

**MINUTES OF THE 50<sup>TH</sup> ANNUAL GENERAL MEETING OF MNRB HOLDINGS BERHAD (“MNRB” OR “THE COMPANY”) HELD AS A VIRTUAL MEETING FROM THE BROADCAST VENUE AT THE DILLENIA ROOM, LEVEL G, SIME DARBY CONVENTION CENTRE, 1A, JALAN BUKIT KIARA 1, BUKIT KIARA, 60000 KUALA LUMPUR, ON WEDNESDAY, SEPTEMBER 20, 2023 AT 11.00 A.M.**

Present

Directors : YBhg. Datuk Johar Che Mat - *Chairman*

Encik George Oommen *Senior Independent Non-Executive Director (“INED”)*

Encik Khalid Sufat *INED*

Puan Junaidah Mohd Said *INED*

Puan Zaida Khalida Shaari *INED*

YBhg. Dato’ Wan Roshdi Wan Musa *INED*

A total of 352 members comprising shareholders, proxies and corporate representatives participated online via the Remote Participation and Electronic Voting facilities through meeting platform <https://meeting.boardroomlimited.my> as per Attendance Record issued by the Company’s Share Registrar, Boardroom Share Registrars Sdn. Bhd.

Senior Management : Encik Zaharudin Daud - *President & Group Chief Executive Officer (“GCEO”)*

Puan Sharmini Perampalam - *Acting Group Chief Financial Officer (“GCFO”)*

Puan Lena Abd Latif - *Company Secretary*

In Attendance : External Auditors

Encik Ahmad Hammami - *Audit Engagement Partner,*  
Muhyidin *Messrs, Ernst & Young PLT*  
*(“EY”)*

Cik Rachel Sher Ern Lim *Director, EY*

Poll Administrator

Encik Kenneth Siew Mun - *Senior Manager, Boardroom*  
*Share Registrars Sdn. Bhd.*

Scrutineers

Encik Low Kenn Loong - *Manager, KPMG Management &*  
*Risk Consulting Sdn. Bhd.*  
*(“KPMG”)*

Independent Moderator

Cik Leong Lai Lween - *Manager, KPMG*

By Invitation : Per the Attendance Sheet.

**WELCOME ADDRESS**

The Chairman welcomed all those present virtually, at the 50<sup>th</sup> Annual General Meeting (“50<sup>th</sup> AGM”) of MNRB Holdings Berhad (“MNRB” or “the Company”) in compliance with Section 327(2) of the Companies Act 2016 and Clause 68 of the Company’s Constitution.

He informed that the virtual meeting was in accordance with the Securities Commission’s revised Guidance Note and FAQ on the Conduct of General Meetings for Listed Issuers issued on April 7, 2022 which encourage listed issuers to conduct virtual general meetings.

He mentioned that the Board and Management had considered all available options and decided that the 50<sup>th</sup> AGM be conducted virtually via Remote Participation and Electronic Voting (“RPEV”) facilities.

## **QUORUM**

Upon invitation by the Chairman, Puan Lena Abd Latif notified the Meeting that under Article 69 of the Company's Constitution, two (2) members present in person or by proxy would constitute a quorum at any general meeting. She then confirmed that the number of members attended was more than two (2) and announced that a quorum was present.

The Chairman then called the meeting to order.

## **INTRODUCTION**

Prior to the commencement of the meeting, the Chairman, introduced the members of the Board, the President & GCEO, Acting GCFO and Company Secretary to the shareholders.

The Chairman acknowledged the presence of Directors within the MNRB Group, Group Shariah Committee members, the President & Chief Executive Officers of the subsidiaries and Senior Management, who were in attendance remotely via video conferencing facility.

The Chairman also acknowledged the presence of Encik Ahmad Hammami Muhyidin, Partner representing Messrs. Ernst & Young PLT ("EY") and Cik Rachel Lim, Director from EY, Encik Low Kenn Loong from KPMG Management & Risk Consulting Sdn Bhd from ("KPMG") as the Scrutineers and Cik Leong Lai Lween from KPMG as the Company's External Moderator for the 50<sup>th</sup> AGM.

## **NOTICE OF MEETING**

The Chairman informed that the Notice of the 50<sup>th</sup> AGM had been issued and published within the stipulated time and advertised in the New Straits Times. The Notice of the 50<sup>th</sup> AGM was taken as read.

### **PROXY FORMS RECEIVED**

As part of good governance, the Chairman reported on the proxy forms received. He mentioned that the Company had received in total 59 proxy forms from shareholders for a total of 440,432,404 shares representing 56.24% of the issued ordinary shares of the Company.

Out of those, there were 14 shareholders who had appointed the Chairman of the Meeting as proxy to vote on their behalf and the shares so represented were 11,535,538 shares representing 1.47% of the issued ordinary shares of the Company.

### **MEETING & VOTING PROCEDURES**

The Chairman informed the shareholders that there were six (6) ordinary resolutions tabled at the 50<sup>th</sup> AGM.

He then notified that pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), all companies listed on Bursa Malaysia were required to carry out poll voting for every resolution set out in the notice of any general meeting.

The Chairman highlighted that for the 50<sup>th</sup> AGM, the Company had appointed Boardroom Share Registrars Sdn Bhd ("BSR") as the Poll Administrator to conduct the electronic polling process and KPMG as the independent Scrutineers to verify the poll results.

