



# MAYBANK-BURSA'S RISE ZOOM WEBINAR

27 September 2022

*'We Protect Everyone'*



#1

MNRB GROUP



# KEY FACTS

MNRB Group is a financial services conglomerate focused on three core lines of business:

**Focused on Reinsurance and Takaful**

- Reinsurance and Retakaful
- Family Takaful
- General Takaful



**RM1,745.8m**



**RM713.8m**

**RM516.1m**

**RM2,987.7m**

Of Gross Premium / Contribution Written in FY2022



**>900 employees**



**Reinsurance arm does business in over 20 countries in Asia and Europe**



**Takaful arm offers comprehensive array of products and services for Group and Individual, Family and General**



- **Malaysia : 51%**
- **Asia Pacific: 26%**
- **Middle East: 5%**
- **Europe & Others: 18%**



## Family Takaful

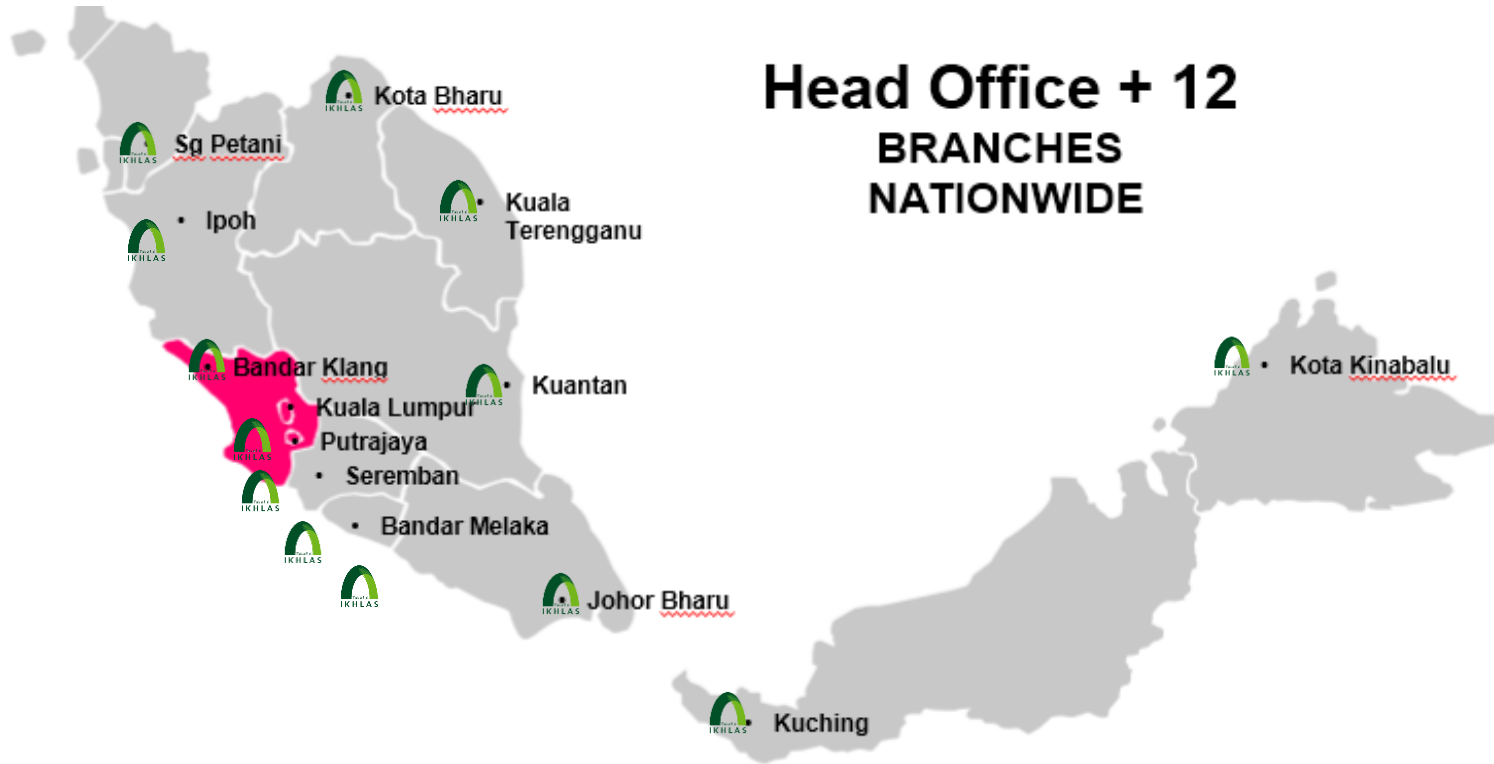


## General Takaful



*And many others...*

# TAKAFUL IKHLAS – NATIONAL PRESENCE



**Head Office + 12  
BRANCHES  
NATIONWIDE**



.. With 6 new Virtual  
IKHLAS Points (“VIP”) in  
operation



**Feb 1973**  
Malaysian  
National  
Reinsurance  
Berhad  
established

**Nov 1996**  
Listed on Main  
Board of KLSE



**Jul 2003**  
Takaful IKHLAS  
begins  
operations



**Apr 2005**  
Restructuring –  
MNRB became  
Holding  
Company



**Mar 2008**  
Malaysian Re  
Dubai  
established as  
marketing arm  
for Middle East

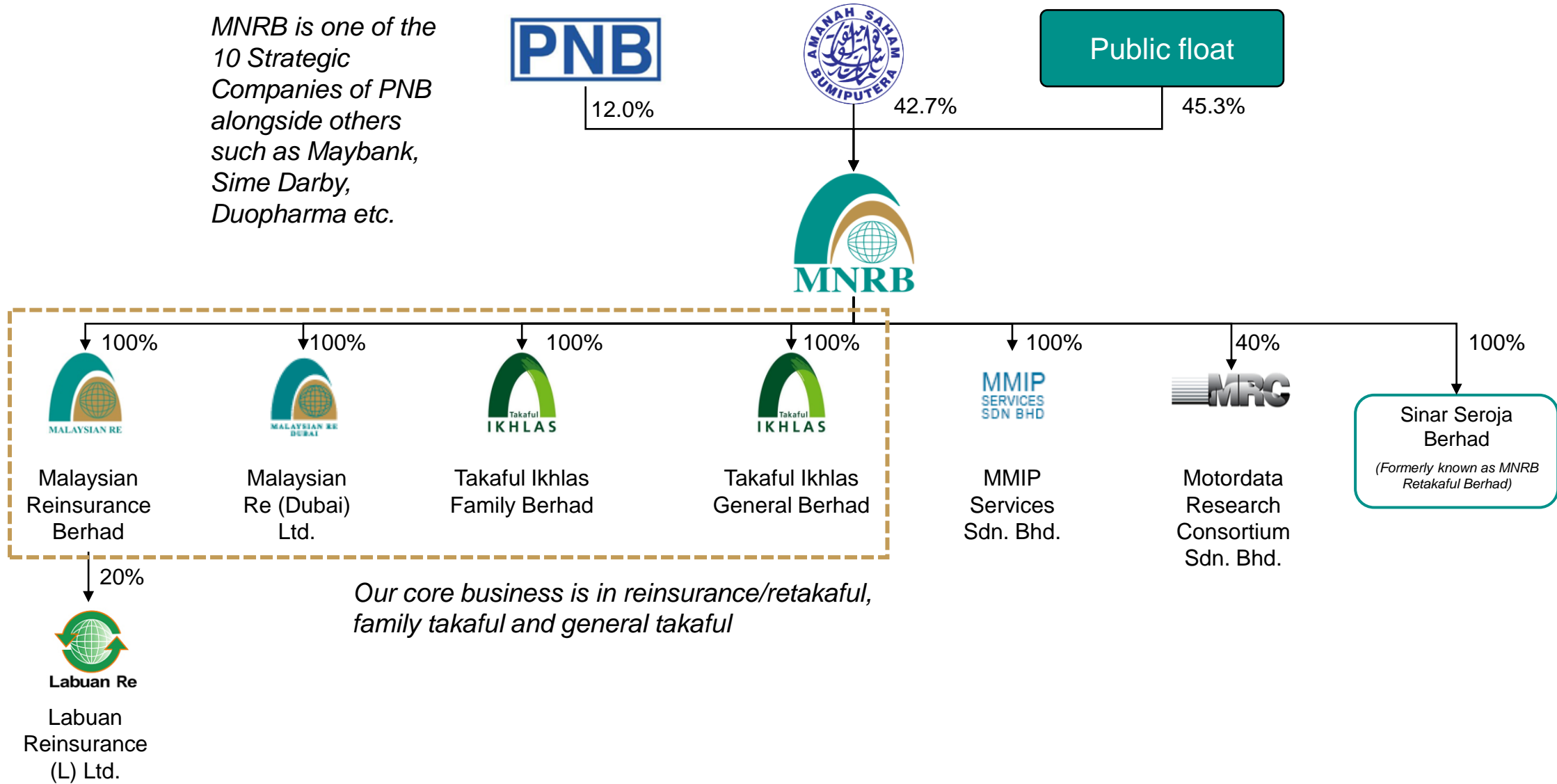
**Dec 2017**  
Malaysian Re  
starts retakaful  
window



**Dec 2018**  
Takaful  
IKHLAS splits  
into Family  
and General

# GROUP STRUCTURE

MNRB is one of the 10 Strategic Companies of PNB alongside others such as Maybank, Sime Darby, Duopharma etc.





