GENERALI INSURANCE MALAYSIA BERHAD ANNUAL REPORT 2025

GENERALI

MESSAGE FROM THE CHAIRMAN

2025 marked a year of steady progress and renewed growth momentum for Generali Insurance Malaysia Berhad (GIMB). With the successful completion of our integration journey last year, we have entered a new phase of growth, advancing our ambitions under the "Lifetime Partner 27: Driving Excellence" strategy.

GIMB delivered a solid performance and recorded a total of RM2.22 billion in Gross Written Premium (GWP), representing an increase of 5.2% from RM2.11 billion recorded in 2024. Profit After Tax (PAT) also rose significantly by 15.9% to RM184.9 million in 2025, compared to RM159.6 million in the previous year.

These results reflect the resilience and solid foundation we have built, despite navigating an increasingly challenging environment particularly within the Medical and Health Insurance/Takaful (MHIT) segment, alongside global headwinds. Our continued focus on operational excellence, innovation, and customer-centricity has enabled us to deliver on our strategic priorities and drive sustainable growth.

Putting customers at the heart of everything we do, we remain dedicated to providing meaningful support in times of need. We extended timely assistance to communities affected by the Putra Heights gas pipeline incident through expedited claims processing, on-site support, and the retention of the No Claim Discount (NCD), reaffirming our commitment to standing by our customers when it matters most.

Throughout the year, we also introduced innovative insurance solutions and strategic partnerships aimed at supporting the protection needs of the underserved segments and small and medium-sized enterprises (SMEs). Similarly, our community programmes under The Human Safety Net continue to empower families and children in need through education and the power of play.

As the business continues to evolve, the Board remains steadfast in upholding strong governance, integrity, and accountability across all levels of the organisation. GIMB has also maintained a comprehensive Anti-Bribery and Corruption framework underpinned by a zero-tolerance approach, with operations conducted in accordance with the highest ethical standards. I am pleased to note the recertification of the ISO 37001:2025 Anti-Bribery Management System, demonstrating our strong governance practices.

Importantly, we are also focused on embedding sustainability across our business while creating value for our stakeholders. We published our first Climate-Related Financial Disclosure Report, enhancing transparency and strengthening Board-level oversight of climate-related risks across both our General and Life businesses.

On the environmental front, we made meaningful strides through initiatives such as coastal conservation activities in partnership with the Malaysian Nature Society. Our sustainable workplace practices were also recognised through Menara Generali's LEED Green Building Gold and GreenRE Silver certifications, as well as the Penang branch's 2025 Penang Green Office Certification.

Looking ahead, the Board remains confident in the Company's strategic direction and long-term growth potential. Our strengthened foundations, disciplined execution, and clear sense of purpose position us well to deliver sustainable, long-term value, while advancing protection across Malaysia.

I would also like to take a moment to welcome Mr. Liew Fui Kiang on his appointment as an Independent Non-Executive Director during the year under review. On behalf of the Board, I extend our sincere gratitude to our valued shareholders, customers, agents, and partners for their continued trust and support.

I would also like to congratulate Fabrice Benard, CEO of GIMB and Country Head for Generali Entities in Malaysia for being awarded the CEO of the Year at the Insurance Asia News Awards for Excellence 2025 – a testament to his strong leadership and strategic vision. Lastly, my heartfelt appreciation goes to the GIMB management and all employees for their dedication and commitment. Your passion and resilience continue to be the driving force behind our achievements.

Together, we look forward to driving excellence and building a stronger future.

Raymond Fam

Chairman,
Generali Insurance Malaysia Berhad

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER & COUNTRY HEAD

2025 marked a year of building momentum for Generali Malaysia. Following the successful integration of our general and life insurance operations, we are focused on driving excellence, guided by our Lifetime Partner 27: Driving Excellence strategy. This is underpinned by our focus on people-powered excellence, sustainability-driven progress, and the strategic use of AI and data to create lasting value for our customers and stakeholders.

Amidst an increasingly complex risk landscape shaped by evolving challenges in the Medical and Health Insurance/Takaful (MHIT) segment, persistent inflationary pressures, energy price volatility, and geopolitical uncertainties, we have remained steadfast in our strategic focus. This disciplined approach has enabled us to deliver consistent excellence across both our General and Life businesses.

Commendable Financial Performance

Generali Malaysia closed the financial year 2025 with a strong set of results, reflecting the resilience of our business and the disciplined execution of our strategic priorities.

Our General Insurance business recorded a total of RM2.22 billion in Gross Written Premium (GWP), representing a growth of 5.2% from RM2.11 billion in 2024. Profit After Tax (PAT) also improved, rising by a robust 15.9% to RM184.9 million in 2025, up from RM159.6 million in the previous year.

Our Life Insurance business also continued its positive momentum, recording insurance revenue of RM253 million, a 2% increase from RM248 million in the previous year, further strengthening our integrated value proposition across savings and life protection.

Enhancing Operational Efficiency

We made significant strides in optimising our operations to drive efficiency and agility. A key milestone was the completion of our branch harmonisation initiative. Covering a total of 24 branches, the initiative streamlined our nationwide footprint and improved operational efficiency for better services. The journey culminated in the launch of Menara Generali, our new headquarters that united over 1,000 employees from 4 different locations under one roof, fostering a culture of collaboration and innovation.

Technology remains a critical enabler of our transformation. During the year, we enhanced our capabilities through the rollout of a new pricing engine, an upgraded quotation tool, and the deployment of AIBot Einstein, an internal compliance tool. All these internal tools support our journey towards strengthening our underwriting precision, decision-making, and governance.

We are also committed to improving accessibility and convenience through the GeneraliMY Customer Portal, available for our general insurance customers via web and app. It provides end-to-end policy servicing, claims submission, and real time access to information. In 2025, the portal recorded a 68% increase in new registrations, while Generali Life Insurance Malaysia Berhad's MyGenerali Customer Portal recorded a 7.8% increase in new users, reflecting continued growth in digital adoption and customer engagement across our platforms.

In addition, our Insurtech Incubator Programme continues to drive innovation by supporting insurtech and healthtech startups through funding, mentorship, and co-creation. This has enabled us to explore practical solutions and partnerships, in areas such as claims automation and digital servicing, while contributing to broader ecosystem development.

Elevating Customer Experience

Delivering exceptional customer experiences remains central to our strategy, and we have taken deliberate steps to embed customer voice into how we operate.

Through our Cloopers network, our employees engaged directly with customers to gather deeper insights beyond traditional surveys. Our Customer Experience (CX) Council also brought together management and frontliners to review customer feedback, complaints, and service performance. By fostering open dialogue and acting on feedback, we were able to drive continuous improvement across all touchpoints and shape better experiences for our customers.

Our customer-centric approach was further recognised through the 2024 Customer Satisfaction Survey commissioned by LIAM, PIAM and MTA in collaboration with Bank Negara Malaysia. 71% of customers expressed positive sentiment across key pillars such as accessibility, product suitability, and service efficiency. Our Life Insurance business emerged as a top-tier life insurer, achieving customer satisfaction scores exceeding 80% and surpassing the life insurance benchmark across all pillars.

In line with our customer-first commitment, we also extended our support to the communities affected by the Putra Heights gas pipeline incident through fast-track claims processing, onsite support, and the retention of No Claim Discount (NCD) for impacted customers.

Living the Community

Generali Malaysia ranked #1 globally in The Human Safety Net (THSN) Global Challenge 2025, raising RM580,441 in support of NGO partners Suriana Welfare Society Malaysia and Yayasan Generasi Gemilang. Together, we supported vulnerable families and children through the Bright Beginnings, Kita Main – Play & Learn Kit and Munch & Move Programme, which advocated the importance of nutrition, parenting support, and early childhood development.

In the spirit of giving back, we also carried out various volunteering initiatives throughout the year and extended support through our Zakat Wakalah programme to SMK Pendidikan Khas Setapak, a specialised school serving students with visual impairments and ARISMA (Akademi Remaja Islam Autisma).

Beyond these initiatives, we also continued to respond to broader community needs through targeted outreach and humanitarian efforts. In collaboration with the Malaysian Relief Agency (MRA), we supported flood-affected communities in Sabah by distributing ready-to-eat food packs.

Sustainability

Sustainability is deeply embedded in the way we operate and create long-term value. We published our first Climate-related Financial Disclosure Report, strengthening transparency, governance, and Board-level oversight of climate-related financial risks across both our General and Life businesses.

We also continued to advance environmentally responsible operations across our footprint. Menara Generali achieved LEED Green Building Gold Certification and GreenRE Silver Certification, while our Penang branch became the first in our network to receive the 2025 Penang Green Office Certification.

Beyond our operations, we remained committed to community-driven environmental stewardship. In collaboration with the Malaysian Nature Society (MNS), we organised coastal conservation activities, successfully removing over 220kg of waste and planting 250 mangrove seedlings to support ecosystem preservation.

Recognising the growing impact of climate-related risks on businesses, we collaborated with United Nations Development Programme (UNDP), showcased our enhanced SME Loss Prevention Framework (LPF) to help SMEs manage climate-related risks, and launched it at the inaugural JC3 SFG Climate Conference for SMEs 2025. In addition, our participation in SME Venture@ASEAN 2025 further reinforced our commitment to closing the protection gap by supporting SMEs with ESG-aligned risk solutions.

Championing Inclusivity and Female Empowerment

We also continued to champion inclusivity and female empowerment through La Femmina, our dedicated agency recruitment and development initiative for female leaders and agents. The programme empowers women from all walks of life to pursue fulfilling entrepreneurial careers within the insurance industry through tailored enrichment programmes focused on prospecting, client servicing, presentation skills, and professional development.

The initiative continued to deliver encouraging results in 2025, with an 88% growth in La Femmina members. Women now make up 51% of our agency force and contributed 57% of Agency APE, while La Femmina members demonstrated higher productivity compared to non-La Femmina agents. In addition, 21 branch activities generated more than 700 leads to support sales and recruitment efforts nationwide.

Awards and Recognition

Generali Insurance Malaysia Berhad was honoured with the International General Insurer of the Year – Malaysia and CEO of the Year Award at the Insurance Asia News Awards for Excellence 2025. We were also recognised as the Most Preferred Employer in the Insurance Sector and ranked 6th overall at the GRADUAN Brand Awards 2025, making us the only insurance company in the Top 10.

In addition, Generali Life Insurance Malaysia Berhad was recognised at the Insurance Asia Awards 2025, securing New Insurance Product of the Year award for GenMedic, GenWealth and Affin Maxi Wealth. These offerings reflect our strategic focus on integrated protection and wealth solutions, combining enhanced medical coverage, including strengthened cancer protection and cost-efficiency, regular premium investment-linked plans designed to support long-term wealth accumulation, retirement planning and legacy building.

Looking Ahead

I would like to express my sincere appreciation to our employees for their unwavering dedication, to our partners for their continued collaboration, and to our customers for their enduring trust. My gratitude also extends to our Board of Directors for their guidance and support.

As we look ahead, we remain confident in our ability to drive excellence while capturing new opportunities as we build a stronger and more resilient business. Together, we will continue to deliver on our promise of being a Lifetime Partner, today and for generations to come.

Fabrice Benard

Chief Executive Officer,
Generali Insurance Malaysia Berhad

Country Head,
Generali Entities in Malaysia

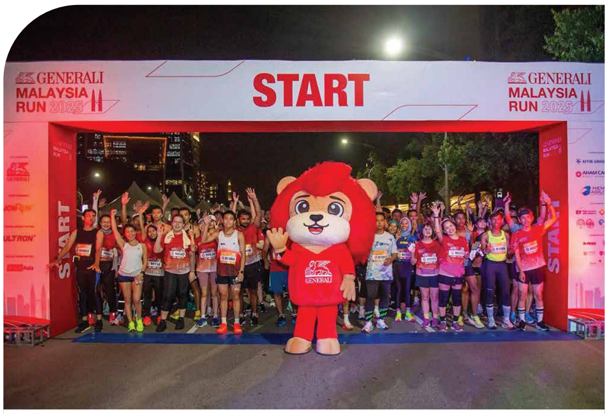
SUSTAINABILITY HIGHLIGHTS & CORPORATE RESPONSIBILITY

For more than 190 years, Generali has remained committed to helping people build a safer and more sustainable future. At Generali Malaysia, this purpose continues to shape how we operate, guiding our efforts to deliver long-term value through responsible business practices and meaningful engagement with the communities we serve.

In 2025, we advanced our sustainability and corporate responsibility agenda through initiatives that create tangible and lasting impact. Our efforts focused on uplifting underserved communities, supporting early childhood development, and promoting healthier lifestyles, while fostering inclusion and social resilience across the areas in which we operate.

We also strengthened our focus on environmental stewardship and climate action, ranging from conservation efforts and awareness-building to embedding sustainability considerations into our business and risk management practices. At the same time, we continued to support innovation and empower businesses, particularly SMEs, to better navigate evolving risks in an increasingly complex environment.

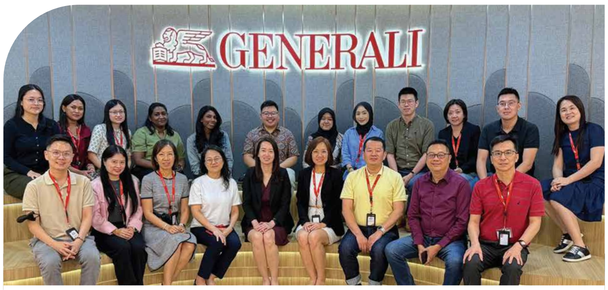
As we move forward, we remain guided by our role as a Lifetime Partner, committed to contributing positively to Malaysia's sustainable development and aligning with regulatory expectations. The following highlights present key sustainability and corporate responsibility initiatives undertaken in 2025.

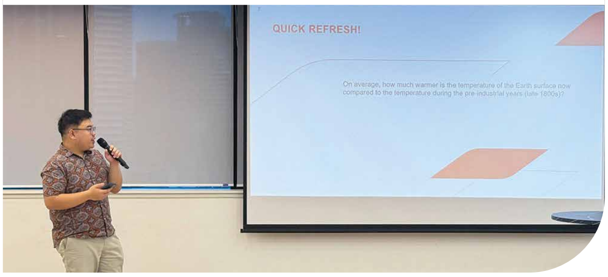


Generali Malaysia Run 2025: Running for a Healthier Future and a Greater Cause

Generali Malaysia successfully concluded the Generali Malaysia Run 2025 on 11 May 2025 at Dataran Wawasan, Putrajaya, bringing together over 10,000 participants under the theme "Step Up, Spark Change." The event promoted active lifestyles and community participation through 6km, 12km, and 21.1km race categories, offered in both physical and virtual formats to ensure wider accessibility and inclusion.

The initiative also delivered meaningful social impact, with 15% of registration fees and proceeds from add-on merchandise channelled to Suriana Welfare Society Malaysia and Yayasan Generasi Gemilang. Through strong participant support, the event raised RM100,000 to fund early childhood education programmes and provide educational resources for children and families in underserved communities. The virtual run, which continued until 11 June 2025, enabled participants to complete the run at their own pace while contributing to the cause.





Asia Sustainability Week 2025: Driving Climate Action Together

Generali Malaysia hosted its inaugural Asia Sustainability Week 2025, beginning on 9 September 2025 with a Greenhouse Gas (GHG) Emissions Virtual Talk designed to deepen employee awareness of climate change and organisational responsibility. The session highlighted Generali's climate ambitions at both Group and local levels, while providing practical insights into Scope 1 and Scope 2 emissions management.

The week continued with a Climate Fresk Workshop and concluded with a hybrid GHG Emissions Lunch & Learn session, which explored Scope 3 emissions, including financed emissions within the insurance industry, net-zero targets and decarbonisation strategies. Collectively, these initiatives reinforced Generali Malaysia's commitment to embedding sustainability and climate action into its business practices.

Coffee Talk: Strengthening Climate Resilience

Generali Malaysia hosted a Risk Management Coffee Talk to facilitate industry dialogue on the growing risks associated with extreme weather events, particularly flooding, one of Malaysia's most significant climate-related challenges. The session brought together industry practitioners and experts to emphasise the importance of proactive risk management, sustainability integration and disaster preparedness in strengthening organisational resilience to climate change.

The discussion highlighted the need to embed sustainability considerations into risk strategies and frameworks to support long-term resilience. Broader perspectives on national flood preparedness were also shared, alongside insights into the insurance implications of climate-related disasters. In addition, advanced catastrophe modelling approaches were introduced, demonstrating how data-driven tools can enhance risk assessment and decision-making during extreme weather events. Through this initiative, Generali Malaysia reinforced its role in promoting climate risk awareness and resilient risk management practices.

Generali Malaysia Launches Insurtech Incubator Programme

Generali Malaysia launched its Insurtech Incubator Programme, a strategic initiative developed in response to stakeholder feedback for increased innovation. The Programme aims to support selected Insurtech, Healthtech and ecosystem startups in Malaysia, reinforcing Generali Malaysia's commitment to advancing innovation within the insurance sector.

Driven by a dedicated team across the General and Life divisions, the Programme supports participating startups through funding, mentorship and strategic collaboration. By enabling hands-on innovation, co-creation and industry partnerships, the initiative aims to accelerate solution development, strengthen Generali Malaysia's innovation capabilities, and contribute to the future growth of the insurance ecosystem.

The Human Safety Net (THSN) Global Challenge 2025

The 5th edition of The Human Safety Net (THSN) Global Challenge 2025 united 25 countries with a shared commitment to supporting vulnerable families and refugees. The year marked a historic milestone, with a record €775,521 raised globally, the highest amount since the initiative's inception. Malaysia achieved an outstanding first-ever #1 global ranking since joining THSN in 2018, raising RM580,441.

This achievement was driven by strong nationwide participation, including the inaugural THSN Bazaar 2025 and fundraising initiatives across branches. Collectively, these efforts enabled support for over 260 underserved families in the Klang Valley, providing access to early childhood learning opportunities and empowering parents with resources to build a more secure future.

Kita Main – Play & Learn Kit Programme

Kita Main, our play-and-learn kit programme in partnership with **Yayasan Generasi Gemilang**, has reached 202 underserved families living in Klang Valley. With over RM200,000 raised, we aim to support 265 families across Selangor and Kuala Lumpur, with an estimated 500–530 kits distributed in communities such as PPR Kota Damansara, PPR Lembah Subang 2, PPR Enggang, PPR Idaman, PPR Pantai Dalam and PPR Desa Tun Razak Cheras. The programme will continue through 2026, combining regular kit distribution with ongoing parental tips and interactive learning support delivered via WhatsApp.

Munch & Move Programme

Munch & Move is a holistic programme, in partnership with **Yayasan Generasi Gemilang** supporting nutrition and development of children aged 0-3. It integrates parental education on early learning and interactive components through interventions in nutrition, early learning, stimulation, and responsive caregiving. The initiative has positively impacted 215 families over 1.5 years. To mark the completion of the programme, a celebration event was held in the community, bringing together 33 families who participated and contributed to its achievements.

The highlight of the event was a sharing session, where parents openly spoke about their personal journeys, challenges, and takeaways from the programme. It was a powerful reminder of the real and lasting change that community support can bring.

Project Bright Beginnings

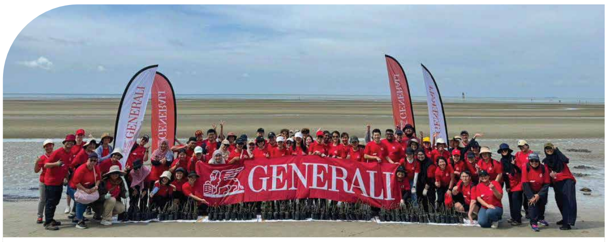
Generali Malaysia collaborates with Suriana Welfare Society Malaysia to set up Project Bright Beginnings, a preschool built for children from underserved families in PPR Kg Muhibbah.

Since the opening of the learning centre in August 2024, a total of 53 children have been enrolled, all of whom have shown meaningful progress in literacy, creativity, classroom engagement, and daily self-care routines. Through Project Bright Beginnings, Suriana supports these children and families by delivering quality early learning opportunities that lay a strong foundation for long term development.

Empowering Changemakers of Tomorrow

Generali Malaysia celebrated the recipients of the Generali Malaysia Volare Scholarship 2025, recognising high-potential students selected for their academic excellence, leadership qualities, and commitment to creating positive social impact. These attributes reflect the core values underpinning the Volare Scholarship Programme.

Now in its fourth year, the Volare Scholarship Programme continues to support the development of future leaders by providing meaningful opportunities for personal and professional growth. Through this initiative, Generali Malaysia reinforces its belief in investing in education as a pathway to building a more inclusive, resilient and sustainable society.

