TAKAFULmalaysia

Integrated Annual Report 2025

Innovating

FOR PROTECTION & PROGRESS

BASIS OF THIS REPORT

Syarikat Takaful Malaysia Keluarga Berhad ("Takaful Malaysia", "Takaful Malaysia Keluarga", "the Group", "we", "us" or "our") proudly presents its Integrated Annual Report ("IAR" or "the Report") for the financial year ended 31 December 2025 ("FY2025") – prepared in accordance with the Value Reporting Foundation's Integrated Reporting (<IR>) Framework.

Our reporting approach is built around an integrated framework that brings together our IAR, Sustainability Statement, International Sustainability Standards Board ("ISSB") Statement, and audited Consolidated Financial Statements to provide a holistic, transparent view of how we create, preserve and deliver value over the short, medium and long term.

IAR
Serves as the primary report to our stakeholders, embedding integrated thinking across our governance, strategy, risk management and overall performance.

Sustainability Statement
Provides detailed disclosures on our material sustainability matters, highlighting our environmental, social and governance ("ESG") approach.

ISSB Statement
Prepared in accordance with the International Financial Reporting Standards ("IFRS") Sustainability Disclosure Standards (S2 – Climate-related Disclosures), this inaugural statement sets out our climate-related financial disclosures, including the identification, measurement and management of related risks and opportunities and their potential financial impact on the Group.

Consolidated Financial Statements
Present a comprehensive view of our financial position, performance, cash flows and other sustainability-related financial information.

SCOPE AND BOUNDARY

This Report provides a comprehensive overview of our financial and non-financial performance. It covers the reporting period from 1 January 2025 to 31 December 2025, unless otherwise stated, and encompasses our principal business activities, as well as all subsidiary entities consolidated in accordance with Malaysian Financial Reporting Standards ("MFRS") 10 – Consolidated Financial Statements.

Disclosures take into account relevant elements within our value chain, including joint ventures and associates, where material. Additionally, disclosures may extend beyond our operational boundary to address material impacts arising across our value chain, particularly in relation to sustainability and climate-related matters.

Further to this, comparative historical data may be presented, where appropriate, to provide context and enable meaningful assessment of performance trends over time.

ISSB Statement Reporting

As this is the first year of our adoption of IFRS S2, transition reliefs have been applied in preparing our sustainability-related financial disclosures for FY2025. These include exemption from presenting comparative information for the preceding reporting period and from disclosing Scope 3 greenhouse gas ("GHG") emissions, limited to Categories 3 (Fuel- and Energy-related Activities), 5 (Waste Generated in Operations), 6 (Business Travel) and 7 (Employee Commuting).

Disclosures in this initial year are focused on the Group's principal business segment, with emphasis on operations in Malaysia, where exposure to sustainability-related risks is highest and data availability is most robust. This approach supports the phased development of reporting systems, governance structures and data collection processes.

For the purposes of this ISSB Statement, the following time horizons are applied in assessing and disclosing climate-related risks and opportunities ("CROs"), reflecting the periods used in our planning and risk assessment processes:

Short term	1 to 2 years
Medium term	3 to 5 years
Long term	Beyond 5 years

REPORTING FRAMEWORKS

This Report was prepared in alignment with local regulatory requirements and globally recognised frameworks to ensure credibility, accountability and international comparability.

- Bursa Malaysia's Corporate Governance Guide (4th Edition)
- Bursa Malaysia's Enhanced MMLR on Sustainability Reporting, Value Reporting Foundation's <IR> Framework
- Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Main Market Listing Requirements ("MMLR")
- Dow Jones Sustainability Index ("DJSI")
- FTSE4Good Bursa Malaysia ("F4GBM") ESG Indicators
- Global Reporting Initiative ("GRI") Universal Standards 2021
- IFRS
- IFRS S1 – General Requirements (Sustainability-related Risks and Opportunities)
- IFRS S2 – Climate-related Disclosures
- Securities Commission Malaysia's ("SC") Malaysian Code on Corporate Governance ("MCCG")
- Malaysian Companies Act 2016 ("CA 2016")
- MFRS
- United Nations Sustainable Development Goals ("UN SDGs")

MATERIALITY

Impact Materiality

Our material matters represent the sustainability issues that most significantly influence our ability to generate sustainable value and fulfil our mission, ensuring our strategies and disclosures remain focused on the issues most relevant to our business and stakeholders.

These matters are determined through a structured process comprising identification, shortlisting, prioritisation and validation, with sustainability topics assessed based on their actual and potential impacts, significance to stakeholders and relevance to our operations. Outcomes are reviewed by Management and validated by the Board of Directors ("Board").

We conduct a comprehensive impact materiality assessment every three years, with the most recent undertaken in 2024. This exercise included formal surveys across eight key stakeholder groups to evaluate sustainability-related risks, opportunities and impacts. In FY2025, an annual desktop validation was conducted to assess continued relevance, confirming that our existing nine impact material matters remain appropriate and aligned with our strategic direction.

Read the Material Matters section of this Report on pages 47 to 55 for more details.

Financial Materiality

As part of our adoption of IFRS S2 – Climate-related Disclosures, we conducted our inaugural financial materiality assessment during the year to identify CROs that may affect our financial performance, position and future prospects. This assessment adopts an outside-in perspective, complementing our existing impact-focused (inside-out) approach to materiality.

Through this exercise, 12 sustainability-related climate risks and opportunities ("SROs") were identified across ESG themes. For FY2025, five CROs have been disclosed in line with IFRS S2 requirements.

Read the ISSB Sustainability Statement on pages 117 to 153 for more details.

UN SDG ALIGNMENT

Our sustainability initiatives and material matters are aligned with the UN SDGs, with particular focus on Goals 1 to 13 and Goal 16, where we believe we can make the most meaningful contribution through our business activities and stakeholder engagements.

Read our Sustainability Statement on pages 76 to 153 for more details.

FORWARD-LOOKING STATEMENTS

This Report contains certain forward-looking statements relating to our financial condition, operational performance and strategic initiatives. Words such as “anticipate”, “estimate”, “forecast”, “project”, “target”, “intend”, “may” and similar expressions are used to reflect current expectations regarding future events.

These statements are based on assumptions and are subject to risks and uncertainties, including changes in regulatory frameworks, governmental policies, economic conditions and other external factors beyond our control.

Accordingly, actual results may differ materially from those expressed or implied in such statements. We do not undertake any obligation to publicly update or revise forward-looking statements, except as required by applicable laws and regulations.

INDEPENDENT COMBINED ASSURANCE STATEMENT

We adopt a coordinated assurance model to enhance the credibility and reliability of our disclosures. This model integrates oversight and review functions across the Board, Management, Internal Audit, and independent external assurance providers, with the Board remaining ultimately responsible for ensuring the integrity and completeness of this Report.

As part of this approach, selected sustainability indicators and climate-related disclosures are independently assured. For FY2025, the assurance engagement was undertaken by SIRIM QAS International Sdn Bhd in accordance with the International Standards on Assurance Engagements (“ISAE”) 3000, providing limited assurance on selected indicators and disclosures within the defined scope. The assurance covered the following Bursa Malaysia indicators and our corresponding material matters, as reported in our Sustainability Statement:

Anti-corruption	**Ethics & Compliance**
Community/Society	**Community Empowerment**
Diversity	**Employee Well-being (diversity and equal opportunity-related inputs)**
Health and safety	**Employee Well-being (occupational safety and health-related inputs)**

Further details of the assurance scope and methodologies are set out in the Assurance Statement on pages 110 to 114.

STATEMENT OF BOARD APPROVAL

In accordance with the <IR> Framework, the Board acknowledges its responsibility to ensure the integrity of this IAR. The Board is satisfied that this Report presents a balanced and comprehensive assessment of our strategy, governance, performance and prospects, and adequately addresses all material matters affecting our ability to create sustainable value over time. The Board approved this Report for publication on 26 March 2026.

Dato’ Charon Wardini bin Mokhzani
Chairman

Nor Azman bin Zainal
Group Chief Executive Officer

REPORT ACCESSIBILITY AND CONTACT

Our IARs are produced on an annual basis and publicly available on our corporate website at https://www.takaful-malaysia.com.my/en/investor-relations/ for stakeholders’ reference.

We welcome feedback and enquiries about our reporting, which may be directed to:

New Kheng Chee

Group Chief Financial Officer

khengchee.new@takaful-malaysia.com.my

Navigation Icons

Our Six Capitals

FC	Financial Capital	MC	Manufactured Capital	IC	Intellectual Capital
HC	Human Capital	SRC	Social and Relationship Capital	NC	Natural Capital

Our Stakeholder Groups

- S1 Customers
- S2 Employees
- S3 Business Partners & Intermediaries
- S4 Government & Regulators
- S5 Investors & Shareholders
- S6 Industry Peers & Trade Associations
- S7 Local Communities
- S8 Media

Our Identified Material Matters

- M1 Data Privacy & Security
- M2 Ethics & Compliance
- M3 Human Rights
- M4 Sustainable Growth
- M5 Digital Transformation
- M6 Climate Change & Environmental Impacts
- M7 Employee Well-Being
- M8 Community Empowerment
- M9 Customer Centricity

Our Principal Risks

- SE Strategic Execution Risk
- R Regulatory Risk
- HC Human Capital Risk
- DT Digital & Technology Risk
- ICS Information & Cybersecurity Risk
- T Takaful Risk
- O Operational Risk
- F Financial Risk
- C Climate Risk
- EU Economic Instability & Uncertainty Risk

Our Key Focus Areas

- ERM Execute Retail Market Strategy
- SGB Sustain Growth of General Business Responsibly
- ETP Enable A Talent-Powered Organisation
- FBD Future-Proof Business Through Digitalisation
- ESR Enhance Shariah, Governance & Risk Management
- CSM Champion Sustainability Mission
- MLP Maintain Market Leadership Position (Banca, Treasury & Employee Benefits)

Cover Rationale

The cover design reflects our Report's theme, **Innovating for Protection & Progress**, by highlighting the balance between care and forward momentum that defines Takaful Malaysia. It speaks to our enduring commitment to protecting Malaysian households through mutual care, trust and shared responsibility, while embracing progress that strengthens resilience and opportunity. The emphasis on "innovating" signals our continuous efforts to enhance our solutions, advance our digital capabilities and elevate overall customer experience – underscoring our role as a trusted partner supporting families and communities as they build a more secure and confident future.

41st ANNUAL GENERAL MEETING

DATE
Wednesday, 20 May 2026

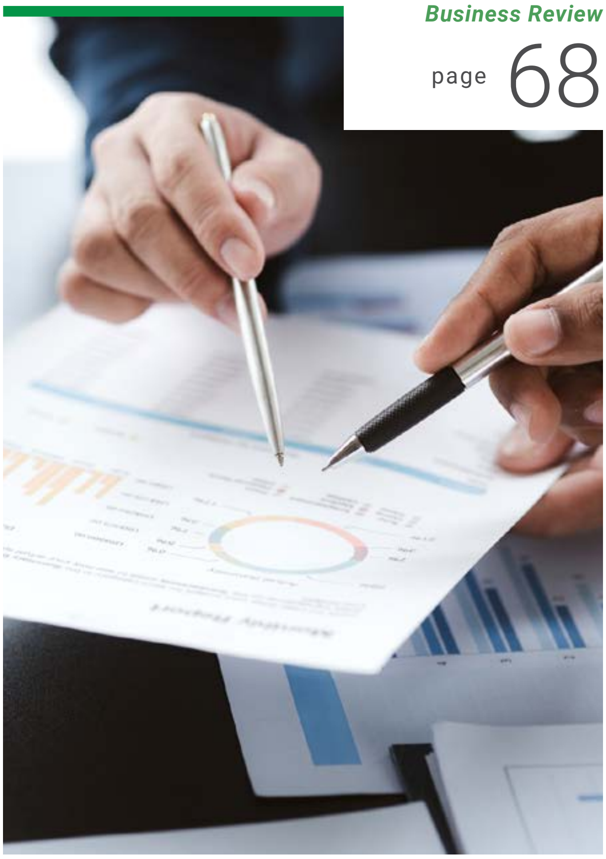
TIME
10.00 a.m.

VENUE
Dewan Ahmad Mohamed Ibrahim, 5th Floor, Annexe Block, Menara Takaful Malaysia, No. 4, Jalan Sultan Sulaiman, 50000 Kuala Lumpur

ONLINE PLATFORM
https://investor.boardroomlimited.com

SCAN ME
To download our Integrated Annual Report 2025, or visit Investor Relations on our corporate website.

INSIDE THIS REPORT



Business Review

page 68

ISSB Sustainability Statement

page 117

TAKAFUL MALAYSIA AT A GLANCE

Business Highlights

General Takaful recorded stronger momentum with a **14.4% year-on-year growth to RM1.57 billion**, outpacing the General Takaful Industry growth rate of 12.4%.

Takaful Malaysia Keluarga **strengthened its Market Leadership position** for **Family Takaful Business**, with market share **increasing to 27.9%**. (FY2024: 26.4%)

Our Family Takaful segment grew 7.7% in FY2025, maintaining **consistent outperformance against the industry growth rate of 0.1%**

Family Takaful regular contribution market share rose to 7% as at December 2025, from 4% in FY2024.

KAOTIM scaled as a core retail growth engine, enhancing access to **affordable takaful solutions** and supporting **digital distribution expansion**.

LPPSA and Employee Benefits segment also delivered solid performance, **growing by approximately 20%**, supported by sustained demand and stronger customer retention.

Financial Highlights

Market Capitalisation
RM2.70 billion

Takaful Revenue
RM3.80 billion

Profit After Zakat & Taxation ("PAZT")
RM386.1 million

Dividend Declared
RM161.4 million

Return on Equity
18.4%

Earnings per Share
44.16 sen

Total Assets
RM18.07 billion

Taxation Paid
RM194.5 million

Community Investment & Social Impact Allocation
RM15.0 million

Sustainability Highlights

Observed a **22.8% reduction in Scope 1 and scope 2 gross operational emissions**, supported by a 20.9% decrease in electricity consumption and improved energy efficiency despite workforce expansion.

Conducted **33,156 training hours** in 2025, **averaging 30 hours per employee**, reflecting continued investment in employee development across all levels.

Exposure to non-renewable energy reduced by 10.4% of AUM, in line with our decarbonisation pathway and towards achieving a net-zero economy by 2050.

Contributed over **RM15.0 million** across **20 CSR initiatives** in 2025, benefiting more than **8,000 individuals**, reflecting an increase of over 20% from 2024.

Maintained **strong local sourcing at 95.5%** of procurement spend, reinforcing support for the domestic supply chain.

Digitisation initiatives contributed to a **5.48% reduction in paper usage**, supporting operational efficiency and a paperless workplace.

Initiated efforts to evaluate and align with **International Financial Reporting Standards (IFRS) S1 & S2**.

Awards and Recognitions

1. **Best Bancatakaful Company (Malaysia 2025)**
at the International Finance Awards 2025
2. **Best Family Takaful Company (Malaysia 2025)**
at the International Finance Awards 2025
3. **Best Islamic Insurance Provider (Malaysia)**
at the Global Brands Magazine Awards 2025
4. **Best Takaful Company in Malaysia for Managing Investment Portfolio 2025**
at the Cambridge Islamic Funds Awards 2025
5. **Best Takaful Insurance Provider Malaysia 2025**
at the International Business Magazine Awards 2025
6. **Direct Distribution Channel - Family Takaful**
at the Takaful Star Awards 2025
7. **GIFA Market Leadership Award (Takaful) 2025**
at the Global Islamic Finance Awards (GIFA) 2025
8. **Innovation Award**
at the Takaful Star Awards 2025
9. **RAM Blueprint Awards 2025**
at the 23rd Annual RAM League Awards (RM1.0 Billion Tier-2 Subordinated Sukuk Wakalah Programme - Rated AA3/Stable)
10. **Silver Award (Banking, Investment & Insurance Category)**
at the Putra Aria Brand Awards 2025

ABOUT TAKAFUL MALAYSIA

WHO WE ARE

Syarikat Takaful Malaysia Berhad ("STMB") has been a pioneer in Islamic insurance for over 40 years, growing into one of Malaysia's established Takaful providers. To strengthen focus and execution across its core business lines, STMB was segmented into two distinct businesses on 1 June 2018: Syarikat Takaful Malaysia Keluarga Berhad ("Takaful Malaysia" or "Takaful Malaysia Keluarga") and Syarikat Takaful Malaysia Am Berhad ("Takaful Malaysia Am").

Both entities operate in accordance with the Islamic Financial Services Act 2013 ("IFSA"), ensuring our business practices remain aligned with regulatory requirements and Takaful principles. Takaful Malaysia Keluarga manages the Family Takaful business and serves as the holding company of Takaful Malaysia Am, which oversees the General Takaful business. Through this structure, Takaful Malaysia Keluarga leads the Group's nationwide footprint, supported by a network of 23 branches.

Our scale remains supported by a strong capital base. As at 31 December 2025, Takaful Malaysia's share capital stood at RM357.87 million, with total assets of RM18.07 billion.

BRAND PROMISE

To keep the present safe and the future secure for our customers.

VISION

Di Hatiku
Takaful Malaysia

MISSION

We aim to exceed customer expectations through:

- **Operational Excellence**
- **Technology Driven Capabilities**
- **Product Innovation**
- **Performance Oriented Culture**

whilst delivering superior shareholder value.

CORPORATE VALUES

The values we continuously strive to manifest through our work serve as the defining pillars of our brand.

INSPIRING
Our perseverance to our continued development of our industry, bringing it to the next level.

HUMANITARIAN
Our promise to the community is the pledge of our compassion and care.

INTEGRITY
Our commitment in values of personal integrity and to build trust.

TEAMWORK
Our dedication to teamwork is a testament of our unity and trust towards each other.

PROFESSIONALISM
Our pledge is to achieve the standards and promises that we deliver to our customers.

Family Takaful
Gross Contributions

RM2.96 billion

(2024: RM2.73 billion)

General Takaful
Gross Contributions

RM1.57 billion

(2024: RM1.38 billion)

Group
Gross Contributions

RM4.53 billion

(2024: RM4.11 billion)

OUR PRODUCTS AND SERVICES

Family Takaful

Takaful Malaysia Keluarga is a market leader in Family Takaful industry, offering solutions that include term protection, critical illness and medical cover. Guided by a customer-focused culture and supported by digital capabilities, our range is designed to meet the needs of individuals and families, helping customers prepare for their children's education and stay protected against unexpected accidents, hospital stays, and unforeseen disabilities.

Refer to pages 68 to 71 for our Business Review on Family Takaful.

General Takaful

Takaful Malaysia Am is the second-largest General Takaful provider in Malaysia with a 23.7% market share. We deliver end-to-end solutions across key areas, including personal accident cover, motor, home contents, property fire cover, machinery breakdown, foreign workers and contractors' all risk. Through these extensive offerings, we protect both individual and corporate customers against unforeseen calamities and accidents, safeguarding their assets and personal security.

Refer to pages 72 to 75 for our Business Review on General Takaful.

Digital Solutions

Digital access and convenience remain key to how we serve our customers and partners. Through our online portals and applications, we provide immediate access to information on certificates and transactions, expanding our ability to engage a wider pool of potential customers. Our digital platform and brand, Kaotim, offers comprehensive and affordable online protection plans, including medical, legacy, car and motorcycle coverage.

SCAN ME
For additional details on our activities, products, services and innovative online offerings, or visit our corporate website at www.takaful-malaysia.com.my.

WHERE WE OPERATE

Across both Peninsular and East Malaysia, we are widely recognised as a trusted name in Shariah-compliant protection. Our reputation is underpinned by a strong track record in delivering purpose-fit offerings that support the evolving needs of individuals and businesses.

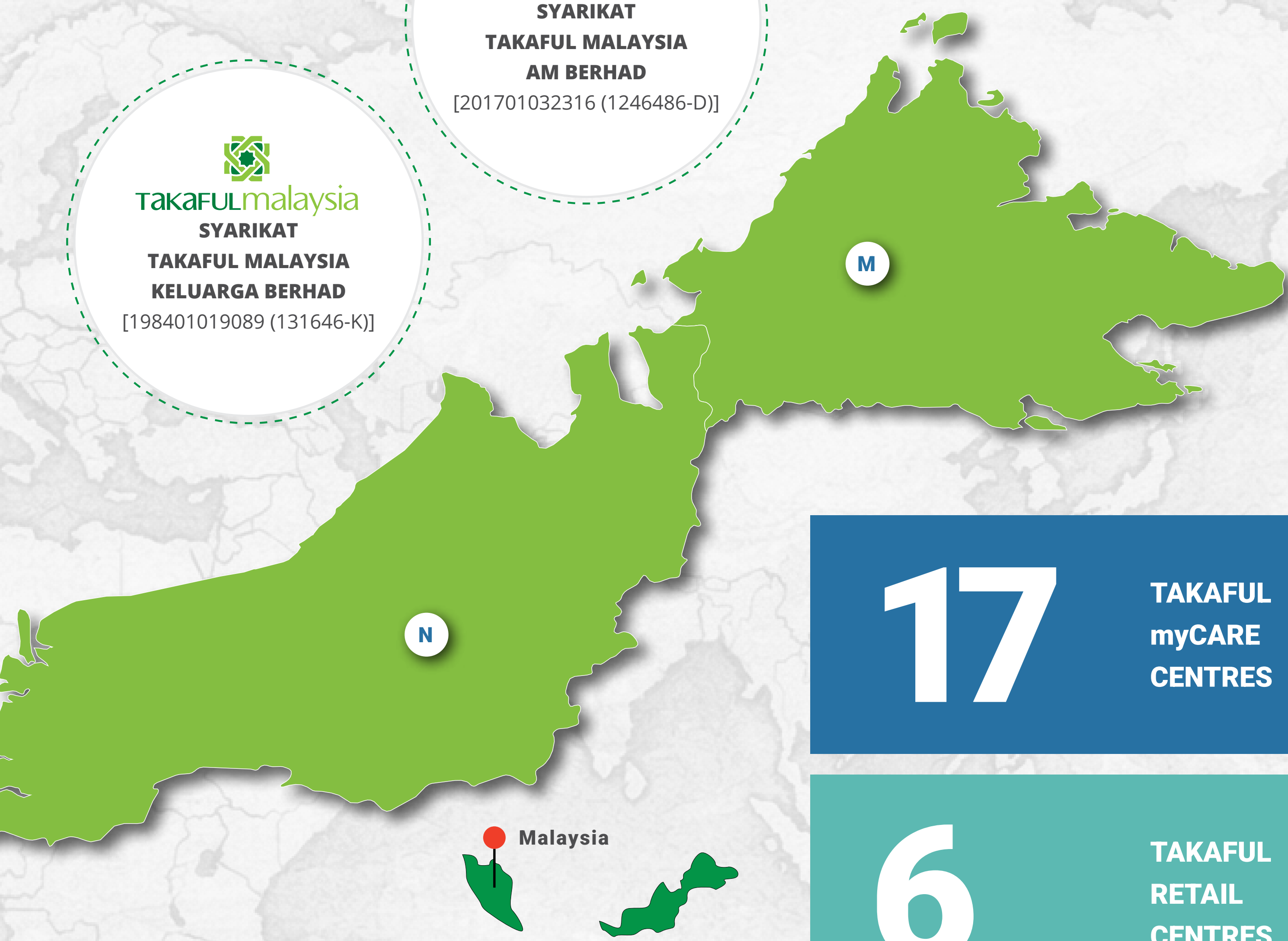
OUR PRESENCE NATIONWIDE

TOTAL NUMBER OF CENTRES

A	KUALA LUMPUR	1	1
B	SELANGOR	1	1
C	PUTRAJAYA	0	1
D	KEDAH	2	0
E	PULAU PINANG	2	0
F	MELAKA	1	1

SYARIKAT TAKAFUL MALAYSIA AM BERHAD
[201701032316 (1246486-D)]

SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD
[198401019089 (131646-K)]



17 TAKAFUL myCARE CENTRES

6 TAKAFUL RETAIL CENTRES

State	Takaful myCARE Centres	Takaful Retail Centres	
NEGERI SEMBILAN	1	0	G
PERAK	0	1	H
KELANTAN	1	0	I
PAHANG	2	0	J
TERENGGANU	1	0	K
JOHOR	2	1	L
SABAH	1	0	M
SARAWAK	2	0	N

WHAT MAKES US DIFFERENT

Our position in the Takaful industry is anchored by long-standing experience, disciplined execution and the ability to respond to evolving customer needs. With leadership in key segments and a strong digital presence, we remain focused on delivering value to customers while building resilience and long-term growth for the Group.

MARKET SHARE AND RANKING

MARKET SHARE

FAMILY TAKAFUL BUSINESS

27.9%

GENERAL TAKAFUL BUSINESS

23.7%

INDICES REPRESENTATION

Bursa Malaysia

FTSE Bursa Malaysia Mid 70 Index

FTSE Bursa Malaysia Top 100 Index

FTSE Bursa Malaysia Emas Shariah Index

RANKING

Ranked

#1 Leading

Family Takaful Operator*

2nd Largest

General Takaful Operator

* *Sourced from ISM Statistical Bulletin 2025, where total new business contribution consists of 100% single contribution and 100% regular contribution products.*

GROUP CORPORATE STRUCTURE

OUR COMPETITIVE ADVANTAGE

We create value for our business and stakeholders through four key strengths:

Established Market Leadership and Trusted Brand

With over four decades of experience as Malaysia's first takaful operator, we have built a strong and trusted brand, supported by deep industry knowledge, long-standing customer relationships, and a nationwide presence across both Family and General Takaful businesses.

Consistent Financial Performance and Capital Discipline

Our track record of consistent profitability, underpinned by disciplined capital management and prudent risk practices, enables us to deliver sustainable returns to shareholders while maintaining financial resilience to support future growth.

Diversified and Integrated Business Model

We maintain leadership positions across key segments including Bancatakaful, LPPSA, Employee Benefits, Family Retail and General Takaful, enabling us to offer comprehensive, end-to-end Shariah-compliant protection solutions to individuals, corporates and institutions.

Scalable Digital Capabilities and Customer-Centric Innovation

Our scalable digital capabilities, anchored by **KAOTIM**, enhance accessibility, affordability and efficiency across our retail takaful offerings. The platform incorporates AI-enabled customer engagement tools, digital financial planning calculators and a simplified claims journey, supporting seamless onboarding and technology-enabled customer-centric growth.

National Commitment and Strong Institutional Shareholder Support

Backed by leading Malaysian institutional shareholders including Lembaga Tabung Haji, the Employees Provident Fund (EPF) and Kumpulan Wang Persaraan (KWAP), we are uniquely positioned to support national priorities while delivering long-term, sustainable value. This strong institutional support enhances governance, financial resilience and reinforces our role in contributing to Malaysia's socio-economic development.

SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD
[198401019089 (131646-K)]

SUBSIDIARY COMPANIES

100% — **SYARIKAT TAKAFUL MALAYSIA AM BERHAD** [201701032316 (1246486-D)]

56.0% — **P.T. SYARIKAT TAKAFUL INDONESIA**

42.73% — **P.T. ASURANSI TAKAFUL KELUARGA**

57.24% — held by P.T. SYARIKAT TAKAFUL INDONESIA in P.T. ASURANSI TAKAFUL KELUARGA

CHAIRMAN'S STATEMENT

GUIDED BY PURPOSE, GOVERNED WITH DISCIPLINE

بِسْمِ ٱللَّهِ ٱلرَّحْمَٰنِ ٱلرَّحِيمِ

(In the Name of Allah, the Most Gracious, the Most Merciful)

Dear Shareholders,

It is a privilege to address you for the first time as Chairman of Takaful Malaysia. As Malaysia's pioneering takaful operator, the Group has built a legacy of Shariah-compliant protection and service to participants spanning more than four decades. Today, Takaful Malaysia is the nation's leading family takaful operator, and I am honoured to assume the stewardship of an institution with strong foundations and a clear sense of purpose.

As the Group continues to innovate its approach to protection and position itself for the future, I look forward to working with the Board in providing effective governance, sound oversight and steady strategic direction, building on the platform established by my predecessors.

Dato' Charon Wardini bin Mokhzani
Chairman

NAVIGATING ECONOMIC UNCERTAINTY

The year was shaped by continued global economic uncertainty, heightened geopolitical tensions and evolving regulatory expectations across the financial sector. Against this backdrop, our focus remained on sustaining confidence in the organisation through sound internal controls, regulatory compliance and the strengthening of operational and technological capabilities.

Notwithstanding these factors, the Group delivered its strongest financial performance to date, as detailed in the Group Chief Executive Officer's and Group Chief Financial Officer's statements.

STRENGTHENING GOVERNANCE AND RISK OVERSIGHT

During the year, key risks were reviewed, including climate-related exposures informed by the Climate Risk Stress Testing exercise, cyber resilience and information security, and broader operational risks. Management provided regular updates on these matters, with significant issues escalated to the Board and its committees for deliberation and, where appropriate, direction. Revisions were also made to key governance policies and oversight frameworks, including limits of authority as well as Board composition and competency requirements, to ensure continued alignment with regulatory expectations and organisational needs.

As technology risk continues to grow in prominence, a Group Digital Committee was established to provide dedicated Board-level oversight of technology and digital matters.

Artificial intelligence, in particular, presents a range of opportunities and risks for the takaful industry, and the Board is closely monitoring developments in this fast-evolving technology area to ensure the Group's approach remains considered and well-governed.

> The committee helped guide the development of the IT Digital Roadmap 2025–2028, which will support the responsible adoption of emerging technologies in ways that balance innovation with appropriate risk management.

CHAIRMAN'S STATEMENT

ADVANCING SUSTAINABILITY AND VALUE-BASED INTERMEDIATION

As a takaful operator, Shariah compliance is foundational to the Group's purpose and the way we conduct our business and our products are designed accordingly.

> During the year, the Group strengthened its sustainability governance processes and progressed several Value-Based Intermediation for Takaful initiatives aimed at promoting responsible conduct and financial inclusion across our operations.

Another milestone was the publication of the Group's inaugural ISSB Statement, which followed a comprehensive assessment of its climate-related risks and opportunities, in line with IFRS S2 (Climate-related Disclosures).

Moving forward, the Group will continue to manage sustainability as an integral part of risk management, ensuring that environmental, social and governance factors are fully embedded within its decision-making processes. This will support the Group's progress towards full compliance with the National Sustainability Reporting Framework (NSRF) requirements by the FY2027 reporting deadline.

BUILDING CAPABILITY AND CONTINUITY

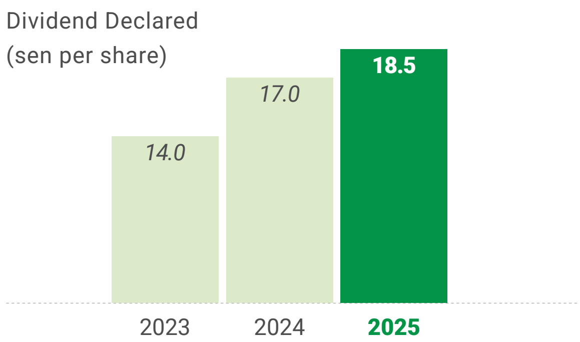
The Group's ability to achieve its goals depends fundamentally on the capability and readiness of its people. To this end, focused efforts were made during the year to strengthen leadership depth and succession planning, while Management continued to build technical expertise across key operational and specialist areas.

The first cohort of the Structured Leadership Programme, delivered in partnership with Melbourne Business School, recorded 83 graduates, with 14 alumni subsequently promoted. These efforts support the organisation's ability to maintain the skills, judgement and succession capacity required to operate effectively in an increasingly complex environment.

DELIVERING SHAREHOLDER RETURNS

The Group's strong financial performance enabled it to deliver sustained returns to shareholders. An interim single-tier dividend of 18.5 sen per ordinary share (equating to a RM161.4 million total payout) was declared for FY2025, an increase from 17.0 sen in the prior year.

FINANCIAL PERFORMANCE



Refer to page 33 for the Financial Summary.

> Sustainability is a core consideration in dividend decisions, with the need to balance competitive payouts with the retention of reserves for reinvestment and long-term growth, while taking into account the Group's capital position and regulatory requirements.

In pursuing this balance, transparent and constructive engagement with the investment community remains a key priority. Through continued improvements in corporate communication and disclosures, the Group seeks to support a clearer understanding of its strategy, performance and long-term outlook among shareholders.

ENGAGING WITH STAKEHOLDERS

Beyond shareholders, the Board continued to engage actively with key stakeholder groups over the past year. Ongoing dialogues with Bank Negara Malaysia and Bursa Malaysia ensured that the Board and Management remained abreast of developments within the regulatory landscape, while also identifying opportunities for collaboration and long-term growth. In parallel, the Group reinforced its commitment to shared value creation through regular engagement with employees and customers, seeking to better understand their evolving needs and perspectives, and to develop solutions that are mutually beneficial and sustainable over time.

LOOKING AHEAD

Looking ahead, the financial services sector will continue to face evolving regulatory requirements, including enhanced sustainability and climate-related disclosures, alongside ongoing technological change and broader economic and geopolitical uncertainty. Climate risk, cybersecurity and the need to keep pace with technological developments remain key areas of focus, alongside talent attraction and retention.

The Group's strong fundamentals, rooted in disciplined underwriting practices, a resilient business model and an established distribution platform, will be key to navigating and succeeding in this environment. The Board is focused on supporting the innovation needed to adapt and succeed, while maintaining the Group's stability and sustaining the trust of our participants, shareholders and stakeholders in the years ahead.

BOARD TRANSITION & ACKNOWLEDGEMENTS

During the year, the Board welcomed new members who bring fresh perspectives to its deliberations and oversight. This included the appointments of Puan Azizah binti Ali and Datin Paduka Kartini binti Hj. Abdul Manaf, with the latter succeeding Datuk Syed Hamadah Syed Othman as representative of Lembaga Tabung Haji.

On behalf of the Board, I would like to express my sincere gratitude to my predecessor, Dato' Mohammed bin Hussein, for his leadership and service to Takaful Malaysia since 1 April 2020. His stewardship guided the Group through an important period and strengthened the foundations on which we continue to build.

I also wish to acknowledge the continued engagement of our regulators, in particular Bank Negara Malaysia and Bursa Malaysia, for their guidance and constructive feedback throughout the year. We extend our appreciation to the Shariah Advisory Body (SAB) for its counsel, and to our external partners, including auditors, advisers and professional consultants, for their support and expertise.

Finally, I thank my fellow Directors, senior management and all Takaful Malaysia employees for their commitment and effort, which continue to strengthen the Group's foundations and lay the groundwork for sustainable value creation for our business, as well as the people and communities we serve.

Thank you.

Dato' Charon Wardini bin Mokhzani
Chairman

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

INNOVATING FOR PROTECTION AND PROGRESS

سْمِ ٱللَّهِ ٱلرَّحْمَٰنِ ٱلرَّحِيمِ

(In the Name of Allah, the Most Gracious, the Most Merciful)

Dear Shareholders,

FY2025 was a year defined by disciplined execution and resilient performance. Amid changing cost dynamics, industry-wide claims pressures and increasing regulatory expectations, the Group delivered steady growth in revenue and profit, reflecting a sharpened focus on the fundamentals of our business.

Throughout the year, we focused on innovating our solutions for customers – enhancing service delivery, expanding product offerings across multiple channels and strengthening our digital platforms. These efforts were complemented by continued investments in building digital capabilities across the organisation, alongside sustained emphasis on business portfolio management.

We also reinforced operational reliability, improved service delivery and maintained prudent underwriting standards. Our disciplined approach to distribution productivity and cost management enabled the Group to effectively mitigate risks while protecting earnings quality.

As our operating environment evolves, we are committed to strengthening customer trust in Shariah-compliant protection solutions, investing in capabilities that enhance efficiency and drive innovation, and positioning Takaful Malaysia to deliver sustainable long-term value for all stakeholders.

Nor Azman bin Zainal
Group Chief Executive Officer

ECONOMIC AND INDUSTRY OVERVIEW

The global environment in FY2025 was shaped by geopolitical tensions, trade uncertainties, and persistent inflationary pressures. In Malaysia, consumer sentiment held largely steady, supported by stable employment conditions, although cost-of-living pressures continued to influence spending decisions.

The nation's economy recorded growth of 5.2% for the year to reach a Gross Domestic Product (GDP) of RM2.02 trillion, bolstered by fourth quarter growth of 6.3%, while Gross National Income (GNI) per capita rose by 4.1% to RM57,070, from RM54,804 in 2024.

The takaful sector continued to record steady growth, underpinned by sustained demand for credit-related protection, medical coverage and family protection solutions, alongside the increasing adoption of digital technologies across the industry.

As at the second quarter of FY2025, the Family Takaful penetration rate stood at approximately 19.5% of the population, with insurance and takaful spending at approximately 1.4% of GDP. Nevertheless, protection coverage in Malaysia is relatively modest, with significant scope to deepen financial protection among individuals, households and businesses.

▶ Market Dynamics

During the period under review, Takaful operators faced a challenging operating environment shaped by regulatory developments, changing cost structures, evolving market dynamics, and intensified competition. Restricted pricing flexibility in key business lines was a further obstacle, constraining operators' ability to adapt pricing strategies in response to rising claims costs and placing sustained pressure on earnings across the industry.

Regulatory and supervisory expectations also increased, with a stronger emphasis on industry resilience and customer protection. Enhanced onboarding and screening requirements, together with stricter data privacy standards, have added to compliance complexity and reinforced the need for disciplined execution across all aspects of customer acquisition and fulfilment. In parallel, Bank Negara Malaysia (BNM) is enhancing its Risk-Based Capital (RBC) Framework, with a revised framework expected around 2027. The changes are anticipated to introduce more granular risk categories and a more robust approach to capital assessment, better reflecting the actual risk profiles of insurers and takaful operators.

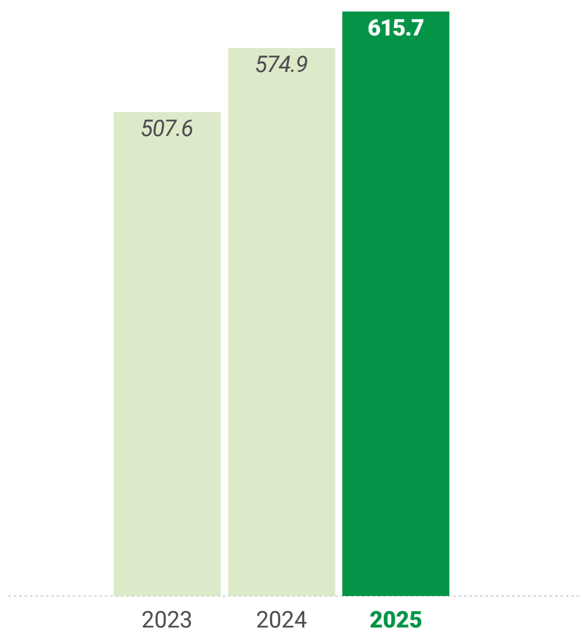
At the same time, rising healthcare costs have emerged as a key structural challenge. Medical inflation in Malaysia is estimated at around 15% in FY2025, with Medical and Health Insurance and Takaful (MHIT) claims increasingly outpacing contributions. This has necessitated periodic reviews of pricing and product structures, and the industry continues to engage with BNM, the Ministry of Finance (MOF), the Ministry of Health (MOH) and private healthcare providers to identify both immediate and longer-term measures.

These pressures have been accompanied by intensifying competition across both the Family and General Takaful segments, driven by conventional insurers, foreign-backed players and digital operators. Customer acquisition costs have risen as intermediary expectations around remuneration and service responsiveness increased, while customers were highly price-sensitive, often opting for lower contribution rates over wider coverage. This dynamic has increased switching behaviour and reduced tolerance for any shortcomings in service delivery.

In this context, significant investment in digitalisation is essential across the industry. Infrastructure, cybersecurity and system integration are critical to achieving greater operational efficiency and meeting customer expectations, although returns from such initiatives often require extended gestation periods. We have therefore balanced the urgency of digital transformation with disciplined execution, maintaining a focused and measured approach to ensure that these investments deliver sustainable value over time.

FINANCIAL PERFORMANCE

Profit Before Zakat and Tax ("PBZT")
(RM million)



Refer to page 29 for the Financial Summary.

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

DELIVERING SUSTAINABLE GROWTH

Despite a more uncertain global environment, Takaful Malaysia has reaffirmed the robustness and resilience of its business model and strengthened its leadership position in the market.

In FY2025, the Group recorded Takaful revenue of RM3.80 billion and Profit Before Zakat and Tax ("PBZT") of RM615.7 million, both representing the highest levels achieved to date. Gross contributions also reached an all-time high, reflecting the continued effectiveness and strength of our distribution channels and disciplined execution of our business strategies. Total Group assets expanded to approximately RM18.1 billion, further strengthening our financial foundation. Additionally, the Group declared an interim dividend of 18.5 sen per ordinary share, the highest since FY2019, reaffirming our commitment to delivering sustainable returns to shareholders.

Comprehensive details regarding the Group's financial performance are available in the Group Chief Financial Officer's Statement.

STRATEGIC PRIORITIES AND PROGRESS

During the year, the Group focused on extending its leadership in the Family Takaful segment while broadening its General Takaful portfolio to support more balanced and sustainable growth. Priority was also given to developing the retail market through enhanced distribution capabilities, including the expansion of digital channels to improve accessibility and customer experience, as well as strengthening digital security, technology governance and system controls.

Across the Group, we prioritised execution reliability by improving service turnaround, deepening customer engagement and maintaining operational consistency across key distribution channels. These efforts were driven by targeted digital enhancements and continued investments in operating capabilities, ensuring that growth initiatives are delivered on a secure, reliable and well-governed platform.

▸ Strengthening Family Takaful Leadership

The Family Takaful segment achieved growth of 7.7% in FY2025, outperforming the industry's 0.1% growth rate. This performance was driven by ongoing demand for credit-related protection and family protection solutions, as well as effective execution of sales and marketing strategies across the bancatakaful channel, LPPSA segment and employee benefits business. These results strengthened Takaful Malaysia's position as the market leader in Family Takaful, increasing its new business market share to 27.9% in FY2025, compared to 26.4% in the previous year.

Our bancatakaful channel was a key driver of distribution for the Group. Our Retail Banca Advisory proposition was further developed as an advisory-led offering for higher-value customer segments, supported by five partner banks, with the aim of deepening customer engagement and broadening the range of protection and savings solutions available through bancatakaful. In addition, we successfully renewed our bancatakaful partnership with RHB Islamic Bank for another 20 years, ensuring continuity in joint planning, servicing, and execution.

In FY2025, our LPPSA segment delivered new business growth of approximately 20%, driven by our focus on accessible and reliable protection for the civil service. By leveraging our wide-reaching distribution network and maintaining high-quality service as a preferred takaful panel, we provide comprehensive coverage through Mortgage Reducing Term Takaful ("MRTT") and Long Term House Owner ("LTHO") solutions. We sustained our strong presence in the LPPSA space through nationwide distribution and ongoing partner collaboration, reinforcing the strength of this segment within our broader distribution platform.

Our Employee Benefits segment recorded approximately 20% growth in FY2025, reflecting continued demand for structured workplace benefit offerings that combine prudent underwriting with tailored solutions. This segment is an important growth pillar for the Group, with total business written for the year amounting to approximately RM371 million, and we are focused on leveraging technology-driven platforms and effective cost management strategies to ensure sustainable and affordable coverage for members.

▶ Expanding General Takaful Portfolio

Within the General Takaful segment, our focus was on protecting underwriting quality while gradually broadening our portfolio. This resulted in Takaful Malaysia Am recording broad-based growth of 14.4% in FY2025, driven by its motor, fire and personal accident lines, outperforming industry growth of 6.4%.

Motor Takaful continued to serve as a major contributor and an important customer engagement line, although higher claims severity driven by repair costs, including higher parts prices and labour costs, continued to place pressure on underwriting margins.

In non-motor segments, tariff rate adjustments against rising claims costs reinforced the need for prudent underwriting on risk selection and disciplined management of risk exposure, especially in ensuring a sustainable commercial risk portfolio. Attention was focused on driving the growth of selected lines such as fire, personal accident, commercial risks, and specialist segments, including solar-related risks, in line with our risk appetite.

During the past year, we continued to reinforce and rationalise our broker network to support business expansion in selected segments. The focus was on maintaining quality partnerships, improving engagement with active brokers and ensuring alignment with underwriting standards and risk appetite. Broker-generated contributions recorded strong year-on-year growth, driven mainly by fire, which was the largest contributor.

Meanwhile, the agency channel delivered stable growth across both motor and non-motor businesses, underpinned by continued emphasis on needs-based selling and compliance readiness. Together, these distribution channels are integral to our strategy of broadening non-motor contributions while maintaining underwriting quality and portfolio sustainability.

▶ Retail Market Development and Digital Distribution

We are focused on building our Retail Family Takaful business, anchored on a regular contribution model and reinforced by diverse retail distribution channels.

In FY2025, the segment sustained strong growth momentum, recording RM146 million in new business, representing a 59% increase compared to FY2024. This performance was driven by the Retail Banca Advisory channel, the Kaotim digital platform and branch distribution. Our family regular contribution business also expanded its market share to 7% in FY2025, a notable increase compared to 0.8% market share in FY2022.

Our Retail Banca Advisory channel provides tailored takaful solutions across diverse retail customer segments of our bank partners, with a primary focus on Mass Affluent and High-Net-Worth ("HNW") clients. It has become a major contributor to retail family regular contribution production and is now supported by five bank partners. We aim to further deepen customer engagement while broadening the mix of protection and savings solutions delivered through bancatakaful.

Complementing this, the Kaotim platform has evolved into a mass-market distribution channel, backed by an expanded range of products and services. Enhancements introduced during the year include online claims submission, a financial calculator and an AI-powered customer service chatbot, aimed at improving accessibility and service reliability. Looking ahead, we expect Kaotim to develop into a full-fledged digital channel, supported by advanced capabilities to drive its growth.

▶ Strengthening Operating Foundations

Alongside the expansion of our distribution capabilities, we continually invest to strengthen the operational foundations that underpin efficiency and customer service excellence. These efforts encompass enhancements to digital infrastructure, data security initiatives, optimisation of customer service processes, and the advancement of data capabilities designed to facilitate future automation and analytics initiatives.

In FY2025, we launched a seamless, mobile-first customer portal offering real time policy servicing, claims status and secure communications, while AI-powered chatbots provide 24/7 support. Data pipelines were established to support advanced analytics, including sales insights and recommendations for underwriting standards, loss ratio management and profitability, with data structures designed to support future automation initiatives.

Efforts were also made by the management to enhance the customer experience across key touchpoints. Access to customer support was improved through upgrades to our call centre's interactive voice response ("IVR") system, and claims processing procedures were refined to ensure prompt communication from initial notification through to final settlement.

In addition, a comprehensive Motor Claims Charter was published on the corporate website, providing customers with clear guidance through the motor claims process. Customer feedback mechanisms, including tele-assistance surveys, were introduced to identify improvement opportunities. A flood claims awareness campaign was also conducted across digital and social media channels, educating customers on the steps required to submit a flood-related claim.

Moreover, several strategic IT initiatives were implemented, including enhancements in cybersecurity, IT service management and IT asset management. The adoption of cloud-based platforms is anticipated to contribute to accelerated time-to-market and improved digital customer experience, while application modernisation efforts streamline development cycles.

These investments are intended to improve operational efficiency and customer experience across the business, ensuring the Group is well positioned to support growth in a rapidly evolving takaful landscape.

▶ Strengthening Digital Security and Governance

As digital adoption progresses throughout the Group, our commitment to robust cybersecurity, data protection and governance standards is unwavering.

Over the past year, we enhanced our cybersecurity framework through ongoing risk assessments and improved monitoring protocols, with updates reviewed systematically by the Group Digital Committee (GDC) and the Board Risk Committee ("BRC"). Data governance practices were also refined to ensure that data management, privacy protection and system integrity are aligned with evolving regulatory expectations.

Beyond technology safeguards, we uphold high standards of ethical conduct and regulatory compliance across the organisation. Our governance framework reinforces adherence to Shariah principles, regulatory requirements and responsible business practices, while appropriate controls and compliance processes support disciplined risk monitoring.

Together, these measures reinforce a secure and trusted operating environment that supports our digital transformation while safeguarding the interests of our customers and stakeholders.

INVESTMENT PORTFOLIO

▶ Prudent Investment Stewardship

The global markets in FY2025 were shaped by heightened volatility amid global trade policy uncertainty and shifting investor sentiment. While expectations of potential monetary easing in major economies provided some support to market sentiment, the Malaysian market recorded a more measured performance relative to regional peers.

During the year, the FTSE Bursa Malaysia KLCI (FBMKLCI) rose 2.3% to close at 1,680 points, while the FTSE Bursa Malaysia Emas Shariah Index (FBMS) declined by 3.9%. The local market lagged the stronger rallies seen across regional peers (Singapore STI +22.2%, Indonesia JCI +20.7%, Taiwan TAIEX +26.9%), partly reflecting persistent foreign outflows and a global investment rotation toward the artificial intelligence-driven technology cycle.

In contrast, the domestic sukuk market was supportive, underpinned by ample liquidity and stable credit conditions, while Bank Negara Malaysia (BNM) executed a pre-emptive 25 basis point cut to the Overnight Policy Rate (OPR) in July to 2.75%. Together with a low inflation environment, this led to a broad compression in Malaysian Government Securities (MGS) yields across the curve, with the 3-year, 10-year and 20-year yields declining by 44, 31 and 22 basis points respectively. The market was further strengthened by sustained Private Debt Securities (PDS) issuance and a commendable third consecutive year of zero corporate defaults.

Against this backdrop, our investment strategy was anchored on prudent portfolio positioning and disciplined asset allocation. With a strategic emphasis on fixed-income instruments, the portfolio continued to deliver stable recurring income, primarily derived from profit and dividends. These sources accounted for more than 95% of total investment income and grew by 6.7% from the previous year, reflecting the portfolio's resilience in preserving capital while managing market volatility. Supported by the continued growth of our takaful business, total assets under management increased to RM14.82 billion, representing growth of 7.5% from the previous year.

In parallel, we continued to deepen the integration of responsible investing into our investment processes. Guided by Environmental, Social and Governance (ESG) principles, we enhanced our risk oversight to ensure the portfolio is resilient to climate-related and transition risks, with our capital allocated to support sustainable, long-term value creation.

MARKET PRESENCE & BRAND EXCELLENCE

▶ Strengthening Brand Trust and Market Recognition

As a pioneer in Malaysia's takaful industry, strengthened by focused Board oversight and experienced leadership, Takaful Malaysia has built a strong reputation founded on stability, service quality and ability to respond to the evolving protection needs of individuals, businesses and communities.

In FY2025, our brand continued to benefit from the strength of our market leadership, disciplined execution and consistent engagement with customers and distribution partners. Our communication and marketing initiatives were focused on strengthening public awareness of takaful protection while reinforcing customer confidence in our products and services through sustained campaigns, media engagement and digital outreach.

The Group's brand strength was further affirmed through independent industry recognition, including being ranked among the Top 10 strongest Malaysian brands by Brand Finance. The Group also received accolades across investment management, Islamic financial services and brand development, reinforcing our standing as one of Malaysia's leading Islamic financial institutions.

Beyond recognition, our focus is on strengthening customer relationships, maintaining service reliability and delivering protection solutions that support the financial well-being of Malaysians.

PEOPLE & ORGANISATIONAL DEVELOPMENT

▶ Building a Future-Ready Workforce

At Takaful Malaysia, our people are central to the execution of our strategy and the delivery of long-term growth. As our operating environment becomes increasingly digital and competitive, we continue to strengthen workforce capabilities to ensure the organisation is agile, performance-driven and future-ready.

During the year, we reinforced a high-performance culture by more closely aligning individual performance, leadership accountability and the Group's strategic priorities. Supporting this, our remuneration and reward framework continues to recognise employees who demonstrate strong delivery, customer focus and leadership in driving business outcomes.

▶ Developing Leadership and Talent Pipeline

Building our leadership bench is a key priority. During the year under review, selected talents were sponsored to attend executive programmes such as the General Management Program by National University of Singapore, enhancing their exposure to global management practices.

Capability development across the wider workforce is of equal importance, with employees participating in technical and professional training covering areas such as risk management, ESG and climate-related reporting, Shariah governance, system training and compliance programmes. These initiatives support the development of a knowledgeable and resilient workforce able to respond to evolving regulatory and industry expectations.

At the same time, we will continue to drive targeted capability development within our Board, equipping members with the tools to effectively oversee and guide our various avenues of investment and transformation.

▶ Strengthening Workforce Capabilities and Engagement

As part of our organisational transformation efforts, the Group continued the phased implementation of a new Human Resource Information System (HRIS) to modernise workforce management and support data-driven decision-making. Phase 1 was successfully launched in August 2025, covering core HR functions such as employee services, payroll, leave management and attendance, with further phases scheduled for completion in FY2026.

Alongside capability development, we are committed to fostering a supportive and inclusive workplace. Employee engagement and wellness initiatives were organised throughout the year to promote collaboration, well-being and a positive working environment. We also expanded our talent pipeline through university partnerships, career fairs and industry engagement programmes, enabling the Group to attract emerging talent while reinforcing Takaful Malaysia's position as an employer of choice within the takaful industry.

PURPOSE AND IMPACT IN TAKAFUL

▶ Advancing Sustainable Takaful Solutions

Sustainability continues to shape how we design and deliver protection solutions at Takaful Malaysia. Our focus is on translating sustainability principles into practical takaful offerings that support communities, promote responsible financial behaviour and contribute to long-term societal well-being, in line with the principles of Value-Based Intermediation for Takaful (VBIT).

During the year, we introduced charity-linked protection features, including the myCharity rider, which enables the additional takaful protection benefit to be channelled to selected charitable causes upon a claim event. We also launched an affordable entry-level protection plan targeted at the lower-income segment. This plan incorporates regular sadaqah contributions while the certificate is in force and pays a lump sum upon an unfortunate event, reinforcing the principles of inclusivity and shared responsibility. These solutions are further supported through our bancatakaful partnerships, enabling broader access to sustainability-focused protection products across different customer segments.

A highlight in sustainable product development during the year was the launch of Personal Cyber Takaful, which addresses the growing exposure of individuals to cyber risks arising from greater reliance on digital platforms. Positioned as a standalone solution focused on individual cyber risks, it offers coverage aligned with everyday digital usage and supports diversification of the General Takaful portfolio. It is available through bancatakaful distribution in collaboration with an Islamic bank partner as well as via the Group's broader distribution network.

Takaful myMedik was introduced in July 2025 to address rising medical costs in Malaysia. Distributed through the agency's digital platform, the proposition enables general takaful agents to guide customers through features, benefits, and claims processes via an end-to-end digital journey. A key differentiator is its fully digital distribution and underwriting process, enabling a faster onboarding experience while maintaining appropriate risk selection standards. Initial volumes are modest, but it establishes an alternative medical solution for customers through our existing general takaful agents, who help us further penetrate the retail market.

Through these initiatives, we continue to strengthen Takaful Malaysia's position as a provider of purpose-driven protection solutions, ensuring that our products deliver not only financial security but also meaningful social impact.

OUTLOOK

Looking ahead, we are confident in our ability to navigate an evolving operating environment while building on our leadership position in Malaysia's takaful industry. In the near term, the industry will continue to face high medical costs and ongoing adjustments in the MHIT segment. At the same time, evolving customer expectations and regulatory developments will require operators to be responsive and adaptable.

Our approach to navigating these challenges is anchored in prudent risk management, disciplined execution and trusted distribution partnerships. These foundations will enable us to continue delivering accessible Shariah-compliant protection solutions, while maintaining responsible, value-based pricing and long-term portfolio stability. This is further reinforced by our strong capital position, which provides the flexibility to pursue strategic priorities while maintaining financial discipline.

Moving forward, we will continue to enhance operational efficiency, strengthen service delivery and expand digital capabilities to improve customer experience and drive distribution productivity across the organisation. Bancatakaful partnerships will be a key growth driver, complemented by the continued development of our retail and digital platforms to deepen customer engagement. At the same time, we will expand our product offerings to better serve individuals, businesses and communities, evolving to meet changing needs and priorities.

Regionally, our Indonesian subsidiary continues to undergo a strategic repositioning of its business model to better align with local market dynamics and customer needs. This initiative is expected to strengthen service delivery while positioning the business to capture long-term opportunities in one of the region's largest Muslim markets.

Through these initiatives, we will continue to strengthen our market position while delivering meaningful protection and supporting long-term progress for our stakeholders.

ACKNOWLEDGEMENTS

I would like to thank our Board for its oversight and guidance throughout the year, which has been valuable in guiding us through a period of planned transition in Board leadership. In particular, I record my appreciation to outgoing Group Chairman Dato' Mohammed bin Hussein for his service and leadership up to his retirement on 31 May 2025, and for the foundations strengthened under his stewardship. On this note, I welcome Dato' Charon Wardini bin Mokhzani, who assumed the role of Group Chairman effective 1 June 2025, and look forward to continuing our shared work in advancing the Group's priorities.

At this juncture, I would also like to thank our customers for their continued trust, and our distribution partners for their support and commitment throughout the year. My sincere appreciation goes to the entire Takaful Malaysia workforce for their professionalism and dedication in sustaining execution standards and service reliability in a demanding operating environment.

Finally, I wish to acknowledge the engagement and guidance of our regulators, particularly BNM and Bursa Malaysia, and the continued support of our shareholders, during the past year. Thank you for your continued support and partnership.

As we move into the year ahead, I am confident in our ability to not only meet but exceed our goals, grounded as ever in the simple yet powerful mission of innovating to enhance protection and drive progress.

Nor Azman bin Zainal
Group Chief Executive Officer

GROUP CHIEF FINANCIAL OFFICER'S STATEMENT

STABILITY AND DILIGENCE IN CHALLENGING CONDITIONS

Dear Shareholders,

2025 was a year of meaningful headwinds, from the global fallout of US-led tariffs to the impact of an OPR rate cut on domestic investment markets. Despite these pressures, the Malaysian economy remained broadly resilient, and Takaful Malaysia delivered growth in both revenue and profits. As Malaysia's first Takaful operator, our established brand and diversified business model continue to underpin our position as market leader across both the Family Takaful and General Takaful segments.

Our strategic priorities remain consistent: to defend and grow our leadership in Family Takaful through Bancatakaful, Federal Treasury and employee benefits; to accelerate General Takaful ahead of the industry; and to build the Family Takaful retail business into a material segment of the Group.

This year, Takaful Malaysia achieved an all-time high in Group Takaful Revenue of RM3.80 billion, and Group Profit Before Zakat and Tax of RM615.7 million, reflecting the sustained execution of our strategy across Family Takaful and General Takaful. Our robust capital position enabled us to maintain a progressive approach to dividends.

New Kheng Chee
Group Chief Financial Officer

FINANCIAL PERFORMANCE

Dividend Declared
18.5 sen per share or RM161.4 million

Profit Before Zakat and Tax ("PBZT")
RM615.7 million

Group Takaful Revenue
RM3.80 billion

MAINTAINING GROWTH AMIDST UNCERTAINTIES

Domestically, Malaysia's GDP growth of 5.2% in 2025 came in ahead of the official forecast range of 4.0% to 4.8%, and the ringgit was among the stronger performers against major global currencies during the year. On the external front, the implementation of US-led tariffs weighed on investment markets and broader economic sentiment, depressing our local stock exchange and prompting Bank Negara Malaysia (BNM) to cut the OPR by 25 basis points in Q3 2025 to help buffer the anticipated drag on GDP growth.

Cost inflation in the private medical insurance and Takaful market continued to exert pressure throughout 2025. Sustained upward movement in premiums and contributions prompted the formation of a broad-based national working group, bringing together the Ministry of Health, the Ministry of Finance, BNM and private sector associations representing the insurance, Takaful and private hospital industries. The sustained pricing pressure weighed on new business growth across the life insurance and family takaful industry – headwinds that Takaful Malaysia navigated through the depth and diversification of our channel platform, enabling the Group to sustain growth across multiple segments even as parts of the industry faced contraction.

Group gross contributions reached an all-time high of **RM4.53 billion**, reflecting overall growth of 10.4%.

Family Takaful grew 8.3% to RM2.96 billion and General Takaful grew 14.4% to RM1.57 billion, with both segments benefiting from strong momentum in Federal Treasury, employee benefits and General Takaful retail. Within Family Takaful, the retail business continued to scale rapidly, recording growth above 50% in 2025, albeit from a developing base.

The Group's net profit remained resilient, growing 2.1% to RM386.1 million, and our robust capital structure supported a progressive dividend of 18.5 sen per share, up from 17 sen declared for FY2024. During 2025, the Group successfully accessed the debt capital market through its maiden issuance of RM500 million in subordinated Tier-2 sukuk, which was assigned a rating of AA3. Our sukuk issuance attracted strong investor interest and was more than four times oversubscribed.

GROUP CHIEF FINANCIAL OFFICER'S STATEMENT

SUSTAINING LEADERSHIP THROUGH LONG-TERM STRATEGIES

The Group's long-term strategic focus is organised around three priorities:

Retaining leadership in the Malaysian Family Takaful segment
The industry growth rate was 0.1% in 2025. In comparison, we delivered 7.7% growth, outperforming the market. Industry conditions remained challenging, driven largely by ongoing medical Takaful/insurance contribution and premium repricing. Our diversified channels enabled the Group to sustain momentum despite broader industry contraction. In particular, we secured extensions to our Bancatakaful partnerships, providing a platform for continued stable growth alongside our key partners.

Expanding presence in the Family Takaful retail market
Regular contribution products continue to generate strong new business growth, in excess of 50% per annum, and form the core of our Family Takaful retail production. Whilst the base remains small, the strategy is to build this into a material portfolio for the Group. In 2025, growth was propelled by the Bancatakaful channel, where rising customer readiness for individual protection and savings products is translating into tangible new business momentum.

Delivering strong growth in General Takaful business
Our General Takaful business recorded a strong growth rate of 14.4%, with Fire and Motor recording particularly strong performances. We continue to invest in best-in-class products and service capability, and are expanding digital touchpoints to enhance the customer experience.

FINANCIAL PERFORMANCE

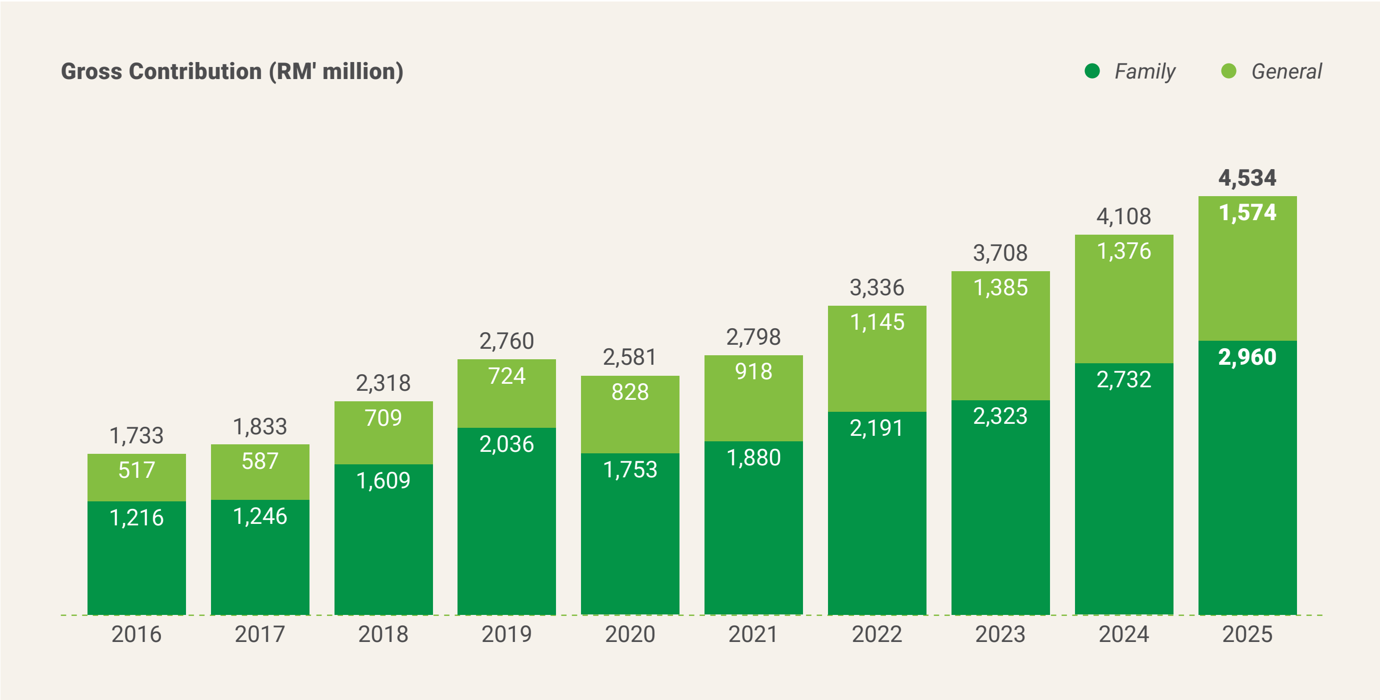
▶ Operating Revenue and Profit

The results for 2025 reflect the continued maturation of the Group's diversified business model, which proved its value in an uneven operating environment. The Group recorded Takaful Revenue of RM3.80 billion in 2025 – the highest on record – against 2024's RM3.58 billion. Growth was driven by positive momentum across both Family Takaful and General Takaful, with significant gains in Fire, Motor, LPPSA and employee benefit plans.

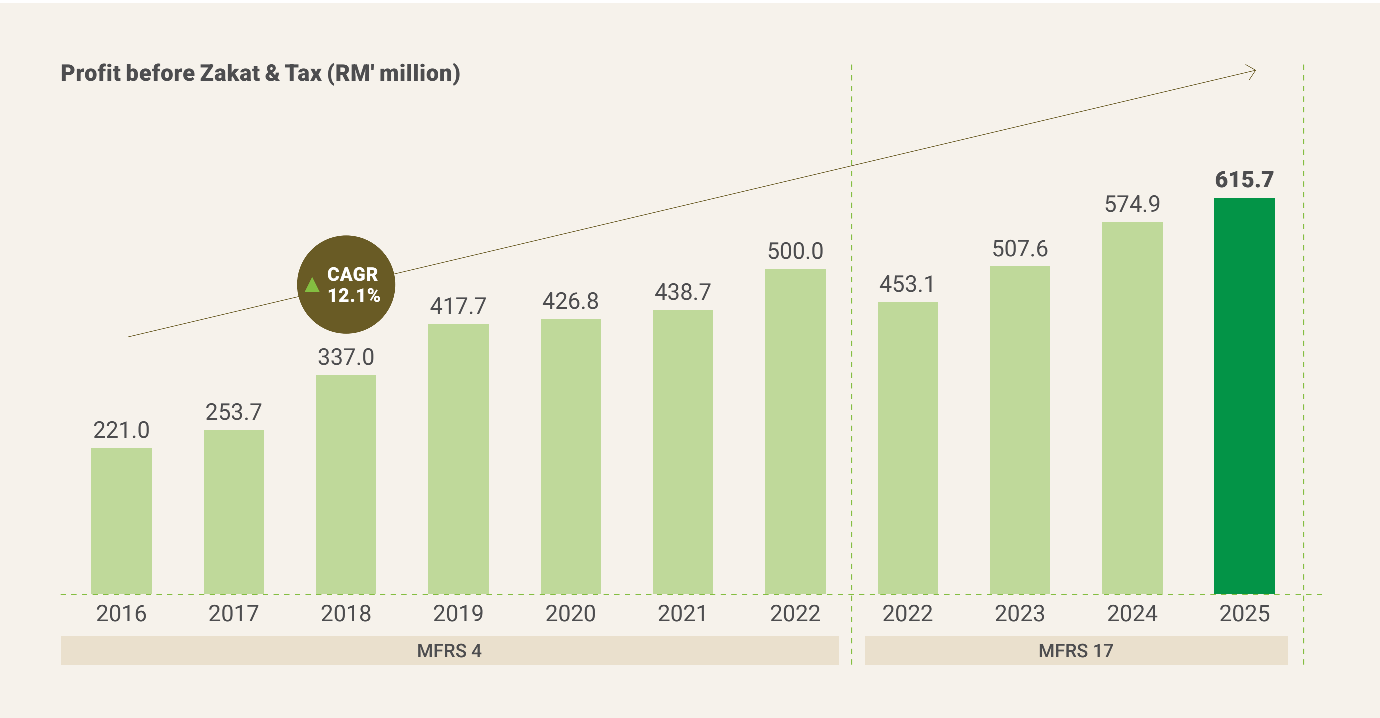
The Group recorded Profit Before Zakat and Tax ("PBZT") of RM615.7 million for FY2025, an increase of RM40.8 million compared to 2024's RM574.9 million. The increase was principally driven by higher Contractual Service Margin ("CSM") release from the Family Takaful business, together with an increase in investment income. Under MFRS 17, profit is recognised progressively over the service period of each policy rather than at inception, meaning current earnings reflect the quality of business written in prior periods as much as the current year's underwriting activity. Group Profit After Zakat and Tax ("PAZT") improved to RM386.1 million, against RM378.1 million in 2024.

Earnings Per Share ("EPS") for 2025 was 44.16 sen against 2024's 45.16 sen, largely reflecting a higher weighted-average share base following the additional shares issued in January 2025 under the Dividend Reinvestment Plan for FY2024. Return on Equity declined from 21.0% in 2024 to 18.4% in 2025, attributable to the expanded equity base; this nonetheless remains within the 15% to 20% band, which is industry-leading.

Revenue and Profit Trend



The Group's Gross Contribution of RM4.53 billion in 2025 was the highest on record, reflecting more than a decade of consistent annual growth across diversified business channels.



At RM615.7 million, FY2025 PBZT represents the Group's strongest ever result, consistent with the sustained gross contribution growth trajectory of the past decade.

GROUP CHIEF FINANCIAL OFFICER'S STATEMENT

The Group's profitability was principally derived from three sources:

CSM and Risk Adjustments release, largely from our credit business, which constitutes **more than 50% of PBZT**	Profit release from our General Takaful businesses, which constitutes **more than 20% of PBZT**	Investment income directly attributed to the shareholders' fund, constituting around **20% of PBZT**

The Group's focus on growing the retail segment in Family Takaful reflects the significant market opportunity evidenced by sustained growth rates above 50%, while the identification of further high-growth channels and products remains an ongoing priority.

RM in Million	1 January 2022	31 December 2022	31 December 2023	31 December 2024	31 December 2025
Shareholders' Equity	1,273.0	1,409.9	1,679.0	1,917.3	**2,260.9**
CSM (less deferred tax)	786.6	947.0	926.0	1,040.9	**1,100.5**
Total	2,059.6	2,356.9	2,605.0	2,958.2	**3,361.4**

The Group's adjusted shareholders' equity inclusive of CSM (net of deferred tax) stood above RM3 billion at 31 December 2025, reflecting steady growth since MFRS 17's implementation date of 1 January 2022. This strengthening equity and CSM base underpins the Group's net asset value.

SEGMENTAL CONTRIBUTION

Family Takaful

For the Family Takaful segment, Takaful Revenue growth was 10.4%, ending at RM2.16 billion in 2025, underpinned by strong performances in the LPPSA and employee benefit segments. Both channels continued to build on the foundations established in prior years, contributing meaningfully to the segment's overall growth trajectory.

2025's investment income was RM382.1 million, although there were some impact from unfavourable market value movements on investment in securities.

General Takaful

Following the deliberate portfolio rebalancing undertaken in 2024, which prioritised underwriting quality over volume, the General Takaful segment returned to a strong growth footing in 2025. The segment recorded Takaful Revenue of RM1.44 billion during 2025, with Fire and Motor Takaful remaining the primary growth drivers.

Investment income for the General Takaful business grew to RM68.1 million in 2025, up from RM57.9 million in 2024, reflecting the continued expansion of the investment portfolio.

Indonesian operations

Indonesia remains a strategically important market, offering long-term growth potential in a large and underpenetrated Takaful landscape. Competitive intensity remained high in 2025; notwithstanding this, Takaful Revenue recorded slight growth, ending the year at RM65.5 million.

Investment income improved to RM21.7 million in 2025, reflecting portfolio growth of RM8.2 million. PBZT was stable at RM2.2 million, an increase of RM2.9 million compared to 2024.

FINANCIAL POSITION AND CASH FLOW

Total assets grew to RM18.07 billion at end 2025, underpinned by growth in both investments and cash and cash equivalents.

Total investments grew by approximately 6.6%, ending the year at RM11.27 billion, with growth principally driven by the sukuk portfolio, which closed 2025 at RM9.56 billion. Equity investments were broadly unchanged against 2024, reflecting the more challenging market conditions during the year.

Cash and cash equivalents increased by RM516.8 million to RM1,166.3 million, driven by a net increase in fixed and call deposits with maturity of less than three months, together with receipts of contributions from customers.

Total liabilities increased to RM15.77 billion from RM14.75 billion in 2024, driven primarily by growth in Takaful contract liabilities, itself a function of new business expansion. The net CSM balance totalled RM1.45 billion at end 2025.

Shareholders' equity grew by RM343.5 million to RM2.26 billion, ending 2025 above the RM2 billion mark. This was supported by net profit generated during the year and by the new shares issued in January 2025 under the Dividend Reinvestment Plan for FY2024's dividend. The Group maintained a prudent approach to capital management throughout, with balance sheet resilience and funding flexibility remaining priorities in line with our risk appetite and regulatory requirements.

Dividend

The Group's dividend policy is guided by regulatory capital requirements, balancing the return of value to shareholders with the need to maintain financial resilience in support of continued business growth.

The Company announced an interim dividend of 18.5 sen per ordinary share for the financial year ended 31 December 2025, compared with 17 sen in 2024. 2025's interim dividend translates into a dividend yield of 6.0% (FY2024: 4.4%), based on the closing market price for Takaful Malaysia of RM3.10 per share on 31 December 2025. Dividend decisions remain subject to Board and regulatory approval, and are assessed in the context of the Group's capital position and earnings profile.

OUTLOOK

The 2026 economic outlook carries a degree of caution. The Malaysian government projects GDP growth moderating to between 4.0% and 4.5%, though BNM has noted potential upside from a stable monetary environment. The OPR is expected to remain unchanged barring further adverse developments, although global political and trade dynamics and the trajectory of household debt will remain key factors to monitor. For the Takaful and insurance market, product pricing discipline and affordability will continue to shape customer acquisition strategies across the industry.

Insurance and Takaful penetration in Malaysia remains lower than in more developed markets, presenting meaningful long-term opportunities across protection, savings and retirement plans. The Group remains well placed to capture a growing share of this underserved market.

Within the Family Takaful segment, the Group will continue to focus on our strength in Bancatakaful, Federal Treasury and employee benefits, while continuing to expand into the retail sub-segment.

Our General Takaful segment is well positioned to capture further growth, with a focus on product innovation, channel expansion and maintaining a balanced motor-to-non-motor portfolio. With only four licensed operators in this market, the Group's scale and track record provide a durable competitive advantage as Takaful continues to gain traction as the product of choice among Malaysian consumers and businesses. The Group's financial strength and disciplined capital management provide a stable foundation from which to pursue these opportunities with confidence.

New Kheng Chee
Group Chief Financial Officer

GROUP CHIEF FINANCIAL OFFICER'S STATEMENT

5-YEAR GROUP FINANCIAL SUMMARY

	Financial Year Ended 31 December				
	2021[2]	2022[3]	2023[3]	2024[3]	2025[3]
Takaful Revenue/ Operating Revenue (RM million)	3,179.0	2,570.5	2,942.1	3,575.8	**3,804.7**
Profit Before Tax After Zakat (RM million)	437.4	444.3	497.5	561.8	**599.6**
Profit After Zakat and Tax (RM million)	412.2	283.4	347.1	378.1	**386.1**
Total Assets (RM million)	12,708.8	13,309.7	14,675.9	16,702.5	**18,066.1**
Shareholders' Fund (RM million)	1,808.6	1,409.9	1,679.0	1,917.3	**2,260.9**
Market Capitalisation (RM million)	3,091.8	2,880.3	3,098.0	3,257.1	**2,703.8**
Interim Dividend per Share					
- Ordinary Share (sen)	12.00	13.50	14.00	17.00	**18.50**
Dividend Declared (RM'000)	100,275	113,036	117,223	142,342	**161,354**
Return on Equity[1]	24.8%	21.1%	22.5%	21.0%	**18.4%**
Takaful Revenue Growth[3]	-	-	14.5%	21.5%	**6.4%**
Operating Revenue Growth[2]	7.5%	18.4%	-	-	**-**
Basic Earnings per Ordinary Share (sen)	49.43	33.82	41.43	45.16	**44.16**
Diluted Earnings per Ordinary Share (sen)	49.27	33.81	41.43	45.16	**43.98**
Net Asset Value per Ordinary Share (RM)	2.16	1.68	2.01	2.29	**2.59**

1 *The average of the opening (1 January) and closing (31 December) balances of Shareholders' Fund have been used in the computation of Return on Equity*
2 *Represent number under MFRS 4*
3 *Represent number under MFRS 17*

5-YEAR FINANCIAL HIGHLIGHTS

Total Family Takaful Gross Contribution (RM in Million)

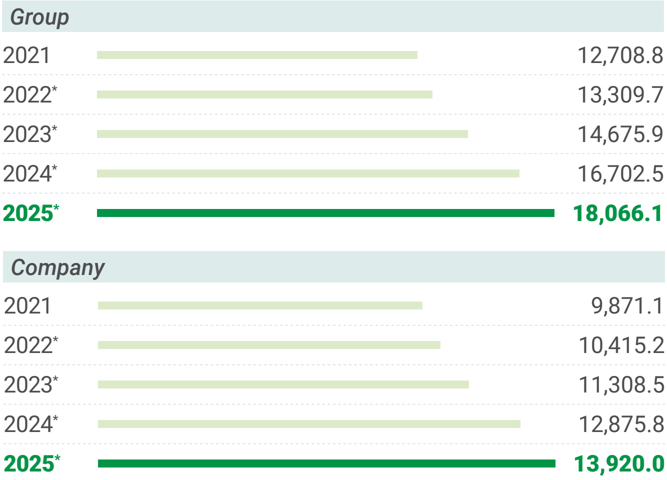
Group	
2021	1,879.6
2022	2,191.0
2023	2,323.1
2024	2,731.9
2025	**2,959.8**

Company	
2021	1,771.7
2022	2,070.2
2023	2,216.7
2024	2,644.4
2025	**2,847.7**

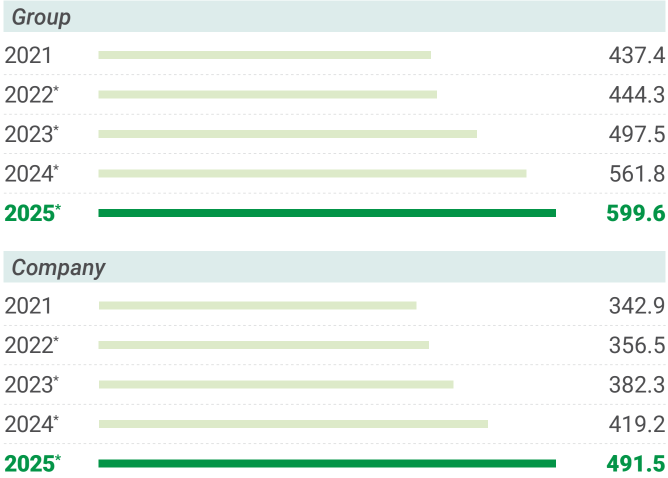
Total General Takaful Gross Contribution (RM in Million)

Group	
2021	917.8
2022	1,144.6
2023	1,384.5
2024	1,375.9
2025	**1,573.8**

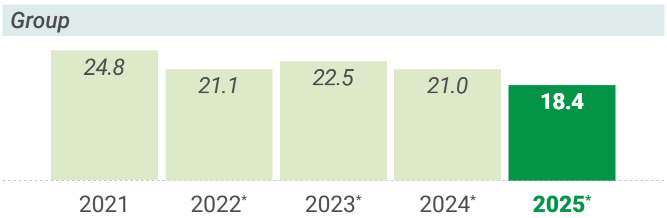
Total Assets (RM in Million)



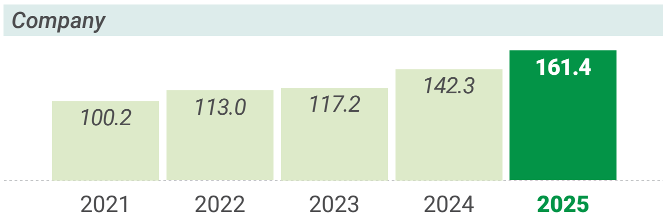
Profit Before Taxation After Zakat (RM in Million)



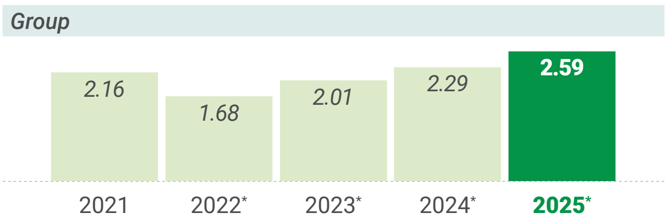
Return on Equity (%)



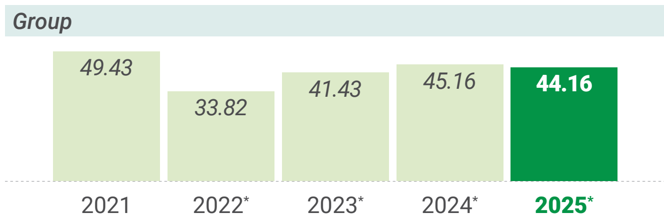
Dividend Declared (RM in Million)



Net Assets per Share (RM)



Earnings per Share (sen)



* *Application of MFRS 17*

QUARTERLY PERFORMANCE

	2025				
RM'000	**Q1**	**Q2**	**Q3**	**Q4**	**Year**
Takaful Revenue	**980,615**	**867,109**	**902,837**	**1,054,152**	**3,804,713**
Profit Before Zakat and Tax	**151,137**	**135,895**	**180,992**	**147,629**	**615,653**
Profit After Zakat and Tax	**94,593**	**83,851**	**115,341**	**92,343**	**386,128**
Earning per Share (sen)	**10.84**	**9.61**	**13.23**	**10.43**	**44.11**
Dividend per Share (sen)	**-**	**-**	**-**	**18.50**	**18.50**

	2024				
RM'000	**Q1**	**Q2**	**Q3**	**Q4**	**Year**
Takaful Revenue	826,027	862,473	975,979	911,272	3,575,751
Profit Before Zakat and Tax	150,272	136,631	148,332	139,659	574,894
Profit After Zakat and Tax	102,280	93,678	100,508	81,600	378,066
Earning per Share (sen)	12.22	11.12	12.02	9.80	45.16
Dividend per Share (sen)	-	-	-	17.00	17.00

KEY MARKET TRENDS

The Takaful and insurance landscape continues to evolve rapidly, shaped by digital innovation, shifting customer behaviours, regulatory developments and a more complex global risk environment.

Amid these dynamics, we remain proactive in identifying emerging trends, managing evolving risks and capturing sustainable growth opportunities to strengthen our long-term resilience, competitiveness and value creation for stakeholders.

1 GLOBAL & DOMESTIC ECONOMIC CONDITIONS

Global economic growth moderated during the year amid persistent geopolitical tensions, implementation of tariffs by the United States of America and inflationary pressures. While inflation showed signs of easing, financial market volatility and external uncertainties continued to weigh on global sentiment.

Domestically, Malaysia's economy remained resilient, supported by stable employment conditions, sustained domestic demand and policy support measures. However, cost-of-living pressures continued to affect household spending patterns and business operating costs.

Implications on Our Strategy

Risks
- Slower economic growth potentially affecting contribution growth and persistency
- Increased claims volatility and underwriting risk amid financial stress
- Investment market fluctuations impacting our returns and capital position
- Affordability constraints, driven by relatively high household debt levels, limiting customer disposable income and affecting purchasing behaviour

Opportunities
- Ongoing protection gap creating opportunities for growth in the Takaful market
- Rising awareness of financial protection amid economic uncertainty
- Demand for essential and value-driven protection solutions
- Opportunities to optimise investment portfolios in a stabilising rate environment
- Enhanced advisory role in helping customers manage financial risk

Our Response
- Maintained prudent underwriting and pricing discipline across Family Takaful and General Takaful
- Optimised our investment strategies to balance yield enhancement with capital preservation
- Prioritised essential and affordable protection products aligned with customer needs

Outlook

Global growth is expected to remain moderate, weighed down by geopolitical tensions, particularly in the Middle East, while domestic demand is projected to remain resilient, underpinned by stable economic fundamentals.

We will continue to prioritise disciplined growth, prudent capital management and customer-focused solutions to navigate economic uncertainties while safeguarding our long-term financial strength.

Linkage to

Material Matters

M4 M9

Key Focus Areas

MLP ESR SGB

Capitals

FC SRC HC IC

2 DIGITAL & TECHNOLOGY ADOPTION

Digital adoption across the Takaful value chain accelerated during the year, driven by rising customer expectations for seamless onboarding, faster claims processing and enhanced self-service. At the same time, heightened regulatory requirements around technology risk management, cybersecurity and data protection demanded stronger governance and system resilience.

Additionally, digital transformation now extends beyond front-end improvements to include core system modernisation, enterprise data capabilities and secure, scalable infrastructure.

Implications on Our Strategy

Risks

- Heightened cybersecurity and data protection risks
- System vulnerabilities arising from legacy infrastructure and third-party dependencies
- Increased regulatory scrutiny under technology risk management frameworks
- Execution risk in delivering large-scale digital transformation initiatives

Opportunities

- Improved customer experience through end-to-end digital journeys
- Faster product distribution and enhanced partner ecosystem integration
- Operational efficiency through automation and straight-through processing
- Data-driven decision-making enabled by enterprise analytics and Artificial Intelligence ("AI") capabilities

Our Response

- Continued enhancement of KAOTIM as our key digital retail platform
- Enabled cloud-based digital platforms and Banca integration, improving speed-to-market and partner engagement
- Modernised and standardised our core technology platforms to enhance agility, scalability and resilience
- Implemented workflow automation, IT Service and Asset Management, and application modernisation to improve productivity and service reliability
- Strengthened our cybersecurity through Zero Trust architecture, enhanced monitoring and standardised data centre operations
- Established enterprise data and Generative AI ("GenAI") foundations to support analytics, innovation and informed decision-making
- Strengthened our governance, operational controls and technology service management practices

Outlook

Digital adoption is expected to deepen, with increased use of analytics and automation to enhance efficiency and customer experience amid evolving regulatory expectations.

We will focus on realising value from our technology investments, accelerating enhancements to our digital journey, strengthening technology risk governance and building organisational capability to sustain our long-term competitiveness.

Linkage to

Material Matters

M1 M5 M9

Key Focus Areas

FBD ESR

Capitals

IC FC

KEY MARKET TRENDS

3 CUSTOMER EXPECTATIONS & DISTRIBUTION EVOLUTION

Customer expectations across the Takaful and insurance industry continue to rise, with growing demand for speed, transparency, affordability and seamless omni-channel engagement. Customers increasingly expect simplified onboarding, faster claims processing and convenient access to services across both digital and assisted channels.

At the same time, competition has intensified, with our Bancatakaful and agency channels remaining key growth drivers amid strong demand for protection-based products. This environment requires greater agility in product design, service delivery and distribution strategies to meet diverse customer needs.

Implications on Our Strategy

Risks

- Failure to meet service expectations, leading to reputational impact
- Increasing complexity in product development and implementation
- Over-reliance on assisted service channels due to limited digital self-service capabilities
- Regulatory and Shariah compliance risks in customer-centric initiatives

Opportunities

- Enhance customer satisfaction through personalised and responsive engagement
- Improve distribution effectiveness across Banca, agency and digital channels
- Develop targeted solutions for distinct customer segments
- Increase efficiency through expanded digital touchpoints and self-service capabilities

Our Response

- Strengthened Bancatakaful partnerships and improved agency productivity initiatives
- Enhanced customer journeys through process improvements and digital touchpoints
- Maintained focus on fair treatment of customers and service quality
- Initiated digital transformation initiatives to expand self-service capabilities and improve operational efficiency
- Identified and evaluated chatbot, voicebot, WhatsApp and omnichannel customer relationship management ("CRM") solutions as part of ongoing digital capability enhancement initiatives
- Established governance structures to ensure regulatory and Shariah alignment

Outlook

Customer expectations will continue to rise, with growing demand for faster, more personalised and digitally enabled experiences across all touchpoints. Competition is also expected to intensify, reinforcing the need for strong distribution partnerships and seamless omni-channel engagement to sustain growth and customer loyalty.

We will strengthen our governance and service delivery standards as regulatory requirements relating to customer protection, data privacy and Shariah compliance evolve alongside digital adoption, ensuring we remain resilient, compliant and well-positioned to meet the expectations of customers and regulators.

Linkage to

Material Matters

M2 M5 M9

Key Focus Areas

ERM MLP FBD

Capitals

SRC FC HC IC

4 REGULATORY & PRUDENTIAL DEVELOPMENTS

Regulatory and supervisory expectations continued to intensify during the year, particularly in areas relating to capital adequacy, governance, operational resilience and sustainability. Preparations for Risk-Based Capital for Takaful ("RBCT 2"), together with evolving supervisory standards, increased compliance complexity and cost.

Regulators also continued refining frameworks for Takaful operations to safeguard market integrity, protect participants and strengthen financial system stability. These developments require ongoing adaptability, as regulatory changes may influence product design, capital requirements, reporting standards and Shariah oversight.

Implications on Our Strategy

Risks

- Increased operational complexity and compliance costs arising from heightened prudential and governance requirements
- Greater compliance complexity amid evolving regulatory and geopolitical developments
- Greater capital management pressure under evolving RBCT expectations
- Heightened cybersecurity and operational resilience requirements
- Climate-related underwriting and financial risks influenced by regulatory and sustainability mandates
- Geopolitical and policy shifts impacting regulatory interpretation and compliance obligations

Opportunities

- Strengthen organisational resilience through proactive risk identification and management
- Enhance stakeholder trust through robust governance and transparent risk oversight
- Reinforce regulatory and Shariah compliance through disciplined enterprise risk frameworks, supporting a stable and well-regulated Takaful industry
- Improve enterprise-wide risk culture and regulatory readiness

Our Response

- Maintained proactive engagement with regulators and industry bodies
- Strengthened capital planning and governance frameworks in preparation for RBCT 2
- Enhanced our compliance monitoring and regulatory reporting processes
- Conducted comprehensive enterprise-wide risk assessments covering market, operational, cybersecurity and climate-related exposures
- Procured a dedicated risk management system and began embedding it into our risk monitoring and reporting processes to enhance the identification and management of emerging risks
- Secured Cyber Takaful protection as part of strengthening capital and prudential resilience
- Continued structured training programmes to strengthen regulatory and Shariah awareness

Outlook

Regulatory expectations are expected to remain elevated, with continued focus on capital adequacy, operational resilience, cybersecurity, market conduct and ESG integration. Supervisory scrutiny is likely to intensify as regulators respond to evolving technology risks, climate-related exposures and systemic vulnerabilities.

We will continue strengthening our governance, capital management and risk oversight frameworks to ensure sustained compliance while supporting disciplined business growth and long-term resilience.

Linkage to

Material Matters

M1 M2 M4 M6

Key Focus Areas

ESR CSM

Capitals

FC IC HC SRC

KEY MARKET TRENDS

5 RISK MANAGEMENT & CLIMATE CONSIDERATIONS

The Takaful and insurance industry is placing greater emphasis on enterprise risk management in response to an increasingly volatile and interconnected environment. Heightened focus areas include cybersecurity threats, climate-related risks, Takaful exposure, operational resilience and third-party dependencies.

The increased frequency and severity of weather-related events have contributed to claims volatility, particularly within the General Takaful segment. As risks become more complex and unpredictable, insurers and Takaful operators are strengthening proactive measures to safeguard financial stability and stakeholder interests.

Implications on Our Strategy

Risks
- Increased claims volatility and severity arising from climate-related events
- Heightened cybersecurity threats requiring continuous enhancement of defence mechanisms
- Operational disruption risks linked to third-party service providers
- Capital pressure from catastrophe exposures and emerging risk trends

Opportunities
- Strengthen resilience through proactive risk identification, stress testing and scenario analysis
- Enhance stakeholder trust through robust risk governance and transparency
- Integrate climate risk considerations into underwriting, capital management and long-term planning
- Expand opportunities for diverse product offerings to address cyber, climate and business interruption risks

Our Response
- Enhanced our enterprise risk management and stress testing frameworks
- Strengthened risk management across underwriting, climate, third-party and operational resilience
- Maintained transparent communication of our risk exposures and mitigation measures
- Continually review our risk policies and frameworks to stay relevant

Outlook

Climate, cybersecurity and operational risks are expected to remain elevated as increasing uncertain weather condition volatility, technological advancement and regulatory scrutiny intensify. Third-party dependencies and geopolitical developments may further heighten operational complexity.

We will continue strengthening enterprise resilience, enhancing climate risk integration into underwriting and capital planning, and reinforcing risk-adjusted decision-making to support sustainable long-term growth.

Linkage to

Material Matters

M1 M2 M4 M6

Key Focus Areas

ESR SGB CSM

Capitals

FC IC HC SRC

6 SUSTAINABILITY & ESG INTEGRATION

ESG considerations are increasingly shaping the Takaful industry, driven by evolving regulatory expectations, climate-related risks and growing stakeholder demand for ethical and responsible business practices. Investors, customers and regulators expect Takaful operators to demonstrate measurable social impact, environmental stewardship and long-term value creation.

Sustainability is no longer peripheral but integrated into our strategies, operations, investments and product development to support resilience and sustainable growth.

Implications on Our Strategy

Risks
- Market and regulatory uncertainty surrounding ESG-linked products and disclosures
- Increased underwriting complexity due to climate-related exposures
- Increased demand for investment in sustainable and ESG-aligned assets
- Heightened scrutiny on sustainability claims and governance practices

Opportunities
- Strengthen competitive positioning through ESG-led product innovation
- Capture growth in ethical finance and sustainable investment segments
- Improve operational efficiency through digitalisation and resource optimisation
- Enhance brand reputation and stakeholder trust through responsible practices

Our Response
- Embedded ESG principles across our strategy, operations and investment management
- Strengthened our sustainability governance and oversight frameworks
- Advanced environmental stewardship initiatives, including digitalisation and renewable energy efforts
- Expanded our inclusive and responsible finance initiatives
- Continued our *zakat*, charitable and community empowerment programmes

Outlook

ESG considerations are expected to gain further prominence, with increasing regulatory integration and stakeholder scrutiny. Climate resilience, responsible investment practices and transparent sustainability reporting will remain key priorities.

We will continue embedding sustainability into strategy and operations, drive ESG-led innovation, strengthen climate resilience and expand our sustainable financial solutions to support our long-term growth and national development objectives.

Linkage to

Material Matters

M2 M4 M6 M8

Key Focus Areas

CSM ESR SGB

Capitals

FC NC SRC IC

STAKEHOLDER ENGAGEMENT

We prioritise open and constructive engagement with a broad range of stakeholders, recognising their perspectives as essential to shaping our long-term direction.

Ongoing dialogue builds trust, sharpens our understanding of key concerns, and directly informs our materiality assessment and strategic decisions to drive sustainable value creation.

Key Stakeholders

S1 Customers

The participants, certificate holders and clients who rely on our Takaful solutions for financial protection, risk management and long-term security.

S2 Employees

Our people, whose skills, commitment and performance drive service quality, innovation, organisational resilience and long-term growth.

S3 Business Partners & Intermediaries[1]

Our agents, brokers and third-party partners who play a critical role in connecting us with customers, supporting distribution and subscription.

S4 Government & Regulators

The public authorities that ensure we comply with legal, financial and Shariah requirements while supporting national economic objectives.

S5 Investors & Shareholders

The individuals and institutions with a financial stake in the Group, whose capital supports our performance, growth and governance.

S6 Industry Peers & Trade Associations[2]

The industry bodies and businesses that collaborate with us to address shared challenges, strengthen standards and advance the Takaful sector.

S7 Local Communities

The communities where we operate and with whom we engage through our corporate social responsibility ("CSR") initiatives and community investments.

S8 Media

The channels that influence public understanding and stakeholder perceptions of our business through their coverage and marketing engagement.

Quality of Engagement

- No existing relationship ●○○○○
- Relationship established, but significant improvement in quality needed ●●○○○
- Established, value-generating relationship with some room for improvement ●●●○○
- Good-quality, mutually beneficial relationship with limited room for improvement ●●●●○
- Strong, mutually beneficial relationship ●●●●●

Frequency of Engagement

- Daily
- Weekly
- Monthly
- Quarterly
- Half-Yearly
- Yearly
- As Needed

Note:

[1] Business Partners & Intermediaries' which includes agents, brokers and third-party entities

[2] Industry Peers & Trade Associations' which includes organisations and groups that represent others in the same industry, along with trade bodies.

S1

Customers

Engagement Platforms

- Online and walk-in customer feedback channels
- Social media
- Our mobile application
- Our corporate website
- Customer service representatives and business managers
- Customer satisfaction surveys
- Online portals

Link to Material Matters

M1 M2 M4 M5 M6

Key Areas of Concern

- **Affordability & transparency:** Takaful solutions aligned to their protection, savings and investment goals
- **Service reliability:** Fast, consistent and dependable experiences across our digital and physical channels

How We Create Value For Them

- Customer trust
- Service confidence
- Ease of access
- Confidence in coverage

How They Create Value For Us

- Provide feedback and usage insights that inform our product improvement, service quality and risk decisions
- Drive retention and renewals that support sustainable revenue growth for us
- Strengthen our brand reputation through advocacy and referrals
- Contribute behavioural and market data that validates our product-market fit

Our Response

- Simplify our product designs and communication to improve understanding and trust
- Analyse customer feedback and performance data to iteratively refine key customer journeys
- Implement process and system enhancements across service channels to increase reliability and service quality
- Focus on long-term relationships to build loyalty and lifetime customer value

S2

Employees

Engagement Platforms

- Intranet
- Social media (LinkedIn, Instagram)
- Town halls
- Learning Management System (“LMS”)

Link to Material Matters

M1 M2 M3 M4 M5 M6 M7 M8 M9

Key Areas of Concern

- **Recognition & balance:** Fair recognition, career progression and healthy work-life balance
- **Capability building:** Access to learning, digital tools and guidance to adapt and grow
- **Workplace culture:** An inclusive, supportive environment that fosters trust and pride
- **Purpose & participation:** Time and encouragement to engage in workplace and CSR initiatives

How We Create Value For Them

- Employee well-being
- Career development
- Inclusive culture
- Sense of purpose

How They Create Value For Us

- Provide us with the skills, commitment and collaboration needed to drive our productivity, innovation and operational efficiency
- Promote knowledge-sharing to strengthen our leadership capability and organisational resilience
- Act as ambassadors of our values to enhance our brand reputation and social impact

Our Response

- Implement recognition programmes, career pathways and flexible work practices
- Expand our e-Learning modules to strengthen our digital capabilities
- Establish structured mentorship with clear expectations and support
- Embed engagement and CSR activities into day-to-day work
- Leverage employee feedback to strengthen our culture, employer branding and retention

STAKEHOLDER ENGAGEMENT

S3

Business Partners & Intermediaries

Engagement Platforms

- Our corporate agency portal
- Our Bancatakaful service portal and helpdesk
- Business engagement meetings
- Agency training sessions

Link to Material Matters

M1 M2 M4 M5 M6 M7 M8 M9

Key Areas of Concern

- **Product access:** Competitive, innovative and market-relevant products
- **Process efficiency:** Reliable and efficient sales, marketing and distribution processes
- **Capability development:** Practical training to build skills and adapt to industry changes
- **Business ethics:** Ethical, transparent and responsible business practices

How We Create Value For Them

- Commercial viability
- Operational efficiency
- Capability readiness
- Business certainty and sustainability

How They Create Value For Us

- Leverage their distribution networks to extend our market reach and generate business
- Provide market intelligence and customer insights that inform our strategy and product development
- Deliver effective sales and service experiences to improve customer satisfaction and retention

Our Response

- Prioritise product innovation and enhancement to meet evolving customer needs and support market expansion through multiple distribution channels
- Collaborate with agents to strengthen presence in targeted market segments such as LPPSA
- Provide structured online and on-ground training to enhance product knowledge and sales capability
- Expand our resources and partner assistance to strengthen business development support
- Drive digitalisation and continuous platform enhancement to improve operational efficiency
- Uphold strong governance standards and ethical practices across all partner interactions

S4

Government & Regulators

Engagement Platforms

- Briefings, seminars and conferences
- Regular engagements with regulators
- Periodical regulatory reporting submissions
- Industry meetings

Link to Material Matters

M1 M2 M3 M4 M5 M6 M8 M9

Key Areas of Concern

- **Regulatory compliance:** Full adherence to applicable laws, guidelines and supervisory requirements
- **Financial soundness:** Sustainable management of participants' funds and future benefit obligations
- **Market conduct:** Fair treatment of certificate holders while balancing innovation and competition
- **Social inclusion:** Expansion of inclusive Takaful coverage, particularly for the bottom 40 income ("B40") group
- **Systemic risk:** Exposure to climate-related and emerging risks that may affect long-term financial stability

How We Create Value For Them

- Regulatory confidence
- Financial system stability
- Market integrity
- Social protection outcomes
- Economic contribution

How They Create Value For Us

- Provide regulatory clarity and guidance that support consistent and compliant operations
- Enable a stable and trusted operating environment for sustainable business growth
- Facilitate collaboration on industry-wide initiatives that strengthen resilience and societal outcomes

Our Response

- Prepare accurate regulatory submissions and conduct independent risk, compliance and audit assessments
- Strengthen Malaysia's economic development through consistent and responsible tax contributions
- Implement governance frameworks and policies aligned with regulatory and industry best practices
- Actively participate in regulatory engagements, training and industry briefings
- Apply prudent risk-return discipline to support long-term participant obligations
- Establish sustainability and climate risk frameworks to monitor and manage emerging risks
- Strengthening commitments to sustainability and community development initiatives
- Strengthen Malaysia's economic development through consistent and responsible tax contributions

S5

Investors & Shareholders

Engagement Platforms

- Meetings with fund managers and investors
- Quarterly financial results
- Integrated Annual Reports
- Annual General Meetings
- Shareholders' circulars
- Media releases

Link to Material Matters

M2 M4 M5 M6 M9

Key Areas of Concern

- **Governance & oversight:** Strong corporate governance, Board effectiveness and accountability
- **Financial strength:** Healthy profit margins, capital adequacy and sustainable dividend capacity
- **Strategic clarity:** Clear long-term vision, growth strategy and execution capability
- **Growth & returns:** Ability to grow market share, expand into new markets/products and deliver long-term value
- **Risk & resilience:** Effective risk management and ability to adapt to regulatory and market changes
- **Transparency:** Timely, accurate and transparent financial reporting
- **Sustainability balance:** Integration of environmental and social considerations alongside financial performance

How We Create Value For Them

- Investor confidence
- Financial returns
- Capital strength
- Strategic visibility
- Long-term value creation

How They Create Value For Us

- Provide financial capital to support our growth, innovation and strategic initiatives
- Utilise their appointments on our Board as well as their voting rights to exercise governance oversight
- Provide long-term support and positive investor sentiment to enhance our market valuation

Our Response

- Maintain consistent and sustainable dividend distributions
- Provide timely, transparent and comprehensive financial and performance disclosures
- Engage proactively with investors through structured and open communication channels
- Execute strategic growth initiatives aligned with long-term value creation
- Uphold high standards of corporate governance, risk management and Shariah compliance
- Integrate ESG considerations into strategy and decision-making

S6

Industry Peers & Trade Associations

Engagement Platforms

- Industry and business partner meetings
- Industry workshops
- Conferences
- Business collaboration programmes

Link to Material Matters

M2 M4 M5 M6 M9

Key Areas of Concern

- **Industry dialogue:** Meaningful engagement on industry issues and the operating environment
- **Collaboration:** Strong partnerships to address shared industry-wide challenges
- **Fair conduct:** Upholding ethical standards in pricing, marketing and business practices
- **Regulatory alignment:** Ensuring smooth and consistent implementation of regulatory guidelines while contributing constructively to policy development
- **Talent development:** Capacity building through shared training initiatives and leadership development across the industry

How We Create Value For Them

- Industry alignment
- Collaborative innovation
- Ethical market practices
- Collective resilience
- Shared value creation

How They Create Value For Us

- Share best practices and industry insights that enhance our operational effectiveness
- Foster collaboration, joint initiatives and partnerships to drive innovation
- Contribute to addressing systemic industry challenges and long-term sustainability
- Support advocacy and representation in engaging regulators on key industry matters

Our Response

- Engage in trade association discussions on shared industry concerns
- Establish strategic partnerships that deliver mutual and long-term value
- Collaborate on initiatives that promote innovation, resilience and sustainable industry development
- Support capacity-building and knowledge-sharing efforts to uplift the broader takaful industry

STAKEHOLDER ENGAGEMENT

S7

Local Communities

Engagement Platforms

- CSR programmes

Link to Material Matters

M1 M2 M4 M6 M8 M9

Key Areas of Concern

- **Basic needs:** Limited access to daily essentials among underprivileged groups
- **Nutrition & health:** Malnutrition and inadequate access to medical support, particularly for students with disabilities or critical illnesses
- **Economic empowerment:** Insufficient financial resources, skills and training to achieve self-sufficiency
- **Entrepreneurship access:** Limited opportunities for small entrepreneurs to access markets and grow their businesses

How We Create Value For Them

- Improved quality of life
- Health and nutritional well-being
- Economic empowerment
- Skills development and self-reliance

How They Create Value For Us

- Gain insights into the most pressing social and economic challenges, helping us design more relevant and inclusive products
- Receive feedback that inform improvements in our CSR and empowerment programmes to address real needs effectively
- Provide us a pipeline of potential future employees with relevant education and skills
- Strengthen our brand trust and credibility as a responsible corporate citizen
- Enable us to align with national development goals, including financial inclusion and poverty alleviation

Our Response

- Deliver targeted medical, nutritional and welfare assistance to vulnerable groups in collaboration with community leaders
- Support education, financial literacy and skills-building initiatives
- Enable income-generating opportunities for small entrepreneurs and youth
- Promote awareness of Takaful and financial inclusion within local communities
- Align community initiatives with long-term social development objectives

S8

Media

Engagement Platforms

- Media releases
- Interviews
- Media visits
- Media collaborations

Link to Material Matters

M2 M4 M5 M7 M9

Key Areas of Concern

- **Access to information:** Timely, accurate, and transparent disclosure of our financial results, policies, initiatives and products
- **Credibility and accountability:** Clear responses to misinformation and sensitive Company-related issues
- **Public visibility & narrative alignment:** Proactively managing media engagement to enhance brand recognition, increase constructive coverage and ensure clear communication of key corporate priorities

How We Create Value For Them

- Consistent, transparent information
- Credible and reliable narratives
- Timely communication
- Trusted media relationships

How They Create Value For Us

- Shape public perception about our business and strengthen our brand image
- Strengthen stakeholder confidence, including customers and investors
- Expand awareness of the company's products and initiatives to potential customers through credible media exposure

Our Response

- Issue timely and accurate media releases to ensure clear public communication
- Engage proactively in media interviews to build trust and credibility
- Organise media visits to strengthen relationships and provide transparent access to company information
- Conduct collaborative media engagements to deepen their understanding of our initiatives and enhance overall media visibility
- Monitor media coverage and address misinformation promptly and responsibly

INVESTOR RELATIONS

Building and maintaining trust with the investment community is essential to value creation at Takaful Malaysia. We uphold this through consistent, transparent communication with our investors, shareholders, fund managers and analysts, ensuring they remain informed about our strategic direction, key initiatives, financial performance and business prospects.

INVESTOR RELATIONS

Throughout FY2025, we strengthened our engagement with the investment community across multiple platforms, including analyst and fund manager briefings, one-on-one meetings and hybrid engagement sessions. These exchanges enable open and constructive dialogue, allowing us to better understand investor expectations while clearly communicating our strategy, priorities and the long-term value we seek to create, supporting mutual understanding and trust.

In delivering sustainable value for shareholders, we have focused on key drivers of long-term growth and resilience, including digital transformation, cybersecurity, risk management, ESG and regulatory compliance. During the year, we made tangible progress across these areas, accelerating our digital initiatives, deepening our ESG commitments, and pursuing growth opportunities aligned with our long-term vision. To support this, the Board of Directors continues to enhance its collective expertise in these critical domains, complemented by employee training programmes that embed best-practice investor relations capabilities across the organisation.

We view investor relations as an ongoing and adaptive process. Feedback and perspectives from the investment community continue to inform how we refine our approach, strengthen operational resilience, and execute our strategy. As we move forward, we remain committed to maintaining meaningful engagement with investors as we focus on long-term value creation.

INVESTOR RELATIONS ACTIVITIES

Analyst Briefings and Engagements in 2025

	Total No. of Engagements	Platform	Audience
Virtual Meetings	6 meetings	Microsoft Teams	Analysts / Fund Managers / Investors
Physical Meetings	16 meetings	Face-to-face	Analysts / Fund Managers / Investors
Takaful Malaysia 40th Annual General Meeting	Engagement Date: 21 May 2025	Face-to-face	Shareholders

ANALYST RECOMMENDATIONS

Research house coverage of Takaful Malaysia as of FY2025 reflects the following rating distribution:

BUY	HOLD	SELL
6	1	0

INVESTOR RELATIONS

A total of seven research houses issued analyst coverage of Takaful Malaysia's stock in 2025:

1. Affin Hwang Investment Bank
2. AmInvestment Bank
3. Kenanga Investment Bank
4. CIMB Securities
5. Hong Leong Investment Bank
6. MBSB Investment Bank
7. RHB Investment Bank

SHARE PRICE PERFORMANCE

Year	Market Capitalisation	Takaful Volume Traded	Share Price	Dividend per Share	Foreign Shareholdings
2025	**RM2,704 million**	**143 million**	**Opening: RM3.88** **Closing: RM3.10** **Highest: RM3.91** **Lowest: RM3.01**	**18.5 sen**	**6.4% as at 31 December 2025**
2024	RM3,257 million	183 million	Opening: RM3.72 Closing: RM3.89 Highest: RM4.16 Lowest: RM3.48	17.0 sen	7.6% as at 31 December 2024
2023	RM3,098 million	111 million	Opening: RM3.43 Closing: RM3.70 Highest: RM3.86 Lowest: RM3.18	14.0 sen	10.3% as at 31 December 2023
2022	RM2,880 million	136.8 million	Opening: RM3.69 Closing: RM3.44 Highest: RM3.89 Lowest: RM3.13	13.5 sen	9.4% as at 31 December 2022
2021	RM3,092 million	190.2 million	Opening: RM4.83 Closing: RM3.70 Highest: RM5.08 Lowest: RM3.52	12.0 sen	9.8% as at 31 December 2021

IR CONTACT, WEBSITE AND FEEDBACK

CORPORATE WEBSITE

All Investor Relations information is published on Takaful Malaysia's corporate website at

https://www.takaful-malaysia.com.my/en/investor-relations/

IR CONTACT AND FEEDBACK

For any enquiries and feedback related to Investor Relations, please contact:

Name : New Kheng Chee
Designation : Group Chief Financial Officer
Email : khengchee.new@takaful-malaysia.com.my

MATERIAL MATTERS

Our material matters represent the key issues of greatest importance to both our business and our stakeholders. We adopt a strategic, forward-looking approach to identifying and prioritising these matters, ensuring we focus on the most significant economic, environmental, social and governance ("EESG") topics that influence our performance and success.

Through this process, we are better positioned to create meaningful positive impact across our products, operations and strategy. This strengthens our resilience, enhances decision-making and enables us to deliver sustainable, long-term value for our stakeholders.

IMPACT MATERIALITY ASSESSMENT

Our identification of material matters starts with an in-depth impact materiality assessment, carried out every three years. This was last done in FY2024, where we surveyed 1,096 respondents across eight key stakeholder groups, and which gave us an insight into the risks, opportunities and issues which matter.

In FY2025, we conducted an annual desktop validation exercise, confirming the continued relevance of our nine impact material matters to our business and strategic direction.

FINANCIAL MATERIALITY ASSESSMENT

As part of our adoption of IFRS S2 – Climate-related Disclosures issued by the International Sustainability Standards Board ("ISSB"), we conducted our inaugural financial materiality assessment during the year to identify sustainability-related risks and opportunities ("SROs") that may affect our financial performance, position and future prospects. This assessment adopts an outside-in perspective, complementing our existing impact-focused (inside-out) approach to materiality.

Through this exercise, twelve (12) financially material SROs were identified across ESG themes. For FY2025, five (5) climate-related risks and opportunities ("CROs") have been disclosed in line with IFRS S2 requirements.

Read pages 124 to 125 of our ISSB Sustainability Statement for more details on our structured process for identifying, evaluating and prioritising financially material SROs, including climate-related considerations and forward-looking judgement.

Our Materiality Determination Process

1 IDENTIFY ► Our current impact sustainability topics are reviewed by the Management Committee, which entails a detailed analysis of the trends and issues that matter to our industry, aligned with our prevailing operating environment.

2 SHORTLIST ► Potential new or refined topics are then evaluated against key factors such as stakeholder expectations and concerns, ESG impacts, regulatory developments, and relevance to our business operations and strategy.

3 PRIORITISE ► Following this, we assess the actual and potential impacts of shortlisted topics, considering the scale and significance of these impacts on us, and prioritise topics accordingly.

4 VALIDATE ► Finally, the prioritisation outcomes are translated into a materiality matrix, which plots each topic's significance to us against its significance to our stakeholders.

MATERIAL MATTERS

MATERIALITY MATRIX FOR 2025

To clearly distinguish between impact and financial materiality, our 2025 Materiality Matrix has been presented with a legend scaled as Not Material > Low > Medium > High. This approach allows us to integrate both **outside-in** and **inside-out** perspectives, focusing our strategies and resources on the sustainability issues that are most significant to our stakeholders and most impactful to the business.

Sustainability Approach	Material Matters	Descriptions
Committed to Strong Governance	**M1** Data Privacy & Security	Data privacy and security refer to safeguarding personal and sensitive information from unauthorised access, misuse or disclosure. Data that we collect must be stored and processed responsibly, while also protected from risks such as cyberattacks, data breaches and other security threats.
	M2 Ethics & Compliance	We meet and uphold legal and regulatory requirements at all times, including Shariah obligations, while embodying values such as integrity, fairness, transparency and accountability in all decisions and actions. We also ensure continuous learning to keep pace with evolving regulations and expectations.
	M3 Human Rights	We respect and protect the fundamental rights, dignity and safety of all individuals, ensuring fair treatment and preventing discrimination, exploitation or harm across our operations and value chain.
Investing Responsibly	**M4** Sustainable Growth	Sustainability is embedded across our service delivery and investment decisions. This also includes strategic initiatives to integrate sustainability across our operations and supply chain to support resilient, long-term growth.
	M5 Digital Transformation	Digitalisation has the potential to modernise business practices, enhance customer journeys and improve productivity by utilising technology to streamline processes, strengthen data capabilities and enable more agile ways of working.
Our Environmental Stewardship	**M6** Climate Change & Environmental Impacts	With extreme weather events becoming more visible, climate change and environmental impacts can affect communities, ecosystems and business continuity. These changes can cause operational disruption, resource constraints and increased risk exposures.
Our Social Commitments	**M7** Employee Well-Being	Our employees are key to our success, and as such, we are committed to supporting employees' physical, mental and emotional health through safe workplaces, work-life balance and access to healthcare and wellness support. We also provide training and development opportunities that enable employees to develop their careers and achieve self-fulfilment.
	M8 Community Empowerment	Community empowerment refers to strengthening communities by addressing key needs and improving social well-being through inclusive programmes and partnerships that support a more resilient and sustainable future.
	M9 Customer Centricity	We seek to understand and anticipate customer needs, delivering solutions and service experiences that create meaningful value and strengthen trust.

Legend ○○○ *Not Material* ●○○ *Low* ●●○ *Medium* ●●● *High*

Impact Materiality	Financial Materiality	
Significance	**Significance**	**Our Response**
●●●	●●●	*Refer to Data Privacy & Security on page 50.*
●●●	●●●	*Refer to Ethics & Compliance on page 51.*
●●○	○○○*	*Refer to Human Rights on page 51.*
●●●	○○○*	*Refer to Sustainable Growth on page 52.*
●●○	●●●	*Refer to Digital Transformation on page 52.*
●●●	●●●	*Refer to Climate Change & Environmental Impacts on page 53.*
●●○	●●●	*Refer to Employee Well-Being on page 54.*
●○○	○○○*	*Refer to Community Empowerment on page 54.*
●●○	●●●	*Refer to Customer Centricity on page 55.*

Note:
* *Identified based on impact considerations and are not within the scope of IFRS Sustainability Disclosure Standards.*

MATERIAL MATTERS

OUR NINE IMPACT MATERIAL MATTERS

In addressing our material matters, we have outlined targeted strategies to manage them, mindful of the risks and opportunities associated with our responses.

For more comprehensive disclosures on our impact material matters, read our Sustainability Statement on pages 76 to 109.