# BOARD OF DIRECTORS OF MNRB



**Datuk Johar Che Mat**

Non-Independent Non-  
Executive Chairman/Director



**George Oommen**

Senior Independent Non -  
Executive Director



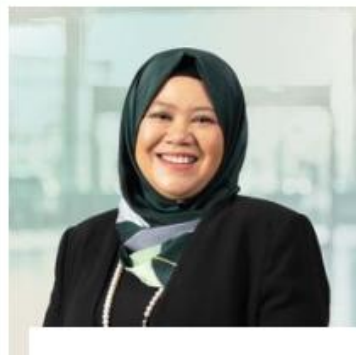
**Khalid Sufat**

Independent Non-Executive  
Director



**Junaidah Mohd Said**

Independent Non-Executive  
Director



**Zaida Khalida Shaari**

Independent Non-Executive  
Director



**Dato' Wan Roshdi Wan  
Musa**

Independent Non-Executive  
Director

# SENIOR MANAGEMENT OF MNRB



**Zaharudin Daud**

President & Group Chief  
Executive Officer of MNRB  
Holdings Berhad



**Norazman Hashim**

Executive Vice President &  
Group Chief Financial Officer



**Zainudin Ishak**

President & Chief Executive  
Officer, Malaysian Reinsurance  
Berhad



**Muhammad Fikri  
Mohamad Rawi**

President & Chief Executive  
Officer of Takaful Ikhlas Family  
Berhad



**Dato' Rudy Rodzila Che  
Lamin**

President & Chief Executive  
Officer of Takaful Ikhlas General  
Berhad



**Ahkter Abdul Manan**

Senior Vice President & Group  
Chief Investment Officer

# SENIOR MANAGEMENT OF MNRB (CONT)



**Rizal Mohd Zin**

Senior Vice President & Group  
Chief Strategy Officer



**Leong Joe Yee**

Senior Vice President & Group  
Chief Risk Officer



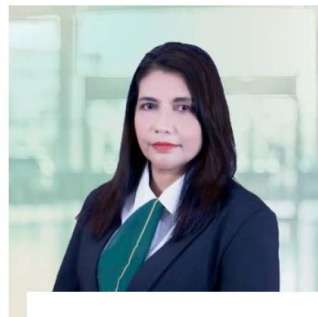
**Tung Chee Lim**

Senior Vice President & Head of  
Group General Actuary



**Lena Abd Latif**

Senior Vice President & Head of  
Legal & Secretarial and  
Company Secretary



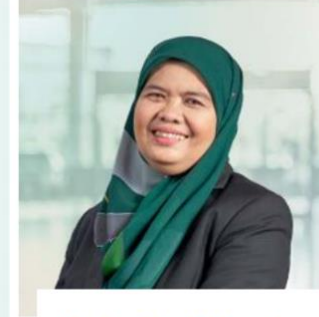
**Nur Azlina Mohd Yazid**

Senior Vice President & Head of  
Group Human Capital  
Management



**Ng Chee Sang**

Senior Vice President & Group  
Chief Technology Officer

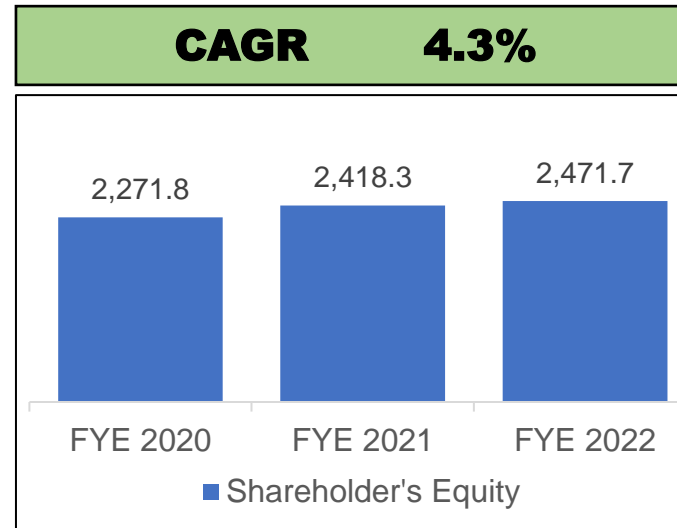
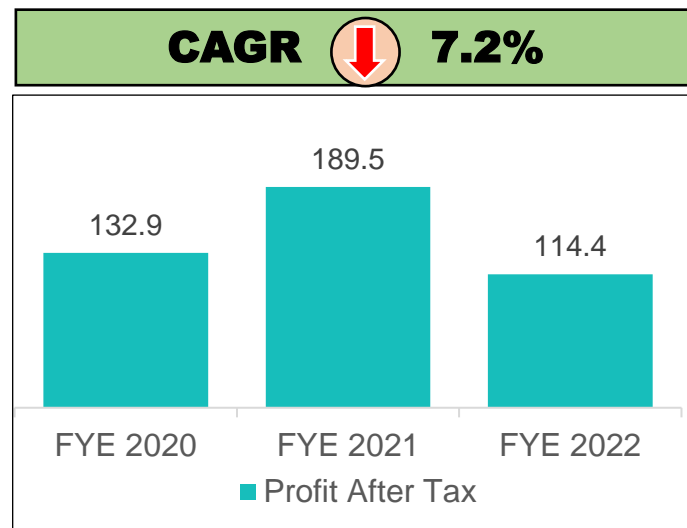
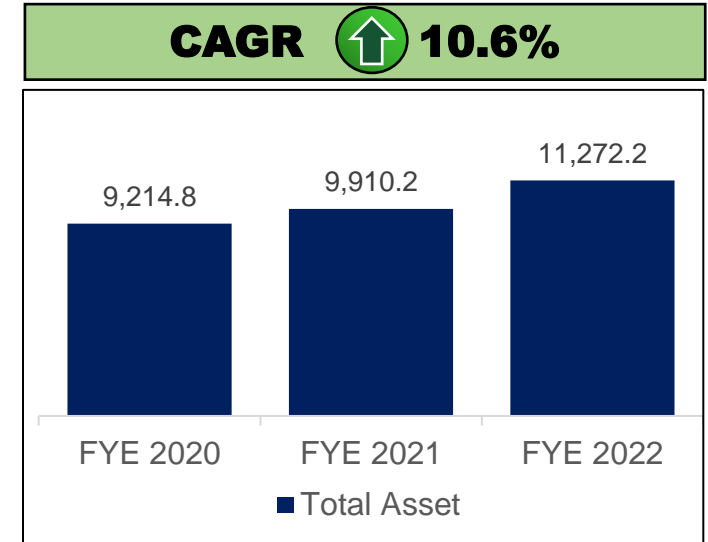
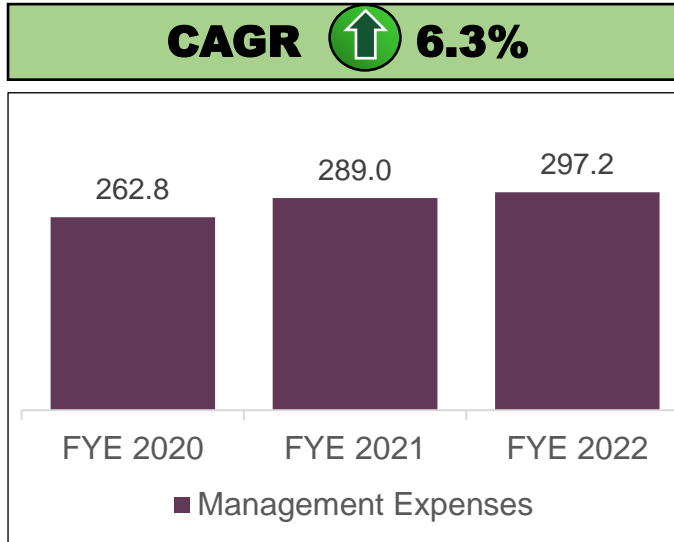
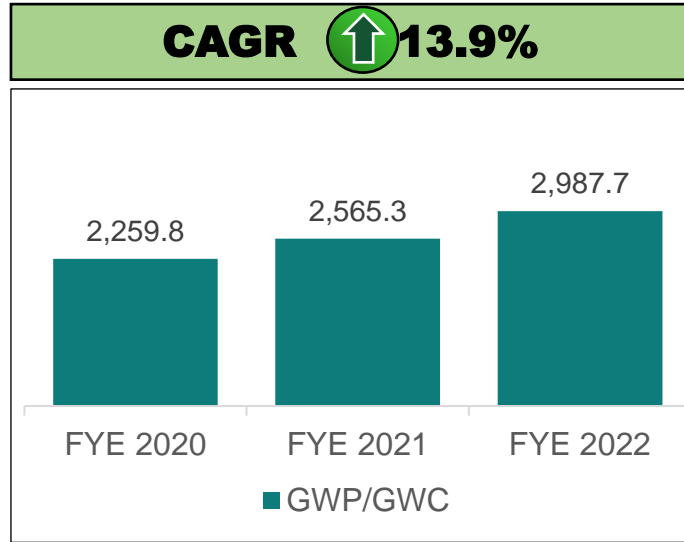


**Haniza Filzah Hayani  
Abu Haniffa**

Senior Vice President & Group  
Chief Internal Auditor

# GROUP FINANCIAL OVERVIEW

*Despite operating in a volatile environment, we remain fundamentally strong....*

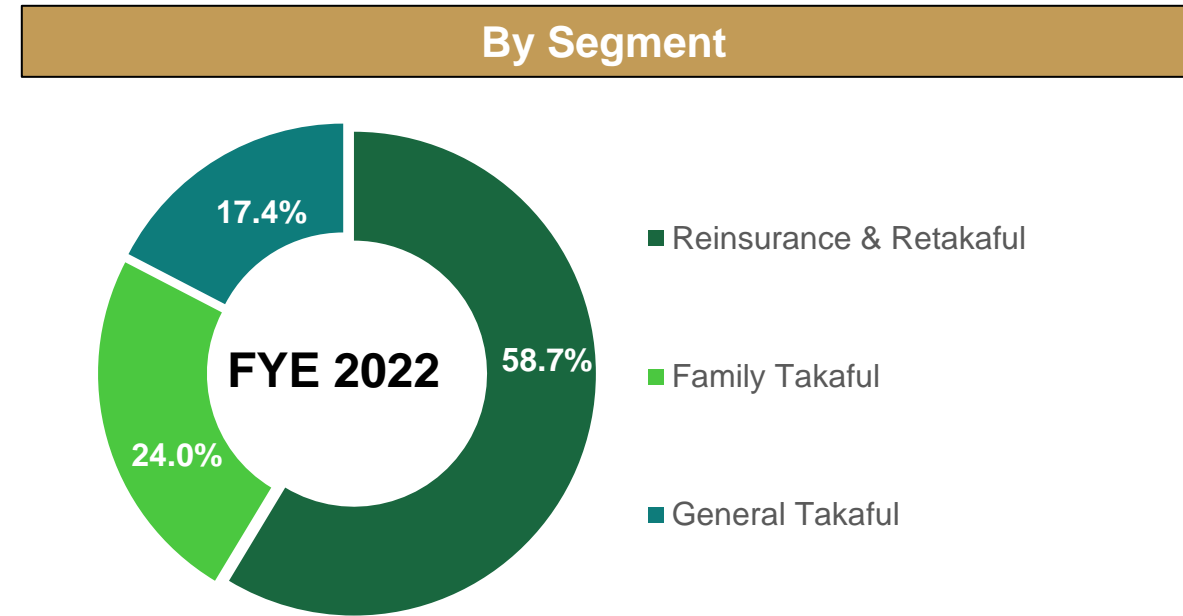
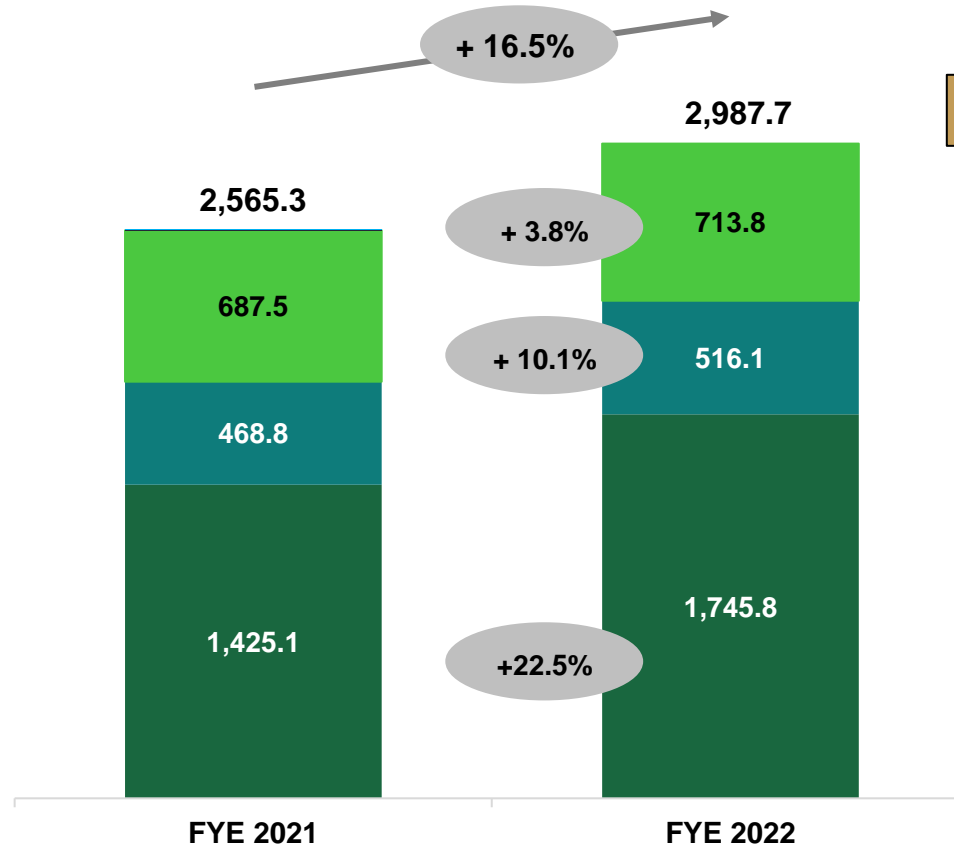


# GROUP GROSS PREMIUM / CONTRIBUTION

**Gross Premium / Contribution**  
(RM' million)

**Legend**

- Family Takaful
- General Takaful
- Reinsurance/ Retakaful
- vs SPLY



Note : <sup>(1)</sup> Includes elimination of -RM16.0 million and RM12.0 million in FYE 2021 and FYE 2022, respectively.