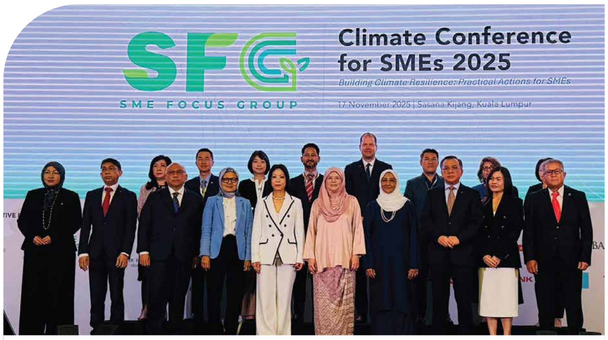


Generali Malaysia Champions Coastal Conservation at Pantai Bagan Lalang

Generali Malaysia, in partnership with the Malaysian Nature Society (MNS), organised a coastal conservation initiative at Pantai Bagan Lalang on 18 October 2025. The effort brought together 65 volunteers for a beach clean-up, removing harmful waste such as plastic debris, cigarette butts, and other pollutants that threaten marine life and coastal health. In total, more than 220 kilograms of rubbish were collected.

Volunteers also planted 250 mangrove seedlings, strengthening natural defences against erosion and climate impacts while enhancing biodiversity. Mangroves serve as vital carbon sinks and provide habitats for diverse species, making this initiative a significant step toward environmental resilience.

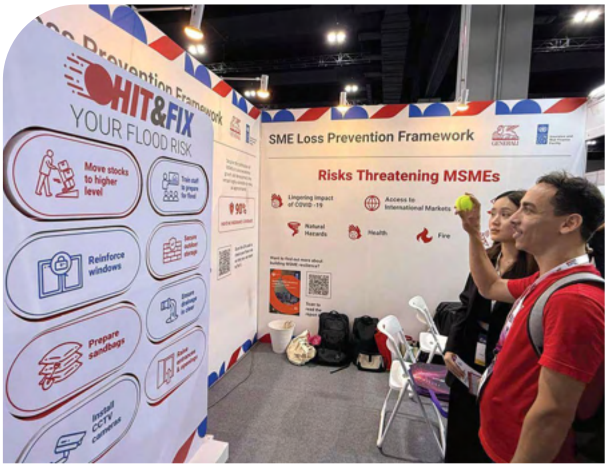
This marks the second year of collaboration between Generali Malaysia and MNS, reinforcing their shared commitment to sustainability and preserving Malaysia's natural heritage through impactful, community-driven action.

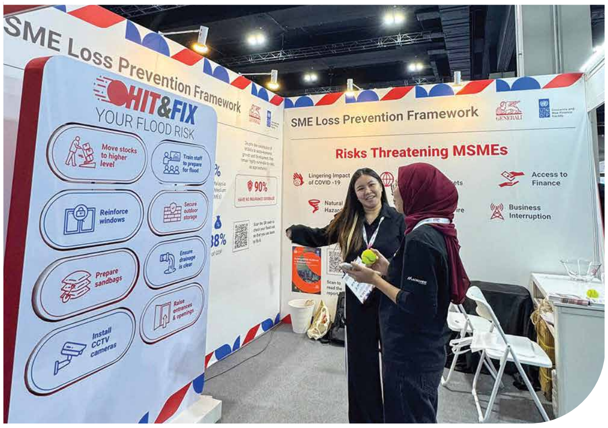


Joint Committee on Climate Change (JC3) SFG Climate Conference for SMEs 2025

Generali Malaysia continues to support small and medium enterprises (SMEs) in strengthening their resilience against climate and disaster-related risks. In collaboration with the United Nations Development Programme (UNDP), Generali Malaysia showcased the enhanced SME Loss Prevention Framework (LPF) at the inaugural JC3 SFG Climate Conference for SMEs 2025.

The enhanced LPF is designed to help Malaysian SMEs better manage climate-related risks through practical, actionable tools. Key enhancements include a Flood Loss Prevention Toolkit, featuring prioritised action plans and step-by-step guidance to prepare for flood events, as well as a Fire Risk Module covering 19 SME trades with tailored prevention strategies to reduce operational disruption. As SMEs form the backbone of Malaysia's economy yet remain highly vulnerable to floods and fires, this initiative empowers businesses to identify risks early and take proactive measures to safeguard their operations.





Generali Malaysia at SME Venture @ASEAN 2025

Generali Malaysia proudly participated in SME Venture@ASEAN 2025, a flagship event hosted by SME Corp. Malaysia from 16–18 October 2025 at MITEC, Kuala Lumpur. Held under Malaysia's ASEAN Chairmanship, the event attracted over 10,000 visitors and 350 exhibitors, showcasing export-ready SMEs in high-impact sectors such as smart agriculture, green technology, and digital innovation.

Our presence at SME Venture underscored Generali Malaysia's commitment to empowering SMEs with risk management and insurance solutions that enable them to scale safely, manage cross-border risks, and meet ESG expectations. Together with UNDP, we introduced the SME Loss Prevention Framework, a complimentary digital tool designed to help SMEs identify vulnerabilities and take proactive measures against flood and fire risks.

This initiative reflects our broader mission to close the protection gap and support SMEs in building resilience for a sustainable future.

Empowering Lives & Giving Back to the Community

As part of its commitment to inclusive community development, Generali Malaysia carried out a series of volunteer initiatives focused on empowerment, inclusion, and national appreciation. Volunteers engaged with individuals from **ARISMA (Akademi Remaja Islam Autisma)** through hands-on activities such as gardening, baking, and Malaysian flag batik painting, fostering meaningful connections and mutual understanding. In addition, Generali Malaysia supported the **Autism Café Project**, with volunteer teams assisting at the Central Kitchen and managing sales at a public booth in Citta Mall, helping to promote entrepreneurship and financial independence among individuals with autism.

The programme concluded at **SMK Pendidikan Khas**, where volunteers connected with visually impaired students through shared meals, creative activities, and a friendly game of Goalball. These engagements highlighted the importance of empathy, inclusivity, and community spirit. Collectively, the initiatives demonstrated how structured employee volunteerism can create tangible social impact while reinforcing Generali Malaysia's strong culture of responsibility, compassion, and community engagement.

Company No.
197501002042 (23820 W)

GENERALI INSURANCE MALAYSIA BERHAD
(Incorporated in Malaysia)

STATUTORY FINANCIAL STATEMENTS

31 DECEMBER 2025

Company No.
197501002042 (23820 W)

GENERALI INSURANCE MALAYSIA BERHAD
(Incorporated in Malaysia)

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GENERALI INSURANCE MALAYSIA BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Company for the financial year ended 31 December 2025.

DIRECTORS

The Directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Raymond Fam Chye Soon - Chairman
Datin Zaimah Binti Zakaria
Dr. Sharlene Thiagarajah
Ariffin Bin Morad
Datuk Rajendran A/L P. Narayanasamy
Joanne May Rodrigues
Roberto Leonardi
Liew Fui Kiang (Appointed with effect from 8 August 2025)

PRINCIPAL ACTIVITY

The Company is principally engaged in the underwriting of all classes of general insurance business. There have been no significant changes in the nature of this activity of the Company during the financial year.

FINANCIAL RESULTS

	RM'000
Net profit for the financial year	184,955

DIVIDENDS

A single-tier final dividend of RM110,000,000 for the financial year ended 31 December 2024 was declared on 28 May 2025 and paid to the entitled shareholder of the Company on 10 July 2025. At the date of this report, the Directors do not recommend any dividend in respect of the financial year ended 31 December 2025.

ISSUE OF SHARES

There were no issuances of shares by the Company during the financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are as disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Company were made out, the Directors took reasonable steps to ascertain that proper action had been taken in relation to the writing off of impaired debts and the making of impairment allowance for impaired debts, and satisfied themselves that all known impaired debts had been written off and adequate allowance had been made for impaired debts.

At the date of this report, the Directors are not aware of any circumstances that would render the amount written off for impaired debts or the amount of the impairment allowance for impaired debts in the financial statements of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Company were made out, the Directors took reasonable steps to ascertain that any current assets, other than debts, that were unlikely to be realised in the ordinary course of business had their values, as shown in the accounting records of the Company, written down to amounts at which they might be expected to be realised.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Company misleading.

VALUATION METHODS

At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

Contingent and other liability events during the financial year are disclosed in Note 28 to the financial statements.

At the date of this report, other than as disclosed above, there does not exist:

(a) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

CONTINGENT AND OTHER LIABILITIES (CONTINUED)

(b) any contingent liability in respect of the Company that has arisen since the end of the financial year.

Other than as disclosed above, no contingent or other liability of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations when they fall due.

For the purpose of this paragraph, contingent or other liabilities do not include liabilities arising from contracts of insurance underwritten in the ordinary course of business of the Company.

CHANGE OF CIRCUMSTANCES

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Company, which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Company for the financial year were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Company for the financial year in which this report is made.

CORPORATE GOVERNANCE

The Board and management have reviewed the Company's corporate governance structures and procedures with reference to Policy Document BNM/RH/PD/029-9 on Corporate Governance issued by Bank Negara Malaysia ("BNM") and are satisfied that the Company has complied with all the prescriptive applications in the policy document. Where applicable, best practices are adopted to improve the standard of the Company's corporate governance. There is no departure from the policy principles applicable to general insurance business.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' BENEFITS (CONTINUED)

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors disclosed in Note 18(b) to the financial statements) by reason of a contract made by the Company or a related corporation with a Director or with a firm of which he is a member, or with a company in which the Director has a substantial financial interest.

DIRECTORS' INDEMNITY

The Company has maintained a Directors' and Officers' Liability Insurance up to a limit of RM4,827,000 against any legal liability incurred by the Directors and Officers in the discharge of their duties while holding office for the Company. The insurance premium paid by the Company amounted to RM10,709. In addition, the Directors and Officers of the Company are also covered under the Generali Group's D&O insurance in respect of the above.

The Directors and Officers shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them.

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings required to be kept under Section 59 of the Companies Act 2016, the interest and deemed interests of the Directors in office at the end of the financial year in shares and options over shares in the Company or its subsidiaries or its holding company or subsidiaries of the holding company during the financial year were as follows:

	Number of ordinary shares			
The ultimate holding company, Assicurazioni Generali S.p.A.	At 1.1.2025	Acquired	Disposed	At 31.12.2025
Roberto Leonardi	156,828	56,507	-	213,335

Other than the above, none of the Directors in office at the end of the financial year held any interest in shares in, or debentures of, the Company or its related corporations during the financial year.

DIRECTORS' REMUNERATION

All Directors except for Mr. Roberto Leonardi and Ms. Joanne May Rodrigues were paid Directors' Fees and Directors' Benefits which were recommended by the Board and approved annually by the shareholder at the 50th Annual General Meeting.

DIRECTORS' REMUNERATION (CONTINUED)

The remuneration structure of Directors of the Company is as follows:

- Directors' Fees for duties as Director and as member of the various committees of the Board as well as additional fees for undertaking responsibilities as Chairman of the Board and the various Board Committees.
- Directors' Benefits including Benefits in Kind and Emolument.

The Board has considered the market practices for Directors' remuneration and has decided to use the following fee structure for computing the fee for each Director save and except for Mr. Roberto Leonardi and Ms. Joanne May Rodrigues:

Directors' Fees	**Chairman Per Annum**	**Directors Per Annum**
• Board	RM 120,000	
• Board Audit Compliance Committee • Board Risk Management Committee	RM25,000	RM23,000
• Board Nomination and Remuneration Committee	RM10,000	RM8,000

The Directors' Benefits (excluding Directors' Fees) paid to the Chairman and Directors comprise benefits in kind and other emoluments as set out below:

Benefits in kind	
Chairman	Directors
Allowance RM120,000 (per annum)	NIL
• Directors' and Officers' Liability Insurance coverage. • Other claimable expenses incurred in the course of carrying out their duties	

Emolument: Meeting Attendance Allowance ***(excluding Ms. Joanne May Rodrigues and Mr. Roberto Leonardi)***	**Chairman Per Meeting**	**Directors Per Meeting**
• Board	RM2,500	RM2,000
• Board Audit Compliance Committee • Board Risk Management Committee • Board Nomination and Remuneration Committee	RM1,800	RM1,500

The details of the total remuneration of each Director of the Company during the financial year ended 31 December 2025 are disclosed in Note 18(b) to the financial statements.

Company No.
197501002042 (23820 W)

GENERALI INSURANCE MALAYSIA BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

SHARE OPTION SCHEME OF GENERALI GROUP

The share option scheme of Generali Group during the financial year is disclosed in Note 18(c) to the financial statements.

AUDITORS AND AUDITORS' REMUNERATION

The auditors, KPMG PLT (LLP0010081-LCA & AF 0758) have expressed their willingness to accept re-appointment as auditors.

The auditors' remuneration of the Company during the financial year is RM1,121,275. There was no indemnity given to, or insurance effected for, the auditors of the Company during and at the end of the financial year.

SIGNIFICANT AND SUBSEQUENT EVENTS

There are no significant and subsequent events during the financial year ended 31 December 2025.

IMMEDIATE AND ULTIMATE HOLDING COMPANIES

The immediate holding company is Generali Malaysia Holding Berhad and the ultimate holding company is Assicurazioni Generali S.p.A., which are incorporated in Malaysia and Italy respectively.

This report was approved by the Board of Directors on 25 March 2026. Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

RAYMOND FAM CHYE SOON
DIRECTOR

DATIN ZAIMAH BINTI ZAKARIA
DIRECTOR

Kuala Lumpur

CORPORATE GOVERNANCE DISCLOSURES (as referred to in the Directors' Report)

The Board of Directors of Generali Insurance Malaysia Berhad ("The Board") is committed to comply with the Policy Document on Corporate Governance (BNM/RH/PD 029-9) issued by Bank Negara Malaysia ("BNM"). The Board and Chief Executive Officer ("CEO") are collectively responsible for ensuring that the Company maintains an adequate system and effectiveness of internal control and risk management.

Board of Directors

Functions and Conduct

The Board of the Company has the overall responsibility of promoting the sustainable growth and financial soundness of the Company and ensuring reasonable standards of fair dealing, without undue influence from any party. This includes a consideration of the long-term implications of the Board's decisions on the Company and its customers, officers and the general public.

In fulfilling the above role, the Board shall assume, among others, the following responsibilities:

(a) To set and oversee the implementation of business and risk objectives and strategies of the Company and in doing so, the Board shall have regard to the long term viability of the Company and reasonable standards of fair dealing;

(b) To ensure and oversee the effective design and implementation of sound internal controls, compliance and risk management systems that are commensurate with the nature, scale and complexity of the business and structure of the Company;

(c) To oversee the performance of the senior management in managing the business and affairs of the Company to ensure that the business and affairs of the Company are being properly and competently managed. These include ensuring the solvency of the Company and the ability of the Company to meet its contractual obligations and to safeguard its assets;

(d) To ensure that there is a reliable and transparent financial reporting process within the Company;

(e) To review and approve the risk appetite (including but not limited to strategy, financial, insurance, operational, business continuity, technology, outsourcing and reputation risks), business plans, outsourcing plan and other initiatives which will, singularly or cumulatively, have a material impact on the Company's risk profile, financial soundness, reputation or key operational controls of the Company;

(f) To oversee the selection, performance, remuneration and succession plans of the CEO, control function heads and other members of senior management, such that the Board is satisfied with the collective competence of senior management to effectively lead the operations of the Company;

(g) To oversee the implementation of the Company's governance framework and internal control framework, and periodically review whether these remain appropriate in the light of material changes to the size, nature and complexity of the Company's operations;

(h) To promote, together with senior management, a sound corporate culture and actions within the Company which reinforces ethical, prudent and professional behaviour while upholding fair treatment to consumers, including vulnerable consumers;

Board of Directors (continued)

Functions and Conduct (continued)

(i) To promote sustainability through appropriate environmental, social and governance considerations in the Company's business strategies;

(j) To safeguard the Company's resilience against the adverse impacts of climate change while actively promoting a just and orderly transition of the economy;

(k) To oversee and approve the recovery and resolution as well as business continuity plans for the Company to restore its financial strength, and maintain or preserve critical operations and critical services when it comes under stress;

(l) To establish and regularly review succession plans for the Board to promote Board renewal and address any vacancies;

(m) To promote timely and effective communications between the Company and BNM on matters affecting or that may affect the safety and soundness of the Company; and

(n) To provide adequate oversight and approve the establishment and implementation of the Company's internal governance structures, policies, procedures and controls relating to claims settlement practices to be consistent with the requirements in the Policy Document on Claims Settlement Practices, in line with the principles of fair treatment of financial consumers (including vulnerable consumers) and sound risk management.

In carrying out its functions, the Board shall have regard to the interest of policy owners of the Company.

Composition of the Board

The Board comprises members with relevant expertise and experience drawn from business, financial and technical fronts which strengthen leadership and management. To foster independent oversight by the Board, Independent Directors are limited to a nine-year term, starting from their initial appointment.

As of 31 December 2025, the Board has eight (8) Directors. The composition of the Board during the financial year since the date of the last report is as follows:

Raymond Fam Chye Soon - Chairman
Datin Zaimah Binti Zakaria
Dr. Sharlene Thiagarajah
Ariffin Bin Morad
Datuk Rajendran A/L P. Narayanasamy
Joanne May Rodrigues
Roberto Leonardi
Liew Fui Kiang (Appointed with effect from 8 August 2025)

Board of Directors (continued)

Composition of the Board (continued)

The Board comprises individuals with a wide range of professional skills and operational experience:

Raymond Fam Chye Soon
Independent Non-Executive Chairman/Director

Raymond Fam Chye Soon is a Chartered Accountant of the Malaysian Institute of Accountants (MIA) and a Certified Public Accountant of the Malaysian Institute of Certified Public Accountants (MICPA). Additionally, he holds a Certified Financial Planner qualification. Furthermore, he obtained a Master's in Financial Planning from the University of Sunshine Coast, Australia, in 2004. He also possesses an advanced diploma in Corporate Finance from the Institute of Chartered Accountants in England and Wales (ICAEW). He obtained a Certificate in Digital Marketing from the National University of Singapore in 2022 and Certificate in the Oxford Leading Sustainable Corporations Programme from the University of Oxford in 2023. He is also a member of Singapore Institute of Directors. Apart from his role at Generali Insurance Malaysia Berhad, he is currently an Independent Director of Export-Import Bank of Malaysia Berhad and Riverstone Holdings Ltd. He also holds directorships in Benefit Trio Sdn Bhd and Tiga Manfaat Sdn Bhd. He was appointed as Chairman of the Board of Generali Insurance Malaysia Berhad on 2 May 2023, and Chairman of the Board of Generali Life Insurance Malaysia Berhad on 30 August 2025.

Datin Zaimah Binti Zakaria
Independent Non-Executive Director

Datin Zaimah Binti Zakaria holds an MBA (Finance) from International Islamic University Malaysia (IIUM) awarded in 2003 and BSc in Agribusiness from Universiti Putra Malaysia (UPM), obtained in 1981. She has over three decades of leadership experience in the banking industry, having served in various senior roles including Executive Vice President at RHB Bank prior to her retirement in 2015. She brings extensive experience in the financial services sector and is frequently invited to speak on topics related to Investment Banking and Treasury related products. She is also an occasional speaker on International Social Etiquette covering personal grooming, the art of communication and formal entertaining including dining etiquette. She currently serves as a Board member of Generali Life Insurance Malaysia Berhad, Bank Simpanan Nasional and Impact Research Consultancy Sdn. Bhd. She was appointed to the Board on 2 January 2018.

Board of Directors (continued)

Composition of the Board (continued)

Dr. Sharlene Thiagarajah
Independent Non-Executive Director

Dr. Sharlene Thiagarajah, graduated from Universiti Teknologi Malaysia (“UTM”) in Electrical Engineering, with a First Class Honours degree in 1995. She later obtained her master's degree in Telecommunications Engineering and PhD in Computer Systems Engineering, both from Universiti Putra Malaysia (UPM) in 2000 and 2005 respectively. She was a General Manager of Corporate Strategy of Telekom Malaysia Berhad (“TM”), Head of Strategy of VADS Berhad, Vice President of Technology & Innovation at TM before assuming her current role as Chief Executive Officer (CEO) of Telekom Research & Development Sdn. Bhd. (“TM R&D”) in 2016. TM R&D is a wholly owned subsidiary of the Multimedia University ("MMU") Group. She is a member of the Management Committee and Senate of MMU. She has vast experience in telecommunications, technology, innovation, digital strategy, and business transformation/development. She is also an Adjunct Professor at UTM, Committee Member of the Faculty of Science (Material Science) at UPM, Independent Director at Generali Life Insurance Malaysia Berhad and a non-executive director of Wavetech Sdn. Bhd. She was appointed to the Board on 15 October 2020.