He encouraged the shareholders to participate at the meeting by submitting typed questions in real time during the meeting until the announcement of the closure of Questions & Answers ("Q&A") session.

At the invitation of the Chairman, the briefing on the electronic/ remote poll voting process was presented by BSR.

The Chairman then announced that the online voting platform would be opened at 11.10 a.m. He informed that after the Q&A session, the polling session would be opened for a further 10 minutes for members to cast their votes.

Upon conclusion of the polling session, the online voting platform would close and the meeting would be adjourned for 15 minutes for the Poll Administrator to tabulate the votes and the independent Scrutineers to verify the poll results. Upon receiving the poll results validated by the Scrutineers, the meeting would resume for the declaration of results.

The Chairman then briefed on the flow of the meeting which would start with a presentation by the President & GCEO on the Group's results, followed by the agenda of the AGM and thereafter, with the Q&A session.

### **PRESENTATION ON COMPANY'S UPDATES**

The Chairman informed that the Company had recently celebrated its 50<sup>th</sup> anniversary and it serves as a reminder that for 50 years now, MNRB had been a growth company. He then briefed the history of MNRB which was incorporated in 1973 to reduce the outflow of reinsurance premium overseas. At that time, MNRB had less than 20 employees and was operating from its humble office at Jalan Masjid India.

He added that MNRB's shares were officially listed on the Main Board of the Bursa Malaysia Securities Berhad on November 20, 1996. Following the listing, MNRB's issued and paid-up capital was increased to RM 189.7 million from RM66.5 million. From 1996, the number of its shareholders had increased from 3520 to 6370 shareholders.

The Chairman further added that in these 50 years, MNRB's shareholders had been rewarded with bonus issue of RM257.9 million shares and RM756.9 million in net dividend payout. Dividends were consistently paid throughout the years except in 2010 and from 2015 to 2019. This difficult decision not to pay dividends during those years was made solely to preserve the capital to spearhead future growth in the business of the Group.

The Chairman highlighted that in the 5 years since 2019, the Group had grown from strength-to-strength as shown by the growth in GWP by RM1.4 billion, a CAGR of 14.2%. Meanwhile, MNRB's total asset, had grown from RM8.7 billion to RM12.4 billion, a CAGR of over 9%. This reflects a prudent and conservative approach in both underwriting and investment to ensure shareholder value creation remains a top priority. In the financial industry, investment forms an integral part of the business model where investment profit complements the underwriting.

The Chairman further highlighted that the investment of RM230 million in Takaful Ikhlas General Berhad in 2018 had generated RM59 million in dividend or 25.6% return on capital. As for Takaful Ikhlas Family Berhad, since 2018, the operational improvement and the strategies undertaken had increased the retained earnings from RM21.9 million in 2018 to RM124.5 million in 2023 whilst having paid RM45 million in dividend.

Since inception till September 14, 2023, the Total Shareholders' Return ("TSR") of MNRB shares had been reached at 22.51% or 0.8% on annualised basis. From the beginning of the last financial year till September 15, 2023, the TSR was 8.8% or 6.21% on annualised basis.

The Chairman then invited the President & GCEO to present the highlights of the Group's results and activities for the financial year ended ("FYE") March 31, 2023 before he proceeded with the official business of the AGM.

The President & GCEO presented and highlighted the Group's results and activities, as follows:-

MNRB Group:

- (i) Highlights of financial year ended 2023.
- (ii) Study Performance.
- (iii) Group Gross Premium / Contribution.
- (iv) Group Net Investment.
- (v) Group Profit After Tax.
- (vi) Group Financial Overview.

Reinsurance & Retakaful

- (i) Malaysian Reinsurance Berhad ("Malaysian Re") - ASEAN Reinsurer of the Year.
- (ii) Business Highlights of Malaysian Re

Takaful IKHLAS Family & Takaful IKHLAS General ("Takaful IKHLAS")

- (i) Summary of Takaful IKHLAS – Charting Resilient Growth.
- (ii) Takaful IKHLAS - Gross Contribution.
- (iii) Takaful IKHLAS - Profit After Tax.

### Q1 FYE 2024 Results of MNRB Group

Financial Highlights of:-

- (i) Insurance/ Takaful Revenue
- (ii) Investment Return
- (iii) Profit After Tax

### Other Developments of MNRB Group

- (i) Product Enhancements & Innovation - launched for FYE 2023 and in the funnel for FYE 2024
- (ii) Digitalization initiatives
- (iii) Sustainability Commitment
- (iv) Sustainability Highlights FYE 2023

Prior to the end of presentation, the President & GCEO concluded as follows:-

- The MNRB Group continued to build upon the growth momentum to deliver a commendable performance for the financial year ended March 31, 2023 (“FY2023”). The respective businesses met their strategic objectives and made significant progress on several fronts. Overall, the Group had a fruitful year FY2023.
- Amidst an economy on the pathway to recovery, the Group focused its efforts on expanding its organisation capabilities and readiness, while also championing the sustainability agenda among insurance players in the insurance industry.
- The Group would continue to implement the subsequent phases of the Group Office Transformation (“GOT”) initiatives, strengthen the Customer Experience Management (“CMX”) function and elevate ongoing digitalization efforts to open up new opportunities for business outreach.
- Moving forward, the Group was expected to continue register healthy premium/contribution growth and would continue to work on enhancing our bottom lines through risk selection, strategic investment efforts and be nimbler in capital utilisation.

