



We Protect Everyone

ANALYST BRIEFING H1 FYE2025 (Period Ended 30 September 2024)

30 October 2024



Key Messages

Financial

- **Insurance / Takaful Revenue** was stable, despite a slight dip of 1.5% to RM1,693.2 million as compared to SPLY.
- **PAT** increased 66.4% to RM184.9 million as compared to SPLY due to higher insurance and takaful service result.

Business

- **MNRB Group:** Higher insurance and takaful service result, driven by improved claim experience, and effective risk and cost management strategies.
- **Reinsurance / Retakaful:** Growth was propelled by both international and domestic treaties. Despite some impact on investment returns due to currency fluctuations, our hedging mechanisms have effectively minimized overall impact, ensuring stable performance.
- **Family Takaful:** Experience remains stable with significant growth opportunities, particularly in single contribution products. We are actively addressing production for credit-related products through our banca partners, positioning us well for better performance.
- **General Takaful:** Notable improvements in our Motor and Fire performance, reflecting our strategic focus and operational efficiencies in these areas.

Outlook

- **Reinsurance / Retakaful:** We anticipate sustaining our uptrend performance by leveraging successful business remodeling strategies and diversification initiatives. These efforts are expected to drive continued growth and stability in this segment.
- **Family Takaful:** Strategic initiatives aimed at accelerating agency recruitment and productivity through intensive promotional activities, inorganic expansion, and enhanced customer experience are set to improve performance and enhance profitability. We are confident these measures will position us for sustainable growth.
- **General Takaful:** We project sustained top-line and bottom-line performance by balancing our portfolio mix, diversifying into commercial and SME segments, and enhancing our branding and promotional efforts. These strategies would ensure continuous growth and enhanced market presence.

MNRB Group

Group Performance Highlights

Solid performance with 66.4% bottom line surge

INSURANCE
REVENUE

▼
1.5%

H1 FYE2025
RM1,693.2 million

H1 FYE2024
RM1,718.7 million

INSURANCE /
TAKAFUL
SERVICE
RESULT

▲
418.9%

H1 FYE2025
RM168.6 million

H1 FYE2024
RM32.5 million

GROSS
PREMIUM /
CONTRIBUTION

▼
3.0%

H1 FYE2025
RM1,822.4 million

H1 FYE2024
RM1,878.0 million

INVESTMENT
RESULTS

▼
42.3%

H1 FYE2025
RM135.6 million

H1 FYE2024
RM234.9 million

PROFIT AFTER
TAX

▲
66.4%

H1 FYE2025
RM184.9 million

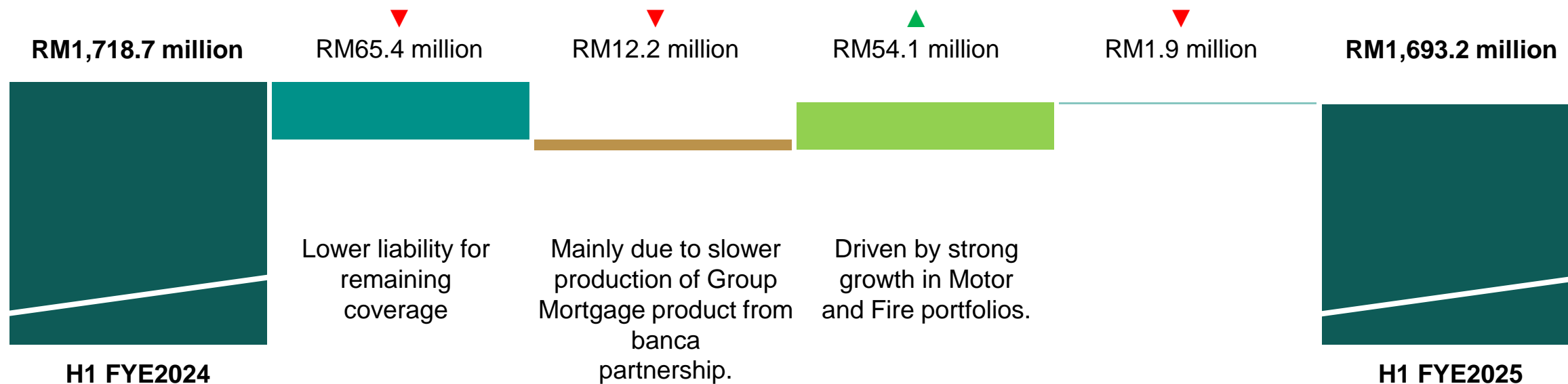
H1 FYE2024
RM111.1 million

We Protect Everyone



Insurance / Takaful Revenue

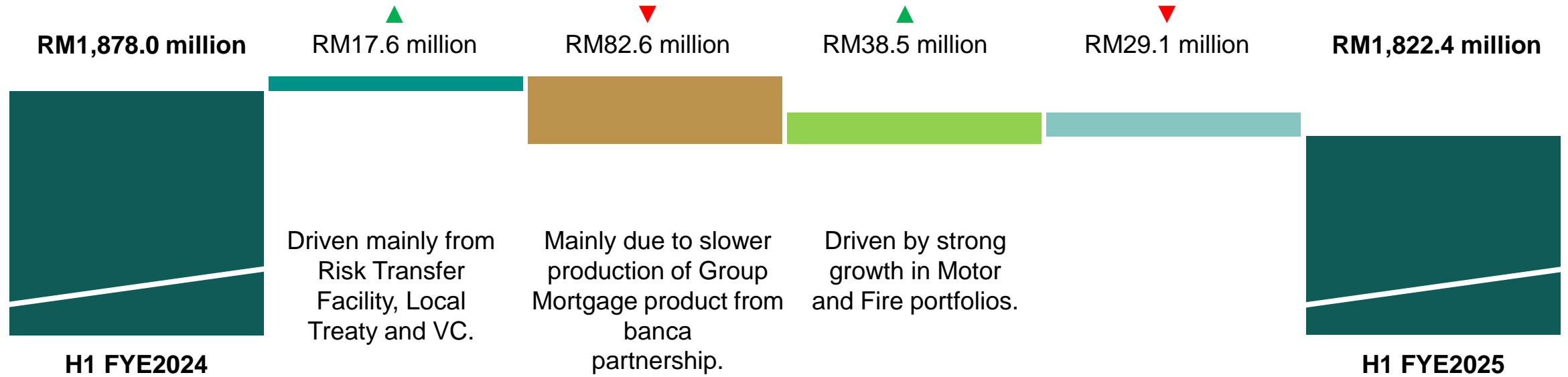
Topline revenue eased 1.5% to RM1,693.2 million



| | Retakaful/ Reinsurance | Family Takaful | General Takaful | MNRB, Associates and Elimination | TOTAL |
|------------|---------------------------|----------------|-----------------|-------------------------------------|---------|
| H1 FYE2025 | 945.8 | 346.5 | 410.2 | (9.3) | 1,693.2 |
| H1 FYE2024 | 1,011.2 | 358.7 | 356.1 | (7.4) | 1,718.7 |
| YoY | ▼ 6.5% | ▼ 3.4% | ▲ 15.2% | ▼ 26.1% | ▼ 1.5% |

