



A Legacy of Trust
A Future of Confidence

Integrated Annual Report 2025

Cover Rationale

A Legacy of Trust A Future of Confidence

The cover of Allianz Malaysia Berhad's Integrated Annual Report 2025 reflects a legacy built on trust and continuity. Four children stepping forward together from a solid wooden platform symbolise confidence, unity, and a shared journey into the future.

The platform represents our 25-year presence in Malaysia—founded on trust, reliability, protection, and enduring relationships. From this strong foundation, the next generation moves forward with assurance. The open waters ahead signify resilience, sustainability, and opportunity, while the bright horizon reflects the confidence of Malaysians to embrace change when supported by the right safeguards.

Together, this imagery brings the theme "A Legacy of Trust, A Future of Confidence" to life—underscoring an enduring commitment to secure the future and empower Malaysians, at every stage of life, to move forward with confidence.



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About This Report

Allianz Malaysia Berhad (“AMB” or “Company”) is pleased to present its Integrated Annual Report (“IAR” or “Report”) for the financial year ended 31 December 2025 (“FY2025”).

References to “Allianz Malaysia”, the “Group”, “our” and “we” refer to AMB and its subsidiary companies, Allianz General Insurance Company (Malaysia) Berhad (“Allianz General”) and Allianz Life Insurance Malaysia Berhad (“Allianz Life”) commencing forward, unless stated otherwise in the course of reporting.

Allianz SE is the ultimate holding company of AMB. Allianz SE and its subsidiaries and associated companies are referred to as “Allianz”.

The IAR for FY2025 (“IAR2025”) has been developed in accordance with the Guiding Principles and Content Elements of the International Integrated Reporting (“<IR>”) Framework. It provides interconnectedness between the Group’s financial and non-financial data, and a holistic view of the Group’s business strategies, sustainability efforts, risks and opportunities, capital trade-offs, governance and future orientation.

Reporting Frameworks and Standards

The IAR is our primary report communicated to our stakeholders. The preparation of this Report is guided by the following statutory provisions, best practices, frameworks, standards and guidelines issued by the relevant governing and regulatory bodies:

- ✓ Bank Negara Malaysia (“BNM”) Policy Documents and Guidelines
- ✓ Companies Act 2016
- ✓ Financial Services Act 2013
- ✓ Global Reporting Initiative (“GRI”) Universal Standards 2021
- ✓ IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (“IFRS S1”)
- ✓ IFRS S2 Climate-related Disclosures (“IFRS S2”)
- ✓ International Financial Reporting Standards (“IFRS”)
- ✓ International Integrated Reporting <IR> Framework
- ✓ Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”)
- ✓ Malaysian Code on Corporate Governance 2021
- ✓ Malaysian Financial Reporting Standards (“MFRS”)
- ✓ National Sustainability Reporting Framework (“NSRF”)
- ✓ Sustainability Accounting Standards Board (“SASB”) Sector Specific Disclosure

Reporting Scope and Boundary

All information presented in this IAR2025 covers the reporting period from 1 January 2025 to 31 December 2025, unless stated otherwise.

This IAR2025 provides an overview of our core business sectors operating in Malaysia and encompasses data of all operating companies of Allianz Malaysia. It outlines our unique strategic focus, a refreshed materiality matrix, how we engage with our stakeholders and highlights material matters within our sustainability pillars, their risks and opportunities and our stakeholder value creation efforts.

Reporting Boundary For GHG Emissions

Allianz Malaysia measures and reports greenhouse gas (“GHG”) emissions using the GHG Protocol Corporate Accounting and Reporting Standard, unless otherwise required by IFRS S2. For GHG Scope 3 boundary definition and categorisation, Allianz Malaysia references the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, which defines fifteen (15) Scope 3 categories.

Organisational Boundary

Allianz Malaysia defines its organisational boundaries applying the operational control approach as defined in the GHG Protocol. Operational control is established when the Group or one of its entities has full authority to introduce and implement its operating policies and thus has operational control of the entity and this represents the most appropriate boundary approach given the ability to influence the operating policies and implement measures to achieve the set targets.

Within this boundary, Allianz Malaysia’s GHG Scope 1 and Scope 2 inventory covers operational emissions across Allianz Malaysia.

Scope 1 and Scope 2 GHG emissions relate entirely to the consolidated accounting group. The consolidating accounting group applying IFRS accounting standards aligns with the consolidated group reporting for sustainability related disclosures.

The indirect emissions attributable to Allianz Malaysia arising from the activities are reported as Scope 3 GHG emissions.

About This Report

Operational Boundary

Allianz Malaysia's operational boundary categorises emissions as follows:

Scope 1 (Direct emissions)

Direct GHG emissions from sources that are owned or controlled by operations within Allianz Malaysia's organisational boundary.

Scope 2 (Indirect emissions)

Indirect GHG emissions from the generation of purchased electricity consumed by operations within Allianz Malaysia's organisational boundary.

Scope 3 (Other indirect emissions)

Indirect emissions occurring in Allianz Malaysia's value chain. In the current reporting period, Allianz Malaysia discloses selected Scope 3 GHG emissions for Category 3 (Fuel and Energy-related Activities), Category 6 (Business Travel), Category 7 (Employee Commuting) and Financed Emission Intensity from Category 15 (Investments), consistent with Allianz Malaysia's current reporting maturity and transition relief position under IFRS S2.


Collectively, the sum of Allianz Malaysia's Scope 1, Scope 2 and Scope 3 (Category 3, 6 and 7) is known as Operational GHG Emissions.

Preparation in accordance with IFRS Sustainability Disclosure Standards

Allianz Malaysia has prepared the climate-related disclosures within its Sustainability Statement (refers to Environmental and Climate Action, pages 94 - 104) in accordance with the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board ("ISSB"), specifically IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. It is prepared in line with Bursa Malaysia's MMLR.

In preparing this climate-related disclosures, Allianz Malaysia referred to the SASB Standards and considered their disclosure topics as part of the materiality assessment. Refer to SASB-aligned Disclosure Index, on pages 199 - 200 for details.

Besides the climate-related disclosure, Allianz Malaysia also discussed other sustainability matters which are deemed material based on our Double Materiality Assessment process. However, the disclosure on these material sustainability matters is not prepared in accordance with the IFRS Sustainability Disclosure Standards.

 For more information, kindly refer to IFRS S1 and S2 Disclosure Index on pages 186 - 198.

First-time Adoption of IFRS Sustainability Disclosure Standards and Transition Reliefs

The Group is adopting the IFRS Sustainability Disclosure Standards for the first time for the FY2025. Accordingly, for the annual reporting period beginning 1 January 2025, the Group has applied the following standards:

- IFRS S1
- IFRS S2

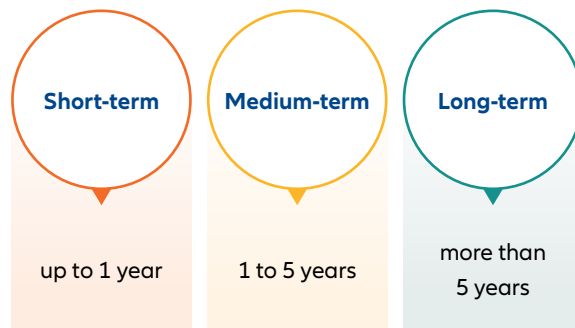
As at 31 December 2025, no additional IFRS Sustainability Disclosure Standards have been issued by the ISSB. In December 2025, the ISSB issued amendments to IFRS S2 Climate-related Disclosures. These amendments are effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The Group will adopt the amendments when they become effective. The standards provide transition reliefs for the first annual reporting period in which an entity applies the standards. The MMLR of Bursa Malaysia provide further transition reliefs to Main Market listed issuers. The Group has applied the following transition reliefs:

- Climate-first approach, which permits entities to initially focus on climate-related disclosures. The Group has elected to apply this transition relief and, accordingly, its climate-related disclosures for the current reporting period relate primarily to climate-related risks and opportunities in accordance with IFRS S2.
- Comparative information relief, under which the Group is not required to present comparative information in this initial reporting period. Nevertheless, the Group has voluntarily presented comparative information for certain indicators disclosed in the previous reporting period.
- Scope 3 GHG emissions disclosure, whereby Allianz Malaysia has adopted a phased approach for Scope 3 disclosures. Allianz Malaysia discloses selected Scope 3 GHG emissions categories voluntarily covering Category 3, Fuel and Energy-related Activities (not included in Scope 1 and 2), Category 6, Business Travel and Category 7, Employee Commuting. In addition, the Group discloses financed emission intensity arising from Scope 3 Category 15, Investments which has yet to be fully aligned with IFRS Sustainability Disclosure Standards requirements.

About This Report

Connectivity with Financial Statements

The climate-related disclosures contain climate-related financial information of the Group and are to be read together with the Group’s consolidated financial statements which are prepared in accordance with the MFRS, IFRS and the requirements of the Companies Act 2016 in Malaysia. The reporting period aligns with the consolidated financial statements (“Financial Statements”) for the FY2025. The climate-related disclosures connect with other sections of the IAR2025, including the Financial Statements, to present how climate-related risks and opportunities (“CROs”) may affect the Group’s financial position, performance and cash flows across the short-, medium- and long-term. The Group defines its time horizons consistent with strategic decision-making as follows:



The climate-related financial disclosures cover the same reporting entity as the related Financial Statements. In preparing these climate-related financial disclosures, the Group assessed CROs across its own operations and value chain.

Functional and Presentation Currency

The presentation currency of the climate-related financial disclosures is Ringgit Malaysia (“RM”), consistent with the Financial Statements.

Materiality

We apply the principle of materiality to identify the material information that is relevant and material for disclosure in our IAR2025. This Report highlights material matters that are pertinent to our business operations and could influence overall value creation for our stakeholders across the short-, medium- and long-term.

In FY2025, Allianz Malaysia completed a double materiality assessment to identify material matters and their associated sustainability-related risks and opportunities from both impact and financial perspectives. The assessment considered the Group’s risks and opportunities, as well as its impacts across the value chain. The Sustainability Committee, comprising members of the Group’s top management, reviewed and concurred with the six (6) material matters identified as most relevant and material to the Group. These material matters were subsequently reaffirmed by the Board of Directors (“Board”) of AMB.

The six (6) material matters are mapped to the six (6) capitals to enhance oversight, inform risk management, and guide strategic and capital allocation decisions in support of long-term value creation. The Group’s strategic responses to these material matters are set out in this Report.

We are committed to a systematic review of our material matters, including the identification of emerging sustainability-related risks and opportunities. We continue to assess dependencies and drivers of impact of each material matter, and how these may reasonably be expected to affect our business model, strategy and long-term enterprise value. This process informs strategic decision-making and the execution of our business model to support sustainable value creation.

Statement of Assurance

Our Financial Statements disclosed in this IAR2025 were independently audited by our external auditors, PricewaterhouseCoopers PLT (“PwC PLT”). Selected indicators in this Report have been subjected to limited assurance by PricewaterhouseCoopers PLT in accordance with recognised assurance standards for the Subject Matter Information. These indicators are marked with an Circled A symbol (A) in this IAR2025 and have been approved by the Board of AMB.

More details of the limited assurance report can be found on pages 174 - 179.

Board Responsibility Statement

The Board of AMB acknowledges its responsibility in ensuring the integrity of the IAR2025 and is of the opinion that the IAR2025 presents all matters material to the Group in accordance with the <IR> Framework.

This Report was approved by the Board on 13 April 2026.

About This Report


Forward-looking Statements

This Report contains certain forward-looking statements concerning our targets, future plans, strategies, growth opportunities and performance of the Group. Such forward-looking information are formed based on reasonable current assumptions and are not intended to ascertain future results. Actual results may differ materially from those indicated within the IAR2025 due to unforeseen circumstances, risks, uncertainties and other factors.

Navigation Icons

The following icons are used to improve interconnectivity between narratives presented in the IAR2025, enabling readers to smoothly navigate and identify key sections of this Report.

Cross Reference

-  Tell you where you can find more information within the report
-  Links you to related online content

<h2>6</h2> <p>Capitals</p> <ul style="list-style-type: none">  Financial  Intellectual  Manufactured  Human  Social and Relationship  Natural 	<h2>6</h2> <p>Material Matters</p> <ul style="list-style-type: none">  Governance and Ethics  Cybersecurity and Data Privacy  Responsible Products, Investments and Underwriting  Customer Centricity  Own Workforce  Environmental and Climate Action 	<h2>9</h2> <p>Stakeholders</p> <ul style="list-style-type: none">  Board of Directors  Customers  Employees  Investors/Shareholders  Intermediaries and Business Partners  Suppliers and Service Providers  Governments, Regulators, and Industry  Society and Planets  Media and Analysts 	<h2>6</h2> <p>Key Risks and Opportunities</p> <ul style="list-style-type: none">  Financial  Underwriting  Regulatory Change  Information Security  Strategic  Climate Change
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Feedback

We welcome your feedback and comments to help us improve our sustainability and reporting journey. For any feedback, enquiries or further suggestions to enhance the quality of our reporting, you may reach out to azmycorpcomm@allianz.com.my.

We are Allianz Malaysia

Who We Are

AMB is part of Allianz SE, which was founded in 1890 in Germany. Allianz is one of the world’s leading insurers and asset managers, serving around 97 million private and corporate customers in nearly 70 countries*.

Allianz officially stepped foot in Malaysia in 2001 when it became the controlling shareholder of Allianz General Insurance Malaysia Berhad (“AGIM”). In 2007, the general insurance business of AGIM was transferred to its wholly-owned subsidiary, Allianz General. Following the completion of transfer of the general insurance business, AGIM changed its name to AMB. AMB is an investment holding company that operates through two (2) wholly-owned subsidiaries - Allianz Life and Allianz General.

Allianz General is one of the leading general insurers in Malaysia, offering a broad spectrum of services across personal lines, small to medium enterprises, and large industrial risks. Allianz Life offers a comprehensive range of life and health insurance products as well as investment-linked products and is one of the fastest-growing life insurers in Malaysia.

With 29 One Allianz branches in major cities nationwide, Allianz Malaysia aims to distinguish itself as the most trusted provider of financial services to suit the lifetime needs of Malaysians and at the same time, play its role as a responsible corporate citizen.

* 31 December 2025



Vision

To be the most reliable partner, always delivering in moments of truth.



Mission

Insurance solutions from A-Z.



Values

Customer focus, integrity, high performance culture, open communication, and social responsibility.

Leadership Values

In 2003, Allianz introduced a set of leadership values to its companies worldwide to raise the quality of leadership and accelerate the development of a high performance culture at Allianz, ensuring that leaders share a mutual understanding of our basic aims. These values work hand in hand in achieving our vision of being Malaysia’s most desired and trusted financial services provider.

Align strategy and communication

We set and agree on clear targets which are aligned with our strategy. We provide feedback and coaching to our employees to encourage and reward exceptional performance.

Promote a high-performance culture

We work together to deliver a consistent business strategy. One of our main responsibilities is to communicate this strategy to all our stakeholders.

Focus on our customers

We ensure a relentless focus on our customers. We develop and grow strong customer relationships and seek to achieve profitable growth and thereby increase shareholder value. This requires us to deliver excellence in all our products, operations, processes and behaviours.

Develop our employees

We invest in our employees. We select and develop potential according to high standards. We leverage equal opportunity and encourage a culture that respects, values and benefits from different backgrounds and perspectives. We are transparent in the way we create career opportunities based on personal achievements and capabilities. We want to be an employer of choice.

Build on mutual trust and feedback

We build our success based on mutual trust, fairness, integrity, and clear and open communication. We encourage employees to innovate, identify business opportunities, share knowledge and ideas, and provide constructive feedback. Together, it is our priority to achieve and sustain the Leadership Values. Every employee should understand and demonstrate these values not only to enhance Allianz Malaysia’s competitiveness and to ensure success but also to achieve our vision of being the most trusted service provider.

We are Allianz Malaysia

Our Market Positioning

AMB through its subsidiaries, Allianz General and Allianz Life offer a wide range of insurance products and services across Malaysia.

For Our Individual Customers



Life, Health and Savings

We address the health, wellbeing and protection needs of our customers. This includes preparing them and their loved ones for long-term financial security.



Home, Motor and Travel

We offer products and services that are designed to provide peace of mind to our customers so that they and their assets are protected against accidental loss. These include motor, accident, property, travel insurance and assistance services.

For Our Business Customers



Liabilities, Operations and Asset Protection

We offer holistic financial protection for our business customers, encompassing business continuity, liability cover and asset protection. We help businesses recover from misfortunes so they can resume their operations as soon as possible.



Group Protection and Personal Accident

We offer products that allow employers to take care of the health and wellbeing of their workforce.

Product Development and Solutions

We develop financial solutions by looking at customers' needs and developing products and services that are accessible and appropriate to the level of risk and financial protection required.

Policy Fulfilment and Assistance

We pay out claims or arrange assistance services for our customers should they need to activate their policies. Our trusted partners support us in creating a smooth claims journey.

Distribution

Our products and services are marketed and distributed by our intermediaries such as agents, brokers and business partners, as well as directly at our branches and online.

Investments

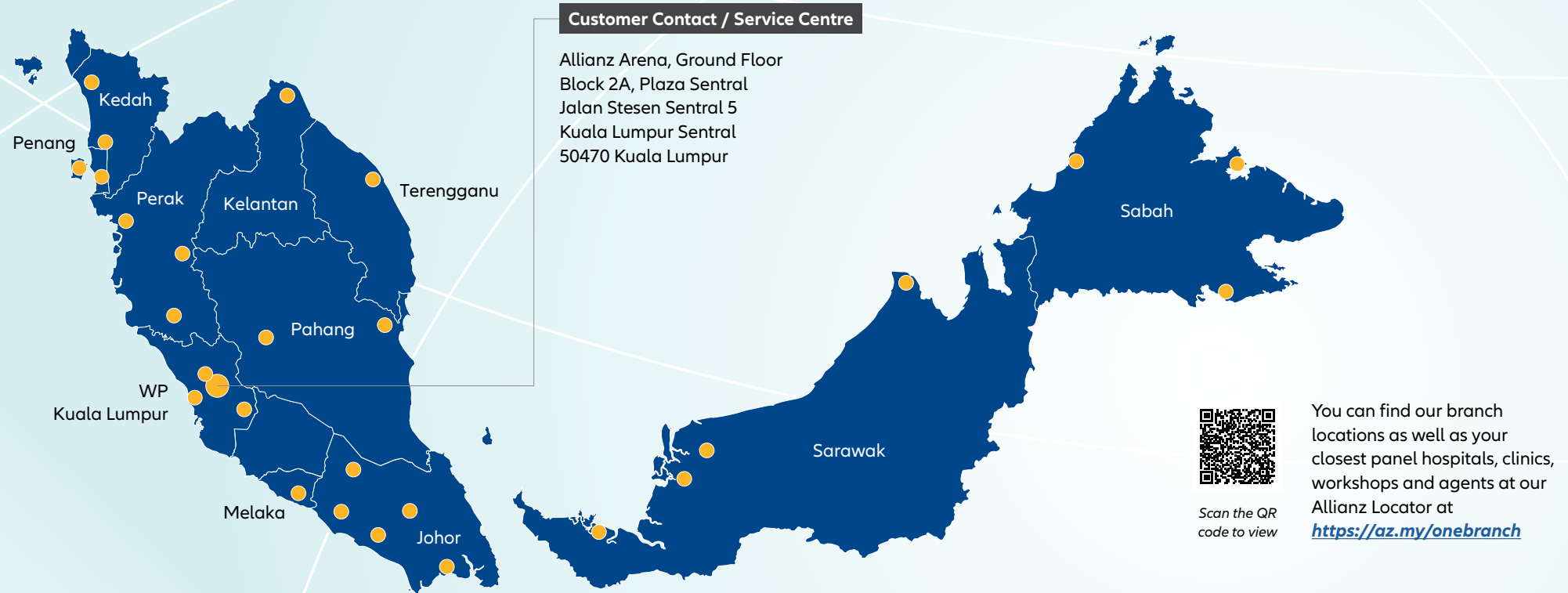
Customers pay deposits for certain savings and investment products, which we invest to earn returns. We also invest our own capital to generate profit for our shareholders and to invest in our business.

In Allianz, we keep building on our strong foundations and reinforce our leading position by focusing our efforts in five (5) fields of actions:

- **Customer** – *Loyalty leadership*
Making superior customer experience the top priority of all our actions
- **Meritocracy** – *Leading in talent development and inclusion*
Reinforcing a culture where people and performance matter
- **Digital** – *Digital by default*
Continuous productivity gains through simplification, harmonisation and legacy reduction
- **Excellence** – *Superior margins and innovation*
Strengthening our expertise and using data to enhance and personalise our offerings
- **Growth** – *Focus on profitable growth and new platforms*
Expanding distribution channels and partnerships to address growing markets

We are Allianz Malaysia

Our Nationwide Presence



Scan the QR code to view

You can find our branch locations as well as your closest panel hospitals, clinics, workshops and agents at our Allianz Locator at <https://az.my/onebranch>

Klang Valley

1. Kuala Lumpur
2. Klang
3. Kajang
4. Desa Jaya

Perak

1. Ipoh
2. Taiping
3. Teluk Intan

Penang

1. George Town
2. Bukit Mertajam

Kedah

1. Alor Setar
2. Sungai Petani

Melaka

- Melaka

Johor

1. Johor Bahru
2. Kluang
3. Batu Pahat
4. Segamat
5. Muar

Kelantan

- Kota Bharu

Terengganu

- Kuala Terengganu

Pahang

1. Kuantan
2. Temerloh

Sabah

1. Kota Kinabalu
2. Sandakan
3. Tawau

Sarawak

1. Kuching
2. Miri
3. Sibu
4. Sarikei

We are Allianz Malaysia


Group Corporate Structure



Corporate Information

Board of Directors as at 24 March 2026

- Zakri Bin Mohd Khir**
Chairman
Non-Independent Non-Executive Director
- Peter Ho Kok Wai**
Independent Non-Executive Director
- Tan Sri Datuk Zainun Binti Ali**
Independent Non-Executive Director
- Anusha A/P Thavarajah**
Non-Independent Non-Executive Director
- Dr. Muhammed Bin Abdul Khalid**
Independent Non-Executive Director
- Wong Kok Leong**
Independent Non-Executive Director
- Dr. Hasnita Binti Dato' Hashim**
Independent Non-Executive Director

 The Board of Directors' Profiles can be found in Section 5 of this IAR2025

Company Secretary

Rosniza Binti Mohamed Ramli
LS 0010893
SSM PC No. 202508000055
Email : rosniza.ramli@allianz.com.my

Registered Office

Level 29, Menara Allianz Sentral
203, Jalan Tun Sambanthan
Kuala Lumpur Sentral
50470 Kuala Lumpur
Tel : 03-2264 1188/2264 0688
Fax : 03-2264 1186
Email : investorrelations@allianz.com.my

Company Website

allianz.com.my

Share Registrar

Tricor Investor & Issuing House Services Sdn Bhd
197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : 03-2783 9299
Email : is.enquiry@vistra.com

Auditors

PricewaterhouseCoopers PLT
LLP0014401-LCA & AF 1146
Chartered Accountants
Level 10, Menara TH 1 Sentral
Jalan Rakyat, Kuala Lumpur Sentral
P.O. Box 10192
50706 Kuala Lumpur
Tel : 03-2173 1188
Fax : 03-2173 1288

Stock Exchange Listing

Listed on Main Market of Bursa Malaysia Securities Berhad

Class of Share : Ordinary Share
Stock Name : Allianz
Stock Code : 1163

Class of Share : Irredeemable Convertible Preference Share
Stock Name : Allianz-PA
Stock Code : 1163PA

Allianz Malaysia at a Glance

Financial Highlights

	MFRS 4	MFRS 17			2025
	2021	2022 ^a	2023	2024	
Insurance Revenue/Operating Revenue (RM' million)	6,431.04	4,418.82	4,941.64	5,651.49	6,236.97
Gross Written Premium (RM' million)	5,689.57	6,023.00	6,546.50	7,244.80	7,689.50
Profit Before Tax (RM' million)	625.59	873.73	956.89	1,005.36	1,165.65
Total Assets (RM' million)	23,643.49	23,989.67	25,921.95	28,488.41	30,494.93
Shareholder's Fund (RM' million)	4,144.15	4,677.15	5,140.62	5,828.11	6,287.22
Capital Expenditure (RM' million)	28.30	126.80	54.10	43.70	56.00
Market Capitalisation (RM' million) ^b	4,431.96	4,925.83	6,478.25	7,259.26	6,984.65
Interim Dividend per Share					
• Ordinary Share (sen)	63.00	85.00	100.50	89.50 ^e	89.50^f
• Irredeemable Convertible Preference Shares ("ICPS") (sen)	75.60	102.00	120.60	107.40 ^e	107.40^f
Total Amount of Dividend to the Shareholders					
• Ordinary Share (RM' 000)	111,925.13	151,272.25	178,859.09	161,298.47 ^e	164,906.38^f
• ICPS (RM' 000)	127,421.42	171,603.20	202,893.27	178,266.85 ^e	173,937.36^f
Return on Equity ^c	11.70%	13.30%	14.80%	14.10%	15.80%
Insurance Revenue Growth/Operating Revenue Growth	8.20%	N/A	11.80%	14.40%	10.40%
Gross Written Premium Growth	7.20%	5.80%	8.70%	10.70%	6.10%
Basic Earnings per Ordinary Share (sen) ^d	197.98	248.48	296.69	401.46	363.58
Diluted Earnings per Ordinary Share (sen)	138.29	177.29	211.12	223.21	279.12
Net Asset Value per Ordinary Share (RM)	23.35	26.28	28.88	32.46	34.12
Diluted Net Asset Value per Ordinary Share (RM)	11.97	13.51	14.85	16.83	18.16

a Prior year numbers are restated/updated due to the adoption of new accounting standards on MFRS 17 and MFRS 9.

b The market capitalisation is a combination of ordinary and preference shares.

c The average of the opening (1 January) and closing (31 December) balances of Shareholders' Fund have been used in the computation of Return on Equity.

d The calculation of basic earnings per ordinary share was based on the profit attributable to ordinary shareholders adjusted for preference dividends.

e Inclusive of final dividend of 63.0 sen per ordinary share and 75.6 sen per ICPS under single-tier system amounting to RM238.9 million declared for the financial year ended 31 December 2024 and paid on 16 July 2025.

f Interim dividend of 89.5 sen per ordinary share and 107.4 sen per ICPS under single-tier system amounting to RM338.8 million declared for the financial year ended 31 December 2025 and paid on 13 February 2026.

Allianz Malaysia at a Glance

Non-Financial Highlights

Responsible Business

<p>100% of employees have received training on anti-corruption <i>(2024: 100%)</i></p>	<p>100% of operations assessed for corruption-related risks <i>(2024: 100%)</i></p>
<p>Zero confirmed incidents of corruption <i>(2024: 0)</i></p>	<p>Zero reportable customer information breaches or complaints <i>(2024: 4)</i></p>
<p>Introduced Gift & Entertainment Tool to enhance transparency</p>	<p>Implemented Interim Measures on Medical Repricing</p>
<p>Launched Allianz EV EcoMiles certified sustainable solution</p>	<p>Launched "Allianz Let's Get Personal... Again" initiative</p>
<p>Participated in the Perlindungan Tenang Voucher Programme for the third time</p>	

Resilient Society

<p>★★★★★ Allianz Life and Allianz General recorded Voice of Customers ("VoC") rating of 4.6 out of 5 <i>(2024: 4.5)</i></p>	<p> Trained a total of 13,560 agents, recording 517,926 training hours <i>(2024: 14,142 agents with 449,141 training hours)</i></p>
<p> Received the Great Place To Work® Certification for the second consecutive year</p>	<p> Achieved 88% on the Work Well Index+ <i>(2024: 88%)</i></p>
<p>Named Employer of Choice at the HR Stars Awards 2025</p>	<p>Received the Women at Work and Leadership award at TalentCorp's Life At Work Awards</p>
<p>Achieved a 90% Inclusive Meritocracy Index <i>(2024: 91%)</i></p>	

Liveable Planet

<p>Conducted quantitative climate risk scenario analyses for both general and life insurance operations</p>
<p>100% Scope 2 GHG emissions (market-based) offset and RE100 with the purchase of International Renewable Energy Certificates ("i-RECs") <i>(2024: 100%)</i></p>
<p>76.2% reduction of operations GHG emissions from 2019 baseline, exceeding the 70% reduction target <i>(2024: 73.7%)</i></p>
<p>33.3% and 55.9% reduction of emission intensity in proprietary investment portfolio for listed equity and corporate bonds from 2019 baseline for Allianz Life and Allianz General, progressing towards the 57% reduction target by 2030 <i>(2024: 37.7% and 60.8% respectively)</i></p>
<p>Maintained 100% of Environmental Management System coverage to all our employees</p>

Allianz Malaysia at a Glance

Awards and Achievements



01 Allianz General named General Insurance Company of the Year at 29th Asia Insurance Industry Awards 2025

02 Anugerah Rakan Korporat Penyelidikan at Anugerah Cemerlang Universiti Malaya (ACUM) 2024

03 FTSE Russel ESG Rating of 4.1

04 Four recognitions at Allianz Asia Summit 2025 Gala Awards Night

- Agency Growth Award
- Cross Functional Excellence Award
- Driver of Property & Casualty Technical Excellence Award
- People & Culture Excellence Award

05 Marketing Excellence Awards 2025 - Silver - Excellence in Marketing Transformation & Bronze - Excellence in Search Engine Marketing Strategies

06 MARKies Awards 2025 - Silver - Most effective use - consumer insight and market research

07 Next Awards 2025 Malaysia - Silver - Most Innovative Digital Marketing Campaign & Bronze - Most Innovative Consumer Insights Marketing Campaign

08 Top 50 ASEAN Public Listed Companies at the ASEAN Corporate Governance Awards 2025

09 3-Star Lister on the UN Global Compact Network Malaysia & Brunei ESG Select List 2025

10 World's #1 insurance brand for the 7th consecutive year; ranked #27 in Interbrand Best Global Brands Ranking 2025

Allianz Malaysia at a Glance

- 11 HR Stars Awards Malaysia 2024-25 - Employer of Choice Award along with
- Best Flexible Working Strategies
 - Best Diversity & Inclusion Strategies
 - Best Digital HR
 - Best Training Interventions
 - Best Workplace Culture & Environment

- 12 Life at Work Awards by TalentCorp –
- Winner of Women at Work & Leadership
 - 1st Runner-Up Best International Organisation
 - 1st Runner-Up Digital & Tech Excellence

- 13 Malaysia’s 100 Leading Graduate Employer
- 2nd runner-up in the Insurance Sector
 - Top 40 Ranking Position

- 14 Graduan Brand Awards 2025 - Top 5 Most Preferred Employers in Malaysia’s Insurance Sector

- 15 Certified as a Great Place to Work® for the second consecutive year

- 16 Achieved the highest EDGE (Economic Dividends for Gender Equality) certification, earning international recognition for sustained excellence in workplace gender equity

- 17 Top 10 Overall Excellence Award at the National Corporate Governance & Sustainability Awards 2025



An elderly woman with short, styled grey hair and black-rimmed glasses is smiling warmly. She is wearing a brown, textured top. A young girl with dark hair in pigtails, wearing a pink patterned shirt, is also smiling and looking at a tablet computer held by the woman. They are in a library or bookstore, with bookshelves filled with books in the background.

Guided by
Experience.
Positioned for Impact.

Leveraging decades of expertise, we deliver solutions that create lasting value for stakeholders.

Chairman's Statement



Zakri Bin Mohd Khir
Chairman, AMB

As we commemorate Allianz Malaysia's 25th anniversary, we reflect not only on the milestones we have achieved, but also on the relationships we have nurtured, the resilience we have built, and the future we have helped shape.

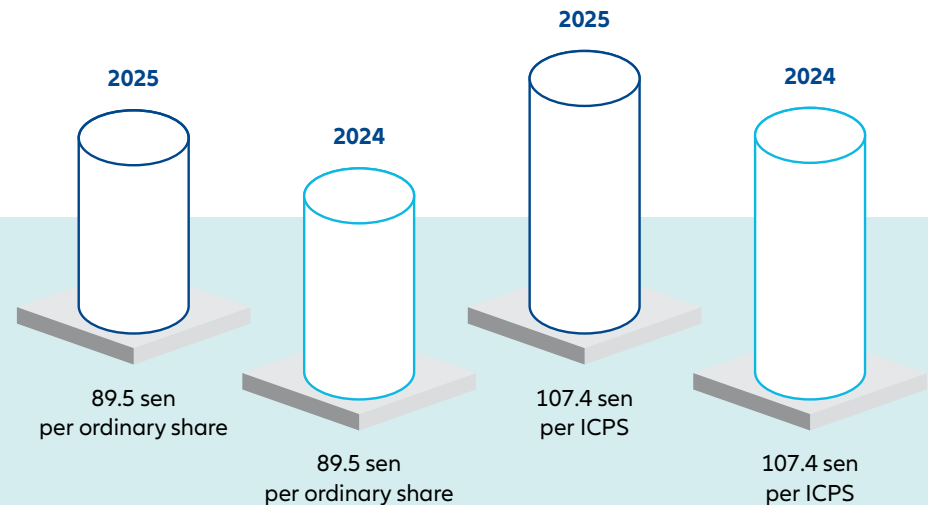
A Legacy of Trust

Dear Shareholders,

I am happy to report that Allianz Malaysia Berhad ("AMB" or "Company") and its subsidiaries, namely Allianz General Insurance Company (Malaysia) Berhad ("Allianz General") and Allianz Life Insurance Malaysia Berhad ("Allianz Life") (collectively referred to as the "Group" or "Allianz Malaysia") recorded positive results during the financial year ended 31 December 2025 ("FY2025"). We recorded a total of RM7.69 billion in Gross Written Premiums ("GWP") for FY2025, reflecting an increase of 6.1 percent from the RM7.24 billion recorded in the financial year ended 31 December 2024 ("FY2024"). Our Profit Before Tax increased by 15.9 percent to RM1.17 billion in FY2025 from RM1.01 billion in FY2024, while Total Assets rose by 7.0 percent to RM30.49 billion in FY2025 from RM28.49 billion in FY2024.

These results reflect the strong performance delivered for FY2025, against a backdrop of industry challenges and broader global headwinds. They underscore the resilience of the Group and our ability to navigate a complex and evolving operating environment with discipline and focus, remaining agile in responding to geopolitical and market uncertainties while continuing to deliver sustainable value for our shareholders.

As a result of the Group's strong financial performance, the Board declared a total annual dividend in FY2025 of 89.5 sen per ordinary share (2024: 89.5 sen) and 107.4 sen per irredeemable convertible preference share ("ICPS") (2024: 107.4 sen).



Chairman’s Statement



25 Years of Trust, 25 Years of Protecting Lives

For us at Allianz Malaysia, 2026 is a milestone year as we will be celebrating our 25th anniversary. For a quarter of a century, we have been the trusted partner for Malaysians in protecting what matters most. This milestone reflects the confidence placed in us by our customers, partners, shareholders and employees. As we look ahead, we remain committed to continuing to be the trusted partner in protecting bold ambitions and to serving Malaysians with the same focus and reliability that have defined our journey to date.

This legacy of trust is deeply rooted in the strength of Allianz. For over 135 years, Allianz has been a trusted partner globally in protecting and growing people’s most valuable assets. At Allianz Malaysia, we are guided by this heritage and continue

to drive smart growth, reinforce productivity and strengthen our resilience in an increasingly complex environment. Guiding every step of our journey is our uncompromising commitment to integrity. It shapes everything we do, driving us to look beyond business, serve the community and make lasting contributions for societal well-being.

Central to our progress is the spirit of One Allianz. Allianz General and Allianz Life have always been aligned under AMB as one company, guided by a common purpose. By refining our processes and strengthening our ecosystem, we are now better positioned to serve Malaysians with clarity, efficiency and consistency. Our integrated branches, shared services and combined customer journeys enable us to deliver more seamless experiences and holistic solutions while fostering greater collaboration across our teams.

Social Responsibility

For over 25 years, our unwavering commitment to social responsibility has been a cornerstone of our identity as a trusted partner, reflected in our dedicated efforts to give back to society through impactful Corporate Social Responsibility (“CSR”) initiatives that support the underserved and underprivileged communities. Among the efforts undertaken in 2025 was our flagship environmental and education initiative, Allianz Eco Quest, a programme for primary school students in Pulau Tuba that has now been scaled up to include secondary school students beginning 2026. We look forward to seeing greater environmental awareness, academic progress and overall confidence among the Allianz Eco Quest students. We also continued our partnership with Persatuan Bencana Alam MISAR Malaysia to conduct a flood and sinkhole survival programme for the public, as well as to provide relief to communities affected by floods and the Putra Heights gas pipeline explosion.

Our commitment to uplifting the Persons with Disabilities (“PWD”) community started in 2016, when we began providing job opportunities for PWDs – a promise that continues to hold true today. Accordingly, in 2025, in addition to our continuous support of the Economic Empowerment Programmes for PWDs, we extended our commitment by supporting the Sabah Cheshire Home with funds for the refurbishment and renovation of their centre in Sandakan. We also continued our support for Persatuan MOBILITI Kuala Lumpur dan Selangor, a social organisation that provides door-to-door services for wheelchair-bound users, by sponsoring the operation and maintenance costs of their vans.

Chairman’s Statement



Strengthening and Institutionalising Governance

We are committed to upholding robust standards of integrity and good governance, practising ethical leadership and maintaining a zero-tolerance policy towards corruption, especially in light of emerging schemes in the market and the systemic nature of corruption. Our financial success is rooted in technical excellence and effective expense management, but we aspire to be more than just a company that delivers good financial results.

For 25 years, we have been a trusted partner that the Malaysian public can rely on, and this is not something that we take for granted; we continuously strive to reinforce this trust through transparent practices and ethical leadership. By prioritising accountability and fostering a culture of integrity, we aim to set a benchmark in the industry, demonstrating that sustainable success is achieved through principled actions. As we navigate the complexities of the market, we remain dedicated to supporting initiatives that promote good governance and contribute positively to the communities we serve. Our legacy is built on the foundation of trust, and we are committed to preserving and enhancing it for future generations.

Since 2017, we have enhanced our governance efforts beginning with the Allianz Road Rangers, a 24/7 accident and roadside assistance, followed by the revamp of our panel of Persatuan Insurans Am Malaysia (“PIAM”)–approved Allianz Authorised Repairers Scheme-certified workshops in 2020, ensuring greater transparency and better service for our motor policyholders.

We then established the Allianz Centre for Governance (“Centre”) on 10 December 2024, in partnership with Universiti Malaya. The Centre serves as the nucleus for research on governance and related topics, offering a platform for instilling integrity and promoting good governance in young minds and future leaders. In August 2025, the Centre held the first of its Distinguished Speaker Series, featuring the Former Chief Justice of Malaysia, Yang Amat Berbahagia Tun Tengku Maimun Tuan Mat, who spoke on “The Sanctity of Malaysia’s Federal Constitution: Threats, Solutions and Impact on National Governance”. This was followed by the Centre’s first Forum held in December 2025, featuring the co-founder of SIS Forum & Musawah, Zainah Anwar, discussing religion and governance in a democratic nation state. The Centre will continue to hold further Distinguished Speaker Series, events and forums while working on the first of its research papers. It is our hope that these findings will raise awareness of the causes and effects of corruption, and in the longer term, shape policy decisions at the highest levels.

Chairman's Statement

Looking Ahead

As the industry continues to navigate rising medical insurance premiums, insurers face the ongoing challenge of balancing financial stability with affordability for policyholders. Escalating costs driven by medical inflation, advancements in healthcare technology and higher claims utilisation have necessitated adjustments to pricing models. In response to this, Bank Negara Malaysia ("BNM") in December 2024 announced a series of interim measures to help ease the impact of these increases on policyholders, while supporting the long-term sustainability of the medical insurance system.

Following the introduction of these interim measures, the industry saw a notable level of collaboration across the healthcare ecosystem. The Parliamentary Special Select Committee on Health is beginning to bridge the gap between policymakers, insurers and healthcare providers. This culminated in the RESET (Revamp, Enhance, Strengthen, Expand and Transform) strategy, a landmark framework by the Ministry of Finance, Ministry of Health and BNM. A key strategic thrust of the RESET strategy is the development of a base medical and health insurance/takaful plan which is expected to be made available in 2027.

Building on these measures, 2025 marked a transition from short-term mitigation towards addressing structural cost pressures in a more coordinated manner. Medical repricing continues to reflect the realities of medical inflation, higher utilisation and rising healthcare costs. Maintaining a sustainable system requires careful management of evolving risks to ensure insurers can continue to honour claims while preserving affordability for customers.

In line with the interim measures and broader industry direction, we continue to prioritise transparency and customer engagement. We have provided clearer information to enable customers to make informed decisions about their coverage. We have also focused on product innovation, culminating in the launch of our next-generation investment-linked plan Allianz AssuredLink with medical rider HealthAssured, which incorporates a co-insurance option designed to offer flexibility tailored to customers' financial needs while ensuring continued access to quality healthcare. This has been well received by both new and existing customers as a practical approach to managing medical costs responsibly.

We will also continue to apply strong discipline in cost containment, claims management and the prevention of fraud and abuse. These efforts remain essential to upholding the promise of protection and ensuring that medical insurance remains sustainable, accessible and trusted over the long term.

The issue of cash trusts gained significant attention in Malaysia due to the need for clearer regulations. While these instruments can serve legitimate purposes, the absence of a comprehensive framework has allowed certain schemes to operate without proper oversight, resulting in potential losses for customers and highlighting the need for stronger consumer protection.

As insurers, our role extends beyond providing insurance solutions to being guardians of trust and integrity in the marketplace. We are actively working to raise awareness, advocate stronger safeguards, and protect customers from such unregulated and unethical activities.

We welcome the government's ongoing efforts to introduce a new law aimed at tightening regulations on cash trust schemes and addressing concerns over high-return products targeting ordinary investors. We hope that these efforts will provide greater clarity and security for all stakeholders.

As a responsible insurer, the Group will work closely with all stakeholders to support a system that is fair, transparent and sustainable for the benefit of Malaysians. Our paramount commitment, as always, is to put our customers at the heart of everything we do, enabling them to plan their financial futures with confidence.

Allianz's recognition as the number one insurance brand worldwide underscores the trust our customers place in us. Not only have we been in Malaysia for 25 years and counting; we also have the backing of Allianz which has protected lives and assets for over a century. We do not take this trust for granted. Our commitment remains to being a lifelong partner to our customers, who have placed their trust in our exceptional services, professionalism, advanced capabilities and strong distribution channels, while staying true to our dedication to upholding Environmental, Social and Governance ("ESG") principles. We will continue to provide meaningful protection and value to our customers and play our part in building and giving back to society while upholding the highest standards of integrity and excellence in all that we do.

Chairman's Statement

Acknowledgements

I wish to take this opportunity to thank Goh Ching Yin, who stepped down as Chairman of Allianz Life and ceased to be an Independent Non-Executive Director of AMB effective 2 January 2026 after serving a cumulative period of nine years with the Group, for his invaluable service and contribution.

I would also like to take this moment to convey my utmost gratitude to Charles Ong Eng Chow, who retired as Chief Executive Officer of Allianz Life on 31 December 2025 after a career spanning more than 30 years in the insurance industry, including over two (2) decades with Allianz Malaysia, for his leadership and significant contribution to Allianz Malaysia over the years. Having been with Allianz Life since 1999, Charles's stewardship has helped build a resilient life insurance business in Malaysia, and I am grateful that he continues supporting Allianz Life in an advisory capacity after his retirement.

It is also my pleasure to congratulate Peter Ho Kok Wai, an Independent Non-Executive Director of AMB and Allianz Life, on his recent appointment as Chairman of Allianz Life.

I also would like to welcome Dr. Hasnita Binti Dato' Hashim for her appointment as an Independent Non-Executive Director of AMB during the year in review. However, Dr. Hasnita has indicated that she will not be able to seek for re-election at the forthcoming 52nd Annual General Meeting of the Company due to personal reasons. I would like to extend our gratitude to Dr. Hasnita for her invaluable contributions during her tenure in AMB.

I would like to extend my congratulations and warmest welcome to Giulio Slavich, former Chief Financial Officer of AMB and Allianz Life, for his appointment as Chief Executive Officer of Allianz Life. Giulio's international experience and understanding of Allianz Life's business will support the continued progress of the Group. His appointment also reflects our strong talent pipeline and commitment to developing leaders who will lead and drive long-term, sustainable growth.

I would also like to thank Ng Siew Gek, who retired as Company Secretary and Head of the CSR arm of the Group on 31 December 2025 after serving for more than two (2) decades with the Group, for her years of dedicated service and contribution to the Group. I am pleased that Siew Gek has assumed an advisory role during the transition, and I am glad to continue working with her in her advisory capacity.

On behalf of the Board, I would like to express our deepest gratitude to our valued shareholders, customers, agents, brokers, bancassurance partners and other business partners for their trust, support and confidence in the Group.

I also wish to sincerely thank the Senior Management and all employees of the Group for their resilience, diligence and commitment to our success.

A note of appreciation also goes to BNM, Bursa Malaysia Securities Berhad and all other relevant regulatory bodies and authorities for their invaluable guidance and support throughout the year.

Thank you.

Zakri Bin Mohd Khir
Chairman
13 April 2026

CEO's Message

Shaping the Future

For 25 years, we have protected Malaysian lives and legacies, and we will continue to build on this trust and excellence as we move forward while driving innovation and contributing positively to the community and environment.



Sean Wang Wee Keong
Chief Executive Officer, AMB

Dear Shareholders,

I am pleased to share that Allianz Malaysia Berhad (“AMB” or “Company”) and its subsidiaries, Allianz General Insurance Company (Malaysia) Berhad (“Allianz General”) and Allianz Life Insurance Malaysia Berhad (“Allianz Life”) (collectively referred to as the “Group” or “Allianz Malaysia”) closed the financial year 2025 on a positive note amid challenges in the industry and socioeconomic landscape.

The past year tested us in ways few could have anticipated, as geopolitical and socioeconomic challenges coupled with a rapidly evolving operating environment demanded resilience and adaptability. Yet we navigated the year successfully with determination, strengthening partnerships, embracing digital and technological advancements, and continuing to invest in our people. My gratitude goes out to our employees, agents, intermediaries and business partners, whose dedication and collaboration enabled us to confront obstacles head-on, maintain our commitment to excellence and continue delivering best-in-class services that meet our customers’ needs. This collective effort allowed us to not only navigate a demanding year but to emerge stronger, more focused and well positioned for sustainable growth going forward. As we look ahead, we are confident in the solid foundation upon which the Group is built. We continue to invest in people, technology and technical excellence, ensuring that we deliver not only financial resilience but also exceptional service levels that differentiate us from our peers while playing our part as a responsible corporate citizen.

The year 2026 marks Allianz Malaysia’s 25th anniversary. As we reflect on this significant milestone in our journey, we take pride in having established ourselves as a trusted partner, delivering not only strong financial results but also embodying values that resonate with our stakeholders, intermediaries and employees. For 25 years, we have protected Malaysian lives and legacies, and we aspire to continue building on this foundation of trust and excellence, driving innovation and looking beyond the business to contribute positively to the surrounding community and environment.

One of our highlights for the year in review was being certified as a Great Place To Work® for the second consecutive year, reflecting our positive and supportive culture where colleagues are empowered to build rewarding careers with us. Our efforts in fostering an inclusive workplace and advancing digital transformation were further recognised by the Life at Work Awards by TalentCorp, where we were named Winner of the Women at Work & Leadership category and First Runner-up for Best International Organisation and Digital & Tech Excellence.

CEO's Message

We were also ranked among the Top 3 in the Malaysia's 100 Leading Graduate Employers Award 2025. In addition, we received the Employer of Choice Award at the HR Stars Awards 2025, securing five (5) category wins that underscore our continued focus on elevating employee experience and commitment to a progressive, inclusive workplace. Further, Allianz Malaysia retained our title as the #1 Insurance and Asset Management Brand worldwide in the Brand Finance Global 500 Ranking 2026, with a brand value of USD60.7 billion and ranking among the Top 21 brands globally.



We are proud to have expanded our physical footprint with the opening of our Penang One Allianz Flagship Branch. By revitalising a heritage landmark, we have integrated cultural heritage preservation with modern functionality. This investment underscores our commitment to creating sustainable, welcoming spaces that improve customer engagement while honouring the local community's architectural legacy.

In our ongoing commitment to fostering sports and athletic development, we are proud to serve as the official financial services partner of the Badminton Association of Malaysia ("BAM"), supporting both junior and senior badminton players. Our role as the title sponsor for the Malaysia Super 100 badminton tournament further underscores our dedication to the sport. Additionally, our very own Allianz Junior Badminton Championship ("AJBC"), which held its fourth iteration in 2025, provides a platform for grassroots development, encouraging junior badminton players to hone their skills in a competitive setting. Allianz is also the Worldwide Insurance Partner for the Olympic and Paralympic Movements from 2021 to 2032, a commitment mirrored in Malaysia through our partnership with Majlis Sukan Negara ("MSN") which runs from 2022 to 2028. This collaboration supports the development of national para-athletes as they prepare for the Los Angeles 2028 Paralympic Games, reinforcing our dedication to empowering athletes at all levels.

Developing our workforce is fundamental to building resilience, driving productivity and ensuring we are well positioned to meet evolving business and customer needs. During the year in review, we supported the rollout of Allianz Asia Pacific's We-nnovate, a programme designed to make

innovation part of our everyday work. We also continued to build our leadership pipeline through structured programmes that reinforce core leadership values and skills, including the Allianz Sustainability Journey, which strengthens sustainability aka, Environmental, Social and Governance ("ESG") awareness across the organisation. The introduction of our Employee Listening Programme, Hear Me, has also been pivotal in ensuring we address the needs and pain points of our people.

Our efforts also focused on strengthening Allianz Malaysia's workforce through our employee inclusion networks – Allianz Beyond and Allianz GRACE. We recorded a strong 90 percent score on the Inclusive Meritocracy Index ("IMIX") and maintained a score of 88 percent on our Work Well Index ("WWI"). In addition, we attained the highest level of certification under The Economic Dividends for Gender Equality ("EDGE") framework, earning international recognition for our sustained excellence in workplace gender equity.

The media has always been a vital stakeholder in our journey, playing an essential role in shaping public perception and helping to amplify our efforts and initiatives. We maintained constant and consistent engagements with members of the media throughout 2025. These included the Allianz Malaysia Media Forum 2025 which highlighted the importance of rider safety particularly within the country's rapidly expanding p-hailing industry, our annual Allianz Media Golf and Media Badminton tournaments, press conferences, media lunches, press release blasts and one-on-one interviews. Indeed, we greatly value our media friends, and we remain committed to strengthening and deepening our relationships with the media.

CEO's Message

Social Responsibility

Our commitment to corporate citizenship remains a cornerstone of our identity. This past year was no different as we aided and supported the underserved and underprivileged communities through various initiatives and relief efforts led by our Corporate Social Responsibility ("CSR") arm. We continued our collaboration with Persatuan Bencana Alam MISAR Malaysia to provide critical flood relief efforts to communities affected by floods in Kelantan, Johor, Sabah, Sarawak, Selangor, Melaka, Terengganu, and Perak, as well as to mobilise urgent support to families affected by the Putra Heights gas pipeline explosion and subsequent fire, reaffirming our role as a resilient partner to the nation during times of crisis. Through our "Allianz We Care – Let's Get Personal...Again" campaign, we also provided one-off cash relief for eligible policyholders affected by the gas pipeline explosion.

Recognising that women's safety is a societal responsibility, we are committed to empowering women while promoting a culture of safety for all. To this end, we partnered with Kelab Marshal Keselamatan Jalan Raya Kuala Lumpur ("RSMC") to organise the 8th Women Street Crime Awareness Campaign, where participants learned essential techniques such as pepper spray handling, detecting hidden cameras, escaping lift attacks and more. We extended our collaboration with RSMC to the P-hailing Bikers Safety & Emergency Survival Programme, which equipped p-hailing riders with safety and emergency training. The programme was launched at our Allianz Malaysia "Rider Safety, A Shared Duty" Media Forum 2025, where experts from the Malaysian Institute of Road Safety Research ("MIROS") and p-hailing platforms discussed the challenges faced by p-hailing riders and collaborative strategies for a safer delivery ecosystem.

As conversation around mental health continues to grow, we recognise its importance and the significant impact it can have on individuals, motivating us to actively address mental health challenges through focused initiatives. We continued our support for Thrive Well Sdn Bhd's community-focused mental health programmes, Keluarga Akrab Mencapai Impian ("KAMI") Sembang which aims to create a safe space for mental health and nurture development among the marginalised communities, and KAMI Juara which empowers underserved youths by building confidence and self-worth through structured workshops. In 2025, both programmes have moved into the ambassador-led stage, reflecting our aim to activate community-led initiatives that build a legacy of impact.

Not forgetting our own people, employees of the Group are also welcome to seek professional support for mental health concerns, personal development, career counselling and various other issues through our Mind Happiness Programme, an Employee Assistance Programme service funded by the Group.

We also continued to support the Life Insurance Association of Malaysia ("LIAM")'s i-MULA 50, an initiative that offers a subsidy for every policy purchased, designed to make life insurance more accessible and affordable for eligible Malaysians.

Foundation in Governance

At Allianz Malaysia, we are unwavering in our commitment to uphold strong governance principles and accountability, guided by our corporate purpose to create value that extends beyond profits. As a corporate entity, our responsibility is to lead by example, drive reform and support the efforts of the government and surrounding communities in promoting good governance. We are committed to operating our business in an ethical, legal and socially responsible manner that is consistent with the Allianz Code of Conduct.

Accordingly, in 2017, we launched the Allianz Road Rangers, an accident and roadside assistance service that protects customers from tow truck touts. In 2020, we implemented an open tender process for the selection of our authorised repair workshops. Our next step was to establish the Allianz Centre for Governance ("Centre") in December 2024 together with Universiti Malaya.

We look forward to the Centre fostering further dialogue on governance-related issues and the publication of the Centre's first research paper, contributing to a more transparent and accountable future for the country. Notably, our outstanding corporate governance and sustainability practices were duly recognised this past year, with AMB ranking Top 10 in the Overall Excellence Award at the National Corporate Governance & Sustainability Awards 2025 and among the Top 50 ASEAN Public Listed Companies at the prestigious ASEAN Corporate Governance Awards 2025. The Group also received the "Anugerah Rakan Korporat Penyelidikan" at the Anugerah Cemerlang Universiti Malaya 2024, in recognition of the Centre and its efforts.

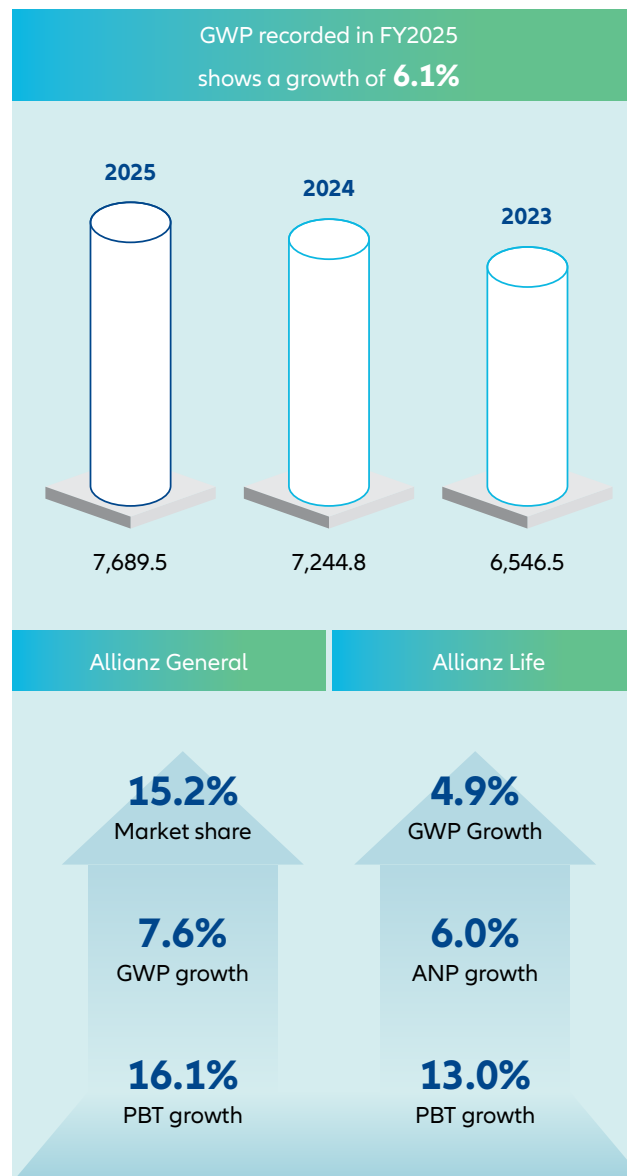
CEO's Message

Financial Results

I am pleased to share that our efforts have also translated into strong financial results for the financial year ended 31 December 2025 ("FY2025"). The Group recorded a total of RM7.69 billion in Gross Written Premiums ("GWP") for the year in review, marking a 6.1 percent growth from the RM7.24 billion recorded in the preceding year. Profit Before Tax ("PBT") rose by 15.9 percent to RM1.17 billion in FY2025 from RM1.01 billion recorded in the FY2024, while Total Assets stood at RM30.49 billion as at 31 December 2025, an increase of 7.0 percent as compared to RM28.49 billion the year prior.

Our general insurance subsidiary, Allianz General, saw its market share surpass the 15 percent mark in FY2025 with a total market share of 15.2 percent, cementing its position as the general insurance market leader in the country. Allianz General's GWP increased by 7.6 percent to RM3.68 billion for the year in focus, as compared to RM3.42 billion posted the year before. PBT stood at RM624.7 million in FY2025, reflecting a 16.1 percent increase from RM537.9 million recorded in FY2024.

Our life insurance subsidiary, Allianz Life, also reported excellent results in FY2025. Allianz Life's GWP rose to RM4.01 billion during the year in review, reflecting a 4.9 percent increase from RM3.83 billion the year before. Annualised New Premiums ("ANP") came in at RM923.9 million, an increase of 6.0 percent from RM871.7 million a year earlier, while PBT grew by 13.0 percent to RM544.8 million from RM482.0 million previously. Allianz Life maintained its number four (4) ranking in the industry with a market share of 11.0 percent as at 31 December 2025.



It is my pleasure to share that for the year in review, the Board of AMB has declared a single tier interim dividend of 89.5 sen per ordinary share (2024: 89.5 sen), and 107.4 sen per irredeemable convertible preference share ("ICPS") (2024: 107.4 sen). The Group expects to maintain a positive dividend trajectory moving forward, driven by the strength of both Allianz General and Allianz Life.

Allianz General

Allianz General outperformed the industry in 2025 and strengthened its market leadership. Our success is derived from our focus on delivering products and services that truly meet our customers' needs, rather than looking solely at the numbers. In 2025, Allianz General launched Allianz Travel XPert, an enhanced travel insurance product which includes a first-in-market fast-track claims process. We also supercharged Electric Vehicle ("EV") coverage by rolling out Allianz EV EcoMiles, a benefit that empowers green habits through rewards for low-mileage battery electric vehicle owners. This is in addition to Allianz EV Shield benefits which include industry-first on-the-spot EV charging to alleviate EV range anxiety.

We also supported the government's Perlindungan Tenang Voucher ("PTV") 3.0 programme with PerlindunganKu Allianz4All, a product which provides comprehensive individual coverage for various aspects such as personal accident, medical and emergency relief at affordable premiums made even more accessible with PTV3.0. In 2025, we distributed the total surplus of the Claims Allocation Fund contributed from PerlindunganKu Allianz4All and Group Personal Accident Allianz4All for FY2024 amounting to RM219,148, to charitable causes.

CEO's Message

Flash floods are now an expected occurrence every year in Malaysia given our geographical location and compounded by factors such as heavy rainfall from monsoon seasons, climate change and rapid urbanisation. Accordingly, Allianz General was on standby to serve flood-affected customers particularly during the monsoon season, mobilising fast flood claims settlements and towing assistance through our team of Adjusters, Road Rangers tow trucks and Allianz-branded 4x4s.

Looking ahead, the Group will continue to conduct climate scenario analyses across both Allianz General and Allianz Life operations, as well as maintain focus on developing more sustainable solutions such as Allianz General's Allianz EV Shield, a coverage for electric cars first rolled out in 2024.

Our efforts did not go unnoticed; we are proud to have been recognised as General Insurance Company of the Year at the 29th Asia Insurance Industry Awards 2025 and we will continue to strive for excellence across our operations and offerings. Going forward, Allianz General is dedicated to optimising operational efficiency and leveraging our resources and cross-selling capabilities to drive business growth, while continuing to differentiate ourselves through technical excellence and prudent cost management to ensure sustained success across our diverse portfolio.



Allianz Life

Despite a challenging year, Allianz Life outperformed the industry with a new business growth rate of 6.0 percent, against the industry new business growth rate of 0.7 percent. We actively participated in the health interim measures initiated by Bank Negara Malaysia ("BNM") in December 2024, which aimed to address the industry challenges posed by rising medical costs and high health inflation. We view these measures as largely positive as they have facilitated collaboration among key stakeholders including the Ministry of Finance, the Ministry of Health, BNM, insurance companies, hospitals and customers, fostering a united approach to managing health costs. Accordingly, we launched Allianz AssuredLink with medical rider HealthAssured, a next-generation investment-linked plan that features a co-payment option. We are pleased to report that our new offering has been very well received in the market, as we are seeing not only new customers but also existing customers embracing this product. Other product launches included AssuredLove, a new feature that offers flexible death benefit annual payouts, as well as Allianz EliteChoice, a competitive and comprehensive plan designed for small and medium enterprises ("SMEs"). Meanwhile, our MyAllianz app has been refreshed with Discover Health, an all-in-one wellness dashboard which gives customers a clear overview of their health statistics and allows them to track their health goals.

We also saw good responses to our offerings for SMEs, and we expect to see greater growth ahead in this area. Meanwhile, we reinforced our collaboration with HSBC Bank Malaysia Berhad ("HSBC") to address legacy planning needs through the launch of HSBC's EliteDiamond, thus enriching our propositions for high-net-worth individuals.

CEO's Message

Our first strategic deployment of artificial intelligence ("AI") took place in 2025 with the rollout of our Gen AI health claims co-pilot within Allianz 360, our digital tool for agents, which has further enhanced our efficiency and customer support capabilities. We also strengthened our partnerships with hospitals through our network of preferred partners, further benefitting our customers and resulting in improved hospitalisation frequency and cost management.

Amid challenging market conditions, we are pleased to have seen strong growth in our agency force and employee benefits offerings. Our agency force benefitted from the adoption of Allianz 360, as this digital productivity solution has elevated our agents' productivity and professionalism. Further propelling our agency force were Kingmaker, our agency transformation programme, and the SheSecures Programme, a transformative initiative launched in 2025 that empowers women through professional development, leadership training and a strong support network, in addition to our collaboration with INSEAD to organise training modules for agents.

As a testament to the hard work of our people, Adrian Cheong from ALCP Agency was named 2025 Rookie Insurance Agency Leader of the Year at the 10th Asia Trusted Life Agents & Advisers Awards (ATLAA), an achievement we are extremely proud of. Looking ahead, customer centricity continues to be our focus at Allianz Life as we leverage our technological capabilities and cross-collaboration efforts to introduce offerings that ensure meaningful protection for our customers. We remain committed to driving innovation and operational excellence to maintain profitability for our shareholders, supported by robust growth in our distribution channels.



Sustainability Journey

Our sustainability journey continues with the implementation of initiatives that encourage decarbonisation by reducing emissions across our insurance and investment solutions. These include our certified Sustainable Solutions, namely the aforementioned Allianz EV EcoMiles as well as Environmental Protect Liability Insurance, which offers solutions tailored to the specific environmental risks faced by companies. Meanwhile, our SolarPro All Risk PV solution provides all-risk insurance protection for residential and commercial users of solar photovoltaic panels. On the investment side, we have various investment-linked funds that invest in seven (7) separate target funds that are classified under Article 8 of the European Union's Sustainable Finance Disclosure Regulation ("SFDR"), giving our customers access to investment in funds with environmental or social characteristics.

In 2025, Allianz Life and Allianz General achieved a reduction of 33.3% and 55.9% GHG emission intensity in our proprietary investment portfolio for listed equity and corporate bonds respectively from 2019 baseline, progressing towards the 57% reduction target by 2030. We also met and exceeded our reduction target of 70% by 2030, recording a 76.2% reduction for GHG emissions per employee in our operations, from our 2019 baseline.

We are proud to share that Allianz Malaysia has been recognised as a 3-Star Lister in the ESG Select List 2025 by the UN Global Compact Network Malaysia & Brunei, with recognition under key categories including ESG Breakthrough Innovation, Purposeful Partnership and The North Star ESG Target Setting. Our inclusion in the ESG Select List reflects our measurable progress in embedding Environmental, Social & Governance ("ESG") principles across our business. 2025 also marks the first year that we have adopted the National Sustainability Reporting Framework ("NSRF") in the preparation of our Integrated Annual Report 2025 ("IAR2025").

 For more details on our Sustainability Journey and our efforts towards Decarbonisation, Adaptation & Resilience and Promoting Sustainable Growth, please see pages 94 - 95.

CEO's Message

Acknowledgements

On behalf of the Management, I would like to take this opportunity to thank our Board for their stewardship and support in ensuring the Group continues to deliver value to all our stakeholders.

I wish to also express my highest gratitude to Goh Ching Yin, who stepped down as Chairman of Allianz Life and ceased to be an Independent Non-Executive Director of AMB effective 2 January 2026 after serving a cumulative period of nine years with the Group, for his invaluable contribution and guidance extended to the Management.

I would also like to express my utmost thanks to Charles Ong Eng Chow, who retired as Chief Executive Officer of Allianz Life on 31 December 2025, for his immense contribution to the Group since he joined Allianz Life in 1999. Charles has been a steadfast pillar of strength and wisdom within the Group. His exceptional leadership and unwavering dedication have been instrumental to the Group. I wish Charles a very happy retirement and look forward to continuing our close collaboration in supporting the business through his new role as an advisor to Allianz Life.

I also wish to thank Ng Siew Gek, who retired as Company Secretary and Head of the CSR arm of the Group on 31 December 2025, for her years of dedicated service and contribution to the Group. Siew Gek has assumed an advisory role in transition, and I welcome the opportunity to continue working with her.

It is also my pleasure to congratulate Peter Ho Kok Wai, an Independent Non-Executive Director of AMB and Allianz Life, on his recent appointment as Chairman of Allianz Life.

I also would like to welcome Dr. Hasnita Binti Dato' Hashim for her appointment as an Independent Non-Executive Director of AMB during the year in review. However, Dr. Hasnita has indicated that she will not be able to seek for re-election at the forthcoming 52nd Annual General Meeting of the Company due to personal reasons. I would like to extend our gratitude to Dr. Hasnita for her invaluable contributions during her tenure in AMB.

I would also like to welcome the newly appointed Management Team. Firstly, to Giulio Slavich, our former Chief Financial Officer of AMB and Allianz Life, who succeeded Charles as Chief Executive Officer of Allianz Life with effect from 1 January 2026. Giulio brings a wealth of experience to his new role, with 25 years of experience in the insurance industry. His career reflects a deep understanding of global insurance dynamics and adaptability across large insurance groups and I am confident he will take Allianz Life to greater heights.

Secondly, to Chin Xiao Wei on her appointment as Chief Financial Officer of AMB. Xiao Wei is assuming this role in addition to her existing position as Chief Financial Officer of Allianz General. She has contributed to the financial strategy of Allianz General in various capacities including as Head of Actuarial, Head of Strategy and Planning, Chief Actuary and Appointed Actuary, before being appointed Chief Financial Officer in July 2023. I look forward to continuing our joint efforts to drive the financial and business strategies of the Group.

Lastly, to Chia Yuh Woei on her appointment as Chief Financial Officer of Allianz Life. Yuh Woei previously served as Regional Chief Actuary and brings over 25 years of experience in actuarial and financial leadership, having joined Allianz Asia Pacific in July 2012. She is regarded as an actuarial expert and has assumed various roles across the Asia Pacific region. I look forward to collaborating closely with her to steer the Group towards achieving sustainable and strong financial growth.

A word of appreciation goes out to BNM, Bursa Malaysia Securities Berhad and all relevant regulatory bodies and authorities for their guidance. My gratitude as well to our shareholders, customers, agents, brokers, bancassurance partners and business partners for their confidence and belief in our vision.

I would also like to thank all employees of the Group for their unwavering efforts and commitment to delivering the best for our customers. Without you, the Group would not be where it is today.

Let us step forward into the future and achieve meaningful and sustainable success together as we continue to do our best as the trusted partner of Malaysians in protecting lives and bold ambitions for 25 years and counting.

Thank you.

Sean Wang Wee Keong
Chief Executive Officer

13 April 2026

Management Discussion and Analysis

Review of Results

The Group's insurance revenue increased to RM6.24 billion from RM5.65 billion in the previous year, representing a growth of 10.4%. This growth was attributed to a 6.1% rise in GWP, which reached RM7.69 billion during the year under review, primarily due to improved performance across both life and general insurance segments.

Corresponding to the higher revenue, the Group's consolidated PBT for the year under review totalled RM1.17 billion, reflecting a 15.9% increase from RM1.01 billion reported in the FY2024. This resulted in earnings per share of 363.58 sen and a return on equity of 15.8%.

During the FY2025, the Group's tax expense of RM206.9 million was lower compared to RM234.6 million in FY2024. The effective tax rate decreased to 18% in FY2025 from 23% in FY2024, following an assessment of the effective tax rate for FY2025. This impact is non-recurring in nature and does not represent the Group's expected effective tax rate on a normalised basis.

	2023	2024	2025
Insurance Revenue/Operating Revenue (RM' million)	4,941.6	5,651.5	6,236.9
PBT (RM' million)	956.9	1,005.4	1,165.6
Return on Equity (%)	14.8	14.1	15.8
Basic Earnings per Ordinary Share (sen)	296.7	401.5	363.6
Diluted Earnings per Ordinary Share (sen)	211.1	223.2	279.1

Balance Sheet Review

Throughout 2025, the balance sheet for both insurance subsidiaries within the Group remained robust. Total Assets increased by 7.0% to RM30.49 billion compared to RM28.49 billion in 2024, primarily driven by growth in the investment portfolio. As of 31 December 2025, the investment portfolio expanded by 8.0% to RM27.13 billion. The overall composition of the portfolio remained broadly consistent, comprising government and government related bonds, unquoted corporate bonds, quoted and unquoted equity securities, unit trusts, and bank deposits.

Despite showcasing resilience in FY2025, the operational figures do not fully depict the magnitude of challenges encountered by the business. The Group will persist in leveraging its agility to navigate the evolving business landscape and market sentiments to achieve durable performance outcomes. Given the enduring nature of insurance, particularly life insurance, the Group is committed to upholding its long-term obligations.

Capital preservation and liquidity management will continue to be key priorities as part of the Group's long-term sustainability strategy, especially amid the current uncertain macroeconomic climate. This approach is underscored by the investment strategy, with government and government-related bonds constituting 53.9% of the investment portfolio, which grew by 12.7% to RM14.64 billion. This was followed by unquoted corporate bonds, contributing 23.3% to the investment portfolio.

Type of Investment	2023 (RM' million)	2024 (RM' million)	2025 (RM' million)
Government and government-related bonds	12,084.0	12,982.5	14,635.2
Unquoted bonds of corporations	6,118.6	6,282.3	6,332.0
Quoted equities securities and unit trust	3,309.9	3,984.4	4,056.9
Cash	720.9	998.7	1,052.2
Others	819.1	873.1	1,051.7
Total	23,052.5	25,121.0	27,128.0

Management Discussion and Analysis

Capital Position

In FY2025, the Group's Capital Adequacy Ratio remained above the regulatory requirement of 130%. The capital position supports the Group's ability to withstand economic and financial fluctuations, meet dividend commitments, and pursue planned growth activities. Liquidity management remains a focus to ensure obligations can be met and operational flexibility is maintained, including during periods of market stress.

Moving forward, the Group will uphold rigorous capital management practices to bolster the solvency levels of subsidiaries, foster business expansion, fulfil dividend commitments, enhance return on equity, and sustain capital adequacy above regulatory thresholds. No significant alterations were made to the Group's capital management policies and procedures during the fiscal year. The principal sources of capital comprise retained earnings, ordinary shares, and ICPS.

With earnings per share at 363.58 sen, resulting in a return on equity of 15.8%, our commitment to creating shareholder value remains steadfast. Our dividend policy aims to uphold a minimum payout ratio of 30%, subject to regulatory approval for subsidiaries' dividend. In FY2025, our first interim dividend of RM338.8 million was distributed. Our ability to sustain dividend payouts underscores the importance of effective product strategies, prudent asset and liability management, and robust governance frameworks.

Allianz General

	2023	2024	2025
GWP (RM' million)	3,003.5	3,419.4	3,678.2
PBT (RM' million)	556.2	537.9	624.7
Combined ratio (%)	85.7	88.8	87.9

In the FY2025, we are pleased to report the outstanding performance of Allianz General, highlighted by GWP of RM3.68 billion. This remarkable feat solidifies Allianz General's leading position as the leading player in the general insurance industry. Notably, the Motor segment recorded a notable increase in market share compared to the previous year, further strengthening our competitive position. Our combined ratio stands at 87.9%, supported by disciplined underwriting and effective cost management, with PBT at RM624.7 million. This growth encompasses various sectors including Property, Health, Personal Accident, Liability, and Marine.

In 2025, Malaysia's general insurance sector operated in a strengthening demand environment supported by resilient domestic demand and continued growth in vehicle ownership. Behavioural and structural shifts further shaped market dynamics: a sharp rise in outbound travel, which boosted uptake of travel insurance as Malaysians increasingly sought protection against medical, cancellation, and mobility-related risks amid renewed international movement, and the rapid expansion of the EV market, where EV grew from 3.6% to 7.8% of new vehicle registrations. While this supported motor premium growth, it also introduced higher claims severity and repair complexity due to battery related risks and limited certified workshops. These dynamics supported premium expansion while rising repair costs and evolving motor claims requirements continued to place pressure on underwriting performance, especially within the motor segment, requiring insurers to enhance pricing models, strengthen repair ecosystems, and accelerate digitalisation to meet evolving customer and risk profiles.

During the year, Allianz Travel XPert was launched as a key enhancement to Allianz General's travel insurance portfolio, reinforcing Allianz General's commitment to innovation and elevating the customer experience. The product introduces a more seamless and customer centric service model, including cashless overseas medical access and broader inclusiveness to serve a wider range of travellers. By offering benefits that address modern travel needs, from improved support for travel disruptions to coverage suited for leisure and active pursuits, Allianz Travel XPert strengthens the Group's position as a preferred insurer in an increasingly competitive market. Flexible plan options, including annual coverage designed for frequent travellers, also support deeper customer engagement and recurring premium growth. Collectively, the product enhances our competitive differentiation and aligns with Allianz Malaysia's strategic focus on delivering service excellence and long-term value.

Management Discussion and Analysis

Recognising the growing demand for products that align with global sustainability goals, Allianz General has taken proactive steps to support environmental sustainability through a suite of green-focused insurance solutions. A flagship offering is Allianz EV Shield, launched in February 2024 under our Private Car Comprehensive policy. As the first in Malaysia to provide on-the-go EV charging coverage, EV Shield enables policyholders to access assistance via “EV Rangers” when running low on charge, while also offering protection for home chargers and portable cables. This innovation underscores our commitment to facilitating the transition to electric mobility and positioning us as a trusted partner in the evolving automotive landscape.

Further amplifying our sustainability agenda, Allianz General launched EV EcoMiles, an innovative rewards programme designed to incentivise environmentally responsible driving behaviours. Through this initiative, Battery EV owners insured with Allianz can earn up to 15% cash rewards on their net basic premiums by maintaining low annual mileage. Beyond delivering financial benefits, EV EcoMiles positions Allianz General as a catalyst for behavioural change, encouraging customers to adopt eco-friendly practices that reduce carbon emissions and support a cleaner future.

Apart from driving green products, Allianz General remains steadfast in its commitment to social and financial inclusion, ensuring affordable protection for underserved communities. Through the PTV Programme, we support the government’s initiative to deliver basic insurance coverage to lower-income households within the B40 (Bottom 40% income group) segment, marking our third consecutive participation in this programme. This initiative enables eligible individuals to redeem vouchers for essential protection products, thereby strengthening financial resilience among vulnerable groups. Furthermore, Allianz General’s involvement in the Insurance Rahmah initiative reinforces our dedication to improving accessibility and affordability for the B40 community, offering competitively priced motor insurance to help ease the financial burden on Malaysians.

 For more information, kindly refer to “Responsible Products, Investments and Underwriting” section on pages 69 - 75.

Looking ahead to FY2026 Allianz General remains steadfast in advancing technical excellence while leveraging our strong motor customer base to unlock new cross selling opportunities and strengthen customer relationships. This milestone year underscores our enduring commitment to securing our customers’ future as their trusted insurance partner.

Building on a quarter century of resilience and innovation, we will continue delivering comprehensive, forward thinking solutions that anticipate evolving needs, ensuring greater value, protection, and accessibility. With this strategic focus, Allianz General is well-positioned to achieve operational excellence, foster deeper trust, and reinforce our leadership as a general insurer in Malaysia.

Allianz Life

	2023	2024	2025
ANP (RM’ million)	757.6	871.7	923.9
GWP (RM’ million)	3,543.0	3,825.4	4,011.3
PBT (RM’ million)	411.2	482.0	544.8
New Business Value (RM’ million)	349.3	365.4	395.8

In 2025, Allianz Life maintained its position as the fourth-ranked life insurer by market share in Malaysia and reported continued growth in key business measures through the year’s financial results. Notably, the ANP market share has seen a substantial expansion to 11.0%, reflecting growth of 0.6% compared to the previous year. Moreover, the GWP increased by 4.9% to RM4.01 billion, underscoring Allianz Life’s sustained market momentum. The PBT recorded a commendable increase of 13.0%, propelled by the exceptional performance of the in-force portfolio. Additionally, the New Business Value (“NBV”) also showed slight increment by 8.3%, primarily driven by agency and partnership distribution channel.

Management Discussion and Analysis


In 2025, Malaysia's life insurance sector continued its upward trajectory, supported by resilient domestic demand and strong interest for both investment-linked and protection-based products. Investment-linked policies regained momentum as consumers sought long-term wealth accumulation solutions, while rising medical cost inflation—cited as a persistent pressure point for the industry—reinforced demand for medical riders and comprehensive health-related coverage, contributing to continued premium growth. The market was also shaped by structural trends, including the government's continued push for financial inclusion through microinsurance initiatives under the Perlindungan Tenang programme and the rollout of the Digital Insurance Technology Operator framework, which accelerated digital distribution and widened access to insurance solutions. These combined factors positioned the life insurance sector for stable expansion while heightening the need for innovation in product design, transparent communication and digital servicing to address affordability concerns and evolving customer expectations.

Earlier this year, Allianz Life advanced its product innovation agenda with the introduction of investment-linked plan, Allianz AssuredLink, complemented by the HealthAssured medical rider. Designed to provide enhanced medical protection and greater financial security, HealthAssured offers flexible co-payment options, enabling customers to manage medical inflation while maintaining access to quality healthcare, thereby supporting long-term affordability. In addition, the introduction of Allianz EliteChoice, a tailored insurance solution for SMEs, reinforces our commitment to supporting business continuity and resilience within this important segment of the economy.

On the other hand, Allianz Life continued to strengthen its strategic bancassurance partnership with HSBC, offering flagship solutions like EliteDiamond and Universal AssuredTreasure. This collaboration expands our product suite, delivers comprehensive and tailored insurance solutions for premier customers, and reinforces our position as the Employee Benefits provider of choice, while driving greater cross-sales within our customer base. Together, these initiatives exemplify our strategic focus on delivering innovative, customer-centric solutions that anticipate evolving market needs, strengthening our position as a trusted partner in safeguarding both individual and business aspirations.

In response to ongoing medical cost inflation and to safeguard the long-term sustainability of its medical portfolio, Allianz Life has implemented interim repricing measures in alignment with BNM's regulatory expectations and industry-supported interim measures. These actions form part of a broader portfolio management strategy focused on balancing affordability for policyholders with disciplined risk and capital management. The repricing initiative is intended to stabilise claims experience while creating a strategic window to refine long-term product architecture and pricing frameworks. In parallel, Allianz Life reinforced underwriting, pricing, and cost containment measures, supported by customer transition initiatives, to mitigate rising healthcare costs and preserve portfolio resilience. We also strengthened customer engagement and communication to ensure transparency, reinforce trust, and support informed decision-making. These efforts underscore Allianz Life's commitment to delivering sustainable medical solutions aligned with evolving market dynamics and regulatory expectations, while preserving resilience and customer confidence.

Amid these transformative initiatives, Allianz Life remains committed to strengthening its distribution capabilities through the strategic execution of our agency transformation programme. Central to this effort are key initiatives such as Kingmaker, designed to enhance the effectiveness and resilience of our agency network, empowering agents to drive sustainable growth and deliver exceptional customer experiences. Our Allianz 360 tool serves as a cornerstone for holistic advisory, enabling agents to provide personalised solutions with precision and confidence. Meanwhile, the Career of Excellence and Opportunity ("C.E.O.") Programme stands as a beacon of leadership development, cultivating visionary leaders who champion innovation and organisational transformation. Together, these strategic pillars reflect Allianz Life's unwavering commitment to building a future-ready tied agents, leveraging leadership excellence and digital capabilities to secure long-term market leadership and deliver superior value to customers.

 For more information on agency transformation programme, kindly refer to "Customer Centricity" section on pages 76 - 80.

Looking ahead, Allianz Life will continue to drive its strategy with a strong emphasis on digital enablement as a catalyst for delivering exceptional customer experiences and operational excellence. By accelerating the adoption of innovative tools and platforms, we aim to enhance agent productivity and deliver seamless, data-driven interactions. At the same time, product innovation will remain a key growth driver as we expand our portfolio to meet evolving customer and market needs. These strategic priorities will strengthen Allianz Life's market leadership, build organisational resilience, and position Allianz Life for sustainable growth amid a rapidly changing industry landscape.

Management Discussion and Analysis

Overcoming Challenges and Way Forward

As Allianz Malaysia navigates 2026, it continues to operate against a backdrop of heightened global and domestic challenges, including macroeconomic uncertainty, particularly in healthcare costs, as well as tightening financial conditions. These pressures have contributed to rising medical claims costs, ongoing regulatory recalibrations, and intensifying competition across both life and general insurance segments. Against this backdrop, Allianz Malaysia remains firmly focused on disciplined execution of its strategy, with clear priorities on preserving balance sheet strength, optimising portfolio quality, and accelerating customer-centric growth, underpinned by robust governance and risk management frameworks.

Trust remains foundational to sustainable performance. Allianz Malaysia continues to embed ethics, integrity, and accountability across the enterprise through strengthened governance and risk frameworks, transparent disclosures, and consistently applied true customer centricity standards. Governance is underpinned by clear Board oversight, supported by a robust three-lines-of-defence model and a comprehensive set of policies that reinforce organisational integrity. These principles are reinforced through the Allianz Centre for Governance, a strategic collaboration with Universiti Malaya that supports research and advocacy on governance and business integrity, alongside our internal governance frameworks that drive consistency in policy implementation, compliance monitoring and risk oversight across business units.

