DIRECTORS' REPORT

& AUDITED FINANCIAL STATEMENTS

31 MARCH | 2026

TAKAFUL IKHLAS GENERAL BERHAD
201701019705 (1233870-A)

Takaful Ikhlas General Berhad
(201701019705 (1233870-A))
(Incorporated in Malaysia)

Directors' Report and Audited Financial Statements
31 March 2026

201701019705 (1233870-A)

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

Contents

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

Directors' Report

The Directors have pleasure in submitting their report together with the audited financial statements of Takaful Ikhlas General Berhad ("the Company") for the financial year ended 31 March 2026.

Principal Activity

The Company is principally engaged in the management of general takaful business.

There have been no significant changes in the nature of this principal activity during the financial year.

Ultimate Holding and Financial Holding Company

The ultimate holding and financial holding company is MNRB Holdings Berhad ("MNRB"), a company incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

Results

	RM'000
Net profit for the financial year	82,766

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year, other than as disclosed in the financial statements.

In the opinion of the Directors, the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Dividend

The amount of dividend declared and paid by the Company since the end of the previous financial year was as follows:

	RM'000
In respect of the financial year ended 31 March 2025:	
Final single tier dividend of 4.35% on 230,000,002 ordinary shares, declared on 29 October 2025 and paid on 7 November 2025.	10,000

Share Capital and Debentures

There were no changes in issued and paid-up capital of the Company during the financial year.

There were no debentures issued during the financial year.

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company since the beginning of the financial year to the date of this report.

Significant Event

There are no significant adjusting events after the statement of financial position date up to the date when the financial statements are authorised for issuance.

Climate-Related Risks and Disclosures

The Company is guided by the MNRB's sustainability governance framework and approach to managing sustainability-related matters, including climate-related risks. Details of these efforts, including climate-related disclosures, are set out in the Sustainability Statement within the MNRB's Annual Report for the financial year ended 31 March 2026 and are available on the MNRB's corporate website.

Directors

The names of the Directors in office since the beginning of the financial year to the date of this report are:

Dato' Sulaiman Mohd Tahir (Appointed on 16 July 2025)
Woon Tai Hai
Dato' Amirudin Abdul Halim
Dr. Wan Zamri Wan Ismail
Datuk Adillah Ahmad Nordin (Appointed on 1 July 2025)
Leong May Lee (Appointed on 1 October 2025)
Datuk Johar Che Mat (Retired on 15 July 2025)
Arul Sothy S. Mylvaganam (Retired on 30 September 2025)

In accordance with Clause 22.2 of the Company's Constitution, Leong May Lee will be retiring at the forthcoming Annual General Meeting ("AGM") and being eligible, had offered herself for re-election.

In accordance with Clause 22.3 of the Company's Constitution, Woon Tai Hai and Dato' Amirudin Abdul Halim will be retiring at the forthcoming AGM and being eligible, had offered themselves for re-election.

Directors' Benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors, or the fixed salary and benefits receivable as a full-time employee of the Company as disclosed in Notes 4, 5 and 27 to the financial statements, or benefits receivable from related corporations) by reason of a contract made by the Company or a related corporation with any 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 to be disclosed under Part 1, Section 3 of the Fifth Schedule of the Companies Act, 2016.

	2026
	RM'000
Directors' fee	650
Allowances and other emoluments	146
Benefits-in-kind	158
	954

Directors' Indemnity

During the financial year, the ultimate holding company, MNRB mantained a Directors and Officers Liability Takaful certificate to indemnify to all Directors of the MNRB Group, up to a coverage of RM60 million, at a contribution of RM111,250 for liability incurred in the discharging of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage.

Directors' Interests

According to the register of Directors' shareholdings, none of the Directors in office at the end of the financial year had any interest in shares of the Company or its related corporations during the financial year.

Corporate Governance Disclosures

The Company has complied with the prescriptive requirements of and adopts management practices that are consistent with the principles prescribed under Bank Negara Malaysia's ("BNM") Policy Document, BNM/RH/PD 029-9 *Corporate Governance* ("PD CG"). The Company is committed to the principles prescribed in this policy document to ensure public accountability at all times.

Further details are disclosed on page 6 - 50.

Other Statutory Information

(a) Before the statement of profit or loss, statement of comprehensive income and statement of financial position of the Company were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) As at the date of this report, the Directors are not aware of any circumstances which would render:

(i) it necessary to write off any bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; and

(ii) the values attributed to the current assets in the financial statements of the Company misleading.

(c) As at the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

(d) As at the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Company which would render any amount stated in the financial statements as misleading.

(e) As at the date of this report, there does not exist:

(i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and

(ii) any contingent liability in respect of the Company which has arisen since the end of the financial year other than those arising in the normal course of business of the Company.

Other Statutory Information (cont'd.)

(f) In the opinion of the Directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Company to meet its obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

(g) Before the statement of profit or loss, statement of comprehensive income and statement of financial position of the Company were made out, the Directors took reasonable steps to ascertain that there was adequate provision for takaful certificate liabilities in accordance with the MFRS 17 *Insurance Contracts.*

For the purposes of paragraphs (e)(ii) and (f)(i) above, contingent or other liabilities do not include liabilities arising from takaful certificates underwritten in the ordinary course of business of the Company.

Auditors

The auditors, Messrs. Ernst & Young PLT, have expressed their willingness to continue in office.

The auditors' remuneration for their services during the year is RM898,826.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 22 June 2026.

Dato' Sulaiman Mohd Tahir

Woon Tai Hai

Kuala Lumpur, Malaysia
22 June 2026

Corporate Governance Disclosures (as referred to in the Directors' Report)

The Board of Directors (“Board”) of Takaful Ikhlas General Berhad ("the Company") remains committed towards maintaining high standards of corporate governance throughout the Company. The Board strives to continuously improve the effective application of the principles and best practices in conformity with Policy Document on Corporate Governance (“PD CG") of Bank Negara Malaysia ("BNM") issued on 3 August 2016.

The Company’s policy is to implement these principles and best practices and to uphold high standards of business integrity in all its activities. This includes a commitment to emulate good industry examples and to comply with guidelines and recommendations in the conduct of business activities within the Company.

Set out below is a statement on how the Company has applied the principles and complied with the best practices as prescribed under the PD CG during the financial year ended 31 March 2026.

Board of Directors

The Board is responsible for the proper stewardship of the Company’s resources, the achievement of the Company’s objectives and good corporate citizenship. It discharges these responsibilities by complying with all the relevant Acts and Regulations, as well as adopting the principles and best practices of the PD CG, Malaysian Code of Corporate Governance 2021 (“MCCG 2021”), where relevant.

The Board retains full and effective control over the Company’s affairs. This includes the responsibility to determine the Company’s development and overall strategic direction. Key matters such as the approval of financial results, major capital expenditures, budgets, business plans and succession planning for top management, are reserved for the Board or its appointed committees to deal with. In addition, the Board plays an active role in addressing sustainability matters and climate-related risks. It approves key sustainability directions and monitors progress, supported by continuous learning via periodic capacity-building programmes on emerging trends and practices.

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

The meetings of the Board are chaired by the Non-Executive Chairman, whose role is clearly separated from the role of the President & Chief Executive Officer (“President & CEO”), who ensures that Board policies and decisions are implemented accordingly.

Board Composition

As at the date of this report, the Board comprises six (6) members. Five (5) of these members are Independent Non-Executive Directors ("INED") and one (1) Non-Independent Non-Executive Chairman ("NINEC").

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

	Composition	Percentage
NINEC	1/6	16.7%
INED	5/6	83.3%

By virtue of this composition, the Company is in compliance with the following paragraphs of the PD CG:

(i) Paragraph 11.3 which requires that the Chairman of the Board must not be an executive director and must not served as a Chief Executive Officer ("CEO") of the financial institution since in the past five (5) years;

(ii) Paragraph 11.4 which requires that the Board must not have more than one (1) executive director unless otherwise approved by BNM in writing; and

(iii) Paragraph 11.6 which requires that the Board must have a majority of independent directors at all times.

Under the Company's Constitution, the number of Directors shall not be more than ten (10) and not less than five (5) Directors.

The Directors bring to the Board, a wide range of knowledge and experience in relevant fields such as takaful and retakaful, accounting and finance, legal, economics, investment, information technology, banking and business operations. The Board has the necessary depth of experience and judgement to bear on issues of strategy, performance, resources and ethical standards.

Key information on each Director is set out under the section 'Board of Directors' Profile' on page 41 - 44.

Board Charter

The Board had formalised a Board Charter setting out the duties, responsibilities and functions of the Board in accordance with the principles of good corporate governance set by the regulatory authorities. This Board Charter will be reviewed periodically to incorporate updates and enhancements to the existing rules and regulations. The Board Charter is available on the Company's website at https://www.takaful-ikhlas.com.my/corporate/corporate-governance.

Directors' Code of Ethics

The Directors observe a code of ethics in accordance with the code of conduct expected of Directors of financial service providers.

The Chairman is primarily responsible for the effective conduct and workings of the Board. The Chairman leads the Board in the oversight of the Management and in setting strategic business plans, goals and key policies for the Company to ensure the sustainability of long-term returns.

Directors' Independence and INED

The Board comprises a majority of INEDs.

The independence of the Directors is assessed by the Group Nomination & Remuneration Committee ("GNRC") as well as the Board in accordance with the requirements of BNM, MCCG 2021, Board Charter and the Company's Policy on Independent Directors.

The Independent Directors play a pivotal role in corporate accountability and provide unbiased and independent views and judgement in relation to the Board's deliberation and decision-making process. This is reflected in their memberships in the various Board Committees and attendance at meetings.

The Company determines the independence of its Directors in accordance with the requirements under the PD CG. Under the Paragraph 11.7 of the PD CG, an Independent Director of the Company is one who himself or any person linked to him is independent from Management, the substantial shareholders of the Company and/or any of its affiliates, and has no significant business or other contractual relationship with the Company or its affiliates within the last two (2) years. In addition, pursuant to Paragraph 11.9 of the PD CG and Clause 4.2 of the Board Charter, the Independent Director must has not served the Company and has not served for more than nine (9) years on the Board, except under exceptional circumstances and as approved by BNM.

All Independent Directors have demonstrated to the Board that they have exercised impartial and independent judgement while protecting the interests of the Company.

The Non-Executive Directors do not participate in the day-to-day management of the Company and do not engage in any business dealing or other relationships with the Company (other than in situations permitted by the applicable regulations) in order that they remain truly capable of exercising independent judgement and act in the best interests of the Company and its shareholder. The Board is also satisfied that no individual or group of individuals dominate the decision making process of the Board in ensuring a balanced and objective consideration of issues, thereby facilitating optimal decision-making.

MNRB Group Independent Director Policy

The Board had adopted the MNRB Group Independent Director Policy which formalises the 9-year tenure limit for INEDs. This policy is implemented to ensure the continuous effective functioning of the Board remained unchanged. Due to the specialised nature of the Company's business, the Board is of the view that the maximum of nine (9) years is reasonable considering there are significant advantages to be gained from long-serving Directors who already possess tremendous insight and knowledge of the Company's business affairs.

The Board is of the opinion that the length of INEDs' service on the Board does not in any way interfere with their exercise of independent judgement and their ability to act in the best interests of the Company.

Before the removal or resignation of an Independent Director can take effect, the prior approval of BNM must be obtained.

In assessing independence, the Board evaluates the following criteria:

- The ability to challenge the assumptions, beliefs or viewpoints of others with intelligent questioning, constructive and rigorous debating, and dispassionate decision-making for the good of the Company;

- A willingness to stand-up and defend their own views, beliefs and opinions for the ultimate good of the Company; and

- An understanding of the Company's business activities in order to appropriately provide responses on the various strategic and technical issues brought before the Board.

Appointment of Directors and Key Senior Management Officers

The Board ensures that a formal and transparent nomination process for the appointment of Directors and Key Senior Management Officers is continuously maintained and improved pursuant to the Terms of Reference ("TOR") of GNRC.

Individuals appointed to the Board and relevant senior positions have the appropriate fitness and propriety to discharge their prudential responsibilities during the course of their appointment.

The appointment of new Board members is considered and properly evaluated by the GNRC. New nominees for Directors are assessed by the GNRC in accordance with the PD CG and the MNRB Group's Fit and Proper Policy Procedure ("MNRB Group Fit & Proper Policy").

Appointment of Directors and Key Senior Management Officers (cont'd.)

These assessments are carried out by an independent party based on information provided by each individual on matters such as criminal record, the record of material academic/professional qualifications, financial obligations and the carrying out of checks on bankruptcy and regulatory disqualification.

The GNRC will discuss and deliberate on the above and conduct an interview session with the candidate. Upon completing this process, the GNRC shall recommend the proposed appointment to the Board for its deliberation and approval.

In making these recommendations, the GNRC assesses the suitability of candidates, taking into account the required mix of skills, knowledge, expertise and experience, as well as professionalism, integrity including financial integrity, competencies and other qualities, before recommending to the Board for appointment.

The GNRC and Board will devote sufficient time to review, deliberate and finalise the selection of Directors. The Company Secretary will ensure that all the necessary information is obtained and relevant legal and regulatory requirements are complied with. In this regard, the Board is also guided by the MNRB Group Fit & Proper Policy.

The GNRC conducts a yearly assessment on the suitability of the present Directors under the abovementioned MNRB Group Fit and Proper Policy. The fit and proper assessment for the Directors includes self-declaration and vetting by the Company for the purpose of ensuring that they are suitable to continue serving as Directors of the Company.

The following aspects would also be considered by the Board in appointing/reappointing Directors:

- Character, integrity and reputation - the person must have key qualities such as honesty, independence of mind, integrity, diligence, fairness and are of good repute in the financial and business community;

- Experience, competence and capability – the person must have the necessary skills, experience and ability to carry out the role; and

- Time and commitment – the person must have the ability to discharge role having regard to other commitment.

The Board’s expectations on the time commitment and contribution from the Directors will also be clearly communicated to the potential candidates. The GNRC will evaluate the candidates’ ability to discharge their duties and responsibilities as well as appropriate time commitment prior to recommending their appointment as Directors for the Board's approval.

Re-appointment and Re-election of Directors

All Directors may subject themselves for re-appointment and/or re-election upon the expiry of their BNM Appointment Term or in accordance with Clause 22.3 of the Company's Constitution, where one-third (1/3) of the Directors for the time being, or if their number is not a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office at each Annual General Meeting ("AGM") and all retiring Directors can offer themselves for re-election.

Pursuant to the PD CG, the Company is required to apply to BNM for the re-appointment of its Directors at least three (3) months prior to the expiry of their terms of appointment as approved by BNM, should it wish to extend their appointments. Prior to such application, the relevant Directors will be assessed by the GNRC and the Board and they are required to give consent on their re-appointment prior to the recommendation being made.

In accordance with Clause 22.2 of the Company's Constitution, Leong May Lee will be retiring at the forthcoming AGM and being eligible, had offered herself for re-election.

In accordance with Clause 22.3 of the Company's Constitution, Woon Tai Hai and Dato' Amirudin Abdul Halim will be retiring at the forthcoming AGM and being eligible, had offered themselves for re-election.

Directors who are appointed by the Board during the financial period before the AGM are also required to retire from office and seek re-election by the shareholders at the first opportunity after their appointment.

Board and Individual Directors' Effectiveness

The Board members undertake a formal and transparent process, upon completion of every financial year, to assess the effectiveness of their fellow Directors, the Board as a whole and the performance of the President & CEO.

The Board and Individual Directors Evaluation is based on answers to a detailed questionnaire. The evaluation form was distributed to all Board members and covered topics which included board mix, composition and training needs, quality of information and decision making, responsibilities related to strategic plan/governance, fiscal oversight, risk management and boardroom activities, strategic governance, environmental, social and governance, and monitoring role coupled with their relationship with Management.

Other areas which were assessed included the contribution of each and every member of the Board at meetings.

The GNRC, having deliberated the findings of the Board and Individual Directors and President & CEO Evaluation, will report to the Board the results and highlight those matters that require further discussion and direction by the Board.

The Board members' directorship in companies other than the Company, are well within the restriction of not more than five (5) directorships in public listed companies as stated in the PD CG.

Roles and Responsibilities of the Chairman and the President & CEO

The roles and responsibilities of the Chairman and the President & CEO are separated with a clear division of responsibilities as defined in the Board Charter. This distinction is to provide better understanding and distribution of jurisdictional responsibilities and accountabilities. The Chairman and the President & CEO are not related to each other.

The Chairman leads the Board and is also responsible for its performance. Together with the rest of the Board members, the Chairman sets the policy framework and strategies to align the business activities driven by the Senior Management Team with the Company's vision and mission.

The President & CEO is mainly accountable for the day-to-day management to ensure the smooth and effective running of the Company. He is also responsible for the implementation of policies and Board decisions as well as coordinating the development and implementation of business strategies.

The President & CEO also ensures that the financial management practice is at the highest level of integrity and transparency for the benefit of the shareholders and the affairs of the Company be performed in an ethical manner.

Board Meetings

The Board meeting dates for the ensuing financial year are scheduled in advance before the end of the current financial year so that the Directors are able to plan ahead and schedule these dates into their respective meeting schedules.

The Board has scheduled meetings at least six (6) times a year, in addition to the AGM. For the financial year ended 31 March 2026, the Board held nine (9) meetings.

Board Meetings (cont'd.)

Technology and information technology are effectively used in Board meetings and communications with the Board. The Board meeting materials are shared electronically via online meeting platform as and where required, Directors may participate in meetings via video conference.

All Directors have complied with the requirement to attend at least seventy five percent (75%) of Board meetings held during the financial year ended 31 March 2026 as required under Paragraph 9.3 of the PD CG.

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

Directors	**Attendance***	**Percentage**
Dato’ Sulaiman Mohd Tahir (Appointed on 16 July 2025) NINEC	5/5	100%
Woon Tai Hai INED	9/9	100%
Dato' Amirudin Abdul Halim INED	9/9	100%
Dr. Wan Zamri Wan Ismail INED	8/9	89%
Datuk Adillah Ahmad Nordin (Appointed on 1 July 2025) INED	5/5	100%
Leong May Lee (Appointed on 1 October 2025) INED	4/4	100%
Datuk Johar Che Mat (Retired on 15 July 2025) NINEC	4/4	100%
Arul Sothy S. Mylvaganam (Retired on 30 September 2025) INED	5/5	100%

** Attendance at the meetings was based on the number of meetings held while Director was in office as of 31 March 2026.*

At each scheduled Board meeting, the financial performance and business reviews were discussed, including the Company’s quarterly operating performance to date, against the annual budget and business plan previously approved by the Board for that financial year.

Board Meetings (cont'd.)

The respective Board Committee’s reports and recommendations are also presented and discussed at Board meetings. All proceedings of Board meetings are duly recorded in the minutes of each meeting and signed minutes of each Board meeting are properly retained by the Company Secretary.

The Board delegates the day-to-day management of the Company's business to the Senior Management Team but reserves for its consideration of significant matters as specified in the Board Charter.

Directors’ Remuneration

(a) Remuneration Policy and Procedure

The GNRC recommends to the Board the appropriate remuneration packages for the Directors as well as the President & CEO and the Key Senior Management Officers in order to attract, motivate and retain the Directors, the President & CEO and the Key Senior Management Officers of the necessary caliber and quality as required by the Company. The remuneration packages for the Group Shariah Committee (“GSC”) members are decided by the Board of MNRB.

The Company’s remuneration policy is to reward the Directors, the President & CEO and the Key Senior Management Officers competitively, taking into account performance, market comparisons and competitive pressures in the industry. Whilst not seeking to maintain a strict market position, the GNRC takes into account comparable roles in similar organisations that may be the same in size, market sector or business complexity.

The President & CEO does not participate in any way in determining his individual remuneration.

All Directors are paid fees which are recommended by the Board and approved annually by the shareholder at the AGM.

The remuneration structure of Directors of the Company are as follows:

- Fees for duties as Director and as member of the various committees of the Board as well as additional fees for undertaking responsibilities as Chairman of the Board and the various Board Committees; and

- Meeting allowance for each meeting attended.

The fees for Directors are recommended by the Board to the shareholder after deliberating the recommendations by the GNRC. The meeting allowance for all Directors is also determined by the Board.

Directors' Remuneration (cont'd.)

(a) Remuneration Policy and Procedure (cont'd.)

The Board has taken into consideration prevailing market practices in determining Directors' remuneration and has adopted the revised fee structure. The revised structure has been applied in computing the Directors' fees for the financial year ended 31 March 2026.

		Meeting allowance RM	Annual fees RM
Board	Chairman		92,000
	Member		80,500
Audit Committee	Chairman		25,300
	Member		19,550
Risk Management Committee	Chairman		25,300
	Member	RM1,500 for each meeting attended	19,550
Group Nomination & Remuneration Committee	Chairman		19,550
	Member/ Permanent Invitee		13,800
Group Investment Committee ("GIC")	Chairman		19,550
	Member		13,800

The details of the total remuneration of each Director of the Company during the financial year ended 31 March 2026 are disclosed in Note 5 to the financial statements. Directors' fees amounting to RM 795,570 for the financial year ended 31 March 2026 will be proposed for approval at the forthcoming AGM of the Company. The fees were pro-rated based on appointment/resignation date.

Directors' Remuneration (cont'd.)

(a) Remuneration Policy and Procedure (cont'd.)

The remuneration of the GSC members is decided by the MNRB Board. The meeting allowance and annual fees of the GSC members were shared equally with fellow subsidiaries of MNRB Group, namely Malaysian Reinsurance Berhad (for its Retakaful Division), Takaful Ikhlas Family Berhad ("Takaful IKHLAS Family") and the Company. The details of the Company's share of the total remuneration of each member of the GSC during the financial year ended 31 March 2026 is disclosed in Note 5 to the financial statements.

(b) Indemnification of Directors and Officers

Directors and Officers are indemnified under a Directors and Officers Liability Takaful Policy against any liability incurred by them in the discharge of their duties while holding office as Directors and Officers of the Company. The Directors and Officers shall not be indemnified where there is any negligence, fraud, breach of duty or breach of trust proven against them.

Remuneration Policy in respect of the President & CEO, Board Appointees and the Senior Management team of the Company

The objective of the Company's remuneration policy is to attract, motivate, reward and retain quality personnel.

The remuneration of the President & CEO, the Board Appointees and the Senior Management team of the Company are reviewed and approved by the GNRC and the Board respectively.

The basic component of the remuneration package comprises a monthly basic salary. The variable component has been designed to link rewards to corporate and individual performance, based on appropriate and meaningful performance measures set up by the Company, and approved by the GNRC and the Board. Such components comprise a performance-based variable bonus which is awarded once a year. In awarding this variable component, the President & CEO, Board Appointees and Senior Management Team's corporate and individual performance are measured using a balanced measurement approach that encourages business sustainability and ensures prudent risk taking.

The Company's variable compensation varies in line with its financial performance and the meeting of corporate governance requirements.

Staff engaged in all control functions including Actuarial do not carry business profit targets in their goal sheets and hence are compensated independent of the business profit achievements. Their compensation is dependent on the achievement of key results in their respective domain.

Remuneration Policy in respect of the President & CEO, Board Appointees and the Senior Management Team of the Company (cont'd.)

In such annual remuneration reviews, the GNRC takes into consideration factors such as market competitiveness and internal equity, and that the remuneration is commensurate with individual performance and contributions.

The annual budget for salary increment and performance-related variable bonus is submitted to the Board for approval. The competitiveness of the Company's compensation structure is reviewed when necessary, subject to relevancy and affordability, relative to a peer group of companies that is considered to be relevant for compensation purposes to ensure continued appropriateness. The review is done through a benchmarking exercise from a remuneration survey report conducted independently by consultants.

The Board has taken into consideration the Company's talent management objectives and employee retention strategies and has adopted the Retention Bonus Guidelines and implemented since the financial year ended 31 March 2024 to support talent retention and complement the overall talent management framework, including career development and progression, as well as rewards and recognition initiatives.

The total value of remuneration for the financial year is as follows:

	Unrestricted RM'000	Deferred RM'000	Remark
Fixed remuneration:			
- Cash-based	4,416	-	Salaries, allowance and EPF
- Other	25	-	Benefits-in-kind
Variable remuneration:			
- Cash-based	1,414	-	Variable bonus and EPF on bonus
- Other	-	-	Benefits-in-kind

Supply of Information

All Directors have full and unrestricted access to all information pertaining to the Company's business affairs, whether as a full Board or in their individual capacity, to enable them to discharge their duties.

Prior to Board meetings, every Director receives a notice of meeting, the agenda and Board papers. Sufficient time is given to the Directors to enable them to obtain further explanations, where necessary, so that there will be full participation by Directors at the meeting. The Board papers include the following:

- Reports and recommendations by various Board Committees on issues deliberated at the respective Board Committee meetings;
- Financial Statements on the Company's performance; and
- Compliance reports.

Proper guidelines have been given by the Board pertaining to the content, presentation style and delivery of papers to the Board for each Board meeting to ensure adequate information is disseminated to the Directors.

All Directors have direct access to the members of the Senior Management team and the services of the Company Secretary to enable them to discharge their duties effectively.

The Company Secretary attends and ensures that all Board meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained in the statutory register at the registered office of the Company. The Company Secretary works closely with Management to ensure that there are timely and appropriate information flows within and to the Board and Board Committees, and between the Non-Executive Directors and Management.

The Directors may, if necessary, obtain independent professional advice from external consultants, at the Company's expense.

Throughout their period in office, Directors are updated on the Company's business, the competitive and regulatory environment in which it operates and other changes by way of written briefings and meetings with the Senior Management.

Conflict of Interest

As per the Conflict of Interest ("COI") Policy, Directors are required to declare their respective shareholdings in the Company and related companies and their interests in any contracts with the Company or any of its related companies. Directors are also required to declare their directorships and interests in other companies and shall abstain from any discussions and decision-making in relation to these companies if the interests are deemed to be material pursuant to Companies Act, 2016.

All disclosures by the Directors are properly recorded and retained by the Company Secretary.

Directors' Trainings

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

In view of the challenges and recognising the importance of increased board leadership, the Company provides the Board members with relevant training programmes and seminars in order to continuously strengthen their skill set and knowledge as well as to acquire sound understanding of current issues and developments, including sustainability and climate-related matters, within the financial and business environment.

To enable them to contribute effectively from the outset of their appointment, all new Directors are required to undergo an induction programme where they are briefed on the Company, the formal statement of the Board's role, powers that have been delegated to the Company's Senior Management and Management committees as well as the Company's latest financial information.

Being a Director of a financial institution, it is mandatory for a newly appointed Director to attend the Financial Institution Directors' Education ("FIDE") Core programme within one (1) year from the date of appointment. In the event that the new Director has completed the same in another financial institution previously, the Director should provide a copy of his/her FIDE certificate to the Company Secretary.

The Company Secretary facilitates the organising of internal training programmes and the Directors' participation in external programmes, in addition to keeping a complete record of the training programmes attended by the Directors.

Directors' Trainings (cont'd.)

During the financial year, all Directors, collectively or on their own, attended various seminars and programmes organised by professional bodies and regulatory authorities as well as those conducted in-house. These include the following:

- MNRB Group Directors' Training: "Strategic Opportunities for Asian Reinsurers - An Insider's View"
- MNRB Group Directors' Training: "A Global and Regional Overview of Reinsurance - The Past and the Next"
- MNRB Group Director's Training: "Financial Crime Awareness Program – Anti-money Laundering ("AML") & Countering the Financing of Terrorism ("CFT") Updates"
  AML/CFT AND ABC: "Corporate Liability: How to Say No to Corruption"
- MNRB Group Directors' Training: "Navigating the Anti-Financial Crime Landscape"
- MNRB Group Directors' Training: "Data Privacy Essentials: Understanding the Personal Data Protection Act ("PDPA") Obligation"
- Sharing by EY "Harnessing Artificial Intelligence ("AI") in Insurance"
- "Understanding Insurance/Takaful Performance under MFRS 17"
- MNRB Group Directors' Training: "Digital Trust and Maqasid: Reimagining Islamic Finance in the Age of AI & Fintech" & "Understanding the Intersection of Digitalization, Maqasid and Trust"
- MNRB Group Directors' Training: "Cyber Security – The Changing Face of Cyber Threats"
- MNRB Group Directors' Training: "Strategic Sustainability and Environmental, Social & Governance ("ESG"): Unlocking Long-Term Value Creation, Compliance and Managing Risks"
- MNRB Group Directors' Training: "Aligning Shariah Governance and Board Leadership for Digital Trust and Cyber Resilience"
- FIDE CORE Module A
- FIDE CORE Module B
- "Key Tax Regulatory and Industry Developments"

Board Committees

The Board has delegated specific responsibilities to three (3) Board Committees, as follows:

- Audit Committee ("AC");
- Risk Management Committee of the Board ("RMCB"); and
- Group Nomination and Remuneration Committee ("GNRC").

These Board Committees have their respective Terms of Reference, which clearly define their duties and obligations in assisting and supporting the Board. The ultimate responsibility for the final decision on all matters lies with the entire Board.

(i) Audit Committee ("AC")

As at the financial year end, the AC comprises three (3) INED. One (1) member of the AC is a qualified accountant and member of the Malaysian Institute of Accountants.

The AC terms of reference include the review and deliberation of the Company's financial statements, the findings of the External and Internal Auditors, related party transactions and any conflict-of-interest situations within the Company, as well as making recommendation to the Board on the appointment/re-appointment of the External Auditors.

The composition including the tenure of the AC members had been reviewed during the financial year.

The AC is authorised by the Board to undertake any activity within its terms of reference and has unlimited access to all information and documents relevant to its activities and to both the Internal and External Auditors, as well as to all employees of the Company.

It is able to convene meetings with the External Auditors, the Internal Auditors or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

It also has the authority to obtain independent legal or other professional advice as it considers necessary.

Board Committees (cont'd.)

(i) Audit Committee (cont'd.)

During the financial year, five (5) AC meetings were held. Details of the AC members' attendance at the meetings held during the financial year were as follows:

	Attendance	**Percentage**
Chairman		
Dato' Amirudin Abdul Halim (Redesignated as Chairman on 1 October 2025)	5/5	100%
Members		
Woon Tai Hai (Appointed on 1 October 2025)	2/2	100%
Leong May Lee (Appointed on 1 October 2025)	2/2	100%
Dr. Wan Zamri Wan Ismail (Ceased on 30 September 2025)	3/3	100%
Arul Sothy S. Mylvaganam (Retired on 30 September 2025)	3/3	100%

Board Committees (cont'd.)

(i) Audit Committee (cont'd.)

The main activities that took place during the meetings were:

- Reviewed the quarterly results, unaudited interim financial statements and year-end financial statements prior to approval by the Board;

- Reviewed the disclosures in the audited financial statements to be in compliance with regulatory requirements;

- Reviewed and recommended to the Board, the actuarial valuation of liabilities and the regulatory capital requirements of the Company for quarterly and year-end financial results to be in compliance with Bank Negara Malaysia’s requirements;

- Deliberated on and recommended to the Board, the proposed final dividend for the financial year ended 31 March 2025;

- Reviewed the AC Report for inclusion in the Directors' Report;

- Reviewed and recommended to the Board, the zakat payable amount and the basis of computation for the financial year ended 31 March 2025;

- Deliberated on, and recommended to the Board, the adoption of new MFRS Accounting Standards and Amendments / Annual Improvements to MFRS Accounting Standards that are effective for the financial year ended 31 March 2026;

- Evaluated the performance and recommended to the Board, the appointment and remuneration of the External Auditors for the financial year ended 31 March 2026;

- Reviewed and recommended to the Board, the Tax Agent’s tax compliance fee for the year of assessment 2025 and 2026;

- Reviewed and recommended to the Board, the appointment and remuneration of the Tax Consultant to assist the Company in negotiating with Lembaga Hasil Dalam Negeri (“LHDN”) for the closure of the buyout tax voluntary disclosure exercise;

Board Committees (cont'd.)

(i) Audit Committee (cont'd.)

- Reviewed and recommended to the Board, the MNRB Group Related Party Transactions Policy;
- Reviewed and recommended to the Board, the adoption of the MNRB Group BNM's Insurance and Takaful Statistical Reporting ("ITSR") Framework and Policy to the Company;
- Reviewed the tax matters affecting the Company;
- Reviewed the Related Party Transactions as entered into by the Company on a periodic basis, including understanding the relationship of the transacting parties, the nature of these parties' business, the nature and timing of transactions and comparing the terms of the transactions with other third party transactions;
- Deliberated on significant matters raised by the External Auditors including financial reporting issues, significant judgements made by Management, significant and unusual events or transactions and received progress updates from Management on actions taken for improvements;
- Reviewed the External Auditors' management letter and Management's response thereto. Meetings without the presence of the Management were also held with the External Auditors on 10 June 2025. Matters discussed during these meetings include key observations noted by the External Auditors during the course of their annual audit;
- Deliberated on matters pertaining to the implementation of MFRS 17 *Insurance Contract* ;
- Reviewed the Internal Audit plan for FY 2026/2027 and External Auditors' audit plan for the year ended 31 March 2026;
- Reviewed the results of the internal audit reports for the Company on the adequacy and effectiveness of governance, risk management and compliance process;
- Reviewed the adequacy and effectiveness of corrective actions taken by Management on all significant matters raised by the Internal Auditors, External Auditors and BNM including status of completion achieved; and
- Evaluated the effectiveness of the overall compliance risk of the Company.

Board Committees (cont'd.)

(ii) Risk Management Committee of the Board ("RMCB")

The Board has established a dedicated RMCB which oversees the management of the key risk and compliance areas of the Company and to ensure that the risk management and compliance management processes are in place and functioning effectively.

As at the financial year end, RMCB comprises three (3) INEDs.

The RMCB is responsible for the following:

- Ensuring that the Company's corporate objectives are supported by a sound risk strategy and an effective risk and compliance management framework that is appropriate to the nature, scale and complexity of its activities;

- Reviewing and recommending the Company's risk and compliance management strategies, framework, risk appetite and tolerance (including the risk preference for the significant arrangement/activities) for the Board's approval and oversee the implementation thereof;

- Reviewing the adequacy of the Risk Management Framework, Compliance Framework, and other risk and compliance related frameworks, policies and systems, and the extent to which there are operating effectively in supporting the Company corporate objectives;

- Reviewing and assessing the Management's implementation of risk and compliance strategy and obtaining assurance that the organizational units are operating within the parameters of the Company's risk appetite;

- Reviewing and assessing the Company's risk appetite regularly to ensure that it continues to be relevant and reflects any changes in the Company's capacity to take on risk, its inherent risk profile, as well as market and macroeconomic conditions;

- Ensuring adequate infrastructure, resources and system are in place for an effective risk and compliance management system i.e., ensuring that the staff responsible for implementing risk management systems perform those duties independently of the Company's risk-taking activities;

- Reviewing the Management's periodic reports on BNM supervisory dashboard, Composite Risk Rating ("CRR") update, risk exposure, risk portfolio composition, compliance report, and others risk management and compliance related activities;

Board Committees (cont'd.)