Ariffin Bin Morad
Independent Non-Executive Director

Encik Ariffin, holds a BSc (Agribusiness) from Universiti Putra Malaysia. He started his career in 1977 with Maybank and held various positions as Chief Manager, Credit Card Centre, Branch Manager for various branches and credit officer until 1997. He was promoted to head the operations and joined the board of Maybank Philippines from 1997 to 2002. He further held various positions in Maybank from 2003 until 2015 primarily in risk management as Head of Operational Risk, Chief Risk Officer, Project Director and Senior Advisor. He later joined CIMB Niaga Indonesia as the Senior Advisor, Basel Programme from 2016 to 2020. He has now retired from active employment. He has vast experience in risk management, particularly in banking. His core competencies include Basel regulations, management of key material risks, corporate governance relating to risk and operational support. He is also familiar with international operations and cross-border risk issues. He was appointed to the Board on 1 December 2022.

Datuk Rajendran A/L P. Narayanasamy
Non-Independent Non-Executive Director

Datuk Rajendran A/L P. Narayanasamy, holds a Bachelor of Economics (Hons) from the University of Malaya and LLB (Hons) from University of London. He has 37 years of experience in the investment policy formulation and promotions for Malaysian Investment Development Authority ("MIDA"), from which he retired as Deputy CEO in 2019. Having served on the National Committee on Investment, his domain expertise is in the manufacturing and services industry. He has also represented MIDA in the Current Account Taskforce, chaired by the Minister of Finance. He was appointed to the Board on 30 August 2022. Currently, he is serving as a member of the boards of Muar Ban Lee Bhd and Malaysia Petroleum Resources Corporation.

Board of Directors (continued)

Composition of the Board (continued)

Joanne May Rodrigues
Non-Independent Non-Executive Director

Joanne May Rodrigues, is the Group Chief Financial Officer of Affin Bank Group ("Affin Bank"). She is responsible for the overall financial management of Affin Bank, including financial reporting, capital and balance sheet management, funding and liquidity management, regulatory and management reporting, taxation, and strategic financial planning. She has over 30 years of experience in banking and financial services, with extensive expertise across finance, treasury, and regulatory functions. She has held senior roles at CIMB and AmBank, where she was involved in strategy, wholesale banking and commercial banking strategy and business services as well as the implementation of accounting and regulatory standards. She is a Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW) and a member of the Malaysian Institute of Accountants (MIA). She holds a Master of Business Administration from Alliance Manchester Business School, University of Manchester, and a Bachelor of Science in Economics and Accounting from the University of Bristol. She was appointed to the Board on 30 August 2022.

Roberto Leonardi
Executive Director

Roberto Leonardi is an Italian citizen. He holds a Bachelor of Accounting Science degree from the University of South Africa, (with Honours) and a Bachelor of Commerce degree from the University of the Witwatersrand. He is a Chartered Accountant by profession. He has 30 years of experience in Life, Health and General insurance businesses across Asia, Europe and Southern Africa. At present, he leads Generali Asia’s insurance and asset management operations. Roberto started his career as a Chartered Accountant with Coopers & Lybrand (now PwC) in South Africa. Prior to joining Generali, he was with AXA Asia and Munich Reinsurance, in regional Asian roles including Health, Protection, Marketing and Digital responsibilities.

Prior to that, he also spent 13 years with UnitedHealth Group where he held several executive positions including Executive Vice President and CEO of UnitedHealth Asia, CEO of AdvanceCare S.A. in Portugal and Chief Operating Officer and Chief Financial Officer in its joint ventures in South Africa. He was appointed to the Board on 30 August 2022.

Board of Directors (continued)

Composition of the Board (continued)

Liew Fui Kiang
Independent Non-Executive Director

Liew Fui Kiang holds a Bachelor of Laws from the University of Leeds and a Master of Business Administration from the University of Hull Business School. In addition, he obtained a General Management Certificate of Achievement from the University of Cambridge Judge Business School and a Certificate for ESG Investing from the CFA Institute.

He is a Solicitor of England and Wales, a Solicitor of Hong Kong, and a Fellow of the Hong Kong Institute of Directors. He has over three (3) decades of international experience in legal practice, banking and finance, mergers and acquisitions as well as strategic management and corporate governance of financial institutions and publicly listed companies.

He currently serves as an Independent Member of the Supervisory Board for Ping An Insurance (Group) Company of China, Limited (a Fortune Global 500 corporation). He is currently the Independent Non-Executive Director for Shandong Gold Mining Limited (publicly listed subsidiary of a Fortune Global 500 corporation), Zhongchang International Holdings Group Limited, Zhengye International Holdings Ltd. and Zhaoke Ophthalmology Limited respectively.

He was appointed as an Independent Non-Executive Director of Generali Insurance Malaysia Berhad on 8 August 2025.

Board of Directors (continued)

Attendance at Board Meetings

The Board met seven (7) times during the financial year. All Directors in office at the end of the financial year complied with the 75% minimum attendance requirement at such meetings.

The details of attendance of the Directors at Board meetings held during the financial year are as follows:-

Directors	Number of Board Meetings Attended	%
Raymond Fam Chye Soon	(7/7)	100%
Roberto Leonardi	(6/7)	86%
Datin Zaimah Binti Zakaria	(7/7)	100%
Dr. Sharlene Thiagarajah	(7/7)	100%
Ariffin Bin Morad	(7/7)	100%
Datuk Rajendran A/L P. Narayanasamy	(7/7)	100%
Joanne May Rodrigues	(7/7)	100%
Liew Fui Kiang (Appointed with effect from 8 August 2025)	(2/2)	100%

Directors’ Training

The Company acknowledges that continuous education is vital for the Board members to gain insight into the regulatory updates and market developments in order to enhance the Directors' skills and knowledge to effectively discharge their responsibilities.

To enable them to contribute effectively from the outset of their appointment, all new Directors are required to undergo an induction programme where they are briefed on the Company, the formal statement of the Board’s role, powers that have been delegated to the Company’s Senior Management and Management committees as well as the Company's latest financial information.

All Directors appointed to the Board of a Financial Institution are required to attend the mandatory Financial Institution Directors’ Education (“FIDE”) Core programme within one (1) year from the date of appointment unless otherwise extended by Bank Negara Malaysia. At the date of this report, all Directors have completed the FIDE Core Programme.

In addition to the mandatory training programme, the Company’s Learning and Development team facilitates the organising of internal training programmes specific to the Company's business and industry and the Directors’ participation in external programmes, in addition to keeping a complete record of the training programmes attended by the Directors.

Board of Directors (continued)

Directors' Training (continued)

During the financial year, all Directors, collectively or on their own, attended various seminars and programmes organised by professional bodies and regulatory authorities as well as those conducted in-house. These include, amongst them, the following:-

- Sustainability - Introduction to IFRS S1 and S2 Standards
- Strategic Overview of Emerging Risks in the Malaysian Insurance Industry
- International Sanctions - Key Internal and External Regulatory Updates
- Anti Bribery and Corruption - Navigating Conflict of Interest in Corporate Governance
- Sustainable Finance & Transition Planning
- Market Innovation - Insurtech

Board Committees' Roles and Responsibilities

The Board has established the following Board Committees to support and assist the Board in specific areas of responsibilities as set out in their respective terms of reference:-
(a) Board Audit Compliance Committee
(b) Board Nomination and Remuneration Committee
(c) Board Risk Management Committee

Board Audit Compliance Committee ("BACC")

During the financial year under review, a total of five (5) BACC meetings were held. Details of members' attendance are as follows:

	Attendance	Percentage
Chairperson		
Datin Zaimah Binti Zakaria	(5/5)	100%
Members		
Ariffin Bin Morad	(5/5)	100%
Datuk Rajendran A/L P. Narayanasamy	(5/5)	100%
Dr. Sharlene Thiagarajah	(5/5)	100%
Joanne May Rodrigues	(4/5)	80%

The responsibilities of the BACC include, but are not limited to the following:
(i) Review the overall condition, in particular, the financial status of the Company, its internal controls and audit programme;
(ii) Review with external auditors, the scope of their audit and audit reports, including their findings and any action to be taken;
(iii) Select independent auditors for appointment by the Company's Board each year; and
(iv) Consider the appointment, appraisal, resignation and dismissal of the Internal Auditor.

Board of Directors (continued)

Board Committees' Roles and Responsibilities (continued)

Board Nomination and Remuneration Committee ("BNRC")

During the financial year under review, a total of six (6) BNRC meetings were held. Details of members' attendance are as follows:

	Attendance	Percentage
Chairperson		
Datin Zaimah Binti Zakaria	(6/6)	100%
Members		
Dr. Sharlene Thiagarajah	(6/6)	100%
Datuk Rajendran A/L P. Narayanasamy	(6/6)	100%
Liew Fui Kiang (Appointed with effect from 8 August 2025)	(1/1)	100%

The primary responsibilities of the BNRC are as follows:

(i) Overseeing the overall composition of the Board in terms of the appropriate size and mix of skills, the balance between executive, non-executive and independent Directors and other core competencies required;
(ii) Recommending and assessing the nominees for directorship, the Directors to fill Board committees as well as nominees for the CEO position including assessment and recommendation on the Directors to be re-appointed at the Annual General Meeting of the Company;
(iii) Overseeing the appointment, management succession planning and performance evaluation of key senior officers;
(iv) On an annual basis, to review and evaluate the effectiveness of the Board as a whole, the contribution by each Director to the effectiveness of the Board, the contribution of the various Board committees and the performance of the CEO;
(v) Develop a policy on remuneration of Directors and senior executives, and determine the remuneration packages of individual Directors under conditions of objectivity and full transparency in accordance with Policy Document BNM/RH/PD/029-9 on Corporate Governance issued by BNM; and
(vi) Examine and recommend the Directors' fees and Directors' benefits in accordance with market practice or as prescribed by the shareholders of the Company.

Board of Directors (continued)

Board Committees Roles and Responsibilities (continued)

Board Risk Management Committee ("BRMC")

During the financial year under review, a total of seven (7) BRMC meetings were held. Details of members' attendance are as follows:

	Attendance	Percentage
Chairperson		
Dr. Sharlene Thiagarajah	(7/7)	100%
Members		
Datin Zaimah Binti Zakaria	(7/7)	100%
Ariffin Bin Morad	(7/7)	100%
Datuk Rajendran A/L P. Narayanasamy	(7/7)	100%

The primary responsibilities of the BRMC are as follows:
(i) Review and recommend risk management strategies, policies and risk tolerance for the Board's approval;
(ii) Review and assess the adequacy of risk management policies and framework for identifying, measuring, monitoring and controlling risks as well as the extent to which these are operating effectively; and
(iii) Ensure adequate infrastructure, resources and systems are in place for effective risk management, for example ensuring that staff responsible for implementing the risk management system perform their duties independently of the Company's risk taking activities.

Internal Control Framework

Adoption of Group's Policy on System of Governance

The Company has established localised Group Directives on the System of Governance ("Directives") that aim to ensure a consistent system of governance, including the internal control and risk management system. The Directives describe the Company's philosophy and approach to risk management that provides the foundation and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management. The internal audit function provides independent assurance on the design, effectiveness and implementation of the overall system of internal control which covers risk management and compliance.

Risk Management, Compliance and Internal Audit functions provide assessment, reporting and assurance on the effectiveness of the Company's policies and operations as well as its compliance with legal and regulatory obligations. The controls are regularly reviewed to ensure proper management of business risks without restricting efficiency and business growth. This is done by ensuring the achievement of corporate objectives, promoting sustainable growth and financial soundness as well as reasonable standards of fair dealing and having in place sound corporate governance practices.

Internal Control Framework (continued)

Adoption of Group's Policy on System of Governance (continued)

The Company has a management structure with clear lines of responsibility and accountability, staffed by appropriate personnel. The Company applies the principle of three (3) lines of defence model: risk taking and management, risk control and oversight and independent assurance as illustrated below:

(i) The operating function (the "Risk Owners") represent the first line of defence and have the ultimate responsibility for management of risks relating to their area of expertise/operations;

(ii) Actuarial, Compliance and Risk Management Functions represent the second line of defence;

Actuarial
The Actuarial function is responsible for certifying the calculation or valuation of technical provisions and preparing the financial condition report in accordance with regulatory requirements.

Compliance
Compliance function’s main responsibility is to provide advice, guidance and support to the business functions on regulatory matters. The Compliance function also manages the regulatory changes within the Company by working closely with the relevant business functions in ensuring proper implementation of the regulatory changes.

Monitoring and review activities are carried out on a risk-based approach by the Compliance function to provide the assurance that the business is carried out within the ambit of the regulatory requirements. Additionally, the Financial Crime Compliance function outlines the governing policies and manages matters relating to anti-money laundering, international sanctions and anti-bribery and corruption.

Risk Management
The Risk Management function consists of Financial Risk, Operational Risk, Business Continuity and Information and Technology risk. The function identifies, measures, monitors, controls and reports on risk exposures that encompass risks at company-wide, portfolio and business line level, as well as both on and off-balance sheet exposures. The function provides review and oversight of management actions and strategic direction from the perspective of prudent risk management. The function supports the Board Risk Management Committee and is responsible for the implementation and coordination of risk initiatives and requirements across the business.

The key policies and procedures for the internal controls:

(i) Compliance Management System Policy sets out the fundamental rules for the establishment of a sound compliance management system, scope of activity, system of governance and operating model within Generali Group and its companies worldwide.

Internal Control Framework (continued)

Adoption of Group's Policy on System of Governance (continued)

(ii) Actuarial, Compliance and Risk Management Functions represent the second line of defence; (continued)

Risk Management (continued)
The key policies and procedures for the internal controls: (continued)

(ii) Anti-Money Laundering and Counter Financing of Terrorism Group Policy sets out the requirements, standards and guidance that support the Company's compliance with Generali Group and Bank Negara Malaysia's AMLCFT guidelines. The AMLCFT Policy is reviewed annually and any changes are approved by the Board.

(iii) International Sanctions Policy and Guidelines set out the standards and guidelines for restricting dealings that are subject to sanctions restrictions imposed by the relevant international and local authorities. This Policy is reviewed annually and any changes are approved by the Board.

(iv) Anti-Bribery and Anti-Corruption Policy and Guidelines set out the minimum requirements that support the Company's compliance with Generali Group Anti-Bribery and Anti-Corruption Policy. This Anti-Bribery and Corruption Policy is reviewed annually and any changes are approved by the Board. The Company is also certified with ISO37001 Anti-bribery Management System since July 2022.

(v) Conflicts of Interest Guidelines set out measures to avoid, identify and disclose conflict of interest risk to prevent any material or reputational damage to the Generali Group and the Company. These Guidelines are reviewed annually and any changes are approved by the Chief Executive Officer and the Chief Compliance Officer.

(vi) Related Party Transaction Procedures are designed to ensure that transactions performed with related parties comply with the principles of transparency and correctness in both substantial and procedural terms. This Policy is reviewed at least every three (3) years. Any changes are approved by the Board.

(vii) Personal Data Privacy Policy sets out the fundamental rules that the Company is obligated to uphold for the implementation of robust data protection measures to protect confidentiality, integrity and availability of data. This Policy is reviewed bi-annually and any changes are approved by the Board.

(viii) Code of Conduct defines the governing fundamental rules for the employees, third parties and senior management of Generali Group and its companies.

(ix) Whistleblowing Policy sets out the fundamental rules that support the reporting of suspected instances of improper practices or behaviour which may implicate the ethical standards or integrity of the Company. This Policy is reviewed annually and any changes are approved by the Board.

Internal Control Framework (continued)

Adoption of Group's Policy on System of Governance (continued)

(ii) Actuarial, Compliance and Risk Management Functions represent the second line of defence; (continued)

Risk Management (continued)

The key policies and procedures for the internal controls: (continued)

(x) Reporting Concerns and Anti-retaliation Guideline sets out the management of concerns and anti-retaliation policy of the Company for the protection of persons who report breaches in good faith. This Guideline is reviewed every three (3) years and any changes are approved by the Chief Executive Officer and Chief Compliance Officer.

(xi) Competition Guideline is designed to support and foster a free and fair competition to prevent or detect early any conduct that may lead to anti-competitive behaviours. This Guideline is reviewed every three (3) years and any changes are approved by the Chief Executive Officer and the Chief Compliance Officer.

(xii) Promoting Diversity and Inclusion Guideline considers diversity and inclusion as values to be promoted, creating business growth and innovation. This Guideline aims to create an organisation that promotes a culture of respect for each person's uniqueness and fosters a work environment where each colleague feels valued and supported.

(iii) Internal Audit, which represents the third line of defence.

The third line of defence is the Internal Audit function, which provides independent assurance on the design, effectiveness and implementation of the overall system of internal control which also covers the risk management and compliance functions.

The internal control system must ensure the Company's compliance with applicable laws and regulations, and the effectiveness and efficiency of the Company's operations in light of its objectives as well as to ensure the availability and reliability of financial and non-financial information.

Key elements of the internal control and risk management system

(i) Internal control environment

A positive internal control environment is the foundation for all other key elements of the internal control and risk management system, providing discipline and structure. It sets the tone of the organisation, influencing and strengthening the control consciousness of the Company's employees. It includes integrity, ethical values, the development of personnel competencies, management's philosophy and operating style, the way roles and responsibilities are assigned, and the organisational setup and governance.

Internal Control Framework (continued)

Key elements of the internal control and risk management system (continued)

(ii) Internal control activities

Control activities are set up throughout the organisation, at all levels and in the business functions. The control activities include approvals, authorisations, verifications, reconciliations, reviews of operating performance and security of assets. Duties and responsibilities must be clearly allocated, segregated, coordinated and reflected in the description of tasks and responsibilities. Internal controls include the task of identifying and managing any areas of potential conflicts of interest appropriately.

(iii) Awareness

All employees are required to be:
- Aware of their role and responsibilities in the internal control system;
- Aware of internal and external rules and other proper information for properly carrying out their responsibilities as well as each individual's role and responsibilities in the management of risks; and
- Aware of the essential need to embed the controls to manage risks in their daily activities.

(iv) Monitoring and reporting

Monitoring and reporting mechanisms within the internal control system must be established in order to provide the Executive Committee ("EXCO") and the Board with the relevant information for the decision-making process.

Remuneration

The objectives of the remuneration policy are to facilitate the attraction, engagement and retention of suitable employees of relevant capabilities and to provide the necessary skills and experience as required and commensurate with the responsibilities for the effective management and operations of the Company. In addition, it seeks to be balanced to ensure the proper management of the Company's funds and are not excessive nor create an incentive for imprudent, unsustainable or unethical behaviour in managing the Company. It takes into account the Company's corporate culture and values, business objectives and strategy as well as its long-term interests.

Remuneration (continued)

Scope of Remuneration Policy

The scope of this Policy applies to the Company, which operates its business in Malaysia, and its employees.

The Company identifies the following individuals as Senior Management:

- Chief Executive Officer (CEO)
- Chief Financial Officer (CFO)
- Chief Distribution Officer (CDO)
- Chief Transformation Officer (CTO)
- Chief Insurance Officer (CIO)
- Chief Marketing Officer (CMO)
- General Counsel (GC)
- Chief People and Organisation Officer (CPOO)
- Chief of Staff and Chief Sustainability Officer (COS)
- Head of Control Function
  - Chief Internal Auditor (CIA)
  - Chief Compliance Officer (CCO)
  - Chief Risk Officer (CRO)
  - Appointed Actuary (AA)

The Company constantly evaluates risk and potential significant risk takers in the organisation to ensure remuneration for these risk takers are managed appropriately. Other Material Risk Takers include the following individuals:

- Chief Information Security Officer
- Head of Investment
- Head of Information Technology
- Head of Operations
- Chief Agency Officer
- Head, Commercial Lines Underwriting
- Head, Commercial Underwriting and Portfolio
- Head, Health and Employee Benefits

Remuneration Components and Structure

The Remuneration practices of the Company are based on the following objectives and principles:

a) Drive behaviours that are consistent with the Company's strategy, objectives, values, risk appetite, long-term interest and statutory/regulatory compliance requirements.

b) Provide a reward proposition that is competitive to facilitate the attraction, engagement, performance and retention of suitable talent of relevant capabilities for the effective management and operations of the Company.

c) Ensure the proper management of the Company's resources and are not excessive nor create an incentive for imprudent, unsustainable or unethical behaviour incompatible with the Board approved risk appetite.

d) Promote prudent risk-taking behaviour and encourage individuals to act in the interests of the Company as a whole, accounting for the interests of its customers.

Remuneration (continued)

Remuneration Components and Structure (continued)

The remuneration structure for employees primarily consists of a fixed component and a variable component.