Complementing these governance efforts, Allianz Malaysia continues to advance community-focused impact initiatives such as Allianz Eco Quest, a long-term environmental and education programme designed to address learning gaps within the Pulau Tuba community.

Allianz Malaysia continues to anchor its strategy on customer centricity, guiding how we design solutions and deliver value to meet evolving customer needs while ensuring accessibility across market segments, while aligning with our Strategic Pillar: Driving Smart Growth. To strengthen this strategic focus, we are investing in the professional development and digital enablement of our tied agents, equipping them with enhanced tools and capabilities that support more personalised and seamless customer experiences, in line with broader digital transformation efforts such as the Allianz 360 platform. These investments are complemented by initiatives such as the Allianz Achiever Model, which establishes a structured framework for

agency excellence, driving higher productivity, professionalism, and sustainable performance across our distribution network. In addition, the Allianz SheSecures Programme was launched to empower women through targeted professional development, mentorship, and leadership opportunities, reinforcing our commitment to inclusion and equal opportunities while strengthening the resilience and reach of our tied agents. By fostering a customer-centric culture and developing a future-ready tied agents, we are reinforcing our market positioning and enhancing our ability to support customers effectively in a dynamic industry environment.

Allianz Malaysia is advancing climate resilience and sustainability in line with global and national priorities. We have integrated sustainability and climate-related considerations into underwriting, investments, and operations to strengthen risk management and support the transition to a low-carbon economy. Underwriting policies are being refined to reflect climate risk exposures and adaptation needs, while investment portfolios increasingly favour sustainable assets, and fossil-fuel-based business models are being phased out. Operational decarbonisation initiatives, such as energy efficiency and sustainable travel, are complemented by community and customer programmes that encourage climate-positive behaviours and resilience.

In line with Allianz's climate strategy, we have set ambitious targets: a 57% reduction in emission intensity in our proprietary investment portfolio for listed equity and corporate bonds by 2030 (baseline 2019) and a 70% reduction in emissions from our own operations by 2030 (baseline 2019). These commitments underscore our dedication to responsible business practices and long-term value creation, reinforcing our role as a trusted partner in building a sustainable future and contributing to the creation of a liveable planet.

Amid the evolving dynamics of global and local markets, Allianz Malaysia remains steadfast in its pursuit of resilience and sustainable growth. Guided by a strong commitment to customer centricity, innovation, and disciplined execution, we continue to strengthen our product architecture, deepen our distribution capabilities, and reshape our product portfolio to ensure long-term sustainability. These strategic priorities position us to navigate shifting market conditions while consistently delivering value to our stakeholders and reinforcing our role as a trusted partner in supporting their financial and protection needs.



Accountability
that Builds Trust.
Governance that Delivers.

Strong governance and transparency remain the foundation of stakeholder confidence.

Our Operating Context

The physical environment, evolving supply and demand dynamics in the insurance market, and broader macroeconomic conditions continue to directly influence Allianz Malaysia. To determine external elements and their potential effects on our business performance, we assess the environment in which we operate. This helps us understand how we can create better value for our stakeholders as well as proactively mitigate potential risks.

<p>Economic</p> <p>Link to Business Capitals</p> <p>F S I</p>	<p>Overview</p> <p>Malaysia's economic growth in 2025 exceeded expectations, with GDP expanding by 5.2%, surpassing the official projection range of 4.0%–4.8%. Growth was supported by strong domestic demand and favourable export performance. The economy expanded by 6.3% in the fourth quarter, reflecting continued momentum across key sectors including services, manufacturing and construction. On the global front, the International Monetary Fund ("IMF") projects world output growth of around 3.3% in 2025, with growth expected to remain steady in the following year amid lingering inflationary pressures, trade frictions and tighter financial conditions.</p> <p>Within the insurance sector, modest economic expansion and rising household incomes are expected to sustain premium growth across both life and general segments, particularly in health, motor, and protection products. However, subsidy rationalisation and elevated medical and repair costs may tighten consumer spending and affect claims trends. Malaysia's moderate inflation in 2025, as reported by BNM, with headline inflation averaging 1.4% and core inflation averaging 2.0%, alongside expectations of continued moderate headline inflation in 2026, provides a supportive backdrop for insurance penetration and financial inclusion. Core inflation is expected to remain near its long-term average, while ongoing digital and infrastructure investments further strengthen financial system resilience.</p>
<p>Potential Impacts to Allianz Malaysia</p> <ul style="list-style-type: none"> Stronger-than-expected GDP growth and resilient domestic demand continue to support insurance premium growth, particularly in motor and health segments. Shifts in household spending amid subsidy rationalisation and inflationary pressure may influence affordability and product mix preferences. Rising healthcare and repair costs could affect claims ratios and underwriting profitability. Low insurance penetration and Malaysia's ageing population present opportunities for protection and retirement-related products. Strong vehicle sales and renewed consumer confidence sustain demand for general insurance coverage. The gradual phase-out of blanket fuel subsidies and adjustments in logistics costs may indirectly impact claims servicing and operating expenses. 	<p>Our Responses</p> <ul style="list-style-type: none"> Leverage our extensive distribution network (tied agents and banca-partnerships) for life and general insurance products. Strengthening market leadership by focusing on business growth through an enhanced product insurance offering, featuring top-tier roadside assistance services for all vehicle types. Collaborate with global brokers. Deliver growth in strategic partnership with HSBC. Enhance relationships with stakeholders to maximise share of wallet. Enhance portfolio management by strengthening underwriting and pricing, steering towards preferred risks segments. Enhance product sustainability by refining benefit structures, including co-payment features, to manage medical inflation while supporting long-term affordability for policyholders. Reinforce underwriting, pricing, and cost-containment measures, supported by customer transition initiatives, to mitigate rising healthcare costs and preserve portfolio resilience. Continue addressing increasing protection and retirement needs by offering solutions that support customers' long-term financial security in response to demographic shifts and greater awareness of future planning.
<p>Social</p> <p>Link to Business Capitals</p> <p>H S</p>	<p>Overview</p> <p>Consumer demands and societal imperatives are driving transformation in the insurance industry in Malaysia. There is a growing emphasis on the economic welfare of low-income segments and a focus on responsive, sustainable insurance solutions. The industry is also adapting to the increasing trend of consumers sharing personal information on digital platforms in exchange for incentives, leading to greater efficiency in the underwriting process. This evolution is positioning the insurance sector to better address the diverse needs and challenges of Malaysian society.</p>
<p>Potential Impacts to Allianz Malaysia</p> <ul style="list-style-type: none"> Evolving customer expectations for affordable, transparent, and flexible insurance solutions drive product innovation and digital engagement. Growing demand for protection among lower- and middle-income segments presents opportunities to expand micro-insurance and inclusive offerings. Greater data sharing and personalisation expectations require enhanced privacy safeguards and responsible data use. Shifts in societal trust and preference for purpose-driven brands highlight the importance of customer education and community engagement. 	<p>Our Responses</p> <ul style="list-style-type: none"> Establish a cross-functional taskforce to coordinate a customer-centred repricing approach, ensuring clear governance, holistic impact assessment and well-aligned execution across all customer-facing and support functions. Set up a dedicated repricing hotline with a specialised team trained in product knowledge and soft skills, providing customers with timely assistance, empathetic guidance and clear explanations amid increased enquiries. Strengthen communication transparency through simplified, easy-to-understand materials, including FAQs, infographics, and personalised letters, to help customers clearly understand the changes and make informed decisions. Facilitate a seamless customer experience through a conversion option without underwriting, supported by digital tools such as MyAllianz and Allianz 360 to ensure accessibility and convenience throughout the process. Pricing strategies discussed with stakeholders from Product, Underwriting, Sales, to ensure customer needs and affordability are considered.

Our Operating Context

Environmental

Link to Business Capitals



Overview

Climate change continues to influence Malaysia’s financial landscape, as evidenced by the increase in floods and heatwaves. Malaysia’s transition agenda through National Climate Change Policy 2.0 (“NPCC 2.0”) and an expected Climate Change Bill, reflects a strong commitment to mitigating the impact of climate change. This emphasis on sustainability and climate-related measures is prompting financial institutions to align their strategies with the transition towards a low-carbon economy, marking a significant period of transformation within the sector.

Potential Impacts to Allianz Malaysia

- Increased frequency and severity of floods and other extreme weather events may drive higher claims as well as increased reliance on public disaster relief.
- Rising regulatory expectations for climate risk management and disclosure increase compliance requirements.
- Transition to a low-carbon economy may influence investment assets.
- Growing customer and stakeholder demand for climate-aligned and sustainable insurance solutions presents new business opportunities.

Our Responses

- Allocate resources to better understand our exposure to natural catastrophes.
- Conduct scenario analysis to understand the key potential impacts of climate change on both general and life insurance businesses.
- Continue to participate in industry Joint Committee for Climate Change (“JC3”) and its sub-committees.
- Continuing efforts to reduce operational GHG emissions through the adoption of more energy-efficient practices.
- Support the transition to a low-carbon economy by aiming to lower emissions in our own operations and proprietary investment portfolios; as well as develop sustainable insurance solutions.
- Proactively help the public to increase resilience against floods via Allianz Malaysia’s CSR programmes, for example the Public Flood Survival Programme.
- Continue effort to encourage environmentally conscious behaviour, e.g., Motor coverage that rewards EV owners for eco-friendly driving habits in the form of cash rebates.

Technological

Link to Business Capitals



Overview

The insurance sector is being transformed by technology, with AI and Internet of Things (“IoT”) leading to more tailored and responsive services. However, the increasing reliance on digital platforms has also raised the risk of cyberattacks, affecting businesses across various industries. Malaysia has also experienced a surge in cyber breaches, potentially leading to significant economic impacts.

Potential Impacts to Allianz Malaysia

- Accelerated adoption of AI and automation enhances efficiency and customer experience but increases reliance on digital infrastructure.
- Greater use of data analytics enables improved risk assessment, but also requires stronger data governance and ethical AI oversight.
- Expanding digital engagement channels increase exposure to system outages and third-party cyber vulnerabilities.
- Operational disruptions and data breaches can undermine customer trust, potentially leading to substantial revenue losses and financial penalties.

Our Responses

- Remain alert to developments in AI, while ensuring a secure digital environment and maintaining stakeholder trust.
- Strengthen digital enablement to enhance sales, service and operational excellence, supported by key platforms such as MyAllianz, Allianz 360 and Customer Relationship Management system (OneCRM), which streamline workflows, improve accessibility and provide data driven insights.
- Enhance technical performance in claims, underwriting and pricing through AI-enabled capabilities, including Health Claims Co-pilot, advanced analytics, rules-based decisioning and straight-through processing to drive accuracy, speed and cost efficiency.
- Expand distribution to online channels.
- Natural Catastrophes (“Nat Cat”) management using integrated geocoding to manage flood exposure.
- Enhance capabilities in data analytics and apply data-driven discipline in decision-making.

Our Operating Context

<p>Regulatory</p> <p>Link to Business Capitals</p> <p>F I</p>	<p>Overview</p> <p>Ongoing regulatory reforms under the purview of BNM and other regulatory bodies, including Bursa Malaysia and the Inland Revenue Board of Malaysia (“LHDN”), continue to reshape Malaysia’s insurance and financial sectors. These reforms include the liberalisation of motor and fire tariffs, mandatory e-invoicing, proposed enhancements to the Risk-Based Capital Framework (“RBC”) through RBC 2, and the introduction of new sustainability reporting requirements to strengthen ESG transparency and governance.</p> <p>At the same time, escalating healthcare costs have prompted BNM to introduce Interim Measures on Medical and Health Insurance/Takaful (“MHIT”) to safeguard affordability while longer-term structural reforms are developed. BNM, together with key stakeholders such as the Ministry of Finance, Ministry of Health, insurers and takaful operators, private healthcare providers and consumer groups, are collaborating on initiatives guided by five (5) strategic thrusts aimed at moderating medical inflation. In the motor segment, BNM has also introduced the Insurers and Takaful Operators–Repairers Code of Conduct, effective January 2025, establishing minimum standards for fair conduct, transparency and collaboration to enhance consumer protection and trust in motor claims management.</p>
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- Potential Impacts to Allianz Malaysia**
- The liberalisation of motor and fire insurance presents opportunities for more effective risk-based pricing, while regulatory efforts to combat fraudulent claims and promote safe driving may help reduce motor claims frequency and severity.
 - Implementation of the RBC 2 may require adjustments to capital allocation, risk appetite and investment strategies to meet revised solvency and prudential requirements.
 - Interim Measures on MHIT affect how insurers adjust medical premiums, requiring staggered increases, temporary caps, repricing pauses for vulnerable segments, and flexibility in reinstatement arrangements, which may influence profitability, portfolio management and customer retention.
 - Heightened regulatory and public scrutiny on medical inflation increases the need for active engagement with regulators, healthcare providers and industry stakeholders to support long-term affordability and sustainability of medical insurance.
 - The introduction of the Insurers and Takaful Operators–Repairers Code of Conduct establishes mandatory standards for motor claims settlement, requiring closer coordination with panel repairers and the implementation of internal dispute resolution (“IDR”) mechanisms.
 - Compliance with expanded sustainability reporting requirements under the NSRF, alongside cybersecurity and technology risk expectations, may increase operational costs related to data collection, system enhancements, assurance and staff training.

- Our Responses**
- Leverage on technical excellence to enhance price optimisation in phased liberalisation environment.
 - Actively participate in collaborative efforts between insurers, government, and private hospitals to address rising medical costs to ensure sustainability of medical insurance beyond interim measures.
 - Perform gap analysis and assessment of regulatory changes in order to derive action plans to ensure compliance, with the set-up of project teams if necessary.
 - Adopt and implement e-invoicing in accordance with the guidelines and timelines of LHDN.
 - Consistently and regularly review our internal policies and guidelines to ensure compliance with relevant laws and regulations, at local and international level.
 - Adopt and implement reporting exercise aligning to NSRF.

Our Stakeholders' Expectations

Understanding the evolving needs and expectations of our stakeholders remains central to our value creation. We engage actively through multiple platforms and touchpoints to gather and analyse insights, with the goal of developing solutions that strengthen our positive impact across social, environmental and economic dimensions.

These engagements provide deeper understanding and shared benefits, guiding both our strategic direction and daily operations. We apply a variety of engagement approaches tailored to specific needs and objectives and establish clear indicators to measure the quality and breadth of our interactions.

Our materiality matrix highlights our continuous engagement with diverse stakeholder groups. For further details, please refer to pages 42 - 45. The concerns raised and our responses from various stakeholder groups are also presented in the table below.

Frequency

AWR	As and when required	Q	Quarterly
ToY	Throughout the year	BA	Bi-annually
M	Monthly	A	Annually

Customers Related material matters 2 3 4

<p>Why do we engage?</p> <ul style="list-style-type: none"> Our customers are at the heart of everything we do Understanding what's important to our customers is key to our long-term success 	<p>Key concerns/ interests</p> <ul style="list-style-type: none"> Upholding fair and responsible treatment standards Clear, timely, and transparent communication Timely and convenient resolution of queries Accessible and affordable insurance products Strong data privacy and security 	<p>Our strategic response to enhance value creation</p> <ul style="list-style-type: none"> Driving digitalisation and innovation to deliver enhanced customer experience Enhancing cybersecurity resilience and safeguarding data privacy across our digital platforms Empowering our tied agents to deliver best-in-class services to customers Designing and introducing products tailored to customer needs, complemented by customer-centric services such as Allianz Care@Home, Allianz Road Rangers Actively engaging with customers to gather feedback and continuously assess service quality 						
<p>How do we engage?</p> <table border="0"> <tr> <td>ToY Customer satisfaction surveys such as Net Promoter Score and Voice of Customer rating</td> <td>AWR Claims Onboarding Courtesy Calls, Welcome Calls</td> <td>ToY Online platforms (e.g., corporate website, social media, smartphone applications and mobile messaging)</td> </tr> <tr> <td>ToY MyAllianz Customer Portal</td> <td>ToY Allianz We Care Community Platform</td> <td></td> </tr> </table>			ToY Customer satisfaction surveys such as Net Promoter Score and Voice of Customer rating	AWR Claims Onboarding Courtesy Calls, Welcome Calls	ToY Online platforms (e.g., corporate website, social media, smartphone applications and mobile messaging)	ToY MyAllianz Customer Portal	ToY Allianz We Care Community Platform	
ToY Customer satisfaction surveys such as Net Promoter Score and Voice of Customer rating	AWR Claims Onboarding Courtesy Calls, Welcome Calls	ToY Online platforms (e.g., corporate website, social media, smartphone applications and mobile messaging)						
ToY MyAllianz Customer Portal	ToY Allianz We Care Community Platform							

Employees Related material matters 1 2 5

<p>Why do we engage?</p> <ul style="list-style-type: none"> Our employees are key to bringing our purpose to life Employee engagement is vital to maintain connection, motivation and an engaged workforce 	<p>Key concerns/ interests</p> <ul style="list-style-type: none"> Fair and responsible employer Promoting work-life balance Performance development and remuneration Career development Corporate culture, values and leadership 	<p>Our strategic response to enhance value creation</p> <ul style="list-style-type: none"> Facilitating hybrid working through Ways of Working ("WoW") initiatives Leveraging the SuccessFactors platform to support transparent and holistic performance management Providing holistic learning environment for continuous development Offering comprehensive health and wellness programmes and employee benefits Promoting employee engagement and volunteering initiatives Ensure annual Allianz Code of Conduct training completion by all employees, reinforcing ethical conduct attestation aligned to Life Insurance Association of Malaysia and Persatuan Insurans Am Malaysia standards Aligning performance-based remuneration policies with the People Attributes embedded in evaluation criteria Cultivating an equitable and inclusive workplace for all 												
<p>How do we engage?</p> <table border="0"> <tr> <td>A Allianz Engagement Survey</td> <td>A Great Place to Work® Survey & Certification</td> <td>ToY Employee Listening Programmes, e.g., Pulse Survey, People & Culture Satisfactory, Employee Commuting</td> <td>A Regular performance evaluation cycles</td> </tr> <tr> <td>ToY Townhall & Talent meetings</td> <td>M Internal publications</td> <td>ToY Learning and development programmes and events</td> <td>ToY Employee/ Workplace Culture Initiatives & Events</td> </tr> <tr> <td>ToY Corporate & Employee volunteering programmes</td> <td>AWR Media spokesperson training for CEOs and senior management</td> <td></td> <td></td> </tr> </table>			A Allianz Engagement Survey	A Great Place to Work® Survey & Certification	ToY Employee Listening Programmes, e.g., Pulse Survey, People & Culture Satisfactory, Employee Commuting	A Regular performance evaluation cycles	ToY Townhall & Talent meetings	M Internal publications	ToY Learning and development programmes and events	ToY Employee/ Workplace Culture Initiatives & Events	ToY Corporate & Employee volunteering programmes	AWR Media spokesperson training for CEOs and senior management		
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ToY Corporate & Employee volunteering programmes	AWR Media spokesperson training for CEOs and senior management													

Our Stakeholders' Expectations

Investors/ Shareholders Related material matters 1 3 6

<p>Why do we engage?</p> <ul style="list-style-type: none"> By understanding our investors' requirements and meeting their expectations of value creation, we grow trust in our organisation, which strengthens our access to capital 	<p>Key concerns/ interests</p> <ul style="list-style-type: none"> Maintaining stable financial performance Upholding ethical and responsible behaviour Integrating sustainability principles into business operations Climate change mitigation and resilience initiatives to safeguard communities and the environment Embedding sustainability considerations into insurance product offerings, investment decisions and underwriting processes 	<p>Our strategic response to enhance value creation</p> <ul style="list-style-type: none"> Reinforcing sustainability governance through strong corporate governance structures and comprehensive ESG disclosures Solid financial performance and dividend pay-outs Embedding sustainability across the business, reflected in the FTSE Russell ESG Score of 4.1 out of 5 for FY2025 Integrating sustainability-related risks and opportunities into core business activities, encompassing insurance product design, investment decisions and underwriting practices Performed climate scenario analysis and stress-testing to assess financial materiality of transition and physical risks, strengthening strategic resilience and guiding capital allocation
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How do we engage?

A Annual General Meeting	Q Analyst Briefings	A Annual Reports and Circulars to Shareholders
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Intermediaries and Business Partners Related material matters 1 2 3 4

<p>Why do we engage?</p> <ul style="list-style-type: none"> Our intermediaries and business partners are our means of distribution and outreach as well as feedback from the market Understanding the needs is thus vital to our success in the long-term 	<p>Key concerns/ interests</p> <ul style="list-style-type: none"> Upholding fairness and responsibility in all dealings Ensuring prompt and efficient service delivery Offering innovative and appealing product propositions Collaborative and mutually beneficial partnership Integrity-Driven Governance and Compliance Standards 	<p>Our strategic response to enhance value creation</p> <ul style="list-style-type: none"> Leveraging our bancassurance partnership with HSBC Enhancing digital tools to empower agents Providing year-round learning opportunities through structured agency training Collaborating with partners on the joint development of tools and solutions Comprehensive C.E.O. Programme for onboarding new agents Corporate partner of the NEXEA Startup-Corporate Matching Programme Collaboratively market needs-based products and services Leveraging a Balanced Scorecard approach to evaluated intermediaries and business partners, supporting performance improvement and strategic alignment
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How do we engage?

M Internal publications	ToY Townhall meetings, council meetings, recognition events	ToY Training and development
AWR Feedback through multiple channels	AWR Agencies compliance reviews	A Conferences

Our Stakeholders' Expectations

Suppliers and Service Providers Related material matters 2 4 5

<p>Why do we engage?</p> <ul style="list-style-type: none"> • Our service providers assist us in reaching out to and delivering our promises to customers • We work collaboratively to ensure a seamless experience for our customers 	<p>Key concerns/ interests</p> <ul style="list-style-type: none"> • Strategic collaborative partnership • Fair and timely payment • Upholding ethical and responsible treatment • Strengthening sustainable supply chain management • Ensuring skilled labor to deliver professional customer-focused service • Managing rising labour, medical, and repair costs • Provision of high-quality service to customers • Enhancing cybersecurity and safeguarding data privacy 	<p>Our strategic response to enhance value creation</p> <ul style="list-style-type: none"> • Embedding sustainability considerations in Vendor Code of Conduct • Strengthening implementation of the Allianz Sustainable Procurement Charter to embed sustainability principles and drive responsible sourcing across the supply chain • Expanding Roadside Assistance fleet • Providing upfront payments for Allianz Authorised Repairers • Advancing agent training and development programmes to achieve excellence in the dynamic insurance landscape
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How do we engage?

AWR Vendor Integrity Screening and renewals	AWR Panel workshop tender exercise	AWR Training and awareness
ToY Regular audits with panel providers	A Panel repairers' sustainability self-assessment questionnaire	

Government, Regulators, and Industry Related material matters 1 2 3 6

<p>Why do we engage?</p> <ul style="list-style-type: none"> • Regulators and industry peers contribute to shaping our operating environment • We must ensure full compliance with regulatory requirements in order to ensure smooth functioning of our operations 	<p>Key concerns/ interests</p> <ul style="list-style-type: none"> • Upholding ethical and responsible behaviour with sustainability considerations • Developing a holistic understanding of business risks and opportunities • Maintaining well-defined corporate governance • Ensuring regulatory compliance with all applicable regulations • Promoting fair treatment and equitable dealings for financial consumers • Advancing social and financial inclusivity through services and products tailored for underserved and underprivileged communities 	<p>Our strategic response to enhance value creation</p> <ul style="list-style-type: none"> • Participating in various industry working groups on key topics such as climate change, digitalisation, products and regulations • Embedding Fair Treatment of Financial Consumers considerations incorporated across our operations • Maintaining system of governance framework supported by robust anti-corruption/ anti-fraud policies • Integrating sustainability and climate related considerations into business operations and product offerings • Introducing products and services tailored to underserved, underprivileged, and special groups, such as Insurance Rahmah, Allianz Ability Life • Ensuring full compliance with applicable requirements
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How do we engage?

ToY Working and advisory groups	ToY Dialogues, trainings, and meetings
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Our Stakeholders' Expectations

Media and Analysts Related material matters 1 3 6

<p>Why do we engage?</p> <ul style="list-style-type: none"> Media play a significant role in shaping public perception and in sharing accurate information on industry issues Cultivating strong, mutually beneficial relationships allows us to communicate our commitment as a responsible insurer, building trust with policyholders and the public 	<p>Key concerns/ interests</p> <ul style="list-style-type: none"> Corporate sustainability strategy and performance Ensuring regulatory compliance with all applicable local, state, and federal regulations Demonstrating social responsibility by providing accessible and affordable insurance products Building resilience against business and financial risks Upholding Integrity-Driven Governance and Compliance Standards 	<p>Our strategic response to enhance value creation</p> <ul style="list-style-type: none"> Maintaining governance framework supported by robust anti-corruption/ anti-fraud policies Advancing the Allianz Climate Change Strategy to support a low-carbon transition Integrating sustainability and climate related considerations into business operations and product offerings Maintaining comprehensive legal registers Implementing sound risk management to strategically enhance resilience against business and financial risks Disclosing key developments through conferences, investor briefings, press releases and digital platform to maintain transparency
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How do we engage?

AWR Media releases and announcements	A Annual reports	AWR Our corporate websites
AWR Events and interviews		

Society and Planet Related material matters 3 5 6

<p>Why do we engage?</p> <ul style="list-style-type: none"> As a leading insurance company, it is our duty to contribute to the society that we live and work in We live our purpose, "We Secure Your Future", through our day-to-day business practices, and through our charitable and community support 	<p>Key concerns/ interests</p> <ul style="list-style-type: none"> The rising cost of living and mitigating economic insecurity Promoting fair and equal opportunities Supporting decent work conditions and fostering sustainable economic growth Enhancing societal and environmental health and overall wellbeing 	<p>Our strategic response to enhance value creation</p> <ul style="list-style-type: none"> Implementing CSR initiatives built on four (4) pillars: Education, Mental Health, Community Support, and Development and Relief Implementing community outreach programmes and relief activities Advancing the Allianz Climate Change Strategy to support a low-carbon transition Minimising environmental impact through the reduction of organisational GHG emissions Knowledge-sharing and awareness-raising with stakeholders Celebrating the pursuit of excellence and equal opportunities through Allianz Junior Badminton Championship, as well as supporting the para-athletes through a partnership with the National Sports Council
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How do we engage?

AWR Social organisation Integrity Screenings & Vendor Integrity Screening	ToY Corporate giving and volunteering programmes	ToY Partnerships with social organisation and enterprises
ToY Allianz We Care Community platform	ToY Allianz Junior Badminton Championship	ToY Partnership with National Sports Council

Our Key Risks and Opportunities

Understanding and managing key risks and opportunities is fundamental to effective strategic planning. This approach allows us to anticipate challenges, mitigate adverse impacts, and capture opportunities that create long-term value for stakeholders. By adopting a proactive stance, we strengthen resilience and ensure alignment with our business objectives and growth ambitions.

Besides these key risks and opportunities, we also identified sustainability-related risks and opportunities that could impact our operations and prospects over the short-, medium-, and long-term. These processes are seamlessly integrated into our Enterprise Risk Management Framework, ensuring a holistic approach to risk governance.

The principal risks affecting our business are summarised below. These risks may span multiple categories, and our risk management approach, together with key internal controls, is detailed in the **Statement on Risk Management and Internal Control** within this IAR FY2025. Material sustainability matters discussed in the **“What Matters to Us”** section also relate to these risks, while opportunities arising from them inform the development of our strategic objectives outlined in **“Our Strategy and How We Allocate Resources”**.

<p>Financial Risk ▶ Stable</p> <p>Risk Perspective Amidst ongoing global political and economic uncertainty, financial market volatility poses risks that extend beyond our immediate environment. Adverse changes such as equity market volatility, fluctuations in investment portfolio valuations, and variations in interest rates might impact the value of our assets and liabilities.</p>	<p>Underwriting Risk ▶ Stable</p> <p>Risk Perspective The uncertain nature of insurance risk trends (e.g., accident trends, medical trends, catastrophe losses) may lead to inadequate premiums and/or insufficient reserves. Our claim costs may also be subjected to inflationary pressure, especially medical inflation. We continue to focus on technical excellence initiatives to overcome this while also considering our customers’ needs.</p>	<p>Regulatory Change Risk ▲ Increasing</p> <p>Risk Perspective As a publicly listed entity in Malaysia and as part of Allianz, the Group is governed by dynamic and multifaceted regulatory frameworks, requiring adherence to numerous regulatory requirements at both local and global levels. The regulatory landscape is evolving rapidly, presenting ongoing challenges in meeting new expectations and implementing required changes within tight timeframes. Recent developments have included enhanced requirements relating to climate change management, sustainability reporting, medical repricing, expansion of service tax coverage, technology risk management, and capital adequacy.</p>
<p>Mitigating Actions</p> <ul style="list-style-type: none"> • Defined investment limits and risk appetites with continuous monitoring of exposure • Asset–liability management strategy to ensure alignment between assets and liabilities • Maintain sufficient capital and liquidity buffers 	<p>Mitigating Actions</p> <ul style="list-style-type: none"> • Established comprehensive underwriting guidelines • Periodic review of reinsurance programmes • Robust product development and monitoring process • Implement claims control measures 	<p>Mitigating Actions</p> <ul style="list-style-type: none"> • Continuous awareness training to all staff • Conduct regular compliance reviews to evaluate the level of compliance • Maintain ongoing engagements with regulators
<p>Opportunities</p> <ul style="list-style-type: none"> • Optimise investment strategy for more efficient use of capital 	<p>Opportunities</p> <ul style="list-style-type: none"> • Prevention of underwriting and claims leakages enable us to maintain competitive premiums • Encourage customers to adopt risk-reduction behaviours 	<p>Opportunities</p> <ul style="list-style-type: none"> • Build trust among all stakeholders • Strengthen competitive advantage within the changing regulatory landscape
<p>Link to</p> <p> F H S I</p>	<p>Link to</p> <p> F H S I</p>	<p>Link to</p> <p> F M H S</p>

Our Key Risks and Opportunities

Information Security Risk

▶ Stable

Risk Perspective

Allianz Malaysia started its digitalisation journey a number of years ago and a significant portion of its daily operations now rely on digital services and infrastructure. At the same time, cybersecurity measures are continuously enhanced to mitigate exposure to cyber threats and data privacy breaches. We remain vigilant when adopting new technology such as AI, which supports digitalisation opportunities but may also lead to increased cyber threats without proper safeguards.

Mitigating Actions

- Regular awareness training sessions
- Defined procedures for handling data
- Deploy infrastructure and technologies to monitor and protect against cyber threats
- Adopt effective patch and vulnerabilities management
- Regular penetration testing

Opportunities

- Competent management provides a competitive edge and builds trust for our customers
- Ensure business continuity and safeguard against potential cyber threats

Link to



M H I

Strategic Risk

▶ Stable

Risk Perspective

Allianz Malaysia recognises the risks of potential financial and operational setbacks resulting from ineffective management decisions, unsound business strategies, poor execution of critical transformation projects and workforce lacking capabilities to adapt to changing market conditions. Strategic initiatives are comprehensively discussed and updated as necessary to consider evolving regulatory requirements, shifting industry market trends, changing customer demands, and competitive product offerings in order to continue delivering a strong customer value proposition.

Mitigating Actions

- Annual strategic and planning dialogues
- Stress testing of business plan
- Regular management committee meetings to monitor progress

Opportunities

- Ensure long-term sustainable performance and market relevance
- Introduce value-added services that benefit and attract customers

Link to



F I S H

Climate Change Risk

▲ Increasing

Risk Perspective

Climate change-related risks stem from increasing flood occurrences, regulatory changes, technological advancement, and evolving consumer preferences. As concerns about climate impacts continue to escalate, there are rising stakeholder expectations to reduce carbon footprint and integrate climate considerations into business.

Mitigating Actions

- Incorporate climate change risk management into overall risk management framework
- Integrate climate change and sustainability considerations in investments, underwriting, and products
- Sustainability Committee established to drive sustainability strategy

Opportunities

- Better competitive position by providing products and services to meet emerging customer needs and improve societal resilience to climate change
- Develop and implement strategies to support the transition towards a low-carbon and climate-resilient future

Link to



F N H I S

What Matters to Us

Allianz Malaysia assesses the materiality of sustainability matters to identify and prioritise issues that are most significant to our business and shareholders. A comprehensive materiality assessment is conducted every three (3) years to ensure that our sustainability priorities remain aligned with evolving sustainability trends, global risks, and changes in the external operating environment.

In FY2025, we enhanced our assessment process by adopting a double materiality approach, considering both inside-out and outside-in perspectives. The assessment covers financial materiality, focusing on sustainability-related risks and opportunities from a business perspective, as well as impact materiality, which evaluates our impacts on people and the planet.

The process of our Double Materiality Assessment is outlined as follows:

Double Materiality Assessment in FY2025

STEP 1 ▶ Review of Material Matters and Identification of Impacts, Risks, and Opportunities

We review our existing Material Matters to ensure ongoing relevance and identify associated risks and opportunities from both business and societal perspectives. This includes assessing how Material Matters affect our financial performance and long-term resilience, as well as how our operations impact people, society, and the environment. In this process, we consider internal and external factors such as business strategies, stakeholder expectations, regulatory developments, and emerging global trends. Our assessment also references leading sustainability frameworks and standards, including the NSRF, IFRS, GRI, and SASB, while benchmarking against industry peers to capture evolving risks and opportunities.

This year, we streamlined our Material Matters from fourteen (14) in FY2024 to six (6) in FY2025 to minimise overlaps and improve clarity, with key changes as outlined below:

- **Environmental and Climate Action:** Consolidate Emissions and Climate Change and Direct Environmental Footprint to provide a holistic view of Allianz Malaysia's environmental impact and support integrated management.
- **Customer Centricity:** Integrate Customer Satisfaction and Digital Innovation to reflect enhancements in customer experience through technology-driven efficiency and improved service delivery.
- **Own Workforce:** Consolidate all matters related to our employees such as inclusive workforce practices, Talent Management, Health and Wellbeing and Human Rights for a holistic workforce strategy.
- **Responsible Products, Investments and Underwriting:** Incorporate Social and Financial Inclusion into Responsible Products, Investments and Underwriting in alignment with our product strategy.

STEP 2 ▶ Collection of Input from Stakeholders

The process involves gathering feedback and conducting validation rounds with internal business owners and experts. We engage both internal and external stakeholders to understand their perspectives on sustainability matters that are most relevant to our business and society. This approach ensures diverse viewpoints are considered and key expectations are addressed. Engagement is carried out through surveys. Feedback collected is analysed to identify emerging concerns, validate the relevance of existing Material Matters, and support identification of sustainability-related risks and opportunities. These insights provide a foundation for refining our sustainability strategy and aligning it with stakeholder priorities and global best practices.

What Matters to Us

STEP 3 ▶ Evaluation of Material Matters

We evaluate our Material Matters through a structured assessment process that considers both impact and financial perspectives to ensure a comprehensive understanding of their significance:

- **Impact Materiality (inside-out perspective):** Each Material Matter is assessed for its potential impact on the economy, environment, governance, and society. This evaluation draws on insights from prior impact assessments and incorporates current developments to maintain continuity. The process involves analysing how our operations and activities influence stakeholders and the broader ecosystem, ensuring that sustainability considerations are embedded into our business strategy.
- **Financial Materiality (outside-in perspective):** We assess the materiality of sustainability-related risks and opportunities associated with each Material Matter using established risk parameters. This includes applying qualitative rating scales to evaluate the likelihood and potential financial and reputational impact. The overall rating of a Material Matter is driven by the most significant risk or opportunity under that matter.

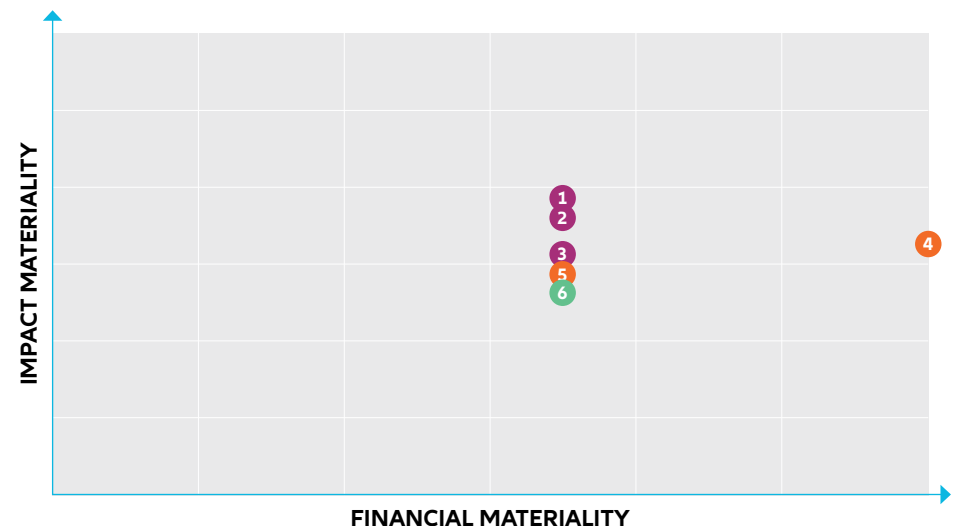
STEP 4 ▶ Prioritisation of Material Matters

Following the evaluation process, we prioritise Material Matters that are significant from both impact and financial materiality perspectives. This prioritisation enables us to allocate resources effectively and strengthen initiatives to address key sustainability-related risks and opportunities. The outcome of this analysis informs the development of the FY2025 Double Materiality Matrix, which plots each Material Matter across impact and financial materiality dimensions. This structured approach ensures that our sustainability strategy focuses on areas with the greatest potential to influence long-term business resilience and stakeholder value. Based on the Double Materiality Assessment, we have prioritised six (6) Material Matters, ranging from medium to high materiality. We will discuss these six (6) Material Matters in this IAR 2025 under **Managing Our Sustainability Impacts section in pages 63 - 105**. Allianz Malaysia has two (2) other material matters, Sustainable Supply Chain and Charitable Community Support, which are assessed as low materiality. Nevertheless, they still remain relevant to the Group and will be subjected to ongoing oversight to appropriately address any potential risks and opportunities.

STEP 5 ▶ Review and Validation of Double Materiality Matrix

The outcomes of the Double Materiality Assessment were presented to the Sustainability Committee for review and endorsement. During this process, the Committee examined the methodology, underlying assumptions, and key insights to ensure accuracy and relevance. Feedback from internal and external stakeholders was also considered to validate the robustness of the assessment. Following the Committee’s endorsement, the final Double Materiality Matrix was approved by the Board of Directors, reinforcing strong governance and accountability in managing material sustainability matters.

Double Materiality Matrix



Strategy Pillar 1: Responsible Business

- 1 Governance and Ethics
- 2 Cybersecurity and Data Privacy
- 3 Responsible Products, Investments and Underwriting

Strategy Pillar 2: Resilient Society

- 4 Customer Centricity
- 5 Own Workforce

Strategy Pillar 3: Liveable Planet

- 6 Environmental and Climate Action

What Matters to Us

Allianz Malaysia continuously reviews its business strategy to ensure material matters are effectively managed. This includes evaluating sustainability-related risks and opportunities across our operations, considering external conditions, internal dynamics, and resource dependencies. We assess how these factors influence our strategy, business model, and prospects, including potential impacts on financial position over the short, medium, and long term. These insights guide prioritisation of actions that strengthen resilience and support sustainable growth and long-term value creation.

Material Matters	What It Means to Allianz Malaysia	Why It Matters to Us (Risks and Opportunities)	Stakeholders	Capitals
<p>1</p> <p>Governance and Ethics</p>	<p>Our commitment to promoting responsible, transparent, and ethical business conduct, along with strict adherence to policies and regulatory standards, ensures accountability and fosters trust among our stakeholders.</p>	<ul style="list-style-type: none"> • Potential regulatory penalties arising from non-compliance with governance and ethical standards • Reputational damage resulting from failures to uphold governance and ethical practices • Effective governance structures can build trust in customers and all stakeholders as well as improve the Group's long-term performance 		<p>H I</p>
<p>2</p> <p>Cybersecurity and Data Privacy</p>	<p>Ensuring robust cybersecurity measures to protect data and systems against cyber threats, ensuring the integrity and confidentiality of sensitive information to build customer trust and reinforce our brand reputation.</p>	<ul style="list-style-type: none"> • Privacy breaches could result in operational disruptions, reputational damage, and potential legal action • Effective management of cybersecurity and data privacy provides a competitive edge and builds trust among our customers 		<p>H I</p> <p>M</p>
<p>3</p> <p>Responsible Products, Investments and Underwriting</p>	<p>Our commitment to promote sustainability integration across our insurance product offerings, investment decisions, and underwriting processes to support sustainable development. This commitment includes conducting thorough ESG risk assessments in our underwriting and investment practices, and advancing sustainable portfolio management in line with the Allianz Sustainability Integration Framework with the aim of delivering long-term value for stakeholders. In addition, we are dedicated to promoting social and financial inclusiveness by offering affordable and accessible insurance solutions that cater to diverse customer segments, including underserved and underprivileged communities.</p>	<ul style="list-style-type: none"> • Products may not align with market needs in terms of accessibility or understanding, leading to limited growth in insurance penetration • Potential regulatory actions if product and services do not meet regulatory requirements • Strengthened brand reputation and increased ability to attract sustainability-conscious customers and investors • Enhanced management of ESG risks 		<p>F S</p> <p>N M</p> <p>I</p>

What Matters to Us

Material Matters	What It Means to Allianz Malaysia	Why It Matters to Us (Risks and Opportunities)	Stakeholders	Capitals
4 Customer Centricity	Our commitment to deliver customer-centric solutions that address our customers’ needs while ensuring exceptional service. Meanwhile, we continuously enhance our processes to improve operational efficiency and leverage technology to provide more targeted and effective solutions. This commitment aligns with our core values of Customer and Market Excellence and True Customer Centricity, placing customers at the heart of everything we do.	<ul style="list-style-type: none"> • Inability to respond to changing customer expectations shaped by digital adoption, demand for inclusive products, clear product terms, and higher service standards may lead to loss of relevance and competitive disadvantages • Use of AI and advanced analytics improves customer experience through improved operational efficiency and supports competitive differentiation through data-driven decision making 		S I F
5 Own Workforce	Our commitment to empower our workforce and cultivating a workplace where every employee feels recognised and respected, by promoting inclusion and equal opportunities supporting employee wellbeing, upholding human rights, and implementing strategic talent management, which aligns with our aspiration to be the employer of choice within the industry.	<ul style="list-style-type: none"> • Inadequate upskilling may result in slower innovation, reduced efficiency, and increased reliance on external hires or consultants • Strengthening equal opportunities across recruitment, development, and leadership unlocks innovation and reinforces Allianz Malaysia’s reputation as an employer of choice • Enhanced employee satisfaction and engagement lead to increased productivity and supports talent retention 		H S
6 Environmental and Climate Action	Our approaches on managing the environmental footprint of our business activities, addressing climate change challenges, and managing climate-related risks and opportunities, while promoting the transition to a low-carbon economy and contributing to global climate goals.	<ul style="list-style-type: none"> • Inadequate management of climate-related risks can result in underwriting and investment losses • Rising expectations from regulatory bodies for climate risk management and disclosure require substantial resources for compliance and reporting • Stronger competitive position can be achieved by providing products and services to meet emerging customer needs, incentivise sustainable behaviours, and improve societal resilience to climate change <p> For more details on climate-related risks and opportunities, refer to pages 95 - 100, under Environmental and Climate Action section</p>		N M F

Identifying Material Information for Reporting

As part of our commitment to transparent and responsible reporting, Allianz Malaysia undertakes a structured process to identify material financial and non-financial information related to sustainability risks and opportunities. This process is guided by the IFRS Sustainability Disclosure Standards and considers industry-specific benchmarks, particularly the SASB Insurance Standard.

Materiality is assessed based on whether the information could reasonably influence investment or financing decisions by users of general-purpose financial reports. Once identified, the information is consolidated and subjected to rigorous validation by the Sustainability Committee before being approved by the Board. The approved disclosures are then integrated into the sustainability section of this Report, ensuring alignment with global best practices and stakeholder expectations.

For more information, please refer to Section 4 “Managing Our Sustainability Impacts” on pages 63 - 105.

Our Strategy and How We Allocate Resources

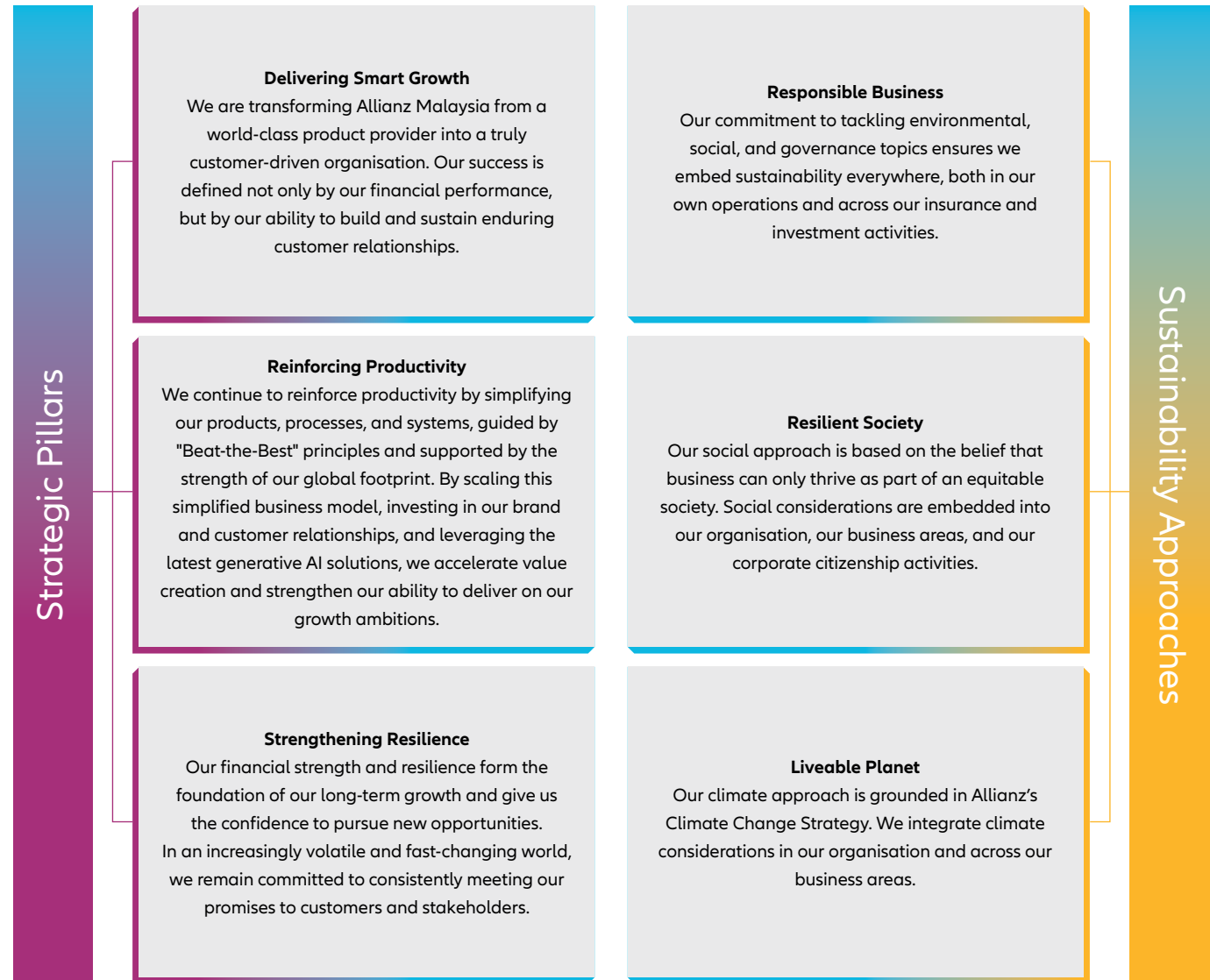
At Allianz Malaysia, our strategy is centered on creating long-term value through a balanced focus on customer centricity, disciplined execution, and financial strength. Resource allocation is guided with the aim of ensuring investments support strategic priorities and enhance customer experience, reflecting our commitment to service quality and simplified customer journeys.

Improving productivity remains essential in maintaining competitiveness. In 2025, Allianz Malaysia has intensified investments in digital platforms and data-driven processes to streamline operations and reduce structural complexity. These efforts enable faster delivery, more consistent service standards, and greater operating efficiency to maximise our value to customers.

Allianz Malaysia continues to strengthen its multi-channel model by advancing agency productivity, and deepening bancassurance partnerships. These investments ensure broader reach, more consistent service delivery, and scalable growth across markets. On the product side, Allianz Malaysia focuses on harmonising and simplifying offerings through centralised expertise in data analytics, product development, and digital distribution platforms, enabling faster innovation and improved customer value propositions.

In addition, the nature of what we do contributes towards sustainable economies and societies, where we manage risks and help protect lives, assets, and businesses. Our ambitious goal revolves around integrating sustainability across our business, thereby catalysing tangible and meaningful impacts across societies, economies, and the environment.

Our sustainability approach is focused on three key areas: Responsible Business, Resilient Society and Liveable Planet.



Our Strategy and How We Allocate Resources

How We Develop Our Strategy


We develop our strategies in line with the process outlined below:



In identifying the risks and opportunities in the market, we assess external environmental conditions and stakeholder concerns. Additionally, as we operate in a highly regulated environment, keeping abreast of changes in regulations is crucial to our operations. To ensure compliance and effective management of regulatory changes, our Legal and Compliance teams, along with the Company Secretarial team, closely monitor these developments. By remaining abreast to changes in the external environment, we ensure that our business remains adaptable to change.




Our Strategy and How We Allocate Resources


Strategic Pillars: Delivering Smart Growth																				
Objectives	<ul style="list-style-type: none"> General insurance GWP growth Growth in motor, retail and commercial insurance 		<ul style="list-style-type: none"> Life insurance ANP growth Growth in all distribution channels 																	
Initiatives/ Resources Allocated	<p>Motor</p> <ul style="list-style-type: none"> Expanding market leadership by focusing on targeted business segments and offering enhanced product propositions, including best in class roadside assistance service across all vehicle types — private cars, motorcycles and goods vehicles <p>Retail</p> <ul style="list-style-type: none"> Leveraging large motor base to drive cross-sell and upsell opportunities Adopting a holistic approach to product innovation, improving product features and streamlining claims journey to enhance customer value <p>Commercial</p> <ul style="list-style-type: none"> Enhancing relationship with key local partners to increase share of wallet Branch empowerment through delegation of underwriting authority for improved flexibility and efficiency for preferred commercial business 		<p>Agency Transformation</p> <ul style="list-style-type: none"> Continue driving agency growth through Kingmaker Project, focusing on agent recruitment and professionalism Ensuring swift adaptation to regulatory changes and guiding customers toward sustainable co-payment solutions <p>Strategic Collaborations</p> <ul style="list-style-type: none"> Deepening the partnership with HSBC to deliver integrated solutions for premier customers <p>Employee Benefit Business</p> <ul style="list-style-type: none"> Expanding the SME portfolio with a focus on profitability and innovative solutions to meet evolving client needs 																	
Achievements	<ul style="list-style-type: none"> Achieved growth in Motor, Retail and Commercial segment compared to previous year <table border="1"> <thead> <tr> <th></th> <th>2023</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>GWP Growth</td> <td>13.1%</td> <td>13.8%</td> <td>7.6%</td> </tr> </tbody> </table>			2023	2024	2025	GWP Growth	13.1%	13.8%	7.6%	<ul style="list-style-type: none"> Overall ANP growth of 6.0% <table border="1"> <thead> <tr> <th></th> <th>2023</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>ANP Growth</td> <td>14.6%</td> <td>15.1%</td> <td>6.0%</td> </tr> </tbody> </table>			2023	2024	2025	ANP Growth	14.6%	15.1%	6.0%
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ANP Growth	14.6%	15.1%	6.0%																	
Outlook	<ul style="list-style-type: none"> Enhancing market leadership position by capturing targeted business opportunities and delivering greater value to customers Continue diversifying portfolio through expansion in business across key segments, including Motor, Retail and Commercial Leveraging our ability to tailor product offerings to meet evolving customer needs 		<ul style="list-style-type: none"> Continue leveraging Kingmaker for recruitment, with a strong emphasis on increasing the number of active agents and improving productivity Evolve offerings for HSBC premier customers and strengthen our position as the Employee Benefits provider of choice, driving greater cross-sales within our customer base Continue upgrading our products to meet changing customer needs, focusing on both protection and wealth solutions, sustainability, and value Deepening collaboration and synergies between Allianz Life and Allianz General to deliver integrated solutions and unlock cross-selling opportunities for holistic customer protection 																	
<p>Stakeholders  Capitals F I S H Material Matters 3 4 5</p>																				

Our Strategy and How We Allocate Resources



Strategic Pillars: Reinforcing Productivity																											
Objectives	<ul style="list-style-type: none"> Improve efficiency and cost-effectiveness through process simplification and digitalisation 	<ul style="list-style-type: none"> Sustain combined ratio CoR Ensure sustainability of CoR 	<ul style="list-style-type: none"> Drive operational excellence and cost efficiency through process simplification and digitalisation, while safeguarding sustainable profitability of Life insurance portfolios within the Group's appetite 																								
Initiatives/ Resources Allocated	<ul style="list-style-type: none"> Bundling multi-line coverage in package products to simplify the customer purchase experience Increasing digitalisation of processes, including endorsement issuance and expanding self-service capabilities for agents and customers Implementing Customer Relation Management ("CRM") system to strengthen customer relationship management and enhance service delivery Front end system enhancement to improve agent and customer experience across policy purchase, claims, renewals, and cross-selling opportunities Optimising workspace utilisation to support operational efficiency 	<ul style="list-style-type: none"> Maintain stringent expense management practices to ensure operational efficiency without compromising service quality Robust performance monitoring and cost discipline 	<ul style="list-style-type: none"> Rapid Productivity: Drive superior sales, service, and operational excellence through streamlined processes, digital enablement, and data-driven insights Digital Frontend Transformation: <ul style="list-style-type: none"> MyAllianz: Enhance customer experience through improved self-service and engagement features Health Claims Co-pilot: Empower claims assessors with smarter, faster decision-making tools Customer Relationship Management (OneCRM): Streamline customer service handling and improve engagement quality Allianz 360: Increase adoption of the agent productivity app with a focus on lead generation and sales enablement Technical Excellence in underwriting, pricing and claims management through co-pilot solutions, advanced pricing analytics, rules-based controls, and straight-through processing enablement to drive cost containment and sustainable portfolio profitability 																								
Achievements	<ul style="list-style-type: none"> Achieved PBT growth of 15.9% compared to the previous year <table border="1" style="margin-left: 20px;"> <thead> <tr> <th></th> <th>2023</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>PBT Growth</td> <td>7.9%</td> <td>5.1%</td> <td>15.9%</td> </tr> </tbody> </table>		2023	2024	2025	PBT Growth	7.9%	5.1%	15.9%	<table border="1" style="margin-left: 20px;"> <thead> <tr> <th></th> <th>2023</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>CoR (General Insurance)</td> <td>85.7%</td> <td>88.8%</td> <td>87.9%</td> </tr> <tr> <td>Expense Ratio (General Insurance)</td> <td>26.3%</td> <td>25.4%</td> <td>25.6%</td> </tr> <tr> <td>Expense Ratio (Life Insurance)</td> <td>12.1%</td> <td>11.2%</td> <td>10.8%</td> </tr> </tbody> </table>		2023	2024	2025	CoR (General Insurance)	85.7%	88.8%	87.9%	Expense Ratio (General Insurance)	26.3%	25.4%	25.6%	Expense Ratio (Life Insurance)	12.1%	11.2%	10.8%	<ul style="list-style-type: none"> Drive operational efficiency through disciplined expense management while maintaining high service standards. The CoR for General Insurance improved to 87.9%. The expense ratio for Life Insurance developed favourably by 0.4 percentage points to 10.8%.
	2023	2024	2025																								
PBT Growth	7.9%	5.1%	15.9%																								
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Outlook	<ul style="list-style-type: none"> Maintained competitive advantage against industry through superior technical excellence capabilities and process innovation Continuous focus on cost control and performance monitoring in motor claims, intensifying claims fraud detection and realisation of fraud savings 	<ul style="list-style-type: none"> Expect heightened market competition, reinforcing the need to leverage technical excellence and maintain pricing discipline Maintain a proactive approach to emerging risks, including climate-related events and evolving market trends, to safeguard long-term sustainability 	<ul style="list-style-type: none"> Accelerate rapid productivity and process optimisation to deliver superior sales, service, and operational excellence through automation and data-driven insights Advance digital transformation with enhanced platforms and innovative solutions, leveraging artificial intelligence capabilities to deliver better customer experience, agent productivity, and service quality Strengthen technical excellence in underwriting, pricing, and claims management to continuously improving cost containment and sustainable profitability 																								





Our Strategy and How We Allocate Resources

Strategic Pillars: Strengthening Resilience																				
Objectives	<ul style="list-style-type: none"> Optimised return on equity ("ROE") Ensure profitability of general insurance retail and commercial portfolios within Group's risk appetite 			<ul style="list-style-type: none"> Dividend stream to shareholders 																
Initiatives/ Resources Allocated	<ul style="list-style-type: none"> Strengthening technical excellence by continuously refining pricing models and leveraging data analytics to stay ahead of market trends and ensure competitive advantage Enhancing underwriting discipline through improved risk selection and portfolio steering toward preferred segments to maintain sustainable profitability Enhancing Nat Cat management through integrated geocoding and optimised pricing strategies for flood coverage 																			
Achievements	<ul style="list-style-type: none"> ROE aligned with the Group's appetite <table border="1"> <thead> <tr> <th></th> <th>2023</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>ROE</td> <td>14.8%</td> <td>14.1%</td> <td>15.8%</td> </tr> </tbody> </table>				2023	2024	2025	ROE	14.8%	14.1%	15.8%	<ul style="list-style-type: none"> Declared dividend for a financial year with RM338.8 million paid for FY2025 <table border="1"> <thead> <tr> <th></th> <th>2023</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Dividend declared</td> <td>381.8</td> <td>339.6</td> <td>338.8</td> </tr> </tbody> </table>		2023	2024	2025	Dividend declared	381.8	339.6	338.8
	2023	2024	2025																	
ROE	14.8%	14.1%	15.8%																	
	2023	2024	2025																	
Dividend declared	381.8	339.6	338.8																	
Outlook	<ul style="list-style-type: none"> Maintain ROE within Group's strategic appetite 			<ul style="list-style-type: none"> Continue to deliver dividend stream targets 																
<p>Stakeholders  Capitals F Material Matters 3 4</p>																				

Sustainability Approaches: Responsible Business				
Objectives	<ul style="list-style-type: none"> Embedding sustainability into all aspects of our business operations including product offerings 			
Initiatives/ Resources Allocated	<ul style="list-style-type: none"> Implementing the Allianz Sustainability Integration Framework Applying ESG screening criteria to its P&C commercial insurance business as well as to its proprietary investments in non-listed asset classes Consistently reviewing and refining coverage terms to align with sustainable development goals Guided by the Allianz Sustainable Solutions Framework 			
Achievements	<ul style="list-style-type: none"> Launched two (2) certified Sustainable Solutions — Environmental Protect Liability Insurance and Allianz EV EcoMiles Launched SolarPro All Risk PV Has various investment-linked funds that invests in seven (7) separate target funds that are classified under Article 8 of the EU's SFDR classification 			
Outlook	<ul style="list-style-type: none"> Continue to develop and enhance product offerings with sustainability considerations for our customers 			
<p>Stakeholders  Capitals M F S Material Matters 3</p>				

Our Strategy and How We Allocate Resources

Sustainability Approaches: Resilient Society		
Objectives	<ul style="list-style-type: none"> Continuously delivering exceptional and personalised customer experiences that adapt to their evolving needs 	<ul style="list-style-type: none"> Ensuring long-term growth and success for both our people and the organisation
Initiatives/ Resources Allocated	<ul style="list-style-type: none"> Adherence to the Allianz Customer Service Charter Utilise technological innovations to enhance customer experience, such as MyAllianz Expanded distribution to online channels, such as Shopee and Touch n Go Digital Frequent engagement with customers through the Voice of Customers (“VoC”) initiative Developed customer-centric solutions to maximise benefits through special product offerings Implemented agency development programmes such as the Kingmaker Project and C.E.O. Programme 	<ul style="list-style-type: none"> Continuous professional development programmes Continuous mentoring and coaching programmes Performance feedback and evaluation Continuous leadership circle programme Enforce compliance with Allianz Code of Conduct Continuous Allianz Beyond network Mandating female successors in succession planning Implementing health and wellbeing strategy covering physical, mental and emotional, and financial
Achievements	<ul style="list-style-type: none"> 3.9 million customers with 5.9 million policies in force for Allianz General and Allianz Life Introduced Refugee Medical Insurance Programme (“REMEDI”) 7.4% growth in the number of C.E.O. Programme new agents from FY2024 Trained a total of 13,560 agents, recording 517,926 training hours 	<ul style="list-style-type: none"> 59.6 training hours per employee 8.1% employee turnover rate WWI+: 88% IMIX: 90% Received Great Place to Work® Certification Employee Experience Awards 2025 HR Excellence Awards 2025 Life at Work Awards
Outlook	<ul style="list-style-type: none"> Continually improving and diversifying our product offerings Enhancing our distribution capabilities to better serve a wider audience and expand market reach Improving accessibility for all through digital innovation 	<ul style="list-style-type: none"> Emphasise the ongoing improvement of talent management practices Consistently support employees’ physical, emotional, mental, and financial wellbeing Continually integrate industry benchmarks to strengthen Allianz Malaysia’s dedication to workplace inclusion and equal opportunities Foster a healthy, empowering work environment for all employees
<p>Stakeholders  Capitals S H I M F Material Matters 4 Stakeholders  Capitals S H F Material Matters 5</p>		

Sustainability Approaches: Liveable Planet		
Objectives	<ul style="list-style-type: none"> Take actions to support climate change mitigation and adaptation efforts 	
Initiatives/ Resources Allocated	<ul style="list-style-type: none"> Maintain vigilance and enhance our approaches for identifying and managing climate change risks and opportunities Invest into data and technology to gain deeper insights into our exposure to natural catastrophes 	<ul style="list-style-type: none"> Carried out a qualitative assessment to comprehend the impacts of climate change Performed scenario analyses for both general and life insurance businesses
Achievements	<ul style="list-style-type: none"> Emission intensity in our proprietary investment portfolio for listed equity and corporate bonds has been reduced by 33.3% for Allianz Life and 55.9% for Allianz General compared to the 2019 baseline, on track in meeting our target of 57% reduction by 2030 	<ul style="list-style-type: none"> Recorded a 76.2% reduction in operational GHG emissions from our 2019 baseline, on track in meeting our target of 70% reduction by 2030
Outlook	<ul style="list-style-type: none"> Continue supporting the transition to low-carbon economy, as well as supporting the resilience of our customers via sustainable investments, underwriting, and products Continually exploring initiatives to reduce our own operational GHG emissions 	
<p>Stakeholders     Capitals N F Material Matters 6</p>		

How We Create Value

Value Creation Model

Our Capital Inputs

- F**
 - Shareholders' capital – RM771.0 million (2024: RM771.0 million)
 - Retained earnings brought forward – RM3.00 billion (2024: RM2.47 billion)
 - Total assets – RM30.49 billion (2024: RM28.49 billion)
 - Total equity – RM6.29 billion (2024: RM5.83 billion)
- H**
 - Number of employees – 2,099 (2024: 2,112)
 - Amount spent on training and development – RM1.3 million (2024: RM1.5 million) to build strong competencies, effective collaboration, and capable leaders
 - Our Employer Value Proposition, "We Care for Tomorrow", creates sustainable value by enabling growth, wellbeing, and long-term impact for our people and business
 - Fair rewards and incentive packages that recognise and value employees' contributions
 - A strong culture enables high engagement and sustainable value
- S**
 - Innovative products to promote financial inclusion
 - Regular engagement with customers
 - Number of insurance agents – 13,560 (2024: 14,142)
 - Strategic partnership to foster digital innovation and create new value
- N**
 - Integration of sustainability into investment and portfolio management strategies
 - Monitor and manage climate-related environmental risks using Climate Risk Management and Scenario Analysis ("CRMSA")
- I**
 - Internal policies, processes, and guidelines
 - Digital platforms such as MyAllianz, Allianz 360, Allianz Intelligent Digital Assistant ("AIDA")
 - Established actuarial expertise, proprietary data, analytical models and brand equity
 - Data privacy frameworks, controls and monitoring mechanisms
 - Cybersecurity architecture, systems and capabilities
- M**
 - Distribution channels via Bancassurance, Agency, Franchise, Partnership, Broker



How We Create Value

Our Outputs and Value Created

- F**
 - Consistent and sustainable dividends paid to shareholders – RM338.8 million (2024: RM339.6 million)
 - Return on Equity – 15.8% (2024: 14.1%)
 - H**
 - Rewards and remuneration – RM318 million (2024: RM274 million)
 - 59.6 training hours per employee on average (2024: 71)
 - 222 new hires
 - 1,831 training hours recorded for Sustainability training
 - 22,061 training hours recorded for Data Literacy training
 - 198 employees have successfully reviewed and obtained the #lead Leadership Passport
 - Reduced employee turnover rate to 8.1% down from 8.5% in 2024, demonstrating improved employee retention
 - S**
 - Insurance claims paid – RM4.36 billion (2024: RM4.00 billion)
 - Protection for 3.9 million customers (2024: 3.5 million)
 - 13,560 agents were trained through agency training programmes
 - 517,926 training hours conducted for Allianz Malaysia agency members, representing a YoY increase of 15.31% (2024: 449,141 agents training hours)
 - Programmes implemented to empower our agency force, including C.E.O Programme, Kingmaker Project, Allianz Entrepreneur Development Programme
 - N**
 - Achieved 76.2% reduction in Operational GHG emissions against 2019 baseline
 - Emission intensity in our proprietary investment portfolio for listed equity and corporate bonds has been reduced by 33.3% for Allianz Life and 55.9% for Allianz General compared to the 2019 baseline
 - 100% renewable electricity in our operations through purchase of International Renewable Energy Certificates (“i-RECs”)
 - I**
 - Enhanced digital customer experience
 - AI-driven chatbot designed to manage product inquiries and service requests
 - Partnership initiatives that support start-ups at early stages while promoting digital innovation
 - M**
 - Expanded customer reach through multiple distribution channels
- Profit after tax RM958.8 million (2024: RM770.7 million)
 - RM206.9 million in taxes paid (2024: RM234.6 million)
 - 89% Employee Engagement Index (2024: 91%)
 - 67.3% female representation in the workplace (2024: 67.7%)
 - Work Well Index+ (“WWI+”) of 88% (2024: 88%)
 - Embedding a holistic approach to employee well-being, spanning financial, mental, physical and emotional health
 - Earned external recognition through respected accreditations and awards, including Great Place to Work® certification, EDGE Certification, HR Star Awards 2025, and Life At Work Awards (“LAWA”)
 - Broadened access to our products and services through expanded customer touchpoints.
 - Joint development of products and services
 - Supported national programmes such as Insurance Rahmah and Perlindungan Tenang Initiative.
 - Enhanced community well-being and societal impact
 - Allianz retained our title as the World’s #1 Insurance Brand
 - Introduction of certified Sustainable Solution - Environmental Protect Liability Insurance and Allianz EV EcoMiles
 - Launched climate-mitigation insurance products like SolarPro All Risk PV
 - Has various investment-linked funds that invests in seven (7) separate target funds that are classified under Article 8 of the EU’s SFDR classification
 - Accessible, timely, and relevant services
 - Automation of processes enabled efficient services
 - Total collections via electronic channels: 99.7% for Allianz Life and 97.7% for Allianz General

Impacted Stakeholders



Trade-Offs & Interdependencies

Financial capital is fundamental to maintaining the Group's financial resilience and competitive position. In managing short-term financial performance, we make deliberate trade-offs by reinvesting in Human, Intellectual and Manufactured Capital to strengthen capabilities, operational efficiency and risk management, recognising that these interdependencies support sustainable financial returns and long-term value creation for stakeholders.

Human capital is strengthened through sustained investment in talent acquisition, employee training, development, and capacity-building programmes for both employees and agents. Attracting the right talent, fostering a positive employee experience, and nurturing a strong, purpose-driven culture are essential to building the skills, professionalism, and technical expertise needed to support evolving products, service excellence, and effective risk management. While these initiatives require upfront financial resources, they deliver long-term value by enhancing engagement, capability, and retention. These interdependencies between Human, Intellectual, and Financial Capital enable consistent service delivery, stronger customer outcomes, and ultimately, sustainable financial performance.

Allianz Malaysia strengthened our Social and Relationship Capital by enhancing customer protection, expanding access to products and services, and investing in agency training, all of which require significant resources. Allocating funds to insurance claims, training programmes, and customer support initiatives may increase short-term operational costs and constrain resources for other business priorities. However, these trade-offs are essential to uphold service quality, build agency capabilities, and maintain the trust and confidence of Allianz Malaysia's customers and distribution partners.

Allianz Malaysia integrates sustainability considerations into its business operations through product offerings, as well as guidelines and policies that support the transition to a low-carbon economy in line with the Allianz Sustainability Integration Framework. While achieving positive natural capital outcomes requires upfront financial investment, these interdependencies contribute to enhanced intellectual capability, stronger stakeholder relationships and long-term financial resilience.

Investments in digital technology strengthen Intellectual Capital by enhancing operational efficiency and enabling seamless, personalised customer experiences supported by secure data and systems. While these initiatives require upfront financial and manufactured capital, including investments in cybersecurity and data privacy controls, they protect customer trust, ensure regulatory compliance and support innovation, service quality and sustainable long-term financial performance.

Manufactured Capital, comprising Allianz Malaysia's buildings and facilities, enables efficient policy administration and supports consistent customer satisfaction. When integrated with Financial, Human and Intellectual Capital, it strengthens business processes, enhances operational efficiency and elevates service quality across the organisation.

Creating Long-term Value in the Communities We Serve

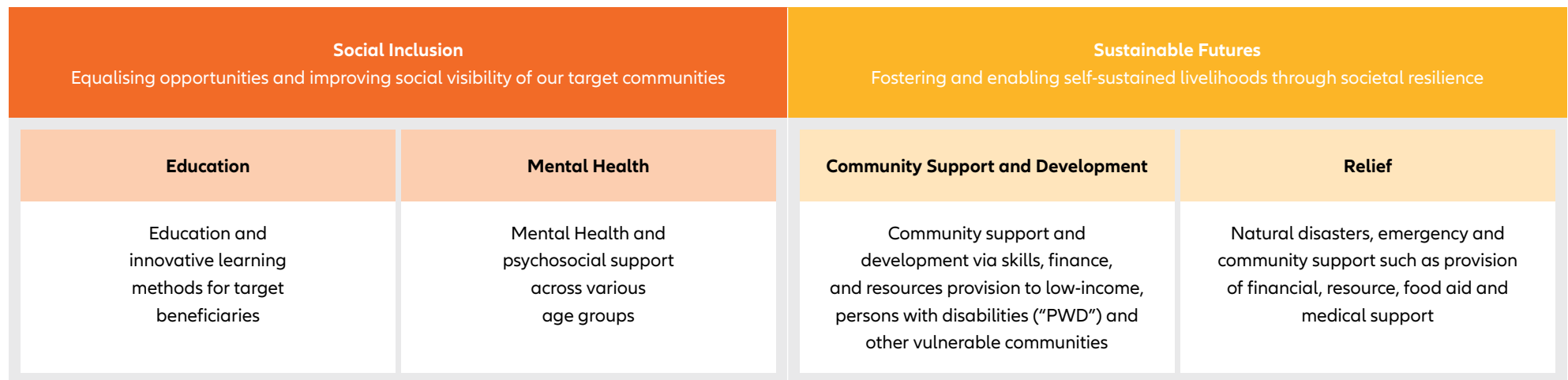
At Allianz Malaysia, long-term value creation is closely linked to the strength and resilience of the communities we serve. Our CSR initiatives are guided by a strategic focus on addressing societal needs while fostering trust, stability and sustainable growth.

Separately, our nation-building initiatives reflect Allianz Malaysia’s longer-term commitment to developing human potential, promoting inclusion and strengthening national capabilities through strategic partnerships and sustained engagement.

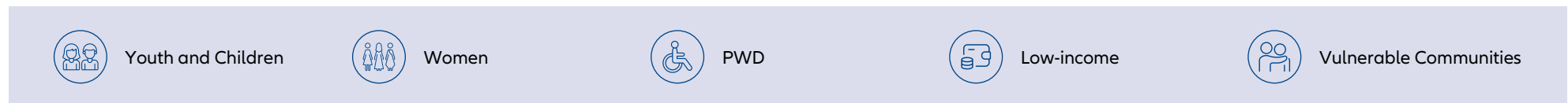
Together, these efforts contribute to a more resilient social ecosystem. By investing in both community needs and national development, Allianz Malaysia creates shared value that benefits society while supporting the sustainability of our business.

Our CSR efforts have been constructed to take into consideration of our two (2) objectives namely Social Inclusion and Sustainable Futures through our four-pillar approach of Education, Mental Health, Community Support and Development, and Relief, to provide holistic development to our targeted communities.

To effectively reach our target groups, we collaborate with social organisations that bring specialised expertise in each area, ensuring impactful and sustainable outcomes.



We support beneficiaries from many walks of life who may be from low-income or vulnerable backgrounds, with focus on Youth and Children, Women and PWD.



Creating Long-term Value in the Communities We Serve

Education

Allianz Eco Quest



For three (3) consecutive years, we proudly supported the Allianz Eco Quest (“AEQ”), a programme revolves around place-based and eco education, while integrating custom gamified learning to enhance learning experiences and reignite enthusiasm among school students. The programme has successfully fostered environmental awareness as evidenced by consistent assessments, teacher observations, and heartfelt feedback from parents, which confirmed its impact. Students are demonstrating academic improvement and growing curiosity.

Following its successful outcomes, the AEQ programme has been expanded in 2026 to benefit a larger group of students, with its reach extended to secondary schools. The AEQ secondary school programme is a structured initiative designed to engage older learners in deeper, long-term participation. It aims to strengthen connections, support personal growth, and encourage the active involvement of secondary students in advancing the project.

Public Flood and Sinkhole Survival Programme



Our commitment to community safety continues through the public flood and sinkhole survival programme, to educate the public on flood and sinkhole survival skills. The programme featured 18 practical modules including emergency bag preparedness, SOS signaling, ‘float to survive’ techniques, drowning CPR, air pocket survival, roof-to-boat escapes, and sinkhole rescue drills. It also covered flood evacuation safety measures for children, the elderly, PWD, and pets. By strengthening resilience and building confidence, we help ensure preparedness and safety when it matters most.

8th Women Street Crime Awareness Campaign



In conjunction with Mother’s Day 2025, the 8th Women Street Crime Awareness Campaign continued to empower women with practical skills to stay safe and confident in their daily lives. Participants were equipped with essential techniques such as handbag snatch prevention, pepper spray handling, and luggage safety. By empowering participants with knowledge and confidence, community resilience and safety preparedness are strengthened when it matters most.

Creating Long-term Value in the Communities We Serve

Education (continued)

P-hailing Bikers Safety and Emergency Survival Programme



As part of our commitment to protecting vulnerable road users and uplifting the gig-economy community, Allianz Malaysia continues to invest in programmes that enhance rider safety, wellbeing, and preparedness. Our initiative, namely the P-hailing Bikers Safety and Emergency Survival Programme, equips riders with the practical skills and knowledge they need to navigate road risks and respond confidently during emergencies. By working hand-in-hand with industry partners, we aim to build a safer, more resilient P-hailing community and contribute meaningfully to national road safety efforts.

Economic Empowerment Programmes (“EEP”) for PWD

We continued our support for the EEP, a programme that provides vocational training for PWD youth and adults, equipping them with essential skills to enhance their employability and financial independence upon graduation. Our contribution covered key programme costs, including training, accommodation, transportation for practical sessions, and job coaching.

Skills Training for Hospitality and Culinary



Skills Training for Pastry



Mental Health

We continue to deliver community-focused mental health programmes under the Keluarga Akrab Mencapai Impian (“KAMI”) umbrella and the Building Resilience with Adverse Childhood Experiences (“BRACE”) programme, addressing the identified societal need for accessible mental health support.



Creating Long-term Value in the Communities We Serve

Community Support and Development

Operation Support and Van Maintenance



Since 2005, Allianz Malaysia has been supporting operations, enabling thousands of wheelchair-bound users in Kuala Lumpur and Selangor to access affordable and reliable transportation services. This long-standing partnership reflects our commitment to improving mobility and enhancing the quality of life for PWD.

Orang Asli Livelihood Green Economy Programme



We supported green economy initiative on organic farming and agroforestry, which empowers the Orang Asli communities in Pekan, Pahang. Since its inception, it has improved food security, household incomes, and livelihoods among the farmers. The current phase introduces collective farming, centralised infrastructure, efficient logistics, and broader income opportunities, building stronger and more sustainable local economies. A significant milestone has been achieved, with families generating substantial income growth through farming, alongside ongoing infrastructure development such as a mini dam and a gravity-fed water system to support community farming and ensure reliable irrigation.

Medical Initiatives



Medical Initiatives supporting essential care services for paediatric cancer patients and expanding access to preventive health screenings for underserved families.

Creating Long-term Value in the Communities We Serve

Relief

Flood Relief Initiatives



Throughout the year, we have provided vital aid and relief to communities affected by devastating floods in Johor, Sabah, Sarawak, Selangor, and Perak. Our support brought timely assistance to those in need and reflected our shared commitment to compassion and solidarity.

Relief Ambulance Contribution



The provision of a brand-new 4x4 Toyota Hilux ambulance will help eliminate the need for patients to endure a seven-hour journey to Kota Kinabalu from Sandakan for specialised care. Specifically designed to handle Sabah's rugged terrains and flood-prone regions, the ambulance will transform emergency response by enabling faster critical treatment and life-saving transfers.

Putra Heights Fire Relief



Our swift response provided comfort and assistance to families affected by the Putra Heights fire incident.

Our Commitment in Nation Building

As the Worldwide Insurance Partner of the Olympic and Paralympic Games up until 2032, Allianz's commitment to sports is reflected in our global and local partnerships that celebrate the pursuit of excellence and equal opportunities. Locally, Allianz Malaysia continues its collaboration with national sporting bodies such as the National Sports Council ("NSC") and the Badminton Association of Malaysia ("BAM"). These partnerships underscore our dedication to supporting athletes from grassroots to the highest levels of competition, by providing them with the resources to excel.

Under grassroots development, the Allianz Junior Badminton Championship ("AJBC") continues for its 4th year with over 3,100 players engaged across 10 locations nationwide. A structured badminton tournament for boys and girls up to 15 years old, AJBC has produced high-quality players who are chosen for the Talent Identification Programme under BAM, as well as selected for the prestigious Bukit Jalil Sports School. In addition to AJBC, the MSN-Allianz Circuit has been activated since 2024 with over 1,300 para-athletes engaged.

Our partnership with these sports associations extends to customised training programmes such as the enhanced Allianz MoveForward Programme. The enhanced version is activated in 2025 with the aim of equipping national athletes with improved soft skills, financial knowledge, and career opportunities as they transition to a new path after their sports career.

Creating Long-term Value in the Communities We Serve

Volunteering Initiatives

Allianz Malaysia is dedicated to fostering a culture of community engagement through volunteerism. Through CSR programmes, a diverse range of volunteering opportunities were organised encouraging contribution to meaningful causes - promoting social responsibility and making a positive impact in local communities.

Below are the volunteering initiatives throughout 2025:

Volunteering Initiatives

Food Distribution for Homeless



Allianz Malaysia employees brought smiles and nourishment to the community through a volunteering food distribution session with Kechara Soup Kitchen. Seven (7) Allianz Malaysia employees joined in to pack and distribute meal sets to the homeless community around the city.

Equine Assisted Therapy for Autistic Children



In conjunction with Autism Awareness Month, our dedicated employees volunteered their time to assist autistic children during horseback riding therapy session, offering support, encouragement, and care throughout the activity.

Equine-assisted therapy has been shown to improve motor skills, balance, and emotional wellbeing for children on the autism spectrum.

This experience not only brought joy to the children but allowed our employees to gain deeper understanding and empathy.

Volunteering at Animal Shelter



A volunteering session was organised for a group of passionate Allianz Malaysia employees to spend a day at a shelter dedicated to the care and rehoming of stray and abandoned animals.

From cleaning enclosures to spending time with the furry residents, our team rolled up their sleeves to make a meaningful difference.

Creating Long-term Value in the Communities We Serve

Volunteering Initiatives (continued)

Baking Session with PWD Trainees



Allianz Malaysia employees had the opportunity to bake alongside PWD youths, whipping up 400 cookies together. From shaping the dough to packing the cookies, the activity helped the youths build confidence and strengthen their practical skills.

Gotong-royong with PPR Keramat Pangsa Community



Allianz Malaysia employees volunteered in a "Gotong-Royong" session in partnership with Thrive Well Sdn. Bhd. at PPR Keramat Pangsa.

During the session, our employees rolled up their sleeves alongside the warm community of PPR Keramat Pangsa to clean and beautify the surrounding areas. It was a heartwarming display of teamwork and community spirit as everyone gathered to make a positive impact for a cleaner and healthier environment.

Cleanup and Painting Buku Jalan Chow Kit Centre



In conjunction with the World Cleanup Day 2025, our employees teamed collected a massive 424 kg of recyclable items at their Buku Jalan Chow Kit centre, turning small actions into a big step for toward a sustainable future.

Creating Long-term Value in the Communities We Serve

World Cleanup Day 2025



In support of World Clean-up Day 2025, Allianz Malaysia encouraged employees nationwide to organise environmental activities. Seven (7) Allianz Malaysia branches volunteered their time to clean up parks, rivers, and beaches, resulting in 747.4 kg of waste being ethically disposed. This annual initiative promotes a culture of social responsibility and amplifies the positive environmental impact surrounding our operating locations.

Pack and Distribute Groceries with Social Workers



Allianz Malaysia employees teamed up with social workers, lending a helping hand by distributing 100 food packs at the Chow Kit Youth distribution centre. This joint effort brought comfort to underprivileged and vulnerable families.

Back to School Donation Drive



In the spirit of giving, our employees from both our main office and branches across Malaysia have come together for a Back-to-School Donation Drive.



Responsibility
in Action.
Results with Integrity.

We act with accountability and uphold integrity in every decision and outcome.

Responsible Business

Governance and Ethics

Capitals



Stakeholders Concerned



UN SDGs



Integrity is a core value at Allianz Malaysia and serves as the foundation of our commitment to sound governance and ethical practices across our business operations and business relationships. We ensure that ethics and integrity guide every decision and action across the organisation. We remain zero-tolerance stance toward fraud, bribery, corruption, and any form of misconduct. By upholding transparency and fairness, we work to prevent unethical practices and maintain full regulatory compliance. We remain focused on maintaining the highest standards of conduct in all business dealings, reinforcing our commitment to being a trusted partner to our stakeholders.

Allianz Malaysia faces sustainability-related risks that may impact stakeholder trust and long-term resilience, including potential unethical or corrupt conduct, reputational risks associated with third parties, and weaknesses in whistleblowing or grievance mechanisms. These risks, if not properly managed, may lead to regulatory breaches, financial penalties, and reputational damage, ultimately affecting stakeholder confidence and business continuity. Weak governance practices can also hinder operational efficiency and expose the Group to litigation and compliance failures.

