

2025

Financial Sector Blueprint & Sustainability Report for Takaful



Diamond Sponsor:



**AIA PUBLIC
TAKAFUL**



HIJRAH27

*Sama Berlindung, Sama Beramal,
Sama Berjaya*

Cover Rationale

The cover of the 2025 Financial Sector Blueprint & Sustainability Report for Takaful portrays a symbolic journey towards a more sustainable and inclusive Takaful ecosystem. The winding road leading into the city skyline represents the industry's collective progress—driven by purpose, guided by values, and shaped by collaboration under the *Takaful4All* vision.

The vibrant sunrise signifies optimism and renewal, reflecting the Malaysian Takaful industry's ongoing transformation through the *Hijrah27* roadmap. It captures the spirit of advancement in innovation, digitalisation, and sustainability as the industry forges a path that balances financial resilience with societal wellbeing.

Set against Malaysia's iconic skyline, the image underscores the industry's rootedness in national progress while aspiring to global standards of ethical and sustainable finance. The landscape transition from nature to city mirrors the harmony between faith, stewardship, and modernity—core principles that define Takaful's role in shaping a sustainable future for all.

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Scan the QR code to view our 2025 Financial Sector Blueprint & Sustainability Report for Takaful in online version.

MESSAGE FROM THE INTERIM CHAIRMAN

“WITH CONTINUED
COLLABORATION
AND PURPOSE, THE
TAKAFUL INDUSTRY
WILL NOT ONLY
MEET BUT SURPASS
OUR SHARED
AMBITIONS.”

As we approach the final stretch of the Financial Sector Blueprint (FSB) 2022–2026 milestone, it is timely for us to reflect on our journey, one defined by collaboration, resilience, and a shared vision for the Takaful industry’s future. Over the past few years, we have navigated a rapidly evolving economic and regulatory landscape, harnessed innovation to meet changing customer needs, and strengthened our role as a pillar of inclusive and responsible finance.



SHAHRUL AZLAN SHAHRIMAN

Interim Chairman,
Malaysian Takaful Association and
CEO of Great Eastern Takaful Berhad

MESSAGE FROM THE INTERIM CHAIRMAN

Since launching the FSB Interim Report in 2023, the Takaful industry has delivered significant initiatives aligned with both the FSB and the Value-based Intermediation for Takaful (VBIT) Framework. At the heart of the Malaysian Takaful Association's (MTA) efforts is the commitment to embedding ethical values as the foundation for sustainable growth. The rising importance of sustainability has also driven us to enhance our practices in line with regulatory reporting requirements, strengthening the industry's role in responsible finance.

This FSB and Sustainability Report highlights the collective achievements of our Takaful operators (TOs) in advancing the FSB, embedding VBIT principles, and embracing sustainability. These milestones are not only progress markers but also a reflection of our shared commitment to building a more inclusive, transparent, and resilient financial ecosystem.

A key milestone in our transformation journey is the launch of the Hijrah27 framework in 2024, a strategic roadmap guiding the industry towards 2027 and beyond. Built around five priorities: expanding inclusion, deepening environmental, social, and governance (ESG) integration, enhancing professionalism, strengthening awareness, and accelerating digitalisation, Hijrah27 reflects our collective ambition to future-proof the Takaful sector while staying true to our Shariah values.

Our progress would not have been possible without the dedication of our working groups, members, the support of Bank Negara Malaysia (BNM), and the trust of our certificate holders. Together, we have laid strong foundations for the next phase of our journey.

As we move toward 2026, we remain steadfast in our commitment to achieving the FSB's core thrusts, strengthening financial inclusion, driving innovation, and promoting sustainable growth for the benefit of all stakeholders. With continued collaboration and purpose, I am confident that the Takaful industry will not only meet but surpass our shared ambitions.



MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

“WE WILL
ACCELERATE DIGITAL
TRANSFORMATION,
DEEPEN ESG
INTEGRATION, AND
INVEST IN TALENT
FOR A STRONGER
FUTURE.”

As we enter the final phase of the FSB 2022–2026, I am grateful for the dedication and collaboration of our Working Group members, regulators, and partners in advancing the Malaysian Takaful industry. Together, we have turned our shared vision into action—promoting financial inclusion, embedding sustainability, and strengthening resilience across the sector.



MOHD RADZUAN MOHAMED
CEO of Malaysian Takaful Association

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Since the 2023 FSB Interim Report, MTA has advanced the VBIT Framework, embedding ethical and sustainable practices in financial resilience, community empowerment, governance, conduct, and capacity building. Initiatives such as Microtakaful, Perlindungan Tenang, Takaful4All, Karnival Celik Kewangan, and #FitFinances 3.0 reached over 171,000 Malaysians in 2024, demonstrating our commitment to accessible protection, including during times of crisis through the Takaful4All Cares Team.

Sustainability remains a growing priority. To support the industry in meeting evolving sustainability requirements, a number of sustainability-related frameworks and standards have been established such as IFRS Sustainability Disclosure Standards (S1 and S2), the

National Sustainability Reporting Framework (NSRF), BNM's Climate Risk Management and Scenario Analysis (CRMSA) and Climate Risk Stress Testing (CRST) guidelines. To help TOs understand and adhere to these frameworks, MTA has provided masterclasses and continues to plan further training, enhancing transparency, consistency, and accountability, while aligning the industry with global best practices.

Looking ahead, we will accelerate digital transformation to improve customer experience and operational efficiency, deepen ESG integration, and invest in talent development to support a dynamic market landscape. With the continued support of BNM, members, and partners, we are building a robust foundation to not only meet but exceed the FSB objectives by 2026.



Introducing total shariah solution

Helps you protect your
faith, life, intellect, lineage and property.



BERKAT SAMA-SAMA Tabarru', Infaq, Wakaf

Inviting participants to share their blessings and help lighten the burden of those in need with surplus donation and infaq.

RANCANG SAMA-SAMA


AIA+

Plan your finances with wisdom and faith for a bright, stable, and blessed future.

SIHAT SAMA-SAMA


AIA Vitality

Practise a healthy lifestyle as a sign of gratitude for the blessings of good health and get rewarded together.

LINDUNG SAMA-SAMA



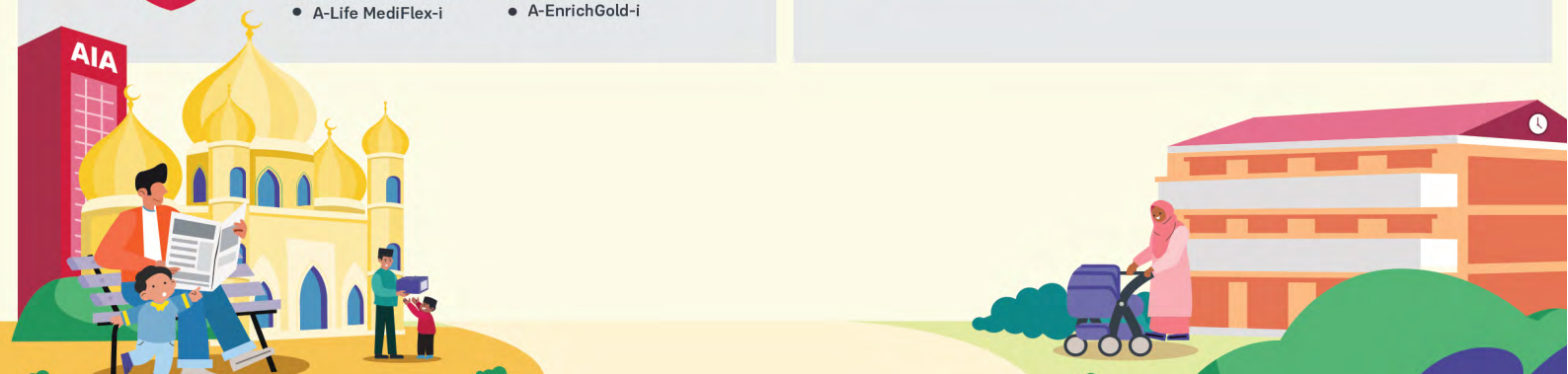
Protect your wealth and loved ones so that they are always secure, no matter what challenges come their way.

- A-Life Idaman
- A-Life Sejahtera
- A-Plus Health Flex-i
- A-Life MediFlex-i
- A-Life Legasi Beyond
- A-Life Sejuta Makna
- A-Enrich Rezeki
- A-EnrichGold-i

PULIH SAMA-SAMA


SMART

Focus on the recovery process with a comprehensive support to rebuild your life.



MESSAGE FROM DIAMOND SPONSOR



MOHD ASRI OMAR
Chief Executive Officer
AIA PUBLIC Takaful Bhd.

AIA PUBLIC Takaful Bhd. (APTB) is pleased to support MTA's 2025 Takaful Financial Sector Blueprint & Sustainability Report, which reflects the industry's shared commitment to strengthening the role of Takaful in shaping a more inclusive, responsible and resilient financial ecosystem. We extend our appreciation to MTA for its leadership in uniting industry stakeholders to drive meaningful progress.

At APTB, we are guided by the principles of VBIT in delivering Shariah compliant solutions that create sustainable value for the communities we serve. Through our Total Shariah Solution (TSS) proposition, we continue to build a holistic ecosystem that supports individuals and families at every life stage - empowering them to plan for the future, protect what matters most, stay healthy and recover with confidence.

We also believe that the strength of Takaful lies not only in protection, but in the shared blessings we create together. This conviction anchors Berkat Sama Sama, a key pillar of TSS that underscores our commitment to community upliftment. Through the AIA Penyala Harapan initiative, we further extend this impact by enabling surplus donations, infaq and waqf contributions to support underserved communities.

It is our hope that this report serves as a valuable reference and a catalyst for deeper collaboration across the industry. As the Takaful sector evolves, APTB will remain committed to advancing financial resilience and delivering on our purpose of helping Malaysian families live Healthier, Longer, Better Lives.



01

INTRODUCTION

- 1.2 Takaful Industry: At a Glance
 - i. Foreword
 - ii. Industry Performances
- 1.3 Overview of Government and Regulatory Frameworks



1.2 TAKAFUL INDUSTRY: AT A GLANCE

Foreword

Over the past decade, Malaysia's Takaful industry has experienced remarkable growth and transformation, with Takaful penetration reaching 20% in 2025, reflecting its expanding role in providing financial protection across diverse segments of society. This growth stems from a dynamic interplay between TOs, agents, consumers, and responsive regulatory frameworks such as the FSB 2022–2026 and the VBIT Framework. The industry has also demonstrated resilience and strong performance, evidenced by RM55.3 million in zakat payments by operators (as of December 2024) and RM1.5 billion in participant surplus sharing in 2024.

While the industry has made significant strides, several areas require ongoing focus, including public awareness of Takaful and its spiritual significance, product competitiveness in primary and underserved markets such as the B40, distribution constraints due to regulatory requirements and underdeveloped channels, talent gaps, digital maturity, and ESG solutions. To address these, TOs have accelerated digital adoption across the industry, spurred by the COVID-19 pandemic, improving accessibility, efficiency, and convenience for certificate holders.

The launch of the Hijrah27 Industry Roadmap for Growth marks a key milestone in tackling these challenges. Hijrah27 aims to innovate, establish Takaful as a household name, and accelerate quality growth in Malaysia. The roadmap focuses on supporting broader strategic objectives such as driving meaningful Takaful awareness, advancing value-drive innovation and next gen digital transformation, strengthening regulatory governance, enhancing high calibre talent and communications, extending MSME protection, and promoting ESG commitments – all closely aligned with the FSB strategic thrusts. This ensures Takaful industry continues to thrive with support from Government initiatives, regulatory frameworks, and industry collaboration.

Building on the foundation of the previous FSB Interim Report, this FSB & Sustainability Report showcases the continued evolution of Malaysia's Takaful industry in advancing the FSB 2022–2026 strategic thrusts and targets, with a stronger focus on sustainability. The report is structured to provide an industry overview, starting with relevant national framework, followed by regulatory frameworks, the industry landscape, and the role and contributions of the industry in alignment with the FSB. It further highlights the progress of initiatives led by Working Groups, MTA, and TOs in meeting the strategic thrusts and targets, while placing strong emphasis on the pivotal role of sustainability in realising the FSB. Ultimately, the report reflects collective industry efforts to bridge protection gaps, strengthen financial resilience, and promote Shariah-compliant, sustainable growth, serving as a reference point to track progress towards the FSB goals by 2026.



TAKAFUL INDUSTRY: AT A GLANCE

Industry Performance Statistics (as of June 2025)



10.8%
CAGR (June 2015-June 2025)



RM8.6B
Total Takaful Contributions



RM5.3B
Family Takaful Contributions



RM3.3B
General Takaful Contributions



RM62.5B
Total Takaful Fund Asset



19.5%
Family Takaful Penetration Rate



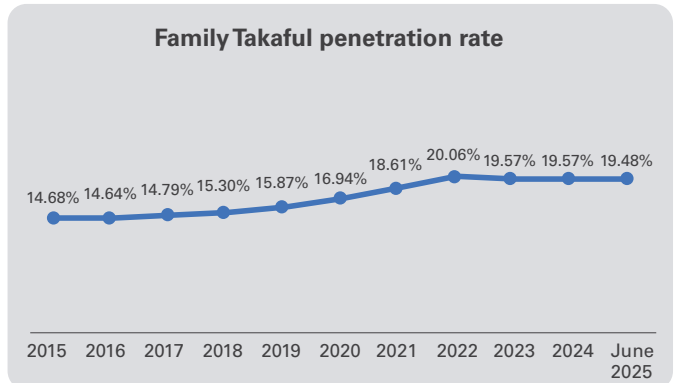
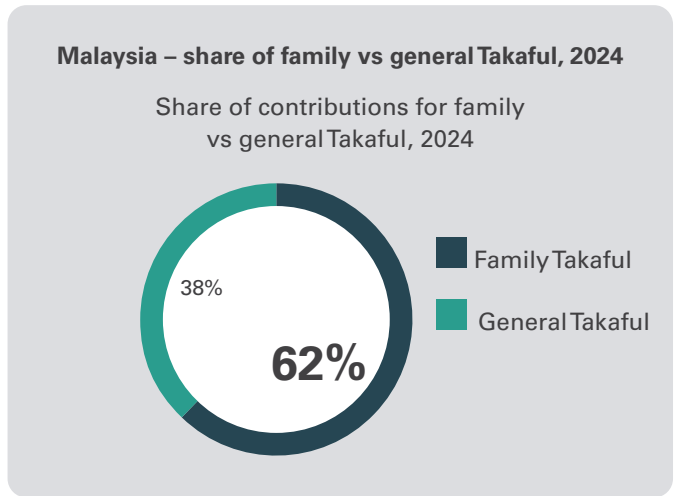
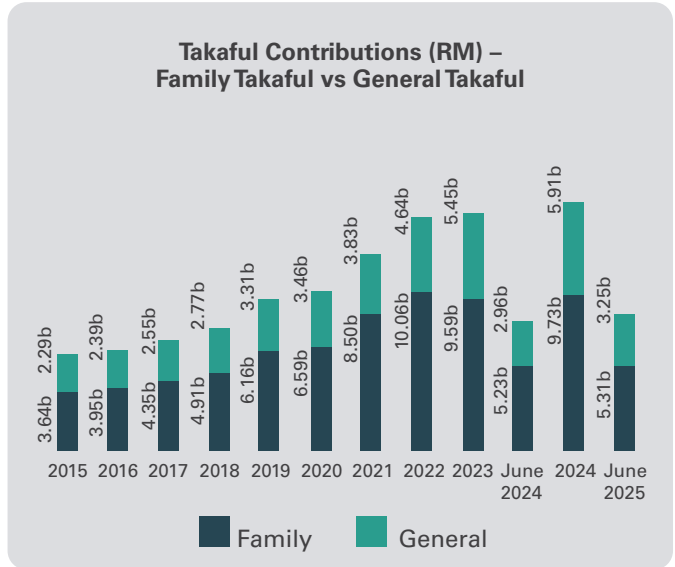
RM5.0B
Total Takaful Claims Payout



RM56.9M
Zakat Payable by the Takaful Operators 2024



RM1.5B
Surplus sharing by Takaful Operators to Participants 2024



Source:
 • MTA Annual Report, Malaysian Takaful Association, 2024
 • Monthly highlights and statistics, Bank Negara Malaysia, 2014-2024

Note:
 • Family Takaful contributions were calculated based on new business contributions and general Takaful contributions were calculated based on gross written contributions.
 • Data as of 30 June 2025 unless specified otherwise.

TAKAFUL INDUSTRY: AT A GLANCE

Industry Performance Statistics (as of June 2025)

Takaful Industry: Overall Performance

Takaful Growth	Takaful Funds assets	Takaful Penetration Rate
10.8% CAGR (2015-2025)	RM62.54 billion (June 2025)	19.48% (June 2025)
Key Performance Indicators		Total Claims Paid Out
<p>Family Takaful</p> <ul style="list-style-type: none"> New Business Contribution: <ul style="list-style-type: none"> RM5.3 billion in Jan-June 2025 RM9.7 billion in 2024 (+1.5% from 2023) Sum Covered: <ul style="list-style-type: none"> RM382.6 billion in Jan-June 2025 RM574.1 billion in 2024 (+5.1% from 2023) Business in Force Contribution: <ul style="list-style-type: none"> RM9.8 billion in Jan-June 2025 RM9.6 billion in 2024 (+7.2% from 2023) 		<p>RM3.7 billion (Net Certificate Benefits)</p>
<ul style="list-style-type: none"> New Business Number of Certificate: <ul style="list-style-type: none"> 0.42 Million in Jan-June 2025 0.99 Million in 2024 (-12.2% from 2023) Business in Force Number of Certificate: <ul style="list-style-type: none"> 6.7 Million in Jan-June 2025 6.7 Million in 2024 (+1.3% from 2023) 		
<p>General Takaful</p> <ul style="list-style-type: none"> Gross Written Contributions: <ul style="list-style-type: none"> RM3.3 billion in Jan-June 2025 RM5.9 billion in 2024 (+8.46% from 2023) Gross Direct Contributions: <ul style="list-style-type: none"> RM3.3 billion in Jan-June 2025 RM5.9 billion in 2024 (+8.41% from 2023) 		<p>RM1.3 billion (Net)</p>

Note: Figures displayed are as of 30 June 2025, unless stated otherwise.

Takaful Contributions and Societal Impact

Perlindungan Tenang	Social Takaful Fund	Total Surplus Sharing	Total Zakat Contribution
<ul style="list-style-type: none"> Number of Certificates: 112,564 certificates issued (June 2025) Annualised Contribution: RM9.77 Million (June 2025) 	RM3.1 million	RM 1,469 million (2024)	RM56.9 million (2024)

TAKAFUL INDUSTRY: AT A GLANCE

FSB 2022-2026: Key Targets

The Takaful industry plays a significant part in supporting BNM's strategic vision for a "Prosperous, Inclusive and Sustainable Malaysia," contributing to the key targets set out under the FSB 2022-2026 in the following ways:

FSB 2022-2026: Four Key Targets

1. Narrowing of gap between Malaysia's OECD/ INFE2 financial literacy scores and the average score of OECD members.

Key Highlights

The Organisation for Economic Co-operation and Development / International Network on Financial Education (OECD/INFE) established in 2008, supports global efforts in improving financial literacy through providing a standardised measurement framework that is shared with over 100 countries.

The financial literacy score is a composite measure based on:

1. Knowledge (e.g., understanding interest rates, inflation, risk).
2. Behaviour (e.g., budgeting, saving, responsible financial decisions).
3. Attitudes (e.g., long-term planning, financial confidence).

Though this is not a Takaful industry specific target, the industry has contributed to narrowing this gap and contributing to the nation's financial literacy, leading to better financial decision-making amongst Malaysians, which in turn will improve the personal financial well-being and stability of individuals and households.

99+

training programmes created that were related to Digital Literacy and Financial Literacy and Inclusivity from 2021 to June 2025

9.9mil+

total participants for these training programmes from 2021 to June 2025

Section References

Refer to sections:

- **Page 36** - Takaful Industry's Role in Meeting the FSB Strategic Thrusts
- **Page 62** - The FSB Strategic Thrusts and Working Group's Initiatives
- **Page 82** - The FSB Strategic Thrusts and Takaful Operator's Initiatives
- **Page 174** - List of Participants for Trainings

FSB 2022-2026: Four Key Targets

2. Takaful and insurance penetration at between 4.8% to 5% (as % of GDP).

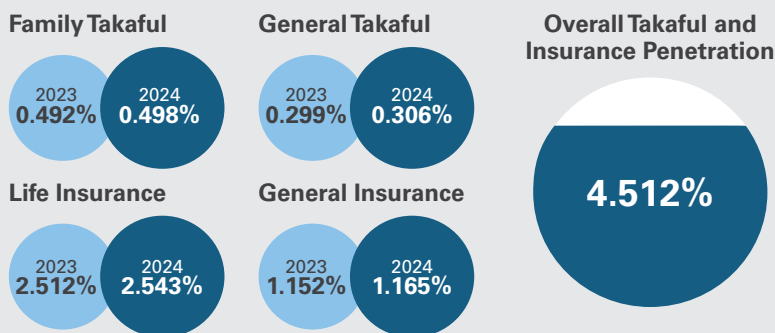
Key Highlights

Over the past decade, the Takaful and insurance industries have been steadily growing in terms of share of GDP. This reflects the combined contributions these sectors make to the national economy, in addition to building financial inclusion and economic resilience amongst Malaysians.

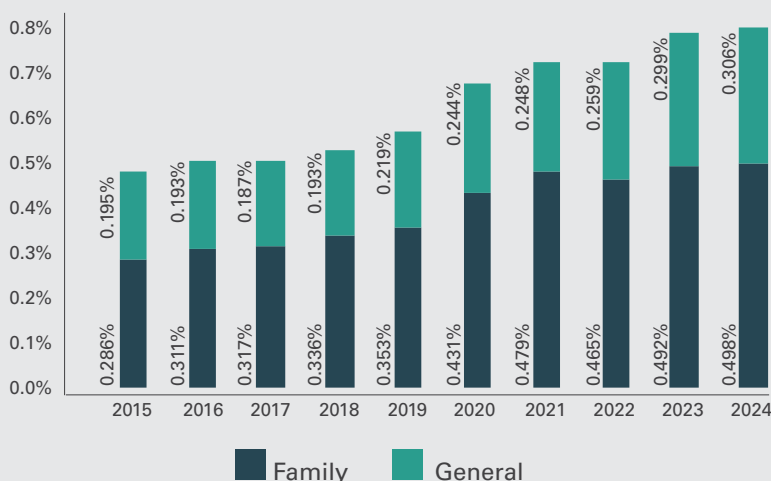
The Takaful industry has demonstrated remarkable progress over the past decade, nearly doubling its penetration of GDP. This growth has been driven by strategic initiatives and a strong push for inclusive, Shariah-compliant protection solutions that supports Malaysia’s long-term development goals.

This is a great achievement as Takaful and Insurance play a vital role in protecting individuals and businesses against financial shocks, enabling long-term planning, and supporting sustainable development. As such, increasing penetration is not just a sectoral goal—it is a national imperative tied to broader economic growth and social stability.

Penetration Rate of GDP



Takaful Industry Penetration Rate over 10 years (as a % of GDP)



Section References

Refer to sections:

- **Page 36** - Takaful Industry’s Role in Meeting the FSB Strategic Thrusts
- **Page 62** - The FSB Strategic Thrusts and Working Group’s Initiatives
- **Page 82** - The FSB Strategic Thrusts and Takaful Operator’s Initiatives

TAKAFUL INDUSTRY: AT A GLANCE

FSB 2022-2026: Four Key Targets

3. Significant increase in take-up of Takaful and insurance, with doubling of number of individuals subscribed to microtakaful/ microinsurance.

Key Highlights

Advancing financial inclusion is a key target close to heart across the Takaful industry. The offering of microtakaful products, which are designed to be affordable and accessible for low-income (B40) and underserved communities, provides the necessary protection to these groups who are especially vulnerable to financial shocks such as illness, accidents, or loss of income. Increasing the take-up rates reflects not only greater awareness and trust in these instruments but also improved outreach and product design that meets the needs of vulnerable groups.

13mil+ Participant

covered under microtakaful products
between 2014 - 2024

Takaful industry has been vital in building financial resilience at the grassroots level and reducing the protection gap to enable individuals and families to manage risks more effectively without falling into poverty. Reflecting the industry's alignment to inclusive financial strategies and national goals of building social protection, economic empowerment, and sustainable development.

Section References

Refer to sections:

- **Page 36** - Takaful Industry's Role in Meeting the FSB Strategic Thrusts
- **Page 62** - The FSB Strategic Thrusts and Working Group's Initiatives
- **Page 82** - The FSB Strategic Thrusts and Takaful Operator's Initiatives

FSB 2022-2026: Four Key Targets

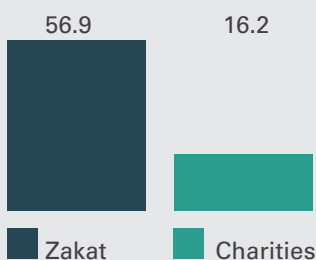
4. Steady growth in VBI-aligned assets and initiatives

Key Highlights

The Takaful industry is playing a key part in enabling Malaysia's economic transformation to a sustainable, long-term growth model through supporting the steady growth in VBI-aligned assets. These represent financial assets which increasingly aligned itself with the broader national and global agenda of promoting Sustainable and Responsible Investment (SRI), the Sustainable Development Goals (SDGs), and Environmental, Social, and Governance (ESG) principles.

TOs have made concerted efforts to integrating ESG considerations into their investment strategies, product offerings, and operational frameworks—supporting initiatives such as green sukuk, socially responsible funds, and inclusive protection schemes that cater to underserved communities. By embedding these values into their core business models, the Takaful industry contributes meaningfully to the development of a more resilient and equitable financial ecosystem.

VBIT Activities in 2025 (mil)



VBI Investments

RM22.5bil+
for Investments & assets under
management as of June 2025

26+ number
of ESG related Takaful funds as of
June 2025*

Note:

* Investments and assets under management, as well as number of ESG related Takaful Funds do not include those by Zurich Takaful Malaysia Berhad, Zurich General Takaful Berhad and Zurich Family Takaful Berhad

Section References

Refer to sections:

- **Page 36** - Takaful Industry's Role in Meeting the FSB Strategic Thrusts
- **Page 82** - The FSB Strategic Thrusts and Takaful Operator's Initiatives

TAKAFUL INDUSTRY: AT A GLANCE

Family & General Takaful (10 years) Number of In-Force certificates, New Certificates Issued

The Takaful industry continued to record steady growth in June 2025, supported by rising contributions and sustained demand for both family and general Takaful products. While new business performance reflected shifts in case size and coverage levels, overall, in-force business and contributions showed resilience, signalling the industry's ability to expand protection reach despite evolving market conditions.

Over the past decade (June 2015 – June 2025), the Takaful segment has roughly tripled owing to the strong growth in contributions of Takaful by CAGR: 10.8%.

Family Takaful Performance

Section A				
New Business (Jan – June 2025)	Contribution	Number of Certificates	Sum Participated	Annualised Contribution Equivalent (ACE)
Average Case Size				
Annual RM3.65K	RM5.31B	0.42M	RM382.62B	RM1.36B
Single RM26.33K				
Average Sum Covered				
Annual RM206.46K	SPLY: RM5.23B ▲1.49%	SPLY: 0.47M ▼-11.31%	SPLY: RM357.70B ▲6.97%	SPLY: RM1.46B ▼-6.744%
Single RM1,984.68K				
Business in Force (Jan – June 2025)	Contribution	Number of Certificates	Sum Participated	
	RM9.75B	6.67M	RM1,615.89B	
	SPLY: RM9.17B ▲6.30%	SPLY: RM6.59M ▲1.14%	SPLY: RM1,527.57B ▲5.78%	



“

Driven by the trust our customers place in us, we remain committed to advancing the Takaful industry through inclusive growth, enhanced financial protection and sustainability. By leveraging on digital solutions and delivering accessible, customer-centric products, we aim to empower communities and strengthen resilience.”

FAIEZY HASNAN
CEO of Etiqa General Takaful Berhad

TAKAFUL INDUSTRY: AT A GLANCE

General Takaful Performance

Section A

Contributions
Total
For period Jan-June 2025Gross Written
Contributions

RM3.25B

SPLY: RM2.96B
▲ 9.65%

Net Contributions

RM2.42B

SPLY: RM2.234B
▲ 8.33%Gross Direct
Contributions

RM3.25B

SPLY: RM2.96B
▲ 9.69%Claims
Total
For period Jan-June 2025

Gross claims paid

RM1.60B

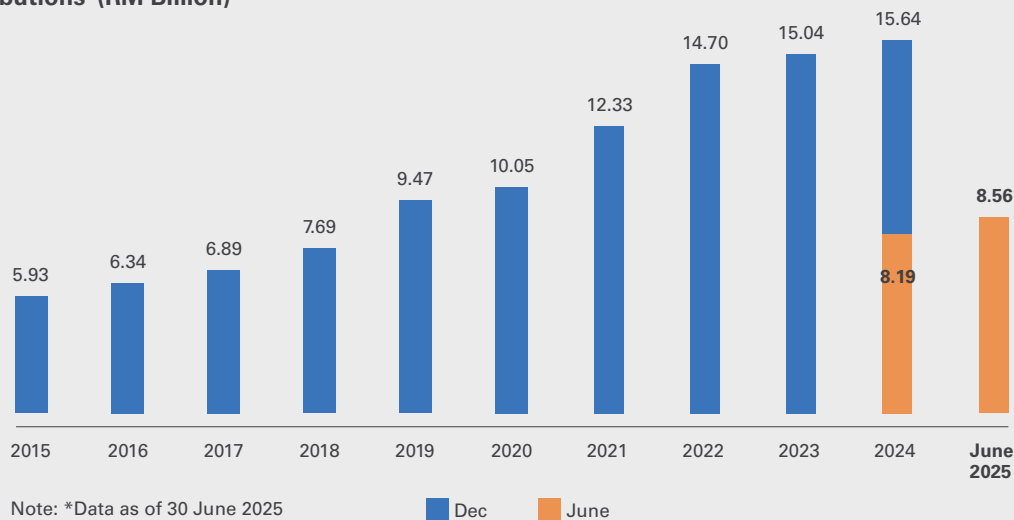
SPLY: RM1.31B
▲ 22.60%

Net Claims paid

RM1.27B

SPLY: RM1.06B
▲ 20.22%Net Claims
Incurred Ratio

63.55%

SPLY: 63.58%
▼ -0.06%Takaful contributions¹ (RM Billion)

Source:

- MTA Annual Report, Malaysian Takaful Association, 2025
- Monthly highlights and statistics, Bank Negara Malaysia, 2014-2025

Note:

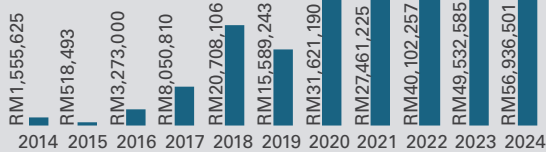
- Family Takaful contributions were calculated based on new business contributions and general Takaful contributions were calculated based on gross written contributions.
- Data as of 30 June 2025 unless specified otherwise.

TAKAFUL INDUSTRY: AT A GLANCE

Zakat Payable

Zakat is a key differentiator of the Takaful industry, reinforcing the tabarru’ principle of mutual giving. For TOs, zakat is more than a duty, it is central to their social responsibility, with substantial contributions channelled through the Social Takaful Fund managed by MTA to uplift underserved communities and support the asnaf, particularly the poor and needy. As of December 2024, zakat payable by TOs reached RM56.9 million.

Zakat Payable by TOs

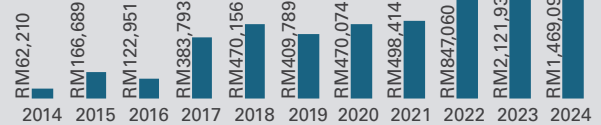


Source: Various TOs’ Financial Statements.

Surplus Sharing

Surplus is a unique feature of Takaful, arising when funds exceed claims, expenses, and reserves. The excess is shared between TOs and eligible participants, reflecting mutual assistance and risk-sharing while encouraging prudent fund management. In 2024, surplus sharing was a robust RM1.5 billion, highlighting the industry’s strength in financial protection and the rising demand for Shariah-compliant solutions.

Surplus Sharing to Participants RM’000



Sources:

- Various TOs’ Financial Statements.
- Surplus Sharing in Takaful: When There’s Extra, You Get a Share, 17 September 2025, Etiqa



“

The Takaful industry is committed to providing Shariah-compliant solutions that meet the needs of customers at every life stage. By elevating the financial well-being of households and businesses, we strive to advance professional standards, foster innovation and efficiency, and strengthen oversight, building a resilient and trusted financial ecosystem.”

MOHD ASRI OMAR
Working Group 2C(i) Champion and
CEO of AIA PUBLIC Takaful Bhd.

1.3 OVERVIEW OF GOVERNMENT AND REGULATORY FRAMEWORKS

Policy and Regulatory Framework Shaping Malaysia's Takaful Industry

Malaysia's Takaful industry operates within a dynamic policy and regulatory environment that is designed to foster sustainable growth, strengthen financial resilience, and enhance social protection for Malaysians. Several national blueprints and policy frameworks provide strategic direction that directly shapes the development of the Takaful industry, including the 13th Malaysian Plan (13MP), FSB 2022-2026, MADANI Economy Framework, National Strategy for Financial Literacy, the National Social Policy, and others.

Together, these policies and frameworks provide a strong foundation for the Takaful industry to thrive while fulfilling its dual mandate of business sustainability and social impact. They underscore the industry's responsibility to innovate, collaborate, and deliver solutions that support national objectives and improve the financial well-being of Malaysians.



Government Frameworks / Policies

- Malaysia Plan (12MP & 13MP)
- MADANI Economy
- National Social Policy (DSN 2030)
- National Energy Transition Roadmap
- National Sustainability Reporting Framework



BNM Frameworks

- FSB 2022-2026
- Malaysia Plan (12MP & 13MP)
- National Strategy for Financial Literacy
- Risk Management in Technology
- Licensing and Regulatory Framework for Digital Insurers and Takaful Operators
- Future Skills Framework



Takaful Industry Frameworks

- VBIT Framework and Roadmap
- Hijrah27

Malaysia Plan (12MP & 13MP)



Resetting the economy focuses on restoring the growth momentum of key economic sectors, and propelling strategic and high impact industries as well as micro, small and medium enterprises.



Strengthening security, wellbeing and inclusivity focuses on the efforts to uphold the country's stability by enhancing defence and security, while improving healthcare, providing affordable housing, promoting an active lifestyle and fostering unity.



Advancing sustainability focuses on advancing green growth as well as enhancing energy sustainability and transforming the water sector.

The four catalytic policy enablers will support the achievement of these three themes and form the fundamental foundation and building blocks of Malaysia's development over the next five years and beyond.



Developing future talent by realigning the labour market in meeting industry demand and further improving the quality of education.



Enhancing connectivity and transport infrastructure focuses on the efficiency of transport and logistics infrastructure to provide safe, reliable, affordable and sustainable services.



Accelerating technology adoption and innovation focuses on hastening digitalisation and promoting the adoption of new and advanced technology in all sectors to ensure sustainable economic growth.



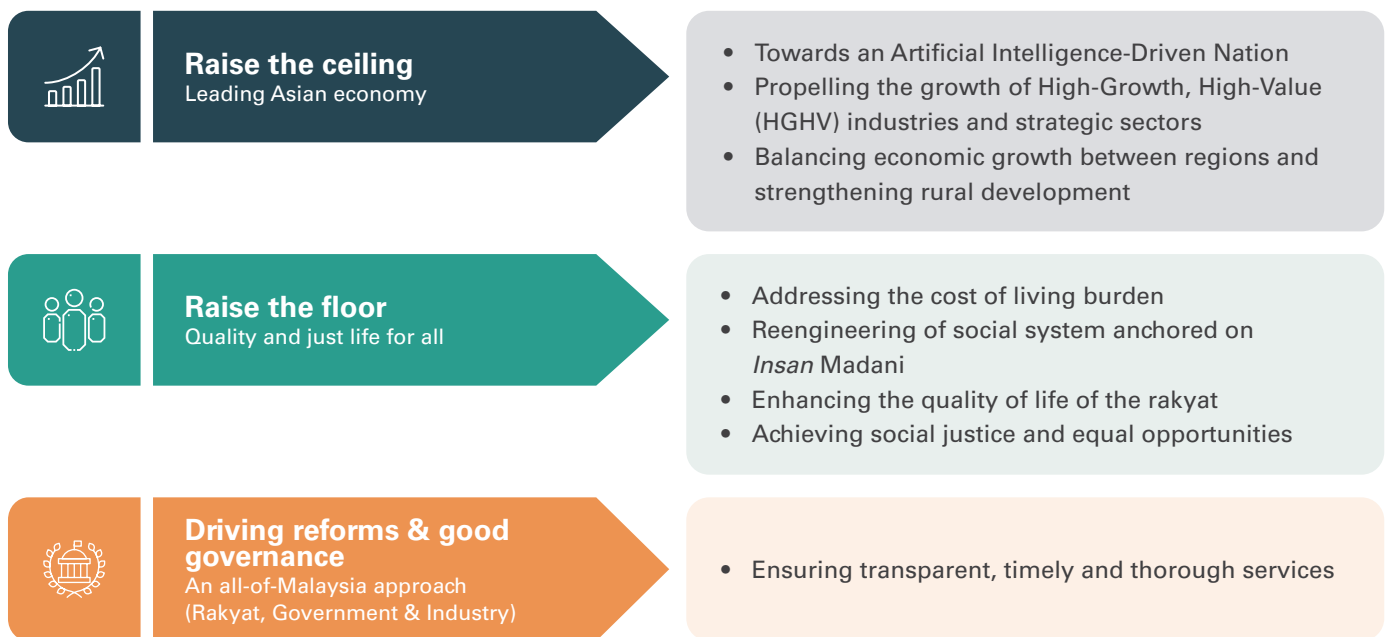
Strengthening the public service fundamentally supports all themes and other policy enablers in promoting the wellbeing of the rakyat as well as ensuring Malaysia's continuous socioeconomic development.

OVERVIEW OF GOVERNMENT AND REGULATORY FRAMEWORKS

At its time of introduction, the 12th Malaysia Plan (12MP) covering the period of 2021-2025 focused heavily on post-pandemic recovery, aiming to reset the economy, strengthen social wellbeing, and advance sustainability as it faced the urgent need to stabilise Malaysia's socio-economic landscape.

It was a transitional blueprint designed to restore momentum and lay the groundwork for long-term reforms which has significantly influenced subsequent frameworks enacted by the Takaful and financial industry. The emphasis on post-pandemic recovery and sustainability in the 12MP prompted Takaful Operators to enhance their offerings, focusing on inclusivity and resilience in their products and services.

The Thirteenth Plan is anchored on three themes and nine focus areas:



In contrast, the 13th Malaysia Plan (13MP) marks a strategic shift toward transformational development under the MADANI Economy framework. Rather than recovery, the 13MP is about reshaping development, driving innovation, and positioning Malaysia competitively in the global landscape, reflecting a matured policy direction that builds on the foundations of the 12MP.

The transformative vision of the 13MP has spurred the Takaful and financial sectors towards a more forward-looking focus to channel Malaysia's long-term economic transformation. As the industry evolves, the frameworks established by the 12MP and 13MP serve as guiding principles, encouraging collaboration among stakeholders to foster a more robust and competitive financial ecosystem that supports Malaysia's long-term economic goals.



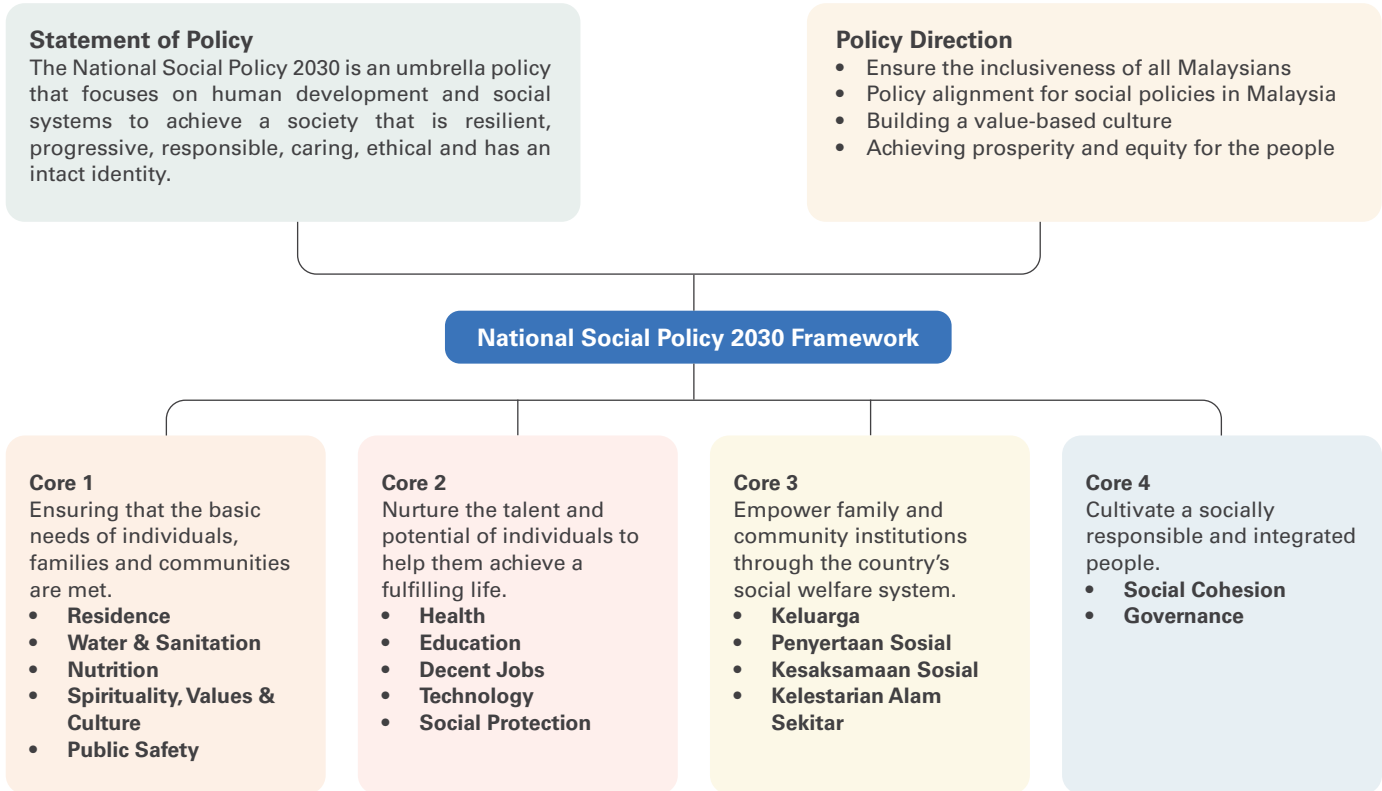
NOR AZMAN ZAINAL
CEO of Syarikat Takaful Malaysia
Keluarga Berhad

“

Access to Shariah-compliant protection is fundamental to strengthening the financial resilience of Malaysians. Through innovation, digitalisation and collaboration, the takaful industry can continue to expand financial inclusion and ensure that protection remains accessible to communities.”

OVERVIEW OF GOVERNMENT AND REGULATORY FRAMEWORKS

National Social Policy 2030 (DSN 2030)



The National Social Policy 2030 (DSN 2030), launched in October 2024, reaffirms the government's commitment to building a prosperous, inclusive, and progressive society. The policy strengthens social welfare by addressing issues such as poverty, inequality, mental health, and child protection while ensuring equitable access to education, healthcare, and social services. The Takaful industry is committed to strengthening the nation's social welfare through extending product coverage to the underprivileged and through social initiatives.



“

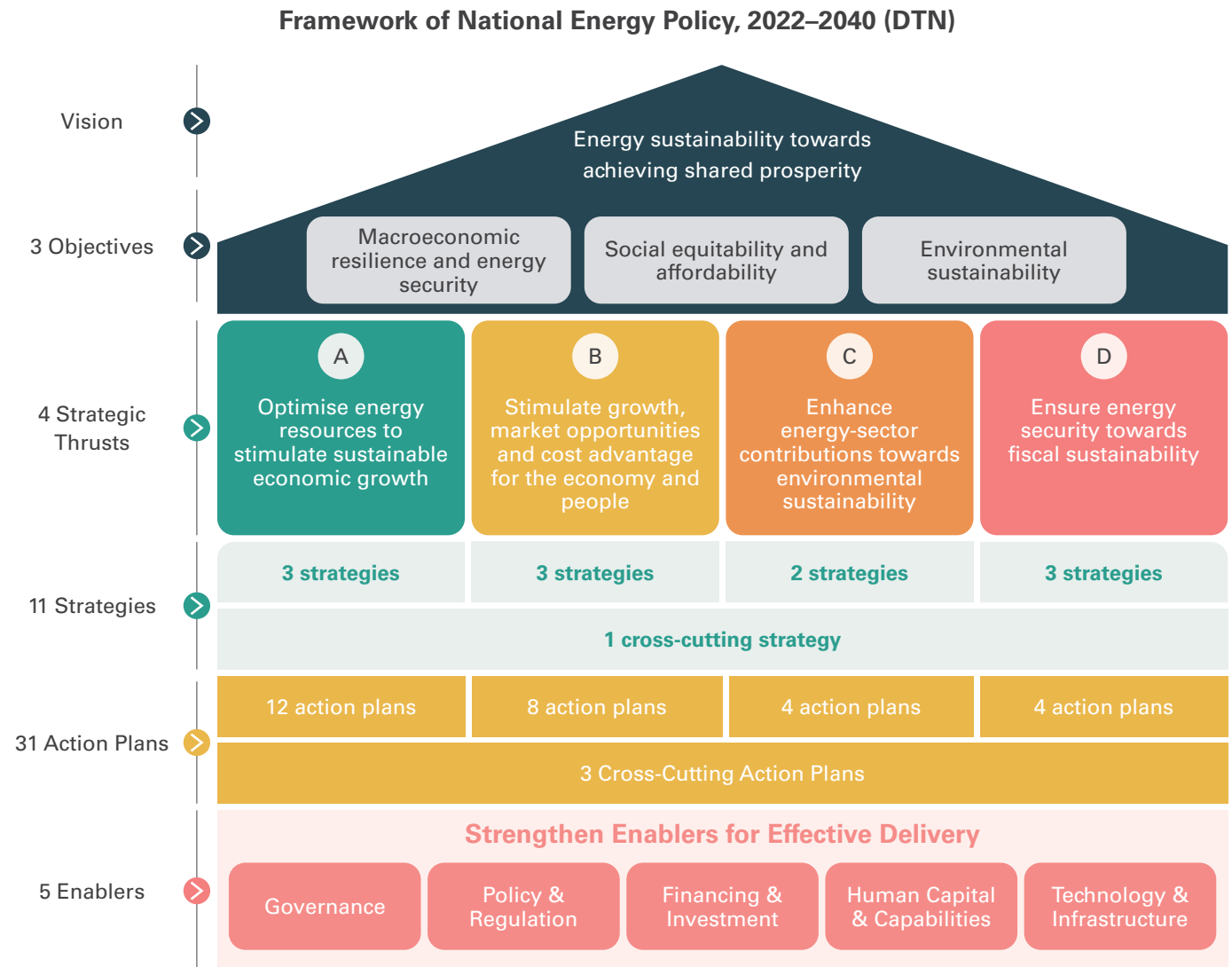
The Takaful industry aspires to support Malaysia's economic transformation by making financial services more accessible, affordable and inclusive through expanded coverage, enhanced services and digital innovation, while delivering meaningful protection and long-term value to individuals, families and communities. In parallel, the industry supports the commercial and industrial sectors through robust risk management solutions that strengthen resilience and enable sustainable growth.”

MOHAMED SABRI RAMLI
Working Group 1 Champion and
CEO of Syarikat Takaful Malaysia Am Berhad

OVERVIEW OF GOVERNMENT AND REGULATORY FRAMEWORKS

National Energy Transition Roadmap (NETR)

Exhibit 2.3: The DTN Framework



Malaysia's National Energy Transition Roadmap (NETR), launched in July 2023, is a strategic blueprint to shift the country's energy landscape from fossil fuels to cleaner, more sustainable sources by 2050. It outlines six energy transition levers—including renewable energy, energy efficiency, hydrogen, bioenergy, green mobility, and carbon capture—and introduces 10 flagship projects to catalyse this shift.

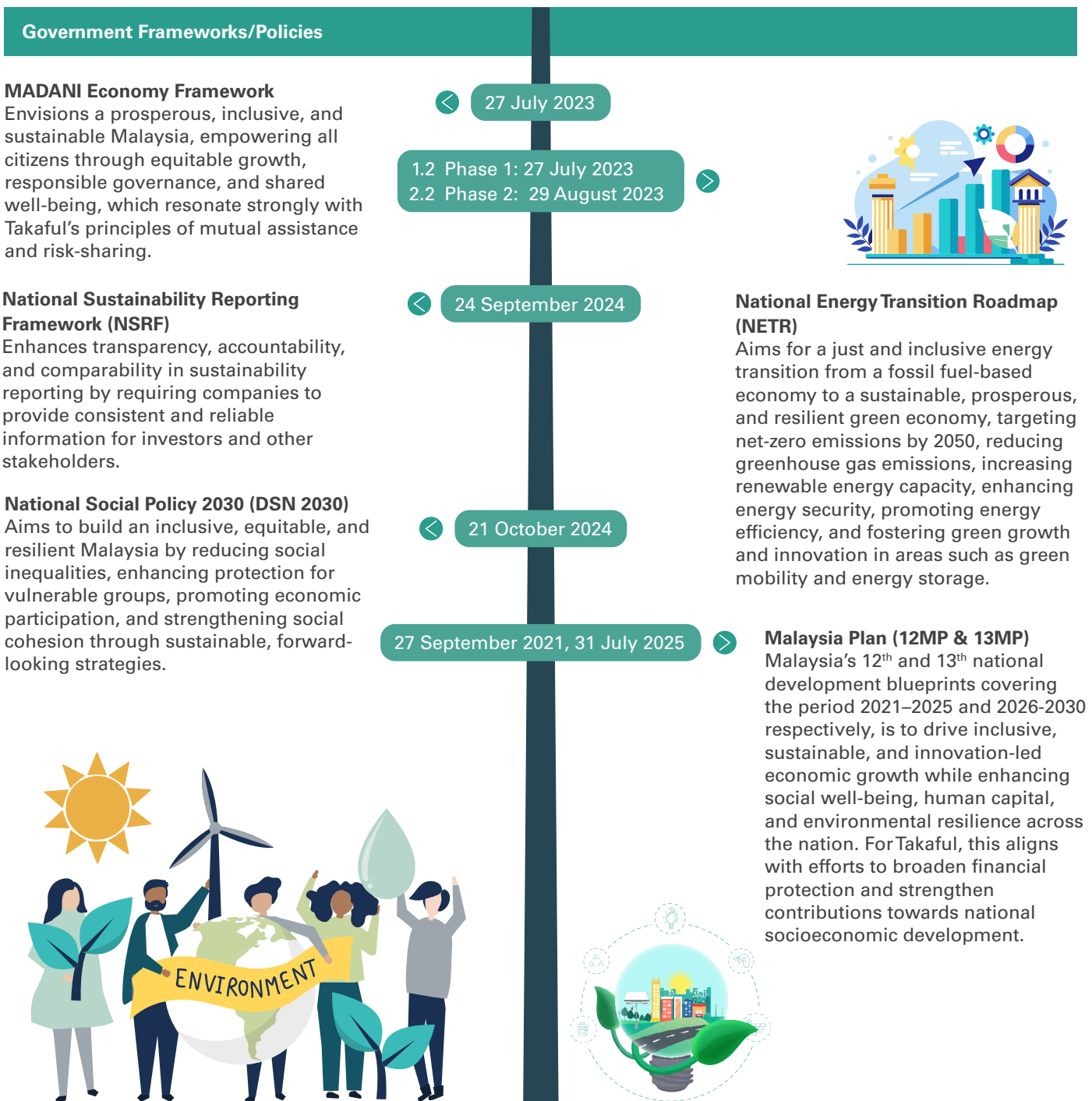
The Takaful industry is aligning with NETR by expanding its role in supporting green and sustainable economic initiatives. This includes developing value-based products, enhancing risk management capabilities, and venturing into non-traditional sectors such as renewable energy and green infrastructure.

OVERVIEW OF GOVERNMENT AND REGULATORY FRAMEWORKS

Timeline of Policy and Regulatory Framework Shaping Malaysia’s Takaful Industry

Malaysia’s Takaful industry operates within a dynamic policy and regulatory environment that is designed to foster sustainable growth, strengthen financial resilience, and enhance social protection for Malaysians. Several national blueprints and policy frameworks provide strategic direction that directly shapes the development of the Takaful industry, including the 13th Malaysian Plan (13MP), FSB 2022-2026, MADANI Economy Framework, National Strategy for Financial Literacy, the National Social Policy, and others.