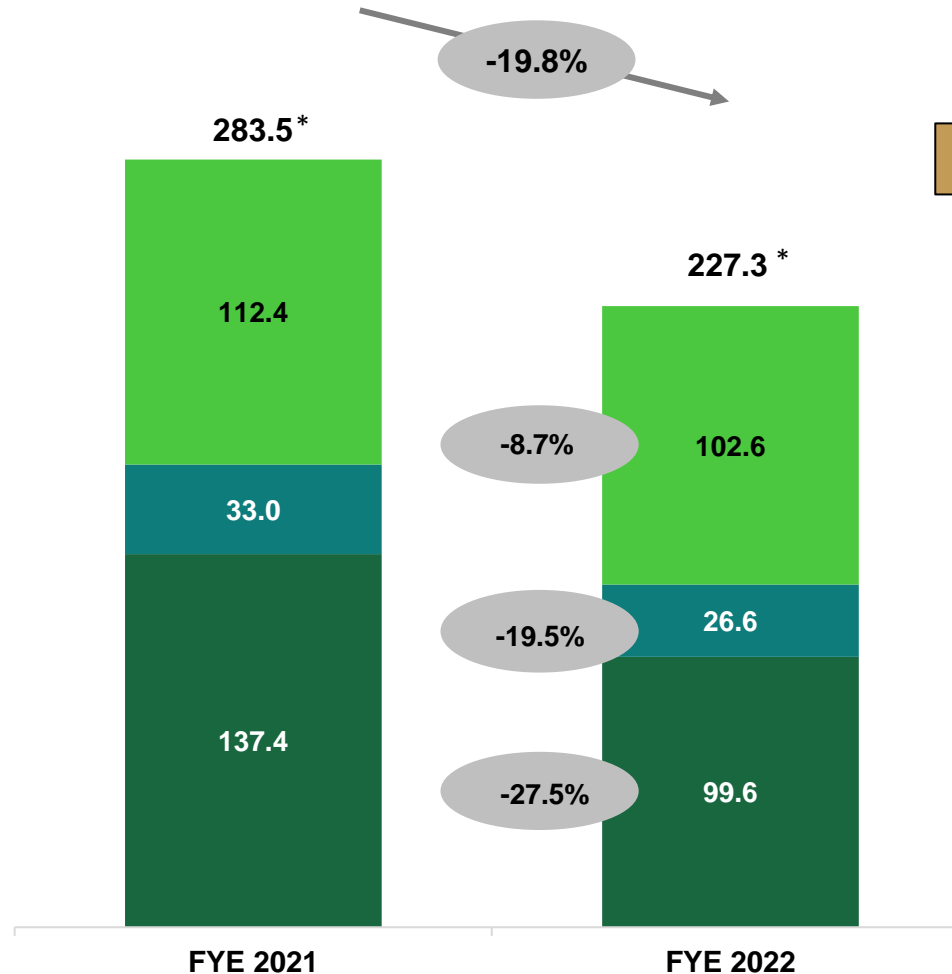


# GROUP NET INVESTMENT INCOME

**Group Net Investment Income**  
(RM' million)

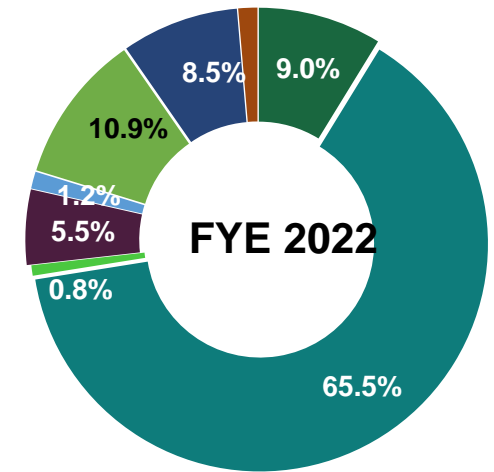
**Legend**

- Family Takaful
- General Takaful
- Reinsurance/ Retakaful vs SPLY



## Investment Income Mix

- Low Risk Asset
- Secured/ unsecured financing
- Unquoted shares
- Quoted shares
- Unit trust fund
- Deposits - Local
- Deposits - Foreign
- Others

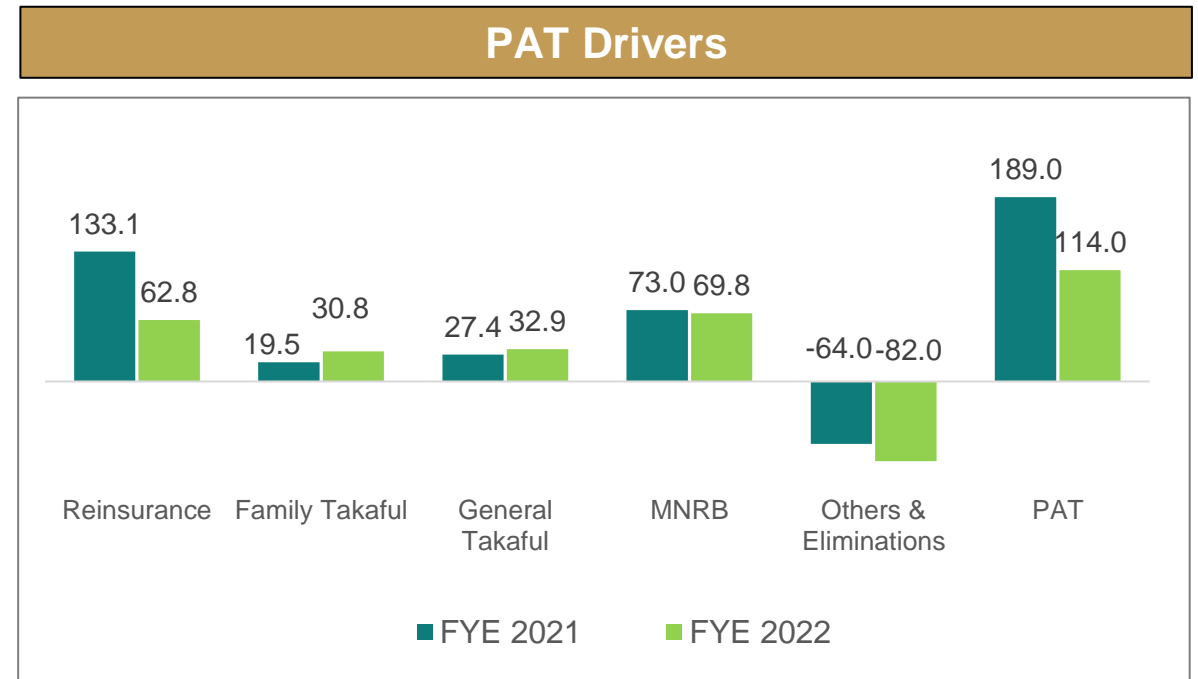
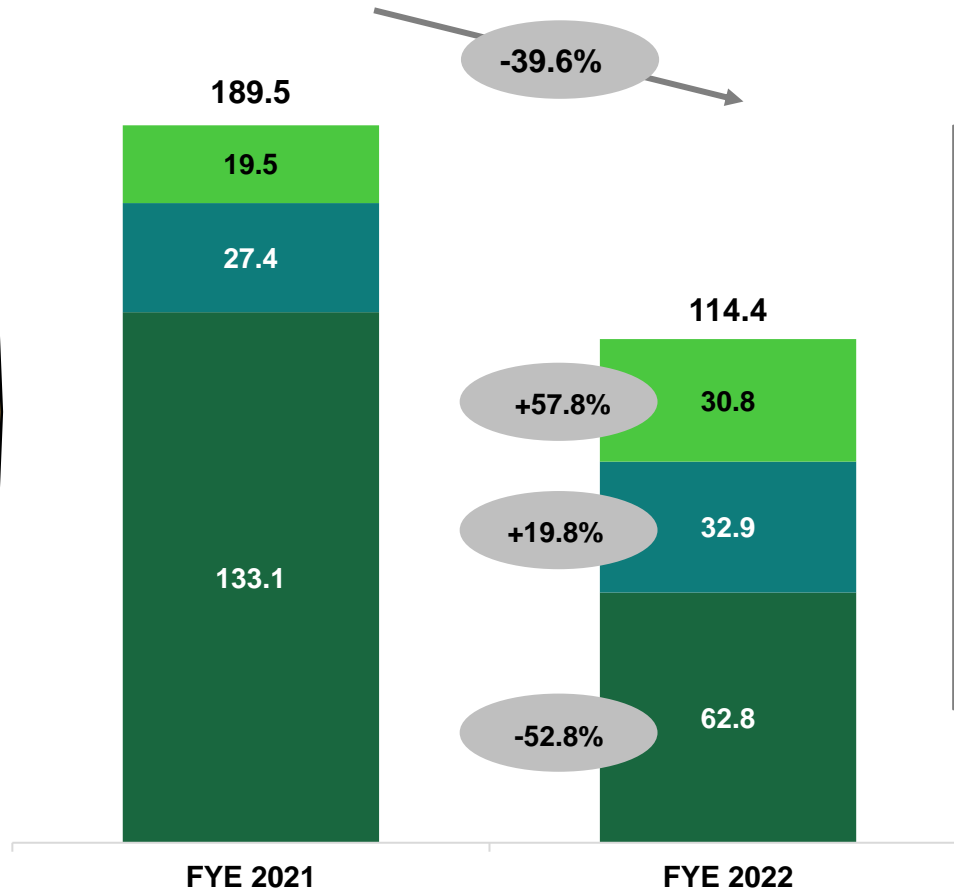


# GROUP PROFIT AFTER TAX

**Group Profit After Tax**  
(RM' million)

**Legend**

- Family Takaful
- General Takaful
- Reinsurance/Retakaful
- vs SPLY



Note : <sup>(1)</sup> Includes MNRB, other subsidiaries and elimination of RM9.4 million and -RM12.0 million in FYE 2021 and FYE 2022, respectively .

# BUSINESS UNITS' MARKET DEVELOPMENT

**Our subsidiaries recorded an encouraging trajectory and grew better than the respective industry...**

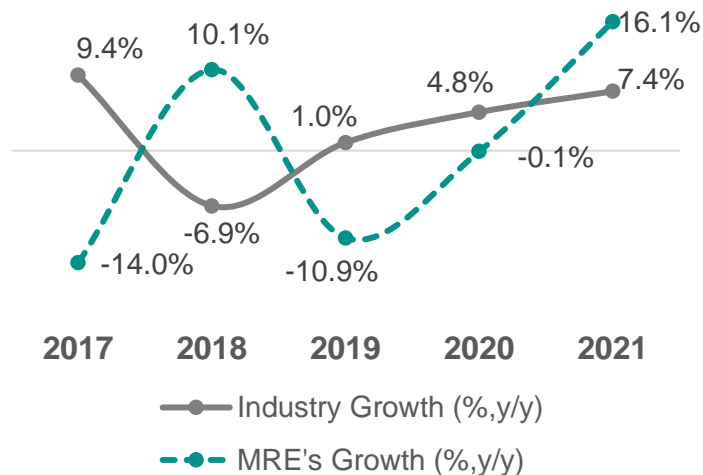
**Reinsurance +16%** growth vs Industry growth of 7%