(ii) Risk Management Committee of the Board ("RMCB") (cont'd.)

- Reviewing and assessing the risk capital profiles to ensure adequacy of the risk fund, capital available, insurance and shareholders' equity to support the Total Capital Required as specified in the Risk Based Capital Framework for Insurers / Takaful Operators ("Risk Based Capital" / "Risk Based Capital Takaful"), Guidelines on Internal Capital Adequacy Assessment Process ("ICAAP") and, the Group Capital Adequacy Ratio ("GCAR") and Group Capital Sufficiency Indicator ("GCSI") letter issued by Bank Negara Malaysia ("BNM");

- Reviewing the quarterly statutory liabilities report of reinsurance / retakaful / takaful business and focusing on key areas of concern, AA's observations and recommendations, including any actions required to be taken;

- Reviewing the reports on stress testing and ICAAP recommending for Board's approval prior to submission to BNM;

- Reviewing and monitoring the Bancatakaful arrangements (including the design and distribution of the product) prior to recommendation for Board's approval;

- Ensuring the Bancatakaful internal governance structures, policies, procedures and controls are consistent with the requirements set out in the BNM policy document ("PD") on Bancatakaful, Related Party Transactions PD, Intercompany Charges Paid to Related Entities, Corporate Governance PD, Fair Treatment of Financial Consumers PD, Introduction of New Products by Insurers and Takaful Operators PD, etc.;

- Reviewing and monitoring the outsourcing risk management framework, material outsourcing (which includes significant modifications) and annual outsourcing plan (including all new and renewal of existing arrangements) for the Board's approval;

- Reviewing and monitoring the product risk management program, policies and procedure (which include new product as well as re-pricing or effecting changes to the terms and conditions of existing products);

- Ensuring the product risks are well managed (including rights of consumers such as fair treatment, business practices, etc) and appropriately addresses prior to the Board's approval and / submission to BNM;

- Reviewing technology-related matters including Information Technology ("IT") and cybersecurity strategic plans covering a period of no less than three (3) years, updates on critical systems and performance, technology projects, significant IT and cyber-incidents, performance of critical technology and material outsourcing activities and utilization of technology budget;

- Ensuring that the technology risk assessment undertaken relating to material technology applications which to be submitted to BNM, is robust and comprehensive;

Board Committees (cont'd.)

(ii) Risk Management Committee of the Board ("RMCB") (cont'd.)

- Assisting the Board to provide effective oversight in addressing sustainability risk and opportunities of the Company, including the management of climate-related risk to safeguard the Company against adverse impact of climate change;

- Assisting the Board in the implementation of a sound remuneration system that is symmetrical to risk outcome by examining whether the incentives provided by the Company's remuneration system take into consideration of risks, capital, liquidity and the likelihood and timing of earning, without prejudice to the tasks of the Group Nomination & Remuneration Committee ("GNRC");

- At least one (1) of the members participate in the Group Nomination and Remuneration Committee ("GNRC") meeting and providing feedback on the appointment, of the Chief Risk Officer / Head of Risk management and Chief Compliance Officer / Head of Compliance to the GNRC for its deliberation and recommendation to the Board.

  In addition, to preserve the aforementioned roles' independence, they shall have direct and unimpeded access to the RMCB and Board;

- Performing any other function in relation to risk management and compliance as may be agreed by the Board.

During the financial year, five (5) RMCB meetings were held. Details of the RMCB members' attendance at the meetings held during the financial year are as follows:

	Attendance*	Percentage
<u>Chairman</u>		
Dr. Wan Zamri Wan Ismail	5/5	100%
<u>Members</u>		
Woon Tai Hai	5/5	100%
Datuk Adillah Ahmad Nordin (Appointed on 1 October 2025)	3/3	100%
Dato' Sulaiman Mohd Tahir (Appointed on 16 July 2025 and ceased on 30 September 2025)	1/1	100%
Datuk Johar Che Mat (Retired on 15 July 2025)	1/1	100%

** Attendance at the meetings was based on the number of meetings held while Director was in office as of 31 March 2026.*

Board Committees (cont'd.)

(iii) Group Nomination & Remuneration Committee ("GNRC")

The GNRC was established to support and advise the Board of Directors in fulfilling its responsibilities to ensure inter alia that the Board and the key management personnel of the Company comprise individuals with the appropriate mix of qualifications, skills and experience. Proposals by the Company to the GNRC shall be deliberated upon and its recommendations be escalated to the Board of the Company for its decision.

During the financial year, seven (7) GNRC meetings were held. Details of the Committee members' attendance at the meetings held during the financial year were as follows:

The GNRC comprises five (5) INEDs.

	Attendance	**Percentage**
<u>Chairman</u>		
Zaida Khalida Shaari	7/7	100%
<u>Members</u>		
Junaidah Mohd Said	7/7	100%
George Oommen *Permanent Invitee representing Malaysian Reinsurance Berhad & MNRB* *(Appointed on 25 August 2025)*	2/2^	100%
Khalid Sufat *Permanent Invitee representing Malaysian Reinsurance Berhad* *(Deceased on 24 June 2025)*	2/3^	67%
Azizul Mohd Said *Permanent Invitee representing Takaful Ikhlas Family Berhad*	6/6*^	100%
Datuk Adillah Ahmad Nordin *Permanent Invitee representing the Company* *(Appointed on 1 July 2025)*	3/3*^	100%
Dr. Wan Zamri Wan Ismail *Permanent Invitee representing the Company* *(Ceased on 1 July 2025)*	3/3*^	100%

**The GNRC meeting held on 17 July 2025 were attended by the GNRC members only without the present of the Permanent Invitees.*

^Attendance at the meetings were based on the number of meetings held while Director was in office as of 31 March 2026.

The President & CEO was invited to attend the meetings to furnish the GNRC with the necessary information and clarification to the relevant items on the agenda.

Board Committees (cont'd.)

(iv) Other Oversight Committees

The Board also maintained another two (2) non-mandated oversight committees to support the Board in carrying out its functions as follows:

(a) Group Investment Committee ("GIC")

The GIC oversees, guides and monitors the investment operations of the MNRB Group as well as approves recommended investment-related transactions. The Committee is also responsible to note and approve specific transactions of a nature that, by regulation, requires awareness of and sanctioning by the Board.

Dato' Amirudin Abdul Halim was appointed to represent the Company as members in the GIC.

The members of the GIC shall be a minimum of five (5) members and a maximum of seven (7) members comprising at least one (1) representative from each Company. Selected members of the Board are as follows:

- MNRB - two (2) Non Executive Directors of whom one (1) shall be the Chairman;
- MRE Investment Committee ("IC")'s representative – one (1) Non Executive Director;
- Takaful IKHLAS Family IC's representative - one (1) Non Executive Director; and
- Takaful IKHLAS General IC's representative – one (1) Non Executive Director.

The GIC comprises five (5) INEDs, and one (1) NINED during the financial year end. The GIC is chaired by an INED.

During the financial year, Zaida Khalida Shaari ("Zaida Khalida"), an INED of MNRB, was appointed as a member of the GIC on 14 January 2026.

On 11 February 2026, Dato' Wan Roshdi Wan Musa ("Dato' Wan Roshdi"), Chairman of the GIC, resigned from the MNRB Board and concurrently stepped down as Chairman of the GIC on the same date. Following his resignation, Zaida Khalida was appointed as Chairman of the GIC in place of Dato' Wan Roshdi, with effect from 11 February 2026.

(b) Group Digital and Information Technology Committee ("GDNITC") (formerly known as Information Technology Oversight Committee ("ITOC"))

GDNITC's role is to assist the Board in discharging its responsibility to ensure that material investments in MNRB Group's information technology and digital initiatives are aligned with its organisational strategy, achieve intended business outcomes, and are effectively managed in a way that mitigates risks.

Board Committees (cont'd.)

(iv) Other Oversight Committees (cont'd.)

(b) Group Digital and Information Technology Committee ("GDNITC") (formerly known as Information Technology Oversight Committee ("ITOC")) (cont'd.)

As at the financial year end, the GDNITC comprises three (3) INEDs. During the financial year, one (1) INED has resigned. The GDNITC is chaired by Woon Tai Hai, an INED.

Group Shariah Committee ("GSC")

The Company is advised by the GSC of MNRB Holdings Berhad. The GSC as an integral function of Shariah governance is responsible to provide Shariah advisory oversight and to ensure compliance of the Group's Takaful and Retakaful business activities with Shariah principles during the reporting period.

The establishment of GSC is in compliance with Islamic Financial Services Act ("IFSA") 2013 and BNM's Shariah Governance ("SG") which outlines the Bank's strengthened expectations for effective Shariah governance arrangements that are well-integrated with business and risk strategies of the Islamic Financial Institutions ("IFI").

Any Shariah non-compliance risk is reported to the GSC and the Board. The effective management of the Shariah non-compliance risk is ensured through the Shariah Control Function i.e. Shariah Review, Shariah Audit and Shariah Risk Management and presentation of a periodic report on Shariah non-compliance and highlights of action plans undertaken to address any Shariah non-compliance risk.

The GSC of MNRB consists of seven (7) members with the majority of members who are Shariah qualified person fulfilling the requirements of BNM's PD SG under paragraph 12.2.

The GSC plays a significant role in providing objective and sound advice to the Company's takaful business to ensure that its aims and operations, business, affairs and activities are in compliance with Shariah. This includes:

- Providing a decision or advice to the Company's takaful business 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;
- Providing a decision or advice on matters which require a reference to be made to the SAC of BNM;
- Providing a decision or advice on the operations, business, affairs and activities of the Company's takaful business which may trigger a Shariah non-compliance event;
- Deliberating and affirming a Shariah non-compliance finding by any relevant functions; and
- Endorsing a rectification measure to address a Shariah non-compliance event.

Group Shariah Committee ("GSC") (cont'd.)

A total of ten (10) GSC meetings were held during the financial year. Details of the GSC attendance at the meetings held during the financial year are as follows:

	Attendance	**Percentage**
Chairman		
Prof. Dr. Younes Soualhi	10/10	100%
Members		
Dr. Shamsiah Mohamad	9/10	90%
Shahrir Sofian	10/10	100%
Assoc. Prof. Datuk Dr. Luqman Haji Abdullah	10/10	100%
Dr. Khairul Anuar Ahmad	8/10	80%
Wan Rumaizi Wan Husin	10/10	100%
Dr. Safinar Salleh (Appointed on 1 April 2025)	10/10	100%

Key information on each of the GSC members is set out under the section 'Group Shariah Committees Members Profile' on page 45.

Whistleblowing

The Company is committed to fostering a culture of integrity, transparency and accountability, in line with the Malaysian Code on Corporate Governance ("MCCG"). As part of this commitment, the Company adopts the Group Whistleblowing Policy, which provides a structured framework for the reporting and management of misconduct.

The Policy provides a safe and confidential avenue for employees, external parties and stakeholders to report concerns relating to fraud, misconduct, bribery, corruption and other forms of improper conduct. It also ensures that whistleblowers who report in good faith are protected against retaliation, in accordance with the Whistleblower Protection Act 2010.

To enhance accessibility, the Group has implemented MNRB Speak Up, a secure and independent whistleblowing platform that serves as an additional reporting channel, reinforcing accessibility and the Group's speak-up culture.

Whistleblowing (cont'd.)

The Company has established a Whistleblowing Committee ("WB Committee") to ensure that all disclosures are assessed independently, confidentially and with due diligence. The WB Committee provides oversight in evaluating disclosures, overseeing investigations and ensuring appropriate actions are taken in response to substantiated improper conduct. The Group Integrity & Governance Unit supports the WB Committee by facilitating the management and investigation of reported concerns in a timely, objective and independent manner, with reporting to the WB Committee and the Board where appropriate.

Anti-Bribery And Corruption Policy

The Company is committed to upholding high standards of integrity, ethical conduct and professionalism in all its business activities, in line with the Malaysian Code on Corporate Governance ("MCCG"). The prevention of bribery and corruption is a shared responsibility across the Group and forms an integral part of the governance and oversight roles of the Board, Senior Management and employees.

The Company adopts the Group Anti-Bribery and Corruption ("ABC") Policy, which establishes a zero-tolerance approach towards bribery and corruption. The Policy outlines the principles and requirements governing the Group's conduct, supported by key controls including the No Gift Policy, whistleblowing mechanisms and periodic corruption risk assessments to promote a culture of integrity and accountability.

In line with Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Group's ABC framework is guided by the T.R.U.S.T. principles under the Guidelines on Adequate Procedures. Non-compliance may expose the Group and its Directors, officers and employees to legal and reputational risks.

Oversight of ABC matters is undertaken by the Group Integrity & Governance Unit, which leads the implementation of the Group's integrity programme and provides independent reporting to Management and the Board.

Accountability and Audit

(i) Financial Reporting

The Board takes responsibility for presenting a balanced and comprehensive assessment of the Company's operations and prospects each time it releases its annual and interim financial statements. The AC of the Board assists by scrutinising the information to be disclosed to ensure accuracy, adequacy and completeness. The Directors are responsible for ensuring that the accounting records are kept properly and that the Company's financial statements are prepared in accordance with applicable approved accounting standards in Malaysia.

The Statement by Directors pursuant to Section 252 (1) of the Companies Act, 2016 is set out on page 51.

Accountability and Audit (cont'd.)

(ii) Internal Control and Risk Management

Responsibility

The Board acknowledges its overall responsibility for the establishment and oversight of the Company's risk management and internal control systems, as well as the review of its adequacy and effectiveness. The Board also recognises that risk management is a continuous process, designed to manage risks impacting the Company's business strategies and objectives, within the risk appetite and tolerance established by the Board. In pursuing these objectives, internal control systems can only provide reasonable, but not absolute, assurance against any material financial misstatement, fraud or losses.

The Board has adopted a group-wide risk management framework i.e. the RM Framework that describes the structure, approach and process for identifying, evaluating, responding to, monitoring and managing the significant risks faced by the Company. The RM Framework has been in place for the whole of the financial year ended 31 March 2026 and the latest review was completed in August 2024.

The RM Framework serves as a central risk management framework, supported by related sub-frameworks, policies and underlying procedures. It is consistent with the risk appetite defined by the Board, GMRCC and based on principles of risk governance stipulated in BNM Risk Governance Guidelines.

The Board is confident that the RM Framework provides reasonable assurance on the effectiveness and efficiency of the strategic, financial and operational aspects of the Company. The RM Framework is regularly reviewed by the Board.

Risk Management Governance

- A dedicated Board Committee known as the RMCB has been established at the Company to support the Board in meeting the expectations and responsibilities on risk and compliance management, provides assurance to the Board that the processes have been carried out effectively and inculcates a strong risk management culture on a company-wide basis. There are clearly defined responsibilities and reporting to the RMCB from the Management to provide oversight and governance over the Company's activities, which aims to safeguard shareholders' interests and the Company's assets, as well as to manage the risks of the Company for the entirety of the financial year ended 31 March 2026.

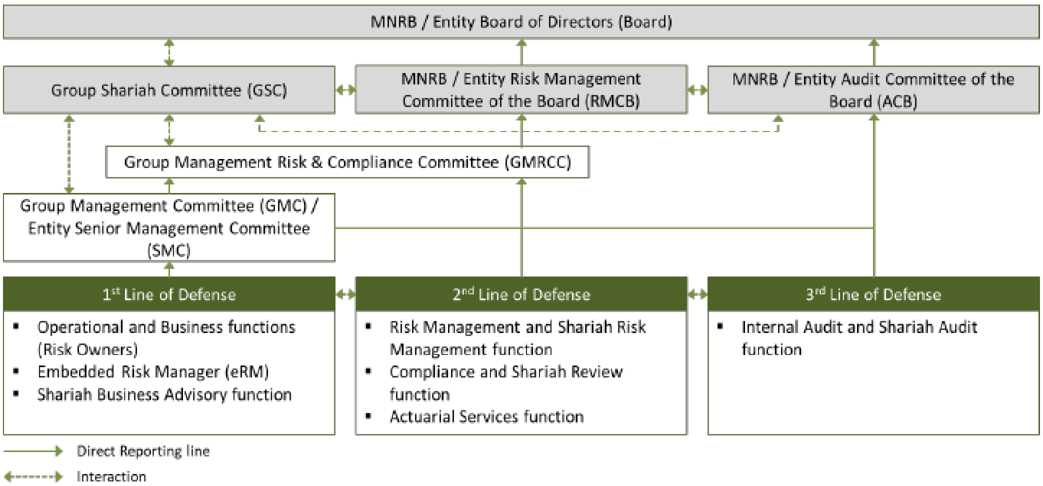
Accountability and Audit (cont'd.)

(ii) Internal Control and Risk Management (cont'd.)

Risk Management Governance (cont'd.)

- The Group Shariah Committee (“GSC”) was established to provide objective and sound advice to the Company to ensure that its aims and operations, business, affairs and activities are in compliance with Shariah.

The Company adopts the ‘Three (3) Lines of Defence ("LOD")’ governance model which provides a formal, transparent and effective risk governance structure to promote active involvement from the Board, Senior Management and all staff in the risk management process at the Company.



i) First LOD: Risk Ownership and Steering is carried out by the business and support functions, which have primary responsibility for risk management and control activities embedded in day-to-day business operations.

ii) Second LOD: Risk oversight and monitoring is carried out by the risk management, (including Shariah risk management and review functions), actuarial and compliance functions, which have the primary responsibility for setting up risk and risk-related policies, frameworks, guidelines, and procedures, as well as providing support and direction to the business with regard to risk.

iii) Third LOD: Independent assurance is carried out by Group Internal Audit function who provides independent and objective assurance on the overall effectiveness of risk management and internal controls within the Company.

Accountability and Audit (cont'd.)

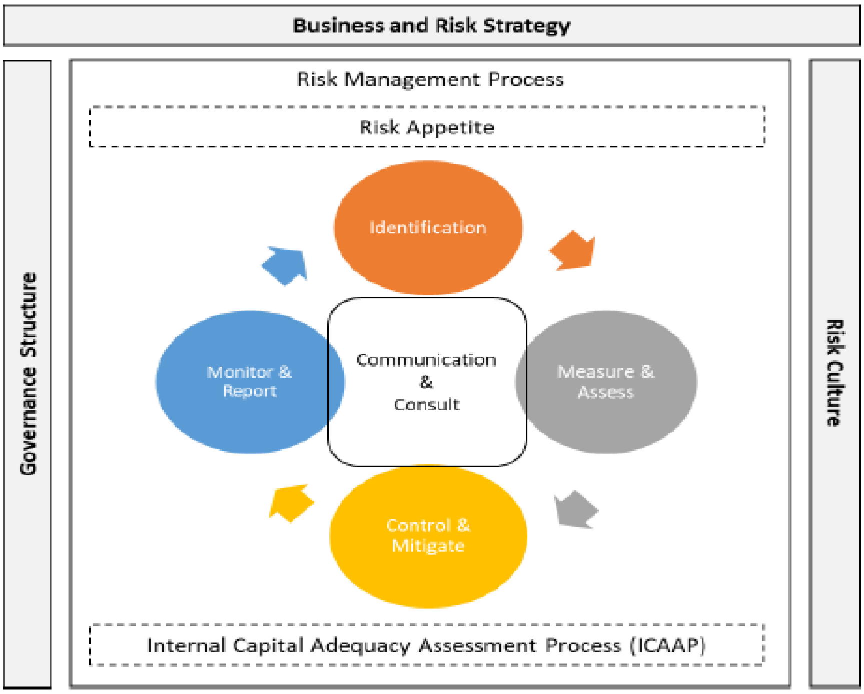
(ii) Internal control and risk management (cont'd.)

Risk management and internal control structure

The key features that the Board has established in reviewing the adequacy and effectiveness of the risk management framework and internal control system include the following:

(a) Risk Management Framework

The Board believes that an effective RM Framework and strong internal control system are essential to the Company in its pursuit to achieve its business objectives, especially on the sustained profitability and enhancement of shareholders' value in today's rapidly changing market environment.



Risk Appetite

Defining risk appetite is an essential element of the Company's risk management. When deciding on its risk appetite, the Company considers its risk capacity, i.e. the amount and type of risk the Company is able to support in pursuit of its business objectives, taking into account its capital structure and access to financial markets.

The Risk Appetite Statement ("RAS") is established by the Board and reviewed on a yearly basis, according to the desired level of risk exposures. The Management operationalises the RAS into risk tolerance levels for specific risks.

Accountability and Audit (cont'd.)

(ii) Internal control and risk management (cont'd.)

Risk management and internal control structure (cont'd.)

(a) Risk Management Framework (cont'd.)

Highlights in Key Risks

The Company, through its normal day-to-day business, is exposed to different types of risks that could adversely affect the Company's operating results and financial position. Key risks are constantly monitored by the Management and escalated to the GMRCC, RMCB, and periodically reviewed by the Board. The Company's key risks are described in the relevant sections of the Financial Statements.

(b) Internal Audit Function

- The AC complements the oversight role of the Board by providing an independent assessment of the adequacy and effectiveness of governance, risk management and internal controls. The AC is assisted by an independent Internal Audit Department in performing its role.

- The internal audit function of the Company is undertaken by the Internal Audit Department established at MNRB Holdings Berhad. The department reports directly to the AC of the Company.

- The Internal Audit Department performs regular reviews of the business processes of the Company to assess the adequacy and effectiveness of governance, risk management and internal controls.

- The Internal Audit Department provides recommendations to improve on the effectiveness of risk management, controls and governance processes. Control lapses are escalated to Management and Board for deliberation, where necessary. Status of rectification is tracked and monitored by Management and AC, within the committed timeline. Management will accordingly follow through to ensure the resolution of recommendations agreed upon. Audit reviews are carried out on functions that are identified on a risk-based approach, in the context of the Company's evolving business and its regulatory environment, while also taking into consideration inputs of Senior Management as well as inputs from the AC.

Accountability and Audit (cont'd.)

(ii) Internal control and risk management (cont'd.)

Risk management and internal control structure (cont'd.)

(b) Internal Audit Function (cont'd.)

- The AC meets at least once every quarter to review matters identified in reports prepared by the Internal Auditors, External Auditors, Regulatory Authorities and Management. It further evaluates the effectiveness and adequacy of the Company's internal control system. The AC has active oversight on the Internal Auditors' independence, scope of work and resources. The activities undertaken by the AC during the year are highlighted in the AC Report of the Company.

(c) Other Key Elements of Internal Control

- The Board ensures that all decisions are communicated promptly to staff of all levels within the Company and vice versa where feedback and suggestions on improvements could be communicated to the Management and the Board.

- The Company has a well-defined organisational structure with clear lines of responsibility and accountability. Further, to minimise errors and reduce the possibilities of fraud, segregation of duties is practiced by ensuring conflicting tasks are assigned to different employees.

- Annual business plans and budgets are developed in line with the Company's strategies and risk appetite, and submitted to the Board for approval. Financial performance and major variances against targets are reviewed by the Management on a regular basis and reported to the Board on a quarterly basis.

- The Company's financial systems record all transactions to produce performance reports that are submitted to the Management within internally stipulated timelines. These performance reports are tabled to the AC and approved by the Board.

- The Underwriting Guidelines for the general takaful business have been put in place to manage risks being underwritten.

- Retakaful programmes are in place as risk mitigation initiatives, supported by a spread of retakaful operators with acceptable ratings from accredited agencies. The credit ratings of these companies are reviewed on a regular basis.

Accountability and Audit (cont'd.)

(ii) Internal control and risk management (cont'd.)

Risk management and internal control structure (cont'd.)

(c) Other Key Elements of Internal Control (cont'd.)

- Departmental policies and procedures are available and act as guidance to employees on the necessary steps to be taken in a given set of circumstances. It also specifies relevant authority limits to be complied with by each level of Management.

- Every employee of the Company is contractually bound to observe the adopted MNRB Group Code of Ethics, which promotes a culture of compliance, professionalism, ethical standards and responsible conduct. The Company expects each employee to perform and work with honesty and integrity at all times and uphold the Company’s values without fail.

- The Company has adopted the Group’s Leadership Competency Framework to support the development of a strong, consistent, and future-ready leadership pipeline. The framework establishes a structured and objective approach for identifying, developing, and assessing leadership capabilities across the organisation. It is embedded within key human capital processes, including recruitment, performance management, succession planning, and talent development, to ensure alignment between leadership behaviours, organisational values, and strategic priorities. The framework also promotes consistency in talent-related decisions, strengthens leadership accountability, and supports the Company’s efforts in developing and retaining high-potential talent to sustain long-term organisational resilience and growth.

- The Company implements an annual Mandatory Block Leave ("MBL") policy as part of its operational risk management and internal control framework. The MBL serves as a prudent risk mitigation measure to reduce overreliance on any individual employee and to strengthen governance, transparency, and accountability within critical functions. This practice is particularly relevant for employees holding sensitive positions or operating in higher-risk areas such as underwriting, treasury, procurement, and investment management, where continuous oversight and segregation of duties are essential to maintaining effective risk and compliance controls.

- The Company conducts an annual employee engagement survey to assess employee engagement levels and obtain feedback on the effectiveness of various employee touchpoints and workplace initiatives. The survey findings provide valuable insights to support the development and implementation of targeted action plans aimed at enhancing employee experience, strengthening organisational culture, and driving continuous improvement across the Company.

Accountability and Audit (cont'd.)

(ii) Internal control and risk management (cont'd.)

Risk management and internal control structure (cont'd.)

(c) Other Key Elements of Internal Control (cont'd.)

- The Group Anti-Fraud Policy has been established to provide a consistent approach to prevent, detect and manage fraud, and to make a clear statement to all employees that the Company does not tolerate fraud of any form.

- The Group Anti-Bribery and Corruption ("Group ABC") Policy has also been established to state the Board’s and Management’s commitment and stance on bribery and corruption risks, which include disciplinary actions for non-compliance, misconduct or breach of the policy.

- The Group ABC Policy addresses general guidelines on both internal and external concerns on bribery and corruption risk, such as Conflict of Interest, Illegal Gratification and Corrupt Practices, Gift & Entertainment, Corporate Social Responsibility activities, sponsorship and donations, as well as dealing with public officials and third parties.

- The Company adopts the Group Anti-Money Laundering, Countering Financing of Terrorism, Countering Proliferation Financing and Targeted Financial Sanctions (“AML, CFT, CPF & TFS”) Policy that reflect the Company’s commitment in combating money laundering and financing of terrorism. It also sets out the expectations on the Company to be vigilant in ensuring proper controls and monitoring mechanisms to safeguard against being used for money laundering or terrorism financing ("ML/TF") purposes.

- A Group Whistleblowing Policy is in place for employees, external parties and other stakeholders to raise concerns about illegal, unethical or unacceptable practices. This policy governs the disclosures, reporting, investigation of misconduct and protection offered to the person(s) making those disclosures in accordance with the Whistleblower Protection Act 2010.

- A structured Business Continuity Management ("BCM") programme is in place to ensure resumption of critical business operations within the pre-defined Maximum Tolerable Downtime ("MTD"). The Company has also established a Disaster Recovery Plan ("DRP") which outlines the processes and set of procedures to recover the Company’s IT infrastructure within a set Recovery Time Objective ("RTO").

- The BCM Programme and the DRP are validated by conducting regular tests and updated as and when necessary.

Accountability and Audit (cont'd.)

(ii) Internal control and risk management (cont'd.)

Risk management and internal control structure (cont'd.)

(c) Other Key Elements of Internal Control (cont'd.)

- Sufficient takaful coverage, including covers for properties, employee-related, cyber security breaches, and Directors and Officers liabilities, are in place to ensure the Company is adequately protected against these risks and/or claims that could result in financial or reputational loss.

- The Information Communication & Technology Department ("ICTD") is responsible for continuously monitoring and responding to IT security threats to the Company, conducting awareness programmes, as well as performing assessments and network penetration test programmes.

(iii) Relationship with external auditors

Information on the role of the AC in relation to the external auditors is set out under the section ‘Board Committees’ on page 21 to 24.

The Company has always maintained a close and transparent relationship with its external auditors in seeking professional advice and ensuring compliance with approved accounting standards.

(iv) Management accountability

The Company has an organisational structure showing all reporting lines as well as clearly documented job descriptions for all its Management and Executive employees and formal performance appraisals are done on a periodic basis.

Authority limits, as approved by the Board, are clearly established and made available to all employees.

Whilst the Board is responsible for creating the framework and policies within which the Company should be operating, the Management is accountable for the execution of the enabling policies and attainment of the Company's corporate objectives.

(v) Corporate independence

Significant related party transactions and balances are disclosed in Note 27.

(vi) Public accountability

As a custodian of public funds, the Company’s dealings with the public are always conducted fairly, honestly and professionally.

Board of Directors' profile

Dato' Sulaiman Mohd Tahir, Non-Independent Non-Executive Chairman

Male, Malaysian, a NINEC since 16 July 2025. He is a member of the GIC of MNRB. He holds a Bachelor of Business in Accountancy from RMIT University, Melbourne, Australia and is a Fellow Member of Asian Institute of Chartered Banker. He has thirty-five (35) years of experience in Malaysia's financial sector. He began his banking career in 1987 at Bank of Commerce Berhad. There, he took on several front-line roles, including in branch banking, corporate banking and as an area business manager covering SMEs and Corporates. In 2000, he joined Bank Bumiputra Commerce Berhad, overseeing the banks retail sales and distribution channels. In 2006, Bank Bumiputra Commerce Group merged with CIMB creating CIMB Group where he was appointed as the Regional Head of Consumer Sales and Distribution. His journey with CIMB Group concluded with his appointment as the Chief Executive Officer ("CEO")/Executive Director of CIMB Bank.

Dato' Sulaiman then joined Ambank Group in 2015 as the Group CEO until his retirement in November 2023. While in Ambank Group, he held several directorships within its group of companies. On 25 September 2019, he was appointed as NINED of Financial Industry Collective Outreach until 22 November 2023. He was formerly a NINED of Payment Network Malaysia Sdn Bhd (PayNet) from 1 June 2020 until 22 November 2023. He was then reappointed as Independent Non-Executive Director on 24 October 2024 in PayNet. Along with his current directorship in PayNet, he is also the Chairman and INED of Bank Pembangunan Malaysia Berhad. Dato' Sulaiman was appointed as NINEC of MNRB on 14 February 2025 and on the same date, also as NINEC/Director of Malaysian Reinsurance Berhad. He was subsequently appointed as the NINEC/Director of Takaful Ikhlas Family Berhad effective 16 July 2025. He had attended five (5) of the five (5) Board meetings held during the financial year since his appointment.

Board of Directors' profile (cont'd.)

Woon Tai Hai, Independent Non-Executive Director

Male, Malaysian, an INED since 1 October 2019. He is a member of the RMCB. On 1 October 2025, he was reappointed as a Member of the AC. He obtained a Master's Degree in Business Administration, a Post Graduate Degree in Accounting and Finance from University of Technology, Sydney, Australia and a Bachelor of Science from University New South Wales, Australia. He has over thirty-five (35) years of experience in Information Technology ("IT") and Risk Management related focus. Upon graduation, he spent eleven (11) years working in the Financial Services Industry in Australia including with Lloyds Bank NZA and Commonwealth Bank of Australia before returning to Malaysia in 1993. Upon returning to Malaysia, he spent four (4) years working in a large local Systems integrator and solutions provider focusing on the Malaysian Banking and Finance sector. In 1998, he joined KPMG Malaysia as a Director and held various positions including Executive Director, Chief Information Officer and Chief Knowledge Officer before he retired in 2013.

Over the sixteen (16) years tenure with KPMG, he was admitted into the partnership and led multi-disciplinary (including cross regional engagements) team in assisting multi-national companies, small and medium enterprises, Government Ministries and Agencies and local clientele. After retiring from KPMG, he was appointed as Executive Director of BDO Consulting, Malaysia, where he continued as a Management Consultant for clients in IT and operational excellence related engagements. In 2017, Woon opted for an early retirement from BDO to pursue other areas of interests. Since 2014, he was also appointed as an Advisor to the National Tech Industry Association Malaysia ("PIKOM") after helming the PIKOM's chairmanship from 2011 to 2013; and was appointed Ex Officio by Malaysia Australia Business Council ("MABC") from 2018 to 2024. In January 2024 he was appointed Industry Advisor to the Information, Communication Technology Faculty of University Tunku Abdul Rahman ("UTAR") to advise and provide input to UTAR on current and future industry environment. He was formerly an INED of Takaful IKHLAS Family from 1 September 2019 to 31 August 2023 and DayThree Digital Berhad from 25 August 2022 until 28 May 2025. He had attended all the nine (9) Board meetings held during the financial year.

Board of Directors' profile (cont'd.)

Dato' Amirudin Abdul Halim, Independent Non-Executive Director

Male, Malaysian, an INED since 1 April 2021. He is a member of the AC and GIC of MNRB. On 1 October 2025, he was redesignated from a Member to Chairman of AC. He holds a Bachelor of Arts in Finance from the St. Louis University, Missouri, USA and a Diploma in Business Studies from Universiti Teknologi MARA, Shah Alam. He has also completed Advanced Management Programme from the Wharton Business School, University of Pennsylvania, USA. He started his career as a banker with Mayban Finance Berhad in 1988 as an Assistant Branch Manager, Alor Setar Branch and had since served in various divisions in Maybank Group.

Thereafter, he was with Affin Bank Berhad from year 2009 until 2016 as Director, Business Banking and was promoted to the post of Executive Director, Banking. He was appointed as the Chief Operating Officer (Business) of Bank Kerjasama Rakyat Malaysia Berhad (Bank Rakyat) from year 2017 until 2019. He has over 30 years' experience in the banking industry encompassing more than 20 years in the Senior Management capacity with some of the top ten (10) banks in Malaysia. He was also formerly a director of Bank Simpanan Nasional Berhad from year 2019 until 2022 and Bank Rakyat from year 2022 until 2024. He had attended all the nine (9) Board meetings held during the financial year.

Dr. Wan Zamri Wan Ismail, Independent Non-Executive Director

Male, Malaysian, an INED since 1 October 2021. He is the Chairman of the RMCB. He is an Associate member of the Malaysian Insurance Institute, holds a Master of Science in Islamic Banking and Finance from the International Islamic University Malaysia ("IIUM"). He completed his PhD in Contemporary Islamic Studies from Universiti Teknologi MARA in 2022. He possesses more than forty (40) years of experience in the Insurance, Reinsurance, Takaful and Retakaful industries. He began his career with Mayban-Phoenix Assurance Berhad, Malaysian National Reinsurance Berhad and Trust International Insurance Berhad from 1978 until 1986.