Group Gross Premium / Contribution

Topline contribution eased 3.0% to RM1,822.4 million

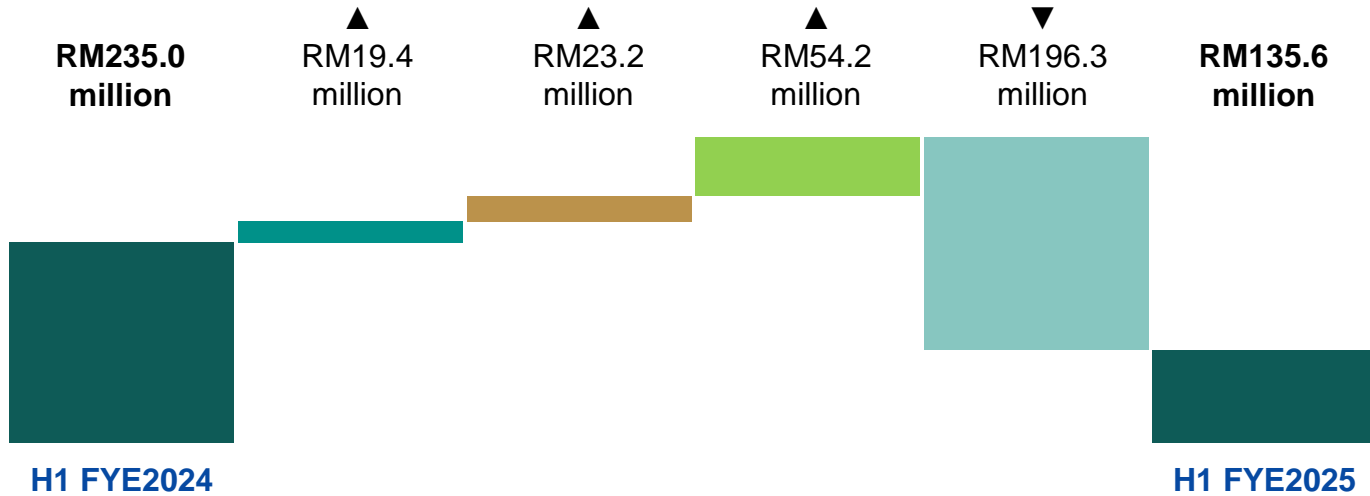


| | Retakaful/ Reinsurance | Family Takaful | General Takaful | MNRB, Associates and Elimination | TOTAL |
|------------|---------------------------|----------------|-----------------|-------------------------------------|---------|
| H1 FYE2025 | 1,186.9 | 261.4 | 411.2 | (37.1) | 1,822.4 |
| H1 FYE2024 | 1,169.3 | 344.0 | 372.7 | (8.0) | 1,878.0 |
| YoY | ▲ 1.5% | ▼ 24.0% | ▲ 10.3% | ▼ 363.8% | ▼ 3.0% |

Investment Results

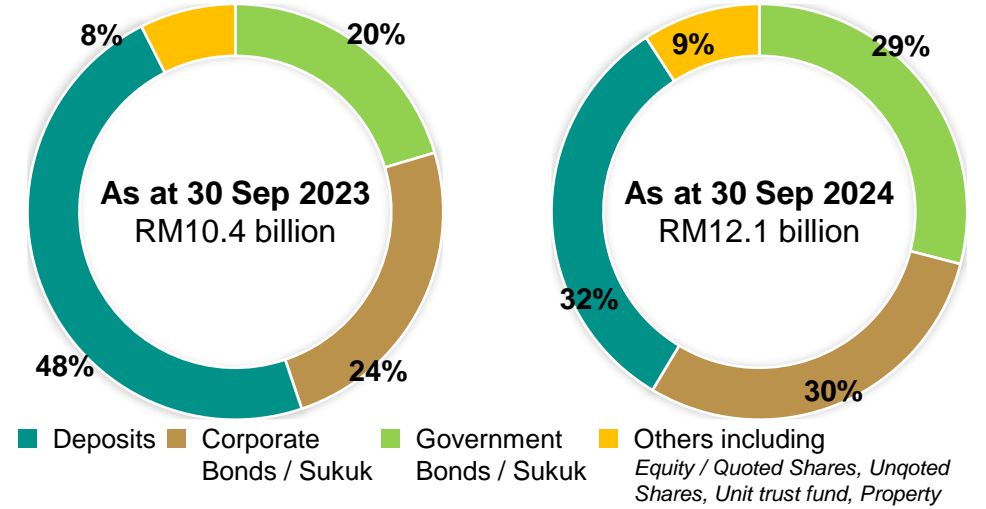
42.3% of investment income was impacted by variations in foreign exchange; Balanced out by movements in liabilities

Total Investment Results



| | Investment income on financial assets | Net realised gains / (losses) | Net fair value gains / (losses) | Net foreign exchange gains / (losses) | TOTAL |
|------------|---------------------------------------|-------------------------------|---------------------------------|---------------------------------------|---------|
| H1 FYE2025 | 219.6 | 10.4 | 68.1 | (162.6) | 135.6 |
| H1 FYE2024 | 200.2 | (12.8) | 13.9 | 33.7 | 235.0 |
| YoY | ▲ 19.4% | ▲ 181.3% | ▲ 389.9% | ▼ 582.5% | ▼ 42.3% |