M1 Data Privacy & Security

Stakeholder Groups Affected: S1 S2 S3 S4 S7

Risk

- Stakeholders may lose confidence in our ability to protect their personal information
- Data breaches may expose customers and staff to scams, identity theft or illegal transactions
- Cyber incidents can lead to system downtime, inaccessible services and delays in transactions, which would affect customer experiences and staff productivity
- Cyberattacks or data breaches may result in costs in the form of breach responses, system repairs and compensation to customers
- Non-compliance with relevant data protection regulations may result in regulatory penalties and possible legal action
- Our reputation may be impacted by publicised data breaches and the resulting loss of customer confidence
- Violation of the right to privacy if poor security results in data breaches
- Customers and staff may be exposed to the risk of cyberstalking, harassment or other malicious online activities if personal data is not securely protected

Opportunities

- Greater trust and confidence due to strong data protection practices
- Strong data privacy and security measures reduce the likelihood of data misuse and financial fraud
- Better digital experience due to reduced system disruptions and cyber threats
- Strengthens our brand and reputation for digital security in the market
- Provides us with a competitive advantage in comparison to our peers
- Protects privacy as a fundamental human right

Our Response

- Strengthening our data management and governance frameworks
- Continuously assessing and enhancing our security posture and cyber resilience in line with our cybersecurity maturity assessment, including penetration testing, security operations centre capabilities, incident management and awareness programmes
- Opening dialogue with regulators and industry associations to anticipate requirements and implement effective change plans, especially in light of new cybersecurity regulations under the Cyber Security Act 2024
- Empowering our talent planning and recruitment to build required capabilities
- Improving our Operational Risk Management Framework and business continuity strategies
- Reviewing our internal controls and governance processes across key operations
- Fostering awareness among our Board members and employees on cyber and data security practices through continuous learning, as well as phishing and vishing simulation exercises
- Ensuring our IT infrastructure is updated to improve reliability and protection
- Streamlining our digitalised processes to meet evolving customer and business partner needs
- Completing our Risk Management in Technology ("RMiT") assessment in line with Bank Negara Malaysia ("BNM") guidelines
- Appointing a Data Protection Officer to reinforce data privacy compliance

Capitals: FC IC HC SRC | Key Focus Areas: ESR FBD ETP | UNSDGs: 8 9 16

M2 Ethics & Compliance

Stakeholder Groups Affected: S1 S2 S3 S4 S5 S6 S7 S8

Risk
- Increased risk of misconduct and control failures if we do not keep pace with regulatory requirements (including Shariah and governance expectations)
- Loss of market and stakeholder confidence, business opportunities and competitive advantage in the event of a governance breach
- Potential increase in complaints, disputes and legal actions in case of tighter regulations
- Reduced morale, higher turnover and disengagement if the organisation is found to be regularly breaching ethical and compliance boundaries

Opportunities
- Demonstrates our ability to enforce strong governance and accountability
- Reduces supervisory concerns, regulatory findings and enforcement risk
- Strengthens our internal controls, positioning us as a trusted, ethical and Shariah-compliant operator
- Upholds equal opportunity and fair treatment for all stakeholders
- Reinforces our whistleblowing and grievance mechanisms, enabling individuals to raise concerns safely

Our Response
- Instituting a clear organisational structure with defined roles, authority limits and operating boundaries
- Ensuring timely and effective communication of relevant information across the Group
- Fostering a diversity of skills, backgrounds, knowledge, industry experience and cultures across our workforce
- Promulgating a robust code of ethics and conduct aligned to best practice and regulatory expectations, including developing a three-year anti-corruption plan based on the T.R.U.S.T. framework
- Conducting regular compliance reviews to identify potential gaps in processes and controls
- Upholding transparency and accountability, including in financial reporting and risk management
- Providing ongoing training and awareness to uphold ethical standards and ensure compliance with Shariah principles and applicable regulatory requirements
- Collaborating with industry stakeholders to advance ethical practices and social responsibility

Capitals: FC IC HC SRC | Key Focus Areas: MLP ERM ETP ESR SGB FBD CSM | UNSDGs: 8 12 16

M3 Human Rights

Stakeholder Groups Affected: S2 S4

Risk
- Non-compliance with human rights requirements may result in fines, financial losses or reputational losses
- Failure to address forced labour or child labour concerns may damage our reputation and erode trust
- Inconsistent awareness or application of policies may lead to grievances or dissatisfaction
- Third-party workers may face risks if partners do not fully align with human rights expectations
- Low employee morale and productivity if concerns are not addressed promptly

Opportunities
- Employees benefit from a safe, respectful and inclusive workplace, while strengthening organisational culture and employee engagement
- Clear grievance and reporting channels build trust and confidence, reducing the risk of workplace disputes, misconduct and non-compliance
- Business partners understand expectations on ethical conduct and fair treatment
- Enhance our reputation as a responsible and ethical Takaful operator
- Uphold fundamental rights such as dignity at work, non-discrimination and workplace safety
- Encourage ethical behaviour and accountability across operations and business relationships

Our Response
- Ensuring fair implementation of policies outlined in the Employee Handbook and Code of Conduct to promote non-discrimination, dignity at work and ethical behaviour
- Holding human rights training during employee onboarding, as well as periodic awareness sessions covering workplace conduct, harassment prevention and ethical responsibilities
- Fostering employee well-being, health and safety through workplace initiatives and support programmes
- Promoting human rights practices across our value chain to support responsible operations, stronger risk management and greater appeal to ethical investors and customers
- Communicating our ethical and conduct expectations to contractors and service providers through contractual arrangements and engagement processes
- Establishing a clear human rights policy to reinforce our commitment across operations and investments, reinforced with robust due diligence that helps identify and mitigate potential human rights risks in our supply chain and investment portfolio
- Engaging regularly with stakeholders to promote transparency and surface emerging concerns early
- Opening accessible reporting channels and fair investigation/remediation processes to support accountability
- Acting promptly to address any violations, including remediation actions such as public apologies, compensation where appropriate and corrective measures to prevent recurrence

Capitals: FC IC HC SRC | Key Focus Areas: ETP ESR CSM | UNSDGs: 5 10 16

MATERIAL MATTERS

M4 Sustainable Growth

Stakeholder Groups Affected: S1 S2 S3 S4 S5 S6 S7 S8

Risk

- Increasing ESG awareness is raising expectations for the Group to align sustainability priorities with ESG principles to support long-term resilience
- Evolving regulatory and policy requirements, including greater emphasis on climate-related risks and disclosures
- Potential for lower short-term returns

Opportunities

- Participants benefit from sustainable returns while contributing to positive environmental and social outcomes
- Shareholders benefit from long-term value creation through improved risk management, stronger reputation and more resilient portfolios
- Alignment with global sustainability frameworks, including the UN Sustainable Development Goals (SDGs), strengthens market positioning
- ESG integration supports avoidance of investments with adverse social impacts, including those linked to human rights concerns

Our Response

- Implement exclusion screening under our Responsible Investment Policy for investments with elevated ESG risks
- Prioritise investments in equities and sukuk with satisfactory ESG ratings
- Gradually reduce exposure to high carbon-emitting sectors, particularly within the sukuk portfolio, in line with decarbonisation targets
- Implement an initial carbon reduction target for the sukuk portfolio, supporting National'net-zero greenhouse gas ambitions by 2050
- Strengthen the role of the Investment division in integrating ESG considerations while balancing sustainable returns and portfolio resilience
- Maintain a Responsible Investment Policy aligned with recognised frameworks, including BNM guidance, the Securities Commission's SRI framework and relevant UN principles
- Define clear roles and responsibilities for research analysts and fund managers in embedding ESG considerations into investment assessment and decision-making, including ESG exposure limits and an exclusion list
- Incorporate climate-related risk considerations into investment evaluation and portfolio monitoring processes

Capitals: FC IC SRC NC | Key Focus Areas: MLP ERM ETP ESR SGB FBD CSM | UNSDGs: 8, 9, 12

M5 Digital Transformation

Stakeholder Groups Affected: S1 S2 S3 S4 S5 S6 S8

Risk

- Industry adoption of digital tools (including 24/7 support) is raising expectations for faster, more seamless customer journeys
- Digital innovation is accelerating personalised coverage and fuelling takafultech competition
- Lower barriers to entry intensify competitive pressure, requiring continuous innovation and stronger digital capabilities
- Customers increasingly expect seamless digital onboarding and improved self-service

Opportunities

- Automation reduces manual work, enabling employees to focus on higher-value tasks and improving cost efficiency
- Improved data capture and analytics strengthen customer insights, product development, pricing and fraud risk detection
- As requirements tighten (e.g., onboarding checks, documentation standards and data governance), digital workflows and better data capture help us remain compliant without compromising customer experience
- Secure, well-governed digital journeys reinforce reliability, reduce friction and support consistent service

Our Response

- Accelerating our digital transformation roadmap to improve customer experience, streamline operations, strengthen data-driven decision-making and support product innovation
- Continuously evolving and refining our digital capabilities to remain competitive in an increasingly challenging market

Capitals: FC MC IC HC SRC | Key Focus Areas: MLP ERM ETP ESR SGB FBD CSM | UNSDGs: 8, 11, 13

M6 Climate Change & Environmental Impacts

Stakeholder Groups Affected: S1 S2 S3 S4 S5 S6 S7

Risk

- Increasing frequency and severity of climate events, such as floods and droughts, may lead to higher claims and affect financial stability
- Changing weather patterns may reduce the reliability of existing risk models, requiring adjustments to underwriting and pricing, including higher contributions in more exposed areas
- Growing expectations from customers, particularly businesses, for solutions that support renewable energy and sustainable infrastructure transitions
- Limited responsiveness to ESG matters may affect reputation and weaken customer and investor confidence
- Non-compliance with environmental and social requirements may increase regulatory and legal exposure, while non-ESG-aligned investments may be exposed to stranded asset risks

Opportunities

- Expand solutions that support renewable energy and sustainable infrastructure, while helping customers adapt to climate-related risks
- Strengthen climate-informed underwriting, exposure monitoring and stress testing to better manage risks and protect long-term claims-paying capacity
- Deepen partnerships with corporates, SMEs and ecosystem partners to support risk mitigation, preparedness and recovery efforts
- Increase exposure to lower ESG-risk investments, where aligned with mandate and risk appetite, to support more resilient long-term returns

Our Response

- Gradually expand ESG-aligned offerings to encourage more sustainable practices among participants
- Enhance resource efficiency by reducing energy, water and paper usage through operational improvements and employee awareness
- Strengthen the role of the Sustainability function within the Finance Division to support integration across the Group
- Maintain Board oversight of ESG strategy, with management accountable for embedding climate and sustainability considerations into day-to-day decision-making
- Incorporate climate-related risk considerations into underwriting, investment and risk management processes
- Further integrate ESG considerations into investment processes, supported by improved tracking and reporting
- Explore and develop Takaful solutions that support renewable energy and transition-related activities
- Work with partners to provide practical risk management support, particularly for clients managing climate-related and emerging risks
- Implement on-site initiatives, including solar panel installations, to reduce reliance on non-renewable energy
- Promote simple, practical actions across the organisation, including recycling, reducing paper usage, energy-saving practices, sustainable commuting and responsible end-of-life asset management

Capitals: FC IC SRC NC | Key Focus Areas: ERM SGB CSM | UNSDGs: 6 7 12 13

MATERIAL MATTERS

M7 Employee Well-Being

Stakeholder Groups Affected S2 S3 S8

Risk
- Inadequate well-being support could lead to stress, disengagement or reduced morale
- Potential risks to productivity, talent retention and organisational performance if employee well-being is not effectively managed
- Insufficient safeguards may expose employees to workplace stress or health and safety risks

Opportunities
- An engaged workforce improves productivity, reduces absenteeism and turnover, and strengthens long-term business performance
- Prioritising well-being strengthens our reputation as employer of choice, improving talent attraction and industry positioning
- High workforce satisfaction translates into stronger trust between employees and management through consistent engagement and communication
- Healthier, more engaged employees can deliver better customer service, supporting satisfaction, loyalty and growth
- Compliance with employment laws, safety standards and employee rights reduces legal risk and builds trust with regulators
- Strong well-being practices align with ESG expectations, reinforcing stakeholder confidence and long-term investment appeal

Our Response
- Providing holistic mental health support, wellness initiatives and flexible work practices to strengthen work-life balance
- Offering competitive compensation and benefits, including medical coverage, financial wellness and employee assistance support
- Strengthening engagement through leadership development, career progression and continuous feedback to foster an inclusive workplace
- Ensuring our human resources ("HR") policies are aligned with labour laws, workplace safety requirements and industry best practices to protect employee rights
- Communicating well-being initiatives consistently via reporting and engagement channels to reinforce accountability and commitment
- Building trust and openness with company-wide engagement sessions, town halls and leadership communications
- Implementing employee wellness and engagement programmes focusing on mental well-being, teamwork and organisational culture
- Instituting learning and development programmes to upskill employees in technical, leadership and behavioural competencies, while also encouraging continuous professional development to support career growth and future readiness
- Digitalising our HR capabilities via the Phase 1 launch of our HR Information System (HRIS)
- Supporting diversity, inclusion and equal opportunity in line with our Employee Handbook, Code of Conduct and relevant HR policies, which set out clear expectations on non-discrimination, fair employment practices, equal access to opportunities and respectful workplace behaviour

Capitals FC IC HC SRC   Key Focus Areas MLP ERM ETP ESR SGB FBD   UNSDGs 3 4 8 10

M8 Community Empowerment

Stakeholder Groups Affected S2 S3 S7

Risk
- Initiatives perceived as one-off, promotional or not aligned with actual community needs may weaken trust and increase stakeholder scrutiny
- Weak partner selection, limited oversight or insufficient controls over funds and programme delivery may lead to misuse and affect credibility
- Programmes that do not address priority needs, such as disaster relief, livelihoods and financial resilience, may reduce impact and stakeholder support

Opportunities
- Community programmes and social initiatives strengthen brand visibility and stakeholder trust
- Demonstrating commitment to ethical conduct and social well-being supports long-term reputation
- Meaningful engagement with communities helps build stronger relationships with customers and stakeholders
- Employee participation in community initiatives can enhance morale, purpose and engagement
- Embedding social responsibility into business practices supports sustainable growth and long-term positioning

Our Response
- Deliver community programmes through structured CSR initiatives, including financial contributions and targeted support
- Provide timely disaster relief assistance, particularly during events such as floods
- Support education and livelihood initiatives through practical programmes, including learning support and skills development
- Promote financial resilience and well-being through outreach and community engagement efforts
- Work with selected partners and organisations to ensure programmes are relevant, well-managed and aligned with intended outcomes
- Strengthen internal oversight and governance over programme implementation, including monitoring of funds and delivery
- Encourage employee participation in community initiatives to foster a culture of contribution and shared responsibility
- Provide both financial and in-kind support to address immediate and longer-term community needs
- Support initiatives that promote self-sufficiency, including entrepreneurship and small business development

Capitals FC HC SRC   Key Focus Areas CSM SGB ETP   UNSDGs 1 2 3 10 11 12

M9 Customer Centricity

Stakeholder Groups Affected: S2 S3 S4 S5 S6 S7 S8

Risk

- Over-customisation may lead to higher prices or product complexity
- Raised expectations could lead to dissatisfaction if not met consistently
- Increased operational costs to maintain high service standards
- Higher pressure on internal resources to adapt quickly to customer demands, resulting in a risk of reputational impact if customer expectations outpace delivery
- Regulatory changes can affect product offerings, pricing and distribution across the takaful and insurance landscape
- Technology shifts continue to reshape customer expectations, drive efficiency and enable product innovation
- Less tech-savvy customers may struggle with online processes or self-service tools
- Economic volatility may influence consumer spending and investment behaviour, affecting Takaful demand
- Higher frequency of natural disasters can increase claims and alter underwriting risk profiles
- Competitive intensity can pressure market share, pricing margin and customer retention
- Inconsistent service levels may cause perceived unfairness if not managed well

Opportunities

- Convenience and faster problem resolution, resulting in improved service experience and satisfaction
- Enabling trust and transparency in our brand, with the potential to build long-term relationships, customer retention and brand loyalty
- Better access to clear information and suitable products to suit individual needs
- Enhanced reputation and competitiveness in the market
- Sustainable product performance due to better alignment with customer needs
- Supports fair treatment and non-discriminatory access to protection, underpinned by transparency and informed decision-making

Our Response

- Continuing to monitor and track customer feedback received through various channels, including phone calls, emails, letters and social media platforms
- Expanding our ESG-aligned Family Takaful offerings, such as riders supporting charitable causes, sadaqa and waqf benefits to support financial inclusion and social/environmental initiatives
- Providing tailor-made Takaful covers for Federal Land Consolidation and Rehabilitation Authority ("FELCRA") Berhad and Federal Land Development Authority ("FELDA") settlers, promoting fair access to affordable and essential protection for underserved communities
- Growing our digital capabilities by enhancing online platforms and keeping pace with evolving technology and customer trends
- Improving risk assessments with BNM Climate Risk Stress Testing ("CRST") while also developing more climate-resilient solutions and embedding sustainability into operations
- Creating value that sets us apart through innovation, stronger service delivery and strategic partnerships to reinforce market position

Capitals: FC IC HC SRC

Key Focus Areas: MLP ERM ETP ESR SGB FBD CSM

UNSDGs: 8 9 12

VALUE CREATION BUSINESS MODEL

Our value creation business model explains how we convert our resources, capabilities and relationships into long-term value for both the business and our stakeholders. By staying focused on our strategic priorities, proactively managing risks and responding to a rapidly evolving operating environment, we strengthen our resilience and uphold stakeholder confidence over time.

Our Capitals

Inputs

FC Financial
- Robust risk fund position
- RM18.07 billion worth of total assets
- RM2.29 billion in total equity
- Strong capital adequacy ratio

MC Manufactured
- Nationwide footprint with 23 branches
- Extensive distribution reach through banks, corporate agents, the Lembaga Pembiayaan Perumahan Sektor Awam ("LPPSA"), brokers and direct channels

IC Intellectual
- A strong, trusted and market-leading brand with established leadership across key markets and segments
- Digital platforms and owned channels that support visibility and access
- Product innovation and solution design capabilities across Family and General Takaful segments

HC Human
- A skilled and diverse workforce
- Our organisational culture, values and governance
- Our digital human resources ("HR") systems and people data

SRC Social and Relationship
- Ongoing commitment to advancing financial inclusion
- Active engagement with regulators, government agencies, local communities and the media

NC Natural
- 16.818 ML of water used
- 4,021.26 MWh of energy consumed
- Accelerated digitalisation initiatives to minimise environmental impact

Enable Value-Adding Activities

Key Focus Areas

Our operations are guided by clearly defined focus areas that align strategy, execution and sustainability outcomes:

MLP ERM ETP ESR
SGB FBD CSM

Refer to pages 58 to 61 for more information.

Material Matters

Our material matters reflect the issues that are most significant to our stakeholders and business sustainability:

M1 M2 M3 M4 M5
M6 M7 M8 M9

Refer to pages 47 to 55 for more information.

TAKAFULmalaysia

Market Trends

Key developments shaping our business decisions include:

- Digital Transformation
- Focus on Customer-Centricity
- Regulatory Changes
- Emphasis on Risk Management
- Green and Sustainable Takaful

Refer to pages 34 to 39 for more information.

Our 4 Sustainability Pillars

Our sustainability agenda is anchored on four mutually reinforcing pillars:

- Committed to Strong Governance
- Investing Responsibly
- Our Environmental Stewardship
- Our Social Commitments

Refer to pages 76 to 109 for more information.

Family Takaful	**Family Takaful**	**Retail Business**	**LPPSA**
General Takaful	**General Takaful**	**Commercial Business**	**Telemarketing**

Governance Framework

Our value creation efforts are underpinned by a strong governance framework, effective Board oversight and disciplined risk management practices.

Our Products & Services

Please scan the attached QR code or visit our official website to view our products and services online.

FC
MC
IC
HC
SRC
NC

Financial Outcomes

Total Assets	Gross Contributions	Dividend Declared	Return on Equity	Earnings per Share
RM18.07 billion	**RM4.53 billion**	**RM161.4 million**	**18.4%**	**44.16 sen**

In Value Creation For Our Stakeholders

Outcomes	Actions to Enhance Outcomes	Stakeholders & UN SDGs	Capital Trade-offs
• RM3.80 billion in Takaful revenue • RM615.7 million in Profit Before Zakat and Taxation ("PBZT") • Net asset per share up by RM0.30	• Optimise our capital structure to support sustainable growth and innovation • Reinforce risk management and capital adequacy while balancing shareholder returns with strategic reinvestment • Manage contribution growth alongside margin optimisation	S1 S2 S3 S4	• Reinvesting our earnings into digitalisation and growth initiatives may reduce our short-term profitability • Retaining capital for expansion may moderate immediate dividend distribution
• RM4.53 billion in gross contributions achieved from Family Takaful and General Takaful • RM109 million in annualised first-year contributions recorded by Advisory Family Takaful, marking its highest achievement to date	• Accelerate the development of digital platforms and ecosystem infrastructure • Enhance our digital ecosystem capabilities, including expanding Kaotim and our retail direct presence • Strengthen omnichannel customer experience through data-driven personalisation • Simplify workflows, automate operational processes and implement energy-efficient operational upgrades	S1 S2 S5	• Upfront capital expenditure on systems and infrastructure may increase our near-term costs before efficiency gains are realised
• Maintained our position as the #1 Family Takaful operator and #2 General Takaful operator • Recorded approximately 30% year-on-year growth in website traffic • Strengthened brand awareness and engagement among Malaysians • Continued to optimise costs and customer engagement through digital offerings	• Leverage our media and brand collaborations to strengthen our market positioning • Expand our data-driven personalisation and analytics capabilities • Strengthen our climate risk and sustainability management frameworks • Enhance our targeted messaging and digital engagement strategies	S1 S2 S3 S5	• Investment in brand equity and advanced analytics may delay our immediate financial returns but strengthens our long-term differentiation and resilience
• An average of 30 training hours per employee • Employee retention rate of 100% • Successful implementation of our new HR system	• Improve employee experience through streamlined digital HR processes • Strengthen our workforce capability and digital citizenship • Sustain employee engagement and embed environmental responsibility into our culture	S1 S2 S5	• Capability-building and cultural transformation require sustained investment before productivity and engagement benefits are fully realised
• RM194.5 million paid in taxes • Constituent of F4GBM Index • Delivered 20 CSR initiatives, with total contributions of more than RM15.0 million	• Engage stakeholders consistently to enhance transparency and alignment • Deepen our Bancatakaful and strategic partnerships while diversifying the product portfolio, including microtakaful, health and SME protection solutions • Expand our financial inclusion initiatives and offerings for underserved segments • Collaborate with NGOs, government agencies and industry peers	S1 S2 S4 S5	• Expanding into broader or underserved markets may increase our risk exposure • Enhanced transparency and public commitments may increase scrutiny and reputational sensitivity
• **Takaful *my*Home Solar** – Accelerates renewable energy adoption by protecting residential solar photovoltaic ("PV") systems, with 173 certificates in force in 2025, supporting Malaysia's low-carbon transition • **Pickles Auction (End-of-Life Vehicle Management)** – Promotes circular economy practices through responsible vehicle recycling, with 34 end-of-life vehicles sold in 2025, enabling resource recovery and reduced environmental waste • **Green Vehicle Coverage** – Encourages electric vehicle ("EV") adoption and reduces transport-related emissions, with 518 EVs covered in 2025, supporting cleaner mobility and lower fossil fuel dependence	• Embed ESG principles into our underwriting and investment decisions • Strengthen our climate risk frameworks and integrate climate considerations into strategic planning • Invest in low-carbon and environmentally responsible solutions	S1 S2 S4	• ESG and environmental investments may increase our operating costs in the short term but reduce long-term regulatory and transition risks

KEY FOCUS AREAS

Our seven key focus areas are centred on sustaining market leadership while building for future growth. Through strong governance, Shariah compliance and responsible business practices, we continue to strengthen our core businesses while expanding our reach through diversified distribution, digitalisation and new market opportunities.

MLP Maintain Market Leadership Position (Banca, LPPSA & Employee Benefits)

Capitals Impacted: FC MC IC HC SRC

Material Matters: M2 M4 M5 M7 M9

2025 Key Initiatives

- Retained existing bank partnerships through strategic engagement and strengthened value propositions
- Pursued new bank partnerships through request for proposal ("RFP") participation
- Expanded our Bancatakaful Advisory Family Takaful offerings
- Sustained growth across credit-related Family Takaful, General Takaful, Commercial General, LPPSA, Employee Benefits and Telemarketing
- Advanced digitalisation and automation initiatives
- Strengthened our nationwide distribution network to enhance market reach, operational efficiency and service reliability

2025 Achievements

- Secured three bancatakaful partnerships
- Delivered more than RM1.7 billion in gross contributions from credit-related products despite tighter regulatory requirements
- Delivered double-digit growth in the Lembaga Pembiayaan Perumahan Sektor Awam ("LPPSA") market, exceeding the set target and outperforming the same period last year
- Delivered double-digit growth in the Employee Benefits portfolio compared with FY2024
- Secured approximately RM80 million in new Employee Benefits business contracts

2026 Outlook & Priorities

- Expand our market reach and strengthen our distribution networks to mitigate bancatakaful partner funding constraints
- Drive group credit via execution of targeted product and customer segments diversification
- Grow Islamic home financing cover via close engagement with bank partners
- Improve operational efficiency through process optimisation and automation
- Leverage technology to improve service reliability, customer experience and contribution sustainability

ERM Execute Retail Market Strategy

Capitals Impacted: FC MC IC HC SRC

Material Matters: M2 M4 M5 M6 M7 M9

2025 Key Initiatives

- Scaled Kaotim as a core digital retail growth engine, improving access to affordable Takaful solutions
- Strengthened the General Takaful agency channel by improving productivity, advisory capabilities and cross-selling of Family Takaful and General Takaful retail products
- Embedded ESG-related criteria into retail product design to support responsible, inclusive and sustainable offerings
- Leveraged Takaful *my*Care Centres ("TMCC") as nationwide, accessible physical touchpoints
- Expanded retail Family Takaful distribution through our five advisory bank partners, covering both retail and business banking segments

2025 Achievements

- TH Khairat recorded strong momentum with 31% year-on-year ("y-o-y") growth, surpassing 680,000 subscribers
- TMCC achieved 12% growth and Corporate Digital Agents delivered 43% growth
- Launched Takaful myMedik, expanding general business retail participation beyond motor products into protection and medical solutions
- Achieved RM 109 million new business annualized contribution in Bancatakaful Advisory family business

2026 Outlook & Priorities

- Scale adoption of medical and protection plans among young professionals
- Increase public awareness and understanding of protection solutions across target markets

ETP Enable A Talent-Powered Organisation

Capitals Impacted: IC HC SRC

Material Matters: M2 M3 M4 M5 M7 M9

2025 Key Initiatives

- Strengthened talent mobility, career progression and our total rewards framework to improve engagement, retention, performance alignment and internal growth
- Built our human resources ("HR") capabilities, systems and governance to enable strategic workforce planning, future skills readiness and stronger organisational oversight
- Developed structured leadership and succession pipelines through coaching, inclusive leadership practices and targeted leadership development
- Improved adoption of digital tools and modern work practices to enhance productivity, collaboration and effective digital ways of working
- Enhanced our employer branding and employee value proposition to support long-term talent sustainability and attraction

2025 Achievements

- Implemented a new HR system to accelerate digitalisation, improve operational efficiency and support organisational sustainability
- Launched a new internal digital channel to communicate technology updates, enabling more effective digital ways of working and optimising digital asset utilisation
- Strengthened leadership and succession pipelines through the rollout of structured leadership programmes, complemented by inclusive leadership practices and targeted development initiatives
- Enhanced talent branding and employer value proposition, as reflected by three prestigious recognitions:
  - GRADUAN Brand Awards – Malaysia's Most Preferred Employers 2025
  - Talentbank – 2026 Graduates' Choice of Employers to Work For
  - HR Asia – Best Companies to Work for in Asia 2025 : Malaysia Chapter
- Established strategic engagement with universities to strengthen the talent pipeline, enhance graduate employability and support early talent development initiatives

2026 Outlook & Priorities

- Strengthen enterprise-wide upskilling, leadership development and succession planning to build sustained future-ready capability
- Optimise our HR system and people analytics to enable proactive, evidence-based talent, performance and rewards decision-making
- Embed responsible digital citizenship and modern ways of working while enhancing employee experience, engagement and well-being

ESR Enhance Shariah, Governance & Risk Management

Capitals Impacted: FC MC IC HC SRC NC

Material Matters: M2 M3 M4 M5 M6 M9

2025 Key Initiatives

Shariah Governance

- Strengthened our internal frameworks to reflect regulatory updates, Shariah Advisory Council ("SAC") resolutions, industry developments and harmonised Shariah guidelines
- Conducted applied Shariah research to address emerging operational and takaful issues
- Delivered structured training programmes, engagements and organisation-wide communications to strengthen Shariah awareness and compliance culture

Risk Management

- Enhanced controls across data management, cybersecurity and operational processes, supported by risk monitoring systems and analytics management
- Improved business continuity management practices and intensified efforts to manage climate-related risks
- Built strategic partnerships to support innovation, growth and long-term value creation

2025 Achievements

Shariah Governance

- Established the Potential Shariah Non-Compliance ("PSNC") Committee within the Shariah Control Functions to strengthen oversight

Risk Management

- Established an Integrity Unit within the Compliance Department with defined governance process to monitor and manage corruption risk, through our three-year anti-corruption plan aligned with T.R.U.S.T reporting
- Completed a Group-wide corruption risk assessment, covering the Group and its subsidiaries
- Appointed a Group Data Protection Officer
- Reviewed the business resilience framework and conducted a crisis simulation exercise to assess business continuity readiness
- Conducted a cyber security maturity exercise as well as Risk Management and Information Technology ("RMiT") assessment on the organisation
- Undertook measures to strengthen awareness and practices on data protection and security
- Developed a guide and operating procedure to govern third-party service management

2026 Outlook & Priorities

Shariah Governance

- Streamline Shariah-related operational processes, including risk acceptance frameworks, to improve efficiency and governance effectiveness
- Deepen the scope of Shariah research on viable operating and product models, to enable more innovative Shariah-based solutions
- Leverage digital platforms to improve accessibility and awareness of Shariah regulatory updates across the organisation

Risk Management

- Establish a market conduct function under the Compliance Department to oversee intermediary conduct practices
- Undertake a comprehensive end-to-end review of data management and security practices, supported by the Group Data Protection Officer
- Continue sharpening our focus on identifying and managing emerging risks, including cyber threats and AI proliferation, by strengthening our cyber response capabilities through cyber drills and red-team exercises, alongside ongoing awareness programmes
- Undertake structured efforts across all initiatives and projects undertaken by the Company to enhance organisational resilience against climate-related events

KEY FOCUS AREAS

SGB Sustain Growth of General Business Responsibly

Capitals Impacted: FC MC IC HC SRC

Material Matters: M2 M4 M5 M6 M7 M9

2025 Key Initiatives

- Enhanced our distribution platform to enable online distribution of retail motor and non-motor products

Motor Takaful

- Maintained underwriting discipline amid increasing competition and gradual de-tariffication dynamics
- Strengthened the motor claims experience through improved customer service and process efficiency

Non-Motor General Takaful

- Emphasised portfolio diversification across fire, personal accident and other non-motor classes
- Expanded distribution through agency, Bancatakaful, branches and digital platforms
- Addressed rising medical costs through innovative product design and distribution strategies

Broker

- Strengthened and rationalised our broker network to support business expansion
- Deepened engagement with high-performing brokers while maintaining quality partnerships

2025 Achievements

Motor Takaful

- Delivered a strong 13.63% y-o-y growth in the motor segment, primarily driven by agency channels
- Motor fleet and commercial segments also saw strong growth of 25.54% y-o-y
- Revised our special perils rate, improving affordability and customer uptake
- Developed a Motor Claims Charter to enhance customer understanding of the claims process
- Enhanced the Motor Claims Customer Portal for notifications, form downloads, submissions and document uploads
- Implemented customer surveys to gather feedback on Tele Bantuan services
- Engaged vendors on tools to improve claims response, including crash detection and assessment technologies, with appropriate controls and risk management in place
- Conducted a flood claims awareness campaign, communicating submission procedures via social media, the customer portal and our corporate website

Non-Motor General Takaful

- Delivered a strong 16.4% y-o-y growth in the non-motor segment, including 47% growth in broker-generated contributions. Fire business remained the largest broker channel contributor
- Maintained stable to positive contributions from liability, engineering, marine cargo and personal accident
- Launched Takaful myMedik, our first fully digital individual medical coverage
- Introduced Personal Cyber Takaful to address emerging cyber risks

2026 Outlook & Priorities

- Risk-based Value Creation: Transitioning from price competition toward underwriting discipline and risk-based pricing to ensure margin sustainability
- Portfolio Diversification: Rebalancing the business mix beyond tariff-dependent motor segments to mitigate volatility and protect long-term profitability
- Operational Excellence: Leveraging digital platforms and distribution strengthens to enhance customer engagement and drive cost efficiency in a liberalised market

FBD Future-Proof Business Through Digitalisation

Capitals Impacted: FC MC IC HC

Material Matters: M2 M4 M5 M7 M9

2025 Key Initiatives

- Strengthened our digital capabilities to enable seamless end-to-end customer journeys, expand partner ecosystems and support sustainable business growth
- Modernised and standardised our technology platforms to improve agility, scalability and resilience in support of current and future business needs
- Enhanced our security posture and risk controls to safeguard information assets, ensure regulatory compliance and maintain business continuity
- Built enterprise data and intelligence capabilities to support informed decision-making, operational optimisation and innovation
- Established strong operational foundations and governance practices to deliver reliable, efficient and sustainable technology services

2025 Achievements

- Enabled cloud-based digital platforms, Banca integration and digital customer journeys, resulting in faster product distribution, improved partner engagement, shorter speed-to-market and new business opportunities
- Advanced our security posture management in alignment with Zero Trust architecture, strengthening enterprise resilience while reducing the risk of service disruption, cyber incidents and regulatory non-compliance
- Delivered a new IT operating model and modernised our technology landscape, improving productivity and service reliability through reduced manual effort and optimised asset utilisation
- Established a unified data reporting layer and GenAI foundation, enabling data-driven insights, supporting scalable growth and positioning us for future digital innovation

2026 Outlook & Priorities

- Driving value realisation from technology investments by translating capabilities into measurable business outcomes, operational efficiency and improved customer experiences
- Accelerating delivery of digital platform initiatives to strengthen straight-through processing, enhance customer journeys and support sustainable growth
- Strengthening system resilience, cybersecurity posture and ongoing compliance with regulatory expectations, including BNM's Risk Management in Technology ("RMIT") policy document
- Guiding innovation through clear governance and value-based prioritisation, focusing on scalable technologies that enhance agility, data-driven decision-making and long-term competitiveness
- Building organisational capability, improving service quality and embedding a culture of continuous improvement and accountability

CSM Champion Sustainability Mission

Capitals Impacted: MC HC SRC NC

Material Matters: M2 M3 M4 M5 M6 M9

2025 Key Initiatives

- Embedded sustainability and value-based principles into selected Takaful product offerings to support responsible and inclusive protection solutions
- Incorporated climate-related considerations (IFRS S2) into investment, underwriting and risk management processes as part of the Group's initial implementation

atargeted community initiatives to improve accessibility to protection solutions

- Improved operational efficiency and environmental performance through ongoing digitalisation and resource optimisation initiatives
- Continued development of sustainable investment practices, including consideration of climate factors and transition pathways within the portfolio
- Enhanced governance, data and internal processes to support the preparation of climate-related financial disclosures under the NSRF transition approach

2025 Achievements

- Delivered the Group's inaugural Sustainability Statement aligned with the NSRF, with initial climate-related disclosures prepared in line with IFRS S2
- Identified and assessed climate-related risks and opportunities (CROs) as part of the Group's initial financial materiality assessment, with disclosures focused on climate in line with the transition approach
- Began integrating climate-related considerations into risk management and strategic planning processes
- Maintained alignment with applicable sustainability frameworks and regulatory expectations
- Achieved improvements in selected areas of operational efficiency, alongside efforts to manage environmental impact
- Continued incorporating ESG and climate-related considerations into investment activities to support portfolio resilience over time

2026 Outlook & Priorities

- Progressively enhance climate-related disclosures in line with IFRS S2, focusing on improving data quality, methodologies and internal processes
- Continue strengthening climate risk management practices, including initial development of scenario analysis and integration into enterprise risk management processes
- Gradually expand the assessment of sustainability-related risks and opportunities (SROs) beyond climate over time, in line with the phased NSRF approach
- Further integrate ESG and climate considerations into investment, underwriting and product development decisions
- Continue advancing sustainable finance initiatives to support the low-carbon transition and long-term resilience
- Strengthen data, systems and internal capabilities to support more consistent sustainability and climate-related reporting
- Reinforce accountability across the organisation through clearer governance structures and ongoing performance monitoring

KEY RISKS AND MITIGATION

Managing risk effectively is essential to protecting our business and supporting sustainable growth. Through disciplined risk management, we seek to identify and minimise potential risks to our operations and performance, while enabling the Group to deliver on its strategic objectives, maintain its competitive position, and create long-term value for shareholders and stakeholders.

Risk management at Takaful Malaysia is driven by our Enterprise Risk Management (ERM) process, which is detailed below.

Our Enterprise Risk Management Process Flow

RISK IDENTIFICATION AND ASSESSMENT

Risks are identified and assessed on an ongoing basis across the Group to support timely responses and ensure alignment with the Group's strategic and operational objectives.

RISK RESPONSE

The Group adopts one or a combination of the following core risk responses:

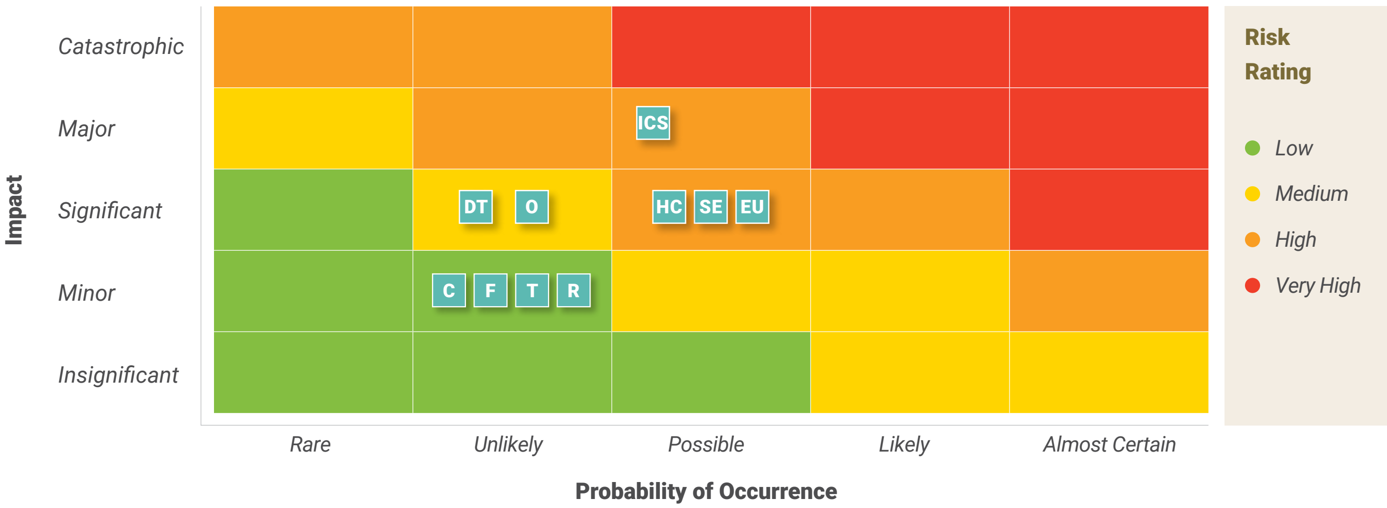
- Acceptance
- Avoidance
- Reduction
- Share/Transfer

RISK MONITORING AND REPORTING

Enterprise-wide risk information is monitored and reported to Management and the Board on a periodic basis, at least quarterly, to facilitate understanding of the Group's risk profile and support the determination of appropriate risk responses.

Our Key Risks in 2025

Through our risk identification process, we have identified ten (10) principal risks that could significantly impact the Group's operations, products, services or reputation.



Our Principal Risks

- **SE** Strategic Execution Risk
- **R** Regulatory Risk
- **HC** Human Capital Risk
- **DT** Digital &Technology Risk
- **ICS** Information & Cybersecurity Risk
- **T** Takaful Risk
- **O** Operational Risk
- **F** Financial Risk
- **C** Climate Risk
- **EU** Economic Instability & Uncertainty Risk

Risk Rating Low · Medium · High · Very High

Risk Trend Increasing · Decreasing · Stable

Strategic Execution Risk

Risk Trend
Stable

Risk Rating
High

Strategy
MLP SGB ERM FBD ETP CSM ESR

Stakeholders
S1 S2 S3 S5

Capitals Impacted
MC IC HC SRC

Material Topics
M1 M6 M7 M9

Failure to adequately execute our strategic goals, or to identify, assess, manage or adapt to internal and external events and changes that could impede the achievement of our strategy and strategic objectives.

Risk Context

Our business strategy focuses on capturing greater market share by expanding retail advisory products across multiple banca partners and broadening our customer reach through Direct and Digital channels. At the same time, we continue to strengthen our position in established areas, including bancatakaful credit business, Group EB and LPPSA. The Group is undertaking various transformation initiatives that require sustained commitment and close collaboration across the organisation.

Mitigation Actions

- Strengthening recruitment planning to enhance existing capabilities and introduce new skills within the business
- Expanding employee participation in change initiatives to support effective execution and adoption

Opportunities

- Introducing new and improved products to enhance shareholder value
- Enhancing recruitment planning to build a broader and more capable talent pool
- Sustaining a focus on change to deliver more differentiated products to customers
- Increasing collaboration across sales channels to unlock economies of scale
- Strengthening organisational cohesion to accelerate strategic execution and drive sustained growth

Regulatory Risk

Risk Trend
Increasing

Risk Rating
Low

Strategy
MLP SGB ERM FBD ETP CSM ESR

Stakeholders
S1 S3 S4 S5

Capitals Impacted
FC MC HC SRC

Material Topics
M1 M2 M3

The risk of legal, financial and reputational consequences arising from failure to comply with applicable laws, regulations and regulatory expectations within the takaful and financial services landscape.

Risk Context

Maintaining compliance with evolving legislation and regulatory requirements requires continuous monitoring and ongoing operational adjustments. Non-compliance could adversely impact the Group's business and place additional strain on internal resources and management capacity.

Mitigation Actions

- Taking focused measures to ensure the business operates efficiently and in compliance within the broader regulatory landscape
- Establishing functional and operational controls to support effective management of regulatory risks
- Maintaining ongoing engagement with regulators and industry associations to stay informed of developments and foster collaborative relationships

Opportunities

- Undertaking constructive advocacy in relation to policy and regulatory changes that support the Group's long-term strategic direction
- Reinforcing stakeholder and customer confidence through strong and consistent regulatory compliance

KEY RISKS AND MITIGATION

Risk Rating ● Low ● Medium ● High ● Very High

Risk Trend Increasing Decreasing Stable

Information & Cybersecurity Risk

Risk Trend
Increasing

Risk Rating
● High

Strategy
MLP SGB ERM FBD ETP CSM ESR

Stakeholders
S1 S2 S3 S5

Capitals Impacted
MC IC HC

Material Topics
M1 M2 M5

The risk of business disruption, financial loss, regulatory scrutiny and reputational damage arising from cyberattacks, data breaches or failures in information security controls.

Risk Context

The Group relies extensively on information systems that store confidential data, including that of customers, employees and business partners. Unauthorised, deliberate or accidental security breaches could result in data loss, compromise of confidentiality and disruption to business operations.

Mitigation Actions

- Operating a 24/7 Security Operations Centre to monitor servers and network devices and detect potential threats
- Continuously assessing and strengthening security posture and cyber resilience capabilities, including oversight of internal systems and outsourced service providers
- Maintaining cyber takaful coverage
- Implementing data loss prevention solutions to safeguard sensitive information
- Conducting cyberattack simulation exercises, including phishing and ransomware scenarios, to test incident response effectiveness
- Performing regular penetration testing to identify and address vulnerabilities
- Delivering mandatory cybersecurity awareness and training programmes for employees

Opportunities

- Strengthening the Group's competitive advantage through enhanced reliability and resilience of its products and services
- Reinforcing customer and stakeholder confidence through consistent and secure performance
- Sharpening focus on key strategic priorities through effective management of cyber and data security and operational resilience

Economic Instability & Uncertainty Risk

Risk Trend
Stable

Risk Rating
● High

Strategy
MLP SGB ERM FBD ETP CSM ESR

Stakeholders
S1 S2 S3 S5

Capitals Impacted
FC MC IC HC

Material Topics
M1 M5 M7 M9

The risk of adverse impacts on the Group's performance and growth arising from volatility in global financial markets and uncertain external economic conditions.

Risk Context

Economic instability and uncertainty may weaken local market sentiment, potentially constraining growth opportunities and affecting customer affordability, particularly in relation to health takaful products amid rising medical inflation.

Mitigation Actions

- Regularly reviewing products and offerings to continue delivering value to customers despite challenging economic conditions
- Continuously monitoring the economic environment and assessing the impact of emerging trends to identify appropriate mitigating actions
- Maintaining an agile strategy and a responsive workforce to adapt quickly to shifting market conditions

Opportunities

- Driving product innovation to meet customer needs across varying economic conditions
- Capitalising on heightened risk awareness among consumers by strengthening the Group's role as a trusted protection provider
- Reinforcing the Group's position as a market leader and preferred takaful provider through disciplined responses to economic uncertainty

Risk Rating Low · Medium · High · Very High

Risk Trend Increasing · Decreasing · Stable

Human Capital Risk

Risk Trend
Stable

Risk Rating
High

Strategy
MLP SGB ERM FBD ETP CSM ESR

Stakeholders
S1 S2 S3 S5

Capitals Impacted
FC MC HC SRC

Material Topics
M2 M3 M7

The risk of adverse impacts on the Group's operational performance arising from challenges in attracting, retaining and developing talent in a highly competitive labour market.

Risk Context

The continued evolution of the industry, including regulatory changes, heightened stakeholder expectations and rapid digitisation, has highlighted gaps in specialised talent within the labour market. This has increased pressure on the Group to secure the right capabilities and to undertake significant efforts to reskill and upskill employees to support current and future business needs.

Mitigation Actions

- Ensuring the right individuals are appointed to key roles, with succession planning embedded as a strategic priority
- Continuously upskilling and reskilling the talent pool to build capability, confidence and a culture of continuous learning
- Cultivating a collaborative workplace culture that values diverse perspectives and inclusion
- Enhancing employee experience through ongoing engagement, communication and targeted human resource programmes

Opportunities

- Building a resilient and highly motivated workforce that supports long-term organisational performance
- Enhancing our ability to attract high quality talent through an effective talent programme
- Strengthening talent retention and succession outcomes through improved operational sustainability
- Positioning Takaful Malaysia as an employer of choice in a competitive talent market

Operational Risk

Risk Trend
Stable

Risk Rating
Medium

Strategy
MLP SGB ERM FBD ETP CSM ESR

Stakeholders
S1 S2 S3 S5

Capitals Impacted
FC MC HC IC

Material Topics
M1 M2 M5

The risk of financial and non-financial losses arising from inadequate or failed internal processes, people, systems or external events across the Group's operations.

Risk Context

Operational risks may result in both financial and non-financial consequences. Financial impacts include regulatory fines and loss of investment income, while non-financial impacts may include reputational damage, loss of business and erosion of market share.

Mitigation Actions

- Applying the three lines of defence model to support effective identification, management and oversight of operational risks
- Enhancing our Operational Risk Management Framework in line with emerging risk profiles
- Maintaining close oversight of regulatory risk management through proactive engagement with business units
- Strengthening internal control and governance processes across the organisation
- Implementing learning and awareness initiatives to strengthen employee understanding of operational risks and their responsibilities in managing them
- Strengthening business continuity management processes to ensure readiness in the event of business disruptions

Opportunities

- Improving operational resilience through effective risk mitigation, supporting continuity and focus on priority matters in challenging environments
- Strengthening organisational credibility and reputation through a robust internal control environment
- Establishing a stronger competitive advantage by identifying opportunities to improve service delivery to customers and stakeholders

KEY RISKS AND MITIGATION

Risk Rating Low Medium High Very High

Risk Trend Increasing Decreasing Stable

Digital & Technology Risk

Risk Trend
Increasing

Risk Rating
Medium

Strategy
MLP SGB ERM FBD ETP CSM ESR

Stakeholders
S1 S2 S3 S5

Capitals Impacted
FC MC IC HC

Material Topics
M1 M2 M9

The risk of operational inefficiencies, service disruption and reduced competitiveness arising from reliance on legacy IT infrastructure and the inability to modernise digital and technology capabilities in line with business and regulatory expectations.

Risk Context

The rapid pace of digital innovation within the financial services industry continues to challenge the business models of traditional takaful operators. Increased adoption of, and reliance on, digital platforms, systems and processes heightens exposure to change-related risks and other technology-related issues that may result in business disruption, service inefficiencies and adverse operational impacts. At the same time, failure to adapt may impact the ability of insurers to attract and retain customers seeking more efficient and convenient digital experiences.

Mitigation Actions

- Upgrading and streamlining IT infrastructure to improve performance, resilience and security
- Digitalising business processes to meet the evolving needs of customers and advisers
- Managing change-related risks associated with the adoption of new digital and technology-enabled processes
- Continuously monitoring system health and capacity utilisation to enable early identification of potential technology issues

Opportunities

- Improving the Group's competitive standing and strengthening customer trust by introducing products and solutions that respond effectively to changing market needs
- Strengthening stakeholder satisfaction and customer experience through more reliable, efficient and digitally enabled services

Financial Risk

Risk Trend
Stable

Risk Rating
Low

Strategy
MLP SGB ERM FBD ETP CSM ESR

Stakeholders
S1 S2 S3 S5

Capitals Impacted
FC MC HC SRC

Material Topics
M1 M2 M9

The risk of adverse impacts on the Group's financial position arising from exposure to market, liquidity and credit risks, which could affect the Group's ability to meet its takaful obligations as they fall due.

Risk Context

Customers depend on the Group's ability to honour its promise of takaful protection. Maintaining financial soundness is therefore essential to ensuring product benefits can be delivered when due and to sustaining confidence in the Group.

Mitigation Actions

- Maintaining strong solvency and liquidity buffers to safeguard the Group's financial health
- Modelling, evaluating and monitoring capital requirements on an ongoing basis to remain prepared for changing conditions
- Applying a prudent investment strategy supported by robust asset and liability management practices

Opportunities

- Enhancing long-term resilience by strengthening the Group's capital and solvency position in line with evolving capital risk management frameworks
- Enabling sustainable business growth and enhanced stakeholder value through a strong and stable financial position supported by appropriate capital management

Risk Rating Low · Medium · High · Very High   **Risk Trend** Increasing · Decreasing · Stable

Takaful Risk

Risk Trend
Stable

Risk Rating
Low

Strategy
MLP SGB ERM FBD ETP CSM ESR

Stakeholders
S1 S2 S3 S5

Capitals Impacted
FC MC IC HC

Material Topics
M1 M2 M4 M9

The risk of adverse claims experiences arising from the Group's Family Takaful business, which provides protection against death, disability and medical events, and its General Takaful business, which covers property losses and liability claims.

Risk Context

The Group's value proposition is underpinned by its ability to fulfil the promise of protection to customers. Maintaining financial soundness is therefore critical to ensuring that product benefits can be delivered as they fall due and that confidence in the Group is sustained.

Mitigation Actions

- Pursuing sustainable business growth while practising disciplined and prudent takaful risk underwriting that reflects the scale and nature of risk exposures
- Continuously enhancing understanding of emerging and evolving takaful risk behaviours to strengthen risk-based pricing and underwriting discipline

Opportunities

- Offering competitive contribution rates that enhance customer value while supporting shareholder returns through effective takaful risk management
- Strengthening consumer confidence in the Group's ability to honour its protection commitments through sustained positive underwriting outcomes and a strong solvency position

Climate Risk

Risk Trend
Increasing

Risk Rating
Low

Strategy
MLP SGB ERM FBD ETP CSM ESR

Stakeholders
S1 S2 S3 S7

Capitals Impacted
FC IC HC NC

Material Topics
M4 M6 M8 M9

The risk of adverse impacts on the Group's financial position, operations and long-term sustainability arising from climate-related events and the transition to a lower-carbon economy.

Risk Context

Climate change may affect the Group across multiple dimensions, including its assets and investments, takaful claims experience, and operational and business continuity. Shifts in consumer sentiment and preferences may also influence demand for the Group's products and services, potentially impacting growth and market positioning.

Mitigation Actions

- Developing products and services that support climate preservation objectives, complemented by responsible investment practices, including investments in green sukuk
- Integrating climate-related considerations into the Group's strategies, governance structures, and enterprise-wide frameworks, policies and practices, including engagement with business partners
- Implementing forward-looking climate risk assessments over extended time horizons to support effective management of risk exposure and long-term solvency

Opportunities

- Strengthening the Group's appeal to customers and investors who prioritise sustainability considerations in their decision-making
- Unlocking long-term sustainable value for shareholders through the integration of climate considerations into business and investment strategies
- Creating shared value for customers and shareholders by aligning products, services and capital allocation with climate-related priorities

BUSINESS REVIEW

Family Takaful

As the leading Family Takaful operator in Malaysia, we deliver comprehensive financial protection that helps customers safeguard what matters most.

From death and disability coverage to medical protection, investment and savings plans, our solutions are designed to meet diverse needs across different life stages. This breadth of offerings, combined with our strong distribution network and customer-focused approach, positions us at the forefront of the industry.

FINANCIAL PERFORMANCE

Company Takaful Revenue

RM2.30 billion

(FY2024: RM2.08 billion)

Company Profit Before Zakat and Taxation ("PBZT")

RM504.0 million

(FY2024: RM429.6 million)

SCAN ME
To view our products and services online, or visit our official website at www.takaful-malaysia.com.my.

KEY PRIORITIES IN FY2025

During the year, we focused on:

- Strengthening and defending core Bancatakaful and bank partnerships
- Driving sustainable contribution growth across Family Takaful, Retail Business and LPPSA
- Scaling high-performing distribution channels and improving sales productivity
- Accelerating digital and alternative distribution for broader customer reach
- Enhancing customer experience while underwriting speed and quality of sales
- Managing pricing pressure, medical inflation and operational risks effectively

FINANCIAL HIGHLIGHTS

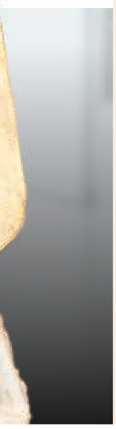
In FY2025, we sustained our growth momentum, achieving the following:

- Takaful Malaysia Keluarga's unique customer base for the Family Takaful business surpassed 2.8 million as at FY2025

- Maintained a capital adequacy position close to the industry average in 2025*

- Takaful revenue of RM2.30 billion for the financial year ended 31 December 2025, increased by 10.4% as compared to RM2.08 billion in the same period last year, mainly attributable to higher takaful revenue earned for takaful services provided

- For the financial year ended 31 December 2025, the Company reported a PBZT of RM504.0 million. This represents a 17.3% increase of RM74.4 million compared to the previous year's profit of RM429.6 million mainly due to an increase in Takaful Services Results



* *Source: Bank Negara Malaysia's Financial Stability Review – Second Half 2025*

OPERATIONAL REVIEW

KEY INITIATIVES	FY2025 ACHIEVEMENTS
FAMILY TAKAFUL	
Retaining Existing Bank Partnerships	• Secured the renewal of three bank partnerships, reinforcing long-term collaboration
Expanding New Business Opportunities	• Participated in renewal and new business partnership request for proposals ("RFPs") to expand our distribution reach
Optimising Contributions from Credit-related Products	• Achieved RM1.72 billion in gross contribution from credit-related products
Strengthening Relationships with Brokers & Enhancing the Employee Benefits Proposition	• Recorded approximately 20% growth in the Employee Benefits portfolio y-o-y, driven by strong client retention and new client acquisition • Strengthened corporate client trust through professional advisory services delivered via the direct channel, insurance and Takaful brokers, and corporate agencies • Conducted engagement events for direct corporate clients, brokers and corporate agencies to deepen collaboration and partnerships • Established strategic partnerships with wellness providers to deliver impactful wellness programmes to corporate clients
Strengthening Advisory Capabilities & Performance	• Achieved RM109.3 million in Annual Contribution Equivalent ("ACE") • Strengthened the Bancatakaful advisory model through enhanced sales enablement, performance monitoring and quality assurance frameworks • Improved productivity of Takaful Specialists and Generalists through structured capability development programmes and bank partner sales staff activation initiatives, including sales training, KPIs, quality sales focus and productivity dashboards
Increasing Customer Awareness & Quality of Sales	• Increased customer awareness on the importance of protection through regular contribution Takaful products delivered during roadshows, client events and Bancatakaful Day with bank partners • Enhanced customer segmentation and needs-based product matching to improve conversion rates and policy persistency

BUSINESS REVIEW

KEY INITIATIVES	FY2025 ACHIEVEMENTS
FAMILY TAKAFUL	
Strengthening Distribution & Driving Retail Business Growth	• Optimised sales distribution capabilities across five advisory bank partners • Bancatakaful Advisory achieved 137% of its FY2025 target, reflecting an 80.74% increase y-o-y • TH Khairat maintained strong momentum with 31% y-o-y growth, capturing more than 680,000 subscribers • TMCC and Corporate Digital Agent recorded positive growth of 12% and 43%, respectively • Strengthened retail distribution by optimising Bancatakaful advisory channels and expanding direct digital platforms • Scaled Kaotim as a core retail growth engine, improving access to affordable Takaful solutions • Enhanced the customer onboarding experience through end-to-end digital journeys and streamlined processes • Refined product offerings to better serve younger and underserved customer segments • Launched medical, term and savings plans for Corporate Digital Agent channels to broaden product accessibility
Driving Customer Engagement & Brand Performance	• Rolled out KAOTIM Mini Worries, Big Rewards, and Great Prizes campaigns to drive engagement and customer acquisition • Executed Switch to KAOTIM – MediKad to accelerate product adoption and customer migration • Launched Takaful Malaysia Cover *Tanpa Ragu* to strengthen our brand confidence and market positioning • Recognised as the Fastest Growing ASEAN Insurance Brand 2025 by Brand Finance • Received the Innovation Award and won Direct Distribution Channel – Family Takaful at the Takaful Star Awards 2025 • Achieved 90% Share of Voice on social media in 2025, reflecting strong campaign execution and audience engagement • Maintained industry leadership across insurance and Takaful brands through sustained performance and media engagement
LPPSA	
Broadening Nationwide Distribution & Service Excellence	• Worked closely with our extensive state-level distribution network to strengthen engagement and execution • Fostered more impactful, results-driven interactions with civil servants • Enhanced flexibility for Lembaga Pembiayaan Perumahan Sektor Awam ("LPPSA") home financing applicants by offering a choice of two home coverage options tailored to individual needs • Delivered services efficiently and to high standards, ensuring client needs are met with excellence and quality • Identified key risks and implemented mitigation actions to ensure effective management without disruption to operations

CHALLENGES	MITIGATION ACTIONS
FAMILY TAKAFUL	
Continued competition with other Takaful operators for Bancatakaful credit-related business	• Strengthened the Bancatakaful value proposition through differentiated product features and enhanced service quality • Enhanced collaboration with bank partners via joint campaigns and integrated business planning • Improving underwriting turnaround time and overall customer experience through process automation • Reinforced relationship management with key Bancatakaful partners to reinforce long-term collaboration

CHALLENGES	MITIGATION ACTIONS
FAMILY TAKAFUL	
Ongoing pricing competition and rising medical inflation in the Employee Benefits market	• Boosted the Employee Benefits value proposition by integrating wellness programmes for key clients, delivering value beyond price competitiveness • Supported corporate clients with cost management strategies aimed at managing and controlling escalating medical costs effectively
RETAIL BUSINESS	
Continued competition with other Takaful operators for Bancatakaful credit-related business	• Strengthened the Bancatakaful sales support team and Bancatakaful helpdesk to better support bank partners and business expansion • Enhanced operational efficiency through increased process automation and system integration • Collaborated closely with bank partners on targeted marketing campaigns to promote Takaful products • Offered competitive product propositions with improved and seamless underwriting requirements • Enhanced customer loyalty through differentiated and unique product offerings
LPPSA	
Sustaining long-term relationships amid intense competition in the LPPSA market	• Maintained regular engagement with the distribution network through structured communications and nationwide state-level programmes to ensure alignment and effective execution • Streamlined and automated operational processes to address issues promptly and improve new business processing efficiency • Drove joint marketing and targeted communication initiatives to strengthen engagement, particularly among government employees for LPPSA financing • Enhanced product offerings to deliver comprehensive and competitive coverage for LPPSA borrowers • Leveraged niche expertise and sustained close engagement with LPPSA and government entities to meet evolving needs and maintain a strong competitive position

2026 OUTLOOK AND PROSPECTS

PERFORMANCE & FUNDAMENTALS

Our Family Takaful business continues to demonstrate strong fundamentals, supported by disciplined risk management, prudent capital stewardship and a diversified portfolio across credit-related products, protection, savings and Employee Benefits. This foundation has enabled us to sustain our leadership position while remaining resilient in a competitive environment.

Rising awareness of financial protection and long-term savings in Malaysia is expected to further drive Family Takaful market growth. We are well-positioned to capture this opportunity through our established brand, extensive distribution network and consistent performance track record. Strategic partnerships and expanded retail access will remain key enablers in translating market demand into sustainable growth.

BANCATAKAFUL & DISTRIBUTION STRENGTH

Bancatakaful partnerships continue to be a core growth driver, providing access to a broad retail customer base and supporting stable contribution flows. These long-standing banking relationships, underpinned by an advisory-led distribution model, position us strongly to unlock new opportunities and reinforce our role as a preferred Takaful partner within the banking ecosystem.

DIGITAL INNOVATION

We will continue to accelerate retail contribution growth while strengthening our digital capabilities. KAOTIM remains central to our innovation agenda, with planned enhancements including AI-enabled customer engagement, intuitive financial planning tools and a more seamless end-to-end claims experience. These initiatives are designed to make takaful more accessible, responsive and aligned with the evolving expectations of today's customers.

Read pages 130 to 131 of our ISSB Sustainability Statement for more details on how climate-related physical risks influence Family Takaful underwriting, including impacts on mortality and morbidity trends, actuarial assumptions, claims experience, risk transfer arrangements and long-term financial performance.

BUSINESS REVIEW

General Takaful

Our General Takaful business provides comprehensive, Shariah-compliant protection solutions across motor, fire, personal accident and a broad range of commercial and specialty classes.

While motor remains a key contributor, we continue to diversify into non-motor segments, strengthen our underwriting discipline and enhance our distribution capabilities. Through targeted product innovation and ongoing digitalisation, we remain focused on delivering sustainable growth and resilient performance in a competitive and evolving risk landscape.

FINANCIAL PERFORMANCE

Company
Takaful Revenue

RM1.44 billion

(FY2024: RM1.47 billion)

Company
PBZT

RM169.5 million

(FY2024: RM176.0 million)

SCAN ME
To view our products and services online, or visit our official website at www.takaful-malaysia.com.my.

KEY PRIORITIES IN FY2025

During the year, we focused on:

- Shifting from capability-building to disciplined execution, with deeper ESG integration across our operations, underwriting, claims and product design
- Advancing portfolio diversification beyond motor while reinforcing underwriting discipline, risk selection and fund management to strengthen our resilience and profitability
- Driving targeted product innovation to address evolving healthcare and digital protection needs
- Strengthening distribution effectiveness across agency, Bancatakaful, broker and telemarketing channels, supported by digital enablement to improve reach and productivity
- Enhancing operational excellence through automation, improved claims management, and strengthened catastrophe risk and retakaful strategies to safeguard our earnings stability

FINANCIAL HIGHLIGHTS

In FY2025, we delivered the following results amid a more challenging operating environment:

- Our General Takaful business recorded Takaful revenue of RM1,444.0 million for the financial year ended 31 December 2025, a 1.5% decrease as compared to last year's RM1,466.2 million

- For the financial year ended 31 December 2025, the Company recorded PBZT of RM169.5 million, a 3.7% decrease compared to last year's RM176.0 million

BUSINESS REVIEW

KEY INITIATIVES	FY2025 ACHIEVEMENTS
GENERAL TAKAFUL	
Agency Force Expansion	• Recruited 3,130 new agents, expanding the agency network and driving expansion across key product segments • Reinforced our relationships with agents through continuous engagement initiatives, enhancing our productivity and channel stability
Product Enhancement & Innovation	• Expanded our retail product suite with the launch of Takaful myMedik and Personal Cyber Takaful, addressing rising healthcare costs and digital risk exposure • Continued to enhance our existing products to improve competitiveness and customer value proposition
Claims Efficiency & Digitalisation	• Improved claims processing turnaround time by leveraging the Merimen software to automate repair approvals, standardise procedures and track costs, resulting in faster processing, consistent repair quality and better claims cost control • Delivered on the prior year's success of reducing Takaful Pelajar Sekolah Malaysia ("TPSM") claims turnaround time from 14 to 3 days by fully implementing robotic process automation ("RPA") and paperless processing – sustaining a consistent three-day turnaround and eliminating physical documentation
ESG Initiatives	• Implemented vehicle end-of-life management through the use of Authorised Automotive Treatment Facilities ("AATF"), aligned with national ESG and environmental sustainability initiatives • Launched Personal Cyber Takaful to enhance consumer protection and digital resilience in an increasingly connected environment
COMMERCIAL BUSINESS	
Sustainable Growth & Broker Network Optimisation	• Achieved strong y-o-y growth in broker-generated commercial contributions • Streamlined the broker network to focus on higher-performing brokers, strengthening our overall portfolio quality and competitiveness
Strengthened Underwriting Discipline & Risk Selection	• Recorded strong growth in the motor business, especially within the fleet and commercial segments
Portfolio Diversification Beyond Motor	• Fire business remained the largest contributor, driven by increased corporate and commercial risk placements • Maintained stable to positive contributions across liability, engineering, marine cargo and personal accident, resulting in a more balanced commercial portfolio
TELEMARKETING	
Improved Customer Contact & Engagement	• Delivered stronger overall customer engagement through structured follow-up and targeted outreach

CHALLENGES	MITIGATION ACTIONS
GENERAL TAKAFUL	
Intense competition from Bancatakaful, conventional insurers, and Digital Insurers and Takaful Operators ("DITOs")	• Strengthened collaborations with our banking partners • Enhanced our digital engagement platforms • Diversified our product portfolio beyond motor Takaful into non-motor segments
Low digital adoption among customers	• Expanded our product availability via digital platforms across agency and Banca channels through branch TMCCs, allowing customers to purchase our products via walk-in or online platforms
Regulatory and compliance risks encompassing Shariah and financial governance	• Proactively engaged with regulatory authorities • Strengthened our Shariah and financial governance frameworks • Maintained robust internal control functions
Rising frequency of extreme weather events impacting underwriting and claims	• Secured higher retakaful capacity for flood and earthquake exposures • Implemented flood assessment tools (SpatialKey) as part of pre-acceptance risk evaluation
Talent retention and upskilling	• Strengthened succession planning initiatives • Invested in learning and development programmes • Continued fostering of a collaborative and performance-driven work environment
COMMERCIAL BUSINESS	
Tariff constraints and rising claims costs in motor	• Strengthened our underwriting discipline and risk selection for fleet and commercial motor risks • Focused on higher-quality brokers aligned with risk appetite and pricing strategy • Enhanced our claims monitoring to control loss ratios • Prioritised portfolio diversification by growing our fire and other commercial lines to offset motor pressures

2026 OUTLOOK AND PROSPECTS

Looking ahead, the General Takaful business will remain focused on delivering sustainable growth, advancing portfolio diversification and strengthening operational excellence.

We will continue to reduce reliance on motor by expanding our non-motor contributions and deepening our presence in established lines such as fire, solar and personal accident. At the same time, we will introduce and further expand new non-motor offerings, to address evolving protection needs and emerging risks.

Concurrently, our distribution reach will be broadened across digital, agency, Bancatakaful and branch TMCC channels, complemented by flexible purchase options through both walk-in and online platforms to enhance accessibility and customer convenience.

With focused execution, a more balanced portfolio and strengthened risk governance, the General Takaful business is well-positioned to navigate competitive and regulatory challenges while delivering sustainable value in FY2026 and beyond.

Read pages 132 to 137 of our ISSB Sustainability Statement for more details on how climate-related physical risks, transition risks and initiatives such as Takaful myHome Solar, green vehicle coverage, windscreen repairs, pickles auctions and End-of-Life Vehicle certifications impact underwriting exposures, risk prevention, sustainable asset management, operational efficiency, product innovation and strategic decision-making within General Takaful.

OUR APPROACH TO SUSTAINABILITY

ABOUT THIS STATEMENT

Syarikat Takaful Malaysia Keluarga Berhad (“Takaful Malaysia”, “Takaful Malaysia Keluarga”, “Group”, “we” or “our”) is pleased to present our Annual Sustainability Statement (“this Statement”) for the financial year ended 2025 (“FY2025”).

This Statement outlines our approach to identifying, managing and disclosing material Environmental, Social and Governance (“ESG”) matters, enabling our stakeholders to understand how these matters are integrated into the Group's strategy, governance and decision-making processes to support our objective of sustainable, long-term value creation.

SCOPE AND BOUNDARY

This Statement covers the Group, comprising Syarikat Takaful Malaysia Keluarga Berhad and Syarikat Takaful Malaysia Am Berhad (“Takaful Malaysia Am”), and excludes any outsourced activities or joint ventures except where stated.

Selected historical data has been included to provide context and highlight key sustainability trends over a period of time. Additionally, this Statement includes both qualitative insights and quantitative data to provide a comprehensive perspective of our sustainability performance and progress.

This Statement also includes our inaugural sustainability-related financial disclosures prepared in accordance with the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board (“ISSB”), namely IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures). Available on pages 117 to 153 our ISSB Sustainability Statement reflects our commitment to strengthening the transparency, consistency and comparability of our sustainability reporting. In preparing these disclosures, we have applied the transition relief under the National Sustainability Reporting Framework (“NSRF”) for IFRS S2 adoption among Group 1[1] entities, as further described in the ISSB Sustainability Statement.

REPORTING FRAMEWORKS

This Statement has been prepared with reference to applicable regulatory requirements, recognised frameworks and guidelines, including those issued by Bank Negara Malaysia (“BNM”), Bursa Malaysia Securities Berhad (“Bursa Malaysia”), the NSRF, the IFRS Sustainability Disclosure Standards (“IFRS S1” and “IFRS S2”), the GRI Universal Standards 2021, and in alignment with the United Nations Sustainable Development Goals ("UN SDGs").

Where applicable, our climate-related disclosures are guided by the recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD") to strengthen our assessment and management of climate-related risks and opportunities ("CROs").

AVAILABILITY AND FEEDBACK

This Statement, together with our Integrated Annual Report (“IAR”) FY2025, is available on our website:

www.takaful-malaysia.com.my

We welcome feedback and constructive engagement from our stakeholders about our sustainability reporting. Comments, views and enquiries may be directed to:

esg@takaful-malaysia.com.my

Note:

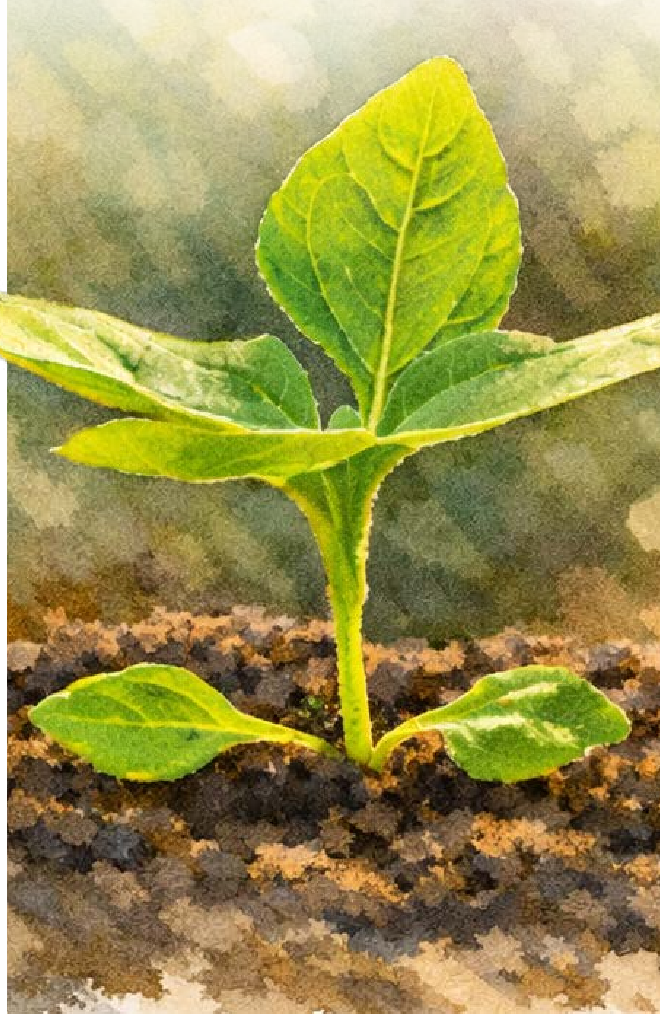
[1] *Refers to Bursa Malaysia Main Market listed issuers with market capitalisation (excluding treasury shares) of RM2 billion and above as of 31 December 2024.*

SUSTAINABILITY FRAMEWORK

As a Group, we recognise the growing importance of integrating ESG considerations into our business to support long-term sustainability and resilience. Embedding sustainable thinking across our operations enables responsible growth while taking into account the impact of our activities on stakeholders and the environment.

Our Sustainability Framework sets out a structured approach to managing sustainability-related risks, encompassing governance, strategic priorities, risk management practices and key enablers. Endorsed by the Board of Directors (“the Board” or "BOD"), it is implemented across the Group and aligned with the requirements of BNM, Bursa Malaysia, the TCFD recommendations, the UN SDGs and the Malaysian Takaful Association (“MTA”).

This is further reinforced through the adoption of the Value-Based Intermediation for Takaful (“VBIT”) framework and the application of *Maqasid al-Shariah* principles, strengthening our ethical foundation while supporting sustainable and responsible outcomes.



Sustainability Practices

Delivering Positive Sustainable Impact

Sustainability Pillars

Committed to Strong Governance

Sustainability integration demands robust governance that aligns with our sustainability objectives. By implementing strict policies and practices, we strengthen our sustainability strategy and effectively monitor our progress.

Investing Responsibly

We prioritise financial returns to benefit both clients and shareholders while driving positive change to improve society and communities. Our focus includes reducing carbon emissions, empowering individuals and maintaining financial performance, transparency and social impact in our portfolio.

Our Environmental Stewardship

We focus on sustainability strategies aimed at environmental preservation. As a Takaful provider, we leverage our expertise to foster a sustainable ecosystem through ongoing product innovation. Our goal is to support a sustainable future for both current and future generations.

Our Social Commitments

We prioritise nurturing our workforce and communities by focusing on diverse talent and empowerment in response to industry dynamics. This investment enhances experiences and boosts our adaptability and success.

Stakeholder Engagement

Material Matters

1 Committed to Strong Governance	2 Investing Responsibly	3 Our Environmental Stewardship	4 Our Social Commitments
Data Privacy & Security[1]	Sustainable Growth[2]	Climate Change & Environmental Impacts[3]	Employee Well-Being[4]
Ethics & Compliance[1]	Digital Transformation[2]		Community Empowerment[4]
Human Rights[1]			Customer Centricity[4]

Integrated Risk Management

Identification & Assessment | Controls & Monitoring | Data & Methodologies

Performance Sustainable Capital Management

Capital Planning & Scenario Analysis

Disclosure

Benchmarking (CRMSA, CRST, TCFD, NSRF, GRI)

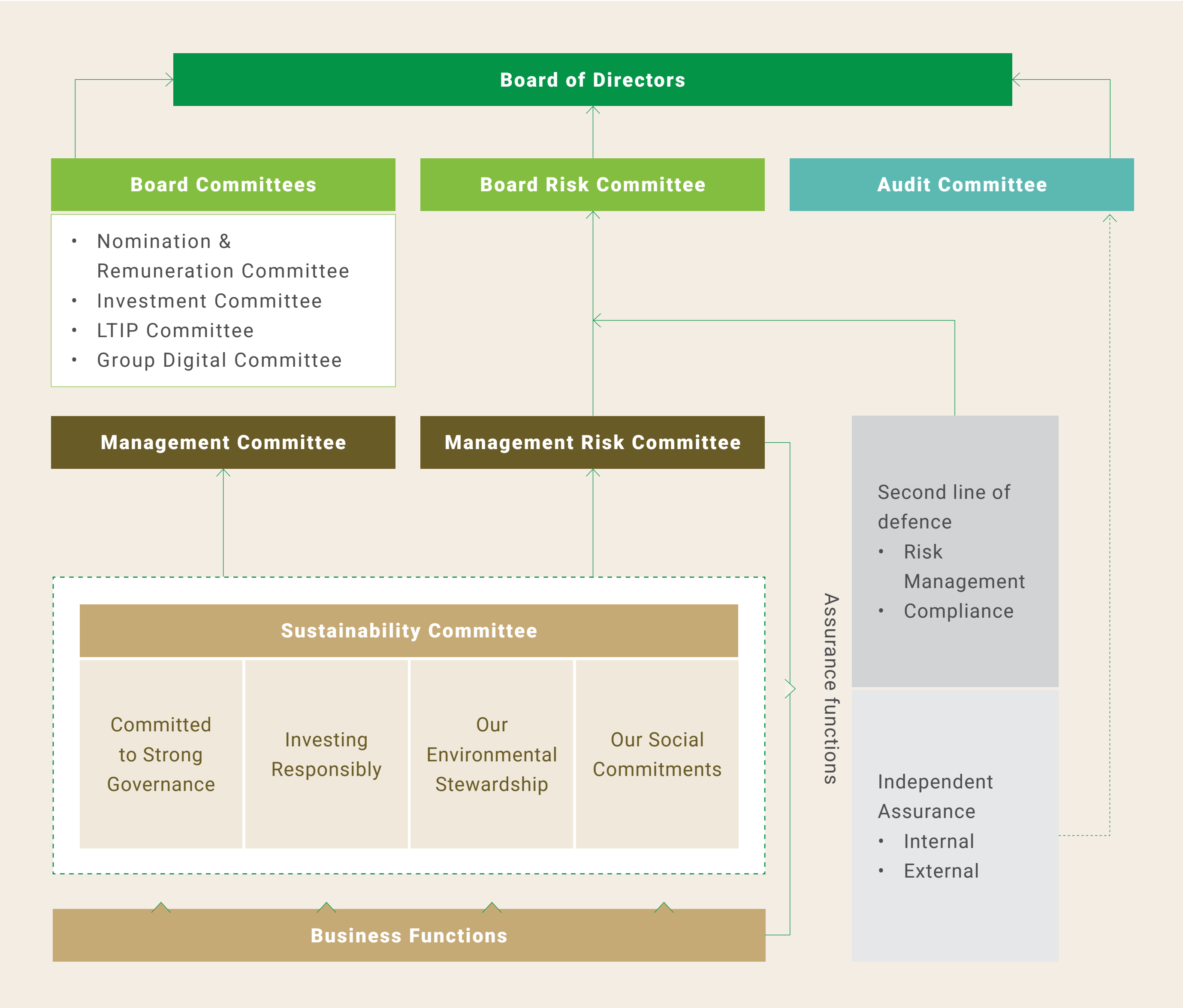
Refer to pages 40 to 44 for more information on Stakeholder Engagement and pages 47 to 55 for Material Matters.

OUR APPROACH TO SUSTAINABILITY

SUSTAINABILITY GOVERNANCE

GOVERNANCE HIERARCHY

Sustainability governance at Takaful Malaysia is anchored at the highest level of the organisation, ensuring ESG considerations are embedded into our business strategy, risk management and operations. This integrated governance approach supports effective decision-making, regulatory compliance and long-term value creation.



Oversight of sustainability rests with the Board of Directors ("Board" or "BOD"), which provides strategic direction and approves our sustainability strategy, governance framework, priorities and targets. The Board also oversees the integration of sustainability considerations across the Group.

The Management Committee oversees the day-to-day management of sustainability risks and opportunities ("SROs"), including setting strategies, priorities and targets, coordinating initiatives and ensuring effective implementation.

The Sustainability Committee supports Management in implementing ESG strategies and initiatives, with sub-committees established to execute approved actions across our four sustainability pillars.

The Head of Sustainability oversees and coordinates all sustainability matters, with ESG risk ownership, controls and assurance embedded across our three lines of defense to ensure effective management of material ESG risks.

ROLES AND RESPONSIBILITIES

Board of Directors ("BOD")

Has oversight and accountability for the overall sustainability strategy and safeguards Takaful Malaysia from ESG risk elements:

- Provide effective oversight and strategic positioning relating to the sustainability agenda
- Evaluate risks and opportunities relating to the sustainability agenda and approving Takaful Malaysia's strategies and business plans
- Actively discuss and remain up to date and understand the distinctive elements and transmission channels of sustainability risks, including climate-related risks
- Approve the policy on sustainability-related disclosures
- Set the tone from the top and culture on sustainability management
- Receive quarterly updates on ESG initiatives, including climate-related matters

At least **4x** per year for sustainability and climate-related risk items

Board Committees

The Board delegates sustainability oversight to the following committees:

- Nomination and Remuneration Committee – Alignment of our incentive plan to our sustainability targets and KPIs, including a review of the performance of the Board and senior management
- Audit Committee – Oversight of sustainability-related disclosures
- Investment Committee – Oversight of sustainable investment policies
- Board Risk Committee (BRC) – Oversight on the management of sustainability risks
- Group Digital Committee - Assists the Board in overseeing the Group's information technology and digitalisation strategies, including technology risk and governance in line with Bank Negara Malaysia's expectations; and
- Long-Term Incentive Plan ("LTIP") Committee – Oversight of roll-out of the new LTIP Scheme that will run for an initial period of 3 years from 2024 to 2026

Board Risk Committee ("BRC")

Assists the BOD in discharging its duties to provide oversights on the management of sustainability risks. The BRC is responsible for:

- Ensuring sound management of sustainability risks which could impede Takaful Malaysia's abilities to meet its strategic objectives
- Reviewing the Sustainability Framework and related policies
- Approving the risk appetite and limiting the level of risk-taking activities
- Ensuring that the risk appetite remains appropriate and relevant to the risk-taking activities through periodic reviews and updates
- Ensuring that it receives adequate information on sustainability risk exposure and composition and risk management activities

Management Committee

The Management Committee is responsible for:

- Overseeing and integrating sustainability within the Group's existing Three Lines of Defence and appropriately define the roles and responsibilities of key business and control functions in supporting the Company's strategies towards climate resilience and sustainable business
- Evaluating and approving sustainability strategies
- Coordinating sustainability initiatives within the Group with the support of the Sustainability Committee
- Incorporating VBIT and other sustainability-related frameworks and standards for adoption and implementation
- Providing regular and timely updates to the Board with material information on Sustainability Risks and Opportunities ("SROs") to facilitate the Board in carrying out its oversight responsibilities

Management Risk Committee ("MRC")

The MRC is responsible for:

- Ensuring that policies and procedures for the management of sustainability risks are established and consistent with the BOD-approved risk appetite
- Ensuring the Business Owners ("BOs") performs risk identification and assessment, and establishes relevant action plans for effective sustainability risk management
- Ensuring adequate resources are allocated for managing risk in the Business Units as well as control functions
- Ensuring the Sustainability Framework remains effective, updated and relevant

OUR APPROACH TO SUSTAINABILITY

Sustainability Committee

The Sustainability Committee is responsible for:

- Ensuring respective departments have and implement policies and procedures to build and support sustainability practices, and actively promote a just and orderly transition of customers' and counterparties' interactions and engagements
- Establishing and recommending relevant risk appetite and limits
- Acting as the reference point for handling reporting relating to sustainability, including but not limited to the Sustainability Report as part of the annual integrated reporting
- Driving continuous implementation of ESG capacity building, training and culture in the entire Group
- Regularly assessing the effectiveness of the respective organisational structure, adequacy of capacity and knowledge and culture to appropriately support the Company's strategies and operations on sustainability matters

Head of Sustainability/Sustainability Department

- With the support of the Sustainability Committee, monitors and tracks implementation of ESG initiatives, including facilitating any needs for changes to the strategy or initiatives undertaken, where necessary
- Provides updates and reports on sustainability initiatives to the MRC and/or Board Committees. The report shall contain, where necessary, information that will enable informed decision-making by the Management and/or Board Committees regarding SROs
- Coordinates preparation of disclosure materials for Sustainability Reports and engagement with external stakeholders, including shareholders, Bursa Malaysia, regulatory bodies and investors
- Arranges appropriate capacity-building and training plans for the Board, Senior Management and all relevant staff
- Owner of the Sustainability Framework and responsible for the maintenance of the framework

Business Functions/Units (First Line of Defence)

- Identify, assess and manage sustainability risks in their day-to-day operations. Risk assessments may be undertaken during the customer/business partners, ongoing monitoring and engagement with customers/business partners, as well as in new product or business approval processes
- Support and implement sustainability-supporting initiatives internally or externally

Control Functions

Consistent with the approach to manage enterprise-wide risk management, the roles of the control functions are:

(i) Risk Management Division ("RMD")
- Identify the risks and potential impact and prioritises risks according to their severity
- Work with risk owners to develop mitigation plans for identified risks
- Monitoring the risk environment and identify emerging risks
- Providing training and development in risk management
- Facilitating and coordinating risk assessments for the different functions
- Monitoring and reporting on material risk matters to the MRC and BRC

(ii) Compliance
- Ensure adherence to all applicable laws, regulations and internal policies. These shall include any BNM or Bursa regulations or any other legal provisions or compliance frameworks by other governing bodies

(iii) Internal Audit
- Conduct and provide independent review and objective assurance of the quality and effectiveness of the overall internal control framework and systems surrounding the management of sustainability risks

Read pages 125 to 129 of our ISSB Sustainability Statement for more details on how ESG oversight, committees and operational structures integrate sustainability across the Group.

ENGAGING OUR STAKEHOLDERS

Engaging with our stakeholders enables us to understand their concerns, determine material matters, and inform the development of strategies and initiatives that create shared and sustainable value.

KEY EXPECTATION	TYPE OF ENGAGEMENT	
Key Stakeholders		
Customers Offering accessible, tailored products and solutions that provide protection and investment benefits at an affordable price.	• Online and walk-in customer feedback channels • Social media • Our mobile application • Our corporate website	• Customer service representatives and business managers • Customer satisfaction surveys • Online portals
Employees Fostering a diverse and inclusive work environment that prioritises safety, ensures fair opportunities for career growth, skill development and financial progression.	• Intranet • Social media (LinkedIn, Instagram)	• Town halls • Learning Management System ("LMS")
Business Partners & Intermediaries[1] Developing and implementing standards and policies that drive the adoption of an impact-driven ESG agenda, integrating it into our operations to create sustainable value for the economy, local communities and the environment.	• Our corporate agency portal • Our Bancatakaful service portal and helpdesk	• Business engagement meetings • Agency training sessions
Government & Regulators Developing and implementing standards and policies that drive the adoption of an impact-driven ESG agenda, integrating it into our operations to create sustainable value for the economy, local communities and the environment.	• Briefings, seminars and conferences • Regular engagements with regulators	• Periodical regulatory reporting submissions • Industry meetings
Investors & Shareholders Achieving sustainable financial growth and enhancing shareholder value while upholding ethical and responsible business practices.	• Meetings with fund managers and investors • Quarterly financial results • Integrated Annual Reports	• Shareholders' circulars • Annual General Meetings • Media releases
Industry Peers & Trade Associations[2] Advancing the insurance and takaful industry through knowledge-sharing, strategic partnerships and contributions to industry standards and best practices.	• Industry workshops • Industry and business partner meetings	• Conferences • Business collaboration programmes
Local Communities Supporting sustainable community development through job creation, skill enhancement and meaningful community initiatives, while minimising social and environmental impacts.	• CSR programmes	
Media Providing timely and transparent updates on company policies, strategies and performance.	• Media releases • Interviews	• Media visits • Media collaborations

Note:
[1] *Business Partners & Intermediaries' which includes agents, brokers and third-party entities.*
[2] *Industry Peers & Trade Associations' which includes organisations and groups that represent others in the same industry, along with trade bodies.*

Refer to pages 40 to 44 of this IAR for information on our stakeholder engagement, covering mutual impacts, stakeholder concerns, our actions and stakeholder value creation.

OUR APPROACH TO SUSTAINABILITY

MATERIAL MATTERS

A strong sustainability approach is essential to advancing our sustainability journey, as it helps us integrate sustainable practices into our decision-making and business operations. This approach enables us to address challenges while responding to changing stakeholder demands, customer needs, the business landscape and regulatory requirements.

IMPACT MATERIALITY ASSESSMENT

Our identification of material matters starts with an in-depth impact materiality assessment, carried out every three years. This was last done in FY2024, where we surveyed 1,096 respondents across eight key stakeholder groups, and which gave us an insight into the risks, opportunities and issues which matter.

In FY2025, we conducted an annual desktop validation exercise, confirming the continued relevance of our nine impact material matters to our business and strategic direction.

FINANCIAL MATERIALITY ASSESSMENT

As part of our adoption of IFRS S2 – Climate-related Disclosures issued by the International Sustainability Standards Board ("ISSB"), we conducted our inaugural financial materiality assessment during the year to identify sustainability-related risks and opportunities ("SROs") that may affect our financial performance, position and future prospects. This assessment adopts an outside-in approach, complementing our existing impact-focused (inside-out) approach to materiality.

Through this exercise, twelve (12) financially material SROs were identified across ESG themes. For FY2025, five (5) climate-related risks and opportunities ("CROs") have been disclosed in line with IFRS S2 requirements.

Read pages 124 to 125 of our ISSB Sustainability Statement for more details on our structured process for identifying, evaluating and prioritising financially material SROs, including climate-related considerations and forward-looking judgement.

Our Materiality Determination Process

1 IDENTIFY	Our current impact sustainability topics are reviewed by the Management Committee, which entails a detailed analysis of the trends and issues that matter to our industry, aligned with our prevailing operating environment.
2 SHORTLIST	Potential new or refined topics are then evaluated against key factors such as stakeholder expectations and concerns, ESG impacts, regulatory developments, and relevance to our business operations and strategy.
3 PRIORITISE	Following this, we assess the actual and potential impacts of shortlisted topics, considering the scale and significance of these impacts on us, and prioritise topics accordingly.
4 VALIDATE	Finally, the prioritisation outcomes are translated into a materiality matrix, which plots each topic's significance to us against its significance to our stakeholders.

MATERIALITY MATRIX FOR 2025

To clearly distinguish between impact and financial materiality, our 2025 Materiality Matrix has been presented with a legend scaled as Not Material > Low > Medium > High. This approach allows us to integrate both **outside-in** and **inside-out** perspectives, focusing our strategies and resources on the sustainability issues that are most significant to our stakeholders and most impactful to the business.

Legend ○○○ *Not Material* ●○○ *Low* ●●○ *Medium* ●●● *High*

Sustainability Approach	Material Matters	Descriptions	Impact Materiality Significance	Financial Materiality Significance
Committed to Strong Governance	M1 Data Privacy & Security	Data privacy and security refer to safeguarding personal and sensitive information from unauthorised access, misuse or disclosure. Data that we collect must be stored and processed responsibly, while also protected from risks such as cyberattacks, data breaches and other security threats.	●●●	●●●
	M2 Ethics & Compliance	We meet and uphold legal and regulatory requirements at all times, including Shariah obligations, while embodying values such as integrity, fairness, transparency and accountability in all decisions and actions. We also ensure continuous learning to keep pace with evolving regulations and expectations.	●●●	●●●
	M3 Human Rights	We respect and protect the fundamental rights, dignity and safety of all individuals, ensuring fair treatment and preventing discrimination, exploitation or harm across our operations and value chain.	●●○	○○○*
Investing Responsibly	M4 Sustainable Growth	Sustainability is embedded across our service delivery and investment decisions. This also includes strategic initiatives to integrate sustainability across our operations and supply chain to support resilient, long-term growth.	●●●	○○○*
	M5 Digital Transformation	Digitalisation has the potential to modernise business practices, enhance customer journeys and improve productivity by utilising technology to streamline processes, strengthen data capabilities and enable more agile ways of working.	●●○	●●●
Our Environmental Stewardship	M6 Climate Change & Environmental Impacts	With extreme weather events becoming more visible, climate change and environmental impacts can affect communities, ecosystems and business continuity. These changes can cause operational disruption, resource constraints and increased risk exposures.	●●●	●●●
Our Social Commitments	M7 Employee Well-Being	Our employees are key to our success, and as such, we are committed to supporting employees' physical, mental and emotional health through safe workplaces, work-life balance and access to healthcare and wellness support. We also provide training and development opportunities that enable employees to develop their careers and achieve self-fulfilment.	●●○	●●●
	M8 Community Empowerment	Community empowerment refers to strengthening communities by addressing key needs and improving social well-being through inclusive programmes and partnerships that support a more resilient and sustainable future.	●○○	○○○*
	M9 Customer Centricity	We seek to understand and anticipate customer needs, delivering solutions and service experiences that create meaningful value and strengthen trust.	●●○	●●●

Note:
** Identified based on impact considerations and are not within the scope of IFRS Sustainability Disclosure Standards*

Refer to pages 47 to 55 of this IAR for information on material matters and their impact on the Group, as well as the Group's response to these matters.

COMMITTED TO STRONG GOVERNANCE

Effective governance underpins stakeholder confidence and long-term stability. Guided by integrity, accountability and trust (*amanah*), we continually strengthen our risk management and oversight to address evolving regulatory, technology and conduct risks with discipline and transparency.

Our focus centres on three key material matters – Data Privacy & Security, Ethics & Compliance, and Human Rights – which collectively strengthen responsible business practices, safeguard stakeholder interests and uphold dignity and respect across the Group.

M1 DATA PRIVACY & SECURITY

WHY IT MATTERS

Data is central to our operations, customer engagement and decision-making. As we continue to digitalise our core business functions and manage increasing volumes of sensitive operational and customer information, our exposure to data privacy, technology and cybersecurity risks grows. Strengthening data protection, maintaining secure and resilient systems, and embedding robust governance practices are therefore essential to enabling sustainable business growth, supporting responsible innovation, and building trust with our customers, partners and regulators.

OUR APPROACH

▶ **Strengthening Our Risk Management**

Guiding Frameworks and Policies

Technology and information risks, including data breaches, fraud, operational disruption and regulatory non-compliance, are managed through an integrated Group-wide risk management structure. This is supported by relevant frameworks and policies that guide risk identification, assessment, mitigation and ongoing monitoring, including the:

1. Enterprise Risk Management ("ERM") Framework
2. Operational Risk Management ("ORM") Framework
3. Outsourcing Risk Management Framework
4. Business Continuity Management ("BCM") Framework
5. Fraud Risk Management Policy
6. Incident Management Policy
7. Data Governance Framework
8. Cyber Resilience Framework
9. Technology Risk Management Framework
10. Personal Information & Records Management Framework
11. Information Security Policy

During the year, we reviewed and updated the Cyber Resilience Framework, the Technology Risk Management Framework and the Information Security Policy to align with regulatory expectations and industry best practices. We also began developing a Cloud Risk Management Framework and supporting policies to strengthen governance and oversight of cloud and third-party technology risks. In addition, work is underway to implement a Privacy Management Framework to enhance data protection, privacy risk management and regulatory compliance.

Regulatory alignment and governance were further strengthened through the completion of BNM's Risk Management in Technology ("RMiT") re-assessment, demonstrating continued compliance with supervisory expectations. In addition, a dedicated Data Protection Officer was appointed to enhance data governance, accountability and oversight of personal data protection matters across the Group.

While we do not currently maintain a standalone Data Loss Prevention Framework, data loss and breach-related incidents are actively managed through the ORM Framework. Our Operational Risk team addresses identified incidents and control gaps through established escalation, investigation and remediation processes.

Risk Oversight and Assurance

These frameworks are complemented by continuous risk oversight and assurance activities, including quarterly and annual security risk assessments, the use of advanced security risk assessment tools to enhance threat detection, risk analysis and proactive risk mitigation, as well as regular reporting and reviews through the Information Technology Steering Committee ("ITSC"), Group Digital Committee ("GDC"), Management Risk Committee ("MRC") and Board Risk Committee ("BRC").

All scheduled ITSC, GDC, MRC and BRC meetings for FY2025 were completed in accordance with governance requirements, ensuring effective oversight, alignment with business priorities and timely escalation of key technology and information risks.

▶ Reinforcing Our Cybersecurity Readiness

We continued to strengthen our cybersecurity posture in FY2025 through a combination of structured assessments, operational testing and governance enhancements. A key initiative is the completion of a cybersecurity maturity assessment, with identified remediation actions actively monitored to ensure timely implementation and sustained improvement across the Group.

Preventive and preparedness measures were reinforced through the execution of phishing and vishing simulation exercises in H1 2025, complemented by an annual cyber drill exercise in Q4 2025. These initiatives tested incident response readiness, escalation protocols and cross-functional coordination, while also identifying control gaps and opportunities to enhance response effectiveness and minimise potential business, financial and reputational impacts.

Meanwhile, to strengthen continuous threat detection and improve overall security hygiene, internal and external vulnerability assessment tools were successfully deployed. These tools complement the annual Vulnerability Assessment and Penetration Test ("VAPT") and Compromise Assessment by enabling more timely identification and remediation of vulnerabilities.

Cyber risk transfer arrangements were also maintained through the renewal of Cyber Takaful coverage for the period August 2025 to July 2026, providing an additional layer of financial protection against potential cyber incidents.

▶ Building Awareness and Capacity

Recognising that our people remain a critical line of defence against cyber, data and conduct-related risks, we continued to invest in strengthening employee and leadership awareness throughout the year. These efforts focused on reinforcing individual accountability, addressing emerging risk areas and sustaining a culture of vigilance across the organisation.

Mandatory data security and cybersecurity awareness e-Learning was completed by all employees, reinforcing individual responsibility in safeguarding information assets and personal data. In addition, three targeted e-Learning modules were rolled out to address knowledge gaps identified in 2024 and prepare employees for emerging risks, including Artificial Intelligence ("AI")-driven threats, supply chain vulnerabilities, zero-day exploits, Internet of Things ("IoT") risks and advanced social engineering techniques.

These initiatives were complemented by regular reminders to staff on data confidentiality practices, including appropriate safeguards and responsible usage when leveraging Generative AI ("GenAI") tools. Employee Cybersecurity Awareness Day was also conducted and will be held annually to further promote a culture of shared responsibility and vigilance across the organisation.

Additionally, cybersecurity training and awareness sessions were conducted for Board members, reinforcing leadership-level understanding, oversight and governance of technology, cyber and data risks.

OUR PERFORMANCE

Metric/Year	FY2023	FY2024	FY2025
No. of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	**0**
No. of identified leaks, thefts or losses of customer data	0	0	**0**

GOING FORWARD

We remain committed to strengthening our data privacy and cybersecurity posture through proactive risk management measures and continued investments in technology, tools and people.

COMMITTED TO STRONG GOVERNANCE

M2 ETHICS & COMPLIANCE

WHY IT MATTERS

Responsible business practices are fundamental to our credibility, trustworthiness and long-term sustainability. They guide how we conduct ourselves, make decisions and uphold our responsibilities to stakeholders, reinforcing a culture of integrity and accountability across the organisation. By embedding a strong ethics and compliance framework, we drive responsible business conduct, safeguard against regulatory, legal and reputational risks, and strengthen transparent governance, ensuring sustained economic performance and stakeholder confidence.

OUR APPROACH

▶ Establishing Ethics and Compliance Governance

Policy Commitments

Our commitment to responsible business conduct is articulated through internal governance documents and policies, including the Employee Handbook and Code of Conduct, which form the foundation of our ethics and compliance framework. These documents set clear expectations of integrity, accountability and responsible business practices, and are embedded across the organisation through:

- Clear allocation of responsibilities across the Board, Management and employees
- Integration into strategies, policies, procedures and risk management processes
- Application of ethical expectations to business relationships through contractual provisions, due diligence and engagement mechanisms

Policy commitments are communicated internally through governance documents, internal communications and awareness initiatives. While no standalone training programmes dedicated specifically to responsible business conduct are conducted, related expectations are reinforced through existing ethics, compliance and governance training initiatives.

Governance Framework and Oversight

Our ethics and compliance practices are guided by a comprehensive governance framework that reflects our strong commitment to ethical conduct, regulatory integrity and responsible business practices. This framework aligns with the Islamic Financial Services Act 2013 as well as BNM's Shariah Governance and Corporate Governance Policy Documents, providing a consistent foundation for sound decision-making and effective governance across the organisation.

To manage key risk areas, including Shariah governance, anti-money laundering, data privacy, market conduct and anti-bribery and corruption, we have established a structured suite of policies and frameworks. These include the Compliance Framework, Anti-Money Laundering and Counter Financing of Terrorism ("AML/CFT") Policy, Whistleblowing Policy, Personal Information Record Management Framework ("PIRMF") and Anti-Corruption Framework ("ACF"). Complementing the ACF compliance, a three-year Anti-Corruption Plan, aligned with T.R.U.S.T principles, outlines prevention, detection and response measures, with activities tracked and reported to Management and the Board was developed.

Oversight of ethics and compliance is led by the Compliance Department, which manages Group-wide compliance risks and provides guidance across critical regulatory and governance areas. The Head of Compliance reports regularly to Senior Management and the Board on compliance risks and regulatory developments, supported by ongoing monitoring by Compliance Coordinators to promote consistent adherence to regulatory expectations.

During the year, a dedicated Market Conduct unit was established within the Compliance Department to independently monitor and assess intermediaries' sales compliance activities, supporting adherence to regulatory requirements and fair customer outcomes.

Policy Enhancement and Control Assurance

To ensure regulatory readiness, we have implemented a structured process for identifying, assessing and communicating new or revised regulatory requirements. This includes continuous monitoring of regulatory notifications, circulars, exposure drafts and communications issued by BNM and other relevant regulatory or industry bodies. Potential impacts and risks are assessed, with action plans developed to address identified gaps in a timely manner, while relevant updates are communicated promptly to internal stakeholders to support effective implementation.

Our internal policies, frameworks and operational procedures are reviewed and updated regularly to align with evolving regulatory expectations and industry best practices. In FY2025, this included updates to the ERM Framework, Risk Appetite Statement and ORM Framework to incorporate climate-related risks and requirements under BNM's Climate Risk Management and Scenario Analysis ("CRMSA").

As part of continuous assurance, periodic testing of established controls was conducted in selected Business Units during the year to assess effectiveness and ongoing compliance with regulatory requirements. Findings from these reviews support enhancements to the control environment and reinforce accountability across the organisation.

▶ Strengthening Shariah Governance and Compliance Culture

In FY2025, we continued to enhance our Shariah governance framework through targeted initiatives aimed at strengthening awareness, accountability and adherence to Shariah principles across all business activities.

To reinforce capability and strengthen practical understanding, all employees undergo compulsory face-to-face Shariah training, designed to ensure adherence to Shariah principles and their consistent application in daily operations. Complementing this, a structured nine-module online training programme is in place, which staff are required to complete and pass. Shariah-related topics form a core module within the programme, reinforcing employees' knowledge and ongoing compliance with Shariah governance requirements.

In addition, a Potential Shariah Non-Compliance ("PSNC") Committee was established under the Shariah Control Functions during the year to strengthen oversight, enhance monitoring mechanisms and ensure timely identification and resolution of potential Shariah non-compliance matters.

▶ Building Awareness and Ethical Capability

Clear expectations of ethical behaviour and professional conduct are communicated through the Employee Handbook, which outlines standards of conduct and transparent disciplinary procedures for addressing breaches. This supports consistent and fair application of standards across the organisation.

Ethics, risk and compliance awareness are reinforced through continuous engagement with Compliance Coordinators, Risk Champions and BCM Coordinators across business functions. These engagements are complemented by regular compliance assessments, internal briefings and targeted training on key regulatory and governance topics.

We continue to deliver a structured e-learning programme, developed in collaboration with control functions, to inculcate higher risk and governance awareness. During the year, ethics and compliance e-learning programmes were rolled out to employees and intermediaries, achieving a 100% participation rate. Various initiatives and engagement activities were also implemented in FY2025 to further embed a strong risk and governance culture across the organisation.

▶ Enhancing Business Continuity and Resilience

In FY2025, we strengthened our operational resilience by enhancing the Business Impact Analysis ("BIA") review process to improve the overall effectiveness and efficiency of our Business Continuity Management ("BCM") programme. These enhancements enabled more robust identification of critical processes, recovery priorities and key interdependencies, thereby strengthening our preparedness for potential disruptions.

In addition, one crisis simulation exercise was conducted during the year as part of our ongoing BCM assessment to test response readiness and reinforce organisational resilience.

COMMITTED TO STRONG GOVERNANCE

Enabling Accountability and Speak-Up

We promote a culture of accountability and transparency through our Whistleblowing Policy and Notice, which provides confidential and protected channels for reporting concerns in good faith relating to misconduct, integrity breaches or unethical behaviour. The policy applies to all personnel and welcomes reports from the public.

Clear escalation pathways are in place based on the nature of the disclosure:

- Directors or Shariah Advisory Board (SAB) members: Chairman of the Board or Audit Committee (“AC”)
- Chief Officers: Chairman of AC and Chief Internal Auditor via WB-STM@takaful-malaysia.com.my
- Senior Management and employees (up to General Manager): Online reporting form or written submission to the CIA

During the year, engagement efforts were maintained to reinforce awareness of our whistleblowing channels and reporting expectations. The Whistleblowing Notice remains accessible on our corporate website to support openness and accessibility.

While our Whistleblowing Policy and grievance procedures remained unchanged in FY2025, having been assessed as effective and accessible, we will continue to monitor their effectiveness and implement improvements where necessary.

Managing Corruption and Integrity Risks

We adopt a structured, risk-based approach to managing corruption and integrity risks through our ACF, which establishes preventive measures, control expectations and clear guidance for employees. The ACF was supported by anti-corruption activities throughout FY2025 to ensure ongoing alignment with regulatory expectations and evolving risk landscapes.

As part of this approach, regular or periodical reviews on corruption risk are conducted. Our FY2025 review covering all divisions across the Group, identified no significant corruption risk exposures. In addition, no confirmed incidents of corruption were recorded.

Anti-corruption matters were reported to the Board during the year through formal updates and reinforced across the organisation through regular Company-wide communications.

To further strengthen oversight, an Integrity Unit was established within the Compliance Department, supported by defined governance processes to enhance the identification, assessment and management of corruption risks.

Training and awareness remain a key focus of our efforts. In FY2025, 100% of our staff across employee categories received anti-corruption training, reinforcing our commitment to fostering a strong culture of ethics, transparency and accountability across the organisation.

OUR PERFORMANCE

Metric/Year	FY2023	FY2024	FY2025
Percentage of employees who have received training on anti-corruption by employee category (%)			
• Employees	100	100	**100**
• Executive	100	100	**100**
• Non-executive	100	100	**100**
Percentage of operations assessed for corruption-related risks (%)	100	100	**100**
No. of confirmed corruption incidents	0	0	**0**

GOING FORWARD

Our future priorities will focus on further mitigating risk and strengthening ethical conduct by enhancing regulatory awareness and compliance capabilities across all levels, establishing a comprehensive Company-wide Conflict of Interest (“COI”) Policy, delivering targeted COI training for Board and SAB members, employees and intermediaries, and maintaining strong participation in anti-corruption training while reinforcing ongoing awareness of the ACF.

M3 HUMAN RIGHTS

WHY IT MATTERS

Respecting human rights is fundamental to us as a Shariah-based financial institution grounded in fairness (*'adl*), dignity, trust (*amanah*) and mutual responsibility. Upholding these principles promotes gender equality, reduces workplace inequalities through inclusion and fair treatment and fosters an environment free from misconduct or discrimination. In doing so, we aim to our stakeholder's trust, ensure regulatory compliance and reinforce effective governance, supporting a motivated and responsible workforce for long-term organisational sustainability.

OUR APPROACH

▶ Embedding a Human Rights Management Framework

We manage human rights through internal policies, guidelines and governance frameworks that promote ethical conduct and responsible people management across the organisation. Key documents include the Employee Handbook and Code of Conduct, which set clear expectations on fair employment practices, non-discrimination and equal opportunity, workplace safety and well-being and respectful professional behaviour.

These policies are supported by structured procedures covering recruitment, employee relations, training and grievance handling, with Senior Management providing oversight to ensure consistent implementation across the Group. We also extend our human rights expectations to contractors and service providers through contractual requirements and ongoing engagement.

During the year, we will further strengthen our human rights practices by enhancing policies within the Employee Handbook and Code of Conduct, reinforcing employee awareness through regular training on ethics, conduct and human rights, improving grievance monitoring and resolution processes, and integrating human rights considerations into our governance and risk management framework.

We reinforced these efforts through onboarding programmes and periodic awareness sessions on workplace conduct and harassment prevention. In parallel, a sexual harassment notice is displayed at our Head Office and branch offices, and safe and confidential grievance channels remained available to all employees.

▶ Promoting Employee Engagement and Consultation

Open communication is central to how we uphold human rights. We engage our employees through established internal communication and consultation channels to ensure their voices are heard and considered.

Town halls are held to provide updates, understand employee concerns and ensure our operations support human rights within the workplace and community. For the year under review, the town hall was held on 14 January 2025.

While formal notice periods and consultation provisions for significant operational changes are not specifically prescribed, we engage employees through established communication channels. In FY2025, we assessed the need to strengthen our internal guidelines to provide clearer criteria on minimum notice periods for significant operational changes, taking into account legal requirements, internal policies and the nature of the changes involved.

▶ Respecting Collective Bargaining

As at FY2025, 7.40% of our employees are covered under collective bargaining agreements. These agreements are currently under review, and any revisions will be considered in the upcoming cycle, subject to engagement outcomes, operational requirements and regulatory considerations. Coverage remains aligned with existing arrangements unless formally revised through engagement and agreement.

For employees not covered by collective agreements, terms and working conditions are governed by internal HR policies, individual contracts and applicable labour laws.

▶ Providing Training and Capacity Building

In 2025, we introduced and enhanced our HR training modules to reflect evolving human rights standards, legislative updates and best practices. These programmes focus on ethical conduct, workplace behaviour and regulatory compliance to ensure our people remain informed and aligned with our values.

OUR PERFORMANCE

Metric/Year	FY2023	FY2024	FY2025
No. of substantiated complaints concerning human rights violations	0	0	**0**

GOING FORWARD

We will continue strengthening our human rights practices by continuing to enhance policies within the Employee Handbook and Code of Conduct, strengthening employee awareness through regular training on ethics, conduct and human rights, improving the monitoring and handling of grievances to ensure timely and fair resolution, and further integrating human rights considerations into our governance and risk management processes.

INVESTING RESPONSIBLY

We aim to create long-term value through disciplined governance, ethical conduct and prudent stewardship. Guided by Shariah principles and regulatory expectations, by integrating ESG considerations into our investment decisions, improving our governance and risk management frameworks and enhancing our digital capabilities for increased operational efficiency, resilience and transparency.

Through Sustainable Growth and Digital Transformation, we endeavour to reinforce resilient financial performance while supporting Malaysia's low-carbon and inclusive development agenda.

M4 SUSTAINABLE GROWTH

WHY IT MATTERS

Shariah principles and ESG practices are inherently aligned through ethical conduct, accountability and environmental stewardship. By embedding responsible investment into our decisions, we preserve long-term value, manage climate-related risks and deliver sustainable returns for our certificate holders, concurrently strengthening our resilience and stakeholder trust in line with the VBIT framework and *Maqasid al-Shariah* principles. By integrating Shariah principles into our sustainable investment portfolio, we aim to support the nation's sustainable economic growth, strengthen our industry resilience through sound and sustainable financial practices, and ensure ethical capital allocation that promotes environmental stewardship.

OUR APPROACH

▶ Strengthening Governance, Policy and Systems

Our Responsible Investment Policy provides the overarching framework for integrating ESG and climate-related considerations into investment decision-making and risk management. The policy is reviewed annually to ensure continued effectiveness and alignment with evolving regulatory expectations.

In FY2025, the Investment Committee approved enhancements to align the policy with new regulatory developments issued by BNM, including formalising the introduction of our internal ESG Rating Methodology. A phased implementation plan has been established for 2026 to 2027 to ensure consistent application across asset classes.

During the year, we further strengthen climate classification and reporting capabilities, through the integration of a sustainable taxonomy platform. This digital solution supports the BNM's Climate Change and Principle-based Taxonomy ("CCPT") classification framework and has been applied in our regulatory reporting submissions effective January 2026, enhancing data integrity, traceability and compliance oversight.

▶ Integrating ESG into Investment Decisions

Beyond policy commitments, ESG and climate-related factors are embedded within our fundamental investment analysis and portfolio construction processes. The CCPT framework is applied to assess climate exposures, while our Stock and Sukuk Exclusion List ensures investments remain aligned with our ethical standards and sustainability objectives. The phased rollout of our internal ESG Rating Methodology will further strengthen screening consistency and comparability across both our equity and sukuk portfolios.

We prioritise investments aligned with recognised sustainability standards, and market frameworks to strengthen the robustness of our ESG integration and ensure consistency with evolving requirements. These are guided by:

- The United Nations Sustainable Development Goals ("UN SDGs")
- The Ten Principles of the United Nations Global Compact ("UNGC")
- The Association of Southeast Asian Nations ("ASEAN") Green Social and Sustainability Bond Standards
- Securities Commission Malaysia's Sustainable and Responsible Investment ("SRI") Framework
- The International Capital Market Association ("ICMA") Green, Social, and Sustainability Bond Principles

In FY2025, our responsible investment framework translated into measurable outcomes. We fully adhered to our Stock and Sukuk Exclusion List with no prohibited investments were identified, and we continued to prioritise allocations to equities and sukuk with satisfactory internal ESG ratings. As of end-December 2025, sustainability-aligned holdings increased across both equity and sukuk investments compared with the preceding quarter.

Within the electricity and power generation sectors, our strategy is primarily executed through the sukuk portfolio, which represents approximately 65% of our assets under management ("AUM"). We prioritise climate-positive renewable energy infrastructure while strictly monitoring and managing exposure to entities involved in non-renewable activities. Investments in traditional energy sectors are subject to enhanced due diligence to ensure holdings are limited to issuers with credible mitigation strategies, clear transition pathways and resilience to climate-related risks.

We also maintained a downward trajectory in exposure to high carbon-emitting sectors, particularly non-renewable energy power producers within the sukuk portfolio, in line with our decarbonisation pathway, while directing capital toward environmentally responsible and climate-positive assets.

As at 31 December 2025, our exposure to the non-renewable energy sector stood at 10.4% of AUM, continuing a year-on-year decline. Under our structured transition pathway, we aim to reduce this exposure to below 10% of AUM by 2027.

Advancing Net-Zero Alignment and Climate Risk Management

We are committed to aligning our investment portfolios with Malaysia's net-zero emissions aspiration by 2050 through a structured and phased transition approach. We aim to establish a baseline measurement of financed emissions for our investment portfolios to quantify carbon exposure and define credible transition pathways. In parallel, we will carry out climate scenario analysis, portfolio stress testing and define our climate risk exposure limits to further strengthen our management of transition and physical risks.

Our decarbonisation strategy for the sukuk portfolio, meanwhile, includes a progressive reduction in exposure to non-renewable energy activities, with the long-term objective of achieving zero exposure by 2050. Interim milestones will be reviewed periodically to ensure continued alignment with regulatory expectations and national climate goals.

Read pages 134 to 135 and 138 to 141 of our ISSB Sustainability Statement for more details on our identification, assessment and management of transition risks arising from the shift to a low-carbon economy, including implications for our investment portfolios, underwriting operations, strategy and decision-making.

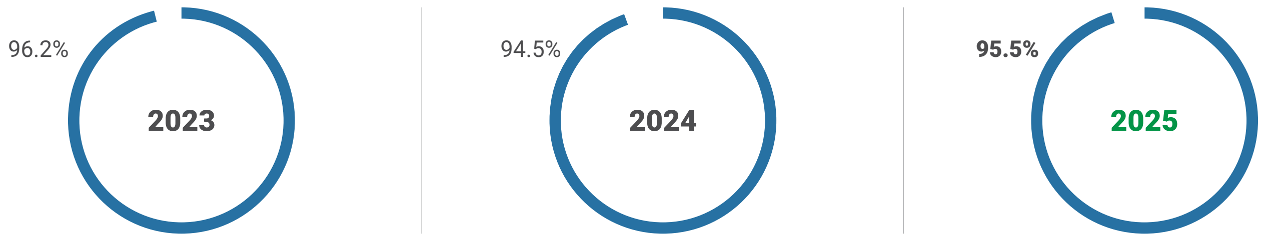
INVESTING RESPONSIBLY

▶ Supporting Sustainable Procurement and Local Partnerships

Our sustainable growth extends to our operational footprint and supply chain as well. To that end, we prioritise local sourcing wherever feasible to support domestic economic development while maintaining responsible procurement standards grounded in transparency and ethical conduct.

Although certain specialised technologies require international sourcing to support digital transformation and operational efficiency, we remain focused on strengthening local supplier relationships and embedding sustainability considerations into our procurement decisions.

Proportion of spending on local suppliers (%)



Total local procurement spend (RM million)

GOING FORWARD

We will continue strengthening our governance, emissions measurement and climate risk management to keep our portfolios aligned with our 2050 net-zero aspiration. In FY2026 and FY2027, we will establish a financed emissions baseline covering Scope 3 Category 15 and implement our internal ESG Rating Methodology across equity and sukuk portfolios to ensure consistent sustainability assessment. The disciplined reduction of higher climate risk exposures and progressive decarbonisation of the sukuk portfolio will remain central to delivering sustainable long-term value while supporting Malaysia's low-carbon transition.

M5 DIGITAL TRANSFORMATION

WHY IT MATTERS

Digital transformation enables us to operate more efficiently while accelerating product innovation and reducing our long-term costs through automation. By leveraging data insights, we strengthen our risk management, deliver personalised solutions that meet evolving customer needs and expand our reach through new distribution channels – all while reinforcing resilience, regulatory compliance and customer trust. This approach drives productivity and sustainable growth, promotes inclusive and resilient access to financial services, and reduces environmental impact while strengthening our climate-related risk management.

OUR APPROACH

▶ Strengthening Digital Platforms and Customer Experience

As part of our commitment to responsible investment and long-term value creation, we continued advancing our digital transformation agenda during the year to enhance customer experience, operational agility and business scalability across the Group.

We launched the Motor Claims Customer Portal, enabling customers to receive notifications, download forms, submit claims and upload supporting documents through a secure self-service platform. We also introduced Takaful myMedik, our first fully digital individual medical coverage, delivering a seamless end-to-end digital journey. In addition, we progressed the digitalisation of our customer contact centre to improve responsiveness, accessibility and service efficiency.

We also strengthened our Banca integration and enabled cloud-based digital platforms, enhancing partner connectivity while accelerating product distribution and shortening speed-to-market. These initiatives have supported improved digital customer journeys and unlocked new business opportunities.

In parallel, we continued enhancing our digital infrastructure through the continued development of Kaotim, envisioned as an end-to-end cloud-based platform to support scalable digital services.

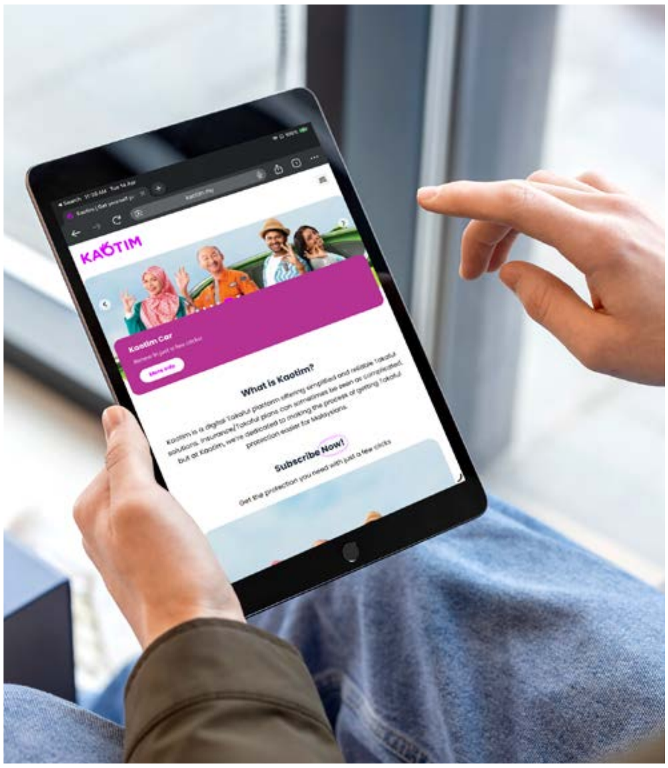
Read the Customer Centricity topic on pages 108 to 109 for more details about our broader customer experience initiatives.

▶ Strengthening Security and Operational Foundations

Cybersecurity and infrastructure resilience remain central to our strategy. During the year, we advanced our security posture management in alignment with a Zero Trust architecture, strengthening enterprise resilience while reducing the risk of service disruption, cyber incidents and regulatory non-compliance.

Complementing these efforts, we delivered a new IT operating model and modernised our technology landscape, improving productivity and service reliability through reduced manual effort and optimised asset utilisation.

We also established a unified data reporting layer and GenAI foundation, enabling more effective data-driven insights, supporting scalable growth and positioning the Group for future digital innovation.



GOING FORWARD

We will continue advancing our digitalisation agenda by enhancing our systems and infrastructure while accelerating the delivery of digital platform initiatives to strengthen straight-through processing, improve customer journeys and support sustainable growth. At the same time, we will reinforce system resilience, cybersecurity and regulatory compliance, including alignment with BNM's RMiT Policy Document, while guiding innovation through clear governance and investing in workforce capability-building to ensure we remain agile, resilient and future ready.

OUR ENVIRONMENTAL STEWARDSHIP

Managing Climate Change & Environmental Impacts is integral to sustaining long-term value and strengthening our resilience in an increasingly complex risk landscape. As a key material matter, it reflects the growing physical, transition and regulatory challenges facing our business and the communities we serve, requiring disciplined oversight, robust risk assessment and adaptive decision-making.

Through an integrated and forward-looking approach, we align our governance, strategy and operations to mitigate risk, capture emerging opportunities and contribute to a more sustainable, low-carbon future.

M6 CLIMATE CHANGE & ENVIRONMENTAL IMPACTS

WHY IT MATTERS

Climate change presents material financial and operational risks, as more frequent extreme weather may increase our claims exposure, while asset volatility, regulatory shifts and transition costs affect our underwriting and investment performance. Stakeholder expectations for stronger climate governance and transparency are also rising. Our approach enhances our resilience to environmental impacts, supports a responsible transition to cleaner energy, promotes prudent risk management and transparent governance, and reinforces proactive climate action to manage physical and transition risks while sustaining stakeholder confidence.

OUR APPROACH

We adopt a structured and forward-looking approach to managing climate-related risks and opportunities. Climate considerations are embedded within our governance, risk management and strategic planning processes to ensure alignment between our environmental stewardship and financial performance.

Our approach focuses on measuring and managing our GHG emissions, developing sustainable products that support Malaysia's low-carbon transition, reducing our operational impact, promoting responsible resource use and embedding circular economy principles, guided by the following internal documents:

1. Sustainability Framework
2. Enterprise Risk Management ("ERM") Framework
3. Business Continuity Management ("BCM") Framework
4. Responsible Investment Policy
5. Capital Management Plan
6. Underwriting Guidelines

Together, these frameworks ensure that climate risks are systematically identified, assessed and managed across the organisation.

▶ Managing Sustainability-related Risks and Opportunities

We recognise that climate-related physical and transition risks can affect our underwriting, investments and overall financial performance. Extreme weather events and long-term climate shifts influence health, property and motor claims, while transition developments affect asset valuations and credit exposures.

To address these risks, we have integrated climate considerations across our underwriting, product design, investment strategy and risk transfer arrangements, supported by scenario analysis and BNM's Climate Risk Stress Testing ("CRST") exercise. We also monitor our GHG emissions, assessing statistical uncertainty to guide emissions management and operational improvements.

In parallel, initiatives such as Takaful *my*Home Solar, green vehicle coverage, sustainable investment instruments and decarbonisation policies create growth opportunities while strengthening our resilience.

Read pages 130 to 151 of our ISSB Sustainability Statement for more details on our detailed risk and opportunity analysis, strategy, financial effects, CRST methodology and GHG inventory and uncertainty assessment, including reported emissions data and uncertainty ranges.

▶ Driving Decarbonisation and Renewable Energy Adoption

Recognising the environmental impact of our operations and office facilities, we remain committed to achieving Net Zero emissions by 2050. Our decarbonisation strategy prioritises measurable reductions, particularly in Scope 2 emissions, which represent the largest share of our footprint.

In FY2024, we established our first comprehensive GHG inventory and designated FY2024 as our base year. The inventory was developed in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, and ISO 14064-1, providing a credible and assurance-ready foundation for future emissions management.

In FY2025, our Scope 1 and Scope 2 emissions reduced significantly, with the greatest improvement made through reduction in energy purchased from the grid. Despite an increase in employee base, gross operational performance improved significantly, with total operational emissions reduced by 22.8% year-on-year, and operational emissions intensity reduced by 27% against the 2024 baseline.

For more details, refer to:
- *Note 3.2: Reporting boundary for GHG emissions – page 121*
- *Note 7.1: Environment-related risks and opportunities – pages 130 to 141*

OUR ENVIRONMENTAL STEWARDSHIP

Given the significance of Scope 2 emissions, we have prioritised energy efficiency improvements and renewable energy adoption at our headquarters, Menara Takaful Malaysia ("MTM").

Chillers at both the Main and Annex Blocks were upgraded in FY2024, with the enhancement expected to reduce electricity consumption by approximately 25%, generating significant annual savings. Other energy efficiency improvements include transitioning to LED lighting, enhancing our air-conditioning systems and improving energy monitoring through upgraded metering systems.

In FY2025, rooftop photovoltaic ("PV") solar panels at MTM became fully operational. Over a projected 25-year lifecycle, the system is expected to deliver average electricity savings of approximately 35%, reducing our reliance on grid supply and lowering our operational emissions. As of December 2025, the rooftop solar PV installation has generated 64.37 MWh of renewable electricity, all of which has been fully consumed on-site, resulting in an estimated avoidance of 49.82 tCO_2e from displaced grid electricity consumption.

To further support low-carbon mobility, electric vehicle ("EV") charging stations were installed at MTM in FY2024. As of FY2025, total electricity consumption from EV charging reached 26,059.20 kWh, supporting the adoption of EVs and Malaysia's transition towards a lower-emission and more sustainable transportation system. In addition, sustainable commuting incentives were introduced, benefiting 307 employees as at 1 December 2025. These initiatives demonstrate our commitment to reducing indirect emissions while supporting Malaysia's transition to cleaner transportation.

In addition to commencing solar energy production, we reduced the amount of electricity purchased across our headquarters and branches significantly during the year, leading to a 22.2% reduction in total electricity consumption during the year. Energy intensity also dropped, from 4.42 MWh to 3.66 MWh per employee.

Refer to Note 7.1: Climate Related Physical Risks > Opportunity relating to sustainable investments on pages 138 to 141 for more details.

Developing Sustainable Products and Services

Climate responsibility extends beyond our operations into our product offerings. Takaful *my*Home Solar, launched in FY2024, provides All Risk coverage for residential solar PV systems. As at December 2025, 173 certificates were issued with total contributions amounting to RM27,136.43. This product supports homeowners in adopting clean energy solutions while reinforcing our ESG positioning.

Similarly, our green vehicle coverage promotes the adoption of electric mobility. During FY2025, 518 EVs were covered, comprising 508 private cars and 10 motorcycles. By supporting EV adoption, we contribute to Malaysia's net-zero ambitions while attracting environmentally conscious customers.