The fixed component for employees consists of fixed basic salary, allowances and other benefits. The variable component consists of a bonus/incentive that is discretionary and considers the performance of the Company, business unit and individual. Measures that adequately assess this performance shall be used.

The remuneration will be additionally guided by any statutory or regulatory deductions, contributions or actions as required. The remuneration for individuals must be aligned with prudent risk taking, and remuneration outcomes must be symmetric with risk outcomes.

The remuneration of employees is reviewed periodically to maintain market competitiveness. Variable remuneration shall be linked to the overall performance of the Company, accounting for risk and be determined by quantitative and qualitative evaluation. The Company considers several risks when implementing measures or measuring remuneration outcomes, including operational risk, reputation risk, financial risk, compliance risk and other risks that may be appropriate from time to time. A weight for appropriate risks is incorporated into the Key Performance Indicators (KPIs) or measures of senior management, and other employees.

An individual's variable remuneration shall be linked to the contribution of the individual and linked to measures at the individual, business unit and Company level (including risk-related outcomes), with reference to individual level of accountability. The variable portion of remuneration shall increase commensurate with the individual's level of accountability.

Variable remuneration is determined by the Company performance and individual performance. The Company performance is determined by overall organisational measures, including business/financial, customer outcomes, compliance and risk outcomes, and people outcomes, appropriately for different employees. The individual performance is determined by the individual’s goals which will include financial performance, functional performance, risk and compliance, people value and other appropriate measures. These factors are linked and correlated to the performance and remuneration of an individual. The better the Company and individual performance, the better the variable remuneration, and vice-versa.

The remuneration of individuals engaged in control functions shall be based principally on the achievement of control function objectives and determined in a manner that is independent from the business lines they oversee.

Some officers receive a long-term incentive, which will have vesting and deferral requirements that differ based on the type of plan. Based on the measures and criteria of achievement, these awards are adjusted throughout the period. There are clawback clauses in these awards that may impact the incentive, which may require the individual to forfeit the award or have such award clawed back.

Employees who are deemed to have been responsible or contributed materially to any breach of risk appetite or have committed serious legal, regulatory or internal policy breaches may have their variable remuneration or other discretionary elements appropriately adjusted.

Company No.
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GENERALI INSURANCE MALAYSIA BERHAD
(Incorporated in Malaysia)

CORPORATE GOVERNANCE DISCLOSURES (as referred to in the Directors' Report)

Remuneration (continued)

Remuneration Components and Structure (continued)

The table below summarises the Company's remuneration policies regarding the elements of the remuneration structure as it applies to the CEO and Senior Management Team during the year.

Component	Description	Basis of determination	Notes on practices
Basic	Fixed cash comprising basic salary	Basic salary is determined with reference to the specific roles and responsibilities of the position, internal relativities, market practice, capabilities, performance and other factors to attract and retain employees with required capabilities to achieve the Company's business objectives.	The Board Nomination and Remuneration Committee reviews salaries annually for the CEO and Senior Management Team against relevant benchmarks.
Short-term incentive	Short-term incentives are delivered as a performance-based cash award to recognise and reward the achievement of the Company's objectives and individual performance.	Short-term incentive target is determined with reference to the market appropriateness of total compensation and the roles and responsibilities of the individual. The award of the incentive is based on criteria like business performance and individual performance. Criteria or measures such as adherence to risk and compliance, sustainability related matters, people value and other functional objectives are part of determining the overall performance of an individual. The performance of an individual in the above criteria directly determines the short term incentives. Where on the whole the individual does not meet the expectations of those criteria, the short-term incentive will be impacted negatively.	Annual short-term incentive is based on the achievement of the Company's financial performance measures and relevant strategic objectives, as well as individual performance.

Remuneration (continued)

Remuneration Components and Structure (continued)

Component	Description	Basis of determination	Notes on practices
Short-term incentive (continued)		The opposite impact is also true when an individual, on the whole, exceeds the expectations of those criteria.	
Long-term incentive	Long-term incentive is intended for driving the long-term business success of the Company through the linkage of individual remuneration with long-term performance expectations.	Long-term performance-based incentive plans are available for specific individuals. Payout of each performance cycle will be paid following each completion of the defined multi-year cycle. Selected individuals may be selected for the incentive programme based on criteria that may be determined by the Company. Long-term incentive payouts will be based on criteria like business performance and individual performance.	At the end of each multi-year performance cycle, the actual achievement of KPIs will be calculated. Long-term incentive has deferral elements. This plan may be made available to selected individuals who have a significant impact to the Company.
Benefits	Benefits are part of the employment relationship and go towards the value of total remuneration pegged at market competitive levels.	The benefits programme is structured to be market competitive and remains fully compliant with local regulations.	
Employee share purchase plan	Employees are given the opportunity to purchase Generali shares.	Participation is voluntary and the plan is offered to the confirmed employees during the offer period.	

Remuneration (continued)

The total Directors' and CEO's remuneration for the financial year 2025 is disclosed in Note 18(b) of the Notes to the Financial Statements.

The tables below reflect the remuneration granted to Senior Management Team and Other Material Risk Takers.

Senior Management Team

	Unrestricted		**Deferred**	
	No. of pax	**RM'000**	**No. of pax**	**RM'000**
Fixed remuneration:				
- Cash-based	15	8,599	-	-
- Other	-	-	-	-
Variable remuneration:				
- Cash-based	15	5,481	6	603
- Shares and share-linked instruments	-	-	2	2,691
- Other	15	10,126	-	-

Other Material Risk Takers

	Unrestricted		**Deferred**	
	No. of pax	**RM'000**	**No. of pax**	**RM'000**
Fixed remuneration:				
- Cash-based	8	3,597	-	-
- Other	-	-	-	-
Variable remuneration:				
- Cash-based	8	1,555	1	36
- Shares and share-linked instruments	-	-	-	-
- Other	8	1,066	-	-

Company No.
197501002042 (23820 W)

GENERALI INSURANCE MALAYSIA BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251 (2) OF THE COMPANIES ACT 2016

We, Raymond Fam Chye Soon and Datin Zaimah binti Zakaria, being two of the Directors of Generali Insurance Malaysia Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 30 to 97 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2025 and of the financial performance and cash flows of the Company for the financial year ended 31 December 2025 in accordance with Malaysian Financial Reporting Standards as issued by the Malaysian Accounting Standards Board, International Financial Reporting Standards as issued by the International Accounting Standards Board and the provisions of the Companies Act 2016.

Signed on behalf of the Board of Directors in accordance with their resolution dated 25 March 2026.

RAYMOND FAM CHYE SOON
DIRECTOR

DATIN ZAIMAH BINTI ZAKARIA
DIRECTOR

Kuala Lumpur

STATUTORY DECLARATION
PURSUANT TO SECTION 251 (1) OF THE COMPANIES ACT 2016

I, Fabrice Claude Joseph Benard, the officer primarily responsible for the financial management of Generali Insurance Malaysia Berhad, do solemnly and sincerely declare that the financial statements set out on pages 30 to 97 are, in my opinion, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

FABRICE CLAUDE JOSEPH BENARD

Subscribed and solemnly declared by the above named Fabrice Claude Joseph Benard at Kuala Lumpur in Malaysia on 25 March 2026, before me.

PESURUHJAYA SUMPAH
W 904
ROSLI BIN SAAD
01.01.2025 - 31.12.2027
MALAYSIA

COMMISSIONER FOR OATHS

50A-1, Jalan Kemuja
Bangsar Utama,
59000 Kuala Lumpur

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Telephone +60 (3) 7721 3388
Fax +60 (3) 7721 3399
Website www.kpmg.com.my

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF GENERALI INSURANCE MALAYSIA BERHAD

(Company No. 197501002042 (23820-W))
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Generali Insurance Malaysia Berhad, which comprise the statement of financial position as at 31 December 2025 of the Company, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 30 to 97.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information obtained at the date of this auditors' report is the information included in the Directors' Report, but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Ooi Eng Siong
Approval Number: 03240/02/2028 J
Chartered Accountant

Petaling Jaya, Selangor

Date: 25 March 2026

Company No.
197501002042 (23820 W)

GENERALI INSURANCE MALAYSIA BERHAD
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	2025 RM'000	2024 (Restated) RM'000	As at 1 January 2024 (Restated) RM'000
Assets				
Property and equipment	5	81,618	66,798	36,844
Investment properties	6	5,275	5,389	5,514
Intangible assets	7	38,400	48,935	57,509
Goodwill	8	165,822	165,822	165,822
Investments	9	4,545,844	4,477,423	4,502,412
Fair value through profit or loss ("FVTPL")		4,159,447	3,428,574	2,232,209
Fair value through other comprehensive income ("FVOCI")		211,331	267,915	1,162,286
Amortised cost ("AC")		175,066	780,934	1,107,917
Right-of-use ("ROU") assets	10	25,738	30,232	10,347
Insurance contract assets	11	-	-	73,742
Reinsurance contract assets	11	1,028,006	1,142,953	1,177,976
Other receivables	12	71,970	77,209	61,374
Deferred tax assets	13	22,545	21,400	28,102
Tax recoverable		28,488	17,610	7,635
Cash and cash equivalents		84,055	146,749	149,485
Total assets		**6,097,761**	**6,200,520**	**6,276,762**
Equity and liabilities				
Share capital	14	955,645	955,645	955,645
Merger reserve	15	(50,748)	(50,748)	(50,748)
Retained earnings	15	1,397,399	1,321,181	1,376,699
FVOCI reserve	15	2,292	1,232	1,386
Revaluation reserve	15	12,948	12,948	12,948
Share option reserve	15	8,380	4,524	2,685
Total equity		**2,325,916**	**2,244,782**	**2,298,615**
Insurance contract liabilities	11	3,486,044	3,629,743	3,519,395
Reinsurance contract liabilities	11	-	14,317	176,570
Other payables	16	257,074	279,754	271,128
Lease liabilities	10	28,727	31,924	11,054
Total liabilities		**3,771,845**	**3,955,738**	**3,978,147**
Total equity and liabilities		**6,097,761**	**6,200,520**	**6,276,762**

The accompanying notes form an integral part of the financial statements.

Company No.
197501002042 (23820 W)

GENERALI INSURANCE MALAYSIA BERHAD
(Incorporated in Malaysia)

STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 RM'000	2024 (Restated) RM'000
Insurance revenue	17	2,129,290	2,022,578
Insurance service expenses	18	(1,828,807)	(1,828,438)
Insurance service result before reinsurance contracts held		**300,483**	**194,140**
Allocation of reinsurance premiums		(364,391)	(388,401)
Amounts recoverable from reinsurers for incurred claims		188,070	364,555
Net expense from reinsurance contracts held	19	**(176,321)**	**(23,846)**
Insurance service result		**124,162**	**170,294**
Investment income		166,139	163,899
Net fair value gains on financial assets		20,851	2,318
Total investment return	20	**186,990**	**166,217**
Net insurance finance expenses for insurance contracts issued		(82,223)	(70,576)
Net insurance finance income for reinsurance contracts held		27,034	22,492
Net insurance financial result	21	**(55,189)**	**(48,084)**
Other income		10,082	7,157
Other expenses	18	(72,615)	(101,386)
Profit before tax		**193,430**	**194,198**
Income tax expense	22	(8,475)	(34,620)
Net profit for the financial year		**184,955**	**159,578**
Basic earnings per share (sen)	23	99	86

The accompanying notes form an integral part of the financial statements.

Company No.
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GENERALI INSURANCE MALAYSIA BERHAD
(Incorporated in Malaysia)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 RM'000	2024 (Restated) RM'000
Net profit for the financial year		184,955	159,578
Other comprehensive income			
Items that may be subsequently reclassified to the statement of profit or loss:			
Financial assets at FVOCI:			
Net gain arising during the financial year	9	1,211	817
Net realised gain transferred to the statement of profit or loss	9	(146)	(2,570)
Allowance for expected credit loss ("ECL")		307	-
Tax effect on net gain	13	(256)	421
Tax effect on allowance for ECL		(56)	-
		1,060	(1,332)
Items that will not be reclassified to the statement of profit or loss:			
Financial assets at FVOCI:			
Net gain arising during the financial year	9	-	1,550
Tax effect thereon		-	(372)
		-	1,178
Total other comprehensive income		1,060	(154)
Total comprehensive income for the financial year		186,015	159,424

The accompanying notes form an integral part of the financial statements.

GENERALI INSURANCE MALAYSIA BERHAD
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

			Non-distributable				Distributable	
	Note	Share capital RM'000	Merger reserve RM'000	Revaluation reserve RM'000	Share option reserve RM'000	FVOCI reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2024, as previously reported		955,645	(62,338)	12,948	2,685	1,386	1,379,239	2,289,565
Change in accounting policy	29	-	11,590	-	-	-	(2,540)	9,050
Restated balance as at 1 January 2024		955,645	(50,748)	12,948	2,685	1,386	1,376,699	2,298,615
Total comprehensive (loss)/income for the financial year		-	-	-	-	(154)	159,578	159,424
Transactions with owners of the Company:								
Share options exercised		-	-	-	(904)	-	904	-
Equity-settled share-based payment		-	-	-	2,743	-	-	2,743
Dividend paid	15	-	-	-	-	-	(216,000)	(216,000)
At 31 December 2024		955,645	(50,748)	12,948	4,524	1,232	1,321,181	2,244,782
Total comprehensive (loss)/income for the financial year		-	-	-	-	1,060	184,955	186,015
Transactions with owners of the Company:								
Share options exercised		-	-	-	(1,263)	-	1,263	-
Equity-settled share-based payment		-	-	-	5,119	-	-	5,119
Dividend paid	15	-	-	-	-	-	(110,000)	(110,000)
At 31 December 2025		955,645	(50,748)	12,948	8,380	2,292	1,397,399	2,325,916

The accompanying notes form an integral part of the financial statements.

Company No.
197501002042 (23820 W)

GENERALI INSURANCE MALAYSIA BERHAD
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 RM'000	2024 (Restated) RM'000
Cash flows from operating activities			
Net profit for the financial year		184,955	159,578
Adjustments for:			
Investment income	20	(166,139)	(163,899)
Impairment loss on financial assets		367	-
Net fair value (gain)/loss on FVTPL financial assets	9	(20,705)	252
Taxation		8,475	34,620
Interest on lease liabilities	10	1,395	862
Depreciation of property and equipment	5	18,612	7,912
Depreciation of ROU assets	10	7,147	9,241
Depreciation of investment properties	6	114	125
Amortisation of intangible assets	7	24,219	19,309
Write-off of property and equipment		5	1,426
Write-off of intangible assets		2	1,532
Equity-settled share-based payment transactions		5,119	2,743
Operating profit before working capital changes		63,566	73,701
Changes in working capital:			
Net decrease/(increase) in reinsurance contract assets/liabilities		100,630	(127,230)
Decrease/(increase) in other receivables		5,239	(15,835)
Net (decrease)/increase in insurance contract liabilities/assets		(143,699)	184,090
(Increase)/decrease in other payables		(23,024)	8,675
Cash generated from operating activities		2,712	123,401
Distribution income and dividend income received		140,023	93,305
Interest income received		38,120	77,942
Income tax paid		(22,646)	(38,091)
Income tax refund		1,834	-
Interest on lease liabilities paid		(1,395)	(862)
Rental income received		232	220
Net cash from operating activities		158,880	255,915
Cash flows from investing activities			
Purchase of property and equipment	5	(33,446)	(39,296)
Purchase of intangible assets	7	(13,686)	(12,267)
Purchase of financial assets	9	(1,171,354)	(1,794,594)
Maturities of financial assets	9	35,000	324,217
Disposal of financial assets	9	481,532	1,156,753
Net withdrawals from deposits with banks	9	596,023	330,750
Proceeds from disposal of property and equipment		9	4
Net cash used in investing activities		(105,922)	(34,433)

GENERALI INSURANCE MALAYSIA BERHAD
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025	2024 (Restated)
		RM'000	RM'000
Cash flows from financing activities			
Dividend paid	15	(110,000)	(216,000)
Payment of lease liabilities	10	(5,652)	(8,218)
			-
Net cash used in financing activities		(115,652)	(224,218)
Net decrease in cash and cash equivalents		(62,694)	(2,736)
Cash and cash equivalents at the beginning of the financial year		146,749	149,485
Cash and cash equivalents at the end of the financial year		84,055	146,749
Cash and cash equivalents comprise:			
Cash and bank balances		84,055	146,749

The accompanying notes form an integral part of the financial statements.

1 PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The Company, a public limited company incorporated and domiciled in Malaysia, is principally engaged in the underwriting of all classes of general insurance business. There have been no significant changes in the nature of the activities during the financial year.

The registered office of the Company is at Level 31, Menara Generali, 27 Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur. The principal place of business of the Company is at Level 1, Menara Generali, 27 Jalan Sultan Ismail, 50250 Wilayah Persekutuan Kuala Lumpur, Malaysia.

The immediate holding company of the Company is Generali Malaysia Holding Berhad ("GMHB") and the ultimate holding company is Assicurazioni Generali S.p.A., both of which are incorporated in Malaysia and Italy respectively.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 March 2026.

2 BASIS OF PREPARATION

2.1 Basis of measurement

The financial statements of the Company have been prepared under the historical cost convention except as disclosed in this summary of material accounting policy information, and comply with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

The Company has met the minimum capital requirements as prescribed by the Risk-Based Capital ("RBC") Framework and the Guidelines on Internal Capital Adequacy Assessment Process (“ICAAP”) for Insurers as at the date of the statement of financial position.

2.2 Use of estimates and judgements

The preparation of financial statements in conformity with MFRS Accounting Standards requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statement of financial position and the reported amounts of revenues and expenses during the reported financial year. It also requires the Directors to exercise their judgement in the process of applying the Company’s accounting policies. Although these estimates and judgements are based on the Directors’ best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4 to the financial statements.

2 BASIS OF PREPARATION (CONTINUED)

2.3 Statement of Compliance

On 1 January 2025, the Company applied the following standards, amendments and interpretations for the first time for the financial year beginning on 1 January 2025:

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

The adoption of the above standards and amendments to MFRS Accounting Standards in the current financial period do not have any material impact on the financial statements of the Company.

The following are MFRS Accounting Standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board ("MASB"), but not yet effective, up to the date of issuance of the Company's financial statements. The Company intends to adopt these MFRS Accounting Standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the MASB, if applicable, when they become effective:

Description	**Effective for annual financial periods beginning on or after**
• Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments*	1 January 2026
• Amendments that are part of Annual Improvements - Volume 11	1 January 2026
• Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*	
• Amendments to MFRS 7, *Financial Instruments: Disclosures*	
• Amendments to MFRS 9, *Financial Instruments*	
• Amendments to MFRS 10, *Consolidated Financial Statements*	
• Amendments to MFRS 107, *Statement of Cash Flows*	
• Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity*	1 January 2026
• MFRS 18, *Presentation and Disclosures in Financial Statements*	1 January 2027
• MFRS 19, *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
• Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency*	1 January 2027
• Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Yet to be confirmed

2 BASIS OF PREPARATION (CONTINUED)

2.3 Statement of Compliance (continued)

The Directors expect that the adoption of the above pronouncements will have no material impact on the financial statements of the Company in the period of initial application except as discussed below.

MFRS 18, *Presentation and Disclosures in Financial Statements*

In June 2024, the MASB issued MFRS 18, which replaces MFRS 101 *Presentation of Financial Statements.* MFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements ("PFS") and the notes.

In addition, narrow-scope amendments have been made to MFRS 107 *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from ‘profit or loss’ to ‘operating profit or loss’ and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

MFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. MFRS 18 will apply retrospectively.

The Company is currently working to identify all impacts the accounting standard will have on the primary financial statements and notes to the financial statements.

3 MATERIAL ACCOUNTING POLICY INFORMATION

(a) Investment in structured entities

The Company is exempted from presenting consolidated financial statements based on the criteria set out in paragraph 4 of MFRS 10 *Consolidated Financial Statements.*

The immediate holding company, Generali Malaysia Holding Berhad, prepares consolidated financial statements in accordance with MFRS in Malaysia, which are available for inspection at the registered office of the immediate holding company.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(b) Property and equipment

Property and equipment other than land and buildings are stated at cost less accumulated depreciation and any accumulated impairment losses.

Land and buildings, which are substantially occupied by the Company for their operations, are classified under property and equipment.

Land and buildings are initially stated at cost and subsequently revalued, based on independent valuation of the open market value on the existing use basis carried out by professional valuers. The valuation of the land and buildings is carried out once in every three years or earlier if the carrying values of the revalued assets are materially higher and/or lower than the market values. Additions subsequent to their revaluation are stated in the financial statements at cost until the next revaluation exercise.

