



MNRB HOLDINGS BERHAD
197201001795 (13487-A)



FUTURE-FOCUSED: THRIVING WITH IMPACT

ANNUAL REPORT 2025

FUTURE-FOCUSED: THRIVING WITH IMPACT

The tagline “Future-Focused: Thriving with Impact” embodies the essence of MNRB’s strategy – a clear focus on the future, balanced by a commitment to meaningful and sustainable success today. MNRB is not merely growing; we are growing with purpose, ensuring that our progress leaves a positive and measurable impact.

The cover visual reflects our balanced approach to performance – integrating financial results with broader priorities such as environmental stewardship, social responsibility, and strong governance. It reflects our goal of becoming a resilient and responsible organisation, underscoring our proactive approach and dedication to shaping a better and more secure future for all stakeholders.



Scan the QR code to download our
Annual Report 2025 or visit our website
<https://www.mnrb.com.my/investor-relations/annual-report>

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52ND ANNUAL GENERAL MEETING

Day and Date:

Friday, 26 September 2025

Time:

9.00 a.m.

Meeting Venue:

**Ballroom 1,
Level 1, Sime Darby Convention Centre,
1A, Jalan Bukit Kiara 1,
60000 Kuala Lumpur**

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Proxy Form

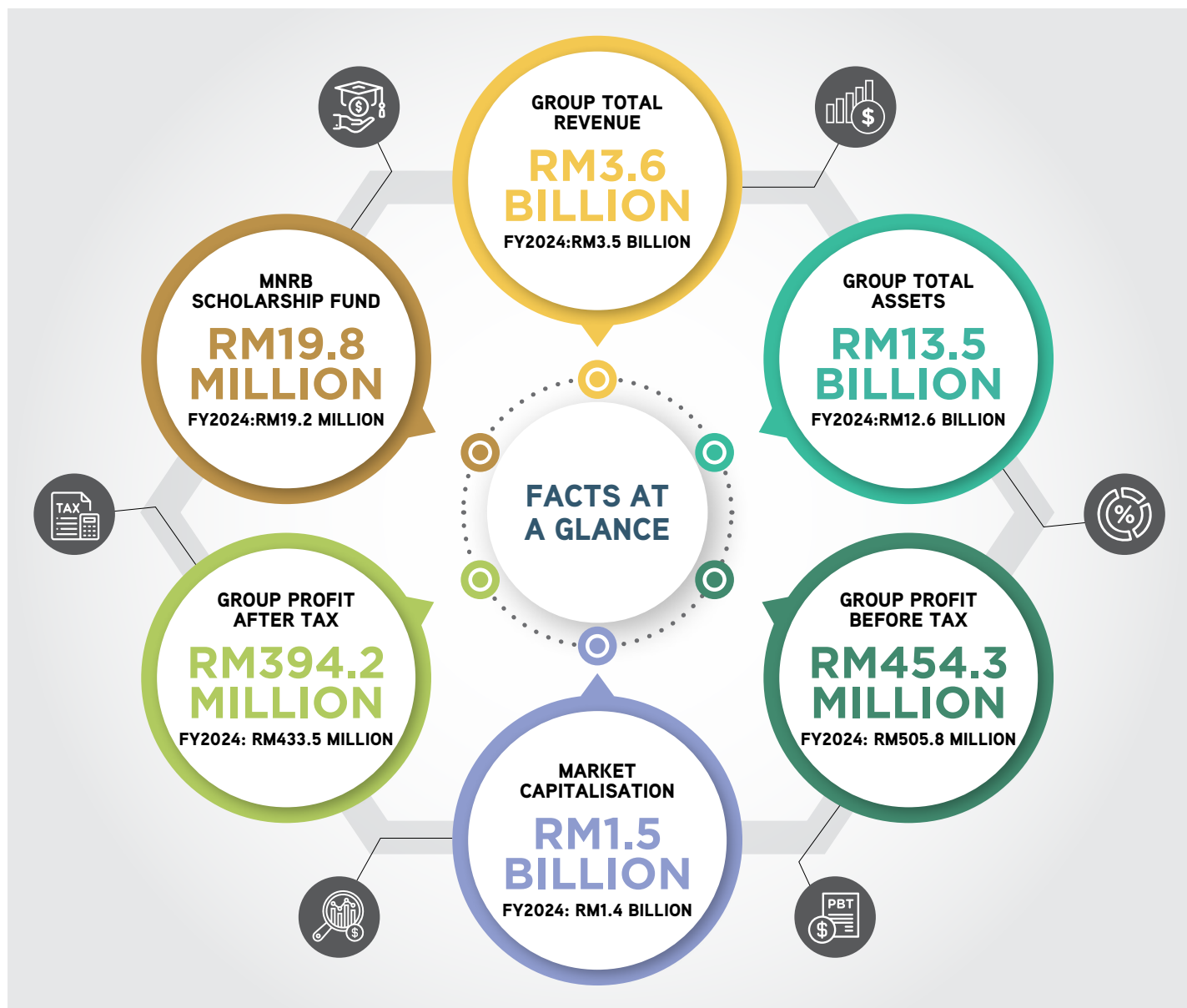
WHO WE ARE

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 RM738.5 million.



KEY BUSINESS ENTITIES



MALAYSIAN RE

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 FAMILY

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 250,000 certificate (inforce policy) holders as well as more than 3,000 agents.

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



TAKAFUL IKHLAS GENERAL

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 1.2 million registered certificate (policy) holders and more than 3,000 agents.

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATO' SULAIMAN MOHD TAHIR

Non-Independent Non-Executive Chairman
(Appointed with effect from 14 February 2025)

GEORGE OOMMEN

Senior Independent Non-Executive Director

KHALID SUFAT

Independent Non-Executive Director
(Deceased on 24 June 2025)

JUNAIDAH MOHD SAID

Independent Non-Executive Director

ZAIDA KHALIDA SHAARI

Independent Non-Executive Director

DATO' WAN ROSHDI WAN MUSA

Independent Non-Executive Director

CHIN SEE MEI

Independent Non-Executive Director

DATUK JOHAR CHE MAT

Non-Independent Non-Executive Chairman
(Resigned on 12 February 2025)

INTERIM PRESIDENT & GROUP CHIEF EXECUTIVE OFFICER

Dato' Rudy @ Rodzila Che Lamin
(Appointed with effect from 23 November 2024)

PRESIDENT & GROUP CHIEF EXECUTIVE OFFICER

Zaharudin Daud
(Ceased on 22 November 2024)

COMPANY SECRETARY

Lena Abd Latif (LS 0008766)
(SSM PC NO. 201908002386)

AUDIT COMMITTEE

George Oommen (Chairman)
(Redesignated as Chairman on 1 July 2025)
(Members appointed with effect from 1 July 2025):
Zaida Khalida Shaari
Chin See Mei
Khalid Sufat
(Deceased on 24 June 2025)
Junaidah Mohd Said
(Resigned on 1 July 2025)

GROUP NOMINATION & REMUNERATION COMMITTEE

Zaida Khalida Shaari (Chairman)
Junaidah Mohd Said
George Oommen
(Appointed with effect from 14 July 2025)
Khalid Sufat
(Deceased on 24 June 2025)

► Permanent invitees:

Azizul Mohd Said (representative from Takaful Ikhlas Family Berhad)
Datuk Adillah Ahmad Nordin (representative from Takaful Ikhlas General Berhad)

RISK MANAGEMENT COMMITTEE OF THE BOARD

Junaidah Mohd Said (Chairman)
(Appointed with effect from 1 July 2025)
Dato' Wan Roshdi Wan Musa
Dato' Sulaiman Mohd Tahir
(Appointed with effect from 7 March 2025)
(Members resigned on 1 July 2025):
George Oommen
Zaida Khalida Shaari
Chin See Mei
Datuk Johar Che Mat
(Resigned on 12 February 2025)

GROUP INVESTMENT COMMITTEE

Dato' Wan Roshdi Wan Musa (Chairman)
George Oommen
Dato' Amirudin Abdul Halim
Datin Joanne Marie Lopez
Dato' Sulaiman Mohd Tahir
(Appointed with effect from 7 March 2025)
Datuk Johar Che Mat
(Resigned on 12 February 2025)
Zaharudin Daud
(Ceased on 22 November 2024)

GROUP DIGITAL & INFORMATION TECHNOLOGY COMMITTEE

Woon Tai Hai (Chairman)
Md Azmi Abu Bakar
Chin See Mei
Wan Zamri Wan Zain
(Appointed with effect from 1 July 2025)

AUDITORS

Messrs 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
CIMB Bank Berhad
CIMB Islamic Bank Berhad

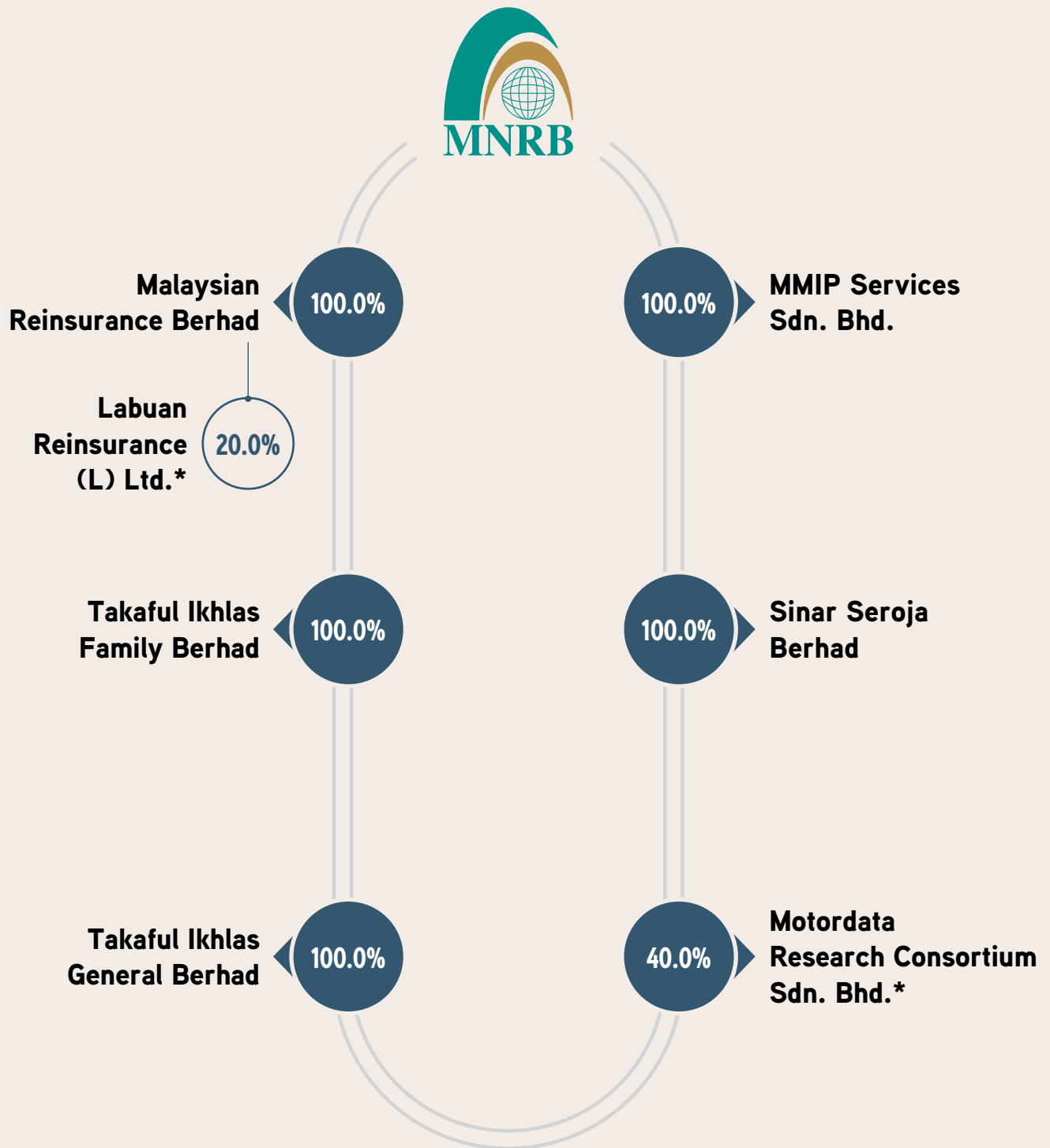
REGISTERED OFFICE

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@mnrb.com.my
Website : www.mnrb.com.my
Investor relations : ir@mnrb.com.my
Social media : https://www.linkedin.com/company/mnrb-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 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.



OUR BUSINESS MODEL

VALUE CREATION FOR OUR STAKEHOLDERS

MNRB **5** RISES STRATEGIES**Refining Enterprise Transformation**

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

R

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.

I

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

S

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

E

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.

S

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.

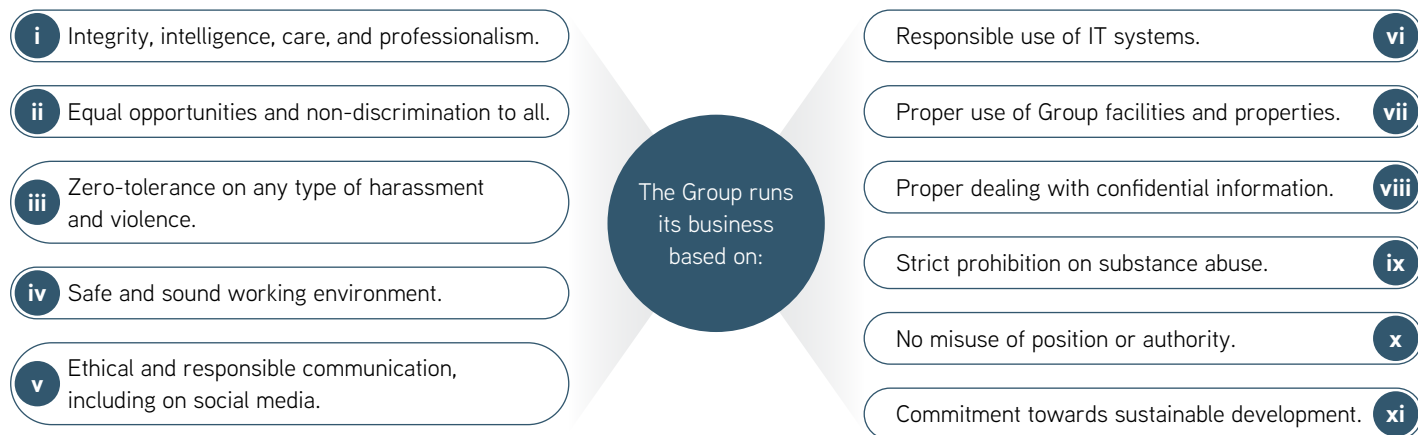
The purpose of this Code is to:

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; and

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

THE FOUNDATIONS ON HOW WE DO BUSINESS AS A GROUP



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.

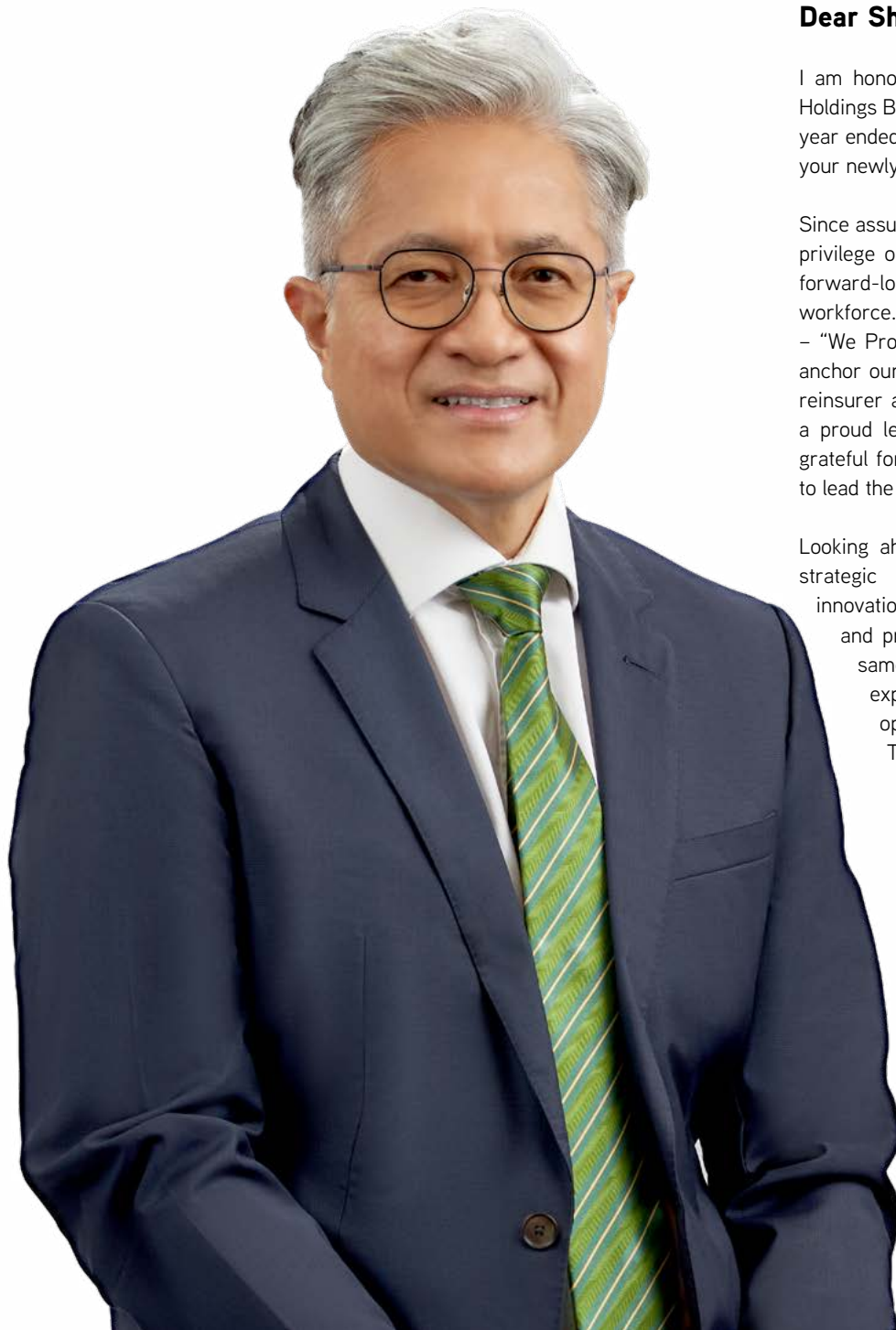
As a responsible corporate citizen, we are committed to contributing to the well-being of the people and the country. It is important that all Corporate Social Responsibility ("CSR"), sponsorships and donations are made in accordance with the Group policies.



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

MNRB HAS BUILT A PROUD LEGACY OF TRUST, RESILIENCE AND RELEVANCE



Dear Shareholders,

I am honoured to present the Annual Report of MNRB Holdings Berhad ("MNRB" or "the Group") for the financial year ended 31 March 2025 ("FY2025"), in my capacity as your newly appointed Chairman.

Since assuming this role in February 2025, I have had the privilege of collaborating with a committed Board and a forward-looking leadership team, supported by a dedicated workforce. Together, we are united by a shared purpose – "We Protect Everyone" – a principle that continues to anchor our strategies and actions. As Malaysia's national reinsurer and a leading takaful operator, MNRB has built a proud legacy of trust, resilience and relevance. I am grateful for the opportunity to strengthen this legacy and to lead the Group at a defining juncture in its journey.

Looking ahead, the Group will focus on deepening our strategic priorities – sharpening execution, driving innovation, as well as accelerating digital transformation and process improvement across the Group. At the same time, we will continue to broaden our portfolio, expand our regional footprint to capture emerging opportunities and drive sustainable profitability. These efforts are critical to sustain MNRB's value creation and competitiveness in a rapidly evolving marketplace. Rest assured, Team MNRB remains fully committed to upholding sound governance, delivering with purpose, and creating long-term, sustainable value for all stakeholders.

DATO' SULAIMAN MOHD TAHIR

Non-Independent Non-Executive
Chairman

CHAIRMAN'S STATEMENT

RESILIENT PERFORMANCE AMIDST A SHIFTING LANDSCAPE

A Complex Market Landscape

In 2024, global growth remained steady at 2.7%, though uncertainties resurfaced towards the year-end amid escalating trade tensions and geopolitical risks. On the domestic front, Malaysia's economy outperformed expectations, expanding by 5.1% (2023: 3.6%), buoyed by resilient consumer spending, recovering exports, favourable labour conditions, and continued investment activity. With inflation moderating to 1.8% and the Overnight Policy Rate recently cut to 2.75% in July 2025, the operating environment remained generally supportive.

Amidst this landscape, the reinsurance and retakaful sectors continued to play a vital role, serving as key enablers of financial protection and national resilience. However, the year also brought challenges. Climate-related risks, particularly more frequent and severe catastrophic and natural perils, led to elevated claims and reinforced the urgency for more robust risk frameworks and disciplined underwriting practices.

On the regulatory front, significant progress was made through Bank Negara Malaysia's ("BNM") initiatives, including the introduction of proposed changes to the Risk-Based Capital ("RBC") Framework for Insurers and Takaful Operators, commonly referred to as "RBC 2.0" and the policy document on Hajah and Darurah for retakaful operators. These measures are designed to enhance the financial resilience of insurers and takaful operators, promote sound risk management, and ensure the availability of Shariah-compliant protection solutions that are responsive to the diverse needs of policyholders.

Resilient Group Performance

Building on the momentum of the previous year, MNRB delivered a resilient performance in FY2025. Despite headwinds stemming from currency volatility and subdued investment market sentiment, the Group navigated the environment with discipline and adaptability, guided by its strategic pillars of diversification, digitalisation, operational excellence, and talent development. We grew our reinsurance and retakaful businesses, expanded our reach, and built trust through strong execution and continued investment in people, platforms and partnerships.

In FY2025, MNRB's insurance and takaful revenue rose by 1.2% year-on-year to RM3.14 billion (FY2024: RM3.10 billion), supported by strong contributions from the reinsurance and general takaful segments.

The Group registered a profit after tax ("PAT") of RM394.2 million, down 9.1% from its historic all-time high PAT of RM433.5 million in FY2024. The decrease was mainly attributable to a 34.5% contraction in investment results, which fell to RM393.7 million (FY2024: RM601.0 million), impacted by foreign exchange losses due to the

strengthening of ringgit against other foreign currencies, which we hold our investment instruments via Malaysian Re as well as fair value adjustments. The Group's return on equity ("ROE") remained healthy at 11.9%, albeit lower than FY2024's ROE of 14.4%.

Mixed Segmental Performances

Malaysian Re, our reinsurance and retakaful arm, continued to lead as the Group's primary profit contributor. Its performance was driven by the sustained implementation of a comprehensive and diversified business approach that enabled it to capture opportunities across both hard and soft market cycles.

FY2025 saw Malaysian Re making further inroads into international markets, strengthening its global presence and attracting a steady inflow of foreign business. These efforts not only enhanced the Group's income base but also reinforced our strategic positioning as a trusted regional reinsurer. While Malaysian Re's investment performance saw a 55.4% decline in returns, the portfolio was strategically positioned to hedge against foreign exchange volatility, effectively mitigating the adverse impact through corresponding gains on its liability reserve. Its core underwriting business remained resilient, contributing revenue of RM1.9 billion and PAT of RM325.2 million.

Meanwhile, **Takaful IKHLAS General** saw strong growth in Motor and Non-Motor segments, driven by new partnerships with Honda, Shopee, and Lazada, and expansion in franchise and direct channels. These efforts deepened market reach and highlighted the impact of strategic partnerships and digital innovation. Takaful revenue rose by 8.7% to RM871.0 million and the company maintained stable profitability with RM60.8 million in PAT and a healthy ROE of 17.2%.

Takaful IKHLAS Family recalibrated its strategy through product reviews and repricing to improve capital efficiency and competitiveness. It gained momentum via stronger agency and corporate channels, launched IKHLAS Lindung to expand protection access, introduced GO Serve for self-service, and implemented UnderwriteMe to streamline onboarding. Nationwide IKHLAS Active Zones boosted recruitment and customer engagement. These strategies, together with effective tax management, collectively contributed to a 61.1% surge in PAT, reaching RM12.5 million, despite only a marginal increase in takaful revenue.

Overall, the Group's performance in FY2025 reflects the focused execution, adaptability and collaborative spirit of our leadership team and employees across all levels. Their steadfast commitment and operational discipline enabled MNRB to stay on course, deliver resilient results and continue strengthening our position across the reinsurance and takaful landscape.

For the finer details of the Group and its subsidiaries' financials and operational performance, please refer to the Management Discussion & Analysis ("MD&A") section.



CHAIRMAN'S STATEMENT

COMMITTED TO SUSTAINABLE VALUE CREATION



Rewarding Our Shareholders

As we focus on creating sustainable value for all stakeholders, the Board remains firmly committed to delivering long-term returns to our shareholders – a commitment grounded in our deep appreciation for your enduring trust and confidence. At the same time, we recognise the importance of balancing shareholder rewards with the Group's future capital needs to ensure the continued strength, agility and growth of our reinsurance, retakaful and takaful businesses. Guided by disciplined capital management, we remain focused on sustaining performance and upholding our purpose of protecting everyone.

Our consistent payout history, including RM78.3 million, or 10 sen per share in FY2024, comprising a final dividend of 5 sen per share and a special dividend of an additional 5 sen per share, reflects our commitment to sustainable shareholder returns. With disciplined capital management, our diversified portfolio continues to support earnings and enable future growth.

Future-Proofing the MNRB Group

For over five decades, MNRB has steadfastly upheld its purpose of “protecting everyone” by staying responsive to change, resilient in execution, and resolute in delivering value to its stakeholders. In FY2025, we continued to future-proof the organisation by enhancing operational capabilities, accelerating digital innovation, and embedding customer-centricity across our business lines.

Guided by a sharpened strategic focus, we undertook wide-ranging initiatives to build institutional agility, deepen collaboration, and modernise key systems and processes. These efforts are reinforcing MNRB's readiness to respond to evolving risks and opportunities as well as regulatory expectations and emerging market needs, all while laying the groundwork for long-term, sustainable growth.

Throughout FY2025, we implemented several strategic measures across our reinsurance and takaful entities to sustain this momentum and drive enduring value.

Strengthening Organisational Agility and Market Responsiveness

In FY2025, we continued to strengthen the Group's core competencies by refining operational frameworks and ramping up targeted transformation initiatives across the Group. Our efforts were anchored on recalibrating business strategies to enhance agility, improve service delivery and unlock new market opportunities.

Malaysian Re made headway in expanding its international portfolio, supported by refinements in its underwriting framework, enhanced facultative capabilities, and a strong emphasis on expanding its specialty lines and family retakaful business. These diversification measures are aligned with the recently concluded Business Remodelling Plan, which achieved a more balanced and profitable portfolio, as well as accelerated long-term growth.

Meanwhile, Takaful IKHLAS General refined its distribution strategy to sharpen its focus on small and medium-sized enterprises and emerging customer segments. It also advanced its claims transformation efforts and introduced targeted enhancements to improve service reliability and customer confidence.

Takaful IKHLAS Family focused on improving customer accessibility through simplified onboarding processes and modular product designs. The subsidiary also reinforced agent support by setting up the IKHLAS Point of Excellence – a new academy centre dedicated to developing agency capabilities, fostering engagements and boosting performance.

Delivering Added Value Through A Digital-First Customer Experience

We also accelerated our digital transformation with a strong focus on enhancing customer experiences, operational efficiency and product innovation. Group-wide initiatives helped streamline processes, improve service delivery, and empower customers across key touchpoints.

Through a comprehensive approach to digitalisation across products, operations and customer interfaces, we are delivering added value to our customers and creating a more agile, responsive, and customer-centric business model. These developments are helping lay strong foundations for continued growth in an increasingly digital future.

CHAIRMAN'S STATEMENT

Strengthening Reach through Strategic Alliances

To reinforce the Group's market reach and drive long-term value creation, we continue to deepen strategic partnerships across the insurance and takaful ecosystem. These alliances bolster our capabilities, expand our distribution footprint, and elevate the customer experience.



For more details on the initiatives to future-proof the Group, please refer to the MD&A section.

Bolstering Industry Resilience and Collaboration

MNRB continues to play a key leadership role within the national and regional re/insurance and re/takaful landscape, reinforcing its commitment to support industry resilience, stakeholder empowerment and Economic, Environmental, Social and Governance or EESG-aligned growth. As the national reinsurer, Malaysian Re spearheads numerous initiatives that advance knowledge-sharing, regulatory collaboration and sustainable insurance practices.

Reaffirming our national stewardship mandate, BNM approved the renewal of Malaysian Re's Voluntary Cession ("VC") arrangement for a further three years, effective 1 January 2025. The VC framework continues to enhance Malaysia's domestic reinsurance capacity and deepen market development.

DEEPENING OUR SUSTAINABILITY COMMITMENT

MNRB remains steadfast in our commitment to integrating EESG considerations into all facets of our operations. As we continue our journey towards becoming a Net Zero Carbon organisation by 2050, FY2025 marked another important year of aligning our business practices with sustainability priorities that support long-term stakeholder value.

Guided by the principles of value-based intermediation ("VBI") and Maqasid Shariah, our sustainability efforts are anchored in the goal of enhancing well-being, upholding integrity and minimising harm. These principles are reflected in MNRB's Sustainability Roadmap, which provides a clear framework for planning, executing and reporting sustainability actions in line with our corporate purpose of protecting everyone.

Arising from these efforts, MNRB in May 2025 was accorded a 3-star rating out of 4 in accordance with FTSE Russell's ESG Ratings Methodology.



For the finer details of MNRB's sustainability efforts, please refer to our Sustainability Statement within this Annual Report.

UPHOLDING ROBUST GOVERNANCE PRACTICES

At MNRB, we firmly believe that strong governance forms the bedrock of sustainable value creation. The Board remains steadfast in its commitment to ensuring that the Group operates responsibly, ethically and transparently in all aspects of its business. We continue to embed best-in-class corporate governance practices and robust internal controls throughout our organisation. This unwavering approach has not only enhanced our operational integrity but also strengthened our competitive advantage and long-term resilience in the industry.

Together with the relevant systems and oversight mechanisms we have instituted, these governance practices continue to safeguard the interests of our stakeholders and ethically support the fulfilment of our corporate mandate.



For details of our governance approach, please refer to the Corporate Governance Overview Statement within this Annual Report.

MOVING INTO FY2026 AND BEYOND

As we look to FY2026 and beyond, the Group remains cautiously optimistic about our growth trajectory amidst a continuously evolving global and domestic landscape. Despite economic uncertainties and a dynamic operating environment, our diversified portfolio and strategic clarity provide a strong foundation for sustainable growth.

The Group has set a clear medium-term strategy that aligns financial and strategic goals to drive sustainable growth and strengthen industry leadership. This approach addresses structural challenges, reinforces core fundamentals, and positions the Group for long-term success. At the heart of this strategy is an enterprise transformation framework focused on cultural realignment, talent development, and building an agile, high-performing organisation. Efforts are also underway to enhance distribution, diversify the portfolio, optimise capital and risk management, and foster collaboration across entities and institutional clients. Building on the momentum from FY2025, the Group expects continued progress across reinsurance, retakaful, and takaful segments, supported by digitalisation, market expansion, and a commitment to delivering lasting value to stakeholders.

Driving our transformation agenda forward, Malaysian Re is continuously pursuing its profitability-driven diversification initiatives of portfolio rebalancing and expanding into non-traditional segments. These efforts are aimed at enhancing long-term sustainability, broadening our market reach, and reinforcing our position as a regional leader in the reinsurance industry. By embracing innovation and diversification, we are laying the foundation for continued growth in an evolving risk landscape.

Looking ahead, we will continue to prioritise customer experience, foster innovation, and refine our product offerings to ensure continued relevance and competitiveness. Technology and innovation will continue to be key drivers as we deepen data-driven decision-making and elevate our self-serve capabilities across the Group.

CHAIRMAN'S STATEMENT



We will also maintain our Group-wide commitment to responsible growth through the proactive integration of EESG principles across our business. Our efforts to enhance climate resilience, uplift communities and strengthen governance frameworks stay core to our value creation agenda.

IN APPRECIATION

I would like to express my appreciation to Datuk Johar Che Mat, my predecessor. On behalf of all of us, I extend my warmest wishes to Datuk Johar as he embarks on his next chapter, with continued success and fulfillment.

We also bid farewell to two of the Group's respected leaders. Encik Zaharudin Daud retired from his role as President & Group CEO of MNRB, effective 23 November 2024, following four years of impactful service; while Encik Muhammad Fikri Mohamad Rawi retired from his role as President & CEO of Takaful IKHLAS Family Berhad on 14 January 2025. We extend our deepest thanks and best wishes to them in their future endeavours.

On 23 November 2024, Dato' Rudy Rodzila Che Lamin was appointed as Interim President & Group Chief Executive Officer of MNRB. Dato' Rudy, who continues to helm Takaful IKHLAS General, will work closely with the leadership team to drive the Group's strategic ambitions. We also welcomed Encik Wan Ahmad Najib Wan Ahmad Lotfi as President & Chief Executive Officer of Takaful IKHLAS Family, effective 14 January 2025. MNRB and the leadership team are already benefiting from the addition of these gentlemen's expertise and insights.

Please join me in extending our heartfelt condolences on the passing of Encik Khalid Sufat, who served as an Independent Non-Executive Director of MNRB since 1 October 2019. As Chairman of the Audit Committee and a member of the Group Nomination & Remuneration Committee, his passing is a profound loss to MNRB.

As we move forward, we intend to prudently capitalise on the market opportunities that lie ahead and remain confident in the Group's ability to navigate new challenges, foster innovation, and deliver enduring value. We thank all our stakeholders for standing by us and ask that you continue to lend us your support as MNRB strides forward to new heights of success.

On behalf of the Board

Dato' Sulaiman Mohd Tahir

Chairman

31 July 2025

ECONOMIC AND INDUSTRY REVIEW AND PROSPECTS

THE ECONOMY - 2025 IN REVIEW

GLOBAL ECONOMY

In 2024, the global economy expanded by 2.7% maintaining the same growth rate as in 2023. This stabilisation, as reported by the World Bank's *January 2025 Global Economic Prospects*, signals a continued recovery after several challenging years. Key growth drivers included the recovery of consumer spending, increased investment in infrastructure, and a rebound in global trade. Global inflation moderated to 3.5% in 2024 (2023: 5.9%), driven by easing supply chain disruptions, lower energy prices, and tighter monetary policies by central banks. These positive trends reflect a strengthening path towards a sustained recovery and global economic stability, as well as providing a solid cushioning against the uncertainties surrounding global trade tensions and increasing protectionist policies.

GLOBAL ECONOMY OUTLOOK

In 2025, the global economy is projected to sustain a steady growth rate of 2.7%, continuing the stabilisation observed in 2024. This outlook is supported by easing inflation, which is expected to converge closer to central bank targets across both advanced and emerging economies. However, key downside risks remain, including heightened policy uncertainty, adverse shifts in trade policies, and escalating geopolitical tensions. The introduction of reciprocal tariffs by major economies, such as the United States, could further disrupt global trade and increase costs for businesses. Despite these challenges, the global economic outlook remains broadly positive, bolstered by ongoing policy efforts to foster macroeconomic stability and address structural constraints. Coordinated fiscal and monetary interventions are expected to play a critical role in sustaining momentum and mitigating downside risks.

MALAYSIAN ECONOMY

In 2024, Malaysia demonstrated remarkable economic resilience, recording an impressive GDP growth rate of 5.1%, a significant rise from 3.6% in 2023. This performance was underpinned by strong domestic demand and a robust rebound in exports. Household spending flourished, supported by favourable labour market conditions and continued investment activities. Strategic national initiatives, including the *National Energy Transition Roadmap* ("NETR") and the *New Industrial Master Plan 2030* (NIMP 2030), were instrumental in driving growth, along with capacity expansions by private sectors as well as proactive efforts by the government to attract both foreign and domestic direct investments.

Notably, total investments approved in 2024 reached record levels, with substantial progress made in multi-year private and public sector projects. These achievements reflect Malaysia's sound economic fundamentals and a stable monetary policy environment. The equity market also saw a marked improvement, with the benchmark stock index reaching multi-year highs – driven by renewed investor interest, favourable exchange rate movements, and a more accommodative global interest rate landscape.

MALAYSIAN ECONOMY OUTLOOK

In 2025, Malaysia's economy is forecasted to grow between 4.5% and 5.5%, according to Bank Negara Malaysia ("BNM"). The growth will continue to be driven by resilient domestic demand, amid ongoing global uncertainties that may moderate export performance.

Domestic demand, the key engine of economic growth, is expected to benefit from strong household spending, favorable labour market conditions, and solid investment activities. Private consumption is projected to expand 5.9%, underpinned by rising incomes, positive consumer sentiment, and notable momentum in tourism and travel-adjacent sectors. This robust private consumption growth reflects a positive outlook in consumer-facing industries, anchored by solid real-wage trajectory and easing inflationary pressures.

Headline inflation is projected to rise to 2.4%, influenced by subsidy rationalisation, wage growth, and external price pressures. Nonetheless, inflation is expected to remain manageable. Following the July adjustment, BNM is projected to hold the Overnight Policy Rate ("OPR") at 2.75% for the remainder of 2025, reflecting a policy stance geared toward sustaining economic momentum amid a stable inflation environment and resilient domestic demand.

The ringgit is expected to remain resilient, with a year-end forecast of MYR4.23/USD, supported by ongoing fiscal consolidation efforts and consistent monetary policy. The unemployment rate is forecasted to remain low at 3.1%, reflecting continued strength in labour market and expanded employment opportunities.

While the global environment presents external headwinds, such as potential trade disruptions from protectionist policies, Malaysia's economic outlook remains promising. Despite disruptions of exports and increasing costs for businesses, strong macroeconomic fundamentals, targeted policy measures, and ongoing structural reforms provide a solid foundation to navigate the global challenges and foster continued growth and resilience in 2025.

ECONOMIC AND INDUSTRY REVIEW AND PROSPECTS

GLOBAL INSURANCE INDUSTRY

Global premiums in non-life and life insurance rose by 1.8% in real terms in 2024, following a 1.1% increase in 2023. Despite modest growth, premium volumes reached a record high of USD 7.5 trillion in 2024, up from USD 7.1 trillion in 2023.

Key factors supporting industry profitability include rising rates in property and casualty insurance, improved combined ratios, and enhanced investment returns due to higher interest rates. Non-life insurance saw premium growth strengthened to 1.8% in 2024, up from a 1.4% increase in 2023. This improvement will be driven primarily by rate hardening in personal insurance and sustained price strength in commercial lines. Additionally, the motor insurance market returned to growth in 2024 after three years of contraction, spurred by rising premium prices. However, overall growth in premium volumes will be offset by a decline in health insurance premiums, attributable to the cessation of pandemic support policies in the US.

For life insurance, global premiums grew by a modest 1.0% in real terms in 2024, remaining below the long-term trend. Nonetheless, this represents a modest improvement from 2023, when the market experienced a marginal 0.7% growth.

Meanwhile, reinsurance capital increased by 5.4% to approximately USD 769 billion by the end of 2024. Additionally, alternative capital grew by 13.0% to around USD 105.0 billion, driven by good returns, fewer large loss events, attractive pricing, and strong investment returns on collateral pools.

GLOBAL OUTLOOK

Global insurance premium volumes for both life and non-life are expected to increase by 1.9% in 2025 in real terms. In the global non-life sector, a gradual improvement is anticipated, with premiums estimated to rise by 2.0% in real terms from the previous year. Growth in both advanced and emerging markets is expected to remain below the 10-year average (2012–2021) of 2.6%, with health insurance lines continuing to underperform. Profitability should improve in 2024–2025, supported by better pricing, higher interest rates, and reduced claims severity as inflation rates retreat from recent highs.

For global life insurance, premiums are forecasted to rise by 1.7% in 2025, surpassing the 10-year trend of 1.3%. The start of the interest rate hiking cycle last year has boosted sector earnings. This year, rising wages and interest rates in advanced markets are expected to create favourable conditions for growth and profitability.

Additionally, the global reinsurance market outlook remains stable, driven by significant rate improvements, particularly in property lines. This is expected to lead to higher average attachment points, resulting in expanded profit margins. Other factors contributing to the stable outlook include a greater demand for coverage driven by heightened climate-related and catastrophic loss events, and rising investment income, with new investments in fixed-income are now offering significantly higher yields.

MALAYSIA INSURANCE INDUSTRY OVERVIEW

In Malaysia, the general insurance and takaful industry's premiums and contributions grew by 8.2% to RM 23.1 billion in 2024, up from RM 21.4 billion in 2023. The general takaful industry expanded robustly by 20.1%, driven by higher contributions from its largest class, Motor. In terms of market share for both general insurance and takaful, Motor remained the largest with a market share of 50.3%, an increase of 0.5 percentage points from 49.8% in 2023, followed by Fire at 19.5% (down from 19.8% in 2023) and Marine, Aviation & Transit (MAT) at 5.8% (down from 6.0% in 2023).

The new business total premiums for life insurance showed healthy growth of 12.3% to RM 15.0 billion in 2024, up from RM 13.4 billion in 2023. Similarly, the new business sum assured also recorded sturdy growth of 10.1%, reaching RM 599.4 billion in 2024 compared to RM 544.4 billion in 2023. However, the number of new policies dropped by 28.7%, with only 1.1 million new policies issued in 2024 compared to 1.2 million in 2023. Conversely, the family takaful industry saw a decline in Annualised Contributions Equivalent (ACE) of 3.9% in 2024, registering a total of RM 2,787.6 million compared to RM 2,901.6 million in 2023. This was due to a decline in participation in all single and regular contributions products.

MALAYSIA OUTLOOK

The domestic insurance and takaful industry are expected to experience modest growth in demand for coverage in 2025 due to uncertainties in interest rate movements and inflationary pressures in developed economies. The forecast has been significantly impacted by persistent high claims, attributed to inflation and a weakening ringgit. While heightened awareness of medical and weather-related coverage is poised to drive insurance and takaful growth, challenges including inflation, market volatility, and currency devaluation may persist. Despite these macroeconomic hurdles, profitability and capitalisation are anticipated to remain steady due to sustained growth.

General insurers and takaful operators are expected to continue raising their pricing for certain flood-related coverages and adopting prudent underwriting practices to mitigate risk. This trend is primarily driven by extreme weather events like floods, which have adversely impacted profitability in recent periods. Additionally, the increased cost of reinsurance and retakaful, and stricter underwriting terms and conditions have been significant factors during the recent reinsurance and retakaful renewal periods.

For life insurance and family takaful premiums and contributions, growth ranging from mid-single digits to 10.0% is forecasted for 2025. However, potential macroeconomic challenges and inflationary pressures might prompt consumers to be cautious in committing to long-term life insurance and family takaful plans.

Overall, Malaysia's insurance and takaful industry is poised for sustained premium growth, driven by economic recovery, increased penetration, and growing demand for digital services. Persistent challenges notwithstanding, the industry's fundamentals support a positive long-term outlook.

MANAGEMENT DISCUSSION & ANALYSIS

THE GROUP SUSTAINED ITS GROWTH TRAJECTORY



Dear Shareholders,

The financial year under review was one of strategic resilience, purposeful transformation, and meaningful progress for the Group. Despite ongoing global macroeconomic headwinds, market volatility, and rising climate-related claims, the Group sustained its growth trajectory. We continued to advance our transformation agenda, deepen our pursuit of digitalisation, broaden access to inclusive protection, and elevate the customer experience across our reinsurance, retakaful and takaful businesses. These achievements reflect the strength of our diversified portfolio, the agility of our business model, and the unwavering dedication of our people.

Dato' Rudy Rodzila Che Lamin

Interim President &
Group Chief Executive Officer

MANAGEMENT DISCUSSION & ANALYSIS



Financially, the Group recorded core insurance/takaful revenue of RM3.14 billion, an increase of 1.2% over the previous year. We sustained a healthy Profit After Tax ("PAT") of RM394.2 million, while our Return on Equity ("ROE") stood at a robust 11.9%, underscoring prudent capital management and consistent operational excellence.

Stepping into the role of Interim President & Group CEO in November 2024 has been both a privilege and a meaningful milestone in my journey with the Group. Having served in various capacities across MNRB and continuing to lead Takaful Ikhlas General Berhad, I have gained a deeper appreciation for the resilience and commitment that define the MNRB Family. This leadership transition has also reinforced my belief in the importance of continuity, innovation, and collaboration, anchored by our core values – Integrity, Collaboration and Excellence – as we steer the Group through an increasingly complex environment.

This Management Discussion & Analysis ("MD&A") provides an overview of MNRB's operational and financial performance for the financial year ended 31 March 2025 ("FY2025") and offers insights into our strategy and outlook as we chart the Group's next phase of sustainable growth.

Group Insurance/
Takaful Revenue

**RM3.14
billion**

Profit After Tax
("PAT")

**RM394.2
million**

Return on Equity
("ROE")

11.9%

OUR BUSINESSES AND STRATEGIC PRIORITIES

Our Businesses

The MNRB Group operates across the re/insurance and re/takaful through three distinct yet complementary subsidiaries. Malaysian Reinsurance Berhad ("Malaysian Re") continues to play a leading role as the national reinsurer and retakaful provider, delivering comprehensive risk solutions across local and international markets. Takaful Ikhlas Family Berhad ("Takaful IKHLAS Family") manages the Group's family takaful business, offering life and health protection and long-term financial security tailored to individual and family needs. Takaful Ikhlas General Berhad ("Takaful IKHLAS General") drives the general takaful business, providing broad-based protection for a wide spectrum of sectors and customer segments.

Together, these core businesses operate within a cohesive strategic framework while retaining strategic independence. This structure enables targeted decision-making, operational agility, and synergistic adoption of best practices – strengthening the Group's ability to respond effectively to market dynamics and stakeholder needs.

MANAGEMENT DISCUSSION & ANALYSIS

Group-wide Strategic Priorities

In FY2025, MNRB advanced its multi-pronged strategy with a renewed emphasis on profitable diversification, resilience, customer centricity, innovation and sustainability. Despite a challenging operating environment, we remained focused on strengthening our core operations, accelerating digital transformation, embedding sustainability, and unlocking synergies across business lines.

Strengthening Core Operations

On 23 July 2024, as part of a broader strategic realignment, we announced the voluntary winding up of one of our subsidiaries, Malaysian Re (Dubai) Ltd (“MRDL”), that had previously served as the marketing arm of Malaysian Re for its Middle East and North African (“MENA”) market. The move allows Malaysian Re to centralise its MENA operations, optimise costs, and repatriate surplus capital, while maintaining client servicing efforts and financial performance.

The year in review saw the Group sustaining a positive momentum in underwriting results and profitability, particularly within the reinsurance and general takaful segments. Malaysian Re reaffirmed its national role through the renewal of the Voluntary Cession or VC arrangement, while expanding its regional footprint across ASEAN, the Middle East, and South Asia. These efforts diversified the Group’s risk portfolio and reinforced its position as a regional leader.

Meanwhile, Takaful IKHLAS Family and Takaful IKHLAS General concentrated their efforts on enhancing operational efficiency, optimising portfolio mix, improving risk selection and expanding product offerings to better serve evolving customer needs.

Driving Customer-Centric Innovation

FY2025 witnessed multiple rollouts of enhanced digital platforms and tools designed to elevate the customer experience and improve process efficiency. These innovations enhanced service quality, accelerated turnaround times, and strengthened MNRB’s position as a digitally enabled, customer-focused organisation. The details of these innovations can be found in the sub-section titled “Fast-Tracking MNRB’s Digital Transformation Agenda” within this MD&A.

Notably, Malaysian Re became the first in Malaysia to offer coverage for Cancer Precision Medication – demonstrating its proactive response to emerging healthcare trends and customer needs.

Capital and Resource Optimisation

The Group prioritised capital efficiency and portfolio diversification throughout the year. Each subsidiary executed tailored strategies in alignment with Group direction while preserving operational autonomy. This approach enabled effective capital deployment, faster decision-making, and improved ROE.

Championing the Islamic Finance Ecosystem

MNRB is actively championing the Islamic finance ecosystem through its robust retakaful business, which plays a pivotal role in supporting Shariah-compliant risk management solutions. By offering retakaful services that align with Islamic principles, MNRB not only strengthens the resilience of takaful operators but also fosters greater trust and sustainability within the industry.

Through Takaful IKHLAS Family and Takaful IKHLAS General, MNRB sustained its presence in Shariah-compliant offerings. FY2025 saw strengthened collaborations with agency, bancatakaful, and corporate distribution partners to enhance financial inclusion and community outreach – including underserved segments.

Brand Visibility and Stakeholder Engagement

As part of supporting business growth and brand leadership, the Group intensified its branding and stakeholder engagement efforts. These included targeted digital campaigns, community engagement programmes and the amplification of the Group’s thought leadership in insurance and takaful.

As part of its role as an industry thought leader, Malaysian Re organised several key initiatives in 2024, including the Claims Rendezvous, which focused on transformative developments in claims management. In parallel, Malaysian Re continued to invest in the industry’s talent development through programmes such as YouLead and the Programme for Insurance Executives Development (“PIED”) – both designed to nurture high-potential young professionals and strengthen leadership capacity within the insurance and takaful industry.

Leading Sustainability in ASEAN

Malaysian Re led the ASEAN Renewable Energy Pool (“AREP”) initiative as the pool’s manager, demonstrating regional leadership in sustainable insurance and renewable energy risk underwriting. This initiative, among others, reinforces MNRB’s commitment to environmental stewardship, ESG integration, and sustainable growth.

Group Transformation Programme

The Group continued implementation of the Group Transformation Programme (“GTP”) anchored on four pillars: business remodelling, people and culture, operations and processes, and technology and digitalisation. These coordinated initiatives aim to enhance agility, efficiency, and competitiveness across the organisation.

MANAGEMENT DISCUSSION & ANALYSIS

IGNITING PROGRESS WITH RISES: MNRB'S FY2026 STRATEGY IN MOTION

In FY2025, MNRB embarked on a new strategic trajectory under the **RISES framework** – a bold and focused blueprint to accelerate Group-wide transformation and position the organisation for long-term, sustainable growth. RISES – Remodel, Integrate, Strengthen, Empower, and Strategise – encompasses five interlinked pillars that address the immediate imperatives of cultural realignment, operational efficiency, workforce empowerment, sustainability leadership, and future-fit business models.



REMODEL – Refining Enterprise Transformation

The year saw MNRB continuing to intensify efforts to reshape its organisational culture and structure. Key initiatives included rolling out a Group-wide cultural transformation programme to embed performance-driven mindsets, restructuring selected business and support functions to improve agility, and implementing disciplined expense management. These efforts reflect the Group's commitment to becoming leaner and more agile in responding to market dynamics.



INTEGRATE – Integrating Operational Systems

Operational excellence remains a cornerstone of value creation. Through RISES, the Group continued to streamline business and operational processes across the organisation, aligning systems, policies and delivery standards. Ongoing integration of back-office systems, enhancement of shared services, and process automation progressively improved efficiency, strengthened compliance, and reduced redundancies.



STRENGTHEN – Securing a Future-Ready Workforce

Acknowledging that our people remain central to our transformation, MNRB prioritised the development of a future-ready workforce. Initiatives included targeted recruitment to attract top-tier talent, structured development pathways for emerging professionals, and continuous upskilling in areas such as Artificial Intelligence, digitalisation, and sustainability. A renewed emphasis on a culture of continuous learning and improvement complemented these efforts across all levels.



EMPOWER – Embedding Sustainability at the Core

Building on our prevailing commitments, MNRB accelerated the phased integration of sustainability principles across operations and business lines. Key focus areas included advancing the Group's net-zero carbon transition strategy, enhancing climate resilience, and aligning internal policies with global ESG benchmarks. These initiatives are designed to ensure that business decisions are increasingly guided by long-term ESG considerations.



STRATEGISE – Seeking New Revenue Streams

To future-proof its business model, MNRB pursued new growth opportunities through strategic expansion, and leveraging cross-Group synergies to deliver integrated solutions. These efforts are intended to diversify the Group's revenue base while capitalising on our core strengths and institutional relationships.

The RISES framework lays the foundation for MNRB's transformation in FY2026 and beyond, strengthening our resolve based on the previous six-pillar strategy – Efficiency, Innovation, Culture, Sustainability, Customer, and Synergy. RISES represents a refreshed launchpad for continuity, alignment, and long-term value creation for all stakeholders.

MANAGEMENT DISCUSSION & ANALYSIS

Subsidiary-Level Strategic Priorities

Each entity within MNRB is entrusted with executing targeted strategies that align with Group-wide objectives while addressing the unique dynamics of their respective markets. This approach fosters structured progress, operational resilience, and long-term value creation. In FY2025, our subsidiaries delivered notable strategic outcomes.

Malaysian Re successfully concluded the final stage of its Business Remodelling agenda, aimed at strengthening market positioning, expanding international reach, and enhancing portfolio diversification. The company maintained a strong focus on growing its specialty lines and family retakaful segments. Strategic portfolio rebalancing and prudent risk selection contributed to sustained profitability and resilience.

The renewal of the VC arrangement by Bank Negara Malaysia (“BNM”) reaffirmed Malaysian Re’s pivotal role in the domestic insurance ecosystem. Concurrently, regional expansion across ASEAN, the Middle East, and South Asia diversified risk exposure and reinforced its relevance as a regional reinsurer.

To support future scalability, Malaysian Re invested in talent development through its Graduate Executive Programme and targeted capacity-building efforts in critical functions. Capital management remained a priority, underpinned by a robust Senior and/or Subordinated Medium-Term Notes (“MTN”) Programme with a combined limit of RM800 million. Proceeds from the MTN Programme amounting to RM200 million were strategically deployed to strengthen the capital base and support long-term growth, complemented by disciplined reinvestment strategies.

Takaful IKHLAS Family focused on strengthening distribution partnerships, expanding outreach to underserved segments, and enhancing product sustainability. Key priorities included growing regular contribution business, increasing bancatakaful penetration, and delivering value-driven Shariah-compliant solutions.

Operational efficiency was significantly improved through the implementation of UnderwriteMe – an auto-underwriting engine that streamlined customer onboarding, Robotic Process Automation (“RPA”), Digital Process Automation (“DPA”), and data-driven decision-making. The Company also bolstered its actuarial, product and pricing capabilities to improve risk calibration and competitiveness. These efforts supported greater efficiency, financial inclusion, and a more robust customer experience – aligned with the Group’s commitment to equitable access and protection.

Takaful IKHLAS General achieved steady growth by targeting profitable market segments, enhancing agent productivity, and expanding digital distribution through the IKHLAS GO ecosystem. Strategic partnerships and cross-sell initiatives deepened market reach and diversified revenue streams.

Operational efficiency was further improved through automation and agile processing, while enhanced customer touchpoints boosted satisfaction and engagement. Collaborations with financial, corporate, and digital partners supported broader market penetration. The subsidiary also prioritised cultivating a strong organisational culture and embedding sustainability principles – reinforcing its role as a progressive and responsible takaful provider.

Fast-Tracking MNRB’s Digital Transformation Agenda

Digitalisation continues to serve as a critical pillar of MNRB’s GTP, enabling operational excellence, customer-centricity, and long-term value creation. FY2025 saw the Group further intensifying its digital innovation efforts across core business lines with a stronger focus on enhancing the customer experience, operational efficiency and product innovation. Tapping a range of innovative digital tools and platforms across the Group, these initiatives helped streamline processes, improve service delivery, and increase customer autonomy across key touchpoints. All in all, they unlocked greater efficiency, accessibility, and engagement while reinforcing our commitment to being a future-ready organisation.

