In a continuation from the previous year’s ‘Bunga Raya’ concept in Value-Based Intermediation for Takaful framework document which reflects a blossoming Takaful industry, our concept this year, ‘Protect. Nurture. Grow’ focuses on the Malaysian Takaful Association’s efforts in protecting, nurturing and growing this blossoming industry. This concept goes further and not only encapsulates the function of the Malaysian Takaful Association, but also espouses the objectives and goals of the Value-Based Intermediation for Takaful (VBIT) Roadmap, which is to protect, nurture and grow the industry for the benefit of all stakeholders.

Bringing this concept to life, our cover features a thriving and blossoming tree being cradled by two caring hands. This blossoming tree represents the Takaful industry, while the hands represent the Malaysian Takaful Association, which protects and nurtures the tree as it continues to grow.

ABOUT MTA

The Malaysian Takaful Association (MTA), a trade association representing Malaysia’s 18 licensed Takaful and Retakaful operators, is a key driver in spearheading the transformations and strategies identified by the industry to achieve the desired future takaful landscape and create value for the industry, society and country. Operating in line with the principles of Maqasid Shariah in every aspect of its conduct, the strategic objectives of MTA's Reform Plan 2022-2023 (Islah23) focus on the areas of visibility, good governance, operational efficiency, and organizational sustainability. Being the voice of the industry in forwarding the country’s Takaful agenda in the local, regional and international arena, MTA works closely with Bank Negara Malaysia and the Ministry of Finance, and interacts with government agencies, local authorities, general public and the media. MTA was established under the Societies Act 1966 in November 2002.

For more information, please visit www.malaysiantakaful.com.my or follow us @MalaysianTakafulAssociation on Facebook and Instagram.

Members Listing

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About the VBIT Roadmap

“This Roadmap is an industry commitment to creating value for Takaful Operators, the Government, the Regulator, and the Society.”

A look at the VBIT journey thus far:

- BNM issued VBI Strategy Paper for Consultation
- 2017
- 2018
- BNM issued Strategy Paper
- BNM Issued 3 guidance documents
  - VBI Implementation Guide
  - VBI Financing and Investment Impact Assessment Framework (VBIAF)
  - VBI Scorecard
- 2019
- BNM finalised VBIAF
- September – New ideation on the Framework (with direction from BNM)
- September - Joint Committee on Climate Change (JC3) was established
- Task Force established to develop Value Based Intermediation for Takaful (VBIT) Framework
- 5th May - Establishment of VBIT Steering Committee to provide guidance for Workstreams
- 19th May - Establishment of Workstreams according to Underpinning Thrusts for the development of VBIT Roadmap
- 23rd June - Completed and launched of VBIT Framework at JC3 Conference
- 25th November - First programme launched in the VBIT Capacity Building Series
- September – New ideation on the Framework (with direction from BNM)
- September - Joint Committee on Climate Change (JC3) was established
- Task Force established to develop Value Based Intermediation for Takaful (VBIT) Framework
- 24th January - BNM launched the Financial Sector Blueprint (FSB) 2022-2026
- 2nd March - 1st VBIT Webinar
- 1st June - Industry Feedback on VBIT Roadmap
- 23rd June - Completion of VBIT Roadmap

2020

Development of VBIT Framework

2021

2022
It provides guidance for the industry, Takaful Operators (TOs) and Retakaful Operators (RTOs), to implement Value-Based Intermediation for Takaful (VBIT) by outlining key initiatives according to the five (5) Underpinning Thrusts.

It provides a step-by-step guide, clearly explaining the desired outcome, recommending initiatives that can be implemented and key performance indicators related to the initiatives, and providing a detailed timeline to complete the initiatives. It also identifies the challenges and the mitigation plans to overcome said challenges in implementing the proposed initiatives.

The Roadmap also enables TOs and RTOs to perform self-assessment towards achieving the VBIT Maturity Continuum. This will allow the Takaful Industry, TOs and RTOs to assess, chart their progress and plan for the future in order to reach the maturity stage as identified in the Maturity Continuum.

The VBIT journey does not end here. The Takaful industry will continue to review and monitor its performance. The review, is crucial for the industry to achieve the desired results.

**VBIT Roadmap Key Milestones - What The Future Holds**

- **Completion of VBIT Roadmap**
  - 23rd June 2022
  - 3rd June 2022
- **Launch of VBIT Roadmap**
  - October 2022
  - Q1 2022
  - 30% of initiatives completed
- **Preliminary Review (Self Assessment)**
  - Q3 2022
- **Check Point Review (Operator Level)**
  - Q3 2023
  - 65% of initiatives completed
- **VBIT Preview Report**
  - Q1 2024
  - 100% of initiatives completed
- **Post Implementation Review (Industry Wide)**
  - Q1 2025
  - VBIT Full Report

**Future Landscape of the Takaful Industry**

- **Q4 2023**
  - 30% of initiatives completed
- **Q3 2023**
  - 65% of initiatives completed
- **Q1 2023**
  - 30% of initiatives completed
- **Q1 2022**
  - 30% of initiatives completed
- **Q3 2022**
  - 65% of initiatives completed
- **Q1 2024**
  - 100% of initiatives completed
- **Q1 2025**
  - VBIT Full Report
VBIT Framework - A Glance

While countries around the world began their sustainability agenda with the adoption of the United Nations Sustainable Development Goals (UN SDGs), the Environment, Social and Governance (ESG) framework, the UNEP Finance Initiative Principle of Sustainable Insurance (PSI), the Paris Agreement 2015, and the Malaysian central bank, Bank Negara Malaysia introduced Value-Based Intermediation.

CONCEPTS OF SUSTAINABILITY

1. United Nations Sustainable Development Goals (SDGs)
2. The SDGs is a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity.
3. The SDGs were set up in 2015 by the United Nations General Assembly (UN-GA) and is intended to be achieved by 2030.
4. The SDGs is a collection of 17 interlinked global goals designed to be a “blueprint to achieve a better and more sustainable future for all”.

Environmental, Social and Governance (ESG) criteria are a set of standards for a company’s behaviour used by socially conscious investors to screen potential investment.

Environmental criteria consider how a company safeguards the environment, including for example how corporate policies addressing climate change.

Social criteria examine how it manages relationships with employees, suppliers, customers, and the communities where it operates.

Governance deals with a company’s leadership, executive pay, audit, internal controls and shareholders rights.

PRINCIPLE 1
Embed in decision-making environmental, social and governance issues relevant to insurance business

PRINCIPLE 2
Work together with clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions

PRINCIPLE 3
Work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues

PRINCIPLE 4
Demonstrate accountability and transparency in regularly disclosing publicly progress in implementing the Principles
Why Sustainability Is Critical In Takaful

Takaful industry adopted the VBI Guide and subsequently published the VBIT Framework. It was launched on the 23rd June 2021 by the Governor of Bank Negara Malaysia, at the Joint Committee for Climate Change (JC3) conference.
Overview of the VBIT Framework

“The framework aims to encourage industry players and stakeholders to achieve sustainable and meaningful growth and encourages Takaful Operators to embrace VBIT. The framework also helps guide Takaful Operators in implementing VBIT by outlining the industry’s best conducts and practices. A concise understanding of the VBIT will elevate the industry to the next level.”

Underpinning Thrusts

- Financial Resilience
  Ability to bounce back from financial shock

- Community Empowerment
  Process of enabling people to gain control over the factors and decisions that shape their lives

- Good Self-Governance
  Ability to effectively exercise all necessary functions of regulation

- Best Conduct
  Practice that is deemed to be most superior because it leads to the best results

Guiding Principle

- Corporate Value Intent (CVI)
  Enhanced alignment with the objectives of Shariah

Key Implementation Strategies (Focus Areas)

- Inclusive Stakeholder Engagement
  Effective communication to achieve the objective of CVI

- Value-driven Solutions
  Offerings, business practices and infrastructure that provide meaningful and valuable experiences

- Impact-based Assessment
  Analysis of potential impacts from all perspectives

- Constructive Collaboration
  Strategic alliances in delivering value-driven solutions

Performance Measurement

- Comprehensive Measurement
  Identify measurable KPIs, compile data and measure results
The framework elaborates the underpinning thrusts of VBIT, which are financial resilience, community empowerment, good self-governance and best conduct, and how they can be embodied in the respective Corporate Value Intent (CVI) of Takaful Operators’ (TOs). Besides that, the VBIT Framework provides the areas of focus of the Key Implementation Strategies, covering inclusive stakeholder engagement, value-driven solutions, impact-based assessments and constructive collaborations. Additionally, it is also seen as an appropriate tool for evaluating the progress of VBIT initiatives and at the same time, shares the industry’s commitment with the respective stakeholders through impact-based disclosures.

In the effort to create a positive socio-economic impact, the framework was designed to encourage growth in the industry that is sustainable and meaningful for all stakeholders. It is hoped that it will help TOs to become a positive influence on society and assist people to achieve prosperity and Maqasid Shariah.
In the name of Allah, Most Gracious and Most Merciful

**Industry Defined by Values**

Across the world, people are striving to achieve a new equilibrium in their personal and professional lives post-pandemic. Corporates must also reflect upon the lessons of the past and use this to create a better future for all stakeholders. Being an industry that offers livelihood and financial assurance to our customers, it is crucial for us to look forward and take proactive steps to ensure that the Takaful industry is able to continue providing relevant and value-based solutions, and at the same time, continue being sustainable to our stakeholders.

Over the last four decades, the industry has seen many challenges and stresses which have affected both people and the economy. Calamities brought about by climate change, economic downturns, supply chain disruptions, virus outbreaks and pandemics, have changed customer needs and required us to constantly relook at the way we do business. We have never been complacent, and we have not stopped thinking about how we can further propel the industry to be more effective and efficient.

Value-Based Intermediation has, for the past years, been a priority agenda in the country’s Islamic finance space. Following Bank Negara Malaysia’s (BNM) lead, in June 2021 the Malaysian Takaful Association launched the Value-Based Intermediation for Takaful (VBIT) Framework as a way forward for the industry to continuously be part of the nation’s economy, and be a solutions provider for Malaysians seeking financial assurance and build resilience against undesired events. For the stakeholder, VBIT provides a new way to reposition Takaful.