- The Group remains optimistic and confident that given the solid foundation of business diversification and strong execution of strategic initiatives, MNRB would be able to weather any challenges over the medium to longer term.

The President & GCEO then handed the Chair back to the Chairman.

The Chairman thanked the President & GCEO and drew the attention of the shareholders to the Agenda and proceeded with the business to be transacted in the Notice of the AGM.

### **AS ORDINARY BUSINESS:**

#### **AGENDA 1**

#### **TO RECEIVE THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 TOGETHER WITH THE DIRECTORS AND AUDITOR'S REPORT THEREON**

The Chairman informed the meeting that the first item on the agenda was to receive the Audited Financial Statements for the financial year ended March 31, 2023 together with the Directors' and Auditor's Report thereon.

He added that as stated in the Notice, this item was meant for discussion only.

#### **AGENDA 2 (ORDINARY RESOLUTION 1)**

#### **TO RE-ELECT ENCIK GEORGE OOMMEN AS DIRECTOR UNDER CLAUSE 91 OF THE COMPANY'S CONSTITUTION**

The Chairman informed the meeting that under Clause 91 of the Company's Constitution, Encik George Oommen would retire by rotation and being eligible, had offered himself for re-election.



**AGENDA 2 (ORDINARY RESOLUTION 2)**

**TO RE-ELECT DATO' WAN ROSHDI WAN MUSA AS DIRECTOR UNDER CLAUSE 91 OF THE COMPANY'S CONSTITUTION**

The Chairman informed the meeting that under Clause 91 of the Company's Constitution, Dato' Wan Roshdi Wan Musa would retire by rotation and being eligible, had offered himself for re-election.

**AGENDA 3 (ORDINARY RESOLUTION 3)**

**TO APPROVE THE PAYMENT OF DIRECTORS' FEES AND THE PAYMENT THEREOF TO THE DIRECTORS FOR THE PERIOD FROM THE 50<sup>TH</sup> AGM UNTIL THE NEXT AGM IN 2024 ON MONTHLY BASIS**

The Chairman informed the meeting that the proposed Ordinary Resolution 3 was to approve the payment of Directors' fees and the payment thereof to the Directors for the period from the 50<sup>th</sup> AGM until the next AGM in 2024, to be payable on a monthly basis as follows: -

Directors' Fees	Chairman	Directors
	Per Annum	Per Annum
Board	RM130,000	RM70,000
<ul style="list-style-type: none"><li>• Audit Committee</li><li>• Risk Management Committee</li></ul>	RM22,000	RM17,000
<ul style="list-style-type: none"><li>• Group Nomination &amp; Remuneration Committee</li><li>• Group Investment Committee</li></ul>	RM17,000	RM12,000

The Chairman informed the meeting that the Board had not proposed for any increase in the Directors' Fees. He added that the Directors' Fees remained unchanged as per the fees approved at the last AGM held on September 22, 2022. The Directors' Fees were last revised in 2015.

He added that the detailed disclosure on a named basis for each individual director with breakdown of the various components were set out on Page 202 of the Notes to the Financial Statements in the Annual Report 2023.

**AGENDA 4 (ORDINARY RESOLUTION 4)**

**TO APPROVE DIRECTORS' BENEFITS (EXCLUDING DIRECTORS' FEES) PAYABLE TO THE DIRECTORS FROM THE CONCLUSION OF THE 50<sup>TH</sup> AGM UNTIL THE CONCLUSION OF THE NEXT AGM IN 2024**

The Chairman tabled Ordinary Resolution 4 on the payment of Directors' benefits (excluding Directors' Fees) to the Non-Executive Chairman and Non-Executive Directors of the Company for the period commencing from the conclusion of this AGM up till the conclusion of the next AGM to be held in 2024. He informed that the following Directors' benefits had remained unchanged as per approval obtained at the last AGM held in 2022:-

	<b>Chairman</b>	<b>Directors</b>
Benefits in kind:	<ul style="list-style-type: none"><li>• Company car and driver.</li><li>• Petrol (incurred basis).</li></ul>	Nil
	<ul style="list-style-type: none"><li>• Medical benefits on incurred basis.</li><li>• Directors' &amp; Officers Liability Insurance coverage.</li><li>• Other claimable expenses incurred in the course of carrying out their duties.</li></ul>	
Emolument:	<ul style="list-style-type: none"><li>• Meeting Allowance RM1,500 (per meeting)</li></ul>	

The Chairman informed the Meeting that the estimated amount of benefits payable to Non-Executive Directors for the period from the conclusion of this AGM until the next AGM of the Company in 2024 is up to RM787, 229.

**AGENDA 5 (ORDINARY RESOLUTION 5)**

**TO REAPPOINT MESSRS. ERNST & YOUNG PLT AS AUDITORS FOR THE FINANCIAL YEAR ENDING MARCH 31, 2024 AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION**

The Chairman informed the meeting that the proposed Ordinary Resolution 5 was on the reappointment of Messrs. Ernst & Young PLT (“EY”) as the Auditors of the Company for the financial year ending March 31, 2024 and to authorise the Directors to fix their remuneration. He further informed that EY had indicated their willingness to be reappointed.

