

GENERALI LIFE INSURANCE MALAYSIA BERHAD ANNUAL REPORT 2025



MESSAGE FROM THE CHAIRMAN

2025 marked a year of continued progress and resilience for Generali Life Insurance Malaysia Berhad (GLIMB), as we strengthened our position in an evolving market environment while advancing our ambitions under the “Lifetime Partner 27: Driving Excellence” strategy.

GLIMB delivered steady growth and meaningful progress across our life business. Insurance revenue increased to RM253 million in 2025, a 2% increase from RM248 million recorded in the previous year. This performance reflects our disciplined execution of strategic priorities, a strong customer-centric approach, and our focus on delivering relevant protection solutions that meet the evolving needs of Malaysians.

During the year, GLIMB strengthened its customer proposition through innovative and value-driven solutions designed to support customers at every stage of life. This included enhanced medical and cancer protection features, alongside investment-linked solutions that combine protection with wealth accumulation, retirement planning, and legacy building.

The year also saw industry wide discussions surrounding the rising healthcare costs and medical repricing. In response to the Medical and Health Insurance/Takaful (MHIT) evolving environment, GLIMB remains committed to supporting customers through transparent communication, customer assistance measures and sustainable solutions that balance long-term affordability with access to quality healthcare protection.

Customer trust remains central to our business, and GLIMB was recognised as a top-tier life insurer in the 2024 Customer Satisfaction Survey commissioned by LIAM, PIAM and MTA in collaboration with Bank Negara Malaysia. The survey gathered insights from more than 9,000 customers, with GLIMB achieving customer satisfaction scores exceeding 80% and surpassing the life insurance benchmark across all pillars including Accessibility, Product Suitability, Service Efficiency and Claims Transparency. I congratulate the Management and employees for the hard work and commitment in achieving this recognition.

As the business evolves, the Board remains steadfast in upholding strong governance, integrity, and accountability across all levels of the organisation. We remain committed to ensuring that GLIMB continues to operate responsibly, sustainably and in the best interests of all stakeholders. We published the first Climate-Related Financial Disclosure Report, strengthening transparency and Board-level oversight of climate-related financial 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 GLIMB’s strategic direction and long-term growth potential. Guided by our Lifetime Partner ambition, we will continue to strengthen our capabilities, deepen customer relationships, and deliver sustainable value for our stakeholders.

I would like to extend my sincere appreciation to Mr. Choong Tuck Oon for his leadership and contributions during his tenure as Chairman. His guidance has been instrumental in strengthening the Company’s foundations and positioning GLIMB for its next phase of growth.

I would also like to take a moment to thank Fabrice Benard, Country Head for Generali Entities in Malaysia for his ongoing guidance and support to the GLIMB team.

On behalf of the Board, I extend our sincere appreciation to our shareholders, customers, agents and business partners for their unwavering trust and support. My heartfelt appreciation goes to Ms. Soo Wai Har, former Chief Executive Officer of Generali Life Insurance Malaysia Berhad, for her leadership and contributions to the growth and development of the business throughout her tenure. In addition, I am also pleased to welcome Mr. Tony Lin as Principal Officer of GLIMB. I look forward to his leadership in driving the Company’s growth and strategic priorities.

Lastly to the management team and all employees of GLIMB, thank you for your unwavering 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 Life Insurance Malaysia Berhad

MESSAGE FROM THE 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

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.

Registration No.

200601003992 (723739-W)

GENERALI LIFE INSURANCE MALAYSIA BERHAD
(Incorporated in Malaysia)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Registration No.

200601003992 (723739-W)

GENERALI LIFE INSURANCE MALAYSIA BERHAD
(Incorporated in Malaysia)

**REPORTS AND STATUTORY FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

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Registration No.

200601003992 (723739-W)

GENERALI LIFE INSURANCE MALAYSIA BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITY

The Company is principally engaged in the underwriting of life insurance business, including investment-linked business. There have been no significant changes in the nature of this principal activity during the financial year.

RESULTS

	RM'000
Net loss for the financial year	<u>(52,583)</u>

SHARE CAPITAL

There were no shares issued during the financial year.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any dividend to be paid for the current financial year under review.

RESERVES AND PROVISIONS

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

PROVISION FOR INSURANCE LIABILITIES

Before the financial statements of the Company were made out, the Directors took reasonable steps to ascertain that there was adequate provision for insurance liabilities in accordance with the requirement of MFRS 17 *Insurance Contracts* issued by the Malaysian Accounting Standards Board ("MASB").

BAD AND DOUBTFUL DEBTS

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

GENERALI LIFE INSURANCE MALAYSIA BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

BAD AND DOUBTFUL DEBTS (CONTINUED)

At the date of this report, the Directors are not aware of any circumstances that would render the amounts written off for bad debts or the amounts of allowance for doubtful 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 ensure that any current assets, other than debts, which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of the Company have been written down to an amount which the current assets might be expected to realise.

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

At the date of this report, 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
- (b) any contingent liability of the Company which has arisen since the end of the financial year.

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 as and when they fall due.

For the purpose of the above 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.

SHARE OPTION SCHEME OF GENERALI GROUP

The share option scheme of Generali Group during the financial year is disclosed in Note 13(b) to the financial statements.

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GENERALI LIFE INSURANCE MALAYSIA BERHAD
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DIRECTORS' REPORT (CONTINUED)

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.

DIRECTORS

The Directors who have held office during the financial year and during the period from the end of the financial year to the date of the report are:

Raymond Fam Chye Soon – Chairman (Appointed w.e.f 30 August 2025)
Fabrice Claude Joseph Bénard
Irwin Bin Mohd Eusoff
Chong Kwai Ying
Dr. Sharlene Thiagarajah
Datin Zaimah Binti Zakaria
Datuk Khairul Anuar Bin Yahya
Fong Seow Kee
Pushpanathan A/L S.A. Kanagarayar
Choong Tuck Oon (Term expired w.e.f 29 August 2025)

GENERALI LIFE INSURANCE MALAYSIA BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

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

Raymond Fam Chye Soon

Chairman - Independent Non-Executive Director (*Appointed w.e.f 30 August 2025*)

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 Masters 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 a Certificate in the Oxford Leading Sustainable Corporations Programme from the University of Oxford in 2023. He is also a member of the Singapore Institute of Directors. Apart from his role at this Board, he is currently also the Chairman of the Board of Generali Insurance Malaysia Berhad, an Independent Director of Export-Import Bank of Malaysia Berhad and Riverstone Holdings Ltd. and a director in Benefit Trio Sdn Bhd and Tiga Manfaat Sdn. Bhd.

Fabrice Claude Joseph Bénard

Non-Independent Executive Director

Mr. Fabrice Benard, is the Chief Executive Officer of Generali Insurance Malaysia Berhad and Country Head of Generali entities in Malaysia. Fabrice brings over 21 years of strong technical and strategic experience in the insurance industry. With a robust background in General Insurance, actuarial, risk management, financial, bancassurance, and mergers and acquisitions, Fabrice has an exceptional track record in understanding strategic trends, challenges and success factors, and implementing strategic priorities in the insurance sector.

Before his current role in Malaysia, Fabrice was based at the Generali Asia Regional Office in Hong Kong, where he led the regional Property and Casualty Insurance function, driving a profitable and sustainable growth agenda. His international career spans senior management positions with reputable financial institutions and big four firms across different continents, including Europe, the Middle East, and Asia.

Irwin Bin Mohd Eusoff

Non-Independent Non-Executive Director

Irwin Bin Mohd Eusoff, holds an MBA from the International Islamic University Malaysia (IIUM) and a B.Eng (Honours) in Mechanical Engineering from the University of Manchester Institute of Science & Technology (UMIST), UK. With 28 years of experience in corporate strategy, M&A, transformation, and sustainability across banking, telecommunications, and real estate sectors. Irwin currently serves as the Group Chief Corporate Strategy & Sustainability Officer at Affin Group. In this role, he drives corporate strategy, transformation initiatives, and sustainability functions, significantly enhancing the company's reputation and viability. Previously, Irwin was the Chief Strategy & Transformation Officer at UEM Sunrise Berhad, where he launched the UEM Sunrise 2030 Transformation Plan, and the Merger Integration PMO Lead at CelcomDigi Berhad. His strategic vision and expertise in integrating sustainability into corporate strategy make him a valuable asset to the boards he serves on, enhancing decision-making processes and overall performance.

GENERALI LIFE INSURANCE MALAYSIA BERHAD
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DIRECTORS' REPORT (CONTINUED)

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

Chong Kwai Ying

Independent Non-Executive Director

Chong Kwai Ying, holds a Bachelor of Economics (Honours) degree in Business Administration from the University of Malaya. She has built a distinguished career in the financial sector, particularly in the areas of insurance and banking. She currently serves as an Independent Non-Executive Director at Genting Malaysia Berhad and China Construction Bank (Malaysia) Berhad. Her professional journey began at Bank Negara Malaysia in 1982, where she dedicated 35 years of service. During her tenure, she rose to the position of Deputy Director of Banking Supervision, a role she held until her retirement in 2017. Her extensive experience at the central bank provided her with deep expertise in corporate governance, risk management, and compliance.

Dr. Sharlene Thiagarajah

Independent Non-Executive Director

Dr. Sharlene Thiagarajah, graduated from Universiti Teknologi Malaysia ("UTM") in Electrical Engineering, with a 1st Class Hons. 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 Technology & Innovation 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 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. Dr. Sharlene is also an Adjunct Professor at UTM, Committee Member of the Faculty of Science (Material Science) at UPM, Independent Director at Generali Insurance Malaysia Berhad and a non-executive director of Wavetech Sdn. Bhd..

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. Datin Zaimah 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, art of communication and formal entertaining including dining etiquette. Datin Zaimah currently serves as a Board member of Generali Insurance Malaysia Berhad and Generali Life Insurance Malaysia Berhad, Bank Simpanan Nasional and Impact Research Consultancy Sdn. Bhd..

GENERALI LIFE INSURANCE MALAYSIA BERHAD

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DIRECTORS' REPORT (CONTINUED)

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

Datuk Khairul Anuar Bin Yahya

Independent Non-Executive Director

Vice Admiral Datuk Khairul Anuar Bin Yahya (RTD), holds a Masters of Arts in Defense and a Master of Science from Universiti Kebangsaan Malaysia and the National Defense University, Washington DC. He is the Non-Executive Chairman of Preston Shipyard Sdn Bhd, an Independent Director at Global Exhibitions and Conferences Sdn Bhd and the Strategic Advisor at Target Mega Marine Sdn Bhd. He served in the Royal Malaysian Navy for 42 years, reaching the position of Deputy Chief. His extensive experience in tactics, operations, and strategy has provided invaluable insights and guidance to the boards he serves on.

Fong Seow Kee

Non-Independent Non-Executive Director

Fong Seow Kee, holds a BA (Hons) in Economics & Social Studies from the University of Manchester, England, is a Fellow of the Institute of Chartered Accountants in England & Wales and a member of the Malaysian Institute of Accountant. He has over 45 years of experience in finance, investment banking, and technology investing across Malaysia, Hong Kong, and Singapore and has held several senior board positions. Mr. Fong currently serves as the Chairman of Bond Pricing Agency Malaysia Sdn. Bhd. and is an Independent Director at Petron Malaysia Refining & Marketing Berhad and RAM Ratings Services Berhad. His expertise in financial markets, investment strategies, and fintech, combined with his strategic insights and forward-looking approach, make him a valuable asset to the boards he serves on, significantly enhancing decision-making processes and overall performance.

Pushpanathan A/L S.A. Kanagarayar

Non-Independent Non-Executive Director

Ken Pushpanathan, is a distinguished member of the Institute of Chartered Accountants of Scotland (ICAS), the Malaysian Institute of Certified Public Accountants (MICPA), and the Malaysian Institute of Accountants (MIA). With over 39 years of experience in advisory, accounting, and audit services, he has served a diverse range of clients in Malaysia and internationally, spanning industries such as financial services, construction, property development, telecommunications, healthcare, and more.

His notable career includes his tenure as a Partner at Ernst & Young, Hanafiah Raslan & Mohamad, and Arthur Andersen & Co. He has also held significant directorships, including Independent Non-Executive Director roles at Bursa Malaysia Berhad, IJM Corporation Berhad, IJM Plantations Berhad, Sun Life Malaysia Assurance Berhad, Sun Life Malaysia Takaful Berhad and the Asian Institute of Finance Berhad.

In addition to his professional roles, he has been actively involved in various charitable bodies and foundations, serving as a Trustee/Director. He is the inaugural Chairman of the Malaysian Financial Reporting Standards (MFRS) Application & Implementation Committee of MASB and has contributed significantly to the development of insurance standards in Malaysia.

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DIRECTORS' REPORT (CONTINUED)

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

Choong Tuck Oon

Chairman – Independent Director (*Term expired w.e.f 29 August 2025*)

Choong Tuck Oon holds a Bachelor of Science (First Class) in Mathematics from University of Malaya and Masters of Science in Computer Applications from Asian Institute of Technology. He also holds an Executive Diploma in Directorship from Singapore Management University. He is currently an Independent Non-Executive Director on the Board of Credit Guarantee Corporation Malaysia Berhad, a Non-Executive Director at FIDE FORUM and Chairman of CGC Digital Sdn Bhd. Previously, Mr Choong served on the Boards of Star Media Group, RHB Bank Berhad, RHB Islamic Bank Berhad, RHB Indochina Bank Limited, RHB OSK Indochina Securities Limited, and RHB Private Equity Holdings Sdn. Bhd, holding various committee roles including Chairman of the Board Technology Committee. He retired as Senior Partner in the Financial Services Asia-Pacific practice at Accenture. He has extensive experience in business transformation, organisational change, high-performance strategy, process excellence, IT transformation, and risk management for over 20 financial institutions across ASEAN and North Asia.

GENERALI LIFE INSURANCE MALAYSIA BERHAD
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DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE

DIRECTORS' TRAINING

The Nomination and Remuneration Committee ensures that Directors undergo appropriate induction programmes and receive continuous training. During the year, the Directors were briefed and updated on guidelines issued by Bank Negara Malaysia and participated in various internal and external training programmes on a variety of topics to keep abreast with the latest developments in the industry and the business of the Company.

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.

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:-

- 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

DIRECTORS' REMUNERATION

The total Directors' remuneration for the year is RM902,897 (comprising fees of RM749,947 and meeting allowance of RM152,950). Details of Directors' remuneration are set out in Note 22(b) to the financial statements.

Statement of compliance with the Corporate Governance policy document – BNM/RH/PD-029-9

The Company has taken concerted steps to ensure compliance with BNM's Corporate Governance policy document - BNM/RH/PD-029-9 ("Policy") and its best practice applications. The Board of Directors ("Board") is committed to the principles prescribed in the Policy.

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DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE (CONTINUED)

The Board's responsibility and oversight

The Board affirms its overall responsibility for the Company's system of internal controls and risk management, and for reviewing the adequacy and integrity of these systems. However, such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and accordingly, they can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Company has in place an on-going process for identifying, evaluating, monitoring and managing significant risks that may affect the achievement of the Company's business objectives throughout the financial year under review and up to the date of this report. This process is regularly reviewed by the Board via the various Board Committees.

The Board had 9 members for the financial year ended 31st December 2025 and they were:

Raymond Fam Chye Soon, Chairman/Independent Non-Executive Director (*Appointed w.e.f 30 August 2025*)

Fabrice Claude Joseph Bénard, Non-Independent Executive Director

Irwin Bin Mohd Eusoff, Non-Independent Non-Executive Director

Chong Kwai Ying, Independent Non-Executive Director

Dr. Sharlene Thiagarajah, Independent Non-Executive Director

Datin Zaimah Binti Zakaria, Independent Non-Executive Director

Datuk Khairul Anuar Bin Yahya, Independent Non-Executive Director

Fong Seow Kee, Non-Independent Non-Executive Director

Pushpanathan A/L S.A. Kanagarayar, Non-Independent Non-Executive Director

Choong Tuck Oon, Chairman/Independent Non-Executive Director (*Term expired w.e.f 29 August 2025*)

Together, the Directors come from various fields with a balance of skills and experience which are necessary to enable the Company to achieve its corporate objectives and fulfill all its fiduciary duties. The roles and activities of the Chairman and the Chief Executive Officer are distinct and separate.

All members of the Board have complied with the Company's Fit & Proper Policy.

The Board meets at least five (5) times a year with additional meetings being convened as and when necessary. For the financial year ended 31 December 2025, the Board has met five (5) times. All the Directors satisfied the minimum attendance of at least 75% of the Board meetings held during the financial year ended 31 December 2025.

The principal responsibilities of the Board include reviewing and approving a strategic plan, overseeing the Company's businesses, formalising documentation on matters specifically reserved for its decision and ensuring that the Company's internal controls and reporting procedures are adequate.

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DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE (CONTINUED)

The Board's responsibility and oversight (continued)

The composition of the Board during the period since the date of the last report and the number of meetings attended by each existing Director during the financial year ended 31 December 2025 out of the 5 meetings held are as follows:

Names of Directors	No. of Attendance
Raymond Fam Chye Soon (Appointed w.e.f 30 August 2025)	1/1
Fabrice Claude Joseph Bénard	5/5
Irwin Bin Mohd Eusoff	5/5
Chong Kwai Ying	5/5
Dr. Sharlene Thiagarajah	5/5
Datin Zaimah Binti Zakaria	5/5
Datuk Khairul Anuar Bin Yahya	5/5
Fong Seow Kee	5/5
Pushpanathan A/L S.A. Kanagarayar	*4/5
Choong Tuck Oon (Term expired w.e.f. 29 August 2025)	4/4

**was on medical leave for the meeting on 19 March 2025.*

The Board has established a number of Board Committees. Each Board Committee operates within defined Terms of References. The Board Committees are the Board Audit and Compliance Committee, Board Nomination and Remuneration Committee and Board Risk Management Committee.

The tenure of directorships shall be governed by the tenure as approved by BNM upon the Company's application for appointment or reappointment of directors. In any event, total tenure of an independent director shall not exceed nine (9) years.

Board Audit and Compliance Committee ("BACC")

During the financial year under review, a total of four (4) BACC meetings were held. Details of members attendance are as follows:

Names of Directors	No. of Attendance	Percentage
Chong Kwai Ying <i>Chairperson</i>	4/4	100%
Dr. Sharlene Thiagarajah <i>Member</i>	4/4	100%
Datin Zaimah Binti Zakaria <i>Member</i>	4/4	100%
Fong Seow Kee <i>Member</i>	4/4	100%
Pushpanathan A/L S.A. Kanagarayar <i>Member</i>	*2/4	100%

**was on medical leave for the meetings on 13 March & 7 May 2025.*

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DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE (CONTINUED)

Board Audit and Compliance Committee ("BACC") (continued)

The BACC is chaired by an Independent Non-Executive Director. The Committee was established as a sub-committee of the Board with specific Terms of Reference that have been approved by the Board. The principal objectives are to assist the Board's oversight of the adequacy and effectiveness, compliance and risk management frameworks, financial reporting process and the integrity of the publicly reported results and disclosures made in the financial statements and effectiveness, performance and independence of the internal and external auditors.

The principal duties and responsibilities are:

- i) To review and form an opinion on the effectiveness of the internal control, compliance and risk management frameworks;
- ii) To review the integrity of the publicly reported results and disclosures made in the financial statement;
- iii) To review the effectiveness, performance and independence of the Company's external auditors including recommendation to the Board on the appointment of external auditors;
- iv) To review on a regular basis the management activities in relation to audit findings;
- v) To approve the annual internal audit plan;
- vi) To review the effectiveness, performance and independence of the Company's internal auditors;
- vii) To review the effectiveness of the system for monitoring compliance with laws and regulations;
- viii) To review the findings of any examination by a regulatory agency and any auditor observations;
- ix) To review the effectiveness, performance and independence of the Company's compliance function;
- x) To report on a regular basis to the Board on the BACC's activities; and
- xi) To perform any other activities according to the applicable requirements within the guidelines from BNM.

Other responsibilities of the BACC are prescribed within the Terms of Reference approved by the Board.

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DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE (CONTINUED)

Board Audit and Compliance Committee ("BACC") (continued)

During the financial year ended 31 December 2025, the BACC reviewed the annual financial statements, external audit plan, annual internal audit plan and annual compliance plan.

The plans are developed to cover key operational areas, financial and compliance activities and information systems that are significant to the overall performance of the Company on a cyclical basis.

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:

Name of Directors	No. of Attendance	Percentage
Datin Zaimah Binti Zakaria <i>Chairperson</i>	6/6	100%
Dr. Sharlene Thiagarajah <i>Member</i>	6/6	100%
Datuk Khairul Anuar Bin Yahya <i>Member</i>	6/6	100%
Fong Seow Kee <i>Member</i>	6/6	100%
Choong Tuck Oon (<i>Term expired w.e.f. 29 August 2025</i>) <i>Member</i>	3/3	100%

The BNRC is chaired by an Independent Non-Executive Director. In consideration of the right candidate for appointment to the Board, the BNRC takes into account the required mix of skills, experience and other core competencies that is necessary to enable the Company to achieve its corporate objectives and fulfill its fiduciary responsibilities. The BNRC is also responsible for the annual review of the effectiveness of the Board and individual Directors.

The BNRC functions on the Terms of Reference approved by the Board. The principal duties and responsibilities of the BNRC are to:

- i) Support the Board in carrying out its functions in the following matters concerning the board, Senior Management and Company secretary:
 - a. Appointment and removals
 - b. Composition
 - c. Performance evaluation and development; and
 - d. Fit and proper assessment;
 as set out in the relevant guidelines/policies issued by Bank Negara Malaysia and legislation.
- ii) Make recommendations to the Board on the selection and appointment of Non-Executive Directors and the Chief Executive Officer;
- iii) Review the effectiveness of the Board, the Chairman and Directors, Board Committees and performance of the Chief Executive Officer;

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DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE (CONTINUED)

Board Nomination and Remuneration Committee ("BNRC") (continued)

- iv) Consider the required competencies of new Directors having regard to the mix of skills, experience and other qualities of existing Directors;
- v) Establish a mechanism for the review of the performance of the Board, the Chairman and Directors and the Board Committees;
- vi) Ensure that an appropriate process for the orientation and induction of new Directors is carried out and that the process reflects the background and experience of each new Director;
- vii) Review the Board and senior executive succession plans;
- viii) Support the Board in actively overseeing the design and operation of the financial institution's remuneration system as set out in paragraph 19 of the Corporate Governance guidelines issued by Bank Negara Malaysia;
- ix) Periodically review the remuneration of Directors on the Board, particularly whether remuneration remains appropriate to each Director's contribution, taking into account the level of expertise, commitment and responsibilities undertaken; and
- x) Perform other activities according to the applicable requirements in the guidelines from Bank Negara Malaysia.

Other responsibilities of the BNRC are prescribed within the Terms of Reference approved by the Board.

In the opinion of the BNRC, the Board has a good mix of skills and experience appropriate for the business of the Company.

Board Risk Management Committee ("BRMC")

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

Names of Directors	No. of Attendance	Percentage
Dr. Sharlene Thiagarajah <i>Chairperson</i>	5/5	100%
Chong Kwai Ying <i>Member</i>	5/5	100%
Datin Zaimah Binti Zakaria <i>Member</i>	5/5	100%
Fong Seow Kee <i>Member</i>	5/5	100%
Pushpanathan A/L S.A. Kanagarayar <i>Member</i>	*3/5	100%

*was on medical leave for the meetings on 12 March & 6 May 2025 due to medical reasons.

The BRMC is chaired by an Independent Non-Executive Director and constantly reviews the risk factors of the Company to ensure risks at all levels are managed effectively. It will also review the Company's risk management policies, action plans and evaluate the adequacy of overall risk management policies and procedures.

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DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE (CONTINUED)

Board Risk Management Committee ("BRMC") (continued)

The principal duties and responsibilities of the BRMC are:

- i) To assist the Board in overseeing the risk management framework and to highlight or escalate the key risk issues to the Board of Directors;
- ii) To support the Board in meeting the expectations on risk management as set out in Bank Negara Malaysia's (BNM) policy document on Risk Governance;
- iii) Review and recommend risk management strategies, policies and risk tolerance for the Board's approval;
- iv) 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;
- v) Ensure adequate infrastructure, resources and systems are in place for effective risk management;
- vi) Ensure that Senior Management has the requisite skills, experience and competencies in risk management;
- vii) Review the Management's periodic reports on risk exposure, risk portfolio composition and risk management activities;
- viii) Monitor compliance to related risk management standards and policies;
- ix) Review the risk portfolio and monitor the risk exposure against limits and tolerance levels;
- x) Recommend or take action as appropriate in relation to mitigating the key risks identified;
- xi) Provide constructive challenge to senior management;
- xii) Perform other activities according to the applicable requirements in the guidelines from Bank Negara Malaysia;
- xiii) Review meeting minutes from the Audit, Risk and Compliance Committee;
- xiv) In assisting the Board for implementation of a sound remuneration system taking into consideration risks, capital, liquidity and the likelihood and timing of earnings;
- xv) Responsible for supporting the Board in providing oversight on effective implementation of Business Continuity Management (BCM) Framework within the institution;
- xvi) Responsible for supporting the Board in providing oversight over technology-related matters;
- xvii) Responsible for supporting the Board in all sustainability-related matters;
- xviii) Responsible for supporting the Board in providing oversight, review and endorsement over investment-related matters; and
- xix) To carry out such other responsibilities as may be delegated to it by the Board from time to time.