VBIT aims to address socio-economic issues related to safeguarding the fundamentals of faith, life, lineage, intellect, and wealth. Implementing VBIT involves adhering to the Shariah Principles, creating positive impacts, and generating sustainable financial returns for stakeholders. The VBIT framework empowers Takaful operators and provides guidance on how they can deliver value through Takaful business activities while contributing to building a strong and financially-resilient nation.

The recent launch of the Financial Sector Blueprint (FSB) 2022-2026 by BNM identified three desired outcomes – Finance for All, Finance for Transformation and Finance for Sustainability. A mapping of the FSB against the VBIT framework revealed that, in essence, VBIT initiatives support the FSB Strategic Thrusts. To align the two plans further, a governance structure was established to oversee the implementation of VBIT and FSB in the Takaful industry.

This VBIT Roadmap, at this stage, is exploratory in nature, and is meant to contribute towards building a deeper understanding of VBIT for the industry. We believe this work makes an important contribution to our thinking and approach to managing VBIT in a coherent manner.

With this, please allow me to express my congratulations and appreciation to everyone involved in formulating the VBIT Roadmap.

Elmie Aman Najas
Chairman
Malaysian Takaful Association
Message from the CEO

Delivering Better, Together

“We are excited about this journey! We believe is that our value-driven agenda will truly benefit the society, the industry and the regulators. We are confident that we can bring impact to the society through innovative products that will cater to the different needs, lifestyles and social classes of consumers. We also strive to increase the professionalism of our employees and intermediaries to better serve them.”

Driven by the aspiration of building a future landscape for the Takaful industry and led by the Malaysian Takaful Association (MTA), industry leaders and key stakeholders have come together to spearhead the development of the VBIT Roadmap. This landmark Roadmap is a significant initiative as it provides the industry in general and the Takaful Operators (TOs) an opportunity to reposition Takaful and its value-creation to the customers and the nation.

Guided by VBIT, the industry is able to bring positive and impactful changes to the country's financial landscape. It empowers TOs to deliver value to customers and stakeholders through Takaful business activities. At the same time, it enables TOs to generate sustainable returns for stakeholders while creating impact by addressing and providing solutions to issues of national concern such as social protection, financial literacy, financial inclusion, as well as economic growth.

After months of deliberations and countless meetings, MTA Takaful practitioners are embarking on the exciting (and challenging) journey of implementing VBIT in their Takaful operations and businesses.

Underpinned by Four Thrusts – Financial Resilience, Community Empowerment, Good Self-Governance and Best Conduct, and supported by an additional thrust of Capacity Building, the industry aims to reach and deliver to its customers the intended outcomes of Maqasid Shariah.

A critical success factor for any Roadmap are the people we have on board the journey. MTA strongly believes and recognises Capacity Building as one of the underpinning thrusts for VBIT success. It is the people who are the drivers of the journey, and they will represent and carry the VBIT values in the delivery of VBIT to the industry’s customers. Realising that people’s support and commitment is not enough, the journey began with a roll out of specific and well-thought-out capacity-building programmes during the development of the Roadmap to ensure our people are ready to lead the changes in the industry. Capacity-building is an ongoing process, and it will continue to be a priority for the MTA and its members.

I would like to express my heartfelt gratitude to all MTA members and staff who dedicated their time and energy to establish this Roadmap. A special note of appreciation goes to those from outside the MTA, whose suggestions, recommendations and insights have been crucial in crystalising this Roadmap.

Let the journey begin!

Mohd Radzuan Mohamed
Chief Executive Officer
Malaysian Takaful Association

Takaful Industry Highlights
**Takaful Industry Highlights**

“The COVID-19 pandemic has brought far too many uncertainties and pressures to our lives, resulting in many people being forced to bear unprecedented financial stress during these trying times.”

The overall penetration rate was recorded at 18.6% in 2021. Malaysia’s protection gap is estimated to be worth RM2.5 billion. This means that a large number of Malaysians are not still not covered to protect their families and businesses in case of unexpected events.

Takaful aims to continuously provide financial security to Malaysians in need. At present, the general awareness of Family Takaful and General Takaful remains low. There is a need to promote and increase financial literacy and understanding of the benefits of having financial protection. In addition, it has been noted that there is a lack of geographical reach, where there are still many markets and communities that are underserved and unserved nationwide. The introduction of Value-Based Intermediation for Takaful (VBIT), which is an industry aspiration to develop financial resilience against any uneventful incidents, whilst realising the intended outcomes. In addition, it also offers a new way for the stakeholders to reposition Takaful. This framework guides and empowers Takaful operators (TOs) in delivering the values through Takaful business activities and addressing national issues through the guiding principles of Maqasid Shariah.

Takaful has always been guided by the 4 underpinning thrusts of VBIT, which are Financial Resilience, Community Empowerment, Good Self-Governance and Best Conduct in all that we do. Implementing VBIT will involve adhering to the VBIT aims to address socio-economic issues related to safeguarding the fundamentals of faith, life, lineage, intellect, and wealth.

VBIT takes the industry to new levels, fulfilling future needs.

- **COVID-19 pandemic**

  The Takaful industry has extended the COVID-19 Relief Programme which involves the deferment of takaful contribution and additional relief measures to 31 December 2021, for certificate holders who were financially affected by the COVID-19 pandemic. Under the COVID-19 Relief Programme, the Family Takaful operators will continue to provide Takaful protection to the affected certificate holders including those who unable to earn an income and a grace period of three months (or 90 days) was given to pay their contribution due.

- **Climate change (Floods)**

  The industry has eased certificate holders affected by floods by minimising the financial impact through expedited claims processes and special considerations on a case-by-case basis.

- **How the industry supported the Flood and COVID-19**

  **RM 10 Million COVID-19 Test Fund**

  In response to the pandemic, the Takaful industry also implemented a wide range of relief measures for certificate holders. Among the initiatives undertaken by the industry was the establishment of the COVID-19 Test Fund (MyCTF) which was setup in 2020. The fund intended to provide reimbursement for COVID-19 screening tests undertaken by Takaful participants and insurance policyholders with a maximum payment of RM300 per test (limited to one repayment per individual). The MyCTF, which was fully utilised and officially closed on 15 July 2021, benefited about 60,000 certificate and policy holders.
Takaful Industry’s Key Performance Highlights

INDUSTRY STATISTICS 2021

Below are the key performance highlights for the Family Takaful and General Takaful Businesses:

Family Takaful Business

- **↑29.1%** Double Digit Growth NEW BUSINESS TOTAL CONTRIBUTIONS RM8.5b 2020: RM6.59b
- **↑35.2%** Double Digit Increase NEW BUSINESS CERTIFICATES ISSUED 1.14m 2020: 839,358
- **↑23.3%** Double Digit Growth NEW BUSINESS SINGLE CONTRIBUTIONS RM6.28b 2020: RM5.09b
- **↑21.3%** Double Digit Increase BUSINESS INFORCE TOTAL CONTRIBUTIONS RM7.42b 2020: RM6.12b
- **↑10.2%** Double Digit Increase BUSINESS INFORCE NUMBER OF CERTIFICATES 6.07m 2020: 5.51m

General Takaful Business

- **↑10.6%** Double Digit Growth NEW BUSINESS GROSS CONTRIBUTIONS RM3.83b 2020: RM3.47b
- **↑10.3%** Double Digit Growth FIRE TAKAFUL GROSS CONTRIBUTIONS RM0.69b 2020: RM0.62b
- **↑11.2%** Double Digit Growth MOTOR TAKAFUL GROSS CONTRIBUTIONS RM2.54b 2020: RM2.29b
- **↑8.6%** Single Digit Growth OTHER CLASSES GROSS CONTRIBUTIONS RM0.6b 2020: RM0.55b
Aspiration of Value-Based Intermediation for Takaful (VBIT) and the Financial Sector Blueprint 2022-2026 (FSB)
Aspiration of Value-Based Intermediation for Takaful (VBIT) and the Financial Sector Blueprint 2022-2026 (FSB)

The intended outcomes or objectives of Maqasid Shariah are the primary elements that must be upheld by any TOs. The objective of Maqasid Shariah can be achieved through the implementation of VBIT.

The essentials of Maqasid Shariah are:

- Protection of Faith
- Protection of Life
- Protection and Preservation of Lineage
- Protection of Intellectual Needs and Well-being of the Mind
- Protection and Enrichment of Wealth

The Takaful industry desired to develop the future of the industry through VBIT by embracing impact-based disclosure. This promotes regular and transparent disclosures for all our stakeholders, and in turn, creates better value for Takaful Operators to unlock business opportunities, better align their business focus with the national agenda and enable communities access to fair and transparent products and services.

The future landscape of the Takaful industry encompasses the following:

- Driven by shared prosperity & value “Takaful for all”
- Performance measurement & disclosure on financial returns and value creation
- Innovation of products & services to cater for distinct needs, lifestyles & social classes of consumers
- Qualitative measurement of company’s involvement that creates positive impact on stakeholders
- Meaningful involvement and contribution from all key stakeholders in different focus areas

The future landscape of the Takaful industry will create value to:

- Takaful Operators: Unlock business opportunities with greater efficiency and healthy competition
- Government and Regulators: Better alignment of business focus with national agenda
- Society: Receive fair, transparent products and services
As the industry’s talent pool, people play an important role in the industry’s success in implementing VBIT, an additional Underpinning Thrusts was added to the original VBIT framework:

This is to provide the industry talent with the necessary knowledge to steer the industry to greater heights.

Concurrently, BNM also launched the Financial Sector Blueprint 2022-2026 (FSB) with three (3) desired outcomes for the nation, which are:

1. **Finance for All**
   - Diverse choices for customers, including ‘digital first’ solutions
   - Strengthened financial safety nets
   - Confident and capable financial consumers

2. **Finance for Transformation**
   - Growth in alternative finance
   - Deeper global integration with continued leadership as an international gateway for Islam finance
   - Vibrant and dynamic financial landscape

3. **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
FSB desired outcomes are further supported by five Strategic Thrusts:

1. Fund Malaysia’s economic transformation
2. Elevate the financial well-being of households and businesses
3. Advance digitalisation of the financial sector
4. Position the financial system to facilitate orderly transition to a greener economy
5. Advance value-based finance through Islamic finance leadership

Both VBIT and FSB focus on financial resilience, sustainability and financial solutions for customers, and share common desired outcomes.

