MNRB HOLDINGS BERHAD

197201001795 (13487-A)

UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED
30 JUNE 2026

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2026

	Current quarter Three months ended	
	30.06.2026	**30.06.2025**
	RM'000	**RM'000**
Insurance/takaful revenue	893,980	866,280
Insurance/takaful service expenses	(664,424)	(580,594)
Insurance contracts/takaful certificates service result before reinsurance contracts/retakaful certificates held	**229,556**	**285,686**
Allocation of reinsurance/retakaful premiums/contributions	(223,814)	(191,535)
Amounts recoverable from reinsurers/retakaful operators for incurred claims	173,332	88,011
Net expense from reinsurance contracts/retakaful certificates held	**(50,482)**	**(103,524)**
Insurance/takaful service results	**179,074**	**182,162**
Interest income/profit revenue calculated using the effective interest/profit method	37,191	47,741
Other investment income	71,028	60,802
Net realised gains/(losses)	6,611	(14,454)
Net fair value gains on financial assets at fair value through profit and loss	29,566	103,950
Net foreign exchange gains/(losses) on investments	6,496	(33,020)
Reversal for impairment on financial assets	15	24
Investment results	**150,907**	**165,043**
Net insurance/takaful finance/profit expenses from insurance contracts/takaful certificates issued	(93,902)	(140,708)
Net reinsurance/retakaful finance/profit income from reinsurance contracts/retakaful certificates held	7,150	1,347
Unallocated surplus and changes in the value of the underlying items attributable to participants	(27,800)	(2,427)
Net insurance/takaful financial results	**(114,552)**	**(141,788)**
Fees and other income	15,190	7,298
Management and other expenses	(28,682)	(21,520)
Finance cost	(8,003)	(7,866)
Other net expenses	**(21,495)**	**(22,088)**
Share of results of associates	19,173	15,674
Profit before zakat and taxation	**213,107**	**199,003**
Tax attributable to participants	(6,167)	(6,255)
Profit before zakat and taxation attributable to equity holders of the Holding Company	**206,940**	**192,748**
Zakat	(505)	(638)
Taxation	(22,683)	(23,684)
Net profit for the period attributable to equity holders of the Holding Company	**183,752**	**168,426**

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2026

	Current quarter Three months ended	
	30.06.2026	30.06.2025
	RM'000	RM'000
Net profit for the period attributable to equity holders of the Holding Company	**183,752**	**168,426**
<u>**Other comprehensive income/(loss)**</u>		
Other comprehensive income/(loss) to be reclassified to income statements in subsequent periods:		
Effects of post acquisition foreign exchange translation reserve on investment in an associate	(18,303)	(9,173)
Net gains/(losses) on financial assets at fair value through other comprehensive income ("FVOCI"):		
Net (losses)/gains on fair value changes	(512)	8,868
Realised gains/(losses) transferred to income statements	68	(52)
Deferred tax relating to fair value changes on financial assets at FVOCI	91	(2,202)
	(18,656)	(2,559)
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	-	(526)
Revaluation of land and buildings	2,314	587
Deferred tax relating to revaluation of land and buildings	(193)	(47)
Other comprehensive expenses attributable to participants	(2,201)	(4,865)
	(80)	(4,851)
Other comprehensive losses for the period, net of tax	**(18,736)**	**(7,410)**
Total comprehensive income for the period, net of tax	**165,016**	**161,016**
Total comprehensive income for the period attributable to owners of the Company	**165,016**	**161,016**
Basic earnings per share attributable to equity holders of the Company (sen)	**23.47**	**21.51**

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	30.06.2026 RM'000	31.03.2026 RM'000
Assets		
Property and equipment	234,059	230,643
Intangible assets	185,749	184,276
Right-of-use assets	1,889	2,312
Investments in associates	166,073	166,003
Financial and other assets	12,824,974	12,670,004
Deferred tax assets	40,397	39,812
Insurance contracts/takaful certificates assets	92,832	136,942
Reinsurance contracts/retakaful certificates assets	789,291	784,250
Tax recoverable	48,520	48,392
Cash and bank balances	112,616	68,108
Total assets	**14,496,400**	**14,330,742**
Liabilities		
Borrowings	670,000	670,000
Insurance contracts/takaful certificates liabilities	9,387,189	9,419,792
Reinsurance contracts/retakaful certificates liabilities	21,737	18,739
Lease liabilities	1,939	2,096
Other payables	336,452	273,321
Deferred tax liabilities	56,811	45,192
Tax payable	8,588	14,280
Provision for zakat	1,939	1,439
Total liabilities	**10,484,655**	**10,444,859**
Equity		
Share capital	738,502	738,502
Reserves	3,273,243	3,147,381
Total equity attributable to equity holders of the Holding Company	**4,011,745**	**3,885,883**
Total liabilities and equity	**14,496,400**	**14,330,742**
Net assets per share (RM)	**5.12**	**4.96**

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2026

	Attributable to owners of the 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 2025	**738,502**	**8,502**	**41,246**	**59,557**	**2,593,059**	**3,440,866**
Net profit for the period	-	-	-	-	168,426	168,426
Total other comprehensive (losses)/income for the period	-	(9,173)	1,223	540	-	(7,410)
Total comprehensive (losses)/income for the period	-	(9,173)	1,223	540	168,426	161,016
At 30 June 2025	**738,502**	**(671)**	**42,469**	**60,097**	**2,761,485**	**3,601,882**
	-	-	5,907	(5,907)	-	-
At 1 April 2026	**738,502**	**(16,345)**	**36,895**	**67,407**	**3,059,424**	**3,885,883**
Net profit for the period	-	-	-	-	183,752	183,752
Total other comprehensive (losses)/income for the period	-	(18,303)	(2,553)	2,121	-	(18,735)
Total comprehensive (losses)/income for the period	-	(18,303)	(2,553)	2,121	183,752	165,017
Dividend paid during the period	-	-	-	-	(39,155)	(39,155)
At 30 June 2026	**738,502**	**(34,648)**	**34,342**	**69,528**	**3,204,021**	**4,011,745**

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2026

	30.06.2026 RM '000	30.06.2025 RM '000
Cash flows from operating activities		
Profit before zakat and taxation	213,107	199,003
Adjustments for:		
Depreciation of:		
- property and equipment	4,641	2,494
- right-of-use assets	1,161	987
Amortisation of intangible assets	1,772	7,594
Finance costs	8,003	8,821
Realised gains on disposal of investments	(6,611)	14,454
Net amortisation of premiums on investments	978	(457)
Interest income/profit revenue	(66,567)	(104,976)
Dividend income	(6,284)	(3,582)
Rental income	(1,478)	(1,255)
Share of results of associates	(19,173)	(15,674)
Net foreign exchange losses	(6,496)	33,020
Net fair value gains on financial assets	(29,566)	(103,950)
Allowance for impairment loss of financial assets and others	-	354
Operating cash flows before working capital changes	93,488	36,833
Changes in working capital:		
Financial assets	(115,352)	(120,744)
Staff financing	154	299
Insurance contracts/takaful certificates	60,686	75,775
Reinsurance contracts/retakaful certificates	(2,043)	(29,683)
Other payables and lease liabilities	69,616	(17,207)
Operating cash flows before working capital changes	106,549	(54,727)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2026 (CONT'D.)