MANAGEMENT DISCUSSION & ANALYSIS

Enhancing the IKHLAS GO Ecosystem

The IKHLAS GO digital ecosystem remained central to delivering seamless, customer-focused services. Enhancements to the GO Direct platform enabled customers to obtain quotations, complete purchases, and renew motor takaful certificates with ease – further supported by integrated digital road tax functionality and on-demand Roadside Assistance. The GO Serve platform continued to evolve into a unified claims and customer service portal, providing real-time access to claims status, certificate information, and service requests. These tools reflect our commitment to convenience, transparency, and responsive service delivery.

Embracing Intelligent Automation and Data-Driven Decision Making

Automation was a key lever in streamlining processes, reducing manual intervention, and enhancing turnaround times. In particular, the introduction of the UnderwriteMe platform within the family takaful business marked a major step forward in automating underwriting decisions using data analytics, thereby enhancing customer onboarding and pricing precision.

The Group also scaled up its investments in advanced analytics and business intelligence, embedding data-driven insights into underwriting, fraud detection, and customer engagement. This shift towards intelligent decision-making strengthens risk management while personalising offerings across market segments.

Digitalising Distribution and Expanding Access

To broaden reach and reduce friction in the sales process, MNRB enhanced its digital platforms to better support agents, bancatakaful partners, and digital collaborators. Through the GO Prime, GO Partner and GO Financial applications, we continued to streamline e-submissions, product discovery, and onboarding experiences for intermediaries. These tools, designed with feedback from frontliners, continue to drive higher productivity and partner satisfaction.

Expanding MNRB's Virtual Outreach

Takaful IKHLAS General continued to expand its Virtual IKHLAS Points ("VIPs"), offering flexible access to services without the need for physical branches. The non-traditional VIP touchpoints enhanced outreach, particularly in underserved areas, while supporting hybrid work models and agent enablement.

GROUP FINANCIAL PERFORMANCE FY2025

FY2025 was a year of measured progress and resilient performance for MNRB, as we navigated a complex operating environment marked by inflationary pressures, currency volatility and global economic and geopolitical headwinds. Building on the record-breaking momentum of the previous year, the Group remained focused on sustaining long-term value creation, reinforcing operational foundations, and advancing its transformation agenda.

Revenue and Profitability

A notable highlight for FY2025 was the 1.2% increase in core insurance/takaful revenue, contributing to the rise of Group's insurance/takaful revenue from RM3.10 billion in FY2024 to RM3.14 billion. This growth underscores sustained market demand and the resilient performance of the Group's reinsurance and general takaful segments. Strong underlying business fundamentals and effective execution of strategic priorities continued to earn the confidence of customers and business partners.

Profit after tax ("PAT") declined by 9.1% to RM394.2 million (FY2024: RM433.5 million), primarily impacted by a 34.5% contraction in investment results, which fell to RM393.7 million (FY2024: RM601.0 million). This was largely attributed to foreign exchange losses arising from the ringgit's appreciation against major foreign currencies, which impacted investment instruments held by Malaysian Re, alongside unfavourable fair value movements. Nevertheless, our strong foreign currency asset and liability hedging strategy effectively offset these investment-related forex losses with corresponding gains on our liabilities.

Despite this, the Group sustained a healthy ROE of 11.9% (FY2024: 14.4%). Insurance and takaful service results moderated by 30.0%, to RM346.2 million (FY2024: RM494.4 million), reflecting the more challenging operating landscape.

The Group's total assets grew to RM13.5 billion (FY2024: RM12.6 billion), demonstrating prudent capital stewardship and reinvestment of earnings to support future growth and risk-bearing capacity.

Key Performance Drivers and Market Trends

Several factors contributed to the Group's performance in FY2025:

- **Segmental strength:** The reinsurance and general takaful segments were key contributors, benefiting from improved claims experience, disciplined underwriting, and diversified market expansion.
- **Digital and operational efficiency:** Continued investment in digital platforms and automation enhanced cost efficiency and customer engagement, supporting topline and bottom-line growth.
- **Market and regulatory developments:** The renewal of the Voluntary Cession or VC arrangement and increased demand for Shariah-compliant protection products provided tailwinds for growth.
- **Investment market recovery:** A more stable investment environment contributed to improved yields and portfolio performance.

MANAGEMENT DISCUSSION & ANALYSIS

Investment Performance

Investment results totalled RM393.7 million, representing a 34.5% decline from the RM601.0 million achieved in FY2024. This was primarily attributed to adverse fair value movements and foreign exchange translation impacts amid persistent global market volatility. While these external factors remain beyond our immediate control, the Group's core business fundamentals and performance remain strong. Importantly, the Group's investment portfolio was strategically structured to hedge against foreign exchange volatility, effectively offsetting the impact through corresponding gains in liability reserves.

MNRB continued to adopt a prudent asset allocation strategy, with more than 80% of assets concentrated in the domestic market through investment-grade bonds and fixed deposits. The Group's investment yield stood at 3.6%, while total investment assets expanded to RM11.9 billion (FY2024: RM11.1 billion).

Capital and Liquidity

The Group's capital structure remained stable throughout FY2025. Liquidity remained healthy, underpinned by stable operational cash flows, increased business performance and a sound investment base. Capital expenditure was strategically directed toward digital infrastructure, system upgrades, and initiatives aligned with long-term transformation goals.

FY2025 reaffirmed MNRB's ability to adapt, execute and stay the course. Despite global volatility and investment headwinds, the Group's diversified portfolio, strong capital base and strategic clarity, position it well for continued growth. With a disciplined approach to risk, sustained digital innovation, and a shared commitment to our purpose of "We Protect Everyone", the Group remains on track to deliver long-term value to all stakeholders.



MANAGEMENT DISCUSSION & ANALYSIS

PERFORMANCE BY BUSINESS SEGMENT

REINSURANCE/RETAKAFUL BUSINESS

Insurance and Takaful Revenue of **RM1.91 billion**

Reflects strategic portfolio recalibration for sustainable, long-term growth

PAT of **RM325.2 million**

Driven by disciplined underwriting and stable investment performance amid market volatility

Overview

In FY2025, Malaysian Re continued to anchor the Group's performance, reinforcing its role as Malaysia's national reinsurer and a leading regional player in the reinsurance and retakaful space. Despite a softer underwriting environment and heightened catastrophe-related claims, the company delivered resilient results underpinned by disciplined underwriting, strategic portfolio diversification, and investment resilience.

Insurance and takaful revenue rose to RM1.91 billion (FY2024: RM1.86 billion), a 2.5% increase, driven by efforts to optimise the portfolio and enhance underwriting quality. PAT stood at RM325.2 million (FY2024: RM388.4 million), sustained by consistent insurance and takaful service results and resilient investment returns amid foreign exchange volatility.

Strategy

The successful execution of Malaysian Re's Business Remodelling initiative continued to yield results, sharpening its underwriting focus, and expanding its facultative, family retakaful, and specialty lines. Operational efficiency was further enhanced through improved risk selection and capital optimisation.

Market Environment

Internationally, Malaysian Re deepened its presence across ASEAN, the Middle East, and South Asia, and played a pivotal role in regional sustainability efforts. As the Pool Manager of the ASEAN Renewable Energy Pool ("AREP"), Malaysian Re co-hosted the inaugural Renewable Energy Workshop with Chubb in February 2025, convening regional players to advance renewable energy risk management practices.

Malaysian Re's financial strength was also reaffirmed by leading credit rating agencies:

- **Fitch Ratings:** Reaffirmed Malaysian Re's Insurer Financial Strength ("IFS") Rating of 'A' (Strong) with a Stable Outlook (November 2024).
- **AM Best:** Reaffirmed Malaysian Re's Financial Strength Rating of 'A-' (Excellent) and Long-Term Issuer Credit Rating of "A-", both with a Stable Outlook (January 2025).

- **RAM Ratings:** Maintained its ratings of AA3 and AA2/P1 for the Sukuk Programme and Malaysian Re's Insurers Financial Strength, respectively, both with a Stable Outlook (March 2025).

These consistent affirmations reflect continued confidence in Malaysian Re's capital strength, prudent risk management, and long-term business fundamentals.

The renewal of the VC programme for another three years (2025–2027), further solidified Malaysian Re's importance in supporting the domestic insurance industry.

From a capital management perspective, Malaysian Re maintained a robust position to support underwriting expansion, navigate market volatility, and fund strategic initiatives. These efforts included strengthening solvency buffers and enhancing investment returns to ensure its long-term business sustainability.

Recognitions

Throughout the year, Malaysian Re was honoured with several distinguished accolades, including the Bronze award for Asian Reinsurer of the Year at the Insurance Asia Awards 2024 and the title, "Best Re-Takaful Company in the Islamic Finance News (IFN)" in the Non-Banking Financial Institutions Poll 2024. These recognitions underscore Malaysian Re's strategic role in strengthening the competitiveness of domestic insurers, advancing Islamic finance solutions, and accelerating the automation of its business operations.

LOOKING AHEAD

Malaysian Re is guided by a bold vision to become a premier global reinsurer, targeting USD1.0 billion in premiums by FY2030. Its strategic direction centres on expanding its treaty presence in high-growth regions, accelerating growth in the Family Retakaful and Facultative portfolios, consolidating Treaty and Specialty lines, and forging strategic partnerships and equity participations. The company will also continue advancing digitalisation and talent development while aligning closely with national resilience and sustainability agendas.

These initiatives will reinforce Malaysian Re's position as a trusted reinsurer of choice and support its goal of delivering stable profitability, enhanced shareholders' returns, and long-term value creation.



MANAGEMENT DISCUSSION & ANALYSIS

FAMILY TAKAFUL BUSINESS

Takaful Revenue of **RM412.8 million**
Driven by agency-led new business and renewals, simplified product offerings, and enhanced customer accessibility

PAT of **RM12.5 million**
Reflects improved operational efficiency, with a strategic focus on agency transformation, paving the way for future expansion

Overview

Takaful IKHLAS Family manages the Group's family takaful business, offering a comprehensive suite of Shariah-compliant products that promote long-term financial resilience and wealth preservation. The business plays a key role in advancing national financial inclusion by extending takaful protection, including and especially to underserved and emerging segments of society.

FY2025 was a challenging year for the family takaful business, which saw its takaful revenue contracted to RM412.8 million (FY2024: RM470.6 million). Despite the decline in topline revenue, PAT increased to RM12.5 million (FY2024: RM7.8 million), driven by efficient tax management, growth in regular contribution plans and agency transformation initiatives.

Strategy

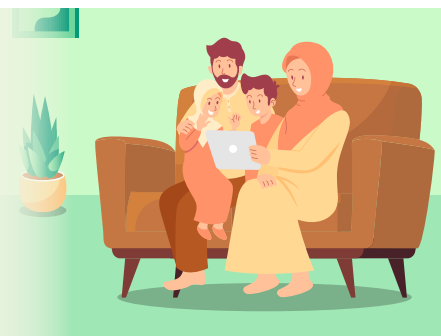
Several high-impact initiatives were executed under Takaful IKHLAS Family's consolidation and growth strategy:

- Distribution expansion: The Agency and Corporate Solutions channels were strengthened through active recruitment of agents and on-the-ground activations.
- Improved agent engagement: The nationwide launch of IKHLAS Active Zones helped boost agent productivity, customer engagement and community outreach.
- Product innovation: IKHLAS Lindung, a simplified takaful coverage with no medical underwriting, and IKHLAS Medik, a flexible yet comprehensive medical coverage, were launched – both aligned with the national financial inclusion agenda.
- Digital enhancements: The deployment of the GO Serve Customer Portal (with enhanced self-service capabilities) and the UnderwriteMe portal (to streamline the customer onboarding process), together with various RPA and DPA tools, helped improve operational efficiencies across key functions.

FY2025 also saw a strategic realignment following a leadership transition, resulting in a reprioritisation of distribution channels. The business sharpened its focus on higher-potential channels such as Agency and Corporate Solutions, while doubling down on regular contributions to build long-term value and revenue stability.

LOOKING AHEAD

Takaful IKHLAS Family is well-positioned for continued growth. Its FY2026 priorities include revitalising the agency force, expanding distribution reach, deepening the value of corporate partnerships, elevating the customer service experience, and increasing brand visibility. These efforts will be underpinned by ongoing digital transformation and a commitment to delivering seamless, personalised customer experiences. The family takaful business remains a key pillar of MNRB's vision of "We Protect Everyone".



MANAGEMENT DISCUSSION & ANALYSIS

GENERAL TAKAFUL BUSINESS

Takaful Revenue of **RM871.0 million**
Influenced by strong growth in online contributions,
underscoring the success of its digital platforms

PAT of **RM60.8 million**
Anchored by improved business performance, operational
efficiencies, and digital transformation initiatives

Overview

Takaful IKHLAS General manages the Group's general takaful business segment, offering Shariah-compliant protection solutions across motor, property, liability, and other non-life risk portfolios. Through tailored and risk-sharing arrangements, the business supports financial resilience and the wellbeing of individuals, businesses, and institutions.

In FY2025, the general takaful business delivered another strong performance with takaful revenue rising to RM871.0 million (FY2024: RM801.4 million), driven by robust growth in the Fire and Motor portfolios. PAT moderated slightly to RM60.8 million (FY2024: RM63.3 million) primarily influenced by the newly introduced intermediary-related expense.

Business Strategies

The business advanced its digitalisation agenda, completing 15 of its 21 planned digital projects. Central to these efforts was the GO Serve Customer Portal, a secure self-service platform that empowers customers to manage their takaful certificates. Enhancements to the GO Digital platforms further streamlined internal processes, improved customer journeys, and strengthened digital infrastructure.

Process automation significantly improved operational efficiency. For example, Motor Own Damage claims processing time was significantly reduced from to just 5 days. The motor claims digital ecosystem was enhanced through electronic claims submission via GO Serve and real-time status updates via the Merimen system. Customer experience was further improved through WhatsApp notifications and video-based loss assessments. Additional innovations included automated flight delay claims, digital road tax renewals, and a new Digital Roadside Assistance ("DRA") scheduling feature that improved user convenience.

Takaful IKHLAS General strengthened its bancatakaful and digital distribution footprint through partnerships with key Islamic banks, namely Bank Islam, MBSB Bank, and Al-Rajhi Bank, and digital platforms like Shopee and Lazada, broadening access to takaful protection. Strategic collaborations also extended to niche segments, including coverage for Selangor's INSAN and Sabah's welfare protection schemes, and the launch of IKHLAS Halal Care Takaful with Labuan Re and Sterling Insurance Brokers, tailored for halal-certified businesses.

Recognitions

The company's commitment to operational excellence was recognised at the Motordata Research Consortium ("MRC") Awards 2024, earning it the accolade, "Most Improved Average Claims Approval Time for Own Damage Claims," thereby affirming the impact of its digital transformation efforts.

LOOKING AHEAD

Takaful IKHLAS General targets to make further inroads into the commercial takaful (B2B) segment. Its FY2026 strategic priorities include expanding its market presence, transforming digital channels, increasing brand visibility, and sustaining customer excellence across all touchpoints. These efforts reinforce the company's position as a progressive, inclusive and technology-driven takaful provider committed to delivering future-ready protection with speed, transparency and trust.



MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS RISKS AND MITIGATION STRATEGIES

As the Group continues to grow and diversify across reinsurance, retakaful, and takaful segments, we remain exposed to a broad spectrum of risks – ranging from market volatility and capital pressures to operational, underwriting, and regulatory challenges. These risks are inherent in a dynamic and increasingly digital operating environment. To address this, we maintain a robust Enterprise Risk Management (“ERM”) Framework that enables proactive identification, assessment, and mitigation of potential exposures across the Group. This includes regular stress testing, capital and liquidity monitoring, diversification strategies, and strong governance oversight.

Our commitment to sound risk management ensures that we are able to safeguard our resilience, support business continuity, and sustain long-term value creation. In accordance with Bursa Malaysia’s disclosure requirements, we have outlined the details of the Group’s key risks and corresponding mitigation measures within the “Financial Statements” section of this Annual Report.

MOVING FORWARD

As we embrace FY2026, we do so with measured optimism and renewed determination. While the operating landscape remains complex – marked by softening markets, climate-related risks, geopolitical tensions, and evolving regulatory requirements – MNRB is strategically primed to navigate these uncertainties with clarity, resilience, and purpose.

On the global front, the reinsurance sector continues to benefit from stable market conditions and improved pricing, particularly across property lines. Demand for protection is also expected to remain robust, fuelled by rising awareness of climate-related risks and a growing focus on risk mitigation strategies among primary insurers. Rising yields in investment markets, coupled with strong underwriting discipline, are expected to support the financial performance of industry players that demonstrate agility and prudence.

Domestically, the insurance and takaful industry is expected to chart modest growth in tandem with broader economic recovery. However, competition is expected to intensify across both the conventional and takaful segments, with customers demanding greater transparency, digital convenience, and value-added protection. In this environment, product differentiation, service personalisation, and operational excellence will become even more critical.

At the same time, regulatory expectations are rising – particularly in the areas of sustainability, capital adequacy, and digital governance. These developments call for institutions to adopt a more proactive stance in meeting compliance requirements while embedding sustainability into their core strategies.

Against this backdrop, the Group remains steadfast in its pursuit of sustainable growth and long-term value creation. Guided by our medium-term business plan and the vision of “We Protect Everyone”, we continue to advance our transformation journey through the RISES strategic framework – our Group-wide agenda focused on Remodelling, Integrating, Strengthening, Empowering, and Strategising key aspects of our organisation.

Serving as the foundation of MNRB’s transformation agenda for FY2026 and beyond, the RISES framework will continue to build on the momentum of our previous strategic pillars – Efficiency, Innovation, Culture, Sustainability, Customer and Synergy. While those pillars laid a strong foundation for MNRB’s sustainable progress, RISES represents a reinvigorated launchpad from which we will accelerate to our next phase of growth – ensuring continuity of purpose, strategic alignment across the Group, and long-term value creation for all our stakeholders.

As MNRB continues to evolve in response to market shifts, we do so with confidence in our strategies, our people, and our purpose. We remain committed to delivering a consistent performance and creating meaningful impact for all stakeholders. While challenges will arise, our focus will remain on building a resilient, innovative, and inclusive organisation that leads with integrity and delivers on its promise of protection.

ACKNOWLEDGEMENTS

As we reflect on the achievements of FY2025 and look ahead to the opportunities and challenges of FY2026, I would like to take this opportunity to express my heartfelt appreciation to all those who have contributed to MNRB’s continued success.

Many have lent their worthy support on our journey, and we are deeply grateful for their invaluable contributions. To our esteemed shareholders, valued customers, regulators, trusted business partners, and the communities in which we operate – thank you for your unwavering support and trust. Your loyalty and confidence have been instrumental in driving our progress, and we look forward to deepening our collaboration and creating shared value in the years to come.

We also extend our sincere appreciation to our esteemed Board of Directors. Your strategic guidance, astute insights, and wise counsel have been crucial in helping us navigate an evolving landscape and ensuring that the Group remains on a path of sustainable growth and sound governance. Under the leadership of our new Chairman, Dato’ Sulaiman Mohd Tahir, the Board continues to demonstrate strength, foresight, and a steadfast commitment to stakeholder value.

To my colleagues on the Management team and all employees across the Group – your steadfast dedication, resilience, and professionalism have been truly inspiring. Your commitment to excellence and innovation has powered our transformation journey and enabled us to deliver on our promises. We applaud your outstanding achievements and tireless contributions throughout the year.

Together, we will continue to uphold our purpose, embrace innovation, and pursue our vision of “We Protect Everyone.” As we forge ahead, the Group remains focused on creating sustainable value, maintaining operational resilience, and delivering greater impact for all our stakeholders. Thank you for your kind support.

Dato’ Rudy Rodzila Che Lamin

Interim President & Group Chief Executive Officer
31 July 2025

SUSTAINABILITY STATEMENT

ADVANCING SUSTAINABLE RESILIENCE

In 2024, Malaysia showcased commendable economic resilience with a GDP growth of 5.1%, underpinned by robust domestic demand, strong household spending, and record levels of investment. Budget 2024, themed “Economic Reforms, Empowering the Rakyat”, focused on strengthening the middle class and empowering Small and Medium Enterprises (“SMEs”), allocating RM44 billion in financing and guarantees. Given that SMEs represent 98% of Malaysian businesses, these efforts are critical to economic recovery and job creation. Complementing this, new tax incentives for sustainability initiatives and carbon market development underscores the government’s ongoing commitment for a greener economy.

Amid these shifts, the insurance and takaful industry is adapting to changing consumer behaviour, rapid digital adoption - including artificial intelligence (“AI”) and data analytics and growing regulatory expectations. The finalisation of the Digital Insurers and Takaful Operators (“DITO”) framework in July 2024 signals greater inclusion of innovation in the sector. As highlighted by Bank Negara Malaysia (“BNM”), the financial sector must continue to innovate and adapt to support the changing needs of the economy and society, while integrating sustainability into its core strategies. Further reinforcing this direction are the establishment of the National Sustainability Reporting Framework (“NSRF”) in September 2024 and the revised sustainability reporting requirements issued by Bursa Malaysia in December 2024, both of which aim to enhance transparency and sustainability accountability across industries.

In line with these developments, the Group remains steadfast in its commitment to embedding sustainability principles across all facets of our operations. Our strategic focus on digital transformation, customer-centricity, community engagement, and sustainable practices strengthens our resilience and positions us to support Malaysia’s broader aspirations for a more inclusive and sustainable economy. By leveraging technology and proactively responding to emerging regulatory frameworks, the Group continues to play a meaningful role in building economic and environmental resilience, while delivering long-term value for our stakeholders.

At the Group, we recognise the critical importance of sustainability and resilience in navigating the complex challenges of today’s world. Our theme for the Sustainability Statement for this year - **“Advancing Sustainable Resilience”** reflects our unwavering commitment to fostering a sustainable future. By integrating Environmental, Economic, Social, and Governance (“EESG”) dimensions into our operations, we aim to create a more sustainable and resilient future for everyone.



SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

REPORTING SCOPE AND BOUNDARY

This Sustainability Statement ("Statement") focuses on MNRB Holdings Berhad and its subsidiaries - Malaysian Reinsurance Berhad ("Malaysian Re"), Takaful Ikhlas Family Berhad ("Takaful IKHLAS Family"), and Takaful Ikhlas General Berhad ("Takaful IKHLAS General"), branches and premises, as well as business and operating activities (collectively referred to as "MNRB" or "the Group" or "we" or "our" or "us"). It covers the reporting period from 1 April 2024 to 31 March 2025 or Financial Year Ended 31 March 2025 ("FY2025"), unless specified otherwise.

This Statement attempts to address all material issues that are important to the Group, determining the scope based on the significant impact of our operations on the economy, environment, and community. To ensure clarity and avoid redundancy, we focus on highlighting the latest developments in our sustainability-related policies, governance, and initiatives during the reporting period.

ASSURANCE STATEMENT

This Sustainability Statement has not been subjected to an external assurance process. However, to enhance its credibility, the Statement has been internally reviewed by the Group Internal Audit.

As part of our continuous improvement efforts, we are considering including an external assurance in the future to further demonstrate our commitment to transparency and accountability in sustainability reporting.

ALIGNMENT WITH SUSTAINABILITY REPORTING STANDARDS AND FRAMEWORKS

This Statement has been prepared in accordance to the guidelines outlined in Bursa Malaysia's Sustainability Reporting Guide (3rd Edition). It also aims to align with globally recognised sustainability reporting best practices, including the United Nations Sustainable Development Goals ("SDGs") Framework. This ensures that our sustainability efforts are in line with industry benchmarks and contribute positively towards global sustainability objectives.

We continue to ensure that our sustainability efforts are in accordance with the United Nations Environment Programme Finance Initiative Principles of Sustainable Insurance ("UNEP PSI"), which emphasise responsible financial practices that foster environmental and social well-being. Additionally, we are guided by BNM's Value-Based Intermediation Framework ("VBIF") and the Malaysian Takaful Association's Value-Based Intermediation for Takaful ("VBIT") Framework, ensuring ethical and inclusive practices in our operations. These frameworks complement our commitment to sustainability and contribute to the overarching objectives of promoting financial sector resilience, inclusivity, and environmental stewardship.

OUR APPROACH TO SUSTAINABILITY

This Statement has been prepared with care and forethought to provide our stakeholders with a comprehensive and objective view of our economic, environmental, social and governance performance. The Group aims to present the information in a transparent and easy-to-understand manner, ensuring clarity for all stakeholders.

WE PROTECT EVERYONE

The Group is driven by our vision of "We Protect Everyone", which aligns with our operations in the reinsurance, retakaful and takaful sectors. This vision underscores our commitment to Maqasid Shariah, emphasising social and economic justice within our operational sphere. The principles of Maqasid Shariah advocate for the promotion of well-being and the prevention of harm for all stakeholders, resonating with our core vision.

Through our reinsurance and (re)takaful subsidiaries, we provide comprehensive financial protection and risk management solutions to a wide spectrum of clients, including corporate entities and retail customers. Our reinsurance and (re)takaful offerings are tailored to meet the specific needs of each client, demonstrating our dedication to their financial well-being and broader societal impact.

Our primary goal is to assist affected parties in recovering from adversity and catastrophic events, helping them restore normality to their lives and livelihoods. We strive to facilitate their journey back to stability, showcasing our commitment to protecting individuals and businesses, and empowering them to remain resilient in the face of challenges.

Our IKHLAS Barakah House ("IBH") programmes focus on building sustainable communities through social initiatives. IBH engages in activities that provide access to quality education, healthcare services, skills development for economic empowerment, and initiatives to improve the overall quality of life while preserving natural resources.

In line with our customer-centric approach, we continuously enhance our digital touchpoints to offer convenient access to our takaful services. By leveraging on technology, we aim to expand our outreach and increase the community we protect. These digital initiatives not only elevate the customer experience but also ensure that our services are accessible to a broader audience, including underserved and unserved communities.

As we advance on our sustainability journey, we will continue to gather feedback from our customers and stakeholders. This ongoing feedback loop ensures that we can effectively deliver financial protection and risk management solutions that are more inclusive, thereby reinforcing our vision of protecting everyone.

SUSTAINABILITY STATEMENT

SUSTAINABILITY @ MNRB

OUR SUSTAINABILITY ASPIRATIONS

At MNRB, we strive to be a responsible and caring corporate citizen by creating meaningful impact and generating long-term value that safeguards the environment, society, and communities we serve. We are committed to balancing our financial performance with contributions to broader societal and environmental well-being, while fostering trusted stakeholder relationships and upholding highest standards of ethical conduct.

As an industry anchored in risk management, the (re)insurance and (re)takaful industry plays a pivotal role in supporting sustainability by offering protection against unforeseen events, facilitating recovery, and enabling resilience in the face of economic, environmental, and societal shocks. This natural alignment positions the industry as a critical enabler of sustainable development.

Embedding sustainability perspectives into core business activities such as underwriting, actuarial, and claims remains an ongoing process, constrained by data limitations, evolving methodologies and the need for industry-wide capacity building. In response, we are actively engaging in collective industry efforts to address the gaps and build knowledge that supports the practical adoption of sustainability within our business.

We also acknowledge the growing importance of EESG factors in shaping resilient and future-ready organisations. We continue to embed relevant sustainability considerations into our business practices, including product development, procurement, and responsible investing.

Our takaful businesses further reinforce this commitment by adapting the principles of VBIT, striving to deliver meaningful socio-economic impact in line with the Maqasid Shariah.

Amid the increasing frequency and severity of climate-related events, we remain mindful of our role in managing environmental risks. To support the global and national climate goals, the Group has set the following Net Zero Carbon ("NZC") targets:

NZC Enterprise by 2030

NZC Investment Portfolio by 2050

NZC Business Portfolio by 2050

These targets reflect our intent to reduce our carbon footprint and greenhouse gas ("GHG") emissions, and to align our operations with a low-carbon future.

Beyond environmental commitments, we continue to focus on creating positive social outcomes. Our efforts are centred on the well-being of our customers, employees, business partners, suppliers, and the communities in which we operate. We continue to promote a culture of inclusivity, diversity, and ethical conduct across all aspects of our business.

Additionally, strong governance practices remains the foundation of our sustainability approach. We continue to uphold transparency, accountability, and integrity as guiding principles while continuously enhancing our sustainability framework to align with emerging expectations and business risks.

As we move forward, we will continue to refine the Group's sustainability aspirations to ensure better alignment with our business strategy and risk mitigation efforts. This will serve as a foundation to reinforce our dedication to long-term sustainability and strengthening stakeholder confidence in MNRB.

SUSTAINABILITY STATEMENT

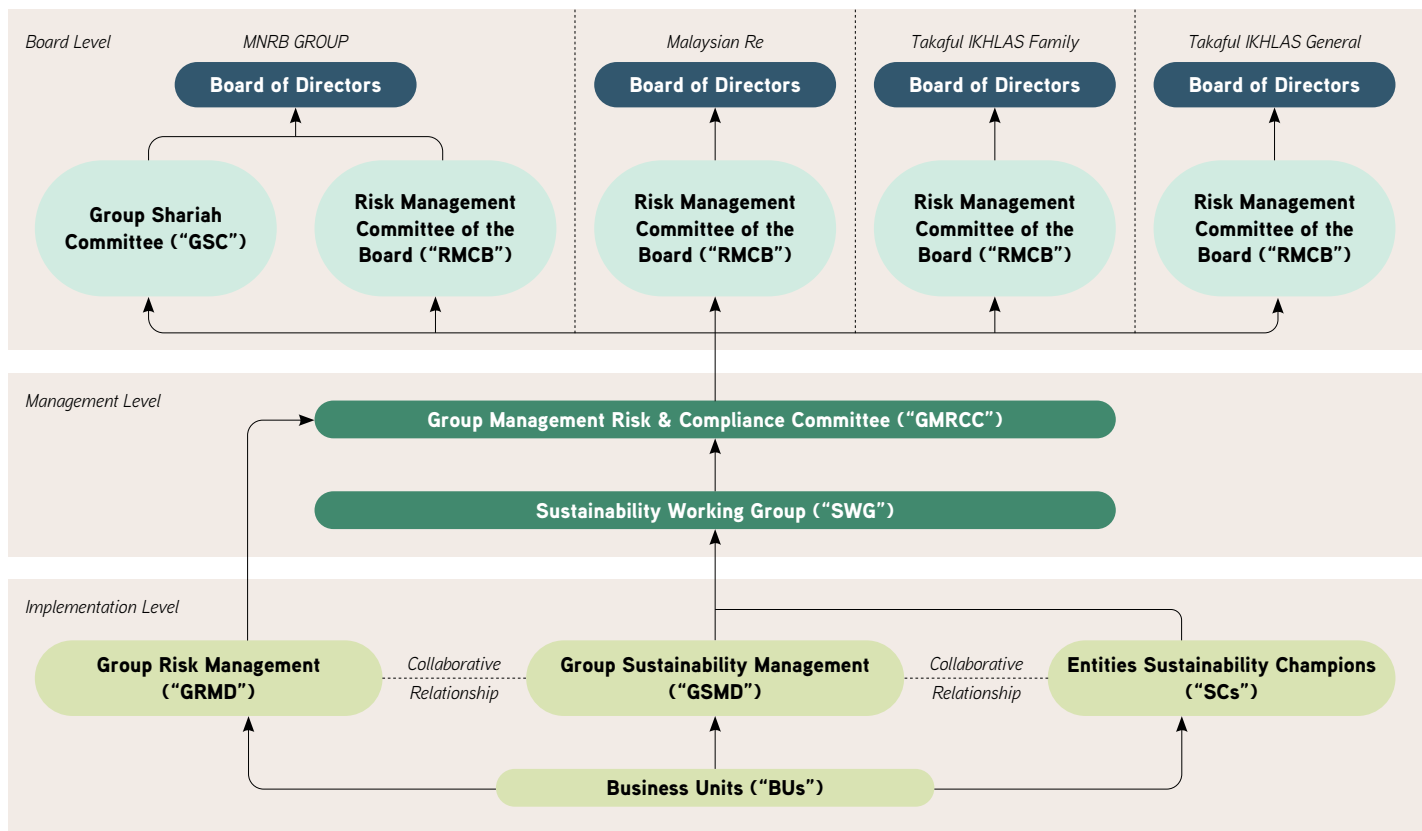
SUSTAINABILITY GOVERNANCE

GOVERNANCE STRUCTURE

The Group is committed to upholding robust sustainability governance standards through a comprehensive governance framework. This framework includes our 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").

Diagram: Sustainability Governance



SUSTAINABILITY STATEMENT

ROLES AND RESPONSIBILITIES

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").

The respective Board deliberates and decides on key matters such as the approval of quarterly and annual financial results, overall strategic direction and business plans, major acquisitions and disposals, significant capital expenditures, budgets, risk management, integrity of internal control and succession planning for top management. In addition, the Board plays an active role in addressing sustainability matters and climate-related risks. It approves key sustainability directions and monitors progress, supported by continuous learning via periodic capacity-building programmes on emerging trends and practices.

As part of its governance oversight, the Board's awareness, knowledge, and management of sustainability risks and opportunities, including climate-related risks, are periodically assessed through the Board Effectiveness Evaluation ("BEE"). The BEE provides a structured mechanism to evaluate the Board's engagement and competence in these critical areas, contributing to continuous governance enhancement.

Group Shariah Committee ("GSC")

The GSC plays a critical role in overseeing the delegation of responsibilities from the Board in relation to the implementation of Shariah-related strategies. This oversight extends to the Shariah dimensions embedded within the Group's sustainability strategies, ensuring that all initiatives are aligned with the Maqasid Shariah and the Value-Based Intermediation ("VBI") principles.

As part of the latest strategic enhancement to the Shariah Governance Policy, the GSC has been formally mandated to supervise the Shariah-related components of the Group's sustainability agenda.

For the Group's takaful entities, the GSC ensures that all sustainability initiatives are rooted in the VBIT principles, supporting the broader objectives of Maqasid Shariah. This approach reflects the Group's commitment to embedding Shariah and ethical values into our sustainability framework, strengthening both governance structures and delivering a greater positive impact on society.

Risk Management Committee of the Board ("RMCB")

The RMCB is a Board-level committee that meets quarterly and is tasked with providing effective oversight of risk, compliance and business continuity management matters, including sustainability and climate-related risks.

Sustainability updates are a standing agenda item at each quarterly RMCB meeting. These include progress on the Group's Sustainability Roadmap, discussion and endorsement of the Group Sustainability Disclosure Policy, GHG Assessment, Materiality Assessment outcomes, and finalisation of the Sustainability Statement, all of which are tabled at the RMCB and approved by the Board. The quarterly Risk Management Report also includes updates on climate risk, particularly in relation to ongoing assessments and progress.

The RMCB works closely with the GMRCC to stay informed on the Group's sustainability risk appetite, policy implementation, and internal controls to ensure business resilience and long-term value creation.

Group Management Risk & Compliance Committee ("GMRCC")

The GMRCC assists the RMCB in addressing risk and compliance matters across the Group, including sustainability risks and climate-related impacts. Meeting quarterly, it provides oversight on sustainability strategy, ensuring that risk-taking remains within defined sustainability risk appetites.

The GMRCC supports the Group Management Committee ("GMC") and operating entities' Senior Management Committee ("SMC") in implementing sustainability risk management strategies, policies, and frameworks as directed by the respective entities' Board. The Committee strives to establish clear guidance on sustainability-related risk limits and thresholds to ensure risk-taking activities remain within the respective entities' sustainability risk appetites.

SUSTAINABILITY STATEMENT

Sustainability Working Group (“SWG”)

Chaired by the Group Chief Strategy Officer (“GCSO”), the SWG drives the implementation of the Group’s sustainability agenda. Following the revision of its Terms of Reference in October 2024, the SWG’s mandate was expanded to include performance monitoring, regulatory compliance, internal coordination, and oversight of the Group Sustainability Fund (“GSF”).

The SWG reports regularly to Senior Management and Board-level committees and is supported by representatives from Malaysian Re, Takaful IKHLAS Family, and Takaful IKHLAS General. Sustainability Champions from the operating entities are key enablers, facilitating progress reporting, awareness-building, and integration of sustainability goals into business operations.

Group Sustainability Management Department (“GSMD”)

GSMD serves as the central coordinating body for sustainability at the Group. The GSMD leads the development and implementation of the Group’s Sustainability Roadmap, aiming to achieve NZC by 2050.

In FY2025, GSMD introduced the Group Sustainability Disclosure Policy (“GSDP”) and related SOP to enhance the quality and transparency of sustainability reporting. This initiative reflects our commitment to open and honest communication about our sustainability efforts.

The GSMD also spearheaded engaging initiatives such as Sustainability Week and the “Sustainability 101” e-learning programme, which successfully involved over 75% of the workforce. Additionally, the Tree of Tomorrow initiative saw the planting of 2,633 trees, achieving a survival rate of 80% to 90%, contributing to our environmental awareness programme.

GSMD continues to drive a sustainability-first culture through capacity building, stakeholder engagement, and governance oversight, ensuring regulatory compliance and alignment with global best practices.

Group Risk Management Department (“GRMD”)

Under the stewardship of the Group Chief Risk Officer and the operating entities’ Head of Risk Management, GRMD plays a vital role in driving the Group’s climate-related initiatives, ensuring alignment with various climate-related regulatory expectations.

The GRMD monitors key risk indicators such as catastrophe trends, reports to GMRCC, and ensures the Group and operating entities remain resilient to sustainability-related risks that could impact financial and operational performance.

GRMD collaborates with GMC, GMRCC, operating entities’ SMC, and the respective entities’ RMCB and Board, to establish risk appetites and tolerances for sustainability risks, develop and implement strategies to mitigate these risks and continuously monitor the risks and their impact on the operations and financial performance.

Sustainability Champions (“SCs”)

Sustainability Champions, representing Malaysian Re, Takaful IKHLAS Family, and Takaful IKHLAS General, play a pivotal role in supporting the implementation of the Group’s Sustainability Roadmap and related initiative. As permanent invitees of the SWG, the SCs serve as key liaisons between the Group’s sustainability agenda and entity-level functions, ensuring effective sustainability alignment and integration of sustainability practices across all operations and business activities.

They coordinate progress reporting to their respective SMC, facilitate the collection of sustainability data for disclosures, and drive knowledge-sharing and training efforts within their entities. Their operational insights are invaluable in ensuring Group-wide alignment and execution of sustainability goals, fostering a cohesive and proactive approach to sustainability.

SUSTAINABILITY STATEMENT

SUSTAINABILITY LEADERSHIP

The Group continues to strengthen our sustainability leadership by fostering a culture of continuous learning, strategic engagement, and industry-level advocacy. Our approach to capacity building and active participation at the national level underscores our commitment to driving meaningful progress toward a resilient, low-carbon future.

Leadership Development

Throughout the year, we intensified our sustainability training efforts to equip the Board, Senior Management, and relevant staff with the knowledge needed to navigate evolving sustainability, climate, and regulatory landscapes. The training programmes addressed key topics such as climate risk, sustainability disclosure requirements, and global developments. These efforts ensure that our governance and leadership teams are well-informed and prepared to effectively steer the Group's sustainability agenda.

Sustainability-linked Performance Management

As part of our commitment to embedding sustainability across the Group, we have introduced a Group-level Sustainability Corporate KPI that is cascaded to all subsidiaries. While this KPI currently serves as a broad measure and does not yet specifically target climate-related performance, it marks a foundational step toward aligning our business objectives with sustainable practices. As we advance in our understanding of climate-related risks and opportunities, which are most relevant to our operations, we aim to progressively refine our performance management approach to include more targeted climate-linked indicators and incentives.

Industry Engagement and Advocacy

The Group continues to be actively represented across key industry 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").

This year, MNRB and Takaful IKHLAS General played an instrumental role in the JC3 Insurance and Takaful Operators ("ITO") Subgroup's pilot initiative on the application of the BNM's Climate Change & Principle-based Taxonomy ("CCPT") to general takaful and insurance underwriting. Our representatives submitted assessments based on five sample transactions, and highlighted challenges around data availability, funding linkages, and the unique role of takaful and insurance as risk mitigators. These insights contributed to JC3's recognition of the need for differentiated treatment of takaful and insurance transactions under the CCPT framework.

Our participation reflects our ongoing commitment to advocating practical and inclusive pathways for climate-aligned growth within the industry. By engaging with key stakeholders and contributing valuable insights, we aim to drive meaningful progress and support the transition to a sustainable future.

Market Services

The Group continues to strengthen its commitment to sustainability through capacity-building initiatives driven by the Market Training Department under the Market Services Division at Malaysian Re. This department plays a key role in delivering continuous technical training programmes to clients and business partners across the industry.

In support of the Group's sustainability goals, sustainability and EESG topics are seamlessly integrated into these programmes to promote industry awareness and practical application of sustainable practices. These efforts help build sustainability competencies across the insurance and takaful sector, supporting both talent development and long-term industry resilience.

SUSTAINABILITY STATEMENT

In FY2025, Malaysian Re delivered the following sustainability-focused training programmes to the industry:

MALAYSIAN RE'S SEMINAR

Total Participants:

50



Theme/Topic: Climate Risk Stress Testing

Sub-Topic: • How Insurers Use Climate Risk Stress Tests to Assess Risks, Identify Vulnerabilities, Enhance Strategies and Ensure Regulatory Compliance

Level of Sustainability Integration: Aligned with BNM's Climate Risk Stress Testing ("CRST") guidelines, supporting insurers in embedding sustainability into risk management.

Training Feedback: Participants valued the comprehensive insights into climate-related financial risks and regulatory compliance.



CEDANTS' WORKSHOP 2025

Total Participants:

32



Theme/Topic: Empowering the Future of Reinsurance

Sub-Topic: • Reinsurance Market Updates
• Climate Change and The Insurance Industry
• Renewable Energy: Opportunities & Challenges
• Sustainability Engagement: The Climate Game & Activity

Level of Sustainability Integration: Sustainability principles embedded across topics, with hands-on activities like "The Climate Game" to enhance learning.

Training Feedback: Participants gained a deeper understanding of sustainability, climate risk, and reinsurance trends. Interactive elements, such as The Climate Game, facilitated the practical application of sustainability principles and inspired a stronger commitment to sustainability and net-zero goals.



RENEWABLE ENERGY WORKSHOP

Total Participants:

21



Theme/Topic: Powering ASEAN Together

Sub-Topic: • Renewable Energy
• Appreciating Energy Projects and Its Insurance Requirements in the ASEAN Region
• ASEAN Renewable Energy Pool ("AREP") Technical Committee Meeting

Level of Sustainability Integration: Focused on regional climate goals and the AREP.

Training Feedback: Deepened understanding of renewable energy risks and insurance, with high relevance to ASEAN market needs.



These programmes illustrate the Group's ongoing efforts to link sustainability with talent development, equipping industry professionals with the knowledge and tools to apply sustainability principles effectively within their roles, ultimately advancing industry-wide resilience and sustainable growth.

SUSTAINABILITY STATEMENT

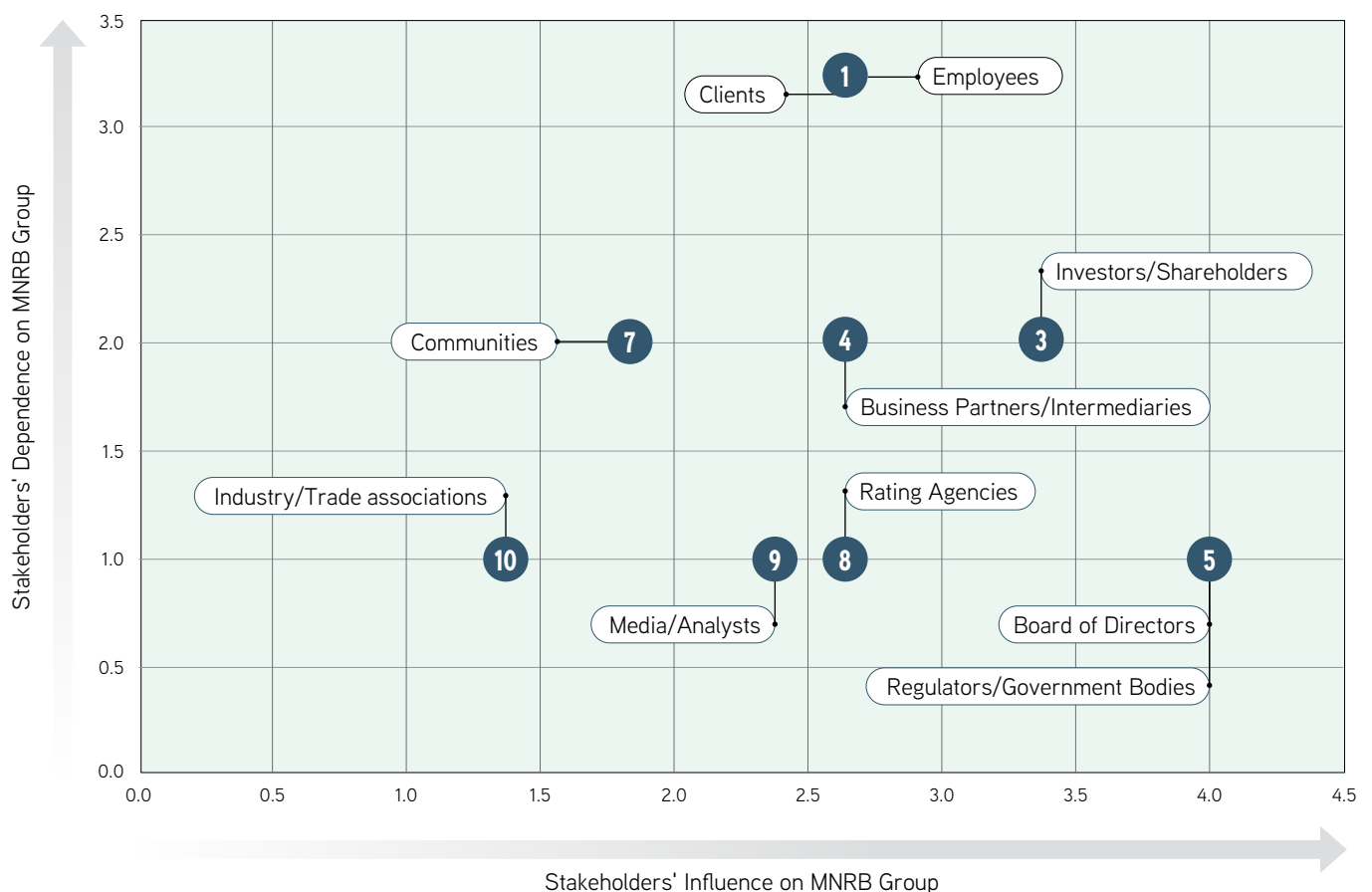
STAKEHOLDER ENGAGEMENT

At MNRB, we engage our stakeholders with the intent to gain insights, gather feedback, and align our actions with their key concerns. These interactions enable us to identify relevant material issues and provide foresights into emerging risks and opportunities, allowing us to respond to their needs more effectively. Through this process, we also gain a deeper understanding of how our actions may impact each stakeholder group and how their evolving expectations, in turn, shape our business strategy.

Such engagement not only validates our materiality assessment but also reinforces our sustainability governance and drives the integration of EESG considerations across the Group.

In FY2025 and onwards, we aim to strengthen this approach through more structured and proactive mechanisms, leveraging digital tools, strategic partnerships, and targeted outreach initiatives. Our goal remains clear - to foster trust and co-create long-term value as we pursue our vision of protecting everyone.

FY2025: Stakeholders Prioritisation Matrix



SUSTAINABILITY STATEMENT



EMPLOYEES

Engagement Channels	Key Topics of Interest	Our Response and Initiatives	Shared Impact
- Quarterly Townhalls - Internal portal (ICEbox) - Emails (Sustainability Buzz) - Engagement activities and surveys - Training sessions - Meetings - Performance reviews	- Company working culture - Employee compensation and benefits - Flexible working arrangement - Career development - Occupational safety and health ("OSH")	- Promoting work-life balance - Training and development opportunities - OSH Committee	- 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

Engagement Channels	Key Topics of Interest	Our Response and Initiatives	Shared Impact
- Corporate websites - IKHLAS GO ecosystem - Social media platforms - Customer service hotline and email	- High-quality services - New product and services offerings - Digitalisation - Privacy and data protection	- Enhancing the customer experience - Digital transformation through the IKHLAS GO Ecosystem - New products and services - Cybersecurity and data privacy	- 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



INVESTORS/SHAREHOLDERS

Engagement Channels	Key Topics of Interest	Our Response and Initiatives	Shared Impact
- Annual General Meeting - Analyst briefings - Media releases - Corporate website	- Financial performance - Market outlook - Responsible investing - Shareholder value	- Transparent reporting of financial and sustainability performance - Addressing responsible investing principles	- 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

SUSTAINABILITY STATEMENT



BUSINESS PARTNERS/INTERMEDIARIES

Engagement Channels	Key Topics of Interest	Our Response and Initiatives	Shared Impact
- Regular meetings and market trainings - Email updates - Conference calls - Digital platforms - Vendor management meetings	- Financial product offerings and updates - Regulatory compliance - Ethical business practices - Digital transformation - Product performance - Customer service standards - Responsible sourcing practices	- Collaborating on product development to meet market needs - Joint marketing and customer engagement initiatives - Regular compliance and regulatory updates - Training programs for bank partners and agents - Enhanced procurement process	- 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



BOARD OF DIRECTORS

Engagement Channels	Key Topics of Interest	Our Response and Initiatives	Shared Impact
- Meetings - Training sessions	- Financial performance - Sustainability-related performance - Corporate governance - Strategic decisions	- Providing strategic oversight on business direction - Regular updates on key financial and sustainability milestones - Engaging with the Board on climate and sustainability matters	- 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

Engagement Channels	Key Topics of Interest	Our Response and Initiatives	Shared Impact
- Conferences - Working groups - Meetings - Seminars, workshops and webinars	- Compliance with laws and regulations - Industry standards & best practices	- Regular compliance reporting - Active participation in regulatory working groups - Strengthening internal governance systems	- 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

SUSTAINABILITY STATEMENT



COMMUNITIES

Engagement Channels	Key Topics of Interest	Our Response and Initiatives	Shared Impact
- Volunteering activities - CSR and VBIT activities	- Community development - Education and skills building - Social welfare programs - Opportunities for grants and scholarships	- IBH - IKHLAS Waqf and Endowment ("IWE") - Program Lestari Cemerlang MNRB - MNRB Scholarship - Local volunteering & philanthropy efforts	- 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

Engagement Channels	Key Topics of Interest	Our Response and Initiatives	Shared Impact
Meetings	- Financial performance - Company sustainability-related performance - Disclosures	- Annual Report - Sustainability Statement	- 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



MEDIA/ANALYSTS

Engagement Channels	Key Topics of Interest	Our Response and Initiatives	Shared Impact
- Corporate websites - Events - Media releases - Interviews	- Company financial performance - Company sustainability-related performance	- Regular engagement through press releases and events - Transparency in media interactions	- 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

Engagement Channels	Key Topics of Interest	Our Response and Initiatives	Shared Impact
- Conferences - Working group - Meetings - Seminars, workshops and webinars	- Advocacy for new policies and regulatory requirements - Regulatory collaboration - Industry-wide sustainability efforts	- Active participation in industry discussions - Enhanced sustainability-related policies and processes - Contributions to collective industry efforts to drive change	- Industry associations amplify collective influence on policy and standards - The company contributes expertise to drive shared sustainability goals and strengthen industry resilience

SUSTAINABILITY STATEMENT

SUSTAINABILITY MATERIALITY MATTERS (“SMMs”)

Materiality is central to our sustainability approach at MNRB. We strategically identify, assess, and prioritises the sustainability issues most relevant to our business operations and stakeholder expectations. In alignment with our vision of “We Protect Everyone,” we refreshed our sustainability materiality assessment for the FY2025 to reflect the evolving sustainability landscape and meet the changing expectations of our stakeholders.

MATERIALITY ASSESSMENT PROCESS

Our FY2025 sustainability materiality assessment follows a structured and inclusive process in alignment with the Bursa Malaysia Sustainability Reporting Guide (3rd Edition). This year, we adopted a more robust methodology to identify sustainability risks and opportunities that significantly impact the **EESG** dimensions throughout our value chain.

We conducted the assessment in four key phases:

Step 1: Identification



We reviewed existing material matters and identified a broad range of material topics, in reference to Bursa Malaysia requirements, BNM focus areas, VBIT thrusts, the latest national and global sustainability trends, peer benchmarking, and internal consultations.

Step 3: Prioritisation



We used a quantitative scoring model to evaluate the significance of each material topic to stakeholders and its potential impact on the Group’s ability to create long-term value.

Step 2: Stakeholder Engagement



We engaged key internal and external stakeholders through surveys and interviews with to assess the relevance and expectations surrounding each material topic.

Step 4: Review and Validation



We ensured that the identified material topics are comprehensive and aligned with the Group’s strategic priorities through review and validation by the SWG, GMRCC, RMCB, and the Board.

SUSTAINABILITY MATERIALITY MATTERS (“SMMs”)

Following our FY2025 materiality assessment, we identified sixteen (**16**) **SMMs** – an increase from the nine (9) reported previously. This expansion reflects our proactive efforts to address emerging sustainability themes and respond to heightened stakeholder expectations, evolving regulatory requirements, and climate-related risks.

Among these, **Anti-Bribery and Corruption, Climate Risk Management, Customer Experience and Satisfaction, Data Privacy & Cybersecurity, and Responsible Investment** emerged as key drivers of stakeholder trust, regulatory compliance, and long-term business resilience.

Anti-Bribery and Corruption was ranked the highest-priority matter by both internal and external stakeholders, reaffirming our zero-tolerance stance and unwavering commitment to ethical business practices. While Climate Risk Management did not appear among the top five for any stakeholder groups, it remains a material matter due to its strategic relevance and our alignment with both national and international climate ambitions.