The Takaful industry sees this alignment as a reinforcement that VBIT supports FSB in all its strategic thrusts and also as an opportunity to align the Takaful industry’s effort to achieve similar desired outcomes.
Corporate Value Intent (CVI)
Corporate Value Intent (CVI)

An organisation plays a crucial role in shaping its organisational culture. In ensuring that all its employees, (be it Senior Management, Top Leadership team or entry-level executives) share a common goal and purpose, most organisations have a clear Corporate Value Intend (CVI), which guides employees’ priorities and actions within the organisation, shapes the company’s culture and defines its personality.

It is crucial for TOs to embed VBIT elements into their CVI, which is aligned to Maqasid Shariah and ESG framework and also forms the basis for business strategies, allowing integration into all business activities. This also further strengthens TOs’ belief and commitment to the business.

MTA’s Corporate Value Intent Statement (Sample)

The Board, Senior Management and all employees of MTA are committed to delivering the intended objectives of Maqasid Shariah through best practices and conduct that generate a positive and sustainable impact on the economy, the community, the industry and the environment, aligning it to stakeholders’ long-term interests.

We are committed to continuously improve our operation performance and create value for stakeholders in the longer term.

We are committed to embed Value-Based Intermediation for Takaful (VBIT) into the Association’s corporate culture and values by:

- Committing to ensuring that customers are provided with clear, relevant and timely information on Takaful services and products;
- Managing the risk and opportunities associated with any issues pertaining to the environment, society and governance of the Association;
- Implementing a strategic approach to develop innovations that create a positive value chain for the benefit of stakeholders;
- Ensure continuous capacity building effort for Takaful staff and intermediaries on customer related matters, which includes provision of quality product, service, advice and recommendations;
- Committing to promote and disclose industry-wide activities related to Value-Based Intermediation for Takaful to all stakeholders in a clear and concise manner.
Value-Based Intermediation for Takaful (VBIT) Roadmap 2022

VBIT Building Blocks 4.0
VBIT Navigation Guide

This page provides the information on how to use the VBIT Roadmap

1 Self Assessment
Establish internal VBIT implementation sponsor, champion and team. Conduct self-assessment using Maturity Continuum to assess current state or baseline

2 Maturity Continuum
Determine the desired stage that TO aspires to achieve by 2024. This will provide some guidance in terms of areas in the Maturity Continuum that a TO has to implement in order to close the gap between the Current State and Desired State

3 VBIT Building Blocks
Refer to VBIT Building Blocks and implement initiatives based on VBIT Underpinning Thrusts and according to TO ownership. Use the Roadmap as a guide for implementation

4 Industry-wide Review
Participate in industry-wide review to assess current achievement and/or progress

Note: Please refer to MTA PMO for implementation guidance

VBIT Building Blocks

After much deliberation, the industry came out with key initiatives according to the VBIT Underpinning Thrusts, where the desired outcome of each initiative was discussed in each workstream, constantly bearing in mind the reason why the initiative is implemented.

Other Building Blocks of the VBIT Framework are embedded into the initiatives. Each initiative proposed by the workstreams comprises key implementation strategies, performance measurement, and disclosure.

Challenges anticipated in the implementation of the initiatives and how they can be overcome are also highlighted.

A total of 32 initiatives were identified, of which 17 will be conducted at the industry level while the remaining at TO level.

Most initiatives are targeted to commence in Q3 of 2022. Many are still at the infancy stage and require a fair bit of work to properly implement.

Industry Initiatives

- 1.1.1 Develop a product/model that enables lower capital requirement, etc.
- 1.1.2 Expand Perlindungan Tenang Guidelines
- 1.1.3 Collaboration with a platform and service provider currently running a platform (enhance B40 support)
- 2.2.1 Conduct public outreach to increase awareness on the need for Takaful protection
- 2.2.2 Improve financial literacy within target communities (students) in Malaysia
- 2.5.2 Lobby for incentives for the industry to be able to launch Green investment
- 4.1.4 Establish strategic partnerships with NGOs and government agencies
- 4.2.1 Promote a unified benchmark for conducting yearly customer satisfaction survey
- 4.2.2 Enhance customer engagement through an online service provider
- 5.1.1 Training for Board members, Shariah Committee members and Senior Management
- 5.1.2 Incorporate VBIT fundamentals as part of mandatory CPD training module
- 5.2.1 Embed VBIT fundamentals into onboarding training modules via online learning
- 5.2.2 Provide training for in-house TO trainers
- 5.2.3 Create thematic training based on the four (4) pillars
- 5.2.4 Establish an online learning platform to become a single resource centre for VBIT
- 5.3.1 Participate in relevant public seminars and conferences
- 5.3.2 Organise VBIT events for public and students

Takaful Operators Initiatives

- 2.1.1 Create affordable products for the B40 community (microtakaful)
- 2.1.2 Develop training module to frame Takaful as income generator
- 2.3.1 Reduce use of paper consumption across operations
- 2.4.1 Promote self-service capabilities through digitalisation
- 2.5.1 Leverage green sukuk launched by the government to promote green investment
- 3.1.1 Establish a working committee at TO level to drive VBIT Sustainability agenda
- 3.1.2 Create an internal sustainability framework / knowledge sharing
- 3.1.3 Establish KPIs for management team and staff (VBIT)
- 3.1.4 Promote disclosure for VBIT and ESG-related issues
- 4.1.1 Calculate Carbon Footprint (Scope 1, 2 & 3)
- 4.1.2 Reduce carbon emissions and material usage
- 4.1.3 Prepare sustainability statement report at TO level
- 4.3.1 Train staff and intermediaries in best conduct
- 4.3.2 Enroll staff and intermediaries in professional certification programmes
- 5.2.5 Publish a bulletin to develop awareness around VBIT

Industry-wide Review

Participate in industry-wide review to assess current achievement and/or progress

Note: Please refer to MTA PMO for implementation guidance
A materiality assessment was conducted on all the initiatives based on the following four elements:

- **Importance**
  - Weightage: 35%
- **Urgency**
  - Weightage: 15%
- **Impact**
  - Weightage: 35%
- **Ease of Implementation**
  - Weightage: 15%

The total scores for each of the four elements is calculated by the assignment of a single value, which was given the following weightage:

- **Importance**
  - 1: Less importance
  - 3: High importance
- **Urgency**
  - 1: Low urgency
  - 3: High urgency
- **Impact**
  - 1: Low impact
  - 4: High impact
- **Ease of Implementation**
  - 1: Low ease
  - 2: High ease

The assessment helps identify potential initiatives with the highest impact on the industry, TOs and RTOs.

**Materiality of VBIT Initiatives**
1. Financial Resilience

Financial resilience is the ability of an individual, business owner or family to bounce back from financial shock. In other words, the strength to withstand life events that impact one’s income and/or assets.

TOs can develop financial resilience by developing and expanding offerings, solutions and services to cater to different customer needs. Products offered should be affordable and accessible. In addition, TOs can also play the role of intermediator to channel wealth, create efficient platforms and act as advisor to less financially-resilient groups.

• Initiative 1.1.1: ● (Industry)
  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

Enable TOs to expand coverage to B40 and other groups of certain risk

To provide an affordable products to B40 and other at-risk groups at a manageable cost to TOs and within the respective risk appetites of TOs

• Value-driven Solution
  • Constructive Collaboration
  • Inclusive Stakeholder Engagement

FSB Strategic Thrust 1: Preserve funding capacity in the long-term by promoting greater offering of Takaful solutions to further increase risk protection solutions

• Initiative 1.1.2: ● (Industry)
  Expand Perlindungan Tenang Guidelines to allow for ease of recruitment and disbursement

Provide and source a platform for partners and intermediaries to provide services to B40 groups

To create a “go-to” place, to ease B40 individuals seeking appropriate products and services. The platform can offer other services, specially tailored for B40 consumers

• Value-driven Solution
  • Constructive Collaboration

FSB Strategic Thrust 2A: Consumer choice and financial management
  • FSB Strategic Thrust 3A: Leverage key financial infrastructures of Malaysia’s broader digital ecosystem

KPI 1
Indicator: BNM approval
Target: BNM approval of suggested product/model

KPI 2
Indicator: Number of TOs adopting suggested product/model

BNM FSB Strategic Thrusts

BNM FSB Strategic Thrusts

KPI 1
Indicator/Target: Expansion of Perlindungan Tenang Guideline

BNM FSB Strategic Thrusts

Implementation Stages
• **Initiative 1.1.3: ☐ (Industry)**
Collaboration with a platform and service provider currently running a platform (to enhance support to the B40 group)

<table>
<thead>
<tr>
<th>Specific Initiative</th>
<th>Purpose of Initiative</th>
<th>Key Implementation Strategies</th>
<th>BNM FSB Strategic Thrusts</th>
</tr>
</thead>
</table>
| Outcome             | To create a “go-to” place to ease of reference B40 individuals seeking appropriate products and services. The platform can include other services offered specially for B40 consumers | • Value-driven Solution  
• Constructive Collaboration | • FSB Strategic Thrust 2A: Consumer choice and financial management  
• FSB Strategic Thrust 3A: Leverage key financial infrastructures of Malaysia’s broader digital ecosystem |

**TIMELINE**

<table>
<thead>
<tr>
<th>Implementation Stages</th>
<th>2022</th>
<th>2023</th>
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<td>Q1</td>
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<td>Kick Off</td>
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<td>Implementation</td>
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<td>Review</td>
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</table>

**KPI 1**
Indicator: BNM approval  
Target: BNM approval of the suggested platform

**KPI 2**
Indicator: Number of partners and intermediaries using the platform

**KPI 3**
Indicator: Number of customers using the platform

**Value-Based Intermediation for Takaful (VBIT) Roadmap 2022**

**Challenges**

1) Obtaining buy-in and approval from relevant stakeholders, including obtaining LHDN approval on SST and stamp duty exemption; lowering RBC requirement from BNM in order to come out with a model that is more capital efficient; and obtaining BNM’s approval on the new Takaful model for products.

- Identify applicable regulations and identify requirements that may be difficult to comply with.
- Adapt product model according to identified requirements that may be difficult to comply with, i.e., developing a model that is more capital efficient to obtain BNM’s approval.

2) Obtaining agreement from Zakat authority to allow the use of Zakat funds to purchase Takaful for Asnaf.

- Identify applicable regulations and identify requirements that may be difficult to comply with.
- Adapt product model according to identified requirements that may be challenging to comply with.