Addressing these risks requires proactive measures such as strengthening internal controls, implementing robust whistleblowing channels, and fostering a strong ethical culture across all levels of the organisation. These efforts not only mitigate risks but also create opportunities to enhance governance standards. By embedding adequate procedures and leveraging strategic partnerships and ecosystem influence, the Group can promote responsible business practices, improve stakeholder trust, and position itself as a leader in sustainable insurance.

Management Approach

At Allianz Malaysia, we are committed to ensuring that all our business conduct and operations consistently comply with regulatory requirements. To safeguard this commitment, the Compliance Department alongside the Governance function plays a critical role in overseeing all compliance-related matters, ensuring that business activities operate within legal, regulatory, and ethical boundaries. The Compliance Department conducts periodic compliance reviews, develops strategies to mitigate compliance risks, and monitors the effectiveness of these mitigation efforts.

Additionally, the Governance and Control Committee fosters collaboration on functional and control-related topics, reinforcing a strong culture of compliance across the organisation.

The Board sets the tone at the top by promoting a culture of integrity and strong governance. Ethical principles are systematically integrated into business strategies, risk management frameworks, and operational practices, aligning with Allianz Malaysia’s purpose: “We Secure Your Future”. To uphold accountability and transparency, the Head of Compliance provides regular reports to the Board, covering compliance reviews, risk assessments, and monitoring activities, ensuring continuous oversight and adherence to regulatory standards.

The Group has established robust compliance policies and procedures to promote responsible business conduct and embed a culture of compliance throughout our operations. These policies and procedures are aligned with BNM guidelines, Allianz Malaysia standards, and requirements from other relevant authorities such as Perbadanan Insurans Deposit Malaysia and Bursa Malaysia. They are reviewed and updated periodically to reflect the latest regulatory requirements and are formally tabled to the Board and Senior Management for oversight, ensuring transparency and accountability in governance.

Allianz Code of Conduct (“COC”)

The COC serves as a guiding framework for ethical behaviour and responsible business practices, applicable to all individuals involved in our business activities, reinforcing integrity and transparency as core values in line with the principle “We Secure Your Future”. It addresses anti-corruption, anti-bribery, anti-money laundering, and human rights, while promoting speak-up culture to ensure all actions are lawful, safeguarding the Group’s reputation and brand.

 [Read more at Allianz Code of Conduct \(“COC”\)](#)

Allianz Anti-Corruption Policy


This policy sets clear standards applicable to all Directors and employees, reaffirming the Group’s commitment to comply with both local and international laws as part of its governance framework. It prohibits offering, accepting, paying, or authorising any form of bribe or corrupt practice. It also defines key risk areas, reporting obligations, monitoring and auditing activities, and provides awareness training to ensure effective implementation and compliance.

 [Read more at Anti-Corruption Policy](#)

Responsible Business

Anti-Fraud Policy

This policy reinforces a zero-tolerance stance against all forms of fraud and impropriety through clear standards for fraud prevention, detection, and response. It defines fraud-related events, establishes a governance framework, and sets out investigation and monitoring procedures. The Policy addresses fraud risk through regular risk assessments and training, ensuring integrity in every business conduct while protecting the Group and its stakeholders from potential losses arising from fraudulent acts.

 [Read more at Anti-Fraud Policy](#)

Whistleblowing Policy

This policy provides guidance for employees, stakeholders and the public to report any inappropriate, unethical and unlawful conduct, including fraud, corruption, antitrust violations, and other potential criminal offences. It promotes a speak-up culture by offering secure reporting channels that allow employees, stakeholders and the public to raise concerns without fear of retaliation. All reported cases are thoroughly reviewed by the Integrity Committee, with the Audit Committee kept informed of the findings and responsible for approving the actions recommended by the Integrity Committee. The effectiveness of the whistleblowing procedures is assessed at least once every three (3) years.

 [Read more at Whistleblowing Policy](#)

Anti-Financial Crime Standard

This standard provides a framework for addressing financial crime across the Group. It reinforces a zero-tolerance approach to fraud, bribery, and corruption, and ensures compliance with all applicable laws and regulations. The standard prohibits facilitation payments, improper gifts, and political or charitable contributions, and outlines the required investigation and reporting procedures, as well as mandatory training. Allianz Malaysia remains committed to upholding the standard and confirms that no political contributions were made during the reporting year.

 [Read more at Allianz Anti-Corruption Policy](#)

Allianz Antitrust Standard

Allianz Malaysia adopted the revised Antitrust Standard issued by Allianz SE in FY2025, outlining our commitment to promoting free and fair competition while ensuring compliance with antitrust laws. It sets out behavioural rules that employees must follow when interacting with competitors, customers, and business partners, including during trade association meetings and bidding activities. The Antitrust Code is provided to employees annually as a reminder of our commitment to maintaining awareness and adherence to these principles.

Key Initiatives

We remain committed to strengthening compliance oversight through our Anti-Corruption Programme, as outlined in the Annual Compliance Plan, reflecting our dedication to ethical business practices. We also continue to build employee awareness of ethical standards and responsible conduct through a series of training programmes, reinforcing our culture of integrity.

Annual Training

The 2025 Anti-Corruption and Anti-Fraud training sessions is a continuous effort and covered whistleblowing channels, Anti-Corruption Programmes, policies, scenarios, and case studies, as outlined in our Annual Compliance Plan.

Anti-Corruption Programme

We maintain a zero-tolerance stance on corruption through annual Anti-Corruption Training and awareness programmes. These sessions provide employees with a comprehensive overview of their anti-corruption obligations. In FY2025, we achieved 100% participation among all employees. Our Anti-Corruption programme includes regular compliance reviews, mandatory Vendor Integrity Screening, as well as policies on Gifts & Entertainment, Government Client Dealings, and Sponsoring and Hospitality Dealings.

Rigorous Compliance Measures

We strengthened our regulatory compliance efforts through strong policy frameworks, conducting compliance monitoring, and providing regular training sessions and communications.

Allianz Whistleblowing Tool

We promote an ethical culture through Allianz whistleblowing tool, a secure whistleblowing platform that enables anonymous reporting of incidents. It is accessible to employees and the public for reporting issues such as fraud, theft, corruption, antitrust violations, and conflicts of interest.

Antitrust Training

In 2025, antitrust training was provided to all employees as part of the Annual Compliance Training. We facilitated pre-clearance for industry events and encouraged employees to seek legal advice on compliance issues. When antitrust issues arise, the appropriate stakeholders collaborate to mitigate these risks.

Gift & Entertainment (“G&E”) Tool

In 2025, we introduced the G&E Tool, an internal compliance platform that enables employees to manage and report gifts and entertainment record details. This tool enhances the gift-handling process and tracking, ensuring effective management of bribery and corruption risks.

Responsible Business

Allianz Centre for Governance

On 10 December 2024, Allianz Malaysia, in partnership with Universiti Malaya (“UM”), officially launched the Allianz Centre for Governance (“the Centre”), located at the UM’s Faculty of Business and Economics.

The Centre is a strategic initiative by Allianz Malaysia and UM to conduct quality, data-driven research on corruption and governance-related topics. It also aims to foster a conducive environment for students and academicians to acquire knowledge and practical experience that will help shape a culture of integrity in the country.

Additionally, the Centre serves as a platform to connect thought leaders, academicians, and the public, encouraging participation in discussions through conferences, symposiums, media forums, and other channels.

In FY2025, the Centre conducted four (4) engagement sessions to promote integrity and governance awareness among the academic community and the public:

- **Special Dialogue Session**

On 8 April 2025, Allianz Malaysia and UM co-hosted a dialogue titled “Shaping Integrity: Future Voices Against Corruption”, focusing on the impact of corruption and the role of governance in building a better future. The session attracted over 80 participants, including students and NGOs.

- **Distinguished Speaker Series**

Held on 19 August 2025, this session titled “The Sanctity of Malaysia’s Federal Constitution: Threats, Solutions and Impact on National Governance”, featured Yang Amat Berbahagia Tun Tengku Maimun Tuan Mat, Former Chief Justice of Malaysia, who shared valuable insights on the challenges and solutions to safeguarding integrity. The event attracted more than 250 attendees, further reinforcing the Centre’s role in advancing thought leadership in governance.

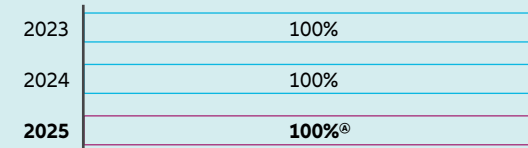
- **ACG Forum**

The Centre hosted the first in a series of forums on 10 December 2025, titled “Religion and Governance in a Democratic Nation State – A conversation with Zainah Anwar”. The Forum brings together influential voices and thought leaders to explore how governance shapes key aspects of our lives. More than a platform for discussion, it provides a space to learn, reflect, and collaborate as we work towards building a better tomorrow.

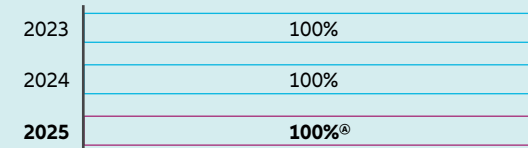
- **Movie Screening in conjunction with International Anti-Corruption Day**

A special screening of “The Rainmaker” movie starring Matt Damon and Danny DeVito, was held on 9 December 2025 for Allianz Malaysia colleagues at the headquarters. The film highlights themes of integrity and justice through a legal battle against a powerful corporation involved in corrupt practices.

Percentage of employees who have received training on anti-corruption



Percentage of operations assessed for corruption-related risks



Confirmed incidents of corruption and actions taken

0[Ⓐ]
FY2025

FY2024: 0 cases FY2023: 0 cases

Number of legal actions pending or completed during the reporting period regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation in which Allianz Malaysia has been identified as a participant

1[Ⓐ]
FY2025

FY2024: 1 case FY2023: 1 case

The case has been carried forward since 2023, with no new cases reported during the year.

Outlook

We maintain strong ethical and governance standards through updated policies, ongoing training, and robust monitoring frameworks. Customer protection risks are managed via KRIs, while future initiatives include implementing a Regulatory Change Management tool in FY2026 to strengthen compliance oversight. These measures safeguard stakeholder trust and promote integrity, transparency, and accountability across the organisation.

[Ⓐ] The data has been externally assured. Please refer to the independent limited assurance report in this IAR.

Responsible Business

Cybersecurity and Data Privacy

Capitals



Stakeholders Concerned



UN SDGs



Cyber incidents continue to rank as the top global business risk in the Allianz Risk Barometer. With advancing technology and increased AI usage, threats like ransomware, data breaches, and IT disruptions are more prevalent. Maintaining strong data privacy and cybersecurity is essential to protect the company’s information from theft, extortion, and other cybercrimes that can cause severe financial and reputational damage. At Allianz Malaysia, we prioritise early detection and robust cyber resilience strategies to mitigate impacts, build stakeholder trust, and ensure business continuity.

Allianz Malaysia operates in a digitalised environment where large volumes of customer information are processed. This exposes the Group to cybersecurity threats and risks of non-compliance with the Personal Data Protection Act 2010 (“PDPA”) and other applicable regulations. Potential breaches or mishandling of personal data may result in:

- Regulatory penalties and legal liabilities;
- Reputational damage and erosion of customer trust; and
- Increased operational costs for remediation and system recovery.

Cyber threats, including phishing, ransomware, and third-party vulnerabilities, may expose the Group to cybersecurity breaches and potential regulatory liabilities. Failure to manage these risks effectively could impact the Group’s ability to maintain its competitive position and influence its cost of capital and access to finance over the short, medium, and long-term.

At the same time, strengthening data governance and security presents a strategic opportunity for the Group to enhance trust, operational resilience, and regulatory compliance. By embedding robust data protection measures and leveraging advanced technologies, the Group can:

- Improve customer confidence and brand reputation;
- Reduce operational risks and compliance costs; and
- Enable secure digital innovation and growth in online channels.

Management Approach

To address these risks and capitalise on opportunities, the Group has implemented:

- Adherence to the PDPA and the Allianz Privacy Standard (“APS”) to safeguard personal data.
- Adoption of the ISO/IEC 27000 series-based Information Security Management System, including comprehensive rules, guidelines, procedural frameworks, and organisational structure.
- Alignment with Allianz’s Information Security Framework (“GISF”) requirements through Allianz Functional Rules for Information Security (“AFRIS”), Identity and Access Management (“AFRIAM”), and Information Risk Management (“AFIRM”), covering key areas such as:
 - Identity and Access Management
 - Cryptography
 - Vulnerability Management and Penetration Testing
 - Network Security
 - Secure Software Development
 - Secure System Configuration
 - Supplier Management (including Outsourcing)
 - Technical Cloud Security
 - Information Security Incident Management
 - Information Security Risk Management
 - Training and Awareness
 - Data Leakage Prevention
- Appointment of Data Privacy Champions in each department to ensure privacy compliance at the first line of defence.
- Establishing a dedicated Data Privacy Information and Data Management Task Force to regularly address ongoing issues, including customer information breaches and complaints.

APS

- The APS forms the foundation of the Allianz Privacy Framework, outlining data privacy requirements and principles for collecting and processing personal data to ensure compliance across Allianz.

Cybersecurity Risk Management

- Managed through defined data handling procedures, effective patch and vulnerability management, and regular risk monitoring.
- Oversight by the Risk Management Committee, with quarterly reports to the Board.

Responsible Business

<p>Data Privacy and Cybersecurity Awareness Training</p> <ul style="list-style-type: none"> • Conduct annual mandatory privacy training for employees and registered insurance agents. • Phishing campaigns to improve employee resilience against latest phishing threats. • Conduct annual cybersecurity training and Cyber Month initiatives.
<p>Strengthen Cyber Resilience</p> <ul style="list-style-type: none"> • Conduct cyber drills to ensure preparedness against potential cyber threats. • Perform IT and disaster recovery tests to confirm system restoration and operational continuity. • Engage independent security providers for comprehensive assessments and penetration testing.
<p>Technologies Upgrades</p> <ul style="list-style-type: none"> • To improve detection and response capabilities, Allianz upgrades security tools from time to time to safeguard sensitive customer and corporate data against sophisticated identity-based threats and therefore proactively address vulnerabilities and ensure a unified security strategy across the entire Group.

In 2025, we strengthened our cybersecurity and data privacy governance in alignment with Allianz standards and regulatory requirements. We adopted the updated Allianz's Functional Rules (AFRIS, AFRIAM, AFRIM), which now include dedicated requirements for Shared IT Service providers and also mandated that the usage of AI systems comply with the Allianz Standard for Responsible AI. Additionally, Allianz Malaysia implemented the new Generative AI ("GenAI") Information Security ("IS") Practices Reference, effective January 2025, ensuring robust security measures for GenAI initiatives prior to deployment.

To reinforce oversight, the Information Security Steering Board, comprising the Chief Information Security Officer ("CISO"), Chief Operation Officer ("COO"), Chief Information Officer ("CIO") and Head of Protection and Resilience, continues to align on strategic IS topics and support decision-making. In parallel, we enhanced our Personal Data Incident Management Workflow ("PDI – Workflow") to include mandatory breach notifications to the Personal Data Protection Commissioner, in line with the Personal Data Protection (Amendment) Act 2024. Furthermore, Allianz Malaysia adheres to Allianz's Functional Rule on Personal Data Incident Management ("FR-PDI"), supported by a localised workflow to ensure timely reporting, investigation, and mitigation of customer data incidents, thereby reducing breach risks and safeguarding customer trust.

The Group recognises cybersecurity and data privacy as critical risks within its operations, where increasing digitalisation and reliance on third-party intermediaries heightened exposure to data breaches and regulatory non-compliance. In response, Allianz has embedded cybersecurity and data governance considerations across its strategic and operational decision-making processes.

- **Robust Data Governance and Cybersecurity Policy:** The Group operates under a comprehensive Data Governance Framework aligned with the PDPA. This framework outlines minimum standards for data protection, breach reporting, and system security across all business units and intermediaries. All agents, partners, and service providers are contractually bound to comply with Allianz's data protection standards, including obligations to adopt secure data handling protocols, participate in privacy training, and report incidents promptly. Compliance is verified through onboarding, periodic audits, and risk-based assessments.

- **Competency-based role assignment and training:** The Group recognises that equipping employees and intermediaries with the right skills is fundamental to a secure digital environment. All personnel handling sensitive data must complete mandatory privacy and cybersecurity training. In 2025, the Group achieved 100% completion of AI literacy training and continued to roll out privacy awareness programmes. These initiatives ensure that individuals understand regulatory requirements, ethical technology use, and best practices for data protection.

- **Technology upgrades and digital risk assessment:** The Group leverages advanced tools for threat detection, email encryption, and access control to mitigate cyber risks. Real-time monitoring systems and predictive analytics are integrated into our IT infrastructure to identify vulnerabilities early and prevent breaches. In 2026, we will implement the Allianz Standard for Responsible Use of AI, embedding ethical AI principles into governance and operational frameworks. This initiative ensures responsible deployment of AI-driven solutions while maintaining compliance with evolving regulatory and ethical standards.

The Group previously disclosed key cybersecurity commitments in prior year reports, including goals to strengthen governance, enhance intermediary compliance, and implement advanced security technologies. In 2025, the Group reported the following progress:

- Zero (0) reportable data breaches;
- 100% completion of AI literacy training for employees;
- Ongoing privacy awareness programmes for employees and intermediaries; and
- Deployment of multi-factor authentication and improved encryption tools across core systems.

Key Initiatives

In 2025, we introduced a series of initiatives to strengthen data protection and information security, reaffirming our commitment to safeguarding personal data and preventing privacy breaches.

Cyber Attack Surface Management

- The aim is to reduce Allianz Malaysia's attack surface and strengthen cybersecurity posture by remediating high criticality findings across all assets within the defined remediation timeframes.

Anomaly Detection

- Conduct threat modelling to identify anomaly detection needs and incorporate the anomaly use cases as part of Application Security monitoring.

Responsible Business

AI

- Gen-AI projects must follow a risk-based approach to ensure adequate security controls for key threats are integrated and updated over lifecycle. Ensure information classification (at most confidential), and deviations (if any) are documented via risk, and mitigation plan created.
- Threat modeling and Penetration Test are performed prior to production.

IS Trainings and Awareness

- Training and awareness for Information Security will continue to be executed as per the yearly training plan.
- A particular training focus on threats related to GenAI is included in our 2025 training plan to ensure our employees are equipped with the necessary knowledge.
- We offer various Identity Access Management (“IAM”) training modules specifically designed for line managers, service providers, and employees.

Security Technologies

- 24x7 Monitoring: Continuous network monitoring by our Security Operation Centre.
- Firewall Architecture: Implementing a three-tier firewall architecture design.
- Web Application Firewall: Protecting Allianz web applications from external attacks.
- Internet and Email Proxy: Safeguarding internal users from malicious websites and emails.
- Data Loss Prevention: Automatically monitoring and flagging the sending of sensitive information.
- Next Generation Anti-Virus and Endpoint Detection and Response (“EDR”): Detecting and protecting against Advanced Persistent Threat attacks.

We continue to focus on the Identity Access Management Target Operating Model (“IAM TOM”), Data Leakage Prevention and Third Party Cyber Risk Management (“TPCRM”) initiatives, aiming for higher levels of maturity:

IAM TOM

- Established and in the process of implementing across all Allianz Operating Entities (“OEs”) to ensure authorised individuals have timely access to necessary tools.
- Progress evaluated by assessing IAM maturity across three key dimensions: IAM Model, IAM Governance, IAM Technology.

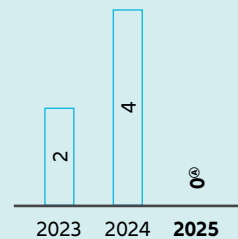
Enhanced Data Leakage Prevention (“DLP”) Maturity

- Enhancement of DLP controls to strengthen our internal processes, alongside the deployment of advanced IT technologies to safeguard sensitive information, ensures compliance with data protection standards.

TPCRM

- Continuous monitoring of the third-party portfolio through comprehensive information security risk assessments and due diligence processes.
- Incorporation of relevant information security clauses into contracts to ensure effective management of third-party risks.

Reportable customer information breach or complaint (cases)*



In 2025, Allianz Malaysia reported no incidents of reportable customer information breach or complaint to the Personal Data Protection Commissioner (“PDPC”) and BNM. Accordingly, no monetary losses were incurred in relation to data security and privacy.

In addition, we monitor our data protection compliance maturity through our participation in Data Privacy Assessment of Risk and Effectiveness (“DARE”), conducted annually via a self-assessment questionnaire developed by Allianz Malaysia’s Privacy. This assessment evaluates the maturity of Allianz Malaysia’s privacy compliance programme against the Allianz Malaysia Privacy Standard and related Functional Rules. For 2025, the privacy compliance programmes of Allianz Life and Allianz General have been rated as “Satisfactory”, reflecting continued adherence to Allianz Malaysia standards and regulatory requirements.

Note: Prior to FY2025, Allianz reported all substantiated complaints related to breaches of customer privacy or losses of customer data. In FY2025, the indicator was revised to “Reportable Customer Information Breach or Complaint”, following amendments to the MCIPD and the introduction of the PDPA Data Breach Notification requirements, only cases meeting the reportable threshold to the PDPC and BNM are disclosed.

Outlook

Looking ahead, Allianz Malaysia aims to strengthen its cybersecurity and data privacy posture by enhancing governance frameworks and aligning with evolving regulatory and ethical standards. In 2026, a key initiative includes the integration of the Allianz Standard for Responsible Use of AI, which promotes ethical AI development through unified organisational and technical principles.

The Group will also adapt to recent regulatory changes, such as the amended PDPA and BNM’s updated Policy Document-Management of Customer Information and Permitted Disclosures (“MCIPD”), by refining breach assessment and reporting protocols. Staff training remains a priority, with AI literacy already completed and ongoing privacy awareness programmes in place to ensure all employees and intermediaries are equipped to manage emerging risks.

Technological upgrades will continue, including improved email encryption tools and enhanced access control systems to bolster data protection. These measures complement existing investments in advanced threat detection technologies, AI-driven monitoring, and predictive analysis.

Through these initiatives, the Group reaffirms its commitment to:

- Responsible data management and ethical technology use;
- Regulatory compliance and proactive adaptation to evolving standards; and
- Maintaining customer trust and safeguarding sensitive information.

By embedding these principles into its governance and operational frameworks, the Group positions itself as a trusted insurer in the digital age, ensuring resilience, compliance, and sustainable growth.

[Ⓐ] The data has been externally assured. Please refer to the independent limited assurance report in this IAR.

Responsible Business

Responsible Products, Investments and Underwriting

Capitals



Stakeholders Concerned



UN SDGs



Allianz Malaysia recognises that environmental and social risks arise not only within our core operations but also through the solutions we deliver to clients. Accordingly, we actively mitigate ESG risks by progressing the decarbonisation of our insurance and proprietary investment portfolios to align with the low-carbon transition and global net-zero objectives. By embedding sustainability considerations into our underwriting and investment strategies, we uphold corporate responsibility while ensuring long-term resilience and sustainable value creation for stakeholders. Guided by Allianz's purpose – We Secure Your Future – we aim to innovate products that provide accessible insurance solutions and expand outreach to underserved communities in need of financial protection.

The Group faces sustainability-related risks within its product, investment, and underwriting activities that could impact trust, regulatory compliance, and long-term resilience. Key risks include stakeholder expectation gaps and potential greenwashing, evolving regulatory requirements for product and customer disclosures, and the risk of product misalignment with market needs. If not effectively managed, these risks may lead to regulatory scrutiny, reputational damage, and weakened customer confidence. At the same time, strengthening ESG risk management and embedding sustainability considerations into product design and underwriting present opportunities to attract new customers and investments, enhance transparency, and reinforce the Group's position as a responsible and future-ready insurer.

Management Approach

Allianz has been a signatory to the United Nations Environment Programme Finance Initiative ("UNEP FI") Principles for Sustainable Insurance since 2014 and submits an annual progress disclosure, demonstrating its accountability in embedding sustainability across insurance practices. Additionally, Allianz joined the UN-supported Principles for Responsible Investment ("PRI") in 2011 to guide responsible investment approach, ensuring that capital allocation supports long-term environmental and social objectives. In line with these commitments, external asset managers are required to be PRI signatories or maintain comprehensive sustainable investment policies, reinforcing Allianz's role in driving responsible finance and managing sustainability risks effectively. Allianz is also a founding member of the UN-convened Net Zero Asset Owner Alliance, which brings together institutional investors in transitioning their portfolios to net-zero GHG emissions by 2050, in line with the 1.5°C ambition of the Paris Agreement. Allianz Malaysia works toward achieving its 2030 interim target for proprietary investment portfolio for listed equity and corporate bonds while rigorously monitoring progress against other key metrics to track alignment with our climate goals.

Allianz Sustainability Integration Framework

Allianz Malaysia's approach to integrating sustainability considerations into insurance and investment processes is guided by Allianz Sustainability Integration Framework, which outlines Allianz's sustainability standards and defines key processes such as the Sensitive Business Guidelines, the Sensitive Countries List, and the sustainability referral process. Sensitive business areas are identified and guided by defined criteria, with relevant transactions subjected to additional due diligence guided by the Group's procedures. As of 2025, there are total of eight (8) sensitive business areas in scope for our due diligence screening, aligning to the emerging sustainability issues which remain relevant to our business.

 For more information, kindly refer to: [Allianz Sustainability Integration Framework](#)

Responsible Business

Sensitive Business Areas



Allianz Malaysia applies ESG screening criteria to its Property & Casualty (“P&C”) commercial insurance business as well as to its proprietary investments in non-listed asset classes, excluding specific sectors, companies and sovereigns that do not align with its principles. These include companies involved in the production or association with controversial weapons, as well as those involved in fossil-fuel based business models, which Allianz Malaysia is actively phasing out. Effective 1 January 2025, deep seabed mining has been classified as a restricted activity under the framework through the introduction of a dedicated guideline, reaffirming Allianz’s commitment to avoid direct investment in or insurance of standalone upstream deep seabed mining projects, including exploration, extraction, transportation, and on-site processing. If a potential sustainability issue is identified during the initial screening across any sector or activity, it will trigger a referral process for a detailed assessment.


Additionally, Allianz recognises respect for human rights as both a core value and a key business consideration. In line with the Allianz Human Rights Policy Statement and international standards such as the UN Guiding Principles on Business and Human Rights, human rights considerations are integrated into risk-based due diligence processes across insurance underwriting, investments, and operations. As part of this approach, enhanced screening is conducted for activities in sensitive regions to assess potential impacts related to governance risks, local communities, resettlement, and workforce conditions. Where potential human rights risks are identified, a mandatory referral process is initiated to facilitate further due diligence and determine appropriate mitigation measures.

Allianz Standard for Integration of Sustainability

This internal policy sets out principles, rules, processes, roles, and responsibilities for screening transactions in P&C commercial insurance, and non-listed proprietary investments. It ensures identification of potential or actual sustainability issues in line with the Allianz Sustainability Integration Framework, while broadening the integration of sustainability topics across the Group.

Allianz’s Statement on Low-Carbon Solutions

In October 2025, Allianz issued a new Statement on Low-Carbon Solutions, outlining its approach to support the energy transition by enabling insurance and investments in ring-fenced projects or subsidiaries focused on renewable energy, green hydrogen, electric mobility, carbon capture, and other climate-aligned technologies. This approach applies even where parent companies are restricted under fossil fuel policies, provided the subsidiaries are primarily focused on low-carbon solutions. The Statement applies to proprietary investments, P&C commercial insurance, and facultative reinsurance, with strict governance and eligibility criteria to ensure alignment with a 1.5°C pathway.

 For more information, kindly refer to: [Statement on Low-Carbon Solutions](#)

Sustainability in Investments

Allianz Malaysia’s sustainable investment strategy guides the allocation of capital to support the transition to a low-carbon economy and advance solutions to environmental and social challenges aligned with the United Nation Sustainability Development Goals (“UN SDGs”). Apart from the Allianz Sustainability Integration Framework, sustainability in proprietary investments is further guided by the Allianz Functional Rule for Sustainability in Investments (“FRSI”), which together cover climate change, social impact, responsible investment, human rights, and governance.

Responsible Business

For listed assets, Allianz Malaysia applies ESG scoring during the evaluation and review processes through the Adverse Impact Steering (“AIS”) process. Assessments are conducted against a range of sustainability-related criteria spanning environmental, social, and governance dimensions, including carbon emissions, product carbon footprint, toxic emissions and waste, labour management, privacy and data security, and business ethics, among other relevant indicators. These assessments draw on sustainability ratings from MSCI ESG Research, with trigger points set for identified risks, controversies, or adverse impacts. Companies flagged with AIS trigger points undergo further review, often together with our internal asset managers, and are monitored through regular sustainability review meetings.

For unlisted assets, evaluations are conducted across all holdings, including those in sensitive business areas, to support the effective management of ESG risks. When negative sustainability impacts are identified during screening in any of the sensitive business areas, a referral process is triggered, leading to a decision to proceed, proceed with conditions, or decline the transaction.

Regular sustainability review meetings are also held with external asset managers to address sustainability concerns in funds managed by external fund managers. Risk dialogues with external asset managers are initiated to discuss significant sustainability risks, enabling Allianz Malaysia to better understand these risks and evaluate the mitigation measures in place.

Allianz Malaysia achieved its end-2024 decarbonisation target of a 30% reduction in emissions intensity across its proprietary investment portfolio for listed equity and corporate bonds relative to the 2019 base year. Following this milestone, the Group has set a new interim target aligned with Allianz Malaysia’s broader decarbonisation pathway, targeting a 57% reduction in emissions intensity for the same portfolio by 2030, relative to 2019. As at end-2025, Allianz Life recorded a 33.3% reduction in emissions intensity, while Allianz General recorded a 55.9% reduction, both against the baseline year of 2019. Allianz Malaysia also remains committed to achieving net-zero GHG emissions across its proprietary investment portfolio by 2050.

In line with our decarbonisation target and net-zero commitment, the investment team regularly evaluates the proprietary investment portfolio’s carbon footprints and reports the findings to the Investment Committee, which convenes quarterly to review the analysis and monitor the progress of decarbonisation efforts. As a proactive measure to address sustainability concerns, a sustainability engagement programme will be implemented. This approach aims to enhance the sustainability performance of the investee companies while reinforcing our commitment to PRI. Through active ownership, we manage sustainability-related risks that may impact financial performance, ensuring a resilient and responsible investment strategy.

Sustainability in Insurance

We advance positive sustainability outcomes by regularly reviewing and updating our coverage terms to align with the UN SDGs, ensuring that our insurance products remain relevant to customer needs and promote sustainable industry practices. Product governance structures are in place across Allianz Malaysia to oversee product development and ensure alignment with sustainability considerations, market demands, business and distribution requirements, and compliance with applicable laws and guidelines. For Allianz Life, the Product and Market Committee acts as the oversight body for product-related matters, including initiatives that support sustainability objectives, and reviews and approves all new product launches prior to implementation.

Similarly, for Allianz General, the Profitability Committee and Motor Committee are established to focus on monitoring business performance, approving new product proposals and enhancements, and ensuring these products adhere to regulatory standards. These efforts support the company’s commitment to sustainable growth and strategic decision-making. To further embed sustainability considerations, we introduced Sustainable Solutions within our P&C insurance business, guided by the Allianz Sustainable Solutions Framework. The framework provides a comprehensive approach for qualifying products as sustainable and ensuring alignment with the EU Taxonomy. It outlines eligible objectives and suitable product categories, addressing both environmental and social goals. These include climate change mitigation, pollution prevention, transitioning to a circular economy, conserving biodiversity, promoting socially responsible behaviour, and increasing access to insurance for disadvantaged groups.

This framework will act as the cornerstone for all new product development and enhancement for our P&C insurance business. All newly developed products and services will be assessed under the Sustainable Solutions Framework as part of the product development process. This approach underscores our aspiration for offering more sustainable insurance solutions that drive tangible real-world impact while actively supporting our customers in transitioning to sustainable choices.

Social and Financial Inclusion

As part of our broader social responsibility, we strive to develop inclusive products that expand access to insurance for all segments of society. Our offerings are continuously refined to meet the needs of diverse customer groups across age ranges, income levels, and socioeconomic backgrounds. By promoting social and financial inclusion, we aim to provide affordable, appropriate protection solutions, fully aligned with our sustainability strategy of Empowering Lives, Strengthening Communities.

Responsible Business

Key Initiatives

Allianz General introduced innovative offerings, reinforcing its commitment to delivering sustainable insurance solutions.

Certified Sustainable Solutions

Environmental Protect Liability Insurance

In FY2024, Allianz General launched its first certified Sustainable Solution in the Allianz Asia Pacific (“AZAP”) region—Environmental Protect Liability Insurance. This product addresses specific environmental risks, offering coverage for pollution-related incidents. It supports climate change mitigation and social impact by offering coverage for cleanup and restoration efforts, as well as legal defence following incidents of pollution or environmental damage. These initiatives contribute to Allianz’s sustainability agenda and align with the purpose: “We Secure Your Future”.

Allianz EV EcoMiles

In FY2025, Allianz General launched its second certified Sustainable Solution product with the introduction of Allianz EV EcoMiles. Designed for Battery Electric Vehicle owners, this benefit encourages eco-friendly driving by offering cash rewards for low annual mileage. By integrating this reward system into its insurance portfolio, Allianz Malaysia supports the transition to greener mobility while enhancing customer engagement through financial incentives, reinforcing its commitment to sustainability principles and its role as a forward-thinking insurer. We continue to enhance our sustainable product portfolio in alignment with the P&C Sustainable Solutions Plan 2025–2027, which targets more certification of Sustainable Solutions. This highlights our ongoing commitment to sustainability and value creation for customers and the environment.

SolarPro All Risk PV

This is a pioneering solar PV system insurance solution underwritten by Allianz General. Understanding the challenges faced by solar PV system owners—such as inadequate support services, high maintenance costs, and lack of compensation for damages—this product offers comprehensive all-risk protection. It covers losses or damages to solar PV systems, as well as income or savings lost due to system downtime. Allianz General has partnered with leading solar panel providers to extend insurance coverage for their products, underscoring its commitment to supporting Malaysia’s green agenda while advancing a safer, more inclusive, and sustainable future for the development of solar energy in Malaysia.

Investment-Linked Fund

Allianz Life supports sustainability integration through its investment-linked products. To date, Allianz Life has various investment-linked funds that invests in seven (7) separate target funds that are classified under Article 8 of the EU’s SFDR classification. These funds provide customers across both agency and Bancassurance channels with access to investments that promote environmental and social characteristics, or have explicit sustainable objectives aimed at creating a positive impact on the environment or society.

Allianz Life All China Equity Fund

A fund that aims to invest in the equity markets of the People’s Republic of China, Hong Kong, and Macau, covering both onshore and offshore markets.

Allianz Life World Healthscience Fund

A fund that seeks to maximise returns through global investments in healthcare, pharmaceuticals, medical technology, supplies, and biotechnology equities.

Allianz Life ESG-Integrated Multi-Asset Fund

A fund that focuses on sustainable investments, with its total assets managed in line with the underlying funds’ ESG Policy to promote long-term value and positive societal impact.

Allianz Life Global Unconstrained Equity Fund

A fund that invests in companies across developed and emerging markets, adhering to an ESG policy that evaluates the management of ESG risks, opportunities, and long-term financial impact. Analysis is conducted on companies with heightened ESG risks, high carbon emissions, and controversial business activities.

Allianz Life Global Artificial Intelligence Fund

A fund that targets global equity markets, focusing on artificial intelligence, guided by the Sustainability KPI Strategy (Relative). It aims to outperform the target fund’s sustainability KPI benchmark while delivering competitive returns and advancing sustainability goals.

Allianz Life Total Return Asian Equity Fund

A fund that aims to invest in the equity markets of Korea, Taiwan, Thailand, Hong Kong, Malaysia, Indonesia, Philippines, Singapore, and China, following the Sustainability KPI Strategy (Relative).

Allianz Life World Technology Fund

A fund that focuses on investing globally, in a manner consistent with principles of ESG, in the equity securities of companies whose predominant economic activity is in the technology sector.

<> For an overview of the investment-linked funds, kindly refer to: [Fund Factsheets - Allianz Malaysia](#)
Fund Performance details are available in [Fund Performance Report](#).

Responsible Business

Enhancing Our Product Offerings

We actively provide customer-centric solutions that maximise their benefits through special product offerings.

Our offerings are regularly refined to meet the needs of different age groups, lifestyles, and socioeconomic segments, ensuring that everyone has access to affordable and meaningful coverage. By focusing on inclusivity and customer value, we aim to provide solutions that genuinely support financial security and long-term well-being.

HealthInsured
Flexible medical insurance with deductible choices to match customers' coverage preferences and affordability.
HealthAssured
Medical insurance that rewards customers who do not make medical claims.
Allianz Value Guard Series
Savings plan with flexible payment and coverage terms tailored to savings and protection needs.
Allianz EverLink Plus and Allianz Everlink Signature
High coverage plans with flexible coverage terms tailored to protection needs.
AssuredLove
A rider to the Allianz EverLink series of products that enables the sum assured to be paid out over a period of time, helping secure the family's future when the customer is no longer around.
Allianz Care@Home
Medical home monitoring which includes home visits, therapy, 24/7 helpline and assistance in hospital admission if required, provided for Allianz Life's Individual Hospitalisation and Surgical customers.

Interim Measures on Medical Repricing

In December 2024, BNM introduced the Interim Measures on Medical Repricing to mitigate the impact of rising medical costs on policyholders and ensure that Medical and Health Insurance/Takaful ("MHIT") products remain affordable for Malaysians. In alignment with BNM's directive, Allianz Life has fully implemented key initiatives, including the interim measure and the launch of a new insurance product featuring a mandatory co-payment option.

The interim measures address affordability concerns by spreading repricing adjustments over time, cushioning the financial impact on policyholders while maintaining access to essential medical coverage. Notably, at least 80% of Allianz Life's retail medical customers experienced repricing of less than 10% per annum, reflecting the company's commitment to minimising financial strain. For policyholders aged 60 and above who have no downgrade options, Allianz Life has delayed the repricing implementation by one year, demonstrating inclusivity and consideration of long-term implications. Additionally, customers who surrendered or lapsed their policies in 2024 due to repricing were offered reinstatement without underwriting, along with the ability to spread repricing costs further, ensuring continuity of coverage and supporting long-term insurance needs.

Complementing this measure is the introduction of a new insurance product designed to encourage responsible consumption and transform customer behaviour. The product incorporates a mandatory co-payment feature alongside a no-claim discount, encouraging policyholders to manage their healthcare consumption. By requiring co-payment, the product aims to enhance long-term affordability, reduce waste and misuse, and contribute to stabilising medical inflation. Allianz Life is actively promoting this solution to customers, particularly those with lower affordability concerns, encouraging them to transition from plans without co-payment to this more sustainable option. This approach ensures continued access to necessary treatments while supporting long-term cost efficiency.

Allianz Let's Get Personal... Again

Allianz Malaysia has launched a campaign, "Let's Get Personal... Again," demonstrating its commitment to enhancing customer care by offering additional financial support and peace of mind during challenging times. Running from 7 January to 30 June 2025, the campaign targets members of the Allianz We Care Community with eligible plans, including Allianz Shield Plus, Smart Home Cover, MediCure, Travel Care (Annual), and selected motor policies.

The campaign underscores Allianz Malaysia's commitment to customer well-being and emphasises personalisation. Participants can access complimentary healthcare and lifestyle benefits via the dedicated campaign microsite. In addition, Allianz Malaysia offered a one-time cash relief of RM2,500 for hospital stays exceeding four (4) consecutive days due to specified insured conditions such as accidents, dengue, Zika, and malaria.

Responsible Business

Perlindungan Tenang Voucher (“PTV”) Programme

As part of our commitment to social and financial inclusion, Allianz Malaysia is proud to participate for the third time in the PTV Programme, a government-backed initiative aimed at strengthening social protection for lower-income populations. Under PTV 3.0, launched on 1 September 2025, eligible recipients of Sumbangan Tunai Rahmah receive a RM30 voucher to purchase or renew affordable insurance or takaful products under the PTV scheme. The voucher is available to estimated 2 million recipients and can be redeemed from 1 September to 31 December 2025.

Through its PerlindunganKu Allianz4All product, Allianz General seeks to make insurance more accessible and affordable, providing essential coverage for typically underserved communities. In addition, Allianz Life supports the PTV Programme through products such as A-Z Protect and Allianz Kasih Hayat, further demonstrating Allianz Malaysia’s commitment to providing insurance coverage to low-income households.



i-MULA 50 Programme

The initiative, led by the LIAM, aims to make life insurance more accessible and affordable for first-time buyers, particularly youth and young families. Under this programme, eligible customers receive a RM50 subsidy when purchasing qualifying life insurance policies. Coverage options include benefits such as death, total and permanent disability (“TPD”), critical illness, medical expenses, and hospital income, ensuring affordable plans for financial security. Four (4) Allianz Malaysia products qualify for the subsidy: Allianz 1Cover, AllianzBoleh Cover, A-Z Protect, and AllianzKasih4All.

As of 31 December 2025, 9,899 customers have benefited from this coverage under the programme.

Driven by the Ministry of Domestic Trade and Consumer Affairs, the Insurance Rahmah initiative introduces products designed to enhance insurance accessibility and affordability, targeting the B40 community. Under this initiative, Allianz Malaysia offers PerlindunganKu Allianz4All, Allianz Motorcycle Plus, Allianz Kasih4All, and Allianz Private Car Comprehensive Cover, Allianz Private Car Third Party, Fire and Theft Cover, ensuring insurance remains affordable and accessible for all:

PerlindunganKu Allianz4All
A budget-friendly personal accident insurance product introduced in 2022 under BNM’s Perlindungan Tenang initiative.
Allianz Kasih4All
Launched in 2023, Allianz Kasih4All offers death and accidental death coverage without requiring medical underwriting, ensuring a simple and accessible purchase process.
Allianz Motorcycle Plus
Tailored to safeguard motorcycle riders and passengers, the enhanced plan now includes pillion rider coverage along with complimentary flood relief for flood-damaged motorcycles.
Private Car Comprehensive and Third Party, Fire and Theft Rahmah package
Provides B40 policyholders added benefits at no extra cost, including Accidental Death and Permanent Disability coverage, Hospital Income, and Compassionate Flood Cover.

Responsible Business

Allianz Malaysia remains committed to supporting BNM’s Perlindungan Tenang initiative and continues to offer four (4) products under this category: PerlindunganKu Allianz4All, Allianz KampungKu, Allianz Kasih Hayat, and Allianz A-Z Protect.

Other products that have been launched to promote social and financial inclusion while addressing the diverse needs of community include:

Allianz Kasih Hayat
Life insurance product that provides a death benefit of RM10,000 or RM20,000, with customers only required to undergo a simplified underwriting process.
Allianz A-Z Protect
Simple, affordable product offering death coverage, additional payout for accidental death (including from COVID and dengue), and daily hospital income for accident, COVID, or dengue-related admissions, without requiring medical underwriting.
Allianz KampungKu
Offer coverage for previously uninsured wooden houses against flood, windstorm, and fire, strengthening customers’ climate resilience and accelerating recovery efforts.

Allianz Ability Life
This insurance plan is specifically designed to provide financial protection for persons with disabilities, including coverage in the event of death. With affordable premiums, it ensures that the insured family’s immediate financial needs are taken care of, offering peace of mind and security in unforeseen circumstances.
Pos LifeCare
This product offers affordable premiums that provides death coverage, additional payouts for accidental death (including due to COVID and dengue), and daily hospital income for admissions due to accidents, COVID, or dengue. Distributed by Pos Malaysia, it ensures convenient access to life insurance nationwide, including rural areas.

Refugee Medical Insurance Programme (“REMEDI”)

Introduced in FY2024, this product was developed in collaboration with the United Nations High Commissioner for Refugees (“UNHCR”), with the coverage specially designed to provide medical assistance and personal accident coverage to refugees and asylum-seekers registered with UNHCR in Malaysia aged from 18 to 60 years old. This initiative reflects our commitment to social responsibility and demonstrates our dedication to offering essential insurance coverage to vulnerable groups.

Outlook

Allianz Malaysia remains committed in integrating sustainability into investment decisions and product development. We aim to foster social and financial inclusion for wider and underserved communities, while aligning new offerings with BNM’s interim measures to mitigate medical inflation. Our efforts extend to supporting sustainable projects and introducing low-carbon solutions, underscoring our long-term commitment to responsible growth.

Resilient Society

Customer Centricity

Capitals



Stakeholders Concerned



UN SDGs



Delivering consistent, intuitive, and high-quality experiences is core to how we serve our customers. As expectations continue to shift, we are strengthening our customer-centric approach by simplifying our processes, improving fulfilment and engagement, and ensuring every interaction is easy, reliable, and personalised. Guided by the Allianz Customer Model, we are enhancing our digital platforms, advancing self-service features, and using customer feedback to refine journeys across sales, service, and claims. Through better tools, stronger frontline capabilities, and smarter use of technology—including AI-enabled support—we aim to create a seamless customer experience that builds trust, improves satisfaction, and supports long-term retention.

The Group is positioned in an environment where customer-related risks may, if not appropriately addressed, influence satisfaction, loyalty, and long-term competitiveness. These risks can include the need to keep pace with evolving customer expectations, maintain clear and consistent communication of product terms, and manage data and privacy considerations associated with the use of customer insights and AI.

With appropriate focus and governance, these areas can be proactively managed to sustain customer trust and confidence. Conversely, insufficient attention may result in lower customer engagement, higher churn, reputational considerations, and reduced ability to differentiate in a rapidly evolving market. Strengthening customer practices also supports regulatory compliance, cost efficiency, and the development of deeper, more value-driven customer relationships.

Management Approach

Enhancing Our Customer Experience

At Allianz Malaysia, our commitment to delivering exceptional service is anchored in the four (4) pillars of our Customer Service Charter, which emphasise transparency, integrity, and accessibility. These pillars are aligned with the standards set by BNM and the Malaysian Insurance and Takaful Associations, ensuring that our service approach consistently meets industry expectations and supports responsible customer outcomes.

	Insurance made accessible		Timely, transparent and efficient service
	Know your customer		Fair, timely, transparent claims settlement process

We believe credibility, integrity, and fairness form the foundation of strong, long-term relationships with our customers. Our standards are further reinforced by our adherence to the Treat Customers Fairly Charter, which aligns with BNM’s Fair Treatment of Financial Consumers (“FTFC”) principles.

 [Customer Service Charter: Service Charters - Allianz Malaysia](#)

Guided by our charters, we:

Prioritise understanding and meeting customer needs through continuous feedback and engagement	Uphold high quality service standards - especially in claims handling - with efficient and transparent processing	Invest in continuous training to ensure our employees and agents deliver top-tier customer service and provide timely and effective support
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Resilient Society

In line with our commitment to customer centricity, we remain focused on elevating customer journeys across sales, service, and claims, ensuring that every interaction is seamless, accessible, and reliable. We implemented strategic initiatives aimed at better serving our customers, as outlined below:

Leveraging Technology and Digitalisation

We continue to enhance the customer experience through digital tools and simplified processes. Our MyAllianz platform, accessible via web and mobile, allows customers to manage policies, submit and track claims, request e-Guarantee Letters, access roadside assistance, and use an expanding range of health services — all in one place.

We also streamlined the claims experience through the Imagine platform, which enables agents to submit E-Personal Accident (“E-PA”) and E-Medical claims quickly by uploading required documents directly. This reduces processing time and offers a smoother experience for customers. Our utilisation targets remain at 20–30% for E-PA and 60–70% for E-Medical claims.

Ensuring Accessible, Clear and Transparent Products for Our Customers

To strengthen accessibility and meet evolving customer needs, Allianz Malaysia continues to broaden its distribution channels across agency, bancassurance, digital platforms, partnerships, and direct channels. This multi-channel approach ensures our diverse product portfolio remains widely available, affordable, and easy to purchase. By making insurance accessible across various touchpoints, we empower customers to choose the most convenient way to engage with our products and services.

Product information is communicated transparently through multiple channels, including resources on Allianz Malaysia’s website and supporting documentation provided by intermediaries such as Product Disclosure Sheets and sales illustrations. All product related materials and policy documents comply with regulatory requirements, using plain language as much as possible to support clear customer understanding. These materials help customers assess key features, benefits and risks before making a purchase decision. Upon policy issuance, customers promptly receive their policy documents for review of the terms and conditions. Customers may also seek clarification from intermediaries, customer service teams or branch representatives at any stage, while welcome calls are conducted to confirm understanding of key policy terms. Together, these measures help reduce the risk of miscommunication and potential disputes.

Allianz Malaysia maintains regular communication with customers throughout the policy lifecycle. Updates such as renewal and expiry notices, annual statements, fund reports and sustainability information are shared via email and made accessible through the MyAllianz app. This enables customers to stay informed about their coverage, monitor relevant fund performance and access information that supports their long-term financial and protection goals.

Across Allianz Malaysia, we cultivate a forward-thinking culture that encourages collaboration, creativity, and continuous learning while keeping customer needs at the centre of every decision. By staying attuned to market trends and adopting emerging technologies, we aim to develop solutions and value propositions that evolve in step with customer expectations, while ensuring clarity, transparency, and fairness in every interaction.

Key Initiatives 2025

Customer Feedback and Engagement

Regular engagement with our customers is essential to understanding their needs, expectations, and pain points. By proactively gathering feedback and monitoring satisfaction levels, we are able to identify areas for improvement, refine our offerings, and strengthen the overall service experience. This continuous cycle of listening, learning, and taking action ensures that our products, services, and processes remain aligned with what customers value most.

To support this approach, we use a combination of structured feedback tools and service quality measures:

- **Voice of Customer (“VoC”)** surveys provide actionable insights at key moments of the customer journey, using a 5-star rating system to assess service quality and understand customer sentiment in real time.
- **Net Promoter Score (“NPS”)** is actively tracked and analysed to measure customer loyalty and advocacy, using the insights to strengthen service delivery and enhance long-term relationships.
- **Issues Resolution Journey** has been implemented to streamline customer feedback processes. Under the Customer Service Charter, our goal is to answer calls within 30 seconds and deliver resolutions within three (3) working days.

To support this approach, all staff complete a minimum of 45 hours of customer service training, aimed at enhancing staff competency and reinforcing consistent, high-quality service delivery across the customer journey.

Resilient Society

Enhancing Our Agency Force

We continue to emphasise ethical conduct and compliance as foundational elements of good customer experience. Agents undergo dedicated training on the Code of Ethics and Conduct, reinforcing professionalism, integrity, and responsible sales practices across all interactions.

1 Technical Knowledge

The Technical Knowledge training pillar equips agents with the technical skills and expertise required for effective and accurate performance. It enhances agent proficiency in essential tools, technologies, and methodologies, enabling them to deliver high-quality advisory and service. This pillar also reinforces a strong culture of compliance and ethical conduct, ensuring agents clearly understand their responsibilities and the importance of adhering to all applicable laws and internal policies, including the PDPA, the Code of Conduct, and Data Ethics guidelines.

2 Recruitment

The Recruitment training pillar develops the skills, knowledge, and strategies agents need to effectively source, assess, and onboard new prospects. It focuses on building recruiters with the right mindset, skillset, and consistent recruitment habits, while strengthening their ability to identify talent that aligns with our goals and values. The programme also streamlines the onboarding process to ensure efficiency, effectiveness, and a smooth transition for new agents into the organisation.

3 Personal Development

The Personal Development training pillar supports agent personal and professional growth by strengthening essential life and communication skills, enhancing emotional intelligence, and promoting overall well-being. Through this focus on holistic development, agents become more effective, resilient, and fulfilled in both their professional roles and personal lives.

4 Estate Planning

The Estate Planning training pillar equips agents with the knowledge, skills, and tools needed to guide clients effectively through the estate planning process. It builds a strong understanding of the legal and financial implications involved, while helping agents develop strategies to preserve and transfer wealth according to clients' wishes. This ensures agents can provide clear, informed, and responsible guidance in an area that is critical to long-term financial security.

5 Leadership

The Leadership training pillar develops key leadership capabilities, focusing on strategic thinking, informed decision-making, effective communication, and emotional intelligence. It equips agency leaders with the skills needed to manage day-to-day operations, drive recruitment and retention, and lead their teams in a way that supports a profitable, sustainable, and productive business.

Aligned with our commitment to empowering our tied agents to deliver outstanding service and meet evolving customer expectations, below is an overview of the key programmes established:

Estate Planning

This initiative strengthens the ability of agency members to provide informed and professional estate planning guidance while supporting the promotion of investment-linked products. It equips agents with the skills, tools, and mindset to incorporate estate planning naturally into their financial conversations, helping them better understand client needs and offer a holistic approach to wealth accumulation and transfer. By embedding estate planning into broader financial discussions, agents can guide clients in aligning their assets with their intentions and securing the future of their loved ones.

Allianz Pinnacle Excellence Programme x INSEAD

In collaboration with INSEAD, a leading global business school, this programme empowers our Life and Health tied agents to excel in leadership, service, and innovation. Built around four (4) key modules—Communications, Customer Psychology, Leadership, and Entrepreneurial Mindset & Strategies—the programme strengthens agent business management capabilities, enhances productivity, and supports their personal development. It also prepares agents to navigate industry change and step into future-ready leadership roles.

In 2025, a total of 92 agents successfully graduated from the programme, underscoring Allianz's commitment to developing highly skilled, customer-focused tied agents that can meet evolving customer needs.

Allianz Power Talk

Allianz Power Talk is a weekly bite-sized knowledge-sharing session designed to strengthen the skills and confidence of our agency members. Each session covers a focused topic—ranging from recruitment techniques and sales concepts to product knowledge, underwriting, claims, and other technical areas—providing practical insights that agents can apply immediately in their day-to-day activities. Through concise, impactful learning moments, Power Talk supports agents in improving their sales effectiveness, sharpening their technical understanding, and enhancing overall performance in both sales and recruitment.

Resilient Society

Million Dollar Round Table (“MDRT”) Achievers Community

The MDRT Achievers Community is designed to build a high-performing agency environment by promoting strong ambassadorship from top producers. Through curated learning sessions, agents gain access to industry best practices, practical insights, and proven strategies shared by experienced MDRT achievers. Supported by a dedicated team of learning partners, participants receive guidance that helps them strengthen their skills, refine their approach, and progress toward achieving MDRT-level performance.

Career of Excellence and Opportunity (“C.E.O.”) Programme

Launched in 2020, the C.E.O. Programme is a structured 24-month professional development plan designed to nurture top-tier agents and strengthen Allianz Malaysia’s market presence. The programme offers monthly financial support, intensive estate planning training, and personalised coaching, enabling agents to pursue both financial and personal excellence.

In FY2025, the number of new C.E.O. agents grew by 7.4% compared to FY2024, reflecting the programme’s continued effectiveness in outreach and its alignment with Allianz Life’s long-term growth objectives.

Allianz Entrepreneur Development Programme (“AEDP”)

Building on the strong results achieved in 2024, where 591 participants joined the programme, AEDP was expanded to two (2) batches in 2025. The programme continues to target college and university students as well as fresh graduates, offering them an opportunity to develop their entrepreneurial mindset and gain real-world experience. Participants can earn up to RM1,300 over the six-month programme while acquiring essential knowledge and hands-on exposure to the insurance and financial services industry.

Kingmaker Project

The Kingmaker Project is a transformative initiative designed to cultivate a new generation of professional agents while driving growth and performance improvement across Allianz Life. With a strategic ambition to double overall business performance within the next five (5) years, the project places strong emphasis on capability building as a core priority. Training is delivered through a digital platform and focuses on strengthening agents’ soft skills in customer engagement, deepening product knowledge, and fostering a goal-oriented mindset. This approach equips agents with the skills and strategies needed to support the Kingmaker vision and contribute to sustained business growth.

Allianz SheSecures Programme

The Allianz SheSecures Programme is a career development initiative aimed at empowering women in the insurance sector. It equips female Allianz Life Changer with the industry knowledge, skills, and confidence needed to advance in their careers. The programme includes leadership training, mentorship, and networking opportunities that support professional growth and help strengthen the pipeline of women leaders within the tied agents.

We have implemented several digital platforms to accelerate business growth and improve customer experience:

MyAllianz

MyAllianz is a versatile customer portal and mobile app that simplifies the management of Life and General insurance policies. Customers can access policy details, submit and track claims, download medical cards, make payments, update personal information, and request services such as Guarantee Letters or Roadside Assistance. The platform also offers a growing suite of Health Services, including appointment scheduling, health evaluations, prescription delivery, and preventive care services such as eye and dental check-ups, dietitian consultations, and home physiotherapy.

Introducing Discover Health in 2025

In FY2025, MyAllianz expanded into preventive wellness with the launch of Discover Health, a simple and intuitive wellness dashboard available on both the portal and app. Customers can sync their devices via Google Fit, Apple Health, or Health Connect to monitor daily steps, calories burned, BMI, and progress toward personalised activity goals.

With Discover Health, MyAllianz extends beyond insurance servicing to become a holistic wellness companion, supporting customers in managing both their protection needs and their health within a single integrated ecosystem.



Resilient Society

Allianz 360

In FY2025, we unified the Allianz 360 application across all agencies, creating a seamless platform that supports daily operations, performance tracking, and customer engagement. Key enhancements to the Goal Excellence Tool (“GET”) strengthened its lead management capabilities, including automated event lead capture, campaign-based filtering, and integration with Imagine (Point of Sales Application) to streamline the lead-to-policy process. GET now also incorporates leads from Guaranteed Issuance Offer (“GIO”) Marketing Campaigns, enabling faster follow-up and better visibility for agency leaders.

To support recruitment, a new “Be An Allianz Life Changer” microsite was introduced within Allianz 360 as a guided presentation tool for potential recruits. Ongoing training and short instructional videos ensure agents continue to fully utilise the platform.

Through these upgrades, Allianz 360 remains a unified and future-ready tool that enhances productivity and strengthens service delivery for customers.

Allianz Intelligent Digital Assistant (“AIDA”)

AIDA is an AI-powered chatbot that manages product inquiries and service requests, including vehicle “No Claim Discount” checks and claims status updates. It offers customers 24/7 assistance, improving convenience and response efficiency. In FY2025, AIDA handled more than 10,000 interactions monthly, with its motor claim status enquiry function recording a fivefold increase in usage from the previous year, underscoring its growing role in customer engagement.

Insurance Offerings on the Allianz Malaysia website

The Allianz Malaysia website offers a convenient platform for both Life and General insurance, allowing customers to easily explore a variety of products. Users can review features, compare options, and purchase insurance solutions that fit their needs, reflecting Allianz Malaysia’s dedication to customer-focused services.

Strategic Partnerships to Foster Digital Innovation and Create New Value

Allianz Malaysia continued to advance its digital innovation efforts through strategic partnerships that strengthen its ecosystem and support local start-ups. In FY2025, Allianz General marked its sixth consecutive year of collaboration with NEXEA, a leading startup accelerator in Malaysia, reinforcing its commitment to nurturing early-stage businesses and deepening engagement with emerging companies to explore new avenues for insurance distribution.

Metrics and Targets

Both Allianz Life and Allianz General achieved an overall 4.6 out of 5 stars in the VoC rating for FY2025, reflecting continued improvements in customer experience and service quality.

Both Allianz Life and Allianz General continued to perform above the market average based on NPS measurements, reflecting strong customer advocacy and satisfaction.

Key Performance Indicator	FY2023	FY2024	FY2025
Total Number of Customers	3.2 million	3.5 million	3.9 million[Ⓐ]
Number of policies in force (Allianz General)	3.8 million	4.7 million	4.9 million[Ⓐ]
Number of policies in force (Allianz Life)	0.9 million	0.9 million	1.0 million[Ⓐ]

Key Performance Indicator	FY2023	FY2024	FY2025
Total Agents, Including agents from Agency, Intermediaries, and Bancassurance channels	12,429	14,142	13,560[Ⓐ]
Agents’ training hours resulted from the collaborative programmes	379,844	449,141	517,926[Ⓐ]

Allianz Malaysia Retains Our Title as the World’s #1 Insurance Brand

In FY2025, Allianz Malaysia once again retained our position as the world’s No. 1 Best Global Insurance Brand—marking our seventh consecutive year at the top. This follows a historic year in 2024, when Allianz Malaysia entered the ranks of the world’s 30 most valuable brands for the first time, rising to 27th in Interbrand’s Best Global Brands Ranking. Our brand value continued its strong upward trajectory, reinforcing the trust our customers place in us and our unwavering commitment to our purpose, “We Secure Your Future”.



Outlook

Looking ahead, we will continue strengthening our customer experience by using data, technology, and smarter service design to deliver interactions that are simpler, faster, and more personalised. The Allianz Malaysia Data Platform will play a key role in this effort, enabling a more complete view of customer needs, harmonising data across the organisation, and supporting the use of AI-driven tools such as lead scoring, advisory support, and enhanced self-service features. These capabilities will help us improve fulfilment, reduce friction across customer journeys, and make service more intuitive at every touchpoint. By combining stronger analytics with continuous improvements in frontline capabilities, we aim to build deeper customer trust, improve retention, and support long-term sustainable growth.

[Ⓐ] The data has been externally assured. Please refer to the independent limited assurance report in this IAR.

Resilient Society

Own Workforce

Capitals



Stakeholders Concerned



UN SDGs



We recognise that our people are central to driving long-term growth and fulfilling our purpose: “We Secure Your Future”. Our People and Culture strategy is anchored in an inclusive meritocracy where people and performance thrive through trust, collaboration, and continuous learning.

We invest in learning and development initiatives to build future-ready capabilities, while prioritising employee wellbeing through robust health, safety, and wellness programmes. Upholding human rights remains fundamental to creating a respectful, inclusive, and non-discriminatory workplace.

These efforts strengthen engagement, enhance retention, and support a high-performing workforce that contributes to sustained organisational success.

We proactively identify workforce-related sustainability risks that may affect long-term organisational performance, culture, and resilience. Key risks include insufficient reskilling or upskilling employees to support digital and strategic transformation gaps and inclusion and equity practices across the employee lifecycle, and potential shortcomings in human rights compliance. By addressing these risks early, we aim to safeguard productivity, reduce attrition, and strengthen our ability to attract and retain talent.

Effectively addressing workforce-related risks requires deliberate and proactive measures such as strengthening reskilling and career mobility pathways, advancing inclusive and equal opportunity practices, and upholding robust human rights standards across the organisation. These efforts not only mitigate risks but also create opportunities to build a more engaged, capable, and future-ready workforce. By embedding inclusive practices, enhancing leadership accountability, and reinforcing ethical labour standards, we strengthen organisational resilience, foster employee trust, and position ourselves competitively in an increasingly dynamic talent market.

Management Approach

At Allianz Malaysia, our workforce approach is grounded by strong governance, clear values, and alignment with Allianz’s global People & Culture strategy. Our workforce-related policies are implemented within a structured governance framework that ensures compliance with Malaysian labour regulations while reflecting global standards on ethical conduct, inclusion, and responsible employment practices.

Let’s Care

Our core values—fair and inclusive behaviour, integrity, transparency, honesty, responsibility, and respect—are embedded in the Allianz Code of Conduct (“CoC”), which all employees are required to attest annually. These values are brought to life through our Employer Value Proposition, “Let’s Care for Tomorrow”, built on four (4) pillars that define how we support our people:

	We care for your future career development		We care for your inclusion and equal opportunities
	We care for your health and wellbeing		We care for tomorrow’s society and planet

Read more at: [Allianz Code of Conduct \(“COC”\)](#)

Oversight and governance of these initiatives are provided by the People & Culture Department, ensuring that employee programmes, policies, and practices consistently reflect our values and foster an inclusive, responsible, and high-performing workplace. Our culture is further shaped by Allianz’s People Attributes—Customer & Market Excellence, Collaborative Leadership, Trust, and Entrepreneurship—which are embedded into performance evaluation criteria and reinforced through regular communications and leadership engagement.

Resilient Society

We Care for Your Future Career Development

Our talent management approach is guided by Allianz Malaysia’s functional People & Culture frameworks and reinforced through our local tailored practices, ensuring a structured, fair, and future-focused system for attracting, developing, and retaining talent. Through this approach we align employees not only with the requirements of their roles, but also to the culture, values and behaviours that define Allianz Malaysia and support our long-term strategic objectives.

We embed a set of core Talent Management principles that guide how we identify, develop, and support talent across the organisation:

<p>Support business strategy</p> <p>Align talent management with our strategic objectives.</p>	<p>Mobility for experience</p> <p>Promote internal and cross-functional mobility as a key enabler for building the breadth of experience.</p>
<p>Empowerment</p> <p>Empower employees for success in current and future roles.</p>	<p>Early identification of potential</p> <p>Identify and develop talent early to ensure readiness for future challenges.</p>
<p>Employee ownership</p> <p>Emphasise individual ownership of careers, fostering learning.</p>	<p>Inclusion and equal opportunities</p> <p>Embed inclusion and equitable principles to ensure fair, transparent and consistent processes across the organisation.</p>
<p>Embrace diverse career paths</p> <p>Encourage diverse career journeys, including lateral moves, expert tracks, and project management roles.</p>	<p>Bias reduction</p> <p>Provide standard processes and guidelines to minimise biased decisions and discrimination.</p>

Attracting, Developing and Retaining Talent

Allianz Malaysia takes a structured and principles-driven approach to talent management, ensuring that employees have fair access to opportunities, clear development pathways, and a supportive environment to grow. We prioritise attracting and retaining talent through fair and competitive remuneration practices, transparent recognition, and career progression frameworks aligned with Allianz’s global People & Culture strategy.

We support continuous growth by providing employees with access to learning pathways that strengthen leadership, technical expertise, digital fluency, and future-ready capabilities. Talent reviews and internal mobility remain central components of our approach, enabling employees to explore diverse career journeys and gain broader exposure across the business.

Our commitment to inclusion ensures that development and leadership opportunities are accessible to all, supported by clear policies and bias-reduction mechanisms across recruitment, assessment, and promotion processes.

We reinforce the employee experience through continuous listening channels, such as engagement surveys and feedback platforms, to inform improvements and maintain a workplace where people feel heard, connected, and supported.

Externally, our employer value proposition is strengthened through recognised certifications such as Great Place To Work® and EDGE, reflecting our commitment to building a fair, inclusive, and future-focused workplace.

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We Care for Inclusion and Equal Opportunities

At Allianz Malaysia, we are committed to creating an inclusive workplace where every employee is treated fairly and given equal access to opportunities, regardless of gender, age, ethnicity, disability, religion, or cultural background. This commitment is embedded across the full employee lifecycle—from recruitment and development to performance management and remuneration—ensuring that all decisions are guided by principles of fairness, respect, and non-discrimination.

Our commitment to inclusion and equal opportunities is founded on policies and guidelines. These include:

Allianz CoC

Reinforces ethical behaviour, respect for human rights, and zero tolerance for discrimination, with all employees required to attest compliance annually.

Anti-Harassment and Anti-Discrimination Functional Guideline

Establishes expectations for a safe, respectful work environment and outlines procedures for addressing misconduct.

Whistleblowing Procedures

Provide confidential channels for employees to speak up about concerns without fear of retaliation.

Fair Remuneration Policy

Ensures equitable and bias-free compensation practices across roles and levels.

To ensure inclusivity principles are consistently practised, we maintain a robust communication approach supported by leadership visibility and multi-channel engagement. Senior leaders reinforce cultural expectations through town halls, internal updates, and ongoing dialogue, while digital platforms, such as SAP SuccessFactors and the intranet, provide employees with timely access to policies, training, and inclusion resources. Participation in global employee networks further strengthens awareness, belonging, and community-building across the organisation.

Through these measures, we uphold a workplace culture built on fairness, transparency, and equal opportunities, supporting both employee wellbeing and long-term organisational performance.

We Care for Your Health and Wellbeing

At Allianz Malaysia, we are committed to providing a safe, healthy, and supportive workplace where employees can thrive. Our **Work Well @ Allianz Malaysia** framework takes a holistic approach to wellbeing, covering physical, mental/emotional, and financial health. This is supported by clear policies, including our Occupational Safety and Health Act (“OSHA”) guidelines, which underpin our responsibility for workplace safety and employee welfare.

Physical Health and Wellbeing

Promote a safe and health-conscious work environment through initiatives that encourage physical fitness, safety awareness, and preventive care.

Mental and Emotional Health and Wellbeing

Support mental resilience through ongoing communication and resources such as wellness newsletters, mental health campaigns, and workshops that help employees manage stress and maintain work-life balance.

Financial Health and Wellbeing

Recognise and reward employee contributions through competitive remuneration and benefits, helping to strengthen financial security and overall engagement.

To further enhance wellbeing, we adopt flexible work practices under the **Ways of Working (“WoW”)** approach, which supports hybrid and remote arrangements. These models promote autonomy, improve work-life integration, and contribute to higher satisfaction and productivity.

Through these efforts, we foster a workplace that prioritises safety, supports personal wellbeing, and enables our employees to perform at their best.

Resilient Society

We Care for Human Rights

As a signatory to the United Nations Global Compact (“UNGC”), Allianz Malaysia upholds internationally recognised human rights and labour standards across all operations. These principles, including non-discrimination, the prohibition of child and forced labour, and equal pay for work of equal value, are embedded in the Allianz CoC, which all employees are required to attest to annually.

We conduct an annual human rights risk assessment in line with Allianz’s processes and the German Supply Chain Act, with results reported to the Sustainability Committee and the Allianz Human Rights team. Our whistleblowing channels remain accessible to employees and external stakeholders, ensuring concerns can be raised safely and confidentially.

We comply fully with Malaysian labour laws, including strict prohibitions against child and forced labour, and maintain a robust age-verification process during recruitment to ensure no minors are employed. Mandatory sustainability training, covering human rights and ethical conduct, is provided to all employees to reinforce expectations.

Allianz Malaysia also respects the freedom of association and the right to collective bargaining, consistent with the International Labour Organisation (“ILO”) conventions. We comply with minimum wage requirements, uphold fair and equitable compensation practices, and ensure working hours adhere to legal and occupational health standards. These measures reflect our broader commitment to employee wellbeing, ethical conduct, and responsible workforce management.

Key Initiatives

We view learning as an integral part of everyday work. By nurturing a culture of lifelong learning and continuously enhancing our development ecosystem, we enable employees to build the skills and capabilities to succeed in a rapidly evolving environment. This approach supports adaptability, innovation and compliance amid industry change, digitalisation, and regulatory complexity. Our key learning and development initiatives include:

Continuous Professional Development Programmes

We encourage continuous learning through workshops, seminars, webinars, and online courses that help employees enhance their technical and professional competencies. Key programmes include:

- Life Office Management Association (“LOMA”)**
 Globally recognised education in life insurance, covering operations, product development, risk management, and insurance law. Employees are supported in earning LOMA designations to deepen industry knowledge.
- Professional Commercial Underwriting Certification**
 An in-house certification accredited by the Asian Institute of Insurance (“Aii”) as an Associate Level 1 qualification and recognised at Bronze level by the Global P&C Academy. This programme strengthens underwriting capabilities, with 210 graduates year-to-date.
- Asian Institute of Insurance**
 Through our collaboration with Aii, employees pursue industry recognised certifications and specialised training in insurance and risk management.
- Start Right Business Development Manager Certificate**
 A six-month programme that equips new Business Development Managers and Marketing Executives with foundational skills, strategic insights, and coaching to excel in intermediary management.

Digital and Technical Learning

We continue to expand learning pathways that strengthen digital literacy, data capabilities, and technical expertise to support Allianz Malaysia’s digital transformation journey.

- AllianzU Learning Platform**
 A unified digital learning space offering just-in-time content via Degreed, accessible across devices and covering thousands of learning topics.
- Data Literacy Programme**
 Mandatory for all employees, with progressions from Bronze to Silver levels. The programme dedicates 25% of employee learning time to building data and digital capabilities.
- Allianz Partner Academies**
 Technical academies, such as the Global P&C Academy, Life & Health Academy, and Operations & IT Academy, offer specialised training led by Allianz experts to strengthen underwriting, pricing, claims, risk, and AI capabilities.

We-nnovate

AZAP’s innovation programme designed to make everyday innovation practical and accessible. Built on three pillars—Change, Learn, Share—it empowers teams to experiment, collaborate, and turn ideas into outcomes through masterclasses, bootcamps, and “show & tell” sessions featuring real use cases. The programme fosters a future-ready culture by providing toolkits, resources, and opportunities to co-create solutions that enhance customer and employee experiences.

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Leadership Development

We continue to build a strong leadership pipeline through structured programmes that reinforce core leadership behaviours and future-focused skills.

- **#lead The Allianz Leadership Passport**

A global leadership journey that equips managers with essential soft skills such as resilience, creativity, emotional intelligence, and digital collaboration. Annual renewal requires at least 43 learning hours across designated modules. In FY2025, 198 employees successfully renewed their Passport.

- **Allianz Sustainability Journey**

In FY2025, a total of 1,831 learning hours was recorded for the Allianz Sustainability Journey, underscoring our commitment to building sustainability awareness across the organisation.

Compliance and Regulatory Training

We ensure adherence to global and local requirements through mandatory annual training, including:

- Allianz CoC
- Allianz Sustainability training (covering ESG, human rights, sustainable finance, and operations emissions)
- Data literacy and data protection courses
- Corporate Sustainability Reporting Directive (“CSRD”), Anti-Money Laundering/Counter-Terrorism Financing, and other regulatory modules
- #lead 2025 global focus skills and Gen.AI fundamentals for people managers

Young Talent Development

We support early-career development through structured programmes and direct mentorship:

- **Internships for Undergraduates**

Providing real business exposure and a pathway for future recruitment. In FY2025, 156 interns participated.

- **TalentX**

An Internal Talent Marketplace launched to help employees showcase untapped skills, connect to projects, and take ownership of their career development.

- **Mentoring Programmes**

Connecting experienced leaders with employees seeking structured guidance and career support.

- **C.E.O. Programme**

A 24-month development journey supporting agency-side young talent through training, coaching, and financial support.

Collaboration, Knowledge Sharing and External Engagement

We foster learning through internal collaboration and external partnerships:

- **Campus Engagement**

In FY2025, Allianz Malaysia conducted five (5) campus engagements with Asia Pacific University, UM, Sunway University, Universiti Teknologi MARA (“UiTM”) Seremban, and UiTM Puncak Alam.

- **Leadership Circle**

A platform for people leaders to share insights, align strategy, and build stronger leadership cohesion across departments.

- **University & Graduate Career Fairs**

Participation in career fairs at Taylor’s University, Graduan, The Actuary’s Odyssey, Universiti Tunku Abdul Rahman Kampar, and TalentBank.

- **Partnership with Management & Science University**

Providing internships, job placements, exchange programmes, industrial talks, and CSR collaborations.

- **Sprint Learning**

A bite-sized, fast, and focused upskilling approach aligned with real-time business needs—covering tools such as Macro development, Power Query, Power BI, and Excel.



Performance Feedback and Evaluation

We foster continuous dialogue through quarterly and annual reviews, supported by SuccessFactors for seamless multi-rater assessments that incorporate manager, peer, and upward feedback. This ensures fair, transparent, and comprehensive evaluations. In FY2025, 100% of employees completed their performance evaluations.

Resilient Society

In line with our commitment to fostering equal opportunities and building an inclusive workplace, Allianz Malaysia continues to strengthen initiatives that promote fairness, advance inclusion, promote fairness, and ensure that all employees feel respected, represented, and supported. Our key initiatives in FY2025 include:

Employee Inclusion Networks

- **Allianz Beyond Network**

A community dedicated to disability inclusion, ensuring that differently-abled employees have access to resources, support, and a safe space for disclosure.

In FY2025, we introduced practical upskilling workshops (e.g., Excel, PowerPoint) to enhance digital skills, confidence, and career progression. Additionally, we continued our efforts to improve workplace accessibility and tailored support for our people with differently-abled employees.

- **Allianz GRACE Network**

A global network promoting nationality and ethnicity inclusion across Allianz. In FY2025, we strengthened cross-cultural dialogue and awareness through internal campaigns and resource sharing. We supported attraction and retention of talent across the organisation with 14 local networks.

Strengthening Equal Opportunity Practices

- **Gender-Diverse Succession and Selection Practices**

- Female successor mandates incorporated into succession planning to strengthen leadership inclusion.
- Gender-diverse interview panels implemented to reduce bias during hiring and ensure balanced decision-making.

- **Merit-Based Recruitment and Fair Remuneration**

Structured, bias-reduced recruitment processes and annual reviews of compensation and promotion practices to maintain fairness and equity across all roles and levels.

Accessibility and Workplace Adjustments

We continue to enhance physical and digital accessibility for employees with disabilities, including tailored workplace adjustments and accommodations to enable full participation and performance.

Reporting, Transparency and Accountability

We uphold accountability and strengthen trust by:

Providing confidential reporting channels for discrimination, harassment, or misconduct.

Tracking and reporting incidents of policy violations and inclusion-related employee sentiment.

Conducting regular compliance reviews, with quarterly reporting to senior leadership and annual disclosures to support continuous improvement.

We continue to strengthen our commitment to holistic employee wellbeing across physical, mental/emotional, and financial dimensions. In FY2025, Allianz Malaysia expanded its programmes to support a healthier, safer, and more engaged workforce.

Inclusion and Equal Opportunity Programmes

We invest in training and awareness programmes because understanding differences and practicing equity empowers every employee to create a respectful, inclusive workplace.

- **Inclusion & Equal Opportunity Training**

Regular training for all employees to deepen awareness on unconscious bias, cultural sensitivity, and respectful communication, reinforcing equitable behaviour and decision-making.

- **Annual Celebrations and Awareness Events**

Workshops, seminars, and observances of International Women’s Day, International Men’s Day, International Day of Persons with Disabilities, and major cultural festivals. These initiatives enhance employee understanding of diverse perspectives and strengthened organisational empathy and mutual respect.

- **Inclusive Communication Training**

Sessions designed to promote inclusive workplace communication, including guidelines on gender-neutral and stereotype-free language to support respectful interaction.

- **Manager Training on Bullying and Harassment Handling**

Annual capability-building for managers on appropriately responding to and managing harassment, discrimination, and misconduct cases.

- **Unconscious Bias Awareness Sessions**

Conducted for all employees to promote fairness, mitigate bias, and strengthen inclusive decision-making.

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Physical Health and Wellbeing Initiatives

WoW Strategy

Our flexible work strategy supports better work-life integration.

FY2025 outcomes:

- 60.9% of employees adopted hybrid work arrangements.
- Employees received a one-time home-office allowance and training on ergonomics and safety.
- Office spaces were redesigned with hot desks, collaboration zones, meeting booths, and hybrid-enabled rooms to support flexibility and productivity.

Annual Medical Examinations

Comprehensive screenings—including imaging, blood tests, and specialist consultations—are provided to support early detection of health risks.

Boleh-lympic 2025

An organisation-wide sports and wellness event designed to strengthen teamwork, promote active lifestyles, and enhance employee engagement across all fitness levels.

Health and Wellness Series

A learning series dedicated to improving energy, productivity, and long-term wellness through practical health tips and guided activities.

Occupational Safety and Health (“OSH”) Administration Initiatives

We continue to maintain a strong safety culture through proactive risk management and compliance with OSH regulations.

Key measures and FY2025 outcomes:

- **OSH Committees** established at all offices and branches with more than 40 employees, meeting quarterly to review safety matters.
- **OSH Coordinators** appointed at branches with more than five (5) employees to ensure compliance with the OSH (Amendment) Act 2022.
- **2,177 employees trained** in OSH requirements, emergency response, and safety standards.
- **CERT-trained emergency volunteers** (First Aiders and Fire Wardens) appointed; training for the remaining Sarawak branches is scheduled for next year.
- **Annual fire drill with Fire and Rescue Department (Bomba)** conducted to strengthen emergency preparedness and ensure compliance with fire safety regulations.
- **Quarterly workplace inspections** carried out to identify hazards and implement risk controls.
- **Chemical Health Risk Assessment and Ergonomic Risk Assessment assessments** completed for Menara Allianz, Plaza Sentral, KL, and Johor Bahru branches; assessments to be extended to additional branches.
- **Automated External Defibrillator equipment** installed at headquarters to support emergency response.
- Safety reminder emails regularly communicated on ergonomics, emergency contacts, and hazard awareness.
- A centralised emergency response management team established to support employees during natural disasters or crisis situations.
- Safety measures extended beyond employees to protect visitors, contractors, vendors, and persons with disabilities.

Mental Wellness Initiatives

- **The Mind Happiness Programme**

In collaboration with Thrive Well, the programme provides confidential access to mental health professionals and practical tools to improve emotional resilience. In FY2025, coverage extended to 100% of employees, including interns, part-time, and temporary staff.

- **World Mental Wellness Month (October 2025)**

Organised under the theme “Eat. Play. Work.”, featuring restorative and engaging activities such as mindfulness sessions, batik painting, karaoke, darts, snooker, pickleball, and onsite massages. Employees were encouraged to leave work at 3:00 PM on 10 October 2025 to prioritise self-care.

- **Emotional Wellbeing Series**

A series of expert-led sessions covering resilience, stress management, mindfulness, and emotional intelligence to help employees navigate personal and professional challenges.

Financial Health and Wellbeing Initiatives

- **Allianz Free Share Programme**

Eligible employees receive free shares, reinforcing a sense of ownership in Allianz Malaysia’s long-term success.

- **Employee Share Purchase Plan**

For every €3 contributed by employees, Allianz Malaysia contributes an additional €1—supporting wealth-building and long-term financial wellbeing.

- **Benchmarking Total Rewards**

Collaborations with professional consultants ensure remuneration practices remain competitive and aligned with market standards. In FY2025, periodic adjustments were made to salary and benefits packages based on benchmarking results.

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Key Highlights

Great Place To Work®

Allianz Malaysia was certified as a Great Place To Work® for the second year running, reflecting strong employee trust and a workplace culture grounded in respect, fairness, and collaboration. This recognition affirms our commitment to employee wellbeing, high performance, and a positive work environment.



Allianz Engagement Survey ("AES")

We continued to engage employees through the AES to better understand their experiences across job satisfaction, leadership effectiveness, and overall workplace climate. Insights from the survey guide targeted actions to strengthen employee experience, address concerns promptly, and support long-term organisational success.

Hear Me – Employee Listening Programme

Our global Hear Me programme established consistent feedback touchpoints across the employee lifecycle, from onboarding to career development and exit conversations. With an integrated analytics dashboard, leaders receive timely insights that improve engagement, inclusion, and workplace culture.

Work Well Index+ ("WWI+")

In 2025, Allianz Malaysia achieved a favourable **WWI+ score of 88%**, indicating low psychosocial stress and a strong sense of safety, belonging, and support. Employees reported confidence in speaking up, appreciation for flexible work arrangements, and access to continuous learning opportunities—reinforcing our commitment to a secure, inclusive, and future-ready workplace.

HR Stars Awards 2025

Allianz Malaysia was named Employer of Choice at the HR Stars Awards 2025, alongside wins in:



These awards reflect our continuous efforts to elevate employee experience and foster a progressive, inclusive workplace.

Life At Work Awards ("LAWA")

At TalentCorp's prestigious LAWA, Allianz Malaysia received the Winner - **Women at Work & Leadership award**, recognising our commitment to empowering women and strengthening inclusive leadership. Additional recognition included:



These accolades demonstrate our leadership in shaping a future-focused workplace guided by inclusion, equal opportunities, and digital enablement.