Together, these policies and frameworks provide a strong foundation for the Takaful industry to thrive while fulfilling its dual mandate of business sustainability and social impact. They underscore the industry’s responsibility to innovate, collaborate, and deliver solutions that support national objectives and improve the financial well-being of Malaysians.



OVERVIEW OF GOVERNMENT AND REGULATORY FRAMEWORKS

BNM Frameworks/Guidelines

FSB 2022-2026

Charts the course for Malaysia's financial system transformation, with Takaful positioned as a key enabler in advancing financial inclusion, embedding sustainability, and supporting Malaysia's transition to a greener and more resilient economy.

Risk Management in Technology (RMiT)

Sets to improve upon financial institutions' management of technology risk to improve the resilience of financial services and enhance system-wide cyber defence. Laying out requirements to implement robust risk management controls above the minimum regulatory standards to deliver efficient financial services securely and preserve public confidence in the financial system.

Licensing and Regulatory Framework for Digital Insurers and Takaful Operators (DITOs)

Aims to close Malaysia's protection gap and advance the digitalisation of the financial sector, this policy document sets out requirements to facilitate the entry of DITOs that can deliver strong and meaningful value propositions of inclusion, competition and efficiency.

23 July 2019

**National Strategy for Financial Literacy**

Reinforces the importance of empowering individuals and communities with the knowledge to make sound financial decisions. This provides the Takaful industry an opportunity to deepen awareness and education around protection solutions, particularly for underserved groups.

24 January 2022



1 June 2023



9 July 2024



22 July 2024

**Future Skills Framework (FSF)**

Future-proof the financial sector's workforce by ensuring employees have the necessary skills to thrive amidst rapid technological advancement and evolving industry demands.



Takaful Industry Frameworks

VBIT Framework

Lays out the broader objectives of sustainable development and societal well-being for the industry through five key pillars: financial resilience, community empowerment, good self-governance, best conduct, and capacity building. Acting as a blueprint that defines what VBIT is and why it matters.

Hijrah27

Serves as a strategic roadmap guiding the Takaful industry towards 2027 and beyond. Built around five priorities which are expanding inclusion, deepening ESG integration, enhancing professionalism, strengthening awareness, and accelerating digitalisation, reflecting a collective ambition to future-proof the Takaful industry while staying true to our Shariah values.

23 June 2021



4 October 2022

**VBIT Roadmap**

Aligns the operations and practices of TOs, with the five key pillars outlined in the framework. The roadmap is a practical implementation plan which translates the framework's ideals into measurable actions and industry-wide transformation.

8 November 2024

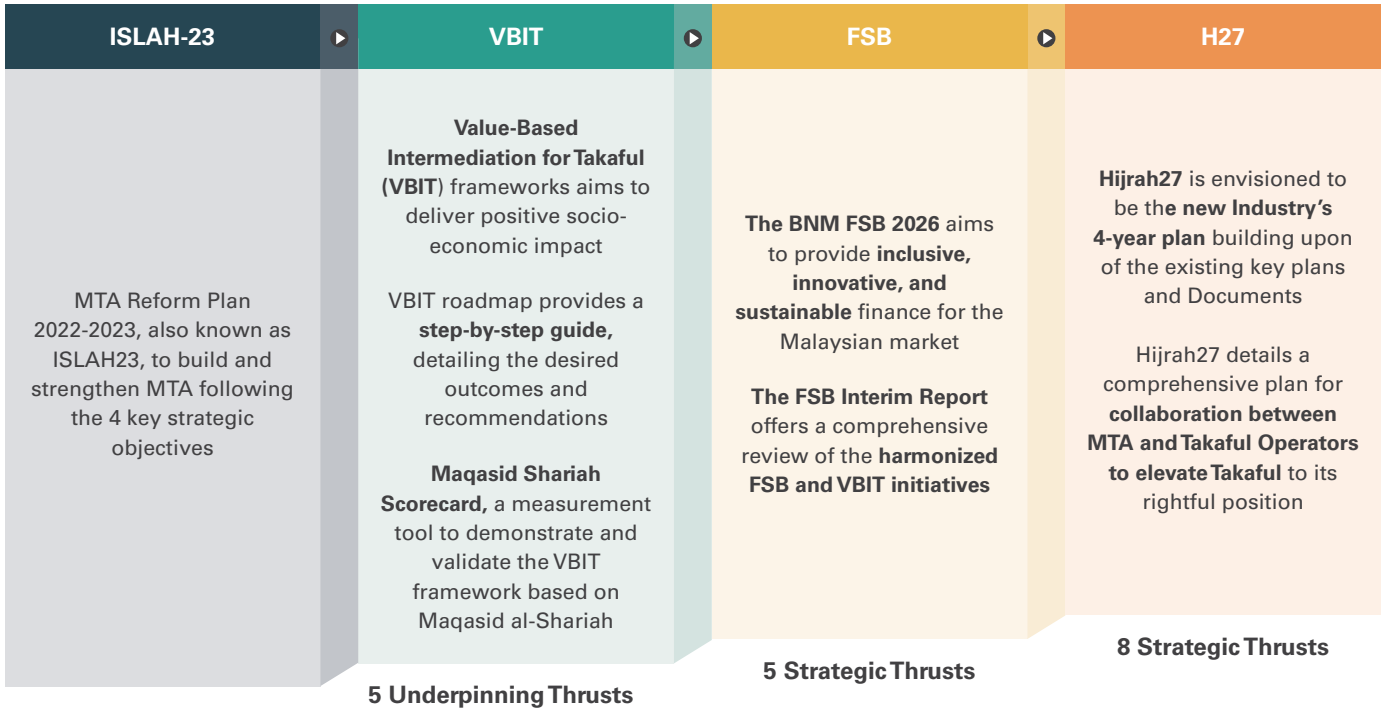
**Sources:**

- 13MP To Ensure Malaysia Stays Competitive Through Digitalisation, Value Creation, 3 September 2025, Ministry of Finance (MoF)
- Financial Sector Blueprint 2022-2026, 24 January 2022, BNM
- SPEECH TEXT MADANI ECONOMY: EMPOWERING THE PEOPLE, 27 July 2023, Prime Minister's Office of Malaysia
- Malaysia National Strategy for Financial Literacy 2019-2023, 23 July 2019, FEN
- Social Protection Policy, 2024, MyGovernment
- Perlindungan Tenang, 2025, BNM
- Skim Perlindungan Takaful B40 mySalam, 2025, mySalam
- Exposure Draft on Risk Management in Technology (RMiT), 2024, Nov 2024, BNM

OVERVIEW OF GOVERNMENT AND REGULATORY FRAMEWORKS

Takaful Industry Transformation

The Takaful industry has evolved from VBIT’s value-based practices, supported by the groundwork for reform laid by Islah-23, to FSB 2022-2026’s harmonised guidance, and now to Hijrah27’s forward-looking 4-year plan, fostering collaboration to strengthen Takaful’s role in Malaysia’s financial ecosystem.



4 Strategic Objectives

Islah-23 Four Strategic Objectives

Elevate MTA’s visibility through stakeholder engagement and media strategies.	Drive operational efficiency with operation optimisation and effective digital asset management.
Implement best governance with streamlined practices and proactive oversight.	Attain organisational sustainability through workforce planning, business innovation, and income diversification.



“The Malaysian Family Takaful industry continues to elevate professional standards by driving innovation, strengthening oversight, and taking concrete action to ensure consistent consumer protection - key to building a resilient, forward looking financial landscape to secure the future of Malaysian families.”

AZAMYUSOF
Working Group 2C(ii) Champion and
CEO of Sun Life Malaysia
Takaful Berhad

OVERVIEW OF GOVERNMENT AND REGULATORY FRAMEWORKS

ISLAH-23

The MTA reform plan for 2022-2023, known as Islah-23, was launched in June 2022. This initiative is designed to support MTA's mission and objectives outlined under the FSB 2022-2026 framework and the Value-Based Intermediation (VBIT) initiative. The strategic objectives of Islah-23 focus on enhancing visibility, promoting good governance, improving operational efficiency, and ensuring organizational sustainability.

The reforms and transformation of MTA under Islah-23 was the necessary groundwork for adopting the FSB framework, ultimately enabling MTA to develop industry-level training modules and materials, conduct comprehensive training, upgrade learning infrastructure, and embrace digitalization. These efforts are pivotal in guiding the strategic direction necessary for the overall transformation of the Takaful industry.

Overview of VBIT Roadmap 2022–2024

Map of Key Outcomes, Underpinning Thrusts and Initiatives

Underpinning Thrusts



Financial Resilience



Community Empowerment



Good Self Governance



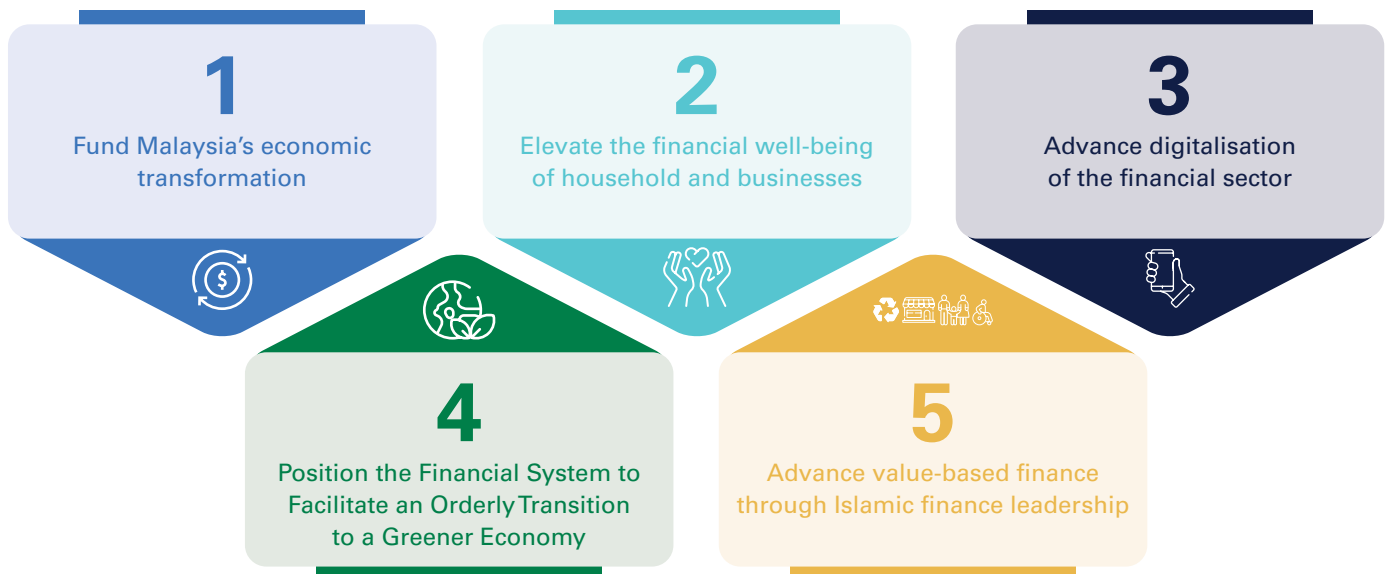
Best Conduct



Capacity Building

FSB 2022-2026

5 Strategic Thrust



02

ROLE AND CONTRIBUTIONS OF THE MALAYSIAN TAKAFUL INDUSTRY

- 2.1 Alignment of the VBIT with the FSB
- 2.2 Takaful Industry's Role in Realising the FSB Aspirations
- 2.3 Takaful Industry's Role in Meeting the FSB Strategic Thrusts
- 2.4 Assessment Criteria for the Takaful FSB Programme



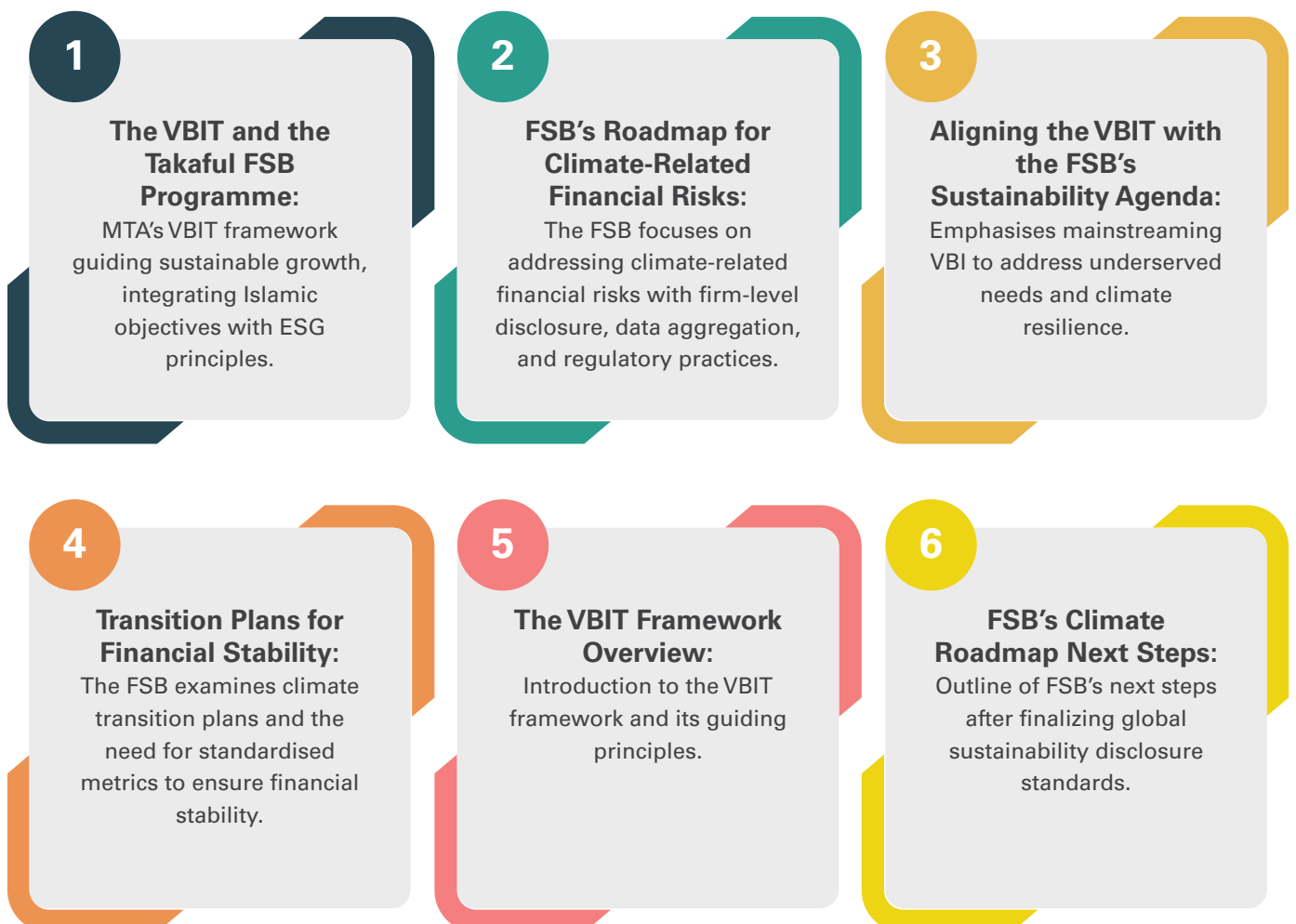
2.1 ALIGNMENT OF THE VBIT WITH THE FSB

Overview of the VBIT and FSB Initiatives

The VBIT Roadmap, launched by MTA in October 2022, provides a structured framework for the Takaful industry to embed sustainability, inclusivity, and ethical practices into their operations. Closely aligned with the strategic objectives of BNM's FSB 2022–2026, the VBIT enables TOs to contribute meaningfully to national development goals while delivering value to all stakeholders. Through this alignment, TOs play a pivotal role in driving sustainable growth, promoting socio-economic well-being, and upholding the Maqasid Shariah, thereby demonstrating the industry's tangible contributions to Malaysia's broader sustainability agenda.

The FSB serves as a strategic roadmap for Malaysia's financial sector, covering both conventional and Islamic finance, outlining the vision and strategies to build a dynamic, inclusive, and sustainable financial system that supports Malaysia's economic transformation. The blueprint identifies three core outcomes: Finance for All, Finance for Transformation, and Finance for Sustainability, providing guidance for FIs to navigate challenges and seize opportunities. The VBIT operationalises these objectives within the Takaful industry, translating the FSB's national-level vision into actionable initiatives that create tangible social and economic impact.

To further illustrate the synergies between The VBIT and the broader financial sector agenda, the key focus areas and initiatives are highlighted below:



ALIGNMENT OF THE VBIT WITH THE FSB

FSB Aspirations

3

BROAD THEMES

Finance for All



- Diverse choices for customers, including 'digital first' solutions
- Strengthen financial safety nets
- Confident and capable financial consumers

Finance for Transformation



- Growth in alternative finance
- Deeper global integration, with continued leadership as an international gateway for Islamic finance
- Vibrant and dynamic financial landscape

Finance for Sustainability



- Wider adoption of value-based intermediation (VBI) to serve the economy, community and environment
- Steady progress in greening finance and financing green

5

FOCUS AREAS FOR TAKAFUL

Fund Malaysia's economic transformation

Elevate the financial well-being of household and businesses

Advance digitalisation of the financial sector

Advance value-based finance through Islamic finance leadership

Position the Financial System to Facilitate an Orderly Transition to a Greener Economy

4

KEY TARGETS BY 2026 FOR TAKAFUL

Takaful and insurance penetration at between 4.8% to 5% (as % of GDP).

Significant increase in take-up of Takaful and insurance, with doubling of number of individuals subscribed to microtakaful/ microinsurance.

Steady growth in VBI-aligned assets

Narrowing of gap between Malaysia's OECD/ INFE2 financial literacy scores and the average score of OECD members.



“

We are honoured to be able to contribute to the takaful digitalisation for the nation, drive financial protection for all Malaysians, and empower communities. We aim to continue building a more resilient Takaful industry that supports sustainable growth and the diverse needs of our society.”

SHAMSUL AZMAN
CEO of Zurich General Takaful Malaysia Berhad

ALIGNMENT OF THE VBIT WITH THE FSB

Alignment with the FSB 2022–2026

The FSB 2022–2026, launched by BNM, outlines three strategic outcomes for the financial sector:

Finance for All – promoting inclusive access to financial services and financial literacy



Finance for Transformation – supporting innovation and leadership in Islamic finance.



Finance for Sustainability – encouraging ESG-aligned practices and green finance initiatives.



The VBIT Roadmap was explicitly designed to align with these outcomes. By positioning the Takaful industry as a key provider of financial assurance and resilience, VBIT contributes to Malaysia's broader economic transformation. It ensures that TOs play an active role in advancing financial inclusion, ethical practices, and sustainable growth.

**FINANCE FOR ALL**

The FSB emphasises inclusive access to financial services, particularly for underserved communities. The VBIT supports this outcome by:

- Encouraging TOs to design Takaful products that are accessible, affordable, and tailored to diverse segments.
- Promoting digitalisation to extend reach to previously underserved populations.
- Enhancing financial literacy through community engagement and awareness campaigns.

Through initiatives such as nationwide financial literacy programmes and digital transformation efforts, MTA has helped increase Takaful penetration and improve financial knowledge among Malaysians, thereby supporting broader financial inclusion.

**FINANCE FOR TRANSFORMATION**

The FSB highlights the importance of innovation, alternative finance, and leadership in Islamic finance. The VBIT aligns with this by:

- Positioning Takaful as a central player in Malaysia's Islamic finance ecosystem.
- Driving innovation through digital channels, product bundling, and service enhancements.
- Encouraging collaboration among stakeholders to facilitate industry reforms and operational improvements.



“

Family Takaful plays an important role in strengthening Malaysians' financial security by encouraging long term planning and responsible protection for loved ones. Through inclusive and accessible solutions, supported by digital innovation and strong customer relationships, we aim to ensure that protection remains within reach for individuals and families from all walks of life.”

KELVIN WONG

Officer-in-Charge cum Chief Financial Officer,
Prudential BSN Takaful Berhad

ALIGNMENT OF THE VBIT WITH THE FSB



FINANCE FOR SUSTAINABILITY

FSB calls for the integration of ESG principles and the advancement of green finance. VBIT operationalises this by:

- Benchmarking Takaful practices against globally recognised sustainability standards, including the UN Sustainable Development Goals (SDGs) and the UNEP Principles for Sustainable Insurance (PSI).
- Promoting ethical conduct, robust risk management, and community-focused services.
- Supporting climate resilience and environmental stewardship through sustainable product design and responsible investment strategies.

MTA's VBIT Roadmap explicitly incorporates these sustainability objectives, ensuring that TOs contribute to national and global sustainability agendas while aligning with the FSB's long-term vision for a resilient and responsible financial system.

Regulatory and Strategic Support

BNM actively supports VBIT integration through its blueprint and regulatory updates. This alignment underscores a national strategy to maintain Malaysia's leadership in Islamic finance while addressing pressing sustainability challenges, including climate change and responsible investment.

AmMetLife Takaful

The Power of Care, The Spirit of Takaful

At AmMetLife Takaful, giving back is part of who we are. We believe protection goes beyond financial security - it's about caring for people, uplifting communities, and sustaining the world.

Our vision is simple yet powerful - to be a Takaful company that protects what matters most while inspiring positive change.

Our journey is guided by purpose, strengthened by values, and inspired by the trust of those we serve. Together with our industry peers, we're building a future rooted in care, responsibility, and shared progress.

AmMetLife Takaful
Protecting what matters. Empowering what's next.

PEAK360
PURPOSE
ENDURANCE
ABILITY
KNOWLEDGE

ALIGNMENT OF THE VBIT WITH THE FSB

Hijrah27 Industry Roadmap for Growth

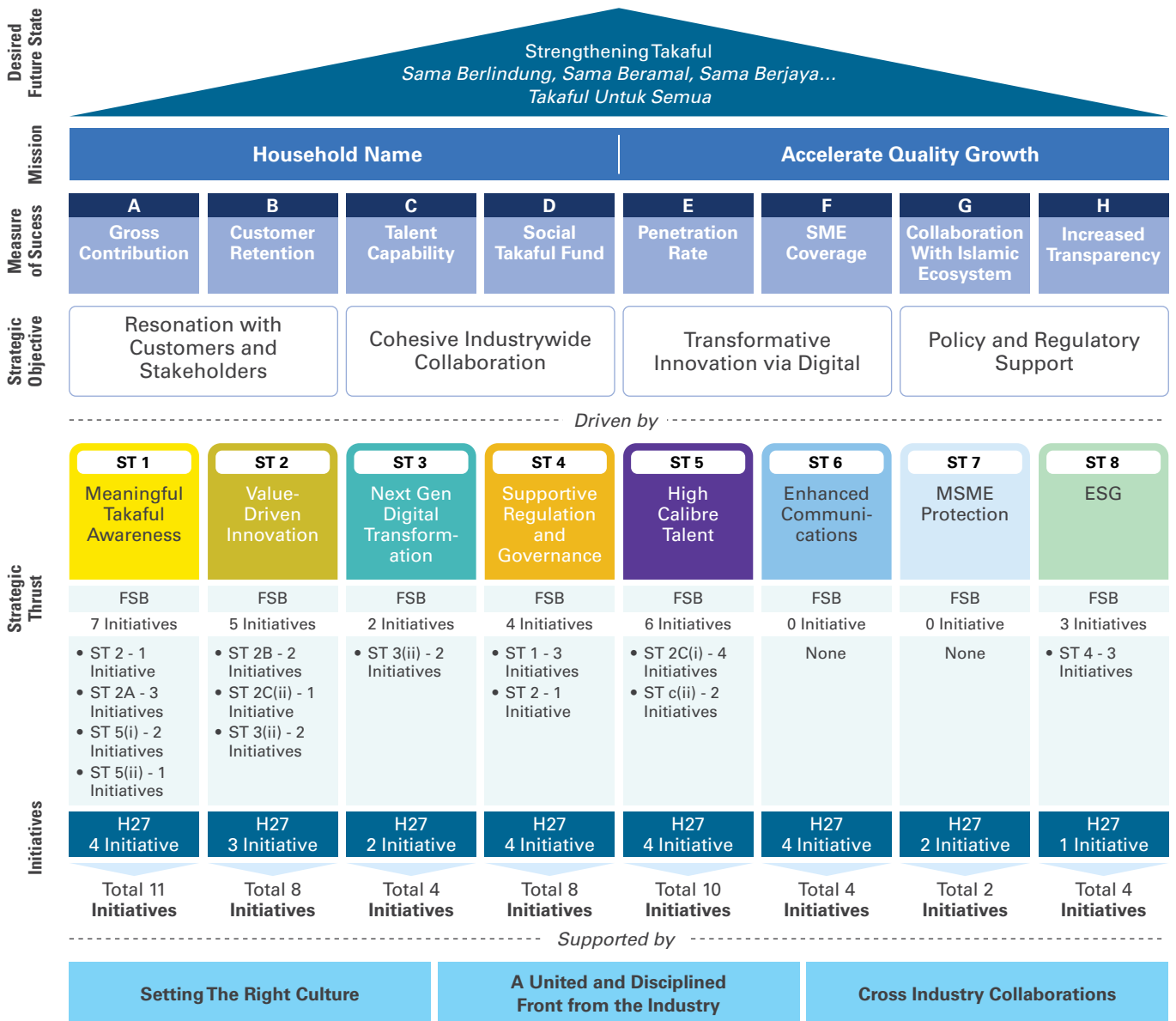


Building on the foundation set by the FSB, **Hijrah27 Industry Roadmap for Growth** translates these broad strategic objectives into a focused roadmap for Malaysia’s Takaful industry.

Centered around 8 Strategic Thrusts, 6 of which are directly driven by FSB initiatives, Hijrah27 aims to foster cohesive collaboration across the Islamic finance ecosystem while driving sustainable market growth. Its mission encompasses broadening public understanding of Takaful, delivering value-driven product innovation, leveraging digital transformation, strengthening regulatory governance, enhancing the professionalism of Takaful agents and employees, improving communication strategies, extending protection to MSMEs, and advancing ESG commitments.

By addressing the industry challenges through initiatives spanning across MTA Reform Plan 2022-2023 (ISLAH23), VBIT, and FSB, Hijrah27 ensures that the Takaful sector remains aligned with the FSB’s strategic direction while reinforcing unity, discipline, and cross-industry collaboration. This report focuses specifically on the FSB initiatives, highlighting the Takaful industry’s role in advancing the Blueprint’s ambitions.

The Hijrah27 Strategic Framework



Note: Refer to the next section “Mapping Hijrah27 Strategic Thrusts to FSB Initiatives” for the linkage between each strategic thrust and the corresponding FSB initiatives.

ALIGNMENT OF THE VBIT WITH THE FSB

Mapping Hijrah27 Strategic Thrusts to FSB Initiatives

As Hijrah27 continues to embody the principles laid out under FSB 2022-2026 in a way that reflects the ever-evolving landscape of the Takaful industry, the diagram below illustrates how the original strategic thrusts from the FSB have been carried over into Hijrah27.

Hijrah27 Strategic Thrusts			
 ST 1	 ST 2	 ST 3	 ST 4
<p>H27: 4 Initiatives</p> <ol style="list-style-type: none"> 1. Strengthen Takaful Branding via collaborative and integrated Takaful Campaigns 2. Transparent Reporting of Takaful Industry contributions to the Public 3. Involve Islamic Ecosystem for Takaful market expansion 4. Enhance and effectively leverage on social media to market Takaful <p>FSB: 7 initiatives</p> <p>FSB - ST 2</p> <ol style="list-style-type: none"> 1. Conduct a study to gauge the feasibility of incorporating Takaful in Industry financing. <p>FSB - ST 2A</p> <ol style="list-style-type: none"> 2. To strengthen financial literacy and inclusivity as an industry agenda and expand Microtakaful (Perlindungan Tenang) guidelines through means of promotional events 3. To make products more accessible and attractive for the industry by easing regulations and foster an environment for better subsidies for the underserved and B40 and their products 4. Public Private Partnership (PPP) - to address the issue of affordability - subsidy will be utilised for targeted segments only which are B40, OKU, old age <p>FSB - ST 5(i)</p> <ol style="list-style-type: none"> 5. Availability of educational module for the VBIT, Takaful etc. for Centre of Islamic Finance Excellence 6. Active promotion of Takaful and the VBIT globally via various platforms <p>FSB - ST 5(ii)</p> <ol style="list-style-type: none"> 7. Foster thought leadership for boosting the Takaful industry regionally and internationally 	<p>H27: 3 Initiatives</p> <ol style="list-style-type: none"> 1. Expand outreach to regional markets for Muslims 2. Establish a centralised Takaful online platform that has an aggregated policy management, industry data, and agency infrastructure for multiple users 3. Collaborative effort to develop a blended Takaful product for special needs and underserved individuals <p>FSB: 5 initiatives</p> <p>FSB - ST 2B</p> <ol style="list-style-type: none"> 1. To facilitate a study on the development of products that are needed by these segments. Obtain data from SOCSO, Zakat, Penjana for statistics and pricing purposes 2. To establish joint industry committee to address long-term sustainability and affordability of private MHIT and as well as to drive best practices amongst industries <p>FSB - ST 2C(ii)</p> <ol style="list-style-type: none"> 3. Development of a Policy Portal - to establish a robust platform that facilitates the seamless sharing of relevant information among members for the purpose of policy and certificate replacement. <p>FSB - ST 3(ii)</p> <ol style="list-style-type: none"> 4. Online Coverage Checking 5. Strengthen the role of Insurance Services Malaysia (ISM) for Family Takaful data – as a gatekeeper for the industry 	<p>H27: 2 Initiatives</p> <ol style="list-style-type: none"> 1. Catalyse the future of Takaful Industry by encouraging digital adoption 2. Encourage Takaful Operators to achieve higher levels of Data Driven Organisation (DDO) by 2027 <p>FSB: 2 initiatives</p> <p>FSB - ST 3(i)</p> <ol style="list-style-type: none"> 1. Reporting of all TO's reduction in paper usage following digitalisation 2. Digitalisation of self-services and non-self-service capabilities 	<p>H27: 4 Initiatives</p> <ol style="list-style-type: none"> 1. Evaluation and enhancement of 3 regulatory requirements (ARE, IRE and Risk-based Capital Framework) to level the playing field 2. Lobby for Takaful adoption by GLCs and Shariah Compliant businesses 3. Engage with Inland Revenue Board (IRB) to lobby for higher income tax rebates/ incentives for Personal and Business with Takaful Coverage 4. Takaful Industry Champions Comprehensive Healthcare Reform: Advocates for Regulated Costs, Level 2 Hospitals, and National Health Insurance <p>FSB: 3 initiatives</p> <p>FSB - ST 1</p> <ol style="list-style-type: none"> 1. To establish enhanced Takaful capacity facilities 2. To advocate the inclusion of Takaful for Shariah-compliant companies for green counters <p>FSB - ST 2</p> <ol style="list-style-type: none"> 3. Develop a product/model that enables lower capital requirement, stamp duty exemptions, SST exemptions, acceptance of Zakat, simplified regulation (especially the Risk-Based Capital Framework for Insurance and Takaful Operators (RBCT)), and appropriate Malaysian Financial Reporting Standards (MFRS) recognition

ALIGNMENT OF THE VBIT WITH THE FSB

Hijrah27 Strategic Thrusts			
ST 5	ST 6	ST 7	ST 8
<p>H27:3 Initiatives</p> <ol style="list-style-type: none"> Promote Takaful as the preferred career choice Elevate the capabilities of Takaful employees through FSF Enhance professionalism and quality of Takaful Agents <p>FSB: 6 initiatives</p> <p>FSB - ST 2C(i)</p> <ol style="list-style-type: none"> Monitoring Agents' Compliance to PITA Establishing Poaching/ Mass Migration Guideline To establish an Agent Best Practices and Conduct – Best Practices Document Raising standards of Takaful agents in line with Balance Scorecard (BSC) <p>FSB - ST 2C(ii)</p> <ol style="list-style-type: none"> Agency Infrastructure including Portal, Termination services, Database <p>FSB - ST 5(ii)</p> <ol style="list-style-type: none"> Advancing Takaful Research and Talent Development for Industry Excellence - participate in industry committee and activities as industry representative 	<p>H27:4 Initiatives</p> <ol style="list-style-type: none"> Nurture Malaysian youths on Financial Literacy via bite-sized programmes as an early intervention in secondary schools and tertiary education Establish a Takaful4All Disaster Response for community outreach and assistance Collaborative effort to improve positioning and messaging of Takaful to a wider Malaysian demographic Promote Takaful values to the non-Muslim community 	<p>H27:3 Initiatives</p> <ol style="list-style-type: none"> Promote Takaful products for MSMEs, using existing channel and partnerships with Government agencies Implement referral programme and licensing for agents targeting corporate retail (e.g., MNCs and GLCs) 	<p>H27:1 Initiatives</p> <ol style="list-style-type: none"> ESG Certification for Takaful products <p>FSB: 3 initiatives</p> <p>FSB - ST 4</p> <ol style="list-style-type: none"> To encourage all TO's to collaborate to publish an Annual Takaful ESG, Sustainability and Climate Resilience Roundup To establish a JC3/ Sustainability Taskforce – utilise the WG4 as a platform for knowledge sharing To establish a Takaful industry wide Sustainability programme



“General Takaful continues to play a critical role in strengthening Malaysia’s protection ecosystem by championing resilience, inclusivity, and sustainability. We empower SMEs through tailored coverage, drive sector-wide digitalisation, and introduce forward-looking climate risk solutions. Our commitment to green energy and EV protection reflects our support for Malaysia’s low-carbon transition, while our expanding accessibility initiatives ensure broader takaful participation aligned with national sustainability aspirations.”

DATO' RUDY RODZILA CHE LAMIN
 Deputy Chairman - General Takaful,
 President & CEO Takaful Ikhlas General Berhad and
 Interim President & Group CEO MNRB Holdings Berhad

2.2 TAKAFUL INDUSTRY'S ROLE IN REALISING THE FSB ASPIRATIONS

As a key component of the Islamic finance ecosystem, the Takaful industry plays a pivotal role in realising the FSB's ambitions. Its foundation in Shariah-compliant and ethical finance positions it uniquely to advance the FSB's goals. Through the VBIT framework, TOs integrate ethical values, social responsibility, and sustainability into their business strategies, aligning closely with national priorities and the UN Sustainable Development Goals (SDGs).

Over the past two years, the industry has made significant contributions to the FSB's objectives, including:

ST1: Fund Malaysia's Economic Transformation

Supporting Malaysia's economic transformation by investing in ESG-aligned sectors, expanding underwriting capacity, and offering inclusive protection products.

ST2: Elevate the Financial Well-being of Households and Businesses

Enhancing financial inclusion through Perlindungan Tenang, Microtakaful, and mySalam to protect underserved communities.

ST3: Advance Digitalisation of the Financial Sector

Accelerating digitalisation to improve customer access, efficiency, and operational resilience

ST4: Position the Financial System to Facilitate an Orderly Transition to a Greener Economy

Embedding sustainability into underwriting, investment, and operational practices to address emerging climate and social risks.

ST5: Advance Value-Based Finance through Islamic Finance Leadership

Embedding Maqasid Shariah and VBIT principles into operations, governance, and product offerings.

These efforts are underpinned by strong collaboration with BNM, government agencies, and cross-sector partners, ensuring that the Takaful industry's growth is both responsible and impactful. As we progress towards 2026, the industry remains committed to deepening penetration, innovating customer-centric solutions, and embedding sustainability principles, ensuring that the FSB's vision is not only met, but exceeded.

FWD
takaful

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FWD SpecialMed 2

Pelan perubatan direka khusus untuk golongan orang kurang upaya.

- Kos penghospitalan, yuran pembedahan, pakar anestetik & perubatan.
- Menampung kos tidak dijangka seperti yuran ambulans.
- Perbelanjaan perubatan & rawatan sehingga 30 hari selepas kemasukan hospital.

Ketahui lebih lanjut di www.fwd.com.my

*Tertakluk kepada terma dan syarat

Manfaat-manfaat yang dibayar di bawah produk yang layak adalah dilindungi oleh PIDM sehingga had perlindungan. Sila rujuk Brosur Sistem Perlindungan Manfaat Takaful dan Insurans PIDM atau hubungi FWD Takaful atau PIDM (layari www.pidm.gov.my). FWD Takaful Berhad ialah ahli PIDM.

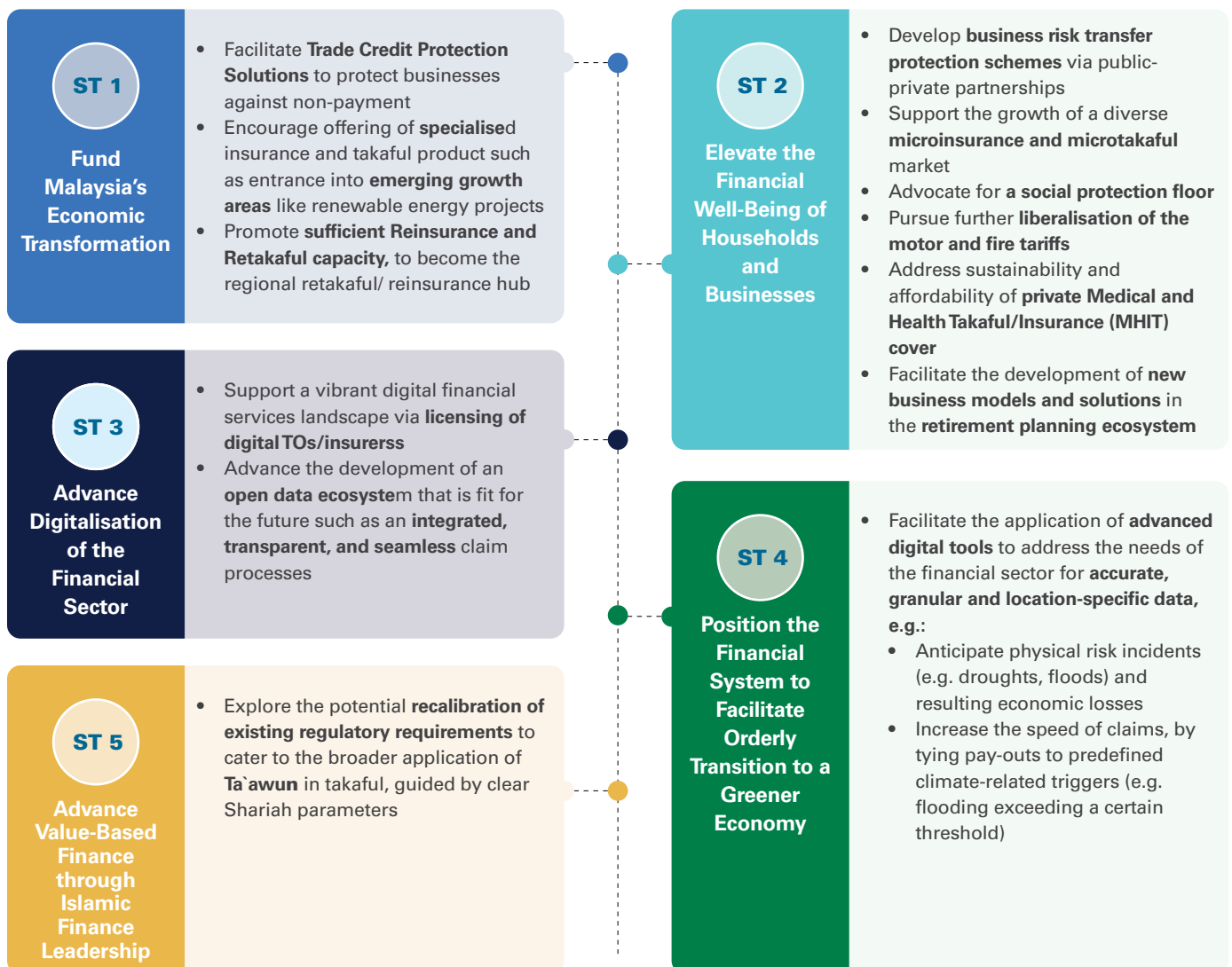
TAKAFUL INDUSTRY'S ROLE IN REALISING THE FSB ASPIRATIONS

Advancing Takaful for Inclusive and Sustainable Growth under the FSB 2022–2026

The FSB 2022–2026, developed by BNM, charts the transformation of Malaysia's financial sector through five key strategic thrusts (ST) to strengthen economic resilience, inclusivity, and sustainability. A key element for MTA to meet the FSB 2022–2026 is the VBIT Framework and Roadmap, which features prominently within the FSB as a driver of ethical, Shariah-aligned, and sustainable growth, supporting BNM's aspiration to make finance and protection accessible and promote financial inclusion.

Alongside broader industry priorities, the FSB also embeds specific focus areas for the Takaful industry within each thrust, supported by the four key targets outlined under FSB 2022–2026, which to be achieved, requires TOs to focus on five key areas below and their underlying initiatives, which are implemented through the Working Groups.

Key Takeaways: Takaful-related



2.3 TAKAFUL INDUSTRY'S ROLE IN MEETING THE FSB STRATEGIC THRUSTS

Driving Financial Inclusion and Resilience: Takaful Initiatives Supporting the FSB Strategic Thrusts and Targets

Initiatives led by TOs play a central role in advancing Malaysia's financial inclusion, resilience, and sustainable growth objectives. These efforts are designed to extend affordable financial protection to underserved communities, particularly the B40 segment, while aligning closely with the five strategic thrusts and targets outlined in the FSB 2022–2026, as follows:

ST 1

Fund Malaysia's Economic Transformation

Strategic Thrust 1 emphasizes the role of Takaful in advancing Malaysia's economic transformation through greater financial inclusion and resilience. By expanding coverage to underserved segments, the industry strengthens household financial security and supports sustainable growth.

From 2022 to 2025, total industry contributions arising from products developed to support ST1 reached RM200.4 million, with social finance accounting for 54.9%, SME empowerment 23.0%, and capacity-building through specialised Takaful products 22.1%. These efforts reflect the industry's commitment to social impact, SME development, and innovative solutions that drive economic resilience.



38
Total Industry
Product Offerings



RM200.4mil+
in Total Industry
Contributions
received from products
supporting ST1 between
2021-2025 (June)



1.5m+
Total Industry
Certificate holders



RM54.0mil+
in Total Industry
claims disbursed
between 2021 – 2024



RM800k+
spent on empowering
through
workshops
between 2021 – 2025
(June)

21 products catering
for Social Finance

- **RM110.0mil+** in contributions
- **1.5mil+** certificate holders
- **RM13.8mil+** in disbursed claims

11 products targeted at
empowering SMEs

- **RM46.1mil** contributions
- **29k+** certificate holders
- **RM40.2mil+** in disbursed claims

6 Specialised Takaful Products that
build Capacity

- **RM44.2mil+** contributions
- **12k+** certificate holder

Note: Data for total industry estimated contributions, claims disbursed, and spending on workshops provided by AMLT, APTB, EGTB, FWDTB, GETB, HLMT, MNRB & TAKAFUL IKHLAS, PruBSN, SLMT, and Takaful Malaysia.

This industry commitment to social responsibility is evidenced by the more than RM53.9 million in claims disbursed to underserved segments. This financial support highlights the industry's aim to provide inclusive protection to all Malaysians, fostering financial inclusion and stability in the local community.

Additionally, over RM800,000 was allocated for the training and empowerment of people through enhancing financial literacy and educating on financial management. These training workshops had a large target audience range, from sessions that focused on imparting practical financial management skills to SMEs to others which taught basic money management skills to educate children.

TAKAFUL INDUSTRY’S ROLE IN MEETING THE FSB STRATEGIC THRUSTS

In supporting ST1, TOs advance industry growth and inclusivity mainly through social finance initiatives such as sustainable investing, digital and accessible products, community impact, and strategic, diversified investments through key industry initiatives as follows:

Focus Area	Key Actions
ESG and Sustainable Investing	▶ Mandating ESG considerations and targeting net-zero or low-carbon investments, while avoiding environmentally harmful sectors.
Digital and Accessible Products	▶ Expanding micro-insurance and takaful offerings through e-channels to reach wider populations.
Community and Social Impact	▶ Supporting underserved groups, youth programs, and initiatives enabling waqaf, zakat, and charitable contributions.
Strategic and Diversified Investments	▶ Allocating funds across key sectors like financial services, energy, transportation, and infrastructure to drive long-term growth.

iTEKAD

iTEKAD is an umbrella programme that has been established by BNM in May 2020, with the aim of empowering low-income microentrepreneurs through strengthening their financial management and business acumen to generate sustainable income. Each iTEKAD programme combines the provision of business assets funded by social finance instruments (e.g. donations, social impact investment, zakat and cash waqf) with microfinance, supplemented with structured financial and business training.



As announced under Budget 2025, a grant of RM15 million will be allocated towards the seed capital component for iTEKAD. The grant will be matched with social finance funds e.g. donations, zakat and corporate social responsibility funds. Under Budget 2025, the Government has also allocated a RM5 million grant through iTEKAD to subsidise microentrepreneurs’ annual takaful contributions, providing financial protection to microentrepreneurs who represent the engine of Malaysia’s future growth. This grant will also be matched by takaful operators through another RM5mil, totalling to RM10mil in allocations. This initiative will benefit small traders, delivery riders and Inisiatif Pendapatan Rakyat participants.

The recent Budget 2026 adds to these allocations through an additional RM35 million allocations in matching grants. Additionally, initiatives have been announced which specifically address the medical cost inflation and protection. To this end, the Government and industry have allocated RM60 million to accelerate health reforms towards a joint government-industry fund, as well as the design of a base medical and health insurance/takaful product to provide coverage to all Malaysians will be finalised by the end of 2025, with a view to launch in 2027.

Already, TOs such as Prudential BSN Takaful Bhd, Etiqa Family Takaful Bhd, Takaful Ikhlas Family Bhd, and Great Eastern Takaful Bhd have formed the first wave of participating operators in piloting iTEKAD Protection initiatives that prioritise the wellness and financial resilience of vulnerable segments. This reflects the Takaful industry’s purpose-driven mission in ensuring that protection is not a privilege but a right for all Malaysians.

Source:

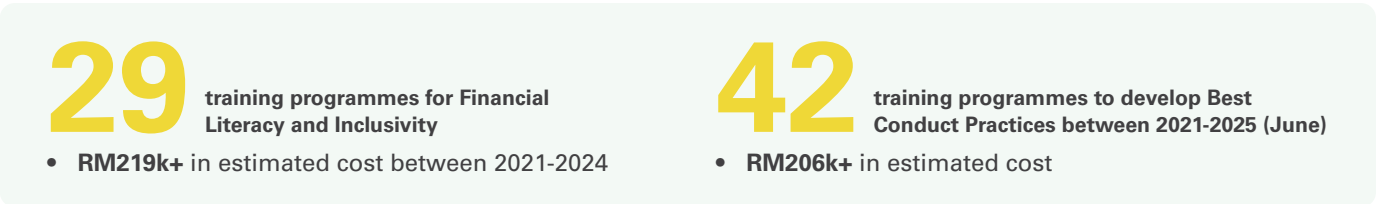
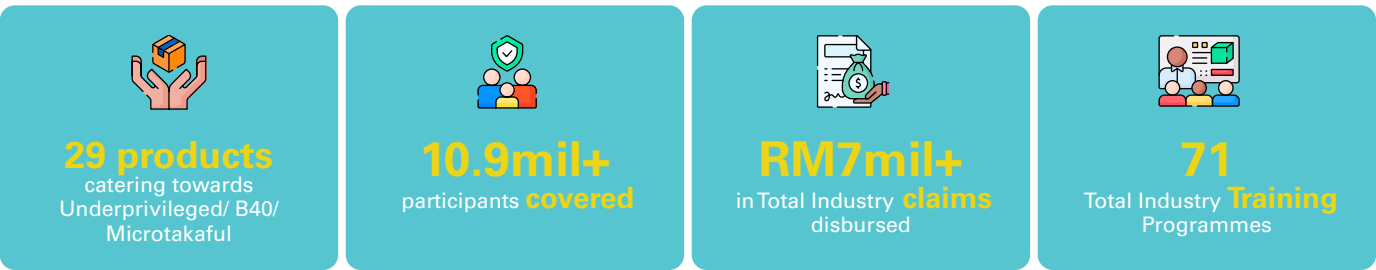
- Takaful Industry Unites to Expand iTEKAD Protection Under Budget 2025, Bernama, 14 October 2025
- BNM: Base Medical, Health Insurance/Takaful Product Design To Be Finalised BY Year-End, Bernama, 11 October 2025
- RM35 million Additional Matching Grants for iTEKAD Under Belanjawan 2026, BNM, 10 October 2025
- iTEKAD: Empowering low-income microentrepreneurs, BNM, October 2025

TAKAFUL INDUSTRY’S ROLE IN MEETING THE FSB STRATEGIC THRUSTS

ST 2 Elevate the Financial Well-Being of Households and Businesses

Strategic Thrust 2 focuses on strengthening the financial well-being of households and businesses by promoting accessible, affordable, and inclusive financial protection. By safeguarding against unforeseen shocks, Takaful enhances long-term resilience and supports economic participation.

Between 2022 and 2025, total industry contributions arising from products developed to support ST2 amounted to RM19.0 million, primarily directed toward support for underprivileged and B40 groups. The industry also spent more than RM 426 thousand on initiatives relating to financial literacy and best conduct practices in regard to this ST. This reflects the industry’s strong commitment to social protection and financial empowerment for vulnerable communities.



Note: Data for total industry estimated contributions, claims disbursed, and costs provided by APTB, FWDTB, GETB, MNRB & TAKAFUL IKHLAS, PruBSN, Takaful Malaysia, and ZTMB.



“By promoting Islamic finance leadership through Value-Based Intermediation, the Takaful industry seeks to drive balanced, progressive, sustainable, and inclusive economic growth. This includes strengthening Malaysia’s role as an international gateway, enhancing value-based policy enablers, and mainstreaming social finance to create meaningful impact locally and globally.”

NAZRULHISHAM ABDUL HAMID
 Working Group 5(i) Champion and CEO of AmMetLife Takaful Berhad

TAKAFUL INDUSTRY’S ROLE IN MEETING THE FSB STRATEGIC THRUSTS

In addition, industry initiatives such as Perlindungan Tenang, Microtakaful, and mySalam expand affordable protection for underserved communities, particularly the B40 segment. Supported by financial literacy efforts, these programmes enhance accessibility and participation in financial protection. While challenges such as affordability, awareness, and limited use of zakat and waqf remain, the industry continues to advance inclusive, innovative, and sustainable solutions through key industry initiatives as follows:

Initiatives	Objectives
Perlindungan Tenang	Expand access to risk protection and financial safety nets through affordable microtakaful/microinsurance for the B40.
Microtakaful	Provide affordable protection for B40 and underserved groups by offering low-cost, accessible products and supporting financial literacy and awareness campaigns to improve uptake.
mySalam B40 Takaful Protection Scheme	Provide free Takaful protection to Malaysia’s B40 community, mitigating the financial burden of critical illnesses such as hospitalisation and critical illness benefits, while enhancing social protection through a government-funded health scheme.
Digital Insurers and Takaful Operators (DITO)	Enable the entry of digital financial institutions (FIs) to provide meaningful choice, improve access, and foster innovation.
Financial Education Literacy via FEN	Launch national financial literacy campaigns to build financial capability and support informed decision-making.

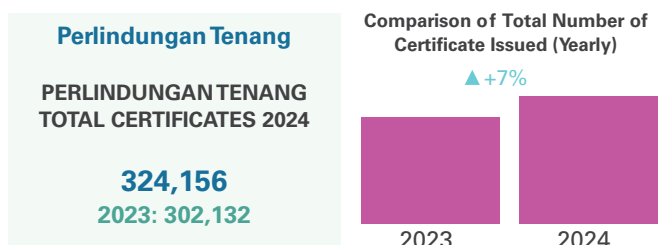
Sources:

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- Skim Perlindungan Takaful B40 mySalam, 2025, mySalam
- Issues and Challenges in Using Zakat for the Development of Micro Takaful, 15 April 2021, International Journal of Academic Research in Business & Social Sciences
- Improving Microtakaful Offering Through Stakeholders’ Collaboration: Critical Analysis Using Systematic Literature Review, 27 July 2023, Islamic Sustainable Finance, Law and Innovation
- Importance of Financial Literacy and Awareness in Microtakaful: Implications for Industry Stakeholders, International Islamic University Malaysia, 4 February 2025
- Government aims to double microinsurance, microtakaful sign up by 2026 –Tengku Zafrul, 1 April 2022, MoF
- PruBSN MicroTakaful Jariah, 2025, PruBSN
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- FWD Takaful Offers Micro-Takaful Plan with FWD Kasih, 6 October 2020, FWD
- Perlindungan Tenang, 2025, BNM
- Financial Sector Blueprint 2022-2026, 24 January 2022, BNM
- Malaysia’s Financial Sector Blueprint 2022-2026, 21 February 2024, EY

Perlindungan Tenang Performance Metrics

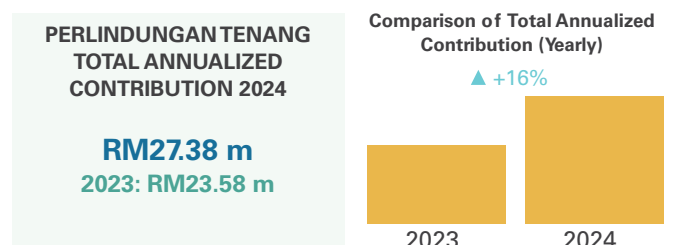
Total Number of Certificates Issued

In 2024, the Perlindungan Tenang programme saw a total of 324,156 certificates issued, reflecting a continued commitment to expanding its reach. This marks a 7% increase from the previous year, demonstrating the programme’s growing adoption and effectiveness in attracting participants.