Other responsibilities of the BRMC are prescribed within the Terms of Reference approved by the Board.

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DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE (CONTINUED)

Management Accountability

Whilst the Board is responsible for creating the framework and policies within which the Company should operate, the management is accountable for the execution of the enabling policies and attainment of the Company's corporate objectives.

Organisational Structure

The organisational structure of the Company depicts clear lines of reporting responsibility and authority for all levels of staff of the Company. Authority is delegated by the Board to the Chief Executive Officer and the Management Committee for the implementation of strategy and management of the Company. The Company has in place a well-documented organisational structure, allocation of duties and responsibilities for all of its employees.

Communication

To support an effective flow of information within the Company and to ensure that important information reaches the appropriate personnel in a timely manner, the Company has in place the following practices:

- documentation of important policies and procedures in the form of policies, guidelines and technical measures or operating manuals/workflows;
- regulatory guidelines, circulars and resolutions available in common IT folders for ease of reference; and
- regular meetings to discuss issues of common concern.

Corporate Independence

All related party transactions have been disclosed in Note 28 to the financial statements.

Public Accountability

The Company complies with the provisions relating to policies under Section 128, Section 130, Schedule 8 and Schedule 10 of the Financial Services Act, 2013. Each member of the staff and agency force is also required to adhere to Life Insurance Association of Malaysia's Code of Ethics and Conduct when dealing with customers.

Members of the public are aware of avenues for appeal against the Company's practices or decisions. A policy contract issued to any policy owner contains a written disclosure alerting them on the existence of the Financial Markets Ombudsman Service ("FMOS"). In addition, notices containing the same information are exhibited in the Head Office and all the Company's branches. The Company's letter to any claimant on the rejection of a claim also includes similar information for appeal to FMOS.

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DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE (CONTINUED)

Financial Reporting

Due care and diligence are exercised by the Company in ensuring compliance with the requirements of statutory reporting to BNM and the accuracy of information contained in the reports submitted to BNM as well as the maintenance of appropriate accounting records. The external auditors are appointed according to the provision of the Financial Services Act, 2013. They provide an independent opinion that the financial statements have been prepared in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016, so as to give a true and fair view of the financial position of the Company as at 31 December 2025 and of its financial performance and cash flows for the financial year then ended.

Remuneration Policy

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 for it to be balanced to ensure the proper management of the Company's funds and is not excessive nor create incentives 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.

Scope of Remuneration Policy

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

The Company identifies the following individuals as Senior Management:

- Chief Executive Officer (CEO)
- Chief Financial Officer (CFO)
- Chief Operations Officer (COO)
- Chief Agency and Employee Benefits Officer (CAEBO)
- Chief Bancassurance Officer (CBO)
- Chief People & Organization Officer (CPOO)
- Chief Investment Officer (CIO)
- Chief of Staff (COS)
- Appointed Actuary (AA)
- Head of Insurance
- Heads of Control Functions
 - Chief Risk Officer
 - Head of Compliance and AML
 - Head of Internal Audit

The Company constantly evaluates risks and potential significant risk takers in the organisation to ensure remuneration for these risk takers are managed appropriately. In 2025, all risks were assessed as being covered by Senior Management roles. A more detailed set of criteria has been developed, and periodic reviews will be conducted to ascertain whether additional individuals are to be classified as Other Material Risk Takers in future enhancements to the remuneration practices of the Company.

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DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE (CONTINUED)

Remuneration Policy (continued)

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 that it is not excessive nor creates incentive for imprudent, unsustainable or unethical behaviour including risk taking behaviours 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.

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

The fixed component for employees consists of fixed basic salaries, 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 risks 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 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 their individual level of accountability. The variable portion of remuneration shall increase along with the individual's level of accountability.

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

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DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE (CONTINUED)

Remuneration Policy (continued)

Remuneration Components and Structure (continued)

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 which 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 on the incentive, which may require the individual to forfeit or have such award be clawed back.

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

The quantitative remuneration details for the Senior Management team, including the Chief Executive Officer, for the financial year 2025 are disclosed in Note 22 (a) and Note 28.

MAIN COMPONENTS OF COMPENSATION

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 & Purpose	Basis of determination	Notes on practices
Basic	Fixed cash comprising of remuneration to recruit and retain talent	Basic salary is determined with reference to the specific roles and responsibilities of the position, internal relativities, market practice, individual experience, 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 industry survey data points.

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DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE (CONTINUED)

Remuneration Policy (continued)

Remuneration Components and Structure (continued)

MAIN COMPONENTS OF COMPENSATION (CONTINUED)

Component	Description & Purpose	Basis of determination	Notes on practices
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 values 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 overall the individual does not meet the expectations of those criteria, the short-term incentive will be impacted negatively. The opposite impact is also true when an individual exceeds the expectations of those criteria.	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.

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DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE (CONTINUED)

Remuneration Policy (continued)

Remuneration Components and Structure (continued)

MAIN COMPONENTS OF COMPENSATION (CONTINUED)

Component	Description & Purpose	Basis of determination	Notes on practices
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	This is a long-term performance-based deferred cash plan with a three-year cycle performance period. Payout of each performance cycle will be paid following each completion of the three-year cycle. Selected individuals may be selected for the incentive programme based on their criticality and other requirements as determined by the Company. Long-term incentive payouts will be based on criteria like business performance and individual performance.	At the end of each three-year performance cycle, the actual achievement of KPIs will be calculated. Certain long-term incentives have deferment elements where typically the deferment is 3 years, and some others will have additional deferment or vesting period. This is available to selected individuals who have a significant impact on 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 addressed to employees with an active employment relationship.	

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DIRECTORS' REPORT (CONTINUED)

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements 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.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 31 December 2025 are as follows (as presented in Note 22(b) of the financial statements):

	RM'000
Directors of the Company:	
- Fees	750
- Meeting allowances	153
	<u>903</u>

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity coverage of Director and officers of the Company is RM4,826,800. The insurance premium paid by the Company amounted to RM2,755. 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.

Registration No.

200601003992 (723739-W)

GENERALI LIFE INSURANCE MALAYSIA BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' BENEFITS (CONTINUED)

DIRECTORS' INTERESTS IN SHARES

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:

	<u>Number of ordinary shares</u>			
	<u>At 1.1.2025</u>	<u>Acquired</u>	<u>Disposed</u>	<u>At 31.12.2025</u>
The ultimate holding company, Assicurazioni Generali S.p.A.				
Fabrice Claude Joseph Bénard	9,834	7,205	-	17,039

Other than 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.

HOLDING COMPANY

The immediate holding company is Generali Malaysia Holding Berhad and the ultimate holding company is Assicurazioni Generali S.p.A. (hereinafter referred to as "Generali"), collectively and incorporated in Malaysia and Italy, respectively.

AUDITORS' REMUNERATION

The details of auditors' remuneration for the year are as follows:-

Auditor's remuneration*	RM'000
- Statutory audit	<u>650</u>

* There was no indemnity given or insurance effected for any auditor of the Company during the current financial year ended 31 December 2025.

Registration No.

200601003992 (723739-W)

GENERALI LIFE INSURANCE MALAYSIA BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

AUDITORS

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with their resolution dated 27 March 2026.

RAYMOND FAM CHYE SOON
DIRECTOR

CHONG KWAI YING (MS)
DIRECTOR

Kuala Lumpur

Registration No.

200601003992 (723739-W)

GENERALI LIFE INSURANCE MALAYSIA BERHAD
(Incorporated in Malaysia)

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

In the opinion of the Directors, the financial statements set out on pages 28 to 163 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 December 2025 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with their resolution dated 27 March 2026.

RAYMOND FAM CHYE SOON
DIRECTOR

CHONG KWAI YING (MS)
DIRECTOR

Kuala Lumpur

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

I, Lin Choi Foo, the Officer primarily responsible for the financial management of Generali Life Insurance Malaysia Berhad, do solemnly and sincerely declare that the financial statements set out on pages 28 to 163 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Lin Choi Foo, at Kuala Lumpur in the State of Wilayah Persekutuan in Malaysia on 27 March 2026.

LIN CHOI FOO

Before me:

COMMISSIONER FOR OATHS

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

(Company No. 200601003992 (723739-W))
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Generali Life Insurance Malaysia Berhad, which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 28 to 163.

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 comprises 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.

Information Other than the Financial Statements and Auditors' Report Thereon (continued)

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report 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, we conclude that there is a material misstatement of the Directors' Report, 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.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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

Petaling Jaya, Selangor

Date: 27 March 2026

Lee Yeit Yeen
Approval Number: 03484/02/2028 J
Chartered Accountant

GENERALI LIFE INSURANCE MALAYSIA BERHAD
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

		<u>2025</u>	<u>2024</u>
	<u>Note</u>	RM'000	RM'000
ASSETS			
Property and equipment	5	16,916	6,738
Right-of-use assets	6	7,297	2,213
Investment property	7	420	389
Intangible assets	8	136,927	136,204
Investments	9	3,083,061	3,057,379
Fair value through other comprehensive income financial assets		1,583,760	1,617,548
Fair value through profit or loss financial assets		1,431,383	1,338,837
Amortised cost financial assets		67,918	100,994
Insurance contract assets	16	39,650	43,675
Reinsurance contract assets	16	38,705	38,010
Other receivables	11	6,981	5,043
Current tax assets		8,749	8,850
Cash and cash equivalents		44,995	64,284
TOTAL ASSETS		<u><u>3,383,701</u></u>	<u><u>3,362,785</u></u>
EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES			
Share capital	12	611,000	611,000
Accumulated losses		(156,628)	(104,045)
Reserves		(3,030)	(598)
Fair value reserve	13	44,701	30,216
Insurance finance reserve		(48,056)	(31,050)
Share option reserve		325	236
TOTAL EQUITY		<u><u>451,342</u></u>	<u><u>506,357</u></u>
LIABILITIES			
Insurance contract liabilities	16	2,830,737	2,768,586
Liability arising from incurred claim		279,467	294,007
Liability arising from remaining coverage		2,551,270	2,474,579
Reinsurance contract liabilities	16	800	23
Lease liabilities	6	7,765	2,249
Deferred tax liabilities	14	12,084	9,829
Other payables	15	80,973	75,741
TOTAL LIABILITIES		<u><u>2,932,359</u></u>	<u><u>2,856,428</u></u>
TOTAL EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES		<u><u>3,383,701</u></u>	<u><u>3,362,785</u></u>

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

GENERALI LIFE INSURANCE MALAYSIA BERHAD
(Incorporated in Malaysia)

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

	<u>Note</u>	<u>2025</u> RM'000	<u>2024</u> RM'000
Insurance revenue	17	252,657	247,830
Insurance service expenses	22	(285,068)	(260,720)
Net (expenses)/income from reinsurance contracts		(11,785)	5,573
<i>Allocation of reinsurance premium</i>		<u>(33,200)</u>	<u>(47,063)</u>
<i>Net amount recoverable from reinsurers</i>		<u>21,415</u>	<u>52,636</u>
Insurance service result		<u>(44,196)</u>	<u>(7,317)</u>
Net realised gain measured at FVTPL	19	16,399	18,342
Net unrealised gain measured at FVTPL	20	707	98,688
Investment income and others	18	<u>126,710</u>	<u>121,992</u>
Net investment return		<u>143,816</u>	<u>239,022</u>
Finance expenses from insurance contracts	27(a)	(122,650)	(201,341)
Finance income from reinsurance contracts held	27(a)	<u>244</u>	<u>1,296</u>
Net insurance finance expenses		<u>(122,406)</u>	<u>(200,045)</u>
Net insurance and investment result		<u>(22,786)</u>	<u>31,660</u>
Other operating revenue	21	245	558
Other income	21	-	1
Other operating expenses	22	<u>(23,470)</u>	<u>(29,323)</u>
Net other expenses		<u>(23,225)</u>	<u>(28,764)</u>
(Loss)/Profit before income tax		<u>(46,011)</u>	<u>2,896</u>
Income tax expense	23	<u>(6,572)</u>	<u>(13,472)</u>
Loss for the year		<u><u>(52,583)</u></u>	<u><u>(10,576)</u></u>

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

GENERALI LIFE INSURANCE MALAYSIA BERHAD
(Incorporated in Malaysia)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	<u>Note</u>	<u>2025</u> RM'000	<u>2024</u> RM'000
Net loss for the financial year attributable to:			
- Owner of the Company		<u>(52,583)</u>	<u>(10,576)</u>
		<u>(52,583)</u>	<u>(10,576)</u>
Basic loss per share (sen)	24	<u>(8.61)</u>	<u>(1.76)</u>
Net loss for the financial year		(52,583)	(10,576)
Other comprehensive income/(loss):			
<u>Items that are or may be reclassified</u>			
<u>subsequently to profit or loss:</u>			
Debt investment at FVOCI		15,403	2,158
Net change in fair value	27(b)	<u>25,148</u>	<u>2,884</u>
Net amount reclassified to profit or loss	27(b)	<u>(9,745)</u>	<u>(726)</u>
Net finance expenses from insurance contracts	27(a)	(17,006)	(5,803)
Related income tax	27(b)	(918)	(182)
Other comprehensive loss for the year, net of tax		<u>(2,521)</u>	<u>(3,827)</u>
Total comprehensive loss for the year		<u>(55,104)</u>	<u>(14,403)</u>
Total comprehensive loss attributable to:			
- Owner of the Company		<u>(55,104)</u>	<u>(14,403)</u>
		<u>(55,104)</u>	<u>(14,403)</u>

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

GENERALI LIFE INSURANCE MALAYSIA BERHAD
(Incorporated in Malaysia)

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

-----Non-distributable-----							
		Share Capital	Fair Value Reserve	Insurance Finance Reserve	Share Option Reserve	Accumulated Losses	Total
	Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2024		581,000	28,240	(25,247)	122	(93,469)	490,646
Issuance of shares during the financial year	12	30,000	-	-	-	-	30,000
Net loss for the financial year		-	-	-	-	(10,576)	(10,576)
Other comprehensive income/(loss) for the financial year		-	1,976	(5,803)	-	-	(3,827)
Equity-settled share-based payment		-	-	-	114	-	114
At 31 December 2024/ 1 January 2025		611,000	30,216	(31,050)	236	(104,045)	506,357
Net loss for the financial year		-	-	-	-	(52,583)	(52,583)
Other comprehensive income/(loss) for the financial year		-	14,485	(17,006)	-	-	(2,521)
Equity-settled share-based payment		-	-	-	89	-	89
At 31 December 2025		<u>611,000</u>	<u>44,701</u>	<u>(48,056)</u>	<u>325</u>	<u>(156,628)</u>	<u>451,342</u>

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

GENERALI LIFE INSURANCE MALAYSIA BERHAD
(Incorporated in Malaysia)

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

	<u>Note</u>	<u>2025</u> RM'000	<u>2024</u> RM'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash flows generated from operating activities	25	(96,121)	(11,936)
Proceeds from disposal of investments		1,047,173	1,557,032
Purchase of investments		(1,094,099)	(1,667,007)
Dividend income received		56,165	46,051
Interest paid on lease liabilities		(279)	(67)
Interest income received		78,348	77,087
Income tax paid		(5,500)	(6,606)
Income tax refund		240	1,000
Net realised gain on disposal of investments		16,399	18,342
Net cash from operating activities		<u>2,326</u>	<u>13,896</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of property and equipment		27	101
Purchase of property and equipment		(13,638)	(6,713)
Purchase of intangible assets		(5,975)	(15,235)
Net cash used in investing activities		<u>(19,586)</u>	<u>(21,847)</u>

GENERALI LIFE INSURANCE MALAYSIA BERHAD
(Incorporated in Malaysia)

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

	<u>2025</u> RM'000	<u>2024</u> RM'000
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Issuance of shares	-	30,000
Repayment of lease liabilities	(2,029)	(1,780)
Net cash (used in)/from financing activities	(2,029)	28,220
Net (decrease)/increase in cash and cash equivalents	(19,289)	20,269
Cash and cash equivalents at 1 January	64,284	44,015
Cash and cash equivalents at 31 December	44,995	64,284
<u>Cash and cash equivalents comprise of:</u>		
Cash and bank balances	33,095	59,272
Fixed and call deposits with maturity of less than three months	11,900	5,012
	44,995	64,284
<u>Reconciliation of liabilities arising from financing activities</u>		
	<u>2025</u> RM'000	<u>2024</u> RM'000
Lease liabilities		
At 1 January	2,249	811
Cash flows	(2,308)	(1,847)
Interest charge	279	67
Lease additions	7,545	3,218
At 31 December	7,765	2,249

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

GENERALI LIFE INSURANCE MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025

1 CORPORATE INFORMATION

The Company is principally engaged in the underwriting of life insurance business, including investment-linked business. There have been no significant changes in the nature of the activity during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is at Level 16, Menara Generali, 27, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia. The principal place of business of the Company is at Level 1, Menara Generali, 27, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia.

The immediate holding company is Generali Malaysia Holding Berhad and the ultimate holding company is Assicurazioni Generali S.p.A. (hereinafter referred to collectively as “Generali”); they are incorporated in Malaysia and Italy respectively.

The financial statements have been approved for issue by the Board of Directors in accordance with their resolution on 27 March 2026.

2 BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Company have been prepared 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.

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Company:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements – Volume 11:
 - 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*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- 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*

GENERALI LIFE INSURANCE MALAYSIA BERHAD
(Incorporated in Malaysia)

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

2 BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

The Company plans to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2026 for the amendments that are effective for annual periods beginning on or after 1 January 2026 except for Amendments to MFRS 1 which are not applicable to the Company; and
- from the annual period beginning on 1 January 2027 for the accounting standards and amendments that are effective for annual periods beginning on or after 1 January 2027, except for MFRS 19 which is not applicable to the Company.

The initial application of the abovementioned accounting standards, amendments and interpretations is not expected to have any material financial impact to the current period and prior period financial statements of the Company, except as mentioned below:

MFRS 18, *Presentation and Disclosure in Financial Statements*

MFRS 18 will replace MFRS 101, *Presentation of Financial Statements* and applies for annual periods beginning on or after 1 January 2027. The new accounting standard introduces the following key requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal.
- Management-defined performance measures ("MPMs") are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Company is currently assessing the impact of adopting MFRS 18.

GENERALI LIFE INSURANCE MALAYSIA BERHAD
(Incorporated in Malaysia)

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

2 BASIS OF PREPARATION (CONTINUED)

(b) Basis of measurement

The financial statements of the Company have been prepared on the historical cost basis except as disclosed in the financial statements.

(c) Functional and presentation currencies

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information are presented in RM and have been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with MFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have a significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

Note 3(j) and Note 16 – Measurement of insurance contracts and reinsurance contracts held
Note 3(c) and Note 8 – Measurement of the recoverable amounts of cash generating units

GENERALI LIFE INSURANCE MALAYSIA BERHAD
(Incorporated in Malaysia)

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

3 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, unless otherwise stated.

(a) Investment in structured entities

The Company is exempted from presenting consolidated financial statements based on the criteria set out in paragraph 4 and MY4.1 of MFRS 10 *Consolidated Financial Statements*.

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

(b) Property and equipment

Recognition and measurement

All items of property and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property and equipment from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

Office equipment	- 5 years
Furniture and fittings	- 5 – 10 years
Computer equipment	- 3 years
Renovations	- 5 – 10 years
Motor vehicles	- 5 years

GENERALI LIFE INSURANCE MALAYSIA BERHAD
(Incorporated in Malaysia)

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

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(c) Intangible assets

Goodwill arising on acquisition of life insurance business

Goodwill arising on acquisition of life insurance business represents the excess of the cost of acquisition of the life insurance business over the fair value of the identifiable net assets recognised at the date of acquisition. Goodwill on acquisition of life insurance business is included in the statement of financial position as intangible assets.

Goodwill on acquisition of life insurance business is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment loss on goodwill on acquisition of life insurance business is not reversed as set out in Note 3(d) on the accounting policy for impairment of non-financial assets.

Computer software

Software development costs are capitalised where it is expected that future economic benefits will be derived and are amortised over a period between five to ten years (2024: five to ten years). Software maintenance costs are expensed as incurred.

Computer software - WIP

Software development work-in-progress is not depreciated until the asset is ready for its intended use.

(d) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Assets that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

A subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the statement of profit or loss immediately. Impairment loss on goodwill is not reversed.

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

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(e) Financial Instruments

The Company's accounting policies for classification and measurement of financial instruments and impairment of financial assets are as follows:

Classification and measurement

The Company classifies financial assets into three primary measurement categories: Fair Value Through Profit or Loss ("FVTPL"), Fair Value Through Other Comprehensive Income ("FVOCI") and Amortised Cost ("AC").

The classification of financial assets depends on the Company's business model of managing the financial assets in order to generate cash flows ("business model test") and the contractual cash flow characteristics of the financial instruments ("SPPI test"). The business model test determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. The SPPI test determines whether the contractual cash flows are solely for payments of principal and interest.

A financial asset is measured at AC if its business model is to hold the asset in order to collect contractual cash flows, and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal.

A financial asset is measured at FVOCI if its business model is both to hold the asset to collect contractual cash flows and to sell the financial asset. In addition, the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal.

For equity instruments, the standard requires the measurement at fair value through profit or loss, except for instruments that are not held for trading purposes, for which the option of irrevocable designation at fair value through other comprehensive income is adopted. If this option is adopted, income components other than dividends cannot be recycled in the profit or loss.

There is also the option, on initial recognition, to designate a financial instrument at fair value through profit or loss if that would eliminate or significantly reduce the accounting mismatch in the measurement of assets or liabilities or recognition of gains and losses related to them.

(f) Fair value of financial instruments

The basis of estimation of fair values of financial instruments is as follows:

- (i) The fair values of Malaysian Government Securities and unquoted debt securities are based on the indicative market prices by reference to the quotations provided by Bond Pricing Agency Malaysia Sdn. Bhd. (BPAM);
- (ii) Quoted equity securities of corporations, quoted unit and property trust funds and collective investment schemes are based on quoted market prices and statement of account from fund manager;
- (iii) The carrying amounts of financial assets and financial liabilities with a maturity period of less than one year are assumed to approximate their fair values; and
- (iv) Unquoted equity securities are measured using valuation techniques mentioned in Note 9(e).

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

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(g) Impairment of financial instruments

The Company assesses at each date of the statement of financial position whether there is objective evidence that a financial asset or a group of financial assets is impaired.

(i) Expected credit losses ("ECL")

The Company has been recording the allowance for expected credit losses for debt financial assets not held at FVTPL. Equity instruments are not subject to impairment.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Both 12-month ECL and lifetime ECL are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Company applies the general approach, which requires expected 12-month losses to be recognised from initial recognition of the debt financial assets not held at FVTPL.

(ii) Measurement of ECL

Expected Credit Loss (ECL) is the product of three main components namely Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).

The ECL is calculated using a combination of:

- PDs used for Stage 1 represent 12-month Point-in-Time (PiT) PDs, while PDs used for Stages 2 and 3 represent lifetime PDs up to the expected maturity of the instrument. These PDs are obtained using Moody's Expected Default Frequency (EDF)-based PD term structures, which incorporate country, industry and rating-specific risk factors.
- PDs are generated from the counterparty's long-term external rating using Moody's PiT Unconditional PD model, and further adjusted using Moody's GCorr / GCorr-Macro models to derive scenario-conditioned, forward-looking PDs.
- LGD is determined using Moody's RiskCalc LGD Model, which considers geography, industry, debt seniority, credit cycle, capital structure and historical recovery experience. A 5-year PiT LGD term structure and a long-run LGD are used.
- EAD is measured based on the Gross Carrying Amount, determined using the Effective Interest Rate (EIR) method and adjusted for expected future cash flows, including indexation or floating-rate resets.
- ECL incorporates discounting of expected losses using the effective interest rate.

For individually assessed assets, ECL represents the probability-weighted present value of all cash shortfalls over the expected life of the financial asset, discounted at the original effective interest rate. Cash shortfall is defined as the difference between contractual cash flows due to the Company and the cash flows expected to be received.

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

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(g) Impairment of financial instruments (continued)

(iii) Forward looking information

The Company incorporates forward-looking macroeconomic information in its ECL models, consistent with Moody's approach, which requires conditioning PDs (and where applicable LGDs) on scenario-based macroeconomic variables. Key macroeconomic drivers include GDP, unemployment, interest rates, equity indices, oil prices and other country-specific economic indicators.

Moody's methodology applies three macroeconomic scenarios-upside, baseline, and downside-each assigned a probability weight which are used to produce probability-weighted ECL estimates.

The Company notes that the models may not fully capture all characteristics or emerging risks at a specific reporting date. Where necessary, management overlays or qualitative adjustments are applied to reflect material risks not adequately captured by the statistical models.

A financial asset is written off when the Company determines that no reasonable expectation of recovery exists, taking into account all available information on the timing and amount of recoveries. Once written off, the Company does not expect significant recovery of the amount previously written off.

(h) Contingent liabilities and contingent assets

The Company does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Company. The Company does not recognise a contingent asset but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

(i) Equity instruments

Ordinary share capital

Ordinary shares are classified as equity. Incremental costs that are directly attributable to the issuance of new shares are recognised in equity, net of tax.

Dividends on ordinary share capital

Dividends are recognised as liabilities when the obligation to pay is established in the financial period in which the dividends are declared and approved by the Company's shareholders. No provision is made for a proposed dividend.