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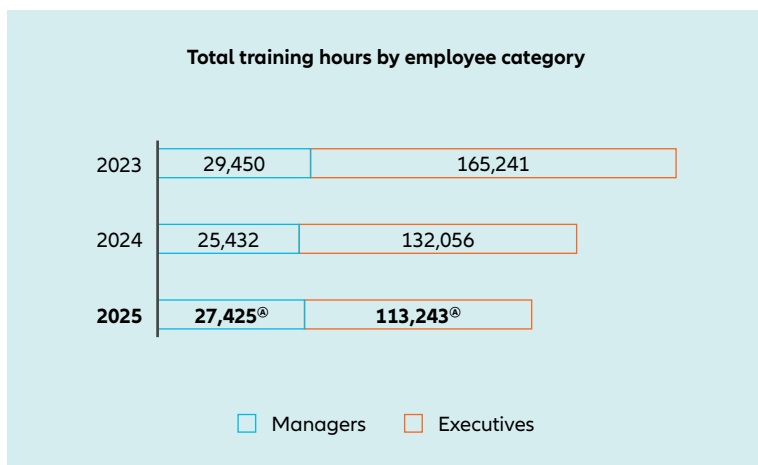
Monitoring Systems and Tracking

We track the effectiveness of our workforce initiatives through a combination of engagement surveys, pulse checks, and adoption metrics for key programmes. Participation in learning, leadership development, wellbeing activities, and flexible work arrangements helps us assess engagement and identify gaps.

We also monitor indicators such as gender representation, pay equity, internal mobility, and retention to evaluate progress on inclusion and equal opportunities. Qualitative insights from focus groups complement these metrics, while external certifications—such as Great Place to Work® and EDGE—provide independent validation of our efforts.

Metrics and Targets

Total expenses for employee training	Total training/learning hours	Average training hours per employee	Average training days per employee	Number of internships hosted
RM1.3 million[Ⓐ]	140,668[Ⓐ]	59.6[Ⓐ]	7.5	156[Ⓐ]
FY2025	FY2025	FY2025	FY2025	FY2025
FY2024: RM1.5 million FY2023: RM1.6 million	FY2024: 157,488 FY2023: 194,691	FY2024: 71.0 FY2023: 95.7	FY2024: 9 FY2023: 12	FY2024: 150 FY2023: 104



Inclusive Meritocracy Index (“IMIX”)

Inclusive Meritocracy is one of our priorities in shaping workplace culture. The IMIX, an internal metric derived from assessments of leadership, performance, and corporate culture, measures our progress toward fostering a work environment where both performance and people are valued.

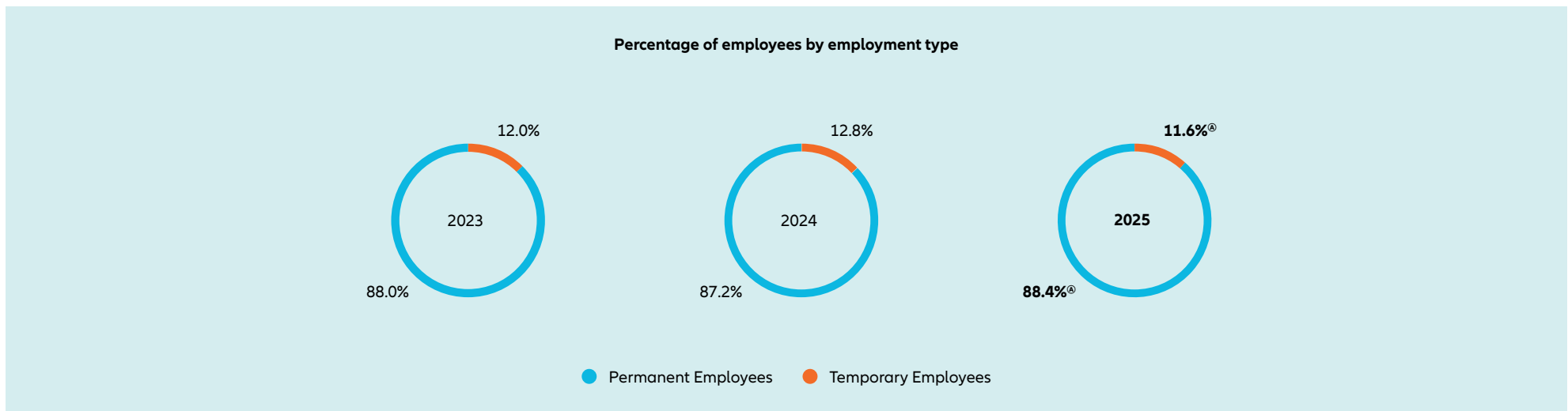
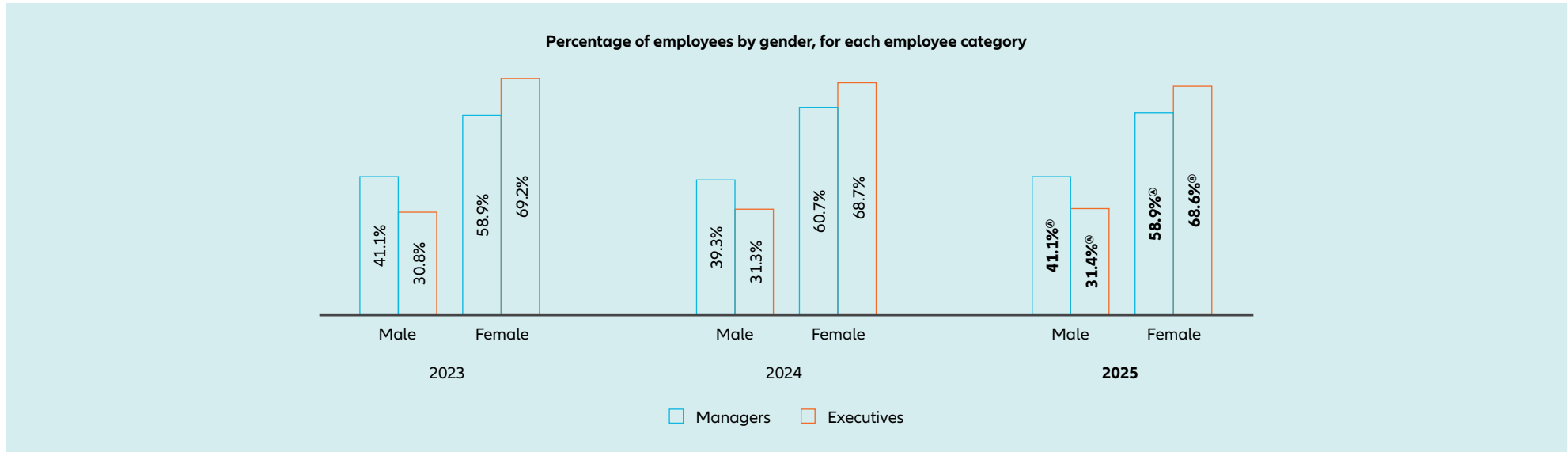
In FY2025, we successfully maintain a positive score of 90%.

EDGE Certification

Allianz Malaysia has achieved the highest EDGE certification - EDGE LEAD, earning international recognition for sustained excellence in workplace gender equity. Allianz Malaysia earned this by exceeding global benchmarks in gender representation, inclusive policies, and equitable employee experiences.

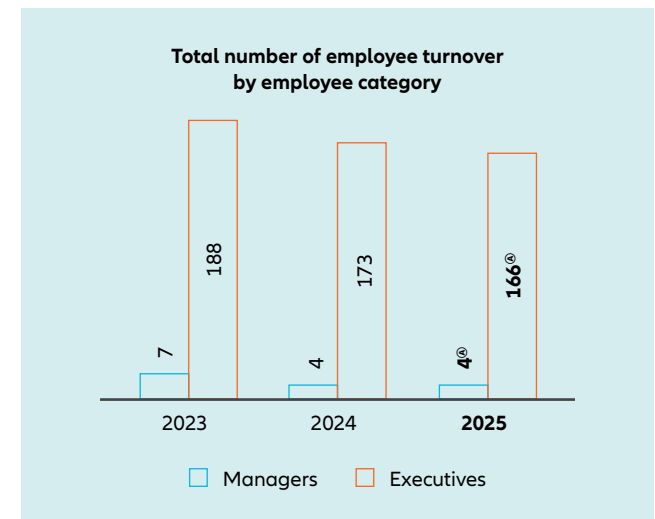
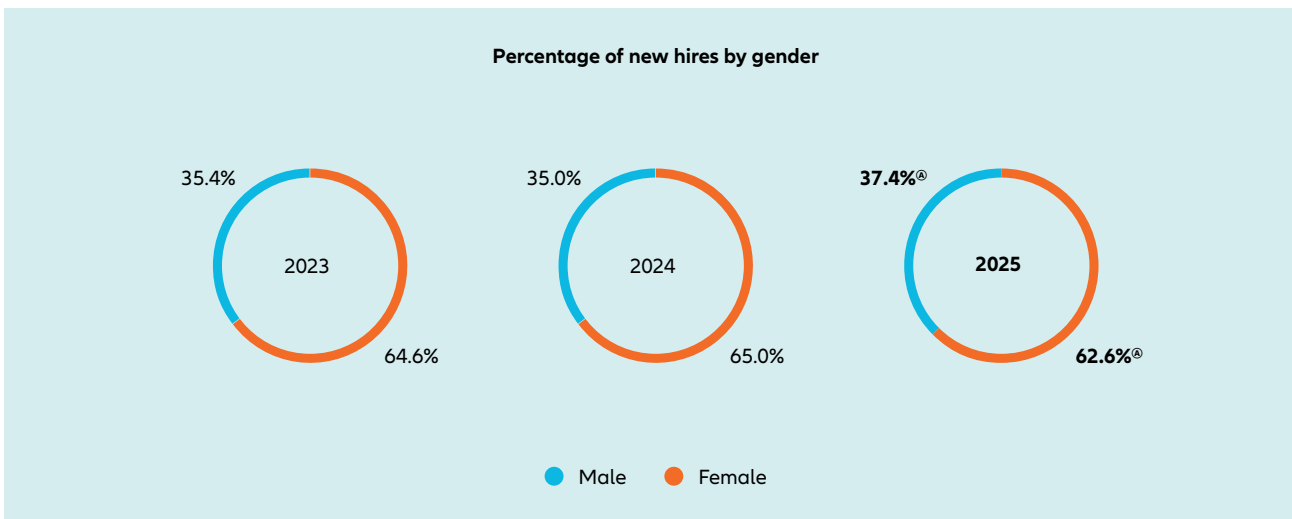
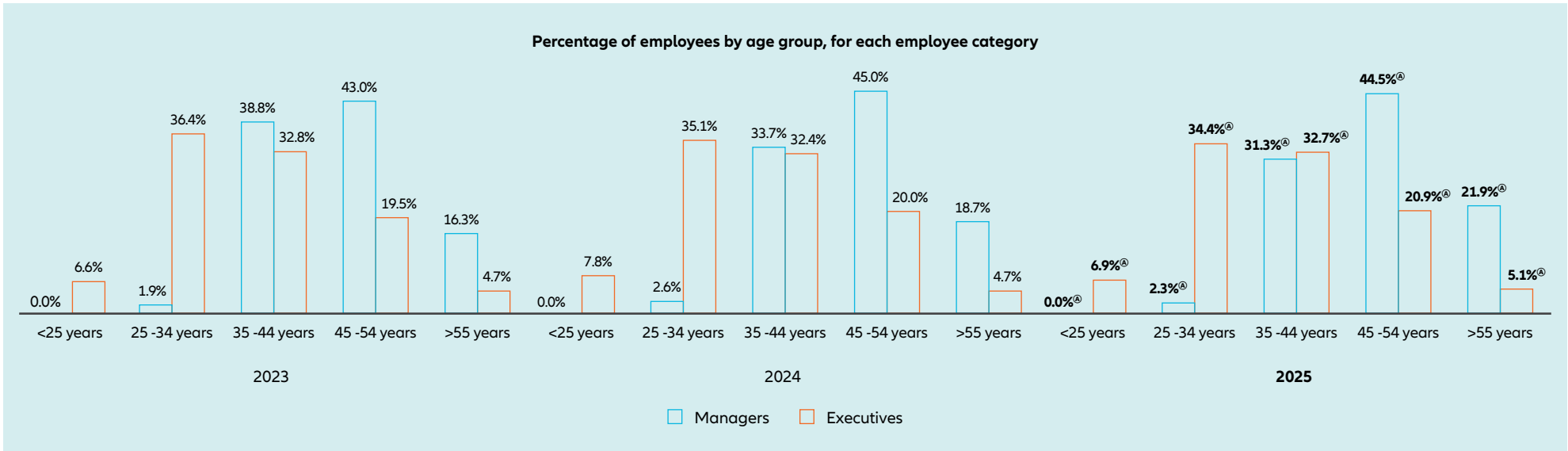
[Ⓐ] The data has been externally assured. Please refer to the independent limited assurance report in this IAR.

Resilient Society



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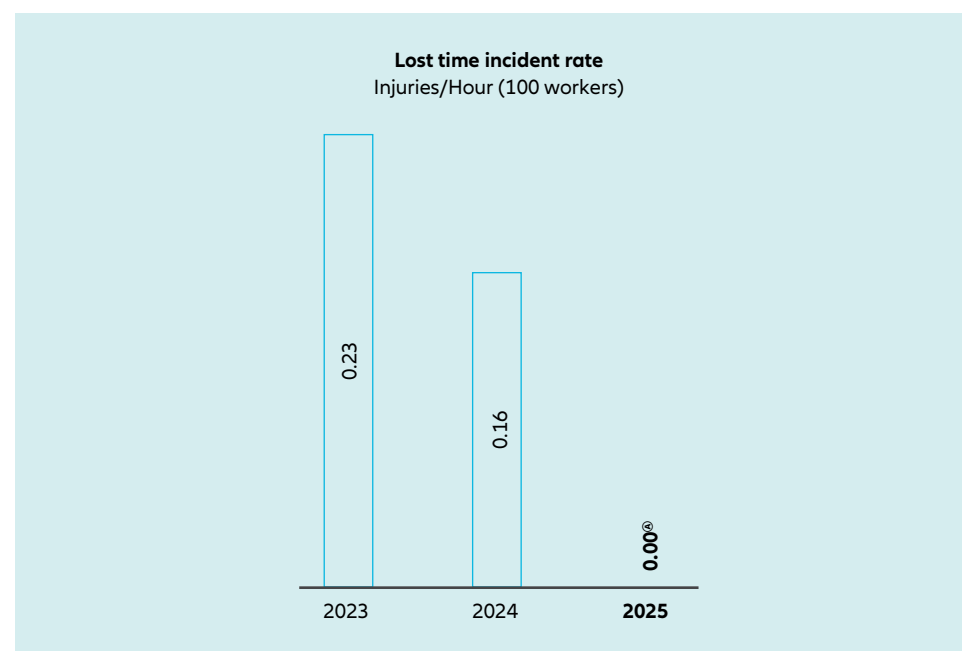
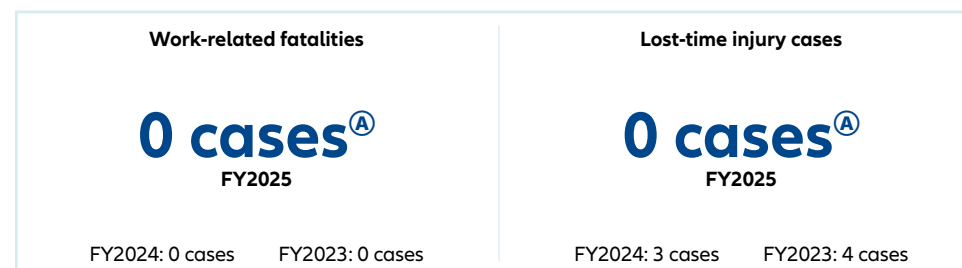
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Key Performance Indicator	Unit	FY2023	FY2024	FY2025
Total number of contracted employees ¹	Headcount	2,032	2,113	2,098
Total number of active employees ²	Headcount	2,035	2,112	2,099
Managers	Headcount	270	267	265[Ⓐ]
% male employees	%	41.1	39.3	41.1[Ⓐ]
% female employees	%	58.9	60.7	58.9[Ⓐ]
<25 years	%	-	-	-[Ⓐ]
25-34 years	%	1.9	2.6	2.3[Ⓐ]
35-44 years	%	38.8	33.7	31.3[Ⓐ]
45-54 years	%	43.0	45.0	44.5[Ⓐ]
>55 years	%	16.3	18.7	21.9[Ⓐ]
Executives	Headcount	1,765	1,845	1,834[Ⓐ]
% male employees	%	30.8	31.3	31.4[Ⓐ]
% female employees	%	69.2	68.7	68.6[Ⓐ]
<25 years	%	6.6	7.8	6.9[Ⓐ]
25-34 years	%	36.4	35.1	34.4[Ⓐ]
35-44 years	%	32.8	32.4	32.7[Ⓐ]
45-54 years	%	19.5	20.0	20.9[Ⓐ]
>55 years	%	4.7	4.7	5.1[Ⓐ]
Full time employees	Headcount	2,034	2,110	2,098[Ⓐ]
Part time employees	Headcount	1	2	1[Ⓐ]
Permanent employees	Headcount	1,789	1,843	1,855[Ⓐ]
Percentage	%	88.0	87.2	88.4[Ⓐ]
Temporary employees	Headcount	243	270	243[Ⓐ]
Percentage	%	12.0	12.8	11.6[Ⓐ]
Total number of new hires	Headcount	316	294	222[Ⓐ]
% male hires	%	35.4	35.0	37.4[Ⓐ]
% female hires	%	64.6	65.0	62.6[Ⓐ]
Employee Turnover Rate ³	%	9.5	8.5	8.1[Ⓐ]
Managers	Headcount	7	4	4[Ⓐ]
Executives	Headcount	188	173	166[Ⓐ]

Notes:

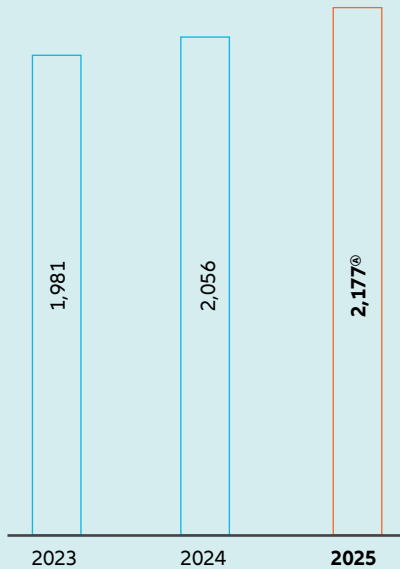
1. New metric has been added to align with the CSRD approach.
2. The metric name has been changed from "Total number of employees" to "Total number of active employees" to align with the CSRD approach.
3. The metric has been renamed from "Attrition Rate" to "Employee Turnover Rate" to align with ESG rating criteria, the calculation methodology remains unchanged.



[Ⓐ] The data has been externally assured. Please refer to the independent limited assurance report in this IAR.

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Number of employees trained on health and safety standards
Headcount



Substantiated complaints concerning human rights violations

0 cases[Ⓐ]
FY2025

FY2024: 0 cases FY2023: 0 cases

Key Performance Indicator	Unit	FY2023	FY2024	FY2025
Instances of non-compliance with labour standards (health and safety, inclusion, equal opportunities, human rights etc.)	Number	0	0	0

Key Performance Indicator	Unit	FY2023	FY2024	FY2025
Number of employees invited to participate in AES	Headcount	1,866	1,836	1,908 [Ⓐ]
AES participation rate	%	98	97	96 [Ⓐ]
WWI+	%	84	88	88 [Ⓐ]
Employee Engagement Index	%	89	91	89 [Ⓐ]
IMIX	%	89	91	90 [Ⓐ]

Outlook

Allianz Malaysia will continue strengthening its people strategy by expanding clear career pathways, enhancing learning and leadership development, and deepening its commitment to inclusion and equal opportunities. In the near term, we will focus on closing critical skills gaps, improving employee engagement, and refining recruitment and promotion practices, including implementing mixed-gender interview panels by 2026.

Over the medium term, we aim to embed continuous learning, broaden wellbeing support, and use data and AI to improve workforce planning. Long-term priorities include building capabilities for emerging technologies, strengthening leadership pipelines, and transitioning toward more agile, and flexible workforce models.

Digitalisation and AI will play a central role, with continued investment in digital fluency and human-AI collaboration. Global Allianz commitments, such as the Ways of Working framework and group-wide inclusion and sustainability goals, will guide our direction as we evolve toward a more future-ready, inclusive, and adaptable workforce.

[Ⓐ] The data has been externally assured. Please refer to the independent limited assurance report in this IAR.

Liveable Planet

Environmental and Climate Action

Capitals



Stakeholders Concerned



UN SDGs



Climate change is intensifying pressures on global financial and social systems, underscoring the urgent need for accelerated action to achieve net-zero emissions by 2050. As climate risks rise and extreme weather events become more frequent, claims payouts are expected to increase. At the same time, proprietary investments face heightened exposure to market volatility driven by transition risk. In response, Allianz Malaysia is strengthening its climate-risk management capabilities and pursuing opportunities that build long-term resilience.

Management Approach


Our climate approach is anchored in the Sustainability Strategy Pillar, Liveable Planet, under our Sustainability Positioning, which focuses on decarbonisation, adaptation and resilience, and promoting sustainable growth. This strategy aligns with Allianz’s inaugural Net-Zero Transition Plan, which sets climate goals aligned with the Paris Agreement and provides a roadmap to achieve net-zero emissions by 2050. We target a 57% reduction in emission intensity in our proprietary investment portfolio for listed equity and corporate bonds by 2030 (2019 baseline), and a 70% reduction of emissions in our own operations by 2030 (2019 baseline) reinforcing our commitment to the global transition toward a low-carbon economy.

Decarbonisation

We are committed to driving decarbonisation by reducing emissions within our operations and across our insurance and investment activities. We support the green transition through our insurance and investment solutions, while integrating climate considerations into underwriting and proprietary investments to mitigate climate risks.

Key initiatives implemented include:

- **Certified Sustainable Solution:** Insurance solutions certified to meet criteria based on the E.U. Taxonomy, assuring customers of alignment with sustainable principles.
 - **Allianz EV EcoMiles:** Rewards programme that offers cash incentives to eligible EV policyholders based on annual mileage, encouraging low-carbon driving habits.
- **SolarPro All Risk PV:** All-risk insurance protection for residential and commercial users of solar photovoltaic panels.
- **Sustainable Investment-Linked Fund:** Funds investing in Article 8 SFDR-classified underlying funds with environmental or social characteristics.

 For more information, kindly refer to “Responsible Products, Investments and Underwriting” section on pages 69 - 75.

Adaptation and Resilience

Adapting to climate change and building climate resilience are essential to reducing the impacts of current and future climate-related risks on our organisation. We proactively implement adaptation strategies to withstand extreme weather events and remain committed to continually enhancing our approach to identifying and managing climate risks and opportunities. This includes investing in data and technology to strengthen our understanding of natural catastrophe perils.

In FY2024, Allianz General introduced geocoding functionality for Fire insurance products, leveraging Google Maps to enhance property address capture. This innovation streamlined underwriting processes and improved address data quality with precise geocoordinates. This approach provides a more accurate assessment of flood exposure, strengthening portfolio resilience against flood events.


The initiative also supports the provision of accessible and affordable coverage for lower-risk properties in flood-prone states. Aligned with the sustainability strategy under “Adaptation and Resilience”, this initiative demonstrates how data-driven innovation supports communities in navigating environmental change. It enhances long-term resilience by enabling better flood risk management and catastrophe reinsurance planning.

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Promoting Sustainable Growth

We remain committed to supporting customers in mitigating climate-related risks through coverage for perils including floods, fires, and windstorms. These coverages are incorporated into our diverse product portfolio, including Motorcycle Plus, KampungKu, Car and Motor Comprehensive, Car and Motor Third Party, Fire and Theft Cover, and PerlindunganKu Allianz4All, all intended to safeguard customers from environmental challenges while supporting sustainable growth.

In addition, Allianz General introduced an SMS weather alert initiative that proactively notifies customers in high flood-risk areas based on forecasts from Malaysian Meteorological Department. By leveraging geocoordinates, we enhanced our understanding and management of climate-related claims. Through these strategies, we seek to advance sustainable growth by enhancing community resilience and preparedness for climate-related risks.

 For more information, kindly refer to “Customer Centricity” section on pages 76 - 80.

Our commitment to managing climate change is anchored in alignment with the National Energy Transition Roadmap. We focus on strategically expanding financing and insurance for low-carbon technologies, while imposing clear limitations on business models heavily dependent on fossil fuels to manage transition risks. In addition, we provide climate-related coverage for our customers, supported by strong climate action within our own operations.

We advance our climate agenda through strategic partnerships. Allianz Malaysia actively participates in the JC3 as part of its main and sub-committees on risk management, including working groups on taxonomy, physical and transition risks, and data. In November 2025, we participated in the JC3 SME Climate Conference to help small businesses address climate-related risks. We also engage regularly with BNM through one-on-one dialogues, focus group discussions on Net Zero Transition Planning, and other sustainability initiatives.

Climate Change Risk Assessment

At Allianz Malaysia, we adopt a structured approach to managing climate risks. In assessing the potential impacts which may affect our business and operations, we consider external regulatory and market developments, along with internal insights from key business units to ensure a comprehensive assessment of transition and physical climate risks. The Sustainability Committee, comprising the Group’s top management, oversees decision-making on sustainability and climate-related matters and champions these initiatives across the organisation. These insights inform our strategy, enabling us to anticipate challenges and build resilience through mitigation and adaptation.

Climate-related risks are integrated into our risk management framework. We have conducted a comprehensive qualitative climate risk assessment in FY2023. In FY2025, we reviewed the risk ratings of key identified risks, as well as conducted quantitative scenario analyses.

Evaluations across short- (up to 1 year), medium- (1 - 5 years), and long-term (more than 5 years) horizons enable the identification of key risk drivers and their potential impacts, providing deeper insight into climate change implications across major business areas. The time horizons are aligned with key internal processes, including the short-term one-year reporting cycle, the medium-term five-year strategic planning and capital allocation horizon, and the long-term horizon for transformative strategies. The assessments also inform the prioritisation of actions, targets, and monitoring levels.

The climate risk assessment covers Investments, P&C and Life & Health (“L&H”) underwriting, and Operations. For each business area, key physical and transition risk drivers arising from technological, policy and regulatory, litigation, and behavioural changes are identified. These drivers are assigned one (1) of two (2) scenarios depending on which led to a higher chance of the risk materialising: a “strong response” scenario, reflecting robust regulatory, legal, technological, or behavioural action; and a “no response” scenario, assuming limited or delayed measures. By considering the earliest plausible time horizon at which they would materialise, risks are qualitatively evaluated based on the likelihood and magnitude of financial or reputational impacts, with overall risk ratings derived using a magnitude-likelihood matrix. The results are considered in the annual Top Risk Assessment (“TRA”) process which prioritises the Group’s key risks.

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Transition and Physical Risks and Their Associated Impacts

■ Short-term
 ■ Medium-term
 ■ Long-term

Key Area	Main Risk Drivers and Potential Impacts	Time Horizon
P&C (Motor)	Technology: The transition to electric vehicles presents challenges in pricing due to uncertainty in claims cost arising from a lack of historical data. Despite being a significant short-term concern, this is anticipated to normalise with widespread adoption and accumulated experience.	 Medium-term
P&C (Non-motor)	Technology/Policies and Regulations: Expansion into new sectors aligned with Malaysia’s National Energy Transition Roadmap, such as renewable energy projects and the development of green buildings, may result in heightened claims uncertainty in the near term due to emerging technologies. Nonetheless, this uncertainty is expected to diminish over time with advancements in stability and safety of such technology.	 Medium-term
	Physical: The increasing frequency of floods in recent years has heightened the impact of extreme weather events, affecting claims payouts. If premium increases cannot fully account for the rising losses, the insurability of certain areas may be compromised in the long-term, particularly without mitigating actions by relevant stakeholders.	 Long-term
L&H	Physical: Heatwaves, vector-borne diseases, or flood-induced food and freshwater scarcity, as well as other climate-related events, will impact morbidity and mortality rates over the long-term.	 Long-term
Investments	Policies and Regulations/Litigation: Changes in emissions regulations, global trade policies, energy subsidies, and carbon taxes, along with a failure to transition towards sustainable operations or engaging in “greenwashing”, could potentially result in significant costs or losses for companies operating in high-emission sectors. Such developments could also pose financial market risks to Allianz Malaysia due to investment exposures to these companies. While Allianz Malaysia’s portfolio is well diversified and incorporates ESG criteria and restrictions in investment considerations to mitigate this impact, any ripple effect on the broader market leading to increased volatility may affect overall asset values. These risks are considered more pressing over the medium-term, as the establishment of transition-related measures will largely occur within this timeframe.	 Medium-term
Operations	Policies and Regulations: Over the short- to medium-term the most consequential impact for own operations includes compliance with the quickly developing regulatory landscape, which increases complexity through the need to introduce new or modified processes, reporting and governance elements.	 Short- to medium-term

Financial Effects of Climate-related Risks

Current Financial Effects

Climate change is intensifying and increasing the frequency and severity of natural catastrophe events. From a financial standpoint, however, it is uncertain how to identify the extent that a natural catastrophe is attributable to anthropogenic climate change above and beyond natural variations in the Earth’s climate. Similarly, as effects of climate-related risks often resonate as economic factors, it is difficult to separate the financial impact attributed to climate change from other broader economic factors such as inflation, changing consumer behaviour, or supply chain constraints. As such, the quantitative financial impacts from climate-related risks in the current reporting year are not disclosed at either the individual or aggregate level as these impacts cannot be separately identified.

Climate-related risks are indirectly considered when assessing the Statement of Financial Position, which ultimately influences our capital and solvency position. Natural catastrophe events can result in changed insurance revenue, as well as increased insurance claim costs and reinsurance costs, although the direct attribution of such natural catastrophe events to climate change cannot be determined.

We do not see significant risks of material adjustments within the next annual reporting period to the carrying amounts of assets or liabilities. In general, investment asset values reflect current market and fair value views, in line with MFRS 9. As an insurer, liabilities are dominated by insurance contracts, which are accounted for under the insurance accounting principles under MFRS 17. The respective insurance accounting measurement models are based on estimates of present value of future cash flows, which comprise all cash flows expected to arise as the insurance contract is fulfilled. In estimating these future cash flows, we incorporate, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. For the year under review, there are no material capital expenditures, financing activities, or investments relating to climate-related risks and opportunities. All costs incurred are essential in nature and have been accounted for within operational expenditure.

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Anticipated Financial Effects

In the process of conducting climate risk stress tests, we have identified a high measurement uncertainty, which is driven by methodological challenges, complexity of the modelling of anticipated financial effects, and a lack of actual data that can be used as inputs, requiring a large degree of estimates and assumptions. Any estimates of the effects of the climate-related anticipated financial effects are based on scientific research findings and scenario data that are currently available and considered relevant. They are subject to considerable uncertainties associated with long-term projections in general and climate change modelling in particular.

After careful consideration, we have concluded that the measurement uncertainty surrounding anticipated financial effects from climate-related risks is so high, that the resulting disclosure would not be useful information. Therefore, it was decided not to disclose quantitative information on anticipated financial effects from climate-related risks, in line with IFRS S2 Para 19 (b).







While we acknowledge the high measurement uncertainty surrounding any quantitative disclosures on anticipated financial effects from climate-related risks, the following section on Climate Scenario Analysis provides descriptive information on the potential effects from such risks based on the climate scenario analyses we conducted.

Climate Scenario Analysis

In FY2025, Allianz Malaysia conducted quantitative climate risk scenario analyses for both general and life insurance operations in Malaysia across short- (up to 1 year), medium- (1 - 5 years), and long-term (more than 5 years) horizons, as previously defined, to assess the potential climate impacts under different climate pathways. These time horizons are aligned to the business planning cycles. The analysis, guided by BNM's Climate Risk Stress Test ("CRST") scenarios and assumptions, complements the qualitative climate risk assessment. The results of the scenario analysis provide a quantitative perspective to enhance our resilience analysis.

The analysis applied three (3) climate related scenarios developed by the Network for Greening the Financial System ("NGFS"), aligned with the latest international climate agreement. These scenarios, designed for financial stress testing by central banks and supervisory authorities, outline pathways for macroeconomic variables under varying levels of transition and physical risk. The FY2023 baseline was applied for the scenario analysis, in line with BNM CRST guidance.

The scenario analysis is based on key assumptions outlined in the following table, reflecting anticipated policy, technology, and market developments under each climate pathway.

NGFS Scenarios	Assumptions	Transition Risk	Physical Risk
Orderly: Net Zero 2050 ("NZ 2050")	Policies are well-coordinated and effectively implemented to achieve net zero by 2050. Technology and renewable energy adoption progresses steadily, and transition costs remain relatively low, helping to limit warming to 1.5°C.	 High	 Limited
Disorderly: Divergent Net Zero 2050 ("DNZ 2050")	Global climate policies tighten across key sectors and accelerate fossil fuel phase-out, though implementation remains uneven across regions. Technological and renewable energy progress advances more slowly due to limited financing and structural economic constraints. Net-zero is reached by 2050 but at high transition costs, including rising carbon prices.	 High	 Limited
Hot-House World: Nationally Determined Contributions ("NDCs")	Climate action remains limited to current pledges, which are insufficient for an orderly transition, leading to an estimated 2.5°C temperature rise. Transition costs remain low.	 Limited	 High

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The table below outlines the impact on the P&C and L&H business under these scenarios. We have stressed both sides of the balance sheet by measuring asset or liability-specific stress impacts on a static balance sheet. Impacts are estimated for market stresses, as well as P&C and L&H underwriting stresses.

Market risk is primarily driven by market value losses, especially when uncoordinated climate policy implementation triggers economic uncertainty. The underwriting risks considered include flood for the P&C business, and temperature-related excess morbidity and mortality for the L&H business.

Below is a summary of the potential overall implications of these contrasting scenarios for our business, assuming no management actions (e.g., no repricing nor changes to the reinsurance structure):

	Short-term (up to 1 year)	Medium-term (1 - 5 years)	Long-term (more than 5 years)
NGFS Scenarios	Orderly: Net Zero 2050 ("NZ 2050")		
Market	Relatively higher market value losses, however lower than DNZ 2050	Moderate market value losses	Low market value losses
P&C Underwriting	Limited impact	Limited impact	Limited impact
L&H Underwriting	Limited impact	Limited impact	Limited impact
NGFS Scenarios	Disorderly: Divergent Net Zero 2050 ("DNZ 2050")		
Market	Relatively higher market value losses	Moderate market value losses	Low market value losses
P&C Underwriting	Limited impact	Limited impact	Limited impact
L&H Underwriting	Limited impact	Limited impact	Limited impact
NGFS Scenarios	Hot-House World: Nationally Determined Contributions ("NDCs")		
Market	Limited impact	Limited impact	Limited impact
P&C Underwriting	Limited impact	Moderate increase in claims due to flood, limited by reinsurance treaty	Further increase in claims compared to medium term though still contained by reinsurance treaties
L&H Underwriting	Limited impact	Moderate increase in medical claims	Further increase in mortality and morbidity claims compared to medium term

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The scenario analysis indicates that the balance sheets of both P&C and L&H businesses are expected to remain resilient against the projected impacts under all three scenarios, particularly when potential management actions are considered. In turn, this reflects the resilience of our strategy and business model even under long-term stress scenarios. However, it is important to acknowledge the inherent uncertainties surrounding measurement of climate-related impacts and limitations of climate change modelling. Climate system changes are unpredictable and may become irreversible beyond the 1.5°C tipping point, and long-term assumptions carry additional uncertainty. Catastrophe models, even under current climate conditions, can produce estimates that vary from actual losses. Flood assessments consider both surface (pluvial) and river (fluvial) flooding, but do not include coastal flooding due to the unavailability of data. NGFS scenarios used for CRST assume level effects (permanent climate change impacts economic output temporarily, with growth resuming post-stabilisation) and exclude growth effects (permanent shocks on long-term growth), which can lead to significantly different long-term estimates.

Certain key risks identified in the qualitative assessment were excluded, such as the short-term transition risk associated with EV adoption. This exclusion is intended to avoid distorting the analysis due to the uncertainty of potentially offsetting effects. For example, if climate change is the main driver of the shift to EVs, it may be accompanied by increased use of public transport or reduced travel, which could offset its impact on motor claims. To date, we have not observed any significant differences between EV and non-EV claims experience and will continue to monitor this closely.

Assets and Business Activities Vulnerable to Climate-related Physical and Transition Risks

We have not excluded any assets nor business activities from the scope of our assessment of anticipated financial effects, as generally all assets and business activities can potentially be vulnerable to climate-related physical and transition risks and therefore need to be part of the analysis. By following this approach, we ensure that potential financial effects are assessed holistically from a total balance sheet perspective.


Opportunities Arising from Climate Transition

Climate-related opportunities arising from climate change have been identified to capture potential benefits arising from the transition to a low-carbon economy. These opportunities are assessed across short-, medium-, and long-term horizons, considering both the likelihood and potential magnitude of the opportunities. Each opportunity is assigned a rating that determines its prioritisation, monitoring intensity, and steering actions. While this evaluation process is in place, we have not yet performed any scenario analysis for climate-related opportunities.

Sustainable Solutions

The Sustainable Solutions framework for our P&C segment is based on the EU Taxonomy and incorporates additional elements that contribute to sustainability objectives beyond climate change adaptation. In developing this framework, guiding principles were defined. One key principle is to support customers in mitigating their sustainability risk exposure while enabling the transition of economies and communities. This includes developing and offering insurance products and solutions for low-emission technologies critical to the net-zero transition, as well as incentives that promote sustainable behaviours.

Time Horizon


 Short- to long-term

Sustainable Investments

Opportunities Description

Increasing capital towards sustainable investment assets. This approach supports the low-carbon transition while creating opportunities for long-term value through responsible investments.

Time Horizon

 Medium- to long-term

These opportunities provide new avenues for growth while supporting broader efforts to foster a sustainable and resilient future for generations to come.

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Financial Effects of Climate-related Opportunities

Current Financial Effects

The identified climate-related opportunities are expected to become more material in the future while their effects in 2025 is still relatively small. Sustainable Solutions is reflected within the insurance revenue in the Statement of Profit or Loss whereas Sustainable Investments is reflected within the investment asset value in the Statement of Financial Position.

Anticipated Financial Effects

We have assessed that detailed forward-looking disclosures of anticipated financial effects from our climate-related opportunities would be highly commercially sensitive. Therefore, we have made use of the exemption to disclose forward-looking information on anticipated financial effects from our material climate-related opportunities as defined in IFRS S1 B34-B35 due to their highly commercially sensitive nature.

Our Response Measures Against Climate-related Risks and Opportunities

At Allianz Malaysia, sustainability risks, including climate-related risks, are treated as overarching risks that manifest within existing risk categories such as market, credit, underwriting, and operational risks. Immediate climate-related risks are managed by addressing these underlying risk categories. For example, market risks are mitigated through regular asset-liability management, duration gap analyses and ongoing monitoring and steering of investment emissions.

Reflecting on assessment findings, it is recognised that while certain situations may require climate-specific mitigation measures, existing risk management processes are generally sufficient. In P&C underwriting, for instance, geocoding tools have been implemented to enhance the understanding of flood exposure, complementing established pricing and portfolio management practices such as premium adjustments, coverage modifications, and risk limit changes.

Additionally, Allianz Malaysia has implemented targeted measures to strengthen resilience and ensure robust risk management across its operations and investment portfolios.

Carbon Emissions Reduction

Allianz Malaysia has established targets to reduce carbon emissions intensity in its proprietary investment portfolio for listed equity and corporate bonds by 2030. In alignment with the Allianz's Net-Zero Transition Plan, we are committed to achieving net-zero GHG emissions across our business operations, proprietary investment, insurance underwriting, and through the adoption of low-carbon technologies. At the operational level, we aim to source 100% of our electricity from renewable sources by purchasing International Renewable Energy Certificates ("i-RECs").

Integration of Climate Considerations into Business Activities

Our commitment to integrating climate considerations into operations is reflected in the incorporation of these factors across underwriting processes, investment decisions, and insurance transactions. This includes the phased withdrawal from fossil fuel investments and ongoing monitoring of the carbon footprint within our investment portfolio. Additionally, we have introduced insurance solutions that provide flood relief benefits and disaster recovery support, reinforcing resilience against climate-related risks.

 For more information, please refer to section "Responsible Products, Investments and Underwriting" on pages 69 - 75.

Strengthening Flood Risk Assessment in Underwriting

Geocoding tool was introduced in P&C underwriting to enhance flood risk assessment, supported by pricing and portfolio strategies such as premium adjustments, coverage changes, and risk limit modifications.

Introduction of Sustainable Solutions

We have introduced products to support the low-carbon transition, including Allianz EV EcoMiles. These solutions incentivise low-carbon practices, such as reducing vehicle usage, thereby contributing to carbon emission mitigation and supporting the transition to a sustainable future.

Despite implementing climate response measures, uncertainty persists regarding the extent of climate change's impact on the insurance market, given its dependence on global actions to address the issue. Potential implications include shifts in coverage affordability, contraction of existing markets, and the emergence of new markets, products, or coverages for risks that are challenging to price, such as those linked to emerging technologies. We remain committed to actively monitoring these trends, as well as emerging risks and opportunities, to inform future strategic decisions.

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Key Initiatives

Our net-zero commitment by 2050, covering proprietary investments, P&C underwriting, and our own operations, is supported by interim targets established for 2030 to ensure measurable progress. These targets are aligned with Allianz Malaysia's Sustainability Strategy; however, they are currently not validated by any external third party.

Supporting the Low-Carbon Transition

Target

57% reduction in emission intensity in our proprietary investment portfolio for listed equity and corporate bonds by 2030 (baseline 2019)

Allianz Malaysia achieved its end-2024 decarbonisation target of a 30% reduction in emissions intensity across its proprietary investment portfolio for listed equity and corporate bonds relative to the 2019 base year. Following this milestone, the Group has set new interim targets aligned with Allianz Malaysia's broader decarbonisation pathway, targeting a 57% reduction in emissions intensity for the same portfolio by 2030, relative to 2019. As at end-2025, Allianz Life recorded a 33.3% reduction in emissions intensity, while Allianz General recorded a 55.9% reduction, both against the baseline year of 2019. Allianz Malaysia also remains committed to achieving net-zero GHG emissions across its proprietary investment portfolio by 2050.



For more details, refer to the Allianz Energy Guidelines and visit Allianz Malaysia's website for further insights into our climate strategies and targets.

Allianz Tackling Climate Change

Allianz Energy Guidelines

To support the global energy transition, we are strategically phasing out carbon-intensive fossil fuel business models across our insurance and investment operations, while actively promoting the adoption of renewable and low-carbon energy solutions. This approach aligns our underwriting and investment practices with the Paris Agreement and reinforces our commitment to scaling sustainable energy and mitigating climate-related risks.

Advancing the Net-Zero Transition

Allianz Malaysia recognises its responsibility and the urgent need to accelerate renewable energy adoption while phasing down fossil fuel use. In line with this commitment, Allianz has issued a Statement on Low-Carbon Solutions (formerly known as the Statement on Renewable/Low-Carbon Energy). This policy governs Allianz Malaysia's proprietary investments and P&C underwriting, enabling targeted support for renewable and low-carbon energy projects. It reflects our commitment to moving away from coal, oil, and gas while promoting credible transition pathways for companies.

We are dedicated to supporting businesses with credible transition plans to reduce reliance on coal, oil, gas, and oil sands. Our objective is to provide insurance to companies that demonstrate a clear commitment to transitioning at the appropriate speed and scale. To achieve this, we assess companies individually to determine whether they qualify for exemptions under the Allianz Energy Guidelines.

This approach aligns with BNM's initiatives through the Joint Committee on Climate Change, which encourages financial institutions to facilitate the transition toward a low-carbon economy.

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Reducing Our Environmental Footprint

Target

Reduction of emissions in our operations by 70% by 2030 (baseline 2019)

During FY2024, we achieved our previous target of a 50% reduction of emissions in our operations by 2025, relative to the 2019 baseline. In FY2025, we have refreshed our target and are aiming to reduce emissions in our own operations by 70% by 2030, using 2019 as the baseline. This year, we recorded a 76.2% reduction in total GHG emissions in our operations, demonstrating our ongoing efforts to manage environmental impact. We also maintained our RE100 commitment this year by purchasing RE100 certificates to offset 100% of our brown energy utilisation from the previous year. Additional initiatives undertaken in our operations are detailed as follows:

Environmental Management System (“EMS”)

We are committed to minimising environmental impact in support of a low-carbon economy, leveraging our in-house EMS to systematically monitor and manage energy use and travel-related emissions. In 2025, we are maintaining 100% of EMS coverage to all our employees.

Solar panel installations at branch office

We installed solar panels at a branch office to promote the use of renewable energy and reduce reliance on conventional power sources.

Retrofitting branch offices for energy efficiency

Recent upgrades include LED lighting to enhance energy efficiency. We prioritise resource efficiency in new asset purchases for installation in other premises.

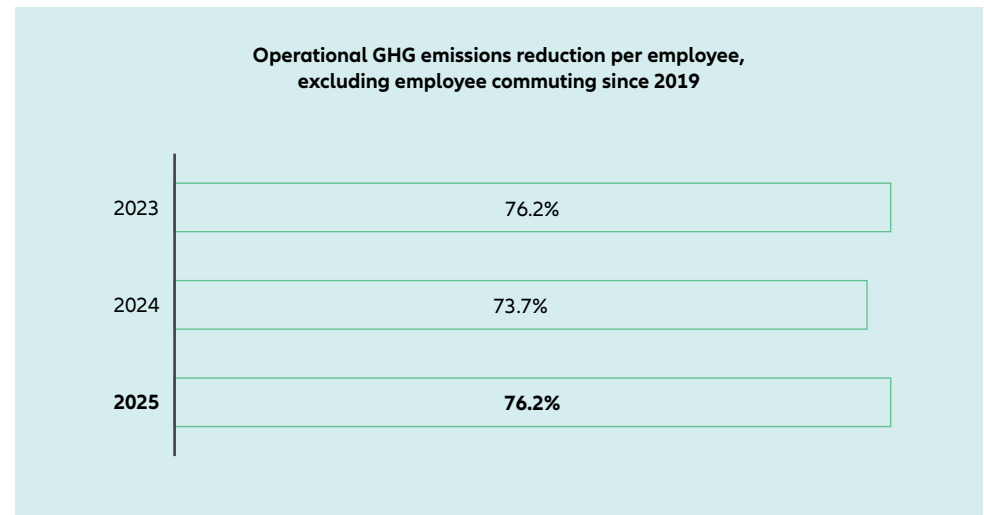
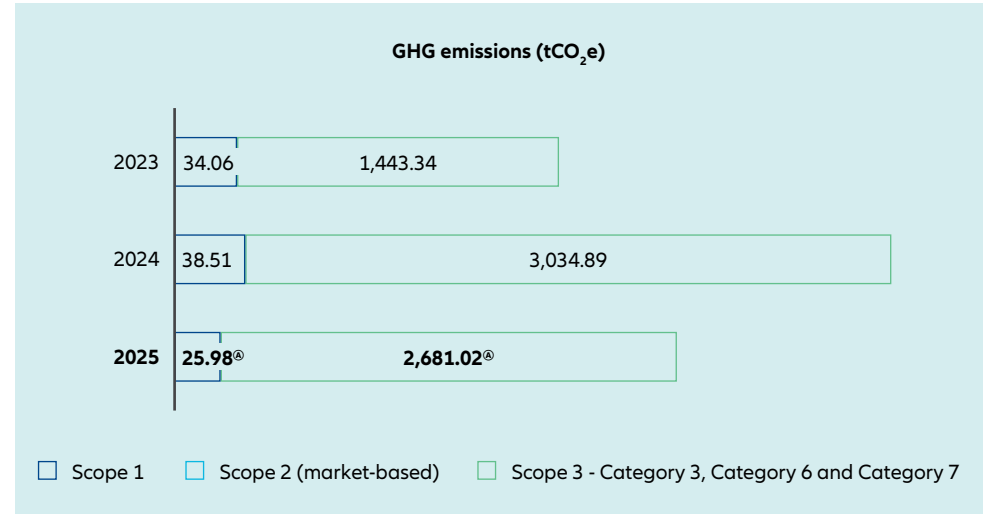
Reduction of in-person meetings and training

Balancing the need to reconnect and the associated environmental impact of travel.

Increasing EV in Company Fleet

We continue efforts to increase EV usage while considering suitability for trips, charging infrastructure availability, and other travel needs.

Metrics and Targets



[Ⓐ] The data has been externally assured. Please refer to the independent limited assurance report in this IAR.

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Key Performance Indicator	Unit	2019	FY2023	FY2024	FY2025
Environmental Management System ("EMS")⁴					
Share of our employees in scope of our EMS	%	100	100	100	100[Ⓐ]
Operational GHG emissions					
Total Operational GHG emissions ^{1, 5, 8}	tCO ₂ e	5,719.33	1,477.40	3,073.40	2707.00[Ⓐ]
Scope 1 – Direct GHG emissions ^{5a}	tCO ₂ e	925.10	34.06	38.51	25.98[Ⓐ]
Scope 2 – Indirect GHG emissions (market-based) ^{5b, 6}	tCO ₂ e	2,981.03	-	-	0[Ⓐ]
Scope 2 – Indirect GHG emissions (location-based) ^{5b}	tCO ₂ e	-	-	-	2,113.5[Ⓐ]
Scope 3 – Other indirect GHG emissions ^{5c}	tCO ₂ e	1,813.20	1,443.34	3,034.89	2,681.02[Ⓐ]
Operational GHG emissions per employee, excluding employee commuting ⁹	tCO ₂ e/ employee	3.05	0.73	0.80	0.73[Ⓐ]
Operational GHG emissions reduction per employee, excluding employee commuting since 2019 ⁹	%	-	76.2	73.7	76.2
Scope 3 Category 3 Fuel and Energy-related Activities^{5c}					
GHG Emissions on Fuel and Energy-related Activities (not included in Scope 1 & 2)	tCO ₂ e	-	316.25	341.17	316.25[Ⓐ]
Scope 3 Category 6 Business Travel^{5c, 7}					
GHG Emissions on business travel	tCO ₂ e	-	1,013.84	1,073.57	1,031.21[Ⓐ]
Total distance travelled	km	12,181,200	6,137,471	6,591,053	6,654,194[Ⓐ]
Distance travelled per employee	km/ employee	6,503.6	3,024.9	3,140.09	3,140.25[Ⓐ]
Distance travelled reduction per employee since 2019	%	-	53.5	51.7	51.7
Scope 3 Category 7 Employee Commuting^{5c}					
GHG Emissions on employee commuting	tCO ₂ e	-	-	1,620.16	1,333.56[Ⓐ]
Of which is employee commuting	tCO ₂ e	-	-	1,388.55	1,168.38[Ⓐ]
Of which is remote working	tCO ₂ e	-	-	231.61	165.18[Ⓐ]
Scope 3 Category 15 Investments^{5c, 10}					
Investment emissions intensity (listed equity and corporate bonds) - Allianz Life	tCO ₂ e/ RM million invested	43.21	-	26.91	28.84[Ⓐ]
Investment emissions intensity (listed equity and corporate bonds) - Allianz General	tCO ₂ e/ RM million invested	54.61	-	21.40	24.06[Ⓐ]
Investment emissions intensity (listed equity and corporate bonds) reduction since 2019 - Allianz Life	%	-	-	37.7	33.3
Investment emissions intensity (listed equity and corporate bonds) reduction since 2019 - Allianz General	%	-	-	60.8	55.9

Notes:

- Allianz Malaysia aligns its reporting of GHG emissions with the requirements of IFRS S2 - Climate-related Disclosures, issued by the International Sustainability Standards Board (ISSB) in respect of Scope 1, Scope 2, and Scope 3 Category 3, Category 6, and Category 7. Our quantification methodology aligns with internationally recognised standards, including the GHG Protocol Corporate Standard, GHG Protocol Scope 3 Guidance and other sector-specific frameworks and Reporting Standard.
- Systems, processes, and internal controls for environmental data collection are subject to regular review and continuous development to continuously improve our overall data quality across our emission inventory. We undertake reasonable efforts to collect relevant environmental data from all our operations.

[Ⓐ] The data has been externally assured. Please refer to the independent limited assurance report in this IAR.


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Notes: (continued)

3. Emissions are primarily calculated using our available activity data (e.g. fuel usage, distance travelled, electricity consumptions) combined with the applicable and latest available/selected emission factors sourced from national databases and international sources (e.g. Malaysia's Department for Environment, 2019 Intergovernmental Panel on Climate Change (IPCC) AR 6, Food and Rural Affairs (UK) (DEFRA) Guidelines, ECOINVENT, IEA, DENSZ, VfU). In cases where there are activity data gaps, we apply reasonable estimations via internal extrapolation approach using historical data. Emission factors applied across scopes are selected based on the nature of each emission source.
 4. The Environmental Management System includes the operational GHG emissions accounting for 100% of Allianz Malaysia's employees as of year-end.
 5. Total operational GHG emissions refers to the sum of Allianz Malaysia's Scope 1, Scope 2 and Scope 3 (Category 3, Category 6 and Category 7) and it is derived from the following methodology applied for our GHG emissions calculations:
 - (a) Scope 1
 - Fleet cars [fuel consumption (litres) x fuel-specific emission factor]
 - (b) Scope 2
 - Electricity (market-based) [net-grid electricity consumption (kWh) x Grid emission factors - purchased i-REC consumption (kWh)]
 - Electricity (location-based) [net-grid electricity consumption (kWh) x Location based grid emission factors]
 First year disclosure on Scope 2 GHG emissions on Electricity (location-based) is to align with current reporting year's IFRS requirements.
 - (c) Scope 3 (selected categories)
 - Category 3 Fuel and Energy-Related Activities (not included in Scope 1 & 2)
 - Electricity consumption WTT [net-grid electricity consumption (kWh) X Well-to-tank (WTT) emission factors]
 - Business travel WTT [Calculated distance travelled from amount spent (km) X Well-to-tank (WTT) emission factors]
 - Category 6 Business travel
 - Distance-based method [Distance travelled (km) X travel method specific emission factor – Purchased Sustainable Aviation Fuel (SAF)]
 - Spend-based method [Calculated distance travelled from amount spent (km) X travel method specific emission factor]
 - Category 7 Employee Commuting
 - Employee Commuting [% Employees by mode of transport X Daily distance between home and work X 2 X Number of commuting days per year X Vehicle specific emission factors]
 - Remote Working [Flexible remote working quota % X Working Days X No of employees X Electricity Consumption X Remote Working emission factors]
- We strive to continue report progress against our targets while enhancing monitoring of our Scope 3 emissions. Recognising inherent limitations of data and as a result, we currently only report selected GHG-related disclosures, with plans to adopt absolute reporting as data availability improves.
6. The reported nil Scope 2 (market-based) GHG emissions from FY2021 to FY2025 are attributed to the purchase of i-RECs which covers 100% of Allianz Malaysia's consumption of market mix electricity. The i-RECs (solar energy) is sourced from Allianz SE and supplies Allianz Malaysia with 3,026 MWhs.

7. In FY2025, the business travel emissions have been reduced by 75.1 tCO₂e as a result of utilising the SAF.
8. Paper-related GHG emissions and consumption data, together with water and waste consumption data is excluded in our FY2025 disclosures, following the update to our assessment of the materiality of sustainability matters (Double Materiality Assessment) completed in the year which deemed these metrics to no longer be material to Allianz Malaysia. Comparative figures have been restated to reflect the exclusion of paper-related GHG emissions from Scope 3. The 2019 baseline data and total GHG emissions have been adjusted accordingly.
9. Total operational GHG emissions per employee metric is derived from Allianz Malaysia's internal sustainability reporting to Allianz SE. This metric only excludes the total emissions calculated from employee commuting (included under Scope 3 Category 7), as employee commuting data is not part of our reporting to Allianz SE. If the carbon emission from employee commuting is included, this would result in the Total operations GHG emissions per employee for 2025 to be 1.28 tCO₂e and an overall reduction per employee of 58.2% in 2025 since 2019.
10. Allianz Malaysia calculates the financed emissions of an investment in our portfolio by computing the fractional share of the respective company's total GHG emissions relative to the amount of the respective company that we invest in. This is determined by the ratio of our exposure to the respective company (listed equity or corporate bond) and the respective company's total enterprise value including cash, multiplied by the respective company's total emissions. Our total financed emissions are the sum of all those financed emissions in our portfolio. The portfolio's carbon intensity is then calculated by dividing our total financed emissions by the assets under management that fall within the scope of our proprietary investment portfolio for listed equity and corporate bonds. Our carbon emission target is based on carbon intensity, which sets our emission target relative to the size of our proprietary investment portfolio for listed equity and corporate bonds, providing a more meaningful measure of our proprietary investment portfolio's carbon efficiency.

In FY2025, a slight increase in the carbon emissions intensity of the proprietary investment portfolio for listed equity and corporate bonds is observed compared to the previous year. This was primarily driven by increases in sector average emission figures applied to investee companies that do not disclose emission data, as well as updated emissions data reported by selected investee companies. However, this does not reflect a structural shift in our decarbonisation strategy and Allianz Malaysia remains fully committed to achieving its long-term emissions reduction target.

 For more details on the Finance carbon emission calculation methodology, please refer to the latest Allianz Explanatory Notes on Allianz corporate website, **Explanatory Notes 2025 Allianz Group**.

Outlook

Looking ahead, Allianz Malaysia will continue to strengthen its climate resilience strategy by enhancing scenario analysis and aligning with BNM's CRST framework. Our active engagement in the JC3 and its sub-committees will remain a priority to drive industry-wide collaboration.

We foresee significant opportunities in financing and insuring the transition to a low-carbon economy, including investments in renewable energy, energy-efficient real estate, and electric mobility infrastructure. Meanwhile, we remain committed to innovate insurance solutions to address physical climate risks and support sustainable business models.

Operationally, we are committed to achieving a 70% reduction in emissions by 2030 (from 2019 baseline) and a 57% reduction in emission intensity for our proprietary investment portfolio for listed equity and corporate bonds by 2030 (from 2019 baseline). These targets, coupled with ongoing product innovation and advocacy for sustainable practices, position Allianz Malaysia to lead in climate adaptation and resilience within the financial services sector.

Bursa Malaysia's CSI Prescribed Table

Allianz Malaysia Berhad
IFRS S2

Date & Time: 2026-04-15_13:38:38
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Climate and Environmental Action	Scope 1 – Direct GHG emissions	tCO2e	25.98	—	External (Limited)
Climate and Environmental Action	Scope 2 – Indirect GHG emissions (market-based)	tCO2e	0	—	External (Limited)
Climate and Environmental Action	Scope 2 - Indirect GHG emissions (location-based)	tCO2e	2,113.5	—	External (Limited)
Climate and Environmental Action	Scope 3 - Category 3: Fuel & others (not in Scope 1 & 2)	tCO2e	316.25	—	External (Limited)
Climate and Environmental Action	Scope 3 - Category 6: Business Travel	tCO2e	1,031.21	—	External (Limited)
Climate and Environmental Action	Scope 3 Category 7: Employee Commuting	tCO2e	1,333.56	—	External (Limited)



Strength in
Strategy.
Clarity in Purpose.

Delivering purposeful strategies that create lasting value.

Board of Directors' Profile

As at 24 March 2026

Zakri Bin Mohd Khir

Chairman – Non-Independent
Non-Executive Director

Nationality	Age	Gender
Malaysian	62	Male

Membership of Board Committee

- Nil

Qualification

- Fellow of The Malaysian Insurance Institute in 2016
- Certificate in Insurance, Institut Teknologi Mara in 1986

Present Directorship

Listed Entity

- Chairman of AMB

Other Public Company

- Chairman of Yayasan Chow Kit
- IMU Foundation

Board Meeting Attendance in 2025

5 out of 5 Meetings



Date of Appointment

1 January 2022

Date of Last Re-election

25 June 2025

Length of Service in AMB

4 years 2 months

Working Experience

Zakri has over 30 years of experience in the insurance industry. He joined the Company in 2000 as the Head of Industrial Business and was subsequently appointed as the Head of Technical Division in 2004.

He was the Head of Operations Division of Allianz General before he assumed the position of Chief Executive Officer (“CEO”) of Allianz General on 16 December 2010 and CEO of AMB on 3 September 2014. He was also the Executive Director of Allianz General from 3 September 2014 to 31 December 2021.

He retired as the CEO of Allianz General on 30 June 2021 and CEO of AMB on 31 December 2021. Following his retirement, Zakri provided consultancy and advisory services to Allianz SE Singapore Branch (“AZAP”) on matters relating to all Property & Casualty entities in the AZAP region from 1 January 2022 to 31 December 2025.

Prior to his employment with the AMB and its subsidiaries, he was the General Manager of the American Malaysian Insurance Berhad.

Other Information

- No family relationship with any other Director and/or major shareholder of the Company.
- No conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its insurance subsidiaries.
- Has not been convicted of any offence within the past five (5) years and has not been imposed of any penalty by the relevant regulatory bodies during the financial year 2025.
- Consultancy and training services provided by Rapidpro Consulting Sdn. Bhd. (“Rapidpro”) to Allianz General whereby the sister and brother in-law of Zakri, namely, Norah Mariam Mohd Khir and Mohammed Farooq are Directors and major shareholders of Rapidpro.

Board of Directors' Profile

As at 24 March 2026

Peter Ho Kok Wai

Independent
Non-Executive Director

Nationality	Age	Gender
Malaysian	66	Male

Membership of Board Committee

- Member of Audit Committee
- Member of Nomination and Remuneration Committee

Qualification

- Certified Public Accountant of the Malaysian Institute of Certified Public Accountants in 2010
- Chartered Accountant of the Malaysian Institute of Accountants in 1993
- Fellow of the Institute of Chartered Accountants in England and Wales in 1984

Present Directorship

Listed Entity

- AMB
- Hong Leong Capital Berhad
- PMB Technology Berhad
- Hengyuan Refining Company Berhad

Other Public Company

- Chairman of Allianz Life
- Malaysian Skin Foundation

Board Meeting Attendance in 2025

5 out of 5 Meetings



Date of Appointment

1 October 2019

Date of Last Re-election

20 June 2024

Length of Service in AMB

6 years 5 months

Working Experience

Peter Ho forged his early career with Everett Pinto & Co., a central London Firm of Chartered Accountants and qualified as a Chartered Accountant in 1984.

Subsequently, in 1987, he joined KPMG Kuala Lumpur where he progressed to Head of Department in 1992. He was transferred to KPMG Ipoh in 1993 to head the branch and was admitted as Partner in 1995. He was transferred back to KPMG Kuala Lumpur in 2005, where he had, at various times, headed the Technical Committee, Audit Function and Marketing Department.

He has more than 35 years of auditing experience in a wide range of companies including public listed companies and multinationals, with particular emphasis in manufacturing, distribution and financial services. He retired from KPMG in December 2014.

He sits as an Independent Non-Executive Director in multiple public listed companies on the Main Market of Bursa Malaysia Securities Berhad. He also sits as an Independent Non-Executive Director of First Resources Limited, a company listed on the Singapore Exchange Limited.

Other Information

- No family relationship with any other Director and/or major shareholder of the Company.
- No conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its insurance subsidiaries.
- Has not been convicted of any offence within the past five (5) years and has not been imposed of any penalty by the relevant regulatory bodies during the financial year 2025.

Board of Directors' Profile

As at 24 March 2026

Tan Sri Datuk Zainun Binti Ali

Independent
Non-Executive Director

Nationality	Age	Gender
Malaysian	73	Female

Membership of Board Committee

- Nil

Qualification

- Master of Law (LL.M), University of Cambridge, United Kingdom in 1985
- Bachelor of Laws (LL.B)(Hons), University Malaya in 1976

Present Directorship

Listed Entity

- AMB

Other Public Company

- Permodalan Nasional Berhad

Board Meeting Attendance in 2025

5 out of 5 Meetings



Date of Appointment

15 March 2022

Date of Last Re-election

25 June 2025

Length of Service in AMB

4 years

Working Experience

Tan Sri Datuk Zainun was appointed as Legal Officer of the Ministry of Labour and Attorney General's Chambers in 1976. She was appointed as a Magistrate in Melaka in January 1979 and became President of the Session Court in Johor Bahru in December 1981. During the mid to late 1980s, she served as Senior Federal Counsel to several Government units, including the Ministry of Defence in November 1985 and the Prime Minister's Department in March 1988. In November 1994, she was appointed as Chief Registrar of the Federal Court of Malaysia and became a Judicial Commissioner of the High Court of Malaya, Kuala Lumpur in August 1996. She served as a High Court Judge in Shah Alam, Johor and Kuala Lumpur from 1998 to 2001. In 2006, she was elevated to the Court of Appeal Judge and served until 2012. On 4 April 2012, she was appointed as a Federal Court Judge.

Tan Sri Datuk Zainun retired from the Malaysian Judiciary in October 2018.

She is currently a Pro-Chancellor of University Malaya, member of the United Nations Global Judiciary Integrity Network's advisory board, member of the International Association of Women Judges based in Washington DC, registered arbitrator of the Asian International Arbitration Centre, judge of the Islamic Development Bank's administrative tribunal based in Jeddah and a Consultant of Zain & Co. Law Firm. She is also a member of the Judicial Appointments Commission.

Other Information

- No family relationship with any other Director and/or major shareholder of the Company.
- No conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its insurance subsidiaries.
- Has not been convicted of any offence within the past five (5) years and has not been imposed of any penalty by the relevant regulatory bodies during the financial year 2025.

Board of Directors' Profile

As at 24 March 2026

Anusha A/P Thavarajah

Non-Independent
Non-Executive Director

Nationality	Age	Gender
Malaysian	58	Female

Membership of Board Committee

- Nil

Qualification

- Fellow of the Malaysian Insurance Institute in 2018
- Fellow of the Institute of Actuaries in United Kingdom in 2001
- Bachelor of Science (First Class Honours) in Mathematics & Statistics, University of Birmingham, United Kingdom in 1990

Present Directorship

Listed Entity

- AMB

Other Public Company

- Nil

Board Meeting Attendance in 2025

5 out of 5 Meetings



Date of Appointment

17 March 2022

Date of Last Re-election

25 June 2025

Length of Service in AMB

4 years

Working Experience

Anusha Thavarajah is Allianz's Regional CEO for Asia Pacific since 1 December 2021. She is also a member of Allianz Asia's Regional Executive Board, which is responsible for setting and executing Allianz's growth strategy in Asia.

Anusha was previously Allianz's Regional CEO, Life & Health for Asia Pacific, where she was responsible for the profit and loss and functional development of Allianz's Life & Health business in Asia.

Prior to joining Allianz Asia Pacific in December 2019, Anusha held the position of CEO at AIA Bhd. In addition to its three (3) main business lines – Agency, Partnership Distribution and Corporate Solutions, Anusha oversaw AIA Malaysia's Takaful, General Insurance, Pension and Asset Management and Health Services units.

Anusha was the first female President of the Life Insurance Association of Malaysia, Chairperson of the Malaysian Insurance Institute as well as the first female CEO in the AIA Group when she was appointed to head AIA Malaysia in June 2015.

Anusha has over 30 years' experience in the financial services industry having served in various senior leadership roles in the United Kingdom, Hong Kong and Malaysia.

Anusha also serves as a member of the Monetary Authority of Singapore ("MAS")'s Financial Centre Advisory Panel, which advises the MAS on Singapore's financial sector reforms and strategies.

Other Information

- Nominee Director of Allianz Asia Holding Pte. Ltd. on the Board of AMB.
- No family relationship with any other Director and/or major shareholder of the Company.
- No conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its insurance subsidiaries.
- Has not been convicted of any offence within the past five (5) years and has not been imposed of any penalty by the relevant regulatory bodies during the financial year 2025.

Board of Directors' Profile

As at 24 March 2026

Dr. Muhammed Bin Abdul Khalid

Independent
Non-Executive Director

Nationality	Age	Gender
Malaysian	50	Male

Membership of Board Committee

- Member of Nomination and Remuneration Committee
- Member of Audit Committee

Qualification

- Doctor of Philosophy, Institut d'études Politiques de Paris, France in 2010
- Master of Public Affairs, Institut d'études Politiques de Paris, France in 2008
- Master of Economics, University of Malaya in 2005
- Bachelor of Science, University of Southern California, Los Angeles, USA in 1998

Present Directorship

Listed Entity

- AMB

Other Public Company

- Chairman of Allianz General

Board Meeting Attendance in 2025

5 out of 5 Meetings



Date of Appointment

15 July 2022

Date of Last Re-election

22 June 2023

Length of Service in AMB

3 years 8 months

Working Experience

Dr. Muhammed is currently a Research Fellow at the Institute of Malaysian and International Studies, University Kebangsaan Malaysia, and Adjunct Professor at the Ungku Aziz Center for Development Studies, Faculty of Economics and Business, University Malaya. He is also a member of the Economic Committee of the Malaysia Competition Commission, Senior Associate at the Malaysian Industry-Government Group for High Technology, and a Fellow of the World Inequality Lab at the Paris School of Economics.

He was the Economic Adviser to the former Prime Minister, Yang Amat Berbahagia Tun Dr. Mahathir bin Mohamad, a Member of the Economic Action Council from 2018 to 2020 and a member of the Honorary Council of Advisors at the European-Malaysian Chamber of Commerce.

Dr. Muhammed has served as a consultant for the World Bank, Asia Development Bank, United Nations Development Program ("UNDP"), United Nations Children's Fund, United Nations Population Fund, United Nations Economic and Social Commission for Asia and the Pacific and United Nations High Commission for Refugees.

He has also served as the Director of Research at Khazanah Research Institute, Head of Economics at the Securities Commission Malaysia and a Senior Analyst at the Institute of Strategic and International Studies. Additionally, he was a Senior Technical Advisor at the UNDP Malaysia.

Other Information

- No family relationship with any other Director and/or major shareholder of the Company.
- No conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its insurance subsidiaries.
- Has not been convicted of any offence within the past five (5) years and has not been imposed of any penalty by the relevant regulatory bodies during the financial year 2025.

Board of Directors' Profile

As at 24 March 2026

Wong Kok Leong

Independent
Non-Executive Director

Nationality	Age	Gender
Malaysian	64	Male

Membership of Board Committee

- Chairman of Nomination and Remuneration Committee

Qualification

- Certificate in Ontological Coaching, The Coach Partnership, Singapore in 2021
- Bachelor of Economics (Honours), University Malaya in 1984

Present Directorship

Listed Entity

- AMB

Other Public Company

- Nil

Board Meeting Attendance in 2025

5 out of 5 meetings



Date of Appointment

19 July 2024

Date of Last Re-election

25 June 2025

Length of Service in AMB

1 year 8 months

Working Experience

Wong Kok Leong ("Thomas") is a strategic and accomplished executive with nearly three (3) decades of experience in senior leadership roles within the fast-moving consumer goods, tertiary education, and insurance industry in Malaysia. He began his professional career as a National Accounts Manager with Unilever Malaysia in 1992 before moving on to become General Manager of Wall's Ice Cream, a division of Unilever, in 1996. He was also appointed as Member of Unilever Malaysia's EXCO as well as member of the Regional SEA Strategic Category Board.

In 2002, he joined TH Marketing & Ceres Sime Confectionery Sdn Bhd, an entrepreneurial venture in partnership with Ceres Singapore and Sime Darby Marketing. In 2005, he joined DKSH Berhad as Senior General Manager, Harpers Trading before joining INTI Laureate Universities and Colleges as Senior Vice President of Sales and Marketing in 2010.

Thomas began his foray in insurance industries in 2007, when he joined Prudential Malaysia as Chief Marketing and Partnership Distribution Officer. Subsequently, he joined AIA Berhad as Chief Marketing Officer in 2012 and as Chief Human Resources Officer in 2017, before retiring in 2021. Thomas was an Independent Non-Executive Director of Fi-Life Sdn. Bhd., a Fintech start-up under Bank Negara Malaysia's sandbox initiative to promote digital insurance access.

Other Information

- No family relationship with any other Director and/or major shareholder of the Company.
- No conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its insurance subsidiaries.
- Has not been convicted of any offence within the past five (5) years and has not been imposed of any penalty by the relevant regulatory bodies during the financial year 2025.

Board of Directors' Profile

As at 24 March 2026

Dr. Hasnita Binti Dato' Hashim

Independent
Non-Executive Director

Nationality	Age	Gender
Malaysian	64	Female

Membership of Board Committee

- Chairman of Audit Committee

Qualification

- Associate of the Institute of Actuaries, Staple Inn, London in 1992
- PhD in Nuclear Physics, University of Oxford, United Kingdom in 1988
- Bachelor of Science in Physics, University of Surrey, United Kingdom in 1984

Present Directorship

Listed Entity

- AMB
- Duopharma Biotech Berhad

Other Public Company

- Chairman of Malayan Asset Management Group Berhad
- Chairman of Maybank Investment Bank Berhad

Board Meeting Attendance in 2025

2 out of 2 Meetings held after her appointment as Director on 1 July 2025



Date of Appointment

1 July 2025

Date of Last Re-election

Nil

Length of Service in AMB

8 months

Working Experience

Dr. Hasnita is a highly accomplished professional with over 30 years of global experience in financial management, specialising in asset management, structured finance, and asset securitisation. She has held prominent leadership roles, including Chairman of Maybank Investment Bank Berhad and Maybank Asset Management Group, Independent Non-Executive Director of Malayan Banking Berhad, and Chairman of Majlis Amanah Rakyat, where she contributed to socioeconomic development.

She has also served on the National Economic Action Council, contributed to policy formulation, and held senior roles in Commerce MGI and Rashid Hussain Asset Management, managing significant funds and pioneering Islamic equity products. Her career reflects a strong commitment to strategic growth, governance, and economic advancement in Malaysia.

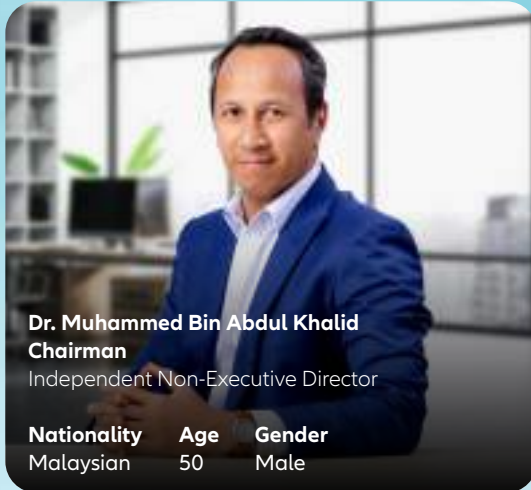
Other Information

- No family relationship with any other Director and/or major shareholder of the Company.
- No conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its insurance subsidiaries.
- Has not been convicted of any offence within the past five (5) years and has not been imposed of any penalty by the relevant regulatory bodies during the financial year 2025.

Allianz General Board Members

As at 24 March 2026

Leading with Empathy



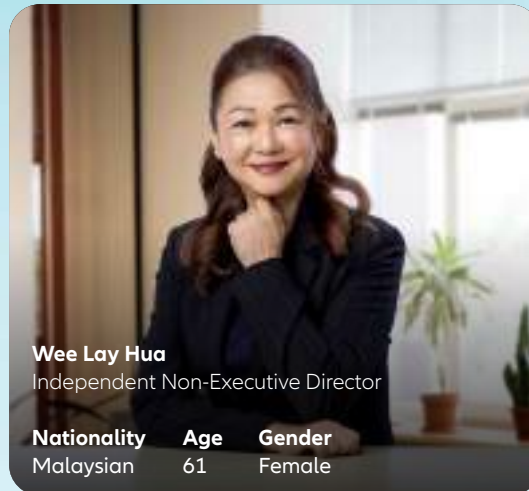
Dr. Muhammed Bin Abdul Khalid
Chairman
Independent Non-Executive Director

Nationality	Age	Gender
Malaysian	50	Male



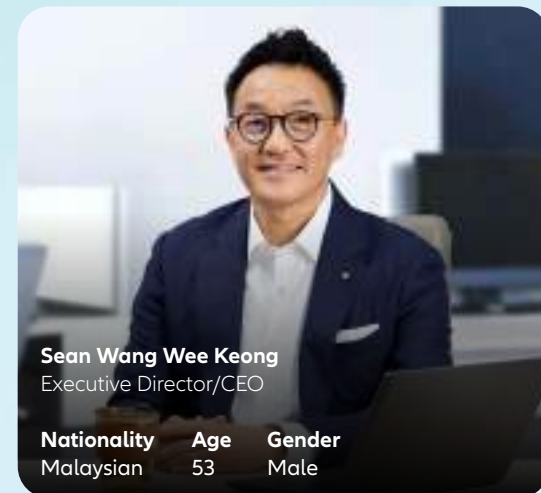
Lim Tuang Ooi
Independent Non-Executive Director

Nationality	Age	Gender
Malaysian	63	Male



Wee Lay Hua
Independent Non-Executive Director

Nationality	Age	Gender
Malaysian	61	Female



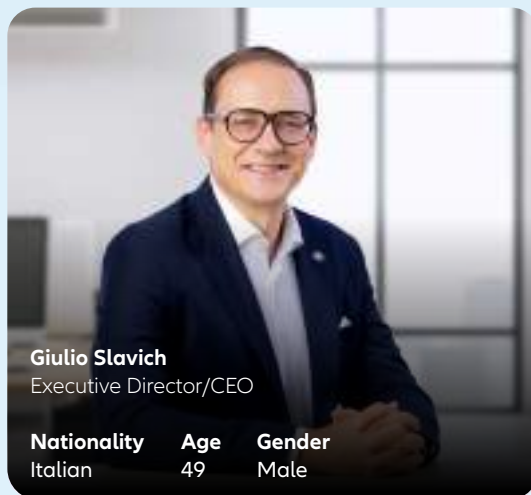
Sean Wang Wee Keong
Executive Director/CEO

Nationality	Age	Gender
Malaysian	53	Male

Allianz Life Board Members

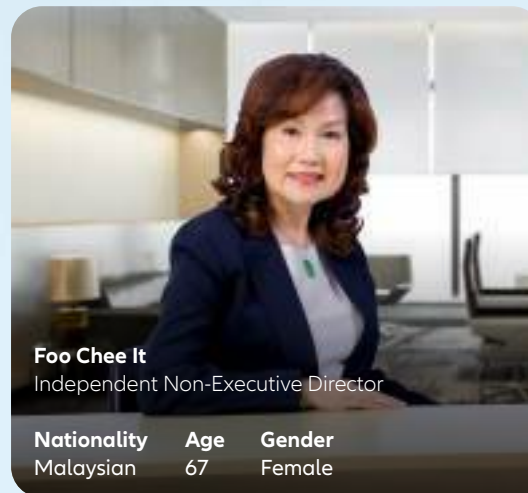
As at 24 March 2026

Governing with Care



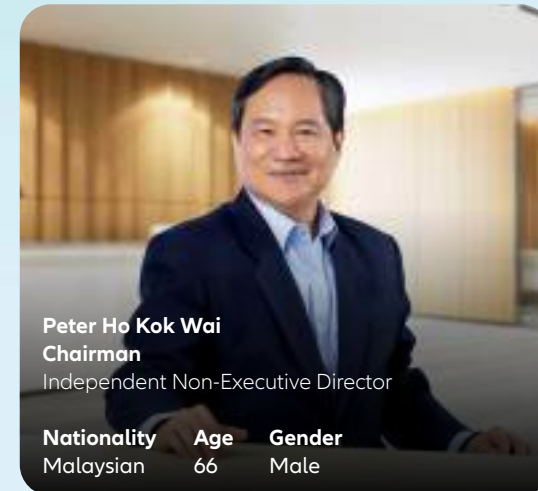
Giulio Slavich
Executive Director/CEO

Nationality	Age	Gender
Italian	49	Male



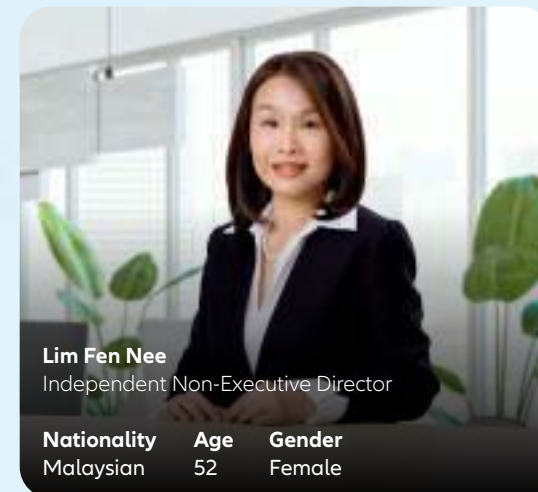
Foo Chee It
Independent Non-Executive Director

Nationality	Age	Gender
Malaysian	67	Female



Peter Ho Kok Wai
Chairman
Independent Non-Executive Director

Nationality	Age	Gender
Malaysian	66	Male



Lim Fen Nee
Independent Non-Executive Director

Nationality	Age	Gender
Malaysian	52	Female

Senior Management Team Profile

As at 24 March 2026



Sean Wang Wee Keong

CEO of AMB and Allianz General

Working Experience

Wang Wee Keong (“Sean”) has 28 years of experience in the insurance industry. He started his professional career as an auditor in Price Waterhouse Coopers in 1997. In 1998, Sean joined American Malaysian Insurance as the Head of Healthcare and Personal Accident, responsible for underwriting, claims and policy management. In 2001, he joined ING Insurance Berhad and assumed responsibility for sales in Employee Benefits, managing direct clients and brokers.

On 17 May 2004, Sean joined Allianz General Insurance Malaysia Berhad as Head of Personal Lines, being responsible for underwriting and introduction of retail products. He then moved on to become Head of Branch Operations in 2007, managing 31 branches nationwide. He was appointed as Chief Operations Officer of Allianz Life in 2010. He was the Chief Operations Officer of both Allianz General and AMB from 2011 until 2021. He assumed his current positions as the CEO of AMB on 1 January 2022 and CEO of Allianz General on 1 July 2021. In addition, he was appointed as Executive Director of Allianz General effective 1 January 2022.

Other Information

- Nominee Director of Allianz Asia Holding Pte. Ltd. on the Board of Allianz General.
- No family relationship with any other Director and/or major shareholder of AMB.
- No conflict of interest or potential conflict of interest, including any interest in any competing business with AMB and its subsidiaries.
- Has not been convicted of any offence within the past five (5) years and has not been imposed of any penalty by the relevant regulatory bodies during the financial year 2025.

Nationality

Malaysian

Age Gender

53 Male

Date of Appointment

1 January 2022

Qualification

- Bachelor of Commerce and Management – Majoring in Accounting and Finance from Lincoln University, New Zealand in 1988

Present Directorship

Listed Entity

- Nil

Other Public Company

- Executive Director of Allianz General

Senior Management Team Profile

As at 24 March 2026



Giulio Slavich

CEO of Allianz Life

Working Experience

Giulio Slavich has over 25 years of international experience in the insurance industry across different roles and geographies. Before joining the Group as the Chief Financial Officer (“CFO”) of AMB and Allianz Life on 1 August 2022, Giulio was the Global Head of the Centre of Competence for Life & Health of Allianz, where he successfully drove the segment to international leadership with the introduction of innovative financial products, stronger protection offerings and capital optimisation transactions. Giulio was previously responsible for the Life segment at Allianz Italy and was in leadership actuarial roles with regional and global scope in Eastern Europe, Germany and Italy. He relinquished his positions as CFO of Allianz Life and AMB on 31 December 2025 before he assumed his current positions as CEO and Executive Director of Allianz Life with effect from 1 January 2026.