Total Annualised Contribution

The total annualised contribution for 2024 reached RM27.4 million, showcasing a significant 16% increase compared to 2023. This growth in contributions highlights the increasing trust and financial support from participants, reinforcing the programme’s value and impact on the community.



TAKAFUL INDUSTRY'S ROLE IN MEETING THE FSB STRATEGIC THRUSTS

Microtakaful Products (As of June 2025)

To further promote financial inclusion, TOs offer microtakaful products providing affordable and accessible protection for underserved communities, as outlined below:

TOs	Microtakaful Products
AIA PUBLIC Takaful Bhd. (APTb)	AIA i-Starter Plan
Etiqa - Etiqa General Takaful Berhad (EGTB)/ Family Takaful Berhad (EFTB)	<ul style="list-style-type: none"> • POS Tenang • POS Khairat • OneMedical • Rahmah PA • MyRumah • e-CancerCare • Etiqa Term Secure Takaful • Etiqa Term Takaful Plus • i-Care OKU • e-Takaful Hayat • Etiqa Critical Care Takaful Plus • Etiqa Critical Care Takaful
FWD Takaful Berhad (FWDTB)	FWD Kasih
Great Eastern Takaful Berhad (GETB)	MikroSayang
Hong Leong MSIG Takaful Berhad (HLMT)	<ul style="list-style-type: none"> • HLM Takaful Tenang and HLM Takaful Tenang 75 • TH Khairat • Simpan SSPN-i Plus
Prudential BSN Takaful Berhad (PruBSN)	BSN Takaful Sakinah
Takaful Malaysia	<ul style="list-style-type: none"> • Takaful myTenang care • Takaful myFlexi PA • Takaful myClick PA • Takaful myCI Cover • Takaful myMediShare
Zurich Takaful Malaysia Berhad (ZTMB)	<ul style="list-style-type: none"> • Takaful Al Shams • OKU Sentral • MediAfya
Zurich General Takaful Berhad (ZGTB)	BE U, a platform offering Microtakaful Products (With Bank Islam) <ul style="list-style-type: none"> • Z-Prihatin Takaful

Sources:

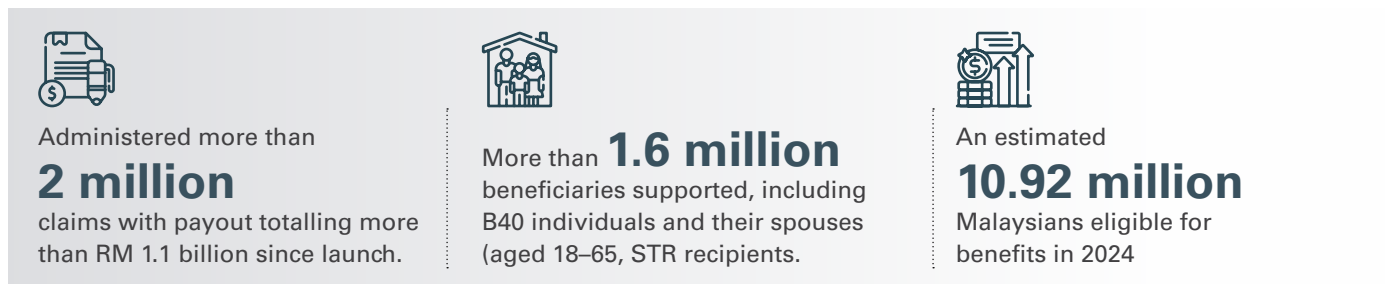
- Interim Report for Takaful FSB Programme 2023, MTA, 2023
- Zurich Malaysia and Senang.io join forces with Bank Islam to Introduce Innovative and Digital Takaful Solutions on the Be U By Bank Islam App, Zurich, 9 January 2024
- FWD 2024 Environmental, Social and Governance Report, FWD Group Holdings Limited, 2024

TAKAFUL INDUSTRY’S ROLE IN MEETING THE FSB STRATEGIC THRUSTS

mySalam B40 Takaful Protection Scheme

Complementing microtakaful initiatives, mySalam, administered by GETB, provides government-backed, free protection for the B40 community, building on the same principles of affordability, simplicity, and accessibility to enhance financial inclusion and social protection.

Since its launch in 2019, mySalam has played a significant role in strengthening the social safety net:



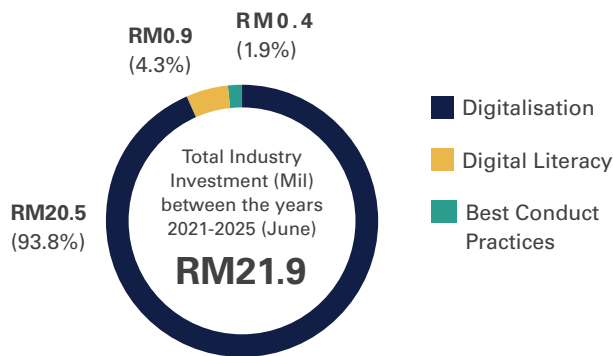
Across the states, eligibility levels vary, with Selangor registering the highest number of recipients (1.48 million), followed by Johor (1.34 million), Sarawak (1.13 million) and Kelantan (825,000). These figures highlight the wide reach of the scheme in providing financial protection nationwide.

Sources:

- Govt pays over RM936 mln for claims under MySalam scheme, Awani International, 24 July 2024
- Great Eastern Malaysia Sustainability Report 2024

ST 3 Advance Digitalisation of the Financial Sector

Strategic Thrust 3 focuses on accelerating digital transformation to enhance efficiency, accessibility, and customer experience. Digitalisation also builds trust among underserved communities, fostering financial inclusion and enabling future technology-driven innovations. Between 2022 and 2025 industry investments totalled RM21.9 million, 93.8% in digitalisation with the remaining 4.3% and 1.9% in digital literacy and best conduct practices respectively, demonstrating the sector’s strong commitment to digital progress.



“By harnessing advanced digital solutions, the Takaful industry is accelerating innovation across the value chain, enhancing operational efficiency, and elevating the customer experience. These digital advancements not only streamline processes and strengthen risk management, but also reinforce a safer, more transparent, and trustworthy financial ecosystem.”

WAN AHMAD NAJIB WAN AHMAD LOTFI
 Working Group 3 (ii) Champion and
 President & CEO of Takaful Ikhlas Family Berhad

TAKAFUL INDUSTRY'S ROLE IN MEETING THE FSB STRATEGIC THRUSTS



37 initiatives

driving **industry innovation** and
Digitalisation



13 initiatives

to educate on **Digital Literacy**



29 initiatives

to improve **Best Conduct Practices**

Note: Data for total industry investment provided by AMLT, APTB, HLMT, MNRB & TAKAFUL IKHLAS, and PruBSN.

TOs are also implementing automated underwriting, digital claims, and payment systems to support high-volume, low-contribution products while maintaining service quality. In 2024, the motor Takaful and insurance ecosystem also saw major progress with the implementation of Digital Roadside Assistance (DRA) by all TOs. The DRA allows consumers to access roadside assistance and manage claims digitally, improving transparency and customer experience. Moving towards 2026, efforts will focus on automated accident detection, digital loss assessment, and online police reporting system, supported by coordination across government and industry players.

Four TOs are leading the way in offering DRA services, each providing varying extents of support to meet the needs of their customers. This is achieved through the integration of advanced digital platforms that enable policyholders to request assistance through mobile applications or websites to enhance efficiency of service and the customers experience. As the industry continues to innovate, these TOs are committed to expanding their DRA offerings, ensuring that all Malaysians can benefit from quick and reliable support on the road.

TOs (DRA Product)	Towing Service	Breakdown and Roadside Assistance	Alternative Travel Assistance	Additional Features
Takaful Malaysia (Tele Bantuan)	24-hour	24-hour	NA	<ul style="list-style-type: none"> Vehicle Repatriation to Malaysia Emergency Evacuation Assistance Emergency Message Transmission Extended Assistance to Family and Friends
Etiqua (Etiqua Auto Assist Care)	24-hour	24-hour	Taxi, hotel, or car arrangements in cases of being stranded	Emergency Message
ZGTB (Zurich Roadside Assistance)	24-hour	24-hour	*The cost will be bond to the participants	Emergency Message Transmission
TIGB (Bantuan Ikhlas)	24-hour	24-hour	Arrange for a Chauffeured Driven Car Taxi or Car Rental Services, accident Management Services, arrangement of Hotel Accommodation *The cost will be bond to the participants	Emergency Message Transmission

TAKAFUL INDUSTRY’S ROLE IN MEETING THE FSB STRATEGIC THRUSTS

In supporting ST3, TOs enhance digital transformation and customer accessibility by leveraging mobile platforms, AI, cloud technologies, and e-services to deliver personalised, efficient, and inclusive Takaful solutions through key industry initiatives as follows:

Focus Area	Key Actions
Digital Platforms and Mobile Apps	▶ Launching mobile apps and portals to enable customers to view, manage, and transact Takaful policies seamlessly.
AI and Data-Driven Solutions	▶ Using AI, machine learning, and data analytics to enhance personalised customer engagement, recruitment, and operational efficiency.
Operational Efficiency and Paperless Processes	▶ Implementing e-certificates, e-claims, and cloud computing to streamline processes, reduce paper usage, and improve service delivery.
Expanded Accessibility and Inclusive Services	▶ Offering digital health consultations, micro-products, and online enrolment solutions to increase access for underserved populations.

ST 4 Position the Financial System to Facilitate Orderly Transition to a Greener Economy

Strategic Thrust 4 aims to strengthen the financial system to support Malaysia’s transition to a greener, more resilient economy. Takaful products help safeguard vulnerable communities against shocks, including climate-related and health risks, while scalable risk-pooling mechanisms can be adapted for climate-focused micro-insurance solutions. By embedding protection for underserved populations, these initiatives enhance financial security and lay the groundwork for a low-carbon, resilient economy. Between 2022 and 2025, industry estimated costs totalled RM132.5 million, predominantly for sustainability investments, demonstrating the industry’s strong commitment to sustainable growth.



6
Total Industry
Product Offerings
improving
sustainability coverage



RM31k+
in Total Industry
Estimated
Contributions
received from
sustainability coverage
between 2021-June 2025



88
certificate holders
for sustainability
coverage/products



86
Total Industry
Initiatives



RM132.5mil+
in Total Industry
Estimated **Costs**
between 2021-June 2025

- **67 Total ESG initiatives**
 - 37** Environmental initiatives
 - 15 raising awareness
 - 10 promoting green energy
 - 12 to encourage a ‘Reduce, Reuse, Recycle’ culture
 - 8** Social initiatives towards charity
 - 22** Governance initiatives to improve reporting and compliance
- **RM38k** in estimated costs spent on ESG initiatives between 2021-June 2025

19 sustainable investment initiatives

- **RM132.5mil+** in estimated cost between 2021-June 2025

Note: Data for total industry estimated contributions, costs, certificate holders provided by EGTB, PruBSN, Takaful Malaysia, and ZTMB

TAKAFUL INDUSTRY'S ROLE IN MEETING THE FSB STRATEGIC THRUSTS

TOs are also demonstrating their commitment to sustainability and environmental responsibility through intangible initiatives aimed at fostering a culture of sustainability within the industry. These include actions such as participation in the JC3 platform to organising annual awareness campaigns about climate change and its impacts. Many members of the industry have established Sustainability Councils to oversee the integration of sustainability strategies across its operations. Efforts to reduce carbon footprint are also underway, ranging from group-wide measures to lower overall GHG emissions to smaller scale ones such as encouraging reduced paper usage and waste among staff. All TOs exercise some form of environmental stewardship through community engagement activities, such as beach clean-ups and tree planting. Collectively, these initiatives reflect the industry's proactive role in promoting a sustainable future and addressing climate-related challenges in Malaysia.

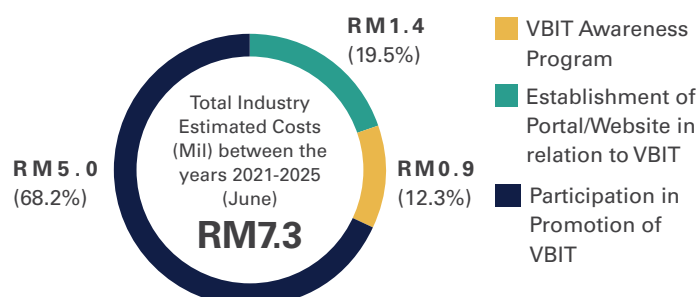
Narrowing towards specific focus areas, TOs are promoting a low-carbon economy through ESG integration, green Takaful solutions, responsible portfolio management, and social finance initiatives through key industry initiatives as follows:

Focus Area	Key Actions
Sustainable and Responsible Investments	▶ Integrating ESG factors into investment strategies, adopting climate-aligned frameworks, and excluding high-risk sectors such as coal, tobacco, and cluster munitions.
Green and ESG-Linked Products	▶ Launching ESG investment-linked funds, Shariah-compliant ESG funds, and sustainability-focused Takaful products such as Etiqa's EV Home Charger Takaful Coverage, Solar Energy Shortfall Takaful (SEST), and Takaful Malaysia's myHome Solar, supporting low-carbon solutions and renewable energy adoption.
Active Engagement and Portfolio Management	▶ Engaging fund managers, monitoring ESG risks, decarbonising portfolios, and ensuring investments meet climate and sustainability criteria.
Social Finance and Community Impact	▶ Embedding charitable giving, corporate zakat, and community-focused projects alongside investment strategies to deliver societal benefits.

ST 5

Advance Value-Based Finance through Islamic Finance Leadership

Strategic Thrust 5 aims to strengthen value-based finance by positioning the Malaysian financial sector, including Takaful Operators, as a leader in Islamic finance practices. By providing affordable protection to the B40 segment and upholding high standards of integrity, transparency, and accountability, TOs enhance financial resilience and foster community empowerment. Capacity-building initiatives further equip operators to meet evolving industry needs, supporting sustainable growth and the development of Malaysia's value-based financial ecosystem. Between 2021 and 2025, industry estimated costs totalled RM7.3 million, primarily directed toward promoting the VBIT (68.2%), with additional investments in awareness programmes (12.3%) and digital platforms (19.5%).



TAKAFUL INDUSTRY’S ROLE IN MEETING THE FSB STRATEGIC THRUSTS

Between 2021 - 2025 (June)

<p>67 total programs to raise VBIT Awareness</p> <ul style="list-style-type: none"> • 29 For management • 29 For employees • 9 For intermediaries 	<p>21 established Portal/Website in relation to VBIT</p> <ul style="list-style-type: none"> • 9 VBIT portals • 12 VBIT E-learning pages 	<p>Participation in 58 events promoting VBIT</p>
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Note: Data for total industry estimated costs provided by EGTB, MNRB & TAKAFUL IKHLAS, and Takaful Malaysia.

In supporting ST5, TOs promote VBIT through awareness campaigns, Shariah and sustainability training, social partnerships, and community-focused charitable programmes through key industry initiatives as follows:

Focus Area	Key Actions
Industry Awareness and Advocacy	Conducting presentations, webinars, and conferences to promote VBIT, ESG integration, and the Takaful industry locally and globally.
Capacity Building and Training	Providing training on Shariah principles, sustainability, and Takaful operations for staff, agents, and external stakeholders.
Partnerships and Social Enterprise Support	Collaborating with social enterprises, zakat/wakaf bodies, and community organisations to enhance social impact.
Community and Charitable Initiatives	Delivering programmes, donations, and support for underserved communities, disaster relief, and financial literacy initiatives.

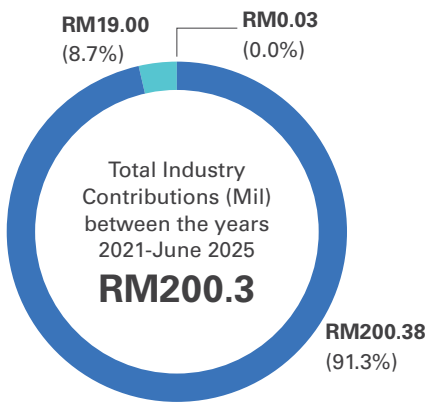
HongLeong MSIG Takaful

Hong Leong MSIG Takaful Berhad (HLMT) has demonstrated a strong dedication to the Value Based Intermediation for Takaful (VBIT) framework by incorporating ethical, sustainable, and community-oriented practices across its operations, resulting in various recognitions and awards.

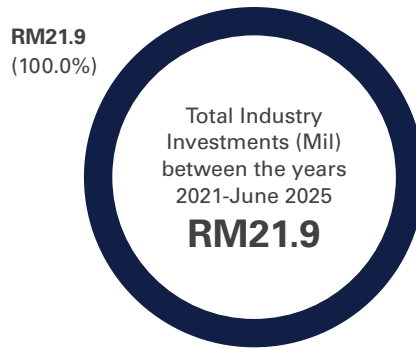
Key initiatives include promoting financial inclusion through strategic partnerships with Tabung Haji, PTPTN, and Yayasan Waqaf Malaysia to support financial protection through affordable Takaful plans. Besides that, flood relief initiatives, community donation programs, along with enhanced digitalization that features e-certificates, e-claims, and automated service platforms, enhanced governance and capacity building through regular agency best practice sessions and VBIT training awareness to the staff.

TAKAFUL INDUSTRY’S ROLE IN MEETING THE FSB STRATEGIC THRUSTS

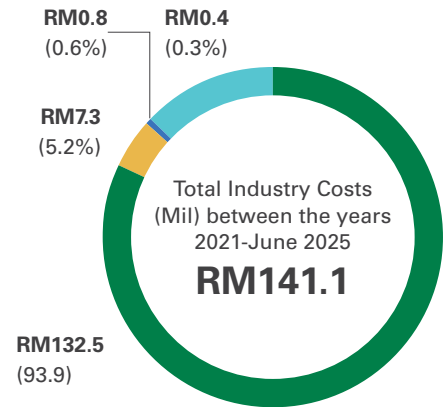
Overall Industry Contributions, Investments and Costs Across Five Strategic Thrusts, 2021-June 2025



Total industry contributions arising from products across all STs reached RM200.38 million. ST1 (91.3%) has the highest contributions followed by ST2 (8.7%) and then ST4 (0.0%). This distribution highlights a strong focus on economic transformation through the substantial coverage provided by Takaful products.



Total industry investments across all STs reached RM21.9 million. Investments were concentrated on ST3 (100.0%), where targeted investments in digitalisation had an emphasis on improving customer experience and access to digital finance.



Total industry costs across all STs reached RM141.1 million. ST4 (93.9%) led the contributions, followed by ST5 (5.2%), while ST2, and ST1 accounted for smaller shares. The distribution highlights a strong focus on sustainability and advancing Islamic finance leadership, with targeted investments in funding Malaysia’s economic transformation and financial well-being.

■ ST1 ■ ST2 ■ ST3 ■ ST4 ■ ST5

Note: Data based on 12TOs’ responses to the VBIT Online Survey conducted from 21 August 2025 to 17 September 2025.
 - Data for total industry contributions provided by AMLT, APTB, EGTB, FWDTB, GETB, HLMT, MNRB & TAKAFUL IKHLAS, PruBSN, and Takaful Malaysia.
 - Data for total industry investments provided by AMLT, APTB, MNRB & TAKAFUL IKHLAS, and PruBSN.
 - Data for total industry costs provided by EGTB, FWTB, GETB, MNRB & TAKAFUL IKHLAS, PruBSN, Takaful Malaysia, and ZTMB.



“Empowering the retakaful sector means evolving beyond traditional boundaries to position Malaysia as a global benchmark for Shariah-compliant excellence. Through strategic digital integration and robust retakaful solutions, we are providing beyond capacity; we are building future-ready and more resilient nation thriving with confidence and security.”

MOHAMMAD NIZAM YAHYA
Head of Malaysian Re Retakaful

TAKAFUL INDUSTRY'S ROLE IN MEETING THE FSB STRATEGIC THRUSTS

KWSP EPF

etiqa
Family Takaful

Why are people choosing Etiqa's EPF i-Lindung plans?

84%

Etiqa's EPF i-Lindung customers recommend Etiqa to their friends and family

★★★★★

Payment through your EPF account. Etiqa is a trusted takaful operator.

★★★★★

Just renewed my certificate through EPF, the process went smoothly.

Takaful

Not just Takaful,
Etiqa Takaful

Terms and conditions apply

Achieving the FSB Targets: Closing the Protection Gap

While Malaysia's Takaful and insurance sector has made notable progress, penetration levels remain below the aspirations set in the FSB 2022–2026. Overall penetration reached 54% in 2023 (insurance 34%, Takaful 20%), contributing 4.3% to GDP, still short of BNM's target of 4.8 to 5.0% by 2026 and the global average of 7.1%. Family Takaful continues to expand, with certificates rising by 44% over the past decade, annualised contributions surpassing RM8.97 billion, and total assets more than doubling to RM55.6 billion in 2024. Similarly, general insurance penetration stood at 4.4% in 2024, with the Financial Inclusion Framework targeting 5% by 2026, supported by digitalisation and microtakaful and microinsurance initiatives.

Yet, challenges remain, particularly for the B40 segment, which faces rising contributions, low financial literacy, and limited awareness of schemes such as Perlindungan Tenang. Addressing these gaps is essential to achieving inclusive financial protection, closing the protection gap, and ensuring that all Malaysians benefit from the financial system's growth.

Sources:

- *From Crisis to Confidence: The Importance of Financial Protection*, 3 April 2024, *Business Today* Editorial
- *Financial security remains elusive for many Malaysians*, 29 October 2024, *The Malaysian Reserve*
- *Strengthening Stability in Malaysia's Financial Landscape Through Resolution Readiness*, 17 October 2024, *PIDM*
- *PIDM: Safeguarding Malaysia's financial future*, 5 September 2024, *The Star*
- *Malaysia National Strategy for Financial Literacy 2019-2023*, 23 July 2019, *FEN*
- *Malaysia's Insurance and Takaful sectors are resilient but growing at a slower pace in 2024*, 28 August 2024, *IFN Islamic Finance*
- *Malaysia's Takaful insurance achieves 20% penetration rate*, 8 November 2024, *The Malaysian Reserve*
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- *Rising insurance premiums leave B40 and M40 groups vulnerable*, 13 December 2024, *Sinar Daily*
- *MTA: Address Insurance Protection Gap for B40, M40*, 10 October 2023, *Business Today*

2.4 ASSESSMENT CRITERIA FOR THE TAKAFUL FSB PROGRAMME

To ensure that Takaful initiatives are effective in moving the industry forward in achieving its key objectives and targets, the industry leverages structured guidance and evaluation mechanisms laid out under Maqasid Shariah principles and the VBIT framework. These frameworks provide Takaful Operators (TOs) the tools to assess various aspects of their performance, impact, and adherence to ethical, social, and financial objectives.

All TOs possess their own set of respective KPIs to evaluate the management and operational efficiency of the business to ensure long-term continuity. To evaluate on an industry level of how societal value is being delivered, there are two key assessment instruments that are employed: the VBIT Maturity Continuum Assessment and the Maqasid Shariah Scorecard (MSS) Takaful Industry Reporting. The VBIT Maturity Continuum Assessment evaluates how the industry provides value to society through alignment with the FSB, allowing TOs to measure their maturity across five strategic thrusts: financial resilience, community empowerment, good self-governance, best conduct, and capacity building. This ensures the implementation the implementation and alignment of initiatives with value-based practices.

In parallel, Maqasid Shariah Scorecard (MSS) Reporting looks towards societal value delivered through the spiritual aspect. The MSS serves as a valuable tool for TOs and relevant stakeholders, integrating the core values of Islamic finance with the VBIT framework. Developed as part of the MTA's strategic initiatives under VBIT, the MSS envisions a Takaful industry in Malaysia that is shaped by:

- Shared prosperity and value - "Takaful for all"
- Performance measurement and value creation alongside financial returns
- Innovative products and services tailored to diverse consumer needs, lifestyles, and social classes
- Qualitative measurement of company involvement and positive stakeholder impact
- Meaningful engagement of all key stakeholders across focus areas

All of which enables TOs to assess their value proposition against Shariah outcomes. It provides comprehensive guidance on framework parameters, strategic thrusts, KPIs, and scoring methodology, facilitating self-assessment, progress tracking, and planning to achieve Shariah objectives in line with VBIT expectations.

Together, these tools ensure that Takaful offerings not only provide financial protection but also promote responsible, sustainable, and Shariah-compliant growth.

MotorTakaful.com

eTiqa
General Takaful

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30% CASHBACK**
with Etiqa Cashback by Driving Less

Takaful

Terms and conditions apply.

ASSESSMENT CRITERIA FOR THE TAKAFUL FSB PROGRAMME

2024 VBIT Maturity Continuum Assessment Results – Scores by Stages

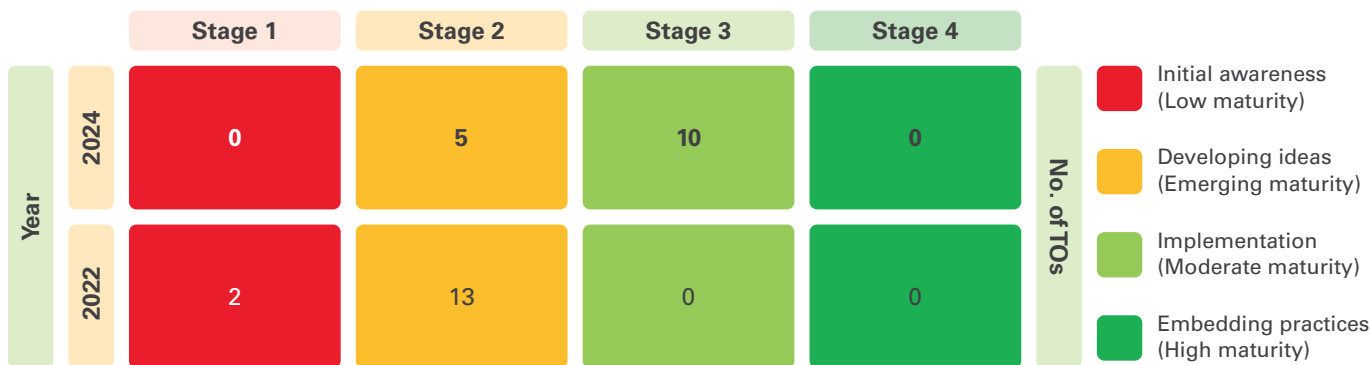
As part of the Takaful FSB Programme, MTA initiated the VBIT Maturity Continuum as a key enabler to help TOs assess their maturity across the five VBIT strategic thrusts: financial resilience, community empowerment, good self-governance, best conduct, and capacity building.

As of 31 December 2024, the VBIT Maturity Continuum Assessment shows clear progress across the 15 TOs in the industry. Most operators have advanced beyond the lower maturity stages (Stage 1: initial awareness, Stage 2: developing ideas) into Stage 3, where initiatives are actively implemented with stronger alignment to VBIT themes.

The heatmap below provides a visual representation of how TOs have shifted from 2022 to 2024.

2022	2024
<ul style="list-style-type: none"> 2 TOs were at Stage 1 (initial awareness – low maturity), while the majority (13 TOs) were concentrated in Stage 2 (developing ideas – emerging maturity). None of the TOs had advanced to Stage 3 (implementation – moderate maturity) or Stage 4 (embedding practices – high maturity). 	<ul style="list-style-type: none"> 10 TOs have progressed to Stage 3 (implementation – moderate maturity), showing active execution of initiatives with stronger alignment to VBIT themes (from 0 in 2022). Only 5 TOs remain in Stage 2 (emerging maturity), compared to 13 in 2022, reflecting steady industry-wide progress beyond the idea development stage. No TOs remain in Stage 1 (low maturity), indicating that all operators have moved beyond the initial awareness stage.

Heatmap of TOs by Maturity Stage (2022 vs 2024)



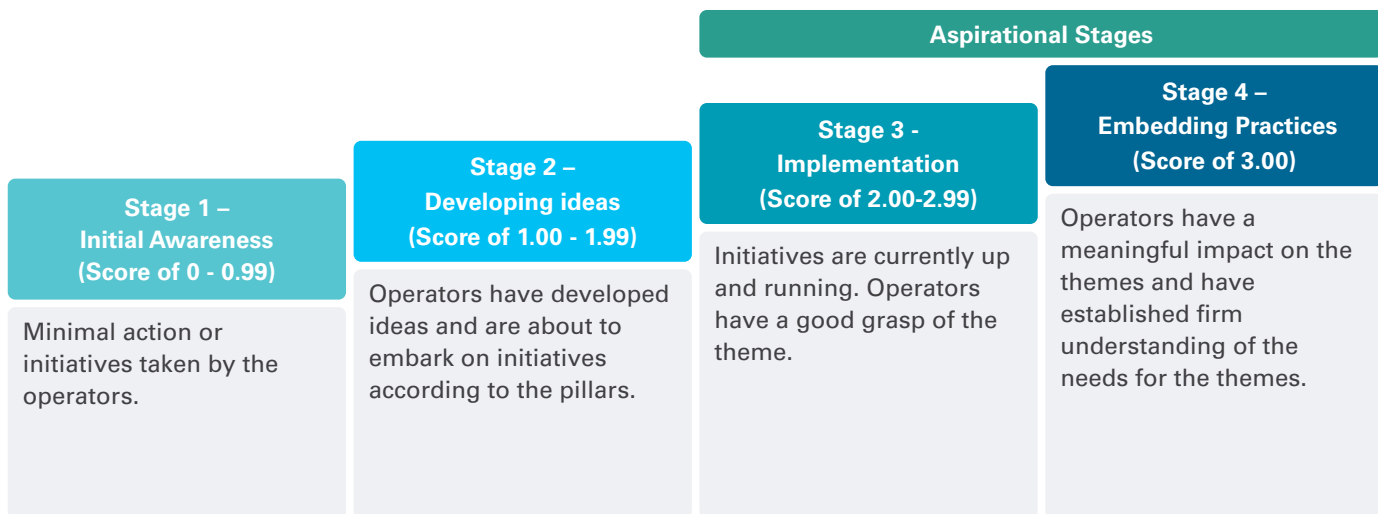
Note: The assessment covers 15 TOs; RTOs are excluded.



“Our focus is on advancing the Takaful industry by providing innovative and accessible solutions. Through customer-centric approaches and flexible offerings, we aim to build trust, expand protection, and support the sustainable growth of Malaysia’s Takaful ecosystem.”

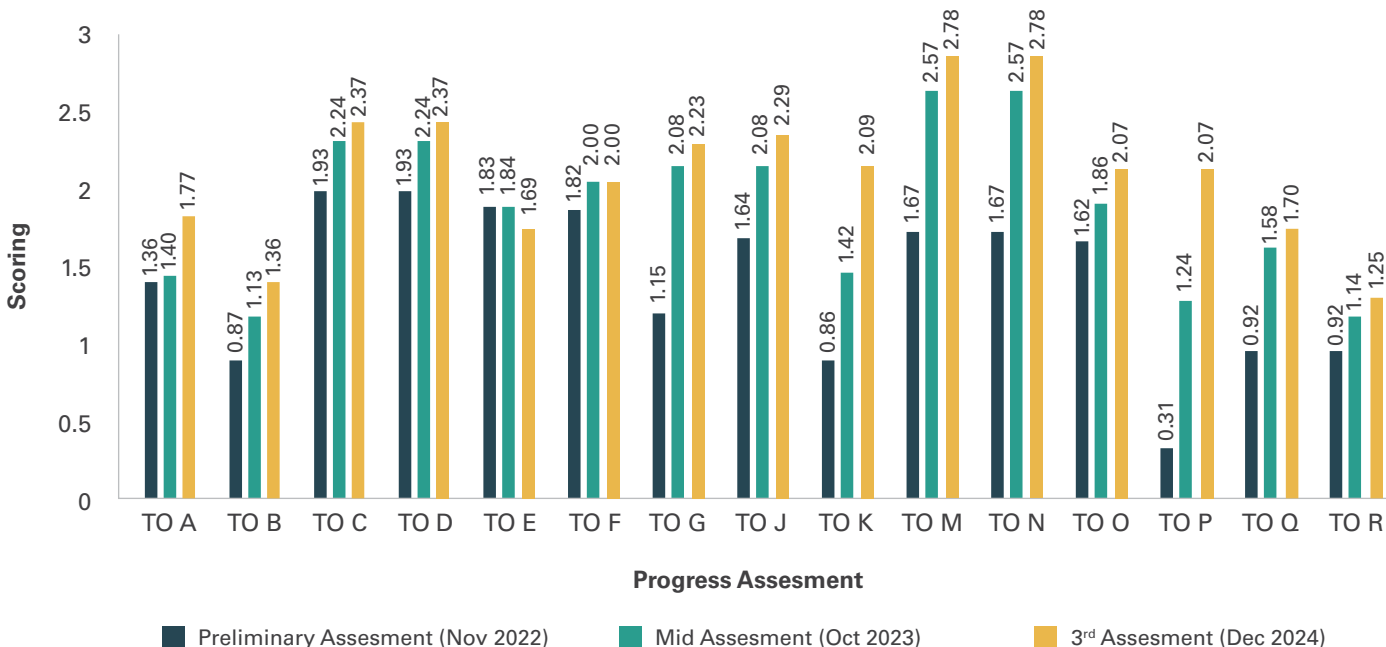
BORHANUDIN SAMSUDIN
 Working Group 2 Champion and
 CEO of Hong Leong MSIG Takaful Berhad

ASSESSMENT CRITERIA FOR THE TAKAFUL FSB PROGRAMME



Beyond the industry-wide trends, the progress assessment also sheds light on the journey of individual TOs. The scoring results illustrate how each TO has advanced, revealing leaders that are pushing towards aspirational maturity as well as those that are still consolidating their foundations. This operator-level view provides the granularity needed to understand the depth of change across the sector.

VBIT Maturity Continuum Scoring 2024



Notably, several TOs such as TO M, TO N, TO O, TO C, TO D, TO F, TO G, and TO J have achieved consistent improvements and are now firmly in Stage 3, reflecting that operators are beginning to operationalise their initiatives with tangible outcomes. Even operators that initially lagged, such as TO P and TO K, have shown significant leaps from Stage 1 to early Stage 3, demonstrating that momentum is spreading across the industry.

Importantly, no operators have yet reached Stage 4 (3.0), but several are approaching this threshold, signalling strong potential for industry-wide maturity in the near future.

Overall, the assessment results reaffirm the value of the VBIT Maturity Continuum as a self-assessment tool. It not only helps operators track their progress over time but also drives collective improvement, with the industry steadily advancing towards meaningful impact across all five pillars.

ASSESSMENT CRITERIA FOR THE TAKAFUL FSB PROGRAMME

2024 VBIT Maturity Continuum Assessment Results – Scores by Strategic Thrusts

Across the five VBIT thrusts, the VBIT Maturity Continuum Assessment as of 31 December 2024 highlights encouraging progress across the TOs, with many moving from idea development (Stage 2) into the implementation phase (Stage 3).

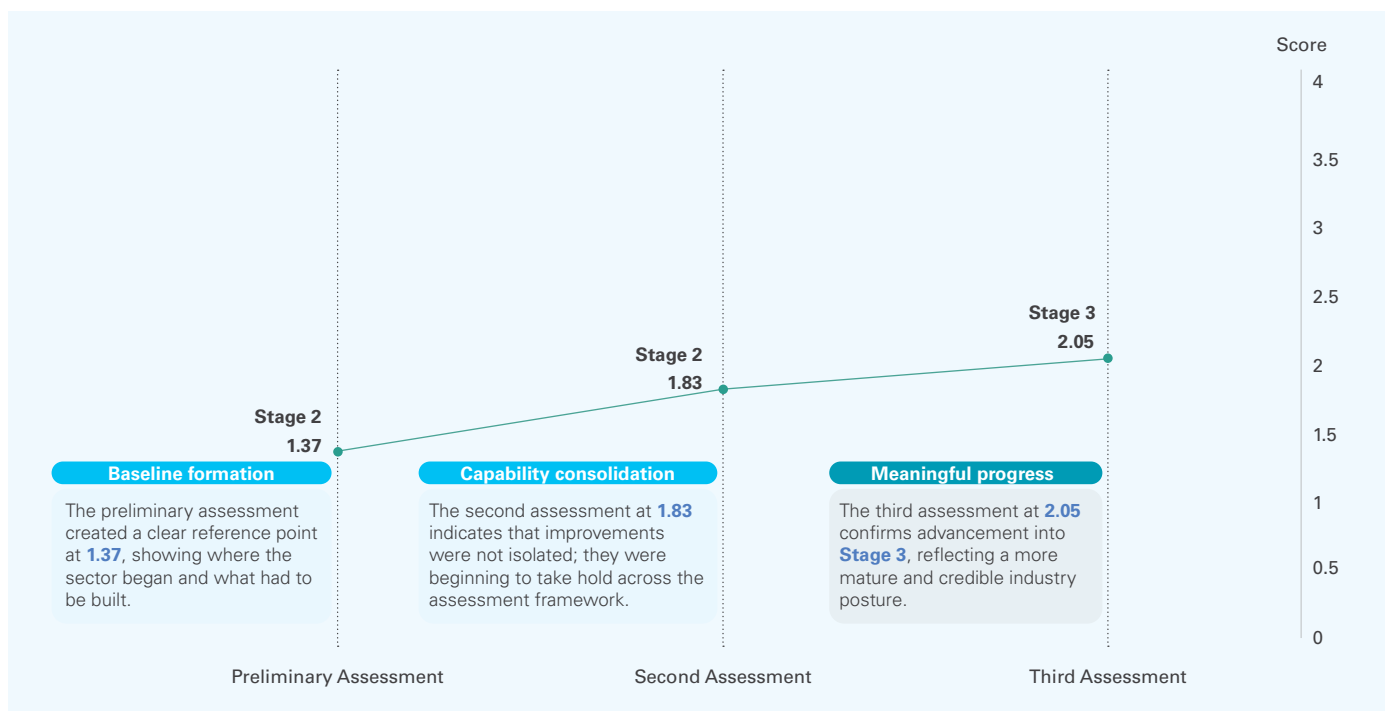
- **Top performers:** TO M and TO N achieved the highest overall score of 2.78, reflecting strong performance at Stage 3.
- **Consistent Stage 3 performers:** TO C, TO D, TO F, TO G, TO J, TO K, TO O, and TO P also scored strongly within Stage 3, demonstrating steady advancement across multiple thrusts.
- **Lower performers:** TO R (1.25), TO B (1.36), TO E (1.69), TO Q (1.70), and TO A (1.77) recorded the lowest overall scores, highlighting the need for greater focus on **best conduct** and **capacity building** pillars to accelerate their maturity journey.

With this variation in maturity, the bar chart below provides a detailed breakdown of each TO’s overall score across the five thrusts, highlighting both industry leaders and those requiring further progress.

Strategic Thrust	3 rd Assessment														
	TO A	TO B	TO C	TO D	TO E	TO F	TO G	TO J	TO K	TO M	TO N	TO O	TO P	TO Q	TO R
Financial Resilience	0.60	0.60	0.66	0.66	0.66	0.60	0.78	0.72	0.66	0.90	0.90	0.66	0.66	0.60	0.24
Community Engagement	0.42	0.33	0.63	0.63	0.42	0.46	0.54	0.58	0.58	0.75	0.75	0.58	0.58	0.21	0.13
Good Self Governance	0.38	0.26	0.38	0.38	0.26	0.19	0.38	0.38	0.30	0.41	0.41	0.41	0.41	0.41	0.41
Best Conduct	0.23	0.11	0.41	0.41	0.15	0.23	0.34	0.26	0.30	0.41	0.41	0.26	0.26	0.23	0.23
Capacity Building	0.15	0.05	0.30	0.30	0.20	0.20	0.20	0.35	0.25	0.30	0.30	0.15	0.15	0.25	0.25
Overall Score	1.77	1.36	2.37	2.37	1.69	2.00	2.23	2.29	2.09	2.78	2.78	2.07	2.07	1.70	1.25
Stage	2	2	3	3	2	3	3	3	3	3	3	3	3	2	2

Average Industry Scoring

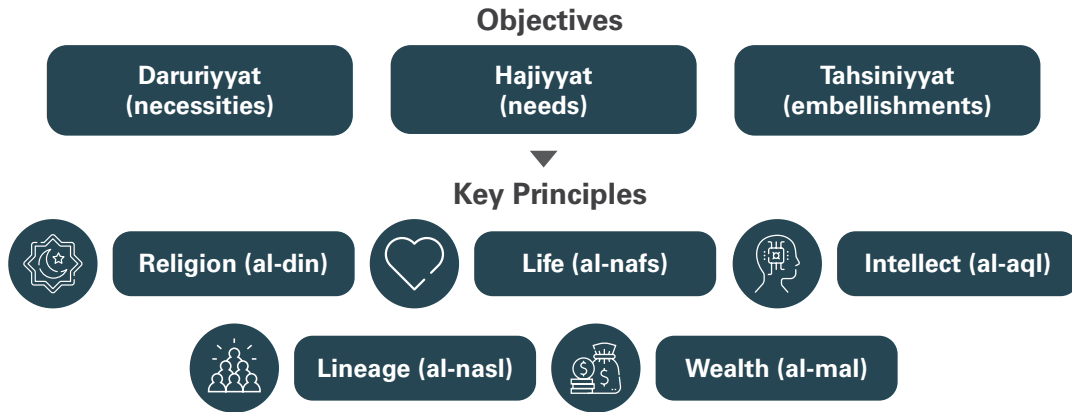
The overall Takaful industry has shown steady progress across assessments, achieving an average score of 2.05 (Stage 3) in the third assessment and advancing towards the aspirational stages.



ASSESSMENT CRITERIA FOR THE TAKAFUL FSB PROGRAMME

Maqasid Shariah Scorecard (MSS) Takaful Industry Reporting

Maqasid Shariah, derived from the term maqсад (plural: maqasid), refers to the objectives or intended outcomes of Islamic law, aiming to promote what is beneficial, prevent harm, and safeguard the interests of people. These objectives are categorised into three levels and five key principles as follows:



Solutions for a sustainable future

As the insurance industry faces new challenges, we innovate to create solutions for a sustainable future. We stay one step ahead to help move you forward – delivering insights that guide clients and partners to a future that is more confident, inclusive and impactful. A future we invest in, and that you can trust in.

Introduced systematically by *Al-Ghazali* and later refined by *Ash-Syatibi*, *Maqasid Shariah* serves as a moral and philosophical framework for Islamic law and public policy, including economic and financial contexts. In Islamic finance, it evaluates products, services, and policies based on justice, social welfare, and sustainability, emphasising ethical substance over mere legal compliance.

Aligned with these foundational ideals, the MSS provides guidance based on Maqasid Shariah, the intrinsic values of Islamic finance, and VBIT Framework. Through the MSS manual, market practitioners can measure Takaful value proposition in line with the intended outcomes of Shariah (Maqasid Shariah) in its conduct and offerings.

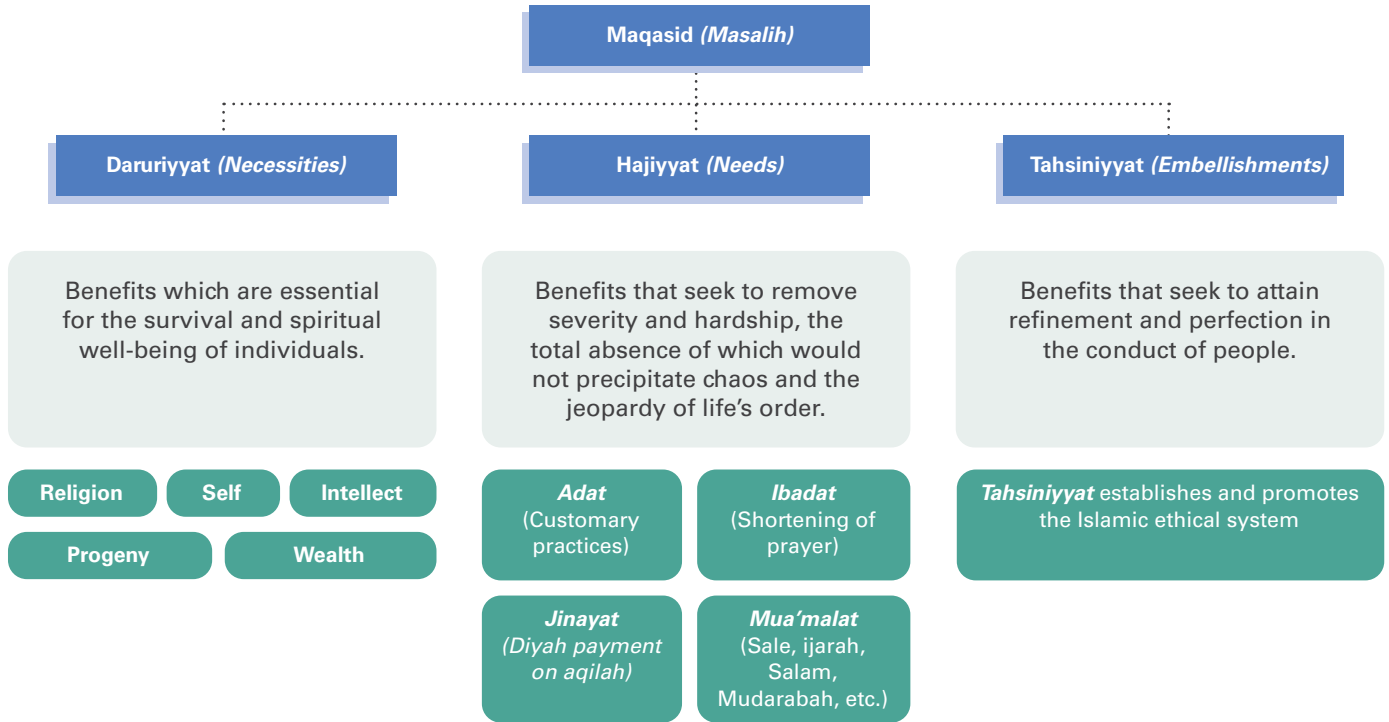
Maqasid Shariah based VBIT Scorecard Supporting Frameworks

The Maqasid Shariah based VBIT Scorecard is supported by four key frameworks namely:

- i. Maqasid Shariah Framework
- ii. Intrinsic Values in Islamic Finance
- iii. VBIT Framework
- iv. VBIT Roadmap

ASSESSMENT CRITERIA FOR THE TAKAFUL FSB PROGRAMME

The diagram below outlines the key tenets of the Maqasid Al-Shariah framework:



It can also be seen that the MSS assessment is anchored to an organisation's VBIT maturity level, acting as a measurement tool to demonstrate and validate VBIT practices. Therefore, the results of the VBIT maturity level directly influences the MSS scoring outcome. As a result of this linkage, operators must first determine their VBIT maturity before completing the MSS scorecard. Establishing this baseline allows operators to understand their current state of Shariah-aligned governance, processes, and capabilities.

Following this, based on the assessment results, operators are required to identify their overall maturity score and map it to the corresponding maturity level. This ensures that the MSS evaluation reflects the organisation's actual level of readiness and enables more targeted improved planning. The diagram below provides an understanding of the components of the Maqasid Shariah based VBIT Scorecard.



ASSESSMENT CRITERIA FOR THE TAKAFUL FSB PROGRAMME

Best Conduct

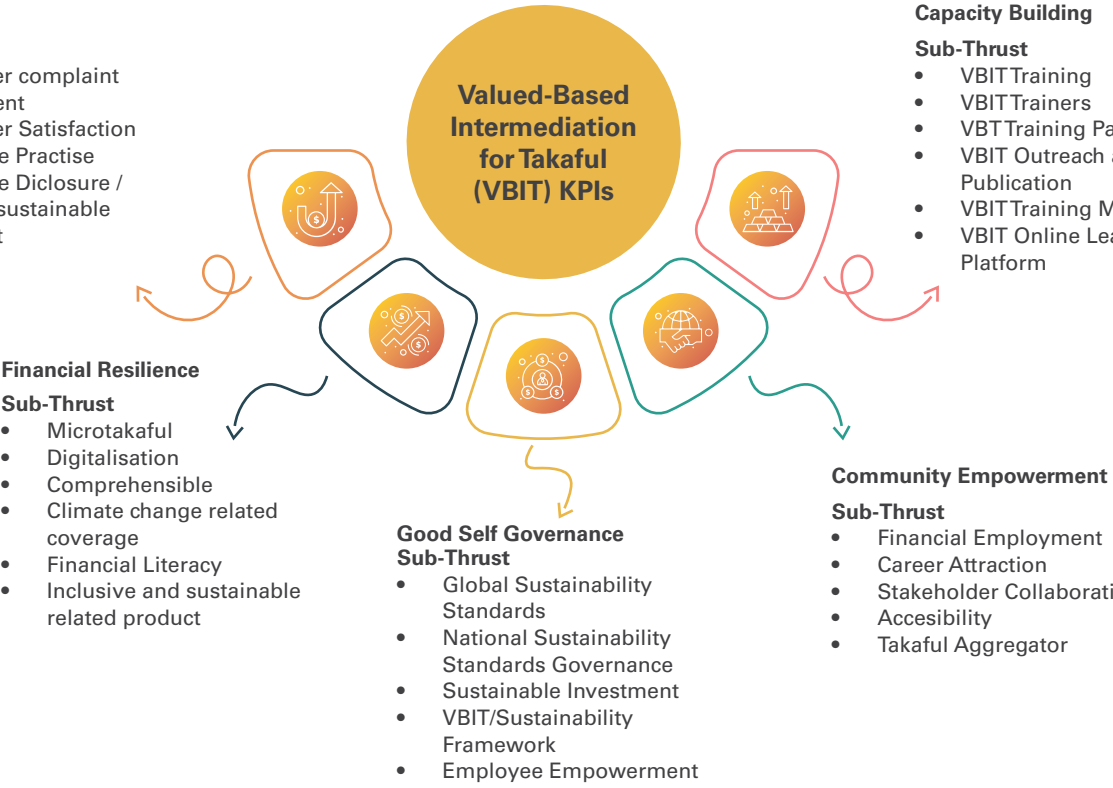
Sub-Thrust

- Stakeholder complaint Management
- Stakeholder Satisfaction
- Sustainable Practise
- Sustainable Diclosure / Reporting sustainable Investment

Capacity Building

Sub-Thrust

- VBIT Training
- VBIT Trainers
- VBT Training Participation
- VBIT Outreach and Publication
- VBIT Training Modules
- VBIT Online Learning Platform



Once the maturity level is confirmed, operators may proceed to complete the MSS assessment. The MSS score that they achieve reflects performance relative to the operator’s maturity stage, ensuring a fair and meaningful benchmarking across the industry.

 <p>81%-100% Top achiever @ Top-notch</p>	 <p>41%-80% Good achiever @ Affluential</p>	 <p>0%-40% Average achiever @ Catalyst</p>
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ASSESSMENT CRITERIA FOR THE TAKAFUL FSB PROGRAMME

2024 VBIT MSS Reporting Update – Ahsan and Adna Scores

TOs are benchmarked across two MSS performance scores, the Ahsan and Adna performance benchmarks. The Ahsan Score which guides aspiration represents the expected or average level of performance that a TO should typically demonstrate once VBIT practices are embedded in the organisation. It fulfils the purpose of acting as a guidepost which TOs can utilise to continuously elevate their VBIT practices beyond just basic compliance.

Whereas the Adna Score safeguards minimum standards of the industry through setting a minimum threshold to uphold essential VBIT and Maqasid Shariah expectations. It ensures that TOs maintain a foundational level of responsible conduct, governance, and societal impact.

Together, both of the Ahsan and Adna benchmarks provide a balanced scoring framework to ensure continuous value-based improvement and meaningful benchmarking for the industry.