	30.06.2026 RM '000	30.06.2025 RM '000
Cash flows from operating activities (cont'd.)		
Changes in working capital (cont'd.)		
Interest income/profit revenue received	49,458	91,101
Dividend income received	45,562	44,311
Rental received	1,166	1,248
Income tax and zakat paid	(42,680)	(22,848)
Net cash generated from operating activities	**160,055**	**59,085**
Cash flows from investing activities		
Purchase of property and equipment	(11,945)	(1,599)
Purchase of intangible assets	(8,287)	(3,904)
Dividend received from an associate	800	200
Net cash used in investing activities	**(19,432)**	**(5,303)**
Cash flows from financing activities		
Payment of lease liabilities	(888)	(1,175)
Interest/profit paid	(3,151)	(3,726)
Dividend paid	(39,155)	-
Net cash used in financing activities	**(43,194)**	**(4,901)**
Net increase during the period	**97,429**	**48,881**
Cash and cash equivalents at beginning of the period	68,108	112,844
Cash and cash equivalents at end of the period	**165,537**	**161,725**
Cash and cash equivalents comprise:		
Fixed and call deposits (with original maturities of less than three-months) with licensed financials institutions	52,921	75,847
Cash and bank balances	112,616	85,878
	165,537	**161,725**

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A1. Basis of preparation

These condensed consolidated interim financial statements of MNRB Holdings Berhad ("MNRB" or "the Company") and its subsidiaries (MNRB and its subsidiaries are collectively referred to as "the Group") as at and for the financial period ended 30 June 2026 have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), the International Accounting Standard ("IAS") 134 Interim Financial Reporting, paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and Guidelines/Circulars issued by Bank Negara Malaysia ("BNM") and Shariah rulings and precepts.

The condensed consolidated interim financial statements should be read in conjunction with the Group's most recent audited consolidated financial statements for the financial year ended 31 March 2026.

Changes in accounting policies

(i) Adoption of New MFRS and Amendments to MFRSs

The accounting policies adopted are consistent with those of the previous financial year except with respect to the following Standards and Amendments to Standards which are mandatory for annual financial year beginning on or after 1 April 2026 and which were adopted by the Group on 1 April 2026.

Description	**Effective for annual periods beginning on or after**
Lack of Exchangeability (Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates*)	1 January 2025

The adoption of the above accounting standards and amendments to Standards did not have any material impact on the financial statements of the Group.

(ii) Standards issued but not yet effective

The following are Amendments to Standards issued by the Malaysian Accounting Standards Board ("MASB"), but not yet effective, up to the date of issuance of these condensed consolidated interim financial statements. The Group intends to adopt these 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 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures*)	1 January 2026
Contracts Referencing Nature-dependent Electricity (Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures*)	1 January 2026
MFRS 18 *Presentation and Disclosure in Financial Statements*	1 January 2027

PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D.)

A1. Basis of preparation (cont'd.)

(ii) Standards issued but not yet effective (cont'd.)

Description	**Effective for annual periods beginning on or after**
MFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Translation to a Hyperinflationary Presentation Currency *(Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates)*	1 January 2027
Amendments to the Sale or Distributions of Assets between an Investor and its Associate or Joint Venture *(Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures)*	'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.

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 ended 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.

PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D.)

A2. Auditors' Report on preceding annual financial statements

The auditors' report on the audited financial statements for the financial year ended 31 March 2026 was not subject to any qualification.

A3. Seasonal or cyclical factors

With regard to cyclical factors, the performance of the Group is directly correlated with the industry trends and the economic conditions of the countries in which the Group has its business and risk exposures. The Group continues to monitor these factors closely and implements proactive risk management strategies to maintain stability and support sustainable growth.

A4. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the financial period ended 30 June 2026.

A5. Changes in estimates

There were no material changes in estimates used in the preparation of these condensed consolidated interim financial statements.

A6. Issuances, cancellations, repurchase, resale and repayments of debt and equity securities

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities during the financial period ended 30 June 2026.

A7. Dividend Paid

The Company on 21 May 2026, had declared an interim single-tier dividend ("interim dividend") of 5.0 sen per ordinary share in respect of the financial year ended 31 March 2026. The entitlement date for the dividend payment was on 12 June 2026 and the said dividend was paid on 26 June 2026.

A8. Carrying amount of revalued properties

The valuation of property, plant and equipment and investment properties was revalued for the financial period ended 30 June 2026.

A9. Significant events

There were no significant events affecting the Group during the financial period ended 30 June 2026, other than the matter disclosed in Note B5 relating to the status of the proposed corporate exercise to acquire an 80% equity interest in Labuan Reinsurance (L) Limited and proposed divestment of 100% equity interest in Takaful Ikhlas Family Berhad ("Takaful IKHLAS Family") and Takaful Ikhlas General Berhad ("Takaful IKHLAS General") to Rakyat Nominees Sdn Bhd ("Rakyat Nominees" or "Purchaser").

A10. Subsequent events

There were no significant events affecting the Group during the financial period ended 30 June 2026, other than the matter disclosed in Note B5 relating to the status of the proposed corporate exercise to acquire an 80% equity interest in Labuan Reinsurance (L) Limited and proposed divestment of 100% equity interest in Takaful IKHLAS Family and Takaful IKHLAS General to Rakyat Nominees.

PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D.)

A11. Changes in the composition of the Group

There was no change in the composition of the Group for the current financial quarter under review.

A12. Capital commitments

The amount of capital commitments of the Group as at 30 June 2026 were as follows:

	RM'000
Authorised and contracted for:	
Property and equipment	2,792
Software developments	4,823
	7,615
Authorised but not contracted for:	
Property and equipment	13,822
Software developments	77,352
	91,174

PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D.)