**General Takaful +13%** growth vs Industry growth of 7%,

**Family Takaful ACE** regressed by 32%, vs Industry growth of 12%

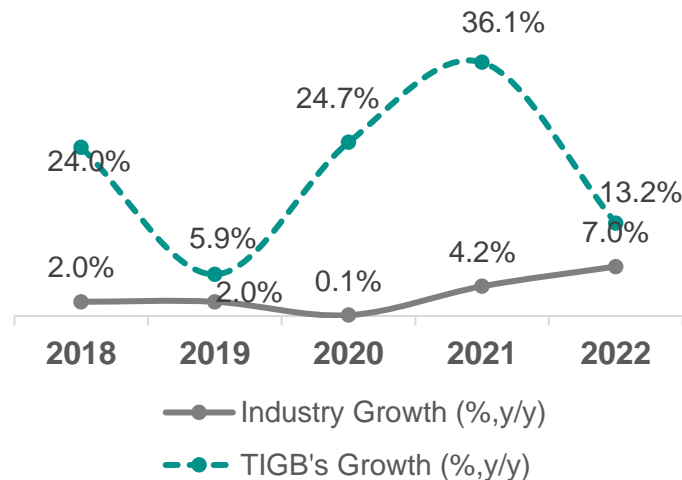
## Reinsurance

Domestic General Reinsurance Accepted Premiums vs Malaysian Re's Gross Premium



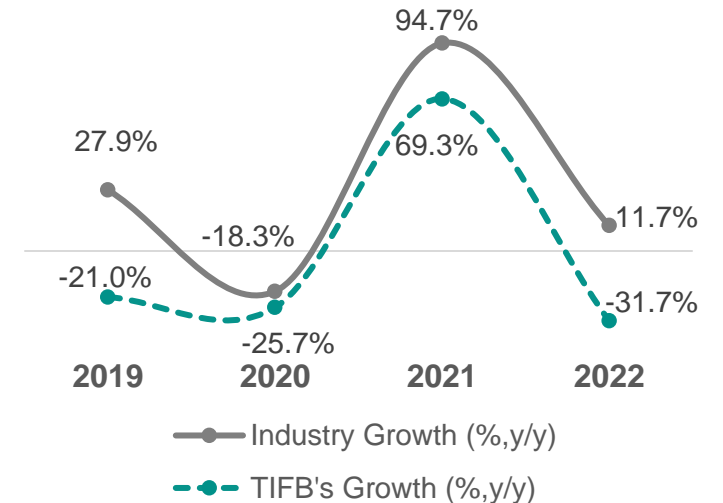
## General Takaful

General Insurance/Takaful GWP/GWC vs Takaful IKHLAS General's GWC



## Family Takaful

Family Takaful ACE vs Takaful IKHLAS Family's ACE



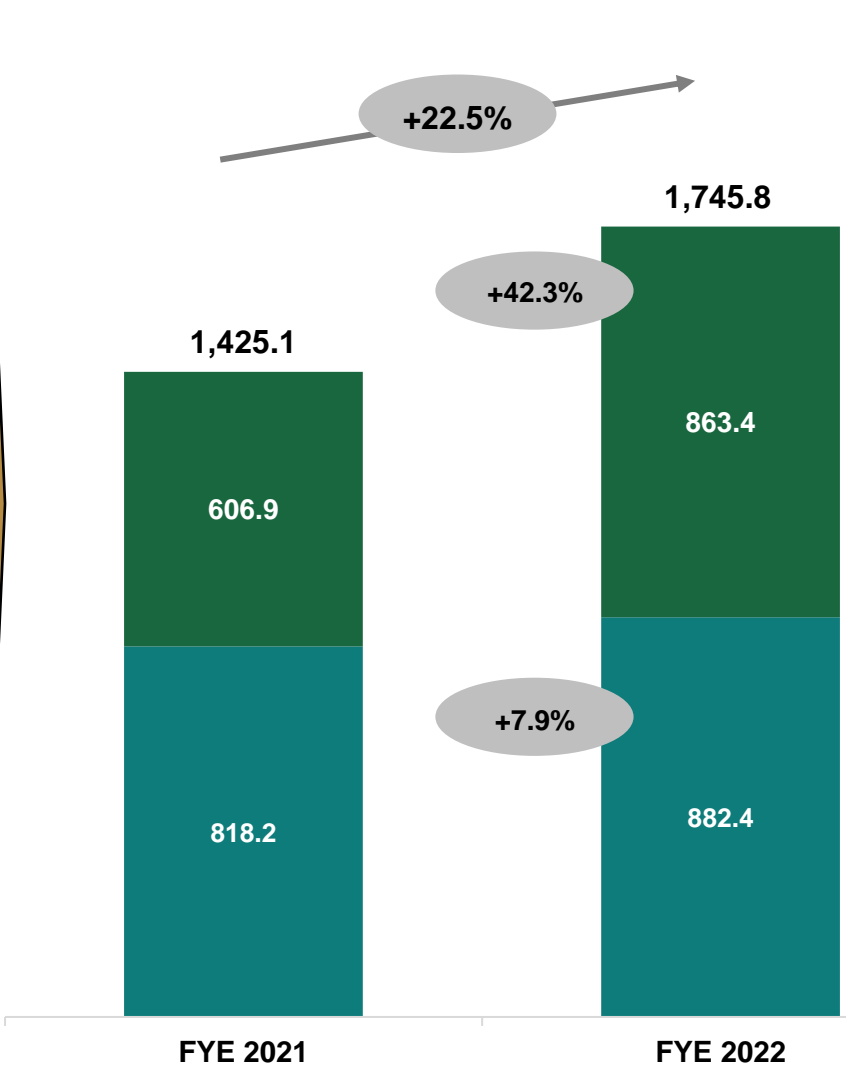


# #2

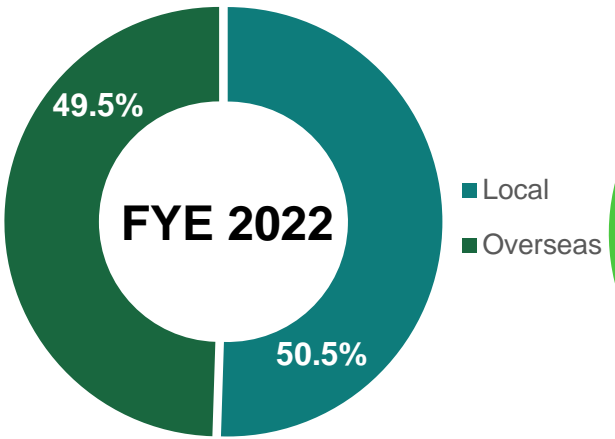
REINSURANCE AND  
RETAKAFUL

**Gross Premium / Contribution**  
(RM' million)

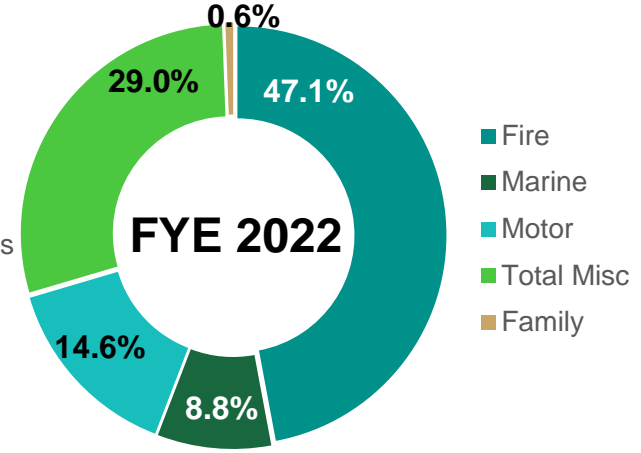
Legend  
■ Overseas  
■ Local  
● vs SPLY



## By Segment



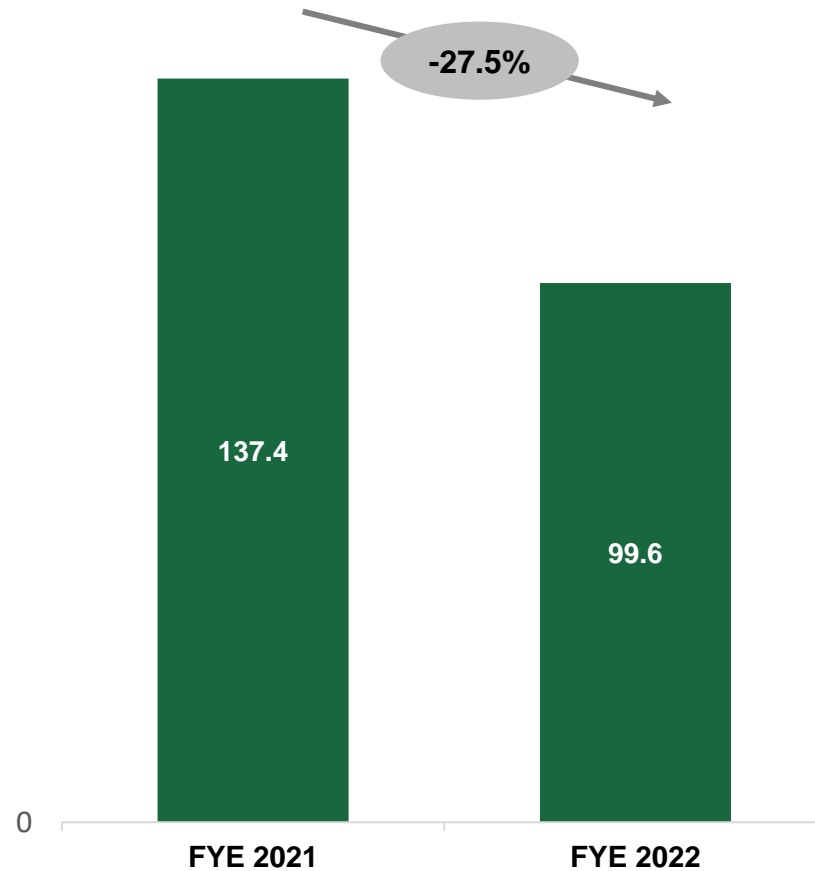
## By Line of Business



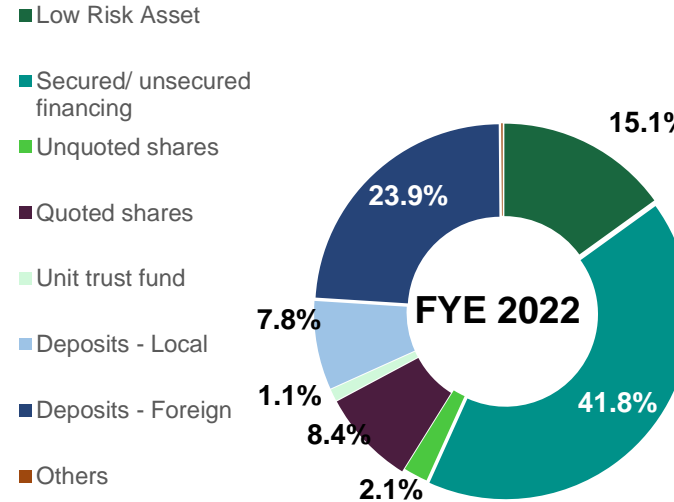
- ❑ **Gross Premium / Contribution** grew by **22.5%** to **RM1,745.8 million** from **RM1,425.1 million** in FYE 2021, equally contributed by both Local and Overseas segment.
- ❑ **Gross Premium for Overseas** grew by 42.3%, mainly contributed by growth in Proportional Treaty from Non-MENA & MGA, and Non-Proportional Treaty from Non-MENA. The growth substantially balance our portfolio.
- ❑ **Gross Premium for Local/Domestic** improved by 7.9%, mainly contributed by growth in Conventional Treaties and inward reinstatement premiums due to large losses.



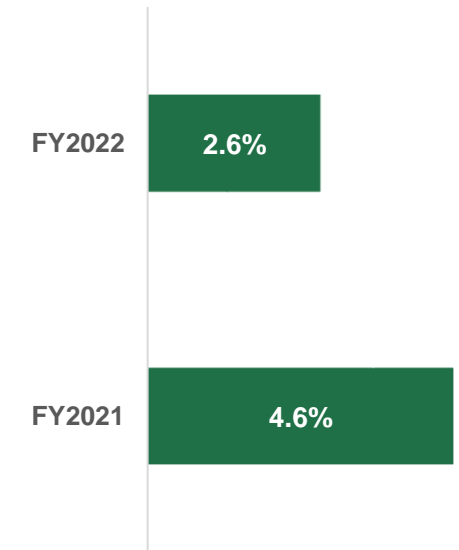
Net Investment Income (RM' million)