**AS SPECIAL BUSINESS:**

**AGENDA 6 (ORDINARY RESOLUTION 6)**

**PROPOSED RENEWAL OF THE AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE NEW ORDINARY SHARES OF MNRB FOR THE PURPOSE OF MNRB DIVIDEND REINVESTMENT PLAN**

The Chairman then proceeded with Special Business of the meeting which was to pass Ordinary Resolution 6 on the proposed renewal of the authority for the Directors to allot and issue new ordinary shares of MNRB for the purpose of MNRB Dividend Reinvestment Plan (“DRP”) that would provide shareholders the option to elect to reinvest their cash dividend in new MNRB shares.

The Chairman added that the proposed Ordinary Resolution 6 if passed, would give authority to the Directors to allot and issue shares for DRP in respect of dividends to be declared until the next AGM. He added that the next renewal of this authority would be sought at the next AGM in 2024.

## **AGENDA 7**

### **TO TRANSACT ANY OTHER BUSINESS WHICH MIGHT PROPERLY BE TRANSACTED AT THE ANNUAL GENERAL MEETING**

The Chairman informed the meeting that he had been advised by the Company Secretary that no notice was received from the shareholders for any other business to be transacted under this agenda item.

## **Q&A SESSION**

The Chairman proceeded to the Q&A session and informed that the duration of 1 hour and 30 minutes was allotted for the Q&A session.

The Q&A session started with questions received from Minority Shareholders Watch Group (“MSWG”). The Chairman invited the President & GCEO to address the Company’s response to MSWG’s questions. The complete list of MSWG’s questions together with the answers as attached in [Appendix I](#) of these Minutes.

Moving on, the Chairman informed the meeting that besides questions received from MSWG, the Company also received questions from other shareholders prior to this meeting. He then reinvited the President & GCEO to read the Company’s response as attached in the [Appendix II](#) of these Minutes.

Lastly, the Chairman informed that the last Q&A session was to address questions received during the AGM. He added that as mentioned earlier, this session would be moderated by KPMG and for those multiple and repetitive questions posed by the shareholder, proxies or corporate representatives, KPMG would summarise them collectively.

The key questions/issues that were raised by the shareholders, which were addressed by the President & GCEO were as attached in the [Appendix III](#) of these Minutes.

After 1 hour had passed, the Chairman announced that the Q&A session was closed. He mentioned that for questions that were missed out and not answered during the meeting, Management would post the answers on the Company’s website.

## **POLL VOTING**

The Chairman then declared the meeting adjourned at 12.20 p.m. for the poll and poll count, and that the meeting would resume at 12.45 p.m. for the declaration of the poll results in respect of all Resolutions.

## **DECLARATION OF THE POLL RESULTS**

At 12.45 p.m., the Chairman resumed the Meeting to announce the poll results. He informed that he had received the results from the appointed Scrutineer, Messrs. Commercial Quest and read out the poll results to the shareholders and proxies present.

The poll results announced were as follows:-

**ORDINARY RESOLUTION 1** - for the re-election of Encik George Oommen as Director of the Company under Clause 91 of the Company's Constitution. The results were as follows:-

<b>FOR</b>		<b>AGAINST</b>	
Number of Shares	%	Number of Shares	%
445,617,123	99.6063	1,761,485	0.3937

The Chairman declared that Ordinary Resolution 1 was carried.

**ORDINARY RESOLUTION 2** - for the re-election of Dato' Wan Roshdi Wan Musa as Director of the Company under Clause 91 of the Company's Constitution. The results were as follows:-

<b>FOR</b>		<b>AGAINST</b>	
Number of Shares	%	Number of Shares	%
445,613,523	99.6055	1,765,085	0.3945

The Chairman declared that Ordinary Resolution 2 was carried

**ORDINARY RESOLUTION 3** – for the payment of Directors’ Fees and the payment thereof to the Directors for the period from the 50<sup>th</sup> AGM of the Company until the next AGM of the Company in 2024 payable on a monthly basis. The results were as follows:-

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
446,408,463	99.7831	970,145	0.2169

The Chairman declared that Ordinary Resolution 3 was carried.

**ORDINARY RESOLUTION 4** – for the approval of Directors’ Benefits (excluding Directors’ Fees) payable to the Directors up to an amount of RM787,229 from the conclusion of the 50<sup>th</sup> AGM until the conclusion of the next AGM in 2024. The results were as follows:-

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
446,356,324	99.7715	1,022,384	0.2285

The Chairman declared that Ordinary Resolution 4 was carried.

**ORDINARY RESOLUTION 5** – for the reappointment of Messrs. Ernst & Young PLT as the Auditors of the Company for the financial year ending March 31, 2024. The results were as follows: -

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
446,558,313	99.8166	820,295	0.1834

The Chairman declared that Ordinary Resolution 5 was carried.

**ORDINARY RESOLUTION 6** – for the proposed renewal of the authority for Directors to allot and issue new ordinary shares of MNRB for DRP. The results were as follows: -

<b>FOR</b>		<b>AGAINST</b>	
Number of Shares	%	Number of Shares	%
446,343,252	99.7686	1,035,356	0.2314

The Chairman declared that Ordinary Resolution 6 was carried.

The poll results were as attached in the [Appendix IV](#) of these Minutes.

### **CLOSING OF THE MEETING**

The Chairman thanked the shareholders for their participation and perseverance during the meeting and declared the 50<sup>th</sup> AGM closed.

On behalf of the Board of MNRB, the Chairman once again thanked the shareholders for their continued trust and support during these extraordinary times.

There being no further business, the meeting was declared closed by the Chairman at 1.00 p.m.