GENERALI LIFE INSURANCE MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONTINUED)

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(j) MFRS 17 *Insurance Contracts*

MFRS 17 introduces three ways for measuring insurance contracts. The General Measurement Model (GMM) model is based on Fulfillment Cash Flows (FCF), which includes the Present Value of Future Cash Flows (PVFC), Risk Adjustment (RA), and Contractual Service Margin (CSM). A simplified approach, known as the Premium Allocation Approach (PAA), is allowed for contracts with a duration of less than one year. The Variable Fee Approach (VFA) is used for contracts with direct participation of the policyholders in the Company's financial and/or insurance results.

MFRS 17 changes the presentation of revenues, which requires insurance revenues and costs for insurance services to be presented gross of reinsurance, providing a clearer view of both insurance and reinsurance activities. Pursuant to the MFRS 17, insurance liabilities are subject to discounting, the periodic unwinding of discounting will be a financial charge included in the financial result.

Scope and separation of components of an insurance contract

MFRS 17 is applied to contracts that meet the definition of an insurance contract, which generally include:

- Insurance contracts, including reinsurance contracts (i.e., Assumed business);
- Reinsurance contracts held; and
- Investment contracts with discretionary participation features (DPF) if the entity also issues insurance contracts

All contracts issued by the Company are within the scope of MFRS 17.

Insurance contracts create a bundle of rights and obligations that work together to generate a package of cash flows. While some contracts only provide insurance coverage, others may include components that fall under the scope of another standard if they were separate contracts, such as:

- Investment components
- Goods and services components
- Embedded derivatives

MFRS 17 requires separation of distinct investment components from the host contract if, and only if, both of the following criteria are met:

- The investment component and the insurance component are not highly interrelated. The two components are highly interrelated if the value of one component varies with the value of the other component and hence the entity is unable to measure each component without considering the other one. The components are also highly interrelated if the policyholder is unable to benefit from one component unless the other is also present;
- A contract with terms equivalent to the investment component is sold, or could be sold, separately in the same market or same jurisdiction.

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

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(j) MFRS 17 *Insurance Contracts* (continued)

If these conditions are not met, the investment component is identified as non-distinct, and MFRS 17 applies to the contract as a whole.

Recognition

Group of insurance contracts that are issued by the Company are initially recognised from the earliest of the following:

- the beginning of the coverage period of the group of contracts;
- the date when the first payment from a policyholder in the group becomes due; and
- for a group of onerous contracts, when the group becomes onerous.

Reinsurance contracts held are recognised as follows:

- the beginning of the coverage period of the group of reinsurance contracts held; and
- the date the entity recognises an onerous group of underlying insurance contracts applying paragraph 25(c), if the entity entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

Notwithstanding paragraph 62(a), an entity shall delay the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date that any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held.

Level of Aggregation

MFRS 17 requires an entity to aggregate contracts at inception in groups for recognition, measurement, presentation and disclosure. These groups are established at initial recognition and are not reassessed subsequently.

The aggregation process begins by identifying portfolios of insurance contracts, which are contracts subject to similar risks and managed together. The assessment of "similar risks" considers the prevailing risks of the contracts. If the prevailing risks are similar, the contracts can be considered as exposed to similar risks.

MFRS 17 then requires dividing the contracts in each portfolio into the following groups:

- group of contracts that are onerous at initial recognition;
- group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently; and
- group of the remaining contracts in the portfolio.

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

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(j) MFRS 17 *Insurance Contracts* (continued)

MFRS 17 prescribes that an entity cannot include contracts issued more than one year apart in the same group. Therefore, each portfolio should be disaggregated into annual cohorts, or cohorts consisting of periods of less than one year.

Contract Boundary

The measurement of a group of insurance contracts includes all expected cash flows within the boundary of each contract in the group. The Company considers contract boundary requirements as linked to the entity's ability to fully reprice a contract. If the entity cannot fully reprice the contract when the premium is paid or the option is exercised, all future premiums and policyholder options should be included in the initial projections.

Contract boundaries are set considering the insurance contract as a whole and not considering each component independently.

Fulfillment Cash Flows

Expected Future Cash Flows: These represent an estimate of future cash flows within the contract boundary. The estimates should be unbiased, current, explicit, and reflect the entity's perspective, consistent with observable market prices. Only expenses directly attributable to insurance and reinsurance contracts are considered.

Time Value of Money: MFRS 17 requires adjusting expected cash flows to reflect the time value of money and associated financial risks. Discount rates must reflect the time value of money, cash flow characteristics, and liquidity, and be consistent with observable market prices. The Company uses a bottom-up approach to define discount rates, applying a risk-neutral approach for both participating and non-participating business.

Risk Adjustment (RA): This provides information about the compensation required for bearing non-financial risk, including insurance risk and other non-financial risks. It reflects the degree of diversification benefit and the entity's risk aversion. Changes in the risk adjustment for non-financial risk are included in the insurance service result.

Contractual Service Margin (CSM): This reflects the unearned profit for future services, adjusted for new business, changes in non-financial variables, interest accretion, financial variables, currency exchange differences, and the release of the margin for services provided during the period. The CSM is released based on coverage units, considering the quantity of benefits provided and the expected coverage duration.

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

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(j) MFRS 17 *Insurance Contracts* (continued)

Variable Fee Approach (VFA)

The VFA is the mandatory measurement model for insurance contracts with direct participation features, primarily applied to participating and unit-linked policies. Changes in the fair value of the underlying investments are reflected in the measurement of Fulfilment Cash Flows and the Contractual Service Margin.

Premium Allocation Approach (PAA)

The PAA is an optional simplified model for measuring the Liability for Remaining Coverage for short-term contracts, limited to groups of contracts with a duration not exceeding one year. The acquisition expense for PAA contracts is deferred and released within one year.

General Model Measurement (GMM)

The GMM is the standard measurement model envisaged by the standard for the measurement of insurance assets and liabilities, mainly applied to traditional non-participating policies not eligible for the VFA.

Insurance finance income or expenses

MFRS 17 requires an entity to make an accounting policy choice whether to disaggregate insurance finance income or expenses for the period between profit or loss and other comprehensive income. This accounting policy must be applied consistently at the portfolio level for both insurance contracts issued and reinsurance contracts held.

When selecting the disaggregation policy, entities should assess potential accounting mismatches between insurance obligations under MFRS 17 and financial instruments under MFRS 9, and consider ways to mitigate these mismatches.

Group(s) of Contracts	Position
Insurance contracts with direct participating features (VFA) - Participating contracts	Disaggregate insurance finance income or expenses for the period to include in profit or loss an amount that eliminates accounting mismatches with income or expenses included in profit or loss on the underlying items held. This will result in the net of the separately presented items being nil.
Insurance contracts with direct participating features (VFA) - Investment-linked insurance contract	All insurance finance income or expenses flow through profit or loss.
Insurance contracts without participating features (GMM)	Disaggregate insurance finance income or expenses for the period to include in profit or loss an amount determined by a systematic allocation of the expected total insurance finance income or expenses over the duration of the group of contracts. The systematic allocation is determined using the discount rate determined on initial recognition of the group of contracts.

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

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(k) Other revenue recognition

Rental income

Rental income from investment properties are recognised on a straight-line basis over the term of the lease.

Interest income

Interest income is recognised using the effective interest rate method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate.

Other interest income including the amount of amortisation of premiums and accretion of discounts is recognised on a time proportion basis that takes into account the effective yield of the assets.

Dividend income

Dividend income is recognised when the Company's right to receive payment is established.

Realised gains and losses on investments

Realised gains and losses recorded in the statement of profit or loss on investments include gains and losses on financial assets and investment properties. Gains and losses on the sale of financial assets are calculated as the difference between the net sales proceeds and the original or amortised cost and are recorded on the occurrence of the sale transaction.

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

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(l) Foreign currencies

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

Operations denominated in functional currency other than Ringgit Malaysia

The results and financial position of the Investment-linked funds with functional currency that is different from the presentation currency of the Company are translated into the presentation currency as follows:

- (i) Assets and liabilities for the statement of financial position are translated at the closing rate at the date of the statement of financial position;
- (ii) Income and expenses for the statement of profit or loss are translated at the average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates), in which case income and expenses are translated using the exchange rates at the dates of the transactions; and
- (iii) All resulting exchange differences are recognised as a separate component of equity under the foreign currency translation reserve except for the investment-linked business, where such exchange differences are reported as part of the insurance contract liabilities.

(m) Fair value measurements

The Company categorises its fair value measurements according to a three-level hierarchy. The hierarchy prioritises the inputs used by the Company's valuation techniques for determining the fair value of the financial assets.

A level is assigned to each fair value measurement based on the lowest level input significant to the fair value measurement in its entirety. The three-level hierarchy is defined as follows:

Level 1 - Fair value measurements that reflect unadjusted, quoted prices in active markets for identical assets and liabilities that the Company has the ability to access at the measurement date. Valuations are based on quoted prices reflecting market transactions involving assets or liabilities identical to those being measured.

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

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(m) Fair value measurements (continued)

Level 2 - Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in inactive markets, inputs that are observable that are not prices (such as interest rates, credit risks, etc) and inputs that are derived from or corroborated by observable market data.

Level 3 - Fair value measurements using significant non market observable inputs. These include valuations for assets and liabilities that are derived using data, some or all of which are not market observable, including assumptions about risk.

(n) Cash and cash equivalents

Cash and cash equivalents consist of cash, bank balances and fixed and call deposits with original maturities of three months or less. It excludes deposits which are held for investment purposes.

The Company classifies cash flows from the acquisition and disposal of financial assets as operating cash flows, as the purchases are funded from cash flows associated with the origination of insurance contracts, net of cash flows for payments of benefits and claims incurred for insurance contracts, which are respectively treated under the operating activities.

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

4 CHANGES IN MATERIAL ACCOUNTING POLICIES

MFRS 17 *Insurance Contracts*

The Company has consistently applied MFRS 17 as set out in Note 3(j) to all periods presented in these financial statements, except in respect of some groups of insurance and reinsurance contracts existing at 1 January 2022 which is the date the Company transitioned to MFRS 17.

For some groups of insurance and reinsurance contracts in the non-participating, participating and investment linked fund, the Company applied the fair value approach in MFRS 17 to identify, recognise and measure the groups of contracts at 1 January 2022 because it was impracticable to apply the full retrospective approach. This transition approach continues to impact a significant part of how the CSM balance has been determined at the reporting date. See Note 16(E)(iv).

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

5 PROPERTY AND EQUIPMENT

	<u>Office equipment</u> RM'000	<u>Furniture and fittings</u> RM'000	<u>Computer equipment</u> RM'000	<u>Renovations</u> RM'000	<u>Motor vehicles</u> RM'000	<u>Total</u> RM'000
<u>Cost</u>						
At 1 January 2024	894	1,331	8,842	6,396	341	17,804
Additions	1,094	1,276	693	3,650	-	6,713
Disposal	(37)	(25)	(177)	(576)	-	(815)
At 31 December 2024 / 1 January 2025	1,951	2,582	9,358	9,470	341	23,702
Additions	264	2,688	3,584	7,102	-	13,638
Disposal	(167)	(53)	-	(4,895)	-	(5,115)
At 31 December 2025	2,048	5,217	12,942	11,677	341	32,225
<u>Accumulated depreciation</u>						
At 1 January 2024	(808)	(1,270)	(8,062)	(6,078)	(79)	(16,297)
Charge for the financial year (Note 22)	(162)	(173)	(421)	(558)	(68)	(1,382)
Disposal	30	12	177	496	-	715
At 31 December 2024 / 1 January 2025	(940)	(1,431)	(8,306)	(6,140)	(147)	(16,964)
Charge for the financial year (Note 22)	(251)	(489)	(1,266)	(1,359)	(68)	(3,433)
Disposal	145	48	-	4,895	-	5,088
At 31 December 2025	(1,046)	(1,872)	(9,572)	(2,604)	(215)	(15,309)
<u>Net book value</u>						
31 December 2025	1,002	3,345	3,370	9,073	126	16,916
31 December 2024	1,011	1,151	1,052	3,330	194	6,738

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

6 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Right-of-use assets

	<u>2025</u> RM'000	<u>2024</u> RM'000
At 1 January	2,213	804
Additions	7,545	3,218
Depreciation charge for the financial year (Note 22)	(2,461)	(1,809)
At 31 December	<u>7,297</u>	<u>2,213</u>

The Company leases a number of buildings for its office space and branches. The leases typically run for a period of 2 to 9 years, but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants.

(b) Lease Liabilities

	<u>2025</u> RM'000	<u>2024</u> RM'000
Current	1,313	1,404
Non-current	<u>6,452</u>	<u>845</u>
At 31 December	<u>7,765</u>	<u>2,249</u>

GENERALI LIFE INSURANCE MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONTINUED)

7 INVESTMENT PROPERTY

	<u>2025</u> RM'000	<u>2024</u> RM'000
At 1 January	389	389
Change in fair value recognised in profit or loss (Note 20)	<u>31</u>	<u>-</u>
At 31 December	<u>420</u>	<u>389</u>

Fair value information

Fair value of investment property is categorised as follows:

	<u>2025</u> <u>Level 3</u> RM'000	<u>2024</u> <u>Level 3</u> RM'000
Investment property	<u>420</u>	<u>389</u>

Investment property is measured at fair value with any changes therein recognised in profit or loss for the period in which they arise.

The fair value of the investment property was determined based on valuation performed by CBRE WTW Valuation & Advisory Sdn Bhd, a registered independent valuer.

The method of valuation is the Market/Comparison Approach. This approach entails listing recorded open market sales and other relevant market evidence such as current offers for sale of similar properties and making adjustments thereto for value affecting factors such as the location of the property; shape, size, and physical terrain of the land; design, age, finishes, improvements and renovation and condition of the building; the cost of constructing the building plus all improvements and renovations; the demand for the property in its existing use and condition; legal and planning conditions affecting the property and uses of surrounding properties.

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

8 INTANGIBLE ASSETS

	Note	<u>2025</u> RM'000	<u>2024</u> RM'000
Goodwill arising on acquisition of life insurance business			
At 1 January/ 31 December	(a)	<u>99,120</u>	<u>99,120</u>
Computer software			
At 1 January		37,084	1,894
Additions		5,419	11,602
Transfer from Computer software - WIP		71	28,113
Amortisation charge for the financial year (Note 22)		<u>(5,252)</u>	<u>(4,525)</u>
At 31 December	(b)	<u>37,322</u>	<u>37,084</u>
Computer software - WIP			
At 1 January		-	24,786
Additions		556	3,633
Transfer to expenses		-	(306)
Transfer to Computer software		<u>(71)</u>	<u>(28,113)</u>
At 31 December		<u>485</u>	<u>-</u>
Total		<u>136,927</u>	<u>136,204</u>

- (a) The Company tests goodwill arising on acquisition of life insurance business for impairment annually in accordance with its accounting policy. More regular reviews are performed if events indicate that this is necessary.

Goodwill is allocated to cash-generating units ("CGU") for the purpose of impairment testing. A CGU represents the lowest level for which there are separately identifiable operational cash flows. The CGU represents the life insurance business of the Company.

In testing whether impairment is necessary, the recoverable amount of the goodwill has been determined based on the value of expected future new business. Management's judgement is involved in estimating the value of expected future new business. The key assumptions taken into account in preparing the valuation are detailed as follows:

- (i) A multiple of 14 (2024: 16) on new business value is used to compute the total value of expected future new business;
- (ii) Expense inflation rate is 3% (2024: 3%);
- (iii) Risk discount rate is 9% (2024: 13%);
- (iv) Tax rate of 8% (2024: 8%) for Life fund and 24% (2024: 24%) for Shareholders' fund;

At 31 December 2025, the recoverable amount exceeds the carrying value of goodwill.

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

8 INTANGIBLE ASSETS (CONTINUED)

Sensitivity to changes in key assumptions

Based on the assessment of the recoverable amount for the CGU, the Company does not expect that any significant change in the abovementioned key assumptions will cause the carrying amount of the goodwill to exceed its recoverable amount, therefore resulting in impairment of goodwill.

- (b) Other intangible assets comprise of computer application software and software costs which are developed or acquired to meet the unique requirements of the Company. Computer software costs are capitalised where it is expected that future economic benefits will be derived and are amortised over a period between five and ten years (non-integration computer software to remain at 5 years) (2024: Five to ten years).

9 INVESTMENTS

The financial assets are summarised by categories as follows:

		<u>2025</u>	<u>2024</u>
		RM'000	RM'000
Fair value through other comprehensive income financial assets ("FVOCI")	(a)	1,583,760	1,617,548
Fair value through profit or loss ("FVTPL") financial assets	(b)	1,431,383	1,338,837
Amortised cost financial assets	(c)	67,918	100,994
		<u>3,083,061</u>	<u>3,057,379</u>

The following financial assets are expected to be realised after 12 months:

FVOCI financial assets	1,541,531	1,549,041
FVTPL financial assets	174,487	121,585
	<u>1,716,018</u>	<u>1,670,626</u>

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

9 INVESTMENTS (CONTINUED)

(a) Fair value through other comprehensive income (FVOCI)

	<u>2025</u> RM'000	<u>2024</u> RM'000
<u>At fair value</u>		
Malaysian Government Securities	462,134	396,456
Debt securities unquoted in Malaysia	<u>1,121,626</u>	<u>1,221,092</u>
	<u>1,583,760</u>	<u>1,617,548</u>

(b) Fair value through profit or loss (FVTPL)

	<u>2025</u> RM'000	<u>2024</u> RM'000
<u>At fair value</u>		
Malaysian Government Securities	122,213	90,211
Equity securities quoted in Malaysia	194,679	187,452
Equity securities quoted outside Malaysia	86,338	60,075
Equity securities unquoted in Malaysia	4,351	4,351
Debt securities unquoted in Malaysia	58,081	34,212
Unit and property trust funds quoted in Malaysia (Note 10 (b))	743,842	717,139
Collective Investment Scheme	<u>221,879</u>	<u>245,397</u>
	<u>1,431,383</u>	<u>1,338,837</u>

(c) Amortised cost financial assets

	<u>2025</u> RM'000	<u>2024</u> RM'000
Fixed and call deposits	<u>67,918</u>	<u>100,994</u>
	<u>67,918</u>	<u>100,994</u>

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9 INVESTMENTS (CONTINUED)

(d) Carrying values of financial assets

	<u>FVOCI</u>	<u>FVTPL</u>	<u>Amortised</u> <u>Cost</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
At 1 January 2024	1,550,162	1,194,350	113,283	2,857,795
Purchase	895,104	771,903	-	1,667,007
Disposals	(831,000)	(726,032)	-	(1,557,032)
Fair value gains recorded in:				
Profit or loss (Note 20)	-	98,688	-	98,688
Other comprehensive income	2,158	-	-	2,158
Expected credit loss	(3)	-	-	(3)
Decrease in fixed and call deposits	-	-	(12,309)	(12,309)
Movement in accrued interests	1,127	(72)	20	1,075
At 31 December 2024/ 1 January 2025	1,617,548	1,338,837	100,994	3,057,379
Purchase	402,115	691,984	-	1,094,099
Disposals	(446,582)	(600,591)	-	(1,047,173)
Fair value gains recorded in:				
Profit or loss (Note 20)	-	676	-	676
Other comprehensive income	15,403	-	-	15,403
Expected credit loss	(3,622)	-	-	(3,622)
Decrease in fixed and call deposits	-	-	(32,620)	(32,620)
Movement in accrued interests	(1,102)	477	(456)	(1,081)
At 31 December 2025	1,583,760	1,431,383	67,918	3,083,061

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9 INVESTMENTS (CONTINUED)

(e) Fair values of financial assets

The following table shows the financial assets recorded at fair value analysed by the different bases of fair value as follows:

	<u>FVOCI</u> RM'000	<u>FVTPL</u> RM'000	<u>Total</u> RM'000
<u>2025</u>			
Level 1 - Quoted market price	-	221,879	221,879
Level 2 - Market observable inputs	1,583,760	1,205,153	2,788,913
Level 3 - Unobservable inputs	-	4,351	4,351
	<u>1,583,760</u>	<u>1,431,383</u>	<u>3,015,143</u>
<u>2024</u>			
Level 1 - Quoted market price	-	245,397	245,397
Level 2 - Market observable inputs	1,617,548	1,089,089	2,706,637
Level 3 - Unobservable inputs	-	4,351	4,351
	<u>1,617,548</u>	<u>1,338,837</u>	<u>2,956,385</u>

The Company categorises its fair value measurements according to a three-level hierarchy. The hierarchy prioritises the inputs used by the Company's valuation techniques for determining the fair value of the financial assets.

Information about significant unobservable inputs used in Level 3 fair value measurements:

	Fair value as at 31 December RM'000	Valuation techniques	Unobservable Inputs
<u>FVTPL Financial Asset</u>			
Unquoted equities	4,351	Dividend discount model	Average ordinary growth dividend

These investments are valued using the dividend discount model. The average ordinary growth dividend of these investments as at the reporting period is an unobservable input as it is not published. Accordingly, these investments are classified as Level 3 investments within the fair value hierarchy. A reasonable change to the significant unobservable inputs is not expected to have a material impact on the total equity of the Company.

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9 INVESTMENTS (CONTINUED)

(e) Fair values of financial assets (continued)

A level is assigned to each fair value measurement based on the lowest level input significant to the fair value measurement in its entirety. The three-level hierarchy is defined as follows:

Level 1 - Fair value measurements that reflect unadjusted, quoted prices in active markets for identical assets and liabilities that the Company has the ability to access at the measurement date. Valuations are based on quoted prices reflecting market transactions involving assets or liabilities identical to those being measured.

Level 2 - Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in inactive markets, inputs that are observable that are not prices (such as interest rates, credit risks, etc) and inputs that are derived from or corroborated by observable market data.

Level 3 - Fair value measurements using significant non market observable inputs. These include valuations for assets and liabilities that are derived using data, some or all of which is not market observable, including assumptions about risk.

(f) Composition of underlying items

	<u>2025</u> RM'000	<u>2024</u> RM'000
Fair value of the underlying assets		
Malaysian Government Securities	122,213	90,211
Equity securities quoted in Malaysia	194,679	187,452
Equity securities quoted outside Malaysia	86,338	60,075
Debt securities unquoted in Malaysia	58,081	34,212
Unit and property trust funds quoted in Malaysia	461,562	439,243
Collective Investment Scheme	221,879	245,397
	<u>1,144,752</u>	<u>1,056,590</u>

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10 CONTROLLED STRUCTURED ENTITY & INTEREST IN STRUCTURED ENTITIES

(a) Controlled Structured Entity

During the financial year, the Company held units in a wholesale unit trust fund which was established in Malaysia and managed by an external fund manager. Details of the investment in the wholesale unit trust fund are as follows:

<u>Name of fund</u>	<u>Principal activities</u>	<u>% of ownership interest held by the Company</u>	
		<u>2025</u>	<u>2024</u>
AHAM Wholesale Equity Fund	Invests in equity, unlisted securities warrants, units or shares in collective Investment schemes, deposits and money market instruments	99.992%	99.992%

The Company has determined that its investment in the wholesale unit trust fund amounting to RM221,879,000 (2024: RM245,397,000) as an investment in a structured entity ("investee fund"). The investee fund is managed by AHAM Asset Management Berhad.

The Company holds 99.992% (2024: 99.992%) of units in AHAM Wholesale Equity Fund and thus has control over the investee fund.

This investee fund is classified as FVTPL financial assets and the change in fair value of the investee fund is included in the statement of profit or loss in the Company's financial statements.

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

10 CONTROLLED STRUCTURED ENTITY & INTEREST IN STRUCTURED ENTITIES (CONTINUED)

(a) Controlled Structured Entity (continued)

The Company's exposure to investments in the investee fund is disclosed below.

	<u>2025</u> RM'000	<u>2024</u> RM'000
Net asset value per unit (RM)	1.3898	1.4626
Financial assets at fair value through profit or loss	205,630	242,066
Cash and cash equivalents	16,240	9,371
Dividend receivables	50	113
Amount due from brokers	73	-
Payables	(93)	(6,131)
	<u>221,900</u>	<u>245,419</u>
Net profit for the financial year	<u>1,514</u>	<u>55,830</u>

The Company's maximum exposure to loss from its interests in the investee fund is equal to the fair value of its investment in the investee fund.

The Company has control over the investee fund which is considered a controlled structured entity. In view of the criteria set out in paragraph 4 and MY4.1 of MFRS 10 *Consolidated Financial Statements*, the Company is exempted from presenting consolidated financial statements. The consolidated financial statements will be presented by Generali Malaysia Holding Berhad, its immediate holding company.

(b) Interest In Structured Entity

The Company has determined that its investment in unit trust funds of RM743,842,000 (2024: RM717,139,000) as disclosed in Note 9 to the financial statements to be investments in unconsolidated structured entities ("investee funds"). These funds aim to provide investors with a steady income over a medium to long-term investment horizon. These investee funds finance their operations through the creation of investee fund units which entitle the holder to variable returns and fair values in the respective investee fund's net assets.

These investee funds are classified as FVTPL. The changes in fair value of the investee funds are included in the statement of financial position and the statement of profit or loss of the Company.

The Company's maximum exposure to loss arising from its interest in these unconsolidated structured entities is limited to the carrying amount of the assets. Dividend income is received during the reporting period from these interests in unconsolidated structured entities.