Read pages 136 to 137 of our ISSB Sustainability Statement for more details on how initiatives such as Takaful myHome Solar and green vehicle coverage support risk prevention, sustainable asset management, product innovation and strategic decision-making.

Strengthening Water Stewardship

Water conservation remains an important part of our environmental sustainability efforts and cost management approach. Through structured water-saving measures, we aim to reduce our environmental footprint while improving operational efficiency.

Water usage at our headquarters is monitored to support responsible consumption. Regular leak inspections are carried out, supported by a Property Helpdesk QR code reporting channel that allows employees to promptly report leakages and minimise wastage. Water-efficient fixtures have also been installed across facilities, while awareness is reinforced through periodic conservation campaigns and e-reminders.

As at December 2025, total water consumption stood at 16.818 ML, representing a year-on-year reduction of approximately 3.1%. This reflects our continued focus on monitoring usage and addressing potential leakages early to support responsible water management.

Metric/Year	FY2023	FY2024	FY2025
Total volume of water used (Megalitres/"ML")	29.679	17.357	**16.818**

Reducing Material Consumption

As part of our commitment to environmental stewardship and responsible resource management, we continue to implement practical initiatives that minimise material consumption across our operations. By reducing reliance on single-use items, promoting sustainable alternatives and accelerating digitisation efforts, we aim to lower our environmental footprint while fostering a culture of conscious consumption within the workplace.

Filtered water machines are installed on every floor, and employees are provided with reusable collapsible cups to reduce reliance on bottled mineral water. Branded bottled water is reserved primarily for visitors and corporate engagements. Mineral water usage in FY2025 declined to 170 cartons compared to 175 cartons in FY2024, representing a 2.86% year-on-year reduction.

Paper consumption continues to decrease through digitisation initiatives and double-sided printing practices. In FY2025, total paper usage fell to 2,025 reams compared to 2,142.5 reams in FY2024, marking a 5.48% year-on-year reduction. These efforts support our paperless workplace objective while improving cost efficiency.

We also deploy MyHIJAU-certified notebooks to employees. The MyHIJAU mark confirms that these products meet recognised environmental standards by conserving energy, utilising recyclable materials and restricting toxic substances. 1264 MyHIJAU notebooks have been issued to date.

Advancing Waste Management and Circular Waste Practices

Effective waste management is central to reducing our environmental footprint and advancing circular economy principles across our operations. Beyond compliance, our focus is on improving measurement, increasing diversion rates and unlocking value from materials that would otherwise be discarded.

Since August 2024, reduce, reuse, recycle ("3R") bins have been implemented across all floors to embed responsible disposal habits into daily operations, complemented by revenue generation from collected waste paper. As of December 2025, recycling activities generated RM2,538.70, demonstrating that disciplined environmental practices can create measurable financial returns.

Circularity also extends to asset recovery. Through our Pickles Auctions, End-of-Life Vehicles (ELVs) are responsibly processed and recycled to minimise environmental harm while optimising recovery value. This structured approach reinforces both environmental responsibility and value preservation.

As of December 2025, a total of thirty-four (34) ELVs were sold through Pickles Auction, generating a net return of RM299,795.86. This achievement reflects Takaful Malaysia's commitment to environmental preservation and resource efficiency, reinforcing its role in promoting sustainability within the takaful sector.

Read pages 136 to 137 of our ISSB Sustainability Statement for more details on how initiatives such as pickles auctions contribute to sustainable asset management, operational efficiency and innovation in service offerings.

Total Waste Generated (tonnes)	FY2023	FY2024	FY2025
• Total Waste Generated	48.00	53.64	**70.50**[1]
• Total waste diverted from disposal	N/A	5.64	**18.51**
• Total waste directed to disposal	48.00	48.00	**51.99**
Performance Metric: Waste generation per Employee			
• Waste Generation per Employee (kg/employee/year)	N/A[2]	62.0	**63.2**

Note:

[1] *Waste data collection has been progressively improved to enhance accuracy. Waste quantities for FY2023 and FY2024 include HQ office waste only, whereas FY2025 includes both HQ and branch office waste, with branch waste estimated using an extrapolation method.*

[2] *Waste generation intensity for FY2023 is not presented as employee data for that year was not included in the dataset used for this analysis.*

In FY2025, total waste generated increased by 31.4%, primarily driven by higher workforce numbers, renovation of our headquarters and increased footfall at the on-site café. Despite this, total waste directed to disposal rose by 8.3%, reflecting the effectiveness of our focused recycling and waste diversion efforts.

GOING FORWARD

Building on our FY2024 GHG baseline, we will continue strengthening our emissions management framework, advancing renewable energy adoption and enhancing operational efficiency across our value chain. Priority will be placed on measurable reductions in Scope 2 emissions while progressively expanding our Scope 3 data coverage. Through disciplined execution, continuous improvement and strong governance oversight, we remain committed to embedding climate resilience into our business strategy and delivering sustainable long-term value.

OUR SOCIAL COMMITMENTS

As a Takaful operator, our role goes beyond providing protection. We support individuals and families in navigating financial uncertainty and building long-term security. Guided by our priorities of Employee Well-being, Community Empowerment and Customer Centricity, we focus on delivering meaningful outcomes for those we serve.

M7 EMPLOYEE WELL-BEING

WHY IT MATTERS

Employee well-being is essential to sustaining strong governance, service excellence and ethical conduct in a highly regulated financial services environment. By prioritising the physical, mental and emotional well-being of our employees, we promote good health and a supportive work environment, enable continuous learning and professional development, and support decent work and sustainable organisational performance. In parallel, we foster fairness, inclusion and respect for labour and human rights, helping to reduce inequalities, while reinforcing stakeholder trust and advancing our ESG objectives.

OUR APPROACH

▶ Strengthening Well-being Across Our Workforce

Guided by our internal policies and structured engagement platforms, we foster a safe, healthy and inclusive workplace that supports employee well-being, work-life balance and continuous learning opportunities. In this way, we protect, engage and develop our people responsibly and sustainably.

Responsible Labour and Workplace Standards

We uphold fair and ethical employment standards in full compliance with Malaysian labour laws, Shariah governance principles and our Code of Conduct. We adopt a zero-tolerance policy towards child labour, forced labour, excessive working hours and any form of workplace discrimination.

While Malaysia's Employment Act 1955 (Amendment 2022) prescribes a maximum of 45 working hours per week, we practice a 40-hour work week. Any overtime is compensated in accordance with statutory requirements, reflecting our adherence to fair and ethical labour standards.

We also comply with the Minimum Wage Order 2024, which sets the statutory minimum wage at RM1,700 per month effective 1 February 2025 (and applicable to all employers from 1 August 2025).

Beyond statutory requirements, we maintain structured salary reviews, performance-linked rewards and market benchmarking practices to ensure competitive, equitable and sustainable remuneration across the organisation.

A Safe and Healthy Workplace

As part of our workplace safety agenda, our Occupational Safety and Health ("OSH") Policy has been aligned with Malaysia's OSH Act 1994 and the requirements of the OSH (Amendment) Act 2022.

Key to this approach is the execution of structured safety programmes, namely the Emergency Response Plan and Preparedness Training Course, as well as the Basic Occupational First Aid, Cardiopulmonary Resuscitation ("CPR") and Automated External Defibrillator ("AED") Training Course, both of which were conducted three times each in FY2025. Participation in these programmes increased by 16% compared to FY2024, enhancing preparedness and fostering a resilient safety culture across the organisation.

We are pleased to report zero work-related fatalities and zero lost time incidents across FY2023 to FY2025, reflecting both preventive controls and sustained safety awareness. In parallel, the number of employees trained in health and safety standards increased from 86 in FY2024 to 100 in FY2025, demonstrating growing internal capacity in workplace safety management.

Metric/Year	FY2023	FY2024	FY2025
No. of work-related fatalities	0	0	**0**
Lost Time Incident Rate ("LTIR")	0	0	**0**
No. of employees trained on health and safety standards	23	86	**100**

Physical and Mental Well-being

Beyond regulatory compliance, we take a proactive approach to holistic well-being by promoting initiatives that support our employees' physical, mental and social health. Through these efforts, we encourage healthier lifestyles, strengthen team cohesion and build a resilient workforce that thrives both individually and collectively.

During the year, we extended targeted support to employees facing personal hardship. Assistance was provided to an employee in Miri, Sarawak, who was affected by flash floods, helping to ease financial strain and support recovery from loss and damages.

Additionally, all planned wellness initiatives for FY2025 were successfully implemented, including sports tournaments, hiking activities and wellness campaigns such as The Biggest Loser. Educational outreach was also a key focus, with webinar sessions covering a range of topics, including mental health, stress management, cardiovascular health and other preventive health issues, reinforcing awareness and encouraging proactive well-being.

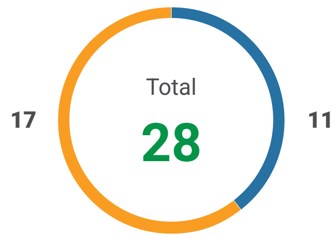
Work-life Integration

Recognising that employee well-being extends beyond the workplace, our benefits framework provides financial protection and family support mechanisms designed to promote stability and peace of mind. These include Term Takaful and Family Takaful coverage, medical and disability benefits, health screening programmes, flexible working arrangements, and parental and childcare leave.

In FY2025, 696 employees were entitled to parental leave, of whom 28 utilised the benefit. Of those who took parental leave, 96% returned to work, and 100% of those who returned remained employed 12 months later. These figures reflect not only effective reintegration support but also a workplace culture that enables our employees to balance professional and family responsibilities with confidence.

No. of employees entitled to parental leave

No. of employees who took parental leave



No. of employees who returned to work after parental leave ended

No. of employees who returned to work after parental leave ended and were still employees 12 months after their return to work

Male *Female*

OUR SOCIAL COMMITMENTS

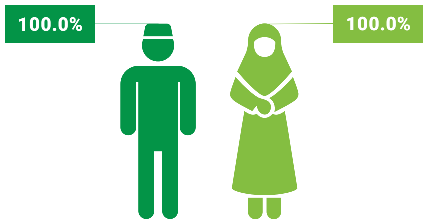
Return to work rate (%)

2025

Total: 96.0%

Retention rate (%)

2025



Total: 100.0%

Employee Engagement and Culture

A supportive workplace culture is strengthened when employees feel informed, connected and valued.

Throughout FY2025, Company-wide engagement sessions, town halls and leadership communications were conducted to enhance transparency and reinforce alignment with organisational priorities. Additionally, our internal sustainability newsletter, first launched on 23 January 2024, continued to be published monthly during the year. The newsletter serves as an important platform for reinforcing shared purpose, ESG awareness and organisational values.

Training and Capability Development

Employee well-being is intrinsically linked to professional growth and long-term employability. We recognise that sustained organisational success depends on continuous learning. Consistent with the Islamic principle of *ilm* (knowledge), which underscores the pursuit of excellence through education and self-improvement.

In FY2025, we delivered a total of 33,156 training hours through blended learning formats encompassing functional, technical and leadership development programmes, as detailed below.

Total Hours of Training by Gender

	2023	2024	2025
Male – Average per employee	32.7	34.3	30.3
Male – Total hours	15,453	16,550	**15,196**
Male – Employees	*472 employees*	*482 employees*	*502 employees*
Female – Average per employee	33.8	30.4	29.3
Female – Total hours	19,047	17,400	**17,960**
Female – Employees	*563 employees*	*573 employees*	*613 employees*

Total Hours of Training by Employee Category

	2023	*Average per employee*	2024	*Average per employee*	2025	*Average per employee*
Senior Management	2,312	*50.3*	3,393	*60.6*	**2,361**	*38.1*
Middle Management	26,696	*31.3*	10,223	*35.3*	**10,119**	*31.8*
Junior Management	0	*0*	18,806	*30.2*	**19,335**	*29.7*
Clerical	5,492	*40.1*	1,456	*18.4*	**1,285**	*17.1*
Non-clerical	0	*0*	72	*9.0*	**56**	*7.0*

The total training hours for Middle Management in 2023 reflects a combination of both Middle and Junior Management.

OUR SOCIAL COMMITMENTS

Beyond structured training hours, we continued to invest in targeted initiatives that build specialised expertise and future-ready talent.

Takaful Accelerated Programme

Through the Takaful Accelerated Programme ("TAP"), we aim to develop market-ready technical talents equipped with specialised expertise and a strong understanding of the broader industry landscape. During the year, first cohort comprising 17 trainees were inducted, providing them with structured development opportunities to strengthen fundamental business knowledge, practical skills and industry exposure in support of the evolving needs of the insurance and takaful sector.

The programme's core development components include the Certificate of the Asian Institute of Insurance (CAII) – Life Insurance, soft skills training and the Certificate in Shariah Principles in Takaful. These modules are designed to provide participants with recognised industry qualifications, strengthen professional competencies and enhance their readiness to contribute effectively within the sector.

In addition, the programme emphasises the understanding and practical application of Shariah principles within the context of the Takaful business while cultivating productive individuals with strong leadership capabilities. Through this initiative, we continue to support the development of well-rounded talents who are equipped to create long-term value and contribute to the sustainable growth of the industry.

Professional Certification and Development

To strengthen technical expertise, ethical grounding and leadership capabilities aligned with Takaful principles, we provide structured professional development pathways, including our internal Soft Skills Training Programme, as well as the external Certificate of The Asian Institute of Insurance ("CAII") and Certificate in Shariah Principles in Takaful ("CSTP").

Soft Skills Training Batch 1 was conducted from 1–9 July 2025. CAII Batch 1 (28 June – 20 September 2025) has achieved 60% certification, while Batch 2 (8 November 2025 – 24 January 2026) is ongoing. CSTP Batches 1, 2 and 3 are scheduled to commence in January 2026.

In addition, three senior leaders completed the General Management Programme at the National University of Singapore ("NUS") Business School during the year, further strengthening strategic thinking, innovation capability and regional leadership perspective at the executive level.

Future Needs

We aim to equip our employees with the competencies required in an increasingly digital and competitive landscape. Based on insights from our Training Needs Analysis ("TNA"), we will introduce a Structured Sales and Marketing Programme in 2026 to enhance commercial effectiveness and market responsiveness. Concurrently, the STM Digital Citizen Programme 2026 will strengthen digital productivity, data analytics, automation and AI-enabled capabilities through Microsoft 365 and Power Platform solutions.

Together, these initiatives directly support our Digital-to-Core transformation and FALAH 30 agenda, ensuring our workforce remains agile, future-ready and aligned with our strategic ambitions.

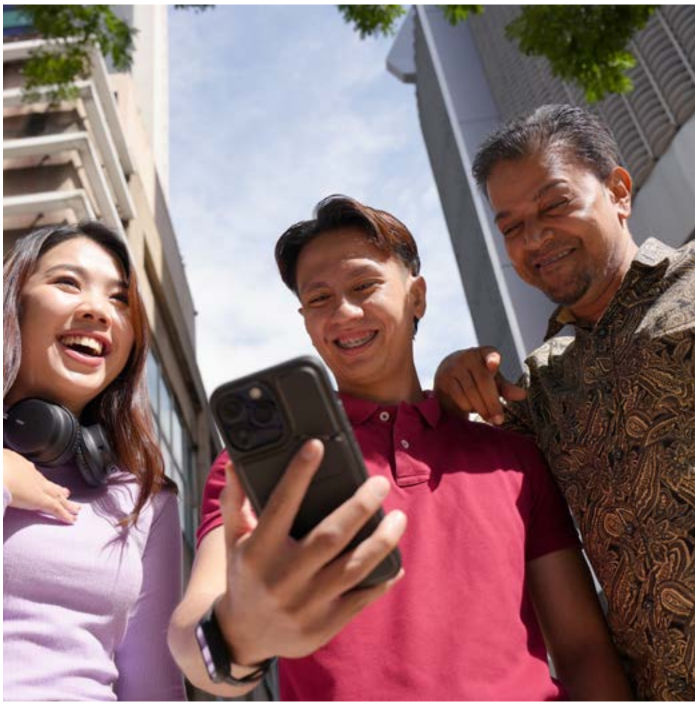
Diversity, Inclusion and Equal Opportunity

We foster an inclusive workplace where recruitment, promotion and remuneration decisions are based solely on merit and competency. Discrimination on the basis of gender, race, religion, age, disability or other protected characteristics is not tolerated. This merit-based approach ensures fairness, integrity and equal opportunity across the organisation.

To support a safe and equitable work environment, diversity and inclusion principles have been embedded within our Employee Handbook, Code of Conduct and related HR policies, which establish clear expectations on non-discrimination, fair employment practices and respectful behaviour.

Our commitment to inclusive employment is longstanding. Since 1998, we have employed two visually impaired staff members in our call centre department, whose 27-year tenure reflects both an enduring culture of respect and institutional support.

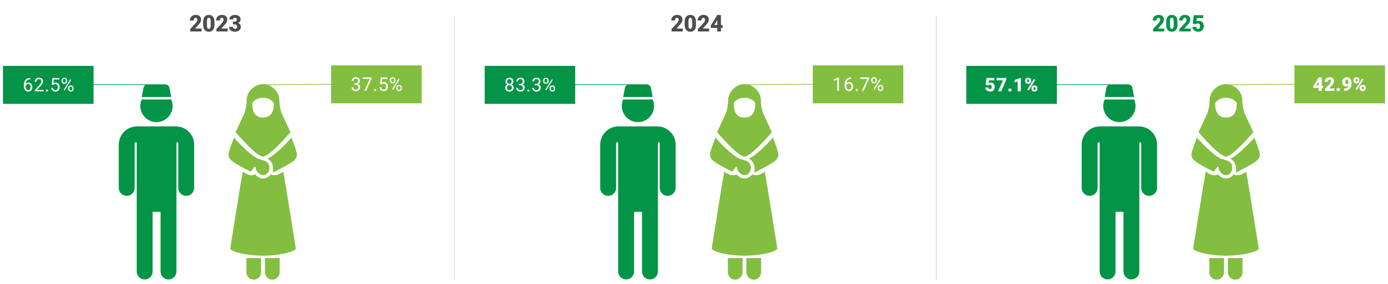
Throughout FY2025, we maintained inclusive access to training and development opportunities, upheld structured grievance channels and reported no cases of discrimination. These measures reinforce dignity, fairness and trust across the organisation.



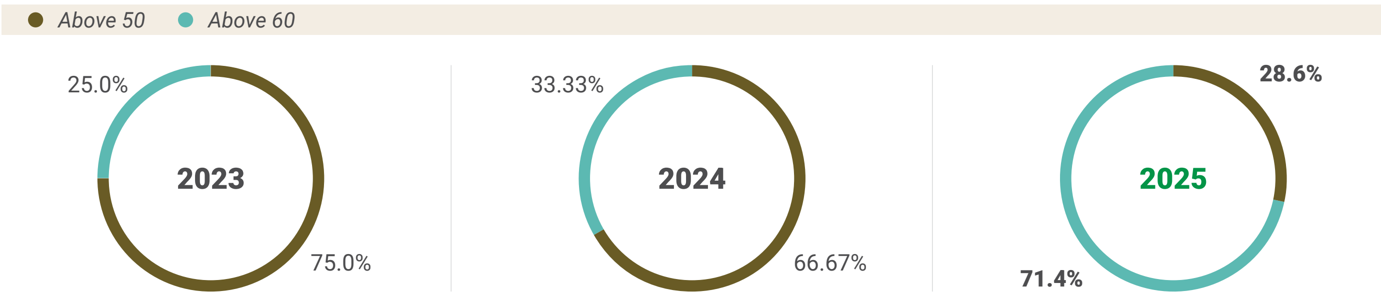
Meanwhile, Board and workforce diversity metrics continued to be monitored to support balanced representation and effective succession planning. As of FY2025, female representation on the Board improved to 42.9% from FY2024, signalling positive momentum in strengthening gender diversity at the Board level.

Board Breakdown

Percentage of Directors by Gender



Percentage of Directors by Age Group

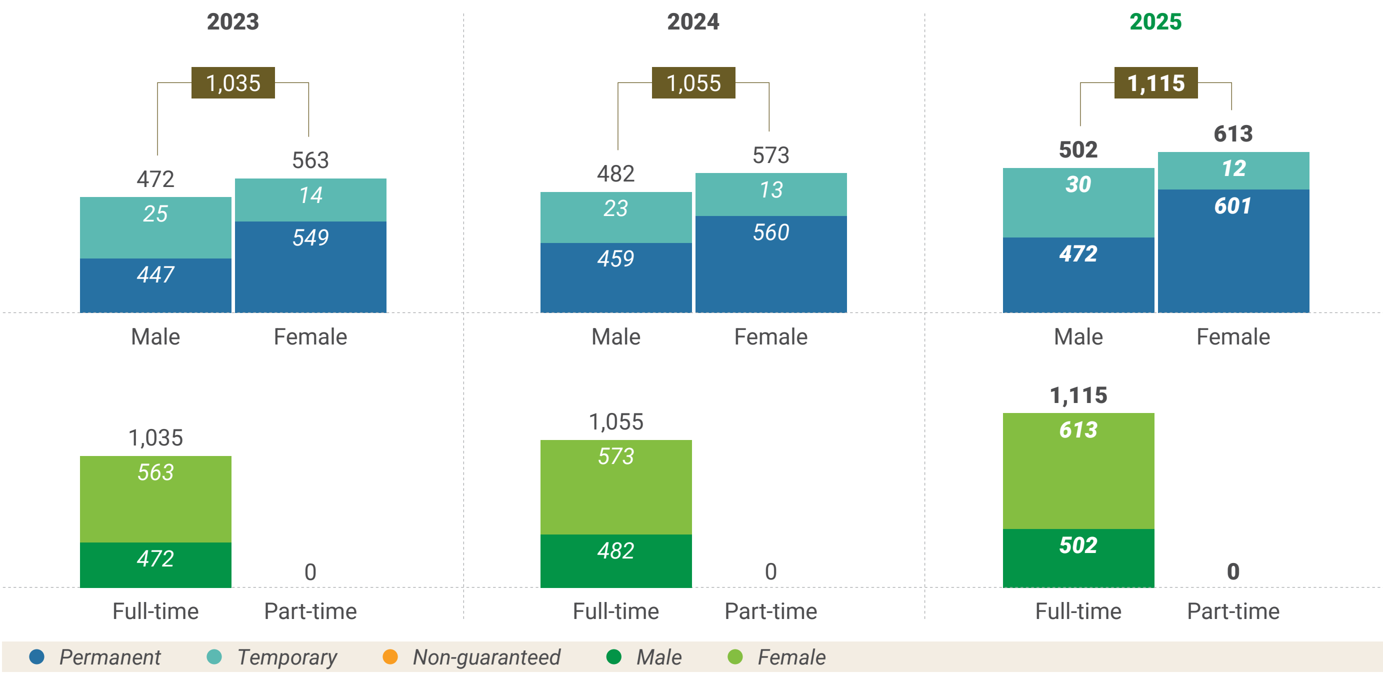


OUR SOCIAL COMMITMENTS

Employee Breakdown

Employee Category	Gender (%)		Age Group (%)			Ethnicity (%)			
	Male	Female	<30 years	30-50 years	≥51 years	Chinese	Malay	Indian	Others
FY2023									
Senior Management	74	26	0	54	46	28	63	7	2
Middle Management	52	48	1	73	26	27	67	3	2
Junior Management	40	60	19	74	7	6	91	2	1
Clerical	44	56	0	85	15	0	100	0	0
Non-clerical	67	33	0	44	56	0	100	0	0
FY2024									
Senior Management	77	23	0	61	39	29	64	5	2
Middle Management	50	50	1	71	28	25	69	4	2
Junior Management	40	60	19	72	9	6	91	2	1
Clerical	47	53	0	80	20	0	100	0	0
Non-clerical	87	13	0	50	50	0	100	0	0
FY2025									
Senior Management	**77**	**23**	**0**	**58**	**42**	**26**	**68**	**3**	**3**
Middle Management	**50**	**50**	**1**	**68**	**31**	**23**	**71**	**4**	**2**
Junior Management	**39**	**61**	**23**	**68**	**9**	**5**	**93**	**1**	**1**
Clerical	**45**	**55**	**0**	**75**	**25**	**0**	**100**	**0**	**0**
Non-clerical	**88**	**12**	**0**	**62**	**38**	**0**	**100**	**0**	**0**

Total Number of Employees by Gender



Metric/Year	FY2025
Percentage of employees that are contractors or temporary staff (%)	**3.8**
Total no. of workers who are not employees and whose work is controlled by Takaful Malaysia	**94**

Breakdown of those workers (no.) FY2025

Workers	No.
Agency workers	16
Apprentices	12
Contractors	50
Home workers	0
Interns	16
Self-employed persons	0
Sub-contractors	0
Volunteers	0

Total new hires	FY2023		FY2024		FY2025	
	No.	Rate (%)	No.	Rate (%)	No.	Rate (%)
By gender						
Male	69	52	52	50	**62**	**43**
Female	64	48	52	50	**82**	**57**
By age group						
<30 years	54	41	51	49	**51**	**36**
30-50 years	72	54	49	47	**84**	**58**
≥51 years	7	5	4	4	**9**	**6**
By region						
Malaysia	133	13	104	10	**144**	**100**

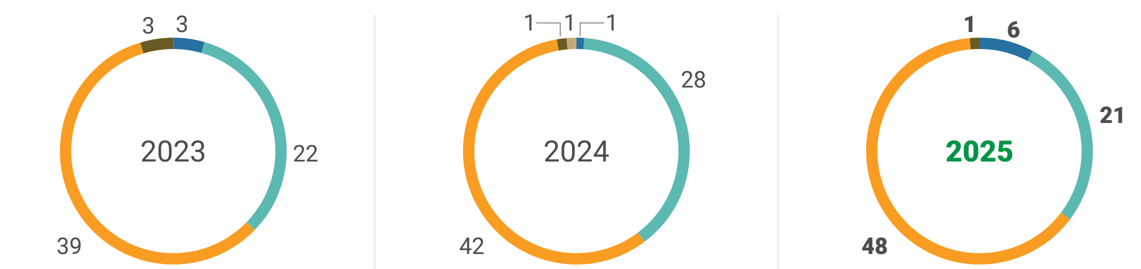
* *The FY2025 new hire rate for Region is calculated based on the overall number of new hires, whereas the previous years were reported based on the total number of employees.*

Total Number of Employee Turnover

	2023		2024		**2025**	
	No.	Rate	No.	Rate	No.	Rate
By Gender						
Male	28	7%	36	8%	**38**	**8%**
Female	39	7%	37	7%	**38**	**7%**
By Age Group						
<30 years	19	25%	17	15%	**24**	**19%**
30-50 years	39	5%	45	6%	**44**	**6%**
≥51 years	9	7%	11	7%	**8**	**5%**
By Region	67	7%	73	7%	**76**	7%

By Employee Category

- Senior Management
- Middle Management
- Junior Management
- Clerical
- Non-clerical



GOING FORWARD

We will continue to strengthen employee well-being through a forward-looking approach that combines enhanced engagement and wellness initiatives with ongoing reviews of our benefits, work-life balance practices, and leadership and digital capability development. By reinforcing these measures with robust monitoring mechanisms, we aim to proactively manage conduct risks while fostering a healthy, engaged workforce – one that supports operational resilience, improves service consistency and drives sustainable long-term performance.

OUR SOCIAL COMMITMENTS

M8 COMMUNITY EMPOWERMENT

WHY IT MATTERS

Community empowerment is central to our purpose, guided by the principles of *maslahah ammah* (public interest), Takaful (mutual cooperation) and *khidmah* (service to others). By supporting marginalised communities, protecting families, equipping youth with skills and enabling small communities to generate income, we foster a more resilient and inclusive society. These efforts support poverty alleviation and financial protection, strengthen livelihoods and food security, enhance social well-being, reduce inequalities, build resilient communities and promote responsible, sustainable development aligned with long-term value creation.

OUR APPROACH

Guided by *Maqasid al-Shariah*, our initiatives safeguard lives through protection solutions, preserve wealth through financial resilience and support social welfare through community assistance. By aligning these efforts with national financial inclusion goals and broader sustainability priorities in Malaysia, we reinforce our role as a responsible Islamic financial institution and embed social responsibility at the core of our operations as a Takaful operator.

Community investments are governed by a structured and transparent framework to ensure that assistance reaches those most in need responsibly while in full compliance with Shariah principles. The distribution of our corporate zakat undergoes rigorous review by the Zakat and Related Income Distribution Committee, followed by endorsement from the Shariah Advisory Body ("SAB") and final approval by the Board.

During the year, we implemented 20 new CSR programmes, with a total multichannel investment of over RM15,000,000, benefiting more than 8,000 individuals. This represents an increase of more than 20%, achieving our target to raise total investment for targeted beneficiaries in FY2025.

However, for reporting to Bursa Malaysia, the wakalah fund and its beneficiaries have been excluded, as indicated in the reporting table below:

Metric/Year	FY2023	FY2024	FY2025
Total amount invested where the target beneficiaries are external to Takaful Malaysia (RM)	8,760,458.00	10,074,018.30[1]	**13,300,219.79[1]**
Total no. of beneficiaries of the investment in communities	6,000	18,615[2]	**3,872[2]**

[1] *Excluding wakalah fund*
[2] *Excluding wakalah beneficiaries*

▶ Providing Immediate Relief in Times of Crisis

In times of crisis, timely intervention is critical. During the year, we extended RM100,000 in corporate donations to support victims of the gas explosion in Putra Heights, Selangor. We also provided RM72,000 in financial assistance to families and students affected by the Universiti Pendidikan Sultan Idris ("UPSI") bus crash in Gerik, Perak. Additional support was channelled to individuals impacted by natural disasters and severe medical conditions.

Advancing Education and Youth Development

Education remains one of the most powerful tools for breaking cycles of poverty and is the cornerstone of social mobility. Throughout the year, we prioritised initiatives that address the barriers faced by underprivileged youth, ensuring they have the tools to thrive academically and professionally.

A key highlight was the launch of the Takaful Malaysia 100 Youth Leadership Programme. With an investment of over RM159,000, we equipped 100 *asnaf students* in Perak with vital leadership skills. This initiative went beyond the classroom, adopting a holistic model that integrated parental support, medical screenings and essential food aid to ensure every student was physically and emotionally prepared to lead.

Other Key Impact Highlights:

National Reach
Allocated RM272,900 to provide direct financial aid to 2,729 *asnaf* individuals across 64 mosques and *suraus* in Kuala Lumpur, Selangor, Melaka and Negeri Sembilan.

Financial Literacy
Partnered with 32 schools in Bintulu during Financial Literacy Month 2025, investing over RM165,000 to benefit nearly 900 students.

Strategic Partnerships
Collaborated with the Ministry of Education ("MOE") for the Titipan Kasih Semarak Jiwa Merdeka programme, supporting 250 students in the Klang Valley.

Higher Education & Vocational Support
Extended financial grants to students across three Universiti Malaysia Kelantan campuses and funded free tuition classes for Sijil Pelajaran Malaysia ("SPM") candidates in Kedah to help bridge the academic gap for the underprivileged.

Niche Community Support
Facilitated digital and media skills through the Teens Media Camp and provided targeted assistance to the *asnaf muallaf* community.

Strengthening Economic Independence

Beyond financial assistance, we prioritise long-term income sustainability through structured agricultural and entrepreneurial programmes.

The Program Belia Tani di Kalangan Siswazah 2025/2026 supported 35 participants from the *asnaf students* and B40 groups through specialised training in melon cultivation, Kulai chilli cultivation and quail farming. Meanwhile, the Program Hijrah Asnaf Tanaman Cili Fertigasi empowered 10 participants through comprehensive chilli cultivation training and funding support. Collectively, these programmes were implemented with a total allocation of RM1,000,000.

Championing a Shared Responsibility

Our commitment to community empowerment also extends to supporting long-standing institutions. A corporate donation of RM10,000 was contributed to the YOKUK Centre during the year to support rebuilding and renewal efforts. For over 25 years, the centre has provided free rehabilitation, palliative care, education and empowerment programmes to persons with disabilities ("OKU") and underprivileged families in Kelantan and Terengganu.

GOING FORWARD

We are progressively strengthening our monitoring approach by evaluating programme outcomes such as education participation, income-generating capability and community self-sufficiency to ensure our contributions create lasting impact. Moving forward, we will continue to expand impactful programmes, deepen strategic partnerships and enhance the effectiveness of our assistance to those most in need. By adopting a more data-driven, outcome-focused approach, we aim to deliver sustainable, long-term value that addresses immediate challenges while empowering communities to thrive independently and resiliently.

OUR SOCIAL COMMITMENTS

M9 CUSTOMER CENTRICITY

WHY IT MATTERS

Customer trust is fundamental to our sustainability. Guided by Shariah principles, we deliver fair, transparent and accessible protection solutions aligned with the real needs of the communities we serve. By placing customers at the centre of our strategy, we enhance their experience, strengthen long-term relationships and drive innovation, while supporting financial well-being, financial inclusion and high-quality service throughout the Takaful journey. This approach supports sustainable economic growth through inclusive protection solutions, drives innovation and service quality across the Takaful value chain, and promotes responsible, transparent and customer-centric practices that enable prudent financial decision-making and sustainable long-term value creation.

OUR APPROACH

▶ Embedding Fair Treatment and Transparency

Our customer-centric practices are grounded in established regulatory and internal requirements, including the Guidelines on Product Transparency and Disclosure, the Islamic Financial Services Act 2013 Sustainability Guidelines, the Fair Customer Treatment Guide, the Code of Good Practice, as well as our Risk Management and Compliance Frameworks.

These principles are operationalised through our Product Development Framework and Pricing Guide, ensuring disciplined customer needs assessment, product suitability, transparent pricing, ethical sales practices, Shariah compliance and consistent service quality across all offerings.

To maintain high standards of service and accountability, customer feedback and complaints are systematically monitored through our Customer Complaint Management System across phone, email, letters and social media. Insights gathered are used to identify service gaps, strengthen controls and drive continuous improvement.

Recognising the importance of safeguarding customer information, data protection was further reinforced during the year through the implementation of a One-Time Password ("OTP") login feature for the Customer Portal, enhancing cybersecurity resilience and protecting customer data.

▶ Designing Inclusive and Relevant Protection

We design our protection solutions to be clear, accessible and aligned with regulatory and Shariah requirements. Products are developed internally through structured customer needs assessments, community insights and responsible pricing principles to ensure suitability, fairness and long-term sustainability.

Health, financial resilience and overall well-being remain central to our offerings, which are rigorously evaluated prior to launch or enhancement to ensure they address genuine protection needs while remaining affordable and equitable. Where relevant, ESG elements such as charity riders, sadaqa and waqf features, as well as sustainable investment options, are incorporated to enhance social and environmental value. Collaboration with selected third-party service providers further strengthens accessibility and relevance across diverse customer segments.

Our customers are supported through clear Product Disclosure Sheets and comprehensive policy documentation to enable informed decision-making. During the year, we enhanced our Product Disclosure Sheet to provide clearer and more accessible product information, further strengthening transparency.

For certificate surrender or cancellation, assistance is available via phone or email, with digital processes prioritised to improve convenience, reduce turnaround time and minimise paper usage in support of environmentally responsible practices.

Integrating ESG and Expanding Financial Inclusion

In FY2025, we focused on bridging the protection gap for underserved communities through high-impact partnerships and products that embed social responsibility into the core of our business.

Key Impact Highlights:

Protecting Rural Communities
Our collaborations with Federal Land Consolidation and Rehabilitation Authority ("FELCRA") Berhad and Federal Land Development Authority ("FELDA") has secured the homes and livelihoods of over 114,000 families. Through the *Bencana Rumah Desa and Perlindungan Rumah myFire Plus* programmes, we provided essential building and personal accident coverage to 66,362 FELCRA settlers and 48,282 FELDA individuals, ensuring that rural communities are not left vulnerable to disasters.

Charitable Giving through Protection
We have successfully integrated the concept of sadaqa in our product offerings, available through multiple banking partners.

TH Khairat
The launch of TH Khairat in partnership with Lembaga Tabung Haji ("LTH") saw remarkable uptake. Out of 369,434 new participants, a significant portion opted for the Infaq feature, resulting in RM682,000 being channelled directly to charitable organisations. This demonstrates that our customers are actively choosing protection that also serves the greater good.

The expanded adoption of our sustainable investment options, including the myGlobal Sustainable Fund, further aligns our protection solutions with responsible investment principles.

Enhancing Digital Accessibility and Efficiency

Digital transformation continues to be a key enabler of efficiency, innovation, customer convenience, and long-term cost reduction through automation. By leveraging data insights, we strengthen risk management and deliver more personalised solutions that respond to evolving customer needs while reinforcing regulatory compliance and operational resilience.

Customer convenience has been improved through e-nomination via the Customer Portal, online payment facilities for individual Family Takaful contributions and digital access to notices, statements and e-certificates. Most retail certificates are delivered electronically, improving accessibility while reducing paper usage.

Our e-submission system was upgraded during the year to simplify underwriting rules, refine checks and expand straight-through processing, reducing manual referrals and accelerating approvals. These enhancements support digital distribution partnerships and improve the overall onboarding experience.

Kaotim further drives digital transformation and customer-focused innovation through the KAOTIM Customer Portal, introducing three new features:

- *Online Claims Submission*: Enables customers to manage claims anytime, anywhere, reducing reliance on paper and branch visits while extending support to underserved areas
- *Financial Calculator*: Helps customers understand their protection needs and make confident, informed choices, strengthening financial literacy and resilience
- *Kaotim AI Customer Service Chatbot*: Delivers round-the-clock assistance, ensuring quick, consistent and reliable support while building digital confidence among users

These innovations embed sustainability into our digital ecosystem, reducing environmental impact, promoting inclusivity and ensuring progress benefits all customers.

Read the Digital Transformation topic on page 93 for more details about our customer-specific digital transformation efforts.

Promoting Responsible Claims and Environmental Stewardship

In FY2025, our Motor Claims operations incorporated ESG considerations through customer awareness initiatives promoting sustainable claims options. The windscreen repair option was adopted 55 times, reducing glass waste and environmental impact by repairing rather than replacing damaged windscreens.

In addition, 518 End-of-Life Vehicle certificates were processed through Authorised Automotive Treatment Facilities ("AATF"), supporting responsible disposal and circular economy practices.

Read pages 136 to 137 of our ISSB Sustainability Statement for more details on how initiatives such as windscreen repairs and End-of-Life Vehicle certifications contribute to sustainable asset management, operational efficiency and innovation in service offerings.

GOING FORWARD

We will enhance workflows and resource optimisation within the Customer Service Unit ("CSU") to drive operational excellence, elevate service standards and ensure sustainable workload distribution, including streamlined case management and capacity planning for faster, more consistent service. At the same time, we plan to accelerate digital transformation through the progressive roll-out of AI-powered chatbots and voicebots, a structured WhatsApp Business platform and an integrated omnichannel contact centre to enable seamless, data-driven interactions and improve first-contact resolution and enhance overall customer accessibility and experience.

STATEMENT OF ASSURANCE

ASSURANCE UNDERTAKEN

In strengthening the credibility of the Sustainability Statement, this Sustainability Statement has been subjected to the following:

a) an internal review by the company's internal auditors; and
b) independent assurance in accordance with recognised assurance standards for selected indicators.

The scope, subject matter(s) covered and relevant conclusion(s) are provided below:

Type of Assurance	Subject Matter	Scope	Conclusion
Independent assurance by SIRIM QAS International Sdn Bhd	4 sustainability matters: • Ethics and Compliance • Occupational Safety and Health • Diversity and Equal Opportunity • Community Empowerment	**Head Office:-** • Syarikat Takaful Malaysia Keluarga Berhad **Subsidiary:-** • Syarikat Takaful Malaysia Am Berhad **Branches:-** 23 branches	Based on the scope of the assessment process and evidence obtained, the following represents SIRIM QAS International's opinion: • The level of data accuracy for the selected indicators included in Syarikat Takaful Malaysia Keluarga Berhad's Sustainability Statement 2025 is fairly stated. • The level of disclosure of the specific sustainability performance information presented in the report was found to be properly prepared. • The personnel responsible were able to demonstrate the origin(s) and interpretation of data contained in the statement.
Internal Review	Scope 3 – Greenhouse Gas (GHG) Emissions 1. Category 3 (Fuel &Energy-related activities) 2. Category 5 (Waste Generated) 3. Category 6 (Business Travel) 4. Category 7 (Employee Commuting)	*Note: Category 5 in Scope 3 covered Headquarters (HQ) Building only*	Not Applicable

Refer to pages 111 to 114 for the assurance report provided by SIRIM QAS International Sdn Bhd

SIRIM QAS INTERNATIONAL SDN BHD INDEPENDENT ASSURANCE STATEMENT

To Board of Directors, Stakeholders, and Interested Parties,

SIRIM QAS International Sdn. Bhd. was engaged by Syarikat Takaful Malaysia Keluarga Berhad (hereafter referred to as Takaful Malaysia) to perform an independent verification and provide assurance of Takaful Malaysia Sustainability Statement. The main objective of the verification process is to provide assurance to Takaful Malaysia and its stakeholders on the accuracy and reliability of the information as presented in the statement. The verification by SIRIM QAS International pertains to the selected sustainability performance information (subject matter), within the assurance scope which is disclosed in Takaful Malaysia Sustainability Statement 2025.

The management of Takaful Malaysia was responsible for the preparation of the Sustainability Statement 2025. The objective and impartiality of this statement is assured as no member of the verification team and no other employee of SIRIM QAS International was involved in the preparation of any part of the Takaful Malaysia Sustainability Statement and the Integrated Annual Report 2025.

The assurance engagement was designed to provide limited assurance in accordance with International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, and BURSA Sustainability Reporting Guide, irrespective of the organization's ability to achieve its objectives, targets or expectations on their subject matter and sustainability-related issues. The assurance process involves verification of four selected sustainability performance information, as listed below. The results of this verification process have been systematically tabulated in Appendix 1 and Appendix 2 with further details provided therein.

Selected Performance Information – Subject Matter
1- Establishing Ethics and Compliance Governance
2- A Safe and Healthy Workplace
3- Diversity, Inclusion and Equal Opportunity
4- Community Empowerment

The verification was carried out by SIRIM QAS International in March 2026, with the following methodologies:

- Reviewing and verifying the traceability, consistency and accuracy of information collected from various sources; internal and external documentation made available during the assessment.
- Verification of the data presented in the Sustainability Statement, which includes a detailed review of the sampled data.
- Interviewing key personnel responsible for collating information and developing various sections of the report to substantiate the veracity of the claims.

The verification process was subjected to the following limitations:

- The scope of work did not involve verification of other information reported in Takaful Malaysia's Sustainability Statement and Integrated Annual Report 2025.
- The review excluded all financial-related data, as these are subjected to the company's financial audit.

STATEMENT OF ASSURANCE

- As part of this assurance engagement, the verification team visited Takaful Malaysia's corporate office at Menara Takaful Malaysia, Kuala Lumpur. However, the verification process did not include physical inspections of any of Takaful Malaysia's operations and assets.
- The verification team did not assess or verify any data related to contractors or third parties.

Conclusion

SIRIM QAS International, the Conformity Assessment Body (CAB) in Malaysia, is accredited to ISO/IEC 17021-1:2015 and ISO/IEC 17065:2012 for the provision of management system certification, product certification, and testing services across its full scope of operational activities. Building on this foundation, SIRIM QAS International is accredited as a Validation and Verification Body (VVB) under ISO/IEC 17029:2019 and ISO 14065:2020, enabling it to provide independent, impartial, and technically robust validation and verification services in accordance with internationally recognized standards. The appointed assessors performing the assurance engagement were selected appropriately based on our internal qualifications, training and experience. The verification process is subject to management review to ensure that procedures are consistently applied, standards are met, and the assurance activities are conducted with transparency. During the verification process, issues were raised, and clarifications were sought from the management of Takaful Malaysia relating to the accuracy of some of the information contained in the statement. In response to the findings, the Sustainability Statement was subsequently reviewed and revised by Takaful Malaysia. It is confirmed that changes that have been incorporated into the final version of the statement have addressed all issues. Based on the scope of the assessment process and evidence obtained, the following represents SIRIM QAS International's opinion:

- The level of data accuracy for the selected indicators included in Syarikat Takaful Malaysia Keluarga Berhad's Sustainability Statement 2025 is fairly stated.
- The level of disclosure of the specific sustainability performance information presented in the report was found to be properly prepared.
- The personnel responsible were able to demonstrate the origin(s) and interpretation of data contained in the statement.

List of Assessors.

1)	Ms. Aernida Abdul Kadir	:	Team Leader
2)	Ms. Farhanah Ahmad Shah	:	Team Member
3)	Ms. Evelyn Liew	:	Team Member

Statement Prepared by:	Statement Approved by:
AERNIDA BINTI ABDUL KADIR	**WAN SHAHIMA BINTI MIOR AHMED SHAHIMI**
Team Leader Management System Certification Department SIRIM QAS International Sdn. Bhd.	General Manager Management System Certification Department SIRIM QAS International Sdn. Bhd
Date: 19 March 2026	Date: 25 March 2026

Note: This Independent Assurance Statement has been issued based on the content verified prior to the approval date. SIRIM QAS International Sdn Bhd does not express an opinion on, nor guarantee the integrity and/or accuracy of the information provided with the view that the conclusion was conducted post verification assessment, hence not verified. SIRIM QAS International shall not be responsible for any changes or additions made after the referred date (19 March 2026).

Appendix 1

Sustainable Performance Indicator – Subject Matter				Value
Establishing Ethics and Compliance Governance				
(a) Percentage (%) of employees who received training on anti-corruption				100.0%
(b) Percentage (%) of operations assessed for risks related to corruption				100.0%
(c) Number of confirmed incidents of corruption and action taken				0 incident
A Safe and Healthy Workplace				
(a) Number of work-related fatalities				0 case
(b) Lost Time Incident Rate ("LTIR")				0.00
(c) Number of employees trained in health and safety standards				100
Diversity, Inclusion and Equal Opportunity				
Percentage of Directors by Gender				
(a) Male				57.1%
(b) Female				42.9%
Percentage of Directors by Age				
(a) > 50				28.6%
(b) > 60				71.4%
Employee Diversity				
Percentage of Employee Category by Gender			**Male**	**Female**
Senior Management			77.0%	23.0%
Middle Management			50.0%	50.0%
Junior Management			39.0%	61.0%
Clerical			45.0%	55.0%
Non-Clerical			88.0%	12.0%
Percentage of Employee Category by Age		**<30**	**30-50**	**>50**
Senior Management		0.0%	58.0%	42.0%
Middle Management		1.0%	68.0%	31.0%
Junior Management		23.0%	68.0%	9.0%
Clerical		0.0%	75.0%	25.0%
Non-Clerical		0.0%	62.0%	38.0%
Percentage of Employee Category by Ethnicity	**Malay**	**Chinese**	**Indian**	**Others**
Senior Management	68.0%	26.0%	3.0%	3.0%
Middle Management	71.0%	23.0%	4.0%	2.0%
Junior Management	93.0%	5.0%	1.0%	1.0%
Clerical	100.0%	0.0%	0.0%	0.0%
Non-Clerical	100.0%	0.0%	0.0%	0.0%
Employee Retention				
Percentage of Employees that are Contractors or Temporary Staff				3.80%
Total no. of workers who are not employees and whose work is controlled by Takaful				94
Total Number of New Hires				
Male				62
Female				82
<30				51
30-50				84
>50				9
Total Number of Employee Turnover				
Male				38
Female				38
<30				24
30-50				44
>50				8
Community Empowerment				
Total amount invested where the target beneficiaries are external to Takaful Malaysia (MYR)				13,300,219.79
Total number of beneficiaries of the investment in communities				3,872

STATEMENT OF ASSURANCE

Appendix 2

The Selected Performance Indicators – Subject Matter for Syarikat Takaful Malaysia Keluarga Berhad	CLASSIFICATION OF DATA			
	HIGH	MEDIUM	LOW	UN SUBSTANTIATED
Establishing Ethics and Compliance Governance				
A Safe and Healthy Workplace				
Diversity, Inclusion and Equal Opportunity				
Community Empowerment				

Note 1:
This Independent Assurance Statement has been issued based on the content verified prior to the approval date. SIRIM QAS International Sdn Bhd shall not be responsible for any changes or additions made after the referred date (19 March 2026).
Note 2:
The assurance involves activity aims to obtain sufficient appropriate evidence to express a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party, about the subject matter information. It comprises of activities carried out to assess the quality and credibility of the qualitative and quantitative information reported by the organization. This assurance is different from activities used to assess or validate the organization's performance, such as compliance assessments or the issuing of certifications against specific standards.
Note 3:
Definition of HIGH, MEDIUM, LOW and UNSUBSTANTIATED Classification of Data.
HIGH: The data and information reviewed has been confirmed with the direct owners. The source of the data origin was provided during the conduct of the assessment.
MEDIUM: Data and information have been confirmed with the direct owners. However, the source of the data has been based on secondary data, where the data origin is not accessible by the verifiers during the conduct of the assessment.
LOW: Data and information reviewed has been based on information endorsed by the data owners. Verifiers did not have access to the source of the data origin. It has been identified as one of the limitations during the conduct of the assessment.
UNSUBSTANTIATED: The sources of data and information disclosed were not made available during the assessment review period due to reasons like confidentiality, unattainable data source and unavailable data owner. It has been identified as one of the limitations during the conduct of the assessment.

11 BURSA COMMON INDICATORS TABLE

Indicator	Measurement Unit	2025
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Employees	Percentage	100
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Under 30	Percentage	0.00
Senior Management Between 30-50	Percentage	58.00
Senior Management Above 51	Percentage	42.00
Middle Management Under 30	Percentage	1.00
Middle Management Between 30-50	Percentage	68.00
Middle Management Above 51	Percentage	31.00
Junior Management Under 30	Percentage	23.00
Junior Management Between 30-50	Percentage	68.00
Junior Management Above 51	Percentage	9.00
Clerical Under 30	Percentage	0.00
Clerical Between 30-50	Percentage	75.00
Clerical Above 51	Percentage	25.00
Non-Clerical Under 30	Percentage	0.00
Non-Clerical Between 30-50	Percentage	62.00
Non-Clerical Above 51	Percentage	38.00
Gender Group by Employee Category		
Senior Management Male	Percentage	77.00
Senior Management Female	Percentage	23.00
Middle Management Male	Percentage	50.00
Middle Management Female	Percentage	50.00
Junior Management Male	Percentage	39.00
Junior Management Female	Percentage	61.00
Clerical Male	Percentage	45.00
Clerical Female	Percentage	55.00
Non-Clerical Male	Percentage	88.00
Non-Clerical Female	Percentage	12.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	57.10
Female	Percentage	42.90
Above 50	Percentage	28.60
Above 60	Percentage	71.40
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	kWh	4,021,260.00
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	13,300,219.79
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	3,872
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0
Bursa C5(c) Number of employees trained on health and safety standards	Number	100

11 BURSA COMMON INDICATORS TABLE

Indicator			Measurement Unit	2025
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
	Senior Management		Hours	2,361
	Management	Middle Management	Hours	10,119
		Junior Management	Hours	19,335
	Non-Management	Clerical	Hours	1,285
		Non-Clerical	Hours	56
Bursa C6(b) Percentage of employees that are contractors or temporary staff			Percentage	3.80
Bursa C6(c) Total number of employee turnover by employee category				
	Senior Management		Number	6
	Middle Management		Number	21
	Junior Management		Number	48
	Clerical		Number	1
	Non-Clerical		Number	0
Bursa C6(d) Number of substantiated complaints concerning human rights violations			Number	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers			Percentage	95.50
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer			Number	0
Bursa (Water)				
Bursa C9(a) Total volume of water used			Megalitres	16.818000
Bursa (Waste management)				
C10(a) Total waste generated, and a breakdown of the following:			Metric tonnes	70.50
	(i) Total Waste Diverted from Disposal		Metric tonnes	18.51
	(ii) Total Waste Directed to		Metric tonnes	51.99
Bursa (Emissions management)				
C11(a) Scope 1 emissions in tonnes of CO2e			Metric tonnes	0.39
C11(b) Scope 2 emissions in tonnes of CO2e			Metric tonnes	3077.22
C11(c) Scope 3 emissions in tonnes of CO2e (cat. 3, 5, 6 and 7)			Metric tonnes	1841.01

ISSB Sustainability Statement

ISSB SUSTAINABILITY STATEMENT

1. BASIS OF PREPARATION

1.1. Compliance with IFRS Sustainability Disclosure Standards

The Sustainability Statement ("the Statement" or "this Statement") of Syarikat Takaful Malaysia Keluarga Berhad ("Takaful Malaysia Keluarga" or "the Company") and its subsidiaries ("the Group"," we", "us" or "our") sets out sustainability related information relevant to the Group's financial performance, position and prospects.

For FY2025, the Statement has been prepared, to the extent practicable, in accordance with the Sustainability Disclosure Standards issued by the International Sustainability Standards Board ("ISSB"), specifically the General Requirements for Disclosure of Sustainability-related Financial Information ("IFRS S1") and Climate-related Disclosures ("IFRS S2"). These standards have been used as guidance to support our disclosure of sustainability-related financial information, including climate-related risks and opportunities that could influence enterprise value.

The preparation of this Statement also aligns with the requirements of the Bursa Malaysia Main Market Listing Requirements ("Main LR"). Additional disclosures required under the Main Market Listing Requirements are presented in pages 110 to 116 of this Integrated Annual Report (IAR).

In developing the content of this Statement, the Group referred to the Sustainability Accounting Standards Board Standards ("SASB") to identify our sustainability material topics relevant to the takaful industry and to support consistent, and effective disclosure of sustainability related matters.

1.2. Connectivity with financial statements (reporting period, reporting entity, and presentation currency)

The sustainability statement has been prepared for the Group and should be read alongside the Group's consolidated financial statements. The financial statements have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and comply with the requirements of the Financial Services Act 2013 ("FSA"), Islamic Financial Services Act 2013 ("IFSA") and Companies Act 2016 in Malaysia. This Statement covers the financial year ended 31 December 2025 and aligns with the reporting period applied in the related consolidated financial statements.

Time horizons used within the Statement reflect the periods applied in the Group's strategic planning and risk assessment processes. These horizons indicate when sustainability related risks and opportunities could reasonably occur and influence financial outcomes. At the end of the reporting period, the following timeframes were adopted:

Short term ▶	1 to 2 years
Medium term ▶	3 to 5 years
Long term ▶	Beyond 5 years

The sustainability related financial disclosures apply to the same reporting entity as the consolidated financial statements. The reporting entity includes the parent company, Takaful Malaysia Keluarga, together with its subsidiaries. Preparation of these disclosures involved an assessment of the Group's operations as well as relevant elements within its value chain, including joint ventures and associates.

1.3 First-time adoption of IFRS Sustainability Disclosure Standards and transition reliefs

For the financial year ended 31 December 2025, the Group presents sustainability-related financial disclosures in accordance with the IFRS Sustainability Disclosure Standards, representing our first year of adoption. The disclosures are prepared in accordance with IFRS S1 and IFRS S2, applicable for reporting period commencing 1 January 2025. As of 31 December 2025, no additional IFRS Sustainability Disclosure Standards have been issued by the ISSB.

Under the National Sustainability Reporting Framework ("NSRF"), entities are provided with certain transition reliefs during the first year of applying the ISSB standards. In this regard, the Group has adopted the following reliefs:

- Disclosures are limited to climate-related risks and opportunities, in line with IFRS S2
- Comparative information for prior periods is not presented for the current reporting year
- Scope 3 greenhouse gas emissions disclosures are limited to categories required by the relevant regulatory requirements

The Main LR provides additional transition reliefs for Main Market listed issuers. Accordingly, the Group has applied the relief from the requirement from having to disclose comparative information.

2. OVERVIEW OF THE GROUP AND VALUE CHAIN

2.1 Overview of the Group

Our key business activities

The Group operates as a takaful provider, with its core businesses centred on Family Takaful and General Takaful.

Following the separation of its composite licence in accordance with the Islamic Financial Services Act 2013 ("IFSA"), the Group operates through two licensed entities. Takaful Malaysia Keluarga manages the Family Takaful business, while its wholly owned subsidiary, Syarikat Takaful Malaysia Am Berhad ("Takaful Malaysia Am"), manages the General Takaful business. Both entities operate under the Takaful Malaysia brand, supported by a nationwide branch network.

The Group's core business activities comprise:

Family Takaful

Offering protection and savings-related solutions for individuals and families, including term protection, medical and health coverage, critical illness and other long-term protection need.

General Takaful

Providing protection solutions for personal and commercial risks, including motor, fire, personal accident, property and other general risk coverage for individuals and businesses.

The Group's operations are primarily concentrated in Malaysia, supported by a network of branches nationwide. Its business activities are managed on a consolidated basis, with performance driven by both Family and General Takaful segments.

Our strategy and sustainability related goals

The Group's strategy is focused on strengthening its market leadership in Family and General Takaful, while ensuring sustainable growth, operational resilience and long-term value creation. This includes:

- Expanding retail and digital distribution channels to improve accessibility and customer reach
- Strengthening underwriting discipline and portfolio management to maintain profitability and resilience
- Enhancing operational efficiency through digitalisation and process improvements
- Deepening customer engagement through more relevant and needs-based takaful solutions
- Managing key risks, including climate-related risks, that may affect claims experience, investment performance and overall business sustainability

In relation to sustainability, the Group continues to integrate environmental, social and governance considerations into its business and decision-making processes. This includes embedding responsible practices in product design, investment management and day-to-day operations.

The Group has set a long-term aspiration to align with national and regulatory expectations on climate, including supporting the transition towards a lower-carbon economy and achieving net zero greenhouse gas emissions by 2050. In the near to medium term, focus areas include improving energy efficiency, reducing operational emissions, and strengthening climate risk management and disclosures.

Sustainability considerations are progressively embedded across strategy, risk management and capital allocation, supporting the Group's ability to deliver protection while contributing to long-term economic and social value.

2.2 Our value chain

To deliver its takaful solutions and services, the Group relies on a network of stakeholders, partners and resources across its value chain. This value chain reflects the end-to-end process of providing protection solutions, from sourcing capital and managing risk to delivering services to participants and supporting communities.

The Group's activities are primarily based in Malaysia, with value creation closely linked to its underwriting, investment, distribution and service capabilities.

ISSB SUSTAINABILITY STATEMENT

The table below summarises the Group's key upstream and downstream value chain relationships.

VALUE CHAIN SEGMENT

UPSTREAM

1. **CAPITAL AND FUNDING SOURCES**
Contributions from takaful participants used to support claims, benefits and fund sustainability

2. **GOVERNMENT AND REGULATORS**
Oversight by Bank Negara Malaysia, Bursa Malaysia and other governing bodies

3. **TECHNOLOGY PARTNERS**
IT infrastructure, systems and digital platforms supporting operations and customer services

4. **PAYMENT NETWORKS AND INFRASTRUCTURE**
Banks and payment providers facilitating contributions and claims payments

5. **DIGITAL ECOSYSTEM PARTNERS**
Platforms such as Kaotim supporting digital distribution and customer engagement

6. **INVESTORS AND SHAREHOLDERS**
Institutional investors and sukuk holders supporting capital and growth

7. **BUSINESS PARTNERS AND SERVICE PROVIDERS**
Agents, brokers, workshops, Third-Party Administrators (TPAs) and hospitals supporting operations and claims

8. **TRAINING AND CAPABILITY PROVIDERS**
External providers supporting workforce development and training

DOWNSTREAM

1. **CUSTOMERS (PARTICIPANTS)**
Individuals and corporates subscribing takaful protection solutions

2. **COMMUNITY AND SOCIETY**
Wider community benefiting from financial protection and social initiatives

3. REPORTING BOUNDARY

3.1. Reporting boundary (excluding GHG emissions)

Reporting entity

The entities, assets and operations (referred to as the 'reporting entity') included in the Group's sustainability statement are the same as those included in the Group's 31 December 2025 financial statements.

Value chain

The Group also has entities (including investments in associates and joint ventures), activities, resources and relationships that form part of its value chain. These have been considered in assessing the sustainability-related risks and opportunities of the Group. In the current reporting period, all metrics reported (except for GHG emissions) relate to the Group's own operations.

3.2. Reporting boundary for GHG emissions

a. Organisational boundary

Greenhouse gas ("GHG") emissions are measured in accordance with the methodology set out in the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004), unless otherwise specified under IFRS S2 Climate-related Disclosures. This methodology provides guidance for identifying, quantifying and reporting emissions associated with the Group's activities.

For the current reporting period, the Group's GHG disclosures focus on its principal business segments, primarily Malaysia operations, where data availability and risk exposure are most material. This approach is consistent with the transition reliefs applied during the initial phase of adoption.

The Group is progressively enhancing its data collection processes and monitoring systems across all operations. The reporting boundary will be expanded to include other entities, including our subsidiaries in Indonesia, in future reporting cycles as data quality and reporting capabilities continue to improve.

The Group's GHG reporting boundary reflects the organisational and operational boundaries applied for emissions measurement and disclosure.

b. Operational boundary

For the purpose of measuring GHG emissions, the Group applies the operational control approach when defining the reporting boundary. Under this approach, emissions arising from operations over which the Group exercises operational authority are included within the inventory.

In the FY2025 Sustainability Statement, the Group discloses inputs and assumptions related to the following GHG metrics:

Scope 1 GHG Emissions	Scope 2 GHG Emissions
Scope 3 operational GHG emissions, specifically Category 3 Fuel- and Energy-related Activities, Category 5 Waste Generated in Operations, Category 6 Business Travel and Category 7 Employee Commuting	

Disclosure of inputs and assumptions for the remaining Scope 3 categories will be introduced in the FY2027 Sustainability Statement. This timeline reflects the transition relief adopted under IFRS S2 Climate-related Disclosures, which allows phased implementation of Scope 3 reporting during the initial years of application. Preparatory work is ongoing to expand data coverage and refine methodologies in support of future disclosure.

ISSB SUSTAINABILITY STATEMENT

4. JUDGEMENTS AND MEASUREMENT UNCERTAINTIES

Preparation of this statement involved the application of management judgement in several areas. These include the identification of sustainability-related risks and opportunities and the determination of material information appropriate for disclosure under the IFRS Sustainability Disclosure Standards.

Certain disclosures also require the use of estimates where information cannot be measured directly. Estimation may arise where sustainability related information relates to entities within the value chain, involves forward looking information or is subject to limitations in available data. In such circumstances, reasonable assumptions and methodologies are applied to produce reliable and decision useful disclosures.

This section outlines the significant judgements applied during preparation of the sustainability statement as well as disclosures subject to a higher level of measurement uncertainty. Details of the relevant judgements or sources of estimation uncertainty are provided in the corresponding note disclosures referenced in this Statement.

4.1 Significant judgements

Impact Materiality Assessment Process

The Group adopts a structured approach to identify and prioritise material matters. This begins with identifying relevant topics based on industry trends and internal insights, followed by assessing their significance by considering stakeholder expectations, ESG impacts and regulatory requirements. These topics are then prioritised based on their potential impact on the business and stakeholders. Finally, the outcomes are validated and mapped into a materiality matrix to ensure alignment with the Group's strategic priorities and stakeholder interests.

Financial Materiality Assessment

We undertook a structured process to identify the Group's sustainability related risks and opportunities ("SROs"), beginning with a review of internal documents such as the IAR and risk register to establish existing SROs. This was followed by desktop analysis and benchmarking against SASB Standards and industry peers to identify additional relevant SROs. Stakeholder engagement, including surveys and focus group discussions, was conducted to validate and prioritise financial material SROs. These were further refined through industry research and internal data analysis, before finalising the list based on management inputs and alignment with IFRS SDS requirements.

For the year under review, the Group has elected to apply the transition reliefs available under the standards, focusing its disclosures on climate-related risks and opportunities.

Calculation methods for GHG emissions

In quantifying GHG emissions, the Group applied significant judgement in selecting appropriate calculation methodologies in accordance with the GHG Protocol, taking into account data availability, reliability and relevance to the Group's operations. This includes the use of fuel-based, location-based, distance-based and average data methods across Scope 1, Scope 2 and relevant Scope 3 categories.

Significant judgement was also applied in determining the use of proxy and estimation techniques where primary data were not fully available, including extrapolation of branch-level waste data, application of spend-based methods for certain business travel activities, and the use of survey-based data for employee commuting. These approaches were considered to provide a reasonable representation of the Group's emissions profile while ensuring completeness of reporting.

Scope 3 Assessment and Exclusion

Management applied judgement in assessing that Scope 3 emissions are currently disclosed for selected categories, based on regulatory requirements and voluntary disclosure considerations aligned with the Group's business model and value chain activities. The Group has elected to apply the transition relief from quantitative Scope 3 disclosure for the reporting period.

Climate Risk Stress Testing Exercise

Significant consideration was given to the application of climate scenarios in this Climate Risk Stress Testing ("CRST") exercise, in line with the 2024 CRST Methodology Paper issued by Bank Negara Malaysia ("BNM"). The Company has adopted the prescribed scenarios, which are aligned with reference pathways developed by the Network for Greening the Financial System ("NGFS"), namely Net Zero 2050 ("NZ2050"), Divergent Net Zero 2050 ("DNZ2050"), and Nationally Determined Contributions ("NDCs"). These scenarios are intended to provide a range of plausible outcomes under varying levels of climate ambition, policy coordination, and implementation.

Net Zero 2050 (NZ2050):
This scenario represents an orderly transition pathway aimed at limiting global warming to 1.5°C through the early and coordinated implementation of stringent climate policies. It assumes rapid decarbonisation supported by technological advancements and strong policy enforcement. Under this pathway, physical climate risks remain relatively contained due to successful mitigation efforts; however, transition risks are elevated given the speed and scale of policy, regulatory, and market adjustments required.

Divergent Net Zero 2050 (DNZ2050):
This scenario reflects a fragmented and uneven transition, where climate policies and actions differ significantly across regions, resulting in a lack of global coordination. The divergence in policy implementation leads to market inefficiencies and increased uncertainty. As a result, transition risks are elevated due to inconsistent regulatory environments and potential market dislocations, while physical risks continue to increase over time as global mitigation efforts are less effective.

Nationally Determined Contributions (NDCs):
This scenario reflects the continuation of currently pledged climate policies, even where implementation may be incomplete or delayed. It assumes moderate and uneven climate ambition across regions, resulting in emissions reductions that are insufficient to meet the 1.5°C target, with global warming projected to reach approximately 2°C and above by the end of the century. Under this pathway, physical risks are more pronounced due to higher long-term temperature increases, while transition risks remain relatively moderate given the gradual pace of policy adjustments.

4.2 Measurement uncertainty

GHG Uncertainty Assessment and Result

An uncertainty assessment was conducted to evaluate the uncertainty of the Group's GHG inventory, in accordance with the GHG Protocol Guidance on Uncertainty Assessment in GHG Inventories.

The assessment considered uncertainties in both activity data and emission factors, which were aggregated at source and organisational levels using established statistical methods. Measurement uncertainty is expressed as an uncertainty range (± percentage of the reported value) at a 95% confidence level, indicating the range within which actual emissions are expected to fall.

Overall, the level of uncertainty is considered reasonable and reflects the quality of underlying data, including the use of estimation techniques and internationally recognised emission factors where applicable.

Climate Transition Risks

The timing and magnitude of regulatory and reputational impacts arising from climate change are subject to estimation uncertainty, as policies, market dynamics and stakeholder expectations continue to evolve.

Climate Physical Risks

The assessment of potential flooding impacts is subject to estimation uncertainty, given the variability in extreme weather events and reliance on modelled projections and underlying assumptions.

ISSB SUSTAINABILITY STATEMENT

4.3. First-year Reporting Considerations

This is the first reporting period in which the Group has applied the IFRS Sustainability Disclosure Standards. Accordingly, the following matters are not applicable for the current reporting period:

Changes in estimates
There are no comparative prior-period sustainability-related metrics; accordingly, no changes in estimates have been recognised.
Revisions to targets
The Group has established its net zero GHG target for 2050; no revisions to targets were made during the reporting period.
Reassessment of climate-related risks and opportunities
The Group has not reassessed or redefined the scope of climate-related risks and opportunities within its value chain during the reporting period.
Prior-period errors
As there are no prior-period sustainability-related disclosures for this reporting entity, no prior-period errors have been identified.

5. MATERIALITY ASSESSMENT

Materiality process

Identification of SROs involved a structured process designed to determine matters with potential financial relevance to the business of the Group. The process integrates internal analysis, industry research, stakeholder input and risk management practices in line with the expectations of the IFRS Sustainability Disclosure Standards.

Initial identification of SROs began with a review of internal sources including the Group's latest IAR, the Group risk register and other relevant documentation. This review enabled management to compile an initial list of sustainability related matters previously disclosed or identified within existing governance and risk management processes.

Desktop analysis, benchmarking and industry research were then conducted to identify additional sustainability matters that may be relevant to the Group. This assessment included reference to the Sustainability Accounting Standards Board Standards and benchmarking against selected industry peers to identify sustainability issues commonly associated with the takaful and financial services sector.

Stakeholder engagement formed an important part of the identification process. Engagement sessions were conducted using focus group discussions and survey forms covering each potential SRO. These discussions involved internal stakeholders and representatives from key business units, allowing validation and refinement of issues considered most financially relevant to the organisation.

Insights obtained from industry research and the Group's internal data were then used to refine the key drivers associated with each SRO. Management subsequently refined the list of sustainability-related risks and opportunities based on internal inputs and alignment with the requirements of the IFRS Sustainability Disclosure Standards.

Climate related risks identified under the Group's Climate Risk Management and Scenario Analysis ("CRMSA") were also incorporated into the assessment. These include transition risks and physical risks. Transition risks include policy and regulatory developments such as carbon taxation, technological developments including electric vehicles, and changes in consumer preferences. Physical risks comprise chronic impacts such as temperature changes and sea level rise as well as acute events including heatwaves and flooding.

Climate risks were further analysed across six major risk categories relevant to the Group's operations: strategic risk, takaful risk, credit risk, market risk, liquidity risk and operational risk. These risk considerations were incorporated into the list of SROs, considering underlying drivers and potential financial implications.

The Group also leveraged its existing Enterprise Risk Management ("ERM") framework to determine which SROs are financially material. A survey was conducted across departments to obtain feedback on the significance of each identified SRO. Each department provided an assessment using the Group's five scale risk scoring mechanism within the ERM framework.

Under this methodology, each SRO was evaluated based on the magnitude of potential financial effects and the likelihood of occurrence. Magnitude reflects the potential significance or benefit of the impact, while likelihood indicates the probability that the risk or opportunity may arise if it has not already occurred. The overall score is derived from the combined assessment of magnitude and likelihood. Risks that are financially significant under the ERM framework are classified as SROs.

Use of judgement

Management judgement plays an important role in determining financially material sustainability related risks and opportunities. Quantitative indicators such as potential direct financial impact, capital expenditure requirements and possible changes in asset valuations were considered when evaluating the magnitude of sustainability related matters.

Qualitative factors were also taken into account. Although these factors may not be immediately quantifiable, they may influence the long term value and resilience of the organisation. These considerations include reputational exposure, stakeholder expectations and the effectiveness of governance and oversight mechanisms.

Forward looking judgement was applied to assess how sustainability related risks and opportunities may evolve over time. This includes consideration of potential regulatory developments, shifts in market dynamics and technological developments that may influence the organisation over the short-, medium- and long-term horizons defined in this report.

Materiality assessments are subject to continuous review as circumstances evolve. Sustainability related risks and opportunities may change in response to new assumptions, operational developments, emerging industry trends or updates in regulatory and policy requirements. Accordingly, the Group will periodically reassess the relevance and financial significance of identified SROs as part of its ongoing risk management and reporting processes.

The final list of identified risks and opportunities was presented to and approved by the Group CEO. The result was also presented to the Board Risk Committee and Board of Directors. These form the basis of the disclosures included in this Statement.

6. SUSTAINABILITY INTEGRATION & GOVERNANCE

In line with its sustainability commitments and the requirements under IFRS S2 (Climate-related Disclosures), Takaful Malaysia ensures that sustainability and climate-related matters are supported through appropriate governance arrangements, industry engagement and organisational capability-building. As a takaful operator, Takaful Malaysia recognises that effective management of environmental, social and governance (ESG) considerations is integral to its overall risk management and long-term business sustainability. ESG considerations are incorporated across the Group's underwriting, claims, and investment activities to support informed decision-making, manage emerging and long-term risks, and identify opportunities that support sustainable value creation. This approach reflects the Group's role in managing risk exposures that may crystallise over both short- and longer-term horizons.

Sustainability considerations are integrated into the Group's operations through established policies, guidelines, and processes, providing a consistent and structured approach to incorporating ESG factors into strategy, risk management, and key operational decisions. This supports alignment with regulatory expectations under Bank Negara Malaysia's Climate Risk Management principles, as well as the governance recommendations of TCFD and ISSB.

Oversight of sustainability-related matters is provided by the Board Committee, which is responsible for setting direction and overseeing the Group's approach to ESG-related risks, opportunities, and initiatives. The Committee is supported by a cross-functional Sustainability Committee, with representatives from relevant functions, to coordinate implementation and facilitate integration across business units. This governance structure enables ESG considerations, including climate-related matters, to be embedded into business and risk management processes, rather than treated in isolation.

Further information on the Group's sustainability governance structure, roles and responsibilities, and oversight mechanisms is set out on pages 79 to 80 of this report.

ISSB SUSTAINABILITY STATEMENT

Governing Sustainability

Governance arrangements guide the management of sustainability related matters across the Group. Environmental, social and governance considerations are integrated within strategic planning, risk management processes and operational activities. This structure supports informed decision making, regulatory alignment and sustainable value generation over the long term.

Refer to page 78 for our Governance Hierarchy.

Strategic oversight sits with the Board of Directors ("Board"), which directs the sustainability agenda and reviews progress on related initiatives. The Board approves the sustainability strategy, governance framework, priorities and targets while overseeing integration of ESG considerations across the Group. Regular updates on ESG initiatives, including climate related developments, support the Board in carrying out its oversight responsibilities.

The Group's Board Committees assist the Board in supervising specific sustainability related matters. The Nomination and Remuneration Committee reviews alignment between incentive structures and sustainability targets and evaluates the performance of the Board and senior management. The Audit Committee oversees sustainability related disclosures within the Group's reporting. The Investment Committee supervises sustainable investment policies and related practices.

The Board Risk Committee ("BRC") provides further oversight of sustainability related risks that may affect the Group's strategic objectives. The committee reviews the Sustainability Framework and related policies, approves risk appetite parameters and monitors whether risk exposure aligns with approved levels. Information on sustainability risk exposure and risk management activities is presented regularly to facilitate effective supervision.

Management Committee oversees implementation of the sustainability agenda across the organisation. The Management Committee integrates sustainability considerations within business operations and governance structures. In carrying out this role, the committee evaluates sustainability strategies, coordinates ESG initiatives with support from the Sustainability Committee and incorporates relevant frameworks and standards such as the Value Based Intermediation Takaful framework. Regular updates on sustainability-related risks and opportunities are presented to the Board to support strategic oversight.

At the management level, the Management Risk Committee ("MRC") supervises the application of sustainability risk management practices. The committee confirms that policies and procedures addressing sustainability risks align with the risk appetite approved by the Board. It also verifies that business owners perform risk identification and assessment and establish appropriate mitigation plans. Periodic reviews of the Sustainability Framework are conducted to confirm that it continues to support the organisation's sustainability objectives.

Operational coordination of sustainability initiatives takes place through the Management Sustainability Committee. This committee facilitates implementation of sustainability practices across departments and supports responsible engagement with customers and counterparties. It also serves as the reference point for sustainability related reporting, including preparation of the Sustainability Report within the Integrated Annual Report. In addition, the committee supports organisational capacity building, training initiatives and periodic reviews of structures and capabilities needed to support sustainability strategies.

The Head of Sustainability, supported by the Sustainability Department, coordinates sustainability activities across the Group. This function monitors implementation of ESG initiatives and provides updates to the MRC and relevant Board Committees to support informed decision making. It also coordinates preparation of sustainability disclosures and engagement with external stakeholders including shareholders, regulators and Bursa Malaysia. Capacity-building programmes for the Board, senior management and employees are also arranged while the Sustainability Framework is maintained and updated as necessary.

Within the operational structure, business functions and units form the first line of defence in sustainability risk management. These units identify, assess and manage sustainability risks arising from daily activities. Risk assessments may occur during onboarding of customers or business partners, ongoing engagement and monitoring processes as well as new product or business approval procedures. Business units also support implementation of sustainability initiatives across the organisation.

Oversight is further supported by control functions operating within the Group's enterprise risk management framework. The Risk Management Division identifies sustainability related risks, evaluates potential impacts and works with risk owners to develop mitigation strategies. The division also monitors the evolving risk environment, coordinates risk assessments across business functions and reports material risk matters to the MRC and BRC.

The Compliance function monitors adherence to applicable laws, regulations and internal policies, including requirements issued by Bank Negara Malaysia and Bursa Malaysia. Independent assurance is provided by the Internal Audit function, which evaluates the effectiveness of internal control systems and governance arrangements related to sustainability risk management.

These governance arrangements integrate sustainability considerations within the Group's broader strategic planning and risk management framework, supporting structured management of sustainability related risks and opportunities across the organisation.

Industry Engagement

As part of its commitment to responsible and sustainable finance, Takaful Malaysia participates in industry platforms and collaborative initiatives that support efforts to strengthen climate risk management and sustainable finance practices within Malaysia's financial sector. Encik Mohamed Sabri bin Ramli, the Chief Executive Officer of Takaful Malaysia Am, is a member of the Joint Committee on Climate Change (JC3), a regulator–industry platform established to coordinate collective actions to build climate resilience, enhance the financial sector's readiness to manage climate-related risks, and support the transition to a low-carbon economy.

In addition, other members of senior management and Heads of Departments are involved in relevant industry working groups and committees that address climate-related risks, sustainability matters, and regulatory initiatives. The Group also participates in external trainings, seminars, and conferences relating to sustainability and climate risk management as part of its ongoing capacity-building efforts. These are complemented by internal training programmes for employees to strengthen awareness and understanding of climate-related risks and sustainable finance practices.

The Group monitors its participation in these engagements to ensure consistency between the positions taken externally and its internal climate-related risk management practices, and strategic objectives. At present, the Group considers its involvement in these platforms to be aligned with its climate-related commitments and overall approach to sustainable finance.

6.1. Impact of sustainability on remuneration policies

The Group's remuneration framework is overseen by the Board-level Nomination and Remuneration Committee (NRC), which ensures alignment with the Group's strategic priorities, long-term value creation and risk management considerations, including sustainability-related matters.

Sustainability-related considerations are incorporated into senior management performance assessments to support accountability for the delivery of the Group's sustainability strategy, as well as the management of related risks and opportunities.

For the year under review, sustainability-related key performance indicators (KPIs) are embedded within the performance framework, with an allocated weightage of approximately 5% to 10%. These KPIs cover areas such as compliance with regulatory requirements. Performance against these indicators is assessed as part of the annual performance review and may influence variable remuneration outcomes for senior management.

The selection and weighting of KPIs are determined by the NRC, taking into account their relevance to business operations and alignment with the Group's priorities for the reporting period. The Group intends to progressively enhance the integration of sustainability and climate-related metrics, including GHG emissions indicators, as data availability and internal processes continue to develop.

6.2. Risk management

Climate-related risks and opportunities are expected to intensify over the medium to long term. In recognition of this, and in line with our ESG commitments, sustainability-related matters, including climate change, are regularly deliberated through our established governance and risk oversight forums, namely the Sustainability Committee, Management Risk Committee (MRC) and Board Risk Committee (BRC). In parallel, we address climate change from a risk management perspective through our existing risk governance structures and processes.

ESG considerations are integrated into our operational, underwriting and investment decision-making processes as part of our enterprise risk management approach. This integration supports the identification and management of sustainability-related and reputational risks across the Group. In addition, physical risks, including flood risk, are assessed within our underwriting and operational risk management processes, informed by relevant risk assessments and ongoing monitoring to support prudent decision-making and operational resilience.

The Group's Sustainability Risk Management Framework sets out our overarching principles and approach for managing sustainability-related risks across takaful operations and internally managed investments. The framework applies to Takaful Malaysia's takaful business and proprietary investment activities, while sustainability practices relating to externally managed assets are governed by the respective policies and processes of appointed external asset managers. This framework serves as a key internal reference for the consistent application of sustainability-related risk management practices, with formal requirements embedded within the Group's internal policy framework.

Further details on Takaful Malaysia's sustainability performance, including key performance indicators (KPIs), targets and progress, are disclosed in the Group's ISSB Sustainability Statement section.

Climate-related risks and opportunities (CROs) are assessed and prioritised using the same likelihood, impact and time horizon criteria applied to other risk categories, in accordance with the Group's ERM Framework. This ensures that climate-related considerations are consistently incorporated into risk identification, assessment, monitoring and reporting processes.

- Only climate-related risks and opportunities that could reasonably affect the Group's cash flows, access to finance or cost of capital, as well as operational and reputational aspects, are considered. In assessing these, the Group evaluates the likelihood of occurrence, the magnitude of potential impact on financial and non-financial prospects, and qualitative inputs from management and focus groups to validate materiality and relevance.

- The assessment draws on existing material matters, prior-year impact assessments and industry benchmarking. For uncertain future events, a range of possible outcomes is considered, with likelihoods assigned based on historical experience, scenario analysis or expert judgement. Results are plotted on a prioritisation matrix to identify the climate-related risks and opportunities most likely to affect the Group's prospects.

- Opportunities arising from climate-related considerations, including operational efficiencies, strategic growth and enhanced resilience, are identified and assessed alongside risks. These are evaluated qualitatively for their potential strategic and financial benefits and prioritised using the same framework.

- Scenario analysis may be used to assess climate-related scenarios that could affect the Group's financial, operational and strategic resilience. This includes consideration of physical risks, such as acute flood events, as well as transition risks arising from policy, market and technological shifts under low-carbon pathways.

Once CROs are identified, the relevant business functions determine the actions or initiatives required to mitigate the risks identified or to capture opportunities arising from them. This may include the development of products offering solar panel protection or the refinement of underwriting approaches to reflect anticipated risk exposure.

6.2.1 Reputational Risk Management

Reputational risk is managed as an integral component of Takaful Malaysia's enterprise risk management framework. We consider reputational risk across key risk management processes, including new product risk assessments, risk evaluations of Group-wide initiatives, and by categorising reputational risk as one of our major risk categories.

This embedded approach enables us to identify, assess and manage potential reputational impacts in a structured and consistent manner, supporting informed decision-making across the Group.

6.2.2 Integration of ESG Considerations into Risk Management

We integrate environmental, social and governance (ESG) considerations into our operational, underwriting and investment risk assessment processes as part of our broader approach to managing sustainability-related risks. These considerations are evaluated alongside other risk factors to support the identification of emerging risks and potential impacts on the Group's business activities.

This approach ensures that ESG-related risks, including those that may give rise to reputational considerations, are factored into day-to-day risk management and decision-making processes across the organisation.

6.2.3 Management of Physical Risks

Physical risks, including flood risk, are assessed within our risk management processes. Relevant risk assessments are conducted as part of ongoing risk monitoring activities to support prudent underwriting practices, operational resilience and effective risk management.

Climate Risk and Opportunities Assessment Methodology

Only climate-related risks and opportunities that could reasonably affect the Group's cash flows, access to finance, or cost of capital are considered. In assessing these, the Company evaluates:

- **A** The likelihood of the event occurring
- **B** The magnitude of its potential impact on the Group's financial prospects
- **C** Qualitative inputs from management and focus groups to validate materiality and relevance

The assessment draws on existing material matters, prior-year impact assessments, and industry benchmarking. For uncertain future events, a range of possible outcomes is considered, and likelihoods are assigned based on historical experience, scenario analysis, or expert judgement. Results are plotted on a prioritisation matrix to identify the CROs most likely to affect the Group's prospects.

Opportunities arising from climate-related considerations, such as operational efficiencies, strategic growth, or enhanced resilience, are identified and assessed alongside risks. These are evaluated qualitatively for potential strategic and financial benefits and prioritised using the same framework.

7. ENVIRONMENT-RELATED RISKS AND OPPORTUNITIES

7.1. Climate Related Physical Risks

7.1.1 Physical risk relating to underwriting

7.1.1.1 Family Takaful

Climate related developments such as rising temperatures, flooding, heatwaves and other extreme weather events may influence Family Takaful underwriting activities within Takaful Malaysia Keluarga.

These developments introduce additional uncertainty into underwriting activities. Shifts in health outcomes and mortality trends may influence claims patterns, medical related risks and actuarial assumptions used in pricing and reserving. Such developments may also affect the sustainability of underwriting portfolios and influence profitability if risk exposures are not appropriately assessed.

Direct impacts from climate related factors may include increased mortality as well as higher incidence of illness linked to elevated surface temperatures and extreme weather conditions. Prolonged heat exposure, flooding events and other climate related disruptions may also influence the frequency or severity of health-related claims within Family Takaful portfolios.

Physical risks represent the direct impacts of climate change, including increased mortality and morbidity assumptions arising from higher surface temperatures and extreme weather events. These effects are expected to result in higher death and medical claims, leading to an increase in actuarial reserves. A consistent methodology has been applied across all scenarios[2], with scenario-specific shock factors incorporated to reflect varying levels of severity.

[2] *Three long-term climate scenarios: (i) Net Zero 2050 (NZ 2050;, (ii) Divergent Net Zero 2050 (DNZ 2050); and (iii) Nationally Determined Contributions (NDCs)*

Effects on business model and value chain

Climate related developments may influence several aspects of the business model of Takaful Malaysia Keluarga and its value chain. Physical impacts associated with rising temperatures, extreme weather events and changing environmental conditions may affect mortality and morbidity patterns within the covered population. Such developments can lead to a surge in life takaful payouts linked to increased deaths, alongside higher health claims and long-term disability coverage costs.

Shifts in climate related health risks introduce uncertainty into traditional actuarial assumptions used in underwriting and pricing. Mortality and morbidity trends shaped by environmental conditions may differ from historical patterns, requiring recalibration of actuarial models and risk pricing approaches. This reassessment supports accurate reflection of evolving risk exposures within Family Takaful portfolios.

Operational implications may extend across the value chain. Underwriting practices, actuarial modelling, claims management and product development may require adjustments as risk profiles evolve. Greater claim frequency or severity can influence capital management, product design and risk selection practices, while also shaping engagement with distribution partners, healthcare providers and retakaful operators.

In response to these developments, ongoing evaluation of risk models and pricing methodologies supports alignment between underwriting practices and emerging climate related health trends. Such adjustments aim to sustain portfolio resilience and maintain stability in the delivery of protection solutions to participants.

Time Horizon	Short term

Financial Effects

Current

The Group does not anticipate material financial effects at this juncture.

Anticipated

Climate related developments may influence financial outcomes associated with Family Takaful operations within Takaful Malaysia Keluarga. Changes in mortality patterns, health conditions and extreme weather exposure can alter claims experience across covered populations, introducing additional variability in underwriting performance. One potential implication involves an increase in the claim's ratio. Over time, such developments may place pressure on profitability and influence the level of returns generated for shareholders.

Effects on strategy and decision making

Environmental and climate related considerations are increasingly reflected in strategic planning and operational decisions within Takaful Malaysia Keluarga. Evolving climate patterns and associated health risks influence how underwriting exposures are assessed and managed within Family Takaful portfolios.

Environmental factors are incorporated into underwriting evaluations to support a more comprehensive assessment of mortality and morbidity risks. Consideration of climate related health trends assists actuarial and risk management functions in refining assumptions used in pricing, reserving and product development. This approach allows underwriting decisions to reflect emerging risk drivers that may influence participant outcomes over time.

Scenario analysis and climate risk stress testing also inform strategic planning and risk management practices. These assessments consider potential developments such as increased frequency of extreme weather events, changes in population health conditions and other environmental factors that may affect claims experience or financial performance. Insights derived from these analyses assist management in evaluating potential exposures and determining appropriate risk management responses.

Risk transfer mechanisms form another element of the Group's strategic approach to climate-related uncertainty. Retakaful arrangements support management of potential volatility in claims experience arising from climate influenced mortality or health risks. This structure assists in maintaining portfolio stability while supporting the Group's ability to continue providing protection solutions to participants in a changing risk environment.

The location of buildings and the availability of facilities to safeguard against adverse flood incidences are assessed on a regular basis.

The Group has also enabled a working environment that allows employees to operate remotely and remain connected in the event of disruptions that render office premises inaccessible.

In addition, the Group is refining its engagement with third-party service providers to incorporate consideration of climate-related risks that may affect service continuity.

Business resilience and continuity have become areas of increased focus in light of rising concerns associated with climate-related risks. Technology refresh initiatives are underway to support more agile operations, enhancing the Group's ability to withstand disruptions, including those arising from climate-induced factors.

Medium term	Long term

Risk transfer arrangements also play an important role in managing potential volatility. Greater reliance on retakaful coverage may arise in response to heightened uncertainty surrounding catastrophic events or large-scale health impacts. While these arrangements support protection against substantial losses, they may also result in higher retakaful costs, which could affect expense levels and overall financial performance.

Long duration characteristics of Family Takaful products introduce further considerations. Actuarial assumptions regarding mortality and morbidity trends are vital given the coverage period of family takaful products extending over many years. Climate related developments will have an impact on these assumptions, creating challenges in long term pricing if evolving risks are not adequately reflected in product design and pricing methodologies.

Investment decisions are subject to additional climate-related considerations. Specifically, the practices of the target companies in climate-related practices, and extent of its susceptibility to climate-related risk exposure influence investment decisions.

7.1.1.2 General Takaful

Climate change introduces physical risks that may affect General Takaful underwriting within the Group. Extreme weather events, including flooding and other severe environmental conditions, may lead to increased exposure to property and motor portfolios.

Damage linked to such events can result in higher claim frequency and severity, particularly for assets located in areas vulnerable to flooding or other climate related hazards. These developments may influence the level of claims associated with property damage and motor losses following extreme weather incidents.

Such conditions introduce uncertainty into underwriting and reserving practices. Shifts in exposure patterns may affect pricing assumptions and risk selection, particularly where climate-related hazards alter historical loss trends. In certain locations, insurability of assets may also become more complex where exposure to extreme weather intensifies.

Direct impacts from climate related events include physical damage arising from severe flooding and other extreme weather conditions. These developments may affect the stability and sustainability of underwriting portfolios if risk exposures are not appropriately assessed and reflected in pricing and risk management practices.

Effects on business model and value chain

Increased frequency and intensity of extreme weather events, including flooding, may lead to a surge in claims associated with motor and property takaful portfolios.

Higher claim frequency and severity can place pressure on technical reserves as loss patterns evolve beyond historical expectations. Damage to covered assets following major weather events may also lead to larger payouts under business interruption covers where commercial activities are disrupted.

These developments may affect multiple stages of the value chain, including underwriting, claims management, actuarial valuation and capital planning. Greater claims volatility may influence risk selection practices and portfolio composition, while claims administration and loss assessment processes may experience higher operational demand following large scale events.

Financial implications may also arise in relation to risk transfer arrangements. Increased reliance on retakaful protection may lead to higher ceded contributions, which could reduce net underwriting income. Moreover, the retakaful capacity may be adversely affected by the increasing claims frequency and impact, globally and locally. Adjustments in pricing, product design and risk evaluation may therefore be required to reflect evolving exposure levels and maintain portfolio sustainability.

Time Horizon	Short term

Financial Effects

Current

There are no material financial effects as of 31 December 2025 and the Group does not anticipate material financial effects at this juncture.

Anticipated

Extreme weather exposure and evolving environmental conditions can affect claims patterns for property and motor takaful portfolios, which in turn may have implications for underwriting performance and financial results.

Effects on strategy and decision making

Changing weather patterns and rising exposure to natural hazards prompt greater attention to environmental risk factors during underwriting assessments for General Takaful portfolios.

Underwriting evaluations incorporate climate related indicators to support a more informed assessment of property and motor risk exposures. This approach enables pricing decisions, coverage conditions and portfolio management practices to reflect evolving environmental risk drivers.

Climate risk stress testing also forms part of the strategic evaluation process. Scenario analysis allows management to assess potential financial implications arising from severe weather events, large scale flooding or other environmental developments. Insights derived from these assessments support planning for adverse outcomes and assist in refining risk management practices.

Risk management strategies also include established underwriting practices to address specific environmental exposures. Flood related risks are considered in underwriting decisions for areas prone to flooding and other water related hazards, supporting a more structured approach to risk selection and pricing considerations.

Retakaful arrangements provide an additional mechanism for managing exposure to catastrophic events. These arrangements assist in limiting potential losses associated with severe weather incidents and contribute to stability in underwriting outcomes when large claims events occur.

Medium term	Long term

An increase in the claims ratio represents one potential effect. Variations in loss experience may also affect actuarial assumptions applied in reserving and pricing assessments.

Climate volatility introduces additional complexity to pricing decisions. Historical loss data may no longer provide a reliable reference point when environmental conditions alter the frequency or scale of claims. As a result, actuarial models and underwriting approaches may require more dynamic pricing mechanisms and risk-based contributions adjustments to reflect evolving exposure patterns.

Long term sustainability of certain products may also be affected if environmental risks are not adequately incorporated into pricing frameworks. Traditional motor and property takaful products could face profitability challenges where contributions do not fully reflect climate related loss potential. Continuous review of pricing assumptions and product design therefore plays an important role in maintaining financial stability and portfolio viability.

7.1.2 Transition risk relating to investments and underwriting

Transition risks arise from the shift towards a lower-carbon economy, driven by changes in regulatory requirements, technological developments, and market dynamics. On the asset side, macroeconomic simulations were derived from BNM's Macroeconomic Variable ("MEV") dataset as the primary input to stress investment positions, resulting in varying asset valuations and returns across scenarios.

On the liability side, transition risk is primarily relevant to the Family Takaful business, where it is reflected through movements in discount rates, impacting the valuation of actuarial reserves. For General Takaful, liabilities are generally undiscounted and therefore are not directly affected by transition risk through discount rate movements.

Within the investment portfolio, transition risk may influence asset valuations and return profiles. Policy developments and evolving environmental, social and governance standards may alter the financial outlook of companies operating in carbon intensive sectors. These developments may increase compliance costs, reduce expected returns and elevate the probability of credit deterioration. In certain circumstances, assets linked to high emission activities may face the risk of becoming stranded. ESG practices adopted by investee's companies may also influence financial and reputational outcomes, highlighting the importance of effective ESG screening and portfolio diversification. Investment decisions are subject to additional climate-related considerations. Specifically, the practices of the target companies in climate-related practices, and extent of its susceptibility to climate-related risk exposure influence investment decisions.

Underwriting activities, particularly within General Takaful portfolios, may also experience transition-related developments. New technologies and changing consumer preferences associated with climate awareness are reshaping risk exposures. Adoption of electric vehicles, expansion of renewable energy systems and wider use of green buildings may introduce unfamiliar risk characteristics. Limited historical data and evolving repair or replacement costs linked to new materials and technologies may create uncertainty in claims assessment and underwriting assumptions. Failure to adapt product structures or pricing approaches may affect market positioning and public perception.

Several policy initiatives and economic developments contribute to these transition dynamics within Malaysia. Proposed regulatory measures such as the Climate Change Bill ("RUUPIN"), implementation of the National Energy Transition Roadmap ("NETR") targeting net zero emissions by 2050 and the planned carbon tax on selected sectors beginning in 2026 may introduce stricter emission controls and higher operational costs for affected industries. These developments encourage adoption of lower emission practices while increasing financial pressure on carbon intensive businesses.

Rapid progress in renewable energy technologies, energy efficiency solutions and digital decarbonisation tools is also transforming industrial activity. As these technologies become more widely adopted, traditional carbon intensive business models may face declining competitiveness. Such developments may alter exposure patterns within investment portfolios and underwriting books if legacy assets experience reductions in value or operational relevance.

Effects on business model and value chain

Regulatory developments, evolving ESG expectations and technological changes may affect financial performance of investee companies, particularly those operating in carbon intensive sectors.

One implication relates to increased credit risk within the investment portfolio. Companies facing higher compliance costs, operational adjustments or declining demand for carbon heavy activities may experience financial pressure. Such developments may affect capacity to meet financial commitments or overall financial stability of investee entities.

Market repricing of assets associated with high emission industries may also occur as investors reassess exposure to transition related risks. Changes in valuation expectations may lead to adjustments in the market value of investment assets, influencing portfolio performance and investment strategy.

The market values of underlying assets may also experience depreciation and face declining demand or regulatory constraints linked to emission reduction policies. These developments may weaken the overall financial performance, thereby influencing risk assessment within investment activities.

Across the value chain, these factors may prompt adjustments in investment screening, portfolio diversification and risk monitoring practices. Consideration of transition-related developments supports more informed allocation decisions and risk management processes within the Group's investment activities.

Time Horizon

Effects on strategy and decision making

Strategic planning and operational decisions within the Group incorporate environmental and climate considerations as transition developments influence financial and operational risk profiles. These factors are assessed during investment evaluations and underwriting assessments to support more informed risk selection and capital allocation.

Investment decision making considers exposure to sectors affected by decarbonisation policies, technological change and evolving market expectations. Environmental indicators and climate related risks are evaluated when reviewing potential investments and monitoring existing holdings. Similar considerations are applied within underwriting processes, where environmental developments may affect long term risk exposure associated with covered assets and activities.

A Responsible Investment Policy has been introduced to guide integration of sustainability considerations within investment activities. This policy encourages engagement with investee companies regarding decarbonisation strategies, emissions management and broader ESG practices. Dialogue with investee entities supports improved understanding of transition readiness and encourages adoption of lower emission practices where appropriate.

CRMSA also informs strategic evaluation and risk management. Scenario analysis assesses potential developments linked to transition policies, technological innovation and evolving market behaviour. Insights from these assessments assist management in evaluating exposure levels and adjusting investment and underwriting strategies in response to emerging climate related risks and opportunities.

Transition developments linked to decarbonisation may influence the financial performance and risk profile of the Group. Shifts in regulatory expectations, investor sentiment and technological progress may affect the value and risk characteristics of certain investment assets, particularly those associated with carbon intensive industries.

Credit risk represents one potential implication. Underlying assets linked to sectors facing emission reduction pressures may experience depreciation as asset values adjust to evolving market conditions. Such developments may increase the probability of credit deterioration among investee entities and influence the overall risk profile of the investment portfolio.

Revaluation losses may also arise as market participants reassess exposure to carbon intensive activities. Equities and bonds associated with these sectors may trade at discounted valuations as capital flows shift towards assets perceived to have stronger environmental performance. These adjustments may affect investment income and overall portfolio performance through changes in asset pricing.

Liquidity conditions may also be affected where market demand for carbon heavy assets weakens. Disposal of such holdings may become more challenging if investor appetite declines. Portfolio rebalancing may therefore involve forced sales at discounted prices, potentially increasing transaction costs and creating additional pressure on solvency indicators where valuation adjustments occur.

Short term	Medium term	Long term

7.1.3 Opportunity relating to underwriting

7.1.3.1 General Takaful

Within General Takaful operations, Takaful Malaysia Am has introduced initiatives designed to support environmental responsibility and resource efficiency. Products and programmes such as Takaful myHome Solar, green takaful offerings and campaigns including Windscreen Repair and Pickles Auction reflect an approach that promotes energy efficiency, waste reduction and responsible resource use across takaful related activities.

These initiatives also support customers adopting environmentally friendly technologies. Protection solutions designed for electric vehicles, solar panel installations and other low emission technologies encourage safer asset use while supporting risk prevention. Such measures may contribute to lower claim costs and improve resilience against climate related disruptions within covered portfolios.

Market developments also influence these initiatives. Rising demand for renewable energy solutions and green mobility protection signals changing customer expectations and evolving risk exposures. Alignment with national sustainability priorities further shapes product development and service offerings. Increased public awareness of environmental matters and growing preference for green underwriting products also support expansion of protection solutions linked to sustainable technologies and practices.

Effects on strategy and decision making

The transition towards more sustainable technologies and environmentally conscious consumer behaviour presents opportunities for product innovation and market expansion for the Group. These developments influence strategic planning and encourage the introduction of protection solutions aligned with emerging green technologies and evolving customer expectations.

Product innovation represents one avenue for capturing these opportunities. The introduction of Takaful myHome Solar supports households adopting renewable energy systems, offering protection for residential solar installations while supporting growth in clean energy adoption. Expansion of such offerings enables the Group to participate in new market segments associated with energy transition initiatives.

Time Horizon	Short term

Financial Effects

Climate related transition developments create opportunities that influence the financial profile of the Group. Growing interest in environmentally responsible technologies and sustainable lifestyles supports expansion of green underwriting products within the General Takaful portfolio.

Introduction of protection solutions linked to renewable energy systems, environmentally friendly mobility and other sustainable assets has the potential to broaden the takaful offering. Such developments can generate cascading financial effects as new products attract participants seeking coverage aligned with sustainability considerations.

From a balance sheet perspective, expansion of green underwriting products can contribute to growth in the takaful asset base through increased contributions receivable as participation expands within emerging sustainable market segments.

Mobility trends also create opportunities within motor takaful. Green Vehicle Coverage addresses the growing presence of electric and environmentally friendly vehicles, allowing the Group to provide tailored protection solutions for evolving transport technologies. This approach supports participation in a developing market segment while aligning takaful offerings with changing mobility patterns.

Environmental initiatives related to responsible asset lifecycle management further contribute to value creation. Programmes addressing processing of End-of-Life Vehicles (ELVs) support more sustainable vehicle management practices while improving operational efficiency within the broader motor ecosystem.

These initiatives enable the Group to respond to evolving environmental trends while expanding product offerings and strengthening market positioning in areas linked to sustainable technologies and practices.

Medium term	Long term

On the liability side, the financial impact is expected to be more neutral. Climate related effects on takaful liabilities are primarily driven by underlying covered events rather than the nature of green products themselves. As such, the expansion of green underwriting products does not necessarily result in a corresponding reduction in liabilities. Continuous monitoring of claims experience and prudent underwriting practices remain important to ensure overall portfolio sustainability.

Revenue performance can benefit where demand for environmentally aligned protection solutions increases. New underwriting products have the potential to support higher takaful revenue as adoption of green technologies and sustainable assets accelerates.

At the same time, exposure to newer technologies and evolving risk characteristics may influence claims experience. Limited historical data, evolving repair costs and emerging risk profiles associated with green assets may introduce uncertainty in claims assessment. These factors are considered within underwriting and pricing approaches to ensure risks are appropriately managed.

These developments create opportunities for business growth while requiring continued discipline in risk selection, pricing and claims management to support sustainable financial outcomes.

ISSB SUSTAINABILITY STATEMENT

7.1.4 Opportunity relating to sustainable investments

Integration of environmental, social and governance considerations within investment management presents opportunities to enhance sustainability, resilience and long-term value creation for the Group. This approach supports alignment between investment activities and evolving expectations relating to responsible finance and climate related risk management.

The Group's investment strategy incorporates several initiatives aimed at improving environmental performance and responsible capital allocation. These include the progressive adoption of paperless transactions across investment processes, implementation of a decarbonisation policy within the sukuk portfolio and application of ESG risk screening when evaluating potential investments. These measures support informed investment selection while encouraging consideration of sustainability related factors within portfolio management.

The Group prioritises investments in companies demonstrating sound ESG practices across the portfolio. Exposure to sectors such as renewable energy and low carbon technologies arises as a natural outcome of this broader ESG integration, rather than as a standalone sector specific focus. This approach supports participation in emerging areas linked to the energy transition while maintaining a diversified and risk-based investment strategy. Market developments also present additional opportunities. Growth in sustainable finance instruments, including sustainable sukuk and other ESG aligned securities, expands the range of investment opportunities available to institutional investors. These instruments enable allocation of capital towards projects and organisations associated with environmental and social progress.

Rising physical and transition risks linked to climate change have increased attention on ESG integration within investment portfolios. Investors increasingly incorporate sustainability considerations when evaluating financial exposure over longer horizons. This shift encourages broader adoption of ESG informed investment practices designed to manage evolving environmental and economic risks.

Effects on strategy and decision making

The transition towards a lower emission economy presents opportunities for strategic positioning within the investment activities of the Group. Growing interest in sustainable finance and environmentally responsible businesses encourages integration of environmental and climate considerations within investment decision processes.

Investment assessments incorporate environmental indicators and climate related factors to identify sectors and companies positioned to benefit from sustainability driven growth. This approach supports capital allocation towards industries associated with renewable energy, energy efficiency and other low emission technologies, allowing the Group to participate in emerging economic opportunities linked to the transition to a sustainable economy.

The introduction of a Responsible Investment Policy further guides this strategic direction. The policy establishes a structured framework for integrating ESG considerations within investment evaluations and portfolio management. Such practices support identification of investment opportunities aligned with sustainability themes and evolving market expectations.

Engagement with investee companies also supports opportunity creation. Dialogue with portfolio companies regarding decarbonisation strategies and sustainability practices provides insights into transition readiness and innovation potential. These interactions support identification of businesses positioned for growth within a changing economic landscape while enhancing the Group's investment strategy in sustainability related sectors.

Time Horizon

- **Short term**
- Medium term
- Long term

Financial Effects

Growing availability of sustainable finance instruments and expansion of industries associated with low emission technologies support increased allocation of capital towards sustainable investments.

Greater participation in sustainability focused assets can generate cascading financial effects across the Group's financial position and performance. Investment exposure within sectors aligned with energy transition, renewable infrastructure and environmentally responsible technologies broadens portfolio diversification while supporting participation in emerging growth segments.

From a balance sheet perspective, increased allocation to sustainable investments supports the quality of the investment asset.

Revenue performance can also benefit where sustainable assets generate stable financial returns. Investment income derived from sukuk and other sustainability aligned instruments has the potential to support growth in investment income, contributing to overall financial performance while aligning portfolio composition with sustainability related developments in the broader economy.

Climate Resilience

Climate-related scenario analysis

During the financial year, the Group conducted its first Climate Risk Stress Testing (CRST) exercise in line with Bank Negara Malaysia's 2024 methodology. The exercise is intended to enhance the Group's understanding of how climate-related risks may affect its business and financial position over time.

The assessment was based on scenarios developed by the Network for Greening the Financial System (NGFS), covering both longer-term pathways and a short-term stress event. The long-term scenarios include Net Zero 2050, Delayed Net Zero 2050 and Nationally Determined Contributions, while the short-term scenario considers a severe nationwide flood event. The exercise adopts a static balance sheet approach and applies macroeconomic variables provided by BNM to assess potential impacts on assets and liabilities.

Outcome of stress testing

The results indicate greater exposure to transition and physical risks over the longer term, particularly under more adverse or disorderly transition pathways. In the near term, the impact is primarily driven by extreme weather events, such as flooding, which may result in elevated claims experience.

Overall, the Group remains resilient under the scenarios assessed. Existing risk management practices, including underwriting discipline, retakaful arrangements and portfolio management, provide capacity to absorb potential impacts. The Group will continue to review its business approach and engage with customers in response to evolving climate-related developments.

Limitations and future enhancements

As this is the first year of implementation, the exercise is subject to certain limitations, including reliance on top-down modelling approaches, data constraints and simplifying assumptions. The Group will continue to enhance its capabilities over time, including improving data quality, refining methodologies and strengthening the integration of climate considerations into risk management and business strategy.

Significant areas of uncertainty

An uncertainty assessment was performed to evaluate the statistical uncertainty associated with the Group's greenhouse gas ("GHG") inventory. The assessment follows the guidance set out in the GHG Protocol Guidance on Uncertainty Assessment in GHG Inventories and Calculating Statistical Parameter Uncertainty. The analysis evaluates parameter uncertainties associated with activity data and emission factors and aggregates these uncertainties across emission sources and at the organisational level. Measurement uncertainty is presented as an uncertainty range expressed as a percentage above and below the reported mean value, calculated at a 95% confidence level.

The methodology applied relies on the First Order Error Propagation approach, commonly referred to as the Gaussian method. This method estimates uncertainty associated with indirectly measured emissions and aggregates uncertainty across parameters in accordance with the structured approach outlined within the GHG Protocol.

The process begins with a preparatory data assessment. During this stage, relevant parameters are identified, including activity data and emission factors, along with potential sources of uncertainty associated with each dataset. Data sources, calculation assumptions and documentation quality are also reviewed to support the reliability of the assessment.

The next step involves quantification of parameter uncertainty. Uncertainty intervals at a 95% confidence level are assigned to both activity data and emission factors. These intervals are determined based on available documentation, quality of underlying datasets and reliability of measurement or estimation techniques.

Following parameter evaluation, uncertainties associated with activity data and emission factors are combined using first order error propagation. This calculation applies the root sum square approach and assumes statistical independence between activity data uncertainty and emission factor uncertainty.

After parameter level calculations, uncertainties are aggregated across emission sources to determine overall inventory uncertainty at the organisational level. This aggregation provides an estimate of the statistical uncertainty associated with the Group's reported GHG emissions.

Results of the uncertainty analysis are documented and interpreted to support transparency in emissions reporting. The findings also provide insights into data quality and highlight areas where improvements in data collection or estimation methods could further enhance accuracy of the GHG inventory in future reporting periods.

Capacity to adjust or adapt strategy and business model

Climate change has become an integral factor influencing the Group's strategy and business practices, both directly and indirectly. The current approach to assessing climate-related risks and opportunities is primarily qualitative, reflecting limitations in the availability and usability of data and models required to support more systematic and objective evaluation. The Group intends to continue investing in data and modelling capabilities to enhance its readiness and support more informed decision-making over time.

The Group conducted climate-related scenario analysis in line with regulatory expectations, with results submitted to Bank Negara Malaysia in December 2025. The analysis was based on the Group's financial position as at 31 December 2023 and prepared in accordance with the requirements set out in the 2024 CRST reporting template. Stress factors applied were calibrated with reference to relevant data and guidance provided in Bank Negara Malaysia's 2024 Climate Risk Stress Testing Methodology Paper, covering both physical and transition risk components.

[1] *Data extracted from "03_BNM_CRST_MP_Scenario_MEV_Data" workbook provided by BNM in 2024 Climate Risk Stress Testing Methodology Paper*

Processes, controls and policies to manage climate-related risks and opportunities

Climate risk management is integrated within the Group's ERM Framework. The approach to identifying, mitigating and monitoring climate-related risks aligns with existing risk categorisation, namely strategic, market, credit, takaful and operational risks.

Relevant policies and frameworks are reviewed on a regular basis to incorporate considerations of climate-related risks and associated controls. These include policies on investment, underwriting, reserving and third-party management. The inclusion of such considerations within Group-wide policies and frameworks supports a consistent approach to the management of climate-related risks.

In parallel, business planning takes into account opportunities arising from climate-related risks and concerns, with due consideration given to their potential strategic and operational implications.

Internal carbon pricing

For the financial year ended 31 December 2025, the Group did not apply an internal carbon pricing mechanism within its strategic planning, investment evaluations or underwriting assessments. As a result, internal carbon price indicators were not incorporated into decision making processes during the reporting period.

Management continues to monitor developments relating to carbon pricing policies, regulatory initiatives and market practices associated with climate related financial management. Future consideration of such mechanisms may depend on regulatory direction, industry developments and the evolving approach to climate related risk management.

Metrics and targets (non-GHG emissions)

Energy consumption represents the total amount of energy utilised across the organisation's operational activities. During the reporting period, electricity constituted the only energy source used within the operations of the Group. The measurement of energy use therefore reflects electricity consumption associated with office facilities and related operational functions.

Energy Information	FY2024	FY2025
Grid Electricity Purchased (MWh)		
• Syarikat Takaful Malaysia Keluarga Berhad (Takaful Malaysia Keluarga) • Syarikat Takaful Malaysia Am Berhad (Takaful Malaysia Am)	4,663.20	**3,599.69**
• IFiC & Branches (23 in total)	503.59	**421.57**
TOTAL	5,166.79	**4,021.26**
Rooftop Solar Energy Self-Generated (MWh)		
• Total solar energy generated	N/A	**64.37**
• Total solar energy self-consumed	N/A	**64.37**
• Total solar energy exported to the grid	N/A	**0.00**
Net grid consumption (Total A – B(iii))	5,166.79	**4,021.26**
Total electricity consumed (Total A + B(ii))	5,166.79	**4,085.63**
Total number of employees as at year-end	1,055	**1,115**
Electricity use per capita (D/E); kWh/employee/year	4,897	**3,664**

7.2. GHG emissions

a. Summary of gross GHG emissions

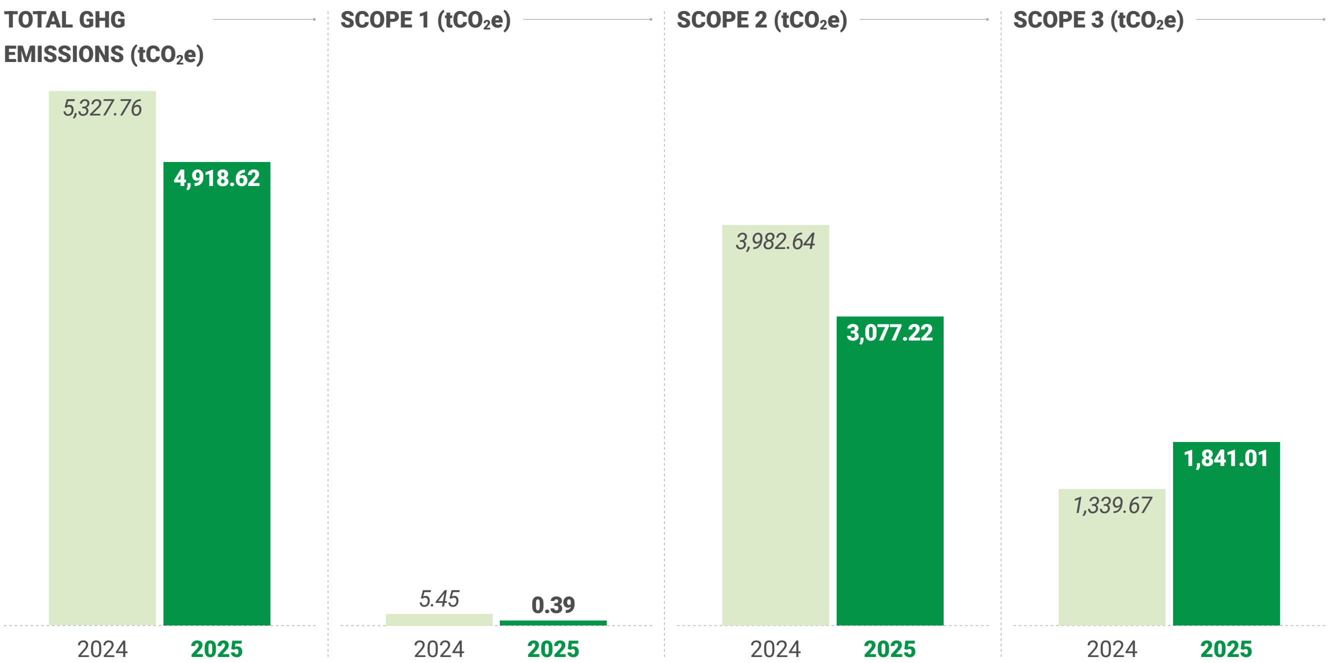
Gross GHG emissions represent the total greenhouse gas emissions generated from activities within the defined organisational boundary prior to the application of emissions offsets, carbon credits or renewable energy instruments such as Renewable Energy Certificates ("RECs"). These emissions reflect the overall carbon footprint associated with operational activities of the Group before any mitigation mechanisms or market-based adjustments are applied.

Operational emissions

Operational emissions refer to Scope 1 and Scope 2 greenhouse gas emissions arising from routine activities under the organisation's operational control. Scope 1 emissions originate from direct sources owned or controlled by the organisation, while Scope 2 emissions relate to indirect emissions associated with purchased electricity used in daily operations. These emissions represent the principal operational carbon footprint linked to the organisation's facilities and operational processes.

Operational emissions (tonnes of carbon dioxide equivalent/"tCO_2e")	FY2024		FY2025	
	Scope 1	Scope 2	Scope 1	Scope 2
Entity				
• Syarikat Takaful Malaysia Keluarga Berhad ("Takaful Malaysia Keluarga") • Syarikat Takaful Malaysia Am Berhad ("Takaful Malaysia Am")	5.459	3,611.58	**0.385**	**2,786.16**
• IFiC & Branches Nationwide (Malaysia)	0.003	371.06	**0.00**	**291.06**
TOTAL		3,988.10		**3,077.61**

Total operational emissions decreased by 910.49 tCO_2e from FY2024 to FY2025, representing a 22.8% year-on-year reduction.



GHG Gross Emissions Categorized by Scope (tonnes of carbon dioxide equivalent/"tCO_2e")	FY2024	FY2025
Scope 1		
• Mobile Combustion *(Company vehicle)*	5.44	**0.39**
• Fugitive Emission *(HVAC Refrigerant gas)*	0.00[*1]	**0.00**
• Fugitive Emission *(Fire Extinguisher)*	0.01	**-[*2]**
TOTAL	5.45	**0.39**
Scope 2 (Dual-Reporting)		
• Purchased Grid electricity – Location-based	3,982.64	**3,077.22**
• REC – Market-based	No RECs purchased	**No RECs purchased**
TOTAL	3,982.64	**3,077.22**
Scope 3		
• Category 3 – Fuel- and Energy-Related Activities *(new included category in FY2025 GHG inventory)*	(511.88)[*3]	**397.40**
• Category 5 – Waste Generated *(new included category in FY2025 GHG inventory)*	(24.99)[*3]	**17.82**
• Category 6 – Business Travel	53.40	**194.69**
• Category 7 – Employee Commuting[*4]	1,286.27	**1,221.05**
TOTAL	1,339.67	**1,841.01**

Note:

*[*1] Fugitive emissions from HVAC refrigerant were calculated using the mass balance (refrigerant top-up) approach. No refrigerant top-up or recharge activities were recorded during FY2024 and FY2025 following the chiller system upgrade in 2024; therefore, calculated fugitive emissions for the reporting period are 0.00 tCO_2e.*

*[*2] Fire extinguisher fugitive emissions were identified as insignificant in the 2024 base year inventory (less than 0.00025% of total Scope 1 and Scope 2 emissions) and are therefore excluded from the 2025 inventory onwards, unless a significant change occurs.*

*[*3] Scope 3 Category 3 and Category 5 were not included in the FY2024 base year GHG inventory. For comparability purposes, FY2024 emissions for these categories were calculated retrospectively using available 2024 activity data and are presented for reference only. FY2025 represents the first year in which these categories are formally included in the Group's Scope 3 GHG inventory.*

*[*4] Given the 95.3% survey response rate, respondent-based commuting emissions were extrapolated to the full workforce using a headcount scaling factor.*

Contractual instruments

For the reporting period, the Group did not enter into or purchase any contractual instruments associated with climate-related risk management or sustainability-linked financial arrangements, such as Renewable Energy Certificates ("RECs"), Power Purchase Agreements ("PPAs"), or carbon credits. Accordingly, no contractual mechanisms were utilised during the period to manage climate-related exposures within the Group's operations or investment activities.

Future consideration of such instruments may depend on developments in market practices, regulatory expectations and risk management requirements relating to climate and sustainability matters.

b. Methodology, inputs and assumptions

Description of Calculation Methodology

The table below summarises the calculation methodologies applied to quantify greenhouse gas emissions across Scope 1, Scope 2 and relevant Scope 3 sources. It outlines the activity data used, calculation approaches, tools applied, emission factors and supporting data sources adopted in the preparation of the GHG inventory. These methodologies support accuracy, completeness and methodological consistency in the estimation of emissions.

Calculation Methodology		
Scope 1		
Mobile combustion *Company van*	**Activity Data** Fuel consumed in litres	**Calculation Method** Fuel-based method
	Percentage of emissions calculated using data obtained from suppliers Info not required as this disclosure requirement applies only to Scope 3 emissions.	
	Calculation Formula Fuel consumed (litres) × EF Diesel (average biofuel blend) **Calculation Description** Fuel activity data was extracted from the fleet card record. Emissions were calculated based on the total fuel volume consumed during the 2025 reporting year, multiplied by the Diesel (average biofuel blend) EF published by DESNZ.	
Fugitive emission *Refrigerant gas*	**Activity Data** Mass of refrigerant added / top-up, in kilograms	**Calculation Method** Simplified material balance method
	Percentage of emissions calculated using data obtained from suppliers Info not required as this disclosure requirement applies only to Scope 3 emissions.	
	Calculation Formula Refrigerant purchased for charging*1 + Refrigerant purchased for servicing*2 – Refrigerant recovered from retired*3 equipment **Calculation Description** Refrigerant activity data were extracted from maintenance logbooks and service records. Emissions were calculated based on the total refrigerant purchased for charging and servicing during the 2025 reporting year, minus refrigerant recovered from retired equipment, multiplied by the respective refrigerant GWP	

Calculation Methodology

Scope 2

Electricity purchased *Grid*	**Activity Data** Electricity consumption in kWh	**Calculation Method** Location-based method
	Percentage of emissions calculated using data obtained from suppliers Info not required as this disclosure requirement applies only to Scope 3 emissions.	
	Calculation Formula Total imported electricity from grid (kWh) × Respective regional grid EF (GgCO_2e/GWh) **Calculation Description** Electricity consumption data were extracted from utility bill records. Emissions were calculated based on the total imported electricity consumed during the 2025 reporting year, multiplied by the respective regional grid emission factor (location-based) published by MEIH.	

Scope 3

Category 3-3 ***Fuel & Energy related***	**Activity Data** Electricity consumption in kWh	**Calculation Method** Average data method
	Percentage of emissions calculated using data obtained from suppliers 100%	
	Calculation Formula • Electricity consumption (kWh) x country average T&D Lost % x respective grid EF • Electricity consumption (kWh) x EF WTT electricity generation **Calculation Description** The emissions were calculated by applying the Malaysia country-average T&D loss percentage (World Bank) to total electricity consumption, multiplying the resulting loss by the respective regional grid emission factor, and adding upstream WTT electricity emissions using DESNZ emission factors.	
Category 3-5 ***Waste Generated***	**Activity Data** Mass of waste generated in kilograms	**Calculation Method** • Average data method • Waste-type-specific method
	Percentage of emissions calculated using data obtained from suppliers 83%	
	Calculation Formula • Mass of waste × proportion of total waste being treated by waste treatment method × EF of waste treatment method • Recycled waste quantities x waste-type- and waste-treatment specific EF **Calculation Description** Waste activity data were obtained from waste contractor & internal records. As branch-level waste data were unavailable, waste generation for branches was extrapolated using the per-employee waste generation rate derived from headquarters (HQ) data. Total waste generated during the 2025 reporting year was allocated by treatment method based on Malaysia country-level waste treatment proportions from the World Bank "What a Waste 2.0" dataset and multiplied by the respective waste-treatment-specific emission factors.	