CONFIRMED

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Confirmed

# ANNUAL GENERAL MEETING OF MNRB HOLDINGS BERHAD

## MSWG QUESTIONS & ANSWERS





# QUESTIONS & ANSWERS

QUESTIONS	RESPONSES
<p><b><u>Operational &amp; Financial Matters</u></b></p> <p><b>1. Despite posting better financial performances in FY2023 with a 14% and 4.4% increase in revenue and net profit to RM3.71 billion and RM119.47 million, respectively, MNRB did not distribute dividends to shareholders.</b></p> <p><b>As a comparison, the Company declared a cash dividend of 2.5 sen per share, totaling approximately RM19.6 million in FY2022.</b></p> <p><b>Why did the Company not declare dividends in FY2023 despite the better financial performance?</b></p>	<ul style="list-style-type: none"><li>▪ We had received numerous queries about dividends. We understood and appreciated that it could have resulted from our strong performance in both the previous financial year and the first quarter of this financial year.</li><li>▪ We had taken note of the shareholders' request and were continuing to evaluate our options based on our robust capital position.</li></ul>



# QUESTIONS & ANSWERS

QUESTIONS	RESPONSES
<p>2. The reinsurance/retakaful segment recorded a weak first half but performed better in the second half of FY2023 with an overall 11.6% increase in gross written premiums/contribution (GWP/GWC) to RM1.95 billion in FY2023 from RM1.7 billion in the previous year. The segment had a higher net profit of RM56.2 million as compared to RM50.3 million in FY2022.</p>	
<p><b><u>Operational &amp; Financial Matters</u></b></p> <p>a) Did the Group expect similar growth momentum in FY2024 for the overall reinsurance/retakaful segment, considering the growth in FY2023 was mainly driven by the reopening of economy in the endemic phase?</p>	<ul style="list-style-type: none"><li>▪ We anticipated that growth would be moderated, although the company's total GWP/GWC was expected to reach the RM 2 billion milestone. Our priority for FY2024 was to deliver on the bottom-line whilst ensuring a quality top-line growth.</li><li>▪ The global reinsurance market was hardening as terms improved and pricing increases. This augured well for reinsurers, who were seeing positive outcomes.</li><li>▪ It was an opportunity that we could be more selective in underwriting the business. In a hardening market, we may write less business, yet earn the same or higher premiums.</li></ul>

QUESTIONS	RESPONSES
<p><b><u>Operational &amp; Financial Matters</u></b></p> <p><b>b) For FY2023, the international businesses contributed RM1.01 billion, or 52% of the total RM1.95 billion reinsurance/retakaful GWP/GWC in FY2023. Notably, this was the first time the premium contribution from the overseas market overtook the domestic market.</b></p> <p><b>Did the Group expect premium contribution from the overseas market to remain ahead of the domestic market as the focus had shifted to growing international presence as the domestic market has reached a saturation point?</b></p> <p><b>What was the breakdown between treaty and non-treaty businesses for overseas operations? What was the growth rate of the Managing General Agents and Specialty business by premiums in FY2023 compared to FY2022?</b></p>	<ul style="list-style-type: none"> <li>▪ Yes, we expected overseas market contribution to remain ahead of domestic market contribution in FY2024, targeting specific markets and business lines as we continued to diversify risks and manage any systemic vulnerabilities stemming from concentrated exposure in the domestic market.</li> <li>▪ For FY2023, the breakdown between treaty and non-treaty business were 70.5% and 29.5%, respectively.</li> <li>▪ In FY2023, the growth rates for Managing General Agents (MGA) and Specialty business by premium were +45.2% and +7.1%, respectively.</li> </ul>

QUESTIONS	RESPONSES
<p><b><u>Operational &amp; Financial Matters</u></b></p> <p><b>3. MNRB previously stated the family takaful business would be negatively impacted upon the implementation of the Malaysian Financial Reporting Standards 17 (MFRS 17) - Insurance Contracts with effect from 1 April 2023.</b></p> <p><b>What were the salient impacts of this implementation to the financial statements? How would the reporting of family takaful’s financial performance be affected and what was the extent of the impact?</b></p>	<ul style="list-style-type: none"><li>▪ The MFRS 17 standard did not impact on the Company's fundamental economics, financial soundness, claims paying ability, or dividend capacity. If there was an impact, it would be on the timing of expected future profit recognition.</li><li>▪ Under the previous MFRS 4 standard, new business gains were recognised in income and investment-related activities were capitalised and reflected immediately in the current period.</li><li>▪ Under the MFRS 17 standard, new business gains would be recorded in the Contractual Service Margin (CSM) and recognised over the duration of the contract, and investment-related activities would be recognised throughout the life of the asset.</li></ul>



# QUESTIONS & ANSWERS

QUESTIONS	RESPONSES
<p><b><u>Operational &amp; Financial Matters</u></b></p> <p><b>4. MNRB did not disclose essential ratios for insurance industry such as combined ratio, expense ratio, and claims ratio in the annual report.</b></p> <p><b>Would the Company consider disclosing such information in annual reports for the benefit of shareholders to enable better assessment of MNRB's performance?</b></p>	<ul style="list-style-type: none"><li>▪ The MNRB Group always strives for transparency and clarity in all its reporting to the shareholders. However, we believed it was more prudent not to publish business-sensitive disclosures in the Annual Report.</li></ul>