Industry Average “Ahsan” Score (Aspirational Benchmark)

The Ahsan Score represents the industry-wide average MSS performance, serving as a benchmark for good practice and strong alignment with Maqasid Shariah principles.

$$\text{Ahsan Score} = \frac{\sum_{i=1}^n S_i}{n}$$

S_i = MSS score of operator i
 n = Total number of operators

Baseline “Adna” Score (Baseline Benchmark)

The Adna Score represents the minimum acceptable performance level, determined using a statistical cut-off approach.

$$\text{Adna Score} = \mu - 2\sigma$$

μ = Mean MSS score of the industry
 σ = Standard deviation

Takaful Operator Individual Performance

Based on the MSS overall score share of the MSS performance benchmarks, a majority of TOs ranked within the:

- **Top performers:** TO M ($\approx 79\%$), as well as TO G and TO J ($\approx 75\%$) are among the top scorers who have nearly reached the Top Achiever band. These operators demonstrate strong alignment with the Maqasid-based VBIT principles.
- **Good achievers:** Several TOs such as (TO C, TO F, TO K, and TO O) scored between 60–70%, showing consistent but improvable performance within the Good Achiever range.
- **Lower performers:** TO A, TO B, TO E, TO D, TO N, and TO P scored below the industry average, with TO B and TO P being closest to the Average Achiever baseline.



“

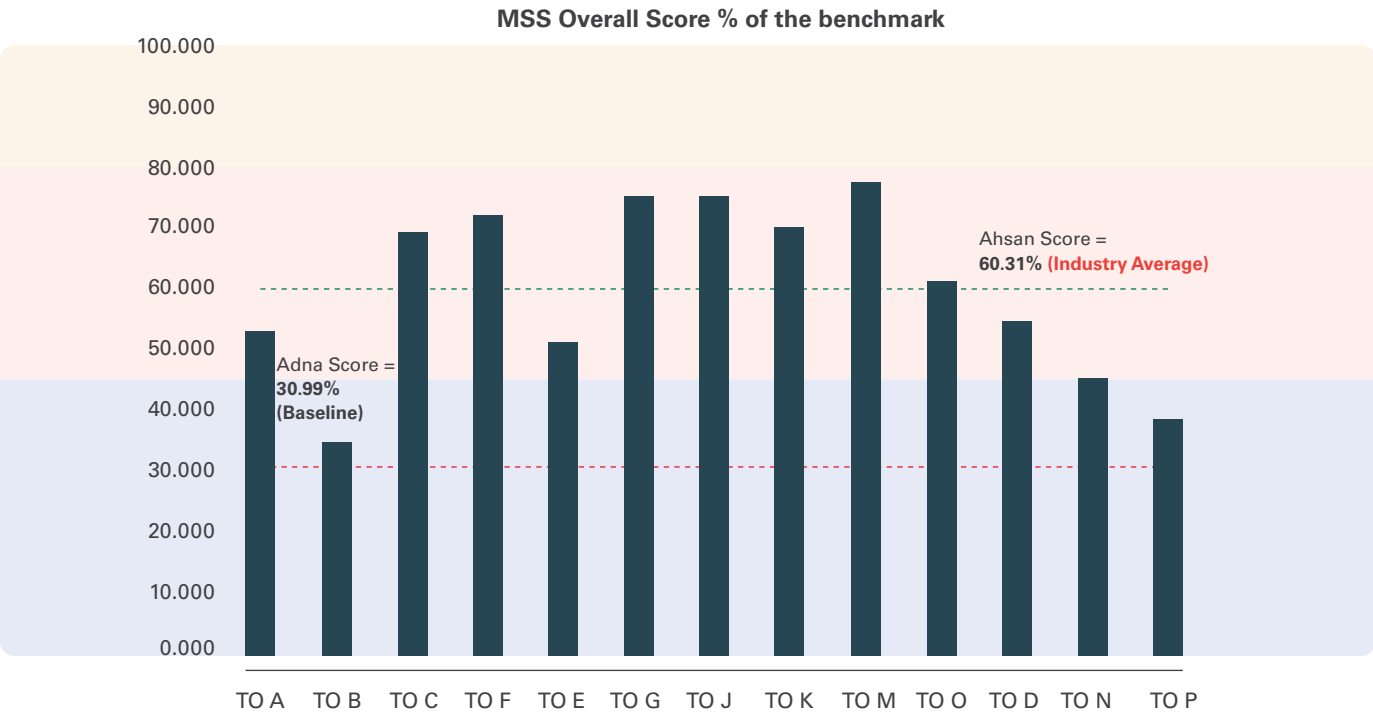
By widening access to protection and strengthening the Takaful ecosystem, the industry can better protect households and businesses from future risks. This is built on the trust we uphold as we support a more resilient and inclusive economy.”

ZAFRI AB HALIM

Working Group 2B Champion and
 CEO of Etiqa Family Takaful Berhad

ASSESSMENT CRITERIA FOR THE TAKAFUL FSB PROGRAMME

With this variation in performance, the chart below provides a breakdown of each TO's individual performance and overall MSS score, highlighting both industry leaders and those requiring further progress.



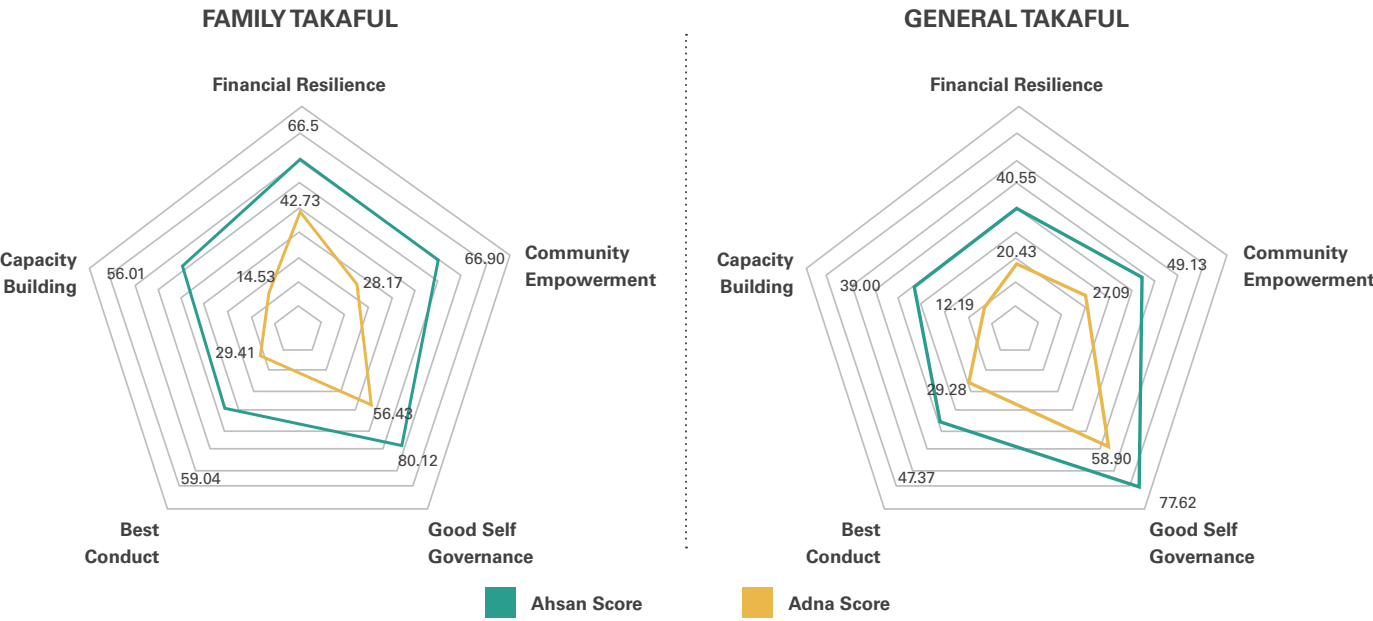
Average Achiever
(0% - 40%)

Good Achiever @ Affluent
(41% - 80%)

Top Achiever @ Top-Notch
(81% - 100%)

Overall Industry Score based on VBIT Thrust

The chart below provides a breakdown of the industry's overall MSS score, across the five VBIT thrusts.



The overall assessment reflects encouraging progress across the industry, with performance in several dimensions moving beyond the Adna (baseline) level towards the Ahsan (aspirational) standard. This demonstrates the industry's commitment to higher standards and continuous improvement. Moving forward, further advancement towards the Ahsan standard will be supported by strengthening organisational capability, particularly in people capability, institutional strength, and long-term talent development.

Z-Prihatin Takaful

A plan under the Perlindungan Tenang Initiative for Bantuan Prihatin Rakyat recipients

You will receive up to RM40,000 worth of coverage such as Daily Hospital Income due to Accident or Dengue Fever, as well as Funeral Expenses.



Benefits of Z-Prihatin Takaful

Benefit	Benefit Description	Plan 1 (RM)	Plan 2 (RM)
A	Accidental Death and Permanent Disablement (refer to Table of Benefits)	25,000	40,000
B	Hospital Income due to Accident (maximum of 30 days)	50 per day	50 per day
C	Hospital Income due to Dengue (maximum of 30 days)	50 per day	50 per day
D	Funeral Expenses	500	500

For more information, please contact our Zurich Call Centre at 1300-888-622 or email us at callcentre@zurich.com.my.

This plan is underwritten by Zurich General Takaful Malaysia Berhad, which is licensed under the Financial Services Act 2013 and regulated by Bank Negara Malaysia.



The benefit(s) payable under eligible product is protected by PIDM up to limits. Please refer to PIDM's TIP brochure on zurich.com.my or pidm.gov.my.

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Takaful

Takaful Al-Shams

Protect your family for your peace of mind

Takaful Al-Shams, a **Guaranteed Acceptance** plan that provides protection from unpredictable events in life, including death, disability coverage as well as accidental death benefit of up to 300% of the Basic Sum Covered.



- **Affordable Contribution** so that you can support your family without any financial worries.
- **Disability Support Plan** provides Total and Permanent Disability (TPD) benefit up to age 75 and continuous coverage with **Golden Age Disability** up to the end of certificate.
- **TPD Yearly Recovery Benefit** provide an **additional 5% of Basic Sum Covered** for 5 years when you suffer a TPD.
- **Family Accidental Death Benefit** provide a **lump sum of RM10,000** per family members, should any 4 of the family members pass away due to an accident.

For more information, please contact our Zurich Call Centre at 1300-888-622 or email us at callcentre@zurich.com.my.

This plan is underwritten by Zurich Takaful Malaysia Berhad, which is licensed under the Financial Services Act 2013 and regulated by Bank Negara Malaysia.



The benefit(s) payable under eligible product is protected by PIDM up to limits. Please refer to PIDM's TIP brochure on zurich.com.my or pidm.gov.my.

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 **ZURICH**
Takaful

03

PROGRESS HIGHLIGHTS

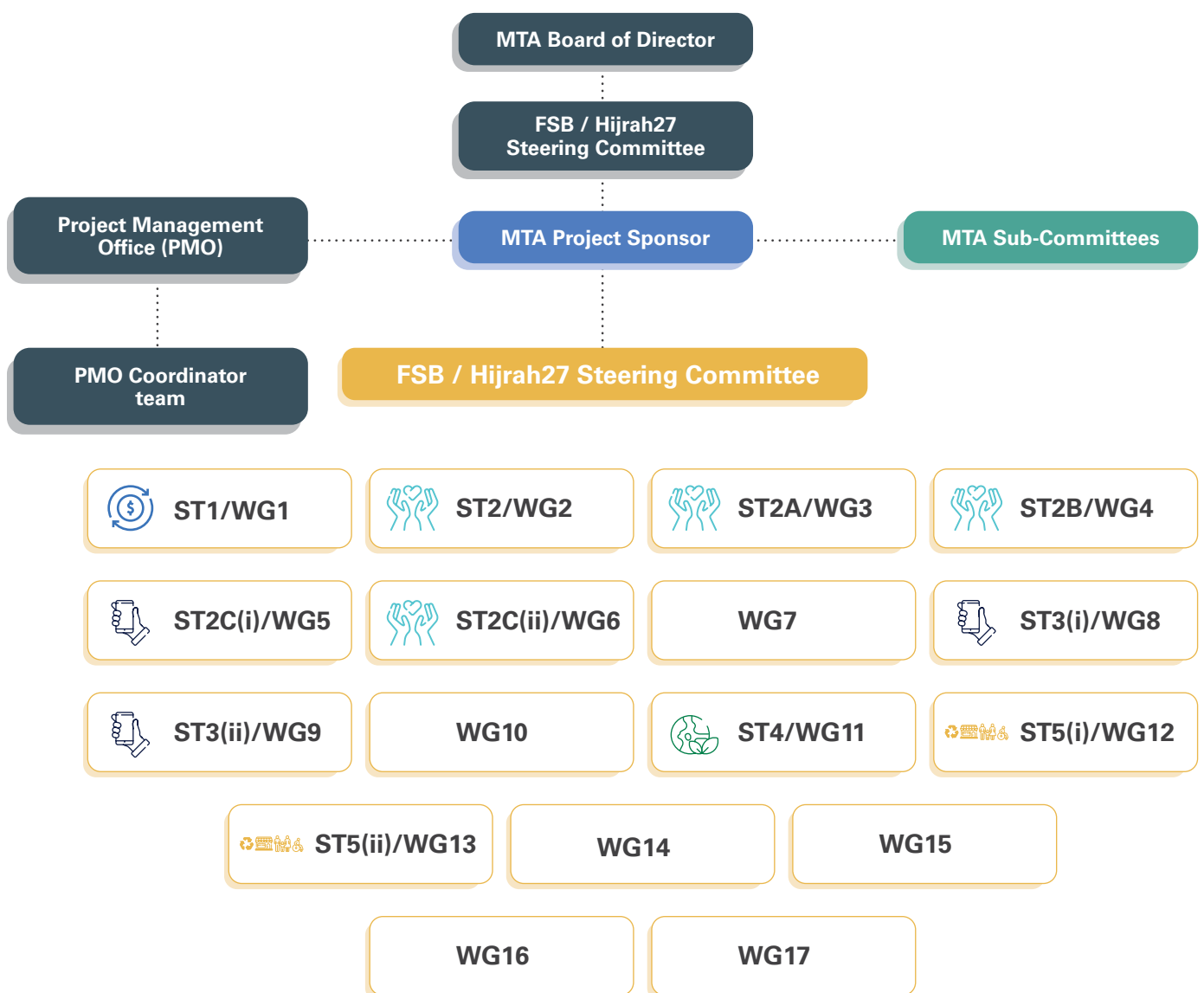
- 3.1 Takaful FSB / Hijrah27 Programme Governance Structure
- 3.2 Summary of Progress Highlights: Takaful FSB Programme of All Strategic Thrusts
- 3.3 The FSB Strategic Thrusts and the Working Group's Initiatives
- 3.4 MTA's Key Initiatives Supporting the VBIT Thrusts and Industry Growth
- 3.5 The FSB Strategic Thrusts and the Takaful Operators' Initiatives



3.1 TAKAFUL FSB / HIJRAH27 PROGRAMME GOVERNANCE STRUCTURE

A key enabler of the Takaful FSB Programme’s progress is its robust governance structure, which is overseen by a network of committees, working groups (WGs), and subcommittees. This collaborative setup brings together diverse expertise and perspectives from across the Takaful industry and regulatory bodies, ensuring coordinated decision-making, effective oversight, and timely implementation of initiatives. The governance framework has been instrumental in translating strategic objectives into tangible actions, demonstrating the Takaful industry’s commitment to sustainable and value-based growth.

Building on the foundation of the FSB initiatives, Hijrah27 introduced an additional 23 strategic initiatives, supported by the establishment of six new Working Groups. This expanded structure further strengthens industry-wide collaboration and reinforces the commitment towards long-term transformation and resilience.



3.2 SUMMARY OF PROGRESS HIGHLIGHTS: TAKAFUL FSB PROGRAMME OF ALL STRATEGIC THRUSTS

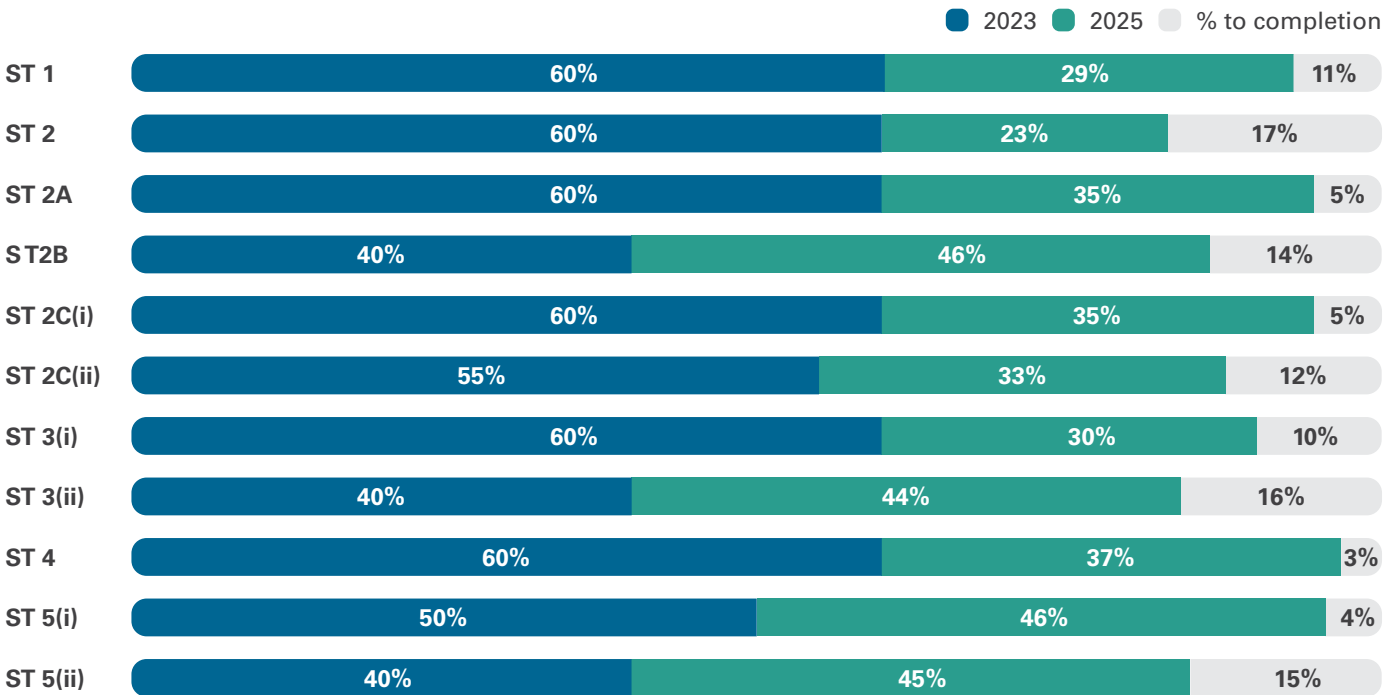
The Takaful FSB Programme advances its five strategic thrusts through 11 dedicated working groups, each focusing on key areas such as financial inclusion, economic resilience, digitalisation, sustainability and climate resilience, and Islamic finance leadership. These working groups have fostered a collaborative environment where stakeholders actively share insights, align initiatives, and leverage the programme’s enablers to drive meaningful progress.

Below is a clear representation of industry collaboration in advancing the Programme as of December 2025.

Progress Percentage methodology for Strategic Thrusts



Overview of Working Group Progress (%)



Note: The 2023 progress % is as of August 2023. The completion target is December 2026.



“

Digitalisation is transforming financial services, and the Takaful industry is embracing technology to enhance efficiency, elevate customer experiences, and innovate responsibly while safeguarding stability and consumer trust.”

AMAN CHOWLA
Working Group 3(i) Champion and
CEO of FWD Takaful Berhad

SUMMARY OF PROGRESS HIGHLIGHTS: TAKAFUL FSB PROGRAMME OF ALL STRATEGIC THRUSTS

As of June 2025, the following FSB initiatives have been completed under the Hijrah27, bridging the transition from the old framework to the new. Hijrah27 clearly builds on the progress and achievements of FSB 2022-2026, continuing the journey of strengthening and advancing the Industry.

FSB Completed Initiatives

ST2(i) – Elevate the Financial Well-being of Households and Businesses

Monitoring Agents’ Compliance for Shariah Registered Financial Planner (SRFP) Module 2 following PD on Professionalism of Insurance and Takaful Agents (PITA)

ST2(ii) – Elevate the Financial Well-being of Households and Businesses

Agent Portal infrastructure – Agent Status’ enhancement



ST2



ST3

ST3 – Advancing Digitalisation of the Financial Sector

Reporting on overall Industry Readiness towards digitalization

ST5 – Advance Value-Based Finance through Islamic Finance Leadership

Active Promotion of Takaful and VBIT globally via various partnerships and collaborations



ST5



ST4

ST4 – Position the Financial System to Facilitate an Orderly Transition to a Greener Economy

Establishment of JC3 Sustainability Taskforce

ST4 – Position the Financial System to Facilitate an Orderly Transition to a Greener Economy

Establishment of Takaful Industry Wide Sustainability Program

Note: Initiatives under ST1 – Fund Malaysia’s Economic Transformation continue to be relevant under Hijrah27’s framework. As these initiatives are focused on the long-term they are continuous and are progressing smoothly



Secure Your Solar Investment With Us

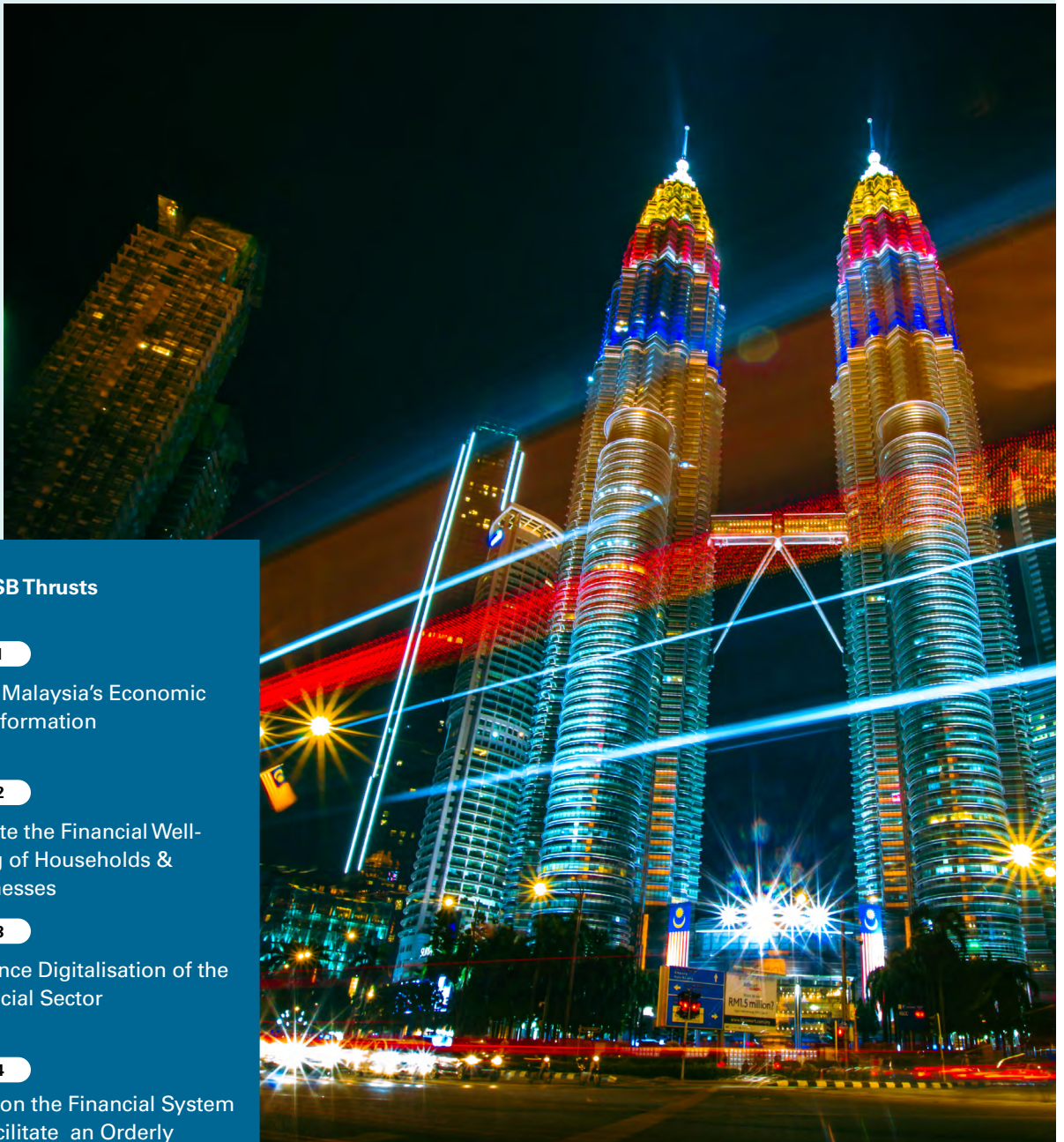
A Comprehensive Protection Product for Your Home Solar Panels

- Coverage for All Risks
- Coverage for Loss of Savings in Electricity
- Coverage for Public Liability



3.3 THE FSB STRATEGIC THRUSTS AND WORKING GROUP'S INITIATIVES

To achieve FSB aspirations, it is important to ensure that the initiatives undertaken by the working groups are clearly aligned with both the strategic objectives of the FSB and the broader sustainability agenda. Mapping these initiatives to the respective FSB goals and the United Nations Sustainable Development Goals (SDGs) provides a structured view of how the Malaysian Takaful industry is contributing towards national priorities while supporting global development imperatives. This does not only enhance transparency and accountability but also reinforces the industry's role in driving long-term economic transformation, financial resilience, and sustainable growth.



5 Financial FSB Thrusts

• THRUSTS 01



Fund Malaysia's Economic Transformation

• THRUSTS 02



Elevate the Financial Well-Being of Households & Businesses

• THRUSTS 03



Advance Digitalisation of the Financial Sector

• THRUSTS 04



Position the Financial System to Facilitate an Orderly Transition to a Greener Economy

• THRUSTS 05



Advance Value-Based Finance through Islamic Finance Leadership

THE FSB STRATEGIC THRUSTS AND WORKING GROUP'S INITIATIVES

This section maps the Financial Sector Blueprint (FSB) strategic thrusts with the underpinning thrusts of Value-Based Intermediation for Takaful (VBIT) and the relevant United Nations Sustainable Development Goals (SDGs). This alignment provides a clearer view of how the Takaful industry's sustainability initiatives support national financial priorities, drive industry transformation under VBIT, and contribute to broader global development outcomes.



Mapping FSB Initiatives to FSB and SDG Goals

 **STRATEGIC THRUST 1**
Fund Malaysia's Economic Transformation

01

To establish enhanced Takaful capacity facilities.

BNM FSB Goals

- ST 1-1:** Facilitate Trade Credit Protection Solutions to protect businesses against non-payment.
- ST 1-3:** Promote sufficient Retakaful and Reinsurance capacity, to become the regional Retakaful/ Reinsurance hub.



02

To advocate the inclusion of Takaful for Shariah-compliant companies for green counters.

BNM FSB Goals

- ST 1-2:** Encourage offering of specialised Takaful and insurance product such as entrance into emerging growth areas like renewable energy projects.
- ST 1-3:** Promote sufficient Retakaful and Reinsurance capacity, to become the regional Retakaful/ Reinsurance hub.



03

A review on the suitability of alternative Takaful models such as Kafalah or Mudarabah for certain lines of business e.g., Marine Hull/ Aviation.

BNM FSB Goals

- ST 1-3:** Promote sufficient Retakaful and Reinsurance capacity, to become the regional Retakaful/ Reinsurance hub.



THE FSB STRATEGIC THRUSTS AND WORKING GROUP'S INITIATIVES

**STRATEGIC THRUST 2**

Elevate the Financial Well-being of Households and Businesses

01

Conduct a study to gauge the feasibility of incorporating Takaful in Industry financing.

BNM FSB Goals

- ST 2-1:** Develop business risk transfer protection schemes via public-private partnerships.
- ST 2-2:** Support the growth of a diverse microtakaful and microinsurance market.



02

Develop a product/model that enables lower capital requirement, stamp duty exemptions, SST exemptions, acceptance of Zakat, simplified regulation (especially RBCT), and appropriate MFRS recognition.

BNM FSB Goals

- ST 2-1:** Develop business risk transfer protection schemes via public-private partnerships.
- ST 2-2:** Support the growth of a diverse microtakaful and microinsurance market.

**STRATEGIC THRUST 2A**

Elevate the Financial Well-being of Households and Businesses

01

To strengthen Financial Literacy and Inclusivity as an industry agenda and expand microtakaful (Perlindungan Tenang) Guidelines.

BNM FSB Goals

- ST 2-2:** Support the growth of a diverse microtakaful and microinsurance market.



02

To make products more accessible and attractive for the industry by easing regulations and foster an environment for better subsidies for the underserved and B40 and their products.

BNM FSB Goals

- ST 2-3:** Advocate for a social protection floor.
- ST 2-4:** Pursue further liberalisation of the motor and fire tariffs.



03

Public Private Partnership (PPP) - to address the issue of affordability - subsidy will be utilised for targeted segments only which are B40, OKU, old age

BNM FSB Goals

- ST2-3:** Advocate for a social protection floor



THE FSB STRATEGIC THRUSTS AND WORKING GROUP'S INITIATIVES



STRATEGIC THRUST 2B

Elevate the Financial Well-being of Households and Businesses

01

To facilitate a Study on the development of products that are needed by these segments. Obtain data from SOCSO, Zakat, Penjana for statistics and pricing purposes.

BNM FSB Goals

- ST 2-2:** Support the growth of a diverse microtakaful and microinsurance market.
- ST 2-5** Address sustainability and affordability of private MHIT cover.



02

To establish joint industry committee to address long-term sustainability and affordability of private MHIT and as well as to drive best practices amongst industries.

BNM FSB Goals

- ST 2-5** Address sustainability and affordability of private MHIT cover.



STRATEGIC THRUST 2C(i)

Elevate the Financial Well-being of Households and Businesses

01

Monitoring Agents' Compliance to PITA (Professionalism of Insurance and Takaful Agents).

BNM FSB Goals

- ST 2-2:** Support the growth of a diverse microtakaful and microinsurance market.



02

Mass Migration Guideline.

BNM FSB Goals

- ST 2-2:** Support the growth of a diverse microtakaful and microinsurance market.



03

To establish an Agent Best Practices and Conduct – Best Practices Document.

BNM FSB Goals

- ST 2-6:** Facilitate the development of new business models and solutions in the retirement planning ecosystem.



04

Raising standards of Takaful agents in line with BSC

BNM FSB Goals

- ST 2-2:** Support the growth of a diverse microtakaful and microinsurance market.



THE FSB STRATEGIC THRUSTS AND WORKING GROUP'S INITIATIVES

**STRATEGIC THRUST 2C(ii)**

Elevate the Financial Well-being of Households and Businesses

01

Agency Infrastructure including Portal, Termination services, Database.

BNM FSB Goals

ST 2-6: Facilitate the development of new business models and solutions in the retirement planning ecosystem.



02

Development of a Policy Portal - to establish a robust platform that facilitates the seamless sharing of relevant information among members for the purpose of policy and certificate replacement.

BNM FSB Goals

ST 2-6: Facilitate the development of new business models and solutions in the retirement planning ecosystem.

**STRATEGIC THRUST 3(i)**

Advancing Digitalisation of the Financial Sector

01

Reporting of all TOs' reduction in paper usage following digitalisation.

BNM FSB Goals

ST 3-1: Support a vibrant digital financial services landscape via licensing of digital TOs/insurers.



02

Digitalisation of self-services and non-self-service capabilities.

- i. Implementation of Digital GL across the industry Digital Platform/Real-time Information Sharing and Management (PRISM)
- ii. Product Aggregator for Family Takaful Business – info on family products available
- iii. Fraud detection /prevention repository – (industry red flag)

BNM FSB Goals

ST 3-2: Advance the development of an open data ecosystem that is fit for the future such as an integrated, transparent, and seamless claim processes.



THE FSB STRATEGIC THRUSTS AND WORKING GROUP'S INITIATIVES



STRATEGIC THRUST 3(ii)

Advancing Digitalisation of the Financial Sector

01

Online Coverage Checking

BNM FSB Goals

ST 3-2: Advance the development of an open data ecosystem that is fit for the future such as an integrated, transparent, and seamless claim processes.



02

Strengthen the role of ISM for Family Takaful data – as a gatekeeper for industry

BNM FSB Goals

ST 3-2: Advance the development of an open data ecosystem that is fit for the future such as an integrated, transparent, and seamless claim processes.



03

Encourage Cross Border Participation by accentuating Takaful services in Malaysia and ease of government regulations

BNM FSB Goals

ST 3-2: Advance the development of an open data ecosystem that is fit for the future such as an integrated, transparent, and seamless claim processes.



STRATEGIC THRUST 4

Position the Financial System to Facilitate an Orderly Transition to a Greener Economy

01

To encourage all TOs to collaborate to publish an Annual Takaful ESG, Sustainability and Climate Resilience Roundup.

BNM FSB Goals

ST 4-1 Facilitate the application of advanced digital tools to address the needs of the financial sector for accurate, granular and location-specific data.



02

To establish a JC3/ Sustainability Taskforce – utilise the WG4 as a platform for knowledge sharing).

BNM FSB Goals

ST 4-1: Facilitate the application of advanced digital tools to address the needs of the financial sector for accurate, granular and location-specific data.



03

To establish a Takaful industry wide Sustainability programme.

BNM FSB Goals

ST 4-1: Facilitate the application of advanced digital tools to address the needs of the financial sector for accurate, granular and location-specific data.



04

Feasibility discussion and mobilisation towards E-certificates for the customers.

BNM FSB Goals

ST 4-1: Facilitate the application of advanced digital tools to address the needs of the financial sector for accurate, granular and location-specific data.

This initiative has been dropped and is now tracked under Hijrah27.

THE FSB STRATEGIC THRUSTS AND WORKING GROUP'S INITIATIVES



STRATEGIC THRUST 5(i)

Advance Value-Based Finance through Islamic Finance Leadership

01

Availability of educational module for the VBIT, Takaful etc. for Centre of Islamic Finance Excellence

BNM FSB Goals

ST 5-1: ST5-1: Explore the potential recalibration of existing regulatory requirements to cater to the broader application of Ta`awun in Takaful, guided by clear Shariah parameters



02

Active promotion of Takaful and the VBIT globally via various platforms

BNM FSB Goals

ST4-1: Facilitate the application of advanced digital tools to address the needs of the financial sector for accurate, granular and location-specific data



STRATEGIC THRUST 5(ii)

Advance Value-Based Finance through Islamic Finance Leadership

01

Foster thought leadership for boosting the Takaful Industry regionally and internationally

BNM FSB Goals

ST 5-1: Explore the potential recalibration of existing regulatory requirements to cater to the broader application of Ta`awun in takaful, guided by clear Shariah parameters.



02

Advancing Takaful Research and Talent Development for Industry Excellence - participate in industry committee and activities as industry representative

BNM FSB Goals

ST 5-1: Explore the potential recalibration of existing regulatory requirements to cater to the broader application of Ta`awun in takaful, guided by clear Shariah parameters.



- Sources:
- Financial Sector Blueprint 2022-2026, 24 January 2022, BNM
 - SDG Communication Materials, 2025, United Nations (UN)



“
The Takaful industry aims to drive sustainable and inclusive growth by leveraging Malaysia’s Islamic finance ecosystem, strengthening policy enablers, and mainstreaming social finance to create lasting societal and economic impact.”

NUR FATIHAH MUSTAFA
 Working Group 5(ii) Champion and
 CEO of Zurich Takaful Malaysia Berhad

THE FSB STRATEGIC THRUSTS AND WORKING GROUP'S INITIATIVES


Tracking the Progress of FSB Strategic Thrusts and Working Group Initiatives

To translate strategic aspirations into tangible outcomes, it is essential to evaluate the progress of each thrust and its corresponding initiatives. The progress of the working group's initiatives, as of 31 December 2025 is further outlined as below.

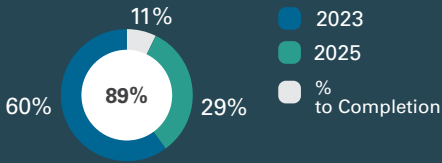
Strategic Thrust 1
Fund Malaysia's Economic Transformation

BNM's Strategic Thrust 1 aims to fund Malaysia's economic transformation making financial services more accessible, affordable, and inclusive. If the industry implements the thrust successfully, TOs will be benefit from increased focus on financial inclusion which will create new opportunities for TOs to reach out to niche segments of the markets. With the increased capacity in underwriting more risks, consumers may assess to varieties of Takaful coverage.





FSB ST1 / Hijrah27 WG1



Objective/End Goal for Thrust:
To this end, we will seek to accomplish the following:

- Provide continued support on the path to a **sustainable recovery**; and
- Evolve the landscape to support a **dynamic model of economic growth** – one that is innovation-led, with highly productive and internationally competitive firms.



Progress Update

- Data collection from General Takaful Operators on their capacity.



What's Next

- Capacity readiness in Q2 2026.

Hijrah Carried over through Hijrah27

- Continue advancing the objectives of the thrust beyond FSB through new initiatives under the Hijrah27 Industry Roadmap:
- Advocate for Takaful adoption by GLCs and Shariah Compliant businesses

Initiative

01 To establish enhanced Takaful capacity facilities.

On track

Exploring potential areas for collaboration, developing practical solutions, and fostering strategic partnerships to strengthen organisational capacity and effectively meet industry requirements.

Completion:



02 To advocate the inclusion of Takaful for Shariah-compliant companies for green counters..

On track

Strengthening the Takaful industry's role in providing coverage and support to key industries under the purview of Bursa Malaysia and the Securities Commission.

Completion:



Note: Each initiative consists of a varying number of action plans. The % progress of an initiative is measured by the progress of its action plans and is not intended for comparison with other initiatives.

THE FSB STRATEGIC THRUSTS AND WORKING GROUP'S INITIATIVES

Strategic Thrust 2

Elevate the Financial Well-being of Households and Businesses

BNM's Strategic Thrust 2 seeks to elevate the financial well-being of households and businesses by making financial products and services more accessible, affordable, and appropriate according to their needs. It is BNM's expectation that TOs play a significant role in helping to elevate the financial well-being of households and businesses, possibly by developing new products and services, collaborating with other FIs, and investing in research and development.



FSB ST2 / Hijrah27 WG2

Borhanudin Samsudin

Objective/End Goal for Thrust:
To this end, we will seek to accomplish the following:

- Equip households and businesses with **suitable and affordable solutions**, as well as empower them with the **financial capability** to make sound financial judgments; and
- Ensure financial consumers continue to be treated fairly to inspire **positive user experiences** and consumer outcomes.

Initiative

01 To persuade regulators to prioritise Takaful as the preferred form of insurance for Industry Financing.

On track

Strengthening the Takaful industry's position as the preferred or mandatory option for SME financing, supported by substantial progress achieved through close regulatory collaboration.

Completion:



02 To make the industry environment more attractive for TO's like giving more incentives when taking takaful over the conventional with BNM or when looking into more innovative Takaful products.

On track

Articulating and promoting the value proposition of Takaful in meeting identified industry needs.

Completion:



Progress Update

- Cagamas CEO is open to resume discussions with TOs on the Reverse Mortgage Scheme.



What's Next

- Joint effort with WG1 on the closed-door collaboration with the regulators, Securities Commissions & Bursa Malaysia.



Carried over through Hijrah27

Continue advancing the objectives of the thrust beyond FSB through new initiatives under the Hijrah27 Industry Roadmap:

- Evaluation and enhancement of 3 regulatory requirements (ARE, IRE and Risk-based Capital Framework) to level the playing field
- Engage with Inland Revenue Board (IRB) to lobby for higher income tax rebates/ incentives for Personal and Business with Takaful Coverage

Note: Each initiative consists of a varying number of action plans. The % progress of an initiative is measured by the progress of its action plans and is not intended for comparison with other initiatives.

THE FSB STRATEGIC THRUSTS AND WORKING GROUP'S INITIATIVES



FSB ST2A / Hijrah27 WG3

60%



● 2023
● 2025
● % to Completion

Shahrul Azlan Shahrman

Objective/End Goal for Thrust:
To this end, we will seek to accomplish the following:

- Equip consumers with **improved financial capabilities**; and
- Address remaining **inclusion gaps**, focusing on take-up and meaningful usage of financial services, especially for the unserved and underserved segments.



Progress Update

- Successfully delivered financial education programmes through gamification and social media initiatives, driving deeper public engagement and outreach.



What's Next

- Strengthen collaborative efforts with FEN and MTA members to enhance operational efficiency, optimise cost-sharing, and deliver more integrated and high-impact financial literacy programmes



Carried over through Hijrah27

- Continue advancing the objectives of the thrust beyond FSB through new initiatives under the Hijrah27 Industry Roadmap:
- Collaborative effort to develop a blended Takaful product for special needs and underserved individuals

Initiative

01

On track

To strengthen financial literacy and inclusivity as an industry agenda and expand Microtakaful (Perlindungan Tenang) guidelines through means of promotional events such as Takaful Masuk Kampung and educational content during the events

Promoting increased industry involvement in financial education initiatives to drive awareness, improve financial literacy, and accelerate adoption of Takaful products.

Completion:



02

On track

To make products more accessible and attractive for the industry by easing regulations and foster an environment for better subsidies for the underserved and B40 and their products

Advancing the development of accessible products for the B40 segment and underserved communities, including the formulation of microtakaful solutions.

Completion:



03

Completed

PPP - to address the issue of affordability - subsidy will be utilised for targeted segments only which are B40, OKU, old age

Focusing on targeted segments such as the B40, persons with disabilities (OKU), and the elderly to ensure financial assistance is effectively channelled to those most in need, thereby enhancing inclusivity and protection coverage within the community.

Completion:



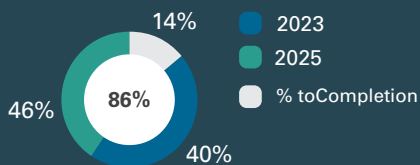
Note: Each initiative consists of a varying number of action plans. The % progress of an initiative is measured by the progress of its action plans and is not intended for comparison with other initiatives.

THE FSB STRATEGIC THRUSTS AND WORKING GROUP'S INITIATIVES



Zafri Ab Halim

FSB ST2B / Hijrah27 WG4

**Objective/End Goal for Thrust:**

To this end, we will seek to accomplish the following:

- Expand **market capacity** to meet household and business protection needs against future risks in the MHIT, Perlindungan Tenang and Microtakaful sphere; and
- Strengthen efforts to address pre-conditions for a **sustainable protection landscape** for key risks.

**Progress Update**

Partnership with Majlis Agama Islam Wilayah Persekutuan (MAIWP):

- WG is preparing a new basic proposal (Family & PA) to present to MAIWP.

**What's Next**

- Proposal presentation to the CEO of MAIWP within Q2 2026.

**Carried over through Hijrah27**

Continue advancing the objectives of the thrust beyond FSB through new initiatives under the Hijrah27 Industry Roadmap:

- Involve Islamic Ecosystem for Takaful market expansion

Initiative**01****On track**

To facilitate a **Study on the development of products that are needed by these segments. Obtain data from SOCSO, Zakat, Penjana for statistics and pricing purposes**

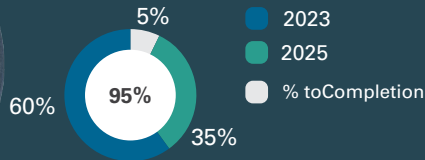
Assessing the needs of underserved segments—low-income, B40, and elderly—to address gaps not met by traditional financial systems or existing Takaful products.

Completion:

THE FSB STRATEGIC THRUSTS AND WORKING GROUP'S INITIATIVES



FSB ST2C(i) / Hijrah27 WG5



Mohd Asri Omar

Objective/End Goal for Thrust:

To this end, we will seek to advance the following:

- Strengthen **professional standards**, incentive frameworks and disclosure practices;
- Promote an enabling conduct environment for **innovation and efficiency**; and
- Pursue regulatory reforms to strengthen the oversight of non-bank consumer credit providers and promote consistent consumer protection.



Progress Update

Industry Survey:

- Survey on the key challenges, gaps and opportunities related to agent recruitment, onboarding, retention and long-term performance sustainability.



What's Next

- Actionable recommendations that can be implemented by Takaful Operators and the Association to address and mitigate the identified challenges



Carried over through Hijrah27

Continue advancing the objectives of the thrust beyond FSB through new initiatives under the Hijrah27 Industry Roadmap:

- Enhance professionalism and quality of Takaful Agents

Initiative

01 Monitoring Agents' Compliance to PITA.

Completed Engaging stakeholders to inform the implementation of BNM's 2023 Takaful and Insurance Agent Policy, ensuring adherence to its education, training, conduct, and standards requirements.

Completion:



02 Establishing Poaching/ Mass Migration Guidelines

On track Mitigating the adverse impact of poaching and mass migration by defining clear standards and expectations for TOs.

Completion:



03 To establish an Agent Best Practices and Conduct – Best Practices Document.

On track Promoting conduct that ensures agents act in the best interests of customers and uphold the highest ethical standards, thereby strengthening trust and confidence in the industry and encouraging greater adoption of Takaful products.

Completion:



04 Raising standards of Takaful agents in line with BSC

On track Elevating the standards of Takaful agents by aligning professional development, continuous learning, and performance incentives with BSC criteria to enhance service quality and strengthen consumer trust.

Completion:



Note: Each initiative consists of a varying number of action plans. The % progress of an initiative is measured by the progress of its action plans and is not intended for comparison with other initiatives.

THE FSB STRATEGIC THRUSTS AND WORKING GROUP’S INITIATIVES



FSB ST2C(ii) / Hijrah27 WG6



Azam Yusof

Objective/End Goal for Thrust:
To this end, we will seek to accomplish the following:

- Strengthen **professional standards**, incentive frameworks and disclosure practices;
- Promote an enabling conduct environment for **innovation and efficiency**; and
- Pursue regulatory reforms to strengthen the oversight of non-bank consumer credit providers and promote consistent consumer protection.

 **Progress Update**

Policy Portal:

- As the Centralised Coverage Checking Portal (CCCP) is currently being developed by ISM, the WG members plan to conduct a WG meeting with the purpose of re-looking at the Replacement of Certificate (ROC) initiative

 **What’s Next**

CUE-AH onboarding:

- Collaboration with WG 3(ii) to increase the take up rate of the CUE-AH subscription among member companies.

Initiative

01 **Agency Infrastructure including Portal, Termination services, Database**
Completed

Providing customers with access to agents’ track records to enable informed evaluation of credibility and expertise, thereby enhancing customer confidence and strengthening trust between agents and customers



02 **Development of a Policy Portal - to establish a robust platform that facilitates the seamless sharing of relevant information among members for the purpose of policy and certificate replacement.**
On track

Building a robust platform to facilitate the seamless sharing of relevant policy and certificate information among Takaful members



Note: Each initiative consists of a varying number of action plans. The % progress of an initiative is measured by the progress of its action plans and is not intended for comparison with other initiatives.

THE FSB STRATEGIC THRUSTS AND WORKING GROUP'S INITIATIVES

Strategic Thrust 3
Advancing Digitalisation of the Financial Sector

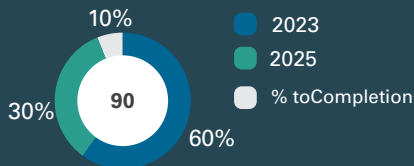
BNM's Strategic Thrust 3 focuses on driving digital transformation within the financial industry, including the Takaful industry. This strategic thrust recognises the growing importance of technology and digital solutions in shaping the future of financial services. It aims to leverage digitalisation to enhance efficiency, improve customer experiences, and foster innovation within the Takaful industry.



FSB ST3(i) / Hijrah27 WG8



Aman Chowla



Objective/End Goal for Thrust:

To this end, we will seek to accomplish the following:

- To encourage Malaysia's financial industry to take advantage of the upsides of **digitalisation**, while managing the associated risks – especially those that may threaten system-wide stability, consumer outcomes, and confidence in the financial sector.



Progress Update

Takaful Marketplace:

- Drivn has presented the Marketplace Plan to BNM on 31 Oct 2025.
- Continuous engagement with the rest of the stakeholders on the Takaful Marketplace onboarding.



What's Next

- Fraud Intelligence System (FIS) for Family Takaful

Initiative

01

Reporting of all TOs' reduction in paper usage following digitalisation.

Completed

- Exploring methods to digitise traditional processes by leveraging technology to streamline operations, reduce paperwork, and enhance productivity, while modernising the Takaful industry to drive operational advancements that benefit both providers and customers

Completion:



02

Digitalisation of self-services and non-self-service capabilities.

On track


- Implementation of Digital Guarantee Letter (eGL).
 - Product Aggregator for Family Takaful Business – info on family products available.
 - Fraud detection /prevention repository – (industry red flag).
- Exploring product aggregators with potential benefits for customers and the industry, enabling innovative distribution channels, increased product accessibility, and improved customer engagement, while monitoring and aligning e-GL systems and fraud detection mechanisms

Completion:

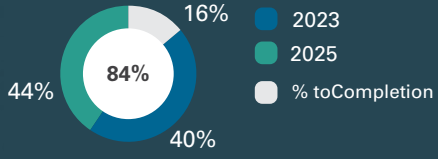


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THE FSB STRATEGIC THRUSTS AND WORKING GROUP'S INITIATIVES



FSB ST3(ii) / Hijrah27 WG9



84%
44%
16%

- 2023
- 2025
- % toCompletion

Wan Ahmad Najib
Wan Ahmad Lotfi

Objective/End Goal for Thrust:
To this end, we will seek to accomplish the following:

- To encourage Malaysia's financial industry to take advantage of the upsides of **digitalisation**, while managing the associated risks – especially those that may threaten system-wide stability, consumer outcomes, and confidence in the financial sector.



Progress Update

Ongoing historical data submission from all Takaful Operators for the Centralised Coverage Checking Portal (CCCP)



What's Next

- Targeted launch of the CCCP in the first half of 2026.



Carried over through Hijrah27

Continue advancing the objectives of the thrust beyond FSB through new initiatives under the Hijrah27 Industry Roadmap:

- Expand outreach to regional markets for Muslims

Initiative

01 Online Coverage Checking

On track Providing individuals with a user-friendly platform to verify their coverage, enhancing transparency and fostering trust between participants and TOs

Completion:



02 Strengthen the role of ISM for Family Takaful data – as a gatekeeper for industry

On track Exploring the role of a central repository for Family Takaful data to improve the efficiency and effectiveness of data sharing among TOs, reduce the risk of fraud and financial crimes, and enhance the protection of personal information

Completion:



Note: Each initiative consists of a varying number of action plans. The % progress of an initiative is measured by the progress of its action plans and is not intended for comparison with other initiatives.


THE FSB STRATEGIC THRUSTS AND WORKING GROUP'S INITIATIVES

Strategic Thrust 4

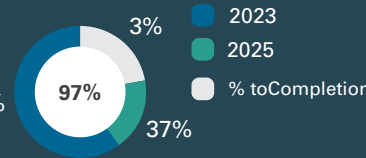
Position the Financial System to Facilitate an Orderly Transition to a Greener Economy

BNM's Strategic Thrust 4 holds great relevance and expectations for the Takaful industry. This strategic thrust is focused on promoting sustainability efforts and facilitating a seamless shift towards a more environmentally friendly economy.





FSB ST4 / Hijrah27 WG11



60% 3% 37% 97%
 2023 2025 % toCompletion

Objective/End Goal for Thrust:
 The primary focus will be:

- To promote financial system resilience by continuing our efforts to improve **climate-related and environmental risk management** in the financial sector; and
- Foster a conducive market environment for green financing and investment.



Progress Update

- Development of the Sustainability Report for Takaful.



What's Next

- Continuation and enhancement of the related Sustainability training programme.



Carried over through Hijrah27

Continue advancing the objectives of the thrust beyond FSB through new initiatives under the Hijrah27 Industry Roadmap:

- ESG Certification for Takaful Products

Initiative

01

On track

To encourage all TOs to collaborate to publish an Annual Takaful ESG, Sustainability and Climate Resilience Roundup

Raising awareness of the Takaful industry's commitment to ESG, sustainability, and climate resilience, showcasing progress, identifying opportunities for improvement, and fostering collaboration and innovation within the industry providers and customers

Completion:



02

Completed

To establish a JC3/ Sustainability Taskforce – utilise the WG4 as a platform for knowledge sharing.)