Calculation Methodology		
Scope 3		
Category 3-6 ***Business Travel***	**Activity Data** • Distance travelled by transport mode, kilometres • Amount spent by transport mode, currency	**Calculation Method** • Distance-based method • Spend-based USEEIO method
	Percentage of emissions calculated using data obtained from suppliers 100%	
	Calculation Formula • Distance travelled by mode of transport x relevant distance-based EF by transport mode • Travel expenditure × relevant spend-based EF **Calculation Description** Business travel activity data were obtained from internal claim records and third-party travel agent reports. Emissions were primarily calculated using the distance-based method, whereby distance travelled by each transport mode was multiplied by the respective distance-based emission factor. For air travel, flight distances were determined using the ICAO Carbon Emissions Calculator. Where flight origin and destination details were unavailable and only expenditure data were provided, emissions were estimated using the USEEIO spend-based method. **Calculation Tools** • ICAO carbon emission calculator • GreenView Hotel Footprinting Tool • U.S. Inflation Calculator	
Category 3-7 ***Employee Commuting***	**Activity Data** Distance travelled by transport mode, kilometres	**Calculation Method** Distance-based method
	Percentage of emissions calculated using data obtained from suppliers 95%	
	Calculation Formula Employee commuting distance x average working days x relevant distance-based EF by transport mode **Calculation Description** Employee commuting data were obtained from an employee-specific annual survey. Emissions were calculated using the distance-based method by multiplying commuting distance by the average number of working days and the respective distance-based emission factor for each transport mode.	

Note:

*[*1] Represents refrigerant that was purchased and added during installation and commissioning but not contained within the system, such as refrigerant vented or lost during commissioning activities. Factory pre-charged refrigerant was excluded from this calculation, as it was already contained within the equipment and did not result in fugitive emissions.*

*[*2] Refers to the quantity of refrigerant added to existing HVAC systems for the purpose of maintenance service or repair, to restore system performance following refrigerant loss due to leakage. The activity data include refrigerant topped up during servicing in the reporting period.*

*[*3] Refers to refrigerant recovered from retired equipment, which is the quantity of refrigerant extracted and captured during the decommissioning of HVAC equipment to prevent release to the atmosphere.*

*[*4] Internal claim records are originated from value-chain activities and are therefore considered as part of primary evidence of value-chain activity.*

Assumptions made in GHG calculations

The table below summarises the assumptions applied in the calculation of greenhouse gas emissions across Scope 1, Scope 2 and relevant Scope 3 categories for the reporting year. It also outlines any additional calculation tools used in the estimation process.

GHG Emission Sources	Assumptions made
Scope 1	
Mobile combustion	No assumptions were applied in the GHG quantification
Fugitive emission	(activity data is 0 for reporting year 2025)
Scope 2	
Electricity purchased	No assumptions were applied in the GHG quantification
Scope 3	
Category 3-3	No assumptions were applied in the GHG quantification
Category 3-5	According to World Bank data, approximately 1% of municipal solid waste (MSW) in Malaysia is treated via composting. For an office-based operation, composting is assumed to be limited to organic waste generated from pantry activities, such as food scraps and other biodegradable residues, as well as a limited portion of non-recyclable, soiled paper arising from daily office operations.
Category 3-6	i. As the GreenView Hotel Footprinting Tool does not provide Malaysia-specific emission factors for 1-star hotels, emissions per night were conservatively assumed to be equivalent to those of 2-star hotels in Malaysia. ii. Short-distance land transport involving round-trip travel below 10 km is assumed to contribute negligibly to total business travel emissions and has therefore been excluded from quantification. This represents a minor methodological cut-off and does not affect overall Scope 3 boundary completeness.
Category 3-7	i. All employees, including new joiners, are treated as full-year employees for the purpose of calculating employee commuting GHG emissions for 2025. ii. In the absence of commuting data for non-respondents, it is assumed that their commuting patterns are broadly similar to those of survey respondents. iii. For carpooling responses, emissions were conservatively allocated using a 50% adjustment factor, representing shared vehicle occupancy, in the absence of specific vehicle activity data. iv. Where survey responses were incomplete or inconsistently reported, data was reviewed and adjusted using conservative assumptions (application of average values) to ensure completeness of the employee commuting GHG inventory. No responses were excluded.

Emission factors

Emission factors applied in the calculation of greenhouse gas emissions are sourced from internationally recognised databases using the most recent publicly available information. Selection of these sources considers relevance to the geographic context of the activity, including the use of Malaysia grid electricity emission factors from the Malaysia Energy Information Hub (MEIH).

Where available, sector specific or activity specific emission factors are used to improve the accuracy of emissions estimation. In addition, all selected sources are derived from internationally recognised databases and are aligned with the principles and methodologies set out in the GHG Protocol Framework.

GHG Emission Sources	Emission Factor Applied	Justification for EF Selection	Version
Scope 1			
Mobile combustion *Company van*	DESNZ*[1] (UK)	Recognised database for fuel combustion EF	10-Jun-2025
Fugitive emission *Refrigerant gas*	-	-	-
Scope 2			
Electricity purchased *Grid*	MEIH*[2] (MY)	Official Malaysia grid EF reflecting the national electricity generation mix	Year 2022 grid EF
Scope 3			
Category 3-3 *Fuel and Energy related activity*	World Bank Group (US)	Provides country-level T&D losses %	Year 2023
	MEIH (MY)	Official Malaysia grid EF reflecting the national electricity generation mix	Year 2022 grid EF
	DESNZ (UK)	Recognised database for energy WTT EF	10-Jun-2025
Category 3-5 *Waste Generated in Operations*	World Bank Group (US)	Provides country-level MSW treatment distribution to estimate waste treatment pathways	20-Sep-2018
	US EPA (US)	Provide activity-specific EF for waste treatment	15-Jan-2025
	DESNZ (UK)	Provide activity-specific EF for waste treatment	10-Jun-2025
Category 3-6 *Business Travel*	USEEIO*[4] (US)	Recognised database for spend-based EF	15-Jan-2025
	DESNZ (UK)	Recognised database for distance-based travel EF	10-Jun-2025
Category 3-7 *Employee Commuting*	DESNZ (UK)	Recognised database for distance-based travel EF	15-Jan-2025

Note:
[1] DESNZ - Department for Energy Security and Net Zero
[2] MEIH - Malaysia Energy Information Hub
[3] USEPA - United States Environmental Protection Agency
[4] USEEIO - US Environmentally-Extended Input-Output.

Global warming potential (GWP) values

Global Warming Potential (GWP) and Supporting Tools for GHG Calculation	
GWP-100 year	IPCC AR6
Flight distance measurement	ICAO carbon emission calculator
Hotel Stayed	GreenView Hotel Footprinting Tool
Inflation/Deflation Calculator for spend-based GHG calculations	U.S. Inflation Calculator
Other supporting references and guidance for GHG calculations	
GHG Protocol	Measurement and Estimation Uncertainty of GHG Emissions
	GHG Protocol guidance on uncertainty assessment in GHG inventories and the calculation of statistical parameter uncertainty
	Quantitative Inventory Uncertainty
World Bank	Electric power transmission and distribution losses (% of output)
	What a Waste 2.0 country-level dataset
BNM	Exchange Rates

c. Metrics and Overall decarbonisation targets

The GHG targets established align with science based decarbonisation pathways and national transition plans supporting the journey towards net zero. These targets guide the organisation's long term ambition to achieve net zero greenhouse gas emissions by 2050.

GHG Target Setting Information	
i. Target Setting Boundary	Applies to the Group's entire operations within the defined organisational boundary, under the operational control approach. **Head Office:** • Syarikat Takaful Malaysia Keluarga Berhad 198401019089 (131646-K) **Subsidiary:** • Syarikat Takaful Malaysia Am Berhad 201701032316 (1246486-D) **Branches:** • 23 branches (as of 1 January 2026); details refer to Appendix A
ii. Base Year	Year 2024
iii. Time Horizon Definition by the Group	The Group has defined entity-specific time horizons for the short, medium, and long term to support its strategic planning and climate-related risk and opportunity, as outlined below: • **Short-term:** 1-2 years • **Mid-term:** 3-5 years • **Long-term:** Beyond 5 years
iv. Long-term target	Achieve operational net zero GHG emissions (Scope 1 and Scope 2) by 2050 through deep emissions reductions and the neutralisation of residual emissions using renewable energy certificates (RECs) and high-quality carbon credits
v. Third-party verification / validation	The Group's GHG target-setting is subject to validation by the Board members.
vi. Type of GHGs covered for reduction	The GHG reduction target covers all seven GHGs as defined under the GHG Protocol and ISO 14064-1, including CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, and NF_3
vii. Target review process	Reviewed internally on an annual basis as part of the Group's management review process
viii. Revision / Version	No revisions to date; Version 1.0
ix. Metrics Measured	The metrics below define the key indicators used to assess progress towards the GHG reduction targets • Scope 1 and Scope 2 gross GHG emissions (tCO_2e) • Annual electricity consumption from Grid & Solar (MWh) • Electricity consumption intensity (kWh/employee/year) • Operational emissions intensity (tCO_2e/employee/year) • Percentage of total electricity consumption supplied by non-renewable energy (%)
x. Use of RECs and carbon credits	Operational emissions reduction will be prioritized through internal decarbonisation initiatives. Residual emissions that cannot be abated through feasible internal measures will be neutralised by 2050 through the use of renewable energy certificates (for Scope 2 emissions) and high-quality carbon credits (for Scope 1 emissions)

Note:
This GHG reduction target currently excludes Scope 3 Category 15 (Investments). The Group has recognised Category 15 as material to the organisation. The target framework will be updated to incorporate Investment emissions upon completion of the emissions assessment, which is expected by 2027.

As disclosed in the 2024 Integrated Annual Report, the Group has established a long-term target to achieve net zero GHG emissions across Scope 1 and Scope 2 by 2050. This target aligns with Malaysia's national aspiration to achieve net zero emissions by 2050, as well as its NDC commitments under the Paris Agreement.

The target is expected to be achieved through the implementation of deep decarbonisation measures, with any residual emissions to be neutralised using high-quality carbon credits and RECs.

Short- and mid-term targets are currently under development and will be reviewed in 2026, given that 2024 represents the Group's base year and no comparative data is available prior to this.

d. Metrics performance

This section presents the Group's key performance metrics used to monitor progress against its operational GHG reduction targets through comparison with the base year. These indicators support internal performance tracking and year-on-year comparability.

Performance Indicator	
1. Intensity Ratio – Operational Emissions intensity * *This intensity ratio measures operational GHG emissions relative to total employees and serves as an indicator of the company's operational carbon efficiency over time.*	
• Total Operational Emissions (Scope 1 + Scope 2)	3,077.61 tCO_2e
• Total no. of employees (2025)	1,115
• Operational Emissions per employee, per year	2.76 tCO_2e/employee/year
2. Intensity Ratio – Electricity Consumption Intensity * *This indicator measures electricity consumption per employee and reflects how efficiently the company manages its energy use relative to workforce size.*	
• Total electricity consumed (Grid + Solar)	4,085.63 MWh
• Total no. of employees (2025)	1,115
• Electricity intensity (kWh) per employee, per year	3,664.24 kWh/employee/year
3. Percentage of total electricity consumption supplied by non-renewable energy (%)	98.24%

8. EVENTS AFTER THE REPORTING PERIOD

No transactions, other events or conditions occurring after the end of the reporting period and before the date of authorisation of issue of this report have taken place that need to be disclosed in this sustainability report.

9. PRESCRIBED TABLE

Syarikat Takaful Malaysia Keluarga Berhad
IFRS S2

Date & Time: 2026-04-17T17:29:18
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Climate Change & Environmental Impacts	Total energy consumption	Megawatt-hour (MWh)	4,021.26	-	No assurance	Grid Electricity Consumption from Peninsular, Sabah and Sarawak
Climate Change & Environmental Impacts	Total volume of water used	Megalitres (ML)	16.818	-	No assurance	
Climate Change & Environmental Impacts	Total waste generated	tonnes	70.50	-	No assurance	
Climate Change & Environmental Impacts	Total waste diverted from disposal	tonnes	18.51	-	No assurance	
Climate Change & Environmental Impacts	Total waste directed to disposal	tonnes	51.99	-	No assurance	
Climate Change & Environmental Impacts	Gross Scope 1 GHG Emission	Metric tonnes of carbon dioxide equivalents (tCO2e)	0.39	-	No assurance	
Climate Change & Environmental Impacts	Gross Scope 2 emissions (location based)	Metric tonnes of carbon dioxide equivalents (tCO2e)	3,077.22	-	No assurance	
Climate Change & Environmental Impacts	Net Scope 1 and 2 GHG Emissions	Metric tonnes of carbon dioxide equivalents (tCO2e)	3,077.61	-	No assurance	(2025) Total Scope 1 + 2 = 3,077.61 (2024) Total Scope 1 + 2 = 3,988.09
Climate Change & Environmental Impacts	Absolute reduction against baseline	Percentage (%)	22.83	-	No assurance	Baseline year 2024 (Scope 1 and 2)
Climate Change & Environmental Impacts	Scope 3 GHG Emissions - Category 3 Fuel- and Energy-Related Activities	Metric tonnes of carbon dioxide equivalents (tCO2e)	397.40	-	Internal	

Syarikat Takaful Malaysia Keluarga Berhad

IFRS S2

Date & Time: 2026-04-17 17:29:18

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Climate Change & Environmental Impacts	Scope 3 GHG Emissions - Category 5 Waste Generated	Metric tonnes of carbon dioxide equivalents (tCO2e)	27.87	-	Internal	
Climate Change & Environmental Impacts	Scope 3 GHG Emissions - Category 6 Business Travel	Metric tonnes of carbon dioxide equivalents (tCO2e)	194.69	-	Internal	
Climate Change & Environmental Impacts	Scope 3 GHG Emissions - Category 7 Employee Commuting	Metric tonnes of carbon dioxide equivalents (tCO2e)	1,221.05	-	Internal	

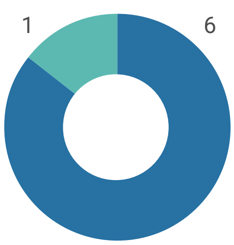
BOARD COMPOSITION

LEADING WITH CLARITY AND PURPOSE

Board Skill

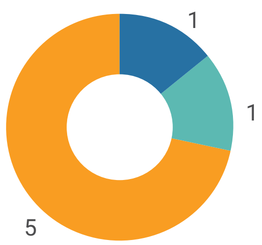
Finance/Banking	2
Insurance/Takaful	2
Actuarial	2
Corporate Leadership/Business Development/Talent Consulting	1
Sustainability	1
Information Technology (IT)	1
Investment	1
Accounting	2

Ethnicity



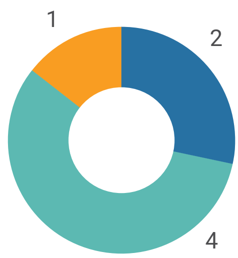
- *Malay*
- *Chinese*

Demographic



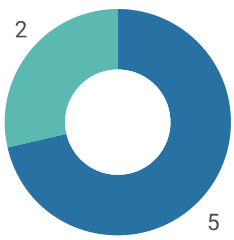
- *Independent Non-Executive Chairman*
- *Non-Independent Non-Executive Director*
- *Independent Non-Executive Director*

Tenure



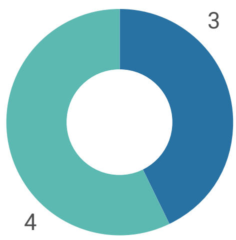
- *Below 2 years*
- *2 years – 5 years*
- *Above 5 years*

Gender



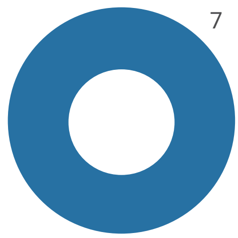
- *Male*
- *Female*

Age Group



- *50-59 years old*
- *>60 years old*

Nationality



- *Malaysian*

Legend

- AC *Audit Committee*
- NRC *Nomination and Remuneration Committee*
- BRC *Board Risk Committee*
- IC *Investment Committee*
- LTIP *Long Term Incentive Plan Committee*
- *Chairman*
- *Member*

PROFILE OF BOARD OF DIRECTORS

DATO' CHARON WARDINI BIN MOKHZANI
Chairman/Independent Non-Executive Director

Date of Appointment
1 June 2025

62 M

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S)
- Chartered Banker
- Fellow of the Asian Institute of Chartered Bankers
- Advocate & Solicitor, High Court of Malaya (non-practicing)
- Barrister, Middle Temple (non-practicing)
- LLB (Hons), School of Oriental and African Studies, University of London
- BA, University of Oxford

BOARD MEETING ATTENDANCE DURING THE FINANCIAL YEAR
8/8

PRESENT DIRECTORSHIP(S) IN OTHER COMPANIES
Other Listed entity
Nil
Other Public Companies
- Chairman, Export-Import Bank of Malaysia Berhad
- Director, Bank Pembangunan Malaysia Berhad

PAST DIRECTORSHIP(S) AND/OR APPOINTMENT(S)
- Partner, Zaid Ibrahim & Co.
- Managing Partner, Zaid Ibrahim & Co.
- Non-Executive Director, CIMB Berhad
- Executive Director, CIMB Investment Bank Berhad
- Chief Executive Officer ("CEO"), CIMB Investment Bank
- Deputy CEO, CIMB Group
- Chairman, CIMB Principal Asset Management Berhad
- Non-Executive Director, Cagamas Berhad
- Council Member, Institute of Bankers Malaysia
- Managing Director, Khazanah Research Institute
- Executive Director, Khazanah Nasional Berhad
- Group Managing Director, Malaysian Industrial Development Finance Berhad
- Managing Director, MIDF Amanah Investment Bank Berhad
- Director, MIDF Amanah Asset Management Berhad

BACKGROUND, EXPERTISE AND EXPERIENCE
Dato' Charon Wardini bin Mokhzani is the Chairman of Syarikat Takaful Malaysia Keluarga Berhad, the Chairman of the Export-Import Bank of Malaysia Berhad and a member of the board of directors of Bank Pembangunan Malaysia Berhad.

He is also the Chairman of the ASEAN Business Advisory Council Malaysia and is on the boards of the Yayasan Tuanku Syed Putra Perlis, Yayasan Tuanku Fauziah and the Kuala Lumpur Business Club. He was on the boards of Universiti Putra Malaysia and Cagamas Berhad.

He has over 30 years experience in law, banking, investments, development finance and socio-economic policy. Among other posts, he was the Managing Partner of Zaid Ibrahim & Co., the Deputy Chief Executive of CIMB Group, Chairman of CIMB Principal Asset Management, the first Managing Director of the Khazanah Research Institute, Executive Director of Khazanah Nasional Berhad and the Group Managing Director of Malaysian Industrial Development Finance Berhad.

Charon started his career in London as a pupil barrister, then became an advocate and solicitor at Shearn Delamore & Co. in KL and later joined Rashid Hussain Securities as a Manager, Corporate Finance.

He read Philosophy, Politics and Economics at Balliol College, University of Oxford, and Law at the School of Oriental and African Studies, University of London. He is a Fellow of the Asian Institute of Chartered Bankers and a non-practising Barrister of the Middle Temple and Advocate & Solicitor of the High Court of Malaya.

DECLARATION OF INTEREST
He has no family relationship with any other Directors/major shareholders of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries. He has no conviction for offences within the past five (5) years other than traffic offences and has no sanctions or penalties imposed by any regulatory bodies during the financial year ended 31 December 2025.

PROFILE OF BOARD OF DIRECTORS

MOHD AZMAN BIN SULAIMAN
Independent Non-Executive Director

Date of Appointment
9 May 2019

62 M

POSITION ON THE BOARD COMMITTEES
- Chairman of Nomination and Remuneration Committee
- Member of Audit Committee
- Member of Investment Committee

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S)
- Harvard Senior Management Development Program
- MBA, Australian National University
- MSc. University of Strathclyde, United Kingdom ("UK")
- BSc. University of Malaya
- Fellow & Faculty Member, Institute of Corporate Directors Malaysia ("ICDM")

BOARD MEETING ATTENDANCE DURING THE FINANCIAL YEAR
14/14

PRESENT DIRECTORSHIP(S) IN OTHER COMPANIES
Other Listed entity
Nil
Other Public Companies
Nil

PAST DIRECTORSHIP(S) AND/OR APPOINTMENT(S)
- Director, Costain Group PLC, UK
- Director, E-Idaman Sdn. Bhd. (UEM Group Company)
- Nominee Director, Malaysian Industry-Government Group for High Technologies ("MiGHT")
- Director, Kumpulan Juruteknik Sdn. Bhd. (a JFE Int'l Co)
- CEO, MAVTRAC
- CEO, Yayasan UEM
- CEO, Rocpoint South Africa

BACKGROUND, EXPERTISE AND EXPERIENCE
Mohd Azman bin Sulaiman is currently a Director of private companies apart from his independent non-executive directorship on the Board of Syarikat Takaful Malaysia Keluarga Berhad. He is a Fellow and Faculty member of ICDM where he specialises in Board Dynamics and Board Effectiveness Assessments. He is an ICF professional certified business and leadership coach, where today he leads his private executive coaching practice, iCoachKL.

He has more than 30 years' cross-industry and corporate leadership experience. Over the years, his areas of expertise focused on corporate leadership, business development and leadership and talent consulting supporting both international and local corporations.

He began his career in 1989 with the Snowy Mountains Engineering Corporation, Australia. He later joined the UEM Group in 1993, where he was involved in the nation's major infrastructure projects. Over the years, he rose to senior corporate leadership positions both locally and internationally. His experience includes appointments as CEO of Rocpoint South Africa, GM Crest Petroleum Berhad, UEM Group Director of Business Development and CEO of MAVTRAC. He also served as UEM's nominee director on the Board of Costain Group UK PLC, E-Idaman Sdn. Bhd. as well as MiGHT.

In September 2010, he retired from UEM Group after close to 20 years of service, as Director of Corporate Affairs and CEO of Yayasan UEM. He then joined Korn Ferry International retiring as Senior Partner in 2018. In his time with Korn Ferry, he advised boards on senior leadership succession planning and talent management strategies. He is a former Vice-President of International NGO, Mercy Malaysia.

DECLARATION OF INTEREST
He has no family relationship with any other Directors/major shareholders of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries. He has no conviction for offences within the past five (5) years other than traffic offences and has no sanctions or penalties imposed by any regulatory bodies during the financial year ended 31 December 2025.

DATO' MUSTAFFA BIN AHMAD
Independent Non-Executive Director

Date of Appointment
13 August 2020

70 M

POSITION ON THE BOARD COMMITTEES
- Chairman of Investment Committee
- Member of Audit Committee
- Member of Board Risk Committee

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S)
- Bachelor of Science (Hons) in Statistics, Heriot-Watt University, Edinburgh, Scotland

BOARD MEETING ATTENDANCE DURING THE FINANCIAL YEAR
14/14

PRESENT DIRECTORSHIP(S) IN OTHER COMPANIES
Other Listed entity
Nil
Other Public Companies
Nil

PAST DIRECTORSHIP(S) AND/OR APPOINTMENT(S)
- Director, Malaysian Reinsurance Berhad
- Director, MNRB Holdings Berhad
- Director, Amanah International Finance Berhad
- Director, MIDF Amanah Investment Bank Berhad
- Director, MMIP Services Sdn. Bhd.
- Director, Asia Unit Trusts Berhad
- Director, Financial Park (Labuan) Sdn. Bhd.
- Director, MIDF Amanah Short Deposits Berhad
- Director, Takaful Ikhlas Berhad
- Director, Amanah General Assets Berhad
- Director, Malaysian International Insurance (Labuan) Ltd. (now 'Labuan Re')
- Director, Trust International Insurance Berhad

BACKGROUND, EXPERTISE AND EXPERIENCE
Dato' Mustaffa bin Ahmad is currently a member of the Board of Trustees of mySalam National B40/M40 Protection Trust Fund.

He has worked for several insurance companies since 1978 and held various positions. He has more than 32 years working experience in the local insurance companies and the national reinsurer of Malaysia. Throughout the first 11 years as member of the Senior Management team of these companies, he was mainly involved in Claims, Underwriting and Reinsurance operations. During his tenure with the national reinsurer, the last position he held was as Chief Operating Officer and as immediate Deputy to the Chief Executive Officer. He was involved in all aspects of operations, including Investment, Finance and IT. He also held the post of Chairman of Persatuan Insuran Am ("PIAM") Rating Committee for 15 years as well as Deputy Chairman of National Insurance Association of Malaysia ("NIAM") for more than 10 years until his retirement in 2010. Over the years, he has contributed to the Insurance and Takaful Industry via his involvement in PIAM Sub-Committees and Bank Negara Malaysia Working Groups.

DECLARATION OF INTEREST
He has no family relationship with any other Directors/major shareholders of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries. He has no conviction for offences within the past five (5) years and has no sanctions or penalties imposed by any regulatory bodies during the financial year ended 31 December 2025.

PROFILE OF BOARD OF DIRECTORS

MOHAMAD SALIHUDDIN BIN AHMAD
Independent Non-Executive Director

Date of Appointment
13 August 2020

63 M

POSITION ON THE BOARD COMMITTEES

- Chairman of Board Risk Committee
- Member of Group Digital Committee

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S)

- Master in Business Administration, Stephen F. Austin University, Texas, USA
- Bachelor of Science, Indiana State University, USA

BOARD MEETING ATTENDANCE DURING THE FINANCIAL YEAR

14/14

PRESENT DIRECTORSHIP(S) IN OTHER COMPANIES

Other Listed entity
Nil
Other Public Companies
Nil

PAST DIRECTORSHIP(S) AND/OR APPOINTMENT(S)

- Director, Syarikat Takaful Malaysia Am Berhad
- CEO, Malaysia National Insurance
- CEO, Prudential BSN Takaful Berhad
- Executive Director and CEO, Great Eastern Takaful Sdn. Bhd.
- CEO, AmMetLife Takaful Berhad

BACKGROUND, EXPERTISE AND EXPERIENCE

Mohamad Salihuddin bin Ahmad has held various key positions in the General and Life Insurance as well as Takaful industry over the past 30 years. He started his career as a Marketing Executive at London & Pacific Insurance from 1988 to 1989, Branch Manager at American Home Assurance Berhad from 1990 to 1993; later promoted as Countrywide Agency Manager from 1993 to 1995; Manager, Branch Operation & Agency Development at American Malaysia Insurance Berhad from 1995 to 1996; Senior Manager, Branch Operation & Agency Development at Amal Assurance Bhd and later promoted as Assistant General Manager from 1998 to September 2000; General Manager at MCIS Zurich Insurance Berhad from October 2000 to October 2002; Senior Vice President, Corporate Insurance Business Division of Malaysia National Insurance Berhad from November 2002 to September 2004; Executive Vice President, Retail Marketing & Sales Support Division at Mayban Fortis Holdings Berhad from September 2004 to December 2005, after the merger between Mayban Fortis, MNI & Takaful Nasional, he was appointed as Chief Executive Officer ("CEO") at Malaysia National Insurance Berhad from December 2005 to May 2006; CEO of Prudential BSN Takaful Berhad from June 2006 to August 2009 and as an Executive Director and CEO of Great Eastern Takaful Sdn. Bhd. from September 2009 to December 2012. He was also the CEO of AmMetLife Takaful Berhad from May 2015 to May 2017.

He was also appointed as Technical Committee member at Finance Accreditation Agency from August 2013 until August 2019.

DECLARATION OF INTEREST

He has no family relationship with any other Directors/major shareholders of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries. He has no conviction for offences within the past five (5) years other than traffic offences and has no sanctions or penalties imposed by any regulatory bodies during the financial year ended 31 December 2025.

CH'NG SOK HEANG
Independent Non-Executive Director

Date of Appointment
1 June 2022

54 F

POSITION ON THE BOARD COMMITTEES
- Chairperson of Audit Committee
- Member of Board Risk Committee

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S)
- Fellow of the Institute and Faculty of Actuaries (United Kingdom)
- Fellow of the Actuarial Society of Malaysia
- Fellow of the Chartered Institute of Management Accountants (United Kingdom)
- Chartered Accountant, Malaysian Institute of Accountants
- Chartered Audit Committee Director, Institute of Internal Auditors Malaysia
- Qualified Risk Director, Institute of Enterprise Risk Practitioners
- Certificate in ESG Investing, CFA Institute
- Certificate in Climate and Sustainability Risk, Global Association of Risk Professionals
- FSA Credential Holder, IFRS Foundation
- Bachelor of Economics, Macquarie University, Australia

BOARD MEETING ATTENDANCE DURING THE FINANCIAL YEAR
14/14

PRESENT DIRECTORSHIP(S) IN OTHER COMPANIES
Other Listed entity
Nil
Other Public Companies
- Cagamas Berhad
- Private Pension Administrator (PPA) Malaysia

PAST DIRECTORSHIP(S) AND/OR APPOINTMENT(S)
- Independent Director, Tune Insurance Malaysia Berhad
- Chief Financial Officer, AmMetLife Insurance Berhad
- Chief Financial Officer, Zurich Insurance Malaysia Berhad
- Senior Vice President, Great Eastern Life Assurance (Malaysia) Berhad
- Director, Actomate

BACKGROUND, EXPERTISE AND EXPERIENCE
Ch'ng Sok Heang (Sophia) is an Independent Non-Executive Director of Syarikat Takaful Malaysia Keluarga Berhad. She is also an Independent Non-Executive Director of Cagamas Berhad and a Public Interest Director of the Private Pension Administrator.

She has 30 years of experience across insurance, takaful, pensions, banking, capital markets and financial services. Her career includes senior executive roles as Chief Financial Officer and Appointed Actuary, with responsibilities spanning solvency management, capital planning, financial reporting, strategic planning, product development and enterprise risk management.

At Syarikat Takaful Malaysia Keluarga Berhad, she chairs the Audit Committee and previously chaired the Board Risk Committee. At Cagamas Berhad, she serves as a member of the Board Risk Committee, contributing her actuarial and financial expertise to the oversight of credit risk, liquidity management and capital adequacy. She also serves as a Public Interest Director of the Private Pension Administrator, the central administrator of Malaysia's Private Retirement Schemes, where she chairs the Board Risk Committee and serves on the Nomination and Remuneration Committee as well as the Information Technology Committee.

Sophia has been involved in regional and international initiatives, including IFRS 17 implementation, actuarial practices, asset liability management, and the development of enterprise risk frameworks across Southeast Asia and the Middle East. Earlier in her career, she was involved in treasury consulting and risk management for the 16th Commonwealth Games in Kuala Lumpur.

She has also contributed to the development of the actuarial and insurance profession, having served as President of the Actuarial Society of Malaysia. She is the author of two publications issued by the Malaysian Insurance Institute and was the recipient of the Young ASEAN Insurance Manager Award conferred by the ASEAN Insurance Council in 2009. She contributes her expertise as a faculty member at the ICLIF Executive Education Centre, Asia School of Business, and also lectures at Sunway University.

DECLARATION OF INTEREST
She has no family relationship with any other Directors/major shareholders of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries. She has no conviction for offences within the past five (5) years other than traffic offences and has no sanctions or penalties imposed by any regulatory bodies during the financial year ended 31 December 2025.

PROFILE OF BOARD OF DIRECTORS

AZIZAH BINTI ALI
Independent Non-Executive Director

Date of Appointment
1 February 2025

56 F

POSITION ON THE BOARD COMMITTEES
- Chairperson, Group Digital Committee
- Member of Nomination and Remuneration Committee

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S)
- Masters in Business Administration, Aston University
- Bachelor of Science in Business Administration, Washington University in St. Louis
- Member, Institute of Corporate Directors Malaysia ("ICDM")

BOARD MEETING ATTENDANCE DURING THE FINANCIAL YEAR
13/13

PRESENT DIRECTORSHIP(S) IN OTHER COMPANIES
Other Listed entity
Nil
Other Public Companies
Nil

PAST DIRECTORSHIP(S) AND/OR APPOINTMENT(S)
- Chief Operation Officer, Microsoft Malaysia Sdn. Bhd.

BACKGROUND, EXPERTISE AND EXPERIENCE
Azizah binti Ali has more than 26 years of experience in Technology industry with exposure across Malaysia and Asia Pacific. She is a member of International Women's Federation of Commerce & Industry Malaysia (IWFCM) to advocate women in entrepreneurship and enabling technology to drive the growth. She is an active member of Global 30% Club which is a business-led campaign to accelerate progress towards better gender balance at senior leadership and board hence enhancing corporate leadership.

She is currently an investor and Director with EcoGarageHub, a social enterprise that provides environmental education combining digital approach with hands-on experiences in order to transforms youth to become sustainable champions and transform schools to be the hub for community-driven environmental action, setting benchmarks for eco-friendly living in Malaysia. She was appointed as Group Chief Executive Officer of AwanBiru Technology Berhad effective on 12 January 2026.

Azizah binti Ali held various senior management positions within Microsoft Malaysia, Microsoft Brunei and Microsoft Asia Pacific including General Manager of Public Sector, Country Manager, General Manager of Small & Mid-Market Solutions & Partner Group, Enterprise Channel Director and Chief Marketing and Operation Manager. The last position she held at Microsoft Group until 1 October 2024 was Chief Operation Officer of Microsoft Malaysia Sdn. Bhd.

Azizah binti Ali possesses several core capabilities in business performance that will support the organisation to achieve desired outcome of innovative growth in the era of Artificial Intelligence ("AI"), covering areas of general management, operations and business development.

DECLARATION OF INTEREST
She has no family relationship with any other Directors/major shareholders of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries. She has no conviction for offences within the past five (5) years other than traffic offences and has no sanctions or penalties imposed by any regulatory bodies during the financial year ended 31 December 2025.

DATIN PADUKA KARTINI BINTI HJ. ABDUL MANAF

Non-Independent Non-Executive Director

Date of Appointment

1 September 2025

64 F

POSITION ON THE BOARD COMMITTEES

- Member of Investment Committee
- Member of Nomination and Remuneration Committee

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S)

- Master in Business Administration, Ohio University, United States of America ("USA")
- Bachelor in Business Administration, Ohio University, USA
- Diploma in Banking Studies, Universiti Teknologi MARA

BOARD MEETING ATTENDANCE DURING THE FINANCIAL YEAR

3/3

PRESENT DIRECTORSHIP(S) IN OTHER COMPANIES

Other Listed entity

- Duopharma Biotech Berhad
- TMK Chemical Berhad

Other Public Companies

Perumahan Kinrara Berhad

PAST DIRECTORSHIP(S) AND/OR APPOINTMENT(S)

- Director, UMW Holdings Berhad
- Director, UMK Business Ventures Sdn. Bhd.
- Director, UMK Holdings Sdn. Bhd.
- Director, Universiti Malaysia Kelantan
- Director, UITM Holdings Sdn. Bhd.
- Director, Unilevel (M) Holdings Sdn. Bhd.
- Director, Sapura Energy Berhad
- Chairman, Projek Lintasan Kota Holdings Sdn. Bhd.
- Acting Chairman, Chemical Company of Malaysia Berhad
- Director, Sime Darby Berhad
- Director, CCM Agri-Max Sdn. Bhd.
- Director, Tru Tech Holdings Berhad
- Director, Dumex (Malaysia) Sdn. Bhd.
- Director, See Sen Chemical Berhad

BACKGROUND, EXPERTISE AND EXPERIENCE

Datin Paduka Kartini is a Director of Lembaga Tabung Haji ("LTH") and nominee director of LTH on the Board of Syarikat Takaful Malaysia Keluarga Berhad.

Datin Paduka Kartini started her career with Permodalan Nasional Berhad ("PNB") in March 1983 as a Management Trainee. She had risen through the ranks to become PNB's Deputy President, Strategic Investments prior to her retirement in December 2019. Throughout her corporate career spanning 36 years, she served in various capacities across areas of investment management, corporate finance, mergers and acquisition, corporate restructuring, portfolio management, property investment as well as strategy and business development.

DECLARATION OF INTEREST

She has no family relationship with any other Directors/major shareholders of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries except by virtue of being a nominee director of Lembaga Tabung Haji. She has no conviction for offences within the past five (5) years other than traffic offences and has no sanctions or penalties imposed by any regulatory bodies during the financial year ended 31 December 2025.

PROFILE OF SHARIAH ADVISORY BODY

ASSOCIATE PROFESSOR DR. NIK ABDUL RAHIM BIN NIK ABDUL GHANI

Chairman

Date of Appointment

1 April 2019

47 M

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S)

- Doctor of Philosophy (PhD) in Islamic Finance, International Centre for Education in Islamic Finance (2017)
- Masters of Islamic Studies (Syariah), Universiti Kebangsaan Malaysia (UKM) (2009)
- Bachelor of Shariah, Islamic University of Medina, Kingdom of Saudi Arabia (2003)
- Certificate of Rabi'e Thanawi (Jayyid Jiddan/Very Good), Sekolah Menengah Agama Atas Sultan Zainal Abidin (1998)
- Certified Shariah Advisor (2023)
- Association of Shariah Advisor (ASAS) Membership

AREA OF EXPERTISE

- Shariah
- Islamic Finance

BACKGROUND AND WORKING EXPERIENCE

Currently, he is an Associate Professor in Muamalat & Islamic Finance at the Research Centre for Shariah, Faculty of Islamic Studies at Universiti Kebangsaan Malaysia (UKM). Since beginning his career at UKM in 2007, he has developed a profile that integrates academic scholarship with strong industry-facing Shariah advisory experience in Islamic banking, finance, and takaful.

In academia, his work focuses on Muamalat and Islamic finance, particularly fatwa and Shariah issues that arise in modern financial transactions. His current research reflects applied, community-oriented priorities such as waqf-based micro-takaful for B40 communities, qard hasan–based zakat fund models, deemed consent in Islamic banking, and Shariah parameters for ex-gratia payments. He is also actively involved in academic administration and knowledge dissemination through leadership and editorial responsibilities.

Beyond the university setting, he is widely engaged in Shariah advisory and governance roles across financial institutions and public bodies, contributing to Shariah deliberation, compliance oversight, and the development of practical Shariah guidance. His involvement spans banking, takaful, wealth management and social finance initiatives, including participation in fatwa and consultative platforms. His sustained contributions have been recognised through multiple awards, including Exemplary Academic Staff (2022) and the Excellence Service Award (2020), alongside consistent recognition for teaching excellence.

PRESENT SHARIAH COMMITTEE MEMBERSHIP

- Chairman, Shariah Committee, Koperasi UNIKEB, UKM
- Member, Shariah Committee, Maybank Islamic Berhad
- Member, Shariah Committee, Koperasi Kobimbing
- Member, Shariah Advisory Panel of Wasiyyah Shoppe Berhad
- Member, Shariah Committee, UKM

PAST SHARIAH COMMITTEE MEMBERSHIP

- Member, Shariah Committee, SME Development Finance Corporation in Maldives (2022-31 Jan 2026)
- Member, Shariah Committee, Citibank Berhad (2011-2020)
- Member, Shariah Advisory Council, TEKUN Nasional (2013-2015)

SAB MEETING ATTENDANCE DURING THE FINANCIAL YEAR

8/8

DECLARATION OF INTEREST

He has no family relationship with any Directors/major shareholders of the Company and has no conflict of interest with the Company. He has no conviction for offences within the past five (5) years other than traffic offences and has no sanctions or penalties imposed by any regulatory bodies during the financial year ended 31 December 2025.

PROFILE OF SHARIAH ADVISORY BODY

DR. SUHAIMI BIN MOHD YUSOF
Member

Date of Appointment
1 July 2024

60 M

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S)
- Doctor of Philosophy (PhD), Islamic Studies (Shariah), University of Aberdeen, Scotland (2017)
- Master of Arts (Shariah, Major in Islamic Jurisprudence (Fiqh)), University of Birmingham, United Kingdom (1999)
- Bachelor of Arts (Hons), Islamic Law (Shariah), University of Malaya (1993)
- Thanawi Fourth, Religious Institute (Kuwait Higher Education), Kuwait (1987)
- Association of Shariah Advisor (ASAS) Membership

AREA OF EXPERTISE
- Shariah
- Islamic Banking & Takaful (Shariah Policy & Regulatory)
- Islamic Capital Market (Shariah Policy)

BACKGROUND AND WORKING EXPERIENCE
He is a former Senior Distinguished Fellow and Director of Institute of Strategic Studies of Darul Aman, Sultan Abdul Halim Mu'adzam Shah International Islamic University (UNiSHAMS). Previously he served as a Deputy Director at the Islamic Finance Department of Bank Negara Malaysia (BNM), bringing over 30 years of experience in Shariah-related matters within the field of Islamic finance.

He began his career as a Production Executive at one of the publication company in 1995 and later served as a part-time Tutor at the Faculty of Shariah, Academy of Islamic Studies, University of Malaya until 1996. Later he joined the Securities Commission of Malaysia focusing on Islamic Capital Market from 1996 to 2005. He is considered among the pioneer who work with Malaysian Financial Regulators with Shariah background. He involved and witnessed the establishment of the Shariah Advisory Council (SAC) of the Securities Commission of Malaysia in 1996 as the first Shariah Authority Body of the country to oversee Shariah compliance aspect related to Islamic Capital Market products and instruments.

He has contributed to several key strategic and high impact initiatives related to the development of Islamic finance policies, research and talent in Malaysia among others, involvement in providing inputs and recommendation for the draft bill for the enactment of Islamic Financial Services Act (IFSA), the establishment of the "International Shariah Research Academy (ISRA)" and the "Association of Shariah Advisors in Islamic Finance (ASAS), initiated the formulation and publication of a series of "Shariah Resolution in Islamic Finance", "Shariah Parameters" currently known as "Shariah Standards and Operational Requirements" which explain the minimum requirements of Shariah contracts and operation regulated by BNM. He has also initiated and led a strong synergy between the regulatory body globally, selected experts in Islamic finance and several local public universities to successfully published the "Educators Manual" related to Islamic finance. In addition, he has also been involved in several MIFC initiatives including the establishment of Commodity Murabahah House, which is currently known as Bursa Suq al-Sila`, the formation and establishment of the International Shariah scholars networking platform known as "Centralized Shariah Advisory Authority (CSAA)", the organization of the first International Conference "International Shariah Scholar's Dialogue" (currently known as the "International Shariah Scholars Forum") organized by ISRA and the organization of the first regional conference known as the "Muzakarah Cendikiawan Shariah Nusantara".

He sat in several committees throughout his career, including serving as a member of the Assessment Panel for the appointment and reappointment of Shariah committees for Islamic Financial Institutions regulated by BNM. He was also a member of the Steering Committee for the Preparation of the National Waqf Master Plan, Yayasan Waqaf Malaysia. Additionally, he served as a member of the Islamic Financial Market Subcommittee, appointed by the management of BNM.

PRESENT SHARIAH COMMITTEE MEMBERSHIP
- Member, Shariah Committee, Maybank Islamic Berhad

PAST SHARIAH COMMITTEE MEMBERSHIP
Nil

SAB MEETING ATTENDANCE DURING THE FINANCIAL YEAR
8/8

DECLARATION OF INTEREST
He has no family relationship with any Directors/major shareholders of the Company and has no conflict of interest with the Company.
He has no conviction for offences within the past five (5) years other than traffic offences and has no sanctions or penalties imposed by any regulatory bodies during the financial year ended 31 December 2025.

PROFILE OF SHARIAH ADVISORY BODY

PROFESSOR DATIN DR. RUSNI BINTI HASSAN
Member

Date of Appointment
1 February 2025

59 F

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S)
- Doctor of Philosophy (PhD) in Law, International Islamic University Malaysia (IIUM) (2004)
- Master of Comparative Laws, IIUM (1993)
- Bachelor of Law (Shariah), IIUM (1992)
- Bachelor of Law (Honours), IIUM (1991)
- Certified Shariah Advisor (2020)
- Association of Shariah Advisor (ASAS) Membership

AREA OF EXPERTISE
- Shariah
- Legal

BACKGROUND AND WORKING EXPERIENCE
Currently, she serves as a Professor and former Dean of the IIUM Institute of Islamic Banking and Finance (IIiBF), International Islamic University Malaysia (IIUM).

She began her career as an Assistant Lecturer at IIUM in 1992, and was promoted to Lecturer in 1993, a position she held until 2011. In 2011, she was appointed as an Associate Professor, and the following year in 2012, she was appointed as both Associate Professor and Deputy Dean of IIiBF serving in these roles until 2021.

She played a key role in the establishment of both Association of Shariah Advisors in Islamic Finance Malaysia (ASAS) and the International Council of Islamic Finance Educators (ICIFE), where she served as a pro-tem committee, the Secretary General for both associations respectively. She currently served on the Advisory Council to ASAS and formerly the President of ICIFE. She is an active researcher and expert trainer in IBF. Her publication includes books on Islamic Banking and Finance, chapters in books and articles published in local and international journals. She is also recognized as one of the Top 10 contributor to research in Islamic Finance in Scopus database.

Her works and contribution to Islamic finance have garnered international recognition, as she was listed among the Top 10 Most Influential Women in Islamic Business and Finance by Cambridge IFA and Women of Influence of for eight (8) consecutive years from 2018 to 2025; and Women of Influence in 2023 - 2024. Her significant contribution to Islamic finance industry in Maldives was also acknowledged by the Government of Maldives, which awarded her the National-Recognition for Outstanding Contribution of Females to Develop and Sustain Islamic Finance Industry in Maldives in 2018.

PRESENT SHARIAH COMMITTEE MEMBERSHIP
- Chairman, Shariah Committee, Hong Leong Islamic Bank
- Shariah Committee, Agrobank
- Shariah Committee, Tabung Haji
- Member, Advisory Council, ASAS
- Shariah Committee, Association of Islamic Banking Institutions Malaysia
- Shariah Committee, Housing Corporation Maldives
- Shariah Committee, Housing Development Financing Corporation, Maldives
- Shariah Committee, Koperasi JCorp
- Shariah Committee, PTB Unit Trust Sdn Bhd
- Shariah Committee, Terengganu Incorporation
- Shariah Committee, Waqf An-Nur
- Shariah Advisory Committee, Suruhanjaya Koperasi Malaysia

PAST SHARIAH COMMITTEE MEMBERSHIP
- Chairman, Shariah Committee, BIMB Securities (2024 – 2025)
- Shariah Committee, Housing Corporation Maldives (2023-2024)
- Shariah Committee, Etiqa Family Takaful (2017-2024)
- Shariah Committee, Etiqa General Takaful (2017-2024)
- Chairman, Shariah Committee, Export-Import Bank of Malayisa Berhad (2018-2023)
- Shariah Committee, Maruah Emas Sdn Bhd (2018-2019)
- Member, Shariah Advisory Council, Bank Negara Malaysia (2010-2016)
- Shariah Committee, HSBC Amanah (Takaful) Berhad (2007-2010)

SAB MEETING ATTENDANCE DURING THE FINANCIAL YEAR
8/8

DECLARATION OF INTEREST
She has no family relationship with any Directors/major shareholders of the Company and has no conflict of interest with the Company. She has no conviction for offences within the past five (5) years other than traffic offences and has no sanctions or penalties imposed by any regulatory bodies during the financial year ended 31 December 2025.

EDDY AZLY BIN ABIDIN
Member

Date of Appointment
1 April 2025

60 M

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S)

- Master of Business Administration (MBA), University of Glasgow, Scotland (1996)
- Associate of Chartered Insurance Institute (ACII) - Chartered Insurance Institute, United Kingdom (1996)
- Certificate of Insurance, MARA Institute of Technology, Malaysia (1985)

AREA OF EXPERTISE

- Insurance & Takaful Operations Management

BACKGROUND AND WORKING EXPERIENCE

With over three decades of experience in the insurance and takaful industry, he is a seasoned executive recognized for his leadership and deep industry knowledge. His career began in 1989 as a Loss Adjuster at Toplis & Harding (M) Sdn Bhd, laying a strong foundation for a distinguished professional journey.

He subsequently expanded his expertise through pivotal roles at Sime Zeta Hogg Robinson Insurance Brokers Sdn Bhd and Willis Faber (M) Sdn Bhd. In 1994, he joined Lonpac Insurance Berhad, where he served for over 20 years in progressively senior roles including Assistant General Manager, Deputy General Manager, and ultimately General Manager of Underwriting. His tenure at Lonpac was marked by strategic contributions to operational excellence and business growth.

In 2016, he joined Takaful Ikhlas Berhad (TIB) as Chief Business Operating Officer before being appointed Chief Executive Officer of Takaful Ikhlas General Berhad (TIGB) in 2018, a role he held until 2021. Under his leadership, TIGB navigated a dynamic market landscape while enhancing organizational capabilities and customer engagement.

Beyond corporate roles, he has been actively involved in industry development and advocacy. From 2019 to 2021, he served as a Management Committee Member and Chairman of the Human Resource Development Committee at the Malaysian Takaful Association (MTA). He also contributed to the General Insurance Association of Malaysia (PIAM), serving on key committees such as the Market Liberalisation Task Force, the Malaysian Flood Modelling initiative (ReBanjir Flood Analysis Tool Catastrophic Modelling), and as Deputy Convenor of the Fire, Marine and Engineering Sub-Committee. Additionally, he was a Supervisory Board Member of the Central Administration Bureau (CAB) from 2019 to 2021.

PRESENT SHARIAH COMMITTEE MEMBERSHIP

Nil

PAST SHARIAH COMMITTEE MEMBERSHIP

Nil

SAB MEETING ATTENDANCE DURING THE FINANCIAL YEAR

6/6

DECLARATION OF INTEREST

He has no family relationship with any Directors/major shareholders of the Company and has no conflict of interest with the Company. He has no conviction of offences within the past five (5) years other than traffic offences and has no sanctions or penalties imposed by any regulatory bodies during the financial year ended 31 December 2025.

PROFILE OF SHARIAH ADVISORY BODY

ASSOCIATE PROFESSOR DR. AHMAD ZAKI BIN SALLEH
Member

Date of Appointment
1 January 2026

50 M

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S)
- Doctor of Philosophy (PhD) in Islamic Revealed Knowledge and Heritage, International Islamic University Malaysia (IIUM) (2011)
- Masters of Islamic Revealed Knowledge and Heritage, IIUM (2003)
- Bachelor of Islamic Jurisprudence (Fiqh and Usul al-Fiqh), Al Albayt University, Jordan (2000)
- Certified Shariah Advisor (2025)
- Association of Shariah Advisor (ASAS) Membership

AREA OF EXPERTISE
- Islamic Law
- Fiqh al-Muamalat
- Islamic Banking and Finance

BACKGROUND AND WORKING EXPERIENCE
Currently, he serves as an Associate Professor and the Director of the Center for Awqaf and Zakat at Universiti Sains Islam Malaysia (USIM).

He began his career at USIM in 2005 and has progressed through roles as Tutor, Lecturer, Senior Lecturer, and Associate Professor, reflecting two decades of continuous experience in teaching, research, and academic leadership. His scholarly work focuses on Islamic Law and Fiqh al-Muamalat related fields, supported by active involvement in postgraduate supervision, research grant projects, publications, and participation in seminars and conferences locally and internationally.

In addition to his academic contributions, he brings substantial industry exposure through long-standing engagement with Islamic finance and takaful institutions, as well as national initiatives related to waqf, zakat, and Shariah governance. He has also contributed to university administration and community service through coordination, editorial responsibilities, research cluster leadership, and various outreach initiatives. His sustained performance has been recognised through awards such as Anugerah Perkhidmatan Cemerlang and inclusion among USIM Top 100 Researchers.

PRESENT SHARIAH COMMITTEE MEMBERSHIP
- Chairman, Shariah Committee, Ambank Islamic Bank Berhad
- Member, Shariah Committee, SME Bank

PAST SHARIAH COMMITTEE MEMBERSHIP
- Shariah Committee, Prudential BSN Takaful Berhad (2017-2023)
- Shariah Committee, Bank Simpanan Nasional (2010-2021)

SAB MEETING ATTENDANCE DURING THE FINANCIAL YEAR
Not applicable as he was appointed after the financial year under review.

DECLARATION OF INTEREST
He has no family relationship with any Directors/major shareholders of the Company and has no conflict of interest with the Company. He has no conviction for offences within the past five (5) years other than traffic offences and has no sanctions or penalties imposed by any regulatory bodies during the financial year ended 31 December 2025.

PROFILE OF MANAGEMENT COMMITTEE

NOR AZMAN BIN ZAINAL
Group Chief Executive Officer

Date of Appointment
1 January 2022

54 M

ACADEMIC/PROFESSIONAL QUALIFICATIONS

- BSc. (Honors) in Actuarial Science – City University, London

Professional Development

- Attended "Next Generation Digital Strategy" – London Business School, United Kingdom, a programme designed to explore the fundamentally new paradigm for competition driven by digitalisation covering business ecosystems, AI metaverse, blockchain and crypto.
- Attended "AI for Leaders: Leveraging Data Analytics for Business" – National University of Singapore.
- Attended intensive ICLIF "Leading Leaders" training program in Myanmar.
- Attended series of in-house Prudential Corporation of Asia (PCA) Leadership training programs.
- Attended Asian Leaders in Financial Institution (ALFI) Executive Program – National University of Singapore, leadership courses focusing on general leadership, governance, fintech, global economic development affairs in Singapore, Beijing, Mumbai and New York.

AREA OF EXPERTISE

With over 29 years of experience in the insurance and takaful industry, Nor Azman bin Zainal has established himself as a seasoned professional. Throughout his career journey, he has held various strategic and senior management roles, showcasing an exceptional track record in both life insurance and family takaful. Leveraging his extensive background in actuarial and insurance, he brings invaluable expertise crucial to steering Takaful Malaysia towards success. His role plays a pivotal part in driving the growth of Takaful Malaysia's business. With his insightful perspectives and innovative approach, he significantly enhances the company's operations, enabling Takaful Malaysia to maintain its focus on strategy execution, customer and partner satisfaction, and delivering sustainable returns to shareholders. His diverse experience working in multi-national insurers and local takaful outfit over the last 29 years has tremendously helped shape Takaful Malaysia Keluarga to be where it is today.

His areas of expertise include:

- Corporate strategic planning
- Product Development and Pricing
- Marketing, branding and communications
- Distribution Strategy for Agency, Bancatakaful, Digital and Corporate
- Risk management
- Operations

WORK EXPERIENCE & POSITION

Present

- Group Chief Executive Officer since 1 January 2022

Previous

- President & CEO, Takaful Ikhlas Family Berhad
- CEO, Prudential BSN Takaful
- Assistant Vice President, Product Marketing, AIA Alliance Takaful
- Head of Product, HSBC Amanah Takaful

DIRECTORSHIP/RELEVANT APPOINTMENT

- Executive Director for Syarikat Takaful Malaysia Am Berhad
- President Commissioner for PT Asuransi Takaful Keluarga Indonesia

DECLARATION

He does not hold any directorship in public companies and has no conviction for offences within the past 5 years other than traffic offences and has no sanctions or penalties imposed by any regulatory bodies during the financial year ended 31 December 2025. He has no family relationship with any Directors and major shareholders of Takaful Malaysia Keluarga, and has no conflict of interest with Takaful Malaysia Keluarga.

PROFILE OF MANAGEMENT COMMITTEE

MOHAMED SABRI BIN RAMLI
Chief Executive Officer – Syarikat Takaful Malaysia Am Berhad (STMAB)

Date of Appointment

1 August 2018

56 M

ACADEMIC/PROFESSIONAL QUALIFICATIONS
- Bachelor of Civil Engineering (Honours) – Universiti Pertanian Malaysia (now Universiti Putra Malaysia)

Professional Development
- Attended "AI for Leaders: Leveraging Data Analytics for Business" – NUS Business School, National University of Singapore.
- Attended ASEAN Senior Management Development Program – Harvard Business School.
- Attended InsurTech Insights Asia 2023 – Hong Kong, focusing on digital transformation and emerging technologies in insurance.
- Attended Climate Risk Management & Scenario Analysis (CRMSA) & Cyber Security Awareness Workshop.
- Completed KMDC Strategy Execution Programme – The Wharton School.
- Participated in various leadership, governance, risk management, underwriting, reinsurance, and technical insurance programmes locally and internationally, including Japan and ASEAN markets.

AREA OF EXPERTISE
With over **30 years of experience** across construction, engineering, insurance and takaful, Mohamed Sabri bin Ramli is a highly respected industry practitioner with deep technical, operational and leadership credentials. His career spans risk engineering, underwriting, broking, operations, claims, strategy and executive management, giving him a rare end-to-end understanding of the general insurance and general takaful value chain.

He has held numerous senior leadership roles in both conventional insurance and takaful operators, culminating in his appointment as **Chief Executive Officer of Syarikat Takaful Malaysia Am Berhad**. His strong grounding in engineering and risk assessment, combined with extensive commercial and regulatory exposure, positions him well to steer organisations through complex underwriting environments, regulatory change and digital transformation.

He plays a pivotal role in driving sustainable growth, strengthening underwriting discipline, enhancing operational efficiency, and embedding sound governance and risk management practices, while maintaining a strong focus on customer value and stakeholder confidence.

His areas of expertise include:
- Corporate Strategy & Business Transformation
- General Insurance & General Takaful Underwriting
- Engineering, Property & Specialty Risks
- Risk Management & Technical Advisory
- Distribution Strategy (Agency, Broking & Corporate)
- Operations, Claims & Process Digitalisation
- Regulatory Compliance & Corporate Governance

WORK EXPERIENCE & POSITION
Present
- Chief Executive Officer, Syarikat Takaful Malaysia Am Berhad (since 2018)

Previous
- Berjaya Sompo Insurance Berhad – General Manager / Deputy General Manager, Head of Broking
- The Pacific Insurance Berhad – Head of Broking
- ACE Jerneh Insurance Berhad – Head of Corporate Broking; Head of Property & Technical
- Syarikat Takaful Malaysia Berhad – Assistant General Manager (Business Analyst, Claims & Operations)
- Jerneh Insurance Berhad – Assistant General Manager, Underwriting (Technical Division)
- Berjaya General Insurance Berhad – Risk Engineer & Head of Technical Service
- Early career roles in civil engineering and project management within construction and infrastructure development

DIRECTORSHIP/RELEVANT APPOINTMENT
- Chief Executive Officer, Syarikat Takaful Malaysia Am Berhad
- Chairman, Insurance Services Malaysia Berhad (ISM)
- Member, Central Administration Bureau (CAB) Supervisory Board
- Representative Member, Joint Committee on Climate Change (JC3)
- Former Deputy Chairman & Management Committee Member, Malaysian Takaful Association
- Former Member, PIAM Technical Rating Committee and various PIAM technical sub-committees

DECLARATION

He does not hold any directorship in public companies and has no conviction for offences within the past 5 years other than traffic offences and has no sanctions or penalties imposed by any regulatory bodies during the financial year ended 31 December 2025. He has no family relationship with any Directors and major shareholders of Takaful Malaysia Keluarga, and has no conflict of interest with Takaful Malaysia Keluarga.

NEW KHENG CHEE
Group Chief Financial Officer

Date of Appointment

1 August 2023

51 M

ACADEMIC/PROFESSIONAL QUALIFICATIONS
- Bachelor of Science in Economics, London School of Economics and Political Science, United Kingdom
- Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW)

AREA OF EXPERTISE
New Kheng Chee has more than 25 years of working experience including leadership and managerial roles in Finance, mostly in multinational companies (MNCs).

He is an active leader in the industry and his involvement is summarized as follows:

- He was a Board member of the Malaysian Accounting Standards Board (MASB) from 2018 to 2024
- He is the current Vice-Chair of Malaysian Takaful Association's Finance Sub-Committee.

WORK EXPERIENCE & POSITION
Present
- Group Chief Financial Officer

Previous
- Chief Financial Officer, Prudential BSN Takaful Berhad
- Director of Finance, Prudential BSN Takaful Berhad
- Regional Financial Controller, Prudential Services Asia
- Lead Senior Analyst, Prudential Services Asia
- Assistant Manager, Ernst & Young Malaysia

DIRECTORSHIP/RELEVANT APPOINTMENT
Nil

DECLARATION

He does not hold any directorship in public companies and has no conviction for offences within the past 5 years other than traffic offences and has no sanctions or penalties imposed by any regulatory bodies during the financial year ended 31 December 2025. He has no family relationship with any Directors and major shareholders of Takaful Malaysia Keluarga, and has no conflict of interest with Takaful Malaysia Keluarga.

SHAHRIR BIN SHAHRIDAN
Chief Bancatakaful Officer

Date of Appointment
2 February 2026

52 M

ACADEMIC/PROFESSIONAL QUALIFICATIONS
- Bachelor of Business Management (Hons) – Universiti Utara Malaysia

AREA OF EXPERTISE
- Seasoned executive with 27 years' experience in the Insurance and Takaful industry, comprising 10 years in conventional insurance and 17 years in Takaful. leading to strong industry insights and expertise
- Sales strategy formulation and sales performance management
- Governance, cost optimization, and expense management
- Managed multiple distribution channels, including Bancatakaful, Corporate Partnerships, Corporate Agency, Family Agency, Digital and Direct channels

WORK EXPERIENCE & POSITION
Present
- Chief Bancatakaful Officer

Previous
- Chief Sales Officer, Hong Leong MSIG Takaful Bhd
- Area Sales Manager, HSBC Amanah Takaful Bhd
- Assistant Vice President (Insurance Specialist), Citibank Berhad
- Bancassurance Manager, John Hancock Insurance (M) Bhd

DIRECTORSHIP/RELEVANT APPOINTMENT
Nil

DECLARATION
He does not hold any directorship in public companies and has no conviction for offences within the past 5 years other than traffic offences and has no sanctions or penalties imposed by any regulatory bodies during the financial year ended 31 December 2025. He has no family relationship with any Directors and major shareholders of Takaful Malaysia Keluarga, and has no conflict of interest with Takaful Malaysia Keluarga.

YASSIR AZLIN BIN ABDUL GHAFAR
Chief Distribution Officer

Date of Appointment
1 June 2022

54 M

ACADEMIC/PROFESSIONAL QUALIFICATIONS
- Degree in Human Science – Majoring in Political Science from International Islamic University, Malaysia.
- Professional Qualifications from Malaysian Insurance Institute (MII);
  - Marketing
  - Insurance Law
  - Business Environment
  - Risk and Insurance (Year: 2005 – 2006)

AREA OF EXPERTISE
- Over 28 years of working experience in both general and life insurance for conventional and Takaful segment
- With more than 9 years in senior management position
- Well-rounded working experience in underwriting, claims, product development and strategic sales & marketing in both Family and General line of business
- Has experience in managing multiple distribution channels namely bankatakaful, agency, direct, digital online, corporate, insurance brokers and other form of intermediaries
- Involved in Change Management process in reviving companies' revenue

WORK EXPERIENCE & POSITION
Present
- Appointed as Chief Distribution Officer on 1 June 2022
- Over 27 years of experience in insurance industry

Previous
- Chief Sales Officer, Hong Leong MSIG Takaful Berhad
- General Manager, Hong Leong MSIG Takaful Berhad
- Head of Sales (Family Takaful), Hong Leong MSIG Takaful Berhad
- Vice President, Sales & Distribution, HSBC Amanah Takaful Berhad
- Account Manager, Mayban General Assurance Berhad

DIRECTORSHIP/RELEVANT APPOINTMENT
Nil

DECLARATION
He does not hold any directorship in public companies and has no conviction for offences within the past 5 years other than traffic offences and has no sanctions or penalties imposed by any regulatory bodies during the financial year ended 31 December 2025. He has no family relationship with any Directors and major shareholders of Takaful Malaysia Keluarga, and has no conflict of interest with Takaful Malaysia Keluarga.

PROFILE OF MANAGEMENT COMMITTEE

SHIZAL FISHAM BIN RAMLI
Chief Governance Officer

Date of Appointment

8 June 2021

54 M

ACADEMIC/PROFESSIONAL QUALIFICATIONS
- Fellow of the Institute and Faculty of Actuaries, United Kingdom
- Fellow of Actuarial Society of Malaysia
- MSc Investment Management, City University, London

AREA OF EXPERTISE
- Capital & solvency
- Actuarial Management
- Product and pricing
- Investment and Financial Management
- Asset-Liability Management
- Business and strategy planning
- Risk management

WORK EXPERIENCE & POSITION
Present
- Chief Governance Officer

Previous
- Chief Risk Officer, Zurich Takaful Malaysia Keluarga Berhad
- Head of Actuarial & Risk Management, MAA Takaful (Malaysia) Berhad
- Head of Actuarial & Product, Great Eastern Takaful (Malaysia) Berhad
- Senior Actuarial Analyst, Bank Negara Malaysia

DIRECTORSHIP/RELEVANT APPOINTMENT
Nil

DECLARATION
He does not hold any directorship in public companies and has no conviction for offences within the past 5 years other than traffic offences and has no sanctions or penalties imposed by any regulatory bodies during the financial year ended 31 December 2025. He has no family relationship with any Directors and major shareholders of Takaful Malaysia Keluarga, and has no conflict of interest with Takaful Malaysia Keluarga.

DATO' TS. TENGKU INTAN NARQIAH BINTI TENGKU OTHMAN
Group Chief Transformation Officer

Date of Appointment

1 January 2025

57 F

ACADEMIC/PROFESSIONAL QUALIFICATIONS
- BSc (Honors) in Computer Studies, Sheffield Hallam University
- MSc in Computer Studies, Sheffield Hallam University
- Professional Technologist, Malaysian Board of Technologists
- Adjunct Professor, UNITAR International University

AREA OF EXPERTISE
She is a seasoned technology-business leader with nearly 30 years of experience in digital transformation, IT strategy, operations, and consulting across diverse industries. Her expertise spans IT leadership, technology adoption, IT talent development, and driving innovation cultures within organizations. She has technical experience in infrastructure, applications, big data analytics, and emerging technology innovation. Recognized for her impact in the industry, she received the 2022 World Women Digital Leadership Award from KSI Strategic Institute for Asia Pacific and the Transformative CIO 2022 Award by ETCIO SEA. She is highly regarded for modernizing legacy systems, developing strategic IT roadmaps, and enabling organizations to harness technology for sustainable business growth.

WORK EXPERIENCE & POSITION
Present
- Group Chief Transformation Officer

Previous
- Head of Technology Strategy, DRB-HICOM
- Group Chief Future Officer, SIRIM Berhad
- Senior Manager of Big Data Development, Malaysia Airport Holdings Berhad
- Director, Qaaf Resources Sdn Bhd
- General Manager, Mesiniaga Berhad
- CEO, MYNIC Berhad
- Senior Vice President, Iskandar Investment Berhad
- Regional/Global Manager, Shell

DIRECTORSHIP/RELEVANT APPOINTMENT
Nil

DECLARATION
She does not hold any directorship in public companies and has no conviction for offences within the past 5 years other than traffic offences and has no sanctions or penalties imposed by any regulatory bodies during the financial year ended 31 December 2025. She has no family relationship with any Directors and major shareholders of Takaful Malaysia Keluarga, and has no conflict of interest with Takaful Malaysia Keluarga.

MOHAMMAD FADHLEE BIN AWALUDIN
Chief Investment Officer

Date of Appointment
1 February 2021

53 M

ACADEMIC/PROFESSIONAL QUALIFICATIONS
- Fellow Chartered Institute of Management Accountant, United Kingdom (CIMA)
- Chartered Accountant - Malaysian Institute of Accountants (MIA)
- Member of Financial Market Association Malaysia
- Associate Member of Asian Institute of Chartered Bankers
- Masters in Islamic Finance – International Centre for Education in Islamic Finance (INCEIF)
- Bachelor Degree in Accounting - UiTM

AREA OF EXPERTISE
- Corporate Finance
- Treasury and Investment
- Asset-Liability Management

WORK EXPERIENCE & POSITION
Present
- Chief Investment Officer since 1 February 2021
- Assistant General Manager, Investment from 1 November 2009 to 31 January 2021
- Over 28 years of experience in investment and finance

Previous
- Business Analyst, Subsidiary Management and Control, Corporate Finance Division, Telekom Malaysia Berhad
- Assistant Manager, Managing Director/CEO's Office, UEM World Berhad

DIRECTORSHIP/RELEVANT APPOINTMENT
Nil

DECLARATION
He does not hold any directorship in public companies and has no conviction for offences within the past 5 years other than traffic offences and has no sanctions or penalties imposed by any regulatory bodies during the financial year ended 31 December 2025. He has no family relationship with any Directors and major shareholders of Takaful Malaysia Keluarga, and has no conflict of interest with Takaful Malaysia Keluarga.

LILY SABRINA KUANG BINTI ABDULLAH
Chief People Officer

Date of Appointment
1 September 2025

56 F

ACADEMIC/PROFESSIONAL QUALIFICATIONS
- Master of Business Administration (MBA), majoring in Human Resource Management
- Post Graduate Diploma in Human Resources Management
- Diploma in Institute of Administrative Management

AREA OF EXPERTISE
She brings extensive experience in human resource strategy and organisational management, with core strengths in talent management, performance management, change management and leadership development. Her career spans the banking, healthcare, property and manufacturing sectors, where she has led enterprise-wide transformation initiatives, strengthened HR governance and built sustainable people development frameworks. She is also actively involved in young talent management and youth coaching, supporting the development of future leadership pipelines.

WORK EXPERIENCE & POSITION
Present
- Chief People Officer

Previous
- Chief Human Resource Officer, Phillip Bank Plc. Cambodia
- Head of Human Resources, Seri Alam Properties
- Head of Human Resources, KPJ Specialist Hospital
- Head of Human Resources, Evyap Sabun
- Head of Human Resources, Regency Specialist Hospital
- Head of Human Resources, Sunway City Berhad
- Head of Human Resources, Mah Sing Group Berhad
- HR Advisor, ABN AMRO Bank Berhad

DIRECTORSHIP/RELEVANT APPOINTMENT
Nil

DECLARATION
She does not hold any directorship in public companies and has no conviction for offences within the past 5 years other than traffic offences and has no sanctions or penalties imposed by any regulatory bodies during the financial year ended 31 December 2025. She has no family relationship with any Directors and major shareholders of Takaful Malaysia Keluarga, and has no conflict of interest with Takaful Malaysia Keluarga.

PROFILE OF MANAGEMENT COMMITTEE

AZNI BINTI ARIFFIN
Company Secretary

Date of Appointment
2 March 2026

56 F

ACADEMIC/PROFESSIONAL QUALIFICATIONS

- 1st Class LLB (Hons) International Islamic University Malaysia
- Admitted as Advocate & Solicitor, High Court of Malaya (non-practising)
- Institute of Chartered Secretaries & Administrations (UK)
- Licensed Company Secretary (SSM)

AREA OF EXPERTISE

Azni brings with her over 32 years of extensive experience in legal and company secretarial, with deep expertise in corporate legal matters, company secretarial practise, corporate governance and regulatory compliance. Her experience spans listed companies, government linked companies, financial institution and organisations across diverse industries. Her leadership includes managing legal and secretarial departments, overseeing risk management and participating in strategic decision making at the senior level.

She has extensive experience in cross border transactions particularly joint ventures involving parties from countries such as Indonesia, Thailand, Singapore, Vietnam, China, UK and some European parties.

In her company secretarial role, she has ensured compliance with regulatory bodies such as SSM, Bursa Malaysia and Bank Negara Malaysia. She has played leading roles in the preparation of annual report relating to corporate governance matters and developed governance policies. Azni also dealt with offshore subsidiaries and has knowledge on the company laws in Indonesia, Thailand, Singapore and Vietnam.

WORK EXPERIENCE & POSITION

Present
- Company Secretary and Head of Corporate Affairs Division

Previous
- Group Company Secretary and Head of Corporate Secretarial, FGV Holdings Berhad
- Company Secretary, MSM Malaysia Holdings Berhad
- Group Company Secretary, Sapura Energy Berhad
- General Manager, Legal & Secretarial, Malaysia Airports Holdings Berhad
- Chief Legal Counsel & Company Secretary, Proton Holdings Berhad
- Head of Secretarial, Maybank
- General Manager, Legal & Secretarial Pernec Corporation Berhad
- Senior Manager, Legal & Secretarial Mardec Berhad
- Senior Assistant Registrar High Court
- Magistrate, Magistrate Court

DIRECTORSHIP/RELEVANT APPOINTMENT

Nil

DECLARATION
She does not hold any directorship in public companies and has no conviction for offences within the past 5 years other than traffic offences and has no sanctions or penalties imposed by any regulatory bodies during the financial year ended 31 December 2025. She has no family relationship with any Directors and major shareholders of Takaful Malaysia Keluarga, and has no conflict of interest with Takaful Malaysia Keluarga.

CHAIRMAN'S STATEMENT ON CORPORATE GOVERNANCE

بِسْمِ ٱللَّهِ ٱلرَّحْمَـٰنِ ٱلرَّحِيمِ

(In the Name of Allah, the Most Gracious, the Most Merciful)

Dear Shareholders,

Good governance begins with clarity of purpose and a strong sense of responsibility. At Takaful Malaysia Keluarga, the Board carries the duty to safeguard the interests of the Company, serving both shareholders and the wider stakeholder community, while guiding the Group towards sustainable, long-term value.

This responsibility shapes how we act as a Board. We guide strategic direction, promote ethical conduct, and oversee execution with discipline. Our decisions are framed by the Company's Constitution, the Companies Act 2016, the Islamic Financial Services Act 2013, and the expectations of BNM, SC, and Bursa Malaysia. These frameworks anchor accountability and provide a clear foundation for sound decision making.

With this foundation in place, our oversight extends across the organisation. We review strategy, operations, financial performance, regulatory obligations, and human capital, alongside risk management, internal audit, and Shariah governance. Each area connects to a single objective: to ensure the Company operates with clarity, discipline, and alignment to its purpose.

Dato' Charon Wardini bin Mokhzani
Chairman

CHAIRMAN'S STATEMENT ON CORPORATE GOVERNANCE

CHANGES TO COMPOSITION

In parallel with this, we continued to refine the composition of the Board and its Committees to ensure the right balance of experience and perspective. Azizah binti Ali joined the Nomination and Remuneration Committee ("NRC") on 1 February 2025, followed by the appointment of Datin Paduka Kartini binti Hj. Abdul Manaf on 26 February 2026 in place of Mohamad Salihuddin bin Ahmad.

These changes also strengthened leadership within the committees. Mohamad Salihuddin bin Ahmad was redesignated as Chairman of the BRC, with Ch'ng Sok Heang continuing as a member. The BRC plays a critical role in connecting governance with resilience. It engages Senior Management with constructive challenge, focusing on adherence to risk appetite, the strength of internal controls, and the management of both current and emerging risks.

At the same time, the NRC continued its work on succession planning and leadership appointments. Its focus is to build a leadership team that reflects the skills, experience, and diversity required for the Company's next phase of growth.

BOARD EFFECTIVENESS EVALUATION

To ensure that these structures remain effective, we place strong emphasis on regular evaluation. Evaluations for the financial year 2025 was conducted internally via the NRC. The Committee assessed the effectiveness of the Board, its Committees, individual Directors, and the SAB through structured questionnaires aligned with the expectations of BNM, Bursa Malaysia and the MCCG.

The results for the financial year ended 31 December 2025 were tabled in February 2026. The Board considered the findings carefully, noting areas for improvement and taking steps to address them in a practical and measured manner. The assessment also affirmed that the Board's composition provides an appropriate mix of skills, knowledge and experience, with each Director contributing actively. All Independent Directors confirmed compliance with the relevant independence criteria.

Looking ahead, the insights from this evaluation guide our priorities. We will strengthen Board composition in line with evolving business needs, improve the quality and timeliness of Board materials, and deepen expertise in areas such as technology, sustainability and consumer trends. We are also placing greater attention on enhancing management performance metrics and succession planning, ensuring leadership continuity.

COMMITTEE CHANGES

As these priorities take shape, our governance structures continue to evolve. The LTIP Committee was dissolved with effect from 26 February 2026, with its responsibilities integrated into the NRC to streamline oversight.

In addition, the establishment of the GDC on 1 April 2025 reflects the growing importance of technology in our operations. This Committee supports the Board in overseeing information technology and digitalisation strategies, while addressing technology related risks in line with regulatory expectations. It comprises Non-Executive Directors, the majority of whom are Independent, with representation from both Takaful Malaysia Keluarga and Takaful Malaysia Am, and met four times during the financial year 2025.

DRIVING SUSTAINABILITY

These developments connect closely with how we approach sustainability. Rooted in our Shariah principles, sustainability is embedded in governance, strategy and risk management. ESG considerations are integrated into operations, underwriting and investment decisions, shaping how value is created over time.

The Board provides oversight of this agenda, setting direction, defining priorities, and monitoring progress. Discussions at Board and Committee levels allow sustainability considerations to be assessed alongside business and risk perspectives, supporting alignment with the Company's longer-term objectives.

To strengthen this approach, we have established a Sustainability Risk Management Framework. This framework links governance with strategy and execution, providing a structured approach to identifying and managing sustainability related risks. It enhances accountability across Management and relevant committees, supports the identification of material ESG metrics, and improves monitoring and reporting.

In this way, sustainability becomes part of how decisions are made across the organisation, aligning business practices with responsible principles while maintaining sound risk discipline and regulatory alignment.

Dato' Charon Wardini bin Mokhzani
Chairman

Governance is not static. It evolves with the business and the environment around it. As a Board, we will continue to guide Takaful Malaysia Keluarga with clarity, care and sound judgement, so that the Company is well positioned to deliver meaningful value in the years ahead.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Syarikat Takaful Malaysia Keluarga Berhad ("Takaful Malaysia Keluarga" or "Company") and its subsidiary companies ("Takaful Malaysia" or "Group") continues to subscribe and support the Malaysian Code on Corporate Governance 2021 ("MCCG"). The Board is committed to ensure that Principles and Recommended Practices are observed and practised throughout Takaful Malaysia so that the affairs of the Group are conducted with professionalism, accountability and integrity with the objective of safeguarding and enhancing shareholders' value and financial performance of the Group.

The Board is pleased to report on the application of Recommended Practices of MCCG as required under MCCG and Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") during the financial year under review.

The application of each practice set out in MCCG during the financial year under review is disclosed under Takaful Malaysia Keluarga's Corporate Governance Report Financial Year 2025 ("CG Report FY2025") published on the Company's website at www.takaful-malaysia.com.my

DIRECTORS

THE BOARD

The Board of Takaful Malaysia Keluarga is responsible to promote and protect the interest of the Company which includes shareholders and other stakeholders of the Group. The Board shoulders the ultimate responsibility of determining the direction of the Group thereby ensuring long-term success and delivery of sustainable value to the shareholders. The Board provides thought leadership and advice in fine-tuning corporate strategies, championing corporate governance/ethical practices and ensures effective execution of these strategies.

TERMS OF REFERENCE/BOARD CHARTER

The Board is mindful of the need to protect the interests of shareholders and other stakeholders. In discharging their duties effectively, the Board is guided by Terms of Reference/Board Charter ("Board Charter") which sets out the roles and responsibilities of the Board as well as issues and decisions reserved for the Board. This is in accordance with Practice 2.1 of MCCG. The Board Charter is reviewed regularly to keep up to date with changes in regulations/best practices and ensure its effectiveness/relevance to the Board's objectives. The last review was carried out on 25 February 2025. The Board Charter is accessible on our website at www.takaful-malaysia.com.my

ROLES AND RESPONSIBILITIES OF THE BOARD

The Board has the overall responsibility of ensuring that Takaful Malaysia Keluarga operates as intended in the affirmed objectives of the Company. Consequently, it has the power to decide on all matters pertaining to the Company's business as empowered and guided by the Company's Constitution, Companies Act 2016, Islamic Financial Services Act 2013 ("IFSA 2013") and all relevant guidelines of Bank Negara Malaysia ("BNM"), Securities Commission Malaysia and the Listing Requirements, and if required, to delegate these powers accordingly. The Board's main roles and responsibilities in accordance with the Board Charter are to review the following matters:-

1. Strategic Planning/Business Direction/Operations/Finance;
2. Requirement under Authorities/Statutes;
3. Management/Human Resource;
4. Membership of Board/Board Committees and Shariah Advisory Body ("SAB");
5. Administrative;
6. Principal Responsibilities under Corporate Governance including Risk Management and Compliance;
7. Internal Audit Function; and
8. Principal Responsibilities under Shariah Governance.

Details of the above roles and responsibilities are embedded in the Board Charter of the Company which is published on the Company's website at www.takaful-malaysia.com.my

To operate effectively in a dynamic and challenging environment, the Board's responsibilities are delegated to and executed by Management of the Company headed by the Group Chief Executive Officer ("GCEO"). GCEO is responsible for broad aspects of day-to-day operations of the Company including financial stewardship and compliance with laws, regulations, policies and procedures. In this regard, Management is accountable to the Board for the overall functions and activities of the Company. This includes among others, implementation of policies and strategies as approved by the Board which are always in line with Shariah principles and guided by regulatory requirements as well as industry best practices.

Board Meetings

Board meetings are scheduled in advance at the beginning of the calendar year with additional meetings convened when necessary. All Directors complied with the Listing Requirements regarding attendance for Board meetings held during the financial year under review. Fourteen (14) Board meetings were held during the financial year under review with details of meeting attendance of each Director as follows: -

Meetings	Director	Designation	Attendance
8/8#	**Dato' Charon Wardini bin Mokhzani**	Chairman/Independent Non-Executive Director *(Appointed on 1 June 2025)*	100%
14/14	**Mohd Azman bin Sulaiman**	Independent Non-Executive Director	100%
14/14	**Dato' Mustaffa bin Ahmad**	Independent Non-Executive Director	100%
14/14	**Mohamad Salihuddin bin Ahmad**	Independent Non-Executive Director	100%
14/14	**Ch'ng Sok Heang**	Independent Non-Executive Director	100%
13/13#	**Azizah binti Ali**	Independent Non-Executive Director *(Appointed on 1 February 2025)*	100%
3/3#	**Datin Paduka Kartini binti Hj. Abdul Manaf**	Non-Independent Non-Executive Director *(Appointed on 1 September 2025)*	100%
6/6*	**Dato' Mohammed bin Hussein**	Chairman/Independent Non-Executive Director *(Retired on 31 May 2025)*	100%
4/4*	**Datuk Syed Hamadah bin Syed Othman**	Non-Independent Non-Executive Director *(Resigned as member on 7 May 2025)*	100%

Number of meetings attended after the appointment date.
* *Number of meetings held up to the cessation of office.*

Directors who are unable to attend a particular Board/Board Committee meeting are encouraged to provide his/her views and comments on matters to be discussed to the Chairman or Company Secretary in advance.

The Board is satisfied with the level of time commitment given by each Director towards fulfilling their roles and responsibilities as Directors of Takaful Malaysia Keluarga as evidenced by their attendance record at Board meetings, as set out in the above table. All Directors complied with the minimum attendance of at least 75% of Board meetings held during the financial year under BNM's Guidelines on Corporate Governance. A Director who is unable to attend any Board or Board Committee's meeting will notify the Chairman and/or Company Secretary immediately prior to the meeting date.

The Board also noted the expectation on time commitment to carry out their duties and responsibilities. In this respect, members of the Board will notify the Chairman prior to or upon their acceptance of any new directorship. Each Board member is expected to commit sufficient time to attend all Board and Board Committees' meetings, Annual General Meeting ("AGM"), Extraordinary General Meeting ("EGM"), Directors' training, Board's networking events, discussions with Management and meetings with various stakeholders. The schedule for Board meetings was shared with the Directors before the beginning of the year to ensure the Directors' time commitment.

As prescribed in Paragraph 15.06 of the Listing Requirements, Directors must not hold directorships of more than five (5) Public Listed Companies ("PLC"). None of the Directors of the Company exceeded this limit during the financial year under review. Directors are required to declare their directorships and/or interests in other public and private companies on monthly basis. Such information is also used to monitor the number of directorships held by Directors, particularly those on PLC and notify Companies Commission of Malaysia ("CCM") of any changes in other directorships in public companies.

All Directors have the backing of extensive work experience in various fields and therefore are able to exercise independent judgement in order to discharge their duties.

The Board believes that the existing appointment process for selecting a new member is adequate and it takes into consideration the required skills-set, experience, competency, industry experience, gender and age and how these add to the Board's diversity.

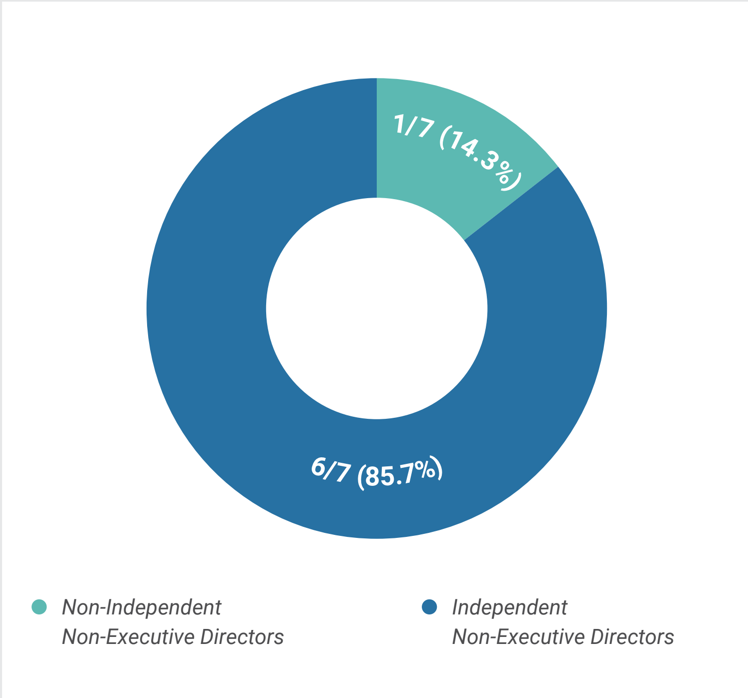
Directors' Code Of Ethics

Directors observe the code of ethics in accordance with the Company's Directors' Code of Ethics established by Companies Commission of Malaysia ("CCM") which provides guidance for proper standards of conduct, sound and prudent business practices as well as standard of ethical behaviour for Directors, based on principles of integrity, responsibility, sincerity and corporate social responsibility.

The Directors' Code of Ethics consists of five (5) major areas as follows:-

- Corporate Governance;
- Relationship with shareholders, employees, creditors, customers and other stakeholders;
- Sustainability Practices;
- Corporate Liability; and
- Anti-Money Laundering and Counter Financing of Terrorism ("AML/CFT")

Board Balance and Independence of Directors



Pursuant to paragraph 2.3 of the Board's Charter, the Board of Takaful Malaysia Keluarga shall have a majority of independent directors at all time, consistent with Practice 5.2 of MCCG.

Datin Paduka Kartini binti Hj. Abdul Manaf, a representative of Lembaga Tabung Haji is the only Non-Independent Non-Executive Director of the Company.

Tenure of all these six (6) Independent Non-Executive Directors does not exceed cumulative term of nine (9) years as recommended by MCCG and as set out in the Board Charter. They continue to fulfil the definition of independence as set out in the Listing Requirements. Therefore, the Board recommends and supports the proposed re-election of Independent Non-Executive Director according to Rule 83 of the Company's Constitution at the forthcoming 41st AGM.

Board Gender Diversity

The Board acknowledges gender diversity in its composition and strongly supports the government's target of having 30% women's participation on boards of PLC in Malaysia. Takaful Malaysia Keluarga remained cognizant of the importance of board room gender diversity and is always mindful that any gender representation should be in the best interest of the Company. For the period under review, the Board comprised four (4) male Directors and three (3) female Directors, resulting in a percentage of 42.8%.

The Board recognises that diversity is one (1) of the key drivers to enhance Board effectiveness as diversity broadens the debate within the Board, Shariah Advisory Body ("SAB") and Senior Management by harnessing and leveraging diverse insights and perspectives to enhance deliberations and decision-making.

The Board will continuously enhance their composition as well as that of SAB and Senior Management to encourage diversity in terms of skills, background, knowledge, industry experience, culture, independence of mind and fairness/opinion and perspectives, ethnicity, age and gender when appointing new Directors, SAB members and Senior Management as outlined in MCCG.

Profile of the current Senior Management are set out on pages 167 to 172 in this Integrated Annual Report.

With a diversified background and specialisation, the Board collectively brings with them a wide range of experience and expertise in areas such as legal, finance, insurance, Takaful, accounting, investment, actuarial, management, leadership/talent development, banking and information technology ("IT").

Board of Directors' Profile are provided on pages 155 to 161 in this Integrated Annual Report.

The positions of Chairman and GCEO are held by different individuals in line with the recommendation of MCCG under Practice 1.3 since the inception of the Company. There is a clear division of responsibilities between the Chairman and GCEO to ensure that there is a balance of power and authority. The roles and responsibilities of the Chairman and GCEO are distinct and separate. The Chairman primarily presides over meetings of Directors and is responsible for instilling good corporate governance practices, leadership and the effectiveness of the Board. GCEO is responsible for execution of the Group's strategies in line with the Board's direction, oversees the operations of the Company and drives the Group's business and performance towards achieving the Group's vision and goals.

Board Committees

To enable the Board to discharge their duties effectively whilst enhancing business and operational efficacy, the Board delegates certain responsibilities to six (6) Board Committees, namely: -

- Audit Committee ("AC");
- Nomination and Remuneration Committee ("NRC");
- Board Risk Committee ("BRC");
- Investment Committee ("IC");
- Group Digital Committee ("GDC")(established on 1 April 2025); and
- Long Term Incentive Plan Committee (dissolved on 26 February 2026).

The Chairman of the Board is not Chairman of any of the abovementioned Board Committees in line with the recommendation of MCCG under Practice 1.4.

As recommended by NRC, the Board would review the composition/membership of Board Committees of the Company from time to time. This would provide the opportunity to refresh the Board Committees' composition, exposure as well as ideas and approach, taking into account the sufficiency of Board/Board Committee members and their overall improved performance rating.

The Board at their 1/2025 special meeting held on 16 January 2025 and 2/2026 meeting held on 26 February 2026 further reviewed the composition/membership of Board Committees of the Company, as recommended by NRC.

AC

Audit Committee

AC currently comprises three (3) members, all of whom are Independent Non-Executive Directors, in accordance with the Step-up under Practice 9.4 of the MCCG. Details of AC members and meetings held during the financial year ended 31 December 2025 are as follows:-

Name	Attendance	Percentage (%)
Ch'ng Sok Heang Chairperson/Independent Non-Executive Director	6/6	100
Mohd Azman bin Sulaiman Independent Non-Executive Director	6/6	100
Dato' Mustaffa bin Ahmad Independent Non-Executive Director	6/6	100

The current Chairperson of AC, Ch'ng Sok Heang, is an Independent Non-Executive Director who is not the Chairman of the Board in line with the Practice 9.1 of the MCCG. AC Report during the financial year under review is disclosed under pages 198 to 201 in this Integrated Annual Report.

On top of AC's primary objective to provide an independent oversight on the financial reporting process and internal control system and ensure checks and balances within the Group, AC shall, whenever necessary and reasonable for performance of their duties, in accordance with a procedure to be determined by the Board and at the expense of the Company:-

(i) Have authority to investigate any other matter within its Terms of Reference;
(ii) Have the resources as well as full and unrestricted access to all information which is required to perform its duties;
(iii) Have direct communication channels and be able to convene meetings with internal auditors, external auditors for Takaful Malaysia Keluarga and Takaful Malaysia Am without the attendance of GCEO, Management and staff whenever deemed necessary; and
(iv) Obtain, if it is deemed necessary, independent professional advice on any matter within its Terms of Reference.

The last review of Terms of Reference of AC was carried out on 25 February 2025. The latest Terms of Reference of AC is published on the Company's website at www.takaful-malaysia.com.my

NRC

Nomination and Remuneration Committee

As at the end of the financial year under review, NRC consisted of three (3) members, all of whom are Independent Non-Executive Directors. The current Chairman of NRC is Mohd Azman bin Sulaiman, an Independent Non-Executive Director, in line with Practice 5.8 of MCCG. NRC met six (6) times during the financial year under review with details of meeting attendance of each member as follows:-

Name	Attendance	Percentage (%)
Mohd Azman bin Sulaiman Chairman/Independent Non-Executive Director	6/6	100
Azizah binti Ali Independent Non-Executive Director *(Appointed as NRC member on 1 February 2025)*	5/5#	100
Datin Paduka Kartini binti Hj. Abdul Manaf Non-Independent Non-Executive Director *(Appointed as NRC member on 26 February 2026)*	-	-
Mohamad Salihuddin binti Ahmad Independent Non-Executive Director *(Resigned as NRC member on 26 February 2026)*	6/6	100
Ch'ng Sok Heang Independent Non-Executive Director *(Resigned as NRC member on 1 February 2025)*	1/1*	100

Number of meetings attended after the appointment date.
* *Number of meetings held up to the cessation of office.*

During the year under review, Azizah binti Ali was appointed as NRC member in place of Ch'ng Sok Heang on 1 February 2025. Subsequent to that, the Board at their 2/2026 meeting held on 26 February 2026 approved the appointment of Datin Paduka Kartini binti Hj. Abdul Manaf in place of Mohamad Salihuddin bin Ahmad.

NRC is empowered by its Terms of Reference and the Board to bring to the Board recommendations on appointment of Directors, SAB members, Senior Management, i.e. General Manager position and above including GCEO, Chief Executive Officer, Deputy Chief Executive Officer, Group Chief Financial Officer, Chief Risk Officer, Chief Compliance Officer, Appointed Actuary, Chief Investment Officer, Chief Strategy Officer, Company Secretary and such other designation as determined by the Board from time to time. NRC also reviews the terms of appointment of Directors, SAB members, Senior Management and Company Secretary.

NRC also discussed succession plan of Senior Management of Takaful Malaysia Keluarga including appointing and replacing Senior Management to ensure that any appointment made brings a balance of skills, knowledge, experience and diversity to the Company.

NRC reviews eligibility and worthiness of Directors for new appointment/re-election either when Directors are seeking re-election subject to Rule 74, 76 and 77 of the Company's Constitution or upon expiry of term and seeking re-election under Rule 83. NRC makes the necessary recommendations to the Board for consideration and approval.

NRC

Nomination and Remuneration Committee

Among the key activities undertaken by NRC during the financial year under review were as follows:-

- Proposed appointment and reappointment of Directors of Takaful Malaysia Keluarga and Takaful Malaysia Am;
- Proposed revision to the Board's Terms of Reference/Board Charter;
- Proposed re-election of Directors pursuant to Rule 74 and 83 of the Company's Constitution;
- Performance assessment and performance bonus quantum for GCEO, Senior General Managers and General Managers of Takaful Malaysia Keluarga for FY2024;
- Performance assessment, performance bonus and salary increment for Control Functions of Takaful Malaysia Keluarga FY2024;
- Proposed distribution of FY2024 performance bonus pool for employees of Takaful Malaysia Keluarga;
- Proposed FY2025 annual salary increment for executives and above for Takaful Malaysia Keluarga and Takaful Malaysia Am;
- Proposed estimation of Directors' fees and benefits to be approved by the shareholders at the 40th AGM of the Company;
- Performance Evaluation of Board and Board Committees of Takaful Malaysia Keluarga for FYE 31 December 2024;
- Proposed appointment and reappointment of SAB member;
- SAB Members' annual assessment for the financial year ended 31 December 2024;
- Proposed appointment/promotion/reappointment and remuneration package of Senior Management;
- GCEO's FY2024 and FY2025 corporate scorecard;
- Mid-Year Review of 2025 GCEO's Performance Scorecard;
- Updates on Corporate Organisation Structure of Takaful Malaysia Keluarga;
- Review of Composition of Board Committee;
- Proposed Formation of IT Board Advisory Committee (established as "Group Digital Committee" on 1 April 2025);
- Review of Directors' Benefits for overseas travel;
- Succession Planning of SAB;
- Review of Board Competency Matrices of Board of Takaful Malaysia Keluarga, Takaful Malaysia Am and SAB;
- Succession Planning for Members of the Board of Takaful Malaysia Am; and
- Lesson from Other Board Best Practices on (a) Board Training and Development; (b) Board Succession Planning; (c) Enhancing Board Culture and Effectiveness.

Terms of Reference of NRC is published on the Company's website at www.takaful-malaysia.com.my

BOARD EFFECTIVENESS EVALUATION

For financial year ended 31 December 2023, the Board as recommended by NRC, appointed Institute of Corporate Directors Malaysia ("ICDM") as the facilitators to conduct Board and Directors' Effectiveness Evaluation ("BDEE") in line with Practice 6.1 of MCCG which requires the Board to engage independent experts at least every three (3) years, to facilitate objective and candid Board evaluations. For financial year 2024, the Board through NRC conducted the Annual Board Effectiveness Evaluation internally. The same evaluation was accordingly conducted for financial year 2025.

NRC is empowered to assess effectiveness of the Board and Board Committees namely AC, NRC, BRC, IC and GDC, as well as contribution of each individual Director and performance of SAB. Directors' Performance Evaluation, Assessment of Independence of Independent Directors and Performance Evaluation for Board Committees are carried out annually by way of questionnaires which were issued/distributed to the Board and Board Committee members for completion as required under BNM's Guidelines, Listing Requirements of Bursa Securities and MCCG. Areas covered are as follows:-

Annual Evaluation	Directors' Performance Evaluation	Assessment of Independence of Independent Directors	Performance Evaluation of AC, NRC, BRC IC and GDC
Assessment Criteria	**Section A** - Board evaluation criteria which comprises three (3) criteria, i.e. Board structure; Board operations and interaction; and Board roles and responsibilities. **Section B** - Director Self/Peer Evaluation which comprises four (4) criteria, i.e. contribution to interaction, quality of input, understanding of role and the Chairman's role.	As prescribed under Paragraph 1.01 and Practice Note 13 of Listing Requirements of Bursa Securities.	Section 1 comprises three (3) sections, i.e. quality and composition, skills and competencies, and meeting administration and conduct. Section 2 comprises peer evaluation.

Results of evaluation of the Board, AC, NRC, BRC, IC and GDC for the financial year ended 31 December 2025 were tabled to NRC held on 5 February 2026 and 2 March 2026 and thereafter to the Board on 11 March 2026, for NRC's and the Board's notification and deliberation. The Board noted the identified areas for improvement and would address them in the appropriate manner.

Based on year 2025 assessment, the Board was satisfied that the Board's and Board Committees' composition provides an appropriate balance in terms of their current mix of skills, knowledge and experience, and are able to discharge their duties and responsibility diligently and efficiently in accordance with the Board Charter. Assessment in respect of Directors' independence in year 2025 was carried out using the criteria prescribed under the Listing Requirements of Bursa Securities. All Independent Directors assessed declared adherence to all relevant regulatory stipulations in accordance with the Listing Requirements of Bursa Securities.

Pursuant to the BDEE, key focus areas that have been identified for FY2026 are as follows:-

- Board structure/composition: Strengthen the Board's composition and identify new Board members with appropriate mix of skills and expertise to match the Company's requirements, i.e. consumer market, sustainability, IT systems.
- Board Effectiveness: Enhance lead time of submission of Board paper, robust and balanced agenda on business, financial and compliance, as well as focus on forward-looking, strategic direction/initiatives analysis.
- Board Development: Enhance and widen Board's skills and expertise in the areas of IT systems/processes, consumer market trends, sustainability and governance.
- Senior Management Performance: Improvement in Management's performance metrics; succession, training and development of key executives.

BRC Board Risk Committee

BRC currently consists of three (3) Non-Executive Directors, all of whom are Independent Directors. BRC is chaired by Mohamad Salihuddin bin Ahmad, an Independent Non-Executive Director. BRC met six (6) times during the financial year under review with details of meeting attendance of each member as follows:-

Name	Attendance	Percentage (%)
Mohamad Salihuddin bin Ahmad Chairman/Independent Non-Executive Director *(Redesignated as Chairman on 1 February 2025)*	6/6	100
Dato' Mustaffa bin Ahmad Independent Non-Executive Director	6/6	100
Ch'ng Sok Heang Independent Non-Executive Director *(Redesignated as member on 1 February 2025)*	6/6	100

During the period under review, Mohamad Salihuddin bin Ahmad was redesignated as Chairman of BRC on 1 February 2025, in place of Ch'ng Sok Heang who remains as a member. BRC regularly meet and obtain information, critically review and constructively challenge Senior Management on adherence to the Company's risk appetite and the implementation of risk management policies, process and internal controls, in managing key risks as well as emerging risks to the Company.

The following are, among others, the main duties and responsibilities of BRC:-

(i) To support the Board in meeting the expectations on risk management as set out in BNM's policy document on Risk Governance;

(ii) To assist NRC on implementation of a sound remuneration system, to examine whether incentives provided by the remuneration system take into consideration risks, capital, liquidity and the likelihood and timing of earnings;

(iii) To review and recommend risk management strategies, policies and risk appetite and tolerance levels for the Board's approval;

(iv) To review and assess adequacy of risk management policies and framework for identifying, measuring, monitoring and controlling risks as well the extent to which these are operating effectively;

(v) To provide oversight over the implementation of sustainability initiatives and review adequacy of sustainability-related risk management;

(vi) To discharge oversight role in relation to climate-related risks;

(vii) To ensure that adequate infrastructure, resources and systems are in place for effective risk management, e.g. ensuring that the staff responsible for implementing risk management systems perform those duties independently of the Company's risk-taking activities;

(viii) To review potential risks arising from major strategic business proposals or initiatives.

A revision to BRC's TOR was approved on 14 August 2025, to reflect emerging risks and regulatory expectations, including realignment of responsibilities between the BRC and GDC on technology-related matters.

BRC's role is confined to providing oversight opinions on technology implementation/risks as earlier identified by GDC. Consistent with the establishment of GDC, operational and strategic technology governance responsibilities have been realigned to GDC, with BRC focusing solely on the risk implications of such initiatives and reviewing matters escalated by GDC where material risk concerns arise.

This realignment confirms that GDC is the primary committee responsible for technology governance and operationalisation, while BRC's role is confined to oversight of the risk governance aspects of material technology initiatives and matters escalated due to significant risk considerations.

IC

Investment Committee

IC currently consists of four (4) members, three (3) of whom are Non-Executive Directors and one (1) Management member. The current Chairman of IC is Dato' Mustaffa bin Ahmad, an Independent Non-Executive Director. IC met five (5) times during the financial year under review with details of meeting attendance of each member as follows:-

Name	Attendance	Percentage (%)
Dato' Mustaffa bin Ahmad Chairman/Independent Non-Executive Director	5/5	100
Mohd Azman bin Sulaiman Independent Non-Executive Director	5/5	100
Nor Azman bin Zainal Group Chief Executive Officer	4/5	80
Datin Paduka Kartini binti Hj. Abdul Manaf Non-Independent Non-Executive Director *(Appointed as member on 1 September 2025)*	2/2#	100
Datuk Syed Hamadah bin Syed Othman Non-Independent Non-Executive Director *(Resigned as member on 7 May 2025)*	0/2	0

Number of meetings attended after the appointment date.

The main duties and responsibilities of IC are as follows:-

(i) To approve the investment strategies, investment risk appetite and assets allocation of all asset classes after having considered proposals and recommendation by Management and all aspects of regulatory requirements as stipulated in various policy documents and guidelines in respect of investment management, governance frameworks as well as risk management;

(ii) To approve investment risk management framework, e.g. investment authority/transaction limits is in place in identifying, monitoring, controlling and mitigating various risks arising from investment activities;

(iii) To monitor and review investment activities and investment performance of all asset classes under management; and

(iv) To evaluate, approve and negotiate terms and conditions, on selection and appointment of external fund managers, custodians, banks and other financial intermediaries.

LTIP

Long Term Incentive Plan Committee

Long Term Incentive Plan Committee ("LTIP") was re-established on 26 February 2024 following the Board's approval of the new LTIP Scheme that will run for an initial period of 3 years from 2024 to 2026.

The main functions and duties of LTIP are as follows:-

i. To oversee administration of LTIP in accordance with Plan Provisions and Administrative Guidelines approved by the Board;
ii. To report activities including how it has discharged the responsibilities to the Board and provide copies of the meeting minutes of LTIP to the Board;
iii. To undertake any such other duties/functions as may be requested by the Board from time to time pertaining to administration of LTIP;
iv. To determine all matters pertaining to termination of LTIP and any establishment of an incentive plan or compensation scheme in lieu thereof;
v. To determine the Group's performance measures and targets correlate with each award; and
vi. To review the award for all eligible employees before recommending to the Board for approval.

During the financial year under review, LTIP consisted of three (3) Independent Non-Executive Directors with Mohamad Salihuddin bin Ahmad as Chairman with the primary objective to implement and administer the new LTIP Scheme. Plan Provisions and Administrative Guidelines as guide for roll-out of the new Scheme and Terms of Reference of LTIP were approved by the Board at its 2/2024 and 5/2024 meetings held on 26 February 2024 and 27 May 2024, respectively. LTIP met one (1) time during the financial year under review with details of meeting attendance of each member as follows:-

Name	Attendance	Percentage (%)
Mohamad Salihuddin bin Ahmad Chairman/Independent Non-Executive Director	1/1	100
Mohd Azman bin Sulaiman Independent Non-Executive Director	1/1	100
Dato' Mustaffa bin Ahmad Independent Non-Executive Director	1/1	100

Effective from 26 February 2026, the Board approved the dissolution of LTIP with immediate effect, following which the role of LTIP is integrated into NRC and TOR of NRC has been revised, accordingly and approved by the Board on 26 March 2026.

GDC Group Digital Committee

GDC was established on 1 April 2025 with the primary objective to assist the Board in overseeing the implementation strategies of Information Technology and digitalization of the Company and its subsidiaries. GDC's establishment is to support the Board in meeting the expectations on technology risk and governance as set out by BNM and provide oversight and advisory input to Information Technology Steering Committee ("ITSC").

GDC shall comprise at least three (3) Non-Executive Directors, a majority of whom are Independent to be appointed by the Board of Takaful Malaysia Keluarga and includes representative from the Board of Syarikat Takaful Malaysia Am Berhad ("Takaful Malaysia Am"). Since its establishment, the following Board members of Takaful Malaysia Keluarga/ Takaful Malaysia Am have been appointed as GDC members. GDC met four (4) times during the financial year 2025 with details of meeting attendance of each member as follows:-

Name	Attendance	Percentage (%)
Azizah binti Ali Chairperson/Independent Non-Executive Director	4/4	100
Mohamad Salihuddin bin Ahmad Independent Non-Executive Director	4/4	100
Abdul Rahman bin Talib Independent Non-Executive Director, Takaful Malaysia Am	4/4	100

The main duties and responsibilities of GDC are as follows:-

(i) To review and recommend to the Board, strategies, policies and framework related to technology and digitalisation;
(ii) To review and recommend to the Board, IT blueprint inclusive of cybersecurity strategic plan in line with the IT strategies and in compliance with Bank Negara Malaysia ("BNM") guidelines;
(iii) To oversee the implementation of Technology Risk Management and Cyber Resilience Framework as per BNM requirement as well as ensure periodical review of these framework;
(iv) To establish technology risk appetite and its associated key performance indicators and undertake to monitor the associated technology risk;
(v) To review strategic proposals relating to IT and digitalisation initiatives of Takaful Malaysia Keluarga and Takaful Malaysia Am ("the Companies") before recommending to the Board; and
(vi) To monitor the implementation of IT and digitalisation initiatives undertaken to ensure it is in line with the Companies' strategies and policies.

All Board Committees have clear written Terms of Reference and the Board receives reports of their proceedings and deliberations periodically during the financial year under review. The Chairpersons of the respective Board Committees will report to the Board the outcome of their meetings and such reports are incorporated into minutes of the Board meeting.

SAB

Shariah Advisory Body

Pursuant to BNM's approval letter dated 28 February 2018, Takaful Malaysia established a single Shariah Advisory Body ("SAB") to serve both Takaful Malaysia Keluarga and Takaful Malaysia Am. While the Board is ultimately responsible for the overall Shariah governance implementation and Shariah compliance, SAB as an integral function of Shariah governance is entrusted with delegated authorities by the Board to provide Shariah advisory oversight and ensure compliance with the Group's business, operations and activities with Shariah principles. All matters which require SAB's opinion and decision are deliberated at SAB meetings with attendance of Management and representatives from Shariah Division. Thereafter, matters are brought to the attention of the Board for informed decision-making.

The appointment of SAB is made in accordance with the requirements stipulated under Shariah Governance Policy Document ("SGPD") issued by BNM. During the financial year under review, composition of the SAB comprised of five (5) members, of whom a majority, i.e. four (4) members, are Shariah-qualified, while one (1) member is from a non-Shariah background to complement the robust and vigorous deliberation of its meeting, in line with Paragraphs 13.2 and 13.3 of the BNM's SGPD. The SAB is under the chairmanship of Associate Professor Dr. Nik Abdul Rahim bin Nik Abdul Ghani.

The SAB met eight (8) times, including two (2) sessions of special meeting during the financial year under review. The record of meeting attendance of each member is as follows:-

Name	Attendance*	Percentage (%)
Associate Professor Dr. Nik Abdul Rahim bin Nik Abdul Ghani	8/8	100
Dr. Suhaimi bin Mohd Yusof	8/8	100
Professor Datin Dr. Rusni binti Hassan *(Appointed as member on 1 February 2025)*	8/8	100
Encik Eddy Azly bin Abidin *(Appointed as member on 1 April 2025)*	6/6#	100
Associate Professor Dr. Ahmad Zaki bin Salleh *(Appointed on 1 January 2026)*	N/A	N/A
Dr. Marhanum binti Che Mohd Salleh *(Ceased as member on 31 January 2025)*	N/A	N/A
Encik Megat Hizaini bin Hassan *(Ceased as member on 31 March 2025)*	2/2#	100
Dr. Shafaai bin Musa *(Ceased as member on 31 December 2025)*	7/8	87.5

\# *Reflect the number of meetings attended during the time members held office.*
N/A – Not applicable, as the first meeting was held after her tenure expired on 31 January 2025.

The duties and responsibilities of SAB are as prescribed under its Terms of Reference. Among the key roles and responsibilities of SAB are:-

(i) Providing a decision or advice to the Company on the application of any rulings of the Shariah Advisory Council ("SAC") of BNM or standards on Shariah matters that are applicable to the operations, business, affairs and activities of the Company;
(ii) Providing a decision or advice on matters which require a reference to be made to the SAC.
(iii) Providing a decision or advice on the operations, business, affairs and activities of the Company which may trigger a Shariah non-compliant event;
(iv) Deliberating and affirming a Shariah non-compliance finding by any relevant functions;
(v) Endorsing a rectification measure to address a Shariah non-compliant event; and
(vi) Being accountable for the quality, accuracy and soundness of decision and advice provided by SAB.

Whistleblowing Policy

Takaful Malaysia Keluarga and its group of companies and/or associated companies including foreign branches and subsidiaries (collectively "Takaful Malaysia") are committed to the highest standard of compliance with regard to disclosure, transparency, accountability and integrity, as well as those set by relevant legislations.

The objectives of this Whistleblowing Policy ("WB Policy") are as follows:-

- To provide an avenue for whistleblowers to raise concerns and define a way to handle any concerns of integrity and misconduct;
- To ensure the Board of Directors is kept informed about acts of Misconduct or improprieties.
- To reassure whistleblowers that they will be protected from punishment or unfair treatment for reporting concerns in good faith, as long as such reporting are in accordance with the procedures in this WB Policy; and
- To help develop a culture of openness, accountability and integrity within Takaful Malaysia.

WB Policy should be read together with the Company's Fraud Management Policy and Anti-Corruption Framework. This Policy and Fraud Management Policy collectively govern the reporting and investigation procedures of improper activities or misconducts.

The whistleblower can address concerns via any of the following whistleblower reporting channels:-

Email to Chairman of the Board or Chairman of AC if it is relating to any Directors or SAB members;

Email to Chairman of AC and Chief Internal Auditor via a designated email address of Takaful Malaysia namely WB-STM@takaful-malaysia.com.my for misconduct of any Chief Officers; and

Via e-form: https://www.takaful-malaysia.com.my/en/whistleblowing/ to Takaful Malaysia Keluarga's Chairman of AC and Chief Internal Auditor for misconduct of Senior Management or Employees up to General Manager's level or in writing to Chief Internal Auditor to the mailing address as follows:-

Chief Internal Auditor
10th Floor, Main Block, Menara Takaful Malaysia,
No. 4, Jalan Sultan Sulaiman, 50000 Kuala Lumpur.
P.O. Box 11483, 50746 Kuala Lumpur.

Note:
The report must be in a sealed envelope marked "Confidential".

Fraud Risk Management Policy

Fraud Risk Management Policy serves as a guidance in managing fraud incidences in Takaful Malaysia Keluarga. It is designed to meet the following objectives:-

1. Provide guidance and approach to managing fraud risks/handling fraud incidences;
2. Define roles and responsibilities of all stakeholders in managing fraud risks;
3. Provide the process for managing fraud risks; and
4. Provide the process for investigating and reporting fraud incidences.

Corporate Disclosure Policy

The Company is guided by the Listing Requirements regarding Corporate Disclosure Policy.

The Outsourcing Risk Management framework outlines the consideration when engaging and managing external parties for services outsourced by Takaful Malaysia Keluarga. It provides guidance on governance process for selecting outsourcing parties, defines the roles and responsibilities of different stakeholders, performance review and reporting.

Sustainability Policy

At Takaful Malaysia, sustainability is anchored in our Shariah principles and embedded within our governance, strategy and risk management practices. We integrate Environmental, Social and Governance ("ESG") considerations across our business operations, underwriting activities and investment decisions to support long-term value creation and responsible growth.

The Board plays a pivotal role, assuming full responsibility for overseeing and endorsing the overall ESG strategy initiatives and execution. This includes strategic direction, governance structure, priority setting, target establishment and integration of ESG principles across the Company. The Board is committed to promoting exemplary corporate governance in the adoption of sustainability practices. Sustainability matters are deliberated at Board and Board Committee levels to ensure appropriate governance, risk oversight and alignment with the Company's long-term objectives.

Takaful Malaysia continues to grow its business in a sustainable and environmentally friendly manner through conscious considerations of potential impacts on the stakeholders, communities and the environment by establishing Sustainability Risk Management ("SRM") Framework. The SRM Framework sets out Takaful Malaysia's approach to managing sustainability risk, encompassing governance, strategic considerations, risk management practices and supporting enablers for effective ESG implementation. This approach aligns the Company's products, services, business practices and investment strategies with sustainable principles to generate sustainable and lasting impact on the economy, community and environment.

Through this structured approach, we align our products, services, operational practices and investment strategies with sustainable principles, while maintaining prudent risk management and regulatory compliance. The framework enables clear accountability across Management and relevant committees, supports the identification of material ESG metrics and strengthens ongoing monitoring and reporting.

The Sustainability Statement is set out on pages 76 to 153 in this Integrated Annual Report.

Conflict of Interest Policy

The Group's Policy on Conflict of Interest ("COI Policy") for Directors and Executive Committee ("EXCO") was adopted by the Board on 23 November 2023 in response to the amendments of the Listing Requirement of Bursa Securities in relation to Conflict of Interest and other areas. The revision to the COI Policy was later approved by the Board on 23 September 2025.

To further strengthen the COI disclosure process, all Directors/EXCO are required to make an annual declaration of COI or potential COI via the Annual Declaration Form of Conflict of Interest by Director/EXCO. On 6 January 2026 and 15 January 2026, declaration forms were circulated to all Directors and EXCO, respectively, for their execution of which all declaration forms were duly executed and returned to Corporate Affairs Division. Report on Declaration of COI was tabled to AC and Board at their respective meetings held on 24 February 2026 and 26 March 2026 of which the same was duly noted. Report on Declaration of COI by SAB returned to Shariah Division was tabled to AC meeting held on 19 March 2026 and later noted at the Board meeting on 26 March 2026.

The primary objective of COI Policy is to establish and maintain a robust framework consisting of well-defined processes and procedures that are diligently adhered to within the Group. This COI Policy aims to effectively identify, address and manage a wide range of conflicts of interest or potential conflict of interest, including those that are actual, potential or perceived in nature.

Fit and Proper Policy

The Group maintains a dedicated Fit and Proper Policy for Directors, as approved at the Board on 11 May 2022, to ensure its members possess the necessary integrity, competence and commitment. As a financial institution, its policy is designed to comply with both Bursa Malaysia's Listing Requirements and Bank Negara Malaysia's Guidelines on Fit and Proper Criteria, to ensure integrity, competence and financial soundness. All Directors, prior to or upon appointment and reappointment/re-election and as required, undergo assessment covering probity, competence and financial integrity, alongside background checks.

The primary objective of Fit and Proper Policy is to ensure that Directors in Takaful Malaysia Keluarga and its subsidiary, Takaful Malaysia Am, including all other subsidiaries, have the appropriate qualities, competencies and experience that will allow them to carry out their roles and act with integrity, credibility and competency.

The policy mandates that the Board and NRC evaluate Directors based on three primary factors, namely:-

- Character and integrity: Assessing probity, personal integrity, reputation and financial integrity;
- Experience and competence: Evaluating qualifications, training and past performance to ensure the Directors can perform their duties effectively;
- Time and commitment: Ensuring the individual can devote sufficient time for the role.

The policy ensures that directors are competent to perform their duties and maintain high standards of ethical behaviour.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Supply of Information to the Board

The Board has full and timely access to information with Board papers distributed in advance of meetings, normally five (5) days prior to the meeting, to enable Directors to obtain further explanation, where necessary, in order to be properly briefed before meeting. The Board papers include minutes of the previous Board meeting, minutes of meetings of all Board Committees, minutes of SAB meetings and reports relevant to issues of the meetings covering areas such as strategy, financial, actuarial, risk management, investment, information technology, operational, human resource and regulatory compliance matters. GCEO keeps the Board informed, on timely basis, of all material matters affecting the Group's performance and major developments within the Group.

Senior Management are invited to attend Board meetings to present and brief the Board on matters/reports relating to their areas of responsibility as and when required.

A notification email on meeting dates including deadline for meeting materials to be submitted is sent out to Management a few weeks prior to the meeting date.

In order for Board meetings to be more effective, the Board meeting agenda is sequenced in a manner that prioritises approval papers. Time allocation is also determined for each agenda item in order for Board meetings to be conducted efficiently.

Deliberations and decisions at Board and Board Committee meetings are well documented in the minutes, including matters where Directors abstained from voting or deliberation. The Company Secretary will communicate to relevant members of Management the Board's decisions for appropriate actions to be taken. The Company Secretary will also follow up with Management on status of actions taken with reference to previous minutes of meetings for updating the Board. Action items would stay as matters arising in minutes of meetings until they are resolved.

Key decisions are always made in a Board meeting while Directors' Circular Resolutions are usually confined to administrative matters and are normally accompanied by Board papers in the prescribed format. All Directors' Circular Resolutions are tabled for confirmation/ratification at the subsequent Board meeting after issuance thereof.

The Board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures and advocate adoption of corporate governance best practices in line with Practice 1.5 of MCCG. The Company Secretary of Takaful Malaysia Keluarga is qualified to act pursuant to Section 235(2) of Companies Act, 2016.

All Directors have unrestricted access to timely and accurate information and access to the advice and services of the Company Secretary, who is responsible for ensuring that Board meetings' procedures are followed and that all applicable rules and regulations are complied with.

She is also responsible for advising Directors of their obligations and duties, disclosure of their interest in securities, disclosure of any COI in a transaction involving the Company, prohibition on dealing in securities and restrictions on disclosure of price-sensitive information in accordance with Paragraph 14.04 of the Listing Requirements. During the financial year under review, none of the Directors held shares in the Company.

Directors may seek independent professional advice in furtherance of their duties at the Company's expense.

The Board is also regularly updated from time to time by the Company Secretary and/or Management on updates to regulations and guidelines, as well as any amendments thereto issued by BNM, Bursa Securities, Securities Commission Malaysia, CCM and other relevant regulatory authorities.

Appointment to the Board

The appointment of new Board members is considered and evaluated by NRC in a formal and transparent process and NRC would recommend appointments to the Board for approval. In line with IFSA 2013 and BNM's requirements, appointment of Directors is subject to BNM's approval. The Company Secretary will ensure that all appointments are properly made, with all necessary information obtained, as well as all legal and regulatory requirements duly met.

The Board, with assistance of NRC, also considers the following criterion in selection process:-

Probity, personal integrity and reputation
The person must have key qualities such as integrity, diligence, independence of mind and fairness

Competence and capability
The person must have the necessary skills, knowledge, experience, ability and commitment to carry out the role

Financial integrity
The person must manage his/her debts or financial affairs prudently

NRC and the Board will also consider diversity in terms of, among others, skills, background, knowledge, industry experience, culture, independence of opinion and perspectives, ethnicity, age and gender when appointing new Directors.

Process flow for appointment of new Directors are as follows:-

Identification of candidate;	Evaluation of suitability of candidate;	Meeting with candidate;	Deliberation by NRC; and	Recommendation to the Board.

Thereafter, the application for appointment of such candidate would be submitted to BNM for approval.

In identifying candidates for appointment of Directors, NRC does not solely rely on recommendations from the existing Board members, Management or major shareholders. The Board also utilises independent sources such as FIDE FORUM, ICDM and Lead Women to identify suitably qualified candidates.

During the financial year, the Board reviewed a talent pool, a database of potential candidates collated from talent resourcing, the existing Board members, Management and major shareholders as a tool to facilitate new appointments and recruitments. NRC/Board will screen through the talent pool during selection process in identifying best suited candidate for a particular position. The Board entrusted NRC to compile a list of prospective candidates as potential Board members, recognising the need to succeed members of the Board. NRC compiled a list of names and profiles of potential candidates recommended by members of the Board as well as engaged FIDE Forum and ICDM to help expand the search. NRC then assessed and interviewed potential candidates before recommending a suitable candidate for a particular position to be considered by the Board. The Chairman and other Board members then interviewed the candidate before arriving at a final decision.

In compliance with BNM's Guidelines on Fit and Proper Criteria and Fit and Proper Policy and Procedures for Directors of the Group, all Directors and SAB members are required to make an annual declaration on 'Fit and Proper' criteria in addition to declaration prior to initial appointment and reappointment/re-election to ensure that each Director and SAB member fulfils the 'Fit and Proper' criteria.

Directors' Training

The Board is mindful of the need for continuous training to keep abreast of new developments and is encouraged to attend internal training programmes/forums/seminars and external programmes facilitated by external professionals in accordance with their respective needs in discharging their duties as Directors pertaining to the laws and regulations which may affect the Company. The Board will continue to evaluate and determine training needs of Directors to enhance their skills and knowledge. The Company Secretary keeps a complete record of the trainings received or attended by the Directors.

All Directors have attended Mandatory Accreditation Programme ("MAP") as required by Bursa Securities. As for MAP Part II: Leading for Impact (LIP), Dato' Charon Wardini bin Mokhzani will attend the session in due course.

Following the appointment of Azizah binti Ali as a Board member, onboarding session for her was conducted on 4 February 2025. Similarly, onboarding sessions were held for Dato' Charon Wardini bin Mokhzani and Datin Paduka Kartini binti Hj. Abdul Manaf on 16 June 2025 and 22 September 2025 respectively, following their appointments during the year under review. Senior Management presented the Company's business overview and operations at the onboarding sessions for the newly appointed Directors.