3) Identifying the right partner for collaboration on a common platform, as there are numerous platforms available in the market, to maximise target market reach.

- Identify all relevant platform providers to assess the suitability of the partner and platform (based on, existing market volume, audience reach, business strategy and growth plans, etc.)
- Select target partner for collaboration based on suitability of the partner to meet Takaful industry needs
Community empowerment is the process of enabling people to gain control over the factors and decisions that shape their lives and well-being and/or that of the community.

Community empowerment can improve the quality of life of communities and their surrounding environments.

TOs can empower customers and their respective communities through more simplified offerings, creating awareness, and making suitable platforms available for communities to assist each other.

**Initiative 2.1.1: 📀 (Industry)**

Leverage the existing Perlindungan Tenang (PT) products to create affordable products for the B40 communities, focusing on microtakaful products.

<table>
<thead>
<tr>
<th>Specific Initiative Outcome</th>
<th>Purpose of Initiative</th>
<th>Key Implementation Strategies</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Promote financial resilience for B40 customers through affordable products</td>
<td>To close the protection gap and ensure the B40 community are able to protect themselves from unforeseen circumstances and maintain their lifestyle</td>
<td>• Value-driven Solution</td>
<td>FSB Strategic Thrust 2B: Support the growth of a diverse microinsurance and microtakaful market</td>
</tr>
</tbody>
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**TIMELINE**

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<td>Q1 Q2 Q3 Q4</td>
<td>Q1 Q2 Q3 Q4</td>
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</tbody>
</table>

- **KPI 1**
  - Indicator: Market share of PT products
  - Target: 30% market share of PT products

- **KPI 2**
  - Indicator: Number of TOs that offer microtakaful products
  - Target: 75%

**Initiative 2.1.2: 📀 (Industry)**

Develop a training module to promote Takaful as an income generator

<table>
<thead>
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<th>Specific Initiative Outcome</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Promote financial resilience for B40 customers by promoting Takaful as an income generator</td>
<td>To provide an alternative career for the B40 group and promote Takaful as a source of income</td>
<td>• Value-driven Solution • Constructive Collaboration</td>
<td>• FSB Strategic Thrust 2A: Consumer choice and financial management • FSB Strategic Thrust 2C: Strengthen professional standards, incentive frameworks and disclosure practices</td>
</tr>
</tbody>
</table>

**TIMELINE**

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<td>Q1 Q2 Q3 Q4</td>
<td>Q1 Q2 Q3 Q4</td>
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</tbody>
</table>

- **KPI 1**
  - Indicator: Number of participants who use takaful as an income generator
  - Target: 5% of participants from the programme become entrepreneurs

---

• **Initiative 2.2.1: 👁️ (Industry)**  
Conduct public outreach to increase awareness of the need for Takaful protection

<table>
<thead>
<tr>
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</tr>
</thead>
</table>
| Increase awareness of the need for Takaful protection (i.e., Perlindungan Tenang) | To close the protection gap and ensure the B40 community are able to protect themselves from unforeseen circumstances and maintain their lifestyle | • Constructive Collaboration  
• Inclusive Stakeholder Engagement | FSB Strategic Thrust 2B: Support the growth of a diverse microinsurance and microtakaful market |

### KPI 1  
**Indicator:** Market share of PT products  
**Target:** 30% market share of PT products  
*Note: market share of PTV was 7% in 2021; the market share of PTV as at April 2022 is 22%*

### TIMELINE

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- **2022**
  - Q1: Kick Off
  - Q2: Development
  - Q3: Feedback
  - Q4: Implementation

- **2023**
  - Q1: Implementation
  - Q2: Review

- **2024**
  - Q1: Review

• **Initiative 2.2.2: ☀ (Takaful Operator)**  
Improve financial literacy within target communities (students) in Malaysia

<table>
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<th>Specific Initiative Outcome</th>
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</tr>
</thead>
</table>
| Improve financial literacy within target communities (students) in Malaysia | To raise awareness on financial decision-making, especially on Takaful products | • Constructive Collaboration  
• Inclusive Stakeholder Engagement | FSB Strategic Thrust 2A: Consumer choice and financial management |

### KPI 1  
**Indicator:** Number of MOUs with relevant stakeholders  
**Target:** Two (2) MOUs with relevant stakeholders on the creation of a literacy programme

### KPI 2  
**Indicator/Target:** Development and completion of literacy programme

### TIMELINE

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- **2022**
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  - Q4: Implementation

- **2023**
  - Q1: Implementation
  - Q2: Review

- **2024**
  - Q1: Review
### Initiative 2.3.1: (Takaful Operator)
Reduce the use of paper consumption across operations

<table>
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<tr>
<th>Specific Initiative Outcome</th>
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<th>Key Implementation Strategies</th>
<th>BNM FSB Strategic Thrus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce paper consumption by going paperless</td>
<td>To support the Paris Climate Agreement and ESG efforts promoted by regulators</td>
<td>• Value-driven Solution  • Impact-based Assessment</td>
<td>FSB Strategic Thrust 3B: Enhance pathways for digital innovations to test, scale, and exit</td>
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</tbody>
</table>

### TIMELINE

<table>
<thead>
<tr>
<th>KPI 1 Indicator: Reduction in paper usage (%)</th>
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<td>Implementation Stages</td>
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</table>

Kick Off | Development | Feedback | Implementation | Review

### Initiative 2.4.1: (Takaful Operator)
Promote self-service capabilities through digitalisation

<table>
<thead>
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<th>Key Implementation Strategies</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Promote self-service capabilities through digitalisation (e.g., self-serviced transactions and obtaining certification information)</td>
<td>To support the Paris Climate Agreement and ESG efforts promoted by regulators</td>
<td>• Value-driven Solution  • Impact-based Assessment</td>
<td>FSB Strategic Thrust 3B: Enhance pathways for digital innovations to test, scale, and exit</td>
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</table>

### TIMELINE

<table>
<thead>
<tr>
<th>KPI 1 Indicator/Target: Establish Terms of Reference (TOR) for a committee  KPI 2 Indicator/Target: Completion of a feasibility study  KPI 3 Indicator/Target: Presentation of study to VBIT Steering Committee members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementation Stages</td>
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</table>

Kick Off | Development | Feedback | Implementation | Review
• **Initiative 2.5.1: 🌿 (Takaful Operator)**  
  Leverage on green sukuk launched by the government to promote Green Investment

<table>
<thead>
<tr>
<th>Specific Initiative</th>
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<th>Key Implementation Strategies</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Promote Green Investment by leveraging on Green Sukuk</td>
<td>To support the Paris Climate Agreement and ESG efforts promoted by regulators</td>
<td>• Impact-based Assessment</td>
<td>FSB Strategic Thrust 4: Integrate climate risks in the Bank’s internal functions and operations</td>
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<td>Q3</td>
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</table>

| Indicator: Percentage (%) of investment/ AUM invested inside ESG-linked funds |

- Kick Off
- Development
- Feedback
- Implementation
- Review

• **Initiative 2.5.2: 🌿 (Industry)**  
  Lobby for incentives to enable the industry to launch Green Investment (i.e., tax break, stamp duty exemption, Zakat etc.)

<table>
<thead>
<tr>
<th>Specific Initiative</th>
<th>Outcome</th>
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</tr>
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<tbody>
<tr>
<td>Lobbying for incentives for the industry to be able to launch Green Investment i.e., tax break, stamp duty exemption, Zakat etc.</td>
<td>To support the Paris Climate Agreement and ESG efforts promoted by regulators</td>
<td>• Impact-based Assessment</td>
<td>FSB Strategic Thrust 4: Integrate climate risks in the Bank’s internal functions and operations</td>
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| Indicator: Percentage (%) of investment/ AUM invested inside ESG-linked funds |

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**Identified Challenges and Potential Mitigation Plan**

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Mitigation Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coordinating various stakeholders (e.g., government, NGOs, community leaders and TOs) to reach out to the target audience, especially for awareness programmes</td>
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<tr>
<td>• Ensure stakeholder engagement is guided by top management</td>
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<tr>
<td>• Conduct stakeholder mapping for awareness programmes, including identifying challenges to engage each stakeholder</td>
<td></td>
</tr>
<tr>
<td>• Formulate strategies to manage identified challenges</td>
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</tbody>
</table>
3. Good Self-Governance

Good self-governance is defined as the ability to effectively exercise all necessary functions of regulation without the necessity of intervention by an external authority.

In the business context, good self-governance means conducting operations in a way that is considered ethical and socially responsible, without being forced to do so by external pressures, such as regulators.

TOs can achieve good self-governance through inculcating discipline or self-restraint and actively participate in the governance framework among its employees.

- **Initiative 3.1.1: (Takaful Operator)**
  Establish a working committee at TO level to drive VBIT/ Sustainability agenda and promote a “tone from the top”

- **Initiative 3.1.2: (Takaful Operator)**
  Create an internal sustainability framework and conduct a best practice knowledge sharing session
• **Initiative 3.1.3: (Takaful Operator)**
  Establish KPIs for the management team and staff to reinforce the commitment to VBIT

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**Specific Initiative Outcome**
Internalise personal compliance behaviour such as self-control and self-accountability in fulfilling the company’s contractual obligations whilst safeguarding the rights of stakeholders

**Purpose of Initiative**
To promote a sense of responsibility in relation to VBIT implementation and translate key VBIT objectives into KPIs that ensures that everyone is aligned in terms of the desired outcomes

**Key Implementation Strategies**
- Inclusive Stakeholder Engagement
- Constructive Collaboration

**KPI 1 Indicator/Target:** Implementation of KPIs for the management team and staff of TOs

• **Initiative 3.1.4: (Takaful Operator)**
  Promote disclosure of VBIT and ESG-related issues

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</table>

**Specific Initiative Outcome**
Proactively engage with stakeholders to deliver the desired value expectations driven by a shared moral outlook for the ultimate good of all stakeholders

**Purpose of Initiative**
To promote a sense of responsibility in relation to VBIT implementation and encourage transparency, action and understanding of VBIT and its purpose

**Key Implementation Strategies**
- Inclusive Stakeholder Engagement

**BNM FSB Strategic Thrusts**
- FSB Strategic Thrust 4: Integrate climate risks into the Bank’s internal functions and operations
- FSB Strategic Thrust 5: Enhance impact-based disclosures