A13. Segmental reporting

The Group has five business segments as follows:

Segments	
Investment holding and others	Investment holding and non-insurance/takaful subsidiaries
Reinsurance	Underwriting of all classes of general reinsurance business
Retakaful	Management of family and general retakaful businesses
General takaful	Management of general takaful business
Family takaful	Management of family and investment-linked takaful businesses

	Reinsurance RM'000	Retakaful RM'000	General takaful RM'000	Family takaful RM'000	Investment holding and others RM'000	Adjustments and eliminations RM'000	Group RM'000
30 June 2026							
Revenue							
Insurance/takaful revenue	413,014	62,096	302,788	123,896	-	(7,814)	893,980
Interest income/profit revenue calculated using the effective interest/profit method	9,465	1,881	13,207	9,771	2,867	-	37,191
Other investment income	37,391	699	243	33,691	800	(1,796)	71,028
Fee income	-	-	-	-	19,282	(18,223)	1,059
Total revenue	**459,870**	**64,676**	**316,238**	**167,358**	**22,949**	**(27,833)**	**1,003,258**
Profit/(loss) before zakat and taxation	**153,551**	**(1,251)**	**31,378**	**10,249**	**(4,114)**	**17,123**	**206,940**
Profit/(loss) after zakat and taxation	**140,832**	**(678)**	**23,401**	**6,170**	**(3,200)**	**17,223**	**183,752**
30 June 2025							
Revenue							
Insurance/takaful revenue	490,782	48,308	267,545	91,009	-	(31,364)	866,280
Interest income/profit revenue calculated using the effective interest/profit method	18,719	1,684	11,951	12,849	3,096	(558)	47,741
Other investment income	28,530	672	281	30,786	1,066	(533)	60,802
Fee income	-	-	-	-	22,590	(21,849)	741
Total revenue	**538,031**	**50,664**	**279,777**	**134,644**	**26,752**	**(54,304)**	**975,564**
Profit/(loss) before zakat and taxation	**126,911**	**(3,762)**	**31,483**	**3,925**	**6,905**	**27,286**	**192,748**
Profit/(loss) after zakat and taxation	**115,661**	**(3,518)**	**23,296**	**592**	**6,031**	**26,364**	**168,426**

PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D.)

A14. Unaudited condensed consolidated statement of profit or loss and consolidated statement of financial position of Reinsurance, Retakaful and Takaful business

Pursuant to Paragraph 11.4(f) of Bank Negara Malaysia's Financial Reporting Policy document issued on 29 April 2022, the breakdown of Unaudited Statement of Profit or Loss and Statements of Financial Position of Reinsurance Business, Retakaful Business, Family Takaful Business, General Takaful Business are disclosed as follows:

(a) Unaudited condensed consolidated statement of profit or loss for financial period ended 30 June 2026

	Reinsurance RM'000	Retakaful RM'000	General takaful RM'000	Family takaful RM'000	Others* RM'000	Group RM'000
Insurance/takaful revenue	413,014	62,096	302,788	123,896	(7,814)	893,980
Insurance/takaful service expenses	(258,252)	(50,485)	(269,097)	(114,842)	28,252	(664,424)
Insurance contracts/takaful certificates service result before reinsurance/ retakaful certificates held	**154,762**	**11,611**	**33,691**	**9,054**	**20,438**	**229,556**
Allocation of reinsurance/retakaful premiums/contributions	(79,661)	(13,785)	(103,827)	(34,356)	7,815	(223,814)
Amounts recoverable from reinsurers/retakaful operators for incurred claims	44,297	12,899	90,795	35,364	(10,023)	173,332
Net expense from reinsurance/retakaful contracts/certificates held	(35,364)	(886)	(13,032)	1,008	(2,208)	(50,482)
Insurance/takaful service results	**119,398**	**10,725**	**20,659**	**10,062**	**18,230**	**179,074**
Interest income/profit revenue calculated using the effective interest/profit method	9,465	1,881	13,207	9,771	2,867	37,191
Other investment income	37,391	699	243	33,691	(996)	71,028
Net realised gains	3,791	-	389	2,431	-	6,611
Net fair value (losses)/gains on financial assets at fair value through profit and loss	(1,996)	(37)	(183)	31,857	(75)	29,566
Net foreign exchange gains/(losses) on investments	7,671	-	-	-	(1,175)	6,496
Reversal for impairment on financial assets	2	-	5	8	-	15
Investment results	**56,324**	**2,543**	**13,661**	**77,758**	**621**	**150,907**
Net insurance/takaful finance expenses from insurance contracts/takaful certificates issued	(31,002)	2,551	(7,616)	(57,989)	154	(93,902)
Net reinsurance/retakaful profit/finance income from reinsurance contracts/retakaful certificates held	4,793	(42)	2,618	(65)	(154)	7,150
Unallocated (surplus)/deficit and changes in the value of the underlying items attributable to participants	-	(16,197)	852	(11,240)	(1,215)	(27,800)
Net insurance/takaful financial results	**(26,209)**	**(13,688)**	**(4,146)**	**(69,294)**	**(1,215)**	**(114,552)**
Fees and other income	8,427	47	3,335	3,488	(109)	15,190
Management and other expenses	(1,238)	(159)	(1,291)	(6,048)	(19,947)	(28,682)
Finance cost	(3,151)	-	(1,109)	-	(3,743)	(8,003)
Net other income/(expenses)	**4,038**	**(112)**	**935**	**(2,560)**	**(23,799)**	**(21,495)**
Share of results of associates	-	-	-	-	19,173	19,173
Profit before zakat and taxation	**153,551**	**(532)**	**31,109**	**15,966**	**13,009**	**213,107**
Tax attributable to participants	-	(719)	269	(5,717)	-	(6,167)
Profit before zakat and taxation attributable to equity holders of the Holding Company	**153,551**	**(1,251)**	**31,378**	**10,249**	**13,009**	**206,940**
Zakat	-	-	(446)	(59)	-	(505)
Taxation	(12,719)	573	(7,531)	(4,020)	1,014	(22,683)
Net profit for the period attributable to equity holders of the Holding Company	**140,832**	**(678)**	**23,401**	**6,170**	**14,023**	**183,752**

** Includes Investment Holding Company, consolidation adjustments and eliminations.*

PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D.)

A14. Unaudited condensed consolidated statement of profit or loss and consolidated statement of financial position of Reinsurance, Retakaful and Takaful business (cont'd.)