Takaful Malaysia Keluarga continues to provide BNM's Circulars, updated Listing Requirements and new regulations and guidelines from other relevant regulatory authorities to assist Directors in keeping abreast with latest developments.

Training programmes, conferences and seminars attended by Directors during the financial year under review are within the categories of Takaful/Insurance, Digital & Cybersecurity, Risk Management, Leadership, Finance, Sustainability, Governance & Compliance including Shariah related and Economics. Details of trainings, conferences and seminars attended by Directors can be found in the CG Report FY2025.

Re-election During AGM

The Company's Constitution provides the provisions on retirement and re-election of Directors under Rule 74 and Rule 83.

To assist shareholders in their decision on the relevant AGM resolutions, sufficient information, such as personal profile, meetings' attendance and shareholding in the Company of each Director standing for re-election are furnished in this Integrated Annual Report.

Evaluation by NRC and the Board on the proposed retirement and re-election of Directors encompass assessment of their performance and contribution, independence and decision-making, in line with the Group's Fit and Proper Policy.

The Independent Non-Executive Directors who are due to retire at the 41st AGM pursuant to Rule 74 of the Company's Constitution are Encik Mohamad Salihuddin bin Ahmad and Encik Mohd Azman bin Sulaiman. As reflected in the Notice of 41st AGM, Encik Mohd Azman bin Sulaiman has indicated that he is not seeking for re-election as Director and will retire at the conclusion of the AGM, while Encik Mohamad Salihuddin bin Ahmad has notified and submitted in writing to the Board of his intention to step down from the Board, effective 17 May 2026.

Besides them, Dato' Charon Wardini bin Mokhzani, an Independent Non-Executive Director, together with Datin Paduka Kartini binti Hj. Abdul Manaf, a Non-Independent Non-Executive Director, have offered themselves for re-election at the 41st AGM pursuant to Rule 83 of the Company's Constitution.

The Board reviewed the performance of Dato' Charon Wardini bin Mokhzani and Datin Paduka Kartini binti Hj. Abdul Manaf and is satisfied that both have met the criteria required for re-election pursuant to Rule 83 of the Company's Constitution, in accordance with the Fit and Proper Policy and Procedures for Directors of the Group.

DIRECTORS' REMUNERATION

Level and Make-up of Remuneration

NRC is responsible in recommending the remuneration framework for Directors as well as remuneration package of SAB members, GCEO and Senior Management to the Board in line with MCCG's recommendation under Practice 7.2 to ensure that Takaful Malaysia Keluarga attracts, motivates and retains the right Directors, SAB members, GCEO and Senior Management.

The remuneration package for GCEO is structured on the basis of linking rewards to financial and individual performance. Performance is measured against KPI as approved by the Board. It is the ultimate responsibility of the Board to approve the remuneration of GCEO. GCEO does not participate in any way in determining his own individual remuneration.

In the case of Non-Executive Directors and SAB members, the remuneration package is determined by the Board as a whole, based on experience, level of expertise and responsibilities undertaken by Non-Executive Directors and SAB members, in line with the Group's overall practice on compensation and benefits. Non-Executive Directors' fees and benefits are approved by shareholders at AGM.

Disclosure

The disclosure of each Director's remuneration, comprising the amount received from the Company and its subsidiaries, are as follows:-

	Group*/Company						
Name	**Fee (RM'000)**	**Allowance (RM'000)**	**Salary (RM'000)**	**Bonus (RM'000)**	**Benefits-in-kind (RM'000)**	**Other emoluments (RM'000)**	**Total (RM'000)**
Dato' Charon Wardini bin Mokhzani Chairman/Independent Non-Executive Director *(Appointed on 1 June 2025)*	112	63	-	-	8	40	223
Mohd Azman bin Sulaiman Independent Non-Executive Director	257	-	-	-	38	105	400
Dato' Mustaffa bin Ahmad Independent Non-Executive Director	351/257	-	-	-	48/24	107/103	506/384
Mohamad Salihuddin bin Ahmad Independent Non-Executive Director	247	-	-	-	22	105	374
Ch'ng Sok Heang Independent Non-Executive Director	228	-	-	-	21	90	339
Azizah binti Ali Independent Non-Executive Director *(Appointed on 1 February 2025)*	160	-	-	-	2	74	236
Datin Paduka Kartini binti Hj. Abdul Manaf Non-Independent Non-Executive Director *(Appointed on 1 September 2025)*	67	-	-	-	-	15	82
Datuk Syed Hamadah bin Syed Othman Non-Independent Non-Executive Director *(Ceased on 7 May 2025)*	61	-	-	-	-	12	73
Dato' Mohammed bin Hussein Chairman/Independent Non-Executive Director *(Ceased on 31 May 2025)*	187/160	13/13	-	-	7/0	31/30	238/203

* *Group includes Takaful Malaysia Keluarga's subsidiary companies in Indonesia*

Similar details are also provided in Note 24 of the Annual Audited Financial Statements of this Integrated Annual Report.

The total remuneration made on a named basis for the key senior management is set out as follows:-

	Company					
Name	**Salary (RM'000)**	**Allowance (RM'000)**	**Bonus (RM'000)**	**Benefits (RM'000)**	**Other emoluments (RM'000)**	**Total* (RM'000)**
Nor Azman bin Zainal Group Chief Executive Officer	1,440	150	1,100	94	737	3,521
Mohamed Sabri bin Ramli Chief Executive Officer, Takaful Malaysia Am	1,010	45	640	32	431	2,158
Leem Why Chong Deputy Chief Executive Officer	450	23	676	38	195	1,382
Firozdin bin Abdul Wahab Chief Bancatakaful Officer	600	43	400	28	264	1,335
New Kheng Chee Group Chief Financial Officer	780	36	780	-	385	1,981

* *All figures do not include Sales and Service Tax (SST)*

The remuneration components in respect of the Board and Senior Management are pursuant to Takaful Malaysia Keluarga's Remuneration Policy and Procedures for Directors and Senior Management accessible on the Company's website.

REMUNERATION POLICY STATEMENT

Takaful Malaysia Keluarga's Remuneration Policy ("Policy") serves to reflect the Group's objectives in promoting good corporate governance to sustain a long-term value creation for our shareholders. The Board approved the remuneration policy at the recommendation of NRC. Other entities within the Group may have remuneration policies that differ from the Group policy in order to meet the relevant local requirements and practices.

The Policy is designed to align the personal objectives of staff with the long-term interests of Takaful Malaysia Keluarga and the funds under management. Strategic measures are implemented in order to ensure they are aligned to the interests of the Group and its stakeholders. The policy and the general incentive structure are designed to meet the following objectives:-

- To be in line with the business strategy, objectives, values, long-term goals and interests of Takaful Malaysia Keluarga;
- To be aligned with the principle of protection of customers and investors as well as prevention of conflict of interests;
- To enable the Group to attract, develop and retain high-performing and motivated staff;
- To offer a competitive remuneration package which is aligned with the industry; and
- To encourage staff to continue to perform and create sustainable results and ensure that there is alignment of interest among the stakeholders, i.e. shareholders, customers and staff.

The Policy and general incentive structure is consistent with the Group's long-term strategy. It is also implemented to ensure transparency in respect of the Group's reward strategy where the staff will have clear and predetermined KPI that are set in accordance with the Group's overall strategy and applicable regulations. Correspondingly, transparency is justified through the Group's disclosure of remuneration and information on paid remuneration disclosed in the Group's Integrated Annual Report.

Philosophy or methodology imposed by Takaful Malaysia Keluarga to determine an employee's remuneration is guided as per the following:-

- Pay for performance with the notion that there is a direct link between employee's remuneration and individual or company's performance;
- Set the remuneration level to Takaful Malaysia Keluarga's comparative group by performing a market benchmarking exercise on an annual basis;
- Set a market benchmark of the remuneration against the standard approved by the Board; and
- Newly established LTIP granted to eligible employees based on performance matrix that will drive the growth of the business while simultaneously helping to retain the talent.

Takaful Malaysia Keluarga's performance management aligns the employees' actions and behaviours with the Company's strategies and goals which consists of the following:-

Key Result Area ("KRA") Key deliverables that create the greatest impact of the job and reflect the core responsibilities	**KPI** A specific measure of performance that is quantifiable/measurable	**Competencies** Key behaviours expected to be demonstrated towards achievement of targets or goals

The performance management process covers the following:-

- A business plan and strategy presentation by division heads to the Board on an annual basis for approval;
- Circulation of approved business plans and strategies to all employees;
- KRA and KPI of the employees to tie back to business plans and strategies; and
- Performance of employees to be reviewed during mid-year and a final assessment will be conducted at financial year end.

Remuneration and rewards are granted to an employee based on the achievement of KPI and subject to the Company's overall annual financial performance and guided by the following factors:-

- The Company's overall performance and affordability (Profit After Tax & Zakat);
- The performance of the distribution divisions;
- The employee's individual performance;
- Moderated performance rating distribution to align with the Company's performance;
- Benchmarking with the current market practice;
- The approved remuneration and reward matrix (governed by a specific business rule and requirement); and
- The approval matrix for remuneration is determined as per table below:

No	Item	Approving Authorities			Periodic Review
		Shareholder	Board	GCEO	
1	Remuneration for Board of Directors	√			Annually
2	Remuneration for SAB		√		Annually
3	Remuneration for GCEO		√		Annually
4	Remuneration for members of Senior Management & other Material Risk Takers		√		Annually
5	Staff Annual Salary Increment/Salary Adjustment/Promotion Budget		√		Annually
6	Staff Annual Performance Bonus Budget		√		Annually
7	Remuneration for clerical and non-clerical employees under the Collective Agreement (CA)			√	Annually
8	Remuneration for new hires (excluding General Managers and GCEO)			√	N/A

SHAREHOLDERS

▶ Dialogue between the Company and Investors

Takaful Malaysia Keluarga recognises the importance to keep shareholders well-informed of all major developments of Takaful Malaysia Keluarga on a timely basis. The Chairman and GCEO hold discussions with shareholders at least once a year during AGM. Additionally, various disclosures and announcements made to Bursa Securities including quarterly and annual results facilitate the dissemination of information to shareholders. All these announcements and other information about the Company is available in the Company's website, www.takaful-malaysia.com.my which shareholders, investors and public may access.

▶ AGM

AGM is the principal forum for dialogues with shareholders. General meetings are important platforms for Directors and Senior Management to engage with shareholders to facilitate greater understanding of the Company's business, governance and performance. Shareholders are able to participate and engage with the Board and Senior Management and make informed voting decisions at general meetings.

All Directors attended the Company's 40th AGM which was held at Dewan Ahmad Mohamed Ibrahim, 5th Floor, Annexe Block, Menara Takaful Malaysia, No. 4, Jalan Sultan Sulaiman, 50000 Kuala Lumpur on 21 May 2025. The AGM was held in accordance with the media release issued for public listed companies by Securities Commission Malaysia and Bursa Securities. Apart from Directors and Senior Management, the external auditors of the Company also attended the said AGM.

Besides the normal agenda for AGM, GCEO presented the progress and performance of the business as contained in this Integrated Annual Report and provides opportunities for shareholders to raise questions pertaining to business activities of the Group. Board members, Senior Management as well as the Company's external auditors attended the AGM to respond to shareholders' enquiries during AGM. GCEO also shared with shareholders, the Company's responses to questions submitted in advance of the AGM by the Minority Shareholders Watch Group ("MSWG").

During AGM, all members were invited to raise questions and seek clarifications on all proposals tabled. Members encouragingly raised questions on AGM's agenda which were appropriately answered and/or clarified by Board members and Senior Management to allow members to make informed decisions when casting their votes at the said AGM.

Notice of 40th AGM was dispatched to shareholders within 28 days prior to the meeting pursuant to Practice 13.1 of the MCCG to enable shareholders to make the necessary arrangement to attend and participate in person or through corporate representatives or proxies. It also enabled shareholders to read the Integrated Annual Report, consider the resolutions and make an informed decision in exercising their voting rights at the General Meeting. Takaful Malaysia Keluarga will continue to adopt Practice 13.1 of the MCCG. Notice of 41st AGM will also be dispatched at least 28 days prior to the meeting and will be published in a nationally circulated newspaper as required under the Listing Requirements of Bursa Securities and is made available on the Company's website. As for re-election of Directors, the Board will ensure that full information is disclosed through notice of meeting regarding Directors who are retiring and who are willing to serve if re-elected.

Each item of special business included in the notice of the meeting will be accompanied by an explanatory statement for the proposed resolution to facilitate full understanding and evaluation of issues involved.

In line with the Listing Requirements of Bursa Securities under Paragraph 8.29A(1), the Company has adopted poll voting for all resolutions set out in the notice of general meeting at 40th AGM of the Company held on 21 May 2025. Poll voting reflects more accurately and fairly shareholders' views by ensuring that every vote is recognised, in accordance with the principle of "one share one vote". Polling processes were explained during general meetings and was conducted through electronic voting. Poll Administrator and Independent Scrutineers were appointed to conduct the polling process and verify the results of the poll respectively. The poll results were also announced to Bursa Securities via Bursa LINK on the same day for the benefit of all shareholders. Minutes of AGM including the questions raised at the meeting and answers given were also published on the Company's website at www.takaful-malaysia.com.my, within 30 days of AGM which was on 17 June 2025 in line with Practice 13.6 of MCCG.

ACCOUNTABILITY AND AUDIT

▶ Financial Reporting

The Board ensures that the annual financial statements and quarterly announcements to shareholders are prepared in accordance with the approved accounting standards and present a balanced and understandable assessment of the Group's position and prospects. AC assists the Board in ensuring the accuracy and adequacy of information by reviewing and recommending for adoption information for disclosure.

Takaful Malaysia Keluarga adopted the integrated reporting for the financial year ended 31 December 2025 as recommended under Practice 12.2 of MCCG.

▶ Statement of Directors' Responsibilities in Relation to Financial Statements

Directors are required under the Companies Act 2016 and the Listing Requirements of Bursa Securities, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the income statement and cash flows for the Company and the Group for the financial year.

Directors consider that, in preparing the financial statements for the year ended 31 December 2025, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates. Directors have also considered that all applicable accounting standards have been followed and confirmed that the financial statements have been prepared on going concern basis.

Directors are responsible for ensuring that the Company maintains adequate accounting records which disclose with reasonable accuracy the financial position of the Company to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2016.

Directors generally have the duty to take such steps as are reasonably available to them to safeguard the assets of the Company and the Group and to prevent and detect fraud and other irregularities.

▶ Internal Control and Risk Management

The Board acknowledges their responsibility and is committed to maintaining a sound system of governance, internal control and risk management practice. However, such system can only provide reasonable but not absolute assurance against material misstatements or losses.

AC provides an independent oversight on the adequacy and effectiveness of the Group's internal control systems by reviewing the actions taken on lapses/deficiencies identified in reports provided by Group Internal Audit. AC also reviews Group Internal Audit's recommendation and Management's responses to these recommendations to ensure that they are working adequately and promptly.

The Group adopts an Enterprise Risk Management Framework which embraces the three (3) lines of defense model. BRC supports the Board and oversees management activities in managing the key risk areas of the Group and to ensure appropriate risk management processes and controls are in place and functioning effectively.

As required by Paragraph 15.23 of the Listing Requirements of Bursa Securities, the external auditors reviewed the Statement on Risk Management and Internal Control furnished on pages 202 to 206 in this Integrated Annual Report of the Group for the year ended 31 December 2025, pursuant to the scope set out in Recommended Practice Guide (RPG) 5 (Revised 2015), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control issued by the Malaysian Institute of Accountants. In their limited assurance review, they have reported to the Board that nothing has come to their attention that causes them to believe that the statement intended to be included in the Integrated Annual Report of the Group, in all material respects:-

a. Has not been prepared 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 Issuers; or
b. Is factually inaccurate.

RPG 5 (Revised 2015) does not require the external auditors to consider whether the Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion made by the Board 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 Integrated Annual Report will, in fact, remedy the problems.

▶ Relationships with Auditors

The role of AC is as stated on page 179 in this Integrated Annual Report. Through AC of the Board, the Company has established transparent and appropriate relationship with the Company's auditors, both internal and external.

▶ Internal Auditors

Internal auditors report functionally to AC and have unrestricted access to AC and all the Company's records. Its function is independent of activities or operations of other operating units. Internal Auditors periodically evaluate effectiveness of governance and risk management process, reviews operating effectiveness of internal controls system and compliance control within the Group. The Chief Internal Auditor is invited to attend AC's meetings to facilitate deliberation of audit reports. The minutes of AC meetings are tabled to the Board for information and serve as a reference especially when there are pertinent points should any of the Board members wish to highlight or seek clarification.

▶ External Auditors

AC and the Board place great emphasis on the objectivity and independence of the Company's auditors, Messrs. PricewaterhouseCoopers PLT, in providing relevant and transparent reports to the shareholders. AC undertakes an independent assessment on the external auditors annually.

To ensure comprehensive disclosure of matters, the Company's auditors are invited to attend AC meetings as and when necessary as well as during AGM. During the financial year under review, AC held two (2) private sessions with the auditors without the presence of Management to discuss among other things the scope and adequacy of the audit process and audit findings.

▶ Statement by the Board

The Board acknowledges the importance of striving to achieve high standards of Corporate Governance principles and practices, enabling improved oversight and risk mitigation, which contribute towards enhancing and sustaining shareholder value, business conduct as well as performance level across Takaful Malaysia Group.

The Board acknowledged that for the year ended 31 December 2025, the principles of good corporate governance pursuant to MCCG 2021 have been consistently applied, with explanation for departure from Practice 13.3 and Practice 13.5 provided below.

Practice 13.3 - Listed companies should leverage technology to facilitate–

- *voting including voting in absentia; and*
- *remote shareholders' participation at general meetings.*

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Summary Explanation on Practice 13.3:-

Takaful Malaysia Keluarga's 40th AGM held on 21 May 2025 was conducted on full physical mode only, compared to the virtual (online platform) mode for the Company's 39th AGM held on 23 May 2024, in line with the media release by Securities Commission Malaysia and Bursa Malaysia Berhad dated 30 August 2024 that all public listed companies on Bursa Malaysia must hold hybrid or physical general meetings from 1 March 2025. The Company opted for a full physical meeting mode in 2025 with a view to accommodating enhanced participation of and engagement with the Company's shareholders and/or proxy holders at its 40th AGM. Going forward, the Company may review and consider the necessity to leverage technology in order to facilitate remote shareholders' participation as well as physical attendance at future Takaful Malaysia Keluarga's general meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

Summary Explanation on Practice 13.5:-

The Company opted for a full physical meeting mode in 2025 with a view to accommodating enhanced participation of and engagement with the Company's shareholders and/or proxy holders at its 40th AGM. Going forward, the Company may review and consider the necessity to leverage technology in order to facilitate remote shareholders' participation as well as physical attendance at future Takaful Malaysia Keluarga's general meetings.

The Board has reviewed and approved this statement and is satisfied that the Company has considered all obligations under requirements of Bursa Securities Listing Requirements, Companies Act 2016, MCCG 2021 and other applicable regulations, throughout the financial year ended 31 December 2025. This statement is made in accordance with the resolution of the Board of Directors dated 26 March 2026.

AUDIT COMMITTEE'S REPORT

The Board of Directors of Syarikat Takaful Malaysia Keluarga Berhad ("Takaful Malaysia Keluarga" or "Company") is pleased to present Audit Committee's ("AC") Report for the financial year ended 31 December 2025.

The primary objective of AC is to provide an independent oversight on financial reporting process and internal control system and ensure checks and balances within the Company and its subsidiaries ("Takaful Malaysia" or "Group").

MEMBERSHIP AND MEETINGS

AC currently comprises three (3) members, all of whom are Independent Non-Executive Directors, in accordance with Practice 9.1 of Malaysian Code on Corporate Governance 2021 ("MCCG"). Details of members and meetings of AC held during the financial year ended 31 December 2025 are as follows:-

Name	No. of Meetings	
	Held	Attended (%)
Ch'ng Sok Heang Chairperson/Independent Non-Executive Director	6/6	100
Mohd Azman bin Sulaiman Independent Non-Executive Director	6/6	100
Dato' Mustaffa bin Ahmad Independent Non-Executive Director	6/6	100

AC's Chairperson, Ch'ng Sok Heang is a Chartered Accountant of Malaysian Institute of Accountants ("MIA") and Fellow of Chartered Institute of Management Accountants ("CIMA"), United Kingdom. Thus, Takaful Malaysia Keluarga complies with Paragraph 15.09(1)(c)(i) of Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") which stipulate that at least one (1) member of AC must be a member of MIA. Ch'ng Sok Heang is an Independent Non-Executive Director and she is not the Chairman of the Board in line with the requirements of Practice 1.4 of MCCG.

AC met six (6) times during the financial year. The meetings were held on 24 February 2025, 20 March 2025 (Special), 22 May 2025, 18 August 2025, 27 October 2025 and 20 November 2025. The meetings were appropriately structured and conducted via agenda which were distributed to members in accordance with AC's Terms of Reference ("TOR"). Group Chief Executive Officer ("GCEO"), Group Chief Financial Officer ("GCFO") and Chief Internal Auditor ("CIA") attended all meetings held during the financial year ended 31 December 2025. Representatives of external auditors were present during deliberations requiring their input and advice. AC held two (2) private sessions with the external auditors to discuss any matter without the presence of GCEO, Management and CIA on 20 March 2025 and 27 October 2025.

TERMS OF REFERENCE ("TOR")

TOR of AC are available on the Company's website at www.takaful-malaysia.com.my

A revision of the TOR of AC was duly approved by the Board of Directors on 25 February 2025.

DUTIES AND RESPONSIBILITIES OF AC

In fulfilling its primary objectives, AC shall undertake duties and responsibilities as stated in Paragraph 3.0 of TOR.

In carrying out its duties, AC reported and updated the Board on significant issues and concerns discussed during AC's meetings and where appropriate, made necessary recommendations to the Board. Minutes of each AC's meeting are duly noted by the Board.

Summary of the works carried out by AC for the financial year ended 31 December 2025 which was tabled to the Board is as follows:-

A SUMMARY OF WORK OF AC

- Reviewed, deliberated and recommended quarterly financial statements for fourth quarter of 2024 as well as first, second and third quarters of 2025.
- Deliberated Key Audit Matters, which relate to matters that, in the external auditors' professional judgement, were most significant to audit of financial statements. AC also received reports/updates from the external auditors. AC is therefore made aware of all materially relevant matters and issues that have concerned Management during the year.
- Reviewed and monitored with the external auditors, results and progress of audit for the financial year ended 31 December 2025.
- Reviewed Statement on Risk Management and Internal Control, Corporate Governance Overview Statement, AC's Report, Chairman's Statement, GCEO's Statement, GCFO's Statement and Sustainability Statement ('Our Approach to Sustainability') for inclusion into 2024 Integrated Annual Report.
- Discussed reappointment of external auditors for the financial year ending 31 December 2025 and assessed their suitability/independence for reappointment.
- Reviewed quarterly announcement to Bursa Malaysia prepared by Management for submission.
- Reviewed Sustainability Statement of Assurance for financial year ended 2024 for incorporation into 2024 Integrated Annual Report.
- Reviewed the external auditors' scope of work and audit plans for the financial year ended 31 December 2025. Prior to the audit, representatives from the external auditors presented their audit strategy and plan.
- Discussed and recommended audit and non-audit fees payable to the external auditors.
- Discussed with the external auditors any matters that warrant the Board and shareholders' attention without the presence of GCEO, Management and CIA during their meeting held on 20 March 2025 and 27 October 2025.
- Reviewed report for the financial year 2025 to ensure that they were prepared in compliance with the relevant regulatory requirements/guidelines.
- Reviewed and approved Internal Audit Plan for 2026 and status of 2025 Annual Audit Plan.
- Reviewed internal audit reports and special audit reports on Finance, Operations, Information Technology ("IT"), Compliance, Risk Management and Governance, System Disaster Recovery Testing, Anti Money Laundering & Counter Financing of Terrorism Activities, etc. which highlighted audit issues, recommendations and Management's response thereto. Discussed with Management on actions taken or to be taken to improve the system of internal control, risk management, and governance based on improvement opportunities identified in the internal audit reports.

AUDIT COMMITTEE'S REPORT

A SUMMARY OF WORK OF AC

- Reviewed follow-up reports by internal auditors on status of actions taken by Management on recommendations suggested in the audit reports.
- Discussed Bank Negara Malaysia ("BNM")'s Supervisory Letter and action plans thereto.
- Reviewed audited financial statements of the Company/ Group prior to submission to the Board for their consideration/approval. The review was to ensure that the audited financial statements were drawn up in accordance with provisions of Islamic Financial Services Act, 2013, Companies Act, 2016 and applicable approved financial reporting standards.
- Reviewed related party transactions within the Group.
- Reviewed Audited Financial Statement of Investment-Linked Funds.
- Reviewed Report on Declaration on Conflict of Interest by Directors and Executive Committee ("EXCO").

During the year under review, AC reviewed the declaration of interests by Directors and Senior Management/EXCO members and Shariah Advisory Body ("SAB") of the Company. There was no Conflict of Interest ("COI") or potential COI as defined under the Companies 2016, as declared by the Directors, Senior Management/EXCO members and SAB of the Company. The Company had also established monthly and annual declaration of interest process as one of the measures taken to resolve, eliminate or mitigate such COI or potential COI, as well as disclose them in the AC report.

- Reviewed the Group's implementation plan for National Sustainability Reporting Framework ("NSRF") towards full implementation for the financial year ending 31 December 2027. The review is to ensure that the requirements of the NSRF are adequately and reasonably implemented, with a view to obtaining limited assurance by a duly approved independent party for the financial year ending 31 December 2027, in line with expectations of the NSRF.

B SUMMARY OF WORK RELATED TO INTERNAL AUDIT FUNCTION OF THE COMPANY

Takaful Malaysia has an in-house Internal Audit Division ("IAD") function which is independent of the activities or operations of other operating units and reports directly to AC. IA processes and activities are governed by the relevant regulatory guidance as well as the Group's and Institute of Internal Auditors' (IIA) Code of Ethics and applicable standards established under the International Professional Practices Framework ("IPPF").

The principal role of IAD is to undertake independent regular and systematic reviews of systems of internal controls to provide reasonable assurance that such systems continue to operate satisfactorily and effectively. The internal audit practices a risk-based approach in its audit plan and examination.

As of 31 December 2025, there were 21 internal auditors covering the Group's activities i.e. including Takaful Malaysia Am and PT ATK Auditors. The independence and objectivity of IAD are disclosed in Practice 11.1 and 11.2 of the CG Report 2025. Continuous development and training initiatives are undertaken to enhance and align the internal auditors' competencies and knowledge with emerging risks and audit requirements.

The details of the Chief Internal Auditor, the person responsible for the internal audit, can be found on page 61 of the CG Report FY2025 under Practice 11.2.

It is the responsibility of IAD to provide AC with independent and objective reports on governance, risk management and state of internal control of various operating units within the Group and the extent of compliance of units with the Group's established policies and procedures as well as relevant statutory requirements.

B SUMMARY OF WORK RELATED TO INTERNAL AUDIT FUNCTION OF THE COMPANY

Summary of works of IAD during the financial year under review is as follows:-

- Executed independent assurance role by performing scheduled reviews on efficiency and effectiveness of control mechanisms to address risks and concerns in areas of operations, financial and IT on a risk-based audit approach as set out in the formalised Internal Audit Plan for FY2025.
- Provided reasonable assurance on extent of compliance with established policies and procedures as well as BNM's statutory requirements and other regulatory bodies.
- Recommended improvements to the Company/Group's business processes and enhancement to the existing system of risk management, governance and internal controls.
- Reviewed and assessed level of compliance of sustainability reporting in line with Bursa Malaysia's requirements for financial year ended 2024.
- Conducted periodic follow-up review on status of actions taken by Management on recommendations in internal audit reports and reported corresponding status to AC.
- Carried out special reviews and investigations with endorsement from AC's Chair.
- Conducted audit on system security, computer hardware, operating systems and application systems as well as IT network of Takaful Malaysia.
- Conducted Family Takaful and General Takaful operations audit such as Retail (Regular Contributions) Business and Operations, Motor Claims (Third Party Bodily Injury), Shariah Governance Practices for Retakaful and Co Takaful,Takaful MyCare Centres ("TMCC"), etc.
- Participated in tender/selection process and other committees in the capacity of observer.
- Conducted independent evaluation of adequacy/effectiveness of Business Continuity Management ("BCM") policy/ strategies/procedures and testing of Disaster Recovery Plan ("DRP").
- Recalibrated 2025 Internal Audit Strategic Plan, established 2026 Internal Audit Plan covering high-risk audit universe and reviewed Internal Audit's Charter/Standard Operating Procedures to align with latest changes in regulatory/industry best practices.
- Provide inputs relating to Internal Audit in AC's Report, Statement on Corporate Governance Overview Statement and Statement on Risk Management and Internal Control as part of disclosures in this Integrated Annual Report.

Reports from audit assignments are forwarded to Management for attention/necessary corrective actions, as recommended. Management is responsible for ensuring that corrective actions on reported weaknesses are taken within the required time frame. The costs incurred in maintaining the Internal Audit function which is performed in-house for the financial year under review was approximately RM4.8 million in 2025.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

This statement is made pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad with regard to Syarikat Takaful Malaysia Keluarga Berhad (“Takaful Malaysia Keluarga” or “Company”) and its subsidiary companies (“Takaful Malaysia” or “Group”)’s compliance with the Principles and Recommendations provisions relating to internal controls as stipulated in the Malaysian Code on Corporate Governance (“Code”).

BOARD OF DIRECTORS RESPONSIBILITY

The Board of Directors (“Board”) acknowledges its overall responsibility for the internal control environment and its effectiveness in safeguarding shareholders’ interests and the Group’s assets.

The system of internal control addresses the need for an effective and efficient business operations, sound financial reporting and control procedures, and compliance with relevant laws and regulations. The Board also recognises that review on the Group’s system of internal control is a concerted and continuing process, designed to manage and appropriately mitigate risk of failure in achieving the business objectives. Accordingly, the Group’s system of internal control provides reasonable assurance against material misstatement or loss. Group Chief Executive Officer (“GCEO”) and Group Chief Financial Officer (“GCFO”) had given assurance to the Board on adequacy and effectiveness of the Group’s Risk Management and Internal Control System.

Risk Management Framework

The Board acknowledges that the identification and management of risks plays an important and integral part in achieving the Group’s business objectives and optimal management of its daily operations.

In pursuing these objectives, the Board has put in place an Enterprise Risk Management Framework (“ERM Framework”) within the Group to enable systematic on-going process of identifying, evaluating, monitoring and managing significant risk exposures arising from its business operations, including Shariah-related risks. Risk identification is carried out through regular risk reporting by risk owners to the Risk Management Department. The risks identified are then evaluated by both parties and escalated to Senior Management and/or the Board, if necessary. The Group has established a risk management process whereby the roles and responsibility of the Board Risk Committee (“BRC”) is to provide an effective oversight of group-wide risks through periodical BRC meetings. The Chief Risk Officer (“CRO”) reports regularly to BRC on the risk exposures, emerging risks, escalation of key issues, and level of key risk indicators.

The Group regularly reviews the overall framework for managing risks, and where necessary, introduces enhancements or measures to improve the effectiveness of its risk management practices.

A Group Digital Committee ("GDC"), a Board level committee, has been established to provide oversight and advisory functions to matters relating to technology practices and risk management. GDC’s duties and responsibilities include establishment of the Group’s technology risk appetite, and the associated key performance indicators, as well as ongoing monitoring of technology-related risks. The GDC also reviews the progress of digital initiatives, evaluates technology risks, cyber resilience and strategic business alignment in compliance to BNM guidelines, with regular reporting from the Chief Technology Officer (“CTO”) and Chief Information Security Officer (“CISO”).

The Group has in place Operational Incident Management Policy which serves as guidance for reporting operational incidences within the Group. This Policy is aligned with Bank Negara Malaysia's ("BNM") Operational Risk Reporting Requirements.

The Group’s Risk Appetite Statement provides a decision-making framework for strategic and operational treatment of risk, to facilitate a risk-aligned strategic planning process. It is intended to help the Group in making forward-looking and well-informed strategic decisions to manage risks prudently and remain profitable to its shareholders. Risk assessments are carried out on project and business initiatives to ensure alignment to the risk appetite.

The Company has established the Business Continuity Management ("BCM") Framework, Crisis Management Plan ("CMP") and Disaster Recovery Plan (“DRP”) to manage disasters and/or major disruptions. Business Continuity Plan (“BCP”) is established at every business and operational units to facilitate effective response to business disruption and ensure the Company stays resilient to any form of disruptions in an organised manner and is able to respond in a timely manner. The BCP is tested for functionality on annual basis whilst the DRP is tested annually for all critical application systems to assure the Company’s readiness to resume and maintain its critical operations during disaster and/or disruptions.

The Outsourcing Risk Management Framework provides a robust governance framework for the effective management of outsourcing arrangements, including clear oversight, approval processes, and requirement for periodic review of arrangements. It ensures that outsourcing activities are conducted in a controlled manner and remain aligned with Company's operational needs, strategic objectives, and risk appetite.

The Third Party Risk Management Framework has been developed to facilitate more structured and consistent risk assessment and management of third-party service providers. This framework sets out the governance and control requirements to be adhered to during the course of onboarding, ongoing and termination of services.

The Company has appointed a Data Protection Officer ("DPO") to oversee the Company's data protection strategy and to ensure compliance with applicable data protection laws and regulations. DPO advises on data privacy obligations, monitors internal compliance, provides guidance on data protection impact assessments, managing personal data breach and security matters, and acts as the main liaison with the Personal Data Protection Commissioner.

The Internal Capital Adequacy Assessment Process ("ICAAP") policy is consistent with ICAAP Framework for Takaful Operators requirements issued by BNM, including the requirements on the Company's Individual Target Capital Level ("ITCL"). There are regular periodic reporting of Capital Adequacy Ratio ("CAR") and financial condition of the Company, as well as the Stress Testing results, to the Senior Management and/or the Board. Together with a sound internal risk management practice, these contribute towards a robust solvency capital management that is aligned with actual risk levels.

A Group Oversight Committee is established at Group management level to provide governance and risk oversight on its subsidiary in Indonesia, P.T. Asuransi Takaful Keluarga ("P.T. ATK"). CRO also sits in the Risk Committee of P.T. ATK, and regularly provides update to Takaful Malaysia Keluarga Board Risk Committee on issues of concern.

Internal Audit Function

The Internal Audit Division ("IAD") assists the Board and Audit Committee ("AC") in the discharge of their responsibilities. The internal audit function provides independent assurance on the efficiency and effectiveness of the governance, risk management and internal control processes implemented by management. An annual risk-based audit plan is developed by way of assessing the risk priorities, exposures, and business strategies of the Group, and these include assessments on Shariah related matters. IAD also investigates incidents of fraud, malpractices (i.e. investigation role as spelt out under the Whistle Blowing Policy/Fraud Policy and/or when requested by the AC) and makes necessary recommendation to the AC to impede recurrence. The implementation of management action plans to address the control lapses noted during the financial period is monitored through follow-up reviews.

The AC reviews and approves the Annual Audit Plan, reports and findings including the follow-ups of the issues. The AC also reviews the actions taken on internal control issues identified in reports prepared by external auditors and Regulatory Bodies during their meetings and considers the impact on the effectiveness and adequacy of the Group's internal control system. The Internal Audit Charter is also reviewed and endorsed by the AC, and subsequently approved by the Board.

The Company holds two (2) Indonesian subsidiaries, i.e. P.T. Asuransi Takaful Keluarga ("P.T. ATK") and P.T. Syarikat Takaful Indonesia ("P.T. STI").

P.T. ATK has its own internal audit department carrying out internal audit function and report to the Board of Commissioners ("BOC") of the company. The internal audit department of the Indonesian subsidiary submits audit reports to the AC and subsequently to the BOC, where Takaful Malaysia Keluarga is represented by Encik Nor Azman bin Zainal as the Chairman (Presiden Komisaris). All audit reports are reviewed by the BOC of P.T. ATK and any material issues shall be reported to Takaful Malaysia Keluarga's AC.

P.T. STI however is an investment holding company and does not have any operations conducted in Indonesia. Any governance related matters are discussed in its BOC meetings and material issues shall be reported to Takaful Malaysia Keluarga's AC.

Compliance Function

Compliance provides advisory support to senior management in managing group-wide compliance risks and provide guidance on regulatory and legislative matters. Regulators continue to focus on regulations pertaining to anti-money laundering, market misconduct, and anti-bribery and corruption.

Compliance responsibilities include supervision on regulatory and legislative requirements group-wide by working closely with the relevant business units in ensuring proper implementation; conduct independent assessments to evaluate the adequacy and effectiveness of control measures to mitigate the risk of non-compliance; and monitor remediation efforts on any observation findings with reporting obligation to internal and external stakeholders.

The Head of Compliance oversees a comprehensive company-wide compliance framework, aligned with regulatory guidance from BNM and other relevant regulators, and reports regularly to Management and the Board on compliance status, key issues and emerging regulatory developments.

The Compliance Framework defines the responsibilities and provides clear mandate to Compliance Department to manage compliance risks via the establishment of internal policies, procedures and framework. In ensuring effective oversight and implementation, the Compliance Department is supported by appointed Compliance Coordinators who assist and implement compliance programs at their respective departments.

KEY ELEMENTS OF INTERNAL CONTROL

The key elements of internal control that the Board has established include:

Organisational Structure

The Group has a clear set out of organisational structure with specific lines of responsibility and accountability, and defined delegation of authority for the Committees of the Board and Management.

Limit of Authorities

The limit of authorities was reviewed and updated in December 2025 for Takaful Malaysia Keluarga and Takaful Malaysia Am to ensure its relevance to day-to-day operations.

Standard Operating Procedures

Standard Operating Procedures to govern key business processes in functions such as finance, actuarial, human resources, claims, investments etc. are in place within the organisation.

Product Development Framework

Product development activities are conducted in accordance with BNM's requirements imposed on insurers and takaful operators, pertaining to introduction of new products to the market. Group has also in place a Product Development Framework to govern its end-to-end product development process, with emphasis placed on disclosures and market conduct rules, aimed at promoting transparency and fair treatment of customers. The Framework is periodically reviewed to ensure alignment with BNM's supervisory expectations and regulatory requirements.

Anti-Corruption Framework (the "ACF")

The ACF was formulated in accordance to the Malaysian Anti-Corruption Commission Act 2009 (the "MACC Act"), the Guidelines on Adequate Procedures pursuant to Section 17A of the MACC Act issued by the Prime Minister's Department and the relevant sections of the Malaysian Penal Code ("Act 574").

The ACF sets out Takaful Malaysia Keluarga and Takaful Malaysia Am policy statements and provides a set of standards for dealing with improper solicitation, bribery and other corrupt activities or issues that may arise in the course of doing business.

Takaful Malaysia has implemented robust policies, internal controls, and governance frameworks to prevent, detect, and respond to any acts of corruption or misconduct across its operations. Takaful Malaysia is fully committed to ensuring all MAAC Act's requirements are duly complied with and necessary actions immediately taken to address any gaps or concerns identified.

Furthermore, as an associate to Government-Linked Investment Companies ("GLICS") in Malaysia i.e. Lembaga Tabung Haji ("LTH"), Kumpulan Wang Persaraan (Incorporated) ("KWAP") and Kumpulan Wang Simpanan Pekerja ("KWSP"), Takaful Malaysia adheres to integrity and governance standards that are overseen by the Agency Integrity Management Division ("BPIA") of the Malaysian Anti-Corruption Commission ("MACC").

Whistle-blowing Policy (the "WB Policy")

The WB Policy was established in response to the Whistleblower Protection Act 2010 and the MACC Act. The objective of this WB Policy is to foster corporate values and a culture that promote ethical behaviour, as well as to ensure confidentiality and protection against retaliation to whistleblowers.

Under the WB Policy, all employees are obligated to report unethical behaviour or suspected violations of law or company policy arising from business activities and conducts within the Group. The WB policy outlines the available reporting channels and defines the roles and responsibilities of designated authorities in handling complaints or reports made by any party concerning specific individuals within the Company.

Fraud Management Policy

The Fraud Management Policy serves as a guidance for managing fraud risks within the Group. Its primary objective is to ensure a structured and cohesive approach in identifying, preventing, and responding to fraudulent activities. The policy provides clear guidance on how fraud risks should be managed, including preventive measures, detection mechanisms, and response strategies. It outlines the appropriate procedures for handling fraud incidents to minimize financial, operational, and reputational impacts.

The policy defines the roles and responsibilities of stakeholders involved in fraud risk management thereby ensuring clear accountability. It sets out the procedures for investigating and reporting fraud incidents, ensuring that all cases are handled with transparency, consistency, and diligently. The policy applies to all in the Group, including employees, third party service providers, intermediaries and business partners in the course of business, underlining our commitment to ethical conduct and integrity in all activities.

Anti-Money Laundering and Counter Financing of Terrorism Policy (the "AML/CFT Policy")

The AML/CFT Policy sets the obligations and guidance in complying with the requirements imposed under the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 ("AMLATFPUAA 2001") and any regulations and circulars pertaining to Anti-Money Laundering/Countering Financing of Terrorism/Countering Proliferation of Financing ("AML/CFT/CPF") requirements.

The AML/CFT Policy sets out requirements and guidance on the continuous obligations of the Company on consistent customer due diligence procedures, risk classification of customers, customer data, transaction and account monitoring, suspicious activity reporting and also training and awareness. The AML/CFT Policy advocates risk-based approach on the implementation of appropriate control measures to mitigate the identified Money Laundering/Terrorism Financing/Proliferation Financing ("ML/TF/PF") risk(s).

The Head of Compliance acts as the AML Compliance Officer and contact person for the law enforcement authorities in accordance to AMLATFPUAA 2001. Takaful Malaysia is fully committed to ensure all regulatory requirements are duly complied with and necessary actions immediately taken to address any gaps or concerns identified.

Personal Information and Record Management Framework (the "PIRMF")

Compliance has developed the PIRMF, which is aligned with the BNM Policy Document on Management of Customer Information and Permitted Disclosures, and Code of Practice on Personal Data Protection for the Insurance and Takaful Industry in Malaysia.

The PIRMF serves as a guide for managing personal information records throughout the information lifecycles from the collection through to disposal stages. It also sets out the obligations of relevant parties, and procedures in handling and safeguarding personal information records. In addition, the framework establishes escalation procedures in the event of a breach, unauthorised disclosure, or inappropriate use of personal information records.

Shariah Policy of Takaful Malaysia Keluarga and Shariah Policy of Takaful Malaysia Am

The Shariah Policy of Takaful Malaysia Keluarga and Takaful Malaysia Am (hereinafter referred to as "the Shariah Policy") sets out the expectations for effective Shariah governance structures, processes and arrangements of business. The Shariah Policy is established in alignment with BNM's Shariah Governance Policy Document, ensuring that operations, business, affairs and activities of both Takaful Malaysia Keluarga and Takaful Malaysia Am comply with Shariah principles, meet the regulatory requirements as well as provide guidance to the Board, Shariah Advisory Body ("SAB") and Senior Management in discharging their duties in Shariah-related matters.

The Shariah Policy outlines the responsibilities of the Board, SAB, Senior Management and Shariah Control functions for effective management of potential and Shariah non-compliance risks. Additionally, the Shariah Policy embeds the Shariah rulings on various matters, inter alia, Product Development, Product Marketing and Advertising, Underwriting/Acceptance of Risk, Investment, Event Management as well as Zakat Management and Distribution. The Shariah Policy also outlines the requirements pertaining to the application of *hajah* and *darurah*, specifying its Shariah requirements, governance and oversight as well as decision-making-process.

Asset and Liability Management Framework (the "ALM Framework")

The objective of the ALM Framework is to establish a framework for managing and monitoring the asset-liability risk to enable the Group to respond adequately to the relevant changes in new environment, to identify the opportunities and to avoid the threats, with a view to ensuring stable development and protection of interests of all stakeholders. Various investment limits are set in the Investment Policies to enhance investment controls after considering the Group's solvency position and its risk tolerance.

The Investment Policies are regularly reviewed to ensure it stays relevant and purposeful to achieve the investment objectives. Any updates or amendments, if necessary is subject to prior approval of the Investment Committee of Takaful Malaysia Keluarga or Board of Takaful Malaysia Am.

Takaful Operational Framework

The Group has established a framework to govern and document the operational models adopted. Among others, the framework covers policies on takaful fund segregation method used for the calculation of investment profit for participant investment fund, recognition of surplus/deficit and its allocation/distribution, deficit rectification mechanism including on *qard* repayment, management of income and allowable expenses.

Surplus Management and Distribution Policy (the "SMD Policy")

In managing the takaful funds, takaful operators are expected to manage the interest of various stakeholders without compromising prudence. This SMD Policy serves as a guide to the Group in managing the surplus position and distribution to participants and shareholders by providing key principles, considerations and practices to ensure prudent management and maintenance of strong and resilience fund solvency, while safeguarding the interests of participants and equitable treatment of participants.

The annual distribution of surplus must be endorsed by the SAB and approved by the Board, upon recommendation of the Appointed Actuary.

Business/Marketing Plan and Budget Process

The Group's annual business/ marketing plan and budget are submitted to the Board for approval.

Financial Reporting

Financial statements and performance reports are tabled to the Board for review and discussion. Financial budget and projections are tabled to the Board for approval. The public release of quarterly reports is made after they are reviewed by the AC and approved by the Board. On-going efforts are in place to address financial control issues or risks, which include strengthening of the financial closing and reconciliation process.

▶ Information Technology System

Information Technology ("IT") Committees

The IT Steering Committee ("ITSC") is established and chaired by the GCEO to provide leadership and direction in support of IT related activities. ITSC is responsible for authorising major IT expenditures within the approved limits, monitoring approved IT projects, formulating IT policies and IT strategic plans. In addition, ITSC will oversee the progress and development of business related IT projects during the financial period.

Data Governance Framework

Data Governance Framework provides a structured approach to comprehensively safeguard the quality, security and proper use of company's data. The framework also establishes clear ownership with specified roles and responsibilities of different parties to accommodate business needs whilst complying to regulatory and Malaysian Personal Data Protection Act ("PDPA") requirements on data privacy and protection.

Technology Risk Management Framework ("TRMF") and Cyber Resilience Framework ("CRF")

TRMF and CRF have been established pursuant to BNM Risk Management in Technology ("RMiT") requirements, both the frameworks emphasise a structured process to identify, assess and subsequently monitor and mitigate technology risks to an acceptable level. TRMF and CRF also provide guidance for managing cyber risks, and strengthening cyber resilience posture to face ever increasing and evolving cyber threats. The frameworks complement the existing security policies in managing system security controls and processes. During the year, the Company implemented Cloud Risk Management Framework which governs the requirement surrounding the use of cloud infrastructure and service.

These policies and frameworks are reviewed on a regular basis to ensure continued compliance with the latest regulatory requirements. These policies and frameworks serve as the Company's standards for securing information technology related system controls and operational processes, ensuring that any critical issues with potential material impact on the Company's risk profile are appropriately assessed and escalated to the relevant authorities in a timely manner.

CONCLUSION

Robust and continuous processes for identifying, evaluating and managing significant risks are in place within the Group. There were no significant control failures or weaknesses that have resulted in material loss that require disclosure in the Group's integrated annual report for the financial period under review.

Based on the above, the Board is of the view that the system of internal control and risk management is adequate and effective in safeguarding shareholders' investments and the Group's assets.

This statement is made in accordance with the Board of Directors resolution dated 26 March 2026.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

Syarikat Takaful Malaysia Keluarga Berhad ("Takaful Malaysia Keluarga"or "Company") issued RM500 million of Tier 2 Subordinated Sukuk for its working capital and corporate purposes

2. AUDIT AND NON-AUDIT FEES

Amount of audit/non-audit fees incurred for services rendered to the Company and its subsidiary (“Takaful Malaysia” or “Group”) by the Company’s external auditors during the financial year were as follows:-

Name	Audit Fees (RM’000)	Non-Audit Fees (RM’000)*
Company	1,035	711
Group	1,791	827

* *Non-audit fees were mainly in respect of the review of interim financial information for the period 31 August 2025, and sustainability advisory services.*

3. MATERIAL CONTRACTS INVOLVING DIRECTORS, CHIEF EXECUTIVE WHO IS NOT A DIRECTOR AND MAJOR SHAREHOLDERS

There were no material contracts entered into by the Group involving interests of Directors, Chief Executive who is not a Director and Major Shareholders, either still subsisting at the end of the financial year ended 31 December 2025 or entered into since the end of the previous financial year ended 31 December 2024 except for related parties transactions disclosed in Note 35 to the financial statements.

4. RECURRENT RELATED PARTY TRANSACTIONS

Nature of Transactions	Related Parties Transacted with	Related Parties, their interests and nature of relationships with Takaful Malaysia	Actual Transaction Value from 1 January 2025 to 31 December 2025 (RM’000)
Rental of office premises payable to Takaful Malaysia Keluarga by Bank Islam Malaysia Berhad (“BIMB”)	Lembaga Tabung Haji (“LTH”) and its Group of Subsidiaries	As at 10 March 2026, LTH has 48.87% shareholding in BIMB and 30.8% shareholding in Takaful Malaysia Keluarga. LTH is a major shareholder of both Takaful Malaysia Keluarga and BIMB. Therefore, rental of Takaful Malaysia Keluarga’s properties to BIMB is a related party transaction. Datin Paduka Kartini binti Hj. Abdul Manaf, a Director of Takaful Malaysia Keluarga is a nominee Director of LTH and deemed to have an indirect interest of 30.8% in Takaful Malaysia Keluarga.	3,006

Financial Statements

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company is principally engaged in managing family takaful business, whilst the principal activities of the subsidiaries are general takaful business, family takaful business and investment holding. There has been no significant change in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year attributable to:		
Owners of the Company	384,719	332,098
Non-controlling interests	1,409	-
	386,128	332,098

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year, except as disclosed in the financial statements.

DIVIDENDS

Since the end of the previous financial year, the Company:

i) Paid an interim single tier dividend of 17.00 sen per ordinary share, consists of an electable portion of 17.00 sen per ordinary share totaling RM142,341,968 in respect of the financial year ended 31 December 2024 on 21 January 2025; and
ii) Declared an interim single tier dividend of 18.50 sen per ordinary share totaling RM161,353,891 in respect of the financial year ended 31 December 2025 on 25 November 2025 which was paid on 15 January 2026.

No final dividend is recommended to be paid for the financial year by the Directors.

DIRECTORS OF THE COMPANY

The Directors in office during the financial year until the date of this report are:

Dato' Charon Wardini bin Mokhzani	(Appointed with effect from 1 June 2025)
Dato' Mohammed bin Hussein	(Resigned with effect from 31 May 2025)
Mohd Azman bin Sulaiman	
Dato' Mustaffa bin Ahmad	
Mohamad Salihuddin bin Ahmad	
Ch'ng Sok Heang	
Azizah binti Ali	
Datin Paduka Kartini binti Hj. Abdul Manaf	(Appointed with effect from 1 September 2025)
Datuk Syed Hamadah bin Syed Othman	(Resigned with effect from 7 May 2025)

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

LIST OF DIRECTORS OF SUBSIDIARIES

Pursuant to Section 253 of the Companies Act 2016 in Malaysia, the list of Directors of the subsidiaries during the financial year and up to the date of this report is as follows:

Syarikat Takaful Malaysia Am Berhad
Ismail bin Mahbob
Datin Dr. Nik Sarina binti Lugman Hashim
Abdul Rahman bin Talib
Nor Azman bin Zainal
Abdul Malek bin Mohamed Said (Appointed with effect from 1 June 2025)
Mohamad Abdul Halim bin Ahmad (Appointed with effect from 15 November 2025)
Dato' Che Pee bin Samsudin (Resigned with effect from 31 December 2025)

P.T. Syarikat Takaful Indonesia (Board of Commissioners)
Dato' Mustaffa bin Ahmad (Appointed as President Commissioner with effect from 29 September 2025)
Dato' Mohammed bin Hussein (Resigned as President Commissioner with effect from 31 May 2025)
Sharol Razi Ayoub

P.T. Asuransi Takaful Keluarga (Board of Commissioners)
Nor Azman bin Zainal (President Commissioner)
Dato' Mustaffa bin Ahmad
Tri Djoko Santoso
Imran Nahar (Resigned with effect from 31 July 2025)

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act, 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Company or its subsidiaries company during the financial year.

ISSUE OF SHARES AND DEBENTURES

Issuance of shares

During the financial year, the Company increased its issued and paid up share capital from 837,305,693 to 872,183,193 via issuance of 34,877,500 new ordinary shares arising from the Dividend Reinvestment Plan ("DRP") relating to the electable interim single tier dividend of 17.00 sen per ordinary share in respect of the financial year ended 31 December 2024 on 21 January 2025.

Issuance of sukuk

During the financial year, the Company had on 29 September 2025 issued RM500 million of Tier 2 Subordinated Sukuk under the RM1.0 billion Sukuk Wakalah Programme, based on the Shariah Principle of Wakalah Bi Al-Istithmar. The coupon rate for the inaugural issuance of RM500 million was 3.83% per annum.

LONG TERM INCENTIVE PLAN

The Board at their 9/2024 meeting held on 30 August 2024, approved the establishment of new Long Term Incentive Plan ("LTIP") Cash Award with intention to align the interests of key employees to the long-term success and sustainability of the Company. The key objectives are (i) retain the current Senior Management employees, who are directly involved in creating and driving the implementation of action plans aligned to the 3-year corporate goals and targets; (ii) attract external senior level talents to join the Company; and (iii) position the Company as one of the leading employers in the market.

The new LTIP is a 3-year performance plan, beginning from 1 January 2024. The Board approved LTIP award plan for an initial period of three (3) years and hence, there will be a total of three (3) awards for 2024, 2025 and 2026 respectively.

OPTIONS GRANTED OVER UNISSUED SHARES

Other than for DRP as disclosed in Note 29, no options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors amounted to RM3,899,000 (Group) and RM2,334,000 (Company) as disclosed in Note 24 to the financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation 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.

INDEMNITY AND TAKAFUL COVERAGE COSTS

A Director and Officer's liability takaful coverage has been entered into by the Company on behalf of all the Directors and officers of the Group and the Company for the financial year ended 31 December 2025 pursuant to Section 289 of the Companies Act 2016. The cost of takaful coverage effected for the Directors and officers of the Group and the Company amounted to RM82,630.

To the extent permitted by law, the Company has agreed to indemnify its auditors as part of the terms of its non-audit engagement against claims by third parties arising from the non-audit engagement. No payment has been made to indemnify the auditors during the financial year.

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

STATEMENT ON CORPORATE GOVERNANCE AND INTERNAL CONTROLS

(a) Board of Directors

The Board of Directors ("the Board") is ultimately responsible for the proper stewardship of the Group's and the Company's resources, the achievement of corporate objectives and good corporate citizenship and discharges this responsibility through compliance with the Islamic Financial Services Act 2013 and Bank Negara Malaysia's ("BNM") Guidelines on Corporate Governance and other directives, in addition to adopting other best practices on corporate governance.

The Board currently comprises seven Non-Executive Directors to enable a balanced and objective consideration of issues, hence facilitating optimal decision making. The Group Chief Executive Officer adds value to the decision-making process by providing a management and operational perspective to issues presented before the Board.

(b) Management accountability

The Group and the Company have an organisational structure showing all reporting lines as well as clearly documented job descriptions for all management and executive employees.

(c) Corporate independence

The Group and the Company have complied with BNM's Guidelines on Related Party Transactions for Takaful Operators (BNM/RH/GL 018-6). Necessary disclosures have been made to the Board and, when required, prior Board's approval has been obtained. All material related party transactions have been disclosed in Note 35 to the financial statements.

(d) Internal controls and operational risk management

The Board has overall oversight responsibility to ensure that the Group and the Company maintain an adequate system of internal controls, effective and efficient operations, and risk management, as well as procedures to ensure compliance with laws, regulations, internal guidelines and requirements to safeguard the assets of the Group and the Company and stakeholders' interests.

The Group and the Company established the Enterprise Risk Management Framework to ensure an ongoing process of identifying, evaluating, monitoring and managing the significant risk exposures surrounding its business strategies and operations.

All new Takaful products are governed by the Company's Product Development Framework.

Whistleblowing Policy, Fraud Management Policy, Compliance Framework, Personal Information Record Management Framework, Anti-Money Laundering, Counter Financing of Terrorism, Counter Proliferation Financing and Targeted Financial Sanctions Policy, Anti-Corruption Framework, Data Governance Framework, Technology Risk Management Framework, Cyber Resilience Framework and Shariah Governance Policy are in place to provide basic structure and further strengthen the existing control mechanism underlying the business activities.

Business Continuity Management is consistently practiced and tested twice a year, (Business Continuity Plan test is once a year and Disaster Restoration Plan test is twice a year) to safeguard the lives of the employees and others in the office premises and ensure the business is up and running at all times.

The Board, Board Risk Committee, Group Chief Executive Officer and Management Risk Committee are committed to fostering a healthy risk culture throughout the Group and the Company.

STATEMENT ON CORPORATE GOVERNANCE AND INTERNAL CONTROLS (CONTINUED)

(e) Public accountability

As custodian of public funds, the Group's and the Company's dealings with the public are always conducted fairly, honestly and professionally.

(f) Financial reporting

The Group and the Company have maintained proper accounting records and the Group's and the Company's financial statements are prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") issued by the Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards ("IFRS"), the requirements of the Companies Act 2016, the Islamic Financial Services Act 2013, Takaful Guidelines/ Circulars issued by BNM and Principles of Shariah.

(g) Remuneration policy

The Remuneration Policy serves to reflect the Group's and the Company's objectives in promoting good corporate governance to sustain a long-term value creation for our shareholders. The Board has approved the remuneration policy at the recommendation of the Nomination and Remuneration Committee.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps to ascertain that:

i) proper action had been taken in relation to the writing off of impaired debts and the making of impairment allowance and satisfied themselves that all known impaired debts had been written off and that adequate impaired allowance had been made for impaired debts;

ii) any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and the Company had been written down to an amount which the current assets might be expected so to realise; and

iii) In accordance with MFRS 17 "Insurance contracts", there was adequate provision for liability for remaining coverage and liability for incurred claims for the takaful business.

At the date of this report, the Directors are not aware of any circumstances:

i) that would render the amount written off for impaired debts or the amount of the allowance for impaired debts or provision of liability for remaining coverage and liability for incurred claims of the Group and of the Company inadequate to any substantial extent; or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading; or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

OTHER STATUTORY INFORMATION (CONTINUED)

At the date of this report, there does not exist:

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person; and

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

For the purpose of this paragraph, contingent and other liabilities do not include liabilities arising from certificates of takaful underwritten in the ordinary course of business of the Group and of the Company.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2025 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of the financial year and the date of this report.

RATINGS ACCORDED BY EXTERNAL RATING AGENCY

Rating agency	Rating date	Ratings
RAM Rating Services Berhad	19 January 2026	Long-term rating: AA2 Outlook: Stable

AUDITORS

The auditors' remuneration for the financial year is RM1,561,461 (Group) and RM1,035,453 (Company) as disclosed in Note 18 to the financial statements.

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146) have expressed their willingness to accept reappointment as auditors of STMKB and its Malaysian subsidiary.

This report was approved by the Board of Directors on 26 March 2026. Signed on behalf of the Board of Directors:

Dato' Charon Wardini bin Mokhzani

Ch'ng Sok Heang

Kuala Lumpur

Date: 26 March 2026

SHARIAH ADVISORY BODY'S REPORT

بِسْمِ اللهِ الرَّحْمَنِ الرَّحِيْمِ
الحَمْدُ لِلهِ رَبِّ العَالَمِيْنَ وَالصَّلَاةُ وَالسَّلَامُ عَلَى أَشْرَفِ الأَنْبِيَاءِ وَالمرْسَلِيْنَ سَيِّدِنَا
مُحَمَّدٍ وَعَلَى آلِهِ وَأَصْحَابِهِ أَجْمَعِيْنَ, أما بعد

We have reviewed the principles and the contracts relating to the products introduced by Syarikat Takaful Malaysia Keluarga Berhad ("STMKB") during the financial year ended 31 December 2025. We have also conducted our review to form an opinion as to whether STMKB has complied with the Shariah principles as well as with Shariah rulings issued by the Shariah Advisory Council ("SAC") of Bank Negara Malaysia ("BNM").

The management of STMKB is responsible for ensuring that the conduct of its business is in accordance with Shariah principles. It is our responsibility to form an independent opinion, based on our review of the operations of STMKB.

We have assessed the work carried out by Shariah review and Shariah audit which included examining, on a test basis, relevant transactions, documentation and procedures adopted by STMKB. We performed our review so as to obtain all the information and explanations which we considered necessary in order to provide us sufficient evidence to give reasonable assurance that there are no violations of the Shariah principles.

In our opinion:

1. the contracts and related documentation used by STMKB during the financial year ended 31 December 2025 that have been reviewed are in compliance with Shariah principles;

2. the distribution of profit from participant individual funds and surplus from participants risk funds conforms to the basis that had been approved by us in accordance with Shariah principles;

3. the calculation of zakat is in compliance with Shariah principles; and

4. no earning that has been realised from sources or by means prohibited by Shariah principles.

We, the members of the Shariah Advisory Body ("SAB"), do hereby confirm that the operations of STMKB for the financial year ended 31 December 2025 have been conducted in conformity with the Shariah principles. Nevertheless, it has come to our attention that material Shariah non-compliance ("SNC") events have occurred and have been rectified, as described below.

Three (3) SNC events were reported and confirmed. Two (2) was related to the inclusion of late payment charge (""LPC"") clauses in a services agreement that were inconsistent with Shariah principles and the Company's Shariah Policy while one (1) event involved the issuance of participants certificate under co-takaful and co-insurance arrangements did not meet earlier regulatory requirements on separate execution and documentation. Nonetheless, the reported SNC events resulted in no financial impact.

The responsible divisions had taken rectification measures in respect of the reported SNC events such as reviewing and amending the affected agreements to ensure compliance with Shariah principles and applicable regulatory requirements. As part of the mitigation action against occurance of similar events, the measures were taken by enhancing internal review and approval procedures, conducting broader review of related agreements and provided targeted training to relevant staff to enhance Shariah awareness and operational compliance. With respect to certificate issuance in co-takaful and co-insurance, the SAC of BNM, in its latest 252nd meeting held on 27 November 2025, allowed the issuance of single certificate, subject to the fulfilment of prescribed conditions. This allowance considers the general takaful industry's limited capacity to underwrite large and specialised risks. Notwithstanding this resolution, SAC reaffirmed its earlier decision made at the 47th decision and reiterated that, as a matter of principle, Takaful Operators and insurers should issue separate certificates for co-arrangements.

SHARIAH ADVISORY BODY'S REPORT

For the purpose of this report, "material Shariah non-compliance" shall refer to any Shariah non-compliance events that have an impact on the business of STMKB.

We bear witness only to what we know, and we could not well guard against the unseen!
(Surah Yusuf, Verse: 81)

Chairman of SAB : ______________________________
Dr. Nik Abdul Rahim bin Nik Abdul Ghani

Member of SAB : ______________________________
Dr. Suhaimi bin Mohd Yusof

Kuala Lumpur

Date: 26 March 2026

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

		Group					
		31.12.2025			31.12.2024		
	Note	Family Takaful RM'000	General Takaful RM'000	Group RM'000	Family Takaful RM'000	General Takaful RM'000	Group RM'000
ASSETS							
Property and equipment	3	**-**	**-**	**240,119**	-	-	236,340
Right-of-use assets	4	**-**	**-**	**51,026**	-	-	55,465
Investment properties	5	**259,730**	**11,010**	**40,762**	258,670	11,000	40,595
Intangible assets	6	**-**	**-**	**37,346**	-	-	27,492
Deferred tax assets	8	**-**	**600**	**272,482**	-	150	272,112
Investments	9	**8,750,258**	**1,046,887**	**11,272,649**	8,085,813	907,736	10,573,623
Takaful certificate assets	10	**929,339**	**23,943**	**968,046**	741,410	19,442	785,133
Retakaful certificate assets	10	**172,605**	**1,443,472**	**1,620,412**	367,254	1,183,954	1,553,657
Current tax assets		**-**	**-**	**8,678**	-	-	18,573
Financing and receivables	11	**1,044,389**	**482,438**	**2,388,289**	1,056,989	563,694	2,490,025
Cash and cash equivalents	12	**630,693**	**153,707**	**1,166,307**	418,238	66,980	649,501
TOTAL ASSETS		**11,787,014**	**3,162,057**	**18,066,116**	10,928,374	2,752,956	16,702,516
EQUITY AND LIABILITIES							
Share capital	13	**-**	**-**	**357,867**	-	-	241,376
Reserves	13	**-**	**-**	**1,902,998**	-	-	1,675,950
Total equity attributable to owners of the Company		**-**	**-**	**2,260,865**	**-**	-	1,917,326
Non-controlling interests		**-**	**-**	**32,564**	**-**	-	34,107
TOTAL EQUITY		**-**	**-**	**2,293,429**	**-**	-	1,951,433
LIABILITIES							
Takaful certificate liabilities	10	**11,636,956**	**3,018,995**	**14,640,567**	10,597,726	2,640,087	14,059,912
Retakaful certificate liabilities	10	**8,741**	**90,547**	**100,147**	206,006	87,346	294,151
Subordinated sukuk	14	**-**	**-**	**504,932**	-	-	-
Deferred tax liabilities	8	**11,265**	**-**	**11,265**	11,123	-	11,123
Lease liabilities		**-**	**-**	**936**	-	-	1,153
Other payables	15	**130,052**	**52,515**	**484,447**	113,519	25,023	380,702
Current tax liabilities		**-**	**-**	**30,393**	-	500	4,042
TOTAL LIABILITIES		**11,787,014**	**3,162,057**	**15,772,687**	10,928,374	2,752,956	14,751,083
TOTAL EQUITY AND LIABILITIES		**11,787,014**	**3,162,057**	**18,066,116**	10,928,374	2,752,956	16,702,516

The notes on pages 229 to 443 are an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

		Company			
		31.12.2025		31.12.2024	
	Note	Family Takaful RM'000	Company RM'000	Family Takaful RM'000	Company RM'000
ASSETS					
Property and equipment	3	**-**	**234,966**	-	231,367
Right-of-use assets	4	**-**	**14,639**	-	14,850
Investment properties	5	**259,730**	**38,119**	258,670	37,899
Intangible assets	6	**-**	**30,707**	-	24,479
Investments in subsidiaries	7	**-**	**136,393**	-	136,393
Deferred tax assets	8	**-**	**223,246**	-	228,788
Investments	9	**8,562,385**	**9,674,183**	7,885,755	8,997,850
Takaful certificate assets	10	**921,954**	**932,061**	736,202	755,253
Retakaful certificate assets	10	**119,887**	**119,870**	305,099	305,122
Financing and receivables	11	**1,040,493**	**1,652,498**	1,052,426	1,696,862
Cash and cash equivalents	12	**541,636**	**863,328**	320,840	446,943
TOTAL ASSETS		**11,446,085**	**13,920,010**	10,558,992	12,875,806
EQUITY AND LIABILITIES					
Share capital	13	**-**	**357,867**	-	241,376
Reserves	13	**-**	**1,364,412**	-	1,185,685
Total equity attributable to owners of the Company		**-**	**1,722,279**	-	1,427,061
LIABILITIES					
Takaful certificate liabilities	10	**11,300,988**	**11,212,656**	10,232,720	10,899,821
Retakaful certificate liabilities	10	**4,247**	**4,247**	201,903	201,903
Subordinated sukuk	14	**-**	**504,932**	-	-
Deferred tax liabilities	8	**11,265**	**11,265**	11,123	11,123
Lease liabilities		**-**	**420**	-	757
Other payables	15	**129,585**	**433,866**	113,246	331,598
Current tax liabilities		**-**	**30,345**	-	3,543
TOTAL LIABILITIES		**11,446,085**	**12,197,731**	10,558,992	11,448,745
TOTAL EQUITY AND LIABILITIES		**11,446,085**	**13,920,010**	10,558,992	12,875,806

The notes on pages 229 to 443 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

		Group					
		2025			2024		
	Note	Family Takaful RM'000	General Takaful RM'000	Group RM'000	Family Takaful RM'000	General Takaful RM'000	Group RM'000
Takaful revenue	16	**2,228,534**	**1,443,774**	**3,804,713**	1,985,962	1,463,958	3,575,751
Takaful service expenses	17	**(2,441,211)**	**(1,428,210)**	**(3,478,045)**	(2,234,667)	(1,468,960)	(3,298,842)
Takaful service result before retakaful certificates held		**(212,677)**	**15,564**	**326,668**	(248,705)	(5,002)	276,909
Allocation of retakaful contribution	19	**(233,776)**	**(462,680)**	**(707,003)**	(235,089)	(537,124)	(795,954)
Amounts recoverable from retakaful operators for incurred claims	19	**234,312**	**421,460**	**655,772**	234,976	501,899	736,875
Net income/ (expense) from retakaful certificates held		**536**	**(41,220)**	**(51,231)**	(113)	(35,225)	(59,079)
Takaful service result		**(212,141)**	**(25,656)**	**275,437**	(248,818)	(40,227)	217,830
Investment income on financial assets not measured at fair value through profit or loss ("FVTPL")	20	**381,251**	**65,207**	**546,413**	357,678	58,997	512,314
Investment income - others	20	**37,601**	**411**	**40,678**	36,069	29	41,788
Net realised gains and losses	20	**34,957**	**2,638**	**61,934**	865	(1,358)	3,719
Net fair value losses and gains	20	**(43,931)**	**93**	**(46,998)**	44,592	92	43,432
Net impairment losses and gains on financial instruments	20	**(6,074)**	**(254)**	**(5,413)**	3,399	166	3,482
Net investment income		**403,804**	**68,095**	**596,614**	442,603	57,926	604,735
Takaful finance expenses from takaful certificates issued	20	**(167,348)**	**(69,673)**	**(285,012)**	(169,194)	(61,444)	(276,153)
Retakaful finance (expenses)/ income from retakaful certificates held	20	**(536)**	**41,220**	**40,702**	113	35,225	35,423
Net takaful financial expenses		**(167,884)**	**(28,453)**	**(244,310)**	(169,081)	(26,219)	(240,730)
Other operating income	21	**1,011**	**582**	**2,770**	1,145	310	2,353
Other operating expenses	22	**(1,693)**	**(192)**	**(9,926)**	(1,974)	(135)	(9,294)
Finance cost	25	**-**	**-**	**(4,932)**	-	-	-
Profit/ (deficit) before zakat and taxation		**23,097**	**14,376**	**615,653**	23,875	(8,345)	574,894
Tax (expense)/ credit	26	**(23,097)**	**(14,376)**	**(213,442)**	(23,875)	8,345	(183,731)
Zakat		**-**	**-**	**(16,083)**	-	-	(13,097)
Profit for the financial year		**-**	**-**	**386,128**	-	-	378,066

The notes on pages 229 to 443 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

		Group					
		2025			2024		
	Note	Family Takaful RM'000	General Takaful RM'000	Group RM'000	Family Takaful RM'000	General Takaful RM'000	Group RM'000
Profit for the financial year		**-**	**-**	**386,128**	-	-	378,066
Other comprehensive income, net of tax							
Items that will not be reclassified subsequently to profit or loss							
Remeasurement of defined benefit liability	27	**-**	**-**	**(12)**	-	-	30
Revaluation of property and equipment	27	**-**	**-**	**2,529**	-	-	6,735
Other comprehensive income attributable to participants		**-**	**-**	**(4,079)**	-	-	(5,474)
		-	**-**	**(1,562)**	-	-	1,291
Items that may be reclassified subsequently to profit or loss							
Debt investments at fair value through other comprehensive income ("FVOCI")		**58,139**	**639**	**60,083**	34,193	(996)	35,379
- net change in fair value	27	**93,096**	**3,277**	**116,176**	35,058	(2,354)	38,080
- reclassified to profit or loss	27	**(34,957)**	**(2,638)**	**(56,093)**	(865)	1,358	(2,701)
Foreign currency translation differences for foreign operations		**-**	**-**	**(7,218)**	-	-	(4,210)
Takaful finance expenses from takaful certificates issued	20	**27,193**	**4,674**	**40,090**	1,097	3,461	6,808
Retakaful finance income from retakaful certificates held	20	**(98)**	**(2,942)**	**(3,057)**	-	(1,979)	(1,979)
Other comprehensive income attributable to participants		**(85,234)**	**(2,371)**	**(87,605)**	(35,290)	(486)	(35,776)
		-	**-**	**2,293**	-	-	222
Other comprehensive income for the financial year	27	**-**	**-**	**731**	-	-	1,513
Total comprehensive income for the financial year		**-**	**-**	**386,859**	-	-	379,579
Profit/ (deficit) for the financial year attributable to:							
Owners of the Company		**-**	**-**	**384,719**	-	-	378,149
Non-controlling interests		**-**	**-**	**1,409**	-	-	(83)
		-	**-**	**386,128**	-	-	378,066
Total comprehensive income/ (loss) for the financial year attributable to:							
Owners of the Company		**-**	**-**	**388,402**	-	-	380,647
Non-controlling interests		**-**	**-**	**(1,543)**	-	-	(1,068)
		-	**-**	**386,859**	-	-	379,579
Basic earnings per ordinary share (sen)	28			**44.16**			45.16
Diluted earnings per ordinary share (sen)	28			**43.98**			45.16

The notes on pages 229 to 443 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

		Company			
		2025		**2024**	
	Note	**Family Takaful RM'000**	**Group RM'000**	**Family Takaful RM'000**	**Group RM'000**
Takaful revenue	16	**2,162,994**	**2,298,939**	1,958,421	2,083,304
Takaful service expenses	17	**(2,354,511)**	**(2,109,577)**	(2,194,363)	(1,960,848)
Takaful service result before retakaful certificates held		**(191,517)**	**189,362**	(235,942)	122,456
Allocation of retakaful contribution	19	**(214,853)**	**(217,256)**	(220,628)	(234,529)
Amounts recoverable from retakaful operators for incurred claims	19	**215,389**	**215,389**	220,515	220,515
Net income/ (expense) from retakaful certificates held		**536**	**(1,867)**	(113)	(14,014)
Takaful service result		**(190,981)**	**187,495**	(236,055)	108,442
Investment income on financial assets not measured at FVTPL	20	**376,871**	**447,421**	353,013	420,134
Investment income - others	20	**27,601**	**29,242**	23,894	26,312
Net realised gains	20	**34,957**	**56,908**	865	3,513
Net fair value losses and gains	20	**(51,271)**	**(55,954)**	47,921	46,269
Net impairment losses and gains on financial instruments	20	**(6,074)**	**(5,146)**	3,399	3,315
Net investment income		**382,084**	**472,471**	429,092	499,543
Takaful finance expenses from takaful certificates issued	20	**(167,348)**	**(208,364)**	(169,194)	(207,620)
Retakaful finance (expense)/ income from retakaful certificates held	20	**(536)**	**(525)**	113	188
Net takaful financial expenses		**(167,884)**	**(208,889)**	(169,081)	(207,432)
Other operating income	21	**-**	**62,859**	-	33,394
Other operating expenses	22	**(122)**	**(5,004)**	(81)	(4,362)
Finance cost	25	**-**	**(4,932)**	-	-
Profit before zakat and taxation		**23,097**	**504,000**	23,875	429,585
Tax expense	26	**(23,097)**	**(159,406)**	(23,875)	(140,240)
Zakat		**-**	**(12,496)**	-	(10,417)
Profit for the financial year		**-**	**332,098**	-	278,928

The notes on pages 229 to 443 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

		Company			
		2025		2024	
	Note	Family Takaful RM'000	Group RM'000	Family Takaful RM'000	Group RM'000
Profit for the financial year		**-**	**332,098**	-	278,928
Other comprehensive income, net of tax					
Items that will not be reclassified subsequently to profit or loss					
Revaluation of property and equipment	27	**-**	**3,527**	-	4,952
Other comprehensive income attributable to participants		**-**	**(3,517)**	-	(4,942)
		-	**10**	-	10
Items that may be reclassified subsequently to profit or loss					
Debt investments measured at FVOCI		**58,139**	**57,411**	34,193	37,151
- net change in fair value	27	**93,096**	**109,051**	35,058	40,028
- reclassified to profit or loss	27	**(34,957)**	**(51,640)**	(865)	(2,877)
Takaful finance expenses from takaful certificates issued	20	**27,193**	**35,911**	1,097	3,539
Retakaful finance income from retakaful certificates held	20	**(98)**	**(115)**	-	-
Other comprehensive income attributable to participants		**(85,234)**	**(85,234)**	(35,290)	(35,290)
		-	**7,973**	-	5,400
Other comprehensive income for the financial year	27	**-**	**7,983**	-	5,410
Total comprehensive income for the financial year		**-**	**340,081**	-	284,338
Profit for the financial year attributable to:					
Owners of the Company		**-**	**332,098**	-	278,928
Total comprehensive income for the financial year attributable to:					
Owners of the Company		**-**	**340,081**	-	284,338

The notes on pages 229 to 443 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

		Attributable to owners of the Company								
		Non - distributable				Distributable				
Group	Note	Share capital RM'000	Translation reserve RM'000	Revaluation reserve RM'000	Fair value reserve RM'000	Takaful/ retakaful finance reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
As at 1 January 2024		241,376	(5,340)	20,557	11,328	268	1,410,832	1,679,021	35,175	1,714,196
Remeasurement of defined benefit liability		-	-	-	-	-	-	-	30	30
Revaluation of property and equipment		-	-	691	-	-	-	691	570	1,261
Fair value of debt investments measured at FVOCI		-	-	-	2,182	-	-	2,182	-	2,182
Foreign currency translation differences for foreign operations		-	(2,625)	-	-	-	-	(2,625)	(1,585)	(4,210)
Net takaful finance expenses from takaful certificates issued		-	-	-	-	2,250	-	2,250	-	2,250
Other comprehensive (loss)/ income for the financial year	27	-	(2,625)	691	2,182	2,250	-	2,498	(985)	1,513
Profit/ (deficit) for the financial year		-	-	-	-	-	378,149	378,149	(83)	378,066
Total comprehensive (loss)/ income for the financial year		-	(2,625)	691	2,182	2,250	378,149	380,647	(1,068)	379,579
Contributions by and distributions to owners of the Group										
– Dividends to owners of the Group	29	-	-	-	-	-	(142,342)	(142,342)	-	(142,342)
Total transactions with owners of the Group		-	-	-	-	-	(142,342)	(142,342)	-	(142,342)
As at 31 December 2024		241,376	(7,965)	21,248	13,510	2,518	1,646,639	1,917,326	34,107	1,951,433

The notes on pages 229 to 443 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

		Attributable to owners of the Company								
		Non - distributable				Distributable				
Group	Note	Share capital RM'000	Translation reserve RM'000	Revaluation reserve RM'000	Fair value reserve RM'000	Takaful/ retakaful finance reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
As at 1 January 2025		241,376	(7,965)	21,248	13,510	2,518	1,646,639	1,917,326	34,107	1,951,433
Remeasurement of defined benefit liability		-	-	-	-	-	-	-	(12)	(12)
Revaluation of property and equipment		-	-	(1,157)	-	-	-	(1,157)	(393)	(1,550)
Fair value of debt investments measured at FVOCI		-	-	-	1,305	-	-	1,305	-	1,305
Foreign currency translation differences for foreign operations		-	(4,671)	-	-	-	-	(4,671)	(2,547)	(7,218)
Net takaful finance expenses from takaful certificates issued		-	-	-	-	8,223	-	8,223	-	8,223
Net retakaful finance income from retakaful certificates held		-	-	-	-	(17)	-	(17)	-	(17)
Other comprehensive (loss)/ income for the financial year	27	-	(4,671)	(1,157)	1,305	8,206	-	3,683	(2,952)	731
Profit for the financial year		-	-	-	-	-	384,719	384,719	1,409	386,128
Total comprehensive (loss)/ income for the financial year		-	(4,671)	(1,157)	1,305	8,206	384,719	388,402	(1,543)	386,859
Contributions by and distributions to owners of the Group										
- Issue of shares pursuant to DRP		116,491	-	-	-	-	-	116,491	-	116,491
- Dividends to owners of the Group	29	-	-	-	-	-	(161,354)	(161,354)	-	(161,354)
Total transactions with owners of the Group		116,491	-	-	-	-	(161,354)	(44,863)	-	(44,863)
As at 31 December 2025		357,867	(12,636)	20,091	14,815	10,724	1,870,004	2,260,865	32,564	2,293,429

The notes on pages 229 to 443 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

		Attributable to owners of the Company					
		Non - distributable				Distributable	
Company	Note	**Share capital RM'000**	**Revaluation reserve RM'000**	**Fair value reserve RM'000**	**Takaful/ retakaful finance reserve RM'000**	**Retained earnings RM'000**	**Total equity RM'000**
As at 1 January 2024		241,376	3,114	7,390	40	1,033,145	1,285,065
Revaluation of property and equipment		-	10	-	-	-	10
Fair value of debt investments measured at FVOCI		-	-	2,958	-	-	2,958
Net takaful finance expenses from takaful certificates issued		-	-	-	2,442	-	2,442
Other comprehensive income for the financial year	27	-	10	2,958	2,442	-	5,410
Profit for the financial year		-	-	-	-	278,928	278,928
Total comprehensive income for the financial year		-	10	2,958	2,442	278,928	284,338
Contributions by and distributions to owners of the Company							
- Dividends to owners of the Company	29	-	-	-	-	(142,342)	(142,342)
Total transactions with owners of the Company		-	-	-	-	(142,342)	(142,342)
As at 31 December 2024/ 1 January 2025		**241,376**	**3,124**	**10,348**	**2,482**	**1,169,731**	**1,427,061**
Revaluation of property and equipment		**-**	**10**	**-**	**-**	**-**	**10**
Fair value of debt investments measured at FVOCI		**-**	**-**	**(728)**	**-**	**-**	**(728)**
Net takaful finance expenses from takaful certificates issued		**-**	**-**	**-**	**8,718**	**-**	**8,718**
Net takaful finance income from retakaful certificates held		**-**	**-**	**-**	**(17)**	**-**	**(17)**
Other comprehensive income/ (loss) for the financial year	27	**-**	**10**	**(728)**	**8,701**	**-**	**7,983**
Profit for the financial year		**-**	**-**	**-**	**-**	**332,098**	**332,098**
Total comprehensive income/ (loss) for the financial year		**-**	**10**	**(728)**	**8,701**	**332,098**	**340,081**
Contributions by and distributions to owners of the Company							
- Issue of shares pursuant to DRP		**116,491**	**-**	**-**	**-**	**-**	**116,491**
- Dividends to owners of the Company	29	**-**	**-**	**-**	**-**	**(161,354)**	**(161,354)**
Total transactions with owners of the Company		**116,491**	**-**	**-**	**-**	**(161,354)**	**(44,863)**
As at 31 December 2025		**357,867**	**3,134**	**9,620**	**11,183**	**1,340,475**	**1,722,279**

The notes on pages 229 to 443 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Cash flows from operating activities					
Profit before zakat and taxation		**615,653**	574,894	**504,000**	429,585
Adjustments for:					
Depreciation of property and equipment	3	**6,824**	7,875	**5,940**	6,688
Depreciation of right-of-use assets	4	**3,404**	3,328	**864**	856
Amortisation of intangible assets	6	**7,811**	5,197	**6,744**	4,506
Fair value losses/ (gains) on FVTPL financial assets	9	**57,036**	(53,843)	**67,764**	(56,556)
Profit income from Malaysian Government Islamic papers	20	**(47,541)**	(38,714)	**(42,181)**	(33,949)
Profit income from other investments and financial assets	20	**(528,389)**	(503,469)	**(422,793)**	(401,742)
Amortisation of premiums, net of accretion of discounts	20	**13,029**	10,380	**11,251**	9,086
Dividend income from equity securities and unit trusts	20	**(17,529)**	(16,429)	**(16,215)**	(13,886)
Gains from disposal of debt securities measured at FVOCI	20	**(61,934)**	(3,719)	**(56,908)**	(3,513)
Fair value losses of investment properties	20	**88**	9,024	**35**	9,388
Impairment losses/ (reversal of) on financial instruments		**5,413**	(3,482)	**5,146**	(3,315)
Losses on disposal of property and equipment		**523**	-	**606**	-
Loss on disposal of right-of-use assets		**169**	-	**-**	-
Write-off of property and equipment		**-**	7	**-**	7
Finance cost	(i)	**5,029**	29	**4,990**	68
		59,586	(8,922)	**69,243**	(52,777)
Profit income from Islamic debt securities, investment accounts, Malaysian Government Islamic papers and financial assets		**410,656**	411,176	**444,205**	413,730
Dividend income from equity securities and unit trusts	20	**17,529**	16,429	**16,215**	13,886
Placement of investments	9 (c)	**(2,490,767)**	(2,067,351)	**(2,199,514)**	(1,751,557)
Proceeds from disposal of investments		**1,370,840**	686,115	**1,197,838**	609,190
Maturity of investments	9 (c)	**489,254**	178,011	**399,156**	119,920
Decrease/ (increase) in receivables		**241,335**	(232,588)	**44,364**	(201,298)
Increase/ (decrease) in payables		**89,291**	15,535	**87,365**	(6,939)
(Increase)/ decrease in retakaful certificate assets/ liabilities		**(268,252)**	(156,395)	**(12,340)**	95,791
Increase in takaful certificate liabilities/ assets		**374,120**	1,303,265	**68,854**	896,221
		293,592	145,275	**115,386**	136,167
Zakat paid		**(13,152)**	(9,600)	**(10,473)**	(8,146)
Income taxes paid		**(194,466)**	(192,063)	**(141,786)**	(145,470)
Net cash generated from/ (used in) operating activities		**85,974**	(56,388)	**(36,873)**	(17,449)

The notes on pages 229 to 443 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from investing activities					
Purchase of property and equipment	3	**(8,518)**	(3,722)	**(7,251)**	(2,819)
Addition of Investment properties	5	**(255)**	(9,246)	**(255)**	(9,588)
Acquisition of intangible assets	6	**(17,665)**	(7,314)	**(12,972)**	(6,032)
Proceeds from disposal of property and equipment		**340**	4	**250**	-
Proceeds from disposal of right-of-use assets		**727**	-	**-**	-
Net cash used in investing activities		**(25,371)**	(20,278)	**(20,228)**	(18,439)
Cash flows from financing activities					
Proceeds from issuance of Subordinated sukuk		**500,000**	-	**500,000**	-
Dividends paid to owners of the Company	29	**(25,851)**	(117,223)	**(25,851)**	(117,223)
Payment of lease liabilities	(i)	**(1,408)**	(335)	**(663)**	(649)
Net cash generated from/ (used in) financing activities		**472,741**	(117,558)	**473,486**	(117,872)
Net increase/ (decrease) in cash and cash equivalents		**533,344**	(194,224)	**416,385**	(153,760)
Effect of exchange rate fluctuations on cash held		**(16,538)**	(7,704)	**-**	-
Cash and cash equivalents at 1 January		**649,501**	851,429	**446,943**	600,703
Cash and cash equivalents at 31 December	12	**1,166,307**	649,501	**863,328**	446,943

(i) An analysis of changes in liabilities arising from financing activities is as follows:

	Subordinated sukuk			
Group	Nominal RM'000	Finance cost payable RM'000	Lease liabilities RM'000	Total RM'000
As at 1 January 2025	**-**	**-**	**1,153**	**1,153**
Issuance/ new acquisition during the financial year	**500,000**	**-**	**1,125**	**501,125**
Net changes from financing cash flows	**-**	**-**	**(1,408)**	**(1,408)**
Finance cost	**-**	**4,932**	**97**	**5,029**
Effect of movement in exchange rates	**-**	**-**	**(31)**	**(31)**
As at 31 December 2025	**500,000**	**4,932**	**936**	**505,868**
As at 1 January 2024				
Issuance/ new acquisition during the financial year	-	-	907	907
Net changes from financing cash flows	-	-	552	552
Finance cost	-	-	(335)	(335)
As at 31 December 2024	-	-	29	29
	-	-	1,153	1,153

The notes on pages 229 to 443 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(i) An analysis of changes in liabilities arising from financing activities is as follows (continued):

	Subordinated sukuk			
Company	Nominal RM'000	Finance cost payable RM'000	Lease liabilities RM'000	Total RM'000
As at 1 January 2025	**-**	**-**	**757**	**757**
Issuance/ new acquisition during the financial year	**500,000**	**-**	**268**	**500,268**
Net changes from financing cash flows	**-**	**-**	**(663)**	**(663)**
Finance cost	**-**	**4,932**	**58**	**4,990**
As at 31 December 2025	**500,000**	**4,932**	**420**	**505,352**
As at 1 January 2024	-	-	907	907
Issuance/ new acquisition during the financial year	-	-	431	431
Net changes from financing cash flows	-	-	(649)	(649)
Finance cost	-	-	68	68
As at 31 December 2024	-	-	757	757

NOTES TO THE FINANCIAL STATEMENTS

Syarikat Takaful Malaysia Keluarga Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The address of the principal place of business and registered office of the Company is as follows:

27th Floor, Annexe Block
Menara Takaful Malaysia
No. 4, Jalan Sultan Sulaiman
50000 Kuala Lumpur

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities"). The financial statements of the Company as at and for the financial year ended 31 December 2025 do not include other entities.

The Company is principally engaged in managing Family Takaful business, whilst the principal activities and details of the subsidiaries are as stated in Note 7 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors on 26 March 2026.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and comply with the requirements of the Companies Act 2016 in Malaysia.

A Takaful Operator is required to present consolidated financial statements for itself and the Takaful fund it manages and controls in accordance with the requirements of MFRS 10 "Consolidated Financial Statements". The statements of financial position and the statements of profit or loss and other comprehensive income of the Group and Company, Family Takaful Fund and General Takaful Fund are supplementary financial information presented in accordance with the requirements of Bank Negara Malaysia ("BNM") and Islamic Financial Services Act 2013 in Malaysia to segregate assets, liabilities, income and expenses of Takaful funds from its own. The statements of financial position and the statements of profit or loss and other comprehensive income of the Family and General Takaful Fund include only the assets, liabilities, income and expenses of the family solidarity fund and General Takaful Fund that is set up, managed and controlled by the Takaful Operator.

In preparing the Company-level consolidated financial statements, the balances and transactions of the Takaful Operator are amalgamated and combined with those of the Takaful Fund. Interfund assets and liabilities, income and expenses relating to transactions between the funds are eliminated in full during amalgamation. The accounting policies adopted for the Takaful Operator and Takaful Funds are uniform for like transactions and events in similar circumstances.

The Takaful Fund is consolidated and amalgamated from the date of control and continue to be consolidated until the date such control ceases which occur when the Group’s and the Company’s license to manage family takaful business is withdrawn or surrendered.

1. BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

(i) Standards, amendments to published standards and interpretations that are effective and applicable to the Group and the Company

The Group and the Company have applied the following standards and amendments for the first time for the financial year beginning on 1 January 2025:

- Amendments to MFRS 121 "The Effects of Changes in Foreign Exchange Rates - Lack of exchangeability".

The initial application of the abovementioned standards, amendments and interpretations do not have any material impacts to the current and prior period’s financial statements.

(ii) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Company but not yet effective

A number of new standards and amendments to standards and interpretations are effective for financial year beginning on/ after 1 January 2026.

- MFRS 18 "Presentation and Disclosures in Financial Statements";
- MFRS 19 "Subsidiaries without Public Accountability: Disclosures";
- Amendments to MFRS 9 and MFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"; and
- Annual Improvements to MFRS Accounting Standards for enhanced consistency:
  - Amendments to MFRS 1 "First time Adoption of Malaysian Financial Reporting Standards"; on Hedge accounting by a first-time adopter.
  - Amendments to MFRS 7 "Financial Instruments: Disclosures"; on Gain or loss on derecognition.
  - Amendments to "Guidance on implementing MFRS 7 "Financial Instruments: Disclosures"; on Introduction, Disclosure of deferred difference between fair value and transaction price and Credit risk disclosures.
  - Amendments to MFRS 9 "Financial Instruments"; on Derecognition of lease liabilities and Transaction price.
  - Amendments to MFRS 10 "Consolidated Financial Statements" on Determination of a ‘de facto agent’.
  - Amendments to MFRS 107 "Statement of Cash Flows" on Cost method.

The adoption of the above standards, amendments to standards and interpretations to standards issued by MASB, but not yet effective, will have no material impact on the financial statements in the year of initial application except for MFRS 18. The Group and the Company are currently assessing the detailed implications of applying MFRS 18 on the financial statements.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

1. BASIS OF PREPARATION (CONTINUED)

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group and the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with MFRS 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 significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 2(c) and Note 33 - Financial instruments
- Note 2(m), Note 2(n) and Note 10 - Takaful and retakaful certificates

(i) Takaful and 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 and the Company 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 and the Company. Such changes are reflected in the key assumptions when they occur.

(i) The methods used to measure takaful certificates

The Group and the Company primarily uses deterministic projections to estimate the present value of future cash flows ("PVFCF") and for some groups it uses stochastic modelling techniques. A stochastic model is a tool for estimating probability distributions of potential outcomes by allowing for random variation in one or more inputs over time. The random variation is usually based on fluctuations observed in historical data for a selected period using standard time-series techniques.

The following key assumptions were used when estimating future cash flows:

<u>Family Takaful Fund</u>

- **Mortality and morbidity rates**

  Assumptions are based on standard industry and national tables, according to the type of certificate written and the territory in which the covered person resides. They reflect recent historical experience and are adjusted when appropriate to reflect the Company's own experiences. An appropriate, but not excessive, allowance is made for expected future improvements. Assumptions are differentiated by certificate holder gender, underwriting class and certificate type.

1. BASIS OF PREPARATION (CONTINUED)

(d) Use of estimates and judgements (continued)

(i) Takaful and retakaful certificates (continued)

(i) The methods used to measure takaful certificates (continued)

Family Takaful Fund (continued)

- **Expenses**

  Operating expenses assumptions reflect the projected costs of maintaining and servicing in–force certificates and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate.

  The cash flows within the certificate boundary include an allocation of fixed and variable overheads directly attributable to fulfilling takaful certificates. (Such overheads are allocated to groups of certificates using methods that are systematic and rational, and are consistently applied to all costs that have similar characteristics).

- **Lapse and surrender rates**

  Lapses relate to the termination of certificates due to non–payment of contributions. Surrenders relate to the voluntary termination of certificates by certificateholders. Certificate termination assumptions are determined using statistical measures based on the Company's experience and vary by product type, certificate duration and sales trends.

General Takaful Fund

- **Fire loss ratio for latest accident year**

  This is significant as Fire portfolio is one of the largest under general business, a change in loss ratio estimate will impact the liabilities significantly.

- **Motor Act loss ratio for latest accident year**

  Motor Act business is long tailed in nature and need years before the claim experience matures. A significant impact may result if the ultimate experience differs from current.

- **Average claim cost**

  Reserves are based on assumption that historical average claim cost is reflective of the future experience. Increase in average cost will increase future liabilities.

- **Average claim frequency**

  Reserves are based on assumption that historical average claim number in each accident year reflects the future experience. A change in average number of claims will impact the future liabilities.

For sensitivities with regards to the assumptions made that have the most significant impact on measurement under MFRS 17, refer to Note 32.

1. BASIS OF PREPARATION (CONTINUED)

(d) Use of estimates and judgements (continued)

(i) Takaful and retakaful certificates (continued)

(ii) Discount rates

Takaful certificate liabilities and assets are calculated by discounting expected future cash flows at a risk-free rate. Risk-free rates are determined by reference to the yields of highly liquid sovereign securities in the currency of the takaful certificate liabilities.

Both Family and General Takaful certificates issued applied discount rates listed below in discounting their future cash flows:

Family Takaful Fund

	Portfolio Duration											
	1 year		3 years		5 years		7 years		10 years		15 years	
Company	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Ringgit Malaysia	**2.88%**	3.28%	**3.37%**	3.73%	**3.55%**	4.03%	**3.75%**	3.97%	**4.10%**	4.19%	**4.48%**	4.56%

General Takaful Fund

	Portfolio Duration											
	1 year		3 years		5 years		7 years		10 years		15 years	
Company	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Ringgit Malaysia	**2.88%**	3.28%	**3.14%**	3.47%	**3.29%**	3.68%	**3.40%**	3.77%	**3.58%**	3.87%	**3.83%**	4.05%

(iii) Risk adjustment for non-financial risk

The risk adjustment for non-financial risk represents the compensation that the Group and the Company require for bearing the uncertainty about the amount and timing of the cash flows of groups of takaful certificates and covers takaful risk, lapse risk and expense risk. The risk adjustment reflects an amount that a Takaful Operator would rationally pay to remove the uncertainty that future cash flows will exceed the best estimate amount.

The Group and the Company have estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 75th percentile. That is, the Group and the Company have assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 75th percentile confidence level less the mean of an estimated probability distribution of the future cash flows. The Group and the Company have estimated the probability distribution of the future cash flows, and the additional amount above the expected PVFCF required to meet the target percentiles.

1. BASIS OF PREPARATION (CONTINUED)

(d) Use of estimates and judgements (continued)

(i) Takaful and retakaful certificates (continued)

(iv) Amortisation of the Contractual Service Margin ("CSM")

The CSM is a component of the asset or liability for the group of takaful certificates that represents the unearned profit the Group and the Company will recognise as it provides services in the future. An amount of the CSM for a group of takaful certificates is recognised in profit or loss as takaful revenue in each period to reflect the services provided under the group of 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 profit or loss 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.
- Recognising in profit or loss 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 certificates in the group, which is determined by considering the quantity of the benefits provided and the expected coverage duration. For groups of 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.

For retakaful certificates held, the CSM amortisation is similar to the takaful certificates issued and reflects the expected pattern of underwriting of the underlying certificates because the level of service provided depends on the number of underlying certificates in-force.

2. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in the financial statements, and have been applied consistently by the Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has *de facto* power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(i) Subsidiaries (continued)

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

The Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net asset at the acquisition date.

Transaction costs, other than those associated with the issue of Islamic debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisition of non-controlling interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(v) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the reporting date, except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising are generally recognised in the profit and loss.

In the consolidated financial statements, when settlement of a monetary item receivables from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

(ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Foreign currency (continued)

(ii) Operations denominated in functional currencies other than Ringgit Malaysia (continued)

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the profit or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(c) Financial instruments

(i) Recognition and initial measurement

Regular way placements and sales of financial assets are recognised on trade-date, the date on which the Group and the Company commit to placement or sell the asset.

A financial assets or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement

<u>Financial assets</u>

On initial recognition, a financial asset is classified as measured at: amortised cost ("AC"); fair value through other comprehensive income ("FVOCI") - debt investment; FVOCI - equity instrument; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group and the Company change its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

AC

A financial asset is measured at AC if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets (continued)

FVOCI - debt investment

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

FVOCI - equity instrument

On initial recognition of an equity investment that is not held for trading, the Group and the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income ("OCI"). This election is made on an investment-by-investment basis.

FVTPL

All financial assets not classified as measured at AC or FVOCI as described above are measured at FVTPL. On initial recognition, the Group and the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at AC or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

All financial assets, except for those measured at FVTPL and equity investments measured at FVOCI, are subject to impairment assessment (see Note 2(i)(i)).

Financial assets - Business model assessment

The Group and the Company make an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- 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 profit income, maintaining a particular 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;
- how the performance of the portfolio is evaluated and reported to the Group's and the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within the business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on fair value of the assets management or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets - Business model assessment (continued)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's and the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and profit

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition.

"Profit" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and profit, the Group and the Company consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group and the Company consider:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's and Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the 'solely payments of principal and profit' criterion if the prepayment amount substantially represents unpaid amounts of principal and profit on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or contribution to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual profit (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any profit or dividend income, are recognised in profit or loss.
Financial assets at AC	These assets are subsequently measured at AC using the effective profit method. The AC is reduced by impairment losses. Profit income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. Profit income is recognised by applying effective profit rate to the gross carrying amount except for credit impaired financial assets (see Note 2(i)(i)) where the effective profit rate is applied to the AC.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Profit income calculated using the effective profit methods, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. Profit income is recognised by applying effective profit rate to the gross carrying amount except for credit impaired financial assets (see Note 2(i)(i)) where the effective profit rate is applied to the AC.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are not reclassified to profit or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at AC or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any profit expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at AC using effective profit method. Profit expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

Financial assets

The Group and the Company derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Group and the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group and the Company enter into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(iii) Derecognition (continued)

Financial assets (continued)

On derecognition of a financial assets, the difference between the carrying amount of the financial assets and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Financial liabilities

The Group and the Company derecognise a financial liability when the contractual obligations are discharged or cancelled, or expire. The Group and the Company also derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in statement of financial position when, and only when, the Group and the Company currently have a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d) Property and equipment

(i) Recognition and measurement

Plant and equipment are initially stated at cost. Freehold land and buildings are subsequently shown at fair value, less subsequent depreciation and impairment losses. All other plant and equipment are stated at cost less accumulated depreciation and impairment losses.

The Group and the Company revalue their freehold land and buildings annually and at shorter intervals whenever the fair values of the revalued assets are expected to differ materially from their carrying value. Additions subsequent to their revaluation are stated in the financial statements at cost until the next revaluation exercise.

An external independent valuation company, having the appropriate recognised professional qualifications, values the Group's land and buildings on an annual basis. The revalued amounts are based on market value, being the estimated amount for which a property could be exchanged between a willing buyer and a willing seller in an arm's length transaction.

Surpluses arising from revaluation are dealt with in the revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of any previous surpluses recognised for the same property. In all other cases, a decrease in carrying amount is charged to profit or loss.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Property and equipment (continued)

(i) Recognition and measurement (continued)

Purchased software that is integral to the functionality of the related equipment was capitalised as part of that equipment.

When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of property and equipment and is recognised net within ""Net realised gains and losses"" in profit or loss.

(ii) Subsequent costs

The cost of replacing a component 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 component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group or the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated. Property and equipment under construction are not depreciated until the assets are ready for their intended use.

The annual depreciation rates are as follows:

Buildings	2%
Motor vehicles	20%
Office equipment, furniture, fixtures and fittings	20%

The depreciable amount is determined after deducting the residual value.

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period, and adjusted as appropriate.

Leased assets (including leasehold land) are presented as a separate line item in statement of financial position. See accounting policy Note 2(e) on right-of-use assets for these assets.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Leases

The Group and the Company as a lessee

Leases are recognised as right-of-use ("ROU") asset and a corresponding liability at the date on which the leased asset is available for use by the Group and the Company (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group and the Company allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group and the Company are a lessee, it has elected the practical expedient provided in MFRS 16 "Leases" not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

(i) Lease term

In determining the lease term, the Group and the Company consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group and the Company reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and of the Company and affects whether the Group and the Company are reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities. Refer to Note 2(e)(iv) for accounting policy on reassessment of lease liabilities.

(ii) ROU assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis. If the Group and the Company are reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset’s useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

The Group and the Company apply the fair value model to ROU assets that meet the definition of investment property of MFRS 140 consistent with those investment property owned by the Group and the Company. Refer to Note 2(g) for accounting policy on investment property.

The Group and the Company present ROU assets that meet the definition of investment property in the statement of financial position as investment property. ROU assets that are not investment properties are presented as a separate line item in the statement of financial position.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Leases (continued)

The Group and the Company as a lessee (continued)

(iii) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group and the Company under residual value guarantees;
- The exercise price of a purchase and extension options if the Group and the Company are reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising that option.

Lease payments are discounted using the profit rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and the Company, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of finance cost on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

The Group and the Company present the lease liabilities as a separate line item in the statement of financial position. Profit expense on the lease liability is presented within the takaful service expenses in the statement of profit or loss.

(iv) Reassessment of lease liabilities

The Group and the Company are also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

(v) Short-term leases and leases of low-value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line bases as an expense in profit or loss.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Leases (continued)

The Group and the Company as a lessor

As a lessor, the Group and the Company determine at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group and the Company make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Group and the Company consider certain indicators such as whether the lease is for the major part of the economic life of the asset.

(i) Finance lease

The Group and the Company classify a lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group and the Company derecognise the underlying asset and recognises a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from lessee and the unguaranteed residual value of the underlying asset. Initial direct costs are also included in the initial measurement of the net investment. The net investments are subject to MFRS 9 impairment (refer to Note 2(i)(i) on impairment of financial assets). In addition, the Group and the Company review regularly the estimated unguaranteed residual value.

Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return. The Group and the Company revise the lease income allocation if there is a reduction in the estimated unguaranteed residual value.

(ii) Operating lease

The Group and the Company classify a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group and the Company recognise lease payments received under operating lease as lease income on a straight-line basis over the lease term.

When assets are leased out under an operating lease, the asset is included in the statement of financial position based on the nature of the asset. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of underlying asset and recognised as an expense over the lease term on the same basis as lease income.

(iii) Sublease classification

When the Group or the Company is an intermediate lessor, it assesses the lease classification of a sublease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is short-term lease to which the Group or the Company applies the exemption described above, then it classifies the sublease as an operating lease.

(iv) Separating lease and non-lease components

If an arrangement contains lease and non-lease components, the Group and the Company allocate the consideration in the contract to the lease and non-lease components based on the stand-alone selling prices in accordance with the principles in MFRS 15 "Revenue from Contracts with Customers".

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Intangible assets

(i) Intangible assets

Intangible assets that are acquired by the Group and the Company, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Cost associated with maintaining computer software programmes are recognised as an expenses as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group and the Company are recognised as intangible assets.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

(iii) Amortisation

Intangible assets are amortised from the date that they are available for use. Amortisation is based on cost of an assets less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

The policy applies to intangible assets and its estimated useful lives are as follows:

	Amortisation methods used	Useful economic lives
Computer software	Straight-line	5 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate and treated as changes in accounting estimates.

(g) Investment property

(i) Investment property carried at fair value

Investment properties are properties which are owned or right-of-use asset held under a lease contract to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of services or for administrative purposes.

Investment properties are measured initially at cost and subsequently at fair value with any change therein recognised in profit or loss for the period in which they arise. Right-of-use assets that meet the definition of investment properties in accordance with MFRS 140 "Investment Property" is presented in the statement of financial position as investment properties. Subsequent measurement of the right-of-use asset is consistent with those investment properties owned by the Group and the Company.

If a valuation obtained for a property held by the Group and the Company (as lessee) as a right-of-use asset is net of all payments expected to be made, any related lease liability recognised separately in the statement of financial position is added back to arrive at the carrying value of the investment properties for accounting purposes.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(g) Investment property (continued)

(i) Investment property carried at fair value (continued)

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

(ii) Reclassifications to/ from investment property carried at fair value

When an item of property and equipment is transferred to investment properties following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment properties, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

When the use of a property changes such that it is reclassified as property and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

(iii) Determination of fair value

An external, independent valuation firm, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Group's and the Company's investment property portfolio annually.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

(h) Cash and cash equivalents and placements with financial institutions

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short-term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(i) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses ("ECL") on:

- financial assets measured at AC;
- debt investments measured at FVOCI;
- cash and cash equivalents; and
- other receivables.

Based on historical track records, there is no default and no indication that financial institutions are unable to honour the repayment of deposits in Malaysia. Accordingly, the Group and the Company has assigned zero loss given default ("LGD") for cash and deposits with financial institutions in Malaysia.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Impairment (continued)

(i) Financial assets (continued)

The Group and the Company measure loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt investments that are determined to have low credit risk at the reporting date; and
- other debt investments and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for other receivables and lease receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECLs, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and Company's historical experience and informed credit assessment and including forward-looking information, where available.

The Group and the Company consider a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group and the Company in full, without recourse by the Group and the Company to action such as realising security (if any is held).

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events over that are possible within the 12 months after the reporting date (or a shorter period of the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group and the Company are exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group and the Company expect to receive).

ECLs are discounted at the effective profit rate of the financial asset.

Incorporation of forward-looking information

Relevant macroeconomic factors are incorporated in the risk parameters as appropriate. The key macroeconomics variables ("MEV") that are incorporated in determining ECLs include, but not limited to gross domestic product ("GDP"), key foreign exchange rates and climate risk.

An economic forecast is accompanied with at least three economic scenarios: a base case, which is the median scenario, and two less likely scenarios, one upside and one downside. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Impairment (continued)

(i) Financial assets (continued)

Incorporation of forward-looking information (continued)

The impact of these economic variables on the Probability of Default ("PD"), Exposure of Default ("EAD") and LGD has been determined by using bootstrap simulation. The method is applied to the base ECL estimates to determine the impact of various possible future economic conditions and/ or MEV. The methodology and assumptions including any forecasts of future economic conditions are reviewed annually.

Credit-impaired financial assets

At each reporting date, the Group and the Company assess whether financial assets carried at AC and debt investments at FVOCI are credit-impaired. A financial assets is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor or issuer;
- a breach of contract such as a default;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at AC are deducted from the gross carrying amount of the assets.

For debt investments at FVOCI, the loss allowance is charged to profit or loss. The loss allowance does not reduce the carrying amount of the financial asset and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the Group and the Company have no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s and the Company’s procedures for recovery of amounts due.

(ii) Non-financial assets

At each reporting date, the Group and the Company review the carrying amounts of its non-financial assets (other than investment properties and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For 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.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Impairment (continued)

(ii) Non-financial assets (continued)

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

An impairment loss of other assets 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.

(j) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a reduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(iii) Distributions of assets to owners of the Company

The Group measures a liability to distribute assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at each reporting period and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

(k) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group and the Company have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's and the Company's contribution to the statutory pension fund is charged to profit or loss in the financial year to which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(l) Provisions

A provision is recognised if, as a result of a past event, the Group and the Company have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(m) Takaful and retakaful certificates - definition and classification

Certificates under which the Group and the Company accept to manage significant takaful risk shared among participants are classified as takaful certificates. Certificates held by the Group and the Company under which it shares significant takaful risk related to takaful certificates are classified as retakaful certificates. Takaful and retakaful certificates also expose the Group and the Company to financial risk.

Takaful certificates are classified as direct participating certificates or certificates without direct participation features. Direct participating certificates are certificates for which, at inception, meets the following criteria:

- the contractual terms specify that the participants participates in a share of a clearly identified pool of underlying items;
- the Group and the Company expect to pay to the participant an amount equal to a substantial share of the fair value returns on the underlying items; and
- the Group and the Company expect a substantial proportion of any change in the amounts to be paid to the participant to vary with the change in fair value of the underlying items.

The Group and the Company use judgement to assess whether the amounts expected to be paid to the participant constitute a substantial share of the fair value returns on the underlying items.

Takaful certificates with direct participation features are viewed as creating an obligation to pay participant an amount that is equal to the fair value of the underlying items, less a variable fee for service. The variable fee comprises the Group and the Company’s share of the fair value of the underlying items, which is based on a fixed percentage of investment management fees (withdrawn annually from participant account values based on the fair value of underlying assets and specified in the certificates with participants) less the Fulfilment Cash Flows ("FCF") that do not vary based on the returns on underlying items.

Direct participating certificates issued by the Group and the Company are certificates with direct participation features where the Group and the Company hold the pool of underlying assets and accounts for these groups of certificates measured under the Variable Fee Approach ("VFA").

All other takaful certificates and all retakaful certificates are classified as certificates without direct participation features. These certificates are measured under the General Measurement Model ("GMM") and Premium Allocation Approach ("PAA").

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(n) Takaful and retakaful certificates - accounting treatment

(i) Separating components from takaful and retakaful certificates

At inception, the Group and the Company separate the following components from a takaful or retakaful certificate and accounts for them as if they were stand-alone financial instruments:

- derivatives embedded in the certificate whose economic characteristics and risks are not closely related to those of the host certificate, and whose terms would not meet the definition of a takaful or retakaful certificate as a stand-alone instrument; and
- distinct investment components - i.e. investment components that are not highly inter-related with the takaful components and for which certificates with equivalent terms are sold, or could be sold, separately in the same market or the same jurisdiction.

After separating any financial instrument components, the Group and the Company separate any promises to transfer distinct goods or non-takaful services to participants and accounts for them as separate certificates with customers (i.e. not as takaful certificates). A good or service is distinct if the participant can benefit from it either on its own or with other resources that are readily available to the participant. A good or service is not distinct and is accounted for together with the takaful component if the cash flows and risks associated with the good or service are highly inter-related with the cash flows and risks associated with the takaful component, and the Group and the Company provide a significant service of integrating the good or service with the takaful component.

Currently, the Group's and the Company's products do not include distinct components that require separation.

(ii) Level of aggregation

The level of aggregation for the Group and the Company is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of takaful certificates with similar risks which are managed together. Each portfolio is further disaggregated into groups of certificates that are issued or held within a calendar year (annual cohorts).

The takaful certificate portfolios are divided into:

- A group of certificates that are onerous at initial recognition;
- A group of certificates that at initial recognition have no significant possibility of becoming onerous subsequently; and
- A group of the remaining certificates in the portfolio.

The retakaful certificate held portfolios are further divided into:

- A group of certificates on which there is a net gain on initial recognition;
- A group of certificates that have no significant possibility of a net gain arising subsequent to initial recognition; and
- A group of the remaining certificates in the portfolio.

The resulting groups represent the level at which the recognition and measurement accounting policies are applied. The groups are established on initial recognition and their composition is not reassessed subsequently.

For each portfolio of certificates, the Group and the Company determine the appropriate level at which reasonable and supportable information is available to assess whether these certificates are onerous at initial recognition and whether non-onerous certificates have a significant possibility of becoming onerous.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(n) Takaful and retakaful certificates - accounting treatment (continued)

(ii) Level of aggregation (continued)

This level of granularity determines sets of certificates. The Group and the Company define "set of certificates" as product level for Family takaful business and line of business for General takaful business, respectively. The Group and the Company use significant judgement to determine at what level of granularity the Group and the Company have reasonable and supportable information that is sufficient to conclude that all certificates within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual certificate assessment.

The Group and the Company apply surplus mutualisation in determining the level of aggregation, which is guided by the terms of the takaful certificates to ensure that it reflects the nature and terms of the takaful certificates. This is in-line with Takaful concept of mutual guarantee whereby the participants mutually agree to contribute to a pool of Risk Fund and with the aim to provide mutual financial aid and assistance to the participants in case of need. Any deficit arises in a single certificate is mutualised among the product grouping.

(iii) Recognition

The Group and the Company recognise a group of takaful certificates issued from the earliest of the following:

- The beginning of the coverage period of the group of takaful certificates. The coverage period is the period during which the Group and the Company provide coverage for covered events in respect of all contributions within the boundary of a takaful certificate.
- The date when the first payment from a participant in the group of takaful certificates becomes due. If there is no contractual due date, then it is considered to be the date when the first payment is received from the participant.
- The date when facts and circumstances indicate that the group of takaful certificates to which a takaful certificate will belong is onerous.

Takaful certificates acquired in a business combination or a portfolio transfer are accounted for as if they were entered into at the date of acquisition or transfer.

The Group and the Company recognise a group of retakaful certificates held that provide proportionate coverage at the later of the beginning of coverage period of the of retakaful certificates held or the initial recognition of any underlying certificate, and recognises all other groups of retakaful certificates from the beginning of the coverage period of the group of retakaful certificates. The coverage period is the period during which the Group and the Company receive coverage for claims arising from the retakaful portions of the underlying takaful certificates.

Subsequently, new certificates are added to the group when they are issued or initiated, provided that all certificates in the group are issued or initiated in the same financial year. Composition of the groups is not reassessed in subsequent periods.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(n) Takaful and retakaful certificates - accounting treatment (continued)

(iv) FCF within certificate boundary

The FCF are the current estimates of the future cash flows within the certificate boundary of a group of certificates that the Group and the Company expect to collect from contributions and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:

- are based on a probability-weighted mean of the full range of possible outcomes;
- are determined from the perspective of the Group and the Company, provided that the estimates are consistent with observable market prices for market variables; and
- reflect conditions existing at the measurement date.

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates. For certificates measured under the PAA, unless the certificates are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the liabilities for incurred claims ("LFIC").

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of takaful certificates, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the takaful certificates requires significant judgement and estimation.

Risk of the Group and the Company's non-performance are not included in the measurement of groups of takaful certificates issued. In the measurement of retakaful certificates held, the probability-weighted estimates of the PVFCF include the potential credit losses and other disputes of the retakaful operator to reflect the non-performance risk of the retakaful operator.

The Group and the Company estimate certain FCF at the portfolio level or higher and then allocates such estimates to groups of certificates.

The Group and the Company use consistent assumptions to measure the estimates of the PVFCF for the group of retakaful certificates held and such estimates for the groups of underlying takaful certificates.

(v) Certificate boundary

The measurement of a group of certificates includes all of the future cash flows within the boundary of each certificate in the group. Cash flows are within the boundary of a certificate if they arise from substantive rights and obligations that exist during the reporting period under which the Group and the Company can compel the participant to pay contributions or has a substantive obligation to provide services.

A substantive obligation to provide services ends when:

- the Group and the Company have the practical ability to reassess the risks of the particular participant and can set a price or level of benefits that fully reflects those reassessed risks, including both contribution; or
- the Group and the Company have the practical ability to reassess the risks of the portfolio that contains the certificate and can set a price or level of benefits that fully reflects the risks of that portfolio; and the pricing of the contributions for coverage up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(n) Takaful and retakaful certificates - accounting treatment (continued)

(v) Certificate boundary (continued)

Riders, representing add-on provisions to a basic takaful certificate that provide additional benefits to the participants at additional cost, that are issued together with the main takaful certificates form part of a single takaful certificate with all of the cash flows within its boundary.

For takaful certificates with renewal periods, the Group and the Company assess whether contributions and related cash flows that arise from the renewed certificate are within the certificate boundary. The pricing of the renewals are established by the Group and the Company by considering all the risks covered for the certificate holder by the Group and the Company, the Group and the Company consider when underwriting equivalent certificates on the renewal dates for the remaining coverage.

For retakaful certificates held, the certificate boundary is in accordance with the retakaful contractual terms. A substantive right is a right to receive retakaful services from the retakaful operator and a substantive obligation is an obligation to pay amounts to the retakaful operator (e.g. ceded contribution). The Group and the Company treat the certificate boundary as short-term when they do not have substantial right to receive services and no substantial obligation to pay to retakaful operator. Otherwise, the certificate boundary is long-term for the Group and the Company.

The Group and the Company’s retakaful agreement held have terms which allow to terminate the agreement for new underlying business with a notice period by either party. Thus, the Group and the Company has the option to treat the new business in the following period as separate retakaful certificate and applies to every subsequent period. Estimates of future cash flows arising from all underlying certificates issued and expected to be issued in the next period are included in each of the retakaful certificates’ measurement.

The excess of loss retakaful certificates held provides coverage for claims incurred during an accident year. Thus, all cash flows arising from claims incurred and expected to be incurred in the accident year are included in the measurement of the retakaful certificates held. Some of these certificates may include mandatory or voluntary reinstatement retakaful contribution, which are guaranteed per the contractual arrangements and are thus within the respective retakaful certificates’ boundaries.

The certificate boundary is reassessed at each reporting date and, therefore, may change over time.

(vi) Measurement - Certificates not measured under PAA

Takaful certificates - Initial measurement

On initial recognition, the Group and the Company measure a group of takaful certificates as the total of: (a) the FCF, which comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk; and (b) the Contractual Service Margin ("CSM").

The measurement of the FCF of a group of takaful certificates does not reflect non-performance risk of the Group and the Company.

Takaful acquisition cash flows that the Group and the Company pay before the related group of takaful certificates is recognised and are presented as a takaful certificate asset. When the group of takaful certificates is recognised, these cash flows are included in the measurement of the group of takaful certificates and the previously recognised asset is derecognised.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(n) Takaful and retakaful certificates - accounting treatment (continued)

(vi) Measurement - Certificates not measured under PAA (continued)

Takaful certificates - Initial measurement (continued)

The risk adjustment for non-financial risk for a group of takaful certificates is the compensation required for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

The CSM of a group of takaful certificates represents the unearned profit that the Group and the Company will recognise as it provides coverage in the future under those certificates.

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of takaful certificates is onerous) arising from:

- the initial recognition of the FCF;
- the derecognition at the date of initial recognition of any asset or liability recognised for takaful acquisition cash flows; and
- cash flows arising from the certificates in the group at that date.

A negative CSM at the date of inception means the group of takaful certificates issued is onerous. A loss from onerous takaful certificates is recognised in profit or loss immediately with no CSM recognised on the balance sheet on initial recognition. A loss component is created to depict any losses recognised in profit or loss, which determines the amounts that are subsequently presented in profit or loss as reversals of losses on onerous groups.

For groups of takaful certificates acquired, the consideration received for the takaful certificates is included in the FCF as a proxy for the contributions received at the date of acquisition.

Takaful certificates - Subsequent measurement

The carrying amount of a group of takaful certificates at each reporting date is the sum of the liability for remaining coverage ("LFRC") and the LFIC. The LFRC comprises (a) the FCF that relate to services that will be provided under the certificates in future periods and (b) any remaining CSM at that date. The LFIC comprises the FCF for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

The FCF of groups of takaful certificates are measured at the reporting date using current estimates of future cash flows, locked-in discount rate (for takaful certificates measured under GMM) or current discount rates (for takaful certificates measured under VFA) and current estimates of the risk adjustment for non-financial risk. The CSM of each group of takaful certificates subsequent to initial recognition is calculated at the end of every reporting period.

Reversal of loss component over the coverage period and also subsequent changes in the FCF of the LFRC is to be allocated between the loss component of the LFRC and the LFRC excluding the loss component. The Group and the Company adopt a systematic allocation basis using a variable approach where the reversal of losses and changes in FCF are allocated based on a variable measure such as number of certificates written.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(n) Takaful and retakaful certificates - accounting treatment (continued)

(vi) Measurement - Certificates not measured under PAA (continued)

Takaful certificates - Subsequent measurement (continued)

Takaful certificates without direct participation features

The carrying amount of the CSM at the end of the reporting period is the carrying amount at the start of the reporting period, adjusted for:

- the CSM of any new certificates that are added to the group in the period;
- profit accreted on the carrying amount of the CSM during the period, measured at the locked-in discount rates on nominal cash flows that do not vary based on the returns on any underlying items determined on initial recognition. The Group and the Company use risk-neutral valuation technique in the projection of FCF, no differentiation between rates applicable to nominal cash flows that do not vary or vary based on the returns on any underlying items;
- changes in FCF that relate to future services, except to the extent that:
  - any increases in the FCF exceed the carrying amount of the CSM, in which case the excess is recognised as a loss in profit or loss and creates a loss component; or
  - any decreases in the FCF are allocated to the loss component, reversing losses previously recognised in profit or loss; and
  - the amount recognised as takaful revenue because of the services provided in the period.

