Family Takaful Business

NAZRULHISHAM ABDUL HAMID
Chief Executive Officer

TOP ACHIEVEMENTS IN FY2026

Strengthened Portfolio Mix

- Regular contributions recorded 59% YoY growth compared to last year's performance, primarily driven by AmBank Group.
- Improved revenue balance, supporting a more stable and sustainable income profile.

Product Innovation – Prestige Wealth-i

- Launched a flexible takaful endowment plan with an enhanced maturity booster.
- Leveraged AmBank Retail Banking distribution to expand customer reach and uptake.

Product Innovation – BizSolution-i

- Introduced a business takaful solution offering level term coverage.
- Provided guaranteed cash returns to strengthen value proposition for business clients.

Deepened Penetration in Business and Corporate Banking

- Secured additional third party bank partnerships

WHO WE ARE AND WHAT WE DO

AmMetLife Takaful Berhad is a partnership between AMMB Holdings Berhad (AmBank Group) and MetLife International Holdings, Inc., combining AmBank's local distribution strength with MetLife's global expertise in insurance and takaful solutions.

It provides Shariah-compliant protection and savings solutions to retail customers in Malaysia, supporting financial security, long-term savings and life-stage planning needs. These solutions are distributed through AmBank Group and AmBank Islamic branches, authorised agents and selected third-party partnerships.

The business focus on maintaining portfolio sustainability and a balanced risk-return profile, strengthening its competitive positioning through relevant solutions and enhancing customer engagement to improve business mix quality, while also enhancing the end-to-end Islamic market offering, including for the wealth segment and mass-market proposition.

Disciplined underwriting and efficient service delivery support the provision of these solutions.

Business Review

Family Takaful Business

RISKS	RESPONSES
Macroeconomic Softening: Moderated GDP growth and cautious consumer spending affected affordability for savings and protection-based takaful products, impacting new business and persistency.	**Targeted Offerings for Affluent Segments:** Develop and refine savings-protection propositions for mass affluent and high-net-worth customers, with expanded product features and flexibility to support long-term financial needs.
Heightened Competitive Intensity: Increasing competition from both takaful and conventional insurers reduced product differentiation and exerted pressure on margins.	**Product Structuring and Differentiation:** Refine product structures and benefits to improve clarity of value, with adjustments to align propositions to customer preferences in core segments.
Product Differentiation and Value Enhancement: Intensifying competition drives the refinement of product structures, benefits, and contribution designs to improve differentiation.	

OPPORTUNITIES	RESPONSES
Expansion Within Affluent Segments: Increasing demand for long-term financial resilience supports the expansion of tailored savings-protection propositions for mass affluent and high-net-worth customers.	**Targeted Proposition Development:** Strengthen focus on mass affluent and high-net-worth segments through enhanced savings and protection solutions, supported by tailored value propositions and differentiated advisory engagement.
Evolving Regulatory Expectations: Stronger requirements in consumer protection, suitability, and Shariah governance increased compliance and operational demands.	**Enhanced Governance and Compliance Framework:** Continue strengthening of consumer protection, suitability assessment and Shariah governance frameworks through tighter controls, enhanced oversight and alignment with evolving regulatory standards.
Portfolio Optimisation Through Repricing: Ongoing repricing across Medical and Health Insurance/Takaful (MHIT) and medical plans improves sustainability and addresses rising claims trends.	**Portfolio Repricing and Monitoring:** Planned repricing across MHIT and medical plans to reflect claims experience, supported by strengthened portfolio monitoring to maintain cost-to-risk alignment.

STRATEGIC BUSINESS PERFORMANCE REVIEW

Stakeholder Value Creation

Customers

Improved product relevance and more targeted propositions supported higher persistency and better customer outcomes.

Shareholders and Investors

A more balanced and sustainable business mix reduced volatility and strengthened portfolio resilience.

Business Partners

Clearer propositions and improved demand quality enabled distribution partners to drive more consistent business performance.