## Investment Income Mix

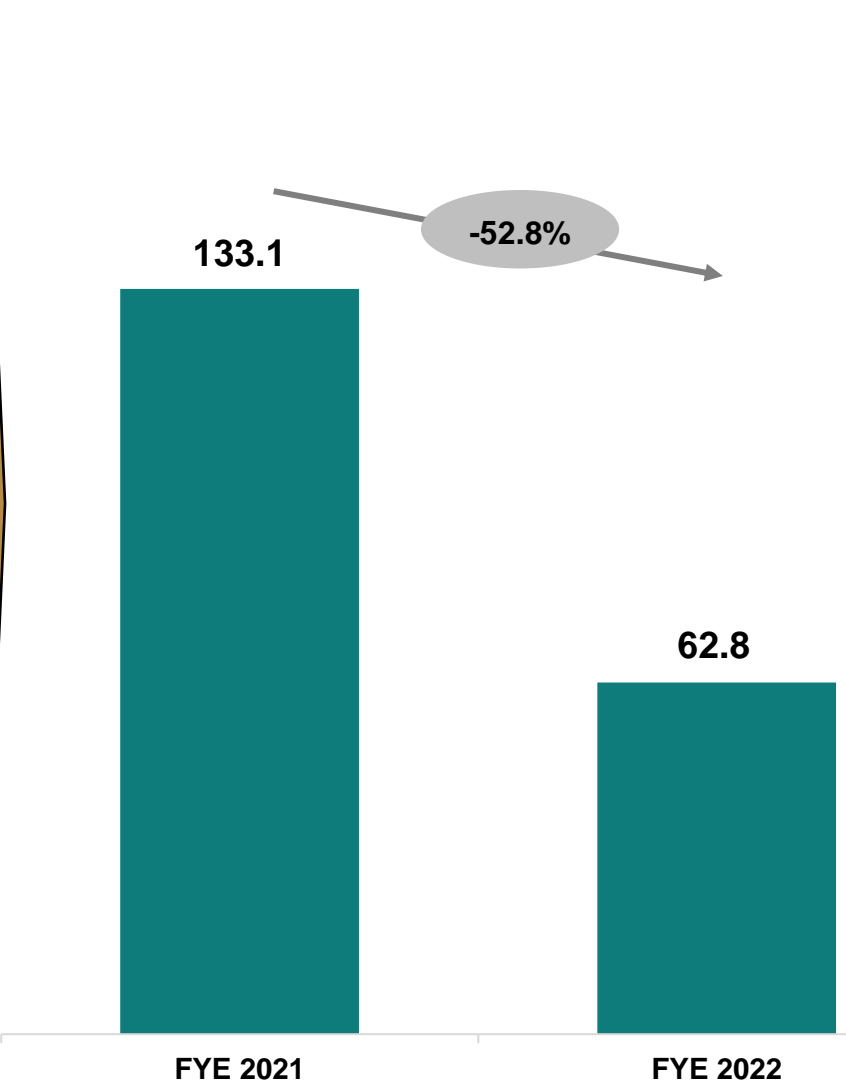


## Investment Yield

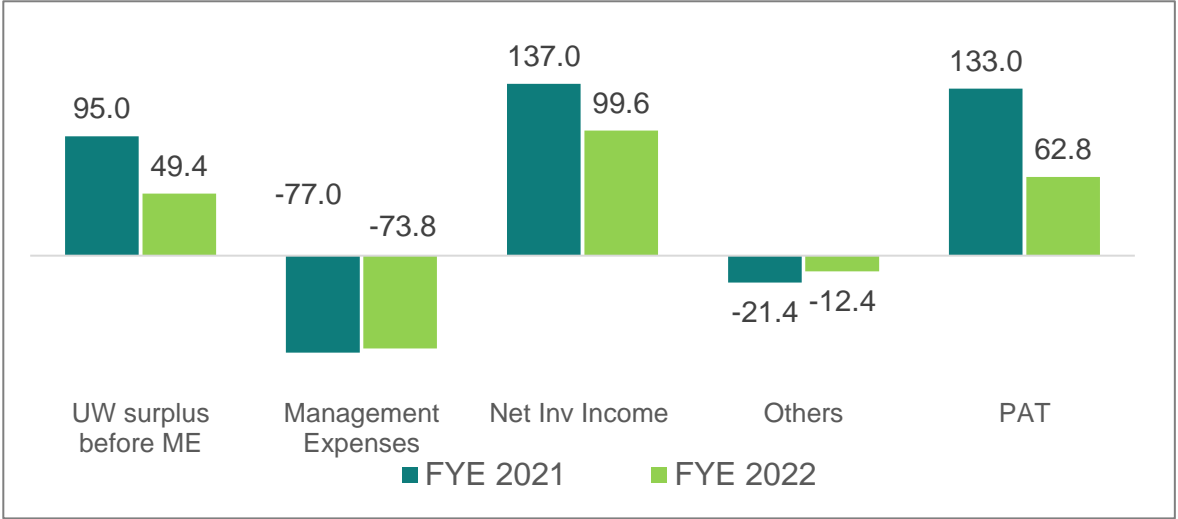


- ❑ **Net Investment Income** declined by **-27.5%** to **RM 99.6 million** in FYE 2022 from RM 137.4 million in FYE 2021.
- ❑ This was mainly due to :-
  - Unrealized losses on investment, due to underperformance of quoted shares and impairment of bonds
  - Lower interest income from bonds and debt securities
  - Lower realized gain on disposal of investment assets.

Profit After Tax  
(RM' million)



## PAT Drivers

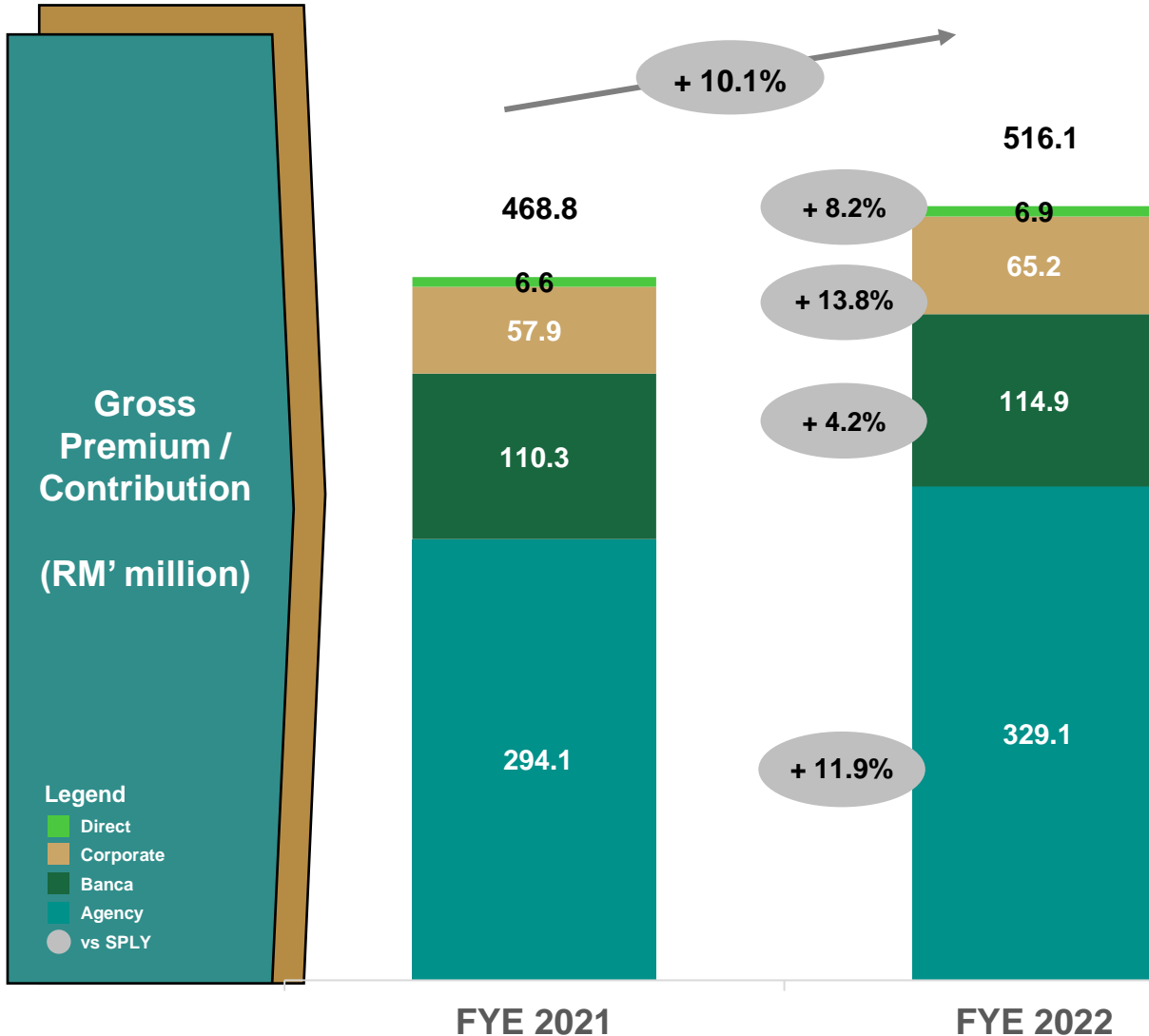


- ❑ **PAT** declined by **52.8%** to **RM62.8 million** in FYE 2022 from RM133.1 million in FYE 2021.
- ❑ **Underwriting Surplus:** Despite the higher Gross Premium, underwriting surplus before ME recorded at a decline by 48.0% against SPLY. This was a result of higher net claims incurred and higher commission expenses in tandem with business expansion.
- ❑ **Management Expense:** Improved, mainly due to lower marketing, promotion and GSSU cost.
- ❑ **Investment Income:** Net investment income declined by -29.6 %, indicated a lower investment yield of 2.8% against 4.3% in SPLY.
- ❑ **Others:** includes movement of forex of assets, including on Labuan Re value, and improvement of other operating income