**KPI 1 Indicator/Target:** Number of TOs disclosing activities related to VBIT/ESG
# Identified Challenges and Potential Mitigation Plan

<table>
<thead>
<tr>
<th>Challenges</th>
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<tbody>
<tr>
<td>1) Obtaining buy-in from various stakeholders</td>
<td>• Ensure stakeholder engagement is guided by top management</td>
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<td>• Conduct stakeholder mapping, including identifying challenges for engaging each stakeholder</td>
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<tr>
<td></td>
<td>• Formulate strategies to manage identified challenges</td>
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<tr>
<td>2) Lack of interest from employees in attending capacity-building sessions</td>
<td>Establish a clear message on the importance and purpose of the sessions led by top management</td>
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<tr>
<td>3) Ensuring sufficient capacity building and talent management, especially at working level</td>
<td>Establish clear learning outcomes and objectives for training modules</td>
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<tr>
<td>4) Lack of best practice examples applicable to the Malaysian context</td>
<td>Establish clear channels of communication to facilitate industry sharing</td>
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<tr>
<td>5) Establishing a baseline understanding of the VBIT framework and relevant ESG / sustainability concepts, especially for staff</td>
<td>Establish clear learning outcomes and objectives for training modules</td>
</tr>
<tr>
<td>6) Managing the implementation of climate risk management alongside VBIT</td>
<td>Provide specific support for TOs to develop and implement climate risk management measures; conduct climate scenario analysis; and craft appropriate disclosures</td>
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</tbody>
</table>
4. Best Conduct

Best conduct is defined as the practice that has been proven to be the most superior form of management because it leads to the best results. It is also a part of organisational behaviour and leads to innovation, quality products offering and solutions, professionalism and continuous improvement of the organisation.

- **Initiative 4.1.1: (Takaful Operator)**  
  Calculate Carbon Footprint (Scope 1, 2 & 3)

- **Initiative 4.1.2: (Takaful Operator)**  
  Reduce carbon emissions and material usage

In support of the government’s committed target of becoming a carbon neutral nation by 2050, work towards reducing carbon emissions and promoting green and sustainable operations.
• **Initiative 4.1.3: 🌟 (Takaful Operator)**
  Prepare sustainability statement report at TO level

<table>
<thead>
<tr>
<th>Specific Initiative</th>
<th>Outcome: Adopt measures to promote green and sustainable operations</th>
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</thead>
<tbody>
<tr>
<td>Purpose of initiative: To support the Paris Climate Agreement and ESG efforts promoted by regulators</td>
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<tr>
<td>Key Implementation Strategies</td>
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</tr>
<tr>
<td>• Inclusive Stakeholder Engagement</td>
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<tr>
<td>• Impact-based Assessment</td>
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<th>BNM FSB Strategic Thrus</th>
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<tbody>
<tr>
<td>FSB Strategic Thrust 5: Enhance impact-based disclosures</td>
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• **Initiative 4.1.4: 🌟 (Industry)**
  Establish strategic partnerships with one (1) selected NGO and one (1) selected Government Agency that champions green living

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<tbody>
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<td>FSB Strategic Thrust 4: Integrate climate risks into the Bank’s internal functions and operations</td>
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- Kick Off
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• **Initiative 4.2.1: ● (Industry)**
  Promote a unified benchmark for conducting an annual customer satisfaction survey

<table>
<thead>
<tr>
<th>Specific Initiative Outcome</th>
<th>Purpose of Initiative</th>
<th>Key Implementation Strategies</th>
<th>BNK FSB Strategic Thrusts</th>
</tr>
</thead>
</table>
| Ensure fairness, transparency and continuous improvement in TOs processes and offerings | To change public perception and build confidence in Takaful | • Value-driven Solution  
• Inclusive Stakeholder Engagement  
• Impact-based Assessment | FSB Strategic Thrust 5:  
Strengthened gateway-critical capabilities (particularly on distributional capabilities, innovation, and competitiveness) and mechanisms for greater industry leadership |

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KPI 1 Indicator: Customer Satisfaction Index Rating  
Target: Customer Satisfaction Index Rating of 85.0 (based on current industry benchmark)

• **Initiative 4.2.2: ● (Industry)**
  Enhance customer engagement through an online service provider, including the introduction of an aggregator

<table>
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</table>
| Ensure fairness, transparency and continuous improvement in TOs processes and offerings | To change public perception and build confidence in Takaful | • Value-driven Solution  
• Inclusive Stakeholder Engagement  
• Impact-based Assessment | FSB Strategic Thrust 2C:  
Promote an enabling conduct environment for innovation and efficiency  
FSB Strategic Thrust 3A:  
Leverage key financial infrastructures of Malaysia’s broader digital ecosystem  
FSB Strategic Thrust 3B:  
Enhance pathways for digital innovations to test, scale, and exit |

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</table>
### Initiative 4.3.1: (Takaful Operator)
Train staff and intermediaries in best conduct

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<tr>
<th>Specific Initiative</th>
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</thead>
</table>
| Increase the professionalism of TO’s employees and intermediaries | Expedite the development of the Takaful industry, improve the image of Takaful agents and engage employees and intermediaries | • Value-driven Solution  
• Inclusive Stakeholder Engagement  
• Impact-based Assessment  
• Constructive Collaboration | FSB Strategic Thrust 2C:  
Strengthen professional standards, incentive frameworks and disclosure practices |

#### TIMELINE

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KPI 1

**Indicator/Target:** Mandatory training (30 minutes) for employees and intermediaries on best conduct

### Initiative 4.3.2: (Takaful Operator)
Enroll staff and intermediaries in a professional certification programme

<table>
<thead>
<tr>
<th>Specific Initiative</th>
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</table>
| Increase the professionalism of TO’s employees and intermediaries | Expedite the development of the Takaful industry, improve the image of Takaful agents and engage employees and intermediaries | • Value-driven Solution  
• Inclusive Stakeholder Engagement  
• Impact-based Assessment | FSB Strategic Thrust 2C:  
Strengthen professional standards, incentive frameworks and disclosure practices |

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KPI 1

**Indicator:** Percentage (%) of employees and intermediaries who have obtained professional certificates  
**Target:** 5% of employees/intermediaries are certified by 2025

*Note: certificates can be related to their own field (e.g., professional certificate). Example certifications may include Climate Risk Programmes by the Malaysian Insurance Institute (MII) and CFIP by INCEIF.*
### Identified Challenges and Potential Mitigation Plan

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Mitigation Plan</th>
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</thead>
<tbody>
<tr>
<td>1) Existing training modules may not be suitable and therefore a tailored module is required</td>
<td>• Establish clear learning outcomes and objectives based on needs of target audience</td>
</tr>
</tbody>
</table>
| 2) Substantial investment required to create an online portal for Takaful products | • Identify estimated budget to create online platform  
• Obtain concurrence on budget and funding sources before proceeding |
| 3) Obtaining buy-in from various stakeholders, especially on climate initiatives | • Ensure stakeholder engagement is guided by top management  
• Conduct stakeholder mapping, including identifying challenges for engaging each stakeholder  
• Formulate strategy to manage identified challenges |
5. Capacity Building

The process of acquiring and honing the skills, instincts, abilities, processes, and resources that organisations and communities require to survive, adapt, and thrive in a rapidly changing world.

Capacity building enables leaders and supporters to drive the necessary industry change, strengthens understanding and prevents misinterpretation of VBIT.

- **Initiative 5.1.1: (Industry)**
  Training for Board members, Shariah Committee members and Senior Management

<table>
<thead>
<tr>
<th>Specific Initiative Outcome</th>
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</table>
| Buy-in from strategic leadership | Board of Directors, Shariah Committee and Senior Management Team are strategic leaders that will drive VBIT at the company level and their understanding of VBIT will ensure the success of VBIT initiatives at the TO level | - Value-driven Solution
- Inclusive Stakeholder Engagement
- Constructive Collaboration |

**BNM FSB Strategic Thrusts**
- FSB Strategic Thrust 2C: Strengthen professional standards, incentive frameworks and disclosure practices

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KPI 1 Indicator/Target: 65% attendance rate of Board members, Shariah Committee members

KPI 2 Indicator/Target: 70% attendance rate of senior management in VBIT fundamentals training (CEO, CEO-1 & CEO-2)

- **Initiative 5.1.2: (Industry)**
  Incorporate VBIT fundamentals as part of the mandatory CPD training module

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<th>Specific Initiative Outcome</th>
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</table>
| Improved professionalism of intermediaries | Increased professionalism will improve the image of Takaful agents, thus improving public perception and trust | - Value-driven Solution
- Inclusive Stakeholder Engagement |

**BNM FSB Strategic Thrusts**
- FSB Strategic Thrust 2C: Strengthen professional standards, incentive frameworks and disclosure practices

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KPI 1 Indicator/Target: 50% participation from active Takaful intermediaries on the first year of implementation

Note: the following milestones are established:
- 60% of staff to attend on second year.
- 70% of staff to attend on the third year onwards.
• **Initiative 5.2.1: (Industry)**
  Embed VBIT fundamentals into onboarding training modules via online learning

- **Specific Initiative Outcome:**
  Increase staff knowledge, professionalism and competency on VBIT

- **Purpose of Initiative:**
  As staff are part of the ecosystem that will implement VBIT, their participation is crucial

- **Key Implementation Strategies:**
  - Value-driven Solution
  - Inclusive Stakeholder Engagement

- **BNM FSB Strategic Thrusts:**
  FSB Strategic Thrust 2C: Strengthen professional standards, incentive frameworks and disclosure practices

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KPI 1
Indicator/Target: 70% staff attend VBIT fundamentals training

• **Initiative 5.2.2: (Industry)**
  Provide training for in-house TO trainers

- **Specific Initiative Outcome:**
  Increase staff knowledge, professionalism and competency on VBIT

- **Purpose of Initiative:**
  As staff are part of the ecosystem that will implement VBIT, their participation is crucial

- **Key Implementation Strategies:**
  - Value-driven Solution
  - Inclusive Stakeholder Engagement

- **BNM FSB Strategic Thrusts:**
  FSB Strategic Thrust 2C: Strengthen professional standards, incentive frameworks and disclosure practices

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KPI 1
Indicator/Target: 100% of trainers are trained
### Initiative 5.2.3: 
(Industry)
Create thematic training based on Underpinning Thrusts