Strategic Priorities	Progress and Achievements
Strengthened Business Banking distribution, supported by the rollout of targeted and innovative business solutions.	**AmBank Business Banking:** Achieved 121% YoY growth and 230% of plan, delivering sustained outperformance.
Expanded the Affinity Channel through third-party banks to drive broader reach and sustain sales momentum.	**Affinity Channel:** Recorded over 79% of plan and 57% YoY growth in the Affinity Channel through our third-party bank partner, positioning it as a key driver of channel performance.
AmMetLife Takaful focus on growing advisory-led business via AmBank Group and partners to provide better margin and long term stability.	**AmBank Advisory:** Achieved 183% YoY growth, expanding reach into high-net-worth customer segments and delivering a consistent above-plan contribution.
Focused on improving customer continuity through more relevant and tailored propositions.	**Agency:** Results were below plan and prior year, indicating opportunities to strengthen performance. Proactive steps taken to strengthen results through the recruitment of new leadership and the introduction of need-based products.

TARGETS

Target double-digit growth in **regular contributions to balance the business mix** in FY2027.

Scale the affluent segment by **deploying Prestige Wealth-i to deepen engagement and capture higher-value market share.**

Drive portfolio value by **optimising the product mix and reducing risk concentration** to secure resilient, long-term profitability.

Target a reduction in claims volatility in FY2027 through **disciplined pricing governance and rigorous underwriting standards** to ensure capital stability.

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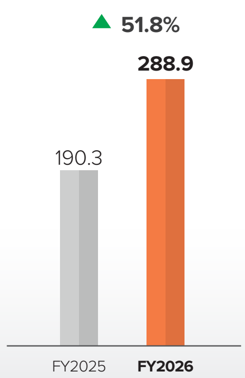
FY2026 RESULTS AND OUTCOMES

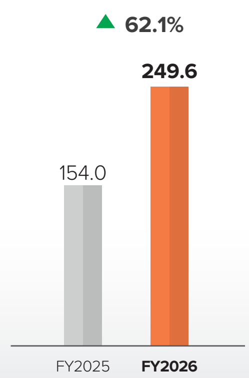
Financial Performance and Highlights

The Family Takaful business recorded a loss after taxation of RM6.3 million for FY2026. While the business remained in a loss position, this represents a significant improvement of approximately 70% from the loss of RM21.0 million in FY2025. The narrowing of losses was driven by strong top-line growth, with gross written contribution rising 51.8% to RM288.9 million and new business contribution increasing 62.1% to RM249.6 million, alongside continued discipline in managing the cost base, as reflected in the improvement of the management expense ratio from 25.2% to 20.9%. We remain focused on building scale and improving operating efficiency, with the objective of progressing towards profitability in the near term.

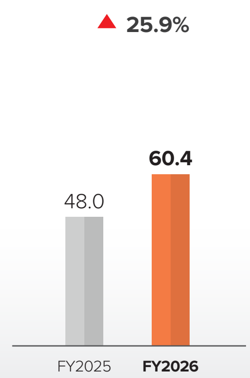
Gross Written Contribution
(RM million)



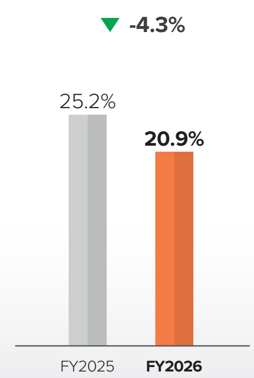
New Business Contribution
(RM million)



Management Expense
(RM million)



Management Expense Ratio
(%)



Non-Financial Highlights

Digital and Operational Excellence

Enhanced digital platforms and process automation to improve service efficiency, turnaround times and customer experience.

Customer Centric Protection

Strengthened takaful propositions and engagement initiatives to better meet evolving customer protection needs and improve awareness of takaful benefits.

Governance and Sustainability

Maintained strong governance and Shariah compliance while investing in people development and community financial literacy initiatives.

OUTLOOK AND PROSPECTS

Overall, FY2027 is expected to maintain positive momentum, supported by continued strength in AmBank Advisory, AmBank Business Banking and third-party bank partnerships, as well as sustained demand for targeted advisory solutions.

Focus remains on product relevance, channel productivity and customer engagement to support growth and a more stable business mix.