Establishing a platform for collaboration and information sharing among TOs, regulators, and stakeholders on sustainability and climate resilience

Completion:



03

Completed

To establish a Takaful industry wide Sustainability programme

Promoting the adoption of sustainable practices by TOs, encouraging investment in sustainable products and services, raising awareness of sustainability issues among customers and stakeholders, and positioning the Takaful industry as a leader in sustainability

Completion:



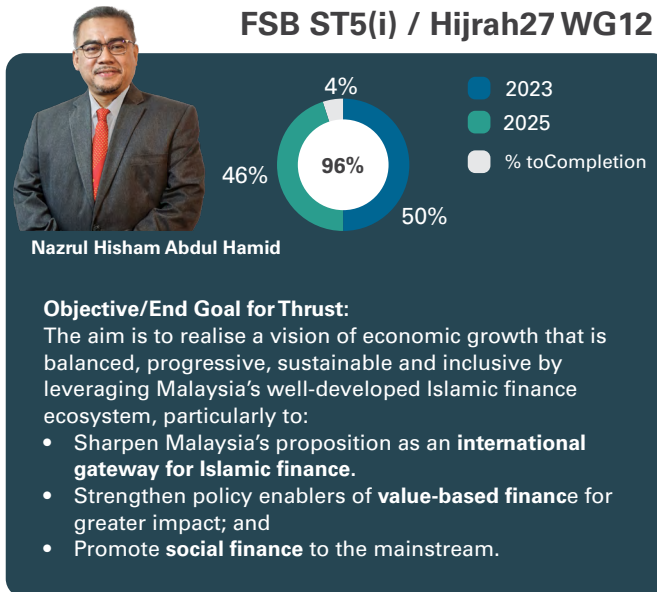
Note: Each initiative consists of a varying number of action plans. The % progress of an initiative is measured by the progress of its action plans and is not intended for comparison with other initiatives.

THE FSB STRATEGIC THRUSTS AND WORKING GROUP'S INITIATIVES

Strategic Thrust 5

Advance Value-Based Finance through Islamic Finance Leadership

BNM's Strategic Thrust 5 holds significant relevance and expectations for the Takaful industry. It focuses on promoting Islamic finance leadership through the adoption of Value-Based Intermediation (VBI) principles. It also aims to showcase the strength and expertise of the Takaful industry to other countries that express interest.



Progress Update

- Ongoing implementation of the VBIT Capacity Building Series within the industry



What's Next

Cross-border collaborations via the ASEAN Takaful Alliance to promote VBIT

Initiative

01

On track

Availability of information on VBIT as part of efforts to strengthen Malaysia's position as Centre of Islamic Finance Excellence.

Developing a comprehensive VBI training module to equip Takaful professionals with the knowledge and expertise to effectively implement VBI principles, while embedding a culture of sustainable and progressive growth to maintain a leading position in the broader Islamic finance landscape.

Completion:

78% (Aug 2023) 0  100 (Dec 2025) **92%**

02

Completed


Active Promotion of VBIT locally/Globally via various platforms.

Promoting the Takaful industry's value proposition and VBIT benefits to drive lead generation and strengthen its reputation as a leader in sustainable and progressive practices.

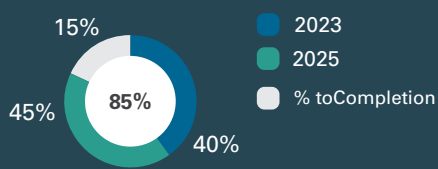
Completion:

43% (Aug 2023) 0  100 (Dec 2025) **100%**

THE FSB STRATEGIC THRUSTS AND WORKING GROUP'S INITIATIVES



FSB ST5(ii) / Hijrah27 WG13




Objective/End Goal for Thrust:
 The aim is to realise a vision of economic growth that is balanced, progressive, sustainable and inclusive by leveraging Malaysia's well-developed Islamic finance ecosystem, particularly to:

- Sharpen Malaysia's proposition as an **international gateway for Islamic finance**;
- Strengthen policy enablers of **value-based finance** for greater impact; and
- Promote **social finance** to the mainstream.




Progress Update

- Takaful representation at GIFF 2025, Kuala Lumpur & 6th ASEAN Insurance Summit in Cambodia.



What's Next

- Collaboration with WG 5(i) on the cross-border collaborations via the ASEAN Takaful Alliance.



Carried over through Hijrah27

The workgroup has continued advancing the objectives of the thrust beyond FSB through new initiatives under the Hijrah27 Industry Roadmap:

- Enhance and effectively leverage on social media to market Takaful

Initiative

01

Foster thought leadership for boosting the Takaful Industry regionally and internationally

On track

Strengthening the Takaful industry's leadership in Islamic finance by expanding TO business opportunities and enhancing its influence across the sector.



02

Advancing Takaful Research and Talent Development for Industry Excellence - participate in industry committee and activities as industry representative

On track

Providing a platform for TOs to collaborate and offer products to customers, improving market efficiency and transparency while helping customers find the products that best meet their needs.



Note: Each initiative consists of a varying number of action plans. The % progress of an initiative is measured by the progress of its action plans and is not intended for comparison with other initiatives.

THE FSB STRATEGIC THRUSTS AND WORKING GROUP'S INITIATIVES

Tracking the Progress of FSB Strategic Thrusts and Working Group Initiatives

To translate strategic aspirations into tangible outcomes, it is essential to evaluate the progress of each thrust and its corresponding initiatives. The progress of the working group's initiatives, as of 31 December 2025 is further outlined as below.



Working Group 7

Strengthen Takaful Branding through Synergized Campaigns

Shamsul Azman

Initiatives

- 1 Develop Takaful Branding collaborative integrated Takaful campaigns

Working Group 10

AI adoption in Takaful Industry

Patrick Cheah Gim Guan

Initiatives

- 1 Develop Framework of Model AI Takaful industry governance
- 2 Encourage Takaful Operators to develop industry-wide AI governance toolkit



Working Group 14

Promoting Leadership Skills and Knowledge Adoption of Future Skills Framework

Mohammad Nizam Yahya

Initiatives

- 1 Promote Takaful Leadership Foundation Framework
- 2 Develop innovation and best practice compliance



Working Group 15

Enhancing Takaful Messaging and Broadening Takaful Outreach

Dato' Rudy Rodzila Che Lamin

Initiatives

- 1 Transparent reporting of Takaful Industry contributions to the public
- 2 Nurture Malaysian youths on Financial literacy via bite-sized programmes as an early intervention secondary schools and tertiary education
- 3 Establish a Takaful4All Disaster Response for community outreach and assistance
- 4 Collaborative effort to improve positioning and messaging of Takaful to a wider Malaysian Demographic
- 5 Promote Takaful values to the non-Muslim Community



Working Group 16

Increased adoption of Takaful products and Risk Management Practices amongst MSME

Faiezy Hasnan

Initiatives

- 1 Provide Takaful products to MSME, using various distribution channels
- 2 Enhance client engagement framework, leveraging digital marketing and technology tools



Working Group 17

Advocating Healthcare Affordability and Accessibility for Everyone

Nor Azman Zainal

Initiatives

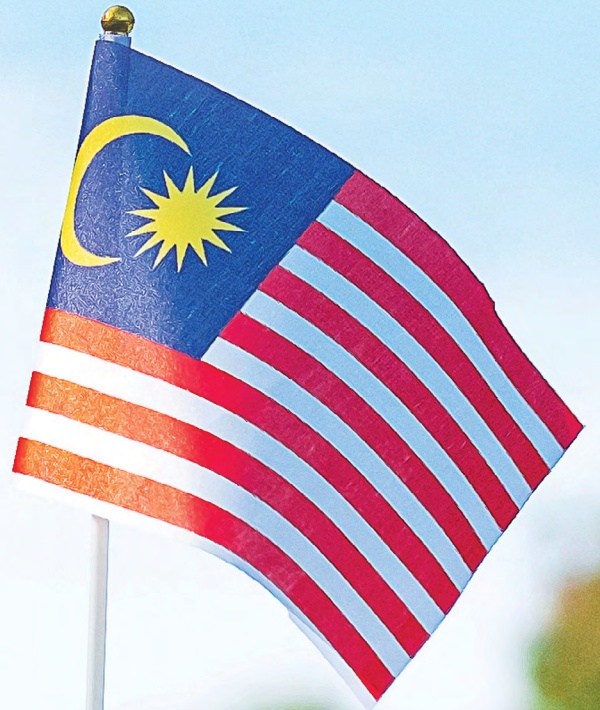
- 1 Healthcare Common Compendium – developing a standardised healthcare framework and pricing transparency
- 2 Engage with regulators, healthcare providers and other stakeholders to improve affordability and accessibility

ETHICAL PROTECTION, SUSTAINABLE GROWTH

At Takaful Malaysia, our vision "*Di Hatiku Takaful Malaysia*" reflects our unwavering commitment to providing reliable and sustainable Shariah-compliant protection for Malaysians.

As a pioneer in the Malaysian takaful industry, we have dedicated four decades to safeguarding the well-being of individuals, families, communities, and businesses.

Looking ahead, we continue to uphold our core values and drive sustainable growth, strengthening our position as a trusted partner in shaping Malaysia's secure financial future.



3.4 MTA'S KEY INITIATIVES SUPPORTING THE VBIT THRUSTS AND INDUSTRY GROWTH

Fund4Cause: Driving Industry Development and Impact

Fund4Cause is an industry initiative established by the Malaysian Takaful Association (MTA) to mobilise collective contributions from member companies to support strategic initiatives that drive the growth, resilience, and long-term sustainability of the Takaful industry.

The initiative serves as a key funding mechanism to support programmes aligned with the Value-Based Intermediation for Takaful (VBIT) agenda, the Hijrah27 Industry Transformation Plan, and the Financial Sector Blueprint 2022–2026. Through this initiative, MTA is able to implement industry-wide programmes, community initiatives, research, and awareness activities that strengthen the overall development of the Takaful ecosystem.

Fund4Cause consists of five strategic funds, namely the VBIT Development Fund, Industry Capacity Building Fund, Social Takaful Fund, Sustainability Fund, and Takaful Branding Fund, each designed to support specific areas of industry development and social impact.

Fund Contributions

Since its establishment, Fund4Cause has successfully mobilised contributions from member companies to support the various industry initiatives. The funds collected are allocated across the five development funds as follows:

Total Fund Received from TOs (2022-2025)

- VBIT Development Fund: **RM1,025,000**
- Takaful Branding Fund: **RM475,000**
- Social Takaful Fund: **RM3,250,421.76**
- Industry capacity Building Fund: **RM1,725,000**
- Sustainability fund: **RM464,587**

These contributions enable MTA to implement various programmes that support industry development, community empowerment, and sustainability initiatives.

Total Beneficiaries Reached

120,000+



Capacity Building

- Workshop: Cyber Resilient Takaful
- Navigating D&O Takaful: Insights on Coverage, Extensions, and Claim
- Engaging Contractor's and Erection All Risks Takaful
- GHG Emission Workshop – GHG Calculation 1.0 – Scope 1,2 & 3
- RISEUP- EMERGING OF TOMORROW'S LEADER
- GHG Workshop 2.0: Carbon Accounting
- Ejen 360: Pengenalan kepada ESG
- LSR Workshop
- ISSB IFRS Sustainability Webinar: Module 0 – Introduction to Sustainability Reporting
- ISSB IFRS Sustainability Disclosure Standards S1 & S2 Masterclass
- Takaful Leaders and Agents Summit 2025



Capacity Building

- Takaful4All Cares Team - Basic Civil Defense Training
- Moving from TCFD to IFRS S1 & IFRS S2 Training Session
- Cyber Resilient Takaful Workshop: Sales
- Shariah Empowerment: Awareness session on Environmental, Social and Governance (ESG)
- CRMSA Masterclass Reporting 2.0: Climate Risks Stress Testing – Navigating Regulations and Disclosures in 2024 and Beyond
- An Evening with Takaful Pioneers
- Takaful Talk (T-Talk) @ Kuching
- Takaful Leaders and Agent Summit
- Islamic Finance Forum @ Türkiye
- VBIT Conference: Transcending Boundaries: Advancing Takaful for Sustainable Growth

MTA'S KEY INITIATIVES SUPPORTING THE VBIT THRUSTS AND INDUSTRY GROWTH



Financial Resilience

- Webinar: "Harta Untuk Siapa? Fahami Hibah, Elak Konflik"
- KBS Financial Literacy Program at Kolej Tingkatan Enam Tuanku Muhriz
- Program Inspirasi Pendidikan Kewangan Belia Negara at UM, UKM, UIAM, UNIKL, UIS
- Takaful In Campus @ UniSHAMS
- Mega Karnival Celik Kewangan, Penang
- VBIT Sharing Journey
- PA & Travel Claims Fraud Training
- Takaful in Campus
- Karnival 3K at Kuching
- Karnival 3K at Pontian
- Takaful Masuk Kampung at SMK Sg. Ara
- Takaful Masuk Kampung at Papar, Sabah



Community Empowerment

- Program Ihya Ramadhan Masjid Al Bushra, Merbok, Kedah
- Rahmat Ramadhan Program: Sahur Bersama Gelandangan
- Iftar Bersama Komuniti Orang Asli
- Iftar with Students of UiTM, Dengkel
- Rahmat Ramadhan Program: Santuni Pelajar Henry Gurney
- Santuni Penghuni Penjara Kajang
- Iftar Bersama Pekerja GIG Ekonomi
- Iftar Bersama Gelandangan, Medan Tuanku
- SEMBANG SANTAI TAKAFUL: Letupan Gas: Perlindungan Takaful Kenderaan - "ATL" atau "BER"
- Takaful4All Fun Run 2025
- Mental Health Podcast Series in collaboration with MySalam
- Takaful4All Inter-TO Bowling Tournament 2025
- Echoes Of the Deep: Pulau Sembilan Reborn
- Ghost Net & Beach Clean-Up Program at Kepulauan Sembilan & Pulau Pangkor
- Special Edition Takaful Talk: Stories of Care and Community with Aliza Kim
- Blood Donation Drive at SMK Sg. Ara
- Takaful4All Penang Fun Run 2025
- Takaful Masuk Kampung @ Alor Mengkudu, Kedah



Best Conduct

- Takaful Sustainability Day
- Islamic Finance Forum @ Kuala Lumpur
- VBIT Conference: Transcending Boundaries: Advancing Takaful for Sustainable Growth



Community Empowerment

- Program Bantuan Awal Persekolahan DUN Alor Mengkudu
- Lawatan Ziarah MarhabanYa Ramadhan @ Masjid Jamek An-Nur, Pekan Kundang Ulu, Johor
- Majlis Berbuka Puasa Bersama Sekolah Tahfiz dan Asrama Anak Yatim Angkatan Tentera (STAY ATM), Sungai Besi, Kuala Lumpur
- Majlis Iftar Ramadan MTA + Chapter Anok Kelate dengan kerjasama kariah Masjid Kubang Golok
- Sembang Santai Takaful: Fahami Takaful Motor Anda
- Karnival Celik Kewangan @ Kuantan, Pahang
- Sembang Santai Takaful: Tuntutan Takaful – Lebih Mudah Jika Tahu Caranya
- My Money and Me @ Dewan Raya Taman Bukit Indah, Johor Bahru
- My Money and Me @ Kota Bharu, Kelantan
- Takaful in Campus @ Politeknik, Shah Alam
- Webinar Kepentingan Penamaan Sijil Takaful
- AKPK Kelantan @ Pusat Latihan Kenegaraan Besut
- AKPK Terengganu @ Pusat Latihan Kenegaraan Besut
- AKPK Pahang @ Pusat Latihan Kenegaraan Maran
- Takaful Masuk Kampung @ Kuching, Sarawak
- Karnival Celik Kewangan @ Kuching













3.5 THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR’S INITIATIVES

Tracking the Progress of FSB Strategic Thrusts and Takaful Operator’s Initiatives












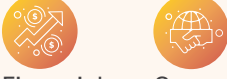

To assess how strategic objectives are being translated into tangible outcomes within the Takaful industry, it is essential to track the progress of each FSB Strategic Thrust alongside the initiatives undertaken by TOs. The following provides an overview of the status of these initiatives as of December 2024.

Takaful Operator’s Initiatives ST 1: Fund Malaysia’s Economic Transformation











TOs are utilising sustainable investment strategies to channel funds into ESG initiatives and companies that will contribute to transforming Malaysia’s economy for sustainable long-term growth.

Themes	Initiatives	Mapping to SDG and ESG
<p>Social Finance</p>	 <p>APTB Integrated various ESG factors into bottom-up Investment processes for general account assets.</p>	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Financial Resilience</p>
	 <p>Etiqa</p> <ul style="list-style-type: none"> Offers e-Takaful Hayat, which is available to the 9 million PERKESO contributors. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Financial Resilience Community Empowerment</p>
	 <p>FWDTB Invested actively in high-growth sustainable sectors and natural climate solutions.</p>	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Financial Resilience</p>














THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR'S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>Social Finance</p>	<p>هوڠ ليوڠ نيوڠ عويم، ايمس، اءي، جي، تكافل  HongLeong MSIG Takaful</p> <p>HLMT Collaborates with Tabung Haji and Yayasan Waqaf Malaysia to offer plans for waqaf and Takaful donors.</p>	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Financial Resilience</p>
	<p> MLRE Allocated RM750.7 million total investment portfolio across financial services, energy, transportation, and infrastructure sectors.</p>	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Financial Resilience</p>
	<p> MNRB / TAKAFUL IKHLAS</p> <ul style="list-style-type: none"> In FY2025, RM37,000 was directed to the Management Science University (MSU) Medical Centre in Kuala Lumpur, enabling participants to contribute to community development through their takaful coverage. Providing inclusive protection for B40 families through IKHLAS Membantu Personal Accident Takaful. Commitment to ethical surplus distribution and claims transparency. In FY2025, distributed RM5.92 million was distributed transparently to 354,000 participants, reinforcing trust and accountability in the takaful ecosystem. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Financial Resilience Community Empowerment</p>  <p>Good Self-Governance</p>

THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR’S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>Social Finance</p>	<p>PRUDENTIAL BSN TAKAFUL</p> <p>PruBSN</p> <ul style="list-style-type: none"> Expand customer reach through strategic partnerships under EPF i-Lindung Plans, offering affordable term and critical illness protection for EPF members and their dependents. Encourages contributions from employees, agents, and customers to build a social fund that supports meaningful CSR and community impact projects. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Financial Resilience Community Empowerment</p>
	<p> Sun Life</p> <p>SLMTB</p> <p>Serves the public through providing a range of products such as Takaful Mulia, Sun Legacy-i, Sun Infinity-i, enabling waqaf, zakat, and fidyah payments towards next of kin upon accidental death or permanent disability.</p>	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Financial Resilience</p>
	<p> TAKAFULmalaysia</p> <p>Takaful Malaysia</p> <ul style="list-style-type: none"> Established the Raudhatus Sakinah Bakery Project to equip a youth shelter with baking facilities, fostering skills, entrepreneurship and income generation. Sponsored five booths for 13 asnaf entrepreneurs at Menara Takaful Malaysia in collaboration with MAIWP, providing free business space to help them become self-sufficient. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Financial Resilience Community Empowerment</p>




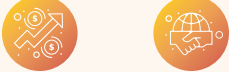








THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR'S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>Social Finance</p>	 <p>ZTMB</p> <ul style="list-style-type: none"> Committed to achieving net zero investment portfolio by 2050 through comprehensive ESG integration. Excluded investments in companies generating over 30% revenue from thermal coal mining or producing more than 20 million tonnes annually. Prohibited underwriting for new thermal coal infrastructure development, metallurgical coal mining, and oil sands extraction operations. Restricted investments in dedicated transportation infrastructure for thermal coal and oil sands products. Avoided companies deriving over 30% revenue from oil shale mining or electricity generation. 	<p>SDG Mapping</p>   <p>ESG Mapping</p>  <p>VBIT Mapping</p>   <p>Financial Resilience Good Self-Governance</p>  <p>Best Conduct</p>
<p>Empowering SMEs</p>	 <p>APTB</p> <p>Enables SME employers to provide protection to their employees through products such as A-SME Flex-i and PB SME Flex-l.</p>  <p>GETB</p> <p>Offers product such as GET-SME which provides Group Term Takaful, Group Hospitalisation, Comprehensive, and other comprehensive packages.</p>	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Financial Resilience</p> <p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Financial Resilience</p>



THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR’S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>Empowering SMEs</p>	<p>هوڠ ليوڠ عيم ايڤس اءى جى. تكافل  HongLeong MSIG Takaful</p> <p>HLMT</p> <ul style="list-style-type: none"> • Offers a credit product sold via bancatakaful for SMEs with a loan or financing arrangement through a banking partner. • Offer protection (Business Essential Takaful (BEST) product) for key-personnel, the person is appointed by SME company. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Financial Resilience</p>
	<p>   MNRB / TAKAFUL IKHLAS </p> <p>Supports the resilience and sustainability of small and medium enterprises (SMEs) via the IKHLAS SME Protect Takaful plan. This comprehensive coverage safeguards businesses against a range of risks including fire, lightning, riots, strikes, burglary, and other perils. It also includes protection for business interruption, loss of monies, and damage to safes or strong rooms—ensuring SMEs can recover swiftly and continue operations with minimal disruption.</p>	<p>SDG Mapping</p>   <p>ESG Mapping</p>   <p>VBIT Mapping</p>  <p>Financial Resilience</p>
	<p>  PRUDENTIAL BSN TAKAFUL </p> <p>PruBSN</p> <p>Provides Group Term Takaful via corporate group solutions, offering protection for employees and organisations.</p>	<p>SDG Mapping</p>    <p>ESG Mapping</p>   <p>VBIT Mapping</p>  <p>Financial Resilience</p>

THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR'S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>Empowering SMEs</p>	 <p>Takaful Malaysia</p> <ul style="list-style-type: none"> • Caters to SMEs by providing coverage for unfortunate life events and fire under the products Takaful mySME Partner and Takaful mySME. • Prioritised local procurement, sourcing 94.5% of products and services from domestic suppliers. • Invested approximately RM104 million in local suppliers to strengthen domestic economy. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Financial Resilience Community Empowerment</p>
<p>Capacity – Specialised Takaful Products</p>	 <p>eTiqa Takaful</p> <p>Offers products that support EV and solar energy users.</p>	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Capacity Building</p>
	 <p>FWDTB</p> <p>Offers products such as FWD SpecialMed 2 targeted specifically towards people with disabilities.</p>	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Capacity Building Community Empowerment</p>









THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR’S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>Capacity – Specialised Takaful Products</p>	 <p>MNRB / TAKAFUL IKHLAS</p> <ul style="list-style-type: none"> • Supports business continuity and reinforces confidence in halal compliance through the IKHLAS Halal Care Takaful product. Tailored for halal-certified businesses, this product provides financial protection to cover costs associated with restoring operations and obtaining re-certification in the event of an unexpected withdrawal of Halal certification by the relevant authority. • Empowers Family Takaful participants to contribute to sustainability and community well-being through their contributions and coverages with IKHLAS Lestari. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Capacity Building Good Self-Governance</p>
	 <p>PruBSN</p> <ul style="list-style-type: none"> • Expanded medical riders to cover mental health treatments, promoting holistic well-being and inclusive protection. • Introduced female-specific takaful products to enhance protection and financial resilience for women across all life stages. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Community Empowerment</p>
	 <p>Takaful Malaysia</p> <ul style="list-style-type: none"> • Launched Keyman Pure Protection Plan and Personal Cyber Takaful Plan. • Introduced eco-friendly product and service offerings, including Takaful myHome Solar to protect residential solar PV systems and support Malaysia’s clean energy transition, alongside initiatives for electric vehicle (EV) users, windscreen repair to reduce waste and End-of-Life Vehicle (ELV) recycling to promote a circular economy. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Capacity Building Good Self-Governance</p> <p>Financial Resilience</p>















THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR’S INITIATIVES

Takaful Operator’s Initiatives ST2: Elevate the Financial Well-being of Households and Businesses








TOs are employing a diverse range of initiatives and industry collaboration to steer towards a green and inclusive future. Emphasising on actions that builds community support, environmental stewardship, and financial resilience in underserved populations.

Themes	Initiatives	Mapping to SDG and ESG
<p>Underprivileged/ B40/Microtakaful</p>	<div data-bbox="400 633 657 712">  </div> <p>APTB</p> <ul style="list-style-type: none"> • Offers product AIA i-Tenang under the Perlindungan Tenang Voucher programme. • Launched Penyala Harapan Fund’s Kongsi Rezeki Programme in collaboration with Malaysian Relief Agency, supporting 15 orphanages with rations and necessities, and hosted four orphanages at the 2024 Raya Open House to share joy and celebration. • Enabled over 10,000 customers to donate their annual surplus to the Penyala Harapan Charity Fund, raising RM2.2 million in 2024 and RM2.5 million in 2025 to support and improve the lives of underprivileged communities nationwide. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>CommunityEmpowerment</p>
	<div data-bbox="400 1178 560 1272">  </div> <p>Etiqua</p> <ul style="list-style-type: none"> • First in Malaysia to offer OKU Coverage online. • Pilot partner with the Government for affordable coverage plans for all. • Provided critical illness plans with unlimited coverage under IL Infinite Care & IL Infinite Care Plus, reaching over 1 million households, including 300,000+ B40 households across ASEAN. • Delivered free cervical screenings (5,700 women), mammograms (6,000 women), and clean water access for 3,500 people. • Organised soup kitchens, clean water, coastal clean-ups, and mangrove planting; achieved 105,152 engagement hours in 2024, surpassing 80,000-hour target. • Targets the underprivileged through products such as EPF i-Lindung (Phase I & II), i-Care OKU, e-Takaful Hayat and more. • Collaborates with the Employees Provident Fund (EPF) to offer members affordable micro-insurance and microtakaful products accessible through e-channels. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>CommunityEmpowerment</p>





THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR'S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>Underprivileged/ B40/Microtakaful</p>	<p>FWD takaful</p> <p>FWDTB</p> <ul style="list-style-type: none"> Launched FWD Affiliates in 2021 to provide opportunity allowing anyone to register as an affiliate for extra income. Established a Special Participants' Risk Fund to safeguard future claims, covering both existing products and those to be developed in the future. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>CommunityEmpowerment</p>
	<p>Great Eastern TAKAFUL</p> <p>GETB</p> <ul style="list-style-type: none"> Offers microtakaful products Perlindungan Tenang, MikroTakaful, and MikroSayang. Bridge the protection gap through the mySalam scheme, administered nearly 227 thousand claims in FY2024, providing RM191 million in payouts to 187 thousand recipients, predominantly from the B40 community. Partnered with Kumpulan Ibu Bapa & Sokongan Anak-anak Kanser (KIDS) to organise programmes addressing the spiritual and motivational needs of children with cancer and their caregivers, including a Ramadan Iftar for 100 children and family members. Held an educational field trip to Putrajaya for 60 children during Childhood Cancer Awareness Month to uplift motivation and resilience, especially among those undergoing treatment. Organised various community programmes that benefitted 180 families, 135 orphans, 160 children with cancer and 8 NGOs such as Feeding the Needy, Back to School Program, GREAT Ramadan Programme, Santunan Kasih, Ziarah Prihatin and flood relief mission. 	<p>SDG Mapping</p>    <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>CommunityEmpowerment</p>
	<p>هوڠ ليونڠ عيم ايڤس اءي جي تكافل</p> <p>HongLeong MSIG Takaful</p> <p>HLMT</p> <ul style="list-style-type: none"> Developed affordable products targeted for underserved population. Partnered with Tabung Haji, PTPTN and Yayasan Waqaf to provide protection to targeted market segments. Launched the HLMT Flood Donation Drive to raise funds and support affected employees, agents, and communities and offers Microtakaful products such as HLM Takaful Tenang Participate Perlindungan Tenang 3.0 scheme. 	<p>SDG Mapping</p>     <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>CommunityEmpowerment</p>





THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR'S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>Underprivileged/ B40/Microtakaful</p>	<p>PRUDENTIAL BSN TAKAFUL</p> <p>PruBSN</p> <ul style="list-style-type: none"> Collaborated with various partners to broaden financial protection for underserved communities. Key initiatives include: An-Nur Care with Waqaf An-Nur, providing free outpatient coverage. <ul style="list-style-type: none"> SIKR 3.0, activating 250,000 recipients in 2025. iTekad (launching end-2025) to offer blended social takaful for the B40 segment. Microtakaful Jariyah is targeted to reach 42,300 lives by end-2025. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Community Empowerment</p>
	 <p>MNRB / TAKAFUL IKHLAS</p> <ul style="list-style-type: none"> Offers a suite of microtakaful products tailored to the needs of underprivileged communities, including Microtakaful IKHLAS Melindungi, IKHLAS Membantu, IKHLAS Bekerja, IKHLAS Merawat, and IKHLAS Lestari. These products provide accessible and affordable protection to B40 households and gig workers, enhancing financial resilience. Launched IKHLAS Barakah House (IBH), a flagship initiative under MNRB's community outreach. IBH extends financial protection and holistic support to B40 families and orphaned children. It integrates healthcare, education, economic empowerment, and environmental sustainability. Under the Community pillar, IBH delivers food boxes and financial aid, while embedding environmental elements across its programmes to promote long-term sustainability. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Community Empowerment</p>








THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR’S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>Underprivileged/ B40/Microtakaful</p>	 <p>Takaful Malaysia</p> <ul style="list-style-type: none"> Expanded Family and General Takaful offerings to secure a larger market share and improved the accessibility of products through platforms such as Kaotim. Partnered with Tabung Haji to introduce the TH Khairat product, offering essential family protection for cases of death or total permanent disability while integrating waqf and infaq elements. Through banca channels, Takaful myLife Enriched is introduced for mass market’s choice of protection, where this product offers protection against death & Total and Permanent Disability (TPD), along with 11 riders to suit with the market’s various needs. Takaful Starter plan is launched to further cater for the mass market, especially the younger people who just started their career and seeking for basic protection against life unfortunate events with contribution as low as RM2 a day. Engaged in CSR activities: <ul style="list-style-type: none"> Dana Siswa Di Hatiku with Universiti Kebangsaan Malaysia (UKM): Funded research opportunities for 15 postgraduate students in Shariah related studies, ensuring access to advanced education. Di Hatiku Student Food Aid Programme: Provided nutritious meals to 1,300 underprivileged students in 13 schools across Selangor and Kuala Lumpur. Di Hatiku Student Aid Programme for Polytechnics & Community College: Offered financial assistance to 1000 asnaf students. Di Hatiku Medi Aid Programme: Assisted 100 asnaf students across seven states facing permanent or partial disabilities due to illness or accidents, covering medical treatments, learning needs and tuition fees to support their well-being. Braille Project with SKPK Princess Elizabeth: Provided Qur’an Braille copies, braille machines and equipment for 36 visually impaired students and 2 teachers. Hijrah Asnaf Programme: Trained 25 asnaf in agriculture, including mushroom and chili cultivation, equipping them with entrepreneurship skills and sustainable income opportunities. Dana Khairat Asnaf Johor: Supported 10,000 asnaf in opening or adding deposits to Tabung Haji accounts. Sumbangan Musaadah – Semarak Kasih Pulau Perhentian: Delivered financial aid to 500 asnaf families in Pulau Perhentian. Dana Ehsan Pendidikan: Provided a one-off cost-of-living allowance to 118 asnaf students at Kolej Universiti Agrosains Malaysia (UCAM). Financial Aid to Asnaf Students of Universiti College MAIWP International: Supported 60 students by ensuring access to essential educational resources. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Best Conduct Community Empowerment</p> <p>Financial Resilience Good Self-Governance</p>













THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR'S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>Underprivileged/ B40/Microtakaful</p>	 <p>Takaful Malaysia (cont'd)</p> <ul style="list-style-type: none"> • Bantuan Bakul Rahmah: Distributed food aid and duit raya to 200 Universiti Sains Islam Malaysia (USIM) asnaf students. • The Takaful Accelerated Program: Provided a graduate development program to supports students in Actuarial Science, Finance & Accounting and Computer Science/IT, combining technical training with business knowledge relevant to the takaful and insurance sectors. • Program Belia Tani di Kalangan Siswazah (PROBEST) 2024: Provided agriculture and entrepreneurship training to 61 Asnaf/B40 students, offering hands-on experience and industry mentorship. • Asnaf Education Assistance Program: Delivered tuition and living allowances to 100 Asnaf university students, including orphans, to ensure access to higher education. • Publication of Takaful Textbook: Sponsored the publication of a "Principles and Practices of Takaful and Retakaful" textbook, benefiting over 100 students per semester at IIUM. • Nuri Financial Literacy Program Year 2024: Benefitted 5,100 Asnaf students by linking financial literacy education with savings incentives through Bank Rakyat's Nuri Savings Accounts. • ITEKAD BangKIT Microfinance Initiative: Provided revolving Qard Hasan financing to 50 Asnaf micro-entrepreneurs in partnership with Bank Islam Malaysia Berhad to support small businesses. • Flood Relief Program: Jointly conducted with SDK JAKIM, delivering financial assistance to flood victims in Kelantan and Terengganu for immediate relief and long-term recovery. • Construction of Islamic Community Centre: Funded the construction of an Islamic Community Centre in Kampung Tetingkah, Sri Aman, in partnership with HIKMAH, to provide education and support for new reverts. • Financial Assistance for Critical Illness Patients and Disaster Victims: Provided financial aid to patients with critical illnesses and victims of natural disasters to alleviate financial strain. • Supporting Community Spiritual Growth: Funded activities at local mosques, including religious lectures and educational programmes, to reinforce spiritual and social development. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p> 













THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR'S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>Underprivileged/ B40/Microtakaful</p>	 <p>ZTMB</p> <ul style="list-style-type: none"> Provides tuition and living cost assistance to 55 B40 students at Universiti Malaya. Partnered with EPIC Homes and Malaysia Madani Home Sponsorship Programme to build safe, durable homes for Orang Asli families; mobilised staff and stakeholders in Climate Month beach clean-up. Rolled out initiatives in Melaka and Kuala Lumpur in collaboration with C40 Cities, Resilient Cities Network (RCN) and municipal councils. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Community Empowerment</p>
<p>Financial Literacy and Inclusivity</p>	 <p>APTB</p> <ul style="list-style-type: none"> Hosts AIA Website's "Knowledge Hub", an online resource centre to offer guidance for individuals to live a healthier, longer, and better life. Built an AIA customer application to conduct financial health checks to create awareness of current financial state and protection coverage for AIA customers. Established the AIA Healthiest Schools Programme, equipping teachers and students across Asia and Australia with resources on healthy eating, active lifestyles, mental wellbeing, and health & sustainability to foster healthier schools and communities. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Capacity Building Community Empowerment</p>
	 <p>Etiqa</p> <p>Provides a safe space for urban youth for after-school activities and studying in the community under Etiqa Cares Centre.</p>	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Capacity Building</p>













THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR'S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>Financial Literacy and Inclusivity</p>	 <p>FWDTB</p> <ul style="list-style-type: none"> • Hosts Community Care Financial Education Programmes – aimed at increasing financial literacy and awareness among the B40 community and youths, benefiting more than 30,000 individuals through initiatives such as: <ul style="list-style-type: none"> • Fun(d) for Life: An experiential-learning financial literacy programme in partnership with Arus Academy. • Komuniti Kita: Promoting financial literacy and raising awareness on Takaful among the community, especially children and young adults, through a game-based application. • Collaboration with Les' Copaque: Developing animated videos in partnership with Les' Copaque Production to increase Takaful awareness in Malaysia. • Collaboration with NGO Hub: Enhancing financial literacy and awareness of the importance of saving and Takaful protection among low-income communities using daily life simulation activities. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Capacity Building Community Empowerment</p>
	 <p>GETB</p> <ul style="list-style-type: none"> • Hosted events promoting inclusivity such as GET-Care: GREAT Ramadhan Programme with underprivileged community, and Jelajah mySalam, the latter having an audience of 10,000. • Organised mySalam financial literacy outreach programmes and participated in several financial literacy programmes nationwide, engaging more than 20,000 B40 communities in 2024 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Capacity Building Community Empowerment</p>
	<p>هوڠ ليونڠ عيم ايس. اءي. جي. تكافل</p>  <p>HLMT</p> <ul style="list-style-type: none"> • Conducts speaking engagements on public platforms to share insights on VBIT and how Takaful can deliver positive returns to customers and TOs. • Promotes financial literacy via social media platforms. • Participates actively in financial literacy awareness programmes organised by MTA. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Capacity Building</p>











THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR'S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>Financial Literacy and Inclusivity</p>	<p>PRUDENTIAL BSN TAKAFUL</p> <p>PruBSN Enhanced financial literacy and capacity-building efforts through collaborations with Bijak Wang Junior and Finovatif, to equip different community groups with essential financial knowledge and skills.</p>	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>   <p>Capacity Building Community Empowerment</p>
	 <p>MNRB / TAKAFUL IKHLAS Invested in human capital development with RM2.1million for staff training and development in FY2025, delivering 197 programmes and over 33,494 training hours—averaging 28 hours per employee. This reflects a strong commitment to building internal capacity and industry professionalism. Notably, 64 employees attained professional certifications, enhancing service quality and technical expertise across the takaful value chain.</p>	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>   <p>Capacity Building Community Empowerment</p>
	 <p>Takaful Malaysia</p> <ul style="list-style-type: none"> • Conducted several corporate agent meetings to review market and agent performance. • Hosted a Corporate Direct Event & Broker event in 2024 with the theme Precision Medicine-New Era in Cancer Therapy and Making it Accessible & Affordable. The event was organised with the purpose of equipping HR with the knowledge of cancer precision medicine and to launch the new cancer precision medicine rider product to corporates. • Equips employees with essential skills through targeted learning and development programmes with a total of 33,950 training hours delivered as of December 2024. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Capacity Building</p>











THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR'S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>Financial Literacy and Inclusivity</p>	 <p>ZTMB Channels zakat funds to Inspirasi Pendidikan Kewangan Belia Negara, benefiting 120 UKM students with financial literacy training.</p>	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Capacity Building</p>
<p>Best Conduct Practices</p>	 <p>APTB</p> <ul style="list-style-type: none"> Offers several courses and learning platforms. Including AIA Certified FinCoach Practitioner (Takaful), EPL Mukhayyam Booster, and more. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Best Conduct Financial Resilience</p>
	 <p>GETB</p> <p>As part of our Empowering Women at Work initiative, hosted a special hi-tea event titled "Sip & Sparkle: Effortless Elegance, Everyday" to celebrate International Women's Day, featuring Velvet Vanity, a homegrown, women-founded cosmetics brand, which shared valuable insights on self-care and grooming to help employees boost their confidence.</p>	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Best Conduct</p>








THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR’S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>Best Conduct Practices</p>	<p>  HLMT <ul style="list-style-type: none"> • Conducts an average of two sessions per month of Agency Best Practices. • Spreads the VBIT awareness during onboarding training for new staff. </p>	<p>SDG Mapping</p> <p>   </p> <p>ESG Mapping</p> <p>  </p> <p>VBIT Mapping</p> <p>  </p> <p>Best Conduct</p>
	<p>  MLRE <p>Supported insurance ecosystem stability by addressing climate-related risks such as higher mortality, medical claims, and economic disruptions that could affect household income and policy lapsation.</p> </p>	<p>SDG Mapping</p> <p>   </p> <p>ESG Mapping</p> <p>  </p> <p>VBIT Mapping</p> <p>  </p> <p>Best Conduct</p>

THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR'S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>Best Conduct Practices</p>	<p>PRUDENTIAL BSN TAKAFUL</p> <p>PruBSN</p> <ul style="list-style-type: none"> • Embedded sustainability KPIs for all people managers, reinforcing accountability and aligning leadership performance with the organisation’s sustainability objectives. • Implemented a comprehensive Fair Treatment of Financial Consumers (FTFC) programs, reinforcing ethical conduct and customer centric business practices. • Conducted a special podcast on Women’s Day to promotes gender empowerment and financial inclusion by highlighting women’s roles in securing their financial futures through Hibah Takaful. • Enhanced organisational integrity, regulatory compliance and shariah governance through comprehensive annual refresher trainings for all staff encompassing Privacy, Information Security and Awareness, Anti-Money Laundering, Anti Bribery & Corruption and Conflicts of Interest, Information Sharing and Securities Dealing, Fundamentals of Shariah and Fundamentals of Takaful training. • Fostered holistic employee well-being through impactful mental health awareness during Wellness Day and dynamic sports activities by ProFun. • Adopted hybrid work arrangements promoting work life balance and productivity. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>   <p>VBIT Mapping</p>   <p>Best Conduct Capacity Building</p>
	<p> </p> <p>MNRB / TAKAFUL IKHLAS</p> <ul style="list-style-type: none"> • Foster a supportive work environment through regular wellness activities such as weekly and monthly sports programmes (including futsal, football, Zumba, badminton, and brisk walks), alongside mental health initiatives. These efforts aim to reduce stress, anxiety, and depression, contributing to improved moods, increased energy levels, and enhanced overall mental well-being—ultimately driving higher job satisfaction and productivity. • Enable employees to better balance professional and personal commitments through adoption of a hybrid work model. Reducing employee stress and promoting a healthier work-life integration. This flexibility supports employee retention and engagement, while reinforcing MNRB’s commitment to progressive workplace practices. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Best Conduct</p>





THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR’S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
Best Conduct Practices	 <p>Takaful Malaysia</p> <ul style="list-style-type: none"> Strengthens compliance, risk awareness and Shariah adherence across Takaful Malaysia through e-learning programmes and Shariah training e.g., Cloud Risk Management Framework and Policies, Anti-Corruption Framework, Introduction to Takaful, Cybersecurity & Anti Money Laundering Act trainings, and others. and Anti Money Laundering/Countering Financing of Terrorism/ Countering Proliferation Financing & Targeted Financial Sanctions trainings, and others. Achieved 100% workforce participation in anti-corruption training in 2024. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Best Conduct Capacity Building</p>
	 <p>ZTMB</p> <p>Facilitated application of Shariah and Takaful for staff and agents with a total of 400+ participants as of end-2024.</p>	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Best Conduct</p>



















Source: Various sources from Malaysian Takaful and Retakaful Operators Annual and Sustainability Reports 2024

Takaful Operator’s Initiatives ST3: Advance Digitalisation of the Financial Sector

TOs are advancing digital transformation within the Takaful industry towards a digitally driven future while enhancing accessibility to Takaful products and prioritizing environmental responsibility.

Themes	Initiatives	Mapping to SDG and ESG
Digitalisation	 <p>AMLTB</p> <ul style="list-style-type: none"> Completed “1 Digital Platform Project” comprised of BancaPOS, enquiry and servicing, and training reporting system. Launched AmMetLife mobile app in 2023, which enables customers to view and manage Takaful policies with ease, provides quick access to healthcare providers and secure e-payments, and reduces reliance on branch visits or call centres by digitising key services. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Best Conduct</p>













THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR'S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>Digitalisation</p>	 <p>APTB</p> <ul style="list-style-type: none"> Invested in artificial intelligence (AI) technology and data analytics to enable more efficient, meaningful and personalised engagements with our customers and Life Planners. Launched AI Recruiter with AI Interview function which allows interviewed candidates to join its agency force in a convenient and efficient manner - using AI to schedule interviews which can take place virtually at any time of the day. Partnered with DOC2US to offer Digital Health telemedicine consultations via AIA+, enabling customers to chat or video call doctors for general inquiries or symptom checks and receive acute or long-term medication delivered to their doorstep. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Capacity Building</p>
	 <p>Etiqua</p> <ul style="list-style-type: none"> Introduced Etiqua+ apps for customers to buy certificates, make claims, request for GL, medical panel locator, auto assist, virtual appointment, etc. Launched e-Takaful Hayat in 2024 to broaden digital access for low-income groups, offering critical illness coverage with unlimited benefits via mobile platforms. 	<p>SDG Mapping</p>      <p>ESG Mapping</p>   <p>VBIT Mapping</p>  <p>Capacity Building</p>
	 <p>FWDTB</p> <ul style="list-style-type: none"> Achieved 95% cloud adoption in 2024, partnering with Amazon Web Services (AWS) and Microsoft to operate through renewable-powered data centres. Expands digital infrastructure to improve product accessibility, service delivery, and operational emissions reduction. 	<p>SDG Mapping</p>   <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Capacity Building</p>

THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR'S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>Digitalisation</p>	<p style="text-align: center;">  ھوڠ ليونڠ عيم اي. ايس. ايس. تڪافل </p> <p>HLMT</p> <ul style="list-style-type: none"> Implemented e-Certificates for customers, reducing paper usage. Adopts digital processes such as eForms, eClaims, QR Payments/e-Wallets, and eCertificates, ePengurusan for servicing PTPTN. Hosts the GSavT Portal which is a servicing portal for Yayasan Waqaf. Enhances customer experience, streamlined operations, and delivers personalised, efficient Takaful solutions through digital platforms such as HLMT 360, iM Solutions, Robotic Process Automation (RPA), e-claims, and the LPPSA Online Referral (Booking) Portal. 	<p>SDG Mapping</p>   <p>ESG Mapping</p>   <p>VBIT Mapping</p>  <p>Capacity Building</p>
	<p style="text-align: center;">  </p> <p>MLRE</p> <ul style="list-style-type: none"> Hard-copy documents are minimised; records are maintained in digital format. Approvals for payment transactions and data records are executed via email with verified digital signatures, providing a full audit trail. The Finance function no longer uses cheques or cash. All disbursements are made through electronic funds transfer/online banking and other approved digital payment channels. Analytical dashboards for business transactions are prepared in Microsoft Power BI within a paperless workflow. The resulting insights are used to inform management decision-making. 	<p>SDG Mapping</p>   <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Capacity Building</p>
	<p style="text-align: center;">  </p> <p>PruBSN</p> <ul style="list-style-type: none"> Integrated Optical Character Recognition (OCR) technology to digitise hospital invoices and enhance the categorisation of service items. Tools such as LENS have been implemented to strengthen fraud management, with further rollouts planned for the DICE analysis tool. Implementation of auto fraud waste and abuse (FWA) & non covered items (NCI) detections through rule engines (Perfios) & Gen AI (Google MedLm) Committed to paperless and technology-enabled processes through initiatives such as AI CL Claims, ePAF, PruServices 2.0, and HAS Greenlane for claims management. Transitioned to electronic processes for issuing medical cards, welcome letters, orphan letter, agency letters, and operational forms, supporting paperless operations and process efficiency. Roll out of annual sustainability online training is to all employees, ensuring continuous learning and awareness across the organisation. Incorporated a sustainability module into mandatory agent training programmes to strengthen customer engagement and promote sustainability awareness. 	<p>SDG Mapping</p>   <p>ESG Mapping</p>   <p>VBIT Mapping</p>  <p>Best Conduct</p>














THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR'S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>Digitalisation</p>	<div style="display: flex; justify-content: space-around; align-items: center;">   </div> <p>MNRB / TAKAFUL IKHLAS</p> <ul style="list-style-type: none"> • Leverage emerging technologies for operational efficiency through investments in cloud computing, artificial intelligence (AI), and machine learning (ML) to streamline operations and reduce its environmental footprint. Key digital solutions include Robotic Process Automation (RPA) for Hospital Income Benefit and Immediate Death Expense claims processing—enhancing speed, accuracy, and customer experience. • Transitioned to e-certificates and e-claims, which has significantly reduced paper usage. Saving approximately 14 million sheets of paper and 700,000 envelopes annually. This initiative not only improves service efficiency but also aligns with MNRB's sustainability goals. 	<p>SDG Mapping</p> <div style="display: flex; justify-content: space-around;">   </div> <p>ESG Mapping</p> <div style="display: flex; justify-content: space-around;">   </div> <p>VBIT Mapping</p>  <p>Capacity Building</p>
	<div style="display: flex; align-items: center;">  <div style="margin-left: 10px;"> <h2>Sun Life</h2> </div> </div> <p>SLMTB</p> <ul style="list-style-type: none"> • Achieved 99% digital submission for new business and 86% digital processing for claims in 2024. • Introduced the SunAccess E-Hibah Client mobile app in 2020, which enables clients to execute Conditional Hibah and make online nominations seamlessly. • Allows agents and authorised service providers to submit new business e-applications. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p> <div style="display: flex; justify-content: space-around;">   </div> <div style="display: flex; justify-content: space-around;"> <p>Capacity Building</p> <p>Community Empowerment</p> </div>


THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR'S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>Digitalisation</p>	<div data-bbox="363 450 735 510">  </div> <p>Takaful Malaysia</p> <ul style="list-style-type: none"> Implemented full online banking payment with no issuance of cheque starting May 2024. Transitioned to fully digitised customer communications, eliminating hardcopy documents and shifting to electronic platforms. Strengthened digital offerings through myTakaful Customer (self-service portal for certificates, payments, tax statements, and personal updates), myTakaful Agent (platform for corporate agents to access information and submit transactions), myTakaful Bank Partners (supporting transaction execution and financing documentation), and myTakaful Employee Benefits (real-time updates and data access for corporate clients), alongside Takaful myClick solutions for Motor, Motorcycle, and MediCare, providing seamless protection and affordable, hassle-free enrolment. Expanded the Kaotim platform in 2024 to allow customers to sign up, renew, and manage motor Takaful certificates online, with added services such as roadside assistance and panel workshop access. Enhanced DTM Banca Advisory Platform with upgrades in 2024 which strengthened advisory services and improved collaboration with banking partners to support long-term sector growth. Introduced automated claims processing for Takaful Pelajar Sekolah and simplified corporate agency administration, streamlining customer experience. 	<p>SDG Mapping</p> <div data-bbox="1129 483 1289 562">   </div> <p>ESG Mapping</p> <div data-bbox="1129 645 1299 719">   </div> <p>VBIT Mapping</p> <div data-bbox="1129 779 1377 913">   </div> <p>Capacity Building Financial Resilience</p> <div data-bbox="1129 943 1299 1077">  </div> <p>Community Empowerment</p>
	<div data-bbox="373 1440 491 1541">  </div> <p>ZTMB</p> <p>Collaborated with AEON bank in 2024 to expand access to affordable Takaful products for Malaysians.</p>	<p>SDG Mapping</p> <div data-bbox="1129 1473 1289 1552">   </div> <p>ESG Mapping</p> <div data-bbox="1129 1637 1209 1711">  </div> <p>VBIT Mapping</p> <div data-bbox="1129 1765 1209 1839">  </div> <p>Capacity Building</p>

THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR'S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>Digital Literacy</p>	<p>AmMetLife Takaful</p> <p>AMLTB Provides digital brochures through digital QR codes to streamline access to product.</p>	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Capacity Building</p>
	<p>eTiqa Takaful</p> <p>Etiqua</p> <ul style="list-style-type: none"> • Hosts Etiqua videos informing on topics through YouTube channels. • Hosted a livestreamed event featuring digital showcases and internal initiatives, engaging over 1,000 participants and strengthening ESG awareness. 	<p>SDG Mapping</p>   <p>ESG Mapping</p>   <p>VBIT Mapping</p>  <p>Capacity Building</p>
	<p>FWD takaful</p> <p>FWDTB Educates on the importance of financial awareness and digital literacy to the lower income group in Kuala Lumpur through the 10x Inspirasiku. (A 10x FWD local grant initiative focusing on leveraging existing skills to create a livelihood).</p>	<p>SDG Mapping</p>   <p>ESG Mapping</p>   <p>VBIT Mapping</p>  <p>Capacity Building</p>













THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR’S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>Digital Literacy</p>	 <p>GETB</p> <ul style="list-style-type: none"> Conducted product and services promotions on social media. 	<p>SDG Mapping</p>   <p>ESG Mapping</p>   <p>VBIT Mapping</p>   <p>Capacity Building Financial Resilience</p>
	 <p>HLMT</p> <ul style="list-style-type: none"> Launched Cyber Planner+ (CP+) Programme targeting PTPTN customers. Hosted interactive games and posted digital posters via social media platforms. 	<p>SDG Mapping</p>   <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Capacity Building</p>
	 <p>PruBSN</p> <ul style="list-style-type: none"> Conducted a health marketing campaign in social media by Key Opinion Leaders (KOLs) and influencers. Produced new education infographic and short education videos on medical repricing for easy understanding. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Capacity Building</p>




















THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR'S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>Digital Literacy</p>	<div data-bbox="408 456 632 555"> </div> <p>MNRB / TAKAFUL IKHLAS</p> <ul style="list-style-type: none"> Empower agents through digital training platforms. MNRB has transitioned 67% of its takaful agent training to online platforms by leveraging Learning Management Systems (LMS) and Training Management Systems (TMS). This shift not only enhances agent digital capabilities but also contributes to a more sustainable and scalable operating model. Build seamless access via the IKHLAS GO digital ecosystem, which provides customers with streamlined access to takaful products and services, reinforcing convenience, responsiveness, and digital-first engagement. Expand reach through Virtual IKHLAS Points (VIPs). Launching five additional VIPs, complementing the existing 10 VIP branches. This initiative enhances outreach to agents and offers customers more flexible, accessible, and personalised experiences. Sponsored the “MNRB – SMKUA Smart e-Learning Room” at SMK Ungku Aziz in Sabak Bernam, Selangor to support digital education in schools. The facility is equipped with smart TVs and internet connectivity, creating a conducive digital learning environment for students. 	<p>SDG Mapping</p> <div data-bbox="1158 483 1321 560"> </div> <p>ESG Mapping</p> <div data-bbox="1158 645 1238 721"> </div> <p>VBIT Mapping</p> <div data-bbox="1158 779 1238 855"> </div> <div data-bbox="1289 779 1369 855"> </div> <p>Capacity Building Good Self-Governance</p>
	<div data-bbox="392 1330 766 1393"> </div> <p>Takaful Malaysia</p> <ul style="list-style-type: none"> Completed the Cyber Resilience Maturity Assessment (CRMA), which provided an in-depth analysis of Takaful Malaysia’s cyber defences, preparedness and ability to withstand cyber-attacks. Conducted research to explore how Takaful Malaysia can play an active role in promoting sustainability according to the principles of Maqasid Shariah. 	<p>SDG Mapping</p> <div data-bbox="1158 1357 1404 1433"> </div> <p>ESG Mapping</p> <div data-bbox="1158 1518 1238 1594"> </div> <div data-bbox="1254 1518 1334 1594"> </div> <p>VBIT Mapping</p> <div data-bbox="1158 1653 1238 1729"> </div> <div data-bbox="1289 1653 1369 1729"> </div> <p>Capacity Building Financial Resilience</p> <div data-bbox="1158 1814 1238 1890"> </div> <p>Good Self-Governance</p>









THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR’S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>Best Conduct</p>	<p> AmMetLife Takaful</p> <p>AMLTB</p> <ul style="list-style-type: none"> • Implements Claim & U/W Exchange (CUE), which exchanges data with Insurance Services Malaysia Berhad. • Launched ASB online document submission to eliminate the need for hardcopy submissions. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Best Conduct Good Self-Governance</p>
	<p> AIA PUBLIC TAKAFUL</p> <p>APTB</p> <ul style="list-style-type: none"> • Elevated agency professionalism with AIA’s Life Planner App (ALPA), an AI-powered one-stop platform that provides Life Planners with a complete customer view and identifies key life-stage event triggers. • Revolutionised customer service with the AI Talk Bot AISYA, which enhances digital experiences and provides payment reminders, and the AIA Virtual Branch, offering convenient, branch-like service online. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Best Conduct</p>
	<p> eTiqa Takaful</p> <p>Etiqua</p> <p>Introduced Etiqua Virtual Customer Service (EVCS) in 2021 to manage customer service operations during the Covid-19 pandemic, ensuring seamless support without in-person contact.</p>	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Best Conduct</p>









THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR'S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>Best Conduct</p>	 <p>FWDTB</p> <ul style="list-style-type: none"> Strengthened ESG governance with board-level climate oversight and an ESG Implementation Workgroup. Reported ESG progress through the FWD Group ESG Scorecard, reinforcing accountability and transparency. 	<p>SDG Mapping</p>   <p>ESG Mapping</p>   <p>VBIT Mapping</p>   <p>Best Conduct Good Self-Governance</p>
	 <p>GETB</p> <p>Initiated programmes such as Strengthening FTFC Culture: Employees, FTFC Training Series: Agents, and Quality Business Roadshow: Agents.</p>	<p>SDG Mapping</p>   <p>ESG Mapping</p>  <p>VBIT Mapping</p>   <p>Best Conduct Good Self-Governance</p>
	 <p>HLMT</p> <ul style="list-style-type: none"> Offers iM Solutions (POIV) which allows new business (NB) submissions, Family Agency channel. Implemented Lembaga Pembiayaan Perumahan Sektor Awam (LPPSA) Online Referral (Booking) Portal for referrers and introducers. Enhances existing processes and customer experience through other digital platforms such as HLMT 360, Robotic Process Automation (RPA) and e-claims. 	<p>SDG Mapping</p>   <p>ESG Mapping</p>  <p>VBIT Mapping</p>   <p>Best Conduct Community Empowerment</p>

THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR’S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>Best Conduct</p>	<p>PRUDENTIAL BSN TAKAFUL</p> <p>PruBSN</p> <ul style="list-style-type: none"> Strengthened supply chain sustainability through sustainable procurement measures, requiring vendors to complete an ESG due diligence questionnaire to ensure ethical and responsible business practices. Implemented a robust Personal Data Protection Policy, accompanied by detailed Privacy Notices to uphold the highest standards of compliance, integrity, and accountability in safeguarding and managing customer data responsibly. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Best Conduct Good Self-Governance</p>
	<p> </p> <p>MNRB / TAKAFUL IKHLAS</p> <ul style="list-style-type: none"> Enhance operational efficiency and customer experience through improvements to turnaround time (TAT) and reduced manual intervention across daily operations through digital solutions such as Motor Own Damage claims automation, automated flight delay claims, digital road tax renewals, and the introduction of Digital Roadside Assistance (DRA). These innovations streamline processes and elevate service delivery. Uphold data privacy and cybersecurity standards through establishment of a comprehensive Personal Data Protection Framework to ensure the highest standards of data privacy and cybersecurity in managing customer information. This reflects MNRB’s commitment to responsible data governance and regulatory compliance. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Best Conduct Good Self-Governance</p>

THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR'S INITIATIVES


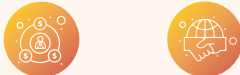


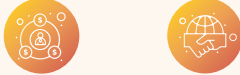

Themes	Initiatives	Mapping to SDG and ESG
<p>Best Conduct</p>	 <p>Takaful Malaysia</p> <ul style="list-style-type: none"> Engages and informs audience across social media platforms, making a total of 300 posts related to ESG and VBIT as of December 2024. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p> 
	 <p>ZTMB</p> <p>Relaunched and expanded the 2019 Data Commitment into the Data and Responsible AI Commitment, reflecting the growing role of AI in operations, embedding responsible AI practices, and meeting evolving customer expectations.</p>	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p> 

Source: Various sources from Malaysian Takaful and Retakaful Operators Annual and Sustainability Reports 2024








THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR’S INITIATIVES

Takaful Operator’s Initiatives ST4: Position the Financial System to Facilitate an Orderly Transition to a Greener Economy




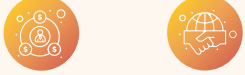

The Takaful industry is embracing initiatives towards a comprehensive sustainability framework, which includes integrating ESG principles into operations and fostering a culture of environmental stewardship. TOs are engaging in collaborative efforts and innovative programmes that aim to reduce emissions, promote responsible practices, and engage communities for a greener future.