(b) Unaudited condensed consolidated statement of profit or loss for financial period ended 30 June 2025

	Reinsurance RM'000	Retakaful RM'000	General takaful RM'000	Family takaful RM'000	Others* RM'000	Group RM'000
Insurance/takaful revenue	490,782	48,308	267,545	91,009	(31,364)	866,280
Insurance/takaful service expenses	(286,612)	(25,284)	(218,282)	(87,939)	37,523	(580,594)
Insurance contracts/takaful certificates service result before reinsurance/ retakaful certificates held	**204,170**	**23,024**	**49,263**	**3,070**	**6,159**	**285,686**
Allocation of reinsurance/retakaful premiums/contributions	(68,470)	(21,257)	(86,211)	(46,960)	31,363	(191,535)
Amounts recoverable from reinsurers/retakaful operators for incurred claims	8,011	13,081	54,320	23,610	(11,011)	88,011
Net expense from reinsurance/retakaful contracts/certificates held	**(60,459)**	**(8,176)**	**(31,891)**	**(23,350)**	**20,352**	**(103,524)**
Insurance/takaful service results	**143,711**	**14,848**	**17,372**	**(20,280)**	**26,511**	**182,162**
Interest income/profit revenue calculated using the effective interest/profit method	18,719	1,684	11,951	12,849	2,538	47,741
Other investment income	28,530	672	281	30,786	533	60,802
Net realised losses	(8,525)	-	(1,722)	(4,207)	-	(14,454)
Net fair value gains on financial assets at fair value through profit and loss	33,659	587	5,528	61,093	3,083	103,950
Net foreign exchange (losses)/gains on investments	(41,485)	-	-	-	8,465	(33,020)
Allowance for impairment on financial assets	-	-	(14)	38	-	24
Investment results	**30,898**	**2,943**	**16,024**	**100,559**	**14,619**	**165,043**
Net insurance/takaful finance/profit expenses from insurance contracts/takaful certificates issued	(38,977)	948	(9,432)	(93,397)	150	(140,708)
Net reinsurance/retakaful profit/finance income from reinsurance contracts/retakaful certificates held	(1,361)	(445)	3,303	-	(150)	1,347
Unallocated (surplus)/deficit and changes in the value of the underlying items attributable to participants	-	(20,100)	2,412	22,034	(6,773)	(2,427)
Net insurance/takaful financial results	**(40,338)**	**(19,597)**	**(3,717)**	**(71,363)**	**(6,773)**	**(141,788)**
Fees and other income	1,935	65	2,901	2,740	(350)	7,291
Management and other expenses	(5,569)	(326)	(1,796)	(2,408)	(11,414)	(21,513)
Finance cost	(3,726)	-	(63)	(1)	(4,076)	(7,866)
Net other expenses	**(7,360)**	**(261)**	**1,042**	**331**	**(15,840)**	**(22,088)**
Share of results of associates	-	-	-	-	15,674	15,674
Profit/(loss) before zakat and taxation	**126,911**	**(2,067)**	**30,721**	**9,247**	**34,191**	**199,003**
Tax attributable to participants	-	(1,695)	762	(5,322)	-	(6,255)
Profit/(loss) before zakat and taxation attributable to equity holders of the Holding Company	**126,911**	**(3,762)**	**31,483**	**3,925**	**34,191**	**192,748**
Zakat	-	-	(653)	15	-	(638)
Taxation	(11,250)	244	(7,534)	(3,348)	(1,796)	(23,684)
Net profit for the period attributable to equity holders of the Holding Company	**115,661**	**(3,518)**	**23,296**	**592**	**32,395**	**168,426**

** Includes Investment Holding Company, consolidation adjustments and eliminations.*

PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D.)

A14. Unaudited condensed consolidated statement of profit or loss and consolidated statement of financial position of Reinsurance, Retakaful and Takaful business (cont'd.)

(c) Unaudited condensed consolidated statement of financial position as at 30 June 2026

	Reinsurance RM'000	Retakaful RM'000	General takaful RM'000	Family takaful RM'000	Others* RM'000	Group RM'000
Assets						
Property and equipment	135,951	1	874	90,195	7,038	234,059
Intangible assets	7,306	-	126,710	48,325	3,408	185,749
Right-of-use assets	-	-	10,360	-	(8,471)	1,889
Investments in associates	138,170	-	-	-	27,903	166,073
Financial and other assets	5,812,642	275,194	1,556,898	4,944,886	235,354	12,824,974
Deferred tax assets	-	-	35,805	-	4,592	40,397
Insurance contracts/takaful certificates assets	-	-	-	88,955	3,877	92,832
Reinsurance contracts/retakaful certificates assets	273,732	22,215	475,208	51,879	(33,743)	789,291
Tax recoverable	-	-	2,126	29,165	17,229	48,520
Cash and bank balances	52,843	3,065	39,318	9,754	7,636	112,616
Total assets	**6,420,644**	**300,475**	**2,247,299**	**5,263,159**	**264,823**	**14,496,400**
Liabilities						
Borrowings	250,000	-	80,000	-	340,000	670,000
Insurance contracts/takaful certificates liabilities	3,078,669	224,126	1,517,710	4,600,427	(33,743)	9,387,189
Reinsurance contracts/retakaful certificates liabilities	-	-	-	17,860	3,877	21,737
Lease liabilities	-	-	10,573	-	(8,634)	1,939
Other payables	40,379	16,002	169,024	77,519	33,528	336,452
Deferred tax liabilities	33,317	6,190	-	22,304	(5,000)	56,811
Tax payable	2,342	-	6,360	(348)	234	8,588
Provision for zakat	-	233	1,646	60	-	1,939
Total liabilities	**3,404,707**	**246,551**	**1,785,313**	**4,717,822**	**330,262**	**10,484,655**
Equity						
Share capital	663,106	-	230,000	405,000	(559,604)	738,502
Reserves	2,352,831	53,924	231,986	140,337	494,165	3,273,243
Total equity attributable to equity holders of the Holding Company	**3,015,937**	**53,924**	**461,986**	**545,337**	**(65,439)**	**4,011,745**
Total liabilities and equity	**6,420,644**	**300,475**	**2,247,299**	**5,263,159**	**264,823**	**14,496,400**

** Includes Investment Holding Company, consolidation adjustments and eliminations.*

PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D.)

A14. Unaudited condensed consolidated statement of profit or loss and consolidated statement of financial position of Reinsurance, Retakaful and Takaful business (cont'd.)