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

11 OTHER RECEIVABLES

	<u>2025</u> RM'000	<u>2024</u> RM'000
Investment receivable	7	1,309
Other deposits	962	1,000
Other receivables	5,017	2,931
Amount due from a related party	1,258	2
	<u>7,244</u>	<u>5,242</u>
Allowance for impairment (Note 31(a))	(263)	(199)
	<u>6,981</u>	<u>5,043</u>
Receivable within 12 months	6,019	4,043
Receivable after 12 months	962	1,000
	<u>6,981</u>	<u>5,043</u>

The amount due from a related party is unsecured, interest free and has no fixed repayment terms.

12 SHARE CAPITAL

	<u>2025</u>		<u>2024</u>	
	<u>Number of shares '000</u>	<u>Amount RM'000</u>	<u>Number of shares '000</u>	<u>Amount RM'000</u>
<u>Issued and fully paid-up:</u>				
<u>Ordinary shares with no par value</u>				
At beginning of the financial year	611,000	611,000	581,000	581,000
Add: Issuance of shares during the financial year	-	-	30,000	30,000
At end of the financial year	<u>611,000</u>	<u>611,000</u>	<u>611,000</u>	<u>611,000</u>

In the prior financial year, the Company issued 30,000,000 new ordinary shares of RM1.00 each for cash, to fund the future expansion of the Company. The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

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

13 RESERVES

(a) FAIR VALUE RESERVE

	<u>2025</u> RM'000	<u>2024</u> RM'000
Fair value through other comprehensive income financial assets		
Gross fair value gains	44,638	32,857
Deferred tax	(3,571)	(2,653)
Expected Credit Loss	3,634	12
Net fair value gains	<u>44,701</u>	<u>30,216</u>

The fair value through other comprehensive income reserve is in respect of fair value gains or losses on fair value through other comprehensive income financial assets, net of deferred tax, held by the Non-participating life fund, Participating life fund, Shareholders' fund and Investment Linked Operating fund.

(b) SHARE OPTION RESERVE

Share option reserve is arising from share-based compensation plans granted by the ultimate holding company, namely Generali Share Option Scheme.

Generali Share Option Scheme is the plan that provides employees with the opportunity to purchase Generali shares at favorable 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 $\geq$ 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 revised 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.

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

14 DEFERRED TAX ASSETS/(LIABILITIES)

	Note	2025 RM'000	2024 RM'000
Deferred tax liabilities		(12,084)	(10,222)
Deferred tax assets		-	393
		<u>(12,084)</u>	<u>(9,829)</u>
At 1 January		(9,829)	(2,724)
<u>(Charged)/credited to profit or loss:</u>			
FVTPL financial assets		16	(4,924)
Property and equipment		(1,061)	(990)
Accretion/(Amortisation) of FVOCI financial assets		101	(141)
Unutilised tax losses		(393)	(868)
	23	(1,337)	(6,923)
<u>Charged to other comprehensive income:</u>			
FVOCI financial assets	27(b)	(918)	(182)
At 31 December		<u>(12,084)</u>	<u>(9,829)</u>

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

14 DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

The composition of deferred tax assets/liabilities before and after appropriate offsetting is as follows:

	<u>2025</u> RM'000	<u>2024</u> RM'000
<u>Subject to income tax:</u>		
<u>Deferred tax assets:</u> (before offsetting)		
Unutilised tax losses	-	393
Offsetting	-	(393)
Deferred tax asset (after offsetting)	-	-

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.

Under the Malaysian Finance Act 2021, the Company's unutilised tax losses are extended to 10 consecutive years of assessment (from 7 years) (i.e. from year of assessment 2021 to 2028).

The Company's unutilised tax losses are as below:

<u>Year of assessment</u>	<u>RM'000</u>	<u>Expiry date</u>
2018	74,671	2025
Utilisation of unutilised tax loss in FY2020	(8,910)	
Utilisation of unutilised tax loss in FY2021	(13,504)	
	52,257	2028
2019	946	2029
2020	382	2030
2022	44,485	2032
2023	42,804	2033
2024	51,747	2034
2025	21,325	2035
Total unutilised tax losses	213,946	

The Company has unrecognised deferred tax asset arising from unutilised tax losses of RM213.9 million as at 31 December 2025 (2024: RM192.5 million) for which no deferred tax assets are recognised in the statement of financial position, as it is not probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

The following amounts, determined after appropriate offsetting, are shown in the statement of financial position.

Deferred tax liabilities:

	<u>2025</u> RM'000	<u>2024</u> RM'000
Property and equipment	(1,866)	(805)
FVOCI financial assets	(2,929)	(2,112)
FVTPL financial assets	(7,289)	(7,305)
	(12,084)	(10,222)
Offsetting	-	393
Deferred tax liabilities (after offsetting)	(12,084)	(9,829)

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

15 OTHER PAYABLES

	<u>2025</u>	<u>2024</u>
	RM'000	RM'000
Accrued expenses	33,215	49,760
Commission payable	9,405	6,994
Amount due to fund manager	1,513	2,530
Other payables	5,943	5,174
Amount due to related parties	12,569	318
Unclaimed Monies	18,328	10,965
	<u>80,973</u>	<u>75,741</u>
Payable within 12 months	79,563	73,074
Payable after 12 months	1,410	2,667
	<u>80,973</u>	<u>75,741</u>

The amount due to related parties is unsecured, interest free and has no fixed repayment terms.

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

16 INSURANCE AND REINSURANCE CONTRACTS

		2025		2024	
	Note	Assets	Liabilities	Assets	Liabilities
		RM'000	RM'000	RM'000	RM'000
Insurance contracts					
Non-Participating	A(i)	37,304	827,143	42,313	762,921
Participating	A(ii)	-	1,149,119	-	1,216,333
Investment-Linked	A(iii)	2,346	854,475	1,362	789,332
Total insurance contracts		39,650	2,830,737	43,675	2,768,586
Reinsurance contracts					
Non-Participating	A(i)	5,207	155	11,337	-
Participating	A(ii)	-	645	143	23
Investment-Linked	A(iii)	33,498	-	26,530	-
Total reinsurance contracts		38,705	800	38,010	23

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

	2025	2024
	RM'000	RM'000
Insurance contracts assets	37,397	40,952
Insurance contracts liabilities	2,321,579	2,239,718
Reinsurance contracts assets	17,527	20,207
Reinsurance contracts liabilities	(203)	1

The following reconciliations show how the net carrying amounts of insurance and reinsurance contracts in each fund changed during the year as a result of cash flows and amounts recognised in the statement of profit or loss and OCI.

For each fund, the Company presents a table that separately analyses movements in the liabilities for remaining coverage and movements in the liabilities for incurred claims and reconciles these movements to the line items in the statement of profit or loss and OCI.

A second reconciliation is presented for contracts not measured under the PAA, which separately analyses changes in the estimates of the present value of future cash flows, the risk adjustment for non-financial risk and the CSM.

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances

i) Non-Participating

	Note	2025			
		Liabilities for remaining coverage		Liabilities for incurred claims	Total
		Excluding loss component	Loss component		
		RM'000	RM'000	RM'000	RM'000
Insurance contracts					
<i>Analysis by remaining coverage and incurred claims</i>					
Opening Assets		(54,174)	5,476	6,385	(42,313)
Opening Liabilities		698,137	33,827	30,957	762,921
Net opening liabilities		643,963	39,303	37,342	720,608
Changes in the statement of profit or loss and OCI					
Insurance revenue					
Expected incurred claims and other insurance service expenses		(65,082)	-	-	(65,082)
Change in risk adjustment for non-financial risk for risk expired		(7,473)	-	-	(7,473)
CSM recognised for services provided		(13,894)	-	-	(13,894)
Recovery of insurance acquisition cash flows		(25,311)	-	-	(25,311)
Contracts under PAA		(22,254)	-	-	(22,254)
	17	(134,014)	-	-	(134,014)
Insurance service expenses					
Incurred claims and other insurance service expenses		-	(8,763)	109,858	101,095
Amortisation of insurance acquisition cash flows		29,314	-	-	29,314
Losses and reversal of losses on onerous contracts		-	16,384	-	16,384
Adjustments to liabilities for incurred claims		-	-	194	194
		29,314	7,621	110,052	146,987
Investment components		(19,610)	-	19,610	-
Insurance service result		(124,310)	7,621	129,662	12,973
Net finance expenses from insurance contracts	27(a)	33,482	1,321	-	34,803
Total changes in the statement of profit or loss and OCI		(90,828)	8,942	129,662	47,776
Cash flows					
Premiums received		196,964	-	-	196,964
Claims and other insurance service expenses paid, including investment components		-	-	(109,157)	(109,157)
Insurance acquisition cash flows		(34,540)	-	-	(34,540)
Total cash flows		162,424	-	(109,157)	53,267
Transfer to other items in the statement of financial position		-	-	(31,812)	(31,812)
Net Closing Balance		715,559	48,245	26,035	789,839
Closing Assets		(56,215)	12,228	6,683	(37,304)
Closing Liabilities		771,774	36,017	19,352	827,143
Net Closing Liabilities		715,559	48,245	26,035	789,839

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

i) Non-Participating (continued)

	Note	2024			
		Liabilities for remaining coverage		Liabilities for incurred claims	Total
		Excluding loss component	Loss component		
		RM'000	RM'000	RM'000	RM'000
Insurance contracts (continued)					
<i>Analysis by remaining coverage and incurred claims (continued)</i>					
Opening liabilities		604,394	36,421	23,037	663,852
Changes in the statement of profit or loss and OCI					
Insurance revenue					
Expected incurred claims and other insurance service expenses		(69,534)	-	-	(69,534)
Change in risk adjustment for non-financial risk for risk expired		(6,952)	-	-	(6,952)
CSM recognised for services provided		(11,392)	-	-	(11,392)
Recovery of insurance acquisition cash flows		(25,280)	-	-	(25,280)
Contracts under PAA		(23,794)	-	-	(23,794)
	17	(136,952)	-	-	(136,952)
Insurance service expenses					
Incurred claims and other insurance service expenses		-	(11,123)	117,158	106,035
Amortisation of insurance acquisition cash flows		31,046	-	-	31,046
Losses and reversal of losses on onerous contracts		-	12,562	-	12,562
Adjustments to liabilities for incurred claims		-	-	(37)	(37)
		31,046	1,439	117,121	149,606
Investment components		(24,638)	-	24,638	-
Insurance service result		(130,544)	1,439	141,759	12,654
Net finance expenses from insurance contracts	27(a)	18,684	1,443	-	20,127
Total changes in the statement of profit or loss and OCI		(111,860)	2,882	141,759	32,781
Cash flows					
Premiums received		186,927	-	-	186,927
Claims and other insurance service expenses paid, including investment components		-	-	(93,232)	(93,232)
Insurance acquisition cash flows		(35,498)	-	-	(35,498)
Total cash flows		151,429	-	(93,232)	58,197
Transfer to other items in the statement of financial position		-	-	(34,222)	(34,222)
Net Closing Balance		643,963	39,303	37,342	720,608
Closing Assets		(54,174)	5,476	6,385	(42,313)
Closing Liabilities		698,137	33,827	30,957	762,921
Net Closing Liabilities		643,963	39,303	37,342	720,608

GENERALI LIFE INSURANCE MALAYSIA BERHAD

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

i) Non-Participating (continued)

		2025				
		CSM (see C)				
		Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contracts under fair value transition approach	Other contracts	Total
	Note	RM'000	RM'000	RM'000	RM'000	RM'000
Insurance contracts (continued)						
<i>Analysis by measurement component-</i>						
<i>Contracts not measured under PAA</i>						
Opening assets		(105,646)	40,954	18,039	8,329	(38,324)
Opening liabilities		644,207	50,896	4,632	46,500	746,235
Net opening liabilities		538,561	91,850	22,671	54,829	707,911
Changes in the statement of profit or loss and OCI						
Changes that relate to current services						
CSM recognised for services provided	17	-	-	(2,825)	(11,069)	(13,894)
Change in risk adjustment for non-financial risk for risk expired		-	(8,712)	-	-	(8,712)
Experience adjustments		27,031	-	-	-	27,031
Changes that relate to future services						
Contracts initially recognised in the year	B(i)	(12,148)	9,409	-	4,587	1,848
Changes in estimates that adjust the CSM		(12,625)	6,315	(3,252)	9,562	-
Changes in estimates that result in losses and reversal of losses on onerous contracts		12,572	2,686	-	-	15,258
Changes that relate to past services						
Adjustments to liabilities for incurred claims		-	162	-	-	162
Insurance service result		14,830	9,860	(6,077)	3,080	21,693

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

i) Non-Participating (continued)

		2025				
		CSM (see C)				
		Estimates of present value of future cash flows	Risk adjustment for non- financial risk	Contracts under fair value transition approach	Other contracts	Total
	Note	RM'000	RM'000	RM'000	RM'000	RM'000
Insurance contracts (continued)						
<i>Analysis by measurement component- Contracts not measured under PAA (continued)</i>						
Net finance expenses from insurance contracts	27(a)	28,478	3,289	828	2,208	34,803
Total changes in the statement of profit or loss and OCI		43,308	13,149	(5,249)	5,288	56,496
Cash flows						
Premiums received		174,841	-	-	-	174,841
Claims and other insurance service expenses paid, including investment components		(94,732)	-	-	-	(94,732)
Insurance acquisition cash flows		(30,726)	-	-	-	(30,726)
Total Cash Flow		49,383	-	-	-	49,383
Transfer to other items in the statement of financial position		(31,813)	-	-	-	(31,813)
Net Closing Balance		599,439	104,999	17,422	60,117	781,977
Closing Assets		(102,667)	52,488	13,048	3,429	(33,702)
Closing Liabilities		702,106	52,511	4,374	56,688	815,679
Net Closing liabilities		599,439	104,999	17,422	60,117	781,977

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

i) Non-Participating (continued)

		2024				
		CSM (see C)				
	Note	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contracts under fair value transition approach	Other contracts	Total
		RM'000	RM'000	RM'000	RM'000	RM'000
Opening liabilities		545,924	81,401	1,169	26,654	655,148
Changes in the statement of profit or loss and OCI						
Changes that relate to current services						
CSM recognised for services provided	17	-	-	(3,141)	(8,251)	(11,392)
Change in risk adjustment for non-financial risk for risk expired		-	(8,264)	-	-	(8,264)
Experience adjustments		19,758	-	-	-	19,758
Changes that relate to future services						
Contracts initially recognised in the year	B(i)	(10,661)	8,106	-	3,980	1,425
Changes in estimates that adjust the CSM		(60,057)	4,133	24,597	31,327	-
Changes in estimates that result in losses and reversal of losses on onerous contracts		5,699	6,446	-	-	12,145
Changes that relate to past services						
Adjustments to liabilities for incurred claims		-	28	-	-	28
Insurance service result		(45,261)	10,449	21,456	27,056	13,700

GENERALI LIFE INSURANCE MALAYSIA BERHAD

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

i) Non-Participating (continued)

		2024				
		CSM (see C)				
	Note	Estimates of present value of future cash flows	Risk adjustment for non- financial risk	Contracts under fair value transition approach	Other contracts	Total
		RM'000	RM'000	RM'000	RM'000	RM'000
Insurance contracts (continued)						
<i>Analysis by measurement component- Contracts not measured under PAA (continued)</i>						
Net finance expenses from insurance contracts	27(a)	18,962	-	46	1,119	20,127
Total changes in the statement of profit or loss and OCI		(26,299)	10,449	21,502	28,175	33,827
Cash flows						
Premiums received		164,379	-	-	-	164,379
Claims and other insurance service expenses paid, including investment components		(80,925)	-	-	-	(80,925)
Insurance acquisition cash flows		(30,296)	-	-	-	(30,296)
Transfer to other items in the statement of financial position		(34,222)	-	-	-	(34,222)
Net Closing Balance		538,561	91,850	22,671	54,829	707,911
Closing Assets		(105,646)	40,954	18,039	8,329	(38,324)
Closing Liabilities		644,207	50,896	4,632	46,500	746,235
Net Closing liabilities		538,561	91,850	22,671	54,829	707,911

GENERALI LIFE INSURANCE MALAYSIA BERHAD

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

i) Non-Participating (continued)

		2025			
		Assets for remaining coverage			
	Note	Excluding loss-recovery component	Loss-recovery component	Assets for incurred claims	Total
		RM'000	RM'000	RM'000	RM'000
Reinsurance contracts					
<i>Analysis by remaining coverage and Incurred claims</i>					
Opening assets		(16,945)	5,848	22,434	11,337
Net opening balance		(16,945)	5,848	22,434	11,337
Changes in the statement of profit or loss and OCI					
Allocation of reinsurance premium paid		(22,511)	-	-	(22,511)
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses		-	(842)	6,552	5,710
Recoveries and reversals of recoveries of losses on onerous underlying contracts		-	1,003	-	1,003
		-	161	6,552	6,713
Investment components and premium refunds		(5,602)	-	5,602	-
Effect of changes in non-performance risk of reinsurers		(943)	-	-	(943)
Net (expenses)/ income from reinsurance contracts		(29,056)	161	12,154	(16,741)

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

i) Non-Participating (continued)

		2025			
		Assets for remaining coverage			
	Note	Excluding loss-recovery component	Loss-recovery component	Assets for incurred claims	Total
		RM'000	RM'000	RM'000	RM'000
Reinsurance contracts (continued)					
<i>Analysis by remaining coverage and Incurred claims (continued)</i>					
Net finance expense from reinsurance contracts	27(a)	(863)	192	-	(671)
Total changes in the statement of profit or loss and OCI		(29,919)	353	12,154	(17,412)
Cash flows					
Premiums paid		24,225	-	-	24,225
Amounts received		(1,032)	-	(12,066)	(13,098)
Total cash flows		23,193	-	(12,066)	11,127
Net closing balance		(23,671)	6,201	22,522	5,052
Closing assets		(23,516)	6,201	22,522	5,207
Closing liabilities		(155)	-	-	(155)
Net closing balance		(23,671)	6,201	22,522	5,052

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

i) Non-Participating (continued)

		2024			
		Assets for remaining coverage			
	Note	Excluding loss-recovery component	Loss-recovery component	Assets for incurred claims	Total
		RM'000	RM'000	RM'000	RM'000
Reinsurance contracts (continued)					
<i>Analysis by remaining coverage and Incurred claims (continued)</i>					
Opening assets		(1,679)	(4,050)	10,170	4,441
Opening liabilities		(26,581)	1,014	20,513	(5,054)
Net opening balance		(28,260)	(3,036)	30,683	(613)
Changes in the statement of profit or loss and OCI					
Allocation of reinsurance premium paid		(32,105)	-	-	(32,105)
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses		-	(1,000)	21,330	20,330
Recoveries and reversals of recoveries of losses on onerous underlying contracts		-	9,760	-	9,760
		-	8,760	21,330	30,090
Investment components and premium refunds		(5,431)	-	5,431	-
Effect of changes in non-performance risk of reinsurers		122	-	-	122
Net (expenses)/ income from reinsurance contracts		(37,414)	8,760	26,761	(1,893)

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

i) Non-Participating (continued)

		2024			
		Assets for remaining coverage			
	Note	Excluding loss-recovery component	Loss-recovery component	Assets for incurred claims	Total
		RM'000	RM'000	RM'000	RM'000
Reinsurance contracts (continued)					
<i>Analysis by remaining coverage and Incurred claims (continued)</i>					
Net finance expense from reinsurance contracts	27(a)	(790)	124	-	(666)
Total changes in the statement of profit or loss and OCI		(38,204)	8,884	26,761	(2,559)
Cash flows					
Premiums paid		50,180	-	-	50,180
Amounts received		(661)	-	(35,010)	(35,671)
Total cash flows		49,519	-	(35,010)	14,509
Net closing balance		(16,945)	5,848	22,434	11,337
Closing assets		(16,945)	5,848	22,434	11,337
Closing liabilities		-	-	-	-
Net closing balance		(16,945)	5,848	22,434	11,337

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

i) Non-Participating (continued)

		2025				
		Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM (see C)		Total
				Contracts under fair value transition approach	Other contracts	
Note		RM'000	RM'000	RM'000	RM'000	RM'000
Reinsurance contracts (continued)						
<i>Analysis by measurement component- Contracts not measured under PAA</i>						
	</					

GENERALI LIFE INSURANCE MALAYSIA BERHAD

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

i) Non-Participating (continued)

Reinsurance contracts (continued)*Analysis by measurement component- Contracts not measured under PAA (continued)*

Note

Cash flows

Premiums paid

Amounts received

Total cash flows**Net closing balance**

Closing assets

Net closing balance

2025				
Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM (see C)		Total
		Contracts under fair value transition approach	Other contracts	
RM'000	RM'000	RM'000	RM'000	RM'000
10,232	-	-	-	10,232
(5,725)	-	-	-	(5,725)
4,507	-	-	-	4,507
(41,030)	17,962	6,453	21,069	4,454
(41,030)	17,962	6,453	21,069	4,454
(41,030)	17,962	6,453	21,069	4,454

GENERALI LIFE INSURANCE MALAYSIA BERHAD

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

i) Non-Participating (continued)

		2024				
		Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM (see C)		Total
				Contracts under fair value transition approach	Other contracts	
Note		RM'000	RM'000	RM'000	RM'000	RM'000
	Opening assets	(24,165)	21,772	1,207	5,627	4,441
	Net opening balance	(24,165)	21,772	1,207	5,627	4,441
Changes in the statement of profit or loss and OCI						
Changes that relate to current services						
	CSM recognised for services provided	-	-	(884)	1,806	922
	Change in risk adjustment for non-financial risk for risk expired	-	(4,283)	-	-	(4,283)
	Experience adjustments	1,959	-	-	-	1,959
Changes that relate to future services						
	Contracts initially recognised in the year	(2,250)	2,372	-	921	1,043
	Changes in estimates that adjust the CSM	(4,806)	(765)	4,183	1,388	-
	Changes in estimates that result in losses and reversal of losses on onerous underlying contracts	(122)	-	1,209	(198)	889
	Effect of changes in non-performance risk of reinsurers	122	-	-	-	122
	Net (expenses)/income from reinsurance contract	(5,097)	(2,676)	4,508	3,917	652
	Net finance expense from reinsurance contracts	(894)	-	46	182	(666)
	Total changes in the statement of profit or loss and OCI	(5,991)	(2,676)	4,554	4,099	(14)

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

i) Non-Participating (continued)

Reinsurance contracts (continued)*Analysis by measurement component- Contracts not measured under PAA (continued)*

Note

		2024				
		Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM (see C)		Total
				Contracts under fair value transition approach	Other contracts	
Note		RM'000	RM'000	RM'000	RM'000	RM'000
Reinsurance contracts (continued)						
<i>Analysis by measurement component- Contracts not measured under PAA (continued)</i>						
Cash flows						
Premiums paid		19,999	-	-	-	19,999
Amounts received		(14,098)	-	-	-	(14,098)
Total cash flows		5,901	-	-	-	5,901
Net closing balance		(24,255)	19,096	5,761	9,726	10,328
Closing assets		(24,255)	19,096	5,761	9,726	10,328
Net closing balance		(24,255)	19,096	5,761	9,726	10,328

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

ii) Participating

		2025			
	Note	Liabilities for remaining coverage		Liabilities for incurred claims	Total
		Excluding loss component	Loss component		
		RM'000	RM'000	RM'000	RM'000
Insurance contracts					
<i>Analysis by remaining coverage and incurred claims</i>					
Opening liabilities		975,043	3,041	238,249	1,216,333
Net opening liabilities		975,043	3,041	238,249	1,216,333
Changes in the statement of profit or loss and OCI					
Insurance revenue					
Expected incurred claims and other insurance service expenses		(4,106)	-	-	(4,106)
Change in risk adjustment for non-financial risk for risk expired		(62)	-	-	(62)
CSM recognised for services provided		(249)	-	-	(249)
Recovery of insurance acquisition cash flows		(601)	-	-	(601)
	17	(5,018)	-	-	(5,018)
Insurance service expenses					
Incurred claims and other insurance service expenses		-	(1,762)	2,763	1,001
Amortisation of insurance acquisition cash flows		601	-	-	601
Losses and reversal of losses on onerous contracts		-	55	-	55
		601	(1,707)	2,763	1,657
Investment components		(132,495)	-	132,495	-
Insurance service result		(136,912)	(1,707)	135,258	(3,361)
Net finance expenses from insurance contracts	27(a)	55,895	1,328	-	57,223
Total changes in the statement of profit or loss and OCI		(81,017)	(379)	135,258	53,862
Cash flows					
Premiums received		19,453	-	-	19,453
Claims and other insurance service expenses paid, including investment components		-	-	(138,870)	(138,870)
Insurance acquisition cash flows		(114)	-	-	(114)
Total cash flows		19,339	-	(138,870)	(119,531)
Transfer to other items in the statement of financial position		-	-	(1,545)	(1,545)
Net Closing Balance		913,365	2,662	233,092	1,149,119
Closing Liabilities		913,365	2,662	233,092	1,149,119
Net Closing Liabilities		913,365	2,662	233,092	1,149,119

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

ii) Participating (continued)