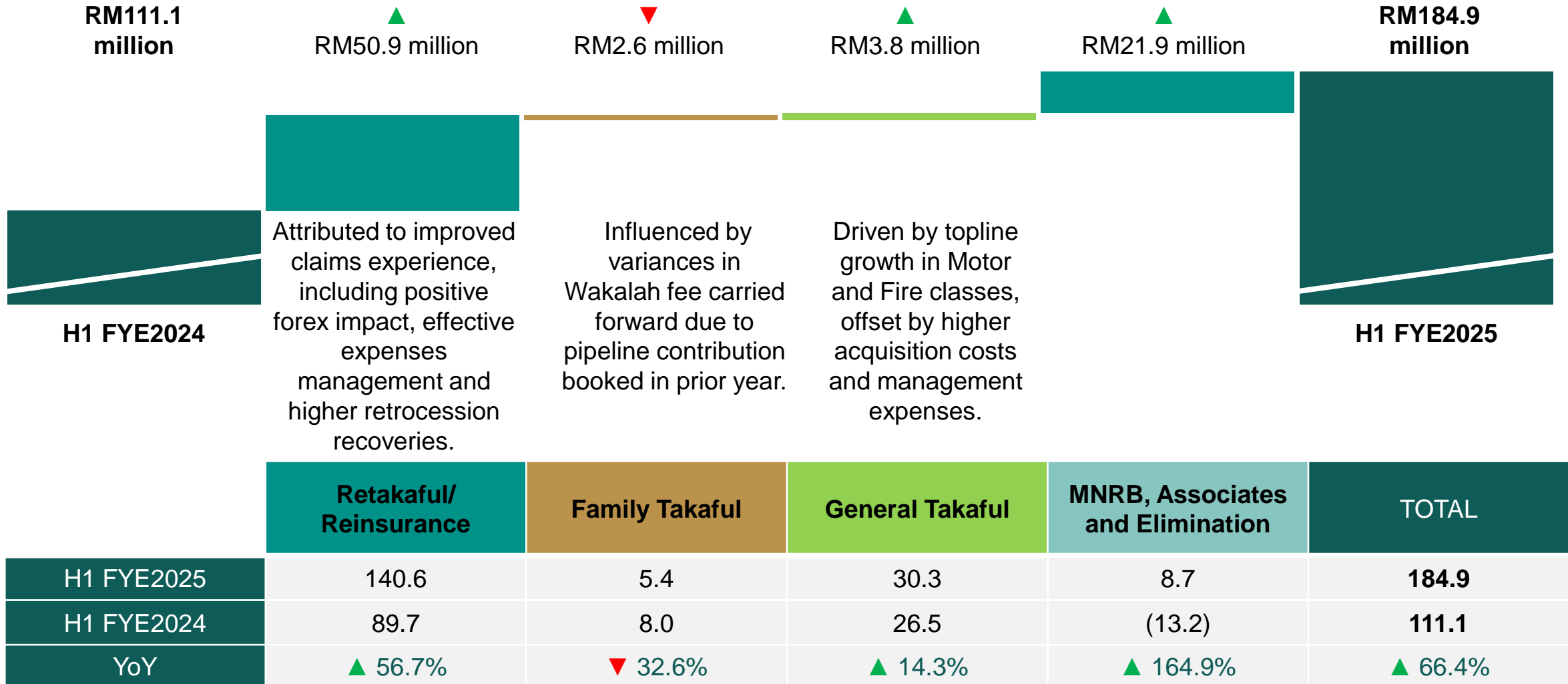
Group Investment Asset Mix



| Streams | 30 Sep 2023 | 30 Sep 2024 | Growth Y-o-Y |
|-----------------------|---------------|---------------|--------------|
| Gov Bonds / Sukuk | 2,115 | 3,516 | ▲ 66% |
| Corp Bonds / Sukuk | 2,530 | 3,577 | ▲ 41% |
| Deposits | 4,944 | 3,901 | ▼ 21% |
| Equity/ Quoted shares | 275 | 552 | ▲ 101% |
| Unit trust fund | 326 | 389 | ▲ 19% |
| Unquoted shares | 89 | 88 | ▼ 1% |
| Property | 82 | 82 | ▲ 0% |
| Total | 10,362 | 12,105 | ▲ 17% |

Group Profit after Tax

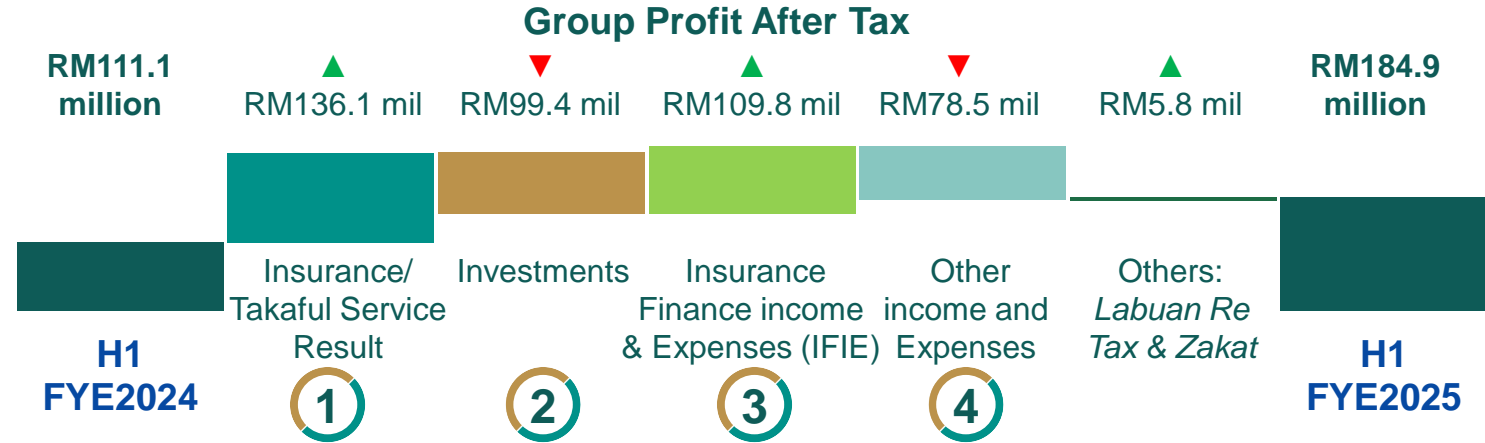
Impressive 66.4% increase to RM184.9 million



Group Profit and Loss

Higher Insurance / Takaful Service Result drives PAT 66.4% higher

| RM 'million | H1 FYE2024 | H1 FYE2025 | Variance (%) |
|---|----------------|----------------|--------------|
| Insurance/Takaful Revenue | 1,718.7 | 1,693.2 | ▼ 1.5% |
| Insurance/Takaful Expenses | (1,609.4) | (1,491.1) | ▼ 7.4% |
| Net Expenses from Reinsurance / Retakaful | (76.8) | (33.5) | ▼ 56.3% |
| Insurance/Takaful Service Result | 32.5 | 168.6 | ▲ 418.9% |
| Investment Results | 235.0 | 135.6 | ▼ 42.3% |
| Net Insurance / Takaful Financial Result | (129.0) | (19.2) | ▼ 84.7% |
| Other Operating Income/(Expenses) | 6.9 | (71.6) | ▲ 939.2% |
| Share of Results of Associates | 4.3 | 16.6 | ▲ 288.9% |
| Tax Attributable to the Participants | (13.7) | (17.6) | ▲ 28.9% |
| Profit Before Tax | 135.9 | 212.4 | ▲ 56.3% |
| Tax & Zakat | (24.8) | (27.5) | ▲ 10.6% |
| Profit After Tax | 111.1 | 184.9 | ▲ 66.4% |



1 Higher **Insurance Service Result** driven by overall improved claims experience resulting from higher forex gain impact and reduction of loss component in Malaysian Re attributable to higher reinsurance recoveries.

2 **Investment Results** mainly influenced by forex fluctuations, offset by favourable fair value movements from fixed income investments and higher interest / dividend income. *Forex loss on investment: RM215.0 million*

3 **IFIE** improved largely due to forex gain on underwriting due to strengthening of Ringgit. *Forex gain on underwriting: RM198.5 million*

Note: Net forex impact: -RM16.5 million

4 **Other Income and Expenses** mainly due to impact of forex fluctuations.

Initiatives along the Group Sustainability Roadmap

Spearheading efforts towards Net Zero Carbon Organisation by 2050



| Group Sustainability Commitments | | NET ZERO ORGANISATION BY 2050 | |
|----------------------------------|--|---|--|
| | | Group Sustainability Roadmaps and Initiatives | Investment Portfolio Management |
| E Environment | Net Zero Carbon Enterprise by 2030 | <p>Group's climate risk assessment and scenario analysis is currently underway to identify and develop management actions that will mitigate the impact from climate-related risks.</p> | <p>Enhanced the 2023/2024 Sustainable Investing Guideline to incorporate PCAF, CCPT, and ESG Investment approaches</p> |
| | Net Zero Carbon Investment Portfolio by 2050 | | |
| | Net Zero Carbon Business Portfolio by 2050 | | |
| S Social | People-centric Workplace | <p>Group Labour Rights Policy, aligned with PNB's Human Rights Policy, is set for GNRC and Board approval.</p> | <p>Active monitoring of our Portfolio Carbon Footprint using PCAF Standard, with plans to establish an interim target to Net-Zero.</p> |
| | Giving back to Society | | |
| | Responsible Products and Services | | |
| G Governance | Effective Sustainability Management | <p>Group Sustainability Disclosure Policy designed to guide regulatory-aligned sustainability reporting, will be tabled for Board approval.</p> | <p>Includes knowledge transfer component and facilitated by an ASEAN-based reinsurer, fostering deeper engagement with the ASEAN insurance market.</p> |
| | TCFD-aligned Disclosures | | |
| | Intensified Awareness and Advocacy | | |

Notable Developments



Malaysian Re was honored with the prestigious **Asian Reinsurer of the Year - Bronze** award at the Insurance Asia Awards 2024.



Malaysian Re's participation in the **30th East Asian Insurance Congress** in Hong Kong allows it to connect with key industry players, explore emerging trends and strengthen its position in the ever-evolving insurance landscape.



Malaysian Re participated in the **2nd MITBA CEO Conference 2024**, held in Almaty, Kazakhstan, where industry leaders converged to discuss and share insights on the ever-evolving sector.



Malaysian Re published the **Malaysian Insurance Highlights 2024**, exploring the impacts of a drastically changed risk landscape on Malaysia's insurance market, with a particular focus on personal insurance lines.