Themes	Initiatives	Mapping to SDG and ESG
ESG	<p>AmMetLife Takaful</p> <p>AMLTB</p> <ul style="list-style-type: none"> Calculated carbon footprint guided by TCFD standards. Launched I.AmGreen (environmental footprint reduction), I.AmYou (diversity of workforce, well-being of customers and employees), and I.AmResponsible (governance and transparency). Implemented a range of ESG initiatives, including Hari Raya Aidilfitri Charity Shopping for Asnaf, mangrove restoration with Kelab Belia Prihatin, beach clean-ups, e-Waste collection and management, and other sustainability activities. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Good Self-Governance Community Empowerment</p>
	<p>AIA PUBLIC TAKAFUL</p> <p>APTb</p> <ul style="list-style-type: none"> Launched the Eco Office Programme, AIA CAN, a multi-year eco-office movement to engage employees in adopting environmentally conscious mindsets, attitudes, and behaviours for a more sustainable AIA and a healthier planet. ESG principles implementation: Maintained 100% coverage of internally developed ESG Rating Scorecard across directly managed assets in the general account investment portfolio. Enhanced the ESG Rating Scorecard framework: Applied an internally developed, externally validated, ESG Rating Scorecard to quantify ESG risks and opportunities (including climate change) at the issuer level and supports investment decisions aligned with our sustainability objectives. This ESG Rating Scorecard was enhanced in 2024 and externally revalidated. Deepened engagement with investee companies: Focused on engagement with energy transition and power generation investee companies, to encourage decarbonization efforts aligned with AIA Group’s SBTi targets. AIA Group had implemented a new platform to improve tracking of investee engagement and alignment with our net-zero objectives and SBTi targets across in-scope asset classes. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Good Self-Governance Community Empowerment</p> <p>Best Conduct</p> 










THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR'S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>ESG</p>	<p>eTiqa Takaful</p> <p>Etiqa</p> <ul style="list-style-type: none"> Implemented "Cashback by Driving Less," a free benefit add-on that rewards customers for reduced mileage. Engaged employees in sustainability activities, contributing over 105,000 hours in 2024, surpassing the 80,000-hour target with initiatives including soup kitchens, coastal clean-ups, and mangrove planting. Integrated charitable giving with financial products, partnering with Islamic Aid Malaysia and WaterAid Cambodia to deliver clean water solutions. Covers actual financial losses to SMEs resulting from production shortfall under the Solar Energy Shortfall Takaful (SEST) product. Implemented upgrades to chillers, LED lighting, solar rooftop panels, and installation of EV chargers at Etiqa building offices. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Best Conduct Community Empowerment</p>
	<p>FWD takaful</p> <p>FWDTB</p> <ul style="list-style-type: none"> Embedded climate considerations into Enterprise Risk Management Framework (ERMF) and Internal Capital Adequacy Assessment Process (ICAAP) through a five-step process of identification, assessment, response, monitoring, and communication. Participated in BNM's 2024 Climate Risk Stress Test, assessing transition and physical risks with external consultants. Reports Scope 2 emissions annually in line with the Greenhouse Gas (GHG) Protocol Corporate Accounting Standard ("GHG Protocol") to monitor reductions. For Scope 1, there were no direct emissions in 2023 and 2024, including from company-owned vehicles, resulting in zero emissions for that category. Applies the FWD Group Sustainable Investment Guideline to integrate ESG considerations throughout investment process. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Good Self-Governance Community Empowerment</p>  <p>Best Conduct</p>

THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR’S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>ESG</p>	 <p>GETB</p> <ul style="list-style-type: none"> Committed to achieving net zero emissions by 2050, in line with the Group’s direction, by reducing the portfolio carbon footprint, targeting a 40% reduction in listed equity and a 45% reduction in corporate bonds/sukuk by 2030 (base year: 2020). Integrating ESG risk into portfolio by remaining guided by the frameworks and methodologies of the UNEP FI Principles for Sustainable Insurance (PSI), the Partnership for Carbon Accounting Financials (PCAF), and the Net Zero Insurance Alliance (NZIA). Engaged with investee companies through membership in the Asia Investor Group on Climate Change (AIGCC), leveraging collective investor action in the region to drive progress on global climate transition. Encourages responsible financing by actively investing in green sukuk, impact funds, and sustainable financing mandates. Participates in BNM’s CCPT Implementation Group and JC3. Initiated GETB Upcycling Project since 2022, engaging 12,650 individuals, 60 schools and recycling 107.2 tonnes of plastic waste. GREAT KITARecycle Challenge 2024 in collaboration with SWM Environment, participated by 60 schools in Melaka and Negeri Sembilan, and collected 107,239 kg of recyclables. In 2024, 24 awareness briefing sessions were carried out to educational institutions across the nation. GET-Green Initiatives: <ul style="list-style-type: none"> Implemented the GET-Green Upcycling Project (GREAT KITARecycle Challenge) through Skwad Hero Lestari. Delivered environmental awareness sessions to students, mySalam crew, and graduates. Organised World Cleanup Day 2023 at Pantai Saujana, Port Dickson. Conducted environmental awareness campaign featuring the Sand Turtle Sculpture, recognised by the Malaysia Book of Records. Established the GET-Green Sustainability Room. Provided GETB Upcycling Champion technical training. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Good Self-Governance Community Empowerment</p>  <p>Financial Resilience</p>

THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR'S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>ESG</p>	<p style="text-align: center;">  هوڠ لئوڠ نموڠ عويم، ايس. اءي. جي، تڪافل </p> <p>HLMT</p> <ul style="list-style-type: none"> Supported the International Islamic University (IIUM) Malaysia Ramadan Program 2024 by donating to Iftar Jama'ie, IIUM Mosque Ihya' Ramadan activities, and providing duit raya to less fortunate students. Organised charity and engagement activities at Pusat Jagaan Al Fikrah, Kajang to positively impact the lives of residents. Launched the "Light Out Lunch" campaign, encouraging staff to save energy by switching off lights and electrical appliances before leaving. Established a recycling corner at Menara Raja Laut branch to encourage staff to recycle unused items. Operates the Refiller Mobile Pop-Up, enabling staff to refill bottles with eco-friendly cleaning agents, personal care items, dried food, and shampoo bars. Runs the E-Waste Campaign, collecting used electronics for refurbishment and donation to those in need. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Financial Resilience Community Empowerment</p>  <p>Best Conduct</p>
	<p style="text-align: center;">  </p> <p>MLRE</p> <ul style="list-style-type: none"> Applies a "Three Lines of Defence" approach, with annual reviews of climate risk policies to ensure regulatory compliance. Pursues GHG emission reductions supported by tree planting, recycling campaigns, and blood donation drives Integrated climate risk into enterprise risk management, deployed data-driven greenhouse gas tracking, and conducted employee commute surveys with 86% participation in 2024. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Community Empowerment</p>



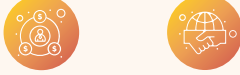





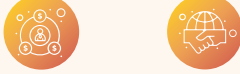
THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR’S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>ESG</p>	<p>PRUDENTIAL BSN TAKAFUL</p> <p>PruBSN</p> <ul style="list-style-type: none"> Transitioned to electronic processes for issuing medical cards, welcome letters, orphan letter, agency letters, and operational forms, supporting paperless operations and process efficiency. Implemented energy-saving initiatives with automatic lights-off schedules at specific intervals reducing energy use during non-peak hours. Monitored carbon footprint reduction by tracking and baselining the Scope 1 and Scope 2 emissions. Implemented the use of renewable energy sources (i.e., Renewable Energy Certificate (REC) and Green Electricity Tariff (GET) schemes) at all office buildings. Ensure all members of the Sustainability team are certified in Sustainability and Climate Risk (SCR), reflecting PruBSN's commitment to building internal expertise in managing environmental and climate-related risks. Mandated that all money packets distributed to staff and agency were printed on FSC-certified sustainable paper, ensuring ethical sourcing and responsible production practices. Organised a Sustainability Day in 2024 to raise staff awareness through engaging talks and hands-on workshops promoting practical sustainable habits. Building on this momentum, in 2025, a Climate Simulation Game Workshops were held to enhance staff understanding of climate change and reinforce the collective urgency to achieve net zero by 2050. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>   <p>Good Self-Governance Community Empowerment</p>  <p>Best Conduct</p>
	<p> </p> <p>MNRB / TAKAFUL IKHLAS</p> <ul style="list-style-type: none"> Set a Pathway to Net Zero by 2050 across MNRB Group. This is supported by a carbon assessment template, leadership training, and comprehensive Scope 1–3 emissions tracking. Develop green underwriting practices, specifically segment-based underwriting for renewable energy sectors such as solar and hydrogen. Offering tailored incentives to promote sustainable business practices. Established a Group Sustainability Disclosure Policy to ensure transparency and accountability in the disclosures. Actively participate in the Joint Committee on Climate Change (JC3) and leads the ASEAN Renewable Energy Pool (AREP) via Malaysian Re, contributing to regional climate resilience and sustainable finance development. Embed sustainability oversight at the highest level, with the Board supported by the Risk Management Committee, Group Shariah Committee, Group Risk and Compliance Management Committee, and the Sustainability Working Group. 	<p>SDG Mapping</p>   <p>ESG Mapping</p>  <p>VBIT Mapping</p>   <p>Community Empowerment Financial Resilience</p>







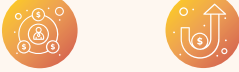

THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR'S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>ESG</p>	 <p>SLMTB</p> <ul style="list-style-type: none"> Fully complies with BNM Climate Risk Management Scenario Analysis (CRMSA) since 2024. Initiated Scope 1, Scope 2, and selected Scope 3 emissions tracking, including purchased goods and services, business travel, and employee commuting (including hybrid arrangements). Introduced sustainability-linked KPIs for the CEO, strengthened board committee charters, and formed dedicated management and working teams. <ul style="list-style-type: none"> Aligned risk identification processes with short-, medium-, and long-term horizons under the Risk Management Framework. Annual scenario analyses assess emerging climate risks. Developed Key Risk Indicators (KRIs) and dashboards, reported quarterly to board-level risk committees. Incorporated sustainability competencies into the annual Board Effectiveness Evaluation and Directors' Skills Assessment, supported by ongoing training on climate and ESG issues. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Good Self-Governance Community Empowerment</p>  <p>Financial Resilience</p>
	 <p>Takaful Malaysia</p> <ul style="list-style-type: none"> Established a Sustainability Framework that guides the integration of ESG considerations into our business practices, outlining governance, strategy, risk management and key enablers for effective sustainability implementation. Adopts ESG practices such as improving building sustainability, consuming water resources responsibly, reducing mineral bottle and paper utilisation, setting up EV charging station at Menara Takaful Malaysia and more. Adopts sustainable office practices: <ul style="list-style-type: none"> Distributed 663 MyHijau notebooks Upgraded chillers to reduce electricity use by 25% Installed solar panels at Menara Takaful Malaysia, projecting 35% savings over 25 years Reduced plastic bottle use by 56% and paper consumption by 24% in 2024 Implemented energy savings initiatives, including replacing existing HQ office lights with LED Improved recycling practices across offices and facilities, reducing resource consumption and promoting the use of sustainable materials Encourages eco-friendly commuting practices, 246 employees benefited in 2024. Rolled out a Windscreen Repair Campaign to reduce glass disposal and the Pickles Auction for End-of-Life Vehicles (ELVs) recycling. Initiated the Reduce, Reuse, and Recycle (3R) project, introducing Go Green Bins on every floor at the HQ office to encourage sustainable waste management. Reduced consumption by 41% to 17.36 ML in 2024, with further targets of 5% reduction in 2025 through employee awareness initiatives. Incorporates energy-saving technologies to minimise energy usage throughout facilities. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Community Empowerment Financial Resilience</p>  <p>Good Self-Governance</p>



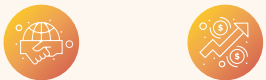



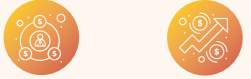
THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR’S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>ESG</p>	 <p>ZTMB</p> <ul style="list-style-type: none"> Organised Climate Month 2024 annually since 2021, this group-wide initiative raises awareness of climate change and promotes actionable steps towards a greener future. Established the Zurich Sustainability Council, comprising CEOs and senior executives, to oversee the implementation of the group’s sustainability strategy. Chaired by the Country Chief Operations Officer, who also drives Zurich Malaysia’s Sustainability Framework and the VBIT policies. Partnered with Universiti Sains Islam Malaysia (USIM) to support Majlis Berbuka Puasa and distributed 200 Bakul Rahmah, each containing food, drinks, and RM50 cash. Planted 4,500 endangered Dipterocarpaceae trees and 50,263 fast-growing species in Sabah with TRCRC through Zurich Cares. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Good Self-Governance Community Empowerment</p>  <p>Financial Resilience</p>
<p>Sustainability Coverage and Investment</p>	 <p>AMLTB</p> <p>Adopted the CCPT framework to integrate sustainable investment practices into investment strategies.</p>	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Good Self-Governance</p>
	 <p>APTB</p> <ul style="list-style-type: none"> Investment professionals have completed and passed the exam for the Certificate in ESG Investing offered by the CFA Institute, upskilling them in the critical ESG specific concept. We currently exclude tobacco, cluster munitions and coal mining and coal-fired power generation from our investments Broaden portfolio inclusions by specific considerations of green bonds, sustainability bonds, renewable and alternative energy and infrastructure, as part of the bottom-up investment process 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Good Self-Governance Community Empowerment</p>  <p>Financial Resilience</p>



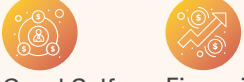
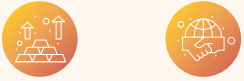







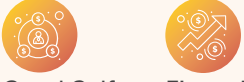
THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR'S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>Sustainability Coverage and Investment</p>	<p>eTiqa Takaful</p> <p>Etiqa</p> <ul style="list-style-type: none"> Launched Malaysia's first independent EV panel repair services in 2024 and supported post-warranty and grey-import electric vehicles, securing a 17% market share in EV insurance. Offered EV home charger protection as an add-on to Motor Takaful plans. Aligned internal investments with ESG criteria, meeting Maybank or client-mandated ESG requirements. Achieved 86% of equity investment rated Low to Medium ESG Risk, surpassing 2025 targets early. Took firm stance against underwriting new greenfield coal power generation projects and commenced ESG risk assessments for bond portfolio. Integrated charitable giving with financial products through Corporate Zakat Responsibility (CZR), partnering with Islamic Aid Malaysia and WaterAid Cambodia to deliver clean water solutions. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Capacity Building Community Empowerment</p>  <p>Financial Resilience</p>
	<p>FWD takaful</p> <p>FWDTB</p> <ul style="list-style-type: none"> Launched the FWDTakaful Global Sustainable Equity Fund, targeting income and capital growth through Shariah-compliant collective investment schemes qualified as Sustainable and Responsible Investment (SRI) Funds. Adopted Sustainable Investment Guideline focusing on: <ul style="list-style-type: none"> Integrating ESG considerations into investment processes in a robust and systematic manner at every stage of the decision-making journey. Being active owners of investments by engaging portfolio fund managers with companies at Board or senior management level to raise awareness of ESG issues. Avoiding investments in companies or sectors that are perceived to be high-risk from an ESG perspective. Establishing sector-specific approaches and considerations in investment decisions. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Good Self-Governance Best Conduct</p>  <p>Financial Resilience</p>








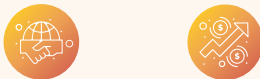
THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR'S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>Sustainability Coverage and Investment</p>	<p style="text-align: center;">  هونغ ليونغ عيم ايس. اءى. جى. تكافل </p> <p>HLMT</p> <ul style="list-style-type: none"> • Prepared CCPT half-year report to identify and categorise economic activities contributing to climate resilience. • Launched ESG Global Shariah Fund, aimed at medium-to-long-term capital growth through a globally diversified Shariah-compliant portfolio focused on ESG criteria. • Manages funds prudently, incorporating ESG factors and adhering to Shariah principles. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Community Empowerment Financial Resilience</p>
	<p style="text-align: center;">  </p> <p>MLRE</p> <ul style="list-style-type: none"> • Approximately 50% of CIS investments had ESG exposure in 2024, indicating a stronger orientation towards ESG-aligned strategies while maintaining portfolio diversification and return objectives. • MLRe is exploring additional opportunities to increase allocations to ESG-related investments, including low-carbon assets. • Demonstrates alignment with value-based finance principles through ethical investment, responsible operations, community engagement, and ESG integration, reflecting a commitment to inclusive and ethical financial practices. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Good Self-Governance Financial Resilience</p>

THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR'S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>Sustainability Coverage and Investment</p>	<p>PRUDENTIAL BSN TAKAFUL</p> <p>PruBSN</p> <ul style="list-style-type: none"> • Launched Takafulink Dana ESG Global, a sustainability fund, in mid-2023, to meet the demand of more environmentally conscious customers, and those who support sustainability. • Secured no new investments in businesses deriving more than 30% of revenue from coal. • Continued strengthening of the investment team's ESG capabilities, with two members certified the CFA ESG Investing qualification. • Engagement with sukuk issuers responsible for 65% of the portfolio's carbon emissions, particularly those without defined transition plans. • Increased the Sustainable and Responsible Investment (SRI) Sukuk holdings for non-linked funds, reinforcing the company's commitment to financing sustainability-driven growth. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  
	<p></p> <p>MNRB / TAKAFUL IKHLAS</p> <ul style="list-style-type: none"> • Implemented the Group Sustainability Risk Management Framework and Sustainable Investing Guidelines, which include portfolio-level GHG emissions calculations, CCPT assessments, and ESG scoring mechanisms. These tools support informed investment decisions aligned with climate and sustainability goals. • Commitment to achieve a Net Zero Carbon Investment Portfolio by 2050. As of FY2025, 60% of its investment assets are ESG-compliant, with a measured carbon footprint of 133,493 tonnes of CO₂ equivalent (tCO₂e). 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p> 
	<p></p> <p>SLMTB</p> <ul style="list-style-type: none"> • Launched the first Shariah-compliant Takaful ESG fund through ILT plans, designed to address clients' wealth and faith aspirations. • Allocated RM979 million towards sustainable investments, representing 94% of total portfolio under Climate Change and Principle-based Taxonomy (CCPT) classification. • Targeted RM800 million in sustainable investments by end-2027 with annual RM80 million increments in corporate bond/sukuk purchases. • Launched two ESG-focussed investment-linked funds for certificate holders in 2024. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p> 

THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR’S INITIATIVES













Themes	Initiatives	Mapping to SDG and ESG
<p>Sustainability Coverage and Investment</p>	 <p>Takaful Malaysia</p> <ul style="list-style-type: none"> • Launched products including Takaful myHome Solar and Takaful myHome Solar Protection. • Approved a policy on carbon reduction targets to progressively reduce carbon footprint exposure of power producer Sukuk (non-renewable). • Introduced a new ESG feeder fund under RHB, investing in ESG-compliant stocks in the market. • Embedded ESG principles into business and investment strategies. • Improved responsible investment policy to better reflect ESG considerations by updating the ESG scoring, resources, and methodology. • Continued to advance management of ESG-scored investments, reinforcing our commitment to sustainable and responsible asset allocation throughout FY2024. • Include a decarbonisation policy in sukuk portfolio, focusing on carbon intensive sectors such as power generation, supporting Malaysia’s goal net zero goal by 2050. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Good Self-Governance Financial Resilience</p>
	 <p>ZTMB</p> <p>Funded the Agriculture Project by Maahad Tahfiz Pondok Air Jernih Gerik, expected to generate a net profit of RM35,700 by January 2025 through the sale of chillies.</p>	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Community Empowerment Financial Resilience</p>

Source: Various sources from Malaysian Takaful and Retakaful Operators Annual and Sustainability Reports 2024

THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR'S INITIATIVES

Takaful Operator's Initiatives ST5: Advance Value-based Finance through Islamic Finance Leadership


















TOs are aligning operations and initiatives into Islamic principles with a key focus on uplifting underserved communities through providing financial support by Islamic financial instruments, education, and employment opportunities. Reinforcing their commitment to social responsibility and sustainability through value-based finance.

Themes	Initiatives	Mapping to SDG and ESG
<p>VBIT Awareness Programme</p>	 <p>APTB</p> <ul style="list-style-type: none"> Delivered presentations to the Board. Facilitated workshops on Introduction to VBIT and idea initiation. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Capacity Building Good Self-Governance</p>
	 <p>Etiqua</p> <ul style="list-style-type: none"> Presented monthly and quarterly updates on ESG /VBI progress and achievement to Sustainability Steering Committee (VBIS SC) as well as Shariah Committee and Board. Hosts ongoing awareness programme. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Capacity Building Good Self-Governance</p>
	 <p>FWDTB</p> <ul style="list-style-type: none"> Ran focus group discussion to assess understanding of the VBIT among FWD Takaful employees. Conducted Value Based Takaful (VBT) Workshop on the VBIT awareness. Facilitated HR training for employee on Enhancing Impact: How Maqasid Shariah Scorecard Drives Value-Based Intermediation. Organised Climate Risk Stress Testing (CRST) workshop for Board of Directors, senior management and related functions such as risk, investment and actuarial. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Capacity Building Good Self-Governance</p>

THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR'S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>VBIT Awareness Programme</p>	 <p>GETB Conducted VBIT awareness sessions and internal activities during company's townhall.</p>	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>   <p>Capacity Building Good Self-Governance</p>
	 <p>HLMT</p> <ul style="list-style-type: none"> Established Sustainability Committee and Sustainability Working Committee to spearhead the implementation of the VBIT and sustainability activities. Developed Sustainability Framework that provides strategic guidance on the implementation of the VBIT and sustainability. Spreads the VBIT awareness to management and staff via townhall, onboarding presentation, bulletin circulation, a dedicated section in staff portal, brochures, teambuilding offsite, and more. Conducted research collaborations with INCEIF University, International Shariah Research Academy (ISRA), UniSZA for improvements in our products, distribution and value-add. Collaborated with MTA on Takaful in Campus Programme with HLMT staff as speakers, to promote Takaful in the financial industry and develop graduate capacity and skills. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>   <p>Capacity Building Good Self-Governance</p>
	 <p>PruBSN</p> <ul style="list-style-type: none"> Embedded the VBIT underpinning thrusts into PruBSN Sustainability Framework to ensure the company priorities align with the VBIT underpinning trust. Incorporated VBIT as a dedicated chapter in the staff onboarding and annual refresher training to strengthen awareness across staff. Established Sustainability Steering Committee to drives the implementation of PruBSN's sustainability strategy including the implementation of the VBIT and sustainability activities. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>   <p>Capacity Building Good Self-Governance</p>













THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR'S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>VBIT Awareness Programme</p>	<div style="display: flex; justify-content: space-around; align-items: center;">   </div> <p>MNRB / TAKAFUL IKHLAS</p> <ul style="list-style-type: none"> • Implement Group Sustainability Roadmap action plans, enhanced in FYE 2022 to address Bank Negara Malaysia's Climate Risk Management and Scenario Analysis (CRMSA) requirements. • Collaboration with Jabatan Perhutanan Semenanjung Malaysia (JPSM) and Universiti Teknologi MARA (UiTM), MNRB organised nationwide tree planting activities. Under this 'Tree of Tomorrow (ToT)' initiative, involved employees and external stakeholders to reinforcing commitments to environmental stewardship. • Publishes the Sustainability Buzz newsletter to share updates and highlight ongoing sustainability-related activities and achievements. • Actively promotes VBIT initiatives on social media, including projects such as UKM Tubewell, GEMA Masjid, and Bedridden Patient Sponsorship, to raise public awareness and encourage community participation. • Conduct sustainability and VBIT briefings during staff induction programmes and Group Townhalls, fostering a culture of value-based initiatives and responsible business practices across the organisation. 	<p>SDG Mapping</p> <div style="display: flex; justify-content: space-around;">    </div> <p>ESG Mapping</p> <div style="display: flex; justify-content: space-around;">    </div> <p>VBIT Mapping</p> <div style="display: flex; justify-content: space-around;">   </div> <p>Capacity Building Good Self-Governance</p>
	<div style="display: flex; align-items: center;">  <div style="margin-left: 10px;"> <h2>Sun Life</h2> </div> </div> <p>SLMTB</p> <ul style="list-style-type: none"> • Facilitated engagement and information-sharing sessions between the Board and Shariah Committee to introduce the VBIT. • Delivered awareness training on the VBIT fundamentals to existing staff and new joiners. • Conducted Shariah Structured Training (SST), including the VBIT fundamentals, for elite agency and agency advisors. 	<p>SDG Mapping</p> <div style="display: flex; justify-content: space-around;">   </div> <p>ESG Mapping</p> <div style="display: flex; justify-content: space-around;">   </div> <p>VBIT Mapping</p> <div style="display: flex; justify-content: space-around;">   </div> <p>Capacity Building Good Self-Governance</p>














THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR'S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>VBIT Awareness Programme</p>	 <p>Takaful Malaysia</p> <ul style="list-style-type: none"> • Implemented Zakat Distribution Plan in 2023 and 2024. • Participated in the TH Group Summit 2024: Business Transformation Towards Sustainability • Participated in Masterclass sessions during 2024, including CGM Masterclass on Climate-Aligned Executive Compensation and Directors Masterclass Series on Recent Developments in Climate Science. • Attended National Sustainability Reporting Framework (NSRF) and Bursa Malaysia Listing Requirement sessions, involving the Shariah Advisory Body, Board of Directors of STMKB & STMAB, C-Suites, and key departments. • Introduced a monthly newsletter to track ESG culture within the organisation and share updates on sustainability and ESG initiatives. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p> 
	 <p>ZTMB</p> <p>Shared insights on the VBIT and Maqasid Shariah as part of Shariah training sessions.</p>	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p> 
<p>Establishment of Portal/ Website in relation to the VBIT</p>	 <p>APTB</p> <p>Developed the Takaful 101 e-learning module on the e-learning platform.</p>	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p> 








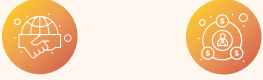



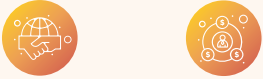
THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR'S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>Establishment of Portal/ Website in relation to the VBIT</p>	 <p>eTiqa Takaful</p> <p>Etiqa Hosts sustainability page on Etiqa’s website.</p>	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Good Self-Governance</p>
	 <p>FWD takaful</p> <p>FWDTB Hosts a VBIT webpage on FWD’s website.</p>	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Good Self-Governance</p>
	 <p>HongLeong MSIG Takaful</p> <p>HLMT</p> <ul style="list-style-type: none"> • Launched the VBIT and Sustainability section on the HLMT corporate website. • Implemented the VBIT Knowledge Centre in the HLMT Employee Portal (Intranet). 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Good Self-Governance</p>

THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR’S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>Establishment of Portal/ Website in relation to the VBIT</p>	<p>PRUDENTIAL BSN TAKAFUL</p> <p>PruBSN Launched a sustainability page on PruBSN’s website, showcasing our commitments and initiatives on VBIT.</p>	<p>SDG Mapping </p> <p>ESG Mapping </p> <p>VBIT Mapping </p> <p>Good Self-Governance</p>
	<p> </p> <p>MNRB / TAKAFUL IKHLAS</p> <ul style="list-style-type: none"> • Launched a dedicated Sustainability Hub on its ICEbox portal to centralise access to ESG-related resources, updates, and initiatives, supporting internal awareness and stakeholder engagement. • Introduced Sustainability 101 Modules across its workforce through the BossiNet infrastructure, equipping employees with foundational knowledge on sustainability and value-based finance principles. • Actively promote sustainability and VBIT initiatives, such as Tree of Tomorrow, on social media platforms. Including Facebook, to enhance public visibility and encourage community participation. 	<p>SDG Mapping </p> <p>ESG Mapping </p> <p>VBIT Mapping </p> <p>Community Empowerment</p>
	<p></p> <p>SLMTB Published basic information on the VBIT and its intended outcomes on the corporate website for general access.</p>	<p>SDG Mapping  </p> <p>ESG Mapping </p> <p>VBIT Mapping </p> <p>Good Self-Governance</p>

THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR'S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>Establishment of Portal/ Website in relation to the VBIT</p>	 <p>Takaful Malaysia Shares relevant articles related to VBIT, ESG and other topics through the Sustainability Newsletter.</p>	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Good Self-Governance</p>
<p>Participation in Promotion of the VBIT</p>	 <p>FWDTB Conducted presentations to Group HQ and on the global Takaful market at an insurance conference organised by Indonesia Re.</p>	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Community Empowerment Good Self-Governance</p>
	 <p>GETB Spreads awareness on the VBIT in Great Eastern: Malaysia Sustainability Council Meeting.</p>	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Community Empowerment Good Self-Governance</p>

THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR’S INITIATIVES

Themes	Initiatives	Mapping to SDG and ESG
<p>Participation in Promotion of the VBIT</p>	<p style="text-align: center;">  هوڠ ليونڠ عيم ايس اءي جي تكافل </p> <p>HLMT</p> <ul style="list-style-type: none"> • Attended a series of VBIT Capacity Building webinars and 4 sustainability webinars provided to TOs and insurance providers. • Delivered sharing and speaking sessions on the VBIT at multiple events, including the 2023 Takaful Rendezvous, Pusat Jagaan Al-Fikrah Malaysia, INCEIF platform for Iran delegates, Al-Huda Delegates, IIBF-HLMT Iftar Jama’iei 2024 with UIA sponsorship, MTA VBIT Conference, and more. • HLMT has also received these awards: Value Based Intermediation for Takaful Award (TH Khairat-Tabung Haji) at the Malaysia Takaful Association Star Awards 2024. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Community Empowerment Good Self-Governance</p>
	<p style="text-align: center;">  </p> <p>PruBSN</p> <ul style="list-style-type: none"> • Participation of the Sustainability and Shairah team in the MTA VBIT Conference, where PruBSN’s CRO served as one of the panel speakers, sharing insights on how the company has implemented VBIT principles throughout the sustainability journey. • Continuation of the CSR team in conduct of financial literacy programs in primary and secondary schools to enhance student’s understanding of financial management and equip them with essential knowledge and skills for responsible financial decision-making. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Capacity Building Good Self-Governance</p>
	<p style="text-align: center;">  </p> <p>MNRB / TAKAFUL IKHLAS</p> <ul style="list-style-type: none"> • Capacity building through targeted workshops focused on integrating ESG principles into investment, underwriting, and risk management functions—strengthening internal capabilities and aligning with value-based finance objectives. • Strengthened its Shariah governance framework by mandating the Group Shariah Committee (GSC) to oversee sustainability-related aspects. This reinforces stakeholder confidence in the Group’s commitment to Islamic finance leadership and ESG compliance. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Community Empowerment Good Self-Governance</p>

THE FSB STRATEGIC THRUSTS AND TAKAFUL OPERATOR'S INITIATIVES

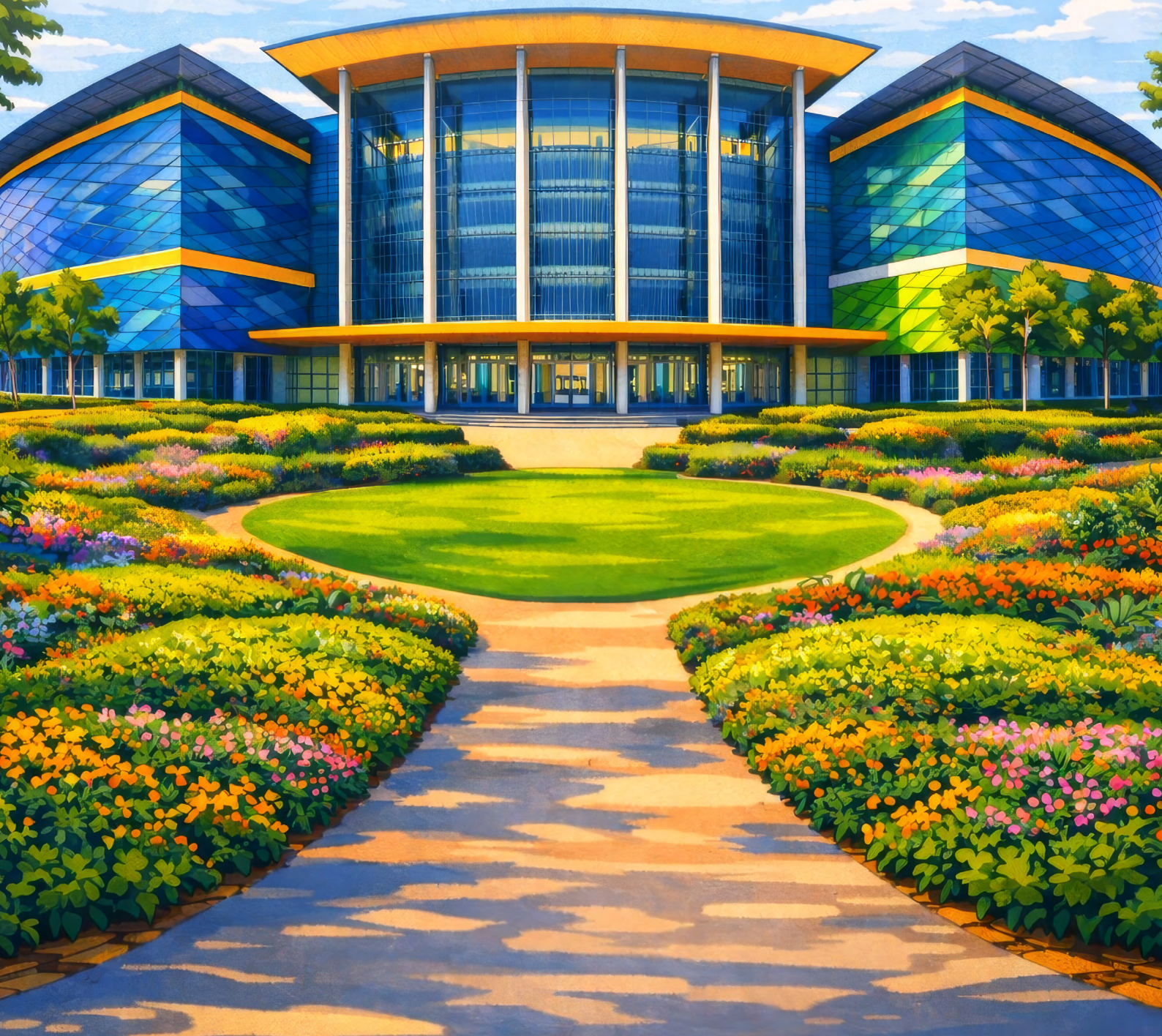
Themes	Initiatives	Mapping to SDG and ESG
<p>Participation in Promotion of the VBIT</p>	 <p>SLMTB</p> <ul style="list-style-type: none"> • Provided training on the application of Shariah principles in the Malaysian Takaful industry. • Explained the claims process and Shariah issues in Takaful. • Delivered sessions on the importance and process of Shariah research. • Facilitated MTA sessions on basic understanding of Takaful, including history, Shariah overview, concepts, and supporting contracts. • Conducted MTA sessions on Takaful operations, covering transaction flow, claims, and nominations. • Participated in Karnival Celik Kewangan, with SLMT Head of Shariah as a speaker for "Hijrah Ketenangan Dengan Takaful." • Organised trainings on Shariah principles in Takaful operations in collaboration with Universiti Malaya. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Community Empowerment Good Self-Governance</p>
	 <p>Takaful Malaysia</p> <ul style="list-style-type: none"> • Provided opportunities to uplift marginalised and underserved communities nationwide. • Conducted over 20 programmes in 2024, with RM10.3 million spent, benefiting more than 19,000 individuals through zakat, wakalah, and charitable funds. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Capacity Building Community Empowerment</p> <p>Good Self-Governance</p>
	 <p>ZTMB</p> <ul style="list-style-type: none"> • Presented a snapshot of Takaful industry in Malaysia, covering the VBIT and Maqasid Shariah at the Internal Webinar Series: Takaful Around the World. • Distributed RM779,177 to asnaf, supporting education, financial literacy, and personal development. 	<p>SDG Mapping</p>  <p>ESG Mapping</p>  <p>VBIT Mapping</p>  <p>Community Empowerment Good Self-Governance</p>

Source: Various sources from Malaysian Takaful and Retakaful Operators Annual and Sustainability Reports 2024

04

ROLE OF SUSTAINABILITY AND ITS GROWING IMPORTANCE IN REALISING THE FSB

- 4.1 Message from Sustainability Working Group
- 4.2 Malaysia's Regulatory Landscape and Disclosure Requirements
- 4.3 Insights to the Malaysia Takaful Industry Current State
- 4.4 Challenges, Proposed Solutions, and Best Practices
- 4.5 The Global Outlook and the Future of Sustainability in the Takaful Industry



4.1 MESSAGE FROM SUSTAINABILITY WORKING GROUP

SUSTAINABILITY HAS MOVED FROM BEING A PERIPHERAL CONSIDERATION TO A CENTRAL DRIVER OF GROWTH AND RESILIENCE WITHIN THE TAKAFUL SECTOR. AS THE INDUSTRY ADVANCES TOWARDS FULFILLING THE ASPIRATIONS OF THE FSB 2022–2026, EMBEDDING SUSTAINABILITY IS NO LONGER OPTIONAL BUT ESSENTIAL TO OUR COLLECTIVE SUCCESS.

In support of this agenda, the Sustainability Working Group has been working to translate global and domestic frameworks into practical action for the industry. While ESG frameworks and standards such as the IFRS Sustainability Disclosure Standards, the NSRF, and BNM's climate risk initiative set the direction, our role has been to equip operators with supportive tools to respond with improved internal capabilities. This includes convening technical sessions, sharing industry insights, and fostering collaborations with experts to strengthen operators' readiness for disclosure, governance, and risk management.

Just as important, we are encouraging TOs to embed sustainability into products and services that directly benefit communities. From coverage solutions for solar installations and EVs to inclusive digital family takaful offerings, these initiatives illustrate that sustainability is not only about compliance but about delivering meaningful impact. By aligning resilience, innovation, and social responsibility, the Takaful industry aims to support progress towards the objectives of the FSB by 2026.



MARCEL OMAR PAPP

Champion of Sustainability Working Group (WG 4)

4.2 MALAYSIA’S REGULATORY LANDSCAPE AND DISCLOSURE REQUIREMENTS

The Growing Significance of ESG in Malaysia

ESG refers to a framework that evaluates a company’s practices across three key dimensions: environmental stewardship, social responsibility, and corporate governance. ESG provides a lens for businesses to assess their impact on the environment and society while ensuring accountability and transparency in decision-making. For Malaysian businesses, integrating ESG is increasingly recognised as a strategic imperative to remain competitive and responsible in a global marketplace.

What is ESG?



The importance of ESG is underscored by both international and national commitments. Malaysia is a signatory of the Paris Agreement, an international treaty adopted in 2015 by 196 parties to combat climate change. Under this Agreement, Malaysia has committed to reducing greenhouse gas emissions (GHG) by 45% by 2030 relative to 2005 GDP levels. At the same time, the United Nations SDGs, established in 2015, set 17 global objectives aimed at creating a more sustainable and equitable world by 2030, with Malaysia actively integrating these goals into its development agenda.

National plans in Malaysia further reinforce ESG adoption. The 13th Malaysia Plan (2026–2030) and the 12th Malaysia Plan (2021–2025) both place sustainability at the core of national growth strategies, emphasising green and blue economy initiatives, low-carbon industries, and responsible business practices. These are complemented by the Green Technology Master Plan, the National Energy Transition Roadmap (NETR), and industry-level efforts, such as those led by the Joint Committee on Climate Change (JC3), as well as initiatives organised by MTA and individual insurance and takaful operators (ITOs).

Together, these international commitments, national policies, and industry-led initiatives demonstrate that ESG is no longer a peripheral consideration for Malaysian businesses. Instead, it represents a critical framework for promoting sustainable growth, addressing climate change, and fostering social equity across the country.

Alignment of Takaful Industry Sustainability Principles with National and Global Frameworks

- Global Commitments**
 - Paris Agreement
 - UN: 17 SDG Goals
- National Plans**
 - Malaysia Plan (12MP and 13MP)
 - National Energy Transition Roadmap
 - JEN
- BNM/Bursa Malaysia Frameworks**
 - CCPT, CRMSA, CRST
 - National Sustainability Reporting Framework
- Takaful Industry Sustainability Related Principal and framework**
 - Maqasid Shariah
 - VBIT

UN SDG 17 Goals



MALAYSIA'S REGULATORY LANDSCAPE AND DISCLOSURE REQUIREMENTS

Integrating Maqasid Shariah, the VBIT, and ESG for Ethical and Sustainable Growth

Building on the global and national sustainability commitments, the Takaful industry operationalises ESG principles through its own guiding frameworks, notably Maqasid Shariah and the VBIT. The VBIT embeds Maqasid Shariah principles into Takaful operations, encouraging a holistic approach that goes beyond Shariah compliance, ensuring offerings and practices achieve the intended Shariah outcomes and enhancing the well-being of people through the preservation of religion, life, intellect, lineage, and wealth.

The VBIT aims to deliver these objectives through best practices, conduct, and offerings that generate positive and sustainable impacts on the economy, community, and environment, while aligning with shareholders' long-term interests. Incorporating globally recognised sustainability frameworks, including the UN SDGs and UNEP Finance Initiative Principles for Sustainable Insurance (PSI), the VBIT strengthens environmental and social impact, fostering financial inclusion, resilience, and responsible stewardship at the core of the Takaful industry.



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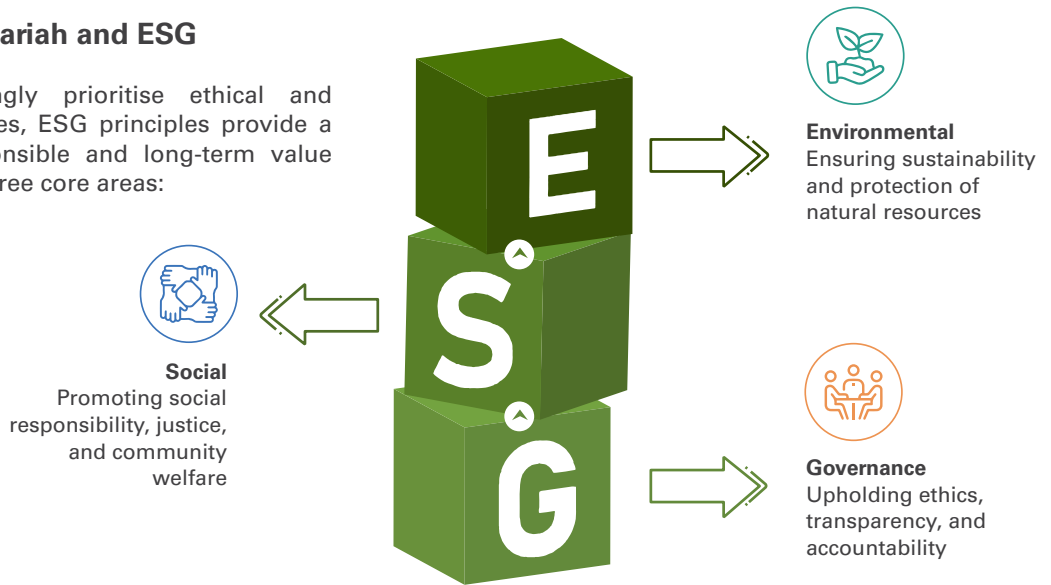
MALAYSIAN RE

We Protect Everyone

MALAYSIA'S REGULATORY LANDSCAPE AND DISCLOSURE REQUIREMENTS

Connecting Maqasid Shariah and ESG

As organisations increasingly prioritise ethical and sustainable business practices, ESG principles provide a global framework for responsible and long-term value creation, which focuses on three core areas:



The principles of ESG are naturally embedded in Maqasid Shariah and complement the VBIT. Both frameworks emphasise the protection of life, dignity, intellect, and wealth, making them mutually reinforcing tools for organisations and Islamic FIs seeking to embed ethical and sustainable practices.

ESG Dimension	Maqasid Shariah Objective	Rationale
Environmental	Protection of Life (al-nafs) and Protection of Lineage (al-nasl)	Environmental sustainability protects the wellbeing and continuity of current and future generations, as well as all other living things, by ensuring a healthy, safe, and stable environment that prevents long-term harm.
Social	Protection of Religion (al-din) and Protection of Intellect (al-aql)	Social responsibility promotes justice, education, and strong family values in line with Islamic ethics, while supporting social development and ethical communication that protect and nurture human intellect by preventing harm from misinformation, unsafe environments, and destructive behaviours.
Governance	Protection of Wealth (al-mal)	Ethical governance ensures transparency, accountability, and protection of financial and moral integrity.

This alignment shows that Maqasid Shariah provides a universally accepted framework that complements global development goals, such as the UN SDGs, enabling Islamic financial institutions to participate meaningfully in sustainability initiatives, including Shariah-compliant ESG investments and Islamic social finance.

MALAYSIA'S REGULATORY LANDSCAPE AND DISCLOSURE REQUIREMENTS

The takaful industry has also strengthened the Maqasid Shariah Scorecard by incorporating ESG focused actions, ensuring that environmental protection, social empowerment, and strong governance are embedded into its Shariah based objectives.



Looking ahead, several key focus areas have been identified to enhance the MSS Score and better align the industry with ESG objectives. For example, the Best Conduct focus area incorporates strategies to strengthen the Environmental dimension of ESG by improving sustainability reporting and fostering partnerships that promote green initiatives. Meanwhile, the focus areas of Financial Resilience and Community Empowerment primarily support the Social dimension by addressing the needs of B40 communities and advancing financial literacy across Malaysia. The final two areas, Good Self Governance and Capacity Building, reinforce Governance by setting clear industry standards and strengthening professional practices. Overall, these focus areas under MSS Score enhancement initiatives advance the industry's ESG aspirations in a holistic and integrated manner.

Mapping Maqasid Shariah Principles with SDG and the VBIT

Maqasid Shariah	SDG	VBIT
Protection of Religion (al-din)		
Protection of Life (al-nafs)		

MALAYSIA'S REGULATORY LANDSCAPE AND DISCLOSURE REQUIREMENTS

Mapping Maqasid Shariah Principles with SDG and the VBIT

Maqasid Shariah	SDG	VBIT
Protection of Intellect (al-aql)		Financial Resilience Capacity Building Best Conduct
Protection of Lineage (al-nasl)		Best Conduct Capacity Building
Protection of Wealth (al-mal)	7 AFFORDABLE AND CLEAN ENERGY 8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Financial Resilience Good Self-governance Community Empowerment

Importance and Benefits of Integrating Maqasid Shariah and ESG

Integrating Maqasid Shariah and ESG principles into organisational operations fosters ethical, sustainable, and responsible growth. Maqasid Shariah ensures alignment with global values such as justice, welfare, and integrity, while supported by ESG principles which promotes resilience through environmental stewardship, social responsibility, and sound governance. Together, they enhance stakeholder trust and drive meaningful societal and organisational impact.

The integration of these frameworks goes beyond compliance, it encourages organisations to innovate responsibly, make strategic decisions that balance profit with purpose, and contribute positively to long-term sustainable development. By embedding Maqasid Shariah and ESG into core operations, organisations can unlock tangible and intangible benefits that enhance both organisational performance and societal value.