He was then appointed as the first Branch Manager of Syarikat Takaful Malaysia Berhad in the state of Kelantan until 1997 before joining Asean Retakaful International (Labuan) Ltd as the Chief Executive Officer until 2004. Thereafter, he was appointed as the Managing Director of Syarikat Takaful Indonesia from 2004 until 2007, and later served at Dar Al- Takaful Plc, Dubai as the Chief Executive Officer until 2010. In 2016, he joined Noor Takaful Insurance Limited Nigeria as the Managing Director until 2017. In 2018, he was appointed as an Independent Non-Executive Director of Noor Takaful Insurance Limited Nigeria until 31 December 2024.

Over the years of his career, he has presented papers at international conferences and workshops on takaful and retakaful in Malaysia, Indonesia, Singapore, Russia, Brunei, UAE, Thailand, Australia, Bangladesh, Sri Lanka, Nigeria, Gambia, United Kingdom, Egypt and the United States of America. Currently, he is a part time Trainer at Islamic Banking and Finance Institute Malaysia and Malaysian Insurance Institute. He was appointed as a Director of Noor Health Takaful, Nigeria on 1 January 2025. He had attended eight (8) of nine (9) Board meetings held during the financial year.

Board of Directors' profile (cont'd.)

Datuk Adillah Ahmad Nordin, Independent Non-Executive Director

Female, Malaysian, an INED appointed since 1 July 2025. She is a Permanent Invitee of the MNRB's GNRC. On 1 October 2025, she was appointed as a new member of the RMCB. Datuk Adillah holds a Bachelor of Laws ("LLB") degree from the University of Nottingham, England, and was called to the English Bar at Middle Temple, London, in 1993. She was admitted as an Advocate and Solicitor of the High Court of Malaya in 1994.

She has over 30 years of experience in various fields of law particularly in corporate and commercial law, civil litigation, property, banking and estate matters. She began her legal career at Messrs. Nordin & Phua Advocates & Solicitors in 1993 and subsequently, established her own practice, Messrs. Adillah A. Nordin Advocates & Solicitors in 2002, where she serves as the Managing Partner. Her regulatory experience includes her role as a Board Member of the Advocates & Solicitors Disciplinary Board, Malaysia, and as a Panel Member of the Bar Council Internal Inquiry. She had actively contributed to corporate governance training for government-linked entities and had been a columnist addressing legal issues affecting women. She was recognised as the Wanita Ikon 2011–2012 by Utusan Karya Group and Majlis Amanah Rakyat. Datuk Adillah is an INED of BMS Holdings Berhad and previously served as an INED of Ornapaper Berhad. She had attended five (5) of the five (5) Board meetings held during the financial year since her appointment.

Leong May Lee, Independent Non-Executive Director

Female, Malaysian, an INED appointed since 1 October 2025. She is a member of the AC. May Lee holds a Bachelor of Economics degree with Honours (Accounting) from La Trobe University, Australia. She is a Fellow of CPA Australia, a member of the Malaysian Institute of Accountants and a founding member of the Malaysian chapter of the International Women's Insolvency and Restructuring Confederation. She is also an Approved Liquidator licensed by the Ministry of Finance of Malaysia. May Lee was formerly a Partner of Ernst & Young (“EY”) PLT’s Turnaround and Restructuring Strategy practice in Kuala Lumpur and had served both EY PLT and Arthur Andersen for about thirty-one (31) years, working in their Kuala Lumpur and Melbourne offices.

May Lee is a seasoned restructuring and insolvency specialist with extensive experience in the provision of corporate restructuring, corporate recovery and financial advisory services. She has led large scale assignments involving, among others, formal and informal debt and corporate restructuring schemes, judicial management, corporate insolvency (including receivership and liquidation of insurance companies) and independent business reviews serving diverse clients including listed companies, financial institutions, government agencies and multinational corporations across various industries. May Lee is currently a Principal of ML & Co., a Member of the Listing Committee of Bursa Malaysia Berhad, where she contributes to regulatory decisions and enforcement matters. She also serves as an Adjunct Professor at UNITAR International University. She had attended four (4) of the four (4) Board meetings held during the financial year since her appointment.

Group Shariah Committee Members' profile

Prof. Dr. Younes Soualhi

Male, Algerian. Appointed as a Chairman of Group Shariah Committee with effect from 3 November 2022. He obtained his Bachelor in Usul al Fiqh from Emir University of Islamic Sciences Algeria, Masters in Usul al-Fiqh from International Islamic University Malaysia and complete his PhD in Usul al-Fiqh from University of Malaya.

Holding the esteemed designation of Registered Financial Planner ("RFP") under the Malaysian Financial Planning Council ("MFPC"), he brings a wealth of expertise in financial planning and advisory services to the table. As a distinguished member of the Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI") Shariah sub-committee, he contributes to shaping global standards and best practices in Islamic finance. Currently, he serves as a Senior Researcher and Head of PhD Program (Applied Shariah in Islamic Economics and Finance at the International Shari’ah Research Academy for Islamic Finance ("ISRA"), where his insights drive pioneering research initiatives in the field.

Additionally, he holds the esteemed position of Professor at INCEIF University, Malaysia, where he imparts invaluable knowledge and expertise to the next generation of Islamic finance professionals. In his capacity as Chairman of the Shariah Committee of Al-Rajhi Bank, Malaysia, he plays a pivotal role in ensuring compliance with Shariah principles within the banking sector. He has been awarded a Certificate of Takaful and Retakaful by the International Council for Islamic Finance Educators ("INCEIF") in 2026.

He also serves as the sole Shariah advisor for Kuwait Retakaful (Labuan), showcasing his expertise in the realm of Islamic insurance. Furthermore, he serves as the Chairman of the Shariah Council of Experts for Salam Takaful, Nigeria, and as the Deputy Chairman of Aljazair Mutahidah Takaful company in Algeria, underscoring his global influence and leadership in Islamic finance. Previously, he held esteemed positions such as Chairman of the Shari’ah board of Munich Re Retakaful and a member of the Shariah Committee of HSBC Amanah Malaysia, further highlighting his extensive experience and trusted reputation in the industry.

With over 30 years of experience, he has taught Islamic finance subjects such as Takaful and Retakaful courses at the master’s and PhD levels. His scholarly contributions extend to the publication of articles and books in Islamic Banking and Finance, particularly focusing on Takaful and Retakaful, enriching the academic discourse in the field.

Group Shariah Committee Members' profile (cont'd.)

Dr. Shamsiah Mohamad

Female, Malaysian. Appointed as a Group Shariah Committee member on 3 November 2020. Obtained her PhD specialising in Fiqh & Usul Fiqh from University of Jordan.

She was an Associate Professor at the Academy of Islamic Studies in University of Malaya and a Senior Researcher at International Shari'ah Research Academy for Islamic Finance ("ISRA"). Her distinguished presence extends to multiple Shariah Committees of prestigious financial institutions, where she is entrusted with navigating complex Shariah issues with assurance.

Currently, she holds esteemed positions as a Member of the Group Shariah Supervisory Council of Bank Islam Malaysia Berhad, and as a Resident Shariah Adviser at Amanie Advisors Sdn. Bhd.

Additionally, she is also a member of the Shariah Committee of Lembaga Zakat Selangor, the Shariah Committee of Dana Peladang Kebangsaan and Pertubuhan Peladang Kebangsaan, as well as the Jawatankuasa Penasihat Ibadat Haji TH-JAKIM.

Her previous appointments include serving as a member of the Shariah Advisory Council of the Securities Commission Malaysia, the Shariah Committee of Bursa Malaysia Securities Berhad, Subject Matter Expert at IBFIM, the Shariah Committee of SME Bank, and the Shariah Committee of the Association of Islamic Banking and Financial Institutions Malaysia ("AIBIM").

She has also provided Shariah advisory expertise to various institutions, including Standard Chartered Bank, Bank Muamalat Malaysia Berhad, Standard Chartered Saadiq Berhad, JAKIM, Medic IG Holdings, BIMB Investment and BIMB Securities Sdn Bhd.

Notably, she served on the esteemed Shariah Advisory Council of Bank Negara Malaysia ("BNM") from 2013 to 2019. Throughout her career, she has focused extensively on Islamic finance and Shariah matters relating to Islamic commercial transactions, contributing significantly to the development of the Islamic finance industry.

Group Shariah Committee Members' profile (cont'd.)

Shahrir Sofian

Male, Malaysian. Appointed as a Group Shariah Committee member on 3 November 2020. Obtained his master's in actuarial science (with distinction) at City University, London. He also holds a double degree in Economics and Islamic Studies (majoring in Shariah) from local universities.

Currently, he serves as a respected Shariah Committee member for the Islamic Banking window at Citibank Berhad. With an illustrious career spanning over three decades, he has held various pivotal roles within Bank Negara Malaysia ("BNM") since 1987. Notably, he served as Manager in the Financial Sector Development Department and Manager of the Insurance Development Department, where he played a key role in steering compliance review processes.

His contributions to BNM were multifaceted, including involvement in strategic initiatives such as the formulation of the Balance Score Card for Life Insurance/Family Takaful Agents under the LIFE framework and the Development of Business Plan of the Insurance Development Department, which became an integral part of the Bank's overarching business strategy. He played a pivotal role in shaping policy frameworks, including the formulation of the policy document on direct channels and the establishment of dedicated department, namely, the Islamic Banking and Takaful Department, which propelled the progress and development of the Islamic Financial System.

Furthermore, his extensive expertise extends to insurance regulations and operations, where demonstrated a keen understanding and proficiency in navigating the intricacies of this sector.

Assoc. Prof. Datuk Dr. Luqman Haji Abdullah

Male, Malaysian. Appointed as a Group Shariah Committee member on 3 November 2020. Obtained his PhD in Islamic Law of Property from University of Edinburgh, Scotland.

He formerly served as the Mufti of Wilayah Persekutuan from May 2020 to May 2025, a role that placed him at the forefront of Islamic legal and ethical guidance at the national level.

Currently, he serves as a distinguished Shariah Committee Member of MBSB Bank, offering expert insights to ensure compliance with Shariah principles in the banking sector. He is also appointed as a Shariah Panel Expert of Jabatan Kemajuan Islam Malaysia ("JAKIM"), further showcasing his expertise and influence in matters of Islamic governance.

Group Shariah Committee Members' profile (cont'd.)

Assoc. Prof. Datuk Dr. Luqman Haji Abdullah (cont'd.)

As a dedicated member of the Association of Shariah Advisors in Islamic Finance ("ASAS"), he contributes to shaping industry standards and best practices. Moreover, he holds significant roles as a Committee Member of the Shariah Advisory Council of Amanah Raya Berhad ("ARB"), demonstrating his commitment to advancing Islamic finance and philanthropy. Beyond his professional engagements, he serves as the Chairman of Madrasah Rahmaniah Pondok Lubuk Tapah, Pasir Mas, Kelantan, where he plays a pivotal role in nurturing Islamic education and values in the community. His dedication to academic pursuits is further evidenced by his tenure as a Visiting Scholar at the University of Edinburgh, Scotland in 2013.

Previously, he held the esteemed position of Head of the Fiqh and Usul / Islamic Jurisprudence Department at the University of Malaya, where he contributed significantly to academic discourse and scholarship. His areas of specialization encompass Islamic Law of Property, Islamic Jurisprudence/Legal Theories, and Shariah/Fiqh Textual Studies (Dirasah Nassiyyah), reflecting his profound expertise in these domains.

Dr. Khairul Anuar Ahmad

Male, Malaysian. Appointed as a member of the Group Shariah Committee effective 1 July 2022. He holds a PhD in Islamic Banking and Finance from International Islamic University of Malaysia ("IIUM").

Currently, he holds the esteemed position of Senior Lecturer at Universiti Islam Selangor ("UIS"), where he specializes in Fiqh Muamalat (Islamic Law of Transactions) and Islamic Economics & Banking. He serves as the Chairman of the Shariah Committee at OCBC Al-Amin Bank Berhad, demonstrating his leadership and proficiency in ensuring compliance with Shariah principles within the banking sector. Additionally, he is a respected member of the Shariah Committees at Yayasan Pembangunan Ekonomi Islam Malaysia ("YAPEIM"), Koperasi Pembiayaan Shariah Angkasa Berhad ("KOPSYA"), Afsha Shariah Advisory Sdn Bhd and Sedania As-Salam Capital Sdn Bhd, where his insights contribute to informed decision-making processes.

His extensive experience includes serving as a Member of the Shariah Committee at HSBC Amanah Berhad and FWD Takaful Bhd, underscoring his trusted reputation within the Islamic finance industry. He is also an ordinary member of the Association of Shariah Advisors in Islamic Finance ("ASAS"), further cementing his standing as a respected authority in the field.

Throughout his career as a lecturer, he has contributed significantly to the advancement of Islamic finance through the publication of several articles and research papers. His scholarly contributions enrich the discourse surrounding Islamic finance and serve as a testament to his dedication to the field.

Group Shariah Committee Members' profile (cont'd.)

Wan Rumaizi Wan Husin

Male, Malaysian. Appointed as a Group Shariah Committee member on 1 August 2023. Obtained his first degree in Fiqh and Usul al-Fiqh from al Al-Bayt University Jordan and Master's degree in Fiqh and Usul al-Fiqh from International Islamic University Malaysia.

Formerly, he served as a lecturer at the esteemed Department of Fiqh and Usul al-Fiqh at the Kulliyah of Islamic Revealed Knowledge and Human Sciences of the International Islamic University Malaysia, where he contributed significantly to the academic landscape in Islamic jurisprudence. Known for his dynamic presence and expertise, he is highly active in delivering speeches and specialized training on Shariah principles, particularly in the areas of Fiqh Muamalat, Islamic Economics, and Fiqhi-Medico, garnering admiration for his insightful contributions.

With a wealth of experience in Shariah consultation, he has played pivotal roles such as module developer and member of the Working Group for Malaysian Standard ("MS") 1900:2014 Standard (Shariah-based Quality Management Systems – Requirement with Guidance) secretariat by Standards and Industrial Research Institute of Malaysia ("SIRIM"). Additionally, he has served as a Shariah Advisor for Yayasan Muamalat Belia, Tissue Bank HUSM Kubang Kerian, and as a Shariah Committee Representative to Bank Kerjasama Rakyat Malaysia Berhad ("BKRM")'s BOD Meeting and JAKIM's Muamalat Panel of Experts.

Currently, he holds esteemed positions including Board member and Chairman of the Shariah Committee at AEON Bank (M) Berhad, Chairman of the Shariah Committee of Agrobank Berhad, and member of the Shariah Committee of Lembaga Tabung Haji.

He also serves as a member of the Baitulmal Committee of Majlis Agama Islam dan Adat Istiadat Melayu Kelantan ("MAIK"), a Panel Consultant Member of the International Research Centre in Islamic Economy and Finance ("IRCIEF") at UIS, and Member of the International Union for Muslim Scholars (Ittihad al-'Alami li 'Ulama' al-Muslimin), Qatar.

Previously, he held several prominent positions within the Islamic finance industry, including Chairman of the Shariah Board of Al-Rajhi Bank Malaysia Berhad, member of the Shariah Committee of Bank Kerjasama Rakyat Malaysia Berhad, and member of the Shariah Committee of PruBSN Takaful Berhad. These appointments reflect his extensive experience and significant contributions to Shariah governance and the advancement of the Islamic finance industry.

Group Shariah Committee Members' profile (cont'd.)

Dr. Safinar Salleh

Female, Malaysian. Appointed as a Group Shariah Committee member on 1 April 2025. She is currently serving as a lecturer at the Department of Islamic Law, Ahmad Ibrahim Kulliyyah of Laws ("AIKOL"), International Islamic University Malaysia ("IIUM"). She holds a PhD in Islamic Studies (Shariah) from Glasgow Caledonian University, United Kingdom, a Master’s Degree in Shariah from the University of Malaya, and a Bachelor’s Degree in Shariah from Al-Azhar University, Egypt.

In addition to her academic role, Dr. Safinar is currently a Shariah Committee member of Export-Import Bank of Malaysia Berhad ("EXIM Bank") and Hong Leong Islamic Bank Berhad. Previously, she has also served on the Shariah Committees of Swiss Re Retakaful, MUFG Bank (Malaysia) Berhad, MUA Life Ltd (Mauritius) and Bank Simpanan Nasional ("BSN").

She brings with her extensive experience in Islamic banking and finance, with particular expertise in Shariah advisory for the corporate sector, as well as Takaful and Retakaful. Her interests also cover the Islamic capital market, Islamic law of contracts, and Waqf. Dr. Safinar has co-authored several publications with fellow academicians, including Prof. Dr. Rusni Hassan, Chairperson of the Shariah Committee at HLISB, focusing primarily on Islamic banking and Takaful.

Moreover, Dr. Safinar has contributed to the development of the industry through her role as a module reviewer for the Takaful module under the Certified Shariah Advisor ("CSA") and Certified Shariah Practitioner ("CSP") certifications, developed by the Association of Shariah Advisors in Islamic Finance ("ASAS").

201701019705 (1233870-A)

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

Statement By Directors
Pursuant to Section 251(2) of the Companies Act, 2016

We, Dato' Sulaiman Mohd Tahir and Woon Tai Hai being two of the directors of Takaful Ikhlas General Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 58 to 212 are properly drawn up in accordance with MFRS Accounting Standards, IFRS Accounting Standards and comply with Shariah requirements and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 March 2026 and of the results and the cash flows of the Company for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 22 June 2026.

Dato' Sulaiman Mohd Tahir

Woon Tai Hai

Kuala Lumpur, Malaysia

Statutory Declaration
Pursuant to Section 251(1)(b) of the Companies Act, 2016

I, Chan Kim Ming (MIA membership no. 34773), being the officer primarily responsible for the financial management of Takaful Ikhlas General Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 58 to 212 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed Chan Kim Ming
at Kuala Lumpur in Wilayah Persekutuan
on 22 June 2026

Chan Kim Ming

Before me,

Commissioner for Oaths

PESURUHJAYA SUMPAH
No. W 1006
MOHAMAD ZULISWANDI
BIN MOHAMED
01.01.2025 - 31.12.2027
MALAYSIA

Level 25, Menara Hong Leong,
No. 6, Jalan Damanlela Bukit Damansara
50490 Kuala Lumpur.

Report of the Group Shariah Committee

بسم الله الرحمن الرحيم

In the name of Allah, the Most Beneficent, the Most Merciful

We, Prof. Dr. Younes Soualhi and Shahrir Sofian, on behalf of the members of the Group Shariah Committee of MNRB Holdings Berhad, which provides oversight over the management of Shariah matters of the Company, do hereby submit the following report on behalf of the members of the Committee:

Pursuant to our letter of appointment and terms of reference, we have reviewed the principles and the contracts relating to the transactions and applications introduced by the Company during the financial year ended 31 March 2026. We have also conducted our review to form an opinion pursuant to Section 30(1) of the IFSA 2013, as to whether the Company has complied with the principles of Shariah, Shariah rulings issued by the Shariah Advisory Council ("SAC") of Bank Negara Malaysia ("BNM"), Shariah guidelines issued by BNM pursuant to Section 29 of the IFSA 2013, as well as Shariah decisions resolved by us.

The Management of the Company is responsible for ensuring that the Company conducts its business in accordance with the principles of Shariah. It is our responsibility to form an independent opinion, based on our review of the operations of the Company.

We have assessed the work carried out by the Shariah review and Shariah audit which included examining, on a test basis, each type of transaction, the relevant documentations and procedures adopted by the Company.

We have planned and performed our review so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Company has not violated any principles of Shariah.

In our opinion:

1. the contracts, transactions and dealings entered into by the Company during the financial year ended 31 March 2026 that we have reviewed are in compliance with the principles of Shariah;

2. the allocation of profit and surplus distribution between Shareholder's Fund and Participants' Risk Fund conform to the basis that had been approved by us in accordance to the principles of Shariah;

Report of the Group Shariah Committee (cont'd.)

3. there were no earnings that have been realised/unrealised from sources or by means prohibited by the principles of Shariah that have been considered for disposal to charitable causes;

4. the calculation, payment and distribution of zakat are in compliance with the principles of Shariah;

5. during the financial year, no Shariah non-compliant event was identified; and

6. based on the outcomes of Shariah Risk Management activities undertaken during the period, the Group's Shariah risk exposure remain within the approved risk appetite and tolerance levels, with no material Shariah risks events identified that would adversely impact the Group's overall Shariah Compliance status.

This opinion is rendered based on what had been presented to us by the Management of the Company and its Shariah and Business Advisory Department. We, the members of the Group Shariah Committee, do hereby confirm, to our level best that the operations of the Company for the financial year ended 31 March 2026 have been conducted in conformity with the principles of Shariah.

Signed on behalf of the Group Shariah Committee.

Prof. Dr. Younes Soualhi

Shahrir Sofian

Kuala Lumpur, Malaysia
22 June 2026

Shape the future
with confidence

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201701019705 (1233870-A)

Independent auditors' report to the member of
Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Takaful Ikhlas General Berhad ("the Company"), which comprise the statement of financial position as at 31 March 2026, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 58 to 212.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2026 and of its financial performance and its cash flows for the year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("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.

201701019705 (1233870-A)

**Independent auditors' report to the member of
Takaful Ikhlas General Berhad (cont'd.)
(Incorporated in Malaysia)**

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report, Corporate Governance Disclosures and Report of the Group Shariah Committee, but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the 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 Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, 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.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the directors are responsible for assessing 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 Company or to cease operations, or have no realistic alternative but to do so.

**Independent auditors' report to the member of
Takaful Ikhlas General Berhad (cont'd.)
(Incorporated in Malaysia)**

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 Company to cease to continue as a going concern.

Shape the future
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201701019705 (1233870-A)

Independent auditors' report to the member of Takaful Ikhlas General Berhad (cont'd.)
(Incorporated in Malaysia)

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

- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Other matters

This report is made solely to the member of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Kannan A/L Rajagopal
No. 03490/03/2028 J
Chartered Accountant

Kuala Lumpur, Malaysia
22 June 2026

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

Statement of profit or loss
for the year ended 31 March 2026

		2026		2025	
	Note	General Takaful Fund RM'000	Company RM'000	General Takaful Fund RM'000	Company RM'000
Takaful revenue		1,149,418	1,149,418	870,984	870,984
Takaful service expenses	3	(1,076,128)	(986,997)	(805,014)	(733,911)
Takaful service result before retakaful certificates held		**73,290**	**162,421**	**65,970**	**137,073**
Allocation of retakaful contributions		(350,225)	(350,225)	(269,710)	(269,710)
Amounts recoverable from retakaful operators for incurred claims		257,499	260,116	186,513	188,271
Net expense from retakaful certificates held	6	**(92,726)**	**(90,109)**	**(83,197)**	**(81,439)**
Takaful service result		**(19,436)**	**72,312**	**(17,227)**	**55,634**
Profit revenue calculated using the effective profit method	7(a)	35,496	50,254	28,858	41,498
Other investment income	7(b)	726	956	4,204	4,420
Net realised (losses)/gains	8	(651)	108	(659)	(1,573)
Net fair value gains/(losses) on financial assets at fair value through profit or loss ("FVTPL")	9	3,806	4,293	(1,551)	(816)
Net reversal of impairment on financial assets		1	8	9	-
Net investment income		**39,378**	**55,619**	**30,861**	**43,529**

Statement of profit or loss
for the year ended 31 March 2026 (cont'd.)

		2026		2025	
	Note	**General Takaful Fund RM'000**	**Company RM'000**	**General Takaful Fund RM'000**	**Company RM'000**
Net takaful profit expenses from takaful certificates issued		(27,170)	(29,905)	(23,694)	(26,011)
Net takaful profit income from retakaful certificates held		9,116	10,040	7,931	8,722
Surplus arising not allocated to participants		(2,393)	(2,393)	(1,412)	(1,412)
Net takaful financial result	10	**(20,447)**	**(22,258)**	**(17,175)**	**(18,701)**
Other income	11	1,216	8,465	823	8,275
Other expenses	12	(150)	(3,751)	(211)	(5,854)
Finance cost		-	(1,356)	-	(323)
Net other operating income		**1,066**	**3,358**	**612**	**2,098**
Profit/(Loss) before zakat and taxation		**561**	**109,031**	**(2,929)**	**82,560**
Taxation attributable to participants	13	(561)	(561)	2,929	2,929
Profit before zakat and taxation attributable to shareholder		**-**	**108,470**	**-**	**85,489**
Zakat		-	185	-	(1,324)
Taxation	13	-	(25,889)	-	(23,391)
Net profit for the financial year		**-**	**82,766**	**-**	**60,774**
Basic earnings per share (sen)	24		**36.0**		**26.4**

The accompanying notes form an integral part of the financial statements.

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

Statement of comprehensive income for the year ended 31 March 2026

	Note	2026 General Takaful Fund RM'000	2026 Company RM'000	2025 General Takaful Fund RM'000	2025 Company RM'000
Net profit for the financial year		**-**	**82,766**	**-**	**60,774**
Other comprehensive income:					
Items that may be subsequently reclassified to profit or loss:					
Net gains/(losses) on financial assets at Fair Value through Other Comprehensive Income ("FVOCI"):					
- Fair value changes		95	1,548	523	1,390
- Transferred to profit or loss upon disposal		-	(579)	(43)	430
Tax effects relating to components of other comprehensive gain or loss	18	(23)	(233)	(115)	(316)
Other comprehensive income attributable to participants		(72)	(72)	(365)	(365)
Total other comprehensive income		-	664	-	1,139
Total comprehensive income for the financial year		**-**	**83,430**	**-**	**61,913**

The accompanying notes form an integral part of the financial statements.

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

Statement of financial position as at 31 March 2026

	Note	2026 General Takaful Fund RM'000	2026 Company RM'000	2025 General Takaful Fund RM'000	2025 Company RM'000
Assets					
Equipment	14	-	495	-	475
Intangible assets	15	-	125,971	-	56,202
Right-of-use assets	16(a)	-	7,402	-	5,496
Financial and other assets	17	1,047,026	1,591,702	997,185	1,381,930
Tax recoverable		46	2,126	46	3,440
Deferred tax assets	18	12,154	36,590	13,426	36,149
Retakaful certificate assets	19	412,588	441,465	291,626	316,962
Cash and bank balances		26,554	31,174	30,105	39,001
Total assets		**1,498,368**	**2,236,925**	**1,332,388**	**1,839,655**
Liabilities					
Borrowings	20	-	80,000	-	-
Takaful certificate liabilities	19	1,428,864	1,542,013	1,247,159	1,349,703
Lease liabilities	16(b)	-	7,580	-	5,793
Other payables	21	69,504	161,825	84,541	116,839
Zakat payable		-	1,200	-	2,169
Tax payable		-	5,726	688	-
Total liabilities		**1,498,368**	**1,798,344**	**1,332,388**	**1,474,504**
Equity					
Share capital	22	-	230,000	-	230,000
Reserves	23	-	208,581	-	135,151
Total equity		**-**	**438,581**	**-**	**365,151**
Total liabilities and equity		**1,498,368**	**2,236,925**	**1,332,388**	**1,839,655**

The accompanying notes form an integral part of the financial statements.

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

Statement of changes in equity for the year ended 31 March 2026

Company	Note	Share capital RM'000	Non-distributable fair value reserves RM'000	Distributable retained profits RM'000	Total RM'000
At 1 April 2024		**230,000**	**(1,170)**	**114,408**	**343,238**
Net profit for the year		-	-	60,774	60,774
Other comprehensive income for the year		-	1,139	-	1,139
Total comprehensive income for the year		-	1,139	60,774	61,913
Dividend paid	28	-	-	(40,000)	(40,000)
At 31 March 2025		**230,000**	**(31)**	**135,182**	**365,151**
At 1 April 2025		**230,000**	**(31)**	**135,182**	**365,151**
Net profit for the year		-	-	82,766	82,766
Other comprehensive income for the year		-	664	-	664
Total comprehensive income for the year		-	664	82,766	83,430
Dividend paid	28	-	-	(10,000)	(10,000)
At 31 March 2026		**230,000**	**633**	**207,948**	**438,581**

The accompanying notes form an integral part of the financial statements.

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

Statement of cash flows
for the year ended 31 March 2026

	Note	2026 RM'000	2025 RM'000
Cash flows from operating activities			
Profit before zakat and taxation		109,031	82,560
Adjustments for:			
Depreciation of equipment	14	397	369
Impairment of equipment	14	-	417
Equipment written-off	14	4	2
Amortisation of intangible assets	15	24,325	7,209
Impairment of intangible assets	15	-	2,176
Reclassification of intangible assets to expenses	15	-	2,110
Depreciation of right-of-use assets	16(a)	2,295	2,124
Finance costs on lease liabilities	16(b)	349	323
Net amortisation of premiums	7(a)	1,350	1,277
Profit income		(51,604)	(42,775)
Dividend income	7(b)	(956)	(4,420)
Fair value adjustments of financial assets at fair value through profit or loss ("FVTPL")	9	(4,293)	816
Net reversal of impairment on financial assets		(8)	-
Realised (gain)/loss on disposal of investments	8	(108)	1,573
Allowance for impairment of takaful certificate receivables		2,921	344
Operating cash flows before working capital changes		83,703	54,105
Changes in working capital:			
Financial assets		87,078	(448,863)
Deposit placements		(293,442)	290,641
Staff financing		143	236
Retakaful certificate assets		(125,618)	900
Other receivables and deposits		37	577
Takaful certificate liabilities		196,755	156,894
Other payables		45,448	25,351
Operating cash flows after working capital changes		(5,896)	79,841

Takaful Ikhlas General Berhad
(Incorporated in Malaysia)

Statement of cash flows
for the year ended 31 March 2026 (cont'd.)

	Note	2026 RM'000	2025 RM'000
Cash flows from operating activities (cont'd.)			
Operating cash flows after working capital changes (cont'd.)		(5,896)	79,841
Profit income received		51,358	46,766
Dividend income received		956	4,326
Surplus paid to participants		(6,251)	(5,915)
Income tax paid		(20,180)	(36,461)
Zakat paid		(784)	(1,519)
Net cash generated from operating activities		**19,203**	**87,038**
Cash flows from investing activities			
Purchase of equipment	14	(421)	(91)
Purchase of intangible assets	15	(119,244)	(17,765)
Proceed from derecognition of intangible asset	15	25,150	-
Payment of principal portion of lease liabilities	16	(2,515)	(2,481)
Net cash used in investing activities		**(97,030)**	**(20,337)**
Cash flows from financing activities			
Proceeds from borrowings	20	80,000	-
Dividend paid	28	(10,000)	(40,000)
Net cash used in financing activities		**70,000**	**(40,000)**
Net (decrease)/increase in cash and cash equivalents		**(7,827)**	**26,701**
Cash and cash equivalents at beginning of year		39,001	12,300
Cash and cash equivalents at end of year		**31,174**	**39,001**
Cash and cash equivalents comprise:			
Cash and bank balances of:			
Shareholder's fund		4,620	8,896
General takaful fund		26,554	30,105
		31,174	**39,001**

The accompanying notes form an integral part of the financial statements.

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at 12th Floor, Bangunan Malaysian Re, No. 17, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur, Malaysia.

The holding and ultimate holding company is MNRB Holdings Berhad, a company incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activity of the Company is the management of General Takaful business.

There were no significant changes in the nature of the principal activity of the Company during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 22 June 2026.

2. Material accounting policies

2.1 Basis of preparation and presentation of financial statements

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act, 2016 in Malaysia.

At the beginning of the current financial year, the Company had adopted the new MFRS Accounting Standards applicable for annual financial periods beginning on or after 1 January 2025 as described fully in Note 2.3 to the financial statements.

As at the financial year end, the Company has met the minimum capital requirements as prescribed by the Risk-Based Capital Framework for Takaful Operators ("RBCT") issued by BNM.

2. Material accounting policies (cont'd.)

2.1 Basis of preparation and presentation of financial statements (cont'd.)

(a) Statement of compliance (cont'd.)

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. Income and expense will not be offset in the statement of profit or loss unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Company.

Takaful operations and its funds

Under the concept of takaful, individuals make contributions to a pool which is managed by a third party with the overall aim of using the monies to aid fellow participants in times of need. Accordingly, as a Takaful Operator, the Company manages the General Takaful Fund in line with the principles of Wakalah (agency), which is the main business model adopted by the Company. Under the Wakalah model, the Takaful Operator is not a participant in the fund but manages the fund (including the relevant assets and liabilities) towards the purpose outlined above.

The financial position and financial performance information of the General Takaful Fund and the Company have been provided as supplementary financial information and to comply with the requirements of BNM/RH/PD 033-5: *Financial Reporting for Takaful Operators* issued by BNM. The Islamic Financial Services Act, ("IFSA") 2013 in Malaysia requires the clear segregation of the assets, liabilities, income and expenses of the shareholder’s fund and the General Takaful Fund.

However, in compliance with MFRS 10 *Consolidated Financial Statements*, the assets, liabilities, income and expenses of the General Takaful Fund are consolidated with those of the Takaful Operator to represent the control possessed by the operator over the respective funds.

The General Takaful Fund is consolidated from the date of control and will continue to be consolidated until the date such control ceases which will occur when the Company's licence to manage takaful business is withdrawn or surrendered.

2. Material accounting policies (cont'd.)

2.1 Basis of preparation and presentation of financial statements (cont'd.)

(b) Basis of measurement

The financial statements of the Company have been prepared on a historical cost basis, unless otherwise indicated in the disclosure on material accounting policies.

(c) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM") and rounded to the nearest thousand (RM'000) unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with MFRS Accounting Standards and IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have a significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes.

2. Material accounting policies (cont'd.)

2.1 Basis of preparation and presentation of financial statements (cont'd.)

(d) Use of estimates and judgements (cont'd.)

(i) Estimates of future cash flows

In estimating the future cash flows, the Company incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experiences, updated to reflect current expectations of future events.

The estimates of future cash flows reflect the Company’s view of current conditions at the reporting date and current expectations of future events that might affect those cash flows.

Cash flows within the boundary of a certificate are those that relate directly to the fulfilment of the certificate, including those for which the Company has discretion over the amount or timing. These include payments to (or on behalf of) participants, takaful acquisition cash flows and other costs that are incurred in fulfilling certificates. Takaful acquisition cash flows and other costs that are incurred in fulfilling certificates comprise both direct costs and an allocation of fixed and variable overheads.

Cash flows are attributed to acquisition activities and other fulfilment activities either directly or estimated based on the type of activities performed by the respective business function. Cash flows attributable to acquisition and other fulfilment activities are allocated to groups of certificates using methods that are systematic and rational and will be consistently applied to all costs that have similar characteristics, such as based on total contributions, number of certificates or number of claims.

(ii) Discount rates

For General Takaful business, takaful certificate liabilities are calculated by using risk-free discount rates.

2. Material accounting policies (cont'd.)

2.1 Basis of preparation and presentation of financial statements (cont'd.)

(d) Use of estimates and judgements (cont'd.)

(iii) Risk adjustments for non-financial risk

Risk adjustments for non-financial risk are determined to reflect the compensation that the Company would require for bearing non-financial risk and its degree of risk aversion. The Company applies a confidence level technique to determine the risk adjustments for non-financial risk of both its takaful and retakaful certificates.