**Specific Initiative Outcome**
Increase staff knowledge, professionalism and competency on VBIT

**Purpose of Initiative**
As staff are part of the ecosystem that will implement VBIT, their participation is crucial

**KPI 1 Indicator/Target:** 100% of staff from the first year of implementation attend a refresher/thematic course on yearly basis

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#### Key Implementation Strategies
- Value-driven Solution
- Inclusive Stakeholder Engagement

#### BNM FSB Strategic Thrusts
FSB Strategic Thrust 2C: Strengthen professional standards, incentive frameworks and disclosure practices

### Initiative 5.2.4: (Industry)
Establish an online learning platform to become as a single resource centre for VBIT

**Specific Initiative Outcome**
Centralised and flexibility capacity-building capabilities

**Purpose of Initiative**
Reduce cost and improve efficiency in capacity-building

**KPI 1 Indicator/Target:** Establishment of online VBIT training platform/repository

#### TIMELINE

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</table>
• **Initiative 5.2.5: ◆ (Takaful Operator)**
  Publish bulletin to develop awareness around VBIT

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<thead>
<tr>
<th>Specific Initiative Outcome</th>
<th>Justification for Initiative</th>
<th>Key Implementation Strategies</th>
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</thead>
</table>
| Create awareness programmes across the Group of Companies | As staff are part of the ecosystem that will implement VBIT, their participation is crucial | • Value-driven Solution  
• Inclusive Stakeholder Engagement |

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KPI 1
Indicator: Employee engagement
Target: Some form of employee engagement quarterly

• **Initiative 5.3.1: ● (Industry)**
  Participate in relevant public seminars and conferences to increase the visibility of VBIT

<table>
<thead>
<tr>
<th>Specific Initiative Outcome</th>
<th>Purpose of Initiative</th>
<th>Key Implementation Strategies</th>
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</table>
| Raise public awareness of VBIT | Ensure sustainable growth for TOs through a strong public image | • Value-driven Solution  
• Constructive Collaboration |

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KPI 1
Indicator: Seminar/conference participation
Target: Participate in at least two public seminars/conferences on a yearly basis
• **Initiative 5.3.2: ✡ (Takaful Operator)**
Conduct VBIT conference for public and students

<table>
<thead>
<tr>
<th>Specific Initiative</th>
<th>Outcome</th>
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</table>
| Raise public awareness of VBIT | Ensure sustainable growth for TOs through a strong public image | • Value-driven Solution  
• Constructive Collaboration | FSB Strategic Thrust 2A: Address remaining inclusion gaps, focusing on take-up and meaningful usage of financial services |

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KPI 1 Indicator: Public engagement
Target: Some form of public engagement on a quarterly basis

**Identified Challenges and Potential Mitigation Plan**

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<tr>
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</table>
| 1) Participation of independent individuals (especially top-level management) in similar training modules available in the market | • Identify competitors in the market and identify potential differentiators  
• Tailor training according to identified differentiators |
| 2) Similar sustainability-related training modules available in the market | • Identify competitors in the market and identify potential differentiators  
• Tailor training according to identified differentiators |
| 3) Understanding the needs of staff and intermediaries and ensuring engagement | • Ensure stakeholder engagement is guided by survey of stakeholders for key knowledge gaps  
• Tailor training according to identified knowledge gaps  
• Establish a clear message on the importance of training, led by top management |
VBIT Roadmap Desired **Outcome**
Overview

All proposed initiatives from the respective workstreams were analysed. It was concluded that 7 key outcomes can be achieved. There are:

1. Financial resilience for B40 customers
2. Financial literacy and awareness
3. Green and sustainable operations
4. Efficiency and effectiveness of TO operations
5. Green Investment
6. Strong corporate governance and professionalism
7. Knowledge and competency of the 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

KEY OUTCOMES

1. Financial resilience for B40 customers
   Number of Initiatives: 5

2. Financial literacy and awareness
   Number of Initiatives: 4

3. Green and sustainable operations
   Number of Initiatives: 5

4. Efficiency and effectiveness of TO operations
   Number of Initiatives: 3

5. Green Investment
   Number of Initiatives: 2

6. Strong corporate governance and professionalism
   Number of Initiatives: 8

7. Knowledge and competency of industry
   Number of Initiatives: 5
Implementation Plan

The Materiality assessment identified 16 high scoring initiatives.

The 8 initiatives for the Industry are:

<table>
<thead>
<tr>
<th>Responsibility Party</th>
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<tbody>
<tr>
<td>1.1.1 Develop a product/model that enables lower capital requirements, etc.</td>
</tr>
<tr>
<td>2.2.1 Conduct public outreach to increase awareness of the need for Takaful protection</td>
</tr>
<tr>
<td>2.2.2 Improve financial literacy within target communities (students) in Malaysia</td>
</tr>
<tr>
<td>2.5.2 Lobby for incentives for the industry to be able to launch Green Investment</td>
</tr>
<tr>
<td>5.1.1 Training for Board members, Shariah Committee members and Senior Management</td>
</tr>
<tr>
<td>5.1.2 Incorporate VBIT fundamentals as part of the mandatory CPD training module</td>
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<tr>
<td>5.2.1 Embed VBIT fundamentals into onboarding training modules via online learning</td>
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<tr>
<td>5.2.4 Establish an online learning platform to become a single resource centre for VBIT</td>
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The 8 initiatives for Takaful Operators are:

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<tr>
<td>2.4.1 Promote self-service capabilities through digitisation</td>
</tr>
<tr>
<td>3.1.2 Create an internal sustainability framework / knowledge sharing</td>
</tr>
<tr>
<td>3.1.3 Establish KPIs for management team and staff (VBIT)</td>
</tr>
<tr>
<td>4.1.1 Calculate Carbon Footprint (Scope 1, 2 &amp; 3)</td>
</tr>
<tr>
<td>4.1.2 Reduce carbon emissions and material usage</td>
</tr>
<tr>
<td>4.1.3 Prepare sustainability statement report at TO level</td>
</tr>
<tr>
<td>4.3.1 Train staff and intermediaries in best conduct</td>
</tr>
<tr>
<td>4.3.2 Enrol staff and intermediaries in professional certification programme</td>
</tr>
</tbody>
</table>

The industry, TOs and RTOs are recommended to start their VBIT journey with the initiatives with the highest values.
The VBIT Maturity Continuum was developed based on the Underpinning Thrust of VBIT.

The industry is adopting the Maturity Continuum Model in order for the industry, TOs and RTOs to assess our incremental development in the journey from the dependence to maturity stage.

It is recommended that prior to commencing initiatives under the Roadmap, TOs and RTOs should conduct a self-assessment by making reference to the VBIT Maturity Continuum. This will enable TOs to understand their Current State.

TOs are also recommended/encouraged to conduct the Maturity Continuum exercise after completing the initiatives for TOs and RTOs.

5 VBIT Maturity Continuum based on the VBIT Underpinning Thrusts are as follows:

**VBIT Maturity Continuum (1/5)**

**VBIT Underpinning Thrust**

**Financial Resilience**

Financial resilience is the ability of an individual, business owner or family to bounce back from a financial shock

### STAGE 1
- Certain products are not affordable (i.e., not based on B40 income bracket).
- Products are complex and difficult to understand.
- Product comparison is strictly limited to TOs’ respective websites.
- Absence of products suitable to serve specific needs of underserved segments (e.g., B40, disabled, geographical segments).
- TO does not provide advisory support to customers.

### STAGE 2
- Majority products are affordable (i.e., based on B40 income bracket).
- Products are simple but difficult to understand.
- Product comparison are available through different channels (e.g., website, mobile application) and hosted on one platform.
- Some products are available suitable to serve specific needs underserved segments (e.g., B40, disabled, geographical segments).
- TO provides limited advisory support to customers.

### STAGE 3
- Products are affordable (i.e., B40 income bracket).
- Products are simple and easy to understand.
- Product comparison are available through different channels (e.g., website, mobile application) and hosted on different platforms.
- Availability of products serving distinctive needs of various society segments to ensure financial safety nets are commonly available.
- TO provides comprehensive advisory support to customers for better financial decisions.

### KEY ELEMENTS
- Developing offerings and solutions
- Ensure affordability and accessibility

### INDICATORS
- Affordability
- Complexity
- Accessibility
- Advisory support
Community empowerment is defined as the process of enabling people to gain control over the factors and decisions that shape their lives and well-being and/or that of the community.

VBIT Maturity Continuum (2/5)

VBIT Underpinning Thrust: Community Empowerment

**Stage 1**
- "Market place" for Takaful products is not available.
- Public programme to increase awareness on Takaful is minimal and is organised independently by TOs.
- Participation of TOs in offering microtakaful products is low.
- Public is aware of Takaful and Insurance products but have no preferences.
- Takaful Intermediary is not an attractive career choice.
- No products to complement sectors that have undertaken sustainable projects.

**Stage 2**
- Establishment of a "market place" for Takaful products for easy reference and comparison.
- Structured awareness programmes for the public are available to increase the awareness on Takaful. Target audience is identified according to TOs' products and services.
- TOs' participation in offering microtakaful is average.
- Public is aware of Takaful and Insurance but unable to differentiate between Takaful and Insurance.
- Takaful Intermediary is gaining popularity as a career choice.
- Limited products to complement sectors that have undertaken sustainable projects.

**Stage 3**
- "Market place" established for Takaful products for easy reference and comparison.
- Collaboration with relevant stakeholders (e.g., government agencies) offering structured awareness programmes for the public are available.
- TOs' participation in offering microtakaful is average to high.
- Public is aware of Takaful and Insurance and can differentiate between Takaful and Insurance.
- Takaful Intermediary is gaining popularity as a career choice.
- Some products to complement sectors that have undertaken sustainable projects.

**Stage 4**
- "Market place" established for Takaful products for easy reference and comparison is expanded to include other industries.
- Meaningful involvement and contribution from all key stakeholders in different focus areas. Collaboration with relevant stakeholders (e.g., government agencies and joint efforts between all TOs) offering structured awareness programmes for the public are available to increase awareness on Takaful. Digital solutions also used to increase awareness on Takaful. Target audience is identified without differentiation and with the intention to benefit the Takaful industry.
- TOs' participation in offering microtakaful is high.
- Public is aware of Takaful and Insurance and can differentiate between Takaful and Insurance, with many requesting to be under a Takaful plan.
- Takaful Intermediary is popular as a career choice.
- Several products to complement sectors that have undertaken sustainable projects.