Takaful IKHLAS received **Takaful Solutions Brand of The Year** award at The BrandLaureate World Halal Best Brands Awards 2024.



Our **IKHLAS GO Serve Customer Portal** was officially launched on 30 September 2024. This portal is designed to provide our customers with easy access to manage their Takaful certificates. With IKHLAS GO Serve, you can effortlessly view and manage certificate details, make payments, and receive virtual support for all your Takaful needs.



Takaful IKHLAS launched **four PA Micro-takaful products** which provide compensation in the event of accidental death or permanent disablement of the participant. These micro-takaful products also intend to provide cover to workers of the gig economy.,

- IKHLAS Melindungi PA
- IKHLAS Membantu PA
- IKHLAS Bekerja PA
- IKHLAS Merawat PA

Reinsurance and Retakaful

Key Highlights

Solid bottom-line growth of 56.7%

INSURANCE /
TAKAFUL
REVENUE

▼
6.5%

H1 FYE2025
RM945.8 million

H1 FYE2024
RM1,011.2 million

INSURANCE /
TAKAFUL
SERVICE
RESULT

▲
586.4%

H1 FYE2025
RM145.9 million

H1 FYE2024
RM21.3 million

GROSS
PREMIUM /
CONTRIBUTION

▲
1.5%

H1 FYE2025
RM1,186.9 million

H1 FYE2024
RM1,169.3 million

INVESTMENT
RESULTS

▼
106.0%

H1 FYE2025
(RM6.5 million)

H1 FYE2024
RM108.8 million

PROFIT AFTER
TAX

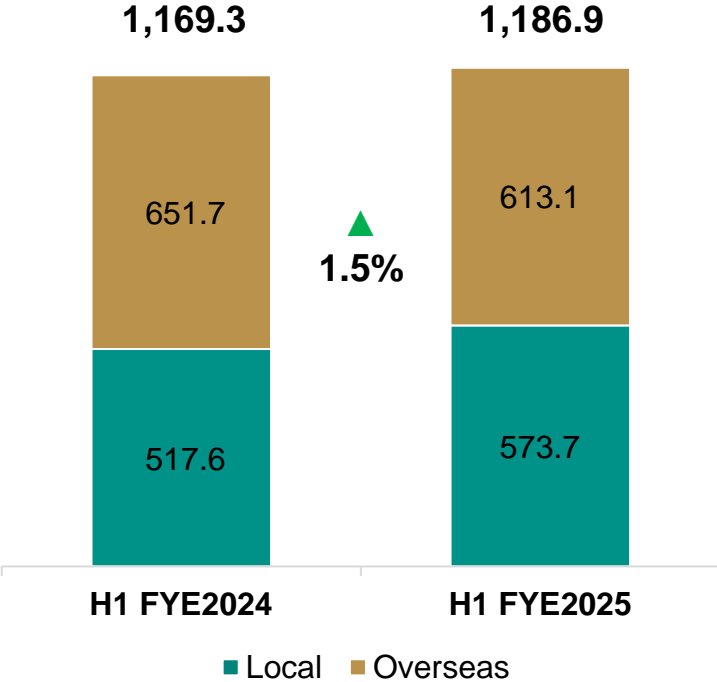
▲
56.7%

H1 FYE2025
RM140.6 million

H1 FYE2024
RM89.7 million

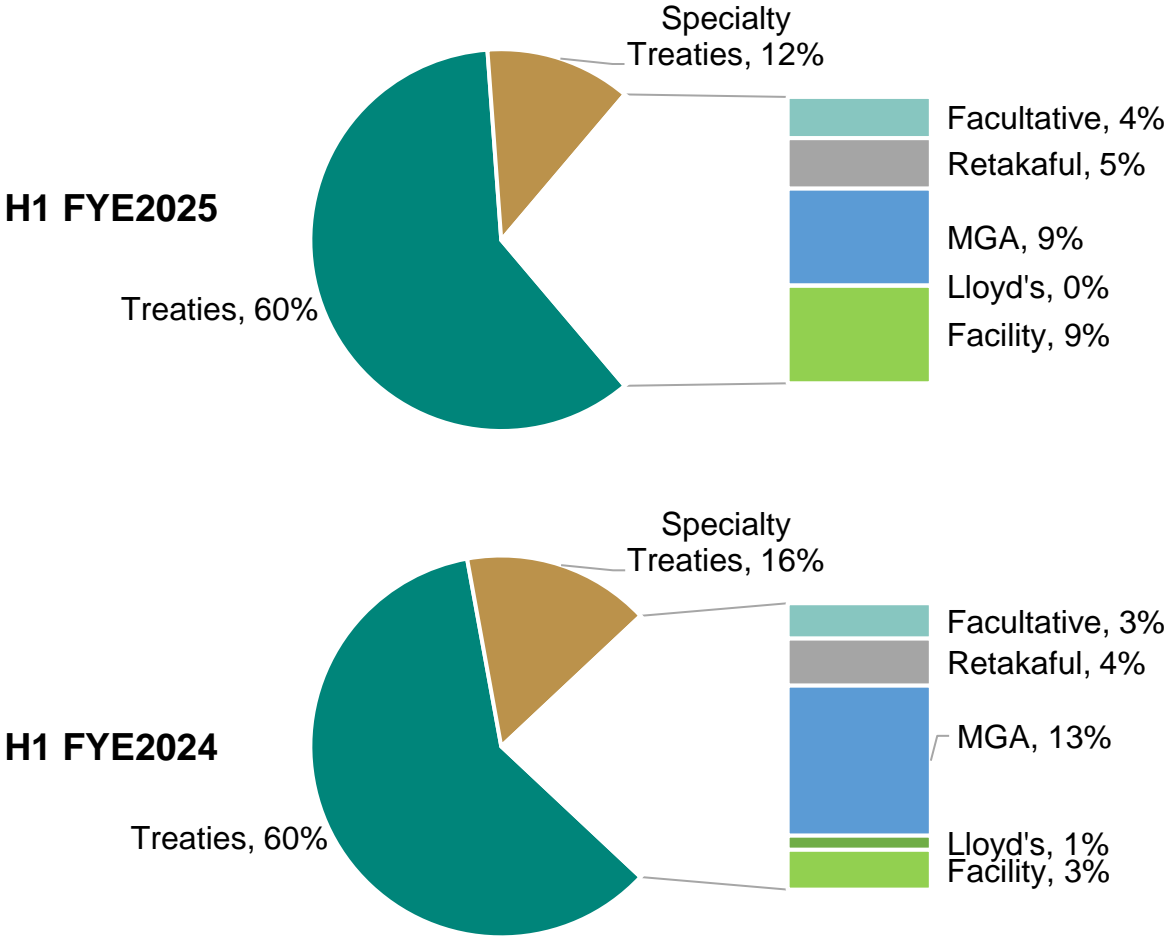
Gross Premium / Contribution

Gross Premium / Contribution by Area (RM million)



The growth of Domestic business was mainly attributed to the improved VC, Local Treaty, Facultative, and Retakaful.