Under a confidence level technique, the Company estimates the probability distribution of the expected value of the future cash flows at each reporting date and calculate the risk adjustment for non-financial risk as the excess of the value at risk at the target confidence level over the expected present value of the future cash flows allowing for the associated risks over all future years. The target confidence level is 75th percentile, in line with the regulatory requirement of BNM under the RBCT Framework.

(iv) 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. 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 Company. Such changes are reflected in the assumptions when they occur. The Company disaggregates information to disclose general takaful certificates issued and retakaful certificates held separately. This disaggregation has been determined based on how the Company is managed.

2. Material accounting policies (cont'd.)

2.2 Summary of material accounting policies

(a) Intangible assets

Intangible assets comprise software development costs, computer software and licences and preferred partnership fee in relation to bancatakaful arrangement.

All intangible assets are initially recorded at cost. Subsequent to recognition, intangible assets are stated at cost less any accumulated amortisation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

On disposal of intangible assets, the difference between net proceeds and the carrying amount is recognised in the statement of profit or loss.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the estimated economic useful lives. Intangible assets are assessed for impairment whenever there is an indication that the asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Amortisation is charged to the statement of profit or loss.

Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is also reviewed annually to determine whether the useful life assessment continues to be supportable.

2. Material accounting policies (cont'd.)

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

(a) Intangible assets (cont'd.)

(i) Software development in progress

Software development in progress represents development expenditure on software.

Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated impairment losses. When development is complete and the asset is available for use, it is reclassified to computer software and amortisation of the asset begins. It is amortised over the period of expected future use. During the period when the assets are not yet available for use, they are tested for impairment annually.

(ii) Computer software and licences

The useful lives of computer software and licences are considered to be finite because computer software and licences are susceptible to technological obsolescence.

The acquired computer software and licences are amortised using the straight-line method over their estimated useful lives not exceeding ten (10) years. Impairment is assessed whenever there is an indication of impairment and the amortisation period and method are also reviewed at least at each financial year end.

(iii) Preferred partnership fees

The preferred partnership fees represent the upfront fees paid by the Company to the financial institutions under a preferred bancatakaful arrangement.

Following the initial recognition of the cost of preferred partnership fee, the fee is amortised over the period of the bancatakaful arrangement, with the allocation tied to actual revenue generated from the partnership. Upon the expiry of the contract, if the total projected production is not met, the contract may be extended for an additional period of time as mutually agreed between the Company and the financial institutions.

2. Material accounting policies (cont'd.)

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

(b) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. Leases arise when the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use ("ROU") assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Company recognises ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. ROU assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. All ROU assets recognised by the Company have shorter lease terms than estimated useful life.

The ROU assets will be adjusted when there is a revision in the lease payments that result from the remeasurement of the lease liability. The lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The ROU assets are also subject to impairment as disclosed under Note 2.2(e)(iii).

The ROU assets are presented as a separate line in the statement of financial position.

2. Material accounting policies (cont'd.)

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

(b) Leases (cont'd.)

The Company as lessee (cont'd.)

(ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed lease payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, it was discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rates ("IBR"). After the commencement date, the amount of lease liabilities is increased to reflect the accretion of profit and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The lease liability is presented as a separate line in the statement of financial position.

2. Material accounting policies (cont'd.)

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

(b) Leases (cont'd.)

The Company as lessee (cont'd.)

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of equipment that are considered to be low value (such as laptops and personal computers, small items of office furniture and telephones). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(c) Financial assets

Recognition and measurement

The classification of financial assets at initial recognition depends on the Company’s business model for managing them and the financial asset’s contractual cash flow characteristics. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets are classified, at initial recognition, as financial assets at amortised cost (“AC”), fair value through other comprehensive income (“FVOCI”) and fair value through profit or loss (“FVTPL”).

In order for a financial asset to be classified and measured at AC or FVOCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest (“SPPI”)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- The Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and

- The Company may irrevocably designate a debt investment that meets the AC or FVOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

2. Material accounting policies (cont'd.)

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

(c) Financial assets (cont'd.)

Recognition and measurement (cont'd.)

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at AC;
- Financial assets at FVOCI with recycling of cumulative gains and losses;
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition; or
- Financial assets at FVTPL.

(i) Financial assets at AC

Sukuk that meet the following conditions are measured subsequently at AC:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at AC are subsequently measured using the effective profit method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

2. Material accounting policies (cont'd.)

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

(c) Financial assets (cont'd.)

Recognition and measurement (cont'd.)

(i) Financial assets at AC (cont'd.)

The effective profit method is a method of calculating the AC of a sukuk and of allocating profit income over the relevant period. For financial assets other than purchased or originated credit impaired financial assets (i.e. assets that are credit impaired on initial recognition), the effective profit rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective profit rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the sukuk, or, where appropriate, a shorter period, to the gross carrying amount of the sukuk on initial recognition. For purchased or originated credit impaired financial assets, a credit adjusted effective profit rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the AC of the sukuk on initial recognition.

The AC of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective profit method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the AC of a financial asset before adjusting for any loss allowance.

Profit income is recognised using the effective profit method for sukuk measured subsequently at AC and at FVOCI. For financial assets other than purchased or originated credit impaired financial assets, profit income is calculated by applying the effective profit rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit impaired. For financial assets that have subsequently become credit impaired, profit income is recognised by applying the effective profit rate to the AC of the financial asset. If, in subsequent financial years, the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit impaired, profit income is recognised by applying the effective profit rate to the gross carrying amount of the financial asset.

2. Material accounting policies (cont'd.)

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

(c) Financial assets (cont'd.)

Recognition and measurement (cont'd.)

(i) Financial assets at AC (cont'd.)

For purchased or originated credit impaired financial assets, the Company recognises profit income by applying the credit adjusted effective profit rate to the AC of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit impaired.

The financial assets at AC include Islamic accounts with licensed banks, secured staff financing and other receivables.

(ii) Financial assets at FVOCI with recycling of cumulative gains and losses

Sukuk that meet the following conditions are measured subsequently at FVOCI:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

For sukuk at FVOCI, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at AC. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to statement of profit or loss.

Financial assets classified as FVOCI with recycling include unquoted sukuk and Government Investment Issues.

2. Material accounting policies (cont'd.)

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

(c) Financial assets (cont'd.)

Recognition and measurement (cont'd.)

(iii) Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition

Upon initial recognition, the Company can irrevocably elect to classify its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under MFRS 132 *Financial Instruments: Presentation* and are neither held for trading nor contingent consideration recognised by an acquirer in a business combination. The classification is determined on an instrument-by-instrument basis.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or

- On initial recognition, it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or

- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the fair value reserve. Gains and losses on these financial assets are never recycled to statement of profit or loss. Dividends are recognised as investment income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company has not elected to classify any equities under this category.

2. Material accounting policies (cont'd.)

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

(c) Financial assets (cont'd.)

Recognition and measurement (cont'd.)

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at AC or FVOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVOCI on initial recognition.

- Sukuk that fails the SPPI test are classified as at FVTPL. In addition, sukuk that meet either the AC criteria or the FVOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces an accounting mismatch that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each financial year, with any fair value gains or losses recognised in statement of profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in statement of profit or loss includes any dividend or profit earned on the financial asset.

The Company has no derivative instruments. The Company’s financial assets at FVTPL includes unquoted sukuk, quoted equities and real estate investment trusts.

(v) Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company holds financial assets to generate returns and provide a capital base to provide for settlement of claims as they arise. The Company considers the timing, amount and volatility of cash flow requirements to support takaful liability portfolios in determining the business model for the assets as well as the potential to maximise return for shareholders and participants as well as for future business development.

2. Material accounting policies (cont'd.)

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

(c) Financial assets (cont'd.)

Recognition and measurement (cont'd.)

(v) Business model assessment (cont'd.)

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios that is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel;

- How certificate holders are compensated - e.g. whether compensation is based on fair value of the assets managed or the contractual cash flows collected;

- 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; and

- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case’ scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

2. Material accounting policies (cont'd.)

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

(c) Financial assets (cont'd.)

Recognition and measurement (cont'd.)

(v) Business model assessment (cont'd.)

The Company should assess its business models at each financial year in order to determine whether the models have changed since the preceding period. Changes to business model are not expected to be frequent but should such event take place, it must be:

- Determined by the Company's senior management as a result of external or internal changes;
- Significant to the Company's operations; and
- Demonstrable to external parties.

A change in the business model will occur only when the Company begins or ceases to perform an activity that is significant to its operations. Changes in the business model must be implemented before the reclassification date.

(vi) The SPPI test

The Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or accretion/amortisation of the premium/discount).

(vii) Reclassifications

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstance in which the Company acquires, disposes of, or terminates a business line.

(viii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a current legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2. Material accounting policies (cont'd.)

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

(c) Financial assets (cont'd.)

Derecognition

A financial asset is primarily derecognised when:

(i) The rights to receive cash flows from the asset have expired; or

(ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement, and either:

- The Company has transferred substantially all the risks and rewards of the asset; or

- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

(d) Fair value measurement

The Company measures financial instruments such as financial assets at FVTPL, financial assets at FVOCI at fair value at each financial year end. The fair values of financial instruments measured at AC are disclosed in Note 17 and 33.

2. Material accounting policies (cont'd.)

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

(d) Fair value measurement (cont'd.)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs that are based on observable market data, either directly or indirectly.

Level 3 - Inputs that are not based on observable market data.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each financial year. The fair values of financial instruments and non-financial assets are disclosed in Note 33 to the financial statements.

2. Material accounting policies (cont'd.)

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

(e) Impairment of assets

The Company recognises an allowance for expected credit losses ("ECL") for all financial assets not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the appropriate effective profit rate.

The ECL model applies to all financial assets held by the Company except:

- Financial assets measured at FVTPL; and
- Equity instruments.

The ECL model also applies to irrevocable loan commitments and financial guarantee contracts, which will include advances, financing, takaful receivables and contract assets under MFRS 15 *Revenue from Contracts with Customers* and lease receivables under MFRS 16 *Leases* .

For credit exposures without significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (12-month ECL). For credit exposures with significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (Lifetime ECL).

The Company will generally be required to apply the 'three-bucket' approach based on the change in credit quality since initial recognition:

	Stage 1	**Stage 2**	**Stage 3**
	Performing	**Under-Performing**	**Non-Performing**
ECL Approach	12-month ECL	Lifetime ECL	Lifetime ECL
Criterion	No significant increase in credit risk	Significant increase in credit risk	Credit-impaired assets
Recognition of profit income	Gross carrying amount	Gross carrying amount	Net carrying amount

2. Material accounting policies (cont'd.)

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

(e) Impairment of assets (cont'd.)

Forward-looking information and ECL measurement

The amount of credit loss recognised is based on forward-looking estimates that reflect current and forecast economic conditions. The forward looking adjustment is interpreted as an adjustment for the expected future economic conditions, as indicated by different macroeconomic factors and/or expert experienced in credit judgement.

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

- PD The ***Probability of Default*** is an estimate of the likelihood of default over a given time horizon. It is estimated with consideration of economic scenarios and forward-looking information.

- EAD The ***Exposure at Default*** is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the financial year end, including repayments of principal and profit, whether scheduled by contract or otherwise, and accrued interest from missed payments.

- LGD The ***Loss Given Default*** is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive. It is usually expressed as a percentage of the EAD.

In its ECL models, the Company relies on a broad range of forward-looking information as economic inputs, such as government debt, consumer sentiment index, residential property index, consumer price index, net foreign direct investment, GDP, inflation, currency rate, base lending rate and stock index.

(i) Sukuk at AC, FVTPL and FVOCI

In accordance with the 'three-bucket' approach, all newly purchased financial assets shall be classified in Stage 1, except for credit impaired financial assets. Financial assets will move from Stage 1 to Stage 2 when there is significant increase in credit risk ("SICR"), and Stage 2 to Stage 3 when there is an objective evidence of impairment. Financial assets which have experienced an SICR since initial recognition are classified as Stage 2, and are assigned a lifetime ECL.

2. Material accounting policies (cont'd.)

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

(e) Impairment of assets (cont'd.)

Forward-looking information and ECL measurement (cont'd.)

(i) Sukuk at AC, FVTPL and FVOCI (cont'd.)

The ECLs for sukuk at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remain at fair value. Instead, an amount equivalent to the allowance that arise will be recognised in OCI. The accumulated gain recognised in OCI is recycled to the statement of profit or loss upon derecognition of the assets.

The ECLs for Sukuk at AC will reduce the carrying amount of these financial assets in the statement of financial position.The ECLs for Sukuk at AC will reduce the carrying amount of these financial assets in the statement of financial position.

(ii) Takaful and retakaful certificate receivables

The impairment on takaful and retakaful certificate receivables is measured using the simplified approach at initial recognition and throughout its life at an amount equal to lifetime ECL. The ECL is calculated using a provision matrix based on historical data where the takaful certificate receivables are grouped based on different sales channel whilst the retakaful certificate receivables are assessed on totality basis. The impairment is to be calculated on the total outstanding balance including all aging buckets from current to the selected default period and above. Roll rates are to be applied on the outstanding balances of the ageing buckets which form the bases of the roll rates. A forward-looking factor is to be included in the calculation of ECL.

Takaful and retakaful certificate receivables are considered to be in default when contractual payments are past due for more than 12 months and 24 months respectively.

(iii) Non-financial assets

The carrying amounts of non-financial assets are reviewed at each financial year end to determine whether there is any indication of impairment. If any such indication exists or when an annual impairment for an asset is required, the asset’s recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”).

2. Material accounting policies (cont'd.)

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

(e) Impairment of assets (cont'd.)

Forward-looking information and ECL measurement (cont'd.)

(iii) Non-financial assets (cont'd.)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in the statement of profit or loss. Impairment losses recognised in respect of a cash-generating unit is allocated first to reduce the goodwill of the assets, then the carrying amount of the other assets in the unit (or groups of units) and finally, to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss is reversed if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversal of impairment losses are credited to the statement of profit or loss in the period in which the reversals are recognised.

(iv) Write-offs

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to statement of profit or loss.

2. Material accounting policies (cont'd.)

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

(f) Cash and cash equivalents

Cash and cash equivalents presented in the statement of cash flows comprise cash on hand, balances with banks, and short-term, highly liquid deposits with original maturities of three months or less, which are held to meet short-term cash commitments. These instruments are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Short-term deposits with original maturities of three months or less that are held for investment purposes, rather than for meeting short-term cash obligations, do not meet the definition of cash equivalents in accordance with MFRS 107 *Statement of Cash Flows* and are therefore excluded from cash and cash equivalents.

(g) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognised in the statement of financial position when, and only when, the Company and/or the General Takaful Fund become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

(i) Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities held for trading include derivatives entered into by the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in the statement of profit or loss. Net gains or losses on derivatives include exchange differences.

The Company has not designated any financial liabilities as at FVTPL.

(ii) Borrowing

Borrowing is initially recognised at fair value of the consideration received plus directly attributable transaction costs and subsequently carried at amortised cost. Any difference between the fair value of the consideration received plus directly attributable transaction costs and the redemption value is recognised in profit or loss over the period of the borrowings using the effective profit rate method.

2. Material accounting policies (cont'd.)

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

(g) Financial liabilities (cont'd.)

(iii) Other financial liabilities

The Company's other financial liabilities include other payables.

Other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at AC using the effective profit method.

For other financial liabilities, gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit or loss.

(h) Investments in subsidiaries and basis of non-consolidation

Subsidiaries are those entities over which the Company has all the following:

(i) Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investment in subsidiary, which relate to investment in wholesale unit trust fund, is carried at fair value. On disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is recognised as gain or loss on disposal in the income statement.

The Company is exempted from presenting consolidated financial statements based on the criteria set out in paragraph 4 of MFRS 10 *Consolidated Financial Statements*.

2. Material accounting policies (cont'd.)

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

(h) Investments in subsidiaries and basis of non-consolidation (cont'd.)

The immediate holding company, MNRB Holdings Berhad prepares consolidated financial statements in accordance with MFRS Accounting Standards in Malaysia, which are available for inspection at the registered office of the immediate holding company.

(i) Takaful and retakaful certificates

Takaful certificates

The Company issues certificates that contain takaful risk or both takaful risk and financial risk.

Financial risk is the risk of a possible future change in one or more of a specified profit rate, financial instrument price, commodity price, foreign exchange rate, index of price or rate, credit rating or credit index or other variables, provided in the case of a non-financial variable that the variable is not specific to a party to the certificates. Takaful risk is risk other than financial risk.

A takaful certificate is a certificate under which an entity has accepted significant takaful risk from another party (the participants) by agreeing to compensate the participant if a specified uncertain future event (the covered event) adversely affects the participant. As a general guideline, the Company defines whether significant takaful risk has been accepted by comparing benefits paid or payable on the occurrence of a covered event against benefits paid or payable if the covered event had not occurred. If the ratio of the former exceeds the latter by 5% or more, the takaful risk accepted is deemed to be significant.

The Company also cedes takaful risk in the normal course of its business. Ceded retakaful arrangements do not relieve the Company from its obligations to participants. For both ceded and assumed retakaful, contributions, claims and benefits paid or payable are presented on a gross basis.

Retakaful certificates

Retakaful arrangements, entered into by the Company, that meet the recognition requirements of takaful certificates as described above are accounted for as noted below. Arrangements that do not meet these recognition requirements are accounted for as financial assets.

Retakaful certificate assets represent amounts recoverable from retakaful operators for takaful certificate liabilities which have yet to be settled at the reporting date. Amounts recoverable from retakaful operators are measured consistently with the amounts associated with the underlying takaful certificates and the terms of the relevant retakaful arrangement.

2. Material accounting policies (cont'd.)

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

(i) Takaful and retakaful certificates (cont'd.)

Retakaful certificates (cont'd.)

At each reporting date, or more frequently, the Company assesses whether objective evidence exists that retakaful certificate assets are impaired. The impairment loss is recognised in statement of profit or loss.

Retakaful certificate assets are derecognised when the contractual rights are extinguished or expired or when the certificate is transferred to another party.

(i) Separating components from takaful and retakaful certificates

The Company assesses its general takaful and retakaful products to determine whether they contain distinct components which must be accounted for under another MFRS rather than MFRS 17. After separating any distinct components, an entity must apply MFRS 17 to all remaining components of the (host) takaful and retakaful certificates. Currently, the Company’s products do not include distinct components that require separation.

MFRS 17 defines investment components as the amounts that a takaful certificate requires a takaful operator to repay to a participant even if a covered event does not occur. Investment components which are highly interrelated with the takaful certificate of which they form a part are considered non-distinct and are not separately accounted for. Receipts and payments of the investment components (including non-distinct investment components) are recorded outside of statement of profit or loss.

Some certificates issued contain profit or ceding commission arrangements. Under these arrangements, there is a minimum guaranteed amount that the participant will always receive – either in the form of profit commission, or as claims, or another contractual payment irrespective of the covered event happening. Ceding commission in the form of contribution discount is not deemed as a non-distinct investment component. The minimum guaranteed amount and profit commission may or may not be deemed as a non-distinct investment component, depending on whether there is a loss-carry forward mechanism.

2. Material accounting policies (cont'd.)

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

(i) Takaful and retakaful certificates (cont'd.)

(ii) Level of aggregation

The level of aggregation for the Company is determined firstly by dividing the businesses written into portfolios. Portfolios comprise groups of certificates with similar risks which are managed together. Portfolios are further divided based on expected profitability at inception into three categories: onerous certificates, certificates with no significant risk of becoming onerous, and the remainder. This means that, for determining the level of aggregation, the Company identifies a certificate as the smallest 'unit', i.e., the lowest common denominator.

An evaluation is made to determine whether a series of certificates can be treated together in making the profitability assessment based on reasonable and supportable information, or whether a single certificate contains components that need to be separated and treated as if they were stand-alone certificates. As such, what is treated as a certificate for accounting purposes may differ from what is considered as a certificate for other purposes (i.e., legal or management). For retakaful certificates held, the basis depends on the type of retakaful arrangement. The minimum unit of account is at treaty level.

The groups of certificates for which the full retrospective approach have been adopted on transition include certificates issued more than one year apart. The portfolio are further divided by year of issue and profitability for recognition and measurement purposes. Hence, within each year of issue portfolios of certificates are divided into three groups, as follows:

- 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.
- A group of the remaining certificates in the portfolio.

2. Material accounting policies (cont'd.)

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

(i) Takaful and retakaful certificates (cont'd.)

(ii) Level of aggregation (cont'd.)

The retakaful certificates held portfolios are 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.
- A group of the remaining certificates in the portfolio.

(iii) Recognition

The Company recognises groups of takaful certificates that it issues from the earliest of the following:

- The beginning of the coverage period of the group of certificates.
- The date when the first payment from a participant is due, or when the first payment is received if there is no due date.
- For a group of onerous certificates, as soon as facts and circumstances indicate that the group of certificate is onerous.

The Company recognises a group of retakaful certificates held it has entered into from the earliest of the following:

- The beginning of the coverage period of the group of retakaful certificates held. However, the Company delays the recognition of a group of retakaful certificates held that provide proportionate coverage until the date when any underlying takaful certificate is initially recognised, if that date is later than beginning of the coverage period of the group of retakaful certificates held; and
- The date the Company recognises an onerous group of underlying takaful certificates if the Company entered into the related retakaful certificates held in the group of retakaful certificates held at or before that date.

2. Material accounting policies (cont'd.)

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

(i) Takaful and retakaful certificates (cont'd.)

(iv) Onerous groups of certificates

For General Takaful, the Company assumes no certificates in the portfolio are onerous at initial recognition, unless facts and circumstances indicate otherwise.

The Company's assessment of the facts and circumstances of onerousness leverages on:

- The Expected Ultimate Combined Ratio (consists of losses, expenses and risk adjustment) available from the valuation, pricing or underwriting exercise when appropriate.

- Information within the Company about certificates known or apparent to be onerous (e.g., based on the intention of the initial product approval process for market entry or marketing purposes).

If the facts and circumstances indicate that a group is expected to be onerous, a loss component should be recognised in the statement of financial position and the corresponding loss should be recognised in statement of profit or loss accordingly.

2. Material accounting policies (cont'd.)

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

(i) Takaful and retakaful certificates (cont'd.)

(v) Contract boundary

The Company includes in the measurement of a group of takaful certificates all the future cash flows within the boundary of each certificate in the Company. Cash flows are within the boundary of a takaful certificate if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the participant to pay the contribution, or in which the Company has a substantive obligation to provide the participant with services. A substantive obligation to provide services ends when:

- the Company has the practical ability to reassess the risks of the particular participant and, as a result, can set a price or level of benefits that fully reflects those risks; or

- The Company has 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 up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

(vi) Measurement

The Company's takaful certificates issued and retakaful certificates held are eligible for the measurement models as below:

Premium Allocation Approach ("PAA")

This model is applied for certificates which have certificate boundaries (i.e. coverage periods) of less than 1 year as well as for certificates with certificate boundaries of more than 1 year which are able to pass the PAA eligibility test.

Under the PAA, the liability for remaining coverage is measured as the amount of contribution received net of acquisition cash flows paid, less the net amount of contribution and acquisition cash flows that have been recognised in statement of profit or loss over the expired portion of the coverage period based on the passage of time.

2. Material accounting policies (cont'd.)

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

(i) Takaful and retakaful certificates (cont'd.)

(vi) Measurement (cont'd.)

Premium Allocation Approach ("PAA") (cont'd.)

The Company applies PAA models for all retakaful certificates held, depending on the specific certificate boundaries for each retakaful certificate.

Initial measurement - Takaful certificates issued

The Company may apply the PAA to the takaful certificates that it issues and retakaful certificates that it holds, provided that:

- The coverage period of each certificate in the group is one year or less, including coverage arising from all contributions within the certificate boundary; or
- For certificates longer than one year, the Company has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those certificates under the PAA does not differ materially from the measurement that would be produced by applying the general model. PAA eligibility is assessed at the inception of the group of certificates and does not need to be reassessed at subsequent measurement.

For certificates with certificate boundary of 12 months or less, the following simplifications apply:

- The Company shall assume that no certificates in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise; and
- While the Company can further subdivide groups of certificates if this is consistent with internal management and reporting purposes, this policy does not require any further subdivision.

2. **Material accounting policies (cont'd.)**

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

(i) Takaful and retakaful certificates (cont'd.)

(vi) Measurement (cont'd.)

Premium Allocation Approach ("PAA") (cont'd.)

Initial measurement - Takaful certificates issued (cont'd.)

The Company had performed a PAA eligibility assessment, and it was concluded that they qualify for PAA since there was no material difference in the measurement of the liability for remaining coverage between PAA and the general measurement model for certificates longer than 1 year.

Where facts and circumstances indicate that certificates are onerous at initial recognition, the Company performs additional analysis to determine if a net outflow is expected from the certificate. Such onerous certificates are separately grouped from other certificates and the Company recognises a loss in statement of profit or loss for the net outflow, resulting in the carrying amount of the liability for the group of certificates being equal to the fulfilment cash flows. A loss component is established by the Company for the liability for remaining coverage for such onerous group depicting the losses recognised.

Subsequent measurement - Takaful certificates issued

For a group of certificates that apply the PAA, the Company measures the liability for remaining coverage as:

- The contributions, if any, received at initial recognition;
- Minus any takaful acquisition cash flows at that date, unless if the payments are recognised as an expense; and
- Plus or minus any amount arising from the derecognition at that date of the asset or liability recognised for takaful acquisition cash flows.

2. Material accounting policies (cont'd.)

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

(i) Takaful and retakaful certificates (cont'd.)

(vi) Measurement (cont'd.)

Premium Allocation Approach ("PAA") (cont'd.)

Subsequent measurement - Takaful certificates issued (cont'd.)

The Company estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Company, and include an explicit adjustment for non-financial risk (the risk adjustment). The Company does adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims.

Where, during the coverage period, a group of takaful certificates becomes onerous, the Company recognises a loss in statement of profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Company for the liability for remaining coverage for such onerous group depicting the losses recognised.

Takaful acquisition cash flows are allocated on a straight-line basis as a portion of contribution to statement of profit or loss (through takaful revenue).

Initial measurement - Retakaful certificates held

The Company measures its retakaful assets for a group of retakaful certificates that it holds on the same basis as takaful certificates that it issues. However, they are adapted to reflect the features of retakaful certificates held that differ from takaful certificates issued, for example the generation of expenses or reduction in expenses rather than revenue.

Where the Company recognises a loss on initial recognition of an onerous group of underlying takaful certificates or when further onerous underlying takaful certificates are added to a group, it establishes a loss-recovery component of the asset for remaining coverage for a group of retakaful certificates held depicting the recovery of losses.

2. Material accounting policies (cont'd.)

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

(i) Takaful and retakaful certificates (cont'd.)

(vi) Measurement (cont'd.)

Premium Allocation Approach ("PAA") (cont'd.)

Initial measurement - Retakaful certificates held (cont'd.)

The Company calculates the loss-recovery component by multiplying the loss recognised on the underlying takaful certificates and the percentage of claims on the underlying takaful certificates the Company expects to recover from the group of retakaful certificates held. Where only some certificates in the onerous underlying group are covered by the group of retakaful certificates held, the Company uses a systematic and rational method to determine the portion of losses recognised on the underlying group of takaful certificates to takaful certificates covered by the group of retakaful certificates held.

The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

Subsequent measurement - Retakaful certificates held

Where the Company enters into retakaful certificates held which provide coverage relating to events that occurred before the purchase of the retakaful, such cost of retakaful is recognised in statement of profit or loss on initial recognition.

For General Takaful, the subsequent measurement of retakaful certificates held follows the same principles as those for takaful certificates issued and has been adapted to reflect the specific features of retakaful held.

Where the Company has established a loss-recovery component, the Company subsequently reduces the loss recovery component to zero in line with reductions in the onerous group of underlying takaful certificates in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying takaful certificates that the entity expects to recover from the group of retakaful certificates held.

2. Material accounting policies (cont'd.)

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

(i) Takaful and retakaful certificates (cont'd.)

(vi) Measurement (cont'd.)

Premium Allocation Approach ("PAA") (cont'd.)

Subsequent measurement - Retakaful certificates held (cont'd.)

Any change in the fulfilment cash flows of a group of retroactive retakaful certificates held due to the changes of the liability for incurred claims of the underlying certificates is taken to statement of profit and loss.

Where a loss component has been set up subsequent to initial recognition of a group of underlying takaful certificates, the portion of income that has been recognised from related retakaful certificates held is disclosed as a loss-recovery component.

Where the Company has established a loss-recovery component, the Company adjusts the loss-recovery component to reflect changes in the loss component of an onerous group of underlying takaful certificates.

A loss-recovery component reverses consistently with the reversal of the loss component of underlying groups of certificates issued, even when a reversal of the loss-recovery component is not a change in the fulfilment cash flows of the group of retakaful certificates held.

2. Material accounting policies (cont'd.)

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

(i) Takaful and retakaful certificates (cont'd.)

(vii) Takaful receivables and payables

The liability for remaining coverage and liability for incurred claims disclosed under takaful certificate liabilities includes takaful receivables and payables.

Liability for remaining coverage - Takaful certificate receivables

Takaful certificate receivables are recognised when due and measured on initial recognition at the fair value of the consideration to be received. The carrying value of contributions due and uncollected is reviewed for impairment whenever events or circumstances indicate the carrying amount may not be recoverable, with the impairment loss recorded in statement of profit or loss.

Takaful certificate receivables are derecognised following the derecognition criteria for financial instruments.

The impairment on takaful certificate receivables are measured at initial recognition and throughout its life at an amount equal to lifetime ECL. The ECL is calculated using a provision matrix based on historical data where the takaful and retakaful certificate receivables are grouped based on different sales channel. The impairment is calculated on the total outstanding balance including all aging buckets from current to 12 months and above. Roll rates are to be applied on the outstanding balance of the aging bucket which forms the base of the roll rate.

Liability for remaining coverage - Takaful certificate payables

Takaful certificate payables are recognised when due and measured on initial recognition at fair value of the consideration payable less directly attributable transaction costs. Subsequent to initial recognition, they are measured at AC using the effective yield method.

2. Material accounting policies (cont'd.)

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

(i) Takaful and retakaful certificates (cont'd.)

(viii) Takaful certificates – modification and derecognition

The Company derecognises takaful certificates when:

- The rights and obligations relating to the certificates are extinguished (i.e., discharged, cancelled or expired); or

- The certificate is modified such that the modification results in a change in the measurement model, or the applicable standard for measuring a component of the certificate. In such cases, the Company derecognises the initial certificate and recognises the modified certificate as a new certificate.

When a modification is not treated as a derecognition, the Company recognises amounts paid or received for the modification with the certificates as an adjustment to the relevant liability for remaining coverage.

(ix) Takaful acquisition cash flows

Takaful acquisition cash flows arise from the costs of distributing, 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.

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 related group of takaful certificates. The Company expects to derecognise all assets for takaful acquisition cash flows within the takaful coverage period.

2. Material accounting policies (cont'd.)

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

(i) Takaful and retakaful certificates (cont'd.)

(ix) Takaful acquisition cash flows (cont'd.)

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 at the level of an existing or future group of takaful certificates; 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 statement of profit or loss. The Company recognises in statement of 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.

(x) Presentation and disclosure

Statement of financial position

The Company presents portfolios of takaful certificate separately from portfolios of retakaful certificate held, and portfolios of asset position are further presented separately from portfolios of liability position. Groups of takaful certificates issued will include any assets for takaful acquisition cash flows. Takaful receivables and payables will be assessed on net portfolio position and reported within takaful certificate liabilities or assets as these are takaful certificate related balances. Retakaful receivables and payables, retakaful assets and liabilities will be assessed on a net portfolio position and reported within retakaful certificate liabilities or assets as these are retakaful certificate related.

2. Material accounting policies (cont'd.)

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

(i) Takaful and retakaful certificates (cont'd.)

(x) Presentation and disclosure (cont'd.)

Statement of profit or loss

The Company separately presents income or expenses from takaful certificates issued from income or expenses from retakaful certificates held.

Takaful service result

The takaful revenue for the period represents the portion of expected contribution receipts (excluding any investment component) allocated to that period. The Company allocates the expected contribution receipts across the coverage period of the takaful certificates based on the passage of time. However, if the expected pattern of risk release over the coverage period differs significantly from a time-based allocation, the Company instead allocates revenue based on the expected timing of incurred takaful service expenses.

The Company changes the basis of allocation between the two methods, as necessary, when facts and circumstances change. Such changes are accounted for prospectively as changes in accounting estimates.

For the periods presented, all revenue have been recognised on the basis of the passage of time.

Expenses that relate directly to the fulfilment of certificates are recognised in statement of profit or loss as takaful service expenses when incurred. Expenses that do not relate directly to the fulfilment of certificates are presented in other operating expenses in statement of profit or loss.

Net takaful profit expenses or income from takaful certificates issued

It comprises the change in the carrying amount of the group of takaful certificates arising from the effect of the time value of money and the effect of financial risk and changes in financial risk.

2. Material accounting policies (cont'd.)

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

(i) Takaful and retakaful certificates (cont'd.)

(x) Presentation and disclosure (cont'd.)

Loss components

The Company has grouped certificates that are onerous at initial recognition separately from certificates in the same portfolio that are not onerous at initial recognition. Groups that were not onerous at initial recognition can also subsequently become onerous if assumptions and experience changes. The Company has established a loss component of the liability for remaining coverage for any onerous group depicting the future losses recognised.

A loss component represents a notional record of the losses attributable to each group of onerous takaful certificates (or certificates profitable at inception that have become onerous). The loss component is released based on a systematic allocation of the subsequent changes in the fulfilment cash flows to:

- the loss component; and
- the liability for remaining coverage excluding the loss component.

The loss component is also updated for subsequent changes in estimates of the fulfilment cash flows related to future service. The systematic allocation of subsequent changes to the loss component results in the total amounts allocated to the loss component being equal to zero by the end of the coverage period of a group of certificates (since the loss component will have been materialised in the form of incurred claims). The Company uses the proportion on initial recognition to determine the systematic allocation of subsequent changes in future cash flows between the loss component and the liability for remaining coverage excluding the loss component.

2. Material accounting policies (cont'd.)

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

(i) Takaful and retakaful certificates (cont'd.)

(x) Presentation and disclosure (cont'd.)

<u>Loss-recovery components</u>

When the Company recognises a loss on initial recognition of an onerous group of underlying takaful certificates or when further onerous underlying takaful certificates are added to a group, the Company establishes a loss-recovery component of the asset for remaining coverage for a group of retakaful certificates held depicting the recovery of losses.

Where a loss component has been set up subsequent to initial recognition of a group of underlying takaful certificates, the portion of income that has been recognised from related retakaful certificates held is disclosed as a loss-recovery component.