Key Benefits

Enhanced Ethical Value Proposition:
Products and services reflect justice, public welfare, and environmental responsibility, resonating with ethically conscious stakeholders.

Innovation with Purpose:
Encourages solutions that address real societal and environmental challenges, leading to profitable and impactful offerings.

Market Differentiation:
Integration of both frameworks strengthens brand trust and loyalty, particularly in markets that value Islamic ethics and sustainability.

Long-Term Sustainability:
Combines ESG's resource efficiency and risk management with Maqasid Shariah's social justice and economic balance, supporting sustainable growth and responsible product lifecycles.

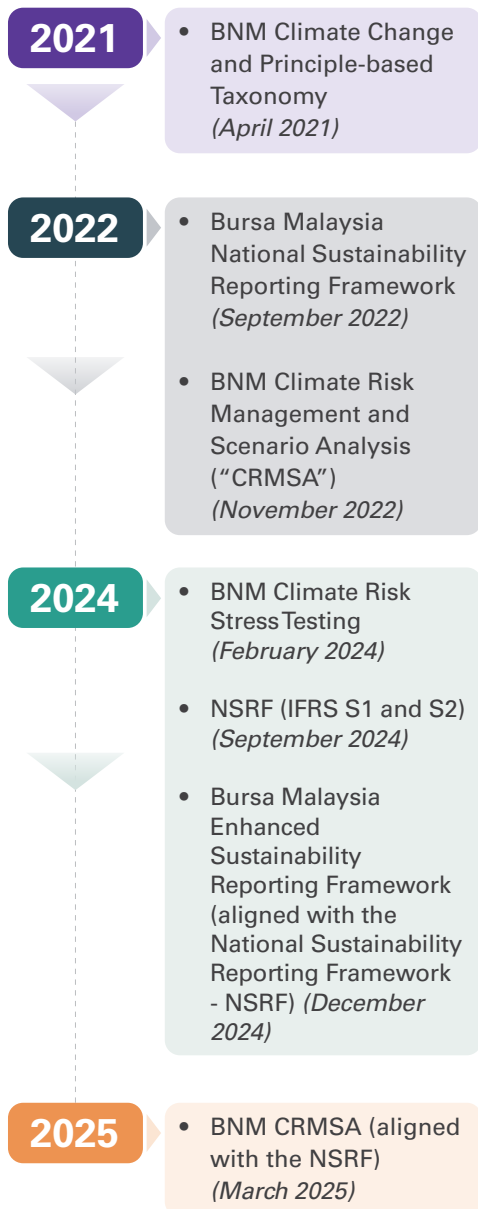
Sources:

- *The Interaction of Maqasid Al-Shariah in the Relationship Between ESG and Firm Financial Performance, ASEAN Journal on Science and Technology for Development, 30 May 2024*
- *Systematic Literature Review on the Integration of Maqashid al-Shariah and ESG Principles in Islamic Financial Institutions, International Journal of Research and Review, August 2025*
- *Unlock the Value of Value-Based Intermediation for Takaful (VBIT), FMC Group*

MALAYSIA’S REGULATORY LANDSCAPE AND DISCLOSURE REQUIREMENTS

Malaysia’s Sustainability Regulatory Landscape

Building on the broader sustainability landscape, Malaysian regulators have increasingly introduced regulations and policy guidelines to help FI, including TOs, manage climate-related financial risks, strengthen governance, and enhance systemic resilience. These regulatory initiatives translate national and international sustainability commitments into actionable requirements, ensuring that the financial sector supports Malaysia’s transition toward a low-carbon and sustainable economy.



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MALAYSIA'S REGULATORY LANDSCAPE AND DISCLOSURE REQUIREMENTS

Regulatory requirements/guidelines	Key objectives
Climate Change and Principle-based Taxonomy (CCPT)	<ul style="list-style-type: none"> • Establish a framework/principle-based taxonomy for FIs to assess and categorise economic activities based on their environmental impact. • Promote sustainable finance by guiding FIs in identifying and managing climate-related risks and support risk assessments at the institution and systemic levels, strengthen accountability and market transparency, and encourage financial flows towards supporting climate objectives. • Encourage transparency and consistency in reporting climate-related information.
Climate Risk Management and Scenario Analysis (CRMSA)	<ul style="list-style-type: none"> • Develop robust methodologies for assessing climate-related risks within FIs. • Integrate scenario analysis into risk management frameworks to evaluate potential impacts of different climate scenarios. • Enhance resilience of financial systems against climate-related shocks through proactive risk management. <p>On 17 March 2025, BNM issued key revisions to the PD in conjunction with the launch of the NSRF.</p>
Climate Risk Stress Testing (CRST)	<ul style="list-style-type: none"> • Outline comprehensive methodologies for conducting stress tests focused on climate-related risks with the primary intention to facilitate financial institutions' learning and capacity building in addressing risks from climate change. • Provide guidance on incorporating physical and transition risks into stress testing frameworks. • Facilitate consistent application of stress testing methodologies across financial institutions.

BNM



“

We are committed to supporting the growth of the Takaful industry by providing Shariah-compliant retakaful solutions that promote mutual support and community resilience. We aim to enable operators to offer innovative and sustainable protection that meets the evolving needs of the market.”

SERENA THIO
CEO of Munich Re Retakaful

MALAYSIA’S REGULATORY LANDSCAPE AND DISCLOSURE REQUIREMENTS

	Regulatory requirements/guidelines	Key objectives
Bursa Malaysia	Sustainability Reporting Framework	<ul style="list-style-type: none"> • Improve the quality and comparability of sustainability disclosures among listed companies. • Ensure that companies provide relevant information on their climate change strategies, risks, and opportunities. • Enhance investor confidence by promoting greater transparency in sustainability reporting.
	Enhancements to the sustainability reporting requirements in the MAIN Market and ACE Market Listing Requirements in efforts to align with the NSRF	<ul style="list-style-type: none"> • Align with national standards for sustainability reporting to ensure consistency across markets. • Provide clear guidelines for companies on how to report their environmental, social, and governance (ESG) performance. • Support the transition towards a more sustainable economy by encouraging better corporate practices.
Advisory Committee on Sustainability Reporting (ACSR)	National Sustainability Reporting Framework (NSRF IFRS S1 and S2)	<ul style="list-style-type: none"> • Establish standardised reporting requirements aligned or harmonised with international sustainability standards (IFRS S1 & IFRS S2). • Ensure that companies disclose material information related to their ESG performance transparently to enhance accountability, trust in companies, support investors, policymakers and civil society. • Support informed decision-making by investors through improved access to reliable sustainability data.
	Public Consultation on Proposed Framework for Sustainability Assurance	<ul style="list-style-type: none"> • Obtain stakeholder feedback on the proposed framework to ensure it is practical, inclusive, and aligned with market needs. • Enhance the credibility and reliability of sustainability reporting through clear assurance requirements that reduce the risks of greenwashing. • Align Malaysia’s sustainability assurance practices with international standards while supporting national sustainability goals and capacity building.

Sources:

- *Climate Change and Principle based Taxonomy guidance document, April 2021, BNM*
- *BNM Policy Document on Climate Risk Management and Scenario Analysis, December 2022, BNM*
- *2024 Climate Risk Stress Testing Exercise Methodology Paper, February 2024, BNM*
- *Bursa Malaysia*
- *National Sustainability Reporting Framework, September 2024, Ministry of Finance (MoF)*
- *Public Consultation Paper (No. 2/2025) on Proposed Framework, 25 June 2025, Securities Commission Malaysia*

4.3 INSIGHTS TO THE MALAYSIA TAKAFUL INDUSTRY CURRENT STATE

Carbon Emissions Dashboard: TOs' Environmental Impact

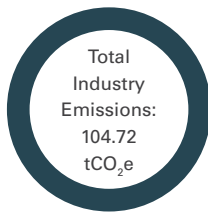
Having established the broader ESG commitments and policy landscape, it is equally important to assess how these translate into measurable outcomes within the Takaful industry. To this end, the Carbon Emissions Dashboard provides a consolidated view of the environmental footprint of the TOs.

The dashboard analyses carbon emissions across Scope 1 (direct emissions), Scope 2 (indirect emissions from purchased energy), and Scope 3 (other indirect emissions), with total reported emissions amounting to 30,665.1 tCO₂e. The analysis covers 12 insurers and TOs, including insurance companies affiliated with TOs, offering a more holistic picture of the industry's impact.

By quantifying these emissions, the dashboard not only highlights the scale of the industry's environmental footprint but also generates insights that can guide future sustainability strategies, regulatory alignment, and collaborative initiatives. This marks an important step in moving from policy commitments to tangible industry action.

Scopes 1, 2, and 3 Emissions: At a Glance

Scope 1: Direct Emissions



Scope 2: Indirect Emissions from Purchased Energy



Scope 3: Other Indirect Emissions



Scope 1 emissions include fleet emissions

Scope 2 emissions include electricity emissions

Scope 3 emissions include Category 1: printed paper, Category 3: energy and fuel, Category 5: waste, Category 6: business travel and Category 7: employee commuting emissions

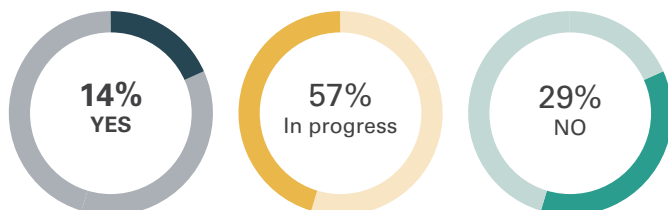
Source: Various Malaysian Takaful Operators Sustainability Reports 2024

Sustainability Survey Overview

To assess TOs' readiness and challenges in adopting sustainability standards, MTA conducted a survey between the period of 21 August 2025 to 17 September 2025, covering IFRS S1 and S2, CRMSA, CRST, and future sustainability initiatives. The feedback provides valuable input for this report and reflects the industry's overall readiness.

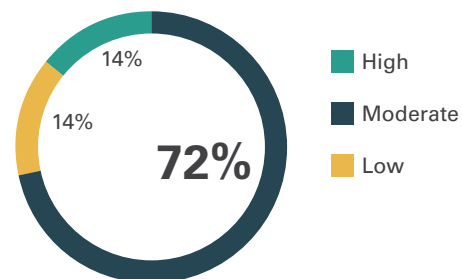
IFRS S1 and S2: Overall Awareness and Readiness

Q: Has your organisation performed gap assessment to assess current reporting against IFRS S1 and S2 requirements?



Only 14% of TOs have completed gap assessments against IFRS S1 and S2, while 57% are in progress and another 29% have yet to begin, indicating that most organisations are still at an early stage of readiness.

Q: How would you rate your organisation's readiness for reasonable assurance for Scope 1 and Scope 2 GHG emissions?

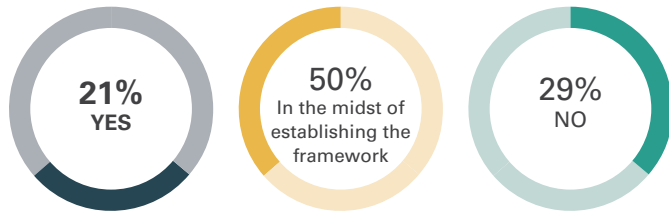


Most TOs (71%) rated their readiness for reasonable assurance of Scope 1 and 2 GHG emissions as moderate, while 14% rated it low and 14% rated it high, indicating that while some progress has been made, overall readiness is still developing.

INSIGHTS TO THE MALAYSIA TAKAFUL INDUSTRY CURRENT STATE

IFRS S1 and S2: Governance, Risk Management Strategy, Metrics and Targets

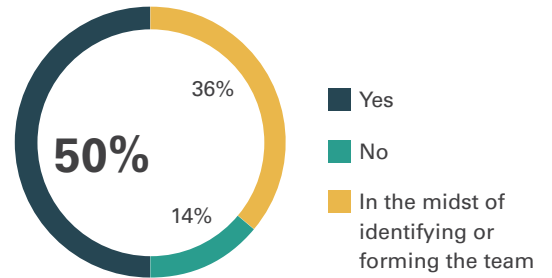
Q: Has your organisation established governance framework to manage IFRS S1 and S2 related matters?



21% of TOs reported that their organisations have already established frameworks for IFRS S1 and S2 matters, 29% have not, and 50% are in the process of establishing one.

This indicates that while some organisations have formal governance in place, a significant portion are still developing their structures.

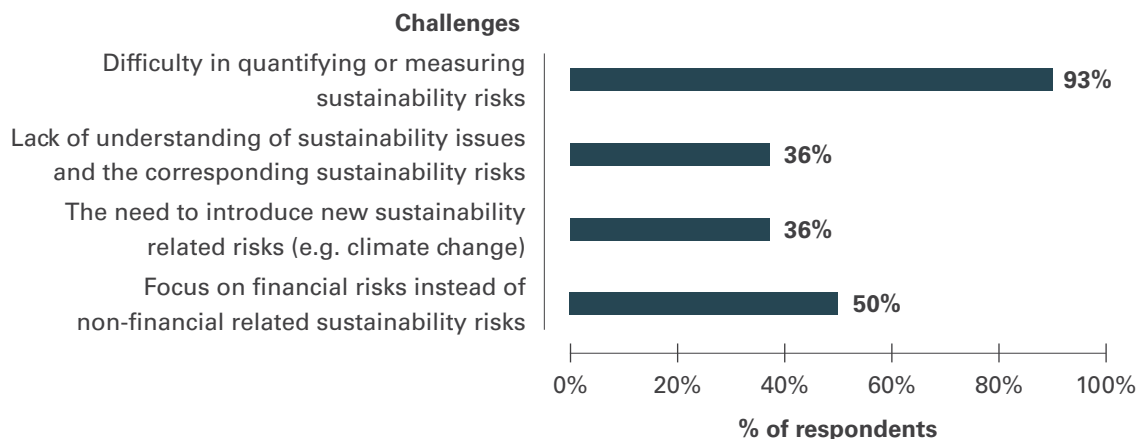
Q: Is there a dedicated team responsible for IFRS S1 and S2 related matters within your organisation?



A majority of TOs (50%) indicated that their organisation has a dedicated team responsible for IFRS S1 and S2 matters. Meanwhile, 14% reported no dedicated team, and 36% are in the process of identifying or forming one. This suggests that while most organisations have begun formalising responsibilities, some are still in the early stages of team establishment.

Note: Online survey period was from 21 August 2025 to 17 September 2025. The total survey respondents were 18 (excluding MunichRe).

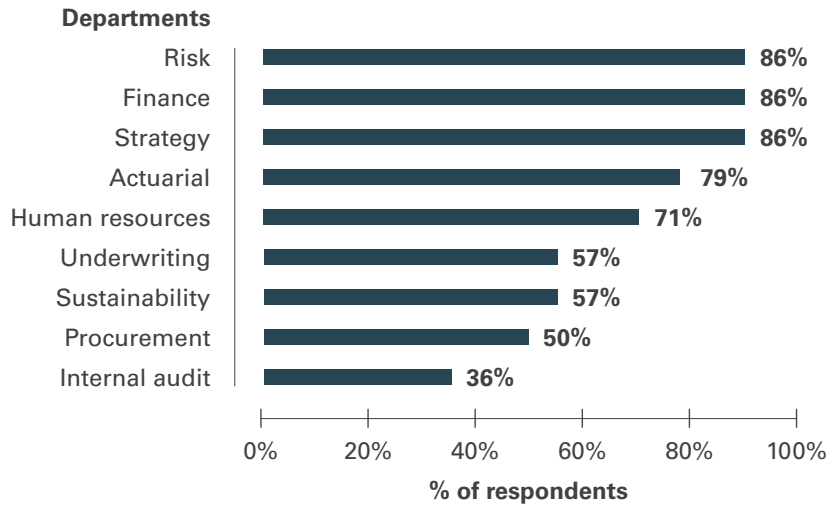
Q: What are the challenges encountered in integrating sustainability risk management?



TOs highlighted several challenges in integrating sustainability risk management. 93% of TOs reported difficulty in quantifying or measuring sustainability risks as a key challenge. Other notable issues include a lack of understanding of sustainability risks (50%), a focus on financial risks over non-financial sustainability risks, and the need to account for emerging risks, such as climate change, both reported at 36%. This indicates that organisations face both technical and conceptual barriers in embedding sustainability risk management effectively.

INSIGHTS TO THE MALAYSIA TAKAFUL INDUSTRY CURRENT STATE

Q: Which departments in your organisation are involved in the sustainability agenda?

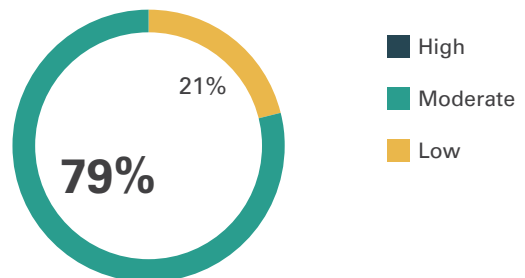


The sustainability agenda spans across multiple functions within organisations. 86% of TOs cited risk, strategy, and finance as being involved, underscoring their central role. Other key departments include actuarial (79%), human resources (71%), and sustainability (57%), while underwriting (57%), procurement (50%), and internal audit (36%) teams were also noted. This reflects a broad, cross-functional approach, with both core business and support functions contributing to sustainability efforts.

Note: Online survey period was from 21 August 2025 to 17 September 2025. The total survey respondents were 18 (excluding MunichRe).

Q: How would you rate the level of engagement with relevant stakeholders in the IFRS S1 and S2 implementation process?

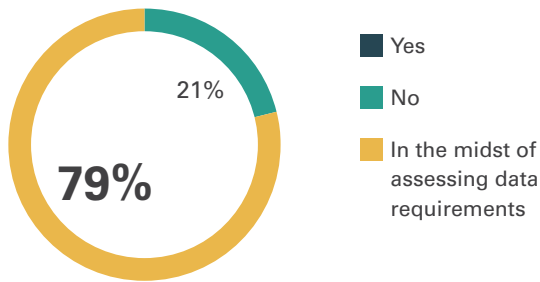
Most TOs (79%) rated their level of engagement with relevant stakeholders in the IFRS S1 and S2 implementation process as moderate, while 21% reported low engagement. No TOs indicated high engagement, suggesting that stakeholder involvement is generally moderate and may require further strengthening to support effective implementation.



INSIGHTS TO THE MALAYSIA TAKAFUL INDUSTRY CURRENT STATE

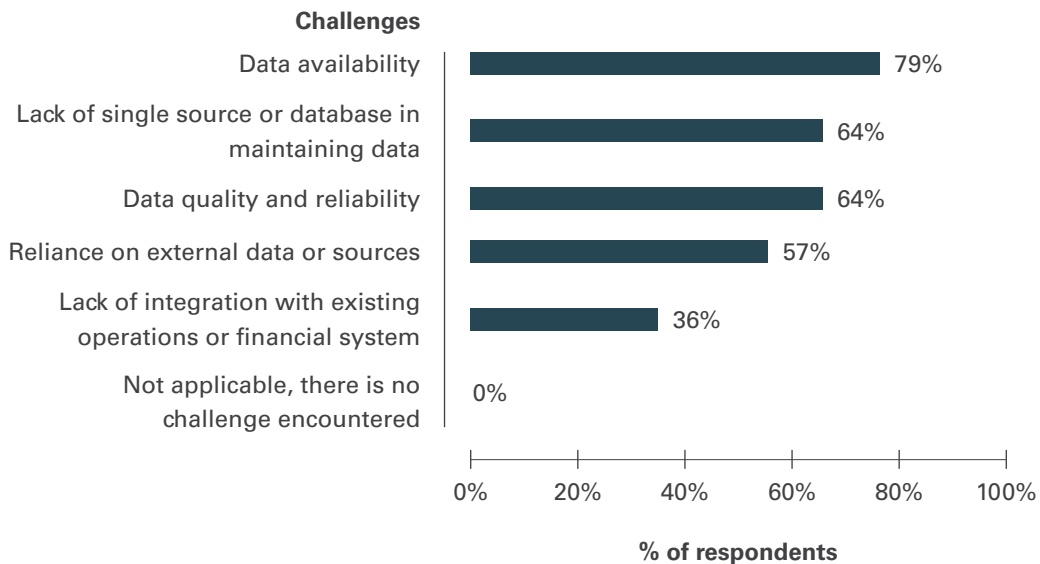
IFRS S1 and S2: Data collection and monitoring

Q: Has your organisation identified key data relevant for IFRS S1 and S2?



None of the TOs have fully identified key data for IFRS S1 and S2. Most (79%) are in the midst of assessing data requirements, while 21% have not yet started. This indicates that data identification is still an ongoing process, with TOs actively working to understand and gather the necessary information for reporting.

Q: What are the challenges in gathering or collating required data?

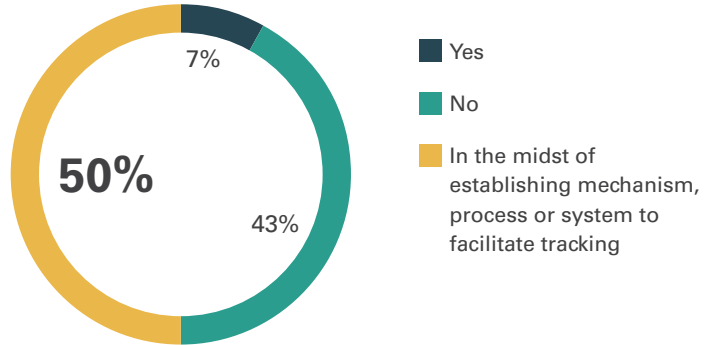


TOs reported several challenges in gathering or collating data required for IFRS S1 and S2. The most commonly cited issue was data availability (79%), followed by lack of a single source or database in maintaining data and data quality and reliability, both reported at 64%. Reliance on external data or sources (57%) and lack of integration with existing operations or financial systems (36%) were also noted. These findings suggest that both data accessibility and system integration remain key barriers for TOs in preparing for reporting.

INSIGHTS TO THE MALAYSIA TAKAFUL INDUSTRY CURRENT STATE

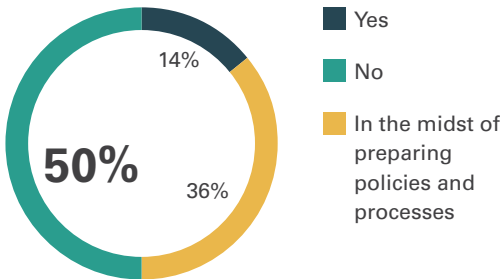
Q: Has your organisation started tracking the metrics and targets for IFRS S1 and S2?

Only 7% of TOs have started tracking metrics and targets for IFRS S1 and S2, while 43% have not yet begun. Another 50% are in the midst of establishing mechanisms, processes, or systems to facilitate tracking. This indicates that most TOs are still in the early stages of setting up effective monitoring for their IFRS S1 and S2 metrics.



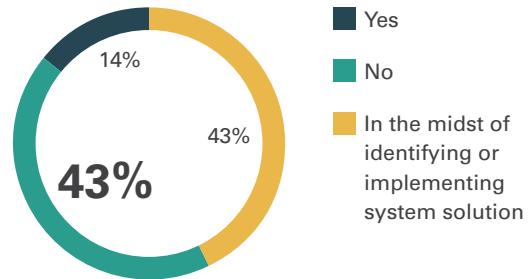
IFRS S1 and S2: Process and system

Q: Does your organisation have policies and processes to govern IFRS S1 and S2 related matters?



Most TOs (50%) indicated that their organisations do not yet have policies and processes in place to govern IFRS S1 and S2 matters. Only 14% reported having established such policies, while another 36% are currently in the process of preparing them. This suggests that many organisations are still at an early stage of formalising governance structures around IFRS S1 and S2.

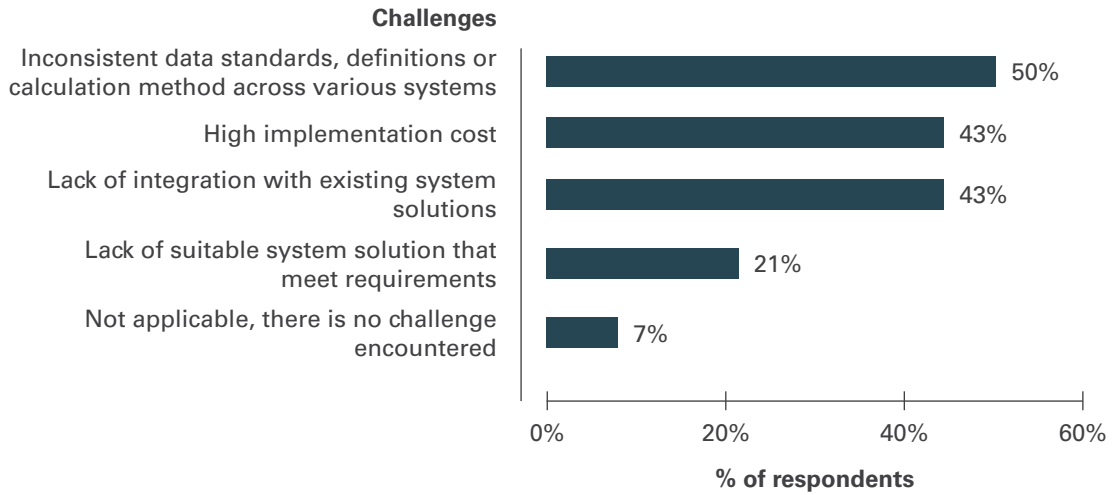
Q: Does your organisation utilise system solutions to collect, analyse or report IFRS S1 and S2 related matters?



43% of TOs reported that their organisations do not currently utilise system solutions to collect, analyse, or report on IFRS S1 and S2 matters. Only 14% have system solutions in place, while 43% are in the midst of identifying or implementing one. This indicates that while some organisations are moving towards digital enablement, many are still reliant on manual or ad-hoc processes.

INSIGHTS TO THE MALAYSIA TAKAFUL INDUSTRY CURRENT STATE

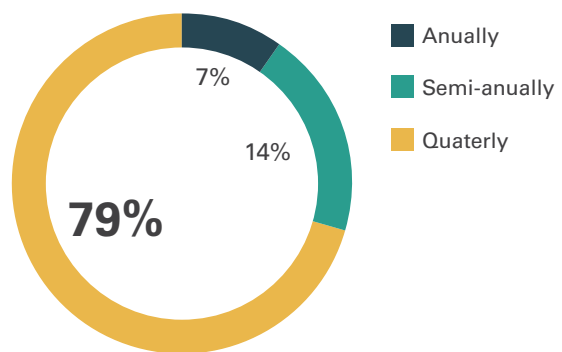
Q: What are the technological challenges encountered in complying with sustainability requirements?



TOs cited several technological challenges in complying with sustainability requirements. The most common issues were inconsistent data standards, definitions, or calculation methods across various systems (50%), high implementation cost (43%), and lack of integration with existing systems solutions (43%). Additionally, 21% highlighted the lack of suitable system solutions to meet requirements, while 7% reported no technological challenges. These findings suggest that data consistency, cost, and system compatibility remain key barriers to effective compliance.

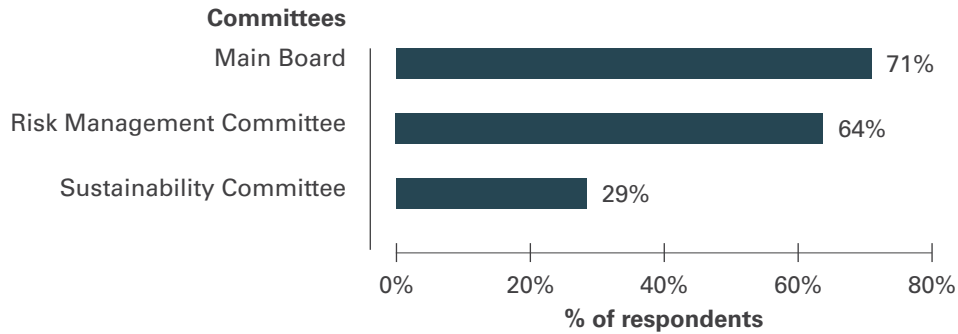
Q: How often is the Board informed on sustainability-related risks and opportunities?

Most TOs (79%) indicated that their Boards are informed on sustainability-related risks and opportunities on a quarterly basis. A smaller share reported updates provided semi-annually (14%) or annually (7%), suggesting that many organisations are moving towards more regular Board-level engagement on sustainability matters.



INSIGHTS TO THE MALAYSIA TAKAFUL INDUSTRY CURRENT STATE

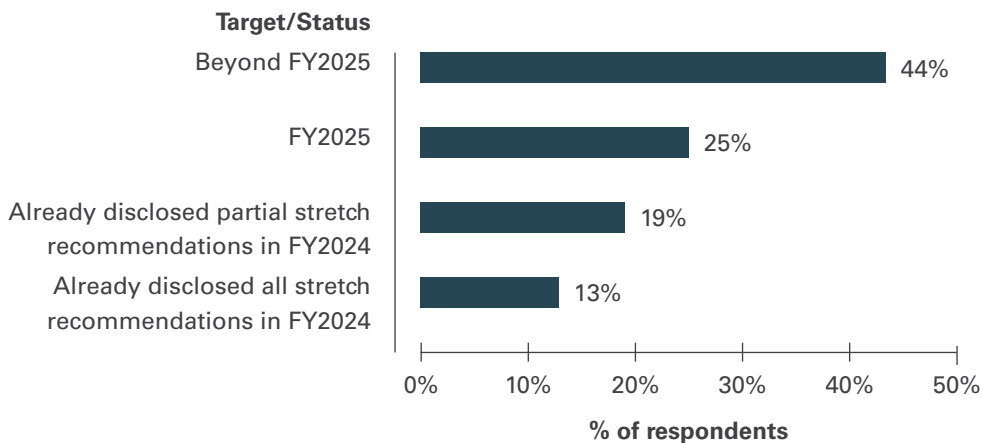
Q: Which Board committees are responsible for oversight of sustainability-related risks and opportunities?



Oversight of sustainability-related risks and opportunities is primarily exercised at the Board level (71%), reflecting its strategic importance. In addition, most TOs delegate responsibilities to the Risk Management Committee (64%), while a smaller proportion have established a dedicated Sustainability Committee (29%). This suggests that while most Boards retain direct oversight, specialised committees are increasingly supporting the governance of sustainability matters.

Climate Risks Management and Scenario Analysis (CRMSA)

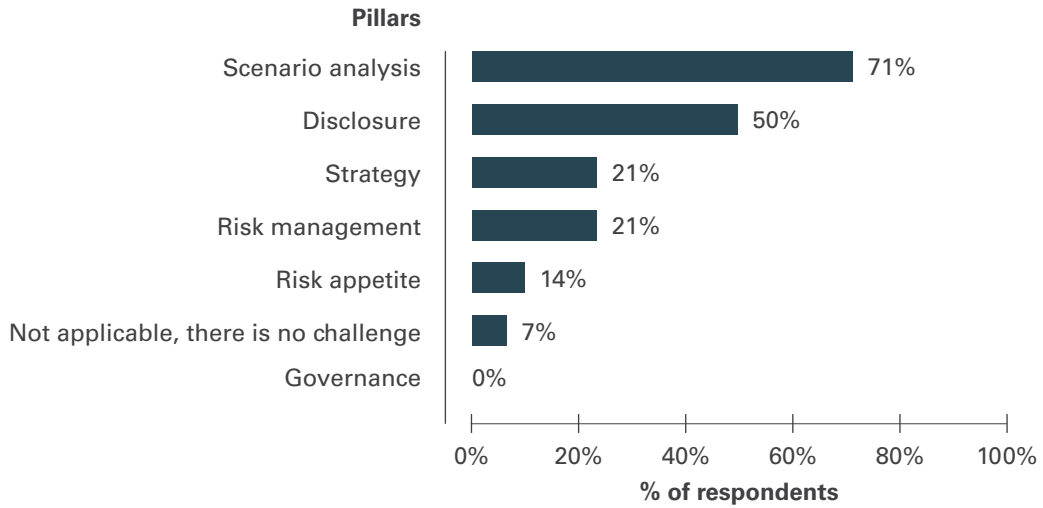
Q: When do you plan to meet the stretch recommendations for CRMSA?



TOs are at varying stages in meeting the stretch recommendations for CRMSA. 19% have already disclosed partial stretch recommendations in FY2024, while another 13% have disclosed all of them. Looking ahead, 25% plan to meet the requirements in FY2025, and 44% expect to do so beyond FY2025. This shows a mix of early movers and those progressing more gradually toward full adoption.

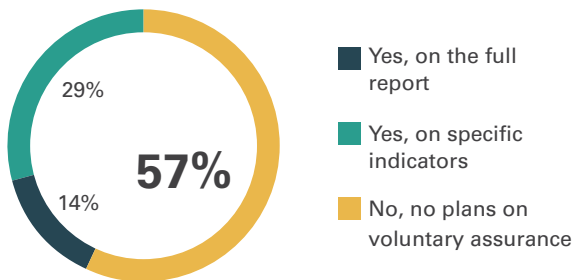
INSIGHTS TO THE MALAYSIA TAKAFUL INDUSTRY CURRENT STATE

Q: Which specific pillars of the CRMSA do you find challenging?



The most challenging CRMSA pillar identified by TOs is scenario analysis (71%), followed by disclosure (50%). Other areas noted include strategy (21%), risk management (21%), and risk appetite (14%), while no challenges were reported in governance. Only 7% of respondents indicated they faced no challenges. These findings highlight that technical and forward-looking aspects, such as scenario analysis and disclosure, remain the most difficult to implement.

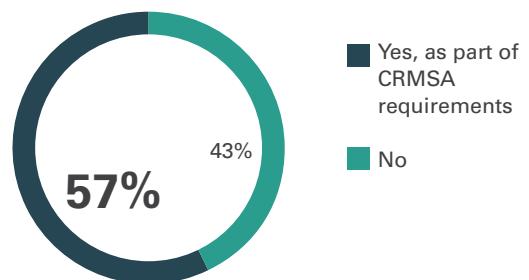
Q: Do you intend to obtain assurance on your TCFD-aligned sustainability report?



Approaches to assurance on TCFD-aligned sustainability reports vary among TOs. 14% plan to obtain assurance on the full report, while 29% intend to do so on specific indicators. Meanwhile, the largest share (57%) reported having no plans for voluntary assurance, suggesting that assurance practices are still developing across the industry.

Climate Risks Stress Testing (CRST)

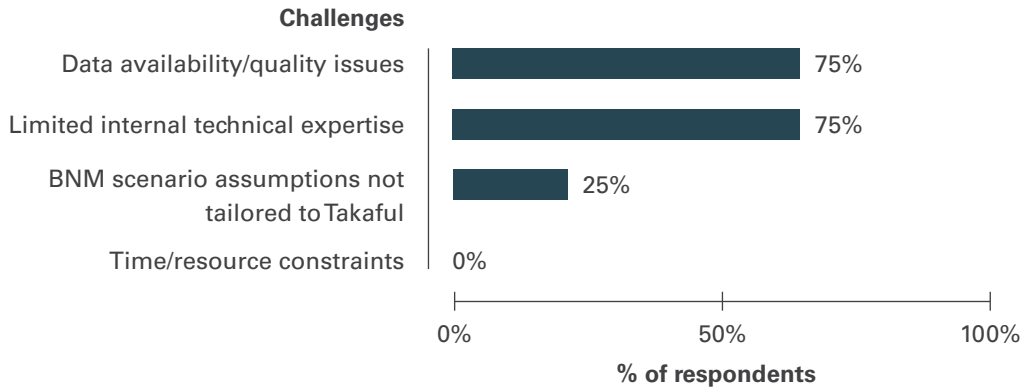
Q: Have you completed any climate risk scenario analysis prior to CRST?



A majority of TOs (57%) reported completing climate risk scenario analysis as part of the CRMSA requirements, while 43% have not undertaken such analysis prior to CRST. This indicates that most organisations already have some experience with scenario analysis, though a portion are still at the starting stage.

INSIGHTS TO THE MALAYSIA TAKAFUL INDUSTRY CURRENT STATE

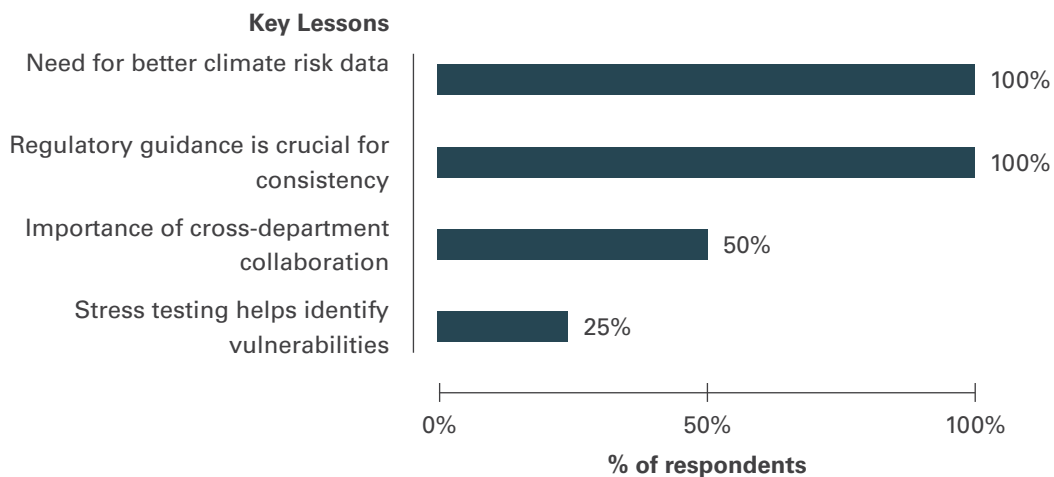
Q: What are the main challenges faced during CRST implementation?



Note: This survey question applies only to TOs in Cohort 1. Results are based on 4 respondents.

The main challenges faced during CRST implementation were data availability or quality issues (75%) and limited internal technical expertise (75%). A smaller share (25%) noted that BNM scenario assumptions were not tailored to Takaful, while time or resource constraints were not reported as a challenge. These results suggest that data readiness and technical capacity are the key barriers for organisations during CRST implementation.

Q: What are the key lessons learned from the CRST exercise?

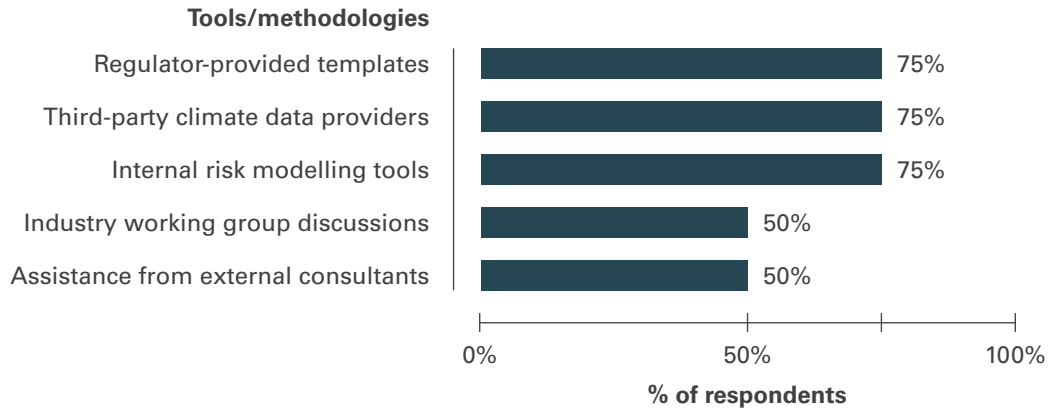


Note: This survey question applies only to TOs in Cohort 1. Results are based on 4 respondents.

TOs highlighted several key lessons learned from CRST. All respondents (100%) noted the need for better climate risk data and importance of regulatory guidance and. Half (50%) emphasised the importance of cross-department collaboration, while a smaller share (25%) observed that stress testing helps identify vulnerabilities. These insights underscore the critical role of robust data, clear guidance, and collaboration in effective climate risk management.

INSIGHTS TO THE MALAYSIA TAKAFUL INDUSTRY CURRENT STATE

Q: What were the most useful tools/methodologies during the CRST exercise?



Note: This survey question applies only to TOs in Cohort 1. Results are based on 4 respondents.

TOs found several tools and methodologies particularly useful during the CRST exercise. Regulator-provided templates (75%), third-party climate data providers (75%), and internal risk modelling tools (75%) were most commonly cited. Additionally, industry working group discussions (50%) and assistance from external consultants (50%) were also valued. These responses suggest that a combination of regulatory guidance, internal capabilities, and external support contributed to effective CRST implementation.

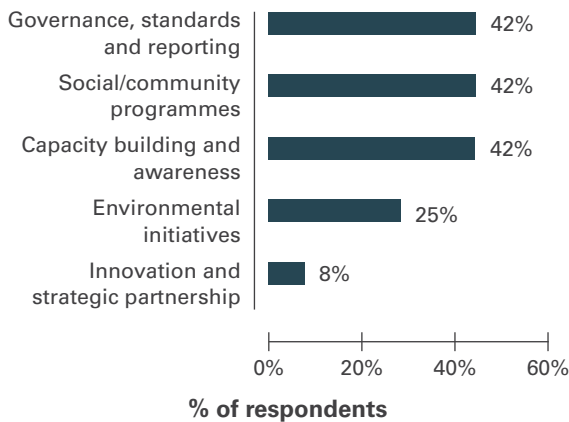
Note: Online survey period was from 21 August 2025 to 17 September 2025. The total survey respondents were 18, with the following TOs not providing a response: Munich Re, Zurich Takaful Malaysia Berhad

Future Sustainability Initiatives

The results below provide an overview of how TOs are engaging in sustainability initiatives. The first chart highlights the proportion of operators involved in each theme, while the second chart illustrates the number of initiatives reported.



Adoption of Sustainability Themes Across TOs



Note: Based on responses from 16 out of 18 respondents.

TOs have adopted sustainability themes to varying degrees. Governance, standards, and reporting, social/community programmes, and capacity building and awareness lead the adoption at 42%, followed by environmental initiatives (25%) and innovation and strategic partnership (8%). This indicates that TOs are placing a stronger focus on developing foundational structures and internal capabilities, while innovation and strategic partnership have relatively lower adoption.

Number of Initiatives Reported by Theme



Note: Based on responses from 16 out of 18 respondents.

TOs reported the highest number of initiatives under governance, standards, and reporting (11), followed by capacity building and awareness (10), social/community programmes (9), and environmental initiatives (5). Innovation and strategic partnership were minimal, with only 3 reported, highlighting the need for greater focus in this area.

INSIGHTS TO THE MALAYSIA TAKAFUL INDUSTRY CURRENT STATE

The table below sets out TO's specific initiatives, including their key timelines and measurable targets where available. These forward-looking commitments demonstrate how operators are aligning their strategies with the FSB agenda and VBIT thrusts, providing clearer visibility on progress and accountability moving forward.

TOs	Initiatives	Timelines/Milestones	Measurable Targets
GETB	ISSB Internal Training	Q1 2026	Number of employees trained
MNRB, Takaful Ikhlas	Sustainability Strategy Workshop	31 March 2026	1. Refined Group Sustainability Roadmap 2. Development of entity specific Roadmaps
	Sustainability 101 Phase B	31 December 2026	80–90% employee participation in e-learning by 31 December 2025
SLMTB	ISSB- IFRS S1 & S2: Board & Management Training	Q4 2025	Board oversight/governance
	Sustainability Staff Engagement Programme	2025	>90% on sustainability awareness score
Takaful Malaysia	Enhance understanding of the NSRF and latest Bursa listing requirements	25 August 2025	Number of employees trained Board oversight/governance
PruBSN	Financial literacy program for students	December 2025	1,000 students in 2025
	Annual refresher Sustainability 101 training for all staff	December 2025	Achieve a 90% completion rate for 2025
	Inclusion of Sustainability KPIs for all people managers from 2025 and onwards	Completed for 2025	100% completion for 2025
	Incorporate sustainability related materials into agent's trainings	Completed for 2025	Successfully rolled out in 2025
	ISSB - IFRS S1 & S2 Board & Management Training	Completed for 2025	Not specified
	Organize Climate Simulation Game Workshops for staff	Completed for 2025	Not specified

INSIGHTS TO THE MALAYSIA TAKAFUL INDUSTRY CURRENT STATE

	TOs	Initiatives	Timelines/Milestones	Measurable Targets
Capacity Building and Awareness	HLMT	Incorporate sustainability or VBIT related items into staff and agent’s training materials	December 2025	VBIT or Sustainability items are available in the training materials.
		Training programs related to VBIT and Sustainability fundamentals for staff and agency force	Annually	100% for all staff 30% attendance rate from total agency force
		Incorporate sustainability awareness session during HLMT Team Building session	February 2025	100% participation rate for attendees.
Governance, Standards, and Reporting	AMLTB	Climate Risk Disclosure	September 2025	Not specified
		CRST	December 2025	Not specified
	FWDTB	Climate Action Plan – ESG considerations in investment decisions	Ongoing	Not specified
	Takaful Malaysia	Appointment of Consultant: ISSB Implementation	Q3 2025 – Q2 2026	Maintain full compliance with NSRF requirements across all reporting periods.
		Calculation of GHG Emissions (Scope 1, 2, and 3)	31 December 2025	Maintain full compliance with all required sustainability standards and frameworks.
		Subscription to Sustainability Rating Analyser (AI Tool)	End 2025: Feedback from FTSE4Good. 2026: Enhanced assessment and guidance.	Not specified
		Ongoing Collaboration with External Party on Flood Modelling	31 December 2025	Not specified
	MLRE	Completion of BNM CRST exercise	31 December 2025	Not specified
		Gap Analysis on IFRS S1 and S2 Requirements	31 December 2025	Not specified
	Etiqa	CRST and Calculation of GHG Emissions (Scope 3)	31 December 2025	Not specified

INSIGHTS TO THE MALAYSIA TAKAFUL INDUSTRY CURRENT STATE

	TOs	Initiatives	Timelines/Milestones	Measurable Targets
Governance, Standards, and Reporting	PruBSN	Publication of climate risk disclosures report aligned with TCFD	Published 2024 TCFD report in June 2025	Publication of 2024 TCFD report together with the 2024 Financial Statements
		Track and enhance climate-related risk metrics, limits and thresholds to monitor Risk Appetite	Implemented for 2025	Not specified
		Completion of BNM CRST exercise	December 2025	Submission of 2024 CRST exercise results to BNM by 31 December 2025
		Monitor carbon footprint reduction by tracking and baselining the Scope 1 and Scope 2 emissions	On-going	Not specified
	HLMT	CRST and Calculation of GHG Emissions (Scope 1, 2, and 3)	December 2025	Not specified
Social/Community Programmes	GETB	Upcycling Project	Ongoing	1. Training hours of employees and community. 2. Weight of plastic materials processed.
	Takaful Malaysia	Corporate Social Responsibility (CSR) Initiatives	Ongoing	100% distribution of the corporate zakat fund to deserving parties within the current financial year
	PruBSN	Launch of blended social and sustainable Takaful products	Ongoing	Not specified
		Expansion of Microtakaful Jariah Recipients	December 2025	42,300 recipients in 2025
		Community Resilience Building through CSR Social Funding	December 2025	Not specified
	AMLTB	Corporate Social Responsibility (CSR) Initiatives	Ongoing	Not specified
	FWDTB	JA SparktheDream	Ongoing	Not specified
		10x Inspirasiku	Ongoing	Not specified
		Fun(d) For Life	Ongoing	Not specified
	MLRE	CSR activities – Blood donation and Tree planting	31 December 2025	Not specified

INSIGHTS TO THE MALAYSIA TAKAFUL INDUSTRY CURRENT STATE

	TOs	Initiatives	Timelines/Milestones	Measurable Targets
Environmental Initiatives	HLMT	Corporate Social Responsibility (CSR) Initiatives such as charity and engagement activities at Pusat Jagaan Al Fikrah and flood donation	Not specified	Not specified
	GETB	GET-Recycle Project	Ongoing	Amount (in kgs) of recyclable waste collected
	Takaful Malaysia	Sustainable Office & Energy Efficiency	Ongoing	Not specified
		Resource Efficiency & Waste Reduction	Ongoing	Not specified
		Sustainable Commuting	Ongoing	Not specified
		Green Product & Innovation	Ongoing	Not specified
	HLMT	Nature exploration and conservation activities	November 2025	Not specified
		Save energy campaign	December 2025	Not specified
	PruBSN	Scope 3 Emissions Data Collection - Business Travel, Agent and Staff Commute	December 2025	Not specified
		Commitment to paperless, sustainable and technology enabled operation processes	On-going	Not specified
Sustainable Finance and Investment	PruBSN	No new investments in businesses deriving more than 30% of revenue from coal	On-going	No new investment in coal related securities from Non-Linked Funds
		Engagement with sukuk issuers responsible for 65% of the portfolio's carbon emissions, particularly those without defined transition plans	December 2025	Engagement with 6 sukuk issuers in 2025
		Increase the Sustainable and Responsible Investment (SRI) Sukuk holdings for non-linked funds	December 2025	Increase the holdings by 20% in 2025 compared to holdings at the end of 2024

Note: Online survey period was from 21 August 2025 to 17 September 2025. Results are based on 12 out of 14 respondents.

INSIGHTS TO THE MALAYSIA TAKAFUL INDUSTRY CURRENT STATE

	TOs	Initiatives	Timelines/Milestones	Measurable Targets
Innovation and strategic partnership	PruBSN	Implement auto fraud, waste and abuse (FWA) and non-covered items (NCI) detections through digital innovation e.g., rule engines and gen AI	December 2025	Not specified
		Customer base expansion through strategic partnerships and optimised healthcare networks	On-going	Not specified
		Collaborations with partners to expand accessibility of microtakaful	On-going	Not specified





“Ihsan Rider bantu pelanggan saya membuat **SEDEKAH PASIF**, saham akhirat yang berterusan. Saya pun tumpang pahala yang berterusan.”

Ahmad Munir Bin Talib
Perunding Takaful PruBSN

SERENDAH RM5 SEBULAN!



INSIGHTS TO THE MALAYSIA TAKAFUL INDUSTRY CURRENT STATE

MTA Sustainability Initiative 2023-2025

2023

CRMSA Webinar Series aimed to expose Takaful and insurance industry players to Climate Risk Management and Scenario Analysis (CRMSA) in line with Bank Negara Malaysia's policy requirements. Conducted via Zoom, the series covered governance, risk management, risk appetite, and disclosure, attracting a total of **963 participants**.

June–October

Climate Resilience Conference was held at Khazanah Auditorium, Asia School of Business, with the objective of equipping industry players with practical knowledge to implement CRMSA. The conference gathered **190 participants** and featured expert discussions on integrating climate risk into corporate governance and resilience strategies.

23 November

CRMSA Masterclass aimed to develop participants' skills in CRMSA reporting, including data analysis, interpretation, and decision-making. Held at the same venue, the session involved **70 participants** and provided hands-on learning and industry best practices.

23 November



2024

Cyber Resilience Takaful Training was conducted at Marsh Takaful Broker office to equip members with knowledge and confidence in promoting and selling cyber-related products. The training involved **30 participants** from marketing and bancatakaful teams.

14 February

CRMSA Masterclass Reporting 2.0 served as a continuation of the earlier masterclass, focusing on advanced reporting practices for General and Family Takaful. Held at AICB Building, the programme involved **80 participants**.

29–30 April

Electric Vehicle Training (2024) focused on equipping participants with knowledge and safety skills in handling hybrid and electric vehicles, including hazard identification and PPE usage. The training was conducted at Motordata Research Consortium Training Centre, involving participants from claims and marketing teams.

12 September

Solar Energy Training aimed to raise awareness on risks and insurance challenges related to solar energy, while providing insights into available solutions. Held at Malaysian Re training room, the session was attended by **35 participants** from underwriting and sales.

24 October

Takaful4All Sustainability Day aimed to promote environmental awareness and sustainable lifestyles among the public, especially the younger generation. Held at Taman Tugu Nursery, the event attracted **300+ participants** through interactive and health-focused activities.

15 December



INSIGHTS TO THE MALAYSIA TAKAFUL INDUSTRY CURRENT STATE

2025

GHG Emissions Workshop was conducted at Lanai Kijang, Kuala Lumpur, to enhance understanding of greenhouse gas emissions (Scope 1, 2, and 3), including measurement and management practices. The workshop involved **30 participants** from the industry.

ISSB IFRS S1 & S2 Webinar & Masterclass aimed to strengthen understanding of international sustainability disclosure standards and reporting practices. The webinar attracted **1,565 viewers**, while the masterclass involved **64 participants**, providing both theoretical and hands-on learning.

Ghost Net & Beach Clean-Up Project aimed to protect marine biodiversity and promote environmental responsibility by removing waste from both sea and shoreline areas. The initiative involved **80+ volunteers**, successfully removing **328kg of ghost nets** and **125kg of coastal waste**.