# QUESTIONS & ANSWERS

QUESTIONS	RESPONSES
<b><u>Sustainability Matters</u></b>	
<b>1. Insurance and reinsurance players globally had committed to transitioning their insurance and reinsurance underwriting portfolio to net zero greenhouse emissions, as well as gradually phasing out from ESG-negative and sensitive industries.</b>	
<b>a) From MNRB’s perspective, was it realistic for the Company to set such targets for now considering the current state of economy among emerging ASEAN countries?</b>	<ul style="list-style-type: none"><li>▪ In working towards the Net Zero commitment, we carefully considered the challenges and aim to:<ul style="list-style-type: none"><li>▪ Progressively integrate our investments and operations with our sustainability agenda, while increasing our capability over a longer time horizon.</li><li>▪ Assess the climate change and sustainability risks, particularly how they may impact our operations and financial stability.</li><li>▪ Consider the regulatory landscape and our customers’ and investors’ sustainability expectations.</li><li>▪ Collaborate with our stakeholders, including government agencies, peers, NGOs and communities to advance the agenda.</li><li>▪ Evaluate how our sustainability efforts may improve brand recognition and provide access to new markets and investors.</li></ul></li></ul>

QUESTIONS	RESPONSES
<p><b><u>Sustainability Matters</u></b></p> <p><b>b) Had MNRB formally established sector exclusive policy to exclude certain sectors or industries from its underwriting practices?</b></p>	<ul style="list-style-type: none"> <li>▪ The establishment of sector-based underwriting policy is currently in progress.</li> </ul>
<p><b>c) What were the strategies and approaches in integrating sustainability and ESG considerations into different segments of businesses namely reinsurance/retakaful, family takaful, and general takaful?</b></p>	<ul style="list-style-type: none"> <li>▪ The sustainability strategy was developed at the Group, with full support from the Board and Senior Management. The sustainability integration into our business and operations would leverage on multiple approaches including:               <ul style="list-style-type: none"> <li>▪ Training and Awareness sessions</li> <li>▪ Integration in the Business Planning</li> <li>▪ Integration into Product Development</li> <li>▪ Enhancement of key processes such as procurement, underwriting due diligence and investment portfolio assessment.</li> <li>▪ Collaborations and partnerships with stakeholders</li> <li>▪ Embedding it in the Corporate KPI</li> </ul> </li> </ul>

**- END OF MSWG Q&A -**



# ANNUAL GENERAL MEETING OF MNRB HOLDINGS BERHAD

## PRE-AGM QUESTIONS & ANSWERS QUESTIONS FROM SHAREHOLDERS



SHAREHOLDER'S NAME	QUESTIONS	RESPONSES
PNB	<p><b><u>Takaful Business</u></b></p> <p><b>[Excerpt from page 18 of Annual Report 2023]</b>  <b>We expect Takaful IKHLAS to continue strengthen its good performance through its initiatives in transforming and elevating the customer experience, developing better and more relevant products, as well as increasing investments in digitalisation.</b></p> <p><b>How much investments was expected on digitalisation for the next 3 years? What would be key focus areas and the expected financial and non-financial impact?</b></p>	<ul style="list-style-type: none"> <li>▪ Our digitalisation initiatives were focused on increasing business value through exceptional customer experiences, increasing operational efficiency and optimizing expenses.</li> <li>▪ The front-end IKHLAS GO ecosystem created a superior customer experience both through our direct channel and intermediaries, increasing its productivity. It also enabled connectivity to external digital partners, expanding our reach.</li> <li>▪ The back-end process improvement had been enabled using Robotic Process Automation and Workflow Automation.</li> <li>▪ Approximately RM2 million was saved through operational automation in FY2023. In the future, we anticipated that sales revenue to further expand against an investment of about RM15 million over the next three years.</li> </ul>



# QUESTIONS & ANSWERS

SHAREHOLDER'S NAME	QUESTIONS	RESPONSES
PNB	<p><b><u>Takaful Business</u></b></p> <p><b>[Excerpt from page 18 of Annual Report 2023] At the same time, it will prioritise franchise, corporate and bancatakaful partnerships to expand its revenue streams.</b></p> <p><b>Apart from the key priority areas above, would agency network be given focus as well since it was the main distribution channel for the family business? How had this channel been performing so far, and did it meet your expectations?</b></p>	<ul style="list-style-type: none"><li>▪ Yes, the Agency business remained the main distribution channel for both the Family and General Takaful businesses. For General Takaful business, the Agency channel continued its momentum as the largest topline contributor to the business portfolio.</li><li>▪ As for the Family Takaful business, the performance of the Agency channel was challenging as the economy is still recovering in the post-pandemic stage. Nevertheless, various action plans are currently being executed under the ongoing Agency Transformation Program (ATP) and the recent onboarding of the new Agency leadership to boost the business.</li></ul>