Where a loss-recovery component has been set up at initial recognition or subsequently, the Company adjusts the loss-recovery component to reflect changes in the loss component of an onerous group of underlying takaful certificates.

The carrying amount of the loss-recovery component must not exceed the portion of the carrying amount of the loss component of the onerous group of underlying takaful certificates that the Company expects to recover from the group of retakaful certificates held. On this basis, the loss-recovery component recognised at initial recognition is reduced to zero in line with reductions in the onerous group of underlying takaful certificates and is nil when loss component of the onerous group of underlying takaful certificates is nil.

2. Material accounting policies (cont'd.)

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

(i) Takaful and retakaful certificates (cont'd.)

(x) Presentation and disclosure (cont'd.)

<u>Net takaful profit income or expenses from retakaful certificates held</u>

Takaful finance income or expenses comprise the change in the carrying amount of the group of takaful certificates arising from:

- The effect of the time value of money and changes in the time value of money; and
- The effect of financial risk and changes in financial risk.

The Company defines the General Takaful Fund as an underlying item. Hence, changes in measurement of a group of takaful certificates caused by changes in the value of the General Takaful Fund are reflected in takaful finance income or expenses.

For certificates measured under the PAA, the main amounts within takaful finance income or expenses are:

- profit accreted on the LIC; and
- the effect of changes in profit rates and other financial assumptions.

(j) Revenue recognition

<u>Revenue from contracts with customers</u>

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to a customer. Generally, satisfaction of a performance obligation occurs when/as the Company's control of the goods or services is transferred to the customer. Control can be defined as the ability to direct the use of an asset and to obtain substantially all of the remaining benefits from the asset. Control also includes the ability to prevent another entity from directing the use of and obtaining the benefits from an asset.

For each separate performance obligation, the Company will need to determine whether the performance obligation is satisfied by transferring the control of goods or services over time. If the performance obligation is not satisfied over time, then it is satisfied at a point in time.

2. Material accounting policies (cont'd.)

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

(j) Revenue recognition (cont'd.)

As a performance obligation is satisfied, the Company shall recognise as revenue the amount of the transaction price (which excludes estimates of variable consideration that are constrained, that is allocated to that performance obligation).

Other revenue

(i) Profit income

Profit income is recognised using the effective profit yield method over the term of the underlying investments.

(ii) Dividend income

Dividend income is recognised at a point in time when the Company's right to receive payment is established.

(k) Income tax

Income tax for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is computed using the tax rates that have been enacted at the financial year end.

Deferred tax is provided for, using the liability method, on temporary differences at the end of the financial year end between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is computed at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the financial year end. Deferred tax is recognised in the statement of profit or loss, except when it arises from a transaction which is recognised directly in other comprehensive income/General Takaful Fund, in which case the deferred tax is also charged or credited directly in other comprehensive income/General Takaful Fund.

2. Material accounting policies (cont'd.)

2.3 Amendments to Standard

At the beginning of the current financial year, the Company adopted the following Amendments to Standard which are mandatory for annual periods beginning on or after 1 January 2025:

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

The adoption of the above Amendments to Standard did not have any significant financial impact to the Company's financial statements.

2.4 Standards and annual improvements to standards issued but not yet effective

The following are new Standards and Amendments to Standards issued by the Malaysian Accounting Standards Board (“MASB”), but which are not yet effective, up to the date of issuance of the Company’s financial statements. The Company intends to adopt these new Standards and Amendments to Standards, if applicable, when they become effective:

Description	**Effective for annual periods beginning on or after**
Annual Improvements to MFRS Accounting Standards - Volume 11	
(Amendments to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*)	1 January 2026
Amendments to MFRS 7 *Financial Instruments: Disclosures*	1 January 2026
Amendments to MFRS 9 *Financial Instruments*	1 January 2026
Amendments to MFRS 10 *Consolidated Financial Statements*	1 January 2026
Amendments to MFRS 107 *Statement of Cash Flows*	1 January 2026

2. Material accounting policies (cont'd.)

2.4 Standards and annual improvements to standards issued but not yet effective (cont'd.)

Description	Effective for annual periods beginning on or after
Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures*)	1 January 2026
Contracts Referencing Nature-dependent Electricity (Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures*)	1 January 2026
MFRS 18 *Presentation and Disclosure in Financial Statements*	1 January 2027
MFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Translation to a Hyperinflationary Presentation Currency (Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates*)	1 January 2027

Except for MFRS 18, the Directors expect that the adoption of the above pronouncements will not have a material impact on the Company and the Company's financial statements upon initial application.

The Company is currently assessing the detailed implications of applying the new standard on the financial statements. Based on current preliminary analysis, the adoption of MFRS 18 is not expected to have an impact on net profit, although the Company expect that the grouping of income and expenses into the new categories will affect how operating profit is calculated and reported.

2. Material accounting policies (cont'd.)

2.4 Standards and annual improvements to standards issued but not yet effective (cont'd.)

The Company does not anticipate significant changes to the information currently disclosed in the notes, as the requirement to disclose material information remains unchanged. However, the manner in which the information is grouped may change due to the application of aggregation and disaggregation principles. In addition, there will be new disclosures required for:

(i) Management-defined performance measures;

(ii) A break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this breakdown is only required for certain specified nature of expense items; and

(iii) For the first annual period of application of MFRS 18, a reconciliation for each line item in the statement of profit or loss between restated amounts presented by applying MFRS 18 and the amounts previously presented applying MFRS 101.

The Company will apply the new standard from its mandatory effective date of 1 April 2027. As retrospective application is required, the comparative information for the financial year ending 31 March 2028 will be restated to reflect the requirements of MFRS 18.

3. Takaful service expenses

	Note	2026 RM'000	2025 RM'000
General Takaful Fund			
Incurred claims		702,277	531,552
Amortisation of wakalah acquisition costs	(i)	284,765	214,911
Incurred wakalah fees		139,089	109,962
Changes to liabilities for incurred claims		(50,003)	(59,411)
Surplus performance incentive ("SPI")		-	4,000
Surplus declared to participants		-	4,000
Total takaful service expenses		**1,076,128**	**805,014**
Company			
Incurred claims		743,760	561,262
Amortisation of acquisition costs	(i)	231,451	175,034
Incurred maintenance expenses		95,567	79,659
(Reversal of losses)/Losses on onerous certificates		(593)	1,268
Changes to liabilities for incurred claims		(83,188)	(87,312)
Surplus declared to participants		-	4,000
Total takaful service expenses		**986,997**	**733,911**

Notes:

(i) Acquisition cash flows were recognised on a systematic basis over the coverage period of the group of certificates, using a straight-line allocation method consistent with the pattern of services expected to be provided.

4. Expenses by nature

Company	2026 RM'000	2025 RM'000
Staff costs:		
Salaries, bonus, and other related costs	49,934	40,488
President & CEO, Directors and GSC members' remuneration (Note 5)	2,313	2,278
Pension costs - Employees Provident Fund ("EPF")	7,975	6,510
Social security costs	422	373
Other staff expenses	8,675	7,911
	69,319	57,560
Auditors' remuneration		
- audit fees	592	553
- regulatory related fees	196	63
- other services	111	65
Expense relating to short-term leases (Note 16)	-	18
Expense relating to leases of low-value assets (Note 16)	475	433
Amortisation of intangible assets (Note 15)	24,325	7,209
Impairment of equipment (Note 14)	-	417
Impairment of intangible asset (Note 15)	-	2,176
Depreciation of equipment (Note 14)	397	369
Depreciation of right-of-use assets (Note 16)	2,295	2,124
Reclassification of intangible assets to expenses (Note 15)	-	2,110
Management fees paid to holding and related companies	19,857	23,584
Professional and legal fees	624	1,153
Marketing and promotional costs	58,566	49,192
Electronic data processing costs	15,669	12,701
Roadside assistance	12,527	9,506
Administrative expenses	2,126	2,569
Transaction and processing fees	4,757	3,662
Regulatory expenses	1,854	1,832
Other expenses	3,058	2,885
Total expenses excluding commissions	216,748	180,181
Commissions	139,256	110,418
Total expenses including commissions	356,004	290,599
Less: Takaful acquisition cash flows incurred	(256,686)	(205,086)
Add: Amortisation of takaful acquisition cash flows	231,451	175,034
	330,769	260,547
Represented by:		
Takaful service expenses:		
Expenses attributed to takaful acquisition cash flows (Note 3)	231,451	175,034
Other directly attributable expenses (Note 3)	95,567	79,659
Other expenses (Note 12)	3,751	5,854
Total	330,769	260,547

4. Expenses by nature (cont'd.)

Expenses attributed to takaful acquisition cash flows and other directly attributable expenses comprise expenses incurred by the Company in the reporting period that relate directly to the fulfilment of takaful certificates issued and retakaful certificates held within MFRS 17's scope. Such expenses include those recognised as assets prior to initial recognition of groups of takaful certificates issued and retakaful certificates held.

5. President & Chief Executive Officer's ("CEO"), Directors' and Group Shariah Committee ("GSC") members' remuneration

	2026 RM'000	2025 RM'000
Company		
(a) President & CEO's remuneration:		
Salary and bonus	1,067	998
Pension costs - EPF	181	184
Benefits-in-kind	25	31
Others	140	96
	1,413	1,309
Total President & CEO's remuneration excluding benefits-in-kind	1,388	1,278
(b) Executive Director's remuneration:		
Fees	-	-
Allowances and other emoluments	-	-
	-	-
(c) Non-executive Directors' remuneration:		
Fees	650	641
Allowances and other emoluments	146	249
	796	890
(d) GSC members' remuneration:		
Fees	100	86
Allowances and other emoluments	29	24
	129	110
Total remuneration of President & CEO, Directors and GSC members excluding benefits-in-kind	2,313	2,278

5. President & CEO's, Directors' and GSC members' remuneration (cont'd.)

The number of Directors of the Company whose total remuneration during the financial year fell within the following bands is analysed as below:

	Number of Directors	
	2026	**2025**
Executive Directors:		
Up to RM50,000	-	1*
Non-executive Directors:**		
Up to RM50,000	1	-
RM50,001 to RM100,000	4	-
RM100,001 to RM150,000	2	5
RM150,001 to RM200,000	1	1

* The Executive Director, Zaharudin Daud, who resigned on 1 October 2024, was not entitled to any Directors' remuneration for the financial year.

** The remuneration for Non-executive Directors exclude benefits-in-kind.

5. President & CEO's, Directors' and GSC members' remuneration (cont'd.)

	Salary and bonus RM'000	Fees RM'000	Pension costs RM'000	Others RM'000	Total* RM'000
Company					
2026					
President & CEO:					
Dato' Rodzila @ Rudy Che Lamin	1,067	-	181	140	1,388
Non-executive Directors:					
Dato' Sulaiman Mohd Tahir (Appointed on 16 July 2025)	-	69	-	9	78
Woon Tai Hai	-	128	-	34	162
Dato' Amirudin Abdul Halim	-	117	-	27	144
Dr. Wan Zamri Wan Ismail	-	119	-	30	149
Datuk Adillah Ahmad Nordin (Appointed on 1 July 2025)	-	81	-	17	98
Leong May Lee (Appointed on 1 October 2025)	-	50	-	9	59
Datuk Johar Che Mat (Retired on 15 July 2025)	-	33	-	8	41
Arul Sothy S. Mylvaganam (Retired on 30 September 2025)	-	53	-	12	65
	-	650	-	146	796
Total Directors' remuneration	-	650	-	146	796

* Total excluding benefits-in-kind

5. President & CEO's, Directors' and GSC members' remuneration (cont'd.)

	Salary and bonus RM'000	Fees RM'000	Pension costs RM'000	Others RM'000	Total* RM'000
Company (cont'd.)					
2026 (cont'd.)					
GSC members:					
Prof. Dr. Younes Soualhi	-	16	-	5	21
Dr. Shamsiah Mohamad	-	14	-	3	17
Shahrir bin Sofian	-	14	-	5	19
Assoc. Prof. Datuk Dr. Luqman Haji Abdullah	-	14	-	5	19
Dr. Khairul Anuar Ahmad	-	14	-	3	17
Wan Rumaizi Wan Husin	-	14	-	4	18
Dr. Safinar Salleh	-	14	-	4	18
	-	100	-	29	129
Total remuneration of President & CEO, Directors and GSC members	1,067	750	181	315	2,313

* Total excluding benefits-in-kind

5. President & CEO's, Directors' and GSC members' remuneration (cont'd.)

	Salary and bonus RM'000	Fees RM'000	Pension costs RM'000	Others RM'000	Total** RM'000
Company (cont'd.)					
2025					
President & CEO:					
Dato' Rodzila @ Rudy Che Lamin	998	-	184	96	1,278
Executive Director:					
Zaharudin Daud (Resigned on 1 October 2024)*	-	-	-	-	-
Non-executive Directors:					
Datuk Johar Che Mat	-	105	-	35	140
Rosinah Mohd Salleh (Retired on 31 March 2025)	-	94	-	33	127
Arul Sothy S. Mylvaganam	-	100	-	35	135
Woon Tai Hai	-	104	-	42	146
Dato' Amirudin Abdul Halim	-	107	-	42	149
Dr. Wan Zamri Wan Ismail	-	131	-	62	193
	-	641	-	249	890
Total Directors' remuneration	-	641	-	249	890

* The Executive Director, Zaharudin Daud, who resigned on 1 October 2024, was not entitled to any Directors' remuneration for the financial year ended 31 March 2025.

** Total excluding benefits-in-kind

5. President & CEO's, Directors' and GSC members' remuneration (cont'd.)

	Salary and bonus RM'000	Fees RM'000	Pension costs RM'000	Others RM'000	Total* RM'000
Company (cont'd.)					
2025 (cont'd.)					
GSC members:					
Prof. Dr. Younes Soualhi	-	16	-	4	20
Dr. Shamsiah Mohamad	-	14	-	4	18
Shahrir bin Sofian	-	14	-	4	18
Assoc. Prof. Datuk Dr. Luqman Haji Abdullah	-	14	-	4	18
Dr. Khairul Anuar Ahmad	-	14	-	4	18
Wan Rumaizi Wan Husin	-	14	-	4	18
	-	86	-	24	110
Total remuneration of President & CEO, Directors and GSC members	998	727	184	369	2,278

* Total excluding benefits-in-kind

6. Net expense from retakaful certificates held

	Note	2026 RM'000	2025 RM'000
General Takaful Fund			
Allocation of retakaful contributions		(350,225)	(269,710)
Amounts recoverable from retakaful operators for incurred claims			
Amounts recoverable from claims	(i)	269,702	208,627
Changes in amounts recoverable arising from changes in LFIC	(i)	(12,203)	(22,114)
		257,499	186,513
Net expense from retakaful certificates held		(92,726)	(83,197)
Company			
Allocation of retakaful contributions		(350,225)	(269,710)
Amounts recoverable from retakaful operators for incurred claims			
Amounts recoverable from claims	(i)	284,012	221,484
Changes in amounts recoverable arising from changes in LFIC	(i)	(23,896)	(33,213)
		260,116	188,271
Net expense from retakaful certificates held		(90,109)	(81,439)

Note:

(i) Non-performance risk in relation to retakaful certificate assets is nil.

7. Investment income

	2026 RM'000	2025 RM'000
(a) Profit income calculated using the effective profit method		
General Takaful Fund		
Financial assets at FVTPL:		
Profit income	15,148	9,578
Financial assets at FVOCI:		
Profit income	3,629	4,206
Financial assets at amortised cost:		
Profit income	17,726	15,574
Net amortisation of premiums	(1,007)	(500)
	35,496	28,858
Company		
Financial assets at FVTPL:		
Profit income	15,148	9,578
Financial assets at FVOCI:		
Profit income	11,849	13,035
Financial assets at amortised cost:		
Profit income	24,607	20,162
Net amortisation of premiums	(1,350)	(1,277)
	50,254	41,498

7. Investment income (cont'd.)

	2026 RM'000	2025 RM'000
(b) Other investment income		
General Takaful Fund		
Financial assets at FVTPL:		
Dividend income from:		
Quoted Shariah approved equities in Malaysia	540	874
Real estate investment trusts	59	32
Shariah approved unit trust funds	127	3,298
	726	4,204
Company		
Financial assets at FVTPL:		
Dividend income from:		
Quoted Shariah approved equities in Malaysia	762	1,090
Real estate investment trusts	67	32
Shariah approved unit trust funds	127	3,298
	956	4,420

8. Net realised (losses)/gains

	2026 RM'000	2025 RM'000
General Takaful Fund		
Financial assets at FVTPL:		
Quoted Shariah approved equities in Malaysia	(1,517)	(270)
Real estate investment trusts	(6)	-
Shariah approved unit trust funds	492	277
Government Investment Issues	380	(579)
Unquoted sukuk:		
Government guaranteed	-	(130)
Financial assets at FVOCI:		
Unquoted sukuk:		
Unsecured	-	43
	(651)	(659)
Company		
Financial assets at FVTPL:		
Quoted Shariah approved equities in Malaysia	(1,343)	(711)
Shariah approved unit trust funds	492	277
Government Investment Issues	380	(579)
Unquoted sukuk:		
Government guaranteed	-	(130)
Financial assets at FVOCI:		
Government Investment Issues	579	(91)
Unquoted sukuk:		
Government guaranteed	-	(410)
Unsecured	-	71
	108	(1,573)

9. Net fair value gains/(losses) on financial assets at FVTPL

	2026 RM'000	2025 RM'000
General Takaful Fund		
Quoted Shariah approved equities in Malaysia	3,507	(1,268)
Real estate investment trusts	65	10
Shariah approved unit trust funds	(365)	(105)
Government Investment Issues	260	(423)
Unquoted sukuk	339	235
	3,806	(1,551)
Company		
Quoted Shariah approved equities in Malaysia	4,001	(533)
Real estate investment trusts	58	10
Shariah approved unit trust funds	(365)	(105)
Government Investment Issues	260	(423)
Unquoted sukuk	339	235
	4,293	(816)

10. Net takaful financial result

	2026 RM'000	2025 RM'000
General Takaful Fund		
Takaful profit expenses from takaful certificates issued		
Profit accreted to takaful certificates using locked-in rate	(25,240)	(23,364)
Due to changes in profit rates and other financial assumptions	(1,930)	(330)
Net takaful profit expenses from takaful certificates issued	(27,170)	(23,694)
Profit accreted to retakaful certificates using locked-in rate		
Profit accreted to retakaful certificates using locked-in rate	8,283	7,789
Due to changes in profit rates and other financial assumptions	833	142
Net takaful profit income from retakaful certificates held	9,116	7,931
Surplus arising not allocated to participants	(2,393)	(1,412)
Net takaful financial result	**(20,447)**	**(17,175)**

10. Net takaful financial result (cont'd.)

	2026 RM'000	2025 RM'000
Company		
Takaful profit expenses from takaful certificates issued		
Profit accreted to takaful certificates using locked-in rate	(27,764)	(25,642)
Due to changes in profit rates and other financial assumptions	(2,141)	(369)
Net takaful profit expenses from takaful certificates issued	(29,905)	(26,011)
Profit accreted to retakaful certificates using locked-in rate		
Profit accreted to retakaful certificates using locked-in rate	9,124	8,565
Due to changes in profit rates and other financial assumptions	916	157
Net takaful profit income from retakaful certificates held	10,040	8,722
Surplus arising not allocated to participants	(2,393)	(1,412)
Net takaful financial result	**(22,258)**	**(18,701)**

11. Other income

	2026 RM'000	2025 RM'000
General Takaful Fund		
Miscellaneous income	1,216	823
Total other income	**1,216**	**823**
Company		
Brokerage income	3,515	3,187
Management fee income	301	2,797
Roadside assistance	2,464	1,337
Miscellaneous income	2,185	954
Total other income	**8,465**	**8,275**

12. Other expenses

	2026 RM'000	2025 RM'000
General Takaful Fund		
Investment expenses	(144)	(167)
Other operating expenses	(6)	(44)
Total other expenses	**(150)**	**(211)**
Company		
Investment expenses	(226)	(167)
Investment management fee	(3,265)	(2,991)
Impairment of equipment	-	(417)
Impairment of intangible assets	-	(2,176)
Other operating expenses	(260)	(103)
Total other expenses	**(3,751)**	**(5,854)**

13. Taxation

	2026 RM'000	2025 RM'000
General Takaful Fund/Company		
Current income tax	(688)	(1,889)
Deferred income tax (Note 18)	1,249	(1,040)
Taxation attributable to participants	**561**	**(2,929)**
Company		
Current income tax:		
Current year's provision	26,444	19,799
Underprovision of tax expense in prior years	1,368	1,921
	27,812	21,720
Deferred income tax (Note 18):		
Deferred tax relating to origination and reversal of temporary differences	618	2,148
Overprovision of deferred tax in prior years	(2,541)	(477)
	(1,923)	1,671
Taxation for the year	**25,889**	**23,391**

Domestic income tax for the Company is calculated at the Malaysian statutory tax rate of 24% (2025: 24%) of the estimated assessable profit for the year.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	2026 RM'000	2025 RM'000
Company		
Profit before zakat and taxation	108,470	85,489
Taxation at Malaysian statutory tax rate	26,033	20,517
Expenses not deductible for tax purposes	1,298	1,822
Income not subject to tax	(269)	(392)
Overprovision of deferred tax in prior years	(2,541)	(477)
Underprovision of tax expense in prior years	1,368	1,921
Tax expense for the year	**25,889**	**23,391**

14. Equipment

	Computer equipment RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Total RM'000
Company				
Cost				
At 1 April 2024	595	267	337	1,199
Additions during the year	34	57	-	91
Reclassification from intangible assets (Note 15)	500	-	-	500
Written-off during the year	(13)	(5)	-	(18)
At 31 March 2025	1,116	319	337	1,772
Additions during the year	127	294	-	421
Written-off during the year	-	(5)	-	(5)
At 31 March 2026	1,243	608	337	2,188
Accumulated Depreciation and Impairment				
At 1 April 2024	365	49	113	527
Charge for the year (Note 4)	248	54	67	369
Impairment during the year (Note 4)	417	-	-	417
Written-off during the year	(13)	(3)	-	(16)
At 31 March 2025	1,017	100	180	1,297
Charge for the year (Note 4)	112	218	67	397
Written-off during the year	-	(1)	-	(1)
At 31 March 2026	1,129	317	247	1,693
Net Book Value				
At 31 March 2026	114	291	90	495
At 31 March 2025	99	219	157	475

15. Intangible assets

	Software development in progress RM'000	Computer software and licences RM'000	Preferred partnership fees RM'000	Total RM'000
Company				
Cost				
At 1 April 2024	8,363	10,030	52,000	70,393
Additions during the year	14,301	2,144	1,320	17,765
Reclassifications	(6,617)	6,617	-	-
Reclassification to equipment (Note 14)	(500)	-	-	(500)
Reclassification to expenses (Note 4)	(2,110)	-	-	(2,110)
At 31 March 2025	13,437	18,791	53,320	85,548
Additions during the year	7,400	711	111,133	119,244
Reclassifications	(15,727)	15,727	-	-
Derecognition during the year*	-	-	(53,320)	(53,320)
At 31 March 2026	5,110	35,229	111,133	151,472
Accumulated Amortisation and Impairment				
At 1 April 2024	-	1,846	18,115	19,961
Charge for the year (Note 4)	-	2,055	5,154	7,209
Impairment during the year (Note 4)	-	2,176	-	2,176
At 31 March 2025	-	6,077	23,269	29,346
Charge for the year (Note 4)	-	3,560	20,765	24,325
Derecognition during the year*	-	-	(28,170)	(28,170)
At 31 March 2026	-	9,637	15,864	25,501
Net Carrying Amount				
At 31 March 2026	5,110	25,592	95,269	125,971
At 31 March 2025	13,437	12,714	30,051	56,202

* Derecognition from bancatakaful contracts modification and termination.

16. Leases

Company as a lessee

The Company has lease contracts for head office and branches used in its operations, with lease terms between 2 to 6 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

Generally, the Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension options, which are further discussed below.

The Company also has leases of office building with lease term 12 months or less and leases of low value. The Company applies the 'short term lease' and lease of 'low value assets' recognition for these leases.

(a) Right-of-use ("ROU") assets

Set out below are the carrying amounts of ROU assets recognised and the movements during the period:

Company	**Office buildings RM'000**
Cost	
At 1 April 2024	10,785
Additions during the year	1,377
Lease derecognised during the year	(1,293)
At 31 March 2025	10,869
Additions during the year	8,053
Lease derecognised during the year	(8,292)
At 31 March 2026	10,630
Accumulated Depreciation	
At 1 April 2024	4,177
Charge for the year (Note 4)	2,124
Lease derecognised during the year	(928)
At 31 March 2025	5,373
Charge for the year (Note 4)	2,295
Lease derecognised during the year	(4,440)
At 31 March 2026	3,228
Net Carrying Amount	
At 31 March 2026	7,402
At 31 March 2025	5,496

16. Leases (cont'd.)

Company as a lessee (cont'd.)

(b) Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	RM'000
Company	
At 1 April 2024	6,955
Additions	1,377
Lease derecognised during the year	(381)
Accretion of profit*	323
Payments	(2,481)
At 31 March 2025	5,793
Additions	8,053
Lease derecognised during the year	(4,100)
Accretion of profit*	349
Payments	(2,515)
At 31 March 2026	7,580

* The Company used a weighted average incremental borrowing rate at 4.3% (2025: 4.5%).

(c) Amount recognised in the statement of profit or loss

	2026 RM'000	2025 RM'000
Company		
Depreciation expense of ROU assets (Note 4)	2,295	2,124
Finance cost on lease liabilities	349	323
Expense relating to short-term leases (Note 4)	-	18
Expense relating to leases of low-value assets (Note 4)	475	433
Expenses relating to leases	475	451
Total amount recognised in profit or loss	3,119	2,898

16. Leases (cont'd.)

Company as a lessee (cont'd.)

(d) Cash and non-cash outflow for leases

	2026 RM'000	2025 RM'000
Company		
Payment of lease liabilities	(2,515)	(2,481)
Non-cash additions to ROU assets	8,053	1,377
	5,538	(1,104)

(e) Extension option

The leases of the Company's offices premises contain extension options exercisable by the Company and not the lessors. At the commencement of a lease, the Company assesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

Most of the extension options in the offices have been included in the lease liability when the Company is reasonably certain that the lease will be extended based on past practice and existing economic incentive.

17. Financial and other assets

The following table summarises the fair values and carrying values of financial assets of the General Takaful Fund and the Company, other than cash and bank balances:

	2026		2025	
	General Takaful Fund RM'000	Company RM'000	General Takaful Fund RM'000	Company RM'000
Unquoted sukuk:				
Government guaranteed	10,154	15,150	-	4,968
Unsecured	190,320	257,962	208,089	270,751
Government Investment Issues	248,556	355,861	232,800	395,111
Quoted Shariah approved equities in Malaysia	18,770	31,029	28,013	36,555
Real estate investment trusts	1,168	1,360	752	752
Shariah approved unit trust funds	-	-	55,642	55,642
Islamic commercial papers	14,920	44,806	19,821	24,776
Deposit placements with licensed:				
Islamic banks	463,746	771,337	382,629	520,077
Development banks	89,947	100,904	58,076	58,722
Staff financing:				
Receivable within 12 months	-	127	-	145
Receivable after 12 months	-	2	-	127
Income due and accrued	6,571	9,126	8,048	10,229
Sundry receivables and prepayments	2,874	4,038	3,315	4,075
	1,047,026	1,591,702	997,185	1,381,930
Financial assets at FVTPL (Note 17(a))	424,545	436,996	438,028	446,570
Financial assets at FVOCI (Note 17(b))	44,423	224,366	87,268	317,209
Financial assets at AC and other assets (Note 17(c))	578,058	930,340	471,889	618,151
	1,047,026	1,591,702	997,185	1,381,930

17. Financial and other assets (cont'd.)

	2026		2025	
	General Takaful Fund RM'000	Company RM'000	General Takaful Fund RM'000	Company RM'000
(a) Financial assets at FVTPL				
At fair value:				
Unquoted sukuk:				
Government guaranteed	10,154	10,154	-	-
Unsecured	145,897	145,897	120,821	120,821
Government Investment Issues	248,556	248,556	232,800	232,800
Quoted Shariah approved equities in Malaysia	18,770	31,029	28,013	36,555
Real estate investment trusts	1,168	1,360	752	752
Shariah approved unit trust funds	-	-	55,642	55,642
	424,545	436,996	438,028	446,570
(b) Financial assets at FVOCI				
At fair value:				
Unquoted sukuk:				
Government guaranteed	-	4,996	-	4,968
Unsecured	44,423	112,065	87,268	149,930
Government Investment Issues	-	107,305	-	162,311
	44,423	224,366	87,268	317,209

17. Financial and other assets (cont'd.)

	2026 General Takaful Fund RM'000	2026 Company RM'000	2025 General Takaful Fund RM'000	2025 Company RM'000
(c) Financial assets at AC and other assets				
At amortised cost				
Islamic commercial papers	14,920	44,806	19,821	24,776
Deposit placements with licensed:				
Islamic banks	463,746	771,337	382,629	520,077
Development banks	89,947	100,904	58,076	58,722
Staff financing:				
Receivable within 12 months	-	127	-	145
Receivable after 12 months	-	2	-	127
Income due and accrued	6,571	9,126	8,048	10,229
Sundry receivables	2,874	3,383	3,315	3,813
	578,058	929,685	471,889	617,889
Other assets:				
Prepayments	-	655	-	262
	578,058	930,340	471,889	618,151

All items above, other than prepayments are financial assets measured at amortised cost.

17. Financial and other assets (cont'd.)

The weighted average annual effective profit rate for each class of profit-bearing financial assets are as below:

	2026		2025	
	General Takaful Fund RM'000	Company RM'000	General Takaful Fund RM'000	Company RM'000
(d) Weighted average annual effective profit rate				
Unquoted sukuk:				
Government guaranteed	0.08%	0.08%	0.04%	0.05%
Unsecured	1.50%	1.46%	1.64%	1.43%
Government Investment Issues	1.83%	1.87%	1.86%	2.08%
	3.41%	3.41%	3.54%	3.56%
Deposit placements with licensed:				
Islamic banks	2.79%	2.91%	3.09%	3.19%
Development banks	0.58%	0.41%	0.52%	0.40%
	3.37%	3.32%	3.61%	3.59%
Staff financing	-	0.34%	-	0.32%

(e) Investment in Wholesale Unit Trust Fund ("WUTF")

On 14 May 2025, the Company fully redeemed its investment in WUTF comprising 55,255,085 units, for total redemption proceeds amounting to RM55.8 million.

18. Deferred tax assets

2026	General Takaful Fund RM'000	Company RM'000
At 1 April 2025	13,426	36,149
Recognised in:		
Statement of profit or loss	-	1,923
Tax borne by participants (Note 13)	(1,249)	(1,249)
Other comprehensive income	(23)	(233)
At 31 March 2026	12,154	36,590
2025		
At 1 April 2024	12,501	37,096
Recognised in:		
Statement of profit or loss	-	(1,671)
Tax borne by participants (Note 13)	1,040	1,040
Other comprehensive income	(115)	(316)
At 31 March 2025	13,426	36,149

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The net deferred tax assets/(liabilities) shown in the statement of financial position have been determined after appropriate offsetting as follows:

2026	General Takaful Fund RM'000	Company RM'000
Deferred tax assets	13,185	41,784
Deferred tax liabilities	(1,031)	(5,194)
	12,154	36,590
2025		
Deferred tax assets	14,252	39,701
Deferred tax liabilities	(826)	(3,552)
	13,426	36,149

18. Deferred tax assets (cont'd.)

The components and movements of deferred tax assets/(liabilities) during the financial year are as follows:

	Financial Assets RM'000	Accelerated Capital Allowance RM'000	Takaful Certificate Liabilities RM'000	Total RM'000
General Takaful Fund				
2026				
At 1 April 2025	349	(634)	13,711	13,426
Statement of profit or loss (Note 13)	(1,010)	63	(302)	(1,249)
Other comprehensive income	(23)	-	-	(23)
At 31 March 2026	(684)	(571)	13,409	12,154
2025				
At 1 April 2024	60	(682)	13,123	12,501
Statement of profit or loss (Note 13)	404	48	588	1,040
Other comprehensive income	(115)	-	-	(115)
At 31 March 2025	349	(634)	13,711	13,426

18. Deferred tax assets (cont'd.)

	Financial Assets RM'000	Accelerated Capital Allowance RM'000	Leases RM'000	Takaful Certificate Liabilities RM'000	Others RM'000	Total RM'000
Company						
2026						
At 1 April 2025	732	(2,755)	85	30,814	7,273	36,149
Statement of profit or loss (Note 13)	(4)	(2,246)	(29)	1,324	2,878	1,923
Tax borne by participants (Note 13)	(1,010)	63	-	(302)	-	(1,249)
Other comprehensive income	(233)	-	-	-	-	(233)
At 31 March 2026	(515)	(4,938)	56	31,836	10,151	36,590
2025						
At 1 April 2024	1,179	(775)	97	30,470	6,125	37,096
Statement of profit or loss (Note 13)	(535)	(2,028)	(12)	(244)	1,148	(1,671)
Tax borne by participants (Note 13)	404	48	-	588	-	1,040
Other comprehensive income	(316)	-	-	-	-	(316)
At 31 March 2025	732	(2,755)	85	30,814	7,273	36,149

19. 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:

	Fire RM'000	Motor RM'000	Personal Accident RM'000	Others RM'000	Surplus Payables RM'000	Total RM'000
2026						
General Takaful Fund						
Takaful certificates issued						
Remaining coverage	(98,923)	(338,060)	(17,546)	(23,692)	-	(478,221)
Incurred claims	(29,673)	(622,643)	(14,333)	(70,665)	(21,937)	(759,251)
Unallocated Surplus						(191,392)
Liabilities						(1,428,864)
Retakaful certificates held						
Remaining coverage	(40,725)	(3,362)	(109)	(4,888)	-	(49,084)
Incurred claims	35,032	393,309	1,138	32,193	-	461,672
Assets						412,588
Company						
Takaful certificates issued						
Remaining coverage	(122,674)	(357,139)	(22,469)	(10,850)	-	(513,132)
Incurred claims	(34,994)	(683,801)	(16,245)	(80,512)	(21,937)	(837,489)
Unallocated Surplus						(191,392)
Liabilities						(1,542,013)
Retakaful certificates held						
Remaining coverage	(40,725)	(3,362)	(109)	(4,888)	-	(49,084)
Incurred claims	37,152	416,719	1,194	35,484	-	490,549
Assets						441,465

19. Takaful and retakaful certificates (cont'd.)

	Fire RM'000	Motor RM'000	Personal Accident RM'000	Others RM'000	Surplus Payables RM'000	Total RM'000
2025						
General Takaful Fund						
Takaful certificates issued						
Remaining coverage	(86,064)	(320,570)	(7,572)	(13,433)	-	(427,639)
Incurred claims	(32,620)	(491,618)	(16,021)	(61,740)	(28,187)	(630,186)
Unallocated Surplus						(189,334)
Liabilities						(1,247,159)
Retakaful certificates held						
Remaining coverage	(42,816)	(98,422)	630	(11,248)	-	(151,856)
Incurred claims	44,359	367,432	1,515	30,176	-	443,482
Assets						291,626
Company						
Takaful certificates issued						
Remaining coverage	(109,629)	(336,911)	(13,377)	(2,734)	-	(462,651)
Incurred claims	(36,871)	(543,953)	(18,165)	(70,542)	(28,187)	(697,718)
Unallocated Surplus						(189,334)
Liabilities						(1,349,703)
Retakaful certificates held						
Remaining coverage	(42,816)	(98,422)	630	(11,248)	-	(151,856)
Incurred claims	45,541	388,336	1,620	33,321	-	468,818
Assets						316,962

19. Takaful and retakaful certificates (cont'd.)

Takaful certificate assets/(liabilities)

The roll-forward of net asset or liability for takaful certificates issued, showing the liabilities for remaining coverage and the liabilities for incurred claims, is disclosed in the table below:

	Liabilities for remaining coverage	Liabilities for incurred claims	Unallocated surplus	
	Excluding loss component RM'000	Estimates of the present value of future cash flows RM'000	RM'000	Total RM'000
2026				
General Takaful Fund				
Takaful certificate liabilities as at 1 April 2025	**(427,639)**	**(630,186)**	**(189,334)**	**(1,247,159)**
Takaful revenue	1,149,418	-	-	1,149,418
Takaful service expenses (Note 3)	(284,765)	(791,363)	-	(1,076,128)
Incurred claims	-	(702,277)	-	(702,277)
Amortisation of wakalah acquisition costs	(284,765)	-	-	(284,765)
Incurred wakalah fees	-	(139,089)	-	(139,089)
Changes to liabilities for incurred claims	-	50,003	-	50,003
Takaful service result	**864,653**	**(791,363)**	**-**	**73,290**
Takaful financial result (Note 10)	(5,544)	(21,626)	(2,393)	(29,563)
Profit accreted to takaful certificates using locked-in rate	(5,544)	(19,696)	-	(25,240)
Due to changes in profit rates and other financial assumptions	-	(1,930)	-	(1,930)
Surplus arising not allocated to participants	-	-	(2,393)	(2,393)
Total changes in the statement of profit or loss	**859,109**	**(812,989)**	**(2,393)**	**43,727**
Other movements	37,726	30,702	335	68,763
Cash (inflow)/outflow:	(947,417)	653,222	-	(294,195)
Contributions received net of wakalah fee	(1,219,856)	-	-	(1,219,856)
Takaful acquisition cash flow ("TACF")	272,439	-	-	272,439
Claims, surplus and other expenses paid	-	653,222	-	653,222
Takaful certificate liabilities as at 31 March 2026	**(478,221)**	**(759,251)**	**(191,392)**	**(1,428,864)**

19. Takaful and retakaful certificates (cont'd.)

Takaful certificate assets/(liabilities) (cont'd.)