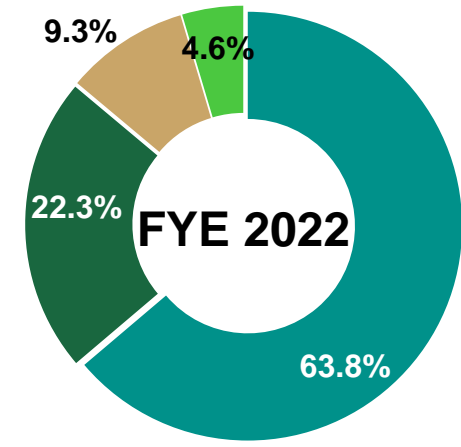


#3

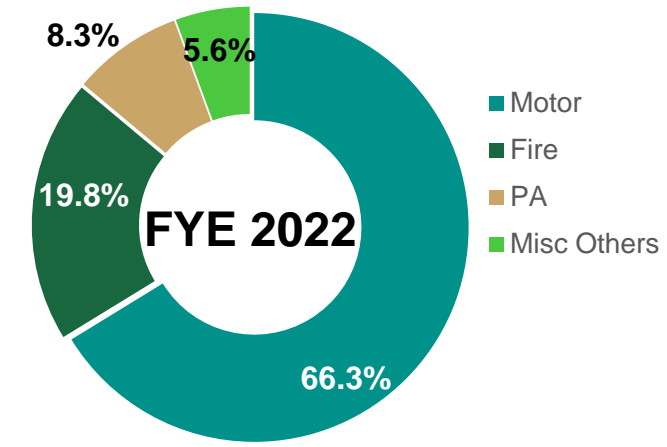
GENERAL TAKAFUL



By Distribution Channel

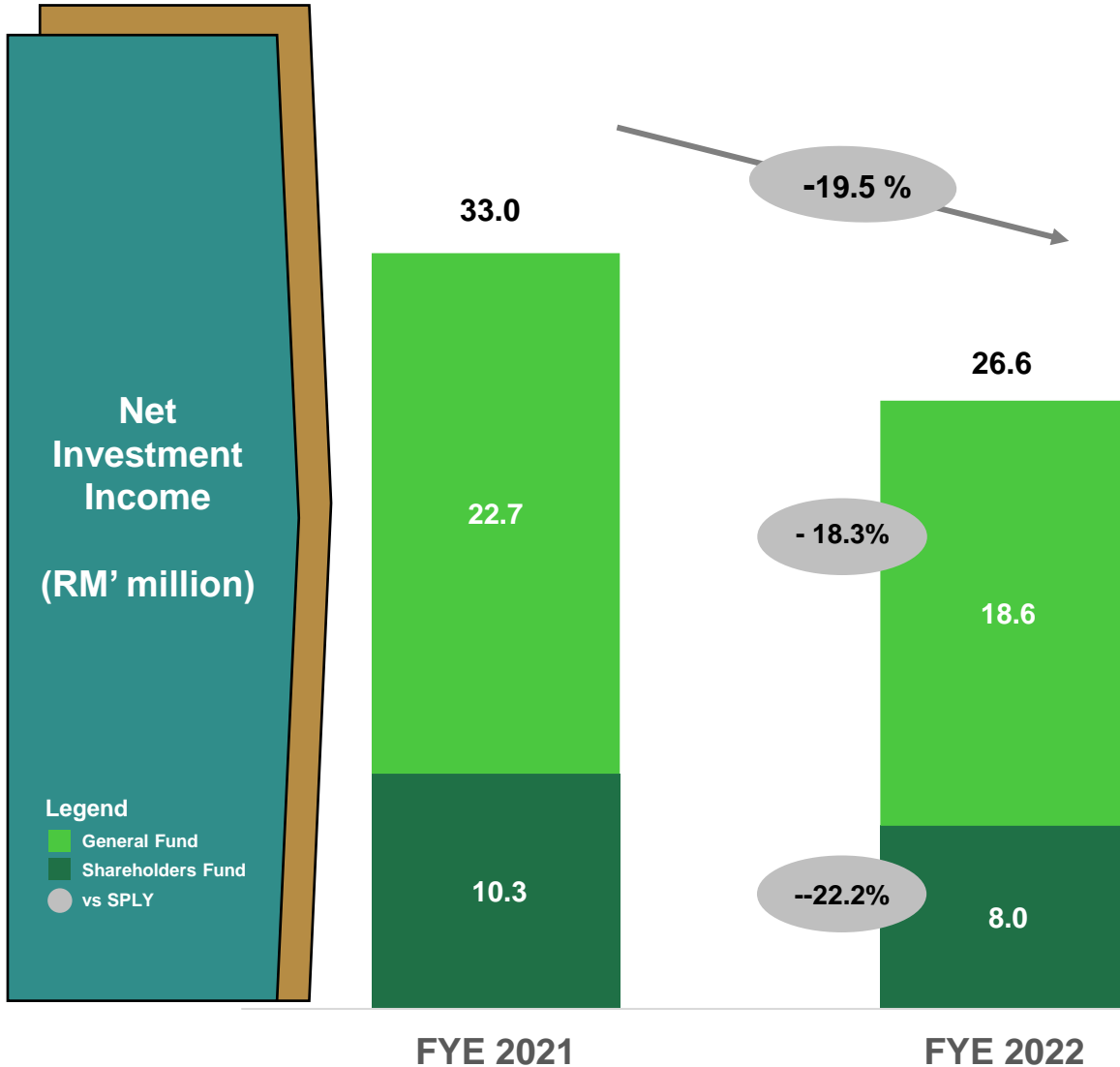


By Line of Business

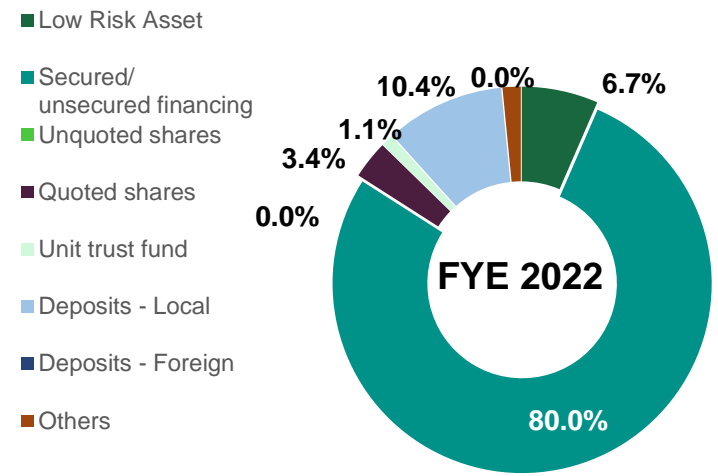


**Gross Contribution** improved by **10.1%** to **RM516.1 million** in FYE 2022 from **RM468.8 million** in FYE 2021.
 

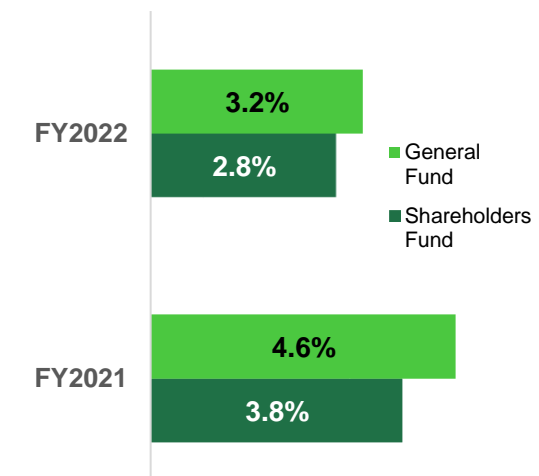
- **Agency:** Increased by 11.9%, partly resulted from continuous, nation-wide engagement activities with agents. Fire and Motor registered growth against SPLY.
- **Bancatakaful:** Improved by 4.2% mainly contributed by Fire, Motor and PA business. All banks registered growth against SPLY.
- **Corporate:** Increased by 13.8%, with Broking grew by 17.2%, partly derived from Miscellaneous and Liabilities business.
- **Direct:** Improved by 8.2% contributed by growth of 4.1% and 10.1% from Online and Customer Service Center, respectively.



## Investment Income Mix

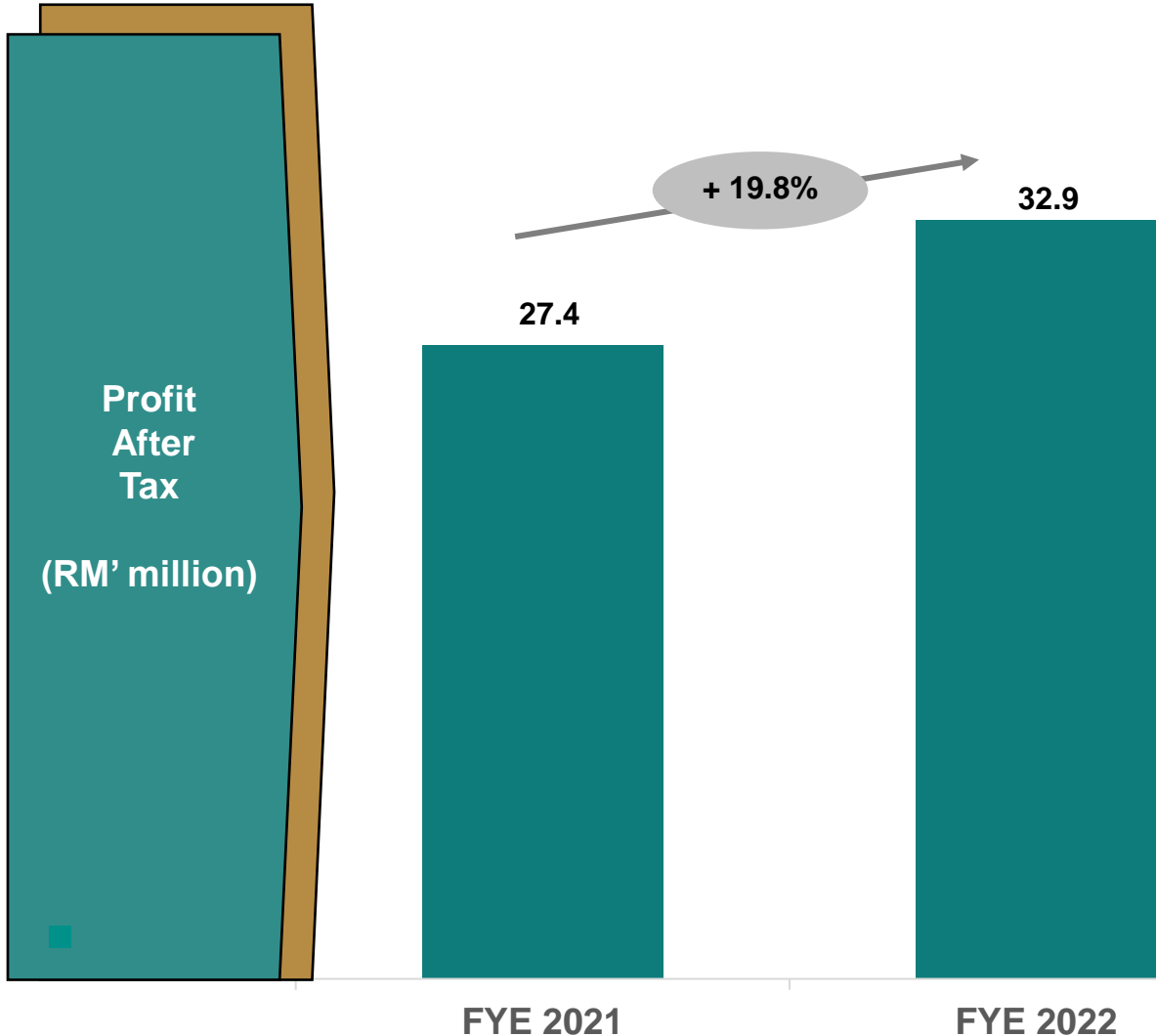


## Investment Yield

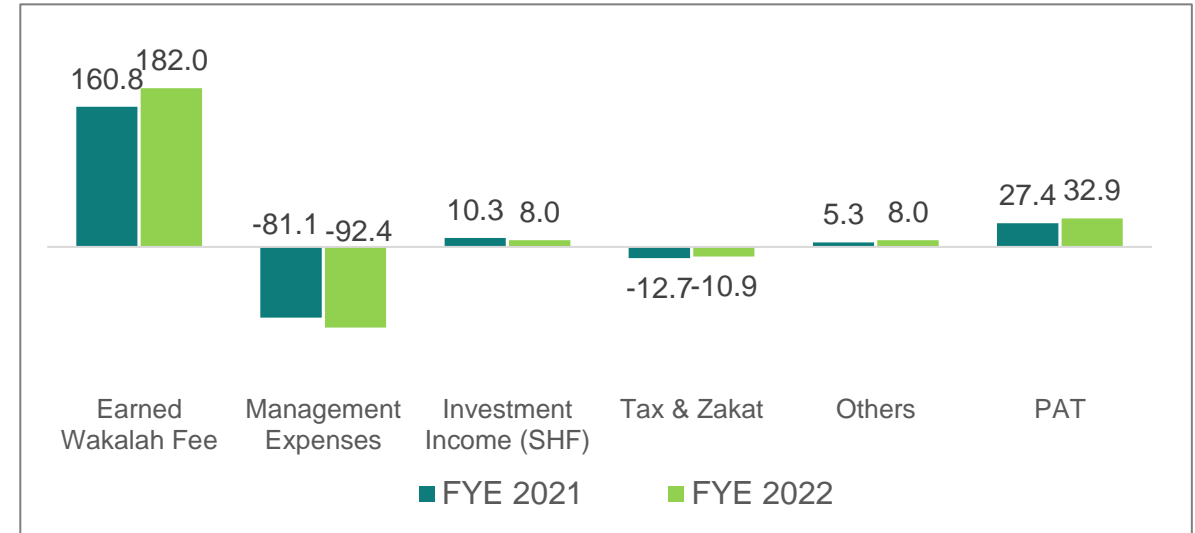


- ❑ **Net Investment Income** for total fund declined by 19.5% from RM33.0 million to RM26.6 million.
- ❑ **Shareholders' Fund:** Net investment income decreased due to:
  - lower profit income from money market placement, Sukuk, GII and Government Guaranteed Bond (GGB),
  - lower gain on disposal of investment from GII, Sukuk and equities
  - Fair value losses from equities.
- ❑ **General Takaful Fund:** Net investment income declined due to:
  - lower profit income from money market placement, Sukuk, GII and GGB
  - Fair value losses from equities.