Changes in FCF that relate to future services comprise:

- experience adjustments arising from contributions received in the period that relate to future services and related cash flows, measured at the discount rates determined on initial recognition;
- changes in estimates of the PVFCF in the LFRC, measured at the discount rates determined on initial recognition, except for those that relate to the effects of the time value of money, financial risk and changes therein;
- differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period, measured at the discount rates determined on initial recognition; and
- changes in the risk adjustment for non-financial risk that relate to future services.

Changes in discretionary cash flows are regarded as relating to future services and accordingly adjust the CSM.

The effect of all changes in assumptions that relate to financial risk and changes thereof on the FCF is recognised in takaful profit income or expenses.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(n) Takaful and retakaful certificates - accounting treatment (continued)

(vi) Measurement - Certificates not measured under PAA (continued)

Takaful certificates - Subsequent measurement (continued)

Takaful certificates with direct participating features

Direct participating certificates are certificates under which the Group's and the Company's obligation to the participant is the net of:

- the obligation to pay the participant an amount equal to the fair value of the underlying items; and
- a variable fee in exchange for future services provided by the certificates, being the Group's and the Company's share of the fair value of the underlying items less FCF that do not vary based on the returns on underlying items.

When measuring a group of direct participating certificates, the Group and the Company adjust the FCF for the whole of the changes in the obligation to pay certificate holders an amount equal to the fair value of the underlying items. These changes do not relate to future services and are recognised in profit or loss. The Group and the Company then adjust any CSM for changes in the Group's and the Company's share of the fair value of the underlying items, which relate to future services, as explained below.

The carrying amount of the CSM at the end of the reporting period is the carrying amount at the start of the reporting period, adjusted for:

- the CSM of any new certificates that are added to the group in the period;
- the Group's and the Company's share of the change in the fair value of the underlying items and changes in FCF that relate to future services, except to the extent that:
  - the Group and the Company have chosen to exclude from the CSM changes in the effect of financial risk on its share of the underlying items.
  - the Group's and the Company's share of a decrease in the fair value of the underlying items, or an increase in the FCF that relate to future services, exceeds the carrying amount of the CSM, giving rise to a loss in profit or loss (included in takaful service expenses) and creating a loss component; or
  - the Group's and the Company's share of an increase in the fair value of the underlying items, or a decrease in the FCF that relate to future services, is allocated to the loss component, reversing losses previously recognised in profit or loss (included in takaful service expenses);
  - the amount recognised as takaful revenue because of the services provided in the period.

Changes in FCF that relate to future services include the changes relating to future services specified above for certificates without direct participation features (measured at current discount rates) and the effect of the time value of money and financial risks.

The Group and the Company do not have any products with complex guarantees and do not use derivatives to economically hedge the risks.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(n) Takaful and retakaful certificates - accounting treatment (continued)

(vi) Measurement - Certificates not measured under PAA (continued)

Takaful certificates - Subsequent measurement (continued)

Retakaful certificates

The Group and the Company apply the same accounting policies as those for takaful certificate issued to measure a group of retakaful certificates, with the following modifications.

The carrying amount of a group of 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 FCF that relate to services that will be received under the certificates in future periods and (b) any remaining CSM at that date.

The Group and the Company measure the estimates of the PVFCF using assumptions that are consistent with those used to measure the estimates of the PVFCF for the underlying takaful certificates, with an adjustment for any risk of non-performance by the retakaful operator. The effect of the non-performance risk of the retakaful operator is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

The credit risk arising from non-performance risk of retakaful operator is estimated based on blended rates with reference to the rating of retakaful operator, corporate recovery rates and default probability produced by rating agencies.

The risk adjustment for non-financial risk represents the amount of the risk relating to the underlying certificates transferred by the Group and the Company to the retakaful operator.

On initial recognition, the CSM of a group of retakaful certificates represents a net cost or net gain on acquiring retakaful. It is measured as the equal and opposite amount of the total of the FCF, any derecognised assets for cash flows occurring before the recognition of the group and any cash flows arising at that date. However, if any net cost on acquiring retakaful coverage relates to covered events that occurred before the acquire of the group, then the Group and the Company recognise the cost immediately in profit or loss as an expense.

The carrying amount of the CSM at the end of each reporting period is the carrying amount at the start of the reporting period, adjusted for:

- the CSM of any new certificates that are added to the group in the period;
- profit accreted on the carrying amount of the CSM during the period, measured at the locked-in discount rates on nominal cash flows that do not vary based on the returns on any underlying items determined on initial recognition;
- changes in FCF that relate to future services, except to the extent that a change results from a change in FCF allocated to a group of underlying takaful certificates that does not adjust the CSM of the group of underlying certificates, in which case the change is recognised in profit or loss; and
- the amount recognised in profit or loss because of the services received in the period.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(n) Takaful and retakaful certificates - accounting treatment (continued)

(vii) Measurement - Certificates measured under the PAA

The Group and the Company generally uses the PAA to simplify the measurement of groups of certificates on the following bases for both takaful and retakaful certificates held:

- at the inception of the group, the coverage period of each certificates in the group of certificates is one year or less; or
- the Group and the Company reasonably expects that the resulting measurement would not differ materially from the result of applying the accounting policies.

Takaful certificates

On initial recognition of each group of takaful certificates, the carrying amount of the LFRC is measured at the contributions received on initial recognition. Takaful acquisition cash flows are amortised over the coverage period of the takaful certificates.

Subsequently, the carrying amount of the LFRC is increased by any contributions received and decreased by the amount recognised as takaful revenue for coverage provided.

Family Takaful Fund

On initial recognition of each group of certificates, the Company expect that the time between providing each part of the coverage and the related contribution due date is no more than a year. Accordingly, the Company will not adjust the LFRC to reflect the time value of money and the effect of financial risk. Nevertheless, the Company would apply discounting when there is product with time between providing each part of the coverage and the related contribution due date is more than a year.

General Takaful Fund

The Company has chosen to adjust the LFRC to reflect the time value of money and the effect of financial risk, regardless the duration between providing each part of the coverage and the related contribution due date is less or more than a year.

If at any time during the coverage period, facts and circumstances indicate that a group of takaful certificates is onerous, then the Group and the Company recognise a loss in profit or loss and increases the LFRC to the extent that the current estimates of the FCF that relate to remaining coverage (including the risk adjustment for non-financial risk) exceed the carrying amount of the LFRC. The FCF are adjusted for the time value of money and the effect of financial risk (using current estimates) if the LFIC is also adjusted for the time value of money and the effect of financial risk.

The Group and the Company recognise the LFIC of a group of takaful certificates at the amount of the FCF relating to incurred claims. The FCF are discounted (at current rates) unless the cash flows are expected to be paid in one year or less from the date the claims are incurred.

Retakaful certificates

The Group and the Company apply the same accounting policies 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.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(n) Takaful and retakaful certificates - accounting treatment (continued)

(viii) Measurement - Takaful Acquisition Cash Flows

Takaful acquisition cash flows arise from the costs of selling, underwriting and starting a group of takaful certificates (issued or expected to be issued) that are directly attributable to the portfolio of takaful certificates to which the group belongs.

The company uses a systematic and rational method to allocate:

- Takaful acquisition cash flows that are directly attributable to a group of takaful certificates:
  - to that group; and
  - to groups that include takaful certificates that are expected to arise from the renewals of the takaful certificates in that group.

Where takaful acquisition cash flows have been paid or incurred before the related group of takaful certificates is recognised in the statement of financial position, a separate asset for takaful acquisition cash flows is recognised for each related group.

The asset for takaful acquisition cash flow is derecognised from the statement of financial position when the takaful acquisition cash flows are included in the initial measurement of the CSM of the related group of takaful certificates. The Company expects to derecognise all assets for takaful acquisition cash flows within takaful coverage period.

At the end of each reporting period, the Company revises amounts of takaful acquisition cash flows allocated to groups of takaful certificates not yet recognised, to reflect changes in assumptions related to the method of allocation used.

After any re-allocation, the Company assesses the recoverability of the asset for takaful acquisition cash flows, if facts and circumstances indicate the asset may be impaired. When assessing the recoverability, the Company applies:

- An impairment test specifically covering the takaful acquisition cash flows allocated to expected future certificate renewals; and
- An additional impairment test specifically covering the takaful acquisition cash flows allocated to expected future certificate renewals.

If an impairment loss is recognised, the carrying amount of the asset is adjusted and an impairment loss is recognised in profit or loss.

The Company recognises in profit or loss 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.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(n) Takaful and retakaful certificates - accounting treatment (continued)

(ix) Derecognition and certificate modification

The Group and the Company derecognise a certificate when it is extinguished - i.e. when the specified obligations in the certificate expire or are discharged or cancelled.

The Group and the Company also derecognise a certificate if its terms are modified in a way that would have changed the accounting for the certificate significantly had the new terms always existed, in which case a new certificate based on the modified terms is recognised. If a certificate modification does not result in derecognition, then the Group and the Company treat the changes in cash flows caused by the modification as changes in estimates of FCF.

When a takaful certificate not accounted for under the PAA is derecognised from within a group of takaful certificates, the Group and the Company:

(a) adjusts the FCF to eliminate the PVFCF and risk adjustment for non-financial risk relating to the rights and obligations from the group;

(b) adjusts the CSM (unless the decrease in the FCF is allocated to the loss component of the LFRC of the group) in the following manner, depending on the reason for the derecognition:

- if the certificate is extinguished, in the same amount as the adjustment to the FCF relating to future service;
- if the certificate is transferred to a third party, in the amount of the FCF adjustment in (a) less the contribution charged by the third party; or
- if the original certificate is modified resulting in its derecognition, in the amount of the FCF adjustment in adjusted for the contribution that the Group and the Company would have charged if it had entered into a certificate with equivalent terms as the new certificate at the date of the certificate modification, less any additional contribution charged for the modification; when recognising the new certificate in this case, the Group and the Company assume such a hypothetical contribution as actually received; and

(c) adjusts the number of coverage units for the expected remaining takaful certificate services, to reflect the number of coverage units removed.

When a takaful certificate accounted for under the PAA is derecognised, adjustments to remove related rights and obligations to account for the effect of the derecognition result in the following amounts being charged immediately to profit or loss:

(a) if the certificate is extinguished, any net difference between the derecognised part of the LFRC of the original certificate and any other cash flows arising from extinguishment;

(b) if the certificate is transferred to the third party, any net difference between the derecognised part of the LFRC of the original certificate and the contribution charged by the third party; or

(c) if the original certificate is modified resulting in its derecognition, any net difference between the derecognised part of the LFRC and the hypothetical contribution that the entity would have charged if it had entered into a certificate with equivalent terms as the new certificate at the date of the certificate modification, less any additional contribution charged for the modification.

2. **MATERIAL ACCOUNTING POLICIES (CONTINUED)**

(n) Takaful and retakaful certificates - accounting treatment (continued)

(x) Qard

Any deficit in the participants’ risk fund within the Takaful Fund is made good via a Qard, which is a profit free financing, granted by the takaful operator fund to the participants’ risk fund. In the participants’ risk fund, the Qard is included in FCF 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 FCF. This accounting measurement does not affect the Takaful Fund’s obligation to repay the nominal amount of Qard, nor does it affect or change any rights or obligations of the Takaful Operator fund.

Qard shall be repaid from future surpluses of the participants’ risk fund.

(xi) Presentation

Groups of takaful certificates that are separately recognised and measured as assets and liabilities, and groups of retakaful certificates that are separately recognised and measured as assets and liabilities are presented separately in the statement of financial position.

The Group and the Company disaggregate amounts recognised in the statement of profit or loss and other comprehensive income into (a) a takaful service result, comprising takaful revenue and takaful service expenses, and (b) takaful finance income or expenses.

Income and expenses from retakaful certificates are presented separately from income and expenses from takaful certificates. Income and expenses from retakaful certificates, other than takaful profit income or expenses, are presented on a net basis as 'net expenses from retakaful certificates held' in the takaful service result.

The Group and the Company do not disaggregate changes in the risk adjustment for non-financial risk between the takaful service result and takaful finance income or expenses. All changes in the risk adjustment for non-financial risk are included in the takaful service result.

Takaful revenue excludes any investment components and is measured as follows.

Takaful revenue - Certificates not measured under the PAA

The Group and the Company recognise takaful revenue as it satisfies its performance obligations - i.e. as it provides coverage or other services under groups of takaful certificates. For certificates not measured under the PAA, the takaful revenue relating to services provided for each period represents the total of the changes in the LFRC that relate to services for which the Group and the Company expect to receive consideration, mainly comprises of the following items:

- A release of the CSM, measured based on coverage units provided;
- Changes in the risk adjustment for non-financial risk relating to current services;
- Claims and other takaful service expenses incurred in the period, generally measured at the amounts expected at the beginning of the period; and
- Other amounts, including experience adjustments for contribution receipts for current or past services.

In addition, the Group and the Company allocate a portion of contributions that relate to recovering takaful acquisition cash flows to each period in a systematic way based on the passage of time. The Group and the Company recognise the allocated amount as takaful revenue and an equal amount as takaful service expenses.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(n) Takaful and retakaful certificates - accounting treatment (continued)

(xi) Presentation (continued)

The amount of the CSM of a group of takaful certificates that is recognised as takaful revenue in each reporting period is determined by identifying the coverage units in the group, allocating the CSM remaining at the end of the reporting period (before any allocation) equally to each coverage unit provided in the reporting period and expected to be provided in future periods, and recognising in profit or loss the amount of the CSM allocated to coverage units provided in the reporting period. The number of coverage units is the quantity of coverage provided by the certificates in the group, determined by considering for each certificate the quantity of benefits provided and its expected coverage duration.

Takaful revenue - Certificates measured under the PAA

For certificates measured under the PAA, the takaful revenue for each period is the amount of expected contributions receipts for providing coverage in the period. The Group and the Company allocate the expected contribution receipts to each period over the passage of time.

Takaful service expenses

Takaful service expenses include the following:

- incurred claims and benefits, excluding investment components reduced by loss component allocations;
- other incurred directly attributable expenses, including amounts of any other pre-recognition cash flows assets (other than takaful acquisition cash flows) derecognised at the date of initial recognition;
- takaful acquisition cash flows amortisation;
- changes that relate to past service – changes in the FCF relating to the LFIC;
- changes that relate to future service – changes in the FCF that result in onerous certificate losses or reversals of those losses; and
- takaful acquisition cash flows assets impairment.

For certificates not measured under the PAA, amortisation of takaful acquisition cash flows is reflected in takaful service expenses in the same amount as takaful acquisition cash flows recovery reflected within takaful revenue, as described above.

For certificates measured under the PAA, amortisation of takaful acquisition cash flows is based on the passage of time.

Other expenses not meeting the above categories are included in other operating expenses in the consolidated statement of profit or loss.

Loss components

For certificates not measured under the PAA, the Group and the Company establish a loss component of the LFRC for onerous groups of takaful certificates. The loss component determines the amounts of FCF that are subsequently excluded from takaful revenue when they occur. When the FCF occur, they are allocated between the loss component and the LFRC excluding the loss component on a systematic basis.

The systematic basis is determined by the proportion of the loss component relative to the total estimate of the present value of the future cash outflows plus the risk adjustment for non-financial risk at the beginning of each period (or on initial recognition if a group of certificates is initially recognised in the period).

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(n) Takaful and retakaful certificates - accounting treatment (continued)

(xi) Presentation (continued)

Loss components (continued)

Changes in estimates of cash flows relating to future services and changes in the Group's and the Company's share of the fair value of any underlying items are allocated solely to the loss component. If the loss component is reduced to zero, then any excess over the amount allocated to the loss component creates a new CSM for the group of certificates.

Net expenses from retakaful certificates held

Net expenses from retakaful certificates held comprise retakaful service expenses less amounts recovered from retakaful operator.

The Group and the Company recognise retakaful service expenses as it receives coverage or other services under groups of retakaful certificates. For certificates measured under the GMM, the retakaful service expenses relating to services received for each reporting period represent the total of the changes in the remaining coverage component that relate to services for which the Group and the Company expect to pay consideration.

The Group and the Company present the income or expenses from a group of retakaful certificates held, other than takaful profit income or expenses.

For certificates measured under the PAA, the retakaful service expenses for each period are the amount of expected contribution payments for receiving coverage in the period.

Takaful finance income and expenses

Takaful finance income and expenses comprise changes in the carrying amounts of groups of takaful and retakaful certificates arising from the effects of the time value of money, financial risk and changes therein, unless any such changes for groups of direct participating certificates are allocated to a loss component and included in takaful service expenses.

The Group and the Company have chosen to disaggregate takaful finance income and expenses between profit or loss and OCI for all applicable certificates. The amount included in profit or loss is determined by a systematic allocation of the expected total takaful finance income and expenses over the duration of the group of certificates. The systematic allocation is determined using the following rates:

- Family and General takaful certificates: the discount rates determined on initial recognition of the group of certificates; and
- Investment-linked certificates: for takaful finance income and expenses arising from the estimates of future cash flows, a rate that allocates the remaining revised expected finance income or expenses over the remaining duration of the group of certificates at a constant rate (i.e. the effective yield); and for finance income or expenses arising from the CSM, the discount rates determined on initial recognition of the group of certificates.

Amounts presented in OCI are accumulated in the takaful profit reserve. If the Group and the Company derecognise a certificate as a result of a transfer to a third party or a certificate modification, then any remaining amounts of accumulated OCI for the certificate are reclassified to profit or loss as a reclassification adjustment.

The Group and the Company present takaful finance income and expenses for all other certificates in profit or loss.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(o) Other revenue recognition

(i) Financing income

Income from financing is recognised on an accrual basis and on a time proportion basis that takes into account the effective yield of the asset.

(ii) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(p) Zakat

This represents an obligatory amount payable by the Group and the Company as a legal entity to comply with the principles of Shariah. Zakat is computed at 2.5% of zakat base amount of the Group or of the Company, which is computed using the "Adjusted Growth method". The zakat computation is reviewed and approved by the Shariah Advisory Body. The Board has the discretion to pay additional amount above the obligatory zakat amount payable.

(q) Income tax expense

Income tax expense comprises current and deferred tax for takaful fund and takaful operator. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and it considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances based on either the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(r) Operating lease payments

The Group and the Company recognise its Ijarah financing obligations as operating leases. Lease payments under the operating lease are recognised as an expense in profit or loss on a straight-line basis over the lease term.

(s) Earnings per share

The Group presents basic and diluted EPS data for its ordinary shares.

Basic EPS is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(t) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker, which in this case is the Group Chief Executive Officer, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(u) Fair value measurements

Fair value of an asset or a liability, except for share-based payments and lease transactions, is determined as 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 measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement 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.

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can assess at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(v) Presentation of the consolidation statement of financial position

The Group's and the Company's takaful certificate liabilities and related assets are realised and settled over periods of several years, reflecting the long-term nature of the Group's and the Company's products. Accordingly, the Group and the Company presents the assets and liabilities in its consolidated statement of financial position in approximate order of liquidity, rather than distinguishing current and non-current assets and liabilities. The Group and the Company regards its property and equipment, right-of-use assets, investment properties, intangible assets and investments in subsidiaries, as non-current assets as these are held for the longer-term use of the Group and the Company.

(w) Presentation of OCI from family takaful fund in takaful certificate liabilities

The Group and the Company have applied an accounting policy choice to present only the profit or loss, OCI, and transactions with owners of the Group and the Company for the financial year in the Group's and the Company's statement of changes in equity, as the family takaful fund's share of accumulated OCI on underlying assets measured at FVOCI is attributable to participants.

The following are excluded from the statement of changes in equity:

(i) an FVOCI reserve relating to the underlying assets of participants of the family takaful fund; and

(ii) a corresponding takaful finance reserve relating to the underlying assets of participants of the family takaful fund.

Instead, the amounts attributable to participants are recognised in the takaful certificate liabilities.

3. PROPERTY AND EQUIPMENT

Group	Freehold Land RM'000	Freehold Buildings RM'000	Motor vehicles RM'000	Office equipment, furniture, fixtures and fittings RM'000	Total RM'000
Cost/ Valuation					
As at 1 January 2024	89,065	131,960	914	169,089	391,028
Additions	-	-	439	3,283	3,722
Disposals	-	-	-	(230)	(230)
Write-offs	-	-	-	(30)	(30)
Revaluation	354	1,767	-	-	2,121
Effect of movement in exchange rates	-	-	(130)	(406)	(536)
As at 31 December 2024/ 1 January 2025	**89,419**	**133,727**	**1,223**	**171,706**	**396,075**
Additions	**-**	**-**	**179**	**8,339**	**8,518**
Disposals	**-**	**-**	**(655)**	**(772)**	**(1,427)**
Write-offs	**-**	**-**	**-**	**(15)**	**(15)**
Revaluation	**269**	**462**	**-**	**-**	**731**
Effect of movement in exchange rates	**-**	**-**	**(84)**	**(715)**	**(799)**
As at 31 December 2025	**89,688**	**134,189**	**663**	**178,543**	**403,083**
Accumulated depreciation and impairment loss					
As at 1 January 2024					
Accumulated depreciation	-	-	468	154,131	154,599
Accumulated impairment loss	199	28	-	-	227
	199	28	468	154,131	154,826
Depreciation for the financial year	-	2,385	171	5,319	7,875
Disposals	-	-	-	(226)	(226)
Write-offs	-	-	-	(23)	(23)
Adjustment for revaluation	-	(2,385)	-	-	(2,385)
Effect of movement in exchange rates	-	-	(105)	(227)	(332)
As at 31 December 2024					
Accumulated depreciation	-	-	534	158,974	159,508
Accumulated impairment loss	199	28	-	-	227
	199	28	534	158,974	159,735

3. PROPERTY AND EQUIPMENT (CONTINUED)

Group	Freehold Land RM'000	Freehold Buildings RM'000	Motor vehicles RM'000	Office equipment, furniture, fixtures and fittings RM'000	Total RM'000
Accumulated depreciation and impairment loss (continued)					
As at 1 January 2025					
Accumulated depreciation	**-**	**-**	**534**	**158,974**	**159,508**
Accumulated impairment loss	**199**	**28**	**-**	**-**	**227**
	199	**28**	**534**	**158,974**	**159,735**
Depreciation for the financial year	**-**	**2,431**	**164**	**4,229**	**6,824**
Disposals	**-**	**-**	**(333)**	**(231)**	**(564)**
Write-offs	**-**	**-**	**-**	**(15)**	**(15)**
Adjustment for revaluation	**-**	**(2,431)**	**-**	**-**	**(2,431)**
Effect of movement in exchange rates	**-**	**-**	**(40)**	**(545)**	**(585)**
As at 31 December 2025					
Accumulated depreciation	**-**	**-**	**325**	**162,412**	**162,737**
Accumulated impairment loss	**199**	**28**	**-**	**-**	**227**
	199	**28**	**325**	**162,412**	**162,964**
Carrying amounts					
As at 1 January 2024	88,866	131,932	446	14,958	236,202
As at 31 December 2024	89,220	133,699	689	12,732	236,340
As at 31 December 2025	**89,489**	**134,161**	**338**	**16,131**	**240,119**

3. PROPERTY AND EQUIPMENT (CONTINUED)

Company	Freehold Land RM'000	Freehold Buildings RM'000	Motor vehicles RM'000	Office equipment, furniture, fixtures and fittings RM'000	Total RM'000
Cost/ Valuation					
As at 1 January 2024	88,065	131,220	79	144,454	363,818
Additions	-	-	440	2,379	2,819
Write-offs	-	-	-	(20)	(20)
Revaluation	344	1,757	-	-	2,101
As at 31 December 2024/ 1 January 2025	**88,409**	**132,977**	**519**	**146,813**	**368,718**
Additions	**-**	**-**	**-**	**7,251**	**7,251**
Disposals	**-**	**-**	**(440)**	**(533)**	**(973)**
Revaluation	**269**	**462**	**-**	**-**	**731**
As at 31 December 2025	**88,678**	**133,439**	**79**	**153,531**	**375,727**
Accumulated depreciation and impairment loss					
As at 1 January 2024					
Accumulated depreciation	-	-	79	132,737	132,816
Accumulated impairment loss	199	28	-	-	227
	199	28	79	132,737	133,043
Depreciation for the financial year	-	2,367	72	4,249	6,688
Write-offs	-	-	-	(13)	(13)
Adjustment for revaluation	-	(2,367)	-	-	(2,367)
As at 31 December 2024					
Accumulated depreciation	-	-	151	136,973	137,124
Accumulated impairment loss	199	28	-	-	227
	199	28	151	136,973	137,351

3. PROPERTY AND EQUIPMENT (CONTINUED)

Company	Freehold Land RM'000	Freehold Buildings RM'000	Motor vehicles RM'000	Office equipment, furniture, fixtures and fittings RM'000	Total RM'000
Accumulated depreciation and impairment loss (continued)					
As at 1 January 2025					
Accumulated depreciation	**-**	**-**	**151**	**136,973**	**137,124**
Accumulated impairment loss	**199**	**28**	**-**	**-**	**227**
	199	**28**	**151**	**136,973**	**137,351**
Depreciation for the financial year	**-**	**2,413**	**45**	**3,482**	**5,940**
Disposals	**-**	**-**	**(117)**	**-**	**(117)**
Adjustment for revaluation	**-**	**(2,413)**	**-**	**-**	**(2,413)**
As at 31 December 2025					
Accumulated depreciation	**-**	**-**	**79**	**140,455**	**140,534**
Accumulated impairment loss	**199**	**28**	**-**	**-**	**227**
	199	**28**	**79**	**140,455**	**140,761**
Carrying amounts					
As at 1 January 2024	87,866	131,192	-	11,717	230,775
As at 31 December 2024	88,210	132,949	368	9,840	231,367
As at 31 December 2025	**88,479**	**133,411**	**-**	**13,076**	**234,966**

3.1 Revaluation of properties

Had the land and buildings of the Group and of the Company been carried at historical cost less accumulated depreciation, their carrying amounts would have been as follows:

	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Freehold land	**43,601**	43,601	**43,003**	43,003
Freehold buildings	**66,470**	68,775	**66,162**	68,454
	110,071	112,376	**109,165**	111,457

3. PROPERTY AND EQUIPMENT (CONTINUED)

3.2 Fair value information

Fair value of the land and buildings are categorised as follows:

	Group			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2025				
Freehold land and buildings	**-**	**-**	**223,650**	**223,650**
2024				
Freehold land and buildings	-	-	222,919	222,919

	Company			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2025				
Freehold land and buildings	**-**	**-**	**221,890**	**221,890**
2024				
Freehold land and buildings	-	-	221,159	221,159

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Transfer between Level 1 and 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2024: no transfer in either direction).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the land and buildings.

Valuation techniques and valuation processes applied by the Group and the Company

The Group and the Company applied the same valuation techniques and valuation processes as investment properties, as described in Note 5 of the financial statements.

4. RIGHT-OF-USE ASSETS

	Group			
	Land RM'000	Buildings RM'000	Office equipment RM'000	Total RM'000
As at 1 January 2024	39,320	15,793	1,190	56,303
Additions	-	121	431	552
Write-off	-	(2)	-	(2)
Depreciation for the year	(1,846)	(891)	(591)	(3,328)
Revaluation	2,589	836	-	3,425
Effect of movement in exchange rates	(1,925)	440	-	(1,485)
As at 31 December 2024/ 1 January 2025	**38,138**	**16,297**	**1,030**	**55,465**
Additions	**-**	**48**	**1,077**	**1,125**
Disposal	**-**	**(896)**	**-**	**(896)**
Depreciation for the year	**(1,754)**	**(800)**	**(850)**	**(3,404)**
Revaluation	**(1,839)**	**606**	**-**	**(1,233)**
Effect of movement in exchange rates	**-**	**-**	**(31)**	**(31)**
As at 31 December 2025	**34,545**	**15,255**	**1,226**	**51,026**

	Company			
	Land RM'000	Buildings RM'000	Office equipment RM'000	Total RM'000
As at 1 January 2024	8,856	4,754	1,190	14,800
Additions	-	-	431	431
Depreciation for the year	(167)	(98)	(591)	(856)
Revaluation	411	64	-	475
As at 31 December 2024/ 1 January 2025	**9,100**	**4,720**	**1,030**	**14,850**
Additions	**-**	**-**	**268**	**268**
Depreciation for the year	**(175)**	**(100)**	**(589)**	**(864)**
Revaluation	**114**	**271**	**-**	**385**
As at 31 December 2025	**9,039**	**4,891**	**709**	**14,639**

4. RIGHT-OF-USE ASSETS

4.1 The Group and the Company as lessee

The Group and the Company lease a number of computers and equipment under operating leases. The leases typically run for a period of five years, with an option to renew the lease after that date.

4.2 Fair value information

Fair value of the land and buildings are categorised as follows:

	Group			
	Level 1 RM'000	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**
2025				
Leasehold land and buildings	**-**	**-**	**49,800**	**49,800**
2024				
Leasehold land and buildings	-	-	54,435	54,435

	Company			
	Level 1 RM'000	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**
2025				
Leasehold land and buildings	**-**	**-**	**13,930**	**13,930**
2024				
Leasehold land and buildings	-	-	13,820	13,820

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Transfer between Level 1 and 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2024: no transfer in either direction).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the land and buildings.

Valuation techniques and valuation processes applied by the Group and the Company

The Group and the Company applied the same valuation techniques and valuation processes as investment properties, as described in Note 5 of the financial statements.

5. INVESTMENT PROPERTIES

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Family Takaful					
As at 1 January		**258,670**	273,491	**258,670**	256,200
Additions		**255**	9,588	**255**	9,588
Disposal		**-**	(16,641)	**-**	-
Fair value gains/ (losses)	20(d)	**805**	(7,118)	**805**	(7,118)
Effect of movement in exchange rates		**-**	(650)	**-**	-
As at 31 December		**259,730**	258,670	**259,730**	258,670
General Takaful					
As at 1 January		**11,000**	10,980	**-**	-
Fair value gains	20(d)	**10**	20	**-**	-
As at 31 December		**11,010**	11,000	**-**	-
Group/ Company					
As at 1 January		**40,595**	40,410	**37,899**	37,699
Additions		**255**	9,246	**255**	9,588
Fair value losses	20(d)	**(88)**	(9,024)	**(35)**	(9,388)
Effect of movement in exchange rates		**-**	(37)	**-**	-
As at 31 December		**40,762**	40,595	**38,119**	37,899

The following are amounts arising from investment properties that have been recognised in profit or loss during the financial year.

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Family Takaful					
Rental income	20(b)	**6,774**	5,726	**6,774**	5,638
General Takaful					
Rental income/ (expense)	20(b)	**104**	(75)	**-**	-
Group/Company					
Rental income	20(b)	**7,655**	6,470	**7,551**	6,457

Investment properties are leased to tenants under operating leases with rentals payable on a monthly basis.

Investment properties comprise a number of commercial properties that are leased to third parties.

5. INVESTMENT PROPERTIES (CONTINUED)

Fair value information

Fair value of investment properties are categorised as follows:

	Group			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2025				
Family Takaful				
Freehold land and buildings	**-**	**-**	**226,110**	**226,110**
Leasehold land and buildings	**-**	**-**	**33,620**	**33,620**
	-	**-**	**259,730**	**259,730**
General Takaful				
Freehold land and buildings	**-**	**-**	**1,760**	**1,760**
Leasehold land and buildings	**-**	**-**	**9,250**	**9,250**
	-	**-**	**11,010**	**11,010**
Group				
Freehold land and buildings	**-**	**-**	**9,949**	**9,949**
Leasehold land and buildings	**-**	**-**	**30,813**	**30,813**
	-	**-**	**40,762**	**40,762**
2024				
Family Takaful				
Freehold land and buildings	-	-	225,320	225,320
Leasehold land and buildings	-	-	33,350	33,350
	-	-	258,670	258,670
General Takaful				
Freehold land and buildings	-	-	1,760	1,760
Leasehold land and buildings	-	-	9,240	9,240
	-	-	11,000	11,000
Group				
Freehold land and buildings	-	-	12,122	12,122
Leasehold land and buildings	-	-	28,473	28,473
	-	-	40,595	40,595

5. INVESTMENT PROPERTIES (CONTINUED)

Fair value information (continued)

	Company			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2025				
Family Takaful				
Freehold land and buildings	**-**	**-**	**226,110**	**226,110**
Leasehold land and buildings	**-**	**-**	**33,620**	**33,620**
	-	**-**	**259,730**	**259,730**
Company				
Freehold land and buildings	**-**	**-**	**9,949**	**9,949**
Leasehold land and buildings	**-**	**-**	**28,170**	**28,170**
	-	**-**	**38,119**	**38,119**
2024				
Family Takaful				
Freehold land and buildings	-	-	225,320	225,320
Leasehold land and buildings	-	-	33,350	33,350
	-	-	258,670	258,670
Company				
Freehold land and buildings	-	-	12,122	12,122
Leasehold land and buildings	-	-	25,777	25,777
	-	-	37,899	37,899

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Transfer between Level 1 and 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2024: no transfer in either direction).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for investment property.

5. INVESTMENT PROPERTIES (CONTINUED)

Fair value information (continued)

Level 3 fair value (continued)

The following table shows a reconciliation of Level 3 fair values:

Group	Note	Family Takaful RM'000	General Takaful RM'000	Group RM'000
As at 1 January 2024		273,491	10,980	40,410
Additions		9,588	-	9,246
Disposal		(16,641)	-	-
Fair value (losses)/ gains	20(d)	(7,118)	20	(9,024)
Effect of movement in exchange rates		(650)	-	(37)
As at 31 December 2024/ 1 January 2025		**258,670**	**11,000**	**40,595**
Additions		**255**	**-**	**255**
Fair value gains/ (losses)	20(d)	**805**	**10**	**(88)**
As at 31 December 2025		**259,730**	**11,010**	**40,762**

Company	Note	Family Takaful RM'000	Company RM'000
As at 1 January 2024		256,200	37,699
Additions		9,588	9,588
Fair value losses	20(d)	(7,118)	(9,388)
As at 31 December 2024/ 1 January 2025		**258,670**	**37,899**
Additions		**255**	**255**
Fair value gains/(losses)	20(d)	**805**	**(35)**
As at 31 December 2025		**259,730**	**38,119**

5. INVESTMENT PROPERTIES (CONTINUED)

Fair value information (continued)

Level 3 fair value (continued)

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Comparison method: The valuation method consider the sales and listing of comparable properties recorded in the area and adjustments are made between the subject properties and those similar properties. The adjustments are made in relation to location and accessibility, size and shape of the lot, physical features, legal and legislation constraints, building design and condition, supply and demand, building code and public restriction.	Adjustment rate based on the comparable of sales in the past that was analysed by the National Property Information Centre ("NAPIC") under Valuation and Property Services Department, Ministry of Finance Malaysia.	The estimated fair value would increase/ (decrease) if: - the rate were higher or lower - the historical sales transaction value were higher or lower
Investment method: The valuation method involves estimating the current rental income that can accrue to the subject properties.	- Term yield - Reversionary yield	The estimated fair value would increase/ (decrease) if the yield were lower or higher.

Valuation processes applied by the Group and the Company for Level 3 fair value

The Group's and the Company's investment properties were valued by independent professional valuer firms, using the comparison, cost and investment methods of valuations, where applicable.

In the comparison method approach, the sales and listings of comparable properties within nearby locations are compiled. From the compiled data, adjustments are made by the valuers between the subject property and those similar properties.

The adjustments made are in relation to location, size and shape of the lot, physical features, legal and legislative constraints, building design and condition, time element, planning provision, improvements and renovation works made, if any, surrounding developments, facilities and amenities available and other factors that may affect the value of the subject property. These adjustments are therefore subject to uncertainties such as property market outlook, potential increases in rental rates and general economic conditions.

In the cost method approach, the indication of values consists of the sum of the present worth of the improvement value.

5. INVESTMENT PROPERTIES (CONTINUED)

Fair value information (continued)

Valuation processes applied by the Group and the Company for Level 3 fair value (continued)

For the valuation of the improvements, the valuers have considered the following:

i) Cost of replacement of the building in accordance with current trend of market prices for materials, labour, contractor's overhead, profit and fees;

ii) Accrued depreciation as evidenced by the observed condition and present and prospective serviceability in comparison with new units of like kind; and

iii) Extent, character and utility of the property.

The investment method is the capitalisation of net rent from a property. Net rent is the residue of gross annual rent less annual expenses (outgoings) required to sustain the rent with allowance for void and management fees.

The external valuers have considered the results of all these three methods in their valuation and applied professional judgement in the selection of the fair value of these investment properties.

During the year, the external valuers performed an update of the market values of these investment properties in arriving at the fair value, after considering the properties' existing condition. In the previous financial year, the external valuers have considered the results of all these three methods in their valuation and applied professional judgement in the selection of the fair value of these investment properties.

6. INTANGIBLE ASSETS

	Software	
	Group RM'000	**Company RM'000**
Cost		
As at 1 January 2024	31,397	28,433
Additions	7,314	6,032
As at 31 December 2024/ 1 January 2025	**38,711**	**34,465**
Additions	**17,665**	**12,972**
As at 31 December 2025	**56,376**	**47,437**
Amortisation		
As at 1 January 2024	6,022	5,480
Amortisation during the year	5,197	4,506
As at 31 December 2024/ 1 January 2025	**11,219**	**9,986**
Amortisation during the year	**7,811**	**6,744**
As at 31 December 2025	**19,030**	**16,730**

6. INTANGIBLE ASSETS (CONTINUED)

	Software	
	Group RM'000	Company RM'000
Carrying amount		
As at 1 January 2024	25,375	22,953
As at 31 December 2024	27,492	24,479
As at 31 December 2025	**37,346**	**30,707**

7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2025 RM'000	2024 RM'000
At cost		
Unquoted shares	**149,376**	149,376
Less: Accumulated impairment losses	**(12,983)**	(12,983)
	136,393	136,393

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Country of incorporation	Effective ownership interest 2025	Effective ownership interest 2024
Syarikat Takaful Malaysia Am Berhad#	General Takaful	Malaysia	**100.00%**	100.00%
P.T. Syarikat Takaful Indonesia*	Investment holding	Indonesia	**56.00%**	56.00%
P.T. Asuransi Takaful Keluarga*	Family Takaful	Indonesia	**74.80%**	74.80%

\# Audited by PricewaterhouseCoopers PLT, the auditors of the Company.

* Audited by KAP Mirawati Sensi Idris (affiliation of Moore Global Network Limited). Please refer to note 18 for audit related fee incurred during the financial year.

Non-controlling interests in subsidiaries

The Group's subsidiaries that have non-controlling interests are not material to the Group.

8. DEFERRED TAX ASSETS/ (LIABILITIES)

	Group					
	Assets		Liabilities		Net	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Family Takaful						
Investment properties	**-**	-	**(3,435)**	(3,371)	**(3,435)**	(3,371)
Investments	**10,125**	4,060	**(18,003)**	(11,836)	**(7,878)**	(7,776)
Financing and receivables	**48**	24	**-**	-	**48**	24
Tax assets/ (liabilities)	**10,173**	4,084	**(21,438)**	(15,207)	**(11,265)**	(11,123)
Set off of tax	**(10,173)**	(4,084)	**10,173**	4,084	**-**	-
Net tax assets	**-**	-	**(11,265)**	(11,123)	**(11,265)**	(11,123)
General Takaful						
Investments	**3,729**	1,996	**(3,129)**	(1,846)	**600**	150
Tax assets/ (liabilities)	**3,729**	1,996	**(3,129)**	(1,846)	**600**	150
Set off of tax	**(3,129)**	(1,846)	**3,129**	1,846	**-**	-
Net tax assets	**600**	150	**-**	-	**600**	150
Group						
Property and equipment	**-**	-	**(1,558)**	(1,601)	**(1,558)**	(1,601)
Right-of-use assets	**1**	2	**(157)**	(157)	**(156)**	(155)
Investment properties	**-**	-	**(3,879)**	(3,815)	**(3,879)**	(3,815)
Investments	**14,503**	7,013	**(25,907)**	(19,753)	**(11,404)**	(12,740)
Financing and receivables	**84**	64	**-**	-	**84**	64
Takaful and retakaful certificates	**268,949**	267,230	**(2,349)**	-	**266,600**	267,230
Other payables	**11,530**	12,006	**-**	-	**11,530**	12,006
Tax assets/ (liabilities)	**295,067**	286,315	**(33,850)**	(25,326)	**261,217**	260,989
Set off of tax	**(22,585)**	(14,203)	**22,585**	14,203	**-**	-
Net tax assets/ (liabilities)	**272,482**	272,112	**(11,265)**	(11,123)	**261,217**	260,989

NOTES TO THE FINANCIAL STATEMENTS

8. DEFERRED TAX ASSETS/ (LIABILITIES) (CONTINUED)

	Company					
	Assets		Liabilities		Net	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Family Takaful						
Investment properties	**-**	-	**(3,435)**	(3,371)	**(3,435)**	(3,371)
Investments	**10,125**	4,060	**(18,003)**	(11,836)	**(7,878)**	(7,776)
Financing and receivables	**48**	24	**-**	-	**48**	24
Tax assets/ (liabilities)	**10,173**	4,084	**(21,438)**	(15,207)	**(11,265)**	(11,123)
Set off of tax	**(10,173)**	(4,084)	**10,173**	4,084	**-**	-
Net tax liabilities	**-**	-	**(11,265)**	(11,123)	**(11,265)**	(11,123)
Company						
Property and equipment	**-**	-	**(537)**	(537)	**(537)**	(537)
Right-of-use assets	**-**	-	**(157)**	(157)	**(157)**	(157)
Investment properties	**-**	-	**(3,879)**	(3,815)	**(3,879)**	(3,815)
Investments	**10,125**	4,579	**(21,074)**	(16,853)	**(10,949)**	(12,274)
Financing and receivables	**52**	28	**-**	-	**52**	28
Takaful and retakaful certificates	**220,579**	227,849	**-**	-	**220,579**	227,849
Other payables	**6,872**	6,571	**-**	-	**6,872**	6,571
Tax assets/ (liabilities)	**237,628**	239,027	**(25,647)**	(21,362)	**211,981**	217,665
Set off of tax	**(14,382)**	(10,239)	**14,382**	10,239	**-**	-
Net tax assets/ (liabilities)	**223,246**	228,788	**(11,265)**	(11,123)	**211,981**	217,665

8. DEFERRED TAX ASSETS/ (LIABILITIES) (CONTINUED)

	As at 1.1.2024 RM'000	Recognised in profit or loss (Note 26) RM'000	Recognised in other comprehensive income (Note 26) RM'000	Effect of movement in exchange rate RM'000	As at 31.12.2024/ 1.1.2025 RM'000	Recognised in profit or loss (Note 26) RM'000	Recognised in other comprehensive income (Note 26) RM'000	Effect of movement in exchange rate RM'000	As at 31.12.2025 RM'000
Family Takaful									
Investment properties	-	(3,371)	-	-	**(3,371)**	**(64)**	**-**	**-**	**(3,435)**
Investments	-	4,060	(11,836)	-	**(7,776)**	**6,576**	**(6,678)**	**-**	**(7,878)**
Financing and receivables	-	24	-	-	**24**	**24**	**-**	**-**	**48**
Tax assets/ (liabilities)	-	713	(11,836)	-	**(11,123)**	**6,536**	**(6,678)**	**-**	**(11,265)**
General Takaful									
Investments	-	1,629	(1,479)	-	**150**	**1,704**	**(1,254)**	**-**	**600**
Tax assets	-	1,629	(1,479)	-	**150**	**1,704**	**(1,254)**	**-**	**600**
Group									
Property and equipment	(1,629)	(1,051)	-	1,079	**(1,601)**	**40**	**-**	**3**	**(1,558)**
Right-of-use assets	(157)	2	-	-	**(155)**	**(1)**	**-**	**-**	**(156)**
Investment properties	(1,940)	(1,875)	-	-	**(3,815)**	**(64)**	**-**	**-**	**(3,879)**
Investments	(423)	1,686	(14,003)	-	**(12,740)**	**9,216**	**(7,880)**	**-**	**(11,404)**
Financing and receivables	49	19	-	(4)	**64**	**24**	**-**	**(4)**	**84**
Takaful and retakaful certificates	266,807	1,136	(713)	-	**267,230**	**1,952**	**(2,582)**	**-**	**266,600**
Other payables	9,961	2,946	(33)	(868)	**12,006**	**(307)**	**13**	**(182)**	**11,530**
Tax assets/ (liabilities)	272,668	2,863	(14,749)	207	**260,989**	**10,860**	**(10,449)**	**(183)**	**261,217**

8. DEFERRED TAX ASSETS/ (LIABILITIES) (CONTINUED)

	As at 1.1.2024 RM'000	Recognised in profit or loss (Note 26) RM'000	Recognised in other comprehensive income (Note 26) RM'000	As at 31.12.2024/ 1.1.2025 RM'000	Recognised in profit or loss (Note 26) RM'000	Recognised in other comprehensive income (Note 26) RM'000	As at 31.12.2025 RM'000
Family Takaful							
Investment properties	-	(3,371)	-	**(3,371)**	**(64)**	**-**	**(3,435)**
Investments	-	4,060	(11,836)	**(7,776)**	**6,576**	**(6,678)**	**(7,878)**
Financing and receivables	-	24	-	**24**	**24**	**-**	**48**
Tax assets/ (liabilities)	-	713	(11,836)	**(11,123)**	**6,536**	**(6,678)**	**(11,265)**
Company							
Property and equipment	(537)	-	-	**(537)**	**-**	**-**	**(537)**
Right-of-use assets	(157)	-	-	**(157)**	**-**	**-**	**(157)**
Investment properties	(1,940)	(1,875)	-	**(3,815)**	**(64)**	**-**	**(3,879)**
Investments	582	(86)	(12,770)	**(12,274)**	**7,309**	**(5,984)**	**(10,949)**
Financing and receivables	15	13	-	**28**	**24**	**-**	**52**
Takaful and retakaful certificates	222,185	6,435	(771)	**227,849**	**(4,520)**	**(2,750)**	**220,579**
Other payables	4,630	1,941	-	**6,571**	**301**	**-**	**6,872**
Tax assets/ (liabilities)	224,778	6,428	(13,541)	**217,665**	**3,050**	**(8,734)**	**211,981**

8. DEFERRED TAX ASSETS/ (LIABILITIES) (CONTINUED)

The following deferred tax balances breakdown by expected recoverability and settlement period:

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Family Takaful				
Deferred tax assets:				
- Deferred tax assets to be recovered after more than 12 months	**10,131**	3,995	**10,131**	3,995
- Deferred tax assets to be recovered within 12 months	**42**	89	**42**	89
	10,173	4,084	**10,173**	4,084
Deferred tax liabilities:				
- Deferred tax liabilities to be settled after more than 12 months	**(21,371)**	(15,383)	**(21,371)**	(15,383)
- Deferred tax liabilities to be settled within 12 months	**(67)**	176	**(67)**	176
	(21,438)	(15,207)	**(21,438)**	(15,207)
Net deferred tax liabilities	**(11,265)**	(11,123)	**(11,265)**	(11,123)
General Takaful				
Deferred tax assets:				
- Deferred tax assets to be recovered after more than 12 months	**2,630**	1,221	**-**	-
- Deferred tax assets to be recovered within 12 months	**1,099**	775	**-**	-
	3,729	1,996	**-**	-
Deferred tax liabilities:				
- Deferred tax liabilities to be settled after more than 12 months	**(3,074)**	(1,815)	**-**	-
- Deferred tax liabilities to be settled within 12 months	**(55)**	(31)	**-**	-
	(3,129)	(1,846)	**-**	-
Net deferred tax assets	**600**	150	**-**	-

8. DEFERRED TAX ASSETS/ (LIABILITIES) (CONTINUED)

The following deferred tax balances breakdown by expected recoverability and settlement period (continued):

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Group				
Deferred tax assets:				
- Deferred tax assets to be recovered after more than 12 months	**247,449**	241,580	**224,912**	222,592
- Deferred tax assets to be recovered within 12 months	**45,903**	38,483	**12,022**	11,248
	293,352	280,063	**236,934**	233,840
Deferred tax liabilities:				
- Deferred tax liabilities to be settled after more than 12 months	**(31,940)**	(19,141)	**(24,841)**	(16,379)
- Deferred tax liabilities to be settled within 12 months	**(195)**	67	**(112)**	204
	(32,135)	(19,074)	**(24,953)**	(16,175)
Net deferred tax liabilities	**261,217**	260,989	**211,981**	217,665

9. INVESTMENTS

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Family Takaful					
FVTPL	(a)	**988,980**	965,776	**801,107**	765,718
FVOCI	(b)	**7,761,278**	7,120,037	**7,761,278**	7,120,037
		8,750,258	8,085,813	**8,562,385**	7,885,755
General Takaful					
FVTPL	(a)	**20,242**	5,072	**-**	-
FVOCI	(b)	**1,026,645**	902,664	**-**	-
		1,046,887	907,736	**-**	-
Group/ Company					
FVTPL	(a)	**1,084,741**	1,060,976	**832,145**	804,006
FVOCI	(b)	**10,187,908**	9,512,647	**8,842,038**	8,193,844
		11,272,649	10,573,623	**9,674,183**	8,997,850

9. INVESTMENTS (CONTINUED)

(a) FVTPL financial assets

	Group		Company	
	2025	2024	2025	2024
At fair value	RM'000	RM'000	RM'000	RM'000
Family Takaful				
Equity securities				
- Quoted in Malaysia	**495,089**	504,599	**495,089**	504,599
- Unquoted*	**73,898**	74,433	**73,898**	74,433
- Quoted outside Malaysia	**27,034**	32,558	**-**	-
	596,021	611,590	**568,987**	579,032
Unit trusts				
- Quoted in Malaysia	**153,039**	133,353	**153,039**	133,353
- Quoted outside Malaysia	**32,769**	27,887	**-**	-
	185,808	161,240	**153,039**	133,353
Islamic Debt Securities				
- Unquoted	**79,081**	53,333	**79,081**	53,333
- Quoted outside Malaysia	**128,070**	139,613	**-**	-
	207,151	192,946	**79,081**	53,333
	988,980	965,776	**801,107**	765,718
General Takaful				
Equity securities - Unquoted*	**20,242**	5,072	**-**	-

* This relates to perpetual sukuk which qualify as tier 1 capital instruments for the issuer under the capital adequacy framework for banking institutions. Refer to Note 2(c)(ii) for details of accounting policy.

9. INVESTMENTS (CONTINUED)

(a) FVTPL financial assets (continued)

	Group		Company	
At fair value	**2025 RM'000**	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Group/ Company				
Equity securities				
- Quoted in Malaysia	**514,717**	525,566	**514,717**	525,566
- Quoted outside Malaysia	**27,034**	32,575	**-**	-
- Unquoted*	**99,642**	111,785	**74,278**	90,763
	641,393	669,926	**588,995**	616,329
Unit trusts				
- Quoted in Malaysia	**154,071**	134,344	**154,071**	134,344
- Quoted outside Malaysia	**37,109**	31,350	**-**	-
	191,180	165,694	**154,071**	134,344
Islamic Debt Securities				
- Unquoted	**94,078**	53,333	**89,079**	53,333
- Quoted outside Malaysia	**158,090**	172,023	**-**	-
	252,168	225,356	**89,079**	53,333
	1,084,741	1,060,976	**832,145**	804,006

* This relates to perpetual sukuk which qualify as tier 1 capital instruments for the issuer under the capital adequacy framework for banking institutions. Refer to Note 2(c)(ii) for details of accounting policy.

9. INVESTMENTS (CONTINUED)

(b) FVOCI financial assets

	Group		Company	
At fair value	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Family Takaful				
Islamic Debt Securities - Unquoted	**6,173,124**	5,879,420	**6,173,124**	5,879,420
Institutional Trust Account/ Islamic Deposits	**681,579**	514,028	**681,579**	514,028
Malaysian Government Islamic papers	**906,575**	726,589	**906,575**	726,589
	7,761,278	7,120,037	**7,761,278**	7,120,037
General Takaful				
Islamic Debt Securities - Unquoted	**829,963**	706,127	**-**	-
Institutional Trust Account/ Islamic Deposits	**112,855**	110,560	**-**	-
Malaysian Government Islamic papers	**83,827**	85,977	**-**	-
	1,026,645	902,664	**-**	-
Group/ Company				
Islamic Debt Securities - Unquoted*	**8,076,663**	7,748,277	**7,038,337**	6,713,561
Institutional Trust Account/ Islamic Deposits	**978,334**	749,114	**816,830**	596,545
Malaysian Government Islamic papers	**1,132,911**	1,015,256	**986,871**	883,738
	10,187,908	9,512,647	**8,842,038**	8,193,844

* Included in the Islamic Debt Securities - Unquoted of the Company are sukuk issued by a subsidiary company of RM150,199,500 (2024: Nil).

9. INVESTMENTS (CONTINUED)

(c) Carrying values of financial instruments

The following tables show the movement of carrying values of investments:

		Family Takaful			General Takaful			Group		
	Note	FVTPL RM'000	FVOCI RM'000	Total RM'000	FVTPL RM'000	FVOCI RM'000	Total RM'000	FVTPL RM'000	FVOCI RM'000	Total RM'000
As at 1 January 2024		606,596	6,533,697	7,140,293	-	747,405	747,405	690,939	8,568,685	9,259,624
Placements		603,156	951,864	1,555,020	5,000	190,753	195,753	635,471	1,431,880	2,067,351
Maturities		(25,374)	(114,404)	(139,778)	-	(26,369)	(26,369)	(27,238)	(150,773)	(178,011)
Disposals		(256,574)	(313,534)	(570,108)	-	(11,983)	(11,983)	(275,029)	(407,366)	(682,395)
Profit capitalised	33.10	-	19,463	19,463	-	2,826	2,826	-	26,068	26,068
Fair value gains recorded in:										
Profit or loss		52,661	-	52,661	72	-	72	53,843	-	53,843
Other comprehensive income		-	-	-	-	-	-	-	2,932	2,932
Participants' fund		-	50,878	50,878	-	809	809	-	51,685	51,685
Amortisation of premiums, net of accretion of discounts		74	(7,927)	(7,853)	-	(777)	(777)	84	(10,464)	(10,380)
Effect of movement in exchange rates		(14,763)	-	(14,763)	-	-	-	(17,094)	-	(17,094)
As at 31 December 2024/ 1 January 2025		**965,776**	**7,120,037**	**8,085,813**	**5,072**	**902,664**	**907,736**	**1,060,976**	**9,512,647**	**10,573,623**
Placements		**319,821**	**1,455,152**	**1,774,973**	**15,546**	**254,837**	**270,383**	**376,099**	**2,114,668**	**2,490,767**
Maturities		**(18,482)**	**(349,156)**	**(367,638)**	**-**	**(60,930)**	**(60,930)**	**(24,168)**	**(465,086)**	**(489,254)**
Disposals		**(199,002)**	**(549,543)**	**(748,545)**	**(459)**	**(74,706)**	**(75,165)**	**(241,930)**	**(1,066,976)**	**(1,308,906)**
Profit capitalised	33.10	**-**	**18,249**	**18,249**	**-**	**2,579**	**2,579**	**-**	**24,600**	**24,600**
Fair value changes recorded in:										
Profit or loss		**(55,068)**	**-**	**(55,068)**	**83**	**-**	**83**	**(57,036)**	**-**	**(57,036)**
Other comprehensive income		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,237**	**1,237**
Participants' fund		**-**	**76,574**	**76,574**	**-**	**3,344**	**3,344**	**-**	**79,920**	**79,920**
Amortisation of premiums, net of accretion of discounts		**64**	**(10,035)**	**(9,971)**	**-**	**(1,143)**	**(1,143)**	**73**	**(13,102)**	**(13,029)**
Effect of movement in exchange rates		**(24,129)**	**-**	**(24,129)**	**-**	**-**	**-**	**(29,273)**	**-**	**(29,273)**
As at 31 December 2025		**988,980**	**7,761,278**	**8,750,258**	**20,242**	**1,026,645**	**1,046,887**	**1,084,741**	**10,187,908**	**11,272,649**

9. INVESTMENTS (CONTINUED)

(c) Carrying values of financial instruments (continued)

The following tables show the movement of carrying values of investments (continued):

		Family Takaful			Company		
	Note	FVTPL RM'000	FVOCI RM'000	Total RM'000	FVTPL RM'000	FVOCI RM'000	Total RM'000
As at 1 January 2024		389,774	6,533,697	6,923,471	412,601	7,435,028	7,847,629
Placements		564,687	951,864	1,516,551	590,855	1,160,702	1,751,557
Maturities		(516)	(114,404)	(114,920)	(516)	(119,404)	(119,920)
Disposals		(243,266)	(313,534)	(556,800)	(255,490)	(350,186)	(605,676)
Profit capitalised	33.10	-	19,463	19,463	-	21,961	21,961
Fair value gains recorded in:							
Profit or loss		55,039	-	55,039	56,556	-	56,556
Other comprehensive income		-	-	-	-	3,951	3,951
Participants' fund		-	50,878	50,878	-	50,878	50,878
Amortisation of premiums, net of accretion of discounts		-	(7,927)	(7,927)	-	(9,086)	(9,086)
As at 31 December 2024/ 1 January 2025		**765,718**	**7,120,037**	**7,885,755**	**804,006**	**8,193,844**	**8,997,850**
Placements		**278,636**	**1,455,152**	**1,733,788**	**299,612**	**1,899,902**	**2,199,514**
Maturities		**-**	**(349,156)**	**(349,156)**	**-**	**(399,156)**	**(399,156)**
Disposals		**(179,325)**	**(549,543)**	**(728,868)**	**(203,708)**	**(937,222)**	**(1,140,930)**
Profit capitalised	33.10	**-**	**18,249**	**18,249**	**-**	**20,769**	**20,769**
Fair value changes recorded in:							
Profit or loss		**(63,921)**	**-**	**(63,921)**	**(67,764)**	**-**	**(67,764)**
Other comprehensive income		**-**	**-**	**-**	**-**	**(1,423)**	**(1,423)**
Participants' fund		**-**	**76,574**	**76,574**	**-**	**76,574**	**76,574**
Amortisation of premiums, net of accretion of discounts		**(1)**	**(10,035)**	**(10,036)**	**(1)**	**(11,250)**	**(11,251)**
As at 31 December 2025		**801,107**	**7,761,278**	**8,562,385**	**832,145**	**8,842,038**	**9,674,183**

9. INVESTMENTS (CONTINUED)

(d) Fair values of financial instruments

Quoted market prices category are financial instruments that are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange and published market price from print medias.

Market observable financial instruments are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions and are instruments for which pricing is obtained from Bond Pricing Agency Malaysia and regulatory agency. The fair values of investments in structured products are obtained via investments bankers and/ or fund managers.

Non-market observable inputs mean that fair values are determined in whole or in part using a valuation technique based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. The main asset class in this category are unquoted equity securities and Institutional Trust Account/ Islamic Deposits.

The fair values of the unquoted equity securities are determined to approximate the carrying amount as these are immaterial in the context of the financial statements.

(e) Maturity of other investments

The following investments mature after 12 months:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Family Takaful				
FVTPL financial assets	**256,736**	245,174	**151,464**	127,766
FVOCI financial assets	**7,536,586**	6,774,635	**7,536,586**	6,774,635
	7,793,322	7,019,809	**7,688,050**	6,902,401
General Takaful				
FVTPL financial assets	**20,242**	5,072	**-**	-
FVOCI financial assets	**959,054**	872,525	**-**	-
	979,296	877,597	**-**	-
Group/ Company				
FVTPL financial assets	**317,598**	333,628	**161,462**	169,051
FVOCI financial assets	**9,966,522**	9,081,964	**8,566,943**	7,798,326
	10,284,120	9,415,592	**8,728,405**	7,967,377

10. TAKAFUL AND RETAKAFUL CERTIFICATES

The breakdown of groups of takaful certificates issued and retakaful certificates held, that are in an asset position and those in a liability position is set out in the table below:

	Group					
	Assets		Liabilities			
	Remaining coverage RM'000	Incurred claims RM'000	Remaining coverage RM'000	Incurred claims RM'000	Total assets RM'000	Total liabilities RM'000
31 December 2025						
Family Takaful						
Takaful certificates	**23,001**	**906,338**	**(573,868)**	**(11,063,088)**	**929,339**	**(11,636,956)**
Retakaful certificates	**(225,120)**	**397,725**	**(75,600)**	**66,859**	**172,605**	**(8,741)**
	(202,119)	**1,304,063**	**(649,468)**	**(10,996,229)**	**1,101,944**	**(11,645,697)**
General Takaful						
Takaful certificates	**4,476**	**19,467**	**(457,486)**	**(2,561,509)**	**23,943**	**(3,018,995)**
Retakaful certificates	**178,477**	**1,264,995**	**(35,484)**	**(55,063)**	**1,443,472**	**(90,547)**
	182,953	**1,284,462**	**(492,970)**	**(2,616,572)**	**1,467,415**	**(3,109,542)**
Group						
Takaful certificates	**42,241**	**925,805**	**(1,008,142)**	**(13,632,425)**	**968,046**	**(14,640,567)**
Retakaful certificates	**(42,309)**	**1,662,721**	**(111,943)**	**11,796**	**1,620,412**	**(100,147)**
	(68)	**2,588,526**	**(1,120,085)**	**(13,620,629)**	**2,588,458**	**(14,740,714)**
31 December 2024						
Family Takaful						
Takaful certificates	22,431	718,979	(435,570)	(10,162,156)	741,410	(10,597,726)
Retakaful certificates	41,326	325,928	(206,006)	-	367,254	(206,006)
	63,757	1,044,907	(641,576)	(10,162,156)	1,108,664	(10,803,732)
General Takaful						
Takaful certificates	4,349	15,093	(386,627)	(2,253,460)	19,442	(2,640,087)
Retakaful certificates	118,361	1,065,593	(24,286)	(63,060)	1,183,954	(87,346)
	122,710	1,080,686	(410,913)	(2,316,520)	1,203,396	(2,727,433)
Group						
Takaful certificates	51,061	734,072	(1,636,762)	(12,423,150)	785,133	(14,059,912)
Retakaful certificates	162,136	1,391,521	(231,091)	(63,060)	1,553,657	(294,151)
	213,197	2,125,593	(1,867,853)	(12,486,210)	2,338,790	(14,354,063)

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

The breakdown of groups of takaful certificates issued and retakaful certificates held, that are in an asset position and those in a liability position is set out in the table below (continued):

	Company					
	Assets		Liabilities			
	Remaining coverage RM'000	Incurred claims RM'000	Remaining coverage RM'000	Incurred claims RM'000	Total assets RM'000	Total liabilities RM'000
31 December 2025						
Family Takaful						
Takaful certificates	**15,616**	**906,338**	**(570,520)**	**(10,730,468)**	**921,954**	**(11,300,988)**
Retakaful certificates	**(259,585)**	**379,472**	**(71,106)**	**66,859**	**119,887**	**(4,247)**
	(243,969)	**1,285,810**	**(641,626)**	**(10,663,609)**	**1,041,841**	**(11,305,235)**
Company						
Takaful certificates	**25,723**	**906,338**	**(474,359)**	**(10,738,297)**	**932,061**	**(11,212,656)**
Retakaful certificates	**(259,602)**	**379,472**	**(71,106)**	**66,859**	**119,870**	**(4,247)**
	(233,879)	**1,285,810**	**(545,465)**	**(10,671,438)**	**1,051,931**	**(11,216,903)**
31 December 2024						
Family Takaful						
Takaful certificates	17,223	718,979	(433,859)	(9,798,861)	736,202	(10,232,720)
Retakaful certificates	-	305,099	(201,903)	-	305,099	(201,903)
	17,223	1,024,078	(635,762)	(9,798,861)	1,041,301	(10,434,623)
Company						
Takaful certificates	36,274	718,979	(1,093,428)	(9,806,393)	755,253	(10,899,821)
Retakaful certificates	24	305,098	(201,903)	-	305,122	(201,903)
	36,298	1,024,077	(1,295,331)	(9,806,393)	1,060,375	(11,101,724)

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

The following takaful and retakaful certificates breakdown by current and non-current:

		Group			
		2025		2024	
		Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
Family Takaful					
Current	- Takaful certificates	**850,700**	**(2,950,520)**	685,668	(10,263,676)
	- Retakaful certificates	**172,605**	**(8,741)**	367,254	(206,006)
Non-current	- Takaful certificates	**78,639**	**(8,686,436)**	55,742	(334,050)
		1,101,944	**(11,645,697)**	1,108,664	(10,803,732)
General Takaful					
Current	- Takaful certificates	**3,226**	**(1,315,515)**	2,700	(1,249,997)
	- Retakaful certificates	**702,454**	**(189,375)**	986,067	(177,323)
Non-current	- Takaful certificates	**20,717**	**(1,703,480)**	16,742	(1,390,090)
	- Retakaful certificates	**741,018**	**98,828**	197,887	89,977
		1,467,415	**(3,109,542)**	1,203,396	(2,727,433)
Group					
Current	- Takaful certificates	**878,899**	**(4,352,184)**	723,479	(11,829,793)
	- Retakaful certificates	**879,394**	**(198,975)**	940,669	(249,020)
Non-current	- Takaful certificates	**89,147**	**(10,288,383)**	61,654	(2,230,119)
	- Retakaful certificates	**741,018**	**98,828**	612,988	(45,131)
		2,588,458	**(14,740,714)**	2,338,790	(14,354,063)

		Company			
		2025		2024	
		Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
Family Takaful					
Current	- Takaful certificates	**843,315**	**(2,614,552)**	666,635	(2,722,092)
	- Retakaful certificates	**119,887**	**(4,247)**	305,099	(201,903)
Non-current	- Takaful certificates	**78,639**	**(8,686,436)**	69,567	(7,510,628)
		1,041,841	**(11,305,235)**	1,041,301	(10,434,623)
Company					
Current	- Takaful certificates	**864,677**	**(2,581,026)**	692,751	(2,797,594)
	- Retakaful certificates	**119,870**	**(4,247)**	305,122	(201,903)
Non-current	- Takaful certificates	**67,384**	**(8,631,630)**	62,502	(8,102,227)
		1,051,931	**(11,216,903)**	1,060,375	(11,101,724)

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.1 Reconciliation of the LFRC and the LFIC

Takaful certificates issued

		Group						
		LFRC		LFIC			Assets for takaful acquisition cash flows	
					Certificates under PAA			
2025	Note	Excluding loss component RM'000	Loss component RM'000	Certificates not under PAA RM'000	Estimates of PVFCF RM'000	Risk adjustment RM'000	RM'000	Total RM'000
Family Takaful								
Takaful certificate liabilities as at 1 January		435,570	-	9,590,250	570,617	1,289	-	10,597,726
Takaful certificate assets as at 1 January		(22,431)	-	(558,548)	(160,610)	179	-	(741,410)
Net takaful certificate liabilities as at 1 January		413,139	-	9,031,702	410,007	1,468	-	9,856,316
Takaful revenue	16	(2,228,534)	-	-	-	-	-	(2,228,534)
Certificates under the MRA		(175,366)	-	-	-	-	-	(175,366)
Certificates under the FVA		93,918	-	-	-	-	-	93,918
Other certificates		(2,147,086)	-	-	-	-	-	(2,147,086)
Takaful service expenses	17	708,570	-	1,286,141	440,152	6,348	-	2,441,211
Investment components		(508,902)	-	462,028	46,874	-	-	-
Takaful service result		(2,028,866)	-	1,748,169	487,026	6,348	-	212,677
Takaful finance expenses from takaful certificates issued - P&L		140,155	-	-	-	-	-	140,155
Takaful finance expenses from takaful certificates issued - OCI		27,193	-	-	-	-	-	27,193
Debt investment measured at FVOCI		58,139	-	-	-	-	-	58,139
Effect of movements in exchange rates		484	-	-	(44,180)	-	-	(43,696)
Total changes in the statement of profit or loss and OCI		(1,802,895)	-	1,748,169	442,846	6,348	-	394,468

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.1 Reconciliation of the LFRC and the LFIC (continued)

Takaful certificates issued (continued)

		Group						
		LFRC		LFIC				
					Certificates under PAA			
2025	Note	Excluding loss component RM'000	Loss component RM'000	Certificates not under PAA RM'000	Estimates of PVFCF RM'000	Risk adjustment RM'000	Assets for takaful acquisition cash flows RM'000	Total RM'000
Family Takaful (continued)								
Cash flows								
Contributions received		2,954,389	-	-	-	-	-	2,954,389
Claims and other expenses paid including investment components		-	-	(1,003,387)	(371,897)	-	-	(1,375,284)
Takaful acquisition cash flows		(1,013,766)	-	(77,674)	(30,832)	-	-	(1,122,272)
Total cash flows		1,940,623	-	(1,081,061)	(402,729)	-	-	456,833
Net takaful certificate liabilities as at 31 December		550,867	-	9,698,810	450,124	7,816	-	10,707,617
Takaful certificate liabilities as at 31 December		573,868	-	10,446,340	613,444	3,304	-	11,636,956
Takaful certificate assets as at 31 December		(23,001)	-	(747,530)	(163,320)	4,512	-	(929,339)
Net takaful certificate liabilities as at 31 December		550,867	-	9,698,810	450,124	7,816	-	10,707,617

(1) Deem settlement transfer mainly related to wakalah fee.

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.1 Reconciliation of the LFRC and the LFIC (continued)

Takaful certificates issued (continued)

		Group						
		LFRC		LFIC				
					Certificates under PAA			
2025	Note	Excluding loss component RM'000	Loss component RM'000	Certificates not under PAA RM'000	Estimates of PVFCF RM'000	Risk adjustment RM'000	Assets for takaful acquisition cash flows RM'000	Total RM'000
General Takaful								
Takaful certificate liabilities as at 1 January		386,627	-	155,029	1,972,372	126,059	-	2,640,087
Takaful certificate assets as at 1 January		(4,349)	-	(11,694)	(3,399)	-	-	(19,442)
Net takaful certificate liabilities as at 1 January		382,278	-	143,335	1,968,973	126,059	-	2,620,645
Takaful revenue	16	(1,443,774)	-	-	-	-	-	(1,443,774)
Certificates under the MRA		(5,237)	-	-	-	-	-	(5,237)
Certificates under the FVA		(2,061)	-	-	-	-	-	(2,061)
Other certificates		(1,436,476)	-	-	-	-	-	(1,436,476)
Takaful service expenses	17	447,331	-	39,065	947,005	(5,191)	-	1,428,210
Takaful service result		(996,443)	-	39,065	947,005	(5,191)	-	(15,564)
Takaful finance expenses from takaful certificates issued - P&L		16,686	-	323	43,818	4,172	-	64,999
Takaful finance expenses from takaful certificates issued - OCI		(8,468)	-	8,543	2,989	1,610	-	4,674
Debt investment measured at FVOCI		639	-	-	-	-	-	639
Total changes in the statement of profit or loss and OCI		(987,586)	-	47,931	993,812	591	-	54,748

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.1 Reconciliation of the LFRC and the LFIC (continued)

Takaful certificates issued (continued)

		Group						
		LFRC		LFIC				
					Certificates under PAA			
2025	**Note**	**Excluding loss component RM'000**	**Loss component RM'000**	**Certificates not under PAA RM'000**	**Estimates of PVFCF RM'000**	**Risk adjustment RM'000**	**Assets for takaful acquisition cash flows RM'000**	**Total RM'000**
General Takaful (continued)								
Cash flows								
Contributions received		1,547,440	-	-	-	-	-	1,547,440
Claims and other expenses paid including investment components		-	-	(24,978)	(695,278)	-	-	(720,256)
Takaful acquisition cash flows		(489,122)	-	40	(18,443)	-	-	(507,525)
Total cash flows		1,058,318	-	(24,938)	(713,721)	-	-	319,659
Net takaful certificate liabilities as at 31 December		453,010	-	166,328	2,249,064	126,650	-	2,995,052
Takaful certificate liabilities as at 31 December		457,486	-	185,795	2,249,064	126,650	-	3,018,995
Takaful certificate assets as at 31 December		(4,476)	-	(19,467)	-	-	-	(23,943)
Net takaful certificate liabilities as at 31 December		453,010	-	166,328	2,249,064	126,650	-	2,995,052

The Group elected for the long-term fire product to be measured using GMM. All other groups of takaful certificates will be measures under the PAA.

NOTES TO THE FINANCIAL STATEMENTS

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.1 Reconciliation of the LFRC and the LFIC (continued)

Takaful certificates issued (continued)

		Group						
		LFRC		LFIC			Assets for takaful acquisition cash flows[1]	
					Certificates under PAA			
2025	Note	Excluding loss component RM'000	Loss component RM'000	Certificates not under PAA RM'000	Estimates of PVFCF RM'000	Risk adjustment RM'000	RM'000	Total RM'000
Group								
Takaful certificate liabilities as at 1 January		1,937,044	32,582	9,719,701	2,576,101	127,348	(332,864)	14,059,912
Takaful certificate assets as at 1 January		(51,061)	-	(570,242)	(164,009)	179	-	(785,133)
Net takaful certificate liabilities as at 1 January		1,885,983	32,582	9,149,459	2,412,092	127,527	(332,864)	13,274,779
Takaful revenue	16	(3,804,713)	-	-	-	-	-	(3,804,713)
Certificates under the MRA		(237,079)	-	-	-	-	-	(237,079)
Certificates under the FVA		77,696	-	-	-	-	-	77,696
Other certificates		(3,645,330)	-	-	-	-	-	(3,645,330)
Takaful service expenses	17	710,013	(4,208)	1,270,879	1,500,204	1,157	-	3,478,045
Investment components		(508,902)	-	462,028	46,874	-	-	-
Takaful service result		(3,603,602)	(4,208)	1,732,907	1,547,078	1,157	-	(326,668)
Takaful finance expenses from takaful certificates issued - P&L		205,317	(8,709)	323	43,819	4,172	-	244,922
Takaful finance expenses from takaful certificates issued - OCI		43,325	-	8,543	2,992	1,610	-	56,470
Debt investment measured at FVOCI		58,778	-	-	-	-	-	58,778
Effect of movements in exchange rates		(946)	-	-	(44,180)	-	-	(45,126)
Total changes in the statement of profit or loss and OCI		(3,297,128)	(12,917)	1,741,773	1,549,709	6,939	-	(11,624)

[1] Assets for takaful acquisition cash flows that related to bancatakaful. During the year, the Group has entered into twenty year Bancatakaful agreements with RHB Islamic Bank Berhad.

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.1 Reconciliation of the LFRC and the LFIC (continued)

Takaful certificates issued (continued)

		Group						
		LFRC		LFIC				
					Certificates under PAA			
2025	Note	Excluding loss component RM'000	Loss component RM'000	Certificates not under PAA RM'000	Estimates of PVFCF RM'000	Risk adjustment RM'000	Assets for takaful acquisition cash flows[1] RM'000	Total RM'000
Group (continued)								
Cash flows								
Contributions received		4,502,456	-	-	-	-	-	4,502,456
Claims and other expenses paid including investment components		-	-	(1,521,942)	(1,228,177)	-	-	(2,750,119)
Takaful acquisition cash flows		(816,709)	-	528,274	(59,034)	-	(995,502)	(1,342,971)
Total cash flows		3,685,747	-	(993,668)	(1,287,211)	-	(995,502)	409,366
Allocation from assets for takaful acquisition cash flow to groups of takaful certificates		(155,344)	-	-	-	-	155,344	-
Net takaful certificate liabilities as at 31 December		2,119,258	19,665	9,897,564	2,674,590	134,466	(1,173,022)	13,672,521
Takaful certificate liabilities as at 31 December		2,162,177	18,987	10,664,561	2,837,910	129,954	(1,173,022)	14,640,567
Takaful certificate assets as at 31 December		(42,919)	678	(766,997)	(163,320)	4,512	-	(968,046)
Net takaful certificate liabilities as at 31 December		2,119,258	19,665	9,897,564	2,674,590	134,466	(1,173,022)	13,672,521

[1] Assets for takaful acquisition cash flows that related to bancatakaful. During the year, the Group has entered into twenty year Bancatakaful agreements with RHB Islamic Bank Berhad.

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.1 Reconciliation of the LFRC and the LFIC (continued)

Takaful certificates issued (continued)

		Group						
		LFRC		LFIC				
					Certificates under PAA			
2024	**Note**	**Excluding loss component RM'000**	**Loss component RM'000**	**Certificates not under PAA RM'000**	**Estimates of PVFCF RM'000**	**Risk adjustment RM'000**	**Assets for takaful acquisition cash flows RM'000**	**Total RM'000**
Family Takaful								
Takaful certificate liabilities as at 1 January		357,563	-	8,497,661	570,533	5,348	-	9,431,105
Takaful certificate assets as at 1 January		(73,301)	-	(120,571)	(154,368)	2,102	-	(346,138)
Net takaful certificate liabilities as at 1 January		284,262	-	8,377,090	416,165	7,450	-	9,084,967
Takaful revenue	16	(1,985,962)	-	-	-	-	-	(1,985,962)
Certificates under the MRA		(106,929)	-	-	-	-	-	(106,929)
Certificates under the FVA		84,957	-	-	-	-	-	84,957
Other certificates		(1,963,990)	-	-	-	-	-	(1,963,990)
Takaful service expenses	17	585,052	-	1,280,152	371,784	(2,321)	-	2,234,667
Investment components		(496,765)	-	442,180	54,585	-	-	-
Takaful service result		(1,897,675)	-	1,722,332	426,369	(2,321)	-	248,705
Takaful finance expenses from takaful certificates issued - P&L		169,194	-	-	-	-	-	169,194
Takaful finance expenses from takaful certificates issued - OCI		(1,097)	-	-	-	-	-	(1,097)
Debt investment measured at FVOCI		34,193	-	-	-	-	-	34,193
Effect of movements in exchange rates		237	-	-	(27,243)	-	-	(27,006)
Total changes in the statement of profit or loss and OCI		(1,695,148)	-	1,722,332	399,126	(2,321)	-	423,989

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.1 Reconciliation of the LFRC and the LFIC (continued)

Takaful certificates issued (continued)

		Group						
		LFRC		LFIC				
					Certificates under PAA			
2024	**Note**	**Excluding loss component RM'000**	**Loss component RM'000**	**Certificates not under PAA RM'000**	**Estimates of PVFCF RM'000**	**Risk adjustment RM'000**	**Assets for takaful acquisition cash flows RM'000**	**Total RM'000**
Family Takaful (continued)								
Cash flows								
Contributions received		2,753,550	-	-	-	-	-	2,753,550
Claims and other expenses paid including investment components		-	-	(982,209)	(382,505)	-	-	(1,364,714)
Takaful acquisition cash flows		(929,525)	-	(85,511)	(22,779)	(3,661)	-	(1,041,476)
Total cash flows		1,824,025	-	(1,067,720)	(405,284)	(3,661)	-	347,360
Net takaful certificate liabilities as at 31 December		413,139	-	9,031,702	410,007	1,468	-	9,856,316
Takaful certificate liabilities as at 31 December		435,570	-	9,590,250	570,617	1,289	-	10,597,726
Takaful certificate assets as at 31 December		(22,431)	-	(558,548)	(160,610)	179	-	(741,410)
Net takaful certificate liabilities as at 31 December		413,139	-	9,031,702	410,007	1,468	-	9,856,316

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.1 Reconciliation of the LFRC and the LFIC (continued)

Takaful certificates issued (continued)

		Group						
		LFRC		LFIC			Assets for takaful acquisition cash flows	
					Certificates under PAA			
2024	Note	Excluding loss component RM'000	Loss component RM'000	Certificates not under PAA RM'000	Estimates of PVFCF RM'000	Risk adjustment RM'000	RM'000	Total RM'000
General Takaful								
Takaful certificate liabilities as at 1 January		323,112	-	121,528	1,589,078	92,562	-	2,126,280
Takaful certificate assets as at 1 January		(4,179)	-	(9,156)	-	-	-	(13,335)
Net takaful certificate liabilities as at 1 January		318,933	-	112,372	1,589,078	92,562	-	2,112,945
Takaful revenue	16	(1,463,958)	-	-	-	-	-	(1,463,958)
Certificates under the MRA		(5,387)	-	-	-	-	-	(5,387)
Certificates under the FVA		(2,153)	-	-	-	-	-	(2,153)
Other certificates		(1,456,418)	-	-	-	-	-	(1,456,418)
Takaful service expenses	17	476,783	-	38,659	923,767	29,751	-	1,468,960
Takaful service result		(987,175)	-	38,659	923,767	29,751	-	5,002
Takaful finance expenses from takaful certificates issued - P&L		16,786	-	139	37,312	3,746	-	57,983
Takaful finance expenses from takaful certificates issued - OCI		(1,538)	-	(780)	5,782	-	-	3,464
Debt investment measured at FVOCI		(996)	-	-	-	-	-	(996)
Total changes in the statement of profit or loss and OCI		(972,923)	-	38,018	966,861	33,497	-	65,453

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.1 Reconciliation of the LFRC and the LFIC (continued)

Takaful certificates issued (continued)

		Group						
		LFRC		LFIC				
					Certificates under PAA			
2024	**Note**	**Excluding loss component RM'000**	**Loss component RM'000**	**Certificates not under PAA RM'000**	**Estimates of PVFCF RM'000**	**Risk adjustment RM'000**	**Assets for takaful acquisition cash flows RM'000**	**Total RM'000**
General Takaful (continued)								
Cash flows								
Contributions received		1,475,299	-	-	-	-	-	1,475,299
Claims and other expenses paid including investment components		-	-	(7,804)	(599,419)	-	-	(607,223)
Takaful acquisition cash flows		(439,031)	-	749	12,453	-	-	(425,829)
Total cash flows		1,036,268	-	(7,055)	(586,966)	-	-	442,247
Net takaful certificate liabilities as at 31 December		382,278	-	143,335	1,968,973	126,059	-	2,620,645
Takaful certificate liabilities as at 31 December		386,627	-	155,029	1,972,372	126,059	-	2,640,087
Takaful certificate assets as at 31 December		(4,349)	-	(11,694)	(3,399)	-	-	(19,442)
Net takaful certificate liabilities as at 31 December		382,278	-	143,335	1,968,973	126,059	-	2,620,645

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.1 Reconciliation of the LFRC and the LFIC (continued)

Takaful certificates issued (continued)

		Group						
		LFRC		LFIC				
					Certificates under PAA			
2024	**Note**	**Excluding loss component RM'000**	**Loss component RM'000**	**Certificates not under PAA RM'000**	**Estimates of PVFCF RM'000**	**Risk adjustment RM'000**	**Assets for takaful acquisition cash flows[1] RM'000**	**Total RM'000**
Group								
Takaful certificate liabilities as at 1 January		1,846,582	30,120	8,595,857	2,159,521	97,910	(411,466)	12,318,524
Takaful certificate assets as at 1 January		(101,972)	108	(129,727)	(154,367)	2,102	-	(383,856)
Net takaful certificate liabilities as at 1 January		1,744,610	30,228	8,466,130	2,005,154	100,012	(411,466)	11,934,668
Takaful revenue	16	(3,575,751)	-	-	-	-	-	(3,575,751)
Certificates under the MRA		(248,773)	-	-	-	-	-	(248,773)
Certificates under the FVA		81,304	-	-	-	-	-	81,304
Other certificates		(3,408,282)	-	-	-	-	-	(3,408,282)
Takaful service expenses	17	586,801	10,174	1,263,541	1,410,896	27,430	-	3,298,842
Investment components		(496,765)	-	442,180	54,585	-	-	-
Takaful service result		(3,485,715)	10,174	1,705,721	1,465,481	27,430	-	(276,909)
Takaful finance expenses from takaful certificates issued - P&L		231,672	-	139	37,310	3,746	-	272,867
Takaful finance expenses from takaful certificates issued - OCI		(4,237)	-	(779)	5,762	-	-	746
Debt investment measured at FVOCI		35,379	-	-	-	-	-	35,379
Effect of movements in exchange rates		(834)	-	-	(27,243)	-	-	(28,077)
Total changes in the statement of profit or loss and OCI		(3,223,735)	10,174	1,705,081	1,481,310	31,176	-	4,006

[1] Assets for takaful acquisition cash flows that related to bancatakaful.

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.1 Reconciliation of the LFRC and the LFIC (continued)

Takaful certificates issued (continued)

		Group						
		LFRC		LFIC				
					Certificates under PAA			
2024	Note	Excluding loss component RM'000	Loss component RM'000	Certificates not under PAA RM'000	Estimates of PVFCF RM'000	Risk adjustment RM'000	Assets for takaful acquisition cash flows[1] RM'000	Total RM'000
Cash flows								
Contributions received		4,190,344	-	-	-	-	-	4,190,344
Claims and other expenses paid including investment components		-	-	(1,013,269)	(1,071,120)	-	-	(2,084,389)
Takaful acquisition cash flows		(709,438)	(7,820)	(8,483)	(3,252)	(3,661)	(37,196)	(769,850)
Total cash flows		3,480,906	(7,820)	(1,021,752)	(1,074,372)	(3,661)	(37,196)	1,336,105
Allocation from assets for takaful acquisition cash flow to groups of takaful certificates		(115,798)	-	-	-	-	115,798	-
Net takaful certificate liabilities as at 31 December		1,885,983	32,582	9,149,459	2,412,092	127,527	(332,864)	13,274,779
Takaful certificate liabilities as at 31 December		1,937,044	32,582	9,719,701	2,576,101	127,348	(332,864)	14,059,912
Takaful certificate assets as at 31 December		(51,061)	-	(570,242)	(164,009)	179	-	(785,133)
Net takaful certificate liabilities as at 31 December		1,885,983	32,582	9,149,459	2,412,092	127,527	(332,864)	13,274,779

(1) Assets for takaful acquisition cash flows that related to bancatakaful.

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.1 Reconciliation of the LFRC and the LFIC (continued)

Takaful certificates issued (continued)

		Company						
		LFRC		LFIC				
					Certificates under PAA			
2025	Note	Excluding loss component RM'000	Loss component RM'000	Certificates not under PAA RM'000	Estimates of PVFCF RM'000	Risk adjustment RM'000	Assets for takaful acquisition cash flows RM'000	Total RM'000
Family Takaful								
Takaful certificate liabilities as at 1 January		433,859	-	9,590,250	207,322	1,289	-	10,232,720
Takaful certificate assets as at 1 January		(17,223)	-	(558,548)	(160,610)	179	-	(736,202)
Net takaful certificate liabilities as at 1 January		416,636	-	9,031,702	46,712	1,468	-	9,496,518
Takaful revenue	16	(2,162,994)	-	-	-	-	-	(2,162,994)
Certificates under the MRA		(175,366)	-	-	-	-	-	(175,366)
Certificates under the FVA		93,918	-	-	-	-	-	93,918
Other certificates		(2,081,546)	-	-	-	-	-	(2,081,546)
Takaful service expense	17	708,570	-	1,286,141	353,452	6,348	-	2,354,511
Investment components		(462,136)	-	462,028	108	-	-	-
Takaful service result		(1,916,560)	-	1,748,169	353,560	6,348	-	191,517
Takaful finance expenses from takaful certificates issued - P&L		140,155	-	-	-	-	-	140,155
Takaful finance expenses from takaful certificates issued - OCI		27,193	-	-	-	-	-	27,193
Debt investment measured at FVOCI		58,139	-	-	-	-	-	58,139
Total changes in the statement of profit or loss and OCI		(1,691,073)	-	1,748,169	353,560	6,348	-	417,004

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.1 Reconciliation of the LFRC and the LFIC (continued)

Takaful certificates issued (continued)

		Company						
		LFRC		LFIC				
					Certificates under PAA			
2025	**Note**	**Excluding loss component RM'000**	**Loss component RM'000**	**Certificates not under PAA RM'000**	**Estimates of PVFCF RM'000**	**Risk adjustment RM'000**	**Assets for takaful acquisition cash flows RM'000**	**Total RM'000**
Cash flows								
Contributions received		2,845,000	-	-	-	-	-	2,845,000
Claims and other expenses paid including investment components		-	-	(1,003,387)	(280,455)	-	-	(1,283,842)
Takaful acquisition cash flows		(1,015,659)	-	(77,674)	(2,313)	-	-	(1,095,646)
Total cash flows		1,829,341	-	(1,081,061)	(282,768)	-	-	465,512
Net takaful certificate liabilities as at 31 December		554,904	-	9,698,810	117,504	7,816	-	10,379,034
Takaful certificate liabilities as at 31 December		570,520	-	10,446,340	280,824	3,304	-	11,300,988
Takaful certificate assets as at 31 December		(15,616)	-	(747,530)	(163,320)	4,512	-	(921,954)
Net takaful certificate liabilities as at 31 December		554,904	-	9,698,810	117,504	7,816	-	10,379,034

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.1 Reconciliation of the LFRC and the LFIC (continued)

Takaful certificates issued (continued)

		Company						
		LFRC		LFIC			Assets for takaful acquisition cash flows[1]	
					Certificates under PAA			
2025	Note	Excluding loss component RM'000	Loss component RM'000	Certificates not under PAA RM'000	Estimates of PVFCF RM'000	Risk adjustment RM'000	RM'000	Total RM'000
Company								
Takaful certificate liabilities as at 1 January		1,355,413	32,164	9,564,672	240,432	1,289	(294,149)	10,899,821
Takaful certificate assets as at 1 January		(36,274)	-	(558,549)	(160,609)	179	-	(755,253)
Net takaful certificate liabilities as at 1 January		1,319,139	32,164	9,006,123	79,823	1,468	(294,149)	10,144,568
Takaful revenue	16	(2,298,939)	-	-	-	-	-	(2,298,939)
Certificates under the MRA		(231,654)	-	-	-	-	-	(231,654)
Certificates under the FVA		78,709	-	-	-	-	-	78,709
Other certificates		(2,145,994)	-	-	-	-	-	(2,145,994)
Takaful service expenses	17	491,451	(4,667)	1,232,572	383,873	6,348	-	2,109,577
Investment components		(462,136)	-	462,028	108	-	-	-
Takaful service result		(2,269,624)	(4,667)	1,694,600	383,981	6,348	-	(189,362)
Takaful finance expenses from takaful certificates issued - P&L		181,162	(8,709)	-	-	-	-	172,453
Takaful finance expenses from takaful certificates issued - OCI		51,637	-	-	-	-	-	51,637
Debt investment measured at FVOCI		58,139	-	-	-	-	-	58,139
Total changes in the statement of profit or loss and OCI		(1,978,686)	(13,376)	1,694,600	383,981	6,348	-	92,867

(1) Assets for takaful acquisition cash flows that related to bancatakaful. During the year, the Company has entered into twenty year Bancatakaful agreements with RHB Islamic Bank Berhad.

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.1 Reconciliation of the LFRC and the LFIC (continued)

Takaful certificates issued (continued)

		Company						
		LFRC		LFIC				
					Certificates under PAA			
2025	Note	Excluding loss component RM'000	Loss component RM'000	Certificates not under PAA RM'000	Estimates of PVFCF RM'000	Risk adjustment RM'000	Assets for takaful acquisition cash flows[1] RM'000	Total RM'000
Company (continued)								
Cash flows								
Contributions received		2,878,108	-	-	-	-	-	2,878,108
Claims and other expenses paid including investment components		-	-	(1,497,723)	(368,582)	-	-	(1,866,305)
Takaful acquisition cash flows		(629,564)	-	528,234	(2,313)	-	(865,000)	(968,643)
Total cash flows		2,248,544	-	(969,489)	(370,895)	-	(865,000)	43,160
Allocation from assets for takaful acquisition cash flow to groups of takaful certificates		(140,206)	-	-	-	-	140,206	-
Net takaful certificate liabilities as at 31 December		1,448,791	18,788	9,731,234	92,909	7,816	(1,018,943)	10,280,595
Takaful certificate liabilities as at 31 December		1,474,757	18,545	10,478,764	256,229	3,304	(1,018,943)	11,212,656
Takaful certificate assets as at 31 December		(25,966)	243	(747,530)	(163,320)	4,512	-	(932,061)
Net takaful certificate liabilities as at 31 December		1,448,791	18,788	9,731,234	92,909	7,816	(1,018,943)	10,280,595

(1) Assets for takaful acquisition cash flows that related to bancatakaful. During the year, the Company has entered into twenty year Bancatakaful agreements with RHB Islamic Bank Berhad.

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.1 Reconciliation of the LFRC and the LFIC (continued)

Takaful certificates issued (continued)

		Company						
		LFRC		LFIC			Assets for takaful acquisition cash flows	
					Certificates under PAA			
2024	Note	Excluding loss component RM'000	Loss component RM'000	Certificates not under PAA RM'000	Estimates of PVFCF RM'000	Risk adjustment RM'000	RM'000	Total RM'000
Family Takaful								
Takaful certificate liabilities as at 1 January		356,215	-	8,497,661	159,121	5,348	-	9,018,345
Takaful certificate assets as at 1 January		(68,597)	-	(120,571)	(154,368)	2,102	-	(341,434)
Net takaful certificate liabilities as at 1 January		287,618	-	8,377,090	4,753	7,450	-	8,676,911
Takaful revenue	16	(1,958,421)	-	-	-	-	-	(1,958,421)
Certificates under the MRA		(106,929)	-	-	-	-	-	(106,929)
Certificates under the FVA		84,957	-	-	-	-	-	84,957
Other certificates		(1,936,449)	-	-	-	-	-	(1,936,449)
Takaful service expense	17	585,052	-	1,280,152	331,480	(2,321)	-	2,194,363
Investment components		(442,180)	-	442,180	-	-	-	-
Takaful service result		(1,815,549)	-	1,722,332	331,480	(2,321)	-	235,942
Takaful finance expenses from takaful certificates issued - P&L		169,194	-	-	-	-	-	169,194
Takaful finance expenses from takaful certificates issued - OCI		(1,097)	-	-	-	-	-	(1,097)
Debt investment measured at FVOCI		34,193	-	-	-	-	-	34,193
Total changes in the statement of profit or loss and OCI		(1,613,259)	-	1,722,332	331,480	(2,321)	-	438,232

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.1 Reconciliation of the LFRC and the LFIC (continued)

Takaful certificates issued (continued)

		Company						
		LFRC		LFIC				
					Certificates under PAA			
2024	Note	Excluding loss component RM'000	Loss component RM'000	Certificates not under PAA RM'000	Estimates of PVFCF RM'000	Risk adjustment RM'000	Assets for takaful acquisition cash flows RM'000	Total RM'000
Family Takaful (continued)								
Cash flows								
Contributions received		2,671,424	-	-	-	-	-	2,671,424
Claims and other expenses paid including investment components		-	-	(982,209)	(286,382)	-	-	(1,268,591)
Takaful acquisition cash flows		(929,147)	-	(85,511)	(3,139)	(3,661)	-	(1,021,458)
Total cash flows		1,742,277	-	(1,067,720)	(289,521)	(3,661)	-	381,375
Net takaful certificate liabilities as at 31 December		416,636	-	9,031,702	46,712	1,468	-	9,496,518
Takaful certificate liabilities as at 31 December		433,859	-	9,590,250	207,322	1,289	-	10,232,720
Takaful certificate assets as at 31 December		(17,223)	-	(558,548)	(160,610)	179	-	(736,202)
Net takaful certificate liabilities as at 31 December		416,636	-	9,031,702	46,712	1,468	-	9,496,518

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.1 Reconciliation of the LFRC and the LFIC (continued)

Takaful certificates issued (continued)

		Company						
		LFRC		LFIC			Assets for takaful acquisition cash flows[1]	
					Certificates under PAA			
2024	**Note**	**Excluding loss component RM'000**	**Loss component RM'000**	**Certificates not under PAA RM'000**	**Estimates of PVFCF RM'000**	**Risk adjustment RM'000**	**RM'000**	**Total RM'000**
Company								
Takaful certificate liabilities as at 1 January		1,299,324	29,933	8,475,053	159,123	5,348	(397,868)	9,570,913
Takaful certificate assets as at 1 January		(87,344)	108	(120,571)	(154,368)	2,102	-	(360,073)
Net takaful certificate liabilities as at 1 January		1,211,980	30,041	8,354,482	4,755	7,450	(397,868)	9,210,840
Takaful revenue	16	(2,083,304)	-	-	-	-	-	(2,083,304)
Certificates under the MRA		(243,382)	-	-	-	-	-	(243,382)
Certificates under the FVA		82,210	-	-	-	-	-	82,210
Other certificates		(1,922,132)	-	-	-	-	-	(1,922,132)
Takaful service expense	17	370,613	9,943	1,224,929	357,684	(2,321)	-	1,960,848
Investment components		(442,180)	-	442,180	-	-	-	-
Takaful service result		(2,154,871)	9,943	1,667,109	357,684	(2,321)	-	(122,456)
Takaful finance expenses from takaful certificates issued - P&L		207,612	-	-	-	-	-	207,612
Takaful finance expenses from takaful certificates issued - OCI		(3,531)	-	-	-	-	-	(3,531)
Debt investment measured at FVOCI		37,151	-	-	-	-	-	37,151
Total changes in the statement of profit or loss and OCI		(1,913,639)	9,943	1,667,109	357,684	(2,321)	-	118,776

[1] Assets for takaful acquisition cash flows that related to bancatakaful.

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.1 Reconciliation of the LFRC and the LFIC (continued)

Takaful certificates issued (continued)

		Company						
		LFRC		LFIC				
					Certificates under PAA			
2024	Note	Excluding loss component RM'000	Loss component RM'000	Certificates not under PAA RM'000	Estimates of PVFCF RM'000	Risk adjustment RM'000	Assets for takaful acquisition cash flows[1] RM'000	Total RM'000
Company (continued)								
Cash flows								
Contributions received		2,657,224	-	-	-	-	-	2,657,224
Claims and other expenses paid including investment components		-	-	(1,005,512)	(282,614)	-	-	(1,288,126)
Takaful acquisition cash flows		(532,707)	(7,820)	(9,956)	(2)	(3,661)	-	(554,146)
Total cash flows		2,124,517	(7,820)	(1,015,468)	(282,616)	(3,661)	-	814,952
Allocation from assets for takaful acquisition cash flow to groups of takaful certificates		(103,719)	-	-	-	-	103,719	-
Net takaful certificate liabilities as at 31 December		1,319,139	32,164	9,006,123	79,823	1,468	(294,149)	10,144,568
Takaful certificate liabilities as at 31 December		1,355,413	32,164	9,564,672	240,432	1,289	(294,149)	10,899,821
Takaful certificate assets as at 31 December		(36,274)	-	(558,549)	(160,609)	179	-	(755,253)
Net takaful certificate liabilities as at 31 December		1,319,139	32,164	9,006,123	79,823	1,468	(294,149)	10,144,568

(1) Assets for takaful acquisition cash flows that related to bancatakaful.

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.2 Reconciliation of the assets for remaining coverage ("AFRC") and the assets recoverable on incurred claims ("ARIC")

Retakaful certificates held

		Group				
		AFRC	ARIC			
				Certificates under PAA		
2025	**Note**	**Excluding loss-recovery component RM'000**	**Certificates not under PAA RM'000**	**Estimates of PVFCF RM'000**	**Risk adjustment RM'000**	**Total RM'000**
Family Takaful						
Retakaful certificate assets as at 1 January		41,326	235,141	90,541	246	367,254
Retakaful certificate liabilities as at 1 January		(206,006)	-	-	-	(206,006)
Net retakaful certificate assets as at 1 January		(164,680)	235,141	90,541	246	161,248
Allocation of retakaful contributions	19	(233,776)	-	-	-	(233,776)
Amounts recoverable from retakaful operators	19	-	202,138	31,098	1,076	234,312
Net income or expense from retakaful certificates held	19	(233,776)	202,138	31,098	1,076	536
Effect of changes in non-performance risk of retakaful operators		-	(609)	73	-	(536)
Retakaful finance income from retakaful certificates held - P&L		-	-	-	-	-
Retakaful finance income from retakaful certificates held - OCI		98	-	-	-	98
Effect of movements in exchange rates		(4,391)	-	(2,546)	-	(6,937)
Total changes in the statement of profit or loss and OCI		(238,069)	201,529	28,625	1,076	(6,839)
Cash flows						
Retakaful contributions paid		102,029	-	-	-	102,029
Amounts received		-	(56,045)	(36,529)	-	(92,574)
Total cash flows		102,029	(56,045)	(36,529)	-	9,455
Net retakaful certificate (liabilities)/ assets as at 31 December		(300,720)	380,625	82,637	1,322	163,864
Retakaful certificate assets as at 31 December		(225,120)	378,775	18,950	-	172,605
Retakaful certificate liabilities as at 31 December		(75,600)	1,850	63,687	1,322	(8,741)
Net retakaful certificate (liabilities)/ assets as at 31 December		(300,720)	380,625	82,637	1,322	163,864

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.2 Reconciliation of the assets for remaining coverage ("AFRC") and the assets recoverable on incurred claims ("ARIC") (continued)

Retakaful certificates held (continued)

		Group				
		AFRC	ARIC			
				Certificates under PAA		
2025	**Note**	**Excluding loss-recovery component RM'000**	**Certificates not under PAA RM'000**	**Estimates of PVFCF RM'000**	**Risk adjustment RM'000**	**Total RM'000**
General Takaful						
Retakaful certificate assets as at 1 January		118,361	-	978,356	87,237	1,183,954
Retakaful certificate liabilities as at 1 January		(24,286)	-	(65,570)	2,510	(87,346)
Net retakaful certificate assets as at 1 January		94,075	-	912,786	89,747	1,096,608
Allocation of retakaful contributions	19	(462,680)	-	-	-	(462,680)
Amounts recoverable from retakaful operators	19	-	-	425,551	(4,091)	421,460
Retakaful investment components		(47,983)	-	47,983	-	-
Net income or expense from retakaful certificates held	19	(510,663)	-	473,534	(4,091)	(41,220)
Effect of changes in non-performance risk of retakaful operators		-	-	254	-	254
Retakaful finance income from retakaful certificates held - P&L		8,219	-	26,947	2,858	38,024
Retakaful finance income from retakaful certificates held - OCI		261	-	2,680	-	2,941
Total changes in the statement of profit or loss and OCI		(502,183)	-	503,415	(1,233)	(1)
Cash flows						
Retakaful contributions paid		551,101	-	-	-	551,101
Amounts received		-	-	(294,783)	-	(294,783)
Total cash flows		551,101	-	(294,783)	-	256,318
Net retakaful certificate assets as at 31 December		142,993	-	1,121,418	88,514	1,352,925
Retakaful certificate assets as at 31 December		178,477	-	1,177,319	87,676	1,443,472
Retakaful certificate liabilities as at 31 December		(35,484)	-	(55,901)	838	(90,547)
Net retakaful certificate assets as at 31 December		142,993	-	1,121,418	88,514	1,352,925

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.2 Reconciliation of the assets for remaining coverage ("AFRC") and the assets recoverable on incurred claims ("ARIC") (continued)

Retakaful certificates held (continued)

		Group				
		AFRC	ARIC			
				Certificates under PAA		
2025	Note	Excluding loss-recovery component RM'000	Certificates not under PAA RM'000	Estimates of PVFCF RM'000	Risk adjustment RM'000	Total RM'000
Group						
Retakaful certificate assets as at 1 January		162,136	235,139	1,068,898	87,484	1,553,657
Retakaful certificate liabilities as at 1 January		(231,091)	-	(65,569)	2,509	(294,151)
Net retakaful certificate assets as at 1 January		(68,955)	235,139	1,003,329	89,993	1,259,506
Allocation of retakaful contributions	19	(707,003)	-	-	-	(707,003)
Amounts recoverable from retakaful operators	19	-	202,138	456,649	(3,015)	655,772
Retakaful investment components		(47,983)	-	47,983	-	-
Net income or expense from retakaful certificates held	19	(754,986)	202,138	504,632	(3,015)	(51,231)
Effect of changes in non-performance risk of retakaful operators		-	(608)	328	-	(280)
Retakaful finance income from retakaful certificates held - P&L		8,120	-	26,948	2,857	37,925
Retakaful finance income from retakaful certificates held - OCI		376	-	2,680	-	3,056
Effect of movements in exchange rates		(4,285)	-	(2,546)	-	(6,831)
Total changes in the statement of profit or loss and OCI		(750,775)	201,530	532,042	(158)	(17,361)
Cash flows						
Retakaful contributions paid		665,478	-	-	-	665,478
Amounts received		-	(56,044)	(331,314)	-	(387,358)
Total cash flows		665,478	(56,044)	(331,314)	-	278,120
Net retakaful certificate (liabilities)/ assets as at 31 December		(154,252)	380,625	1,204,057	89,835	1,520,265

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.2 Reconciliation of the assets for remaining coverage ("AFRC") and the assets recoverable on incurred claims ("ARIC") (continued)

Retakaful certificates held (continued)

		Group				
		AFRC	ARIC			
				Certificates under PAA		
2025	Note	Excluding loss-recovery component RM'000	Certificates not under PAA RM'000	Estimates of PVFCF RM'000	Risk adjustment RM'000	Total RM'000
Group (continued)						
Retakaful certificate assets as at 31 December		**(42,309)**	**378,775**	**1,196,272**	**87,674**	**1,620,412**
Retakaful certificate liabilities as at 31 December		**(111,943)**	**1,850**	**7,785**	**2,161**	**(100,147)**
Net retakaful certificate (liabilities)/ assets as at 31 December		**(154,252)**	**380,625**	**1,204,057**	**89,835**	**1,520,265**
2024						
Family Takaful						
Retakaful certificate assets as at 1 January		49,064	290,819	38,699	14,233	392,815
Retakaful certificate liabilities as at 1 January		(138,413)	-	-	-	(138,413)
Net retakaful certificate assets as at 1 January		(89,349)	290,819	38,699	14,233	254,402
Allocation of retakaful contributions	19	(235,089)	-	-	-	(235,089)
Amounts recoverable from retakaful operators	19	-	181,483	67,480	(13,987)	234,976
Net income or expense from retakaful certificates held	19	(235,089)	181,483	67,480	(13,987)	(113)
Effect of changes in non-performance risk of retakaful operators		-	131	(18)	-	113
Effect of movements in exchange rates		(2,756)	-	(1,571)	-	(4,327)
Total changes in the statement of profit or loss and OCI		(237,845)	181,614	65,891	(13,987)	(4,327)
Cash flows						
Retakaful contributions paid		162,514	-	-	-	162,514
Amounts received		-	(237,292)	(14,049)	-	(251,341)
Total cash flows		162,514	(237,292)	(14,049)	-	(88,827)
Net retakaful certificate (liabilities)/ assets as at 31 December		(164,680)	235,141	90,541	246	161,248

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.2 Reconciliation of the assets for remaining coverage ("AFRC") and the assets recoverable on incurred claims ("ARIC") (continued)

Retakaful certificates held (continued)

		Group				
		AFRC	ARIC			
				Certificates under PAA		
2024	**Note**	**Excluding loss-recovery component RM'000**	**Certificates not under PAA RM'000**	**Estimates of PVFCF RM'000**	**Risk adjustment RM'000**	**Total RM'000**
Family Takaful (continued)						
Retakaful certificate assets as at 31 December		41,326	235,141	90,541	246	367,254
Retakaful certificate liabilities as at 31 December		(206,006)	-	-	-	(206,006)
Net retakaful certificate (liabilities)/ assets as at 31 December		(164,680)	235,141	90,541	246	161,248
General Takaful						
Retakaful certificate assets as at 1 January		154,583	-	760,464	56,809	971,856
Retakaful certificate liabilities as at 1 January		(3,398)	-	(126,684)	2,522	(127,560)
Net retakaful certificate assets as at 1 January		151,185	-	633,780	59,331	844,296
Allocation of retakaful contributions	19	(537,124)	-	-	-	(537,124)
Amounts recoverable from retakaful operators	19	-	-	473,984	27,915	501,899
Retakaful investment components		(42,597)	-	42,597	-	-
Net income or expense from retakaful certificates held	19	(579,721)	-	516,581	27,915	(35,225)
Effect of changes in non-performance risk of retakaful operators		-	-	(969)	-	(969)
Retakaful finance income from retakaful certificates held - P&L		9,118	-	22,596	2,501	34,215
Retakaful finance income from retakaful certificates held - OCI		(2,368)	-	4,347	-	1,979
Total changes in the statement of profit or loss and OCI		(572,971)	-	542,555	30,416	-

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.2 Reconciliation of the assets for remaining coverage ("AFRC") and the assets recoverable on incurred claims ("ARIC") (continued)

Retakaful certificates held (continued)

		Group				
		AFRC	ARIC			
				Certificates under PAA		
2024	**Note**	**Excluding loss-recovery component RM'000**	**Certificates not under PAA RM'000**	**Estimates of PVFCF RM'000**	**Risk adjustment RM'000**	**Total RM'000**
General Takaful (continued)						
Cash flows						
Retakaful contributions paid		515,861	-	-	-	515,861
Amounts received		-	-	(263,549)	-	(263,549)
Total cash flows		515,861	-	(263,549)	-	252,312
Net retakaful certificate assets as at 31 December		94,075	-	912,786	89,747	1,096,608
Retakaful certificate assets as at 31 December		118,361	-	978,356	87,237	1,183,954
Retakaful certificate liabilities as at 31 December		(24,286)	-	(65,570)	2,510	(87,346)
Net retakaful certificate assets as at 31 December		94,075	-	912,786	89,747	1,096,608
Group						
Retakaful certificate assets as at 1 January		214,477	290,819	799,163	71,042	1,375,501
Retakaful certificate liabilities as at 1 January		(143,505)	-	(126,684)	2,522	(267,667)
Net retakaful certificate assets as at 1 January		70,972	290,819	672,479	73,564	1,107,834
Allocation of retakaful contributions	19	(795,954)	-	-	-	(795,954)
Amounts recoverable from retakaful operators	19	-	181,483	541,464	13,928	736,875
Retakaful investment components		(42,597)	-	42,597	-	-
Net income or expense from retakaful certificates held	19	(838,551)	181,483	584,061	13,928	(59,079)

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.2 Reconciliation of the assets for remaining coverage ("AFRC") and the assets recoverable on incurred claims ("ARIC") (continued)

Retakaful certificates held (continued)

		Group				
		AFRC	ARIC			
				Certificates under PAA		
2024	Note	Excluding loss-recovery component RM'000	Certificates not under PAA RM'000	Estimates of PVFCF RM'000	Risk adjustment RM'000	Total RM'000
Group (continued)						
Effect of changes in non-performance risk of retakaful operators		75	130	(987)	-	(782)
Retakaful finance income from retakaful certificates held - P&L		9,129	-	22,596	2,501	34,226
Retakaful finance income from retakaful certificates held - OCI		(2,367)	-	4,347	-	1,980
Effect of movements in exchange rates		(2,684)	-	(1,571)	-	(4,255)
Total changes in the statement of profit or loss and OCI		(834,398)	181,613	608,446	16,429	(27,910)
Cash flows						
Retakaful contributions paid		694,471	-	-	-	694,471
Amounts received		-	(237,293)	(277,596)	-	(514,889)
Total cash flows		694,471	(237,293)	(277,596)	-	179,582
Net retakaful certificate (liabilities)/ assets as at 31 December		(68,955)	235,139	1,003,329	89,993	1,259,506
Retakaful certificate assets as at 31 December		162,136	235,139	1,068,898	87,484	1,553,657
Retakaful certificate liabilities as at 31 December		(231,091)	-	(65,569)	2,509	(294,151)
Net retakaful certificate (liabilities)/ assets as at 31 December		(68,955)	235,139	1,003,329	89,993	1,259,506

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.2 Reconciliation of the assets for remaining coverage ("AFRC") and the assets recoverable on incurred claims ("ARIC") (continued)

Retakaful certificates held (continued)

		Company				
		AFRC	ARIC			
				Certificates under PAA		
2025	Note	Excluding loss-recovery component RM'000	Certificates not under PAA RM'000	Estimates of PVFCF RM'000	Risk adjustment RM'000	Total RM'000
Family Takaful						
Retakaful certificate assets as at 1 January		-	235,141	69,712	246	305,099
Retakaful certificate liabilities as at 1 January		(201,903)	-	-	-	(201,903)
Net retakaful certificate assets as at 1 January		(201,903)	235,141	69,712	246	103,196
Allocation of retakaful contributions	19	(214,853)	-	-	-	(214,853)
Amounts recoverable from retakaful operators	19	-	202,138	12,175	1,076	215,389
Net income or expense from retakaful certificates held	19	(214,853)	202,138	12,175	1,076	536
Effect of changes in non-performance risk of retakaful operators		-	(609)	73	-	(536)
Retakaful finance income from retakaful certificates held - OCI		98	-	-	-	98
Total changes in the statement of profit or loss and OCI		(214,755)	201,529	12,248	1,076	98
Cash flows						
Retakaful contributions paid		85,967	-	-	-	85,967
Amounts received		-	(56,045)	(17,576)	-	(73,621)
Total cash flows		85,967	(56,045)	(17,576)	-	12,346
Net retakaful certificate (liabilities)/ assets as at 31 December		(330,691)	380,625	64,384	1,322	115,640
Retakaful certificate assets as at 31 December		(259,585)	378,775	697	-	119,887
Retakaful certificate liabilities as at 31 December		(71,106)	1,850	63,687	1,322	(4,247)
Net retakaful certificate (liabilities)/ assets as at 31 December		(330,691)	380,625	64,384	1,322	115,640

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.2 Reconciliation of the assets for remaining coverage ("AFRC") and the assets recoverable on incurred claims ("ARIC") (continued)

Retakaful certificates held (continued)

		Company				
		AFRC	ARIC			
				Certificates under PAA		
2025	Note	Excluding loss-recovery component RM'000	Certificates not under PAA RM'000	Estimates of PVFCF RM'000	Risk adjustment RM'000	Total RM'000
Company						
Retakaful certificate assets as at 1 January		24	235,140	69,712	246	305,122
Retakaful certificate liabilities as at 1 January		(201,903)	-	-	-	(201,903)
Net retakaful certificate assets as at 1 January		(201,879)	235,140	69,712	246	103,219
Allocation of retakaful contributions	19	(217,256)	-	-	-	(217,256)
Amounts recoverable from retakaful operators	19	-	202,138	12,175	1,076	215,389
Net income or expense from retakaful certificates held	19	(217,256)	202,138	12,175	1,076	(1,867)
Effect of changes in non-performance risk of retakaful operators		-	(608)	73	-	(535)
Retakaful finance income from retakaful certificates held - P&L		(109)	-	4	-	(105)
Retakaful finance income from retakaful certificates held - OCI		115	-	-	-	115
Total changes in the statement of profit or loss and OCI		(217,250)	201,530	12,252	1,076	(2,392)
Cash flows						
Retakaful contributions paid		88,421	-	-	-	88,421
Amounts received		-	(56,045)	(17,580)	-	(73,625)
Total cash flows		88,421	(56,045)	(17,580)	-	14,796
Net retakaful certificate (liabilities)/ assets as at 31 December		(330,708)	380,625	64,384	1,322	115,623
Retakaful certificate assets as at 31 December		(259,602)	378,775	697	-	119,870
Retakaful certificate liabilities as at 31 December		(71,106)	1,850	63,687	1,322	(4,247)
Net retakaful certificate (liabilities)/ assets as at 31 December		(330,708)	380,625	64,384	1,322	115,623

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.2 Reconciliation of the assets for remaining coverage ("AFRC") and the assets recoverable on incurred claims ("ARIC") (continued)

Retakaful certificates held (continued)

		Company				
		AFRC	ARIC			
				Certificates under PAA		
2024	**Note**	**Excluding loss-recovery component RM'000**	**Certificates not under PAA RM'000**	**Estimates of PVFCF RM'000**	**Risk adjustment RM'000**	**Total RM'000**
Family Takaful						
Retakaful certificate assets as at 1 January		-	290,819	14,456	14,233	319,508
Retakaful certificate liabilities as at 1 January		(131,328)	-	-	-	(131,328)
Net retakaful certificate assets as at 1 January		(131,328)	290,819	14,456	14,233	188,180
Allocation of retakaful contributions	19	(220,628)	-	-	-	(220,628)
Amounts recoverable from retakaful operators	19	-	181,483	53,019	(13,987)	220,515
Net income or expense from retakaful certificates held	19	(220,628)	181,483	53,019	(13,987)	(113)
Effect of changes in non-performance risk of retakaful operators		-	131	(18)	-	113
Total changes in the statement of profit or loss and OCI		(220,628)	181,614	53,001	(13,987)	-
Cash flows						
Retakaful contributions paid		150,053	-	-	-	150,053
Amounts received		-	(237,292)	2,255	-	(235,037)
Total cash flows		150,053	(237,292)	2,255	-	(84,984)
Net retakaful certificate (liabilities)/ assets as at 31 December		(201,903)	235,141	69,712	246	103,196
Retakaful certificate assets as at 31 December		-	235,141	69,712	246	305,099
Retakaful certificate liabilities as at 31 December		(201,903)	-	-	-	(201,903)
Net retakaful certificate (liabilities)/ assets as at 31 December		(201,903)	235,141	69,712	246	103,196

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.2 Reconciliation of the assets for remaining coverage ("AFRC") and the assets recoverable on incurred claims ("ARIC") (continued)

Retakaful certificates held (continued)

		Company				
		AFRC	ARIC			
				Certificates under PAA		
2024	**Note**	**Excluding loss-recovery component RM'000**	**Certificates not under PAA RM'000**	**Estimates of PVFCF RM'000**	**Risk adjustment RM'000**	**Total RM'000**
Company						
Retakaful certificate assets as at 1 January		10,830	290,819	14,456	14,233	330,338
Retakaful certificate liabilities as at 1 January		(131,328)	-	-	-	(131,328)
Net retakaful certificate assets as at 1 January		(120,498)	290,819	14,456	14,233	199,010
Allocation of retakaful contributions:	19	(234,529)	-	-	-	(234,529)
Amounts recoverable from retakaful operators	19	-	181,483	53,019	(13,987)	220,515
Net income or expense from retakaful certificates held	19	(234,529)	181,483	53,019	(13,987)	(14,014)
Effect of changes in non-performance risk of retakaful operators		75	131	(18)	-	188
Total changes in the statement of profit or loss and OCI		(234,454)	181,614	53,001	(13,987)	(13,826)
Cash flows						
Retakaful contributions paid		153,073	-	-	-	153,073
Amounts received		-	(237,293)	2,255	-	(235,038)
Total cash flows		153,073	(237,293)	2,255	-	(81,965)
Net retakaful certificate (liabilities)/ assets as at 31 December		(201,879)	235,140	69,712	246	103,219
Retakaful certificate assets as at 31 December		24	235,140	69,712	246	305,122
Retakaful certificate liabilities as at 31 December		(201,903)	-	-	-	(201,903)
Net retakaful certificate (liabilities)/ assets as at 31 December		(201,879)	235,140	69,712	246	103,219

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.3 Reconciliation of the measurement components of takaful and retakaful certificate balances

Takaful certificates issued - certificates not measured under PAA

	Group							
	2025				2024			
	Estimates of PVFCF RM'000	Risk adjustment RM'000	CSM RM'000	Total RM'000	Estimates of PVFCF RM'000	Risk adjustment RM'000	CSM RM'000	Total RM'000
Family Takaful								
Takaful certificate liabilities as at 1 January	**9,655,982**	**19,612**	**-**	**9,675,594**	8,636,050	43,353	-	8,679,403
Takaful certificate assets as at 1 January	**(443,676)**	**4,032**	**-**	**(439,644)**	(210,132)	3,519	-	(206,613)
Net takaful certificate liabilities as at 1 January	**9,212,306**	**23,644**	**-**	**9,235,950**	8,425,918	46,872	-	8,472,790
Changes that relate to current services	**(398,102)**	**-**	**-**	**(398,102)**	(447,968)	-	-	(447,968)
Experience adjustments	**(398,102)**	**-**	**-**	**(398,102)**	(447,968)	-	-	(447,968)
Changes that relate to future services	**(54,182)**	**-**	**-**	**(54,182)**	(22,403)	-	-	(22,403)
Changes in estimates that adjust the CSM	**(54,182)**	**-**	**-**	**(54,182)**	(22,403)	-	-	(22,403)
Changes that relate to past services	**638,719**	**3,626**	**-**	**642,345**	728,122	(23,228)	-	704,894
Adjustments to LFIC	**638,719**	**3,626**	**-**	**642,345**	728,122	(23,228)	-	704,894
Takaful service result	**186,435**	**3,626**	**-**	**190,061**	257,751	(23,228)	-	234,523
Takaful finance expenses from takaful certificates issued	**168,875**	**-**	**-**	**168,875**	114,554	-	-	114,554
Total changes in the statement of profit or loss and OCI	**355,310**	**3,626**	**-**	**358,936**	372,305	(23,228)	-	349,077
Cash flows								
Contributions received	**2,431,189**	**-**	**-**	**2,431,189**	2,300,654	-	-	2,300,654
Claims and other expenses paid including investment components	**(776,960)**	**-**	**-**	**(776,960)**	(928,866)	-	-	(928,866)
Takaful acquisition cash flows	**(996,694)**	**-**	**-**	**(996,694)**	(957,705)	-	-	(957,705)
Total cash flows	**657,535**	**-**	**-**	**657,535**	414,083	-	-	414,083
Net takaful certificate liabilities as at 31 December	**10,225,151**	**27,270**	**-**	**10,252,421**	9,212,306	23,644	-	9,235,950
Takaful certificate liabilities as at 31 December	**11,074,014**	**22,894**	**-**	**11,096,908**	9,655,982	19,612	-	9,675,594
Takaful certificate assets as at 31 December	**(848,863)**	**4,376**	**-**	**(844,487)**	(443,676)	4,032	-	(439,644)
Net takaful certificate liabilities as at 31 December	**10,225,151**	**27,270**	**-**	**10,252,421**	9,212,306	23,644	-	9,235,950

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.3 Reconciliation of the measurement components of takaful and retakaful certificate balances (continued)

Takaful certificates issued - certificates not measured under PAA (continued)

	Group							
	2025				2024			
	Estimates of PVFCF RM'000	Risk adjustment RM'000	CSM RM'000	Total RM'000	Estimates of PVFCF RM'000	Risk adjustment RM'000	CSM RM'000	Total RM'000
General Takaful								
Takaful certificate liabilities as at 1 January	**164,464**	**2,114**	**-**	**166,578**	128,823	512	-	129,335
Takaful certificate assets as at 1 January	**(19,753)**	**310**	**-**	**(19,443)**	(13,452)	117	-	(13,335)
Net takaful certificate liabilities as at 1 January	**144,711**	**2,424**	**-**	**147,135**	115,371	629	-	116,000
Changes that relate to current services	**(11,455)**	**-**	**-**	**(11,455)**	(25,490)	-	-	(25,490)
Experience adjustments	**(11,455)**	**-**	**-**	**(11,455)**	(25,490)	-	-	(25,490)
Changes that relate to past services	**17,653**	**(1,335)**	**-**	**16,318**	29,074	1,779	-	30,853
Adjustments to LFIC	**17,653**	**(1,335)**	**-**	**16,318**	29,074	1,779	-	30,853
Takaful service result	**6,198**	**(1,335)**	**-**	**4,863**	3,584	1,779	-	5,363
Takaful finance expenses from takaful certificates issued	**289**	**31**	**-**	**320**	122	16	-	138
Total changes in the statement of profit or loss and OCI	**6,487**	**(1,304)**	**-**	**5,183**	3,706	1,795	-	5,501
Cash flows								
Contributions received	**48,013**	**-**	**-**	**48,013**	48,461	-	-	48,461
Claims and other expenses paid including investment components	**(25,123)**	**-**	**-**	**(25,123)**	(11,208)	-	-	(11,208)
Takaful acquisition cash flows	**(13,612)**	**-**	**-**	**(13,612)**	(11,619)	-	-	(11,619)
Total cash flows	**9,278**	**-**	**-**	**9,278**	25,634	-	-	25,634
Net takaful certificate liabilities as at 31 December	**160,476**	**1,120**	**-**	**161,596**	144,711	2,424	-	147,135
Takaful certificate liabilities as at 31 December	**184,595**	**944**	**-**	**185,539**	164,464	2,114	-	166,578
Takaful certificate assets as at 31 December	**(24,119)**	**176**	**-**	**(23,943)**	(19,753)	310	-	(19,443)
Net takaful certificate liabilities as at 31 December	**160,476**	**1,120**	**-**	**161,596**	144,711	2,424	-	147,135

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.3 Reconciliation of the measurement components of takaful and retakaful certificate balances (continued)

Takaful certificates issued - certificates not measured under PAA (continued)

		Group							
		2025				2024			
	Note	Estimates of PVFCF RM'000	Risk adjustment RM'000	CSM RM'000	Total RM'000	Estimates of PVFCF RM'000	Risk adjustment RM'000	CSM RM'000	Total RM'000
Group									
Takaful certificate liabilities as at 1 January		**9,498,061**	**102,944**	**1,313,366**	**10,914,371**	8,519,214	206,521	1,177,950	9,903,685
Takaful certificate assets as at 1 January		**(554,090)**	**43,355**	**56,784**	**(453,951)**	(336,235)	43,558	51,848	(240,829)
Net takaful certificate liabilities as at 1 January		**8,943,971**	**146,299**	**1,370,150**	**10,460,420**	8,182,979	250,079	1,229,798	9,662,856
Changes that relate to current services		**(453,448)**	**(66,840)**	**(280,224)**	**(800,512)**	(509,387)	(96,356)	(248,454)	(854,197)
CSM recognised for services provided		**-**	**-**	**(280,224)**	**(280,224)**	-	-	(248,454)	(248,454)
Risk adjustment for the risk expired		**-**	**(66,840)**	**-**	**(66,840)**	-	(96,356)	-	(96,356)
Experience adjustments		**(453,448)**	**-**	**-**	**(453,448)**	(509,387)	-	-	(509,387)
Changes that relate to future services		**(354,495)**	**13,333**	**297,891**	**(43,271)**	(357,283)	9,270	333,429	(14,584)
certificates initially recognised in the year	a	**(306,518)**	**63,763**	**243,153**	**398**	(322,319)	87,465	235,498	644
Changes in estimates that adjust the CSM		**(47,977)**	**(50,430)**	**54,738**	**(43,669)**	(34,964)	(78,195)	97,931	(15,228)
Changes in estimates that do not adjust the CSM		**-**	**-**	**-**	**-**	-	-	-	-
Changes that relate to past services		**656,221**	**2,295**	**-**	**658,516**	749,158	(21,450)	-	727,708
Adjustments to LFIC		**656,221**	**2,295**	**-**	**658,516**	749,158	(21,450)	-	727,708
Takaful service result		**(151,722)**	**(51,212)**	**17,667**	**(185,267)**	(117,512)	(108,536)	84,975	(141,073)
Takaful finance expenses from takaful certificates issued		**139,000**	**3,164**	**60,660**	**202,824**	101,286	4,756	55,377	161,419
Total changes in the statement of profit or loss and OCI		**(12,722)**	**(48,048)**	**78,327**	**17,557**	(16,226)	(103,780)	140,352	20,346

(a) Please refer to Note 10.5 for detailed breakdown of initially recognised certificate.