Gross Premium / Contribution by Portfolio (%)



Profit and Loss – Company Level

| RM 'million | H1 FYE2024 | H1 FYE2025 | Variance (%) |
|--|----------------|---------------|--------------------------|
| Insurance/Takaful Revenue | 1,011.2 | 945.8 | ▼ 6.5% |
| Insurance/Takaful Expenses | (933.1) | (807.4) | ▼ 13.5% ① |
| Net Income / (Expenses) from Reinsurance/ Retakaful | (56.8) | 7.4 | ▼ 113.1% |
| Insurance/Takaful Service Result | 21.3 | 145.9 | ▲ 586.4% ② |
| Investment Results | 108.8 | (6.5) | ▼ 106.0% ③ |
| Net Insurance / Takaful Financial Result | (55.3) | 84.9 | ▲ 253.7% |
| Other Operating Income/(Expenses) | 23.2 | (62.2) | ▼ 368.2% |
| Tax Attributable to the Participants | (0.4) | (0.8) | ▲ 90.3% |
| Profit Before Tax | 97.6 | 161.3 | ▲ 65.3% ④ |
| Tax & Zakat | (7.8) | (20.7) | ▲ 164.3% |
| Profit After Tax | 89.7 | 140.6 | ▲ 56.7% |

① Decline in expenses mainly due to better claim experience as well as forex gains on claim reserves.

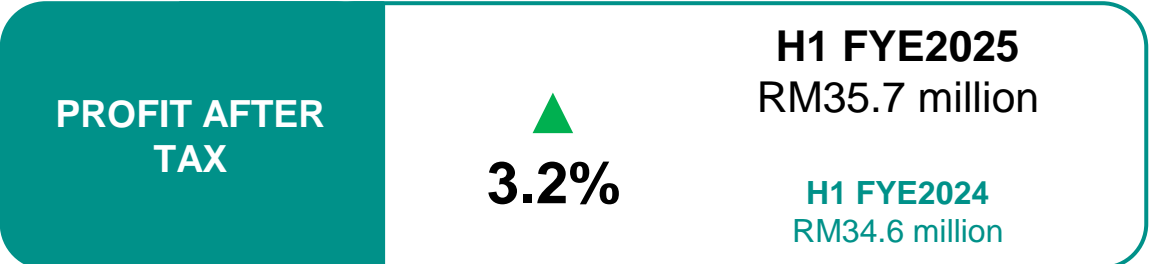
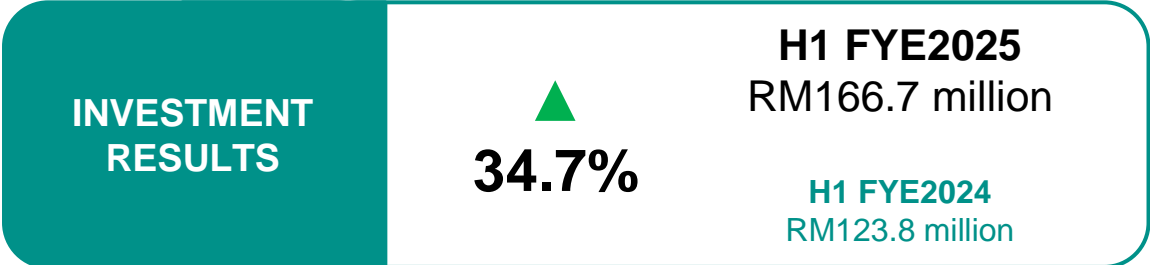
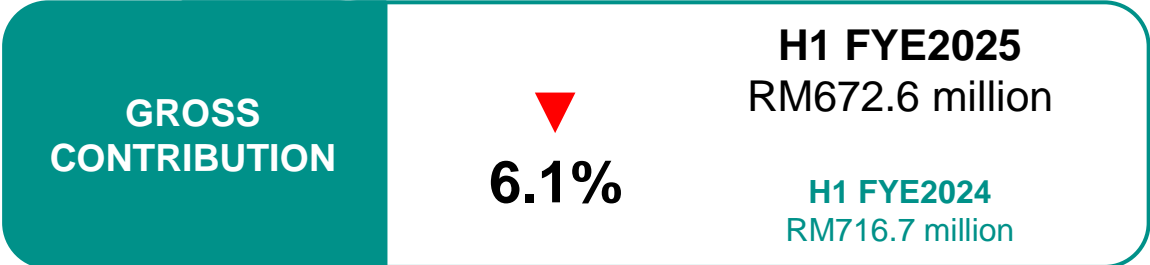
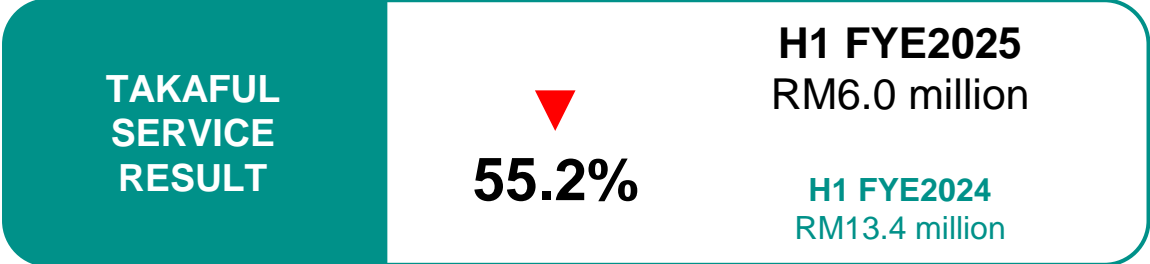
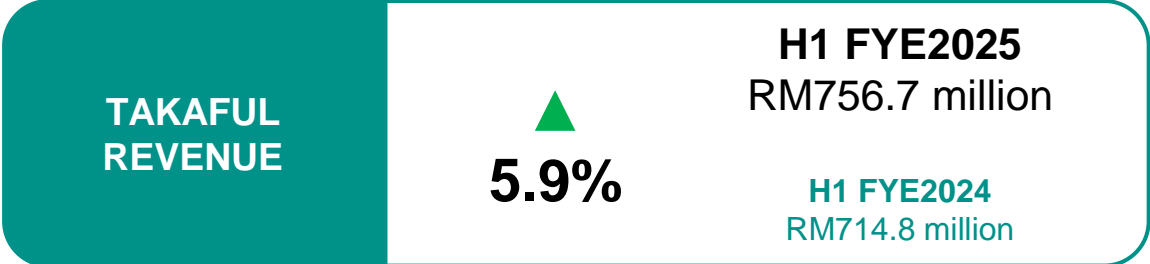
② Driven by overall improved claims experience resulting from higher impact on forex gain.

③ Investment Results was largely driven by forex movement; however, balanced by corresponding forex movement in liabilities.

④ The increase was primarily driven by better insurance service result due to improved claims experience