## PAT Drivers

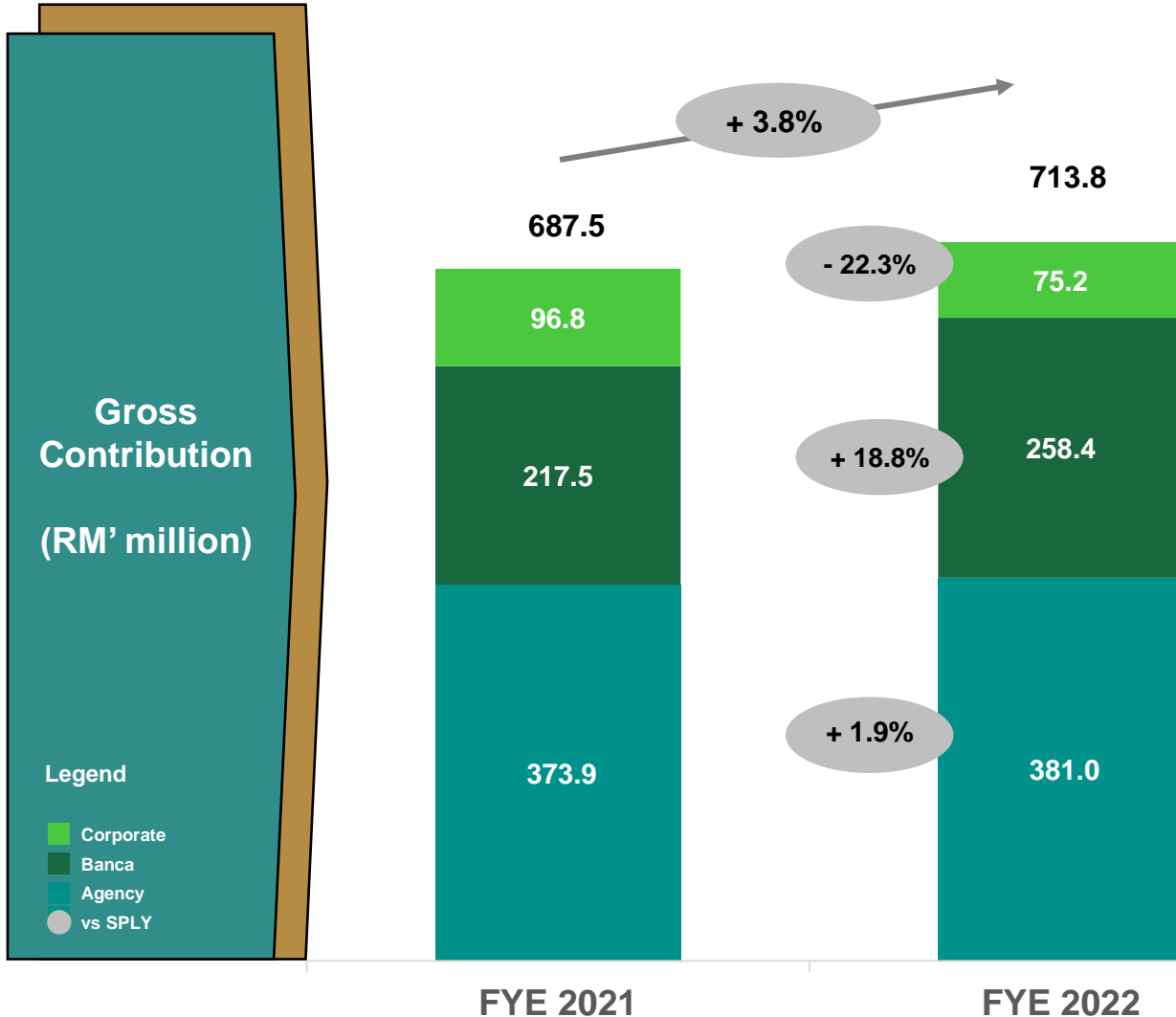


- ❑ **PAT** improved by **19.8%** to **RM32.9 million** in FYE 2022 from RM27.4 million in FYE 2021.
- ❑ PAT improvement was mainly driven by higher Wakalah Fee, and income from Surplus Administration Charge (SAC)
- ❑ **Earned Wakalah Fee Income:** improved by 13.2% in tandem with higher Gross Written Contribution.
- ❑ **Management Expense:** : increased by 14% against SPLY, driven by additional GSSU services (i.e. Digital & Innovation, Data Analytics) and increased regulatory and compliance cost i.e. PIDM levy fees
- ❑ **Investment Income:** declined by -22.2% against SPLY

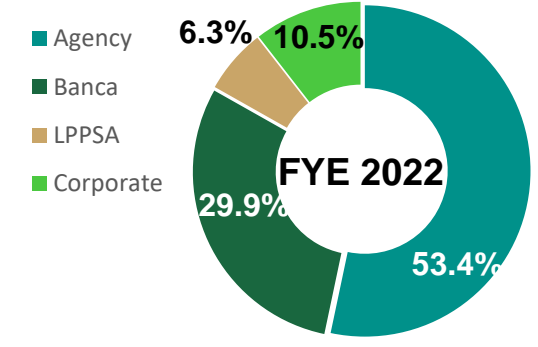


# #4

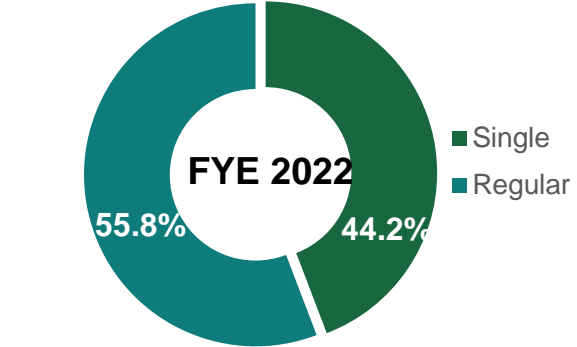
FAMILY TAKAFUL



### By Distribution Channel



### By Product



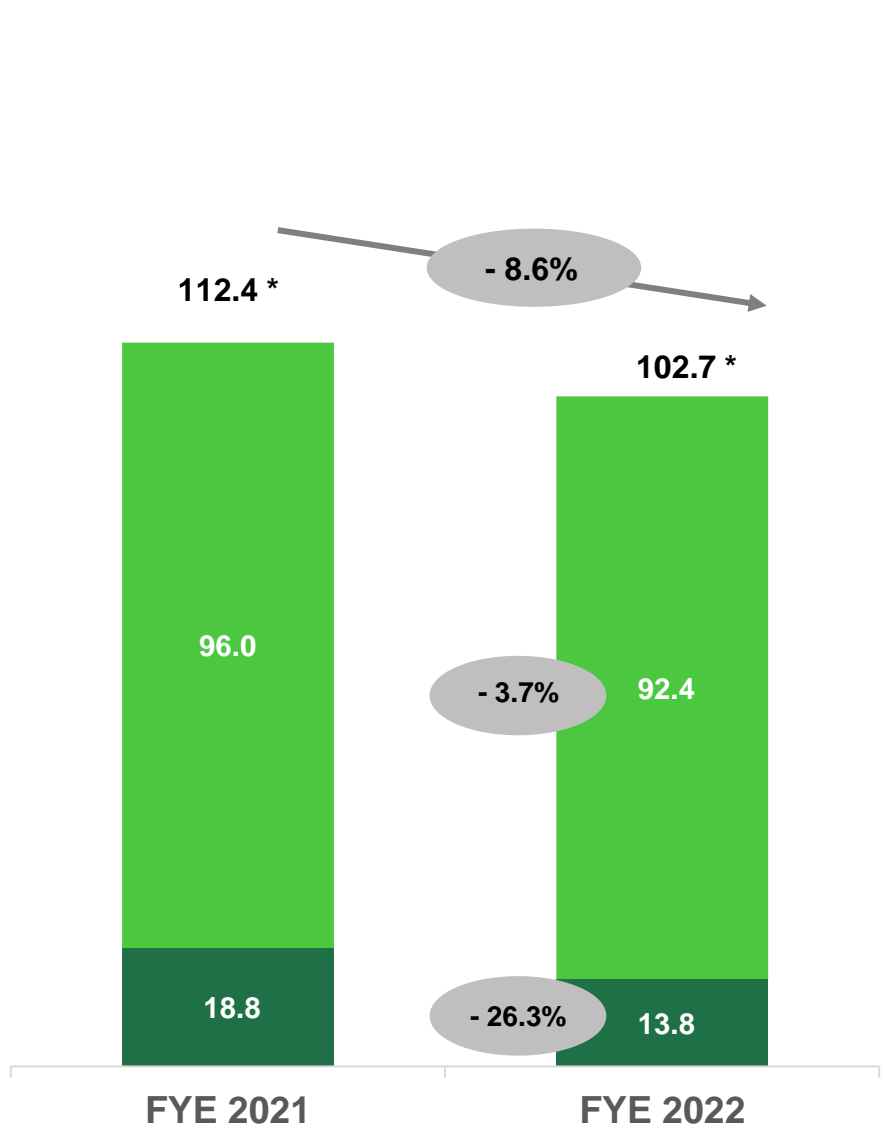
**Gross Contribution** improved by **3.8%** to **RM713.8 million** in FYE 2022 from **RM687.5 million** in FYE 2021.
 

- Agency:** Increased by 1.9% mainly contributed by higher renewal of 1.8% or RM5.7mill
- Bancatakaful:** Grew significantly by 18.8% mainly from partnership with Bank Muamalat. Production from LPPSA also increased by 5.7% as the office reverted to full operation capacity.
- Corporate:** Declined by -22.3% largely due to cost containment measures by corporate clients and lower fund allocation for financing by government agencies.

**Net Investment Income (RM' million)**

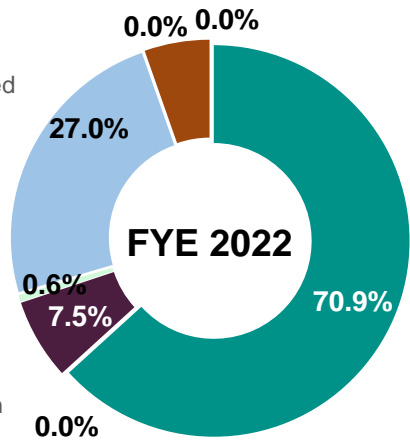
**Legend**

- Family Fund
- Shareholders Fund
- vs SPLY

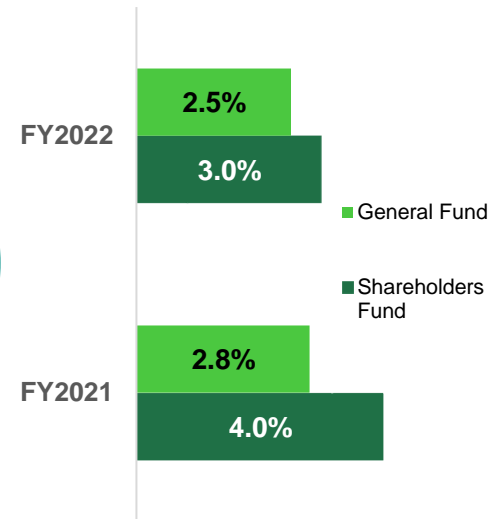


## Investment Income Mix

- Low Risk Asset
- Secured/unsecured financing
- Unquoted shares
- Quoted shares
- Unit trust fund
- Deposits - Local
- Deposits - Foreign
- Others

