected loss ratios.

For family takaful businesses, the following assumptions were used when estimating future cash flows:

- Mortality and morbidity rates
- Longevity assumptions
- Lapse and surrender rates

(ii) Discount rates

The general takaful business, takaful certificates liabilities are calculated by using risk-free discount rates.

For the reinsurance/retakaful businesses generally determines risk-free discount rates through a risk-neutral measurement technique (i.e., risk-free rate plus illiquidity premium) using a bottom-up approach. In economically developed countries, the observed government bond yield curve was used as the source of liquid risk-free yield curve as politically stable governments are commonly believed to have a low probability of defaulting on their debts. For countries where government bond rates are not readily available, another similar government yield curve under similar macro economic settings was considered; or if the currency is pegged to another currency, the yield curve of the other currency was considered. Using the Smith-Wilson method, the yield curve is extrapolated beyond the last available market data point to an ultimate forward rate, which reflects long-term real interest rate and inflation expectations. The ultimate forward rate is subject to revision on an annual basis. Illiquidity premium/contribution is assumed to be zero as reinsurance/retakaful products are generally short-term.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.1 Basis of preparation and presentation of financial statements (cont'd.)

(d) Use of estimates and judgements (cont'd.)

Takaful certificates and reinsurance contracts/retakaful certificates (cont'd.)

(ii) Discount rates (cont'd.)

The family takaful business of the Group generally determines risk-free discount rates using the observed yield curves of government securities. The derivation of the illiquidity premium leverages the volatility adjustment bases in accordance with the BNM's discounting approach, with calibration made to reference the portfolio of the family takaful's and shareholder's funds. The yield curve will be interpolated between the last available market data point and an ultimate forward rate, which reflects long-term real interest rates and inflation expectations. Although the ultimate forward rate may be subject to revision, it is expected to be updated only if significant changes in the long-term expectations being observed.

Discount rates applied thereon are summarised below:

Insurance contracts/takaful certificates issued and reinsurance contracts/retakaful certificates held

Portfolio	1 year		3 years		5 years		7 years		10 years		15 year	
	FYE26	FYE25	FYE26	FYE25	FYE26	FYE25	FYE26	FYE25	FYE26	FYE25	FYE26	FYE25
Local (MYR)												
General Takaful	3.01%	3.28%	3.29%	3.49%	3.48%	3.56%	3.65%	3.76%	3.72%	3.81%	4.02%	3.93%
Family Takaful	3.01% - 3.21%	3.28%- 3.48%	3.51% - 3.71%	3.66%- 3.91%	3.85% - 4.05%	3.76%- 4.18%	4.07% - 4.27%	4.17%- 4.52%	3.95% - 4.15%	3.82%- 4.27%	4.91% - 5.11%	4.18%- 4.59%
Reinsurance	2.94%	3.27%	3.36%	3.61%	3.68%	3.89%	3.78%	3.97%	3.98%	4.04%	4.40%	4.36%
Retakaful	2.96%	3.28%	3.42%	3.77%	3.51%	3.69%	3.72%	4.27%	4.16%	3.80%	4.45%	4.40%
Overseas												
CNY	1.26%	1.56%	1.44%	1.79%	1.92%	1.74%	2.00%	2.22%	2.32%	1.62%	2.92%	0.92%
EUR	2.41%	2.30%	2.60%	2.41%	2.92%	2.95%	3.18%	2.98%	3.63%	3.60%	4.06%	3.51%
IDR	5.50%	6.37%	6.13%	6.67%	7.07%	7.00%	7.66%	7.06%	6.86%	7.16%	6.94%	7.10%
INR	5.80%	6.51%	6.57%	6.69%	6.84%	6.67%	7.39%	7.06%	6.75%	6.59%	8.27%	7.29%
USD	3.63%	4.05%	3.77%	3.98%	4.17%	4.28%	4.63%	4.54%	4.92%	4.66%	5.61%	5.09%

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.1 Basis of preparation and presentation of financial statements (cont'd.)

(d) Use of estimates and judgements (cont'd.)

Takaful certificates and reinsurance contracts/retakaful certificates (cont'd.)

(iii) Risk adjustment for non-financial risk

Risk adjustments for non-financial risk are determined to reflect the compensation that the Group would require for bearing non-financial risk and its degree of risk aversion. The Group applies a confidence level technique to determine the risk adjustments for non-financial risk of its insurance contracts and takaful certificates.

Under a confidence level technique, the Group estimates the probability distribution of the expected value of the future cash flows at each reporting date and calculate the risk adjustment for non-financial risk as the excess of the value at risk at the target confidence level over the expected present value of the future cash flows allowing for the associated risks over all future years. The Group applies a target confidence level of the 75th percentile, which is in line with the requirements of Bank Negara Malaysia's Risk-Based Capital ("RBC") and Risk-Based Capital for Takaful ("RBCT") Frameworks.

(iv) Contractual Service Margin ("CSM")

The CSM is a component of the asset or liability for the group of insurance contracts and takaful certificates that represents the unearned profit the Group will recognise as it provides services in the future. An amount of the CSM for a group of insurance contracts and takaful certificates is recognised in income statements as insurance and takaful revenue in each period to reflect the services provided under the group of insurance contracts and takaful certificates in that period. The amount is determined by:

- Identifying the coverage units in the group;
- Allocating the CSM at the end of the period (before recognising any amounts in income statements to reflect the services provided in the period) equally to each coverage unit provided in the current period and expected to be provided in the future years; and
- Recognising in income statements the amount allocated to coverage units provided in the period.

The number of coverage units in a group is the quantity of coverage provided by the contracts/certificates in the group, which is determined by considering for each contracts/certificates the quantity of the benefits provided and its expected coverage duration.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.1 Basis of preparation and presentation of financial statements (cont'd.)

(d) Use of estimates and judgements (cont'd.)

Takaful certificates and reinsurance contracts/retakaful certificates (cont'd.)

(iv) Contractual Service Margin (cont'd.)

For family takaful certificates, the quantity of benefit is the contractually agreed sum covered over the duration of the certificates. The total coverage units of each group of takaful certificates are reassessed at the end of each reporting period to adjust for the reduction of remaining coverage for claims paid, expectations of lapses and cancellation of certificates in the period. They are then allocated based on probability-weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.

(v) Insurance/takaful acquisition cash flows

Insurance/takaful acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts/takaful certificates (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts/takaful certificates to which the group belongs.

The Group uses a systematic and rational method to allocate:

- Insurance/takaful acquisition cash flows that are directly attributable to a group of insurance contracts/takaful certificates:
 - (i) to that group; and
 - (ii) to groups that include insurance contracts/takaful certificates that are expected to arise from the renewals of the insurance contracts/takaful certificates in that group.
- Insurance/takaful acquisition cash flows directly attributable to a portfolio of insurance contracts/takaful certificates that are not directly attributable to a group of contracts/certificates, to groups in the portfolio.

(vi) Financial Assets

Impairment losses on financial assets

The measurement of impairment losses under MFRS 9 *Financial Instruments* across relevant financial assets requires judgement, in particular for the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by the outcome of modelled ECL scenarios and the relevant inputs used.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies

(a) Property and equipment and depreciation

(i) Recognition and measurement

All items of property and equipment are initially recorded at cost. The cost of an item of property and equipment are recognised as an asset, if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. Subsequent to recognition, property and equipment are stated at cost less accumulated depreciation and any impairment losses, whilst properties are stated at revalued amounts less subsequent accumulated depreciation and subsequent impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

In respect of freehold land and buildings, valuations are performed with sufficient frequency to ensure that the carrying amount does not differ materially from the fair value of the freehold land and buildings at the financial year end.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the income statements, in which case the increase is recognised in the income statements. A revaluation deficit is recognised in the income statements, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. On disposal of property and equipment, the difference between net proceeds and the carrying amount is recognised in the income statements and the unutilised portion of the revaluation surplus on that item is taken directly to retained profits.

Only assets costing above RM300 will be capitalised. Assets costing RM300 and below are charged to the income statements in the year of purchase.

Assets costing more than RM300 up to a maximum of RM1,000 are written down to RM1 in the year of purchase. The write down is charged to the income statements as depreciation.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(a) Property and equipment and depreciation (cont'd.)

(ii) Subsequent costs

The cost of replacing part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and the Company and their cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in the income statements as incurred.

Freehold land has an unlimited useful life and therefore is not depreciated. Work in progress is also not depreciated as it is not available for use. When work in progress is completed and the asset is available for use, it is reclassified to the relevant category of property and equipment and depreciation of the asset begins. During the period in which the asset is not yet available for use, it is tested for impairment annually.

Depreciation of other property and equipment is provided for on a straight-line basis to write-off the cost of each asset to its residual value over its estimated useful life, at the following annual rates:

Buildings	2% to 4%
Computer equipment	10% to 33.3%
Office equipment	2% to 4%
Furniture and fittings	10%
Motor vehicles	20%

(iii) Depreciation

The residual values, useful lives and depreciation method are reviewed at the end of each financial year to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property and equipment.

(iv) Derecognition

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. On disposal of equipment, the difference between net proceeds and the carrying amount is recognised in the income statements and the unutilised portion of the revaluation surplus on that item is taken directly to retained profits.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(b) Intangible assets

Intangible assets comprise software development costs, computer software and licences and preferred partnership fee in relation to bancatakaful arrangement.

All intangible assets are initially recorded at cost. Subsequent to recognition, intangible assets are stated at cost less any accumulated amortisation and any impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

On disposal of intangible assets, the difference between net proceeds and the carrying amount is recognised in the income statements.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives. The preferred partnership fees are amortised based on actual contribution received over total committed contribution or a straight-line basis over the estimated economic useful lives depending on the pattern in which the future economic benefit are expected to be consumed by the Group. Intangible assets are assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed annually at the end of each financial year. Amortisation is charged to the income statements.

Intangible assets with indefinite useful lives are not amortised but tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is also reviewed annually to determine whether the useful life assessment continues to be supportable.

(i) Software development in progress

Software development in progress represent development expenditure on software. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated impairment losses. When development is complete and the asset is available for use, it is reclassified to computer software and amortisation of the asset begins. It is amortised over the period of expected future use. During the period in which the asset is not yet available for use, it is tested for impairment annually.

(ii) Computer software and licences

The useful lives of computer software and licences are considered to be finite because computer software and licences are susceptible to technological obsolescence.

The acquired computer software and licences are amortised using the straight-line method over their estimated useful lives not exceeding fifteen (15) years. Impairment is assessed whenever there is an indication of impairment and the amortisation period and method are also reviewed at least at each financial year end.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(b) Intangible assets (cont'd.)

(iii) Preferred partnership fee in relation to bancatakaful arrangement

The preferred partnership fee represents an upfront fee paid by the Group to the financial institutions under a preferred bancatakaful arrangement.

Following the initial recognition of the cost of preferred partnership fee, the fee is amortised over the period of the bancatakaful arrangement, with the allocation tied to actual revenue generated from the partnership. Upon the expiry of the contract, if the total projected production is not met, the contract may be extended for an additional period of time as mutually agreed between the Group and the financial institutions.

(c) Investment in subsidiaries, associates and basis of consolidation

(i) Subsidiaries

Subsidiaries are those entities over which the Company has all the following:

- (1) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (2) exposure, or rights, to variable returns from its investment with the investee; and
- (3) the ability to use its power over the investee to affect the amount of its returns.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (1) the contractual arrangement with the other vote holders of the investee;
- (2) rights arising from other contractual arrangements; and
- (3) the Company's voting rights and potential voting rights.

In the Company's financial statements, investments in subsidiaries are stated at cost less any accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the income statements.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(c) Investment in subsidiaries, associates and basis of consolidation (cont'd.)

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the financial year end. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, all intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the acquisition method. The acquisition method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in the income statements.

(iii) Takaful and retakaful operations and funds

Under the concept of takaful/retakaful, participants/cedants make contributions to a pool which is managed by a third party with the overall aim of using the monies to aid fellow participants in times of need. Accordingly, the takaful subsidiaries and retakaful division manage the general and family takaful/retakaful funds in line with the principles of Wakalah (agency). Under the Wakalah model, takaful subsidiaries and retakaful division are not participants in the funds but manage the funds (including the relevant assets and liabilities) towards the purpose outlined above.

In accordance with the Islamic Financial Services Act ("IFSA") 2013, the assets and liabilities of the takaful/retakaful funds are segregated from those of the shareholder's funds of the takaful/retakaful division, a concept known as segregation of funds. However, in compliance with MFRS 10 *Consolidated Financial Statements*, the assets, liabilities, income and expenses of the takaful and retakaful funds are consolidated with those of the shareholder's funds to represent the control possessed by the takaful subsidiaries and retakaful division over the respective funds.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(c) Investment in subsidiaries, associates and basis of consolidation (cont'd.)

(iii) Takaful and retakaful operations and funds (cont'd.)

In preparing the Group financial statements, the balances and transactions of the shareholder's funds of takaful subsidiaries and retakaful division were amalgamated and combined with those of the takaful and retakaful funds respectively. Interfund assets and liabilities, income, expenses and cash flows are eliminated in full during amalgamation and consolidation.

The takaful and retakaful funds of the takaful subsidiaries and retakaful division are consolidated and amalgamated from the date of control and continue to be consolidated until the date such control ceases.

(iv) Associates

Associates are entities in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policies decisions of the investee but not in control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investments in associates are carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the Group's share of net assets of the associates. The Group's share of the net profit or loss of the associates is recognised in the consolidated income statements. Where there has been a change recognised directly in the equity of the associates, the Group recognises its share of such changes.

In applying the equity method, unrealised gains and losses on transactions between the Group and the associates are eliminated to the extent of the Group's interest in the associates. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investments in the associates. The investments in associates are accounted for using the equity method from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associates or the investments become subsidiaries.

Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the net fair value of the associates' identifiable assets, liabilities and contingent liabilities over the cost of the investments is excluded from the carrying amount of the investments and is instead included as income in the determination of the Group's share of the associates' profit or loss in the period in which the investments are acquired.

When the Group's share of losses in associates equal or exceed its interest in the associates, including any long-term interests that, in substance, form part of the Group's net investments in the associates, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(c) Investment in subsidiaries, associates and basis of consolidation (cont'd.)

(iv) Associates (cont'd.)

The most recent available audited financial statements of the associates are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is derived from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting policies are adopted for transactions and events in similar circumstances.

In the Group's and Company's financial statements, investments in associates are stated at cost less any accumulated impairment losses.

On disposal of such investments, the difference between net disposal proceeds and the carrying amount is included in the income statements.

(d) Business combination from third party

Business combinations involving entities not under common control are accounted for by applying the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9, is measured at fair value with the changes in fair value recognised in the statement of comprehensive income in accordance with MFRS 9. Other contingent consideration that is not within the scope of MFRS 9 is measured at fair value at each financial year end with changes in fair value recognised in income statements.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the income statements.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(d) Business combination from third party

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGU") that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

(e) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in the income statements.

Recognition and measurement

The classification of financial assets at initial recognition depends on the Group and the Company's business model for managing the financial assets and the financial asset's contractual cash flow characteristic, as described in Notes 2.2(e)(v) and 2.2(e)(vi). All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets are classified, at initial recognition, as financial assets measured at amortised cost ("AC"), fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL").

In order for a financial asset to be classified and measured at AC or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group and the Company's business model for managing financial assets refers to how they manage their financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(e) Financial assets (cont'd.)

Recognition and measurement (cont'd.)

Despite the foregoing, the Group and the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group and the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group and the Company may irrevocably designate a debt investment that meets the amortised cost or FVOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at AC (for debt instruments);
- Financial assets at FVOCI with recycling of cumulative gains and losses (for debt instruments);
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (for equity instruments); or
- Financial assets at FVTPL.

(i) Financial assets at AC

Debt instruments that meet the following conditions are measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest/profit method and are subject to impairment. Gains and losses are recognised in income statements when the asset is derecognised, modified or impaired.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(e) Financial assets (cont'd.)

Recognition and measurement (cont'd.)

(i) Financial assets at AC (cont'd.)

The effective interest/profit method is a method of calculating the amortised cost of a debt instrument and of allocating interest/profit income over the relevant period. For financial assets other than purchased or originated credit impaired financial assets (i.e. assets that are credit impaired on initial recognition), the effective interest/profit rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest/profit rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit impaired financial assets, a credit adjusted effective interest/profit rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest/profit method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest/profit income is recognised using the effective interest/profit method for debt instruments measured subsequently at AC and at FVOCI. For financial assets other than purchased or originated credit impaired financial assets, interest/profit income is calculated by applying the effective interest/profit rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit impaired. For financial assets that have subsequently become credit impaired, interest/profit income is recognised by applying the effective interest/profit rate to the amortised cost of the financial asset. If, in subsequent financial years, the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit impaired, interest/profit income is recognised by applying the effective interest/profit rate to the gross carrying amount of the financial asset.

For purchased or originated credit impaired financial assets, the Group and the Company recognise interest/profit income by applying the credit adjusted effective interest/profit rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit impaired.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(e) Financial assets (cont'd.)

Recognition and measurement (cont'd.)

(ii) Financial assets at FVOCI with recycling of cumulative gains and losses

Debt instruments that meet the following conditions are measured at FVOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest/profit on the principal amount outstanding.

For debt instruments at FVOCI, interest/profit income, foreign exchange revaluation and impairment losses or reversals are recognised in the income statements and computed in the same manner as for financial assets measured at AC. The remaining fair value changes are recognised in Other Comprehensive Income ("OCI"). Upon derecognition, the cumulative fair value change recognised in OCI is recycled to the income statements.

(ii) Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition

Upon initial recognition, the Group and the Company can make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in equity instrument within the scope of MFRS 9 that is neither held for trading nor is contingent consideration recognised by an acquirer in a business combination. The classification is determined on an instrument-by-instrument basis.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group and the Company manage together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the fair value reserve. Gains and losses on these financial assets are never recycled to the income statements. Dividends are recognised as investment income in the income statements when the right to receive payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Group and the Company has not elected to classify any equities under this category.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(e) Financial assets (cont'd.)

Recognition and measurement (cont'd.)

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as financial assets at FVTPL, unless the Group and the Company designate an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVOCI on initial recognition.
- Debt instruments that fail the SPPI test are classified as financial assets at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVOCI criteria may be designated as financial assets at FVTPL upon initial recognition if such designation eliminates or significantly reduces an accounting mismatch that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has designated debt instruments under the family takaful/retakaful fund as financial assets at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each financial year, with any fair value gains or losses recognised in the income statements to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in the income statements includes any dividend, interest/profit earned or foreign currency translation differences on the financial asset. Derivatives are presented as assets when the fair value is positive and as liabilities when the fair value is negative. Changes in the fair value of any derivatives that do not qualify for hedge accounting are recognised immediately in income statements.

(v) Business model assessment

The Group and the Company determine their business model at the level that best reflects how they manage groups of financial assets to achieve their business objectives.

The Group holds financial assets to generate returns and provide a capital base to provide for settlement of claims as they arise. The Group considers the timing, amount and volatility of cash flow requirements to support insurance/takaful liability portfolios in determining the business model for the assets as well as the potential to maximise return for shareholders and participants as well as for future business development.

The Group and the Company's business models are not assessed on an instrument-by instrument basis, but at a higher level of aggregated portfolios that is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's and the Company's key management personnel;
- How participants are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected;

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(e) Financial assets (cont'd.)

Recognition and measurement (cont'd.)

(v) Business model assessment (cont'd.)

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest/profit income, maintaining a particular interest/profit rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets; and
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's and the Company's original expectations, the Group and the Company do not change the classification of the remaining financial assets held in that business model, but incorporate such information when assessing newly originated or newly purchased financial assets going forward.

The Group and the Company assess their business models at each financial year in order to determine whether the models have changed since the preceding period. Changes in business model are not expected to be frequent but should such an event take place, it must be:

- Determined by the Group's and the Company's key management as a result of external or internal changes;
- Significant to the Group's and the Company's operations; and
- Demonstrable to external parties.

A change in the business model will occur only when the Group and the Company begin or cease to perform an activity that is significant to their operation. Changes in the objective(s) of the business model must be effected before the reclassification date.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(e) Financial assets (cont'd.)

(vi) The Solely Payments of Principal and Interest ("SPPI") Test

The Group and the Company assess the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation/accretion of the premium/discount).

The most significant elements of interest within a debt arrangement are typically the consideration for the time value of money and credit risk. In assessing the SPPI test, the Group and the Company apply judgement and consider relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest/profit rate is set.

(vii) Reclassifications

The Group and the Company do not reclassify their financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group and the Company acquire, dispose of, or terminate a business line.

(viii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(ix) Derecognition of financial assets

A financial asset is derecognised when:

- the contractual right to receive cash flows from the asset has expired; or
- the Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - (a) the Group and the Company have transferred substantially all the risks and rewards of the asset; or
 - (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

The Group and the Company consider control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(e) Financial assets (cont'd.)

(ix) Derecognition of financial assets (cont'd.)

When the Group and the Company have neither transferred nor retained substantially all the risks and rewards and have retained control of the asset, the asset continues to be recognised only to the extent of the Group's and of the Company's continuing involvement, in which case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

When assessing whether or not to derecognise an instrument, amongst others, the Group and the Company consider the following factors:

- Change in currency of the debt instrument;
- Introduction of an equity feature;
- Change in counterparty; and
- If the modification is such that the instrument would no longer meet the SPPI criterion.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original effective interest/profit rate, the Group and the Company record a modification gain or loss.

(f) Fair value measurement

The Group and the Company measure financial instruments such as financial assets at FVTPL, financial assets at FVOCI and non-financial assets such as self-occupied properties at fair value at each financial year end. Also, fair values of financial instruments measured at amortised cost are disclosed in Notes 19 and 35.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability; or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(f) Fair value measurement (cont'd.)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs that are based on observable market data, either directly or indirectly

Level 3 - Inputs that are not based on observable market data

An annual valuation is performed to reflect the fair value of the Group's self-occupied properties. At the end of each financial year, accredited independent valuers having appropriate recognised professional qualification are appointed to perform the annual valuation. The valuation techniques used by the accredited independent valuers are verified to ensure that they are in accordance with the requirements of MFRS 13 *Fair Value Measurement*.

Over-the-counter derivatives comprise of foreign exchange forward contracts. Over-the-counter derivatives are revalued at each reporting date, based on valuations provided by the respective counterparties in accordance with market conventions.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each financial year. The fair value hierarchy of assets that are measured at fair value and/or for which fair value are disclosed is presented in Note 35.

(g) Impairment of assets

(i) Financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECL") for all financial assets measured at amortised cost or FVOCI, except for investments in equity instruments. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at the appropriate effective interest/profit rate.

The ECL model applies to all financial assets held by the Group and the Company except for:

- i. Financial assets measured at FVTPL;
- ii. Equity instruments; and
- iii. Malaysian government securities ("MGS/GII") which are considered low credit risk assets as the Malaysian federal government has strong capacity in repaying the instruments upon maturity. In addition, there is no past historical loss experiences arising from these government securities.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(g) Impairment of assets (cont'd.)

(i) Financial assets (cont'd.)

The ECL model also applies to irrevocable loan commitments and financial guarantee contracts, which will include loans, advances, financing, insurance/takaful receivables and contract assets under MFRS 15 *Revenue from Contracts with Customers*.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group and the Company will generally be required to apply the 'three-bucket' approach based on the change in credit quality since initial recognition:

	Stage 1	Stage 2	Stage 3
	Performing	Non Performing	Non Performing
ECL Approach	12-months ECL	Lifetime ECL	Lifetime ECL
Criterion	No significant increase in credit risk	Credit risk increased significantly	Credit-impaired assets
Recognition of interest/profit income	Gross carrying	Gross carrying	Net carrying

Forward-looking information and ECL measurement

The amount of credit loss recognised is based on forward-looking estimates that reflect current and forecast economic conditions. The forward looking adjustment is interpreted as an adjustment for the expected future economic conditions, as indicated by different macroeconomic factors and/or expert experienced in credit judgement.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

i. Probability of default ("PD")

The Probability of Default is an estimate of the likelihood of default over a given time horizon. It is estimated with consideration of economic scenarios and forward looking information.

ii. Exposure at default ("EAD")

The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the financial year end, including repayments of principal and interest/profit, whether scheduled by contract or otherwise, and accrued interest from missed payments.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(g) Impairment of assets (cont'd.)

(i) Financial assets (cont'd.)

Forward-looking information and ECL measurement (cont'd.)

iii. Loss given default ("LGD")

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive. It is usually expressed as a percentage of the EAD.

In its ECL models, the Group and the Company rely on a broad range of forward-looking information as economic inputs, such as government debt, consumer sentiment index, residential property index, consumer price index, net foreign direct investment, Gross Domestic Product ("GDP"), inflation, currency rate, base lending rate and stock index.

i. Debt instruments/sukuks at AC and FVOCI

In accordance to the 'three-bucket' approach, all newly purchased financial assets shall be classified in Stage 1, except for credit impaired financial assets. It will move from Stage 1 to Stage 2 when there is significant increase in credit risk ("SICR"), and Stage 2 to Stage 3 when there is an objective evidence of impairment. Financial assets which have experienced a SICR since initial recognition are classified as Stage 2, and are assigned a lifetime ECL.

The ECLs for sukuk at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remain at fair value. Instead, an amount equivalent to the allowance that arise will be recognised in OCI. The accumulated gain recognised in OCI is recycled to the statement of profit or loss upon derecognition of the assets.

The ECLs for Sukuk at AC will reduce the carrying amount of these financial assets in the statement of financial position.

ii. Insurance/takaful receivables

The impairment on insurance/takaful receivables is measured using the simplified approach at initial recognition and throughout its lifetime at an amount equal to lifetime ECL. The ECL is calculated using a provision matrix based on historical data where the insurance/takaful receivables are grouped based on level of business segregation and different reinsurance/retakaful premium/contribution type's arrangement respectively. Impairment is calculated on the total outstanding balances including those balances aged from current to 12 months and above. Roll rates are applied on the outstanding balances in the ageing buckets which form the base of the roll rates. A forward looking factor is taken into consideration in the calculation of ECL.

For insurance/takaful receivables and reinsurance deposits of the reinsurance subsidiary, the Group considers the balances to be in default when contractual payments are 12 months and 18 months past due respectively. As for the takaful receivables of the takaful subsidiaries, receivables where the contractual payments are 12 months past due are considered to be in default.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(g) Impairment of assets (cont'd.)

(ii) Non-financial assets

The carrying amounts of non-financial assets are reviewed at the end of each financial year to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses are recognised in the income statements. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of the other assets in the unit (or groups of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each financial year for any indications that the losses have decreased or no longer exist.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to the income statements in the period in which the reversals are recognised.

(iii) Write-offs

Financial assets

Financial assets are written off either partially or in their entirety only when the Group and the Company have stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(h) Cash and cash equivalents

Cash and cash equivalents presented in the statement of cash flows comprise cash on hand, balances with banks, and short-term, highly liquid deposits with original maturities of three months or less, which are held to meet short-term cash commitments. These instruments are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Short-term deposits with original maturities of three months or less that are held for investment purposes, rather than for meeting short-term cash obligations, do not meet the definition of cash equivalents in accordance with MFRS 107 *Statement of Cash Flows* and are therefore excluded from cash and cash equivalents.

(i) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, the Group and/or the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

(i) Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition at FVTPL.

Financial liabilities held for trading include derivatives entered into by the Group that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in the income statements. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities at FVTPL nor were there any financial liabilities held for trading during and at the end of the financial year.

(ii) Derivatives financial instruments

The Group and the Company use derivative financial instruments such as forward rate contracts to manage certain exposures to fluctuations in foreign currency exchange rates.

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(i) Financial liabilities (cont'd.)

(iii) Other financial liabilities

The Group's and the Company's other financial liabilities include borrowings, lease liabilities, insurance/takaful payables and other payables.

Insurance/takaful payables and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest/profit method.

For other financial liabilities, gains and losses are recognised in the income statements when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statements.

(j) Insurance contracts and takaful certificates classification

An insurance contract/takaful certificate is a contract/certificate under which the reinsurance and takaful subsidiaries have accepted significant insurance/takaful risk from another party by agreeing to compensate the party if a specified uncertain future event ("the insured/covered event") adversely affects the party. A contracts/certificates is considered to have significant insurance/takaful risk if, and only if, an insured event could cause a reinsurer/ takaful operator to pay additional amounts that are significant in any single scenario, excluding scenarios that lack commercial substance.

The Group issues insurance contracts and takaful certificates that contain insurance/takaful risk or a combination of insurance/takaful risk and financial risk.

Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of price or rate, credit rating or credit index or other variables, provided in the case of a non-financial variable that the variable is not specific to a party to the contracts/certificates. Insurance/takaful risk is risk other than financial risk.

The Group also cedes insurance/takaful risk in the normal course of its business. Ceded reinsurance/retakaful arrangements do not relieve the Group from its obligations to policyholders/participants. For both ceded and assumed reinsurance/retakaful businesses, contracts/contributions, claims and benefits paid or payable are presented on a gross basis.

Reinsurance/retakaful arrangements entered into by the Group, that meet the classification requirements of insurance contracts/takaful certificates as described above are accounted for as noted below. Arrangements that do not meet these classification requirements are accounted for as financial assets.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(k) Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment

Separation of components

At inception of insurance contracts/takaful certificates issued and reinsurance contracts/retakaful certificates held, the Group assesses to determine whether they contain distinct components which must be accounted for under another MFRS Accounting Standards: derivatives embedded within insurance contracts/takaful certificates that are required to be separated (MFRS 9); cash flows relating to distinct investment components (MFRS 9); and promises to transfer distinct goods or distinct non-insurance or non reinsurance services/non-takaful or non-retakaful (MFRS 15) rather than MFRS 17 *Insurance Contracts*. After separating any distinct components, an entity must apply MFRS 17 to all remaining components of the (host) insurance contracts/takaful certificates issued and reinsurance contracts/retakaful certificates held. Currently, the Group's products do not include distinct components that require separation.

MFRS 17 defines investment components as the amounts that an insurance contract and takaful certificate require the Group to repay to a participant in all circumstances, regardless of whether a covered event occurs. Investment components which are highly inter-related with the takaful certificate of which they form a part of are considered non-distinct and are not separately accounted for. However, receipts and payments of the investment components are recorded outside of income statements.

Level of aggregation

The level of aggregation for the Group is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts/certificates with similar risks which are managed together.

The insurance contracts and takaful certificates portfolios are divided into:

- i. A group of contracts/certificates that are onerous at initial recognition;
- ii. A group of contracts/certificates that at initial recognition have no significant possibility of becoming onerous subsequently; and
- iii. A group of the remaining contracts/certificates in the portfolio.

The Group makes an evaluation of whether a series of contracts/certificates can be treated together in making the profitability assessment based on reasonable and supportable information, or whether a single contracts/certificates contains components that need to be separated and treated as if they were stand-alone contracts/certificates.

The portfolio is a group of insurance contracts and takaful certificates issued based on the fact that the products are subject to similar risks and managed together. In determining groups of contracts, the reinsurance/retakaful and takaful businesses have elected to include in the same group contracts where its ability to set prices or levels of benefits for participants/cedants with different characteristics is constrained by regulation.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(k) Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Recognition

The Group recognises groups of insurance contracts/takaful certificates that it issues from the earliest of the following:

- i. The beginning of the coverage period of the group of contracts/certificates.
- ii. The date when the first payment from a participant in the group is due, or when the first payment is received if there is no due date.
- iii. For a group of onerous contracts, as soon as facts and circumstances indicate that the group is onerous.

The Group recognises a group of reinsurance contracts/retakaful certificates held from the earliest:

- i. The beginning of the coverage period of the group of reinsurance contracts/retakaful certificates held. However, the Group delays the recognition of a group of reinsurance contracts/retakaful certificates held that provide proportionate coverage until the date when any underlying insurance contract/takaful certificate is initially recognised, if that date is later than beginning of the coverage period of the group of reinsurance contracts/retakaful certificates held; and
- ii. The date the Group recognises an onerous group of underlying insurance contracts/takaful certificates if the Group entered into the related reinsurance contracts/retakaful certificates held at or before that date.

The Group adds new insurance contracts/takaful certificates to the group in the reporting period in which the contracts/certificates meets one of the criteria set out above.

Only insurance contracts/takaful certificates that meet the recognition criteria by the end of the reporting period are included in the groups. When contracts/certificates meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the annual cohorts' restriction. Composition of the groups is not reassessed in subsequent periods.

Onerous groups of contracts/certificates

The profitability of group of contracts/certificates is assessed by actuarial valuation models that take into consideration existing and new business. The Group assumes that no contracts/certificates in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts/certificates that are not onerous, the Group assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood changes in applicable facts and circumstances.

If the facts and circumstances indicate that a group is expected to be onerous, a loss component should be recognised in the statement of financial position and the corresponding loss should be recognised in income statements accordingly as disclosed in Note 3(b).

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(k) Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Contract boundary

The Group includes in the measurement of a group of insurance contracts and takaful certificate all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract and takaful certificates if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the participants/cedants to pay the premiums/contributions or in which the Group has a substantive obligation to provide the participant/cedants with services. A substantive obligation to provide services ends when:

- i. The Group has the practical ability to reassess the risks of the particular participant and, as a result, can set a price or level of benefits that fully reflects those risks; or
- ii. Both of the following criteria are satisfied:
 - The Group has the practical ability to reassess the risks of the portfolio that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and
 - The pricing of the premiums/contributions for coverage up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

A liability or asset relating to expected premiums/contributions or claims outside the boundary of the insurance contracts/takaful certificates is not recognised. Such amounts relate to future insurance contracts/takaful certificates.

For insurance contracts/takaful certificates with renewal periods, the Group assesses whether premiums/contributions and related cash flows that arise from the renewed contract are within the contract boundary. The pricing of the renewals are established by the Group by considering all the risks covered for the participants/cedants by the Group. This is considered when the Group underwrites equivalent contracts on the renewal dates for the remaining coverage. The Group reassess the contract boundary of each group at the end of each reporting period.

Measurement - Insurance contracts and takaful certificates

i. Contracts measured under Premium Allocation Approach (PAA)

Initial measurement

The Group applies the premium allocation approach (PAA) to all the takaful certificates that it issues and retakaful certificates that it holds, as:

- The coverage period of each certificate in the group is one year or less, including coverage arising from all contribution within the contract boundary; or
- For certificates longer than one year, the Group has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage ("LRC") for the group containing those certificates under the PAA does not differ materially from the measurement that would be produced applying the general model.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(k) Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Measurement - Insurance contracts and takaful certificates (cont'd.)

i. Contracts measured under Premium Allocation Approach (PAA) (cont'd.)

Initial measurement (cont'd.)

Under the PAA, the liability for remaining coverage is measured as the amount of contribution received net of acquisition cash flows paid, less the net amount of contribution and acquisition cash flows that have been recognised in income statements over the expired portion of the coverage period based on the passage of time. The measurement of the Liability for Incurred Claims ("LIC") is identical under all three measurement models, apart from the determination of locked-in interest rates used for discounting.

The Group applies PAA models for retakaful certificates held by general takaful business, depending on the specific certificate boundaries for each retakaful certificates.

Where facts and circumstances indicate that certificates are onerous at initial recognition, the Group performs additional analysis to determine if a net outflow is expected from the certificate. Such onerous contract are separately grouped from other certificates and the Group recognises a loss in income statements for the net outflow, resulting in the carrying amount of the liability for the group of certificates being equal to the fulfilment cash flows ("FCF"). A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

Subsequent measurement

The Group measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- Plus contributions received in the period;
- Minus takaful acquisition cash flows;
- Plus any amounts relating to the amortisation of the takaful acquisition cash flows recognised as an expense in the reporting period for the group and any adjustment to the financing component, where applicable; and
- Minus the amount recognised as takaful revenue for the services provided in the period.

The Group estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Group, and include an explicit adjustment for non financial risk (the risk adjustment).

Takaful acquisition cash flows are allocated on a straight-line basis as a portion of contribution to income statements (through takaful revenue).

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(k) Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Measurement - Insurance contracts and takaful certificates (cont'd.)

ii. Contracts not measured under PAA (General Measurement Model ("GMM") and Variable Fee Approach ("VFA"))

Initial measurement

At initial recognition, the Group measures a group of insurance contracts/takaful certificates as the total of:

- fulfilment cash flows, which comprise of estimates of future cash flows, adjusted to reflect the time value of money and financial risks, and a risk adjustment for non-financial risk; and
- a contractual service margin ("CSM"), which represents the unearned profit the Group will recognise as it provides service under the insurance contracts.

In determining the fulfilment cash flows, the Group uses estimates and assumptions considering a range of scenarios which have commercial substance and give a good representation of possible outcomes. The Group's CSM is a component of the insurance/takaful asset or liability for the group of insurance contracts/takaful certificates and results in no income at initial recognition. The unit of account for CSM is on a group of contracts/certificates basis consistent with the level of aggregation specified above. If the fulfilment cash flows allocated to the group of insurance contracts/takaful certificates, any previously recognised insurance contracts/takaful certificates acquisition cash flows and any cash flows arising from the contracts/takaful at the date of initial recognition in total are a net outflow then the group of contracts/certificates is considered to be onerous. A loss from onerous insurance contracts/takaful certificates is recognised in income statements immediately. The Group establishes the groups at initial recognition and may add contracts/certificates to the groups after the end of a reporting period, however, the Group does not reassess the composition of the groups subsequently.

Subsequent measurement

In the subsequent periods, the carrying amount of a group of insurance contracts/takaful certificates at each reporting date is the sum of the liability for remaining coverage ("LFRC") and the liability for incurred claims ("LFIC"). The LFRC comprises the fulfilment cash flows that relate to services to be provided in the future and any remaining CSM at that date. The LFIC comprises the fulfilment cash flows for incurred claims and expenses that have not yet been paid. The fulfilment cash flows at the reporting dates are measured using the current estimates of expected cash flows and current discount rates.

The carrying amount of CSM at end of the reporting period is adjusted to reflect the following changes to the GMM for contracts without direct participation features:

- effect of new contracts added to the group;
- interest accreted on the carrying amount of CSM, measured at locked-in rate;
- effect of any currency exchange differences on the CSM;
- changes in fulfilment cash flows that relate to future services (non-financial), except for loss component; and
- recognition of insurance/takaful revenue for services provided in the year.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(k) Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Measurement - Insurance contracts and takaful certificates (cont'd.)

ii. Contracts not measured under PAA (General Measurement Model ("GMM") and Variable Fee Approach ("VFA") (cont'd.)

Subsequent measurement (cont'd.)

The CSM is recognised into insurance/takaful revenue over the duration of the group of insurance contracts/takaful certificates based on the respective coverage units. The locked-in discount rate is the weighted average of the rates applicable at the date of initial recognition of contracts/certificates that joined a group over a 12-month period. The discount rate used for accretion of interest on the CSM is determined using the bottom-up approach.

The changes in fulfilment cash flows relating to future service that adjust the CSM comprise of:

- Experience adjustments that arise from the difference between the premium/contribution receipts (and any related cash flows such as takaful acquisition cash flows and takaful contribution taxes) and the estimate, at the beginning of the period, of the amounts expected. Differences related to premiums/contributions received (or due) related to current or past services are recognised immediately in income statements while differences related to premiums/contributions received (or due) for future services are adjusted against the CSM.
- Changes in estimates of the present value of future cash flows in the liability for remaining coverage, except those relating to the time value of money and changes in financial risk (recognised in income statements rather than adjusting the CSM).
- Differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period.
- Changes in the risk adjustment for non-financial risk that relate to future service. A loss is created when there is an increase in fulfilment cash flows that exceeds the carrying amount of the CSM. Once a change in fulfilment cash flows reduces CSM to zero, the excess establishes a loss which is recognised in expense immediately. Any subsequent decrease in the fulfilment cash flows will reverse the losses previously recognised in expense. Any remaining loss will be released based on a systematic allocation of subsequent changes relating to future service in the fulfilment cash flows.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(k) Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Measurement - Reinsurance contracts and retakaful certificates held

i. Contracts measured under PAA

The Group applies the same accounting policies for initial measurement and subsequent measurement as those for takaful certificate issued to measure a group of retakaful certificates, adapted where necessary to reflect features that differ from those of takaful certificates.

ii. Contracts not measured under PAA (General Measurement Model ("GMM"))

Initial measurement

The measurement of reinsurance contracts/retakaful certificates follows the same principles as the GMM, with the following exceptions or modifications specified in this section below. Reinsurance contracts/retakaful certificates held and assumed cannot use the VFA.

- Measurement of the cash flows include an allowance on a probability-weighted basis for the effect of any non-performance by the reinsurers/retakaful operators, including the effects of collateral and losses from disputes.
- The Group determines the risk adjustment for non-financial risk so that it represents the amount of risk being transferred to the reinsurers/retakaful operators.
- The Group recognises both day 1 gains and day 1 losses at initial recognition in the Statement of Financial Position as a CSM and releases this to income statements as the reinsurer/retakaful operator renders services, except for any portion of a day 1 loss that relates to events before initial recognition.
- Changes in the fulfilment cash flows are recognised in income statements if the related changes arising from the underlying ceded contracts/certificates have been recognised in income statements. Alternatively, changes in the fulfilment cash flows adjust the CSM.
- Changes in the fulfilment cash flows that result from changes in the risk of non-performance by the issuer of a reinsurance contracts/retakaful certificates held do not adjust the contractual service margin as they do not relate to future service.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(k) Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Measurement - Reinsurance contracts and retakaful certificates held (cont'd.)

ii. Contracts not measured under PAA (General Measurement Model ("GMM")) (cont'd.)

Initial measurement (cont'd.)

Any change in the fulfilment cash flows of a reinsurance contracts/retakaful certificates held due to the changes of the liability for incurred claims of the underlying contracts/certificates is taken to income statements and not the contractual service margin of the reinsurance contracts and retakaful certificates held.

Where a loss component has been set up subsequent to initial recognition of a group of underlying insurance contracts and takaful certificates, the portion of income that has been recognised from related reinsurance contracts and retakaful certificates held is disclosed as a loss-recovery component.

Subsequent measurement

The carrying amount of a group of reinsurance contracts/retakaful certificates at each reporting date is the sum of the remaining coverage component and the incurred claims component. The remaining coverage component comprises (a) the fulfilment cash flow ("FCF") that relate to services that will be received under the contracts in future periods and (b) any remaining CSM at that date.

For reinsurance contracts/retakaful contracts, when the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts/takaful certificates or when further onerous underlying insurance contracts/takaful certificates are added to a group, the Group establishes a loss-component of the asset for remaining coverage for a group of reinsurance contracts/retakaful certificates held representing the recovery of losses.

Where a loss component has been set up subsequent to initial recognition of a group of underlying insurance contracts/takaful certificates, the portion of income that has been recognised from related reinsurance contracts/retakaful certificates held is disclosed as a loss-recovery component.

Where a loss-recovery has been setup at initial recognition or subsequently, the Group adjusts the loss-recovery component to reflect changes in the loss component of an onerous group of underlying insurance contracts/takaful certificates.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(k) Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Measurement - Reinsurance contracts and retakaful certificates held (cont'd.)

ii. Contracts not measured under PAA (General Measurement Model ("GMM")) (cont'd.)

Subsequent measurement (cont'd.)

The carrying amount of the loss-recovery component must not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts/takaful certificates that the Group expects to recover from the group of reinsurance contracts/retakaful certificates. On this basis, the loss-recovery component recognised at initial recognition is reduced to zero in line with reductions in the onerous group of underlying insurance contracts/takaful certificates and is zero when loss component of the onerous group of underlying insurance contracts/takaful certificates is zero. Insurance and reinsurance contracts measured under the PAA.

Liability for remaining coverage - Insurance/takaful receivables and payables

The liability for remaining coverage disclosed under insurance contracts/takaful certificates liabilities includes insurance/takaful receivables and payables.