(d) Audited condensed consolidated statement of financial position as at 31 March 2026

	Reinsurance RM'000	Retakaful RM'000	General takaful RM'000	Family takaful RM'000	Others* RM'000	Group RM'000
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	-	(5,090)	2,312
Investments in associates	136,920	-	-	-	29,083	166,003
Financial and other assets	5,678,275	224,388	1,591,702	4,912,023	263,616	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**	**249,762**	**14,330,742**
Liabilities						
Borrowings	250,000	-	80,000	-	340,000	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	-	(5,484)	2,096
Other payables	29,143	7,906	161,825	89,131	(14,684)	273,321
Deferred tax liabilities	29,184	-	-	21,355	(5,347)	45,192
Tax payable	(683)	6,209	5,726	2,352	676	14,280
Provision for zakat	-	233	1,200	6	-	1,439
Total liabilities	**3,430,569**	**255,123**	**1,798,344**	**4,689,278**	**271,545**	**10,444,859**
Equity						
Share capital	663,106	-	230,000	405,000	(559,604)	738,502
Reserves	2,217,879	48,773	208,581	134,327	537,821	3,147,381
Total equity attributable to equity holders of the Holding Company	**2,880,985**	**48,773**	**438,581**	**539,327**	**(21,783)**	**3,885,883**
Total liabilities and equity	**6,311,554**	**303,896**	**2,236,925**	**5,228,605**	**249,762**	**14,330,742**

** Includes Investment Holding Company, consolidation adjustments and eliminations.*

PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D.)

A15. Fair value information

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 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 assets are determined as follows:

(i) The carrying amounts of financial assets, such as loans and 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 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.

PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D.)

A15. Fair value information (cont'd.)

Description of significant unobservable inputs:

	Valuation technique	Significant Observable Input	Range
30 June 2026/ 31 March 2026			
Property and equipment			
Office building of Malaysian Re	Income approach	Yield	6.00%
		Rental per square foot	RM4.80
Office buildings of Takaful IKHLAS Family Berhad - Ikhlas Point	Comparison approach	Adjusted market value per square foot for similar properties	RM559 to RM1,230
		Rental per square foot	RM5.80 to RM6.50
Office buildings of Takaful IKHLAS Family Berhad - 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

A significant increase or decrease in the unobservable inputs used in the valuation would result in a correspondingly higher or lower fair value.

There has been no transfer between Level 1 and Level 2 of the fair value hierarchy during the financial period.

PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D.)

A15. Fair value information (cont'd.)

Financial instruments that are measured at fair value disclosed under Levels 1, 2 and 3 of the fair value hierarchy as at 30 June 2026

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets				
a) Property and equipment				
Freehold land	-	-	48,000	48,000
Building	-	-	161,085	161,085
	-	**-**	**209,085**	**209,085**
b) Financial assets at FVTPL				
Designated upon initial recognition				
Government investment issues	-	1,741,329	-	1,741,329
Unquoted islamic private debt securities	-	1,736,236	-	1,736,236
Mandatorily measured				
Quoted shares in Malaysia:				
Shariah approved equities	551,552	-	-	551,552
Others	529,143	-	-	529,143
Malaysian government securities	-	482,607	-	482,607
Government investment issues	-	1,189,136	-	1,189,136
Unquoted perpetual bond in Malaysia	-	4,999	-	4,999
Unquoted corporate debt securities	-	1,547,894	-	1,547,894
Shariah approved unit trust funds	376,755	-	-	376,755
Real estate investment trusts	35,836	-	-	35,836
	1,493,286	**6,702,201**	**-**	**8,195,487**
c) Financial assets at FVOCI				
Malaysian government securities	-	25,348	-	25,348
Government investment issues	-	449,588	-	449,588
Unquoted corporate debt securities	-	546,850	-	546,850
Unquoted shares in Malaysia	-	226,383	-	226,383
Unquoted Islamic private debt securities	-	175,230	-	175,230
Golf club memberships	-	-	233	233
	-	**1,423,399**	**233**	**1,423,632**

PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D.)

A15. Fair value information (cont'd.)

Financial instruments that are measured at fair value disclosed under Levels 1, 2 and 3 of the fair value hierarchy as at 31 March 2026

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets				
a) Property and equipment				
Freehold land	-	-	48,000	48,000
Building	-	-	163,400	163,400
	-	**-**	**211,400**	**211,400**
b) Financial assets at FVTPL				
<u>Designated upon initial recognition</u>				
Corporate Debit 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	40,037	-	-	40,037
	1,313,698	**6,897,977**	**-**	**8,211,675**
c) Financial assets at FVOCI				
Government investment issues	-	441,443	-	441,443
Unquoted shares in Malaysia	-	93,517	-	93,517
Unquoted Islamic private debt securities	-	420,597	-	420,597
Golf club memberships	-	-	233	233
	-	**955,557**	**233**	**955,790**

PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D.)

A15. Fair value information (cont'd.)

(i) Derivatives

The Group did not enter into any derivative transactions during the period ended 30 June 2026 or the previous period ended 30 June 2025.

A16. Insurance contracts/takaful certificates assets/liabilities and reinsurance contracts/retakaful certificates assets/liabilities

	30.06.2026			31.03.2026		
	Remaining coverage RM'000	Incurred claims RM'000	Total RM'000	Remaining coverage RM'000	Incurred claims RM'000	Total RM'000
Assets						
Insurance contracts/takaful certificates	92,832	-	92,832	176,485	(39,543)	136,942
Reinsurance contracts/retakaful certificates	(286,813)	1,076,104	789,291	(189,976)	974,226	784,250
	(193,981)	**1,076,104**	**882,123**	**(13,491)**	**934,683**	**921,192**
Liabilities						
Insurance contracts/takaful certificates	4,073,899	5,313,290	9,387,189	3,928,157	5,491,635	9,419,792
Reinsurance contracts/retakaful certificates	51,498	(29,761)	21,737	70,072	(51,333)	18,739
	4,125,397	**5,283,529**	**9,408,926**	**3,998,229**	**5,440,302**	**9,438,531**

PART B: EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of 3 months current quarter profitability against 3 months current quarter in prior year

	Reinsurance RM'000	Retakaful RM'000	General takaful RM'000	Family takaful RM'000	Others* RM'000	Group RM'000
30 June 2026						
Revenue						
Insurance/takaful revenue	413,014	62,096	302,788	123,896	(7,814)	893,980
Interest income/profit revenue calculated using the effective interest/profit method	9,465	1,881	13,207	9,771	2,867	37,191
Other investment income	37,391	699	243	33,691	(996)	71,028
Fee income	-	-	-	-	1,059	1,059
Total revenue	459,870	64,676	316,238	167,358	(4,884)	1,003,258
Profit before zakat and taxation	153,551	(1,251)	31,378	10,249	13,013	206,940
30 June 2025						
Revenue						
Insurance/takaful revenue	490,782	48,308	267,545	91,009	(31,364)	866,280
Interest income/profit revenue calculated using the effective interest/profit method	18,719	1,684	11,951	12,849	2,538	47,741
Other investment income	28,530	672	281	30,786	533	60,802
Fee income	-	-	-	-	741	741
Total revenue	538,031	50,664	279,777	134,644	(27,552)	975,564
Profit/(loss) before zakat and taxation	126,911	(3,762)	31,483	3,925	34,191	192,748

PART B: EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D.)