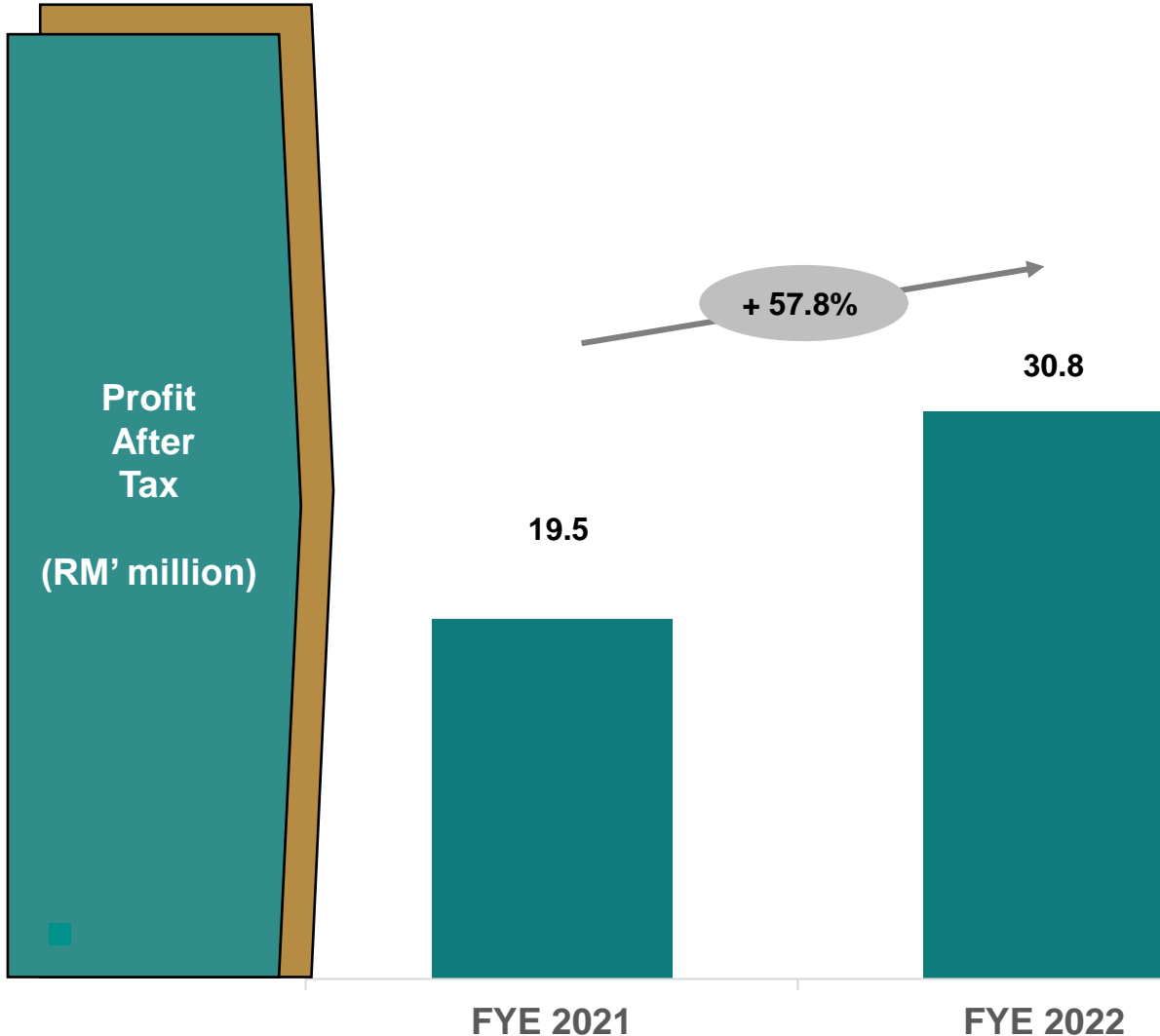


## Investment Yield

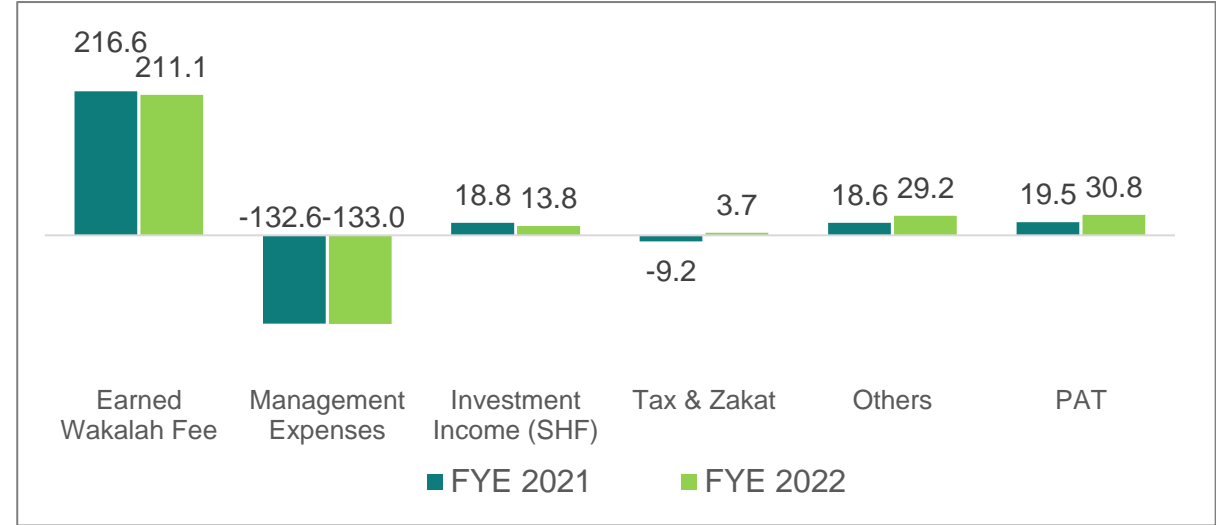


- Net Investment Income for total fund decreased by 8.6% from RM112.4 million to RM102.7 million in FYE2022.
- Shareholders' Fund: Net investment income declined due to:
  - lower profit income from money market placement
  - lower gain on disposal of investment from GII and Sukuk
  - Fair value losses from equities.
- Family Takaful Fund: Net investment income declined due to:
  - lower gain on disposal of Equities, REITs, Unit Trust and Sukuk
  - Fair value losses from sukuk and low-risk assets.

**Note:** (\*) Inclusive of Elimination of - RM3.6mill in FYE 2022 and – RM2.4mill in FYE 2021



## PAT Drivers



- ❑ **PAT** increased by **57.8%** to **RM30.8 million** in FYE 2022 from RM19.5 million on FYE 2021 mainly contributed by Wakalah Fee income and a favorable deferred tax recoverable of RM 2.7 million plus Other Operating Income i.e. GSSU income and Managers Fee.
- ❑ **Earned Wakalah Fee Income** dipped slightly by -2.6% despite a higher Gross Written Contribution, due to adjustment of Wakalah Fee during the year.
- ❑ **Management Expense:** marginally increased by 0.3% against SPLY.
- ❑ **Investment Income** recorded a declined by -26.3% against SPLY.





#5

OTHER  
DEVELOPMENTS

# CUSTOMER OUTREACH

*We continue to create value....*

The IKHLAS **Brand Refresh** project is ongoing to Refresh, Rebuild and Reinforce the brand positioning of Takaful IKHLAS to stand out and remain relevant in the market.



**Customer Experience (“CX”)** function has been centralized under the Group to promote a single IKHLAS brand to customers. The team is currently working on several initiatives to improve customer experience, including upgrading its Contact Centre

**Digital & Innovation** team is actively collaborating with the subsidiaries, running several projects to smoothen transaction processes and provide a seamless customer experience.



## PARTNERSHIP

Takaful IKHLAS continues to look for strategic **Bancatakaful** and other partnerships.

- Takaful IKHLAS General had recently sealed new preferred partnerships with these banks.



- Takaful IKHLAS Family had signed MOUs with the following agencies.

- Jabatan Agama Islam Negeri Sembilan
- Jabatan Agama Islam Perak

- MRRD Family Retakaful had secured several treaties with new local cedants to support their new family takaful products.

Takaful IKHLAS continues to expand our outreach via virtual branches throughout the country. The expansion is expected to operationalise 17 **Virtual IKHLAS Points (“VIP”)**, of which 6 are in operation.



## BRANCH EXPANSION

- Takaful IKHLAS Family introduced **IKHLAS Ilhamku**, a new regular contribution, education-protection plan for Agency distribution. The product was soft-launched on 5 August 2022.
- Repricing exercise for MRTT product has been completed and will be promoted via Bancatakaful partners.
- Takaful IKHLAS General collaborates with Halal Development Corporation (“HDC”) to promote **IKHLAS Halal Care** plan to members of HDC’s Halal Integrated Platform.



## PRODUCT



## IKHLAS Brand Refresh



## CUSTOMER EXPERIENCE (CX)



## DIGITAL INNOVATION

- **Banca Sales Mobile App** : Go live in Q4 FYE 2022, starting with Agro Bank
- **Sales Management and Back - Office Web App** : To continue development throughout next FY to include new Banca products and on board more Bank Partners

- **Agency Mobile App**  
Ongoing development throughout next FY to include new products and features
- **Agency Mobile App and Back-office**  
Ongoing development throughout next FY to include new products and features

- **Direct digital sales platform**  
To go live with Motor, PA Perdana and PA Permata together with the revamped corporate website for TI in 2Q FYE 2023.  
Ongoing development for the rest of the FY to include new products and enhance features.



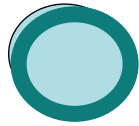
- **Centralized API portal & catalogue**  
Went live in 3Q FYE 2022.
- **API gateway**  
Ongoing development throughout next FY to include new products and services APIs.

- **AI claims assessment**  
To go live in 2Q FYE 2023.
- **Digital claims submission and tracking**  
To go live in 4Q FYE 2022 (on TI corporate website)

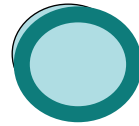
- **Centralized chatbot + live agents**
- **Centralized self serve web portal**: Requirement gathering currently in progress for both TIGB and TIFB.



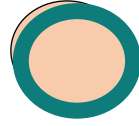
Malaysian Re contributed a total Gross Claim of **RM372 million** as of FYE 2022 to support the industry.



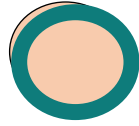
A Special Task Force was established to actively monitor the movement of the Flood Claims.



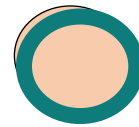
Malaysian Re published the **Malaysian Insurance Highlight 2021**, which examines the impacts of floods on the economy and insurance market.



Takaful IKHLAS deployed the Virtual Interactive Process (VIP), which improved and expedited the claim process for more than **300,000** participants.



Flood Claims not exceeding **RM 10,000** can be processed via VIP, and approvals can be obtained **immediately**.



Takaful IKHLAS extended assistance to customers who subscribe to **Bantuan IKHLAS Supreme**, with an **RM 500** inconvenience allowance to repair flood damage to covered vehicles.

## A National Agenda



### THE ENVIRONMENT AND WATER MINISTRY

#### ALMOST RM400 BILLION NEEDED TO OVERCOME FLOOD ISSUES UNTIL 2100

“The government seriousness in dealing with climate change issues was demonstrated through large investment in the country’s water sector”

“It included an “off budget” allocation of RM15 billion for a period of eight years from 2023 to 2030 for flood mitigation projects as well as the construction of sabo structures in critical areas”

Source: *Bernama*, Sept 2022





## Transition to a Green Economy



## People & Society Well-being



## Governance Culture

Amongst the initiatives are;-



### Reduce Paper and Printing

- Electronic New Business submission via GO Prime
- Electronic Claims processing and payment via GO Serve
- Electronic certificates delivered to customers via email.

Reduction in Operational Carbon Foot Print

### Hybrid Working Arrangement

- Virtual meeting tools and web-based conferencing facilities significantly reducing travel need.
- Reduced number of employees working in the office (“WIO”), also reducing commuting needs.



Future Ready Workforce



### Empowering Our People

#### Education Assistance Programme (EAP)

- A programme which encourages employees to pursue insurance-related or other professional qualifications
- #### Ready Skills Programme (RSP)
- A programme to build / enhance employee’s technology capability

### Empowering our Community

#### Economic Empowerment

- Asnaf Entrepreneurship Program (AEP) - Agency Training and Recruitment
- MyStep - Protégé to support government mission in cultivate youth potential

#### Community Enrichment

- Financial Assistance - Emergency Disaster Relief



Governance Best Practice



Sustainability Governance

### Key Policies on Business Ethics & Corporate Governance

- Group Code of Ethics
- Group Whistle Blowing Policy
- Group Anti-Bribery and Corruption Policy
- Anti-Money Laundering/ Counter Financing of Terrorisms and Targeted Financial Sanctions Screening
- Shariah Governance Policy

### Sustainability Governance Approach

- Group Sustainability Policy
- Integration into Business Operation
- Enhancement of Group Sustainability Roadmap

And many others .....



# SUMMARY

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- ❑ MNRB Holdings Berhad is financial services conglomerate with **RM3.0b in GWP** and key business lines in **reinsurance, family takaful** and **general takaful**
- ❑ **Reinsurance**: Although greatly affected by the major floods in Malaysia in Dec 2021, Malaysian Re remains a resilient business. We continue to grow our international business in new and more profitable lines.
- ❑ **Family takaful**: Half our business is coming from the agency channel while the balance comes from bancatakaful and corporate business. Strong partnerships in bancatakaful with Bank Muamalat and MBSB Bank.
- ❑ **General takaful**: Double-digit growth in business contributed by all channels. Strong in motor but also great potential to grow the bancatakaful business as only 1 out of 4 players in the general takaful space
- ❑ Renewed focus on **Digitalization** and **Customer Experience** to strengthen our presence in takaful and push our growth and penetration further

**THANK YOU**





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