Other Information

- Nominee Director of Allianz Asia Holding Pte. Ltd. on the Board of Allianz Life.
- No family relationship with any other Director and/or major shareholder of AMB.
- No conflict of interest or potential conflict of interest, including any interest in any competing business with AMB or its insurance subsidiaries.
- Has not been convicted of any offence within the past five (5) years and has not been imposed of any penalty by the relevant regulatory bodies during the financial year 2025.

Nationality

Italian

Age Gender

49 Male

Date of Appointment

1 January 2026

Qualification

- Member of Italian Professional Register of Actuaries in 2004
- Master in Insurance and Risk Management, MIB School of Management, Trieste, Italy in 2001
- Master Degree in Statistics and Actuarial Science, University of Trieste, Italy in 2000

Present Directorship

Listed Entity

- Nil

Other Public Company

- Executive Director of Allianz Life

Senior Management Team Profile

As at 24 March 2026

Chin Xiao Wei

CFO of AMB and Allianz General

Nationality
Malaysian

Age **Gender**
42 Female

Date of Appointment
1 January 2026

Qualification

- Fellow of Institute and Faculty of Actuaries of United Kingdom
- Fellow of Actuarial Society of Malaysia
- Master of Science in Actuarial Management, Bayes Business School, United Kingdom
- Bachelor of Science in Actuarial Science, London School of Economics, United Kingdom

Present Directorship

Listed Entity

- Nil

Other Public Company

- Nil



Working Experience

Chin Xiao Wei has 19 years of experience in the insurance industry across Malaysia and the broader Asia region. She has held roles such as Chief and Appointed Actuary, as well as Strategy & Planning Manager at the CEO's Office of Allianz General. She brings valuable technical skills and business insight, with expertise in finance, actuarial work, risk management, strategic planning, capital management, pricing and product development. She assumed her current role as CFO of AMB on 1 January 2026, in addition to her existing position as CFO of Allianz General.

Other Information

- No family relationship with any other Director and/or major shareholder of the Company.
- No conflict of interest or potential conflict of interest, including any interest in any competing business with AMB or its insurance subsidiaries.
- Has not been convicted of any offence within the past five (5) years and has not been imposed of any penalty by the relevant regulatory bodies during the financial year 2025.

Chia Yuh Woei

CFO of Allianz Life

Nationality
Singaporean

Age **Gender**
49 Female

Date of Appointment
1 January 2026

Qualification

- Associate of The Institute of Actuaries of Australia
- Fellow of The Society of Actuaries (US)
- Bachelor of Commence, major in Actuarial Science, University of Melbourne, Australia

Present Directorship

Listed Entity

- Nil

Other Public Company

- Nil



Working Experience

Chia Yuh Woei has 26 years of work experience, all of which have been in the insurance industry. She joined Allianz SE Singapore Branch in July 2012 as Regional Actuary, Head of Actuarial Analysis, and subsequently served as Regional Head of Project IFRS9/17 and Regional Chief Actuary Life & Health. She was appointed CFO of Allianz Life on 1 January 2026.

Other Information

- No family relationship with any other Director and/or major shareholder of the Company.
- No conflict of interest or potential conflict of interest, including any interest in any competing business with AMB or its insurance subsidiaries.
- Has not been convicted of any offence within the past five (5) years and has not been imposed of any penalty by the relevant regulatory bodies during the financial year 2025.

Senior Management Team Profile

As at 24 March 2026

Andrew Sim Kok Soon

Chief Operations Officer of AMB and Allianz General

Nationality
Malaysian

Age **Gender**
56 Male

Date of Appointment
1 July 2021

Qualification

- Diploma in General Insurance, Malaysian Insurance Institute

Present Directorship

Listed Entity

- Nil

Other Public Company

- Nil



Working Experience

Andrew Sim Kok Soon has 33 years of work experience, with 30 years in the insurance industry. He joined Allianz General in 2008 as Head of Bancassurance and served in that role until 2016, when he transitioned to Head of Operations. He was appointed Chief Operations Officer on 1 July 2021.

Other Information

- No family relationship with any other Director and/or major shareholder of the Company.
- No conflict of interest or potential conflict of interest, including any interest in any competing business with AMB or its insurance subsidiaries.
- Has not been convicted of any offence within the past five (5) years and has not been imposed of any penalty by the relevant regulatory bodies during the financial year 2025.

Tammy Lee Mui Kim

Chief Operations Officer and Chief Claims and Health Solutions Officer of Allianz Life

Nationality
Malaysian

Age **Gender**
56 Female

Date of Appointment
1 July 2021

Qualification

- Advance Diploma in Secretarial Studies, Edwards International, Australia
- Advance Diploma in Marketing & Management, Edwards International, Australia
- Diploma in Secretarial Studies, Edwards International, Australia

Present Directorship

Listed Entity

- Nil

Other Public Company

- Nil



Working Experience

Tammy Lee Mui Kim has 31 years of work experience, including 26 years in the insurance industry with a focus on health claims. She joined Allianz Life on 12 July 2019 and was appointed Chief Claims and Health Solutions Officer of Allianz Life on 1 July 2021. She assumed her current role as Chief Operations Officer of Allianz Life, in addition to her existing position as Chief Claims and Health Solutions Officer on 1 September 2024.

Other Information

- No family relationship with any other Director and/or major shareholder of the Company.
- No conflict of interest or potential conflict of interest, including any interest in any competing business with AMB or its insurance subsidiaries.
- Has not been convicted of any offence within the past five (5) years and has not been imposed of any penalty by the relevant regulatory bodies during the financial year 2025.

Senior Management Team Profile

As at 24 March 2026

Sazali Bin Abd Rahman

Chief Sales Officer of Allianz General

Nationality
Malaysian

Age **Gender**
50 Male

Date of Appointment
1 January 2026

Qualification

- Diploma of MII- DMII/AMII LEVEL 1

Present Directorship

Listed Entity

- Nil

Other Public Company

- Nil



Working Experience

Sazali has 33 years of work experience, all of which have been in the insurance industry. He joined Allianz General in 1997 and was subsequently promoted to Head of Franchise, followed by Head of Partnerships, and later Deputy Chief Sales Officer in 2021. He was appointed Chief Sales Officer of Allianz General on 1 January 2026.

Other Information

- No family relationship with any other Director and/or major shareholder of the Company.
- No conflict of interest or potential conflict of interest, including any interest in any competing business with AMB or its insurance subsidiaries.
- Has not been convicted of any offence within the past five (5) years and has not been imposed of any penalty by the relevant regulatory bodies during the financial year 2025.

Raymond Cheah Sin Beng

Chief Sales Officer, Agency Distribution of Allianz Life

Nationality
Malaysian

Age **Gender**
52 Male

Date of Appointment
1 January 2021

Qualification

- Sijil Tinggi Pelajaran Malaysia

Present Directorship

Listed Entity

- Nil

Other Public Company

- Nil



Working Experience

Raymond Cheah Sin Beng has 33 years of work experience, including 13 years in the insurance industry. He joined Allianz Life on 15 July 2013 as Deputy Chief Sales Officer and was appointed Chief Sales Officer, Agency Distribution on 1 January 2021.

Other Information

- No family relationship with any other Director and/or major shareholder of the Company.
- No conflict of interest or potential conflict of interest, including any interest in any competing business with AMB or its insurance subsidiaries.
- Has not been convicted of any offence within the past five (5) years and has not been imposed of any penalty by the relevant regulatory bodies during the financial year 2025.

Senior Management Team Profile

As at 24 March 2026

Benny Woon Hsiau Ferng

Chief Sales Officer, Partnership Distribution and Corporate Clients Solutions of Allianz Life



Nationality
Malaysian

Age **Gender**
49 Male

Date of Appointment
1 January 2025

Qualification

- Bachelor of Commerce (Double Major in Marketing and Management), University of Murdoch, Australia

Present Directorship Listed Entity

- Nil

Other Public Company

- Nil

Working Experience

Benny Woon Hsiau Ferng has 25 years of work experience, of which 22 years have been in the insurance industry. He joined AMB on 11 July 2022 as Regional Partnership Director until 14 November 2024. He was appointed as Chief Sales Officer, Partnership Distribution and Corporate Clients Solutions of Allianz Life on 1 January 2025.

Other Information

- No family relationship with any other Director and/or major shareholder of the Company.
- No conflict of interest or potential conflict of interest, including any interest in any competing business with AMB or its insurance subsidiaries.
- Has not been convicted of any offence within the past five (5) years and has not been imposed of any penalty by the relevant regulatory bodies during the financial year 2025.

Wong Woon Man

Chief People and Culture Officer



Nationality
Malaysian

Age **Gender**
57 Female

Date of Appointment
1 May 2011

Qualification

- Bachelor of Science in Agribusiness, Universiti Pertanian Malaysia

Present Directorship Listed Entity

- Nil

Other Public Company

- Nil

Working Experience

Wong Woon Man has 33 years of work experience, including 23 years in the insurance industry. She joined the Group on 15 August 2002 and assumed her current position on 1 May 2011.

Other Information

- No family relationship with any other Director and/or major shareholder of the Company.
- No conflict of interest or potential conflict of interest, including any interest in any competing business with AMB or its insurance subsidiaries.
- Has not been convicted of any offence within the past five (5) years and has not been imposed of any penalty by the relevant regulatory bodies during the financial year 2025.

Senior Management Team Profile

As at 24 March 2026

Amy Loke Siew Pei

Chief Market Management Officer

Nationality
Malaysian

Age **Gender**
47 Female

Date of Appointment
4 September 2017

Qualification
• Bachelor of Accounting, Multimedia University

Present Directorship
Listed Entity
• Nil
Other Public Company
• Nil



Working Experience

Amy Loke Siew Pei has 23 years of work experience, including 15 years in the insurance industry. She joined the Group as Chief Market Management Officer on 4 September 2017.

Other Information

- No family relationship with any other Director and/or major shareholder of the Company.
- No conflict of interest or potential conflict of interest, including any interest in any competing business with AMB or its insurance subsidiaries.
- Has not been convicted of any offence within the past five (5) years and has not been imposed of any penalty by the relevant regulatory bodies during the financial year 2025.

Rafliz Bin Ridzuan

Chief Underwriting Officer of Allianz General

Nationality
Malaysian

Age **Gender**
56 Male

Date of Appointment
1 September 2014

Qualification
• Fellow of the Malaysia Insurance Institute
• Certificate of Insurance from the Institute Teknologi Mara

Present Directorship
Listed Entity
• Nil
Other Public Company
• Nil



Working Experience

Rafliz has 34 years of work experience, including 33 years in the insurance industry. He joined Allianz General on 2 October 2000 as Head of Corporate Business and was appointed Head of Sales in 2011. He assumed his current role as Chief Underwriting Officer on 1 September 2014.

Other Information

- No family relationship with any other Director and/or major shareholder of the Company.
- No conflict of interest or potential conflict of interest, including any interest in any competing business with AMB or its insurance subsidiaries.
- Has not been convicted of any offence within the past five (5) years and has not been imposed of any penalty by the relevant regulatory bodies during the financial year 2025.

Senior Management Team Profile

As at 24 March 2026

Damian Marks Williams

Chief Claims Officer of Allianz General

Nationality
Malaysian

Age **Gender**
50 Male

Date of Appointment
1 April 2022

Qualification

- Bachelor of Laws (Honours), University of London, United Kingdom

Present Directorship
Listed Entity

- Nil

Other Public Company

- Nil



Working Experience

Damian Marks Williams has 29 years of work experience, including 12 years as an insurance adjuster, 2 years as an insurance broker and the remaining years with Allianz General. He joined Allianz General on 1 July 2011, was appointed Head of Claims on 1 September 2019 and was later promoted to Chief Claims Officer on 1 April 2022.

Other Information

- No family relationship with any other Director and/or major shareholder of the Company.
- No conflict of interest or potential conflict of interest, including any interest in any competing business with AMB or its insurance subsidiaries.
- Has not been convicted of any offence within the past five (5) years and has not been imposed of any penalty by the relevant regulatory bodies during the financial year 2025.

Ooi Haw Yun

Chief Product Officer of Allianz Life

Nationality
Malaysian

Age **Gender**
43 Male

Date of Appointment
1 January 2020

Qualification

- Associate of Society of Actuaries
- Bachelor of Science in Actuarial Science, Universiti Kebangsaan Malaysia

Present Directorship
Listed Entity

- Nil

Other Public Company

- Nil



Working Experience

Ooi Haw Yun has 20 years of work experience, all of which have been in the insurance industry. He joined Allianz Life in 2013 and assumed his current role as Chief Product Officer on 1 January 2020.

Other Information

- No family relationship with any other Director and/or major shareholder of the Company.
- No conflict of interest or potential conflict of interest, including any interest in any competing business with AMB or its insurance subsidiaries.
- Has not been convicted of any offence within the past five (5) years and has not been imposed of any penalty by the relevant regulatory bodies during the financial year 2025.

Senior Management Team Profile

As at 24 March 2026

David Brandl

Chief Information Technology Officer

Nationality

German

Age **Gender**

31 Male

Date of Appointment

1 July 2024

Qualification

- Master of Business Administration, Munich Business School, University of Applied Sciences, Munich
- Bachelor of Arts – Sports & Health Management, University Mittweida in cooperation with Campus M21 University Munich

Present Directorship

Listed Entity

- Nil

Other Public Company

- Nil



Working Experience

David Brandl has 12 years of work experience in the insurance industry. He joined Allianz Malaysia on 1 August 2023 and was first appointed as Head of Information Technology (“IT”) Strategy, Economics & Transformation. As at 1 July 2024, David holds the position as Chief IT Officer for the Group. Prior to joining Allianz Malaysia, David served in various positions in Allianz SE in the areas of Operations, IT and Transformation.

Other Information

- No family relationship with any other Director and/or major shareholder of the Company.
- No conflict of interest or potential conflict of interest, including any interest in any competing business with AMB or its insurance subsidiaries.
- Has not been convicted of any offence within the past five (5) years and has not been imposed of any penalty by the relevant regulatory bodies during the financial year 2025.

Wong Siew Lin

Chief Investment Officer

Nationality

Malaysian

Age **Gender**

50 Female

Date of Appointment

1 June 2018

Qualification

- Chartered Financial Analyst
- Financial Risk Manager
- Bachelor of Science in Business Administration, University of Missouri, Columbia, United States of America

Present Directorship

Listed Entity

- Nil

Other Public Company

- Nil



Working Experience

Wong Siew Lin has 29 years of work experience. She joined the Company on 1 August 2012 as Head of Investment Management. In August 2017, she was appointed Acting Chief Investment Officer, and on 1 June 2018, she officially assumed the role of Chief Investment Officer.

Other Information

- No family relationship with any other Director and/or major shareholder of the Company.
- No conflict of interest or potential conflict of interest, including any interest in any competing business with AMB or its insurance subsidiaries.
- Has not been convicted of any offence within the past five (5) years and has not been imposed of any penalty by the relevant regulatory bodies during the financial year 2025.

Senior Management Team Profile

As at 24 March 2026

Felicia Lee Chi Kwan

Deputy CFO of
Allianz General

Nationality

Malaysian

Age Gender

59 Female

Date of Appointment

1 April 2022

Qualification

- Fellow of The Association of Chartered Certified Accountants of United Kingdom
- Chartered Accountant (Malaysia) of Malaysian Institute of Accountants

Present Directorship

Listed Entity

- Nil

Other Public Company

- Nil



Working Experience

Felicia Lee Chi Kwan has 35 years of work experience, including 33 years in the insurance industry. She joined Allianz General in 2005 and was appointed Head of Finance of Allianz General on 1 November 2010. She assumed her current role as Deputy CFO on 1 April 2022.

Other Information

- No family relationship with any other Director and/or major shareholder of the Company.
- No conflict of interest or potential conflict of interest, including any interest in any competing business with AMB or its insurance subsidiaries.
- Has not been convicted of any offence within the past five (5) years and has not been imposed of any penalty by the relevant regulatory bodies during the financial year 2025.

Corporate Governance Overview Statement

The Board of Directors is committed to ensuring the highest standards of corporate governance that fostering trust, accountability, integrity and drive sustainable value creation, to safeguard stakeholders' interest.

This Statement is prepared in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") and guided by the key corporate governance ("CG") principles outlined in the Malaysian Code on Corporate Governance issued on 28 April 2021 ("Code"). This Statement is to be read together with the CG Report of the Company for the financial year ended 31 December 2025 ("FY2025"), available on the Company's website at allianz.com.my/corporate-governance.

The Corporate Governance Culture

The Board of Directors ("Board") and Management recognised that all stakeholders within the Group play a crucial role in upholding strong governance practices and fostering a healthy and responsible culture. This is the foundation to Board's commitment of highest standards of CG. In the effort to maintain strong and effective corporate culture, the Board and Management regularly review and enhance the CG practices to be in align with the latest CG developments, promote awareness among staff and embed practices that align with the evolving needs of the business and its stakeholders.

The Company was awarded with the following prestigious accolades, a testament to the Group's commitment to upholding the highest standards of CG.

The Company received Top 10 Overall Excellence Award 2025 (ranked #9) at the National Corporate Governance & Sustainability Awards 2025.



The Company was honoured with recognition as one of the Top 50 ASEAN Public Listed Companies at the prestigious ASEAN Corporate Governance Awards 2025.



Save for those highlighted in the CG Report, the Company applied/adopted the practices recommended in the Code as at 31 December 2025. A summary of the Company's CG practices is described below, under each CG principle.

Corporate Governance Overview Statement

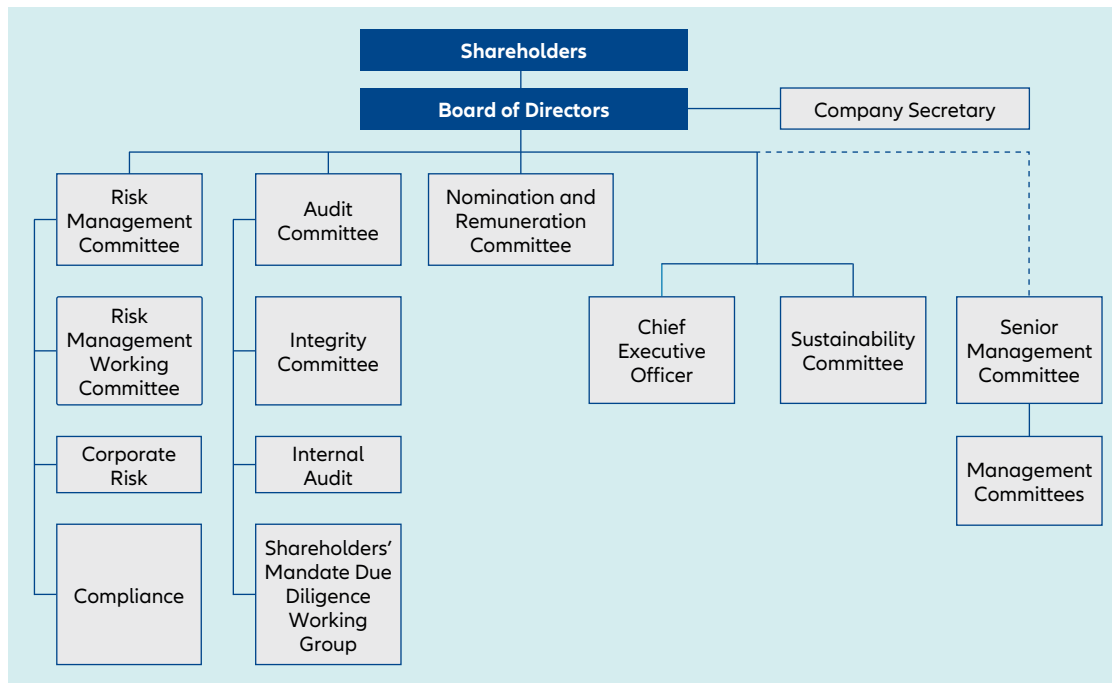
Principle A Board Leadership and Effectiveness

I. Board Responsibilities

The Board is responsible for overseeing the overall affairs of the Company. In order to ensure effective discharge of its functions and responsibilities, distinction must be maintained between the Management’s functions and the overall responsibilities of the Board.

The Group’s CG framework was established on the foundation of trust and integrity, with the right balance of authority and accountability between the Board and the Management. The Board reviewed the CG framework on a regular basis to ensure it incorporated latest regulatory requirements and development in CG landscape.

The CG framework is illustrated below:



The Board is accountable to the shareholders and remains committed to ensuring that the Company is effectively managed and constantly improved and focused on delivering long-term sustainable value to its stakeholders.

The Board plays an active role in the Company’s strategic direction and planning, focusing on both long-term growth and short-term business objectives. The strategic planning of the Company is forward-looking, incorporating a three-year action plan to address short-term business goals and long-term economic value creation, including sustainability and climate-related strategies.

A dedicated Board Offsite Strategic Discussion is held annually where the respective Boards of the Group and senior management engage in an in-depth discussion on the strategic directions and business plans of the Group.

The Board takes cognisance of the progress and development of the Group’s strategies and business plans including but not limited to financial performance, product development, digital innovation, IT and cyber security, risk management and internal control, sustainability related risk and opportunity including climate change, and employee well-being, tabled at Board Meetings.

In November 2025, the Board deliberated on and approved a three-year financial plan for 2026 to 2028 with detailed strategies, financial projections, key performance indicators (“KPIs”), its execution and challenges faced by the insurance subsidiaries (“Business Plan”).

The Board has in place a Board Charter which encompasses, among others, the Board’s roles, duties, responsibilities, powers, code of conduct, division of responsibilities and powers between the Board and the Management, and between the Chairman and the Chief Executive Officer (“CEO”) as well as performance evaluation process for the Directors and Board Committees, to serve as a guide or key reference points for the Directors and the stakeholders. The Board Charter is reviewed periodically to ensure alignment with internal and regulatory requirements as well as governance best practices. The Board Charter was last reviewed in 2025 and the Board has approved the revised Board Charter on 25 November 2025.

As part of Allianz, the Board adopted the Allianz Code of Conduct (“COC”) for employees and Directors. The COC sets the values and principles that guide the actions of all employees and Directors in fulfilling Allianz’s purpose – “We Secure Your Future”. The COC also reflects the Group’s commitment to operate its business sustainably and with integrity.

During FY2025, the Group has in place a Conflict of Interest (“COI”) Policy for Directors to provide guidance in identifying, managing and disclosing any actual and potential COI involving Directors of the Group.

Corporate Governance Overview Statement

Principle A

Board Leadership and Effectiveness

Directors are required to declare any COI at the time of their appointment and at least half-yearly thereafter by submitting the prescribed COI Declaration Form to the Company Secretaries. Where there is any change in a Director's circumstances that constitutes or may give rise to a COI, the interested Director is obliged to make further disclosure of such changes as soon as practicable after such change in facts come to his knowledge.

The Group has also in place the Whistleblowing Policy and Procedures which describes the Group's encouragement for 'speaking-up', avenues for filing a concern and handling of whistleblowing incidents by the employees and external party or insurance intermediary. The Group has established a whistleblowing mechanism to enable anonymous and non-anonymous reporting of any breach of the COC, laws, regulations, orders or internal rules. Whistleblowing incidents in the Group are assessed confidentially by the Integrity Committee to determine their validity, with findings and recommendations reported to the Audit Committee.

Board Support

The Board is supported by the Company Secretaries, who are qualified pursuant to Section 235 of the Companies Act 2016. The Board has direct access to the advice and services of the Company Secretaries who play an advisory role to the Board in relation to the Company's Constitution, policies and procedures and compliance with the relevant regulatory requirements, guidance and legislation as well as the principle of best CG practices.

Board and Board Committee Meetings

The Board and Board Committee Meetings are conducted in accordance with a structured agenda approved by the respective Chairmen. The agenda, together with the meeting papers and minutes of the previous meeting are circulated electronically to the Directors at least one (1) week prior to the meetings to accord sufficient time for the Directors to review and consider the issues to be discussed at the meetings. In order to ensure the efficient flow of information between the Board, Board Committee and Management, decisions made at the Board and Board Committee Meetings are circulated to the Directors, CEO and the relevant project owners no later than two (2) working days after the conclusion of the respective Meetings.

The Board and Board Committee Meetings are conducted in a hybrid mode where options are offered to the Directors and other attendees to participate in the meetings virtually or physically.

The Board discharged its roles and responsibilities in accordance with the Board Charter. In carrying out its duties, the Board established Board Committees and delegated specific authorities to the Board Committees in line with the terms of reference approved by the Board.

The Directors consider their participation in Board and Board Committee Meetings as essential to discharging their responsibilities effectively. In accordance with the Board Charter and the Listing Requirements, Directors are required to meet the minimum attendance requirement of at least 50% in each financial year. In FY2025, majority of the Directors attended all Board Meetings. The Directors' attendance for the respective Board and Board Committee Meetings held in FY2025 are detailed below:

	Board		Board Committee	
	Company	AC	RMC	NRC
Independent Non-Executive Directors ("INEDs")				
Peter Ho Kok Wai	5/5	5/5		
Goh Ching Yin	5/5	5/5		5/5
Tan Sri Datuk Zainun Binti Ali	5/5			
Dr. Muhammed Bin Abdul Khalid ^[1]	5/5	2/2		5/5
Wong Kok Leong ^[2]	5/5			5/5
Dr. Hasnita Binti Dato' Hashim ^[3]	2/2			
Lim Tuang Ooi			4/4	
Wee Lay Hua			4/4	
Lim Fen Nee			4/4	
Foo Chee It ^[4]			4/4	
Gerard Lim Kim Meng ^[5]	1/3	0/3		
Non-Independent Non-Executive Directors ("NINEDs")				
Zakri Bin Mohd Khir	5/5			
Anusha A/P Thavarajah	5/5			

Notes:

AC	Audit Committee
RMC	Risk Management Committee
NRC	Nomination and Remuneration Committee
	Chairman
	Member
	Non-Member

^[1] Appointed as Member of AC on 1 July 2025.

^[2] Redesignated from Member to Chairman of NRC on 1 January 2025.

^[3] Appointed as INED on 1 July 2025 and Member of AC on 1 December 2025. No AC meeting was held after her appointment as AC member.

^[4] Appointed as Member of RMC on 1 January 2025.

^[5] Resigned as INED and Member of AC on 30 June 2025.

In addition to the scheduled Board and Board Committee Meetings, the Directors maintain regular engagement with the Management.

Corporate Governance Overview Statement

Board Training and Development

The Directors commit to on-going education and professional development. During FY2025, the following trainings had been organised internally for the Board:

- International Financial Reporting Standards (“IFRS”) S1 and S2 Awareness Training and Implementation;
- Cybersecurity and Growing Impact of Artificial Intelligence;
- Updates on Personal Data Protection;
- Navigating Climate Risk: How Insurance Companies Prepare for it and the Board’s Strategic Role; and
- New Statement on Risk Management and Internal Control Guide 2025.

In addition, the newly appointed Director of the Company had attended the Mandatory Accreditation Programme (“MAP”) by Bursa Malaysia Securities Berhad and in-house orientation programmes organised by the Company.

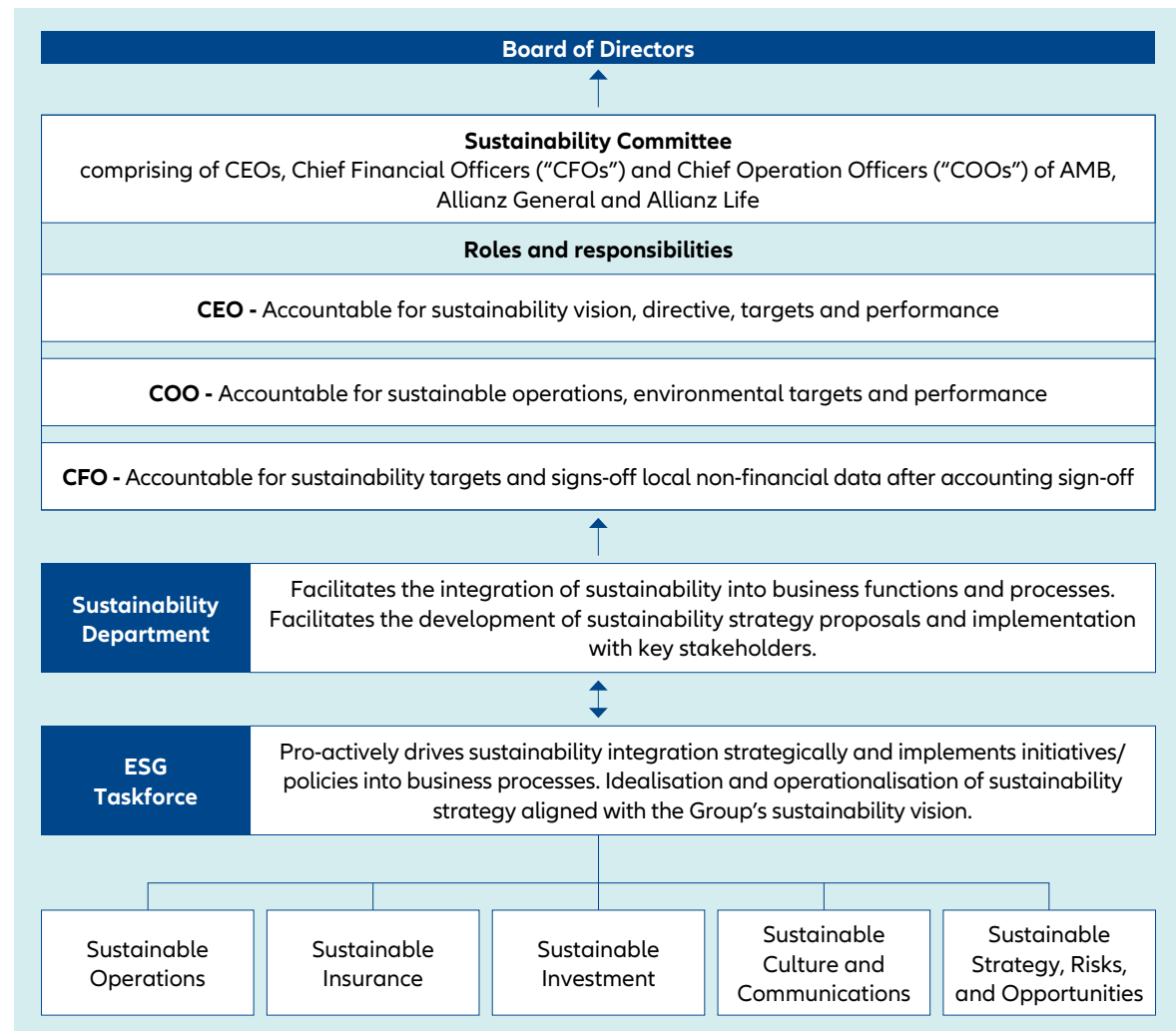
Pursuant to the Listing Requirements, all Directors are required to attend the MAP Part II: Leading for Impact (“LIP”) within the prescribed timeframe. For FY2025, all Directors of the Company have successfully completed the LIP.

Save for the above trainings, the Directors also attended external training programmes, conferences and seminars that covered among others, areas of corporate governance, sustainability and climate change, risk management, compliance, accounting and insurance, economic, strategic outlook and development, information technology and relevant industry/regulation updates. Continuously providing relevant training to equip the Directors with knowledge to cope with emerging challenges and new industry development remains as the priority of the Board.

The detailed trainings attended by the Directors in FY2025 are disclosed in the CG Report.

The NRC was satisfied with the training programmes/courses attended by the Directors of the Group for FY2025.

Governing Sustainability



Corporate Governance Overview Statement

Principle A

Board Leadership and Effectiveness

The Board provides strategic oversight on sustainability related risks, opportunities and strategies which include climate change. The Board actively advocates for the integration of sustainability and climate-related considerations into the decision-making process and operations, taking a comprehensive view of the Group's value creation and impact on stakeholders. The Group is constantly reviewing its sustainability governance to ensure it is relevant to the growing global expectations regarding sustainability.

The Sustainability Committee, established by the Board and comprising top management of the Group, is responsible for making decisions on sustainability and climate-related risks and opportunities and championing these initiatives throughout the Group. It serves as a forum for holistic discussions and considerations on sustainability initiatives, convening quarterly meetings to monitor strategy performance and providing progress updates to the Board on a half-yearly basis. Sustainability and climate-related risks and opportunities are being addressed within relevant Board Committees, such as the RMC.

The Sustainability Department supports Sustainability Committee to drive sustainability and climate-related integration and development. The decisions made within the Sustainability Committee are put into action by the ESG Taskforce, a cross-functional working group with representation from various functions in the Group. The ESG Taskforce is divided into five (5) workstreams, with three (3) focused on implementing sustainability measures. These five (5) workstreams are operations, insurance, investments, culture and communications, sustainable strategy, risks and opportunities.

The Group's sustainability approach is communicated across the organisation through knowledge-sharing, training, internal communications and as part of the Group's Employer Value Proposition, to cultivate an internal culture that embraces and supports sustainability priorities. Moreover, sustainability targets are integrated into the overall company strategies and business plans, forming a part of the performance evaluation for the key responsible persons ("KRPs") including CEOs of the Group.

An in-house orientation programme on sustainability topics has been organised for newly appointed Directors of the Group to ensure they gain a thorough understanding of sustainability issues relevant to the Group and its business. Additionally, the Directors attend trainings concerning sustainability topics to support their continuous development.

The Group's sustainability approach can be found in **Managing Our Sustainability Impacts** of this Integrated Annual Report ("IAR").

II. Board Composition

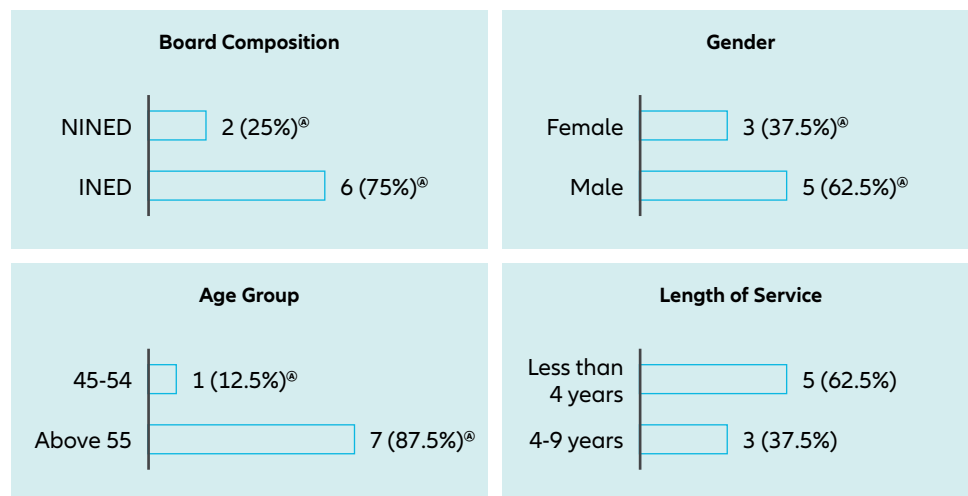
The Board composition of the Group is structured to encourage objective and independent deliberation, review and decision-making. The Board comprised entirely of Non-Executive Directors with a majority of INEDs as at 31 December 2025.

The Board recognises the importance of having a diverse Board in terms of experience, skills, competence, ethnicity, gender, culture and age. The size and composition of the Board shall be appropriate and well balanced to cater for the interest of the majority and minority shareholders as well as the business of the Company. Membership of the Board will be drawn from various fields as may be determined by the Board from time to time with a balance of skills and experiences appropriate to the business of the Company. The Board has access to the pool of talents via the network of the Directors and recommendation of major shareholders and Management, as well as through external sources to facilitate the sourcing of suitable Board candidates.

During FY2025, the appointment of Dr. Hasnita Binti Dato' Hashim as INED of the Company on 1 July 2025 enhanced the Board's mix in skills and gender representation. With her appointment, the Board achieved 37.5% female representation, comprising three (3) female Directors out of a total of eight (8) Directors on the Board.

Corporate Governance Overview Statement

The composition of the Company's Board for FY2025 is illustrated in the charts below:

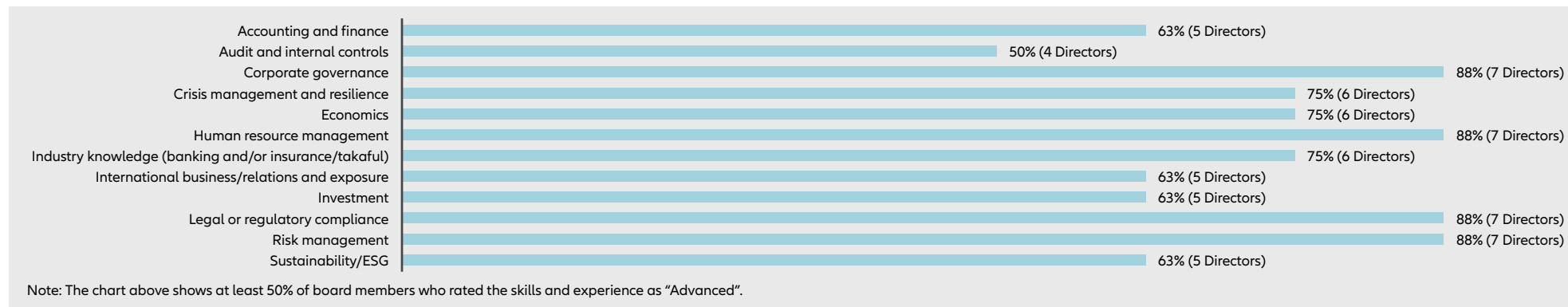


The composition of the Company's Board from 2022 to 2025 is shown below:

Composition	unit	2022	2023	2024	2025
Number of Directors	Headcount	8	7	8	8[Ⓐ]
Independent	Headcount	6	5	6	6 [Ⓐ]
Non-Independent	Headcount	2	2	2	2 [Ⓐ]
Gender					
thereof men	%	75.00	71.43	75.00	62.50 [Ⓐ]
thereof women	%	25.00	28.57	25.00	37.50 [Ⓐ]
Age Structure					
< 25 years	%	0.00	0.00	0.00	0.00 [Ⓐ]
25-34 years	%	0.00	0.00	0.00	0.00 [Ⓐ]
35-44 years	%	12.50	0.00	0.00	0.00 [Ⓐ]
45-54 years	%	25.00	28.57	25.00	12.50 [Ⓐ]
55 years & over	%	62.50	71.43	75.00	87.50 [Ⓐ]

[Ⓐ] The data has been externally assured. Please refer to the independent limited assurance report in this IAR.

The Board has established a Board Skills and Experience Matrix, which serves as a self-evaluation for the Directors to assess their competencies using a defined rating scale. The scale reflects each Director's level of expertise and their ability to provide effective oversight and guidance to the Management. The Board Skills and Experience Matrix helps to identify any skill gaps within the Board, ensuring that all relevant expertises relating to the business of the Group is represented. The Board Skills and Experience Matrix are as set out below:



Corporate Governance Overview Statement

Principle A

Board Leadership and Effectiveness

The profiles of the Directors are set out in the **Board of Directors' Profile** of this IAR.

The Group adopted a tenure policy of not exceeding a consecutive service of nine (9) years for the INEDs. The service tenure is calculated from the date of the INED's first appointment in any company within the Group. Upon completion of the nine-year tenure, the INED may, in the interest of the Company, continue to serve on the Board but in the capacity of a NINED, subject to the evaluation by the NRC and approval from the Board. The nine-year tenure policy is outlined in the Board Charter, which is published on the Company's website. During FY2025, none of the INEDs of the Company had served a cumulative term of nine (9) years.

The NRC performed an annual independence assessment on INEDs for year 2025 and was satisfied that all INEDs of the Group fulfilled the criteria under the definition of INEDs as prescribed by the authorities, and was of the view that all INEDs of the Group remain independent. The Board concurred with the NRC that all INEDs of the Group remain independent and shall maintain their Independent Director status.

Board Appointments and Evaluation Process

The NRC assists the Board in overseeing the selection, performance, remuneration and succession plans of the Directors, and KRPs including CEOs of the Group who are accountable or responsible for the management and oversight of the respective companies within the Group.

The NRC reports to the Board on its observations and recommendations with regard to new appointments, performance and remuneration of the Directors, and KRPs including CEOs of the Group.

The Group has in place the evaluation process and procedures for appointment and re-appointment of Directors. Nomination of candidate for appointment as Director will be evaluated by the NRC. The NRC in making its recommendation on candidates for directorship, considers the fit and proper criteria prescribed by Bank Negara Malaysia ("BNM"), Group's Fit and Proper Policy and Procedure for KRPs as well as among others, the candidate's skill, knowledge, competencies, expertise, experience, professionalism, time commitment, contribution and performance of the Board. The Group also considers the common directors' requirement of BNM guidelines when determining the composition of the Board.

The NRC conducts an annual assessment of the performance and effectiveness of the Board, Board Committees and the contribution by each Director to the effectiveness of the Board and Board Committees. The NRC also conducts performance evaluation on Board members of the Group who are subject to re-appointment and re-election. An independent consultant is engaged at least every three (3) years to facilitate objective and candid Board evaluations. The last Board Performance Assessment of the Group conducted by an independent consultant was in 2023.

During FY2025, the NRC reviewed and recommended to the respective Boards for approval the revised annual evaluation templates ("Questionnaires"). The Questionnaires, comprising the Board Evaluation, Board Committees Evaluation, and Director Evaluation, were structured in accordance with regulatory provisions and emerging best practices, while ensuring alignment with the specific requirements and tailored needs of the Group.

III. Remuneration

The NRC has the following remuneration related objectives:

- (i) to provide a formal and transparent procedure for developing a remuneration policy for Directors and KRPs including CEOs of the Group; and
- (ii) to ensure that the compensation is competitive and consistent with the culture, objective and strategy of the Group.

The remuneration related duties and responsibilities of the NRC are detailed in the Terms of Reference of the NRC published under the CG section on the Company's website.

Corporate Governance Overview Statement

The Board has in place a remuneration policy for Directors. The NRC reviews the Board’s remuneration in accordance with the remuneration policy, which has been approved by the Board.

The details of the remuneration received by the Directors in FY2025 are disclosed under Practice 8.1 of the CG Report.

The shareholders of the Company had at the 51st Annual General Meeting (“AGM”) held on 25 June 2025 approved the payment of Directors’ fees as well as benefits payable for the period from 26 June 2025 until the next AGM of the Company in 2026. Further information on the Directors’ remuneration is detailed in the **Notice of 52nd AGM** of this IAR.

The Group has in place a policy for remuneration (“Remuneration Policy”) for employees, which aligns with the Group’s business and risk management strategy, risk profile, objectives, and the long-term interests. The Remuneration Policy forms a key component of the governance and incentive structure through which the Board and senior management drive performance, promote sound risk-taking behaviour and strengthen corporate and risk culture.

To ensure alignment with the Group’s short-, medium-, and long-term business objectives, the performance of KRPs including CEOs of the Group are evaluated using selected KPIs, each linked to the Group’s strategic pillars. Please refer to **How We Create Long-Term Values** of this IAR for more information. An overview of these KPIs is provided below:

Value Creation	Sustainability	Leadership Contribution
<ul style="list-style-type: none"> • Operating profit • Return on Equity • New Business Value • Capital/Expense Management • Customer Growth • Strategic initiative to drive productivity growth 	<ul style="list-style-type: none"> • Customer: Net Promoter Score • Employee Engagement: Employee Engagement Index (EEI), Inclusive Meritocracy Index (IMIX) and Work Well Index+ (WWI+) • Operations and Investment: Greenhouse gases emissions and Renewable Energy 	<ul style="list-style-type: none"> • Regulatory discipline enforcement • Operational, compliance and legal risks

Each KPI is established in alignment with the Group’s Business Plan and spans short-, medium-, and long-term objectives (1 to 3 years and beyond). KRPs including CEOs of the Group are evaluated not only against the KPIs but also on alignment with the Group’s People Attributes, reinforcing its commitment to its culture and values.

The Remuneration Policy is published under the CG section on the Company’s website.

Corporate Governance Overview Statement

Principle B

Effective Audit and Risk Management

I. Audit Committee

During FY2025, the AC composed entirely of INEDs and is chaired by Peter Ho Kok Wai. The AC members bring a broad range of relevant skills, experience and expertise, from a wide variety of industries and background and as a whole, have competence relevant to the sectors in which the Group operates.

The AC conducts an annual assessment on the External Auditors based on the criteria as prescribed under Paragraph 15.21 of the Listing Requirements as well as BNM's guidelines on External Auditors. The AC also evaluates and recommends the proposed appointment/re-appointment the engagement partner and the concurring partner to the Board, ensuring the rotation of the said partners at least once in every five (5) years.

In ensuring the independence of the External Auditors, significant attention is directed toward the appropriateness of the External Auditors to perform services other than statutory/financial audits. The Group has in place the Policy on Audit and Non-Audit Services Provided by External Auditors to ascertain that the independence and objectivity of the External Auditors are not compromised.

The Policy on Audit and Non-Audit Services Provided by External Auditors is published under the CG section on the Company's website.

II. Risk Management and Internal Control Framework

The Board is steadfast in its commitment to ensuring effective risk management and internal control systems are established within the Group. Continuous reviews are conducted to uphold the adequacy and integrity of these systems. In this regard, the Board entrusted the AC and RMC with responsibilities on the risk management and internal control function of the Group. The RMC comprised exclusively of INEDs during FY2025 and is chaired by Lim Tuang Ooi, an INED of Allianz General, a wholly-owned subsidiary of the Company.

The RMC drives and oversees the Group's risk management framework and reports quarterly to the Board on its recommendations and/or decisions. The Risk Management Working Committee is established at the management level of the insurance subsidiaries and serves as a platform for two-way communication between the Management and the RMC on matters relating to risk strategy and management. On a quarterly basis, the RMC reports the risk status of the respective companies to the respective Boards.

The Group has in place a Risk Management Framework Manual ("RMFM") which outlines the guiding principles of the risk management approach, structure, roles, responsibilities, accountabilities, reporting requirements as well as the risk identification, evaluation and monitoring process. The RMFM is in compliance with the relevant requirements of the guidelines and/or policies issued by BNM and Allianz.

The Board is of the view that the Group's system of internal control and risk management is robust and adequate to safeguard shareholders' investments, the Group's assets, the interest of customers, regulators, employees and other stakeholders.

Further information with regard to the risk management and internal control framework is presented in the **Statement on Risk Management and Internal Control** of this IAR.



Further information on the various Board Committees can be found in the CG Report and the respective Terms of Reference of the Board Committees are published under the CG section on the Company's website.

Corporate Governance Overview Statement

Principle C

Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

I. Engagement with Stakeholders

The Board is mindful that timely and easy access to information is crucial for shareholders and stakeholders to make informed decisions. The Company has leveraged information technology to disseminate information where all levels of stakeholders are able to access information more effectively and conveniently. Information is disseminated through various channels, including publication of quarterly reports, IAR, corporate announcements through Bursa LINK, quarterly briefings with analysts, press releases, corporate website and social media platforms.

The Corporate Communications Department manages the relationship between the Group and its stakeholders and controls the flow of information in relation to corporate strategy, financials, leadership messaging, as well as communication of sustainability, corporate responsibility and marketing initiatives of the Group.

The senior management comprising the CEO, CFO and COO of the Company holds quarterly briefings for fund managers and research analysts to report on the quarterly performance, business development and progress of the Group. The quarterly briefings also serve as a platform of dialogue between the fund managers and research analysts with the senior management of the Group, where the fund managers and research analysts are able to raise questions and seek clarification from the senior management on pertinent issues relating to the Group. In addition, the senior management also engages with analysts and fund managers where necessary to provide an overview of the Group's operations and business prospects.

The Group encourages enquiries and feedback through the Investor Relations platform, and the contact details are available on the Company's website.

II. Conduct of General Meetings

The Notice of the 51st AGM was despatched to shareholders on 30 April 2025, providing 55 clear days' notice prior to the 51st AGM held on 25 June 2025, well beyond the 28 days' notice recommended by the Code, to provide sufficient time for the shareholders to review the Group's financial and operational performance, evaluate the resolutions to be tabled at the AGM, and make the necessary arrangements to attend the AGM.

As part of the Company's effort to facilitate effective communication, the Notice of 51st AGM, circular to shareholders, proxy form and administrative details for the 51st AGM were published on the Company's website under the Investor Updates section.

The 51st AGM was held on 25 June 2025 in hybrid mode, physically at Aloft Kuala Lumpur Sentral ("Main Venue") and virtually via the Tricor Investor & Issuing House Services Sdn Bhd's TIIH Online website at <https://tiih.online>, to facilitate real-time interaction between the members or proxies ("Participants") and the Board as well as senior management.

The Participants were provided opportunities to submit questions to the Company since the issuance of the Notice of 51st AGM, via Tricor's TIIH Online website, or by email to the Company's Investor Relations. Participants attending in person at the Main Venue could ask questions during the question and answer session while Participants attending virtually were able to submit their questions through Remote Participation and Voting ("RPV") facilities during the 51st AGM. Questions submitted by Participants prior to and during the AGM were projected on the screen and addressed by the Board and senior management during the meeting.

At the 51st AGM, the CEO of the Company and Allianz General presented the highlights of the general insurance business and how the Group embedded sustainability into its business followed by the presentation by the CEO of Allianz Life on the highlights of the life insurance business. The CFO of the Company and Allianz Life was then invited to present the 2024 financial highlights of the Group and the financial results of the Company as of 31 December 2024 and first quarter of 2025.

Participation at the 51st AGM was encouraging, with a total of 197 Participants registered via RPV facilities, representing approximately 78.44% of the Company's total issued ordinary shares. Of the 197 Participants, 157 attended in person, while 40 participated virtually. Majority of the questions received from the Participants were related to the Group's business and performance.

The voting on each resolution at the 51st AGM was conducted through e-polling, with the poll results validated by Mega Corporate Services Sdn Bhd, the independent scrutineer appointed by the Company. Following the validation of the poll results, the Chairman of the 51st AGM declared that all resolutions were carried.

The questions received from the Participants prior and during the 51st AGM together with the Company's responses thereto as well as the minutes of the 51st AGM detailing the meeting proceedings were published on the Company's website under the Investor Updates section on 7 August 2025, which was within 30 business days from the date of the 51st AGM.

This Statement was approved by the Board on 13 April 2026.

Audit Committee Report

Composition

The Audit Committee (“AC”) as at the date of this report comprises the following Independent Non-Executive Directors:

- (a) Dr. Hasnita Binti Dato’ Hashim (Chairman)
- (b) Peter Ho Kok Wai
- (c) Dr. Muhammed Bin Abdul Khalid

The detailed profiles of the AC members are set out in the **Board of Directors’ Profile** of this Integrated Annual Report (“IAR”).

The composition of the AC is in compliance with the following requirements:

- (a) Paragraph 15.09(1)(a) and (b) of the Bursa Malaysia Securities Berhad’s Main Market Listing Requirements (“Listing Requirements”) which states that the AC must be composed of not fewer than three (3) members and that all the AC members must be non-executive directors, with a majority of them being independent directors.
- (b) Paragraph 15.09(1)(c)(i) of the Listing Requirements which requires at least one (1) member of the AC to be a qualified accountant.
- (c) Practice 9.1 of the Malaysian Code on Corporate Governance 2021 (“Code”) that the Chairman of the AC is not the Chairman of the Board.
- (d) Step-up Practice 9.4 of the Code that AC comprises solely of independent directors.

The AC members bring a broad range of relevant skills, experience and expertise, from a wide variety of industries and background and as a whole, have competence relevant to the sectors in which the Group operates and offers independent and effective oversight in carrying out their roles and responsibilities.

The AC carries out its duties and responsibilities in assisting the respective Boards of the Group in their oversight, amongst others to support the Board in ensuring that there is a reliable and transparent financial reporting process; monitor and evaluate the performance and effectiveness of the external and internal audit functions; assess the internal control environment; and review and report to the Board of conflict of interest situations and related party transactions (“RPTs”).

The main roles and responsibilities of the AC are set out in its written Terms of Reference (“TOR”), available on the Company’s website at allianz.com.my/corporate-governance.

The Nomination and Remuneration (“NRC”) conducted an annual assessment of the AC and its members to evaluate their effectiveness and recommended their observations to the Board. The Board was satisfied that the AC members have the required skills and competencies to effectively discharge their duties and responsibilities in accordance with the TOR of the AC.

Additionally, the AC members fulfilled the criteria of independence as defined in the Listing Requirements. None of the AC members is directly responsible for, or part of any committee involved in the management functions of the Group.

Meetings and Attendance of Meetings

The AC held five (5) meetings in 2025 and the AC members’ attendance records are outlined in the **Corporate Governance Overview Statement** of this IAR.

The respective Chief Executive Officers (“CEOs”) of the Group, the Chief Financial Officers (“CFOs”) of the Group and the Group Head of Internal Audit Department (“IAD”) are permanent invitees to the AC meetings, to assist in the deliberation of matters within their purview. Other members of the Management are also invited to the AC meetings to facilitate discussion on specific agenda items under the AC’s purview.

The AC also invites External Auditors to the AC meetings to present their audit plan, audit findings and internal control weakness noted during their statutory/financial audits. The External Auditors have direct access to the AC Chairman at all times and meet with the AC, without presence of the Management at least once per annum. In 2025, one (1) private discussion was held in February 2025 between AC and External Auditors without the presence of the Management to allow them to express concerns, problems and reservations, if any, arising from their audits.

The meetings of the AC are transparent, with all proceedings and actions being recorded and documented. The AC member who has a direct or deemed interest in a proposal or subject matter presented at the AC meeting shall abstain from deliberation and voting on the said proposal or subject matter. After each AC meeting, the Chairman of the AC reports to the respective Boards of the Group on key issues deliberated during the AC meeting. The minutes of the AC, upon confirmation, are presented to the respective Boards of the Group for their information.

Audit Committee Report

Summary of Activities of the AC

During the financial year ended 31 December 2025 ("FY2025"), the AC had carried out the following activities in the discharge of its roles and responsibilities:

Financial Reporting

- (a) Reviewed and recommended the following for the approvals of the respective Boards of the Group:
 - (i) The Audited Financial Statements and Directors' Reports ("AFS") of the Group for the financial year ended 31 December 2024 ("FY2024").
 - (ii) The audited and unaudited consolidated quarterly reports for the financial quarters for the FY2025 of the Group.
 - (iii) The AFS and AFS for Investment-Linked ("IL") Funds for the FY2024 and the Interim Financial Statements for the financial period ended 30 September 2025 ("Interim Review") of Allianz Life.
 - (iv) The AFS for the FY2024 and the Interim Review of Allianz General.
 - (v) The unaudited Interim Financial Statements for the half-year ended 30 June 2025 of the insurance subsidiaries.
 - (vi) The audited annual returns for the FY2024 of the insurance subsidiaries.

The review of the AC on the above, covered among others, significant and unusual events, the going concern assumption, compliance with accounting standards and other regulatory requirements, material litigation, profit contribution by insurance operations and prospects of the Group.

The CFOs of the Group had given their assurance to AC that the financial statements of the respective companies were prepared on a going concern basis and complied with relevant statutory and regulatory requirements.

The External Auditors of the Group, PricewaterhouseCoopers ("PwC") PLT, had given an unqualified opinion on the AFS of the Company and its insurance subsidiaries for FY2024.

- (b) Reviewed and recommended for the approvals of the respective Boards of the Group, the Management Representation Letters to the External Auditors in respect of the statutory audits of the Group and AFS for IL Funds for the FY2024 of Allianz Life and Insurance Companies Statistical System and Risk-Based Capital reporting forms for the FY2024 of Allianz Life and Allianz General.

The Management Representation Letters set out the representations made by the respective Boards/ Management on information and/or assumptions presented to External Auditors during the course of their audit, confirming the financial statements have been drawn up to give a true and fair view in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS"), the requirements of the Companies Act 2016, the Financial Services Act 2013 and guidelines/circulars issued by Bank Negara Malaysia ("BNM") as well as the Management's responsibilities for the financial statements.

AC also reviewed and recommended for the approval of the respective Boards of the insurance subsidiaries, the respective Management Representation Letters to the External Auditors in respect of the Interim Review of the insurance subsidiaries.

- (c) Reviewed and recommended for the approvals of the respective Boards of the insurance subsidiaries, the Actuarial Reports and Audited Reporting Forms in relation to Risk-Based Capital Framework for the FY2024.

External Auditors Related Matters

(A) Audit Plan, Findings and Recommendations

During the FY2025, the External Auditors attended the AC meetings and reviewed the following matters with the AC:

- (a) the final audit findings of the Group covered significant accounting, auditing and internal control issues identified during their statutory audit of the Group for the FY2024. There was no material concern/weakness on internal controls of the Group that warrant the AC's immediate attention.
- (b) the respective Management Letters issued by the External Auditors on matters related to system of internal control which came to the External Auditors' attention during the course of their statutory audit of the insurance subsidiaries for the FY2024 and the respective Managements' responses in relation thereto. AC was satisfied with the responses provided by the respective Managements and recommended the same to the respective Boards of the insurance subsidiaries for approval.
- (c) the External Audit Plan of the Group for the FY2025 which sets out, amongst others, an overview of the areas of audit emphasis identified in response to changes within the Group's business and the reporting requirements including any changes thereof during the financial year.

Audit Committee Report

- (d) the audit findings raised by the External Auditors in their Limited Review and Status Update Report of the insurance subsidiaries and the Management’s responses to the audit findings. AC was satisfied with the Management’s responses.
- (e) the Transparency Report issued by the External Auditors.

PwC PLT was satisfied with the cooperation extended by the Management throughout the course of their audit.

(B) Re-appointment of External Auditors

- (a) In line with AC’s responsibility to review and making recommendation to the Board on the appointment/re-appointment of the External Auditors, AC reviewed the performance assessment of PwC PLT including its engagement partner (“EP”) and concurring partner (“CP”), based on the criteria prescribed by the relevant authorities, amongst others, PwC PLT’s independence, the adequacy of its experience and resources, the level of knowledge, capabilities, experience and quality of previous work, level of engagement, ability to perform the audit work within the agreed timeframe, adequacy in audit coverage, effectiveness in planning and conduct of audit, ability to provide constructive observations and independence.

In February 2025, AC undertook an annual assessment on the performance of PwC PLT, including its EP and CP. The assessment of the performance of PwC PLT based on the criteria prescribed by the relevant authorities had been performed by the Finance Team of the respective companies within the Group. The Finance Team of the Group were satisfied with the work

delivered by PwC PLT and recommended the re-appointment of PwC PLT as External Auditors for the FY2025, based on the following rationales:

- (i) PwC PLT is familiar with the local insurance industry, and they are also the external auditors of Allianz.
- (ii) In view of the above, PwC PLT would be able to provide effective co-ordination of the audits between the companies within the Group as well as between the Group and Allianz.
- (iii) PwC PLT met the criteria for appointment as specified by BNM.
- (iv) PwC PLT completed the audit on the Group for FY2024 satisfactorily.

PwC PLT confirmed that, for the audit of the financial statements of the Group for the FY2025, PwC PLT maintained its independence in accordance with the firm’s requirements and the provisions of the By-Laws on Professional Independence of the Malaysian Institute of Accountants and with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards).

AC deliberated on the evaluation and recommendation of the Finance Team and concurred with the Finance Team’s evaluation and recommendation to re-appoint PwC PLT as the External Auditors for the Group and recommended

the re-appointment of PwC PLT as the External Auditors for the Group for the FY2025, for the respective Boards’ approval.

AC also ensures that there is a rotation on the EP and the CP at least once in every five (5) years. During the FY2025, AC reviewed the proposed re-appointment of EP and the appointment of CP for the Group together with EP’s statutory declaration pertaining to her compliance with appointment criteria as prescribed by BNM. AC satisfied that the EP and the CP met the qualification criteria as prescribed by BNM and possess vast audit experience of more than 20 years inclusive of providing assurance services within the insurance industry. AC therefore recommended the re-appointment of EP and appointment CP for the Group for the respective Boards’ approval.

- (b) Reviewed the scope of work and the audit fees of the Group for the FY2025 (“2025 Audit Fees”) and recommended the same for the respective Boards’ consideration.
- (c) Reviewed and recommended for respective Board’s approval on the 2025 Audit Fees for the Company and the Group are as set out below:

	Group RM’000	Company RM’000
Statutory Audit Fees	1,624	208
Other Audit Related Fees	636	415

Audit Committee Report

- (d) Reviewed and recommended the following proposals for the approval of the respective Boards of the Group:
- (i) the re-appointment of PwC PLT to review the Statement on Risk Management and Internal Control (“SORMIC”) of the Company for the FY2025;
 - (ii) the engagement of PwC PLT to perform agreed-upon procedures in relation to the reporting to Motor Insurers’ Bureau of West Malaysia for Allianz General for FY2025;
 - (iii) the engagement of PwC PLT to perform Interim Review on the insurance subsidiaries; and
 - (iv) the engagement of PwC PLT to perform Sustainability Assurance review on selected sustainability information (“Indicators”) of the Company for FY2025.

(C) Provision of Non-Audit Services by the External Auditors

AC is required to ensure proper checks and balances are in place so that provision of non-audit services by the External Auditors do not interfere with their exercise of independent judgment. In this regard, the Policy on Audit and Non-Audit Services Provided by External Auditors (“Audit and Non-Audit Policy”) was put in place to govern the professional relationship between the Group and its External Auditors in relation to audit and non-audit services. The Audit and Non-Audit Policy aim to ensure that the independence and objectivity of the External Auditors are not compromised.

During the year under review, AC recommended the below mentioned non-audit services and their respective fees for the respective Boards’ approval (“Non-Audit Services & Fees”). The Non-Audit Services & Fees were approved by the respective Boards of the Group during the FY2025:

	Subsidiaries RM’000	Company RM’000
• Review of interim financial information for the Interim Review for the insurance subsidiaries	221	-
• Review of SORMIC	-	15
• Review of selected Indicators in the IAR	-	400

The total Non-Audit Services & Fees of the Group for the FY2025 amounted to RM636,000.

RPTs and Conflict of Interest (“COI”)

- (a) During the FY2025, AC reviewed and deliberated on RPTs taking into account the nature and underlying details of the transactions, and compliance with local laws and regulatory requirements in relation to RPTs. AC also reviewed the new and recurrent RPTs (“RRPTs”) including renewal of existing RRPTs for inclusion in shareholders’ mandate for the ensuing year in accordance with the internal authority limits approved by the Board and recommended to the Board for consideration.

- (b) All RPTs and RRPTs were reviewed by the Shareholders’ Mandate Due Diligence Working Group (“DDWG”) prior to the said transactions being presented to AC or respective CEOs for consideration. The DDWG reviewed all RPTs and RRPTs and submitted its recommendations to AC or respective CEOs based on the criteria, including but not limited to the following:

- (i) transaction prices or contract rates;
- (ii) justification on the charging basis;
- (iii) compliance with the requirements under the applicable tax laws including transfer pricing guidelines issued by the relevant authority;
- (iv) terms and conditions of the contract;
- (v) efficiency, quality, level of service and/or expertise and/or technical support provided;
- (vi) benefits arising from the services/products;
- (vii) satisfactory past year experience and working relationship; and
- (viii) in respect of the insurance activities, pursuant to reinsurance, underwriting and treaty arrangements entered into between relevant parties.

AC reviewed the RPTs and RRPTs within its purview to ensure that they were carried out at arm’s length and on terms not more favourable to the related parties than those generally available to the public and not to the detriment of the minority shareholders of the Company. Subsequently, the AC submitted its recommendation to the respective Boards for consideration. The AC also reviewed and recommended the announcement in respect of the renewal of shareholders’ mandate for RRPTs, for the Board’s approval.

Audit Committee Report

None of the AC members has a direct or deemed interest in the RPTs or RRPTs presented at the AC meetings during the financial year under review.

AC also reviewed the list of RPTs entered into by the insurance subsidiaries for the periods from 1 January 2024 to 31 December 2024 and from 1 January 2025 to 30 June 2025 which were submitted to BNM.

During the FY2025, the AC reviewed the review procedures for RRPTs and was of the view that the review procedures for RRPTs are sufficient to ensure that the RPTs/RRPTs are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company, and the Group has in place adequate procedures and processes to monitor, track and identify RPTs/RRPTs in a timely and orderly manner. In view thereof, AC approved the AC statement in respect of the review procedures for RRPTs for inclusion in the Circular to shareholders in relation to the renewal of shareholders' mandate for RRPTs.

- (c) AC reviewed the disclosure of the outstanding amount due from related parties for RRPTs ("Outstanding Amount") including the Management's action plan to collect the Outstanding Amount as well as the Management's view on the recoverability of the Outstanding Amount (collectively referred to as the "Outstanding Amount Disclosure"), and agreed with the Management's view and action plan in relation thereto. AC having satisfied that the outstanding Amount Disclosure met the disclosure requirements of Bursa Malaysia Securities Berhad, resolved that the same be recommended for the respective Boards' approval.
- (d) In ensuring that RPTs and RRPTs have been carefully reviewed, AC reviewed the disclosures of the directorships and shareholdings held by Directors on a half yearly basis and whenever changes occurred.

- (e) AC reviewed the COI declaration made by the key responsible persons of the Group and noted that no adverse findings were observed.
- (f) AC reviewed and recommended for the approval of the respective Boards of the Group on the proposed COI Policy for Directors, prepared in accordance with the Corporate Governance Policy Document issued by BNM ("BNM CGPD") and the Listing Requirements.

Internal Audit Related Matters

- (a) In its oversight over the Internal Audit function, AC had approved the Group's five-year (2026 – 2030) Internal Audit Plan. The said five-year Internal Audit Plan is a dynamic plan and the review will be conducted on an annual basis. AC had also approved the Management's expenses budget of IAD.
- (b) AC reviewed on a quarterly basis, the progress reports of the Group's Internal Audit Plan 2025 ("2025 Plan") to ensure that the 2025 Plan was on track. The 2025 Plan was developed based on annual risk assessment taking into consideration, amongst others regulatory requirements and Group's strategic direction. The AC also discussed the progress reports on various outstanding audit findings. AC noted that the 2024 Plan has been fully executed.
- (c) The various Internal Audit Reports and Internal Assessment Reports covering core operations, non-core operations, and information technology were tabled for deliberation at AC meetings. The system of internal control over the audited areas, including management oversight, was found to be adequate or with moderate shortcomings. Lapses/shortcomings reflected in the reports were deemed not significant or material and hence did not impact on the effectiveness of the Group's overall internal control environment. AC took note that rectification measures were implemented to address the audit concerns raised. Where appropriate, AC provided

its opinions and directives to improve the existing processes and procedures.

- (d) AC reviewed the notification from Perbadanan Insurans Deposit Malaysia ("PIDM") in respect of the Differential Levy Systems Score, levy category and annual levy rate for assessment year 2025 for the insurance subsidiaries. The Return on Calculation of Premiums for submission to PIDM was validated by the IAD.
- (e) AC reviewed the results of the self-assessment of the IAD in 2025. The internal audit self-assessment is designed to evaluate the efficiency and effectiveness of the internal audit activity and to identify opportunities for improvement. The overall performance of the IAD was rated as Satisfactory.
- (f) AC reviewed the Annual Audit Report prepared by the Group Head of IAD. The Annual Audit Report provides an overview of the audit function objectives, execution of the 2024 audit plan and follow-up of overdue findings.
- (g) AC reviewed and recommended for the approval of the respective Boards of the Group, the Allianz Audit Policy ("AGAP") version 13.1. AGAP aims to ensure that the organisation and work of the Allianz's Internal Audit functions worldwide adhere to a consistent set of minimum rules and operating procedures such that the effectiveness of the controls necessary to achieve the Allianz's goals. The revision of AGAP version 13.1 is to clarify the roles and responsibilities of the Allianz Audit with no impact on the local audit function. The revisions include greater clarity of Allianz Audit's role to the section on Annual Audit Plan and the Allianz Audit's appointment and removal of local Chief Audit Executive ("CAE") and extension/clarity of Regional Audit's role in Functional enablement activities.

AC also reviewed the revised Allianz Asia Pacific Policy version 3.0, aligned with the revision of AGAP version 13.1.

Audit Committee Report

- (h) AC noted the Standard Audit Manual (“SAM”) version 2.0 and 2.1. SAM outlines the general aspects for the execution of the standard audit process and the management of an Internal Audit function. The revision of SAM 2.0 encompassed changes including enhanced coordination with assurance providers, updated advisory services, a stronger emphasis on professional development, the inclusion of “High Risk Areas,” new audit key performance indicators, and streamlined processes for findings remediation, scope limitations, and risk acceptance requiring board-level approvals.

SAM 2.1 included changes focusing on pre-alignment of Satisfactory-rated reports between the Regional Head of Audit and local CAE, revised timelines for follow-up email reminders, and enhancements to the risk acceptance matrix involving Regional leadership.

- (i) In February 2025, AC evaluated the 2024 performance of the Group Head of IAD and submitted its recommendations to the NRC and the respective Boards for review. AC also reviewed the 2025 target letter of the Group Head of IAD and recommended the same for the approval of the NRC and the respective Boards.
- (j) The Group Head of IAD had in February 2025 and November 2025 met with AC without the presence of the Management to discuss on key internal controls and internal audit matters. AC also reviewed together with the Group Head of IAD, the resources, staffing and succession plan of the IAD.

Integrity and Ethics

AC reviewed the findings and recommendations by the Integrity Committee on the updates of reported whistleblowing/fraud cases and new whistleblowing/fraud cases discovered by the insurance subsidiaries. AC approved the actions to be taken and the closure of cases as recommended by the Integrity Committee.

Integrated Annual Report

- (a) Reviewed the SORMIC for the FY2024 (“2024 SORMIC”) prior to the same being submitted to the External Auditors for review.

The Management had given assurance that:

- (i) the present risk management framework and internal control system were adequate and effective in mitigating risks to achieve its business objectives; and
- (ii) no significant deficiencies had been identified in the design or operation of internal controls that could adversely affect the Group’s ability to meet its business objectives.

External Auditors had reviewed the 2024 SORMIC and concluded that nothing had come to their attention that caused them to believe that the 2024 SORMIC, in all material aspects had not been prepared in accordance with the relevant disclosures requirements or were factually inaccurate. Following clearance obtained from the External Auditors, AC recommended for the inclusion of 2024 SORMIC in the IAR of the Company for the FY2024 (“2024 IAR”) for the Board’s approval.

AC also reviewed the Management Representation Letter in relation to 2024 SORMIC and was satisfied with the contents of the same. AC approved the Management Representation Letter for submission to the External Auditors.

- (b) AC reviewed and recommended for the approval of the Board, the 2024 IAR.

- (c) AC reviewed and recommended for approval of the Board on the disclosure of Independent Limited Assurance Report on Sustainability Assurance, internal control recommendations on Sustainability Assurance FY2024 and Limited Assurance Management Representation Letter to the External Auditors.

Others

- (a) AC reviewed and discussed the tax audit development of Allianz General.
- (b) AC reviewed and deliberated on the BNM’s 2024 supervisory review observations of the insurance subsidiaries and the Management’s responses and remediation actions, prior to the same being presented to the respective Boards. AC also monitored the remedial measures to address the findings highlighted in BNM’s 2024 supervisory review on a quarterly basis.
- (c) AC reviewed and recommended for the approval of the respective Boards of the Group, the Allianz Accounting and Reporting Policy version 12.0 (“GARP”). GARP defines the framework for the provision of reliable and high-quality financial information by Allianz, and shall thus, facilitate the implementation of regulatory and accounting requirements. It aims to minimise any Accounting and Reporting risk to protect Allianz’s financial stability and reputation. Hence, the GARP outlines the principles for Accounting and Reporting functions and processes in Allianz and sets the related governance structure. A gap analysis was performed and there were no material gaps or applications that require adaptation.

Audit Committee Report

- (d) AC deliberated and noted the status of the court proceedings brought by the Malaysia Competition Commission following the allegation made by the Federation of Automobile Workshop Owners' Association of Malaysia against Persatuan Insurans Am Malaysia and its members, including Allianz General.
- (e) AC reviewed and recommended for the approval of the Board of Allianz General, the impairment assessment on bancassurance distribution right as at 31 December 2025. No impairment of the intangible asset was required for FY2025.
- (f) AC reviewed and recommended for the approval of the respective Boards of the Group, the Group Sales Disciplinary Policy 2.0. The Group Sales Disciplinary Policy outlines the disciplinary action that could be applied for the offences/misconducts committed by sales intermediaries. It serves as a guide to the Integrity Committee and Ethics and Compliance Committee of Allianz Life and Allianz General in instituting the appropriate disciplinary actions in response to illegal or improper conduct within the Group and misconduct by sales intermediaries acting on behalf of the Group.
- (g) AC reviewed and recommended for approval of the respective Boards of the Group, the revision of the TOR of the AC. The revision of the TOR of the AC is made to be in line with, amongst others, the Code, Listing Requirements and BNM CGPD.

Internal Audit Function

The mission of Internal Audit function is to enhance and protect organisational value by providing risk-based and objective assurance, advice, and insight to the Group.

While the Board is responsible for ensuring the establishment of an effective Internal Audit function, the oversight of the function is delegated to the AC. The areas under the AC's purview include amongst others, review of audit scope, audit findings and actions taken by Management, appointment, performance evaluation and succession planning of the Group Head of IAD.

The IAD is independent of business operations and is headed by the Group Head of IAD, who reports directly to the AC and to the CEO administratively.

To ensure that the responsibilities of the internal auditors are fully discharged in accordance with the BNM's guidelines with regard to Internal Audit, Global Internal Audit Standards set by the Institute of Internal Auditors and other relevant practices and guidelines from Allianz/Allianz Regional Audit, the AC reviews the adequacy of the scope, authority of Internal Audit function and resources of the IAD as well as the competency and experience of the internal auditors annually.

Further information on the resources, objectivity, and independence of the Group Head of IAD and internal auditors are provided in the Corporate Governance Report in accordance with Practice 11.2 of the Code.

The IAD carried out its duties in accordance with the Internal Audit Charter and the 2025 Plan, approved by the Board and AC respectively.

Based on the 2025 Plan, the identified key audit areas for 2025 encompassed among others, compliance, incident management (Digital Operational Resilience Act Element), input management, processing and archiving, Human Resource operations and employee lifecycle management, qualitative risk management, privacy and data protection, develop and maintain application "End-User Computing", cyber and information technology ("IT") security, architecture and demand, IT governance, risk and controls, PIDM compliance review, claims and assistance performance management, underwriting and policy administration, branches audit, reinsurance management, direct sales management, accounting and financing closing, regulatory reporting and tax, planning and controlling, accounts receivables management, claims provider management and broker management.

A total of 36 internal audit assignments were carried out during the FY2025. A total of 45 internal audit and assessment reports generated during the FY2025 were reviewed and deliberated by AC. There were no significant or material audit findings detected during the FY2025.

The IAD also established a follow-up audit review to monitor and ensure that audit recommendations have been effectively implemented. The progress reports of the audit observations on remedial measures taken by the Management of the respective companies were tabled at AC meetings on a quarterly basis for AC's review.

The total cost incurred by the IAD in discharging the Internal Audit functions of the Group for the FY2025 was RM5.1 million.

This AC Report was approved by the Board on 13 April 2026.

Statement on Risk Management and Internal Control

This Statement on Risk Management and Internal Control (“Statement”) is prepared in accordance with paragraph 15.26(b) of Bursa Malaysia Securities Berhad’s Main Market Listing Requirements (“Listing Requirements”). It requires the board of directors to provide a narrative statement regarding the state of internal controls within the listed issuer as a group, ensuring that shareholders are informed about how risks are managed and controlled.

Board Responsibility

The Board of Directors (“Board”) is steadfast in its commitment to ensuring that effective risk management and internal control systems are established within the Group. Continuous reviews are conducted to uphold the adequacy and integrity of these systems. While these systems are designed to safeguard shareholders’ investments and the Group’s assets, they can only mitigate, rather than eliminate, the risk of not meeting the Group’s business objectives. By their nature, these systems offer reasonable, but not absolute, assurance against material misstatement, fraud or loss.

The Board has implemented a continuous process for identifying, evaluating and managing the significant risks that may affect the Group’s ability to achieve its business objectives. This process is periodically reviewed and updated to adopt the changes in business environment and has been in place throughout the financial year ended 31 December 2025, and up to the date of this Statement.

In fulfilling its oversight responsibilities for risk management and internal control, the Board is supported by the Audit Committee (“AC”) and Risk Management Committee (“RMC”), which comprises exclusively of Independent Directors. While these committees play a crucial role in advising and assisting the Board, the final decision-making authority on all matters ultimately rests with the respective Boards. The Board is kept informed of the decisions, significant issues and recommendations discussed by the AC and RMC through the reporting of the respective Chairmen of AC and RMC as well as the minutes of the AC and RMC meetings tabled at the Board Meetings.

The AC through the Internal Audit function, assists the Board in evaluating the effectiveness and adequacy of the Group’s internal control system. The AC oversees the effectiveness of the Internal Audit function include ensuring the independence of the Internal Audit function and the adequacy of its scope of work and resources. The AC meets at least four (4) times a year to deliberate on key internal audit findings and any investigation reports.

The RMC is responsible for driving and overseeing the Group’s risk management framework, focusing on the continuous assessment of risks at both strategic and corporate levels, and implementing measures to mitigate and/or minimise these risks. Key risk categories include regulatory and compliance risk, underwriting risk, financial risk, operational risk, technology risk and sustainability-related risks, including climate change. The RMC meets quarterly to review the Group’s risk status, assess the impact of emerging risks, and evaluate whether the current risk management framework

remains effective in controlling the Group’s risk-taking activities, ensuring alignment with the Group’s risk appetite and business environment. This oversight ensures that key risks are adequately managed and that the risk management processes are effectively established and functioning.

Management Responsibility

Senior management is responsible for implementing all policies and procedures, including those related to risk and control. The Risk Management Working Committee (“RMWC”) is established at the Management level of the insurance subsidiaries and serves as a platform for two-way communication between the Management and the RMC on matters relating to risk strategy and management. The RMWC’s roles, among others include formulating risk management strategies, policies and risk tolerance as well as driving risk management activities endorsed by the Board. On a quarterly basis, the RMC consolidates and presents the status of risks to the respective Boards of the Group for consideration, based on reports prepared by the Compliance and Risk Management functions.

The Chief Executive Officer and Chief Financial Officer have given assurance to the Board on the adequacy and effectiveness of the Group’s risk management and internal control system. For the financial year ended 31 December 2025 and up to the date of this Statement, the Management has not identified any significant deficiencies in the design or operation of the Group’s risk management and internal controls that could adversely affect its ability to meet business objectives.

Statement on Risk Management and Internal Control

Control Structure

The key processes that the Board has established for reviewing the adequacy and integrity of risk management and internal controls of the Group are as described below.

Risk Management Framework

The Board recognises that a risk management system is an integral part of the Group's operations, in order to identify key risks and implement appropriate controls to manage such risks. The Group has in place a Risk Management Framework Manual ("RMFM") which outlines the guiding principles of the risk management approach, structure, roles, responsibilities, accountabilities, reporting requirements as well as the risk identification, evaluation and monitoring process of the Group. It is designed to formalise the risk management function and practices across the Group and to increase awareness of the Group's employees to risk identification, measurement, control, on-going monitoring and reporting.

The RMFM incorporates the relevant requirements of the guidelines and/or policies issued by Bank Negara Malaysia ("BNM") and Allianz.

The system of risk governance is integrated into core management processes and forms part of daily business processes so that value-added contribution in terms of sustainable competitive advantage and improved business performance can be established. Various governance elements are in place, including organisational structure, risk strategy, written policies, authority limits, documentation, and reporting, to ensure accurate and timely flow of risk-related

information and a disciplined approach towards decision making and execution.

The Group also adopts the three lines of defence model where the "first line of defence" rests with the business managers. They are responsible in the first instance for both the risks and returns of their decisions.

The "second line of defence" is made up of the oversight functions comprising Compliance and Risk Management, that are independent from business operations.

- The Compliance function assists the respective Boards and Senior Management of the Group in managing and mitigating compliance-related risks due to any non-compliance to the requirements of the law, regulations as well as regulatory and industry guidelines.
- The Risk Management function assists the respective Boards and Senior Management of the Group to achieve its strategic goals and objectives by implementing risk management activities and controls across the organisation.

Both the Compliance and Risk Management functions report to the RMC, which assists the respective Boards of the Group to discharge its oversight function effectively. As part of their responsibilities, the Compliance and Risk Management functions advise the respective Boards and Senior Management of the Group on compliance, risk and regulatory matters; and promote risk and compliance awareness amongst the Group's employees through trainings and workshops.

In addition to the above oversight functions, Legal and Actuarial functions of the insurance subsidiaries constitute additional components of the "second line of defence". An appropriate control framework has been established to avoid any potential conflict of interest to fulfil their roles as the second line of defence.

- The Legal function seeks to mitigate legal risks arising from legislative changes, major litigation and disputes, regulatory proceedings and unclear contractual terms.
- The Actuarial function contributes towards assessing and managing risks in line with regulatory requirements and reports to the respective Boards and Senior Management of the Group. Its scope of work includes coordination and calculation of technical reserves, providing oversight on product pricing and profitability and contribution to the effective implementation of the risk management system.

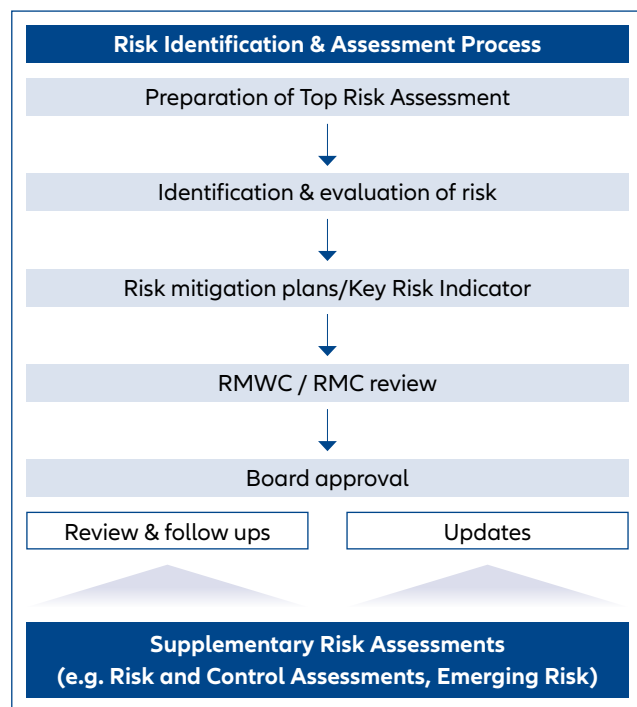
The Governance and Control Committee ("GovCC") supports the Management to fulfil its responsibilities with respect to regulatory governance, organisational and control requirements. The GovCC also provides a platform for structured and institutionalised interaction and collaboration on cross functional and control related topics to facilitate a consistent approach in terms of processes, methodologies, assessments, materiality and others. GovCC members consist of senior management from governance and operation functions. The GovCC reports to the respective Senior Management Committees on governance and internal control system related matters.

Statement on Risk Management and Internal Control

Risk Management Process

Risk management is integrated into the daily process of managing and directing the business. These include the implementation of a limit system, various frameworks, manuals and policies.