B1. Review of 3 months current quarter profitability against 3 months current quarter in prior year (cont'd.)

The Group

The Group delivered a resilient set of results for the period ended 30 June 2026, with total revenue increasing by RM27.7 million or 2.8% to RM1,003.3 million from RM975.6 million in the corresponding period last year. The growth was primarily driven by stronger performances from the General Takaful, Family Takaful and Retakaful businesses, reflecting continued business expansion, sustained demand across key product lines and the Group's diversified earnings base.

Profit before zakat and taxation increased by RM14.2 million or 7.4% to RM206.9 million from RM192.7 million in the corresponding period last year. The improved performance was underpinned by stronger contributions from the Reinsurance, Family Takaful and Retakaful businesses, supported by higher insurance/takaful revenue, lower net insurance/takaful financial results and higher share of results from associates, which collectively reinforced the Group's earnings resilience during the period.

Overall, the Group's performance reflects the strength of its diversified business portfolio, with continued growth in the takaful segments and sustained profitability from the Reinsurance business helping to offset the impact of lower revenue recognition in certain portfolios. The Group remains well-positioned to deliver sustainable earnings through disciplined underwriting, effective claims management and prudent investment strategies.

Reinsurance Business

The Reinsurance business reported total revenue of RM459.9 million, a decrease of RM78.2 million or 14.5% from RM538.0 million in the corresponding period last year. The lower revenue performance was primarily attributable to lower Contractual Service Margin ("CSM") recognition during the period.

Despite the lower revenue, the segment delivered a strong profit before zakat and taxation of RM153.6 million, representing an increase of RM26.6 million or 21.0% from RM126.9 million in the corresponding period last year. The favourable performance was mainly driven by stable insurance service results which was further supported by improved investment results, underpinned by higher unrealised foreign exchange gains.

Overall, the Reinsurance business continued to demonstrate strong earnings resilience and disciplined underwriting execution, reinforcing its position as a key contributor to the Group's profitability and highlighting its ability to deliver sustainable earnings across varying market conditions.

Retakaful Business

The Retakaful business recorded total revenue of RM64.7 million, representing a strong increase of RM14.0 million or 27.7% from RM50.7 million in the corresponding period last year. The growth was primarily driven by higher takaful revenue, particularly from the Family Retakaful portfolio, reflecting the segment's continued business expansion and strengthened market presence.

The segment reported a loss before zakat and taxation of RM1.3 million, compared to a loss of RM3.8 million in the corresponding period last year, representing an improvement of RM2.5 million or 66.7%. The improved performance was mainly attributable to lower net insurance/takaful financial results by RM5.9 million, which more than offset the impact of higher operating expenses incurred during the period.

PART B: EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D.)

B1. Review of 3 months current quarter profitability against 3 months current quarter in prior year (cont'd.)

General Takaful Business

The General Takaful business delivered a commendable performance, with total revenue increasing by RM36.4 million or 13.0% to RM316.2 million from RM279.8 million in the corresponding period last year. The growth was principally driven by sustained momentum in the Motor and Fire portfolios, reflecting continued demand for commercial risk protection solutions and the segment’s ability to capitalise on market opportunities.

Profit before zakat and taxation remained stable at RM31.4 million, broadly in line with the corresponding period last year. The segment’s earnings were supported by favourable investment performance, underpinned by higher profit income.

Family Takaful Business

The Family Takaful business continued its strong growth trajectory, recording total revenue of RM167.4 million, an increase of RM32.7 million or 24.3% from RM134.6 million in the corresponding period last year. The growth was primarily driven by higher contributions from the Group Credit Term Takaful ("GCTT") and Group Hospitalisation Scheme ("GHS") portfolios, reflecting sustained demand for key group protection products and continued business expansion across its distribution channels.

Profit before zakat and taxation increased significantly to RM10.2 million from RM3.9 million in the corresponding period last year, representing an improvement of RM6.3 million or approximately 2.6 times. The stronger performance was mainly attributable to higher takaful revenue, which contributed to improved takaful service results and strengthened the segment’s overall profitability during the period.

PART B: EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D.)

B2. Review of current quarter profitability against immediate preceding quarter

	Reinsurance RM'000	Retakaful RM'000	General takaful RM'000	Family takaful RM'000	Others RM'000	Group RM'000
Profit before zakat and taxation, 3 months ended,						
30 June 2026	153,551	(1,251)	31,378	10,249	13,013	206,940
31 March 2026	97,727	(2,956)	26,657	7,326	(3,271)	125,483

The Group

For the quarter ended 30 June 2026, the Group recorded a profit before zakat and taxation of RM206.9 million, representing an increase of RM81.5 million or 64.9% from RM125.5 million in the preceding quarter.

The stronger performance was primarily driven by a significant improvement in the Reinsurance business, which recorded higher profitability arising from increased Contractual Service Margin (“CSM”) recognition and stronger investment performance supported by higher unrealised fair value gains from the equity portfolio. The Group also benefited from improved profitability from the General Takaful, Family Takaful and Retakaful businesses, underpinned by higher net investment income and stronger takaful service results driven by continued business growth.

Overall, the Group's performance reflects the strength of its diversified business portfolio, disciplined underwriting practices and resilient investment performance across its core business segments.

PART B: EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D.)

B2. Review of current quarter profitability against immediate preceding quarter (cont'd.)

Reinsurance Business

The Reinsurance business recorded a profit before zakat and taxation of RM153.5 million, representing an increase of RM55.8 million or 57.1% from RM97.7 million in the preceding quarter.

The stronger performance was primarily driven by higher insurance revenue of RM413.0 million, an increase of RM121.7 million or 41.8% from RM291.4 million in the preceding quarter, mainly attributable to higher Contractual Service Margin ("CSM") recognition during the current quarter. In addition, the segment benefited from stronger investment performance, with net investment income increasing by RM23.0 million, underpinned by higher unrealised fair value gains from the equity portfolio. These factors collectively contributed to the significant improvement in the segment's profitability during the quarter.

Retakaful Business

The Retakaful business recorded a lower loss before zakat and taxation of RM1.3 million, compared to a loss of RM3.0 million in the preceding quarter, representing an improvement of RM1.7 million or 57.7%.