	Note	2024			
		Liabilities for remaining coverage		Liabilities for incurred claims	Total
		Excluding loss component	Loss component		
		RM'000	RM'000	RM'000	RM'000
Insurance contracts (continued) <i>Analysis by remaining coverage and incurred claims (continued)</i>					
Opening liabilities		956,859	3,255	209,389	1,169,503
Changes in the statement of profit or loss and OCI					
Insurance revenue					
Expected incurred claims and other insurance service expenses		(2,290)	-	-	(2,290)
Change in risk adjustment for non-financial risk for risk expired		(658)	-	-	(658)
CSM recognised for services provided		(267)	-	-	(267)
Recovery of insurance acquisition cash flows		(599)	-	-	(599)
	17	(3,814)	-	-	(3,814)
Insurance service expenses					
Incurred claims and other insurance service expenses		-	(891)	2,373	1,482
Amortisation of insurance acquisition cash flows		599	-	-	599
Losses and reversal of losses on onerous contracts		-	30	-	30
		599	(861)	2,373	2,111
Investment components		(98,485)	-	98,485	-
Insurance service result		(101,700)	(861)	100,858	(1,703)
Net finance expenses from insurance contracts	27(a)	98,607	647	-	99,254
Total changes in the statement of profit or loss and OCI		(3,093)	(214)	100,858	97,551
Cash flows					
Premiums received		21,402	-	-	21,402
Claims and other insurance service expenses paid, including investment components		-	-	(70,357)	(70,357)
Insurance acquisition cash flows		(125)	-	-	(125)
Total cash flows		21,277	-	(70,357)	(49,080)
Transfer to other items in the statement of financial position		-	-	(1,641)	(1,641)
Net Closing Balance		975,043	3,041	238,249	1,216,333
Closing Liabilities		975,043	3,041	238,249	1,216,333
Net Closing Liabilities		975,043	3,041	238,249	1,216,333

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

ii) Participating (continued)

		2025				
		CSM (see C)				
	Note	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contracts under fair value transition approach	Other contracts	Total
		RM'000	RM'000	RM'000	RM'000	RM'000
Opening liabilities		1,212,295	1,733	2,193	112	1,216,333
Net Opening liabilities		1,212,295	1,733	2,193	112	1,216,333
Changes in the statement of profit or loss and OCI						
Changes that relate to current services						
CSM recognised for services provided	17	-	-	(231)	(18)	(249)
Change in risk adjustment for non-financial risk for risk expired		-	(64)	-	-	(64)
Experience adjustments		(3,103)	-	-	-	(3,103)
Changes that relate to future services						
Contracts initially recognised in the year	B(ii)	(61)	9	-	52	-
Changes in estimates that adjust the CSM		(51)	-	48	3	-
Changes in estimates that result in losses and reversal of losses on onerous contracts		-	55	-	-	55
Insurance service result		(3,215)	-	(183)	37	(3,361)

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

ii) Participating (continued)

		2025				
		CSM (see C)				
		Estimates of present value of future cash flows	Risk adjustment for non- financial risk	Contracts under fair value transition approach	Other contracts	Total
	Note	RM'000	RM'000	RM'000	RM'000	RM'000
Insurance contracts (continued)						
<i>Analysis by measurement component- Contracts not measured under PAA (continued)</i>						
Net finance expenses from insurance contracts	27(a)	57,223	-	-	-	57,223
Total changes in the statement of profit or loss and OCI		54,008	-	(183)	37	53,862
Cash flows						
Premiums received		19,453	-	-	-	19,453
Claims and other insurance service expenses paid, including investment components		(138,870)	-	-	-	(138,870)
Insurance acquisition cash flows		(114)	-	-	-	(114)
Total Cash flows		(119,531)	-	-	-	(119,531)
Transfer to other items in the statement of financial position		(1,545)	-	-	-	(1,545)
Net Closing Balance		1,145,227	1,733	2,010	149	1,149,119
Closing Liabilities		1,145,227	1,733	2,010	149	1,149,119
Net Closing liabilities		1,145,227	1,733	2,010	149	1,149,119

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

ii) Participating (continued)

		2024				
		CSM (see C)				
		Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contracts under fair value transition approach	Other contracts	Total
	Note	RM'000	RM'000	RM'000	RM'000	RM'000
Insurance contracts (continued)						
<i>Analysis by measurement component- Contracts not measured under PAA (continued)</i>						
Opening liabilities		1,162,494	2,013	4,996	-	1,169,503
Changes in the statement of profit or loss and OCI						
Changes that relate to current services						
CSM recognised for services provided	17	-	-	(259)	(8)	(267)
Change in risk adjustment for non-financial risk for risk expired		-	(670)	-	-	(670)
Experience adjustments		(796)	-	-	-	(796)
Changes that relate to future services						
Contracts initially recognised in the year	B(ii)	(127)	9	-	118	-
Changes in estimates that adjust the CSM		2,542	-	(2,544)	2	-
Changes in estimates that result in losses and reversal of losses on onerous contracts		(351)	381	-	-	30
Insurance service result		1,268	(280)	(2,803)	112	(1,703)

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

ii) Participating (continued)

		2024				
		CSM (see C)				
		Estimates of present value of future cash flows	Risk adjustment for non- financial risk	Contracts under fair value transition approach	Other contracts	Total
	Note	RM'000	RM'000	RM'000	RM'000	RM'000
Insurance contracts (continued)						
<i>Analysis by measurement component- Contracts not measured under PAA (continued)</i>						
Net finance expenses from insurance contracts	27(a)	99,254	-	-	-	99,254
Total changes in the statement of profit or loss and OCI		100,522	(280)	(2,803)	112	97,551
Cash flows						
Premiums received		21,402	-	-	-	21,402
Claims and other insurance service expenses paid, including investment components		(70,357)	-	-	-	(70,357)
Insurance acquisition cash flows		(125)	-	-	-	(125)
Transfer to other items in the statement of financial position		(1,641)	-	-	-	(1,641)
Net Closing Balance		1,212,295	1,733	2,193	112	1,216,333
Closing Liabilities		1,212,295	1,733	2,193	112	1,216,333
Net Closing liabilities		1,212,295	1,733	2,193	112	1,216,333

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

ii) Participating (continued)

		2025			
		<u>Assets for remaining coverage</u>			
Reinsurance contracts	Note	Excluding loss-recovery component	Loss-recovery component	Assets for incurred claims	Total
<i>Analysis by remaining coverage and Incurred claims</i>		RM'000	RM'000	RM'000	RM'000
Opening assets		(1,957)	-	2,100	143
Opening liabilities		(49)	21	5	(23)
Net opening balance		(2,006)	21	2,105	120
Changes in the statement of profit or loss and OCI					
Allocation of reinsurance premium paid		(1,292)	-	-	(1,292)
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses		-	(31)	548	517
Recoveries and reversals of recoveries of losses on onerous underlying contracts		-	(771)	-	(771)
		-	(802)	548	(254)
Investment components and premium refunds		(118)	-	118	-
Effect of changes in non-performance risk of reinsurers		(6)	-	-	(6)
Net expenses from reinsurance contracts		(1,416)	(802)	666	(1,552)

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

ii) Participating (continued)

		2025			
		Assets for remaining coverage			
	Note	Excluding loss-recovery component	Loss-recovery component	Assets for incurred claims	Total
		RM'000	RM'000	RM'000	RM'000
Reinsurance contracts (continued)					
<i>Analysis by remaining coverage and Incurred claims (continued)</i>					
Net finance income from reinsurance contracts	27(a)	(2)	799	-	797
Total changes in the statement of profit or loss and OCI		(1,418)	(3)	666	(755)
Cash flows					
Premiums paid		2,124	-	-	2,124
Amounts received		-	-	(2,134)	(2,134)
Total cash flows		2,124	-	(2,134)	(10)
Net closing balance		(1,300)	18	637	(645)
Closing liabilities		(1,300)	18	637	(645)
Net closing balance		(1,300)	18	637	(645)

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

ii) Participating (continued)

		2024			
		<u>Assets for remaining coverage</u>			
<i>Reinsurance contracts (continued)</i>		Excluding loss-recovery component	Loss-recovery component	Assets for incurred claims	Total
<i>Analysis by remaining coverage and Incurred claims (continued)</i>	Note	RM'000	RM'000	RM'000	RM'000
Opening assets		4,036	-	(2,642)	1,394
Opening balance		4,036	-	(2,642)	1,394
Changes in the statement of profit or loss and OCI					
Allocation of reinsurance premium paid		(1,841)	-	-	(1,841)
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses		-	(50)	2,334	2,284
Recoveries and reversals of recoveries of losses on onerous underlying contracts		-	(1,341)	-	(1,341)
		-	(1,391)	2,334	943
Investment components and premium refunds		(42)	-	42	-
Effect of changes in non-performance risk of reinsurers		(42)	-	-	(42)
Net expenses from reinsurance contracts		(1,925)	(1,391)	2,376	(940)

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

ii) Participating (continued)

		2024			
		Assets for remaining coverage			
		Excluding loss-recovery component	Loss-recovery component	Assets for incurred claims	Total
	Note	RM'000	RM'000	RM'000	RM'000
Reinsurance contracts (continued)					
<i>Analysis by remaining coverage and Incurred claims (continued)</i>					
Net finance expense from reinsurance contracts	27(a)	(190)	1,412	-	1,222
Total changes in the statement of profit or loss and OCI		(2,115)	21	2,376	282
Cash flows					
Premiums paid		(3,927)	-	-	(3,927)
Amounts received		-	-	2,371	2,371
Total cash flows		(3,927)	-	2,371	(1,556)
Net closing balance		(2,006)	21	2,105	120
Closing assets		(1,957)	-	2,100	143
Closing liabilities		(49)	21	5	(23)
Closing balance		(2,006)	21	2,105	120

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

ii) Participating (continued)

		2025			
		CSM (see C)			
		Contracts under fair value transition approach			
	Note	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Other contracts	Total
		RM'000	RM'000	RM'000	RM'000
Opening assets		(2,741)	3,580	(696)	143
Opening liabilities		(28)	18	-	(23)
Net opening balance		(2,769)	3,598	(696)	120
Changes in the statement of profit or loss and OCI					
Changes that relate to current services					
CSM recognised for services provided		-	-	(71)	(71)
Change in risk adjustment for non-financial risk for risk expired		-	(139)	-	(139)
Experience adjustments		(564)	-	-	(564)
Changes that relate to future services					
Contracts initially recognised in the year	B(ii)	-	-	-	16
Changes in estimates that adjust the CSM		(209)	(889)	1,086	12
Changes in estimates that result in losses and reversal of losses on onerous underlying contracts		(1)	-	(816)	29
Effect of changes in non-performance risk of reinsurers		(6)	-	-	-
Net expenses from reinsurance contract		(780)	(1,028)	199	57
Net finance income from reinsurance contracts	27(a)	(97)	122	818	(46)
Total changes in the statement of profit or loss and OCI		(877)	(906)	1,017	11

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

ii) Participating (continued)

Reinsurance contracts (continued)*Analysis by measurement component- Contracts not measured under PAA (continued)*

Note

		2025			
		CSM (see C)			
		Contracts under fair value transition approach			
		Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Other contracts	Total
		RM'000	RM'000	RM'000	RM'000
Reinsurance contracts (continued)					
<i>Analysis by measurement component- Contracts not measured under PAA (continued)</i>		Note			
Cash flows					
Premiums paid		2,124	-	-	2,124
Amounts received		(2,134)	-	-	(2,134)
Total cash flows		(10)	-	-	(10)
Net closing balance		(3,656)	2,692	(2)	(645)
Closing assets		-	-	321	321
Closing liabilities		(3,656)	2,692	(2)	(966)
Net closing balance		(3,656)	2,692	(2)	(645)

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

ii) Participating (continued)

		2024			
		CSM (see C)			
		Contracts under fair value transition approach			
		Other contracts			
		Total			
Note	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contracts under fair value transition approach	Other contracts	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
	(1,833)	3,743	(514)	(2)	1,394
	(1,833)	3,743	(514)	(2)	1,394
Changes in the statement of profit or loss and OCI					
Changes that relate to current services					
	-	-	62	(27)	35
	-	(865)	-	-	(865)
	1,298	-	-	-	1,298
Changes that relate to future services					
	-	-	-	-	-
	(467)	720	(241)	(12)	-
	-	-	(611)	(755)	(1,366)
	(42)	-	-	-	(42)
	789	(145)	(790)	(794)	(940)
	(169)	-	608	783	1,222
	620	(145)	(182)	(11)	282

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

ii) Participating (continued)

Reinsurance contracts (continued)*Analysis by measurement component- Contracts not measured under PAA (continued)*

Note

		2024			
		CSM (see C)			
		Contracts under fair value transition approach			
		Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Other contracts	Total
		RM'000	RM'000	RM'000	RM'000
Cash flows					
Premiums paid		(3,927)	-	-	(3,927)
Amounts received		2,371	-	-	2,371
Total cash flows		(1,556)	-	-	(1,556)
Net closing balance		(2,769)	3,598	(13)	120
Closing assets		(2,741)	3,580	(696)	143
Closing liabilities		(28)	18	(13)	(23)
Net closing balance		(2,769)	3,598	(696)	120

GENERALI LIFE INSURANCE MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONTINUED)

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

iii) Investment-Linked

		2025			
	Note	Liabilities for remaining coverage		Liabilities for incurred claims	Total
		Excluding loss component	Loss component		
		RM'000	RM'000	RM'000	RM'000
Insurance contracts					
<i>Analysis by remaining coverage and incurred claims</i>					
Opening assets		(1,362)	-	-	(1,362)
Opening liabilities		688,910	75,621	24,801	789,332
Net Opening Liabilities		687,548	75,621	24,801	787,970
Changes in the statement of profit or loss and OCI					
Insurance revenue					
Expected incurred claims and other insurance service expenses		(85,224)	-	-	(85,224)
Change in risk adjustment for non-financial risk for risk expired		(6,459)	-	-	(6,459)
CSM recognised for services provided		(4,627)	-	-	(4,627)
Recovery of insurance acquisition cash flows		(17,315)	-	-	(17,315)
	17	(113,625)	-	-	(113,625)
Insurance service expenses					
Incurring claims and other insurance service expenses		-	(7,369)	106,193	98,824
Amortisation of insurance acquisition cash flows		17,315	-	-	17,315
Losses and reversal of losses on onerous contracts		-	20,051	-	20,051
Adjustments to liabilities for incurred claims		-	-	234	234
		17,315	12,682	106,427	136,424
Investment components		(114,318)	-	114,318	-
Insurance service result		(210,628)	12,682	220,745	22,799
Net finance expenses from insurance contracts	27(a)	47,400	230	-	47,630
Total changes in the statement of profit or loss and OCI		(163,228)	12,912	220,745	70,429
Cash flows					
Premiums received		245,693	-	-	245,693
Claims and other insurance service expenses paid, including investment components		-	-	(174,710)	(174,710)
Insurance acquisition cash flows		(33,440)	-	-	(33,440)
Total cash flows		212,253	-	(174,710)	37,543
Transfer to other items in the statement of financial position		-	-	(43,813)	(43,813)
Net Closing Balance		736,573	88,533	27,023	852,129
Closing Assets		(2,346)	-	-	(2,346)
Closing Liabilities		738,919	88,533	27,023	854,475
Net Closing Liabilities		736,573	88,533	27,023	852,129

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

iii) Investment-Linked (continued)

		2024			
		Liabilities for remaining coverage		Liabilities for incurred claims	Total
		Excluding loss component	Loss component		
		RM'000	RM'000	RM'000	RM'000
Insurance contracts (continued)					
<i>Analysis by remaining coverage and incurred claims (continued)</i>					
Opening liabilities		563,102	78,802	19,757	661,661
Changes in the statement of profit or loss and OCI					
Insurance revenue					
Expected incurred claims and other insurance service expenses		(83,011)	-	-	(83,011)
Change in risk adjustment for non-financial risk for risk expired		(4,157)	-	-	(4,157)
CSM recognised for services provided		(4,740)	-	-	(4,740)
Recovery of insurance acquisition cash flows		(15,156)	-	-	(15,156)
	17	(107,064)	-	-	(107,064)
Insurance service expenses					
Incurring claims and other insurance service expenses		-	(8,069)	97,004	88,935
Amortisation of insurance acquisition cash flows		15,156	-	-	15,156
Losses and reversal of losses on onerous contracts		-	4,867	-	4,867
Adjustments to liabilities for incurred claims		-	-	45	45
		15,156	(3,202)	97,049	109,003
Investment components		(92,383)	-	92,383	-
Insurance service result		(184,291)	(3,202)	189,432	1,939
Net finance expenses from insurance contracts	27(a)	87,742	21	-	87,763
Total changes in the statement of profit or loss and OCI		(96,549)	(3,181)	189,432	89,702
Cash flows					
Premiums received		258,268	-	-	258,268
Claims and other insurance service expenses paid, including investment components		-	-	(142,507)	(142,507)
Insurance acquisition cash flows		(37,273)	-	-	(37,273)
Total cash flows		220,995	-	(142,507)	78,488
Transfer to other items in the statement of financial position		-	-	(41,881)	(41,881)
Net Closing Balance		687,548	75,621	24,801	787,970
Closing Assets		(1,362)	-	-	(1,362)
Closing Liabilities		688,910	75,621	24,801	789,332
Net Closing Liabilities		687,548	75,621	24,801	787,970

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

iii) Investment-Linked (continued)

		2025				
		CSM (see C)				
		Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contracts under fair value transition approach	Other contracts	Total
	Note	RM'000	RM'000	RM'000	RM'000	RM'000
Insurance contracts (continued)						
<i>Analysis by measurement component- Contracts not measured under PAA</i>						
Opening assets		(1,362)	-	-	-	(1,362)
Opening liabilities		631,081	114,366	29,429	14,456	789,332
Net opening liabilities		629,719	114,366	29,429	14,456	787,970
Changes in the statement of profit or loss and OCI						
Changes that relate to current services						
CSM recognised for services provided	17	-	-	(2,501)	(2,126)	(4,627)
Change in risk adjustment for non-financial risk for risk expired		-	(6,631)	-	-	(6,631)
Experience adjustments		13,772	-	-	-	13,772
Changes that relate to future services						
Contracts initially recognised in the year	B(iii)	(8,887)	12,528	-	3,875	7,516
Changes in estimates that adjust the CSM		753	1,780	(5,747)	3,214	-
Changes in estimates that result in losses and reversal of losses on onerous contracts		8,726	3,809	-	-	12,535
Changes that relate to past services						
Adjustments to liabilities for incurred claims		-	234	-	-	234
Insurance service result		14,364	11,720	(8,248)	4,963	22,799

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

iii) Investment-Linked (continued)

		2025				
		CSM (see C)				
		Estimates of present value of future cash flows	Risk adjustment for non- financial risk	Contracts under fair value transition approach	Other contracts	Total
	Note	RM'000	RM'000	RM'000	RM'000	RM'000
Insurance contracts (continued)						
<i>Analysis by measurement component- Contracts not measured under PAA (continued)</i>						
Net finance expenses from insurance contracts	27(a)	47,630	-	-	-	47,630
Total changes in the statement of profit or loss and OCI		61,994	11,720	(8,248)	4,963	70,429
Cash flows						
Premiums received		245,693	-	-	-	245,693
Claims and other insurance service expenses paid, including investment components		(174,710)	-	-	-	(174,710)
Insurance acquisition cash flows		(33,440)	-	-	-	(33,440)
Total Cash flows		37,543	-	-	-	37,543
Transfer to other items in the statement of financial position		(43,813)	-	-	-	(43,813)
Net Closing Balance		685,443	126,086	21,181	19,419	852,129
Closing assets		(2,346)	-	-	-	(2,346)
Closing liabilities		687,789	126,086	21,181	19,419	854,475
Net Closing liabilities		685,443	126,086	21,181	19,419	852,129

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

iii) Investment-Linked (continued)

		2024				
		CSM (see C)				
		Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contracts under fair value transition approach	Other contracts	Total
	Note	RM'000	RM'000	RM'000	RM'000	RM'000
Opening liabilities		532,008	107,194	8,446	14,013	661,661
Changes in the statement of profit or loss and OCI						
Changes that relate to current services						
CSM recognised for services provided	17	-	-	(3,274)	(1,466)	(4,740)
Change in risk adjustment for non-financial risk for risk expired		-	(4,267)	-	-	(4,267)
Experience adjustments		6,036	-	-	-	6,036
Changes that relate to future services						
Contracts initially recognised in the year	B(iii)	331	11,435	-	3,810	15,576
Changes in estimates that adjust the CSM		(22,205)	(151)	24,257	(1,901)	-
Changes in estimates that result in losses and reversal of losses on onerous contracts		(10,821)	110	-	-	(10,711)
Changes that relate to past services						
Adjustments to liabilities for incurred claims		-	45	-	-	45
Insurance service result		(26,659)	7,172	20,983	443	1,939

GENERALI LIFE INSURANCE MALAYSIA BERHAD

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

iii) Investment-Linked (continued)

		2024			
		CSM (see C)			
	Note	Estimates of present value of future cash flows	Risk adjustment for non- financial risk	Contracts under fair value transition approach	Total
		RM'000	RM'000	RM'000	RM'000
Insurance contracts (continued)					
<i>Analysis by measurement component- Contracts not measured under PAA (continued)</i>					
Net finance expenses from insurance contracts	27(a)	87,763	-	-	87,763
Total changes in the statement of profit or loss and OCI		61,104	7,172	20,983	89,702
Cash flows					
Premiums received		258,268	-	-	258,268
Claims and other insurance service expenses paid, including investment components		(142,507)	-	-	(142,507)
Insurance acquisition cash flows		(37,273)	-	-	(37,273)
Transfer to other items in the statement of financial position		(41,881)	-	-	(41,881)
Net Closing Balance		629,719	114,366	29,429	787,970
Closing assets		(1,362)	-	-	(1,362)
Closing liabilities		631,081	114,366	29,429	789,332
Net Closing liabilities		629,719	114,366	29,429	787,970

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

iii) Investment-Linked (continued)

		2025			
		<u>Assets for remaining coverage</u>			
Reinsurance contracts	Note	Excluding loss-recovery component	Loss-recovery component	Assets for incurred claims	Total
<i>Analysis by remaining coverage and Incurred claims</i>		RM'000	RM'000	RM'000	RM'000
Opening assets		11,638	5,769	9,123	26,530
Opening balance		11,638	5,769	9,123	26,530
Changes in the statement of profit or loss and OCI					
Allocation of reinsurance premium paid		(7,017)	-	-	(7,017)
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses		-	(730)	13,760	13,030
Recoveries and reversals of recoveries of losses on onerous underlying contracts		-	1,926	-	1,926
		-	1,196	13,760	14,956
Investment components and premium refunds		(65)	-	65	-
Effect of changes in non-performance risk of reinsurers		(1,433)	-	-	(1,433)
Net income from reinsurance contracts		(8,515)	1,196	13,825	6,506

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

iii) Investment-Linked (continued)

		2025			
		Assets for remaining coverage			
		Excluding loss-recovery component	Loss-recovery component	Assets for incurred claims	Total
	Note	RM'000	RM'000	RM'000	RM'000
Reinsurance contracts (continued)					
<i>Analysis by remaining coverage and Incurred claims (continued)</i>					
Net finance income from reinsurance contracts	27(a)	796	(678)	-	118
Total changes in the statement of profit or loss and OCI		(7,719)	518	13,825	6,624
Cash flows					
Premiums paid		5,280	-	-	5,280
Amounts received		(102)	-	(4,834)	(4,936)
Total cash flows		5,178	-	(4,834)	344
Net closing balance		9,097	6,287	18,114	33,498
Closing assets		9,097	6,287	18,114	33,498
Closing balance		9,097	6,287	18,114	33,498

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

iii) Investment-Linked (continued)

		2024			
		Assets for remaining coverage			
Reinsurance contracts (continued) <i>Analysis by remaining coverage and Incurred claims (continued)</i>	Note	Excluding loss-recovery component	Loss-recovery component	Assets for incurred claims	Total
		RM'000	RM'000	RM'000	RM'000
Opening assets		12,965	(5,729)	6,429	13,665
Opening balance		12,965	(5,729)	6,429	13,665
Changes in the statement of profit or loss and OCI					
Allocation of reinsurance premium paid		(13,332)	-	-	(13,332)
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses		-	(693)	10,663	9,970
Recoveries and reversals of recoveries of losses on onerous underlying contracts		-	11,633	-	11,633
		-	10,940	10,663	21,603
Investment components and premium refunds		48	-	(48)	-
Effect of changes in non-performance risk of reinsurers		135	-	-	135
Net income from reinsurance contracts		(13,149)	10,940	10,615	8,406

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

iii) Investment-Linked (continued)

		2024			
		Assets for remaining coverage			
	Note	Excluding loss-recovery component	Loss-recovery component	Assets for incurred claims	Total
		RM'000	RM'000	RM'000	RM'000
Reinsurance contracts (continued)					
<i>Analysis by remaining coverage and Incurred claims (continued)</i>					
Net finance income from reinsurance contracts	27(a)	182	558	-	740
Total changes in the statement of profit or loss and OCI		(12,967)	11,498	10,615	9,146
Cash flows					
Premiums paid		12,433	-	-	12,433
Amounts received		(793)	-	(7,921)	(8,714)
Total cash flows		11,640	-	(7,921)	3,719
Net closing balance		11,638	5,769	9,123	26,530
Closing assets		11,638	5,769	9,123	26,530
Closing balance		11,638	5,769	9,123	26,530

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

iii) Investment-Linked (continued)