The impairment on insurance/takaful receivables are measured at initial recognition and throughout its life at an amount equal to lifetime ECL. The ECL is calculated using a provision matrix based on historical data where the insurance/takaful and reinsurance/retakaful receivables are grouped based on different sales channel and different reinsurance/retakaful contribution type's arrangement respectively. The impairment is calculated on the total outstanding balance including all aging buckets from current to 12 months and above. Roll rates are to be applied on the outstanding balance of the aging bucket which forms the base of the roll rate. Forward-looking information has been included in the calculation of ECL.

Modification and derecognition

The Group derecognises insurance contracts/takaful certificates when:

- i. The rights and obligations relating to the contracts/certificates are extinguished (i.e., discharged, cancelled or expired); or
- ii. The contracts/certificates is modified such that the modification results in a change in the measurement model, or the applicable standard for measuring a component of the contracts/certificates. In such cases, the Group derecognises the initial contracts/certificates and recognises the modified contracts/certificates as a new contract/certificate.

When a modification is not treated as a derecognition, the Group recognises amount paid or received for the modification with the contracts/certificates as an adjustment to the relevant liability for remaining coverage.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(k) Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Qard

For takaful and retakaful businesses, any deficit in the participants' risk fund within the takaful/retakaful fund is made good via a Qard, which is a profit free financing, granted by the shareholder's fund to the participants' risk fund. In the participants' risk fund, the Qard is included in fulfilment cash flows used to measure the takaful liabilities under MFRS 17.

Qard is measured in the fulfilment cash flows at a value discounted for time value of money, which reflects the economic effect of the expected future cash flow, consistent with all the other cash flows measured in fulfilment cash flows. This accounting measurement does not affect the retakaful Fund's obligation to repay the nominal amount of Qard, nor does it affect or change any rights or obligations of the shareholder's fund.

The Qard shall be repaid from future surpluses of the participants' risk fund.

Insurance/takaful acquisition cash flows

Insurance/takaful acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts/takaful certificates (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts/takaful certificates to which the group belongs.

The Group uses a systematic and rational method to allocate:

- i. Insurance/takaful acquisition cash flows that are directly attributable to a group of insurance contracts/takaful certificates:
 - to that group; and
 - to groups that include insurance contracts/takaful certificates that are expected to arise from the renewals of the insurance contracts/takaful certificates in that group.

Where insurance/takaful acquisition cash flows have been paid or incurred before the related group of insurance contracts/takaful certificates is recognised in the statement of financial position, a separate asset for insurance acquisition cash flows is recognised for each related group.

The asset for insurance/takaful acquisition cash flow is derecognised from the statement of financial position when the insurance/takaful acquisition cash flows are included in the initial measurement of the CSM of the related group of insurance contracts/takaful certificates. The Group expects to derecognise all assets for insurance/takaful acquisition cash flows within insurance/takaful coverage period.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(k) Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Insurance/takaful acquisition cash flows (cont'd.)

At the end of each reporting period, the Group revises amounts of insurance/takaful acquisition cash flows allocated to groups of insurance contracts/takaful certificates not yet recognised, to reflect changes in assumptions related to the method of allocation used.

After any re-allocation, the Group assesses the recoverability of the asset for insurance/takaful acquisition cash flows, if facts and circumstances indicate the asset may be impaired. When assessing the recoverability, the Group applies:

- An impairment test at the level of an existing or future group of insurance contracts/takaful certificates; and
- An additional impairment test specifically covering the insurance/takaful acquisition cash flows allocated to expected future contracts/certificates renewals.

If an impairment loss is recognised, the carrying amount of the asset is adjusted and an impairment loss is recognised in income statements. The Group recognises in income statements a reversal of some or all of an impairment loss previously recognised and increases the carrying amount of the asset, to the extent that the impairment conditions no longer exist or have improved.

Presentation and disclosure

The Group has presented separately in the statement of financial position the carrying amount of groups of insurance contracts/takaful certificates issued that are assets, groups of insurance contracts/takaful certificates issued that are groups of liabilities, reinsurance contracts/retakaful certificates held that are assets and groups of reinsurance contracts/retakaful certificates held that are liabilities.

Any assets or liabilities for insurance/takaful acquisition cash flows recognised before the corresponding insurance contracts/takaful certificates are included in the carrying amount of the related groups of insurance contracts/takaful certificates issued.

The Group does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance/takaful service result.

The Group separately presents income or expenses from reinsurance contracts/retakaful certificates held from the expenses or income from insurance contracts/takaful certificates issued.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(k) Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Presentation and disclosure (cont'd.)

i. Insurance/takaful revenue

Contracts measured under PAA

The takaful revenue for the period is the amount of expected contribution receipts (excluding any investment component) allocated to the period. The Group allocates the expected contribution receipts to each period of takaful certificates services on the basis of the passage of time. But if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred takaful service expenses.

The Group changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate.

For the periods presented, all revenue has been recognised on the basis of the passage of time.

Contracts not measured under PAA

The Group's insurance/takaful revenue depicts the provision of coverage and other services arising from a group of insurance contracts/takaful certificates at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. Insurance/takaful revenue from a group of insurance contracts/takaful certificates is therefore the relevant portion for the period of the total consideration for the contracts/certificates, (i.e., the amount of premiums/contribution paid to the Group adjusted for financing effect (the time value of money) and excluding any distinct investment components).

The total consideration for a group of contracts/certificates covers amounts related to the provision of services and is comprised of:

- Insurance/takaful service expenses, excluding any amounts relating to the risk adjustment for non-financial risk, excluding any amounts allocated to the loss component of the liability for remaining coverage.
- Amounts related to tax that are specifically chargeable to the cedants/participants.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(k) Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Presentation and disclosure (cont'd.)

i. Insurance/takaful revenue (cont'd.)

Contracts not measured under PAA (cont'd.)

- The risk adjustment for non-financial risk, excluding any amounts allocated to the loss component of the liability for remaining coverage.
- The CSM release.
- The experience adjustments for premium/contribution received other than those that relate to future service.
- Amount related to insurance/takaful acquisition cash flows.

For management judgement applied to the amortisation of CSM, please refer to Note 2.1(d)(iv).

ii. Loss component

The Group has grouped contracts/certificates that are onerous at initial recognition separately from contracts/certificates in the same portfolio that are not onerous at initial recognition. Groups that were not onerous at initial recognition can also subsequently become onerous if assumptions and experience changes. The Group has established a loss component of the liability for remaining coverage for any onerous group depicting the future losses recognised.

A loss component represents a notional record of the losses attributable to each group of onerous insurance contracts/takaful certificates (or contracts/certificates profitable at inception that have become onerous). The loss component is released based on a systematic allocation of the subsequent changes in the fulfilment cash flows to:

- the loss component; and
- the liability for remaining coverage excluding the loss component.

The loss component is also updated for subsequent changes in estimates of the fulfilment cash flows related to future service. The systematic allocation of subsequent changes to the loss component results in the total amounts allocated to the loss component being equal to zero by the end of the coverage period of a group of contracts/certificates (since the loss component will have been materialised in the form of incurred claims). The Group uses the proportion on initial recognition to determine the systematic allocation of subsequent changes in future cash flows between the loss component and the liability for remaining coverage excluding the loss component.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(k) Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Presentation and disclosure (cont'd.)

iii. Loss-recovery components

When the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts/takaful certificates or when further onerous underlying insurance contracts/takaful certificates are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts/retakaful certificates held depicting the recovery of losses.

Where a loss component has been set up subsequent to initial recognition of a group of underlying insurance contracts/takaful certificates, the portion of income that has been recognised from related reinsurance contracts/retakaful certificates held is disclosed as a loss-recovery component.

Where a loss-recovery component has been set up at initial recognition or subsequently, the Group adjusts the loss-recovery component to reflect changes in the loss component of an onerous group of underlying insurance contracts/takaful certificates.

The carrying amount of the loss-recovery component must not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts/takaful certificates that the Group expects to recover from the group of reinsurance contracts/retakaful certificates held. On this basis, the loss-recovery component recognised at initial recognition is reduced to zero in line with reductions in the onerous group of underlying insurance contracts/takaful certificates.

iv. Net income or expense from reinsurance contracts/retakaful certificates held

The Group presents the net amounts of income or expense expected to be recovered/paid from/to reinsurers/retakaful operators on income statements.

The Group treats reinsurance/retakaful cash flows that are contingent on claims on the underlying contracts/certificates as part of the claims that are expected to be reimbursed under the reinsurance contract/retakaful certificate held, and excludes investment components and commissions from an allocation of reinsurance/retakaful premiums/contributions presented on the face of the income statements. Amounts relating to the recovery of losses relating to reinsurance/retakaful of onerous direct contracts/certificates are included as amounts recoverable from the reinsurer/retakaful operator.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(k) Insurance contracts/takaful certificates and reinsurance contracts/retakaful certificates held accounting treatment (cont'd.)

Presentation and disclosure (cont'd.)

v. Insurance/takaful finance income and expenses

Insurance/takaful finance income or expenses comprise the change in the carrying amount of the group of insurance contracts/takaful certificates arising from:

- The effect of the time value of money and changes in the time value of money.
- The effect of financial risk and changes in financial risk.

The Group defines the reinsurance/retakaful/takaful fund as an underlying item. Hence, changes in measurement of a group of insurance contracts/takaful certificates caused by changes in the value of the fund is reflected in insurance/takaful finance/profit income or expenses.

Finance income and expenses for all issued insurance contracts/takaful certificates except for family takaful certificates is not disaggregated because the related financial assets are managed on a fair value basis and measured at fair value through profit or loss.

The Group systematically allocates expected total insurance/takaful finance/profit income or expenses over the duration of the group of contracts/certificates to income statements using discount rates determined on initial recognition of the group of contracts/certificates, see Note 2.1(d)(ii) for current discount rates.

In the event of transfer of a group of insurance contracts/takaful certificates or derecognition of an insurance contracts/takaful certificates, the Group reclassifies the insurance/takaful income finance or expense to income statements as a reclassification adjustment to any remaining amounts for the group (or contracts/certificates) that were previously recognised in other comprehensive income.

(l) Share capital and dividend expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of their liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(m) Provisions

Provisions are recognised when the Group and the Company have a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each financial year end and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(n) Income tax and deferred tax

Income tax on income statements for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the end of the financial year.

Deferred tax is provided for, using the liability method, on temporary differences at the end of the financial year between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction which is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit. Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of the financial year. Deferred tax is recognised in the income statements, except when it arises from a transaction which is recognised directly in other comprehensive income, in which case the deferred tax is also charged or credited directly in other comprehensive income.

(o) Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(ii) Foreign currency transactions and balances

In preparing the financial statements, transactions in currencies other than the functional currency ("foreign currencies") are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. At each financial year end, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the financial year end. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value are determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items during the financial year are recognised in the income statements except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under the foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to the income statements of the Group on disposal of the foreign operation.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(o) Foreign currencies (cont'd.)

(ii) Foreign currency transactions and balances (cont'd.)

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the income statements for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised directly in other comprehensive income.

(iii) Foreign operations

The financial results and financial position of the Company's foreign subsidiary and operations that have a functional currency different from the presentation currency of the consolidated financial statements are translated into RM as follows:

- (1) Assets and liabilities for each statement of financial position presented are translated at the closing rate prevailing at the financial year end;
- (2) Income and expenses for each income statements are translated at average exchange rates for the year, which approximate the exchange rates at the dates of the transactions;
- (3) All resulting exchange differences are taken to the foreign currency translation reserve within equity; and
- (4) The results of an associate, Labuan Reinsurance (L) Ltd., are translated at the closing rate prevailing at the financial year end with respect to the carrying amount of the investment in associate, and at the exchange rate at the date of the transactions with respect to the share of profits or losses. All resulting translation differences are included in the foreign exchange translation reserve in shareholders' equity.

(p) Other revenue recognition

Revenue is recognised when the performance obligation is satisfied at an amount that reflects the consideration to which the Group and the Company expect to be entitled.

(i) Interest and profit income

Interest and profit income are recognised on accrual basis using the effective interest/profit method.

(ii) Profit and investment income

Profit and investment income on Shariah compliant investments are recognised on an accrual basis using the effective profit/yield of the asset.

(iii) Rental income

Rental income is accounted for on a straight-line basis over the lease term. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of material accounting policies (cont'd.)

(p) Other revenue recognition

(iv) Dividend income

Dividend income is recognised when the right to receive payment is established.

(v) Management fees

Management fees are recognised when services are rendered.

(q) Employee benefits

(i) Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated balances. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plan

As required by law, the Company makes contributions to the national pension scheme, the Employees Provident Fund ("EPF"). The Company also makes additional contributions to the EPF for eligible employees by reference to their earnings. Such contributions are recognised as an expense in profit or loss as incurred.

(r) Zakat

Zakat represents an obligatory amount payable by the takaful subsidiaries and retakaful division to comply with the principles of Shariah. Zakat is computed using a method as recommended by the Group Shariah Committee ("GSC") and approved by the Board. Only the zakat that is attributable to the individual and corporate Muslim shareholders of the holding company was provided for in the financial statements. The zakat computation is reviewed by the GSC. The Board has the discretion to pay an additional sum above the obligatory amount payable.

2.3 New standards, amendments and interpretations

At the beginning of the current financial year, the Group and the Company adopted the following Amendments/Improvements which are mandatory for annual periods beginning on or after 1 January 2025.

Description	Effective for annual periods beginning on or after
Lack of Exchangeability (Amendments to MFRS 121 <i>The Effects of Changes in Foreign Exchange Rates</i>)	1 January 2025

The adoption of the above Amendments to Standards did not have any significant financial impact to the Group's and the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

2.4 Standards and annual improvements to standards issued but not yet effective

The following are Standards and Amendments to Standards issued by the Malaysian Accounting Standards Board ("MASB"), but which are not yet effective, up to the date of issuance of the Group's and the Company's financial statements. The Group and the Company intend to adopt these Standards and Amendments to Standards, if applicable, when they become effective:

Description	Effective for annual periods beginning on or after
Annual Improvements to MFRS Accounting Standards - Volume 11 (Amendments to MFRS 1, 7, 9, 10, 107)	1 January 2026
Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9 <i>Financial Instruments</i> and MFRS 7 <i>Financial Instruments: Disclosures</i>)	1 January 2026
Contracts Referencing Nature-dependent Electricity (Amendments to MFRS 9 <i>Financial Instruments</i> and MFRS 7 <i>Financial Instruments: Disclosures</i>)	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Translation to a Hyperinflationary Presentation Currency (Amendments to MFRS 121 <i>The Effects of Changes in Foreign Exchange Rates</i>)	1 January 2027
Amendments to the Sale or Distributions of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 <i>Consolidated Financial Statements</i> and MFRS 128 <i>Investments in Associates and Joint Ventures</i>)	To be determined by MASB

Except for MFRS 18, the Directors expect that the adoption of the above pronouncements will not have a material impact on the Group's and the Company's financial statements upon initial application.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

2.4 Standards and annual improvements to standards issued but not yet effective (cont'd.)

The Group and the Company are currently assessing the detailed implications of applying the new standard on the financial statements. Based on current preliminary analysis, the adoption of MFRS 18 is not expected to have an impact on net profit, although the Group and the Company expect that the grouping of income and expenses into the new categories will affect how operating profit is calculated and reported.

The Group and the Company do not anticipate significant changes to the information currently disclosed in the notes, as the requirement to disclose material information remains unchanged. However, the manner in which the information is grouped may change due to the application of aggregation and disaggregation principles. In addition, there will be new disclosures required for:

- i. Management-defined performance measures;
- ii. A break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this breakdown is only required for certain specified nature of expense items; and
- iii. For the first annual period of application of MFRS 18, a reconciliation for each line item in the statement of profit or loss between restated amounts presented by applying MFRS 18 and the amounts previously presented applying MFRS 101.

The Group and the Company will apply the new standard from its mandatory effective date of 1 April 2027. As retrospective application is required, the comparative information for the financial year ending 31 March 2028 will be restated to reflect the requirements of MFRS 18. The adoption of MFRS 18 is not expected to have a material impact on the Group's or the Company's profitability, as the changes primarily relate to presentation and disclosure.

3. (a) INSURANCE/TAKAFUL REVENUE

	Group	
	2026 RM'000	2025 RM'000
Contracts not measured under PAA		
Amounts relating to the changes in the liability for remaining coverage		
Expected claims and insurance/takaful service expenses	1,520,944	1,384,313
Change in the risk adjustment for non-financial risk	138,317	115,724
Amount of CSM recognised in income statements	379,374	515,987
Other amounts including experience adjustments for premiums/ contributions receipts	(80,055)	(6,365)
Amounts relating to recovery of insurance/takaful acquisition cash flows		
Allocation of the portion of premiums/contributions that relate to the recovery of acquisition cash flows	183,094	155,068
Insurance/takaful revenue - contracts not measured under PAA	2,141,674	2,164,727
Insurance/takaful revenue - contracts measured under PAA	1,232,897	970,391
Total insurance/takaful revenue	3,374,571	3,135,118

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

3. (b) INSURANCE/TAKAFUL SERVICE EXPENSES

	Group	
	2026 RM'000	2025 RM'000
Incurred claims	2,368,520	2,377,084
Incurred maintenance expenses (Note 4(b))	161,352	211,558
Incurred surplus to participants	21,810	4,000
Amortisation of acquisition cash flows	433,030	344,751
Experience variance from acquisition cash flows	(10,782)	4,315
Losses on onerous contracts and reversal of losses on onerous contracts	21,553	(28,458)
Changes to liabilities for incurred claims ("LIC")	(376,389)	(329,755)
Total insurance/takaful service expenses	2,619,094	2,583,495
Represented by:		
Contracts not measured under PAA	331,629	1,812,555
Contracts measured under PAA	2,287,465	770,940
	2,619,094	2,583,495

4. (a) FEES AND OTHER INCOME

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Management fees	5,057	4,327	79,965	74,168
Other income	31,549	21,252	346	388
Brokerage income	3,515	3,187	–	–
Miscellaneous income*	22,993	13,094	346	388
Net rental income from properties	5,041	4,971	–	–
	36,606	25,579	80,311	74,556

* Miscellaneous income comprise consultancy fees, towing services, interest income from savings accounts, recoveries from staff housing loan settlements and interest income on staff loans.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

4. (b) EXPENSES BY NATURE

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Fees and commissions	271,660	276,821	–	–
Staff costs:				
Salaries, bonus and other related costs	200,505	173,604	54,342	57,087
Short term accumulating compensated absences	41	110	37	103
President & Group Chief Executive Officer ("PGCEO"), directors and Group Shariah Committee ("GSC") members' remuneration (Note 5(a))	5,519	7,477	1,383	3,370
Pension costs - EPF	26,915	23,566	7,064	7,716
Social security costs	1,297	1,535	243	515
Retirement benefits	101	244	66	119
Auditors' remuneration:				
– statutory audit	3,174	2,562	304	182
– regulatory-related	1,050	568	30	26
– other services	1,537	1,156	730	243
– audit fees to other audit firms	–	8	–	–
Depreciation of property and equipment (Note 14)	9,255	9,808	929	1,076
Depreciation of right-of-use assets (Note 16)	4,006	1,365	1,157	1,157
Amortisation of intangible assets (Note 15)	34,217	16,969	1,164	1,382
Expense relating to short-term leases	25	7	–	–
Expenses relating to leases of low-value assets	771	401	296	383
Agency expenses	12,625	7,376	–	–
Marketing and promotional costs	77,747	63,099	801	441
Electronic data processing costs	36,634	48,459	5,999	6,535
Management fee	231	200	–	–
Professional and legal fees	12,151	25,551	6,104	2,710
Contributions and donations	654	504	–	–
Tax on premium	2,189	2,875	–	–
Subscriptions fee	1,137	1,033	1,137	1,033
Allowance for impairment losses on:				
– property and equipment (Note 14)	–	1,759	–	–
– intangible assets (Note 15)	–	9,608	–	–
– sundry receivables	–	581	–	–
Write-off of intangible assets (Note 15)	–	2	–	–
Write-off of property and equipment (Note 14)	4	9	–	–
Miscellaneous expenses*	45,811	56,886	1,270	368

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

4. (b) EXPENSES BY NATURE (CONT'D.)

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Total expenses including commissions	749,256	734,143	83,056	84,446
Less: Amount attributed to acquisition cash flows	(484,604)	(444,493)	–	–
Add: Amortisation of acquisition cash flows	422,248	349,066	–	–
	686,900	638,716	83,056	84,446
Represented by:				
Insurance/takaful service expenses				
Expenses attributed to insurance/takaful acquisition cash flows	422,248	349,066	–	–
Incurred maintenance expenses (Note 3(b))	161,352	211,558	–	–
Management and other expenses	103,300	78,092	83,056	84,446
	686,900	638,716	83,056	84,446

* Miscellaneous expenses comprise marketing expenses, underwriting-related administrative expenses, entertainment expenses, membership and subscription fees, and licence fees.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

5. (a) PGCEO, DIRECTORS' AND GSC MEMBERS' REMUNERATION

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Number of non-executive directors	24	24	7	8
PGCEO/Executive director of the Group and of the Company (Note 5(b)):				
Salaries and bonus	1,067	2,289	–	1,291
Pension costs - EPF and SOCSO	226	421	45	237
Benefits-in-kind	25	56	–	25
Others	402	723	261	627
	1,720	3,489	306	2,180
Non-executive directors of the Group and of the Company (Note 5(b)):				
Fees	1,238	1,491	778	817
Benefits-in-kind and other emoluments	431	638	299	398
	1,669	2,129	1,077	1,215
Non-executive directors of the subsidiaries:				
Fees	1,401	1,215	–	–
Meeting allowances	353	424	–	–
	1,754	1,639	–	–
Group Shariah Committee members:				
Fees	300	258	–	–
Meeting allowances	101	72	–	–
	401	330	–	–
Total PGCEO, directors' and GSC members' remuneration excluding benefits-in-kind (Note 4(b))	5,519	7,477	1,383	3,370

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

5. (a) PGCEO, DIRECTORS' AND GSC MEMBERS' REMUNERATION (CONT'D.)

	Number of Directors			
	Group		Company	
	2026	2025	2026	2025
PGCEO/Executive director of the Group and of the Company:				
RM0 to RM50,000	–	–	–	1
RM300,001 to RM350,000	–	–	1	–
RM1,000,001 to RM1,500,000	–	1	–	–
RM1,500,001 to RM2,000,000	1	–	–	–
RM2,000,001 to RM2,500,000	–	1	–	1
Non-executive directors of the Group and of the Company:				
RM0 to RM50,000	–	1	1	1
RM50,001 to RM100,000	1	–	–	–
RM100,001 to RM150,000	1	1	1	2
RM150,001 to RM200,000	3	3	4	4
RM200,001 to RM250,000	–	–	–	1
RM250,001 to RM300,000	–	–	1	–
RM350,001 to RM400,000	1	1	–	–
RM500,001 to RM550,000	–	1	–	–
RM550,001 to RM600,000	1	–	–	–
RM600,001 to RM650,000	–	1	–	–
Non-executive directors of the subsidiaries:				
RM0 to RM50,000	3	3	–	–
RM50,001 to RM100,000	5	1	–	–
RM100,001 to RM150,000	2	3	–	–
RM150,001 to RM200,000	6	6	–	–
RM200,001 to RM250,000	–	1	–	–
RM250,001 to RM300,000	1	1	–	–

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

5. (b) PGCEO/EXECUTIVE DIRECTOR AND NON-EXECUTIVE DIRECTORS OF THE GROUP AND OF THE COMPANY

	Group				Company			
	Salary and bonus RM'000	Fees RM'000	Benefits-in-kind and other emoluments RM'000	Total RM'000	Salary and bonus RM'000	Fees RM'000	Benefits-in-kind and other emoluments RM'000	Total RM'000
2026								
PGCEO of the Group and of the Company:								
Dato' Rodzila @ Rudy Che Lamin	1,067	-	653	1,720	-	-	306	306
Total PGCEO remuneration	1,067	-	653	1,720	-	-	306	306
Non-executive directors of the Group and of the Company:								
Dato' Sulaiman Mohd Tahir	-	409	166	574	-	173	83	256
George Oommen	-	303	82	385	-	111	40	151
Junaidah Mohd Said	-	118	47	165	-	118	47	165
Zaida Khalida Shaari	-	128	47	174	-	128	47	174
Chin See Mei	-	124	45	169	-	124	45	169
Dato' Wan Roshdi Wan Musa (Resigned on 11 February 2026)	-	100	27	127	-	100	27	127
Khalid Sufat (Deceased on 24 June 2025)	-	57	18	75	-	25	10	35
	-	1,238	431	1,669	-	778	299	1,077
Total PGCEO and directors' remuneration	1,067	1,238	1,084	3,389	-	778	605	1,383

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

5. (b) PGCEO/EXECUTIVE DIRECTOR AND NON-EXECUTIVE DIRECTORS OF THE GROUP AND OF THE COMPANY (CONT'D.)

	Group				Company			
	Salary and bonus RM'000	Fees RM'000	Benefits-in-kind and other emoluments RM'000	Total RM'000	Salary and bonus RM'000	Fees RM'000	Benefits-in-kind and other emoluments RM'000	Total RM'000
2025								
PGCEO/Executive director of the Group and of the Company:								
Dato' Rodzila @ Rudy Che Lamin (Appointed as Interim PGCEO with effect from 23 November 2024)	998	-	311	1,309	-	-	-	-
Zaharudin Daud (Ceased as PGCEO on 23 November 2024)	1,291	-	889	2,180	1,291	-	889	2,180
Total GCEO remuneration	2,289	-	1,200	3,489	1,291	-	889	2,180
Non-executive directors of the Group and of the Company								
George Oommen	-	338	155	493	-	117	69	186
Junaidah Mohd Said	-	107	56	163	-	107	56	163
Zaida Khalida Shaari	-	112	53	165	-	112	53	165
Dato' Wan Roshdi Wan Musa	-	112	45	157	-	112	45	157
Chin See Mei	-	101	48	149	-	101	45	146
Dato' Sulaiman Mohd Tahir (Appointed as Chairman with effect from 14 February 2025)	-	35	3	38	-	22	2	24
Datuk Johar Che Mat (Resigned on 12 February 2025)	-	456	178	634	-	147	80	227
Khalid Sufat (Deceased on 24 June 2025)	-	230	100	330	-	99	48	147
	-	1,491	638	2,129	-	817	398	1,215
Total PCCEO and directors' remuneration								
	2,289	1,491	1,838	5,618	1,291	817	1,287	3,395

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

6. NET EXPENSE FROM REINSURANCE CONTRACTS/RETAKAFUL CERTIFICATES HELD

	Group	
	2026 RM'000	2025 RM'000
Contracts not measured under PAA		
Amounts relating to the changes in the assets for remaining coverage		
Expected recovery for insurance/takaful service expenses	(286,013)	(300,348)
Changes in the risk adjustment for non-financial risk	(27,412)	(10,299)
Net cost recognised in income statements	(96,457)	(105,069)
Other amount	30,328	(7,276)
Allocation of reinsurance/retakaful premiums/contributions - Contract not measured under PAA	(379,554)	(422,992)
Allocation of reinsurance/retakaful premiums/contributions - Contract measured under PAA	(354,213)	(242,154)
Allocation of reinsurance/retakaful premiums/contributions	(733,767)	(665,146)
Amounts recoverable for claims	222,684	305,959
Changes in fulfillment cash flows which relate to loss recovery on onerous underlying contracts/certificates	(7,483)	(18,375)
Changes in amounts recoverable arising from changes in liability for incurred claims	26,819	(18,375)
Amounts recoverable from reinsurers/retakaful operators - Contract not measured under PAA	242,020	284,614
Amounts recoverable from claims	270,100	208,312
Changes in amounts recoverable arising from changes in liability for incurred claims	(26,582)	(33,213)
Amounts recoverable from reinsurers/retakaful operators - Contract measured under PAA	243,518	175,099
Amounts recoverable from reinsurers/retakaful operators for incurred claims	485,538	459,713
Net expense from reinsurance contracts/retakaful certificates held	(248,229)	(205,433)

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

7. INVESTMENT INCOME

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
(a) Interest income/profit revenue calculated using the effective interest/profit method				
Financial assets at FVOCI				
Interest income/profit revenue	38,497	36,739	4,343	2,823
Financial assets at amortised cost				
Interest income/profit revenue	129,983	163,212	7,376	8,166
	168,480	199,951	11,719	10,989
(b) Other investment income				
Financial assets at FVTPL				
<u>Designated upon initial recognition:</u>				
Interest income/profit revenue	248,714	221,246	–	–
<u>Mandatorily measured:</u>				
Dividend income:				
– Quoted shares in Malaysia	27,016	19,202	–	–
– Shariah approved unit trust funds	203	1,198	–	140
– Non-shariah approved unit trust fund	–	559	–	–
– Real estate investment trusts	1,951	1,217	–	–
Financial assets at FVOCI				
Dividend income on from unquoted shares in Malaysia	841	841	–	–
Loans and receivables				
Investment in subsidiaries				
Dividend income	–	–	75,000	150,000
Investment in associates				
Dividend income	–	–	400	400
Net (amortisation)/accretion of premium/discount on investments	(944)	(1,838)	480	278
Investment expenses	(2,888)	(2,538)	–	–
	274,893	239,887	75,880	150,818

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

8. NET REALISED GAINS/(LOSSES)

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Property and equipment				
Net realised (losses)/gains	(141)	3,340	(141)	–
Dissolution of subsidiary				
Net realised gain	–	–	–	7,317
Intangible assets				
Net realised loss	–	(1)	–	(1)
Financial assets at FVTPL				
Quoted shares in Malaysia:	4,258	17,806	–	–
– Shariah approved equities	1,177	2,243	–	–
– Others				
Unquoted Islamic private debt securities	(3,062)	2,294	–	–
Government investment issues	7,720	1,443	–	–
Malaysian government securities	3,963	575	–	–
Shariah approved unit trust funds	(8,161)	8	–	–
Corporate debt securities	139	(14,582)	–	–
Real estate investment trusts	104	(473)	–	–
Net realised gains	6,138	9,314	–	–
Financial assets at FVOCI				
Unquoted Islamic private debt securities	28	(583)	–	–
Government investment issues	2,021	(876)	–	–
Net realised gains/(losses)	2,049	(1,459)	–	–
	8,046	11,194	(141)	7,316

9. NET FOREIGN EXCHANGE LOSSES ON INVESTMENTS

	Group	
	2026 RM'000	2025 RM'000
Foreign exchange (losses)/gains:		
Realised	(80,768)	(75,851)
Unrealised	21,836	(6,586)
Net foreign exchange losses on investments	(58,932)	(82,437)

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

10. REVERSAL OF/(ALLOWANCE FOR) IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Reversal of/(allowance for) impairment losses on:				
– Amortised cost	124	(204)	–	–
– FVOCI	13	13	5	12
Total net reversal of/(allowance for) impairment losses on financial assets	137	(191)	5	12

11. NET INSURANCE/TAKAFUL FINANCIAL RESULTS

	Group	
	2026 RM'000	2025 RM'000
Insurance/takaful finance/profit (expenses)/income from insurance contracts/takaful certificates issued		
Finance/profit accreted to insurance contracts/takaful certificates using current financial assumptions	(134,687)	(135,706)
Finance/profit accreted to insurance contracts/takaful certificates using locked-in rate	(49,801)	(44,266)
Due to changes in interest/profit rates and other financial assumptions	(1,964)	(2,762)
Due to changes in the value of underlying items	(144,784)	(176,436)
Net foreign exchange income	86,029	83,720
Net insurance/takaful finance/profit expenses from insurance contracts/takaful certificates issued	(245,207)	(275,450)
Reinsurance/retakaful finance/profit (expenses)/income from reinsurance contracts/retakaful certificates held		
Finance/profit accreted to reinsurance contracts/retakaful certificates using current financial assumptions	12,560	11,366
Finance/profit accreted to reinsurance contracts/retakaful certificates using locked-in rate	14,272	14,795
Due to changes in interest/profit rates and other financial assumptions	884	157
Net foreign exchange income	(12,408)	(12,235)
Net reinsurance/retakaful finance/profit income from reinsurance contracts/retakaful certificates held	15,308	14,083
Unallocated (surplus)/deficit and changes in the value of the underlying items attributable to participants	(25,388)	52,948
Net insurance/takaful financial results	(255,287)	(208,419)

NOTES TO THE FINANCIAL STATEMENTS

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12. TAXATION ATTRIBUTABLE TO PARTICIPANTS

	Group	
	2026 RM'000	2025 RM'000
Current income tax	11,264	1,729
Deferred income tax	5,823	510
	17,087	2,239

13. TAXATION

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Malaysian income tax:				
Tax expense for the year	63,766	54,500	–	967
Under/(over) provision in prior years	3,071	4,326	(945)	(1,768)
	66,837	58,826	(945)	(801)
Deferred tax (Note 20):				
Relating to origination and reversal of temporary differences	12,987	2,120	4,163	(845)
(Over)/under provision of deferred tax in prior years	(5,482)	(2,580)	(1,647)	249
	7,505	(460)	2,516	(596)
Tax expense for the year	74,342	58,366	1,571	(1,397)

Domestic income tax for the Company, the general takaful business and the takaful subsidiaries' shareholder's funds are calculated at the Malaysian statutory tax rate of 24% (2025: 24%) of the estimated assessable profit for the year. Income tax on the Group's reinsurance/retakaful and family takaful business are calculated at a preferential tax rate of 8% (2025: 8%).

A reconciliation of income tax expenses applicable to profit before zakat and tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

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13. TAXATION (CONT'D.)

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Profit before zakat and taxation	636,182	456,489	65,952	140,786
Taxation at Malaysian statutory tax rate of 24%	152,684	109,558	15,828	33,789
Effects of different tax rate in respect of reinsurance/retakaful/family takaful business	(76,581)	(65,727)	–	–
Income not subject to tax	(6,825)	(3,496)	(19,211)	(38,115)
Expenses not deductible for tax purposes	15,429	17,838	7,546	4,448
Under/(over) provision of tax in prior years	3,071	4,326	(945)	(1,768)
(Over)/under provision of deferred tax in prior years	(5,482)	(2,580)	(1,647)	249
Share of results of associates	(7,954)	(1,553)	–	–
Tax expense for the year	74,342	58,366	1,571	(1,397)

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14. PROPERTY AND EQUIPMENT

Group	Freehold land RM'000	Buildings RM'000	Computer equipment RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Work in progress RM'000	Total RM'000
Valuation/Cost							
At 1 April 2024	36,800	174,376	14,375	48,252	2,346	10,947	287,096
Additions	-	-	6,142	2,341	399	6,551	15,433
Disposals	-	(4,091)	(2,203)	(2,570)	(979)	(4,148)	(13,991)
Revaluation surplus	1,000	4,929	-	-	-	-	5,929
Foreign exchange translation	-	-	-	-	143	-	143
Elimination of accumulated depreciation on revaluation	-	(4,929)	-	-	-	-	(4,929)
Reclassification	9,200	(9,200)	2,244	-	-	(2,244)	-
Reclassification from intangible assets	-	-	1,027	-	-	-	1,027
Write-offs	-	-	(1,153)	(3,453)	-	-	(4,606)
At 31 March 2025	47,000	161,085	20,432	44,570	1,909	11,106	286,102
Additions	-	-	892	1,723	-	2,629	5,244
Disposals	-	-	-	(1,631)	(382)	-	(2,013)
Revaluation surplus	1,000	7,099	-	-	-	-	8,099
Elimination of accumulated depreciation on revaluation	-	(4,784)	-	-	-	-	(4,784)
Reclassification to expenses	-	-	(3,783)	-	(144)	(7,197)	(11,124)
Reclassification	-	-	162	2,778	-	(2,940)	-
Reclassification to intangible assets	-	-	-	(506)	-	-	(506)
Write-offs	-	-	-	(5)	-	-	(5)
At 31 March 2026	48,000	163,400	17,703	46,929	1,383	3,598	281,013



NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

14. PROPERTY AND EQUIPMENT (CONT'D.)

Group (cont'd.)	Freehold land RM'000	Buildings RM'000	Computer equipment RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Work in progress RM'000	Total RM'000
Accumulated depreciation and impairment loss							
At 1 April 2024	-	931	10,325	39,445	1,423	-	52,124
Depreciation charge for the year (Note 4(b))	-	5,078	2,587	1,787	356	-	9,808
Disposals	-	(964)	(1,952)	(2,138)	(947)	-	(6,001)
Write-offs	-	-	(1,153)	(3,444)	-	-	(4,597)
Foreign exchange translation	-	-	-	-	(13)	-	(13)
Impairment loss during the year (Note 4(b))	-	-	1,759	-	-	-	1,759
Elimination of accumulated depreciation and impairment on revaluation	-	(4,929)	-	-	-	-	(4,929)
At 31 March 2025	-	116	11,566	35,650	819	-	48,151
Depreciation charge for the year (Note 4(b))	-	4,784	1,813	2,401	257	-	9,255
Write-offs	-	-	-	(1)	-	-	(1)
Elimination of accumulated depreciation and impairment on revaluation	-	(4,784)	-	-	-	-	(4,784)
Reclassification to expenses	-	(116)	(522)	(31)	-	-	(669)
At 31 March 2026	-	-	12,857	36,584	929	-	50,370
Net carrying amount							
At 31 March 2026	48,000	163,400	4,846	10,345	454	3,598	230,643
At 31 March 2025	47,000	160,969	8,866	8,920	1,090	11,106	237,951

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

14. PROPERTY AND EQUIPMENT (CONT'D.)

Revaluation of freehold land and buildings

Freehold land and building have been revalued based on a valuation performed by an accredited independent valuer having an appropriate recognised professional qualification using the income approach. The valuation is based on the valuation date of 31 March 2026.

The income approach entails the determination of the probable gross annual rental the property is capable of producing and deducting therefrom the outgoings to arrive at the annual net income.

In the comparison approach, the market value is based on the sales and listing of comparable properties registered within the vicinity. The technique of the approach requires the establishment of a comparable property by reducing reasonable comparative sales and listing to a common denominator. This is done by adjusting the differences between the subject property and those regarded as comparable. The comparison was premised on the factors of location, size, lease, restrictive covenants, age and condition of the building as well as the time element.

Description of the fair value hierarchy for freehold land and building and the significant inputs used in the valuation are provided in Note 35.

The Company has assessed that the current use of the freehold land and building represents their highest and best use, in accordance with the principles of fair value measurement.

If the freehold land and building were measured using the cost model, the carrying amounts would be as follows:

Group	Freehold land RM'000	Buildings RM'000	Total RM'000
Cost			
At 1 April 2024	15,596	160,640	176,236
Reclassification from work-in-progress	9,200	(9,200)	–
Disposal	–	(6,156)	(6,156)
At 31 March 2025/2026	24,796	145,284	170,080
Accumulated depreciation and impairment loss			
At 1 April 2024	–	69,707	69,707
Depreciation charge for the year	–	3,836	3,836
Disposal	–	(8,795)	(8,795)
At 31 March 2025	–	64,748	64,748
Depreciation charge for the year	–	4,750	4,750
At 31 March 2026	–	69,498	69,498
Net carrying amount			
At 31 March 2026	24,796	75,786	100,582
At 31 March 2025	24,796	80,536	105,332

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

14. PROPERTY AND EQUIPMENT (CONT'D.)

Company	Computer equipment RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Work-in- progress RM'000	Total RM'000
Cost					
At 1 April 2024	6,426	3,285	382	6,906	16,999
Additions	237	4	400	198	839
Disposals	(1,624)	(315)	–	(4,790)	(6,729)
Reclassification	1,429	–	–	(1,429)	–
At 31 March 2025	6,468	2,974	782	885	11,109
Additions	342	274	–	1,218	1,834
Disposals	–	(3)	(382)	–	(385)
Reclassification to expenses	–	–	–	(756)	(756)
Reclassification	127	–	–	(127)	–
At 31 March 2026	6,937	3,245	400	1,220	11,802
Accumulated depreciation					
At 1 April 2024	5,691	2,815	45	–	8,551
Charge for the year (Note 4(b))	753	160	163	–	1,076
Disposals	(1,624)	(315)	–	–	(1,939)
At 31 March 2025	4,820	2,660	208	–	7,688
Charge for the year (Note 4(b))	630	195	104	–	929
Disposals	–	(2)	(147)	–	(149)
At 31 March 2026	5,450	2,853	165	–	8,468
Net carrying amount					
At 31 March 2026	1,487	392	235	1,220	3,334
At 31 March 2025	1,648	314	574	885	3,421

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

15. INTANGIBLE ASSETS

Group	Software development in progress RM'000	Computer software and licences RM'000	Preferred partnership fees RM'000	Total RM'000
Cost				
At 1 April 2024	26,339	109,788	74,000	210,127
Additions	17,805	13,356	1,320	32,481
Write-off	–	(4,610)	–	(4,610)
Disposals	–	(3,864)	–	(3,864)
Reclassification	(18,305)	18,305	–	–
Reclassification to property and equipment	(1,027)	–	–	(1,027)
Reclassification to expenses	(4,450)	–	–	(4,450)
At 31 March 2025	20,362	132,975	75,320	228,657
Additions	11,926	13,223	111,133	136,282
Derecognition during the year*	–	–	(75,320)	(75,320)
Disposal	(151)	–	–	(151)
Reclassification	(18,328)	18,328	–	–
Reclassification to expenses	(2,046)	2,557	–	511
Reclassification from equipment	–	506	–	506
At 31 March 2026	11,763	167,589	111,133	290,485
Accumulated amortisation and impairment loss				
At 1 April 2024	–	68,294	24,715	93,009
Amortisation for the year (Note 4(b))	–	7,415	9,554	16,969
Write-off (Note 4(b))	–	(4,608)	–	(4,608)
Disposal	–	(1,024)	–	(1,024)
Impairment during the year	–	9,608	–	9,608
Adjustment	–	265	–	265
At 31 March 2025	–	79,950	34,269	114,219
Amortisation for the year (Note 4(b))	–	10,455	23,762	34,217
Derecognition during the year*	–	–	(42,167)	(42,167)
Reclassification to expenses	–	(60)	–	(60)
At 31 March 2026	–	90,345	15,864	106,209
Net carrying amount				
At 31 March 2026	11,763	77,244	95,269	184,276
At 31 March 2025	20,362	53,025	41,051	114,438

* Derecognition of bancatakaful contracts modification and termination.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

15. INTANGIBLE ASSETS (CONT'D.)

Company	Computer software and licences RM'000
Cost	
At 1 April 2024	19,366
Additions	3,549
Disposal	(3,864)
At 31 March 2025	19,051
Additions	1,584
Reclassification*	(151)
Reclassification to expenses**	(2,687)
At 31 March 2026	17,797
* During the year, the Company transferred work-in-progress intangible assets amounting to RM150,713 to the computer software and licences.	
** Relates to the reversal of assets from prior years.	
Accumulated amortisation	
At 1 April 2024	12,733
Amortisation for the year (Note 4(b))	1,382
Disposal	(1,024)
At 31 March 2025	13,091
Amortisation for the year (Note 4(b))	1,164
At 31 March 2026	14,255
Net carrying amount	
At 31 March 2026	3,542
At 31 March 2025	5,960

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

16. LEASES

(a) The Group and the Company as lessees

The Group and the Company have lease contracts for various items of equipments and office buildings used in their operations. Lease of office buildings generally have lease terms between 3 to 6 years, while computer and office equipment generally have lease terms of up to 3 years. The Group's and the Company's obligations under leases are secured by the lessor's title to the leased assets. Generally, the Group and the Company are restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension options, which are further discussed below.