The improved performance was primarily attributable to stronger takaful service results, driven by higher takaful revenue arising from continued business growth. In addition, the segment benefited from higher net investment income during the quarter, which further supported the improvement in overall profitability.

General Takaful Business

The General Takaful business recorded a profit before zakat and taxation of RM31.4 million, representing an increase of RM4.7 million or 17.7% from RM26.7 million in the preceding quarter.

The stronger performance was primarily driven by higher net investment, underpinned by higher unrealised fair value gains from the equity portfolio and wakalah fee income recorded during the period.

Family Takaful Business

The Family Takaful business recorded a profit before zakat and taxation of RM10.2 million, representing an increase of RM2.9 million or 39.9% from RM7.3 million in the preceding quarter.

The improved performance was primarily attributable to stronger underwriting performance, supported by growth in takaful revenue, continued cost discipline, and effective management of acquisition expenses reinforced its overall profitability during the quarter.

PART B: EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D.)

B3. Current year prospect

Malaysia's economy is expected to remain resilient in 2026, supported by sustained domestic demand, favourable labour market conditions and the continued implementation of government development initiatives. Private consumption is anticipated to remain the primary driver of growth, underpinned by stable employment, income growth and targeted fiscal support measures. Meanwhile, ongoing investments in infrastructure, digitalisation and high-value manufacturing, coupled with the Visit Malaysia 2026 campaign, are expected to provide further impetus to economic activity and strengthen the country's medium-term growth prospects.

In tandem with the positive economic outlook, the domestic capital market is expected to remain supported by resilient economic fundamentals, sustained institutional liquidity and continued earnings growth across selected sectors. While market sentiment may continue to be influenced by external developments, the Malaysian equity market is expected to demonstrate relative resilience, supported by attractive valuations, healthy corporate fundamentals and continued investor interest in sectors benefiting from structural growth themes, including financial services, construction, utilities, technology and domestic consumption.

Nevertheless, the global operating environment remains challenging amid heightened geopolitical tensions, evolving global trade policies and uncertainty surrounding the pace of monetary policy normalisation in major economies. These factors may continue to contribute to volatility in global financial markets, commodity prices, foreign exchange movements and capital flows, which could affect investment sentiment and business confidence. Despite these uncertainties, Malaysia's diversified economic structure, sound financial system and prudent macroeconomic policies are expected to provide a buffer against external headwinds and support the country's overall economic resilience.

Against this backdrop, the reinsurance market entered 2026 in a broadly soft but stable phase, with capacity returning and competition intensifying following several years of hard market conditions. While the softening cycle is expected to continue through 2026 and into the 2027 renewal season, the Asia Pacific region, which remains Malaysian Re's key focus, continues to present significant opportunities for profitable growth. Economic expansion, urbanisation, infrastructure development and rising insurance awareness continue to drive demand for risk protection solutions across the region. At the same time, the region remains significantly underinsured, with substantial protection gaps across natural catastrophe, climate-related, health and emerging risks such as cyber. Malaysian Re remains well positioned to capitalise on these opportunities through its continued focus on selective underwriting, disciplined capital deployment and prudent risk management practices.

On the domestic takaful front, the Group expects the industry to sustain its stable growth trajectory, supported by favourable macroeconomic conditions, increasing awareness of financial protection and various government initiatives. Takaful IKHLAS will continue to leverage these positive industry fundamentals through its diversified multi-channel distribution capabilities and efficient claims management practices. Meanwhile, Malaysian Re expects the retakaful sector to grow in tandem with the takaful industry, particularly within the Medical and Health segment, reflecting the increasing demand for protection and healthcare-related solutions.

Overall, the Group remains confident in the long-term growth prospects of its (re)insurance and (re)takaful businesses, supported by its diversified business portfolio, disciplined underwriting practices and focus on sustainable profitability. Concurrently, the Group continues to reinforce its commitment to sustainability, including its target of achieving Net Zero Carbon status by 2050. Its Sustainability Strategy and Roadmap are being further strengthened to align with evolving regulatory requirements, entity-level priorities and emerging Economic, Environmental, Social and Governance ("EESG") best practices, ensuring that sustainability considerations remain integral to the Group's long-term value creation, business resilience and risk management framework.

PART B: EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D.)

B4. Explanatory note for variance from profit forecast

There was no profit forecast issued by the Group during the period ended 30 June 2026.

B5. Status of corporate proposal

(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.

			Total considerations	
Name of Vendors	**No. of sale Shares**	**%**	**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 Bank Negara Malaysia ('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").

PART B: EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D.)

B5. Status of corporate proposal (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.

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 FYE 31 March 2026, the pro forma effects of the Proposed Acquisition on the earnings and EPS of the Group improved to RM898.7 million (FYE 31 March 2025:RM676.9 million) and RM1.15 per share (FYE 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.

In respect of the above regulatory approvals and consents, the Company was notified by the Vendors that Labuan Re, on behalf of the Vendors, had on 6 August 2026 submitted its application to Labuan FSA for approval in relation to the Proposed Acquisition pursuant to Section 107(1) of the LFSSA.

Labuan Re will also be submitting the application to Lloyd’s for approval in relation to the indirect change of control of LRUL pursuant to the Proposed Acquisition in accordance with the terms of the SPA. An announcement on the status of Labuan Re’s application to Lloyd’s will be made by the Company in due course.

The Company had on 14 August 2026 obtained the approval of its non-interested shareholders for the Proposed Acquisition at an EGM held on the same date. The ordinary resolution set out in the Notice of EGM dated 31 July 2026 was duly passed by way of poll and the results were validated by SKY Corporate Services Sdn Bhd, the independent scrutineer appointed by the Company. A total of 19,521,207 shares were voted. Of these, 19,493,797 shares, representing 99.8596% of the total votes cast, voted in favour of the Proposed Acquisition, while 27,410 shares, representing 0.1404% of the total votes cast, voted against the Proposed Acquisition. The resolution was accordingly carried and accepted.

Further details of the Proposed Acquisition are detailed in MNRB's announcement on Bursa Securities website dated 19 May 2026, 16 June 2026, 6 August 2026 and 14 August 2026.

(ii) Proposed Divestment of 100% Equity Interest in Takaful IKHLAS Family and Takaful IKHLAS General to Rakyat Nominees.

