

Business Review

Family Takaful Business

» OUR BUSINESS IDENTITY

AmMetLife Takaful Berhad offers a comprehensive suite of Shariah-compliant Takaful solutions tailored to our customers’ individual financial needs. Backed by a wide distribution network and robust operational infrastructure, we are well-positioned to deliver accessible protection and value-driven services across the market.

Rooted in ethics and driven by customer centric innovation, we strive to create value through smart solutions and efficient claims processing, to empower our customers to achieve their financial goals.

» BUSINESS ENVIRONMENT

In FY2025, AmMetLife Takaful achieved total sales of RM150.5 million, reflecting a 6.4% increase from RM141.4 million in the previous financial year. This performance surpassed the revised target of RM144.6 million by 4.1%, demonstrating the resilience and strategic execution of our team.

Despite this growth in sales, the Wakalah income experienced a decline of RM0.6 million, dropping from RM42.7 million in FY2024 to RM42.1 million in FY2025, primarily due to shifts in product mix.

This financial year underscored both significant sales growth and challenges in maintaining Wakalah income, prompting a focused approach on strategic adjustments for future improvement.

» OUR KEY FOCUS AREAS

Forge Strategic Alliances

Deepen partnerships with banks, government-linked companies, fintech firms, and healthcare providers, to expand Shariah-compliant solutions and strengthen market positioning.

Expand Direct Agency Network

Expand and enhance our direct agency channels by upskilling agents with knowledge of Shariah principles and practical tools to boost customer reach and deliver excellent service.

Elevate Brand Awareness

Drive targeted marketing to improve brand visibility and differentiate our Shariah-compliant offerings in the competitive Takaful landscape, attracting new customers and reinforcing trust among existing clients in our ethical financial solutions.

» HIGHLIGHTS AND MILESTONES

Our Year in Numbers

In FY2025, AmMetLife Takaful encountered several challenges despite increased production. Total income fell to RM46.6 million from RM47.1 million, largely due to declining Wakalah income. Total expenses rose to approximately RM65.6 million, driven by a one-time adjustment of RM8.0 million on the expense reserve, leading to a deficit of RM19.0 million before surplus distribution from the Risk Fund. While management expenses decreased due to lower personnel costs, higher marketing expenditures to support sales growth added financial pressure. These factors highlight the need for strategic adjustments to improve income stability and manage expenses effectively.

Generated RM150.5 million in new takaful contributions, marking a **6.4% YoY growth** in production.

Recorded **6.0% YoY growth** in AmBank Credit Business with total sales totaling **RM121.9 million**, underpinned by strong support for the sales channel.

Wakalah income decline **1.4% YoY** to **RM42.1 million**, driven by lower Wakalah generated from our Mortgage Reducing Term Takaful (MRTT) and Regular Term Takaful (RTT) business.

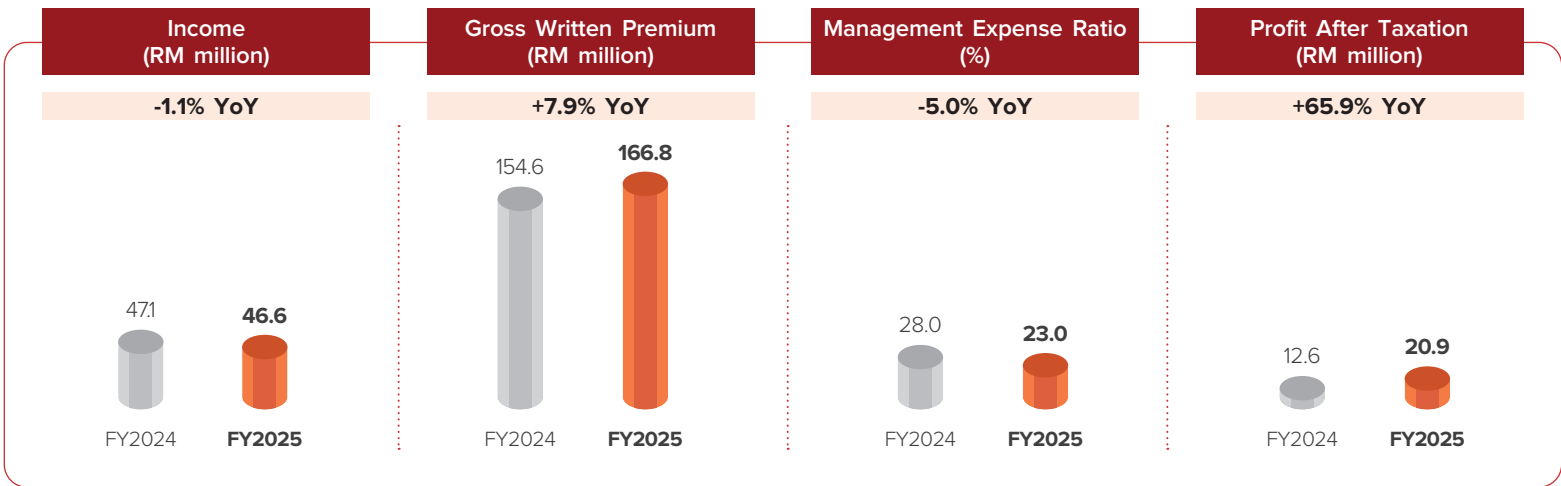
AmBank Business Banking credit Takaful achieved impressive growth of **63%**, with total sales of **RM72.9 million**, reaching **163%** of targets driven by effective initiatives and strong support for the sales channel.