The Group and the Company also have certain leases of equipment with lease terms of 12 months or less and leases of equipments which are of low value. The Group and the Company apply the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

(i) Right-of-use assets:

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Group	Data centre RM'000	Office buildings RM'000	Computer and office equipment RM'000	Total RM'000
Cost				
At 1 April 2024	686	4,922	–	5,608
Additions during the year	–	2,508	45	2,553
Termination	–	(2,519)	–	(2,519)
At 31 March 2025	686	4,911	45	5,642
Additions during the year	–	8,053	–	8,053
Termination	–	(8,292)	–	(8,292)
Reclassification to expenses	–	(1,229)	–	(1,229)
At 31 March 2026	686	3,443	45	4,174
Accumulated depreciation				
At 1 April 2024	144	2,637	–	2,781
Charge for the year (Note 4(b))	343	1,002	20	1,365
Termination	–	(706)	–	(706)
At 31 March 2025	487	2,933	20	3,440
Charge for the year (Note 4(b))	199	3,792	15	4,006
Termination	–	(4,441)	–	(4,441)
Reclassification to expenses	–	(1,143)	–	(1,143)
At 31 March 2026	686	1,141	35	1,862
Net carrying amount				
At 31 March 2026	–	2,302	10	2,312
At 31 March 2025	199	1,978	25	2,202

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

16. LEASES (CONT'D.)

(a) The Group and the Company as lessees

(i) Right-of-use assets (cont'd.):

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Company	Office buildings RM'000
Cost	
At 1 April 2024/31 March 2025/31 March 2026	3,471
Accumulated depreciation	
At 1 April 2024	1,157
Charge for the year (Note 4(b))	1,157
At 31 March 2025	2,314
Charge for the year (Note 4(b))	1,157
At 31 March 2026	3,471
Net carrying amount	
At 31 March 2026	–
At 31 March 2025	1,157

(ii) Lease liabilities:

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Group	Group RM'000	Company RM'000
At 1 April 2024	3,016	2,373
Additions	1,725	–
Termination	(424)	–
Accretion of interest/profit	256	92
Payments	(2,280)	(1,250)
At 31 March 2025	2,293	1,215
Additions	8,055	–
Termination	(4,442)	–
Accretion of interest/profit	402	34
Payments	(4,212)	(1,249)
At 31 March 2026	2,096	–

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

16. LEASES (CONT'D.)

(a) The Group and the Company as lessees (cont'd.)

(iii) Extension options

Most of the Group's and of the Company's leases on office buildings contain extension options exercisable by the Group and the Company and not the lessors. At the commencement of a lease, the Group and the Company assess whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within their control.

All of the extension options for office buildings have been included in the lease liability because the Group and Company is reasonably certain that the lease will be extended based on past practice and the existing economic incentive.

(b) The Group as lessor

The Group has entered into non-cancellable operating lease agreements on its portfolio of self-occupied properties. These leases have remaining non-cancellable lease terms of between 1 and 3 years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

The future minimum lease payments receivable under non-cancellable operating leases contracted for as at the financial year but not recognised as receivables are as follows:

	Group	
	2026 RM'000	2025 RM'000
Future minimum rental receivable:		
Not later than 1 year	1,622	1,774
Later than 1 year and not later than 5 years	516	1,898
	2,138	3,672

17. INVESTMENTS IN SUBSIDIARIES

	Company	
	2026 RM'000	2025 RM'000
Unquoted shares, at cost:		
In Malaysia		
At the beginning and end of the year	1,298,106	1,298,106
Outside Malaysia		
At the beginning of the year	–	6,370
Dissolution of subsidiary	–	(6,370)
At the end of the year	1,298,106	1,298,106

NOTES TO THE FINANCIAL STATEMENTS

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17. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal place of business/ Country of incorporation	Principal activities	Measurement method	Effective ownership interest	
				2026 %	2025 %
Malaysian Reinsurance Berhad ("Malaysian Re")	Malaysia	Underwriting of all classes of general reinsurance business and management of family and general retakaful businesses	Equity method	100	100
Takaful Ikhlas Family Berhad ("Takaful IKHLAS Family")	Malaysia	Management of family and investment-linked takaful businesses	Equity method	100	100
Takaful Ikhlas General Berhad ("Takaful IKHLAS General")	Malaysia	Management of general takaful business	Equity method	100	100
Sinar Seroja Berhad ("SSB")*	Malaysia	Family retakaful and general retakaful businesses	Equity method	100	100
MMIP Services Sdn. Bhd. ("MSSB")	Malaysia	Management of the Malaysian Motor Insurance Pool which provides motor insurance to vehicle owners who are unable to obtain insurance protection for their vehicles	Equity method	100	100
Held through Takaful IKHLAS General:					
Hong Leong Dana Abadi ("HLDA")**	Malaysia	Investment in Shariah compliant money market instruments and Sukuk	Equity method	–	100

* SSB has ceased its operations since December 2017.

** Audited by a firm other than Ernst & Young PLT, Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

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18. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Unquoted shares in Malaysia, at cost	77,615	77,615	1,957	1,957
Share of post-acquisition retained profits	105,250	80,196	–	–
Post-acquisition foreign exchange translation reserve*	(16,862)	7,984	–	–
	166,003	165,795	1,957	1,957
Represented by share of net assets	166,003	165,795	1,957	1,957

* This is in respect of retranslation of the investment in Labuan Re at the rate of exchange prevailing at the financial year.

Details of the associates which are all incorporated in Malaysia are as follows:

Name of associates	Principal place of business/ Country of incorporation	Principal activities	Year end	Measurement Method	Proportion of ownership interest and voting power	
					2026 %	2025 %
Held by the Company:						
Motordata Research Consortium Sdn. Bhd. (“MRC”) ^{(i)**}	Malaysia	Development and provision of a centralised motor parts price database for the Malaysian insurance industry	31 December	Equity Method	40	40
Held by Malaysian Re:						
Labuan Reinsurance (L) Ltd (“Labuan Re”) ⁽ⁱⁱⁱ⁾	Malaysia	Underwriting of all classes of general reinsurance and retakaful business	31 December	Equity Method	20	20

* Audited by a firm other than Ernst & Young PLT, Malaysia.

The financial statements of the above associates are not co-terminous with those of the Group. For the purpose of applying the equity method of accounting, the audited financial statements of the associates for the year ended 31 December 2025 and management financial statements to the end of the accounting period of 31 March 2026 have been used. The purpose and the reason of invest as below:

- ⁽ⁱ⁾ The purpose of strategic investment in MRC aims to support the MNRB's long-term digital and data-driven initiatives in the motor insurance ecosystem. MRC plays a key role in centralising and standardising vehicle repair data, cost benchmarking, and claims efficiency.
- ⁽ⁱⁱ⁾ The strategic investment in Labuan Re is aimed at strengthening MNRB's regional reinsurance capabilities and expanding its footprint in international markets. Labuan Re provides access to diversified risk portfolios and cross-border opportunities, supporting long-term growth and enhancing capital efficiency.

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31 March 2026

18. INVESTMENTS IN ASSOCIATES (CONT'D.)

The summarised financial information of the associates, not adjusted for the proportion of ownership interest held by the Group, are as follows:

Group	2026 RM'000	2025 RM'000
Assets and liabilities:		
Current assets	2,372,070	2,468,167
Non-current assets	61,192	4,921
Total assets	2,433,262	2,473,088
Current liabilities	272,885	1,980
Non-current liabilities	1,345,720	1,654,665
Total liabilities	1,618,605	1,656,645
Equity	814,657	816,443
Results:		
Insurance revenue	627,681	955,288
Profit for the year	98,812	29,341
Share of net profit for the year	33,140	6,471
MRC	2026 RM'000	2025 RM'000
Net assets of an associate	15,358	12,533
Proportion of the Group's ownership interest in an associate	40%	40%
Share of net assets of the associate	6,143	5,013
Carrying amount of interest in an associate as at 31 March	6,143	5,013
Labuan Re	2026 RM'000	2025 RM'000
Net assets of an associate	799,299	803,910
Proportion of the Group's ownership interest in an associate	20%	20%
Share of net assets of the associate	159,860	160,782
Carrying amount of interest in an associate as at 31 March	159,860	160,782
Total carrying amount of interest in an associate as at 31 March	166,003	165,795

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

19. FINANCIAL AND OTHER ASSETS

The following table summarises the carrying values of financial and other assets of the Group and the Company:

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
At carrying value:				
Financial assets at FVTPL (a)	8,211,675	6,369,600	–	–
Financial assets at FVOCI (b)	955,790	941,636	10,030	79,866
Amortised cost and other assets (c)	3,502,539	4,709,516	357,395	294,016
	12,670,004	12,020,752	367,425	373,882

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Malaysian government securities	581,202	355,091	–	–
Government investment issues	3,380,996	2,842,168	–	–
Unquoted corporate debt securities*	1,750,530	1,226,292	80,000	50,887
Islamic commercial paper	54,753	64,369	–	–
Commercial paper	134,144	172,468	–	–
Equity securities:				
Unquoted shares in Malaysia	93,517	92,706	–	–
Quoted shares in Malaysia	929,829	587,773	–	–
Unquoted perpetual bond in Malaysia	–	4,992	–	–
Unquoted Islamic private debt securities	2,047,289	1,855,009	9,980	29,929
Shariah approved unit trust funds	343,832	329,964	–	–
Real estate investment trusts:				
– Shariah approved	25,141	14,226	–	–
– Non-Shariah approved	14,896	2,782	–	–
Fixed and call deposits	1,039,451	973,713	–	–
Islamic investment accounts	2,120,760	3,331,384	250,038	265,821
Golf club memberships	233	233	50	50
Other receivables**	153,431	167,582	27,357	27,195
	12,670,004	12,020,752	367,425	373,882

* The unquoted corporate debt securities of the Company include Subordinated Unsecured Financing facilities with the Company's general takaful subsidiary. The financing carries a tenure of ten (10) years from issue date on a 10-year, non-callable 5-year basis with a profit rate of 5.00% per annum payable semi-annually in arrears.

** The other receivables of the Group comprise of accrued profit from investments, due from Lloyds' syndicate and sundry receivables. Whereas, the Company comprise of amount due from subsidiaries and accrued profit from investments.

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19. FINANCIAL AND OTHER ASSETS (CONT'D.)

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
(a) Financial assets at FVTPL				
At fair value:				
<u>Designated upon initial recognition:</u>				
Corporate debt securities	1,750,530	1,226,292	–	–
Government investment issues	2,939,553	2,366,432	–	–
Quoted shares in Malaysia:				
Unquoted Islamic private debt securities	1,626,692	1,482,048	–	–
Malaysian government securities	581,202	355,091	–	–
<u>Mandatorily measured:</u>				
Quoted shares in Malaysia:				
Shariah approved equities	794,092	508,222	–	–
Warrants	–	239	–	–
Others	135,737	79,312	–	–
Unquoted perpetual bond in Malaysia	–	4,992	–	–
Shariah approved unit trust funds	343,832	329,964	–	–
Real estate investment trusts:				
– Shariah approved	25,141	14,226	–	–
– Non-Shariah approved	14,896	2,782	–	–
	8,211,675	6,369,600	–	–

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
(b) Financial assets at FVOCI				
At fair value:				
Government investment issues	441,443	475,736	–	–
Unquoted corporate debt securities	–	–	–	49,887
Unquoted Islamic private debt securities	420,597	372,961	9,980	29,929
Unquoted shares in Malaysia ⁽ⁱ⁾	93,517	92,706	–	–
Golf club memberships	233	233	50	50
	955,790	941,636	10,030	79,866

⁽ⁱ⁾ Equity instruments designated at fair value through OCI include investments in equity shares of non-listed companies. The Group holds non-controlling interests (between 4% and 9%) in these companies. These investments were irrevocably designated at FVOCI as the Group considers these investments to be strategic in nature.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

19. FINANCIAL AND OTHER ASSETS (CONT'D.)

The pertinent information of the investments in unquoted shares in Malaysia are as follows:

	Financial Park (Labuan) Sdn. Bhd. RM'000	Malaysian Rating Corporation Berhad RM'000	Total RM'000
Fair value			
As at 1 April 2024	84,966	2,700	87,666
Fair value movement during the year	4,830	210	5,040
As at 31 March 2025	89,796	2,910	92,706
Fair value movement during the year	502	309	811
As at 31 March 2026	90,298	3,219	93,517

Disclosures on expected credit losses recognised on financial assets at FVOCI are disclosed in Note 32(a).

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
(c) Financial assets at amortised cost				
At amortised cost:				
Unquoted corporate debt securities	–	–	80,000	1,000
Fixed and call deposits with licensed*:				
Commercial banks	582,981	639,145	–	–
Foreign banks	456,470	334,568	–	–
Islamic commercial paper	54,753	64,369	–	–
Islamic investment accounts with licensed:				
Islamic banks	1,713,281	2,946,219	140,664	167,821
Commercial banks	94,449	90,000	94,449	90,000
Development banks	313,030	295,165	14,925	8,000
Commercial paper	134,144	172,468	–	–
Secured staff loans	1,756	2,233	487	642
Amounts due from subsidiaries**	–	–	23,811	22,934
Income due and accrued	90,981	92,058	2,169	2,851
Amount due from Insurance Pool accounts	18,526	16,696	–	–
Sundry receivables	20,130	23,583	100	427
	3,480,501	4,676,504	356,605	293,675
Other assets:				
Other receivables	52	140	–	–
Due from Lloyds' syndicate***	12,109	26,698	–	–
Prepayments	9,877	6,174	790	341
	3,502,539	4,709,516	357,395	294,016

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

19. FINANCIAL AND OTHER ASSETS (CONT'D.)

All items above, other than other receivables and prepayments, are financial assets measured at amortised cost. The carrying amounts disclosed above approximate fair value due to their relatively short term nature.

- * Included in fixed and call deposits with licensed financial institutions of the Group and the Company are short-term deposits with original maturity periods of less than 3 months amounting to RM86,797,233 (2025: RM55,490,669) which have been classified as cash and cash equivalents for the purpose of the statement on cash flows.
- ** The carrying amounts disclosed are non-trade in nature, unsecured, not subject to any interest/profit elements and repayable on demand.
- *** These amounts represent the Group's share, through its investment, of the assets and liabilities held through a Lloyds' syndicate. The Group has no control over the disposition of the assets and liabilities at Lloyds'.

(d) Average effective interest/profit rate

Average effective interest rates for each class of interest-bearing investment and placements with licensed financial institutions, at net carrying amounts, are as below:

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Debt securities	3.65%	4.22%	3.42%	4.12%
Staff loans	2.34%	2.11%	3.04%	3.04%
Deposits with financial institutions	4.09%	3.76%	2.96%	3.67%

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

20. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
At 1 April	8,782	10,179	5,978	5,397
Recognised in:				
Income statements (Note 13)	(7,505)	460	(2,516)	596
Tax borne by participants (Note 12)	(5,823)	(510)	–	–
Other comprehensive income	(834)	(1,347)	(38)	(15)
At 31 March	(5,380)	8,782	3,424	5,978

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred income taxes relates to the same authority. The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Deferred tax assets	39,812	42,442	3,424	5,978
Deferred tax liabilities	(45,192)	(33,660)	–	–
	(5,380)	8,782	3,424	5,978

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

20. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D.)

The components and movements of deferred tax assets/(liabilities) during the financial year prior to offsetting are as follows:

Group	Provisions and payables RM'000	Accelerated capital allowances RM'000	Insurance contracts/takaful certificates liabilities RM'000	Financial assets RM'000	Revaluation of land and buildings RM'000	Others RM'000	Total RM'000
2026							
At 1 April 2025	-	(5,093)	18,991	(13,240)	(13,638)	21,762	8,782
Recognised in:							
Income statements (Note 13)	501	(1,033)	(5,382)	(1,900)	-	309	(7,505)
Tax borne by participants (Note 12)	-	63	(2,064)	(3,975)	-	153	(5,823)
Other comprehensive income	-	-	-	(585)	(249)	-	(834)
At 31 March 2026	501	(6,063)	11,545	(19,700)	(13,887)	22,224	(5,380)
2025							
At 1 April 2024	-	(3,847)	23,279	(10,867)	(13,355)	14,969	10,179
Recognised in:							
Income statements (Note 13)	-	(1,294)	(4,795)	(244)	-	6,793	460
Tax borne by participants (Note 12)	-	48	507	(1,065)	-	-	(510)
Other comprehensive income	-	-	-	(1,064)	(283)	-	(1,347)
At 31 March 2025	-	(5,093)	18,991	(13,240)	(13,638)	21,762	8,782

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

20. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D.)

The components and movements of deferred tax assets/(liabilities) during the financial year prior to offsetting are as follows (cont'd.):

Company	Unabsorbed/ accelerated capital allowances RM'000	Unutilised business losses RM'000	Financial assets RM'000	Others RM'000	Total RM'000
2026					
At 1 April 2025	(460)	2,000	101	4,337	5,978
Recognised in:					
Income statements (Note 13)	530	(2,000)	–	(1,046)	(2,516)
Other comprehensive income	–	–	(38)	–	(38)
At 31 March 2026	70	–	63	3,291	3,424

2025

At 1 April 2024	(547)	2,000	116	3,828	5,397
Recognised in:					
Income statements (Note 13)	87	–	–	509	596
Other comprehensive income	–	–	(15)	–	(15)
At 31 March 2025	(460)	2,000	101	4,337	5,978

Deferred tax assets in respect of the following items of the Group have not been recognised as the probability of recognition cannot be determined with certainty given the lack of assessable profits in current and prior years.

	Group	
	2026 RM'000	2025 RM'000
Unutilised business losses	6,103	8,103
Year of expiry of unutilised tax losses is analysed as follows:		
Expiring in 2029	6,103	8,103

The unutilised tax losses of the Group are available for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial change in shareholdings of those entities under the Income Tax Act 1967 and guidelines issued by the tax authority enacted at the reporting date.

Deferred tax assets have not been recognised by the Group in respect of these items as it is not probable that taxable profits of its subsidiaries would be available against which these items could be utilised.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

20. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D.)

The Finance Act gazetted on 27 December 2018 has imposed a time limitation to restrict the carry forward of the unutilised tax losses. The unutilised tax losses accumulated up to the year of assessment 2018 are allowed to be carried forward for 7 consecutive years of assessment (i.e. from year of assessment 2019 to 2025) and any balance of the unutilised losses thereafter shall be disregarded.

However, following the Budget 2022 announcement and the gazetting of the Finance Act 2021 on 31 December 2021, any accumulated unutilised tax losses from the year of assessment 2019 onwards can now be carried forward to a maximum of 10 consecutive years of assessments and any balance of the unutilised tax losses thereafter shall be disregarded. This will be effective retrospectively from year of assessment 2019 (ie. from year of assessment 2019 to 2028).

21. INSURANCE/REINSURANCE CONTRACTS AND TAKAFUL/RETAKAFUL CERTIFICATES ASSETS AND LIABILITIES

The breakdown of groups of insurance contracts/takaful certificates issued and reinsurance contracts/retakaful certificates held, that are in an asset position and those in a liability position by Group is set out in the table below:

	2026			2025		
	Assets RM'000	Liabilities RM'000	Net RM'000	Assets RM'000	Liabilities RM'000	Net RM'000
Insurance contracts/ takaful certificates issued						
General reinsurance/ retakaful – Other than PAA	51,773	(3,315,016)	(3,263,243)	(4,459)	(3,189,551)	(3,194,010)
General Takaful – PAA	–	(1,542,013)	(1,542,013)	–	(1,349,703)	(1,349,703)
Family Takaful PAA	–	(33,923)	(33,923)	–	(27,963)	(27,963)
Other than PAA	85,169	(4,528,840)	(4,443,671)	110,289	(4,510,121)	(4,399,832)
Total insurance contracts/ takaful certificates issued	136,942	(9,419,792)	(9,282,850)	105,830	(9,077,338)	(8,971,508)
Reinsurance contracts/ retakaful certificates held						
General reinsurance/ retakaful – Other than PAA	354,908	(5,068)	349,840	276,524	(3,993)	272,531
General Takaful – PAA	387,212	–	387,212	289,642	–	289,642
Family Takaful PAA	3,475	(635)	2,840	–	(14,642)	(14,642)
Other than PAA	38,655	(13,036)	25,619	51,488	(15,489)	35,999
Total reinsurance contracts/retakaful certificates held	784,250	(18,739)	765,511	617,654	(34,124)	583,530

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

21. INSURANCE/REINSURANCE CONTRACTS AND TAKAFUL/RETAKAFUL CERTIFICATES ASSETS AND LIABILITIES (CONT'D.)

- a) Roll-forward of net asset or liability of insurance/reinsurance contracts and reinsurance/retakaful certificates showing the liabilities/assets for remaining coverage and the liabilities/assets for incurred claims

Insurance contracts/takaful certificates issued

General reinsurance/retakaful – Other than PAA

	2026				
	Liabilities for remaining coverage				
	Excluding loss component RM'000	Loss component RM'000	Liabilities for incurred claims RM'000	Unallocated surplus and Qard ⁱ RM'000	Total RM'000
Insurance contracts/takaful certificates liabilities as at 1 April	(474,207)	47,399	3,538,623	77,736	3,189,551
Insurance contracts/takaful certificates assets as at 1 April	(108,187)	957	111,689	-	4,459
Net insurance contracts/takaful certificates (assets)/liabilities as at 1 April	(582,394)	48,356	3,650,312	77,736	3,194,010
Insurance/takaful revenue	(1,746,695)	-	-	-	(1,746,695)
Contracts under the fair value approach	(236,874)	-	-	-	(236,874)
New contracts and contracts under full retrospective approach	(1,509,821)	-	-	-	(1,509,821)
Insurance/takaful service expenses	114,783	19,406	1,088,000	-	1,222,189
Insurance/takaful service result	(1,631,912)	19,406	1,088,000	-	(524,506)
Insurance/takaful finance expenses	59,195	(1,173)	101,994	(2,359)	157,657
Effect of movements in exchange rates	4,180	(1,147)	(89,062)	-	(86,029)
Total changes in the income statements	(1,568,537)	17,086	1,100,932	(2,359)	(452,878)
<i>Cash flows</i>					
Premiums/contributions received	2,012,463	-	-	-	2,012,463
Claims and other expenses paid	-	-	(1,228,520)	-	(1,228,520)
Insurance/takaful acquisition cash flows	(112,327)	-	-	-	(112,327)
Total cash flows	1,900,136	-	(1,228,520)	-	671,616
Other movements	(193,461)	448	(3,358)	46,866	(149,505)
Net insurance contracts/takaful certificates (assets)/liabilities as at 31 March	(444,256)	65,890	3,519,366	122,243	3,263,243
Insurance contracts/takaful certificates liabilities as at 31 March	(321,615)	34,565	3,464,360	137,706	3,315,016
Insurance contracts/takaful certificates assets as at 31 March	(122,641)	31,325	55,006	(15,463)	(51,773)
Net insurance contracts/takaful certificates (assets)/liabilities as at 31 March	(444,256)	65,890	3,519,366	122,243	3,263,243



NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

21. INSURANCE/REINSURANCE CONTRACTS AND TAKAFUL/RETAKAFUL CERTIFICATES ASSETS AND LIABILITIES (CONT'D.)

- a) Roll-forward of net asset or liability of insurance/reinsurance contracts and reinsurance/retakaful certificates showing the liabilities/assets for remaining coverage and the liabilities/assets for incurred claims (cont'd.)

Insurance contracts/takaful certificates issued (cont'd.)

General reinsurance/retakaful – Other than PAA (cont'd.)

	2025				
	Liabilities for remaining coverage				
	Excluding loss component RM'000	Loss component RM'000	Liabilities for incurred claims RM'000	Unallocated surplus and Qard' RM'000	Total RM'000
Insurance contracts/takaful certificates liabilities as at 1 April	(431,881)	72,592	3,222,962	67,847	2,931,520
Insurance contracts/takaful certificates assets as at 1 April	(15,056)	204	7,363	-	(7,489)
Net insurance contracts/takaful certificates (assets)/liabilities as at 1 April	(446,937)	72,796	3,230,325	67,847	2,924,031
Insurance/takaful revenue	(1,854,648)	-	-	-	(1,854,648)
Contracts/certificates under the fair value approach	(462,722)	-	-	-	(462,722)
New contracts/certificates and contracts/certificates under full retrospective approach	(1,391,926)	-	-	-	(1,391,926)
Insurance/takaful service expenses	101,097	(30,979)	1,350,607	-	1,420,725
Insurance/takaful service result	(1,753,551)	(30,979)	1,350,607	-	(433,923)
Insurance/takaful finance expenses	52,070	6,807	95,487	2,903	157,267
Effect of movements in exchange rates	65,776	(2,971)	(146,525)	-	(83,720)
Total changes in the income statements	(1,635,705)	(27,143)	1,299,569	2,903	(360,376)
<i>Cash flows</i>					
Premiums/contributions received	1,566,023	-	-	-	1,566,023
Qard received	-	-	-	485	485
Claims and other expenses paid	-	-	(766,518)	-	(766,518)
Insurance/takaful acquisition cash flows	(116,633)	-	-	-	(116,633)
Total cash flows	1,449,390	-	(766,518)	485	683,357
Other movements	50,858	2,703	(113,064)	6,501	(53,002)
Net insurance contracts/takaful certificates (assets)/liabilities as at 31 March	(582,394)	48,356	3,650,312	77,736	3,194,010
Insurance contracts/takaful certificates liabilities as at 31 March	(474,207)	47,399	3,538,623	77,736	3,189,551
Insurance contracts/takaful certificates assets as at 31 March	(108,187)	957	111,689	-	4,459
Net insurance contracts/takaful certificates (assets)/liabilities as at 31 March	(582,394)	48,356	3,650,312	77,736	3,194,010

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

21. INSURANCE/REINSURANCE CONTRACTS AND TAKAFUL/RETAKAFUL CERTIFICATES ASSETS AND LIABILITIES (CONT'D.)

- a) **Roll-forward of net asset or liability of insurance/reinsurance contracts and reinsurance/retakaful certificates showing the liabilities/assets for remaining coverage and the liabilities/assets for incurred claims (cont'd.)**

Insurance contracts/takaful certificates issued (cont'd.)

General reinsurance/retakaful – Other than PAA (cont'd.)

ⁱ Qard

The balance and reconciliations of fulfilment cash flows include obligations to repay Qard advanced by the Shareholder's Fund to the General and Family Retakaful Funds. Qard was advanced by the Shareholder's Fund in compliance with the requirements set out in paragraph 19 of the BNM Takaful Operating Framework. Consistent with those requirements, the amount does not bear interest. The amount is repayable, and if to the extent, the General and Family Retakaful Funds have available resources. In accordance with Paragraph 19.4 of the BNM TOF, the Shareholder's Fund has determined a time period during which the Qard shall be repaid and consequently the period beyond which any unpaid Qard will be deemed irrecoverable and the outstanding amount forgiven. The table below reconciles the nominal value of the Qard included in fulfilment cash flows:

	General Retakaful Fund		Family Retakaful Fund	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Opening balance	25,300	36,061	32,205	32,205
Reversal of Qard during the year	(2,000)	(10,761)	–	–
Closing balance	23,300	25,300	32,205	32,205

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

21. INSURANCE/REINSURANCE CONTRACTS AND TAKAFUL/RETAKAFUL CERTIFICATES ASSETS AND LIABILITIES (CONT'D.)

- a) Roll-forward of net asset or liability of insurance/reinsurance contracts and reinsurance/retakaful certificates showing the liabilities/assets for remaining coverage and the liabilities/assets for incurred claims (cont'd.)

Insurance contracts/takaful certificates issued (cont'd.)

General Takaful (PAA) (cont'd.)

	2025					
	Liabilities for remaining coverage			Liability for incurred claims		
	Excluding loss component RM'000	Loss component RM'000	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Unallocated Surplus RM'000	Total RM'000
Takaful certificates liabilities as at 1 April	383,604	2,894	572,757	52,938	188,826	1,201,019
Takaful certificates assets as at 1 April	-	-	-	-	-	-
Net takaful certificates liabilities as at 1 April	383,604	2,894	572,757	52,938	188,826	1,201,019
Takaful revenue	(868,484)	-	-	-	-	(868,484)
Takaful service expenses	175,034	1,268	553,873	3,736	-	733,911
Takaful service results	(693,450)	1,268	553,873	3,736	-	(134,573)
Takaful finance expenses	5,546	240	18,420	1,805	1,412	27,423
Total changes in the income statements	(687,904)	1,508	572,293	5,541	1,412	(107,150)
<i>Cash flows</i>						
Contributions received	968,862	-	-	-	-	968,862
Takaful acquisition cash flow	(205,086)	-	-	-	-	(205,086)
Claims and other expenses paid	-	-	(507,038)	-	-	(507,038)
Total cash flows	763,776	-	(507,038)	-	-	256,738
Other movements	(1,227)	-	1,227	-	(904)	(904)
Net takaful certificates liabilities as at 31 March	458,249	4,402	639,239	58,479	189,334	1,349,703
Takaful certificates liabilities as at 31 March	458,249	4,402	639,239	58,479	189,334	1,349,703
Takaful certificates assets as at 31 March	-	-	-	-	-	-
Net takaful certificates liabilities as at 31 March	458,249	4,402	639,239	58,479	189,334	1,349,703



NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

21. INSURANCE/REINSURANCE CONTRACTS AND TAKAFUL/RETAKAFUL CERTIFICATES ASSETS AND LIABILITIES (CONT'D.)

- a) Roll-forward of net asset or liability of insurance/reinsurance contracts and reinsurance/retakaful certificates showing the liabilities/assets for remaining coverage and the liabilities/assets for incurred claims (cont'd.)

Insurance contracts/takaful certificates issued (cont'd.)

Family Takaful – Other than PAA

	2026				
	Liabilities for remaining coverage				
	Excluding loss component RM'000	Loss component RM'000	Liabilities for incurred claims RM'000	Unallocated Surplus RM'000	Total RM'000
Takaful certificates liabilities as at 1 April	3,957,774	13,847	112,787	425,713	4,510,121
Takaful certificates assets as at 1 April	(107,982)	-	(2,307)	-	(110,289)
Net takaful certificates liabilities as at 1 April	3,849,792	13,847	110,480	425,713	4,399,832
Takaful revenue	(394,979)	-	-	-	(394,979)
Contracts under the fair value approach	(250,288)	-	-	-	(250,288)
New contracts and contracts under full retrospective approach	(144,691)	-	-	-	(144,691)
Takaful service expenses	55,994	3,076	335,904	-	394,974
Investment components	(218,425)	-	218,425	-	-
Takaful service result	(557,410)	3,076	554,329	-	(5)
Takaful finance expenses	167,918	(29)	(21,810)	-	146,079
Unallocated surplus attributable to participants	-	-	-	(12,627)	(12,627)
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the income statements	(389,492)	3,047	532,519	(12,627)	133,447
<i>Cash flows</i>					
Contributions received	555,729	-	-	-	555,729
Claims paid, including investment components	-	-	(470,803)	-	(470,803)
Administration and other expenses	-	-	-	-	-
Takaful acquisition cash flows	(59,014)	-	-	-	(59,014)
Total cash flows	496,715	-	(470,803)	-	25,912
Other movements	(353,908)	-	296,091	(57,703)	(15,520)
Net takaful certificates liabilities as at 31 March	3,603,107	16,894	468,287	355,383	4,443,671
Takaful certificates liabilities as at 31 March	3,688,276	16,894	468,287	355,383	4,528,840
Takaful certificates assets as at 31 March	(85,169)	-	-	-	(85,169)
Net takaful certificates liabilities as at 31 March	3,603,107	16,894	468,287	355,383	4,443,671

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

21. INSURANCE/REINSURANCE CONTRACTS AND TAKAFUL/RETAKAFUL CERTIFICATES ASSETS AND LIABILITIES (CONT'D.)

- a) Roll-forward of net asset or liability of insurance/reinsurance contracts and reinsurance/retakaful certificates showing the liabilities/assets for remaining coverage and the liabilities/assets for incurred claims (cont'd.)

Insurance contracts/takaful certificates issued (cont'd.)

Family Takaful – Other than PAA (cont'd.)

	2025				
	Liabilities for remaining coverage				
	Excluding loss component RM'000	Loss component RM'000	Liabilities for incurred claims RM'000	Unallocated Surplus RM'000	Total RM'000
Takaful certificates liabilities as at 1 April	3,756,507	13,418	65,792	473,872	4,309,589
Takaful certificates assets as at 1 April	(56,459)	-	(2,386)	-	(58,845)
Net takaful certificates liabilities as at 1 April	3,700,048	13,418	63,406	473,872	4,250,744
Takaful revenue	(310,079)	-	-	-	(310,079)
Contracts under the fair value approach	(199,460)	-	-	-	(199,460)
New contracts and contracts under full retrospective approach	(110,619)	-	-	-	(110,619)
Takaful service expenses	55,341	130	304,063	-	359,534
Investment components	(211,935)	-	211,935	-	-
Takaful service result	(466,673)	130	515,998	-	49,455
Takaful finance expenses	178,496	299	-	-	178,795
Unallocated surplus attributable to participants	-	-	-	(64,020)	(64,020)
Total changes in the income statements	(288,177)	429	515,998	(64,020)	164,230
<i>Cash flows</i>					
Contributions received	551,607	-	-	-	551,607
Claims paid, including investment components	-	-	(455,227)	-	(455,227)
Administration and other expenses	-	-	(52,476)	-	(52,476)
Takaful acquisition cash flows	(103,843)	-	-	-	(103,843)
Total cash flows	447,764	-	(507,703)	-	(59,939)
Other movements	(9,843)	-	38,779	15,861	44,797
Net takaful certificates liabilities as at 31 March	3,849,792	13,847	110,480	425,713	4,399,832
Takaful certificates liabilities as at 31 March	3,957,774	13,847	112,787	425,713	4,510,121
Takaful certificates assets as at 31 March	(107,982)	-	(2,307)	-	(110,289)
Net takaful certificates liabilities as at 31 March	3,849,792	13,847	110,480	425,713	4,399,832

31 March 2026

21. INSURANCE/REINSURANCE CONTRACTS AND TAKAFUL/RETAKAFUL CERTIFICATES ASSETS AND LIABILITIES (CONT'D.)

- a) Roll-forward of net asset or liability of insurance/reinsurance contracts and reinsurance/retakaful certificates showing the liabilities/assets for remaining coverage and the liabilities/assets for incurred claims (cont'd.)

Insurance contracts/takaful certificates issued (cont'd.)

2026						
	Liabilities for remaining coverage		Liability for incurred claims			
	Excluding loss component RM'000	Loss component RM'000	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Unallocated Surplus RM'000	Total RM'000
Takaful certificates liabilities as at 1 April	6,126	-	789	-	21,048	27,963
Takaful certificates assets as at 1 April	-	-	-	-	-	-
Net takaful certificates liabilities as at 1 April	6,126	-	789	-	21,048	27,963
Takaful revenue	(89,671)	-	-	-	-	(89,671)
Takaful service expenses	27,319	-	38,615	-	-	65,934
Takaful service results	(62,352)	-	38,615	-	-	(23,737)
Unallocated surplus attributable to participants	-	-	-	-	17,049	17,049
Total changes in the income statements	(62,352)	-	38,615	-	17,049	(6,688)
<i>Cash flows</i>						
Contributions received	116,998	-	-	-	-	116,998
Claims and other expenses paid	-	-	(49,948)	-	-	(49,948)
Takaful acquisition cash flows	(23,201)	-	-	-	-	(23,201)
Total cash flows	93,797	-	(49,948)	-	-	43,849
Other movements	(40,666)	-	35,555	-	(26,090)	(31,201)
Net takaful certificates liabilities as at 31 March	(3,095)	-	25,011	-	12,007	33,923
Takaful certificates liabilities as at 31 March	(3,095)	-	25,011	-	12,007	33,923
Takaful certificates assets as at 31 March	-	-	-	-	-	-
Net takaful certificates liabilities as at 31 March	(3,095)	-	25,011	-	12,007	33,923

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

21. INSURANCE/REINSURANCE CONTRACTS AND TAKAFUL/RETAKAFUL CERTIFICATES ASSETS AND LIABILITIES (CONT'D.)

- a) Roll-forward of net asset or liability of insurance/reinsurance contracts and reinsurance/retakaful certificates showing the liabilities/assets for remaining coverage and the liabilities/assets for incurred claims (cont'd.)

Insurance contracts/takaful certificates issued (cont'd.)

Family Takaful – PAA (cont'd.)

	2025				
	Liabilities for remaining coverage		Liability for incurred claims		
	Excluding loss component RM'000	Loss component RM'000	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Unallocated Surplus RM'000
Takaful certificates liabilities as at 1 April	29,210	-	7,516	-	14,291
Takaful certificates assets as at 1 April	-	-	-	-	-
Net takaful certificates liabilities as at 1 April	29,210	-	7,516	-	14,291
Takaful revenue	(101,907)	-	-	-	-
Takaful service expenses	16,939	-	52,386	-	-
Investment components	(2,778)	-	2,778	-	-
Takaful service results	(87,746)	-	55,164	-	-
Unallocated surplus attributable to participants	-	-	-	-	6,757
Total changes in the income statements	(87,746)	-	55,164	-	6,757
Total cash flows	(87,746)	-	55,164	-	(25,825)
Cash flows					
Contributions received	78,970	-	-	-	-
Claims and other expenses paid	-	-	(61,891)	-	-
Takaful acquisition cash flows	(16,939)	-	-	-	-
Total cash flows	62,031	-	(61,891)	-	140
Other movements	2,631	-	-	-	2,631
Net takaful certificates liabilities as at 31 March	6,126	-	789	-	21,048
Takaful certificates liabilities as at 31 March	6,126	-	789	-	21,048
Takaful certificates assets as at 31 March	-	-	-	-	-
Net takaful certificates liabilities as at 31 March	6,126	-	789	-	21,048
Net takaful certificates liabilities as at 31 March	6,126	-	789	-	27,963

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

21. INSURANCE/REINSURANCE CONTRACTS AND TAKAFUL/RETAKAFUL CERTIFICATES ASSETS AND LIABILITIES (CONT'D.)

- a) Roll-forward of net asset or liability of insurance/reinsurance contracts and reinsurance/retakaful certificates showing the liabilities/assets for remaining coverage and the liabilities/assets for incurred claims (cont'd.)

Reinsurance contracts/retakaful certificates held

General reinsurance/retakaful – Other than PAA

	2026			
	Assets for remaining coverage			
	Excluding loss recovery component RM'000	Loss recovery component RM'000	Amounts recoverable: claims incurred RM'000	Total RM'000
Reinsurance contracts/retakaful certificates assets as at 1 April	(84,892)	9,758	351,658	276,524
Reinsurance contracts/retakaful certificates liabilities as at 1 April	(4,756)	–	763	(3,993)
Net reinsurance contracts/retakaful certificates (liabilities)/assets as at 1 April	(89,648)	9,758	352,421	272,531
Allocation of premiums/contributions	(327,252)	–	–	(327,252)
Amounts recoverable from reinsurers/retakaful operators	–	(7,483)	175,370	167,887
Net income or expense from reinsurance contracts/retakaful certificates held	(327,252)	(7,483)	175,370	(159,365)
Reinsurance/retakaful finance income	9,695	426	7,616	17,737
Effect of changes in non-performance risk of reinsurers/retakaful operators	(183)	–	309	126
Effect of movements in exchange rates	(2,657)	(1,033)	(8,718)	(12,408)
Total changes in the income statements	(320,397)	(8,090)	174,577	(153,910)
<i>Cash flows</i>				
Premiums/contributions and other expenses paid	341,306	–	(8,664)	332,642
Amounts received	–	–	(103,935)	(103,935)
Total cash flows	341,306	–	(112,599)	228,707
Other movements	2,537	–	(25)	2,512
Net reinsurance contracts/retakaful certificates (liabilities)/assets as at 31 March	(66,202)	1,668	414,374	349,840
Reinsurance contracts/retakaful certificates assets as at 31 March	(60,917)	1,668	414,157	354,908
Reinsurance contracts/retakaful certificates liabilities as at 31 March	(5,285)	–	217	(5,068)
Net reinsurance contracts/retakaful certificates (liabilities)/assets as at 31 March	(66,202)	1,668	414,374	349,840

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

21. INSURANCE/REINSURANCE CONTRACTS AND TAKAFUL/RETAKAFUL CERTIFICATES ASSETS AND LIABILITIES (CONT'D.)

- a) Roll-forward of net asset or liability of insurance/reinsurance contracts and reinsurance/retakaful certificates showing the liabilities/assets for remaining coverage and the liabilities/assets for incurred claims (cont'd.)

Reinsurance contracts/retakaful certificates held (cont'd.)

General reinsurance/retakaful – Other than PAA (cont'd.)

	2025			
	Assets for remaining coverage			
	Excluding loss recovery component RM'000	Loss recovery component RM'000	Amounts recoverable: claims incurred RM'000	Total RM'000
Reinsurance contracts/retakaful certificates assets as at 1 April	(140,877)	29,319	274,302	162,744
Reinsurance contracts/retakaful certificates liabilities as at 1 April	(5,697)	-	16	(5,681)
Net reinsurance contracts/retakaful certificates (liabilities)/assets as at 1 April	(146,574)	29,319	274,318	157,063
Allocation of premiums/contributions	(319,473)	-	-	(319,473)
Amounts recoverable from reinsurers/retakaful operators	-	(18,375)	229,224	210,849
Net income or expense from reinsurance contracts/retakaful certificates held	(319,473)	(18,375)	229,224	(108,624)
Reinsurance/retakaful finance income	12,538	356	5,213	18,107
Effect of changes in non-performance risk of reinsurers/retakaful operators	-	-	(82)	(82)
Effect of movements in exchange rates	2,916	(1,542)	(13,609)	(12,235)
Total changes in the income statements	(304,019)	(19,561)	220,746	(102,834)
<i>Cash flows</i>				
Premiums/contributions paid	361,132	-	(6,023)	355,109
Amounts received	-	-	(136,620)	(136,620)
Total cash flows	361,132	-	(142,643)	218,489
Other movements	(187)	-	-	(187)
Net reinsurance contracts/retakaful certificates (liabilities)/assets as at 31 March	(89,648)	9,758	352,421	272,531
Reinsurance contracts/retakaful certificates assets as at 31 March	(84,892)	9,758	351,658	276,524
Reinsurance contracts/retakaful certificates liabilities as at 31 March	(4,756)	-	763	(3,993)
Net reinsurance contracts/retakaful certificates (liabilities)/assets as at 31 March	(89,648)	9,758	352,421	272,531



NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

21. INSURANCE/REINSURANCE CONTRACTS AND TAKAFUL/RETAKAFUL CERTIFICATES ASSETS AND LIABILITIES (CONT'D.)

- a) Roll-forward of net asset or liability of insurance/reinsurance contracts and reinsurance/retakaful certificates showing the liabilities/assets for remaining coverage and the liabilities/assets for incurred claims (cont'd.)

Reinsurance contracts/retakaful certificates held (cont'd.)

General Takaful – PAA

	2026				
	Assets for remaining coverage		Amounts recoverable: claims incurred		
	Excluding loss recovery component RM'000	Loss recovery component RM'000	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Total RM'000
Retakaful certificates assets as at 1 April	(98,562)	-	364,394	23,810	289,642
Retakaful certificates liabilities as at 1 April	-	-	-	-	-
Net retakaful certificates assets/(liabilities) as at 1 April	(98,562)	-	364,394	23,810	289,642
Allocation of retakaful contributions	(349,577)	-	-	-	(349,577)
Amounts recoverable from retakaful operators	-	-	257,499	2,617	260,116
Net income or expense from retakaful certificates held	(349,577)	-	257,499	2,617	(89,461)
Retakaful finance income	-	-	9,116	924	10,040
Total changes in the income statements	(349,577)	-	266,615	3,541	(79,421)
<i>Cash flows</i>					
Contributions paid	452,349	-	-	-	452,349
Amounts received	-	-	(248,425)	-	(248,425)
Total cash flows	452,349	-	(248,425)	-	203,924
Other movements	(53,294)	-	24,835	1,526	(26,933)
Net retakaful certificates (liabilities)/assets as at 31 March	(49,084)	-	407,419	28,877	387,212
Takaful certificates liabilities as at 31 March	(49,084)	-	407,419	28,877	387,212
Takaful certificates assets as at 31 March	-	-	-	-	-
Net retakaful certificates (liabilities)/assets as at 31 March	(49,084)	-	407,419	28,877	387,212

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

21. INSURANCE/REINSURANCE CONTRACTS AND TAKAFUL/RETAKAFUL CERTIFICATES ASSETS AND LIABILITIES (CONT'D.)

- a) Roll-forward of net asset or liability of insurance/reinsurance contracts and reinsurance/retakaful certificates showing the liabilities/assets for remaining coverage and the liabilities/assets for incurred claims (cont'd.)