The roll-forward of net asset or liability for takaful certificates issued, showing the liabilities for remaining coverage and the liabilities for incurred claims, is disclosed in the table below:

	Liabilities for remaining coverage		Liabilities for incurred claims		Unallocated surplus	
	Excluding loss component RM'000	Loss component RM'000	Estimates of the present value of future cash flows RM'000	Risk adjustment RM'000	RM'000	Total RM'000
2026 (cont'd.)						
Company						
Takaful certificate liabilities as at 1 April 2025	**(458,249)**	**(4,402)**	**(639,239)**	**(58,479)**	**(189,334)**	**(1,349,703)**
Takaful revenue	1,149,418	-	-	-	-	1,149,418
Takaful service expenses (Note 3)	(231,451)	593	(748,818)	(7,321)	-	(986,997)
Incurred claims	-	-	(708,035)	(35,725)	-	(743,760)
Amortisation of acquisition costs	(231,451)	-	-	-	-	(231,451)
Incurred maintenance expenses	-	-	(95,567)	-	-	(95,567)
Losses and reversal of losses on onerous certificates	-	593	-	-	-	593
Changes to liabilities for incurred claims	-	-	54,784	28,404	-	83,188
Takaful service result	**917,967**	**593**	**(748,818)**	**(7,321)**	**-**	**162,421**
Takaful financial result (Note 10)	(5,544)	(327)	(21,929)	(2,105)	(2,393)	(32,298)
Profit accreted to takaful certificates using locked-in rate	(5,544)	(327)	(19,972)	(1,921)	-	(27,764)
Due to changes in profit rates and other financial assumptions	-	-	(1,957)	(184)	-	(2,141)
Surplus arising not allocated to participants	-	-	-	-	(2,393)	(2,393)
Total changes in the statement of profit or loss	**912,423**	**266**	**(770,747)**	**(9,426)**	**(2,393)**	**130,123**
Other movements	87,290	-	71,038	-	335	158,663
Cash (inflow)/outflow:	(1,050,460)	-	569,364	-	-	(481,096)
Contributions received net of wakalah fee	(1,219,856)	-	-	-	-	(1,219,856)
Takaful acquisition cash flow ("TACF")	169,396	-	-	-	-	169,396
Claims, surplus and other expenses paid	-	-	569,364	-	-	569,364
Takaful certificate liabilities as at 31 March 2026	**(508,996)**	**(4,136)**	**(769,584)**	**(67,905)**	**(191,392)**	**(1,542,013)**

19. Takaful and retakaful certificates (cont'd.)

Takaful certificate assets/(liabilities) (cont'd.)

The roll-forward of net asset or liability for takaful certificates issued, showing the liabilities for remaining coverage and the liabilities for incurred claims, is disclosed in the table below:

	Liabilities for remaining coverage	Liabilities for incurred claims	Unallocated surplus	
	Excluding loss component	Estimates of the present value of future cash flows		Total
	RM'000	RM'000	RM'000	RM'000
2025				
General Takaful Fund				
Takaful certificate liabilities as at 1 April 2024	**(343,018)**	**(567,912)**	**(186,187)**	**(1,097,117)**
Takaful revenue	870,984	-	-	870,984
Takaful service expenses (Note 3)	(214,911)	(590,103)	-	(805,014)
Incurred claims	-	(531,552)	-	(531,552)
Amortisation of wakalah acquisition costs	(214,911)	-	-	(214,911)
Incurred wakalah fees	-	(109,962)	-	(109,962)
Changes to liabilities for incurred claims	-	59,411	-	59,411
Surplus performance incentive	-	(4,000)	-	(4,000)
Surplus declared to participants	-	(4,000)	-	(4,000)
Takaful service result	**656,073**	**(590,103)**	**-**	**65,970**
Takaful financial result (Note 10)	(5,546)	(18,148)	(1,412)	(25,106)
Profit accreted to takaful certificates using locked-in rate	(5,546)	(17,818)	-	(23,364)
Due to changes in profit rates and other financial assumptions	-	(330)	-	(330)
Surplus arising not allocated to participants	-	-	(1,412)	(1,412)
Total changes in the statement of profit or loss	**650,527**	**(608,251)**	**(1,412)**	**40,864**
Other movements	-	-	(1,735)	(1,735)
Cash (inflow)/outflow:	(735,148)	545,977	-	(189,171)
Contributions received net of wakalah fee	(977,188)	-	-	(977,188)
Takaful acquisition cash flow ("TACF")	242,040	-	-	242,040
Claims, surplus and other expenses paid	-	545,977	-	545,977
Takaful certificate liabilities as at 31 March 2025	**(427,639)**	**(630,186)**	**(189,334)**	**(1,247,159)**

19. Takaful and retakaful certificates (cont'd.)

Takaful certificate assets/(liabilities) (cont'd.)

The roll-forward of net asset or liability for takaful certificates issued, showing the liabilities for remaining coverage and the liabilities for incurred claims, is disclosed in the table below:

	Liabilities for remaining coverage		Liabilities for incurred claims		Unallocated surplus	
	Excluding loss component RM'000	Loss component RM'000	Estimates of the present value of future cash flows RM'000	Risk adjustment RM'000	RM'000	Total RM'000
2025 (cont'd.)						
Company						
Takaful certificate liabilities as at 1 April 2024	**(382,377)**	**(2,894)**	**(573,984)**	**(52,938)**	**(186,187)**	**(1,198,380)**
Takaful revenue	870,984	-	-	-	-	870,984
Takaful service expenses (Note 3)	(175,034)	(1,268)	(553,873)	(3,736)	-	(733,911)
Incurred claims	-	-	(531,552)	(29,710)	-	(561,262)
Amortisation of acquisition costs	(175,034)	-	-	-	-	(175,034)
Incurred maintenance expenses	-	-	(79,659)	-	-	(79,659)
Losses and reversal of losses on onerous certificates	-	(1,268)	-	-	-	(1,268)
Changes to liabilities for incurred claims	-	-	61,338	25,974	-	87,312
Surplus declared to participants	-	-	(4,000)	-	-	(4,000)
Takaful service result	**695,950**	**(1,268)**	**(553,873)**	**(3,736)**	**-**	**137,073**
Takaful financial result (Note 10)	(5,546)	(240)	(18,420)	(1,805)	(1,412)	(27,423)
Profit accreted to takaful certificates using locked-in rate	(5,546)	(240)	(18,085)	(1,771)	- -	(25,642)
Due to changes in profit rates and other financial assumptions	-	-	(335)	(34)	- -	(369)
Surplus arising not allocated to participants	**-**	**-**	**-**	**-**	(1,412)	(1,412)
Total changes in the statement of profit or loss	**690,404**	**(1,508)**	**(572,293)**	**(5,541)**	**(1,412)**	**109,650**
Other movements					(1,735)	(1,735)
Cash (inflow)/outflow:	(766,276)	-	507,038	-	-	(259,238)
Contributions received net of wakalah fee	(971,362)	-	-	-	-	(971,362)
Takaful acquisition cash flow ("TACF")	205,086	-	-	-	-	205,086
Claims, surplus and other expenses paid	**-**	**-**	507,038	**-**	**-**	507,038
Takaful certificate liabilities as at 31 March 2025	**(458,249)**	**(4,402)**	**(639,239)**	**(58,479)**	**(189,334)**	**(1,349,703)**

19. Takaful and retakaful certificates (cont'd.)

Retakaful certificate assets/(liabilities)

The roll-forward of net asset or liability for retakaful certificates held, showing the assets for remaining coverage and the assets for incurred claims, is disclosed in the table below:

	Assets for remaining coverage	Assets for incurred claims	
	Excluding loss recovery component RM'000	Estimates of the present value of future cash flows RM'000	Total RM'000
2026			
General Takaful Fund			
Retakaful certificate assets as at 1 April 2025	**(151,856)**	**443,482**	**291,626**
Allocation of retakaful contribution	(350,225)	-	(350,225)
Amounts recoverable from retakaful operators	-	257,499	257,499
Amount recoverable for incurred claims and other expenses	-	269,702	269,702
Changes to amount recoverable for incurred claims	-	(12,203)	(12,203)
Net income or expense from retakaful certificates held	**(350,225)**	**257,499**	**(92,726)**
Takaful financial result (Note 10)	-	9,116	9,116
Profit accreted to retakaful certificates using locked-in rate	-	8,283	8,283
Due to changes in profit rates and other financial assumptions	-	833	833
Total changes in the statement of profit or loss	**(350,225)**	**266,615**	**(83,610)**
Cash outflow/(inflow):	452,997	(248,425)	204,572
Contribution paid	452,997	-	452,997
Amount received	-	(248,425)	(248,425)
Retakaful certificate assets as at 31 March 2026	**(49,084)**	**461,672**	**412,588**

19. Takaful and retakaful certificates (cont'd.)

Retakaful certificate assets/(liabilities) (cont'd.)

The roll-forward of net asset or liability for retakaful certificates held, showing the assets for remaining coverage and the assets for incurred claims, is disclosed in the table below:

	Assets for remaining coverage	Assets for incurred claims		
	Excluding loss recovery component RM'000	Estimates of the present value of future cash flows RM'000	Risk adjustment RM'000	Total RM'000
2026 (cont'd.)				
Company				
Retakaful certificate assets as at 1 April 2025	**(151,856)**	**443,482**	**25,336**	**316,962**
Allocation of retakaful contribution	(350,225)	-	-	(350,225)
Amounts recoverable from retakaful operators	-	257,499	2,617	260,116
Amount recoverable for incurred claims and other expenses	-	269,702	14,310	284,012
Changes to amount recoverable for incurred claims	-	(12,203)	(11,693)	(23,896)
Net income or expense from retakaful certificates held	**(350,225)**	**257,499**	**2,617**	**(90,109)**
Takaful financial result (Note 10)	-	9,116	924	10,040
Profit accreted to retakaful certificates using locked-in rate	-	8,283	841	9,124
Due to changes in profit rates and other financial assumptions	-	833	83	916
Total changes in the statement of profit or loss	**(350,225)**	**266,615**	**3,541**	**(80,069)**
Cash outflow/(inflow):	452,997	(248,425)	-	204,572
Contribution paid	452,997	-	-	452,997
Amount received	-	(248,425)	-	(248,425)
Retakaful certificate assets as at 31 March 2026	**(49,084)**	**461,672**	**28,877**	**441,465**

19. Takaful and retakaful certificates (cont'd.)

Retakaful certificate assets/(liabilities) (cont'd.)

The roll-forward of net asset or liability for retakaful certificates held, showing the assets for remaining coverage and the assets for incurred claims, is disclosed in the table below:

	Assets for remaining coverage	Assets for incurred claims	
	Excluding loss recovery component RM'000	Estimates of the present value of future cash flows RM'000	Total RM'000
2025			
General Takaful Fund			
Retakaful certificate assets as at 1 April 2024	**(42,687)**	**337,762**	**295,075**
Allocation of retakaful contribution	(269,710)	-	(269,710)
Amounts recoverable from retakaful operators	-	186,513	186,513
Amount recoverable for incurred claims and other expenses	-	208,627	208,627
Changes to amount recoverable for incurred claims	-	(22,114)	(22,114)
Net income or expense from retakaful certificates held	**(269,710)**	**186,513**	**(83,197)**
Takaful financial result (Note 10)	-	7,931	7,931
Profit accreted to retakaful certificates using locked-in rate	-	7,789	7,789
Due to changes in profit rates and other financial assumptions	-	142	142
Total changes in the statement of profit or loss	**(269,710)**	**194,444**	**(75,266)**
Cash outflow/(inflow):	160,541	(88,724)	71,817
Contribution paid	160,541	-	160,541
Amount received	-	(88,724)	(88,724)
Retakaful certificate assets as at 31 March 2025	**(151,856)**	**443,482**	**291,626**

19. Takaful and retakaful certificates (cont'd.)

Retakaful certificate assets/(liabilities) (cont'd.)

The roll-forward of net asset or liability for retakaful certificates held, showing the assets for remaining coverage and the assets for incurred claims, is disclosed in the table below:

	Assets for remaining coverage	Assets for incurred claims		
	Excluding loss recovery component RM'000	Estimates of the present value of future cash flows RM'000	Risk adjustment RM'000	Total RM'000
2025 (cont'd.)				
Company				
Retakaful certificate assets as at 1 April 2024	**(42,687)**	**337,762**	**22,787**	**317,862**
Allocation of retakaful contribution	(269,710)	-	-	(269,710)
Amounts recoverable from retakaful operators	-	186,513	1,758	188,271
Amount recoverable for incurred claims and other expenses	-	208,627	12,857	221,484
Changes to amount recoverable for incurred claims	-	(22,114)	(11,099)	(33,213)
Net income or expense from retakaful certificates held	**(269,710)**	**186,513**	**1,758**	**(81,439)**
Takaful financial result (Note 10)	-	7,931	791	8,722
Profit accreted to retakaful certificates using locked-in rate	-	7,789	776	8,565
Due to changes in profit rates and other financial assumptions	-	142	15	157
Total changes in the statement of profit or loss	**(269,710)**	**194,444**	**2,549**	**(72,717)**
Cash outflow/(inflow):	160,541	(88,724)	-	71,817
Contribution paid	160,541	-	-	160,541
Amount received	-	(88,724)	-	(88,724)
Retakaful certificate assets as at 31 March 2025	**(151,856)**	**443,482**	**25,336**	**316,962**

20. Borrowings

	2026 RM'000	2025 RM'000
At amortised cost:		
Intercompany Subordinated Unsecured Financing	80,000	-
At fair value:		
Intercompany Subordinated Unsecured Financing	82,186	-

On 23 December 2025, the Company entered into two (2) tranches of Intercompany Subordinated Unsecured Financing facilities with its holding company, MNRB Holdings Berhad totalling to RM80,000,000 facility value which qualifies as Tier-2 capital under the RBCT Framework. The financing carries a tenure of ten (10) years from issue date on a 10-year, non-callable 5-year basis with a profit rate of 5.00% per annum payable semi-annually in arrears.

21. Other payables

	General Takaful Fund RM'000	Company RM'000
2026		
Provision on:		
Marketing-related expenses	-	23,076
Staff bonus	-	20,169
Roadside assistance	-	2,566
Others	-	9,641
Amount due to shareholder's fund*	25,257	-
Amount due to related companies*	-	9,321
Unidentified credit items	22,157	22,157
Stamp duty payable	1,488	1,488
Service tax payable	6,745	6,756
Amount due to intermediaries	8,675	58,058
Profit expense payable	-	1,007
Other accruals and payables^	5,182	7,586
	69,504	161,825

21. Other payables (cont'd.)

2025	General Takaful Fund RM'000	Company RM'000
Provision on:		
Marketing-related expenses	-	24,981
Staff bonus	-	14,464
Roadside assistance	-	2,401
Others	-	6,309
Amount due to shareholder's fund*	32,029	-
Amount due to related companies*	227	13,791
Unidentified credit items	28,726	28,726
Stamp duty payable	1,793	1,793
Service tax payable	7,843	7,855
Amount due to intermediaries	11,565	11,565
Other accruals and payables^	2,358	4,954
	84,541	116,839

Note:

* The amounts due to the shareholder's fund and its related companies (its holding company and fellow subsidiaries) are unsecured, not subject to any profit elements and are repayable on demand.

^ Included in the other payables above are clearing and suspense accounts, sundry creditors, accruals and provisions, and control accounts, representing liabilities incurred on the normal course of operations and temporary balances pending final allocation or settlement as at the reporting date.

22. Share capital

Company

	Number of ordinary shares		Amount	
	2026	**2025**	**2026**	**2025**
	'000	**'000**	**RM'000**	**RM'000**
Issued and fully paid; at no par value:				
At beginning/end of the year	230,000	230,000	230,000	230,000

23. Reserves

	2026	2025
	RM'000	**RM'000**
Company		
Distributable retained profits	207,948	135,182
Non-distributable fair value reserves	633	(31)
	208,581	135,151

The fair value reserves arose from the changes in the fair value of FVOCI investments. The retained profits as at 31 March 2026 can be distributed as dividends under the single-tier system.

24. Earning per share

The basic/diluted earnings per share ("EPS") calculated based on the net profit for the financial year divided by the number of ordinary shares in issue during the year is as follows:

	2026	2025
Company		
Profit attributable to ordinary shareholder (RM'000)	82,766	60,774
Number of ordinary shares in issue ('000)	230,000	230,000
Basic/diluted earnings per share (sen)	36.0	26.4

25. Capital commitments and contingencies

Capital commitments

	2026 RM'000	2025 RM'000
Company		
Authorised and contracted for:		
Intangible assets	1,510	7,175
Motor vehicle and equipment	582	1,185
	2,092	8,360
Authorised but not contracted for:		
Intangible assets	38,506	15,781
Motor vehicle and equipment	4,600	2,301
	43,106	18,082
Payable within 1 year	10,026	16,493
Payable after 1 year but not more than 5 years	35,171	9,949
	45,197	26,442

Contingencies

The Company has provided bank guarantees on service contracts with external parties of RM741,129 (2025: RM816,951) in the form of cash deposit in marginal accounts.

26. Regulatory capital requirement

The capital structure of the Company as at 31 March 2026 and 31 March 2025, as prescribed under the Risk-Based Capital Framework for Takaful Operators ("RBCT Framework") is provided below:

	General Takaful Fund RM'000	Company RM'000
2026		
Tier-1 capital		
Share capital	-	230,000
Retained profits/accumulated surplus	208,619	405,907
Tier-2 capital		
Fair value reserves	1,871	2,504
Subordinated term financing	-	80,000
Amount deducted from capital	(6,123)	(159,727)
Total capital available ("TCA")	204,367	558,684
2025		
Tier-1 capital		
Share capital	-	230,000
Retained profits/accumulated surplus	203,822	335,074
Tier-2 capital		
Fair value reserves	1,799	1,768
Amount deducted from capital	(7,882)	(87,006)
Total capital available ("TCA")	197,739	479,836

27. Related party disclosures

For the purpose of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or to exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel include all the Directors of the Company and certain members of senior management of the Company.

27. Related party disclosures (cont'd.)

(a) Related party transactions

The significant related party transactions during the year are as follows:

2026	General Takaful Fund RM'000	Company RM'000
Income/(expenses) and dividend:		
Transactions with MNRB Holdings Berhad:		
Gross contributions received	677	677
Claims paid	(17)	(17)
Management fees	-	(23,090)
Management expense chargeback	-	(3,332)
Dividend paid	-	(10,000)
Profit expense	-	(1,007)
Transactions with Takaful Ikhlas Family Berhad, a fellow subsidiary:		
Gross contributions received	113	113
Gross contributions paid for takaful cover	-	(955)
Claims paid	(4)	(4)
Rental paid	-	(360)
Management fees	-	1,895
Management expense chargeback	-	(1,869)
Transactions with Malaysian Reinsurance Berhad, a fellow subsidiary:		
Gross contributions received	113	113
Contributions ceded	(27,476)	(27,476)
Retakaful commission income	2,358	2,358
Claims recoveries	4,679	4,679
Management fees	-	25
Rental paid	-	(1,145)
Management expense chargeback	-	(122)

27. Related party disclosures (cont'd.)

(a) Related party transactions (cont'd.)

2026 (cont'd)	General Takaful Fund RM'000	Company RM'000
Income/(expenses) and dividend (cont'd.):		
Transactions with Labuan Reinsurance (L) Ltd, in which Malaysian Reinsurance Berhad is a substantial shareholder:		
Gross contributions received	3	3
Contributions ceded	(13,424)	(13,424)
Retakaful commission income	1,498	1,498
Claims recoveries	3,002	3,002
Transactions with MMIP Services Sdn. Bhd., a fellow subsidiary:		
Gross contributions received	4	4

2025	General Takaful Fund RM'000	Company RM'000
Income/(expenses) and dividend:		
Transactions with MNRB Holdings Berhad:		
Gross contributions received	544	544
Claims paid	(18)	(18)
Management fees	-	(24,666)
Management expense chargeback	-	(3,322)
Dividend paid	-	(40,000)

27. Related party disclosures (cont'd.)

(a) Related party transactions (cont'd.)

2025 (cont'd)	General Takaful Fund RM'000	Company RM'000
Income/(expenses) and dividend (cont'd.):		
Transactions with Takaful Ikhlas Family Berhad, a fellow subsidiary:		
Gross contributions received	118	118
Gross contributions paid for takaful cover	-	(930)
Claims paid	(5)	(5)
Rental paid	-	(349)
Management fees	-	1,299
Management expense chargeback	-	(4,462)
Transactions with Malaysian Reinsurance Berhad, a fellow subsidiary:		
Gross contributions received	102	102
Contributions ceded	(29,610)	(29,610)
Retakaful commission income	1,982	1,982
Claims recoveries	15,939	15,939
Rental paid	-	(1,145)
Management fees	-	(39)
Management expense chargeback	-	(148)
Transactions with Labuan Reinsurance (L) Ltd, in which Malaysian Reinsurance Berhad is a substantial shareholder:		
Gross contributions received	5	5
Contributions ceded	(13,367)	(13,367)
Retakaful commission income	1,519	1,519
Claims recoveries	3,783	3,783
Transactions with MMIP Services Sdn. Bhd., a fellow subsidiary:		
Gross contributions received	(1)	(1)

27. Related party disclosures (cont'd.)

(b) Related party balances

Included in the statement of financial position are amounts due from/(to) related parties represented by the following:

2026	General Takaful Fund RM'000	Company RM'000
Takaful certificate receivables:		
MNRB Holdings Berhad	30	30
Takaful Ikhlas Family Berhad	1	1
	31	31
Retakaful certificate assets:		
Malaysian Reinsurance Berhad	8,169	8,169
Labuan Reinsurance (L) Ltd	5,689	5,689
	13,858	13,858
Borrowings:		
MNRB Holdings Berhad	-	(80,000)
Takaful certificate payables:		
Malaysian Reinsurance Berhad	(1,340)	(1,340)
Labuan Reinsurance (L) Ltd	(428)	(428)
Takaful Ikhlas Family Berhad	(14)	(14)
	(1,782)	(1,782)
Profit expense payables:		
MNRB Holdings Berhad	-	(1,007)
Other payables:		
MNRB Holdings Berhad	-	(8,967)
Malaysian Reinsurance Berhad	-	(84)
Takaful Ikhlas Family Berhad	-	(256)
	-	(9,307)

27. Related party disclosures (cont'd.)

(b) Related party balances (cont'd.)

2025	General Takaful Fund RM'000	Company RM'000
Takaful certificate receivables:		
MNRB Holdings Berhad	6	6
Retakaful certificate assets:		
Malaysian Reinsurance Berhad	7,457	7,457
Labuan Reinsurance (L) Ltd	5,030	5,030
	12,487	12,487
Takaful certificate payables:		
Malaysian Reinsurance Berhad	(1,791)	(1,791)
Takaful Ikhlas Family Berhad	(3)	(3)
	(1,794)	(1,794)
Other payables:		
MNRB Holdings Berhad	(13,590)	(13,590)
Malaysian Reinsurance Berhad	-	(126)
Takaful Ikhlas Family Berhad	-	(162)
	(13,590)	(13,878)

27. Related party disclosures (cont'd.)

(c) Key management personnel

The remuneration of Directors and other members of key management during the year are as follows:

	2026 RM'000	2025 RM'000
Company		
President & CEO's remuneration (Note 5):		
Salaries and bonus	1,067	998
Pension costs - EPF	181	184
Benefits-in-kind	25	31
Others	140	96
	1,413	1,309
Executive Directors' remuneration (Note 5):		
Fees	-	-
Allowances and other emoluments	-	-
	-	-
Non-executive Directors' remuneration (Note 5):		
Fees	650	641
Allowances and other emoluments	146	249
	796	890
Group Shariah Committee members' remuneration (Note 5):		
Fees	100	86
Allowances and other emoluments	29	24
	129	110
Other key management personnel's remuneration:		
Salaries and bonus	3,429	2,848
Pension costs - EPF	557	463
Others	456	473
Total	4,442	3,784

28. Dividends

The amounts of dividends paid by the Company are as follows:

	RM'000
In respect of the financial year ended 31 March 2025:	
Final single tier dividend of 4.35% on 230,000,002 ordinary shares, declared on 29 October 2025 and paid on 7 November 2025.	10,000
In respect of the financial year ended 31 March 2024:	
Final single tier dividend of 17.39% on 230,000,002 ordinary shares, declared on 9 October 2024 and paid on 15 October 2024.	40,000

The Directors do not recommend the payment of any dividend in respect of the current financial year.

29. Risk management framework

The Company adopts MNRB's Group Risk Management Framework and Policy ("RM Framework") which was established to provide a set of guidelines for implementing risk management throughout the Group. It encompasses the Company's risk management:

(i) **Strategy**, by having appropriate risk management objectives, policy and appetite;

(ii) **Architecture**, by setting up risk management roles and responsibilities, communication and reporting structure; and

(iii) **Protocols**, by describing the procedures, methodologies, tools and techniques for risk management.

Risk management is the process of identifying, assessing, measuring, controlling, mitigating, and continuously monitoring risks in respect of the Company as a whole. It involves regular self-assessments of all reasonably foreseeable and material risks that the Company faces, including their inter-relationships and the maintenance of a link between ongoing risk management and mid-to long-term business goals, strategies and capital needs.

29. Risk management framework (cont'd.)

The RM Framework aims to serve as a guide for the effective management of risks throughout the Company. The RM Framework is intended to provide guidance to the Company in performing its risk management roles and responsibilities and ultimately aims to support the achievement of the Company's strategic and financial objectives.

The primary objectives of the RM Framework are as follows:

(i) Embeds the Risk Management process and ensures that it is an integral part of the Company's planning process at a strategic and operational level;

(ii) Facilitates effective risk oversight through a clear internal risk governance structure and responsibilities;

(iii) Creates a risk-aware culture from a strategic, operational, and individual perspective;

(iv) Gives credibility to the process and engage management's attention to the treatment, monitoring, reporting and review of identified risks as well as considering new and emerging risks on a continuous basis;

(v) Ensures appropriate strategies are in place to mitigate risks and maximize opportunities;

(vi) Allows the Company to proactively manage its risks in a systematic and structured way and to continually refine its processes to reduce its risk profile, thereby maintaining a safer environment for its stakeholders;

(vii) Aligns the Company's risk management practices with its sustainability principles;

(viii) Provides a single point of reference for managing risks in a systematic and structured way; and

(ix) Standardizes risk terminologies across the Company to facilitate a consistent and uniform approach in managing risks.

In pursuit of the above objectives, it is the Company's policy to adhere to, and comply with, all relevant governance and regulatory requirements and implement best practices with regard to risk management principles. The Company also aims to uphold high standards of business practices in all its activities.

29. Risk management framework (cont'd.)

(a) Risk management governance

The Board and Senior Management collectively have responsibility and accountability for setting the objectives, defining strategies to achieve those objectives, and establishing governance structures and processes to best manage the risks in accomplishing those objectives.

The Company has adopted the Group's Three (3) Lines of Defence governance model which provides a formal, transparent, and effective risk governance structure to promote active involvement from the Board, Senior Management, and all employees in the risk management process across the Company.

In addition, the Company has set up an in-house risk management function, compliance function and committee to ensure efficient risk management.

The roles and responsibilities of the functions structure are as follows:

(i) The Board has established a dedicated Board Committee known as the RMCB to support the Board in meeting the expectations and responsibilities on the risk and compliance management, provides assurance to the Board that the processes have been carried out effectively and inculcates a strong risk management culture;

(ii) The AC is established to complement the role of the Board by providing independent assessments of the adequacy and effectiveness of governance, risk management and internal control. The AC is assisted by an independent Internal Audit Department in performing its role;

(iii) The GSC was established to provide objective and expert advice to the Company to ensure that its aims and operations, business, affairs and activities are in compliance with Shariah;

(iv) The Senior Management Committee (“SMC”) oversees the implementation of risk and compliance management processes, establish and implement appropriate organisational structures and systems for managing financial and non-financial risks;

(v) The Group Management Risk & Compliance Committee (“GMRCC”), which comprises the President & GCEO of MNRB, the President & CEOs of the main operating subsidiaries and selected members of Senior Management from MNRB and its main operating subsidiaries to support the SMC to implement the risk and compliance management processes, establish clear guidance in managing the Company’s risk to ensure its alignment to the Company’s risk appetite for all business strategies and activities;

29. Risk management framework (cont'd.)

(a) Risk management governance (cont'd.)

(vi) The Information Technology Steering Committee (“ITSC”), chaired by the President & CEO, is established to oversee the implementation of IT strategic plans and provide direction in support of IT related initiatives and activities;

(vii) The Group Business Continuity Management Committee (“GBCMC”) has been established and responsible to review and recommend changes to the Group BCM Framework, evaluate the Business Continuity, Crisis Management, and Disaster Recovery Plans, approve the BCM programme workplan, and deliberate on issues related to crisis management and recovery centers;

(viii) The Group Chief Risk Officer (“GCRO”) oversees risk governance across the Group and is supported by the Head of Risk Management of the main operating subsidiaries. Together, they assist the GMRCC and the respective Risk Committees of the Board in ensuring effective implementation and maintenance of RM Framework and its sub-framework. Primarily, the main operating subsidiaries provide the necessary infrastructure to carry out the risk management function and the Risk Management Department acts as the central contact and guide for risk management issues within the respective entities; and

(ix) At the operational level, the implementation of risk management processes in the day-to-day operations of the Company is facilitated by the Heads of Department as well as the embedded risk managers of each department, guided by various components of the RM Framework.

A dedicated Group Investment Committee (“GIC”) has been established to oversee the strategic direction and management of the Company’s investment assets (inclusive but not limited to investments risks, governance and assets allocation), reporting directly to the Board. The GIC is supported by the Group Investment Management Committee (“GIMC”), which comprises key senior executives including the President & GCEO, the President & CEOs of main operating subsidiaries, the Group Chief Financial Officer, and the Group Chief Investment Officer.

29. Risk management framework (cont'd.)

(a) Risk management governance (cont'd.)

To strenghten risk management, the Group has adopted a comprehensive Group Investment Policy ("GIP"), that provides a high-level framework for investment decisions. The policy governs investments across fixed income securities, equities, deposits with licensed financial institutions, and other marketable securities.

For enhanced clarity and governance, the GIP is supplemented by a separate Group Investment Guidelines (“GIG”) document. This distinction ensures that GIP sets out strategic objectives, while the GIG details operational investment management rules. Together, they align with the regulatory frameworks of RBCT.

The Group Investment Department (“GID”), together with dedicated Investment Management & Asset-Liability Management Committees (“IMALCO”) have been established to monitor and manage asset-liability mismatches, duration gaps, credit risk exposures, cash flow projections, hedging strategies, and overall asset management. The GID and IMALCO ensure that investment and risk management practices are aligned across the Group. The Company’s committee reports directly to the Boards through the GIC, thereby reinforcing consistent oversight, accountability, and governance at both Group and Company level.

(b) Capital management

The Internal Capital Adequacy Assessment Process (“ICAAP”) encompasses the overall process where the Company ensures adequate capital is available to meet its capital requirements on an ongoing basis, under normal and stressed conditions, in line with BNM's Policy Document on Internal Capital Adequacy Assessment Process for Takaful Operators, the Risk-Based Capital Framework for Takaful Operators (“RBCT Framework”) and the Policy Document on Stress Testing.

Based on the material risks identified, the Company assesses the overall capital adequacy, and develops the Capital Management Plan (“CMP”), where the main objective is to monitor and maintain, at all times, an appropriate level of capital which commensurate with the Company's business operations and the resultant risk profile.

The ICAAP Policy also requires the Company to set an Individual Target Capital Level ("ITCL") based on its business strategies, risk profiles and risk management practices. The Company’s prevailing ITCL is above the minimum regulatory capital requirement outlined under the RBCT Framework.

29. Risk management framework (cont'd.)

(b) Capital management (cont'd.)