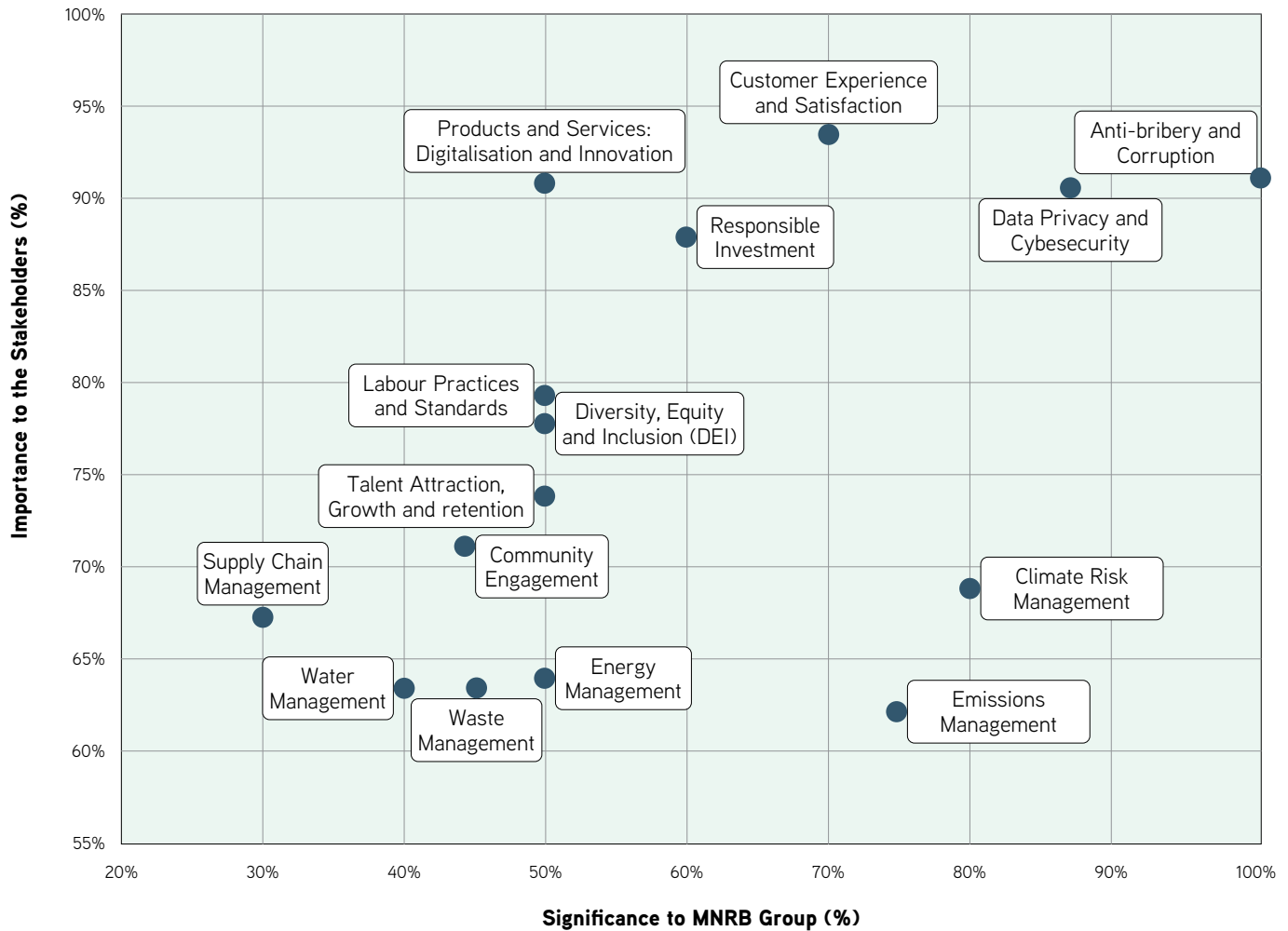
Other highly ranked matters, including Customer Experience and Satisfaction, **Community Engagement**, and **Diversity, Equity and Inclusion**, reflect the Group’s service-centric ethos to operate, underscoring rising expectations for inclusivity and measurable societal impact. Additionally, we retained required topics by Bursa Malaysia, such as **Waste Management, Water Management, and Energy Management**, to maintain compliance with regulatory reporting obligations.

SUSTAINABILITY STATEMENT

SUSTAINABILITY MATERIALITY MATRIX

The matrix below illustrates the sixteen (16) identified SMMs, mapped according to their relative importance to stakeholders and their potential impact on the Group's long-term success.

FY2025: Materiality Matrix



Note:

- "Importance to the 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".

SUSTAINABILITY STATEMENT

RISKS AND OPPORTUNITIES FOR EACH MATERIAL MATTERS

In today's dynamic business environment, MNRB remains committed to proactive stakeholder engagement to identify and manage emerging risks while capitalising on new opportunities. This forward-looking approach is integral to strengthening our value proposition, safeguarding stakeholder interests, and advancing our long-term ambition of becoming a NZC Organisation by 2050.

Sustainability Materiality Matters ("SMMs")	Possible Risk Event	Possible Opportunities	Refer Page
Anti-bribery and Corruption	- Regulatory fines due to non-compliance across key operational areas - Reputational damage from corruption scandals - Loss of business due to unethical practices	- Strengthen compliance systems and build stakeholder trust - Differentiate as an ethical insurer/takaful operator - Attract sustainability-conscious partners and investors	 page 44
Data Privacy and Cybersecurity	- Cyberattacks targeting policyholder/participant data resulting in financial loss and loss of customer trust - Regulatory fines for non-compliance with data protection laws	- Enhance digital trust with robust cybersecurity infrastructure - Improve customer loyalty through data protection assurance - Gain competitive advantage with industry-leading privacy standards	 page 45
Climate Risk Management	- Increased insurance claims from increase in frequency in climate-related disasters (ie floods) - Short to medium-term asset devaluation in climate-vulnerable areas - Regulatory risks arising from evolving climate-related	- Develop climate-resilient products and solutions - Lead in sustainable underwriting practices - Strengthen modelling and risk selection capabilities	 page 47
Emissions Management	- Regulatory fines for non-compliance on disclosures - GHG emission continues to increase and unable to meet the reduction target - Increased regulatory scrutiny on insured businesses' carbon footprints	- Position as a climate-conscious reinsurer/takaful operator - Leverage carbon disclosure to attract sustainability-aligned clients	 page 51
Customer Experience and Satisfaction	- Loss of policyholders due to slow or inefficient claims processing - Reputational damage from negative reviews	- Invest in customer experience tech (e.g., AI chatbots, faster claims) - Increase customer retention and brand advocacy - Differentiate on service excellence	 page 52

SUSTAINABILITY STATEMENT

Sustainability Materiality Matters ("SMMs")	Possible Risk Event	Possible Opportunities	Refer Page
Health, Safety and Well-being	Workplace accidents leading to financial and legal liabilities	- Enhance employer branding through wellness programmes - Improve productivity and employee satisfaction	 page 54
Responsible Investment	- Underperformance of environmental, social, and governance ("ESG") or sustainability-compliant investments - Reputational damage due to high exposure in fossil fuel-related investments - Regulatory scrutiny	- Expand sustainability-compliant portfolio for long-term resilience - Attract sustainability-driven investors and funds - Align with global sustainable finance expectations	 page 56
Energy Management	- Higher operational costs from reliance on non-renewable energy sources - Decreased employee productivity and increased health insurance claims due to poor well-being	- Reduce operational costs via energy efficiency - Adopt renewable energy for reputational gains - Meet stakeholder expectations on decarbonisation	 page 58
Products and Services: Digitalisation and Innovation	- Cybersecurity threats targeting digital insurance platforms - Failure to deliver the expected cost savings or operational efficiencies - Resistance from traditional customers towards digital channels	- Expand reach through digital channels - Enhance operational efficiency via automation - Tap into younger, tech-savvy markets	 page 59
Talent Attraction, Growth and Retention	- High turnover rates - Rising training costs for upskilling workforce	- Build future-ready talent pool - Increase workforce engagement and loyalty - Position as employer of choice in financial services	 page 62
Diversity, Equity and Inclusion ("DEI")	- Talent attraction and retention issues due to lack of diversity - Legal risks related to workplace discrimination - Reputational risks if diversity targets are not met	- Foster inclusive workplace culture for innovation - Attract wider talent pool - Enhance brand equity and stakeholder confidence	 page 63
Labour Practices and Standards	- Legal risks from non-compliance with fair labor standard - Employee dissatisfaction leading to high turnover - Negative public perception	- Strengthen workforce stability and satisfaction - Enhance compliance and brand image - Promote long-term employee engagement	 page 64

SUSTAINABILITY STATEMENT

Sustainability Materiality Matters (“SMMs”)	Possible Risk Event	Possible Opportunities	Refer Page
Community Engagement	Negative brand perception and increased social scrutiny if not actively involved in community resilience efforts	- Strengthen brand reputation through impactful community building programmes - Build community trust and social license to operate - Support education and resilience-building in underserved communities	 page 65
Waste Management	- Regulatory fines for improper disposal of insurance-related documents - Reputational damage from improper waste handling	- Enhance green credentials with responsible waste disposal - Innovate 100% paperless processes to improve efficiency	 page 67
Water Management	- Potential business disruption from water shortages - Rising water tariffs	Support community-based water conservation initiatives	 page 68
Supply Chain Management	- Disruptions due to geopolitical issues - Reputational damage from unethical suppliers	- Strengthen supplier due diligence and resilience - Promote sustainable procurement practices - Build trust through transparent, responsible sourcing	 page 69

SUSTAINABILITY STATEMENT

SMM 1

ANTI BRIBERY AND CORRUPTION



Why It Is Important

Corruption, money laundering, and the financing of terrorism pose serious threats to economic development, institutional integrity, and public trust. The World Economic Forum's Global Risks Report 2023 underscores that failure to address corruption and financial crime can significantly hinder economic growth, increase inequality, and destabilise institutions.

For financial institutions, robust Anti-Bribery and Corruption ("ABC") and Anti-Money Laundering/Countering the Financing of Terrorism ("AML/CFT") measures are vital to ensure compliance, promote transparency, and maintain stakeholder confidence.

The Group is committed to the highest standards of integrity, ethics, and governance. We conduct our business with honesty, transparency, and full compliance with applicable laws, regulations, and industry best practices. We recognise our responsibility to foster a culture rooted in transparency, accountability, and strong values. This is reflected in our zero-tolerance approach to bribery, corruption, fraud, money laundering, and terrorist financing - reinforced through our Group Code of Ethics, ABC Policy, and Group Anti-Money Laundering, Countering Financing of Terrorism, Countering Proliferation Financing and Targeted Financial Sanctions ("AML/CFT/CPF & TFS") Policy.

Our Approach

MNRB has implemented key legal and regulatory requirements including:

- ✓ Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009
- ✓ Companies Act 2016
- ✓ Malaysian Code on Corporate Governance ("MCCG") 2021
- ✓ Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 ("AMLA")

Our ABC initiatives are guided by the T.R.U.S.T. principles outlined in the *Guidelines on Adequate Procedures*, as required under Subsection 17A(5) of the MACC Act. These principles ensure that our governance framework is robust and effective, integrating board oversight into strategic and operational decision-making.

Meanwhile, our AML/CFT measures are guided by regulatory requirements and global best practices. These measures prevent the misuse of financial systems for illicit activities and serve as essential safeguards against corporate liability. They form the foundation of our continuous efforts to enhance integrity and compliance.

These are part of our efforts to promote justice and safeguarding wealth, ensuring that the financial system remains transparent, accountable, and free from unethical practices.

Key Policies and Frameworks

• Group Code of Ethics

The Group Code of Ethics sets the tone for a culture of compliance, professionalism, and responsible conduct. It applies to the Board of Directors, Group Shariah Committee, employees, and third parties; promoting ethical behaviour and discouraging actions that may harm the organisation's integrity.

• Group Anti-Bribery and Corruption Policy

The Group ABC Policy reaffirms MNRB's zero-tolerance stance on bribery and corruption. It applies to all employees, Directors, and members of the Group Shariah Committee, as well as partners, intermediaries, consultants, and third parties acting on behalf of the Group.

• AML/CFT/CPF & TFS Policy

The AML/CFT Policy outlines MNRB's commitment to identifying, mitigating, and managing the risks associated with money laundering, terrorism financing or proliferation financing, helping to build a transparent, responsible, and secure financial ecosystem.

• Group Whistleblowing Policy

This Policy reinforces transparency and ethical behaviour by providing a secure and confidential platform for reporting improper conduct or policy violations. It protects whistleblowers from retaliation when disclosures are made in good faith, in line with the Whistleblower Protection Act 2010.

• No Gift Policy

MNRB enforces a strict No Gift Policy that prohibits the giving or receiving gifts which could create, or appear to create, a conflict of interest. This policy supports integrity and impartiality in decision-making and business dealings. Any exceptions are subject to defined controls, and all gifts must be declared and assessed in accordance with the Group ABC Policy.

SUSTAINABILITY STATEMENT

Our Progress

- ✓ Achieved 100% employee participation in anti-corruption awareness training, ensuring that all staff are well-informed about our zero-tolerance policy.
- ✓ Conducted comprehensive assessments across all our operations to identify and mitigate corruption-related risks, enhancing our overall risk management framework.
- ✓ Launched Integrity Week, earlier in the reporting period, to promote ethical culture and awareness.
- ✓ Maintained a clean record with no reported incidents of bribery, corruption, money laundering, terrorism financing or proliferation financing in FY2025.

Moving Forward

As we continue to strengthen our culture of integrity and ethical conduct, MNRB remains committed to advancing governance practices in alignment with regulatory expectations and industry best practices. We will strengthen internal controls, invest in ongoing training and regularly review and enhance compliance framework.

By embedding the T.R.U.S.T. principles, complying with Section 17A(5) of the MACC Act, and upholding AMLA standards, we aim to preserve stakeholder trust and reinforce our commitment to integrity, transparency, and sustainable governance.



Refer to Bursa's Performance Data Table C1(a), C1(b), and C1(c) on page 71 for the tabulated data.

SMM 2

DATA PRIVACY AND CYBERSECURITY



Why It Is Important

In today's rapidly evolving digital landscape, the risk of data breaches continues to grow, bringing with it significant financial, operational, and reputational consequences. With the increasing sophistication of cyber threats, safeguarding sensitive information has become a business imperative, not only to ensure compliance but also to uphold customer trust and stakeholder confidence.

Our Approach

We are committed to upholding the highest standards of data privacy and cybersecurity. We have established a robust data protection framework that aligns not only with international best practices but also with national regulatory requirements, including full compliance with all relevant policies issued by BNM.

Key elements of our approach include regular risk assessments and internal audits, comprehensive employee training programmes, and the deployment of cutting-edge cybersecurity technologies. Our policies and procedures are reviewed periodically to stay ahead of emerging threats and technological developments.

Cybersecurity awareness continues to be a core pillar of our strategy. Through our ongoing partnership with KnowBe4, we continue to run regular phishing simulations, comprehensive training sessions, and engaging initiatives aimed at fostering a security-conscious workforce.

SUSTAINABILITY STATEMENT

Our Approach

Our internal communications, such as the weekly “*ICT Tips of the Day*”, reinforce a culture of shared responsibility for information security at all levels of the organisation. This commitment is deeply aligned with our core values of Integrity, Collaboration, and Excellence (“ICE”), which are consistently woven into our cybersecurity awareness efforts. These values are actively promoted across multiple platforms and touchpoints, including:

- ✓ Staff onboarding sessions
- ✓ Biannual cybersecurity awareness webinars/forums
- ✓ Executive (Directors) security awareness training

Together, these initiatives cultivate an integrated culture of cybersecurity awareness throughout the Group, and as a reflection of our commitment to trust and accountability in this digital age.

Our Progress

✓ Cybersecurity and Data Protection

We successfully maintained strong cybersecurity performance throughout the reporting period, with no incidents affecting data integrity or confidentiality. Minor cybersecurity events were swiftly managed with no disruption to operations. Continuous improvements to our cyber resilience posture remain a key focus area.

✓ Ongoing Employee Training & Awareness

We consistently delivered cybersecurity and data privacy training programs to all the Group staff. These initiatives:

- Enhanced awareness around safeguarding sensitive information
- Enabled us to assess our security posture effectively
- Ensured compliance with industry standards and baseline requirements

✓ Enhanced Cybersecurity Infrastructure

We strengthened our defenses with the implementation of advanced cybersecurity technologies, including:

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

Moving Forward

We will continue to strengthen our cybersecurity capabilities to address emerging threats and ensure business resilience. Our ongoing focus remains on being proactive, vigilant, and transparent in all matters related to data privacy and security.



Refer to Bursa's Performance Data Table C8(a) on page 73 for the tabulated data.

SUSTAINABILITY STATEMENT

SMM 3

CLIMATE RISK MANAGEMENT



Why It Is Important

Climate-related risks extend far beyond immediate environmental impacts, encompassing:

Physical risks

Direct impacts of climate change on physical assets and infrastructure (i.e., extreme weather events, sea-level rise, temperature changes).

Transition risks

Economic and financial implications of shifting towards a low-carbon economy.

Liability risks

Legal and reputational exposures from climate-related damage or inadequate disclosures.

For the Group, these risks are not isolated; their cross-sectional nature means they can manifest through various traditional risk categories, including (re)takaful and reinsurance, credit, operational, market, strategic, reputational, and Shariah risks. As a financial services group, recognising and addressing these risks is fundamental to ensuring long-term resilience.

From a Shariah lens, environmental stewardship is an extension of our duty as trustees on earth, aligned with the principle of preserving life and ensuring the sustainability of resources for future generations. With climate change emerging as one of the most pressing concerns globally, MNRB remains vigilant about the impacts associated. The interconnected environmental shifts on a global scale introduce significant uncertainties in terms of risks and opportunities.

Our Approach

We are committed to enhancing our climate-related risk management practices and disclosures to ensure alignment with regulatory expectations and standards such as the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations. This initiative reflects our recognition of the importance of providing comprehensive and transparent information to our stakeholders regarding climate-related risks and opportunities.

Our Progress

Adhering to Regulatory Frameworks

MNRB is dedicated to managing climate-related risks and integrating sustainability seamlessly into our operations. Our approach aligns meticulously with regulatory guidelines, notably BNM's CCPT guidance, Climate Risk Management and Scenario Analysis ("CRMSA") policy document and CRST methodology paper.

Enhancing Sustainable Investing Guideline

The Group Sustainable Investing Guideline has undergone significant enhancements, focusing on critical areas such as Portfolio Carbon Footprint and Reduction Estimation, CCPT Assessment, and ESG Investing Assessment. These forward-looking strategies underscore our commitment to integrating ESG considerations into our investment decisions.

Implementing Comprehensive Roadmaps

In compliance with BNM's CRMSA policy document, we have established a comprehensive group-wide and entity-specific sustainability roadmap since 2023. This roadmap focuses on implementing climate risk management across governance, strategy, risk management, metrics and targets as well as business activities and operations.

To better understand the sustainability agenda of our counterparties, we have developed and integrated a Sustainability Due-Diligence Questionnaire ("SDDQ") into our onboarding and procurement process. This initiates the data-collection process with regards to the counterparties' sustainability initiatives, to ensure alignment with the Group's sustainability objectives and goals.

SUSTAINABILITY STATEMENT

Our Progress

We continually explore opportunities to collaborate with industry peers, science experts, regulators, and other stakeholders to exchange knowledge, share best practices, and develop common standards for assessing and managing climate-related risks. Participation in industry forums, such as the JC3, research partnerships, and sustainability initiatives facilitate cross-sectoral learning and innovation.

We have also collaborated with subject matter experts to conduct capacity-building sessions covering a diverse range of sustainability topics and have employees actively pursuing qualifications provided by professional bodies. Additionally, we are preparing for the increased regulatory and market expectations with regards to disclosure, including the NSRF's IFRS S1 and S2 to ensure timely compliance and alignment.

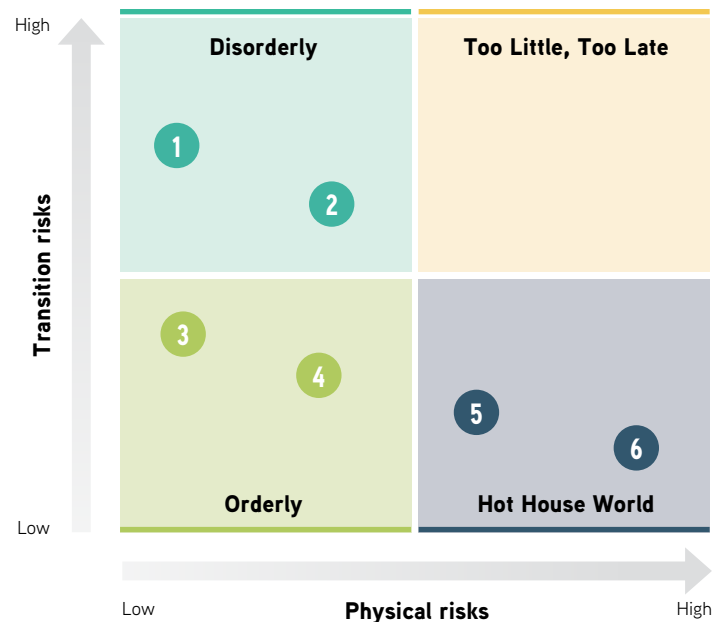
Developing Understanding of Climate Risks

The Group continually develops an understanding of transmission channels of climate-related risks through a combination of research, data analysis, and scenario modelling. We employ advanced catastrophe modelling tools to effectively monitor catastrophe risk exposure. This initiative, combined with the required CRST modelling, evaluates our financial resilience against climate-related risks across the Group.

Utilising Long-term Climate Scenarios

In line with the CRST methodology paper, the Group relies on three long-term climate scenarios as documented in the Network for Greening the Financial System ("NGFS") Phase III. These NGFS scenarios include member countries' commitments to reach net-zero emissions, made at 26th Conference of the Parties ("COP26") to the United Nations Framework Convention on Climate Change ("UNFCCC"), enriched with additional sectoral granularity. The selection of these climate scenarios reflects the potential different pathways on how physical risk and transition risk could evolve in Malaysia between now until 2050.

NGFS Representative Scenarios



1

Divergent Net Zero (1.5°C by 2050): Net zero emissions by 2050 but with higher cost due to divergent policies across sectors

2

Delayed Transition (1.8°C by 2050): Annual emissions do not decrease until 2030, thus strong policies are needed

3

Net Zero 2050 (1.5°C by 2050): Ambitious scenario with stringent climate policies and innovation

4

Below 2°C (1.7°C by 2050): Gradual increase in the stringency of climate policies but not as high as Net Zero 2050

5

Nationally Determined Contributions (2.5°C by 2050): Both implemented and pledged policies are assumed to be efficient

6

Current Policies (3°C by 2050): Only currently implemented policies are preserved, leading to high physical risks

Source: Adapted from NGFS

SUSTAINABILITY STATEMENT

Our Progress

We apply the following NGFS climate scenario to assess our climate risk profile:

a) Orderly: NZ 2050

This climate scenario relies on strong climate policies and significant green technology breakthroughs to rapidly reduce GHG emissions, limiting global warming to 1.5°C. It reflects an early and orderly transition to a low-carbon world, with stringent climate policies applied immediately across all sectors of the economy, and significant breakthroughs in the Carbon Dioxide Removal (“CDR”) technology and renewable energy production, resulting in high transition risk.

b) Disorderly: DNZ 2050

This scenario features more stringent climate policies in selected economic sectors, reflecting a quicker phase-out of fossil fuels. The distributional impacts from climate policies are uneven, with some sectors more affected than others. This could result from the differentiated carbon taxes or carbon prices across certain economic sectors. Technology advancements in CDR and renewable energy are lower compared to NZ 2050, reflecting inherent financial constraints, resulting in medium to higher transition risks. Meanwhile the impact from physical risk on the economy is lower than the NDCs scenario.

c) Hot House World: Nationally Determined Contributions (NDCs)

The NDC scenario assumes both implemented and pledged policy measures are fully implemented but remain inadequate for an orderly transition. While emissions decline, the limited policy actions lead to an approximately 2.5°C increase in temperatures, resulting in moderate to severe physical risks. Transition risks are expected to be lower compared to the other two scenarios.

To better understand the sustainability agenda of our counterparties, we have developed and integrated a Sustainability Due-Diligence Questionnaire (“SDDQ”) into our onboarding and procurement process. This initiates the data-collection process with regards to the counterparties’ sustainability initiatives, to ensure alignment with the Group’s sustainability objectives and goals.

We continually explore opportunities to collaborate with industry peers, science experts, regulators, and other stakeholders to exchange knowledge, share best practices, and develop common standards for assessing and managing climate-related risks. Participation in industry forums, such as the JC3, research partnerships, and sustainability initiatives facilitate cross-sectoral learning and innovation.

We have also collaborated with subject matter experts to conduct capacity-building sessions covering a diverse range of sustainability topics and have employees actively pursuing qualifications provided by professional bodies. Additionally, we are preparing for the increased regulatory and market expectations with regards to disclosure, including the NSRF’s IFRS S1 and S2 to ensure timely compliance and alignment.

Integration into Group Risk Management Framework

Our Group Risk Management Framework and Policy, aligned with the Board’s defined risk appetite and BNM’s Risk Governance Guidelines, ensures a systematic approach to identify, assess, measure, control, mitigate and continuously monitor the risks that affect the Group and its entities. Recognising the growing importance of sustainability-related issues, we have integrated sustainability risk into our Group Risk Landscape.

To support the Group’s sustainability consideration in line with our objectives, we have established a Group Sustainability Risk Management Framework which aims to enhance and complement our sustainability commitments and initiatives by integrating a risk management approach to identify, assess and recommend actions on potential risks and opportunities from a sustainability perspective across all the Group’s activities, particularly in operations, investment management and underwriting.

Climate Risk Assessment

The operational landscape of the Group entails inherent exposure to climatic risks, both in terms of physical impacts and transitional shifts, which could influence the demand for its reinsurance and (re)takaful products, thereby affecting short and long-term profitability. The Group undertakes qualitative climate-related risk assessments to identify key transmission channels and impacts. The key findings are as follows:

SUSTAINABILITY STATEMENT

Our Progress

✓ **Property & Casualty Business (“P&C”) for Takaful IKHLAS General & Malaysian Re**

Climate change poses challenges to reinsurance and (re) takaful underwriting and reserving practices, driven by the increased frequency and severity of weather-related events, such as storms and floods. This translates to higher claims experience, and necessitates adjustments to underwriting criteria, pricing models, and reserving assumptions to accurately reflect the emerging risks.

The Group recognises the challenges in the comprehensiveness and quality of data used to assess physical risks. We continuously engage with our clients and cedants to encourage more granular data sharing and leverage databases from Department of Statistics Malaysia and research organisations such as World Resources Institute to enhance data quality.

✓ **Family and Medical & Health Takaful Business (“FT and MHT”) for Takaful IKHLAS Family & Malaysian Re**

Rising temperatures create a conducive environment for infectious diseases, including vector-borne and water-borne diseases, and heat-related illnesses. Extreme weather events, such as floods and heatwaves, could affect mortality and health complications, especially among vulnerable populations.

The Group acknowledges the limited research and data to quantify the climate impact on life and health risks with high level of certainty. We expect this to improve as more research emerges in this field and region.

✓ **Investments**

The Group assesses the physical and transition risks of our investment portfolios. Counterparties failing to comply with new climate regulations or adapt to technological advances may face financial or operational difficulties, increasing their default risk. The valuation, performance and future prospects of assets, particularly those in carbon-intensive industries, may be impacted.

We actively monitor our portfolio ESG exposure as part of Sustainable Investing Guidelines and classify bonds and equities in alignment with BNM’s CCPT thus limiting potential adverse effects.

✓ **Operations**

Regulatory reforms and new government policies, such as carbon taxes or emissions reduction targets, could increase operating and compliance costs. The Group’s operations may also face business disruptions due to extreme climate events.

As part of its Business Continuity Management initiatives, hazard assessments are performed annually on critical self-occupied buildings, to estimate potential operational disruptions. This provides flexibility to continuously assess physical risk impact and optimise insurance and takaful coverages.

Moving Forward

We remain committed to continuously reviewing and refining our sustainability positions, particularly in defining business activities that fall outside our underwriting and investment appetites. These efforts are part of our broader strategy to strengthen organisational resilience, ensure long-term business sustainability, and contribute meaningfully to national and global environmental objectives. Through these proactive measures, we aim to align our operations with the principles of sustainable development while safeguarding value for all stakeholders.

SUSTAINABILITY STATEMENT

SMM 4 EMISSIONS MANAGEMENT



Why It Is Important

GHG emissions are a primary driver of climate change, resulting in significant economic, environmental, and societal consequences. According to the World Economic Forum, extreme weather events and climate-related disasters have caused nearly USD 1.5 trillion in economic losses over the past decade. Effective emissions management is critical in mitigating climate risks, strengthening resilience, and supporting global efforts to limit temperature rise in line with the Paris Agreement.

Our Approach

We are committed to measuring, reporting, and reducing our carbon emissions in accordance with internationally recognised standards, including the GHG Protocol and the Partnership for Carbon Accounting Financials (“PCAF”). Our emissions calculation follows the GHG Protocol’s operational control approach, accounting for emissions from operations where we have direct control over activities and policies.

In collaboration with the Malaysian Green Technology and Climate Change Corporation (“MGTC”), an agency under the Ministry of Natural Resources and Environmental Sustainability (“NRES”), we established targeted recommendations for managing emissions across Scopes 1, 2, and selected Scope 3 categories. These include improving energy efficiency, adopting renewable energy, implementing hybrid working arrangements to reduce commuting-related emissions, and promoting sustainable practices across the Group.

Our Progress

- ✓ Collaborated with MGTC to establish a customised emissions calculation template for Scope 1, Scope 2, and selected Scope 3 emissions.
- ✓ Identified key emissions sources and improved data collection processes, enabling us to assess our emissions profile for FY2024.
- ✓ Validated and enhanced the internal methodology developed by the Group Investment Department (“GID”) for calculating emission under Scope 3 Category 15 (Investment).

FY2024 GHG Emissions

	S2 Purchased Electricity	S3 Employee Commuting	S3 Fuel and Energy Related Activities	S3 Business Travel (Land)	S3 Business Travel (Air)	S1 Refrigerants & Fire Protection	S1 Company Vehicles	S1 Diesel Generators	S3 Waste Generated (Paper)	Total GHG Emissions (% Subsidiaries)
MNRB Holdings	93.40	376.63	18.83	1.12	7.74	-	13.11	-	0.01	510.83 (8%)
Malaysian Re	2,284.46	204.37	365.68	2.36	66.33	78.79	8.76	0.38	0.04	3,011.17 (50%)
Takaful IKHLAS General	65.59	540.12	14.70	120.78	10.15	-	14.06	-	0.00	765.40 (13%)
Takaful IKHLAS Family	891.76	510.30	144.05	88.76	28.67	17.64	7.64	0.06	0.00	1,686.88 (28%)
MMIP	7.42	27.71	1.18	0.05	-	-	-	-	-	36.36 (1%)
Total GHG Emissions (% by Emission Sources)	3,342.63 (56%)	1,659.13 (28%)	544.43 (9%)	211.06 (3%)	112.90 (2%)	96.44 (2%)	43.56 (0.7%)	0.44 (0.007%)	0.05 (0.0008%)	6,010.64

Note: The FY2025 emissions will be fully disclosed in Annual Report for FY2026.

Moving Forward

As part of our commitment to our NZC targets, we plan to adopt the MGTC-developed emissions calculator for our FY2025 reporting. This will lay the foundation that will help us select our baseline year and set clear interim and long-term emissions reduction targets that align with our NZC commitments. These initiatives highlight our approach towards emissions management and underscore our dedication to good environmental stewardship.



Refer to Bursa’s Performance Data Table C11(a), C11(b), and C11(c) on page 73 for the tabulated data.

SUSTAINABILITY STATEMENT

SMM 5

CUSTOMER EXPERIENCE AND SATISFACTION



Why It Is Important

Customer experience is a pivotal driver of brand loyalty, trust, and competitive advantage. In today's value-driven marketplace, sustainability is no longer a *'nice to have'*; it is a business imperative. Positive customer experiences, especially those aligned with sustainable practices significantly influence purchasing decisions, encourage repeat engagements, and cultivate brand advocacy.

Companies that demonstrate transparency and commitment to environmental and social responsibility build deeper trust and longer-lasting relationships with their customers. This provides an opportunity to:

- **Enhance brand loyalty** by aligning with evolving customer values;
- **Strengthen trust** through transparent sustainability efforts;
- **Encourage advocacy** among customers who value responsible business conduct; and
- **Establish a competitive edge** through a distinctive sustainability proposition.

Upholding customer satisfaction also aligns with the Shariah value of mutual benefit and ensures ethical dealings are rooted in fairness and transparency.

Our Approach

To ensure we meet and exceed customer expectations, we continuously monitor key indicators that reflect our brand's performance and customer perception.

Transactional Net Promoter Score ("TNPS")

We monitor TNPS to measure the likelihood of customers recommending Takaful IKHLAS products following their service experiences. This key indicator of customer loyalty is reviewed monthly and reported quarterly. We have observed that sustainability-focused initiatives positively influence TNPS, particularly among environmentally conscious customers who are more inclined to support brands that reflect their values.

Customer Experience Measure ("EM")

This assessment provides a comprehensive view of how Takaful IKHLAS customers interact with and perceive our services. Higher scores often correlate with a positive reception of our sustainability-driven improvements.

Customer Satisfaction Index ("CSI")

Conducted between 2022 and 2023 by NielsenIQ (Malaysia) Sdn Bhd, the CSI exercise benchmarks our Takaful IKHLAS performance against industry peers. The Index is derived from our performance across core pillars outlined in the Customer Service Charter ("CSC").

Transition to Customer Self-Service Touch Point

Aligned with our digital transformation strategy, we are progressively enhancing customer autonomy through improved self-service options. These initiatives aim to deliver a seamless and superior brand experience by:

- Reducing customer effort through enhanced digital interface;
- Minimising reliance on manual processes to increase operational efficiency;
- Delivering faster, more convenient services that strengthen customer satisfaction and loyalty.

SUSTAINABILITY STATEMENT

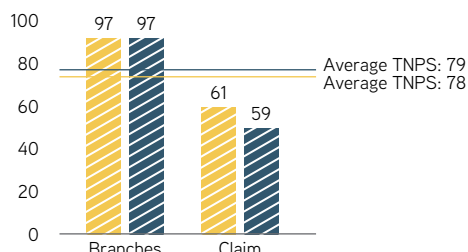
Our Progress



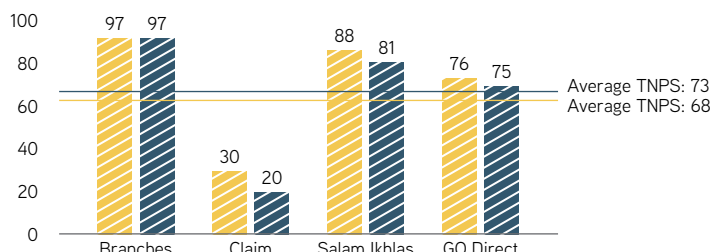
TNPS for Takaful IKHLAS

FY2024 FY2025

Touchpoints in Takaful IKHLAS Family



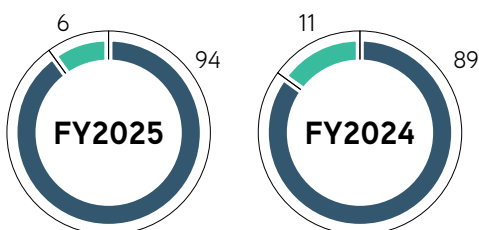
Touchpoints in Takaful IKHLAS General



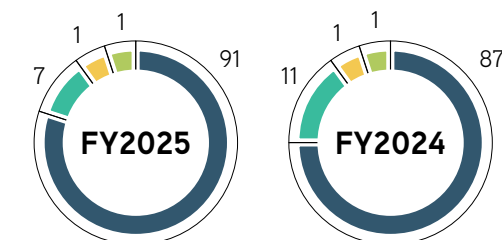
Customer EM for Takaful IKHLAS

Very Good Good Fair Poor Very Poor

EM for Takaful IKHLAS Family Touchpoints



EM for Takaful IKHLAS General Touchpoints



CSI for Takaful IKHLAS

➤ **Takaful IKHLAS Family:**
The latest CSI results indicated encouraging improvement in customer satisfaction levels for Takaful IKHLAS Family, with performance slightly exceeding the industry average for the Family Takaful sector.

➤ **Takaful IKHLAS General:**
The latest CSI results for Takaful IKHLAS General indicated moderate customer satisfaction levels, currently trailing slightly behind the General Takaful sector. Efforts are underway to enhance service delivery and customer experience to close this gap against industry benchmarks.



Transition to Customer Self-Service Touch Points

As at March 2025, Takaful IKHLAS self-service platforms had gain wide preference amongst our customers with 49% usage rate:

- **GO Serve:** A 24/7 self-service customer portal to manage takaful certificate make payments and submit service requests independently.
- **IVA Chatbot:** An AI-powered assistant providing instant and reliable support, reflecting our commitment to delivering seamless digital interactions.
- **Online Claims:** A convenient digital platform that allows customers to submit and track claims independently, enhancing service accessibility and turnaround time.

Moving Forward

Looking ahead, we will continue enhancing customer experience through *Voice of Customers ("VoC") Platform*. We are developing a centralised VoC platform to consolidate feedback and satisfaction metrics. This will enable us to incorporate customer insights into our sustainability strategy and ensure our initiatives align closely with customer needs and expectations.

SUSTAINABILITY STATEMENT

SMM 6

HEALTH, SAFETY AND WELL-BEING



Why It Is Important

The health, safety, and well-being of our employees are vital pillars for ensuring organisational productivity, morale, and long-term success. The COVID-19 pandemic highlighted the critical need for resilient and proactive workplace practices.

Providing a safe, healthy, and supportive work environment supports employee retention, strengthens business continuity and operational resilience, and fosters a culture where employees thrive, enhances a sense of belonging, and contributes meaningfully to the organisational goals.

Our Approach

At MNRB, the health, safety, and well-being of our people remain central to our sustainability agenda. Our approach is aligned with national legislation and guided by global best practices, supported by both preventive and proactive measures. The Group Occupational Safety & Health Committee ("GOSHC"), comprising senior leadership members, oversees our efforts in setting policy direction, championing initiatives, and ensuring continuous improvement across the organisation.

We integrate OSH into every aspect of our operations while promoting holistic employee wellness through structured programmes, awareness campaigns, and peer engagements. Ensuring employee safety and well-being also fosters a dignified and supportive work environment aligns with compassion and excellence.

Occupational Safety & Health ("OSH")

Our OSH efforts focus on promoting a physically and mentally safe working environment through the following key principles:

- **Workplace Safety & Comfort**

Implementation of hygiene protocols, ergonomic assessments, and regular inspections to maintain safe and productive workspaces.

- **Hazard Identification & Risk Control ("HIRARC")**

Regular risk assessments, hazard detection, and mitigation activities in accordance with the Malaysian OSH Act 1994 (Amendment 2022).

- **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.

- **Competency Appointments**

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

- **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 continue to strengthen a psychologically safe and inclusive workplace by supporting mental health, flexibility, and holistic wellness through:

- **Mental Wellness Campaigns**

Webinars, mental health talks, and workshops to reduce stigma and promote emotional intelligence and resilience.

- **Flexi Working Policy**

Implementation of hybrid and flexible working arrangements to improve work-life balance and reduce burnout.

- **Wellness Activities**

Regular physical activities such as Zumba, tennis, brisk walks, and company-wide health programmes to promote overall employee wellness.

SUSTAINABILITY STATEMENT

Our Progress

Health and Safety

- ✓ **Office Safety Awareness Programmes**
Workshops and campaigns to cultivate a culture of safety among employees.
- ✓ **Ergonomic Assessments**
Conducted to enhance comfort and minimise physical strain in the workplace.
- ✓ **Emergency Response Training**
Ongoing drills and simulations to build preparedness and awareness.
- ✓ **Introduction of Safety Champions**
Department-level Safety Champions to advocate and lead safety efforts.
- ✓ **Safety Digital Platform (Planned)**
Ongoing development of a centralised digital platform for real-time tracking of incidents and training.

The enhancement of our safety programme has significantly reduced workplace incidents while improving employee confidence and operational stability. The proactive deployment of safety personnel and ergonomics adjustments have contributed to greater resilience, productivity, and reduced costs associated with safety-related disruptions.

Well-being

- ✓ **Health & Wellness Week**
Purpose : Encourage a holistic approach to well-being.
Impact : Provided employees with access to free health screenings, wellness talks, ergonomic assessments, and fitness challenges.
Participants : 450 – 500 employees
- ✓ **International Women's Day Program: "Radiant Minds, Resilient Hearts: A celebration of Mind, Heart & Soul"**
Purpose : Celebrate women's emotional intelligence and resilience while promoting gender inclusivity.
Impact : Offered mindfulness sessions, mental wellness workshops, and motivational talks to foster self-awareness, emotional strength, and inclusivity in the workplace.
Participant : 200 staff inclusive of both males and females
- ✓ **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
- ✓ **Hybrid Working Arrangement & Flexi Working Policy**
Purpose : Promote better work-life balance and support mental well-being.
Impact : Reduced workplace stress, increased job satisfaction, and maintained productivity.
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.

Moving Forward

We remain committed to embedding health, safety, and well-being into the core of our organisational culture. In 2025 and beyond, we will continue to enhance our support for employee mental health through the Employee Assistance Programme ("EAP"), proactive health initiatives such as Health & Wellness Week, and ongoing awareness efforts via internal webinars and communications.

We also aim to strengthen our safety culture through regular Safety Days, peer recognition programmes, and active leadership involvement, including safety audits and integration of safety-related KPIs. In line with evolving work arrangements, tailored safety measures will be introduced to support remote working, business travel, and contractor engagement. To support continuous improvement, we plan to adopt digital tools for real-time tracking and virtual safety training. These efforts will be aligned with our wider sustainability agenda, including the incorporation of safety features into our building renovation plan and environmentally responsible practices.



Refer to Bursa's Performance Data Table C5(a), C5(b), and C5(c) on page 72 for the tabulated data.

SUSTAINABILITY STATEMENT

SMM 7 RESPONSIBLE INVESTMENT



Why It Is Important

As a leading reinsurance and (re)takaful group, MNRB recognises that responsible investment is essential to managing long-term financial risks and ensuring sustainable returns. By integrating ESG factors into our investment decisions, we safeguard the value of our portfolios, align with stakeholder expectations, and support the broader transition towards a more resilient, low-carbon economy. This approach not only enhances risk management but also reinforces our commitment to ethical value proposition, including alignment with Shariah principles where applicable.

Our Approach

We embed sustainability considerations into our Investment Policy Statement ("IPS") and Group Sustainable Investing Guideline ("GSIG") to ensure responsible investment practices. The Group Investment Committee ("GIC") oversees our investment activities, ensuring that strategic asset allocation aligns with MNRB's long-term sustainability objectives.

Through this governance framework, ESG factors are fully integrated into our investment decision-making, enhancing resilience, supporting long-term value creation, and aligning with our Shariah values. In support of our "NZC Investment Portfolio by 2050" commitment, our investment strategy also prioritises climate transition and low-carbon opportunities.

Our Progress

✓ Measuring GHG Emission Footprints

In alignment with the GSIG, we developed a quantitative measurement on the environmental footprint of our investment portfolio, our investment portfolio GHG emission calculation is reviewed and verified by MGTC. Our calculation methodology is aligned with the global standard for GHG accounting in the financial industry which is the PCAF.

Emissions Footprint

The portfolio's GHG emissions for FY2025 stood at 517,625 tCO₂e, marking a 60% increase from FY2024. This increase is in line with our strategic efforts to optimise portfolio allocation in pursuit of higher returns. Meanwhile, the investment intensity increased to 176 tCO₂e per RM million as of FY2025, an 8% increase compared to 163 tCO₂e per RM million as of FY2024. Despite the 60% rise in GHG emissions, investment intensity increased by only 8%, indicating that much of the emissions growth was driven by an expanded investment base rather than a material shift in emissions profile, reflecting a measured approach to balancing return objectives with sustainability considerations.

For the purpose of GHG emissions calculation within the investment portfolio, the covered asset classes include equities and corporate bonds/Sukuk. Deposits and government bonds/Sukuk are excluded from the scope.

Out of Scope

- ✗ Deposits/Cash – This asset class falls outside the scope of financed emissions under the PCAF standard.
- ✗ Government Bonds/Sukuk – While included under the PCAF framework, this asset class is commonly excluded from the methodology by international insurers due to the inconsistent and non-standardised reporting of national GHG emissions by governments globally.

✓ Inclusion of SRI and Green Investments

In FY2025, our investment in Sustainable and Responsible Investment ("SRI") Sukuk and Green Bond stood at RM408 million, demonstrating our commitment to responsible investment.

✓ Classifying Climate Assets to Support Climate Mitigation and Adaption Efforts

We have evaluated our financial investment activities in the portfolio by incorporating guiding principles and classification requirements outlined in BNM's CCPT guidelines, ensuring compliance with regulatory requirements.

SUSTAINABILITY STATEMENT

Our Approach

✓ Positive Screening ESG Criteria Across Asset Classes to Steer Responsible Investing

We prioritise investments in companies listed in the FTSE4Good Index, which aligns with the SDGs. Our fixed income strategy also focuses on sovereign issuances that are part of the FTSE ESG World Government Bond Index. In line with FTSE guidelines, we actively exclude sensitive sectors such as tobacco, weapons, and coal pure-play from our equity investments.

Additionally, we have access to the SRI Sukuk and SRI Fund, as granted by the Securities Commission Malaysia, further supporting our commitment to sustainable investing. Notably, several issuers within our portfolio have also adopted internal ESG frameworks, reinforcing our shared focus on responsible investment practices.

✓ Incorporating the Maqasid Shariah Approach into Investment Process

We strictly adhere to the Maqasid Shariah approach in our investment process, which involves the exclusion of securities engaged in activities forbidden in Islam such as gambling, gaming, alcohol, tobacco, and any non-permissible actions under Shariah law. These principles are applicable to all investments in Shariah-compliant instruments as per the MNRB Group's policies and guidelines.

Moving Forward

As we advance our responsible investment agenda, the Group remains committed to deepening our integration of EESG factors across all relevant asset classes. In line with our "NZC Investment Portfolio by 2050" commitment, we plan to develop a comprehensive Net Zero Roadmap. This roadmap will include the identification of a baseline year and the establishment of measurable interim targets to guide our progress.

By setting clear milestones and tracking emissions across our investment portfolio, we aim to contribute meaningfully to the global climate transition while upholding our fiduciary duties and ensuring Shariah-compliance of our investment funds for our re(takaful) businesses. Through these efforts, we are dedicated to supporting a sustainable future while maintaining the highest standards of ethical and responsible investment practices.

SUSTAINABILITY STATEMENT

SMM 8

ENERGY MANAGEMENT



Why It Is Important

Effective energy management is crucial to reducing environmental impact, optimising operational costs, and ensuring the long-term sustainability of our operations. At MNRB, we understand the interconnectedness of energy, water, and waste management in achieving our sustainability goals. As we work toward our NZC commitment, establishing a baseline for our energy consumption is essential to identify areas for improvement and set realistic targets for energy reduction and decarbonisation.

Our Approach

During the reporting period, we began the process of establishing an energy consumption baseline, particularly in terms of electricity usage. Our energy consumption saw a slight increase which can be attributed to the gradual return to office arrangements, as we continued to take proactive steps to understand and manage our energy usage more effectively.

As we continue to refine our sustainability strategies, our emphasis will be on improving energy efficiency, promoting sustainable energy practices across the organisation, and evaluating how our hybrid working arrangements influence overall energy consumption.

Note: In FY2025, our electricity usage stood at 4,478,897 kWh, indicating a slight increase from FY2024's 4,318,037 kWh.

Our Progress

In February 2025, we conducted a walkthrough energy audit, facilitated by MGTC, as part of our GHG Emission Assessment project. While the results are still pending official endorsement by 31 March 2025, we intend to leverage these findings to guide future energy efficiency improvements.

Moving Forward

We plan to conduct a comprehensive energy audit for our key buildings, including Bangunan Malaysian Re ("BMR") and IKHLAS Point ("IP"), in the coming year. This will provide more detailed data and identify specific areas for improvement in energy performance.

MNRB is committed to refining our energy management strategies to enhance energy efficiency, reduce carbon emissions, and contribute to the achievement of our NZC Enterprise by 2030. Energy management will remain integral to our sustainability journey, supporting our long-term environmental objectives.



Refer to Bursa's Performance Data Table C4(a) on page 72 for the tabulated data.

SUSTAINABILITY STATEMENT

SMM 9

PRODUCTS AND SERVICES: DIGITALISATION AND INNOVATION



Why It Is Important

In the modern era, digitalisation is transforming industries, including reinsurance and (re)takaful. At MNRB, we recognise that embracing digital innovation is essential for enhancing operational efficiency and meeting the evolving needs of our stakeholders.

By adopting digital solutions, we aim to reducing our environmental impact, enhancing customer experience, and ensuring our products and services remain relevant in an increasingly tech-driven world. Digitalisation also improves transparency, promotes responsible business practices, and aligns with our commitment to a NZC Enterprise by 2030.

Our Approach

We are 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 which leverage on digitalisation to streamline processes, improve engagement, and increase productivity. Our digitalisation approach integrates well with our Shariah values and ethical practices, fostering responsible growth while shaping the environmental and social impacts of our operations.

Through the IKHLAS GO platforms, we offer a wide range of digital solutions, including self-service portals, online takaful applications, and easy-to-use claims management systems. We aim to make our services more accessible, convenient, and transparent, enabling customers to manage their takaful needs with ease.

Our Progress



Digitalisation of our Products and Services

We continued expanding our IKHLAS GO Ecosystem, which now includes platforms for online onboarding of takaful participations, claims management, and road assistance services. This expansion helps reduce our carbon footprint by minimising the need for physical interactions and documentations.

IKHLAS GO Ecosystem	Purpose	Impact	Number of Projects Completed and Key Highlights
	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.	9 projects completed including: • GO Serve Customer Portal • Surplus Distribution Portal • AI Chatbot and Live Chat
	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.	5 projects completed including: • Integration of Digital Roadtax for Motorcycle • Renewal Reminder Phase 2 for Motor and Motorcycle
	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.	2 projects completed including: • e-Learning Portal for Agents • Sales Capability for IKHLAS Secure Travel for Agents

SUSTAINABILITY STATEMENT

Our Progress

IKHLAS GO Ecosystem	Purpose	Impact	Number of Projects Completed and Key Highlights
	Facilitates sales for the Bancatakaful and Corporate distributions.	Business uplift by enhancing customer capabilities and experience.	4 projects completed including: - Offering the Takaful IKHLAS Motor product to all BSN Branch. - Offering advisory product, IKHLAS Idaman to MBSB Bank and CBP Bank
	Platform for potential partners to access our API suites.	Promotes integration of an open API platform with new digital partners.	2 new major partnership & collaboration: - Established API Integration with Shopee on Motor Takaful Distribution - Collaboration with Lazada to offer Motor Takaful accessibility through API Integration
	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

✓ Sustainability-Linked Offerings

Our vision of “We Protect Everyone” guides us in offering reinsurance and (re)takaful solutions that safeguard our customers from emerging economic, environmental, and social risks. We have adopted a more structured approach to takaful product development and enhancement, integrating a Sustainability and Maqasid Shariah Checklist into our processes to ensure alignment with the principles of VBIT.

Notable offerings include:

IKHLAS Lestari Formerly known as IKHLAS Rider, IKHLAS Lestari is a rebranded initiative by Takaful IKHLAS designed to enable Family Takaful participants to contribute to the broader goals of sustainability and community well-being. The initiative underscores our commitment to delivering value-driven, Shariah-compliant solutions that support the long-term resilience and prosperity of our community.	IKHLAS Merawat Personal Accident Takaful Designed for daily paid workers like delivery riders and e-hailing drivers, his product offers coverage for death, permanent disablement, and medical expenses, financially supporting these essential workers during unexpected events.	IKHLAS Membantu Personal Accident Takaful Designed for B40 income group breadwinners, this coverage provides financial protection for families facing the loss of a primary income earner due to accidents, including funeral expenses as the demise of the breadwinner can lead to significant financial challenges for the family, affecting their ability to meet basic needs and maintain their quality of life easing their financial burdens and supporting their overall well-being.

SUSTAINABILITY STATEMENT

Our Progress

IKHLAS Clinic Niaga Takaful

This product offers coverage for medical professionals and clinics, helping them focus on providing essential healthcare services to their local communities while ensuring financial protection against unforeseen risks.

IKHLAS Retail Niaga Takaful

Crafted for small businesses like provision shops minimarts, tailors, small workshops, and contractors, this product protects against financial losses, contributing to the resilience and growth of local economies and ensuring continuity of essential services.

Bantuan IKHLAS Road Assist

Providing 24/7 roadside assistance, this service includes jumpstart, flat tyre changes, petrol delivery, towing, and locksmith services across Malaysia, Singapore, Southern Thailand, and Brunei, offering customers peace of mind during roadside emergencies. In FY2025, we further enhance the service by integrating our Digital Road Assist solution that streamline assistance requests and improve response times, ensuring our customers receive timely and efficient support when they need it most.

✓ Transparent Claims Payout

We introduced more transparent claims processing via our IKHLAS GO Serve platform, where customers can easily submit and track their claims status. This platform enhances customer satisfaction while supports our sustainability goals by reducing paperwork and operational costs.

The total claims settled during this period included:

Category	Claims Amount (RM mil)		Number of Recipients	
	FY2024	FY2025	FY2024	FY2025
Takaful IKHLAS Family	266.1	247.5	36,096	34,956
Takaful IKHLAS General	409.2	422.4	73,903	74,740
Total	675.3	669.9	109,999	109,696

✓ Surplus Distribution

As part of our commitment to responsible business, we distributed a portion of our surplus from the Participants' Risk Funds to eligible takaful participants, supporting the core takaful principles of mutual assistance and shared responsibility. Specifically, Takaful IKHLAS General paid RM5.92 million to more than 354,000 recipients.

These efforts reflect our ongoing commitment to innovation and sustainable business practices, ensuring that we remain responsive to both environmental and social challenges while maintaining the highest standards of service.

»»» **Moving Forward**

We will continue to expand our digital offerings and enhance our product innovation pipeline. Our focus will include further enhancement and adaptation of our IKHLAS GO Ecosystem, enabling more seamless interactions and providing tailored solutions for our customers.

Additionally, we will incorporate digital transformation efforts in the development of our Net Zero Roadmap, to further align with our sustainability targets. This ensures that our investments in technology are aligned with our goal of achieving a NZC Business Portfolio by 2050. We will also strive to further integrate new technologies such as artificial intelligence and machine learning to optimise operations, improve customer engagement, and enhance operational efficiency, all while advancing our sustainability commitments.

SUSTAINABILITY STATEMENT

SMM 10

TALENT ATTRACTION, GROWTH AND RETENTION



Why It Is Important

As a leading reinsurance and (re)takaful group, we recognise that talent is one of our greatest assets. A skilled, motivated, and future-ready workforce is fundamental to delivering long-term value, sustaining business growth, and driving innovation in the dynamic industry. Attracting, developing, and retaining top talent is therefore critical for operational excellence as well as for upholding our values as a responsible and people-centric organisation.

Our Approach

MNRB adopts a holistic human capital strategy anchored the pillars of **talent development** and **employee retention**. We provide comprehensive training and upskilling programmes, foster leadership readiness, and implement inclusive growth frameworks that support career progression. Our retention efforts are underpinned by structured benefit reviews, competitive remuneration, and a focus on well-being and engagement.

Our Progress

✓ Employee Training and Development

We invested RM2.1 million in staff training and development, delivering 197 programmes and over 33,494 training hours, averaging 28 hours per employee. The training programmes spanned across all staff levels, reinforcing our commitment to inclusive and continuous learning. We also advocated certification efforts to increase our pool of professionally qualified talent - currently 64 employees are certified with industry professional certification.

✓ Takaful IKHLAS General Graduate Programme

As part of our ongoing efforts to strengthen the Group's talent pipeline, Takaful IKHLAS General introduced its first Graduate Programme aimed at attracting and developing high-potential young professionals. The programme garnered over 450 applications, with a rigorous multi-stage selection process that culminated in five top candidates joining the organisation. This initiative not only supports Takaful IKHLAS General's organisational development goals but also aligns with the Group's broader strategy to build a resilient, future-ready workforce through structured onboarding and growth opportunities.