Besides the embedded process, the following risk management cycle to identify, assess, mitigate, monitor and report will also be carried out by the Risk Management function together with the respective risk owners:



(i) Top Risk Assessment (“TRA”)

The TRA process is in place to periodically analyse all material quantifiable and non-quantifiable risks. These can be from specific risk categories including market, credit, underwriting, business, operational, liquidity, reputational and strategic risks; or can be transversal risks such as concentration risks, emerging risks and ESG risks.

The Group identifies and remediates significant threats to financial results, operational viability or the delivery of key strategic objectives using the approved TRA matrix. The identified top risks are assessed quarterly by the assigned risk owners; and the same is reviewed by the RMWC and the RMC and approved by the Board. Key risk indicators are also in place to monitor changes in risk exposure or control effectiveness for the top risks on a quarterly basis. Broadly, the top risks impact one or more of the categories below:

Key Risk	Broad Definition	Risk Management Practices
Market	Risk related to changes in fair values of investment portfolios and liabilities, arising due to changes in parameters influencing market prices. These include changes in equity prices, interest rates, real estate prices, exchange rates, credit spreads and implied volatilities.	<ul style="list-style-type: none"> • Defined asset allocation benchmarks, investment limits and risk appetites; with continuous monitoring of exposure. • Asset liability management strategy. • Maintain sufficient capital and liquidity buffers.
Credit	Risk of losses due to deterioration in the credit quality of counterparties or their failure to fulfil contractual obligations.	<ul style="list-style-type: none"> • Credit analyses on new and existing counterparties. • Defined counterparty limits to ensure the diversification of investment portfolio. • Prioritise reinsurance partners with strong credit profiles.

Statement on Risk Management and Internal Control

Key Risk	Broad Definition	Risk Management Practices
Underwriting	Risk related to inadequacy of premiums and/or reserves, unexpected large losses or catastrophes, as well as adverse developments in mortality, disability, morbidity and longevity rates for life insurance business.	<ul style="list-style-type: none"> • Comprehensive underwriting guidelines and system rules in place. • Regular monitoring of products and review of assumptions; re-pricing will be considered if necessary. • Reinsurance programme in place and reviewed annually to ensure adequate cover within acceptable appetite and costs. • New products undergo a robust product development process. • Claims control measures to prevent leakages.
Strategic and Business	Risk arising from management decisions on business strategies and implementation. This also leads to the risk of lower than expected business growth without a corresponding decrease in expenses.	<ul style="list-style-type: none"> • Regular monitoring of actual vs plan. • Annual strategic and planning dialogues. • Regular management committee meetings. • Stress testing of business plan.
Operational – Regulatory Change	Risk arising from failure to implement changes to keep up with evolving regulatory expectations.	<ul style="list-style-type: none"> • Continuous awareness trainings to all staff on relevant topics. • New/revised requirements communicated to relevant functions and gap analysis is performed to identify action plans where necessary. • Regular reviews are conducted to ensure compliance. • Maintain ongoing engagements with regulators.
Operational – Information Security	Risk of information security breach triggered by both information technology (“IT”) and non-IT causes leading to loss of data confidentiality, loss of data integrity, as well as business disruption and loss of availability of services resulting in financial and reputational impact.	<ul style="list-style-type: none"> • Staff awareness trainings and campaigns on IT Security and Privacy. • Defined procedures for handling data. • Infrastructure and technologies to monitor and protect against cyber threats. • Identity & Access Management. • Effective patch and vulnerabilities management e.g. Red team/ Blue team. • Regular penetration testing. • Privacy Impact Assessment.

(ii) Operational Risk Management (“ORM”)

ORM is a continuous process which includes risk identification, measurement, quantification, management and monitoring to mitigate operational losses resulting from inadequate or failed internal processes, human errors, system failures, or from external events.

ORM covers a combination of the following activities:

- The Non-Financial Risk Management (“NFRM”) framework defines a system for managing Non-Financial Risks by establishing a standard set of risk vectors, facilitating the implementation of controls via a control catalogue, and ensuring robust testing of key controls using a systematic risk-based approach.
- Analysis of actual loss events reported into the Loss Event database.
- Periodic audits by the Internal Audit function and reviews by second line functions.
- Monitoring of key risk indicators and feedback from subject matter experts (for example IT Security Officer, Data Privacy Officer, Business Continuity Management Officers, Anti-Fraud and Anti-Corruption Coordinators, as well as respective operation managers).

Statement on Risk Management and Internal Control

(iii) Reputational Risk Management

All activities within the Group can influence its reputation, which is determined by the perceptions and beliefs of its stakeholders. Hence, thorough management of any potential reputational risks is required. Any risks that might have significant impact on all operating entities within the Allianz will be escalated to Allianz SE via the Communication team at Allianz Asia Pacific.

Reputational risks form part of the assessment of top risks under the TRA process as well as under the NFRM framework. Hence, it is managed in line with the mitigation actions taken for relevant risks with reputational impact. In addition, the Group has adopted Allianz Standards for Communications and the Allianz Standard for Integration of Sustainability (“ASIS”) which establishes a core set of principles and processes for the management of non-ESG and ESG reputational risks within the Group. The Group’s Corporate Communications function also actively manages the reputational risk by assessing any potential risk arising from media and social media.

(iv) Liquidity Risk Management

Liquidity risk refers to the potential inability to meet current or future payment obligations, often due to mismatches in the timing of cash inflows and outflows or adverse events. To mitigate this risk, the Group has established limits on minimum liquid assets which are closely monitored. Asset liability management is in place and various potential events leading to liquidity shortages have been identified. Additionally, stress testing is conducted to assess the liquidity intensity ratio against defined thresholds.

(v) Sustainability Risk Management

ESG events or conditions, including climate change, are those which, if they occur, may potentially have significant negative impacts on the balance sheet, profitability or reputation of the Group and/or Allianz SE. Sustainability-related risks may materialise within multiple risk categories. For example, physical and transition risks arising from climate change impacts underwriting, market, and credit risks.

Sustainability-related mitigation measures may vary, depending on the precise nature of the underlying risk. Given that all adverse impacts attributable to ESG factors are ultimately realised within one of the existing risk categories (e.g. market, underwriting, operational etc.), the Management aim as much as possible to embed the identification and management of these risks within existing processes. As mentioned above, the ASIS guides management of ESG reputational risk.

Sustainability related matters are discussed at both the Sustainability Committee and RMWC. The Sustainability Committee, comprising top management, reports to the respective Boards of the Group and is tasked with driving sustainability initiatives, including those related to climate change, as part of overall business considerations. Meanwhile, the RMWC focuses on the risk management aspect of climate change, and the Chief Risk Officer provide update to the RMC.

Risk Capital Management

As the Group’s main business is insurance, the following processes to manage capital is part of the Group’s risk management framework:

(i) Internal Capital Adequacy Assessment Process (“ICAAP”)

ICAAP is a process through which the insurance subsidiaries ensure it has adequate capital to meet its solvency requirements, taking into consideration of its own risk profile and risk appetite. A formal assessment is conducted at least annually, and the results are reported to the respective Boards of the insurance subsidiaries.

The review of the ICAAP coincides with the annual planning process and any changes in the strategic direction and business plans of the insurance subsidiaries will be updated in its Risk Strategy; and the latest business plans are also taken into account when computing the Individual Target Capital Level (“ITCL”) of the insurance subsidiaries.

Statement on Risk Management and Internal Control

The ITCL is validated by stress testing to ensure that it remains above the Supervisory Target Capital Level imposed by the regulator even after the occurrence of a severe plausible event, demonstrating a focus on balance sheet strength and protection of shareholders' value. A Capital Management Plan ("CMP") has been developed with identified action plans and available sources of capital in case pre-determined solvency thresholds were triggered; ensuring the capital adequacy ratio is restored above the internal soft threshold level.

(ii) Stress and Sensitivity Testing

Stress and sensitivity tests are effective risk management tools and the Group conducts such tests regularly. The tests are designed based on the respective insurance subsidiaries' solvency position and key risk drivers. The results of the tests will be used in various ways, for example to determine the extent of capital affected by the threats arising from adverse events and the actions required to mitigate such threats.

The respective Boards and Management of the insurance subsidiaries are updated on the results and provide their feedback on the outcomes, as well as the appropriateness of the methodology and assumptions adopted.

Internal Audit

The Internal Audit function of the Group, which reports to the AC, undertakes independent reviews or assessments of the Group's operations and its system of internal controls. It provides monitoring of the controls and risk management procedures as well as highlights significant risks impacting the Group. The internal audit personnel form the "third line of defence", are independent from the day-to-day activities of the Group and have unrestricted access to all activities conducted by the Group.

Internal Audit Plan is developed based on annual risk assessment and approved by the AC. The audit scope covers auditable areas encompassing across the organisation such as finance functions (accounting, financial closing, regulatory reporting, tax processes, accounts receivables), sales functions (direct sales and broker management), underwriting, claims performance and provider management, reinsurance, human resources, input management, processing and archiving. In addition, the audit will review various IT systems/processes and regulatory compliance audit in areas such as replacement of policy.

Internal audit findings are discussed at the management level. Senior and functional line management are responsible for ensuring that management action plans are implemented in accordance with the internal audit recommendations. All internal audit reports are submitted to the AC, which deliberates on key audit findings and the corresponding management actions during the AC meetings.

Follow-up audits are also performed to monitor ongoing compliance and the internal auditors provide updates to the AC on the progress of the management action plans as well as progress of the Internal Audit plan during the AC Meetings.

Other Key Internal Control Process

The other key processes that the Board has established to provide effective internal control include:

Clear and Defined Organisational Structure

- The Group has established an organisational structure with clearly defined lines of responsibility, authority limits and accountability aligned to its business and operation requirements and control environment. Relevant Board Committees with specific responsibilities delegated by the Board are established to provide oversight governance over the Group's activities. The Board Committees for the Group are centralised at AMB Board level. The Board Committees have the authority to examine matters under their terms of reference and report to the respective Boards of the Group with their observations and/or recommendations. Although specific authority is delegated to the Board Committees, the ultimate responsibility for final decisions on all matters rests with the respective Boards of the Group.

Statement on Risk Management and Internal Control

- Various Management Committees are established by the Management of the insurance subsidiaries to assist in managing the day-to-day operations and ensure its effectiveness. The Management Committees formulate tactical plans and business strategies, monitor performance and ensure activities are carried out in accordance with corporate objectives, strategies, business plans and policies as approved by the respective Boards of the insurance subsidiaries.

Management Authority Limit

- The Board's approving authority is delegated to the Management through formal and defined operational authority limits that governs business procedures and decision-making process in the Group. The operational authority limits incorporate segregation of duties and check and balance in delegation of authority.
- The Management's authority limits include limits for underwriting of risks, claims settlement, reinsurance, operational and capital expenditures. These limits are regularly reviewed and updated to ensure their relevance to the Group's operations. They are documented and accessible to all staff through the Group's staff e-portal.
- In ensuring that the decision-making process is transparent and to the best interest of the Group, all Directors and staff including the Chief Executive Officer are required to declare their interest in other entities on an annual basis. In addition, they are required to disclose to the Group, any circumstance that may give rise to a conflict of interest situation during the course of carrying out their duties.

Policies and Procedures

- Clear, formalised and documented internal policies and procedures are in place to ensure continued compliance with internal controls and relevant rules and regulations imposed by the relevant authorities.
- These policies and procedures are subject to regular review and improvement to address changing risks and enhance processes, as and when required. They are also accessible to staff through the Group's staff e-portal for easy access.

Annual Business Plan and Performance Review

- Annual business plans are submitted to the respective Boards of the Group for approval. Financial condition and business performance reports are also submitted to the respective Boards of the Group for review during the Board meetings. These reports cover all key operational areas and provide a sound basis for the respective Boards of the Group to assess the financial performance of the Group and to identify potential problems or risks faced by the Group, thus enabling the respective Boards of the Group to effectively monitor on an on-going basis, the affairs of the respective companies.

Related Party Transactions

- The Group has established the necessary controls and procedures to ensure compliance with the relevant regulatory requirements in respect of related party transaction. Necessary disclosures are made to the respective Boards of the Group and where required, prior approval of the respective Chief Executive Officers or Boards of the Group is obtained in accordance with the levels of authority prior to execution of the transactions.
- A due diligence working group was formed to review the related party transactions and submit its recommendations to the respective Chief Executive Officers, AC and the respective Boards of the Group for approval in accordance with the internal authority limits approved by the Board.
- The AC also reviews the related party transaction review procedures on an annual basis to ensure that the procedures and processes are sufficient and adequate to monitor, track and identify related party transactions including recurrent transactions in a timely and orderly manner.

Underwriting and reinsurance

- The insurance subsidiaries employ high standards in their respective underwriting process. This includes among others, risk segmentation and selection, setting adequate pricing and terms and conditions, setting of right retention limit and adequate reinsurance protection.

Statement on Risk Management and Internal Control

- Underwriting authority is controlled centrally at the Head Office level. Reinsurance is in place primarily to ensure that no single loss or aggregation of losses arising from a single event will have an adverse financial impact on the Group. Reinsurers selection is guided by the guidelines issued by the regulator and the Allianz. Reinsurance needs are reviewed annually in respect of reinsurance treaties and on case to case basis on facultative arrangements.

Financial control procedures

- Financial control procedures are in place and are documented in the procedural workflows of each business unit. These workflows are subject to regular review and improvement to address changing risks and enhance process as and when required.

Investment

- The Investment Committee of the insurance subsidiaries is responsible for setting investment policies, objectives, guidelines and controls governing the Investment Department. The Investment Department, in turn, is responsible for managing the Group's investment functions within the approved parameters.
- The Group has in place the Group Investment Manual which sets out the detailed investment procedures and controls, including an Investment Code of Ethics to ensure the fiduciary duties to policyholders and the Group's interests are always upheld.

- The investment limits are set at various levels which are on top of and more stringent than the regulatory limits as prescribed by BNM. The investment levels are monitored regularly to ensure compliance with both internal investment limits and those specified in the Risk Based Capital Framework for Insurers and the Investment-linked Business Policy Document issued by BNM.
- The investment performance reports are amongst the reports submitted to the Investment Committee and the respective Boards of the insurance subsidiaries for review at their quarterly meetings.

Code of Conduct ("COC")

- Every employee is required to attest on an annual basis that they understand and comply with the Allianz COC. The COC among others, is essential in promoting ethical conduct within the Group and reflects the Group's values and principles, and provides guidance to employees in their actions and decisions. Each employee has a responsibility to live by the principles contained in the COC, i.e. to:
 - (i) Treat each other fairly and respectfully;
 - (ii) Act with integrity;
 - (iii) Be transparent and tell the truth; and
 - (iv) Take ownership and responsibility.

Anti-Money Laundering/Counter Financing of Terrorism ("AML/CFT") and Targeted Financial Sanctions ("TFS")

- The Group has in place internal policies and procedures relating to AML/CFT and TFS to prevent and detect money laundering and terrorism financing activities. In both insurance subsidiaries, these include customer due diligence, screening against sanctions list and suspicious transaction reporting to the Compliance function whereas in life insurance subsidiary, customer profiling, due diligence and on-going transactions monitoring procedures are in place. In respect of education, staff and agents of life insurance subsidiary are trained on AML/CFT requirements to promote understanding of their fundamental responsibilities in adhering to the procedures of verifying customers' identities and reporting of suspicious transactions.

Product Development

- The insurance subsidiaries have each in place a Product Development Management Policy ("PDM Policy") which sets out the policies and procedures on product development in accordance with the requirements of the Guideline on Introduction of New Products by Insurers and Takaful Operators (BNM/RH/STD 029-10) issued by BNM.

Statement on Risk Management and Internal Control

- The PDM Policy aims to promote sound risk management practices in managing and controlling product risk by ensuring the appropriate assessment and mitigation of risk during the development and marketing stages. The PDM Policy will also assist to ensure that the products developed and marketed by the respective insurance subsidiaries are appropriate to the needs, resources and financial capability of the targeted consumer segments.
- The on-going product risk management is embedded within the risk management framework of the Group.

Whistleblowing and Anti-Fraud

- The oversight of whistleblowing and fraud matters of the Group is performed by the Integrity Committee ("InC"). The InC coordinates all activities concerning prevention and detection of fraud and handling of whistleblowing incidents.
- The Group has in place the Group's Anti-Fraud Policy and Group's Whistleblowing Policies and Procedures ("WBP Policy") to address fraud and whistleblowing issues respectively. The Anti-Fraud Policy defines fraud events, investigation process, reporting procedures, fraud risk assessments, training and the roles and responsibilities of Management and employees. The WBP Policy on the other hand, describes the Group's Speak-Up Policy, avenues for filing a concern and handling of whistleblowing incidents.

- In respect of whistleblowing, the Group has established a whistleblowing mechanism to enable anonymous and non-anonymous reporting of any breaches of the COC, laws, regulations, orders or internal rules. Whistleblowing cases are assessed confidentially by the InC to determine their validity, with findings and recommendations reported to the AC.

Anti-corruption

- The Group has adopted a localised Anti-Corruption Policy that outlines the guiding principles of Allianz SE, Malaysian Anti-Corruption Commission Act 2009 and Listing Requirements. The Anti-Corruption Policy outlines the Group's existing controls and behavioural guidelines on the risk areas of dealing with government officials, business courtesies, hiring of representatives, political contributions, charitable contributions, joint ventures, outsourcing agreements and facilitation payments.

Corruption risk is being assessed annually and the effectiveness of the policies and procedures are reviewed periodically at least once in every three years.

- The Vendor Integrity Screening process is part of Allianz's Anti-Corruption Programme, aims at ensuring that integrity-based due diligence is conducted before engaging any third-party vendor. The screening includes a self-assessment section, which among others, contains questions on anti-corruption to be answered by the potential vendor and a risk evaluation to be completed by the relevant staff/department in charge. Only vendors whose screening result show no negative findings will be engaged.

Employees

- All staff are required to make an annual declaration that they fulfilled the minimum criteria of "A Fit and Proper Person" as prescribed in Sections 59(1), (2) and (3) of the Financial Services Act, 2013. In addition, all staff are required to attest that they understand and comply with the requirements of the internal guidelines and policies, inter-alia, as follows:
 - Related Party Transaction Declaration;
 - Disclosure of Data;
 - Conflict of Interest;
 - COC;
 - IT Security Policy and Guideline e-Awareness Declaration;
 - Anti-Corruption Policy;
 - Anti-Fraud Awareness Declaration; and
 - Guidelines on the Code of Conduct for the General Insurance Industry and Code of Ethics and Conducts for the Life Insurance Industry.

Standard for Customer Protection

- The Allianz Standard for Customer Protection establishes the principles and standards that the Group must adhere to in its interactions with customers. This Standard emphasises a risk-based, pre-emptive and proactive approach to business conduct that is effective and efficient, aiming to mitigate and manage customer detriment issues at an early stage rather than responding after issues have emerged.

Statement on Risk Management and Internal Control

- In addition, the Standard defines the core professional, procedural and organisational requirements aimed at ensuring that the design, distribution and servicing of products in a manner that fulfils legal requirements and meets reasonable customer expectations for value and outcomes.

Agent Sales Disciplinary Policy

- As part of the efforts to enhance uniformity in disciplining the agency force, the Group has formalised a Sales Disciplinary Policy. These policies outlines the definitions of various types of offences and misconduct and the associated recommended disciplinary actions.

Business Continuity Management

- A Business Continuity Plan for the Group has been developed to ensure that any interrupted critical functions can be recovered and restored within a predetermined timeframe following a disastrous event.
- The testing for Business Continuity Plan and Disaster Recovery Plan for all main application systems is conducted on an annual basis.

Crisis Management

- Crisis Management Plans for the Group have been developed to outline the processes and procedures that guide crisis handling and manage any incidents with crisis potential. These plans help mitigate the impact of a crisis and prevent incidents with crisis potential from escalating into a crisis. They are supplemented by Crisis Scenario Plans which detail the crisis handling procedures for specific scenarios.

Information System

- All employees are required to strictly abide to and comply with the Group Information Technology and Information Security Policy and Standard which establishes core principles, responsibilities, tasks and organisational framework for IT and Information Security, in order to facilitate the fulfilment of internal and regulatory requirements.
- Following the issuance of Risk Management in Technology Policy Document (“RMiT Policy”) by BNM, the insurance subsidiaries are committed to ensuring continued compliance with the requirements prescribed under the RMiT Policy. Accordingly, the Group has implemented two (2) frameworks, namely the Technology Risk Management Framework and Cyber Resilience Framework. The Technology Risk Management Framework formalises the technology risk management approach across the Group, and the Cyber Resilience Framework provides guidance on situational awareness of the cyber threats it may be exposed to.
- IT services for the Group are managed by Allianz Technology Sdn. Bhd. (“AZTMY”), a related company and subsidiary of Allianz SE. All IT services/capabilities of application, infrastructure and security maintenance of the Group are consolidated at AZTMY. AZTMY is the Regional Delivery Centre for Asia, served as a central IT supply centre servicing all operating entities across Allianz Asia Pacific Region. AZTMY is subject to the same standards imposed by Allianz including but not limited to Outsourcing, business continuity management, Information Security; while the Group will continue to be responsible to ensure that AZTMY meets all relevant local regulatory requirements in relation to the IT services.
- The arrangement is governed contractually by the IT Supply Outsourcing Agreement; in addition, for all future new procurement of software and/or hardware, the Group will continue to hold the authority to approve any architectural changes, new investment/engagement. To facilitate the above, an operative governance process is defined between the Group and AZTMY to continuously assess, discuss and monitor the deliverables as agreed in the Service Level Agreement.

Statement on Risk Management and Internal Control

- The IT & Digital Steering Committees (“ITDSC”) within the Group, chaired by the respective Chief Executive Officers of the insurance subsidiaries, is responsible for the overall strategic deployment of IT and digital assets in tandem with the business objectives. It oversees all IT related matters and serves as the sole IT decision-making body. Other duties and responsibilities of ITDSC include, establishing effective IT and digital plans, formulation and implementation of technology risks management program, recommending to the RMC and respective Boards (whichever applicable) for approval on IT-related expenditure above the internal authority limits approved by the Board, material deviation from technology-related policies and matters related to Internet Insurance, as well as monitoring the progress of approved IT and digital programs/projects.

Data Management Framework

- The Group Data Management Framework (“DMF”) has been in place to establish and maintain a sound data and information management system framework. The objective of the DMF is to manage data and disseminate information effectively, efficiently and to maximise the value of data assets. In addition, the DMF aims to ensure the integrity of data assets by preventing unauthorised or inappropriate use of data and information.

Data Privacy

- The Allianz Privacy Standard (“APS”) contains the global minimum requirements applicable within the Allianz for the processing and transfer of personal data within the Allianz. The APS takes into account the requirements of the European Union privacy law, the General Data Protection Regulation to facilitate cross-border transfers of personal data originating from or processed in the European Economic Area within the Allianz. Under the APS, there are functional rules specifying data privacy and protection requirements, which include conducting Privacy Impact Assessment to record processing activities that involve handling of personal data and to comply with the Personal Data Breach Incident Workflow. Compliance with the APS adopted by the Group ensures compliance with the Malaysian Personal Data Protection Act 2010 and is in line with the Code of Practice on Personal Data Protection for Insurance and Takaful in Malaysia.

Human Resources Policies and Procedures

- The Group has established comprehensive policies and procedures on human resource management, including recruitment, learning and development, talent development, performance management and employee benefits. These policies and procedures are reviewed as and when the need arises and any changes are communicated to relevant employees via email. The policies and procedures are also accessible to staff through the Group’s staff e-portal for easy access.

Review of Statement by External Auditors

Pursuant to Paragraph 15.23 of the Listing Requirements, the External Auditors have reviewed this Statement for inclusion in the Integrated Annual Report for financial year ended 31 December 2025 in accordance with Audit and Assurance Practice Guide 3 (“AAPG 3”) issued by the Malaysian Institute of Accountants in November 2022. The AAPG3 does not require external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

The External Auditors have reported to the Board that nothing has come to their attention that cause them to believe that this Statement, in all material respects, has not been prepared in accordance with the disclosures required by Section 7 of the Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Companies, nor is this Statement factually inaccurate.

Conclusion

Based on the Board’s review through various Board Committees, the External Auditors’ limited assurance review and assurances and reports from the Management, the Board is of the view that the Group’s system of internal control and risk management is robust and adequate to safeguard shareholders’ investments and the Group’s assets.

This Statement was approved by the Board on 27 February 2026.

Additional Compliance Information

1. Utilisation of Proceeds Raised from Corporate Proposals

During the financial year ended 31 December 2025, there were no proceeds raised from corporate proposals.

2. Material Contracts

Allianz Malaysia has not entered into any material contracts involving the interest of the Directors, Chief Executive Officer (“CEO”) who is not a Director or major shareholders, which is either still subsisting at the end of the financial year ended 31 December 2025 or, had been entered into since the end of the previous financial year.

3. Employees’ Share Scheme

The Company did not grant any share options to its employees. However, the ultimate holding company, Allianz SE, offers the Employee Share Purchase Plan to employees of the Group.

4. Analysis of Shareholdings as at 24 March 2026

4.1 Ordinary Shares

Distribution of Shareholdings

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100	308	5.81	2,749	0.00
100 to 1,000	2,902	54.79	1,308,219	0.71
1,001 to 10,000	1,595	30.11	5,909,494	3.21
10,001 to 100,000	424	8.00	11,413,446	6.19
100,001 to less than 5% of issued shares	66	1.25	38,859,536	21.09
5% and above of issued shares	2	0.04	126,766,095	68.80
Total	5,297	100.00	184,259,539	100.00

Additional Compliance Information

4. Analysis of Shareholdings as at 24 March 2026 (continued)

4.1 Ordinary Shares (continued)

Substantial Shareholders as per the Register of Substantial Shareholders

Name of Substantial Shareholder	Direct Interest		Deemed Interest	
	No. of Shares Held	% of Shares Held	No. of Shares Held	% of Shares Held
Allianz Asia Holding Pte. Ltd.	115,362,295	62.61	-	-
Allianz Europe B.V.	-	-	115,362,295 ^(a)	62.61
Allianz SE	-	-	115,362,295 ^(b)	62.61
Employees Provident Fund Board	14,938,900	8.11	-	-

Notes:

^(a) Allianz Europe B.V. is the holding company of Allianz Asia Holding Pte. Ltd. Therefore, Allianz Europe B.V. is deemed to have an indirect interest in the shares of AMB by virtue of section 8(4)(c) of the Companies Act 2016.

^(b) Allianz SE is the holding company of Allianz Europe B.V. and ultimate holding company of Allianz Asia Holding Pte. Ltd. Therefore, Allianz SE is deemed to have an indirect interest in the shares of AMB by virtue of section 8(4)(c) of the Companies Act 2016.

30 Largest Shareholders as per the Record of Depositors

No.	Name of Shareholder	No. of Shares Held	% of Shares Held
1	DB (MALAYSIA) NOMINEE (ASING) SDN BHD DEUTSCHE BANK AG SINGAPORE SES CLT ACC FOR ALLIANZ ASIA HOLDING PTE. LTD.	115,362,295	62.61
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	11,403,800	6.19
3	PERTUBUHAN KESELAMATAN SOSIAL	4,958,722	2.69
4	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	3,624,702	1.97
5	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ABERDEEN)	3,535,100	1.92

Additional Compliance Information

4. Analysis of Shareholdings as at 24 March 2026 (continued)

4.1 Ordinary Shares (continued)

30 Largest Shareholders as per the Record of Depositors (continued)

No.	Name of Shareholder	No. of Shares Held	% of Shares Held
6	AMANAHRAYA TRUSTEES BERHAD PUBLIC SMALLCAP FUND	3,140,600	1.70
7	DB (MALAYSIA) NOMINEE (ASING) SDN BHD DEUTSCHE BANK AG SINGAPORE FOR PANGOLIN ASIA FUND	2,888,900	1.57
8	CIMB GROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR DBS BANK LTD (SFS)	2,218,300	1.20
9	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ABERDEEN)	2,087,600	1.13
10	IFAST NOMINEES (TEMPATAN) SDN BHD GLOBAL SUCCESS NETWORK SDN BHD	1,357,400	0.74
11	LIM SU TONG @ LIM CHEE TONG	802,000	0.44
12	WOO KHAI YOON	800,000	0.43
13	NEOH CHOO EE & COMPANY, SDN. BERHAD	718,600	0.39
14	HSBC NOMINEES (ASING) SDN BHD J.P. MORGAN SECURITIES PLC	608,112	0.33
15	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR SAHAM AMANAH SABAH (ACC 2-940410)	542,500	0.29
16	AMANAHRAYA TRUSTEES BERHAD PUBLIC SELECT TREASURES EQUITY FUND	516,900	0.28
17	AMSEC NOMINEES (TEMPATAN) SDN BHD AMBANK (M) BERHAD FOR LIM SU TONG @ LIM CHEE TONG (8335-1101)	500,000	0.27
18	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	486,000	0.26

Additional Compliance Information

4. Analysis of Shareholdings as at 24 March 2026 (continued)

4.1 Ordinary Shares (continued)

30 Largest Shareholders as per the Record of Depositors (continued)

No.	Name of Shareholder	No. of Shares Held	% of Shares Held
19	MAYBANK NOMINEES (TEMPATAN) SDN BHD NATIONAL TRUST FUND (IFM MAYBANK) (412183)	482,300	0.26
20	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (AHAM ABSR EQ)	442,000	0.24
21	LTK (MELAKA) SDN BHD	360,300	0.20
22	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR NOBLE SOUND SDN BHD (PB)	325,000	0.18
23	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR FIRSTRAND BANK LIMITED	320,100	0.17
24	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM SARAWAK	316,000	0.17
25	MAYBANK NOMINEES (TEMPATAN) SDN BHD TAY BOON SENG	297,000	0.16
26	GOH BENG CHOO	291,100	0.16
27	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR WHITE FEATHERS INDUSTRIES (M) SDN BHD (E-JBU/PNS)	282,100	0.15
28	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ABDN EQ ABSR FD)	250,000	0.14
29	DB (MALAYSIA) NOMINEE (ASING) SDN BHD STATE STREET LONDON FUND AX27 FOR AXA IM EQUITY TRUST	237,500	0.13
30	FEDERLITE HOLDINGS SDN BHD	236,800	0.13

Additional Compliance Information

4. Analysis of Shareholdings as at 24 March 2026 (continued)

4.1 Ordinary Shares (continued)

Directors' Shareholdings in the Company and/or its Related Corporations as per Register of Directors' Shareholdings

Name	Direct Interest		Deemed Interest	
	No. of Shares Held	% of Shares Held	No. of Shares Held	% of Shares Held
Directors' Shareholdings in the Company				
Zakri Bin Mohd Khir	100	^	-	-
Peter Ho Kok Wai	-	-	-	-
Tan Sri Datuk Zainun Binti Ali	-	-	-	-
Anusha A/P Thavarajah	-	-	-	-
Dr. Muhammed Bin Abdul Khalid	-	-	-	-
Wong Kok Leong	-	-	-	-
Dr. Hasnita Binti Dato' Hashim	-	-	-	-
Directors' Shareholdings in the Ultimate Holding Company, Allianz SE				
Zakri Bin Mohd Khir	1 ^(a)	^	9 ^(c)	^
Anusha A/P Thavarajah	147.15 ^(b)	^	-	^

Notes:

^ Negligible.

^(a) Free share granted under Allianz Free Share Program.

^(b) This includes 142.15 shares acquired by way of exercise of Allianz Employee Share Purchase Plan and 5 free shares granted under Allianz Free Share Program.

^(c) Deemed interest by virtue of shares held by his family members.

CEO's Shareholdings in the Company and/or its Related Corporations

Name	Direct Interest		Deemed Interest	
	No. of Shares Held	% of Shares Held	No. of Shares Held	% of Shares Held
CEO's Shareholdings in the Company				
Wang Wee Keong	100	^	-	-
CEO's Shareholdings in the Ultimate Holding Company, Allianz SE				
Wang Wee Keong	52.41 ^(a)	^	8.28 ^(b)	^

Notes:

^ Negligible.

^(a) This includes 47.41 shares acquired by way of exercise of Allianz Employee Share Purchase Plan and 5 free shares granted under Allianz Free Share Program.

^(b) Deemed interest by virtue of shares held by his family members.

Additional Compliance Information

4. Analysis of Shareholdings as at 24 March 2026 (continued)

4.1 Ordinary Shares (continued)

Senior Management's Shareholdings in the Company

Name	No. of Shares held as at 1 January 2025				Changes from 1 January 2025 to 31 December 2025				No. of Shares held as at 31 December 2025				
	Direct Interest		Deemed Interest		Acquired		Disposed		Direct Interest		Deemed Interest		
	No. of Shares Held	% of Shares Held	No. of Shares Held	% of Shares Held	No. of Shares	% of Shares	No. of Shares	% of Shares	No. of Shares Held	% of Shares Held	No. of Shares Held	% of Shares Held	
Wang Wee Keong	100	^	-	-	-	-	-	-	-	100	^	-	-
Giulio Slavich	-	-	-	-	-	-	-	-	-	-	-	-	-
Chin Xiao Wei	100	^	8,000 ^(a)	^	-	-	-	-	-	100	^	8,000 ^(a)	^
Chia Yuh Woei	-	-	-	-	-	-	-	-	-	-	-	-	-
Andrew Sim Kok Soon	100	^	-	-	-	-	-	-	-	100	^	-	-
Tammy Lee Mui Kim	-	-	-	-	-	-	-	-	-	-	-	-	-
Sazali Bin Abd Rahman	100	^	-	-	-	-	-	-	-	100	^	-	-
Raymond Cheah Sin Beng	-	-	-	-	-	-	-	-	-	-	-	-	-
Benny Woon Hsiau Ferng	-	-	-	-	-	-	-	-	-	-	-	-	-
Wong Woon Man	100	^	-	-	-	-	-	-	-	100	^	-	-
Amy Loke Siew Pei	-	-	-	-	-	-	-	-	-	-	-	-	-
Rafliz Bin Ridzuan	100	^	-	-	-	-	-	-	-	100	^	-	-
Damian Marks Williams	-	-	-	-	-	-	-	-	-	-	-	-	-
Ooi Haw Yun	-	-	-	-	-	-	-	-	-	-	-	-	-
David Brandl	-	-	-	-	-	-	-	-	-	-	-	-	-
Wong Siew Lin	-	-	-	-	-	-	-	-	-	-	-	-	-
Felicia Lee Chi Kwan	100	^	-	-	-	-	-	-	-	100	^	-	-

Notes:

^ Negligible.

^(a) Deemed interest by virtue of shares held by her family members.

Additional Compliance Information

4. Analysis of Shareholdings as at 24 March 2026 (continued)

4.2 Irredeemable Convertible Preference Shares (“ICPS”)

Number of Issued ICPS	:	161,946,246
Class of Shares	:	Preference shares
Voting Rights	:	The ICPS holders shall carry no right to vote at any general meeting of the Company except for the following circumstances: <ul style="list-style-type: none"> (a) when the dividend or part of the dividend on the ICPS is in arrears for more than 6 months; (b) on a proposal to wind-up the Company; (c) during the winding-up of the Company; (d) on a proposal that affect the rights attached to the ICPS; (e) on a proposal to reduce the Company’s share capital; or (f) on a proposal for the disposal of the whole of the Company’s property, business and undertaking.

In any such cases, the ICPS holders shall be entitled to vote together with the holders of ordinary shares and exercise 1 vote for each ICPS held.

Distribution of ICPS Holdings

Size of Holdings	No. of ICPS Holders	% of ICPS Holders	No. of ICPS	% of ICPS
Less than 100	22	2.05	382	0.00
100 to 1,000	514	47.86	198,560	0.12
1,001 to 10,000	339	31.56	1,241,285	0.77
10,001 to 100,000	169	15.74	4,639,593	2.87
100,001 to less than 5% of issued ICPS	29	2.70	11,663,558	7.20
5% and above of issued ICPS	1	0.09	144,202,868	89.04
Total	1,074	100.00	161,946,246	100.00

Additional Compliance Information

4. Analysis of Shareholdings as at 24 March 2026 (continued)

4.2 Irredeemable Convertible Preference Shares (“ICPS”) (continued)

30 Largest ICPS Holders as per the Record of Depositors

No.	Name of ICPS Holder	No. of ICPS Held	% of ICPS Held
1	DB (MALAYSIA) NOMINEE (ASING) SDN BHD DEUTSCHE BANK AG SINGAPORE SES CLT ACC FOR ALLIANZ ASIA HOLDING PTE. LTD.	144,202,868	89.04
2	AMANAHRAYA TRUSTEES BERHAD PUBLIC SMALLCAP FUND	2,705,500	1.67
3	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR AHAM SELECT OPPORTUNITY FUND	1,713,458	1.06
4	OLIVE LIM SWEE LIAN	1,150,000	0.71
5	DB (MALAYSIA) NOMINEE (ASING) SDN BHD DEUTSCHE BANK AG SINGAPORE FOR PANGOLIN ASIA FUND	950,100	0.59
6	AU YONG MUN YUE	500,000	0.31
7	FONG LAI LENG	406,500	0.25
8	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CACEIS BANK (UCITS CLIENTS)	360,000	0.22
9	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG CHEN KONG @ JOSEPH YONG	346,400	0.21
10	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIAU LONG YIH (E-JBU/PNS)	250,900	0.15
11	LEONG SEA FONG	240,000	0.15
12	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SU MING KEAT	220,000	0.14
13	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOKE PIK WAH (MY0288)	210,000	0.13
14	LOH CHAI KIAM	204,000	0.13
15	AMANAHRAYA TRUSTEES BERHAD AHAM TACTICAL FUND	200,000	0.12

Additional Compliance Information

4. Analysis of Shareholdings as at 24 March 2026 (continued)

4.2 Irredeemable Convertible Preference Shares (“ICPS”) (continued)

30 Largest ICPS Holders as per the Record of Depositors (continued)

No.	Name of ICPS Holder	No. of ICPS Held	% of ICPS Held
16	AMSEC NOMINEES (TEMPATAN) SDN BHD AMBANK (M) BERHAD FOR LIM SU TONG @ LIM CHEE TONG (8335-1101)	200,000	0.12
17	PHILLIP NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENT ACCOUNT)	183,100	0.11
18	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR NOBLE SOUND SDN BHD (PB)	175,000	0.11
19	NEOH CHOO EE & COMPANY, SDN. BERHAD	167,600	0.10
20	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN KIAN LING	167,000	0.10
21	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD EXEMPT AN FOR AHAM ASSET MANAGEMENT BERHAD (TSTAC/CLNTT)	162,900	0.10
22	CGS INTERNATIONAL NOMINEES MALAYSIA (ASING) SDN. BHD. EXEMPT AN FOR CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD. (RETAIL CLIENTS)	160,000	0.10
23	LIM TEAN KAU	136,000	0.08
24	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD MAYBANK SECURITIES PTE LTD FOR KEGANI PACIFIC LTCFUND L.P.	133,900	0.08
25	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SKYTURE CAPITAL SDN BHD (KL C/PIV)	128,000	0.08
26	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR KATHRYN MA WAI FONG (PB)	125,000	0.08
27	EVERGREEN ANGLE SDN BHD	123,000	0.08
28	EE YIH CHIN	122,000	0.08
29	SU MING KEAT	118,100	0.07
30	HSBC NOMINEES (ASING) SDN BHD SIX SIS FOR LEVERAGED ASSETS FUND	105,100	0.06

Additional Compliance Information

4. Analysis of Shareholdings as at 24 March 2026 (continued)

4.2 Irredeemable Convertible Preference Shares ("ICPS") (continued)

Directors' ICPS Holdings in the Company

Name	Direct Interest		Deemed Interest	
	No. of ICPS Held	% of ICPS Held	No. of ICPS Held	% of ICPS Held
Zakri Bin Mohd Khir	200	^	-	-
Peter Ho Kok Wai	-	-	-	-
Tan Sri Datuk Zainun Binti Ali	-	-	-	-
Anusha A/P Thavarajah	-	-	-	-
Dr. Muhammed Bin Abdul Khalid	-	-	-	-
Wong Kok Leong	-	-	-	-
Dr. Hasnita Binti Dato' Hashim	-	-	-	-

Note:

^ Negligible.

CEO's ICPS Holdings in the Company

Name	Direct Interest		Deemed Interest	
	No. of ICPS Held	% of ICPS Held	No. of ICPS Held	% of ICPS Held
Wang Wee Keong	200	^	-	-

Note:

^ Negligible.

Additional Compliance Information

4. Analysis of Shareholdings as at 24 March 2026 (continued)

4.2 Irredeemable Convertible Preference Shares (“ICPS”) (continued)

Senior Management’s ICPS Holdings in the Company

Name	No. of ICPS held as at 1 January 2025				Changes from 1 January 2025 to 31 December 2025				No. of ICPS held as at 31 December 2025				
	Direct Interest		Deemed Interest		Acquired		Disposed		Direct Interest		Deemed Interest		
	No. of ICPS Held	% of ICPS Held	No. of ICPS Held	% of ICPS Held	No. of ICPS	% of ICPS	No. of ICPS	% of ICPS	No. of ICPS Held	% of ICPS Held	No. of ICPS Held	% of ICPS Held	
Wang Wee Keong	200	^	-	-	-	-	-	-	-	200	^	-	-
Giulio Slavich	-	-	-	-	-	-	-	-	-	-	-	-	-
Chin Xiao Wei	-	-	-	-	-	-	-	-	-	-	-	-	-
Chia Yuh Woei	-	-	-	-	-	-	-	-	-	-	-	-	-
Andrew Sim Kok Soon	200	^	-	-	-	-	-	-	-	200	^	-	-
Tammy Lee Mui Kim	-	-	-	-	-	-	-	-	-	-	-	-	-
Sazali Bin Abd Rahman	200	^	-	-	-	-	-	-	-	200	^	-	-
Raymond Cheah Sin Beng	-	-	-	-	-	-	-	-	-	-	-	-	-
Benny Woon Hsiau Ferng	-	-	-	-	-	-	-	-	-	-	-	-	-
Wong Woon Man	200	^	-	-	-	-	-	-	-	200	^	-	-
Amy Loke Siew Pei	-	-	-	-	-	-	-	-	-	-	-	-	-
Rafli Bin Ridzuan	200	^	-	-	-	-	-	-	-	200	^	-	-
Damian Marks Williams	-	-	-	-	-	-	-	-	-	-	-	-	-
Ooi Haw Yun	-	-	-	-	-	-	-	-	-	-	-	-	-
David Brandl	-	-	-	-	-	-	-	-	-	-	-	-	-
Wong Siew Lin	-	-	-	-	-	-	-	-	-	-	-	-	-
Felicia Lee Chi Kwan	100	^	-	-	-	-	-	-	-	100	^	-	-

Note:

^ Negligible.

Additional Compliance Information

5. List of top ten properties as at 31 December 2025 owned by the Group

No.	Location	Existing Use	Tenure	Built-up Area (Sq. meters)	Type of Building	Age of Building	Latest Date of revaluation	Net Book Value RM'000
1	Block 3A, Plaza Sentral Jalan Stesen Sentral 5 Kuala Lumpur Sentral 50470 Kuala Lumpur		Freehold		Corporate office	23 years		
		Level 10 and 12	Head office	1,493			28/08/2021	14,136
		Level 13A	Head office	745			21/08/2021	7,038
		Level 13 & 15	Head office	1,493			28/08/2021	14,137
2	Wisma Allianz Life No. 11, 12, 13 and 14 Jalan 53 Desa Jaya Commercial Centre Taman Desa, Kepong 52100 Kuala Lumpur	Branch office	Leasehold Expiring 08/03/2081	2,500	Terrace shop / office	26 years	30/8/2023	11,844
3	Wisma Allianz 33, Jalan Gereja 50100 Kuala Lumpur	Branch office	Lot PT1- Leasehold Expiring 06/09/2072	3,328	Office building	44 years	28/08/2021	3,885
			Lot 263 Freehold			42 years	28/08/2021	7,034
4	No. 42 & 46, Jalan Tiara 2C Bandar Baru Klang, Klang 41150 Selangor Darul Ehsan	Branch office	Leasehold Expiring 08/05/2093	1,228	Terrace shop / office	22 years	30/8/2023	4,624
5	No. 487, Jalan Permatang Rawa Bandar Perda Bukit Mertajam, 14000 Penang	Branch office	Freehold	758	4-storey shop office	22 years	30/8/2023	2,326

Additional Compliance Information

5. List of top ten properties as at 31 December 2025 owned by the Group (continued)

No.	Location	Existing Use	Tenure	Built-up Area (Sq. meters)	Type of Building	Age of Building	Latest Date of revaluation	Net Book Value RM'000
6	Unit Nos. A-G-1, A-1-1, A-2-1, A-2-2 Block A, Greentown Square Jalan Dato' Seri Ahmad Said, Ipoh 30450 Perak Darul Ridzuan	Branch office	Leasehold Expiring 01/10/2102	884	Commercial building	21 years	30/8/2023	2,304
7	No. 374, 374A & 347B Jalan Melaka Raya 6 Taman Melaka Raya, 75000 Melaka	Branch office	Leasehold Expiring 24/10/2082	937	3 storey shophouse	40 years	28/08/2021	1,997
8	No. 300 & 301 Jalan Lumpur, 05100 Alor Star, Kedah Darul Aman	Branch office	Freehold	1,088	3 storey shophouse	21 years	28/08/2021	1,845
9	TB 320, Block 38, Fajar Complex 91009 Tawau, Sabah	Branch office	Leasehold 31/12/2895	613	4 storey shophouse	28 years	28/08/2021	1,546
10	No. 486, Jalan Permatang Rawa Bandar Perda Bukit Mertajam, 14000 Penang	Branch office	Freehold	613	4-storey shop office	29 years	30/8/2023	1,527

Additional Compliance Information

6. Recurrent related party transactions

The recurrent related party transactions of a revenue or trading nature entered into by the Group during the financial year ended 31 December 2025 were as follows:

No.	Nature of Recurrent Related Party Transactions	Name of Related Parties	Income/(Expenses) RM'000
1	Reinsurance arrangements between the Company's insurance subsidiaries and Allianz where the risk and premium are shared between the parties in accordance with the reinsurance arrangements entered into between the parties*	**Allianz	(314,458)
2	Payment of annual maintenance and support fees by the Company's life insurance subsidiary to Allianz Technology SE ("Allianz Technology") for the software system provided by Allianz Technology	**Allianz Technology	(712)
3	Payment of fees by the Company's general insurance subsidiary to Allianz Technology for purchasing of various software licenses	**Allianz Technology	(24,034)
4	Payment of fees by the Company's life insurance subsidiary to Allianz Technology for the usage of TeamMate Solution	**Allianz Technology	(67)
5	Payment of fees by the Company's life insurance subsidiary to Allianz Technology for purchase of Allianz Virtual Client and Windows Distributor File System	**Allianz Technology	(1,283)
6	Payment of fees by the Company's life insurance subsidiary to Allianz Technology for the Dynatrace subscription license	**Allianz Technology	(69)
7	Payment of fees by the Company's life insurance subsidiary to Allianz Technology for subscription of licences for Jira, Confluence and Plugin under Jira Master Platform	**Allianz Technology	(232)
8	Payment of fees by the Company's life insurance subsidiary to Allianz Technology for the purchase of encryption expansion for Vormetric Data Encryption License for in scope servers	**Allianz Technology	(42)
9	Payment of fees by the Company's life insurance subsidiary to Allianz Technology for procurement of Adobe's software licenses and the usage of the Agile Delivery Platform	**Allianz Technology	(70)
10	Payment of fees by the Company's life insurance subsidiary to Allianz Technology for the ServiceNow IT Operation Management Discovery implementation	**Allianz Technology	(750)
11	Payment of fees by the Company's life insurance subsidiary to Allianz Technology for the usage of Agile Delivery Platform and Public Cloud Service for Allianz 360 Project	**Allianz Technology	(52)
12	Payment of fees by the Company's life insurance subsidiary to Allianz Technology for the IBM Software maintenance	**Allianz Technology	(263)
13	Payment of fees by the Company's life insurance subsidiary to Allianz Technology for the implementation of Actimize Anti-Money Laundering Standard Solution	**Allianz Technology	(738)
14	Payment of fees by the Company's life insurance subsidiary to Allianz Technology for providing Agile training services	**Allianz Technology	(2)
15	Payment of fees by the Company's life insurance subsidiary to IDS GmbH ("IDS") for conducting performance attribution analysis	**IDS	(11)
16	Payment of fund management charges and receipt of rebate on fund management charges on funds distributed by Allianz Global Investors Singapore Limited ("AGI") by the Company's life insurance subsidiary	**AGI	4,624

Additional Compliance Information

6. Recurrent related party transactions (continued)

The recurrent related party transactions of a revenue or trading nature entered into by the Group during the financial year ended 31 December 2025 were as follows (continued):

No.	Nature of Recurrent Related Party Transactions	Name of Related Parties	Income/(Expenses) RM'000
17	Payment of fees by the Company's insurance subsidiaries to Allianz Investment Management Singapore Pte Ltd ("AIM Singapore") for investment advisory services provided by AIM Singapore	**AIM Singapore	(3,191)
18	Payment of fees by the Company's life insurance subsidiary to Allianz Investment Management SE ("AIM SE") and IDS for IT infrastructure and operational investment controlling and support services	**AIM SE	(417)
19	Payment of fees by the Company's insurance subsidiaries to AIM SE for supporting advisory services in areas of investment process	**AIM SE	(960)
20	Payment of fees by the Company's insurance subsidiaries to Allianz SE Singapore Branch ("AZAP") for the business building advisory services and regional investment provided by AZAP	** Allianz SE Singapore Branch	(5,421)
21	Payment of fees by the Company's insurance subsidiaries to Allianz SE for sharing of marketing measures undertaken by Allianz SE	**Allianz SE	(6,187)
22	Payment of fees by the Company's life insurance subsidiary to Allianz SE for sharing of Global Procurement (excluding IT) services and support rendered by Allianz SE	**Allianz SE	(122)
23	Payment of fees by the Company's insurance subsidiaries to Allianz SE to support the development and improvement of technical excellence	**Allianz SE	(9,769)
24	Payment of service fees by the Company's general insurance subsidiary to AWP Services Sdn Bhd ("AWP") for road assistance services to policyholders of the Company's general insurance subsidiary	**AWP	(262)
25	Operational fees received by the Company's general insurance subsidiary for the services rendered by the Company's general insurance subsidiary to Euler Hermes Singapore Services Pte Ltd ("EHS")	**EHS	2,419
26	Fees received by the Company for providing life actuarial modeling services to Allianz under the Regional Actuarial Center of Competence	**Allianz	2,537
27	Payment of fees by the Company's life insurance subsidiary to Allianz Technology for the Allianz Global Network	**Allianz Technology	(1,437)
28	Payment of annual maintenance fees by the Company's life insurance subsidiary to Allianz Technology for SAP Solution Support	**Allianz Technology	(1,105)
29	Payment of fees by the Company's life insurance subsidiary to Allianz Technology for the purchase of Actuarial Reporting Group Object for Life/Health	**Allianz Technology	(511)
30	Fees received by the Company for providing Master Data Management support services to Allianz	**Allianz	612
31	Payment of fees by the Company's general insurance subsidiary to IDS for the daily running of the Solely Payment of Principal and Interest and Impairment Engine	**IDS	(79)
32	Payment of annual membership fees by the Company's life insurance subsidiary to Allianz Global Benefits GmbH ("AGB") for participating in the Allianz International Employee Benefits Network	**AGB	(74)

Additional Compliance Information

6. Recurrent related party transactions (continued)

The recurrent related party transactions of a revenue or trading nature entered into by the Group during the financial year ended 31 December 2025 were as follows (continued):

No.	Nature of Recurrent Related Party Transactions	Name of Related Parties	Income/(Expenses) RM'000
33	Fees received by the Company's general insurance subsidiary for providing reinsurance and Midcorp services to AZAP	** Allianz SE Singapore Branch	2,612
34	Payment of fees by the Company's life insurance subsidiary to Allianz for the Human Resource Transformation solution	**Allianz	(1,491)
35	Payment of fees by the Company's life insurance subsidiary to Allianz Digital Health GmbH to support the suite of digital health tools	**Allianz Digital Health GMBH	(2,104)
36	Payment of fees by the Company's life insurance subsidiary to IDS for providing master and market data for required investments	**IDS	(67)
37	Payment of fees by the Company's life insurance subsidiary to Allianz SE for the Group Privacy services	**Allianz SE	(16)
38	Fees received by the Company's life insurance subsidiary for investment and redemption of funds including fund management charges and rebate on fund management charges to Pacific Investment Management Company LLC	**Pacific Investment Management Company LLC	41
39	Payment of fees by the Company's insurance subsidiaries to Allianz entities to provide training services	**Allianz	(2,673)
40	Payment of fees by the Company's life insurance subsidiary to Allianz Technology for onboarding of Microsoft 365 Group Tenant Project	**Allianz Technology	(4,506)
41	Payment of fees by the Company's life insurance subsidiary to Allianz Technology for consolidation of IT capabilities	**Allianz Technology	(26,021)
42	Payment of fees by the Company's life insurance subsidiary to Allianz Technology for the implementation of Celonis, a process mining project within the Company's life insurance subsidiary	**Allianz Technology	(153)
43	Payment of fees by the Company's general insurance subsidiary to Allianz SE for the Global Commercial Services offered through Allianz Global Corporate & Specialty SE ("AGCS")	**Allianz SE	(1,545)
44	Payment of fees by the Company's insurance subsidiaries to Allianz SE for providing global mobility/cross border services	**Allianz SE	(648)
45	Payment of fees by the Company's general insurance subsidiary to Rapidpro Consulting Sdn Bhd ("Rapidpro") for consulting and training services rendered by Rapidpro	**Rapidro	(36)

Notes:

* As the Group is in the insurance business, the figures do not include payment obligations arising from claims duly made pursuant to any insurance policies issued.

** Deemed to be related parties via Allianz Asia Holding Pte. Ltd's direct interest as a major shareholder and immediate holding company of AMB.

Income/(expense) as disclosed above is net of any reversal during the year.

Additional Compliance Information

7. Disclosure of financial data for Shariah screening

Pursuant to Paragraph 9.25A of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

	Remarks	Group	
		2025 (RM)	2024 (RM)
Total Income			
Revenue		6,236,966,000	5,651,488,000
Other income		26,316,000	4,642,000
Interest income		892,313,000	834,548,000
Dividend income		138,350,000	153,639,000
Others (please specify in the remarks column)	Other investment income	27,830,000	588,046,000
Total		7,321,775,000	7,232,363,000
Total Assets		30,494,934,000	28,488,405,000

(b) Business Activities

	Group	
	2025 (RM)	2024 (RM)
Shariah Non-Compliant Activities		
Dividend income received from conventional shares and instruments	93,020,000	107,318,000
Income from disposal of Shariah non-compliant investments/instruments	45,344,000	90,102,000
Insurance income	6,236,966,000	5,651,488,000
Interest income	414,598,000	383,672,000
Total	6,789,928,000	6,232,580,000

Additional Compliance Information

7. Disclosure of financial data for Shariah screening (continued)

(c) Component of Financial Position

(i) Cash Component

	Remarks	Group	
		2025 (RM)	2024 (RM)
Islamic Account/Instruments			
Cash at bank (exclude cash in hand)		98,000	67,000
Deposits with licensed bank		38,201,000	38,206,000
Total Cash		38,299,000	38,273,000
Conventional Account/Instruments			
Cash at bank (exclude cash in hand)		64,022,000	81,176,000
Deposits with licensed bank		1,685,630,000	1,907,046,000
Other cash equivalents (please specify in the remarks column)	Cash in hand	118,000	101,000
Total Cash		1,749,770,000	1,988,323,000

(ii) Debt Component

		Group	
		2025 (RM)	2024 (RM)
Islamic Financing			
Current		N/A	N/A
Non-Current		N/A	N/A
Total Financing		N/A	N/A
Conventional Borrowing			
Current		N/A	N/A
Non-Current		N/A	N/A
Total Debt		N/A	N/A

Media Highlights

Media engagement is a fundamental pillar of the communication strategy for the Group. We recognise media as an essential partner in our efforts to inform, educate, and engage with our stakeholders, playing a critical role in amplifying our messages and shaping public perception.

At Allianz Malaysia, we place immense value on the trust and collaboration we have cultivated with the media. Over the past 25 years, as we celebrate our milestone anniversary in Malaysia, we take pride in the solid relationships we have built with the media, which have been instrumental in supporting our journey and growth. This partnership enables us to share timely and accurate information, highlight key initiatives, and demonstrate our commitment to transparency and accountability. Through consistent and open communication, we aim to

address stakeholder concerns, reinforce confidence in our brand, and showcase our dedication to delivering on our promises.

The role of the media in building trust and enhancing our credibility cannot be overstated. By leveraging their reach and influence, we strive to drive positive visibility, foster meaningful connections with our stakeholders, and strengthen our position as a trusted leader in the insurance industry. As we move forward, we remain committed to nurturing this vital relationship, ensuring that our shared efforts continue to create value and contribute to a sustainable future for all.



Media Highlights

大马ALLIANZ行立法通制 车险欺诈年失10亿

【吉隆坡10日讯】大马ALLIANZ车险公司行政总裁兼董事长的陈廷杰表示，马来西亚的汽车保险行业正面临严峻的挑战，每年有高达10亿令的损失是由于车险欺诈。

陈廷杰在日前接受媒体采访时表示，车险欺诈已成为行业的一大痛点。他指出，欺诈行为不仅增加了保险公司的运营成本，也导致了保费的上涨，最终损害了消费者的利益。

为了应对这一挑战，ALLIANZ马来西亚与政府合作，推动立法以加强监管。他表示，政府应加强对车险行业的监管，建立更完善的理赔机制，以减少欺诈行为的发生。

此外，ALLIANZ也在内部加强了风控措施，通过大数据分析和人工智能技术，提高对欺诈行为的识别能力。陈廷杰表示，公司将继续与监管机构合作，共同维护车险市场的公平和健康发展。

安聯保險 搶地產同業

【吉隆坡10日讯】安聯保險（Allianz）最近宣布，将进军马来西亚的地产业务。这一举措引起了业界的广泛关注。

安聯保險表示，地产业务具有稳定的现金流和长期的增长潜力，符合公司多元化的战略方向。公司计划通过收购和自建的方式，在马来西亚建立强大的地产业务网络。

目前，安聯保險已在马来西亚多个城市设立了分支机构，并积极寻求与当地开发商和投资者合作。公司表示，将为客户提供一站式的保险和地产业务解决方案，提升客户体验和满意度。

Allianz Malaysia Going beyond the basics of fire insurance

【吉隆坡10日讯】Allianz Malaysia 最近宣布，将超越传统的火灾保险业务，为客户提供更全面的风险保障服务。

公司表示，传统的火灾保险已无法满足客户的需求，因此推出了涵盖盗窃、自然灾害等多种风险的综合性保险产品。这些新产品将为客户提供更全面的保障，降低其财产损失风险。

此外，Allianz 还加强了客户服务，通过线上平台和移动应用，为客户提供便捷的投保和理赔体验。公司表示，将始终坚持以客户为中心，提供高品质的保险服务。

AssuredLove pastikan kestabilan kewangan insan tersayang

【吉隆坡10日讯】AssuredLove 是 Allianz 推出的一项创新保险产品，旨在为投保人提供对其亲人的财务保障。

该计划允许投保人指定受益人，一旦投保人不幸身故，受益人将获得一笔可观的赔偿金。这笔赔偿金可以用于支付亲人的生活费用、教育费用或医疗费用，确保其生活质量不受影响。

AssuredLove 的推出得到了广大客户的积极响应。许多客户表示，这项计划为他们提供了额外的安心保障，让他们能够更好地规划未来。Allianz 表示，将继续推出更多创新产品，满足客户多样化的保险需求。

MyFashionChamber angkat industri fesyen

【吉隆坡10日讯】MyFashionChamber 最近举办了一场时尚产业论坛，吸引了众多行业精英参加。

论坛围绕时尚产业的数字化转型、可持续发展等主题展开讨论。与会嘉宾分享了各自在行业内的经验和见解，探讨了未来时尚产业的发展趋势。

MyFashionChamber 表示，将致力于成为时尚产业的领军企业，通过整合资源、搭建平台，推动时尚产业的繁荣发展。公司还将继续举办各类活动，为行业提供交流和合作的机会。

Allianz Malaysia urges rider safety amid rising road fatalities

【吉隆坡10日讯】Allianz Malaysia 最近发布了一份报告，呼吁骑手在道路安全方面更加谨慎，以应对日益上升的道路伤亡率。

报告指出，近年来马来西亚的道路交通事故频发，其中摩托车事故占比很高。许多事故是由于骑手安全意识淡薄、超速行驶等原因造成的。

Allianz 表示，作为保险提供商，有责任提醒骑手注意安全。公司建议骑手佩戴安全头盔、遵守交通规则，并定期检查车辆状况。同时，Allianz 也推出了针对骑手的专项保险产品，为骑手提供额外的保障。

Allianz Malaysia supports gov't PTV3.0 with new protection plan

【吉隆坡10日讯】Allianz Malaysia 最近宣布，将支持政府的 PTV3.0 计划，并推出新的保护计划。

PTV3.0 是马来西亚政府提出的国家转型计划，旨在通过数字化转型提升国家竞争力。Allianz 表示，将积极参与该计划的实施，为政府和企业提供相关的保险和风险管理服务。

此外，Allianz 还推出了针对数字化转型的新保险产品，帮助企业应对网络安全、数据泄露等风险。公司表示，将始终紧跟时代步伐，为客户提供最前沿的保险解决方案。

Floating back to normal alliances through a unique junior journey

【吉隆坡10日讯】Allianz 最近推出了一项独特的青少年成长计划，旨在帮助青少年建立健康的联盟关系。

该计划通过组织各种团队活动和项目，鼓励青少年相互合作、共同成长。青少年在参与过程中，学会了如何建立信任、解决冲突，从而建立起稳固的伙伴关系。

Allianz 表示，青少年时期的经历对个人的成长至关重要。通过这项计划，青少年可以培养团队合作精神和领导力，为未来的发展奠定坚实基础。公司还将继续探索更多有益于青少年的项目。

MyFashionChamber angkat industri fesyen

【吉隆坡10日讯】MyFashionChamber 最近举办了一场时尚产业论坛，吸引了众多行业精英参加。

论坛围绕时尚产业的数字化转型、可持续发展等主题展开讨论。与会嘉宾分享了各自在行业内的经验和见解，探讨了未来时尚产业的发展趋势。

MyFashionChamber 表示，将致力于成为时尚产业的领军企业，通过整合资源、搭建平台，推动时尚产业的繁荣发展。公司还将继续举办各类活动，为行业提供交流和合作的机会。

ShopeePay, Allianz General Insurance menyempurnakan

【吉隆坡10日讯】ShopeePay 和 Allianz General Insurance 最近宣布，将进一步完善双方的合作。

双方合作推出的保险产品，将为 ShopeePay 用户提供更全面的保障。用户在使用 ShopeePay 进行交易时，可以获得额外的保险保障，降低交易风险。

Allianz 表示，将继续与 ShopeePay 合作，探索更多创新的合作模式，提升用户体验。公司也将不断优化保险产品，满足用户多样化的需求。

Allianz Malaysia strengthens northern footprint with new Penang branch

【吉隆坡10日讯】Allianz Malaysia 最近宣布，将在槟城设立新的分支机构，以加强其在北部的业务布局。

新设立的槟城分行将为客户提供全面的保险服务，包括人寿保险、财产保险等。分行将配备专业的服务团队，为客户提供个性化的保险方案。

Allianz 表示，槟城是马来西亚北部的重要经济中心，设立分行将有助于公司更好地服务当地客户。公司也将继续加大在北部地区的投入，提升品牌影响力。

Boost for Chen-Toh after signing as Allianz Malaysia Bhd brand ambassadors

【吉隆坡10日讯】Chen-Toh 在签署成为 Allianz Malaysia Bhd 品牌大使后，获得了极大的关注和提升。

Chen-Toh 表示，成为品牌大使是一种荣誉，也是对他个人能力和成就的认可。他将积极履行品牌大使的职责，推广 Allianz 的品牌理念，为客户提供更好的服务。

Allianz 表示，Chen-Toh 是一位优秀的企业家和领导者，他的加入将进一步提升 Allianz 的品牌形象。公司也将继续支持 Chen-Toh 的事业发展，实现共赢。

Allianz Life, HSBC offer wealth growth and life protection plan

【吉隆坡10日讯】Allianz Life 和 HSBC 最近宣布，将联合推出财富增长和人寿保障计划。

该计划结合了 Allianz Life 的保险产品优势和 HSBC 的财富管理资源，为客户提供全面的财富规划和保障服务。客户可以通过该计划实现资产的增值和传承。

Allianz 和 HSBC 表示，将始终坚持以客户为中心，提供高品质的金融服务。公司也将不断创新产品和服务，满足客户多样化的需求。

新海峽時報專電

【吉隆坡10日讯】新海峽時報最近刊登了一篇关于 Allianz 在马来西亚业务发展的专电。

专电指出，Allianz 在马来西亚的业务发展迅速，市场份额不断扩大。这主要得益于公司提供的优质服务和不断创新的产品。Allianz 表示，将继续深耕马来西亚市场，为客户提供更完善的保险保障。

Insurance benefits for EVs

【吉隆坡10日讯】Allianz 最近推出了一系列针对电动汽车（EV）的保险福利计划，旨在鼓励绿色出行。

该计划包括为 EV 车主提供专属的保险产品，如低里程 EV 保险等。此外，Allianz 还为 EV 车主提供了额外的奖励，如现金返还、里程奖励等。

Allianz 表示，支持绿色出行是公司的社会责任之一。通过推出这些福利计划，公司希望鼓励更多消费者选择电动汽车，共同推动环保事业的发展。

Independent Limited Assurance Report



Independent Practitioner's Limited Assurance Report to the Board of Directors of Allianz Malaysia Berhad on the selected sustainability information disclosed in the Integrated Annual Report 2025

Limited assurance report on Selected Sustainability Information

We have conducted a limited assurance engagement on the selected sustainability information as defined below, of Allianz Malaysia Berhad ("the Company"), identified by the symbol "5", in the Company's Integrated Annual Report ("the IAR") and as defined in the section below, as at 31 December 2025 and for the year then ended ("Selected Sustainability Information").

Selected Sustainability Information and Reporting Criteria

The Selected Sustainability Information needs to be read and understood together with the Reporting Criteria, which the Company is solely responsible for selecting and applying.

The Selected Sustainability Information and the Reporting Criteria subject to assurance are set out below:

**AMB and its subsidiary companies, Allianz General Insurance Company (Malaysia) Berhad ("AGIC") and Allianz Life Insurance Malaysia Berhad ("ALIM") are collectively referred to as AMB Group for the summary below.

No.	Selected Sustainability Information	Reporting Criteria	Figures disclosed in the report
1	Percentage of employees who have received training on anti-corruption by employee category	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 180 of the IAR.	100%
2	Percentage of operations assessed for corruption-related risks	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 180 of the IAR.	100%
3	Confirmed incidents of corruption and action taken	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 180 of the IAR.	0 case

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Independent Practitioner's Limited Assurance Report to the Board of Directors of Allianz Malaysia Berhad on the selected sustainability information disclosed in the Integrated Annual Report 2025

No.	Selected Sustainability Information	Reporting Criteria	Figures disclosed in the report
4	Percentage of employees by gender and age group for each employee category i. Managers Gender Male: Female: Age structure <25 years: 25-34 years: 35-44 years: 45-54 years: 55 years and over: ii. Executives Gender Male: Female: Age structure <25 years: 25-34 years: 35-44 years: 45-54 years: 55 years and over:	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 180 of the IAR.	i. Managers Gender: Male: 41.6% Female: 58.4% Age structure <25 years: 0% 25-34 years: 2.3% 35-44 years: 31.3% 45-54 years: 44.3% 55 years and over: 21.6% ii. Executives Gender: Male: 31.4% Female: 68.6% Age structure <25 years: 6.6% 25-34 years: 34.4% 35-44 years: 33.7% 45-54 years: 20.6% 55 years and over: 5.1%
5	Percentage of Board of Directors by gender and age group: Gender: Number of male Directors: Percentage of male Directors: Number of female Directors: Percentage of female Directors: Age structure: <25 years: 25-34 years: 35-44 years: 45-54 years: 55 years and over:	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 180 of the IAR.	Gender: Number of male Directors: 5 headcounts Percentage of male Directors: 62.5% Number of female Directors: 3 headcounts Percentage of female Directors: 37.5% Age structure: <25 years: 0 headcount 25-34 years: 0 headcount 35-44 years: 0 headcount 45-54 years: 1 headcount 55 years and over: 7 headcounts

Independent Limited Assurance Report



Independent Practitioner's Limited Assurance Report to the Board of Directors of Allianz Malaysia Berhad on the selected sustainability information disclosed in the Integrated Annual Report 2025

No.	Selected Sustainability Information	Reporting Criteria	Figures disclosed in the report
	Age structure: (%) <25 years: 25-34 years: 35-44 years: 45-54 years: 55 years and over:		Age structure: (%) <25 years: 0% 25-34 years: 0% 35-44 years: 0% 45-54 years: 22.5% 55 years and over: 87.5%
6	Number of work-related fatalities	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 180 of the IAR.	0 case
7	Lost time incident rate	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 180 of the IAR.	0.00
8	Number of employees trained on health and safety standards	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 180 of the IAR.	2,377 employees
9	Total hours of training by employee category: • Managers • Executives	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 180 of the IAR.	<ul style="list-style-type: none"> Managers: 27,425 hours Executives: 113,243 hours
10	Percentage of employees that are contractors or temporary staff	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 180 of the IAR.	11.6%
11	Total number of employee turnover by employee category: • Managers • Executives:	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 180 of the IAR.	<ul style="list-style-type: none"> Managers: 4 headcounts Executives: 166 headcounts
12	Number of substantiated complaints concerning human rights violations	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 180 of the IAR.	0 complaint
13	Reportable customer information breach or complaint	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 180 of the IAR.	0 case



Independent Practitioner's Limited Assurance Report to the Board of Directors of Allianz Malaysia Berhad on the selected sustainability information disclosed in the Integrated Annual Report 2025

No.	Selected Sustainability Information	Reporting Criteria	Figures disclosed in the report
14	Scope 1 emissions in tonnes of CO ₂ e	Note under "Liveable Planet" section on pages 103 to 104 of the IAR.	25,98 tCO ₂ e
15	Scope 2 emissions in tonnes of CO ₂ e <ul style="list-style-type: none"> Location-based Market-based 	Note under "Liveable Planet" section on pages 103 to 104 of the IAR.	2,313.50 tCO ₂ e 0 tCO ₂ e
16	Scope 3 emissions in tonnes of CO ₂ e, consist of the following: <ul style="list-style-type: none"> Category 3: Fuel and energy related activities not included in Scope 1 or 2 Category 6: Business Travel Category 7: Employee commuting <ul style="list-style-type: none"> Of which is employee commuting Of which is remote working 	Note under "Liveable Planet" section on pages 103 to 104 of the IAR.	2,681.02 tCO ₂ e 316.25 tCO ₂ e 1,031.21 tCO ₂ e 1,333.56 tCO ₂ e 1,168.38 tCO ₂ e 265.18 tCO ₂ e
17	Number of policies in force: <ul style="list-style-type: none"> Allianz General Allianz Life 	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 181 of the IAR.	4.9 million 1.0 million
18	Total number of customers	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 181 of the IAR.	3.9 million
19	Total agents	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 181 of the IAR.	13,560 agents
20	Agents' training hours	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 181 of the IAR.	517,026 hours

Independent Limited Assurance Report



Independent Practitioner's Limited Assurance Report to the Board of Directors of Allianz Malaysia Berhad on the selected sustainability information disclosed in the Integrated Annual Report 2023

No.	Selected Sustainability Information	Reporting Criteria	Figures disclosed in the report
21	Lost-time injury cases	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 181 of the IAR.	0 case
22	Total number of employees by employee category: • Managers: • Executives: • Full-time: • Part-time: • Permanent: • Temporary:	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 181 of the IAR.	<ul style="list-style-type: none"> Managers: 265 headcounts Executives: 1,834 headcounts Full-time: 2,098 headcounts Part-time: 1 headcount Permanent: 1,855 headcounts Temporary: 243 headcounts
23	Percentage of employees that are permanent employees	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 181 of the IAR.	88.4%
24	Number of employees invited to participate in Allianz Engagement Survey ("AES")	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 181 of the IAR.	1,908 employees
25	AES participation rate	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 181 of the IAR.	90%
26	Work Well Index (WWI+)	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 181 of the IAR.	88%
27	Employee Engagement Index (EEI)	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 181 of the IAR.	89%



Independent Practitioner's Limited Assurance Report to the Board of Directors of Allianz Malaysia Berhad on the selected sustainability information disclosed in the Integrated Annual Report 2023

No.	Selected Sustainability Information	Reporting Criteria	Figures disclosed in the report
28	Inclusive Meritocracy Index (IMI)	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 181 of the IAR.	90%
29	Total number of new hires	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 181 of the IAR.	222 headcounts
30	Percentage of new hires by gender: • Percentage of male hires: • Percentage of female hires:	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 181 of the IAR.	<ul style="list-style-type: none"> Percentage of male hires: 37.4% Percentage of female hires: 62.6%
31	Employer turnover rate	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 181 of the IAR.	8.0%
32	Total expenses for employee training	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 182 of the IAR.	RM 1.3 million
33	Average training hours per employee	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 182 of the IAR.	59.6 hours
34	Total training / learning hours	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 182 of the IAR.	140,668 hours
35	Number of internships hosted	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 182 of the IAR.	156 headcounts
36	Number of Board of Directors	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 182 of the IAR.	8

Independent Limited Assurance Report



Independent Practitioner's Limited Assurance Report to the Board of Directors of Allianz Malaysia Berhad on the selected sustainability information disclosed in the Integrated Annual Report 2025

No.	Selected Sustainability Information	Reporting Criteria	Figures disclosed in the report
37	Number and percentage of Board of Directors by director relationship: <ul style="list-style-type: none"> Number of Independent Non-Executive Directors: Percentage of Independent Non-Executive Directors: Number of Non-Independent Non-Executive Directors: Percentage of Non-Independent Non-Executive Directors: 	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 182 of the IAR.	<ul style="list-style-type: none"> Number of Independent Non-Executive Directors: 6 headcounts Percentage of Independent Non-Executive Directors: 75% Number of Non-Independent Non-Executive Directors: 2 headcounts Percentage of Non-Independent Non-Executive Directors: 25%
38	Number of Board of Directors by gender and age group	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 182 of the IAR.	Number of male directors: 5 headcounts Number of female directors: 3 headcounts < 25 years: 0 headcount 25-34 years: 0 headcount 35-44 years: 0 headcount 45-54 years: 1 headcount 55 years & over: 7 headcounts
39	Share of employees in Environmental Management System ("EMS")	Note under "Liveable Planet: Environmental and Climate Action" section on pages 103 to 104 of the IAR.	100%
40	Scope 3 Category 15 Investment: investment emission intensity	Note under "Liveable Planet" section on pages 103 to 104 of the IAR.	ALIM: 28.84 tCO ₂ e / RM million invested AGIC: 24.06 tCO ₂ e / RM million invested



Independent Practitioner's Limited Assurance Report to the Board of Directors of Allianz Malaysia Berhad on the selected sustainability information disclosed in the Integrated Annual Report 2025

No.	Selected Sustainability Information	Reporting Criteria	Figures disclosed in the report
41	Total GHG emissions	Note under "Liveable Planet" section on pages 103 to 104 of the IAR.	2,707 tCO ₂ e
42	Total GHG emissions per employee	Note under "Liveable Planet" section on pages 103 to 104 of the IAR.	0.71 tCO ₂ e per employee
43	Total distance travelled	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 182 of the IAR.	6,644,994 km
44	Distance travelled per employee	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 182 of the IAR.	3,140.25 km per employee
45	Number of legal actions pending or completed during the reporting period regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation in which Allianz Malaysia Berhad ("AMB") has been identified as a participant	Note under "Selected Sustainability Information's Reporting Criteria Index" section on page 182 of the IAR.	1 case

Independent Limited Assurance Report



Independent Practitioner's Limited Assurance Report to the Board of Directors of Allianz Malaysia Berhad on the selected sustainability information disclosed in the Integrated Annual Report 2025

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Sustainability Information has not been prepared, in all material respects, in accordance with the applicable criteria set out in the "Selected Sustainability Information and Reporting Criteria" section above.

Basis for conclusion

We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ("ISAE 3000 (Revised)").

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the "Practitioner's responsibilities" section of our report.

Our independence and quality management

We have complied with the independence and other ethical requirements of the *By-Laws* (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("MIA") and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities for the Selected Sustainability Information

Management of the Company is responsible for:

- The preparation of the Selected Sustainability Information in accordance with the Reporting Criteria.
- The design, implementation and maintenance of such internal control as management determines is necessary to enable the preparation of the Selected Sustainability Information, in accordance with the Reporting Criteria, that is free from material misstatement, whether due to fraud or error.
- The selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Company's sustainability reporting process.



Independent Practitioner's Limited Assurance Report to the Board of Directors of Allianz Malaysia Berhad on the selected sustainability information disclosed in the Integrated Annual Report 2025

Inherent limitations in preparing the Selected Sustainability Information

As discussed in "Liveable Planet" section on pages 103 to 104 of the IAR 2025:

- Greenhouse Gas ("GHG") quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

It is generally acknowledged by stakeholders globally, including regulators, that there are significant limitations in the availability and quality of GHG emissions data from third parties, resulting in reliance by the Company on proxy data.

The Selected Sustainability Information is subject to more inherent limitations than financial information, given the characteristics of the underlying subject matter and the methods used for determining such information. The precision of different measurement techniques may also vary.

It is anticipated that the principles and methodologies used to measure and report the Selected Sustainability Information will develop over time and may be subject to change in line with market practice and regulation, impacting comparability year-on-year.

- The Company has estimated consumption for Scope 1, Scope 2, and Scope 3 Categories 3, 6, and 7 for which no primary usage data is available. In accordance with the requirements of the reporting criteria, management has used historical data to estimate the information required to be reported related to the period ended 31 December 2025.

Practitioner's responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Selected Sustainability Information is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Selected Sustainability Information.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Determine the suitability in the circumstances of the Company's use of Reporting Criteria as the basis for the preparation of the Selected Sustainability Information.
- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Company's internal control.
- Design and perform procedures responsive to where material misstatements are likely to arise in the Selected Sustainability Information. 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.

Independent Limited Assurance Report



Independent Practitioner's Limited Assurance Report to the Board of Directors of Allianz Malaysia Berhad on the selected sustainability information disclosed in the Integrated Annual Report 2025

Summary of work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Selected Sustainability Information. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of where material misstatements are likely to arise in the Selected Sustainability Information, whether due to fraud or error.

In conducting our limited assurance engagement, we:

- Evaluated the suitability in the circumstances of the Company's Reporting Criteria as the basis for preparing the Selected Sustainability Information;
- Obtained an understanding of the Company's control environment, processes and systems relevant to the preparation of the Selected Sustainability Information at the consolidated level and operating unit level. Our procedures did not include evaluating the suitability of design or operating effectiveness of control activities;
- Evaluated the appropriateness of measurement and evaluation methods, reporting policies used and estimates made by the Company, noting that our procedures did not involve testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Company's estimates;
- Performed analytical procedures for consistency of data with trends and our expectation;
- Performed limited substantive testing on a sampling basis on transactions included in the Selected Sustainability Information at the Company's which involved agreeing data points to/from source information to check that the underlying subject matter had been appropriately evaluated or measured, recorded, collated and reported;
- Checked mathematical formulas, proxies and default values used in the Selected Sustainability Information against the Company's Reporting Criteria; and
- Evaluated the appropriateness of the disclosures and presentation of the Selected Sustainability Information based on the Reporting Criteria.

Our assurance procedures specifically did not extend to the remaining parts of the IAR and the information included therein, other than the Selected Sustainability Information, nor did we perform procedures on financial information extracted from the audited financial statements of the AMB Group and used in the calculation of the Selected Sustainability Information. Our assurance procedures also involved agreeing to certain information obtained by the Company from third party sources. However, our scope did not extend to testing the completeness and accuracy of the information obtained from third party sources.

Other matters

Our conclusion on the current period addresses the Selected Sustainability Information described in the "Limited assurance conclusion" section of our report. The comparative Selected Sustainability Information presented as at 31 December 2024, 31 December 2023 and 31 December 2019 and for the year then ended relating to GHG emissions were subject to a different engagement scope or were not subject to assurance. Our conclusion is not modified in respect of this matter.



Independent Practitioner's Limited Assurance Report to the Board of Directors of Allianz Malaysia Berhad on the selected sustainability information disclosed in the Integrated Annual Report 2025

Restriction on distribution and use, and disclaimer of liability to third parties and for any other purpose

Our report, including our conclusion, has been prepared solely for the Board of Directors of the Company in accordance with the agreement between us dated 1 October 2025 (the "agreement"). We consent to the inclusion of this report in the IAR 2025 of the Company which will be accessible at allianz.com.my in connection with the Company's responsibilities under paragraph 6.2(e) of Practice Note 9 of the Main Market Listing Requirements in respect of the disclosure of a statement on whether the listed issuer has sought independent assurance on the Selected Sustainability Information. To the fullest extent permitted by law, we do not accept or assume responsibility or liability to anyone other than the Company for our work or this report except where terms are expressly agreed between us in writing. Any reliance on this report by any third party is entirely at its own risk.



PRICEWATERHOUSECOOPERS PLT
LLP0014401-CA & AF 1146
Chartered Accountants

Kuala Lumpur
31 March 2025

Selected Sustainability Information's Reporting Criteria Index

No.	Selected Sustainability Information	Reporting Criteria
1	Percentage of employees who have received training on anti-corruption by employee category	The percentage is calculated as employees completing anti-corruption training divided by total active employees during the year.
2	Percentage of operations assessed for corruption-related risks	The percentage is calculated as operations assessed for corruption risks divided by total operations for the year-end.
3	Confirmed incidents of corruption and action taken	The metric reflects confirmed corruption incidents reported to Allianz Malaysia and actions taken to address them during the year.
4	Percentage of employees by gender and age group for each employee category Gender (Managers / Executives) Age structure	The percentage of the number of employees by gender and age group within their respective categories during the year.
5	Percentage of Board of Directors by gender and age group: Gender (Male / Female) Age structure	The percentage of AMB Board of Directors by gender and age group are calculated based on the total AMB Board of Directors as at 31 December 2025.
6	Number of work-related fatalities	The number of cases where an employee's death results from a work-related incident.
7	Lost time incident rate	The percentage is calculated by dividing the number of lost-time injuries reported during the year by the total hours worked, and multiplying the result by 200,000 (representing lost-time injuries per 100 workers).
8	Number of employees trained on health and safety standards	The number of employees trained is based on actual data of those who completed health and safety training during the year.
9	Total hours of training by employee category: • Managers / Executives	The total hours of the actual completed training hours during the year by employee categories.
10	Percentage of employees that are contractors or temporary staff	The percentage of temporary employees calculated against the total contracted employee population at year-end.
11	Total number of employee turnover by employee category - • Managers / Executives	The number of employees in managerial or executive roles who left the organisation during a given reporting period.
12	Number of substantiated complaints concerning human rights violations	The total number of reported human rights-related complaints that were investigated and confirmed to be valid during a given reporting period.
13	Reportable customer information breach or complaint	The number is derived from the total customer information breaches or complaints reported to Bank Negara Malaysia (BNM) during the year.
14	Scope 1 emissions in tonnes of CO ₂ e	Refer to GHG note disclosure at pages 103 - 104.
15	Scope 2 emissions in tonnes of CO ₂ e • Location-based / Market-based	Refer to GHG note disclosure at pages 103 - 104.