Achieved **1.5%** of the total Takaful market share, ranked **9th** in Bancatakaful new business contribution.

Yielded a **20.0% growth** amounting to **RM19.8 million** through Affinity Channel Credit Takaful, a strategic partnership formed with LPPSA and Affin Bank.

Annualised First-Year Contributions (AFYC) for Agency Takaful Advisory Business hit **RM4.6 million** – a **30.9% YoY surge** – powered by a stronger agent engagement.

Realised **RM49.0 million** in contributions through Credit Takaful under AmBank Retail Banking, in line with AmBank's loan disbursement performance.



Note: All reported FY2025 numbers are unaudited

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» HIGHLIGHTS AND MILESTONES (CONT'D.)

Our Impact Beyond Numbers

Sustainability is central to our operations. Anchored in Value-Based Intermediation, our Shariah-compliant products and investments follow ESG principles. We continuously monitor and improve our operations to reduce our environmental footprint while applying responsible underwriting for responsible coverage. Our commitment also extends to empowering communities, making sustainability a shared and lasting effort.

Investing Responsibly and Ethically:

Prioritised ethical investments aligned with Islamic principles and socially responsible practices.

Building a More Inclusive Financial Future:

Offered tailored products for underserved communities, promoting financial inclusion.

Supporting Local Communities:

Actively support impactful community initiatives, reinforcing our commitment to social responsibility.

Minimising Consumption:

Reduced paper use by 40% from shifting to digital brochures and achieved 30% reduction in electricity usage from adopting energy-efficient LED fixtures.

Our Environmental Stewardship:

Through responsible investment, resource conservation, and community engagement, we aim to create a positive impact on the environment while supporting our clients and stakeholders.

» STRATEGIC PERFORMANCE REVIEW

Key Initiatives

Outcomes

Distribution Channel Optimisation

Data analytics to pinpoint improvement areas, diversified channels for new business opportunities, and streamlined processes to boost operational efficiency. This strategy aimed to enhance reach and responsiveness in distribution.

- Alternative Channel production exceeded expectations, recording 20.0% YoY growth — driven by a 5.8% increase from LPPSA and a strong 51.7% uplift from Affin Bank.

Enhance Financial Stability

Prioritised robust capital management and strategic investments to ensure financial resilience against market fluctuations.

- Maintained a healthy solvency ratio of 240%, comfortably above regulatory requirements.
- Investment income from shareholder fund rose to RM2.6 million, a 18.5% increase from FY2024, despite market headwinds.

Building the Right Takaful Agency Culture

Fostered a culture of shared values through strong leadership commitment, recognition and reward, and clear accountability.

- Achieved a remarkable 30.9% growth in agency channel production compared to FY2024, driven primarily by direct agency business.
- Exceeded targets for new agent recruitment by 25.0%, demonstrating the sustainable expansion of our agency workforce.

Elevating Agency Professionalism and Credibility

Led the Malaysian Takaful Association (MTA) Value-Based Intermediation Framework for Takaful (VBIT) initiative to improve the Insurance Service Malaysia's (ISM) Online Takaful Agent Registration System (OTARS).

- Enhanced system functionality and provided valuable support for the growth of Takaful agents and the community they serve.

» CHALLENGES AND MITIGATION

Challenges/ Opportunities

Fluctuations in Business Landscape

Adverse economic conditions, shifting consumer preferences, and increased competition—combined with changes in credit-related portfolios and business focus—have adversely affected demand, income, and profitability.

Mitigation Action and Results

- Shifted focus from retail to business banking via diversification at AmBank and Affin Bank, resulting in improved customer acquisition.
- Refined sales strategies and enhanced the value proposition to boost competitiveness and improve brand visibility.

» OUTLOOK

In the year ahead, we will capitalise on AmBank Group’s strong market presence and trusted brand reputation to establish our position as the preferred Takaful provider. To meet evolving customer needs of our diverse customer base, we will enhance our portfolio with expanded advisory, credit-related and group employee benefit solutions.

To stay ahead, we are integrating fintech solutions to boost efficiency and customer connection, while pursuing new partnerships that align with our ethical and Shariah-based principles. We will also strengthen customer satisfaction and loyalty through tailored service experiences and faster, more efficient claims handling. Guided by innovation and excellence, we will continue to evolve our services and solutions — setting new standards for the industry.