✓ Talent Retention Strategies

Our proactive talent retention strategies including competitive salary benchmarking, benefit reviews, retention bonus and engagement initiatives couple with clear succession planning and learning interventions, contributed to a stable turnover ratio of 12%, with a corresponding improvement in retention rate to 87%. These reflect our progress in cultivating a work environment where employees feel supported, valued, and aligned with the Group's purpose.

✓ Employee Benefits

We offer competitive packages that include medical care, home-financing subsidies, financial assistance, leave entitlements, and wellness perks. Additional sustainability-focused benefits are being considered.

Moving Forward

As we continue to build a future-ready workforce, the Group will strengthen efforts to attract and retain top-tier talents through strategic capability-building, inclusive leadership development, and competitive reward frameworks. We will also continue investing in our agents as community changemakers, deepening our social impact across the markets we serve.

Looking ahead, we aim to foster a culture of continuous learning and high engagement while aligning our human capital strategies with evolving business needs and sustainability priorities, ensuring the Group remains an employer and partner of choice.



Refer to Bursa's Performance Data Table 6(a), C6(b), and C6(c) on page 72-73 for the tabulated data.

SUSTAINABILITY STATEMENT

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



Why It Is Important

A diverse, equitable, and inclusive workforce is a strategic imperative that fosters innovation, resilience, and better decision-making. At MNRB, DEI reflects our organisational values and strengthens our ability to serve diverse stakeholders while meeting evolving social sustainability expectations. In a multicultural society like Malaysia, embracing DEI also contributes to national unity and workforce cohesion.

Our Approach

The Group is committed to fostering an inclusive culture that celebrates diversity and ensures equity across all levels of the organisation. Spearheaded by Group Human Capital Management (“GHCM”), our DEI efforts are grounded in internal policies that promote non-discrimination, equitable treatment, and inclusive hiring.

We emphasise fairness in our talent practices and strive to provide equal access to development opportunities regardless of race, gender, age, religion, nationality or ability. This reinforces the Islamic value of justice, ensuring equitable treatment and dignity for all.

To measure progress, we conduct employee engagement surveys to understand perceptions around inclusivity and use this feedback to shape continuous improvements in our workplace culture.

Our Progress

We continue to make meaningful strides in advancing DEI across the Group:

✓ **Workforce Representation**

Female representation has increased to 57% of the Group's workforce, with 30% of Senior Management positions held by women. Our age and ethnic composition remain consistent during the reporting period.

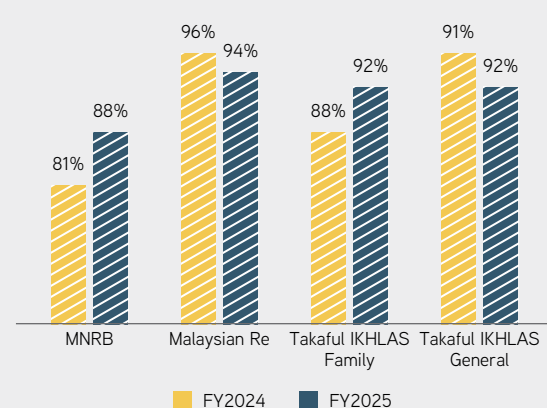
✓ **Merit-Based Opportunities**

All hiring and advancement decisions are based on capability, performance, and potential.

✓ **Employee Engagement**

Results from our Employee Engagement Survey showed a positive trend in engagement across all entities, reflecting confidence in our inclusive culture.

Employee Engagement Index (EEI)



While positive feedback was received on training access and flexibility, employees identified areas for improvement in communication, career visibility, and inter-departmental collaboration. These insights have guided action plans at business unit levels.

Moving Forward

We will continue to foster a sense of belonging where all employees are respected, recognised, and supported; reflecting our People-Centric Workplace commitment and supporting our broader sustainability goals.



Refer to Bursa's Performance Data Table C3(a) and C3(b) on page 71-72 for the tabulated data.

SUSTAINABILITY STATEMENT

SMM 12 LABOUR PRACTICES AND STANDARDS



Why It Is Important

At the Group, we recognise that our people are at the heart of our long-term success. Adhering to ethical labour practices ensures employee well-being, enhances operational excellence, stakeholder trust, and aligns with our Shariah-compliant values. Strong labour standards help us retain talents, reduce risks, and build a resilient, future-ready workforce.

Our Approach

Our labour practices align with international frameworks and national laws, focusing on six priority areas: fair wages and benefits, diversity and inclusion, freedom of association, occupational health and safety, talent development, and talent upskilling.

Through robust governance, grievance mechanisms, and continuous upskilling, we uphold employee rights and maintain a safe, respectful, and purpose-driven work environment. Flexible work arrangement and targeted benefits further support employee well-being across different life stages.

Our Progress

- ✓ Zero Labour-Related Grievances: We maintained a clean record of zero substantiated labour-related grievances for the reporting year, reflecting the effectiveness of our grievance channels and inclusive culture.
- ✓ Upskilling Initiatives: Ongoing upskilling initiatives and talent development pathways continue to support employee mobility and retention.
- ✓ Holistic Benefits: Holistic benefits and flexible arrangements were implemented Group-wide to support work-life integration.

Moving Forward

We will continue reinforcing strong labour practices as part of our people-centric culture. This includes preparing our workforce for evolving business needs through digital skills, career development, and transparent employment practices. Our commitment is to uphold fairness, safety, and respect; ensuring that every employee has the opportunity to succeed in a dynamic and supportive environment.



Refer to Bursa's Performance Data Table C6(d) on page 73 for the tabulated data.

SUSTAINABILITY STATEMENT

SMM 13 COMMUNITY ENGAGEMENT



Why It Is Important

At MNRB, we recognise that our business success is intrinsically linked to the well-being of the communities we serve. Community engagement is not just about giving back; it is a strategic imperative that strengthens our social license to operate, enhances brand trust, and supports long-term shared value creation. In line with stakeholder expectations and the rising call for corporate accountability, as highlighted in Edelman's 2024 Trust Barometer, our community efforts reflect our commitment to be an active agent of societal good.

Our Approach

Our community engagement strategy focuses on long-term, outcome-driven initiatives anchored in inclusivity, empowerment, and sustainable developments. Through strategic partnerships and stakeholder collaboration, we support holistic programmes spanning health, education, economic empowerment, and environmental conservation. These initiatives are led primarily by Takaful IKHLAS through the IBH, supported by funds from IWE and IKHLAS Lestari initiatives.

The initiatives were further strengthened by Program Lestari Cemerlang MNRB and our flagship environmental initiative, Tree of Tomorrow ("ToT"). Our aim is to co-create impactful change in line with the SDGs and national development priorities. Our efforts are further informed by intended outcome of Maqasid Shariah, ensuring that our programmes promote well-being, education, and social justice.

Our Progress

✓ IKHLAS Barakah House ("IBH")

IBH remained our most impactful community empowerment platform, reaching over 5,950 individuals through 32 initiatives delivered under four key pillars: **Health, Education, Community, and Environment**.

Under the Health pillar, we provided medical equipment and hygiene kits to support organisations such as Majlis Kanser Nasional (MAKNA) and Persatuan Jiwa Prihatin Selangor, alongside broader outreach to underserved populations in rural Selangor.

For Education, financial assistance was extended to various institutions, with a focus on local universities and asnaf students, ensuring improved access to learning opportunities.

The Community pillar focused on easing the cost of living through food box distributions, financial aid, and support for orphaned children, while our Environment efforts were integrated across programmes to promote long-term sustainability.

In total, RM596,085 was invested to uplift marginalised communities, fostering greater resilience and self-sufficiency in line with our commitment to inclusive growth.

	Health	Education	Community	Environment	Overall Total
Amount Invested	RM54,085	RM250,000	RM287,000	RM5,000	RM596,085
Number of Initiatives	5	6	20	1	32
Number of Beneficiaries	345	370	4,215	1,020	5,950

SUSTAINABILITY STATEMENT

Our Progress

✓ IKHLAS Waqf and Endowment ("IWE")

This initiative continues to support meaningful causes via complimentary waqf contributions made on behalf of general takaful participants. For the reporting period, RM37,000 will be channelled to Management Science University (MSU) Medical Centre in Kuala Lumpur, enabling participants to play an active role in community development through their takaful coverage.

✓ Program Lestari Cemerlang MNRB

The Program Lestari Cemerlang MNRB exemplifies our commitment to rural education through its adopt-a-school initiative. During the year, RM69,000 was invested to enhance digital learning and holistic student development at our adopted school - SMK Ungku Aziz, Sabak Bernam. The programme plays a dual role, supporting underserved communities while also identifying future talent.

To date, ten (10) high-performing students from the adopted school have received MNRB scholarships, with eight (8) now contributing to the Group's workforce.

1 of the Adopted Schools during the year

10 Students from Adopted Schools with Good SPM Results receiving MNRB Scholarship

RM69,000 Total Amount Invested

8 Scholarship Recipients from the Program Lestari Cemerlang MNRB Integrated into MNRB's Workforce

✓ MNRB Scholarship Programme

As a key component of our talent development strategy, the MNRB Scholarship Programme continues to develop high-calibre professionals for the insurance and takaful industry. Since its inception, it has awarded scholarships to 159 individuals, with many progressing into the Group's workforce.

In FY2025, RM408,888 was awarded to fourteen (14) scholars. While some recipients were identified through the Program Lestari Cemerlang MNRB initiative, others are sourced through our broader talent outreach and academic partnerships.

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

✓ Tree of Tomorrow ("ToT")

ToT remained a flagship of our environmental stewardship and community engagement. To date, over 2,633 trees have been planted across Malaysia with the support of employee volunteers and local community partners. This initiative aligns with Malaysia's goal of planting 100 million trees by 2025, promoting environmental consciousness and reinforcing the Group's connection with the communities we serve.



Moving Forward

MNRB will continue strengthening our community investment efforts through purposeful initiatives and gradually improve our impact tracking. Future programmes will focus on areas such as digital education, youth development, and community well-being, in line with national priorities and the SDGs. By fostering meaningful partnerships and maintaining a long-term view, we strive to make a positive difference in the lives of those we engage with - one initiative at a time.

SUSTAINABILITY STATEMENT

SMM 14 WASTE MANAGEMENT



Why It Is Important

Effective waste management is crucial for reducing environmental impact and improving operational efficiency. It supports our commitment to climate risk and emissions management, particularly as we aim for a NZC Enterprise by 2030 and a NZC Business Portfolio by 2050. Although we are still in the early stages, taking small but consistent steps in improving our waste management can meaningfully contribute to our overall sustainability goals over time.

Our Approach

During the reporting period, we began establishing a structured waste management effort by collecting baseline data and introducing simple initiatives to track and reduce paper and general waste. Our approach considers the hybrid work model and evolving office utilisation. We prioritise awareness building, gradual improvements in daily waste handling, and basic infrastructure to support better waste practices across the organisation. Responsible consumption is well-aligned with Islamic teachings on environmental stewardship and moderation.

Our Progress

Although we are still in the early stages of our sustainability journey, our initial efforts have shown encouraging results.

Paper Waste

Paper waste increased from 6,165 kg in FY2024 to 28,880 kg in FY2025, primarily due to departments actively clearing out archived documents as part of our decluttering and digitalisation efforts.

General Waste Tracking

We have initiated the tracking of general waste sent to landfills to enhance our understanding of the organisation's overall waste footprint and identify areas for improvement.

Recycling Initiatives

Recycling bins have been installed on all floors of BMR and IP to encourage proper waste segregation and promote responsible disposal habits among employees.

Moving Forward

Our next steps will focus on reinforcing basic waste segregation practices and embedding a stronger sense of environmental responsibility across the organisation. This includes improving awareness through internal campaigns, while gradually enhancing our waste monitoring efforts. As our waste management capabilities mature, these foundational initiatives will support long-term improvements in resource efficiency and our wider sustainability goals.



Refer to Bursa's Performance Data Table C10(a), C10(a)(i), and C10(a)(ii) on page 73 for the tabulated data.

SUSTAINABILITY STATEMENT

SMM 15

WATER MANAGEMENT



Why It Is Important

Water is a vital natural resource, and its sustainable management is key to reducing environmental impact, ensuring resource availability, and supporting operational efficiency. Responsible water consumption aligns with our sustainability commitments and our broader aim to improve resource efficiency across our operations. Efficient water usage is a critical component of our overall climate and emissions strategy in our journey towards achieving our NZC Enterprise target by 2030.

Our Approach

While water management has not yet been a central focus of our resource efficiency strategy, we recognise its increasing relevance within our sustainability agenda. Current efforts are concentrated on tracking and monitoring water consumption to identify usage patterns. This helps us assess operational performance and lay the groundwork for more structured water conservation measures.

We aim to better understand our water footprint through improved data tracking, especially in light of operational shifts such as hybrid working arrangements. These insights will support more informed decision-making as we develop our approach to include targeted reduction initiatives in the future.

Our Progress

During the reporting period, water consumption increased slightly from 27,079 m³ in FY2024 to 29,946 m³ in FY2025. This minimal increase, despite higher office occupancy following the gradual return to office arrangement, reflects improved water efficiency and growing awareness among employees. Although not yet driven by formal conservation initiatives, this positive trend provides a strong foundation for future sustainability efforts.

Moving Forward

Water management will become a more defined focus area following the completion of our upcoming energy audit scheduled in FY2026. Insights from the audit will guide the development of targeted strategies to reduce water consumption and improve overall efficiency. We intend to integrate water conservation as a key pillar within our resource efficiency framework, supporting our commitment to environmental responsibility and sustainable operations.



Refer to Bursa's Performance Data Table C9(a) on page 73 for the tabulated data.

SUSTAINABILITY STATEMENT

SMM 16

SUPPLY CHAIN MANAGEMENT



Why It Is Important

We recognise the vital role our procurement strategy plays in supporting local communities. By giving preference to local suppliers, we contribute to community-level economic development and minimise our environmental footprint through reduced transportation-related emissions. This approach reflects our broader commitment to sustainable and inclusive growth.

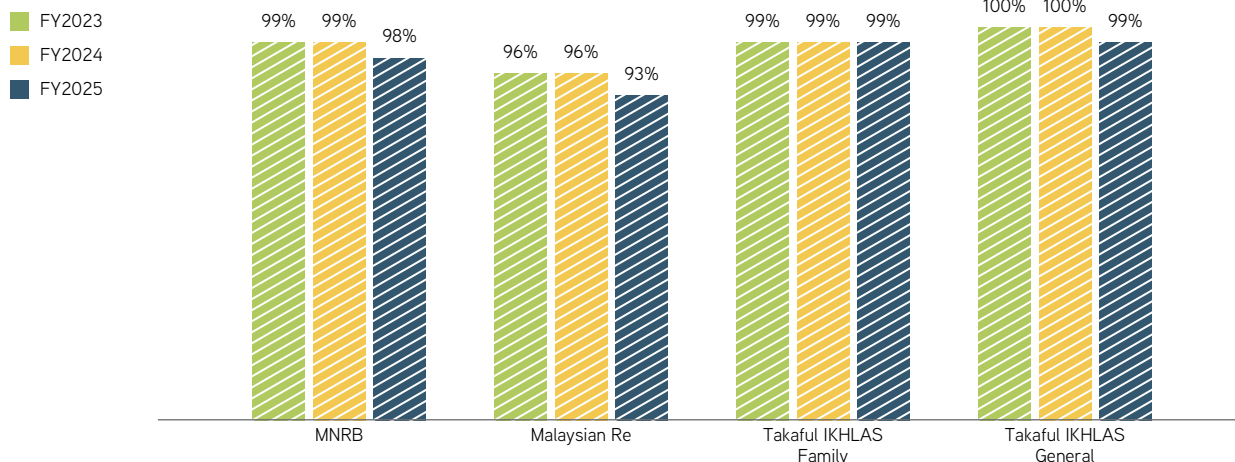
Our Approach

Our procurement practices are guided by sustainability considerations that favour local sourcing wherever feasible. This enables us to strengthen local economies, support job creation, and encourage the development of local expertise and innovation. In cases where local alternatives are unavailable, particularly due to regulatory demands or specialised technology requirements, we engage with overseas suppliers, expecting an increase in overseas spending in the near term. However, our core commitment to empowering local communities and supporting a resilient local supply chain remains unchanged.

As part of our efforts to embed sustainability across procurement processes, we introduced the Sustainability Due Diligence Questionnaire ("SDDQ") as part of the Group-wide vendor assessment process to assess sustainability-related practices within our supply chain.

Our Progress

Local Spending (%)



Moving Forward

We will continue enhancing our supply chain governance by formalising sustainability-related evaluation mechanisms and strengthening supplier engagement on sustainability matters within our procurement processes. These efforts aim to embed sustainability considerations more deeply into supplier assessments, support responsible sourcing, and build a more resilient, sustainable supply chain across the Group.



Refer to Bursa's Performance Data Table C7(a) on page 73 for the tabulated data.

SUSTAINABILITY STATEMENT

FUTURE OUTLOOK

ADVANCING SUSTAINABLE RESILIENCE WITH PURPOSE

As we look ahead, the Group will advance our sustainability journey with greater intent and clarity. Anchored by our commitment to responsible growth, we will further embed sustainability into our strategic priorities, focusing on digital transformation, customer-centricity, and operational resilience to support long-term value creation.

In response to evolving regulatory frameworks such as the NSRF and enhanced Bursa Malaysia disclosure requirements, we are strengthening our sustainability governance and data capabilities. These developments will guide us in upholding greater transparency, accountability, and alignment with national and global sustainability standards.

We will continue nurturing a sustainability-first mindset across all levels of the organisation, empowering our people, innovating responsibly, and enhancing stakeholder collaboration. By doing so, the Group will be well-positioned to navigate the growing complexity of environmental and social challenges, while contributing meaningfully to Malaysia's low-carbon transition and inclusive economic growth.



PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2024	2025
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	100.00	100.00
Vice Presidents	Percentage	100.00	100.00
Assistant Vice Presidents	Percentage	100.00	100.00
Executive	Percentage	100.00	100.00
Personal Assistant	Percentage	100.00	100.00
Clerk	Percentage	100.00	100.00
Uniform	Percentage	100.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Bursa (Community/Society)			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	2,034,285.00	1,110,973.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	12,549	5,966
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 Under 30	Percentage	0.00	0.00
Senior Vice Presidents and Above 30 - 39	Percentage	8.00	9.00
Senior Vice Presidents and Above 40 - 49	Percentage	28.00	43.00
Senior Vice Presidents and Above Above 50	Percentage	64.00	48.00
Vice Presidents Under 30	Percentage	0.00	0.00
Vice Presidents 30 - 39	Percentage	11.00	13.00
Vice Presidents 40 - 49	Percentage	45.00	44.00
Vice Presidents Above 50	Percentage	44.00	44.00
Assistant Vice Presidents Under 30	Percentage	3.00	3.00
Assistant Vice Presidents 30 - 39	Percentage	39.00	43.00
Assistant Vice Presidents 40 - 49	Percentage	43.00	40.00
Assistant Vice Presidents Above 50	Percentage	15.00	13.00
Executive Under 30	Percentage	36.00	38.00
Executive 30 - 39	Percentage	42.00	41.00
Executive 40 - 49	Percentage	15.00	15.00
Executive Above 50	Percentage	6.00	6.00
Personal Assistant Under 30	Percentage	0.00	0.00
Personal Assistant 30 - 39	Percentage	23.00	25.00
Personal Assistant 40 - 49	Percentage	32.00	0.00
Personal Assistant Above 50	Percentage	45.00	75.00
Clerk Under 30	Percentage	0.00	0.00
Clerk 30 - 39	Percentage	52.00	47.00
Clerk 40 - 49	Percentage	9.00	18.00
Clerk Above 50	Percentage	39.00	35.00

PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2024	2025
Uniform Under 30	Percentage	0.00	0.00
Uniform 30 - 39	Percentage	0.00	0.00
Uniform 40 - 49	Percentage	67.00	55.00
Uniform Above 50	Percentage	33.00	45.00
Gender Group by Employee Category			
Senior Vice Presidents and above Male	Percentage	64.00	70.00
Senior Vice Presidents and above Female	Percentage	36.00	30.00
Vice Presidents Male	Percentage	68.00	65.00
Vice Presidents Female	Percentage	32.00	35.00
Assistant Vice Presidents Male	Percentage	49.00	48.00
Assistant Vice Presidents Female	Percentage	51.00	52.00
Executive Male	Percentage	35.00	36.00
Executive Female	Percentage	65.00	64.00
Personal Assistant Male	Percentage	0.00	0.00
Personal Assistant Female	Percentage	100.00	100.00
Clerk Male	Percentage	48.00	53.00
Clerk Female	Percentage	52.00	47.00
Uniform Male	Percentage	75.00	73.00
Uniform Female	Percentage	25.00	27.00
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	57.00	77.00
Female	Percentage	43.00	23.00
Under 30	Percentage	0.00	0.00
30 - 39	Percentage	0.00	0.00
40 - 49	Percentage	0.00	3.00
Above 50	Percentage	100.00	97.00
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	24.49	23.72
Bursa (Health and safety)			
Bursa C5(a) Number of work related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.56
Bursa C5(c) Number of employees trained on health and safety standards	Number	1	23
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Senior Vice Presidents and above	Hours	878	647
Vice Presidents	Hours	1,853	3,608
Assistant Vice Presidents	Hours	3,329	11,652
Executive	Hours	4,330	17,070
Personal Assistant	Hours	96	120
Clerk	Hours	166	347
Uniform	Hours	122	50

PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2024	2025
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	4.00	3.00
Bursa C6(c) Total number of employee turnover by employee category			
Senior Vice Presidents and above	Number	2	6
Vice Presidents	Number	20	4
Assistant Vice Presidents	Number	33	41
Executive	Number	55	69
Personal Assistant	Number	0	1
Clerk	Number	1	2
Uniform	Number	1	2
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	98.50	98.00
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
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	27.079000	29.946000
Bursa (Waste management)			
Bursa C10(a) Total waste generated	Metric tonnes	100.42*	121.83
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	6.17*	28.80
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	94.25*	92.95
Bursa (Emissions management)			
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	140.43*	679.01
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	3,342.63*	3,466.66
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*	1,951.94

Note: The GHG Emissions data for FY2025 is based on our prevailing report and may be subjected to change upon finalisation. The FY2025 emissions will be fully disclosed in Annual Report for FY2026.

* These data were not disclosed in the FY2024 Annual Report. However, it is now included in the FY2025 disclosure to enhance data completeness and year-on-year comparability.

FIVE-YEAR FINANCIAL HIGHLIGHTS

	2025 ¹ RM'000	2024 ¹ RM'000	2023 ¹ RM'000	2022 ² RM'000	2021 ² RM'000
Revenue	3,579,283	3,512,781	2,843,240	3,257,512	2,836,375
Profit before zakat and tax	454,250	505,781	144,684	127,482	223,236
Profit after zakat and tax	394,246	433,539	118,280	114,422	189,495
Total assets	13,468,748	12,572,633	11,391,932	11,272,159	9,910,213
Shareholders' fund	3,440,866	3,123,632	2,736,621	2,471,674	2,418,320
Share capital	738,502	738,502	738,502	738,502	738,502
Earnings per share (sen)	50.3	55.4	15.1	14.6	24.2*
Net assets per share (RM)	4.39	3.99	3.49	3.16	3.09*
Profit before zakat and tax to Shareholders' fund (%)	13.20	16.19	5.29	5.16	9.23
Profit after zakat and tax to Shareholders' fund (%)	11.46	13.88	4.32	4.63	7.84

* on enlarged Share Capital pursuant to the Dividend Reinvestment Plan ("DRP") exercise

¹ Represent number under MFRS 17

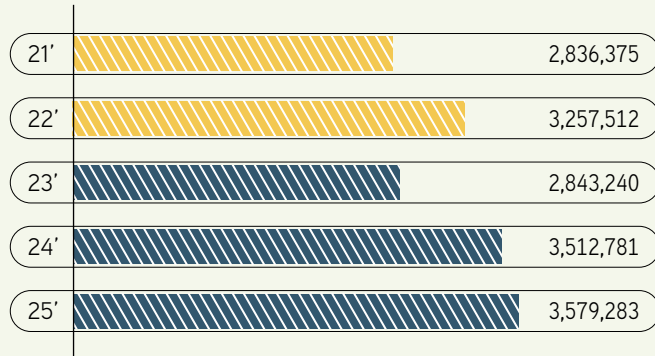
² Represent number under MFRS 4

FIVE-YEAR GROUP PERFORMANCE

■ MFRS 4 ■ MFRS 17

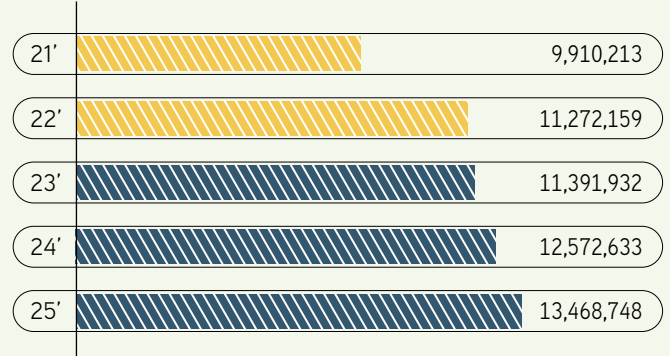
REVENUE

(RM'000)



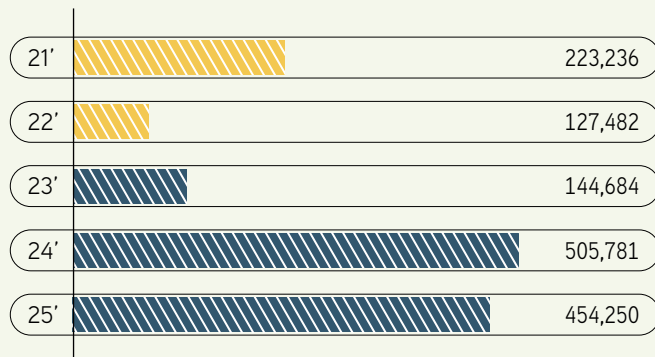
TOTAL ASSETS

(RM'000)



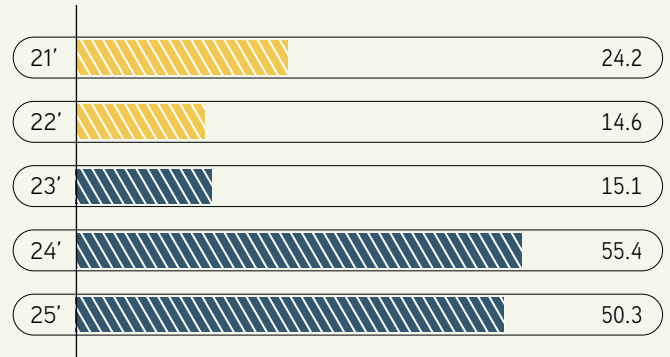
PROFIT BEFORE ZAKAT AND TAX

(RM'000)



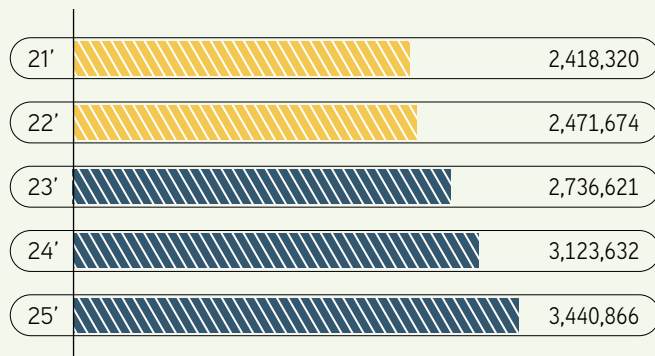
EARNINGS PER SHARE

(sen)



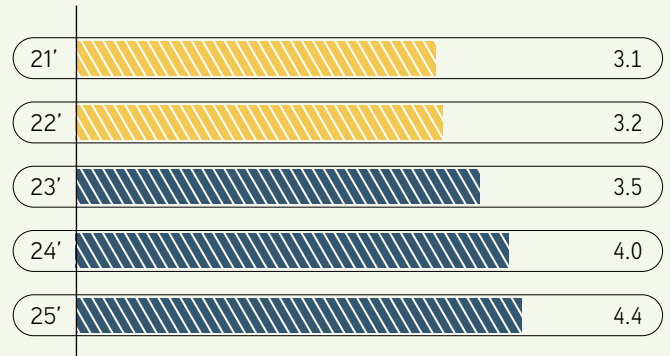
SHAREHOLDERS' FUND

(RM'000)



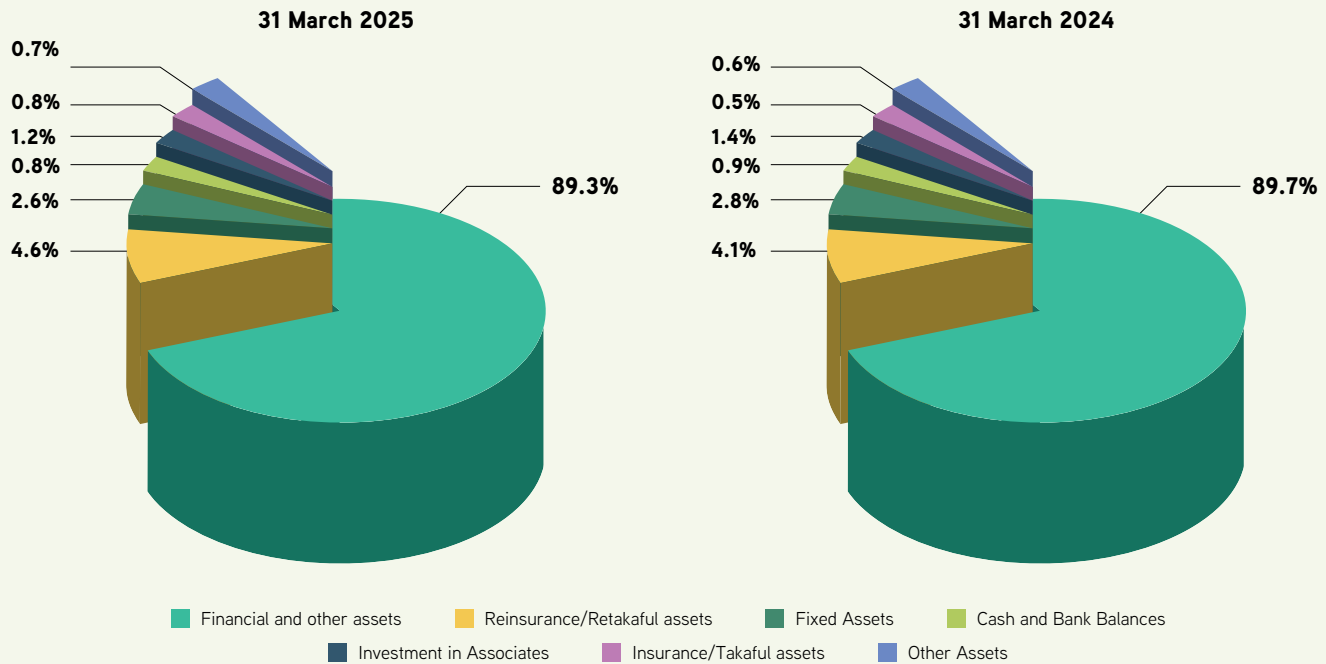
NET ASSET PER SHARE

(RM)

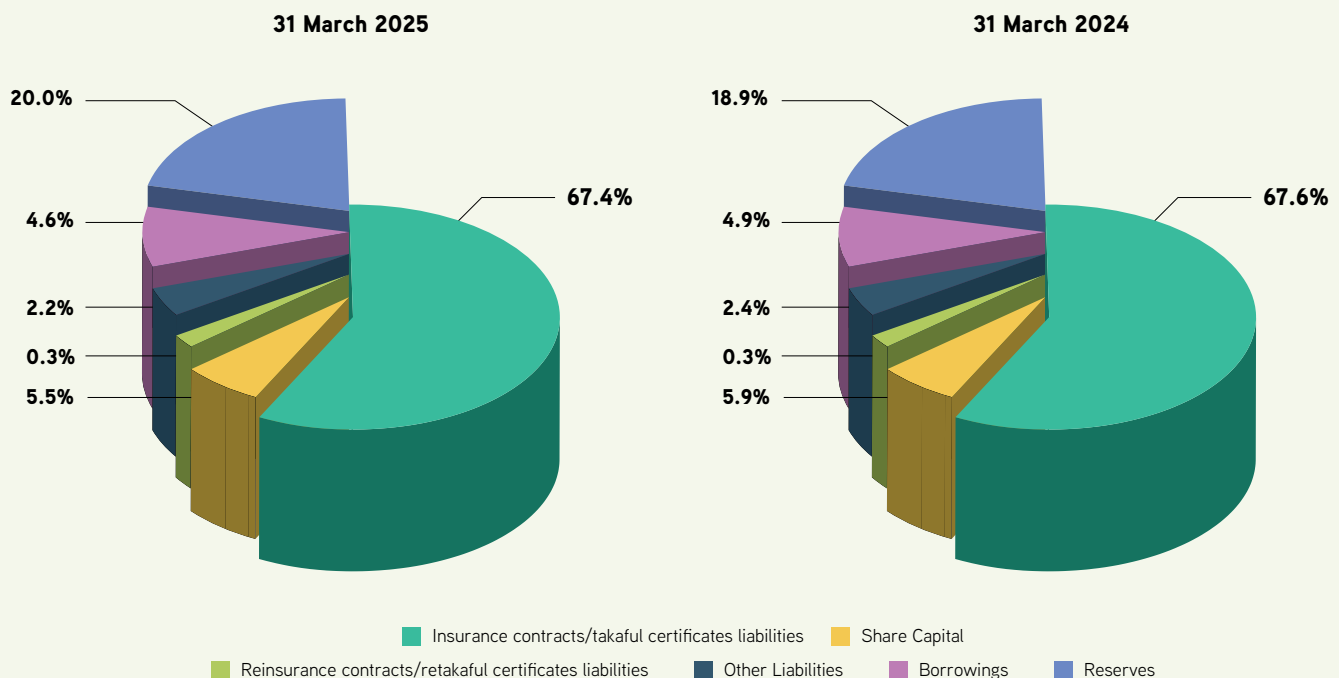


SIMPLIFIED GROUP STATEMENTS OF FINANCIAL POSITION

ASSETS



LIABILITIES AND EQUITY

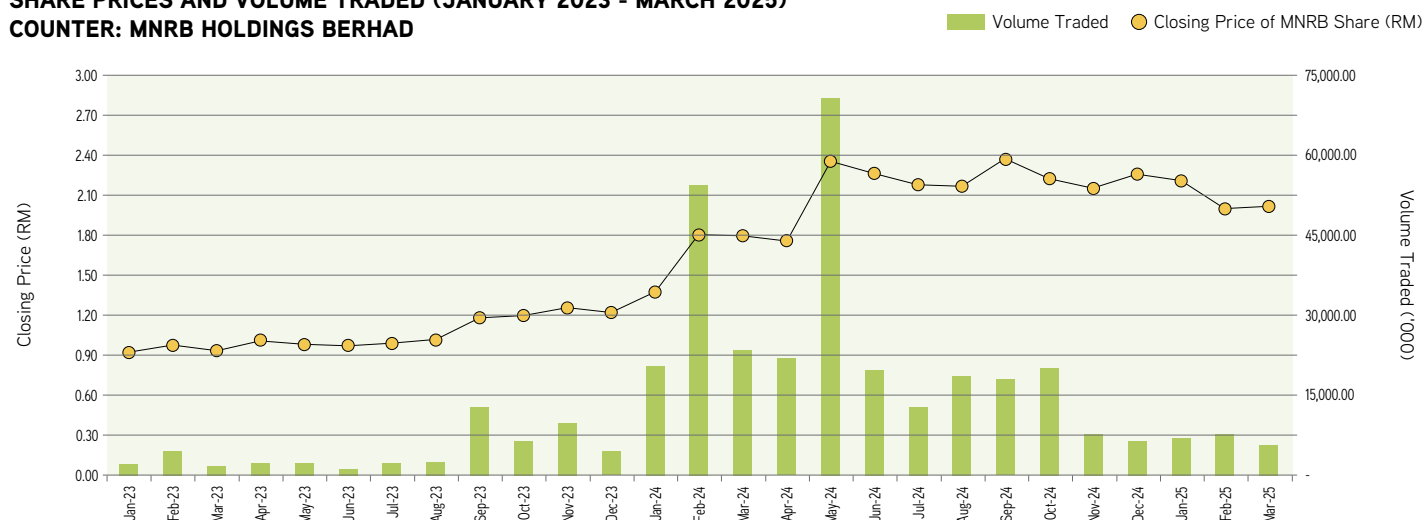


INVESTORS INFORMATION

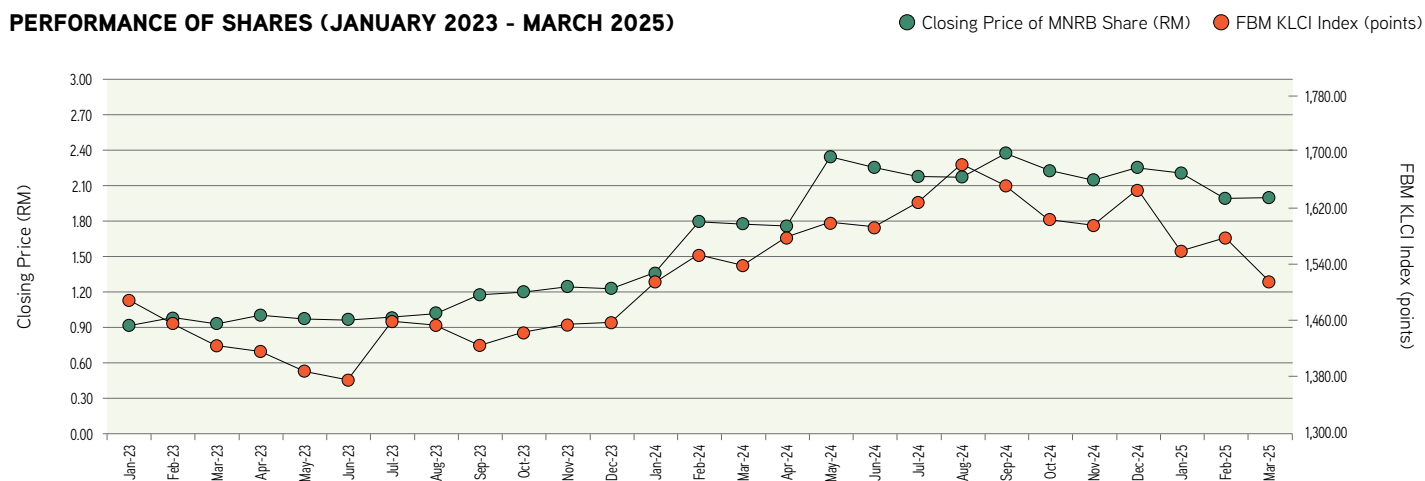
	1/4/24-31/3/25	1/4/23-31/3/24	1/4/22-31/3/23	1/4/21-31/3/22	1/4/20-31/3/21	1/4/19-31/3/20	1/4/18-31/3/19
Closing Price (RM)	2.01	1.79	0.93	1.08	1.30	0.565	1.03
Highest Price (RM)	2.62	1.97	1.13	1.45	1.47	1.19	1.99
Lowest Price (RM)	1.60	0.93	0.845	0.98	0.55	0.47	0.85
Total Volume Traded ('000)	213,570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

Source: Bloomberg @ 22/05/2025

SHARE PRICES AND VOLUME TRADED (JANUARY 2023 - MARCH 2025) COUNTER: MNRB HOLDINGS BERHAD



PERFORMANCE OF SHARES (JANUARY 2023 - MARCH 2025)



FINANCIAL CALENDAR 2025

52ND ANNUAL GENERAL MEETING

Date of Notice of AGM

31 July 2025

AGM Date

26 September 2025

QUARTERLY UNAUDITED CONSOLIDATED FINANCIAL RESULTS

1ST

QUARTER RESULT

Report as at

30 June 2024

Announcement Date

16 August 2024

2ND

QUARTER RESULT

Report as at

30 September 2024

Announcement Date

23 October 2024

3RD

QUARTER RESULT

Report as at

31 December 2024

Announcement Date

21 January 2025

4TH

QUARTER RESULT

Report as at

31 March 2025

Announcement Date

27 May 2025

DIRECTORS' PROFILE

DATO' SULAIMAN MOHD TAHIR

Number of Board Meetings Attended:



Age **62**

Gender **Male**

Nationality **Malaysian**

Non-Independent Non-Executive Chairman

Date of Appointment:

14 February 2025

Length of Service:

1 month 18 days



BOARD COMMITTEE MEMBERSHIP

- Member of Risk Management Committee of the Board

OTHER COMMITTEE MEMBERSHIP

- Member of Group Investment Committee

ACADEMIC/PROFESSIONAL QUALIFICATION

- 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 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 of Financial Industry Collective Outreach until 22 November 2023. He was formerly a Non-Independent Non-Executive Director of Payment Network Malaysia Sdn Bhd (PayNet) from 1 June 2020 until 22 November 2023. He was then reappointed as Independent Non-Executive Director on 24 October 2024 in PayNet. Along with his current directorship in PayNet, he is also the Chairman and Independent Non-Executive Director 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 COMPANIES

Listed Entities

- Nil

Other Public Companies

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

- 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 2025.

DIRECTORS' PROFILE

GEORGE OOMMEN

Number of Board
Meetings Attended:



Age **71**

Gender **Male**

Nationality **Malaysian**

Senior Independent Non-Executive Director

Date of Appointment:

1 January 2018

Length of Service:

7 years 3 months



BOARD COMMITTEE MEMBERSHIP

- Chairman of Audit Committee (*redesignated as Chairman with effect from 1 July 2025*)
- Member of Group Nomination & Remuneration Committee (*appointed with effect from 14 July 2025*)

OTHER COMMITTEE MEMBERSHIP

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

ACADEMIC/PROFESSIONAL QUALIFICATION

- 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 thirty-nine (39) 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 COMPANIES

Listed Entities

- Nil

Other Public Companies

- Takaful Ikhlas Family Berhad

Other Appointment

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

- 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 2025.

DIRECTORS' PROFILE

JUNAIDAH
MOHD SAID

Number of Board
Meetings Attended:

17/17

Age **66**

Gender **Female**

Nationality **Malaysian**

Independent Non-Executive Director

Date of Appointment: 1 October 2019

Length of Service: 5 years 6 months



BOARD COMMITTEE MEMBERSHIP

- Chairman of Risk Management Committee of the Board (*appointed with effect from 1 July 2025*)
- Member of Group Nomination & Remuneration Committee

OTHER COMMITTEE MEMBERSHIP

- Nil

ACADEMIC/PROFESSIONAL QUALIFICATION

- 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 COMPANIES

Listed Entities

- Nil

Other Public Companies

- Nil

- 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 2025.

DIRECTORS' PROFILE

ZAIDA KHALIDA SHAARI

Number of Board
Meetings Attended:



Age **57**

Gender **Female**

Nationality **Malaysian**

Independent Non-Executive Director

Date of Appointment:

1 October 2019

Length of Service:

5 years 6 months



BOARD COMMITTEE MEMBERSHIP

- Chairman of Group Nomination & Remuneration Committee
- Member of Audit Committee (*appointed with effect from 1 July 2025*)

ACADEMIC/PROFESSIONAL QUALIFICATION

- 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 COMPANIES

Listed Entities

- AEON Co. (M) Berhad

Other Public Companies

- Pelaburan Hartanah Nasional Berhad
- Prima Ekuiti (UK) Limited
- Cement Industries of 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 2025.

DIRECTORS' PROFILE

DATO' WAN ROSHDI
WAN MUSA

Number of Board
Meetings Attended:

Age **67**Gender **Male**Nationality **Malaysian**

Independent Non-Executive Director

Date of Appointment:

1 April 2020

Length of Service:

5 years



BOARD COMMITTEE MEMBERSHIP

- Member of Risk Management Committee of the Board

OTHER COMMITTEE MEMBERSHIP

- Chairman of Group Investment Committee

ACADEMIC/PROFESSIONAL QUALIFICATION

- Diploma in Accountancy, Institut Teknologi MARA
- Bachelor of Science in Finance, Northern Illinois University, United States of America
- Master in Business Administration, Governors State University, United States of America

SKILL AND EXPERIENCE

- Dato' Wan Roshdi began his career with Permodalan Nasional Berhad ("PNB") in 1985. During his early years, he held various positions including Head of Corporate Services and Finance Department, during which he was responsible for the monitoring of investee companies and value enhancing and strengthening of PNB's strategic investment through corporate and capital restructuring, rationalisation, and listing.
- In 2004, he was appointed as Chief Investment Officer which he held until 2015. During this period, he was involved in the setting of strategic directions for the accomplishment of PNB's investment goals. This includes the management and delivery of outcomes of PNB proprietary fund and unit trust funds through the formulation, recommendation and oversight of investment strategies relating to asset allocation, economic and sector allocation and financial market outlook.
- Prior to Dato' Wan Roshdi retirement in June 2016, he held the position as Chief Risk Officer where he handled risk management and performance portfolio assessment for the business unit of PNB.

DIRECTORSHIP IN OTHER COMPANIES

Listed Entities

- Nil

Other Public Companies

- Nil

- 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 2025.

DIRECTORS' PROFILE

CHIN SEE MEI

Number of Board
Meetings Attended:



Age **56**

Gender **Female**

Nationality **Malaysian**

Independent Non-Executive Director

Date of Appointment: 1 October 2023

Length of Service: 1 year 6 months



BOARD COMMITTEE MEMBERSHIP

- Member of Audit Committee (*appointed with effect from 1 July 2025*)

OTHER COMMITTEE MEMBERSHIP

- Member of Group Digital & Information Technology Committee

ACADEMIC/PROFESSIONAL QUALIFICATION

- Bachelor of Arts (Economics) University of Malaya

SKILL AND EXPERIENCE

- She began her career as a systems engineer at IBM in 1993 and developed her career through leadership positions in services delivery, technical support, sales and operations functions.
- She has 28 years of experience in the technology field and last served as the General Manager for Industries in IBM. She worked with large enterprises across multiple industries such as banking & insurance, oil & gas, travel & transportation, telecommunications and government agencies to explore and deploy leading edge technologies such as hybrid Cloud, mobile, IoT, AI/data analytics and Blockchain in creating competitive advantage.
- In the course of her career, she had collaborated with subject matter experts from around the world to share the best global practices and implement transformation programmes to build robust, open and flexible business architectures that are resilient and secure. She brings with her a deep understanding and knowledge of organisation structures and agile ways of working to transform and build new business models and revenue streams as well as enhance efficiency and improve customer experience through digitalisation.
- She is a member of the Institute of Corporate Directors Malaysia and 30% Club in support of diversity, equality and inclusion.

DIRECTORSHIP IN OTHER COMPANIES

Listed Entities

- Nil

Other Public Companies

- Nil

- 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 2025.

DIRECTORS' PROFILE

KHALID SUFAT*(Deceased on 24 June 2025)*Number of Board
Meetings Attended:Age **69**Gender **Male**Nationality **Malaysian**

Independent Non-Executive Director

Date of Appointment: 1 October 2019

Length of Service: 5 years 6 months

BOARD COMMITTEE MEMBERSHIP

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

ACADEMIC/PROFESSIONAL QUALIFICATION

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

SKILL AND EXPERIENCE

- Khalid had considerable experience in the banking industry having held several senior positions, namely, Managing Director of Bank Kerjasama Rakyat Malaysia Berhad, General Manager, Consumer Banking of Malayan Banking Berhad and Executive Director of United Merchant Finance Berhad.
- He had previously managed three (3) listed companies as Executive Director of Tronoh Mines Malaysia Berhad, as Deputy Executive Chairman of Furqan Business Organisation Berhad and as Group Managing Director of Seacera Tiles Berhad.

DIRECTORSHIP IN OTHER COMPANIES**Listed Entities**

- Nil

Other Public Companies

- Malaysian Reinsurance Berhad
- Kuwait Finance House (Malaysia) Berhad

Other Appointment

- Employees Provident Fund

- 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 2025.

GROUP SHARIAH COMMITTEE'S PROFILE

PROF. DR. YOUNES SOUALHI

Chairman



Age	Gender	Nationality	Date of Appointment
57	Male	Algerian	3 November 2022

ACADEMIC/PROFESSIONAL QUALIFICATION:

- Bachelor in Usul al Fiqh from Emir University of Islamic Sciences Algeria
- Masters in Usul al-Fiqh from International Islamic University Malaysia
- Ph.D in Usul al-Fiqh from University of Malaya

SKILLS AND EXPERIENCE:

- Holding the esteemed designation of Registered Financial Planner ("RFP") under the Malaysian Financial Planning Council ("MFPC"), he brings a wealth of expertise in financial planning and advisory services to the table.
- As a distinguished member of the Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI") Shariah sub-committee, he contributes to shaping global standards and best practices in Islamic finance.
- Currently, he serves as a Senior Researcher and Head of Ph.D Program (Applied Shariah in Islamic Economics and Finance at the International Shari'ah Research Academy for Islamic Finance ("ISRA"), where his insights drive pioneering research initiatives in the field.
- Additionally, he holds the esteemed position of Professor at INCEIF University, Malaysia, where he imparts invaluable knowledge and expertise to the next generation of Islamic finance professionals.
- In his capacity as Deputy Chairman of the Shariah Committee of Al-Rajhi Bank, Malaysia, he plays a pivotal role in ensuring compliance with Shariah principles within the banking sector.
- He also serves as the sole Shariah advisor for Kuwait Retakaful (Labuan), showcasing his expertise in the realm of Islamic insurance. Furthermore, he serves as the Chairman of the Shariah Council of experts for Salam Takaful, Nigeria, and as the Deputy Chairman of Aljazair Mutaahidah Takaful company in Algeria, underscoring his global influence and leadership in Islamic finance.
- Previously, he held esteemed positions such as Chairman of the Shari'ah board of Munich Re Retakaful and a member of the Shariah Committee of HSBC Amanah Malaysia, further highlighting his extensive experience and trusted reputation in the industry.
- With nearly twenty-three (23) years of experience, he has taught Islamic finance subjects such as Takaful and Retakaful courses at the master's and Ph.D. levels. His scholarly contributions extend to the publication of articles and books in Islamic Banking and Finance, particularly focusing on Takaful and Retakaful, enriching the academic discourse in the field.

ASSOC. PROF. DATUK DR. LUQMAN HAJI ABDULLAH

Member



Age	Gender	Nationality	Date of Appointment
55	Male	Malaysian	3 November 2020

ACADEMIC/PROFESSIONAL QUALIFICATION:

- Bachelor of Shariah (Hons.) from University of Malaya
- Ph.D in Islamic Law of Property from the University of Edinburgh, Scotland

SKILLS AND EXPERIENCE:

- He formerly served as the Mufti of Wilayah Persekutuan from May 2020 to May 2025, a role that placed him at the forefront of Islamic legal and ethical guidance at the national level.
- Currently, he serves as a distinguished Shariah Committee Member of MBSB Bank, offering expert insights to ensure compliance with Shariah principles in the banking sector. He is also appointed as a Shariah Panel Expert of Jabatan Kemajuan Islam Malaysia ("JAKIM"), further showcasing his expertise and influence in matters of Islamic governance.
- As a dedicated member of the Association of Shariah Advisors in Islamic Finance ("ASAS"), he contributes to shaping industry standards and best practices. Moreover, he holds significant roles as a Committee Member of the Shariah Advisory Council of Amanah Raya Berhad ("ARB"), demonstrating his commitment to advancing Islamic finance and philanthropy.
- Beyond his professional engagements, he serves as the Chairman of Madrasah Rahmaniah Pondok Lubuk Tapah, Pasir Mas, Kelantan, where he plays a pivotal role in nurturing Islamic education and values in the community. His dedication to academic pursuits is further evidenced by his tenure as a Visiting Scholar at the University of Edinburgh, Scotland in 2013.
- Previously, he held the esteemed position of Head of the Fiqh and Usul/Islamic Jurisprudence Department at the University of Malaya, where he contributed significantly to academic discourse and scholarship. His areas of specialisation encompass Islamic Law of Property, Islamic Jurisprudence/Legal Theories, and Shariah/Fiqh Textual Studies (Dirasah Nassiyyah), reflecting his profound expertise in these domains.

GROUP SHARIAH COMMITTEE'S PROFILE

DR. SHAMSIAH MOHAMAD

Member



Age	Gender	Nationality	Date of Appointment
58	Female	Malaysian	3 November 2020

ACADEMIC/PROFESSIONAL QUALIFICATION:

- Bachelor of Shariah (First Class Honours) from University of Malaya
- Master of Shariah from University of Malaya
- Ph.D specialising in Fiqh & Usul Fiqh from University of Jordan

SKILLS AND EXPERIENCE:

- She was an Associate Professor at the Academy of Islamic Studies in University of Malaya and a Senior Researcher at International Shariah Research Academy for Islamic Finance ("ISRA").
- Her distinguished presence extends to multiple Shariah Committees of prestigious financial institutions, where she is entrusted with navigating complex Shariah issues with assurance.
- Currently, she holds esteemed positions as a Member of the Shariah Supervisory Council of Bank Islam Malaysia Berhad, the Shariah Committee of SME Bank, and the Shariah Committee of the Association of Islamic Banking Institutions Malaysia ("AIBIM").
- Additionally, she serves as a Subject Matter Expert at IBFIM, contributes to the Shariah Committee of Lembaga Zakat Selangor, and Shariah Committee to Dana Peladang Kebangsaan, Pertubuhan Peladang Kebangsaan and Jawatankuasa Penasihat Ibadat Haji THJAKIM.
- Her extensive portfolio also includes past memberships on the Shariah Advisory Council of the Securities Commission Malaysia and the Shariah Committee of Bursa Malaysia Securities Berhad.
- She has lent her Shariah expertise to institutions such as Standard Chartered Bank, Bank Muamalat Malaysia Berhad, Standard Chartered Saadiq Berhad, JAKIM, Medic IG Holdings, BIMB Investment, and BIMB Securities Sdn Bhd.
- Notably, she served on the esteemed Shariah Advisory Council of Bank Negara Malaysia ("BNM") from 2013 to 2019. Throughout her career, her focus has remained steadfast on Islamic transactions, where she has garnered profound insights and made substantial contributions.

SHAHRIK SOFIAN

Member



Age	Gender	Nationality	Date of Appointment
61	Male	Malaysian	3 November 2020

ACADEMIC/PROFESSIONAL QUALIFICATION:

- Bachelor of Economics (Honours) from International Islamic University Malaysia
- Bachelor of Islamic Studies (Shariah) from The National University of Malaysia
- Master's degree in actuarial science (with distinction) from City University of London, United Kingdom

SKILLS AND EXPERIENCE:

- Currently, he serves as a respected Shariah Committee member for the Islamic Banking window at Citibank Berhad.
- With an illustrious career spanning over three decades, he has held various pivotal roles within Bank Negara Malaysia ("BNM") since 1987. Notably, he served as Manager in the Financial Sector Development Department and Manager of the Insurance Development Department, where he played a key role in steering compliance review processes.
- His contributions to BNM were multifaceted, including involvement in strategic initiatives such as the formulation of the Balance Score Card for Life Insurance/Family Takaful Agents under the LIFE framework and the Development of Business Plan of the Insurance Development Department, which became an integral part of the Bank's overarching business strategy.
- He played a pivotal role in shaping policy frameworks, including the formulation of the policy document on direct channels and the establishment of a dedicated department, namely, the Islamic Banking and Takaful Department, which propelled the progress and development of the Islamic Financial System.
- Furthermore, his extensive expertise extends to insurance regulations and operations, where he demonstrated a keen understanding and proficiency in navigating the intricacies of this sector.