Reinsurance contracts/retakaful certificates held (cont'd.)

General Takaful – PAA (cont'd.)

	2025					
	Assets for remaining coverage			Amounts recoverable: claims incurred		
	Excluding loss recovery component RM'000	Loss recovery component RM'000	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Total RM'000	
Retakaful certificates assets as at 1 April	44,533	(135)	252,624	22,787	319,809	
Retakaful certificates liabilities as at 1 April	-	-	-	-	-	
Net retakaful certificates assets/(liabilities) as at 1 April	44,533	(135)	252,624	22,787	319,809	
Allocation of retakaful contributions	(242,500)	-	-	-	(242,500)	
Amounts recoverable from retakaful operators	-	-	173,656	1,371	175,027	
Net income or expense from retakaful certificates held	(242,500)	-	173,656	1,371	(67,473)	
Retakaful finance income	-	-	7,549	744	8,293	
Total changes in the income statements	(242,500)	-	181,205	2,115	(59,180)	
<i>Cash flows</i>						
Contributions paid	131,708	-	-	-	131,708	
Amounts received	-	-	(74,895)	-	(74,895)	
Total cash flows	131,708	-	(74,895)	-	56,813	
Other movements	(32,303)	135	5,460	(1,092)	(27,800)	
Net retakaful certificates (liabilities)/assets as at 31 March	(98,562)	-	364,394	23,810	289,642	
Takaful certificates liabilities as at 31 March	(98,562)	-	364,394	23,810	289,642	
Takaful certificates assets as at 31 March	-	-	-	-	-	
Net retakaful certificates (liabilities)/assets as at 31 March	(98,562)	-	364,394	23,810	289,642	

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

21. INSURANCE/REINSURANCE CONTRACTS AND TAKAFUL/RETAKAFUL CERTIFICATES ASSETS AND LIABILITIES (CONT'D.)

- a) Roll-forward of net asset or liability of insurance/reinsurance contracts and reinsurance/retakaful certificates showing the liabilities/assets for remaining coverage and the liabilities/assets for incurred claims (cont'd.)

Reinsurance contracts/retakaful certificates held (cont'd.)

Family Takaful – Other than PAA

	2026				
	Assets for remaining coverage		Amounts recoverable: claims incurred		
	Excluding loss recovery component RM'000	Loss recovery component RM'000	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Total RM'000
Retakaful certificates assets as at 1 April	1,035	-	47,185	3,268	51,488
Retakaful certificates liabilities as at 1 April	(34,826)	-	19,337	-	(15,489)
Net retakaful certificates assets/(liabilities) as at 1 April	(33,791)	-	66,522	3,268	35,999
Allocation of retakaful contributions	(92,703)	-	-	-	(92,703)
Amounts recoverable from retakaful operators	-	-	44,024	82	44,106
Total changes in the income statements	(92,703)	-	44,024	82	(48,597)
<i>Cash flows</i>					
Contributions paid	89,325	-	-	-	89,325
Amount received, including investment components	-	-	(48,151)	-	(48,151)
Total cash flows	89,325	-	(48,151)	-	41,174
Other movements	(67,627)	-	64,670	-	(2,957)
Net retakaful certificates (liabilities)/assets as at 31 March	(104,796)	-	127,065	3,350	25,619
Takaful certificates liabilities as at 31 March	(61,071)	-	96,886	2,840	38,655
Takaful certificates assets as at 31 March	(43,725)	-	30,179	510	(13,036)
Net retakaful certificates (liabilities)/assets as at 31 March	(104,796)	-	127,065	3,350	25,619

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

21. INSURANCE/REINSURANCE CONTRACTS AND TAKAFUL/RETAKAFUL CERTIFICATES ASSETS AND LIABILITIES (CONT'D.)

- a) Roll-forward of net asset or liability of insurance/reinsurance contracts and reinsurance/retakaful certificates showing the liabilities/assets for remaining coverage and the liabilities/assets for incurred claims (cont'd.)

Reinsurance contracts/retakaful certificates held (cont'd.)

Family Takaful – Other than PAA (cont'd.)

	2025				
	Assets for remaining coverage		Amounts recoverable: claims incurred		
	Excluding loss recovery component RM'000	Loss recovery component RM'000	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Total RM'000
Retakaful certificates assets as at 1 April	(16,198)	(36)	40,780	3,898	28,444
Retakaful certificates liabilities as at 1 April	(23,739)	-	12,473	-	(11,266)
Net retakaful certificates assets/(liabilities) as at 1 April	(39,937)	(36)	53,253	3,898	17,178
Allocation of retakaful contributions	(103,519)	-	-	-	(103,519)
Amounts recoverable from retakaful operators	-	-	74,395	(630)	73,765
Net income or expense from retakaful certificates held	(103,519)	-	74,395	(630)	(29,754)
Total changes in the income statements	(103,519)	-	74,395	(630)	(29,754)
<i>Cash flows</i>					
Contributions paid	103,255	-	-	-	103,255
Amount received, including investment components	-	-	(80,647)	-	(80,647)
Total cash flows	103,255	-	(80,647)	-	22,608
Other movements	6,410	36	19,521	-	25,967
Net retakaful certificates (liabilities)/assets as at 31 March	(33,791)	-	66,522	3,268	35,999
Takaful certificates liabilities as at 31 March	1,035	-	47,185	3,268	51,488
Takaful certificates assets as at 31 March	(34,826)	-	19,337	-	(15,489)
Net retakaful certificates (liabilities)/assets as at 31 March	(33,791)	-	66,522	3,268	35,999

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

21. INSURANCE/REINSURANCE CONTRACTS AND TAKAFUL/RETAKAFUL CERTIFICATES ASSETS AND LIABILITIES (CONT'D.)

- a) Roll-forward of net asset or liability of insurance/reinsurance contracts and reinsurance/retakaful certificates showing the liabilities/assets for remaining coverage and the liabilities/assets for incurred claims (cont'd.)

Reinsurance contracts/retakaful certificates held (cont'd.)

Family Takaful – PAA

	2026				
	Assets for remaining coverage		Amounts recoverable: claims incurred		
	Excluding loss recovery component RM'000	Loss recovery component RM'000	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Total RM'000
Retakaful certificates assets as at 1 April	-	-	-	-	-
Retakaful certificates liabilities as at 1 April	(17,558)	-	2,916	-	(14,642)
Net retakaful certificates (liabilities)/assets as at 1 April	(17,558)	-	2,916	-	(14,642)
Allocation of retakaful contributions	(29,262)	-	-	-	(29,262)
Amounts recoverable from retakaful operators	-	-	22,456	-	22,456
Net income or expense from retakaful certificates held	(29,262)	-	22,456	-	(6,806)
Total changes in the income statements	(29,262)	-	22,456	-	(6,806)
<i>Cash flows</i>					
Contributions paid	41,941	-	-	-	41,941
Amount received, including investment components	-	-	(21,669)	-	(21,669)
Total cash flows	41,941	-	(21,669)	-	20,272
Other movements	(36,755)	-	40,771	-	4,016
Net retakaful certificates (liabilities)/assets as at 31 March	(41,634)	-	44,474	-	2,840
Retakaful certificates liabilities as at 31 March	(20,572)	-	24,047	-	3,475
Retakaful certificates assets as at 31 March	(21,062)	-	20,427	-	(635)
Net retakaful certificates (liabilities)/assets as at 31 March	(41,634)	-	44,474	-	2,840

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

21. INSURANCE/REINSURANCE CONTRACTS AND TAKAFUL/RETAKAFUL CERTIFICATES ASSETS AND LIABILITIES (CONT'D.)

- a) Roll-forward of net asset or liability of insurance/reinsurance contracts and reinsurance/retakaful certificates showing the liabilities/assets for remaining coverage and the liabilities/assets for incurred claims (cont'd.)

Reinsurance contracts/retakaful certificates held (cont'd.)

Family Takaful – PAA (cont'd.)

	2025				
	Assets for remaining coverage		Amounts recoverable: claims incurred		
	Excluding loss recovery component RM'000	Loss recovery component RM'000	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Total RM'000
Retakaful certificates assets as at 1 April	(2,602)	-	2,686	-	84
Retakaful certificates liabilities as at 1 April	(14,991)	-	-	-	(14,991)
Net retakaful certificates (liabilities)/assets as at 1 April	(17,593)	-	2,686	-	(14,907)
Allocation of retakaful contributions	346	-	-	-	346
Amounts recoverable from retakaful operators	-	-	(381)	-	(381)
Net income or expense from retakaful certificates held	346	-	(381)	-	(35)
Total changes in the income statements	346	-	(381)	-	(35)
<i>Cash flows</i>					
Contributions paid	309	-	-	-	309
Amount received, including investment components	-	-	(143)	-	(143)
Total cash flows	309	-	(143)	-	166
Other movements	(620)	-	754	-	134
Net retakaful certificates (liabilities)/assets as at 31 March	(17,558)	-	2,916	-	(14,642)
Takaful certificates liabilities as at 31 March	-	-	-	-	-
Takaful certificates assets as at 31 March	(17,558)	-	2,916	-	(14,642)
Net retakaful certificates (liabilities)/assets as at 31 March	(17,558)	-	2,916	-	(14,642)

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

21. INSURANCE/REINSURANCE CONTRACTS AND TAKAFUL/RETAKAFUL CERTIFICATES ASSETS AND LIABILITIES (CONT'D.)

- b) Roll-forward of net asset or liability of insurance/reinsurance contracts and takaful/retakaful certificates showing the present value of future cash flows, risk adjustment and CSM

Insurance contracts/takaful certificates issued

General reinsurance/retakaful - Other than PAA

	2026				
	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Unallocated Surplus and Qard RM'000	Total RM'000
Insurance contracts/takaful certificates liabilities as at 1 April	2,190,365	450,670	498,217	77,620	3,216,872
Insurance contracts/takaful certificates assets as at 1 April	(23,075)	(724)	821	116	(22,862)
Net insurance contracts/takaful certificates liabilities as at 1 April	2,167,290	449,946	499,038	77,736	3,194,010
<u>Changes that relate to current services</u>					
Contractual service margin recognised for services provided	–	–	(363,756)	–	(363,756)
Risk adjustment for the risk expired	–	(28,989)	–	–	(28,989)
Experience adjustments	(72,524)				(72,524)
<u>Changes that relate to future services</u>					
Contracts/certificates initially recognised in the period	(578,488)	136,635	466,317	–	24,464
Changes in estimates that adjust the contractual service margin	83,576	46,600	(130,176)	–	–
Changes in estimates that do not adjust the contractual service margin	15,296	(23,832)	–	–	(8,536)
<u>Changes that relate to past services</u>					
Adjustment to liabilities for incurred claims	(120,202)	(136,837)	–	–	(257,039)
Insurance/takaful service results	(672,342)	(6,423)	(27,615)	–	(706,380)
Insurance/takaful finance expense	119,845	11,696	29,596	24,658	185,795
Effect of movements in exchange rates	(57,431)	(18,251)	(10,347)	–	(86,029)
Total changes in the income statements	(609,928)	(12,978)	(8,366)	24,658	(606,614)

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

21. INSURANCE/REINSURANCE CONTRACTS AND TAKAFUL/RETAKAFUL CERTIFICATES ASSETS AND LIABILITIES (CONT'D.)

- b) Roll-forward of net asset or liability of insurance/reinsurance contracts and takaful/retakaful certificates showing the present value of future cash flows, risk adjustment and CSM (cont'd.)

Insurance contracts/takaful certificates issued (cont'd.)

General reinsurance/retakaful - Other than PAA (cont'd.)

	2026				
	Excluding loss recovery component RM'000	Loss recovery component RM'000	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Total RM'000
<i>Cash flows</i>					
Premiums/contributions received	2,114,013	–	–	–	2,114,013
Claims and other expenses paid	(1,282,796)	–	–	–	(1,282,796)
Insurance/takaful acquisition cash flows	(114,206)	–	–	–	(114,206)
Total cash flows	717,011	–	–	–	717,011
Other movements	(41,164)	–	–	–	(41,164)
Net insurance contracts/takaful certificates liabilities as at 31 March	2,233,209	436,968	490,672	102,394	3,263,243
Insurance contracts/takaful certificates liabilities as at 31 March	2,491,214	396,364	353,197	117,857	3,358,632
Insurance contracts/takaful certificates assets as at 31 March	(258,005)	40,604	137,475	(15,463)	(95,389)
Net insurance contracts/takaful certificates liabilities as at 31 March	2,233,209	436,968	490,672	102,394	3,263,243

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

21. INSURANCE/REINSURANCE CONTRACTS AND TAKAFUL/RETAKAFUL CERTIFICATES ASSETS AND LIABILITIES (CONT'D.)

- b) Roll-forward of net asset or liability of insurance/reinsurance contracts and takaful/retakaful certificates showing the present value of future cash flows, risk adjustment and CSM (cont'd.)

Insurance contracts/takaful certificates issued (cont'd.)

General reinsurance/retakaful - Other than PAA (cont'd.)

	2025				
	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Unallocated Surplus and Qard RM'000	Total RM'000
Insurance contracts/takaful certificates liabilities as at 1 April	2,121,433	344,240	398,000	67,847	2,931,520
Insurance contracts/takaful certificates assets as at 1 April	(15,818)	1,995	6,334	–	(7,489)
Net insurance contracts/takaful certificates liabilities as at 1 April	2,105,615	346,235	404,334	67,847	2,924,031
<u>Changes that relate to current services</u>					
Contractual service margin recognised for services provided	–	–	(492,860)	–	(492,860)
Risk adjustment for the risk expired	–	10,563	–	–	10,563
Experience adjustments	247,591	(3,758)	494	–	244,327
<u>Changes that relate to future services</u>					
Contracts/certificates initially recognised in the period	(618,918)	173,666	477,852	–	32,600
Changes in estimates that adjust the contractual service margin	(127,149)	29,533	97,616	–	–
Changes in estimates that do not adjust the contractual service margin	(26,662)	(35,796)	–	–	(62,458)
<u>Changes that relate to past services</u>					
Adjustment to liabilities for incurred claims	(94,522)	(71,575)	–	–	(166,097)
Insurance/takaful service results	(619,660)	102,633	83,102	–	(433,925)
Insurance/takaful finance expense	120,983	14,003	19,378	2,903	157,267
Effect of movements in exchange rates	(59,346)	(15,413)	(8,962)	–	(83,721)
Total changes in the income statements	(558,023)	101,223	93,518	2,903	(360,379)

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

21. INSURANCE/REINSURANCE CONTRACTS AND TAKAFUL/RETAKAFUL CERTIFICATES ASSETS AND LIABILITIES (CONT'D.)

- b) Roll-forward of net asset or liability of insurance/reinsurance contracts and takaful/retakaful certificates showing the present value of future cash flows, risk adjustment and CSM (cont'd.)

Insurance contracts/takaful certificates issued (cont'd.)

General reinsurance/retakaful - Other than PAA (cont'd.)

	2025				
	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Unallocated Surplus and Qard RM'000	Total RM'000
<i>Cash flows</i>					
Premiums/contributions received	1,567,282	-	-	-	1,567,282
Qard received	-	-	-	485	485
Claims and other expenses paid	(776,891)	-	-	-	(776,891)
Takaful acquisition cash flows	(107,519)	-	-	-	(107,519)
Total cash flows	682,872	-	-	485	683,357
Other movements	(63,174)	2,488	1,186	6,501	(52,999)
Net insurance contracts/takaful certificates liabilities as at 31 March	2,167,290	449,946	499,038	77,736	3,194,010
Insurance contracts/takaful certificates liabilities as at 31 March	2,190,365	450,670	498,217	77,620	3,216,872
Insurance contracts/takaful certificates assets as at 31 March	(23,075)	(724)	821	116	(22,862)
Net insurance contracts/takaful certificates liabilities as at 31 March	2,167,290	449,946	499,038	77,736	3,194,010

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

21. INSURANCE/REINSURANCE CONTRACTS AND TAKAFUL/RETAKAFUL CERTIFICATES ASSETS AND LIABILITIES (CONT'D.)

- b) Roll-forward of net asset or liability of insurance/reinsurance contracts and takaful/retakaful certificates showing the present value of future cash flows, risk adjustment and CSM (cont'd.)

Insurance contracts/takaful certificates issued (cont'd.)

Family Takaful - Other than PAA

	2026				
	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Unallocated Surplus and Qard RM'000	Total RM'000
Takaful certificates liabilities as at 1 April	3,908,767	21,446	154,031	425,877	4,510,121
Takaful certificates assets as at 1 April	(202,479)	6,316	85,874	–	(110,289)
Net takaful certificates liabilities as at 1 April	3,706,288	27,762	239,905	425,877	4,399,832
<u>Changes that relate to current services</u>					
Contractual service margin recognised for services provided	–	–	(23,075)	–	(23,075)
Risk adjustment for the risk expired	–	(8,496)	–	–	(8,496)
Experience adjustments	76,860	4,714	–	–	81,574
<u>Changes that relate to future services</u>					
Certificates initially recognised in the period	(30,318)	7,801	28,355	–	5,838
Changes in estimates that adjust the contractual service margin	18,111	(1,135)	(16,976)	–	–
Changes in estimates that do not adjust the contractual service margin	(2,726)	(36)	–	–	(2,762)
<u>Changes that relate to past services</u>					
Adjustment to liabilities for incurred claims	(48,411)	(4,673)	–	–	(53,084)
Takaful finance expenses	142,442	390	3,247	–	146,079
Unallocated surplus attributable to participants	–	–	–	(12,627)	(12,627)
Total changes in the income statements	155,958	(1,435)	(8,449)	(12,627)	133,447

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

21. INSURANCE/REINSURANCE CONTRACTS AND TAKAFUL/RETAKAFUL CERTIFICATES ASSETS AND LIABILITIES (CONT'D.)

- b) Roll-forward of net asset or liability of insurance/reinsurance contracts and takaful/retakaful certificates showing the present value of future cash flows, risk adjustment and CSM (cont'd.)

Insurance contracts/takaful certificates issued (cont'd.)

Family Takaful - Other than PAA (cont'd.)

	2026				
	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Unallocated Surplus and Qard RM'000	Total RM'000
<i>Cash flows</i>					
Contributions received	555,729	–	–	–	555,729
Claims paid, including investment components	(470,803)	–	–	–	(470,803)
Administration and other expenses	–	–	–	–	–
Takaful acquisition cash flows	(59,014)	–	–	–	(59,014)
Total cash flows	25,912	–	–	–	25,912
Other movements	(57,653)	–	–	(57,867)	(115,520)
Net takaful certificates liabilities as at 31 March	3,830,505	26,327	231,456	355,383	4,443,671
Takaful certificates liabilities as at 31 March	4,053,101	13,203	107,153	355,383	4,528,840
Takaful certificates assets as at 31 March	(222,596)	13,124	124,303	–	(85,169)
Net takaful certificates liabilities as at 31 March	3,830,505	26,327	231,456	355,383	4,443,671

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

21. INSURANCE/REINSURANCE CONTRACTS AND TAKAFUL/RETAKAFUL CERTIFICATES ASSETS AND LIABILITIES (CONT'D.)

- b) Roll-forward of net asset or liability of insurance/reinsurance contracts and takaful/retakaful certificates showing the present value of future cash flows, risk adjustment and CSM (cont'd.)

Insurance contracts/takaful certificates issued (cont'd.)

Family Takaful - Other than PAA (cont'd.)

	2025				
	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Unallocated Surplus and Qard RM'000	Total RM'000
Takaful certificates liabilities as at					
1 April	3,766,171	7,581	61,965	473,872	4,309,589
Takaful certificates assets as at 1 April	(262,966)	20,751	183,370	–	(58,845)
Net takaful certificates liabilities as at 1 April	3,503,205	28,332	245,335	473,872	4,250,744
<u>Changes that relate to current services</u>					
Contractual service margin recognised for services provided	–	–	(23,128)	–	(23,128)
Risk adjustment for the risk expired	–	(7,056)	–	–	(7,056)
Experience adjustments	140,289	–	–	–	140,289
<u>Changes that relate to future services</u>					
Certificates initially recognised in the period	(46,726)	5,924	46,261	–	5,459
Changes in estimates that adjust the contractual service margin	30,617	245	(30,862)	–	–
Changes in estimates that do not adjust the contractual service margin	(5,329)	–	–	–	(5,329)
<u>Changes that relate to past services</u>					
Adjustment to liabilities for incurred claims	(60,384)	(396)	–	–	(60,780)
Takaful finance expenses	175,783	713	2,299	–	178,795
Unallocated surplus attributable to participants	–	–	–	(64,020)	(64,020)
Total changes in the income statements	234,250	(570)	(5,430)	(64,020)	164,230

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

21. INSURANCE/REINSURANCE CONTRACTS AND TAKAFUL/RETAKAFUL CERTIFICATES ASSETS AND LIABILITIES (CONT'D.)

- b) Roll-forward of net asset or liability of insurance/reinsurance contracts and takaful/retakaful certificates showing the present value of future cash flows, risk adjustment and CSM (cont'd.)

Insurance contracts/takaful certificates issued (cont'd.)

Family Takaful - Other than PAA (cont'd.)

	2025				
	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Unallocated Surplus and Qard RM'000	Total RM'000
<i>Cash flows</i>					
Contributions received	551,607	-	-	-	551,607
Claims paid, including investment components	(455,227)	-	-	-	(455,227)
Administration and other expenses	(52,476)	-	-	-	(52,476)
Takaful acquisition cash flows	(103,843)	-	-	-	(103,843)
Total cash flows	(59,939)	-	-	-	(59,939)
Other movements	28,772	-	-	16,025	44,797
Net takaful certificates liabilities as at 31 March	3,706,288	27,762	239,905	425,877	4,399,832
Takaful certificates liabilities as at 31 March	3,908,767	21,446	154,031	425,877	4,510,121
Takaful certificates assets as at 31 March	(202,479)	6,316	85,874	-	(110,289)
Net takaful certificates liabilities as at 31 March	3,706,288	27,762	239,905	425,877	4,399,832

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

21. INSURANCE/REINSURANCE CONTRACTS AND TAKAFUL/RETAKAFUL CERTIFICATES ASSETS AND LIABILITIES (CONT'D.)

- b) Roll-forward of net asset or liability of insurance/reinsurance contracts and takaful/retakaful certificates showing the present value of future cash flows, risk adjustment and CSM (cont'd.)

Reinsurance contracts/retakaful certificates held

General reinsurance/retakaful - Other than PAA

	2026				2025			
	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000
Insurance contracts/takaful certificates assets as at 1 April	181,647	46,592	48,285	276,524	85,349	22,180	55,215	162,744
Insurance contracts/takaful certificates liabilities as at 1 April	(4,109)	116	-	(3,993)	(13,047)	1,152	6,214	(5,681)
Net Insurance contracts/takaful certificates assets as at 1 April	177,538	46,708	48,285	272,531	72,302	23,332	61,429	157,063
Changes that relate to current services								
Contractual service margin recognised for services received	-	-	(96,457)	(96,457)	-	-	(105,069)	(105,069)
Risk adjustment for the risk expired	-	(16,505)	-	(16,505)	-	9,204	-	9,204
Experience adjustments	(61,710)	-	-	(61,710)	(30,815)	-	-	(30,815)
Changes that relate to future services								
Contracts/certificates initially recognised in the period	(146,296)	22,164	123,239	(993)	(160,193)	20,556	174,131	34,494
Changes in estimates that adjust the contractual service margin	4,775	5,228	(10,003)	-	67,408	18,562	(85,970)	-
Changes in estimates that do not adjust the contractual service margin	(2,609)	(3,982)	-	(6,591)	(39,168)	(13,702)	-	(52,870)
Changes that relate to past services								
Changes in amounts recoverable arising from changes in LIC	36,982	(10,163)	-	26,819	47,543	(11,111)	-	36,432
Insurance/takaful finance/profit income	12,279	(15)	5,473	17,737	10,334	1,114	6,659	18,107
Effect of changes in non-performance risk of reinsurers/retakaful operators	47			47	(82)	-	-	(82)
Effect of movements in exchange rates	(4,441)	(4,038)	(3,929)	(12,408)	(8,038)	(1,489)	(2,708)	(12,235)
Total changes in the income statements	(160,973)	(7,311)	18,323	(149,961)	(113,011)	23,134	(12,957)	(102,834)

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

21. INSURANCE/REINSURANCE CONTRACTS AND TAKAFUL/RETAKAFUL CERTIFICATES ASSETS AND LIABILITIES (CONT'D.)

- b) Roll-forward of net asset or liability of insurance/reinsurance contracts and takaful/retakaful certificates showing the present value of future cash flows, risk adjustment and CSM (cont'd.)

Reinsurance contracts/retakaful certificates held (cont'd.)

General reinsurance/retakaful - Other than PAA (cont'd.)

	2026				2025			
	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Total RM'000
Cash flows								
Premiums/contributions paid	332,738	-	-	332,738	355,109	-	-	355,109
Amounts received	(103,959)	-	-	(103,959)	(136,620)	-	-	(136,620)
Total cash flows	228,779	-	-	228,779	218,489	-	-	218,489
Other movements	(1,509)	-	-	(1,509)	(242)	242	(187)	(187)
Net reinsurance contracts/retakaful certificates assets as at 31 March	243,835	39,397	66,608	349,840	177,538	46,708	48,285	272,531
Reinsurance contracts/retakaful certificates assets as at 31 March	248,903	39,397	66,608	354,908	181,647	46,592	48,285	276,524
Reinsurance contracts/retakaful certificates liabilities as at 31 March	(5,068)	-	-	(5,068)	(4,109)	116	-	(3,993)
Net reinsurance contracts/retakaful certificates assets as at 31 March	243,835	39,397	66,608	349,840	177,538	46,708	48,285	272,531

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

21. INSURANCE/REINSURANCE CONTRACTS AND TAKAFUL/RETAKAFUL CERTIFICATES ASSETS AND LIABILITIES (CONT'D.)

- b) Roll-forward of net asset or liability of insurance/reinsurance contracts and takaful/retakaful certificates showing the present value of future cash flows, risk adjustment and CSM (cont'd.)

Reinsurance contracts/retakaful certificates held (cont'd.)

Family Takaful - Other than PAA

	2026			2025		
	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Total RM'000	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Total RM'000
Retakaful certificates assets as at 1 April	48,220	3,268	51,488	24,536	3,908	28,444
Retakaful certificates liabilities as at 1 April	(15,489)	–	(15,489)	(11,932)	666	(11,266)
Net retakaful certificates assets as at 1 April	32,731	3,268	35,999	12,604	4,574	17,178
Changes that relate to current services						
Experience adjustments	8,322	2,765	11,087	6,696	–	6,696
Changes that relate to past services						
Changes in amounts recoverable arising from changes in liability for incurred claims	(43,098)	(2,683)	(45,781)	(35,820)	(630)	(36,450)
Total changes in the income statements	(34,776)	82	(34,694)	(29,124)	(630)	(29,754)
Cash flows						
Contributions paid	104,551	–	104,551	103,255	–	103,255
Amount received	(64,781)	–	(64,781)	(80,647)	–	(80,647)
Total cash flows	39,770	–	39,770	22,608	–	22,608
Other movements	(15,456)	–	(15,456)	26,643	(676)	25,967
Net retakaful certificates assets as at 31 March	22,269	3,350	25,619	32,731	3,268	35,999
Retakaful certificates assets as at 31 March	35,815	2,840	38,655	48,220	3,268	51,488
Retakaful certificates liabilities as at 31 March	(13,546)	510	(13,036)	(15,489)	–	(15,489)
Net retakaful certificates assets as at 31 March	22,269	3,350	25,619	32,731	3,268	35,999

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

21. INSURANCE/REINSURANCE CONTRACTS AND TAKAFUL/RETAKAFUL CERTIFICATES ASSETS AND LIABILITIES (CONT'D.)

c) The impacts on the current period of transition approaches adopted to establishing CSM

The impact on the current period of the transition approaches adopted to establishing CSMs for reinsurance/takaful contracts portfolios is disclosed in the table below:

Insurance contracts/takaful certificates issued

General reinsurance/retakaful - Other than PAA

	2026			2025		
	Contracts using the fair value approach RM'000	New contracts and contracts under full retrospective approach RM'000	Total RM'000	Contracts using the fair value approach RM'000	New contracts and contracts under full retrospective approach RM'000	Total RM'000
Contractual service margin as at 1 April	87,576	411,462	499,038	167,798	236,536	404,334
<u>Changes that relate to current services</u>						
Contractual service margin recognised for services provided	(97,907)	(265,849)	(363,756)	(171,291)	(321,075)	(492,366)
<u>Changes that relate to future services</u>						
Contracts/certificates initially recognised in the period	–	466,317	466,317	–	477,852	477,852
Changes in estimates that adjust the contractual service margin	22,568	(152,744)	(130,176)	85,534	12,082	97,616
Insurance/takaful service result	(75,339)	47,724	(27,615)	(85,757)	168,859	83,102
Insurance/takaful finance expenses	3,760	25,851	29,611	5,601	13,776	19,377
Effect of movements in exchange rates	(17)	(10,330)	(10,347)	(66)	(8,943)	(9,009)
Total changes in the income statements	(71,596)	63,245	(8,351)	(80,222)	173,692	93,470
Other movements	–	–	–	–	1,234	1,234
Contractual service margin as at 31 March	15,980	474,707	490,687	87,576	411,462	499,038

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

21. INSURANCE/REINSURANCE CONTRACTS AND TAKAFUL/RETAKAFUL CERTIFICATES ASSETS AND LIABILITIES (CONT'D.)

c) The impacts on the current period of transition approaches adopted to establishing CSM (cont'd.)

Insurance contracts/takaful certificates issued (cont'd.)

Family Takaful - Other than PAA

	2026			2025		
	Contracts using the fair value approach RM'000	New contracts and contracts under full retrospective approach RM'000	Total RM'000	Contracts using the fair value approach RM'000	New contracts and contracts under full retrospective approach RM'000	Total RM'000
Contractual service margin as at 1 April	103,107	136,798	239,905	121,537	123,798	245,335
<u>Changes that relate to current services</u>						
Contractual service margin recognised for services provided	(9,296)	(13,779)	(23,075)	(10,883)	(12,245)	(23,128)
<u>Changes that relate to future services</u>						
Certificates initially recognised in the period	–	28,355	28,355	–	46,261	46,261
Changes in estimates that adjust the contractual service margin	(3,454)	(13,522)	(16,976)	(8,899)	(21,963)	(30,862)
Takaful service result	(12,750)	1,054	(11,696)	(19,782)	12,053	(7,729)
Takaful finance expenses	1,491	1,756	3,247	1,352	947	2,299
Total changes in the income statements	(11,259)	2,810	(8,449)	(18,430)	13,000	(5,430)
Contractual service margin as at 31 March	91,848	139,608	231,456	103,107	136,798	239,905

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

21. INSURANCE/REINSURANCE CONTRACTS AND TAKAFUL/RETAKAFUL CERTIFICATES ASSETS AND LIABILITIES (CONT'D.)

c) The impacts on the current period of transition approaches adopted to establishing CSM (cont'd.)

Reinsurance contracts/retakaful certificates held

General reinsurance/retakaful - Other than PAA

	2026			2025		
	Contracts using the fair value approach RM'000	New contracts and contracts under full retrospective approach RM'000	Total RM'000	Contracts using the fair value approach RM'000	New contracts and contracts under full retrospective approach RM'000	Total RM'000
Contractual service margin as at 1 April	56	48,229	48,285	189	61,240	61,429
<u>Changes that relate to current services</u>						
Contractual service margin recognised for services received	12	(96,469)	(96,457)	46	(105,115)	(105,069)
<u>Changes that relate to future services</u>						
Contracts/certificates initially recognised in the period	–	123,239	123,239	–	174,131	174,131
Changes in estimates that adjust the contractual service margin	130	(10,133)	(10,003)	(178)	(85,792)	(85,970)
Insurance/takaful service result	142	16,637	16,779	(132)	(16,776)	(16,908)
Insurance/takaful finance/profit income	(7)	5,480	5,473	(1)	6,660	6,659
Effect of movements in exchange rates	–	(3,929)	(3,929)	–	(2,708)	(2,708)
Total changes in the income statements	135	18,188	18,323	(133)	(12,824)	(12,957)
Other movements	–	–	–	–	(187)	(187)
Contractual service margin as at 31 March	191	66,417	66,608	56	48,229	48,285

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

21. INSURANCE/REINSURANCE CONTRACTS AND TAKAFUL/RETAKAFUL CERTIFICATES ASSETS AND LIABILITIES (CONT'D.)

d) The components of new business

The components of new business is disclosed in the table below:

Insurance contracts/takaful certificates issued

General reinsurance/retakaful - Other than PAA

	2026			2025		
	Contracts issued			Contracts issued		
	Non-onerous RM'000	Onerous RM'000	Total RM'000	Non-onerous RM'000	Onerous RM'000	Total RM'000
Insurance contracts/takaful certificates liabilities						
Estimate of present value of future cash outflows, excluding insurance/takaful acquisition cash flows	1,124,088	318,096	1,442,184	2,418,755	270,025	2,688,780
Estimates of insurance/takaful acquisition cash flows	48,341	6,749	55,090	81,539	7,352	88,891
Estimate of present value of future cash outflows	1,172,429	324,845	1,497,274	2,500,294	277,377	2,777,671
Estimates of present value of future cash inflows	(1,751,932)	(323,828)	(2,075,760)	(3,127,086)	(269,503)	(3,396,589)
Risk adjustment	113,185	23,449	136,634	148,940	24,726	173,666
Contractual service margin	466,318	–	466,318	477,852	–	477,852
Amount included in insurance contracts/takaful certificates liabilities for the period	–	24,466	24,466	–	32,600	32,600

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

21. INSURANCE/REINSURANCE CONTRACTS AND TAKAFUL/RETAKAFUL CERTIFICATES ASSETS AND LIABILITIES (CONT'D.)

d) The components of new business (cont'd.)

Insurance contracts/takaful certificates issued (cont'd.)

Family Takaful - Other than PAA

	2026			2025		
	Contracts issued			Contracts issued		
	Non-onerous RM'000	Onerous RM'000	Total RM'000	Non-onerous RM'000	Onerous RM'000	Total RM'000
Takaful certificates liabilities						
Estimate of present value of future cash outflows, excluding takaful acquisition cash flows	16,612	7,734	24,346	18,668	2,821	21,489
Estimates of takaful acquisition cash flows	99,477	32,136	131,613	84,681	12,443	97,124
Estimate of present value of future cash outflows	116,089	39,870	155,959	103,349	15,264	118,613
Estimates of present value of future cash inflows	(150,257)	(36,020)	(186,277)	(154,752)	(10,587)	(165,339)
Risk adjustment	5,813	1,988	7,801	5,142	782	5,924
Contractual service margin	28,355	–	28,355	46,261	–	46,261
Amount included in takaful certificates liabilities for the period	–	5,838	5,838	–	5,459	5,459

Reinsurance contracts/retakaful certificates held

General reinsurance/retakaful - Other than PAA

	Contracts purchased Non-onerous	
	2026 RM'000	2025 RM'000
Reinsurance contracts/retakaful certificates assets		
Estimate of present value of future cash outflows	(367,072)	(369,509)
Estimates of present value of future cash inflows	220,775	209,316
Risk adjustment	22,165	20,556
Contractual service margin	123,239	174,131
Recovery of losses on onerous contracts at initial recognition	(893)	34,494

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

21. INSURANCE/REINSURANCE CONTRACTS AND TAKAFUL/RETAKAFUL CERTIFICATES ASSETS AND LIABILITIES (CONT'D.)

e) CSM recognition in income statement

The disclosure of when the CSM is expected to be in income in future years is presented below:

General reinsurance/retakaful - Other than PAA

	Less than 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	More than 5 years RM'000	Total RM'000
31 March 2026							
Insurance contracts/takaful certificates issued	350,996	104,825	28,497	3,503	1,806	1,045	490,672
Reinsurance contracts/retakaful certificates held	(53,810)	(7,761)	(2,025)	(1,891)	(945)	(176)	(66,608)
	297,186	97,064	26,472	1,612	861	869	424,064
31 March 2025							
Insurance contracts/takaful certificates issued	302,237	92,441	72,721	21,842	1,376	8,421	499,038
Reinsurance contracts/retakaful certificates held	(41,381)	(6,443)	(196)	(119)	(101)	(45)	(48,285)
	260,856	85,998	72,525	21,723	1,275	8,376	450,753

Family Takaful - Other than PAA

	Less than 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	More than 5 years RM'000	Total RM'000
31 March 2026							
Takaful certificates issued	22,742	20,665	18,765	17,055	15,463	136,766	231,456
31 March 2025							
Takaful certificates issued	20,509	19,026	17,622	16,329	15,129	151,290	239,905

The Group's reinsurance/retakaful business expects to recognise the CSM in income statements for existing contracts within five years, which represents the longest coverage period for the contracts/certificates in force issued. The expected timeline for the CSM recognition for reinsurance contracts/retakaful certificates held is in line with reinsurance contracts/retakaful certificates issued.

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22. TAX RECOVERABLE/(PAYABLE)

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Tax recoverable	48,392	48,840	17,100	16,232
Tax payable	(14,280)	(6,366)	(224)	(203)
	34,112	42,474	16,876	16,029

Included in the total tax recoverable are two pending appeal cases and tax paid in excess to the Inland Revenue Board ("IRB"). The pending appeal cases relate to MNRB and Takaful IKHLAS Family, as follows:

- (i) The IRB had, on 8 September 2017, issued notices of additional assessment (i.e. Forms JA) to the Company for the years of assessment ("YA") 2008 to 2014, disallowing the interest expense that the Company had deducted as part of its business expense in arriving at the taxable profit.

The additional tax payable by the Company under the above-mentioned notices was RM13,576,000. IRB had also treated the tax returns made by the Company for the above YA as incorrect, and imposed a penalty of RM6,109,000 to the Company. This brought the total amount payable to IRB to RM19,685,000 which has been fully settled by the Company.

The Company disagreed with the additional assessment imposed by IRB for the above YA and had submitted a notice of appeal by filing Form Q with the Special Commissioner of Income Tax ("SCIT") on 6 October 2017.

On 29 October 2024, the Company entered into a settlement agreement with the IRB to resolve the matter out of court. Pursuant to the settlement, an amount of RM13,990,934 was agreed in favour of the Company. The Company had recognised a write-down of RM5,693,859 in respect of the tax recoverable during the financial year 2024 to reflect the irrecoverable portion of the taxes arising from the settlement negotiations.

- (ii) The IRB had, on 28 December 2018, issued notices of additional assessments to Takaful IKHLAS Family for YA 2011 and 2013 for RM3,052,000 and RM2,147,000 respectively.

Takaful IKHLAS Family disagreed with the additional assessment imposed by IRB for the above YA and had submitted a notice of appeal by filing Form Q with the Special Commissioner of Income Tax ("SCIT") on 24 January 2019.

A settlement agreement between the IRB and Takaful IKHLAS Family was entered into on 9 September 2025 to settle the matter out of court for the amount of RM3,639,401 in favour of Takaful IKHLAS Family. As at the date of the financial statements, the management and the IRB are in discussion for a settlement of the YA 2023 bancatakaful appeal.

Takaful IKHLAS Family has also recognised tax recoverable in relation to income taxes paid on profits from government guaranteed sukuk that are eligible for tax remission for the YA 2019 to 2024. As the tax remission is granted under gazette order and computed pursuant to the formula agreed by the insurance/takaful associations with the Ministry of Finance, Takaful IKHLAS Family takes the view that the amounts are recoverable and due to Takaful IKHLAS Family from the IRB.

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23. BORROWINGS

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
At amortised costs:				
Sukuk Murabahah Programme ("Sukuk")/ Medium Term Notes ("MTN")	670,000	620,000	420,000	420,000
At fair value:				
Sukuk Murabahah Programme ("Sukuk")/ Medium Term Notes ("MTN")	681,741	632,898	428,946	426,850

Sukuk Murabahah Programme

On 22 March 2024, the Company had issued an RM420 million nominal value subordinated sukuk which qualifies as Tier-2 capital under the RBC/RBCT Framework issued by BNM. The subordinated sukuk carries a tenure of ten (10) years from issue date on a 10-year, non-callable 5-year basis with a fixed profit rate of 4.46% per annum payable in semi-annually in arrears.

Medium Term Notes ("MTN")

On 26 October 2022, the Group issued an additional RM200,000,000 nominal value subordinated MTN which qualifies as Tier-2 capital under the RBC/RBCT Framework issued by BNM. The subordinated MTN carries a tenure of ten (10) years from issue date on a 10-year, non-callable 5-year basis with a fixed interest rate of 5.21% per annum payable in semi-annually in arrears.

On 15 March 2022, the Group issued an additional RM50,000,000 nominal value subordinated MTN via its subsidiary, Malaysian Re, which was fully subscribed by MNRB. The subordinated MTN qualifies as Tier-2 capital under the RBC Framework. The MTN carries a tenure of eight (8) years from the issue date on an 8-year, non-callable 5-year basis with a fixed interest rate of 4.38% per annum payable semi-annually in arrears. Subsequently, on 27 March 2026, MNRB sold the subordinated MTN to a third party.

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24. OTHER PAYABLES

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Proposal and other deposit	16,404	12,439	–	–
Provisions:				
Marketing-related expenses	46,094	37,394	–	–
Staff bonus	44,846	45,684	13,532	15,765
Roadside assistance	2,566	2,401	–	–
Others	31,355	15,431	706	731
Unidentified credit items	22,157	28,726	–	–
Amount due to subsidiaries*	–	–	19	83
Agency provident fund	3,804	3,456	–	–
Payables**	89,904	69,516	8,582	7,873
Accruals***	16,191	36,700	9,045	6,225
	273,321	251,747	31,884	30,677

* These amounts are non-trade in nature, unsecured, not subject to any interest/profit elements and repayable on demand.

** Payables comprise amount due to bankatakaful partners, sundry creditors and intermediaries.

*** Accruals comprise of IT related expenses.

The carrying amounts disclosed above approximate fair values due to their relatively short term nature.

25. SHARE CAPITAL

Group and Company	Number of ordinary shares		Amount	
	2026 '000	2025 RM'000	2026 '000	2025 RM'000
Issued and fully paid; at no par value:				
At 1 April/31 March	783,088	783,088	738,502	738,502

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26. DIVIDENDS

	Group and Company	
	2026 RM'000	2025 RM'000
In respect of the financial year ended 31 March 2026:		
Interim single-tier dividend of 5.0 sen per ordinary share declared on 21 May 2026 and paid on 26 June 2026	39,155	–
Recognised during the financial year:		
In respect of the financial year ended 31 March 2025:		
Final single-tier dividend of 5.0 sen per ordinary share on 783,086,696 ordinary shares, declared on 22 August 2025 and paid on 6 October 2025	39,155	–
Final single-tier special dividend of 5.0 sen per ordinary share on 783,086,696 ordinary shares, declared on 22 August 2025 and paid on 6 October 2025	39,155	–
In respect of the financial year ended 31 March 2024: Final single-tier dividend of 5.0 sen per ordinary share on 783,086,696 ordinary shares, declared on 26 September 2024 and paid on 24 October 2024	–	39,155
Final single-tier special dividend of 5.0 sen per ordinary share on 783,086,696 ordinary shares, declared on 26 September 2024 and paid on 24 October 2024	–	39,155
	78,310	78,310

27. EARNINGS PER SHARE

The basic and diluted earnings per share are calculated by dividing the net profit for the year attributable to equity holders of the holding company by the number of ordinary shares in issue during the year.