		2025					
		CSM (see C)					
		Contracts under fair value transition approach					
Note	Estimates of present value of future cash flows	Risk adjustment for non-financial risk		Other contracts	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000		
	Opening assets	22,288	20,847	(600)	(16,005)	26,530	
	Opening balance	22,288	20,847	(600)	(16,005)	26,530	
Changes in the statement of profit or loss and OCI							
Changes that relate to current services							
	CSM recognised for services provided	-	-	(113)	1,473	1,360	
	Change in risk adjustment for non-financial risk for risk expired	-	(855)	-	-	(855)	
	Experience adjustments	5,508	-	-	-	5,508	
Changes that relate to future services							
	Contracts initially recognised in the year	B(iii)	2,683	3,468	-	(7,766)	(1,615)
	Changes in estimates that adjust the CSM		(545)	227	1,529	(1,211)	-
	Changes in estimates that result in losses and reversal of losses on onerous underlying contracts		(6,151)	-	1,194	8,498	3,541
	Effect of changes in non-performance risk of reinsurers		(1,433)	-	-	-	(1,433)
	Net income from reinsurance contract		62	2,840	2,610	994	6,506
	Net finance income from reinsurance contracts	27(a)	991	771	(1,204)	(440)	118
	Total changes in the statement of profit or loss and OCI		1,053	3,611	1,406	554	6,624

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

iii) Investment-Linked (continued)

		2025			
		CSM (see C)			
		Contracts under fair value transition approach			
		Other contracts		Total	

GENERALI LIFE INSURANCE MALAYSIA BERHAD

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

iii) Investment-Linked (continued)

		2024					
		CSM (see C)					
		Contracts under fair value transition approach					
Note	Estimates of present value of future cash flows	Risk adjustment for non-financial risk		Other contracts	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000		
Opening assets	11,025	15,702	(1,468)	(11,594)	13,665		
Opening balance	11,025	15,702	(1,468)	(11,594)	13,665		
Changes in the statement of profit or loss and OCI							
Changes that relate to current services							
	CSM recognised for services provided	-	-	66	1,753	1,819	
	Change in risk adjustment for non-financial risk for risk expired	-	3,683	-	-	3,683	
	Experience adjustments	3,153	-	-	-	3,153	
Changes that relate to future services							
	Contracts initially recognised in the year	B(iii)	2,430	2,680	-	(3,884)	1,226
	Changes in estimates that adjust the CSM		5,943	(1,218)	898	(5,623)	-
	Changes in estimates that result in losses and reversal of losses on onerous underlying contracts		(5,110)	-	(132)	3,632	(1,610)
	Effect of changes in non-performance risk of reinsurers		135	-	-	-	135
	Net income from reinsurance contract		6,551	5,145	832	(4,122)	8,406
	Net finance income from reinsurance contracts	27(a)	993	-	36	(289)	740
	Total changes in the statement of profit or loss and OCI		7,544	5,145	868	(4,411)	9,146

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

A. Movements in insurance and reinsurance contract balances (continued)

iii) Investment-Linked (continued)

Reinsurance contracts (continued)*Analysis by measurement component- Contracts not measured under PAA (continued)*

Note

Cash flows

Premiums paid

Amounts received

Total cash flows**Net closing balance**

Closing assets

Closing balance

		2024			
		CSM (see C)			
		Contracts under fair value transition approach			
				Other contracts	Total
		Estimates of present value of future cash flows	Risk adjustment for non-financial risk		
		RM'000	RM'000	RM'000	RM'000
		12,433	-	-	12,433
		(8,714)	-	-	(8,714)
		3,719	-	-	3,719
		22,288	20,847	(600)	26,530
		22,288	20,847	(600)	26,530
		22,288	20,847	(600)	26,530

GENERALI LIFE INSURANCE MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONTINUED)

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

B. Effect of contracts initially recognised in the year

(i) Non-Participating

Insurance Contracts

	2025		
	Profitable contracts issued RM'000	Onerous contracts issued RM'000	Total RM'000
Insurance acquisition cash flows	(23,692)	(6,301)	(29,993)
Claims and other insurance service expenses payable	(76,831)	(27,762)	(104,593)
Estimates of present value of cash outflows	(100,523)	(34,063)	(134,586)
Estimates of present value of cash inflows	109,094	37,640	146,734
Risk adjustment for non-financial risk	(3,984)	(5,425)	(9,409)
CSM	(4,587)	-	(4,587)
Losses recognised on initial recognition	-	(1,848)	(1,848)

	2024		
	Profitable contracts issued RM'000	Onerous contracts issued RM'000	Total RM'000
Insurance acquisition cash flows	(20,877)	(9,826)	(30,703)
Claims and other insurance service expenses payable	(64,666)	(40,149)	(104,815)
Estimates of present value of cash outflows	(85,543)	(49,975)	(135,518)
Estimates of present value of cash inflows	94,333	51,846	146,179
Risk adjustment for non-financial risk	(4,810)	(3,296)	(8,106)
CSM	(3,980)	-	(3,980)
Losses recognised on initial recognition	-	(1,425)	(1,425)

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

B. Effect of contracts initially recognised in the year (continued)

(i) Non-Participating (continued)

Reinsurance Contracts	2025		
	Contracts initiated without loss- recovery component RM'000	Contracts initiated with loss-recovery component RM'000	Total RM'000
Estimates of present value of cash inflows	(11,326)	-	(11,326)
Estimates of present value of cash outflows	14,634	-	14,634
Risk adjustment for non-financial risk	(1,685)	-	(1,685)
Income recognised on initial recognition	-	1,913	1,913
CSM	1,623	1,913	3,536

Reinsurance Contracts	2024		
	Contracts initiated without loss- recovery component RM'000	Contracts initiated with loss-recovery component RM'000	Total RM'000
Estimates of present value of cash inflows	(13,063)	-	(13,063)
Estimates of present value of cash outflows	15,313	-	15,313
Risk adjustment for non-financial risk	(2,372)	-	(2,372)
Income recognised on initial recognition	-	1,043	1,043
CSM	(122)	1,043	921

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

B. Effect of contracts initially recognised in the year (continued)

(ii) Participating

Insurance Contracts

	2025		
	Profitable contracts issued RM'000	Onerous contracts issued RM'000	Total RM'000
Insurance acquisition cash flows	(111)	-	(111)
Claims and other insurance service expenses payable	(996)	-	(996)
Estimates of present value of cash outflows	(1,107)	-	(1,107)
Estimates of present value of cash inflows	1,168	-	1,168
Risk adjustment for non-financial risk	(9)	-	(9)
CSM	(52)	-	(52)
Losses recognised on initial recognition	-	-	-

	2024		
	Profitable contracts issued RM'000	Onerous contracts issued RM'000	Total RM'000
Insurance acquisition cash flows	(119)	-	(119)
Claims and other insurance service expenses payable	(1,511)	-	(1,511)
Estimates of present value of cash outflows	(1,630)	-	(1,630)
Estimates of present value of cash inflows	1,757	-	1,757
Risk adjustment for non-financial risk	(9)	-	(9)
CSM	(118)	-	(118)
Losses recognised on initial recognition	-	-	-

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

B. Effect of contracts initially recognised in the year (continued)

(ii) Participating (continued)

Reinsurance Contracts	2025		
	Contracts initiated without loss- recovery component RM'000	Contracts initiated with loss-recovery component RM'000	Total RM'000
Estimates of present value of cash inflows	(2)	-	(2)
Estimates of present value of cash outflows	2	-	2
Risk adjustment for non-financial risk	-	-	-
Income recognised on initial recognition	-	16	16
CSM	-	16	16
	2024		
	Contracts initiated without loss- recovery component RM'000	Contracts initiated with loss-recovery component RM'000	Total RM'000
Estimates of present value of cash inflows	(2)	-	(2)
Estimates of present value of cash outflows	2	-	2
Risk adjustment for non-financial risk	-	-	-
Income recognised on initial recognition	-	-	-
CSM	-	-	-

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

B. Effect of contracts initially recognised in the year (continued)

(iii) Investment-linked

Insurance Contracts	2025		
	Profitable contracts issued RM'000	Onerous contracts issued RM'000	Total RM'000
Insurance acquisition cash flows	(7,059)	(24,819)	(31,878)
Claims and other insurance service expenses payable	(96,033)	(198,500)	(294,533)
Estimates of present value of cash outflows	(103,092)	(223,319)	(326,411)
Estimates of present value of cash inflows	108,842	226,456	335,298
Risk adjustment for non-financial risk	(1,875)	(10,653)	(12,528)
CSM	(3,875)	-	(3,875)
Losses recognised on initial recognition	-	(7,516)	(7,516)

	2024		
	Profitable contracts issued RM'000	Onerous contracts issued RM'000	Total RM'000
Insurance acquisition cash flows	(9,723)	(26,798)	(36,521)
Claims and other insurance service expenses payable	(113,279)	(171,751)	(285,030)
Estimates of present value of cash outflows	(123,002)	(198,549)	(321,551)
Estimates of present value of cash inflows	129,217	192,003	321,220
Risk adjustment for non-financial risk	(2,405)	(9,030)	(11,435)
CSM	(3,810)	-	(3,810)
Losses recognised on initial recognition	-	(15,576)	(15,576)

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

B. Effect of contracts initially recognised in the year (continued)

(iii) Investment-linked (continued)

Reinsurance Contracts	2025		
	Contracts initiated without loss- recovery component RM'000	Contracts initiated with loss-recovery component RM'000	Total RM'000
Estimates of present value of cash inflows	(20,637)	-	(20,637)
Estimates of present value of cash outflows	17,954	-	17,954
Risk adjustment for non-financial risk	(3,468)	-	(3,468)
Income recognised on initial recognition	-	(1,615)	(1,615)
CSM	(6,151)	(1,615)	(7,766)

	2024		
	Contracts initiated without loss- recovery component RM'000	Contracts initiated with loss-recovery component RM'000	Total RM'000
Estimates of present value of cash inflows	(15,564)	-	(15,564)
Estimates of present value of cash outflows	13,134	-	13,134
Risk adjustment for non-financial risk	(2,680)	-	(2,680)
Income recognised on initial recognition	-	1,226	1,226
CSM	(5,110)	1,226	(3,884)

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

C. Contractual Service Margin

	2025							
	1 year or less	>1 year	>2 years	>3 years	>4 years	>5years	>10years	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Insurance contracts</u>								
Non-Participating	11,942	10,120	8,249	6,541	5,348	18,149	17,190	77,539
Participating funds	227	203	180	160	140	485	764	2,159
Investment-linked funds	4,589	4,295	3,874	3,478	3,123	11,123	10,118	40,600
	16,758	14,618	12,303	10,179	8,611	29,757	28,072	120,298
<u>Reinsurance contracts</u>								
Non-Participating	(3,722)	(3,277)	(2,863)	(2,505)	(2,180)	(7,285)	(5,690)	(27,522)
Participating funds	(37)	(33)	(29)	(26)	(22)	(74)	(98)	(319)
Investment-linked funds	1,528	1,372	1,250	1,144	1,041	3,923	4,388	14,646
	(2,231)	(1,938)	(1,642)	(1,387)	(1,161)	(3,436)	(1,400)	(13,195)

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

C. Contractual Service Margin (continued)

	2024							
	1 year or less	>1 year	>2 years	>3 years	>4 years	>5years	>10years	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Insurance contracts</u>								
Non-Participating	10,168	8,951	7,851	6,655	5,471	18,934	19,470	77,500
Participating funds	249	224	202	180	159	541	750	2,305
Investment-linked funds	4,587	4,355	3,967	3,607	3,270	12,013	12,086	43,885
	15,004	13,530	12,020	10,442	8,900	31,488	32,306	123,690
<u>Reinsurance contracts</u>								
Non-Participating	(2,135)	(1,874)	(1,639)	(1,431)	(1,259)	(4,134)	(3,015)	(15,487)
Participating funds	82	74	65	58	52	175	203	709
Investment-linked funds	1,801	1,610	1,443	1,298	1,171	4,363	4,919	16,605
	(252)	(190)	(131)	(75)	(36)	404	2,107	1,827

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

D. Assets for insurance acquisition cash flows

Note	Non- Participating RM'000	Participating funds RM'000	Investment- Linked funds RM'000	Total RM'000
Balance at 1 January 2024	-	-	-	-
Other amounts incurred during the year	360	-	1,440	1,800
Amounts derecognised and included in the measurement of insurance contracts	(20)	-	(79)	(99)
Balance at 31 December 2024/ 1 January 2025	340	-	1,361	1,701
Other amounts incurred during the year	-	-	1,203	1,203
Amounts derecognised and included in the measurement of insurance contracts	(32)	-	(219)	(251)
Balance at 31 December 2025	308	-	2,345	2,653

Assets for insurance acquisition cash flows are presented in the carrying amount of the related portfolio of insurance contracts as follows.

	Non- Participating RM'000	Participating funds RM'000	Investment- Linked funds RM'000	Total RM'000
<u>2025</u>				
Presented in insurance contract liabilities	308	-	2,345	2,653
	308	-	2,345	2,653
<u>2024</u>				
Presented in insurance contract liabilities	340	-	1,361	1,701
	340	-	1,361	1,701

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

D. Assets for insurance acquisition cash flows (continued)

	Non- Participating RM'000	Participating funds RM'000	Investment- Linked funds RM'000	Total RM'000
31 December 2025				
Less than one year	28	-	209	237
One to two years	35	-	262	297
Two to three years	40	-	313	353
Three to four years	47	-	371	418
Four to five years	57	-	443	500
Five to ten years	101	-	747	848
More than ten years	-	-	-	-
	<u>308</u>	<u>-</u>	<u>2,345</u>	<u>2,653</u>

	Non- Participating RM'000	Participating funds RM'000	Investment- Linked funds RM'000	Total RM'000
31 December 2024				
Less than one year	25	-	102	127
One to two years	35	-	140	175
Two to three years	41	-	162	203
Three to four years	46	-	186	232
Four to five years	57	-	227	284
Five to ten years	136	-	544	680
More than ten years	-	-	-	-
	<u>340</u>	<u>-</u>	<u>1,361</u>	<u>1,701</u>

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

16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

E. SIGNIFICANT JUDGEMENTS AND ESTIMATES

i. Fulfilment cash flows

Fulfilment cash flows comprise:

- estimates of future cash flows;
- an adjustment to reflect the time value of money and the financial risks related to future cash flows, to the extent that the financial risks are not included in the estimates of future cash flows; and
- a risk adjustment for non-financial risk.

Estimates of future cash flows

In estimating future cash flows, the Company incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events.

The estimates of future cash flows reflect the Company's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

When estimating future cash flows, the Company takes into account current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or discharge a present obligation or create new obligations under existing contracts are not taken into account until the change in legislation is substantively enacted.

Cash flows within the boundary of a contract relate directly to the fulfilment of the contract, including those for which the Company has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts.

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. Other costs that are incurred in fulfilling the contracts include:

- claims handling, maintenance and administration costs;
- recurring commissions payable on instalment premiums receivable within the contract boundary;
- costs that the Company will incur in providing investment services;
- costs that the Company will incur in performing investment activities to the extent that the Company performs them to enhance benefits from insurance coverage for policyholders by generating an investment return from which policyholders will benefit if an insured event occurs; and
- income tax and other costs specifically chargeable to the policyholders under the terms of the contracts.

Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads.

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

16 **INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)**

E. SIGNIFICANT JUDGEMENTS AND ESTIMATES (CONTINUED)

i. Fulfilment cash flows (continued)

Estimates of future cash flows (continued)

Cash flows are attributed to acquisition activities, other fulfilment activities and other activities using activity-based costing techniques. Cash flows attributable to acquisition and other fulfilment activities are allocated to groups of contracts using methods that are systematic and rational and are consistently applied to all costs that have similar characteristics. The Company generally allocates insurance acquisition cash flows to groups of contracts based on the total premiums for each group and maintenance and administration costs based on the number of in-force contracts and total premiums within each group. Other costs are recognised in profit or loss as they are incurred.

Insurance acquisition cash flows

Insurance acquisition cash flows are allocated to group of insurance contracts under a systematic and rational method and considering, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort.

Insurance acquisition cash flows arising before the recognition of the related group of contracts are recognised as an asset. Insurance acquisition cash flows arise when they are paid or when a liability is required to be recognised under a standard other than MFRS 17. Such an asset is recognised for each group of contracts to which the insurance acquisition cash flows are allocated. The asset is derecognised, fully or partially, when the insurance acquisition cash flows are included in the measurement of the group of contracts.

Recoverability assessment

Once an asset for insurance acquisition cash flows is recognised, at each reporting date, if facts and circumstances indicate that it may be impaired, then the Company:

1. Recognises an impairment loss in profit or loss so that the carrying amount of the asset does not exceed the expected net cash inflow for the related group; and
2. If the asset relates to future renewals, recognises an impairment loss in profit or loss to the extent that it expects those insurance acquisition cash flows to exceed the net cash inflow for the expected renewals and this excess has not already been recognised as an impairment loss.

The Company reserves any impairment losses in profit or loss and increases the carrying amount of the asset to the extent that the impairment conditions have improved.

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16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

E. SIGNIFICANT JUDGEMENTS AND ESTIMATES (CONTINUED)

i. Fulfilment cash flows (continued)

Contract boundaries

The assessment of the contract boundary, which defines which future cash flows are included in the measurement of a contract, requires judgement and consideration of the Company's substantive rights and obligations under the contract.

Insurance Contracts	Some term assurance, medical and critical illness contracts issued by the Company have annual terms that are guaranteed to be renewable each year. The Company determines that the cash flows related to future renewals (i.e. the guaranteed renewable terms) of these contracts are outside the contract boundary. This is because the premium charged for each year reflects the Company's expectation of its exposure to risk for that year and, on renewal, the Company can reprice the premium to reflect the reassessed risks for the next year based on claims experience and expectations for the respective portfolio. Any renewal of the contract is treated as a new contract and is recognised, separately from the initial contract, when the recognition criteria are met.
Reinsurance Contracts	Each of the Company's quota share reinsurance contracts has an annual term, covers underlying contracts issued within the term on a risk-attaching basis and provides unilateral rights to both the Company and the reinsurer to terminate the cession of new business at any time by giving three months' notice to the other party. On initial recognition, the cash flows within the reinsurance contract boundary are determined to be those arising from underlying contracts that the Company expects to issue and cede under the reinsurance contract within the next three months. Subsequently, expected cash flows beyond the end of this initial notice period are considered cash flows of new reinsurance contracts and are recognised, separately from the initial contract. Each of the Company's excess of loss and stop loss reinsurance contracts has an annual term and covers claims from underlying contracts incurred within the year (i.e. loss occurring). Cash flows within the contract boundary are those arising from underlying claims incurred during the year.

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16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

E. SIGNIFICANT JUDGEMENTS AND ESTIMATES (CONTINUED)

i. Fulfilment cash flows (continued)

Estimates of future cash flows

Non-Participating, Participating, Investment-linked contracts

Assumptions about mortality/longevity, morbidity and policyholder behaviour that are used in estimating future cash flows are developed by product type, reflecting recent experience and the profiles of policyholders within a group of insurance contracts.

Mortality/longevity and morbidity assumptions are generally developed using a blend of national mortality data, industry trends and the Company's recent experience. Experience is monitored through regular studies, the results of which are reflected both in the pricing of new products and in the measurement of existing contracts.

Policyholder behaviour is estimated by product type, based on trends in recent experience.

Discount rates

All cash flows are discounted using risk-free yield curves adjusted to reflect the characteristics of the cash flows and the liquidity of the insurance contracts. The Company generally determines the risk free rates using the government bond yields. Although the ultimate forward rate is subject to revision, it is expected to be stable and would change only on significant changes to long-term expectations. To reflect the liquidity characteristics of the insurance contracts, the risk-free yield curves are adjusted by an illiquidity risk premium (IRP). IRP are generally determined by comparing the spreads on corporate bonds with the government bond yields.

The tables below set out the yield curves used to discount the cash flows of insurance contracts.

Risk Free with	2025					2024				
	1 year	5 years	10 years	15 years	20 years	1 year	5 years	10 years	15 years	20 years
0% IRP	2.85%	3.31%	3.56%	3.87%	4.10%	3.29%	3.66%	3.86%	4.03%	4.20%
100% IRP	2.99%	3.45%	3.70%	4.01%	4.23%	3.39%	3.77%	3.97%	4.14%	4.30%

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16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

E. SIGNIFICANT JUDGEMENTS AND ESTIMATES (CONTINUED)

i. Fulfilment cash flows (continued)

Estimates of future cash flows (continued)

Risk adjustments for non-financial risk

Risk adjustments for non-financial risk are determined to reflect the compensation that the individual issuing entity would require for bearing non-financial risk. The risk adjustments for non-financial risk are determined using a confidence level technique for both direct and reinsurance contracts. 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.

ii. Contractual service margin

Determination of coverage units

The CSM of a group of contracts is recognised in profit or loss to reflect services provided in each year based on the number of coverage units provided in the year, which is determined by considering for each contract the quantity of the benefits provided and its expected coverage period. The coverage units are reviewed and updated at each reporting date.

The Company determines the quantity of the benefits provided under each contract as follows:

Product	Basis for determining quantity of benefits provided
Term assurance	Sum assured payable on death
Medical/ Accidental/ Critical illness	Amount payable on insured event
Traditional participating Investment-linked Non-participating Whole-life and Endowment	Insurance coverage: Net amount at risk (i.e. guaranteed minimum benefits less account value/ surrender value, if any) Investment services: Account value and Surrender Value, if any
Quota share reinsurance	Expected amount of Reinsurance Recoveries

The Company reflects benefit provided for insurance and investment services by summing up the coverage unit of insurance service and investment services.

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16 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

E. SIGNIFICANT JUDGEMENTS AND ESTIMATES (CONTINUED)

iii. Investment components

The Company identifies the investment component of a contract by determining the amount that it would be required to repay to the policyholder in all scenarios with commercial substance. These include circumstances in which an insured event occurs or the contract matures or is terminated without an insured event occurring. Investment components are excluded from insurance revenue and insurance service expenses.

Investment linked, participating and non-participating whole-life contracts have explicit surrender values. The investment component excluded from insurance revenue and insurance service expenses is determined as the surrender value specified in the contractual terms less any accrued fees and surrender charges.

iv. Fair value of insurance contracts

The Company has measured the fair value of insurance contracts when it applied the fair value approach on transition to MFRS 17. The Company has measured the fair value of insurance contracts as the sum of

- (a) the present value of the net cash flows expected to be generated by the contracts, determined using a discounted cash flow technique; and
- (b) an additional margin, determined using a confidence level technique.

The cash flows considered in the fair value measurement are consistent with those that were within the contract boundary. Therefore, the cash flows related to expected future renewals of insurance contracts are not considered in determining the fair value of those contracts if they are outside the contract boundary.

The Company's approach to measuring fair value differs from the MFRS 17 requirements for measuring fulfilment cash flows in certain respects. These differences gave rise to a CSM at the date of acquisition or transition. In particular, in measuring fair value the Company:

- considers the cash flows included in the measurement of fulfilment cash flows but adjusts them to reflect the perspective of market participants. For example, expense cash flows are increased to cover a reasonable level of general overheads that are not directly attributable to fulfilling the insurance contracts but that a market participant acquiring the contracts would expect to bear;
- uses the risk-free discount rates applied in measuring fulfilment cash flows
- includes a margin comprising a risk premium to reflect what market participants would demand as compensation for the uncertainty inherent in the cash flows and a profit margin to reflect what market participants would require to assume the obligations to service the insurance contracts. In determining the risk premium, the Company allows for certain risks that were not reflected in the fulfilment cash flows but would be considered by market participants – e.g. general operational risk.