Selected Sustainability Information's Reporting Criteria Index

No.	Selected Sustainability Information	Reporting Criteria
16	Scope 3 emissions in tonnes of CO ₂ e, consist of the following: <ul style="list-style-type: none"> • Category 3: Fuel and energy related activities not included in Scope 1 or 2 • Category 6: Business Travel • Category 7: Employee commuting <ul style="list-style-type: none"> - Of which is employee commuting - Of which is remote working 	Refer to GHG note disclosure at pages 103 - 104.
17	Number of policies in force: <ul style="list-style-type: none"> • Allianz General • Allianz Life 	The number of policies in force represents the actual count of active policies as of year-end.
18	Total number of customers	Total in-force Allianz Malaysia customers as of year-end.
19	Total agents	Total number of Allianz Malaysia agents as of year-end.
20	Agents' training hours	Total completed training hours by Allianz Malaysia agents in the year.
21	Lost-time injury cases	The number of cases where a work-related injury results in lost working time for an employee.
22	Total number of employees by employee category: <ul style="list-style-type: none"> • Managers / Executives • Full-time / Part-time • Permanent / Temporary 	The total number of employees counted at year-end, grouped by employee category, including managers/executives, full-time/part-time, and permanent/temporary employees.
23	Percentage of employees that are permanent employees	The percentage of employees who are employed on a permanent basis out of the total workforce during a given reporting period.
24	Number of employees invited to participate in Allianz Engagement Survey ("AES")	The number of employees who were participated in the Allianz Engagement Survey during a given survey cycle.
25	AES participation rate	The percentage of employees who completed the Allianz Engagement Survey out of the total number of employees invited to participate.
26	Work Well Index (WWI+)	The percentage of favorable WWI+ responses out of the total WWI+ responses received.
27	Employee Engagement Index (EEI)	The percentage of favorable EEI responses out of the total EEI responses received.
28	Inclusive Meritocracy Index (IMIX)	The percentage of favorable IMIX responses out of the total IMIX responses received.
29	Total number of new hires	The number of employees who joined the organisation during a given reporting period.
30	Percentage of new hires by gender: <ul style="list-style-type: none"> • Male / Female 	The percentage of new employees hired during a given reporting period, broken down by gender.
31	Employee turnover rate	The percentage of employees who leave the organisation during a given reporting period compared to the average number of employees.

Selected Sustainability Information's Reporting Criteria Index

No.	Selected Sustainability Information	Reporting Criteria
32	Total expenses for employee training	The total amount of expenses on employee training and learning activities during a given reporting period.
33	Average training hours per employee	The average number of hours spent on training per employee during a given reporting period.
34	Total training / learning hours	The total number of hours employees spent on training and learning activities during a given reporting period.
35	Number of internships hosted	The number of internship placements hosted by the organisation during a given reporting period.
36	Number of Board of Directors	Total number of AMB Board of Directors as at 31 December 2025.
37	Number and percentage of Board of Directors by director relationship: <ul style="list-style-type: none"> Number of Independent Non-Executive Directors vs Non-Independent Non-Executive Directors Percentage of Independent Non-Executive Directors vs Non-Independent Non-Executive Directors 	<p>The number of Independent Non-Executive Directors and Non-Independent Non-Executive Directors are calculated based on the total AMB Board of Directors as at 31 December 2025.</p> <p>The percentage of AMB Board of Directors by director relationship are calculated based on the total AMB Board of Directors as at 31 December 2025.</p>
38	Number of Board of Directors by gender and age group	The number of AMB Board of Directors by gender and age group are calculated based on the total AMB Board of Directors as at 31 December 2025.
39	Share of employees in Environmental Management System ("EMS")	Refer to GHG note disclosure at pages 103 - 104.
40	Scope 3 Category 15 Investment: Investment emission intensity	Refer to GHG note disclosure at pages 103 - 104.
41	Total GHG emissions	Refer to GHG note disclosure at pages 103 - 104.
42	Total GHG emissions per employee	Refer to GHG note disclosure at pages 103 - 104.
43	Total distance travelled	Total air and road distance travelled.
44	Distance travelled per employee	Total air and road distance travelled per employee during a given reporting period.
45	Number of legal actions pending or completed during the reporting period regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation in which Allianz Malaysia Berhad ("AMB") has been identified as a participant	Number reflects the actual legal actions pending or completed concerning anti-competitive behavior, anti-trust, and monopoly violations involving Allianz Malaysia as a participant during the year.

GRI Content Index

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organisational details	About Allianz Malaysia, pages 2 - 13
	2-2 Entities included in the organisation’s sustainability reporting	Reporting Scope and Boundary, page 2
	2-3 Reporting period, frequency and contact point	Reporting Scope and Boundary, page 2 Corporate Information, page 9
	2-4 Restatements of information	Significant restatements compared to prior years are explained in the relevant section where they appear.
	2-5 External assurance	About This Report, page 4 Independent Limited Assurance Report, pages 174 - 179
	2-6 Activities, value chain and other business relationships	We are Allianz Malaysia, pages 6 - 9
	2-7 Employees	Resilient Society – Own Workforce, pages 81 - 93
	2-8 Workers who are not employees	Resilient Society – Customer Centricity, pages 76 - 80 Resilient Society – Own Workforce, pages 81 - 93
	2-9 Governance structure and composition	Corporate Governance Overview Statement, pages 127 - 131
	2-10 Nomination and selection of the highest governance body	Corporate Governance Overview Statement, pages 130 - 132
	2-11 Chair of the highest governance body	Board of Directors’ Profile, pages 107 - 115
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance Overview Statement, pages 126 - 135
	2-13 Delegation of responsibility for managing impacts	
	2-14 Role of the highest governance body in sustainability reporting	
	2-15 Conflicts of interest	Corporate Governance Overview Statement, pages 127 - 128 Statement on Risk Management and Internal Control, pages 143 - 153
	2-16 Communication of critical concerns	Governance and Ethics, pages 63 - 65 Corporate Governance Overview Statement, page 128 Statement on Risk Management and Internal Control, pages 143 - 153
	2-17 Collective knowledge of the highest governance body	Board of Directors’ Profile, pages 107 - 115 Corporate Governance Overview Statement, page 131
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Overview Statement, pages 132 - 133
	2-19 Remuneration policies	
	2-20 Process to determine remuneration	
2-22 Statement on sustainable development strategy	Our Strategy and How We Allocate Resources, pages 46 - 51	

GRI Content Index

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021 (continued)	2-23 Policy commitments	Managing Our Sustainability Impacts, pages 63 - 105
	2-24 Embedding policy commitments	
	2-25 Processes to remediate negative impacts	
	2-26 Mechanisms for seeking advice and raising concerns	Resilient Society – Own Workforce, pages 81 - 93 Responsible Business – Governance & Ethics, pages 63 - 65
	2-27 Compliance with laws and regulations	Responsible Business – Governance & Ethics, pages 63 - 65
	2-29 Approach to stakeholder engagement	Our Stakeholders' Expectation, pages 36 - 39
GRI 3: Material Topics 2021	3-1 Process to determine material topics	What Matters to Us, pages 42 - 45
	3-2 List of material topics	
	3-3 Management of material topics	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Financial Statement
	201-2 Financial implications and other risks and opportunities due to climate change	Liveable Planet – Environmental and Climate Action, pages 94 - 104
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Creating Long-term Value in the Communities We Serve, pages 54 - 61
	203-2 Significant indirect economic impacts	Managing Our Sustainability Impacts, pages 63 - 105
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Based on the Double Materiality Assessment, this is an immaterial matter.
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Responsible Business – Governance & Ethics, pages 63 - 65
	205-2 Communication and training about anti-corruption policies and procedures	
	205-3 Confirmed incidents of corruption and actions taken	
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Responsible Business – Governance & Ethics, pages 63 - 65
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Liveable Planet – Environmental and Climate Action, pages 94 - 104
	302-2 Energy consumption outside of the organisation	
	302-3 Energy intensity	
	302-4 Reduction of energy consumption	

GRI Content Index

GRI Standard	Disclosure	Location
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Liveable Planet – Environmental and Climate Action, pages 94 - 104
	305-2 Energy indirect (Scope 2) GHG emissions	
	305-3 Other indirect (Scope 3) GHG emissions	
	305-4 GHG emissions intensity	
	305-5 Reduction of GHG emissions	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Resilient Society – Own Workforce, pages 81 - 93
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Resilient Society – Own Workforce, pages 81 - 93
	403-2 Hazard identification, risk assessment, and incident investigation	
	403-3 Occupational health services	
	403-4 Worker participation, consultation, and communication on occupational health and safety	
	403-5 Worker training on occupational health and safety	
	403-6 Promotion of worker health	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
	403-8 Workers covered by an occupational health and safety management system	
	403-9 Work-related injuries	
	403-10 Work-related ill health	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Resilient Society – Own Workforce, pages 81 - 93
	404-2 Programs for upgrading employee skills and transition assistance programs	
	404-3 Percentage of employees receiving regular performance and career development reviews	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Representation of governance bodies and employees	Resilient Society – Own Workforce, pages 81 - 93 Corporate Governance Overview Statement, page 131
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Resilient Society – Own Workforce, pages 81 - 93
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Responsible Business – Cybersecurity and Data Privacy, pages 66 - 68

IFRS S1 and S2 Disclosure Index

This Content Index is designed to address IFRS S2, together with the applicable general disclosure requirements under IFRS S1 pertaining to climate-related disclosures.

ISSB Standard	Requirement	References
S1.20	Are the entity's sustainability-related financial disclosures for the same reporting entity as the related financial statements?	About this Report, pages 2 - 5
S1.21(a)	Does the entity disclose the connections between the items to which the information relates, such as various sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects?	
S1.21(b)	Does the entity disclose the connections between disclosures provided by the entity i) within its sustainability-related financial disclosures and ii) across its sustainability-related financial disclosures and other general purpose financial reports published by the entity?	
S1.22	Does the entity identify the financial statements to which the sustainability-related financial disclosures relate?	
S1.23	Are the data and assumptions used in preparing the sustainability-related financial disclosures consistent - to the extent possible, considering the requirements of IFRS Accounting Standards or other applicable GAAPs - with the corresponding data and assumptions used in preparing the related financial statements?	
S1.24	When currency is specified as the unit of measure in the sustainability-related financial disclosures, does the entity use the presentation currency of its related financial statements?	
S1.49	If an entity discloses a metric taken from a source other than IFRS Sustainability Disclosure Standards, does it identify the source and the metric taken?	
S1.50(a)	If a metric has been developed by an entity, the entity shall disclose information about: how the metric is defined, including whether it is derived by adjusting a metric taken from a source other than IFRS Sustainability Disclosure Standards and, if so, which source and how the metric disclosed by the entity differs from the metric specified in that source	
S1.50(b)	whether the metric is an absolute measure, a measure expressed in relation to another metric or a qualitative measure (such as a red, amber, green—or RAG—status)	
S1.50(c)	whether the metric is validated by a third party and, if so, which party	
S1.50(d)	the method used to calculate the metric and the inputs to the calculation, including the limitations of the method used and the significant assumptions made	
S1.59(a)	Does the entity identify the specific standards, pronouncements, industry practice and other sources of guidance that it has applied in preparing its sustainability-related financial disclosures, including, if applicable, identifying the disclosure topics in the SASB Standards?	About this Report, pages 2 - 5
S1.59(b)	Does the entity identify the industry(s) specified in the IFRS Sustainability Disclosure Standards, the SASB Standards or other sources of guidance that the entity has applied in preparing its sustainability-related financial disclosures, including in identifying applicable metrics?	
S1.60	Does the entity provide disclosures required by IFRS Sustainability Disclosure Standards as part of its general purpose financial reports?	

IFRS S1 and S2 Disclosure Index

ISSB Standard	Requirement	References
S1.62	If the entity discloses information required by an IFRS Sustainability Disclosure Standard in the same location as information disclosed to meet other requirements, such as information required by regulators, does the entity ensure that the sustainability-related financial disclosures are clearly identifiable and not obscured by that additional information?	IFRS S1 and S2 Disclosure Index, pages 186 - 198
S1.64	Does the entity report its sustainability-related financial disclosures at the same time and cover the same reporting period as the related financial statements?	About this Report, pages 2 - 5
S1.66(a)	If the entity changes the end of its reporting period and discloses sustainability-related financial disclosures for a period longer or shorter than 12 months, does the entity disclose the period covered by the sustainability-related financial disclosures?	There is no change to Allianz Malaysia's reporting period for the current financial year.
S1.66(b)	If the entity changes the end of its reporting period and discloses sustainability-related financial disclosures for a period longer or shorter than 12 months, does the entity disclose the reasons for using a longer or shorter period?	
S1.66(c)	If the entity changes the end of its reporting period and discloses sustainability-related financial disclosures for a period longer or shorter than 12 months, does the entity disclose the fact that the amounts disclosed in the sustainability-related disclosures are not entirely comparable?	
S1.67	If, after the end of the reporting period but before the date on which the sustainability-related financial disclosures are authorised for issue, an entity receives information about conditions that existed at the end of the reporting period, does the entity update disclosures that relate to those conditions in the light of the new information?	There is no subsequent information about conditions that existed at the end of the reporting period that Allianz Malaysia is required to disclose.
S1.68	Does the entity disclose information about transactions, other events and conditions that occur after the end of the reporting period, but before the date on which the sustainability-related financial disclosures are authorised for issue, if non-disclosure of that information could reasonably be expected to influence decisions that primary users of general purpose financial reports make on the basis of those reports?	
S1.70	Does the entity disclose comparative information in respect of the preceding period for all amounts, narrative and descriptive sustainability-related financial information disclosed in the reporting period?	Allianz Malaysia applied the available transition relief from having to disclose comparative information. About this Report, pages 2 - 5
S1.72	Does the entity provide an explicit and unqualified statement of compliance if its sustainability-related financial disclosures comply with all of the relevant requirements of IFRS Sustainability Disclosure Standards?	About this Report, pages 2 - 5
S1.74	Does the entity disclose information to enable users of general-purpose financial reports to understand the judgements, apart from those involving estimations of amounts, that the entity has made in the process of preparing its sustainability-related financial disclosures and that have the most significant effect on the information included in those disclosures?	About this Report, pages 2 - 5 Environmental and Climate Action, pages 103 - 104

IFRS S1 and S2 Disclosure Index

ISSB Standard	Requirement	References
S1.77	Does the entity disclose information to enable users of general purpose financial reports to understand the most significant uncertainties affecting the amounts reported in its sustainability-related financial disclosures?	Environmental and Climate Action, page 97
S1.78(a)	Does the entity identify the amounts that it has disclosed that are subject to a high level of measurement uncertainty?	
S1.78(b)(i)	Does the entity disclose the sources of measurement uncertainty for each amount subject to a high level of measurement uncertainty?	
S1.78(b)(ii)	Does the entity disclose the assumptions, approximations and judgements the entity has made in measuring each amount subject to a high level of measurement uncertainty?	
S1.83	Does the entity restate the comparative information to correct the prior period errors unless it is impracticable to do so?	Environmental and Climate Action, pages 103 - 104
S1.B32	Does the entity disclose material sustainability-related financial information, even if law or regulation permits the entity not to disclose such information?	Not applicable to Allianz Malaysia.
S1.B33	An entity need not disclose information otherwise required by an IFRS Sustainability Disclosure Standard if law or regulation prohibits the entity from disclosing that information. If an entity omits material information for that reason, does it identify the type of information not disclosed and explain the source of the restriction?	
S1.B36(a)	If the entity omits information about a sustainability-related opportunity because the information is commercially sensitive, does the entity disclose the fact that it has used the exemption specified in S1.B34-B35?	Environmental and Climate Action, page 100
S1.B36(b)	If the entity omits information about a sustainability-related opportunity because the information is commercially sensitive, does the entity reassess, at each reporting date, whether the information qualifies for the exemption specified in S1.B34-B35?	This is the first year adoption of IFRS S1 by Allianz Malaysia. Allianz Malaysia will reassess the applicability of omission of any commercially sensitive information at future reporting dates. Environmental and Climate Action, page 100
S1.B42(a)	Does the entity explain connections between disclosures in a clear and concise manner?	About this Report, pages 2 - 5
S1.B42(b)	Does the entity avoid unnecessary duplication if IFRS Sustainability Disclosure Standards require the disclosure of common items of information?	Corporate Governance Overview Statement, page 129 - 133
S1.B42(c)	Does the entity disclose information about significant differences between the data and assumptions used in preparing the entity's sustainability-related financial disclosures and the data and assumptions used in preparing the related financial statements?	Allianz Malaysia does not have any significant differences between the data and assumptions used in preparing the sustainability-related financial disclosures and the assumptions used in the financial statements.

IFRS S1 and S2 Disclosure Index

ISSB Standard	Requirement	References
S1.B47(a)	If the entity discloses information required by an IFRS Sustainability Disclosure Standard by cross-reference to another report published by the entity, do the sustainability-related financial disclosures clearly identify the report within which that information is located and explain how to access that report?	Allianz Malaysia does not publish any other external reports for IFRS disclosures.
S1.B47(b)	If the entity discloses information required by an IFRS Sustainability Disclosure Standard by cross-reference to another report published by the entity, is the cross-reference to a precisely specified part of that report?	
S1.B50(a)	If the entity identifies new information in relation to an estimated amount disclosed in the preceding period and the new information provides evidence of circumstances that existed in that preceding period, does the entity disclose a revised comparative amount that reflects that new information, unless it is impracticable to do so or unless the metric is forward-looking (see S1.B51)?	There is no new information in relation to an estimated disclosed amount that revises prior-period amounts.
S1.B50(b)	If the entity identifies new information in relation to an estimated amount disclosed in the preceding period and the new information provides evidence of circumstances that existed in that preceding period, does the entity disclose the difference between the amount disclosed in the preceding period and the revised comparative amount, unless it is impracticable to do so or unless the metric is forward-looking (see S1.B51)?	
S1.B50(c)	If the entity identifies new information in relation to an estimated amount disclosed in the preceding period and the new information provides evidence of circumstances that existed in that preceding period, does the entity explain the reasons for revising the comparative amount, unless it is impracticable to do so or unless the metric is forward-looking (see S1.B51)?	
S1.B52(a)	If the entity redefined or replaced a metric in the reporting period, does the entity disclose a revised comparative amount, unless it is impracticable to do so?	Environmental and Climate Action, pages 103 - 104
S1.B52(b)	If the entity redefined or replaced a metric in the reporting period, does the entity explain the changes?	
S1.B52(c)	If the entity redefined or replaced a metric in the reporting period, does the entity explain the reasons for those changes, including why the redefined or replacement metric provides more useful information?	
S1.B53	If an entity introduces a new metric in the reporting period, does the entity disclose a comparative amount for that metric unless it is impracticable to do so?	
S1.B54	If it is impracticable to revise a comparative amount for the preceding period, does the entity disclose that fact?	Allianz Malaysia applied the available transition relief from having to disclose comparative information. About this Report, pages 2 – 5
S1.B58(a)	If the entity identifies a material error in its prior period(s) sustainability-related financial disclosures, does it disclose the nature of the prior period error?	
S1.B58(b)	If the entity identifies a material error in its prior period(s) sustainability-related financial disclosures, does it disclose the correction, to the extent practicable, for each prior period disclosed?	
S1.B58(c)	If the entity identifies a material error in its prior period(s) sustainability-related financial disclosures and correction of the error is impracticable, does it disclose the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected?	
S1.B59	When it is impracticable to determine the effect of an error on all prior periods presented, does the entity restate the comparative information to correct the error from the earliest date practicable?	

IFRS S1 and S2 Disclosure Index

ISSB Standard	Requirement	References
S2.06(a)(i)[1]	Does the entity disclose the identity of and information about the governance body or individual responsible for oversight of climate-related risks and opportunities?	Corporate Governance Overview Statement, pages 129 - 131
S2.06(a)(i)[2]	Does the entity disclose how responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that governance body/individual?	
S2.06(a)(ii)	Does the entity disclose how the governance body/ individual determines whether appropriate skills and competencies are available or will be developed in the future to oversee strategies designed to respond to climate-related risks and opportunities?	
S2.06(a)(iii)	Does the entity disclose how and how often the governance body/individual is informed about climate-related risks and opportunities?	
S2.06(a)(iv)[1]	Does the entity disclose how the governance body/ individual takes into account climate-related risks and opportunities when overseeing strategy, its decisions on major transactions and its risk management policies?	
S2.06(a)(iv)[2]	Does the entity disclose if the body/individual has considered trade-offs associated with risks and opportunities?	Environmental and Climate Action, pages 96 - 100
S2.06(a)(v)[1]	Does the entity disclose how the governance body/ individual oversees the setting of targets related to climate-related risks and opportunities?	Corporate Governance Overview Statement, pages 129 - 130, 132 - 133
S2.06(a)(v)[2]	Does the entity disclose how the governance body/ individual monitors progress towards those targets?	
S2.06(a)(v)[3]	Does the entity disclose whether and how performance metrics related to targets are included in remuneration policies?	
S2.06(b)(i)[1]	Does the entity disclose management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities?	Environmental and Climate Action, pages 94 - 95
S2.06(b)(i)[2]	Does the entity disclose whether the role is delegated to a specific management-level position/committee?	Corporate Governance Overview Statement, pages 129 - 130
S2.06(b)(i)[3]	If the role is delegated to a specific management-level position/committee, does the entity disclose information on how oversight is exercised over that position/committee?	
S2.06(b)(ii)[1]	Does the entity disclose whether management uses controls and procedures to support the oversight of climate-related risks and opportunities?	Environmental and Climate Action, pages 94 - 95
S2.06(b)(ii)[2]	If management uses controls and procedures to support the oversight of climate-related risks and opportunities, does the entity disclose information about how these controls and procedures are integrated with other internal functions?	
S2.07	In preparing disclosures to fulfil the requirements in S2.06, does the entity avoid unnecessary duplication in accordance with IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1)?	Corporate Governance Overview Statement, pages 129 - 133
S2.10(a)	Does the entity describe climate-related risks and opportunities that could reasonably be expected to affect its prospects?	Environmental and Climate Action, pages 95 - 100
S2.10(b)	Does the entity explain, for each climate-related risk the entity has identified, whether it considers the risk to be a climate-related physical risk or climate-related transition risk?	

IFRS S1 and S2 Disclosure Index

ISSB Standard	Requirement	References
S2.10(c)	Does the entity specify, for each climate-related risk and opportunity it has identified, over which time horizons – short, medium or long-term – the effects of each climate-related risk and opportunity could reasonably be expected to occur?	About This Report, page 4 Environmental and Climate Action, pages 96 - 100
S2.10(d)[1]	Does the entity disclose how it defines its short, medium and long-term time horizons?	
S2.10(d)[2]	Does the entity disclose how the definitions of short, medium and long-term time horizons are linked to the planning horizons used by the entity for strategic decision-making?	
S2.12	In identifying the climate-related risks and opportunities that could reasonably be expected to affect an entity's prospects, does the entity refer to and consider the applicability of the industry-based disclosure topics defined in the Industry-based Guidance on Implementing IFRS S2?	Environmental and Climate Action, pages 95 - 100 SASB-aligned Disclosure Index, pages 199 - 200
S2.13(a)	Does the entity disclose a description of the current and anticipated effects of climate-related risks and opportunities on its business model and value chain?	Environmental and Climate Action, pages 96 - 100
S2.13(b)	Does the entity disclose a description of where in its business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets)?	
S2.14(a)(i)[1]	Does the entity disclose how it has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making?	
S2.14(a)(i)[2]	Does the entity disclose how it plans to achieve any climate-related targets it has set?	Environmental and Climate Action, pages 101 - 102
S2.14(a)(i)[3]	Does the entity disclose how it plans to achieve any targets it is required to meet by law or regulation?	Allianz Malaysia does not have sustainability targets in place that are required to be met by any laws or regulations.
S2.14(a)(i)[4]	Does the entity disclose the current and anticipated changes to its business model, including its resource allocation, to address climate-related risks and opportunities?	Environmental and Climate Action, pages 94 - 102
S2.14(a)(ii)	Does the entity disclose its current and anticipated direct mitigation and adaptation efforts?	
S2.14(a)(iii)	Does the entity disclose its current and anticipated indirect mitigation and adaptation efforts?	
S2.14(a)(iv)	Does the entity disclose any climate-related transition plan that it has, including information about key assumptions used in developing its transition plan, and dependencies on which its transition plan relies?	

IFRS S1 and S2 Disclosure Index

ISSB Standard	Requirement	References
S2.14(a)(v)	Does the entity disclose information about how it plans to achieve any climate-related targets, including any greenhouse gas emissions targets described in accordance with S2.33-36?	Environmental and Climate Action, pages 101 - 102
S2.14(b)	Does the entity disclose information about how it is resourcing, and plans to resource, the activities disclosed in accordance with S2.14(a)?	
S2.14(c)	Does the entity disclose quantitative and qualitative information about the progress of plans disclosed in previous reporting periods in accordance with S2.14(a)?	
S2.15(a), S2.16(a)	Does the entity disclose quantitative and qualitative information about how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period (current effects)?	Environmental and Climate Action, pages 96, 97, 100
S2.15(b)	Does the entity disclose the anticipated effects of climate-related risks and opportunities on its financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity's financial planning?	
S2.16(b)	Does the entity disclose quantitative and qualitative information about the climate-related risks and opportunities identified in S2.16(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements?	Environmental and Climate Action, pages 96, 97, 100
S2.16(c)	Does the entity disclose how it expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration its investment and disposal plans (including plans the entity is not contractually committed to) and its planned sources of funding to implement its strategy?	
S2.16(d)	Does the entity disclose how it expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities (for example, increased revenue from products and services aligned with a lower-carbon economy; costs arising from physical damage to assets from climate events; and expenses associated with climate adaptation or mitigation)?	
S2.21(a)	If the entity determines that it need not provide quantitative information about the current or anticipated financial effects of a climate-related risk or opportunity applying the criteria set out in S2.19-20, does the entity explain why it has not provided quantitative information?	
S2.21(b)	If the entity determines that it need not provide quantitative information about the current or anticipated financial effects of a climate-related risk or opportunity applying the criteria set out in S2.19-20, does the entity provide qualitative information about those financial effects, including identifying line items, totals and subtotals within the related financial statements that are likely to be affected, or have been affected, by that climate-related risk or opportunity?	
S2.21(c)	If the entity determines that it need not provide quantitative information about the current or anticipated financial effects of a climate-related risk or opportunity applying the criteria set out in S2.19-20, does the entity provide quantitative information about the combined financial effects of that climate-related risk or opportunity with other climate-related risks or opportunities and other factors unless the entity determines that quantitative information about the combined financial effects would not be useful?	

IFRS S1 and S2 Disclosure Index

ISSB Standard	Requirement	References	
S2.22(a)(i)[1]	Does the entity disclose the implications, if any, of its climate resilience assessment for its strategy and business model?	Environmental and Climate Action, pages 96 - 100	
S2.22(a)(i)[2]	Does the entity disclose how it would need to respond to the effects identified in the climate-related scenario analysis?		
S2.22(a)(ii)	Does the entity disclose the significant areas of uncertainty considered in its assessment of its climate resilience?		
S2.22(a)(iii)	Does the entity disclose its capacity to adjust or adapt its strategy and business model to climate change over the short, medium, and long term?		
S2.22(a)(iii)[1]	Does the entity disclose the availability of, and flexibility in, its existing financial resources to respond to the effects identified in the climate-related scenario analysis, including to address climate-related risks and to take advantage of climate-related opportunities?		
S2.22(a)(iii)[2]	Does the entity disclose its ability to redeploy, repurpose, upgrade or decommission existing assets?		
S2.22(a)(iii)[3]	Does the entity disclose the effect of its current and planned investments in climate-related mitigation, adaptation, and opportunities for climate resilience?		
S2.22(b)	Does the entity disclose how and when the climate-related scenario analysis was carried out?		Environmental and Climate Action, page 97
S2.22(b)(i)[1]	Does the entity disclose which climate-related scenarios it used for the analysis and the sources of those scenarios?		
S2.22(b)(i)[2]	Does the entity disclose whether the scenario analysis included a diverse range of climate-related scenarios?		
S2.22(b)(i)[3]	Does the entity disclose whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or physical risks?		
S2.22(b)(i)[4]	Does the entity disclose whether it used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change?		
S2.22(b)(i)[5]	Does the entity disclose why it decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments, or uncertainties?	Environmental and Climate Action, pages 95 - 100	
S2.22(b)(i)[6]	Does the entity disclose the time horizons it used in the climate-related scenario analysis?		
S2.22(b)(i)[7]	Does the entity disclose what scope of operations it used in the climate-related scenario analysis (for example, the operating locations and business units used in the analysis)?		
S2.22(b)(ii)[1]	Does the entity disclose the key assumptions made in the climate-related scenario analysis, including assumptions about climate-related policies in the jurisdictions in which the entity operates?		
S2.22(b)(ii)[2]	Does the entity disclose key assumptions made in the climate-related scenario analysis, including assumptions about macroeconomic trends?		
S2.22(b)(ii)[3]	Does the entity disclose key assumptions made in the climate-related scenario analysis, including assumptions about national- or regional-level variables (for example, local weather patterns, demographics, land use, infrastructure, and availability of natural resources)?		
S2.22(b)(ii)[4]	Does the entity disclose key assumptions made in the climate-related scenario analysis, including assumptions about energy usage and mix?		
S2.22(b)(ii)[5]	Does the entity disclose key assumptions made in the climate-related scenario analysis, including assumptions about developments in technology?		

IFRS S1 and S2 Disclosure Index

ISSB Standard	Requirement	References
S2.22(b)(iii)	Does the entity disclose the reporting period in which the climate-related scenario analysis was carried out (see S2. B18)?	Environmental and Climate Action, page 97
S2.23	In preparing disclosures to meet the requirements in S2.13-22, does the entity refer to and consider the applicability of cross-industry metric categories (see S2.29) and industry-based metrics associated with disclosure topics defined in the Industry-based Guidance on Implementing IFRS S2?	Environmental and Climate Action, pages 95 - 100 SASB-aligned Disclosure Index, pages 199 - 200
S2.25(a)	Does the entity disclose information about the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks?	Environmental and Climate Action, pages 95 - 100
S2.25(a)(i)	Does the entity disclose the inputs and parameters it uses (for example, information about data sources and the scope of operations covered in the processes)?	
S2.25(a)(ii)	Does the entity disclose whether and how it uses climate-related scenario analysis to inform its identification of climate-related risks?	
S2.25(a)(iii)	Does the entity disclose how it assesses the nature, likelihood and magnitude of the effects of climate-related risks?	
S2.25(a)(iv)	Does the entity disclose whether and how it prioritises climate-related risks relative to other types of risks?	
S2.25(a)(v)	Does the entity disclose how it monitors climate-related risks?	
S2.25(a)(vi)	Does the entity disclose whether and how it changed the processes it uses - to identify, assess, prioritise and monitor climate-related risks - compared with the previous reporting period?	
S2.25(b)[1]	Does the entity disclose the processes it uses to identify, assess, prioritise and monitor climate-related opportunities?	
S2.25(b)[2]	Does the entity disclose whether and how it uses climate-related scenario analysis to inform its identification of climate-related opportunities?	
S2.25(c)	Does the entity disclose the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process?	Environmental and Climate Action, page 95
S2.26	In preparing disclosures to fulfil the requirements in S2.25, does the entity avoid unnecessary duplication in accordance with S1.B42(b)?	Corporate Governance Overview Statement, pages 129 - 133
S2.29(a)(i)	Does the entity separately disclose its absolute gross Scope 1, 2 and 3 GHG emissions generated during the reporting period, expressed as metric tonnes of CO ₂ equivalent (see S2.B19-B22)?	Environmental and Climate Action, pages 103 - 104
S2.29(a)(ii)[1], S2.B28(a)	If required by a jurisdictional authority, or an exchange on which the entity is listed, to use a different method than the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) for measuring its greenhouse gas emissions, does the entity disclose the applicable method and the measurement approach it uses to determine its greenhouse gas emissions?	Under Bursa's Main Market Listing Requirements – NSRF, issuers are required to comply with IFRS S2, which in turn mandates GHG emissions measurement in accordance with the GHG Protocol.
S2.29(a)(ii)[2], S2.B28(b)	If required by a jurisdictional authority or an exchange on which the entity is listed to use a different method than the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) for measuring its greenhouse gas emissions, does the entity disclose the reason, or reasons, for its choice of method and measurement approach and how that approach relates to the disclosure objective in S2.27?	

IFRS S1 and S2 Disclosure Index

ISSB Standard	Requirement	References
S2.29(a)(iii)[1]	Does the entity disclose the approach it uses to measure its greenhouse gas emissions (see S2.B26-B29), including the measurement approach, inputs and assumptions?	Environmental and Climate Action, pages 103 - 104
S2.29(a)(iii)[2]	Does the entity disclose the approach it uses to measure its greenhouse gas emissions (see S2.B26-B29), including the reason why it has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions?	
S2.29(a)(iii)[3]	Does the entity disclose the approach it uses to measure its greenhouse gas emissions (see S2.B26-B29), including any changes it has made to the measurement approach, inputs and assumptions during the reporting period and the reason for those changes?	There are no changes in Allianz Malaysia's GHG methodology and assumptions in the current reporting period.
S2.29(a)(iv)	Does the entity disclose Scope 1 and 2 greenhouse gas emissions disaggregated between the consolidated accounting group and other investees (e.g., associates, joint ventures and unconsolidated subsidiaries)?	Environmental and Climate Action, pages 103 - 104
S2.29(a)(v)[1]	Does the entity disclose its location-based Scope 2 emissions?	
S2.29(a)(v)[2]	Does the entity disclose information about any contractual instruments necessary to inform users about the entity's Scope 2 greenhouse gas emissions?	
S2.29(a)(vi)[1]	Does the entity disclose the categories included within its measure of Scope 3 emissions?	
S2.29(a)(vi)[2]	If the entity's activities include asset management (AM), commercial banking (CB) or insurance (IN), does the entity disclose its financed emissions for the relevant activity/ activities?	Allianz Malaysia reports financed emissions intensity for its investment portfolio as a measure related to financed emissions which has yet to be aligned with IFRS Sustainability Disclosure Standards. Environmental and Climate Action, pages 103 - 104
S2.29(b)	Does the entity disclose the amount and percentage of assets or business activities vulnerable to transition risks?	Environmental and Climate Action, page 99
S2.29(c)	Does the entity disclose the amount and percentage of assets or business activities vulnerable to physical risks?	
S2.29(d)	Does the entity disclose the amount and percentage of assets or business activities aligned to climate-related opportunities?	The amount and percentage of assets/business activities aligned to climate-related opportunities is not disclosed as it is commercially sensitive information. Environmental and Climate Action, pages 99 - 100

IFRS S1 and S2 Disclosure Index

ISSB Standard	Requirement	References
S2.29(e)	Does the entity disclose the amount of capital expenditure, financing or investment deployed in climate-related risks and opportunities?	Environmental and Climate Action, page 96
S2.29(f)(i)[1]	Does the entity disclose whether it applies carbon pricing in decision-making?	Allianz Malaysia does not apply internal carbon pricing.
S2.29(f)(i)[2]	Does the entity disclose how it applies carbon pricing in decision-making?	
S2.29(f)(ii)	Does the entity disclose the price for each metric tonne of greenhouse gas emissions it uses to assess the costs of its greenhouse gas emissions?	
S2.29(g)(i)[1]	Does the entity disclose whether climate-related considerations are factored into executive remuneration?	Corporate Governance Overview Statement, pages 129 - 130, 132 - 133
S2.29(g)(i)[2]	Does the entity disclose how climate-related considerations are factored into executive remuneration?	
S2.29(g)(ii)	Does the entity disclose the percentage of executive management remuneration recognised in the current period that is linked to climate-related considerations?	Whilst Sustainability is part of Allianz Malaysia executive management's KPI, Allianz Malaysia will assess for disclosure in future reporting. Corporate Governance Overview Statement, pages 129 -130, 132 - 133
S2.32	Does the entity disclose industry-based metrics?	Environmental and Climate Action, pages 103 - 104
S2.33	Does the entity disclose the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets?	Environmental and Climate Action, pages 101 - 102
S2.33(a)	Does the entity disclose the metric used to set each target?	
S2.33(b)	Does the entity disclose the objective of each target?	
S2.33(c)	Does the entity disclose the parts of the entity to which each target applies?	
S2.33(d)	Does the entity disclose the period over which each target applies?	
S2.33(e)	Does the entity disclose the base period from which progress is measured for each target?	
S2.33(f)	For each target, does the entity disclose any milestones and interim targets?	
S2.33(g)	For each target that is quantitative, does the entity disclose whether it is an absolute target or an intensity target?	
S2.33(h)	For each target, does the entity disclose how the latest international agreement on climate change and the corresponding jurisdictional commitments informed the target?	
S2.34	Does the entity disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target?	

IFRS S1 and S2 Disclosure Index

ISSB Standard	Requirement	References
S2.34(a)	Does the entity disclose whether each target and the methodology for setting the target is validated by a third party?	Environmental and Climate Action, pages 101 - 102
S2.34(b)	Does the entity disclose its processes for reviewing each target?	
S2.34(c)	Does the entity disclose the metrics used to monitor progress towards reaching each target?	
S2.34(d)	If there are any revisions to a target, does the entity disclose an explanation for those revisions?	
S2.35	Does the entity disclose information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance?	
S2.36(a)	For each greenhouse gas emissions target, does the entity disclose which greenhouse gases are covered by the target?	
S2.36(b)	For each greenhouse gas emissions target, does the entity disclose whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target?	
S2.36(c)[1]	For each greenhouse gas emissions target, does the entity disclose whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target?	
S2.36(c)[2]	For each net greenhouse gas emissions target, does the entity disclose its associated gross greenhouse gas emissions target?	
S2.36(d)	For each greenhouse gas emissions target, does the entity disclose whether target is derived using a sectoral decarbonisation approach?	
S2.36(e)	For each greenhouse gas emissions target, does the entity disclose the planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target?	Allianz Malaysia does not utilize any carbon credits.
S2.36(e)(i)	In explaining its planned use of carbon credits, does the entity disclose the extent to which, and how, the achievement of any net greenhouse gas emissions target relies on the use of carbon credits?	
S2.36(e)(ii)	In explaining its planned use of carbon credits, does the entity disclose which third-party scheme(s) are used to verify or certify the carbon credits?	
S2.36(e)(iii)[1]	In explaining its planned use of carbon credits, does the entity disclose the type of carbon credit used?	
S2.36(e)(iii)[2]	In explaining its planned use of carbon credits, does the entity disclose whether the underlying offset is nature-based or based on technological carbon removals?	
S2.36(e)(iii)[3]	In explaining its planned use of carbon credits, does the entity disclose whether the underlying offset is achieved through carbon reduction or removal?	
S2.36(e)(iv)	In explaining its planned use of carbon credits, does the entity disclose any other factors necessary for users of general purpose financial reports to understand the credibility and integrity of the carbon credits the entity plans to use?	
S2.B56(a)	Does the entity disclose the extent to which the entity's Scope 3 greenhouse gas emissions are measured using inputs from specific activities within the entity's value chain?	Environmental and Climate Action, pages 103 - 104

IFRS S1 and S2 Disclosure Index

ISSB Standard	Requirement	References	
S2.B56(b)	Does the entity disclose the extent to which the entity's Scope 3 greenhouse gas emissions are measured using inputs that are verified?	Independent Limited Assurance Report, pages 174 - 179	
S2.B63(a)[1]	IN: Does the entity disclose its absolute gross financed emissions, disaggregated by Scope 1, Scope 2 and Scope 3 greenhouse gas emissions for each industry by asset class?	Allianz Malaysia applied the available transition relief from having to disclose Scope 3 GHG emissions. About this Report, pages 2 - 5	
S2.B63(a)[2]	IN: When disaggregating by industry does the entity use the Global Industry Classification Standard (GICS) 6-digit industry-level code for classifying counterparties, reflecting the latest version of the classification system available at the reporting date?		
S2.B63(a)[3]	IN: When disaggregating by asset class, does the disclosure include the loans, bonds and equity investments, as well as undrawn loan commitments?		
S2.B63(a)[4]	IN: If the entity calculates and discloses financed emissions for other asset classes, does it provide an explanation of why the inclusion of those additional asset classes provides relevant information to users of general purpose financial reports?		
S2.B63(b)[1]	IN: Does the entity disclose the gross exposure for each industry by asset class, expressed in the presentation currency of its financial statements?		
S2.B63(b)[2]	IN: For funded amounts, does the entity disclose gross exposure calculated as the funded carrying amounts (before subtracting the loss allowance, when applicable), whether prepared in accordance with IFRS Accounting Standards or other GAAP?		
S2.B63(b)[3]	IN: For undrawn loan commitments, does the entity disclose the full amount of the commitment separately from the drawn portion of loan commitments?		Allianz Malaysia does not have any loan commitments as of this financial year end.
S2.B63(c)[1]	IN: Does the entity disclose the percentage of its gross exposure included in the financed emissions calculation?		Allianz Malaysia applied the available transition relief from having to disclose Scope 3 GHG emissions. About this Report, pages 2 - 5
S2.B63(c)[2]	IN: If the percentage of the entity's gross exposure included, in the financed emissions calculation is less than 100%, does it disclose information that explains the exclusions, including type of assets excluded?		
S2.B63(c)[3]	IN: Does the entity disclose separately the percentage of its undrawn loan commitments included in the financed emissions calculation?		
S2.B63(d)	IN: Does the entity disclose the methodology it used to calculate its financed emissions, including the method of allocation it used to attribute its share of emissions in relation to the size of its gross exposure?		

SASB-aligned Disclosure Index

FN-IN Insurance

SASB Topic	SASB Metric	SASB Code	AMB's Reporting
Transparent Information & Fair Advice for Customers	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers	FN-IN-270a.1	There have been no such cases in FY2025, and Allianz Malaysia does not record any monetary losses. There have been no such cases historically.
	Complaints-to-claims ratio	FN-IN-270a.2	Customer Centricity, pages 76 - 80 Allianz Malaysia measures customer satisfaction using the Net Promoter Score (NPS) and collects feedback through its Voice of Customer (VoC) initiative to assess service quality and identify areas for improvement.
	Customer retention rate	FN-IN-270a.3	Customer Centricity, pages 76 - 80 Allianz Malaysia measures customer satisfaction using the Net Promoter Score (NPS) and collects feedback through its Voice of Customer (VoC) initiative to assess service quality and identify areas for improvement.
	Description of approach to informing customers about products	FN-IN-270a.4	Customer Centricity, pages 76 - 80
Incorporation of Environmental, Social and Governance Factors in Investment Management	Description of approach to incorporation ESG factors in investment management processes and strategies	FN-IN-410a.2	Responsible Products, Investments and Underwriting, pages 69 - 75
Policies Designed to Incentivise Responsible Behaviour	Net premiums written related to energy efficiency and low carbon technology	FN-IN-410b.1	Not disclosed due to commercially sensitive information.
	Discussion of products or product features that incentivise health, safety or environmentally responsible actions or behaviours	FN-IN-410b.2	Responsible Products, Investments and Underwriting, pages 69 - 75 Allianz Malaysia discloses information on Allianz EV EcoMiles a product aimed at incentivising environmentally responsible driving behaviours.

SASB-aligned Disclosure Index

SASB Topic	SASB Metric	SASB Code	AMB's Reporting
Financed Emissions	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	FN-IN-410c.1	Environmental and Climate Action, pages 94 - 104 Allianz Malaysia reports emissions intensity for its investment portfolio as a measure related to financed emissions.
	Gross exposure for each industry by asset class	FN-IN-410c.2	Allianz Malaysia applies the available IFRS transitional relief on this disclosure for this current year.
	Percentage of gross exposure included in the financed emissions calculation	FN-IN-410c.3	Allianz Malaysia applies the available IFRS transitional relief on this disclosure for this current year.
	Description of the methodology used to calculate financed emissions	FN-IN-410c.4	Environmental and Climate Action, pages 94 - 104
Physical Risk Exposure	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	FN-IN-450a.1	Not disclosed due to high measurement of uncertainties.
	Total amount of monetary losses attributable to insurance pay-outs from (1) modelled natural catastrophes and (2) non-modelled natural catastrophes, by type of event and geographical segment (net and gross of reinsurance)	FN-IN-450a.2	Not disclosed due to commercially sensitive information.
	Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of entity-level risks and capital adequacy	FN-IN-450a.3	Environmental and Climate Action, pages 94 - 104
Systematic Risk Management	Exposure to derivative instruments by category: (1) total exposure to noncentrally cleared derivatives, (2) total fair value of acceptable collateral posted with a central clearinghouse, and (3) total exposure to centrally cleared derivatives	FN-IN-550a.1	Not applicable
	Total fair value of securities lending collateral assets	FN-IN-550a.2	Not applicable
	Description of approach to managing capital- and liquidity-related risks associated with systemic non-insurance activities	FN-IN-550a.3	Not applicable

Activity Metrics

SASB Metric	SASB Code	AMB's Reporting
Number of policies in force, by segment: (1) property and casualty, (2) life, (3) assumed reinsurance	FN-IN-000.A	Customer Centricity, pages 76 - 80 Allianz Malaysia reports the number of policies in force for both general and life insurance.

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Directors' Report

for the year ended 31 December 2025

The Directors have pleasure in submitting their report and the audited financial statements of Allianz Malaysia Berhad ("Company") and its subsidiaries (collectively referred to as "Group") and of the Company for the financial year ended 31 December 2025.

Principal activities

The Company is principally engaged in investment holding activities, whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM'000	Company RM'000
Profit for the year attributable to owners of the Company	958,782	600,604

Dividends

Since the end of the previous financial year, the amount of dividends paid by the Company were as follows:

- (i) In respect of the financial year ended 31 December 2024:

Final Dividend paid on 16 July 2025

- a single tier final dividend of 75.60 sen per Irredeemable Convertible Preference Shares ("ICPS") totalling RM124,767,628.65; and
- a single tier interim dividend of 63.00 sen per ordinary share totalling RM114,136,620.57.

- (ii) In respect of the financial year ended 31 December 2025:

First Interim Dividend paid on 13 February 2026

- a single tier interim dividend of 107.40 sen per ICPS totalling RM173,937,356.49; and
- a single tier interim dividend of 89.50 sen per ordinary share totalling RM164,906,379.40.

There is no final dividend declared for the financial year under review as at the date of this report.

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

Directors of the Company

Directors who served during the financial year until the date of this report are:

Zakri Bin Mohd Khir (Chairman)
 Peter Ho Kok Wai
 Tan Sri Datuk Zainun Binti Ali
 Anusha A/P Thavarajah
 Dr. Muhammed Bin Abdul Khalid
 Wong Kok Leong
 Dr. Hasnita Binti Dato' Hashim (Appointed on 1 July 2025)
 Gerard Lim Kim Meng (Resigned on 30 June 2025)
 Goh Ching Yin (Ceased on 2 January 2026)

List of Directors of the subsidiaries

Pursuant to Section 253 of the Companies Act 2016 in Malaysia, the list of Directors of the subsidiaries during the financial year and during the period from the end of the financial year to the date of this report is as follows:

Allianz Life Insurance Malaysia Berhad

Peter Ho Kok Wai (Chairman) (Appointed as Chairman on 3 January 2026)
 Lim Fen Nee
 Foo Chee It
 Giulio Slavich (Appointed on 1 January 2026)
 Ong Eng Chow (Ceased on 31 December 2025)
 Goh Ching Yin (Ceased on 2 January 2026)

Allianz General Insurance Company (Malaysia) Berhad

Dr. Muhammed Bin Abdul Khalid (Chairman)
 Lim Tuang Ooi
 Wee Lay Hua
 Wang Wee Keong

Directors' Report

for the year ended 31 December 2025

Directors' interests in shares

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in Register of Directors' Shareholdings are as follows:

		Number of ordinary shares			
		As at 1.1.2025	Bought	Sold	As at 31.12.2025
Interests in the Company					
Zakri Bin Mohd Khir		100	-	-	100
		Number of ICPS			
		As at 1.1.2025	Bought	Sold	As at 31.12.2025
Interests in the Company					
Zakri Bin Mohd Khir		200	-	-	200
		Number of registered shares			
		As at 1.1.2025	Bought	Sold	As at 31.12.2025
Interests in the Ultimate Holding Company, Allianz SE					
Zakri Bin Mohd Khir					
- Direct Interest		1 ^(a)	-	-	1
- Indirect Interest ^(b)		6 ^(a)	3 ^(a)	-	9
Interests in the Ultimate Holding Company, Allianz SE					
Anusha A/P Thavarajah					
- Direct Interest		4 ^(a)	1 ^(a)	-	5
- Direct Interest		100.35 ^(c)	41.79864 ^(c)	-	142.14864

Notes:

- ^(a) Free shares granted under Allianz Free Share Program.
^(b) Deemed interest by virtue of shares held by his family members.
^(c) Shares acquired by way of exercise of Allianz Employee Share Purchase Plan.

Saved as disclosed above, none of the other Directors holding office as at 31 December 2025 had any interest in the ordinary shares and/or ICPS of the Company and of its related corporations during the financial year.

Directors' Report

for the year ended 31 December 2025

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those fees and other benefit included in the aggregate amount of remuneration received or due and receivable by Directors as disclosed in the "Directors' Remuneration" of this report or the fixed salary of a full time employee of the Company or of related corporations) 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.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' remuneration

The details of the directors' remuneration paid to the Directors of the Company during the financial year are as follows:

	Group				Company			
	Fee RM'000	Other Emoluments ^(a) RM'000	Benefits- in-kinds RM'000	Total RM'000	Fee RM'000	Other Emoluments ^(a) RM'000	Benefits- in-kinds RM'000	Total RM'000
Non-Executive Directors								
Zakri Bin Mohd Khir ^(b)	120	165	-	285	120	165	-	285
Peter Ho Kok Wai	288	51	-	339	168	36	-	204
Tan Sri Datuk Zainun Binti Ali	120	18	-	138	120	18	-	138
Anusha A/P Thavarajah	-	-	-	-	-	-	-	-
Dr. Muhammed Bin Abdul Khalid	288	201	7	496	168	39	-	207
Wong Kok Leong	144	36	-	180	144	36	-	180
Dr. Hasnita Binti Dato' Hashim	64	6	-	70	64	6	-	70
Gerard Lim Kim Meng	84	6	-	90	84	6	-	90
Goh Ching Yin	312	210	-	522	192	48	-	240
Lim Tuang Ooi ^(c)	156	29	-	185	36	14	-	50
Wee Lay Hua ^(c)	156	27	-	183	36	12	-	48
Lim Fen Nee ^(c)	156	27	-	183	36	12	-	48
Foo Chee It ^(c)	156	27	-	183	36	12	-	48
Total remuneration of Non-Executive Directors	2,044	803	7	2,854	1,204	404	-	1,608

Directors' Report

for the year ended 31 December 2025

	Group				Company			
	Fee RM'000	Other Emoluments ^(a) RM'000	Benefits- in-kinds RM'000	Total RM'000	Fee RM'000	Other Emoluments ^(a) RM'000	Benefits- in-kinds RM'000	Total RM'000
Executive Directors								
Wang Wee Keong ^(d)	-	-	-	-	-	-	-	-
Ong Eng Chow ^(d)	-	-	-	-	-	-	-	-
Total remuneration of Executive Directors	-	-	-	-	-	-	-	-

Notes:

- (a) Other emoluments comprise Chairman's allowances and meeting allowances.
- (b) In addition to the Director's remuneration, Zakri Bin Mohd Khir provides consultancy and advisory services and support to Allianz SE Singapore Branch ("AZAP") on matters relating to all Property & Casualty entities in AZAP region effective 1 January 2022. The total consultancy fees for the services rendered by Zakri Bin Mohd Khir for financial year ended 31 December 2025 amounting to RM799,074.72.
- (c) The fee received by Lim Tuang Ooi, an Independent Non-Executive Director ("INED") of Allianz General Insurance Company (Malaysia) Berhad, Wee Lay Hua, INED of Allianz General Insurance Company (Malaysia) Berhad, Lim Fen Nee, INED of Allianz Life Insurance Malaysia Berhad and Foo Chee It, INED of Allianz Life Insurance Malaysia Berhad for their services rendered as Chairman and Member of the Risk Management Committee respectively.
- (d) No remuneration received for their position as the Executive Directors of the subsidiaries. The remuneration received by Wang Wee Keong for his positions as the Chief Executive Officer of the Company and the general insurance subsidiary are disclosed in Note 22.3. The remuneration received by Ong Eng Chow for his position as the Chief Executive Officer of the life insurance subsidiary is disclosed in Note 22.3.

Ultimate Holding Company

The ultimate holding company is Allianz SE, a public listed company incorporated and domiciled in Germany.

Penultimate Holding Company

The penultimate holding company is Allianz Europe B.V., a private limited liability company incorporated and domiciled in Netherlands.

Immediate Holding company

The immediate holding company is Allianz Asia Holding Pte. Ltd., a private limited company incorporated and domiciled in Singapore.

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

Issue of shares

During the financial year, the Company increased its ordinary shares to 184,252,939 by the issuance of 4,683,700 ordinary shares pursuant to the conversion of 4,683,700 ICPS. Accordingly, the ICPS of the Company was reduced to 161,952,846 as at 31 December 2025.

As at 31 December 2025, the total share capital of the Company amounted to RM771,028,887. All the new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company except that the new shares shall not be entitled to any dividends, rights, allotments and/or other distributions where the entitlement date is prior to the allotment date of the new ordinary shares.

Save as disclosed above, there were no other changes in the issued share capital of the Company during the financial year.

Directors' Report

for the year ended 31 December 2025

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Indemnity and Insurance costs

The Group and the Company maintain a Directors' and Officers' Liability Insurance for the purpose of Section 289(5) of the Companies Act 2016 in Malaysia, throughout the year, which provides appropriate insurance cover for the Directors and Officers of the Company. The amount of insurance premium paid during the financial year amounted to RM20,815.

There was no indemnity given to, or insurance effected for auditors of the Company in respect of the liability for any act or omission in their capacity as auditors of the Company during the financial year.

To the extent permitted by law, the Group and Company have agreed to indemnify its auditors as part of the terms of non-audit engagement against claims by third parties arising from non-audit engagement. No payment has been made to indemnify the auditors during the financial year.

However, in the ordinary course of business of the general insurance subsidiary of the Company in the underwriting of all classes of general insurance business, Allianz General Insurance Company (Malaysia) Berhad had provided a professional indemnity insurance to its auditors during the financial year.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:-

- (i) all known bad debts have been written off and adequate provision made for doubtful debts;
- (ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise; and
- (iii) there was adequate provision for insurance contract liabilities in the Group in accordance with Malaysian Financial Reporting Standard ("MFRS") 17, *Insurance Contracts*.

At the date of this report, the Directors are not aware of any circumstances:-

- (i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts and insurance contract liabilities in the Group and in the Company inadequate to any substantial extent, or
- (ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

- (iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:-

- (i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- (ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year, other than those disclosed in Note 34 to the financial statements.

No contingent liability or other liability of any company in the Group 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 Group and of the Company to meet their obligations as and when they fall due. For the purpose of this paragraph, contingent liabilities and other liabilities do not include liabilities arising from contracts of insurance underwritten in the ordinary course of business of the Group.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2025 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of the financial year and the date of this report.

Directors' Report

for the year ended 31 December 2025

Auditors

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146) have expressed their willingness to accept re-appointment as auditors.

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

	Group RM'000	Company RM'000
Statutory audit fees	1,624	208
Other audit related fees	636	415
	2,260	623

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Zakri Bin Mohd Khir
Director

Peter Ho Kok Wai
Director

Kuala Lumpur
Date: 27 February 2026

Statements of Financial Position

as at 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Assets					
Property, plant and equipment	3	117,919	124,100	2,855	1,568
Right-of-use assets	4	50,220	35,239	-	-
Intangible assets	5	425,171	415,387	169	2
Investments in subsidiaries	6	-	-	961,088	961,088
Deferred tax assets	13	177	570	177	570
Investments	7	27,127,989	25,120,955	11,765	10,045
- Fair value through profit or loss		11,265,859	10,593,834	11,551	10,045
- Fair value through other comprehensive income		15,862,130	14,527,121	214	-
Derivative financial assets	8	14,662	13,084	-	-
Reinsurance contract assets	9	759,899	525,441	-	-
Current tax assets		47,143	47,017	-	-
Other assets	10	163,685	180,016	34,170	37,953
Cash and cash equivalents		1,788,069	2,026,596	417,437	44,179
Total assets		30,494,934	28,488,405	1,427,661	1,055,405
Equity					
Share capital					
- Ordinary shares	11	256,019	241,125	256,019	241,125
- Irredeemable convertible preference shares	11	515,010	529,904	515,010	529,904
Reserves	12	5,516,192	5,057,079	288,005	264,987
Total equity attributable to owners of the Company		6,287,221	5,828,108	1,059,034	1,036,016

Statements of Financial Position

as at 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Liabilities					
Deferred tax liabilities	13	594,135	614,809	-	-
Insurance contract liabilities	14	22,370,803	21,219,875	-	-
Reinsurance contract liabilities	15	204,545	132,181	-	-
Derivative financial liabilities	8	-	3,107	-	-
Lease liabilities	16	32,737	17,731	-	-
Other liabilities	17	974,449	641,144	368,428	19,356
Current tax liabilities		31,044	31,450	199	33
Total liabilities		24,207,713	22,660,297	368,627	19,389
Total equity and liabilities		30,494,934	28,488,405	1,427,661	1,055,405

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

Statements of Profit or Loss

for the year ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Insurance revenue	18	6,236,966	5,651,488	-	-
Insurance service expenses	19	(4,988,999)	(4,553,145)	-	-
Net expenses from reinsurance contracts held	20	(278,655)	(280,136)	-	-
Insurance service result		969,312	818,207	-	-
Interest revenue on financial assets not measured at fair value through profit or loss ("FVTPL")		591,966	557,211	2,424	2,064
Net gains on investments in debt securities measured at fair value through other comprehensive income ("FVOCI") reclassified to profit or loss on disposal		11,982	4,894	-	-
Net gains on FVTPL investments		316,195	860,489	1,341	2,281
Dividend income		138,350	153,639	611,000	60,288
Net credit impairment (losses)/gains on financial assets		(296)	298	-	1
Net investment income	21	1,058,197	1,576,531	614,765	64,634
Finance expenses from insurance contracts issued	21	(676,284)	(1,190,762)	-	-
Finance income from reinsurance contracts held	21	15,822	14,245	-	-
Net insurance finance expenses		(660,462)	(1,176,517)	-	-
Net insurance and investment results		1,367,047	1,218,221	614,765	64,634
Other operating income		26,316	4,642	23,565	14
Other operating expenses	22	(226,085)	(216,378)	(36,411)	(9,165)
Other finance expenses		(1,628)	(1,121)	-	-
Profit before tax		1,165,650	1,005,364	601,919	55,483
Tax expense	23	(206,868)	(234,628)	(1,315)	(1,112)
Profit for the year		958,782	770,736	600,604	54,371
Profit for the year attributable to: Owners of the Company		958,782	770,736	600,604	54,371
Basic earnings per ordinary share (sen)	24(a)	363.58	401.46		
Diluted earnings per ordinary share (sen)	24(b)	279.12	223.21		

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

Statements of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit for the year		958,782	770,736	600,604	54,371
Other comprehensive income/(losses), net of tax					
Items that are or may be reclassified subsequently to profit or loss					
Net gains on investments in debt securities measured at FVOCI	21	182,212	20,495	-	-
Net realised gains transferred to profit or loss	21	(11,982)	(4,894)	-	-
Tax effects thereon		(22,317)	(2,020)	-	-
Fair value gains on cash flow hedge	21	6,811	1,568	-	-
Tax effects thereon		(545)	(125)	-	-
Net credit impairment gains/(losses) on financial assets	21	340	(318)	-	-
Tax effects thereon		(33)	74	-	-
Finance expenses from insurance contract issued	21	(91,116)	(82,737)	-	-
Tax effects thereon		14,255	8,556	-	-
Finance income from reinsurance contract held	21	726	834	-	-
Tax effects thereon		(174)	(200)	-	-
Items that will not be reclassified subsequently to profit or loss					
Net (losses)/gains on investments in equity instruments measured at FVOCI	21	(1,464)	87,183	213	(5,000)
Net realised losses during the year	21	26,899	-	-	-
Tax effects thereon		(2,014)	(11,003)	(51)	1,200
Finance expenses from insurance contract issued		(25,564)	-	-	-
Tax effects thereon		2,045	-	-	-
Total other comprehensive income/(losses) for the year, net of tax		78,079	17,413	162	(3,800)
Total comprehensive income for the year, net of tax		1,036,861	788,149	600,766	50,571
Total comprehensive income attributable to: Owners of the Company		1,036,861	788,149	600,766	50,571

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

Statements of Changes in Equity

for the year ended 31 December 2025

Group	Note	Attributable to owners of the Company								Total equity RM'000
		Ordinary shares RM'000	ICPS RM'000	FVOCI reserves RM'000	Insurance finance reserves RM'000	Other reserves RM'000	Total reserves RM'000	Retained earnings - Life fund* RM'000	Retained earnings RM'000	
At 1 January 2025		241,125	529,904	227,485	(198,808)	52,816	81,493	1,972,339	3,003,247	5,828,108
Net gains on investments in debt securities measured at FVOCI		-	-	159,895	-	-	159,895	-	-	159,895
Net realised gains transferred to profit or loss		-	-	(11,982)	-	-	(11,982)	-	-	(11,982)
Fair value gains on cash flow hedge		-	-	6,266	-	-	6,266	-	-	6,266
Finance expense from insurance contract issued		-	-	-	(100,380)	-	(100,380)	-	-	(100,380)
Finance income from reinsurance contract held		-	-	-	552	-	552	-	-	552
Net credit impairment gains on financial assets		-	-	307	-	-	307	-	-	307
Net gains on investments in equity instruments measured at FVOCI		-	-	23,421	-	-	23,421	-	-	23,421
Profit for the year		-	-	-	-	-	-	224,625	734,157	958,782
Total comprehensive income/(losses) for the year		-	-	177,907	(99,828)	-	78,079	224,625	734,157	1,036,861
<i>Contributions by and distributions to owners of the Company</i>										
Conversion of Irredeemable Convertible Preference Shares to ordinary shares	11	14,894	(14,894)	-	-	-	-	-	-	-
Dividends to owners of the Company	25	-	-	-	-	-	-	-	(577,748)	(577,748)
Total transactions with owners of the Company		14,894	(14,894)	-	-	-	-	-	(577,748)	(577,748)
At 31 December 2025		256,019	515,010	405,392	(298,636)	52,816	159,572	2,196,964	3,159,656	6,287,221
		Note 11	Note 11	Note 12.1	Note 12.2	Note 12.3		Note 12.4	Note 12.4	

* Non-distributable retained earnings comprise life fund surplus (which includes participating and non-participating funds), net of deferred tax, which is wholly attributable to the shareholders. This amount is only distributable upon the actual transfer of surplus from the life fund to the Shareholder's fund as recommended by the Appointed Actuary and approved by the Board of Directors of the life insurance subsidiary.

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

Statements of Changes in Equity

for the year ended 31 December 2025

Group	Note	Attributable to owners of the Company								Total equity RM'000
		Ordinary shares RM'000	ICPS RM'000	FVOCI reserves RM'000	Insurance finance reserves RM'000	Other reserves RM'000	Total reserves RM'000	Retained earnings - Life fund* RM'000	Retained earnings RM'000	
At 1 January 2024		236,037	534,992	136,525	(125,261)	52,816	64,080	1,839,772	2,465,739	5,140,620
Net gains on investments in debt securities measured at FVOCI		-	-	18,475	-	-	18,475	-	-	18,475
Net realised gains transferred to profit or loss		-	-	(4,894)	-	-	(4,894)	-	-	(4,894)
Fair value gains on cash flow hedge		-	-	1,443	-	-	1,443	-	-	1,443
Finance expense from insurance contract issued		-	-	-	(74,181)	-	(74,181)	-	-	(74,181)
Finance income from reinsurance contract held		-	-	-	634	-	634	-	-	634
Net credit impairment losses on financial assets		-	-	(244)	-	-	(244)	-	-	(244)
Net gains on investments in equity instruments measured at FVOCI		-	-	76,180	-	-	76,180	-	-	76,180
Profit for the year		-	-	-	-	-	-	132,567	638,169	770,736
Total comprehensive income/(losses) for the year		-	-	90,960	(73,547)	-	17,413	132,567	638,169	788,149
<i>Contributions by and distributions to owners of the Company</i>										
Conversion of Irredeemable Convertible Preference Shares to ordinary shares	11	5,088	(5,088)	-	-	-	-	-	-	-
Dividends to owners of the Company	25	-	-	-	-	-	-	-	(100,661)	(100,661)
Total transactions with owners of the Company		5,088	(5,088)	-	-	-	-	-	(100,661)	(100,661)
At 31 December 2024		241,125	529,904	227,485	(198,808)	52,816	81,493	1,972,339	3,003,247	5,828,108
		Note 11	Note 11	Note 12.1	Note 12.2	Note 12.3		Note 12.4	Note 12.4	

* Non-distributable retained earnings comprise life fund surplus (which includes participating and non-participating funds), net of deferred tax, which is wholly attributable to the shareholders. This amount is only distributable upon the actual transfer of surplus from the life fund to the Shareholder's fund as recommended by the Appointed Actuary and approved by the Board of Directors of the life insurance subsidiary.

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

Statements of Changes in Equity

for the year ended 31 December 2025

Company	Note	Attributable to owners of the Company					Total equity RM'000
		Non-distributable			Distributable		
		Share capital RM'000	ICPS RM'000	FVOCI reserves RM'000	Total reserves RM'000	Retained earnings RM'000	
At 1 January 2024		236,037	534,992	-	-	315,077	1,086,106
Net losses on investments in equity instruments measured at FVOCI		-	-	(3,800)	(3,800)	-	(3,800)
Profit for the year		-	-	-	-	54,371	54,371
Total comprehensive (losses)/income for the year		-	-	(3,800)	(3,800)	54,371	50,571
<i>Contributions by and distributions to owners of the Company</i>							
Conversion of Irredeemable Convertible Preference Shares to ordinary shares	11	5,088	(5,088)	-	-	-	-
Dividends to owners of the Company	25	-	-	-	-	(100,661)	(100,661)
Total transactions with owners of the Company		5,088	(5,088)	-	-	(100,661)	(100,661)
At 31 December 2024/At 1 January 2025		241,125	529,904	(3,800)	(3,800)	268,787	1,036,016
Net gains on investments in equity instruments measured at FVOCI		-	-	162	162	-	162
Profit for the year		-	-	-	-	600,604	600,604
Total comprehensive income for the year		-	-	162	162	600,604	600,766
<i>Contributions by and distributions to owners of the Company</i>							
Conversion of Irredeemable Convertible Preference Shares to ordinary shares	11	14,894	(14,894)	-	-	-	-
Dividends to owners of the Company	25	-	-	-	-	(577,748)	(577,748)
Total transactions with owners of the Company		14,894	(14,894)	-	-	(577,748)	(577,748)
At 31 December 2025		256,019	515,010	(3,638)	(3,638)	291,643	1,059,034
		Note 11	Note 11	Note 12.1		Note 12.4	

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

Statements of Cash Flows

for the year ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities					
Profit before tax		1,165,650	1,005,364	601,919	55,483
Purchase of financial assets at FVOCI		(5,567,954)	(6,216,261)	-	(1,436,151)
Maturity of financial assets at FVOCI		2,628,761	3,553,088	-	1,447,236
Proceeds from sale of financial assets at FVOCI		1,800,819	1,812,879	-	-
Purchase of financial assets at FVTPL		(2,485,545)	(2,996,830)	(165)	(400)
Maturity of financial assets at FVTPL		530,775	381,236	-	-
Proceeds from sale of financial assets at FVTPL		1,293,846	2,091,962	-	-
Non-cash items:					
Investment income		(1,024,183)	(991,351)	(613,337)	(62,551)
Realised losses/(gains) recorded in profit or loss		102,773	(183,800)	-	-
Interest on lease liabilities		1,628	1,121	-	-
Fair value gains on investments recorded in profit or loss		(198,531)	(409,150)	(1,341)	(2,281)
Unrealised foreign exchange losses		64,001	30,079	-	-
Depreciation of property, plant and equipment	3	13,842	14,725	452	316
Depreciation of right-of-use assets	4	30,721	21,476	-	-
Amortisation of intangible assets	5	37,377	30,053	44	-
Allowance for/(Reversal of) expected credit losses		296	(298)	-	(1)
Gains on disposal of property, plant and equipment		(229)	(107)	-	-
Gains on disposal of right-of-use assets		-	(36)	-	-
Property, plant and equipment written off		1,122	1,228	-	8
Reversal of impairment loss on LRC receivables		-	(209)	-	-
Net gains on financial investments and derivatives		(2,553)	(52,677)	-	(4,999)
Operating losses before changes in working capital		(1,607,384)	(1,907,508)	(12,428)	(3,340)

Statements of Cash Flows

for the year ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Changes in working capital:					
Decrease/(Increase) in other assets		25,978	(54,043)	3,782	(18,554)
Increase in insurance contract liabilities		1,032,097	1,893,320	-	-
(Decrease)/Increase in reinsurance contract liabilities		(161,368)	80,060	-	-
Increase in other liabilities		11,228	102,306	10,228	4,962
Cash (used in)/generated from operations		(699,449)	114,135	1,582	(16,932)
Tax paid		(234,276)	(237,902)	(807)	(642)
Dividends received		138,350	153,639	611,000	378,143
Interest income received		883,791	862,340	2,337	2,238
Interest paid on lease liabilities		(1,628)	(1,121)	-	-
Net cash generated from operating activities		86,788	891,091	614,112	362,807
Cash flows from investing activities					
Proceeds from disposal of property, plant and equipment		243	873	-	-
Proceeds from disposal of right-of-use asset		-	404	-	-
Acquisition of property, plant and equipment		(52,706)	(32,008)	(1,902)	(359)
Acquisition of intangible assets		(3,252)	(11,653)	(48)	(2)
Net cash used in investing activities		(55,715)	(42,384)	(1,950)	(361)
Cash flows from financing activities					
Dividends paid to owners of the Company		(238,904)	(362,760)	(238,904)	(362,760)
Repayment of lease liabilities		(30,696)	(20,986)	-	-
Net cash used in financing activities		(269,600)	(383,746)	(238,904)	(362,760)
Net (decrease)/increase in cash and cash equivalents		(238,527)	464,961	373,258	(314)
Cash and cash equivalents at 1 January		2,026,596	1,561,635	44,179	44,493
Cash and cash equivalents at 31 December		1,788,069	2,026,596	417,437	44,179

Statements of Cash Flows

for the year ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash and cash equivalents comprise:					
Fixed deposits with licensed financial institutions (with maturity of less than three months)		1,723,831	1,945,254	415,725	42,635
Cash and bank balances		64,238	81,342	1,712	1,544
		1,788,069	2,026,596	417,437	44,179

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

Included in the fixed deposits and other liabilities are RM124,966,000 and RM17,226,000 (2024: RM118,927,000 and RM3,161,000) held as cash collateral for guarantees issued to the beneficiaries on behalf of the policyholders and deposits received in advance.

Group and Company

Reconciliation of liabilities arising from financing activities

	Note	Lease liabilities RM'000	Total RM'000
At 1 January 2024		25,304	25,304
Cash flows		(22,107)	(22,107)
Interest charge		1,121	1,121
Lease additions		1,677	1,677
Modification/Termination of lease		11,736	11,736
At 31 December 2024/At 1 January 2025	16	17,731	17,731
Cash flows		(32,324)	(32,324)
Interest charge		1,628	1,628
Lease additions		2,443	2,443
Modification/Termination of lease		43,259	43,259
At 31 December 2025	16	32,737	32,737

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

Notes to the Financial Statements

PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

Allianz Malaysia Berhad is a public limited liability company incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The address of the principal place of business and registered office of the Company is as follows:

Level 29, Menara Allianz Sentral
203, Jalan Tun Sambanthan
Kuala Lumpur Sentral
50470 Kuala Lumpur

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”). The financial statements of the Company as at and for the financial year ended 31 December 2025 do not include other entities.

The Company is principally engaged in investment holding activities whilst the principal activities of the subsidiaries are as stated in Note 6.

The ultimate holding company is Allianz SE, a public listed company incorporated and domiciled in Germany.

The penultimate holding company is Allianz Europe B.V., a private limited liability company incorporated and domiciled in Netherlands.

The immediate holding company is Allianz Asia Holding Pte. Ltd., a private limited company incorporated and domiciled in Singapore.

The financial statements were authorised for issue by the Board of Directors on 27 February 2026.

1. Basis of preparation

1.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, amendments, and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) for the financial year beginning on or after 1 January 2025 and adopted by the Group and the Company:

MFRSs Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

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

The adoption of the above did not have any significant effects on the Group’s and the Company’s financial statements for the financial year ended 31 December 2025 and/or prior periods upon their initial application, and it is not likely to affect future periods.

The following are accounting standards, amendments to standard and interpretations that have been issued by MASB but not yet effective and have not been early adopted by the Group and the Company:

MFRSs 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*

MFRSs 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*

Notes to the Financial Statements

1. Basis of preparation (continued)

1.1 Statement of compliance (continued)

MFRSs 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*

The adoption of these amendments will not have material impact to the Group and the Company in future periods, other than as disclosed under Notes 1.2 and 1.3 below.

1.2 Amendments to MFRS 9, Financial Instruments and MFRS 7, Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments

Amendments to MFRS 9 and MFRS 7 provides clarification on:

- require financial assets to be derecognised on the date the contractual rights to the cash flows expire and financial liabilities to be derecognised when obligation under the contract is discharged (i.e. the settlement date). In addition, there is an optional exception to derecognise financial liabilities before the settlement date for settlement using electronic payment systems (if specified criteria are met);
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (“SPPI”) criterion;

- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (“FVOCI”).

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9 and MFRS 7 amendments.

1.3 MFRS 18, Presentation and Disclosure in Financial Statements

MFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures and includes new requirements for the location, aggregation and disaggregation of financial information.

Statement of profit or loss

MFRS 18 introduces a new structure of profit or loss statement.

- Income and expenses are classified into 3 new main categories:
 - Operating category which typically includes results from the main business activities;
 - Investing category that presents the results of investments in associates and joint ventures and other assets that generate a return largely independently of other resources; and
 - Financing category that presents income and expenses from financing liabilities.

- Entities are required to present two new specified subtotals: ‘Operating profit or loss’ and ‘Profit or loss before financing and income taxes’.

Management-defined performance measures

MFRS 18 introduces the concept of a management-defined performance measure (“MPM”) which it defines as a subtotal of income and expenses that an entity uses in public communications outside financial statements, to communicate management’s view of an aspect of the financial performance of the entity as a whole to users. MFRS 18 also requires disclosure of information about all of an entity’s MPMs within a single note to the financial statements and requires several disclosures to be made about each MPM, including how the measure is calculated and a reconciliation to the most comparable subtotal specified by MFRS 18 or another MFRS accounting standard.

Location of information, aggregation and disaggregation

MFRS 18 differentiates between ‘presenting’ information in the primary financial statements and ‘disclosing’ it in the notes, and introduces a principle for determining the location of information based on identified ‘roles’ of the primary financial statements and the notes. MFRS 18 requires aggregation and disaggregation of information to be performed with reference to similar and dissimilar characteristics.

Notes to the Financial Statements

1. Basis of preparation (continued)

1.3 MFRS 18, Presentation and Disclosure in Financial Statements (continued)

Management is currently assessing the detailed implications of applying MFRS 18 on the Group's financial statement. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- a. The adoption of MFRS 18 will have no impact on the Group's net profit. In addition, the Group expects that the grouping items of income and expenses in the statement of profit or loss into the new categories will not significantly impact how operating profit is calculated and reported based on the high-level impact assessment that the Company has performed.
- b. The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/ disaggregation principles. In addition, there will be significant new disclosures required for:
 - i. management-defined performance measures; and
 - ii. for the first annual period of application of MFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying MFRS 18 and the amounts previously presented applying MFRS 101.

- c. The Group will change the classification of interest paid in the statement of cash flow. Interest paid will be presented as financing cash flows, which is a change from current presentation as part of operating cash flows.

MFRS 18 will be applied retrospectively.

1.4 Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

1.5 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's functional currency, and have been rounded. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

1.6 Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of financial statement, and the reported amount of income and expenses during the year. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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

Note 2.21.1 - Valuation of general insurance and reinsurance contracts

Note 2.21.2 - Valuation of life insurance and reinsurance contracts

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.21.

2. Material accounting policies

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

Notes to the Financial Statements

2. Material accounting policies (continued)

2.1 Basis of consolidation

2.1.1 Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Group and the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, and the relevant activities are directed by means of contractual arrangements. The Group has determined that the investment in structured securities, such as unit trust investments that the Group has an interest in are structured entities.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's separate statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments is recognised in profit or loss.

2.1.2 Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

2.1.3 Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

2.1.4 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

2.2 Foreign currency

Foreign currency transactions and balances

Items included in the financial statements are measured using the currency of the primary economic environment in which the Group operates (the "functional currency"). The financial statements are presented in RM, which is the Group's functional and presentation currency.

Transactions in foreign currencies are translated to the functional currency of Group entities at exchange rates at the dates of the transactions.

Notes to the Financial Statements

2. Material accounting policies (continued)

2.2 Foreign currency (continued)

Foreign currency transactions and balances (continued)

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising from settlement of foreign currency transactions and from retranslation of monetary assets and liabilities are recognised in profit or loss, except for differences arising on the retranslation of equity instruments or a financial instrument designated as a hedge of currency risk, which are recognised in other comprehensive income.

2.3 Property, plant and equipment

2.3.1 Recognition and measurement

All items of property, plant and equipment except for work-in-progress are stated at cost/valuation less any accumulated depreciation and any accumulated impairment losses. Work-in-progress is stated at cost less accumulated impairment.

The Group revalues its properties comprising land and buildings every five years and at shorter intervals whenever the fair values of the revalued assets are expected to differ materially from their carrying value.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

The revalued amounts of property are determined by using the Comparison Method. The Comparison Method entails critical analysis of recent evidence of values of comparable properties in the neighbourhood and making adjustment for differences such as differences in location, size and shape of land, age and condition of building, tenure, title restrictions if any and other relevant characteristics.

Valuation of the properties involves a degree of judgement before arriving at the respective property's revalued amount. As such, the revalued amount of the properties may be different from its actual market price.

Surpluses arising from revaluation are credited to revaluation reserve account via the statement of other comprehensive income. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is recognised in profit or loss.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they

are located. The cost of self-constructed assets also includes the cost of materials and direct labour.

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

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised on a net basis within "realised gains and losses" in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

2.3.2 Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in "insurance service expenses" if it is directly attributable to insurance acquisition activities as stated in Notes 2.12.7 and 2.13 (g); otherwise, it is recognised in "other operating expenses".

Notes to the Financial Statements

2. Material accounting policies (continued)

2.3 Property, plant and equipment (continued)

2.3.3 Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in “insurance service expenses” if it is directly attributable to insurance acquisition activities as stated in Notes 2.12.7 and 2.13 (g); otherwise, it is recognised in “other operating expenses” on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated. Work-in-progress are not depreciated until the assets are ready for their intended use.

The estimated useful lives for intangible assets are as follows:

Leasehold land	Over lease period
Buildings	50 years
Office equipment, furniture and fittings	2 to 10 years
Computers	5 years
Motor vehicles	5 years
Office renovations and partitions	10 years

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period, and adjusted as appropriate.

Leased assets (including leasehold land) are presented as a separate line item in statement of financial position. See accounting policy Note 2.5.1 on right-of-use assets for these assets.

2.4 Intangible assets

2.4.1 Goodwill

Goodwill arising from business combinations is measured at cost less any accumulated impairment losses. See accounting policy in Note 2.7(ii) on impairment of goodwill.

2.4.2 Development costs

Expenditure incurred on software development is capitalised, only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use the asset.

The expenditure capitalised includes the cost of materials, direct labour and overheads costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in “insurance service expenses” if it is directly attributable to insurance acquisition activities as stated in Notes 2.12.7 and 2.13 (g); otherwise, it is recognised in “other operating expenses” as incurred. Capitalised development expenditure is measured at cost less any accumulated amortisation and any accumulated impairment losses.

2.4.3 Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives, measured at cost less any accumulated amortisation and any accumulated impairment losses.

2.4.4 Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in “insurance service expenses” if it is directly attributable to insurance acquisition activities as stated in Notes 2.12.7 and 2.13 (g); otherwise, it is recognised in “other operating expenses” as incurred.

2.4.5 Amortisation

Intangible assets with finite useful lives are amortised from the date that they are available for use. Amortisation is based on the cost of an intangible asset less its residual value. Amortisation is recognised in “insurance service expenses” if it is directly attributable to insurance acquisition activities as stated in Notes 2.12.7 and 2.13 (g); otherwise, it is recognised in “other operating expenses” on a straight-line basis over the estimated useful lives of intangible assets. The estimated useful life for the current and comparative periods is as follows:

Capitalised software development costs	3 to 5 years
Other intangible assets	10 to 15 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

Notes to the Financial Statements

2. Material accounting policies (continued)

2.5 Leases

2.5.1 Accounting by lessee

Leases are recognised as right-of-use (“ROU”) asset and a corresponding liability at the date on which the leased asset is available for use by the Group (i.e., the commencement date).

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group is a lessee, it has elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

Lease term

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and affects whether the

Group is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities.

ROU assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets are subsequently measured at valuation/cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

While the Group revalues land and buildings (presented as part of property, plant and equipment) that it owns, it has chosen not to revalue the ROU building held by the Group.

ROU assets are presented as a separate line item in the statement of financial position.

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include fixed payments (including in-substance fixed payments), less any lease incentive receivable.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee’s incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group presents the lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liability is recognised in “insurance service expenses” if it is directly attributable to insurance acquisition activities as stated in Notes 2.12.7 and 2.13 (g); otherwise, it is recognised in “other finance expenses”.

Notes to the Financial Statements

2. Material accounting policies (continued)

2.5 Leases (continued)

2.5.1 Accounting by lessee (continued)

Short term leases and leases of low value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise photocopiers. Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in "insurance service expenses" if it is directly attributable to insurance acquisition activities as stated in Notes 2.12.7 and 2.13 (g); otherwise, it is recognised in "other finance expenses".

2.5.2 The Group and the Company as a lessor

As a lessor, the Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Operating lease

The Group classifies a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group recognises lease payments received under operating lease as lease income on a straight-line basis over the lease term.

When assets are leased out under an operating lease, the asset is included in the statement of financial position based on the nature of the asset. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of underlying asset and recognised as an expense over the lease term on the same basis as lease income.

Sublease classification

When the Group is an intermediate lessor, it assesses the lease classification of a sublease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset.

2.6 Financial instruments

2.6.1 Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on the trade date (that is, the date on which the Company commits to purchase or sell the asset).

At initial recognition, the Group measures a financial asset or financial liability at its fair value, plus or minus (in the case of a financial asset or financial liability not at FVTPL) transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets

and financial liabilities carried at FVTPL are expensed in profit or loss. Immediately after initial recognition, an ECL allowance is recognised for financial assets measured at amortised cost ("AC") and investments in debt instruments measured at FVOCI.

2.6.2 Amortised cost and effective interest rates

AC is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method for any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate ("EIR") is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (that is, its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider the ECL and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the EIR.