The CMP outlines the criteria, mechanism and process flow to manage the level of Capital Adequacy Ratio (“CAR”) of the Company. This includes the thresholds, triggers, and action plans in place which could be undertaken to reduce the level of risks or strengthen capital available. The action plans shall be triggered upon the CAR reaching the respective thresholds. These actions are chosen with consideration to the possible adverse scenarios relative to normal operating conditions.

(c) Regulatory framework

The Company is required to comply with the Islamic Financial Services Act (“IFSA”) 2013, the Companies Act, 2016, any other relevant Acts, and as applicable, Policy Documents issued by BNM from time to time.

In line with the RBCT Framework requirements on capital adequacy, the Company actively manages its capital adequacy by taking into consideration the potential impact on the Company's business strategies, risk profile and overall resilience of the Company.

The Breakdown of the TCA are as disclosed in Note 26.

The BNM Policy Document BNM/RFI/PD033-7 on Takaful Operational Framework ("TOF") 2019, specifies the parameters to govern the operational processes of takaful operators and defines in detail, where necessary, the various rules and requirements for takaful operators without limiting or specifying particular contracts to apply to the takaful operations. As required by the TOF, the Company’s respective components of the operational model were endorsed by the GSC and approved by the Board.

The Company is also a member of Perbadanan Insurans Deposit Malaysia ("PIDM"), which was established under the PIDM Act 2011, which administers the protection system for takaful and insurance benefits in the event of failure of a member institution.

30. Takaful risk of the General Takaful Fund

(a) Nature of risk

The Company principally manages the following classes of general takaful: Motor, Fire, Personal Accident and Miscellaneous (which includes other smaller classes such as Engineering, Liabilities and Marine).

Each participant pays a portion of the contribution, which is known as Tabarru' ("donation") into the General Takaful Fund ("GTF") for the purpose of meeting claims arising from events or risks covered under the takaful certificates. The Company is exposed to concentration risk through its takaful certificates in certain geographic regions, industry sectors, or line of business.

The risks are mitigated by, among others, diversification across a large portfolio of business, which is designed to smoothen the overall claim experience. The solvency of the GTF is managed by adopting prudent underwriting and claims management practices and controls. The concentration on takaful certificate liabilities by class are disclosed in Note 19.

The Company also manages its risk exposure through the use of retakaful arrangements. The retakaful treaty arrangements of the Company are reviewed annually by the Treaty Working Group ("TWG"), GMRCC and subsequently, as delegated by the Board, recommended to the RMCB for approval. The TWG is responsible to ensure all aspects of the business operations, risk management including risk appetite, risk tolerance and business strategies of the Company were taken into consideration in the overall procurement of the Company's Retakaful Programme and being carried out in the best interest of the Company. Selection of retakaful operators participating in the retakaful arrangements is in accordance with the criteria stipulated by BNM and the Board.

Stress Testing is performed at least once a year, or more frequently if required. The purpose of the stress testing is to test the solvency and financial viability of the GTF and overall company under various scenarios as guided by regulatory guidelines. Stress tests and scenario analysis are used to assess the company's ability to maintain minimum specified levels of capital and liquidity in exceptional but plausible events and ensure consideration of the financial impact of plausible events in the decision-making process and the effectiveness of management actions under stressed conditions.

30. Takaful risk of the General Takaful Fund (cont'd.)

(b) Reserving risk

Reserving risk relates to the risk arising from inadequate reserves to meet the net claims amount payable. The determination of GTF’s Liabilities for Remaining Coverage ("LFRC") and Liabilities for Incurred Claims ("LFIC") relies on the information derived from various sources such as historical claims experience, existing knowledge of occurred events, the terms and conditions of relevant certificates and interpretation of prevailing circumstances.

The Company sets aside case and technical reserves to meet the expected ultimate loss arising from the claim. These claim reserves are updated periodically taking into account the claims development.

At each reporting date, the Company performs a valuation of liabilities for the purpose of ensuring that liabilities for remaining coverage and liabilities for incurred claims are objectively assessed and adequately provided for.

(c) Catastrophe Risk

The risk that a single or a series of catastrophe events, usually over a short period, which leads to a high number of claims or single large loss or combination of both. The consequences of the risk are minimised by having retakaful coverage in place and retention in line with the risk appetite of the Company.

(d) Pricing Risk

Pricing risk arises when contributions charged are insufficient to meet expected claims and expenses. This risk is mitigated by adhering to the pricing policy and ceding risks above our risk appetite to retakaful operators with strong financial standing.

30. Takaful risk of the General Takaful Fund (cont'd.)

(e) Impact on liabilities, profit and equity

Key assumptions

The principal assumption underlying the estimation of liabilities is that the future claims development will follow a pattern similar to the historical trend experience.

Additional qualitative judgements are used to assess the extent to which past trends may not apply in the future. Examples of external factors that may affect claims development include isolated one-off occurrence, changes in market factors such as public attitude to claims notification and reporting, economic conditions, judicial decision as well as government legislation. Examples of internal factors include changes in portfolio mix, changes in certificate conditions and changes in claims handling procedures, especially those that affect the speed of claim settlement.

Other key circumstances affecting the reliability of assumptions include delays in settlement.

Sensitivity analysis

The analysis below is performed on possible movements in key assumptions with all other assumptions held constant, showing the impact on the Company’s gross and net of retakaful for Liabilities for Incurred Claims (“LFIC”), profit before tax and shareholder’s equity. The correlation of assumptions will have significant effects on the sensitivity analysis but to demonstrate the impact due to changes in specific assumptions, sensitivity analysis is performed on an individual basis. It should be noted that movements in these assumptions are non-linear. Sensitivity information will also vary according to the current business profile and economic assumptions.

The sensitivity analysis has been performed on claims handling expenses (“CHE”) and claims management expenses (“CME”), discount rate and the claims experience for the main classes of business which are Motor Act, Motor Others and Fire. Motor Act is analysed using changes in claim severity while Motor Others and Fire are analysed using changes in the expected ultimate loss ratio.

30. Takaful risk of the General Takaful Fund (cont'd.)

(e) Impact on liabilities, profit and equity (cont'd.)

Sensitivity analysis (cont'd.)

	Company							
Change in assumptions	**Impact on takaful service result before retakaful certificates held RM'000**	**Impact on takaful service result RM'000**	**Impact on profit before tax, before retakaful certificates held RM'000**	**Impact on profit before tax RM'000**	**Impact on takaful certificate liabilities RM'000**	**Impact on takaful certificate liabilities and retakaful certificate assets RM'000**	**Impact on equity before retakaful certificates held RM'000**	**Impact on equity RM'000**
2026	Increase/(decrease)							
Motor Act Average Severity								
+10% of Ultimate Claims	(123,522)	(66,215)	(15,353)	(8,887)	123,886	66,402	(11,377)	(6,585)
-10% of Ultimate Claims	123,284	66,073	15,116	8,746	(123,647)	(66,261)	11,201	6,481
Motor Others Expected Loss Ratio								
+10% of Ultimate Claims	(97,402)	(56,362)	(5,508)	(3,747)	97,567	56,456	(4,081)	(2,777)
-10% of Ultimate Claims	96,643	56,132	4,751	3,519	(96,809)	(56,228)	3,520	2,608
Fire Expected Loss Ratio								
+10% of Ultimate Claims	(10,502)	(7,582)	(490)	(340)	10,523	7,597	(363)	(252)
-10% of Ultimate Claims	10,040	7,543	29	302	(10,061)	(7,559)	21	224
Claim Handling Expense ("CHE") & Claim Management Expense ("CME")								
+10% of Ultimate Claims	(8,752)	(8,752)	(8,772)	(8,772)	8,773	8,772	(6,500)	(6,500)
-10% of Ultimate Claims	8,751	8,751	8,772	8,772	(8,772)	(8,772)	6,500	6,500
Discounting								
+100 basis points	12,128	6,909	2,475	1,505	(24,180)	(13,773)	1,834	1,115
-100 basis points	(12,591)	(7,164)	(2,571)	(1,561)	25,101	14,279	(1,905)	(1,157)

30. Takaful risk of the General Takaful Fund (cont'd.)

(e) Impact on liabilities, profit and equity (cont'd.)

Sensitivity analysis (cont'd.)

	Company							
Change in assumptions	**Impact on takaful service result before retakaful certificates held RM'000**	**Impact on takaful service result RM'000**	**Impact on profit before tax, before retakaful certificates held RM'000**	**Impact on profit before tax RM'000**	**Impact on takaful certificate liabilities RM'000**	**Impact on takaful certificate liabilities and retakaful certificate assets RM'000**	**Impact on equity before retakaful certificates held RM'000**	**Impact on equity RM'000**
2025	Increase/(decrease)							
Motor Act Average Severity								
+10% of Ultimate Claims	(98,851)	(54,595)	(13,101)	(7,759)	98,912	54,627	(9,708)	(5,749)
-10% of Ultimate Claims	97,866	54,449	12,865	7,613	(97,927)	(54,483)	9,533	5,641
Motor Others Expected Loss Ratio								
+10% of Ultimate Claims	(73,520)	(42,641)	(4,142)	(2,863)	73,543	42,654	(3,069)	(2,121)
-10% of Ultimate Claims	72,465	42,474	3,840	2,696	(72,489)	(42,488)	2,845	1,998
Fire Expected Loss Ratio								
+10% of Ultimate Claims	(10,088)	(6,731)	(364)	(319)	10,092	6,733	(270)	(236)
-10% of Ultimate Claims	9,257	6,688	288	276	(9,261)	(6,692)	213	205
CHE & CME								
+10% of Ultimate Claims	(5,966)	(5,966)	(5,969)	(5,969)	5,969	5,969	(4,423)	(4,423)
-10% of Ultimate Claims	5,988	5,988	5,992	5,992	(5,992)	(5,992)	4,440	4,440
Discounting								
+100 basis points	9,204	5,297	1,967	1,203	(18,368)	(10,568)	1,458	891
-100 basis points	(9,526)	(5,482)	(2,036)	(1,246)	19,011	10,936	(1,509)	(923)

The method used in performing the sensitivity analysis is consistent with the prior year.

30. Takaful risk of the General Takaful Fund (cont'd.)

(f) Claims development table

The following tables show the estimate of cumulative incurred claims, including both claims reported and IBNR (including IBNER) for each successive accident year at each reporting date, together with cumulative payments to-date.

In setting provisions for claims, the Company gives consideration to the probability and magnitude of future experience on best estimate basis with a degree of caution in setting reserves when there is considerable uncertainty. In general, the uncertainty associated with the ultimate claims experience for an accident year is greatest when the claim is at an early stage of development.

30. Takaful risk of the General Takaful Fund (cont'd.)

(f) Claims development table (cont'd.)

Gross LFIC for 2026:

Accident year	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**Total**
						As at 31 March					
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At the end of accident year	190,776	195,417	188,468	194,052	204,481	294,653	364,274	479,071	545,412	716,504	716,504
One year later	192,331	196,877	192,772	185,943	206,425	297,021	369,867	454,998	541,750		541,750
Two year later	185,552	198,738	186,612	194,488	204,385	281,113	356,049	449,421			449,421
Three year later	187,120	197,158	192,388	192,522	198,486	278,725	349,808				349,808
Four year later	184,175	197,653	192,613	192,208	193,566	274,139					274,139
Five year later	184,535	194,630	193,832	189,795	187,659						187,659
Six year later	172,314	181,879	184,568	179,949							179,949
Seven year later	169,860	183,458	182,797								182,797
Eight year later	169,288	182,707									182,707
Ninth year later	169,245										169,245
Current estimate of cumulative undiscounted claims incurred	169,245	182,707	182,797	179,949	187,659	274,139	349,808	449,421	541,750	716,504	3,233,979
At the end of accident year	80,611	82,191	73,362	78,164	81,540	115,765	137,910	182,915	226,771	291,032	291,032
One year later	132,501	131,743	127,672	120,590	132,365	195,496	239,839	296,060	367,828		367,828
Two year later	153,910	158,922	147,522	140,866	153,413	222,637	283,104	357,901			357,901
Three year later	162,779	168,814	165,025	159,330	168,954	242,613	308,558				308,558
Four year later	165,165	174,992	174,415	166,544	174,074	249,973					249,973
Five year later	167,414	176,515	178,553	176,180	177,108						177,108
Six year later	168,238	178,749	180,728	178,380							178,380
Seven year later	169,051	179,051	181,565								181,565
Eight year later	169,198	182,794									182,794
Ninth year later	169,248										169,248
Cumulative payments to-date	169,248	182,794	181,565	178,380	177,108	249,973	308,558	357,901	367,828	291,032	2,464,387
Gross liabilities for incurred claims:											
Best estimate of undiscounted claims liabilities (including Allocated Loss Adjustment Expenses ("ALAE"))	(3)	(87)	1,232	1,569	10,551	24,166	41,250	91,520	173,922	425,472	769,592
Prior accident years											706
Discounting Impact											(32,272)
											738,026
Takaful payables and others											21,225
											759,251
Risk adjustment and other claim-related expenses											78,238
											837,489

30. Takaful risk of the General Takaful Fund (cont'd.)

(f) Claims development table (cont'd.)

Net LFIC for 2026:

					As at 31 March						
Accident year	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At the end of accident year	113,257	113,775	107,381	118,287	127,751	155,257	222,317	271,714	319,348	438,875	438,875
One year later	113,434	113,959	106,516	108,953	122,867	154,435	225,101	240,770	310,628		310,628
Two year later	108,941	110,916	102,714	108,923	120,150	146,862	167,199	234,184			234,184
Three year later	107,880	110,336	104,226	105,836	117,327	124,109	162,419				162,419
Four year later	106,783	109,770	104,998	104,879	103,637	120,143					120,143
Five year later	106,876	109,236	105,221	104,471	100,730						100,730
Six year later	100,796	101,984	102,876	100,621							100,621
Seven year later	98,744	98,768	102,288								102,288
Eight year later	87,588	98,636									98,636
Ninth year later	87,617										87,617
Current estimate of cumulative undiscounted claims incurred	87,617	98,636	102,288	100,621	100,730	120,143	162,419	234,184	310,628	438,875	1,756,141
At the end of accident year	43,970	50,502	49,290	46,005	47,549	53,774	55,640	84,438	126,607	177,736	177,736
One year later	69,156	79,164	79,694	75,861	74,034	81,153	96,918	150,760	211,632		211,632
Two year later	80,147	90,931	92,440	85,132	84,566	94,110	123,155	184,313			184,313
Three year later	84,404	95,729	97,264	90,723	90,732	104,887	137,772				137,772
Four year later	85,974	97,147	98,941	94,927	93,248	108,424					108,424
Five year later	86,721	97,953	99,665	97,857	94,618						94,618
Six year later	87,294	98,156	100,995	100,032							100,032
Seven year later	87,492	98,345	101,639								101,639
Eight year later	87,572	98,631									98,631
Ninth year later	87,609										87,609
Cumulative payments to-date	87,609	98,631	101,639	100,032	94,618	108,424	137,772	184,313	211,632	177,736	1,302,406
Net liabilities for incurred claims:											
Best estimate of undiscounted claims liabilities (including ALAE)	8	5	649	589	6,112	11,719	24,647	49,871	98,996	261,139	453,735
Prior accident years											498
Discounting Impact											(18,011)
											436,222
Net takaful, retakaful receivables and others											(138,643)
											297,579
Risk adjustment and other claim-related expenses											49,361
											346,940

30. Takaful risk of the General Takaful Fund (cont'd.)

(f) Claims development table (cont'd.)

Gross LFIC for 2025:

	As at 31 March										
Accident year	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At the end of accident year	174,218	190,776	195,417	188,468	194,052	204,481	294,653	364,274	479,071	545,412	545,412
One year later	163,828	192,331	196,877	192,772	185,943	206,425	297,021	369,867	454,998		454,998
Two year later	157,286	185,552	198,738	186,612	194,488	204,385	281,113	356,049			356,049
Three year later	153,908	187,120	197,158	192,388	192,522	198,486	278,725				278,725
Four year later	155,963	184,175	197,653	192,613	192,208	193,566					193,566
Five year later	154,356	184,535	194,630	193,832	189,795						189,795
Six year later	147,206	172,314	181,879	184,568							184,568
Seven year later	144,233	169,860	183,458								183,458
Eight year later	144,110	169,288									169,288
Ninth year later	144,097										144,097
Current estimate of cumulative undiscounted claims incurred	144,097	169,288	183,458	184,568	189,795	193,566	278,725	356,049	454,998	545,412	2,699,956
At the end of accident year	70,093	80,611	82,191	73,362	78,164	81,540	115,765	137,910	182,915	226,771	226,771
One year later	112,184	132,501	131,743	127,672	120,590	132,365	195,496	239,839	296,060		296,060
Two year later	130,725	153,910	158,922	147,522	140,866	153,413	222,637	283,104			283,104
Three year later	138,037	162,779	168,814	165,025	159,330	168,954	242,613				242,613
Four year later	140,658	165,165	174,992	174,415	166,544	174,073					174,073
Five year later	141,922	167,414	176,515	178,553	176,180						176,180
Six year later	143,256	168,238	178,749	180,728							180,728
Seven year later	143,553	169,051	179,050								179,050
Eight year later	144,024	169,198									169,198
Ninth year later	144,081										144,081
Cumulative payments to-date	144,081	169,198	179,050	180,728	176,180	174,073	242,613	283,104	296,060	226,771	2,071,858
Gross liabilities for incurred claims:											
Best estimate of undiscounted claims liabilities (including ALAE)	17	89	4,407	3,840	13,615	19,492	36,113	72,945	158,938	318,642	628,098
Discounting Impact											(27,442)
											600,656
Takaful payables and others											29,530
											630,186
Risk adjustment and other claim-related expenses											67,532
											697,718

30. Takaful risk of the General Takaful Fund (cont'd.)

(f) Claims development table (cont'd.)

Net LFIC for 2025:

					As at 31 March						
Accident year	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At the end of accident year	110,041	113,257	113,775	107,381	118,287	127,751	155,257	222,317	271,714	319,348	319,348
One year later	100,341	113,434	113,959	106,516	108,953	122,867	154,435	225,101	240,770		240,770
Two year later	96,034	108,941	110,916	102,714	108,923	120,150	146,862	167,199			167,199
Three year later	94,500	107,880	110,336	104,226	105,836	117,327	124,109				124,109
Four year later	94,192	106,783	109,770	104,998	104,879	103,637					103,637
Five year later	93,674	106,876	109,236	105,221	104,471						104,471
Six year later	89,117	100,796	101,984	102,876							102,876
Seven year later	87,895	98,744	98,768								98,768
Eight year later	87,872	87,588									87,588
Ninth year later	87,869										87,869
Current estimate of cumulative undiscounted claims incurred	87,869	87,588	98,768	102,876	104,471	103,637	124,109	167,199	240,770	319,348	1,436,635
At the end of accident year	43,970	43,970	50,502	49,290	46,005	47,549	53,774	55,640	84,438	126,607	126,607
One year later	69,156	69,156	79,164	79,694	75,861	74,034	81,153	96,918	150,760		150,760
Two year later	80,147	80,147	90,931	92,440	85,132	84,566	94,110	123,155			123,155
Three year later	84,404	84,404	95,729	97,264	90,723	90,732	104,887				104,887
Four year later	85,974	85,974	97,147	98,941	94,927	93,248					93,248
Five year later	86,721	86,721	97,953	99,665	97,856						97,856
Six year later	87,294	87,294	98,156	100,995							100,995
Seven year later	87,492	87,492	98,345								98,345
Eight year later	87,811	87,572									87,572
Ninth year later	87,866										87,866
Cumulative payments to-date	87,866	87,572	98,345	100,995	97,856	93,248	104,887	123,155	150,760	126,607	1,071,291
Net liabilities for incurred claims:											
Best estimate of undiscounted claims liabilities (including ALAE)	3	16	424	1,881	6,614	10,388	19,222	44,044	90,010	192,742	365,344
Discounting Impact											(15,206)
											350,138
Net takaful, retakaful receivables and others											(163,434)
											186,704
Risk adjustment and other claim-related expenses											42,196
											228,900

31. Financial risk

Transactions in financial instruments may expose the Company to various financial risks. These include credit risk, liquidity risk and market risk. This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing such risks.

(a) Credit risk

Credit risk is the risk that counterparty fails on its financial obligations or does not honor its contract or defaults.

Credit risk includes the following major elements:

(i) Investment credit risk refers to the potential financial loss arising from changes in the value of an investment due to the creditworthiness of the issuer or financial institution ("counterparty"). This risk is linked to the counterparty's ability to meet its obligations, including the timely payment of profit and/or principal. Adverse circumstances affecting the counterparty, such as rating downgrades, deterioration in financial condition, or default may negatively impact both the value and liquidity of the investments. Concentration of exposures to a single counterparty or sector may further amplify this risk. The Group manages investment credit risk through rigorous counterparty assessment, diversification, ongoing monitoring of credit ratings, and adherence to regulatory capital requirements;

(ii) Retakaful counterparty risk which is the risk of financial loss arising from the default or the deterioration of the solvency position of the retakaful operator; and

(iii) Contribution credit risk which is the risk of financial loss arising from the non-payment of takaful contribution.

The Company is primarily exposed to investment credit risk, through its sukuk holdings, arising from potential deterioration in issuers' or counterparties' creditworthiness. To manage this, the Company conducts rigorous credit assessments in line with the GIP and GIG approved by the Board, while continuously monitoring credit ratings. Any downgrade triggers an immediate review to assess its impact and determine mitigation measures, ensuring resilience and alignment with the Company's risk appetite. As at the reporting date, the portfolio has no material exposure below investment grade, and credit risk across other asset classes is similarly evaluated based on credit ratings to ensure compliance with risk limits and regulatory requirements.

31. Financial risk (cont'd.)

(a) Credit risk (cont'd.)

The Company is exposed to retakaful counterparty risk of three (3) different types:

(i) As a result of recoveries owing from the retakaful operators for claims;

(ii) From retakaful contributions due from takaful operators; and

(iii) As a result of reserves held by the retakaful operators which would have to be met by the Company in the event of default.

Credit risk in respect of customer balances incurred on non-payment of takaful contributions will only persist during the contribution warranty period specified in the certificate or until expiry, when the certificate expires or is terminated.

Management of credit risk

In order to manage and mitigate credit risk, the following policies and procedures are set in place:

(i) Group Credit Risk Management Policy sets out key processes for credit risk management with primary focus on pro-actively identifying, assessing and monitoring credit related exposure within the business;

(ii) The GIG prescribe minimum credit rating requirements for corporate sukuk investments, ensuring that exposures are limited to issuers with acceptable credit quality. This policy is designed to mitigate the risk of potential defaults by individual counterparties and to safeguard the Company's investment portfolio against undue credit deterioration;

(iii) Internal single-counterparty limits for financial institutions ("FIs") in money market placements and other investment instruments are determined based on the credit ratings and overall financial strength of each FI. These limits are designed to prevent excessive risk concentration with any single institution, thereby safeguarding the Company's portfolio against undue exposure;

(iv) The Company's investment portfolio is managed with a focus on diversification and high-quality, investment-grade fixed income securities and equities with strong fundamentals. As of the financial year ended 31 March 2026, the fixed income portfolio was primarily composed of Government Investment Issues ("GII") and AAA-rated securities, as rated by Rating Agency Malaysia ("RAM") and/or Malaysian Rating Corporation Berhad ("MARC");

31. Financial risk (cont'd.)

(a) Credit risk (cont'd.)

(v) Retakaful Policy outlines the minimum requirement and direction on the company's retakaful strategy and operational matters pertaining to retakaful. To mitigate retakaful counterparty risk, the Company will give due consideration to the credit quality of a retakaful operator. To facilitate this process, a list of retakaful operators based on their rating is maintained within the Company. The Company regularly reviews the financial security of its retakaful operator; and

(vi) The Credit Control Department is responsible for monitoring overdue contributions and implementing a structured escalation process to mitigate credit risk exposure. This process, in which includes an early payment reminder mechanism, formal notification and risk mitigation action, is guided by proper Standard Operating Procedures ("SOPs") to ensure effective internal controls and accountability in managing the contribution credit risk.

Credit exposure by credit rating

The table below provides information regarding the credit risk exposures of the Company by classifying assets according to the risk categories. The retakaful operators' share of unearned contribution reserves have been excluded from the analysis as they are not contractual obligations.

31. Financial risk (cont'd.)

(a) Credit risk (cont'd.)

<u>**Financial assets - Reconciliation of allowance account**</u>

Significant increase in credit risk ("SICR")

The Company applies the General Approach or ‘three (3)-bucket’ approach which is based on the change in the credit quality of financial instruments since initial recognition to assess the impairment for investment assets. In particular, recognition of Expected Credit Loss (“ECL”) is dependent on which of the three (3) stages a particular financial instrument is assigned to. Assets move through the three (3) stages as credit quality changes and the stages dictate how the Company measures impairment losses and applies the effective profit rate (“EPR”) method with a forward looking element to compute the ECL.

The Company measures both quantitative and qualitative parameters in the assessment of credit risk status from the initial recognition of the securities and at the reporting date.

Expected credit loss

The Company assesses the possible default events within twelve (12) months for the calculation of the twelve (12)- month ECL in Stage One (1). A newly purchased or originated financial assets will be subject to ECL upon recognition in Stage One (1).

To estimate the lifetime ECL for financial instruments classified in Stage Two (2), the Company is required to estimate the probability of default occurring in the twelve (12) months after the reporting date and in each subsequent year throughout the expected life of the financial instruments.

The financial assets are credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial assets have occurred.

The table below shows the fair value of the Company’s financial investments measured by credit risk, based on the Company’s risk categories and the movements in allowances for impairment losses.

31. Financial risk (cont'd.)

(a) Credit risk (cont'd.)

Financial assets - Reconciliation of allowance account (cont'd.)

Expected credit loss (cont'd.)

	General Takaful Fund	Company
	Stage 1	
	12-months ECL	
2026	**RM'000**	**RM'000**
Financial assets at FVOCI		
Government Guaranteed	-	112,301
AAA	26,800	69,197
AA	9,553	29,785
A	8,070	13,083
Carrying amount	44,423	224,366
2025		
Financial assets at FVOCI		
Government Guaranteed	-	167,279
AAA	67,083	94,403
AA	17,115	47,421
A	3,070	8,106
Carrying amount	87,268	317,209

31. Financial risk (cont'd.)

(a) Credit risk (cont'd.)

Investment assets - Reconciliation of allowance account

As at the reporting date, all financial assets at FVOCI held by the Company are classified as Stage 1.

Movements in allowances for impairment losses for financial assets at FVOCI are as follows:

	General Takaful Fund	Company
	Stage 1	
	12-months ECL	
2026	RM'000	RM'000
As at 1 April 2025	4	21
Net adjustment of loss allowance	(1)	(8)
As at 31 March 2026	3	13
2025		
As at 1 April 2024	13	21
Net adjustment of loss allowance	(9)	0
As at 31 March 2025	4	21

31. Financial risk (cont'd.)

(a) Credit risk (cont'd.)

<u>Other financial assets - Reconciliation of allowance account</u>

Other financial assets consist of takaful and retakaful certificate receivables and other receivables.

The Company applied the simplified approach to its receivables and measures the allowance for impairment loss based on lifetime ECL from initial recognition as described in Note 2.2(e).

Definition of default

The Company considers a financial asset to be in default by assessing the following criteria:

(i) Quantitative criteria

Takaful certificate receivables and other receivables are considered to be in default when the counterparty fails to make contractual payments within twelve (12) months when they fall due, which is derived based on the Company's historical information in consideration that period of coverage for majority of businesses are 12 months. Meanwhile, retakaful certificates receivable are deemed in default if the counterparty fails to make contractual payments within twenty-four (24) months of the due date.

31. Financial risk (cont'd.)

(a) Credit risk (cont'd.)

<u>**Other financial assets - Reconciliation of allowance account (cont'd.)**</u>

Definition of default (cont'd.)

(ii) Qualitative criteria

Default occurs when the counterparty is in bankruptcy or has indications of potentially significant financial difficulty such as lawsuits or similar actions that threaten the financial viability of the counterparty.

The criteria above have been applied to takaful and retakaful receivables held by the Company and are consistent with the definition of default used for credit risk management purposes. The default definition has been applied consistently to model the PD, LGD and EAD throughout the Company's expected loss calculations.

Incorporation of forward-looking information

The Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. The Company has performed historical analyses and identified key economic variables impacting credit risk and expected credit losses for each portfolio.

The sensitivity of the ECL to the economic variable assumptions affecting the calculation of ECL was not material to the Company.

31. Financial risk (cont'd.)

(a) Credit risk (cont'd.)

Credit quality of financial assets

Credit exposure by credit rating

	Investment grade[i]					Non-investment grade[i]			
General Takaful fund	**Government guaranteed RM'000**	**AAA/P1 RM'000**	**AA RM'000**	**A RM'000**	**BBB RM'000**	**BB to C RM'000**	**Not Rated RM'000**	**Not subject to credit risk RM'000**	**Total RM'000**
2026									
Financial assets at FVTPL									
Unquoted sukuk:									
Government guaranteed	10,154	-	-	-	-	-	-	-	10,154
Unsecured	-	105,646	40,251	-	-	-	-	-	145,897
Government Investment Issues	248,556	-	-	-	-	-	-	-	248,556
Mandatorily measured:									
Quoted Shariah approved equities in Malaysia	-	-	-	-	-	-	-	18,770	18,770
Real estate investment trusts	-	-	-	-	-	-	-	1,168	1,168
Financial assets at FVOCI									
Unquoted sukuk:									
Unsecured	-	26,800	9,553	8,070	-	-	-	-	44,423
Financial assets at AC									
Islamic commercial papers	-	14,920	-	-	-	-	-	-	14,920
Deposit placements with licensed:									
Islamic banks	-	286,042	126,761	50,943	-	-	-	-	463,746
Development banks	-	35,702	54,245	-	-	-	-	-	89,947
Income due and accrued	1,918	2,416	1,687	525	-	-	-	25	6,571
Sundry receivables	-	-	-	-	-	-	2,874	-	2,874
Retakaful certificate assets	-	-	-	402,800	-	-	9,788	-	412,588
Cash and bank balances	-	24,307	2,039	208	-	-	-	-	26,554
	260,628	495,833	234,536	462,546	-	-	12,662	19,963	1,486,168

[i] Based on public ratings assigned by external rating agencies including Rating Agency Malaysia ("RAM"), Malaysian Rating Corporation ("MARC"), AM Best and Standard & Poor ("S&P").

31. Financial risk (cont'd.)

(a) Credit risk (cont'd.)

Credit quality of financial assets (cont'd.)

Credit exposure by credit rating (cont'd.)

	Investment grade[i]					Non-investment grade[i]			
General Takaful fund (cont'd.)	**Government guaranteed RM'000**	**AAA/P1 RM'000**	**AA RM'000**	**A RM'000**	**BBB RM'000**	**BB to C RM'000**	**Not Rated RM'000**	**Not subject to credit risk RM'000**	**Total RM'000**
2025									
Financial assets at FVTPL									
Unquoted sukuk:									
Unsecured	-	80,420	35,366	5,035	-	-	-	-	120,821
Government Investment Issues	232,800	-	-	-	-	-	-	-	232,800
Mandatorily measured:									
Quoted Shariah approved equities in Malaysia	-	-	-	-	-	-	-	28,013	28,013
Real estate investment trusts	-	-	-	-	-	-	-	752	752
Shariah approved unit trust fund	-	-	-	-	-	-	-	55,642	55,642
Financial assets at FVOCI									
Unquoted sukuk:									
Unsecured	-	67,083	17,115	3,070	-	-	-	-	87,268
Financial assets at AC									
Islamic commercial papers	-	-	-	-	-	-	-	19,821	19,821
Deposit placements with licensed:									
Islamic banks	-	235,934	59,993	86,702	-	-	-	-	382,629
Development banks	-	24,963	33,113	-	-	-	-	-	58,076
Income due and accrued	2,008	3,904	1,177	910	-	-	-	49	8,048
Sundry receivables	-	-	-	-	-	-	3,315	-	3,315
Retakaful certificate assets	-	-	-	276,756	-	-	14,870	-	291,626
Cash and bank balances	-	28,347	1,673	85	-	-	-	-	30,105
	234,808	440,651	148,437	372,558	-	-	18,185	104,277	1,318,916

[i] Based on public ratings assigned by external rating agencies including Rating Agency Malaysia ("RAM"), Malaysian Rating Corporation ("MARC"), AM Best and Standard & Poor ("S&P").

31. Financial risk (cont'd.)

(a) Credit risk (cont'd.)

Credit quality of financial assets (cont'd.)

Credit exposure by credit rating (cont'd.)

Company	Investment grade[i]					Non-investment grade[i]			
	Government guaranteed RM'000	AAA/P1 RM'000	AA RM'000	A RM'000	BBB RM'000	BB to C RM'000	Not Rated RM'000	Not subject to credit risk RM'000	Total RM'000
2026									
Financial assets at FVTPL									
Unquoted sukuk:									
Government guaranteed	10,154	-	-	-	-	-	-	-	10,154
Unsecured	-	105,646	40,251	-	-	-	-	-	145,897
Government Investment Issues	248,556	-	-	-	-	-	-	-	248,556
Mandatorily measured:									
Quoted Shariah approved equities in Malaysia	-	-	-	-	-	-	-	31,029	31,029
Real estate investment trusts	-	-	-	-	-	-	-	1,360	1,360
Financial assets at FVOCI									
Unquoted sukuk:									
Government guaranteed	4,996	-	-	-	-	-	-	-	4,996
Unsecured	-	69,197	29,785	13,083	-	-	-	-	112,065
Government Investment Issues	107,305	-	-	-	-	-	-	-	107,305
Financial assets at AC									
Islamic commercial papers	-	44,806	-	-	-	-	-	-	44,806
Deposit placements with licensed:									
Islamic banks	-	493,130	185,196	93,011	-	-	-	-	771,337
Development banks	-	37,059	63,845	-	-	-	-	-	100,904
Staff financing:									
Receivable within 12 months	-	-	-	-	-	-	127	-	127
Receivable after 12 months	-	-	-	-	-	-	2	-	2
Income due and accrued	2,821	3,239	2,286	677	-	-	-	103	9,126
Sundry receivables	-	-	-	-	-	-	3,383	-	3,383
Prepayments	-	-	-	-	-	-	-	655	655
Retakaful certificate assets	-	-	-	430,992	-	-	10,473	-	441,465
Cash and bank balances	-	28,813	2,135	208	-	-	18	-	31,174
	373,832	781,890	323,498	537,971	-	-	14,003	33,147	2,064,341

[i] Based on public ratings assigned by external rating agencies including Rating Agency Malaysia ("RAM"), Malaysian Rating Corporation ("MARC"), AM Best and Standard & Poor ("S&P").

31. Financial risk (cont'd.)

(a) Credit risk (cont'd.)

Credit quality of financial assets (cont'd.)