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

17 INSURANCE REVENUE

	Note	Non-Participating		Participating		Investment-Linked		Total	
		<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Contracts not measured under the PAA									
Amount relating to changes in liabilities for remaining coverage:									
CSM recognised for services provided		13,894	11,392	249	267	4,627	4,740	18,770	16,399
Change in risk adjustment for non-financial risk for risk expired		7,473	6,952	62	658	6,459	4,157	13,994	11,767
Expected incurred claims and other insurance service expenses		65,082	69,534	4,106	2,290	85,224	83,011	154,412	154,835
Recovery of insurance acquisition cash flows		25,311	25,280	601	599	17,315	15,156	43,227	41,035
		111,760	113,158	5,018	3,814	113,625	107,064	230,403	224,036
Contracts measured under the PAA		22,254	23,794	-	-	-	-	22,254	23,794
Total insurance revenue	16(A)	134,014	136,952	5,018	3,814	113,625	107,064	252,657	247,830

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

17 **INSURANCE REVENUE (CONTINUED)**

Analysis of insurance revenue for insurance contracts issued and the CSM by transition method is included in the following table:

2025				
<u>Insurance contracts issued</u>	<u>Non-Participating</u> RM'000	<u>Participating</u> RM'000	<u>Investment-Linked</u> RM'000	<u>Total</u> RM'000
Contracts under the fair value transition approach	25,521	4,020	32,517	62,058
Other contracts	108,493	998	81,108	190,599
	<u>134,014</u>	<u>5,018</u>	<u>113,625</u>	<u>252,657</u>
2024				
<u>Insurance contracts issued</u>	<u>Non-Participating</u> RM'000	<u>Participating</u> RM'000	<u>Investment-Linked</u> RM'000	<u>Total</u> RM'000
Contracts under the fair value transition approach	31,958	2,842	34,645	69,445
Other contracts	104,994	972	72,419	178,385
	<u>136,952</u>	<u>3,814</u>	<u>107,064</u>	<u>247,830</u>

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

18 INVESTMENT INCOME AND OTHERS

	<u>2025</u> RM'000	<u>2024</u> RM'000
INVESTMENT INCOME/ (EXPENSES)		
<u>FVOCI financial assets</u>		
Interest income from debt securities	67,971	69,607
Amortisation of premiums	(6,411)	(2,243)
<u>FVTPL financial assets</u>		
Dividend income from equity securities quoted in Malaysia	67,718	44,632
Dividend income from equity securities quoted outside Malaysia	2,020	1,594
Interest income from debt securities	6,230	4,803
Amortisation of premiums	(228)	(153)
<u>Amortised cost financial assets</u>		
Fixed and call deposits	3,060	3,752
Investment expenses	<u>(13,650)</u>	<u>-</u>
	<u>126,710</u>	<u>121,992</u>

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19 **NET REALISED GAINS/(LOSSES)**

	<u>2025</u> RM'000	<u>2024</u> RM'000
REALISED GAINS		
<u>FVOCI financial assets</u>		
Realised gains on debt securities	12,747	1,568
<u>FVTPL financial assets</u>		
Realised gains on equity securities quoted in Malaysia	10,760	24,050
Realised gains on equity securities quoted outside Malaysia	15,022	11,560
Realised gains on debt securities	224	331
Realised gains on unit and property trust funds quoted in Malaysia	3,083	1,642
	<u>41,836</u>	<u>39,151</u>
	<u>2025</u> RM'000	<u>2024</u> RM'000
REALISED LOSSES		
<u>FVOCI financial assets</u>		
Realised losses on debt securities	(1,034)	(109)
<u>FVTPL financial assets</u>		
Realised losses on equity securities quoted in Malaysia	(15,574)	(8,016)
Realised losses on equity securities quoted outside Malaysia	(8,798)	(12,403)
Realised losses on debt securities	(9)	(155)
Realised losses on unit and property trust funds quoted in Malaysia	(22)	(126)
	<u>(25,437)</u>	<u>(20,809)</u>
Total net realised gains	<u>16,399</u>	<u>18,342</u>

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

20 NET UNREALISED GAIN

	<u>2025</u> RM'000	<u>2024</u> RM'000
<u>FVTPL financial assets</u>		
Fair value (loss)/gain on equity securities quoted in Malaysia	(12,922)	95,952
Fair value gain on equity securities quoted outside Malaysia	11,127	2,740
Fair value gain/(loss) on debt securities	2,471	(4)
	<u>676</u>	<u>98,688</u>
Revaluation on investment property (Note 7)	<u>31</u>	<u>-</u>
Net fair value gain	<u>707</u>	<u>98,688</u>

21 OTHER OPERATING REVENUE/OTHER INCOME

	<u>2025</u> RM'000	<u>2024</u> RM'000
<u>Other operating revenue</u>		
Interest Income	130	154
Miscellaneous revenue	115	404
	<u>245</u>	<u>558</u>
<u>Other income</u>		
Gain on disposal of property and equipment	<u>-</u>	<u>1</u>
	<u>-</u>	<u>1</u>

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22 INSURANCE SERVICE EXPENSES

	2025 RM'000	2024 RM'000
Claims and benefits	143,803	137,560
Fees and commissions	34,810	34,307
Losses and reversal of losses on onerous contracts	36,490	17,459
Loss component run-off	(17,894)	(20,083)
Adjustments to liabilities for incurred claims	428	8
Staff costs (Note (a))	51,504	59,448
Directors' remuneration:		
Directors' fees and allowances for Non-Executive Directors (Note (b))	903	1,001
Management and consultancy fees	8,100	1,457
Advertising expenses	10,517	11,466
IT expenses and software licence fees	14,348	29,856
Bank charges and collection fees	2,270	2,504
Auditors' remuneration		
<u>Audit fees:</u>		
- KPMG PLT	650	855
Depreciation of property and equipment (Note 5)	3,433	1,382
Right-of-use assets		
- Depreciation (Note 6)	2,461	1,809
Amortisation of intangible assets (Note 8)	5,252	4,525
Allowance for impairment of other receivables (Note 31 (a))	64	146
Investment expenses	3,967	5,372
Other expenses	28,296	27,066
	329,402	316,138
Amounts attributed to insurance acquisition cash flows (Note 16A)	(68,094)	(72,896)
Amortisation of insurance acquisition cash flows (Note 16A)	47,230	46,801
	308,538	290,043
Represented by:		
Insurance service expenses (Note 16A)	285,068	260,720
Other operating expenses	23,470	29,323
	308,538	290,043

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

22 INSURANCE SERVICE EXPENSES (CONTINUED)

(a) Staff costs

	<u>2025</u> RM'000	<u>2024</u> RM'000
Salary and bonus	42,783	48,911
Defined contribution plan	6,195	6,298
Other benefits	2,526	4,239
	<u>51,504</u>	<u>59,448</u>

Included in staff costs are the remuneration, including benefits-in-kind, attributable to the Chief Executive Officer of the Company during the financial year amounted to RM3,150,000 (2024: RM2,182,000).

	<u>Salary and bonus RM'000</u>	<u>Defined contribution plan RM'000</u>	<u>Other benefits RM'000</u>	<u>Total RM'000</u>
<u>2025</u>				
Soo Wai Har	770	116	34	920
Rebecca Tan	901	135	1,194	2,230
	<u>1,671</u>	<u>251</u>	<u>1,228</u>	<u>3,150</u>
<u>2024</u>				
Rebecca Tan	1,865	280	37	2,182
	<u>1,865</u>	<u>280</u>	<u>37</u>	<u>2,182</u>

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22 INSURANCE SERVICE EXPENSES (CONTINUED)

(b) The total remuneration of the Directors of the Company in office during the financial year were as follows:

	<u>Fees</u> <u>RM'000</u>	<u>Meeting</u> <u>allowances</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>
2025			
<u>Executive Director</u>			
Fabrice Benard	-	-	-
<u>Non-Executive Directors</u>			
Mr. Choong Tuck Oon (term expired w.e.f. 29 th August 2025)	63	14	77
Mr. Fong Seow Kee	113	28	141
Datuk Khairul Anuar Bin Yahya	81	17	98
Dr. Sharlene Thiagarajah	115	29	144
Ms. Chong Kwai Ying	109	21	130
Datin Zaimah Binti Zakaria	114	29	143
Mr. Pushpanathan A/L S.A.Kanagarayar	107	13	120
Irwin Bin Mohd Eusoff	-	-	-
Mr. Raymond Fam (appointed w.e.f. 30 th August 2025)	48	2	50
	<u>750</u>	<u>153</u>	<u>903</u>
2024			
<u>Executive Director</u>			
Roberto Leonardi (resigned w.e.f. 1 st April 2024)	-	-	-
Fabrice Benard (appointed w.e.f. 1 st April 2024)	-	-	-
<u>Non-Executive Directors</u>			
Mr. Choong Tuck Oon	105	26	131
Mr. Fong Seow Kee	119	37	156
En. Abdul Malek Bin Mohamed Said (resigned w.e.f. 24 th November 2024)	73	13	86
Datuk Khairul Anuar Bin Yahya	81	21	102
Dr. Sharlene Thiagarajah	120	38	158
Ms. Chong Kwai Ying	109	24	133
Datin Zaimah Binti Zakaria (appointed w.e.f. 1 st April 2024)	87	26	113
Mr. Pushpanathan A/L S.A. Kanagarayar (appointed w.e.f. 1 st April 2024)	79	15	94
En. Irwin Bin Mohd Eusoff (appointed w.e.f. 25 th November 2024)	8	4	12
En. Mazhairul Jamaludin (retired w.e.f. 13 th February 2024)	13	3	16
	<u>794</u>	<u>207</u>	<u>1,001</u>

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

23 TAXATION

	<u>2025</u> RM'000	<u>2024</u> RM'000
Tax expense on the (loss)/profit for the financial year:		
Current tax	6,971	7,568
Over provision in prior financial years	<u>(1,736)</u>	<u>(1,019)</u>
	5,235	6,549
Deferred tax (Note 14)	<u>1,337</u>	<u>6,923</u>
	<u>6,572</u>	<u>13,472</u>

A reconciliation of income tax expense applicable to (loss)/profit before taxation at the statutory income tax rate to the effective income tax rate of the Company is as follows:

	<u>2025</u> RM'000	<u>2024</u> RM'000
(Loss)/Profit before taxation attributable to Shareholders	<u>(46,011)</u>	<u>2,896</u>
Taxation at Malaysian statutory tax rate of 24% (2024: 24%)	(11,043)	695
Income not subject to tax	(130,922)	(127,681)
Expenses not deductible for tax purposes	150,273	141,477
Over provision in prior financial years	<u>(1,736)</u>	<u>(1,019)</u>
Total	<u>6,572</u>	<u>13,472</u>

24 BASIC LOSS PER SHARE

Basic loss per share of the Company is calculated by dividing the net loss for the financial year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	<u>2025</u> RM'000	<u>2024</u> RM'000
Net loss attributable to ordinary shareholders (RM'000)	(52,583)	(10,576)
Weighted average number of shares in issue ('000)	611,000	599,935
Basic loss per share (sen)	<u>(8.61)</u>	<u>(1.76)</u>

Diluted loss per share is not presented as there are no dilutive potential ordinary shares as at the date of the statement of financial position.

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25 CASH FLOWS GENERATED FROM OPERATING ACTIVITIES

	<u>2025</u> RM'000	<u>2024</u> RM'000
Net loss for the financial year	(52,583)	(10,576)
<u>Non-cash items:</u>		
Taxation	6,572	13,472
Net Investment income	(126,710)	(113,173)
Depreciation of property and equipment	3,433	1,382
Right-of-use assets		
- Depreciation	2,461	1,809
- Interest expenses	279	67
Amortisation of intangible assets	5,252	4,525
WIP expense-off	-	306
Gain on disposal of financial assets	(16,399)	(18,342)
Gain on disposal of property and equipment	-	(1)
Net fair value gain on FVTPL financial assets	(676)	(98,688)
Expected credit loss	3,622	3
Allowance for impairment on other receivables	64	146
Net change in insurance finance reserves	(17,006)	(5,803)
Revaluation of investment property	(31)	-
Equity-settled share-based payment transactions	89	114
Income Tax Penalty	127	-
<u>Changes in working capital:</u>		
Fixed and call deposits	32,620	12,309
Insurance contract assets	4,025	(43,675)
Other receivables	(8,725)	(4,997)
Reinsurance assets	(695)	(18,510)
Insurance contract liabilities	(14,540)	41,825
Insurance claims liabilities	76,691	231,746
Reinsurance payables	777	(5,031)
Other payables	5,232	(844)
Cash flows used in from operating activities	<u>(96,121)</u>	<u>(11,936)</u>

26 CAPITAL COMMITMENTS

	<u>2025</u> RM'000	<u>2024</u> RM'000
Approved and contracted for:		
Intangible assets	-	43,974
Approved and not contracted for:		
Intangible assets	<u>-</u>	<u>1,973</u>
	<u>-</u>	<u>45,947</u>

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

27 NET FINANCIAL RESULT

		2025			
	Note	Non- Participating fund RM'000	Participating fund RM'000	Investment- linked fund RM'000	Total RM'000
Investment return					
Net realised gain/(loss) measured at FVTPL		5,485	12,173	(3,210)	14,448
Net unrealised gain/(loss) measured at FVTPL		60	(14,393)	15,518	1,185
Investment income and others		25,991	50,659	39,460	116,110
Amounts recognised in OCI		6,497	7,129	978	14,604
Total investment return		38,033	55,568	52,746	146,347
Net finance expenses from insurance contracts					
Interest accreted		(24,441)	-	-	(24,441)
Effect of changes in interest rates and other financial assumptions		(10,362)	(56,166)	(47,630)	(114,158)
Changes in fair value of underlying items of direct participating contracts		-	(1,057)	-	(1,057)
Total net finance expenses from insurance contracts	(a)	(34,803)	(57,223)	(47,630)	(139,656)
Net finance income/(expenses) from reinsurance contracts					
Interest accreted		443	809	(91)	1,161
Other		(1,114)	(12)	209	(917)
Total net finance expenses from reinsurance contracts	(a)	(671)	797	118	244
		(35,474)	(56,426)	(47,512)	(139,412)
Represented by:					
Amounts recognised in profit or loss		(24,863)	(50,031)	(47,512)	(122,406)
Amounts recognised in OCI		(10,611)	(6,395)	-	(17,006)
		(35,474)	(56,426)	(47,512)	(139,412)
a) Insurance finance income and expenses					
Net finance expenses from insurance contracts					
Recognised in profit or loss		(24,192)	(50,828)	(47,630)	(122,650)
Recognised in OCI		(10,611)	(6,395)	-	(17,006)
		(34,803)	(57,223)	(47,630)	(139,656)
Net finance (expenses)/income from reinsurance contracts					
Recognised in profit or loss		(671)	797	118	244
		(671)	797	118	244

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

27 NET FINANCIAL RESULT (CONTINUED)

		2024			
	Note	Non- Participating fund RM'000	Participating fund RM'000	Investment- linked fund RM'000	Total RM'000
Investment return					
Net realised gain measured at FVTPL		2,252	10,380	4,340	16,972
Net unrealised gain measured at FVTPL		-	45,116	55,041	100,157
Investment income and others		25,873	50,135	33,650	109,658
Amounts recognised in OCI		1,503	(211)	637	1,929
Total investment return		29,628	105,420	93,668	228,716
Net finance expenses from insurance contracts					
Interest accreted		(20,633)	-	-	(20,633)
Effect of changes in interest rates and other financial assumptions		506	(105,019)	(87,763)	(192,276)
Changes in fair value of underlying items of direct participating contracts		-	5,765	-	5,765
Total net finance expenses from insurance contracts	(a)	(20,127)	(99,254)	(87,763)	(207,144)
Net finance income/(expense) from reinsurance contracts					
Interest accreted		(455)	1,289	331	1,165
Other		(211)	(67)	409	131
Total net finance income from reinsurance contracts	(a)	(666)	1,222	740	1,296
		(20,793)	(98,032)	(87,023)	(205,848)
Represented by:					
Amounts recognised in profit or loss		(18,090)	(94,932)	(87,023)	(200,045)
Amounts recognised in OCI		(2,703)	(3,100)	-	(5,803)
		(20,793)	(98,032)	(87,023)	(205,848)
a) Insurance finance income and expenses					
Net finance expenses from insurance contracts					
Recognised in profit or loss		(17,424)	(96,154)	(87,763)	(201,341)
Recognised in OCI		(2,703)	(3,100)	-	(5,803)
		(20,127)	(99,254)	(87,763)	(207,144)
Net finance (expenses)/income from reinsurance contracts					
Recognised in profit or loss		(666)	1,222	740	1,296
		(666)	1,222	740	1,296

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

27 NET FINANCIAL RESULT (CONTINUED)

b) Investment return in OCI related to insurance and reinsurance contracts

	2025		2024	
	Fair value reserve RM'000	Insurance finance reserve – FVA contracts RM'000	Fair value reserve RM'000	Insurance finance reserve – FVA contracts RM'000
Balance at 1 January	30,216	(18,373)	28,240	(16,856)
Net change in fair value	25,148	(10,002)	2,884	(1,996)
Net amount reclassified to profit or loss	(9,745)	-	(726)	-
Related income tax (24%)	(918)	2,400	(182)	479
Balance at 31 December	44,701	(25,975)	30,216	(18,373)

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28 RELATED PARTY DISCLOSURES

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, related companies of Affin Bank Berhad ("Affin Group") and Lembaga Tabung Angkatan Tentera ("LTAT Group") on agreed terms and conditions.

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

<u>Name of company</u>	<u>Country of incorporation</u>	<u>Relationship</u>
Generali Group		
Assicurazioni Generali S.p.A.	Italy	Ultimate holding company
Generali Asia N.V.	Netherlands	Immediate holding company of GMHB
Assicurazioni Generali S.p.A. – Hong Kong Branch	Hong Kong	Subsidiary of Generali
Generali Malaysia Holding Berhad (GMHB)	Malaysia	Immediate holding company
Generali Insurance Malaysia Berhad	Malaysia	Subsidiary of Generali
Affin Group		
Affin Bank Berhad ("AFFIN")	Malaysia	Shareholder of GMHB, which has significant influence in GMHB
Subsidiaries of AFFIN	Malaysia	Subsidiaries of AFFIN
LTAT Group		
Lembaga Tabung Angkatan Tentera ("LTAT")	Malaysia	Shareholder of AFFIN, which has significant influence in AFFIN
Subsidiaries of LTAT	Malaysia	Subsidiaries LTAT

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

28 RELATED PARTY DISCLOSURES (CONTINUED)

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

	<u>2025</u> RM'000	<u>2024</u> RM'000
<u>Transactions with Affin Group</u>		
- Gross premium	1,611	1,198
- Commission expenses	(15,707)	(12,433)
- Director's fee	-	(59)
- Marketing fee	(6,719)	(10,094)
<u>Transactions with LTAT Group</u>		
- Gross premium	829	882
- Rental of office and utility expenses	(884)	(1,482)
- Payment for accommodation and event	(2)	(44)
<u>Transactions with Generali Group</u>		
- Gross premium	1,005	872
- Reinsurance premium	-	(161)
- Office rental income and Utilities (Received/Receivable)	99	101
- Office rental expense & Utilities (Paid/Payable)	(1,019)	(60)
- Reimbursement expenses (Received/Receivable)	332	230
- Reimbursement expenses (Paid/Payable)	(381)	(873)
- Personal Accident & Motor insurances	(95)	(35)
- Support services from regional office for integration	(150)	(200)
- Mergers and acquisitions support	-	(144)
- Training	-	(11)
- AWS Consumption cost sharing	(528)	(232)
- Being reimbursements of renovation costs (Paid/Payable)	(15,756)	-
- SAP Licence	(31)	(61)

Amounts due to related parties are included in other receivables (Note 11) and other payables (Note 15)

The Company does not have any individually or collectively significant transactions outside the ordinary course of business with the Government of Malaysia and government related entities.

In the normal course of business, the Company undertakes at agreed terms and prices negotiated between the related parties.

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

28 RELATED PARTY DISCLOSURES (CONTINUED)

Compensation of key management personnel

Key management personnel represent people with the authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly.

The key management personnel of the Company comprise of the Board of Directors and the senior management team.

Total compensation paid and payable to the Company's key management personnel during the financial year is as follows:

	<u>2025</u>	<u>2024</u>
	RM'000	RM'000
Salary, bonus and benefits	7,878	7,491
Defined contribution plan	1,236	1,181
Other benefits	505	585
Directors' fees and allowance (Note 22)	903	1,001
	<u>10,522</u>	<u>10,258</u>

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29 RISK MANAGEMENT AND INTERNAL CONTROL

The Board recognises the importance of having in place a risk management framework to identify principal risks and to implement appropriate controls to manage such risks as an integral part of the Company's operations. The Company maintains a risk management framework that is designed to be consistent with the basic principles of sound management practices. The Company has implemented and monitors the implementation using the three lines of defence model. The model is as follows:

- As the first line of defence, Management and staff have primary responsibility for establishing and maintaining an effective control environment, identifying and managing the risks inherent in the products, services and activities in their scope and designing, implementing, maintaining, monitoring, evaluating and reporting on the Company's internal control system in accordance with the risk strategy and policies on internal control as approved by the Board of Directors. Business Risk and Compliance coordinators have been appointed by the Management to strengthen the internal controls and compliance with rules and Company's policies within the departments or divisions.
- The second line consisting of the Risk Management function and the Compliance function, is responsible for supporting management in risk and control management and for regular independent challenge and verification of the design and operating effectiveness of the control environment.
- The third line is the Internal Audit function which performs an assessment of the risk and governance processes on a periodic basis to provide independent assurance on the effectiveness of the system of internal control.

Senior management and the Board of Directors collectively have responsibility for establishing the organisation's objectives, defining high-level strategies to achieve those objectives, and establishing governance structures to best manage risk.

The governance model provides a formalised, transparent and effective governance structure which promotes active involvement of the Board and Senior Management in the risk management process to ensure a uniform view of risk across the Company.

The Company promotes risk management and compliance culture amongst all staff through awareness training and briefings on risk and regulatory topics which are conducted to ensure that the staff are familiar with the Company's requirements and to help establish a robust culture of risk and compliance.

Governance Structure

The Board assumes the overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is the approving authority for changes and exceptions to all risk management strategies and policies which are established to identify, analyse and monitor the risks faced by the Company.

Board Audit and Compliance Committee and the Board Risk Management Committee are the board sub-committees primarily responsible for assisting the Board in fulfilling its governance and oversight responsibilities, especially in the areas of managing risks, non-compliance and ensuring that the management has put in place effective controls as well as reviews of major policies.

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

29 RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

Frameworks and Policies

In supporting the fundamental principles of risk management, the Company's frameworks and policies (documents) are developed and reviewed to be in line with the Company's risk appetite, compliance with rules and regulations, and the Company's requirements, which set the standards and direction in managing the business and operations.

These documents are reviewed periodically by the relevant management committees and escalated to the board sub-committees for deliberation and recommendation to the Board for approval. The frameworks and policies are supported by procedures, guidance and templates where appropriate, as well as specific tools and techniques where applicable.

For the compliance function, key policies and procedures are in place, which include Anti-Money Laundering and Counter-Terrorism Financing Policy; Personal Data Privacy Policies and Anti-Bribery and Corruption Policy that set out the requirements, standards and guidance to meet the regulatory and the Company's requirements.

The Board recognises that strong governance and regulatory framework would require proper and timely dissemination of new regulations by Bank Negara Malaysia and policies from the Generali Group. As such, when new laws and policies are introduced, the management has the responsibility to analyse the potential impact and gaps in a timely manner, by tabling it in the next available Board meeting. Similarly, these requirements are communicated promptly to the staff and at respective meetings.

Capital Management

The Company manages its capital adequacy in line with the business strategies and risk profile to meet regulatory capital requirements and to support its risk-taking activities on an ongoing basis as well as ensuring optimal utilisation of capital.

The RBC Framework for the insurance industry came into effect from 1 January 2009. Under the RBC Framework, insurers are required to maintain a capital adequacy level that commensurate with their risk profiles. The minimum regulatory capital adequacy ratio is 130%. The Company also has its own Individual Target Capital Level, which is higher than the minimum regulatory requirement to ensure that the Company can withstand adverse economic and insurance shocks.

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29 RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

Capital Management (continued)

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

	<u>2025</u> RM'000	<u>2024</u> RM'000
<u>Eligible Tier 1 Capital</u>		
Share Capital	611,000	611,000
Accumulated losses	(272,206)	(247,643)
Eligible contract liabilities	<u>99,855</u>	<u>121,953</u>
	438,649	485,310
<u>Tier 2 Capital</u>		
Available-for-sale reserve	44,702	30,216
General reserves	325	-
Amounts deducted from capital	<u>(136,927)</u>	<u>(136,204)</u>
Total capital available	<u>346,749</u>	<u>379,322</u>

The Company has met the minimum capital requirements specified in the RBC Framework for the financial years ended 31 December 2025 and 31 December 2024.

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

30 INSURANCE RISK

The risk under an insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, the risk is random and therefore unpredictable.

The principal risk that the Company faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance contract liabilities. Such risks are managed by adherence to established underwriting guidelines and limits as well as seeking the appropriate reinsurance covers.

The underwriting strategy is intended to ensure that risks underwritten are well diversified in terms of the type of risk and the level of insured benefits.

Stress testing is performed annually to assess the financial impact, simulating drastic changes in major parameters such as interest rate environment, expense patterns, mortality/morbidity patterns and lapse rates. Appropriate actions are taken by the management to ensure the Company maintains a sound financial position in the long term.

The Company uses reinsurance to manage its mortality and morbidity risk. The Company's reinsurance management strategy and policy are reviewed regularly. Reinsurance arrangements are set based on the type of risk. Retention limits for mortality risk per life for individual and group contracts are limited to a maximum of RM250,000 and RM100,000 respectively.

Concentration of risk may arise where a particular event or series of events could significantly impact the Company's liabilities. Such concentrations may arise from a single insurance contract or through a small number of related contracts, and related to the circumstances where significant liabilities could arise.

Only reinsurers meeting a minimum credit rating of A- are considered when deciding on which reinsurers to reinsure the Company's risk.

The table below shows the concentration of the liabilities arising from remaining coverage by class of business:

<u>Segment</u>	<u>2025</u> RM'000	<u>2024</u> RM'000
Whole life	138,289	135,558
Term assurance	493,877	418,615
Endowment	848,713	913,226
Mortgage	188,066	191,681
Investment-linked	822,290	747,070
Other	13,702	18,369
Total	2,504,937	2,424,519

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

30 INSURANCE RISK (CONTINUED)

As all of the business is derived from Malaysia, the entire life insurance contract liabilities are in Malaysia.

Key assumptions

Material judgement is required in determining the liabilities and in the choice of assumptions. Assumptions used are based on past experience, current internal data, external market indices and benchmarks which reflect current observable market prices and other published information. Assumptions and prudent estimates are determined at the date of valuation and no credit is taken for possible beneficial effects of voluntary withdrawals. Assumptions are further evaluated on a continuous basis to ensure realistic and reasonable valuations.