Freehold land is not depreciated as it has infinite life. Work in progress is not depreciated until the assets are ready for intended use. Depreciation of property and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the following estimated useful lives:

Buildings	50 years
Motor vehicles	5 years
Office and computer equipment	3 - 5 years
Furniture, fixtures and fittings	5 - 10 years

(c) Intangible assets

(i) Software

Software costs are amortised over their expected useful life of 3 years (2024: 2-5 years) on a straight-line basis, with the useful lives being reviewed annually.

(ii) Relationship consideration

On 30 August 2022, the Company has entered into a Distribution Agreement with Affin Bank Berhad for Affin Bank Berhad to distribute the Company's general insurance products and the term of the agreement is for 15 years. The relationship consideration related to this Distribution Agreement has been recognised as an intangible asset which has a finite useful life, and is measured at cost less any accumulated amortisation and any accumulated impairment losses. The cost is amortised over the useful life of 15 years on a straight-line basis.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(d) Financial assets

Classification and measurement

(a) Financial assets at fair value through other comprehensive income ("FVOCI")

The Company classifies debt securities as FVOCI. The Company made an irrevocable election to classify and measure unquoted equity securities as FVOCI.

(b) Financial assets at fair value through profit or loss ("FVTPL")

The Company classifies unit trust funds as FVTPL.

(e) Insurance and reinsurance contracts

(i) Measurement – Contracts measured under the Premium Allocation Approach ("PAA")

The Company applies the PAA to the insurance contracts that it issues and the reinsurance contract that it holds, provided that:

- The coverage period of each contract in the group is one year or less.
- For contracts with a coverage period of more than one year, the PAA can be used for the measurement of groups of contracts where the entity reasonably expects that such simplification would produce a measurement of the liability for remaining coverage that would not differ materially from the one that would be produced by applying the general measurement model.

The Company does not adjust the Liability for Remaining Coverage for insurance contracts issued and the asset for remaining coverage for reinsurance contracts held for the effect of the time value of money.

However, the Company does adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(e) Insurance and reinsurance contracts (continued)

(ii) Presentation

Income and expenses from reinsurance contracts are presented separately from income and expenses from insurance contracts. Net expenses from reinsurance contracts comprise an allocation of reinsurance premium paid less amounts recovered from reinsurers.

The Company does not disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk are included in the insurance service result.

(a) Insurance revenue – Contracts measured under the PAA

For contracts measured under the PAA, the insurance revenue for each period is the amount of expected premium receipts for providing services in the period. The Company allocates the expected premium receipts to each period based on the passage of time.

(b) Insurance service expenses

For contracts measured under PAA, the Company amortises insurance acquisition cash flows on a straight-line basis over the coverage period of the group of contracts.

(c) Insurance finance income and expenses

Insurance finance income and expenses comprise changes in the carrying amounts of groups of insurance and reinsurance contracts arising from the effects of the time value of money, financial risk and changes therein. The main amounts within insurance finance income and expenses are interest accreted on the Liability for Incurred Claims and the effect of changes in interest rates and other financial assumptions. The insurance finance income and expenses are presented in profit or loss.

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(f) Leases

ROU assets

The Company revalues land and buildings (presented as part of property and equipment) that it owns. It has chosen not to revalue the ROU building held by the Company.

Short-term leases and leases of low value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture and equipment. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Sublease

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. A sublease is accounted for as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of that ROU asset.

(g) Investment properties

Investment properties comprise land and buildings held by the Company which are held for long term rental yields or for capital appreciation or both and are not substantially occupied by the Company.

Investment properties are initially measured at cost including related and incidental expenditure incurred, and are subsequently carried at cost.

The depreciation policy for investment properties is in accordance with that for depreciation of property and equipment as described in Note 3(b).

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

i. Impairment of goodwill

The recoverable amount of the goodwill is assessed based on its value-in-use. Value-in-use is determined using the present value of estimated future cash flows expected to be generated from future new business, using the estimates and key assumptions as disclosed in Note 8 to the financial statements.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

(a) Critical accounting estimates and assumptions (continued)

ii. Impairment of relationship consideration

The assessment is determined based on the value-in-use which is determined using the present value of estimated future cash flows expected to be generated from future business, including estimates and key assumptions. The value-in-use is then compared against the net book value of the relationship consideration to determine if any impairment is necessary.

iii. Insurance and reinsurance contracts

Estimates of future cash flows

The Company estimates the ultimate cost of settling claims incurred but unpaid at the reporting date and the value of salvage and other expected recoveries by reviewing individual claims reported and making allowance for claims incurred but not yet reported. The ultimate cost of settling claims is estimated using a range of loss reserving techniques – e.g. the chain-ladder and Bornhuetter-Ferguson methods. These techniques assume that the Company's own claims experience is indicative of future claims development patterns and therefore ultimate claims cost. The ultimate cost of settling claims is estimated separately by line of business.

The assumptions used are implicitly derived from the historical claims development data on which the projections are based, although judgement is applied to assess the extent to which past trends might not apply in the future and future trends are expected to emerge.

Discount rates

All cash flows are discounted using zero-coupon risk-free yield curves adjusted for illiquidity risk premium (IRP) to reflect the illiquidity characteristics of the insurance contracts. The Company generally determines the risk-free rates using the Malaysian Government Securities curve obtained from Bond Pricing Agency Malaysia. IRP are generally determined by comparing the spreads on corporate bonds with the government bond yields.

The table below sets out the yield curves used to discount the cash flows of insurance contracts issued and reinsurance contracts held by the Company:

MYR	1 year	5 years	10 years	20 years
As at 31 December 2025				
Yield curves	2.99%	3.45%	3.70%	4.06%
As at 31 December 2024				
Yield curves	3.29%	3.66%	3.86%	4.15%

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

(a) Critical accounting estimates and assumptions (continued)

iii. Insurance and reinsurance contracts (continued)

Risk adjustment for non-financial risk

Applying a confidence level technique, the Company estimates the probability distribution of the expected present value of the future cash flows from insurance contracts at each reporting date and calculates the risk adjustment for non-financial risk as the excess of the value at risk at the 75th percentile (the target confidence level) over the expected present value of the future cash flows.

(b) Critical judgement in applying the entity's accounting policies

In determining and applying accounting policies, judgement is often required in respect of items where the choice of specific accounting policy could materially affect the reported results and financial position of the Company. However, the Directors are of the view that there are currently no accounting policies which require significant judgement to be exercised in their application.

5 PROPERTY AND EQUIPMENT

	Note	Freehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Office and computer equipment RM'000	Furniture, fixtures and fittings RM'000	Work-in-progress RM'000	Total RM'000
Cost/Valuation								
At 1 January 2025		17,314	2,608	821	59,855	16,411	18,465	115,474
Additions		-	-	-	9,587	9	23,850	33,446
Write-offs and disposals		-	-	(7)	(35,749)	(412)	-	(36,168)
Reclassification		-	-	-	1,296	41,002	(42,298)	-
At 31 December 2025		17,314	2,608	814	34,989	57,010	17	112,752
Cost		-	2,328	814	34,989	57,010	17	95,158
Valuation		17,314	280	-	-	-	-	17,594
At 31 December 2025		17,314	2,608	814	34,989	57,010	17	112,752
Accumulated depreciation								
At 1 January 2025		-	872	337	45,309	2,158	-	48,676
Charge for the financial year	18	-	52	132	13,604	4,824	-	18,612
Write-offs and disposals		-	-	(7)	(35,736)	(411)	-	(36,154)
At 31 December 2025		-	924	462	23,177	6,571	-	31,134
Net book value								
At 31 December 2025		17,314	1,684	352	11,812	50,439	17	81,618

5 PROPERTY AND EQUIPMENT (CONTINUED)

	Note	Freehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Office and computer equipment RM'000	Furniture, fixtures and fittings RM'000	Work-in-progress RM'000	Total RM'000
Cost/Valuation								
At 1 January 2024		17,314	2,608	546	58,758	20,889	-	100,115
Additions		-	-	275	6,485	2,092	30,444	39,296
Write-off and disposals		-	-	-	(5,568)	(18,369)	-	(23,937)
Reclassification		-	-	-	180	11,799	(11,979)	-
At 31 December 2024		17,314	2,608	821	59,855	16,411	18,465	115,474
Cost		-	2,328	821	59,855	16,411	18,465	97,880
Valuation		17,314	280	-	-	-	-	17,594
At 31 December 2024		17,314	2,608	821	59,855	16,411	18,465	115,474
Accumulated depreciation								
At 1 January 2024		-	820	214	44,716	17,521	-	63,271
Charge for the financial year	18	-	52	123	5,962	1,775	-	7,912
Write-off and disposals		-	-	-	(5,369)	(17,138)	-	(22,507)
At 31 December 2024		-	872	337	45,309	2,158	-	48,676
Net book value								
At 31 December 2024		17,314	1,736	484	14,546	14,253	18,465	66,798

5 PROPERTY AND EQUIPMENT (CONTINUED)

The freehold land and building (other than buildings from the business transfer on 1 April 2023), which are used as the Company's training facilities, were revalued in December 2022 by an independent professional valuer, James Wong Kwong Onn, a member of the Institution of Surveyors, Malaysia of VPC Alliance (KL) Sdn Bhd at open market value on an existing use basis. The fair value of the freehold land and building from a recent valuation carried out in November 2025 does not differ materially from the carrying amount of the freehold land and building.

The net book value of the revalued land and building, had these assets been carried at cost less accumulated depreciation, is not disclosed due to the absence of historical records.

Fair value measurements
The fair value of the freehold land and building which is under Level 3 of the fair value hierarchy, is measured using the sales comparison approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as land area and location and time factor. The most significant input into this valuation approach is price per square foot.

6 INVESTMENT PROPERTIES

	2025	**2024**
	RM'000	**RM'000**
Cost		
At 1 January	6,642	6,642
At 31 December	6,642	6,642
Accumulated depreciation		
At 1 January	1,253	1,128
Charge for the year	114	125
At 31 December	1,367	1,253
Net carrying amount	5,275	5,389

Investment properties consist of two units of residential properties and a commercial building, all of which are located in Penang.

Investment properties are stated at cost less accumulated depreciation. Estimated fair value is based on valuations performed by the independent valuers with recent experience in the location and category of properties being valued. Fair value is determined using the comparison method of valuation. Indicative fair value is RM7.0 million (2024: RM7.1 million).

The valuations were performed by the valuers in November 2025 (2024: September 2024 and November 2024) for the investment properties.

6 INVESTMENT PROPERTIES (CONTINUED)

Fair value measurements
The fair value of the investment properties which are under Level 3 of the fair value hierarchy, is measured using the sales comparison approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as land area and location and time factor. The most significant input into this valuation approach is price per square foot.

Income and expenses recognised in respect of investment properties are as follows:

	2025 RM'000	2024 RM'000
Rental income from investment properties	232	220
Direct operating expenses	(34)	(35)
Depreciation of investment properties	(114)	(125)
Net rental income arising from investment properties	84	60

There are no restrictions on the realisability of the investment properties and no contractual obligations to either purchase, construct or develop investment properties.

7 INTANGIBLE ASSETS

	Note	Software RM'000	Work-in-progress RM'000	Relationship consideration RM'000	Total RM'000
Cost					
At 1 January 2024		164,279	-	25,000	189,279
Additions		5,233	7,034	-	12,267
Write-off		(16,772)	-	-	(16,772)
Reclassification		220	(220)	-	-
At 31 December 2024		152,960	6,814	25,000	184,774
Additions		5,583	8,103	-	13,686
Write-off		(108,286)	-	-	(108,286)
Reclassification		11,662	(11,662)	-	-
At 31 December 2025		61,919	3,255	25,000	90,174
Accumulated amortisation					
At 1 January 2024		129,598	-	2,172	131,770
Amortisation during the financial year		17,610	-	1,699	19,309
Write-off		(15,240)	-	-	(15,240)
At 31 December 2024		131,968	-	3,871	135,839
Amortisation during the financial year	18	22,551	-	1,668	24,219
Write-off		(108,284)	-	-	(108,284)
At 31 December 2025		46,235	-	5,539	51,774
Net book value					
At 31 December 2025		15,684	3,255	19,461	38,400
At 31 December 2024		20,992	6,814	21,129	48,935

8 GOODWILL

	2025 RM'000	2024 RM'000
Cost/Net book value		
At 1 January	165,822	165,822
At 31 December	165,822	165,822

The goodwill has been allocated to the cash generating unit, being the combined general insurance business as a whole. The recoverable amount of the goodwill has been determined based on value-in-use calculations using cash flow projections based on the strategic plan 2026 to 2028 approved by the Board covering a three-year period. The projected cash flows are determined by budgeted profitability based on past performance and management's expectations of market developments.

The key assumptions used in the value-in-use calculation are as follows:

(a) Premium growth rates have been projected on the basis of management's expectations of market developments.

(b) Loss ratios have been projected after taking into account management's strategy for premium growth as well as past developments with respect to loss development patterns.

(c) The expense projections including projection of acquisition cost/commission have been done after taking into account the projected inflation over the strategic business plan period as well as projected portfolio growth. The projected portfolio mix has also been considered in determining the projection of acquisition cost/commission.

(d) A discount rate of 7.4% (2024: 8.1%) has been considered based on the weighted cost of capital of the Company.

(e) Terminal value is determined based on the Gordon Growth Model, where the Company assumes a business that will generate cash flows at a constant rate of 5% perpetually.

Based on the assessment of value-in-use for the cash generating unit, the Company does not expect that any reasonable change in the key assumptions will cause the carrying amount of the goodwill to exceed its recoverable amount, resulting in impairment of goodwill.

9 INVESTMENTS

	2025 RM'000	2024 RM'000
Unit trust funds	4,159,447	3,428,574
Corporate debt securities	209,531	266,115
Equity securities	1,800	1,800
Fixed and call deposits	175,066	780,934
	4,545,844	4,477,423

The investments are summarised by categories as follows:

		2025 RM'000	2024 RM'000
Financial assets at FVTPL	Note 9(a)	4,159,447	3,428,574
Financial assets at FVOCI	Note 9(b)	211,331	267,915
Financial assets at amortised cost	Note 9(c)	175,066	780,934
		4,545,844	4,477,423

(a) Financial assets at FVTPL

	2025 RM'000	2024 RM'000
At fair value		
Unit trust funds*	4,159,447	3,428,574
	4,159,447	3,428,574

* Included in unit trust funds of the Company are investments in structured entities amounting to RM4,159,447,000 (2024: RM2,967,519,000) as disclosed in Note 9(e) to the financial statements.

9 INVESTMENTS (CONTINUED)

(b) Financial assets at FVOCI

	2025 RM'000	2024 RM'000
At fair value		
Corporate debt securities		
- unquoted in Malaysia	209,531	266,115
Equity securities		
- unquoted in Malaysia	1,800	1,800
	211,331	267,915

(c) Financial assets at amortised cost

	2025 RM'000	2024 RM'000
At amortised cost		
Fixed and call deposits with		
licensed financial institutions	175,066	780,934
	175,066	780,934

The carrying amounts of financial assets at amortised cost are reasonable approximations of fair values due to their short term maturity of the financial assets.

9 INVESTMENTS (CONTINUED)

(d) Carrying value of financial instruments

	FVTPL RM'000	FVOCI RM'000	Amortised Cost RM'000	Total RM'000
At 1 January 2024	2,232,209	1,162,286	1,107,917	4,502,412
Purchases	1,653,503	141,091	-	1,794,594
Maturities	-	(324,217)	-	(324,217)
Disposals	(456,886)	(699,867)	-	(1,156,753)
Movements of deposits with banks	-	-	(330,750)	(330,750)
Net fair value gain recorded in:				
- profit or loss	(252)	-	-	(252)
- other comprehensive income	-	2,367	-	2,367
Net realised gain transferred to statement of profit or loss	-	(2,570)	-	(2,570)
Amortisation	-	(2,659)	-	(2,659)
Movements of accrued income	-	(8,516)	3,767	(4,749)
At 31 December 2024	3,428,574	267,915	780,934	4,477,423
Purchases	1,171,354	-	-	1,171,354
Maturities	-	(35,000)	-	(35,000)
Disposals	(461,186)	(20,346)	-	(481,532)
Movements of deposits with banks	-	-	(596,023)	(596,023)
Net fair value gain recorded in:				
- profit or loss	20,705	-	-	20,705
- other comprehensive income	-	1,211	-	1,211
Net realised gain transferred to statement of profit or loss	-	(146)	-	(146)
Amortisation	-	(1,631)	-	(1,631)
Movements of impairment allowance	-	-	(60)	(60)
Movements of accrued income	-	(672)	(9,785)	(10,457)
At 31 December 2025	4,159,447	211,331	175,066	4,545,844

(e) Interest in structured entities

During the financial year ended 31 December 2025, the Company continued to invest in wholesale unit trust funds which are established in Malaysia and managed by external fund managers. Details of the investment in the wholesale unit trust funds are as follows:

Name of Funds	Principal Activities	Ownership interest held by the Company 2025	2024
AHAM Income Fund II	Invest in fixed income securities, deposits with financial institutions and money market instruments	90%	100%

9 INVESTMENTS (CONTINUED)

(e) Interest in structured entities (continued)

Name of Funds	Principal Activities	Ownership interest held by the Company 2025	2024
Principal Malaysia Government Bond Fund	Invest in fixed income securities, deposits with financial institutions and money market instruments	100%	100%
AHAM ESG Wholesale Fixed Income Fund	Invest in fixed income securities, deposits with financial institutions and money market instruments	92%	100%
Opus ESG Institutional Income Fund	Invest in fixed income securities, deposits with financial institutions and money market instruments	95%	91%
Principal Sustainable Conservative Bond Fund	Invest in fixed income securities, deposits with financial institutions and money market instruments	94%	91%
AHAM Strategic Fund 2	Invest in private assets and investments, deposits and money market instruments	100%	-

Based on the ownership interest held by the Company for each fund as disclosed above, the Company had control over the investee funds. The Company was exposed to, or had rights to variable returns from its involvement with the entities and has the ability to affect those returns through its power over the entities.

The Company is exempted from presenting consolidated financial statements based on the criteria set out in paragraph 4 of MFRS 10 Consolidated Financial Statements (see Note 3(a)).

These investee funds were classified as FVTPL financial assets and the changes in fair value of the investee funds are included in the statement of profit or loss in the Company’s financial statements.

9 INVESTMENTS (CONTINUED)

(e) Interest in structured entities (continued)

The Company's exposure to investments in the investee funds is disclosed below:

	2025 RM'000	2024 RM'000
Fixed income securities	4,032,959	2,821,605
Equities	13,248	-
Deposits with licensed financial institutions	83,423	120,861
Cash and cash equivalents	1,261	507
Receivables	39,549	25,240
Payables	(10,993)	(694)
	4,159,447	2,967,519

As at 31 December 2025, the Company's maximum exposure to loss from its interests in the investee funds was equal to the fair value of its investment in the investee funds.

(f) Fair value of financial instruments

The following tables show financial instruments measured at fair value analysed by the different hierarchies of fair value:

	Level 2 RM'000	Level 3 RM'000	Total RM'000
2025			
Corporate debt securities	209,531	-	209,531
Equity securities	-	1,800	1,800
Unit trust funds	4,159,447	-	4,159,447
	4,368,978	1,800	4,370,778
2024			
Corporate debt securities	266,115	-	266,115
Equity securities	-	1,800	1,800
Unit trust funds	3,428,574	-	3,428,574
	3,694,689	1,800	3,696,489

10 LEASES

The Company entered into various lease contracts. All contracts are either short-term leases (12 months and below) or leases with low value of underlying assets, except for rental of properties.

ROU assets	**Note**	**2025 RM'000**	**2024 RM'000**
At 1 January		30,232	10,347
Addition		4,528	29,754
Depreciation charge	18	(7,147)	(9,241)
Termination		(1,875)	(628)
At 31 December		25,738	30,232

Lease liabilities	**2025 RM'000**	**2024 RM'000**
At 1 January	(31,924)	(11,054)
Addition	(4,528)	(29,754)
Interest expense	(1,395)	(862)
Rental paid	7,047	9,080
Termination	2,073	666
At 31 December	(28,727)	(31,924)

The maturity analysis of lease liabilities is disclosed as follows:

	2025 RM'000	**2024 RM'000**
Within 12 months	(5,691)	(6,568)
Above 12 months	(23,036)	(25,356)
Total	(28,727)	(31,924)

The following are the amounts recognised in profit or loss:

	2025 RM'000	**2024 RM'000**
Depreciation of ROU assets	7,147	9,241
Interest expenses on lease liabilities	1,395	862
Lease expenses relating to low value assets	588	489
	9,130	10,592

The cash outflow for leases comprises interest paid of RM1,395,000 (2024: RM862,000) and payment of principal lease liabilities of RM5,652,000 (2024: RM8,218,000), which are recognised as operating and financial cash flows respectively in the statement of cash flows. Non-cash addition to ROU assets and lease liabilities amounted to RM4,528,000 (2024: RM29,754,000).