**Key Elements**
- Simplify and customise approach in presenting offerings
- Create awareness around Takaful
- Facilitate and provide suitable platforms to access different communities
- Expand outreach via digital mediums

**Indicators**
- Accessibility via marketplace
- Awareness
- Preferred choice
- Participation
- Availability of sustainable-related products

45
VBIT Maturity Continuum (3/5)

VBIT Underpinning Thrust: Good Self Governance

Good self-governance is defined as the ability to effectively exercise all necessary functions of regulation without the necessity of intervention by an external authority.

**STAGE 1**
- VBIT is a not part of a TO’s strategy.
- VBIT/Sustainability Framework is not available at TO level.
- No senior officer appointed to lead the company on VBIT initiatives.
- No VBIT KPIs for Senior Management and employees.

**KEY ELEMENTS**
- Inculcate organizational discipline
- Meaningful participation of all stakeholders in the governance framework

**INDICATORS**
- Availability (within strategy)
- Framework availability
- Appointment of senior officer
- KPI for senior management and employees

**STAGE 2**
- VBIT is part a TO’s strategy in certain departments.
- VBIT/Sustainability Framework at TO level is established.
- A dedicated unit for VBIT but no senior officer appointed to lead the company on VBIT initiatives at TO level.
- No VBIT KPIs for Senior Management and employees.

**STAGE 3**
- VBIT is part a TO’s strategy across all departments.
- VBIT/Sustainability Framework at TO level is established.
- Senior officer appointed to lead the company on VBIT initiatives at TO level.
- VBIT KPIs for Senior Management and employees are established.

**STAGE 4**
- VBIT is part a TO’s strategy across all departments and subsidiaries.
- VBIT/Sustainability Framework at TO level is established and reviewed.
- Senior officer appointed to lead the company on VBIT initiatives at TO level.
- KPIs for Senior Management and employees are available. Intermediaries also have VBIT-related KPIs.

- Employees and intermediaries are aware of the VBIT Framework and understand the concept.
- Scorecard for VBIT is available for the industry and for TOs to implement.
- Basic disclosures on VBIT are available from the majority of TOs.
- Some/majority of employees and intermediaries are pursuing professional certification.

**KEY ELEMENTS**

**INDICATORS**
- Institutional behaviour that drives continuous improvement
- Upholding fair and transparent business conduct
- Elevate professionalism of employees and intermediaries
- Awareness VBIT scorecard
- Disclosure
- Professional certification

**STAGE 1**
- Employees and intermediaries are unaware of the existence of VBIT Framework.
- Scorecard for VBIT is not available.
- Disclosure on VBIT is not available.
- No one among employees and intermediaries are pursuing professional certification.

**STAGE 2**
- Employees and intermediaries are aware of the VBIT Framework.
- Scorecard for VBIT is available for the industry.
- Basic disclosures on VBIT are available from some TOs.
- Some employees and intermediaries are pursuing professional certification.

**STAGE 3**
- Employees and intermediaries are aware of the VBIT Framework and understand the concept.
- Intermediaries are inclined towards VBIT products as a “first choice” to offer to customers.
- Scorecard for VBIT is available for the industry and for TOs to implement.
- Comprehensive disclosures on VBIT are available from the majority of TOs.
- More than 50% of employees and intermediaries are certified professionally according to their field of work.

**STAGE 4**
- Employees and intermediaries are aware of the VBIT Framework and are comfortable with the concept.
- Intermediaries are inclined towards VBIT products as a “first choice” to offer to customers.
- Scorecard for VBIT is available for the industry and for TOs to implement.
- Comprehensive disclosures on VBIT are available from the majority of TOs.
- More than 50% of employees and intermediaries are certified professionally according to their field of work.
Value-Based Intermediation for Takaful (VBIT) Roadmap 2022

VBIT Maturity Continuum (4/5)

VBIT Underpinning Thrusts

Best conduct is defined as the practice that has been proven to be the most superior form of management because it leads to the best results.

STAGE 1
- Employees and intermediaries are unaware of the existence of VBIT Framework.
- Scorecard for VBIT is not available.
- Disclosure on VBIT is not available.
- No one among employees and intermediaries are pursuing professional certification.

STAGE 2
- Employees and intermediaries are aware of VBIT Framework.
- Scorecard for VBIT is available for the industry.
- Basic disclosures on VBIT are available from some TOs.
- Some employees and intermediaries are pursuing professional certification.

STAGE 3
- Employees and intermediaries are aware of the VBIT Framework and understand the concept.
- Scorecard for VBIT is available for the industry and for TOs to implement.
- Basic disclosures on VBIT are available from the majority of TOs.
- Some/majority of employees and intermediaries are pursuing professional certification.

STAGE 4
- Employees and intermediaries are aware of the VBIT Framework and are comfortable with the concept.
- Intermediaries are inclined towards VBIT products as a “first choice” to offer to customers.
- Scorecard for VBIT is available for the industry and for TOs to implement.
- Comprehensive disclosures on VBIT are available from the majority of TOs.
- More than 50% of employees and intermediaries are certified professionally according to their field of work.

KEY ELEMENTS
- Institutional behaviour that drives continuous improvement
- Upholding fair and transparent business conduct
- Elevate professionalism of employees and intermediaries

INDICATORS
- Awareness
- VBIT scorecard
- Disclosure
- Professional certification
VBIT Maturity Continuum (5/5)

VBIT Underpinning Thrusts

Capacity Building

The process of developing and strengthening the skills, instincts, abilities, processes and resources that organisations and communities need to survive, adapt, and thrive in a fast-changing world.

STAGE 1
- No training programme available for employees and intermediaries on VBIT.

STAGE 2
- Programmes on VBIT for employees and intermediaries are available, including for the Shariah Committee and Board of Directors. Trainings are run at industry level.
- VBIT training for onboarding is available and mandated for new employees.
- E-Learning management system is available for the industry to host VBIT modules.

STAGE 3
- Programmes on VBIT for employees and intermediaries are available, including for the Shariah Committee and Board of Directors’ Trainings are running at industry and TO level.
- VBIT training for onboarding is available and mandated for new employees and new intermediaries.
- E-Learning management system is available for the industry to host certain segments of the public.

STAGE 4
- All VBIT Training Programmes are available via E-Learning management system.
- Yearly refresher on VBIT is a compulsory programme for TOs.
- E-Learning management system is available for the industry to host VBIT modules for the public.

INDICATORS
- Availability of training programmes
- Awareness
Value-Based Intermediation for Takaful (VBIT) Roadmap 2022

6.0

VBIT Governance Structure
VBIT Governance Structure

The Roadmap has recognised that there is an alignment of VBIT and FSB due to common Desired Outcomes. Therefore, as part of the industry commitment in the journey to brighten and strengthen the future landscape of Takaful and to support the national agenda, a steering committee known as FSB Steering Committee has been established.

The objective of FSB Steering Committee are:

01. To address the wider/broader scope of the Financial Sector Blueprint (FSB) and ensure that the VBIT initiatives are aligned with FSB Strategic Thrusts.

02. To ensure the efficiency of the Steering Committee to oversee the implementation of both the VBIT and FSB initiatives.

03. To provide guidance and oversight of the FSB and VBIT initiatives, oversee the implementation of the overall strategies monitor budget utilisation, and ensure it is within the approved project budget/benefit.
FSB Steering Committee will serve the following purpose for VBIT and FSB:

01 Monitor and provide guidance on any issues and requirements related to the implementation of the VBIT Framework and FSB.

02 Set the tone for the industry’s long-term aspirations pertaining to the VBIT and FSB.

03 Identify obstacles that may halt the industry’s plan for gradual adoption of VBIT and FSB.

04 Spur and encourage industry-wide implementation of VBIT and FSB-related initiatives.

05 Point of Reference to identify areas of improvement necessary to achieve intended milestones, as well as formulate general methodologies and approaches.

06 Set up a collaborative platform to strategically advance industry-wide implementations with various stakeholders namely BNM and Government Agencies.
Term of Reference for FSB Steering Committee

The roles and responsibilities of the committee shall include the following:

01. To monitor and provide guidance on any issues and requirements related to VBIT and also FSB Initiatives implementation.

02. To set the tone for the industry’s long-term aspiration on VBIT and FSB.

03. Identify obstacles that may halt the industry’s plan for gradual adoption of VBIT and FSB implementation.

04. Spur and encourage industry-wide implementation of VBIT and FSB related initiatives.

Members of the FSB Steering Committee are the Industry Champions of each Strategic Thrust under FSB. They are the CEOs of the Takaful companies in Malaysia.
To monitor and provide guidance on any issues and requirements related to VBIT and also FSB Initiatives implementation.

To set the tone for the industry’s long-term aspiration on VBIT and FSB.

Identify obstacles that may halt the industry’s plan for gradual adoption of VBIT and FSB implementation.

Spur and encourage industry-wide implementation of VBIT and FSB related initiatives.

The Steering Committee will report the progress of the implementation of VBIT to the MTA Management Committee.
VBIT Industry Assessment
VBIT Industry Assessment

During the implementation phase, progress will be compared to the plan, and the budget will be reported at the FSB Steering Committee meetings. Issues and challenges encountered during implementation will also be discussed, which may cover issues on regulatory, manpower and other matters requiring attention and guidance of the Steering Committee. Nevertheless, a formal review exercise is recommended to be conducted to provide the overall assessment of the implementation phase.

The review exercise is a normal part of a project. Reviews will be conducted during the running of the project and also after the project is completed. The VBIT Review exercise is intended to inform the industry and provide the assurance that the implementation and execution of initiatives are progressing according to the plan. This review exercise allows the industry to address any issues and challenges that may derail the implementation plan and conduct necessary adjustments to the original plan. This is also to ensure that the industry will be able to achieve the desired outcome.

Reviews are conducted to:

i. Determine if the project has achieved what was originally planned
ii. Ascertain how the project can be improved during implementation and in the future
iii. Learn from the mistakes that happened to ensure they do not happen in future projects
iv. Refine the plan

Three reviews are planned to be conducted throughout the VBIT implementation.