The key assumptions to which the estimation of liabilities is particularly sensitive are as follows:

<u>Scenario</u>	<u>Key assumption</u>	<u>Change in assumption</u>
1	Mortality/Morbidity	+20%
2	Mortality/Morbidity	-20%
3	Lapse and surrender rates	+20%
4	Lapse and surrender rates	-20%
5	Risk free rate	+50bps
6	Risk free rate	-50bps
7	Expenses	+20%

The assumptions that have the greatest effect on the statement of financial position and profit or loss of the Company are listed below by portfolio assumptions impacting gross and net insurance contract liabilities.

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

30 INSURANCE RISK (CONTINUED)

Sensitivities

The sensitivity analysis below shows 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.

	Change in assumptions %	Profit or loss		Equity*	
		Gross RM'000	Net RM'000	Gross RM'000	Net RM'000
<u>2025</u>					
Mortality/Morbidity	+20	(46,152)	(17,324)	(35,075)	(13,166)
Mortality/Morbidity	-20	35,069	11,980	26,652	9,105
Lapse and surrender rates	+20	(14,015)	(18,002)	(10,652)	(13,682)
Lapse and surrender rates	-20	17,055	20,833	12,961	15,833
Risk free rate	+50bps	237	(958)	6,297	5,432
Risk free rate	-50bps	(1,781)	(484)	(8,684)	(7,828)
Expenses	+20	(41,453)	(41,653)	(31,504)	(31,656)
<u>2024</u>					
Mortality/Morbidity	+20	(41,133)	(14,712)	(31,261)	(11,181)
Mortality/Morbidity	-20	27,028	9,556	20,542	7,262
Lapse and surrender rates	+20	(14,015)	(16,923)	(10,651)	(12,861)
Lapse and surrender rates	-20	13,731	16,458	10,436	12,508
Risk free rate	+50bps	(2,590)	(3,583)	3,683	2,922
Risk free rate	-50bps	(306)	622	(6,920)	(6,207)
Expenses	+20	(31,210)	(31,210)	(23,720)	(23,720)

* Impact on equity reflects adjustment for tax, where applicable.

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

31 FINANCIAL RISKS

(a) Credit risk

Credit risk is the risk of loss due to the inability or unwillingness of a counterparty to meet payment obligations of principal and/or interest. The Company has a credit policy in place for its investment funds and the exposure to credit risk is monitored on an ongoing basis.

All bonds investments must carry a minimum rating of A or P1 by rating agencies established in Malaysia or by any internationally recognised rating agency as outlined in the Company's manual of investment policies approved by the Board.

Credit exposure

The table below shows the maximum exposure to credit risk for the components on the statement of financial position. The maximum exposure is shown gross, before the effect of mitigation through the use of master netting or collateral agreements.

	<u>Life and Shareholder' s funds RM'000</u>	<u>Investment -linked funds RM'000</u>	<u>Total RM'000</u>
<u>2025</u>			
FVOCI financial assets:			
MGS and debt securities	1,496,395	87,365	1,583,760
FVTPL financial assets – designated at inception:			
MGS and debt securities	21,757	158,537	180,294
Amortised Cost:			
Fixed and call deposits	62,346	5,572	67,918
Reinsurance contract assets	5,207	33,498	38,705
Other receivables	6,069	912	6,981
Cash and cash equivalents	9,511	35,484	44,995
	<u>1,601,285</u>	<u>321,368</u>	<u>1,922,653</u>
<u>2024</u>			
FVOCI financial assets:			
MGS and debt securities	1,541,780	75,768	1,617,548
FVTPL financial assets – designated at inception:			
MGS and debt securities	-	124,423	124,423
Amortised Cost:			
Fixed and call deposits	94,814	6,180	100,994
Reinsurance contract assets	11,480	26,530	38,010
Other receivables	3,650	1,393	5,043
Cash and cash equivalents	10,740	53,544	64,284
	<u>1,662,464</u>	<u>287,838</u>	<u>1,950,302</u>

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

31 FINANCIAL RISKS (CONTINUED)

(a) Credit risk (continued)

Credit exposure by credit rating

The table below provides information regarding the credit risk exposure of the Company by classifying assets according to the Rating Agency of Malaysia ('RAM'), Malaysian Rating Corporation Berhad ('MARC') and Standard & Poor's ('S&P') credit ratings of counterparties. AAA is the highest possible rating. Assets that fall outside the range of AAA to BBB are classified as speculative grade.

	Neither past-due nor impaired				Investment-	Past due but	Past due	
	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Not rated</u>	<u>Linked funds</u>	<u>not impaired</u>	<u>and impaired</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>2025</u>								
FVOCI financial assets:								
MGS and debt securities	399,191	236,500	-	860,704	87,365	-	-	1,583,760
FVTPL financial assets – designated at inception:								
MGS and debt securities	16,363	5,394	-	-	158,537	-	-	180,294
Amortised Cost:								
Fixed and call deposits	18,604	43,742	-	-	5,572	-	-	67,918
Reinsurance contract asset	-	5,207	-	-	33,498	-	-	38,705
Other receivables	-	-	-	6,332	912	-	(263)	6,981
Cash and cash equivalents	5,061	4,445	-	5	35,484	-	-	44,995
	<u>439,219</u>	<u>295,288</u>	<u>-</u>	<u>867,041</u>	<u>321,368</u>	<u>-</u>	<u>(263)</u>	<u>1,922,653</u>

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

31 FINANCIAL RISKS (CONTINUED)

(a) Credit risk (continued)

Credit exposure by credit rating (continued)

The table below provides information regarding the credit risk exposure of the Company by classifying assets according to the Company's credit ratings of counterparties. (continued)

	Neither past-due nor impaired				Investment- <u>Linked funds</u>	Past due but <u>not impaired</u>	Past due <u>and impaired</u>	<u>Total</u>
	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Not rated</u>				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>2024</u>								
FVOCI financial assets:								
MGS and debt securities	544,336	135,450	-	861,994	75,768	-	-	1,617,548
FVTPL financial assets – designated at inception:								
MGS and debt securities	-	-	-	-	124,423	-	-	124,423
Amortised Cost:								
Fixed and call deposits	25,444	69,370	-	-	6,180	-	-	100,994
Reinsurance contract asset	-	11,480	-	-	26,530	-	-	38,010
Other receivables	-	-	-	3,849	1,393	-	(199)	5,043
Cash and cash equivalents	7,130	3,605	-	5	53,544	-	-	64,284
	<u>576,910</u>	<u>219,905</u>	<u>-</u>	<u>865,848</u>	<u>287,838</u>	<u>-</u>	<u>(199)</u>	<u>1,950,302</u>

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

31 FINANCIAL RISKS (CONTINUED)

(a) Credit risk (continued)

Credit exposure by credit rating (continued)

It is the Company's policy to maintain accurate and consistent risk ratings across its credit portfolio. This enables management to focus on the applicable risks and the comparison of credit exposures across all lines of business and products. The rating system is supported by a variety of financial analytics combined with processed market information to provide the main inputs for the measurement of counterparty risk. All internal risk ratings are tailored to the various categories and are derived in accordance with the Company's rating policy. The attributable risk ratings are assessed and updated regularly.

The Company has not provided the credit risk analysis for the financial assets of the unit-linked business. This is due to the fact that for unit-linked business, the liability to policyholders is linked to the performance and value of the assets that back those liabilities and the shareholders have no direct exposure to any credit risk in these assets.

The Company actively manages its product mix to ensure that there is no significant concentration of credit risk.

Impaired financial assets

As at 31 December 2025, based on the individual assessment of other receivables, there are impaired receivables of RM263,088 (2024: RM199,042). A reconciliation of the allowance for impairment loss on other receivables is as follows:

	<u>2025</u> RM'000	<u>2024</u> RM'000
At 1 January	199	53
Allowance for impairment during the financial year (Note 22)	64	146
At 31 December	<u>263</u>	<u>199</u>

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

31 FINANCIAL RISKS (CONTINUED)

(b) Liquidity risk

Liquidity risk is the risk of the Company being unable to meet its obligations at a reasonable cost or at any time. The Company manages this risk by holding sufficient quantity of liquid investments that can be readily converted to cash.

Maturity profiles

The table below summarises the maturity profile of the financial assets and financial liabilities of the Company based on remaining undiscounted contractual obligations, including interest payable and receivable. For insurance contract liabilities and reinsurance assets, maturity profiles are determined based on the estimated timing of net cash outflows from the recognised insurance liabilities. Repayments which are subject to notice are treated as if notice were to be given immediately.

	Carrying value RM'000	Up to a year RM'000	1-5 years RM'000	Over 5 years RM'000	Total RM'000
<u>2025</u>					
Fixed and call deposits	67,918	67,918	-	-	67,918
Reinsurance contract assets	38,705	17,501	(8,471)	(13,135)	(4,105)
Insurance contract assets	39,650	10,045	31,754	66,813	108,612
Other receivables	6,981	6,019	962	-	6,981
Cash and cash equivalents	44,995	44,995	-	-	44,995
Total assets	198,249	146,478	24,245	53,678	224,401
Liability arising from incurred claims	279,467	279,467	-	-	279,467
Liability arising from remaining coverage	2,551,270	196,471	667,478	1,404,421	2,268,370
Reinsurance contract liabilities	800	1,531	887	1,375	3,793
Other payables	80,973	79,563	1,410	-	80,973
Lease liabilities	7,765	1,546	5,015	2,227	8,788
Total liabilities	2,920,275	558,578	674,790	1,408,023	2,641,391

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

31 FINANCIAL RISKS (CONTINUED)

(b) Liquidity risk (continued)

Maturity profiles (continued)

	Carrying value RM'000	Up to a year RM'000	1-5 years RM'000	Over 5 years RM'000	Total RM'000
<u>2024</u>					
Fixed and call deposits	100,994	100,994	-	-	100,994
Reinsurance contract assets	38,010	15,494	(4,261)	(3,704)	7,529
Insurance contract assets	43,675	10,417	31,057	69,522	110,996
Other receivables	5,043	4,043	1,000	-	5,043
Cash and cash equivalents	64,284	64,284	-	-	64,284
Total assets	252,006	195,232	27,796	65,818	288,846
Liability arising from incurred claims	294,007	294,007	-	-	294,007
Liability arising from remaining coverage	2,474,579	204,818	619,503	1,386,799	2,211,120
Reinsurance contract liabilities	23	41	(7)	(6)	28
Other payables	75,741	73,806	1,935	-	75,741
Lease liabilities	2,249	1,480	312	-	1,792
Total liabilities	2,846,599	574,152	621,743	1,386,793	2,582,688

(c) Market risk

The net asset value of the Company's investments may fluctuate due to changing economic, political and market conditions. Market risk is managed through portfolio diversification and asset allocation.

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

31 FINANCIAL RISKS (CONTINUED)

(c) Market risk (continued)

Currency risk

Currency risk is the risk whereby the value of the assets and liabilities will fluctuate due to changes in foreign exchange rates. Foreign exchange risk embodies not only the potential losses but also the potential for gains.

In the investment-linked business, the policyholders bear the currency risk on the foreign assets held in some of the investment-linked funds as the policy benefits are directly linked to the net asset value of the funds.

	Hong Kong <u>Dollar</u> RM'000	Thai <u>Baht</u> RM'000	Korean <u>Won</u> RM'000	Singapore <u>Dollar</u> RM'000	Indonesian <u>Rupiah</u> RM'000	Taiwan <u>Dollar</u> RM'000	Philippines <u>Peso</u> RM'000	Chinese Yuan <u>Renminbi</u> RM'000	US <u>Dollar</u> RM'000	<u>Total</u> RM'000
<u>2025</u>										
Financial instruments:										
FVTPL	33,732	-	23,018	1,616	318	24,785	-	981	1,888	86,338
Total FVTPL										
- outside Malaysia	<u>33,732</u>	<u>-</u>	<u>23,018</u>	<u>1,616</u>	<u>318</u>	<u>24,785</u>	<u>-</u>	<u>981</u>	<u>1,888</u>	<u>86,338</u>
	Hong Kong <u>Dollar</u> RM'000	Thai <u>Baht</u> RM'000	Korean <u>Won</u> RM'000	Singapore <u>Dollar</u> RM'000	Indonesian <u>Rupiah</u> RM'000	Taiwan <u>Dollar</u> RM'000	Philippines <u>Peso</u> RM'000	Chinese Yuan <u>Renminbi</u> RM'000	US <u>Dollar</u> RM'000	<u>Total</u> RM'000
<u>2024</u>										
Financial instruments:										
FVTPL	26,301	483	5,014	3,424	3,297	19,956	1,600	-	-	60,075
Total FVTPL										
- outside Malaysia	<u>26,301</u>	<u>483</u>	<u>5,014</u>	<u>3,424</u>	<u>3,297</u>	<u>19,956</u>	<u>1,600</u>	<u>-</u>	<u>-</u>	<u>60,075</u>

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

31 FINANCIAL RISKS (CONTINUED)

(c) Market risk (continued)

Currency risk (continued)

Currency risk sensitivity analysis

Foreign currency risk arises for the Company, which has Ringgit Malaysia as its functional currency.

A 10% (2024: 10%) strengthening of the Ringgit Malaysia against the following currencies at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted transactions.

	Profit or loss	
	<u>2025</u>	<u>2024</u>
	RM'000	RM'000
Chinese Yuan Renminbi (CNH)	(75)	-
Hong Kong Dollar (HKD)	(2,564)	(1,999)
Thai Baht (THB)	-	(37)
New Taiwan Dollar (TWD)	(1,884)	(1,517)
Singapore Dollar (SGD)	(123)	(260)
South Korean Won (KRW)	(1,749)	(381)
Indonesian Rupiah (IDR)	(24)	(251)
Philippines Peso (PHP)	-	(122)
United States Dollar (USD)	(143)	-
	<u>(6,562)</u>	<u>(4,567)</u>

A 10% (2024: 10%) weakening of Ringgit Malaysia against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

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

31 FINANCIAL RISKS (CONTINUED)

(c) Market risk (continued)

Interest rate

Fair value interest rate risk is the risk that the fair value of a financial instrument and the underlying policy liabilities for which the assets are intended to fund will fluctuate due to changes in market interest rates. The Company aims to mitigate the impact of fluctuations in interest rates on its financial position by choosing an asset mix appropriate for its liabilities, subject to the current investment market conditions, prices and availability of appropriate securities.

The management regularly reviews the asset liabilities mismatch studies carried out by the Company and reviews the investment strategies to manage and monitor any net interest rate risk or asset liability mismatch risk.

The Company is subject to some extent of duration mismatch due to the longer policy liabilities' duration than the available bond durations.

The analysis below is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax (due to changes in fair value of floating rate/yield financial assets) and equity (that reflects adjustments to profit before tax and re-valuing fixed rate/yield financial assets). The correlation of variables will have a significant effect in determining the ultimate impact on interest rate risk but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non-linear.

	<u>Change in variables</u>	Impact on profit before taxation RM'000	Impact on equity RM'000
<u>2025</u>			
Risk free rate	+50 basis points	(190)	(23,720)
Risk free rate	-50 basis points	199	25,138
<u>2024</u>			
Risk free rate	+50 basis points	-	(22,733)
Risk free rate	-50 basis points	-	24,303

There is no impact to the Company's profit before tax and equity arising from fixed income securities of the Participating life fund and Investment-linked funds as the impact of changes in interest rate risk are retained in the insurance contract liabilities.

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

31 FINANCIAL RISKS (CONTINUED)

(c) Market risk (continued)

Interest rate risk sensitivity analysis

An analysis of the Company's sensitivity to a +/- 50 basis points change in the interest rate at the reporting date, assuming that all other variables remained constant, is presented below.

The impact of interest rate risk on the financial instruments is viewed in tandem with the insurance and reinsurance contracts to have a holistic view:

	Impact on profit before taxation		Impact on equity after taxation	
	Increase RM'000	Decrease RM'000	Increase RM'000	Decrease RM'000
<u>2025</u>				
Insurance and reinsurance				
Contracts	(958)	(484)	5,432	(7,828)
Financial instruments	(190)	199	(23,720)	25,138
	(1,148)	(285)	(18,288)	17,310
<u>2024</u>				
Insurance and reinsurance				
contracts	(3,583)	622	2,922	(6,207)
Financial instruments	-	-	(22,733)	24,303
	(3,583)	622	(19,811)	18,096

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

31 FINANCIAL RISKS (CONTINUED)

(c) Market risk (continued)

Price risk

The Company is exposed to price risk arising from the investments held by the Company in equity securities, collective investment schemes and unit and property trust funds which are classified as fair value through profit or loss financial assets designated upon initial recognition. To manage the price risk arising from investment in these securities, the Company diversifies its portfolio in accordance with the prescribed limits for each class of investments.

As liabilities are long-term in nature, a balanced approach between fixed income and equity securities is taken to achieve an appropriate balance.

The following table demonstrates the sensitivity to a reasonably possible change in the fair values of the investment in equity securities, collective investment schemes and unit and property trust funds, with all other variables held constant showing the impact to the Company's profit before tax and equity. The correlation of variables will have a significant effect in determining the ultimate impact on price risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non-linear.

	<u>Change in variables</u>	Impact on profit before taxation RM'000	Impact on equity RM'000
<u>2025</u>			
Market price	+10%	28,228	21,453
Market price	-10%	(28,228)	(21,453)
<u>2024</u>			
Market price	+10%	27,789	21,120
Market price	-10%	(27,789)	(21,120)

There is no impact to the Company's profit before tax and equity arising from the equity securities, collective investment schemes and unit and property trust funds of the Participating life fund and Investment-linked funds as the impact of changes in price risk are retained in the insurance contract liabilities.

32 INSURANCE FUNDS

The Company's activities are organised by funds and segregated into the Life and Shareholders' funds in accordance with the Financial Services Act, 2013.

The Company's statement of financial position and statement of profit or loss have been further analysed by funds.

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

32 INSURANCE FUNDS (CONTINUED)

STATEMENT OF FINANCIAL POSITION BY FUNDS AS AT 31 DECEMBER 2025

	Shareholders' fund		Life fund		Investment-linked funds		Elimination		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS										
Property and equipment	-	-	16,916	6,738	-	-	-	-	16,916	6,738
Right-of-use assets	-	-	7,297	2,213	-	-	-	-	7,297	2,213
Investment property	-	-	420	389	-	-	-	-	420	389
Intangible assets	99,120	99,120	37,807	37,084	-	-	-	-	136,927	136,204
Investments	293,542	339,913	1,795,467	1,824,325	994,052	893,141	-	-	3,083,061	3,057,379
FVOCI financial assets	5,112	35,622	1,491,283	1,506,158	87,365	75,768	-	-	1,583,760	1,617,548
FVTPL financial assets	282,280	277,896	247,988	249,748	901,115	811,193	-	-	1,431,383	1,338,837
Amortised cost	6,150	26,395	56,196	68,419	5,572	6,180	-	-	67,918	100,994
Insurance contract assets	-	-	37,304	42,314	2,346	1,361	-	-	39,650	43,675
Reinsurance contract assets	-	-	5,207	11,480	33,498	26,530	-	-	38,705	38,010
Current tax assets	630	670	5,333	8,192	2,786	(12)	-	-	8,749	8,850
Other receivables	74,948	28,082	5,953	3,500	912	1,393	(74,832)	(27,932)	6,981	5,043
Cash and cash equivalents	57	181	9,454	10,559	35,484	53,544	-	-	44,995	64,284
TOTAL ASSETS	468,297	467,966	1,921,158	1,946,794	1,069,078	975,957	(74,832)	(27,932)	3,383,701	3,362,785

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

32 INSURANCE FUNDS (CONTINUED)

STATEMENT OF FINANCIAL POSITION BY FUNDS AS AT 31 DECEMBER 2025 (continued)

	Shareholders' fund		Life fund		Investment-linked funds		Elimination		Total	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES										
Share capital	611,000	611,000	-	-	-	-	-	-	611,000	611,000
Accumulated losses	(145,010)	(144,217)	(134,455)	(102,061)	122,837	142,233	-	-	(156,628)	(104,045)
Reserves	325	356	(5,907)	(2,528)	2,552	1,574	-	-	(3,030)	(598)
Fair value reserve	-	120	42,149	28,522	2,552	1,574	-	-	44,701	30,216
Insurance finance reserve	-	-	(48,056)	(31,050)	-	-	-	-	(48,056)	(31,050)
Share option reserve	325	236	-	-	-	-	-	-	325	236
TOTAL EQUITY	466,315	467,139	(140,362)	(104,589)	125,389	143,807	-	-	451,342	506,357

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

32 INSURANCE FUNDS (CONTINUED)

STATEMENT OF FINANCIAL POSITION BY FUNDS AS AT 31 DECEMBER 2025 (continued)

	Shareholders' fund		Life fund		Investment-linked funds		Elimination		Total	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES										
LIABILITIES										
Insurance contract liabilities	-	-	1,955,811	1,952,752	874,926	815,834	-	-	2,830,737	2,768,586
Liability arising from incurred claim	-	-	252,444	269,207	27,023	24,800	-	-	279,467	294,007
Liability arising from remaining coverage	-	-	1,703,367	1,683,545	847,903	791,034	-	-	2,551,270	2,474,579
Reinsurance contract liabilities	-	-	747	23	53	-	-	-	800	23
Lease liabilities	-	-	7,765	2,249	-	-	-	-	7,765	2,249
Deferred tax liabilities	252	-	8,688	7,983	3,144	1,846	-	-	12,084	9,829
Other payables	1,730	827	88,509	88,376	65,566	14,470	(74,832)	(27,932)	80,973	75,741
TOTAL LIABILITIES	1,982	827	2,061,520	2,051,383	943,689	832,150	(74,832)	(27,932)	2,932,359	2,856,428
TOTAL EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES	468,297	467,966	1,921,158	1,946,794	1,069,078	975,957	(74,832)	(27,932)	3,383,701	3,362,785

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

32 **INSURANCE FUNDS (CONTINUED)**

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

	Shareholders' fund		Life fund		Investment-linked funds		Total	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Insurance revenue	-	-	139,032	140,766	113,625	107,064	252,657	247,830
Insurance service expenses	-	-	(148,644)	(151,717)	(136,424)	(109,003)	(285,068)	(260,720)
Net (expenses)/income from reinsurance contract	-	-	(18,203)	(2,833)	6,418	8,406	(11,785)	5,573
Allocation of reinsurance premium	-	-	(24,662)	(33,866)	(8,538)	(13,197)	(33,200)	(47,063)
Net amount recoverable from reinsurers	-	-	6,459	31,033	14,956	21,603	21,415	52,636
Insurance service result	-	-	(27,815)	(13,784)	(16,381)	6,467	(44,196)	(7,317)
Net realised gain/(loss)	1,951	1,370	17,658	12,632	(3,210)	4,340	16,399	18,342
Net unrealised (loss)/gain	(478)	(1,469)	(14,333)	45,116	15,518	55,041	707	98,688
Investment income and others	10,600	12,334	76,650	76,008	39,460	33,650	126,710	121,992
Net investment income	12,073	12,235	79,975	133,756	51,768	93,031	143,816	239,022
Finance expenses from insurance contracts issued	-	-	(75,020)	(113,578)	(47,630)	(87,763)	(122,650)	(201,341)
Finance income from reinsurance contracts held	-	-	126	556	118	740	244	1,296
Net insurance finance expenses	-	-	(74,894)	(113,022)	(47,512)	(87,023)	(122,406)	(200,045)
Net insurance and investment result	12,073	12,235	(22,734)	6,950	(12,125)	12,475	(22,786)	31,660

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

32 INSURANCE FUNDS (CONTINUED)

STATEMENT OF PROFIT OR LOSS BY FUNDS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (continued)

	Shareholders' fund		Life fund		Investment-linked funds		Total	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Other operating revenue	64	404	114	1	67	153	245	558
Other income	-	1	-	-	-	-	-	1
Other operating expenses	(12,601)	(6,623)	(5,189)	(11,817)	(5,680)	(10,883)	(23,470)	(29,323)
Net other expenses	(12,537)	(6,218)	(5,075)	(11,816)	(5,613)	(10,730)	(23,225)	(28,764)
(Loss)/ Profit before income tax	(464)	6,017	(27,809)	(4,866)	(17,738)	1,745	(46,011)	2,896
Income tax expense	(329)	(872)	(4,585)	(8,322)	(1,658)	(4,278)	(6,572)	(13,472)
(Loss)/ Profit for the year	(793)	5,145	(32,394)	(13,188)	(19,396)	(2,533)	(52,583)	(10,576)

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

32 INSURANCE FUNDS (CONTINUED)

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

	Shareholders' Fund		Life Fund		Investment-linked Funds		Total	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Cash flows from:</u>								
Operating activities	(124)	(30,032)	20,510	23,852	(18,060)	20,076	2,326	13,896
Investing activities	-	-	(19,586)	(21,847)	-	-	(19,586)	(21,847)
Financing activities	-	30,000	(2,029)	(1,780)	-	-	(2,029)	28,220
	(124)	(32)	(1,105)	225	(18,060)	20,076	(19,289)	20,269
<u>Cash and cash equivalents:</u>								
Net (decrease)/increase in cash and cash equivalents	(124)	(32)	(1,105)	225	(18,060)	20,076	(19,289)	20,269
At the beginning of the financial year	181	213	10,559	10,334	53,544	33,468	64,284	44,015
At the end of the financial year	57	181	9,454	10,559	35,484	53,544	44,995	64,284

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