11 INSURANCE AND REINSURANCE CONTRACTS

	Note	2025 RM'000	2024 (Restated) RM'000
(a) Insurance contracts			
Contracts measured under PAA			
Insurance contract liabilities	(i)	(3,486,044)	(3,629,743)
(b) Reinsurance contracts			
Contracts measured under PAA			
Reinsurance contract assets	(i)	1,028,006	1,142,953
Reinsurance contract liabilities	(i)	-	(14,317)

The following table sets out the carrying amounts of insurance and reinsurance contracts expected to be settled more than 12 months after the reporting date.

	2025 RM'000	2024 (Restated) RM'000
Insurance contracts	1,038,538	1,060,300
Reinsurance contracts	326,754	374,836

At 31 December 2025, the maximum exposure to credit risk from insurance contracts is RM271,894,114 (2024: RM222,684,493) which primarily relates to premiums receivable and the maximum exposure to credit risk from reinsurance contracts is RM103,397,119 (2024: RM56,882,418).

11 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a) Insurance contracts

(i) Contracts measured under PAA

The roll-forward of net assets or liabilities for insurance contracts issued showing the liabilities for remaining coverage and liabilities for incurred claims, is disclosed in the table below.

		2025				
		Liabilities for remaining coverage		Liabilities for incurred claims		Total
RM'000	Note	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
Opening assets		-	-	-	-	-
Opening liabilities		(644,352)	(105,042)	(2,621,415)	(258,934)	(3,629,743)
Net opening balance as at 1 January 2025		**(644,352)**	**(105,042)**	**(2,621,415)**	**(258,934)**	**(3,629,743)**
Insurance revenue	17	2,129,290	-	-	-	2,129,290
Incurred claims and other expenses		-	-	(1,538,927)	(93,449)	(1,632,376)
Amortisation of insurance acquisition cash flows		(447,633)	-	-	-	(447,633)
Losses and reversals of losses on onerous contracts		-	(27,631)	-	-	(27,631)
Changes to liabilities of incurred claims		-	-	198,459	80,374	278,833
Insurance service expenses		(447,633)	(27,631)	(1,340,468)	(13,075)	(1,828,807)
Investment component		2,651	-	(2,651)	-	-
Insurance service result		1,684,308	(27,631)	(1,343,119)	(13,075)	300,483
Net finance expenses from insurance contracts	21	-	-	(76,655)	(5,568)	(82,223)
Total changes in the statement of profit or loss		**1,684,308**	**(27,631)**	**(1,419,774)**	**(18,643)**	**218,260**

11 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a) Insurance contracts (continued)

(i) Contracts measured under PAA (continued)

The roll-forward of net assets or liabilities for insurance contracts issued showing the liabilities for remaining coverage and liabilities for incurred claims, is disclosed in the table below.

	2025				
RM'000	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
Cash flows					
Premiums received	(2,344,665)	-	-	-	(2,344,665)
Claims and other insurance service expenses paid	-	-	1,588,009	-	1,588,009
Insurance acquisition cash flows	465,747	-	-	-	465,747
Total cash flows	**(1,878,918)**	**-**	**1,588,009**	**-**	**(290,909)**
Other movements	205,114	-	11,234	-	216,348
Net insurance contracts liabilities	**(633,848)**	**(132,673)**	**(2,441,946)**	**(277,577)**	**(3,486,044)**
Closing assets	-	-	-	-	-
Closing liabilities	(633,848)	(132,673)	(2,441,946)	(277,577)	(3,486,044)
Net closing balance as at 31 December 2025	**(633,848)**	**(132,673)**	**(2,441,946)**	**(277,577)**	**(3,486,044)**

11 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a) Insurance contracts (continued)

(i) Contracts measured under PAA (continued)

The roll-forward of net assets or liabilities for insurance contracts issued showing the liabilities for remaining coverage and liabilities for incurred claims, is disclosed in the table below.

		2024 (Restated)				
		Liabilities for remaining coverage		Liabilities for incurred claims		Total
RM'000	**Note**	**Excluding loss component**	**Loss component**	**Estimates of present value of future cash flows**	**Risk adjustment for non-financial risk**	
Opening assets		73,742	-	-	-	73,742
Opening liabilities		(723,894)	(96,505)	(2,411,682)	(229,359)	(3,461,440)
Net opening balance as at 1 January 2024, as previously reported		**(650,152)**	**(96,505)**	**(2,411,682)**	**(229,359)**	**(3,387,698)**
Change in accounting policy		(13,406)	(22,690)	(21,859)	-	(57,955)
Opening assets, restated		73,742	-	-	-	73,742
Opening liabilities, restated		(737,300)	(119,195)	(2,433,541)	(229,359)	(3,519,395)
Net opening balance as at 1 January 2024, restated		**(663,558)**	**(119,195)**	**(2,433,541)**	**(229,359)**	**(3,445,653)**
Insurance revenue	17	2,022,578	-	-	-	2,022,578
Incurred claims and other expenses		-	-	(1,689,274)	(115,617)	(1,804,891)
Amortisation of insurance acquisition cash flows		(400,180)	-	-	-	(400,180)
Losses and reversals of losses on onerous contracts		-	14,153	-	-	14,153
Changes of liabilities for incurred claims		-	-	272,333	90,147	362,480
Insurance service expenses		(400,180)	14,153	(1,416,941)	(25,470)	(1,828,438)
Investment component		22,250	-	(22,250)	-	-
Insurance service result		1,644,648	14,153	(1,439,191)	(25,470)	194,140
Net finance expenses from insurance contracts	21	-	-	(66,471)	(4,105)	(70,576)
Total changes in the statement of profit or loss		**1,644,648**	**14,153**	**(1,505,662)**	**(29,575)**	**123,564**

11 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a) Insurance contracts (continued)

(i) Contracts measured under PAA (continued)

The roll-forward of net assets or liabilities for insurance contracts issued showing the liabilities for remaining coverage and liabilities for incurred claims, is disclosed in the table below.

	2024 (Restated)				
	Liabilities for remaining coverage		**Liabilities for incurred claims**		**Total**
RM'000	**Excluding loss component**	**Loss component**	**Estimates of present value of future cash flows**	**Risk adjustment for non-financial risk**	
Cash flows					
Premiums received	(2,186,058)	-	-	-	(2,186,058)
Claims and other insurance service expenses paid	-	-	1,317,788	-	1,317,788
Insurance acquisition cash flows	398,715	-	-	-	398,715
Total cash flows	**(1,787,343)**	**-**	**1,317,788**	**-**	**(469,555)**
Other movements	161,901	-	-	-	161,901
Net insurance contracts liabilities	**(644,352)**	**(105,042)**	**(2,621,415)**	**(258,934)**	**(3,629,743)**
Closing assets	-	-	-	-	-
Closing liabilities	(644,352)	(105,042)	(2,621,415)	(258,934)	(3,629,743)
Net closing balance as at 31 December 2024	**(644,352)**	**(105,042)**	**(2,621,415)**	**(258,934)**	**(3,629,743)**

11 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(b) Reinsurance contracts

(i) Contracts measured under PAA

The roll-forward of net assets or liabilities for reinsurance contracts issued showing the assets for remaining coverage and assets for incurred claims, is disclosed in the table below.

		2025				
		Assets for remaining coverage		**Assets for incurred claims**		**Total**
RM'000	**Note**	**Excluding loss-recovery component**	**Loss-recovery component**	**Estimates of present value of future cash flows**	**Risk adjustment for non-financial risk**	
Opening assets		(2,718)	38,889	981,725	125,057	1,142,953
Opening liabilities		(14,317)	-	-	-	(14,317)
Net opening balance as at 1 January 2025		**(17,035)**	**38,889**	**981,725**	**125,057**	**1,128,636**
Allocation of reinsurance premiums paid		(364,391)	-	-	-	(364,391)
Recoveries of incurred claims and other insurance service expenses		-	-	190,896	28,635	219,531
Loss recoveries and losses on onerous underlying contracts and adjustments		-	15,996	-	-	15,996
Changes to amount recoverable for incurred claims		-	-	(26,554)	(20,903)	(47,457)
Amount recoverable from reinsurers		-	15,996	164,342	7,732	188,070
Investment components and premium refund		(4,258)	-	4,258	-	-
Net expenses from reinsurance contracts	19	(368,649)	15,996	168,600	7,732	(176,321)
Net finance expenses from reinsurance contracts	21	-	-	24,260	2,790	27,050
Effect of changes in non-performance risk of reinsurers	21	-	-	(16)	-	(16)
Total changes in the statement of profit or loss		**(368,649)**	**15,996**	**192,844**	**10,522**	**(149,287)**

11 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(b) Reinsurance contracts (continued)

(i) Contracts measured under PAA (continued)

The roll-forward of net assets or liabilities for reinsurance contracts issued showing the assets for remaining coverage and assets for incurred claims, is disclosed in the table below.

	2025				
	Assets for remaining coverage		**Assets for incurred claims**		**Total**
RM'000	**Excluding loss-recovery component**	**Loss-recovery component**	**Estimates of present value of future cash flows**	**Risk adjustment for non-financial risk**	
Cash flows					
Premiums paid	357,179	-	-	-	357,179
Amounts received	-	-	(304,705)	-	(304,705)
Total cash flows	**357,179**	**-**	**(304,705)**	**-**	**52,474**
Transfer to other items in statement of financial position	(276)	-	(3,541)	-	(3,817)
Net reinsurance contract assets	**(28,781)**	**54,885**	**866,323**	**135,579**	**1,028,006**
Closing assets	(28,781)	54,885	866,323	135,579	1,028,006
Closing liabilities	-	-	-	-	-
Net closing balance as at 31 December 2025	**(28,781)**	**54,885**	**866,323**	**135,579**	**1,028,006**

11 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(b) Reinsurance contracts (continued)

(i) Contracts measured under PAA (continued)

The roll-forward of net assets or liabilities for reinsurance contracts issued showing the assets for remaining coverage and assets for incurred claims, is disclosed in the table below.

		2024 (Restated)				
		Assets for remaining coverage		**Assets for incurred claims**		**Total**
RM'000	**Note**	**Excluding loss-recovery component**	**Loss-recovery component**	**Estimates of present value of future cash flows**	**Risk adjustment for non-financial risk**	
Opening assets		300,149	27,828	728,941	95,029	1,151,947
Opening liabilities		(176,570)	-	-	-	(176,570)
Net opening balance as at 1 January 2024, as previously reported		**123,579**	**27,828**	**728,941**	**95,029**	**975,377**
Change in accounting policy		(11,303)	13,012	24,320	-	26,029
Opening assets, restated		288,846	40,840	753,261	95,029	1,177,976
Opening liabilities, restated		(176,570)	-	-	-	(176,570)
Net opening balance as at 1 January 2024, restated		**112,276**	**40,840**	**753,261**	**95,029**	**1,001,406**
Allocation of reinsurance premiums paid		(388,401)	-	-	-	(388,401)
Recoveries of incurred claims and other insurance service expenses		-	-	415,059	54,449	469,508
Loss recoveries and losses on onerous underlying contracts and adjustments		-	(1,951)	-	-	(1,951)
Changes to amount recoverable for incurred claims		-	-	(76,375)	(26,627)	(103,002)
Amount recoverable from reinsurers		-	(1,951)	338,684	27,822	364,555
Investment components and premium refund		(5,469)	-	5,469	-	-
Net expenses from reinsurance contracts	19	(393,870)	(1,951)	344,153	27,822	(23,846)
Net finance expenses from reinsurance contracts	21	-	-	20,436	2,206	22,642
Effect of changes in non-performance risk of reinsurers	21	-	-	(150)	-	(150)
Total changes in the statement of profit or loss		**(393,870)**	**(1,951)**	**364,439**	**30,028**	**(1,354)**

GENERALI INSURANCE MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONTINUED)

11 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(b) Reinsurance contracts (continued)

(i) Contracts measured under PAA (continued)

The roll-forward of net assets or liabilities for reinsurance contracts issued showing the assets for remaining coverage and assets for incurred claims, is disclosed in the table below.

	2024 (Restated)				
	Assets for remaining coverage		**Assets for incurred claims**		**Total**
RM'000	**Excluding loss-recovery component**	**Loss-recovery component**	**Estimates of present value of future cash flows**	**Risk adjustment for non-financial risk**	
Cash flows					
Premiums paid	264,779	-	-	-	264,779
Amounts received	-	-	(139,515)	-	(139,515)
Total cash flows	**264,779**	**-**	**(139,515)**	**-**	**125,264**
Transfer to other items in statement of financial position	(220)	-	3,540	-	3,320
Net reinsurance contract assets	**(17,035)**	**38,889**	**981,725**	**125,057**	**1,128,636**
Closing assets	(2,718)	38,889	981,725	125,057	1,142,953
Closing liabilities	(14,317)	-	-	-	(14,317)
Net closing balance as at 31 December 2024	**(17,035)**	**38,889**	**981,725**	**125,057**	**1,128,636**

12 OTHER RECEIVABLES

	2025 RM'000	2024 RM'000
Malaysian Motor Insurance Pool ("MMIP")	35,165	39,720
Other receivables, deposits and prepayments	36,805	37,489
	71,970	77,209

The carrying amounts approximate the fair values at the date of the statement of financial position.

MMIP as at 31 December 2025 is a net receivable of RM24,744,000 (2024: net receivable of RM27,624,000) after setting-off the amount receivable from MMIP against the Company's share of claims and premium liabilities amounting to RM10,421,000 (2024: RM12,096,000).

Included in other receivables are amount due from Generali Life Insurance Malaysia Berhad of RM14,352,000 (2024: RM186,000) and amount due from the ultimate holding company (regional office) of RM4,549,000 (RM2024: RM579,000). Both amounts were unsecured, interest free and had no fixed term of repayment.

13 DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

	2025 RM'000	2024 (Restated) RM'000
Deferred tax assets	22,545	21,400
At 1 January	21,400	28,102
Movement during the financial year recognised in:		
Statement of profit or loss	1,401	(6,751)
Other comprehensive income		
- FVOCI reserve	(256)	49
At 31 December	22,545	21,400

13 DEFERRED TAXATION (CONTINUED)

	At 1 January RM'000	Charged/ (credited) RM'000	At 31 December RM'000
2025			
Recognised in statement of profit or loss			
Excess of capital allowance over depreciation	(963)	3,461	2,498
Accretion and amortisation of investment assets	1,752	159	1,911
Provisions and accruals	52,115	3,407	55,522
Insurance contracts and reinsurance contracts held	(30,525)	(1,288)	(31,813)
ROU assets and lease liabilities	406	312	718
Fair value of FVTPL financial assets	453	(4,650)	(4,197)
Recognised in OCI reserve			
Fair value of FVOCI financial assets	(390)	(256)	(646)
Recognised in revaluation reserve			
Self-occupied property	(1,448)	-	(1,448)
	21,400	1,145	22,545
2024 (Restated)			
Recognised in statement of profit or loss			
Excess of capital allowance over depreciation	(4,695)	3,732	(963)
Accretion and amortisation of investment assets	11,880	(10,128)	1,752
Provisions and accruals	45,215	6,900	52,115
Insurance contracts and reinsurance contracts held	(23,445)	(7,080)	(30,525)
ROU assets and lease liabilities	170	236	406
Fair value of FVTPL Financial assets	864	(411)	453
Recognised in OCI reserve			
Fair value of FVOCI financial assets	(439)	49	(390)
Recognised in revaluation reserve			
Self-occupied property	(1,448)	-	(1,448)
	28,102	(6,702)	21,400

14 SHARE CAPITAL

	2025		2024	
	Amount RM'000	**No. of shares '000**	**Amount RM'000**	**No. of shares '000**
Issued and fully paid share capital				
At 1 January	955,645	186,508	955,645	186,508
At 31 December	955,645	186,508	955,645	186,508

15 RESERVES

Merger reserve
Merger reserve represents the difference between the total consideration paid by the Company and the carrying amounts of assets and liabilities of general insurance business acquired from a related company under common control business combination.

Retained earnings
The entire distributable retained earnings may be distributed as dividends to the shareholders.

Pursuant to the RBC Framework for Insurers, the Company shall not pay dividends if its Capital Adequacy Ratio position is less than its internal target capital level or if the payment of dividends would impair its Capital Adequacy Ratio position to below its internal target capital level.

In accordance with the Financial Services Act 2013, the Company is required to obtain Bank Negara Malaysia's written approval prior to declaring or paying any dividend.

In 2025, a single-tier final dividend of RM110,000,000 for the financial year ended 31 December 2024 was paid on 10 July 2025.

In 2024, a single-tier final dividend of RM216,000,000 for the financial year ended 31 December 2023 was paid on 4 July 2024.

FVOCI
The FVOCI reserve comprises the cumulative net change in the fair value of FVOCI financial assets until the investments are derecognised or impaired.

Revaluation reserve
Revaluation reserve represents the surplus on revaluation of owner-occupied property.

Share option reserve
Share option reserve arises from share-based compensation plans (Note 18(c)) granted by the ultimate holding company, namely Generali Share Option Scheme and Long Term Incentives Plan.

16 OTHER PAYABLES

	2025 RM'000	2024 (Restated) RM'000
Accrued expenses	50,411	32,156
Provision for staff bonus	51,677	68,715
Other payables	154,986	178,883
	257,074	279,754

17 INSURANCE REVENUE

	Note	2025 RM'000	2024 (Restated) RM'000
Contracts measured under the PAA	11 (a)(i)	2,129,290	2,022,578
		2,129,290	2,022,578

18 EXPENSES

	Note	2025 RM'000	2024 (Restated) RM'000
Claims and benefits		1,159,815	1,236,711
Fees and commissions		255,423	246,997
Loss and reversal of losses on onerous contracts		27,631	(14,153)
Employee benefit expenses	(a)	246,996	252,804
Directors' remuneration	(b)	1,186	1,287
Auditors' remuneration:			
- statutory audit		1,118	1,083
- audit related services		3	3
Depreciation of property and equipment	5	18,612	7,912
Amortisation of intangible assets	7	24,219	19,309
Depreciation of ROU assets	10	7,147	9,241
EDP and computer expenses		59,192	61,852
Lease expenses relating to low value assets	10	588	489
Writeback of bad debts		(3,138)	(3,011)
Advertising and promotion		43,449	38,605
Fund management fees		613	1,980
Bank charges		14,775	10,728
Professional and consultancy services		10,463	8,546
Other expenses		54,933	67,570
		1,923,025	1,947,953
Amounts attributable to insurance acquisition cash flows incurred during the financial year		(469,236)	(418,309)
Amortisation of insurance acquisition cash flows		447,633	400,180
		1,901,422	1,929,824
Represented by:			
Insurance service expenses		(1,828,807)	(1,828,438)
Other expenses		(72,615)	(101,386)
Total expenses		(1,901,422)	(1,929,824)

(a) Employee benefit expenses (including key management personnel)

	2025 RM'000	2024 RM'000
Wages, salaries and bonus	174,829	196,935
Social security contributions	1,649	1,488
Defined contribution plans	26,098	28,220
Other employee benefits	44,420	26,161
	246,996	252,804

18 EXPENSES (CONTINUED)

(b) Key management personnel compensation

The total remuneration (including benefits-in-kind) of the Chief Executive Officer, Directors and Senior Management Team are as follows:

	Fees RM'000	Salary RM'000	Bonus RM'000	Others RM'000	Benefits-in-kind RM'000	Total RM'000
2025						
Chief Executive Officer*						
- Fabrice Claude Joseph Benard	-	1,585	1,208	5,252	36	8,081
Executive Director						
- Roberto Leonardi	-	-	-	-	-	-
Non-Executive Directors						
- Raymond Fam Chye Soon	120	-	-	138	-	258
- Datin Zaimah Binti Zakaria	178	-	-	44	-	222
- Dr. Sharlene Thiagarajah	176	-	-	43	-	219
- Ariffin Bin Morad	166	-	-	32	-	198
- Datuk Rajendran A/L P. Narayanasamy	174	-	-	41	-	215
- Joanne May Rodrigues	-	-	-	-	-	-
- Liew Fui Kiang (Appointed with effect from 8 August 2025)	51	-	-	23	-	74
Total Directors' remuneration	865	-	-	321	-	1,186
Senior Management Team*	-	7,014	4,273	4,803	35	16,125
	865	8,599	5,481	10,376	71	25,392

* CEO and Senior Management Team's compensation are included in employee benefit expenses.