Takaful IKHLAS

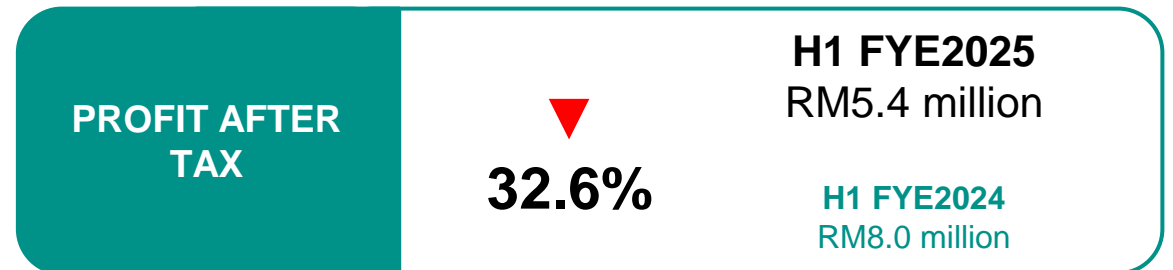
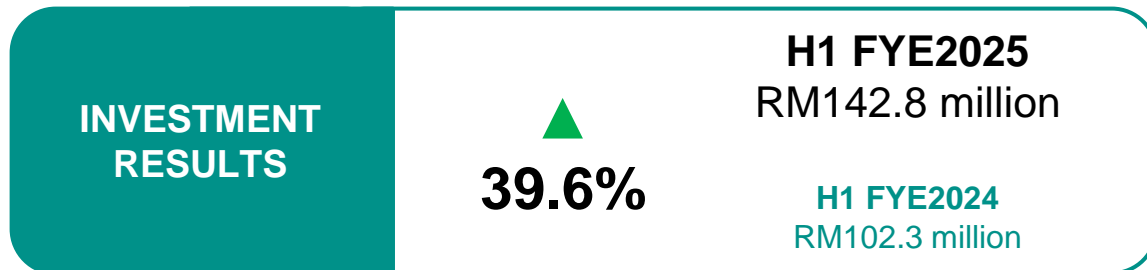
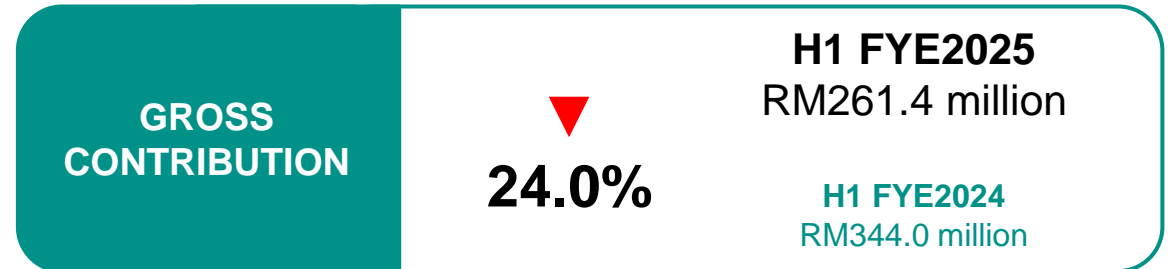
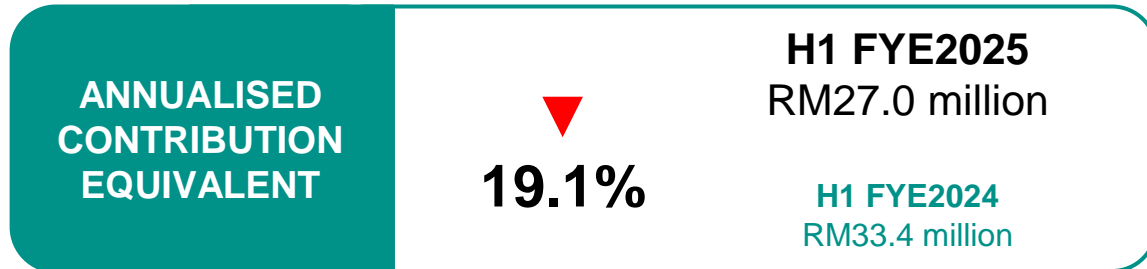
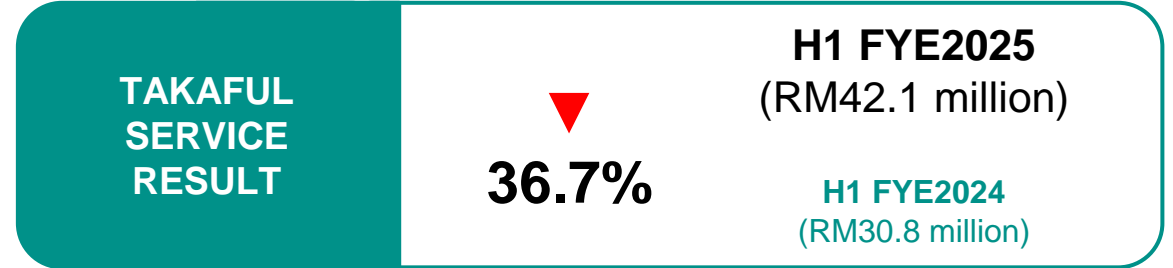
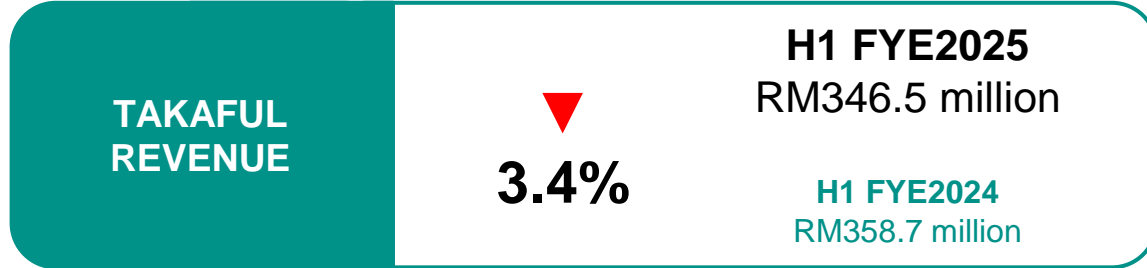
Key Highlights – Takaful IKHLAS



Family Takaful Takaful IKHLAS Family

Key Financial Highlights

Ongoing Recalibration: Navigating Internal and Industry Challenges for a Long-Term Sustainable Growth



Annualised Contribution Equivalent & Gross Contribution

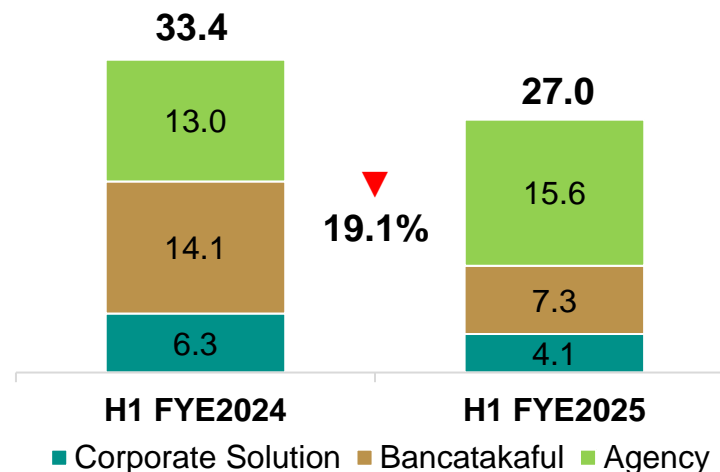
Stable performance from Agency, with ACE showing 14.0% y-o-y uptrend..

Overall production results was influenced predominantly by the single contribution credit-related and employee-benefits portfolios from Banca and Corporate Solutions.

Regular contributions portfolio indicated a promising uptrend, driven by increases in IKHLAS Idaman and individual Family Takaful products. This positive trajectory is expected to persist, with targeted initiatives designed to expedite growth in these sectors.