# QUESTIONS & ANSWERS

SHAREHOLDER'S NAME	QUESTIONS	RESPONSES
PNB	<p><b><u>Reinsurance Business</u></b></p> <p><b>[Excerpt from page 18 of Annual Report 2023] ... reinsurance and retakaful arm plans to expand and diversify its overseas portfolio into high-potential markets and increase its participation in areas such as Overseas and Specialty Treaties and Managing General Agents. It will also pursue opportunities in both the Family and General Retakaful businesses.</b></p> <p><b>From the statement above, it seemed that Cyber was not one of the areas where MNRB plans to increase its participation. [To note, there was a mention of Cyber being one of the key areas for expansion in Annual Report 2022]. Was Cyber no longer one of your focus areas? If not, could you share your progress in exploring this segment as well as the challenges and opportunities you had encountered?</b></p>	<ul style="list-style-type: none"><li>▪ For the current financial period, Cyber was not considered a high-priority area for the domestic market as cyber insurance was still relatively in a nascent stage in Malaysia with limited volume in the market.</li><li>▪ Whilst the overseas Cyber market was significantly larger, there was a need to manage the risk prudently due to the potentially significant exposure and liability associated with the Cyber risk.</li><li>▪ Malaysian Re recognised the long-term potential though and would re-assess its priority on Cyber once the market volume had reached the economic level commensurate with the risks, and the necessary risk-assessment skillset had been adequately developed within the Company's talents.</li></ul>



# QUESTIONS & ANSWERS

SHAREHOLDER'S NAME	QUESTIONS	RESPONSES
TIAN WEE YEAN	<p><b>Why were there no door gifts, or e-vouchers for its shareholders, or proxies for participating in RPEV?</b></p> <p><b>I remembered the last few years, before the COVID-19 pandemic, when MNRB generously offered door gifts for its shareholders and proxies, such as umbrellas, souvenir bottles, etc.</b></p>	<ul style="list-style-type: none"><li>▪ In prior years, during the physical AGMs, MNRB had always provided door gifts or vouchers to AGM attendees as our token of appreciation for their continued support.</li><li>▪ However, when the AGM was held virtually in the past few years, no door gifts or vouchers were provided.</li><li>▪ Similarly, because the AGM was being held virtually again this year, no door gifts or vouchers were provided. However, the Company took note of the request.</li></ul>

**- END OF PRE-AGM Q&A -**



Questions raised during the 50<sup>th</sup> Annual General Meeting

Name of Shareholder/ Proxy/ Representative	Question	Answer
Choy Yau Kee	Does MNRB have any plans to hold physical general meetings in the near future?	With regards to the future AGM, we would take into consideration a few factors before deciding on the mode of meeting. Among others, we would look into the cost factor, safety of shareholders and effectiveness of a particular mode.
Teh Kian Lang	Does MNRB regard 2023 a better year than 2022 or worse off due to unforeseen challenges?	Despite the problems faced during the post-pandemic economic recovery, FY2023 witnessed a better result, with revenue increasing by 13.4%. Bottom line, the uncertainties in the economy and climate environment posed a hard period, but the Group fosters a minor increase in profit of approximately 4.4%.
Teh Kian Lang	What was Float invested in?	<p>The float was invested in financial assets, comprising of:-</p> <ul style="list-style-type: none"> <li>(i) Fixed Income (45.8%)</li> <li>(ii) Deposits (46.2%).</li> <li>(iii) Equity - quoted &amp; unquoted (4.4%)</li> <li>(iv) Unit Trust (3.5%)</li> </ul>



Questions raised during the 50<sup>th</sup> Annual General Meeting

Name of Shareholder/ Proxy/ Representative	Question	Answer
Teh Kian Lang	What were some of the challenges faced by MNRB in 2023?	<p>Challenges:-</p> <ul style="list-style-type: none"> <li>● Prevalence of Natural Catastrophe Events</li> <li>● Inflation remains a concern which would impact operations and claims cost.</li> </ul> <p>Prospect:-</p> <ul style="list-style-type: none"> <li>● Increase awareness on Sustainability Agenda</li> <li>● Growing middle class population</li> </ul> <p>Younger and digitally literate consumers who were becoming aware of the benefit of life insurance.</p>
Teh Kian Lang	What was the current compulsory cessation rate that was approved by the regulators for MNRB?	The rate was at 2.5% against all local conventional insurers' classes of business.





Questions raised during the 50<sup>th</sup> Annual General Meeting

Name of Shareholder/ Proxy/ Representative	Question	Answer
Chua Song Yun	<p>FY2023 and Q1 of FY2024 reported higher profit as a result of investment income and other relevant incomes. However, Insurance /Takaful seems to be operating in loss without the investment incomes.</p> <p>(i) Were insurance companies able to produce profitability?</p>	<p>(i) Investment income was an integral contributor to the profit of insurance companies globally. We focused on growing our premiums/contributions profitably. It's always a strategic challenge for insurance companies to strike a balance between underwriting and investment performance as they complement each other.</p> <p>Underwriting performance remained under pressure post-pandemic following the normalisation of claims experience coupled with the catastrophic losses affecting the reinsurance subsidiary.</p>



Questions raised during the 50<sup>th</sup> Annual General Meeting

Name of Shareholder/ Proxy/ Representative	Question	Answer
	(ii) The profitability of insurance companies mostly depends on the investment income, and it was not sustainable for the Companies' growth in the long-term. How does Management tackle this challenge?	(ii) During such time, the investment performance would be the support towards maintaining the profitability of the Group. It was always the Group's intention for both the insurance and investment portfolio to contribute towards the Group's profit.
Chua Song Yun	<p>The Group's ROE was at around 4.6% over the past 2 years, if compared to previous years' high single digit despite the increase of OPR environment. The low ROE results in lower than the required return of capital and leads to value degradation.</p> <p>(i) Please explain the reason for lower ROE?</p>	(i) FY2023's ROE of 4.6% was comparable to the 5-year average ROE of 5.6%. Amongst the reasons for the relatively low ROE are several catastrophic events (for example the Great Malaysian Flood and Turkey Earthquake), the normalisation of claims experience post-pandemic and the adverse impact from the share of results from our associates.