18 EXPENSES (CONTINUED)

(b) Key management personnel compensation (continued)

	Fees RM'000	Salary RM'000	Bonus RM'000	Others RM'000	Benefits-in-kind RM'000	Total RM'000
2024						
Chief Executive Officer*						
- Fabrice Claude Joseph Benard	-	1,685	871	3,912	36	6,504
Executive Director						
- Roberto Leonardi	-	-	-	-	-	-
Non-Executive Directors						
- Raymond Fam Chye Soon	120	-	-	165	-	285
- Datin Zaimah Binti Zakaria	178	-	-	58	-	236
- Dr. Sharlene Thiagarajah	176	-	-	55	-	231
- Ariffin Bin Morad	166	-	-	43	-	209
- Datuk Rajendran A/L P. Narayanasamy	174	-	-	45	-	219
- Joanne May Rodrigues	-	-	-	-	-	-
- Lieutenant General Dato' Mohamad Khir bin Abdullah (Term expired on 30 August 2024)	85	-	-	22	-	107
Total Directors' remuneration	899	-	-	388	-	1,287
Senior Management Team*	-	7,457	4,250	3,904	51	15,662
	899	9,142	5,121	8,204	87	23,453

* CEO and Senior Management Team's compensation are included in employee benefit expenses.

18 EXPENSES (CONTINUED)

(c) Equity-settled share-based payment expense

	2025 RM'000	2024 RM'000
Generali Share Option Scheme	302	333
Long-Term Incentives Plans	4,817	2,410
	5,119	2,743

Generali Share Option Scheme

Generali Share Option Scheme is the plan that provides employees with the opportunity to purchase Generali shares at favourable conditions, benefiting from additional free shares in case of share price appreciation, the stability of Generali Group's financial situation and the achievement of the ESG goal on decarbonisation connected to Generali Group's emissions reduction set by the Group's Board of Directors at execution of the plan in line with the Group Climate Strategy. Employees decide the amount they wish to accrue to purchase Generali shares at the price set at the beginning of the plan. The amount is accrued via our monthly payroll deductions throughout the 3 years of the plan.

The share price at the plan's end is compared with the price set at the beginning of the plan:

- In case of share price appreciation (final price ≥ initial price), employees automatically purchase Generali shares at the initial price with the amount accrued, receiving free:
  i. Dividend Equivalent Shares, in proportion to the dividends distributed in the 3-year period;
  ii. Matching Shares, 2 every 10 shares purchased; and
  iii. ESG Shares, 2 every 10 shares purchased, if the ESG goal is also achieved.
- In case of share price depreciation, employees receive back the amount accrued (protection).

The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and premium income growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable.

At each date of the statement of financial position, the Company revises the estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the statement of profit or loss, and a corresponding adjustment to equity over the remaining vesting period.

Long-Term Incentives Plans

Long-Term Incentives Plans represent the long-term variable remuneration of Generali Group, which takes the form of multi-year plans and the incentives are connected with the achievement of the targets paid through the grant of shares of the ultimate holding company. The Long-Term Incentives Plans are approved by the Generali Group from time to time and may be granted to Generali employees with strategic responsibilities.

19 NET EXPENSE FROM REINSURANCE CONTRACTS HELD

	Note	2025 RM'000	2024 (Restated) RM'000
Net expense from reinsurance contracts measured under PAA	11(b)(i)	(176,321)	(23,846)
Net expense from reinsurance contracts held		(176,321)	(23,846)

20 TOTAL INVESTMENT RETURNS

	2025 RM'000	2024 RM'000
(a) Investment income		
Financial assets measured at FVOCI:		
Interest income from Malaysian Government Securities	-	2,707
Interest income from corporate debt securities	8,750	30,960
Dividend income from equity securities	25	26
Financial assets measured at amortised cost:		
Interest income from fixed and call deposits with licensed financial institutions	17,282	36,867
Financial assets measured at FVTPL:		
Income distribution from unit trust funds	139,998	93,279
Rental income from investment property, net of direct expenses and depreciation	84	60
	166,139	163,899
(b) Net fair value gain/(loss) on financial assets		
Corporate debt securities	146	2,570
Unit trust funds	20,705	(252)
	20,851	2,318
	186,990	**166,217**

21 NET INSURANCE FINANCIAL RESULTS

	2025 RM'000	2024 (Restated) RM'000
Net finance expenses from insurance contracts		
Interest accretion	(76,655)	(66,471)
Effect of changes in interest rates and other financial assumptions	(5,568)	(4,105)
	(82,223)	(70,576)
Net finance income from reinsurance contracts		
Interest accretion	24,260	20,436
Effect of changes in interest rates and other financial assumptions	2,790	2,206
Changes in risk of non-performance risk of reinsurers	(16)	(150)
	27,034	22,492
Total net financial results	(55,189)	(48,084)
Represented by:		
Amount recognised in profit or loss	(55,189)	(48,084)

22 INCOME TAX EXPENSE

	2025	2024 (Restated)
	RM'000	RM'000
Current tax		
Current financial year	29,876	43,486
Over provision in prior financial years	(20,000)	(15,617)
	9,876	27,869
Deferred tax (Note 13)		
Origination and reversal of temporary differences	(1,401)	6,751
	8,475	34,620

The income tax for the Company is calculated based on the applicable tax rate of 24% (2024: 24%) on the estimated assessable profit for the financial year.

There is no Pillar Two global minimum top-up tax recognised in 2025 (2024: Not applicable) based on the Company's assessment. The Company has applied the temporary relief from recognising and disclosing deferred taxes related to Pillar Two income taxes.

A reconciliation of taxation applicable to profit before taxation at the statutory income tax rate to tax at the effective tax rate is as follows:

	2025	2024 (Restated)
	RM'000	RM'000
Profit before taxation	193,430	194,198
Tax calculated at the statutory rate of 24% (2024: 24%)	46,423	46,607
Tax effect of expenses not deductible for tax purposes	20,090	24,963
Tax effect of non-taxable income	(38,038)	(21,333)
Over provision in prior financial years	(20,000)	(15,617)
	8,475	34,620

23 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year:

	2025	2024 (Restated)
	RM'000	RM'000
Net profit for the financial year	184,955	159,578
Weighted average number of ordinary shares in issue	186,508	186,508
Basic earnings per share (sen)	99	86

24 CAPITAL COMMITMENTS

	2025	2024
	RM'000	RM'000
Capital expenditure contracted but not provided for:		
- Property and equipment	2,344	26,823
- Intangible asset – software	4,326	20,335

25 RELATED PARTY TRANSACTIONS

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other related party disclosures. In the normal course of business, the Company undertakes various transactions with other companies deemed related parties by virtue of them being members of the Generali group of companies and related companies of Affin Bank Berhad ("Affin Group") on agreed terms and conditions.

The related parties and their relationship with the Company are as follows:

Name of company	Country of incorporation	Relationship
Assicurazioni Generali S.p.A.	Italy	Ultimate holding company
Generali Asia N.V.	Netherlands	Immediate holding company of GMHB
Generali Malaysia Holding Berhad (GMHB)	Malaysia	Immediate holding company
Generali Life Insurance Malaysia Berhad	Malaysia	Related company/fellow subsidiary
MPI Generali Berhad	Malaysia	Related company/fellow subsidiary
Europ Assistance Services (Malaysia) Sdn Bhd	Malaysia	Related company/fellow subsidiary
Generali IARD	France	Related company/fellow subsidiary
Generali Italia S.p.A.	Italy	Related company/fellow subsidiary
Generali España S.A. de Seguros y Reaseguros	Spain	Related company/fellow subsidiary
Generali China Insurance Co. Ltd.	China	Related company/fellow subsidiary
Generali Versicherung AG	Austria	Related company/fellow subsidiary
Generali Operations Service Platform S.r.L	Italy	Related company/fellow subsidiary
Affin Bank Berhad	Malaysia	Shareholder of GMHB, which has significant influence in GMHB
Subsidiaries of Affin Bank Berhad	Malaysia	Subsidiaries of Affin Bank Berhad

25 RELATED PARTY TRANSACTIONS (CONTINUED)

Related party balances

Summary of significant related party balances:

	2025 RM'000	2024 RM'000
Receivables		
Insurance receivables from Affin Group	3,787	4,701
Insurance and other receivables from Generali Group	25,676	2,764
Cash and bank balances		
Bank balances with a licensed bank of Affin Group	1,182	2,542
Payables		
Insurance payables to Affin Group	(598)	(748)
Insurance and other payables to Generali Group	(12,627)	(23,749)

Significant related party transactions

Significant related party transactions of the Company with the related parties during the financial year are as follows:

	2025 RM'000	2024 RM'000
Transactions with ultimate holding company:		
Reinsurance premium ceded, net of any commission	(38,594)	(33,125)
Payment of project management office support	(797)	(1,781)
Reimbursement of shared resources received/receivable	1,926	260
Reimbursement of HR platform software licence cost through Generali Group	(155)	(430)
Reimbursement of staff cost	(4,473)	(5,053)
Reimbursement of project personnel cost	826	-
Reimbursement of risk engineer personnel cost	1,216	-
Staff relocation expenses	-	(107)
Transactions with immediate holding company:		
Reimbursement of expenses	-	332
Transactions with Generali Group:		
Insurance premium income	1,525	249
Insurance premium paid	-	(872)
IT security and compliance services	(404)	(1,174)
Reimbursement of expenses	156	874
Reinsurance premium ceded, net of any commission	(2,583)	(10,318)
Rental income and service charges on shared offices/branches	1,999	60
Rental expense and service charges on shared offices/branches	(152)	(101)

25 RELATED PARTY TRANSACTIONS (CONTINUED)

Significant related party transactions (continued)

	2025 RM'000	2024 RM'000
Transactions with Generali Group: (continued)		
Renovation and relocation costs on shared offices/branches reimbursable/reimbursed	11,227	-
Sharing of investment resources - expense	(1,253)	-
Sharing of investment resources - income	822	-
Sharing of IT service costs	551	232
Third Party Administrator service charges	(4,838)	(1,568)
Transactions with Affin Group:		
Insurance commissions paid	(3,188)	(3,539)
Insurance premium income	2,172	1,396
Printing cost, marketing expenses and bank charges	(1,303)	(965)

(a) The Company has reinsurance agreements (treaty and facultative) with a number of fellow subsidiaries of Generali Group under which the Company agrees to cede premiums in accordance with specific reinsurance agreements. Commissions are received on such arrangements. Such reinsurance agreements with fellow subsidiaries are entered into in the Company’s normal course of business.

(b) The Company maintains a bank guarantee credit facility with Affin Bank Berhad. As at 31 December 2025, the outstanding bank guarantees issued amounted to RM41,070,000 (31 December 2024: RM44,469,000). These bank guarantees are utilised to support performance bonds at the request of insured clients, as part of the Company’s underwriting of insurance bond business.

Key management personnel are those people defined as having authority and responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly, including any Director (Executive or Non-Executive).

The total remuneration of the Directors and key management personnel is disclosed in Note 18(b) to the financial statements.

26 RISK MANAGEMENT FRAMEWORK

The Company issues contracts that transfer insurance risk. This section summarises these risks and the way the Company manages them.

Insurance risks

The Company underwrites various types of general insurance contracts, where the majority of contracts have annual coverage and premiums, with the exception of short-term policies in Travel and Marine Cargo (single trip and single shipment policies respectively) and multi-year coverage including policies in Construction and Contractors' All Risks (project policies).

For the current financial year ended 31 December 2025, Motor and Fire classes constitute 65.7% (2024: 65.5%) of the Company's business.

Insurance contracts transfer the risk from the policyholders to the Company. The Company receives a premium and is then liable for all the claims (as per wording) occurring between the inception date and the expiry date of the insurance contract arising from random events.

Underestimation of this insurance risk leads to financial consequences for the Company as the premium might not be enough to cover the costs. The causes of underestimation can be various such as:

(i) Underestimation of the frequency and/or severity of the claims;
(ii) Change in legal/economic environment;
(iii) Change in insured's behaviour; or
(iv) Change in reinsurance rates etc.

Due to the nature of the business, all the above mentioned elements are assessed and the following procedures are in place to mitigate the risks:

(i) Documented underwriting guidelines and underwriting authorities;
(ii) Risk management engineering and risk accumulation limits;
(iii) Reinsurance is placed to minimise certain insurance risks within approved limits and security;
(iv) Claims approval and settlement authorities are clearly defined for prudent control on financial exposure; and
(v) Regular internal audit reviews are performed to ensure compliance with the Company's guidelines and standards.

26 RISK MANAGEMENT FRAMEWORK (CONTINUED)

Insurance risks (continued)

The table below sets out the concentration of the Company's insurance revenue by classes of business:

	2025			2024 (Restated)		
	Insurance revenue RM'000	**Allocation of reinsurance premiums RM'000**	**Net RM'000**	**Insurance revenue RM'000**	**Allocation of reinsurance premiums RM'000**	**Net RM'000**
Motor	1,035,833	(38,533)	997,300	936,775	(39,928)	896,847
Fire	363,261	(174,745)	188,516	387,452	(193,543)	193,909
Marine, aviation and transit	73,386	(29,252)	44,134	81,188	(32,414)	48,774
Miscellaneous	656,810	(121,861)	534,949	617,163	(122,516)	494,647
	2,129,290	(364,391)	1,764,899	2,022,578	(388,401)	1,634,177

(a) Key assumptions

The principal assumption underlying the estimation of liabilities is that the future claims development will follow a similar pattern to the past claims development experience. This includes assumptions in respect of ultimate loss ratios, case reserves, risk adjustments and claims handling expenses.

Additional qualitative judgements are used to assess the extent to which the past trends may not apply in the future, for example, isolated occurrence, changes in market factors such as public attitude to claiming, economic conditions, as well as internal factors, such as portfolio mix, policy conditions and claims handling procedures. Judgement is further used to assess the extent to which external factors, such as judicial decisions and government legislation affect the estimates.

26 RISK MANAGEMENT FRAMEWORK (CONTINUED)

Insurance risks (continued)

(b) Sensitivity analysis

The table below analyses how the profit or loss and equity would have increased/(decreased) if changes in underwriting risk variables that were reasonably possible at the reporting date had occurred. This analysis presents the sensitivities both before and after risk mitigation by reinsurance and assumes that all other variables remain constant.

		Profit or loss		Equity	
	Change in assumptions	**Gross RM'000**	**Net RM'000**	**Gross RM'000**	**Net RM'000**
2025					
Loss ratios for the latest accident year	+10%	(237,691)	(187,368)	(180,645)	(142,400)
	-10%	237,691	187,368	180,645	142,400
Risk Adjustment	+10%	(36,251)	(20,825)	(27,551)	(15,827)
	-10%	35,917	20,510	27,297	15,588
2024 (Restated)					
Loss ratios for the latest accident year	+10%	(218,447)	(166,208)	(166,020)	(126,318)
	-10%	218,447	166,208	166,020	126,318
Risk Adjustment	+10%	(30,075)	(16,305)	(22,857)	(12,392)
	-10%	29,862	16,145	22,695	12,270

26 RISK MANAGEMENT FRAMEWORK (CONTINUED)

Insurance risks (continued)

(c) Claims development tables

The following tables show the estimate of cumulative incurred claims, including both claims notified and reserving for each successive accident period at reporting date, together with cumulative payments to date.

In setting provisions for claims, the Company gives consideration to the probability and magnitude of future experience being more adverse than assumed and exercises a degree of caution in setting reserves when there is considerable uncertainty. In general, the uncertainty associated with the ultimate claims experience in an accident period is greater when the accident period is at an early stage of development and the margin necessary to provide the necessary confidence in the adequacy of provision is relatively at its highest. As claims develop and the ultimate cost of claims becomes more certain, the relative level of margin maintained should decrease.

The Management of the Company believes that the estimates of total claims outstanding as of 31 December 2025 and 31 December 2024 are adequate. However, due to the inherent uncertainties in the reserving process, it cannot be assured that such balances will ultimately prove to be adequate.

26 RISK MANAGEMENT FRAMEWORK (CONTINUED)

Insurance risks (continued)

(c) Claims development tables (continued)

Actual claims payments are compared with previous estimates of the undiscounted amounts of the claims in the claims development disclosure below on a gross of reinsurance basis as at 31 December 2025.

Gross claims development for 2025

	2018 and prior years	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Estimates of undiscounted gross cumulative claims									
At the end of accident year	981,436	945,787	865,786	987,400	959,555	1,527,670	1,674,777	1,587,701	
1 Year Later	976,524	943,248	844,205	962,111	1,442,394	1,438,718	1,668,609	-	
2 Years Later	971,285	959,646	824,653	1,490,280	1,383,997	1,397,275	-	-	
3 Years Later	969,811	945,478	1,189,557	1,460,370	1,364,697	-	-	-	
4 Years Later	973,592	1,328,056	1,189,017	1,423,464	-	-	-	-	
5 Years Later	1,372,403	1,290,361	1,145,335	-	-	-	-	-	
6 Years Later	1,343,985	1,251,747	-	-	-	-	-	-	
7 Years Later	1,347,774	-	-	-	-	-	-	-	
Cumulative gross claims paid	(1,295,532)	(1,197,261)	(1,028,732)	(1,272,494)	(1,134,592)	(1,056,660)	(1,056,927)	(680,119)	
Gross claims liabilities									
- accident years from 2018 to 2025	52,242	54,486	116,603	150,970	230,105	340,615	611,682	907,582	
Gross claims liabilities									
- accident years before 2018	-	-	-	-	-	-	-	40,621	
Effect of discounting	-	-	-	-	-	-	-	(88,167)	
Effect of risk adjustments	-	-	-	-	-	-	-	277,577	
Others	-	-	-	-	-	-	-	25,207	
Gross liabilities for incurred claims included in the statement of financial position	52,242	54,486	116,603	150,970	230,105	340,615	611,682	1,162,820	2,719,523

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONTINUED)

26 RISK MANAGEMENT FRAMEWORK (CONTINUED)

Insurance risks (continued)

(c) Claims development tables (continued)

Net claims development for 2025

	2018 and prior years	2019	2020	2021	2022	2023	2024	2025	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Estimates of undiscounted net cumulative claims									
At the end of accident year	826,860	824,259	727,640	744,212	802,465	1,254,972	1,232,777	1,382,966	
1 Year Later	840,686	832,562	706,170	699,702	1,156,421	1,197,289	1,191,846	-	
2 Years Later	846,585	844,235	696,860	949,542	1,137,688	1,171,811	-	-	
3 Years Later	845,982	839,870	936,986	931,643	1,125,064	-	-	-	
4 Years Later	851,238	1,124,028	930,670	917,556	-	-	-	-	
5 Years Later	1,134,623	1,090,906	893,953	-	-	-	-	-	
6 Years Later	1,099,350	1,061,661	-	-	-	-	-	-	
7 Years Later	1,093,986	-	-	-	-	-	-	-	
Cumulative net claims paid	(1,076,968)	(1,030,546)	(821,216)	(808,380)	(970,709)	(933,297)	(858,362)	(651,343)	
Net claims liabilities - accident years from 2018 to 2025	17,018	31,115	72,737	109,176	154,355	238,514	333,484	731,623	
Net claims liabilities - accident years before 2018	-	-	-	-	-	-	-	22,220	
Effect of discounting	-	-	-	-	-	-	-	(62,087)	
Effect of risk adjustments	-	-	-	-	-	-	-	141,998	
Non-performance risk	-	-	-	-	-	-	-	4,320	
Others	-	-	-	-	-	-	-	(76,852)	
Net liabilities for incurred claims included in the statement of financial position	17,018	31,115	72,737	109,176	154,355	238,514	333,484	761,222	1,717,621

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2024 (CONTINUED)

26 RISK MANAGEMENT FRAMEWORK (CONTINUED)

Insurance risks (continued)

(c) Claims development tables (continued)

Gross claims development for 2024

	2017 and prior years	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Estimates of undiscounted gross cumulative claims									
At the end of accident year	1,062,786	981,436	945,787	865,786	987,400	959,555	1,527,670	1,674,777	
1 Year Later	1,071,729	976,524	943,248	844,205	962,111	1,442,394	1,438,718	-	
2 Years Later	1,061,157	971,285	959,646	824,653	1,490,280	1,383,997	-	-	
3 Years Later	1,071,619	969,811	945,478	1,189,557	1,460,370	-	-	-	
4 Years Later	1,070,927	973,592	1,328,056	1,189,017	-	-	-	-	
5 Years Later	1,077,100	1,372,403	1,290,361	-	-	-	-	-	
6 Years Later	1,402,443	1,343,985	-	-	-	-	-	-	
7 Years Later	1,398,410	-	-	-	-	-	-	-	
Cumulative gross claims paid	(1,371,386)	(1,279,445)	(1,179,530)	(992,184)	(1,222,412)	(1,033,287)	(909,892)	(537,670)	
Gross claims liabilities - accident years from 2017 to 2024	27,024	64,540	110,831	196,833	237,958	350,710	528,826	1,137,107	
Gross claims liabilities - accident years before 2017	-	-	-	-	-	-	-	29,956	
Effect of discounting	-	-	-	-	-	-	-	(99,196)	
Effect of risk adjustments	-	-	-	-	-	-	-	258,934	
Others	-	-	-	-	-	-	-	36,826	
Gross liabilities for incurred claims included in the statement of financial position	27,024	64,540	110,831	196,833	237,958	350,710	528,826	1,363,627	2,880,349

26 RISK MANAGEMENT FRAMEWORK (CONTINUED)

Insurance risks (continued)

(c) Claims development tables (continued)

Net claims development for 2024

	2017 and prior years	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Estimates of undiscounted net cumulative claims									
At the end of accident year	788,632	826,860	824,259	727,640	744,212	802,465	1,254,972	1,232,777	
1 Year Later	825,862	840,686	832,562	706,170	699,702	1,156,421	1,197,289	-	
2 Years Later	836,237	846,585	844,235	696,860	949,542	1,137,688	-	-	
3 Years Later	839,539	845,982	839,870	936,986	931,643	-	-	-	
4 Years Later	840,881	851,238	1,124,028	930,670	-	-	-	-	
5 Years Later	841,861	1,134,623	1,090,906	-	-	-	-	-	
6 Years Later	1,084,260	1,099,350	-	-	-	-	-	-	
7 Years Later	1,075,163	-	-	-	-	-	-	-	
Cumulative net claims paid	(1,059,398)	(1,067,834)	(1,019,157)	(807,195)	(780,350)	(895,330)	(816,430)	(499,347)	
Net claims liabilities									
- accident years from 2017 to 2024	15,765	31,516	71,749	123,475	151,293	242,358	380,859	733,430	
Net claims liabilities									
- accident years before 2017	-	-	-	-	-	-	-	15,494	
Effect of discounting	-	-	-	-	-	-	-	(63,611)	
Effect of risk adjustments	-	-	-	-	-	-	-	133,877	
Non-performance risk	-	-	-	-	-	-	-	4,220	
Others	-	-	-	-	-	-	-	(66,858)	
Net liabilities for incurred claims included in the statement of financial position	15,765	31,516	71,749	123,475	151,293	242,358	380,859	756,552	1,773,567

26 RISK MANAGEMENT FRAMEWORK (CONTINUED)

Financial risks

The Company is exposed to financial risks through its financial assets, reinsurance contract assets and insurance contract liabilities. In particular, the key financial risk is that the proceeds from the financial assets and reinsurance contract assets are not sufficient to fund the obligations arising from the insurance contracts. The important components of these financial risks are interest rate risk, equity price risk, credit risk, liquidity risk and currency risk.