GROUP SHARIAH COMMITTEE'S PROFILE

DR. KHAIRUL ANUAR AHMAD

Member



Age	Gender	Nationality	Date of Appointment
51	Male	Malaysian	1 July 2022

ACADEMIC/PROFESSIONAL QUALIFICATION:

- Bachelor of Syariah (Hons.) from University of Malaya
- Master of Syariah from University of Malaya
- Ph.D in Islamic Banking and Finance from International Islamic University of Malaysia

SKILLS AND EXPERIENCE:

- Currently, he holds the esteemed position of Senior Lecturer at Universiti Islam Selangor ("UIS"), where he specialises in Fiqh Muamalat (Islamic Law of Transactions) and Islamic Economics & Banking.
- He serves as the Chairman of the Shariah Committee at OCBC Al-Amin Bank Berhad, demonstrating his leadership and proficiency in ensuring compliance with Shariah principles within the banking sector. Additionally, he is a respected member of the Shariah Committees at YAPEIM, KOPSYA, Afsha Shariah Advisory Sdn Bhd and Sedania As-Salam Capital Sdn Bhd, where his insights contribute to informed decision-making processes.
- His extensive experience includes serving as a Member of the Shariah Committee at HSBC Amanah Berhad and FWD Takaful Bhd, underscoring his trusted reputation within the Islamic finance industry. He is also an ordinary member of the Association of Shariah Advisors in Islamic Finance ("ASAS"), further cementing his standing as a respected authority in the field.
- Throughout his career as a lecturer, he has contributed significantly to the advancement of Islamic finance through the publication of several articles and research papers. His scholarly contributions enrich the discourse surrounding Islamic finance and serve as a testament to his dedication to the field.

WAN RUMAIZI WAN HUSIN

Member



Age	Gender	Nationality	Date of Appointment
50	Male	Malaysian	1 August 2023

ACADEMIC/PROFESSIONAL QUALIFICATION:

- Degree in Fiqh and Usul al-Fiqh from al Al-Bayt University Jordan
- Master's degree in Fiqh and Usul al-Fiqh from International Islamic University Malaysia

SKILLS AND EXPERIENCE:

- Formerly, he served as a lecturer at the esteemed Department of Fiqh and Usul al-Fiqh at the Kulliyah of Islamic Revealed Knowledge and Human Sciences of the International Islamic University Malaysia, where he contributed significantly to the academic landscape in Islamic jurisprudence.
- Known for his dynamic presence and expertise, he is highly active in delivering speeches and specialised training on Shariah principles, particularly in the areas of Fiqh Muamalat, Islamic Economics, and Fiqhi-Medico, garnering admiration for his insightful contributions.
- With a wealth of experience in Shariah consultation, he has played pivotal roles such as module developer and member of the Working Group for MS 1900:2014 Standard (Shariah-based Quality Management Systems – Requirement with Guidance) secretariat by SIRIM. Additionally, he has served as a Shariah Advisor for Yayasan Muamalat Belia, Tissue Bank HUSM Kubang Kerian, and as a Shariah Committee Representative to BKR's BOD Meeting and JAKIM's Muamalat Panel of Experts.
- Currently, he holds esteemed positions including Board member and Chairman of the Shariah Committee at AEON Bank (M) Berhad, Shariah Committee member of AgroBank Berhad, and Shariah Committee member of Tabung Haji. He also serves as the Wakaf Committee member of Majlis Agama Islam dan Adat Istiadat Melayu Kelantan, Panel Consultant Member for the International Research Centre in Islamic Economy and Finance ("IRCIEF") at UIS, and a Member of the International Union for Muslim Scholars (Ittihad al-'Alami li 'Ulama' al-Muslimin), Qatar.
- Previously, he held significant roles such as Chairman of the Shariah Board at Al-Rajhi Bank Malaysia Berhad, Shariah Committee Member of Bank Kerjasama Rakyat, and Shariah Committee Member of PruBSN Takaful.
- Additionally, he served as an Executive Committee ("EXCO") member of the Association of Shariah Advisors in Islamic Finance ("ASAS"), further underscoring his commitment to advancing the principles of Shariah in the finance industry.

GROUP SHARIAH COMMITTEE'S PROFILE

DR. SAFINAR SALLEH

Member



Age	Gender	Nationality	Date of Appointment
48	Female	Malaysian	1 April 2025

ACADEMIC/PROFESSIONAL QUALIFICATION:

- PhD in Islamic Studies (Shariah) from Glasgow Caledonian University, United Kingdom
- Master's Degree in Shariah from the University of Malaya
- Bachelor's Degree in Shariah from Al-Azhar University, Egypt

SKILLS AND EXPERIENCE:

- She is currently serving as a lecturer at the Department of Islamic Law, Ahmad Ibrahim Kulliyah of Laws ("AIKOL"), International Islamic University Malaysia ("IIUM").
- In addition to her academic role, Dr. Safinar is currently a Shariah Committee member of Export-Import Bank of Malaysia Berhad (EXIM Bank), MUA Life Ltd (Mauritius), and Hong Leong Islamic Bank Berhad. Previously, she has also served on the Shariah Committees of Swiss Re Retakaful, MUFG Bank (Malaysia) Berhad, and Bank Simpanan Nasional ("BSN").
- She brings with her extensive experience in Islamic banking and finance, with particular expertise in Shariah advisory for the corporate sector, as well as Takaful and Retakaful. Her interests also cover the Islamic capital market, Islamic law of contracts, and Waqf. Dr. Safinar has co-authored several publications with fellow academicians, including Prof. Dr. Rusni Hassan, Chairperson of the Shariah Committee at HLISB, focusing primarily on Islamic banking and Takaful.
- Moreover, Dr. Safinar has contributed to the development of the industry through her role as a module reviewer for the Takaful module under the Certified Shariah Advisor ("CSA") and Certified Shariah Practitioner ("CSP") certifications, developed by the Association of Shariah Advisors in Islamic Finance ("ASAS").

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



Age	Gender	Nationality	Date of Appointment
56	Male	Malaysian	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



Age	Gender	Nationality	Date of Appointment
53	Male	Malaysian	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.

Not a Director in any public companies or listed issuer. Not related to any Director and/or major shareholders of MNRB. Does not have any conflict of interest with MNRB and has never been convicted for any offences within the past five (5) years.

KEY SENIOR MANAGEMENT TEAM'S PROFILE

WAN AHMAD NAJIB WAN AHMAD LOTFI

President & Chief Executive Officer,
Takaful Ikhlas Family Berhad



Age	Gender	Nationality	Date of Appointment
44	Male	Malaysian	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.

SHARMINI PERAMPALAM

Senior Vice President &
Group Chief Financial Officer



Age	Gender	Nationality	Date of Appointment
57	Female	Malaysian	1 March 2024

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.

Not a Director in any public companies or listed issuer. Not related to any Director and/or major shareholders of MNRB. Does not have any conflict of interest with MNRB and has never been convicted for any offences within the past five (5) years.

KEY SENIOR MANAGEMENT TEAM'S PROFILE

EKMARRUDY OTHMAN

Senior Vice President &
Group Chief Strategy Officer



Age	Gender	Nationality	Date of Appointment
48	Male	Malaysian	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



Age	Gender	Nationality	Date of Appointment
41	Female	Malaysian	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.

Not a Director in any public companies or listed issuer. Not related to any Director and/or major shareholders of MNRB. Does not have any conflict of interest with MNRB and has never been convicted for any offences within the past five (5) years.

KEY SENIOR MANAGEMENT TEAM'S PROFILE

LEONG JOE YEE

Senior Vice President &
Group Chief Risk Officer



Age	Gender	Nationality	Date of Appointment
47	Male	Malaysian	10 March 2021

**ACADEMIC/PROFESSIONAL
QUALIFICATION:**

- Bachelor of Science in Business Administration, Actuarial Science from Drake University, Iowa USA.

SKILLS AND EXPERIENCE:

- He began his career as an actuarial consultant in the USA and returned to Malaysia in 2003.
- He has extensive experience in driving risk management and operational changes in organisations, partnering with business and underwriting teams in transforming the business by leveraging on analytics, driving the implementation of business intelligence, and providing independent insights and perspective to the Board of Directors.
- Prior to joining MNRB, he was the Chief Risk Officer for Hannover Re Malaysian Branch.

LENA ABD LATIF

Senior Vice President, Head of Legal &
Secretarial & Group Company Secretary



Age	Gender	Nationality	Date of Appointment
58	Female	Malaysian	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.

Not a Director in any public companies or listed issuer. Not related to any Director and/or major shareholders of MNRB. Does not have any conflict of interest with MNRB and has never been convicted for any offences within the past five (5) years.

KEY SENIOR MANAGEMENT TEAM'S PROFILE

NUR AZLINA MOHD YAZID

Senior Vice President &
Head of Group Human Capital Management



Age	Gender	Nationality	Date of Appointment
57	Female	Malaysian	2 March 2022

ACADEMIC/PROFESSIONAL QUALIFICATION:

- Bachelor of Law (LLB) from University of East London.

SKILLS AND EXPERIENCE:

- She has more than twenty-five (25) years of experience in diverse industries including Legal, Manufacturing, IT, Oil & Gas and Shared Services.
- Throughout her career, she has led organisations in improving Performance and Leadership, Talent Management and Workforce Planning, Organisation

Development and Capability Building, Transformation and Change Management, Diversity & Inclusiveness as well as focusing on Positive Employee Relations and Industrial Relations.

- She is also a Certified Lean Practitioner and has helped businesses drive continuous improvement efficiencies by focusing on simplifications and standardisation of work process.
- Prior to joining MNRB Holdings Berhad, she was General Manager HR Upstream in Shell Malaysia.

HANIZA FILZAH HAYANI ABU HANIFFA

Senior Vice President &
Group Chief Internal Auditor



Age	Gender	Nationality	Date of Appointment
56	Female	Malaysian	3 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.

KEY SENIOR MANAGEMENT TEAM'S PROFILE

NG CHEE SANG

Senior Vice President &
Group Chief Technology Officer



Age	Gender	Nationality	Date of Appointment
54	Male	Malaysian	13 September 2021

**ACADEMIC/PROFESSIONAL
QUALIFICATION:**

- Bachelor of Science, Computer & Information Science from the National University of Singapore.

SKILLS AND EXPERIENCE:

- He began his career as a software developer with a network provider in Singapore before returning to Malaysia in 1997.
- He has more than twenty-five (25) years of working experience as an IT professional.

- He held various roles and responsibilities in the Insurance/Takaful industry and was instrumental in helping the insurance companies transform and strengthen the IT divisions/departments.
- He has successfully implemented many IT solutions which have helped to support business growth, reduce the turnaround time and cost of doing business.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CORPORATE GOVERNANCE APPROACH

The Board of Directors (“the Board”) of MNRB Holdings Berhad (“MNRB” or “the Company”) is pleased to present this Corporate Governance Overview Statement (“CG Overview Statement”) to provide shareholders and investors with an overview of the principal features of the Company’s and its subsidiaries’ (“the Group”) corporate governance practices during the financial year ended 31 March 2025 (“financial year”), as well as the key focus areas and future priorities in relation to corporate governance.

The Board remains committed towards maintaining a high standard of corporate governance throughout the Group and strives to continuously improve the effective application of the principles and best practices as set out in the following:

- (a) Companies Act, 2016;
- (b) Malaysian Code on Corporate Governance issued by the Securities Commission Malaysia (“MCCG 2021”);
- (c) Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”);
- (d) Policy Document on Corporate Governance issued by Bank Negara Malaysia (“BNM PD CG”); and
- (e) Corporate Governance Guide published by Bursa Malaysia.

collectively referred as (“the Guiding Principles”).

MNRB accords high regard to the effective application of these principles and best practices in addition to upholding high standard of business integrity in all activities undertaken by the Group. This includes a commitment to emulate good industry practices and to comply with policy documents and recommendations by the relevant regulatory authorities.

Set out below is a statement detailing the application of principles and compliance with the best practices by MNRB as prescribed under the Guiding Principles during the financial year.

This CG Overview Statement is prepared in compliance with MMLR and is to be read together with MNRB’s Corporate Governance Report 2025 (“CG Report”), based on prescribed format as outlined in Paragraph 15.25(2) of MMLR.

The CG Report shall provide a detailed articulation on the extent of the Company’s compliance with the corporate governance practices set out in the MCCG 2021. The CG Report is available on the Company’s website, www.mnrb.com.my, as well as via an announcement on Bursa Securities’ website.

This CG Overview Statement should also be read in conjunction with the other statements in this annual report (e.g. Statement on Risk Management and Internal Control, Reports on Audit and Sustainability Statement) as the application of certain corporate governance enumerations may be briefly explained within the context of the respective statements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE



BOARD LEADERSHIP AND EFFECTIVENESS

BOARD RESPONSIBILITIES

The Board is responsible for overseeing MNRB's overall strategic directions and operations while ensuring alignment with stakeholder interests. This includes ensuring compliance with all relevant laws and regulations, such as the MCCG 2021, MMLR and BNM PD CG.

The Board exercises effective oversight role in the conduct of the Group's affairs. This includes the responsibility to determine the Group's development and overall strategic direction. Key matters such as the approval of quarterly and annual results, overall strategic direction and business plans, major acquisitions and disposals, significant capital expenditures, budgets, risk management, integrity of internal controls and succession planning for top management, sustainability matters and climate-related risks are reserved for the Board or its appointed committees to deliberate and resolve.

To enable the Board to discharge its responsibilities in meeting the goals and objectives of the Company and in line with the MCCG 2021, the Board is required to adhere to the following:

- together with Senior Management, promote good governance culture within the Company which reinforces ethical, prudent and professional behaviour;
- review, challenge and decide on Management's proposals for the Company, and monitor their implementation by Management;
- ensure that the strategic plan of the Company will support long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- supervise and assess Management's performance to determine whether the business is being properly managed;
- ensure the availability of a sound framework for internal controls and risk management;
- understand the principal risks of the Company's business and recognise that business decisions involve the taking of appropriate risks;
- set the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- ensure Senior Management has the necessary skills and experience, and measures are in place to provide for the orderly succession of the Board and Senior Management;
- ensure that the Company has in place procedures to enable effective communication with stakeholders; and
- ensure the integrity of the Company's financial and non-financial reporting.

There is also a financial and business review of the Group's quarterly performance including operating performance to date, against the annual budget and business plan previously approved by the Board for that year.

The functions of the Board and Senior Management are clearly demarcated to ensure the effectiveness of the Company's business and its day-to-day operations as outlined in the Board Charter. The Board delegates the day-to-day management of the Company's business to the Senior Management Team, but reserves for the Board's consideration significant matters, as detailed in Appendix A of the Board Charter.

A Code of Ethics and Whistleblowing Policy ("said Code") has been put in place to foster an ethical culture and allow legitimate concerns to be raised in confidence without the risk of reprisal. The said Code is reviewed periodically by the Board and published 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 matters concerning the way forward towards achieving the vision of the Group. This collaboration was envisaged to promote better coherence among the business of the subsidiaries and to enhance group strategy.

BOARD COMPOSITION

The Board is committed to ensuring diversity and inclusiveness in its composition and deliberations. It embraces the proposition that having a diverse Board would have a positive, value-relevant impact on the Group.

The Board comprises members with relevant expertise and experience drawn from business, financial and technical fronts which strengthened leadership and management.

During the financial year, the Board comprised seven (7) members, all of whom are Non-Executive Directors, including the Chairman. Six (6) members are Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Chairman/Director. The presence of majority independent directors allows the Board to apply heightened professional vigilance and challenge the Management in an unbiased manner and prevent dominance and complacency in the boardroom.

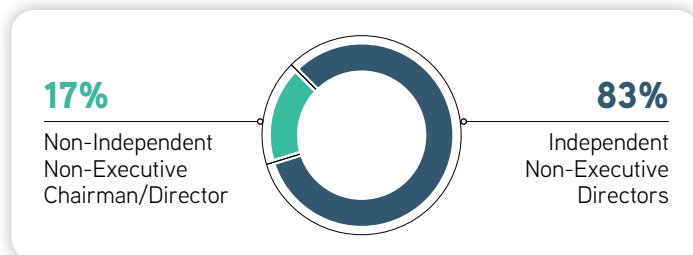
CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE

A

BOARD LEADERSHIP AND EFFECTIVENESS

As at the date of this report, the percentage of the Board composition is as follows:



By virtue of this composition, the Company is in compliance with:

- Paragraph 15.02(1)(a) of the MMLR which requires at least two (2) directors or one-third (1/3) of the Board, whichever is the higher, to be independent;
- Paragraph 11.3 of the BNM PD CG which requires the Chairman of the Board to be a Non-Executive Director; and
- Paragraph 11.4 of the BNM PD CG which requires the Board to comprise not more than one (1) Executive Director which currently, the Board does not have any as its member.

The above remained as the tenets of the Board's holistic approach in determining its size, composition and level of independence wherein the Board, to the extent possible, also takes into account the following principles in determining its composition and ideal size:

- to have only one (1) Executive Director as a member of the Board (which currently, the Board does not have any as its member);
- to appoint a Chairman of the Board who is a Non-Executive Director;
- to ensure that the role of the Chairman of the Board is separate from the President & Group Chief Executive Officer ("President & Group CEO");
- to ensure that the Chairman of the Board does not chair any of the Board Committees;
- to ensure that Board Committees comprise a majority of Independent Non- Executive Directors;
- to ensure that the Chairman of all Board Committees are Independent Non-Executive Directors; and
- to appoint a Senior Independent Director from among the Independent Non-Executive Directors.

BOARD DIVERSITY

The Board fully recognises the importance of boardroom diversity including but not limited to, gender, age and experience in driving the Group's aspirations. To this effect, a Policy on Diversity was established in 2016.

The Board values the different expertise that each Director brings to the Board due to his or her diverse background, skills and experience.

Although the Board has no specific targets on gender diversity, it endeavours to maintain the number of women directors subject to their suitability and competency. During the financial year, the Board has three (3) women members, representing 43% of the total Board Members.

In order to comply with regulatory requirements and to have a well-balanced Board, the existing appointment process for a new Board member takes into consideration the required skill sets, experience, competency, gender and age of the individual candidates as well as the appropriate size, structure and composition of the Board as a whole. The Board is now largely equipped with knowledge in the fields of reinsurance, regulatory, accounting, banking, legal, investment, business operations, information technology, and insurance/takaful/retakaful.

The table below depicts the qualifications/experiences as well as tenure of the existing Directors during the financial year:

Name	Qualification/ Experience	Tenure in the Company
Dato' Sulaiman Mohd Tahir	Banking, Insurance/ Takaful	1 month, 18 days
George Oommen	Accounting, Insurance/ Reinsurance/Takaful	7 years, 3 months
Khalid Sufat (<i>deceased on 24 June 2025</i>)	Accounting & Banking	5 years, 6 months
Junaidah Mohd Said	Regulatory & Reinsurance	5 years, 6 months
Zaida Khalida Shaari	Law & Investment	5 years, 6 months
Dato' Wan Roshdi Wan Musa	Corporate Risk & Investment	5 years
Chin See Mei	Information Technology	1 year, 6 months

CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD MEETINGS

The Board meeting dates for the ensuing financial year are scheduled in advance before the end of the current financial year in order for the Directors to plan their schedules ahead of time.

The Board has scheduled meetings of at least six (6) times a year, besides the Annual General Meeting (“AGM”). During the financial year, the Board met seventeen (17) times consisting of six (6) scheduled meetings and eleven (11) special meetings. The additional eleven (11) special meetings were due to deliberations on Special Projects and Strategic Planning for MNRB Group, in addition to earlier approval submission on Quarterly Financial Results.

Technology is effectively used in Board meetings and communications with the Board. Board meeting materials are shared electronically and where required, Directors may participate in meetings via video conference.

Pursuant to the MMLR, all Directors are required to attend at least fifty percent (50%) of the Board meetings held during the financial year while under Paragraph 9.3 of the BNM PD CG, all Directors are required to attend at least seventy five percent (75%) of the Board meetings held during the financial year. During the financial year, all Directors have complied with both the requirements.

The details of attendance of the Directors at Board meetings held during the financial year are as follows:

Name of Director	Directorship	Attendance	Percentage
Dato’ Sulaiman Mohd Tahir	Chairman/Non-Independent Non-Executive Director (Appointed with effect from 14 February 2025)	1/1	100%
George Oommen	Senior Independent Non-Executive Director	17/17	100%
Junaidah Mohd Said	Independent Non-Executive Director	17/17	100%
Zaida Khalida Shaari	Independent Non-Executive Director	17/17	100%
Dato’ Wan Roshdi Wan Musa	Independent Non-Executive Director	17/17	100%
Chin See Mei	Independent Non-Executive Director	17/17	100%
Khalid Sufat	Independent Non-Executive Director (Deceased on 24 June 2025)	15/17	88%
Datuk Johar Che Mat	Chairman/Non-Independent Non-Executive Director (Resigned on 12 February 2025)	16/16	100%

DIRECTORS’ REMUNERATION

Remuneration Policy and Procedure

The Group Nomination & Remuneration Committee (“GNRC”) recommends to the Board the appropriate remuneration packages in order to attract, motivate and retain the Directors within the Group. The Group Non-Executive Directors Remuneration Policy is to reward the Directors competitively, taking into account performance, market comparison and competitive pressure in the industry. Whilst not seeking to maintain a strict market position, the GNRC takes into account comparable roles in similar organisations that may be of similar in size, market sector or business complexity.

After the 49th AGM of the Company, all Non-Executive Directors were paid Directors’ fees on monthly basis instead of quarterly. The Board was of the view that this arrangement is just and equitable as the Non-Executive Directors had discharged their responsibilities and rendered their services to the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE

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BOARD LEADERSHIP AND EFFECTIVENESS

The remuneration structure for the Non-Executive Directors of the Company is as follows:

- Fees for duties as a Director and as a member of the various Committees of the Board as well as additional fees for undertaking responsibilities as Chairman of the Board and the various Board Committees.
- Benefits which consist of cash and non-cash benefits of monetary value.

The Directors' fees and benefits for all Non-Executive Directors are recommended by the Board to the shareholders for their approvals.

The Board, through the recommendation of the GNRC, had agreed to revise the Directors' Fees for Non-Executive Directors effective from the conclusion of the 51st AGM until the conclusion of the 52nd AGM in 2025. The revised fees were used to compute the remuneration of each Non-Executive Director for the financial year ended 31 March 2025. This would include the Directors' fees for the GNRC and Group Investment Committee which were established on 1 January 2022 and Group Digital & Information Technology Committee which was established on 1 October 2024:

		Meeting Allowance RM	Annual Fees RM
Board	Chairman		149,500
	Member		80,500
Board Committee:			
• Audit Committee			
• Risk Management Committee of the Board	Chairman		25,300
	Member		19,550
• Group Nomination & Remuneration Committee	Chairman	RM1,500 for each meeting attended	19,550
	Member		13,800
Other Committee:			
• Group Investment Committee			
• Group Digital & Information Technology Committee	Chairman		19,550
	Member		13,800

Further details on the total remuneration of each Director of the Company can be found in the CG Report, accessible on the Company's website at www.mnrb.com.my. In addition, the CG Report has been uploaded alongside this Annual Report under the "Annual Report" section on the Bursa Securities website.

Remuneration Policy in respect of the President & Group CEO and Board Appointees of the Company

The Company's remuneration policy is designed to attract, motivate, reward and retain high-performing individuals who contribute 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.

The remuneration packages for the President & Group CEO and Board Appointees of the Company are reviewed by the GNRC at the point of contract renewal.

These packages consist of both fixed and variable components. The fixed component comprises of monthly basic salary while the variable component is a performance-based bonus awarded annually. This bonus is linked to both corporate and individual performance, assessed using a balanced scorecard approach that encourages sustainable business practices and prudent risk taking.

Performance measures are based on the Company's strategic and operational goals that are translated into key performance indicators (KPIs) that cover financial and non-financial areas such as profitability, growth, risk management, compliance, customer satisfaction, 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.

Employees in control functions including Actuarial, Risk, Compliance and Internal Audit, do not carry business profit targets in their performance goals. Their compensation is determined independently of business profitability and is based on the achievement of key outcomes within their respective areas of responsibility.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

To maintain competitiveness, the Company reviews its compensation structure annually by conducting benchmarking exercise against relevant peer group of companies. The benchmarking uses data from independent surveys conducted by external consultants, helping the Company remain an attractive employer in the industry.

The Company's variable compensation varies in line with its financial performance and in meeting BNM PD CG requirements.

The total value of remuneration for the President & Group CEO and Board Appointees (i.e. President & Chief Executive Officer, 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	President & Group CEO	1,649,465	-	Salaries, allowance and EPF
	BA & SM	7,392,761	-	
Others	President & Group CEO	25,342	-	Benefit-in-kind
	BA & SM	-	-	
Cash-Based	President & Group CEO	506,000	-	Variable Bonus and EPF on bonus
	BA & SM	1,894,264	-	
Others	President & Group CEO	-	-	
	BA & SM	-	-	

BA: Board Appointees
SM: Senior Management

Following the departure of the President & Group CEO in November 2024, the salary, allowance and EPF saw a slight increase due to the gratuity payment. The variable income component remains performance-based and is determined through a structured assessment of both financial results and other key performance indicators. While the Company recorded improved profitability, variable payouts are subject to internal thresholds and governance processes to ensure alignment with long-term strategic objectives. The increase in Benefits-in-Kind for the President & Group CEO is primarily due to adjustments in statutory valuation rates applicable to certain benefits. These include vehicle-related provisions such as car, fuel, and driver, in line with prevailing regulatory guidelines.

In respect of the Interim President & Group CEO, the individual is currently serving in a dual-hatting capacity, wherein he concurrently holds the position of President & Chief Executive Officer ("President & CEO") of Takaful Ikhlas General Berhad ("Takaful IKHLAS General"). For his substantive role at Takaful IKHLAS General, he receives a salary directly from that entity. In relation to his interim appointment as Interim President & Group CEO of the Company, he is accorded an allowance in recognition of the additional responsibilities undertaken. This remuneration arrangement has been structured to reflect the transitional nature of the appointment, while ensuring continued adherence to the Company's established corporate governance framework, including principles of transparency, proportionality, and alignment with strategic oversight and fiduciary accountability.

For the BA and SM, the increase in both fixed and variable income from previous financial year is attributed to a rise in headcount from 11 to 15 employees for the financial year ended 2024/2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE

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BOARD LEADERSHIP AND EFFECTIVENESS

BOARD EDUCATION & DEVELOPMENT

Induction Programme for Newly Appointed Director

The Company acknowledges that continuous education is vital for the Board members to gain insight into the regulatory updates and market developments to enhance the Directors' skills and knowledge in discharging their responsibilities.

During the financial year, all Directors attended various seminars and programmes to strengthen their skills set and knowledge to effectively discharge their responsibilities, as well as to acquire sound understanding of current issues and developments in the financial and business environment.

Pursuant to the requirements of Bursa Malaysia, a newly appointed Director is required to attend the Mandatory Accreditation Programme ("MAP") and also the Leading for Impact ("LIP") MAP Part II.

In addition to the above, being a Director of a Financial Holding Company, a newly appointed Director is required to attend the Financial Institution Directors' Education ("FIDE") programme and complete the same within one (1) year from the date of appointment.

In the event that the new Director had previously completed the same in another financial institution, the Director should provide a copy of his/her FIDE certificate to the Company Secretary.

All new Directors are required to undergo an induction programme to be apprised of amongst others, information about the Group, the Board's role, powers that have been delegated to the Company's Senior Management and Management committees as well as the latest financial information of the Group. This is to quickly familiarise the Directors on the 'DNA' of the Company for early and effective contribution.

To supplement the programme, a Director's Handbook is furnished by the Company Secretary upon a Director's appointment containing information such as disclosure obligations of a Director, Board Charter, Code of Ethics, Board Committees' Term of Reference, schedule of meetings, amongst others.

Directors' Continuous Education and Development

The Company, via the Company Secretary also facilitates the organisation of internal training programmes and Directors' participation in external programmes to ensure the Directors are kept abreast of new developments pertaining to laws and regulations, changing business risks, as well as technology and cyber security issues, which may affect the Company.

The Company Secretary keeps a complete record of the trainings received or attended by the Directors. Details of trainings/conferences/workshops attended by the Directors during the financial year are set out in the CG Report.

REPORT BY THE GROUP NOMINATION & REMUNERATION COMMITTEE

The GNRC was established on 1 January 2022 with the objective to better enhance the efficiency and governance of the Nomination Committee and Remuneration Committee functions in discharging its duties and responsibilities throughout the MNRB Group.

It functions on a Group basis and is empowered to consider related matters 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 functions and responsibilities of the GNRC are set out in its Terms of Reference which is available on MNRB's website.

The GNRC comprises three (3) Independent Non-Executive Directors and is chaired by an Independent Non-Executive Director. The Chairman of the GNRC updates the Board on matters that have been deliberated and considered by the said Committee at its meetings.

Attending the GNRC meetings is one (1) permanent invitee from each subsidiary. The Interim President & Group CEO, MNRB and the President & CEOs of the subsidiaries also attend the GNRC meetings, as and when necessary.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MEETINGS AND ATTENDANCE

During the financial year, the GNRC convened nine (9) meetings.

Details of members' attendance are as follows:

	Attendance	Percentage
Zaida Khalida Shaari Chairman <i>Independent Non-Executive Director</i>	9/9	100%
Junaidah Mohd Said Independent Non-Executive Director	9/9	100%
Khalid Sufat Independent Non-Executive Director Represent Malaysian Reinsurance Berhad <i>(Deceased on 24 June 2025)</i>	9/9	100%
George Oommen Senior Independent Non-Executive Director <i>(Appointed with effect from 14 July 2025)</i>	N/A	N/A
Dr Wan Zamri Wan Ismail Permanent Invitee, Takaful Ikhlas General Berhad <i>(Ceased on 1 July 2025)</i>	9/9	100%
Azizul Mohd Said Permanent Invitee, Takaful Ikhlas Family Berhad <i>(Appointed with effect from 1 November 2024)</i>	2/2	100%
Ooi Bee Hong Permanent Invitee, Takaful Ikhlas Family Berhad <i>(Retired on 1 October 2024)</i>	7/7	100%
Datuk Adillah Ahmad Nordin Permanent Invitee, Takaful Ikhlas General Berhad <i>(Appointed with effect from 1 July 2025)</i>	N/A	N/A

DIRECTORS AND KEY SENIOR MANAGEMENT OFFICERS APPOINTMENT

The Board ensures that a formal and transparent nomination process for the appointment of Directors, Group Shariah Committee Members and Key Senior Management Officers is continuously maintained and improved pursuant to its nomination framework.

Individuals appointed to the Board, Group Shariah Committee and relevant senior positions must be fit and proper to discharge their prudential responsibilities during the course of their appointment.

They are assessed by the GNRC in accordance with the MNRB Group Fit & 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 MNRB Group Fit & Proper Policy outlines the following criteria in assessing the suitability of the candidate:

- Probity, personal integrity and reputation, where the candidate must have personal qualities such as honesty, integrity, diligence, independence of mind, fairness and ethical behaviour;
- Competence and capability, where the candidate must have the skills, experience, ability and commitment to carry out the role; and
- Financial integrity, where the candidate must be financially sound and be able to manage his/her debts or financial affairs prudently.

At least two (2) members of GNRC conduct interview sessions 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.

The Board's expectations on the time commitment and contribution from the new Directors are clearly communicated to the potential candidates. The GNRC will evaluate the candidates' ability to discharge their duties and responsibilities as well as assess their commitment to devote their time as a Director prior to recommending their appointment as Directors for approval.

Pursuant to BNM PD CG, MNRB is required to make an application to BNM before the appointment/reappointment of a Director, Group Shariah Committee member and its President & Group CEO.

During the financial year, there were several recommendations made by the GNRC namely, to appoint a new Chairman of the Board, a new Board member of Takaful IKHLAS General, a new member for the Group Shariah Committee and a new President & CEO for Takaful Ikhlas Family Berhad ("Takaful IKHLAS Family"). In addition, the GNRC also recommended the appointment of Dato' Rudy @ Rodzila Che Lamin as the Interim President & Group CEO following Encik Zaharudin Daud's completion of tenure as President & Group CEO in November, 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE

A

BOARD LEADERSHIP AND EFFECTIVENESS

BOARD EVALUATION & ASSESSMENT

During the financial year, the GNRC had also performed the Annual Assessment on the Effectiveness of the Board, Directors' Peer Evaluation for the MNRB Group as well as the Evaluation of the President & CEOs of the subsidiaries. Meanwhile the GNRC agreed that the assessment of the Chairman of the Board and Interim President & Group CEO to be conducted in the next financial year as their appointments were less than 6 months.

The process was internally conducted through questionnaires circulated to the Board covering a spectrum of qualities associated with the Board's Effectiveness, Strategic Plan, Composition, Operations, Performance of the Interim President & Group CEO as well as Directors' Peer Evaluation that encapsulates amongst others contribution, performance and calibre of Individual Director.

These questionnaires were designed and reviewed by the GNRC to ascertain the Board's and Individual Directors' strength and gaps or areas for improvement.

The results and the report on the assessment were presented to the GNRC for consideration prior to recommending to the Board. The findings also form part of the Board's evaluation for the reappointments of the existing Directors within MNRB Group and the Interim President & Group CEO of MNRB as well as the President & CEOs of the subsidiaries.

In addition to the Board Annual Assessment 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. Based on the Corporate Governance Guide issued by Bursa Malaysia, the assessment of the Audit Committee would include assessment on the Quality & Composition, Skills & Competencies and Meeting Considerations & 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 GROUP NOMINATION & REMUNERATION COMMITTEE'S ACTIVITIES IN THE FINANCIAL YEAR 2024/2025

During the financial year, the GNRC considered and made recommendations to the respective Boards on the following matters:

- Assessed the questionnaires and results for the Board Evaluation Exercise;
- Assessed the MNRB Group's Board Remuneration Review;
- Reviewed the Resourcing Plan for President & CEO of Takaful IKHLAS Family;
- Reviewed the appointments and reappointments of Directors, Group Shariah Committee Members and Interim President & Group CEO within the MNRB Group;
- Assessed the Corporate Key Performance Indicators for the Financial Year Ended 31 March 2025;
- Assessed the results of the Annual Assessment on the Effectiveness of the Group Shariah Committee for the Financial Year Ended 31 March 2025;
- Assessed the Appointment and Terms & Conditions for the Chief Executive Officer of Malaysian Motor Insurance Pool on Contract Basis;
- Assessed the Proposal for Appointed Actuary & Head of Corporate Actuarial for Takaful IKHLAS General;
- Assessed the Proposal for Reappointment of Appointed Actuary for Malaysian Reinsurance Berhad and Takaful IKHLAS Family;
- Reviewed the Revised Basis of Directors' Fees and Directors' Benefits from AGM 2024 to AGM 2025;
- Assessed the Annual Increment & Bonus for financial year ended 31 March 2025;
- Reviewed Proposal to Implement MNRB Group 2024 Recognition & Retention Exercise;
- Reviewed the Actuarial Benefits;
- Reviewed the Board Compositions and Proposal in Relation to Common Directors;
- Assessed the Treatment of Non-Executives' Performance Bonus Paid for Financial Year 2025;
- Assessed the Key Performance Indicators for the Interim President & Group CEO and President & CEOs of MNRB Group for Financial Year Ended 31 March 2025;
- Reviewed the Notice Period for Probationers;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

- Reviewed the Industrial Relations – Labour Rights Policy;
- Reviewed the Guidelines on the use of Retention Payments in MNRB Group;
- Reviewed the MNRB Group Fit & Proper Policy and Procedure;
- Assessed the Proposal to Implement Special Recognition Award as a Recognition Tool for MNRB Group;
- Assessed the findings of the Fit and Proper Assessment of Key Responsible Persons; and
- Reviewed renewal of Contract of Appointment of Key Senior Management Officers within the MNRB Group.

Group Shariah Committee

The Group Shariah Committee 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 Group Shariah Committee 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 Group Shariah Committee is in compliance with the Islamic Financial Services Act, 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 Group Shariah Committee and the Board for deliberation and decision.

The Group Shariah Committee 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 the 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; and
- endorsing rectification measures to address any Shariah non-compliance event.

During the financial year, the Board had appointed one (1) new Group Shariah Committee member namely, Dr. Safinar Salleh, with effect from 1 April 2025. Her appointment further adds diversity to the knowledge of the Group Shariah Committee which now comprises of takaful, retakaful, regulatory, economic, banking, and business operations.

A total of eight (8) Group Shariah Committee meetings were held during the financial year.

Details of the Group Shariah Committee members' attendance are as follows:

	Attendance	Percentage
Prof. Dr. Younes Soualhi Chairman	8/8	100%
Assoc. Prof. Datuk Dr. Luqman Abdullah Member	8/8	100%
Dr. Shamsiah Mohamad Member	8/8	100%
Shahrir Sofian Member	8/8	100%
Dr. Khairul Anuar Ahmad Member	8/8	100%
Wan Rumaizi Wan Husin Member	8/8	100%
Dr. Safinar Salleh Member (Appointed with effect from 1 April 2025)	N/A	N/A

The remuneration of the Group Shariah Committee members is decided by the Board. The Meeting Allowance and Annual Fees of the Group Shariah Committee 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

PRINCIPLE

B

EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT COMMITTEE

During the financial year, the Audit Committee comprises three (3) members. The Company has complied with Paragraph 15.09 of the MMLR, which requires all members of the Audit Committee to be Non-Executive Directors with majority being Independent Directors. Two (2) members of the Audit Committee are qualified Accountants and members of the Malaysian Institute of Accountants.

The Audit Committee's duties, as spelt-out in the Audit Committee Report on pages 108 to 109 of this Annual Report, include primarily, the duties as spelt out in paragraph 15.12 of the MMLR.

The Audit Committee assists the Board in scrutinising information for disclosure to ensure accuracy, adequacy and completeness. The Directors are responsible for ensuring that the accounting records are kept properly and that the Group's financial statements are prepared in accordance with applicable approved accounting standards in Malaysia. The Statement by Directors pursuant to Section 251(2) of the Companies Act 2016 is set out on page 124 of this Annual Report.

RISK MANAGEMENT COMMITTEE OF THE BOARD

The Board believes that an effective Risk Management Framework is essential for the Group to achieve its corporate objectives, sustained profitability and enhancement of shareholders' value in today's rapidly changing market environment.

Undertaking oversight role on risk governance is a dedicated Risk Management Committee of the Board ("RMCB") which oversees the implementation of an enterprise-wide risk management framework. The RMCB comprises three (3) members, a majority of whom are Independent Non-Executive Directors and chaired by the Independent Non-Executive Director.

The RMCB assists the Board in meeting the expectations on risk management including ensuring the effective implementation of the Enterprise Risk Management Framework. The RMCB met six (6) times during the financial year.

Details of members' attendance are as follows:

	Attendance	Percentage
Junaidah Mohd Said Chairman Independent Non-Executive Director (Appointed with effect from 1 July 2025)	N/A	N/A
Dato' Wan Roshdi Wan Musa Independent Non-Executive Director	6/6	100%
George Oommen Chairman Senior Independent Non-Executive Director (Resigned on 1 July 2025)	6/6	100%
Zaida Khalida Shaari Independent Non-Executive Director (Resigned on 1 July 2025)	6/6	100%
Chin See Mei Independent Non-Executive Director (Resigned on 1 July 2025)	6/6	100%
Datuk Johar Che Mat Non-Independent Non-Executive Director (Resigned on 12 February 2025)	6/6	100%
Dato' Sulaiman Mohd Tahir Non-Independent Non-Executive Director (Appointed with effect from 7 March 2025)	N/A	N/A

For the year under review, the Board confirmed its satisfaction with the performance of the RMCB in discharging its duties and responsibilities in accordance with its Terms Reference.

Details on the Group's Internal Control and Risk Management is presented in the Statement on Risk Management and Internal Control as set out on pages 110 to 114 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE



INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

The Company has been transparent and accountable in maintaining the commitment to communicate effectively with shareholders. The Board is also committed to ensure that the shareholders and other stakeholders are well informed of major developments of the Group and the information is communicated to them through various channels including Annual Report, disclosures and announcements to Bursa Securities, press release, dialogues and presentations at general meetings and online investor relations on the Company's website.

INVESTOR RELATIONS

As part of the initiatives in developing and implementing an investor relations programme, regular briefings are held between the Group with analysts and investors.

Presentations based on permissible disclosures are made to explain the Group's performance and major development initiatives. Price-sensitive information about the Group is however, not disclosed at these briefings until after the prescribed announcement to Bursa Securities has been made.

ANNUAL REPORT

The Group's Annual Report is the main channel of communication between the Group and its stakeholders. The Annual Report communicates comprehensive information of the financial results and activities undertaken by the Group. As a listed corporation, the contents and disclosure requirements of the Annual Report are also governed by the MMLR.

The Company disseminates its Annual Report to its shareholders either in hard copy or access to the website via QR code. All information to shareholders is available electronically in the Company's website www.mnrb.com.my as soon as it is announced or published.

CONDUCT OF GENERAL MEETINGS

The AGM is the principal forum for dialogue with shareholders. The Company's AGM is normally well attended as it provides the shareholders direct access to the Board as well as provide the opportunity for the shareholders to participate effectively and to vote accordingly.

As a precautionary measure amid the COVID-19 pandemic, the Company's 51st AGM held on 27 September 2024 and was again conducted virtually and entirely via Remote Participation and Electronic Voting (RPEV) facilities in compliance with Section 327(2) of the Companies Act 2016 and Article 68 of the Company's Constitution.

All resolutions as set out in the Notice dated 31 July 2024 were conducted by way of poll via e-polling and were duly passed by the shareholders. The Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd, acted as the Poll Administrator and

KPMG Management & Risk Consulting Sdn Bhd ("KPMG") was appointed as the Independent Scrutineer to verify and confirm the results of the poll.

Besides the normal agenda for the AGM, the President & Group CEO presented a comprehensive and concise review of the Group's financial performance in addition to key development and progress achieved by the Group. This review is supported by the presentation of key points and key financial figures. The President & Group CEO also presents the progress and performance of the Group in the Annual Report and provides opportunities for shareholders to raise questions pertaining to the business activities of the Group.

For the 51st AGM, shareholders were invited to send questions before the meeting via email to the Company's Investor Relations. The Chairman also encouraged shareholders to participate at the meeting by submitting typed questions in real time on the meeting platform. Questions that were submitted prior to the 51st AGM and those that were posed at the meeting were addressed during the meeting.

For transparency, the questions which had been addressed/answered were published for viewing of shareholders on the RPEV facilities. KPMG was appointed as the Moderator in line with the advice from the Minority Shareholders Watch Group to appoint an independent party to moderate the Questions & Answers session in a fair and impartial manner.

All seven (7) Directors, Members of Senior Management and partners from the external audit firm were present at the 51st AGM to provide responses to the questions posed by the shareholders.

The poll results were announced by the Company via BursaLINK on the same day for the benefit of all shareholders. The minutes of the 51st AGM including all questions raised and answers thereto were made available on the Company's website within 30 business days after the AGM.

QUARTERLY ANNOUNCEMENTS & PRESS RELEASES

The Group makes announcements on its quarterly results and other announcements to Bursa Securities to provide stakeholders with key information that affects their decision-making, thus enhancing the level of transparency.

To promote wider publicity and dissemination of publicly available information, the Group also issues press releases to the Media on all significant corporate developments and business initiatives to keep the investment community and all stakeholders apprised on the progress and development of the Group.

This Corporate Governance Overview Statement is made in accordance with the resolution of the Board of Directors dated 16 June 2025.

AUDIT COMMITTEE REPORT

MEMBERS OF THE COMMITTEE

Chairman

KHALID SUFAT

Independent Non-Executive Director
(Deceased on 24 June 2025)

Members

GEORGE OOMMEN

Senior Independent Non-Executive Director
(Redesignated as Chairman with effect from 1 July 2025)

JUNAIDAH MOHD SAID

Independent Non-Executive Director
(Resigned on 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"). Two (2) members of the Committee are qualified accountants and members 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.

ACTIVITIES

For the financial year under review, a total of eleven (11) Audit Committee Meetings were held. Details of members' attendance are as follows:

	Name of Audit Committee member	Attendance	Percentage
i.	Khalid Sufat	10/11	91%
ii.	George Oommen	11/11	100%
iii.	Junaidah Mohd Said	11/11	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 appointment and remuneration of the External Auditors for the financial year ended 31 March 2025;
- Deliberated on, and recommended to the Board, the proposed final dividend for the financial year ended 31 March 2024;
- 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 2025;

AUDIT COMMITTEE REPORT

- Reviewed and recommended to the Board, the appointment and remuneration of the External Consultant to provide customised training in relation to MFRS 17 Disclosure and Presentation Requirements;
- Reviewed and recommended to the Board, the Tax Agent's tax compliance fee for the year of assessment 2024;
- Reviewed and recommended to the Board, the subscription of Alteryx software licenses for the purpose of automation of Financial Statements Close Process and the appointment of the External Consultant to provide Alteryx training;
- 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 20 November 2024. 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 MRFS 17 Insurance Contract;
- Reviewed the audited Group Capital Adequacy Ratio and Group Capital Sufficiency Indicator as at 31 March 2024;
- Reviewed the actual and proposed Key Performance Indicators of the Internal Audit Department for the financial years ended 31 March 2024 and 31 March 2025 respectively;
- Reviewed the Internal Audit plan for FY 2025/2026 and External Auditors' audit plan for the financial year ended 31 March 2025;
- 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; and
- Reviewed the compliance with the Policy Document on Anti-Money Laundering, Countering Financing of Terrorism, Countering Proliferation Financing and Targeted Financial Sanctions for Financial Institutions as well as evaluated the effectiveness of the overall compliance risk of the Company.

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. Some of the Internal Audit Department staff have professional qualification such as the Association of Chartered Certified Accountants and are members of the Institute of Internal Auditors. With the exception of one (1) Internal Audit Department staff who exercised the Company's Employees' Share Option Scheme ("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.

Their 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.

For the financial year ended 31 March 2025, the total costs incurred by the Internal Audit Department were RM5,239,185.

A summary of its activities for the year is as follows:

1. 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, actuarial, anti-bribery corruption programme, risk management, human capital management, information and communication technology, management of customer information and permitted closure, outsourcing of external parties and review the Policy Document on Anti-Money Laundering, Countering Financing of Terrorism, Countering Proliferation Financing and Targeted Financial Sanctions for Financial Institutions;
2. Conducted special reviews and investigations over possible threats to the safeguarding of assets and matters concerning organisational level reputational risks;
3. Follow-up on audit findings rectification and actions taken by Management to resolve the issues identified during the audits; and
4. Prepared annual audit plans for the Audit Committee's consideration.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

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 is 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 misstatements, 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 2025 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, provide assurance to the Board that the processes have been carried out effectively and inculcates a strong risk management culture on a groupwide basis.

This is replicated at each of the main operating subsidiaries. There are clearly defined responsibilities and reporting to the Risk Management Committee of the Board from the management to provide oversight and governance over the Group’s activities, which aim 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 2025.

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 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 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.

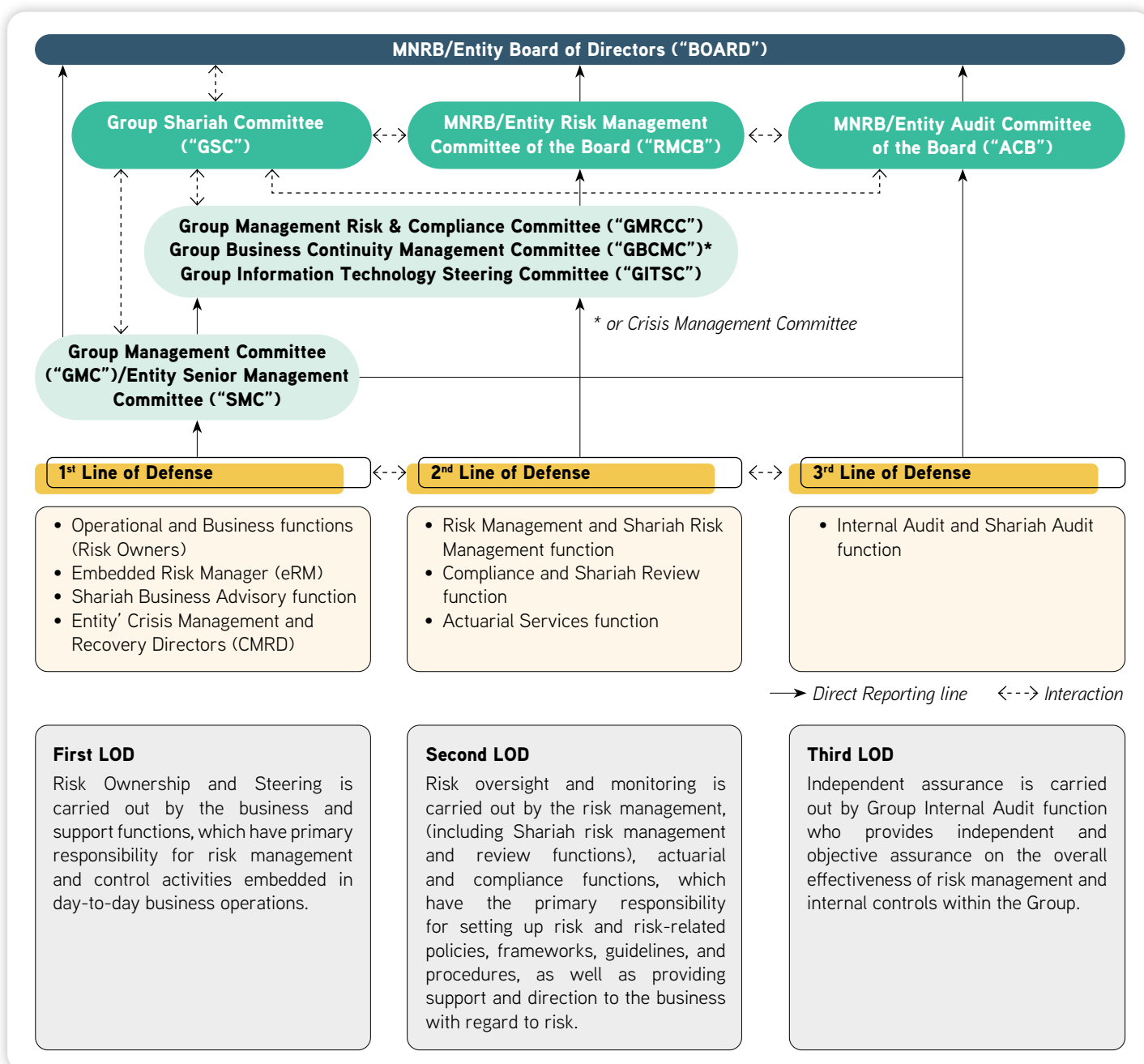
The Group Business Continuity Management Committee (“GBCMC”) is established and is responsible to review and recommend changes to the Group Business Continuity Management (“BCM”) Framework, evaluate the business continuity, crisis management, and disaster recovery plans, approve the BCM programme workplan and deliberate on issues related to crisis management and recovery centers.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 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.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

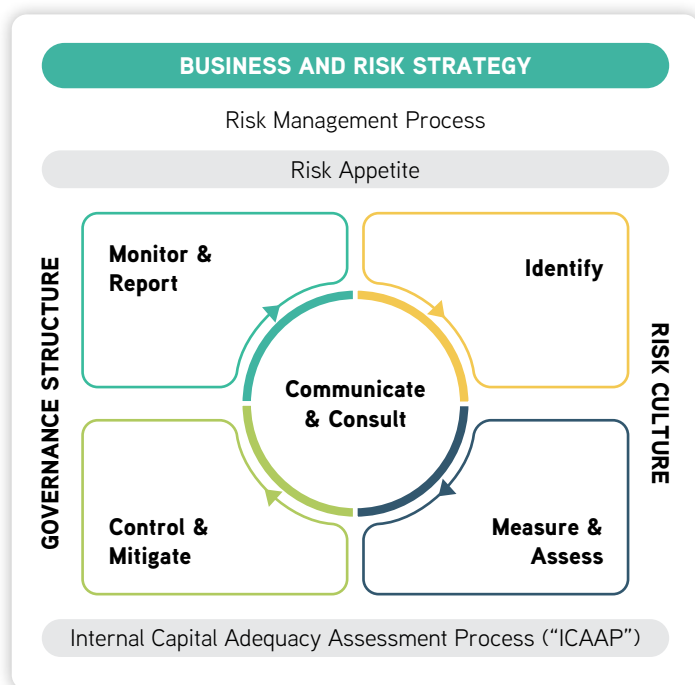
RISK MANAGEMENT AND INTERNAL CONTROL STRUCTURE

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 its 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 Management 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 Committee 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 Committee 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 Committee of MNRB and its main operating subsidiaries, 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 Committee 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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.
- 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 that is consistently applied across key human capital processes including recruitment, performance and rewards, High Performance ("HiPo") talent assessment, and learning and development. Technical competencies within the Group are evaluated typically by the immediate supervisor or Head of Department — either during recruitment or throughout employment — ensuring relevance to actual job requirements.
- 10) The Group implements the annual Mandatory Block Leave ("MBL") to create a positive talent management culture where the organisation does not have an overreliance on any particular employee, and as a prudent operational risk management measure particularly with regard to employees posted in sensitive positions or areas of operations such as underwriting, treasury, procurement or investment.
- 11) An annual employee engagement survey is conducted with the objective to gauge the engagement level of employees, to gather their feedback on the effectiveness/ineffectiveness of the various employee touch points and to develop the necessary action plans for improvement of those areas.
- 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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”) and Information Systems & Services Department (“ISSD”) 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, MNRB had two representatives on the Board of Labuan Re and 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 2025 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 2025,

- 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 2025.

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 an 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 2025 were as follows:

Service	Group (RM'000)	Company (RM'000)
Audit fees	3,138	208
Non-audit fees	1,156	243

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 2025 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 2025.

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	394,246	142,183

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 2024:	
Final single-tier dividend of 5.00 sen per ordinary share declared on 26 September 2024 and paid on 24 October 2024	39,155
Final single-tier special dividend of 5.00 sen per ordinary share declared on 26 September 2024 and paid on 24 October 2024	39,155
	78,310

As at the date of this report, no dividend has been declared or proposed by the Company in respect of the current financial year.

Subsequent Event

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.

DIRECTORS' REPORT

Climate-Related Risks and Disclosures

The Group's sustainability governance and its efforts to contribute positively towards global sustainability objectives are disclosed in the Sustainability Statement, which is available on the Group's corporate website and included in this Annual Report for the financial year ended 31 March 2025.

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*	MRDL#	MSSB*	SSB*
Dato' Sulaiman Mohd Tahir	Appointed with effect from 14 February 2025	Appointed with effect from 14 February 2025	-	-	-	-	-
Datuk Johar Che Mat	Resigned on 12 February 2025	Resigned on 12 February 2025	✓	✓	Ceased on 12 July 2024	-	-
George Oommen	✓	Resigned on 28 February 2025	✓	-	Ceased on 12 July 2024	-	-

DIRECTORS' REPORT

Directors (cont'd.)