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.3 Reconciliation of the measurement components of takaful and retakaful certificate balances (continued)

Takaful certificates issued - certificates not measured under PAA (continued)

		Group							
		2025				2024			
	Note	Estimates of PVFCF RM'000	Risk adjustment RM'000	CSM RM'000	Total RM'000	Estimates of PVFCF RM'000	Risk adjustment RM'000	CSM RM'000	Total RM'000
Group (continued)									
Cash flows									
Contributions received		**2,479,202**	**-**	**-**	**2,479,202**	2,349,115	-	-	2,349,115
Claims and other expenses paid including investment components		**(755,867)**	**-**	**-**	**(755,867)**	(968,803)	-	-	(968,803)
Takaful acquisition cash flows		**(729,068)**	**-**	**-**	**(729,068)**	(603,094)	-	-	(603,094)
Total cash flows		**994,267**	**-**	**-**	**994,267**	777,218	-	-	777,218
Net takaful certificate liabilities as at 31 December		**9,925,516**	**98,251**	**1,448,477**	**11,472,244**	8,943,971	146,299	1,370,150	10,460,420
Takaful certificate liabilities as at 31 December		**10,875,411**	**83,631**	**1,370,303**	**12,329,345**	9,498,061	102,944	1,313,366	10,914,371
Takaful certificate assets as at 31 December		**(949,895)**	**14,620**	**78,174**	**(857,101)**	(554,090)	43,355	56,784	(453,951)
Net takaful certificate liabilities as at 31 December		**9,925,516**	**98,251**	**1,448,477**	**11,472,244**	8,943,971	146,299	1,370,150	10,460,420

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.3 Reconciliation of the measurement components of takaful and retakaful certificate balances (continued)

Takaful certificates issued - certificates not measured under PAA (continued)

	Company							
	2025				2024			
	Estimates of PVFCF RM'000	Risk adjustment RM'000	CSM RM'000	Total RM'000	Estimates of PVFCF RM'000	Risk adjustment RM'000	CSM RM'000	Total RM'000
Family Takaful								
Takaful certificate liabilities as at 1 January	**9,655,982**	**19,612**	**-**	**9,675,594**	8,636,050	43,353	-	8,679,403
Takaful certificate assets as at 1 January	**(443,676)**	**4,032**	**-**	**(439,644)**	(210,132)	3,519	-	(206,613)
Net takaful certificate liabilities as at 1 January	**9,212,306**	**23,644**	**-**	**9,235,950**	8,425,918	46,872	-	8,472,790
Changes that relate to current services	**(398,102)**	**-**	**-**	**(398,102)**	(447,968)	-	-	(447,968)
Experience adjustments	**(398,102)**	**-**	**-**	**(398,102)**	(447,968)	-	-	(447,968)
Changes that relate to future services	**(54,182)**	**-**	**-**	**(54,182)**	(22,403)	-	-	(22,403)
Changes in estimates that adjust the CSM	**(54,182)**	**-**	**-**	**(54,182)**	(22,403)	-	-	(22,403)
Changes that relate to past services	**638,719**	**3,626**	**-**	**642,345**	728,122	(23,228)	-	704,894
Adjustments to LFIC	**638,719**	**3,626**	**-**	**642,345**	728,122	(23,228)	-	704,894
Takaful service result	**186,435**	**3,626**	**-**	**190,061**	257,751	(23,228)	-	234,523
Takaful finance expenses from takaful certificates issued	**168,875**	**-**	**-**	**168,875**	114,554	-	-	114,554
Total changes in the statement of profit or loss and OCI	**355,310**	**3,626**	**-**	**358,936**	372,305	(23,228)	-	349,077
Cash flows								
Contributions received	**2,431,189**	**-**	**-**	**2,431,189**	2,300,654	-	-	2,300,654
Claims and other expenses paid including investment components	**(776,960)**	**-**	**-**	**(776,960)**	(928,866)	-	-	(928,866)
Takaful acquisition cash flows	**(996,694)**	**-**	**-**	**(996,694)**	(957,705)	-	-	(957,705)
Total cash flows	**657,535**	**-**	**-**	**657,535**	414,083	-	-	414,083
Net takaful certificate liabilities as at 31 December	**10,225,151**	**27,270**	**-**	**10,252,421**	9,212,306	23,644	-	9,235,950
Takaful certificate liabilities as at 31 December	**11,074,014**	**22,894**	**-**	**11,096,908**	9,655,982	19,612	-	9,675,594
Takaful certificate assets as at 31 December	**(848,863)**	**4,376**	**-**	**(844,487)**	(443,676)	4,032	-	(439,644)
Net takaful certificate liabilities as at 31 December	**10,225,151**	**27,270**	**-**	**10,252,421**	9,212,306	23,644	-	9,235,950

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.3 Reconciliation of the measurement components of takaful and retakaful certificate balances (continued)

Takaful certificates issued - certificates not measured under PAA (continued)

		Company							
		2025				2024			
	Note	Estimates of PVFCF RM'000	Risk adjustment RM'000	CSM RM'000	Total RM'000	Estimates of PVFCF RM'000	Risk adjustment RM'000	CSM RM'000	Total RM'000
Company									
Takaful certificate liabilities as at 1 January		**9,359,786**	**83,780**	**1,217,952**	**10,661,518**	8,420,528	187,849	1,083,834	9,692,211
Takaful certificate assets as at 1 January		**(528,055)**	**40,643**	**56,097**	**(431,315)**	(313,844)	40,596	49,879	(223,369)
Net takaful certificate liabilities as at 1 January		**8,831,731**	**124,423**	**1,274,049**	**10,230,203**	8,106,684	228,445	1,133,713	9,468,842
Changes that relate to current services		**(448,539)**	**(65,763)**	**(274,562)**	**(788,864)**	(492,867)	(95,266)	(242,561)	(830,694)
CSM recognised for services provided		**-**	**-**	**(274,562)**	**(274,562)**	-	-	(242,561)	(242,561)
Risk adjustment for the risk expired		**-**	**(65,763)**	**-**	**(65,763)**	-	(95,266)	-	(95,266)
Experience adjustments		**(448,539)**	**-**	**-**	**(448,539)**	(492,867)	-	-	(492,867)
Changes that relate to future services		**(362,089)**	**17,631**	**300,679**	**(43,779)**	(356,287)	10,451	331,251	(14,585)
certificates initially recognised in the year	a	**(298,301)**	**62,507**	**236,192**	**398**	(310,951)	85,784	225,811	644
Changes in estimates that adjust the CSM		**(63,788)**	**(44,876)**	**64,487**	**(44,177)**	(45,336)	(75,333)	105,440	(15,229)
Changes that relate to past services		**638,576**	**3,626**	**-**	**642,202**	720,081	(23,227)	-	696,854
Adjustments to LFIC		**638,576**	**3,626**	**-**	**642,202**	720,081	(23,227)	-	696,854
Takaful service result		**(172,052)**	**(44,506)**	**26,117**	**(190,441)**	(129,073)	(108,042)	88,690	(148,425)
Takaful finance expenses from takaful certificates issued		**139,235**	**2,268**	**57,011**	**198,514**	102,190	4,020	51,646	157,856
Total changes in the statement of profit or loss and OCI		**(32,817)**	**(42,238)**	**83,128**	**8,073**	(26,883)	(104,022)	140,336	9,431

(a) Please refer to Note 10.5 for a detailed breakdown of initially recognised certificates

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.3 Reconciliation of the measurement components of takaful and retakaful certificate balances (continued)

Takaful certificates issued - certificates not measured under PAA (continued)

	Company							
	2025				2024			
	Estimates of PVFCF RM'000	Risk adjustment RM'000	CSM RM'000	Total RM'000	Estimates of PVFCF RM'000	Risk adjustment RM'000	CSM RM'000	Total RM'000
Company (continued)								
Cash flows								
Contributions received	**2,431,189**	**-**	**-**	**2,431,189**	2,300,654	-	-	2,300,654
Claims and other expenses paid including investment components	**(727,512)**	**-**	**-**	**(727,512)**	(954,478)	-	-	(954,478)
Takaful acquisition cash flows	**(720,772)**	**-**	**-**	**(720,772)**	(594,246)	-	-	(594,246)
Total cash flows	**982,905**	**-**	**-**	**982,905**	751,930	-	-	751,930
Net takaful certificate liabilities as at 31 December	**9,781,819**	**82,185**	**1,357,177**	**11,221,181**	8,831,731	124,423	1,274,049	10,230,203
Takaful certificate liabilities as at 31 December	**10,704,049**	**69,343**	**1,279,023**	**12,052,415**	9,359,786	83,780	1,217,952	10,661,518
Takaful certificate assets as at 31 December	**(922,230)**	**12,842**	**78,154**	**(831,234)**	(528,055)	40,643	56,097	(431,315)
Net takaful certificate liabilities as at 31 December	**9,781,819**	**82,185**	**1,357,177**	**11,221,181**	8,831,731	124,423	1,274,049	10,230,203

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.3 Reconciliation of the measurement components of takaful and retakaful certificate balances (continued)

Retakaful certificates held - certificates not measured under PAA

	Group							
	2025				2024			
	Estimates of PVFCF RM'000	Risk adjustment RM'000	CSM RM'000	Total RM'000	Estimates of PVFCF RM'000	Risk adjustment RM'000	CSM RM'000	Total RM'000
Family Takaful								
Retakaful certificate assets as at 1 January	**72,535**	**13,842**	**-**	**86,377**	177,493	22,528	-	200,021
Retakaful certificate liabilities as at 1 January	**(11)**	**-**	**-**	**(11)**	-	-	-	-
Net retakaful certificate assets as at 1 January	**72,524**	**13,842**	**-**	**86,366**	177,493	22,528	-	200,021
Changes that relate to current services	**(29,274)**	**-**	**-**	**(29,274)**	(8,849)	-	-	(8,849)
Experience adjustments	**(29,274)**	**-**	**-**	**(29,274)**	(8,849)	-	-	(8,849)
Changes that relate to past services	**35,262**	**663**	**-**	**35,925**	(82,897)	(8,686)	-	(91,583)
Changes in amounts recoverable arising from changes in LFIC	**35,262**	**663**	**-**	**35,925**	(82,897)	(8,686)	-	(91,583)
Retakaful finance expenses from retakaful certificates held	**(162)**	**-**	**-**	**(162)**	-	-	-	-
Effect of changes in non-performance risk of retakaful operators	**(609)**	**-**	**-**	**(609)**	130	-	-	130
Total changes in the statement of profit or loss and OCI	**5,217**	**663**	**-**	**5,880**	(91,616)	(8,686)	-	(100,302)
Cash flows								
Contributions paid	**64,784**	**-**	**-**	**64,784**	183,919	-	-	183,919
Amounts received	**(62,089)**	**-**	**-**	**(62,089)**	(197,272)	-	-	(197,272)
Total cash flows	**2,695**	**-**	**-**	**2,695**	(13,353)	-	-	(13,353)
Net retakaful certificate assets as at 31 December	**80,436**	**14,505**	**-**	**94,941**	72,524	13,842	-	86,366
Retakaful certificate assets as at 31 December	**86,419**	**12,660**	**-**	**99,079**	72,535	13,842	-	86,377
Retakaful certificate liabilities as at 31 December	**(5,983)**	**1,845**	**-**	**(4,138)**	(11)	-	-	(11)
Net retakaful certificate assets as at 31 December	**80,436**	**14,505**	**-**	**94,941**	72,524	13,842	-	86,366

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.3 Reconciliation of the measurement components of takaful and retakaful certificate balances (continued)

Retakaful certificates held - certificates not measured under PAA (continued)

	Group							
	2025				2024			
	Estimates of PVFCF RM'000	Risk adjustment RM'000	CSM RM'000	Total RM'000	Estimates of PVFCF RM'000	Risk adjustment RM'000	CSM RM'000	Total RM'000
Group								
Retakaful certificate assets as at 1 January	**118,381**	**13,833**	**513**	**132,727**	176,973	22,512	11,367	210,852
Retakaful certificate liabilities as at 1 January	**(11)**	**-**	**-**	**(11)**	-	-	-	-
Net retakaful certificate assets as at 1 January	**118,370**	**13,833**	**513**	**132,716**	176,973	22,512	11,367	210,852
Changes that relate to current services	**(31,142)**	**10**	**(545)**	**(31,677)**	(11,324)	13	(11,437)	(22,748)
CSM recognised for services provided	**-**	**-**	**(545)**	**(545)**	-	-	(11,437)	(11,437)
Risk adjustment for the risk expired	**-**	**10**	**-**	**10**	-	13	-	13
Experience adjustments	**(31,142)**	**-**	**-**	**(31,142)**	(11,324)	-	-	(11,324)
Changes that relate to future services	**(466)**	**(9)**	**475**	**-**	(494)	(5)	500	1
Changes in estimates that adjust the CSM	**(466)**	**(9)**	**475**	**-**	(494)	(5)	500	1
Changes that relate to past services	**(11,064)**	**663**	**-**	**(10,401)**	(36,571)	(8,687)	-	(45,258)
Changes in amounts recoverable arising from changes in LFIC	**(11,064)**	**663**	**-**	**(10,401)**	(36,571)	(8,687)	-	(45,258)
Retakaful finance (expenses)/ income from retakaful certificates held	**(186)**	**(1)**	**19**	**(168)**	(9)	-	83	74
Effect of changes in non-performance risk of retakaful operators	**(609)**	**-**	**-**	**(609)**	130	-	-	130
Total changes in the statement of profit or loss and OCI	**(43,467)**	**663**	**(51)**	**(42,855)**	(48,268)	(8,679)	(10,854)	(67,801)
Cash flows								
Contributions paid	**67,152**	**-**	**-**	**67,152**	186,937	-	-	186,937
Amounts received	**(62,088)**	**-**	**-**	**(62,088)**	(197,272)	-	-	(197,272)
Total cash flows	**5,064**	**-**	**-**	**5,064**	(10,335)	-	-	(10,335)
Net retakaful certificate assets as at 31 December	**79,967**	**14,496**	**462**	**94,925**	118,370	13,833	513	132,716

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.3 Reconciliation of the measurement components of takaful and retakaful certificate balances (continued)

Retakaful certificates held - certificates not measured under PAA (continued)

	Group							
	2025				2024			
	Estimates of PVFCF RM'000	Risk adjustment RM'000	CSM RM'000	Total RM'000	Estimates of PVFCF RM'000	Risk adjustment RM'000	CSM RM'000	Total RM'000
Group (continued)								
Retakaful certificate assets as at 31 December	**85,950**	**12,651**	**462**	**99,063**	118,381	13,833	513	132,727
Retakaful certificate liabilities as at 31 December	**(5,983)**	**1,845**	**-**	**(4,138)**	(11)	-	-	(11)
Net retakaful certificate assets as at 31 December	**79,967**	**14,496**	**462**	**94,925**	118,370	13,833	513	132,716

	Company							
	2025				2024			
Family Takaful	Estimates of PVFCF RM'000	Risk adjustment RM'000	CSM RM'000	Total RM'000	Estimates of PVFCF RM'000	Risk adjustment RM'000	CSM RM'000	Total RM'000
Retakaful certificate assets as at 1 January	**72,535**	**13,842**	**-**	**86,377**	131,167	22,528	-	153,695
Retakaful certificate liabilities as at 1 January	**(11)**	**-**	**-**	**(11)**	-	-	-	-
Net retakaful certificate assets as at 1 January	**72,524**	**13,842**	**-**	**86,366**	131,167	22,528	-	153,695
Changes that relate to current services	**(29,274)**	**-**	**-**	**(29,274)**	(8,849)	-	-	(8,849)
Experience adjustments	**(29,274)**	**-**	**-**	**(29,274)**	(8,849)	-	-	(8,849)
Changes that relate to past services	**35,262**	**663**	**-**	**35,925**	(36,571)	(8,686)	-	(45,257)
Changes in amounts recoverable arising from changes in LFIC	**35,262**	**663**	**-**	**35,925**	(36,571)	(8,686)	-	(45,257)
Retakaful finance expenses from retakaful certificates held	**(162)**	**-**	**-**	**(162)**	-	-	-	-
Effect of changes in non-performance risk of retakaful operators	**(609)**	**-**	**-**	**(609)**	130	-	-	130
Total changes in the statement of profit or loss and OCI	**5,217**	**663**	**-**	**5,880**	(45,290)	(8,686)	-	(53,976)

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.3 Reconciliation of the measurement components of takaful and retakaful certificate balances (continued)

Retakaful certificates held - certificates not measured under PAA (continued)

	Company							
	2025				2024			
	Estimates of PVFCF RM'000	Risk adjustment RM'000	CSM RM'000	Total RM'000	Estimates of PVFCF RM'000	Risk adjustment RM'000	CSM RM'000	Total RM'000
Family Takaful (continued)								
Cash flows								
Contributions paid	**64,784**	**-**	**-**	**64,784**	183,919	-	-	183,919
Amounts received	**(62,089)**	**-**	**-**	**(62,089)**	(197,272)	-	-	(197,272)
Total cash flows	**2,695**	**-**	**-**	**2,695**	(13,353)	-	-	(13,353)
Net retakaful certificate assets as at 31 December	**80,436**	**14,505**	**-**	**94,941**	72,524	13,842	-	86,366
Retakaful certificate assets as at 31 December	**86,419**	**12,660**	**-**	**99,079**	72,535	13,842	-	86,377
Retakaful certificate liabilities as at 31 December	**(5,983)**	**1,845**	**-**	**(4,138)**	(11)	-	-	(11)
Net retakaful certificate assets as at 31 December	**80,436**	**14,505**	**-**	**94,941**	72,524	13,842	-	86,366

	Company							
	2025				2024			
Company	Estimates of PVFCF RM'000	Risk adjustment RM'000	CSM RM'000	Total RM'000	Estimates of PVFCF RM'000	Risk adjustment RM'000	CSM RM'000	Total RM'000
Retakaful certificate assets as at 1 January	**72,055**	**13,833**	**513**	**86,401**	130,647	22,512	11,367	164,526
Retakaful certificate liabilities as at 1 January	**(11)**	**-**	**-**	**(11)**	-	-	-	-
Net retakaful certificate assets as at 1 January	**72,044**	**13,833**	**513**	**86,390**	130,647	22,512	11,367	164,526
Changes that relate to current services	**(31,142)**	**10**	**(545)**	**(31,677)**	(11,324)	13	(11,437)	(22,748)
CSM recognised for services provided	**-**	**-**	**(545)**	**(545)**	-	-	(11,437)	(11,437)
Risk adjustment for the risk expired	**-**	**10**	**-**	**10**	-	13	-	13
Experience adjustments	**(31,142)**	**-**	**-**	**(31,142)**	(11,324)	-	-	(11,324)
Changes that relate to future services	**(466)**	**(9)**	**475**	**-**	(494)	(5)	500	1
Changes in estimates that adjust the CSM	**(466)**	**(9)**	**475**	**-**	(494)	(5)	500	1

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.3 Reconciliation of the measurement components of takaful and retakaful certificate balances (continued)

Retakaful certificates issued - certificates not measured under PAA (continued)

	Company							
	2025				2024			
	Estimates of PVFCF RM'000	Risk adjustment RM'000	CSM RM'000	Total RM'000	Estimates of PVFCF RM'000	Risk adjustment RM'000	CSM RM'000	Total RM'000
Company (continued)								
Changes that relate to past services	**35,262**	**663**	**-**	**35,925**	(36,571)	(8,687)	-	(45,258)
Changes in amounts recoverable arising from changes in LFIC	**35,262**	**663**	**-**	**35,925**	(36,571)	(8,687)	-	(45,258)
Retakaful finance (expenses)/ income from retakaful certificates held	**(186)**	**(1)**	**19**	**(168)**	(9)	-	83	74
Effect of changes in non-performance risk of retakaful operators	**(609)**	**-**	**-**	**(609)**	130	-	-	130
Total changes in the statement of profit or loss and OCI	**2,859**	**663**	**(51)**	**(3,471)**	(48,268)	(8,679)	(10,854)	(67,801)
Cash flows								
Contributions paid	**67,152**	**-**	**-**	**67,152**	186,937	-	-	186,937
Amounts received	**(62,088)**	**-**	**-**	**(62,088)**	(197,272)	-	-	(197,272)
Total cash flows	**5,064**	**-**	**-**	**5,064**	(10,335)	-	-	(10,335)
Net retakaful certificate assets as at 31 December	**79,967**	**14,496**	**462**	**94,925**	72,044	13,833	513	86,390
Retakaful certificate assets as at 31 December	**85,950**	**12,651**	**462**	**99,063**	72,055	13,833	513	86,401
Retakaful certificate liabilities as at 31 December	**(5,983)**	**1,845**	**-**	**(4,138)**	(11)	-	-	(11)
Net retakaful certificate assets as at 31 December	**79,967**	**14,496**	**462**	**94,925**	72,044	13,833	513	86,390

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.4 The impacts on the current period of transition approaches adopted to establishing CSM

Takaful certificates issued

	2025				2024			
	MRA RM'000	FVA RM'000	All other certificates RM'000	Total RM'000	MRA RM'000	FVA RM'000	All other certificates RM'000	Total RM'000
Group								
CSM as at 1 January	**706,824**	**45,670**	**617,656**	**1,370,510**	854,458	40,409	334,931	1,229,798
Changes that relate to current services								
CSM recognised for services provided	**(113,708)**	**(11,132)**	**(155,384)**	**(280,224)**	(214,251)	(8,902)	(25,301)	(248,454)
Changes that relate to future services								
Certificates initially recognised in the year	**-**	**-**	**243,153**	**243,153**	-	-	235,498	235,498
Changes in estimates that adjust the CSM	**9,594**	**34,781**	**10,363**	**54,738**	40,912	13,399	43,620	97,931
Changes in estimates that do not adjust the CSM	**-**	**-**	**-**	**-**	-	-	-	-
Takaful service result	**(104,114)**	**23,649**	**98,132**	**17,667**	(173,339)	4,497	253,817	84,975
Takaful finance expenses from takaful certificates issued	26,987	2,788	30,885	60,660	25,705	764	28,908	55,377
Total changes in the statement of profit or loss and OCI	**(77,127)**	**26,437**	**129,017**	**78,327**	(147,634)	5,261	282,725	140,352
CSM as at 31 December	**629,697**	**72,107**	**746,673**	**1,448,477**	706,824	45,670	617,656	1,370,150
Company								
CSM as at 1 January	**650,195**	**39,492**	**584,362**	**1,274,049**	793,459	31,592	308,662	1,133,713
Changes that relate to current services								
CSM recognised for services provided	**(110,160)**	**(10,753)**	**(153,649)**	**(274,562)**	(210,512)	(8,364)	(23,685)	(242,561)
Changes that relate to future services								
Certificates initially recognised in the year	**-**	**-**	**236,192**	**236,192**	-	-	225,811	225,811
Changes in estimates that adjust the CSM	**12,516**	**36,147**	**15,824**	**64,487**	43,884	15,864	45,692	105,440
Takaful service result	**(97,644)**	**25,394**	**98,367**	**26,117**	(166,628)	7,500	247,818	88,690
Takaful finance expenses from takaful certificates issued	24,825	2,539	29,647	57,011	23,364	400	27,882	51,646
Total changes in the statement of profit or loss and OCI	**(72,819)**	**27,933**	**128,014**	**83,128**	(143,264)	7,900	275,700	140,336
CSM as at 31 December	**577,376**	**67,425**	**712,376**	**1,357,177**	650,195	39,492	584,362	1,274,049

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.4 The impacts on the current period of transition approaches adopted to establishing CSM (continued)

Retakaful certificates held

	2025				2024			
	MRA RM'000	FVA RM'000	All other certificates RM'000	Total RM'000	MRA RM'000	FVA RM'000	All other certificates RM'000	Total RM'000
Group								
CSM as at 1 January	**-**	**340**	**173**	**513**	-	6,165	5,202	11,367
Changes that relate to current services								
CSM for services provided	**-**	**(354)**	**(191)**	**(545)**	-	(6,157)	(5,280)	(11,437)
Changes that relate to future services								
Changes in estimates that adjust the CSM	**-**	**308**	**167**	**475**	-	319	181	500
Retakaful finance income from retakaful certificates held	**-**	**12**	**7**	**19**	-	13	70	83
Total changes in the statement of profit or loss and OCI	**-**	**(34)**	**(17)**	**(51)**	-	(5,825)	(5,029)	(10,854)
CSM as at 31 December	**-**	**306**	**156**	**462**	-	340	173	513
Company								
CSM as at 1 January	**-**	**340**	**173**	**513**	-	6,165	5,202	11,367
Changes that relate to current services								
CSM recognised for services provided	**-**	**(354)**	**(191)**	**(545)**	-	(6,157)	(5,280)	(11,437)
Changes that relate to future services								
Changes in estimates that adjust the CSM	**-**	**308**	**167**	**475**	-	319	181	500
Retakaful finance income from retakaful certificates held	**-**	**12**	**7**	**19**	-	13	70	83
Total changes in the statement of profit or loss and OCI	**-**	**(34)**	**(17)**	**(51)**	-	(5,825)	(5,029)	(10,854)
CSM as at 31 December	**-**	**306**	**156**	**462**	-	340	173	513

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.5 The components of new business

Takaful certificates issued

	Group					
	2025			2024		
	Certificates issued			Certificates issued		
	Non-onerous RM'000	Onerous RM'000	Total RM'000	Non-onerous RM'000	Onerous RM'000	Total RM'000
Family Takaful						
Takaful certificate liabilities						
Estimates of present value of future cash outflows, excluding takaful acquisition cash flows	**2,503,421**	**4,844**	**2,508,265**	2,323,479	10,098	2,333,577
Estimates of present value of future cash outflows	**2,503,421**	**4,844**	**2,508,265**	2,323,479	10,098	2,333,577
Estimates of present value of future cash inflows	**(2,503,421)**	**(4,844)**	**(2,508,265)**	(2,323,479)	(10,098)	(2,333,577)
Amount included in takaful certificate liabilities for the financial year	**-**	**-**	**-**	-	-	-
General Takaful						
Takaful certificate liabilities						
Estimates of present value of future cash outflows, excluding takaful acquisition cash flows	**49,075**	**-**	**49,075**	47,983	-	47,983
Estimates of present value of future cash outflows	**49,075**	**-**	**49,075**	47,983	-	47,983
Estimates of present value of future cash inflows	**(49,075)**	**-**	**(49,075)**	(47,983)	-	(47,983)
Amount included in takaful certificate liabilities for the financial year	**-**	**-**	**-**	-	-	-

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.5 The components of new business (continued)

Takaful certificates issued (continued)

	Group					
	2025			2024		
	Certificates issued			Certificates issued		
	Non-onerous RM'000	Onerous RM'000	Total RM'000	Non-onerous RM'000	Onerous RM'000	Total RM'000
Group						
Takaful certificate liabilities						
Estimates of present value of future cash outflows, excluding takaful acquisition cash flows	**2,429,338**	**4,592**	**2,433,930**	2,280,925	9,033	2,289,958
Estimates of takaful acquisition cash flows	**692,915**	**1,562**	**694,477**	642,262	1,528	643,790
Estimates of present value of future cash outflows	**3,122,253**	**6,154**	**3,128,407**	2,923,187	10,561	2,933,748
Estimates of present value of future cash inflows	**(3,429,035)**	**(5,890)**	**(3,434,925)**	(3,244,965)	(11,102)	(3,256,067)
Risk adjustment	**63,629**	**134**	**63,763**	86,280	1,185	87,465
CSM	**243,153**	**-**	**243,153**	235,498	-	235,498
Amount included in takaful certificate liabilities for the financial year	**-**	**398**	**398**	-	644	644

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.5 The components of new business (continued)

Takaful certificates issued (continued)

	Group					
	2025			2024		
	Certificates issued			Certificates issued		
	Non-onerous RM'000	Onerous RM'000	Total RM'000	Non-onerous RM'000	Onerous RM'000	Total RM'000
Family Takaful						
Takaful certificate liabilities						
Estimates of present value of future cash outflows, excluding takaful acquisition cash flows	**2,503,421**	**4,844**	**2,508,265**	2,323,479	10,098	2,333,577
Estimates of present value of future cash outflows	**2,503,421**	**4,844**	**2,508,265**	2,323,479	10,098	2,333,577
Estimates of present value of future cash inflows	**(2,503,421)**	**(4,844)**	**(2,508,265)**	(2,323,479)	(10,098)	(2,333,577)
Amount included in takaful certificate liabilities for the year	**-**	**-**	**-**	-	-	-
Company						
Takaful certificate liabilities						
Estimates of present value of future cash outflows, excluding takaful acquisition cash flows	**2,397,720**	**4,592**	**2,402,312**	2,252,273	9,033	2,261,306
Estimates of takaful acquisition cash flows	**683,675**	**1,562**	**685,237**	634,300	1,528	635,828
Estimates of present value of future cash outflows	**3,081,395**	**6,154**	**3,087,549**	2,886,573	10,561	2,897,134
Estimates of present value of future cash inflows	**(3,379,960)**	**(5,890)**	**(3,385,850)**	(3,196,983)	(11,102)	(3,208,085)
Risk adjustment	**62,373**	**134**	**62,507**	84,599	1,185	85,784
CSM	**236,192**	**-**	**236,192**	225,811	-	225,811
Amount included in takaful certificate liabilities for the year	**-**	**398**	**398**	-	644	644

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.5 The components of new business (continued)

Retakaful certificates held - certificates purchased

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Family Takaful				
Retakaful certificate assets				
Estimates of present value of future cash outflows	**(37,891)**	(30,171)	**(37,891)**	(30,171)
Estimates of present value of future cash inflows	**37,891**	30,171	**37,891**	30,171
Amount included in retakaful certificate assets for the financial year	**-**	-	**-**	-
Group/ Company				
Retakaful certificate assets				
Estimates of present value of future cash outflows	**(37,891)**	(30,171)	**(37,891)**	(30,171)
Estimates of present value of future cash inflows	**37,891**	30,171	**37,891**	30,171
Amount included in retakaful certificate assets for the financial year	**-**	-	**-**	-

The Group and the Company entered into two new retakaful certificates held during the financial year. One of the certificate has a positive CSM. The second certificate comprises retroactive cover, the net cost of the retakaful certificate was therefore recognised in profit or loss on initial recognition.

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.6 CSM recognition in profit or loss

The disclosure of when the CSM is expected to be in income in future years is presented below:

	Less than a 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
Group							
As at 31 December 2025							
Group takaful certificates issued	**242,725**	**193,281**	**154,770**	**125,065**	**102,574**	**630,062**	**1,448,477**
Group retakaful certificates held	**(462)**	**-**	**-**	**-**	**-**	**-**	**(462)**
	242,263	**193,281**	**154,770**	**125,065**	**102,574**	**630,062**	**1,448,015**
Family takaful certificates issued	**236,626**	**187,430**	**149,169**	**119,709**	**97,459**	**566,784**	**1,357,177**
Family retakaful certificates held	**(462)**	**-**	**-**	**-**	**-**	**-**	**(462)**
	236,164	**187,430**	**149,169**	**119,709**	**97,459**	**566,784**	**1,356,715**
General takaful certificates issued	**6,099**	**5,851**	**5,601**	**5,356**	**5,115**	**63,278**	**91,300**
As at 31 December 2024							
Group takaful certificates issued	227,291	183,691	148,542	120,167	97,628	592,831	1,370,150
Group retakaful certificates held	(513)	-	-	-	-	-	(513)
	226,778	183,691	148,542	120,167	97,628	592,831	1,369,637
Family takaful certificates issued	220,923	177,580	142,689	114,573	92,288	525,996	1,274,049
Family retakaful certificates held	(513)	-	-	-	-	-	(513)
	220,410	177,580	142,689	114,573	92,288	525,996	1,273,536
General takaful certificates issued	6,368	6,111	5,853	5,594	5,340	66,835	96,101

10. TAKAFUL AND RETAKAFUL CERTIFICATES (CONTINUED)

10.6 CSM recognition in profit or loss (continued)

The disclosure of when the CSM is expected to be in income in future years is presented below: (continued)

	Less than a 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
Company							
As at 31 December 2025							
Family takaful certificates issued	**236,626**	**187,430**	**149,169**	**119,709**	**97,459**	**566,784**	**1,357,177**
Family retakaful certificates held	**(462)**	**-**	**-**	**-**	**-**	**-**	**(462)**
	236,164	**187,430**	**149,169**	**119,709**	**97,459**	**566,784**	**1,356,715**
As at 31 December 2024							
Family takaful certificates issued	220,923	177,580	142,689	114,573	92,288	525,996	1,274,049
Family retakaful certificates held	(513)	-	-	-	-	-	(513)
	220,410	177,580	142,689	114,573	92,288	525,996	1,273,536

The Group and the Company expect to recognise the CSM in profit or loss for existing certificates within 76 years (2024: 77 years) for Family Takaful and 35 years (2024: 35 years) for General Takaful, which represents the longest coverage period for the certificates in force issued by the Group and the Company. The expected timeline for the CSM recognition for retakaful certificates held is in line with takaful certificates issued.

11. FINANCING AND RECEIVABLES

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Family Takaful					
Fixed and call deposits with licensed financial institutions with maturity more than three months					
Licensed banks in Malaysia		**898,345**	921,358	**898,345**	921,358
Banks outside Malaysia		**2,440**	2,780	**-**	-
		900,785	924,138	**898,345**	921,358
Other receivables					
Investment receivable					
Dividend receivables		**7,098**	3,934	**7,098**	3,934
Profit receivables		**101,694**	104,714	**100,422**	104,714
Rental receivables		**29**	29	**29**	29
Due from General Takaful	15	**4,204**	2,716	**4,204**	2,716
Prepayment		**752**	438	**752**	438
Sundry deposits		**88**	88	**88**	88
Sundry receivables		**29,739**	20,932	**29,555**	19,149
		143,604	132,851	**142,148**	131,068
		1,044,389	1,056,989	**1,040,493**	1,052,426
General Takaful					
Fixed and call deposits with licensed financial institutions with maturity more than three months					
Licensed banks in Malaysia		**461,992**	541,902	**-**	-
Other receivables					
Investment receivable					
Dividend receivables		**1,028**	491	**-**	-
Profit receivables		**19,093**	19,622	**-**	-
Rental receivables		**73**	73	**-**	-
Other receivables		**171**	1,510	**-**	-
Sundry deposits		**81**	96	**-**	-
		20,446	21,792	**-**	-
		482,438	563,694	**-**	-
Group/Company					
Financing receivables					
Unsecured financing		**23**	23	**23**	23
Staff financing		**1,855**	2,268	**1,702**	1,847
Allowance for impairment	33.4	**(15)**	(158)	**(15)**	(15)
		1,863	2,133	**1,710**	1,855

11. FINANCING AND RECEIVABLES (CONTINUED)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Group/ Company				
Fixed and call deposits with licensed financial institutions with maturity more than three months				
Licensed banks in Malaysia	**2,060,070**	2,247,198	**1,355,843**	1,483,386
Banks outside Malaysia	**3,343**	3,392	**-**	-
	2,063,413	2,250,590	**1,355,843**	1,483,386
Other receivables				
Investment receivable				
Dividend receivables	**9,775**	5,231	**8,298**	4,389
Profit receivables	**142,425**	153,212	**116,075**	125,134
Rental receivables	**102**	102	**29**	29
Other receivables	**572**	1,510	**-**	-
Due from General Takaful	**-**	-	**7,108**	2,716
Due from a subsidiary	**-**	-	**-**	7,476
Prepayment	**132,612**	51,734	**130,753**	50,063
Sundry deposits	**3,207**	3,601	**1,733**	1,566
Sundry receivables	**34,320**	21,912	**30,949**	20,248
	323,013	237,302	**294,945**	211,621
	2,388,289	2,490,025	**1,652,498**	1,696,862

The following financing and receivables mature after 12 months:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
General Takaful				
Other receivables	**80**	96	**-**	-
Group/ Company				
Financing receivables	**191**	2,013	**86**	1,855
Other receivables	**2,960**	2,654	**1,536**	1,566
	3,151	4,667	**1,622**	3,421

Offsetting of financial assets and financial liabilities

No financial assets and liabilities have been set off for presentation purposes.

12. CASH AND CASH EQUIVALENTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Family Takaful				
Cash and bank balances	**286,258**	194,037	**278,254**	191,833
Fixed and call deposits with licensed financial institutions with maturity less than three months				
- Licensed banks in Malaysia	**263,382**	129,007	**263,382**	129,007
- Banks outside Malaysia	**81,053**	95,194	**-**	-
	630,693	418,238	**541,636**	320,840
General Takaful				
Cash and bank balances	**129,067**	59,202	**-**	-
Fixed and call deposits with licensed financial institutions with maturity less than three months				
- Licensed banks in Malaysia	**24,640**	7,778	**-**	-
	153,707	66,980	**-**	-
Group/ Company				
Cash and bank balances	**531,833**	312,614	**367,828**	235,227
Fixed and call deposits with licensed financial institutions with maturity less than three months				
- Licensed banks in Malaysia	**541,611**	224,791	**495,500**	211,716
- Banks outside Malaysia	**92,863**	112,096	**-**	-
	1,166,307	649,501	**863,328**	446,943

13. SHARE CAPITAL AND RESERVES

	Group and Company			
	Amount 2025 RM'000	Number of shares 2025 '000	Amount 2024 RM'000	Number of shares 2024 '000
Ordinary shares, issued and fully paid:				
As at 1 January	**241,376**	**837,306**	241,376	837,306
Issue of shares pursuant to DRP	**116,491**	**34,877**	-	-
As at 31 December	**357,867**	**872,183**	241,376	837,306

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

13. SHARE CAPITAL AND RESERVES (CONTINUED)

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of debt investments measured at FVOCI recognised in OCI until the investments are derecognised or impaired.

Revaluation reserve

The revaluation reserve relates to the revaluation of land and buildings.

Takaful/ retakaful finance reserve

The takaful/ retakaful finance reserve comprised the cumulative takaful/ retakaful finance income and expenses recognised in OCI.

Retained earnings

Pursuant to Section 60(1) of the IFSA, the Company is required to obtain BNM's written approval prior to declaring or paying any dividend with effect from financial year beginning 1 January 2014.

Pursuant to the Risk Based Capital for Takaful ("RBCT") Framework, the Company shall not pay dividends if its Capital Adequacy Ratio position is less than its internal target capital level or if the payment of dividend would impair its Capital Adequacy Ratio position to below its internal target.

14. SUBORDINATED SUKUK

The Company had on 29 September 2025 issued RM500 million of Tier 2 Subordinated Sukuk under the RM1.0 billion Sukuk Wakalah Programme, based on the Shariah Principle of Wakalah Bi Al-Istithmar. The coupon rate for the inaugural issuance of RM500 million was 3.83% per annum over a 10-year tenure, with a non-callable period of 5 years.

The Subordinated Sukuk qualifies as Tier II capital for the computation of the capital available under RBCT.

Below are the Subordinated Sukuk breakdown by current and non-current:

	Group and Company	
	2025 RM'000	2024 RM'000
Current	**4,932**	-
Non-current	**500,000**	-
	504,932	-

15. OTHER PAYABLES

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Family Takaful					
Deposit payable		**1,842**	1,852	**1,842**	1,852
Unclaimed monies		**12,373**	13,398	**12,373**	13,398
Outstanding placements of investment securities		**504**	3,577	**504**	3,577
Due to Takaful Operator		**83,264**	71,922	**83,264**	71,922
Other payables and accruals		**32,069**	22,770	**31,602**	22,497
		130,052	113,519	**129,585**	113,246
General Takaful					
Deposit payable		**121**	117	**-**	-
Due to Takaful Operator		**44,006**	18,803	**-**	-
Due to Family Takaful	11	**4,204**	2,716	**-**	-
Other payables and accruals		**4,184**	3,387	**-**	-
		52,515	25,023	**-**	-
Group/ Company					
Deposit payable		**2,226**	2,232	**2,105**	2,115
Unclaimed monies		**12,537**	13,539	**12,373**	13,398
Outstanding placements of investment securities		**504**	3,724	**504**	3,724
Zakat payable		**16,121**	13,578	**12,496**	10,874
Dividend payable		**161,354**	142,342	**161,354**	142,342
Other payables and accruals		**291,705**	205,287	**245,034**	159,145
		484,447	380,702	**433,866**	331,598

15. OTHER PAYABLES (CONTINUED)

The following other payables breakdown by current and non-current:

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Family Takaful				
Current	**1,489**	1,197	**1,022**	923
Non-current	**128,563**	112,322	**128,563**	112,323
	130,052	113,519	**129,585**	113,246
General Takaful				
Current	**52,397**	24,905	**-**	-
Non-current	**118**	118	**-**	-
	52,515	25,023	**-**	-
Group/ Company				
Current	**257,258**	237,196	**208,133**	185,943
Non-current	**227,189**	143,506	**225,733**	145,655
	484,447	380,702	**433,866**	331,598

16. TAKAFUL REVENUE

The table below presents an analysis of the total takaful revenue recognised during the financial year:

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Family Takaful					
Amounts relating to the changes in the LFRC					
Expected takaful service expenses incurred during the financial year	(a)	**1,095,957**	1,050,377	**1,095,957**	1,050,377
Other amounts including experience adjustments for income related items		**(2,815)**	(6,225)	**(2,815)**	(6,225)
Others		**(73)**	108	**(73)**	108
Amounts relating to recovery of takaful acquisition cash flows	(b)	**623,479**	509,908	**623,479**	509,908
Certificates not measured under PAA		**1,716,548**	1,554,168	**1,716,548**	1,554,168
Certificates measured under PAA		**511,986**	431,794	**446,446**	404,253
Total takaful revenue		**2,228,534**	1,985,962	**2,162,994**	1,958,421
General Takaful					
Amounts relating to the changes in the LFRC					
Expected takaful service expenses incurred during the financial year	(a)	**34,388**	33,566	**-**	-
Other amounts including experience adjustments for income related items		**(165)**	(407)	**-**	-
Others		**(87)**	31	**-**	-
Amounts relating to recovery of takaful acquisition cash flows	(b)	**10,896**	10,586	**-**	-
Certificates not measured under PAA		**45,032**	43,776	**-**	-
Certificates measured under PAA		**1,398,742**	1,420,182	**-**	-
Total takaful revenue		**1,443,774**	1,463,958	**-**	-

(a) Expected takaful service expenses incurred during the financial year comprise claims and other expenses which the Group or the Company expects to pay on covered events that occurred during the financial year.

(b) Takaful acquisition cash flows are allocated on straight-line basis over the coverage period of the group of takaful certificates. Refer to Note 2(n)(viii) for details of accounting policy.

16. TAKAFUL REVENUE (CONTINUED)

The table below presents an analysis of the total takaful revenue recognised during the financial year (continued):

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Group/ Company					
Amounts relating to the changes in the LFRC					
Expected takaful service expenses incurred during the financial year	(a)	**1,098,407**	1,057,476	**1,067,514**	**1,027,815**
Change in the risk adjustment for non-financial risk	(b)	**66,840**	96,356	**65,763**	**95,266**
Amount of CSM recognised in profit of loss	(c)	**280,224**	248,454	**274,562**	**242,561**
Other amounts including experience adjustments for income related items		**(9,919)**	(9,232)	**(9,754)**	**(8,825)**
Others		**(132)**	157	**(44)**	**127**
Amounts relating to recovery of takaful acquisition cash flows	(d)	**465,646**	351,226	**459,686**	**343,429**
Certificates not measured under PAA		**1,901,066**	1,744,437	**1,857,727**	**1,700,373**
Certificates measured under PAA		**1,903,647**	1,831,314	**441,212**	**382,931**
Total takaful revenue		**3,804,713**	3,575,751	**2,298,939**	**2,083,304**

(a) Expected takaful service expenses incurred during the financial year comprise claims and other expenses which the Group or the Company expects to pay on covered events that occurred during the financial year.

(b) Change in risk adjustment shows amount of risk which expired during the financial year. Refer to Note 2(n)(vi) for the details of accounting policy.

(c) The CSM is recognised in the profit or loss over the coverage period of the corresponding group of certificates based on coverage units. Refer to Note 2(n)(vi) for details of accounting policy.

(d) Takaful acquisition cash flows are allocated on a straight-line basis or units-of-production method, respectively, over the coverage period of the group of takaful certificates. Refer to Note 2(n)(viii) for details of accounting policy.

17. TAKAFUL SERVICE EXPENSES

The table below presents an analysis of the total takaful service expenses recognised during the financial year:

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Family Takaful					
Incurred claims and other takaful service expenses:					
Incurred claims and benefits		**941,615**	811,219	**889,015**	754,215
Incurred surplus to Takaful Operator's Fund	(a)	**81,404**	78,908	**80,714**	78,908
Incurred surplus to participants		**701,766**	756,388	**702,153**	797,823
Amortisation of takaful acquisition cash flows - wakalah fees	(b)	**732,210**	601,970	**708,573**	585,054
Changes to liabilities for incurred claims		**(15,784)**	(13,818)	**(25,944)**	(21,637)
Total takaful service expenses		**2,441,211**	2,234,667	**2,354,511**	2,194,363
Represented by:					
Certificates not measured under PAA		**1,906,609**	1,788,691	**1,906,609**	1,788,691
Certificates measured under PAA		**534,602**	445,976	**447,902**	405,672
		2,441,211	2,234,667	**2,354,511**	2,194,363
General Takaful					
Incurred claims and other takaful service expenses:					
Incurred claims and benefits		**782,170**	855,515	**-**	-
Incurred surplus to Takaful Operator's Fund		**15,000**	-	**-**	-
Incurred surplus to participants		**112,361**	42,674	**-**	-
Amortisation of takaful acquisition cash flows - wakalah fees	(b)	**447,331**	476,783	**-**	-
Changes to liabilities for incurred claims		**71,348**	93,988	**-**	-
Total takaful service expenses		**1,428,210**	1,468,960	**-**	-
Represented by:					
Certificates not measured under PAA		**49,895**	49,139	**-**	-
Certificates measured under PAA		**1,378,315**	1,419,821	**-**	-
		1,428,210	1,468,960	**-**	-

17. TAKAFUL SERVICE EXPENSES (CONTINUED)

The table below presents an analysis of the total takaful service expenses recognised during the financial year (continued):

		Group		Company	
		2025	**2024**	**2025**	**2024**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Group/ Company					
Incurred claims and other takaful service expenses:					
Incurred claims and benefits		**1,715,456**	1,662,211	**885,580**	754,189
Incurred surplus to participants	(a)	**814,127**	799,060	**702,152**	797,823
Incurred maintenance expenses		**169,386**	162,138	**53,992**	53,248
Amortisation of takaful acquisition cash flows - wakalah fees	(b)	**716,718**	590,104	**487,451**	372,318
Losses on onerous certificates		**6,903**	10,174	**6,443**	9,943
Changes to liabilities for incurred claims		**55,455**	75,155	**(26,041)**	(26,673)
Total takaful service expenses		**3,478,045**	3,298,842	**2,109,577**	1,960,848
Represented by:					
Certificates not measured under PAA		**1,715,799**	1,603,364	**1,667,286**	1,551,948
Certificates measured under PAA		**1,762,246**	1,695,478	**442,291**	408,900
		3,478,045	3,298,842	**2,109,577**	1,960,848

(a) The surplus paid to the Takaful Operator's Fund during the financial year is RM80,714,008 (2024: RM67,856,041). The surplus paid to participants during the year is RM17,572,728 (2024: RM13,453,049).

(b) Takaful acquisition cash flows are allocated on a straight-line basis or units-of-production method, respectively, over the coverage period of the group of takaful certificates. Refer to Note 2(n)(viii) for details of accounting policy.

18. EXPENSES BY NATURE

An analysis of the expenses incurred by the Group and the Company in the financial year is shown below:

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Commissions	**361,951**	332,587	**206,965**	200,641
Personnel expenses	**206,658**	198,631	**111,547**	95,816
Transaction fees and charges	**9,072**	(2,330)	**200**	-
Sales, advertising and promotion	**276,252**	252,628	**267,337**	261,073
Wakalah commision expense	**9,384**	13,143	**2,368**	3,018
Software related expenses	**23,123**	22,390	**12,627**	13,455
Bank charges	**7,720**	6,825	**817**	843
Depreciation and amortisation (including assets related to takaful acquisition cash flows)	**172,680**	132,140	**152,890**	115,951
Legal and other professional fees	**30,781**	25,907	**17,052**	15,239
Intermediary/ Agency related expenses	**31,397**	39,066	**3,736**	3,834
Auditors' remuneration				
Audit fees				
- Within Malaysia to PricewaterhouseCoopers PLT	**1,561**	1,508	**1,035**	1,019
- Outside Malaysia to other auditors	**230**	159	**-**	-
Non audit fees				
- Within Malaysia to PricewaterhouseCoopers PLT	**825**	410	**711**	299
- Outside Malaysia to other auditors	**2**	-	**-**	-
Finance cost for lease payment	**97**	29	**58**	68
Other expenses	**22,420**	37,581	**7,156**	21,820
Total	**1,154,153**	1,060,674	**784,499**	733,076
Represented by:				
Expenses attributed to takaful acquisition cash flows[1]	**974,841**	889,242	**725,503**	675,466
Other directly atributable expenses[1]	**169,386**	162,138	**53,992**	53,248
Other operating expenses	**9,926**	9,294	**5,004**	4,362
Total	**1,154,153**	1,060,674	**784,499**	733,076

(1) Expenses attributed to takaful acquisition cash flows and other directly attributable expenses comprise expenses incurred by the Group and the Company in the financial year that relate directly to the fulfilment of certificates issued within MFRS 17's scope and retakaful certificates held. Such expenses include those recognised as assets prior to initial recognition of groups of takaful certificates issued and retakaful certificates held. These expenses are recognised in the statement of profit or loss based on MFRS 17 measurement requirements. Refer to Note 2(n)(viii) for details of accounting policy.

19. NET INCOME OR EXPENSE FROM RETAKAFUL CERTIFICATES HELD

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Family Takaful					
Amounts relating to the changes in the AFRC					
Expected recovery for takaful service expenses incurred during the financial year	(a)	**(233,776)**	(235,089)	**(214,853)**	(220,628)
Allocation of retakaful contributions		**(233,776)**	(235,089)	**(214,853)**	(220,628)
Amounts recoverable for claims and other expenses incurred during the financial year					
Amounts recoverable for claims		**184,863**	177,935	**184,863**	177,935
Changes in amounts recoverable arising from changes in LIC		**(2,016)**	6,675	**(20,939)**	(7,786)
Incurred retakaful surplus to participants		**51,465**	50,366	**51,465**	50,366
Amounts recoverable from retakaful operators		**234,312**	234,976	**215,389**	220,515
Net expenses from retakaful certificates held		**536**	(113)	**536**	(113)
Allocation of retakaful contributions represented by:					
Certificates not measured under PAA		**(201,528)**	(181,613)	**(201,528)**	(181,613)
Certificates measured under PAA		**(32,248)**	(53,476)	**(13,325)**	(39,015)
		(233,776)	(235,089)	**(214,853)**	(220,628)
Amounts recoverable from retakaful operators represented by:					
Certificates not measured under PAA		**202,139**	181,483	**202,139**	181,483
Certificates measured under PAA		**32,173**	53,493	**13,250**	39,032
		234,312	234,976	**215,389**	220,515

19. NET INCOME OR EXPENSE FROM RETAKAFUL CERTIFICATES HELD (CONTINUED)

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
General Takaful					
Amounts relating to the changes in the AFRC					
Expected recovery for takaful service expenses incurred during the financial year	(a)	**(462,680)**	(537,124)	**-**	-
Allocation of retakaful contributions		**(462,680)**	(537,124)	**-**	-
Amounts recoverable for claims and other expenses incurred during the financial year					
Amounts recoverable for claims		**296,637**	416,231	**-**	-
Changes in amounts recoverable arising from changes in LIC		**54,857**	62,804	**-**	-
Incurred retakaful surplus to participants		**69,966**	22,864	**-**	-
Amounts recoverable from retakaful operators		**421,460**	501,899	**-**	-
Net expenses from retakaful certificates held		**(41,220)**	(35,225)	**-**	-
Allocation of retakaful contributions represented by:					
Certificates measured under PAA		**(462,680)**	(537,124)	**-**	-
Amounts recoverable from retakaful operators represented by:					
Certificates measured under PAA		**421,460**	501,899	**-**	-

(a) Expected recovery for takaful service expenses incurred in the financial year comprise recovery for claims and other expenses which the Takaful Fund expects to receive from retakaful operators on covered events occurred during the financial year.

19. NET INCOME OR EXPENSE FROM RETAKAFUL CERTIFICATES HELD (CONTINUED)

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Group/ Company					
Amounts relating to the changes in the AFRC					
Expected recovery for takaful service expenses incurred during the financial year	(a)	**(572,644)**	(658,911)	**(82,897)**	(97,486)
Expected recovery for claims incurred during the financial year		**(133,824)**	(125,618)	**(133,824)**	(125,618)
Change in the risk adjustment for non-financial risk	(b)	**10**	13	**10**	13
Net cost/ gain recognised in the profit or loss	(c)	**(545)**	(11,438)	**(545)**	(11,438)
Allocation of retakaful contributions		**(707,003)**	(795,954)	**(217,256)**	(234,529)
Amounts recoverable for claims and other expenses incurred during the financial year					
Amounts recoverable for claims		**481,501**	594,165	**184,863**	177,935
Changes in amounts recoverable arising from changes in LIC		**52,840**	69,480	**(20,939)**	(7,786)
Incurred retakaful surplus to participants		**121,431**	73,230	**51,465**	50,366
Amounts recoverable from retakaful operators		**655,772**	736,875	**215,389**	220,515
Net expenses from retakaful certificates held		**(51,231)**	(59,079)	**(1,867)**	(14,014)
Allocation of retakaful contributions represented by:					
Certificates not measured under PAA		**(203,932)**	(195,512)	**(203,932)**	(195,512)
Certificates measured under PAA		**(503,071)**	(600,442)	**(13,324)**	(39,017)
		(707,003)	(795,954)	**(217,256)**	(234,529)
Amounts recoverable from retakaful operators represented by:					
Certificates not measured under PAA		**202,138**	181,483	**202,138**	181,483
Certificates measured under PAA		**453,634**	555,392	**13,251**	39,032
		655,772	736,875	**215,389**	220,515

(a) Expected recovery for takaful service expenses incurred during the financial year comprise recovery for claims and other expenses which the Takaful Fund expects to receive from retakaful operators on covered events occurred during the financial year.

(b) Change in risk adjustment shows amount of risk which expired during the financial year. Refer to Note 2(n)(vi) for the details of accounting policy.

(c) Net cost/ gain recognised in profit or loss during the coverage period of the corresponding group of retakaful certificates held based on coverage units.

20. TOTAL INVESTMENT INCOME AND NET TAKAFUL FINANCIAL RESULT

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Family Takaful					
Investment income/ (expenses)					
Investment income on financial assets not measured at FVTPL	(a)	**381,251**	357,678	**376,871**	353,013
Investment income - others	(b)	**37,601**	36,069	**27,601**	23,894
Net realised gains	(c)	**34,957**	865	**34,957**	865
Net fair value (losses)/ gains on financial assets	(d)	**(43,931)**	44,592	**(51,271)**	47,921
Net impairment (losses)/ gains on financial instruments		**(6,074)**	3,399	**(6,074)**	3,399
Total amounts recognised in the profit or loss		**403,804**	442,603	**382,084**	429,092
Amounts recognised in OCI		**58,139**	34,193	**58,139**	34,193
Total investment income		**461,943**	476,796	**440,223**	463,285
Takaful finance (expenses)/ income from takaful certificates issued					
Changes in fair value of underlying items of direct participating certificates		**(2,893)**	(20,226)	**(2,893)**	(20,226)
Profit accreted to takaful certificates using locked-in rate		**(164,455)**	(148,425)	**(164,455)**	(148,425)
Due to changes in profit rates and other financial assumptions		**27,193**	554	**27,193**	554
Total takaful finance income from takaful certificates issued		**(140,155)**	(168,097)	**(140,155)**	(168,097)
Represented by:					
Amount recognised in profit or loss		**(167,348)**	(169,194)	**(167,348)**	(169,194)
Amount recognised in OCI		**27,193**	1,097	**27,193**	1,097
		(140,155)	(168,097)	**(140,155)**	(168,097)
Retakaful finance (expenses)/ income from retakaful certificates held					
Due to changes in profit rates and other financial assumptions		**(98)**	-	**(98)**	-
Changes in non-performance risk of retakaful operators		**(536)**	113	**(536)**	113
Total retakaful finance (expenses)/ income from retakaful certificates held		**(634)**	113	**(634)**	113

20. TOTAL INVESTMENT INCOME AND NET TAKAFUL FINANCIAL RESULT (CONTINUED)

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Represented by:					
Amount recognised in profit or loss		**(536)**	113	**(536)**	113
Amount recognised in OCI		**(98)**	-	**(98)**	-
		(634)	113	**(634)**	113
Total net investment income and net takaful financial result					
Amounts recognised in profit or loss		**235,920**	273,522	**214,200**	260,011
Amounts recognised in OCI		**85,234**	35,290	**85,234**	35,290
		321,154	308,812	**299,434**	295,301
General Takaful					
Investment income/ (expenses)					
Investment income on financial assets not measured at FVTPL	(a)	**65,207**	58,997	**-**	-
Investment income - others	(b)	**411**	29	**-**	-
Net realised gains/ (losses)	(c)	**2,638**	(1,358)	**-**	-
Net fair value gains on financial assets	(d)	**93**	92	**-**	-
Net impairment (losses)/ gains on financial instruments		**(254)**	166	**-**	-
Total amounts recognised in the profit or loss		**68,095**	57,926	**-**	-
Amounts recognised in OCI		**639**	(996)	**-**	-
Total investment income		**68,734**	56,930	**-**	-
Takaful finance (expenses)/ income from takaful certificates issued					
Profit accreted to takaful certificates using locked-in rate		**(69,673)**	(61,444)	**-**	-
Due to changes in profit rates and other financial assumptions		**4,674**	3,461	**-**	-
Total takaful finance income from takaful certificates issued		**(64,999)**	(57,983)	**-**	-
Represented by:					
Amount recognised in profit or loss		**(69,673)**	(61,444)	**-**	-
Amount recognised in OCI		**4,674**	3,461	**-**	-
		(64,999)	(57,983)	**-**	-

20. TOTAL INVESTMENT INCOME AND NET TAKAFUL FINANCIAL RESULT (CONTINUED)

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Retakaful finance income/ (expenses) from retakaful certificates held					
Profit accreted to retakaful certificates using locked-in rate		**40,966**	36,194	**-**	-
Due to changes in profit rates and other financial assumptions		**(2,942)**	(1,979)	**-**	-
Changes in non-performance risk of retakaful operators		**254**	(969)	**-**	-
Total retakaful finance income from retakaful certificates held		**38,278**	33,246	**-**	-
Represented by:					
Amount recognised in profit or loss		**41,220**	35,225	**-**	-
Amount recognised in OCI		**(2,942)**	(1,979)	**-**	-
		38,278	33,246	**-**	-
Total net investment income and net takaful financial result					
Amount recognised in profit or loss		**39,642**	31,707	**-**	-
Amount recognised in OCI		**2,371**	486	**-**	-
		42,013	32,193	**-**	-
Group/ Company					
Investment income/ (expenses)					
Investment income on financial assets not measured at FVTPL	(a)	**546,413**	512,314	**447,421**	420,134
Investment income - others	(b)	**40,678**	41,788	**29,242**	26,312
Net realised gains	(c)	**61,934**	3,719	**56,908**	3,513
Net fair value (losses)/ gains on financial assets	(d)	**(46,998)**	43,432	**(55,954)**	46,269
Net impairment (losses)/ gains on financial instruments		**(5,413)**	3,482	**(5,146)**	3,315
Total amounts recognised in the profit or loss		**596,614**	604,735	**472,471**	499,543
Amounts recognised in OCI		**60,083**	35,379	**57,411**	37,151
Total investment income		**656,697**	640,114	**529,882**	536,694

20. TOTAL INVESTMENT INCOME AND NET TAKAFUL FINANCIAL RESULT (CONTINUED)

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Takaful finance (expenses)/ income from takaful certificates issued					
Changes in fair value of underlying items of direct participating certificates		**(2,359)**	(19,606)	**(2,359)**	(19,606)
Profit accreted to takaful certificates using locked-in rate		**(282,653)**	(256,004)	**(206,005)**	(187,471)
Due to changes in profit rates and other financial assumptions		**40,090**	6,265	**35,911**	2,996
Total takaful finance income from takaful certificates issued		**(244,922)**	(269,345)	**(172,453)**	(204,081)
Represented by:					
Amount recognised in profit or loss		**(285,012)**	(276,153)	**(208,364)**	(207,620)
Amount recognised in OCI		**40,090**	6,808	**35,911**	3,539
		(244,922)	(269,345)	**(172,453)**	(204,081)
Retakaful finance income/ (expenses) from retakaful certificates held					
Profit accreted to retakaful certificates using locked-in rate		**40,982**	34,607	**10**	75
Due to changes in profit rates and other financial assumptions		**(3,057)**	(1,979)	**(115)**	-
Changes in non-performance risk of retakaful operators		**(280)**	816	**(535)**	113
Total retakaful finance income from retakaful certificates held		**37,645**	33,444	**(640)**	188
Represented by:					
Amount recognised in profit or loss		**40,702**	35,423	**(525)**	188
Amount recognised in OCI		**(3,057)**	(1,979)	**(115)**	-
		37,645	33,444	**(640)**	188
Total net investment income and net takaful financial result					
Amount recognised in profit or loss		**352,304**	364,005	**263,582**	292,111
Amount recognised in OCI		**97,116**	40,208	**93,207**	40,690
		449,420	404,213	**356,789**	332,801

20. TOTAL INVESTMENT INCOME AND NET TAKAFUL FINANCIAL RESULT (CONTINUED)

(a) Investment income on financial assets not measured at FVTPL

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Family Takaful					
FVOCI financial assets					
Profit income					
- Institutional Trust Account/ Islamic Deposits		**25,093**	20,522	**25,093**	20,522
- Islamic Debt Securities		**278,613**	265,020	**278,613**	265,020
- Malaysian Government Islamic papers		**35,873**	28,912	**35,873**	28,912
Amortisation of premiums, net of accretion of discounts	9(c)	**(10,035)**	(7,927)	**(10,035)**	(7,927)
Profit income from cash and cash equivalents and AC financial assets		**51,707**	51,151	**47,327**	46,486
		381,251	357,678	**376,871**	353,013
General Takaful					
FVOCI financial assets					
Profit income					
- Institutional Trust Account/ Islamic Deposits		**4,797**	3,306	**-**	-
- Islamic Debt Securities		**35,091**	29,590	**-**	-
- Malaysian Government Islamic papers		**3,224**	3,148	**-**	-
Amortisation of premiums, net of accretion of discounts	9(c)	**(1,143)**	(777)	**-**	-
Profit income from cash and cash equivalents and AC financial assets		**23,238**	23,730	**-**	-
		65,207	58,997	**-**	-
Group/ Company					
FVOCI financial assets					
Profit income					
- Institutional Trust Account/ Islamic Deposits		**36,635**	28,062	**29,777**	23,341
- Islamic Debt Securities		**364,865**	346,157	**314,095**	301,190
- Malaysian Government Islamic papers		**47,541**	38,714	**42,181**	33,949
Amortisation of premiums, net of accretion of discounts	9(c)	**(13,102)**	(10,464)	**(11,250)**	(9,086)
Profit income from cash and cash equivalents and AC financial assets		**110,474**	109,845	**72,618**	70,740
		546,413	512,314	**447,421**	420,134

20. TOTAL INVESTMENT INCOME AND NET TAKAFUL FINANCIAL RESULT (CONTINUED)

(b) Investment income - others

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Family Takaful					
Rental income from investment properties	5	**6,774**	5,726	**6,774**	5,638
FVTPL financial assets					
Dividend income					
- Equity securities					
• Quoted in Malaysia		**14,136**	11,883	**14,136**	11,883
• Quoted outside Malaysia		**1,314**	2,543	**-**	-
- Unit trusts		**1,471**	1,488	**1,471**	1,488
FVTPL financial assets					
Profit income					
- Islamic Debt Securities		**14,733**	14,931	**6,047**	5,387
Amortisation of premiums, net of accretion of discounts	9(c)	**64**	74	**(1)**	-
Investment expenses		**(891)**	(576)	**(826)**	(502)
Total investment income - others		**37,601**	36,069	**27,601**	23,894
General Takaful					
Rental income from investment properties	5	**104**	(75)	**-**	-
FVTPL financial assets					
Profit income					
- Islamic Debt Securities		**475**	202	**-**	-
Investment expenses		**(168)**	(98)	**-**	-
Total investment income - others		**411**	29	**-**	-
Group/ Company					
Rental income from investment properties	5	**7,655**	6,470	**7,551**	6,457
FVTPL financial assets					
Dividend income					
- Equity securities					
• Quoted in Malaysia		**14,691**	12,339	**14,691**	12,339
• Quoted outside Malaysia		**1,314**	2,543	**-**	-
- Unit trusts		**1,524**	1,547	**1,524**	1,547
FVTPL financial assets					
Profit income					
- Islamic Debt Securities		**16,488**	19,489	**6,302**	6,471
Amortisation of premiums, net of accretion of discounts	9(c)	**73**	84	**(1)**	-
Investment expenses		**(1,067)**	(684)	**(825)**	(502)
Total investment income - others		**40,678**	41,788	**29,242**	26,312

20. TOTAL INVESTMENT INCOME AND NET TAKAFUL FINANCIAL RESULT (CONTINUED)

(c) Net realised gains/ (losses)

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Family Takaful				
Realised gains/ (losses) arising from:				
FVOCI financial assets				
Islamic Debt Securities				
- Unquoted in Malaysia	**24,187**	(3,275)	**24,187**	(3,275)
Malaysian Government Islamic papers	**10,770**	4,140	**10,770**	4,140
	34,957	865	**34,957**	865
General Takaful				
Realised gains/ (losses) arising from:				
FVTPL financial assets				
Quoted shares and warrant	**52**	-	**-**	-
FVOCI financial assets				
Islamic Debt Securities				
- Unquoted in Malaysia	**2,586**	(1,358)	**-**	-
	2,638	(1,358)	**-**	-
Group/ Company				
Realised gains/ (losses) arising from:				
FVTPL financial assets				
Quoted shares and warrant	**492**	-	**440**	-
FVOCI financial assets				
Islamic Debt Securities				
- Unquoted in Malaysia	**41,453**	(430)	**38,003**	(627)
- Unquoted outside Malaysia	**(88)**	9	**-**	-
Malaysian Government Islamic papers	**20,077**	4,140	**18,465**	4,140
	61,934	3,719	**56,908**	3,513

20. TOTAL INVESTMENT INCOME AND NET TAKAFUL FINANCIAL RESULT (CONTINUED)

(d) Net fair value gains/ (losses) on financial assets

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Family Takaful					
Fair value gains/ (losses) - Investment properties	5	**805**	(7,118)	**805**	(7,118)
FVTPL financial assets					
Equity securities					
- Quoted in Malaysia		**(62,037)**	47,892	**(62,037)**	47,892
- Quoted outside Malaysia		**2,852**	(353)	**-**	-
Unit trust					
- Quoted in Malaysia		**9,786**	7,374	**9,786**	7,374
- Quoted outside Malaysia		**1,450**	1,148	**-**	-
Islamic Debt Securities					
- Unquoted		**175**	(227)	**175**	(227)
- Quoted outside Malaysia		**3,038**	(4,124)	**-**	-
		(44,736)	51,710	**(52,076)**	55,039
		(43,931)	44,592	**(51,271)**	47,921
General Takaful					
Fair value gains - Investment properties	5	**10**	20	**-**	-
FVTPL financial assets					
Islamic Debt Securities - Unquoted		**83**	72	**-**	-
		93	92	**-**	-
Group/ Company					
Fair value losses - Investment properties	5	**(88)**	(9,024)	**(35)**	(9,388)
FVTPL financial assets					
Equity securities					
- Quoted in Malaysia		**(65,735)**	48,598	**(65,735)**	48,598
- Quoted outside Malaysia		**2,864**	(390)	**-**	-
Unit trusts					
- Quoted in Malaysia		**9,855**	7,443	**9,855**	7,443
- Quoted outside Malaysia		**1,543**	1,424	**-**	-
Islamic Debt Securities					
- Unquoted		**(133)**	(468)	**(39)**	(384)
- Quoted outside Malaysia		**4,696**	(4,151)	**-**	-
		(46,910)	52,456	**(55,919)**	55,657
		(46,998)	43,432	**(55,954)**	46,269

21. OTHER OPERATING INCOME

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Family Takaful				
Miscellaneous income	**1,011**	1,145	**-**	-
General Takaful				
Miscellaneous income	**582**	310	**-**	-
Group/ Company				
Dividend received from a subsidiary	**-**	-	**60,000**	30,000
Miscellaneous income	**2,770**	2,353	**2,859**	3,394
	2,770	2,353	**62,859**	33,394

22. OTHER OPERATING EXPENSES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Family Takaful				
Miscellaneous income	**(1,693)**	(1,974)	**(122)**	(81)
General Takaful				
Miscellaneous income	**(192)**	(135)	**-**	-
Group/ Company				
Miscellaneous income	**(9,926)**	(9,294)	**(5,004)**	(4,362)

23. SHARIAH ADVISORY BODY REMUNERATION

The Shariah Advisory Body remuneration is as follows:

	Group and Company	
Group/ Company	**2025 RM'000**	**2024 RM'000**
Fees	**384**	339
Other emoluments	**98**	99
Benefits-in-kind	**11**	8
	493	446

The total remuneration of the Shariah Advisory Body members are as follows:

	Group and Company	
Group/ Company	**2025 RM'000**	**2024 RM'000**
Dr. Ahmad Sufian bin Che Abdullah		
Fees	**8**	51
Other emoluments	**-**	15
	8	66
Megat Hizaini bin Hassan		
Fees	**27**	63
Other emoluments	**4**	18
Benefits-in-kind	**3**	4
	34	85
Dr. Marhanum binti Che Mohd Salleh		
Fees	**19**	63
Other emoluments	**-**	18
Benefits-in-kind	**-**	1
	19	82
Dr. Shafaai bin Musa		
Fees	**72**	63
Other emoluments	**17**	18
Benefits-in-kind	**1**	1
	90	82
Nik Abdul Rahim bin Nik Abdul Ghani		
Fees	**96**	75
Other emoluments	**27**	22
Benefits-in-kind	**2**	2
	125	99
Dr. Suhaimi bin Mohd Yusof		
Fees	**64**	24
Other emoluments	**18**	8
Benefits-in-kind	**3**	-
	85	32

23. SHARIAH ADVISORY BODY REMUNERATION (CONTINUED)

The total remuneration of the Shariah Advisory Body members are as follows (continued):

	Group and Company	
Group/ Company	**2025 RM'000**	**2024 RM'000**
Dr. Rusni binti Hassan		
Fees	**53**	-
Other emoluments	**18**	-
	71	-
En. Eddy Azly bin Abidin		
Fees	**45**	-
Other emoluments	**14**	-
Benefits-in-kind	**2**	-
	61	-
	493	446

24. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensation are as follows:

	Group		Company	
Group/ Company	**2025 RM'000**	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Non-executive Directors				
Fees	**1,690**	1,603	**1,569**	1,463
Other emoluments	**655**	660	**650**	653
Benefits-in-kind	**146**	221	**115**	184
	2,491	2,484	**2,334**	2,300
Subsidiaries' Directors				
Fees	**1,049**	603	**-**	-
Other emoluments	**203**	529	**-**	-
Benefits-in-kind	**156**	173	**-**	-
	1,408	1,305	**-**	-
Total Directors' benefits	**3,899**	3,789	**2,334**	2,300
Group Chief Executive Officer				
Salaries and bonus	**2,616**	3,080	**2,540**	3,080
Fee	**5**	7	**-**	-
Long Term Incentive Plan	**264**	264	**264**	264
Other emoluments	**649**	776	**623**	674
Benefits-in-kind	**116**	115	**94**	92
	3,650	4,242	**3,521**	4,110

24. KEY MANAGEMENT PERSONNEL COMPENSATION (CONTINUED)

The key management personnel compensation are as follows (continued):

	Group		Company	
Group/ Company	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other key management personnel:				
Salaries and bonus	**11,479**	11,525	**8,972**	8,806
Long Term Incentive Plan	**500**	845	**410**	709
Other emoluments	**2,177**	2,147	**1,937**	1,923
Benefits-in-kind	**753**	745	**150**	145
	14,909	15,262	**11,469**	11,583
Total	**22,458**	23,293	**17,324**	17,993

The estimated monetary value of benefits-in-kind received by the Directors are RM302,000 (2024: RM394,000) and RM115,000 (2024: RM184,000) at Group and Company level respectively.

The total remuneration (including benefits-in-kind) of the Directors are as follows:

	Group		Company	
Group/ Company	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-executive Directors				
Dato' Charon Wardini bin Mokhzani				
Fees	**112**	-	**112**	-
Other emoluments	**103**	-	**103**	-
Benefits-in-kind	**8**	-	**8**	-
	223	-	**223**	-
Dato' Mohammed bin Haji Che Hussein				
Fees	**187**	358	**160**	286
Other emoluments	**44**	121	**43**	120
Benefits-in-kind	**7**	51	**-**	33
	238	530	**203**	439
Datuk Bazlan bin Osman				
Fees	**20**	118	**20**	118
Other emoluments	**-**	42	**-**	42
Benefits-in-kind	**-**	11	**-**	11
	20	171	**20**	171
Dato' Mustaffa bin Ahmad				
Fees	**351**	277	**257**	209
Other emoluments	**107**	112	**103**	106
Benefits-in-kind	**48**	40	**24**	21
	506	429	**384**	336

24. KEY MANAGEMENT PERSONNEL COMPENSATION (CONTINUED)

The total remuneration (including benefits-in-kind) of the Directors are as follows (continued):

	Group		Company	
Group/ Company	**2025 RM'000**	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Mohd Azman bin Sulaiman				
Fees	**257**	209	**257**	209
Other emoluments	**105**	106	**105**	106
Benefits-in-kind	**38**	5	**38**	5
	400	320	**400**	320
Suraya binti Hassan				
Fees	**-**	103	**-**	103
Other emoluments	**-**	36	**-**	36
Benefits-in-kind	**-**	4	**-**	4
	-	143	**-**	143
Mohamad Salihuddin bin Ahmad				
Fees	**247**	165	**247**	165
Other emoluments	**105**	88	**105**	88
Benefits-in-kind	**22**	23	**22**	23
	374	276	**374**	276
Datin Paduka Kartini binti Hj. Abdul Manaf				
Fees	**67**	100	**67**	100
Other emoluments	**15**	30	**15**	30
Benefits-in-kind	**-**	43	**-**	43
	82	173	**82**	173
Ch'ng Sok Heang				
Fees	**228**	214	**228**	214
Other emoluments	**90**	95	**90**	95
Benefits-in-kind	**21**	21	**21**	21
	339	330	**339**	330
Datuk Syed Hamadah bin Syed Othman				
Fees	**61**	59	**61**	59
Other emoluments	**12**	30	**12**	30
Benefits-in-kind	**-**	23	**-**	23
	73	112	**73**	112
Azizah binti Ali				
Fees	**160**	-	**160**	-
Other emoluments	**74**	-	**74**	-
Benefits-in-kind	**2**	-	**2**	-
	236	-	**236**	-
Total remunerations	**2,491**	2,484	**2,334**	2,300

25. FINANCE COST

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Subordinated Sukuk	**4,932**	-	**4,932**	-

26. TAX EXPENSE

		2025			2024		
Recognised in profit or loss	**Note**	**Family Takaful RM'000**	**General Takaful RM'000**	**Group RM'000**	**Family Takaful RM'000**	**General Takaful RM'000**	**Group RM'000**
Current tax expense/ (credit)							
Current year		30,151	16,410	228,023	24,588	1,959	192,966
- Attributable to the Company		-	-	181,462	-	-	166,419
- Attributable to the Participant's fund		30,151	16,410	46,561	24,588	1,959	26,547
Over provision in prior year		(518)	(330)	(3,721)	-	(8,675)	(6,372)
Total current tax recognised in profit or loss		29,633	16,080	224,302	24,588	(6,716)	186,594
Deferred tax benefits							
Deferred tax recognised in profit or loss	8	(6,536)	(1,704)	(10,860)	(713)	(1,629)	(2,863)
- Attributable to the Company		-	-	(2,620)	-	-	(521)
- Attributable to the Participant's fund		(6,536)	(1,704)	(8,240)	(713)	(1,629)	(2,342)
Total tax expense		23,097	14,376	213,442	23,875	(8,345)	183,731
Reconciliation of tax expense							
Profit/ (deficit) before zakat and taxation		23,097	14,376	615,653	23,875	(8,345)	574,894
Income tax using Malaysian statutory tax rate		1,848	3,450	144,062	1,910	(2,003)	134,155
Effect of tax rates in foreign jurisdictions		-	-	(46)	-	-	(11)
Items not subject to tax		-	-	(2,660)	(4,091)	-	(7,227)
Non-deductible expenses		21,767	11,256	75,807	24,029	3,881	62,707
Temporary differences not recognised previously		-	-	-	2,027	(1,548)	479
Over provision in prior year		(518)	(330)	(3,721)	-	(8,675)	(6,372)
Tax expense		23,097	14,376	213,442	23,875	(8,345)	183,731
Recognised directly in takaful certificate liabilities							
Deferred tax -FVOCI financial assets	8	6,678	1,254	-	11,836	1,479	-
Recognised directly in equity							
Deferred tax -FVOCI financial assets	8	-	-	10,449	-	-	14,749

26. TAX EXPENSE (CONTINUED)

		2025		2024	
Recognised in profit or loss	**Note**	**Family Takaful RM'000**	**Company RM'000**	**Family Takaful RM'000**	**Company RM'000**
Current tax expense/ (credit)					
Current year		**30,151**	**164,150**	24,588	148,542
- Attributable to the Company		**-**	**133,999**	-	123,954
- Attributable to the Participant's fund		**30,151**	**30,151**	24,588	24,588
Over provision in prior year		**(518)**	**(1,694)**	-	(1,874)
Total current tax recognised in profit or loss		**29,633**	**162,456**	24,588	146,668
Deferred tax benefits					
Deferred tax recognised in profit or loss	8	**(6,536)**	**(3,050)**	(713)	(6,428)
- Attributable to the Company		**-**	**3,486**	-	(5,715)
- Attributable to the Participant's fund		**(6,536)**	**(6,536)**	(713)	(713)
Total tax expense		**23,097**	**159,406**	23,875	140,240
Reconciliation of tax expense					
Profit before zakat and taxation		**23,097**	**504,000**	23,875	429,585
Income tax using Malaysian statutory tax rate		**1,848**	**117,265**	1,910	99,280
Items not subject to tax		**-**	**(16,070)**	(4,091)	(14,126)
Non-deductible expenses		**21,767**	**59,905**	24,029	54,933
Temporary differences not recognised previously		**-**	**-**	2,027	2,027
Over provision in prior year		**(518)**	**(1,694)**	-	(1,874)
Tax expense		**23,097**	**159,406**	23,875	140,240
Recognised directly in takaful certificate liabilities					
Deferred tax -FVOCI financial assets	8	**6,678**	**-**	11,836	-
Recognised directly in equity					
Deferred tax -FVOCI financial assets	8	**-**	**8,734**	-	13,541

26. TAX EXPENSE (CONTINUED)

26.1 The IRB had, on 8 September 2017, issued to the Company notices of additional assessment (i.e. Form JA) for the years of assessment ("YA") 2012, 2013, and 2014. The additional tax payable (including penalties at the rate of 45%) by the Company under the above-mentioned notices is RM 18,762,433.47.

The Company has paid the additional tax on 4 October 2017 and submitted an appeal (Form Q) to Special Commissioner of Income Tax against the notice of assessment on 5 October 2017.

The Company is of the view that there are valid legal grounds for its appeal and have treated the related tax payment of RM16,741,000 as tax recoverable.

Following the issuance of the notices of additional assessments for YA2012, 2013 and 2014 by the IRB, further notices of additional assessments for the YA 2015, 2016, and 2017 were also raised by the IRB. The total additional tax payable by the Company as per the notices of additional assessments amounts to RM 1,615,322.88 (including penalties at the rate of 45%). The Company has paid the additional tax and submitted an appeal to the Special Commissioner of Income Tax regarding the assessment notice for YA2015, 2016 and 2017. The Company also filed an appeal against its own tax returns for the years YA2019 to 2021 being dissatisfied with the deemed assessments.

The last court mention date was on 17 June 2025. The Special Commissioner of Income Tax has scheduled the hearings for 10 to 11 June 2026 for YAs 2012 for 2013 and 2014, and 4 to 5 August 2026 for YAs 2015 to 2021 and YA 2023.

26.2 Significant estimates - uncertain tax position

The tax legislation in relation to the deductibility of certain expenses incurred by Takaful Operator is unclear. Hence, the Group has adopted a prudent approach to treat certain expenses as non-tax deductible in the estimation of tax expenses recorded in the financial statements before the tax authority confirms the interpretation.

The Group is currently engaging with the tax authority regarding the deductibility of these expenses in the submitted tax computations, and the matter is still in progress. The Group will continue to update its assessment based on new information and other pertinent developments from the taxation authority.

26.3 In 2021, the OECD/ G20 Inclusive Framework on BEPS published the Global Anti-Base Erosion ("GloBE") Model Rules, on which jurisdictions may model new local tax laws to give effect to the second pillar of BEPS 2.0 ("Pillar Two"), which seeks to impose a minimum effective tax rate on large multinational enterprises in respect of each jurisdiction in which they operate across the globe.

The Group operates in Malaysia and Indonesia which fall under jurisdictions that have enacted Pillar Two legislation. However, as the Group's consolidated revenues are less than EUR 750 million in three of the four financial years immediately preceding the 2025 financial year, it is not in the scope of the Pillar Two Model Rules.

27. OTHER COMPREHENSIVE INCOME

	Group					
	2025			2024		
	Before tax RM'000	Tax (expense)/ benefit RM'000	Net of tax RM'000	Before tax RM'000	Tax (expense)/ benefit RM'000	Net of tax RM'000
Family Takaful						
Items that may be reclassified subsequently to profit or loss						
Debt investments measured at FVOCI						
- net change in fair value	**102,571**	**(9,475)**	**93,096**	46,963	(11,905)	35,058
- reclassified to profit or loss	**(37,754)**	**2,797**	**(34,957)**	(934)	69	(865)
Takaful finance expenses from takaful certificates issued	**27,193**	**-**	**27,193**	1,097	-	1,097
Retakaful finance income from retakaful certificates held	**(98)**	**-**	**(98)**	-	-	-
Other comprehensive income attributable to participants	**(91,912)**	**6,678**	**(85,234)**	(47,126)	11,836	(35,290)
	-	**-**	**-**	-	-	-
General Takaful						
Items that may be reclassified subsequently to profit or loss						
Debt investments measured at FVOCI						
- net change in fair value	**4,509**	**(1,232)**	**3,277**	(898)	(1,457)	(2,354)
- reclassified to profit or loss	**(2,616)**	**(22)**	**(2,638)**	1,380	(22)	1,358
Takaful finance expenses from takaful certificates issued	**4,674**	**-**	**4,674**	3,462	-	3,461
Retakaful finance income from retakaful certificates held	**(2,942)**	**-**	**(2,942)**	(1,979)	-	(1,979)
Other comprehensive income attributable to participants	**(3,625)**	**1,254**	**(2,371)**	(1,965)	1,479	(486)
	-	**-**	**-**	-	-	-

27. OTHER COMPREHENSIVE INCOME (CONTINUED)

	Group					
	2025			2024		
	Before tax RM'000	**Tax (expense)/ benefit RM'000**	**Net of tax RM'000**	**Before tax RM'000**	**Tax (expense)/ benefit RM'000**	**Net of tax RM'000**
Group						
Items that may be reclassified subsequently to profit or loss						
Remeasurement of defined benefit liability	**(12)**	**-**	**(12)**	30	-	30
Revaluation of property and equipment						
- gains arising during the year	**2,529**	**-**	**2,529**	6,735	-	6,735
Other comprehensive income attributable to participants	**(4,079)**	**-**	**(4,079)**	(5,474)	-	(5,474)
	(1,562)	**-**	**(1,562)**	1,291	-	1,291
Items that may be reclassified subsequently to profit or loss						
Foreign currency translation differences for foreign operations	**(7,218)**	**-**	**(7,218)**	(4,210)	-	(4,210)
Debt investments measured at FVOCI						
- net change in fair value	**143,173**	**(26,997)**	**116,176**	67,202	(29,122)	38,080
- reclassified to profit or loss	**(64,709)**	**8,616**	**(56,093)**	(3,759)	1,058	(2,701)
Takaful finance expenses from takaful certificates issued	**40,090**	**-**	**40,090**	6,808	-	6,808
Retakaful finance income from retakaful certificates held	**(3,057)**	**-**	**(3,057)**	(1,979)	-	(1,979)
Other comprehensive income attributable to participants	**(95,537)**	**7,932**	**(87,605)**	(49,091)	13,315	(35,776)
	12,742	**(10,449)**	**2,293**	14,971	(14,749)	222
	11,180	**(10,449)**	**731**	16,262	(14,749)	1,513

27. OTHER COMPREHENSIVE INCOME (CONTINUED)

	Company					
	2025			2024		
	Before tax RM'000	Tax (expense)/ benefit RM'000	Net of tax RM'000	Before tax RM'000	Tax (expense)/ benefit RM'000	Net of tax RM'000
Family Takaful						
Items that may be reclassified subsequently to profit or loss						
Debt investments measured at FVOCI						
- net change in fair value	**102,571**	**(9,475)**	**93,096**	46,963	(11,905)	35,058
- reclassified to profit or loss	**(37,754)**	**2,797**	**(34,957)**	(934)	69	(865)
Takaful finance expenses from takaful certificates issued	**27,193**	**-**	**27,193**	1,097	-	1,097
Retakaful finance income from retakaful certificates held	**(98)**	**-**	**(98)**	-	-	-
Other comprehensive income attributable to participants	**(91,912)**	**6,678**	**(85,234)**	(47,126)	11,836	(35,290)
	-	**-**	**-**	-	-	-
Company						
Items that will not be reclassified subsequently to profit or loss						
Revaluation of property and equipment						
- gains arising during the year	**3,527**	**-**	**3,527**	4,952	-	4,952
Other comprehensive income attributable to participants	**(3,517)**	**-**	**(3,517)**	(4,942)	-	(4,942)
	10	**-**	**10**	10	-	10

27. OTHER COMPREHENSIVE INCOME (CONTINUED)

	Company					
	2025			2024		
	Before tax RM'000	Tax (expense)/ benefit RM'000	Net of tax RM'000	Before tax RM'000	Tax (expense)/ benefit RM'000	Net of tax RM'000
Items that may be reclassified subsequently to profit or loss						
Debt investments measured at FVOCI						
- net change in fair value	**132,528**	**(23,477)**	**109,051**	52,668	(26,082)	40,028
- reclassified to profit or loss	**(59,705)**	**8,065**	**(51,640)**	(3,814)	705	(2,877)
Takaful finance expenses from takaful certificates issued	**35,911**	**-**	**35,911**	3,539	-	3,539
Retakaful finance income from retakaful certificates held	**(115)**	**-**	**(115)**	-	-	-
Other comprehensive income attributable to participants	**(91,912)**	**6,678**	**(85,234)**	(47,126)	11,836	(35,290)
	16,707	**(8,734)**	**7,973**	5,267	(13,541)	5,400
	16,717	**(8,734)**	**7,983**	5,277	(13,541)	5,410

28. EARNINGS PER SHARE - GROUP

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 December 2025 was based on the profit attributable to ordinary shareholders of RM384,719,000 (2024: RM378,149,000) and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2025 unit'000	2024 unit'000
Issued ordinary shares at beginning of the financial year (basic)	**837,306**	837,306
Effect of ordinary shares issued under DRP	**33,921**	-
Weighted average number of ordinary shares (basic)	**871,227**	837,306

28. EARNINGS PER SHARE - GROUP (CONTINUED)

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share at 31 December 2025 was based on the profit attributable to ordinary shareholders of RM384,719,000 (2024: RM378,149,000) and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

	Group	
	2025 unit'000	**2024 unit'000**
Weighted average number of ordinary shares (basic)	**871,227**	837,306
Effect of dilutive of potential ordinary shares arising from DRP	**3,562**	-
Weighted average number of ordinary shares (diluted)	**874,790**	837,306

29. DIVIDENDS

Dividends declared by the Company:

	Sen per share (single tier)	Total amount RM'000	Date of payment
2025			
Interim dividend per ordinary share for financial year 2025	**18.50**	**161,354**	**15.01.2026**
2024			
Interim dividend per ordinary share for financial year 2024*	17.00	142,342	21.01.2025

* The interim single tier dividend of 17.00 sen per ordinary share, consists of cash and electable portion of 17.00 sen per ordinary share.

Dividend Reinvestment Plan ("DRP")

On 11 July 2024, the Group announced its intention to establish a dividend reinvestment plan (""DRP""), allowing shareholders to reinvest dividends in additional shares of STMKB.

The rationale of the Group embarking on the DRP are as follows:

a) To provide flexibility in capital management and strengthening its capital position as part of the Group's capital management strategy. The reinvestment of dividend for DRP Shares will also enlarge STMKB's share capital base. The cash retained which would otherwise be used for the payment of dividend, may be utilised to fund the continuing business growth of the Group.

b) To provide an opportunity to enhance shareholder's value by investing into DRP Shares at a discount and from any future capital appreciation.

c) To provide flexibility to meet Shareholders' investment objectives as they would have the option of receiving dividend in cash and/ or reinvesting into DRP Shares without having to incur any brokerage fees and other related transaction costs, unless otherwise provided by any statute, law or regulation. However, shareholders who elect to participate in the DRP are required to pay RM10.00 for stamp duty and RM5.00 for handling fee if application is made through Boardroom Smart Investor Portal.

d) The issuance of DRP shares may potentially improve the trading liquidity of STMKB Shares.

The DRP had received all necessary approvals from Bursa Securities and from its shareholders via an EGM held on 17 October 2024.

30. OPERATING SEGMENTS

Segment information is presented in respect of the Group's geographical segments. This is based on the Group's management and internal reporting structure. Inter-segment pricing, if any, is determined based on negotiated terms. The Group does not present information by business segment as it is principally engaged as an operator of Family and General takaful/ retakaful businesses. The financial position and performance of the Family and General Takaful businesses managed by the Group and the Company have been disclosed separately within these financial statements.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise expenses, which are all incurred by Takaful Operator for the management of Takaful funds.

Segment capital expenditure is the total cost incurred during the financial year to acquire segment assets that are expected to be used for more than one year.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are also based on the geographical location of assets.

Geographical segments

2025	Malaysia RM'000	Indonesia RM'000	Consolidated RM'000
Takaful revenue	3,738,366	66,347	3,804,713
Takaful service expenses	(3,390,303)	(87,742)	(3,478,045)
Allocation of retakaful contribution	(685,033)	(21,970)	(707,003)
Amounts recoverable from retakaful operators for incurred claims	636,849	18,923	655,772
Takaful service result	299,879	(24,442)	275,437
Investment income on financial assets not measured at FVTPL	541,270	5,143	546,413
Investment income - others	28,624	12,054	40,678
Net realised gains and losses	62,022	(88)	61,934
Net fair value gains and losses on financial assets	(56,048)	9,050	(46,998)
Net impairment loss on financial instruments	(5,413)	-	(5,413)
Net investment income	570,455	26,159	596,614
Takaful finance expenses from takaful certificates issued	(285,012)	-	(285,012)
Retakaful finance income from retakaful certificates held	40,702	-	40,702
Net takaful financial results	(244,310)	-	(244,310)
Net takaful and investment result	626,024	1,717	627,741
Other operating income	650	2,120	2,770
Other operating expenses	(8,277)	(1,649)	(9,926)
Finance cost	(4,932)	-	(4,932)
Segment assets by location of assets	17,650,847	415,269	18,066,116
Segment liabilities by location of liabilities	15,413,481	359,206	15,772,687

30. OPERATING SEGMENTS (CONTINUED)

Geographical segments (continued)

2024	Malaysia RM'000	Indonesia RM'000	Consolidated RM'000
Takaful revenue	3,546,420	29,331	3,575,751
Takaful service expenses	(3,254,060)	(44,782)	(3,298,842)
Allocation of retakaful contribution	(778,918)	(17,036)	(795,954)
Amounts recoverable from retakaful operators for incurred claims	722,414	14,461	736,875
Takaful service result	235,856	(18,026)	217,830
Investment income on financial assets not measured at FVTPL	506,325	5,989	512,314
Investment income - others	27,296	14,492	41,788
Net realised gains and losses	3,709	10	3,719
Net fair value gains and losses on financial assets	46,226	(2,794)	43,432
Net impairment loss on financial instruments	3,482	-	3,482
Net investment income	587,038	17,697	604,735
Takaful finance expenses from takaful certificates issued	(276,153)	-	(276,153)
Retakaful finance income from retakaful certificates held	35,423	-	35,423
Net takaful financial results	(240,730)	-	(240,730)
Net takaful and investment result	582,164	(329)	581,835
Other operating income	724	1,629	2,353
Other operating expenses	(7,307)	(1,987)	(9,294)
Segment assets by location of assets	16,251,527	450,989	16,702,516
Segment liabilities by location of liabilities	14,360,806	390,277	14,751,083

31. RISK MANAGEMENT FRAMEWORK

The Board, with the assistance of the management team, is responsible for the Risk Management Framework within the Group and the Company. The Board delegates the responsibility of oversight and monitoring of management's initiatives in managing key risk areas and ensuring the functioning of the risk management processes to the Board Risk Committee ("BRC"). The BRC is supported by the Management Risk Committee ("MRC"), which is represented by the respective heads of divisions and headed by Senior Management. The Group and the Company share the same risk management process and personnel as the immediate holding company. In addition, the Group and the Company is managed by dedicated personnel at the entity level where specifically applicable.

The Group and the Company established the Enterprise Risk Management ("ERM") Framework to ensure an ongoing process of identifying, evaluating, monitoring and managing the significant risk exposures surrounding its business strategies and operations.

By executing the risk management process through robust controls, monitoring and responding to potential risks, the Group and the Company are able to mitigate risks to within the risk appetite of the Board. Operational Loss Incidences reporting based on the BNM's Operational Loss requirement are reported to BNM, MRC, and BRC to act as a gauge on the effectiveness of the ERM in place.

31. RISK MANAGEMENT FRAMEWORK (CONTINUED)

Whistleblowing Policy, Fraud Management Policy, Compliance Framework, Anti Corruption Framework and Shariah Governance Framework are in place to provide basic structure and further strengthen the existing control mechanism underlying the business activities.

Business Continuity Management is consistently practised in accordance with BNM guidelines. The Group and the Company test the Business Continuity Plan annually to ensure the continuity of essential services in the event of major disruption and to safeguard the lives of the employees and others in the office premises. The Disaster Recovery Plan is tested twice a year to ensure the critical IT systems are up and running at all times.

The Group and the Company have an Internal Capital Adequacy Assessment Process Policy to maintain financial resilience and stability, whilst having the flexibility of pursuing strategic business opportunities to optimise shareholder value.

Stress Testing is conducted at least once a year by Actuarial Division together with Investment Department, Finance Department and Risk Management Department to ensure the Group's and the Company's financial standing is secure under several risk scenarios.

Asset and Liability Management Framework and Strategic Asset Allocation are also in place to enhance Financial Risk Management and facilitate in the Group's and the Company's investment strategy.

Group and Company maintain a robust technology risk management framework to ensure a strong IT security posture and safeguard against cyber risk.

32. TAKAFUL RISK MANAGEMENT

(a) Family Takaful Fund

The Family Takaful certificates consist of:

(i) Family Takaful non-investment-linked certificates:

The Family Takaful non-investment-linked certificates are mainly credit related takaful products, group takaful schemes, yearly renewable individual ordinary medical plans, regular contribution individual ordinary plans and annuity plans. The main product types are Mortgage Reducing Term Takaful ("MRTT"), Group Credit Takaful, Group Term Takaful and Group Medical Takaful.

(ii) Family Takaful investment-linked certificates

The Family Takaful investment-linked certificates are mainly made up of regular contribution investment-linked products. The main products are Takaful *my*DanaInvest and Takaful *my*GenLife.

The key coverage for the Family Takaful certificates

The key coverage for the Family Takaful certificates are death, total and permanent disability, hospital and surgical benefits, personal accident benefits, daily hospitalisation cash allowance benefits, dread disease benefits, waiver of contribution benefits and survival benefits (for annuity).

32. TAKAFUL RISK MANAGEMENT (CONTINUED)

(a) Family Takaful Fund (continued)

Concentration of Family Takaful risk

The following gives details of the Group's and the Company's concentration of risks based on liability for incurred claims by main product categories:

	Group		
	Gross RM'000	**Retakaful RM'000**	**Net RM'000**
2025			
Mortgage	**5,564,628**	**(252,204)**	**5,312,424**
Endowment	**3,521,590**	**(15,928)**	**3,505,662**
Term	**813,638**	**(196,452)**	**617,186**
Annuity	**256,894**	**-**	**256,894**
Total Family LIC	**10,156,750**	**(464,584)**	**9,692,166**
2024			
Mortgage	5,158,300	(202,188)	4,956,112
Endowment	3,386,982	7,853	3,394,835
Term	627,799	(131,593)	496,206
Annuity	270,096	-	270,096
Total Family LIC	9,443,177	(325,928)	9,117,249

	Company		
	Gross RM'000	**Retakaful RM'000**	**Net RM'000**
2025			
Mortgage	**5,516,698**	**(248,068)**	**5,268,630**
Endowment	**3,242,571**	**(1,970)**	**3,240,601**
Term	**807,967**	**(196,293)**	**611,674**
Annuity	**256,894**	**-**	**256,894**
Total Family LIC	**9,824,130**	**(446,331)**	**9,377,799**
2024			
Mortgage	5,110,688	(172,332)	4,938,356
Endowment	3,072,569	(1,173)	3,071,396
Term	626,529	(131,593)	494,936
Annuity	270,096	-	270,096
Total Family LIC	9,079,882	(305,098)	8,774,784

32. TAKAFUL RISK MANAGEMENT (CONTINUED)

(a) Family Takaful Fund (continued)

Key assumptions and methodology

Reserves for all plans were valued on a basis that the Appointed Actuary considers adequate and appropriate, and in line with the valuation basis set out by BNM in respect of the Guidelines on Valuation Basis for Liabilities of Family Takaful Business (BNM/RH/GL 004-20) and Risk-Based Capital Framework for Takaful Operator.

The key assumptions to which the estimation of future cash flows is particularly sensitive are as follows:

- *Mortality and morbidity rates*

  Assumptions are based on standard industry and national tables, according to the type of certificate written and the territory in which the covered person resides. They reflect recent historical experience and are adjusted when appropriate to reflect the Group's or the Company's own experiences. Best estimate assumptions are used when measuring estimates of the present value of future cash flows for the group of retakaful certificates held and estimates of the present value of future cash flows for the group(s) of the underlying takaful certificate. Therefore, an appropriate, but not excessive, allowance is made for expected future improvements. Assumptions are differentiated by participant gender, underwriting class and certificate type.

- *Expenses*

  Operating expenses assumptions reflect the projected costs of maintaining and servicing in–force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate.

  The cash flows within the certificate boundary include an allocation of fixed and variable overheads directly attributable to fulfilling takaful certificates. Such overheads are allocated to groups of certificates using methods that are systematic and rational, and are consistently applied to all costs that have similar characteristics.

- *Lapse and surrender rate*

  Lapses relate to the termination of policies due to non–payment of contributions. Surrenders relate to the voluntary termination of policies by participants. Policies termination assumptions are determined using statistical measures based on the Group's or the Company's experience and vary by product type, policies duration and sales trends.

- *Discount rate*

  Takaful certificate liabilities are calculated by discounting expected future cash flows at a risk free rate. Risk free rates are determined by reference to the yields of highly liquid AAA-rated sovereign securities in the currency of the takaful certificates liabilities. Please refer to Note 1(d)(i)(ii) for discount rates table.

32. TAKAFUL RISK MANAGEMENT (CONTINUED)

(a) Family Takaful Fund (continued)

Key assumptions and methodology (continued)

For risk adjustments for non-financial risk, they are generally determined by considering the expected cash flows arising from takaful certificates, consistent with the way that non-financial risk is managed, and are allocated to groups of certificates using methods that are systematic and rational. They are determined separately from estimates of the present value of future cash flows, using a confidence level (probability of sufficiency) approach. The Group and the Company estimate the risk adjustment at 75% confidence level, which is based on the requirement by Bank Negara Malaysia under the Risk-Based Capital Framework. The Group and the Company do not consider the effect of retakaful in the risk adjustment for non-financial risk of the underlying takaful certificates.

The Group or the Company identify the investment component of a certificate as part of its product governance process by determining the amount that it would be required to repay to the participant even if an covered event does not occur. Investment components are excluded from takaful revenue and takaful service expenses.

Sensitivities

The analysis below is performed for reasonably possible movements in each of the key assumptions with all other assumptions held constant, showing the impact on CSM release, profit after tax ("PAT") and equity. The correlation of assumptions will have a significant effect in determining the ultimate impacts, 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. Sensitivity information will also vary according to the current economic assumptions. The method used for deriving sensitivity information and significant assumptions made did not change from the previous year.

		Group			
	Change in assumptions	**Impact on PAT gross of retakaful RM'000**	**Impact on PAT net of retakaful RM'000**	**Impact on equity gross of retakaful RM'000**	**Impact on equity net of retakaful RM'000**
2025					
Mortality/ morbidity rate*	**+10%**	**(5,009)**	**(3,219)**	**(5,138)**	**(3,348)**
Expenses	**+10%**	**(5,017)**	**(5,017)**	**(5,735)**	**(5,735)**
Lapse and surrenders rate	**-10%**	**(3,191)**	**(3,155)**	**(3,044)**	**(3,008)**
Discount rate	**-100bps**	**1,210**	**529**	**21,127**	**20,444**
2024					
Mortality/ morbidity rate	+10%	(57,601)	(55,259)	(69,507)	(67,165)
Expenses	+10%	(4,367)	(4,367)	(4,802)	(4,802)
Lapse and surrenders rate	-10%	(3,517)	(3,459)	(3,590)	(3,532)
Discount rate	-100bps	1,514	590	13,109	12,185

* During the financial year, updates were made to the actuarial models, resulting in a reduced impact of sensitivity analyses on profit after tax (PAT) and equity.

32. TAKAFUL RISK MANAGEMENT (CONTINUED)

(a) Family Takaful Fund (continued)

Key assumptions and methodology (continued)

Sensitivities (continued)

Group	Change in assumptions	2025 Impact on CSM release before tax gross of retakaful RM'000	2025 Impact on CSM release before tax net of retakaful RM'000	2024 Impact on CSM release before tax gross of retakaful RM'000	2024 Impact on CSM release before tax net of retakaful RM'000
Mortality/ morbidity rate*	+10%	**(308)**	**(308)**	(24,723)	(24,723)
Expenses	+10%	**(3,268)**	**(3,268)**	(3,152)	(3,152)
Lapse and surrenders rate	-10%	**(5,007)**	**(5,006)**	(4,917)	(4,919)
Discount rate	-100bps	**1**	**1**	1	1

Company	Change in assumptions	Impact on PAT gross of retakaful RM'000	Impact on PAT net of retakaful RM'000	Impact on equity gross of retakaful RM'000	Impact on equity net of retakaful RM'000
2025					
Mortality/ morbidity rate*	**+10%**	**(1,606)**	**(1,606)**	**(1,735)**	**(1,735)**
Expenses	**+10%**	**(5,017)**	**(5,017)**	**(5,735)**	**(5,735)**
Lapse and surrenders rate	**-10%**	**(2,899)**	**(2,899)**	**(2,752)**	**(2,752)**
Discount rate	**-100bps**	**3**	**3**	**19,920**	**19,918**
2024					
Mortality/ morbidity rate	+10%	(53,530)	(53,530)	(65,436)	(65,436)
Expenses	+10%	(4,367)	(4,367)	(4,802)	(4,802)
Lapse and surrenders rate	-10%	(3,238)	(3,238)	(3,311)	(3,311)
Discount rate	-100bps	(9)	(9)	11,586	11,586

* During the financial year, updates were made to the actuarial models, resulting in a reduced impact of sensitivity analyses on profit after tax (PAT) and equity.

32. TAKAFUL RISK MANAGEMENT (CONTINUED)

(a) Family Takaful Fund (continued)

Key assumptions and methodology (continued)

Sensitivities (continued)

Company	Change in assumptions	2025 Impact on CSM release before tax gross of retakaful RM'000	2025 Impact on CSM release before tax net of retakaful RM'000	2024 Impact on CSM release before tax gross of retakaful RM'000	2024 Impact on CSM release before tax net of retakaful RM'000
Mortality/ morbidity rate*	+10%	**(308)**	**(308)**	(24,723)	(24,723)
Expenses	+10%	**(3,268)**	**(3,268)**	(3,152)	(3,152)
Lapse and surrenders rate	-10%	**(5,007)**	**(5,006)**	(4,917)	(4,919)
Discount rate	-100bps	**1**	**1**	1	1

* During the financial year, updates were made to the actuarial models, resulting in a reduced impact of sensitivity analyses on profit after tax (PAT) and equity.

(b) General Takaful Fund

The General Takaful certificates consist of fire, motor, personal accident, workmen's compensation and employers' liability, liabilities and engineering and others.

Concentration of General Takaful risk

The table below sets out the concentration of General Takaful by type of business.

	Group Gross RM'000	Group Retakaful RM'000	Group Net RM'000
2025			
Fire	**765,554**	**(373,038)**	**392,516**
Motor	**660,042**	**(547,023)**	**113,019**
Marine	**151,455**	**43,917**	**195,372**
Miscellaneous	**964,991**	**(333,788)**	**631,203**
Total LIC	**2,542,042**	**(1,209,932)**	**1,332,110**
2024			
Fire	649,520	(351,807)	297,713
Motor	575,482	(445,747)	129,735
Marine	136,952	57,532	194,484
Miscellaneous	876,414	(262,510)	613,904
Total LIC	2,238,368	(1,002,532)	1,235,836

32. TAKAFUL RISK MANAGEMENT (CONTINUED)

(b) General Takaful Fund (continued)

Key assumptions

Additional qualitative judgements are used to assess the extent to which past trends may not apply in the future, for example, isolated occurrences, changes in market factors such as public attitude to claiming, economic conditions, as well as internal factors such as portfolio mix, underwriting policy, certificate conditions and claims handling procedures.

Other key circumstances affecting the reliability of assumptions include delays in settlement and changes in foreign currency rates.

Sensitivities

The General Takaful claim liabilities are sensitive to the above key assumptions and change in these assumptions may impact the liabilities and operating surplus of the General Takaful Fund significantly. It has not been possible to quantify the sensitivity of certain assumptions, such as, legislative changes or uncertainty in the estimation process.

The analysis below is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities and operating surplus. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, 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 key assumptions to which the estimation of actuarial liabilities is particularly sensitive are Fire loss ratio for latest AY, Motor Act loss ratio for latest AY, average claim cost and average claim frequency as per Note 1(d)(i)(i).

		Group			
	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
2025					
Fire loss ratio for AY 2025	+10%	(38,068)	(22,961)	(38,313)	(23,062)
Motor Act loss ratio for AY2025	+10%	(17,335)	(10,351)	(17,533)	(10,462)
Average claim cost	+10%	(155,944)	(60,168)	(157,202)	(60,625)
Average claim frequency	+10%	(91,873)	(47,773)	(92,489)	(48,064)
Expenses	+10%	(570)	(570)	(330)	(330)
Discount rate	-1%	-	-	(25,499)	(10,744)

32. TAKAFUL RISK MANAGEMENT (CONTINUED)

(b) General Takaful Fund (continued)

Sensitivities (continued)

		Group			
	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
2024					
Fire loss ratio for AY 2024	+10%	(44,277)	(20,797)	(44,404)	(20,839)
Motor Act loss ratio for AY2024	+10%	(17,043)	(10,341)	(17,118)	(10,385)
Average claim cost	+10%	(141,119)	(51,640)	(141,571)	(51,803)
Average claim frequency	+10%	(103,376)	(48,056)	(103,667)	(48,181)
Expenses	+10%	(776)	(776)	(633)	(633)
Discount rate	-1%	-	-	(25,185)	(11,658)

		2025		2024	
	Change in assumptions	Impact on CSM release before tax gross of retakaful RM'000	Impact on CSM release before tax net of retakaful RM'000	Impact on CSM release before tax gross of retakaful RM'000	Impact on CSM release before tax net of retakaful RM'000
Expenses	+10%	**(3,547)**	**(3,547)**	(3,650)	(3,650)

Claims development table

The following tables show the estimate of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at the end of reporting period, together with cumulative payments to-date.

In setting provisions for claims, the Group gives consideration to the probability and magnitude of future experience being more adverse than assumed and exercise the degree of caution in setting reserves when there is considerable uncertainty. In general, the uncertainty associated with the ultimate claims experience in an accident year is greatest when the accident year is at an early stage of development and the margin necessary to provide the necessary confidence in adequacy of provision is relatively at its highest. As claims develop and the ultimate cost of claims becomes more certain, the relative level of margin maintained should decrease.

32. TAKAFUL RISK MANAGEMENT (CONTINUED)

(b) General Takaful Fund (continued)

Gross General claim development table for 2025 (Group):

Accident year	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000	Total RM'000
At end of accident year	375,596	444,903	391,412	526,099	733,938	670,607	982,215	**899,807**	
One year later	344,545	396,142	332,904	504,441	744,131	713,478	966,217	**-**	
Two years later	409,748	390,826	321,330	496,766	723,031	732,425	-	**-**	
Three years later	410,267	400,265	331,455	471,577	728,558	-	-	**-**	
Four years later	382,664	400,255	327,324	450,152	-	-	-	**-**	
Five years later	347,249	392,251	328,879	-	-	-	-	**-**	
Six years later	338,675	385,983	-	-	-	-	-	**-**	
Seven years later	344,134	-	-	-	-	-	-	**-**	
Current estimate of cumulative claims incurred	344,134	385,983	328,879	450,152	728,558	732,425	966,217	**899,807**	**4,836,155**
At end of accident year	(130,992)	(160,378)	(123,221)	(131,642)	(229,759)	(252,186)	(304,119)	**(296,110)**	
One year later	(236,588)	(239,236)	(224,945)	(299,877)	(419,736)	(438,830)	(560,185)	**-**	
Two years later	(269,543)	(280,814)	(260,290)	(361,765)	(470,857)	(534,500)	-	**-**	
Three years later	(289,652)	(344,017)	(287,746)	(389,392)	(512,942)	-	-	**-**	
Four years later	(302,279)	(361,246)	(304,097)	(405,313)	-	-	-	**-**	
Five years later	(314,903)	(367,054)	(307,859)	-	-	-	-	**-**	
Six years later	(322,593)	(371,134)	-	-	-	-	-	**-**	
Seven years later	(330,762)	-	-	-	-	-	-	**-**	
Cumulative payments to-date	(330,762)	(371,134)	(307,859)	(405,313)	(512,942)	(534,500)	(560,185)	**(296,110)**	**(3,318,805)**
Gross General claim development total	13,372	14,849	21,020	44,839	215,616	197,925	406,032	**603,697**	**1,517,350**
Effect of discounting									**(68,266)**
Effect of risk adjustment margin for non-financial risk, and allowance for non-performance risk									**126,650**
Trade balances and others*									**966,308**
Gross General claim development total net of discounting and adjustment									**2,542,042**

* Includes surplus payables to participant and unallocated surplus

32. TAKAFUL RISK MANAGEMENT (CONTINUED)

(b) General Takaful Fund (continued)

Net General claim development table for 2025 (Group):

Accident year	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000	Total RM'000
At end of accident year	218,797	233,783	201,454	238,766	304,268	361,541	459,610	**477,743**	
One year later	200,540	197,759	168,034	208,980	291,295	359,445	455,967	**-**	
Two years later	192,251	199,556	165,757	203,769	281,900	358,838	-	**-**	
Three years later	189,784	204,290	169,630	190,400	276,497	-	-	**-**	
Four years later	193,286	205,839	165,356	181,534	-	-	-	**-**	
Five years later	192,531	205,359	162,295	-	-	-	-	**-**	
Six years later	187,912	202,173	-	-	-	-	-	**-**	
Seven years later	188,273	-	-	-	-	-	-	**-**	
Current estimate of cumulative claims incurred	188,273	202,173	162,295	181,534	276,497	358,838	455,967	**477,743**	2,303,320
At end of accident year	(90,056)	(97,579)	(72,745)	(78,486)	(119,388)	(150,601)	(193,387)	**(181,617)**	
One year later	(149,370)	(146,663)	(120,098)	(124,164)	(191,629)	(242,323)	(301,435)	**-**	
Two years later	(166,084)	(166,935)	(137,219)	(149,983)	(218,077)	(284,217)	-	**-**	
Three years later	(173,946)	(182,423)	(148,362)	(162,383)	(237,493)	-	-	**-**	
Four years later	(179,032)	(190,126)	(152,249)	(168,000)	-	-	-	**-**	
Five years later	(183,445)	(195,875)	(154,026)	-	-	-	-	**-**	
Six years later	(184,441)	(197,619)	-	-	-	-	-	**-**	
Seven years later	(185,827)	-	-	-	-	-	-	**-**	
Cumulative payments to-date	(185,827)	(197,619)	(154,026)	(168,000)	(237,493)	(284,217)	(301,435)	**(181,617)**	(1,710,234)
Net General claim development total	2,446	4,554	8,269	13,534	39,004	74,621	154,532	**296,126**	593,086
Effect of discounting									(25,476)
Effect of risk adjustment margin for non-financial risk, and allowance for non-performance risk									38,136
Trade balances and others*									726,363
Net General claim development total net of discounting and adjustment									1,332,109

* Includes surplus payables to participant and unallocated surplus

32. TAKAFUL RISK MANAGEMENT (CONTINUED)

(b) General Takaful Fund (continued)

Gross General claim development table for 2024 (Group):

Accident year	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	Total RM'000
At end of accident year	295,991	375,596	444,903	391,412	526,099	733,938	670,607	982,215	
One year later	267,272	344,545	396,142	332,904	504,441	744,131	713,478	-	
Two years later	240,429	409,748	390,826	321,330	496,766	723,031	-	-	
Three years later	231,587	410,267	400,265	331,455	471,577	-	-	-	
Four years later	232,469	382,664	400,255	327,324	-	-	-	-	
Five years later	231,939	347,249	392,251	-	-	-	-	-	
Six years later	226,859	338,675	-	-	-	-	-	-	
Seven years later	228,680	-	-	-	-	-	-	-	
Current estimate of cumulative claims incurred	228,680	338,675	392,251	327,324	471,577	723,031	713,478	982,215	4,177,231
At end of accident year	(99,942)	(130,992)	(160,378)	(123,221)	(131,642)	(229,759)	(252,186)	(304,119)	
One year later	(175,925)	(236,588)	(239,236)	(224,945)	(299,877)	(419,736)	(438,830)	-	
Two years later	(204,497)	(269,543)	(280,814)	(260,290)	(361,765)	(470,857)	-	-	
Three years later	(211,834)	(289,652)	(344,017)	(287,746)	(389,392)	-	-	-	
Four years later	(214,533)	(302,279)	(361,246)	(304,097)	-	-	-	-	
Five years later	(219,113)	(314,903)	(367,054)	-	-	-	-	-	
Six years later	(221,330)	(322,593)	-	-	-	-	-	-	
Seven years later	(222,568)	-	-	-	-	-	-	-	
Cumulative payments to-date	(222,568)	(322,593)	(367,054)	(304,097)	(389,392)	(470,857)	(438,830)	(304,119)	(2,819,510)
Gross General claim development total	6,112	16,082	25,197	23,227	82,185	252,174	274,648	678,096	1,357,721
Effect of discounting									(68,319)
Effect of risk adjustment margin for non-financial risk, and allowance for non-performance risk									126,059
Trade balances and others*									822,906
Gross General claim development total net of discounting and adjustment									2,238,367

* Includes surplus payables to participant and unallocated surplus

32. TAKAFUL RISK MANAGEMENT (CONTINUED)

(b) General Takaful Fund (continued)

Net General claim development table for 2024 (Group):

Accident year	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	Total RM'000
At end of accident year	158,981	218,797	233,783	201,454	238,766	304,268	361,541	456,644	
One year later	150,209	200,540	197,759	168,034	208,980	291,295	362,412	-	
Two years later	140,847	192,251	199,556	165,757	203,769	281,900	-	-	
Three years later	138,651	189,784	204,290	169,630	190,400	-	-	-	
Four years later	138,780	193,286	205,839	165,356	-	-	-	-	
Five years later	141,908	192,531	205,359	-	-	-	-	-	
Six years later	140,397	187,912	-	-	-	-	-	-	
Seven years later	140,738	-	-	-	-	-	-	-	
Current estimate of cumulative claims incurred	140,738	187,912	205,359	165,356	190,400	281,900	362,412	456,644	1,990,721
At end of accident year	(67,730)	(90,056)	(97,579)	(72,745)	(78,486)	(119,388)	(150,601)	(193,387)	
One year later	(117,548)	(149,370)	(146,663)	(120,098)	(124,164)	(191,629)	(242,323)	-	
Two years later	(129,329)	(166,084)	(166,935)	(137,219)	(149,983)	(218,077)	-	-	
Three years later	(132,997)	(173,946)	(182,423)	(148,362)	(162,383)	-	-	-	
Four years later	(134,761)	(179,032)	(190,126)	(152,249)	-	-	-	-	
Five years later	(135,938)	(183,445)	(195,875)	-	-	-	-	-	
Six years later	(138,312)	(184,441)	-	-	-	-	-	-	
Seven years later	(139,591)	-	-	-	-	-	-	-	
Cumulative payments to-date	(139,591)	(184,441)	(195,875)	(152,249)	(162,383)	(218,077)	(242,323)	(193,387)	(1,488,326)
Net General claim development total	1,147	3,471	9,484	13,107	28,017	63,823	120,089	263,257	502,395
Effect of discounting									(24,450)
Effect of risk adjustment margin for non-financial risk, and allowance for non-performance risk									36,313
Trade balances and others*									721,577
Net General claim development total net of discounting and adjustment									1,235,835

* Includes surplus payables to participant and unallocated surplus

33. FINANCIAL INSTRUMENTS

33.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) FVTPL
- Mandatorily required by MFRS 9
- Designated upon initial recognition ("DUIR")

(b) Amortised cost ("AC")

(c) FVOCI - Debt instrument ("DI")

		Group				
	Note	Carrying amount RM'000	AC RM'000	Mandatorily at FVTPL RM'000	FVTPL - DUIR RM'000	FVOCI - DI RM'000
2025						
Financial assets						
Family Takaful						
Investments	9	8,750,258	-	860,910	128,070	7,761,278
Financing and receivables, excluding prepayment	11	1,043,637	1,043,637	-	-	-
Cash and cash equivalents	12	630,693	630,693	-	-	-
		10,424,588	1,674,330	860,910	128,070	7,761,278
General Takaful						
Investments	9	1,046,887	-	20,242	-	1,026,645
Financing and receivables, excluding prepayment	11	482,438	482,438	-	-	-
Cash and cash equivalents	12	153,707	153,707	-	-	-
		1,683,032	636,145	20,242	-	1,026,645
Group						
Investments	9	11,272,649	-	926,651	158,090	10,187,908
Financing and receivables, excluding prepayment	11	2,255,677	2,255,677	-	-	-
Cash and cash equivalents	12	1,166,307	1,166,307	-	-	-
		14,694,633	3,421,984	926,651	158,090	10,187,908

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.1 Categories of financial instruments (continued)

		Group				
	Note	Carrying amount RM'000	AC RM'000	Mandatorily at FVTPL RM'000	FVTPL - DUIR RM'000	FVOCI - DI RM'000
2024						
Financial assets						
Family Takaful						
Investments	9	8,085,813	-	826,163	139,613	7,120,037
Financing and receivables, excluding prepayment	11	1,056,551	1,056,551	-	-	-
Cash and cash equivalents	12	418,238	418,238	-	-	-
		9,560,602	1,474,789	826,163	139,613	7,120,037
General Takaful						
Investments	9	907,736	-	5,072	-	902,664
Financing and receivables, excluding prepayment	11	563,694	563,694	-	-	-
Cash and cash equivalents	12	66,980	66,980	-	-	-
		1,538,410	630,674	5,072	-	902,664
Group						
Investments	9	10,573,623	-	888,953	172,023	9,512,647
Financing and receivables, excluding prepayment	11	2,438,291	2,438,291	-	-	-
Cash and cash equivalents	12	649,501	649,501	-	-	-
		13,661,415	3,087,792	888,953	172,023	9,512,647

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.1 Categories of financial instruments (continued)

		Company				
	Note	Carrying amount RM'000	AC RM'000	Mandatorily at FVTPL RM'000	FVTPL - DUIR RM'000	FVOCI - DI RM'000
2025						
Financial assets						
Family Takaful						
Investments	9	8,562,385	-	801,107	-	7,761,278
Financing and receivables, excluding prepayment	11	1,039,741	1,039,741	-	-	-
Cash and cash equivalents	12	541,636	541,636	-	-	-
		10,143,762	1,581,377	801,107	-	7,761,278
Company						
Investments	9	9,674,183	-	832,145	-	8,842,038
Financing and receivables, excluding prepayment	11	1,521,745	1,521,745	-	-	-
Cash and cash equivalents	12	863,328	863,328	-	-	-
		12,059,256	2,385,073	832,145	-	8,842,038

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.1 Categories of financial instruments (continued)

		Company				
	Note	Carrying amount RM'000	AC RM'000	Mandatorily at FVTPL RM'000	FVTPL - DUIR RM'000	FVOCI - DI RM'000
2024						
Financial assets						
Family Takaful						
Investments	9	7,885,755	-	765,718	-	7,120,037
Financing and receivables, excluding prepayment	11	1,051,988	1,051,988	-	-	-
Cash and cash equivalents	12	320,840	320,840	-	-	-
		9,258,583	1,372,828	765,718	-	7,120,037
Company						
Investments	9	8,997,850	-	804,006	-	8,193,844
Financing and receivables, excluding prepayment	11	1,646,799	1,646,799	-	-	-
Cash and cash equivalents	12	446,943	446,943	-	-	-
		11,091,592	2,093,742	804,006	-	8,193,844

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.1 Categories of financial instruments (continued)

		Group				
	Note	Carrying amount RM'000	AC RM'000	Mandatorily at FVTPL RM'000	FVTPL - DUIR RM'000	FVOCI - DI RM'000
2025						
Financial liabilities						
Family Takaful						
Other payables	**15**	**130,052**	**130,052**	**-**	**-**	**-**
General Takaful						
Other payables	**15**	**52,515**	**52,515**	**-**	**-**	**-**
Group						
Subordinated sukuk	**14**	**504,932**	**504,932**	**-**	**-**	**-**
Other payables	**15**	**484,447**	**484,447**	**-**	**-**	**-**
		989,379	**989,379**	**-**	**-**	**-**
2024						
Financial liabilities						
Family Takaful						
Other payables	15	113,519	113,519	-	-	-
General Takaful						
Other payables	15	25,023	25,023	-	-	-
Group						
Other payables	15	380,702	380,702	-	-	-

		Company				
	Note	Carrying amount RM'000	AC RM'000	Mandatorily at FVTPL RM'000	FVTPL - DUIR RM'000	FVOCI - DI RM'000
2025						
Financial liabilities						
Family Takaful						
Other payables	**15**	**129,585**	**129,585**	**-**	**-**	**-**
Company						
Subordinated sukuk	**14**	**504,932**	**504,932**	**-**	**-**	**-**
Other payables	**15**	**433,866**	**433,866**	**-**	**-**	**-**
		938,798	**938,798**	**-**	**-**	**-**

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.1 Categories of financial instruments (continued)

		Company				
	Note	Carrying amount RM'000	AC RM'000	Mandatorily at FVTPL RM'000	FVTPL - DUIR RM'000	FVOCI - DI RM'000
2024						
Financial liabilities						
Family Takaful						
Other payables	15	113,246	113,246	-	-	-
Company						
Other payables	15	331,598	331,598	-	-	-

33.2 Net gains and losses arising from use of financial instruments

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Family Takaful				
Net (losses)/ gains on:				
Financial assets at FVTPL				
- mandatorily required by MFRS 9	**(13,082)**	82,555	**(30,423)**	73,797
Debt investments measured at FVOCI				
- recognised in profit or loss	**323,470**	309,926	**323,470**	309,926
- recognised in participants' fund	**64,817**	46,029	**64,817**	46,029
- reclassified from participants' fund to profit or loss	**34,957**	865	**34,957**	865
	423,244	356,820	**423,244**	356,820
Financial assets at AC	**51,707**	51,151	**47,327**	46,486
	461,869	490,526	**440,148**	477,103
General Takaful				
Net gains/ (losses) on:				
Financial assets at FVTPL				
- mandatorily required by MFRS 9	**610**	274	**-**	-
Debt investments measured at FVOCI				
- recognised in profit or loss	**41,715**	35,433	**-**	-
- recognised in participants' fund	**1,893**	482	**-**	-
- reclassified from participants' fund to profit or loss	**2,638**	(1,358)	**-**	-
	46,246	34,557	**-**	-
Financial assets at AC	**23,238**	23,730	**-**	-
	70,094	58,561	**-**	-

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.2 Net gains and losses arising from use of financial instruments (continued)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Group/ Company				
Net (losses)/ gains on:				
Financial assets at FVTPL				
- mandatorily required by MFRS 9	**(12,401)**	88,374	**(33,402)**	76,014
Debt investments measured at FVOCI				
- recognised in profit or loss	**430,526**	405,951	**369,657**	352,709
- recognised in participants' fund	**58,504**	44,262	**56,116**	43,587
- reclassified from participants' fund to profit or loss	**61,934**	3,719	**56,908**	3,513
	550,964	453,932	**482,681**	399,809
Financial assets at AC	**110,474**	109,845	**72,618**	70,740
	649,037	652,151	**521,897**	546,563

33.3 Financial risk management

The Group and the Company have exposure to the following risks:

- Credit risk
- Liquidity risk
- Market risk (currency risk, profit rate risk, price risk)
- Operational risk

33.4 Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer, an intermediary or counterparty to settle its financial and contractual obligations to the Group and the Company as and when they fall due.