Questions raised during the 50<sup>th</sup> Annual General Meeting

Name of Shareholder/ Proxy/ Representative	Question	Answer
	(ii) How the Board and Management plan to address this issue?	The Group remained focused on its strategies to improve its profitability and ROE, namely diversification of its business portfolio, increasing its outreach, improving its customer experience, and optimizing its investment strategies and operational efficiency.
Goh Pek Hong	Please explain the Group's strategy to increase value in the company?	<p>In line with its expansion ambitions, Malaysian Re continues to leverage its Business Re-modelling initiative to accelerate growth and ensure sustainable profits. This involved diversification of its business portfolio and accelerated growth of non-traditional segments</p> <p>To expand its footprint and market share, Takaful IKHLAS continued to improve its productivity, increase its outreach to customers and intensify customer service excellence efforts. This entailed the strengthening of agency competencies and continued deployment of digital capabilities to optimise its operations, enhance the customer experience, and forge new alliances with data-rich strategic partners.</p>



Questions raised during the 50<sup>th</sup> Annual General Meeting

Name of Shareholder/ Proxy/ Representative	Question	Answer
Koh Chooi Peng	<p>The Combined Ratios for the Reinsurance and Retakaful business was reported at 101.9% for both FY2022 and 2023.</p> <p>(i) What was the reason(s) for the Combined Ratios to exceed 100%? Does that mean the operational expenses exceeded the Gross Premium Contributions?</p> <p>(ii) What was the target for Combined Ratio for FY2024 as well as the steps to lower Ratios to below 100%?</p>	<p>(i) The high combined ratios for the said financial years were due to the relatively higher large losses recognised from both the domestic as well as international markets.</p> <p>(ii) We targeted to achieve a Combined Ratio that would be commendable when compared with the industry.</p> <p>To achieve this, we would continue our course in implementing our Business Re-modelling Plan, especially in diversifying our business portfolio in profitable non-traditional segments.</p>



Questions raised during the 50<sup>th</sup> Annual General Meeting

Name of Shareholder/ Proxy/ Representative	Question	Answer
<p><b>NOTE: All the questions above were answered during the meeting. As mentioned by the Chairman during the AGM, the remaining unanswered questions below would be addressed via the Company's website.</b></p>		
<p>Koh Chooi Peng</p>	<p>There had been an increase in Miscellaneous Income from RM20.862 million in FY2022 to RM28.845 million as reported in FY2023.</p> <p>(i) What were the major items categorised under Miscellaneous income?</p> <p>(ii) Would a similar quantum be recognised in FY2024?</p>	<p>(i) Miscellaneous income was income that was not related to business. Large portion of the miscellaneous income consist of unreconciled and reversal of over provision predominantly from prior years as well as current year.</p> <p>(ii) As mentioned above, since the amount was related to unreconciled and provisions, it would not be similar for every year.</p>



Questions raised during the 50<sup>th</sup> Annual General Meeting

Name of Shareholder/ Proxy/ Representative	Question	Answer
Chua Song Yun	Please explain why combined ratio, expense ratio and claims ratio were business sensitive information to MNRB whilst other companies did disclose the figures?	We cannot comment on other companies' policies.
Koh Chooi Peng	<p>The share of loss from main associate company, Labuan Reinsurance Ltd ("Labuan Re"). increased substantially to RM16.725 million vs a share of profit in FY2022.</p> <p>(i) What was the reason(s) for the huge losses reported by Labuan Re in FY2023?</p> <p>(ii) Would Labuan Re able to report a profit in FY2024 based on the results reported for the last 5-6 months?</p>	<p>(i) Labuan Re reported a loss for FYE2023 due to large losses events and fair value losses on investment.</p> <p>(ii) For FYE 2024, we anticipated that Labuan Re would report a profit. For Q1 2024, the share of profit from Labuan Re was RM6 million.</p>



Questions raised during the 50<sup>th</sup> Annual General Meeting

<b>Name of Shareholder/ Proxy/ Representative</b>	<b>Question</b>	<b>Answer</b>
Teh Bee Gaik	Does the recent heavy rain and flooding in China, specifically in Beijing and Hong Kong affect MNRB's reinsurance business?	Based on our current assessment, we had minimal exposure from the said events.

**MNRB BERHAD**

50TH ANNUAL GENERAL MEETING

Online Meeting Platform

Wednesday, 20 September 2023

**Polling Results**

RESOLUTION	Vote FOR			Vote AGAINST			TOTAL Vote
	NO. OF			NO. OF			NO. OF
	RECORDS	SHARES	%	RECORDS	SHARES	%	SHARES
ORDINARY RESOLUTION 1	315	445,617,123	99.6063	69	1,761,485	0.3937	447,378,608
ORDINARY RESOLUTION 2	314	445,613,523	99.6055	70	1,765,085	0.3945	447,378,608
ORDINARY RESOLUTION 3	296	446,408,463	99.7831	88	970,145	0.2169	447,378,608
ORDINARY RESOLUTION 4	280	446,356,324	99.7715	105	1,022,384	0.2285	447,378,708
ORDINARY RESOLUTION 5	329	446,558,313	99.8166	55	820,295	0.1834	447,378,608
ORDINARY RESOLUTION 6	310	446,343,252	99.7686	74	1,035,356	0.2314	447,378,608