<table>
<thead>
<tr>
<th>Review Type</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preliminary Review (Self Assessment)</td>
<td>Q3 2022</td>
</tr>
<tr>
<td>Check Point Review (Operator Level)</td>
<td>Q3 2023</td>
</tr>
<tr>
<td>Post Implementation Review (Industry Wide)</td>
<td>Q1 2025</td>
</tr>
</tbody>
</table>

It is recommended that the industry, TOs and RTOs assess their current stage of maturity based on the Maturity Continuum during the pre-implementation stage. Upon completion of the 32 initiatives, it is expected that the industry, TOs and RTOs to achieve a higher level of VBIT maturity.
Overview of VBIT Roadmap 2022-2024
Map of Key Initiatives and Maturity Continuum

Upon completion of the thirty-two (32) initiatives, the following level within the Maturity Continuum will likely be achieved:

<table>
<thead>
<tr>
<th>NO.</th>
<th>INITIATIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1.1</td>
<td>Develop a product/model that enables lower capital requirement, etc.</td>
</tr>
<tr>
<td>1.1.2</td>
<td>Expand Perlindungan Tenang Guidelines</td>
</tr>
<tr>
<td>1.1.3</td>
<td>Collaboration with other platform and service provider that is currently running a platform (B40)</td>
</tr>
<tr>
<td>2.1.1</td>
<td>Create affordable products for the B40 community (microtakaful)</td>
</tr>
<tr>
<td>2.1.2</td>
<td>Develop training module to frame Takaful as income generator</td>
</tr>
<tr>
<td>2.2.1</td>
<td>Conduct public outreach to increase awareness on the need for Takaful protection</td>
</tr>
<tr>
<td>2.2.2</td>
<td>Improve financial literacy within target communities (students) in Malaysia</td>
</tr>
<tr>
<td>2.3.1</td>
<td>Reduce use of paper consumption across operations</td>
</tr>
<tr>
<td>2.4.1</td>
<td>Promote self-service capabilities through digitalisation</td>
</tr>
<tr>
<td>2.5.1</td>
<td>Leverage green sukuk launched by the government to promote Green Investment</td>
</tr>
<tr>
<td>2.5.2</td>
<td>Lobby for incentives for the industry to be able to launch Green Investment</td>
</tr>
<tr>
<td>3.1.1</td>
<td>Establish a working committee at TO level to drive VBIT/Sustainability agenda</td>
</tr>
<tr>
<td>3.1.2</td>
<td>Create an internal sustainability framework / knowledge sharing</td>
</tr>
<tr>
<td>3.1.3</td>
<td>Establish KPIs for management team and staff (VBIT)</td>
</tr>
<tr>
<td>3.1.4</td>
<td>Promote disclosure for VBIT and ESG-related issues</td>
</tr>
<tr>
<td>4.1.1</td>
<td>Calculate Carbon Footprint (Scope 1, 2 &amp; 3)</td>
</tr>
<tr>
<td>4.1.2</td>
<td>Reduce carbon emissions and material usage</td>
</tr>
<tr>
<td>4.1.3</td>
<td>Prepare sustainability statement report at TO level</td>
</tr>
<tr>
<td>4.1.4</td>
<td>Establish strategic partnerships with NGOs and government agencies</td>
</tr>
<tr>
<td>4.2.1</td>
<td>Promote a unified benchmark for conducting yearly customer satisfaction survey</td>
</tr>
<tr>
<td>4.2.2</td>
<td>Enhance customer engagement through an online service provider</td>
</tr>
<tr>
<td>4.3.1</td>
<td>Train staff and intermediaries in best conduct</td>
</tr>
<tr>
<td>4.3.2</td>
<td>Enroll staff and intermediaries in professional certification programme</td>
</tr>
<tr>
<td>5.1.1</td>
<td>Training for Board members, Shariah Committee members and Senior Management</td>
</tr>
<tr>
<td>5.1.2</td>
<td>Incorporate VBIT fundamentals as part of mandatory CPD training module</td>
</tr>
<tr>
<td>5.2.1</td>
<td>Embed VBIT fundamentals into onboarding training modules via online learning</td>
</tr>
<tr>
<td>5.2.2</td>
<td>Provide training for in-house TO trainers</td>
</tr>
<tr>
<td>5.2.3</td>
<td>Create thematic training based on four pillars</td>
</tr>
<tr>
<td>5.2.4</td>
<td>Establish an online learning platform to become a single resource centre for VBIT</td>
</tr>
<tr>
<td>5.2.5</td>
<td>Publish a bulletin to develop awareness around VBIT</td>
</tr>
<tr>
<td>5.3.1</td>
<td>Participate in relevant public seminars and conferences</td>
</tr>
<tr>
<td>5.3.2</td>
<td>Conduct VBIT conference for public and students</td>
</tr>
</tbody>
</table>

*Maturity Continuum Outcome: Stage 2/3

Financial Resilience
- Some/majority of products are affordable and simple but may be difficult to understand.
- Product comparisons are available and may be available on a single platform.
- Some products are suitable for certain underserved segments.
- TO provides limited/basic advisory support to customers for financial decisions.

Community Empowerment
- Establishment of “marketplace” for Takaful products for easy reference and comparison.
- Structured awareness programmes for the public and collaboration with key stakeholders.
- TO participation in covering microtakaful is average to high.
- Public is aware of Takaful and Takaful Intermediaries is gaining popularity as a career choice.

Good Self-Governance
- VBIT is part of TO’s strategy in some/all departments.
- VBIT/Sustainability Framework at TOs’ level is established.
- Senior officer may have been appointed to lead the company on VBIT initiatives at TOs’ level.
- VBIT KPIs for Senior Management and employees may have been established.

Best Conduct
- Employees and Intermediaries are aware of VBIT Framework and may understand the concept.
- Scorecard for VBIT is available for the industry and may be available for TOs to implement.
- Basic disclosures on VBIT are available for some/majority of TOs.
- Some/majority of Employees and Intermediaries are pursuing professional certification.

Capacity Building
- Programme on VBIT for leadership, employees and Intermediaries is available at the industry level.
- Training may be available at the TO level.
- VBIT training for onboarding is available and mandated for new employees/intermediaries.
- E-Learning management system is available to host VBIT modules.
Conclusion
Conclusion

“In essence, the Takaful industry exists to bring about good for all. It does this through delivering value to customers and stakeholders through innovative, customer-driven solutions based on the principles and intended outcomes of Maqasid Shariah.”

The VBIT Roadmap allows us, the leaders and players driving the industry, to assess and re-evaluate the industry’s 40-year journey and go back to the drawing board to strategise and develop a comprehensive plan and aspirations for its future – a future which we have defined in the VBIT Roadmap as Takaful for All. Here, we acknowledge a few key points of the journey.

VBIT is long-term. We have pledged our joint commitment to this journey. This will require us to continue assessing, reviewing and improving the framework, as well as its strategies and interventions, to ensure that it achieves the intended outcome of increasing value creation for TOs, the government, regulators, as well as individual members of the community.

VBIT is inclusive. The Roadmap takes on board needs and problems, and thus intends to bring sustainable and meaningful solutions which will benefit every stakeholder involved in the Takaful industry.

VBIT is empowering. The VBIT Roadmap is a guide on how people can empower people. Its successful delivery depends on the positive participation of the industry people. Its impact will be felt by those vulnerable, underprivileged, and underserved in the community, who will be provided with opportunities to achieve a better quality of life. This empowering cycle will allow operators, intermediaries, customers, and regulators to continuously contribute to and benefit from the value and prosperity brought about by VBIT.
Acknowledgement
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The establishment of the VBIT Roadmap was guided and assisted by relevant stakeholders, especially in terms of the initiatives for underpinning thrust. Discussions and challenge sessions were held to ensure VBIT Roadmap is a complete document that will serve as guidance for the industry, TOs and RTOs. Below is a non-exhaustive list of individuals, organisations and institutions that have contributed directly and indirectly towards the publication of the VBIT Roadmap.

- Bank Negara Malaysia - for providing the guidance and aspiration of VBI
- VBIT Steering Committee - for providing guidance and positive criticism to ensure the workstreams are aligned with the overall objectives of VBIT

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9. Iqbal Azaham Azmi
10. Siti Marina Binti Mansor
11. Haslinda Binti Ahmad
12. Khairul Anuar Bin Hj Hassan
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2. Mok Fan Wai
3. Lim Jing Yi

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6. Shazliyana Abdullah
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8. Nur Adreena Mohd Rashidi
9. Nur Amalina Wahieeda Mohd Yunos
10. Aida Hidayati Amir
11. Ramizah Hasan
12. Nurul Farhanah Mustapa
13. Amirra Ibrahim
List of Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BNM</td>
<td>Bank Negara Malaysia</td>
</tr>
<tr>
<td>CVI</td>
<td>Corporate Value Intent</td>
</tr>
<tr>
<td>ESG</td>
<td>Environment, Social and Governance</td>
</tr>
<tr>
<td>FSB</td>
<td>Financial Sector Blueprint 2022-2026</td>
</tr>
<tr>
<td>MTA</td>
<td>Malaysian Takaful Association</td>
</tr>
<tr>
<td>RTO</td>
<td>Retakaful Operators</td>
</tr>
<tr>
<td>SDGs</td>
<td>United Nations Sustainable Development Goals</td>
</tr>
<tr>
<td>PSI</td>
<td>UNEP Finance Initiative Principle of Sustainable Insurance</td>
</tr>
<tr>
<td>VBI</td>
<td>Value-Based Intermediation</td>
</tr>
<tr>
<td>VBIT</td>
<td>Value-Based Intermediation for Takaful</td>
</tr>
</tbody>
</table>
The Value-Based Intermediation for Takaful (VBIT) Roadmap has been developed and structured by the VBIT Underpinning Thrust Workstream, and is intended to be a guidance for the industry, Takaful Operators and Retakaful Operators.

The VBIT Workstream maintains that:

i. The overall content of the VBIT Roadmap is for guidance purposes.

ii. The information and opinions contained in this Roadmap have been obtained from reliable sources. Opinions and information are subject to change without notice.

iii. The illustrations provided were selected to best represent the objective of the relevant section in the consideration and deliberation of the VBIT Workstream. They are intended to help readers develop the thought process of their desired outcomes.

iv. The goal is to keep the information timely and accurate; however, any amendments and revisions shall be addressed by the VBIT Workstream and MTA.

v. The VBIT Workstream and MTA accept no responsibility or liability for decisions made based on the information in this Roadmap.