The Group's and the Company's portfolio of Islamic Debt Securities, and to a lesser extent short-term and other investments, are subject to credit risk. This risk is defined as the potential loss resulting from adverse changes in a debtor's ability to repay the debt. The Group's and the Company's objective is to earn competitive relative returns by investing in a diversified portfolio of securities. Management has an investment credit risk policy in place. Limits are established to manage credit quality and concentration risk.

The Group and the Company have takaful and other receivables balances that are subject to credit risk. Among the most significant of these are retakaful recoveries. To mitigate the risk of the counterparties not paying the amount due, the Group and the Company have established certain business and financial guidelines for retakaful approval, incorporating ratings by major agencies and considering currently available market information. The Group and the Company also periodically review the financial stability of retakaful companies from public and other sources and the settlement trend of amounts due from retakaful companies.

Cash and deposits are generally placed with banks and financial institutions licensed under the Financial Services Act 2013 and Islamic Financial Services Act 2013 which are regulated by Bank Negara Malaysia and Sharia Insurance Regulation in Indonesia.

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.4 Credit risk (continued)

The Group and the Company manage individual exposures as well as concentration of credit risks. At end of the reporting period, there were no significant concentration of credit risks, other than investments in Islamic Debt Securities issued by single issuer and investment in Institutional Trust Account/ Islamic Deposits. There are no significant changes as compared to prior financial year.

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Islamic Debt Securities	**1,791,455**	1,679,182	**1,791,455**	1,679,182
Institutional Trust Account/ Islamic Deposits	**978,334**	749,114	**816,830**	596,545
	2,769,789	2,428,296	**2,608,285**	2,275,727

Credit exposure

The table below shows the maximum exposure to credit risk for the financial instruments and retakaful certificates assets on the statements of financial position.

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Family Takaful				
FVTPL financial assets				
Islamic Debt Securities	**207,151**	192,946	**79,081**	53,333
Equity - Unquoted*	**73,898**	74,433	**73,898**	74,433
FVOCI financial assets				
Islamic Debt Securities	**6,173,124**	5,879,420	**6,173,124**	5,879,420
Institutional Trust Account/ Islamic Deposits	**681,579**	514,028	**681,579**	514,028
Malaysian Government Islamic papers	**906,575**	726,589	**906,575**	726,589
AC financial assets				
Financing and receivables	**1,043,637**	1,056,551	**1,039,741**	1,051,988
Cash and cash equivalents	**630,693**	418,238	**541,636**	320,840
Retakaful certificates assets	**172,605**	367,254	**119,887**	305,099
	9,889,262	9,229,459	**9,615,521**	8,925,730

* This relates to perpetual sukuk which qualify as tier 1 capital instruments for the issuer under the capital adequacy framework for banking institutions. Refer to Note 2(c)(ii) for details of accounting policy.

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.4 Credit risk (continued)

Credit exposure

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
General Takaful				
FVTPL financial assets				
Equity - Unquoted*	**20,242**	5,072	**-**	-
FVOCI financial assets				
Islamic Debt Securities	**829,963**	706,127	**-**	-
Institutional Trust Account/ Islamic Deposits	**112,855**	110,560	**-**	-
Malaysian Government Islamic papers	**83,827**	85,977	**-**	-
AC financial assets				
Financing and receivables	**482,438**	563,694	**-**	-
Cash and cash equivalents	**153,707**	66,980	**-**	-
Retakaful certificates assets	**1,443,472**	1,183,954	**-**	-
	3,126,504	2,722,364	**-**	-

* This relates to perpetual sukuk which qualify as tier 1 capital instruments for the issuer under the capital adequacy framework for banking institutions. Refer to Note 2(c)(ii) for details of accounting policy.

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Group/ Company				
FVTPL financial assets				
Islamic Debt Securities	**252,168**	225,356	**89,079**	53,333
Equity - Unquoted*	**99,262**	111,405	**73,898**	90,383
FVOCI financial assets				
Islamic Debt Securities	**8,076,663**	7,748,277	**7,038,337**	6,713,561
Institutional Trust Account/ Islamic Deposits	**978,334**	749,114	**816,830**	596,545
Malaysian Government Islamic papers	**1,132,911**	1,015,256	**986,871**	883,738
AC financial assets				
Financing and receivables	**2,255,677**	2,438,291	**1,521,745**	1,646,799
Cash and cash equivalents	**1,166,307**	649,501	**863,328**	446,943
Retakaful certificates assets	**1,620,412**	1,553,657	**119,870**	305,122
	15,581,734	14,490,857	**11,509,958**	10,736,424

* This relates to perpetual sukuk which qualify as tier 1 capital instruments for the issuer under the capital adequacy framework for banking institutions. Refer to Note 2(c)(ii) for details of accounting policy.

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.4 Credit risk (continued)

Credit quality analysis

The following table presents an analysis of the credit quality of the financial instruments, and takaful and retakaful assets. The inputs, assumptions and techniques used for estimating the impairment are disclosed in Note 33.4.

	Group								
	AAA RM'000	AA RM'000	A RM'000	BBB RM'000	B RM'000	CCC RM'000	D RM'000	Not-rated RM'000	Total RM'000
2025									
Family Takaful									
FVTPL financial assets									
Islamic Debt Securities	54,828	28,560	43,175	-	1,186	714	-	78,688	207,151
Equity - Unquoted	-	73,898	-	-	-	-	-	-	73,898
FVOCI financial assets									
Islamic Debt Securities	2,135,268	2,122,658	67,063	-	29,654	-	4,725	1,813,756	6,173,124
Institutional Trust Account/ Islamic Deposits	-	284,304	397,275	-	-	-	-	-	681,579
Malaysian Government Islamic papers*	-	-	-	-	-	-	-	906,575	906,575
AC									
Financing and receivables	443,540	319,873	134,932	-	-	-	-	145,292	1,043,637
Cash and cash equivalents	135,791	123,583	4,008	-	-	-	-	367,311	630,693
Retakaful certificates assets	-	16,218	103,608	-	-	-	-	52,779	172,605
	2,769,427	2,969,094	750,061	-	30,840	714	4,725	3,364,401	9,889,262

* Malaysian Government Islamic papers are not rated by RAM but instead is rated A- based on Malaysia sovereign rating accorded by Standard & Poor.

** All the financial assets were categorised under stage 1, except for Islamic Debt Securities measured at FVOCI amounting to RM4.7 million (2024: RM14.0 million) were categorised under stage 3.

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.4 Credit risk (continued)

Credit quality analysis (continued)

	Group								
	AAA RM'000	AA RM'000	A RM'000	BBB RM'000	B RM'000	CCC RM'000	D RM'000	Not-rated RM'000	Total RM'000
2025									
General Takaful									
FVTPL financial assets									
Equity - Unquoted	-	-	20,242	-	-	-	-	-	20,242
FVOCI financial assets									
Islamic Debt Securities	352,118	378,721	15,300	-	-	-	788	83,036	829,963
Institutional Trust Account/ Islamic Deposits	-	64,165	48,690	-	-	-	-	-	112,855
Malaysian Government Islamic papers*	-	-	-	-	-	-	-	83,827	83,827
AC									
Financing and receivables	256,908	158,647	46,436	-	-	-	-	20,447	482,438
Cash and cash equivalents	10,393	14,247	-	-	-	-	-	129,067	153,707
Retakaful certificates assets	143,768	7,405	698,560	269	117,459	-	-	476,011	1,443,472
	763,187	623,185	829,228	269	117,459	-	788	792,388	3,126,504

* Malaysian Government Islamic papers are not rated by RAM but instead is rated A- based on Malaysia sovereign rating accorded by Standard & Poor.

** All the financial assets were categorised under stage 1, except for Islamic Debt Securities measured at FVOCI amounting to RM0.8 million (2024: RM2.2 million) were categorised under stage 3.

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.4 Credit risk (continued)

Credit quality analysis (continued)

	Group								
	AAA RM'000	AA RM'000	A RM'000	BBB RM'000	B RM'000	CCC RM'000	D RM'000	Not-rated RM'000	Total RM'000
2025									
Group									
FVTPL financial assets									
Islamic Debt Securities	63,376	31,995	60,487	-	1,186	714	-	94,410	252,168
Equity - Unquoted	-	73,898	25,364	-	-	-	-	-	99,262
FVOCI financial assets									
Islamic Debt Securities	2,892,177	3,028,626	92,530	-	32,829	-	5,513	2,024,988	8,076,663
Institutional Trust Account/ Islamic Deposits	-	446,913	531,421	-	-	-	-	-	978,334
Malaysian Government Islamic papers*	-	-	-	-	-	-	-	1,132,911	1,132,911
AC									
Financing and receivables	1,175,938	550,320	333,811	-	-	-	-	195,608	2,255,677
Cash and cash equivalents	329,227	192,572	19,813	-	-	-	-	624,695	1,166,307
Retakaful certificates assets	143,768	23,623	802,151	269	117,459	-	-	533,142	1,620,412
	4,604,486	4,347,947	1,865,577	269	151,474	714	5,513	4,605,754	15,581,734

* Malaysian Government Islamic papers are not rated by RAM but instead is rated A- based on Malaysia sovereign rating accorded by Standard & Poor.

** All the financial assets were categorised under stage 1, except for Islamic Debt Securities measured at FVTPL and FVOCI amounting to RM30.8 million (2024: RM30.6 million) were categorised under stage 2 and Islamic Debt Securities measured at FVOCI amounting to RM4.7 million for Family Takaful and RM0.8 million for General Takaful (2024: RM14.0 million for Family Takaful and RM2.2 million for General Takaful) were categorised under stage 3.

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.4 Credit risk (continued)

Credit quality analysis (continued)

	Group								
	AAA RM'000	AA RM'000	A RM'000	BBB RM'000	B RM'000	D RM'000	Not-rated RM'000	Unit-linked RM'000	Total RM'000
2024									
Family Takaful									
FVTPL financial assets									
Islamic Debt Securities	53,000	21,462	31,273	813	1,068	-	85,330	-	192,946
Equity - Unquoted	-	74,433	-	-	-	-	-	-	74,433
FVOCI financial assets									
Islamic Debt Securities	2,110,520	1,976,312	-	-	26,713	13,963	1,751,912	-	5,879,420
Institutional Trust Account/ Islamic Deposits	-	68,679	445,349	-	-	-	-	-	514,028
Malaysian Government Islamic papers*	-	-	-	-	-	-	726,589	-	726,589
AC									
Financing and receivables	372,601	356,145	192,613	-	-	-	134,869	323	1,056,551
Cash and cash equivalents	84,938	44,069	-	-	-	-	287,182	2,049	418,238
Retakaful certificates assets	-	-	36,680	-	-	-	330,574	-	367,254
	2,621,059	2,541,100	705,915	813	27,781	13,963	3,316,456	2,372	9,229,459

* Malaysian Government Islamic papers are not rated by RAM but instead is rated A- based on Malaysia sovereign rating accorded by Standard & Poor.

** All the financial assets were categorised under stage 1, except for Islamic Debt Securities measured at FVOCI amounting to RM14.0 million (2023: RM17.5 million) were categorised under stage 3.

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.4 Credit risk (continued)

Credit quality analysis (continued)

	Group								
	AAA RM'000	**AA RM'000**	**A RM'000**	**BBB RM'000**	**B RM'000**	**D RM'000**	**Not-rated RM'000**	**Unit-linked RM'000**	**Total RM'000**
2024									
General Takaful									
FVTPL									
Equity - Unquoted	-	-	5,072	-	-	-	-	-	5,072
FVOCI financial assets									
Islamic Debt Securities	320,661	315,543	-	-	-	2,204	67,719	-	706,127
Institutional Trust Account/ Islamic Deposits	-	34,340	76,220	-	-	-	-	-	110,560
Malaysian Government Islamic papers*	-	-	-	-	-	-	85,977	-	85,977
AC									
Financing and receivables	264,688	228,967	48,247	-	-	-	21,792	-	563,694
Cash and cash equivalents	1,424	6,355	-	-	-	-	59,201	-	66,980
Retakaful certificates assets	147,308	29,705	623,603	102,573	-	-	280,765	-	1,183,954
	734,081	614,910	753,142	102,573	-	2,204	515,454	-	2,722,364

* Malaysian Government Islamic papers are not rated by RAM but instead is rated A- based on Malaysia sovereign rating accorded by Standard & Poor.

** All the financial assets were categorised under stage 1, except for Islamic Debt Securities measured at FVOCI amounting to RM2.2 million (2023: RM2.2 million) were categorised under stage 3.

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.4 Credit risk (continued)

Credit quality analysis (continued)

	Group								
	AAA RM'000	**AA RM'000**	**A RM'000**	**BBB RM'000**	**B RM'000**	**D RM'000**	**Not-rated RM'000**	**Unit-linked RM'000**	**Total RM'000**
2024									
Group									
FVTPL financial assets									
Islamic Debt Securities	63,547	25,065	32,110	813	1,068	-	102,753	-	225,356
Equity - Unquoted	-	106,333	5,072	-	-	-	-	-	111,405
FVOCI financial assets									
Islamic Debt Securities	2,887,101	2,842,556	-	-	29,564	16,167	1,972,889	-	7,748,277
Institutional Trust Account/ Islamic Deposits	-	147,170	601,944	-	-	-	-	-	749,114
Malaysian Government Islamic papers*	-	-	-	-	-	-	1,015,256	-	1,015,256
AC									
Financing and receivables	909,267	946,779	391,152	-	-	-	190,770	323	2,438,291
Cash and cash equivalents	169,585	51,775	3,432	-	-	-	422,660	2,049	649,501
Retakaful certificates assets	147,308	29,705	660,283	102,573	-	-	613,788	-	1,553,657
	4,176,808	4,149,383	1,693,993	103,386	30,632	16,167	4,318,116	2,372	14,490,857

* Malaysian Government Islamic papers are not rated by RAM but instead is rated A- based on Malaysia sovereign rating accorded by Standard & Poor.

** All the financial assets were categorised under stage 1, except for Islamic Debt Securities measured at FVTPL and FVOCI amounting to RM30.6 million (2023: RM29.3 million) were categorised under stage 2 and Islamic Debt Securities measured at FVOCI amounting to RM14.0 million for Family Takaful and RM2.2 million for General Takaful (2023: RM17.5 million for Family Takaful and RM2.2 million for General Takaful) were categorised under stage 3.

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.4 Credit risk (continued)

Credit quality analysis (continued)

	Company						
	AAA RM'000	AA RM'000	A RM'000	B RM'000	D RM'000	Not-rated RM'000	Total RM'000
2025							
Family Takaful							
FVTPL financial assets							
Islamic Debt Securities	10,549	20,740	40,731	1,186	-	5,875	79,081
Equity - Unquoted	-	73,898	-	-	-	-	73,898
FVOCI financial assets							
Islamic Debt Securities	2,135,268	2,122,658	67,063	29,654	4,725	1,813,756	6,173,124
Institutional Trust Account/ Islamic Deposits	-	284,304	397,275	-	-	-	681,579
Malaysian Government Islamic papers*	-	-	-	-	-	906,575	906,575
AC							
Financing and receivables	443,540	319,873	134,932	-	-	141,396	1,039,741
Cash and cash equivalents	135,791	123,583	4,008	-	-	278,254	541,636
Retakaful certificates assets	-	16,218	103,608	-	-	61	119,887
	2,725,148	2,961,274	747,617	30,840	4,725	3,145,917	9,615,521

* Malaysian Government Islamic papers are not rated by RAM but instead is rated A- based on Malaysia sovereign rating accorded by Standard & Poor.

** All the financial assets were categorised under stage 1, except for Islamic Debt Securities measured at FVOCI amounting to RM4.7 million (2024: RM14.0 million) were categorised under stage 3.

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.4 Credit risk (continued)

Credit quality analysis (continued)

	Company						
	AAA RM'000	AA RM'000	A RM'000	B RM'000	D RM'000	Not-rated RM'000	Total RM'000
2025							
Company							
FVTPL financial assets							
Islamic Debt Securities	10,549	20,740	50,729	1,186	-	5,875	89,079
Equity - Unquoted	-	73,898	-	-	-	-	73,898
FVOCI financial assets							
Islamic Debt Securities	2,427,371	2,429,637	72,133	32,829	4,725	2,071,642	7,038,337
Institutional Trust Account/ Islamic Deposits	-	362,961	453,869	-	-	-	816,830
Malaysian Government Islamic papers*	-	-	-	-	-	986,871	986,871
AC							
Financing and receivables	710,161	378,523	267,159	-	-	165,902	1,521,745
Cash and cash equivalents	308,089	178,201	9,211	-	-	367,827	863,328
Retakaful certificates assets	-	16,218	103,591	-	-	61	119,870
	3,456,170	3,460,178	956,692	34,015	4,725	3,598,178	11,509,958

* Malaysian Government Islamic papers are not rated by RAM but instead is rated A- based on Malaysia sovereign rating accorded by Standard & Poor.

** All the financial assets were categorised under stage 1, except for Islamic Debt Securities measured at FVTPL and FVOCI amounting to RM34.0 million (2024: RM30.6 million) were categorised under stage 2 and Islamic Debt Securities measured at FVOCI amounting to RM4.7 million (2024: RM14.0 million) were categorised under stage 3.

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.4 Credit risk (continued)

Credit quality analysis (continued)

	Company						
	AAA RM'000	AA RM'000	A RM'000	B RM'000	D RM'000	Not-rated RM'000	Total RM'000
2024							
Family Takaful							
FVTPL financial assets							
Islamic Debt Securities	5,524	10,536	30,434	1,068	-	5,771	53,333
Equity - Unquoted	-	74,433	-	-	-	-	74,433
FVOCI financial assets							
Islamic Debt Securities	2,110,520	1,976,312	-	26,713	13,963	1,751,912	5,879,420
Institutional Trust Account/ Islamic Deposits	-	68,679	445,349	-	-	-	514,028
Malaysian Government Islamic papers*	-	-	-	-	-	726,589	726,589
AC							
Financing and receivables	372,601	356,145	192,613	-	-	130,629	1,051,988
Cash and cash equivalents	84,938	44,069	-	-	-	191,833	320,840
Retakaful certificates assets	-	-	36,680	-	-	268,419	305,099
	2,573,583	2,530,174	705,076	27,781	13,963	3,075,153	8,925,730

* Malaysian Government Islamic papers are not rated by RAM but instead is rated A- based on Malaysia sovereign rating accorded by Standard & Poor.

** All the financial assets were categorised under stage 1, except for Islamic debt securities measured at FVOCI amounting to RM14.0 million (2023: RM17.5 million) were categorised under stage 3.

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.4 Credit risk (continued)

Credit quality analysis (continued)

	Company						
	AAA RM'000	AA RM'000	A RM'000	B RM'000	D RM'000	Not-rated RM'000	Total RM'000
2024							
Company							
FVTPL financial assets							
Islamic Debt Securities	5,524	10,536	30,434	1,068	-	5,771	53,333
Equities - Unquoted	-	90,383	-	-	-	-	90,383
FVOCI financial assets							
Islamic Debt Securities	2,469,118	2,317,475	-	29,564	13,963	1,883,441	6,713,561
Institutional Trust Account/ Islamic Deposits	-	98,113	498,432	-	-	-	596,545
Malaysian Government Islamic papers*	-	-	-	-	-	883,738	883,738
AC							
Financing and receivables	557,720	631,489	294,178	-	-	163,412	1,646,799
Cash and cash equivalents	166,296	45,420	-	-	-	235,227	446,943
Retakaful certificates assets	-	-	36,680	-	-	268,442	305,122
	3,198,658	3,193,416	859,724	30,632	13,963	3,440,031	10,736,424

* Malaysian Government Islamic papers are not rated by RAM but instead is rated A- based on Malaysia sovereign rating accorded by Standard & Poor.

** All the financial assets were categorised under stage 1, except for Islamic debt securities measured at FVTPL and FVOCI amounting to RM30.6 million (2023: RM29.3 million) were categorised under stage 2 and Islamic debt securities measured at FVOCI amounting to RM14.0 million (2024: RM17.5 million) were categorised under stage 3.

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.4 Credit risk (continued)

Allowance for impairment

The following tables show reconciliations from the opening balance to the closing balance of the allowance for impairment by class of financial instruments:

	2025					2024				
	12-month ECL			Lifetime		12-month ECL			Lifetime	
	Islamic Debts Securities RM'000	Institutional Trust Account RM'000	Fixed and call deposits RM'000	ECL Financing receivables RM'000	Total RM'000	Islamic Debts Securities RM'000	Institutional Trust Account RM'000	Fixed and call deposits RM'000	ECL Financing receivables RM'000	Total RM'000
Family Takaful										
As at 1 January	**23,047**	**143**	**-**	**-**	**23,190**	26,454	135	-	-	26,589
Net impairment loss on financial instruments	**6,057**	**17**	**-**	**-**	**6,074**	(3,407)	8	-	-	(3,399)
As at 31 December	**29,104**	**160**	**-**	**-**	**29,264**	23,047	143	-	-	23,190
General Takaful										
As at 1 January	**3,886**	**5**	**-**	**-**	**3,891**	4,056	1	-	-	4,057
Net impairment loss on financial instruments	**253**	**1**	**-**	**-**	**254**	(170)	4	-	-	(166)
As at 31 December	**4,139**	**6**	**-**	**-**	**4,145**	3,886	5	-	-	3,891
Group										
As at 1 January	**30,354**	**(79)**	**-**	**158**	**30,433**	33,853	(96)	-	168	33,925
Net impairment loss on financial instruments	**5,390**	**23**	**-**	**-**	**5,413**	(3,499)	17	-	-	(3,482)
Effect of movement in exchange rates	**-**	**-**	**-**	**(143)**	**(143)**	-	-	-	(10)	(10)
As at 31 December	**35,744**	**(56)**	**-**	**15**	**35,703**	30,354	(79)	-	158	30,433

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.4 Credit risk (continued)

Allowance for impairment (continued)

The following tables show reconciliations from the opening balance to the closing balance of the allowance for impairment by class of financial instruments (continued):

	2025					2024				
	12-month ECL			Lifetime ECL		12-month ECL			Lifetime ECL	
	Islamic Debts Securities RM'000	Institutional Trust Account RM'000	Fixed and call deposits RM'000	Financing receivables RM'000	Total RM'000	Islamic Debts Securities RM'000	Institutional Trust Account RM'000	Fixed and call deposits RM'000	Financing receivables RM'000	Total RM'000
Family Takaful										
As at 1 January	**23,047**	**143**	**-**	**-**	**23,190**	26,454	135	-	-	26,589
Net impairment loss on financial instruments	**6,057**	**17**	**-**	**-**	**6,074**	(3,407)	8	-	-	(3,399)
As at 31 December	**29,104**	**160**	**-**	**-**	**29,264**	23,047	143	-	-	23,190
Company										
As at 1 January	**26,278**	**5**	**-**	**15**	**26,298**	29,604	(6)	-	15	29,613
Net impairment loss on financial instruments	**5,125**	**21**	**-**	**-**	**5,146**	(3,326)	11	-	-	(3,315)
As at 31 December	**31,403**	**26**	**-**	**15**	**31,444**	26,278	5	-	15	26,298

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.4 Credit risk (continued)

Input, assumptions and techniques used for estimating impairment

Measurement of ECL

The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an assets is considered to be credit-impaired.

The key inputs into the measurement of ECL are the term structures of the following variables:

- probability of default ("PD");
- loss given default ("LGD"); and
- exposure at default ("EAD").

PD represents the likelihood of a counterparty defaulting on its financial obligation, either over the next 12 months, or over the remaining lifetime of the obligation. To determine 12-month PDs, the Group and Company use the PD table supplied by reputable rating agency based on the default history of obligors with the same credit rating. The Group and the Company adopt the same approach for unrated investments by mapping its internal risk grades to the equivalent external credit ratings. Changes in the rating for a counterparty or exposure lead to a change in the estimate of the associated PD.

LGD is the amount or the percentage of an outstanding claim on the counterparty that is not likely to be recovered in the event of a default. LGD varies by type of counterparty, type and seniority of claim and available of collateral or other credit support.

EAD is the Group’s and the Company’s gross credit exposure to the counterparty at the time of default.

Forward-looking information is considered in determining the PD, EAD and LGD.

For ECL modelled on a collective basis, a grouping of exposures is perform on the basis of shared risks characteristics, such as risk exposure within a group are homogeneous. The characteristics and any data used to determine the groupings includes:

- instrument type;
- credit rating band;
- type and seniority of claim; and
- class of business.

The appropriateness of groupings is monitored and reviewed on a periodic basis by credit control team.

The Group and the Company have elected to measure the impairment losses for receivables at an amount equal to lifetime ECLs. The Group and the Company use an allowance matrix to measure ECLs of receivables. Loss rates are calculated using a "roll rate" method based on the probability of receivable. The loss rates are based on actual credit loss experience over the past three years.

Definition of default and credit-impaired assets

The Group and the Company consider a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group and the Company in full, without recourse by the Group and the Company to action such as realising security (if any is held). The Group and the Company define a financial asset as in default when it meets one or more of the following criteria:

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.4 Credit risk (continued)

Input, assumptions and techniques used for estimating impairment (continued)

Definition of default and credit-impaired assets (continued)

Quantitative criteria

The counterparty is overdue or non-payment on its contractual payments.

Qualitative criteria

The counterparty meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. These are instances where:

- the counterparty is insolvent or in breach of financial covenants;
- an active market for that financial asset has disappeared because of financial difficulty;
- it is becoming probable that the counterparty will enter bankruptcy; or
- financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

Significant increase in credit risk

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. The Group and the Company consider a financial instrument to have experience a significant increase in credit risk when one or more of the following quantitative and qualitative criteria have been met, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information.

Quantitative criteria

The remaining lifetime PD at the reporting date has increased.

Qualitative criteria

- A drop in the credit rating or rating placed on Negative Rating Watch.
- Deterioration in financials, i.e. profit margins, negative cash flow, rising debt and inventory levels, hence increasing probability of default.
- The counterparty is in breach of financial covenants.
- Significant adverse changes in business, financial and/ or economic conditions.
- Rescheduling/ restructuring or variation to existing terms.

Whenever available, the Group and the Company monitor changes in credit risk by tracking published external credit ratings. The Group and the Company also perform a regular internal review on the creditworthiness of the counterparty based on the latest quantitative and qualitative data.

Where external ratings are not available, the Group and the Company allocate each exposure to an internal credit risk grade. The internal credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default and benchmarked against external credit rating from reputable rating agencies.

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.4 Credit risk (continued)

Input, assumptions and techniques used for estimating impairment (continued)

Significant increase in credit risk (continued)

<u>Qualitative criteria (continued)</u>

Lifetime ECLs measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECLs measurement applies if it has not. An entity may determine that a financial asset's credit risk has not increased significantly if the asset has low credit risk at the reporting date.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group and the Company are exposed to credit risk. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group and the Company expect to receive). ECLs are discounted at the effective profit rate of the financial asset.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and Islamic Debt Securities at FVOCI are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

33.5 Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting obligations associated with financial instruments. In respect of catastrophic events, there is also a liquidity risk associated with the timing differences between gross cash outflows and expected retakaful recoveries.

The following policies and procedures are in place to mitigate the Group's and the Company's exposure to liquidity risk:

- The Group and the Company-wide liquidity risk policy setting out the evaluation and determination of the components of liquidity risk of the Group and the Company. Compliance with the policy is monitored and reported monthly and exposures and breaches are reported to the Group's and the Company's Risk Management Committee as soon as practicable. The policy is regularly reviewed for pertinence and for changes in the risk environment.

- Setting up guidelines on asset allocations, portfolio limit structures and maturity profiles of assets, in order to ensure sufficient funding is available to meet takaful and investment certificates obligations.

- Setting up contingency funding plans which specify minimum proportions of funds to meet emergency calls as well as specifying events that would trigger such plans. This includes signing of SBBA and an agreement governing Collateralised Murabahah Arrangement with selected banks to ensure smooth and timely process of securing a liquidity facility should the need arises.

- The Group's and the Company's catastrophe excess of loss retakaful certificates contains clauses permitting the immediate draw down of funds to meet claims payments should claims events exceed certain amount.

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.5 Liquidity risk (continued)

Maturity profiles

The table below summarises the maturity profile of takaful and retakaful certificates liabilities of the Group and the Company which is based on discounted cash flows, while the maturity profile for subordinated sukuk and other payables is determined based on estimated timing of contractual undiscounted cash outflows. Takaful and retakaful certificates liabilities, comprises of LFIC (excluding risk adjustment), ARIC (excluding risk adjustment), AFRC (excluding PAA) and LFRC (excluding PAA, risk adjustment and CSM).

	Group							
	Carrying value RM'000	Within 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
2025								
Family Takaful								
Takaful certificates liabilities	11,690,807	3,023,818	961,265	807,059	682,559	579,557	5,636,549	11,690,807
Retakaful certificate liabilities	(53,210)	(53,210)	-	-	-	-	-	(53,210)
Other payables	130,052	128,210	-	-	-	-	1,842	130,052
Total liabilities	11,767,649	3,098,818	961,265	807,059	682,559	579,557	5,638,391	11,767,649
General Takaful								
Takaful certificates liabilities	2,457,998	1,060,664	359,222	200,634	98,736	42,326	696,416	2,457,998
Retakaful certificate liabilities	55,903	154,469	(758)	(455)	(227)	(89)	(97,037)	55,903
Other payables	52,515	52,394	-	-	-	-	121	52,515
Total liabilities	2,566,416	1,267,527	358,464	200,179	98,509	42,237	599,500	2,566,416
Group								
Lease liabilities[1]	936	449	416	131	-	-	-	996
Takaful certificates liabilities	12,758,189	3,874,924	1,148,803	866,437	663,983	523,557	5,680,485	12,758,189
Retakaful certificate liabilities	3,552	102,118	(758)	(455)	(227)	(89)	(97,037)	3,552
Subordinated sukuk	504,932	19,150	19,150	19,202	19,150	19,150	590,818	686,620
Other payables	484,447	482,221	-	-	-	-	2,226	484,447
Total liabilities	13,752,056	4,478,862	1,167,611	885,315	682,906	542,618	6,176,492	13,933,804

[1] *The profit rate of the lease at the end of the financial year 6.34% to 6.50% per annum.*

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.5 Liquidity risk (continued)

Maturity profiles (continued)

	Group							
	Carrying value RM'000	Within 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
2024								
Family Takaful								
Takaful certificates liabilities	10,620,612	3,109,984	925,462	774,315	658,443	560,730	4,591,678	10,620,612
Retakaful certificate liabilities	4,114	4,114	-	-	-	-	-	4,114
Other payables	113,519	111,667	-	-	-	-	1,852	113,519
Total liabilities	10,738,245	3,225,765	925,462	774,315	658,443	560,730	4,593,530	10,738,245
General Takaful								
Takaful certificates liabilities	2,155,710	908,471	318,844	187,461	90,097	40,518	610,319	2,155,710
Retakaful certificate liabilities	65,571	160,224	(2,239)	(1,403)	(693)	(294)	(90,024)	65,571
Other payables	25,023	24,906	-	-	-	-	117	25,023
Total liabilities	2,246,304	1,093,601	316,605	186,058	89,404	40,224	520,412	2,246,304
Group								
Lease liabilities[1]	1,153	(457)	146	147	437	641	313	1,227
Takaful certificates liabilities	12,174,663	3,916,963	1,170,223	901,691	699,282	560,822	4,925,682	12,174,663
Retakaful certificate liabilities	70,483	165,136	(2,239)	(1,403)	(693)	(294)	(90,024)	70,483
Other payables	380,702	378,470	-	-	-	-	2,232	380,702
Total liabilities	12,627,001	4,460,112	1,168,130	900,435	699,026	561,169	4,838,203	12,627,075

[1] *The profit rate of the lease at the end of the financial year 6.34% to 6.50% per annum.*

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.5 Liquidity risk (continued)

Maturity profiles (continued)

	Company							
	Carrying value RM'000	Within 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
2025								
Family Takaful								
Takaful certificates liabilities	11,354,839	2,687,850	961,265	807,059	682,559	579,557	5,636,549	11,354,839
Retakaful certificate liabilities	(57,704)	(57,704)	-	-	-	-	-	(57,704)
Other payables	129,585	127,743	-	-	-	-	1,842	129,585
Total liabilities	11,426,720	2,757,889	961,265	807,059	682,559	579,557	5,638,391	11,426,720
Company								
Lease liabilities[1]	420	245	202	-	-	-	-	447
Takaful certificates liabilities	9,964,672	2,478,381	789,941	665,803	565,247	481,231	4,984,069	9,964,672
Retakaful certificate liabilities	(57,704)	(57,704)	-	-	-	-	-	(57,704)
Subordinated sukuk	504,932	19,150	19,150	19,202	19,150	19,150	590,818	686,620
Other payables	433,866	431,761	-	-	-	-	2,105	433,866
Total liabilities	10,846,186	2,871,833	809,293	685,005	584,397	500,381	5,576,992	11,027,901

[1] *The profit rate of the lease at the end of the financial year 6.34% to 6.50% per annum.*

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.5 Liquidity risk (continued)

Maturity profiles (continued)

	Company							
	Carrying value RM'000	Within 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
2024								
Family Takaful								
Takaful certificates liabilities	10,255,606	2,744,978	925,462	774,315	658,443	560,730	4,591,678	10,255,606
Retakaful certificate liabilities	11	11	-	-	-	-	-	11
Other payables	113,246	111,394	-	-	-	-	1,852	113,246
Total liabilities	10,368,863	2,856,383	925,462	774,315	658,443	560,730	4,593,530	10,368,863
Company								
Lease liabilities[1]	757	(457)	26	18	300	606	313	806
Takaful certificates liabilities	9,666,230	2,655,049	852,099	714,230	609,185	520,304	4,315,363	9,666,230
Retakaful certificate liabilities	11	11	-	-	-	-	-	11
Other payables	331,598	329,483	-	-	-	-	2,115	331,598
Total liabilities	9,998,596	2,984,086	852,125	714,248	609,485	520,910	4,317,791	9,998,645

[1] *The profit rate of the lease at the end of the financial year 6.34% to 6.50% per annum.*

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.6 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three (3) types of risk - foreign exchange rates (Currency risk), market profit yields (Profit Yield risk) and market prices (Price risk).

The key features of the Group's and the Company's market risk management practices and policies are as follows:

- A Group and the Company-wide market risk policy setting out the evaluation and determination of components of market risk for the Group and the Company. Compliance with the policy is monitored and reported monthly to the Risk Management Committee ("RMC") and exposures and breaches are reported as soon as practicable.

- Set asset allocation, portfolio limit structure and diversification benchmark to ensure that assets back specific certificate liabilities and that assets are held to deliver income and gains for certificate holders in line with terms of the respective certificates expectations of policies. The Group's and the Company's policies on asset allocation, portfolio limit structure and diversification benchmark have been set in line with Group's and Company's risk management policy after taking cognisance of the regulatory requirements in respect of maintenance of assets and solvency.

The Group and the Company also issue unit-linked investment certificates. In the unit-linked business, the certificate holders bear investment risk on the assets held in the unit-linked funds as the certificate benefits are directly linked to value of the assets in the funds. The Group's and Company's exposure to market risk on this business is limited to the extent that income arising from asset management charges is based on the value of the assets in the funds.

33.7 Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group's and the Company's primary transactions are carried out in Ringgit Malaysia ("RM") and its exposure to foreign exchange risk arises principally with respect to Indonesia Rupiah ("Rp").

As the Group's and Company's business is conducted primarily in Malaysia, the Group's and the Company's financial assets are also primarily maintained in Malaysia as required under the Islamic Financial Services Act 2013, and hence, primarily denominated in the same currency (the local RM) as its takaful and investment certificate liabilities. Accordingly, the main foreign exchange risk from recognised assets and liabilities arises from transactions other than those in which takaful and investment certificate liabilities are expected to be settled.

As the Group's and the Company's main foreign exchange risk from recognised assets and liabilities arises from retakaful transactions for which the balances are expected to be settled and realised in less than a year, the impact arising from sensitivity in foreign exchange rates is deemed minimal as the Group and the Company has no significant concentration of foreign currency risk.

The Group's and the Company's exposure to currency risk is immaterial in the context of the financial statements.

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.8 Profit yield risk

Profit yield risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market profit yield.

Floating yield instruments expose the Group and the Company to cash flow risk, whereas fixed yield instruments expose the Group and the Company to fair value risk.

Risk management objectives, policies and processes for managing the risk

The Group's and the Company's profit risk policy requires Management to manage the risk by maintaining an appropriate mix of fixed yield instruments. The policy also requires Management to manage the maturities of profit-bearing financial assets and liabilities. Floating yield instruments will be re-priced at intervals of not more than one (1) year. Profit on fixed yield instruments is priced at inception of the financial instrument and is fixed until maturity.

Exposure to profit yield risk

The profit yield profile of the Group's and the Company's significant profit-bearing financial instruments, and takaful and retakaful certificates, based on carrying amounts as at the end of the reporting period is as follows:

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Family Takaful				
Fixed rate instruments				
FVTPL financial assets	**207,151**	192,946	**79,081**	53,333
FVOCI financial assets	**7,761,278**	7,120,037	**7,761,278**	7,120,037
Retakaful certificate held	**44,174**	70,512	**44,174**	70,512
Takaful certificate issued	**(9,395,665)**	(8,560,678)	**(9,395,665)**	(8,560,678)
	(1,383,062)	(1,177,183)	**(1,511,132)**	(1,316,796)
General Takaful				
Fixed rate instruments				
FVTPL financial assets	**20,242**	5,072	**-**	-
FVOCI financial assets	**1,026,645**	902,664	**-**	-
	1,046,887	907,736	**-**	-
Group/ Company				
Fixed rate instruments				
FVTPL financial assets	**252,168**	225,356	**89,079**	53,333
FVOCI financial assets	**10,187,908**	9,512,647	**8,842,038**	8,193,844
Retakaful certificate held	**44,157**	70,534	**44,157**	70,534
Takaful certificate issued	**(10,364,425)**	(9,554,884)	**(10,364,425)**	(9,554,884)
	119,808	253,653	**(1,389,151)**	(1,237,173)

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.8 Profit yield risk (continued)

Exposure to profit yield risk (continued)

The Group and the Company have no significant concentration of profit yield risk.

A change of 50 or 100 basis points in profit rates at the end of the reporting period would have increased/ (decreased) contractual service margin, profit before tax and equity by the amounts shown below. This analysis assumes that all other variables remain constant.

		Group		
	Change in variables	Impact on profit before tax RM'000	Impact on profit after tax RM'000	Impact on equity* RM'000
2025				
Family Takaful				
FVTPL financial assets	+50bps	(767)	-	-
FVTPL financial assets	-50bps	801	-	-
General Takaful				
FVTPL financial assets	+50bps	(436)	-	-
Retakaful certificate assets	+100bps	(3,541)	-	-
Takaful certificate liabilities	+100bps	5,592	-	-
		1,615	-	-
FVTPL financial assets	-50bps	436	-	-
Retakaful certificate assets	-100bps	3,541	-	-
Takaful certificate liabilities	-100bps	(5,592)	-	-
		(1,615)	-	-
Group				
FVTPL financial assets	+50bps	(2,602)	(959)	(959)
FVOCI financial assets	+50bps	-	-	(36,321)
Retakaful certificate assets	+100bps	(3,541)	-	-
Takaful certificate liabilities	+50bps & 100bps	7,794	1,006	1,006
		1,651	47	(36,274)
FVTPL financial assets	-50bps	3,025	1,160	1,160
FVOCI financial assets	-50bps	-	-	38,988
Retakaful certificate assets	-100bps	3,541	-	-
Takaful certificate liabilities	-50bps & 100bps	(7,786)	(1,039)	(1,035)
		(1,220)	121	39,113

* impact on equity reflects adjustments for tax, when applicable.

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.8 Profit yield risk (continued)

Exposure to profit yield risk (continued)

		Group		
	Change in variables	Impact on profit before tax RM'000	Impact on profit after tax RM'000	Impact on equity* RM'000
2024				
Family Takaful				
FVTPL financial assets	+50bps	(576)	-	-
FVTPL financial assets	-50bps	583	-	-
General Takaful				
FVTPL financial assets	+50bps	(25)	-	-
Retakaful certificate assets	+100bps	(3,247)	-	-
Takaful certificate liabilities	+100bps	5,020	-	-
		1,748	-	-
FVTPL financial assets	-50bps	25	-	-
Retakaful certificate assets	-100bps	3,247	-	-
Takaful certificate liabilities	-100bps	(5,020)	-	-
		(1,748)	-	-
Group				
FVTPL financial assets	+50bps	(554)	(36)	(36)
FVOCI financial assets	+50bps	-	-	(34,992)
Retakaful certificate assets	+100bps	(3,247)	-	-
Takaful certificate liabilities	+50bps & 100bps	9,289	1,439	1,439
		5,488	1,403	(33,589)
FVTPL financial assets	-50bps	559	35	35
FVOCI financial assets	-50bps	-	-	37,283
Retakaful certificate assets	-100bps	(3,247)	-	-
Takaful certificate liabilities	-50bps & 100bps	(9,289)	(1,482)	(1,482)
		(11,977)	(1,447)	35,836

* impact on equity reflects adjustments for tax, when applicable.

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.8 Profit yield risk (continued)

Exposure to profit yield risk (continued)

		Company		
	Change in variables	Impact on profit before tax RM'000	Impact on profit after tax RM'000	Impact on equity* RM'000
2025				
Family Takaful				
FVTPL financial assets	**+50bps**	**(338)**	**-**	**-**
FVTPL financial assets	**-50bps**	**372**	**-**	**-**
Company				
FVTPL financial assets	**+50bps**	**(1,433)**	**(832)**	**(832)**
FVOCI financial assets	**+50bps**	**-**	**-**	**(27,638)**
Takaful certificate liabilities	**+50bps**	**2**	**478**	**478**
		(1,431)	**(354)**	**(27,992)**
FVTPL financial assets	**-50bps**	**1,729**	**1,031**	**1,031**
FVOCI financial assets	**-50bps**	**-**	**-**	**29,627**
Takaful certificate liabilities	**-50bps**	**6**	**(511)**	**(507)**
		1,735	**520**	**30,151**
2024				
Family Takaful				
FVTPL financial assets	+50bps	(215)	-	-
FVTPL financial assets	-50bps	222	-	-
Company				
FVTPL financial assets	+50bps	(394)	(136)	(136)
FVOCI financial assets	+50bps	-	-	(28,295)
Takaful certificate liabilities	+50bps	1	415	415
		(393)	279	(28,016)
FVTPL financial assets	-50bps	404	138	138
FVOCI financial assets	-50bps	-	-	30,263
Takaful certificate liabilities	-50bps	(1)	(458)	(458)
		403	(320)	29,943

* impact on equity reflects adjustments for tax, when applicable.

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.9 Other price risk

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit yield 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 and the Company's equity price risk exposure relates to financial assets whose values will fluctuate as a result of changes in market prices (excluding those investment securities held for the account of unit-linked business).

Risk management objectives, policies and processes for managing the risk

The Group's and the Company's price risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments, diversification plans, limits on investments in each country, sector, market and issuer, having regard also to such limits stipulated by BNM. The Group and the Company comply with BNM stipulated limits during the financial year and have no significant concentration of price risk.

Equity price 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 profit before tax, profit after tax and equity. The correlation of variables will have a significant effect in determining the ultimate impact on price risk, but to demonstrate the impact due to changes in variables, variables had to be changed on individual basis. It should be noted that movements in these variables are non-linear.

		Group		
	Change in variables	Impact on profit before tax RM'000	Impact on profit after tax RM'000	Impact on equity* RM'000
2025				
Family Takaful				
Market price	**+15%**	**7,877**	**-**	**-**
Market price	**-15%**	**(7,877)**	**-**	**-**
Group				
Market price	**+15%**	**11,050**	**2,355**	**2,355**
Market price	**-15%**	**(11,050)**	**(2,355)**	**(2,355)**
2024				
Family Takaful				
Market price	+15%	7,630	-	-
Market price	-15%	(7,630)	-	-
Group				
Market price	+15%	10,953	2,503	2,503
Market price	-15%	(10,953)	(2,503)	(2,503)

* impact on equity reflects adjustments for tax, when applicable.

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.9 Other price risk (continued)

Equity price risk sensitivity analysis (continued)

		Company		
	Change in variables	Impact on profit before tax RM'000	Impact on profit after tax RM'000	Impact on equity* RM'000
2025				
Family Takaful				
Market price	**+15%**	**7,778**	**-**	**-**
Market price	**-15%**	**(7,778)**	**-**	**-**
Company				
Market price	**+15%**	**10,877**	**2,355**	**2,355**
Market price	**-15%**	**(10,877)**	**(2,355)**	**(2,355)**
2024				
Family Takaful				
Market price	+15%	7,655	-	-
Market price	-15%	(7,655)	-	-
Company				
Market price	+15%	10,949	2,503	2,503
Market price	-15%	(10,949)	(2,503)	(2,503)

* impact on equity reflects adjustments for tax, when applicable.

33.10 Fair value information

The carrying amounts of cash and cash equivalents, and short-term receivables and payables reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

It was not practicable to estimate the fair value of the Group's and the Company's investment in unquoted shares due to the lack of comparable quoted market prices in an active market and the fair value cannot be reliably measured. Please refer to the respective note for the fair values of other financial assets and liabilities, together with the carrying amounts shown in the statements of financial position.

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.10 Fair value information (continued)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Group						
	Fair value of financial instruments						
	carried at fair value				not carried at fair value		
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 2 RM'000	Total fair value RM'000	Carrying amount RM'000
2025							
Family Takaful							
Financial assets							
Equity securities	522,123	73,898	-	596,021	-	596,021	596,021
Unit trusts	153,039	32,769	-	185,808	-	185,808	185,808
Institutional Trust Account/ Islamic Deposits	-	-	681,579	681,579	-	681,579	681,579
Islamic Debt Securities	128,070	6,252,205	-	6,380,275	-	6,380,275	6,380,275
Malaysian Government Islamic papers	-	906,575	-	906,575	-	906,575	906,575
	803,232	7,265,447	681,579	8,750,258	-	8,750,258	8,750,258
General Takaful							
Financial assets							
Equity securities	-	20,242	-	20,242	-	20,242	20,242
Institutional Trust Account/ Islamic Deposits	-	-	112,855	112,855	-	112,855	112,855
Islamic Debt Securities	-	829,963	-	829,963	-	829,963	829,963
Malaysian Government Islamic papers	-	83,827	-	83,827	-	83,827	83,827
	-	934,032	112,855	1,046,887	-	1,046,887	1,046,887
Group							
Financial assets							
Equity securities	542,131	99,262	-	641,393	-	641,393	641,393
Unit trusts	154,071	37,109	-	191,180	-	191,180	191,180
Institutional Trust Account/ Islamic Deposits	-	-	978,334	978,334	-	978,334	978,334
Islamic Debt Securities	158,090	8,170,741	-	8,328,831	-	8,328,831	8,328,831
Malaysian Government Islamic papers	-	1,132,911	-	1,132,911	-	1,132,911	1,132,911
	854,292	9,440,023	978,334	11,272,649	-	11,272,649	11,272,649
Financial liabilities							
Subordinated Sukuk	-	-	-	-	500,665	500,665	504,932

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.10 Fair value information (continued)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position (continued).

	Group						
	Fair value of financial instruments						
	carried at fair value				not carried at fair value		
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 2 RM'000	Total fair value RM'000	Carrying amount RM'000
2024							
Family Takaful							
Financial assets							
Equity securities	537,157	74,433	-	611,590	-	611,590	611,590
Unit trusts	133,353	27,887	-	161,240	-	161,240	161,240
Institutional Trust Account/ Islamic Deposits	-	-	514,028	514,028	-	514,028	514,028
Islamic Debt Securities	139,613	5,932,753	-	6,072,366	-	6,072,366	6,072,366
Malaysian Government Islamic papers	-	726,589	-	726,589	-	726,589	726,589
	810,123	6,761,662	514,028	8,085,813	-	8,085,813	8,085,813
General Takaful							
Financial assets							
Equity securities	-	5,072	-	5,072	-	5,072	5,072
Institutional Trust Account/ Islamic Deposits	-	-	110,560	110,560	-	110,560	110,560
Islamic Debt Securities	-	706,127	-	706,127	-	706,127	706,127
Malaysian Government Islamic papers	-	85,977	-	85,977	-	85,977	85,977
	-	797,176	110,560	907,736	-	907,736	907,736
Group							
Financial assets							
Equity securities	558,521	111,405	-	669,926	-	669,926	669,926
Unit trusts	134,344	31,350	-	165,694	-	165,694	165,694
Institutional Trust Account/ Islamic Deposits	-	-	749,114	749,114	-	749,114	749,114
Islamic Debt Securities	172,023	7,801,610	-	7,973,633	-	7,973,633	7,973,633
Malaysian Government Islamic papers	-	1,015,256	-	1,015,256	-	1,015,256	1,015,256
	864,888	8,959,621	749,114	10,573,623	-	10,573,623	10,573,623

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.10 Fair value information (continued)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position (continued).

	Company						
	Fair value of financial instruments						
	carried at fair value				not carried at fair value		
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 2 RM'000	Total fair value RM'000	Carrying amount RM'000
2025							
Family Takaful							
Financial assets							
Equity securities	495,089	73,898	-	568,987	-	568,987	568,987
Unit trusts	153,039	-	-	153,039	-	153,039	153,039
Institutional Trust Account/ Islamic Deposits	-	-	681,579	681,579	-	681,579	681,579
Islamic Debt Securities	-	6,252,205	-	6,252,205	-	6,252,205	6,252,205
Malaysian Government Islamic papers	-	906,575	-	906,575	-	906,575	906,575
	648,128	7,232,678	681,579	8,562,385	-	8,562,385	8,562,385
Company							
Financial assets							
Equity securities	515,097	73,898	-	588,995	-	588,995	588,995
Unit trusts	154,071	-	-	154,071	-	154,071	154,071
Institutional Trust Account/ Islamic Deposits	-	-	816,830	816,830	-	816,830	816,830
Islamic Debt Securities	-	7,127,416	-	7,127,416	-	7,127,416	7,127,416
Malaysian Government Islamic papers	-	986,871	-	986,871	-	986,871	986,871
	669,168	8,188,185	816,830	9,674,183	-	9,674,183	9,674,183
Financial liabilities							
Subordinated Sukuk	-	-	-	-	500,665	500,665	504,932

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.10 Fair value information (continued)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position (continued).

	Company						
	Fair value of financial instruments						
	carried at fair value				not carried at fair value		
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 2 RM'000	Total fair value RM'000	Carrying amount RM'000
2024							
Family Takaful							
Financial assets							
Equity securities	504,599	74,433	-	579,032	-	579,032	579,032
Unit trusts	133,353	-	-	133,353	-	133,353	133,353
Institutional Trust Account/ Islamic Deposits	-	-	514,028	514,028	-	514,028	514,028
Islamic Debt Securities	-	5,932,753	-	5,932,753	-	5,932,753	5,932,753
Malaysian Government Islamic papers	-	726,589	-	726,589	-	726,589	726,589
	637,952	6,733,775	514,028	7,885,755	-	7,885,755	7,885,755
Company							
Financial assets							
Equity securities	525,946	90,383	-	616,329	-	616,329	616,329
Unit trusts	134,344	-	-	134,344	-	134,344	134,344
Institutional Trust Account/ Islamic Deposits	-	-	596,545	596,545	-	596,545	596,545
Islamic Debt Securities	-	6,766,894	-	6,766,894	-	6,766,894	6,766,894
Malaysian Government Islamic papers	-	883,738	-	883,738	-	883,738	883,738
	660,290	7,741,015	596,545	8,997,850	-	8,997,850	8,997,850

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.10 Fair value information (continued)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the identical financial assets or liabilities, either directly or indirectly. These include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in inactive markets, inputs that are observable that are not prices (such as profit rates, credit risks, etc) and inputs that are derived from or corroborated by observable market data.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and profit cash flows, discounted at the market rate of profit at the end of the reporting period.

Transfer between Level 1 and 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2024: no transfer in either direction).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.10 Fair value information (continued)

The following table shows a reconciliation of Level 3 fair values:

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Institutional Trust Account/ Islamic Deposits					
Family Takaful					
As at 1 January		**514,028**	403,795	**514,028**	403,795
Placements		**344,919**	100,046	**344,919**	100,046
Maturities		**(194,156)**	(5,045)	**(194,156)**	(5,045)
Gains and losses recognised in profit or loss					
Investment income - realised	9	**18,249**	19,463	**18,249**	19,463
Gains and losses recognised in OCI					
Net change in fair value (unrealised)		**(1,461)**	(4,231)	**(1,461)**	(4,231)
As at 31 December		**681,579**	514,028	**681,579**	514,028
General Takaful					
As at 1 January		**110,560**	58,275	**-**	-
Placements		**30,000**	50,000	**-**	-
Maturities		**(30,929)**	-	**-**	-
Gains and losses recognised in profit or loss					
Investment income - realised	9	**2,579**	2,826	**-**	-
Gains and losses recognised in OCI					
Net change in fair value (unrealised)		**645**	(541)	**-**	-
As at 31 December		**112,855**	110,560	**-**	-
Group/ Company					
As at 1 January		**749,114**	540,040	**596,545**	455,370
Placements		**429,919**	195,046	**394,919**	130,046
Maturities		**(225,086)**	(5,045)	**(194,156)**	(5,045)
Gains and losses recognised in profit or loss					
Investment income - realised	9	**24,600**	26,068	**20,769**	21,961
Gains and losses recognised in OCI					
Net change in fair value (unrealised)		**(213)**	(6,995)	**(1,247)**	(5,787)
As at 31 December		**978,334**	749,114	**816,830**	596,545

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.10 Fair value information (continued)

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

Financial instruments carried at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Institutional Trust Account/ Islamic Deposits	Discounted cash flows using market profit rates for a similar instrument at the measurement date.	Discount rate of 4.898% (2024: 5.136%).	The estimated fair value would increase/ (decrease) if the discount rate were (lower)/ higher.

Sensitivity analysis for Level 3

		Group		
	Change in variables	Impact on profit after tax RM'000	Impact on equity* RM'000	Impact on participants' fund RM'000
2025				
Family Takaful				
Discount rate	**+1%**	**-**	**-**	**(23,368)**
Discount rate	**-1%**	**-**	**-**	**24,492**
General Takaful				
Discount rate	**+1%**	**-**	**-**	**(3,065)**
Discount rate	**-1%**	**-**	**-**	**3,198**
Group				
Discount rate	**+1%**	**4,256**	**(4,256)**	**(26,433)**
Discount rate	**-1%**	**(4,449)**	**4,449**	**27,690**
2024				
Family Takaful				
Discount rate	+1%	-	-	(11,943)
Discount rate	-1%	-	-	12,511
General Takaful				
Discount rate	+1%	-	-	(1,449)
Discount rate	-1%	-	-	1,517
Group				
Discount rate	+1%	3,228	(3,228)	(13,392)
Discount rate	-1%	(3,381)	3,381	14,028

* impact on equity reflects adjustments for tax, when applicable.

33. FINANCIAL INSTRUMENTS (CONTINUED)

33.10 Fair value information (continued)

Sensitivity analysis for Level 3 (continued)

		Company		
	Change in variables	Impact on profit after tax RM'000	Impact on equity* RM'000	Impact on participants' fund RM'000
2025				
Family Takaful				
Discount rate	**+1%**	**-**	**-**	**(23,368)**
Discount rate	**-1%**	**-**	**-**	**24,492**
Company				
Discount rate	**+1%**	**3,249**	**(3,249)**	**(23,368)**
Discount rate	**-1%**	**(3,401)**	**3,401**	**24,492**
2024				
Family Takaful				
Discount rate	+1%	-	-	(11,943)
Discount rate	-1%	-	-	12,511
Company				
Discount rate	+1%	2,127	(2,127)	(11,943)
Discount rate	-1%	(2,228)	2,228	12,511

* impact on equity reflects adjustments for tax, when applicable.

Valuation processes applied by the Group for Level 3 fair value

The Group has an established control framework in respect to the measurement of fair values of financial instruments. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, which reports directly to the Chief Investment Officer and Group Chief Financial Officer. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

34. CAPITAL COMMITMENTS

	2025 RM'000	2024 RM'000
Contracted but not provided for Group	**13,269**	31,996
Contracted but not provided for Company	**12,145**	26,984

35. RELATED PARTIES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has 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 or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group, and certain members of senior management of the Group. Compensation paid to key management personnel have been disclosed in Note 24.

The Group has related party relationships with its significant investors, subsidiaries, Directors and key management personnel.

Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Company, other than key management personnel compensation as disclosed in Note 24, are as follows:

	Group		**Company**	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Subsidiary				
Outsourcing fee	**-**	-	**58,890**	62,817
Dividend received	**-**	-	**60,000**	30,000
Contribution received	**-**	-	**3,992**	3,166
Contribution paid	**-**	-	**(203)**	(27)
Chargeback expenses	**-**	-	**(247)**	(252)
Rental received	**-**	-	**988**	705
Subordinated sukuk subscribed	**-**	-	**(150,000)**	-
Significant investors*				
Dividend paid	**(42,519)**	(33,055)	**(42,519)**	(33,055)
Contribution income for Family Takaful	**18,443**	6,722	**18,443**	6,722
Contribution income for General Takaful	**6,629**	5,772	**-**	-
Claims paid for Family Takaful	**(13,238)**	(3,330)	**(13,238)**	(3,330)
Claims paid for General Takaful	**(2,760)**	(2,038)	**-**	-
Subordinated sukuk	**100,000**	-	**100,000**	-
Refund of cash back	**(5)**	(4)	**-**	-
Lease rental paid	**(133)**	(142)	**(133)**	(142)

* Significant investors are refer to Lembaga Tabung Haji group, Kumpulan Wang Simpanan Pekerja and Kumpulan Wang Persaraan.

35. RELATED PARTIES (CONTINUED)

The significant outstanding balances of the Group and the Company with its related parties, are as follows:

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Subsidiary				
Investments in Islamic Debt Securities	**-**	-	**151,480**	-
Other receivables (Amount due from)	**-**	-	**7,108**	10,192
	-	-	**158,588**	10,192
Significant investors:				
Other receivables (Amount due from)	**1,971**	2,714	**1,865**	2,706
Subordinated sukuk	**100,986**	-	**100,986**	-
	102,957	2,714	**102,851**	2,706

36. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The Company had on 29 September 2025 issued RM500 million The Tier 2 Subordinated Sukuk ("T2 Sukuk Wakalah") under the RM1.0 billion Shariah Principle of Wakalah Bi Al-Istithmar ("Sukuk Wakalah Programme") with a profit rate of 3.83% per annum.

The T2 Sukuk Wakalah issued under the Sukuk Wakalah Programme is intended to qualify as Tier 2 capital of STMKB pursuant to Risk-Based Capital Framework for Takaful Operators issued by Bank Negara Malaysia. The tenure of Sukuk Wakalah Programme is perpetual whereas the T2 Sukuk Wakalah to be issued under Sukuk Wakalah Programme shall have a tenure of not less than five (5) years from the issue date. The Sukuk Wakalah Programme has been accorded a credit rating of AA3 by RAM Rating Services Berhad ("RAM").

The proceeds of T2 Sukuk Wakalah shall be made available for working capital and corporate purposes of the Company and refinancing of the T2 Sukuk Wakalah and/or Shariah compliant capital instruments.

37. SUBSEQUENT EVENTS AFTER THE FINANCIAL YEAR

There were no material subsequent events after the financial year end that require disclosures or adjustments to the financial statements.

38. REGULATORY CAPITAL REQUIREMENTS

The Company’s capital management policy is to optimise the efficient and effective use of resources to maximise the return on equity and provide an appropriate level of capital to protect participants and meet regulatory requirements.

The Company is required to comply with the regulatory capital requirement prescribed in the Risk Based Capital for Takaful ("RBCT") Framework issued by Bank Negara Malaysia where Takaful Operators are required to satisfy a minimum capital adequacy ratio of 130%. As at period end, the Company has a capital adequacy ratio in excess of the minimum requirement.

The capital structure of the Company as at 31 December 2025, as prescribed under the RBCT Framework is provided below:

	Company	
	2025	**2024**
	RM’000	**RM’000**
Tier 1 capital	**3,916,069**	3,009,831
Tier 2 capital	**599,882**	74,346
Amount deducted from capital	**(1,938,751)**	(497,247)
Total capital available	**2,577,200**	2,586,930

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Dato' Charon Wardini bin Mokhzani and Ch'ng Sok Heang, two of the Directors of Syarikat Takaful Malaysia Keluarga Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 217 to 443 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and financial performance and cash flows of the Group and of the Company for the financial year ended 31 December 2025 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 26 March 2026:

Dato' Charon Wardini bin Mokhzani
Director

Ch'ng Sok Heang
Director

Kuala Lumpur
Date: 26 March 2026

STATUTORY DECLARATION PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, Nor Azman bin Zainal, the officer primarily responsible for the financial management of Syarikat Takaful Malaysia Keluarga Berhad, do solemnly and sincerely declare that the financial statements set out on pages 217 to 443 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Nor Azman Zainal

Subscribed and solemnly declared by the abovenamed Nor Azman Zainal, at Kuala Lumpur in the Federal Territory on

Before me:

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD
(Incorporated in Malaysia) Registration No. 198401019089 (131646-K)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Syarikat Takaful Malaysia Keluarga Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policies, as set out on pages 217 to 443.

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 opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

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 financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD
(Incorporated in Malaysia) Registration No. 198401019089 (131646-K)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Valuation of Takaful certificate liabilities Refer to Note 2(n) and Note 10 of the financial statements. As at 31 December 2025, the Group's net takaful certificate liabilities comprise net liabilities for remaining coverage and liabilities for incurred claims amounted to RM13,673 million, which account for approximately 87% of the Group's total liabilities. The Company's net takaful certificate liabilities amounted RM10,281 million, which account for approximately 84% of the Company's total liabilities. The takaful certificate liabilities have been estimated based on MFRS 17 requirements. Takaful certificate liabilities under MFRS 17 are measured as the total of fulfilment cash flows and contractual service margin ("CSM"), the determination of which requires judgment and interpretation. This includes the selection of accounting policies and the use of complex methodologies which are applied in the actuarial models. The selection and application of appropriate methodologies requires significant professional judgment. It also requires the determination of assumptions which involve estimation uncertainty. The CSM represents the unearned profit that the Group and Company will recognise as it provides takaful contract services in the future. The release of CSM of a group of contracts is recognised as takaful revenue in the statements of profit of loss and other comprehensive income based on the number of coverage units provided in the period. Coverage units in turn are determined by the quantity of the benefits provided under a contract and its expected coverage duration. Management applied judgment in the identification of the services provided and the determination of the coverage units.	Our key audit procedures are outlined below. Together with our actuarial experts: 1. We assessed the adherence of the accounting policies adopted by management with the requirements of MFRS 17 'Insurance Contracts'; 2. We obtained understanding of the process over the selection of accounting policies, determination of methodologies and assumptions and reconciliation of data used in determining the takaful certificate liabilities; 3. We tested the design and operating effectiveness of controls over the accuracy and the completeness of data used; 4. We assessed the reasonableness of the key assumptions used by management by comparing against the Group's and Company's historical experiences and market observable data, where applicable; 5. We assessed the appropriateness of management's identification of services provided by reviewing the terms and features of the takaful certificates issued on a sample basis; and 6. We assessed the appropriateness of the disclosures in the financial statements. Specifically for certificates measured using General Measurement Model ("GMM"): 1. We assessed the appropriateness of management's determination of coverage units against the type of service identified; 2. We assessed the appropriateness of the methodologies used in the determination of the takaful certificate liabilities comprising of fulfilment cash flows and contractual service margin and their application in actuarial models; and 3. We reviewed the reasonableness of the movement analysis of the takaful certificate liabilities prepared by management. The movement analysis provides a reconciliation of the balance as at 31 December 2024 to 31 December 2025 showing the key drivers of the changes during the financial year.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD
(Incorporated in Malaysia) Registration No. 198401019089 (131646-K)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
For both family and general takaful contract liabilities, we focused our audit on this area because the valuation process involves significant judgment regarding uncertain future outcomes and key assumptions.	Specifically for contracts measured using Premium Allocation Approach ("PAA"): 1. We evaluated the design and tested key controls over the valuation process, including controls over the completeness and accuracy of data that support key reserving calculations and controls over the valuation of takaful certificate liabilities for remaining coverage and liabilities for incurred claims; 2. We reviewed management's approach and outcome of performing the PAA eligibility testing for contracts with coverage period of more than 1 year; 3. We tested the underlying data used in estimation of the liabilities for remaining coverage and liabilities for incurred claims to source documents; and 4. We reviewed and assessed the methodologies, basis and key assumptions used in the valuation of the liabilities for remaining coverage and liabilities for incurred claims in accordance with MFRS 17 requirements. Based on the procedures performed and the evidence obtained, we found the methodologies, assumptions and judgments used by the Group and Company in the valuation of the takaful certificate liabilities as at 31 December 2025 to be appropriate. Our audit procedures on the disclosures showed that they are in accordance with the relevant MFRS 17 disclosure requirements.

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, Statement on Risk Management and Internal Control and Shariah Advisory Body's Report, which we obtained prior to the date of this auditors' report, and Integrated Annual Report 2025, which is expected to be made available to us after that date. Other information does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD
(Incorporated in Malaysia) Registration No. 198401019089 (131646-K)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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:

(a) 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.

(b) 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 of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(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 on 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.

(e) 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.

(f) 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 Group financial statements. 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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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 financial 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 subsidiaries of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

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.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

CHAN SUET LYE
03603/10/2027 J
Chartered Accountant

Kuala Lumpur
26 March 2026

DISCLOSURE OF SHARIAH SCREENING INFORMATION

Pursuant to Paragraph 9.25A of the Main Market Listing Requirements/ Paragraph 9.41(b) of the MAIN Market Listing Requirements/ Rule 9.25A of the ACE Market Listing Requirements/ Rule 6.13A of the LEAP Market Listing Requirements]*, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

* To select reference to relevant Listing Requirements

(a) Group Total Income and Total Assets

		Group	
Total Income	**Remarks**	**2025 (RM)**	**2024 (RM)**
Revenue	Takaful Revenue	3,804,713,000	3,575,751,000
Others (please specify in the remarks column)	Investment Income	596,614,000	604,735,000
Other income	Other operating income	2,770,000	2,353,000
Total		**4,404,097,000**	**4,182,839,000**
Total Assets		**18,066,116,000**	**16,702,516,000**

(b) Business Activities – Nil

(c) Component of Financial Position

(i) Cash Component

		Group	
Islamic Account/Instruments	**Remarks**	**2025 (RM)**	**2024 (RM)**
Cash at bank	Cash & Deposit < 3 months	1,166,307,000	649,501,000
Deposits with licensed bank	Deposit > 3 months	2,063,413,000	2,250,590,000
Total Cash		**3,229,720,000**	**2,900,091,000**

Conventional Account/Instruments – Nil

(ii) Debt Component

		Group	
Islamic Financing	**Remarks**	**2025 (RM)**	**2024 (RM)**
Current			
Hire purchase payables	Finance Lease	936,000	1,153,000
Non-Current			
Debentures	Subordinated sukuk	504,932,000	-
Total Financing		**505,868,000**	**1,153,000**

Conventional Borrowing – Nil

SHAREHOLDING STATISTICS
AS AT 16 MARCH 2026

SHARE CAPITAL

Issued and fully paid-up capital	: 872,183,193 ordinary shares
No. of shareholders	: 16,775
Class of shares	: Ordinary shares
Voting right	: 1 vote per ordinary share on a poll

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS (5% AND ABOVE)

Name of Shareholders	Number of Shares	Percentage (%)
Lembaga Tabung Haji	268,643,569	30.80
Employees Provident Fund Board	160,845,997	18.44
Kumpulan Wang Persaraan (Diperbadankan)	60,467,991	6.93
Total	**489,957,557**	**56.17**

DIRECTORS' SHAREHOLDINGS

	Direct Interest		Indirect Interest/Deemed Interest	
Name of Directors	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)
Dato' Charon Wardini bin Mokhzani	-	-	-	-
Mohd Azman bin Sulaiman	-	-	-	-
Dato' Mustaffa bin Ahmad	-	-	-	-
Mohamad Salihuddin bin Ahmad	-	-	-	-
Ch'ng Sok Heang	-	-	-	-
Azizah binti Ali	-	-	-	-
Datin Paduka Kartini binti Hj. Abdul Manaf	-	-	-	-

GROUP CHIEF EXECUTIVE OFFICER'S SHAREHOLDINGS

	Direct Interest		Indirect Interest/Deemed Interest	
Name of Group Chief Executive Officer	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)
Nor Azman bin Zainal	-	-	-	-

SHAREHOLDING STATISTICS
AS AT 16 MARCH 2026

ANALYSIS OF SHAREHOLDINGS BY SIZE

Size of Shareholdings	Number of Shareholders	Percentage (%)	Number of Shares	Percentage (%)
1 to 99	1,575	9.389	46,642	0.005
100 to 1,000	5,244	31.261	3,030,568	0.347
1,001 to 10,000	7,579	45.180	30,160,829	3.458
10,001 to 100,000	2,043	12.179	58,065,547	6.657
100,001 to 43,609,159 (less than 5% of issued shares)	330	1.967	321,657,515	36.880
43,609,160 and above (5% and above of issued shares)	4	0.024	459,222,092	52.652
TOTAL	**16,775**	**100.00**	**872,183,193**	**100.00**

ANALYSIS OF SHAREHOLDINGS BY CATEGORY

Category of Shareholders	Number of Shareholders			Total Shareholdings			Percentage (%)		
	Malaysian			Malaysian			Malaysian		
	Bumi	Non-Bumi	Foreign	Bumi	Non-Bumi	Foreign	Bumi	Non-Bumi	Foreign
1. Individual	1,939	10,096	147	5,799,464	80,451,858	1,955,704	0.665	9.224	0.224
2. Body Corporate									
a) Banks/Finance Companies	29	2	-	375,748,476	60,528,891	-	43.081	6.940	0.000
b) Investments Trusts/Foundation/ Charities	16	5	-	2,504,939	310,500	-	0.287	0.036	0.000
c) Industrial and Commercial Companies	38	128	1	1,571,620	11,410,949	2,500	0.180	1.308	0.000
3. Government Agencies/Institutions	14	-	-	15,675,617	-	-	1.797	0.000	0.000
4. Nominees	2,184	1,948	226	48,797,069	208,291,384	59,034,220	5.595	23.882	6.769
5. Others	-	2	-	-	100,002	-	0.000	0.011	0.000
Total	**4,220**	**12,181**	**374**	**450,097,185**	**361,093,584**	**60,992,424**	**51.605**	**41.401**	**6.993**
Grand Total		**16,775**			**872,183,193**			**100.00**	

THIRTY (30) LARGEST SHAREHOLDERS

No	Name of Shareholders	Number of Shares	Percentage (%)
1	Lembaga Tabung Haji	268,643,569	30.801
2	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	85,164,429	9.765
3	Kumpulan Wang Persaraan (Diperbadankan)	60,467,991	6.933
4	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Islamic)	44,946,103	5.153
5	Amanahraya Trustees Berhad Amanah Saham Bumiputera	33,858,090	3.882
6	Permodalan Nasional Berhad	30,404,261	3.486
7	Amanahraya Trustees Berhad Public Islamic Select Treasures Fund	13,731,100	1.574
8	Cartaban Nominees (Tempatan) Sdn Bhd PBTB For Takafulink Dana Ekuiti	11,705,336	1.342
9	Citigroup Nominees (Asing) Sdn Bhd Exempt An For Citibank New York (Norges Bank 19)	9,404,993	1.078
10	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Aberdeen)	8,666,400	0.994
11	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Aberislamic)	8,310,000	0.953
12	Amanahraya Trustees Berhad Public Islamic Opportunities Fund	8,063,000	0.924
13	Citigroup Nominees (Tempatan) Sdn Bhd Urusharta Jamaah Sdn. Bhd. (2)	7,472,229	0.857
14	Amanahraya Trustees Berhad Amanah Saham Bumiputera 2	7,177,287	0.823
15	Citigroup Nominees (Tempatan) Sdn Bhd Urusharta Jamaah Sdn Bhd (Aberdeen 2)	5,585,000	0.640
16	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (RHBISLAMIC)	5,176,600	0.594
17	Amanah Raya Berhad Kumpulan Wang Bersama Syariah	4,875,418	0.559
18	Teh Cheong Hua	4,632,000	0.531

SHAREHOLDING STATISTICS
AS AT 16 MARCH 2026

No	Name of Shareholders	Number of Shares	Percentage (%)
19	Citigroup Nominees (Asing) Sdn Bhd Exempt An For Citibank New York (Norges Bank 22)	4,600,000	0.527
20	HSBC Nominess (Asing) Sdn Bhd HSBC BK PLC for Ashoka WhiteOak Emerging Markets Equity Fund (India Acorn ICV)	4,080,200	0.468
21	Amin Baitulmal Johor	3,969,169	0.455
22	Cartaban Nominees (Tempatan) Sdn Bhd PAMB For Prulink Dana Unggul	3,579,087	0.410
23	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Emerging Markets Stock Index Fund	3,552,900	0.407
24	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Total International Stock Index Fund	3,497,100	0.401
25	Citigroup Nominees (Asing) Sdn Bhd UBS AG	3,014,069	0.346
26	T.O.Lim Holdings Sdn Bhd	2,940,000	0.337
27	Amanahraya Trustees Berhad Amanah Saham Malaysia 3	2,927,416	0.336
28	Maybank Nominees (Tempatan) Sdn Bhd MTrustee Bhd For Franklin TNB RBTF (EQ) (433141)	2,863,659	0.328
29	Majlis Ugama Islam Sabah	2,774,572	0.318
30	HSBC Nominees (Tempatan) Sdn Bhd BNPP SIN/2S For Pertubuhan Keselamatan Sosial (PKSUOBAM EQ)	2,634,600	0.302
	TOTAL	**658,716,578**	**75.525**

PARTICULARS OF PROPERTIES

A. INVESTMENT PROPERTIES

No	Location	Description of Existing Use	Tenure	Age of Building (years)	Land/ Built-up Area (square feet)	Net Book Value as at 31.12.2025 (RM)	Date of Revaluation
1	No. 325A & 325B Blok 41, Kompleks Perniagaan Fajar 91000 Tawau, Sabah	Three units of 4 storey Commercial Complex/Office	998 years town lease expiring on 31.12.2895	34	6,046.5	3,310,000	31.12.2025
2	No. 64 & 65 Kompleks Jitra Jalan Sungai Korok 06000 Jitra Kedah Darul Aman	Two units of 2 storey Shophouse/Office	Freehold	39	3,100/ 5,683	1,260,000	31.12.2025
3	No. 23, Medan Istana 3 Bandar Ipoh Raya 30450 Ipoh Perak Darul Ridzuan	One unit of 3 storey Shophouse/Office	99 years lease expiring on 30.03.2081	30	1,540/ 4,620	700,000	31.12.2025
4	Lot 54 & 55 Bandar Wilayah Jasa Jalan Bunga Raya 91100 Lahad Datu Sabah	Two units of 3 storey Shophouse/Office	99 years town lease expiring on 31.12.2090	30	2,400/ 6,900	1,770,000	31.12.2025
5	No. 15 & 17 Jalan Kelibang Langkawi Mall 07000 Kuah Langkawi Kedah Darul Aman	Two units of 2 storey Shophouse/Office	Freehold	32	2,906/ 2,880	840,000	31.12.2025
6	No. 26 & 28 Jalan Perda Barat Bukit Mertajam Seberang Prai 14000 Penang	Two units of 3 storey Shophouse/Office	Freehold	27	3,294/ 9,900	1,760,000	31.12.2025
7	No. 433 & 434 Jalan Kulas 93400 Kuching Sarawak	Two units of 4 storey Shophouse/Office	Freehold	30	4,803/ 11,776	4,110,000	31.12.2025
8	Lot 13 & 14 Lazenda Commercial Centre Jalan Okk Abdullah 87007 Wilayah Persekutuan Labuan	Two units of 3 storey Office building	999 years lease expiring on 30.06.2902	31	2,518/ 7,838	3,400,000	31.12.2025
9	No. 1 & 2 Jalan Kelicap Taman Pekan Baru 34200 Parit Buntar Perak Darul Ridzuan	Two units of 2 storey Shophouse/Office	99 years lease expiring on 05.09.2078	38	3,950/ 7,900	1,040,000	31.12.2025
10	No. 46 & 47 Jalan Rahmat 83000 Batu Pahat Johor Darul Takzim	Two units of 4 Storey Shophouse/Office	Freehold	36	3,186/ 12,070	1,890,000	31.12.2025

PARTICULARS OF PROPERTIES

A. INVESTMENT PROPERTIES (CONTINUED)

No	Location	Description of Existing Use	Tenure	Age of Building (years)	Land/ Built-up Area (square feet)	Net Book Value as at 31.12.2025 (RM)	Date of Revaluation
11	No. 180 & 181 Jalan Tuan Hitam 22000 Jerteh Terengganu Darul Iman	Two units of 4 storey Shophouse/Office	Freehold	35	3,200/ 6,400	1,940,000	31.12.2025
12	Lot 82, 84 & 86 Jalan Rugbi 13/30 Seksyen 13 40100 Shah Alam Selangor Darul Ehsan	Three units of 2 storey Shophouse/Office	99 years lease expiring on 22.01.2102	26	6,329/ 11,508	3,910,000	31.12.2025
13	No. 229, Jalan Shahab 2 Shahab Perdana Jalan Sultanah Sambungan 05350 Alor Star Kedah Darul Aman	One unit of 2 1/2 storey Shophouse/Office	Freehold	29	1,400/ 3,620	580,000	31.12.2025
14	Lot No. 3803 Jalan Dato' Ulu Muar 72000 Kuala Pilah Negeri Sembilan Darul Khusus	One unit of 3 storey Shophouse/Office	99 years lease expiring on 06.10.2079	26	2,002/ 3,564	690,000	31.12.2025
15	No. 45 Jalan Teluk Sisek 25000 Kuantan Pahang Darul Makmur	One unit of 4 storey Shophouse/Office	99 years lease expiring on 18.09.2068	25	11,355/ 11,344	2,720,000	31.12.2025
16	No. 27 Pusat Komersil Temerloh 28000 Temerloh Pahang Darul Makmur	One unit of 2 1/2 storey Shophouse/Office	99 years lease expiring on 01.04.2095	25	1,399/ 3,257	780,000	31.12.2025
17	No. 2 & 4 Jalan 6C/7 43650 Bandar Baru Bangi Selangor Darul Ehsan	Two units of 2 storey Shophouse/Office	99 years lease expiring on 08.07.2086	38	6,362/ 8,212	3,710,000	31.12.2025
18	Lot 14 Seremban City Centre Jalan Tuanku Munawir 70000 Seremban Negeri Sembilan Darul Khusus	One unit of 6 storey Shophouse/Office	Freehold	29	14,316	3,770,000	31.12.2025
19	No. 29, Jalan Delima Pusat Perdagangan Pontian 82000 Pontian Johor Darul Takzim	One unit of 3 storey Shophouse/Office	99 years lease expiring on 25.09.2097	24	3,899/ 9,587	1,840,000	31.12.2025
20	Lot 1129 & 1130 Bangunan Darul Takaful Jalan Sultan Ismail 20100 Kuala Terengganu Terengganu Darul Iman	One unit of 12 storey Office building	35 years sub lease expiring on 29.06.2050	23	3,600/ 30,027	6,350,000	31.12.2025

A. INVESTMENT PROPERTIES (CONTINUED)

No	Location	Description of Existing Use	Tenure	Age of Building (years)	Land/ Built-up Area (square feet)	Net Book Value as at 31.12.2025 (RM)	Date of Revaluation
21	No. 616 & 617, Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus	Two units of 2 storey Office building	99 years lease expiring on 05.10.2088	33	4,499/ 8,286	1,840,000	31.12.2025
22	No. 6 Jalan 6C/7 43650 Bandar Baru Bangi Selangor Darul Ehsan	One unit of 2 storey Shophouse/Office	99 years lease expiring on 08.07.2086	38	1,905/ 3,840	1,590,000	31.12.2025
23	Suite 3B/G Blok 3B, Plaza Sentral Jalan Stesen Sentral 5 50470 Kuala Lumpur	One floor of 22 storey Office building	Freehold	24	6,409*	8,700,000	31.12.2025
24	No. 26 & 27 Jalan Tanjung Pasar Baru 18500 Machang Kelantan Darul Naim	Two units of 2 storey Office building	66 years lease expiring on 18.02.2069	44	3,240/ 3,200	720,000	31.12.2025
25	No. 330 & 331 Jalan Sultan Yahya Petra 15720 Kota Bharu Kelantan Darul Naim	Two units of 4 1/2 storey Office building	99 years lease expiring on 09.12.2069	43	3,200/ 14,400	2,300,000	31.12.2025
26	Menara Takaful Malaysia No. 4, Jalan Sultan Sulaiman 50000 Kuala Lumpur	Two units of Office building Main Block - 26 storey Annexe Block - 29 storey	Freehold	Main Block - 55 Annexe Block - 41	90,460/ 871,360	203,500,000	31.12.2025
27	No. 2408 Taman Samudera 32040 Sri Manjung Perak Darul Ridzuan	One unit of 2 storey Shophouse/Office	99 years lease expiring on 19.05.2091	29	2,820/ 5,640	980,000	31.12.2025
28	No. 29 & 30 Pusat Perniagaan Jalan Tupai 34000 Taiping Perak Darul Ridzuan	Two units of 3 storey Office building	Freehold	22	3,132/ 9,590	1,830,000	31.12.2025
29	No. 10 & 11 Jalan Sultan Yahya Petra 15200 Kota Bharu Kelantan Darul Naim	Two units of 3 storey Office building	Leasehold	23	3,863/ 11,579	2,500,000	31.12.2025
30	No. 4197 Jalan Teluk Wanjah 05200 Alor Star Kedah Darul Aman	One unit of 4 storey Office building	Freehold	23	8,719/ 21,690	1,800,000	31.12.2025
31	No. 10 & 8 Jalan Padi Emas 5/2 Bandar Baru UDA 81200 Johor Bharu Johor Darul Takzim	Two units of 3 storey Office building	99 years lease expiring on 16.02.2099	20	3,036/ 9,108	2,500,000	31.12.2025

PARTICULARS OF PROPERTIES

A. INVESTMENT PROPERTIES (CONTINUED)

No	Location	Description of Existing Use	Tenure	Age of Building (years)	Land/ Built-up Area (square feet)	Net Book Value as at 31.12.2025 (RM)	Date of Revaluation
32	No. 4 Kompleks Seri Temin Jalan Ibrahim 08000 Sungai Petani Kedah Darul Aman	One unit of 4 storey Office building	99 years lease expiring on 03.10.2080	40	1,400/ 5,600	760,000	31.12.2025
33	Lot 1340 Miri Waterfront Commercial Centre 98000 Miri Sarawak	One unit of 4 storey Office building	60 years lease expiring on 30.09.2066	21	1,355/ 5,420	1,590,000	31.12.2025
34	No. 6 Jalan Padi Emas 5/2 Bandar Baru UDA 81200 Johor Bharu Johor Darul Takzim	One unit of 3 storey Office building	99 years lease expiring on 16.02.2099	20	1,518/ 4,554	1,250,000	31.12.2025
35	No. 148, Kompleks Munshi Abdullah 75200 Melaka	One unit of 4 1/2 storey Office building	99 years lease expiring on 23.04.2102	32	5,640	1,150,000	31.12.2025
36	No. 16474 & 16475 Pusat Perniagaan Inderapura Jalan Tras Raub Pahang Darul Makmur	Two units of 3 storey Office building	99 years lease expiring on 29.06.2092	26	3,219/ 9,600	1,750,000	31.12.2025
37	No. 20, Fasa 1A Jalan Haji Manan 86000 Kluang Johor Darul Takzim	One unit of 4 storey Shophouse/Office	99 years lease expiring on 10.12.2108	29	2,659/ 10,170	2,200,000	31.12.2025
	Total					283,330,000	

* Built-up Area

B. SELF-OCCUPIED PROPERTY

No	Location	Description of Existing Use	Tenure	Age of Building (years)	Land/ Built-up Area (square feet)	Net Book Value as at 31.12.2025 (RM)	Date of Revaluation
1	No. 435 Jalan Kulas 93400 Kuching Sarawak	One unit of 4 storey Shophouse/Office	Freehold	30	1,214/ 4,262	1,620,000	31.12.2025

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman

DATO' CHARON WARDINI BIN MOKHZANI
Independent Non-Executive Director
(Appointed on 1 June 2025)

DATO' MOHAMMED BIN HUSSEIN
Independent Non-Executive Director
(Retired on 31 May 2025)

Members

MOHD AZMAN BIN SULAIMAN
Independent Non-Executive Director

DATO' MUSTAFFA BIN AHMAD
Independent Non-Executive Director

MOHAMAD SALIHUDDIN BIN AHMAD
Independent Non-Executive Director

CH'NG SOK HEANG
Independent Non-Executive Director

AZIZAH BINTI ALI
Independent Non-Executive Director
(Appointed on 1 February 2025)

DATIN PADUKA KARTINI BINTI HJ. ABDUL MANAF
Non-Independent Non-Executive Director
(Appointed on 1 September 2025)

DATUK SYED HAMADAH BIN SYED OTHMAN
Non-Independent Non-Executive Director
(Resigned on 7 May 2025)

SHARIAH ADVISORY BODY

CHAIRMAN
ASSOCIATE PROFESSOR DR. NIK ABDUL RAHIM BIN NIK ABDUL GHANI

MEMBERS
- DR. SUHAIMI BIN MOHD YUSOF
- PROFESSOR. DATIN DR. RUSNI BINTI HASSAN
  (Appointed as member on 1 February 2025)
- ENCIK EDDY AZLY BIN ABIDIN
  (Appointed as member on 1 April 2025)
- ASSOCIATE PROFESSOR DR. AHMAD ZAKI BIN SALLEH
  (Appointed on 1 January 2026)
- DR. MARHANUM BINTI CHE MOHD SALLEH
  (Ceased as member on 31 January 2025)
- ENCIK MEGAT HIZAINI BIN HASSAN
  (Ceased as member on 31 March 2025)
- DR. SHAFAAI BIN MUSA
  (Retired on 31 December 2025)

AUDIT COMMITTEE

CHAIRPERSON
CH'NG SOK HEANG

MEMBERS
- MOHD AZMAN BIN SULAIMAN
- DATO' MUSTAFFA BIN AHMAD

NOMINATION AND REMUNERATION COMMITTEE

CHAIRPERSON
MOHD AZMAN BIN SULAIMAN

MEMBERS
- AZIZAH BINTI ALI
  (Appointed as member on 1 February 2025)
- DATIN PADUKA KARTINI BINTI HJ. ABDUL MANAF
  (Appointed as member on 26 February 2026)
- CH'NG SOK HEANG
  (Resigned as member on 1 February 2025)
- MOHAMAD SALIHUDDIN BIN AHMAD
  (Resigned as member on 26 February 2026)

BOARD RISK COMMITTEE

CHAIRMAN
MOHAMAD SALIHUDDIN BIN AHMAD
(Redesignated as Chairman on 1 February 2025)

MEMBERS
- DATO' MUSTAFFA BIN AHMAD
- CH'NG SOK HEANG
  (Redesignated as member on 1 February 2025)

INVESTMENT COMMITTEE

CHAIRMAN
DATO' MUSTAFFA BIN AHMAD

MEMBERS
- MOHD AZMAN BIN SULAIMAN
- DATIN PADUKA KARTINI BINTI HJ. ABDUL MANAF
  (Appointed as member on 1 September 2025)
- NOR AZMAN BIN ZAINAL
- DATUK SYED HAMADAH BIN SYED OTHMAN
  (Resigned as member on 7 May 2025)

GROUP DIGITAL COMMITTEE
(Established on 1 April 2025)

CHAIRPERSON
AZIZAH BINTI ALI

MEMBERS
- MOHAMAD SALIHUDDIN BIN AHMAD
- ABDUL RAHMAN BIN TALIB
  Independent Non-Executive Director of Syarikat Takaful Malaysia Am Berhad

LONG TERM INCENTIVE PLAN COMMITTEE
(Dissolved on 26 February 2026)

CHAIRMAN
MOHAMAD SALIHUDDIN BIN AHMAD

MEMBERS
- MOHD AZMAN BIN SULAIMAN
- DATO' MUSTAFFA BIN AHMAD

CORPORATE INFORMATION

COMPANY SECRETARY

AZNI BINTI ARIFFIN
SSM Practicing Certificate No. 202008003324
LS0010610
(Appointed on 2 March 2026)

EXECUTIVE COMMITTEE ("EXCO")

- **NOR AZMAN BIN ZAINAL**
  Group Chief Executive Officer
- **MOHAMED SABRI BIN RAMLI**
  Chief Executive Officer, Takaful Malaysia Am
- **NEW KHENG CHEE**
  Group Chief Financial Officer
- **DATO' TS. TENGKU INTAN NARQIAH BINTI TENGKU OTHMAN**
  Group Chief Transformation Officer
- **MOHAMMAD FADHLEE BIN AWALUDIN**
  Chief Investment Officer
- **SHIZAL FISHAM BIN RAMLI**
  Chief Governance Officer
- **YASSIR AZLIN BIN ABDUL GHAFAR**
  Chief Distribution Officer
- **LILY SABRINA KUANG BINTI ABDULLAH**
  Chief People Officer
- **SHAHRIR BIN SHAHRIDAN**
  Chief Bancatakaful Officer
- **AZNI BINTI ARIFFIN**
  Company Secretary
  (Appointed on 2 March 2026)

AUDITORS

PricewaterhouseCoopers PLT
(LLP0014401-LCA & AF 1146)
Level 10, Menara TH, 1 Sentral
Jalan Rakyat
Kuala Lumpur Sentral
50706 Kuala Lumpur
Tel : +603-21731188
Fax : +603-21731288

REGISTERED OFFICE

27th Floor, Annexe Block
Menara Takaful Malaysia
No. 4, Jalan Sultan Sulaiman
50000 Kuala Lumpur
Tel : +603-22681984
Fax : +603-22742864
Email : csu@takaful-malaysia.com.my
Website : www.takaful-malaysia.com.my

AUDITORS

Boardroom Share Registrars Sdn. Bhd.
[199601006647 (378993-D)]
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
Website : www.boardroomlimited.com

PLACE OF INCORPORATION AND DOMICILE

Malaysia

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
on 30 July 1996
Stock Code : 6139
Stock Name : TAKAFUL

BRANCH NETWORK & SUBSIDIARY COMPANIES

HEAD OFFICE

SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD 198401019089 (131646-K)

27th Floor, Annexe Block Menara Takaful Malaysia No. 4, Jalan Sultan Sulaiman 50000 Kuala Lumpur
P.O.Box 11483, 50746 Kuala Lumpur

1-300 88 252 385
+603-2274 0237
takaful-malaysia.com.my
csu@takaful-malaysia.com.my
Takaful Malaysia
takafulmalaysia.official
Takaful Malaysia
linkedin.com/company/syarikat-takaful-malaysia-berhad/
Takaful Malaysia
takafulmsia

TAKAFUL myCARE CENTRES

KUALA LUMPUR
Menara Takaful Malaysia
Ground Floor, Main Block
Menara Takaful Malaysia
No. 4, Jalan Sultan Sulaiman
50000 Kuala Lumpur

SELANGOR
Shah Alam
Ground Floor
Lot. No 82, 84, 86
Jalan Rugbi 13/30, Seksyen 13
40100 Shah Alam
Selangor Darul Ehsan

MELAKA
148, Kompleks Munshi Abdullah
Jalan Munshi Abdullah
75100 Melaka

PULAU PINANG
Bandar Perda
No. 28, Jalan Perda Barat 1
Bandar Baru Perda
14000 Bukit Mertajam
Pulau Pinang

Gelugor
Ground Floor, No. 2480
Jalan Sultan Azlan Shah
11700 Gelugor
Pulau Pinang

KEDAH
Alor Setar
No. 229, Jalan Shahab 2
Shahab Perdana
Jalan Sultanah Sambungan
05150 Alor Setar
Kedah Darul Aman

Sungai Petani
No. 4, Kompleks Seri Temin
Jalan Ibrahim
08000 Sungai Petani
Kedah Darul Aman

JOHOR
Batu Pahat
Ground Floor
No. 46, Jalan Rahmat
83000 Batu Pahat
Johor Darul Takzim

Johor Bahru
Ground Floor
No. 5, Jalan Setia Tropika 1/30
Taman Setia Tropika
81200 Johor Bahru
Johor Darul Takzim

NEGERI SEMBILAN
Seremban
Ground Floor, Suite 14-G
Seremban City Centre
Jalan Tuanku Munawir
70000 Seremban
Negeri Sembilan Darul Khusus

TERENGGANU
Kuala Terengganu
2nd Floor, Lot 1129 & 1130
Jalan Sultan Ismail
20200 Kuala Terengganu
Terengganu Darul Iman

PAHANG
Kuantan
Ground Floor, No. 45,
Jalan Teluk Sisek
25000 Kuantan,
Pahang Darul Makmur

Temerloh
No. 27, Jalan Dato' Bahaman 3
Pusat Dagangan Temerloh
28000 Temerloh
Pahang Darul Makmur

KELANTAN
Kota Bharu
Ground Floor, Lot 331 & 332
Jalan Sultan Yahya Petra,
Wakaf Siku, 15200 Kota Bharu,
Kelantan Darul Naim

SARAWAK
Miri
Ground Floor, Lot 1340,
Miri Waterfront
Commercial Centre,
Jalan Waterfront
98000 Miri, Sarawak

Kuching
1st & 2nd Floor, Lot 435
Bangunan Tuanku Haji
Mohammad Al-Edrus, Jalan Kulas
93400 Kuching, Sarawak

SABAH
Kota Kinabalu
Lot A 202 & 203, 2nd Floor
Block A, Wisma MUIS
Jalan Tengku Abdul Rahman
88850 Kota Kinabalu, Sabah

TAKAFUL RETAIL CENTRES

KUALA LUMPUR
IFiC Jalan Tun Razak
Aras 2, Menara Tabung Haji
201, Jalan Tun Razak
50732 Kuala Lumpur

SELANGOR
IFiC Sepang
Ground Floor, Lot 01
Movenpick Hotel &
Convention Centre KLIA
Kompleks TH Sepang
Jalan Masjid KLIA
64000 Sepang
Selangor Darul Ehsan

PUTRAJAYA
IFiC Putrajaya
Kompleks Islam Putrajaya
Block B,
Jalan Tunku Abdul Rahman
Presint 3, Pusat Pentadbiran
Kerajaan Persekutuan
62100 Putrajaya

JOHOR
IFiC Johor Bahru
Ground Floor
Menara TH Johor Bahru
PTB 20485, Jalan Ayer Molek
80000 Johor Bahru
Johor Darul Takzim

MELAKA
IFiC Banda Kaba
Tabung Haji Building
Lot 250, Jalan Banda Kaba
Peti Surat 205, 75740 Melaka

PERAK
IFiC Ipoh
Level 1, Tabung Haji Building
Jalan Koo Chong Kong
30000 Ipoh, Perak Darul
Ridzuan

SUBSIDIARY COMPANIES

SYARIKAT TAKAFUL MALAYSIA AM BERHAD
201701032316 (1246486-D)
27th Floor, Annexe Block
Menara Takaful Malaysia
No. 4, Jalan Sultan Sulaiman
50000 Kuala Lumpur
T +603-2268 1984
F +603-2274 2864

P.T. SYARIKAT TAKAFUL INDONESIA
Graha Takaful Indonesia
Jalan Mampang Prapatan Raya
No. 100, Jakarta
12790 Indonesia
T +6221-799 1234
F +6221-790 1435

P.T. ASURANSI TAKAFUL KELUARGA
Graha Takaful Indonesia
Jalan Mampang Prapatan Raya
No. 100, Jakarta
12790 Indonesia
T +6221-799 1234
F +6221-790 1435
W www.takaful.co.id

NOTICE OF 41ST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **FORTY-FIRST ("41st") ANNUAL GENERAL MEETING ("AGM")** of **SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD ("Takaful Malaysia Keluarga"** or **"Company")** will be held on Wednesday, 20 May 2026 at 10.00 a.m. at Dewan Ahmad Mohamed Ibrahim, 5th Floor, Annexe Block, Menara Takaful Malaysia, No. 4, Jalan Sultan Sulaiman, 50000 Kuala Lumpur ("Meeting Venue") and will be broadcasted live from the Meeting Venue via Remote Participation and Electronic Voting (RPEV) at https://investor.boardroomlimited.com ("Online Platform") for the following purposes:-

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025, together with the reports of the Directors and Auditors thereon.

   Please refer to Explanatory Note 1

2. Encik Mohd Azman bin Sulaiman who is retiring by rotation in accordance with Rule 74 of the Company's Constitution has expressed his intention not to seek for re-election. Hence, he will retain office until the conclusion of the 41st AGM.

   Please refer to Explanatory Note 2

3. To re-elect the following Directors who, in accordance with Rule 83 of the Company's Constitution, have offered themselves for re-election:-
   (i) Dato' Charon Wardini bin Mokhzani (Resolution 1)
   (ii) Datin Paduka Kartini binti Hj. Abdul Manaf (Resolution 2)

   Please refer to Explanatory Note 3

4. To approve the payment of Non-Executive Directors' fees of up to RM3,641,000 for Takaful Malaysia Keluarga and its subsidiary companies ("Takaful Malaysia" or "Group") from this AGM of the Company until the next AGM of the Company. (Resolution 3)

   Please refer to Explanatory Note 4

5. To approve the payment of Non-Executive Directors' benefits of up to RM552,200 for the Group from this AGM of the Company until the next AGM of the Company. (Resolution 4)

   Please refer to Explanatory Note 5

6. To reappoint Messrs. PricewaterhouseCoopers PLT as the Auditors of the Company for the financial year ending 31 December 2026 and to authorise the Directors to fix their remuneration. (Resolution 5)

   Please refer to Explanatory Note 6

AS SPECIAL BUSINESS

7. Ordinary Resolution - Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of Revenue or Trading Nature with Lembaga Tabung Haji and its subsidiaries ("LTH Group").

   "THAT, subject to compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Companies Act 2016, the Constitution of the Company and all other applicable laws, rules, regulations and guidelines, approval be and is hereby given to the Company and its subsidiaries ("Takaful Malaysia" or "Group") to enter into Recurrent Related Party Transactions of revenue or trading nature with LTH Group which are necessary for the day-to-day operations of Takaful Malaysia as set out in Section 2.3 of the Circular to Shareholders dated 21 April 2026, provided that:-

   (a) the transactions are in the ordinary course of business and are on terms which are not more favourable to the related parties than those generally available to the public and on terms not to the detriment of the minority shareholders of the Company;

(b) the transactions are made at arm's length and on normal commercial terms; and

(c) disclosure will be made in Integrated Annual Report with breakdown of the aggregate value of transactions conducted pursuant to the mandate during the financial year.

AND THAT such authority shall commence immediately upon the passing of this resolution and shall continue to be in force until:-

(a) conclusion of the next AGM of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;

(b) expiration of the period within which the next AGM after the date that it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of Companies Act 2016); or

(c) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is earlier." (Resolution 6)

Please refer to Explanatory Note 7

8. Ordinary Resolution – Proposed Authority to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016.

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject to the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and approvals of the relevant governmental/regulatory authorities, where such approval is required, the Directors be and are hereby empowered to issue and allot shares in the Company from time to time, at such price, upon such terms and conditions, to such persons and for such purposes as the Directors may in their absolute discretion deem fit PROVIDED THAT the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being and that such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company, AND THAT the Directors be authorised to do all such things as they deem fit and expedient in the best interest of the Company to give effect to issuance of new shares under this resolution including making such applications to Bursa Securities for the listing of and quotation for additional shares so issued on Bursa Securities pursuant to this resolution." (Resolution 7)

Please refer to Explanatory Note 8

9. To transact any other business for which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a Member who shall be entitled to attend this 41st AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd., in accordance with Rule 49(f)(ii) of the Constitution of the Company and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 13 May 2026. Only a depositor whose name appears on the Record of Depositors as at 13 May 2026 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

By Order of the Board

AZNI BINTI ARIFFIN
SSM Practicing Certificate No. 202008003324
LS 0010610
Company Secretary
Kuala Lumpur
21 April 2026

Explanatory Notes:

1. Mode of Meeting

(i) The 41st AGM of the Company will be conducted in a hybrid mode in accordance with paragraph 8.27A of Main Market Listing Requirements of Bursa Securities ("Listing Requirements") and in line with the Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 7 April 2022.

41st AGM	
Date Wednesday, 20 May 2026	**Time** 10.00 a.m
(a) Meeting Venue: Dewan Ahmad Mohamed Ibrahim, 5th Floor, Annexe Block, Menara Takaful Malaysia, No. 4, Jalan Sultan Sulaiman, 50000 Kuala Lumpur **(b) Online Platform:** https://investor.boardroomlimited.com	**Poll Administrator** Boardroom Share Registrars Sdn. Bhd. ("Boardroom")

(ii) You have the option to attend the 41st AGM either physically at the Meeting Venue (Physical Attendance) or virtually via the RPEV facilities to be provided by Boardroom, the appointed share registrar for this AGM (Virtual Attendance).

2. Appointment of Proxy

(i) Save as set out in Note (iii) below, a Member of the Company entitled to attend and vote at this meeting is entitled to appoint up to two (2) proxies to attend and to vote instead of him at the same meeting. A proxy may but need not be a Member of the Company.

(ii) Where a Member of the Company appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

(iii) Where a Member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(iv) The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney and in the case of a corporation, must be under seal or under the hand of an officer or attorney duly authorised.

(v) The instrument appointing a proxy shall be deposited or submitted in the following manner not less than forty-eight (48) hours before the time for holding the AGM or any adjournment thereof:-

(a) In hardcopy form

Deposit at the office of Share Registrar of the Company, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan. Any alteration to the Form of Proxy must be initialled.

(b) By e-mail or electronic means

Detailed requirements and procedures for submission of proxy forms are as set out in Administrative Details.

(vi) Only Members whose names appear in the Record of Depositors on 13 May 2026 shall be eligible to attend, speak and vote at the AGM or appoint proxy(ies) to attend, speak and/or vote on their behalf.

3. Registration for AGM participation

Please refer to the procedures in Administrative Details for the 41st AGM for Physical Attendance and Virtual Attendance.

4. Voting

(i) Pursuant to Paragraph 8.29A(1) of the Listing Requirements, all resolutions set out in the Notice of the 41st AGM of the Company will be put to vote by poll. Poll Administrator will be appointed to conduct the poll via e-voting process and Independent Scrutineers will be appointed to verify the poll results.

(ii) Shareholders can proceed to vote on the resolutions and submit their votes at any time from the commencement of the 41st AGM at 11.00 a.m. until a time when the Chairman of the AGM (Chairman) announces the completion of the voting session. Upon completion of the voting session for the 41st AGM, the Independent Scrutineers will verify the poll results followed by the Chairman's announcement of the poll results and declaration whether the resolutions are duly passed.

5. Submission of questions before and during the 41st AGM

Shareholders may submit questions in relation to the agenda items for the 41st AGM prior to the meeting electronically and may also ask questions real time in the form of typed text (Virtual Attendance) or raise questions at the Meeting Venue (Physical Attendance) during the meeting. Please refer to the procedures in the Administrative Details for the 41st AGM.

6. Ordinary Business

(i) **Explanatory Note 1**

Audited Financial Statements for the financial year ended 31 December 2025.

Audited Financial Statements in Agenda 1 laid in accordance with Section 340(1)(a) of the Companies Act 2016 are meant for shareholders' information and discussion only. Audited Financial Statements do not require shareholders' approval and as such, are not put forward for voting by the shareholders of the Company.

(ii) **Explanatory Note 2**

Rule 74 of the Company's Constitution provides that all Directors shall retire from the office at least once every three (3) years and at the AGM of the Company, one third (1/3) of the Directors of the Company for the time being, or if their number is not three or multiple of three, then the number nearest to 1/3 shall retire from office. Pursuant to Paragraph 7.26(2) of the Listing Requirements, all the Directors shall retire from office at least once in every three (3) years but shall be eligible for re-election.

Encik Mohd Azman bin Sulaiman who is retiring by rotation in accordance with Rule 74 of the Company's Constitution has expressed his intention not to seek for re-election. Hence, he will retain office until the conclusion of the 41st AGM.

(iii) **Explanatory Note 3**

Re-election of Directors who retire in accordance with Rule 83 of the Company's Constitution.

Rule 83 of the Company's Constitution provides that any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at the meeting.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 41st AGM, the Board considered the following:-

- The Directors' performance and contribution; and
- The Directors' level of contribution to the Board's deliberations through his/her skills, experience and strength in qualities.

Dato' Charon Wardini bin Mokhzani and Datin Paduka Kartini binti Hj. Abdul Manaf are standing for re-election as Directors of the Company and being eligible, both have indicated their willingness and consented to be re-elected. The performance of both Directors has been evaluated by the Board and they have met the performance criteria required of an effective and high performance Board and has the ability to continue discharging their duties diligently as Director of the Company. Both Directors have confirmed and declared on their Fit and Proper form in line with the Listing Requirements for the Board to be satisfied that the Directors to be re-elected meet the fit and proper criteria to support their recommendation to shareholders for approval on their re-election.

Dato' Charon Wardini bin Mokhzani has demonstrated the level of independence as an Independent Director and his ability to act in the best interest of the Company in decision-making.

Datin Paduka Kartini binti Hj. Abdul Manaf has successfully completed the Mandatory Accreditation Programme (MAP) pursuant to the provision of the Listing Requirements, while Dato' Charon Wardini bin Mokhzani has completed Part 1 of the MAP and will complete Part 2 of the MAP in due course.

All of the above Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant Board meeting.

(iv) **Explanatory Note 4**

To approve the payment of Non-Executive Directors' fees of up to RM3,641,000 for the Group from this AGM of the Company until the next AGM of the Company. The Non-Executive Directors' fees if approved, are to be payable on monthly basis.

(v) **Explanatory Note 5**

To approve the payment of Non-Executive Directors' benefits of up to RM552,200 for the Group from this AGM of the Company until the next AGM of the Company. The Non-Executive Directors' Benefits if approved, are to be paid upon being incurred on monthly basis.

The Board via the Nomination and Remuneration Committee (NRC) reviewed the remuneration package of the Board to ensure fairness and competitiveness relative to the market to attract, retain and motivate the Board.

(vi) **Explanatory Note 6**

To reappoint Messrs. PricewaterhouseCoopers PLT ("PwC") as the Auditors of the Company for the financial year ending 31 December 2026 and to authorise the Directors to fix their remuneration.

The Audit Committee ("AC") at its meeting held on 20 November 2025 concurred with Management's annual assessment on the suitability and independence of PwC as the Company's Auditors and recommended for the Board's approval on PwC's reappointment for financial year ending 31 December 2026 under Section 76(1) of Islamic Financial Services Act ("IFSA") 2013, in accordance with Bank Negara Malaysia ("BNM") Policy Document on External Auditor issued on 29 August 2014. Pursuant to this requirement, takaful operators must be reasonably satisfied that an auditor to be appointed under Section 76(1) of the IFSA 2013 has met the qualifying criteria set out in the policy, both prior to and during the entire audit engagement.

The Board at its meeting held on 25 November 2025 approved the reappointment of PwC as Auditor for financial year ending 31 December 2026 under Section 76(1) of IFSA, subject to BNM approval. Subsequently, BNM on 6 February 2026 approved the Company's application for reappointment of PwC as external auditor for financial year ending 31 December 2026.

The AC was satisfied with the suitability of PwC based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Company. The AC was also satisfied in its review that the provisions of non-audit services by PwC to the Company for the financial year ended 2025 did not in any way impair their objectivity and independence as external auditors of Takaful Malaysia Keluarga. The AC was also satisfied that PwC has met the relevant criteria prescribed by Paragraph 15.21 of the Listing Requirements.

The Board on 25 November 2025 approved the AC's recommendation for the Shareholders' approval to be sought at the 41st AGM on the re-appointment of PwC as Auditors of the Company for the financial year ending 31 December 2026.

PwC have indicated their willingness to continue their services for another year.

7. **Special Business**

(i) **Explanatory Note 7**

Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of Revenue or Trading Nature with LTH Group.

Proposed Resolution 6, if passed, will empower the Company to conduct recurrent related party transactions of revenue or trading in nature which are necessary for Takaful Malaysia's day-to-day operations and will eliminate the need to convene separate general meetings from time to time to seek shareholders' approval. Details on Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of Revenue or Trading Nature are set out in the Circular to Shareholders dated 21 April 2026.

(ii) **Explanatory Note 8**

Proposed Authority to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016.

Proposed Resolution 7, if passed, will give a new mandate to the Directors of the Company, from the date of the forthcoming AGM, to issue and allot shares in the Company from time to time at the aggregate not exceeding ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company pursuant to Section 75 of the Companies Act 2016. This authority, unless revoked or verified at a general meeting will expire at the next AGM of the Company.

As at the date of Notice of 41st AGM, there were no new shares issued pursuant to the mandate granted to Directors at 40th AGM held on 21 May 2025 which will lapse at the conclusion of 41st AGM. Should there be a decision to issue new shares after the general mandate is obtained, the Company will make an announcement thereof.

The Board continues to consider to expand the Company's business. In the event of new allotment of shares pursuant to such opportunity, the proceeds shall be utilised as working capital of the Company. The passing of this resolution would avoid any delay and cost involved in convening a general meeting to specifically approve the issuance of the shares.

STATEMENT ACCOMPANYING NOTICE OF 41ST ANNUAL GENERAL MEETING

STATEMENT ACCOMPANYING NOTICE OF FORTY-FIRST ANNUAL GENERAL MEETING PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

The Directors eligible for re-election are Encik Mohd Azman bin Sulaiman, Dato' Charon Wardini bin Mokhzani and Datin Paduka Kartini binti Hj. Abdul Manaf at this forthcoming 41st Annual General Meeting of the Company.

However, Encik Mohd Azman bin Sulaiman who is retiring by rotation in accordance with Rule 74 of the Company's Constitution has expressed his intention not to seek for re-election. Hence, he will retain office until the conclusion of the 41st AGM.

The profiles of the Directors who are standing for re-election as per Resolutions 1 and 2 as stated in the Notice of Annual General Meeting are set out in the Profile of Board of Directors' section on pages 155 and 161 of this Integrated Annual Report.

FORM OF PROXY

FOR 41ST AGM

SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD
198401019089 (131646-K) (Incorporated in Malaysia)

NUMBER OF ORDINARY SHARES HELD	CDS ACCOUNT NO.

I/We ____
(Full Name of Shareholder)

NRIC/Passport No./Company No. ______________________________

of ____
(Full Address)

Telephone No. ______________ being a Member/Members of SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD ("Company"), hereby appoint:

Proxy 1	No. of Shares	%
Full Name of Proxy as per NRIC/Passport		
NRIC/Passport No.		
Full Address		
Email Address		
Contact No.		

and/or failing him/her;

Proxy 2	No. of Shares	%
Full Name of Proxy as per NRIC/Passport		
NRIC/Passport No.		
Full Address		
Email Address		
Contact No.		
	TOTAL SHARES	**100%**

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 41st ANNUAL GENERAL MEETING of SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD, to be held on Wednesday, 20 May 2026 at 10.00 a.m. at Dewan Ahmad Mohamed Ibrahim, 5th Floor, Annexe Block, Menara Takaful Malaysia, No. 4, Jalan Sultan Sulaiman, 50000 Kuala Lumpur ("Meeting Venue") and will be broadcasted live from the Meeting Venue via Remote Participation and Electronic Voting (RPEV) at https://investor.boardroomlimited.com ("Online Platform").

Please indicate an "X" in the space provided below, how you wish your vote to be cast in respect of the following resolutions. In the absence of specific directions, your proxy may vote or abstain at his/her discretion. If you appoint two (2) proxies, please specify the proportions of holdings to be represented by each proxy.

My/Our proxy is to vote as indicated hereunder:

NO.	RESOLUTION	FOR	AGAINST
1.	To re-elect Dato' Charon Wardini bin Mokhzani in accordance with Rule 83 of the Company's Constitution and being eligible, has offered himself for re-election.		
2.	To re-elect Datin Paduka Kartini binti Hj. Abdul Manaf in accordance with Rule 83 of the Company's Constitution and being eligible, has offered herself for re-election.		
3.	To approve the payment of Non-Executive Directors' fees of up to RM3,641,000 for Takaful Malaysia Keluarga and its subsidiary companies ("Takaful Malaysia" or "Group") from this AGM of the Company until the next AGM of the Company.		
4.	To approve the payment of Non-Executive Directors' benefits of up to RM552,200 for the Group from this AGM of the Company until the next AGM of the Company.		
5.	To reappoint Messrs. PricewaterhouseCoopers PLT as the Auditors of the Company for the financial year ending 31 December 2026 and to authorise the Directors to fix their remuneration.		
6.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of Revenue or Trading Nature with Lembaga Tabung Haji and its subsidiaries ("LTH Group").		
7.	Proposed Authority to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016.		

Dated this ______________ day of ______________ 2026

____
Signature/Common Seal of Shareholders

Notes:

(i) Save as set out in Note (iii) below, a Member of the Company entitled to attend and vote at this meeting is entitled to appoint up to two (2) proxies to attend and to vote instead of him at the same meeting. A proxy may but need not be a Member of the Company.

(ii) Where a Member of the Company appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

(iii) Where a Member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(iv) The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney and in the case of a corporation, must be under seal or under the hand of an officer or attorney duly authorised.

(v) The instrument appointing a proxy shall be deposited or submitted in the following manner not less than forty-eight (48) hours before the time for holding the AGM or any adjournment thereof:-

(a) In hardcopy form
Deposit at the office of Share Registrar of the Company, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan. Any alteration to the Form of Proxy must be initialled.

(b) Via email
Write in to bsr.proxy@boardroomlimited.com by providing the name of Member, CDS Account Number accompanied with the Certificate of Appointment of Corporate Representative or Form of Proxy (as the case maybe) to submit the request. Please provide a copy of Corporate Representative's or Proxy's MyKad (Front and Back) or passport in JPEG, PNG, PDF format as well as his/her email address.

(c) By electronic means
Detailed requirements and procedures for submission of proxy forms are as set out in Administrative Details.

(vi) Only Members whose names appear in the Record of Depositors on 13 May 2026 shall be eligible to attend, speak and vote at the AGM or appoint proxy(ies) to attend, speak and/or vote on their behalf.

(vii) If you have submitted the Form of Proxy prior to the AGM and subsequently decide to appoint another person or wish to participate in the AGM yourself, please write in to bsr.helpdesk@boardroomlimited.com or via electronic means (as the case may be) to revoke the earlier appointed proxy(ies) at least forty-eight (48) hours before the AGM or proceed to Help Desk counter on the AGM day for proxy revocation. Upon revocation, your proxy(ies) will not be allowed to participate in the AGM. In such event, you should inform your proxy(ies) accordingly.

(viii) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of AGM will be put to vote by poll.

AFFIX
STAMP

BOARDROOM SHARE REGISTRARS SDN. BHD.
199601006647 (378993-D)

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan

SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD
[198401019089 (131646-K)]

27th Floor, Annexe Block, Menara Takaful Malaysia,
No.4, Jalan Sultan Sulaiman, 50000 Kuala Lumpur

1-300 88 252 385 | +603-2274 0237

csu@takaful-malaysia.com.my