	Group		Company	
	2026	2025	2026	2025
Net profit for the year (RM'000)	544,675	394,246	64,381	142,183
Weighted average number of ordinary shares in issue ('000) (Note 25)	783,088	783,088	783,088	783,088
Basic and diluted earnings per share (sen)	69.6	50.3	8.2	18.2

The Group and the Company have no dilution in their earnings per ordinary share as there are no dilutive potential ordinary shares.

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28. CAPITAL COMMITMENTS AND CONTINGENCIES

The commitments of the Group and of the Company as at the end of financial year are as follows:

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Authorised and contracted for:				
– Property and equipment	7,134	5,840	4,626	333
– Intangible assets*	18,980	18,915	448	598
	26,114	24,755	5,074	931
Authorised but not contracted for:				
– Property and equipment	14,495	6,609	100	3,964
– Intangible assets*	98,207	24,064	7,231	5,288
	112,702	30,673	7,331	9,252

* Relating to purchases for enhancements of the computer system of the Group and of the Company.

Contingencies

The Group has provided bank guarantees on the services contracts with external parties of RM991,094 (2025: RM1,060,762) in the form of cash deposit in margin accounts.

29. RELATED PARTY DISCLOSURES

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel include all the Directors of the Group and of the Company, and certain members of senior management of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

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29. RELATED PARTY DISCLOSURES (CONT'D.)

(a) The significant transactions with related parties are as follows:

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Income/(expenses):				
Transactions with subsidiaries:				
Management fee income	–	–	79,965	74,168
Net dividend income	–	–	75,000	150,000
Management expense chargeback	–	–	9,690	7,513
Payment of lease liabilities	–	–	(1,250)	(1,250)
Rental expenses for property	–	–	(173)	(171)
Interest income	–	–	3,187	2,240
Gross contributions	–	–	(1,728)	(1,602)
Transactions with associate:				
Net dividend income	–	–	400	400

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

(b) Related party balances

Included in the statement of financial position are amounts due from/(to) related parties represented by the following:

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Balances with subsidiaries:				
Unquoted corporate debt securities	–	–	80,000	51,000
Other receivables	–	–	23,811	22,934
Balances with an associate:				
Takaful certificate payables	(921)	(921)	–	–

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29. RELATED PARTY DISCLOSURES (CONT'D.)

(c) The key management personnel compensations are as follows:

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
PGCEO/Executive director of the Group and of the Company:				
Salaries and bonus	1,067	2,289	–	1,291
Pension costs – EPF and SOCSCO	226	421	45	237
Benefits-in-kind	25	56	–	25
Others	402	723	261	627
	1,720	3,489	306	2,180
Non-executive directors of the Group and of the Company:				
Fees	1,238	1,491	778	817
Benefits-in-kind and other emoluments	431	638	299	398
	1,669	2,129	1,077	1,215
Non-executive directors of the subsidiaries:				
Fees	1,401	1,215	–	–
Meeting allowances	353	424	–	–
	1,754	1,639	–	–
Group Shariah Committee members:				
Fees	300	258	–	–
Meeting allowances	101	72	–	–
	401	330	–	–
Other key management personnel's remuneration:				
Salaries and bonus	22,345	23,331	7,365	7,203
Pension costs – EPF and SOCSCO	3,579	3,807	1,187	1,171
Allowances	3,145	3,231	1,303	913
Benefits-in-kind	–	70	–	–
	29,069	30,439	9,855	9,287

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30. RISK MANAGEMENT FRAMEWORK

The Group Risk Management Framework and Policy ("RM Framework") was established to provide a set of guidelines for implementing risk management throughout the Group. It encompasses the Group's risk management:

- (i) **strategy**, by having appropriate risk management objectives, policy and appetite;
- (ii) **architecture**, by setting up risk management roles and responsibilities, communication and reporting structure; and
- (iii) **protocols**, by describing the procedures, methodologies, tools and techniques for risk management.

Risk management is the process of identifying, assessing, measuring, controlling, mitigating, and continuously monitoring the risks in respect of the Group as a whole. It involves regular self-assessments of all reasonably foreseeable and material risks that the Group faces, including their inter-relationships and the maintenance of a link between ongoing risk management and mid- to long-term business goals, strategies and capital needs.

The RM Framework aims to serve as a guide for the effective management of risks throughout the Group. The RM Framework is intended to provide guidance to the Group in performing its risk management roles and responsibilities and ultimately aims to support the achievement of the Group's strategic and financial objectives.

The primary objectives of the RM Framework are as follows:

- (i) Embeds the Risk Management process and ensures it is an integral part of the Group's planning process at a strategic and operational level;
- (ii) Facilitates effective risk oversight through a clear internal risk governance structure and responsibilities;
- (iii) Creates a risk awareness culture from a strategic, operational, and individual perspective;
- (iv) Gives credibility to the process and engages management's attention to the treatment, monitoring, reporting and review of identified risks as well as considering new and emerging risks on a continuous basis;
- (v) Ensures appropriate strategies are in place to mitigate risks and maximise opportunities;
- (vi) Allows the Group and operating entities to proactively manage their risks in a systematic and structured way and to continually refine their processes to reduce their risk profile, thereby maintaining a safer environment for their stakeholders;
- (vii) Aligns the Group's risk management practices with its sustainability principles;
- (viii) Provides a single point of reference for managing risks in a systematic and structured way; and
- (ix) Standardises risk terminologies across the Group to facilitate a consistent and uniform approach in managing risks.

In pursuit of the above objectives, it is the Group's policy to adhere to, and comply with, all relevant governance and regulatory requirements and implement best practice with regard to risk management principles. The Group also aims to uphold high standards of business practices in all its activities.

NOTES TO THE FINANCIAL STATEMENTS

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30. RISK MANAGEMENT FRAMEWORK (CONT'D.)

(a) Risk management governance

The Board and Senior Management collectively have responsibility and accountability for setting the objectives, defining strategies to achieve those objectives, and establishing governance structures and processes to best manage the risks in accomplishing those objectives.

The Group has adopted the Three Lines of Defense governance model which provides a formal, transparent, and effective risk governance structure to promote active involvement from the Board, Senior Management, and all employees in the risk management process across the Group.

In addition, the Group and the main operating subsidiaries, have set up an in-house risk management function, compliance function and committee on a group and entity wide basis to ensure efficient risk management.

The roles and responsibilities of the functions structure are as follows:

- (i) The Board has established a dedicated Board Committee known as the Risk Management Committee of the Board ("RMCB") to support the Board in meeting the expectations and responsibilities on the risk and compliance management, provides assurance to the Board that the processes have been carried out effectively and inculcates a strong risk management culture on a group-wide basis. This is replicated at each of the main operating subsidiaries (Malaysian Re, Takaful IKHLAS Family and Takaful IKHLAS General);
- (ii) The Audit Committee is established to complement the role of the Board by providing an independent assessment of the adequacy and effectiveness of governance, risk management and internal control. The Audit Committee is assisted by an independent Internal Audit Department in performing its role;
- (iii) The Group Shariah Committee ("GSC") is established to provide objective and sound advice to the Group to ensure that its aims and operations, business, affairs and activities are in compliance with Shariah;
- (iv) The Group Management Committee ("GMC"), together with the Senior Management Committee ("SMC") of MNRB and its main operating subsidiaries, oversee the implementation of risk and compliance management processes, establish and implement appropriate organisational structures and systems for managing financial and non-financial risks;
- (v) The Group Management Risk & Compliance Committee ("GMRCC"), which comprises the President & Group Chief Executive Officers ("President & GCEO"), the President & Chief Executive Officer ("President & CEOs") of main operating subsidiaries and selected members of Senior Management from MNRB is established to support the GMC/respective SMCs to implement the risk and compliance management processes, establish clear guidance in managing the Group's risk to ensure its alignment to their respective risk appetite for all business strategies and activities;
- (vi) The Group Information Technology Steering Committee ("Group ITSC"), chaired by the (President & GCEO), is established to oversee the implementation of Information and Technology ("IT") strategic plans and provide direction in support of IT related initiatives and activities. ITSC has also been established at the respective main operating subsidiaries;
- (vii) Group Business Continuity Management Committee ("GBCMC") is established and is responsible to review and recommend changes to the Group Business Continuity Management ("BCM") Framework, evaluate the business continuity, crisis management, and disaster recovery plans, approve the BCM programme workplan and deliberate on issues related to crisis management and recovery centers;

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30. RISK MANAGEMENT FRAMEWORK (CONT'D.)

(a) Risk management governance (cont'd.)

- (viii) The Group Chief Risk Officer ("GCRO") oversees risk governance across the Group and is supported by the Head of Risk Management of the main operating subsidiaries. Together, they assist the GMRCC and the respective Risk Committees of the Board in ensuring effective implementation and maintenance of RM Framework and its sub-framework. Primarily, the main operating subsidiaries provide the necessary infrastructure to carry out the risk management function and the Risk Management Department acts as the central contact and guide for risk management issues within the respective subsidiaries; and
- (ix) At the operational level, the implementation of risk management processes in the day-to-day operations of the Group are facilitated by Heads of Department as well as embedded risk managers of each department, guided by various components of the RM Framework.

A dedicated Group Investment Committee ("GIC") has been established to oversee the strategic direction and management of the Group's investment assets (inclusive but not limited to investment risks and assets allocation), reporting directly to the Board. The GIC is supported by the Group Investment Management Committee ("GIMC") which comprises key senior executives including the President & Group Chief Executive Officer ("President & GCEO"), the President & CEOs of main operating subsidiaries, the Group Chief Financial Officer, and the Group Chief Investment Officer.

To strengthen risk management, the Group has adopted a comprehensive Group Investment Policy ("GIP"), that provides a high-level framework for investment decisions. The policy governs investments across fixed income securities, equities, deposits with licensed financial institutions, and other marketable securities.

For enhanced clarity and governance, the GIP is supplemented by a separate Group Investment Guidelines ("GIG") document. This distinction ensures that the GIP sets out strategic objectives, while the GIG details operational investment management rules. Together, they align with the regulatory frameworks of Risk Based Capital for Insurers ("RBC") and Risk Based Capital for Takaful ("RBCT").

At the subsidiary level, the Group Investment Department ("GID"), together with dedicated Asset-Liability Management Committees ("ALCOs") have been established to monitor and manage asset-liability mismatches, duration gaps, credit risk exposures, cash flow projections, hedging strategies, and overall asset management. The GID and ALCOs ensure that investment and risk management practices are aligned across the Group. These committees report directly to the Boards of their respective subsidiaries through the GIC, thereby reinforcing consistent oversight, accountability, and governance at both Group and subsidiary levels.

(b) Capital management

The Internal Capital Adequacy Assessment Process ("ICAAP") encompasses the overall process where the subsidiaries ensure adequate capital is available to meet its capital requirements on an ongoing basis, under normal and stressed conditions, in line with BNM Guidelines on Internal Capital Adequacy Assessment for Insurers, Internal Capital Adequacy Assessment for Takaful Operators, RBC Framework, RBCT Framework and Policy Document on Stress Testing.

The ICAAP Policy also requires the subsidiaries to set an Individual Target Capital Level ("ITCL") based on its business strategies, risk profiles, and risk management practices. The subsidiaries' prevailing ITCL is above the minimum regulatory capital requirement outlined under the RBC/RBCT Framework.

Based on the material risks identified, the main operating subsidiaries assess the overall capital adequacy, and develop the Capital Management Plan ("CMP"), where the main objective is to monitor and maintain, at all times, an appropriate level of capital which commensurate with the size and complexity of the main operating subsidiaries' business operations and the resultant risk profiles.

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30. RISK MANAGEMENT FRAMEWORK (CONT'D.)

(b) Capital management (cont'd.)

The CMP outlines the criteria, mechanism and process flow to manage the level of Capital Adequacy Ratio ("CAR") of the main operating subsidiaries. This includes the thresholds, triggers, and action plans in place which could be undertaken to reduce the level of risks or strengthen capital available. The action plans shall be triggered upon the CAR reaching the respective thresholds. These actions are chosen with consideration to the possible adverse scenarios relative to normal operating conditions.

In this regard, the Group also measures and monitors its capital position through its Group Capital Adequacy Ratio ("GCAR") and Group Capital Sufficiency Indicator ("GCSI"), in line with BNM's capital requirement for Insurance Groups.

(c) Regulatory framework

MNRB and its main operating subsidiaries are required to comply, as applicable, with the Financial Services Act ("FSA") 2013, the Islamic Financial Services Act ("IFSA") 2013, the Companies Act 2016, other relevant Acts, and Policy Documents issued by BNM from time to time.

In line with the RBC Framework's and RBCT Framework's requirements on capital adequacy, the main operating subsidiaries actively manage their capital by taking into account the potential impact of business exposure on their business strategies, risk profiles and overall resilience.

In addition, MNRB is required to comply with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa"), and the Capital Markets and Services Act 2007.

31. INSURANCE/TAKAFUL RISK

The following disclosures relating to the underwriting risk of the Group are presented separately for each specific business unit. Elimination of intra-Group transactions are not considered as the disclosures represent how each business unit within the Group assesses and manages underwriting risk.

(a) General reinsurance/retakaful by Malaysian Re

(i) Nature of risk

The general reinsurance/retakaful by Malaysian Re principally underwrites general reinsurance and retakaful contracts in relation to the following main breakdown: Voluntary Cession and Auto Facultative ("VC and Auto Fac"), Facultative, Treaty-Proportional, and Treaty-Non Proportional. Risks under these contracts usually cover a 12 months duration other than some long-term contracts, such as construction contracts which may cover the duration of the project. The most significant risk arises from adverse development of claims and the occurrence of new catastrophe losses. These risks vary significantly in relation to the economic conditions and territories from which the risks are underwritten. The general reinsurance/retakaful by Malaysian Re is exposed to concentration risk through its reinsurance and retakaful contracts, which may be concentrated in certain geographic regions, lines of business and types of coverages.

The above risks are mitigated by diversification across a large portfolio of business to ensure a balanced mix and spread of business. Diversification through the implementation of underwriting strategies reduces the volatility of losses and improves the overall portfolio experience.

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31. INSURANCE/TAKAFUL RISK (CONT'D.)

(a) General reinsurance/retakaful by Malaysian Re (cont'd.)

(i) Nature of risk (cont'd.)

The table below discloses the business by types of coverage, by local and overseas risks, by insurance contracts and takaful ("insurance/takaful contract") certificates issued:

	Gross RM'000	Reinsurance/ retakaful RM'000	Net RM'000
2026			
VC and Auto Fac	541,795	–	541,795
Facultative	304,028	3,672	307,700
Treaty – Proportional	1,970,458	(358,274)	1,612,184
Treaty – Non proportional	388,185	884	389,069
Qard and UW Surplus	102,394	–	102,394
	3,306,860	(353,718)	2,953,142
Local	1,701,837	(132,896)	1,568,941
Overseas	1,605,023	(220,822)	1,384,201
	3,306,860	(353,718)	2,953,142
Reinsurance	3,076,452	(285,709)	2,790,743
Retakaful	230,408	(68,009)	162,399
	3,306,860	(353,718)	2,953,142
2025			
VC and Auto Fac	708,730	10,412	719,142
Facultative	243,229	2,307	245,536
Treaty – Proportional	1,725,735	(204,136)	1,521,599
Treaty – Non proportional	455,422	(81,114)	374,308
Qard and UW Surplus	77,620	–	77,620
	3,210,736	(272,531)	2,938,205
Local	1,596,553	(74,920)	1,521,633
Overseas	1,614,183	(197,611)	1,416,572
	3,210,736	(272,531)	2,938,205
Reinsurance	3,061,739	(261,501)	2,800,238
Retakaful	148,997	(11,030)	137,967
	3,210,736	(272,531)	2,938,205

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31. INSURANCE/TAKAFUL RISK (CONT'D.)

(a) General reinsurance/retakaful by Malaysian Re (cont'd.)

(i) Nature of risk (cont'd.)

The losses are further mitigated by ensuring that the Malaysian Re's retrocession/retrotakaful arrangements are effective and adequate. Clear underwriting guidelines as approved by the Board are used to ensure all risks are written in accordance with the approved limits and catastrophe aggregates are managed within the capacity of the retrocession/retrotakaful programmes. Pricing tool ensures the risks exposures are adequately priced.

The general reinsurance/retakaful by Malaysian Re's retrocession/retrotakaful programmes are reviewed by the Retrocession Committee ("RC"), GMRCC and subsequently, as delegated by the Board, recommended to the RMCB for approval. The RC is responsible to ensure all aspects of the business operations, risk management including risk appetite, risk tolerance, and business strategies of the general reinsurance/retakaful by Malaysian Re were taken into consideration in the overall procurement of Malaysian Re's retrocession/retrotakaful programmes and being carried out in the best interest of the general reinsurance/retakaful by Malaysian Re. Selection of reinsurers participating in the retrocession/retrotakaful programmes of Malaysian Re is in accordance with the criteria stipulated by BNM and the Board.

Stress testing is performed at least once a year and may be performed more frequently if required. The purpose of the stress testing is to test the solvency and financial viability of the general reinsurance/retakaful by Malaysian Re's business under the various scenarios as guided by regulatory guidelines. Stress tests and scenario analysis are used to assess the general reinsurance/retakaful by Malaysian Re's ability to maintain minimum specified levels of capital and liquidity in exceptional but plausible events and ensure consideration of the financial impact of plausible events in the decision-making process and the effectiveness of management actions under stressed conditions.

(ii) Reserving risk

Reserving risk relates to the risk arising from inadequate reserves to meet the net claims amount payable. The determination of the general reinsurance/retakaful by Malaysian Re's insurance/takaful contracts liabilities relies on the information derived from various sources such as historical claims experience, existing knowledge of occurred events, the terms and conditions of relevant contracts, and interpretation of prevailing circumstances. Upon notification of a claim, the reinsurance/retakaful by Malaysian Re sets aside both case and technical reserves to meet the expected ultimate loss arising from this claim. These claim reserves are updated periodically taking into account the development of the claims. Case reserves are amounts set aside for individual reported claims, estimated based on the expected cost to settle each claim. Technical reserves, on the other hand, include provisions for claims that have occurred but have not yet been reported (Incurred But Not Reported – IBNR), as well as reserves for any adverse developments in existing claims. These claim reserves are updated periodically taking into account the development of the claims.

At each reporting date end, the general reinsurance/retakaful by Malaysian Re performs a valuation of liabilities for the purpose of ensuring that liabilities for remaining coverage and liabilities for incurred claims are objectively assessed and adequately provided for.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

31. INSURANCE/TAKAFUL RISK (CONT'D.)

(a) General reinsurance/retakaful by Malaysian Re (cont'd.)

(iii) Catastrophe risk

The risk that a single or a series of catastrophe events, usually over a short period, which leads to a high number of claims or single large loss or combination of both. The consequences of this risk are minimised by having retrocession/retrotakaful coverage in place and by maintaining retention levels in line with the general reinsurance/retakaful by Malaysian Re's risk appetite.

(iv) Premium/Contribution risk

Premium/Contribution risks arises when premiums/contributions charged are insufficient to meet expected claims and expenses. This risk is mitigated by adhering to the underwriting guidelines and ceding risks above our risk appetite to retrocessionaires/retrotakaful providers with strong financial standing. Any deficiencies in premiums/contributions will be recognised in the income statement as a loss component at the inception of the business.

(v) Impact on liabilities, profit and equity

Key assumptions

Liabilities are determined based upon previous claims experience, existing knowledge of events, the terms and conditions of the relevant contracts/certificates and interpretation of circumstances. Particularly relevant are past experiences with similar cases, historical claims development trends, legislative changes, judicial decisions, and economic conditions.

The inherent uncertainties in estimating liabilities arise from a variety of factors, such as the range and quality of data available, underlying assumptions made, and random volatility in future experience.

The insurance/takaful contract liabilities are sensitive to various key factors which are both internal and external. External factors to which the general reinsurance/retakaful by Malaysian Re is sensitive to include:

- (i) Claims practices of ceding companies;
- (ii) Frequency and severity of claims incurred by cedants;
- (iii) Changes in premium/contribution rates in insurance/takaful;
- (iv) Changes in reinsurance/retakaful markets; and
- (v) Legislative and regulatory changes.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

31. INSURANCE/TAKAFUL RISK (CONT'D.)

(a) General reinsurance/retakaful by Malaysian Re (cont'd.)

(v) Impact on liabilities, profit and equity (cont'd.)

Sensitivity analysis

The analysis below is performed on possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net of retrocession/retakaful for liabilities, profit before tax, and shareholder's equity. The correlations of assumptions will have a significant effect on the sensitivity analysis, but to demonstrate the impact due to changes in specific assumptions, the sensitivity analysis is performed on an individual basis. It should be noted that movements in these assumptions are non-linear. Sensitivity information will also vary according to the current business profile and economic assumptions.

	Change in assumptions*	Impact on profit before tax gross of reinsurance/retakaful** RM'000	Impact on profit before tax net of reinsurance/retakaful** RM'000	Impact on equity gross of reinsurance/retakaful*** RM'000	Impact on equity net of reinsurance/retakaful*** RM'000	Impact on liabilities gross of reinsurance/retakaful RM'000	Impact on liabilities net of reinsurance/retakaful RM'000
2026							
Ultimate loss ratio	+5%	(183,175)	(168,164)	(168,520)	(154,710)	187,179	172,132
Discount rates	+25 bp	(8,087)	(10,573)	(7,440)	(9,727)	(31,580)	(29,064)
Foreign currency	+5%	2,112	1,873	1,942	1,724	99,458	88,244
Ultimate loss ratio	-5%	182,289	167,273	167,705	153,890	(186,302)	(171,250)
Discount rates	-25 bp	8,323	7,658	10,843	9,976	32,047	29,497
Foreign currency	-5%	(2,112)	(1,873)	(1,942)	(1,724)	(99,458)	(88,244)

* Stress is a multiplicative function.

** The amounts for the gross basis refer for both LIC & LRC.

*** The impact on equity reflects the impact after tax of 5% (2025: 5%), where applicable.

The method used in performing the sensitivity analysis is consistent with the prior year.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

31. INSURANCE/TAKAFUL RISK (CONT'D.)

(a) General reinsurance/retakaful by Malaysian Re (cont'd.)

(v) Impact on liabilities, profit and equity (cont'd.)

Sensitivity analysis (cont'd.)

	Change in assumptions*	Impact on profit before tax gross of reinsurance/retakaful** RM'000	Impact on profit before tax net of reinsurance/retakaful** RM'000	Impact on equity gross of reinsurance/retakaful*** RM'000	Impact on equity net of reinsurance/retakaful*** RM'000	Impact on liabilities gross of reinsurance/retakaful RM'000	Impact on liabilities net of reinsurance/retakaful RM'000
2025							
Ultimate loss ratio	+5%	(173,242)	(157,267)	(159,382)	(144,685)	178,281	162,068
Discount rates	+25 bp	(1,225)	(3,228)	(1,127)	(2,970)	(28,674)	(26,150)
Foreign currency	+5%	2,111	1,904	1,942	1,752	104,415	94,160
Ultimate loss ratio	-5%	170,615	155,173	156,965	142,759	(175,660)	(159,944)
Discount rates	-25 bp	1,385	1,274	3,416	3,142	29,056	26,499
Foreign currency	-5%	(2,111)	(1,904)	(1,942)	(1,752)	(104,415)	(94,160)

* Stress is a multiplicative function.

** The amounts for the gross basis refer for both LIC & LRC.

*** The impact on equity reflects the impact after tax of 5% (2025: 5%), where applicable.

The method used in performing the sensitivity analysis is consistent with the prior year.

(vi) Claims development table

The following tables show the estimate of cumulative ultimate incurred claims, including both claim provisions and IBNR for each successive underwriting year as at respective financial year end position, along with cumulative claim payments to-date.

In setting provisions for claims, the general reinsurance/retakaful by Malaysian Re gives consideration to the probability and magnitude of future claims experience at best estimate level with a degree of caution in setting reserves when there is considerable uncertainty. In general, the uncertainty associated with the ultimate claims experience for an underwriting year is the greatest when the claim is at an early stage of development.

The ultimate liability projection for Underwriting Year ("UWY") 2026 will only be available once the general reinsurance/retakaful by Malaysian Re has completed the underwriting of its business for the period from 1 January 2026 to 31 December 2026.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

31. INSURANCE/TAKAFUL RISK (CONT'D.)

(a) General reinsurance/retakaful by Malaysian Re (cont'd.)

(vi) Claims development table (cont'd.)

Gross liability for Incurred Claims ("LIC") for 2026:

Underwriting year	Before 2020 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000	2026 RM'000	Subtotal RM'000
At the end of accident year		-	-	1,015,635	801,407	646,564	778,748	801,108	
One year later		-	926,423	1,443,904	1,486,803	1,329,484	1,230,439	-	
Two years later		803,946	916,687	1,560,518	1,242,535	1,214,622	-	-	
Three years later		796,453	890,144	1,542,289	1,113,098	-	-	-	
Four years later		787,445	853,381	1,501,584	-	-	-	-	
Five years later		753,715	810,844	-	-	-	-	-	
Six years later		698,097	-	-	-	-	-	-	
Current estimate of cumulative undiscounted claims incurred		698,097	810,844	1,501,584	1,113,098	1,214,622	1,230,439	801,108	
At the end of accident year		-	-	98,272	59,557	120,159	97,769	115,018	
One year later		-	332,955	634,343	441,457	469,308	438,203	-	
Two years later		504,333	519,684	1,010,685	670,054	653,595	-	-	
Three years later		598,163	633,530	1,162,708	757,676	-	-	-	
Four years later		649,437	679,363	1,202,748	-	-	-	-	
Five years later		661,684	687,525	-	-	-	-	-	
Six years later		638,736	-	-	-	-	-	-	
Cumulative payments to-date		638,736	687,525	1,202,748	757,676	653,595	438,203	115,018	
Gross liabilities for incurred claims	196,163	59,361	123,319	298,836	355,422	561,027	792,236	686,090	3,072,454
Latest UWY BE LIC									44,892
Claim handling expenses									27,363
Total Best Estimate of LIC									3,144,710
Risk Adjustment at 75% Confidence Interval									277,062
Discounting impact									(81,809)
Forex Impact									(101,927)
Trade balances									178,197
Incurred claims from Family Retakaful and Shareholder funds									178,070
Inter-company elimination									(74,937)
Liability for Incurred Claims									3,519,366

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

31. INSURANCE/TAKAFUL RISK (CONT'D.)

(a) General reinsurance/retakaful by Malaysian Re (cont'd.)

(vi) Claims development table (cont'd.)

Net LIC for 2026:

Underwriting year	Before 2020 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000	2026 RM'000	Subtotal RM'000
At the end of accident year		-	-	701,161	792,897	580,971	714,963	749,231	
One year later		-	904,785	1,073,931	1,428,386	1,196,351	1,076,692	-	
Two years later		791,937	895,116	1,207,310	1,116,875	1,109,501	-	-	
Three years later		787,432	873,784	1,185,279	1,001,697	-	-	-	
Four years later		778,864	836,421	1,152,646	-	-	-	-	
Five years later		741,521	795,098	-	-	-	-	-	
Six years later		688,347	-	-	-	-	-	-	
Current estimate of booked ultimate claims incurred (a)		688,347	795,098	1,152,646	1,001,697	1,109,501	1,076,692	749,231	
At the end of accident year		-	-	98,202	55,133	98,521	68,200	87,109	
One year later		-	332,823	407,913	413,189	430,077	370,292	-	
Two years later		504,281	519,622	694,992	586,789	594,740	-	-	
Three years later		596,451	633,436	829,047	678,870	-	-	-	
Four years later		646,642	663,207	870,983	-	-	-	-	
Five years later		654,567	672,111	-	-	-	-	-	
Six years later		633,712	-	-	-	-	-	-	
Cumulative payments to-date (b)		633,712	672,111	870,983	678,870	594,740	370,292	87,109	
Expected claim liabilities (a) - (b)	186,842	54,635	122,987	281,663	322,827	514,761	706,400	662,122	2,852,237
Latest UWY BE AIC									43,137
Claim handling expenses									27,363
Total Best Estimate of AIC									2,922,737
Fund PRAD at 75% confidence interval									256,137
Discounting impact									(80,649)
Forex Impact									(179,788)
Trade balances									196,241
Incurred claims from Family Retakaful and Shareholder funds									61,300
Inter-company elimination									(74,937)
Net general reinsurance/retakaful claim liabilities									3,101,041

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

31. INSURANCE/TAKAFUL RISK (CONT'D.)

(a) General reinsurance/retakaful by Malaysian Re (cont'd.)

(vi) Claims development table (cont'd.)

Gross LIC for 2025:

Underwriting year	Before 2019 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000	Subtotal RM'000
At the end of accident year		-	-	-	1,015,635	801,407	646,564	776,560	
One year later		-	-	926,423	1,443,904	1,486,803	1,323,018	-	
Two years later		-	803,946	916,687	1,560,518	1,220,849	-	-	
Three years later		839,794	796,453	890,144	1,535,998	-	-	-	
Four years later		823,012	787,445	853,546	-	-	-	-	
Five years later		813,669	752,705	-	-	-	-	-	
Six years later		792,554	-	-	-	-	-	-	
Current estimate of cumulative undiscounted claims incurred		792,554	752,705	853,546	1,535,998	1,220,849	1,323,018	776,560	
At the end of accident year		-	-	-	98,272	59,557	120,159	95,581	
One year later		-	-	332,955	634,343	441,457	462,841	-	
Two years later		-	504,333	519,684	1,010,685	648,368	-	-	
Three years later		689,320	598,163	633,530	1,156,417	-	-	-	
Four years later		705,750	649,437	679,528	-	-	-	-	
Five years later		731,274	660,674	-	-	-	-	-	
Six years later		726,406	-	-	-	-	-	-	
Cumulative payments to-date		726,406	660,674	679,528	1,156,417	648,368	462,841	95,581	
Gross liabilities for incurred claims	208,896	66,148	92,031	174,018	379,581	572,481	860,177	680,979	3,034,311
Latest UWY BE LIC									60,648
Claim handling expenses									21,400
Total Best Estimate of LIC									3,116,359
Risk Adjustment at 75% Confidence Interval									279,565
Discounting impact									(90,121)
Forex Impact									(112,622)
Trade balances									415,179
Incurred claims from Family Retakaful and Shareholder funds									135,352
Inter-company elimination									(93,400)
Liability for Incurred Claims									3,650,312



NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

31. INSURANCE/TAKAFUL RISK (CONT'D.)

(a) General reinsurance/retakaful by Malaysian Re (cont'd.)

(vi) Claims development table (cont'd.)

Net LIC for 2025:

Underwriting year	Before 2019 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000	Subtotal RM'000
At the end of accident year		-	-	-	701,161	792,897	580,971	712,775	
One year later		-	-	904,785	1,073,931	1,428,386	1,189,885	-	
Two years later		-	791,936	895,116	1,207,310	1,095,189	-	-	
Three years later		736,048	787,432	873,784	1,178,988	-	-	-	
Four years later		728,215	778,864	836,586	-	-	-	-	
Five years later		716,569	740,511	-	-	-	-	-	
Six years later		689,556	-	-	-	-	-	-	
Current estimate of cumulative undiscounted claims incurred		689,556	740,511	836,586	1,178,988	1,095,189	1,189,885	712,775	
At the end of accident year		-	-	-	98,202	55,134	98,521	66,012	
One year later		-	-	332,823	407,912	413,189	423,610	-	
Two years later		-	504,281	519,622	694,992	565,103	-	-	
Three years later		600,631	596,451	633,436	822,756	-	-	-	
Four years later		616,488	646,642	663,372	-	-	-	-	
Five years later		641,452	653,557	-	-	-	-	-	
Six years later		627,076	-	-	-	-	-	-	
Cumulative payments to-date		627,076	653,557	663,372	822,756	565,103	423,610	66,012	
Net liabilities for incurred claims	203,112	62,480	86,954	173,214	356,232	530,086	766,275	646,763	2,825,116
				Latest UWY BE LIC					57,847
				Claim handling expenses					21,400
				Total Best Estimate of LIC					2,904,363
				Risk Adjustment at 75% Confidence Interval					256,287
				Discounting impact					(81,015)
				Forex Impact					(106,419)
				Trade balances					364,057
				Incurred claims from Family Retakaful and Shareholder funds					54,018
				Inter-company elimination					(93,400)
				Net general reinsurance/retakaful claim liabilities					3,297,891

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

31. INSURANCE/TAKAFUL RISK (CONT'D.)

(b) General takaful fund by Takaful IKHLAS General

(i) Nature of risk

Takaful IKHLAS General principally issues the following classes of general takaful: Motor, Fire, Personal Accident and Miscellaneous (which includes other smaller classes such as Engineering, Liabilities and Marine).

Each participant pays a portion of contribution, which is known as Tabarru' ("donation") into the General Takaful Fund ("GTF") for the purpose of meeting claims arising from events or risks covered under the takaful certificates. Takaful IKHLAS General is exposed to concentration risk through its takaful certificates in certain geographic regions, industry sectors, or line of business.

The risks are mitigated by, among others, diversification across a large portfolio of business, which is designed to smoothen the overall claim experience. The solvency of the GTF is managed by adopting prudent underwriting and claims management practices and controls.

Takaful IKHLAS General also manages its risk exposure through the use of retakaful arrangements. The retakaful treaty arrangements of Takaful IKHLAS General are reviewed annually by the Treaty Working Group ("TWG"), GMRCC and subsequently, as delegated by the Board, recommended to the RMCB for approval. The TWG is responsible to ensure all aspects of the business operations, risk management including risk appetite, risk tolerance and business strategies of Takaful IKHLAS General were taken into consideration in the overall procurement of Takaful IKHLAS General's retakaful programme and being carried out in the best interest of Takaful IKHLAS General. Selection of retakaful operators participating in the retakaful arrangements is in accordance with the criteria stipulated by BNM and the Board.

Stress Testing is performed at least once a year, or more frequently if required. The purpose of the stress testing is to test the solvency and financial viability of the GTF and overall company under various scenarios as guided by regulatory guidelines. Stress tests and scenario analysis are used to assess Takaful IKHLAS General's ability to maintain minimum specified levels of capital and liquidity in exceptional but plausible events and ensure consideration of the financial impact of plausible events in the decision-making process and the effectiveness of management actions under stressed conditions.

(ii) Reserving risk

Reserving risk relates to the risk arising from inadequate reserves to meet the net claims amount payable. The determination of GTF's Liabilities for Remaining Coverage ("LFRC") and Liabilities for Incurred Claims ("LFIC") relies on the information derived from various sources such as historical claims experience, existing knowledge of occurred events, the terms and conditions of relevant certificates and interpretation of prevailing circumstances.

Takaful IKHLAS General sets aside case reserves and technical reserves to meet the expected ultimate loss arising from the claim. These claim reserves are updated periodically taking into account the claims development.

At each reporting date end, Takaful IKHLAS General performs a valuation of liabilities for the purpose of ensuring that liabilities for remaining coverage and liabilities for incurred claims are objectively assessed and adequately provided for.

(iii) Catastrophe risk

The risk that a single or a series of catastrophe events, usually over a short period, which leads to a high number of claims or single large loss or combination of both. The consequences of the risks are minimised by having retakaful coverage in place and retention in line with the risk appetite of the Takaful IKHLAS General.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

31. INSURANCE/TAKAFUL RISK (CONT'D.)

(b) General takaful fund by Takaful IKHLAS General (cont'd.)

(iv) Pricing risk

Pricing risk arises when contributions charged are insufficient to meet expected claims and expenses. This risk is mitigated by adhering to the pricing policy and ceding risk above risk appetite to retakaful operators with strong financial standing.

(v) Impact on liabilities, profit and equity

Key assumptions

The principal assumption underlying the estimation of liabilities is that the general takaful future claims development will follow a pattern similar to the historical trend experience.

Additional qualitative judgements are used to assess the extent to which past trends may not apply in the future. Examples of external factors that may affect claims development include isolated one-off occurrence, changes in market factors such as public attitude to claims notification and reporting, economic conditions, judicial decision as well as government legislation. Examples of internal factors include changes in portfolio mix, changes in certificate conditions and changes in claims handling procedures, especially those that affect the speed of claim settlement.

Other key circumstances affecting the reliability of assumptions include delays in settlement.

Sensitivity analysis

The analysis below is performed on possible movements in key assumptions with all other assumptions held constant, showing the impact on Takaful IKHLAS General's gross and net of retakaful for Liabilities for Incurred Claims ("LFIC"), profit before tax and shareholder's equity. The correlation of assumptions will have significant effects on the sensitivity analysis but to demonstrate the impact due to changes in specific assumptions, sensitivity analysis is performed on an individual basis. It should be noted that movements in these assumptions are non-linear. Sensitivity information will also vary according to the current business profile and economic assumptions.

The sensitivity analysis has been performed on claims handling expenses ("CHE") and claims management expenses ("CME"), discount rate and the claims experience for the main classes of business which are Motor Act, Motor Others and Fire. Motor Act is analysed using changes in claim severity while Motor Others and Fire are analysed using changes in the expected ultimate loss ratio.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

31. INSURANCE/TAKAFUL RISK (CONT'D.)

(b) General takaful fund by Takaful IKHLAS General (cont'd.)

(v) Impact on liabilities, profit and equity (cont'd.)

Sensitivity analysis (cont'd.)

	Increase/(decrease)								
Change in assumptions	Impact on takaful service result before retakaful certificates held RM'000	Impact on takaful service result RM'000	Impact on profit before tax, retakaful certificates held RM'000	Impact on profit before tax RM'000	Impact on takaful certificate liabilities RM'000	Impact on takaful certificate liabilities and retakaful certificate assets RM'000	Impact on equity before retakaful certificates held RM'000	Impact on equity RM'000	
2026									
Motor Act Average Severity									
+10% of Ultimate Claims	(123,522)	(66,215)	(15,318)	(8,868)	123,522	66,215	(11,351)	(6,571)	
-10% of Ultimate Claims	123,284	66,073	15,079	8,725	(123,284)	(66,073)	11,174	6,465	
Motor Others Expected									
Loss Ratio									
+10% of Ultimate Claims	(97,402)	(56,361)	(5,499)	(3,741)	97,402	56,361	(4,075)	(2,772)	
-10% of Ultimate Claims	96,644	56,133	4,740	3,512	(96,644)	(56,133)	3,512	2,602	
Fire Expected Loss Ratio									
+10% of Ultimate Claims	(10,502)	(7,581)	(487)	(339)	10,502	7,581	(361)	(251)	
-10% of Ultimate Claims	10,041	7,543	26	300	(10,041)	(7,543)	19	222	
Claim Handling Expense									
("CHE") & Claim Management									
Expense ("CME")									
+10% of Ultimate Claims	(8,740)	(8,740)	(8,740)	(8,740)	8,740	8,740	(6,476)	(6,476)	
-10% of Ultimate Claims	8,724	8,724	8,724	8,724	(8,724)	(8,724)	6,464	6,464	
Discounting									
+1% of Discount Rate	12,128	6,910	1,275	775	(12,128)	(6,910)	945	574	
-1% of Discount Rate	(12,590)	(7,164)	(1,326)	(806)	12,590	7,164	(983)	(597)	

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

31. INSURANCE/TAKAFUL RISK (CONT'D.)

(b) General takaful fund by Takaful IKHLAS General (cont'd.)

(v) Impact on liabilities, profit and equity (cont'd.)

Sensitivity analysis (cont'd.)

Change in assumptions	Increase/(decrease)							
	Impact on takaful service result before retakaful certificates held RM'000	Impact on takaful service result RM'000	Impact on profit before tax, retakaful certificates held RM'000	Impact on profit before tax RM'000	Impact on takaful certificate liabilities RM'000	Impact on takaful certificate liabilities and retakaful certificate assets RM'000	Impact on equity before retakaful certificates held RM'000	Impact on equity RM'000
2025								
Motor Act Average Severity								
+10% of Ultimate Claims	(98,851)	(54,595)	(13,101)	(7,759)	98,912	54,627	(9,708)	(5,749)
-10% of Ultimate Claims	97,866	54,449	12,865	7,613	(97,927)	(54,483)	9,533	5,641
Motor Others Expected								
Loss Ratio								
+10% of Ultimate Claims	(73,520)	(42,641)	(4,142)	(2,863)	73,543	42,654	(3,069)	(2,121)
-10% of Ultimate Claims	72,465	42,474	3,840	2,696	(72,489)	(42,488)	2,845	1,998
Fire Expected Loss Ratio								
+10% of Ultimate Claims	(10,088)	(6,731)	(364)	(319)	10,092	6,733	(270)	(236)
-10% of Ultimate Claims	9,257	6,688	288	276	(9,261)	(6,692)	213	205
CHE & CME								
+10% of Ultimate Claims	(5,966)	(5,966)	(5,969)	(5,970)	5,969	5,969	(4,423)	(4,424)
-10% of Ultimate Claims	5,988	5,987	5,992	5,991	(5,992)	(5,992)	4,440	4,439
Discounting								
+1% of Discount Rate	9,204	5,297	1,967	1,203	(18,368)	(10,568)	1,458	891
-1% of Discount Rate	(9,526)	(5,482)	(2,036)	(1,246)	19,011	10,936	(1,509)	(923)

The method used in performing the sensitivity analysis is consistent with the prior year.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

31. INSURANCE/TAKAFUL RISK (CONT'D.)

(b) General takaful fund by Takaful IKHLAS General (cont'd.)

(vi) Claims development table

The following tables show the estimate of cumulative incurred claims, including both claims reported and IBNR (including IBNER) for each successive accident year at each reporting date, together with cumulative payments to-date.

In setting provisions for claims, the Takaful IKHLAS General gives consideration to the probability and magnitude of future experience on best estimate basis with a degree of caution in setting reserves when there is considerable uncertainty. In general, the uncertainty associated with the ultimate claims experience for an accident year is greatest when the claim is at an early stage of development.

Gross General Takaful Certificate Liabilities for 2026

As at 31 March											
Accident year	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000	2026 RM'000	Total RM'000
At the end of accident year	113,257	195,417	188,468	194,052	204,481	294,653	364,274	479,071	545,412	716,504	716,504
One year later	113,434	196,877	192,772	185,943	206,425	297,021	369,867	454,998	541,750	-	541,750
Two year later	108,941	198,738	186,612	194,488	204,385	281,113	356,049	449,421	-	-	449,421
Three year later	107,880	197,158	192,388	192,522	198,486	278,725	349,808	-	-	-	349,808
Four year later	106,783	197,653	192,613	192,208	193,566	274,139	-	-	-	-	274,139
Five year later	106,876	194,630	193,832	189,795	187,659	-	-	-	-	-	187,659
Six year later	100,796	181,879	184,568	179,949	-	-	-	-	-	-	179,949
Seven year later	98,744	183,458	182,797	-	-	-	-	-	-	-	182,797
Eight year later	87,588	182,707	-	-	-	-	-	-	-	-	182,707
Ninth year later	87,619	-	-	-	-	-	-	-	-	-	87,619
Current estimate of cumulative undiscounted claims incurred	87,619	182,707	182,797	179,949	187,659	274,139	349,808	449,421	541,750	716,504	3,152,353
At the end of accident year	43,970	82,191	73,362	78,164	81,540	115,765	137,910	182,915	226,771	291,032	291,032
One year later	69,156	131,743	127,672	120,590	132,365	195,496	239,839	296,060	367,828	-	367,828
Two year later	80,147	158,922	147,522	140,866	153,413	222,637	283,104	357,901	-	-	357,901
Three year later	84,404	168,814	165,025	159,330	168,954	242,613	308,558	-	-	-	308,558
Four year later	85,974	174,992	174,415	166,544	174,074	249,973	-	-	-	-	249,973
Five year later	86,721	176,515	178,553	176,180	177,108	-	-	-	-	-	177,108
Six year later	87,294	178,749	180,728	178,380	-	-	-	-	-	-	178,380
Seven year later	87,492	179,051	181,565	-	-	-	-	-	-	-	181,565
Eight year later	87,572	182,794	-	-	-	-	-	-	-	-	182,794
Ninth year later	87,622	-	-	-	-	-	-	-	-	-	87,622
Cumulative payments to-date	87,622	182,794	181,565	178,380	177,108	249,973	308,558	357,901	367,828	291,032	2,382,761

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

31. INSURANCE/TAKAFUL RISK (CONT'D.)

(b) General takaful fund by Takaful IKHLAS General (cont'd.)