19 March



20 May



June-July



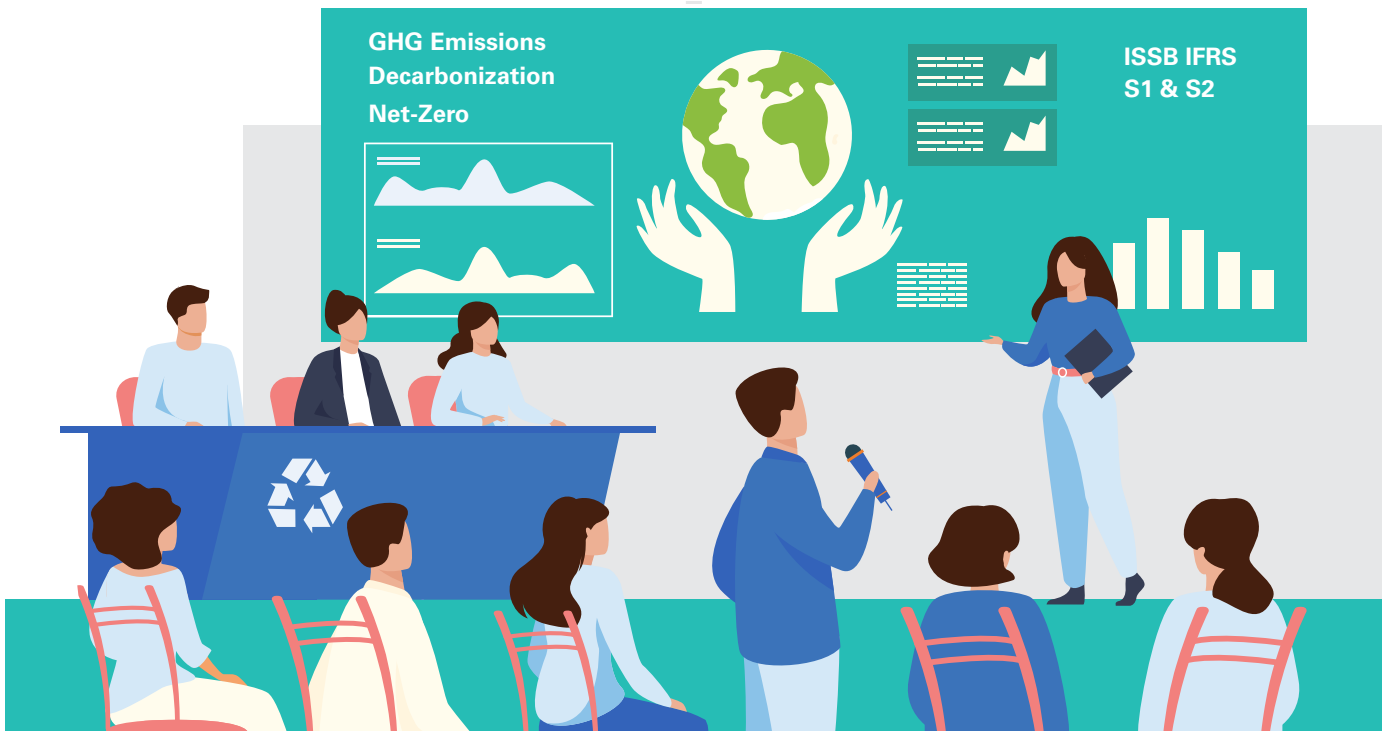
30 June-30 July



19 July

Carbon Accounting & Decarbonization Workshop aimed to provide insights into emissions reduction strategies, net-zero roadmaps, and transition planning. Hosted with Deloitte, the session involved **48 participants** from Takaful and insurance sectors.

Photo Exhibition: "Echoes of the Deep: Pulau Sembilan Reborn" aimed to raise public awareness on marine conservation through underwater photography showcasing ecosystem restoration. The exhibition was open to the public and highlighted sustainability efforts.



4.4 CHALLENGES, PROPOSED SOLUTIONS AND BEST PRACTICES

Sustainability Reporting Challenges

Based on the survey responses, the top five sustainability reporting challenges are data quality or availability, resource constraints, insufficient internal expertise, cost of implementation, and time constraints. These challenges highlight both capacity and data gaps, with TOs facing difficulties in allocating sufficient resources, ensuring data accuracy, and building the necessary expertise to meet reporting requirements effectively.



Overall Ranking – Sustainability Reporting Challenges

Challenge	Ranking
Data quality or availability	1
Resource constraints	2
Insufficient internal expertise	3
Cost of implementation	4
Time constraints	5
Challenges in quantifying financial impact of climate risks	6
Balancing financial performance and ESG	7
Integration with financial reporting	8
Ambiguity of the standards requirements	9
Coordination across teams or departments (e.g. risk, sustainability, finance, operations)	10
Limited guidance on scenario analysis	11
Lack of suitable system	12
System limitations	13

Note: Online survey period was from 21 August 2025 to 17 September 2025. The total survey respondents were 18.

CHALLENGES, PROPOSED SOLUTIONS AND BEST PRACTICES

Proposed Solutions

The Sustainability Survey gathered industry feedback on readiness and challenges in adopting IFRS S1 and S2, along with progress on the CRMSA policy and the CRST. Responses highlighted key technical and organisational gaps across the Takaful industry, providing a clear direction for targeted improvements.

Based on these findings, a set of actionable solutions has been developed to support TOs in strengthening their sustainability capabilities. These solutions are organised around eight key challenge areas identified through the survey with detailed recommendations outlined as follows:



To address the current gaps and mitigate the challenges of meeting sustainability reporting requirements, TOs may consider the following proposed solutions:

Key Challenge Areas

Current Gaps

Sustainability Risk Identification

TOs face both technical and conceptual barriers in embedding sustainability risk management, with difficulties in quantifying risks, understanding non-financial risks, and accounting for emerging risks like climate change.

Proposed Solutions

1. Develop standardised risk assessment frameworks tailored to sustainability.
2. Conduct training and capacity-building workshops on sustainability risk concepts.
3. Use scenario analysis and stress testing to model emerging risks.

CHALLENGES, PROPOSED SOLUTIONS AND BEST PRACTICES

Key Challenge Areas**Current Gaps****Stakeholder Engagements**

Engagement with relevant stakeholders in IFRS S1 and S2 implementation is generally moderate to low, indicating a need to strengthen collaboration and involvement across the organisation.

Proposed Solutions

1. Establish formal stakeholder engagement plans aligned with IFRS S1 & S2.
2. Conduct regular consultations and feedback sessions with internal and external stakeholders.
3. Use digital platforms to facilitate transparent and inclusive communication.
4. Assign dedicated sustainability champions or teams to lead engagement efforts.

Key Challenge Areas**Current Gaps****Data Identification**

TOs are still in the early stages of identifying key data required for IFRS S1 and S2, with most actively assessing data needs but none having fully completed the process.

Proposed Solutions

1. Create a data inventory mapping exercise to identify required data points.
2. Use IFRS S1 & S2 guidelines and industry-based guidance to define key metrics and indicators.
3. Collaborate with industry peers to benchmark data needs - utilise platforms like JC3 and MTA.
4. Engage consultants or data specialists to accelerate identification.

Key Challenge Areas**Current Gaps****Data Collation**

Data accessibility, quality, and system integration are major challenges, with issues such as limited availability, reliance on multiple sources, and difficulties integrating data with existing operations.

Proposed Solutions

1. Implement centralised data management platforms.
2. Develop internal data governance policies to ensure quality and reliability.
3. Reduce reliance on external data by building internal capabilities - think of the use of ESG tools to collate and automate certain processes such as collation of electricity bills

Key Challenge Areas**Current Gaps****Policies and Processes**

Many TOs are at an early stage of formalising governance structures for IFRS S1 and S2, with most lacking established policies and processes to guide sustainability reporting.

Proposed Solutions

1. Draft and implement sustainability governance policies aligned with IFRS S1 & S2.
2. Establish cross-functional committees to oversee sustainability reporting.
3. Embed sustainability into existing corporate governance frameworks.
4. Use policy templates and best practices from leading organisations.

CHALLENGES, PROPOSED SOLUTIONS AND BEST PRACTICES

Key Challenge Areas

Current Gaps

Data and Systems

Adoption of system solutions for data collection, analysis, and reporting is limited, with many TOs still relying on manual processes or in the process of implementing digital tools.

Proposed Solutions

1. Invest in digital tools for sustainability data collection and reporting.
2. Automate data workflows to reduce manual errors.
3. Pilot sustainability software solutions before full-scale implementation.
4. Train staff on using digital systems effectively.

Key Challenge Areas

Current Gaps

Data and Cost

Key barriers include inconsistent data standards, high implementation costs, and lack of integration with existing systems, indicating technology remains a critical hurdle for compliance.

Proposed Solutions

1. Advocate for industry-wide standardisation of sustainability metrics.
2. Explore cost-sharing models or grants for system implementation.
3. Choose scalable and modular systems that integrate easily.
4. Conduct cost-benefit analysis to justify investments.

Key Challenge Areas

Current Gaps

Scenario Analysis

Scenario analysis and disclosure are the most challenging pillars for CRMSA, highlighting the difficulty of implementing technical and forward-looking aspects of climate risk management.

Proposed Solutions

1. Partner with academic institutions or consultants for technical expertise.
2. Build internal capabilities through training on scenario modelling.
3. Start with simplified scenarios and gradually increase complexity.
4. Leverage off the CRST exercise as a starting point for scenario analysis and gradually tailor it to the organisation.



“

Amplifying growth through collaborative partnership is central to how we move forward. With deep insight into the Malaysian landscape and access to global expertise, we work with the Takaful industry to shape solutions that support a sustainable and resilient Islamic financial ecosystem.”

CHALLENGES, PROPOSED SOLUTIONS AND BEST PRACTICES

ESG Best Practices

For TOs and FIs in Malaysia, embedding ESG into business practices is critical, especially with IFRS S1 and S2 reporting requirements. Organisations that adopt ESG systematically, through leadership, early planning, technology, collaboration, and strong controls, are better placed to meet regulations, build resilience, and deliver stakeholder impact. Key areas include:

**Driving Culture from The Top with Islamic Ethical Leadership**

Leadership rooted in Amanah (trust), Adl (justice), and Ihsan (excellence) sets the tone for ESG adoption. Embedding Maqasid Shariah into governance, reinforced by incentives, training, and performance reviews, promotes ethical conduct, transparency, and stakeholder trust.

**Start Early**

Long-term planning and early adoption help address capability gaps, align ESG with business strategy, and prepare for IFRS S1 and S2, comparable in complexity to new accounting standards.

**Automating ESG Processes**

Automation streamlines data collection, tracking, and reporting, improving accuracy and freeing up resources. Tools and analytics enhance insights and ensure readiness for disclosure requirements.

**Cross-Departmental Collaboration**

A dedicated ESG task force with representatives from finance, compliance, operations, and HR drives shared ownership, accountability, and innovation across the organisation.

**Embedding Processes and Controls**

Robust policies, SOPs, audits, and risk frameworks institutionalise ESG into daily operations. Dashboards and KPIs reinforce data quality, transparency, and accountability.

Joint Committee on Climate Change (JC3)

The Joint Committee on Climate Change (JC3) plays a central role in shaping Malaysia's financial sector response to climate change. Specifically, as a regulator-industry platform co-chaired by BNM and the SC. It represents an industry level effort that aligns to ST4 under the FSB 2022 - 2026 to ensure that the transition to a low-carbon economy is both strategic and inclusive by:

Building capacity through sharing of knowledge, expertise and best practices in assessing and managing climate-related risks

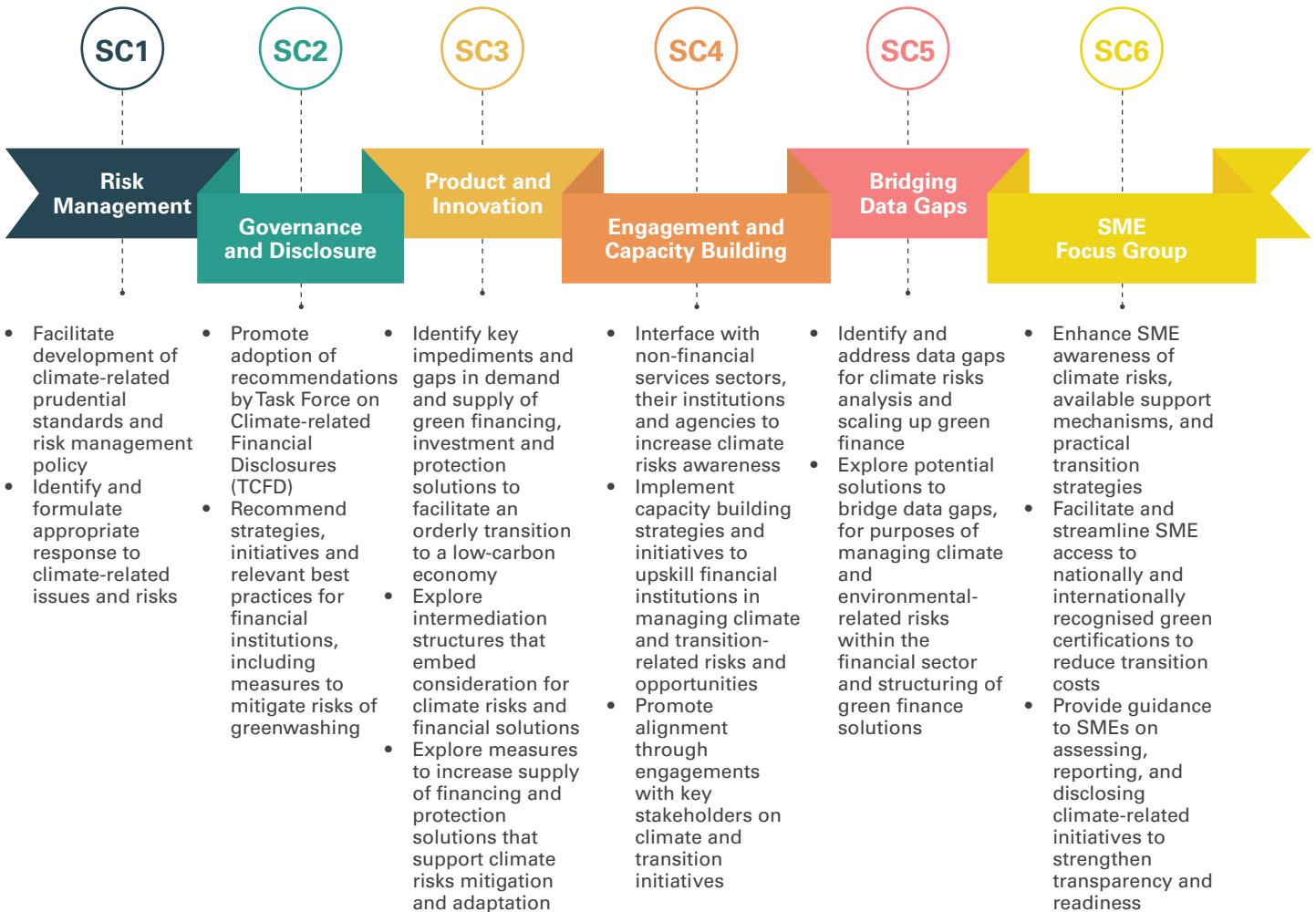
Identifying issues, challenges and priorities facing the financial sector in managing the transition towards a low-carbon economy

Facilitating collaboration between stakeholders in advancing coordinated solutions to address arising issues and challenges

Supporting the financial sector's integration of identified solutions to address climate change or climate-related risks in their business operations.

CHALLENGES, PROPOSED SOLUTIONS AND BEST PRACTICES

For TOs and FIs in Malaysia, JC3 represents an opportunity to collaborate between other stakeholders in advancing coordinated solutions to address arising issues and challenges through participation in the following sub-committees:



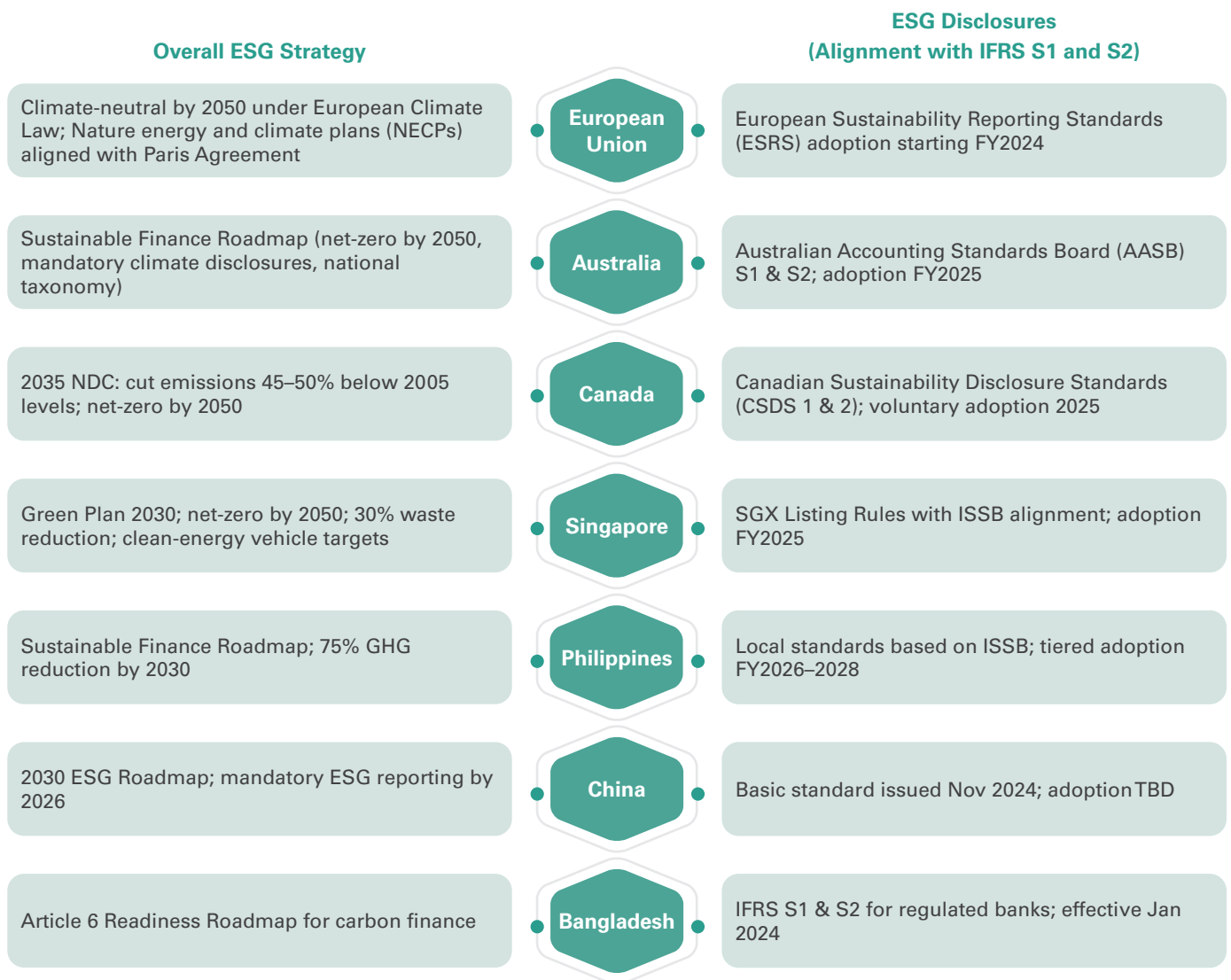
TO participation in JC3

TOs	Initiatives
APTB	Co-chaired BNM's Physical Risk Working Group under the Joint Committee on Climate Change (JC3) Risk Management Sub-Committee, served as a member of JC3's Governance & Disclosure and Bridging Data Gaps Sub-committees.
GETB	Participates in BNM's CCPT Implementation Group and JC3.
MNRB & TAKAFUL IKHLAS	Active participation in JC3 and leadership of the ASEAN Renewable Energy Pool (AREP) to advance regional resilience.
ZTMB	<ol style="list-style-type: none"> Representation in the JC3 committee Active participation in the following sub-committees: <ol style="list-style-type: none"> SC1 - Risk Management, member of the CCPT Implementation Workgroup, Co-Chair of Transition Workgroup supporting CRMSA and CRST capacity building for FIs. SME Focus Group supporting the SFG 2025 conference - Building Climate Resilience: Practical Actions for SMEs and collaboration with Alliance Bank in the launching of ESG 2.0 report for SMEs.

4.5 THE GLOBAL OUTLOOK AND THE FUTURE OF SUSTAINABILITY IN THE TAKAFUL INDUSTRY

The global financial and regulatory landscape is rapidly evolving in response to climate change, biodiversity loss, and social inequality. Countries worldwide are implementing national ESG strategies, Paris Agreement-aligned roadmaps, and sustainability disclosure frameworks. Key developments include the adoption of IFRS S1 and S2, with IFRS S3 and S4 on the horizon, alongside nature-focused frameworks such as the Taskforce on Nature-related Financial Disclosures (TNFD). These shifts extend beyond regulatory compliance; they signal a broader transformation in how financial institutions, including TOs, create long-term value for society and the environment.

Global Outlook: Key Developments by Country



Sources:

- 2050 long-term strategy, December 2018, EU Directorate-General for Climate Action
- Adoption of IFRS Sustainability Disclosure Standards by jurisdiction, December 2024, Deloitte
- Sustainable Finance Roadmap, June 2024, Treasury (AU)
- Australia responds to stakeholder feedback and aligns sustainability reporting standards with IFRS S1 and IFRS S2, Oct 2024, Deloitte
- Cutting pollution and building a strong economy for the future: Canada’s 2035 commitment under the Paris Agreement, February 2025, Government of Canada
- Jurisdictional Snapshot: Canada, August 2025, IFRS Foundation
- Singapore Green Plan 2030, February 2021, Government of Singapore
- Jurisdictional Snapshot: Singapore, June 2025, IFRS Foundation
- The Philippine Sustainable Finance Roadmap, October 2021, Department of Finance, Republic of The Philippines
- Proposed Roadmap for the Adoption of the IFRS Sustainability Disclosure Standards – IFRS S1, September 2024, Philippine Sustainability Reporting Committee
- Jurisdictional Snapshot: Philippines, June 2025, IFRS Foundation
- China Advances 2030 ESG Roadmap with Public Consultation on Draft Climate Disclosure Standard, May 2025, Compliance & Risks
- Jurisdictional Snapshot: People’s Republic of China, June 2025, IFRS Foundation
- Article 6 Readiness Roadmap for Bangladesh, January 2025, Department of Environment, Bangladesh
- Jurisdictional Profile: Bangladesh, June 2025, IFRS Foundation

THE GLOBAL OUTLOOK AND THE FUTURE OF SUSTAINABILITY IN THE TAKAFUL INDUSTRY

Key Takeaways



Unified Goal

Most countries target net-zero emissions by 2050, in line with the Paris Agreement.



ESG Integration

ESG considerations are becoming mandatory, embedded into policy, regulation, and corporate governance.



Global Coordination

Harmonized sustainability frameworks enable cross-border investments and enhance accountability.

UNEP FI PSI Framework

In line with a global perspective on sustainability, the VBIT advances green finance in Malaysia through benchmarking Takaful practices against globally recognised sustainability standards, including the UN SDGs and the United Nations Environment Programme Finance Initiative Principles for Sustainable Insurance (UNEP PSI). This approach enhances environmental and social impact of the Takaful industry, fostering financial inclusion, resilience, and responsible stewardship.

The UNEP PSI serves as a global framework aimed at integrating sustainability into the insurance sector. Endorsed by the UN Secretary General and launched in 2012, the PSI are based on the insurance industry's core business to understand, manage and carry risk.

The four key principles of the PSI are:

Principle 1

We will embed in our decision-making environmental, social, and governance issues relevant to our insurance business.

Principle 2

We will work together with our clients and business partners to raise awareness of environmental, social, and governance issues, and to help them manage risk.

Principle 3

We will work with governments, regulators, and other key stakeholders to promote widespread action across society on environmental, social, and governance issues.

Principle 4

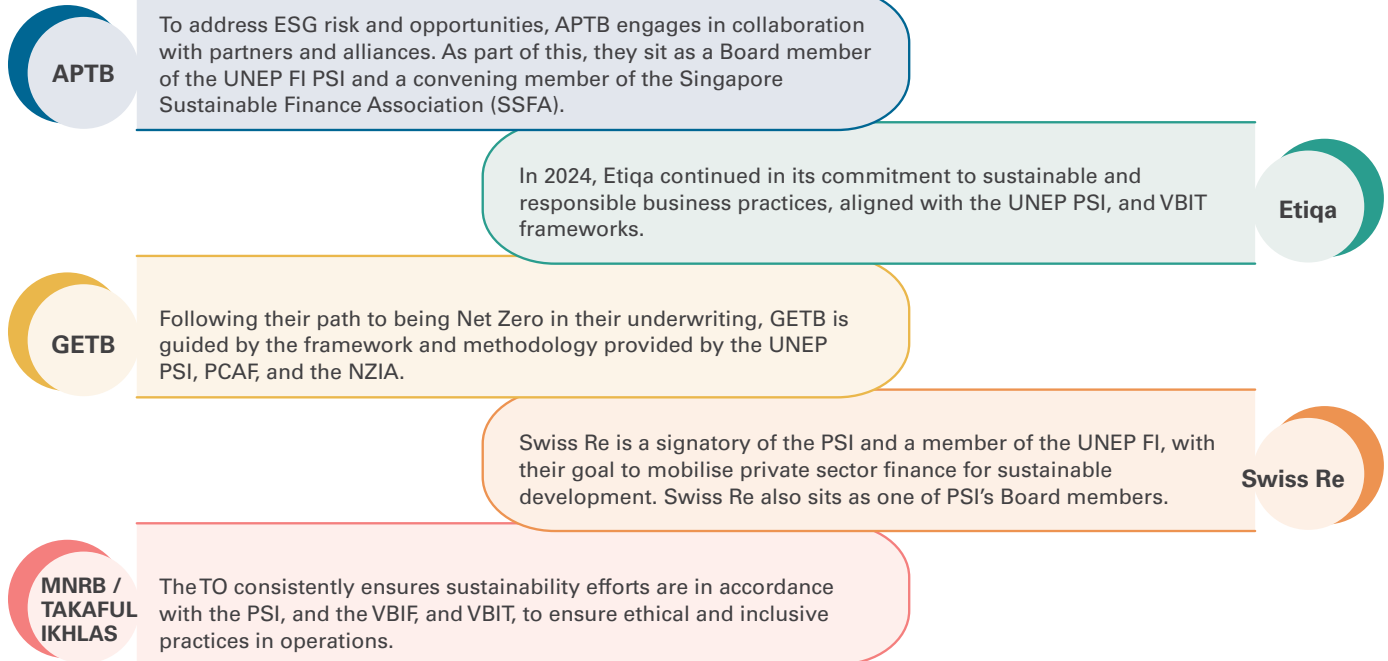
We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the principles.

The PSI aims to promote sustainable development through the insurance sector by encouraging insurers to understand and manage the risks and opportunities associated with ESG factors, ultimately contributing to a more sustainable economy and society. This commitment has led to Malaysian TOs to independently adopt these principles as they strive to elevate the industry's standards and build a more sustainable world.

Source: United Nations Environment Programme Finance Initiative Principles for Sustainable Insurance, UNEP, 2012

THE GLOBAL OUTLOOK AND THE FUTURE OF SUSTAINABILITY IN THE TAKAFUL INDUSTRY

PSI driven TO initiatives



Emerging Developments and Implications for Takaful

Malaysia is recognised as a regional leader in ESG integration within ASEAN, and the Takaful industry is poised to follow global trends. Looking ahead, new ESG standards and frameworks will shape how Takaful operators manage risks, design products, and create social and environmental impact.

a) TNFD – Nature-Related Financial Disclosures

- **Purpose:** Provides a framework for assessing, managing, and disclosing nature-related risks and opportunities, similar to TCFD for climate.
- **Focus Areas:** Dependencies and impacts on ecosystems and biodiversity.
- **Structure:** Governance, Strategy, Risk & Impact Management, Metrics & Targets.
- **LEAP Approach:** Locate, Evaluate, Assess, Prepare; over 500 organisations committed to voluntary adoption.
- **Implications for Takaful:** Encourages operators to integrate nature-positive underwriting and investment strategies, aligned with Islamic stewardship principles (khalifah).

b) IFRS S3 and S4 – Expanding Sustainability Disclosure

- **IFRS S3:** Focused on biodiversity, ecosystems, and ecosystem services; builds on TNFD principles.
- **IFRS S4:** Focused on human capital, workforce practices, and community impact.
- **Status:** Under research (2024–2026 ISSB work plan); will complement IFRS S1 (general sustainability) and S2 (climate).
- **Implications for Takaful:**
 - Nature-related risk integration: Evaluate exposure in sectors like agriculture, property, and rural communities.
 - Social impact reporting: Disclose workforce metrics, promote inclusive access, and demonstrate social value creation aligned with Maqasid al-Shariah.

Overall Implications for the Takaful Industry

ESG integration creates strategic opportunities for TOs to deliver long-term value and ethical leadership. It supports ESG-linked and socially responsible products, enhances trust through transparent disclosures, and drives improvements in governance, data, and stakeholder engagement. ESG also fosters partnerships with governments, NGOs, and investors, enabling scalable and inclusive protection.

Sustainability is more than compliance; it is a strategic enabler. By aligning with global ESG standards, TOs can advance ethical finance, drive social impact, strengthen resilience, and unlock innovation in a rapidly evolving financial landscape.

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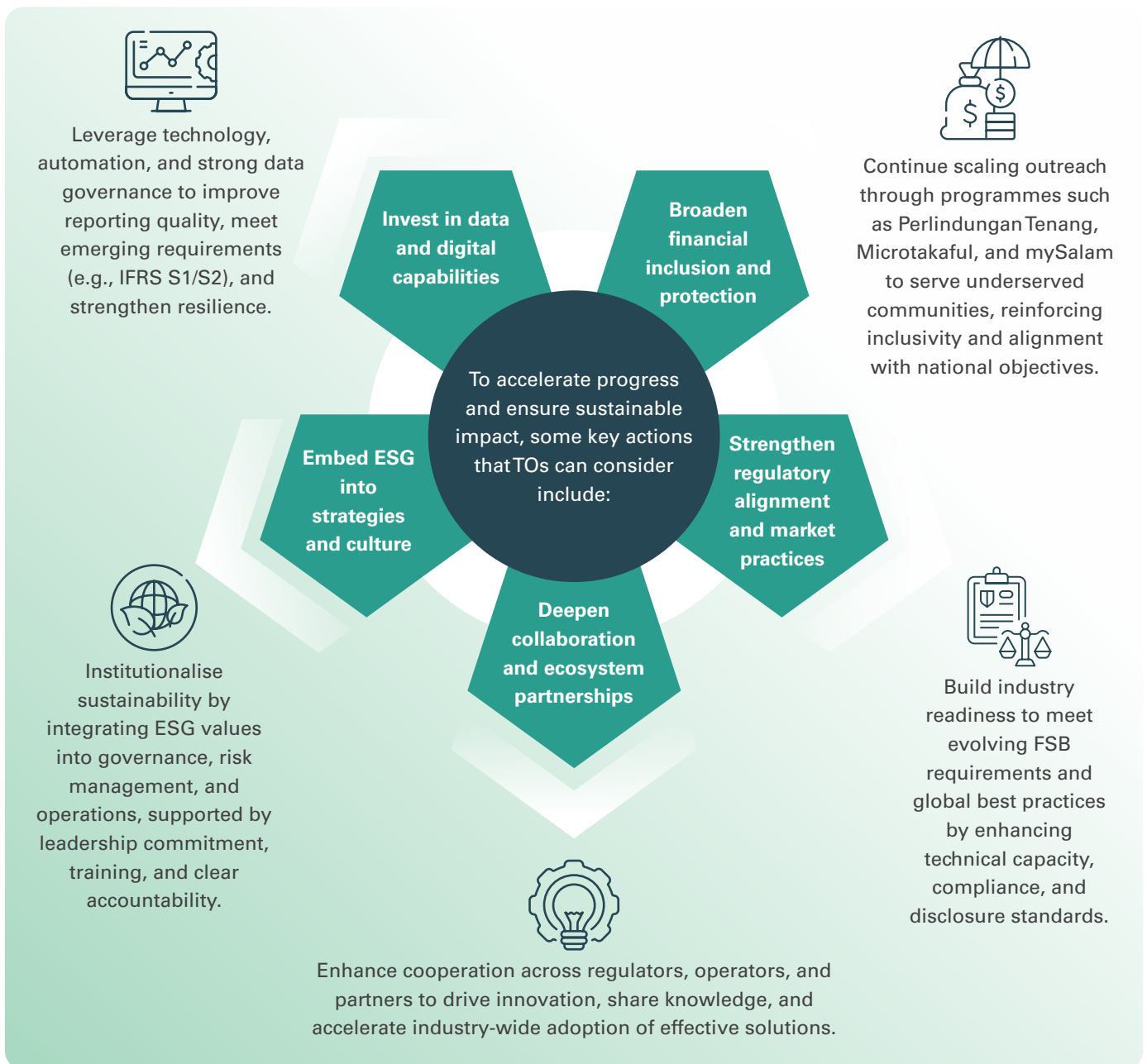
MOVING FORWARD



MOVING FORWARD

The Malaysian Takaful industry has made meaningful progress in advancing the FSB agenda, enhancing financial inclusion, and embedding sustainability into its strategies and operations. From strengthening disclosure practices to aligning with VBIT and MSS, the industry has laid a solid foundation for long-term growth. However, challenges remain in capacity building, regulatory alignment, and meeting global best practices, underscoring the need for continuous innovation and collaboration.

Looking ahead, Hijrah27 will serve as a guiding compass for regulators, operators, and partners in driving sustainable growth and innovation. To accelerate progress and meet the FSB 2026 targets and strategic thrusts, TOs should:



By embracing these actions under Hijrah27, the Malaysian Takaful industry will not only reinforce alignment with the FSB but also establish itself as a leader in building a sustainable, inclusive, and resilient financial ecosystem.

APPRECIATION

We extend our sincere appreciation to **Encik Elmie Aman Najas** for his unwavering leadership and distinguished contributions to the Takaful industry.

Chairman, Malaysian Takaful Association (2021–2023; 2023–2025)
Chairman, Financial Sector Blueprint Steering Committee (2024–2025)
Champion, Working Group 2C (i)

His vision, dedication, and steadfast commitment have strengthened industry collaboration and accelerated the progress of Malaysia's Takaful ecosystem, in line with our shared aspirations under initiatives such as Hijrah27.

We also record our heartfelt gratitude to the former Working Group Champions for their invaluable service to the industry's growth:

- **Encik Wan Saifulrizal Bin Wan Ismail** (Champion, Working Group 2)
- **Encik Salim Majid Zain bin Abdul Majid** (Champion, Working Group 8)
- **Encik Muhammad Fikri Mohamad Rawi** (Champion, Working Group 9)
- **Encik Shahrul Azuan Mohamed** (Champion, Working Group 16)

Their leadership has laid a strong foundation for the continued advancement of Takaful for All.



Mencapai Kejayaan

Inisiatif kelestarian kami

Great Eastern Takaful sentiasa di sisi anda, berdiri teguh dalam melindungi dan membantu masyarakat yang memerlukan. Kami menggalas tanggungjawab sosial korporat dengan mengimbangi aspek ekonomi, sosial dan alam sekitar berpandukan Matlamat Pembangunan Lestari bagi mewujudkan masa depan yang lebih lestari dan sejahtera.

Imbas untuk ketahui lebih lanjut:



**Mencapai
Kejayaan**

f @GreatEasternTakaful

greateastertakaful.com



Together Empowering Lives



Education



Health



Economy



Community



Environment



**IKHLAS
LESTARI**



TAKAFUL IKHLAS FAMILY BERHAD (200201025412) (593075-U)
TAKAFUL IKHLAS GENERAL BERHAD (201701019705) (1233870-A)
(Wholly owned subsidiaries of MNRB Holdings Berhad)



The eligible benefits payable under this Takaful Certificate are protected by PIDM up to limits. Please refer to PIDM's TIPS Brochure or contact Takaful Ikhlas or PIDM (visit www.pidm.gov.my).

www.takaful-ikhlas.com.my

APPENDICES

List of Working Groups

Hijrah27 Steering Committee

1. Mohammad Nizam Yahya, Senior Vice President & Head of Retakaful Division of Malaysian Re Retakaful (**Chairman**)
2. Mohamed Sabri Ramli, CEO of Syarikat Takaful Malaysia Am Berhad
3. Borhanudin Samsudin, CEO of Hong Leong MSIG Takaful Berhad
4. Shahrul Azlan Shahrman, CEO of Great Eastern Takaful Berhad
5. Zafri Ab Halim, CEO of Etiqa Family Takaful Berhad.
6. Mohd Asri Omar, CEO of AIA PUBLIC Takaful Bhd.
7. Azam Yusof, CEO of Sun Life Malaysia Takaful Berhad
8. Shamsul Azman, CEO of Zurich General Takaful Malaysia Berhad
9. Aman Chowla, CEO of FWD Takaful Berhad
10. Wan Ahmad Najib Wan Ahmad Lotfi, President & CEO of Takaful Ikhlas Family Berhad
11. Patrick Cheah Gim Guan, CEO of Malaysian Life Reinsurance Group Berhad
12. Marcel Omar Papp, CEO of Swiss Re Retakaful
13. Nazrul Hisham Abdul Hamid, CEO of AmMetLife Takaful Berhad
14. Nur Fatimah Mustafa, CEO of Zurich Takaful Malaysia Berhad
15. Dato' Rudy Rodzila Che Lamin, President & CEO of Takaful Ikhlas General Berhad
16. Faiezy Hasnan, CEO of Etiqa General Takaful Berhad
17. Nor Azman Zainal, Group CEO of Syarikat Takaful Malaysia Keluarga Berhad

Working Group 1

1. Mohamed Sabri Ramli (Champion)
2. Hazrudin Hassan (Assistant)
3. Linda Azleena Binti Ismail

Working Group 2

1. Borhanudin Samsudin (Champion)
2. Zanariah Zahari
3. Paul Rajan A/L S. Savirimuthu
4. Wan Intan Suhaila Binti Wan Ahmad Ridzuan

Working Group 3

1. Shahrul Azlan Shahrman (Champion)
2. Syuhaib Ithnin (Assistant)
3. Mohd Amin Bin Che Abas
4. Hilmi Darmin
5. Shanker A/L Krishnan

Working Group 4

1. Zafri Ab Halim (Champion)
2. Mohd Aizzuddin Bin Hares (Assistant)
3. Ahmad Shaifuldin Bin Mahamad Sharudi
4. Muhammad Zhafran Bin Mohd Nor
5. Faiz Hafizi Bin Manap
6. Izzati Zawanah Binti Mohamad Izan

Working Group 5

1. Mohd Asri Omar (Champion)
2. Sharizad Ghouse (Assistant)
3. Maheswaran A/L Periasamy
4. Nor Azizah Aziz
5. Nor'aini Binti Mohd Yusof

Working Group 6

1. Azam Yusof (Champion)
2. Mohd Aidil Abdul Aziz (Assistant)
3. Siti Marina Binti Mansor
4. Mohd Amzar Ali

Working Group 7

1. Shamsul Azman (Champion)
2. Sharil Affandy (Assistant)
3. Sheznie Merican
4. Eric Saw Teong Giap
5. Shaza Desouza
6. Aslinda Aminuddin

Working Group 8

1. Aman Chowla (Champion)
2. Alex Siew (Assistant)
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10. Siti Malisa Ab Rahman
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Working Group 5	Nur Amira Jusoh	Executive, TBE & Administration
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Working Group 8	Nur Asyiqin Nordin	Asst. Manager, TBE and Agency Administration
Working Group 9	Nurul Farhanah Mustapa Senior	Manager, Family Takaful Technical
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Working Group 11	Amirul Hafiz Mashairi	Asst. Manager, TBE Administration
Working Group 12	Nur Ain Shafiqah Ibrahim	Executive, Family Takaful Technical
Working Group 13	Hasri Hamidan	Chief Operating Officer
Working Group 14	Nur Farah Izzati Shamsor Azmi	Executive, TBE Administration
Working Group 15	Siti Nor Kamariah Ishak	Senior Manager, Corporate Communications
Working Group 16	Mimi Ezzety Abd Halim	Executive, General Technical
Working Group 17	Ahmad Wajdi Azhari Che Hamid	Executive, Program Management Office

List of Sustainability Regulatory Requirements/Guidelines

Date	Regulators	Regulatory requirements/ guidelines	Link
30 April 2021	BNM CCPT	Climate Change and Principle-based Taxonomy	Climate Change and Principle-based Taxonomy.pdf
26 September 2022	Bursa Malaysia	BURSA MALAYSIA ENHANCES SUSTAINABILITY REPORTING FRAMEWORK WITH NEW CLIMATE CHANGE REPORTING Objective: Aims to raise sustainability practices and disclosures of listed issuer	Bursa Malaysia Enhances Sustainability Reporting Framework With New Climate Change Reporting (26Sept2022).pdf
23 December 2024	Bursa Malaysia	Enhancements to the sustainability reporting requirements in the MAIN Market and ACE Market Listing Requirements in efforts to align with the National Sustainability Reporting Framework	Bursa Announces Changes To Sustainability Reporting For Main Market And ACE Listing MainCircular_ListedIssuers_SRF_GM_Tagging.pdf App_1_Main_LR_Sustainability_Amendments.pdf App_2_MainFAQ_EnhancedSustainabilityAmendments.pdf
30 November 2022	BNM CRMSA	Climate Risk Management and Scenario Analysis	PD_Climate-Risk-Mgmt-Scenario-Analysis-Nov2022.pdf
29 February 2024	BNM CRST	2024 Climate Risk Stress Testing Exercise Methodology Paper	pd_CRST_29Feb2024.pdf
24 September 2024	NSRF (IFRS S1 & IFRS S2)	National Sustainability Reporting Framework	NSRF-document-2409-2024.pdf
17 March 2025	BNM CRMSA	Climate Risk Management and Scenario Analysis	PD_Climate Risk Management Scenario Analysis_17 March 2025.pdf

List of Participants for Trainings

No.	Training Programmes	Participants
2025		
1.	Engaging Contractors'/ Erection All Risks Takaful	EGTB MTA STMAB TIGB Howden Group Holdings Malaysian Reinsurance Berhad (Malaysian Re) Swiss Re
2.	ISSB IFRS Sustainability Webinar: Module 0 – Introduction to Sustainability Reporting	TOs, RTOs, insurers, and banks.
3.	ISSB IFRS Sustainability Disclosure Standards S1 & S2 Masterclass	APTB AMLTB FWDTB GETB HLMT MLRE Malaysian Re PruBSN Sun Life Malaysia TIFB TIGB ZTMB Allianz Malaysia Berhad Bank of China (Malaysia) Berhad Bank Rakyat Berjaya Sampo Insurance Berhad Chubb Insurance Malaysia Berhad Climate Change Response (CCR) Generali Insurance Malaysia Berhad Great Eastern General Insurance (Malaysia) Berhad Hannover Re Labuan Re LIAM Manulife Insurance Berhad (MIB) MNRB Holdings Berhad Pacific Orient PIAM (Persatuan Insurans Am Malaysia) Prudential Assurance Malaysia Berhad (PAMB) United Overseas Bank (Malaysia) Berhad
4.	Large and Specialized Risk (LSR) Insight Workshop	EGTB Malaysian Re MNRB & TAKAFUL IKHLAS STMAB ZTMB
5.	Navigating D&O Takaful: Insights on Coverage, Extensions, and Claims	EGTB Malaysian Reinsurance ReTakaful Division (MRRD) MTA STMAB TIGB ZTMB
6.	Workshop: Cyber Resilient Takaful	EGTB MTA STMAB TIGB ZTMB

No.	Training Programmes	Participants	
2025			
7.	Workshop: GHG 2.0 – Carbon Accounting	EFTB GETB HLMT MLRE Malaysian Re MNRB Holdings Berhad PruBSN STMKB TIGB Takaful Malaysia ZTMB	AmMetLife (AML) Berjaya Sampo Generali Life Insurance Malaysia Berhad Hannover Re Lonpac Insurance Berhad MIB MSIG Insurance Pacific & Orient Insurance Co. Berhad Progressive Insurance Berhad PAMB
8.	Workshop: GHG Calculation 1.0 – Scope 1, 2 & 3	APTB AMLTB GETB HLMT MNRB Holdings Berhad STMAB STMKB TIFB TIGB	AIA Bhd. AML Berjaya Sampo Insurance Berhad Malaysian Life Reinsurance Group Berhad MIB MSIG Insurance (Malaysia) Berhad
2024			
1.	CRMSA Reporting 2.0: Climate Risks Stress Testing – Navigating Regulations and Disclosure in 2024 and Beyond	APTB AMLTB FWDTB Malaysian Re PruBSN Sun Life Malaysia TIGB AIA Bhd. AML Chubb Insurance Malaysia Berhad FWD Insurance Generali Insurance Malaysia Berhad GELM Hong Long Assurance Berhad (HLA) HLAB LIAM	Liberty General Insurance Berhad Lonpac Insurance Berhad MIB Pacific & Orient Insurance Co. Berhad Progressive Insurance Berhad PAMB QBE Insurance (Malaysia) Berhad The Pacific Insurance Berhad Tokio Marine Insurans (Malaysia) Berhad Tune Insurance Malaysia Berhad Zurich Life Insurance Malaysia Berhad
2.	Solar Energy Training	General TOs (from underwriting, claims, broking departments).	

No.	Training Programmes	Participants	
2024			
3.	Electric Vehicle Training	General TOs (from underwriting and claims departments).	
4.	VBIT Conference: Transcending Boundaries – Takaful for Sustainable Growth	APTB AMLTB EFTB FWDTB GETB Malaysian Re MNRB Holdings Berhad PruBSN SLMT STMAB STMKB TIGB TIFB ZTMB	AIA Berhad Asosiasi Asuransi Syariah Indonesia Bank Muamalat Malaysia Berhad Hannover Retakaful Howden Takaful Broker Sdn Bhd IBFIM Marsh Securities Commission Malaysia Sime Darby Lockton SP&G Gallagher Insurance Broker Sdn Bhd Willies Malaysia Insurance Broker
5.	Workshop: Zero Waste Lifestyle	Public event	
2023			
1.	Climate Resilience Conference 2023	AMLT GETB HLMT PruBSN Sun Life Malaysia SLMTB STMAB TIFB TIGB AIA Bhd. AIG Malaysia Insurance Berhad AML Berjaya Sampo Insurance Berhad Chubb Insurance Malaysia Berhad Generali Insurance Malaysia Berhad GELM HLA	HSBC INCEIF University Liberty Insurance Malaysia Berhad Lonpac Insurance Berhad MIB MCIS Life Insurance MSIG Insurance (Malaysia) Bhd Munich Reinsurance Company Malaysia Branch Nicholas Actuarial Solutions Pacific & Orient Insurance Co Berhad PBMB Tokio Marine Life Insurance Malaysia Bhd Tune Insurance Malaysia Berhad
2.	Takaful Rendezvous 2023	Insurers, reinsurers, technical providers, service providers, regulators, consultants.	

Abbreviations

Abbreviation	Definition
AASB	Australian Accounting Standards Board
ACSR	Advisory committee on sustainability reporting
AI	Artificial intelligence
AMLT	AmMetLife Takaful Berhad
APTB	AIA PUBLIC Takaful Bhd.
AREP	ASEAN Renewable Energy Pool
ASAS	Association of Shariah Advisors in Islamic Finance
ASEAN	Association of South East Asian Nations
B40	Low-income (Bottom 40% of income earners)
BSC	Balance Scorecard
BNM	Bank Negara Malaysia
BOD	Board of Directors
C40	C40 Cities Climate Leadership Group
CCPT	Climate Change and Principle-based Taxonomy
CEO	Chief executive officer
CHOSC	Claim, Health, and Operations Sub-Committee
CRMSA	Climate Risk Management Scenario Analysis
CRST	Climate Risk Stress Testing
CSDS	Canadian Sustainability Disclosure Standards
CSR	Corporate Social Responsibility
CUE (A&H)	Claims Underwriting Exchange Accident & Health
DITO	Digital Insurers and Takaful Operator
E-certificates	Electronic certificates
EGTB	Etiqa General Takaful Berhad
EFTB	Etiqa Family Takaful Berhad
e-LMS	e-Learning Management System
ELV	End-of-Life Vehicles
eGL	Digital guarantee letter
EPF	Malaysian Employees Provident Fund
ERM	Enterprise Risk Management
ERT	Endangered Rate and Threatened
ESG	Environmental, social, and governance

Abbreviation	Definition
ESRS	European Sustainability Reporting Standards
EV	Electric Vehicle
FEN	Financial Education Network
FGS	Fast-Growing Species
FI	Financial institutions
FSB	Financial Sector Blueprint 2022-2026
FSC	Forest Stewardship Council
FTO	Family Takaful Operator
FTS	Free Tree Society
FWDTB	FWD Takaful Berhad
FZR	Corporate Zakat Responsibility
GDP	Gross domestic product
GELM	Great Eastern Life Malaysia
GHG	Greenhouse Gas
LTAT	Lembaga Tabung Angkatan Tentera / Armed Forces Fund Board
GP	Guiding principles
Hijrah27	Hijrah27 Industry Roadmap for Growth
HLMT	Hong Leong MSIG Takaful Berhad
IBFIM	Islamic Banking and Finance Institute Malaysia
IBH	IKHLAS Barakah House
ISLAH23	MTA Reform Plan 2022-2023
ISM	Insurance Services Malaysia
ISSB	International Sustainability Standards Board
ITO	Individual insurance and takaful operator
JAKIM	Jabatan Kemajuan Islam Malaysia
JC3	Joint committee on climate change
KPI	Key performance indicator
LEAP	Locate, evaluate, assess, prepare
LIAM	Life Insurance Association of Malaysia
LIFB	Selected incorporated foreign banks
LR	Listing requirements
LSR	Large and Specialized Risk
MAIWP	Majlis Agama Islam Wilayah Persekutuan
MFRS	Malaysian Financial Reporting Standards
MHIT	Medical and Health Takaful/ Insurance

Abbreviation	Definition
MIB	Manulife Insurance Berhad
MLRE	Malaysian Life Reinsurance Group Berhad
PDS	Product disclosure sheet (MTA to confirm)
ICAAP	Internal Capital Adequacy Assessment Process
IEA	International Energy Agency
IFD	Bank Negara Malaysia's Insurance and Financial Services Division (MTA to confirm)
IFRS	International Financial Reporting Standards
RAI	Responsible AI
RBCT	Risk-Based Capital Framework for Insurance and Takaful Operators
RCN	Resilient Cities Network
RFP	Registered Financial Planner
MLTA	Mortgage Level Term Assurance
MNRB / TAKAFUL IKHLAS	Malaysian National Reinsurance Berhad / Takaful Ikhlas General Berhad & Takaful Ikhlas Family Berhad
MRTA	Mortgage Reducing Term Assurance
MRTT	Mortgage Reduction Term Takaful
MSME	Micro, small, and medium enterprise
MSS	Maqasid Shariah Scorecard
MTA	Malaysian Takaful Association
MTA EXCO	Executive Committee of the Malaysian Takaful Association
MTM	Menara Takaful Malaysia
Munich Re	Munich Reinsurance Company, Malaysia Branch
NDC	Nationally determined contribution
RFP Module 2	Registered Financial Planner, module 2: Risk management and insurance planning under the Financial Sector Blueprint 2022-2026
RTO	Retakaful operator
SC	Securities Commission Malaysia
SDG	UN sustainable development goals
SGX	Singapore exchange
SIKR	Skim Insurans Kesejahteraan Rakyat
SLMTB	Sun Life Malaysia Takaful Berhad
SME Corp	SME Corporation Malaysia

Abbreviation	Definition
SOCISO	Malaysian Social Security Organization
SPLY	Same Period Last Year
SRI	Sustainable and Responsible Investment
ST	Strategic thrusts under the Financial Sector Blueprint 2022-2026
TRCRC	Tropical Rainforest Conservation & Research Centre
UKM	Universiti Kebangsaan Malaysia
UM	University Malaya
USIM	University Sains Islam Malaysia
STMAB	Syarikat Takaful Malaysia Am Berhad
Swiss Re	Swiss Re Asia Pte. Ltd, Malaysia Branch
TCFD	Task Force on Climate-related Financial Disclosures
TIFB	Takaful Ikhlas Family Berhad
TIGB	Takaful Ikhlas General Berhad
TNFD	Taskforce on Nature-related Financial Disclosures
TO	Takaful Operator
VBI AF	Value-based Intermediation Financing and Investment Impact Assessment Framework
VBIT	Value-based Intermediation for Takaful Framework
WG	Working group
ZTMB	Zurich Takaful Malaysia Berhad

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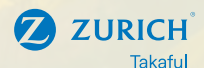
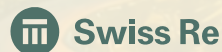
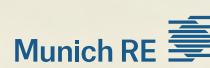
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