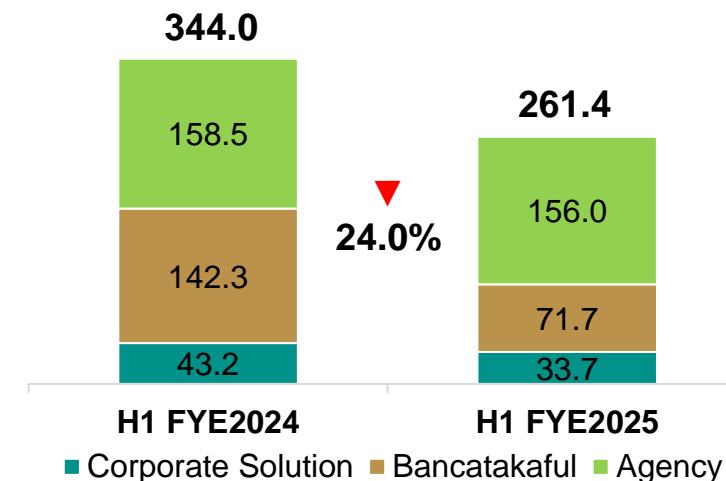
Annualised Contribution Equivalent

Breakdown by Channels
(RM million)

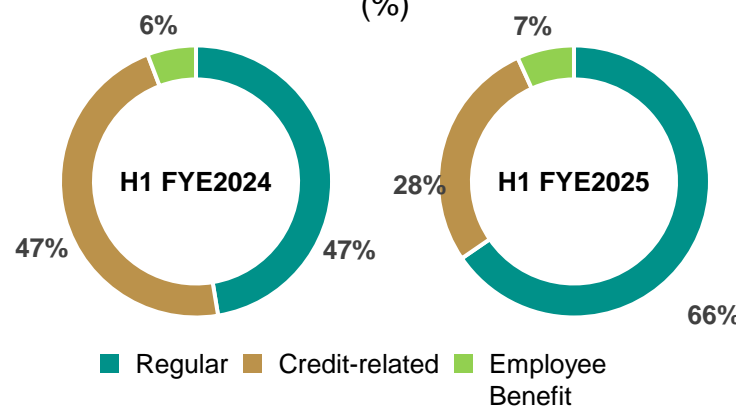


Gross Contribution

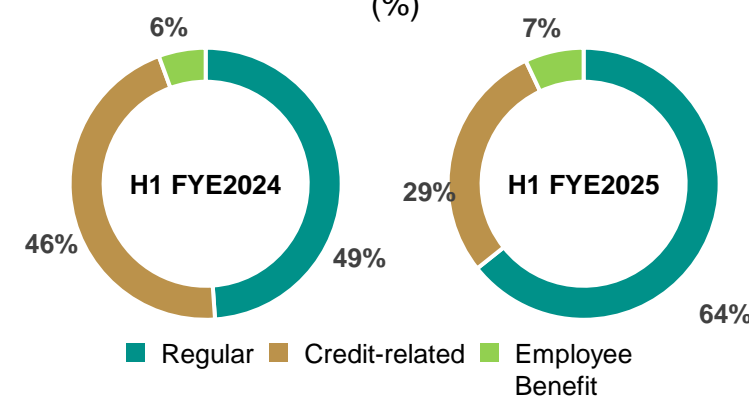
Breakdown by Channels
(RM million)



Breakdown by Business
(%)



Breakdown by Business
(%)



MFRS17 Profit and Loss – Family Takaful

| RM 'million | H1 FYE2024 | H1 FYE2025 | Variance (%) |
|--|---------------|---------------|------------------------|
| Takaful Revenue | 358.7 | 346.5 | ▼ 3.4% 1 |
| Takaful Expenses | (379.5) | (373.8) | ▼ 1.5% 2 |
| Net Expenses from Reinsurance / Retakaful | (10.0) | (14.7) | ▲ 46.7% |
| Takaful Service Result | (30.8) | (42.1) | ▼ 36.5% |
| Investment Results | 102.3 | 142.8 | ▲ 39.6% |
| Net Takaful Financial Result | (49.0) | (78.5) | ▼ 60.2% 3 |
| Other Operating Income/(Expenses) | (4.0) | (4.1) | ▲ 0.7% |
| Tax Attributable to the Participants | (6.9) | (10.9) | ▼ 56.7% |
| Profit Before Tax | 11.5 | 7.3 | ▼ 36.5% |
| Tax & Zakat | (3.5) | (1.9) | ▼ 45.4% 4 |
| Profit After Tax | 8.0 | 5.4 | ▼ 32.6% |

1 Takaful Revenue declined, mainly influenced by Single Contribution credit-related products from Banca arrangements.

2 Takaful Expenses improved from better claims experience and lower acquisition costs.

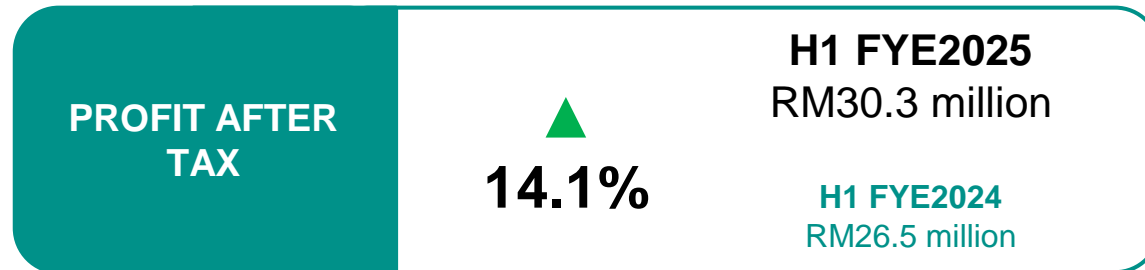
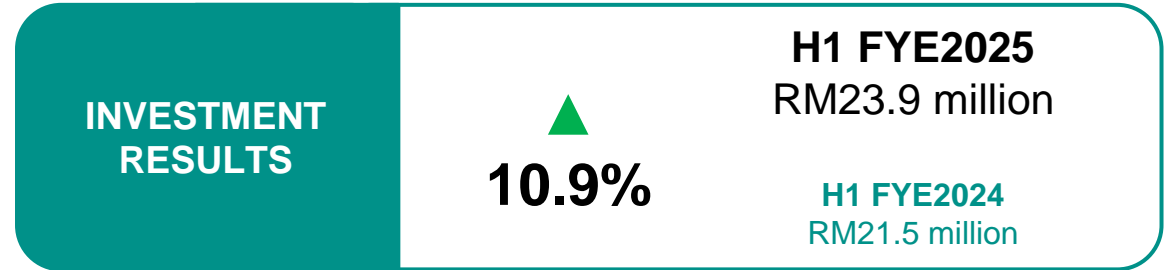
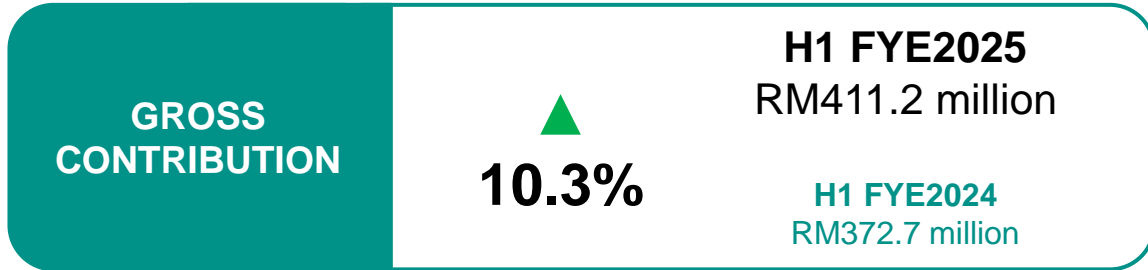
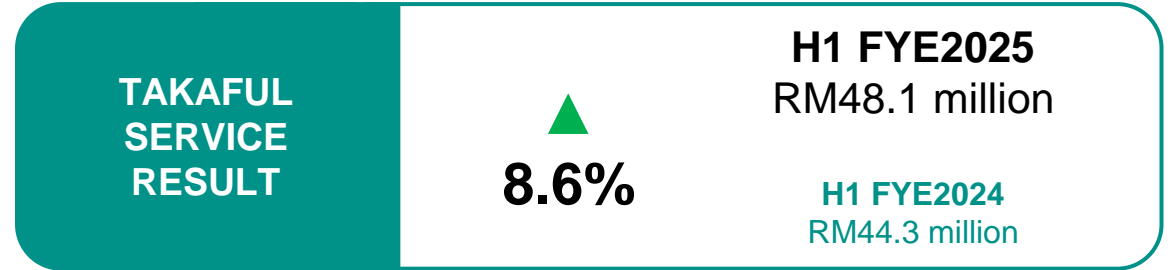
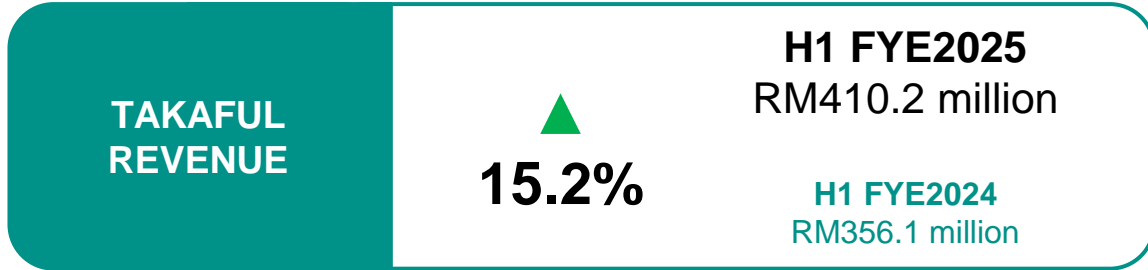
3 Investment Results improved attributable to higher profit from larger placement in government bonds and higher income from equities.