(vi) Claims development table (cont'd.)

Gross General Takaful Certificate Liabilities for 2026 (cont'd.)

Accident year (cont'd.)	As at 31 March										Total
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Gross liabilities for incurred claims:											
Best estimate of claims liabilities											
(including Allocated Loss											
Adjustment Expenses ("ALAE"))	(3)	(87)	1,232	1,569	10,551	24,166	41,251	91,521	173,922	425,470	769,592
Discounting Impact	-	(3)	(77)	(100)	(559)	(1,308)	(2,220)	(4,865)	(8,870)	(14,227)	(32,229)
											737,363
Takaful payables and others											21,888
											759,251
Risk adjustment and other claim-related expenses											78,238
											837,489

Net General Takaful Certificate Liabilities for 2026

Accident year	As at 31 March										Total
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At the end of accident year	113,257	113,775	107,381	118,287	127,751	155,257	222,317	271,714	319,348	438,875	438,875
One year later	113,434	113,959	106,516	108,953	122,867	154,435	225,101	240,770	310,628	-	310,628
Two year later	108,941	110,916	102,714	108,923	120,150	146,862	167,199	234,184	-	-	234,184
Three year later	107,880	110,336	104,226	105,836	117,327	124,109	162,419	-	-	-	162,419
Four year later	106,783	109,770	104,998	104,879	103,637	120,143	-	-	-	-	120,143
Five year later	106,876	109,236	105,221	104,471	100,730	-	-	-	-	-	100,730
Six year later	100,796	101,984	102,876	100,621	-	-	-	-	-	-	100,621
Seven year later	98,744	98,768	102,288	-	-	-	-	-	-	-	102,288
Eight year later	87,588	98,636	-	-	-	-	-	-	-	-	98,636
Ninth year later	87,617	-	-	-	-	-	-	-	-	-	87,617
Current estimate of cumulative undiscounted claims incurred	87,617	98,636	102,288	100,621	100,730	120,143	162,419	234,184	310,628	438,875	1,756,141

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

31. INSURANCE/TAKAFUL RISK (CONT'D.)

(b) General takaful fund by Takaful IKHLAS General (cont'd.)

(vi) Claims development table (cont'd.)

Net General Takaful Certificate Liabilities for 2026 (cont'd.)

Accident year (cont'd.)	As at 31 March										Total RM'000
	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000	2026 RM'000	
At the end of accident year	43,970	50,502	49,290	46,005	47,549	53,774	55,640	84,438	126,607	177,736	177,736
One year later	69,156	79,164	79,694	75,861	74,034	81,153	96,918	150,760	211,632	-	211,632
Two year later	80,147	90,931	92,440	85,132	84,566	94,110	123,155	184,313	-	-	184,313
Three year later	84,404	95,729	97,264	90,723	90,732	104,887	137,772	-	-	-	137,772
Four year later	85,974	97,147	98,941	94,927	93,248	108,424	-	-	-	-	108,424
Five year later	86,721	97,953	99,665	97,857	94,618	-	-	-	-	-	94,618
Six year later	87,294	98,156	100,995	100,032	-	-	-	-	-	-	100,032
Seven year later	87,492	98,345	101,639	-	-	-	-	-	-	-	101,639
Eight year later	87,572	98,631	-	-	-	-	-	-	-	-	98,631
Ninth year later	87,609	-	-	-	-	-	-	-	-	-	87,609
Cumulative payments to-date	87,609	98,631	101,639	100,032	94,618	108,424	137,772	184,313	211,632	177,736	1,302,406
Net liabilities for incurred claims:											
Best estimate of claims liabilities (including ALAE)	8	5	649	589	6,112	11,719	24,647	49,871	98,996	261,139	453,735
Discounting Impact	-	-	(35)	(32)	(300)	(580)	(1,254)	(2,486)	(4,776)	(8,525)	(17,988)
Net takaful receivables and others											435,747 (138,168)
Risk adjustment and other claim-related expenses											297,579 49,361
											346,940

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

31. INSURANCE/TAKAFUL RISK (CONT'D.)

(b) General takaful fund by Takaful IKHLAS General (cont'd.)

(vi) Claims development table (cont'd.)

Gross General Takaful Certificate Liabilities for 2025

Accident year	As at 31 March										Total
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At the end of accident year	174,218	190,776	195,417	188,468	194,052	204,481	294,653	364,274	479,071	545,412	545,412
One year later	163,828	192,331	196,877	192,772	185,943	206,425	297,021	369,867	454,998	-	454,998
Two year later	157,286	185,552	198,738	186,612	194,488	204,385	281,113	356,049	-	-	356,049
Three year later	153,908	187,120	197,158	192,388	192,522	198,486	278,725	-	-	-	278,725
Four year later	155,963	184,175	197,653	192,613	192,208	193,566	-	-	-	-	193,566
Five year later	154,356	184,535	194,630	193,832	189,795	-	-	-	-	-	189,795
Six year later	147,206	172,314	181,879	184,568	-	-	-	-	-	-	184,568
Seven year later	144,233	169,860	183,458	-	-	-	-	-	-	-	183,458
Eight year later	144,110	169,288	-	-	-	-	-	-	-	-	169,288
Ninth year later	144,097	-	-	-	-	-	-	-	-	-	144,097
Current estimate of cumulative undiscounted claims incurred	144,097	169,288	183,458	184,568	189,795	193,566	278,725	356,049	454,998	545,412	2,699,956
At the end of accident year	70,093	80,611	82,191	73,362	78,164	81,540	115,765	137,910	182,915	182,915	182,915
One year later	112,184	132,501	131,743	127,672	120,590	132,365	195,496	239,839	296,060	-	296,060
Two year later	130,725	153,910	158,922	147,522	140,866	153,413	222,637	283,104	-	-	283,104
Three year later	138,037	162,779	168,814	165,025	159,330	168,954	242,613	-	-	-	242,613
Four year later	140,658	165,165	174,992	174,415	166,544	174,074	-	-	-	-	174,074
Five year later	141,922	167,414	176,515	178,553	176,180	-	-	-	-	-	176,180
Six year later	143,256	168,238	178,749	180,728	-	-	-	-	-	-	180,728
Seven year later	143,553	169,051	179,051	-	-	-	-	-	-	-	179,051
Eight year later	144,024	169,198	-	-	-	-	-	-	-	-	169,198
Ninth year later	144,081	-	-	-	-	-	-	-	-	-	144,081
Cumulative payments to-date	144,081	169,198	179,051	180,728	176,180	174,074	242,613	283,104	296,060	182,915	2,071,860

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

31. INSURANCE/TAKAFUL RISK (CONT'D.)

(b) General takaful fund by Takaful IKHLAS General (cont'd.)

(vi) Claims development table (cont'd.)

Gross General Takaful Certificate Liabilities for 2025 (cont'd.)

Accident year (cont'd.)	As at 31 March										Total RM'000
	2016 RM'000	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000	
Gross liabilities for incurred claims:											
Best estimate of claims liabilities (including Allocated Loss Adjustment Expenses ("ALAE"))	17	89	4,407	3,840	13,615	19,492	36,113	72,945	158,938	318,642	628,098
Discounting Impact	(1)	(4)	(195)	(177)	(617)	(878)	(1,615)	(3,175)	(6,920)	(13,860)	(27,442)
											600,656
Takaful payables and others											29,530
											630,186
Risk adjustment and other claim-related expenses											67,532
											697,718

Net General Takaful Certificate Liabilities for 2025

Accident year	As at 31 March										Total RM'000
	2016 RM'000	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000	
At the end of accident year	110,041	113,257	113,775	107,381	118,287	127,751	155,257	222,317	271,714	319,348	319,348
One year later	100,341	113,434	113,959	106,516	108,953	122,867	154,435	225,101	240,770	-	240,770
Two year later	96,034	108,941	110,916	102,714	108,923	120,150	146,862	167,199	-	-	167,199
Three year later	94,500	107,880	110,336	104,226	105,836	117,327	124,109	-	-	-	124,109
Four year later	94,192	106,783	109,770	104,998	104,879	103,637	-	-	-	-	103,637
Five year later	93,674	106,876	109,236	105,221	104,471	-	-	-	-	-	104,471
Six year later	89,117	100,796	101,984	102,876	-	-	-	-	-	-	102,876
Seven year later	87,895	98,744	98,768	-	-	-	-	-	-	-	98,768
Eight year later	87,872	87,588	-	-	-	-	-	-	-	-	87,588
Ninth year later	87,869	-	-	-	-	-	-	-	-	-	87,869
Current estimate of cumulative undiscounted claims incurred	87,869	87,588	98,768	102,876	104,471	103,637	124,109	167,199	240,770	319,348	1,436,635

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

31. INSURANCE/TAKAFUL RISK (CONT'D.)

(b) General takaful fund by Takaful IKHLAS General (cont'd.)

(vi) Claims development table (cont'd.)

Net General Takaful Certificate Liabilities for 2025 (cont'd.)

Accident year (cont'd.)	As at 31 March										Total
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At the end of accident year	43,970	43,970	50,502	49,290	46,005	47,549	53,774	55,640	84,438	126,607	126,607
One year later	69,156	69,156	79,164	79,694	75,861	74,034	81,153	96,918	150,760	-	150,760
Two year later	80,147	80,147	90,931	92,440	85,132	84,566	94,110	123,155	-	-	123,155
Three year later	84,404	84,404	95,729	97,264	90,723	90,732	104,887	-	-	-	104,887
Four year later	85,974	85,974	97,147	98,941	94,927	93,248	-	-	-	-	93,248
Five year later	86,721	86,721	97,953	99,665	97,857	-	-	-	-	-	97,857
Six year later	87,294	87,294	98,156	100,995	-	-	-	-	-	-	100,995
Seven year later	87,492	87,492	98,345	-	-	-	-	-	-	-	98,345
Eight year later	87,811	87,572	-	-	-	-	-	-	-	-	87,572
Ninth year later	87,867	-	-	-	-	-	-	-	-	-	87,867
Cumulative payments to-date	87,867	87,572	98,345	100,995	97,857	93,248	104,887	123,155	150,760	126,607	1,071,293
Net liabilities for incurred claims:											
Best estimate of claims liabilities (including ALAE)	3	16	424	1,881	6,614	10,388	19,222	44,044	90,010	192,742	365,344
Discounting Impact	-	(1)	(24)	(101)	(308)	(521)	(964)	(2,233)	(4,650)	(6,404)	(15,206)
Net takaful receivables and others											350,138 (163,434)
Risk adjustment and other claim-related expenses											186,704 63,382
											250,086

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

31. INSURANCE/TAKAFUL RISK (CONT'D.)

(c) Family takaful fund by Takaful IKHLAS Family

(i) Nature of risk

Takaful IKHLAS Family principally writes the following types of family takaful certificates: Ordinary Takaful Plans, Credit-related Takaful Plans and Group Takaful Plans and Investment-linked Takaful Plans, for while maintaining an in-force block of Investment-linked Takaful Plans, for which no new business is being written. The takaful contributions are segregated into 2 separate funds: Participants' Risk Fund ("PRF") and Participants' Investment Fund ("PIF").

The PRF is compulsory for all certificates and refers to the fund used to pool the portion of contributions paid by participants on the basis of tabarru' ("donation") for the purpose of meeting claims on events/risks covered under the takaful certificates. Under the tabarru' contract, the fund is collectively owned by the pool of participants. In managing the PRF, the family takaful subsidiary adopts an appropriate set of policies and procedures to ensure the availability of funds to meet takaful benefits when due.

The PIF refers to the fund in which a portion of the contributions paid by takaful participants for a takaful certificate is allocated for the purpose of savings (PIF Savings) or investment (PIF Investment). The PIF is individually owned by participants. In managing the PIF, the family takaful subsidiary adopts appropriate investment and management strategies to achieve returns that are in line with the participants' reasonable expectations and where relevant, to ensure the availability of funds for future tabarru' apportionment into the PRF. The investment risk exposure for the PIF Investment is borne by the participants. For Investment-Linked takaful, the PIF refers to the unit fund(s).

Family takaful risk exists from the anti-selection process and inadequacy of PRF to meet future claims arising from family takaful certificates. The risks arise when actual claims experience is different from the assumptions used in setting the prices for products and establishing the technical provisions and liabilities for claims. Other sources of risks include certificate lapses and certificate claims such as mortality and morbidity experience, if they were to differ significantly from assumptions. The family takaful subsidiary is exposed to concentration risk through its takaful contracts, which may be concentrated in certain geographic regions, industry sectors, or line of business.

Takaful IKHLAS Family utilises retakaful arrangements to manage the mortality and morbidity risks. Retakaful structures are set based on the risk appetite of Takaful IKHLAS Family. Due to the nature of the business, the retakaful arrangements are reviewed as and when required, especially with introduction of new products.

Takaful IKHLAS Family reviews the actual experience of mortality, morbidity, lapses and surrenders, as well as expenses to ensure that appropriate policies, guidelines and limits are put in place to manage these risks.

The PIF is supported by the investment profit from the fund and the distribution surplus from PRF, if any. In the event of volatile investment climate and/or unusual claims experience, the investment profit and surplus distribution, if any to the participants may reduce.

Stress Testing is performed at least once a year and may be more frequently if required. The purpose of the Stress Testing is to test the solvency and financial viability of the family takaful fund under various scenarios as guided by regulatory guidelines. Stress tests and scenario analysis are used to assess Takaful IKHLAS Family's ability to maintain minimum specified levels of capital and liquidity in exceptional but plausible events and ensure consideration of the financial impact of plausible events in the decision-making process and the effectiveness of management actions under stressed conditions.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

31. INSURANCE/TAKAFUL RISK (CONT'D.)

(c) Family takaful fund by Takaful IKHLAS Family (cont'd.)

(i) Nature of risk (cont'd.)

The table below discloses the takaful certificate liabilities (excluding CSM) by type of products:

	2026		2025	
	Gross RM'000	Net RM'000	Gross RM'000	Net RM'000
Family takaful plans	1,535,213	1,525,455	1,516,091	1,506,165
Investment-linked takaful plans	358,966	347,316	335,733	325,997
Mortgage takaful plans	1,510,799	1,496,232	1,517,092	1,500,984
Group credit takaful plans	247,620	246,737	240,825	240,639
Others	479,243	482,794	448,210	448,165
Unallocated surplus*	357,929	357,929	360,096	360,096
	4,489,770	4,456,463	4,418,047	4,382,046

* The unallocated surplus represents fulfilment cash flows that remain after all takaful certificate services have been provided to the certificates in a group. In accordance with paragraph B71 of MFRS 17, such amounts reflect expected payments to current or future participants, and need not be allocated to specific groups but instead recognised as a liability arising from all groups collectively.

(ii) Reserving risk

Reserving risk relates to the risk arising from inadequate reserves to meet future benefits payment/claims and Takaful IKHLAS Family expense needs. The risk arises from uncertainty in the estimation of future liabilities, influenced by factors such as changes in mortality and morbidity rates, economic conditions, regulatory requirements, Takaful IKHLAS Family revenue and expense management, etc.

At each reporting date, Takaful IKHLAS Family performs a valuation of liabilities for the purpose of ensuring that reserves are objectively assessed and adequately provided for.

(iii) Catastrophe risk

The risk that a single or a series of catastrophe events, usually over a short period, which leads to a high number of claims or single large loss or combination of both.

(iv) Contribution risk

Contribution risk arises when contributions charged are insufficient to meet expected claims and expenses. This risk is mitigated by adhering to the pricing policy and ceding the risk above Takaful IKHLAS Family's risk appetite to retakaful operators with strong financial standing.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

31. INSURANCE/TAKAFUL RISK (CONT'D.)

(c) Family takaful fund by Takaful IKHLAS Family (cont'd.)

(v) Impact on profit and equity

Key assumptions

Takaful IKHLAS Family is being guided by the regulators and relevant guidelines in determining the liabilities of the family takaful fund and in the selection of assumptions. Assumptions used are based on past experience, current internal data, external market indices and benchmarks which reflect current observable market prices and other published information. Assumptions and prudent estimates are determined at the date of valuation and no credit is taken for possible beneficial effects of voluntary withdrawals. Assumptions are further evaluated on a continuous basis to ensure realistic and reasonable valuations.

The assumptions that have significant effects on the financial position and financial performance of the family takaful fund are described below:

Type of business	Mortality	2026 Discount rates	2025 Discount rates
Credit related products and individual regular contribution plans	Base mortality ¹ , adjusted for retakaful rates and actual experience ²	GII discount rate**	GII discount rate**
Others	Base mortality ¹	N/A*	N/A*

¹ These rates are obtained from the various industry mortality and morbidity experience tables that are used to determine the contribution rates; and

² Retakaful rates are derived from the fund's retakaful arrangements with respect to the credit related products and individual regular contribution plans.

* No discounting rates used for short-term product.

** Discount rates are derived based on GII of appropriate term and adjusted for illiquidity premium and other factor, if applicable.

The key assumptions to which the estimation of liabilities is particularly sensitive are as follows:

(i) Mortality and morbidity rates

Assumptions are based on mortality rates as set out in the Product Documentation submitted to BNM. They reflect the historical experience and are adjusted, as appropriate, to reflect the participants' expected experience. Assumptions are differentiated by gender, occupational class and product group.

An increase in mortality/morbidity will lead to a claims cost (as claims could be larger or occur sooner than anticipated).

To the extent that the actual mortality/morbidity incidence rate is worse than that priced for, the expected surplus arising in the PRF would be lower, leading to lower surplus administration charge/surplus performance incentive income. If the poor experience persists, the PRF may go into deficit, requiring the Shareholder's Fund to provide Qard. This is mitigated with adequate retakaful arrangements as well as contract design (in some circumstances) that builds in repricing mechanisms.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

31. INSURANCE/TAKAFUL RISK (CONT'D.)

(c) Family takaful fund by Takaful IKHLAS Family (cont'd.)

(v) Impact on profit and equity (cont'd.)

Key assumptions (cont'd.)

(ii) Discount rates

Family takaful liabilities of credit-related products, for examples, Mortgage Reducing Term Takaful ("MRTT") and Group Credit Takaful ("GCT") are determined as the sum of the discounted value of the expected benefits less the discounted value of the expected tabarru' (risk charge) that would be required to meet these future cash outflows. The valuation of liabilities will be discounted to valuation date based on the Government Investment Issues ("GII") zero coupon spot yields of appropriate term, which are obtained from the Bond Pricing Agency Malaysia ("BPAM") and adjusted for illiquidity premium and other factors, if applicable.

A decrease in the discount rate will increase the value of family takaful liabilities and consequently, may impact the surplus distribution to participants and shareholder.

Sensitivity analysis

The analysis below is performed on possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net of retakaful for shareholder's equity, profit before tax and CSM. The correlations of assumptions will have a significant effect on the sensitivity analysis but to demonstrate the impact due to changes in specific assumptions, the sensitivity analysis is performed on an individual basis. It should be noted that movements in these assumptions are non-linear. Sensitivity information will also vary according to the current business profile and economic assumptions.

		2026		2025	
		Increase/(decrease)			
	Change in assumptions	Impact on profit before tax gross of retakaful RM'000	Impact on profit before tax net of retakaful RM'000	Impact on profit before tax gross of retakaful RM'000	Impact on profit before tax net of retakaful RM'000
Mortality rates	+10%	(1,018)	(1,018)	(1,550)	(1,550)
Morbidity rates	+10%	(99)	(99)	(150)	(150)
Expenses	+10%	(2,757)	(2,757)	(2,886)	(2,886)
Surrender rates	+10%	(421)	(421)	(128)	(128)
Contribution holiday	+10%	(165)	(165)	(260)	(260)
Discount rates	+10%	1,219	1,219	2,932	2,932
Mortality/morbidity	-10%	989	989	1,467	1,467
Morbidity rates	-10%	98	98	149	149
Expenses	-10%	2,252	2,252	2,623	2,623
Surrender rates	-10%	252	252	90	90
Contribution holiday	-10%	143	143	249	249
Discount rates	-10%	(1,187)	(1,187)	(2,979)	(2,979)

The method used in performing the sensitivity analysis is consistent with prior year.

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31. INSURANCE/TAKAFUL RISK (CONT'D.)

(c) Family takaful fund by Takaful IKHLAS Family (cont'd.)

(v) Impact on profit and equity (cont'd.)

Sensitivity analysis (cont'd.)

		2026		2025	
		Increase/(decrease)			
	Change in assumptions	Impact on equity gross of retakaful RM'000	Impact on equity net of retakaful RM'000	Impact on equity gross of retakaful RM'000	Impact on equity net of retakaful RM'000
Mortality rates	+10%	(774)	(774)	(1,178)	(1,178)
Morbidity rates	+10%	(75)	(75)	(114)	(114)
Expenses	+10%	(2,096)	(2,096)	(2,193)	(2,193)
Surrender rates	+10%	(320)	(320)	(98)	(98)
Contribution holiday	+10%	(126)	(126)	(198)	(198)
Discount rates	+10%	927	927	2,229	2,229
Mortality rates	-10%	752	752	1,115	1,115
Morbidity rates	-10%	75	75	113	113
Expenses	-10%	1,711	1,711	1,994	1,994
Surrender rates	-10%	191	191	68	68
Contribution holiday	-10%	109	109	189	189
Discount rates	-10%	(902)	(902)	(2,264)	(2,264)

		2026		2025	
		Increase/(decrease)			
	Change in assumptions	Impact on CSM before gross of retakaful RM'000	Impact on CSM before tax of retakaful RM'000	Impact on CSM before gross of retakaful RM'000	Impact on CSM before tax of retakaful RM'000
Mortality rates	+10%	(419)	(419)	(415)	(415)
Morbidity rates	+10%	(47)	(47)	(60)	(60)
Expenses	+10%	(30,688)	(30,688)	(33,340)	(33,340)
Surrender rates	+10%	(9,330)	(9,330)	(8,419)	(8,419)
Contribution holiday	+10%	(3,488)	(3,488)	(2,918)	(2,918)
Discount rates	+10%	25,942	25,942	27,108	27,108
Mortality rates	-10%	437	437	419	419
Morbidity rates	-10%	47	47	60	60
Expenses	-10%	31,194	31,194	33,603	33,603
Surrender rates	-10%	10,236	10,236	9,041	9,041
Contribution holiday	-10%	3,553	3,553	3,322	3,322
Discount rates	-10%	(26,562)	(26,562)	(27,961)	(27,961)

The method used in performing the sensitivity analysis is consistent with prior year.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

31. INSURANCE/TAKAFUL RISK (CONT'D.)

(d) Family retakaful by Malaysian Re Retakaful

(i) Nature of risk

The family retakaful by Malaysian Re business principally underwrites family retakaful contracts in relation to the following main breakdown: Facultative, Treaty – Proportional, and Treaty – Non-Proportional, covering risks such as mortality, and morbidity risks.

The actual experience of the underwritten risks is reviewed periodically to ensure that appropriate policies, guidelines and limits are put in place to manage these risks.

Family retakaful underwriting risk arise when actual claims experience deviate from the assumptions used in setting the yearly renewable rates for retakaful products. The Family retakaful by Malaysian Re business is exposed to concentration risk through its retakaful contracts, which may be concentrated in certain geographic regions and types of coverage.

Stress testing is performed on a at least once a year, or more frequently if required. The purpose of the stress testing is to test the solvency and financial viability of the family retakaful by Malaysian Re under various scenarios as guided by regulatory guidelines. Stress tests and scenario analysis are used to assess the family retakaful by Malaysian Re's ability to maintain minimum specified levels of capital and liquidity in exceptional but plausible events and ensure consideration of the financial impact of plausible events in the decision-making process and the effectiveness of management actions under stressed conditions.

(ii) Catastrophe risk

The risk that a single or a series of catastrophe events, usually over a short period, which leads to a high number of claims or single large loss or combination of both.

(iii) Contribution risk

Contribution risk arises when contributions charged are insufficient to meet expected claims and expenses.

(iv) Impact on profit and equity

Key assumptions

The family retakaful by Malaysian Re's business is being guided by the regulator and relevant guidelines in determining the liabilities and the choice of assumptions. Assumptions used are based on past experience, current internal data, external market indices and benchmarks, and other published information. Assumptions and prudent estimates are determined at the date of valuation and no credit is taken for possible beneficial effects of voluntary withdrawals. Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations.

Sensitivity analysis

The Family retakaful by Malaysian Re's takaful certificate liabilities are sensitive to changes in loss ratios.

The analysis below is performed on possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net of retrocession/retrotakaful for liabilities, profit before tax, and shareholder's equity. The correlations of assumptions will have a significant effect on the sensitivity analysis, but to demonstrate the impact due to changes in specific assumptions, the sensitivity analysis is performed on an individual basis. It should be noted that movements in these assumptions are non-linear. Sensitivity information will also vary according to the current business profile and economic assumptions.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

31. INSURANCE/TAKAFUL RISK (CONT'D.)

(d) Family retakaful by Malaysian Re Retakaful (cont'd.)

(iv) Impact on profit and equity (cont'd.)

Sensitivity analysis (cont'd.)

		Increase/(decrease)					
	Change in assumptions*	Impact on profit before tax gross of retakaful RM'000	Impact on profit before tax net of retakaful RM'000	Impact on equity gross of retakaful RM'000	Impact on equity net of retakaful RM'000	Impact on liabilities gross of retakaful RM'000	Impact on liabilities net of retakaful RM'000
2026							
Ultimate loss ratio	+5%	(42,442)	(42,442)	(39,047)	(39,047)	(42,442)	(42,442)
Discount rates	+25 basis point	(25,799)	(25,799)	(23,735)	(23,735)	(25,799)	(25,799)
Ultimate loss ratio	-5%	35,136	35,136	32,325	32,325	35,136	35,136
Discount rates	-25 basis point	42,665	42,665	39,252	39,252	42,665	42,665
2025							
Ultimate loss ratio	+5%	(17,030)	(17,030)	(15,667)	(15,667)	(17,030)	(17,030)
Discount rates	+25 basis point	(1,344)	(1,344)	(1,236)	(1,236)	(1,344)	(1,344)
Ultimate loss ratio	-5%	11,713	11,713	10,776	10,776	11,713	11,713
Discount rates	-25 basis point	3,250	3,250	2,990	2,990	3,250	3,250

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

32. FINANCIAL RISK

Transactions in financial instruments may expose the Group and its main operating subsidiaries to various financial risks. These include credit risk, liquidity risk and market risk. This note presents information about the Group's and its main operating subsidiaries' exposure to each of the above risks and the Group's and its main operating subsidiaries' objectives, policies, and processes for measuring and managing such risks.

(a) Credit Risk

Credit risk is the risk that counterparty fails to meet its financial obligations/does not honor its contract/default. Credit risk includes the following major elements:

- (i) Investment credit risk refers to the potential financial loss arising from changes in the value of an investment due to the creditworthiness of the issuer or financial institution ("counterparty"). This risk is linked to the counterparty's ability to meet its obligations, including the timely payment of interest/profit and/or principal. Adverse circumstances affecting the counterparty such as rating downgrades, deterioration in financial condition, or default may negatively impact both the value and liquidity of the investments. Concentration of exposures to a single counterparty or sector may further amplify this risk. The Group manages investment credit risk through rigorous counterparty assessment, diversification, ongoing monitoring of credit ratings, and adherence to regulatory capital requirements;
- (ii) Derivative counterparty risk refers to the potential financial loss arising from a derivative counterparty's default or deterioration in financial condition. This risk materialises when the counterparty fails to fulfill its contractual obligations under a derivative agreement. In addition to default risk, derivative exposures may also be subject to settlement risk and collateral management considerations. The Group mitigates this risk by transacting only with approved counterparties, monitoring credit exposures, and applying collateral and netting arrangements where appropriate. All such practices are undertaken in strict alignment with the Group Derivatives Policy ("GDP"), ensuring consistency, regulatory compliance, and sound governance across the Group;
- (iii) Reinsurance/retakaful/takaful counterparty risk which is the risk of financial loss arising from the default or deterioration of the solvency position of the counterparties; and
- (iv) Premium/contribution credit risk of financial loss arising from the non-payment of insurance premiums/takaful contribution.

The Group is primarily exposed to investment credit risk through its bond and sukuk holdings, arising from potential deterioration in issuers' or counterparties' creditworthiness. To manage this, the Group conducts rigorous credit assessments in line with the GIP and GIG approved by the Board, while continuously monitoring credit ratings. Any downgrade triggers an immediate review to assess its impact and determine mitigation measures, ensuring resilience and alignment with the Group's risk appetite. As at the reporting date, the portfolio has no material exposure below investment grade, and credit risk across other asset classes is similarly evaluated based on issuer financial health, market conditions, and credit ratings to ensure compliance with risk limits and regulatory requirements.

- (i) as a result of recoveries owing from the counterparties for claims/benefits;
- (ii) from amounts due from ceding companies; and
- (iii) as a result of reserves held by the counterparties which would have to be met by the General reinsurance/retakaful by Malaysian Re and takaful subsidiaries in the event of default.

Management of credit risk

In order to manage and mitigate credit risk, the following policies and procedures were set in place:

- (i) Group Credit Risk Management Policy sets out key processes for credit risk management with primary focus on pro-actively identifying, assessing and monitoring credit related exposure within the business;
- (ii) The Group Investment Guidelines ("GIG") prescribe minimum credit rating requirements for corporate bond and sukuk investments, ensuring that exposures are limited to issuers with acceptable credit quality. This policy is designed to mitigate the risk of potential defaults by individual counterparties and to safeguard the Group's investment portfolio against undue credit deterioration.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

32. FINANCIAL RISK (CONT'D.)

(a) Credit Risk (cont'd.)

Management of credit risk (cont'd.)

- (iii) Internal single-counterparty limits for financial institutions (FIs) in money market placements and other investment instruments are determined based on the credit ratings and overall financial strength of each FI. These limits are designed to prevent excessive risk concentration with any single institution, thereby safeguarding the Group's portfolio against undue exposure.
- (iv) The Group's investment portfolio is managed with a focus on diversification and high-quality investment grade fixed income securities and equities with strong fundamentals. As of the financial year ended 31 March 2026, the fixed income portfolio was primarily composed of Government Investment Issues ("GII"), Malaysian Government Securities ("MGS"), and AAA rated securities, as rated by Rating Agency Malaysia ("RAM") and/or Malaysian Rating Corporation Berhad ("MARC"); and
- (v) To mitigate reinsurance/retakaful/takaful counterparty risk, the Group will give due consideration to the credit quality of the counterparties. To facilitate this process, a list of counterparties based on their rating is maintained within the Group. The Group regularly reviews the financial security of its counterparties.

Credit exposure by credit rating for 2026

The table below provides information regarding the credit risk exposures of the Group and of the Company by classifying assets according to the credit ratings of counterparties.

Group	Government guaranteed RM'000	AAA/P1 to BBB RM'000	BB to C RM'000	Not subject to credit risk RM'000	Not rated* RM'000	Total RM'000
Financial assets at FVTPL						
<u>Designated upon initial recognition:</u>						
Unquoted Islamic private debt securities	733,786	892,906	-	-	-	1,626,692
Corporate debt securities	144,209	1,606,321	-	-	-	1,750,530
Government investment issues	2,939,553	-	-	-	-	2,939,553
Malaysian government securities	581,202	-	-	-	-	581,202
<u>Mandatorily measured:</u>						
Quoted shares in Malaysia:						
Shariah approved equities	-	-	-	794,092	-	794,092
Others	-	-	-	135,737	-	135,737
Shariah approved unit trust funds	-	-	-	343,832	-	343,832
Real estate investment trusts:						
- Shariah approved	-	-	-	25,141	-	25,141
- Non-Shariah approved	-	-	-	14,896	-	14,896
Financial assets at FVOCI						
Government investment issues	441,443	-	-	-	-	441,443
Unquoted Islamic private debt securities	51,486	369,111	-	-	-	420,597
Unquoted shares in Malaysia	-	-	-	93,517	-	93,517
Golf club membership	-	-	-	233	-	233

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

32. FINANCIAL RISK (CONT'D.)

(a) Credit Risk (cont'd.)

Credit exposure by credit rating for 2026 (cont'd.)

The table below provides information regarding the credit risk exposures of the Group and of the Company by classifying assets according to the credit ratings of counterparties (cont'd.)

Group (cont'd.)	Government guaranteed RM'000	AAA/P1 to BBB RM'000	BB to C RM'000	Not subject to credit risk RM'000	Not rated* RM'000	Total RM'000
Financial assets at amortised cost						
Fixed and call deposits with licensed:						
Commercial banks	-	582,981	-	-	-	582,981
Foreign banks	-	456,470	-	-	-	456,470
Islamic investment accounts with licensed:						
Islamic banks	-	941,944	-	771,337	-	1,713,281
Commercial bank	-	94,449	-	-	-	94,449
Development banks	-	212,126	-	100,904	-	313,030
Islamic commercial paper	-	54,753	-	-	-	54,753
Commercial paper	-	134,144	-	-	-	134,144
Secured staff loans	-	-	-	-	1,756	1,756
Income due and accrued	45,744	36,033	-	4,695	4,509	90,981
Amount due from Insurance						
Pool accounts	-	18,526	-	-	-	18,526
Sundry receivables	-	-	-	-	20,130	20,130
Insurance contracts/takaful certificates assets	-	-	-	85,169	51,773	136,942
Reinsurance contracts/ retakaful certificates assets	-	429,342	-	-	354,908	784,250
Cash and bank balances	-	68,108	-	-	-	68,108
	4,937,423	5,897,214	-	2,369,553	433,076	13,637,266

* Non-rated balances primarily relate to balances due/recoverable from (re)insurers and/or (re)takaful operators licensed under FSA, IFSA 2013 and Labuan Financial Services and Securities Act 2010 ("LFSSA") respectively.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

32. FINANCIAL RISK (CONT'D.)

(a) Credit Risk (cont'd.)

Credit exposure by credit rating for 2026 (cont'd.)

The table below provides information regarding the credit risk exposures of the Group and of the Company by classifying assets according to the credit ratings of counterparties (cont'd.).

Company	Government guaranteed RM'000	AAA/P1 to BBB RM'000	BB to C RM'000	Not subject to credit risk RM'000	Not rated* RM'000	Total RM'000
Financial assets at FVOCI						
Golf club membership	-	-	-	50	-	50
Unquoted Islamic private debt securities	-	9,980	-	-	-	9,980
Financial assets at amortised cost						
Unquoted corporate debt securities	-	-	-	-	80,000	80,000
Islamic investment accounts with licensed:						
Islamic banks	-	140,664	-	-	-	140,664
Commercial banks	-	94,449	-	-	-	94,449
Development banks	-	14,925	-	-	-	14,925
Secured staff loans	-	-	-	-	487	487
Amounts due from subsidiaries	-	-	-	-	23,811	23,811
Income due and accrued	-	-	-	-	2,169	2,169
Sundry receivables	-	-	-	-	100	100
Cash and bank balances	-	613	-	-	-	613
	-	260,631	-	50	106,567	367,248

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

32. FINANCIAL RISK (CONT'D.)

(a) Credit Risk (cont'd.)

Credit exposure by credit rating for 2025

The table below provides information regarding the credit risk exposures of the Group and of the Company by classifying assets according to the credit ratings of counterparties.

Group	Government guaranteed RM'000	AAA/P1 to BBB RM'000	BB to C RM'000	Not subject to credit risk RM'000	Not rated* RM'000	Total RM'000
Financial assets at FVTPL						
Designated upon initial recognition:						
Unquoted Islamic private debt securities	722,253	759,795	–	–	–	1,482,048
Unquoted corporate debt securities	114,412	1,111,880	–	–	–	1,226,292
Government investment issues	2,366,432	–	–	–	–	2,366,432
Malaysian government securities	355,091	–	–	–	–	355,091
Mandatorily measured:						
Quoted shares in Malaysia:						
Shariah approved equities	–	–	–	508,222	–	508,222
Warrants	–	–	–	239	–	239
Others	–	–	–	79,312	–	79,312
Unquoted perpetual bond in Malaysia	–	4,992	–	–	–	4,992
Shariah approved unit trust funds	–	–	–	329,964	–	329,964
Real estate investment trusts:						
Shariah approved	–	–	–	14,226	–	14,226
Non-Shariah approved	–	–	–	2,782	–	2,782
Financial assets at FVOCI						
Government investment issues	475,736	–	–	–	–	475,736
Unquoted Islamic private debt securities	41,391	331,570	–	–	–	372,961
Unquoted shares in Malaysia	–	–	–	92,706	–	92,706
Golf club membership	–	–	–	233	–	233

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

32. FINANCIAL RISK (CONT'D.)

(a) Credit Risk (cont'd.)

Credit exposure by credit rating for 2025 (cont'd.)

The table below provides information regarding the credit risk exposures of the Group and of the Company by classifying assets according to the credit ratings of counterparties (cont'd.).

Group (cont'd.)	Government guaranteed RM'000	AAA/P1 to BBB RM'000	BB to C RM'000	Not subject to credit risk RM'000	Not rated* RM'000	Total RM'000
Financial assets at amortised cost						
Fixed and call deposits with licensed:						
Commercial banks	–	639,145	–	–	–	639,145
Foreign banks	–	334,568	–	–	–	334,568
Islamic investment accounts with licensed:						
Islamic banks	167,821	2,778,398	–	–	–	2,946,219
Commercial banks	–	90,000	–	–	–	90,000
Development banks	–	295,165	–	–	–	295,165
Islamic commercial paper	–	39,593	4,955	19,821	–	64,369
Commercial paper	–	172,468	–	–	–	172,468
Secured staff loans	–	–	–	–	2,233	2,233
Income due and accrued	43,018	43,380	–	1,386	4,274	92,058
Amount due from Insurance						
Pool accounts	–	–	–	–	16,696	16,696
Sundry receivables	–	–	–	–	23,583	23,583
Insurance contracts/takaful certificates assets	–	–	–	99,691	6,139	105,830
Reinsurance contracts/ retakaful certificates assets	–	324,968	–	–	292,686	617,654
Cash and bank balances	–	112,841	–	–	3	112,844
	4,286,154	7,038,763	4,955	1,148,582	345,614	12,824,068

* Non-rated balances primarily relate to balances due/recoverable from (re)insurers and/or (re)takaful operators licensed under FSA, IFSA 2013 and Labuan Financial Services and Securities Act 2010 ("LFSSA") respectively.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

32. FINANCIAL RISK (CONT'D.)

(a) Credit Risk (cont'd.)

Credit exposure by credit rating for 2025 (cont'd.)

The table below provides information regarding the credit risk exposures of the Group and of the Company by classifying assets according to the credit ratings of counterparties (cont'd.).

Company	Government guaranteed RM'000	AAA/P1 to BBB RM'000	BB to C RM'000	Not subject to credit risk RM'000	Not rated* RM'000	Total RM'000
Financial assets at FVTPL						
Shariah approved unit trust fund	–	–	–	50	–	50
Financial assets at FVOCI						
Unquoted Islamic private debt securities	–	29,929	–	–	–	29,929
Unquoted corporate debt securities	–	49,887	–	–	–	49,887
Financial assets at amortised cost						
Unquoted corporate debt securities	–	1,000	–	–	–	1,000
Islamic investment accounts with licensed:						
Islamic banks	–	167,821	–	–	–	167,821
Commercial banks	–	90,000	–	–	–	90,000
Development banks	–	8,000	–	–	–	8,000
Secured staff loans	–	–	–	–	642	642
Amounts due from subsidiaries	–	–	–	–	22,934	22,934
Income due and accrued	–	–	–	–	2,851	2,851
Sundry receivables	–	–	–	–	427	427
Cash and bank balances	–	2,602	–	–	–	2,602
	–	349,239	–	50	26,854	376,143

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

32. FINANCIAL RISK (CONT'D.)

(a) Credit Risk (cont'd.)

Investment assets – Reconciliation of allowance account

Significant increase in credit risk ("SICR")

The Group and the main operating subsidiaries apply the General Approach or the "three-bucket" approach which is based on the change in the credit quality of financial instruments since initial recognition to assess the impairment for investment assets. In particular, recognition of Expected Credit Loss ("ECL") is dependent on which of the three stages a particular financial instrument is assigned to. Assets move through the three stages as credit quality changes and the stages dictate how the Group and the Company measure impairment losses and apply the effective interest rate ("EIR") method with the forward looking element to compute the ECL.

The Group and the main operating subsidiaries measure both quantitative and qualitative parameters in the assessment of credit risk status from the initial recognition of the securities and at the reporting date.

Expected credit loss ("ECL")

The Group and the main operating subsidiaries assess the possible default events within 12 months for the calculation of the 12-month ECL in Stage 1. A newly purchased or originated financial assets will be subject to ECL upon recognition in Stage 1.

To estimate the lifetime ECL for financial instruments classified in Stage 2, the Group and the Company are required to estimate the probability of default occurring in the 12 months after the financial year end and in each subsequent year throughout the expected life of the financial instruments.

The financial assets are credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

As at the reporting date, all financial assets at amortised cost held by the Group and the Company are classified as Stage 1.

The following table shows the carrying value of the Group's financial assets measured at AC and the expected credit loss amount recognised. There were no ECL arising for Group and its main operating subsidiaries as at 31 March 2026 and 31 March 2025.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

32. FINANCIAL RISK (CONT'D.)

(a) Credit Risk (cont'd.)

Investment assets – Reconciliation of allowance account (cont'd.)

Expected credit loss ("ECL") (cont'd.)

Group	2026 RM'000	2025 RM'000
Total carrying amount of financial investment at AC	3,480,501	4,676,504
Total ECL on financial investment at AC as at 31 March	83	207

The following table shows the carrying value of the Group's financial assets measured at FVOCI and the expected credit loss amount recognised. There were no ECL arising for the Group and its main operating subsidiaries as at 31 March 2026 and 31 March 2025.

Group	2026 RM'000	2025 RM'000
Financial investments at FVOCI		
Government guaranteed	492,929	517,127
AAA to BBB	369,111	331,570
Not subject to credit risk	93,750	92,939
Total carrying amount of financial investment at FVOCI	955,790	941,636
Total ECL on financial investment at FVOCI as at 31 March	151	164

As at the reporting date, all financial investments measured at FVOCI held by the Group and the Company are classified as Stage 1.

Movements in allowances for impairment losses for financial investments measured at FVOCI and AC are as follows:

Group	FVOCI RM'000	AC RM'000	Total RM'000
Balance as at 1 April 2024	177	3	180
Net adjustment of loss allowances	(13)	204	191
Balance as at 31 March 2025	164	207	371
Net adjustment of loss allowances	(13)	(124)	(137)
Balance as at 31 March 2026	151	83	234

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

32. FINANCIAL RISK (CONT'D.)

(a) Credit Risk (cont'd.)

Other financial asset – Reconciliation of allowance account

Other financial assets consist of reinsurance/retakaful contract asset and insurance/takaful receivables within the balances of insurance contract liabilities.

Definition of default

The Group and the main operating subsidiaries consider a financial asset to be in default by assessing the following criteria:

(i) Quantitative criteria

Takaful receivables of the takaful subsidiaries are considered to be in default when the counterparty fails to make contractual payments within 12 months from the time when they fall due, which is derived based on the takaful subsidiaries' historical information in consideration that period of coverage for majority of businesses are 12 months.