On 4 August 2026, the Company entered into an Implementation Agreement (“IA”) with Rakyat Nominees or Purchaser and Bank Kerjasama Rakyat Malaysia Berhad (“Bank Rakyat” or “Stand-in Purchaser”) in relation to the proposed divestment by the Company of 100% equity interest in Takaful IKHLAS Family and Takaful IKHLAS General, being wholly owned subsidiaries of the Company, to Rakyat Nominees, for a total divestment consideration of RM1.64 billion, subject to adjustments, to be satisfied entirely in cash (“Proposed Divestment”).

Bank Rakyat is the sole shareholder of Rakyat Nominees and in its own capacity as a signing party to the IA, has agreed to assume the obligations of Rakyat Nominees under the IA.

PART B: EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D.)

B5. Status of corporate proposal (cont'd.)

(ii) Proposed Divestment of 100% Equity Interest in Takaful IKHLAS Family and Takaful IKHLAS General to Rakyat Nominees (cont'd.).

The IA is intended to regulate the efforts of the Company, Rakyat Nominees Sdn Bhd ("Purchaser") and Bank Kerjasama Rakyat Malaysia Berhad ("Stand-in Purchaser"), collectively referred to as “Parties”, in pursuit of the applications to BNM for the Regulatory Approvals. Upon the receipt of the Regulatory Approvals, the respective definitive share sale and purchase agreements in relation to the Proposed Divestment will be executed, subject to the terms and conditions as set out in the IA.

The execution of the share sale and purchase agreements are subject to the following approvals being obtained by the expiry of a period of twelve (12) calendar months immediately following the date of the IA, unless extended by mutual agreement between the Parties:

(1) BNM and/or the Minister of Finance of Malaysia (“MOF”) (as the case may be) for:

- (i) The Company and the Purchaser for sale and purchase of the entire issued ordinary shares in Takaful IKHLAS Family and Takaful IKHLAS General pursuant to the Islamic Financial Services Act 2013 (“IFSA”);
- (ii) The Purchaser to be a financial holding company of Takaful IKHLAS Family and Takaful IKHLAS General pursuant to the IFSA; and
- (iii) Bank Rakyat (through the Purchaser) to establish Takaful IKHLAS Family and Takaful IKHLAS General as subsidiaries under the Development Financial Institutions Act 2002,

(collectively referred to as “Regulatory Approvals”); and

(2) Approval from the Minister of Entrepreneur and Cooperatives Development of Malaysia (and with the concurrence from MOF) for Stand-in Purchaser (through the Purchaser) to acquire 100% equity interest in Takaful IKHLAS Family and Takaful IKHLAS General.

The Proposed Divestment is subject to the following approvals being obtained:

(i) Regulatory Approvals;
(ii) Shareholders of MNRB for the Proposed Divestment at an EGM to be convened; and
(iii) Any other relevant authorities or parties, if required.

Upon completion of the Proposed Divestment, Takaful IKHLAS Family and Takaful IKHLAS General will cease to be wholly-owned subsidiaries of the Company.

The Proposed Divestment reflects the Company’s disciplined approach to strategic stewardship and commitment to sustainable value creation. The Proposed Divestment will enable the Company to unlock value of its investment in the direct and primary takaful segments, allowing the Group to further strengthen and sharpen its focus on its core reinsurance and retakaful businesses.

The Company believes that the Proposed Divestment will position the Group to remain focused on opportunities that support its long-term strategic priorities and is aligned with its broader ambition to contribute to the continued development of Malaysia’s Islamic financial services landscape.

The Company will make the appropriate announcement(s) as and when there is any material development in relation to the Proposed Divestment.

PART B: EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D.)

B6. Off balance sheet financial instruments

There were no financial instruments with material off balance sheet risk as at the date of this report.

B7. Material litigation

There was no pending material litigation as at the date of this announcement.

PART B: EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D.)

B8. Investment results

	Current quarter Three months ended	
	30.06.2026	**30.06.2025**
	RM'000	**RM'000**
Interest income/profit revenue calculated using the effective interest/profit method		
Interest income/profit revenue	37,191	47,741
	37,191	47,741
Other investment income		
Interest income/profit revenue	66,567	56,384
Dividend income	6,284	4,267
Net amortisation of premiums on investments	(978)	907
Investment expenses	(845)	(756)
	71,028	60,802
Net realised gains/(losses)		
Government investment issues	340	655
Malaysian Government Securities	210	75
Unquoted islamic private debt securities	382	(2,069)
Quoted shares in Malaysia	4,809	(15,260)
Corporate debt securities	14	-
Shariah approved unit trust funds	117	384
Property and equipment	739	1,761
	6,611	(14,454)
Net fair value (losses)/gains on financial assets at fair value through profit and loss		
Unquoted corporate debt securities	(4,974)	11,162
Government investment issues	2,389	46,296
Unquoted islamic private debt securities	(2,958)	5,927
Quoted shares in Malaysia	517	28,808
Shariah approved unit trust funds	33,260	5,364
Malaysian government securities	1,332	6,393
	29,566	103,950
Net foreign exchange gains/(losses) on investments	**6,496**	**(33,020)**
Reversal for impairment losses on financial assets	**15**	**24**
Investment results	**150,907**	**165,043**

PART B: EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D.)

B9. Taxation

	Current quarter Three months ended	
	30.06.2026	**30.06.2025**
	RM'000	**RM'000**
Profit before zakat and taxation	206,940	192,748
Taxation:		
Current tax	(19,104)	(19,695)
Deferred tax	(3,579)	(3,989)
	(22,683)	(23,684)
Effective tax rate	11%	12%

The effective tax rate was lower than the statutory tax rate of 24% due to reinsurance/retakaful operating profit being taxed at 8%.

B10. Borrowings and debt securities

The Group borrowings were as follows:

	30.06.2026	**31.03.2026**
	RM'000	**RM'000**
Unsecured long term borrowings:		
Sukuk Murabahah due on 22 March 2029	420,000	420,000
Subordinated Debt due on 26 October 2032	250,000	250,000
	670,000	**670,000**

PART B: EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D.)

B11. Earnings per share

	Current quarter Three months ended	
	30.06.2026	**30.06.2025**
	RM'000	**RM'000**
Net profit for the year (RM'000)	183,752	168,426
Number of ordinary shares in issue ('000)	783,088	783,088
Basic earnings per share (sen)	23.47	21.51

B12. Additional disclosures for the income statement

	Current quarter Three months ended	
	30.06.2026	**30.06.2025**
	RM'000	**RM'000**
Depreciation and amortisation	(7,574)	(11,075)

By Order of the Board

LENA ABD LATIF
Company Secretary
License No. LS0008766
SSM Practicing Cert. No. 201908002386
Kuala Lumpur

Dated: 21 August 2026