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 (cont'd.):

Name of Directors	Directors of the entities						
	Holding Company		Subsidiaries				
	MNRB*	Malaysian Re*	Takaful IKHLAS Family*	Takaful IKHLAS General*	MRDL [#]	MSSB*	SSB*
Khalid Sufat	Deceased on 24 June 2025	Deceased on 24 June 2025	-	-	-	-	-
Junaidah Mohd Said	✓	-	-	-	-	-	-
Zaida Khalida Shaari	✓	-	-	-	-	-	-
Dato' Wan Roshdi Wan Musa	✓	-	-	-	-	-	-
Chin See Mei	✓	-	-	-	-	-	-
Velayudhan Harikes	-	✓	-	-	-	-	-
Wan Zamri Wan Zain	-	✓	-	-	-	-	-
Datin Joanne Marie Lopez	-	✓	-	-	-	-	-
Md Azmi Abu Bakar	-	-	✓	-	-	-	-
Azizul Mohd Said	-	-	✓	-	-	-	-
Arul Sothy S Mylvaganam	-	-	-	✓	-	-	-
Woon Tai Hai	-	-	-	✓	-	-	-
Dato' Amirudin Abdul Halim	-	-	-	✓	-	-	-
Dr. Wan Zamri Wan Ismail	-	-	-	✓	-	-	-
Suharti Mohd Ali	-	-	✓	-	-	-	-
Shareen Ooi Bee Hong	-	-	Retired on 1 October 2024	-	-	-	-
Rosinah Mohd Salleh	-	-	-	Retired on 31 March 2025	-	-	-

DIRECTORS' REPORT

Directors (cont'd.)

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 (cont'd.):

Name of Directors	Directors of the entities						
	Holding Company			Subsidiaries			
	MNRB*	Malaysian Re*	Takaful IKHLAS Family*	Takaful IKHLAS General*	MRDL#	MSSB*	SSB*
Sharmini Perampalam	-	-	-	-	-	✓	✓
Ahmad Noor Azhari Abdul Manaf	-	-	-	-	Ceased on 12 July 2024	✓	-
Ekmarrudy Othman	-	-	-	-	-	✓	✓
Zaharudin Daud	-	Resigned on 1 October 2024	Resigned on 1 October 2024	Resigned on 1 October 2024	Ceased on 12 July 2024	-	-

In accordance with the Company's Constitution, the following Directors will be retiring at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election:

- i. Clause 90 - George Oommen and Junaidah Mohd Said
- ii. Clause 95 - Dato' Sulaiman Mohd Tahir

- * 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
 # MRDL - Malaysian Re (Dubai) Ltd. (Dissolved effective on 19 March 2025)

DIRECTORS' REPORT

Directors (cont'd.)

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, or the fixed salary of a full-time employee of the Company as shown below) 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.

	Group RM'000	Company RM'000
Directors' fee	1,491	817
Benefits-in-kind and other emoluments	638	398
	2,129	1,215

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 RM138,996 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

- (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	2,562	182
- Regulatory-related	568	26
- Other services	1,156	243
Other auditors	8	-
	4,294	451

Signed on behalf of the Board in accordance with a resolution of the Directors dated 26 June 2025.

Dato' Sulaiman Mohd Tahir
Kuala Lumpur, Malaysia

Junaidah Mohd Said

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, Dato' Sulaiman Mohd Tahir and Junaidah Mohd Said, 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 131 to 337 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 2025 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 2025.

Dato' Sulaiman Mohd Tahir
Kuala Lumpur, Malaysia

Junaidah Mohd Said

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 131 to 337 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 2025.)

Sharmini Perampalam

Before me,

Commissioner for Oaths

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 2025 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 131 to 337.

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 2025, 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 ("Bylaws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), 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.

1. Measurement of the liability for incurred claims ("LFIC")

As at 31 March 2025, the Group recognised a LFIC of RM4,459 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.

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") (cont'd.)

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.

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 2025, the Group recognised a LFRC measured under the GMM and VFA of RM3,330 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.

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") (cont'd.)

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 longterm 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.

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, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, 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.

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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MNRB HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

Key audit matters (cont'd.)

Information other than the financial statements and auditors' report thereon (cont'd.)

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.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MNRB HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

Key audit matters (cont'd.)

Auditors' responsibilities for the audit of the financial statements (cont'd.)

- 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.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, are disclosed in Note 17 to the financial statements.

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. 03490/03/2026 J
Chartered Accountant

Kuala Lumpur, Malaysia
26 June 2025

INCOME STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Insurance/takaful revenue	3(a)	3,135,118	3,098,154	-	-
Insurance/takaful service expenses	3(b)	(2,583,495)	(2,433,776)	-	-
Insurance contracts/takaful certificates service results before reinsurance contracts/retakaful certificates held		551,623	664,378	-	-
Allocation of reinsurance/retakaful premiums/contributions		(665,146)	(604,752)	-	-
Amounts recoverable from reinsurers/ retakaful operators for incurred claims		459,713	434,778	-	-
Net expense from reinsurance contracts/retakaful certificates held	6	(205,433)	(169,974)	-	-
Insurance/takaful service results		346,190	494,404	-	-
Interest income/profit revenue calculated using the effective interest/profit method	7(a)	199,951	266,171	10,989	6,444
Other investment income	7(b)	239,887	144,613	150,818	102,913
Net realised gains/(losses)	8	11,194	(3,018)	7,316	(67)
Net fair value gains on financial assets at fair value through profit and loss		25,334	145,230	-	-
Net foreign exchange (losses)/gains on investments	9	(82,437)	48,009	-	-
(Allowance for)/reversal of impairment losses on financial assets	10	(191)	(41)	12	(11)
Investment results		393,738	600,964	169,135	109,279
Net insurance/takaful finance/profit expenses from insurance contracts/takaful certificates issued		(275,450)	(433,552)	-	-
Net reinsurance/retakaful finance/profit income from reinsurance contracts/retakaful certificates held		14,083	11,518	-	-
Unallocated deficit/(surplus) and changes in the value of the underlying items attributable to participants		52,948	(90,091)	-	-
Net insurance/takaful financial results	11	(208,419)	(512,125)	-	-

INCOME STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Fees and other income	4(a)	25,579	23,711	74,556	57,484
Management and other expenses	4(b)	(78,092)	(93,448)	(84,446)	(70,521)
Finance cost		(28,978)	(27,270)	(18,459)	(16,842)
Other expenses		(81,491)	(97,007)	(28,349)	(29,879)
Share of results of associates		6,471	44,623	-	-
Profit before zakat and taxation		456,489	530,859	140,786	79,400
Taxation attributable to participants	12	(2,239)	(25,078)	-	-
Profit before zakat and taxation attributable to equity holders of the Holding Company		454,250	505,781	140,786	79,400
Zakat		(1,638)	(1,334)	-	-
Taxation	13	(58,366)	(70,908)	1,397	(6,323)
Net profit for the year attributable to equity holders of the Holding Company		394,246	433,539	142,183	73,077
Basic and diluted earnings per share attributable to equity holders of the Holding Company (sen)	27	50.3	55.4	18.2	9.3

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 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Net profit for the year		394,246	433,539	142,183	73,077
<u>Other comprehensive (loss)/income</u>					
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		(8,300)	(16,702)	-	-
Effects of foreign exchange translation reserve on investment in a subsidiary		(641)	877	-	-
Net gains/(losses) on financial assets at fair value through other comprehensive income ("FVOCI"):					
Net gains on fair value changes		3,056	9,491	62	120
Realised gains transferred to income statements	8	1,459	340	-	-
Deferred tax relating to fair value changes on financial assets at FVOCI	20	(661)	101	(15)	29
		(5,087)	(5,893)	47	149
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		5,040	548	-	-
Deferred tax relating to fair value changes on financial assets at FVOCI	20	(403)	-	-	-
Revaluation of land and buildings	14	5,929	4,905	-	-
Deferred tax relating to revaluation of land and buildings	20	(283)	(3,787)	-	-
Other comprehensive income attributable to participants		(3,898)	(7,454)	-	-
		6,385	(5,788)	-	-
Other comprehensive income/(loss) for the year, net of tax		1,298	(11,681)	47	149
Total comprehensive income for the year		395,544	421,858	142,230	73,226

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2025

		Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Note					
Assets					
Property and equipment	14	237,951	234,972	3,421	8,448
Intangible assets	15	114,438	117,118	5,960	6,633
Right-of-use assets	16	2,202	2,827	1,157	2,314
Investments in subsidiaries	17	-	-	1,298,106	1,304,476
Investments in associates	18	165,795	174,911	1,957	1,957
Financial and other assets	19	12,020,752	11,275,697	373,882	298,433
Deferred tax assets	20	42,442	47,391	5,978	5,397
Insurance contracts/takaful certificates assets	21	105,830	66,334	-	-
Reinsurance contacts/retakaful certificates assets	21	617,654	511,081	-	-
Tax recoverable	22	48,840	26,698	16,232	13,506
Cash and bank balances		112,844	115,604	2,602	481
Total assets		13,468,748	12,572,633	1,709,295	1,641,645
Liabilities					
Borrowings	23	620,000	620,000	420,000	420,000
Insurance contracts/takaful certificates liabilities	21	9,077,338	8,493,145	-	-
Reinsurance contracts/retakaful certificates liabilities	21	34,124	31,938	-	-
Lease liabilities	16	2,293	3,016	1,215	2,373
Other payables	24	251,747	233,530	30,677	25,811
Deferred tax liabilities	20	33,660	37,212	-	-
Tax payable	22	6,366	27,499	203	181
Provision for zakat		2,354	2,661	-	-
Total liabilities		10,027,882	9,449,001	452,095	448,365
Equity					
Share capital	25	738,502	738,502	738,502	738,502
Reserves		2,702,364	2,385,130	518,698	454,778
Total equity attributable to equity holders of the Holding Company		3,440,866	3,123,632	1,257,200	1,193,280
Total liabilities and equity		13,468,748	12,572,633	1,709,295	1,641,645

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 2025

	Attributable to equity holders of the Holding Company					
	Reserves					Total RM'000
	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	
Group						
At 1 April 2023	738,502	33,268	33,627	52,793	1,878,431	2,736,621
Net profit for the year	-	-	-	-	433,539	433,539
Other comprehensive (loss)/income for the year	-	(15,825)	3,026	1,118	-	(11,681)
Total comprehensive (loss)/income for the year	-	(15,825)	3,026	1,118	433,539	421,858
Dividend paid during the year (Note 26)	-	-	-	-	(34,847)	(34,847)
At 31 March 2024	738,502	17,443	36,653	53,911	2,277,123	3,123,632
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
Dividend 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

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 2025

	← Attributable to equity holders of the Company →			
	Non-distributable		Distributable	Total
	Share capital RM'000	Fair value reserve RM'000	Retained profits RM'000	
Company				
At 1 April 2023	738,502	(275)	416,674	1,154,901
Net profit for the year	-	-	73,077	73,077
Other comprehensive income for the year	-	149	-	149
Total comprehensive income for the year	-	149	73,077	73,226
Dividend paid during the year (Note 26)	-	-	(34,847)	(34,847)
At 31 March 2024	738,502	(126)	454,904	1,193,280
Net profit for the year	-	-	142,183	142,183
Other comprehensive loss for the year	-	47	-	47
Total comprehensive income for the year	-	47	142,183	142,230
Dividend paid during the year (Note 26)	-	-	(78,310)	(78,310)
At 31 March 2025	738,502	(79)	518,777	1,257,200

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 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities					
Profit before zakat and taxation		456,489	530,859	140,786	79,400
Adjustments for:					
Depreciation of:					
- property and equipment	14	9,808	9,103	1,076	1,119
- right-of-use assets	16	1,365	1,530	1,157	1,157
Amortisation of intangible assets	15	16,969	22,469	1,382	2,503
Reclassification of intangible assets to					
Reclassification of intangible assets to expenses	15	4,450	-	-	-
Finance costs on					
- lease liabilities	16	256	114	92	151
- borrowings		28,722	27,156	18,367	16,640
(Gains)/losses from disposal of:					
- property and equipment	8	(3,340)	67	-	67
- intangible asset	8	1	-	1	-
Gain from dissolution of subsidiary	8	-	-	(7,317)	-
Realised (gains)/losses on disposal of investments	8	(7,855)	2,951	-	-
Net amortisation/(accretion) of premiums/discount on investments	7	1,838	4,977	(278)	-
Interest income/profit revenue	7	(421,197)	(404,274)	(10,989)	(6,444)
Dividend income	7	(23,017)	(12,685)	(150,540)	(102,913)
Rental income	4(a)	(4,971)	(4,992)	-	-
Share of results of associates		(6,471)	(44,623)	-	-
Net foreign exchange losses/(gains)	9	82,437	(48,009)	-	-
Net fair value gains on financial assets at FVTPL		(25,334)	(26,570)	-	-
Loss on lease modification	16	-	687	-	-
Write-off of property and equipment	4(b)	9	-	-	-
Write-off of intangible assets	4(b)	2	-	-	-
Allowance for/(reversal of) impairment loss of:					
- building	4(a)	-	(21)	-	-
- financial assets	10	191	41	(12)	11
- property and equipment	14	1,759	-	-	-
- intangible assets	15	9,608	-	-	-
- other receivables		925	-	-	-
Operating cash flows before working capital changes		122,644	58,780	(6,275)	(8,309)

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

		Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Note					
Cash flows from operating activities (cont'd.)					
Changes in working capital:					
Financial assets		(730,772)	(1,467,675)	(3,545)	(154,417)
Staff financing		351	484	(135)	62
Insurance contracts/takaful certificates		544,697	609,009	-	-
Reinsurance contracts/retakaful certificates		(104,387)	38,864	-	-
Balances with subsidiaries		-	-	(14,406)	7,027
Other payables and lease liabilities		19,330	28,097	5,640	5,388
Right-of-use assets		(740)	(1,018)	-	3,471
Interest income/profit revenue received		405,650	681,109	9,162	5,787
Dividend income received		39,679	12,814	140	148
Rental received		4,931	4,991	-	-
Income tax and zakat paid		(105,595)	(60,516)	(1,902)	(1,335)
Net cash generated from/(used in) operating activities		195,788	(95,061)	(11,321)	(142,178)
Cash flows from investing activities					
Purchase of property and equipment	14	(15,433)	(16,267)	(839)	(3,339)
Purchase of intangible assets	15	(32,481)	(15,003)	(3,549)	(4,404)
Proceed from disposal of property and equipment		11,330	52	4,790	-
Proceed from disposal of intangible assets		2,839	-	2,839	-
Proceed from dissolution of subsidiary		-	-	13,687	-
Dividend received from subsidiaries and associates		-	-	150,400	102,913
Net cash (used in)/generated from investing activities		(33,745)	(31,218)	167,328	95,170
Cash flows from financing activities					
Repayment of borrowings		-	(320,000)	-	(320,000)
Proceed from borrowings	23	-	420,000	-	420,000
Payment of lease liabilities	16	(2,280)	(1,576)	(1,250)	(1,250)
Interest/profit paid		(28,722)	(27,156)	(18,835)	(16,691)
Dividend paid	26	(78,310)	(34,847)	(78,310)	(34,847)
Net cash (used in)/generated from financing activities		(109,312)	36,421	(98,395)	47,212
Net increase/(decrease) during the year		52,731	(89,858)	57,612	204
Cash and cash equivalents at beginning of year		115,604	205,462	481	277
Cash and cash equivalents at end of year		168,335	115,604	58,093	481
Cash and cash equivalents comprise:					
Fixed and call deposits (with original maturities of less than three-months) with licensed financial institutions		55,491	-	55,491	-
Cash and bank balances		112,844	115,604	2,602	481
		168,335	115,604	58,093	481

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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 2025.

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 2024, 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 2025

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 2025

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 specifically, 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 is assumed to be zero as reinsurance/retakaful products are generally short-term.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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. 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	
	FY25	FY24	FY25	FY24	FY25	FY24	FY25	FY24	FY25	FY24	FY25	FY24
Local (MYR)												
General Takaful	3.28%	3.33%	3.49%	3.49%	3.56%	3.65%	3.76%	3.78%	3.81%	3.86%	3.93%	3.92%
Family Takaful	3.28%- 3.48%	3.33%- 3.53%	3.66%- 3.91%	3.66%- 3.86%	3.76%- 4.18%	3.98%- 4.18%	4.17%- 4.52%	4.17%- 4.37%	3.82%- 4.27%	4.07%- 4.27%	4.18%- 4.59%	4.18%- 4.38%
Reinsurance	3.27%	3.41%	3.61%	3.52%	3.89%	3.86%	3.97%	4.32%	4.04%	4.08%	4.36%	4.28%
Retakaful	3.28%	3.25%	3.77%	3.57%	3.69%	3.92%	4.27%	4.23%	3.80%	4.08%	4.40%	4.32%
Overseas												
CNY	1.56%	1.82%	1.79%	2.30%	1.74%	2.47%	2.22%	2.66%	1.62%	2.09%	0.92%	1.67%
EUR	2.30%	3.50%	2.41%	2.04%	2.95%	2.29%	2.98%	2.29%	3.60%	2.61%	3.51%	2.93%
IDR	6.37%	6.41%	6.67%	6.60%	7.00%	6.74%	7.06%	6.80%	7.16%	6.77%	7.10%	7.28%
INR	6.51%	7.05%	6.69%	7.09%	6.67%	7.06%	7.06%	7.03%	6.59%	7.05%	7.29%	7.11%
USD	4.05%	5.03%	3.98%	4.03%	4.28%	4.08%	4.54%	4.35%	4.66%	4.29%	5.09%	4.91%

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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.)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(a) Property and equipment and depreciation (cont'd.)

(i) Recognition and measurement (cont'd.)

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.

(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	10% to 33.3%
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 2025

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 ten (10) 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.

(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 5-year 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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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.)

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.

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 2025

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(d) Business combination from third party (cont'd.)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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.)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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.)

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.

(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.

(iii) 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 2025

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 (cont'd.)

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 2025

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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.)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(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.

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 Performing	Stage 2 Non Performing	Stage 3 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 amount	Gross carrying amount	Net carrying amount

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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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.)

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")

iii. Loss given default ("LGD")

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 debt instruments/sukuks at AC and at FVOCI do not reduce the carrying amount of these financial assets in the statements of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI with a corresponding charge to income statements. The accumulated gain recognised in OCI is recycled to the income statements upon derecognition of the assets.

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 2025

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

(1) Non-financial assets

An estimate is made for doubtful debts based on review of all outstanding balances as at reporting date. Any financial assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business will be written down to an amount which they might be expected so to realise. The amount written off for bad debts in the financial statements of the Group and of the Company are expensed to income statements as disclosed in Note 32.

(2) Financial assets

Non-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 2025

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(i) Financial liabilities (cont'd.)

(iii) Other financial liabilities (cont'd.)

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 accepts significant insurance risk from a policyholder are classified as insurance contracts in the Financial Statements. A contract is considered to have significant insurance risk if, and only if, an insured event could cause an insurer to pay additional amounts that are significant in any single scenario, excluding scenarios that lack commercial substance. The additional amounts refer to the present value of amounts that exceed those that would be payable if no insured event had occurred. Contracts held by the Group under which it transfers significant insurance risk related to underlying insurance contracts to other parties are classified as reinsurance contracts held. Both insurance and reinsurance contracts are accounted for in accordance with MFRS 17. Contracts under which the Group does not accept significant insurance risk are either classified as investment contracts or considered service contracts and are accounted for in accordance with MFRS 9 Financial Instruments or MFRS 15 *Revenue from Contracts with Customers*, respectively.

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 2025

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 2025

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 2025

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 2025

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 2025

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 2025

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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"))

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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.)**

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.

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 2025

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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.)

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:

- i. An impairment test at the level of an existing or future group of insurance contracts/takaful certificates; and
- ii. 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.

- 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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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 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.
- 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.

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 2025

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 2025

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 2025

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies (cont'd.)

(o) Foreign currencies (cont'd.)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

2. Material accounting policies (cont'd.)**2.2 Summary of material accounting policies (cont'd.)****(q) 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 2024.

Description	Effective for annual periods beginning on or after
Supplier Finance Arrangements (Amendments to MFRS 107 <i>Statement of Cash Flows</i> and MFRS 7 <i>Financial Instruments: Disclosures</i>)	1 January 2024
Lease Liability in a Sale and Leaseback (Amendments to MFRS 16 <i>Leases</i>)	1 January 2024
Non-current Liabilities with Covenants (Amendments to MFRS 101 <i>Presentation of Financial Statements</i>)	1 January 2024

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 2025

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
Lack of Exchangeability (Amendments to MFRS 121 <i>The Effects of Changes in Foreign Exchange Rates</i>)	1 January 2025
Annual Improvements to MFRS Accounting Standards - Volume 11 (Amendments to MFRS 1 <i>First-time Adoption of Malaysian Financial Reporting Standards</i>)	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

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 evaluating the potential impact, if any, arising from the adoption of MFRS 18.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

3. (a) Insurance/takaful revenue

	Group	
	2025 RM'000	2024 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	1,384,313	1,334,717
Change in the risk adjustment for non-financial risk	115,724	133,014
Amount of CSM recognised in income statements	515,987	437,988
Other amounts including experience adjustments for premiums/contributions receipts	(6,365)	156,727
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	155,068	164,223
Insurance/takaful revenue - contracts not measured under PAA	2,164,727	2,226,669
Insurance/takaful revenue - contracts measured under PAA	970,391	871,485
Total insurance/takaful revenue	3,135,118	3,098,154

(b) Insurance/takaful service expenses

	Group	
	2025 RM'000	2024 RM'000
Incurring claims	2,377,084	2,197,397
Incurring maintenance expenses (Note 4(b))	211,558	154,426
Incurring surplus to participants	4,000	10,000
Amortisation of acquisition cash flows	344,751	340,492
Experience variance from acquisition cash flows	4,315	(9,628)
Losses on onerous contracts and reversal of losses on onerous contracts	(28,458)	44,342
Changes to liabilities for incurred claims ("LIC")	(329,755)	(303,253)
Total insurance/takaful service expenses	2,583,495	2,433,776
Represented by:		
Contracts not measured under PAA	1,812,555	1,713,565
Contracts measured under PAA	770,940	720,211
Total insurance/takaful service expenses	2,583,495	2,433,776

NOTES TO THE FINANCIAL STATEMENTS

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4. (a) Fees and other income

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Management fees	4,327	3,843	74,168	57,139
Other income	21,252	19,868	388	345
Reversal of impairment losses on buildings (Note 14)	-	21	-	-
Brokerage income	3,187	2,117	-	-
Miscellaneous income*	13,094	12,738	388	345
Net rental income from properties	4,971	4,992	-	-
	25,579	23,711	74,556	57,484

* Miscellaneous income comprise consultancy fees, towing services, interest income from savings accounts, recoveries from staff housing loan settlements and interest income on staff loans.

(b) Expenses by nature

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Fees and commissions	276,821	277,569	-	-
Staff costs:				
Salaries, bonus and other related costs	173,604	171,804	57,087	45,348
Short term accumulating compensated absences	110	(249)	103	(253)
President & Group Chief Executive Officer ("PGCEO"), directors and Group Shariah Committee ("GSC") members' remuneration (Note 5(a))	7,477	5,671	3,370	3,174
Pension costs - EPF	23,566	22,682	7,716	6,562
Social security costs	1,535	952	515	293
Retirement benefits	244	121	119	27
Auditors' remuneration:				
- statutory audit	2,562	4,220	182	134
- regulatory-related	568	568	26	26
- other services	1,156	350	243	104
- audit fees to other audit firms	8	-	-	-

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4. (b) Expenses by nature (cont'd.)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Depreciation of property and equipment (Note 14)	9,808	9,103	1,076	1,119
Depreciation of right-of-use assets (Note 16)	1,365	1,530	1,157	1,157
Amortisation of intangible assets (Note 15)	16,969	22,469	1,382	2,503
Expense relating to short-term leases	7	-	-	-
Expenses relating to leases of low-value assets	401	425	383	289
Agency expenses	7,376	7,762	-	-
Marketing and promotional costs	63,099	62,412	441	704
Electronic data processing costs	48,459	32,872	6,535	2,839
Management fee	200	29	-	256
Professional and legal fees	25,551	22,825	2,710	3,843
Contributions and donations	504	254	-	-
Tax on premium	2,875	3,575	-	-
Subscriptions fee	1,033	915	1,033	915
Allowance for impairment losses on:				
- property and equipment (Note 14)	1,759	-	-	-
- intangible assets (Note 15)	9,608	-	-	-
- takaful receivables	-	1,382	-	-
- sundry receivables	581	-	-	-
Write-off of intangible assets (Note 15)	2	-	-	-
Write-off of property and equipment (Note 14)	9	-	-	-
Miscellaneous expenses *	56,886	88,032	368	1,481
Total expenses including commissions	734,143	737,273	84,446	70,521
Less : Amount attributed to acquisition cash flows	(444,493)	(489,399)	-	-
Add : Amortisation of acquisition cash flows	349,066	330,864	-	-
	638,716	578,738	84,446	70,521
Represented by:				
Insurance/takaful service expenses				
Expenses attributed to insurance/takaful acquisition cash flows	349,066	330,864	-	-
Incurred maintenance expenses (Note 3(b))	211,558	154,426	-	-
Management and other expenses	78,092	93,448	84,446	70,521
	638,716	578,738	84,446	70,521

* Miscellaneous expenses comprise marketing expenses, underwriting-related administrative expenses, entertainment expenses, membership and subscription fees, and licence fees.

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5. (a) PGCEO, directors' and GSC members' remuneration

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Number of non-executive directors	24	23	8	7
PGCEO/Executive director of the Group and of the Company (Note 5(b)):				
Salaries and bonus	2,289	1,870	1,291	1,870
Pension costs - EPF and SOCSO	421	318	237	318
Benefits-in-kind	56	18	25	18
Others	723	52	627	52
	3,489	2,258	2,180	2,258
Non-executive directors of the Group and of the Company (Note 5(b)):				
Fees	1,491	1,346	817	710
Benefits-in-kind and other emoluments	638	533	398	300
	2,129	1,879	1,215	1,010
Non-executive directors of the subsidiaries:				
Fees	1,215	1,074	-	-
Meeting allowances	424	256	-	-
	1,639	1,330	-	-
Group Shariah Committee members:				
Fees	258	243	-	-
Meeting allowances	72	67	-	-
	330	310	-	-
Total PGCEO, directors' and GSC members' remuneration excluding benefits-in-kind (Note 4(b))	7,477	5,671	3,370	3,174

NOTES TO THE FINANCIAL STATEMENTS

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5. (a) PGCEO, directors' and GSC members' remuneration (cont'd.)

	Number of Directors			
	Group		Company	
	2025	2024	2025	2024
PGCEO/Executive director of the Group and of the Company:				
RM0 to RM50,000	-	-	1	-
RM1,000,001 to RM1,500,000	1	-	-	-
RM2,000,001 to RM2,500,000	1	1	1	1
Non-executive directors of the Group and of the Company:				
RM0 to RM50,000	1	-	1	-
RM50,001 to RM100,000	-	1	-	1
RM100,001 to RM150,000	1	3	2	4
RM150,001 to RM200,000	3	-	4	1
RM200,001 to RM250,000	-	-	1	1
RM300,001 to RM350,000	-	1	-	-
RM350,001 to RM400,000	1	-	-	-
RM450,001 to RM500,000	-	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	4	-	-
RM50,001 to RM100,000	1	2	-	-
RM100,001 to RM150,000	3	8	-	-
RM150,001 to RM200,000	6	2	-	-
RM200,001 to RM250,000	1	-	-	-
RM250,001 to RM300,000	1	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

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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
2025								
PGCEO/Executive director of the Group and of the Company:								
Dato' Rodzila @ Rudy Che Lamin (<i>Appointed as Interim PGCEO with effect from 23 November 2024</i>)	998	-	1,309	2,307	-	-	-	-
Zaharudin Daud (<i>Ceased as PGCEO on 23 November 2024</i>)	1,291	-	889	2,180	1,291	-	889	2,180
Total GCEO remuneration	2,289	-	2,198	4,487	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 (<i>Appointed as Chairman with effect from 14 February 2025</i>)	-	35	3	38	-	22	2	24
Datuk Johar Che Mat (<i>Resigned on 12 February 2025</i>)	-	456	178	634	-	147	80	227
Khalid Sufat (<i>Deceased on 24 June 2025</i>)	-	230	100	330	-	99	48	147
Total PGCEO and directors' remuneration	2,289	1,491	2,836	6,616	1,291	817	398	3,395

NOTES TO THE FINANCIAL STATEMENTS

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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
PGCEO/Executive director of the Group and of the Company:								
Zaharudin Daud	1,870	-	388	2,258	1,870	-	388	2,258
Non-executive directors of the Group and of the Company:								
Datuk Johar Che Mat	-	448	145	593	-	159	64	223
George Oommen	-	335	127	462	-	109	46	155
Khalid Sufat	-	213	98	311	-	92	46	138
Junaidah Mohd Said	-	99	53	152	-	99	48	147
Zaida Khalida Shaari	-	104	43	147	-	104	40	144
Dato' Wan Roshdi Wan Musa	-	104	43	147	-	104	38	142
Chin See Mei	-	43	24	67	-	43	18	61
	-	1,346	533	1,879	-	710	300	1,010
Total PGCEO and directors' remuneration	1,870	1,346	921	4,137	1,870	710	688	3,268

NOTES TO THE FINANCIAL STATEMENTS

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6. Net expense from reinsurance contracts/retakaful certificates held

	Group	
	2025 RM'000	2024 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	(300,348)	(232,445)
Changes in the risk adjustment for non-financial risk	(10,299)	(10,878)
Net cost recognised in income statements	(105,069)	(93,551)
Other amount	(7,276)	(9,380)
Allocation of reinsurance/retakaful premiums/contributions - Contract not measured under PAA	(422,992)	(346,254)
Allocation of reinsurance/retakaful premiums/contributions - Contract measured under PAA	(242,154)	(258,498)
Allocation of reinsurance/retakaful premiums/contributions	(665,146)	(604,752)
Amounts recoverable for claims	305,959	224,095
Changes in fulfillment cash flows which relate to loss recovery on onerous underlying contracts/certificates	(18,375)	23,468
Changes in amounts recoverable arising from changes in liability for incurred claims	(2,970)	(8,072)
Amounts recoverable from reinsurers/retakaful operators - Contract not measured under PAA	284,614	239,491
Amounts recoverable from claims	208,312	155,602
Changes in amounts recoverable arising from changes in liability for incurred claims	(33,213)	39,685
Amounts recoverable from reinsurers/retakaful operators - Contract measured under PAA	175,099	195,287
Amounts recoverable from reinsurers/retakaful operators for incurred claims	459,713	434,778
Net expense from reinsurance contracts/retakaful certificates held	(205,433)	(169,974)

NOTES TO THE FINANCIAL STATEMENTS

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7. Investment income

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(a) Interest income/profit revenue calculated using the effective interest/profit method				
Financial assets at FVOCI				
Interest income/profit revenue	36,739	61,450	2,823	2,196
Financial assets at amortised cost				
Interest income/profit revenue	163,212	204,721	8,166	4,248
	199,951	266,171	10,989	6,444
(b) Other investment income				
Financial assets at FVTPL				
<u>Designated upon initial recognition:</u>				
Interest income/profit revenue	221,246	138,103	-	-
<u>Mandatorily measured:</u>				
Dividend income:				
- Quoted shares in Malaysia	19,202	9,722	-	-
- Shariah approved unit trust funds	1,198	1,834	140	148
- Non-shariah approved unit trust fund	559	-	-	-
- Real estate investment trusts	1,217	1,047	-	-
Financial assets at FVOCI				
Dividend income on shariah approved unit trust funds	841	82	-	-
Investment in subsidiaries				
Dividend income	-	-	150,000	102,365
Investment in associates				
Dividend income	-	-	400	400
Net (amortisation)/accretion of premium/discount on investments	(1,838)	(4,977)	278	-
Investment expenses	(2,538)	(1,198)	-	-
	239,887	144,613	150,818	102,913

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8. Net realised gains/(losses)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Property and equipment				
Net realised gains/(losses)	3,340	(67)	-	(67)
Dissolution of subsidiary				
Net realised gain	-	-	7,317	-
Intangible assets				
Net realised loss	(1)	-	(1)	-
Financial assets at FVTPL				
Quoted shares in Malaysia:				
- Shariah approved equities	17,806	(6,522)	-	-
- Others	2,243	(5,281)	-	-
Unquoted Islamic private debt securities	2,294	724	-	-
Government investment issues	1,443	10,202	-	-
Malaysian government securities	575	(21)	-	-
Shariah approved unit trust funds	8	(52)	-	-
Corporate debt securities	(14,582)	-	-	-
Property trust fund	-	(1,139)	-	-
Real estate investment trusts	(473)	(522)	-	-
Net realised gains/(losses)	9,314	(2,611)	-	-
Financial assets at FVOCI				
Unquoted Islamic private debt securities	(583)	-	-	-
Government investment issues	(876)	(340)	-	-
Net realised losses	(1,459)	(340)	-	-
	11,194	(3,018)	7,316	(67)

9. Net foreign exchange (losses)/gains on investments

	Group	
	2025 RM'000	2024 RM'000
Foreign exchange (losses)/gains:		
Realised	(75,851)	44,583
Unrealised	(6,586)	3,426
Net foreign exchange (losses)/gains on investments	(82,437)	48,009

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10. (Allowance for)/reversal of impairment losses on financial assets

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(Allowance for)/reversal of impairment losses on:				
- amortised cost	(204)	-	-	-
- FVOCI	13	(41)	12	(11)
Total net (allowance for)/reversal of impairment losses on financial assets	(191)	(41)	12	(11)

11. Net insurance/takaful financial results

	Group	
	2025 RM'000	2024 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	(135,706)	(89,618)
Finance/profit accreted to insurance contracts/takaful certificates using locked-in rate	(44,266)	(21,095)
Due to changes in interest/profit rates and other financial assumptions	(2,762)	-
Due to changes in the value of underlying items	(176,436)	(261,673)
Net foreign exchange income/(expenses)	83,720	(61,166)
Net insurance/takaful finance/profit expenses from insurance contracts/takaful certificates issued	(275,450)	(433,552)
Reinsurance/retakaful finance/profit (expenses)/income from reinsurance contracts/retakaful certificates held		
Finance/profit accreted to reinsurance contracts/retakaful certificates using current financial assumptions	11,366	(3,758)
Finance/profit accreted to reinsurance contracts/retakaful certificates using locked-in rate	14,795	11,739
Due to changes in interest/profit rates and other financial assumptions	157	(394)
Net foreign exchange income	(12,235)	3,931
Net reinsurance/retakaful finance/profit income from reinsurance contracts/retakaful certificates held	14,083	11,518
Unallocated deficit/(surplus) and changes in the value of the underlying items attributable to participants	52,948	(90,091)
Net insurance/takaful financial results	(208,419)	(512,125)

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12. Taxation attributable to participants

	Group	
	2025 RM'000	2024 RM'000
Current income tax	1,729	21,048
Deferred income tax	510	4,030
	2,239	25,078

13. Taxation

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Malaysian income tax:				
Tax expense for the year	54,500	67,255	967	7,690
Under/(over) provision in prior years	4,326	6,532	(1,768)	3
	58,826	73,787	(801)	7,693
Deferred tax (Note 20):				
Relating to origination and reversal of temporary differences	2,120	(212)	(845)	(1,370)
(Over)/under provision of deferred tax in prior years	(2,580)	(2,667)	249	-
	(460)	(2,879)	(596)	(1,370)
Tax expense for the year	58,366	70,908	(1,397)	6,323

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% (2024: 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% (2024: 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:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before zakat and taxation	456,489	530,859	140,786	79,400
Taxation at Malaysian statutory tax rate of 24%	109,558	127,407	33,789	19,056
Effects of different tax rate in respect of reinsurance/retakaful/family takaful business	(65,727)	(56,507)	-	-
Income not subject to tax	(3,496)	(8,194)	(38,115)	(24,701)
Expenses not deductible for tax purposes	17,838	15,047	4,448	6,271
Under/(over) provision of tax in prior years	4,326	6,532	(1,768)	3
(Over)/under provision of deferred tax in prior years	(2,580)	(2,667)	249	-
Impairment of tax recoverable	-	-	-	5,694
Share of results of associates	(1,553)	(10,710)	-	-
Tax expense for the year	58,366	70,908	(1,397)	6,323

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14. Property and equipment

Group	Furniture, fittings and office equipment						Total
	Freehold land	Buildings	Computer equipment	Motor vehicles	Work in progress		
Valuation/Cost	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2023	36,800	162,891	13,220	2,478	15,084	273,708	
Additions	-	-	1,145	672	13,576	16,267	
Disposals	-	-	-	(821)	-	(821)	
Revaluation surplus	-	4,905	-	-	-	4,905	
Foreign exchange translation	-	485	10	17	-	544	
Elimination of accumulated depreciation on revaluation	-	(4,597)	-	-	-	(4,597)	
Adjustments	-	-	-	-	(2,910)	(2,910)	
Reclassification	-	10,692	-	-	(14,803)	-	
At 31 March 2024	36,800	174,376	14,375	2,346	10,947	287,096	
Additions	-	-	6,142	399	6,551	15,433	
Disposals	-	(4,091)	(2,203)	(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)	-	-	(4,606)	
At 31 March 2025	47,000	161,085	20,432	1,909	11,106	286,102	

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14. Property and equipment (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
Group (cont'd.)							
Accumulated depreciation and impairment loss							
At 1 April 2023	-	226	8,566	37,356	1,758	-	47,906
Depreciation charge for the year (Note 4(b))	-	4,944	1,750	2,057	352	-	9,103
Disposals	-	-	-	-	(702)	-	(702)
Foreign exchange translation	-	379	9	32	15	-	435
Reversal of impairment loss during the year (Note 4(a))	-	(21)	-	-	-	-	(21)
Elimination of accumulated depreciation and impairment on revaluation	-	(4,597)	-	-	-	-	(4,597)
At 31 March 2024	-	931	10,325	39,445	1,423	-	52,124
Depreciation charge for the year	-	5,078	2,587	1,787	356	-	9,808
(Note 4(b))	-	(964)	(1,952)	(2,138)	(947)	-	(6,001)
Disposals	-	-	(1,153)	(3,444)	-	-	(4,597)
Write-offs	-	-	-	-	(13)	-	(13)
Foreign exchange translation	-	-	-	-	-	-	-
Impairment loss during the year	-	-	1,759	-	-	-	1,759
(Note 4(b))	-	(4,929)	-	-	-	-	(4,929)
Elimination of accumulated depreciation and impairment on revaluation	-	-	-	-	-	-	-
At 31 March 2025	-	116	11,566	35,650	819	-	48,151
Net carrying amount							
At 31 March 2025	47,000	160,969	8,866	8,920	1,090	11,106	237,951
At 31 March 2024	36,800	173,445	4,050	8,807	923	10,947	234,972

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14. Property and equipment (cont'd.)

Revaluation of freehold land and buildings

Freehold land and buildings in Malaysia 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 and are based on valuation date of 31 March 2025.

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.

The comparison approach entails critical analyses of recent 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 performed 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 buildings and the significant inputs used in the valuation are provided in Note 35.

Freehold buildings outside Malaysia have been revalued based on their value-in-use and a discount rate of nil (2024: 7%) is applied, being the prevailing rental yield in the country where the buildings are located.

If the freehold land and buildings were measured using the cost model, the carrying amounts would be as follows:

	Freehold land RM'000	Buildings RM'000	Total RM'000
Group			
Cost			
At 1 April 2023	15,596	149,464	165,060
Reclassification from work-in-progress	-	10,692	10,692
Foreign exchange translation	-	484	484
At 31 March 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	24,796	145,284	170,080

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14. Property and equipment (cont'd.)

Revaluation of freehold land and buildings (cont'd.)

	Freehold land RM'000	Buildings RM'000	Total RM'000
Group (cont'd.)			
Accumulated depreciation and impairment loss			
At 1 April 2023	-	65,442	65,442
Depreciation charge for the year	-	3,920	3,920
Reversal of impairment losses	-	(21)	(21)
Foreign exchange translation	-	366	366
At 31 March 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
Net carrying amount			
At 31 March 2025	24,796	80,536	105,332
At 31 March 2024	15,596	90,933	106,529

	Computer equipment RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Work-in- progress RM'000	Total RM'000
Company					
Cost					
At 1 April 2023	6,318	3,241	594	7,010	17,163
Additions	108	44	382	2,805	3,339
Disposals	-	-	(594)	-	(594)
Adjustments	-	-	-	(2,909)	(2,909)
At 31 March 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

* During the year, the Company transferred work-in-progress assets amounting to RM4,790,000 which mainly consists of MNRB Group ICT Infrastructure to the wholly owned subsidiaries.

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14. Property and equipment (cont'd.)

	Computer equipment RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Work-in- progress RM'000	Total RM'000
Company (cont'd.)					
Accumulated depreciation					
At 1 April 2023	4,843	2,632	484	-	7,959
Charge for the year (Note 4(b))	848	183	88	-	1,119
Disposals	-	-	(527)	-	(527)
At 31 March 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
Net carrying amount					
At 31 March 2025	1,648	314	574	885	3,421
At 31 March 2024	735	470	337	6,906	8,448

15. Intangible assets

	Software development in progress RM'000	Computer software and licences RM'000	Preferred partnership fees RM'000	Total RM'000
Group				
Cost				
At 1 April 2023	22,215	99,122	74,000	195,337
Additions	7,985	7,018	-	15,003
Reclassification	(3,861)	3,861	-	-
Adjustment	-	(213)	-	(213)
At 31 March 2024	26,339	109,788	74,000	210,127
Additions	17,805	13,356	1,320	32,481
Write-off	-	(4,610)	-	(4,610)
Disposal	-	(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

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15. Intangible assets (cont'd.)

	Software development in progress RM'000	Computer software and licences RM'000	Preferred partnership fees RM'000	Total RM'000
Group (cont'd.)				
Accumulated amortisation and impairment loss				
At 1 April 2023	-	61,089	9,451	70,540
Amortisation for the year (Note 4(b))	-	7,205	15,264	22,469
At 31 March 2024	-	68,294	24,715	93,009
Amortisation for the year (Note 4(b))	-	7,415	9,554	16,969
Disposal	-	(1,024)	-	(1,024)
Write-off	-	(4,608)	-	(4,608)
Impairment during the year	-	9,608	-	9,608
Adjustment	-	265	-	265
At 31 March 2025	-	79,950	34,269	114,219
Net carrying amount				
At 31 March 2025	20,362	53,025	41,051	114,438
At 31 March 2024	26,339	41,494	49,285	117,118

	Computer software and licences RM'000
Company	
Cost	
At 1 April 2023	14,962
Additions	4,404
At 31 March 2024	19,366
Additions	3,549
Disposal*	(3,864)
At 31 March 2025	19,051

* During the year, the Company transferred work-in-progress intangible assets amounting to RM2,839,000 which mainly consists of software and licences to the wholly owned subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

15. Intangible assets (cont'd.)

	Computer software and licences RM'000
Company (cont'd.)	
Accumulated amortisation	
At 1 April 2023	10,230
Amortisation for the year (Note 4(b))	2,503
At 31 March 2024	12,733
Amortisation for the year (Note 4(b))	1,382
Disposal	(1,024)
At 31 March 2025	13,091
Net carrying amount	
At 31 March 2025	5,960
At 31 March 2024	6,633

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.

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16. Leases (cont'd.)

(a) The Group and the Company as lessees (cont'd.)

(i) Right-of-use assets:

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Data centre RM'000	Office buildings RM'000	Computer and office equipment RM'000	Total RM'000
Group				
Cost				
At 1 April 2023	553	5,047	-	5,600
Lease modification	-	(408)	-	(408)
Additions during the year	686	1,040	-	1,726
Termination	(553)	(809)	-	(1,362)
Foreign exchange translation	-	52	-	52
At 31 March 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
Accumulated depreciation				
At 1 April 2023	392	1,840	-	2,232
Lease modification	-	357	-	357
Charge for the year (Note 4(b))	305	1,225	-	1,530
Termination	(553)	(809)	-	(1,362)
Foreign exchange translation	-	24	-	24
At 31 March 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
Net carrying amount				
At 31 March 2025	199	1,978	25	2,202
At 31 March 2024	542	2,285	-	2,827

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16. Leases (cont'd.)

(a) The Group and the Company as lessees (cont'd.)

(i) Right-of-use assets (cont'd.):

	Office buildings RM'000
Company	
Cost	
At 1 April 2023	4,218
Lease derecognised during the year	(4,218)
Additions	3,471
At 31 March 2024/2025	3,471
Accumulated depreciation	
At 1 April 2023	4,218
Charge for the year (Note 4(b))	1,157
Lease derecognised during the year	(4,218)
At 31 March 2024	1,157
Charge for the year (Note 4(b))	1,157
At 31 March 2025	2,314
Net carrying amount	
At 31 March 2025	1,157
At 31 March 2024	2,314

(ii) Lease liabilities:

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Group RM'000	Company RM'000
At 1 April 2023	3,426	-
Lease modification	687	-
Additions	1,725	3,472
Termination	(1,484)	-
Accretion of interest/profit	114	151
Payments	(1,576)	(1,250)
Foreign exchange translation	124	-
At 31 March 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

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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	
	2025 RM'000	2024 RM'000
Future minimum rental receivable:		
Not later than 1 year	1,774	1,709
Later than 1 year and not later than 5 years	1,898	1,257
	3,672	2,966

17. Investments in subsidiaries

	Company	
	2025 RM'000	2024 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	6,370
Dissolution of subsidiary	(6,370)	-
At the end of the year	1,298,106	1,304,476

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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	
				2025 %	2024 %
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
Malaysian Re (Dubai) Ltd. ("MRDL") [*]	Dubai, United Arab Emirates ("UAE")	Marketing and promotional activities and servicing of clients on behalf of Malaysian Re	Equity method	Nil	100

* On 21 March 2025, the Board of Directors of the Company announced that Malaysian Re (Dubai) Ltd ("MRDL"), its wholly-owned subsidiary of the Company, incorporated in Dubai, the United Arab Emirates ("UAE"), which was placed under Members' Voluntary Winding-up pursuant to the provision of the Dubai International Financial Centre ("DIFC") Law No.5 of 2018, DIFC Companies Law, was dissolved on 19 March 2025. The Company was advised of the same by the appointed liquidator of MRDL, Vishal Manglani of Messrs of United VAT - Feather Tax Consultancy LLC on 19 March 2025. As a result of the dissolution of MRDL, the Company recognised a gain of RM7,316,635 in profit or loss of the Company.

NOTES TO THE FINANCIAL STATEMENTS

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17. Investments in subsidiaries (cont'd.)

Details of the subsidiaries are as follows: (cont'd.)

Name of subsidiaries	Principal place of business/ Country of incorporation	Principal activities	Measurement method	Effective ownership interest	
				2025	2024
				%	%
Held through Takaful IKHLAS General:					
Hong Leong Dana Abadi ("HLDA")**	Malaysia	Investment in Shariah compliant money market instruments and Sukuk	Equity method	100	100

* Audited by a firm of chartered accountants affiliated to Ernst & Young PLT, Malaysia.

** Audited by a firm other than Ernst & Young PLT, Malaysia.

SSB has ceased its operations since December 2017.

18. Investments in associates

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unquoted shares in Malaysia, at cost	77,615	77,615	1,957	1,957
Share of post-acquisition retained profits	80,196	81,012	-	-
Post-acquisition foreign exchange translation reserve*	7,984	16,284	-	-
	165,795	174,911	1,957	1,957
Represented by share of net assets	165,795	174,911	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.

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18. Investments in associates (cont'd.)

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	
					2025	2024
					%	%
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") (ii)	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 2024 and management financial statements to the end of the accounting period of 31 March 2025 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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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:

	2025 RM'000	2024 RM'000
Assets and liabilities:		
Current assets	2,468,167	2,465,007
Non-current assets	4,921	60,375
Total assets	2,473,088	2,525,382
Current liabilities	1,980	310,466
Non-current liabilities	1,654,665	1,299,685
Total liabilities	1,656,645	1,610,151
Equity	816,443	915,231
Results:		
Insurance revenue	955,288	659,508
Profit for the year	29,341	(45,796)
Share of net profit for the year	6,471	44,623

	2025 RM'000	2024 RM'000
MRC		
Net assets of an associate	12,533	11,220
Proportion of the Group's ownership interest in an associate	40%	40%
Share of net assets of the associate	5,013	4,488
Carrying amount of interest in an associate as at 31 March	5,013	4,488

	2025 RM'000	2024 RM'000
Labuan Re		
Net assets of an associate	803,910	852,115
Proportion of the Group's ownership interest in an associate	20%	20%
Share of net assets of the associate	160,782	170,423
Carrying amount of interest in an associate as at 31 March	160,782	170,423
Total carrying amount of interest in an associate as at 31 March	165,795	174,911

NOTES TO THE FINANCIAL STATEMENTS

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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	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<u>At carrying value:</u>				
Financial assets at FVTPL (a)	6,369,600	4,959,479	-	5,329
Financial assets at FVOCI (b)	941,636	626,239	79,866	49,809
Amortised cost and other assets (c)	4,709,516	5,689,979	294,016	243,295
	12,020,752	11,275,697	373,882	298,433

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Malaysian government securities	355,091	301,812	-	-
Government investment issues	2,842,168	2,161,965	-	-
Unquoted corporate debt securities*	1,226,292	740,218	49,887	50,759
Commercial paper	172,468	59,569	-	-
Islamic commercial paper	64,369	-	-	-
Equity securities:				
Unquoted shares in Malaysia	92,939	87,899	50	50
Quoted shares in Malaysia	587,773	233,403	-	-
Unquoted perpetual bond in Malaysia	4,992	4,964	-	-
Unquoted Islamic private debt securities	1,855,009	1,675,232	29,929	-
Shariah approved unit trust funds	329,964	356,830	-	5,329
Real estate investment trusts:				
- Shariah approved	14,226	14,665	-	-
- Non-Shariah approved	2,782	9,050	-	-
Fixed and call deposits	973,713	970,093	-	-
Islamic investment accounts	3,331,384	4,482,959	265,821	231,517
Derivatives	-	(320)	-	-
Other receivables**	167,582	177,358	28,195	10,778
	12,020,752	11,275,697	373,882	298,433

* The unquoted corporate debt securities of the Company include subordinated medium term notes ("sub-debt") issued by the Company's reinsurance subsidiary. The sub-debt carries a tenure of eight (8) years from issue date on a 8-year, non-callable 5-year basis with a fixed interest rate of 4.38% 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.

NOTES TO THE FINANCIAL STATEMENTS

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19. Financial and other assets (cont'd.)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(a) Financial assets at FVTPL				
At fair value:				
<u>Designated upon initial recognition:</u>				
Corporate debt securities	1,226,292	734,642	-	-
Government investment issues	2,366,432	1,911,996	-	-
Unquoted Islamic private debt securities	1,482,048	1,386,861	-	-
Malaysian government securities	355,091	301,812	-	-
<u>Mandatorily measured:</u>				
Quoted shares in Malaysia:				
Shariah approved equities	508,222	221,166	-	-
Warrants	239	-	-	-
Others	79,312	12,237	-	-
Unquoted perpetual bond in Malaysia	4,992	4,964	-	-
Unquoted corporate debt securities	-	5,576	-	-
Shariah approved unit trust funds	329,964	356,830	-	5,329
Real estate investment trusts:				
- Shariah approved	14,226	14,665	-	-
- Non-Shariah approved	2,782	9,050	-	-
Derivative ⁽ⁱ⁾	-	(320)	-	-
	6,369,600	4,959,479	-	5,329

⁽ⁱ⁾ The table below shows the fair values of derivative financial instruments, recorded as assets (being derivatives which are in a net gain position) or liabilities (being derivatives which are in a net loss position), together with their notional amounts. The notional amount, recorded gross, is the amount of a derivatives' underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the end of the financial year and are neither indicative of the market risk nor the credit risk.

	Notional Amount RM'000	Asset RM'000	Liability RM'000
2024			
Trading derivative:			
Forward foreign exchange contract	68,838	-	(319)

Forward contracts are customised contracts transacted with a specific counterparty who agrees to buy or sell a specified asset at a pre-agreed rate at a specified future date. The contracts are settled at gross at a specified future date and are considered to bear a higher liquidity risk than futures contracts which are settled on a net basis. It also bears market risks related to the underlying investments. The Group enters into forward foreign exchange contracts for the purpose of hedging part of its investment portfolio.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

19. Financial and other assets (cont'd.)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(b) Financial assets at FVOCI				
At fair value:				
Government investment issues	475,736	249,969	-	-
Unquoted corporate debt securities	-	-	49,887	49,759
Unquoted Islamic private debt securities	372,961	288,371	29,929	-
Unquoted shares in Malaysia ⁽ⁱⁱⁱ⁾	92,706	87,666	-	-
Golf club memberships	233	233	50	50
	941,636	626,239	79,866	49,809

⁽ⁱⁱⁱ⁾ 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.

The pertinent information of the investments in unquoted shares in Malaysia are as follows:

	Financial Park (Labuan) Sdn. Bhd. RM'000	Malaysia Rating Corporation Berhad RM'000	Total RM'000
Fair value			
As at 1 April 2023	84,613	2,506	87,119
Fair value movement during the year	354	193	547
As at 31 March 2024	84,967	2,699	87,666
Fair value movement during the year	4,830	210	5,040
As at 31 March 2025	89,797	2,909	92,706

Disclosures on expected credit losses recognised on financial assets at FVOCI are disclosed in Note 32(a).

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19. Financial and other assets (cont'd.)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(c) Financial assets at amortised cost				
At amortised cost:				
Unquoted corporate debt securities	-	-	1,000	1,000
Fixed and call deposits with licensed *:				
Commercial banks	639,145	190,239	-	-
Foreign banks	334,568	779,854	-	-
Islamic commercial paper	64,369	-	-	-
Islamic investment accounts with licensed:				
Islamic banks	2,946,219	3,748,889	167,821	219,445
Commercial banks	90,000	-	90,000	-
Development banks	295,165	734,070	8,000	12,072
Commercial paper	172,468	59,569	-	-
Secured staff loans	2,233	2,584	642	507
Amounts due from subsidiaries **	-	-	22,934	8,835
Income due and accrued	92,058	112,458	2,851	1,024
Amount due from Insurance Pool accounts	16,696	23	-	-
Sundry receivables	23,583	19,318	427	266
	4,676,504	5,647,004	293,675	243,149
Other assets:				
Other receivables	140	92	-	-
Due from Lloyds' syndicate ***	26,698	40,573	-	-
Prepayments	6,174	2,310	341	146
	4,709,516	5,689,979	294,016	243,295

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 RM55,490,669 (2024: RM Nil) 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'.