4 PBT results influenced by lower takaful service result.

General Takaful Takaful IKHLAS General

Key Financial Highlights

Continuing resilience: Strengthening market presence and rebalancing portfolio diversification



Gross Contribution

Gross Contribution by Channels
(RM million)

Agency
Strong performance from franchise partners

▲
3.4%

Bancatakaful
Growth mainly supported by the fire takaful portfolio

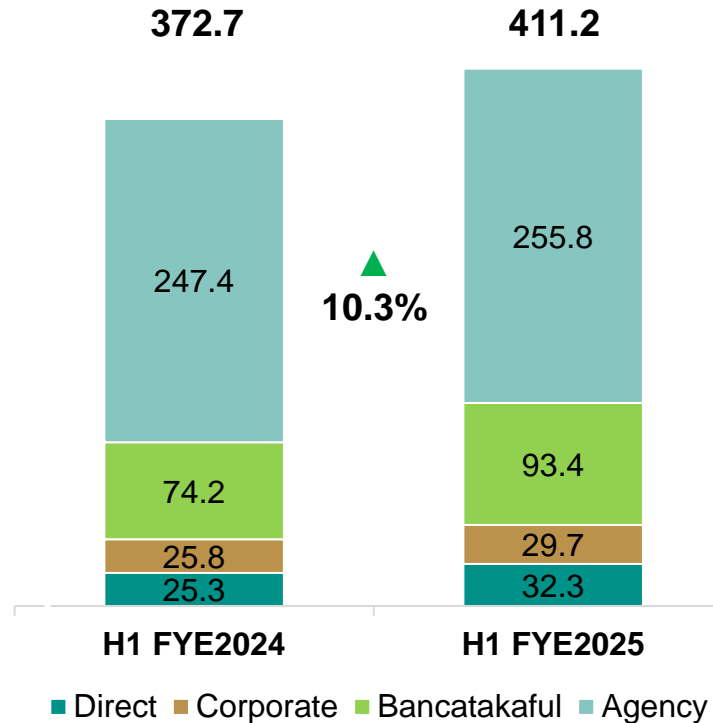
▲
26.0%

Corporate
Higher contribution from Broking

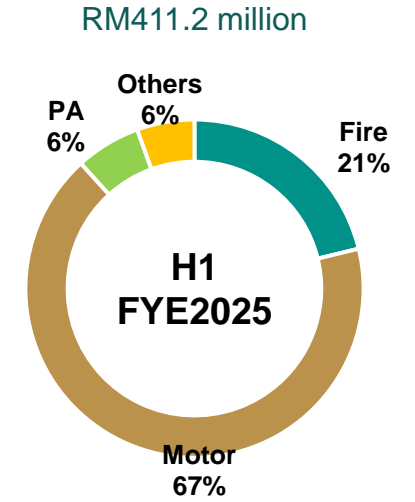
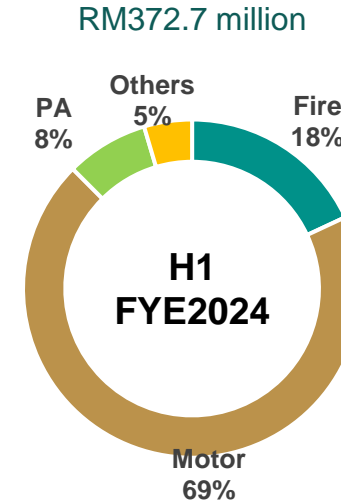
▲
15.0%

Direct
Predominantly driven by online contributions

▲
27.9%



Breakdown by Line of Business
(%)



We are actively rebalancing our portfolio mix, with a strategic focus on expanding our Fire, Personal Accident (PA) and commercial and SME product offerings predominantly through both bancatakaful and corporate partners. These initiatives would accelerate our growth and broaden our market reach to key stakeholders.

MFRS17 Profit and Loss – General Takaful

| RM 'million | H1 FYE2024 | H1 FYE2025 | Variance (%) |
|--|---------------|---------------|------------------|
| Takaful Revenue | 356.1 | 410.2 | ▲ 15.2% ① |
| Takaful Expenses | (299.0) | (328.7) | ▲ 9.9% ② |
| Net Expenses from Reinsurance/ Retakaful | (12.8) | (33.5) | ▲ 160.4% |
| Takaful Service Result | 44.3 | 48.1 | ▲ 8.6% |
| Investment Results | 21.5 | 23.9 | ▲ 11.2% |
| Net Takaful Financial Result | (24.1) | (25.5) | ▼ 6.0% ③ |
| Other Operating Income/(Expenses) | 1.5 | (0.1) | ▼ 109.4% |
| Tax Attributable to the Participants | (6.3) | (5.9) | ▼ 5.5% |
| Profit Before Tax | 36.8 | 40.3 | ▲ 9.4% |
| Tax & Zakat | (10.3) | (10.0) | ▼ 2.6% |
| Profit After Tax | 26.5 | 30.3 | ▲ 14.1% |

① Takaful Revenue improved with notable growths in Banca and Direct channels.

② Takaful Expenses increased due to higher acquisition and maintenance costs in response to business growth.

③ Investment Results improved attributable to higher income from larger placement and longer duration of deposits, and higher income from equities.

Outlook

Business Outlook



Reinsurance

With a positive outlook for the global non-life reinsurance market, Malaysian Re is well-positioned to capitalise on several key factors:



Improved Pricing Environment



Strong Financial Performance



Diversified Investment opportunities



Comprehensive risk management framework



Diversification of Domestic & Overseas Portfolio



Managed Impact of Catastrophe Events



Business Remodeling Strategies



Takaful IKHLAS

Family Takaful

Performance and profitability are expected to improve through several key strategic initiatives



Intensive Promotional Activities



Inorganic Expansion



Enhanced Customer Experience

General Takaful

Business-specific strategies are outlined to accelerate top-line and sustain bottom-line performance.



Balancing Portfolio Mix



Diversifying Into Commercial and SME segments



Enhancing Branding and Promotional Efforts

Commitments



We remain committed to providing **comprehensive offerings** to all our clients, retail and corporate, as well as promoting **sustainable value propositions** to our partners and stakeholders.



We remain attuned to the challenging environment while taking a systematic approach to **optimising our risk-return profile** to improve our business's profitability while pursuing revenue growth.



We continue to invest in **human capital, digitisation initiatives, and an advanced CRM suite** to further strengthen our ability to deliver excellent customer experiences.



We remain optimistic about the future, stemming from the solid foundation of **our business diversification and our adept execution of strategic initiatives.**

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