Credit exposure by credit rating (cont'd.)

	Investment grade(i)					Non-investment grade(i)			
Company (cont'd.)	**Government guaranteed RM'000**	**AAA/P1 RM'000**	**AA RM'000**	**A RM'000**	**BBB RM'000**	**BB to C RM'000**	**Not Rated RM'000**	**Not subject to credit risk RM'000**	**Total RM'000**
2025									
Financial assets at FVTPL									
Unquoted sukuk:									
Unsecured	-	80,420	35,366	5,035	-	-	-	-	120,821
Government Investment Issues	232,800	-	-	-	-	-	-	-	232,800
Mandatorily measured:									
Quoted Shariah approved equities in Malaysia	-	-	-	-	-	-	-	36,555	36,555
Real estate investment trusts	-	-	-	-	-	-	-	752	752
Shariah approved unit trust fund	-	-	-	-	-	-	-	55,642	55,642
Financial assets at FVOCI									
Unquoted sukuk:									
Government guaranteed	4,968	-	-	-	-	-	-	-	4,968
Unsecured	-	94,403	47,421	8,106	-	-	-	-	149,930
Government Investment Issues	162,311	-	-	-	-	-	-	-	162,311
Financial assets at AC									
Islamic commercial papers	-	-	-	-	4,955	-	-	19,821	24,776
Deposit placements with licensed:									
Islamic banks	-	337,130	88,781	94,166	-	-	-	-	520,077
Development banks	-	24,963	33,759	-	-	-	-	-	58,722
Staff financing:									
Receivable within 12 months	-	-	-	-	-	-	145	-	145
Receivable after 12 months	-	-	-	-	-	-	127	-	127
Income due and accrued	3,383	4,337	1,390	1,017	-	-	-	102	10,229
Sundry receivables	-	-	-	-	-	-	3,813	-	3,813
Prepayments	-	-	-	-	-	-	-	262	262
Retakaful certificate assets	-	-	-	300,800	-	-	16,162	-	316,962
Cash and bank balances	-	37,208	1,690	85	-	-	18	-	39,001
	403,462	578,461	208,407	409,209	4,955	-	20,265	113,134	1,737,893

(i) Based on public ratings assigned by external rating agencies including Rating Agency Malaysia ("RAM"), Malaysian Rating Corporation ("MARC"), AM Best and Standard & Poor ("S&P").

31. Financial risk (cont'd.)

(a) Credit risk (cont'd.)

<u>Other financial assets - Reconciliation of allowance account</u>

The Company's takaful certificate receivables are part of the Liabilities for Remaining Coverage.

Incorporation of forward-looking information

Set out below is the information about the credit risk exposure on the Company's takaful and retakaful certificate receivables using a provision matrix:

General Takaful Fund/ Company

2026	Not due RM'000	0-3 months RM'000	4-6 months RM'000	7-9 months RM'000	10-12 months RM'000	> 1 year RM'000	Total RM'000
ECL rate	0.0%	0.5%	2.0%	7.0%	31.7%	53.6%	5.7%
Gross carrying amount - Takaful certificate receivables	5,354	93,795	11,788	5,146	1,024	10,826	127,933
Allowance for ECL	-	509	239	360	325	5,807	7,240
Not credit impaired	-	516	192	225	153	665	1,751
Credit impaired	-	(7)	47	135	172	5,142	5,489

31. Financial risk (cont'd.)

(a) Credit risk (cont'd.)

Other financial assets - Reconciliation of allowance account (cont'd.)

Incorporation of forward-looking information (cont'd.)

General Takaful Fund/ Company (cont'd.)

2025	Not due RM'000	0-3 months RM'000	4-6 months RM'000	7-9 months RM'000	10-12 months RM'000	> 1 year RM'000	Total RM'000
ECL rate	0.0%	0.8%	2.3%	15.1%	11.0%	30.9%	3.7%
Gross carrying amount - Takaful certificate receivables	3,204	85,247	12,909	5,039	2,885	7,216	116,500
Allowance for ECL	-	716	294	763	318	2,228	4,319
Not credit impaired	-	15	79	72	43	1,068	1,277
Credit impaired	-	701	215	691	275	1,160	3,042

31. Financial risk (cont'd.)

(a) Credit risk (cont'd.)

Other financial assets - Reconciliation of allowance account (cont'd.)

Incorporation of forward-looking information (cont'd.)

The table below shows the gross carrying amounts of takaful certificate and other receivables and the movement of allowance for ECL:

	Not credit impaired		Credit impaired		Total	
	Takaful Certificates	Others	Takaful Certificates	Others	Takaful Certificates	Others
General Takaful Fund / Company	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
2026						
Gross carrying amount						
As at 1 April 2025	113,904	1,164	1,405	27	115,309	1,191
Increase/(Decrease)	6,513	(137)	4,604	453	11,117	316
As at 31 March 2026	120,417	1,027	6,009	480	126,426	1,507
Allowance for ECL						
As at 1 April 2025	(3,042)	-	(1,250)	(27)	(4,292)	(27)
Decrease/(Increase)	1,304	(14)	(3,758)	(453)	(2,454)	(467)
As at 31 March 2026	(1,738)	(14)	(5,008)	(480)	(6,746)	(494)

31. Financial risk (cont'd.)

(a) Credit risk (cont'd.)

Other financial assets - Reconciliation of allowance account (cont'd.)

Incorporation of forward-looking information (cont'd.)

	Not credit impaired		Credit impaired		Total	
	Takaful Certificates	Others	Takaful Certificates	Others	Takaful Certificates	Others
General Takaful Fund / Company (cont'd.)	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2025						
Gross carrying amount						
As at 1 April 2024	144,696	1,394	1,392	58	146,088	1,452
(Decrease)/Increase	(30,792)	(230)	13	(31)	(30,779)	(261)
As at 31 March 2025	113,904	1,164	1,405	27	115,309	1,191
Allowance for ECL						
As at 1 April 2024	(2,449)	(76)	(1,392)	(58)	(3,841)	(134)
(Increase)/Decrease	(593)	76	142	31	(451)	107
As at 31 March 2025	(3,042)	-	(1,250)	(27)	(4,292)	(27)

31. Financial risk (cont'd.)

(a) Credit risk (cont'd.)

Other financial assets - Reconciliation of allowance account (cont'd.)

Incorporation of forward-looking information (cont'd.)

Movements in allowance for impairment losses for takaful certificate receivables are as follows:

	Individually impaired		Collectively impaired		Total	
	Takaful Certificates	Others	Takaful Certificates	Others	Takaful Certificates	Others
General Takaful Fund / Company	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
2026						
Allowance for ECL						
As at 1 April 2025	(1,249)	(27)	(3,043)	-	(4,292)	(27)
Net adjustment of loss allowance	(3,758)	(453)	1,304	(14)	(2,454)	(467)
As at 31 March 2026	(5,007)	(480)	(1,739)	(14)	(6,746)	(494)
2025						
Allowance for ECL						
As at 1 April 2024	(1,391)	(58)	(2,450)	(76)	(3,841)	(134)
Net adjustment of loss allowance	142	31	(593)	76	(451)	107
As at 31 March 2025	(1,249)	(27)	(3,043)	-	(4,292)	(27)

31. Financial risk (cont'd.)

(b) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its payment obligations without incurring additional material additional costs.

The Company assesses its liquidity risk by ensuring the following:

(i) The Company is able to meet its payment obligations under normal and stressed operating environments without suffering any loss;

(ii) Additions/withdrawals from the Company's investment funds are managed efficiently; and

(iii) Appropriate measures are in place to respond to liquidity risk.

As part of its liquidity management strategy, the Company has in place a Group Liquidity Management Policy which outlines the processes capable of measuring and reporting on:

(i) Daily cash flows;

(ii) Minimum liquidity holdings;

(iii) The composition and market values of the Company's investment portfolios, including liquid holdings;

(iv) The holding of liquid assets in the respective funds; and

(v) Liquidity risk position.

31. Financial risk (cont'd.)

(b) Liquidity risk (cont'd.)

To manage the liquidity of the takaful funds, the investment mandate requires that a certain proportion of the funds be held as liquid assets in accordance with the liquidity requirements set forth by BNM’s RBCT Framework. For General Takaful Fund, the minimum limit for liquid assets is ten percent (10%) of the gross average total claims incurred for the three (3) preceding financial years.

Maturity profiles

The tables in the following pages summarise the maturity profiles of the assets and liabilities of the Company based on the remaining undiscounted contractual obligations, including profit payable and receivable. For takaful certificate liabilities and retakaful certificate assets, maturity profiles are determined based on the estimated timing of net cash outflows from the recognised takaful liabilities.

LFRC, LFIC and the retakaful operators’ share of contribution liabilities have been excluded from the analysis as there are no contractual obligations to make payments on those liabilities.

31. Financial risk (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity profiles (cont'd.)

General Takaful Fund

2026

The following table summarises the maturity profile of financial assets based on remaining undiscounted contractual cash flows:

	Carrying value RM'000	Up to 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Financial assets at FVTPL						
Unquoted sukuk:						
Government guaranteed	10,154	-	-	12,853	-	12,853
Unsecured	145,897	10,306	140,335	6,551	-	157,192
Government Investment Issues	248,556	20,408	229,151	26,565	-	276,124
Mandatorily measured:						
Quoted Shariah approved equities in Malaysia	18,770	-	-	-	18,770	18,770
Real estate investment trusts	1,168	-	-	-	1,168	1,168
Financial assets at FVOCI						
Unquoted sukuk:						
Unsecured	44,423	-	21,081	32,686	-	53,767
Financial assets at AC						
Islamic commercial papers	14,920	15,000	-	-	-	15,000
Deposit placements with licensed:						
Islamic banks	463,746	466,900	-	-	-	466,900
Development banks	89,947	91,749	-	-	-	91,749
Income due and accrued	6,571	6,571	-	-	-	6,571
Sundry receivables	2,874	2,874	-	-	-	2,874
Cash and bank balances	26,554	26,554	-	-	-	26,554
Total financial assets	**1,073,580**	**640,362**	**390,567**	**78,655**	**19,938**	**1,129,522**

The following table summarises the maturity profile of financial liabilities based on remaining undiscounted contractual cash flows:

	Carrying value RM'000	Up to 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Other payables	69,504	69,504	-	-	-	69,504
Total financial liabilities	**69,504**	**69,504**	**-**	**-**	**-**	**69,504**

The following table summarises the maturity profile of portfolios of takaful certificates issued that are liabilities and portfolios of retakaful certificates held that are liabilities based on the estimates of the present value of the future cash flows expected to be paid out in the periods presented.

	Carrying value RM'000	Up to 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Unallocated surplus* RM'000	Total RM'000
Takaful certificate liabilities	950,643	371,398	364,273	23,580	-	191,392	950,643
Retakaful certificate liabilities	-	-	-	-	-	-	-
	950,643	371,398	364,273	23,580	-	191,392	950,643

* The unallocated surplus represents fulfilment cash flows that remain after all takaful certificate services have been provided to the certificates in a group. In accordance with paragraph B71 of MFRS 17, such amounts reflect expected payments to current or future participants, and need not be allocated to specific groups but instead be recognised as a liability arising from all groups collectively.

31. Financial risk (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity profiles (cont'd.)

General Takaful Fund (cont'd.)

2025

The following table summarises the maturity profile of financial assets based on remaining undiscounted contractual cash flows:

	Carrying value RM'000	Up to 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Financial assets at FVTPL						
Unquoted sukuk:						
Unsecured	120,821	25,952	94,514	13,161	-	133,627
Government Investment Issues	232,800	5,077	256,778	-	-	261,855
Mandatorily measured:						
Quoted Shariah approved equities in Malaysia	28,013	-	-	-	28,013	28,013
Real estate investment trusts	752	-	-	-	752	752
Shariah approved unit trust funds	55,642	-	-	-	55,642	55,642
Financial assets at FVOCI						
Unquoted sukuk:						
Unsecured	87,268	48,814	21,977	27,450	-	98,241
Financial assets at AC						
Islamic commercial papers	19,821	20,000	-	-	-	20,000
Deposit placements with licensed:						
Islamic banks	382,629	384,840	-	-	-	384,840
Development banks	58,076	59,248	-	-	-	59,248
Income due and accrued	8,048	8,048	-	-	-	8,048
Sundry receivables	3,315	3,813	-	-	-	3,813
Cash and bank balances	30,105	30,105	-	-	-	30,105
Total financial assets	**1,027,290**	**585,897**	**373,269**	**40,611**	**84,407**	**1,084,184**

The following table summarises the maturity profile of financial liabilities based on remaining undiscounted contractual cash flows:

	Carrying value RM'000	Up to 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Other payables	84,541	84,541	-	-	-	84,541
Total financial liabilities	**84,541**	**84,541**	**-**	**-**	**-**	**84,541**

The following table summarises the maturity profile of portfolios of takaful certificates issued that are liabilities and portfolios of retakaful certificates held that are liabilities based on the estimates of the present value of the future cash flows expected to be paid out in the periods presented.

	Carrying value RM'000	Up to 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Unallocated surplus* RM'000	Total RM'000
Takaful certificate liabilities	819,520	336,213	281,936	12,037	-	189,334	819,520
Retakaful certificate liabilities	-	-	-	-	-	-	-
	819,520	336,213	281,936	12,037	-	189,334	819,520

* The unallocated surplus represents fulfilment cash flows that remain after all takaful certificate services have been provided to the certificates in a group. In accordance with paragraph B71 of MFRS 17, such amounts reflect expected payments to current or future participants, and need not be allocated to specific groups but instead be recognised as a liability arising from all groups collectively.

31. Financial risk (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity profiles (cont'd.)

Company

2026

The following table summarises the maturity profile of financial assets based on remaining undiscounted contractual cash flows:

	Carrying value RM'000	Up to 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Financial assets at FVTPL						
Unquoted sukuk:						
Government guaranteed	10,154	-	-	12,853	-	12,853
Unsecured	145,897	10,306	140,335	6,551	-	157,192
Government Investment Issues	248,556	20,408	229,151	26,565	-	276,124
Mandatorily measured:						
Quoted Shariah approved equities in Malaysia	31,029	-	-	-	31,029	31,029
Real estate investment trusts	1,360	-	-	-	1,360	1,360
Financial assets at FVOCI						
Unquoted sukuk:						
Government guaranteed	4,996	5,061	-	-	-	5,061
Unsecured	112,065	-	86,519	41,987	-	128,506
Government Investment Issues	107,305	-	118,950	-	-	118,950
Financial assets at AC						
Islamic commercial papers	44,806	45,000	-	-	-	45,000
Deposit placements with licensed:						
Islamic banks	771,337	776,310	-	-	-	776,310
Development banks	100,904	102,889	-	-	-	102,889
Secured staff financing:						
Receivable within 12 months	127	127	-	-	-	127
Receivable after 12 months	2	-	2	-	-	2
Income due and accrued	9,126	9,126	-	-	-	9,126
Sundry receivables	3,383	3,383	-	-	-	3,383
Prepayments	655	-	-	-	655	655
Cash and bank balances	31,174	31,174	-	-	-	31,174
Total financial assets	**1,622,876**	**1,003,784**	**574,957**	**87,956**	**33,044**	**1,699,741**

The following table summarises the maturity profile of financial liabilities based on remaining undiscounted contractual cash flows:

	Carrying value RM'000	Up to 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Lease liabilities	7,580	2,052	5,528	-	-	7,580
Borrowings	80,000	4,000	16,000	100,000	-	120,000
Other payables	161,825	161,825	-	-	-	161,825
Total financial liabilities	**249,405**	**167,877**	**21,528**	**100,000**	**-**	**289,405**

The following table summarises the maturity profile of portfolios of takaful certificates issued that are liabilities and portfolios of retakaful certificates held that are liabilities based on the estimates of the present value of the future cash flows expected to be paid out in the periods presented.

	Carrying value RM'000	Up to 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Unallocated surplus* RM'000	Total RM'000
Takaful certificate liabilities	960,976	409,670	401,810	26,009	-	191,392	1,028,881
Retakaful certificate liabilities	-	-	-	-	-	-	-
	960,976	409,670	401,810	26,009	-	191,392	1,028,881

* The unallocated surplus represents fulfilment cash flows that remain after all takaful certificate services have been provided to the certificates in a group. In accordance with paragraph B71 of MFRS 17, such amounts reflect expected payments to current or future participants, and need not be allocated to specific groups but instead be recognised as a liability arising from all groups collectively.

31. Financial risk (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity profiles (cont'd.)

Company (cont'd.)

2025

The following table summarises the maturity profile of financial assets based on remaining undiscounted contractual cash flows:

	Carrying value RM'000	Up to 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Financial assets at FVTPL						
Unquoted sukuk:						
Government guaranteed	-	-	-	-	-	-
Unsecured	120,821	25,952	94,514	13,161	-	133,627
Government Investment Issues	232,800	5,077	256,778	-	-	261,855
Mandatorily measured:						
Quoted Shariah approved equities in Malaysia	36,555	-	-	-	36,555	36,555
Real estate investment trusts	752	-	-	-	752	752
Shariah approved unit trust funds	55,642	-	-	-	55,642	55,642
Financial assets at FVOCI						
Unquoted sukuk:						
Government guaranteed	4,968	-	5,210	-	-	5,210
Unsecured	149,930	74,816	56,204	37,076	-	168,096
Government Investment Issues	162,311	5,077	178,787	-	-	183,864
Financial assets at AC						
Islamic commercial papers	24,776	25,000	-	-	-	25,000
Deposit placements with licensed:						
Islamic banks	520,077	522,825	-	-	-	522,825
Development banks	58,722	59,912	-	-	-	59,912
Secured staff financing:						
Receivable within 12 months	145	145	-	-	-	145
Receivable after 12 months	127	-	127	-	-	127
Income due and accrued	10,229	10,229	-	-	-	10,229
Sundry receivables	3,813	3,813	-	-	-	3,813
Prepayments	262	-	-	-	262	262
Cash and bank balances	39,001	39,001	-	-	-	39,001
Total financial assets	**1,420,931**	**771,847**	**591,620**	**50,237**	**93,211**	**1,506,915**

The following table summarises the maturity profile of financial liabilities based on remaining undiscounted contractual cash flows:

	Carrying value RM'000	Up to 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Lease liabilities	5,793	1,917	3,876	-	-	5,793
Borrowing	-	-	-	-	-	-
Other payables	116,839	116,839	-	-	-	116,839
Total financial liabilities	**122,632**	**118,756**	**3,876**	**-**	**-**	**122,632**

The following table summarises the maturity profile of portfolios of takaful certificates issued that are liabilities and portfolios of retakaful certificates held that are liabilities based on the estimates of the present value of the future cash flows expected to be paid out in the periods presented.

	Carrying value RM'000	Up to 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Unallocated surplus* RM'000	Total RM'000
Takaful certificate liabilities	828,573	340,836	286,185	12,218	-	189,334	828,573
Retakaful certificate liabilities	-	-	-	-	-	-	-
	828,573	340,836	286,185	12,218	-	189,334	828,573

* The unallocated surplus represents fulfilment cash flows that remain after all takaful certificate services have been provided to the certificates in a group. In accordance with paragraph B71 of MFRS 17, such amounts reflect expected payments to current or future participants, and need not be allocated to specific groups but instead be recognised as a liability arising from all groups collectively.

31. Financial risk (cont'd.)

(c) Market risk

Market risk is the risk of loss arising from a change in the values of, or the income from, financial assets. A risk of loss also arises from volatility in asset prices or profit rates. Market risk includes the following elements:

(i) Profit rate risk which is the risk of fluctuations in the fair value or future cash flows of a financial instrument arising from variability in profit rates; and

(ii) Price risk which is the risk of fluctuations in the fair value or future cash flows of a financial instrument impacting on the equity and collective investment schemes (property trusts and unit trusts funds) prices.

Profit rate risk

The Company is exposed to profit rate risk as follows:

(i) Fair values of fixed profit-bearing assets would move inversely to changes in profit rates; and

(ii) Future cash flows of variable profit-bearing assets would move in direct proportion to changes in rates.

The Company’s earnings are impacted by fluctuations in market profit rates, as such changes affect profit income from cash and cash equivalents, including investments in Islamic deposits. The value of the Company’s fixed income portfolio moves inversely with profit rates. While there is no direct contractual relationship between financial assets and takaful certificates, the Company's profit rate risk policy mandates managing net profit rate risk. This is achieved by maintaining an appropriate balance of fixed and variable rate instruments to support takaful certificate liabilities as well as managing the maturity profiles of profit-bearing financial assets.

The Company manages its profit rate risk by aligning, where possible, the duration and profile of assets and liabilities to minimise the impact of rate movements on asset-liability mismatches. In addition, the Company continuously monitors financial, market and economic developments to anticipate rate trends and formulate appropriate investment and asset-liability strategies.

The nature of the Company's exposure to profit rate risk and its objectives, policies and processes for managing profit rate risk have not changed significantly from the previous financial year.

31. Financial risk (cont'd.)

(c) Market risk (cont'd.)

Profit rate risk (cont'd.)

<u>Sensitivity analysis</u>

A change of 25 basis points ("bps") in profit rates at the reporting date would have (decreased)/increased the value of investments by the amounts shown as follows:

	Changes in variable	Impact on carrying value RM'000	Impact on participants' fund * RM'000
		(Decrease)/increase	
General Takaful Fund			
2026			
Financial assets at FVOCI			
Unquoted sukuk	+ 25 bps	(498)	(378)
	- 25 bps	498	378
Financial assets at AC			
Islamic Commercial Papers	+ 25 bps	(6)	(5)
	- 25 bps	6	5
2025			
Financial assets at FVOCI			
Unquoted sukuk	+ 25 bps	(665)	(505)
	- 25 bps	665	505
Government Investment Issues	+ 25 bps	(5)	(4)
	- 25 bps	5	4
Financial assets at AC			
Islamic Commercial Papers	+ 25 bps	(11)	(8)
	- 25 bps	11	8

* Impact on participants' fund is net of tax of 24% (2025: 24%) for the General Takaful Fund.

31. Financial risk (cont'd.)

(c) Market risk (cont'd.)

Profit rate risk (cont'd.)

Sensitivity analysis (cont'd.)

	Changes in variable	Impact on carrying value RM'000	Impact on equity/ participants' fund * RM'000
		(Decrease)/increase	
Company			
2026			
Financial assets at FVOCI			
Unquoted sukuk	+ 25 bps	(938)	(713)
	- 25 bps	938	713
Government Investment Issues	+ 25 bps	(815)	(619)
	- 25 bps	815	619
Financial assets at AC			
Islamic Commercial Papers	+ 25 bps	(14)	(11)
	- 25 bps	14	11
2025			
Financial assets at FVOCI			
Unquoted sukuk	+ 25 bps	(1,098)	(834)
	- 25 bps	1,098	834
Government Investment Issues	+ 25 bps	(1,400)	(1,064)
	- 25 bps	1,400	1,064
Financial assets at AC			
Islamic Commercial Papers	+ 25 bps	(13)	(10)
	- 25 bps	13	10

* Impact on participants' fund is net of tax of 24% (2025: 24%) for the General Takaful Fund.

31. Financial risk (cont'd.)

(c) Market risk (cont'd.)

Price risk

Price risk is the risk that the fair value of a financial instrument fluctuates because of changes in market prices (other than those arising from profit rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting similar financial instruments traded in the market.

The Company's price risk exposure relates to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices.

The Company manages such risks by setting and monitoring objectives and constraints on investments, implementing diversification strategies, establishing limits across sectors, markets and issuers, while also adhering to the requirements stipulated by Bank Negara Malaysia ("BNM"). Throughout the financial year, the Company remained fully compliant with BNM's prescribed limits and maintained a well-diversed portfolio with no significant concentration of 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 and equity (inclusive of the impact on other comprehensive income). The correlation of variables has a significant effect in determining the ultimate impact on price risk. Additionally, changes in variables are considered individually. It should be noted that movements in these variables are non-linear.

	Changes in market value	Impact on carrying value RM'000	Impact on profit/(loss) before tax RM'000	Impact on equity/ participants' fund * RM'000
	Increase/(decrease)			
General Takaful Fund				
2026				
Financial assets	+ 5%	21,227	21,227	16,133
at FVTPL	- 5%	(21,227)	(21,227)	(16,133)

31. Financial risk (cont'd.)

(c) Market risk (cont'd.)

Price risk (cont'd.)

Sensitivity analysis (cont'd.)

	Changes in market value	Impact on carrying value RM'000	Impact on profit/(loss) before tax RM'000	Impact on equity/ participants' fund * RM'000
	------------------------Increase/(decrease)------------------------			
General Takaful Fund (cont'd.)				
2025				
Financial assets	+ 5%	21,147	21,147	16,072
at FVTPL	- 5%	(21,147)	(21,147)	(16,072)
Company				
2026				
Financial assets	+ 5%	21,850	21,850	16,606
at FVTPL	- 5%	(21,850)	(21,850)	(16,606)
2025				
Financial assets	+ 5%	21,574	21,574	16,396
at FVTPL	- 5%	(21,574)	(21,574)	(16,396)

* Impact on equity/participants' fund is net of tax of 24% (2025: 24%) for the General Takaful Fund.

Asset-Liability Mismatch Risk

One (1) of the risks the Company faces due to the nature of its investments and liabilities is the mismatch of assets to liabilities (investment risks). The Company currently manages these positions through the assessment of profit rate risk, foreign exchange risk and liquidity risk and monitoring of the investment portfolio duration as well as the liability duration on a quarterly basis.

32. Other risks

(a) Operational risk

Operational risk can broadly be defined as the risk of direct or indirect losses or reputational damage due to failure attributable to people, internal processes, system (Information Technology) or from external events. Operational risk is inherent in all activities of the Company and can transverse multiple activities including outsourcing. It includes a wide spectrum of heterogeneous risks such as fraud, bribery and corruption, physical damage, business disruption, transaction failures, legal and regulatory breaches, pandemic outbreak, as well as employees' health and safety hazards.

The Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to minimise risks to an acceptable level. Controls include effective segregation of duties, access controls, systems validations, enhanced authorisation and reconciliation procedures, continuous staff education and appropriate assessment processes, and engagement of internal audit for assurance.

(b) Compliance risk

Compliance risk is the risk of legal or regulatory sanctions, financial loss or reputational damage which the Company may suffer as a result of its failure to comply with legal and regulatory requirements applicable to its activities.

The Company monitors all compliance aspects in observing the regulatory requirements. In this respect, it adopts the Group Compliance Management Framework and other relevant internal policies and procedures to ensure compliance with all applicable laws and guidelines issued by the regulatory authorities.

(c) Shariah Non-Compliance Risk

Shariah non-compliance ("SNC") risk refers to the risk of legal or regulatory sanctions, financial loss or non-financial implications including reputational damage, which the Company may suffer arising from failure to comply with:

(i) The rulings of the Shariah Advisory Council of Bank Negara Malaysia ("SAC-BNM");

(ii) Standards on Shariah matters issued by BNM pursuant to section 29(1) of the IFSA 2013 and section 33E(1) of the Development Financial Institutions Act ("DFIA") 2002;

(iii) The rulings and standards of the Shariah Advisory Council of Securities Commission Malaysia ("SAC-SC"); or

(iv) Decisions or advices of the GSC.

32. Other risks (cont'd.)

(c) Shariah Non-Compliance Risk (cont'd.)

The Company mitigates such risk by initiating, monitoring and adhering to a robust Group Shariah Risk Management ("Group SRM") Framework, guided by the Shariah Governance Framework issued by BNM.

Any transaction identified as potentially Shariah non-compliant will be escalated to the GSC for deliberation and decisions of any breaches of Shariah requirements. Risk Management Department will monitor the incident and the progress of corrective actions, ensuring that updates are provided promptly to the GSC, the Board, and BNM. In cases of Shariah non-compliant transactions, any income generated will be purified by donating the amount to charity or returning it to the customer, as decided by the GSC.

For Financial Year-Ended ("FYE") March 2026, there is no actual loss arising from Shariah non-compliance events recorded and reported under Takaful Ikhlas General Berhad.

(d) Sustainability Risk

Sustainability risks are potential adverse impacts on environmental, social, and governance factors that could affect the long-term viability, financial performance, or reputation of the Company. These risks arise from various sources, including climate change, resource depletion, environmental pollution, social inequality, labor practices, human rights violations, regulatory changes, and ethical considerations.

The RMCB, with support from the GMRCC, is responsible for supporting the Board in meeting expectations and responsibilities on sustainability risk management by providing effective oversight. Reporting to GMRCC, the Sustainability Working Group ("SWG"), which includes Management Representative and Sustainability Champions from each entity, facilitates the adoption and integration of sustainability principles across the Company's business activities and operations.

The MNRB Group has established its Group Sustainability Commitment towards Net Zero Carbon Organisation by 2050, which will form part of the Group Sustainability Framework. The implementation and finalization of the Framework shall be harmonized with the Group's Sustainability Governance, Commitments and Policy.

32. Other risks (cont'd.)

(d) Sustainability Risk (cont'd.)

The MNRB Group Sustainability Risk Management Framework enhances and complements the Company's sustainability commitments and initiatives by integrating risk considerations into the Company's broader sustainability objectives.

The Company's sustainability governance and sustainability efforts in contributing positively towards global sustainability objectives are disclosed in MNRB Group's Sustainability Statement in the Annual Report and is available on the corporate website.

33. Fair values

MFRS 7 *Financial Instruments: Disclosures* ("MFRS 7") requires the classification of financial instruments measured at fair value according to a hierarchy that reflects the significance of inputs used in making the measurements, in particular, whether the inputs used are observable or unobservable. MFRS 13 *Fair Value Measurement* requires similar disclosure requirements as MFRS 7, but this is extended to include all assets and liabilities measured and/or disclosed at fair value.

The levels of the fair value hierarchy as defined by the accounting standards are an indication of the observability of prices or valuation input. The following levels of hierarchy are used for determining and disclosing the fair value of the Company's assets/liabilities:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities, either directly or indirectly.

Refers to financial instruments which are regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. Such financial instruments include actively traded quoted equities, warrants and quoted unit and property trust fund.

33. Fair values (cont'd.)

The levels of the fair value hierarchy as defined by the accounting standards are an indication of the observability of prices or valuation input. The following levels of hierarchy are used for determining and disclosing the fair value of the Company's assets/liabilities (cont'd.):

Level 2 - Inputs that are based on observable market data, either directly or indirectly

Refers to inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices). Such financial instruments include government guaranteed ("GG") sukuk, unsecured sukuk and Government Investment Issues ("GII").

Level 3 - Inputs that are not based on observable market data

Refers to financial instruments where fair values are measured using unobservable market inputs. The valuation technique is consistent with Level 2. The chosen valuation technique incorporates management's assumptions and data.

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.

There were no reclassifications between Level 1 and Level 2 of the fair value hierarchy during the current and previous financial years.

There were no transfers in and out of Level 3 of the fair value hierarchy during the current and previous financial years.

33. Fair values (cont'd.)

(i) Fair value disclosures based on 3-level hierarchy

No transfers have occurred between levels in the hierarchy. The following tables show financial assets that are measured and/or disclosed at fair value on a recurring basis analysed by the different bases of fair values:

	Valuation technique using:			
	Level 1	**Level 2**	**Level 3**	
	Quoted market prices RM'000	**Observable inputs RM'000**	**Significant unobservable inputs RM'000**	**Total RM'000**
General Takaful Fund				
2026				
Financial assets:				
Financial assets at FVTPL:				
Unquoted sukuk:				
Government guarantee	-	10,154	-	10,154
Unsecured	-	145,897	-	145,897
Government Investment Issues	-	248,556	-	248,556
Quoted Shariah approved equities in Malaysia	18,770	-	-	18,770
Real estate investment trusts	1,168	-	-	1,168
Shariah approved unit trust funds	-	-	-	-
	19,938	404,607	-	424,545
Financial assets at FVOCI:				
Unquoted sukuk:				
Unsecured	-	44,423	-	44,423
	-	44,423	-	44,423
	19,938	449,030	-	468,968

33. Fair values (cont'd.)

(v) Fair value disclosures based on 3-level hierarchy (cont'd.)

	Valuation technique using:			
	Level 1	Level 2	Level 3	
	Quoted market prices RM'000	Observable inputs RM'000	Significant unobservable inputs RM'000	Total RM'000
General Takaful Fund (cont'd.)				
2025				
Financial assets:				
Financial assets at FVTPL:				
Unquoted sukuk:				
Unsecured	-	120,821	-	120,821
Government Investment Issues	-	232,800	-	232,800
Quoted Shariah approved equities in Malaysia	28,013	-	-	28,013
Real estate investment trusts	752	-	-	752
Shariah approved unit trust funds	55,642	-	-	55,642
	84,407	353,621	-	438,028
Financial assets at FVOCI:				
Unquoted sukuk:				
Unsecured	-	87,268	-	87,268
	-	87,268	-	87,268
	84,407	440,889	-	525,296

33. Fair values (cont'd.)

(v) Fair value disclosures based on 3-level hierarchy (cont'd.)

	Valuation technique using:			
	Level 1 Quoted market prices RM'000	Level 2 Observable inputs RM'000	Level 3 Significant unobservable inputs RM'000	Total RM'000
Company				
2026				
Financial assets:				
Financial assets at FVTPL:				
Unquoted sukuk:				
Government guarantee	-	10,154	-	10,154
Unsecured	-	145,897	-	145,897
Government Investment Issues	-	248,556	-	248,556
Quoted Shariah approved equities in Malaysia	31,029	-	-	31,029
Real estate investment trusts	1,360	-	-	1,360
Shariah approved unit trust funds	-	-	-	-
	32,389	404,607	-	436,996
Financial assets at FVOCI:				
Unquoted sukuk:				
Government guaranteed	-	4,996	-	4,996
Unsecured	-	112,065	-	112,065
Government Investment Issues	-	107,305	-	107,305
	-	224,366	-	224,366
	32,389	628,973	-	661,362

33. Fair values (cont'd.)

(v) Fair value disclosures based on 3-level hierarchy (cont'd.)

Company (cont'd.)	Valuation technique using: Level 1 Quoted market prices RM'000	Level 2 Observable inputs RM'000	Level 3 Significant unobservable inputs RM'000	Total RM'000
2025				
Financial assets:				
Financial assets at FVTPL:				
Unquoted sukuk:				
Unsecured	-	120,821	-	120,821
Government Investment Issues	-	232,800	-	232,800
Quoted Shariah approved equities in Malaysia	36,555	-	-	36,555
Real estate investment trusts	752	-	-	752
Shariah approved unit trust funds	55,642	-	-	55,642
	92,949	353,621	-	446,570
Financial assets at FVOCI:				
Unquoted sukuk:				
Government guaranteed	-	4,968	-	4,968
Unsecured	-	149,930	-	149,930
Government Investment Issues	-	162,311	-	162,311
	-	317,209	-	317,209
	92,949	670,830	-	763,779

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