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31 MARCH 2025

19. Financial and other assets (cont'd.)

(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	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Debt securities	4.22%	4.78%	4.12%	4.48%
Staff loans	2.11%	2.14%	3.04%	3.04%
Deposits with financial institutions	3.76%	3.72%	3.67%	3.63%

20. Deferred tax assets/(liabilities)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 April	10,179	15,016	5,397	3,998
Recognised in:				
Income statements (Note 13)	460	2,879	596	1,370
Tax borne by participants (Note 12)	(510)	(4,030)	-	-
Other comprehensive income	(1,347)	(3,686)	(15)	29
At 31 March	8,782	10,179	5,978	5,397

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	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deferred tax assets	42,442	47,391	5,978	5,397
Deferred tax liabilities	(33,660)	(37,212)	-	-
	8,782	10,179	5,978	5,397

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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:

	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
Group						
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
2024						
At 1 April 2023	(2,742)	12,231	857	(9,568)	14,238	15,016
Recognised in:						
Income statements (Note 13)	(657)	3,496	(691)	-	731	2,879
Tax borne by participants (Note 12)	(448)	7,552	(11,134)	-	-	(4,030)
Other comprehensive income	-	-	101	(3,787)	-	(3,686)
At 31 March 2024	(3,847)	23,279	(10,867)	(13,355)	14,969	10,179

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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.):

	Unabsorbed/ accelerated capital allowances RM'000	Unutilised business losses RM'000	Financial assets RM'000	Others RM'000	Total RM'000
Company					
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
2024					
At 1 April 2023	(178)	2,000	87	2,089	3,998
Recognised in:					
Income statements (Note 13)	(369)	-	-	1,739	1,370
Other comprehensive income	-	-	29	-	29
At 31 March 2024	(547)	2,000	116	3,828	5,397

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

20. Deferred tax assets/(liabilities) (cont'd.)

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	
	2025 RM'000	2024 RM'000
Unutilised business losses	8,103	8,103
Year of expiry of unutilised tax losses is analysed as follows:		
Expiring in 2029	8,103	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.

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).

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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:

	2025			2024		
	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	(4,459)	(3,189,551)	(3,194,010)	7,489	(2,931,520)	(2,924,031)
General Takaful - PAA	-	(1,349,703)	(1,349,703)	-	(1,201,019)	(1,201,019)
Family Takaful						
PAA	-	(27,963)	(27,963)	-	(51,017)	(51,017)
Other than PAA	110,289	(4,510,121)	(4,399,832)	58,845	(4,309,589)	(4,250,744)
Total insurance contracts/takaful certificates issued	105,830	(9,077,338)	(8,971,508)	66,334	(8,493,145)	(8,426,811)
Reinsurance contracts/retakaful certificates held						
General reinsurance/retakaful - Other than PAA	276,524	(3,993)	272,531	162,744	(5,681)	157,063
General Takaful - PAA	289,642	-	289,642	319,809	-	319,809
Family Takaful						
PAA	-	(14,642)	(14,642)	84	(14,991)	(14,907)
Other than PAA	51,490	(15,489)	36,001	28,444	(11,266)	17,178
Total reinsurance contracts/retakaful certificates held	617,656	(34,124)	583,532	511,081	(31,938)	479,143

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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

	2025				
	Liabilities for remaining coverage				Total RM'000
	Excluding loss RM'000	Loss component RM'000	Liabilities for incurred claims RM'000	Unallocated surplus and Qard ⁱ 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 under the fair value approach	(462,722)	-	-	-	(462,722)
New contracts and contracts 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 2025

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.)

	2024					
	Liabilities for remaining coverage			Liabilities for incurred claims RM'000	Unallocated surplus and Qard i RM'000	Total RM'000
	Excluding component RM'000	loss component RM'000	Loss for incurred claims RM'000			
Insurance contracts/takaful certificates liabilities as at 1 April	(242,717)	36,066	2,925,381	41,518	2,760,248	
Insurance contracts/takaful certificates assets as at 1 April	(6,638)	31	2,437	-	(4,170)	
Net insurance contracts/takaful certificates (assets)/liabilities as at 1 April	(249,355)	36,097	2,927,818	41,518	2,756,078	
Insurance/takaful revenue	(1,826,265)	-	-	-	(1,826,265)	
Contracts/certificates under the fair value approach	(660,003)	-	-	-	(660,003)	
New contracts/certificates and contracts/certificates under full retrospective approach	(1,166,262)	-	-	-	(1,166,262)	
Insurance/takaful service expenses	101,789	33,006	1,258,299	-	1,393,094	
Insurance/takaful service result	(1,724,476)	33,006	1,258,299	-	(433,171)	
Insurance/takaful finance expenses	45,106	1,429	54,857	26,279	127,671	
Effect of movements in exchange rates	2,756	2,264	81,507	-	86,527	
Total changes in the income statements	(1,676,614)	36,699	1,394,663	26,279	(218,973)	
<i>Cash flows</i>						
Premiums/contributions received	1,609,041	-	-	-	1,609,041	
Qard received	-	-	-	50	50	
Claims and other expenses paid	-	-	(1,020,022)	-	(1,020,022)	
Insurance/takaful acquisition cash flows	(103,533)	-	-	-	(103,533)	
Total cash flows	1,505,508	-	(1,020,022)	50	485,536	
Other movements	(26,476)	-	(72,134)	-	(98,610)	
Net insurance contracts/takaful certificates (assets)/liabilities as at 31 March	(446,937)	72,796	3,230,325	67,847	2,924,031	
Insurance contracts/takaful certificates liabilities as at 31 March	(431,881)	72,592	3,222,962	67,847	2,931,520	
Insurance contracts/takaful certificates assets as at 31 March	(15,056)	204	7,363	-	(7,489)	
Net insurance contracts/takaful certificates (assets)/liabilities as at 31 March	(446,937)	72,796	3,230,325	67,847	2,924,031	

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Opening balance	36,061	36,294	20,727	20,617
(Reversal)/provision of Qard during the year	(10,761)	-	-	11,478
Closing balance	25,300	36,294	20,727	32,095

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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)

	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 2025

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.)

	2024						
	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	330,301	1,880	466,487	49,626	173,325	1,021,619	
Takaful certificates assets as at 1 April	-	-	-	-	-	-	
Net takaful certificates liabilities as at 1 April	330,301	1,880	466,487	49,626	173,325	1,021,619	
Takaful revenue	(801,376)	-	-	-	-	(801,376)	
Takaful service expenses	172,206	769	491,665	1,787	-	666,427	
Takaful service results	(629,170)	769	491,665	1,787	-	(134,949)	
Takaful finance expenses	5,527	245	13,511	1,525	14,484	35,292	
Total changes in the income statements	(623,643)	1,014	505,176	3,312	14,484	(99,657)	
<i>Cash flows</i>							
Contributions received	858,827	-	-	-	-	858,827	
Takaful acquisition cash flow	(181,881)	-	-	-	-	(181,881)	
Claims and other expenses paid	-	-	(398,906)	-	-	(398,906)	
Total cash flows	676,946	-	(398,906)	-	-	278,040	
Other movements	-	-	-	-	1,017	1,017	
Net takaful certificates liabilities as at 31 March	383,604	2,894	572,757	52,938	188,826	1,201,019	
Takaful certificates liabilities as at 31 March	383,604	2,894	572,757	52,938	188,826	1,201,019	
Takaful certificates assets as at 31 March	-	-	-	-	-	-	
Net takaful certificates liabilities as at 31 March	383,604	2,894	572,757	52,938	188,826	1,201,019	

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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

	2025				
	Liabilities for remaining coverage				Total
	Excluding loss component RM'000	Loss component RM'000	Liabilities for incurred claims RM'000	Unallocated Surplus 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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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.)

	2024				
	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component RM'000	Loss component RM'000	for incurred claims RM'000	Unallocated Surplus RM'000	
Takaful certificates liabilities as at 1 April	3,436,445	2,895	194,964	429,568	4,063,872
Takaful certificates assets as at 1 April	(60,239)	-	-	-	(60,239)
Net takaful certificates liabilities as at 1 April	3,376,206	2,895	194,964	429,568	4,003,633
Takaful revenue	(400,404)	-	-	-	(400,404)
Certificates under the fair value approach	(136,569)	-	-	-	(136,569)
New certificates and certificates under full retrospective approach	(263,835)	-	-	-	(263,835)
Takaful service expenses	45,796	10,523	254,952	-	311,271
Investment components	(192,295)	-	192,295	-	-
Takaful service result	(546,903)	10,523	447,247	-	(89,133)
Takaful finance expenses	249,019	-	-	-	249,019
Unallocated surplus attributable to participants	-	-	-	41,429	41,429
Total changes in the income statements	(297,884)	10,523	447,247	41,429	201,315
<i>Cash flows</i>					
Contributions received	637,491	-	-	-	637,491
Claims paid, including investment components	-	-	(421,626)	-	(421,626)
Administration and other expenses	-	-	(34,329)	-	(34,329)
Takaful acquisition cash flows	(113,785)	-	-	-	(113,785)
Total cash flows	523,706	-	(455,955)	-	67,751
Other movements	98,020	-	(122,850)	2,875	(21,955)
Net takaful certificates liabilities as at 31 March	3,700,048	13,418	63,406	473,872	4,250,744
Takaful certificates liabilities as at 31 March	3,756,507	13,418	65,792	473,872	4,309,589
Takaful certificates assets as at 31 March	(56,459)	-	(2,386)	-	(58,845)
Net takaful certificates liabilities as at 31 March	3,700,048	13,418	63,406	473,872	4,250,744

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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

	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	29,210	-	7,516	-	14,291	51,017
Net takaful certificates liabilities as at 1 April	29,210	-	7,516	-	14,291	51,017
Takaful revenue	(101,907)	-	-	-	-	(101,907)
Takaful service expenses	16,939	-	52,386	-	-	69,325
Investment components	(2,778)	-	2,778	-	-	-
Takaful service result	(87,746)	-	55,164	-	-	(32,582)
Unallocated surplus attributable to participants	-	-	-	-	6,757	6,757
Total changes in the income statements	(87,746)	-	55,164	-	6,757	(25,825)
<i>Cash flows</i>						
Contributions received	78,970	-	-	-	-	78,970
Claims and other expenses paid	-	-	(61,891)	-	-	(61,891)
Takaful acquisition cash flows	(16,939)	-	-	-	-	(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	27,963
Takaful certificates liabilities as at 31 March	6,126	-	789	-	21,048	27,963
Net takaful certificates liabilities as at 31 March	6,126	-	789	-	21,048	27,963

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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.)

	2024					
	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	4,462	-	25,618	-	6,392	36,472
Takaful certificates assets as at 1 April	-	-	-	-	-	-
Net takaful certificates liabilities as at 1 April	4,462	-	25,618	-	6,392	36,472
Takaful revenue	(71,031)	-	922	-	-	(70,109)
Takaful service expenses	18,957	-	44,027	-	-	62,984
Investment components	(1,607)	-	1,607	-	-	-
Takaful service result	(53,681)	-	46,556	-	-	(7,125)
Takaful finance expenses	1,167	-	-	-	-	1,167
Unallocated surplus attributable to participants	-	-	-	-	7,899	7,899
Total changes in the income statements	(52,514)	-	46,556	-	7,899	1,941
<i>Cash flows</i>						
Contributions received	96,389	-	-	-	-	96,389
Claims and other expenses paid	-	-	(64,658)	-	-	(64,658)
Takaful acquisition cash flows	(19,127)	-	-	-	-	(19,127)
Total cash flows	77,262	-	(64,658)	-	-	12,604
Net takaful certificates liabilities as at 31 March	29,210	-	7,516	-	14,291	51,017
Takaful certificates liabilities as at 31 March	29,210	-	7,516	-	14,291	51,017
Takaful certificates assets as at 31 March	-	-	-	-	-	-
Net takaful certificates liabilities as at 31 March	29,210	-	7,516	-	14,291	51,017

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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

	2025				
	Assets for remaining coverage		Amounts		
	Excluding loss recovery component RM'000	Loss recovery component RM'000	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 and other expenses 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 2025

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.)

	2024				
	Assets for remaining coverage				Total RM'000
	Excluding loss recovery component RM'000	Loss recovery component RM'000	recovery component RM'000	Amounts recoverable: claims incurred RM'000	
Reinsurance contracts/retakaful certificates assets as at 1 April	(49,453)	4,851		279,459	234,857
Reinsurance contracts/retakaful certificates liabilities as at 1 April	(22)	-	-	-	(22)
Net reinsurance contracts/retakaful certificates (liabilities)/assets as at 1 April	(49,475)	4,851		279,459	234,835
Allocation of premiums/contributions	(263,589)	-	-	-	(263,589)
Amounts recoverable from reinsurers/retakaful operators	-	23,468		149,816	173,284
Net income or expense from reinsurance contracts/retakaful certificates held	(263,589)	23,468		149,816	(90,305)
Reinsurance/retakaful finance income	(3,303)	167		4,771	1,635
Effect of movements in exchange rates	1,394	833		1,704	3,931
Total changes in the income statements	(265,498)	24,468		156,291	(84,739)
<i>Cash flows</i>					
Premiums/contributions paid	168,399	-		(5,375)	163,024
Amounts received	-	-		(156,057)	(156,057)
Total cash flows	168,399	-		(161,432)	6,967
Net reinsurance contracts/retakaful certificates (liabilities)/assets as at 31 March	(146,574)	29,319		274,318	157,063
Reinsurance contracts/retakaful certificates assets as at 31 March	(140,877)	29,319		274,302	162,744
Reinsurance contracts/retakaful certificates liabilities as at 31 March	(5,697)	-		16	(5,681)
Net reinsurance contracts/retakaful certificates (liabilities)/assets as at 31 March	(146,574)	29,319		274,318	157,063

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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

	2025					
	Assets for remaining coverage		Amounts recoverable: claims incurred			
	Excluding loss recovery component RM'000	Loss recovery component	Estimates of the PVFCF	Risk adjustment		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
Retakaful certificates assets as at 31 March	(98,562)	-	364,394	23,810		289,642
Retakaful certificates liabilities 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 2025

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.)

	2024					
	Assets for remaining coverage		Amounts recoverable: claims incurred			
	Excluding 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	49,426	(199)	163,552	20,586	233,365	
Retakaful certificates liabilities as at 1 April	-	-	-	-	-	
Net retakaful certificates assets/(liabilities) as at 1 April	49,426	(199)	163,552	20,586	233,365	
Allocation of retakaful contributions	(223,574)	-	-	-	(223,574)	
Amounts recoverable from retakaful operators	(2,486)	145	173,010	1,549	172,218	
Net income or expense from retakaful certificates held	(226,060)	145	173,010	1,549	(51,356)	
Retakaful finance income	-	(7)	5,307	652	5,952	
Total changes in the income statements	(226,060)	138	178,317	2,201	(45,404)	
<i>Cash flows</i>						
Contributions paid	222,612	-	-	-	222,612	
Amounts received	-	-	(92,483)	-	(92,483)	
Total cash flows	222,612	-	(92,483)	-	130,129	
Other movements	(1,445)	(74)	3,238	-	1,719	
Net retakaful certificates assets/(liabilities) as at 31 March	44,533	(135)	252,624	22,787	319,809	
Retakaful certificates assets as at 31 March	44,533	(135)	252,624	22,787	319,809	
Retakaful certificates liabilities as at 31 March	-	-	-	-	-	
Net retakaful certificates assets/(liabilities) as at 31 March	44,533	(135)	252,624	22,787	319,809	

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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

	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	6,412	36	19,521	-		25,969
Net retakaful certificates (liabilities)/assets as at 31 March	(33,789)	-	66,522	3,268		36,001
Retakaful certificates assets as at 31 March	1,037	-	47,185	3,268		51,490
Retakaful certificates liabilities as at 31 March	(34,826)	-	19,337	-		(15,489)
Net retakaful certificates (liabilities)/assets as at 31 March	(33,789)	-	66,522	3,268		36,001

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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.)

	2024					
	Assets for remaining coverage		Amounts recoverable: claims incurred			
	Excluding 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	(13,702)	-	58,486	4,502	49,286	
Retakaful certificates liabilities as at 1 April	(14,727)	-	10,442	-	(4,285)	
Net retakaful certificates assets/(liabilities) as at 1 April	(28,429)	-	68,928	4,502	45,001	
Allocation of retakaful contributions	(82,665)	-	-	-	(82,665)	
Amounts recoverable from retakaful operators	(2,907)	34	69,684	(604)	66,207	
Net income or expense from retakaful certificates held	(85,572)	34	69,684	(604)	(16,458)	
Total changes in the income statements	(85,572)	34	69,684	(604)	(16,458)	
<i>Cash flows</i>						
Contributions paid	88,260	-	-	-	85,353	
Amount received, including investment components	-	-	(88,479)	-	(85,572)	
Total cash flows	88,260	-	(88,479)	-	(219)	
Other movements	(14,266)	-	3,120	-	(11,146)	
Net retakaful certificates (liabilities)/assets as at 31 March	(39,937)	(36)	53,253	3,898	17,178	
Retakaful certificates assets as at 31 March	(16,198)	(36)	40,780	3,898	28,444	
Retakaful certificates liabilities as at 31 March	(23,739)	-	12,473	-	(11,266)	
Net retakaful certificates (liabilities)/assets as at 31 March	(39,937)	(36)	53,253	3,898	17,178	

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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

	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)	
Retakaful certificates assets as at 31 March	-	-	-	-	-	
Retakaful certificates liabilities 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 2025

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.)

	2024					
	Assets for remaining coverage			Amounts recoverable: claims incurred		
	Excluding 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	(2,927)	-	9,005	-	6,078	
Retakaful certificates liabilities as at 1 April	-	-	(1,272)	-	(1,272)	
Net retakaful certificates (liabilities)/assets as at 31 March	(2,927)	-	7,733	-	4,806	
Allocation of retakaful contributions	(34,924)	-	-	-	(34,924)	
Amounts recoverable from retakaful operators	-	-	23,069	-	23,069	
Net income or expense from retakaful certificates held	(34,924)	-	23,069	-	(11,855)	
Total changes in the income statements	(34,924)	-	23,069	-	(11,855)	
<i>Cash flows</i>						
Contributions received	25,548	-	-	-	25,548	
Amount received, including investment components	-	-	(27,575)	-	(27,575)	
Total cash flows	25,548	-	(27,575)	-	(2,027)	
Other movements	(5,290)	-	(541)	-	(5,831)	
Net retakaful certificates (liabilities)/assets as at 31 March	(17,593)	-	2,686	-	(14,907)	
Retakaful certificates assets as at 31 March	(2,602)	-	2,686	-	84	
Retakaful certificates liabilities as at 31 March	(14,991)	-	-	-	(14,991)	
Net retakaful certificates (liabilities)/assets as at 31 March	(17,593)	-	2,686	-	(14,907)	

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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

	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
Changes that relate to current services					
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
Changes that relate to future services	-				
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)
Changes that relate to past services					
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 2025

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)
Insurance/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 2025

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

	2024				
	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	1,891,979	344,870	481,461	41,518	2,760,248
Insurance contracts/takaful certificates assets as at 1 April	(13,006)	2,081	6,755	-	(4,170)
Net insurance contracts/takaful certificates liabilities as at 1 April	1,878,973	346,951	488,636	41,518	2,756,078
Changes that relate to current services					
Contractual service margin recognised for services provided	-	-	(414,532)	-	(414,532)
Risk adjustment for the risk expired	-	(125,391)	-	-	(125,391)
Experience adjustments	54,401	77,301	102,244	-	233,946
Changes that relate to future services					
Contracts/certificates initially recognised in the period	(347,897)	100,852	272,531	-	25,486
Changes in estimates that adjust the contractual service margin	61,517	7,266	(68,743)	-	40
Changes in estimates that do not adjust the contractual service margin	17,642	(10,231)	-	-	7,411
Changes that relate to past services					
Adjustment to liabilities for incurred claims	(86,986)	(73,145)	-	-	(160,131)
Insurance/takaful service results	(301,323)	(23,348)	(108,500)	-	(433,171)
Insurance/takaful finance expense	71,499	10,430	19,463	26,279	127,671
Effect of movements in exchange rates	68,240	11,116	7,171	-	86,527
Total changes in the income statements	(161,584)	(1,802)	(81,866)	26,279	(218,973)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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.)

	2024				
	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	1,609,041	-	-	-	1,609,041
Qard received	-	-	-	50	50
Claims and other expenses paid	(1,020,022)	-	-	-	(1,020,022)
Takaful acquisition cash flows	(103,533)	-	-	-	(103,533)
Total cash flows	485,486	-	-	50	485,536
Other movements	(97,260)	1,086	(2,436)	-	(98,610)
Net insurance contracts/takaful certificates liabilities as at 31 March	2,105,615	346,235	404,334	67,847	2,924,031
Insurance contracts/takaful certificates liabilities as at 31 March	2,121,433	344,240	398,000	67,847	2,931,520
Insurance contracts/takaful certificates assets as at 31 March	(15,818)	1,995	6,334	-	(7,489)
Net insurance contracts/takaful certificates liabilities as at 31 March	2,105,615	346,235	404,334	67,847	2,924,031

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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

	2025				
	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Unallocated Surplus 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 2025

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 RM'000
				Total RM'000
<i>Cash flows</i>				
Contributions received	551,607	-	-	-
Claims paid, including investment components	(455,227)	-	-	-
Administration and other expenses	(52,476)	-	-	-
Takaful acquisition cash flows	(103,843)	-	-	-
Total cash flows	(59,939)	-	-	-
Other movements	28,772	-	-	16,025
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
Takaful certificates assets as at 31 March	(202,479)	6,316	85,874	-
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 2025

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

	2024			
	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Unallocated Surplus RM'000
Takaful certificates liabilities as at 1 April	3,561,293	7,973	65,038	429,568
Takaful certificates assets as at 1 April	(284,348)	21,933	202,176	-
Net takaful certificates liabilities as at 1 April	3,276,945	29,906	267,214	429,568
				4,003,633
Changes that relate to current services				
Contractual service margin recognised for services provided	-	-	(23,456)	-
Risk adjustment for the risk expired	-	(7,623)	-	-
Experience adjustments	(44,188)	-	-	-
Changes that relate to future services				
Certificates initially recognised in the period	(53,717)	6,950	54,537	-
Changes in estimates that adjust the contractual service margin	55,563	(492)	(55,071)	-
Changes in estimates that do not adjust the contractual service margin	2,753	-	-	-
Changes that relate to past services				
Adjustment to liabilities for incurred claims	(19,679)	(4,710)	-	-
Takaful finance income	246,281	640	2,111	-
Unallocated surplus attributable to participants	-	-	-	41,416
Total changes in the income statements	187,013	(5,235)	(21,879)	41,416
				201,315

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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.)

	2024				
	Estimates of the PVFCF RM'000	Risk adjustment RM'000	Contractual service margin RM'000	Unallocated Surplus RM'000	Total RM'000
<i>Cash flows</i>					
Contributions paid	637,491	-	-	-	637,491
Claims paid, including investment components	(425,287)	3,661	-	-	(421,626)
Administration and other expenses	(34,329)	-	-	-	(34,329)
Takaful acquisition cash flows	(113,785)	-	-	-	(113,785)
Total cash flows	64,090	3,661	-	-	67,751
Other movements	(24,843)	-	-	2,888	(21,955)
Net takaful certificates liabilities as at 31 March	3,503,205	28,332	245,335	473,872	4,250,744
Takaful certificates liabilities as at 31 March	3,766,171	7,581	61,965	473,872	4,309,589
Takaful certificates assets as at 31 March	(262,966)	20,751	183,370	-	(58,845)
Net takaful certificates liabilities as at 31 March	3,503,205	28,332	245,335	473,872	4,250,744

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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

	2025				2024			
	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	85,349	22,180	55,215	162,744	183,479	27,251	24,127	234,857
Insurance contracts/takaful certificates liabilities as at 1 April	(13,047)	1,152	6,214	(5,681)	(24)	-	2	(22)
Net Insurance contracts/takaful certificates assets as at 1 April	72,302	23,332	61,429	157,063	183,455	27,251	24,129	234,835
<u>Changes that relate to current services</u>								
Contractual service margin recognised for services received	-	-	(105,069)	(105,069)	-	-	(93,551)	(93,551)
Risk adjustment for the risk expired	-	9,204	-	9,204	-	(10,878)	-	(10,878)
Experience adjustments	(30,815)	-	-	(30,815)	(95,172)	21,348	24,835	(48,989)
<u>Changes that relate to future services</u>								
Contracts/certificates initially recognised in the period	(160,193)	20,556	174,131	34,494	(189,804)	20,097	181,469	11,762
Changes in estimates that adjust the contractual service margin	67,408	18,562	(85,970)	-	81,710	964	(82,674)	-
Changes in estimates that do not adjust the contractual service margin	(39,168)	(13,702)	-	(52,870)	27,985	(16,277)	-	11,708
<u>Changes that relate to past services</u>								
Changes in amounts recoverable arising from changes in LIC	47,543	(11,111)	-	36,432	50,603	(10,960)	-	39,643
Insurance/takaful finance/profit income	10,334	1,114	6,659	18,107	5,101	(8,859)	5,393	1,635
Effect of changes in non-performance risk of reinsurers/retakaful operators	(82)	-	-	(82)	-	-	-	-
Effect of movements in exchange rates	(8,038)	(1,489)	(2,708)	(12,235)	1,457	646	1,828	3,931
Total changes in the income statements	(113,011)	23,134	(12,957)	(102,834)	(118,120)	(3,919)	37,300	(84,739)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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.)

	2025				2024			
	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
<i>Cash flows</i>								
Premiums/contributions paid	355,109	-	-	355,109	163,024	-	-	163,024
Amounts received	(136,620)	-	-	(136,620)	(156,057)	-	-	(156,057)
Total cash flows	218,489	-	-	218,489	6,967	-	-	6,967
Other movements	(242)	242	(187)	(187)	-	-	-	-
Net reinsurance contracts/retakaful certificates assets as at 31 March	177,538	46,708	48,285	272,531	72,302	23,332	61,429	157,063
Reinsurance contracts/retakaful certificates assets as at 31 March	181,647	46,592	48,285	276,524	85,349	22,180	55,215	162,744
Reinsurance contracts/retakaful certificates liabilities as at 31 March	(4,109)	116	-	(3,993)	(13,047)	1,152	6,214	(5,681)
Net reinsurance contracts/retakaful certificates assets as at 31 March	177,538	46,708	48,285	272,531	72,302	23,332	61,429	157,063

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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

	2025			2024		
	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	24,536	3,908	28,444	45,466	3,820	49,286
Retakaful certificates liabilities as at 1 April	(11,932)	666	(11,266)	(4,967)	682	(4,285)
Net retakaful certificates assets as at 1 April	12,604	4,574	17,178	40,499	4,502	45,001
Changes that relate to current services						
Experience adjustments	6,696	-	6,696	22,549	-	22,549
Changes that relate to past services						
Changes in amounts recoverable arising from changes in liability for incurred claims	(35,820)	(630)	(36,450)	(39,039)	72	(38,967)
Takaful finance income	-	-	-	-	-	-
Total changes in the income statements	(29,124)	(630)	(29,754)	(16,490)	72	(16,418)
<i>Cash flows</i>						
Contributions paid	103,255	-	103,255	85,313	-	85,313
Amount received	(80,647)	-	(80,647)	(85,572)	-	(85,572)
Total cash flows	22,608	-	22,608	(259)	-	(259)
Other movements	26,645	(676)	25,969	(11,146)	-	(11,146)
Net retakaful certificates assets as at 31 March	32,733	3,268	36,001	12,604	4,574	17,178
Retakaful certificates assets as at 31 March	48,222	3,268	51,490	24,536	3,908	28,444
Retakaful certificates liabilities as at 31 March	(15,489)	-	(15,489)	(11,932)	666	(11,266)
Net retakaful certificates assets as at 31 March	32,733	3,268	36,001	12,604	4,574	17,178

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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 for reinsurance/takaful contracts portfolios is disclosed in the table below:

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

	2025			2024		
	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	167,798	236,536	404,334	269,927	218,709	488,636
<u>Changes that relate to current services</u>						
Contractual service margin recognised for services provided	(171,291)	(321,075)	(492,366)	(171,261)	(141,027)	(312,288)
<u>Changes that relate to future services</u>						
Contracts/certificates initially recognised in the period	-	477,852	477,852	-	272,531	272,531
Changes in estimates that adjust the contractual service margin	85,534	12,082	97,616	61,913	(130,656)	(68,743)
Insurance/takaful service result	(85,757)	168,859	83,102	(109,348)	848	(108,500)
Insurance/takaful finance expenses	5,601	13,776	19,377	6,954	12,509	19,463
Effect of movements in exchange rates	(66)	(8,943)	(9,009)	265	6,906	7,171
Total changes in the income statements	(80,222)	173,692	93,470	(102,129)	20,263	(81,866)
Other movements	-	1,234	1,234	-	(2,436)	(2,436)
Contractual service margin as at 31 March	87,576	411,462	499,038	167,798	236,536	404,334

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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

	2025			2024		
	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	121,537	123,798	245,335	137,710	129,504	267,214
<u>Changes that relate to current services</u>						
Contractual service margin recognised for services provided	(10,883)	(12,245)	(23,128)	(12,480)	(11,018)	(23,498)
<u>Changes that relate to future services</u>						
Certificates initially recognised in the period	-	46,261	46,261	-	54,097	54,097
Changes in estimates that adjust the contractual service margin	(8,899)	(21,963)	(30,862)	(5,066)	(49,507)	(54,573)
Takaful service result	(19,782)	12,053	(7,729)	(17,546)	(6,428)	(23,974)
Takaful finance expenses	1,352	947	2,299	1,373	722	2,095
Total changes in the income statements	(18,430)	13,000	(5,430)	(16,173)	(5,706)	(21,879)
Contractual service margin as at 31 March	103,107	136,798	239,905	121,537	123,798	245,335

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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

	2025			2024		
	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	189	61,240	61,429	61	24,068	24,129
<u>Changes that relate to current services</u>						
Contractual service margin recognised for services received	46	(105,115)	(105,069)	22	(68,738)	(68,716)
<u>Changes that relate to future services</u>						
Contracts/certificates initially recognised in the period	-	174,131	174,131	-	181,469	181,469
Changes in estimates that adjust the contractual service margin	(178)	(85,792)	(85,970)	106	(82,780)	(82,674)
Insurance/takaful service result	(132)	(16,776)	(16,908)	128	29,951	30,079
Insurance/takaful finance/profit income	(1)	6,660	6,659	-	5,393	5,393
Effect of movements in exchange rates	-	(2,708)	(2,708)	-	1,828	1,828
Total changes in the income statements	(133)	(12,824)	(12,957)	128	37,172	37,300
Other movements	-	(187)	(187)	-	-	-
Contractual service margin as at 31 March	56	48,229	48,285	189	61,240	61,429

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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

	2025				2024			
	Contracts issued		Contracts issued		Contracts issued		Contracts issued	
	Non-onerous RM'000	Onerous RM'000	Total RM'000	Non-onerous RM'000	Onerous RM'000	Total RM'000	Non-onerous RM'000	Onerous RM'000
Insurance contracts/takaful certificates liabilities								
Estimate of present value of future cash outflows, excluding insurance/takaful acquisition cash flows	2,418,755	270,025	2,688,780	659,401	306,717	966,118		
Estimates of insurance/takaful acquisition cash flows	81,539	7,352	88,891	21,307	8,459	29,766		
Estimate of present value of future cash outflows	2,500,294	277,377	2,777,671	680,708	315,176	995,884		
Estimates of present value of future cash inflows	(3,127,086)	(269,503)	(3,396,589)	(1,023,964)	(321,411)	(1,345,375)		
Risk adjustment	148,940	24,726	173,666	69,789	31,651	101,440		
Contractual service margin	477,852	-	477,852	273,467	-	273,467		
Amount included in insurance contracts/takaful certificates liabilities for the period	-	32,600	32,600	-	25,416	25,416		

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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

	2025			2024		
	Contracts issued		Total RM'000	Contracts issued		Total RM'000
	Non-onerous RM'000	Onerous RM'000		Non-onerous RM'000	Onerous RM'000	
Takaful certificates liabilities						
Estimate of present value of future cash outflows, excluding takaful acquisition cash flows	18,668	2,821	21,489	18,561	12,591	31,152
Estimates of takaful acquisition cash flows	84,681	12,443	97,124	94,336	12,502	106,838
Estimate of present value of future cash outflows	103,349	15,264	118,613	112,897	25,093	137,990
Estimates of present value of future cash inflows	(154,752)	(10,587)	(165,339)	(173,129)	(15,961)	(189,090)
Risk adjustment	5,142	782	5,924	5,695	1,255	6,950
Contractual service margin	46,261	-	46,261	54,537	-	54,537
Amount included in takaful certificates liabilities for the period	-	5,459	5,459	-	10,387	10,387

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

21. Insurance/reinsurance contracts and takaful/retakaful certificates assets and liabilities (cont'd.)

d) The components of new business (cont'd.)

Reinsurance contracts/retakaful certificates held

General reinsurance/retakaful - Other than PAA

	Contracts purchased Non-onerous	
	2025 RM'000	2024 RM'000
Reinsurance contracts/retakaful certificates assets		
Estimate of present value of future cash outflows	(369,509)	(460,078)
Estimates of present value of future cash inflows	209,316	270,271
Risk adjustment	20,556	20,097
Contractual service margin	174,131	181,469
Recovery of losses on onerous contracts at initial recognition	34,494	11,759

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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 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

31 March 2024

Insurance contracts/takaful certificates issued	347,964	52,906	2,687	834	374	(431)	404,334
Reinsurance contracts/retakaful certificates held	(58,026)	(3,493)	38	18	26	8	(61,429)
	289,938	49,413	2,725	852	400	(423)	342,905

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 2025							
Takaful certificates issued	20,509	19,026	17,622	16,329	15,129	151,290	239,905

31 March 2024

Takaful certificates issued	21,584	20,249	18,708	17,247	15,842	151,705	245,335

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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

22. Tax recoverable/(payable)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Tax recoverable	48,840	26,698	16,232	13,506
Tax payable	(6,366)	(27,499)	(203)	(181)
	42,474	(801)	16,029	13,325

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.

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. The next date for an update to the SCIT is 5 June 2024.

Notwithstanding the appeal and the hearing before the SCIT, the Company had paid the total amount payable of RM19,685,000. The Company is also at liberty to pursue an amicable settlement of this matter. Based on legal advice, the Company is of the view that there are strong justifications for its appeal and has treated the above tax payment as tax recoverable.

A settlement agreement between the IRB and the Company was entered into on 29 October 2024 to settle the matter out of court for the amount of RM13,990,934 in favour of the Company. The Company already wrote down the amount of tax recoverable by RM5,693,859 in the financial year 2024 to reflect the irrecoverable taxes as a result of the settlement during the discussion process.

- (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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

22. Tax recoverable/(payable) (cont'd.)

During the course of the case management on 11 April 2023, IRB informed the SCIT that they needed more time to consider the draft Questions for Determination and the SCIT had fixed 10 August 2023 for the parties to finalise the cause papers. A new hearing date is pending from the SCIT.

Notwithstanding the appeal and the proposed hearing before the SCIT, Takaful IKHLAS Family had paid all outstanding taxes to the IRB in accordance to the requirements of the Income Tax Act, 1967 to mitigate against any potential penalty.

Takaful IKHLAS Family is of the view that there are strong justifications for its appeal and has treated the said payment as tax recoverable. As at the date of the financial statements, the management and the IRB are in discussion for a global settlement of YA 2010 to YA 2013 tax matters and YA 2023 matter.

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.

23. Borrowings

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At amortised costs:				
Sukuk Murabahah Programme ("Sukuk")/Medium Term Notes ("MTN")	620,000	620,000	420,000	420,000
At fair value:				
Sukuk Murabahah Programme ("Sukuk")/Medium Term Notes ("MTN")	680,660	677,353	426,850	422,768

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.

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24. Other payables

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Advance contributions	-	3,994	-	-
Proposal and other deposit	12,439	17,136	-	-
Provisions:				
Marketing-related expenses	37,394	38,831	-	-
Staff bonus	45,684	44,395	15,765	12,596
Roadside assistance	2,401	938	-	-
Others	15,431	15,912	731	585
Unidentified credit items	28,726	-	-	-
Amount due to subsidiaries *	-	-	83	390
Agency provident fund	3,456	4,653	-	-
Payables **	69,516	47,265	7,873	7,114
Accruals ***	36,700	60,406	6,225	5,126
	251,747	233,530	30,677	25,811

* These amounts are non-trade in nature, unsecured, not subject to any interest/profit elements and repayable on demand.

** Payables comprise amount due to 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	
	2025 '000	2024 '000	2025 '000	2024 '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. Dividend

	Group and Company	
	2025 RM'000	2024 RM'000
Recognised during the financial year:		
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	-
In respect of the financial year ended 31 March 2023:		
Final single-tier dividend of 4.45 sen per ordinary share on 783,086,696 ordinary shares, declared on 21 September 2023 and paid on 31 October 2023	-	34,847
	78,310	34,847

As at the date of this report, no dividend has been declared or proposed by the Group and the Company in respect of the current financial year.

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	
	2025	2024	2025	2024
Net profit for the year (RM'000)	394,246	433,539	142,183	73,077
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)	50.3	55.4	18.2	9.3

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	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Authorised and contracted for:				
- Property and equipment	5,840	3,638	333	31
- Intangible assets*	18,915	9,406	598	4,572
	24,755	13,044	931	4,603
Authorised but not contracted for:				
- Property and equipment	6,609	3,183	3,964	2,004
- Intangible assets*	24,064	5,359	5,288	-
	30,673	8,542	9,252	2,004

* 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 RM1,060,762 (2024: RM682,596) 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	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Income/(expenses):				
Transactions with subsidiaries:				
Management fee income	-	-	74,168	57,139
Management fee expense	-	-	-	(256)
Net dividend income	-	-	150,000	102,365
Management expense chargeback	-	-	7,513	9,553
Payment of lease liabilities	-	-	(1,250)	(1,250)
Rental expenses for property	-	-	(171)	(163)
Interest income	-	-	2,240	2,246
Gross contributions	-	-	(1,602)	(1,325)
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	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Balances with subsidiaries:				
Unquoted corporate debt securities	-	-	51,000	50,759
Other receivables	-	-	22,851	15,275
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	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
PGCEO/Executive director of the Group and of the Company:				
Salaries and bonus	2,289	1,870	1,291	1,870
Pension costs - EPF and SOCSO	421	318	237	318
Benefits-in-kind	56	18	25	18
Others	723	52	627	52
	3,489	2,258	2,180	2,258
Non-executive directors of the Group and of the Company:				
Fees	1,491	1,346	817	710
Benefits-in-kind and other emoluments	638	533	398	300
	2,129	1,879	1,215	1,010
Non-executive directors of the subsidiaries:				
Fees	1,215	1,074	-	-
Others	424	256	-	-
	1,639	1,330	-	-
Group Shariah Committee members:				
Fees	258	243	-	-
Meeting allowances	72	67	-	-
	330	310	-	-
Other key management personnel's remuneration:				
Salaries and bonus	23,331	21,391	7,203	5,881
Pension costs - EPF and SOCSO	3,807	3,448	1,171	922
Allowances	3,231	1,981	913	798
Benefits-in-kind	70	1,333	-	-
	30,439	28,153	9,287	7,601

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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 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 maximize 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 regards to risk management principles. The Group also aims to uphold high standards of business practices in all its activities.

(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 respective entities 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.

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31 MARCH 2025

30. Risk management framework (cont'd.)

(a) Risk management governance (cont'd.)

The roles and responsibilities of the functions structure are as follows:

- (i) The Board had 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 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 ("AC") was 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 expert 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;
- (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 with investment risks and assets allocation, reporting directly to the Board. The GIC is supported by the Group Investment Management Committee ("GIMC") which includes key senior executives such as the PCEOs of main operating subsidiaries, the Group Chief Financial Officer, and the Group Chief Investment Officer.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

30. Risk management framework (cont'd.)

(a) Risk management governance (cont'd.)

To ensure effective risk management, the Group has implemented a Group Investment Policy ("GIP"), which provides a high-level framework for investment decisions. The policy governs investments in government and corporate bonds/Sukuk, deposits with licensed financial institutions, and other marketable securities.

To enhance clarity and governance, the GIP is supplemented by a separate Group Investment Guidelines ("GIG") document. This separation distinguishes the GIP's strategic objectives from the GIG's detailed investment management rules, ensuring alignment with relevant regulatory frameworks of Risk Based Capital for Insurers ("RBCI") and Risk Based Capital for Takaful ("RBCT").

Investment Management and Asset-Liability Management committees have been established at each main subsidiary to oversee and monitor asset-liability mismatches, duration gaps, credit risk profiles, cash flow analysis and overall asset management. These committees report directly to the Board of the respective subsidiaries through GIC.

(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, Risk-Based Capital Framework for Insurers ("RBC Framework"), Risk-Based Capital Framework for Takaful Operators ("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 main operating subsidiaries' business operations and the resultant risk profiles.

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.

NOTES TO THE FINANCIAL STATEMENTS

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30. Risk management framework (cont'd.)

(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 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

(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 treaty, and Treaty-Non Proportional treaty. Risks under these contracts usually cover a 12 months duration other than some long-term contracts, such as construction contracts which may cover up to 3 years or more. 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 reinsurance subsidiary/retakaful division is exposed to concentration risk through its reinsurance and retakaful contracts, which may be concentrated in certain geographic regions, line of business and type 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 (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 certificates issued:

	Gross RM'000	Reinsurance/ retakaful RM'000	Net RM'000
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
Gard 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
2024			
VC and Auto Fac	688,392	20,904	709,296
Facultative	239,371	2,532	241,903
Treaty - Proportional	1,652,052	(30,861)	1,621,191
Treaty - Non proportional	288,197	(149,637)	138,560
Gard and UW Surplus	56,777	-	56,777
	2,924,789	(157,062)	2,767,727
Local	1,510,926	(115,136)	1,395,790
Overseas	1,413,864	(41,927)	1,371,937
	2,924,790	(157,063)	2,767,727
Reinsurance	2,800,572	(134,694)	2,665,878
Retakaful	124,218	(22,369)	101,849
	2,924,790	(157,063)	2,767,727

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31. Insurance/takaful risk (cont'd.)**(a) General reinsurance/retakaful (cont'd.)****(i) Nature of risk (cont'd.)**

The losses are further mitigated by ensuring that the Malaysian Re's retrocession/retotakaful 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/retotakaful programmes. Pricing tool ensures the risks exposures are adequately priced.

The General reinsurance/retakaful by Malaysian Re's retrocession/retotakaful programmes are reviewed by the Retrocession Committee ("RC") and 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 program and being carried out in the best interest of the General reinsurance/retakaful by Malaysian Re. Selection of reinsurers participating in the Retrocession programs 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 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 contracts/takaful certificates 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 General reinsurance/retakaful by Malaysian Re sets aside 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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

31. Insurance/takaful risk (cont'd.)

(a) General reinsurance/retakaful (cont'd.)

(ii) Reserving risk (cont'd.)

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.

(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 risk are minimised by having retrocession/retrotakaful coverage in place and retention in line with the risk appetite of the General reinsurance/retakaful by Malaysian Re.

(iv) Premium/Contribution risk

Premium/Contribution risk arises when premiums/contributions charged are insufficient to meet expected claims and expenses. This risk is mitigated by adhering to the underwriting guideline and ceding the risk above our risk appetite to retrocessionaires/retrotakaful providers with strong financial standing. Any deficiencies in the premium will be recognised in the income statement as 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.

Sensitivity analysis

The insurance contracts/takaful certificates 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

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31. Insurance/takaful risk (cont'd.)

(a) General reinsurance/retakaful (cont'd.)

(v) Impact on liabilities, profit and equity (cont'd.)

Sensitivity analysis (cont'd.)

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/retotakaful for 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
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 8% (2024: 8%), where applicable.

The method used in performing the sensitivity analysis is consistent with the prior year.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

31. Insurance/takaful risk (cont'd.)

(a) General reinsurance/retakaful (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
2024							
Ultimate loss ratio	+5%	(172,633)	(158,497)	(158,822)	(145,818)	175,647	161,355
Discount rates	+25 bp	3,816	3,511	1,810	1,666	(19,880)	(17,810)
Foreign currency	+5%	18,957	17,175	17,440	15,800	102,289	92,669
Ultimate loss ratio	-5%	163,695	149,775	150,599	137,793	(166,532)	(152,464)
Discount rates	-25 bp	(3,736)	(3,437)	(1,705)	(1,568)	20,099	18,003
Foreign currency	-5%	(18,957)	(17,175)	(17,440)	(15,800)	(102,289)	(92,669)

* 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 8% (2024: 8%), 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 claims provisions and IBNR for each successive underwriting year at each financial year end, 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 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") 2025 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 2025 to 31 December 2025.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

31. Insurance/takaful risk (cont'd.)

(a) General reinsurance/retakaful (cont'd.)

(vi) Claims development table (cont'd.)

Gross liability for Incurred Claims ("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 2025

31. Insurance/takaful risk (cont'd.)

(a) General reinsurance/retakaful (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 booked ultimate claims incurred (a)		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 (b)		627,076	653,557	663,372	822,756	565,103	423,610	66,012	
Expected claim liabilities (a) - (b)	203,112	62,480	86,954	173,214	356,232	530,086	766,275	646,763	2,825,116
			Latest UWY BE AIC						57,847
			Claim handling expenses						21,400
			Total Best Estimate of AIC						2,904,363
			Fund PRAD 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 2025

31. Insurance/takaful risk (cont'd.)

(a) General reinsurance/retakaful (cont'd.)

(vi) Claims development table (cont'd.)

Gross LIC for 2024:

Underwriting year	Before 2018 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	Subtotal RM'000
At the end of accident year		-	-	-	-	1,015,635	801,407	646,564	
One year later		-	-	-	926,423	1,443,904	1,486,803	-	
Two years later		-	-	803,946	916,687	1,560,518	-	-	
Three years later		-	839,794	796,453	890,144	-	-	-	
Four years later		625,661	823,012	787,445	-	-	-	-	
Five years later		631,193	813,669	-	-	-	-	-	
Six years later		626,744	-	-	-	-	-	-	
Current estimate of cumulative undiscounted claims incurred		626,744	813,669	787,445	890,144	1,560,518	1,486,803	646,564	
At the end of accident year		-	-	-	-	98,272	59,557	120,159	
One year later		-	-	-	332,955	634,343	441,457	-	
Two years later		-	-	504,333	519,684	1,010,685	-	-	
Three years later		-	689,320	598,163	633,530	-	-	-	
Four years later		543,550	705,750	649,437	-	-	-	-	
Five years later		566,080	731,274	-	-	-	-	-	
Seven years later		587,399	-	-	-	-	-	-	
Cumulative payments to-date		587,399	731,274	649,437	633,530	1,010,685	441,457	120,159	
Gross liabilities for incurred claims	226,092	39,345	82,395	138,008	256,614	549,833	1,045,346	526,405	2,864,038
			Latest UWY BE LIC						27,699
			Claim handling expenses						25,754
			Total Best Estimate of LIC						2,917,491
			Risk Adjustment at 75% Confidence Interval						232,959
			Discounting impact						(277,708)
			Forex Impact						81,378
			Trade balances						206,808
			Incurrd claims from Family Retakaful and Shareholder funds						107,988
			Liability for Incurred Claims						3,268,916

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

31. Insurance/takaful risk (cont'd.)

(a) General reinsurance/retakaful (cont'd.)

(vi) Claims development table (cont'd.)

Net LIC for 2024:

Underwriting year	Before 2018 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	Subtotal RM'000
At the end of accident year		-	-	-	-	701,161	792,897	580,971	
One year later		-	-	-	904,785	1,073,931	1,428,386	-	
Two years later		-	-	791,937	895,116	1,207,310	-	-	
Three years later		-	736,048	787,432	873,784	-	-	-	
Four years later		606,856	728,215	778,864	-	-	-	-	
Five years later		611,389	716,569	-	-	-	-	-	
Six years later		608,658	-	-	-	-	-	-	
Current estimate of cumulative undiscounted claims incurred		608,658	716,569	778,864	873,784	1,207,310	1,428,386	580,971	
At the end of accident year		-	-	-	-	98,202	55,134	98,521	
One year later		-	-	-	332,824	407,912	413,189	-	
Two years later		-	-	504,280	519,622	694,992	-	-	
Three years later		-	600,630	596,451	633,436	-	-	-	
Four years later		530,020	616,488	646,642	-	-	-	-	
Five years later		550,041	641,452	-	-	-	-	-	
Six years later		572,564	-	-	-	-	-	-	
Cumulative payments to-date		572,564	641,452	646,642	633,436	694,992	413,189	98,521	
Net liabilities for incurred claims	220,230	36,094	75,117	132,222	240,348	512,318	1,015,197	482,450	2,713,976
			Latest UWY BE LIC						26,404
			Claim handling expenses						25,754
			Total Best Estimate of LIC						2,766,134
			Risk Adjustment at 75% Confidence Interval						218,415
			Discounting impact						(265,976)
			Forex Impact						79,674
			Trade balances						144,271
			Incurrd claims from Family Retakaful and Shareholder funds						52,081
			Net general reinsurance/retakaful claim liabilities						2,994,599

NOTES TO THE FINANCIAL STATEMENTS**31 MARCH 2025****31. Insurance/takaful risk (cont'd.)****(b) General takaful fund****(i) Nature of risk**

The general takaful subsidiary principally issues the following types of general takaful: Motor, Fire, Personal Accident and Miscellaneous (which includes Engineering and Marine).

Each participant pays a portion of contributions on the basis of tabarru' ("donation") into the General Takaful Fund ("GTF") for the purpose of meeting claims for events or risks covered under the takaful contracts. The general 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.

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 such as underwriting and claims SOPs.

The general takaful subsidiary also manages its risk exposure by 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 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 under various scenarios as guided by regulatory guidelines. Stress tests and scenario analysis are used to assess the general takaful subsidiary'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 and liabilities for incurred claims 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.

The general takaful subsidiary sets aside both case and technical reserves to meet the expected ultimate loss arising from the claim. 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 claims development.

At each reporting date end, the general takaful subsidiary 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 2025

31. Insurance/takaful risk (cont'd.)

(b) General takaful fund (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 the risk is minimised by having retakaful coverage in place and retention in line with the risk appetite of the general takaful subsidiary.

(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 our 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 LIC are sensitive to the key assumptions shown below. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation processes.

The analysis below is performed on possible movements in key assumptions with all other assumptions held constant, showing the impact on LFIC and equity for Participant Risk Fund ("PRF") and Shareholder's Fund ("SHF") respectively. The correlation of assumptions will have significant effects in determining the LFIC but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear.

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 2025

31. Insurance/takaful risk (cont'd.)

(b) General takaful fund (cont'd.)

(v) Impact on liabilities, profit and equity (cont'd.)

Sensitivity analysis

	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 certificates 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
Change in assumptions								
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
Claim Handling Expense ("CHE") & Claim Management Expense ("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)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

31. Insurance/takaful risk (cont'd.)

(b) General takaful fund (cont'd.)

(v) Impact on liabilities, profit and equity (cont'd.)

Sensitivity analysis

	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 certificates liabilities RM'000	Impact on takaful certificates liabilities and retakaful certificates assets RM'000	Impact on equity before retakaful certificates held RM'000	Impact on equity RM'000
Change in assumptions								
2024								
Increase/(decrease)								
Motor Act Average Severity								
+10% of Ultimate Claims	(84,682)	(47,598)	(12,072)	(7,448)	84,546	47,521	(8,945)	(5,519)
-10% of Ultimate Claims	83,476	47,460	11,761	7,312	(83,339)	(47,383)	8,715	5,418
Motor Others Expected Loss Ratio								
+10% of Ultimate Claims	(58,396)	(34,276)	(3,536)	(2,560)	58,333	34,239	(2,620)	(1,897)
-10% of Ultimate Claims	57,252	34,148	3,289	2,433	(57,188)	(34,110)	2,437	1,803
Fire Expected Loss Ratio								
+10% of Ultimate Claims	(12,079)	(5,539)	(519)	(362)	12,065	5,532	(385)	(268)
-10% of Ultimate Claims	11,047	5,496	396	321	(11,032)	(5,489)	293	238
CHE & CME								
+10% of Ultimate Claims	(5,478)	(5,478)	(5,470)	(5,469)	5,469	5,470	(4,053)	(4,053)
-10% of Ultimate Claims	5,480	5,480	5,471	5,471	(5,471)	(5,471)	4,054	4,054
Discounting								
+1% of Discount Rate	8,380	4,703	1,913	1,197	(16,714)	(9,373)	1,418	887
-1% of Discount Rate	(8,686)	(4,873)	(1,985)	(1,241)	17,323	9,713	(1,471)	(920)

The method used in performing the sensitivity analysis is consistent with the prior year.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

31. Insurance/takaful risk (cont'd.)**(b) General takaful fund (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 financial year end, together with cumulative payments to-date.

In setting provisions for claims, the Company 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.

31 MARCH 2025

(vi) **Claims development table (cont'd.)**

Net General Takaful Certificate Liabilities for 2024

[illegible]

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

31. Insurance/takaful risk (cont'd.)

(c) Family takaful fund

(i) Nature of risk

The family takaful subsidiary principally writes the following types of family takaful certificates: Ordinary Takaful Plans, Credit-related Takaful Plans, Group Takaful Plans and Investment-linked Takaful Plans. 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.

The family takaful subsidiary utilises retakaful arrangements to manage the mortality and morbidity risks. Retakaful structures are set based on the risk appetite of the takaful subsidiary. Due to the nature of the business, the retakaful arrangements are reviewed as and when required, especially with introduction of new product.

The family takaful subsidiary utilises retakaful arrangements to manage the mortality and morbidity risks. Retakaful structures are set based on the risk appetite of the family takaful subsidiary. Due to the nature of the business, the retakaful arrangements are reviewed as and when required, especially with introduction of new product.

The family takaful subsidiary 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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

31. Insurance/takaful risk (cont'd.)**(c) Family takaful fund (cont'd.)****(i) Nature of risk (cont'd.)**

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 the family takaful subsidiary'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.

The table below discloses the contribution of the PIF and PRF liabilities by type of certificates:

	2025		2024	
	Gross RM'000	Net RM'000	Gross RM'000	Net RM'000
Family takaful plans	1,516,091	1,506,165	1,482,868	1,474,081
Investment-linked takaful plans	335,733	325,997	320,098	307,464
Mortgage takaful plans	1,517,092	1,500,984	1,502,283	1,487,741
Group credit takaful plans	240,825	240,639	254,747	253,988
Others	448,210	448,165	277,860	283,626
Unallocated surplus*	360,096	360,096	437,780	437,780
	4,418,047	4,382,046	4,275,636	4,244,680

* 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 family takaful subsidiary 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, family takaful subsidiary revenue and expense management, etc.

At each reporting date, the family takaful subsidiary 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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

31. Insurance/takaful risk (cont'd.)

(c) Family takaful fund (cont'd.)

(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 the family takaful subsidiary's risk appetite to retakaful operators with strong financial standing.

(v) Impact on profit and equity

Key assumptions

The family takaful subsidiary 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 in order 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	2025 Discount rates	2024 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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

31. Insurance/takaful risk (cont'd.)

(c) Family takaful fund (cont'd.)

(v) Impact on profit and equity (cont'd.)

Key assumptions (cont'd.)

(i) Mortality and morbidity rates (cont'd.)

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 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.

(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 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 profit before tax (gross and net of retakaful) 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 2025

31. Insurance/takaful risk (cont'd.)

(c) Family takaful fund (cont'd.)

(v) Impact on profit and equity (cont'd.)

Sensitivity analysis (cont'd.)

	Change in assumptions	2025		2024	
		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
		Increase/(decrease)			
Mortality rates	+10%	(1,550)	(1,550)	(1,944)	(1,944)
Morbidity rates	+10%	(150)	(150)	(193)	(193)
Expenses	+10%	(2,886)	(2,886)	(3,771)	(3,771)
Surrender rates	+10%	(128)	(128)	(21)	(21)
Contribution holiday	+10%	(260)	(260)	(150)	(150)
Discount rates	+10%	2,932	2,932	3,338	3,338
Mortality/morbidity	-10%	1,467	1,467	1,787	1,787
Morbidity rates	-10%	149	149	186	186
Expenses	-10%	2,623	2,623	3,738	3,738
Surrender rates	-10%	90	90	24	24
Contribution holiday	-10%	249	249	256	256
Discount rates	-10%	(2,979)	(2,979)	(3,950)	(3,950)

The method used in performing the sensitivity analysis is consistent with prior year.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

31. Insurance/takaful risk (cont'd.)

(c) Family takaful fund (cont'd.)