Whereas for the reinsurance/retakaful by Malaysian Re, insurance/takaful receivables are considered to be in default when the counterparty fails to make contractual payments within 24 months when they fall due, reflecting the nature of the reinsurance business, which involves longer processing times. Similarly, for reinsurance/retakaful deposits placed, with balances aging more than 18 months are deemed to be credit-impaired. These extended default periods account for the fact that most businesses are conducted through brokers, which requires additional steps and time, requiring longer default periods.

(ii) Qualitative criteria

Default occurs when the counterparty is in bankruptcy or has indications of potentially significant financial difficulty such as lawsuits or similar actions that threaten the financial viability of the counterparty.

The criteria above have been applied to all financial instruments held by the Group and the Company and are consistent with the definition of default used for credit risk management purposes. The default definition has been applied consistently to model the probability of default ("PD"), loss given default ("LGD"), and exposure at default ("EAD") throughout the Group's and the Company's expected loss calculations.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

32. FINANCIAL RISK (CONT'D.)

(a) Credit Risk (cont'd.)

Incorporation of forward-looking information

The Group and the Company incorporate forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL. The Group and the Company have performed historical analyses and identified key economic variables impacting credit risk and expected credit losses for each portfolio.

The sensitivity of the ECL to the economic variable assumptions affecting the calculation of ECL was not material to the Group and the Company.

Set out below is the information about the credit risk exposure on the insurance/takaful receivables within the balances of insurance/takaful contract/certificates liabilities of the Group's General reinsurance/retakaful by Malaysian Re using a provision matrix:

	Months past due						
	Not due RM'000	1 – 6 months RM'000	7 – 12 months RM'000	13 – 18 months RM'000	19 – 24 months RM'000	More than 24 months RM'000	Total RM'000
31 March 2026							
ECL rate	0.23%	0.41%	2.11%	11.65%	44.23%	56.13%	
Gross carrying amount	371,740	242,129	36,830	38,416	1,784	7,957	698,856
Allowance for ECL	842	984	777	4,475	789	4,466	12,333
31 March 2025							
ECL rate	0.16%	0.78%	1.94%	7.58%	22.71%	49.50%	
Gross carrying amount	329,804	242,422	67,996	14,321	850	4,287	659,680
Allowance for ECL	519	1,883	1,319	1,086	193	2,122	7,122

Table below shows the credit risk exposure on the takaful receivables of the Group's general and family takaful subsidiaries using a provision matrix:

	Months past due						
	Not due RM'000	0-3 months RM'000	4-6 months RM'000	7-9 months RM'000	10-12 months RM'000	> 1 year RM'000	Total RM'000
31 March 2026							
ECL rate	0.00%	0.32%	1.69%	11.86%	31.74%	55.33%	3.81%
Gross carrying amount	5,354	171,810	15,260	5,584	1,024	11,236	210,268
Allowance for ECL	-	550	258	662	325	6,217	8,012
31 March 2025							
ECL rate	0.00%	0.89%	3.52%	18.17%	11.29%	33.92%	3.65%
Gross carrying amount	3,204	115,771	15,895	5,728	2,896	7,548	151,042
Allowance for ECL	-	1,029	559	1,041	327	2,560	5,516

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

32. FINANCIAL RISK (CONT'D.)

(a) Credit Risk (cont'd.)

Incorporation of forward-looking information (cont'd.)

The following table shows the movement in gross insurance/takaful receivables and the loss allowances recognised for credit impaired receivables.

Group	Not credit impaired RM'000	Credit impaired RM'000	Total RM'000
<u>Gross carrying amounts</u>			
As at 1 April 2025	818,760	(8,038)	810,722
Increase	89,479	8,922	98,401
As at 31 March 2026	908,239	884	909,123
<u>Allowance for ECL</u>			
As at 1 April 2025	9,183	3,455	12,638
Increase/(decrease)	3,530	(1,666)	1,864
As at 31 March 2026	12,713	1,789	14,502
<u>Gross carrying amounts</u>			
As at 1 April 2024	905,929	(1,087)	904,842
Decrease	(87,169)	(6,951)	(94,120)
As at 31 March 2025	818,760	(8,038)	810,722
<u>Allowance for ECL</u>			
As at 1 April 2024	7,380	3,587	10,967
Increase/(decrease)	1,803	(132)	1,671
As at 31 March 2025	9,183	3,455	12,638

Movement of allowance for impairment losses on insurance/takaful receivables.

Group	Individually impaired RM'000	Collectively impaired RM'000	Total RM'000
2026			
At 1 April 2025	2,494	10,144	12,638
(Reversal of)/provision for impairment losses for the year	(1,666)	3,530	1,864
At 31 March 2026	828	13,674	14,502
2025			
At 1 April 2024	2,626	8,341	10,967
(Reversal of)/provision for impairment losses for the year	(132)	1,803	1,671
At 31 March 2025	2,494	10,144	12,638

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

32. FINANCIAL RISK (CONT'D.)

(b) Liquidity risk

Liquidity risk is the risk that the Group and the main operating subsidiaries will not have sufficient cash resources available to meet payment obligations without incurring additional material costs.

The Group and the main operating subsidiaries assess liquidity risk by ensuring the following:

- (i) The Group and the main operating subsidiaries are able to meet payment obligations under normal and stressed operating environments without suffering any loss;
- (ii) Additions/withdrawals from the Group's and the main operating subsidiaries' investment funds are managed efficiently; and
- (iii) Appropriate measures are in place to respond to liquidity risk.

As part of its liquidity management strategy, the Group has in place the Group Liquidity Management Policy which outlines the processes capable of measuring and reporting on:

- (i) Daily cash flows;
- (ii) Minimum liquidity holdings;
- (iii) The composition and market values of investment portfolios, including liquid holdings;
- (iv) The holding of liquid assets in the respective reinsurance, retakaful and takaful funds; and
- (v) Liquidity risk position.

To manage the liquidity of the reinsurance/retakaful/takaful funds, the investment mandate requires that a certain proportion of the funds be held as liquid assets in accordance with the liquidity requirements set forth by BNM's RBC Framework and RBCT Framework.

Maturity Profiles for 2026

The table below summarises the maturity profiles of the financial assets and financial liabilities of the Group and of the main operating subsidiaries, based on remaining undiscounted contractual cash flows, including interest or profit receivable and payable. It also includes the maturity profiles of portfolios of insurance contracts/takaful certificates issued and reinsurance contracts/retakaful certificates held that are recognised as assets and liabilities, measured based on the estimated present value of future cash outflows.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

32. FINANCIAL RISK (CONT'D.)

(b) Liquidity risk (cont'd.)

Maturity Profiles for 2026 (cont'd.)

The following table summarises the maturity profile of financial assets based on remaining undiscounted contractual cash flows:

Group	Carrying value RM'000	Up to 1 year RM'000	1 – 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Financial assets at FVTPL						
<u>Designated upon initial recognition</u>						
Government investment issues	2,939,553	149,427	1,530,511	2,595,595	–	4,275,533
Corporate debt securities	1,750,530	145,423	1,192,666	582,165	–	1,920,254
Unquoted Islamic private debt securities	1,626,692	160,833	605,301	1,543,283	–	2,309,417
Malaysian government securities	581,202	20,657	329,348	369,540	–	719,545
<u>Mandatorily measured</u>						
Quoted shares in Malaysia:						
Shariah approved equities	794,092	–	–	–	794,092	794,092
Others	135,737	–	–	–	135,737	135,737
Real estate investment trusts:						
– Shariah approved	25,141	–	–	–	25,141	25,141
– Non-Shariah approved	14,896	–	–	–	14,896	14,896
Shariah approved unit trusts	343,832	–	–	–	343,832	343,832
Financial assets at FVOCI						
Government investment issues	441,443	13,528	218,854	372,133	–	604,515
Unquoted shares in Malaysia	93,517	–	–	–	93,517	93,517
Unquoted Islamic private debt securities	420,597	21,451	229,249	289,807	–	540,507
Golf club membership	233	–	–	–	233	233
Financial assets at amortised cost						
Fixed and call deposits with licensed:						
Commercial banks	582,981	574,877	–	–	–	574,877
Foreign banks	456,470	365,765	–	–	–	365,765
Islamic investment accounts with licensed:						
Islamic banks	1,713,281	1,719,155	–	–	–	1,719,155
Commercial banks	94,449	94,449	–	–	–	94,449
Development banks	313,030	317,033	–	–	–	317,033
Islamic commercial paper	54,753	55,000	–	–	–	55,000
Commercial paper	134,144	135,000	–	–	–	135,000
Secured staff loans	1,756	266	1,490	–	–	1,756
Income due and accrued	90,981	90,981	–	–	–	90,981
Amount due from Insurance pool accounts	18,526	–	–	–	18,526	18,526
Sundry receivables	20,130	20,130	–	–	–	20,130
Cash and bank balances	68,108	68,108	–	–	–	68,108
Total financial assets	12,716,074	3,952,083	4,107,419	5,752,523	1,425,974	15,237,999

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

32. FINANCIAL RISK (CONT'D.)

(b) Liquidity risk (cont'd.)

Maturity Profiles for 2026 (cont'd.)

The following table summarises the maturity profile of financial liabilities based on remaining undiscounted contractual cash flows:

Group (cont'd.)	Carrying value RM'000	Up to 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Financial liabilities						
Borrowings	(670,000)	(31,342)	(183,616)	(681,723)	-	(896,681)
Lease liabilities	(2,096)	(2,096)	-	-	-	(2,096)
Provision for zakat	(1,439)	(1,439)	-	-	-	(1,439)
Other payables (excluding provisions)	(148,460)	(148,460)	-	-	-	(148,460)
Total financial liabilities	(821,995)	(183,337)	(183,616)	(681,723)	-	(1,048,676)
Surplus	11,894,079	3,768,746	3,923,803	5,070,800	1,425,974	14,189,323

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

32. FINANCIAL RISK (CONT'D.)

(b) Liquidity risk (cont'd.)

Maturity Profiles for 2026 (cont'd.)

The following table summarises the maturity profile of portfolios of insurance contracts/takaful certificates issued that are liabilities and portfolios of reinsurance contracts/retakaful certificates held that are liabilities based on the estimates of the present value of the future cash flows expected to be paid out in the periods presented.

	Carrying value RM'000	Up to 1 year RM'000	1 – 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Unallocated surplus* RM'000	Total RM'000
Insurance contracts/takaful certificates liabilities							
General insurance/retakaful – Other than PAA	(3,305,742)	(1,207,554)	(1,709,400)	(305,910)	34,979	(117,857)	(3,305,742)
General takaful – PAA	(960,976)	(409,670)	(401,810)	(26,009)	-	(191,392)	(1,028,881)
Family Takaful							
PAA	(37,018)	(25,011)	-	-	-	(12,007)	(37,018)
Other than PAA	(4,408,484)	(124,502)	(617,211)	(2,693,124)	(618,264)	(355,383)	(4,408,484)
Total insurance contracts/takaful certificates liabilities	(8,712,220)	(1,766,737)	(2,728,421)	(3,025,043)	(583,285)	(676,639)	(8,780,125)
Reinsurance contracts/retakaful certificates liabilities							
General reinsurance/retakaful – Other than PAA	(5,068)	-	-	-	(5,068)	-	(5,068)
Family Takaful							
PAA	(20,427)	(20,427)	-	-	-	-	(20,427)
Other than PAA	(13,546)	(13,546)	-	-	-	-	(13,546)
Total reinsurance contracts/retakaful certificates liabilities	(39,041)	(33,973)	-	-	(5,068)	-	(39,041)

* The unallocated surplus represents fulfilment cash flows that remain after all takaful certificate services have been provided to the certificates in a group. In accordance with paragraph B71 of MFRS 17, such amounts reflect expected payments to current or future participants, and need not be allocated to specific groups but instead be recognised as a liability arising from all groups collectively.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

32. FINANCIAL RISK (CONT'D.)

(b) Liquidity risk (cont'd.)

Maturity Profiles for 2026 (cont'd.)

The following table summarises the maturity profile of financial assets based on remaining undiscounted contractual cash flows:

Company	Carrying value RM'000	Up to 1 year RM'000	1 – 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Financial assets at FVOCI						
Unquoted islamic private debt securities	9,980	342	9,638	–	–	9,980
Golf club membership	50	–	–	–	50	50
Financial assets at amortised cost						
Unquoted corporate debt securities	80,000	4,000	16,000	100,000	–	120,000
Islamic investment accounts with licensed:						
Islamic banks	140,664	140,664	–	–	–	140,664
Commercial banks	94,449	94,449	–	–	–	94,449
Development banks	14,925	14,925	–	–	–	14,925
Secured staff loans	487	14	473	–	–	487
Amount due from subsidiaries	23,811	23,811	–	–	–	23,811
Income due and accrued	2,169	2,169	–	–	–	2,169
Sundry receivables	100	100	–	–	–	100
Cash and cash equivalent	613	613	–	–	–	613
Total financial assets	367,248	281,087	26,111	100,000	50	407,248

The following table summarises the maturity profile of financial liabilities based on remaining undiscounted contractual cash flows:

Financial liabilities						
Borrowing	(420,000)	(18,732)	(74,979)	(475,785)	–	(569,496)
Other payables (excluding provisions)	(17,646)	(17,646)	–	–	–	(17,646)
Total financial liabilities	(437,646)	(36,378)	(74,979)	(475,785)	–	(587,142)
(Deficit)/surplus	(70,398)	244,367	(48,868)	(375,785)	50	(179,894)

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31 March 2026

32. FINANCIAL RISK (CONT'D.)

(b) Liquidity risk (cont'd.)

Maturity profiles for 2025

The following table summarises the maturity profile of financial assets based on remaining undiscounted contractual cash flows:

Group	Carrying value RM'000	Up to 1 year RM'000	1 – 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Financial assets at FVTPL						
<u>Designated upon initial recognition</u>						
Government investment issues	2,366,432	116,168	1,213,594	2,189,573	–	3,519,335
Corporate debt securities	1,226,292	147,178	785,820	366,397	–	1,299,395
Unquoted Islamic private debt securities	1,482,048	123,443	613,847	1,386,706	–	2,123,996
Malaysian government securities	355,091	13,815	91,327	377,936	–	483,078
<u>Mandatorily measured</u>						
Quoted shares in Malaysia:						
Shariah approved equities	508,222	–	–	–	508,222	508,222
Warrants	239	–	–	–	239	239
Others	79,312	–	–	–	79,312	79,312
Perpetual bond in Malaysia	4,992	5,122	–	–	–	5,122
Real estate investment trusts:						
Shariah approved	14,226	–	–	–	14,226	14,226
Non-Shariah approved	2,782	–	–	–	2,782	2,782
Shariah approved unit trusts	329,964	–	–	–	329,964	329,964
Financial assets at FVOCI						
Government investment issues	475,736	17,899	345,595	259,232	–	622,726
Unquoted shares in Malaysia	92,706	–	–	–	92,706	92,706
Unquoted Islamic private debt securities	372,961	88,743	194,030	174,081	–	456,854
Golf club membership	233	–	–	–	233	233
Financial assets at amortised cost						
Fixed and call deposits with licensed:						
Commercial banks	639,145	642,247	–	–	–	642,247
Foreign banks	334,568	338,257	–	–	–	338,257
Islamic investment accounts with licensed:						
Islamic banks	2,946,219	2,960,550	–	–	–	2,960,550
Commercial banks	90,000	91,756	–	–	–	91,756
Development banks	295,165	299,598	–	–	–	299,598
Islamic commercial paper	64,369	65,000	–	–	–	65,000
Commercial paper	172,468	173,750	–	–	–	173,750
Secured staff loans	2,233	460	1,773	–	–	2,233
Income due and accrued	92,058	92,058	–	–	–	92,058
Amount due from Insurance pool accounts	16,696	–	–	–	16,696	16,696
Sundry receivables	23,583	23,583	–	–	–	23,583
Cash and bank balances	112,844	112,844	–	–	–	112,844
Total financial assets	12,100,584	5,312,471	3,245,986	4,753,925	1,044,380	14,356,762

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31 March 2026

32. FINANCIAL RISK (CONT'D.)

(b) Liquidity risk (cont'd.)

Maturity profiles for 2025 (cont'd.)

The following table summarises the maturity profile of financial liabilities based on remaining undiscounted contractual cash flows: (cont'd.)

Group	Carrying value RM'000	Up to 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Financial liabilities						
Borrowings	(620,000)	(11,391)	(90,588)	(682,538)	–	(784,517)
Lease liabilities	(2,293)	(1,541)	(997)	–	–	(2,538)
Zakat payables	(2,354)	(182)	–	–	–	(182)
Other payables (excluding provisions)	(150,837)	(150,837)	–	–	–	(150,837)
Total financial liabilities	(775,484)	(163,951)	(91,585)	(682,538)	–	(938,074)
Surplus	11,325,100	5,148,520	3,154,401	4,071,387	1,044,380	13,418,688

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31 March 2026

32. FINANCIAL RISK (CONT'D.)

(b) Liquidity risk (cont'd.)

Maturity Profiles for 2025 (cont'd.)

The following table summarises the maturity profile of portfolios of insurance contracts/takaful certificates issued that are liabilities and portfolios of reinsurance contracts/retakaful certificates held that are liabilities based on the estimates of the present value of the future cash flows expected to be paid out in the periods presented.

	Carrying value RM'000	Up to 1 year RM'000	1 – 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Unallocated surplus* RM'000	Total RM'000
Insurance contracts/takaful certificates liabilities							
General insurance/retakaful – Other than PAA	(2,267,985)	(471,215)	(2,333,701)	(688,679)	1,303,229	(77,620)	(2,267,985)
General takaful – PAA	(828,573)	(340,836)	(286,185)	(12,218)	–	(189,334)	(828,573)
Family Takaful							
PAA	(21,837)	(789)	–	–	–	(21,048)	(21,837)
Other than PAA	(4,334,644)	(103,380)	(570,206)	(2,727,400)	(507,945)	(425,713)	(4,334,644)
Total insurance contracts/takaful certificates liabilities	(7,453,039)	(916,220)	(3,190,092)	(3,428,297)	795,284	(713,715)	(7,453,039)
Reinsurance contracts/retakaful certificates liabilities							
General reinsurance/retakaful – Other than PAA	(4,109)	–	–	–	(4,109)	–	(4,109)
Family Takaful							
PAA	(2,916)	(2,916)	–	–	–	–	(2,916)
Other than PAA	(16,190)	(16,190)	–	–	–	–	(16,190)
Total reinsurance contracts/retakaful certificates liabilities	(23,215)	(19,106)	–	–	(4,109)	–	(23,215)

* The unallocated surplus represents fulfilment cash flows that remain after all takaful certificate services have been provided to the certificates in a group. In accordance with paragraph B71 of MFRS 17, such amounts reflect expected payments to current or future participants, and need not be allocated to specific groups but instead be recognised as a liability arising from all groups collectively.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

32. FINANCIAL RISK (CONT'D.)

(b) Liquidity risk (cont'd.)

Maturity Profiles for 2025 (cont'd.)

The following table summarises the maturity profile of financial assets based on remaining undiscounted contractual cash flows:

Company	Carrying value RM'000	Up to 1 year RM'000	1 – 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Financial assets at FVOCI						
Golf club membership	50	–	–	–	50	50
Unquoted corporate debt securities	49,887	2,190	58,670	–	–	60,860
Islamic corporate debt securities	29,929	1,095	31,560	–	–	32,655
Financial assets at amortised cost						
Unquoted corporate debt securities	1,000	1,020	–	–	–	1,020
Islamic investment accounts with licensed:						
Islamic banks	167,821	166,148	–	–	–	166,148
Commercial banks	90,000	91,756	–	–	–	91,756
Development banks	8,000	8,024	–	–	–	8,024
Secured staff loans	642	16	626	–	–	642
Amount due from subsidiaries	22,934	22,934	–	–	–	22,934
Income due and accrued	2,851	2,851	–	–	–	2,851
Sundry receivables	427	427	–	–	–	427
Cash and cash equivalent	2,602	2,602	–	–	–	2,602
Total financial assets	376,143	299,063	90,856	–	50	389,969

The following table summarises the maturity profile of financial liabilities based on remaining undiscounted contractual cash flows:

Financial liabilities						
Borrowing	(420,000)	(18,732)	(74,979)	(494,517)	–	(588,228)
Lease liabilities	(1,215)	(1,250)	–	–	–	(1,250)
Other payables (excluding provisions)	(14,181)	(14,181)	–	–	–	(14,181)
Total financial liabilities	(435,396)	(34,163)	(74,979)	(494,517)	–	(603,659)
(Deficit)/surplus	(59,253)	264,900	15,877	(494,517)	50	(213,690)

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31 March 2026

32. FINANCIAL RISK (CONT'D.)

(c) Market risk

Market risk is the risk of loss arising from a change in the values of, or the income from, financial assets and the change in value of the insurance liabilities. The risk of loss also arises from volatility in asset prices, interest/profit rates, or foreign currency exchange rates to the asset prices and value of the insurance liabilities. Market risk includes the following elements:

- (i) Price risk which is the risk of fluctuations in the fair value or future cash flows of a financial instrument impacting on the equity and collective investment schemes (property trusts and unit trust funds) prices;
- (ii) Foreign exchange risk which is the risk of fluctuations in the fair value or future cash flows of a financial instrument and insurance liabilities arising from a movement of or volatility in exchange rates;
- (iii) Interest/profit rate risk which is the risk of fluctuations in the fair value or future cash flows of a financial instrument and insurance liabilities arising from variability in interest/profit rates; and
- (iv) Property investment risk which is the risk of fluctuations in the fair value or future cash flows of a property arising from decline in real estate values or income, where MNRB and its main operating subsidiaries have invested in property or real estate for own occupancy, investment or rental purpose.

Price risk

Price risk is the risk that the fair value or future cash flow of a financial instrument fluctuates because of changes in market prices (other than those arising from interest rate/profit rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting similar financial instruments traded in the market.

The Group's price risk exposures relate to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices.

MNRB and its main operating subsidiaries manage such risks by setting and monitoring objectives and constraints on investments, implementing diversification strategies, establishing limits across sectors, markets and issuers, while also adhering to the requirements stipulated by Bank Negara Malaysia (BNM). Throughout the financial year, the Group remained fully compliant with BNM's prescribed limits and maintained a well-diversified portfolio with no significant concentration of price risk.

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31 March 2026

32. FINANCIAL RISK (CONT'D.)

(c) Market risk (cont'd.)

Sensitivity analysis

The analysis below is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity (inclusive of the impact on other comprehensive income). The correlation of variables have a significant effect in determining the ultimate impact on price risk. Additionally, changes in variables are considered individually. It should be noted that movements in these variables are non-linear.

The equities under the Investment-Linked fund were excluded from the sensitivity analysis as the risks associated with the fluctuations in market prices of the equities are borne by the participants.

Group	← Increase/(decrease) →		
	Changes in market indices	Impact on profit before zakat and taxation RM'000	Impact on equity* RM'000
2026			
Price/NAV	+ 5%	68,989	64,008
Price/NAV	- 5%	(68,989)	(64,008)
2025			
Price/NAV	+ 5%	50,181	46,850
Price/NAV	- 5%	(50,181)	(46,850)

* The impact on equity reflects the after tax impact.

Foreign exchange risk/currency risk

Currency risk is the risk that the fair value or future cash flows of a financial asset and/or liability will fluctuate because of movements in foreign currency exchange rates.

The Group's primary transactions are carried out in Ringgit Malaysia ("RM") and its exposure to foreign exchange risk arises principally because of its foreign currency denominated underwriting revenues (such as premiums/contributions) and expenses (such as claims/benefits and commission expenses).

The Group has a foreign exchange risk management plan in place and is continuously enhancing its risk mitigation measures. The management's Asset & Liability Committee convenes regular meetings to discuss and deliberate on foreign exchange related issues including hedging strategy to reduce unhedged foreign exchange, as well as other measures to mitigate foreign exchange risk.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

32. FINANCIAL RISK (CONT'D.)

(c) Market risk (cont'd.)

Sensitivity analysis

The analysis below is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on gross and net claims liabilities, profit before tax and equity. The sensitivity analysis was applied to the Group's gross and net claim liabilities in foreign currencies, while the impact on profit before taxation and equity includes the hedging effect from the backing assets held in the respective foreign currencies.

Group	Increase/(decrease)				
	Changes in variable	Impact on gross liabilities RM'000	Impact on net liabilities RM'000	Impact on profit before zakat and taxation RM'000	Impact on equity* RM'000
2026					
Foreign currency	+ 5%	2,112	1,873	1,942	1,724
Foreign currency	- 5%	(2,112)	(1,873)	(1,942)	(1,724)
2025					
Foreign currency	+ 5%	2,111	1,904	1,942	1,752
Foreign currency	- 5%	(2,111)	(1,904)	(1,942)	(1,752)

* The impact on equity reflects the after tax impact.

The method used in performing the sensitivity analysis is consistent with the prior year.

Interest/profit rate risk

The Group is exposed to interest/profit rate risk as follows:

- Fair values of fixed interest/profit-bearing assets would move inversely to changes in interest/profit rates; and
- Future cash flows of variable interest/profit-bearing assets would move in direct proportion to changes in rates.

The Group's earnings are impacted by fluctuations by changes in market interest/profit rates as such changes affect interest/profit income from cash and cash equivalents, including investments in fixed/Islamic deposits. The value of the Group's fixed income portfolio moves inversely with interest/profit rates. While there is no direct contractual relationship between financial assets and insurance contracts/takaful certificates, the Group manages net interest/profit rate risk maintaining an appropriate balance of fixed and variable rate instruments to support insurance/takaful certificate liabilities as well as managing the maturity profiles of profit-bearing financial assets.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

32. FINANCIAL RISK (CONT'D.)

(c) Market risk (cont'd.)

Interest/profit rate risk (cont'd.)

The Group manages interest/profit rate risk by aligning, where possible, the duration and profile of assets and liabilities to minimise the impact of rate movements on asset-liability mismatches. In addition, the Group continuously monitors financial, market, and economic developments to anticipate rate trends and formulate appropriate investment and asset-liability strategies.

The nature of the Group's exposure to interest/profit rate risk and its objectives, policies and processes for managing interest/profit rate risk have not changed significantly from the previous financial year.

Sensitivity analysis

A change of 25 basis points ("bps") in interest/profit rates at the reporting date would have increased/ (decreased) the value of the portfolio of fixed-income investment by the amounts shown below.

Group	(Decrease)/increase		
	Changes in market indices	Impact on profit before zakat and taxation RM'000	Impact on equity* RM'000
2026			
Interest/profit rates	+25 bp	(128,285)	(116,850)
Interest/profit rates	-25 bp	128,285	116,850
2025			
Interest/profit rates	+25 bp	(103,685)	(94,466)
Interest/profit rates	-25 bp	103,685	94,466

Company	(Decrease)/increase	
	Changes in variable	Impact on equity* RM'000
2026		
Interest/profit rates	+25 bp	—
Interest/profit rates	-25 bp	—
2025		
Interest/profit rates	+25 bp	(454)
Interest/profit rates	-25 bp	454

* The impact on equity reflects the after tax impact.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

32. FINANCIAL RISK (CONT'D.)

(c) Market risk (cont'd.)

Asset-Liability Mismatch Risk

One of the risks the Group and the main operating subsidiaries face due to the nature of its investments and liabilities is the mismatch of assets to liabilities (investment risks). The Group actively manages these positions to achieve long-term stable investment returns in excess of its obligations under the insurance/takaful certificates. The principal technique identified is to match assets to the liabilities arising from insurance/takaful certificates by reference to the type of benefits payable to participants.

The Group and the main operating subsidiaries currently manage these positions through the assessment of interest/profit rate risk, foreign exchange risk (where applicable) and liquidity risk and monitoring of the investment portfolio duration as well as the liability duration on a quarterly basis.

Within the Group, the Family Takaful subsidiary has an Asset Liability Management ("ALM") Framework in place to manage asset-liability mismatch risks.

Property investment risk

Property investment risk is the risk of fluctuations in the fair value or future cash flows of a property arising from decline in real estate values or income, where the Group and its main operating subsidiaries have invested in property or real estate for own occupancy, investment or rental purpose. Operational manuals are put in place to describe the responsibilities in relation to management of the properties.

The financial risk arising from a delinquent or loss of tenants are managed at the outset through careful selection of properties with high tenancy including tenants with long term tenancies, screening of new tenants' credit worthiness and financial standing as well as ensuring that the properties and facilities are continuously maintained and upgraded.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

33. OTHER RISKS

(a) Operational risk

Operational risk can broadly be defined as the risk of direct or indirect losses or reputational damage due to failure attributable to people, internal processes, system (Information Technology) or from external events. Operational risk is inherent in all activities of the Group and can transverse multiple activities including outsourcing. It includes a wide spectrum of heterogeneous risks such as fraud, bribery & corruption, physical damage, business disruption, transaction failures, legal and regulatory breaches, pandemic outbreak, as well as employee health and safety hazards.

The Group cannot expect to eliminate all operational risks, but by initiating a rigorous control framework, and by monitoring and responding to potential risks, the Group is able to minimise risks to an acceptable level. Controls include effective segregation of duties, access controls, system validation, enhanced authorisation and reconciliation procedures, continuous staff education and appropriate assessment processes, and engagement of internal audit for assurance.

(b) Compliance risk

Compliance risk is the risk of legal or regulatory sanctions, financial loss or reputational damage which the Company may suffer as a result of its failure to comply with legal and regulatory requirements applicable to its activities.

The Group monitors all compliance aspects in observing the regulatory requirements. In this respect, it adopts the Group Compliance Management Framework and other relevant internal policies and procedures to ensure compliance with all applicable laws and guidelines issued by the regulatory authorities.

(c) Shariah non-compliance risk

Shariah non-compliance ("SNC") risk refers to the risk of legal or regulatory sanctions, financial loss or non-financial implications including reputational damage, which the Company may suffer arising from failure to comply with:

- (i) The rulings of the Shariah Advisory Council of Bank Negara Malaysia ("SAC-BNM");
- (ii) Standards on Shariah matters issued by BNM (pursuant to Section 29(1) of the IFSA and Section 33E(1) of the Development Financial Institutions Act ("DFIA") 2002);
- (iii) The rulings and standards of the Shariah Advisory Council of Securities Commission Malaysia ("SAC-SC");
or
- (iv) Decisions or advices of the GSC.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

33. OTHER RISKS (CONT'D.)

(d) Sustainability Risk

Sustainability risks are potential adverse impacts on environmental, social, and governance factors that could affect the long-term viability, financial performance, or reputation of the Group. These risks arise from various sources, including climate change, resource depletion, environmental pollution, social inequality, labour practices, human rights violations, regulatory changes, and ethical considerations.

The RMCB, with support from the GMRCC, is responsible for overseeing the delegation of tasks by the Board concerning the implementation of strategies and the overall management of sustainability issues. Reporting to GMRCC, the Sustainability Working Group ("SWG"), which includes Management Representative and Sustainability Champions from each main operating subsidiaries, facilitates the adoption and integration of sustainability into the Group's business and operations.

The Group has established the Group Sustainability Commitment towards Net Zero Carbon Organisation by 2050, which will form part of the Group Sustainability Framework. The implementation and finalisation of the Framework shall be harmonised with the Group's Sustainability Governance, Commitments and Policy.

The MNRB Group Sustainability Risk Management Framework enhances and complements the Group's sustainability commitments and initiatives by integrating risk considerations into the Group's broader sustainability objectives.

The Group's sustainability governance and sustainability efforts in contributing positively towards global sustainability objectives are disclosed in MNRB Group's Sustainability Statement in the Annual Report and is available on the corporate website.



NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

34. INSURANCE BUSINESS						
(a) Consolidated income statements by insurance business						
	Reinsurance RM'000	Retakaful RM'000	General Takaful RM'000	Family Takaful RM'000	Others RM'000	Consolidation RM'000
						Group RM'000
For the year ended 31 March 2026						
Insurance/takaful revenue	1,656,843	166,975	1,143,226	484,650	-	3,374,571
Insurance/takaful service expenses	(1,109,852)	(154,548)	(986,997)	(460,908)	-	(2,619,094)
Insurance contracts/takaful certificates service results before reinsurance contracts/retakaful certificates held	546,991	12,427	156,229	23,742	-	755,477
Allocation of reinsurance/retakaful premiums						
Amounts recoverable from reinsurers/retakaful for incurred claims	(268,737)	(58,515)	(349,577)	(134,061)	-	(773,767)
	111,271	60,644	260,116	92,561	-	485,538
Net expense from reinsurance contracts/retakaful certificates held	(157,466)	2,129	(89,461)	(41,500)	-	(248,229)
Insurance/takaful service result	389,525	14,556	66,768	(17,758)	-	507,248
Interest/profit income calculated using the effective interest/profit method	55,811	6,845	50,254	47,005	11,732	168,480
Other investment income	146,083	2,685	956	132,375	75,880	274,893
Net realised gains/(losses)	9,248	-	108	(1,169)	(141)	8,046
Net fair value gains on financial assets at fair value through profit and loss	13,553	313	4,293	35,251	-	54,698
Net foreign exchange (losses)/gains on investments	(72,724)	-	-	-	-	(58,932)
Allowance for impairment losses on financial assets	75	-	8	49	5	137
Investment return	152,046	9,843	55,619	213,511	87,476	447,322
Net insurance/takaful finance/profit expenses from insurance contracts/takaful certificates issued	(82,002)	6,879	(24,361)	(146,079)	-	(245,207)
Net reinsurance/retakaful finance/profit income from reinsurance contracts/retakaful certificates held	7,542	(2,166)	10,040	248	-	15,308
Unallocated (surplus)/deficit attributable to participants	-	(24,774)	(2,393)	(4,422)	-	(25,388)
Net insurance/takaful financial results	(74,460)	(20,061)	(16,714)	(150,253)	-	(255,287)

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

34. INSURANCE BUSINESS (CONT'D.)

(a) Consolidated income statements by insurance business (cont'd.)

	Reinsurance RM'000	Retakaful RM'000	General Takaful RM'000	Family Takaful RM'000	Others RM'000	Consolidation RM'000	Group RM'000
For the year ended 31 March 2026 (cont'd.)							
Fees and other income	7,997	121	11,216	16,605	84,293	(83,626)	36,606
Management and other expenses	(17,162)	(297)	(6,502)	(15,550)	(87,057)	23,268	(103,300)
Finance cost	(12,590)	-	(1,356)	(2)	(18,766)	3,167	(29,547)
Net other (expenses)/income	(21,755)	(176)	3,358	1,053	(21,530)	(57,191)	(96,241)
Share of results of associates	-	-	-	-	-	33,140	33,140
Profit before zakat and taxation	445,356	4,162	109,031	46,553	65,946	(34,866)	636,182
Tax attributable to participants	-	(4,662)	(561)	(11,864)	-	-	(17,087)
Profit before zakat and taxation attributable to equity holders of the Holding Company	445,356	(500)	108,470	34,689	65,946	(34,866)	619,095
Zakat	-	(267)	185	4	-	-	(78)
Taxation	(38,360)	1,880	(25,889)	(9,193)	(1,574)	(1,206)	(74,342)
Net profit for the year attributable to equity holders of the Holding Company	406,996	1,113	82,766	25,500	64,372	(36,072)	544,675

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

34. INSURANCE BUSINESS (CONT'D.)

(a) Consolidated income statements by insurance business (cont'd.)

	Reinsurance RM'000	Retakaful RM'000	General Takaful RM'000	Family Takaful RM'000	Others RM'000	Consolidation RM'000	Group RM'000
For the year ended 31 March 2025							
Insurance/takaful revenue	1,792,842	116,482	870,984	412,750	-	(57,940)	3,135,118
Insurance/takaful service expenses	(1,370,295)	(81,908)	(733,911)	(428,859)	-	31,478	(2,583,495)
Insurance contracts/takaful certificates service results before reinsurance contracts/retakaful certificates held	422,547	34,574	137,073	(16,109)	-	(26,462)	551,623
Allocation of reinsurance/retakaful premiums	(270,427)	(49,046)	(269,710)	(145,559)	-	69,596	(665,146)
Amounts recoverable from reinsurers/retakaful operator for incurred claims	177,484	33,365	188,271	97,893	-	(37,300)	459,713
Net expense from reinsurance contracts/retakaful certificates held	(92,943)	(15,681)	(81,439)	(47,666)	-	32,296	(205,433)
Insurance/takaful service result	329,604	18,893	55,634	(63,775)	-	5,834	346,190
Interest/profit income calculated using the effective interest/profit method	100,401	5,618	35,257	49,842	11,073	(2,240)	199,951
Other investment income	102,943	2,490	10,661	129,935	154,304	(160,446)	239,887
Net realised (losses)/gains	(12,033)	5	(1,573)	21,669	10,720	(7,594)	11,194
Net fair value gains/(losses) on financial assets at fair value through profit and loss	9,118	169	(816)	13,425	16	3,422	25,334
Net foreign exchange losses on investments	(82,437)	-	-	-	-	-	(82,437)
Allowance for impairment losses on financial assets	(59)	-	-	(47)	(85)	-	(191)
Investment return	117,933	8,282	43,529	214,824	176,028	(166,858)	393,738
Net insurance/takaful finance/profit expenses from contracts/takaful certificates issued	(73,558)	59	(26,011)	(178,795)	-	2,855	(275,450)
Net reinsurance/retakaful finance/profit income from insurance reinsurance contracts/retakaful certificates held	5,822	(32)	8,722	-	-	(429)	14,083
Unallocated (surplus)/deficit attributable to participants	-	(7,207)	(1,412)	57,263	-	4,304	52,948
Net insurance/takaful financial result	(67,736)	(7,180)	(18,701)	(121,532)	-	6,730	(208,419)

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

34. INSURANCE BUSINESS (CONT'D.)

(a) Consolidated income statements by insurance business (cont'd.)

	Reinsurance RM'000	Retakaful RM'000	General Takaful RM'000	Family Takaful RM'000	Others RM'000	Consolidation RM'000	Group RM'000
For the year ended 31 March 2025 (cont'd.)							
Fees and other income	9,790	165	8,275	6,561	78,952	(78,164)	25,579
Management and other expenses	(26,589)	(237)	(5,854)	(20,601)	(90,282)	65,471	(78,092)
Finance cost	(12,677)	-	(323)	(14)	(18,477)	2,514	(28,978)
Net other (expenses)/income	(29,476)	(72)	2,098	(14,054)	(29,807)	(10,179)	(81,491)
Share of results of associates	-	-	-	-	-	6,471	6,471
Profit before zakat and taxation	350,325	19,923	82,560	15,463	146,221	(158,002)	456,489
Tax attributable to participants	-	(1,679)	2,929	(3,489)	-	-	(2,239)
Profit before zakat and taxation attributable to equity holders of the Holding Company	350,325	18,244	85,489	11,974	146,221	(158,002)	454,250
Zakat	-	(148)	(1,324)	(166)	-	-	(1,638)
Taxation	(42,673)	(558)	(23,391)	690	1,397	6,169	(58,366)
Net profit for the year attributable to equity holders of the Holding Company	307,652	17,538	60,774	12,498	147,618	(151,833)	394,246



NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

34. INSURANCE BUSINESS (CONT'D.)

(b) Consolidated statement of financial position by insurance business

	Reinsurance RM'000	Retakaful RM'000	General Takaful RM'000	Family Takaful RM'000	Others RM'000	Consolidation RM'000	Group RM'000
As at 31 March 2026							
Assets							
Property and equipment	136,945	1	495	89,860	3,342	-	230,643
Intangible assets	7,572	-	125,971	47,138	3,595	-	184,276
Right-of-use assets	-	-	7,402	-	291	(5,381)	2,312
Investments in subsidiaries	-	-	-	-	1,298,106	(1,298,106)	-
Investments in associates	136,920	-	-	-	1,957	27,126	166,003
Financial and other assets	5,678,275	224,388	1,591,702	4,912,023	368,289	(104,673)	12,670,004
Deferred tax assets	-	-	36,590	-	3,222	-	39,812
Insurance contracts/takaful certificates assets	41,405	10,368	-	85,169	-	-	136,942
Reinsurance contracts/retakaful certificates assets	290,776	68,009	441,465	49,818	-	(65,818)	784,250
Tax recoverable	-	-	2,126	29,165	17,101	-	48,392
Cash and bank balances	19,661	1,130	31,174	15,432	711	-	68,108
Total assets	6,311,554	303,896	2,236,925	5,228,605	1,696,614	(1,446,852)	14,330,742
Liabilities							
Borrowings	250,000	-	80,000	-	420,000	(80,000)	670,000
Insurance contracts/takaful certificates liabilities	3,117,857	240,775	1,542,013	4,562,763	-	(43,616)	9,419,792
Reinsurance contracts/retakaful certificates liabilities	5,068	-	-	13,671	-	-	18,739
Lease liabilities	-	-	7,580	-	298	(5,782)	2,096
Other payables	29,143	7,906	161,825	89,131	32,191	(46,875)	273,321
Deferred tax liabilities	29,184	(447)	-	21,355	-	(4,900)	45,192
Tax payable	(683)	6,656	5,726	2,352	229	-	14,280
Provision for zakat	-	233	1,200	6	-	-	1,439
Total liabilities	3,430,569	255,123	1,798,344	4,689,278	452,718	(181,173)	10,444,859
Equity							
Share capital	663,106	-	230,000	405,000	738,502	(1,298,106)	738,502
Reserves	2,217,879	48,773	208,581	134,327	505,394	32,427	3,147,381
Total equity attributable to equity holders of the Holding Company	2,880,985	48,773	438,581	539,327	1,243,896	(1,265,679)	3,885,883
Total liabilities and equity	6,311,554	303,896	2,236,925	5,228,605	1,696,614	(1,446,852)	14,330,742

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

34. INSURANCE BUSINESS (CONT'D.)

(b) Consolidated statement of financial position by insurance business (cont'd.)