Credit risk

The Company has exposures to credit risk, which is the risk that a counterparty will not be able to pay amounts in full when due. Key areas where the Company is exposed to credit risks are:

- Reinsurers' share of insurance contract liabilities
- Amounts due from reinsurers in respect of claims already paid
- Amounts due from insurance contract holders
- Amounts due from insurance intermediaries, and
- Counterparty risk with respect to derivative transactions and custodians

The Company structures the levels of credit risk it accepts by placing limits on the exposure to a single counterparty, or group of counterparties. Such risks are subject to regular review by the management.

Reinsurance is used to manage insurance risk. This does not, however, discharge the Company's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Company remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on a regular basis by reviewing their financial strength prior to finalisation of any contract.

Concentration of credit risk exists when changes in geographic, economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is material in relation to the Company's total exposures. The Company's portfolio of financial assets is diversified along geographic, industry and product sectors. The Company has been monitoring the concentration risk by adopting appropriate risk control measures, such as setting limits on exposures to individual counterparties.

26 RISK MANAGEMENT FRAMEWORK (CONTINUED)

Credit risk (continued)

To manage the credit risks of financial assets, the Company has established credit policies that govern credit approval, review and monitoring processes and impairment assessment processes. The credit policies also lay down the actions to be taken to handle debts overdue for a certain period of time. There are also monthly management reports showing the ageing analysis of balance overdue, and the management will monitor the ageing analysis of balances overdue.

The following table summarises the credit quality of financial assets at the date of the statement of financial position.

	Neither past due nor impaired RM'000	Not past due but impaired RM'000	Past due and impaired RM'000	Not subject to credit risk RM'000	Total RM'000
2025					
FVTPL financial assets	-	-	-	4,159,447	4,159,447
FVOCI financial assets	209,531	-	-	1,800	211,331
Amortised cost financial assets	175,066	-	-	-	175,066
Other receivables	29,003	-	-	-	29,003
Cash and cash equivalents	84,055	-	-	-	84,055
	497,655	-	-	4,161,247	4,658,902
2024 (Restated)					
FVTPL financial assets	-	-	-	3,428,574	3,428,574
FVOCI financial assets	266,115	-	-	1,800	267,915
Amortised cost financial assets	780,934	-	-	-	780,934
Other receivables	32,090	-	-	-	32,090
Cash and cash equivalents	146,749	-	-	-	146,749
	1,225,888	-	-	3,430,374	4,656,262

26 RISK MANAGEMENT FRAMEWORK (CONTINUED)

Credit risk (continued)

The table below provides information regarding the credit risk exposure of the Company by classifying assets according to the recognised local or international rating agencies' credit ratings of counterparties. AAA is the highest possible rating.

Company	AAA RM'000	AA RM'000	A RM'000	BBB RM'000	BB to B RM'000	Non-rated RM'000	Not subject to credit risk RM'000	Total RM'000
2025								
FVTPL financial assets	-	-	-	-	-	-	4,159,447	4,159,447
FVOCI financial assets	149,417	39,805	-	-	-	20,309	1,800	211,331
Amortised cost financial assets	89,431	85,635	-	-	-	-	-	175,066
Reinsurance contract assets	-	14,675	911,472	2,022	4	99,833	-	1,028,006
Other receivables*	-	-	-	-	-	29,003	-	29,003
Cash and cash equivalents**	90,711	1,301	(7,826)	-	-	(131)	-	84,055
	329,559	141,416	903,646	2,022	4	149,014	4,161,247	5,686,908
2024 (Restated)								
FVTPL financial assets	-	-	-	-	-	-	3,428,574	3,428,574
FVOCI financial assets	175,112	70,768	-	-	-	20,235	1,800	267,915
Amortised cost financial assets	366,207	414,727	-	-	-	-	-	780,934
Reinsurance contract assets	-	20,665	971,558	990	330	149,410	-	1,142,953
Other receivables*	-	-	-	-	-	32,090	-	32,090
Cash and cash equivalents**	158,124	3,220	(17,121)	-	-	2,526	-	146,749
	699,443	509,380	954,437	990	330	204,261	3,430,374	5,799,215

*excludes proportionate share of net assets of MMIP and prepayments
**includes cash-in-transit

26 RISK MANAGEMENT FRAMEWORK (CONTINUED)

Liquidity risk

The Company is exposed to daily calls on its available cash resources mainly from claims arising from short-term insurance contracts. Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable time.

The Company manages liquidity risk by holding sufficient liquid assets (e.g. cash and debt securities) of appropriate quality to ensure that short term funding requirements are covered within prudent times. In addition, the Company regularly conducts stress-tests on its liquidity position.

The tables below summarise the estimated maturity profile of the financial assets, financial liabilities, insurance contracts and reinsurance contracts based on remaining discounted contractual obligations.

For insurance contract liabilities and reinsurance contract assets, maturity profiles are determined based on estimated timing of net cash outflows from the recognised insurance liabilities.

26 RISK MANAGEMENT FRAMEWORK (CONTINUED)

Liquidity risk (continued)

	Carrying Value RM'000	**Up to a year RM'000**	**1 - 3 years RM'000**	**3 - 5 years RM'000**	**More than 5 years RM'000**	**No maturity date RM'000**	**Total RM'000**
2025							
FVTPL financial assets	4,159,447	-	-	-	-	4,159,447	4,159,447
FVOCI financial assets	211,331	86,621	97,911	24,999	-	1,800	211,331
Amortised cost financial assets	175,066	175,066	-	-	-	-	175,066
ROU assets	25,738	4,886	6,773	5,411	8,668	-	25,738
Reinsurance contract assets	866,323	588,895	228,939	41,912	6,577	-	866,323
Other receivables	29,003	29,003	-	-	-	-	29,003
Cash and cash equivalents	84,055	-	-	-	-	84,055	84,055
Total	5,550,963	884,471	333,623	72,322	15,245	4,245,302	5,550,963
Insurance contract liabilities	2,441,946	1,510,031	746,099	152,830	32,986	-	2,441,946
Other payables	257,074	257,074	-	-	-	-	257,074
Lease liabilities	28,727	5,691	1,420	888	20,728	-	28,727
Total	2,727,747	1,772,796	747,519	153,718	53,714	-	2,727,747

26 RISK MANAGEMENT FRAMEWORK (CONTINUED)

Liquidity risk (continued)

	Carrying Value RM'000	Up to a year RM'000	1 - 3 years RM'000	3 - 5 years RM'000	More than 5 years RM'000	No maturity date RM'000	Total RM'000
2024 (Restated)							
FVTPL financial assets	3,428,574	-	-	-	-	3,428,574	3,428,574
FVOCI financial assets	267,915	35,444	144,042	83,104	3,525	1,800	267,915
Amortised cost financial assets	780,934	780,934	-	-	-	-	780,934
ROU assets	30,232	8,084	6,498	5,294	10,356	-	30,232
Reinsurance contract assets	981,725	652,983	253,167	65,029	10,546	-	981,725
Other receivables	32,090	32,090	-	-	-	-	32,090
Cash and cash equivalents	146,749	-	-	-	-	146,749	146,749
Total	5,668,219	1,509,535	403,707	153,427	24,427	3,577,123	5,668,219
Insurance contract liabilities	2,621,415	1,657,363	766,256	169,737	28,059	-	2,621,415
Other payables	279,754	279,754	-	-	-	-	279,754
Lease liabilities	31,924	6,568	6,451	5,743	13,162	-	31,924
Total	2,933,093	1,943,685	772,707	175,480	41,221	-	2,933,093

26 RISK MANAGEMENT FRAMEWORK (CONTINUED)

Interest-rate risk

Short term insurance liabilities are not directly sensitive to the level of market interest rates, as they are undiscounted and contractually non-interest-bearing. However, due to the time value of money and impact of interest rates on the level of bodily injury and certain liability claims incurred by the Company's insurance contract holders (where an increase of interest rates would normally produce a higher insurance liability), the Company matches the liabilities by using portfolios of debt securities with a mean duration of 2 - 3 years.

The Company's interest rate risk mainly arises from investment in FVOCI debt securities which are recorded at fair value. The impact on profit before tax at a +/- 50 basis points change in the interest rate, with all other variables held constant, is insignificant to the Company given that there are minimal floating rate financial instruments.

Foreign currency risk

As the Company's business is conducted primarily in Malaysia, the financial assets are also primarily maintained in Malaysia and denominated in the same local currency as its insurance contract liabilities.

27 CAPITAL MANAGEMENT PLAN AND STRUCTURE

Capital Management Plan ("CMP")

As per the RBC Framework issued by BNM, the Company is required to assess its capital profile and develop appropriate plans towards developing internal capital targets/plans. In line with this requirement, management has developed a CMP that takes into account the Company's strategic business direction and changing business environment, and adequate processes to monitor and ensure the maintenance of an appropriate level of capital that is commensurate with the current risk profile of the Company.

The Risk Management Committee is responsible for the oversight of the Company's capital management. All proposals for any deviation from capital targets or capital raising exercise must be approved by the Risk Management Committee prior to recommendation to the Board of Directors for approval and implementation.

Stress testing

Stress tests and scenario analysis are important components of a risk management framework. The Company is required to perform stress tests on the financial performance of the Company to detect possible sources of vulnerability. The objective is to ensure that management can identify problems early so that pre-emptive measures can be implemented at an early stage.

27 CAPITAL MANAGEMENT PLAN AND STRUCTURE (CONTINUED)

Stress testing (continued)

The results and proposed action plan would be incorporated into the Company's capital management plan and be used to determine the extent by which capital will be eroded by the threats identified and the impact on the Company's financial health, the actions that will be required to mitigate the threats identified and the future financial resilience of the Company.

Capital structure

The capital structure of the Company as at 31 December 2025, as prescribed under the RBC Framework is provided below:

	2025 RM'000	2024 RM'000
Tier 1 capital		
Share capital (paid-up)	955,645	955,645
Retained earnings as prescribed under the RBC Framework	1,327,528	1,255,387
	2,283,173	2,211,032
Tier 2 capital		
Eligible reserves as prescribed under the RBC Framework	(57,997)	(62,914)
Less: Amount deductions from capital	(258,840)	(266,805)
Total capital available	1,966,336	1,881,313

The above balances are based on statistical returns prepared in accordance with the provisions of Section 65 of the Financial Services Act 2013 (Act) and the Guidance Notes for Submissions of Monthly/Quarterly/Annual Statistical Returns.

28 CONTINGENT LIABILITY

In August 2016, the Malaysia Competition Commission ("MyCC") had commenced an investigation under Section 15(1) of the Competition Act, 2010 ("the Act") against Persatuan Insurans Am Malaysia ("PIAM") (Malaysian General Insurance Association) and 22 member companies (collectively "Parties") with regards to an alleged infringement of Section 4(2)(a) of the Act in relation to an agreement to fix parts trade discount and labour rates for 6 vehicle makes. On 22 February 2017, MyCC issued a proposed decision to all 22 member companies, proposing to impose a collective penalty of RM213 million on the general insurance industry. PIAM and its members (including the Company) had submitted their respective Written Representation to MyCC in April 2017. The first oral representation was completed in January 2018. However, there was a change of government after the 14th general election. The Competition Committee (new Chairman was appointed) decided to review this case. The case management was held on 21 February 2019 and the oral representation from all relevant insurers (represented by counsels) was held on 13 and 14 May 2019 and 17 and 18 June 2019 respectively.

28 CONTINGENT LIABILITY (CONTINUED)

In September 2020, MyCC issued a final decision against the Parties and it was a finding of infringement under section 4 of the Competition Act 2010. Essentially MyCC maintained its position that the Parties have infringed the section 4 prohibition by participating in an agreement which has the prevention, restriction or distortion in relation to the market of parts trade and labour charges for PIAM Approved Repairers Scheme (“PARS”) workshops from 1 January 2012 to 17 February 2017.

In view of the impact of the COVID-19 pandemic, MyCC granted a reduction of 25% of the financial penalty imposed on the Parties and a moratorium period for the payment of the financial penalty up to 6 months and payment of the financial penalty by equal monthly instalments for up to 6 months. The Company's financial penalty has been reduced from RM16,099,289 to RM12,074,467. The financial penalty exposure of the Company amounted to RM12,555,858, inclusive of RM481,391 arising from business transfer from MPI Generali Berhad (formerly known as MPI Generali Insurans Berhad) on 1 April 2023. In addition to the financial penalty, the parties were also directed to cease and desist from implementing the agreed parts trade discount for 6 vehicle makes, namely, Proton, Perodua, Nissan, Toyota, Honda and Naza and the hourly labour rate for PARS workshops with immediate effect.

Parties appealed against the MyCC decision on the breach and deferment of penalty payment as well as cessation of current practices. Due to the Movement Control Order ("MCO"), the hearing on the appeal before the Competition Appeal Tribunal ("CAT") was postponed. The hearing for the stay application and cessation of current practices commenced on 25 February 2021. In March 2021, CAT decided to allow the stay application and cessation of current practices until the disposal of the appeal application.

In September 2022, CAT delivered its final decision in favour of the Parties and overturned the decision by MyCC and its finding of infringement under section 40 of the Competition Act 2010. Subsequently, MyCC filed for a judicial review. The Company has filed a notice to object against MyCC’s leave application for judicial review and the hearing has been scheduled on 8 May 2023.

On 16 January 2024, the Court, having considered the Company's affidavits, written and oral submissions, and accepted our submissions in full and held that MyCC’s application for leave to apply for judicial review did not have merits and dismissed MyCC’s leave application for judicial review. On 15 February 2024, MyCC has filed an appeal to the Court of Appeal against the High Court's decision. The Court of Appeal has vacated the hearing on 22 May 2025 and re-fixed 30 April 2026 as the new hearing date for this matter.

The management of the Company believes that the criteria to disclose the above as a contingent liability are met. Saved as disclosed above, the Company does not have any other contingent liabilities.

29 COMPARATIVE FIGURES AND CHANGE IN ACCOUNTING POLICY

During the financial year, the Company changed its accounting policy for the measurement of certain groups of insurance contracts and reinsurance contracts held that have a coverage period of more than one year. These contracts were previously measured using the General Measurement Model (GMM) and are now measured using the Premium Allocation Approach (PAA).

The Company assessed that the use of PAA for these groups of contracts meets the eligibility criteria in MFRS 17, as the measurement under the PAA would not differ materially from the measurement under the GMM. This change in accounting policy has been applied retrospectively and the financial statement line items for prior periods have been restated accordingly.

The following tables summarise the impacts of the change in accounting policy on the Company's financial statements and reclassification of an other payable relating to fulfilment cash flows attributable to insurance contracts to conform with current year's presentation:

Statement of financial position	**Note**	**As previously reported RM'000**	**Change in accounting policy RM'000**	**As restated RM'000**
1 January 2024				
Insurance contract assets	11	73,742	-	73,742
Reinsurance contract assets	11	1,151,947	26,029	1,177,976
Deferred tax assets	13	31,184	(3,082)	28,102
Other assets		4,996,950	(8)	4,996,942
Total assets		6,253,823	22,939	6,276,762
Insurance contract liabilities	11	3,461,440	57,955	3,519,395
Reinsurance contract liabilities	11	176,570	-	176,570
Other payables		315,194	(44,066)	271,128
Other liabilities		11,054	-	11,054
Total liabilities		3,964,258	13,889	3,978,147
Merger reserve		(62,338)	11,590	(50,748)
Retained earnings		1,379,239	(2,540)	1,376,699
Other equity items		972,664	-	972,664
Total equity		2,289,565	9,050	2,298,615
31 December 2024				
Reinsurance contract assets	11	1,117,644	25,309	1,142,953
Deferred tax assets	13	23,145	(1,745)	21,400
Other assets		5,036,167	-	5,036,167
Total assets		6,176,956	23,564	6,200,520
Insurance contract liabilities	11	3,612,467	17,276	3,629,743
Reinsurance contract liabilities	11	14,317	-	14,317
Other payables	16	278,281	1,473	279,754
Other liabilities		31,924	-	31,924
Total liabilities		3,936,989	18,749	3,955,738
Merger reserve		(62,338)	11,590	(50,748)
Retained earnings		1,327,956	(6,775)	1,321,181
Other equity items		974,349	-	974,349
Total equity		2,239,967	4,815	2,244,782

29 COMPARATIVE FIGURES AND CHANGE IN ACCOUNTING POLICY (CONTINUED)

The following tables summarise the impacts of the change in accounting policy on the Company's financial statements and basic earnings per share:

Statement of profit or loss	**Note**	**As previously reported RM'000**	**Change in accounting policy RM'000**	**As restated RM'000**
For the year ended 31 December 2024				
Insurance revenue	17	2,089,213	(66,635)	2,022,578
Insurance service expenses	18	(1,834,252)	5,814	(1,828,438)
Insurance service result before reinsurance contracts held		254,961	(60,821)	194,140
Allocation of reinsurance premiums	11	(389,264)	863	(388,401)
Amounts recoverable from reinsurers for incurred claims	11	370,044	(5,489)	364,555
Net expense from reinsurance contracts held		(19,220)	(4,626)	(23,846)
Insurance service result		235,741	(65,447)	170,294
Investment income	20	163,839	60	163,899
Net fair value gains on financial assets	20	2,318	-	2,318
Total investment return		166,157	60	166,217
Net insurance finance expenses for insurance contracts issued	21	(143,758)	73,182	(70,576)
Net insurance finance income for reinsurance contracts held	21	34,741	(12,249)	22,492
Net insurance financial result		(109,017)	60,933	(48,084)
Other income		8,260	(1,103)	7,157
Other expenses	18	(101,370)	(16)	(101,386)
Profit before tax		199,771	(5,573)	194,198
Income tax expense	22	(35,958)	1,338	(34,620)
Net profit for the financial year		163,813	(4,235)	159,578
Basic earnings per share (sen)		88	(2)	86

There is no impact on the total operating, investing or financing cash flows for the year ended 31 December 2024.

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