(v) Impact on profit and equity (cont'd.)

Sensitivity analysis (cont'd.)

	2025			2024		
	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	Impact on equity net of retakaful RM'000
		←	Increase/(decrease)	→	→	→
Mortality rates	+10%	(1,178)	(1,178)	(1,477)	(1,477)	(1,477)
Morbidity rates	+10%	(114)	(114)	(147)	(147)	(147)
Expenses	+10%	(2,193)	(2,193)	(2,866)	(2,866)	(2,866)
Surrender rates	+10%	(98)	(98)	(16)	(16)	(16)
Contribution holiday	+10%	(198)	(198)	(114)	(114)	(114)
Discount rates	+10%	2,229	2,229	2,537	2,537	2,537
Mortality rates	-10%	1,115	1,115	1,358	1,358	1,358
Morbidity rates	-10%	113	113	141	141	141
Expenses	-10%	1,994	1,994	2,841	2,841	2,841
Surrender rates	-10%	68	68	18	18	18
Contribution holiday	-10%	189	189	195	195	195
Discount rates	-10%	(2,264)	(2,264)	(3,002)	(3,002)	(3,002)

The method used in performing the sensitivity analysis is consistent with prior year.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

31. Insurance/takaful risk (cont'd.)

(c) Family takaful fund (cont'd.)

(v) Impact on profit and equity (cont'd.)

Sensitivity analysis (cont'd.)

	2025		2024	
	Impact on	Impact on	Impact on	Impact on
	CSM before gross of retakaful RM'000	CSM before net of retakaful RM'000	CSM before gross of retakaful RM'000	CSM before net of retakaful RM'000
Change in assumptions	Increase/(decrease)			
Mortality rates	(415)	(415)	(405)	(405)
Morbidity rates	(60)	(60)	(50)	(50)
Expenses	(33,340)	(33,340)	(34,596)	(34,596)
Surrender rates	(8,419)	(8,419)	(7,052)	(7,052)
Contribution holiday	(2,918)	(2,918)	(3,202)	(3,202)
Discount rates	27,108	27,108	28,368	28,368
Mortality rates	419	419	408	408
Morbidity rates	60	60	50	50
Expenses	33,603	33,603	34,618	34,618
Surrender rates	9,041	9,041	7,452	7,452
Contribution holiday	3,322	3,322	3,117	3,117
Discount rates	(27,961)	(27,961)	(29,229)	(29,229)

The method used in performing the sensitivity analysis is consistent with prior year.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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 treaty, and Treaty - Non-Proportional treaty, covering mortality, morbidity, and health, which includes critical illness and medical related risks.

The actual experience illnesses of the underwritten risks is reviewed periodically to ensure that appropriate policies, guidelines and limits put in place to manage these risks remain adequate and appropriate.

Family retakaful by Malaysian Re underwriting risk relates to the pricing and loss ratios arising from family retakaful products. The risks arise when actual claims experience is different from the assumptions used in setting the yearly renewable rates for retakaful products. Deviations in actual claims experience compared to the assumptions used may be due to deviations in actual underwritten risks experience. 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 type of coverages.

The underwritten risks are further managed through retakaful arrangement.

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 the various scenarios according to 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 regulations 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 profit before tax (gross and net of retrocession/retrotakaful) 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 2025

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.)

	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
		←			Increase/(decrease)		→
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
2024							
Ultimate loss ratio	+5%	(13,216)	(13,216)	(12,158)	(12,158)	(13,216)	(13,216)
Discount rates	+25 basis point	4,627	4,627	4,257	4,257	4,627	4,627
Ultimate loss ratio	-5%	9,099	9,099	8,371	8,371	9,099	9,099
Discount rates	-25 basis point	972	972	894	894	972	972

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

32. Financial risk

Transactions in financial instruments may result in the Group and the Company assuming financial risks. These include credit risk, liquidity risk and market risk. This note presents information about the Group's and the Company's exposure to each of the above risks and the Group's and the Company's objectives, policies, and processes for measuring and managing such risks.

(a) Credit Risk

Credit risk is the risk of a counterparty failing to perform its obligations as the risk that counterparty fails on its financial obligations/ does not honor its contract/default.

Credit risk includes the following major elements:

- (i) An investment credit risk which is the risk of financial loss arising from a change in the value of an investment. This is linked to the creditworthiness and the expected ability of the issuer and/or financial institution ("counterparty") to make timely payment of interest and/or principal. Any adverse situations faced by the counterparty may result in rating downgrades and default which may impact the value as well as liquidity of the investments;
- (ii) A derivative counterparty risk which is the risk of financial loss arising from a derivative counterparty's default, or the deterioration of the derivative counterparty's financial position;
- (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 exposed to investment credit risk on its investment portfolio, primarily from investments in bonds/sukuks. Creditworthiness assessments encompass thorough evaluations of the financial stability, performance and credit ratings of potential new and existing investments are undertaken by the Group in accordance with the guidelines outlined in the Group Investment Policy ("GIP") as approved by the Board. In addition, the credit ratings of the bonds/sukuks portfolios are regularly monitored and any downgrade in credit ratings triggers an immediate evaluation process to determine the appropriate course of actions. This evaluation involves assessing the impact of the downgrade on the overall risk profile of the portfolio and implementing necessary measures to mitigate associated risks. As at the reporting date, the Group's bonds/sukuks portfolio has no material exposure below investment grade.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

32. Financial risk (cont'd.)

(a) Credit Risk (cont'd.)

The Group is exposed to reinsurance/retakaful/takaful counterparty risks of three different types:

- (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) Investment policies prescribe the minimum credit rating for Corporate Bonds and Sukuk that may be invested to mitigate the likelihood of potential default of any individual counterparty;
- (iii) In establishing internal single counterparty limits for Financial Institutions ("FI") for money market placements and other investment instruments, credit ratings and financial strength of the FIs are the key determinants to set the limit. These FI limits are set to prevent excessive risk concentration of a particular FI;
- (iv) The Group's investment portfolio is managed to ensure diversification and focuses on high quality investment grade fixed income securities and equities with good fundamentals. For the financial year ended 31 March 2025, the credit rating of the Group's fixed income portfolio was dominated by Government Investment Issues ("GII"), Malaysian Government Securities ("MGS") and securities rated AAA as determined 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 acceptable counterparties based on their rating is maintained within the Group. The Group regularly reviews the financial security of its counterparties.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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. There insurers'/retakaful operators' share of unearned premium reserves and unearned contribution reserves have been excluded from the analysis as they are not contractual obligations.

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	722,253	759,795	-	-	-	1,482,048
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
<u>Mandatorily measured:</u>						
Quoted shares in Malaysia:						
Shariah approved equities	-	-	-	508,222	-	508,222
Warrants	-	-	-	239	-	239
Others	-	-	-	79,312	-	79,312

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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. There insurers'/retakaful operators' share of unearned premium reserves and unearned contribution reserves have been excluded from the analysis as they are not contractual obligations. (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 FVTPL (cont'd.)						
Mandatorily measured (cont'd.):						
Quoted 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 2025

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. There insurers'/retakaful operators' share of unearned premium reserves and unearned contribution reserves have been excluded from the analysis as they are not contractual obligations. (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 bank	-	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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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. There insurers'/retakaful operators' share of unearned premium reserves and unearned contribution reserves have been excluded from the analysis as they are not contractual obligations. (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 (cont'd.)						
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 2025

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. There insurers'/retakaful operators' share of unearned premium reserves and unearned contribution reserves have been excluded from the analysis as they are not contractual obligations. (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	-	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 2025

32. Financial risk (cont'd.)

(a) Credit Risk (cont'd.)

Credit exposure by credit rating for 2024

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. The reinsurers'/retakaful operators' share of unearned premium reserves and unearned contribution reserves have been excluded from the analysis as they are not contractual obligations.

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	798,892	587,969	-	-	-	1,386,861
Unquoted corporate debt securities	148,057	586,585	-	-	-	734,642
Government investment issues	1,911,996	-	-	-	-	1,911,996
Malaysian government securities	301,812	-	-	-	-	301,812
<u>Mandatorily measured:</u>						
Quoted shares in Malaysia:	-	-	-	-	-	-
Shariah approved equities	-	-	-	221,166	-	221,166
Others	-	-	-	12,237	-	12,237
Unquoted perpetual bond in Malaysia	-	4,964	-	-	-	4,964
Unquoted corporate debt securities	-	-	-	-	5,576	5,576
Shariah approved unit trust funds	-	-	-	356,830	-	356,830

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

32. Financial risk (cont'd.)

(a) Credit Risk (cont'd.)

Credit exposure by credit rating for 2024 (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. The reinsurers'/retakaful operators' share of unearned premium reserves and unearned contribution reserves have been excluded from the analysis as they are not contractual obligations (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 FVTPL (cont'd.)						
Mandatorily measured (cont'd.):						
Real estate investment trusts:						
Shariah approved	-	-	-	14,665	-	14,665
Non-Shariah approved	-	-	-	9,050	-	9,050
Derivative	-	-	-	(320)	-	(320)
Financial assets at FVOCI						
Government investment issues	249,969	-	-	-	-	249,969
Unquoted Islamic private debt securities	90,241	198,130	-	-	-	288,371
Unquoted shares in Malaysia	-	-	-	87,666	-	87,666
Golf club membership	-	-	-	233	-	233

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

32. Financial risk (cont'd.)

(a) Credit Risk (cont'd.)

Credit exposure by credit rating for 2024 (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. The reinsurers'/retakaful operators' share of unearned premium reserves and unearned contribution reserves have been excluded from the analysis as they are not contractual obligations (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	-	190,239	-	-	-	190,239
Foreign banks	-	779,854	-	-	-	779,854
Islamic investment accounts with licensed:						
Islamic banks	-	3,671,108	-	3,180	74,601	3,748,889
Development banks	-	734,070	-	-	-	734,070
Islamic commercial paper	-	59,569	-	-	-	59,569
Secured staff loans	-	-	-	-	2,584	2,584
Income due and accrued	41,674	68,674	-	355	1,755	112,458
Amount due from Insurance Pool accounts	-	-	-	-	23	23
Sundry receivables	-	-	-	-	19,318	19,318
Insurance contracts/takaful certificates assets	-	-	-	58,845	7,489	66,334
Reinsurance contracts/retakaful certificates assets	-	335,092	-	-	175,989	511,081
Cash and bank balances	-	115,587	-	-	17	115,604
	3,542,641	7,331,841	-	763,907	287,352	11,925,741

* 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 2025

32. Financial risk (cont'd.)

(a) Credit Risk (cont'd.)

Credit exposure by credit rating for 2024 (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. The reinsurers'/retakaful operators' share of unearned premium reserves and unearned contribution reserves have been excluded from the analysis as they are not contractual obligations (cont'd.)

Company	Government guaranteed RM'000	AA/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	-	-	-	5,329	-	5,329
Financial assets at FVOCI						
Golf club membership	-	-	-	50	-	50
Unquoted corporate debt securities	-	49,759	-	-	-	49,759
Financial assets at amortised cost						
Unquoted corporate debt securities	-	1,000	-	-	-	1,000
Islamic investment accounts with licensed:						
Islamic banks	-	219,445	-	-	-	219,445
Development bank	-	12,072	-	-	-	12,072
Secured staff loans	-	-	-	-	507	507
Amounts due from subsidiaries	-	-	-	-	8,835	8,835
Income due and accrued	-	-	-	-	1,024	1,024
Sundry receivables	-	-	-	-	266	266
Cash and bank balances	-	481	-	-	-	481
	-	282,757	-	5,379	10,632	298,768

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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 Company apply the General Approach or the "three-bucket" approach which is based on the change in 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 Company 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 Company 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 the Company as at 31 March 2025 and 31 March 2024.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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	
	2025 RM'000	2024 RM'000
Total carrying amount of financial investment at AC	4,676,504	5,647,004
Total ECL on financial investment at AC as at 31 March	207	3

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 Company as at 31 March 2025 and 31 March 2024.

	Group	
	2025 RM'000	2024 RM'000
Financial investments at FVOCI		
Government guaranteed	517,127	340,210
AAA to BBB	331,570	198,130
Not subject to credit risk	92,939	87,899
Total carrying amount of financial investment at FVOCI	941,636	626,239
Total ECL on financial investment at FVOCI as at 31 March	164	177

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 2023	136	3	139
Net adjustment of loss allowances	41	-	41
Balance as at 31 March 2024	177	3	180
Net adjustment of loss allowances	(13)	204	191
Balance as at 31 March 2025	164	207	371

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

32. Financial risk (cont'd.)

(a) Credit Risk (cont'd.)

Other financial asset - Reconciliation of allowance account

Other financial assets consist of reinsurance/retakaful asset and insurance/takaful receivables within the balances of insurance contract liabilities.

Definition of default

The Group and the Company 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.

Whereas for the reinsurance/retakaful subsidiary, insurance/takaful receivables are considered to be in default when the counterparty fails to make contractual payments within 24 months when they fall due, which is derived based on the reinsurance/retakaful subsidiary's historical information. For reinsurance deposits placed, balances aged more than 18 months are deemed to be credit impaired.

(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 PD, LGD and EAD throughout the Group's and the Company's expected loss calculations.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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:

	Not due RM'000	Months past due					Total RM'000
		1 to 6 months RM'000	7 to 12 months RM'000	13 to 18 months RM'000	19 to 24 months RM'000	More than 24 months RM'000	
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
31 March 2024							
ECL rate	0.14%	0.31%	2.27%	9.19%	33.25%	36.27%	
Gross carrying amount	369,687	311,348	20,018	8,708	1,251	6,162	717,174
Allowance for ECL	503	973	454	801	416	2,235	5,382

Table below shows the credit risk exposure on the takaful receivables of the Group's general and family takaful subsidiaries using a provision matrix:

	Not due RM'000	Months past due					Total 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	
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
31 March 2024							
ECL rate	0.00%	0.50%	1.16%	18.69%	28.91%	58.78%	2.56%
Gross carrying amount	3,937	142,283	29,698	3,632	2,632	5,486	187,668
Allowance for ECL	-	847	345	679	761	2,953	5,585

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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 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
<u>Gross carrying amounts</u>			
As at 1 April 2023	714,306	7,313	721,619
Increase/(decrease)	191,623	(8,400)	183,223
As at 31 March 2024	905,929	(1,087)	904,842
<u>Allowance for ECL</u>			
As at 1 April 2023	8,962	6,116	15,078
Decrease	(1,582)	(2,529)	(4,111)
As at 31 March 2024	7,380	3,587	10,967

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

32. Financial risk (cont'd.)**(a) Credit risk (cont'd.)****Movement of allowance for impairment losses on insurance/takaful receivables.**

Group	Individually impaired RM'000	Collectively impaired RM'000	Total RM'000
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
2024			
At 1 April 2023	5,155	9,923	15,078
Reversal of impairment losses for the year	(2,529)	(1,582)	(4,111)
At 31 March 2024	2,626	8,341	10,967

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not have sufficient cash resources available to meet payment obligations without incurring material additional costs.

The Group and the Company assess liquidity risk by ensuring the following:

- (i) The Group and the Company 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 Company's investment funds are managed efficiently; and
- (iii) Appropriate measures are in place to respond to liquidity risk.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

32. Financial risk (cont'd.)

(b) Liquidity Risk (cont'd.)

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 is maintained as liquid assets in line with BNM's RBC Framework and RBCT Framework requirements for liquid assets.

Maturity Profiles

The table below summarises the maturity profiles of the financial assets and financial liabilities of the Group and of the Company, 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 2025

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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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 (cont'd.):

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 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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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 (cont'd.):

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 assets at amortised cost (cont'd.)						
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

The following table summarises the maturity profile of financial liabilities based on remaining undiscounted contractual cash flows:

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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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 2025

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)	-
Lease liabilities	(1,215)	(1,250)	-	-	-
Other payables (excluding provisions)	(14,181)	(14,181)	-	-	-
Total financial liabilities	(435,396)	(34,163)	(74,979)	(494,517)	-
(Deficit)/surplus	(59,253)	264,900	15,877	(494,517)	50
					(213,690)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

32. Financial risk (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity profiles for 2024

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 FVTPL						
<u>Designated upon initial recognition</u>						
Government investment issues	1,532,331	73,915	30,374	1,433,267	-	1,537,556
Unquoted Islamic private debt securities	1,386,861	56,019	349,119	984,400	-	1,389,538
Government guaranteed	301,812	10,132	106,056	265,338	-	381,526
<u>Mandatorily measured</u>						
Government investment issues	379,665	49,147	200,720	206,447	-	456,314
<u>Quoted shares in Malaysia:</u>						
Shariah approved equities	221,166	-	-	-	221,166	221,166
Others	12,237	-	-	-	12,237	12,237
Unquoted perpetual bond in Malaysia	4,964	180	5,122	-	-	5,302
Unquoted corporate debt securities	740,218	178,495	327,143	295,988	-	801,626
<u>Real estate investment trusts:</u>						
Shariah approved	14,665	-	-	-	14,665	14,665
Non-Shariah approved	9,050	-	-	-	9,050	9,050
Shariah approved unit trusts	356,830	-	-	-	356,830	356,830
Derivative	(320)	-	-	-	(320)	(320)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

32. Financial risk (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity profiles for 2024 (cont'd.)

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 assets at FVOCI						
Government investment issues	249,969	5,099	50,039	199,655	-	254,793
Unquoted shares in Malaysia	87,666	-	-	-	87,666	87,666
Unquoted Islamic private debt securities	288,371	32,645	141,585	138,581	-	312,811
Golf club membership	233	-	-	-	233	233
Financial assets at amortised cost						
Fixed and call deposits with licensed:						
Commercial banks	190,239	192,453	-	-	-	192,453
Foreign banks	779,854	779,854	-	-	-	779,854
Islamic investment accounts with licensed:						
Islamic banks	3,748,889	3,762,434	-	-	-	3,762,434
Development banks	734,070	789,433	-	-	-	789,433
Commercial paper	59,569	60,000	-	-	-	60,000
Secured staff loans	2,584	601	2,033	3	-	2,637
Income due and accrued	112,458	112,458	-	-	-	112,458

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

32. Financial risk (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity profiles for 2024 (cont'd.)

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 assets at amortised cost (cont'd.)						
Amount due from Insurance pool accounts	23	23	-	-	-	23
Sundry receivables	19,318	19,389	200	-	-	19,589
Cash and bank balances	115,604	115,604	-	-	-	115,604
Total financial assets	11,348,326	6,237,881	1,212,391	3,523,678	701,527	11,675,478

The following table summarises the maturity profile of financial liabilities based on remaining undiscounted contractual cash flows:

Financial liabilities						
Borrowings	(620,000)	(12,660)	(114,009)	(721,324)	-	(847,993)
Lease liabilities	(31,938)	(26,257)	-	-	(5,681)	(31,938)
Zakat payables	(2,661)	(2,661)	-	-	-	(2,661)
Other payables (excluding provisions)	(149,366)	(149,366)	-	-	-	(149,366)
Total financial liabilities	(803,964)	(190,944)	(114,009)	(721,324)	(5,681)	(1,031,958)
Surplus	10,544,362	6,046,937	1,098,382	2,802,354	695,846	10,643,520

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

32. Financial risk (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity profiles for 2024 (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 reinsurance/retakaful - Other than PAA	(2,189,280)	(604,785)	(2,396,851)	(343,649)	1,223,852	(67,847)	(2,189,280)
General takaful - PAA	(761,583)	(314,935)	(244,035)	(13,787)	-	(188,826)	(761,583)
Family Takaful							
PAA	(21,807)	(7,516)	-	-	-	(14,291)	(21,807)
Other than PAA	(4,240,043)	(84,338)	(526,346)	(2,737,685)	(417,802)	(473,872)	(4,240,043)
Total insurance contracts/takaful certificates liabilities	(7,212,713)	(1,011,574)	(3,167,232)	(3,095,121)	806,050	(744,836)	(7,212,713)
Reinsurance contracts/retakaful certificates liabilities							
General reinsurance/retakaful - Other than PAA	(13,047)	-	-	-	(7,366)	(5,681)	(13,047)
Family Takaful - Other than PAA	(11,932)	(11,932)	-	-	-	-	(11,932)
Total reinsurance contracts/retakaful certificates liabilities	(24,979)	(11,932)	-	-	(7,366)	(5,681)	(24,979)

* 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 2025

32. Financial risk (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity profiles for 2024 (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 FVTPL						
Shariah approved unit trust fund	5,329	-	-	-	5,329	5,329
Financial assets at FVOCI						
Golf club membership	50	-	-	-	50	50
Unquoted corporate debt securities	49,759	2,190	8,766	52,094	-	63,050
Financial assets at amortised cost						
Unquoted corporate debt securities	1,000	50	1,020	-	-	1,070
Islamic investment accounts with licensed:						
Islamic banks	219,445	119,112	-	-	-	119,112
Development bank	12,072	8,847	-	-	-	8,847
Secured staff loans	507	198	359	3	-	560
Amount due from subsidiaries	8,835	8,835	-	-	-	8,835
Income due and accrued	1,024	1,024	-	-	-	1,024
Sundry receivables	266	266	-	-	-	266
Cash and cash equivalent	481	481	-	-	-	481
Total financial assets	298,768	141,003	10,145	52,097	5,379	208,624

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)	(513,249)	-	(606,960)
Lease liabilities	(2,373)	(1,250)	(1,250)	-	-	(2,500)
Other payables (excluding provisions)	(12,630)	(12,630)	-	-	-	(12,630)
Total financial liabilities	(435,003)	(32,612)	(76,229)	(513,249)	-	(622,090)
(Deficit)/surplus	(136,235)	108,391	(66,084)	(461,152)	5,379	(413,466)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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 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, diversification plans, limits on investments in each sector, market and issuer, having regard also to such limits as stipulated by BNM. The Group complied with such limits as stipulated by BNM during the financial year and had no significant concentration of price risk.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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	Changes in market indices	Impact on profit before zakat and taxation RM'000	Impact on equity RM'000
	← Increase/(decrease) →		
2025			
Price/NAV	+ 5%	50,181	46,850
Price/NAV	- 5%	(50,181)	(46,850)
2024			
Price/NAV	+ 5%	20,682	15,752
Price/NAV	- 5%	(20,682)	(15,752)

Company	Changes in market indices	Impact on profit before zakat and taxation RM'000	Impact on equity RM'000
	← Increase/(decrease) →		
2025			
Price/NAV	+ 5%	-	-
Price/NAV	- 5%	-	-
2024			
Price/NAV	+ 5%	266	203
Price/NAV	- 5%	(266)	(203)

* The impact on equity reflects the after tax impact.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

32. Financial risk (cont'd.)

(c) Market risk (cont'd.)

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.

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	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
← Increase/(decrease) →					
2025					
Foreign currency	+5%	2,111	1,904	1,942	1,752
Foreign currency	-5%	(2,111)	(2,111)	(1,903)	(1,942)
2024					
Foreign currency	+5%	6,366	(1,986)	24,510	22,549
Foreign currency	-5%	(6,366)	1,986	(24,510)	(22,549)

* The impact on equity reflects the after tax impact.

The method used in performing the sensitivity analysis is consistent with the prior year.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

32. Financial risk (cont'd.)

(c) Market risk (cont'd.)

Interest/profit rate risk

The Group is exposed to interest/profit rate risk as follows:

- (i) Fair values of fixed interest/profit-bearing assets would move inversely to changes in interest/profit rates; and
- (ii) 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, the Group's profit/interest rate risk policy mandates managing net profit rate risk. This is achieved by maintaining an appropriate balance of fixed and variable rate instruments to support takaful contract liabilities as well as managing the maturity profiles of profit-bearing financial assets.

The Group manages its interest/profit rate risk by aligning, where possible, the duration and profile of assets and liabilities to minimise the impact of mismatches between the value of assets and liabilities from interest/profit rate movements. The Group also continuously monitors the financial, market and economic development in determining interest/profit rates direction and formulate its 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.

	Changes in variable	Impact on profit before zakat and taxation RM'000	Impact on equity RM'000
	← (Decrease)/increase →		
Group			
2025			
Interest/profit rates	+25 bp	(84,552)	(94,466)
Interest/profit rates	-25 bp	84,552	94,466
2024			
Interest/profit rates	+25 bp	(54,220)	(50,659)
Interest/profit rates	-25 bp	54,220	50,659

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

32. Financial risk (cont'd.)**(c) Market risk (cont'd.)****Interest/profit rate risk (cont'd.)****Sensitivity analysis (cont'd.)**

	Changes in variable	Impact on equity* RM'000
	← (Decrease)/increase →	
Company		
2025		
Interest/profit rates	+25 bp	(454)
Interest/profit rates	-25 bp	454
2024		
Interest/profit rates	+25 bp	(901)
Interest/profit rates	-25 bp	901

* The impact on equity reflects the after tax impact.

Asset-Liability Mismatch

One of the risks 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 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 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 MNRB 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 2025

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 Company 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.

(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 Company. These risks arise from various sources, including climate change, resource depletion, environmental pollution, social inequality, labor practices, human rights violations, regulatory changes, and ethical considerations.

The Risk Management Committee of the Board, 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 Sustainability Champions as representatives from each entity, facilitates the adoption and integration of sustainability into the Company'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 Company's sustainability commitments and initiatives by integrating risk considerations into the Company's broader sustainability objectives.

The Company's sustainability governance and sustainability efforts in contributing positively towards global sustainability objectives are disclosed in MNRB Group's Sustainability Statement available on the corporate website.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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 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/contributions	(270,427)	(49,046)	(269,710)	(145,559)	-	69,596	(665,146)
Amounts recoverable from reinsurers/ retakaful operators 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 results	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	(82,437)	-	-	-	-	-	(82,437)
Allowance for impairment losses on financial assets	(59)	-	-	(47)	(85)	-	(191)
Investment results	117,933	8,282	43,529	214,824	176,028	(166,858)	393,738
Net insurance/takaful finance/profit expenses from insurance contracts/takaful certificates issued	(73,558)	59	(26,011)	(178,795)	-	2,855	(275,450)
Net reinsurance/retakaful finance/profit income from 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 results	(67,736)	(7,180)	(18,701)	(121,532)	-	6,730	(208,419)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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)	(18,478)	2,514	(28,978)
Net other (expenses)/income	(29,476)	(72)	2,098	(14,054)	(29,808)	(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	146,220	(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	146,220	(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	147,617	(151,833)	394,246

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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 2024							
Insurance/takaful revenue	1,719,994	143,468	801,376	470,636	-	(37,320)	3,098,154
Insurance/takaful service expenses	(1,308,691)	(122,997)	(677,518)	(395,604)	-	71,034	(2,433,776)
Insurance contracts/takaful certificates service results before reinsurance contracts/retakaful certificates held	411,303	20,471	123,858	75,032	-	33,714	664,378
Allocation of reinsurance/retakaful premiums/contributions	(221,771)	(41,818)	(244,401)	(133,959)	-	37,197	(604,752)
Amounts recoverable from reinsurers/ retakaful operators for incurred claims	135,670	37,615	181,417	105,031	-	(24,955)	434,778
Net expense from reinsurance contracts/ retakaful certificates held	(86,101)	(4,203)	(62,984)	(28,928)	-	12,242	(169,974)
Insurance/takaful service results	325,202	16,268	60,874	46,104	-	45,956	494,404
Interest/profit income calculated using the effective interest/profit method	127,668	6,418	41,078	51,958	6,616	32,433	266,171
Other investment income	50,029	701	909	127,020	103,398	(137,444)	144,613
Net realised (losses)/gains	(11,595)	-	(4,355)	12,999	(67)	-	(3,018)
Net fair value gains/(losses) on financial assets at fair value through profit and loss	61,864	87	6,579	118,660	16	(41,976)	145,230
Net foreign exchange gains	48,009	-	-	-	-	-	48,009
Allowance for impairment losses on financial assets	(22)	-	-	(8)	(11)	-	(41)
Investment results	275,953	7,206	44,211	310,629	109,952	(146,987)	600,964
Net insurance/takaful finance/profit expenses from insurance contracts/takaful certificates issued	(153,822)	(2,236)	(20,808)	(250,186)	-	(6,500)	(433,552)
Net reinsurance/retakaful finance/profit income from reinsurance contracts/retakaful certificates held	(3,629)	(75)	6,466	-	-	8,756	11,518
Unallocated (surplus)/deficit attributable to participants	-	(19,170)	(8,206)	(62,715)	-	-	(90,091)
Net insurance/takaful financial results	(157,451)	(21,481)	(22,548)	(312,901)	-	2,256	(512,125)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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 2024 (cont'd.)							
Fees and other income	10,959	155	7,730	8,398	65,476	(69,007)	23,711
Management and other expenses	(19,517)	(85)	(4,248)	(11,916)	(78,231)	20,549	(93,448)
Finance cost	(12,694)	-	(311)	(11)	(16,866)	2,612	(27,270)
Net other (expenses)/income	(21,252)	70	3,171	(3,529)	(29,621)	(45,846)	(97,007)
Share of results of associates	-	-	-	-	-	44,623	44,623
Profit before zakat and taxation	422,452	2,063	85,708	40,303	80,331	(99,998)	530,859
Tax attributable to participants	-	(13)	(3,280)	(21,785)	-	-	(25,078)
Profit before zakat and taxation attributable to equity holders of the Holding Company	422,452	2,050	82,428	18,518	80,331	(99,998)	505,781
Zakat	-	(127)	(837)	(370)	-	-	(1,334)
Taxation	(35,765)	(185)	(18,243)	(10,390)	(6,326)	1	(70,908)
Net profit for the year attributable to equity holders of the Holding Company	386,687	1,738	63,348	7,758	74,005	(99,997)	433,539

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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 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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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 (cont'd.)							
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 2025

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 2024							
Assets							
Property and equipment	137,244	1	672	85,439	11,567	49	234,972
Intangible assets	5,432	-	50,432	54,620	6,634	-	117,118
Right-of-use assets	-	-	6,608	543	2,650	(6,974)	2,827
Investments in subsidiaries	-	-	-	-	1,304,477	(1,304,477)	-
Investments in associates	155,318	-	-	-	1,957	17,636	174,911
Financial and other assets	4,930,119	117,997	1,230,645	4,752,457	402,759	(158,280)	11,275,697
Deferred tax assets	-	-	37,096	-	5,399	4,896	47,391
Insurance contracts/takaful certificates assets	7,488	-	-	58,845	1	-	66,334
Reinsurance contracts/retakaful certificates assets	140,375	22,369	317,862	42,306	-	(11,831)	511,081
Tax recoverable	-	-	1,904	11,285	13,509	-	26,698
Cash and bank balances	75,424	9,048	12,300	11,615	7,217	-	115,604
Total assets	5,451,400	149,415	1,657,519	5,017,110	1,756,170	(1,458,981)	12,572,633

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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 2024 (cont'd.)							
Liabilities							
Borrowings	251,000	-	-	-	420,000	(51,000)	620,000
Insurance contracts/takaful certificates liabilities	2,808,062	124,526	1,198,380	4,374,006	-	(11,829)	8,493,145
Reinsurance contracts/retakaful certificates liabilities	5,681	-	-	26,257	-	-	31,938
Lease liabilities	-	-	6,955	547	2,736	(7,222)	3,016
Other payables	44,936	(5,083)	91,488	81,867	26,840	(6,518)	233,530
Deferred tax liabilities	19,404	(220)	-	13,140	-	4,888	37,212
Tax payable	7,879	-	15,093	4,346	181	-	27,499
Provision for zakat	-	3	2,365	293	-	-	2,661
Total liabilities	3,136,962	119,226	1,314,281	4,500,456	449,757	(71,681)	9,449,001
Equity							
Share capital	663,106	-	230,000	405,000	845,002	(1,404,606)	738,502
Reserves	1,651,332	30,189	113,238	111,654	461,410	17,307	2,385,130
Total equity attributable to equity holders of the Holding Company	2,314,438	30,189	343,238	516,654	1,306,412	(1,387,299)	3,123,632
Total liabilities and equity	5,451,400	149,415	1,657,519	5,017,110	1,756,169	(1,458,980)	12,572,633

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

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 2025

35. Fair values of assets (cont'd.)

Description of significant unobservable inputs:

	Valuation technique	Significant unobservable inputs	Range
2025			
<u>Property and equipment</u>			
Office building of Malaysian Re	Income approach	Yield	6.00%
		Rental per square foot	RM4.70
Office buildings of Takaful IKHLAS Family - Ikhlas Point	Income approach	Yield	4.7% to 6.0%
		Rental per square foot	RM5.50 to RM6.20
Office buildings of Takaful IKHLAS Family - Branches	Comparison approach	Sales price per square feet for similar properties	RM289 to RM366
Unquoted equity instruments (Malaysia)	Adjusted net assets method	Net assets of the investee	Not applicable
2024			
<u>Property and equipment</u>			
Office building of Malaysian Re	Income approach	Yield	6.25%
		Rental per square foot	RM4.50
Office buildings of Takaful IKHLAS Family - Ikhlas Point	Income approach	Yield	4.7% to 6.0%
		Rental per square foot	RM5.50 to RM6.05
Office buildings of Takaful IKHLAS Family - Branches	Comparison approach	Sales price per square feet for similar properties	RM289 to RM365
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 2025

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:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
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
<u>Quoted shares in Malaysia:</u>				
Unquoted Islamic private debt securities	-	1,482,048	-	1,482,048
Malaysian government securities Unsecured	-	355,091	-	355,091
<u>Mandatorily measured:</u>				
<u>Quoted shares in Malaysia:</u>				
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
<u>Real estate investment trusts:</u>				
- Shariah approved	14,226	-	-	14,226
- Non-Shariah approved	2,782	-	-	2,782
	934,745	5,434,855	-	6,369,600

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

35. Fair values of assets (cont'd.)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group (cont'd.)				
2025 (cont'd.)				
Assets measured at fair value (cont'd.):				
(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
	-	848,697	92,939	941,636
2024				
Assets measured at fair value:				
(a) Property and equipment				
Freehold land	-	-	36,800	36,800
Buildings	-	-	174,376	174,376
	-	-	211,176	211,176
(b) Financial assets at FVTPL				
<u>Designated upon initial recognition:</u>				
Government investment issues	-	1,911,996	-	1,911,996
Unquoted Islamic private debt securities	-	1,386,861	-	1,386,861
Malaysian government securities unsecured	-	355,091	-	355,091

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

35. Fair values of assets (cont'd.)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group (cont'd.)				
2024 (cont'd.)				
Assets measured at fair value (cont'd.):				
(b) Financial assets at FVTPL (cont'd.)				
<u>Mandatorily measured:</u>				
Quoted shares in Malaysia:				
Shariah approved equities	221,166	-	-	221,166
Others	12,237	-	-	12,237
Unquoted perpetual bond in Malaysia	-	4,964	-	4,964
Unquoted corporate debt securities	-	5,576	-	5,576
Shariah approved unit trust funds	356,830	-	-	356,830
Real estate investment trusts:				
- Shariah approved	14,665	-	-	14,665
- Non-Shariah approved	9,050	-	-	9,050
Derivatives	-	(320)	-	(320)
	613,948	3,664,168	-	4,278,116
(c) Financial assets at FVOCI				
Government investment issues	-	249,969	-	249,969
Unquoted shares in Malaysia	-	-	87,666	87,666
Unquoted Islamic private debt securities	-	288,371	-	288,371
Golf club memberships	-	-	233	233
	-	538,340	87,899	626,239

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

35. Fair values of assets (cont'd.)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Company				
2025				
Assets measured at fair value:				
(a) Financial assets at FVOCI				
Golf club membership	-	-	50	50
Unquoted corporate debt securities	-	49,887	-	49,887
	-	49,887	50	49,937
2024				
Assets measured at fair value:				
(a) Financial assets at FVTPL				
Shariah approved unit trust fund	5,329	-	-	5,329
(b) Financial assets at FVOCI				
Golf club membership	-	-	50	50
Unquoted corporate debt securities	-	49,759	-	49,759
	-	49,759	50	49,809

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

36. Restatement of comparatives

The comparatives have been reclassified to conform with the presentation adopted in the current financial year. These reclassifications were made to enhance the granularity of disclosures based on the nature of the underlying transactions, improve alignment with prevailing industry practices and ensure consistency in the presentation of the financial statements.

The reclassification have no impact on the profit before zakat and taxation, profit after zakat and taxation, or the total comprehensive income as previously reported in the income statements, statements of comprehensive income, statements of cash flows and statements of changes in equity for the financial year ended 31 March 2024.

2024

Income Statements

	Previously stated RM'000	Reclassification RM'000	Restated RM'000
Group			
Insurance/takaful revenue	3,098,154	-	3,098,154
Insurance/takaful service expenses	(2,433,776)	-	(2,433,776)
Insurance contracts/takaful certificates service results before reinsurance contracts/retakaful certificates held	664,378	-	664,378
Allocation of reinsurance/retakaful premiums/contributions	(604,752)	-	(604,752)
Amounts recoverable from reinsurers/retakaful operators for incurred claims	434,778	-	434,778
Net expense from reinsurance contracts/retakaful certificates held	(169,974)	-	(169,974)
Insurance/takaful service results	494,404	-	494,404
Investment income	410,784	(410,784)	-
Interest income/profit revenue calculated using the effective interest/profit method	-	266,171	266,171
Other investment income	-	144,613	144,613
Net realised losses	(3,018)	-	(3,018)
Net fair value gains financial assets at fair value through profit and loss	145,230	-	145,230
Net foreign exchange gain on investments	48,009	-	48,009
Allowance for impairment loss on financial assets	-	(41)	(41)
Investment results	601,005	(41)	600,964

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

36. Restatement of comparatives (cont'd.)

2024 (cont'd.)

Income Statements (cont'd.)

	Previously stated RM'000	Reclassification RM'000	Restated RM'000
Group (cont'd.)			
Net insurance/takaful finance/profit expenses from insurance contracts/ takaful certificates issued	(458,913)	25,361	(433,552)
Net reinsurance/retakaful finance/profit income from reinsurance contracts/ retakaful certificates held	11,518	-	11,518
Unallocated surplus and changes in the value of the underlying items attributable to participants	(90,091)	-	(90,091)
Net insurance/takaful financial results	(537,486)	25,361	(512,125)
Fees and other income	49,354	(25,643)	23,711
Management and other expenses	(93,771)	323	(93,448)
Finance cost	(27,270)	-	(27,270)
Other expenses	(71,687)	(25,320)	(97,007)
Share of results of associates	44,623	-	44,623
Profit before zakat and taxation	530,859	-	530,859
Taxation attributable to participants	(25,078)	-	(25,078)
Profit before zakat and taxation attributable to equity holders of the Holding Company	505,781	-	505,781
Zakat	(1,334)	-	(1,334)
Taxation	(70,908)	-	(70,908)
Net profit for the year attributable to equity holders of the Holding Company	433,539	-	433,539
Basic and diluted earnings per share attributable to equity holders of the Holding Company (sen)	55.4		55.4

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

36. Restatement of comparatives (cont'd.)

2024 (cont'd.)

Income Statements (cont'd.)

	Previously stated RM'000	Reclassification RM'000	Restated RM'000
Company			
Investment income	109,357	(109,357)	-
Interest income/profit revenue calculated using the effective interest/profit method	-	6,444	6,444
Other investment income	-	102,913	102,913
Net realised losses	(67)	-	(67)
Allowance for impairment loss on financial assets	-	(11)	(11)
Investment results	109,290	(11)	109,279
Fees and other income	57,484	-	57,484
Management and other expenses	(70,532)	11	(70,521)
Finance cost	(16,842)	-	(16,842)
Other expenses	(29,890)	11	(29,879)
Profit before zakat and taxation	79,400	-	79,400
Taxation	(6,323)	-	(6,323)
Net profit for the year attributable to equity holders of the Holding Company	73,077	-	73,077
Basic and diluted earnings per share attributable to equity holders of the Holding Company (sen)	9.3		9.3

Statement of cash flows

	Previously stated RM'000	Reclassification RM'000	Restated RM'000
Group			
Cash flows from operating activities			
Profit before zakat and taxation	505,781	25,078	530,859
Net foreign exchange gains	(3,426)	(44,583)	(48,009)
Net (purchase of)/proceed of financial assets	(1,073,686)	1,073,686	-
(Increase)/decrease of financial assets	(438,572)	438,572	-
Financial assets	-	(1,467,675)	(1,467,675)
Tax borne by participants	25,078	(25,078)	-
Company			
Cash flows from operating activities			
Net (purchase of)/proceed of financial assets	(154,611)	154,611	-
(Increase)/decrease of financial assets	194	(194)	-
Financial assets	-	(154,417)	(154,417)

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2025

Analysis of Shareholdings

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF ISSUED SHARE CAPITAL
Less than 100	460	7.00	8,116	0.00
100 - 1,000	602	9.16	355,082	0.05
1,001 - 10,000	3,322	50.57	13,975,219	1.79
10,001 - 100,000	1,733	26.39	56,789,171	7.25
100,001 to less than 5% of issued shares	450	6.85	289,841,208	37.01
5% and above of issued shares	2	0.03	422,117,900	53.90
TOTAL	6,569	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	Dato' Wan Roshdi Wan Musa	0.00	-	-
6	Chin See Mei	0.00	-	-

Substantial Shareholders

NAME OF SUBSTANTIAL SHAREHOLDERS	NO. OF SHARES HELD			
	DIRECT INTEREST	%	INDIRECT/DEEMED INTEREST	%
Amanahraya Trustees Berhad				
Amanah Saham Bumiputera	327,926,500	41.88		
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 by virtue of Section 8(4) of the Companies Act 2016.

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2025

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.	6,533,070	0.83
6	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 19)	6,271,000	0.80
7	OLIVE LIM SWEE LIAN	6,076,000	0.78
8	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG YIEW ON (6000006)	5,943,900	0.76
9	NEOH CHOO EE & COMPANY, SDN. BERHAD	5,312,316	0.68
10	LIM PEI TIAM @ LIAM AHAT KIAT	5,000,000	0.64
11	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM PAY KAON	4,973,500	0.64
12	NG LONG TIANG	4,300,000	0.55
13	MARK SIA ENG JOO	4,000,000	0.51
14	P.G. LIM SDN. BHD.	3,868,100	0.49
15	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY 2 PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC.	3,734,650	0.48
16	CHEN CHIH LIANG	3,456,700	0.44
17	LIEW SWEE MIO @ LIEW HOI FOO	3,375,300	0.43
18	TAN AIK CHOON	3,041,200	0.39
19	KENANGA NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENT ACCOUNT)	2,728,000	0.35
20	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ABDUL WAHID BIN OMAR	2,709,704	0.35
21	OOI CHIN HOCK	2,677,750	0.34
22	LEE CHEE BENG	2,650,042	0.34
23	CHEN CHIN PENG	2,447,514	0.31
24	KONG GOON SIONG	2,425,300	0.31
25	PROMSERV ENGINEERING SDN BHD	2,237,100	0.29
26	GAN HONG HU	2,065,900	0.26
27	ONG HUNG HOCK	2,000,000	0.26
28	JOHAN ENTERPRISE SDN. BHD.	1,899,100	0.24
29	TAN LEE HWA	1,870,000	0.24
30	QUEK PHAIK IM	1,850,000	0.24
TOTAL		563,932,946	72.02

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 31/3/2025 (RM)
SELF OCCUPIED PROPERTIES						
IKHLAS Point, Tower 11A Avenue 5, Bangsar South No. 8, Jln Kerinchi 59200 Kuala Lumpur	26 September 2008	31 March 2025	1 unit of 10 storey corner office building	Leasehold/ office premise/ occupied/ 16 years	Strata	79,000,000
No. 17, Lorong Dungun Damansara Heights 50490 Kuala Lumpur	17 February 1995	31 March 2025	1 unit of 12 storey building with 2 storey basement car park	Freehold/ office premise/ rented out/ 29 years	61,300/ 366,409	126,000,000
Lot 528, Section 6 Kuching Town Land District No. 11C, Jalan Kulas 93400 Kuching, Sarawak	7 October 2010	31 March 2025	4 storey intermediate terraced shophouse	Leasehold/ office premise/ occupied/ 14 years	Not applicable/ 1,200	1,735,000
PT 483, Jalan Jambatan Sultan Yahya KB Waterfront, Seksyen 17 15000 Kota Bahru, Kelantan	31 January 2013	31 March 2025	3 storey shophouse	Leasehold/ office premise/ occupied/ 11 years	Not applicable/ 4,680	1,350,000
TOTAL SELF OCCUPIED PROPERTIES						208,085,000

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

12th 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

GROUP'S OFFICES

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 & 1st Floor, 539, 1st Floor, Jalan Bandar Senawang 16, Pusat Bandar Senawang, 70450 Seremban, Negeri Sembilan	T +606 677 5600 F +606 677 5362
Pahang	B284, Ground & 1st Floor, Jalan Beserah, 25300 Kuantan, Pahang	T +609 567 0700 F +609 567 1700
Perak	No. 11A, 1st 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 FIFTY-SECOND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifty-Second (52nd) Annual General Meeting (“AGM”) of MNRB Holdings Berhad (“MNRB” or “Company”) will be held at the Ballroom 1, Level 1, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Friday, 26 September 2025 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 2025 together with the Reports of the Directors and the Auditors thereon.

[Please refer to Explanatory Note (i)]

2. To re-elect the following Directors who are retiring by rotation pursuant to Clause 90 of the Company’s Constitution and being eligible, have offered themselves for re-election:

(i) George Oommen

(Ordinary Resolution 1)

(ii) Junaidah Mohd Said

(Ordinary Resolution 2)

[Please refer to Explanatory Note (ii)]

3. To re-elect the Director, Dato’ Sulaiman Mohd Tahir who is retiring pursuant to Clause 95 of the Company’s Constitution and being eligible, has offered himself for re-election.

(Ordinary Resolution 3)

[Please refer to Explanatory Note (ii)]

4. To approve the payment of Directors’ Fees of Non-Executive Directors with effect for the period from the conclusion of the 52nd AGM until the conclusion of the next AGM in 2026, to be payable on a monthly basis as follows:

Directors’ Fees	Non-Executive Chairman (“NEC”)	Non-Executive Directors (“NED”)
	Per Annum (RM)	Per Annum (RM)
Board	149,500	80,500
• Audit Committee	25,300	19,550
• Risk Management Committee of the Board		
• Group Nomination & Remuneration Committee		
• Group Investment Committee	19,550	13,800
• Group Digital & Information Technology Committee		

(each of the foregoing payments being exclusive of the others)

(Ordinary Resolution 4)

[Please refer to Explanatory Note (iii)]

5. To approve the payment of Directors’ benefits (excluding Directors’ Fees) payable to NEC and NED of up to an amount of RM872,000 from the conclusion of the 52nd AGM until the conclusion of the next AGM in 2026.

(Ordinary Resolution 5)

[Please refer to Explanatory Note (iv)]

6. To re-appoint Messrs Ernst & Young PLT as Auditors of the Company for the financial year ending 31 March 2026 and to authorise the Directors to fix their remuneration.

(Ordinary Resolution 6)

NOTICE OF THE FIFTY-SECOND ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions, with or without modifications:

7. 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.

"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."

(Ordinary Resolution 7)
[Please refer to Explanatory Note (v)]

8. 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)
Company Secretary

Kuala Lumpur
31 July 2025

NOTICE OF THE FIFTY-SECOND ANNUAL GENERAL MEETING

NOTES:

Appointment of Proxy and/or Authorised Representative

1. The 52nd AGM will be held in 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 52nd 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 18 September 2025**. Only a depositor whose name appears on the **Record of Depositors as of 18 September 2025** shall be entitled to participate in the 52nd 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 52nd 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, 24 September 2025 at 9.00 a.m. being forty-eight (48) hours before the appointed time for holding the 52nd 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.
 - (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 52nd 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 52nd AGM and any adjournment thereof.

Explanatory Notes

- (i) Item 1 of the Agenda - Audited Financial Statements for the Financial Year Ended 31 March 2025

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 to 3 – 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.

The details and profiles of the Directors who are standing for re-election at the 52nd AGM are provided in the Directors Profile section of the Company's Annual Report 2025.

- (iii) Ordinary Resolution 4 – Directors' Fees

Pursuant to Section 230(1) of 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 Board with the recommendation from GNRC agreed to maintain the proposed Board and Board Committee Fees as detailed in the table below:

NOTICE OF THE FIFTY-SECOND ANNUAL GENERAL MEETING

For subsidiaries of the Company

Type of Fees	Existing Board/Board Committee Fee
	Per Annum (RM)
Malaysian Reinsurance Berhad	
Takaful Ikhlas Family Berhad	
Takaful Ikhlas General Berhad	
Board:	
- Chairman of the Board	92,000
- Non-Executive Directors	80,500
Board Committee:	
• Audit Committee	
• Risk Management Committee of the Board	
- Chairman of the Board Committee	25,300
- Committee Member	19,550
• Group Nomination & Remuneration Committee	
- Chairman of the Board Committee	19,550
- Committee Member	13,800
Other Committees:	
• Group Investment Committee	
• Group Digital & Information Technology Committee	
- Chairman	19,550
- Committee Member	13,800

(iv) Ordinary Resolution 5 – Directors' Benefits (excluding Directors' Fees)

The Board with the recommendation from GNRC agreed to maintain the meeting allowance at RM1,500 (per meeting).

The Directors' Benefits (excluding Directors' Fees) payable to NEC and NED comprises benefits-in-kind and other emoluments payable to them by the Company and its subsidiaries as set out below:

	Chairman	Directors
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, RM1,500 (per meeting)	

The payment on car allowance will be made retrospectively from date the Chairman is appointed to the Board.

In determining the estimated amount of benefits payable, the Board considered various factors including the number of scheduled meetings for the Board, Board Committees and Board of subsidiaries, as well as the number of NEDs involved in these meetings.

Subject to the shareholders' approval for Ordinary Resolutions 4 and 5, the payment for the fees and benefits for the period commencing from the conclusion of 52nd AGM up till the conclusion of the next AGM in 2026 will be made by the Company and its subsidiaries on a monthly basis and/or as and when incurred. The Board is of the view that the payments to the NEDs are just and equitable taking into account 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 2025 are disclosed in the Notes to the Financial Statements of the Audited Financial Statements for the financial year ended 31 March 2025.

(v) Ordinary Resolution 7

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 2026.

STATEMENT ACCOMPANYING NOTICE OF THE 52ND ANNUAL GENERAL MEETING

(PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

1. Details of persons who are standing for re-election as Directors at the 52nd AGM

Based on the Group Nomination & 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 2025 were satisfactory:-

Dato' Sulaiman Mohd Tahir

No assessment done for a Director who has served less than six months in the Company. Nevertheless, the Board found Dato' Sulaiman Mohd Tahir ("Dato' Sulaiman") had contributed effectively during Board meeting. He had demonstrated his diligence and commitment as a capable individual with high integrity who conducts himself in a professional manner, particularly as the Chairman of the Board.

He had served as a Non-Independent Non-Executive Chairman for 1 month 18 days since the date of his appointment as a Chairman/Director on 14 February 2025.

George Oommen

The Board, through the GNRC was satisfied that George Oommen ("George") had contributed invaluable during the Board, Audit Committee ("AC"), Risk Management Committee of the Board ("RMCB") and Group Investment Committee. As the Chairman of RMCB, he played an important role in ensuring the proper internal control processes relating to risk management were immensely performed within the Company and the Group as a whole.

George brings to the Board a combination of experiences particularly in the areas of audit, finance, insurance/reinsurance and stakeholder management. He had also carried his responsibility well in his capacity as a Chairman of RMCB and member of the AC. Following the reorganisation of the committees' composition, George has ceased as the Chairman of the RMCB on 1 July 2025. On the same date, he was redesignated as a new Chairman of the AC. He has also been appointed as a new member of the GNRC on 14 July 2025.

During his tenure as the former Chairman of the RMCB, he had carried his responsibility well.

He had served as an Independent Non-Executive Director for 7 years 3 months since the date of his appointment as a Director on 1 January 2018.

Junaidah Mohd Said

The Board, through the GNRC was satisfied that Junaidah Mohd Said ("Junaidah") had contributed effectively during the Board, AC and GNRC meetings.

She brings to the Board her vast experience particularly in the areas of insurance, investment, regulatory and stakeholder management. She also carried her responsibility well in her capacity as a member of the Board, AC and GNRC. Following the reorganisation of the committees' composition, Junaidah has ceased as member of the AC on 1 July 2025. Consequently, she was appointed as a new Chairman of the RMCB on the same date.

She also carried her responsibility well as a member of the Board and GNRC including as a former AC member.

She had served as an Independent Non-Executive Director for 5 years 6 months since the date of her appointment as a Director on 1 October 2019.

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PROXY FORM

No. of Shares Held: CDS Account No.:

I/We MYKAD 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 ("the Company"), hereby appoint:

PROXY 1		No. of Shares	%
Full name as per MYKAD/Passport			
MYKAD/Passport No.			
Address in full			
Email address/Tel No.			

PROXY 2		No. of Shares	%
Full name as per MYKAD/Passport			
MYKAD/Passport No.			
Address in full			
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 52nd Annual General Meeting of the Company to be held at Ballroom 1, Level 1, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on **Friday, 26 September 2025 at 9.00 a.m.** and at any adjournment thereof, on the following resolutions referred to in the Notice of Annual General Meeting.

AGENDA			
To receive the Audited Financial Statements for the financial year ended 31 March 2025 together with the Reports of the Directors and Auditors thereon.			
RESOLUTION	DESCRIPTION	FOR	AGAINST
	ORDINARY BUSINESS		
Ordinary Resolution 1	To re-elect George Oommen, who retires pursuant to Clause 90 of the Company's Constitution.		
Ordinary Resolution 2	To re-elect Junaidah Mohd Said, who retires pursuant to Clause 90 of the Company's Constitution.		
Ordinary Resolution 3	To re-elect Dato' Sulaiman Mohd Tahir who retires pursuant to Clause 95 of the Company's Constitution.		
Ordinary Resolution 4	To approve the payment of Directors' fees for the period from the 52 nd AGM until the next AGM in 2026.		
Ordinary Resolution 5	To approve the payment of Directors' benefits (excluding Directors' Fees) payable to the Directors up to an amount of RM872,000 from the conclusion of the 52 nd AGM until the conclusion of the next AGM in 2026.		
Ordinary Resolution 6	To reappoint Messrs Ernst & Young PLT as Auditors of the Company for the financial year ending 31 March 2026 and to authorise the Directors to fix their remuneration.		
	SPECIAL BUSINESS		
Ordinary Resolution 7	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 2025

.....
Signature(s)/Common Seal of Member(s)

NOTE:

1. In respect of deposited securities, only a depositor whose name appears on the Record of Depositors on 18 September 2025 shall be eligible to attend this 52nd AGM or appoint a proxy(ies) to attend, speak and vote on his/her behalf.
2. 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 52nd AGM and that such proxy need not be a member.
3. 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.
4. 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.

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*Please
affix Stamp*

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

FOLD HERE

5. 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 52nd 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 52nd AGM.
6. 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.
7. 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.



MNRB HOLDINGS BERHAD

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50490 Kuala Lumpur

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