	Reinsurance RM'000	Retakaful RM'000	General Takaful RM'000	Family Takaful RM'000	Others RM'000	Consolidation RM'000	Group RM'000
As at 31 March 2025							
Assets							
Property and equipment	143,080	1	2,073	89,370	3,427	-	237,951
Intangible assets	3,732	-	54,604	50,103	5,999	-	114,438
Right-of-use assets	-	-	5,496	200	1,673	(5,167)	2,202
Investments in subsidiaries	-	-	-	-	1,298,106	(1,298,106)	-
Investments in associates	152,000	-	-	-	1,957	11,838	165,795
Financial and other assets	5,319,466	187,363	1,381,930	4,856,910	405,039	(129,956)	12,020,752
Deferred tax assets	-	-	36,149	-	5,980	313	42,442
Insurance contracts/takaful certificates assets	1,710	4,429	-	110,289	-	(10,598)	105,830
Reinsurance contracts/retakaful certificates assets	265,095	11,429	316,962	51,491	-	(27,323)	617,654
Tax recoverable	-	-	3,440	29,165	16,235	-	48,840
Cash and bank balances	31,914	921	39,001	13,163	27,845	-	112,844
Total assets	5,916,997	204,143	1,839,655	5,200,691	1,766,261	(1,458,999)	13,468,748
Liabilities							
Borrowings	251,000	-	-	-	420,000	(51,000)	620,000
Insurance contracts/takaful certificates liabilities	3,063,449	153,425	1,349,703	4,538,084	-	(27,323)	9,077,338
Reinsurance contracts/retakaful certificates liabilities	3,594	399	-	40,727	-	(10,596)	34,124
Lease liabilities	-	-	5,793	204	1,736	(5,440)	2,293
Other payables	42,453	1,086	116,839	83,956	30,959	(23,546)	251,747
Deferred tax liabilities	24,671	-	-	15,158	-	(6,169)	33,660
Tax payable	2,086	1,570	-	2,507	203	-	6,366
Provision for zakat	-	3	2,169	182	-	-	2,354
Total liabilities	3,387,253	156,483	1,474,504	4,680,818	452,898	(124,074)	10,027,882
Equity							
Share capital	663,106	-	230,000	405,000	793,502	(1,353,106)	738,502
Reserves	1,866,638	47,660	135,151	114,873	519,861	18,181	2,702,364
Total equity attributable to equity holders of the Holding Company	2,529,744	47,660	365,151	519,873	1,313,363	(1,334,925)	3,440,866
Total liabilities and equity	5,916,997	204,143	1,839,655	5,200,691	1,766,261	(1,458,999)	13,468,748

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

35. FAIR VALUES OF ASSETS

MFRS 7 *Financial Instruments: Disclosures* ("MFRS 7") requires the classification of financial instruments measured at fair value according to a hierarchy that reflects the significance of inputs used in making the measurements, in particular, whether the inputs used are observable or unobservable. MFRS 13 *Fair Value Measurement* requires similar disclosure requirements as MFRS 7, but extends to include all assets and liabilities measured at fair value and/or for which fair values are disclosed. The following levels of hierarchy are used for determining and disclosing the fair value of the Group's and of the Company's assets:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – Inputs that are based on observable market data, either directly or indirectly

Level 3 – Inputs that are not based on observable market data

The fair values of the Group's and Company's assets are determined as follows:

- (i) The carrying amounts of financial assets, such as financial assets at amortised cost, insurance/takaful receivables and cash and bank balances, are reasonable approximation of their fair values due to the relatively short term maturity of these balances;
- (ii) The fair values of quoted equities are based on quoted market prices as at the reporting date;
- (iii) The fair values of Malaysian government securities, government investment issues, unquoted islamic private debt securities, unquoted perpetual bond, commercial papers and unquoted corporate debt securities are based on indicative market prices from the Bond Pricing Agency of Malaysia ("BPAM");
- (iv) The fair values of investments in mutual funds, unit trust funds and real estate investment trusts are valued based on the net asset values of the underlying funds as at the reporting date;
- (v) Freehold land and buildings have been revalued based on valuations performed by accredited independent valuers having appropriate recognised professional qualification. The valuations are based on the income and comparison approaches. In arriving at the fair value of the assets, the valuers had also taken into consideration the future developments in terms of infrastructure in the vicinity of the properties; and
- (vi) The fair value of the Group's investments in associate and unquoted equity instruments in Malaysia is determined using the adjusted net assets method, a valuation technique that estimates fair value based on the fair value of the underlying assets and liabilities of the investee entities. In applying this method, each identifiable asset and liability of the investee is remeasured individually to its fair value in accordance with the principles of MFRS 13 *Fair Value Measurement*. The resulting net asset value is then attributed to the investor based on its proportionate equity interest in the investee.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

35. FAIR VALUES OF ASSETS (CONT'D.)

Description of significant unobservable inputs:

	Valuation technique	Significant unobservable inputs	Range
2026			
<u>Property and equipment</u>			
Freehold Land and Office building of Malaysian Re	Income approach	Yield Rental per square foot	6.00% RM4.80
Office buildings of Takaful IKHLAS Family – Ikhlas Point	Comparison approach	Adjusted market value per square foot for similar properties Rental per square foot	RM559 to RM1,230 RM5.80 to RM6.50
Office buildings of Takaful IKHLAS Family – Branches	Comparison approach	Adjusted market value per square foot for similar properties	RM282 to RM412
Unquoted equity instruments (Malaysia)	Adjusted net assets method	Net assets of the investee	Not applicable
2025			
<u>Property and equipment</u>			
Freehold Land and Office building of Malaysian Re	Income approach	Yield Rental per square foot	6.00% RM4.70
Office buildings of Takaful IKHLAS Family – Ikhlas Point	Income approach	Yield Rental per square foot	4.73% to 6.02% RM4.80 to RM8.10
Office buildings of Takaful IKHLAS Family – Branches	Comparison approach	Adjusted market value per square foot for similar properties	RM289 to RM366
Unquoted equity instruments (Malaysia)	Adjusted net assets method	Net assets of the investee	Not applicable

A significant increase or decrease in the unobservable inputs used in the valuation would result in a correspondingly higher or lower fair value.

The movement from opening balances to closing balances during the respective financial years are provided in Notes 14 and 19(b).

There have been no transfers between Level 1, 2 and 3 of the fair value hierarchy during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

35. FAIR VALUES OF ASSETS (CONT'D.)

As at the reporting date, the Group and the Company held the following assets that are measured at fair value on a recurring basis and/or for which fair values are disclosed under Level 1, 2 and 3 of the fair value hierarchy:

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 4 RM'000
2026				
Assets measured at fair value:				
(a) Property and equipment				
Freehold land	–	–	48,000	48,000
Buildings	–	–	163,400	163,400
	–	–	211,400	211,400
(b) Financial assets at FVTPL				
<u>Designated upon initial recognition:</u>				
Corporate debt securities	–	1,750,530	–	1,750,530
Government investment issues	–	2,939,553	–	2,939,553
Quoted shares in Malaysia:				
Unquoted Islamic private debt securities	–	1,626,692	–	1,626,692
Malaysian government securities				
Unsecured	–	581,202	–	581,202
<u>Mandatorily measured:</u>				
Quoted shares in Malaysia:				
Shariah approved equities	794,092	–	–	794,092
Others	135,737	–	–	135,737
Shariah approved unit trust funds	343,832	–	–	343,832
Real estate investment trusts:				
– Shariah approved	25,141	–	–	25,141
– Non-Shariah approved	14,896	–	–	14,896
	1,313,698	6,897,977	–	8,211,675
(c) Financial assets at FVOCI				
Government investment issues	–	93,517	–	93,517
Unquoted shares in Malaysia	–	441,443	–	441,443
Unquoted Islamic private debt securities	–	420,597	–	420,597
Golf club memberships	–	–	233	233
	–	955,557	233	955,790

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

35. FAIR VALUES OF ASSETS (CONT'D.)

As at the reporting date, the Group and the Company held the following assets that are measured at fair value on a recurring basis and/or for which fair values are disclosed under Level 1, 2 and 3 of the fair value hierarchy: (cont'd.)

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 4 RM'000
2025				
Assets measured at fair value:				
(a) Property and equipment				
Freehold land	–	–	47,000	47,000
Buildings	–	–	161,085	161,085
	–	–	208,085	208,085
(b) Financial assets at FVTPL				
<u>Designated upon initial recognition:</u>				
Corporate debt securities	–	1,226,292	–	1,226,292
Government investment issues	–	2,366,432	–	2,366,432
Unquoted Islamic private debt securities	–	1,482,048	–	1,482,048
Malaysian government securities	–	355,091	–	355,091
<u>Mandatorily measured:</u>				
Quoted shares in Malaysia:				
Shariah approved equities	508,222	–	–	508,222
Warrants	239	–	–	239
Others	79,312	–	–	79,312
Unquoted perpetual bond in Malaysia	–	4,992	–	4,992
Shariah approved unit trust funds	329,964	–	–	329,964
Real estate investment trusts:				
– Shariah approved	14,226	–	–	14,226
– Non-Shariah approved	2,782	–	–	2,782
	934,745	5,434,855	–	6,369,600
(c) Financial assets at FVOCI				
Government investment issues	–	475,736	–	475,736
Unquoted shares in Malaysia	–	–	92,706	92,706
Unquoted Islamic private debt securities	–	372,961	–	372,961
Golf club memberships	–	233	–	233
	–	848,930	92,706	941,636

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

36. SIGNIFICANT AND SUBSEQUENT EVENTS

i. Proposed Acquisition of 80% Equity Interest in Labuan Re by the Group

On 19 May 2026, the Company entered into a conditional share purchase agreement ("SPA") with the existing shareholders of Labuan Re ("Vendors") (as listed in the table below) for the proposed acquisition of 120,000,000 ordinary shares in Labuan Re, representing 80% equity interest in Labuan Re for a total cash consideration of USD100,689,242.02 (equivalent to RM400,491,460.14) ("the Proposed Acquisition").

List of existing shareholders of Labuan Re.

Name of Vendors	No. of sale Shares	%	Total considerations	
			USD	RM
1. CIMB Bank Berhad	15,000,000.00	10.0	12,586,155.25	50,061,432.51
2. HICOM Holdings Berhad	15,000,000.00	10.0	12,586,155.25	50,061,432.51
3. MISC Berhad	15,000,000.00	10.0	12,586,155.25	50,061,432.51
4. Petroliam Nasional Berhad	15,000,000.00	10.0	12,586,155.25	50,061,432.51
5. Telekom Malaysia Berhad	15,000,000.00	10.0	12,586,155.25	50,061,432.51
6. Tenaga Nasional Berhad	15,000,000.00	10.0	12,586,155.25	50,061,432.51
7. Lembaga Tabung Angkatan Tentera	7,500,000.00	5.0	6,293,077.63	25,030,716.27
8. Malayan Banking Berhad	7,500,000.00	5.0	6,293,077.63	25,030,716.27
9. Public Bank Berhad	7,500,000.00	5.0	6,293,077.63	25,030,716.27
10. RHB Bank Berhad	7,500,000.00	5.0	6,293,077.63	25,030,716.27
	120,000,000.00	80.0	100,689,242.02	400,491,460.14

The Proposed Acquisition will be satisfied in cash and funded through a combination of internally generated funds and external borrowings. The transaction is subject to the following approvals/consents being obtained:

- (i) Approval from BNM in relation to the Proposed Acquisition pursuant to Section 85(1) of the Financial Services Act 2013;
- (ii) Approval from Labuan FSA in relation to the Proposed Acquisition pursuant to Section 107(1) of the LFSSA;
- (iii) Approval from the non-interested shareholders of MNRB at an Extraordinary General Meeting ("EGM") to be convened for the Proposed Acquisition;
- (iv) Regulatory approval from Lloyd's in relation to the indirect change of control of Labuan Re Underwriting Limited ("LRUL"); and
- (v) Consent from RHB Bank (L) Ltd, being the holders of Labuan Re's callable cumulative denominated subordinated bonds of up to USD55.0 million for the change of Labuan Re's shareholding and ownership structure pursuant to the Proposed Acquisition, and to the extent required, the amendments in respect of the existing articles of association of Labuan Re ("AoA").

NOTES TO THE FINANCIAL STATEMENTS

31 March 2026

36. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D.)

i. Proposed Acquisition of 80% Equity Interest in Labuan Re by the Group (cont'd.)

Barring any unforeseen circumstances and subject to the fulfilment of all the conditions precedent under the SPA and all required approvals being obtained, the Proposed Acquisition is expected to be completed by the fourth quarter of 2026.

Labuan Re is currently an associate company of Malaysian Reinsurance Berhad ("Malaysian Re") via its 20% equity interest. Malaysian Re is the wholly owned subsidiary of MNRB. Upon completion the Proposed Acquisition, Malaysian Re will retain its existing 20% equity interest in Labuan Re, while MNRB will continue to hold the remaining 80% of the shares in Labuan Re directly, thereby, Labuan Re will be a wholly-owned subsidiary of MNRB Group.

Labuan Re is an offshore reinsurer based in the Labuan International Business and Financial Centre and underwrites general reinsurance and general retakaful business.

Assuming that the Proposed Acquisition had been effected at the beginning of the FY 31 March 2026, the pro forma effects of the Proposed Acquisition on the earnings and EPS of the MNRB Group improved to RM898.7 million (FY 31 March 2025: RM676.9 million) and RM1.15 per share (FY 31 March 2025: RM0.86 per share), respectively.

The Company has on 16 June 2026 submitted its application to BNM for its approval in relation to the Proposed Acquisition pursuant to Section 85(1) of the Financial Services Act 2013.

Further details of the Proposed Acquisition are detailed in MNRB's announcement on Bursa Securities website dated 19 May 2026 and 16 June 2026.

ii. Middle East Geopolitical Developments

The Group continues to monitor developments arising from the geopolitical tensions in the Middle East, including the conflict involving Iran and the United States.

Management has considered the potential impact of these developments in the preparation of the financial statements for the financial year ended 31 March 2026. Based on the information available as at the reporting date and up to the date of approval of these financial statements, management has not identified any matters arising from these developments that would have a material effect on the Group's financial position, financial performance or cash flows, nor any adjustments that are required to the financial statements.

The Group will continue to monitor developments and assess any potential implications for future reporting periods.

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements/Paragraph 9.41(b) of the MAIN Market Listing Requirements/Rule 9.25A of the ACE Market Listing Requirements/Rule 6.13A of the LEAP Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(A) GROUP TOTAL INCOME AND TOTAL ASSETS

		Group	
Total Income	Remarks	2026 RM'000	2025 RM'000
Revenue	Insurance/takaful revenue	3,374,571	3,135,118
Interest income	Interest income/profit revenue from financial assets	417,194	421,197
Dividend income		30,011	23,017
Share of result of associates		33,140	6,471
Other income	Fees and other income	36,606	25,579
Total		3,891,522	479,399
Total Assets		14,330,742	13,468,748

(B) BUSINESS ACTIVITIES

		Group	
Shariah Non-Compliant Activities	Remarks	2026 RM'000	2025 RM'000
Insurance income	Insurance service results of Reinsurance Business	389,525	329,604
Interest income	Interest income from financial assets	66,612	63,607
Dividend income received from conventional shares and instruments		3,257	1,993
Gain from investment in conventional instruments		12,872	1,359
Other Shariah non-compliant activities	Net foreign exchange losses on investments	(58,932)	(82,437)
Total		413,334	314,126

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

(C) COMPONENT OF FINANCIAL POSITION

(i) Cash Component

Islamic Account/ Instruments	Remarks	Group	
		2026 RM'000	2025 RM'000
Cash at bank		48,109	78,587
Deposits with licensed bank		2,120,760	3,331,384
Total		2,168,869	3,409,971
Conventional Account/ Instruments			
Cash at bank		19,999	34,257
Money market instruments	Fixed and call deposits	1,039,451	973,713
Total		1,059,450	1,007,970

(ii) Debt Component

		Group	
Islamic Financing	Remarks	2026 RM'000	2025 RM'000
Non-Current			
Sukuk	The Sukuk Murabahah Programme ("Sukuk") has a ten-year tenure, ending on 21 March 2034.	420,000	420,000
Total		420,000	420,000

		Group	
Conventional Borrowing	Remarks	2026 RM'000	2025 RM'000
Non-Current			
	The MTNs have the tenures of eight (8) years and ten (10) years, maturing on 15 March 2030 and 26 October 2032, respectively.		
Medium term notes ("MTN")		250,000	200,000
Total		250,000	200,000

ANALYSIS OF SHAREHOLDINGS

As at 30 June 2026

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	552	8.39	8,715	0.00
100 - 1,000	694	10.54	393,741	0.05
1,001 - 10,000	3,124	47.48	13,091,597	1.67
10,001 - 100,000	1,741	26.46	56,498,072	7.21
100,001 to less than 5% of issued shares	467	7.10	290,976,671	37.16
5% and above of issued shares	2	0.03	422,117,900	53.91
TOTAL	6,580	100.00	783,086,696	100.00

DIRECTORS' SHAREHOLDINGS

No.	Name of Directors	No. of Shares Held Through Own Name	No. of Shares Held Through Nominees	%
1	Dato' Sulaiman Mohd Tahir	0.00	–	–
2	George Oommen	0.00	–	–
3	Junaidah Mohd Said	0.00	–	–
4	Zaida Khalida Shaari	0.00	–	–
5	Chin See Mei	0.00	–	–

SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	No. of Shares Held			
	Direct Interest	%	Indirect/ Deemed Interest	%
Amanahraya Trustees Berhad	327,926,500	41.88	–	–
Amanah Saham Bumiputera				
Permodalan Nasional Berhad	94,191,400	12.03	–	–
Yayasan Pelaburan Bumiputra*	–	–	94,191,400	12.03

* Yayasan Pelaburan Bumiputra is deemed to have indirect interests through its shareholding of 100% less one share of Permodalan Nasional Berhad

30 LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA	327,926,500	41.88
2	PERMODALAN NASIONAL BERHAD	94,191,400	12.03
3	KONG GOON KHING	37,337,000	4.77
4	KONG GOON SIONG	11,031,900	1.41
5	PROMSERV SDN BHD	6,563,270	0.84
6	OLIVE LIM SWEE LIAN	6,076,000	0.78
7	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG YIEW ON (6000006)	5,506,100	0.70
8	NEOH CHOO EE & COMPANY SDN BHD	5,413,016	0.69
9	LIM PEI TIAM @ LIAM AHAT KIAT	5,000,000	0.64
10	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM PAY KAON	4,973,500	0.64
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD NATIONAL TRUST FUND (IFM MAYBANK) (412183)	4,694,800	0.60
12	P.G. LIM SDN BHD	3,868,100	0.49
13	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKETS CORE EQUITY 2 PORTFOLIO OF DFA INVESTMENT DIMENSIONS GROUP INC.	3,755,754	0.48
14	IFAST NOMINEES (TEMPATAN) SDN BHD GLOBAL SUCCESS NETWORK SDN BHD	3,680,000	0.47
15	LIEW SWEE MIO @ LIEW HOI FOO	3,600,000	0.46
16	CHEN CHIH LIANG	3,496,700	0.45
17	CHONG FOOK KIAN	2,931,000	0.37
18	KENANGA NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENT ACCOUNT)	2,925,000	0.37
19	OOI CHIN HOCK	2,751,850	0.35
20	LEE CHEE BENG	2,710,042	0.35
21	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ABDUL WAHID BIN OMAR	2,709,704	0.35
22	KONG GOON SIONG	2,650,000	0.34
23	PROMSERV ENGINEERING SDN BHD	2,237,100	0.29
24	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB BANK BERHAD (EDP 2)	2,205,300	0.28

ANALYSIS OF SHAREHOLDINGS

As at 30 June 2026

No.	Name of Shareholders	No. of Shares	%
25	TAN AIK CHOON	2,191,800	0.28
26	CHEN CHIN PENG	2,123,914	0.27
27	GAN HONG HU	2,065,900	0.26
28	ELAINE SIA SOH LENG	2,000,000	0.26
29	HSBC NOMINEES (TEMPATAN) SDN BHD BNPP SIN/2S FOR PERTUBUHAN KESELAMATAN SOSIAL (PKSMAMSB EQ)	2,000,000	0.26
30	MARK SIA ENG JOO	2,000,000	0.26
TOTAL		560,615,650	71.59

LIST OF PROPERTIES

31 March 2026

Address	Date of Acquisition	Date of Revaluation	Description of Properties	Tenure/ Existing Use/Age of Buildings	Land Area (sq. ft.) Build-up Area (sq. ft.)	Net Book Value as at 31/3/2026 (RM)
SELF OCCUPIED PROPERTIES						
IKHLAS Point, Tower 11A, Avenue 5, Bangsar South, No. 8, Jln Kerinchi, 59200 Kuala Lumpur	26 September 2008	31 March 2026	1 unit of 10 storey corner office building	Leasehold/ office premise/ occupied/17 years	Strata	81,000,000
No. 17, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur	17 February 1995	31 March 2026	1 unit of 12 storey building with 2 storey basement car park	Freehold/office premise/rented out/30 years	61,300/ 366,409	127,000,000
Lot 528, Section 6, Kuching Town Land District, No. 11C, Jalan Kulas, 93400 Kuching, Sarawak	7 October 2010	31 March 2026	4 storey intermediate terraced shophouse	Leasehold/ office premise/ occupied/ 15 years	Not applicable/ 1,200	2,000,000
PT 483, Jalan Jambatan Sultan Yahya, KB Waterfront, Seksyen 17, 15000 Kota Bharu, Kelantan	31 January 2013	31 March 2026	3 storey shophouse	Leasehold/ office premise/ occupied/ 12 years	Not applicable/ 4,680	1,400,000
TOTAL SELF OCCUPIED PROPERTIES						211,400,000

GROUP'S OFFICES

MNRB HOLDINGS BERHAD

12th Floor, Bangunan Malaysian Re
No. 17, Lorong Dungun, Damansara Heights,
50490 Kuala Lumpur

Tel : +603 2096 8000
Fax : +603 2096 7000
Website : www.mnrb.com.my
Email : enquiry@mnrb.com.my

MALAYSIAN REINSURANCE BERHAD

7th Floor, Bangunan Malaysian Re
No. 17, Lorong Dungun, Damansara Heights,
50490 Kuala Lumpur

Tel : +603 2096 8000
Fax : +603 2096 7000
Website : www.malaysian-re.com.my
Email : enquiry@malaysian-re.com.my

TAKAFUL IKHLAS GENERAL BERHAD

5th Floor, Bangunan Malaysian Re
No. 17, Lorong Dungun, Damansara Heights,
50490 Kuala Lumpur

Tel : +603 2707 3333
Fax : +603 2707 3322
Website : www.takaful-ikhlas.com.my
Email : ikhlascare@takaful-ikhlas.com.my

TAKAFUL IKHLAS FAMILY BERHAD

9th Floor, IKHLAS Point
Tower 11A, Avenue 5, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Tel : +603 2723 9999
Fax : +603 2723 9998
Website : www.takaful-ikhlas.com.my
Email : ikhlascare@takaful-ikhlas.com.my

MMIP SERVICES SDN. BHD.

6th Floor, Bangunan Malaysian Re
No. 17, Lorong Dungun, Damansara Heights,
50490 Kuala Lumpur

Tel : +603 2080 6000
Fax : +603 2080 6001
Email : mmip_support@malaysian-re.com.my

TAKAFUL IKHLAS BRANCHES

Branches	Address	Telephone/Fax
Kuala Lumpur (Main)	IKHLAS Point, Tower 11A, Avenue 5, Bangsar South, No. 8, Jalan Kerinchi, 59200, Kuala Lumpur	T +603 2723 9999 (General line) F +603 2723 9998
Johor	No. 32, 32-01 & 32-02, Jalan Setia Tropika 1/1, Taman Setia Tropika, 81200 Johor Bahru, Johor	T +607 232 7180 F +607 232 7185
Kedah	No. 57, Jalan Lagenda 3, Lagenda Heights, 08000 Sungai Petani, Kedah	T +604 422 8100 F +604 422 3100
Kelantan	PT 483, Jalan Jambatan Sultan Yahya, KB Waterfront, Seksyen 17, 15000 Kota Bharu, Kelantan	T +609 746 1000 F +609 747 9100
Melaka	No. 10, Jalan Melaka Raya 8, Taman Melaka Raya, 75000 Melaka	T +606 286 3100 F +606 288 3100
Negeri Sembilan	538, Ground & 1 st Floor, 539, 1 st Floor, Jalan Bandar Senawang 16, Pusat Bandar Senawang, 70450 Seremban, Negeri Sembilan	T +606 677 5600 F +606 677 5362
Pahang	B284, Ground & 1 st Floor, Jalan Beserah, 25300 Kuantan, Pahang	T +609 567 0700 F +609 567 1700
Perak	No. 11A, 1 st Floor, Persiaran Greentown 9, Pusat Perdagangan Greentown, 30450 Ipoh, Perak	T +605 243 0300 F +605 243 1300
Putrajaya	No. 12, Jalan Diplomatik, P15 Presint 15, 62050 Putrajaya	T +603 8861 5660 F +603 8890 5100
Sabah	Dewan Bandaraya Kota Kinabalu (DBKK), No. D-G-8 (D-9-1), Level 1, Block D, Harbour City Sembulan, Jalan Pantai Baru, 88100 Kota Kinabalu, Sabah	T +6088 447 110 F +6088 447 130
Sarawak	528 Section 6, KTLD No. 11C, Kuching Town Land District (KTLD), No. 11C, Jalan Kulas, 93400 Kuching, Sarawak	T +6082 251 300 F +6082 251 310
Selangor	No. 97, 97-1 & 97-2, Jalan Mahogani 5/KS7, 41200 Klang, Selangor	T +603 3323 1144 F +603 3323 1444
Terengganu	Lot PT 3593, Ground Floor, Jalan Sultan Zainal Abidin, 20000 Kuala Terengganu, Terengganu	T +609 631 8170 F +609 631 8171

NOTICE OF THE 53RD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifty-Third (**53rd**) Annual General Meeting ("**AGM**") of MNRB Holdings Berhad ("MNRB" or "Company") will be held at the Ballroom 1, Level 1, KLGCC Convention Centre (formerly known as Sime Darby Convention Centre), 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Friday, 25 September 2026 at 9.00 a.m. for the purpose of considering and if thought fit, passing with or without modifications the resolutions set out in this notice:

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2026 together with the Reports of the Directors and the Auditors thereon.
2. To re-elect Zaida Khalida Shaari who is retiring by rotation pursuant to Clause 90 of the Company's Constitution and being eligible, has offered herself for re-election.

Chin See Mei who retires in accordance with Clause 90 of the Company's Constitution will not seek re-election at the 53rd AGM. Accordingly, she will retire from the Board at the conclusion of the 53rd AGM.

3. To re-elect Kamarul Ariffin Mohd Jamil who is retiring pursuant to Clause 95 of the Company's Constitution and being eligible, has offered himself for re-election.
4. To approve the following payment by the Company:
 - (i) Directors' Fees to the Non-Executive Directors ("**NED**") of the Company with effect for the period from the conclusion of the 53rd AGM until the conclusion of the next AGM in 2027, to be payable on a monthly basis as follows:

Directors' Fees	NED	
	Chairman (RM/Annum)	Member (RM/Annum)
Board	186,900	100,800
• Audit Committee		
• Risk Management Committee of the Board	31,650	24,450
• Group Nomination & Remuneration Committee		
• Group Investment Committee		
• Group Digital & Information Technology Committee	24,450	21,300

(each of the foregoing payments being exclusive of the others)

- (ii) Directors' benefits (excluding Directors' Fees) payable to the NEDs of up to an amount of RM1,071,500 from the conclusion of the 53rd AGM until the conclusion of the next AGM in 2027.
5. To re-appoint Ernst & Young PLT as Auditors of the Company for the financial year ending 31 March 2027 and to authorise the Directors to fix their remuneration.

**[Please refer to
Explanatory Note (i)]**

(Ordinary Resolution 1)
**[Please refer to
Explanatory Note (ii)]**

(Ordinary Resolution 2)
**[Please refer to
Explanatory Note (ii)]**

(Ordinary Resolution 3)
**[Please refer to
Explanatory Note (iii)]**

(Ordinary Resolution 4)
**[Please refer to
Explanatory Note (iv)]**

(Ordinary Resolution 5)
**[Please refer to
Explanatory Note (v)]**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions, with or without modifications:

6. Proposed renewal of the authority for Directors to allot and issue new ordinary shares of MNRB, for the purpose of the Company's Dividend Reinvestment Plan ("**DRP**") that provides the shareholders of MNRB the option to elect to reinvest their cash dividend in new MNRB Shares.

(Ordinary Resolution 6)
[Please refer to
Explanatory Note (v)]

"THAT pursuant to the **DRP** approved at the Extraordinary General Meeting held on 25 September 2019, approval be and is hereby given to the Company to allot and issue such number of new MNRB Shares from time to time as may be required to be allotted and issued pursuant to the **DRP** until the conclusion of the next Annual General Meeting, upon such terms and conditions and to such persons as the Directors of the Company may, at their sole and absolute discretion, deem fit and in the interest of the Company. **PROVIDED THAT** the issue price of the said new MNRB Shares shall be fixed by the Directors at not more than ten percent (10%) discount to the adjusted five (5)-day volume weighted average market price ("**VWAP**") of MNRB Shares immediately prior to the price-fixing date, of which the **VWAP** shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price of MNRB Shares at the material time;

AND THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and enter into all such transactions, arrangements, deeds, undertakings and documents as may be necessary or expedient in order to give full effect to the **DRP** with full power to assent to any conditions, modifications, variations, arrangements and/or amendments as may be imposed or agreed to by any relevant authorities (if any) or consequent upon the implementation of the said conditions, modifications, variations and/or amendments, by the Directors as they, in their absolute discretion, deem fit and in the best interest of the Company."

7. To transact any other business for which due notice shall have been given in accordance with the Companies Act 2016 and Company's Constitution.

BY ORDER OF THE BOARD

LENA ABD LATIF
 (SSM Practicing Certificate No. 201908002386)
 (LS 0008766)
 Group Company Secretary

Kuala Lumpur
 31 July 2026

NOTICE OF THE 53RD ANNUAL GENERAL MEETING

NOTES:

Appointment of Proxy and/or Authorised Representative

1. The 53rd AGM will be held on a physical mode whereby member(s), proxy(ies), corporate representative(s) or attorney(s) to attend physically in person at the Meeting Venue
2. Section 334 of the Companies Act 2016 provides that a member of a company shall be entitled to appoint another person or persons as his/her proxy or proxies to exercise all or any of his/her rights to attend, participate, speak and vote at a meeting of members of the company. A proxy may, but need not, be a Member of the Company. A Member may appoint any person to be his/her proxy without any restriction as to the qualification of such person.
3. For the purpose of determining a member who shall be entitled to participate in the 53rd AGM, the Company shall request Bursa Malaysia Depository Sdn Bhd in accordance with Article 65(b) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a **Record of Depositors as at 17 September 2026**. Only a depositor whose name appears on the **Record of Depositors as of 17 September 2026** shall be entitled to participate in the 53rd AGM or appoint proxy/proxies to attend, participate, speak and/or vote on his/her behalf.
4. Every member including authorised nominees as defined under the Securities Industry (Central Depositories) Act, 1991 (Central Depositories Act) Exempt Authorised Nominees which hold ordinary shares in the Company for multiple beneficial owners in one (1) securities account, is entitled to appoint one (1) or more proxy to exercise all or any of his/her rights to attend, participate, speak and/or vote instead of him/her at the 53rd AGM and that such proxy need not be a member.
5. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy, and only one (1) proxy shall be entitled to vote.
6. The instrument appointing a proxy(ies) shall be in writing under the hand of the member or his/her attorney duly authorised in writing or, if the member is a Corporation, shall either be executed under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or in the case of a sole director, by that director in the presence of a witness who attests the signature or of its attorney duly authorised in writing.
7. The Form of Proxy duly completed must be deposited in the following manner, not less than **Wednesday, 23 September 2026 at 9.00 a.m.** being forty-eight (48) hours before the appointed time for holding the 53rd AGM:
 - (i) In hardcopy
 - Submitted to the Share Registrar's office, Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
 - Email to bsr.proxy@boardroomlimited.com
 - (ii) In electronic mode

Alternatively, the Form of Proxy may also be submitted electronically through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. The member can refer to the Administrative Details for the 53rd AGM for procedures on electronic submission of form of Proxy.
8. If the Form of Proxy is submitted without any instruction as to how the proxy shall vote, the proxy will vote in his/her discretion. Any alteration to the Form of Proxy must be initialed. If no name is inserted in the space provided for the name of your proxy, the Chairman of the Meeting will act as your proxy.
9. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice are to be voted on a poll.
10. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
11. By submitting the duly executed proxy form, the member and his/her proxy(ies) consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the purpose of the 53rd AGM and any adjournment thereof.

Explanatory Notes

- (i) Item 1 of the Agenda - Audited Financial Statements for the Financial Year Ended 31 March 2026

This item on the Agenda is meant for discussion only pursuant to Section 340(1)(a) of the Companies Act 2016. As such, this Agenda item is not a business which requires a resolution to be put to vote by shareholders.

(ii) Ordinary Resolutions 1-2 – Re-election of Directors

The Group Nomination & Remuneration Committee (“**GNRC**”) had considered the performance and contribution of each of the retiring Director and have also assessed the independence of the Independent Non-Executive Directors seeking re-election.

Based on the results of the Board Effectiveness Evaluation conducted, the performance of each of the retiring Director was found to be satisfactory. In addition, each of the retiring Director has also provided his/her annual declaration/confirmation on his/her fitness and propriety as well as independence. The retiring Directors have also fulfilled the independence criteria set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and other independence criteria applied by the Company.

The Board has endorsed the GNRC's recommendation on the re-election of the retiring Directors and the Board's statement of support are set out in the Statement Accompanying Notice of AGM. The retiring Directors had abstained from deliberations and decisions on their re-election at the GNRC and Board meetings.

Under Clause 90 of the Company's Constitution, Clause 90 of the Company's Constitution states that the number of Directors closest to one-third (1/3) or nearest to one-third is to retire from office and be eligible for re-election at the next AGM of the respective companies.

Pursuant thereto, Zaida Khalida Shaari and Chin See Mei shall retire in accordance with Clause 90 of the Constitution. However, Chin See Mei who retires in accordance with Clause 90 of the Company's Constitution has decided not to offer herself for re-election. Accordingly, she will retire from the Board at the conclusion of the 53rd AGM.

Pursuant to Clause 95 of the Company's Constitution provides amongst others, that the Board shall have the power to appoint any person to be a Director to fill a casual vacancy or as an additional Director to the existing Board, and that any Director so appointed shall hold office until the next following AGM and shall then be eligible for re-election.

Accordingly, Kamarul Ariffin Mohd Jamil who was appointed as an Independent Non-Executive Director of MNRB on 1 July 2026 is standing for re-election pursuant to Clause 95 of the Company's Constitution.

The details and profile of the Directors who are standing for re-election at the 53rd AGM are provided in the Directors Profile section of the Company's Annual Report 2026.

(iii) Ordinary Resolution 3 – Directors' Fees

Pursuant to Section 230(1) of the Companies Act 2016, any fees and benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

The Company has appointed an independent consulting firm to conduct a comprehensive review of Directors' fees and benefits, which was then presented to the GNRC and the Board in May 2026 for review and approval. The benchmarking was conducted against publicly listed companies of similar industry in Malaysia. The benchmarking analysis shows the Company is in the lower quartile for the remuneration. Pursuant thereto, with the recommendation from the GNRC.

The proposed revision to the fees of the Board, Board Committees and Other Committees Board also factored in time commitment, responsibilities, industry benchmarking and the size and complexities of the Group's business. The objective is to ensure that the remuneration for both the Board, Board Committees and Other Committees remains competitive and suitable to attract, retain and motivate Directors to drive the Company's long-term objectives. The revise fees as detailed in the table below:

For the Company

Type of Fees	Existing Fees (RM/Annum)	Proposed Fees Revision (RM/Annum)
Board:		
– Chairman	149,500	186,900
– Member	80,500	100,800
Board Committee:		
• Audit Committee		
• Risk Management Committee of the Board		
• Group Nomination & Remuneration Committee		
– Chairman	25,300	31,650
– Member	19,550	24,450
Other Committee:		
• Group Investment Committee		
• Group Digital & Information Technology Committee		
– Chairman	19,550	24,450
– Member	17,000	21,300

NOTICE OF THE 53RD ANNUAL GENERAL MEETING

For Subsidiaries of the Company

Type of Fees	Existing Fees (RM/Annum)	Proposed Fees Revision (RM/Annum)
• Malaysian Reinsurance Berhad • Takaful Ikhlas Family Berhad • Takaful Ikhlas General Berhad		
Board:		
– Chairman	92,000	115,000
– Member/NED	80,500	100,800
Board Committee:		
• Audit Committee • Risk Management Committee of the Board • Group Nomination & Remuneration Committee		
– Chairman	25,300	31,650
– Member	19,550	24,450
Other Committee:		
• Group Investment Committee • Group Digital & Information Technology Committee		
– Chairman	19,550	24,450
– Member	13,800	21,300

(iv) Ordinary Resolution 4 – Directors' Benefits (excluding Directors' Fees)

The Board with the recommendation from the GNRC, agreed to maintain the meeting allowance at RM1,500 per meeting.

The Directors' Benefits (excluding Directors' Fees) payable to the NED comprises benefits-in-kind and other emoluments payable to them by the Company and its subsidiaries as set out below:

Directors' Benefits	Chairman	Member
Benefits-in-kind:	• Car allowance (inclusive of driver, petrol, touch & go, road tax and maintenance allowance) • Medical benefits on incurred basis • Other claimable expenses incurred in the course of carrying out their duties	Nil
Emolument:	• Meeting allowance is RM1,500 per meeting	

Other benefits-in-kind, such as company car and driver, petrol (on an incurred basis), medical benefits (on an incurred basis), and other claimable expenses incurred in the course of carrying out their duties for the Chairman and Directors, remained unchanged.

Payment of the Directors' Benefits will be made by the Company and its subsidiaries as and when incurred if the proposed Ordinary Resolution 4 is passed at the 53rd AGM of the Company.

In determining the estimated amount of benefits payable, the Board considered various factors including the number of scheduled meetings for the Board, Board Committees, Other Committees and Board of subsidiaries, as well as the number of NEDs involved in these meetings.

Subject to the shareholders' approval for Ordinary Resolutions 3 and 4, the payment for the fees and benefits for the period commencing from the conclusion of 53rd AGM up till the conclusion of the next AGM in 2027 will be made by the Company and its subsidiaries monthly and/or as and when incurred. The Board is of the view that the payments to the NEDs are just and equitable considering their roles and responsibilities towards the Group and the contribution and services they render to the Company and its subsidiaries.

The benefits of each NED for the financial year ended 31 March 2026 are disclosed in the Notes to the Financial Statements of the Audited Financial Statements for the financial year ended 31 March 2026.

(v) Ordinary Resolution 5

The Audit Committee at its meeting held on 14 May 2026 undertook an annual assessment of the objectivity, independence and quality of service delivery of the external auditors, Ernst & Young PLT ("**EY**").

The Audit Committee was satisfied with the suitability of EY based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Group. Audit Committee was also satisfied in its review that the provisions of non-audit services by EY to the Company for the FY2026 did not in any way impair their objectivity and independence as external auditors of the Company.

The Board has at its meeting held on 21 May 2026 approved Audit Committee recommendation for the shareholders' approval to be sought at the 53rd AGM on the appointment of EY as external auditors of the Company for the FY2027, under Ordinary Resolution 5 in accordance with Section 340(1)(c) and Section 274(1) (a) of the Companies Act 2016.

(vi) Ordinary Resolution 6

The general mandate, if granted, will give authority to the Directors to allot and issue shares for the DRP in respect of dividends to be declared until the next AGM. A renewal of this authority will be sought at the next AGM in 2027.

STATEMENT ACCOMPANYING NOTICE OF THE 53RD ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Details of persons who are standing for re-election as Directors at the 53rd AGM

Based on the Group Nominations & Remuneration Committee ("**GNRC**")'s review and assessment, the Board found that the performance of the following retiring directors and contribution in discharge of their duties assessed during the Board Effectiveness Evaluation for the financial year ended 31 March 2026 were satisfactory.

Zaida Khalida Shaari

The Board, through the GNRC was satisfied that Zaida Khalida Shaari ("Zaida") had contributed effectively during the Board of Directors ("**Board**"), Audit Committee ("**AC**"), Risk Management Committee of the Board ("**RMCB**"), GNRC and Group Investment Committee ("**GIC**") meetings.

She brings to the Board her vast experience particularly in the areas of legal, corporate governance, investment, compliance and strategic management. She also carried her responsibility well in her capacity as Chairman of the GNRC and GIC, and as a member of the Board, AC and RMCB.

She had served as Independent Non-Executive Director ("**INED**") for 6 years 8 months since the date of her appointment as Director on 1 October 2019.

Kamarul Ariffin Mohd Jamil

No assessment was conducted for a Director who has served for less than six (6) month in the Company. Nevertheless, the Board found Kamarul Ariffin Mohd Jamil ("**Kamarul Ariffin**") had added significant depth to the Board with his strong and extensive experience in the banking and financial services industry, including governance, regulatory requirements, compliance, risk management, and corporate leadership which the Company could leverage. Based on his skills, competencies, experience, qualifications and multi-sector industry background, Kamarul Ariffin is a good fit for the Company in accordance with Bank Negara Malaysia Policy Document on Corporate Governance and the Group Fit and Proper Policy.

He had served as an INED for one (1) month since the date of his appointment as a Director of the Company on 1 July 2026.

PROXY FORM



MNRB HOLDINGS BERHAD
197201001795 (13487-A)

No. of Ordinary Shares Held	
CDS Account No.	

I/We _____ NRIC No./Passport No./Company No.
(Full name in BLOCK LETTERS as per MYKAD/Passport/Certificate of Incorporation)

_____ of _____
(Address in full)

_____ being a member of MNRB HOLDINGS BERHAD ("Company"), hereby appoint

PROXY 1		No. of Shares	%
Full Name as per NRIC/ Passport			
NRIC/Passport No.			
Full Address			
Email Address/Tel No.			

PROXY 2		No. of Shares	%
Full name as per NRIC/ Passport			
NRIC/Passport No.			
Full Address			
Email Address/Tel No.			
		TOTAL SHARES	100%

Or failing him/her, the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the 53rd Annual General Meeting ("**AGM**") of the Company to be held at Ballroom 1, Level 1, KLGCC Convention Centre (formerly known as Sime Darby Convention Centre), 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on **Friday, 25 September 2026** at 9.00 a.m. and at any adjournment thereof, on the following resolutions referred to in the Notice of AGM.

AGENDA

To receive the Audited Financial Statements for the financial year ended 31 March 2026 together with the Reports of the Directors and Auditors thereon.

RESOLUTION	DESCRIPTION	FOR	AGAINST
ORDINARY BUSINESS			
Ordinary Resolution 1	To re-elect Puan Zaida Khalida Shaari, who retires pursuant to Clause 90 of the Company's Constitution.		
Ordinary Resolution 2	To re-elect Encik Kamarul Ariffin Mohd Jamil who retires pursuant to Clause 95 of the Company's Constitution.		
Ordinary Resolution 3	To approve the payment of Directors' fees for the period from the 53 rd AGM until the next AGM in 2027.		
Ordinary Resolution 4	To approve the payment of Directors' benefits (excluding Directors' Fees) payable to the Non-Executive Directors up to an amount of RM1,071,500 from the conclusion of the 53 rd AGM until the conclusion of the next AGM in 2027.		
Ordinary Resolution 5	To re-appoint Ernst & Young PLT as Auditors of the Company for the financial year ending 31 March 2027 and to authorise the Directors to fix their remuneration.		
SPECIAL BUSINESS			
Ordinary Resolution 6	Proposed renewal of the authority for Directors to allot and issue new ordinary shares of MNRB, for the purpose of the Company's Dividend Reinvestment Plan.		

(Please indicate with a cross (X) in the space provided whether you wish your votes to be cast for or against the resolutions above. In the absence of specific instructions, your proxy will vote or abstain as he/they may think fit).

Dated _____ day of _____ 2026

Signature(s)/Common Seal of Member(s)

NOTES:-

1. Save as set out in Note (3) below, a Member of the Company entitled to attend and vote at this meeting is entitled to appoint two (2) proxies to attend and to vote instead of him at the same meeting. A proxy may but need not be a Member of the Company.
2. Where a Member of the Company appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. Every member including authorised nominees as defined under the Securities Industry (Central Depositories) Act, 1991 (Central Depositories Act) and authorised nominees defined under the Central Depositories Act which are exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act (Exempt Authorised Nominees) which hold ordinary shares in the Company for multiple beneficial owners in one securities account (Omnibus Account), is entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote instead of him/her at the 53rd AGM and that such proxy need not be a member.
4. In respect of deposited securities, only a depositor whose name appears on the ROD on 17 September 2026 shall be eligible to attend this 53rd AGM or appoint a proxy(ies) to attend, speak and vote on his/her behalf.
5. The instrument appointing a proxy (ies) shall be in writing under the hand of the member or his/her attorney duly authorised in writing or, if the member is a Corporation, shall either be executed under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or in the case of a sole director, by that director in the presence of a witness who attests the signature or of its attorney duly authorised in writing.
6. For a shareholder who appoints more than one (1) proxy, door gift will only be provided to the first proxy.
7. The Form of Proxy duly completed must be deposited at the Share Registrar's office, Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for the 53rd AGM or any adjournment thereof. Alternatively, the Form of Proxy may also be deposited electronically through the Share Registrar's website, Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com/> not less than forty-eight (48) hours before the time of holding the 53rd AGM.
8. If the Form of Proxy is submitted without any instruction as to how the proxy shall vote, the proxy will vote in his/her discretion. Any alteration to the Form of Proxy must be initialed. If no name is inserted in the space provided for the name of your proxy, the Chairman of the Meeting will act as your proxy.
9. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice are to be voted on a poll.

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Please
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BOARDROOM SHARE REGISTRARS SDN BHD

11th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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