Interest revenue is calculated by applying the EIR to the gross carrying amount of financial assets recognised at AC or FVOCI.

Notes to the Financial Statements

2. Material accounting policies (continued)

2.6 Financial instruments (continued)

2.6.3 Financial instrument categories and subsequent measurement

The Group categorises and measures financial instruments as follows:

Financial assets

The Group classifies its financial assets into the following measurement categories:

- (a) Amortised cost;
- (b) FVOCI; or
- (c) FVTPL.

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as government and corporate bonds.

The classification and subsequent measurement of debt instruments depend on:

- (a) the Group's business model for managing the asset; and
- (b) the cash flow characteristics of the asset (represented by solely payments of principal and interest ("SPPI")).

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories:

(a) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI, and that are not designated at FVTPL, are measured at AC. The carrying amount of these assets is adjusted by any ECL allowance recognised and measured, as described further below. Interest revenue from these financial assets is included in interest revenue from financial assets not measured at FVTPL using the EIR method.

(b) Fair value through other comprehensive income

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent SPPI, and that are not designated at FVTPL, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's AC, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in net investment income. Interest revenue from these financial assets is included in interest revenue from financial assets not measured at FVTPL using the EIR method.

(c) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. Also, some assets are voluntarily measured at FVTPL, because this significantly reduces an accounting

mismatch. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised and presented in the consolidated statement of profit or loss within net gains on FVTPL investments in the period in which it arises.

The business model reflects how the Group manages assets in order to generate cash flows. That is, it reflects whether the Group's objective is solely to collect the contractual cash flows from assets or to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (for example, financial assets held for trading purposes), the financial assets are classified as part of the other business model and measured at FVTPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed, and how managers are compensated.

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent SPPI (the SPPI test). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement (that is, interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement). Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

Notes to the Financial Statements

2. Material accounting policies (continued)

2.6 Financial instruments (continued)

2.6.3 Financial instrument categories and subsequent measurement (continued)

Financial assets (continued)

Debt instruments (continued)

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

The Group reclassifies debt investments only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent, and none occurred during the period.

The Group might also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective (that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets).

The Group subsequently measures all equity investments at FVTPL. Gains and losses on equity investments at FVTPL are included in the line 'Net gains/(losses) on FVTPL investments' in the consolidated statement of profit or loss.

The Group has classified and measured equity instruments and bond investments that are not held for trading at FVOCI. The financial assets of the Group are for the purpose of backing insurance liabilities, hence the hold and sell business model is adopted with FVOCI as a relevant measurement approach.

Impairment

The Group assesses on a forward-looking basis the ECL associated with its debt instrument assets carried at AC and FVOCI. The Group recognises a loss allowance for such losses at each reporting date. The measurement of the ECL reflects:

- (a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (b) the time value of money; and
- (c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial liabilities

Classification and subsequent measurement

All financial liabilities are recognised when due and measured on initial recognition at the fair value of the consideration received less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective yield method, except for derivatives, which are measured at FVTPL.

Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset except for equity securities measured at FVOCI, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss. On derecognition of equity securities measured at FVOCI, any cumulative gain/loss recognised in other comprehensive income is not recognised in the statement of profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Notes to the Financial Statements

2. Material accounting policies (continued)

2.6 Financial instruments (continued)

2.6.4 Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

- (a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
- (b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

2.6.5 Hedge accounting

Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect the profit or loss. In a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion is recognised in profit or loss.

Subsequently, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss. However, loss recognised in other comprehensive income that will not be recovered in one or more future periods is reclassified from equity into profit or loss.

Cash flow hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge is no longer highly effective, the forecast transaction is no longer expected to occur or the hedge designation is revoked. If the hedge is for a forecast transaction, the cumulative gain or loss on the hedging instrument remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, any related cumulative gain or loss recognised in other comprehensive income on the hedging instrument is reclassified from equity into profit or loss.

The Group enters into cross currency swaps arrangement as cash flow hedging instruments to hedge against variability in FCF arising from movements in foreign exchange rates of foreign currency-denominated debt securities.

2.7 Impairment

- (i) Financial assets

Under MFRS 9, the Company assesses the ECL associated with its debt instrument assets carried at AC and FVOCI; and recognises a loss for such losses at each reporting date.

The ECL is a forward-looking measure that considers:

- (i) a range of possible outcomes,
- (ii) the time value of money, and
- (iii) reasonable and supportable information about past events, current conditions, and future economic conditions

The ECL is calculated by discounting the sum of all future contractual cash flows at the EIR and comparing it to the expected cash flows also discounted at the EIR over either a 12-month or lifetime basis. This calculation takes into accounts factors such as all lifetime contractual cash flows, potential default events, the probability of default ("PD"), and the loss given default ("LGD"). The LGD reflects the expected extent of loss on a defaulted exposure, considering factors such as collateralization and subordination.

MFRS 9 introduces a three-stage ECL impairment model for measuring impairment on each reporting date:

Stage 1 – from initial recognition of a financial assets to the date on which the credit risk of the asset has increased significantly relative to its initial recognition, a loss allowance is recognised equal to the credit losses expected to result from defaults occurring over the next 12 months (12-month ECL).

Notes to the Financial Statements

2. Material accounting policies (continued)

2.7 Impairment (continued)

(i) Financial assets (continued)

Stage 2 – following a significant increase in credit risk relative to the initial recognition of the financial assets, a loss allowance is recognised equal to the credit losses expected over the remaining life of the financial asset (Lifetime ECL).

Stage 3 – when a financial asset is considered to be credit-impaired, a loss allowance equal to full lifetime ECL is to be recognised (Lifetime ECL).

The assessment of credit risk and the estimation of ECL are required to be unbiased, probability-weighted and should incorporate all available information which is relevant to the assessment, including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL should also take into account the time value of money.

(ii) Non-financial assets

The carrying amounts of non-financial assets (except for deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("CGUs").

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated FCF are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the assets in the CGU (groups of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(iii) LRC - Expected premium receipts net of insurance acquisition cash flow

The Group assessed the recoverability of the LRC - expected premium receipts net of insurance acquisition cash flow and charge the impairment allowance to profit or loss accordingly.

The Group applied the simplified ECL concept under MFRS 9 to incorporate forward-looking elements.

2.8 Cash and cash equivalents and placements with financial institutions

Cash and cash equivalents consist of cash on hands, balances and fixed deposits with financial institutions and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments.

Notes to the Financial Statements

2. Material accounting policies (continued)

2.9 Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

2.9.1 Ordinary share capital

Ordinary share capital is classified as equity.

2.9.2 Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or is redeemable but only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity.

Preference share capital is classified as financial liability if it is redeemable on a specific date or at the option of the equity holders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

2.9.3 Dividends on ordinary shares

Dividends on ordinary shares are recognised as a liability and accounted for in the equity as an appropriation of retained earnings when they are approved for payment.

Dividends for the year that are approved after the end of the reporting period are dealt with as a subsequent event.

2.10 Provisions

A provision is recognised if, as a result of a past event, the Group and the Company have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote. Contingent liabilities do not include liabilities arising from contracts of insurance underwritten in the ordinary course of business of the Group.

2.11 Other financial liabilities

Other financial liabilities are recognised when due and measured on initial recognition at the fair value of the consideration received less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

2.12 Life insurance and reinsurance contracts

2.12.1 Definition and classification

Insurance contracts are contracts under which the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Group uses judgement to assess whether a contract transfers insurance risk (that is, if there is a scenario with commercial substance in which the Group has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant.

The Group issues certain insurance contracts that are substantially investment-related service contracts where the return on the underlying items is shared with policyholders. Underlying items comprise specified portfolios of investment assets that determine amounts payable to policyholders. The Group's policy is to hold such investment assets.

The measurement of a group of contracts by line of businesses are determined as follows:

Contracts Not Measured Under the Premium Allocation Approach (PAA)

These contracts cover multiple lines of business (LoB) including protection and health, savings, unit-linked with guarantees and unit-linked without guarantees. The primary business derives from investment-linked portfolios, which focus on protection and health LoB.

Notes to the Financial Statements

2. Material accounting policies (continued)

2.12 Life insurance and reinsurance contracts (continued)

2.12.1 Definition and classification (continued)

Contracts Measured Under the Premium Allocation Approach (PAA)

These contracts are predominantly associated with group employee benefit business, with a significant focus on protection and health LoB.

An insurance contract with direct participation features is defined by the Group as one which, at inception, meets the following criteria:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

These criteria are assessed at the individual contract level based on the Group's expectations at the contract's inception, and they are not reassessed in subsequent periods, unless the contract is modified. The variability in the cash flows is assessed over the expected duration of a contract. The duration of a contract takes into account all cash flows within the boundary.

The Group uses judgement to assess whether the amounts expected to be paid to the policyholder constitute a substantial share of the fair value returns on the underlying items.

All references to insurance contracts in these consolidated financial statements apply to insurance contracts issued or acquired, reinsurance contracts held, unless specifically stated otherwise.

2.12.2 Unit of account

MFRS 17 requires a company to determine the level of aggregation for applying its requirements. The level of aggregation for the Group is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together.

Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant risk of becoming onerous, and the remainder. No groups for level of aggregation purposes may contain contracts issued more than one year apart. Hence, within each year of issue, portfolios of contracts are divided into three groups, as follows:

- (a) contracts that are onerous at initial recognition (if any);
- (b) contracts that at initial recognition have no significant possibility of becoming onerous subsequently (if any); and
- (c) a group of the remaining contracts in the portfolio (if any).

These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. Such groups are not subsequently reconsidered.

Groups of reinsurance contracts are established such that each group comprises a single contract.

Some reinsurance contracts provide cover for underlying contracts that are included in different groups. However, the Group concludes that the reinsurance contract's legal form of a single contract reflects the substance of the Group's contractual rights and obligations, considering that the different covers lapse together and are not sold separately. As a result, the reinsurance contract is not separated into multiple insurance components that relate to different underlying groups.

Groups of reinsurance contracts are divided into a minimum of:

- (a) a group of contracts that has net gain at initial recognition, if any; and
- (b) a group of the remaining contracts in the portfolio, if any.

2.12.3 Recognition and derecognition

Insurance contracts are contracts under which the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

Notes to the Financial Statements

2. Material accounting policies (continued)

2.12 Life insurance and reinsurance contracts (continued)

2.12.3 Recognition and derecognition (continued)

Groups of insurance contracts issued are initially recognised from the earliest of the following:

- the beginning of the coverage period;
- the date when the first payment from the policyholder is due or actually received, if there is no due date; and
- when the Group determines that a group of contracts becomes onerous.

Insurance contracts with discretionary participation features are accounted for under the insurance accounting provisions of MFRS 17.

A group of reinsurance contracts is recognised on the following date.

- (a) Reinsurance contracts initiated by the Group that provide proportionate coverage: The date on which any underlying insurance contract is initially recognised. This applies to the Group's quota share reinsurance contracts.
- (b) Other reinsurance contracts initiated by the Group: The beginning of the coverage period of the group of reinsurance contracts. However, if the Group recognises an onerous group of underlying insurance contracts on an earlier date and the related reinsurance contract was entered into at or before that earlier date, then the group of reinsurance contracts is recognised on that earlier date. This applies to the Group's excess of loss and stop loss reinsurance contracts.

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the annual cohorts restriction. Composition of the groups is not reassessed in subsequent periods.

An insurance contract is derecognised when it is:

- extinguished (that is, when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- the contract is modified and additional criteria discussed below are met.

When an insurance contract is modified by the Group as a result of an agreement with the counterparties or due to a change in regulations, the Group treats changes in cash flows caused by the modification as changes in estimates of the FCF, unless the conditions for the derecognition of the original contract are met. The Group derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

- (a) if the modified terms had been included at contract inception and the Group would have concluded that the modified contract:
 - i. is not within the scope of MFRS 17;
 - ii. results in different separable components;
 - iii. results in a substantially different contract boundary; or
 - iv. belongs to a different group of contracts;

- (b) the original contract represents an insurance contract with direct participation features, but the modified contract no longer meets that definition, or vice versa;

When a new contract is required to be recognised as a result of modification and it is within the scope of MFRS 17, the new contract is recognised from the date of modification and is assessed for, amongst other things, contract classification, including the VFA eligibility, component separation requirements and contract aggregation requirements.

When an insurance contract not accounted for under the PAA is derecognised from within a group of insurance contracts, the Group:

- (a) adjusts the FCF to eliminate the PVFCF and risk adjustment ("RA") for non-financial risk relating to the rights and obligations removed from the group;
- (b) adjusts the CSM (unless the decrease in the FCF is allocated to the loss component of the LRC of the group) in the following manner, depending on the reason for the derecognition:
 - i. if the contract is extinguished, in the same amount as the adjustment to the FCF relating to future service;
- (c) adjusts the number of coverage units for the expected remaining insurance contract services, to reflect the number of coverage units removed.

Notes to the Financial Statements

2. Material accounting policies (continued)

2.12 Life insurance and reinsurance contracts (continued)

2.12.3 Recognition and derecognition (continued)

When an insurance contract accounted for under the PAA is derecognised, adjustments to remove related rights and obligations to account for the effect of the derecognition result in the following amounts being charged immediately to profit or loss:

- (a) if the contract is extinguished, any net difference between the derecognised part of the LRC of the original contract and any other cash flows arising from extinguishment.

2.12.4 Measurement

Measurement is not carried out at the level of individual contracts, but on the basis of groups of contracts. To allocate individual insurance contracts to groups of contracts, the Group first needs to define portfolios which include contracts with similar risks that are managed together. These portfolios are to be subdivided into groups of contracts on the basis of profitability and annual cohorts.

MFRS 17 includes three measurement models, reflecting a different extent of policyholder participation in investment performance or overall insurance entity performance: the building block approach ("BBA"), the variable fee approach ("VFA"), and the premium allocation approach ("PAA").

The general measurement model, also known as the building block approach ("BBA"), consists of the fulfilment cash flows and the contractual service margin. The fulfilment cash flows represent the risk-adjusted present value of an entity's rights and obligations to the policyholders, comprising estimates of expected cash flows, discounting and an explicit risk adjustment for non-financial risk. The contractual service margin represents the unearned profit from in-force contracts that an entity will recognise as it provides services over the coverage period.

PAA is a simplified approach for the measurement of the liability of remaining coverage an entity may choose to use when the premium allocation approach provides a measurement which is not materially different from that under the BBA or if the coverage period of each contract in the group of insurance contracts is one year or less.

The Group has assessed that direct participating businesses, where the rules on profit sharing are defined by legal/contractual rights, qualify for the variable fee approach eligibility. Non-participating business without policyholder participation, including savings and risk business, are accounted for under the BBA.

The Group assesses unit-linked insurance contracts to be eligible for the variable fee approach. Shareholder's share of variable fee from managing the unit-linked fund is part of the insurance liabilities accounted for under the VFA.

The measurement principles of MFRS 17 as follows:

Separation of components

MFRS 17 requires the separation of embedded derivatives, investment components, and performance obligations to provide non-insurance goods and services, if certain conditions are met. The separated components need to be accounted for separately according to MFRS 9 (embedded derivatives, investment components) or MFRS 15 (non-insurance goods and services). An investment component is classified as being distinct or non-distinct. Investment components that are non-distinct are not to be separated from the host insurance contract but are excluded from insurance revenue and insurance service expenses.

Liability for remaining coverage ("LRC")

The LRC under PAA is measured as the amount of premiums received net of acquisition cash flows paid, less the net amount of premiums and acquisition cash flows that have been recognised in profit or loss over the expired portion of the coverage period based on the passage of time.

The LRC under the BBA/VFA consists of the fulfilment cash flows related to future services and the contractual service margin ("CSM"). The fulfilment cash flows represent the risk adjusted present value of Group's rights and obligations to the policyholders, comprising the building blocks of estimates of expected future cash flows, discounting, and an explicit risk adjustment for non-financial risk.

Notes to the Financial Statements

2. Material accounting policies (continued)

2.12 Life insurance and reinsurance contracts (continued)

2.12.4 Measurement (continued)

Liability for incurred claims ("LIC")

The LIC is measured at the fulfilment cash flows relating to incurred claims. It comprises the fulfilment cash flows related to past service the reporting date. It is calculated at fund level. The LIC consists of the present value of future cash flows relating to incurred claims and the risk adjustment for non-financial risk.

Estimates of expected cash flows

The estimates of future cash flows comprise all cash flows expected to arise as the insurance contract is fulfilled. In estimating these future cash flows, the Group incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. Cash flows within the boundary of a contract relate directly to the fulfilment of the contract, including those for which the Group has discretion over the amount or timing. These include premiums from policyholders, payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling the contracts.

Discounting

Discount rate is determined by adjusting a liquid risk-free yield curve to reflect the differences between the liquidity characteristics of the financial instruments that underlie the rates observed in the market and the liquidity characteristics of the insurance contracts.

Risk adjustment for non-financial risk

The risk adjustment reflects the compensation an entity would require for bearing non-financial risks, i.e. the uncertainty of cash flows that arise from insurance contracts, other than the uncertainty arising from financial risks. Such non-financial risks include insurance risks, lapse and expense risk.

Contractual service margin

The contractual service margin for BBA gets adjusted for selected variances relating to current services, changes in cash flows related to future services and for the interest accretion at interest rates locked-in at initial recognition of the group of contracts. A release from the contractual service margin is recognised in profit or loss in the period to reflect the services provided in that period based on "coverage units".

Reinsurance contracts held

For reinsurance contracts held, the Group measures the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss. Measurement of the reinsurance contract assets is adjusted to include a loss-recovery component to reflect the expected recovery of onerous contract losses where such contracts reinsure onerous direct contracts.

Fulfilment cash flows within contract boundary

The FCF are the current estimates of the FCF within the contract boundary of a group of contracts that the Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of FCF:

- (a) are based on a probability-weighted mean of the full range of possible outcomes;
- (b) are determined from the perspective of the Group, provided that the estimates are consistent with observable market prices for market variables; and
- (c) reflect conditions existing at the measurement date.

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates.

The estimates of FCF are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation.

Risk of the Group's non-performance is not included in the measurement of groups of insurance contracts issued. In the measurement of reinsurance contracts held, the probability-weighted estimates of the PVFCF include the potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer.

Notes to the Financial Statements

2. Material accounting policies (continued)

2.12 Life insurance and reinsurance contracts (continued)

2.12.4 Measurement (continued)

Fulfilment cash flows within contract boundary (continued)

The Group estimates certain FCF at the portfolio level or higher and then allocates such estimates to groups of contracts.

The Group uses consistent assumptions to measure the estimates of the PVFCF for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts.

Contract boundary

The Group uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts.

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation ends when:

- (a) the Group has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or

- (b) both of the following criteria are satisfied:
 - i. the Group has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
 - ii. the pricing of premiums up to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

In assessing the practical ability to reprice, risks transferred from the policyholder to the Group, such as insurance risk and financial risk, are considered; other risks, such as lapse or surrender and expense risk, are not included.

Riders, representing add-on provisions to a basic insurance policy that provide additional benefits to the policyholder at additional cost, that are issued together with the main insurance contracts form part of a single insurance contract with all of the cash flows within its boundary.

Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Group that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or in which the Group has a substantive right to receive insurance contract services from the reinsurer.

A substantive right to receive services from the reinsurer ends either when the reinsurer can reprice the contract to fully reflect the reinsured risk, or when the reinsurer has a substantive right to terminate coverage.

The Group reassesses contract boundary of each group at the end of each reporting period.

The excess of loss reinsurance contract held by the Group has an annual term and covers claims from underlying contracts incurred within the year. Cash flows within the contract boundary are those arising from underlying claims incurred during the year.

Cash flows that are not directly attributable to a portfolio of insurance contracts, such as some product development and training costs, are recognised in other operating expenses as incurred.

Insurance acquisition costs

The Group defines acquisition cash flows as cash flows that arise from costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) and that are directly attributable to the portfolio of insurance contracts to which the group belongs.

Insurance acquisition cash flows are allocated to groups of insurance contracts on a systematic and rational basis. Insurance acquisition cash flows that are directly attributable to a group of insurance contracts are allocated:

- (a) to that group; and
- (b) to groups that will include insurance contracts that are expected to arise from renewals of the insurance contracts in that group.

Insurance acquisition cash flows not directly attributable to a group of contracts but directly attributable to a portfolio of contracts are allocated to groups of contracts in the portfolio or expected to be in the portfolio.

Notes to the Financial Statements

2. Material accounting policies (continued)

2.12 Life insurance and reinsurance contracts (continued)

2.12.4 Measurement (continued)

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is applied to the present value of the estimated FCF, and it reflects the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts.

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer.

2.12.5 Initial and subsequent measurement – Group of contracts not measured under the PAA

(a) Initial measurement

Contractual service margin

The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Group will recognise as it provides insurance contract services in the future.

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous or insurance revenue and insurance service expenses are recognised as in (d) below) arising from:

- (a) the initial recognition of the FCF;
- (b) cash flows arising from the contracts in the group at that date;
- (c) the derecognition of any insurance acquisition cash flows asset; and
- (d) the derecognition of any other pre-recognition cash flows. Insurance revenue and insurance service expenses are derecognised immediately for any such assets derecognised.

When the above calculation results in a net outflow, the group of insurance contracts issued is onerous. A loss from onerous insurance contracts is recognised in profit or loss immediately, with no CSM recognised on the statement of financial position on initial recognition, and a loss component is established in the amount of loss recognised.

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Group recognises the net cost immediately in profit or loss. For reinsurance contracts held, the CSM represents a deferred gain or loss that the Group will recognise as a reinsurance expense as it receives reinsurance coverage from the reinsurer in the future and is calculated as the sum of:

- (a) the initial recognition of the FCF;
- (b) cash flows arising from the contracts in the group at that date;
- (c) the amount derecognised at the date of initial recognition of any asset or liability previously recognised for cash flows related to the group of reinsurance contracts held (other pre-recognition cash flows); and
- (d) any income recognised in profit or loss when the entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group.

A loss-recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised in (d) above. This amount is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Group expects to recover from the reinsurance contracts held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Group applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

Notes to the Financial Statements

2. Material accounting policies (continued)

2.12 Life insurance and reinsurance contracts (continued)

2.12.5 Initial and subsequent measurement – Group of contracts not measured under the PAA (continued)

(b) Subsequent measurement

The carrying amount at the end of each reporting period of a group of insurance contracts issued is the sum of:

- (a) the LRC, comprising:
 - i. the FCF related to future service allocated to the group at that date; and
 - ii. the CSM of the group at that date; and
- (b) the LIC, comprising the FCF related to past service allocated to the group at the reporting date.

The carrying amount at the end of each reporting period of a group of reinsurance contracts held is the sum of:

- (a) the remaining coverage, comprising:
 - i. the FCF related to future service allocated to the group at that date; and
 - ii. the CSM of the group at that date; and
- (b) the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

Changes in fulfilment cash flows

The FCF are updated by the Group for current assumptions at the end of every reporting period, using the current estimates of the amount, timing and uncertainty of FCF and of discount rates.

The way in which the changes in estimates of the FCF are treated depends on which estimate is being updated:

- (a) changes that relate to current or past service are recognised in profit or loss; and
- (b) changes that relate to future service are recognised by adjusting the CSM or the loss component within the LRC as per the policy below.

For insurance contracts under the BBA, the following adjustments relate to future service and thus adjust the CSM:

- (a) experience adjustments – arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows;
- (b) changes in estimates of the PVFCF in the LRC, except those described in the following paragraph;

- (c) differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period, determined by comparing:
 - (i) the actual investment component that becomes payable in a period with;
 - (ii) the payment in the period that was expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable; and
- (d) changes in the risk adjustment for non-financial risk that relate to future service.

Adjustments (a), (b) and (d) above are measured using discount rates determined on initial recognition (the locked-in discount rates).

For insurance contracts under the BBA, the following adjustments do not adjust the CSM:

- (a) changes in the FCF for the effect of the time value of money and the effect of financial risk and changes thereof;
- (b) changes in the FCF relating to the LIC;
- (c) experience adjustments – arising from premiums received in the period that do not relate to future service and related cash flows, such as insurance acquisition cash flows; and
- (d) experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

Notes to the Financial Statements

2. Material accounting policies (continued)

2.12 Life insurance and reinsurance contracts (continued)

2.12.5 Initial and subsequent measurement – Group of contracts not measured under the PAA (continued)

(b) Subsequent measurement (continued)

Changes in fulfilment cash flows (continued)

For insurance contracts under the VFA, the following adjustments relate to future service and thus adjust the CSM:

- (a) changes in the amount of the Group's share of the fair value of the underlying items; and
- (b) changes in the FCF that do not vary based on the returns of underlying items:
 - i. changes in the effect of the time value of money and financial risks including the effect of financial guarantees;
 - ii. experience adjustments arising from premiums received in the period that relate to future service and related cash flows, such as insurance acquisition cash flows;
 - iii. changes in estimates of the PVFCF in the LRC, except those described in the following paragraph;
 - iv. differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period, determined by comparing (i) the actual investment component that becomes payable

in a period with (ii) the payment in the period that was expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable; and

- v. changes in the risk adjustment for non-financial risk that relate to future service.

Adjustments (ii)-(v) are measured using the current discount rates.

For insurance contracts under the VFA, the following adjustments do not adjust the CSM:

- (a) changes in the obligation to pay the policyholder the amount equal to the fair value of the underlying items;
- (b) changes in the FCF that do not vary based on the returns of underlying items:
 - i. changes in the FCF relating to the LIC; and
 - ii. experience adjustments arising from premiums received in the period that do not relate to future service and related cash flows, such as insurance acquisition cash flows; and
 - iii. experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

The Group does not have any products with complex guarantees and does not use derivatives as economic hedges of the risks.

Changes to the contractual service margin

For insurance contracts issued, at the end of each reporting period the carrying amount of the CSM is adjusted by the Group to reflect the effect of the following changes:

- (a) The effect of any new contracts added to the group.
- (b) For contracts measured under the BBA, interest accreted on the carrying amount of the CSM.
- (c) Changes in the FCF relating to future service are recognised by adjusting the CSM. Changes in the FCF are recognised in the CSM to the extent that the CSM is available. When an increase in the FCF exceeds the carrying amount of the CSM, the CSM is reduced to zero, the excess is recognised in insurance service expenses and a loss component is recognised within the LRC. When the CSM is zero, changes in the FCF adjust the loss component within the LRC with correspondence to insurance service expenses. The excess of any decrease in the FCF over the loss component reduces the loss component to zero and reinstates the CSM.
- (d) The effect of any currency exchange differences.
- (e) The amount recognised as insurance revenue for insurance contract services provided during the period, determined after all other adjustments above.

Notes to the Financial Statements

2. Material accounting policies (continued)

2.12 Life insurance and reinsurance contracts (continued)

2.12.5 Initial and subsequent measurement – Group of contracts not measured under the PAA (continued)

(b) Subsequent measurement (continued)

Changes to the contractual service margin (continued)

For reinsurance contracts held, at the end of each reporting period, the carrying amount of the CSM is adjusted by the Group to reflect the effect of the following changes:

- (a) The effect of any new contracts added to the group.
- (b) Interest accreted on the carrying amount of the CSM.
- (c) Income recognised in profit or loss when the entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group. A loss recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised.
- (d) Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held.
- (e) Changes in the FCF, to the extent that the change relates to future service, unless the change results from a change in FCF allocated to a group of underlying insurance contracts that does not adjust the CSM for the group of underlying insurance contracts.

- (f) The effect of any currency exchange differences.
- (g) The amount recognised in profit or loss for insurance contract services received during the period, determined after all other adjustments above.

Interest accretion on the CSM

Under the BBA, interest is accreted on the CSM using discount rates determined at initial recognition that are applied to nominal cash flows that do not vary based on the returns of underlying items. If more contracts are added to the existing groups in the subsequent reporting periods, the Group revises these discount curves by calculating weighted-average discount curves over the period during which the contracts in the group are recognised. The weighted-average discount curves are determined by multiplying the new CSM added to the group and their corresponding discount curves over the total CSM.

Adjusting the CSM for changes in the FCF relating to future service

The CSM is adjusted for changes in the FCF, measured applying the discount rates as specified in the Changes in fulfilment cash flows in Section 2.12.5(b).

Release of the CSM to profit or loss

The amount of the CSM recognised in profit or loss for insurance contract services in the period is determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining expected coverage period of the group of insurance contracts based on coverage units.

The coverage period is defined as a period during which the entity provides insurance contract services. Insurance contract services include coverage for an insured event (insurance coverage), the generation of an investment return for the policyholder, if applicable (investment-return service), and the management of underlying items on behalf of the policyholder (investment-related service).

The period of investment-return service or investment-related service ends at or before the date when all amounts due to current policyholders relating to those services have been paid. Investment-return services are provided only when an investment component exists in insurance contracts or the policyholder has a right to withdraw an amount, and the Group expects these amounts to include an investment return that is achieved by the Group by performing investment activities to generate that investment return.

The Group reflects the time value of money in the allocation of the CSM to coverage units, using discount rates determined at initial recognition that are applied to nominal cash flows that do not vary based on the returns of underlying items.

For reinsurance contracts held, the CSM is released to profit or loss as insurance contract services are received from the reinsurer in the period.

The coverage period for these contracts is determined based on the coverage period of all underlying contracts whose cash flows are included in the reinsurance contract boundary.

Notes to the Financial Statements

2. Material accounting policies (continued)

2.12 Life insurance and reinsurance contracts (continued)

2.12.5 Initial and subsequent measurement – Group of contracts not measured under the PAA (continued)

(b) Subsequent measurement (continued)

Changes to the contractual service margin (continued)

Determination of coverage units

The CSM represents the unearned profit the Group will recognise as it provides insurance contract services in the future. The CSM is released in each reporting period for an amount recognised in profit or loss to reflect the insurance contract services provided under the group of insurance contracts in that period.

The CSM release is determined by:

- a. identifying the coverage units in the group;
- b. allocating the CSM equally to coverage units provided in the current period and expected to be provided in the future; and
- c. recognising in profit or loss the amount allocated to coverage units to reflect insurance contract services provided in the period.

The determination of coverage units is done by considering the services provided under the contracts within the group of contracts as well as the measures that would appropriately reflect the services provided under the contracts. For groups of contracts where only stand-alone insurance service is provided, the sum assured is used as the coverage unit. For groups of contracts where mixed services (combining insurance and investment-related or investment-return services) are provided, the coverage unit is based on:

- a. a solo coverage unit that considers the weight of each service incorporated in the group of contracts (sum assured plus the policyholders' account/fund value); or
- b. the pre-dominant service provided under the group of contracts (sum assured).

For the reinsurance contracts held by the Group, the determination of the coverage units follows similar considerations for the underlying contracts as the level of services provided depends on that provided by the underlying contracts.

Discounting is done on the coverage units with the discount rates being consistent with the interest rates used for CSM accretion. The coverage units are reviewed and updated at each reporting date.

Onerous contracts – Loss component

When adjustments to the CSM exceed the amount of the CSM, the group of contracts becomes onerous and the Group recognises the excess in insurance service expenses, and it records the excess as a loss component of the LRC.

When a loss component exists, the Group allocates the following between the loss component and the remaining component of the LRC for the respective group of contracts, based on the ratio of the loss component to the FCF relating to the expected future cash outflows:

- (a) expected incurred claims and other directly attributable expenses for the period;
- (b) changes in the risk adjustment for non-financial risk for the risk expired; and
- (c) finance income (expenses) from insurance contracts issued.

The amounts of loss component allocation in (a) and (b) above reduce the respective components of insurance revenue and are reflected in insurance service expenses.

Decreases in the FCF in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the FCF in subsequent periods increase the loss component.

2.12.6 Initial and subsequent measurement – Group of contracts measured under the PAA

(a) Initial measurement

The Group uses the PAA for measuring contracts with a coverage period of one year or less.

For insurance contracts issued, insurance acquisition cash flows allocated to a group are deferred and recognised over the coverage period of contracts in a group.

Notes to the Financial Statements

2. Material accounting policies (continued)

2.12 Life insurance and reinsurance contracts (continued)

2.12.6 Initial and subsequent measurement – Group of contracts measured under the PAA (continued)

(a) Initial measurement (continued)

For insurance contracts issued, on initial recognition, the Group measures the LRC at the amount of premiums received, less any acquisition cash flows paid.

For reinsurance contracts held, on initial recognition, the Group measures the remaining coverage at the amount of ceding premiums paid.

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:

- (a) the LRC; and
- (b) the LIC, comprising the FCF related to past service allocated to the group at the reporting date.

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:

- (a) the remaining coverage; and
- (b) the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

- (a) increased for premiums received in the period, excluding amounts that relate to premium receivables included in the LIC;
- (b) decreased for insurance acquisition cash flows paid in the period;
- (c) decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period; and
- (d) increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

- (a) increased for ceding premiums paid in the period; and
- (b) decreased for the expected amounts of ceding premiums and broker fees recognised as reinsurance expenses for the services received in the period.

The Group does not adjust the LRC for insurance contracts issued and the remaining coverage for reinsurance contracts held for the effect of the time value of money, because insurance premiums are due within the coverage period of contracts, which is one year or less.

The Group adjusts the remaining coverage for reinsurance contracts held for the effect of the risk of reinsurer's non-performance.

For contracts measured under the PAA, the LIC is measured similarly to the LIC's measurement under the BBA. FCF are adjusted for the time value of money.

2.12.7 Amount recognised in comprehensive income

Insurance revenue

As the Group provides insurance contract services under the group of insurance contracts, it reduces the LRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration that the Group expects to be entitled to in exchange for those services.

For contracts not measured under the PAA, insurance revenue comprises the following:

- Amounts relating to the changes in the LRC:
 - (a) claims and other directly attributable expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:
 - i. amounts allocated to the loss component;
 - ii. repayments of investment components and policyholder rights to withdraw an amount;
 - iii. insurance acquisition expenses; and
 - iv. amounts related to the risk adjustment for non-financial risk;

Notes to the Financial Statements

2. Material accounting policies (continued)

2.12 Life insurance and reinsurance contracts (continued)

2.12.7 Amount recognised in comprehensive income (continued)

Insurance revenue (continued)

- Amounts relating to the changes in the LRC: (continued)
 - (b) changes in the risk adjustment for non-financial risk, excluding:
 - i. changes included in insurance finance income (expenses);
 - ii. changes that relate to future coverage (which adjust the CSM); and
 - iii. amounts allocated to the loss component.
 - (c) amounts of the CSM recognised for the services provided in the period; and
 - (d) experience adjustments – arising from premiums received in the period other than those that relate to future service.

Insurance acquisition cash flows recovery is determined by allocating the portion of premiums related to the recovery of those cash flows on the basis of the passage of time over the expected coverage of a group of contracts.

For groups of insurance contracts measured under the PAA, the Group recognises insurance revenue based on the passage of time over the coverage period of a group of contracts.

Insurance service expenses

Insurance service expenses include the following:

- (a) incurred claims and benefits, excluding investment components reduced by loss component allocations;
- (b) other incurred directly attributable expenses;
- (c) insurance acquisition cash flows amortisation;
- (d) changes that relate to past service – changes in the FCF relating to the LIC; and
- (e) changes that relate to future service – changes in the FCF that result in onerous contract losses or reversals of those losses.

For contracts not measured under the PAA, amortisation of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue, as described above.

For contracts measured under the PAA, amortisation of insurance acquisition cash flows is based on the passage of time.

Other expenses not meeting the above categories are included in other operating expenses in the statement of profit or loss.

Net income/(expenses) from reinsurance contract held

The Group presents financial performance of groups of reinsurance contracts held on a net basis in net income/(expenses) from reinsurance contracts held, comprising the following amounts:

- (a) reinsurance expenses;
- (b) incurred claims recovery, excluding investment components reduced by loss-recovery component allocations;
- (c) other incurred directly attributable expenses;
- (d) changes that relate to past service – changes in the FCF relating to incurred claims recovery; and
- (e) amounts relating to accounting for onerous groups of underlying insurance contracts issued:
 - i. income on initial recognition of onerous underlying contracts;
 - ii. reversals of a loss-recovery component; and
 - iii. change in FCF of RI contracts held from onerous underlying contracts.

Reinsurance expenses are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received insurance contract services at an amount that reflects the portion of ceding premiums that the Group expects to pay in exchange for those services.

For contracts not measured under the PAA, reinsurance expenses comprise the following amounts relating to the changes in the remaining coverage:

- (a) claims and other directly attributable expenses recovery in the period, measured at the amounts expected to be incurred at the beginning of the period, excluding:
 - amounts allocated to the loss-recovery component;
 - repayments of investment components; and
 - amounts related to the risk adjustment for non-financial risk (see (b));
- (b) release of risk adjustment for non-financial risk;

Notes to the Financial Statements

2. Material accounting policies (continued)

2.12 Life insurance and reinsurance contracts (continued)

2.12.7 Amount recognised in comprehensive income (continued)

Net income/(expenses) from reinsurance contract held (continued)

- (c) amounts of the CSM recognised for the services received in the period; and
- (d) experience adjustments – arising from premiums paid in the period other than those that relate to future service.

For groups of reinsurance contracts held measured under the PAA, the Group recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses. Ceding commissions that are contingent on claims of the underlying contracts issued reduce incurred claims recovery.

Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- (a) the effect of the time value of money and changes in the time value of money;

- (b) the effect of changes in the risk of reinsurers' non-performance (included in the finance expense from reinsurance contract held); and
- (c) the effect of financial risk and changes in financial risk.

For contracts measured under the BBA, the main amounts within insurance finance income or expenses are:

- (a) interest accreted on the FCF and the CSM;
- (b) the effect of changes in interest rates and other financial assumptions; and
- (c) foreign exchange differences.

For contracts measured under the VFA, insurance finance income or expenses comprise changes in the value of underlying items (excluding additions and withdrawals).

For contracts measured under the PAA, the main amounts within insurance finance income or expenses are:

- (a) interest accreted on the LIC; and
- (b) the effect of changes in interest rates and other financial assumptions.

The Group disaggregates changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses.

For the contracts measured under the BBA, the effect of changes in the value of money is disaggregated between profit or loss and OCI. However, for the contracts measured using the VFA in UL and IL funds, the Company does not adopt OCI option (profit or loss option is applied).

The Group has applied accounting policy choice on the participating fund's portion of accumulated OCI on underlying items measured at FVOCI that is attributable to policyholders to be presented in the Statement of Changes in Equity as:

- (a) an FVOCI reserve; and
- (b) an equal and opposite Insurance finance reserve.

Because the policyholder-attributable amounts are also reflected in insurance contract liabilities, this presentation has no impact on total reserves or total equity.

The groups of insurance contracts, including the CSM, that generate cash flows in a foreign currency are treated as monetary items.

2.12.8 Transition

In respect of insurance contracts, the modified retrospective approach has been applied to the insurance contracts in annual cohorts prior to 2014, while the full retrospective approach has been applied to the insurance contracts in annual cohorts from 2014 onwards.

Notes to the Financial Statements

2. Material accounting policies (continued)

2.12 Life insurance and reinsurance contracts (continued)

2.12.8 Transition (continued)

In respect of reinsurance contracts held, the modified retrospective approach has been applied to the reinsurance contracts held in annual cohorts prior to 2021, while the full retrospective approach has been applied to reinsurance contracts held in annual cohorts from 2021 and onwards.

The quantitative impact of the Group applying MFRS 17 is disclosed in Notes 18 and 20.

2.13 General insurance operations

(a) Definition and classification

Insurance contracts are contracts under which the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Group uses judgement to assess whether a contract transfers insurance risk (that is, if there is a scenario with commercial substance in which the Group has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant.

The Group uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risk if it transfers substantially all of the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss.

All references to insurance contracts in these financial statements apply to insurance contracts issued or acquired and reinsurance contracts held, unless specifically stated otherwise.

(b) Unit of account

MFRS 17 requires a company to determine the level of aggregation for applying its requirements. The level of aggregation for the Group is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together. Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant risk of becoming onerous, and the remainder. No groups for level of aggregation purposes may contain contracts issued more than one year apart. Hence, within each year of issue, portfolios of contracts are divided into three groups, as follows:

- (a) contracts that are onerous at initial recognition (if any);
- (b) contracts that at initial recognition have no significant possibility of becoming onerous subsequently (if any); and
- (c) a group of the remaining contracts in the portfolio (if any).

These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. Such groups are not subsequently reconsidered.

For each portfolio of contracts, the Group determines the appropriate level at which reasonable and supportable information is available, to assess whether these contracts are onerous at initial recognition and whether non-onerous contracts have a significant possibility of becoming onerous. The Group assumes that no contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. For non-onerous contracts, the Group assesses the likelihood of changes in the applicable facts and circumstances in the subsequent periods in determining whether contracts have a significant possibility of becoming onerous.

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. The Group divides portfolios of reinsurance contracts held applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition. Applying the grouping requirements to reinsurance contracts held, the Group aggregates reinsurance contracts held concluded within a calendar year (annual cohorts) into groups of:

- (a) contracts for which there is a net gain at initial recognition, if any;
- (b) contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and
- (c) remaining contracts in the portfolio, if any.

Notes to the Financial Statements

2. Material accounting policies (continued)

2.13 General insurance operations (continued)

(b) Unit of account (continued)

Before the Group accounts for an insurance contract based on the guidance in MFRS 17, it analyses whether the contract contains distinct components that should be separated. MFRS 17 distinguishes three categories of distinct components which must be accounted for under another MFRS instead of under MFRS 17:

- cash flows relating to embedded derivatives that are required to be separated;
- cash flows relating to distinct investment components; and
- promises to transfer distinct goods or distinct services other than insurance contract services.

Currently, the Group's products do not include any distinct components that require separation and apply MFRS 17 to all components of the insurance contract.

When determining the level of aggregation, the Group identifies a contract as the smallest 'unit', i.e., the lowest common denominator. However, the Group makes an evaluation of whether a series of contracts need to be treated together as one unit based on reasonable and supportable information, or whether a single contract contains components that need to be separated and treated as if they were stand-alone contracts.

As such, what is treated as a contract for accounting purposes may differ from what is considered as a contract in the legal form. Currently, the Group does not have any contracts that require combination of insurance contracts, and separates components within a single contract for several package products.

(c) Recognition and derecognition

Groups of insurance contracts issued are initially recognised from the earliest of the following:

- the beginning of the coverage period;
- the date when the first payment from the policyholder is due or actually received, if there is no due date; and
- when the Group determines that a group of contracts becomes onerous.

Reinsurance contracts held are recognised as follows:

- a group of reinsurance contracts held that provide proportionate coverage (quota share reinsurance) is recognised at the later of:
 - (i) the beginning of the coverage period of the group of reinsurance contracts; and
 - (ii) the initial recognition of any underlying insurance contract;
- all other groups of reinsurance contracts held are recognised from the beginning of the coverage period of the group of reinsurance contracts held.

Unless the Group entered into the reinsurance contract held at or before the date when an onerous group of underlying contracts is recognised prior to the beginning of the coverage period of the group of reinsurance contracts held, in which case the reinsurance contract held is recognised at the same time as the group of underlying insurance contracts is recognised.

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the annual cohorts restriction. Composition of the groups is not reassessed in subsequent periods.

An insurance contract is derecognised when it is:

- extinguished (that is, when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- the contract is modified and additional criteria discussed below are met.

When an insurance contract is modified as a result of an agreement with the counterparties or due to a change in regulations, the Group treats changes in cash flows caused by the modification as changes in estimates of the FCF, unless the conditions for the derecognition of the original contract are met. The Group derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

Notes to the Financial Statements

2. Material accounting policies (continued)

2.13 General insurance operations (continued)

(c) Recognition and derecognition (continued)

- (a) if the modified terms had been included at contract inception and the Group would have concluded that the modified contract:
- i. is not within the scope of MFRS 17;
 - ii. results in different separable components;
 - iii. results in a different contract boundary; or
 - iv. belongs to a different group of contracts; or
- (b) the original contract was accounted for under the PAA, but the modification means that the contract no longer meets the eligibility criteria for that approach.

When a new contract is required to be recognised as a result of modification and it is within the scope of MFRS 17, the new contract is recognised from the date of modification and is assessed for, amongst other things, contract classification, component separation requirements and contract aggregation requirements.

When an insurance contract is derecognised, any net difference between the derecognised part of the LRC of the original contract and any other cash flows will be charged immediately to profit or loss to remove related rights and obligations.

(d) Contract boundary

The Group uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts.

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation ends when:

- (a) the Group has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or
- (b) both of the following criteria are satisfied:
 - i. the Group has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
 - ii. the pricing of premiums up to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of

the Group that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or in which the Group has a substantive right to receive insurance contract services from the reinsurer.

The excess of loss reinsurance contracts held provides coverage for claims incurred during an accident year. Thus, all cash flows arising from claims incurred and expected to be incurred in the accident year are included in the measurement of the reinsurance contracts held. Some of these contracts might include reinstatement reinsurance premiums, which are guaranteed per the contractual arrangements and are thus within the respective reinsurance contracts' boundaries.

Cash flows that are not directly attributable to a portfolio of insurance contracts, such as some product development and training costs, are recognised in other operating expenses as incurred.

(e) Measurement

The Group applies the PAA to all the insurance contracts that it issues and reinsurance contracts that it holds, as:

- (a) The coverage period of each contract in the group of insurance contracts is one year or less; or
- (b) For contracts longer than one year, the Group has applied PAA eligibility test and reasonably expects that the measurement is not materially different from that under the general measurement model.

Notes to the Financial Statements

2. Material accounting policies (continued)

2.13 General insurance operations (continued)

(e) Measurement (continued)

Initial measurement

For insurance contracts issued, insurance acquisition cash flows allocated to a group are deferred and recognised over the coverage period of contracts in a group.

For insurance contracts issued, on initial recognition, the Group measures the LRC at the amount of premiums received, less any acquisition cash flows paid.

For reinsurance contracts held, on initial recognition, the Group measures the remaining coverage at the amount of ceding premiums paid.

Where facts and circumstances indicate that contracts are onerous at initial recognition, the Group performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. The fulfilment cash flows include an explicit risk adjustment for non-financial risk. A loss component is established by the Group for the LRC for such onerous group depicting the losses recognised.

When a loss is recognised on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group, the carrying amount of the asset for remaining coverage for reinsurance contracts held is increased by the amount of income recognised in profit or loss and a loss-recovery component is established or adjusted for the amount of income recognised. The referred income is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage that the Group expects to recover from the reinsurance contract held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

Subsequent measurement

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:

- (a) the LRC; and
- (b) the LIC, comprising the PVFCF related to past service allocated to the group at the reporting date, including an explicit adjustment for non-financial risk (risk adjustment).

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:

- (a) the remaining coverage; and

- (b) the incurred claims, comprising the PVFCF related to past service allocated to the group at the reporting date, including an explicit adjustment for non-financial risk (risk adjustment).

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

- (a) increased for premiums received in the period;
- (b) decreased for insurance acquisition cash flows paid in the period;
- (c) decreased for the amounts recognised as insurance revenue for the services provided in the period; and
- (d) increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

- (a) increased for ceding premiums paid in the period; and
- (b) decreased for the expected amounts of ceding premiums recognised as reinsurance expenses for the services received in the period.

The Group does not adjust the LRC for insurance contracts issued and the asset for remaining coverage for reinsurance contracts held for the effect of the time value of money, because insurance and reinsurance premiums are due within the coverage period of contracts, which is generally one year or less.

Notes to the Financial Statements

2. Material accounting policies (continued)

2.13 General insurance operations (continued)

(e) Measurement (continued)

Subsequent measurement (continued)

There are no investment components within insurance contracts issued.

The Group assesses its reinsurance contracts to determine any investment components, defined as amounts expected to be received from the reinsurer under all circumstances. Fixed ceding commissions, which are not claim-contingent, are settled net of ceding premiums rather than separately by reinsurers. These commissions reduce the premium charged by reinsurers and are not treated as investment components; instead, they are presented as a reduction in ceding premiums.

Reinsurance profit commission or sliding scale commissions, contingent on claims, are considered investment components because they guarantee a minimum receipt by the cedant. These components are non-distinct, as they cannot be independently sold, measured, or utilized without the reinsurance elements. Reinsurance commissions that are contingent on claims are adjusted according to the claims that are incurred, and the Group treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held.

Reinsurance contracts with non-distinct investment components are not separately accounted for under MFRS 17.

The Group estimates the LIC as the FCF related to incurred claims. FCF incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those FCF, they reflect current estimates from the perspective of the Group and include an explicit adjustment for non-financial risk (the risk adjustment). The Group adjust the FCF for the time value of money, since insurance contracts issued by the Group typically have a claims settlement period of over one-year.

The risk adjustment for non-financial risk is the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cashflows from non-financial risk as the Group fulfils insurance contracts.

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued except the following:

- (a) For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer;
- (b) In the measurement of reinsurance contracts held, the probability-weighted estimates of the PVFCF include the allowance for non-performance risk of the reinsurer;

- (c) Loss recovery component will subsequently be reduced to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Group expects to recover from the group of reinsurance contracts held.

(f) Recognition and measurement of insurance acquisition cash flows

The Group defines acquisition cash flows as cash flows that arise from costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) and that are directly attributable to the portfolio of insurance contracts to which the group belongs.

Insurance acquisition cash flows are allocated to groups of insurance contracts on a systematic and rational basis; and amortised over the coverage period of the related group.

Insurance acquisition cash flows that are directly attributable to a group of insurance contracts are allocated to that group. Insurance acquisition cash flows not directly attributable to a group of contracts but directly attributable to a portfolio of contracts are allocated to groups of contracts in the portfolio or expected to be in the portfolio.

Notes to the Financial Statements

2. Material accounting policies (continued)

2.13 General insurance operations (continued)

(g) Amount recognised in comprehensive income

Insurance revenue

As the Group provides insurance contract services under the group of insurance contracts, it reduces the LRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration that the Group expects to be entitled to in exchange for those services.

Insurance revenue is the amount of:

- (a) Expected premium receipts based on the passage of time for the Group's insurance contracts issued; and
- (b) Expected premium receipts based on the passage of time for the Group's reinsurance inward contracts issued. The expected premium receipts are reduced by the fixed reinsurance inward commissions that are not contingent on claims and are settled net of reinsurance premiums received from cedants.

The Group recognises insurance revenue based on the passage of time over the coverage period of a group of contracts.

Insurance service expenses

Insurance service expenses include the following:

- (a) incurred claims and benefits;
- (b) other incurred directly attributable expenses;
- (c) insurance acquisition cash flows amortisation based on the passage of time;
- (d) changes that relate to past service – changes in the FCF relating to the LIC; and
- (e) changes that relate to future service – changes in the FCF that result in onerous contract losses or reversals of those losses.

Other expenses not meeting the above categories are included in other operating expenses in the statement of profit or loss.

Net income/(expenses) from reinsurance contract held

The Group presents financial performance of groups of reinsurance contracts held on a net basis in net income/(expenses) from reinsurance contracts held, comprising the following amounts:

- (a) reinsurance expenses;
- (b) incurred claims recovery;
- (c) other incurred directly attributable expenses;
- (d) changes that relate to past service – changes in the FCF relating to incurred claims recovery; and
- (e) amounts relating to accounting for onerous groups of underlying insurance contracts issued:

- i. income on initial recognition of onerous underlying contracts; and
- ii. reversals of a loss-recovery component.

Reinsurance expenses are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received insurance contract services at an amount that reflects the portion of ceding premiums that the Group expects to pay in exchange for those services. The reinsurance expenses are recognised based on the passage of time over the coverage period of a group of contracts.

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses. Ceding commissions that are contingent on claims of the underlying contracts issued reduce incurred claims recovery.

Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- (a) the effect of the time value of money and changes in the time value of money;
- (b) the effect of changes in the risk of reinsurers' non-performance; and
- (c) the effect of financial risk and changes in financial risk.

Notes to the Financial Statements

2. Material accounting policies (continued)

2.13 General insurance operations (continued)

(g) Amount recognised in comprehensive income (continued)

Insurance finance income or expenses (continued)

The main amounts within insurance finance income or expenses are:

- (a) interest accreted on the LIC; and
- (b) the effect of changes in interest rates and other financial assumptions.

The Group disaggregates changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses.

The Group applies the OCI option and recognises the impact of changes in discount rates and other financial variables arising from the application of MFRS 17 in OCI. This is to minimise the accounting mismatch between the accounting for investments and insurance assets and liabilities as the Group's investments are predominantly FVOCI investments.

2.14 Other revenue recognition

The following specific recognition criteria must also be met before revenue is recognised.

2.14.1 Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

2.14.2 Rental income

Rental income from self-occupied properties are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease on an accrual basis.

2.14.3 Dividend income

Dividend income is recognised in profit or loss on the date the Group's and the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Dividend income from financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income is recognised in the statement of profit or loss within dividend income.

2.14.4 Realised gains and losses on investments

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

2.15 Short-term employee benefits

Short-term employee benefits obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group and the Company have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's and the Company's contributions to the statutory pension funds are charged to profit or loss in the financial year to which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payment is available.

Short-term employee benefit is recognised in insurance service expenses if it is directly attributable to insurance acquisition activities or other fulfilment activities, otherwise, it is recognised in other operating expenses.

2.16 Provision for agent's retirement benefits

Provision for agent's retirement benefits is calculated in accordance with the terms and conditions in the respective agent's agreements. The scheme is not separately funded. The Company pays fixed contributions into the Agency Provident Fund.

Provision for agent's retirement benefits is charged to profit or loss in the period in which it relates.

Notes to the Financial Statements

2. Material accounting policies (continued)

2.17 Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised in full using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax base. Deferred tax is not recognised if the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are not discounted.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

2.18 Earnings per ordinary share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue during the period. The profit or loss attributable to ordinary shareholders is adjusted for the after tax amounts of preference dividends, differences arising on the settlement of preference shares, and other similar effects of preference shares classified as equity.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares in issue adjusted for the effects of all dilutive potential ordinary shares, which comprise convertible notes.

2.19 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker, which in this case is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

2.20 Fair value measurement

Fair value of an asset or a liability is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Notes to the Financial Statements

2. Material accounting policies (continued)

2.20 Fair value measurement (continued)

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date the event or change in circumstances that caused the transfers.

2.21 Significant accounting judgements, estimates and assumptions

In preparing these financial statements, management has made judgements and estimates that affect the application of the Group's 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.

2.21.1 Valuation of general insurance's insurance and reinsurance contracts

Liability for remaining coverage

The Group applies the PAA to simplify the measurement of insurance contracts. The Group applied judgement in assessing the onerous groups' profitability and the remeasurement of loss component. For groups of contracts that are onerous, the liability for remaining coverage is determined by the fulfilment cash flows.

Liability for incurred claims

For general insurance contracts, insurance liabilities in relation to claims incurred are the outstanding claims reserve required for the future settlement of losses on claims which have occurred but have yet to be fully settled. It is consisting of two components: expected ultimate cost of claims reported and expected ultimate cost of claims incurred but not yet reported at the end of the reporting period.

It can take a significant period of time before the ultimate claims cost can be established with certainty and for some type of policies, incurred but not reported ("IBNR") claims form the majority of the statement of financial position liability. The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods.

The expected ultimate cost of claims reported are based on estimates of future payments that will be made with respect to individual claims. Such estimates are made on a case-by-case basis, based on the information available at the time the reserves are established.

The estimates reflect the informed judgement of claims personnel based on general insurance reserving practices and knowledge of the nature and value of a specific type of claim.

These reserves are regularly re-evaluated in the ordinary course of the settlement process and adjustments are made as new information becomes available. IBNR reserves are established to recognise the estimated cost of losses that have occurred but where the Group has not yet been notified. The valuation of IBNR reserves is carried out by an Appointed Actuary approved by BNM using professional judgement in applying actuarial methodology and assumptions, based on the Group's current and past claims experience, taking into account the Group's underwriting practice and industry experience. IBNR reserves are estimated based on actuarial statistical projections of the expected cost of the ultimate settlement and administration of claims. The projections are based on available information at the time and include factors such as trends in claims frequency, severity and speed of settlement. IBNR reserves are reviewed and revised quarterly as additional information becomes available with the actual claims development.

When measuring liabilities for incurred claims, the Group now discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk. For reinsurance contracts held, the liabilities for incurred claims also includes the allowance for non-performance risk of the reinsurer.

Notes to the Financial Statements

2. Material accounting policies (continued)

2.21 Significant accounting judgements, estimates and assumptions (continued)

2.21.1 Valuation of general insurance's insurance and reinsurance contracts (continued)

Discount rates

The Group applied a bottom-up approach in determining the discount rates by adjusting a liquid risk-free yield curve to reflect the differences between the liquidity characteristics of the financial instruments that underlie the rates observed in the market and the liquidity characteristics of the insurance contracts. The resulting yield curve will be Group's basis for discounting the insurance contract liabilities.

The risk-free yield curve was derived using Malaysian government bonds yield. The illiquidity premium was estimated based on market observable liquidity premiums in financial assets, adjusted to reflect the illiquidity characteristics of the liability cash flows.

The yield curves that were used to discount the estimates of FCF for insurance contracts and reinsurance contracts held are as follows:

	2025			2024		
	1 year	5 years	10 years	1 year	5 years	10 years
Locked-in Rates (with illiquidity adjustment)	3.63%	3.97%	4.22%	3.72%	4.07%	4.33%
Current Rates (with illiquidity adjustment)	3.32%	3.70%	4.05%	3.77%	4.07%	4.30%
Current Rates (without illiquidity adjustment)	2.75%	3.14%	3.49%	3.21%	3.52%	3.75%

The Group applies the OCI option and recognises the impact of changes in discount rates in OCI. Current interest rates are applied in the measurement of FCF in the statement of financial position. The interest rates applied to recognise the insurance finance income or expense in the statement of profit or loss is based on locked-in interest rates determined at the date of the incurred claim.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled. Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects the Group's degree of risk aversion.

The Group estimates an adjustment for non-financial risk separately from all other estimates; segregating the change in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses.

The risk adjustment was calculated at the reserving class level and then allocated down to each group of contracts using undiscounted FCF as the allocation driver. The percentile approach was used to derive the overall risk adjustment for non-financial risk.

In the percentile approach, a range of methodologies such as Mack and Bootstrapping are used to determine the risk adjustment. The Group has aligned the confidence level of the risk adjustment with the confidence level required on reserves by the local statutory requirement of 75% (2024: 75%) confidence level.

The risk adjustment for reinsurance held is determined from the difference between the gross and retained risk adjustment calculated. The Group adopts the same approach used for Direct business in determining the retained risk adjustment, which is then allocated to group of reinsurance contracts level using undiscounted ceded FCF as the allocation driver.

Notes to the Financial Statements

2. Material accounting policies (continued)

2.21 Significant accounting judgements, estimates and assumptions (continued)

2.21.1 Valuation of general insurance's insurance and reinsurance contracts (continued)

Expenses

Where estimates of expenses-related are determined at the portfolio level, they are allocated to groups of contracts on a systematic basis, such as activity-based costing method. The Company has determined that this method results in a systematic and rational allocation. Similar methods are consistently applied to allocate expenses of a similar nature.

Acquisition cash flows are estimated based on a percentage of premiums written at group of contracts level during a specific period, based on periodic studies. Same basis will be applied to compute LRC acquisition cost.

Claims settlement-related expenses are allocated based on claims costs.

2.21.2 Valuation of life insurance's insurance and reinsurance contracts

A. Fulfilment cash flows

Fulfilment cash flows comprise:

- (a) estimates of FCF;

- (b) an adjustment to reflect the time value of money and the financial risks related to FCF, to the extent that the financial risks are not included in the estimates of FCF; and
- (c) a risk adjustment for non-financial risk.

(a) Estimates of future cash flows

Assumptions used in estimating future cash flows

Significant judgement is required in estimating the FCF and in the choice of assumptions. Assumptions in use are based on past experiences, current internal data, external market indices and benchmarks which reflect current observable market prices and other published information.

The assumptions are determined at the date of valuation and are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations.

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

- Mortality and Morbidity Rates

Experience study on mortality and morbidity rates is carried out on an annual basis. The actual claim experience is compared against industrial mortality table and reinsurers' mortality and morbidity risk charges. Mortality and morbidity assumptions vary by product type and underwriting procedures.

The Group can increase the mortality/morbidity risk charges in future years in line with emerging experience for investment-linked and universal life contracts.

- Expenses

Expense assumption was set during initial pricing stage. Expense assumption is inflated annually to reflect higher cost of underwriting, issuing, and maintaining the policies. Expense assumption varies by premium term, distribution channel, policy duration, and underwriting procedures. The expense assumption is reviewed annually and compared to actual expense that the Group incurred.

- Persistency

Experience study on persistency (lapse, surrender, premium holiday, partial withdrawal) is carried out on an annual basis using statistical method. Persistency assumptions vary by product type, distribution channel, and policy duration.

The assumptions that have significant effects on the FCF are disclosed in Note 31.1(iii).

Notes to the Financial Statements

2. Material accounting policies (continued)

2.21 Significant accounting judgements, estimates and assumptions (continued)

2.21.2 Valuation of life insurance's insurance and reinsurance contracts (continued)

A. Fulfilment cash flows (continued)

(b) Discount rates

The Group pursues a bottom-up approach in the determination of the discount rates, where all cash flows are discounted using the risk-free rates adjusted for an illiquidity premium. The risk free rates are constructed from observed spot rates of the local government bonds up to 20 years, with adjustment to remove the credit risk of the government bonds. Thereafter, the risk-free rates are extrapolated towards the ultimate forward rate using the Smith-Wilson method.

The Group determines the illiquidity adjustment based on the spread of reference portfolio, corrected for expected and unexpected credit loss and application ratio to reflect the difference in illiquidity characteristics of the insurance contract liabilities and the chosen reference portfolio.

The Group applies the OCI option and recognises the impact of changes in discount rates in OCI for BBA portfolios and participating contracts measured under VFA. Current interest rates are applied in the measurement of FCF in the statement of financial position. The interest rates applied to recognise the insurance finance income or expense in the statement of profit or loss is based on locked-in interest rates determined on initial recognition.

The discount rates used in the discounting of FCF and sensitivity analysis on the key assumptions are disclosed in Notes 31.1(ii) and 31.1(iii) respectively.

The yield curves that were used to discount the estimates of FCF that do not vary based on the returns of the underlying items are as follows:

	2025				
	Currency	1 year	5 years	10 years	20 years
Participating portfolio	MYR	2.87%	3.31%	3.67%	4.06%
Non-participating portfolio	MYR	3.22%	3.67%	4.03%	4.41%
Investment-linked and universal life	MYR	2.79%	3.23%	3.59%	3.97%

	2024				
	Currency	1 year	5 years	10 years	20 years
Participating portfolio	MYR	3.36%	3.73%	3.94%	4.23%
Non-participating portfolio	MYR	3.69%	4.05%	4.27%	4.55%
Investment-linked and universal life	MYR	3.26%	3.62%	3.84%	4.13%

Notes to the Financial Statements

2. Material accounting policies (continued)

2.21 Significant accounting judgements, estimates and assumptions (continued)

2.21.2 Valuation of life insurance's insurance and reinsurance contracts (continued)

A. Fulfilment cash flows (continued)

(c) Risk adjustments for non-financial risk

The risk adjustment for non-financial risk reflects the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk as the Group fulfils the insurance contracts. The risk adjustment also reflects the degree of diversification benefit that the Group includes when determining the compensation that it requires for bearing that risk as well as both the favourable and unfavourable outcomes in a way that reflect the Group's degree of risk aversion.

The risk adjustment is calculated using the cost of capital approach by discounting the present value of the projected capital relating to non-financial risk using a cost of capital rate of 6% (2024: 6%). The cost of capital rate represents the return required by the Group to compensate for exposure to the non-financial risks. The capital is determined at a 99.5% confidence level, and it is projected in line with the run-off of the business.

The calculation of risk adjustment is done at total entity level and then allocated to the group of contracts based on the risk driver of respective risk. The risk adjustment for the reinsurance contracts held is determined as the difference between the risk adjustments computed gross and net of reinsurance, where a scaling approach (net-to-gross) is applied to calculate the gross risk adjustment.

The resulting amount of the calculated risk adjustment corresponds to the confidence level of 74% (2024: 74%).

The methods used to determine the risk adjustment for non-financial risk have not changed in 2025 and 2024.

(d) Investment components

The Group 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, universal life, participating, and non-participating contracts that have explicit surrender values are determined as contracts that contain investment components. 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.

(e) Expenses

Where estimates of expenses-related are determined at the portfolio level, they are allocated to groups of contracts on a systematic basis, such as activity-based costing method. The Group has determined that this method results in a systematic and rational allocation. Similar methods are consistently applied to allocate expenses of a similar nature.

Acquisition cash flows are estimated based on a percentage of premiums written at group of contracts level during a specific period, based on periodic studies. Same basis will be applied to compute LRC acquisition cost.

Claims settlement-related expenses are allocated based on claims costs.

Notes to the Financial Statements

2. Material accounting policies (continued)

2.21 Significant accounting judgements, estimates and assumptions (continued)

2.21.2 Valuation of life insurance's insurance and reinsurance contracts (continued)

B. Contractual service margin

Determination of coverage units

The CSM represents the unearned profit the Group will recognise as it provides insurance contract services in the future. The CSM is released in each reporting period for an amount recognised in profit or loss to reflect the insurance contract services provided under the group of insurance contracts in that period.

The CSM release is determined by:

- identifying the coverage units in the group;
- allocating the CSM equally to coverage units provided in the current period and expected to be provided in the future; and
- recognising in profit or loss the amount allocated to coverage units to reflect insurance contract services provided in the period.

The determination of coverage units is done by considering the services provided under the contracts within the group of contracts as well as the measures that would appropriately reflect the services provided under the contracts. For groups of contracts where only stand-alone insurance service is provided, the sum assured is used as the coverage unit. For groups of contracts where mixed services (combining insurance and investment-related or investment-return services) are provided, the coverage unit is based on:

- a solo coverage unit that considers the weight of each service incorporated in the group of contracts (sum assured plus the policyholders' account/fund value); or
- the pre-dominant service provided under the group of contracts (sum assured).

For the reinsurance contracts held by the Group, the determination of the coverage units follows similar considerations for the underlying contracts as the level of services provided depends on that provided by the underlying contracts.

Discounting is done on the coverage units with the discount rates being consistent with the interest rates used for CSM accretion. The coverage units are reviewed and updated at each reporting date.

Notes to the Financial Statements

3. Property, plant and equipment

Group	Note	Land RM'000	Buildings RM'000	Land and buildings* RM'000	Office equipment, computers, furniture and fittings RM'000	Motor vehicles RM'000	Office renovations and partitions RM'000	Work-in- progress RM'000	Total RM'000
Cost/Valuation									
At 1 January 2024		9,500	61,781	1,559	155,605	3,820	49,397	7,547	289,209
Additions		-	-	-	4,653	-	1,549	25,806	32,008
Disposals		-	(460)	-	(670)	-	(123)	-	(1,253)
Written off		-	-	-	(8,504)	-	(10,118)	(253)	(18,875)
Reclassification		-	-	-	307	-	1,955	(2,262)	-
Transfer to intangible assets [#]	5	-	-	-	-	-	-	(8,148)	(8,148)
At 31 December 2024/At 1 January 2025		9,500	61,321	1,559	151,391	3,820	42,660	22,690	292,941
Additions		-	-	-	5,863	539	433	45,871	52,706
Disposals		-	-	-	(48)	(666)	-	-	(714)
Written off		-	-	-	(3,182)	(34)	(7,407)	(540)	(11,163)
Reclassification		-	-	-	331	367	2,136	(2,834)	-
Transfer to intangible assets [#]	5	-	-	-	-	-	-	(43,909)	(43,909)
At 31 December 2025		9,500	61,321	1,559	154,355	4,026	37,822	21,278	289,861
Depreciation									
At 1 January 2024		-	9,354	108	131,523	2,195	29,070	-	172,250
Depreciation for the year	22	-	1,856	21	8,706	533	3,609	-	14,725
Disposals		-	(73)	-	(362)	-	(52)	-	(487)
Written off		-	-	-	(8,235)	-	(9,412)	-	(17,647)
At 31 December 2024/At 1 January 2025		-	11,137	129	131,632	2,728	23,215	-	168,841
Depreciation for the year	22	-	1,774	21	8,323	600	3,124	-	13,842
Disposals		-	-	-	(47)	(653)	-	-	(700)
Written off		-	-	-	(3,170)	(34)	(6,837)	-	(10,041)
At 31 December 2025		-	12,911	150	136,738	2,641	19,502	-	171,942

* The carrying amounts of land and buildings are not segregated as the required information is not available.

Certain work-in-progress were reclassified as software development costs (intangible assets). See Note 5.

Notes to the Financial Statements

3. Property, plant and equipment (continued)

Group	Land RM'000	Buildings RM'000	Land and buildings* RM'000	Office equipment, computers, furniture and fittings RM'000	Motor vehicles RM'000	Office renovations and partitions RM'000	Work-in- progress RM'000	Total RM'000
Carrying amounts								
At 1 January 2024	9,500	52,427	1,451	24,082	1,625	20,327	7,547	116,959
At 31 December 2024/At 1 January 2025	9,500	50,184	1,430	19,759	1,092	19,445	22,690	124,100
At 31 December 2025	9,500	48,410	1,409	17,617	1,385	18,320	21,278	117,919

* The carrying amounts of land and buildings are not segregated as the required information is not available.

Included in property, plant and equipment are fully depreciated assets which are still in use costing RM144,700,000 (2024: RM137,399,000).

Company	Note	Office equipment, computers, furniture and fittings RM'000	Office renovations and partitions RM'000	Work-in- progress RM'000	Total RM'000
Cost					
At 1 January 2024		2,534	1,360	157	4,051
Additions		271	88	-	359
Written off		(347)	(82)	-	(429)
At 31 December 2024/At 1 January 2025		2,458	1,366	157	3,981
Additions		1,446	-	456	1,902
Disposals		(3)	-	-	(3)
Written off		(6)	-	-	(6)
Reclassification		274	176	(450)	-
Transfer to intangible assets [#]	5	-	-	(163)	(163)
At 31 December 2025		4,169	1,542	-	5,711

[#] Certain work-in-progress were reclassified as software development costs (intangible assets). See Note 5.

Notes to the Financial Statements

3. Property, plant and equipment (continued)

Company	Note	Office equipment, computers, furniture and fittings RM'000	Office renovations and partitions RM'000	Work-in- progress RM'000	Total RM'000
Depreciation					
At 1 January 2024		2,140	378	-	2,518
Depreciation for the year	22	179	137	-	316
Written off		(346)	(75)	-	(421)
At 31 December 2024/At 1 January 2025		1,973	440	-	2,413
Depreciation for the year	22	298	154	-	452
Disposal		(3)	-	-	(3)
Written off		(6)	-	-	(6)
At 31 December 2025		2,262	594	-	2,856
Carrying amounts					
At 1 January 2024		394	982	157	1,533
At 31 December 2024/At 1 January 2025		485	926	157	1,568
At 31 December 2025		1,907	948	-	2,855

Included in property, plant and equipment are fully depreciated assets which are still in use costing RM1,853,000 (2024: RM1,745,000).

Notes to the Financial Statements

3. Property, plant and equipment (continued)

3.1 Revaluation of properties

The Group's land and buildings were revalued in August 2021 and September 2023 by Hartamas Valuation & Consultancy Sdn Bhd, an external independent qualified valuers using the Comparison Approach. This approach considers the sales of similar or substitute properties and related market data, and establishes a value estimate by adjustments made for differences in factors that affect value. In general, the land and buildings are compared with sales of similar properties that have been transacted in the open market. Listings and offers may also be considered. There is no material change in fair value in 2025.

Had the land and buildings of the Group been carried at historical cost less accumulated depreciation, their carrying amounts would have been as follows:

Group	2025 RM'000	2024 RM'000
Land	5,727	5,755
Buildings	41,328	42,386
Land and buildings	1,997	2,026
	49,052	50,167

3.2 Fair value information

Fair value of land and buildings are categorised as follows:

Group	2025				2024			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Land	-	-	9,500	9,500	-	-	9,500	9,500
Buildings	-	-	48,410	48,410	-	-	50,184	50,184
Land and buildings	-	-	1,409	1,409	-	-	1,430	1,430
	-	-	59,319	59,319	-	-	61,114	61,114

Notes to the Financial Statements

3. Property, plant and equipment (continued)

3.2 Fair value information (continued)

Level 3 fair value

The Level 3 unobservable input used in the valuation of land and buildings is the price per square foot ("psf") which is derived from the selling price of comparable land and building, adjusted for differences in location, property size, shape and terrain of land, any title restrictions, availability of infrastructure, age and condition of building, finishes and services and other relevant characteristics.

The estimated fair value would increase/(decrease) if the price per square foot were higher or lower and the historical sales transaction value were higher or lower.

The following table shows the valuation technique used in the determination of fair values within Level 3, as well as the significant unobservable input used in the valuation model.

Land and buildings

Valuation technique used	2025 Fair value RM'000	2025 Adjusted price per sq foot RM/psf	2024 Fair value RM'000	2024 Adjusted price per sq foot RM/psf
Comparison Approach	59,319	217 – 2,723	61,114	224 – 2,811

Notes to the Financial Statements

4. Right-of-use assets

	Note	Leasehold land RM'000	Buildings RM'000	Total RM'000
Valuation/Cost				
At 1 January 2024		18,840	101,717	120,557
Additions		-	1,677	1,677
Disposals		(390)	-	(390)
Modification/Termination of leases		-	11,063	11,063
At 31 December 2024/At 1 January 2025		18,450	114,457	132,907
Additions		-	2,443	2,443
Modification/Termination of leases		-	40,793	40,793
At 31 December 2025		18,450	157,693	176,143
Depreciation				
At 1 January 2024		350	76,537	76,887
Depreciation for the year	22	307	21,169	21,476
Disposals		(22)	-	(22)
Modification/Termination of leases		-	(673)	(673)
At 31 December 2024/At 1 January 2025		635	97,033	97,668
Depreciation for the year	22	302	30,419	30,721
Modification/Termination of leases		-	(2,466)	(2,466)
At 31 December 2025		937	124,986	125,923
Carrying amounts				
At 1 January 2024		18,490	25,180	43,670
At 31 December 2024/At 1 January 2025		17,815	17,424	35,239
At 31 December 2025		17,513	32,707	50,220

The Group leases a number of buildings for its office space and branches. The leases typically run for a period of 1 to 5 years, with options to renew the lease after that date. The lease agreements do not impose any covenants.

The total cash outflow for leases amounts to RM 32,324,000 (2024: RM22,107,000) and income from subleasing right-of-use assets amounts to RM 78,000 (2024: RM78,000).

Notes to the Financial Statements

4. Right-of-use assets (continued)

4.1 Right-of-use assets under the revaluation model

The leasehold land was last revalued in August 2021 and September 2023 by Hartamas Valuation & Consultancy Sdn Bhd, an external independent qualified valuers using the Comparison Approach. This approach considers the sales of similar or substitute properties and related market data and establishes a value estimate by adjustments made for differences in factors that affect value. In general, the leasehold land is compared with sales of similar properties that have been transacted in the open market. Listings and offers may also be considered.

Had the leasehold land been carried at historical cost less accumulated amortisation, the carrying amounts would have been RM4,944,000 (2024: RM5,024,000).

4.2 Fair value information

Fair value of leasehold land is categorised as level 3 of the fair value hierarchy.

Level 3 fair value

The Level 3 unobservable input used in the valuation of leasehold land is the price per square foot ("psf") which is derived from the selling price of comparable land, adjusted for differences in location, shape and terrain of land, any title restrictions, availability of infrastructure, age and condition of building erected thereon and other relevant characteristics.

The estimated fair value would increase/(decrease) if the price per square foot were higher or lower and the historical sales transaction value were higher or lower.

The following table shows the valuation technique used in the determination of fair values within Level 3, as well as the significant unobservable input used in the valuation model.

Leasehold land

Valuation technique used	2025 Fair value RM'000	2025 Adjusted price per sq foot RM/psf	2024 Fair value RM'000	2024 Adjusted price per sq foot RM/psf
Comparison Approach	17,513	467 – 1,505	17,815	475 – 1,532

Notes to the Financial Statements

5. Intangible assets

Group	Note	Goodwill RM'000	Software development costs RM'000	Other intangible assets RM'000	Total RM'000
Cost					
At 1 January 2024		244,600	132,794	200,354	577,748
Additions		-	11,653	-	11,653
Disposals		-	(239)	-	(239)
Transfer from property, plant and equipment	3	-	8,148	-	8,148
At 31 December 2024/At 1 January 2025		244,600	152,356	200,354	597,310
Additions		-	3,252	-	3,252
Transfer from property, plant and equipment	3	-	43,909	-	43,909
At 31 December 2025		244,600	199,517	200,354	644,471
Amortisation					
At 1 January 2024		-	98,994	53,115	152,109
Amortisation for the year	22	-	16,140	13,913	30,053
Disposals		-	(239)	-	(239)
At 31 December 2024/At 1 January 2025		-	114,895	67,028	181,923
Amortisation for the year	22	-	23,463	13,914	37,377
At 31 December 2025		-	138,358	80,942	219,300
Carrying amounts					
At 1 January 2024		244,600	33,800	147,239	425,639
At 31 December 2024/At 1 January 2025		244,600	37,461	133,326	415,387
At 31 December 2025		244,600	61,159	119,412	425,171
		Note 5.1	Note 5.2	Note 5.3	

Notes to the Financial Statements

5. Intangible assets (continued)

Company	Note	Software development costs RM'000	Total RM'000
Cost			
At 1 January 2024		-	-
Additions		2	2
At 31 December 2024/At 1 January 2025		2	2
Additions		48	48
Transfer from property, plant and equipment	3	163	163
At 31 December 2025		213	213
Amortisation			
At 1 January 2025		-	-
Amortisation for the year	22	44	44
At 31 December 2025		44	44
Carrying amounts			
At 31 December 2024/At 1 January 2025		2	2
At 31 December 2025		169	169

Note 5.2

5.1 Goodwill

The aggregate carrying amount of goodwill is attributable to the acquisition of the following subsidiaries:

Group	2025 RM'000	2024 RM'000
Allianz General Insurance Company (Malaysia) Berhad ("AGIC")	239,610	239,610
Allianz Life Insurance Malaysia Berhad ("ALIM")	4,990	4,990
	244,600	244,600

(i) AGIC

Impairment test for cash-generating unit containing goodwill

For goodwill attributable to the acquisition of AGIC, the carrying amount of goodwill had been allocated to the entire integrated general insurance business of the Group as one CGU, which represents the lowest level within the Group at which goodwill is monitored for internal management purposes. The estimated recoverable amount is calculated based on value in use, determined by discounted cash flows generated by the general insurance business using approved 5-years financial budgets projected to perpetuity.

The following key assumptions have been used in the cash flow projections in respect of the determining the value in use for CGU containing goodwill:

Key assumptions	2025	2024
Discount rate - pre tax	8.6%	9.3%
Terminal growth rate	3.0%	3.0%

Notes to the Financial Statements

5. Intangible assets (continued)

5.1 Goodwill (continued)

(ii) ALIM

For goodwill attributable to the acquisition of ALIM, the annual impairment test was done by comparing the estimated recoverable amount of ALIM with its carrying amount including the goodwill attributed. The recoverable amount is the value in use which is measured by the Embedded Value attributable to ALIM calculated by an appointed actuary. ALIM computes the Embedded Value using market consistent embedded value approach whereby the Embedded Value is the present value of future shareholders distributable profits after tax discounted at the risk free yield curve with volatility adjustment plus the Net Assets Value. The projected FCF are based on the best estimate of assumptions, either derived from the operating unit experience or industry experience.

The estimated recoverable amounts of both the CGUs were determined to be higher than their carrying amounts and thus no impairment loss was recognised. Based on the assessment of value in use for both the CGUs, the Group does not expect that any reasonable change in the key assumptions will cause the carrying amount of the goodwill to exceed their respective recoverable amounts. In conclusion, the key assumptions are not sensitive.

5.2 Software development costs

The software development costs are in relation to internal development expenditures incurred for the Open Product Underwriting System ("OPUS"), Alternate Front End System ("ALPHA"), Business Intelligence System ("BI") and digital application. These systems are integrated systems designed to improve the efficiency of the business activities of the subsidiaries. The costs of developed software are amortised over a period of three to five years.

5.3 Other intangible assets

The carrying amounts of other intangible assets are as follows:

Group	Note	2025 RM'000	2024 RM'000
The Bancassurance Agreements:			
- General insurance business	5.3.1	51,668	59,422
- Life insurance business	5.3.2	67,744	73,904
		119,412	133,326

5.3.1 The Bancassurance Agreement – General insurance business

The intangible asset is in relation to the exclusive Bancassurance Agreement with Standard Chartered Bank ("SCB Bancassurance Agreement") which is effective from 1 July 2017, Marketing Agreement with Pos Malaysia which is effective from 1 October 2019, and Bancassurance Agreement with HSBC Bank ("HSBC Bancassurance Agreement") which is effective from 1 January 2022 for the distribution of the Group's general insurance products.

For the SCB Bancassurance Agreement, the fee for this exclusive right is amortised over its useful life of 15 years using the straight-line method, whereas for the Marketing Agreement, the fee for the exclusive right is amortised over its useful life of 10 years using the straight-line method. For the HSBC Bancassurance Agreement, the fee for the exclusive right is amortised over its useful life of 15 years using the straight-line method.

Notes to the Financial Statements

5. Intangible assets (continued)

5.3 Other intangible assets (continued)

5.3.2 The Bancassurance Agreement – Life insurance business

The intangible asset is in relation to the exclusive Bancassurance Agreement which provides the Group's life insurance subsidiary with an exclusive right to the use of the bancassurance network of a local commercial bank ("the Bank") to sell, market and promote conventional life product.

The fee for this exclusive right is amortised over its useful life of 15 years using the straight-line method. In the impairment assessment conducted by ALIM, the future economic benefits that are attributable to the Bancassurance Agreement were valued at the present value of projected FCF to be derived from the remaining tenure of the agreement of 11 years using the discounted cash flow model.

The following key assumptions have been used in cash flow projections in respect of the impairment assessment:

Key assumptions	2025	2024
Bancassurance average annualised new premium growth rate	8.6%	11.2%
Discount rate - pre tax	11.2%	11.4%

5.3.3 Sensitivity to changes in key assumptions

Management considers that it is not reasonably possible for the abovementioned key assumptions to change so significantly that would result in impairment.

6. Investments in subsidiaries

Company	2025 RM'000	2024 RM'000
At cost		
Unquoted shares	961,088	961,088

The principal activities of the subsidiaries, the place of incorporation and the interest of the Company are as follows:

Name of subsidiary	Principal activity	Country of incorporation	Effective ownership interest	
			2025 %	2024 %
Allianz Life Insurance Malaysia Berhad ("ALIM")#	Underwriting life insurance and investment-linked business	Malaysia	100	100
Allianz General Insurance Company (Malaysia) Berhad ("AGIC")#	Underwriting general insurance business	Malaysia	100	100
AHAM Income Fund 5 (formerly known as Affin Hwang Income Fund 5)#	Investment in debt securities and money market instruments	Malaysia	100	100
AmBond Select 1##	Investment in government debt securities and money market instruments	Malaysia	100	-

Audited by PricewaterhouseCoopers PLT

Audited by a firm other than PricewaterhouseCoopers PLT

Notes to the Financial Statements

6. Investments in subsidiaries (continued)

6.1 AHAM Income Fund 5 (formerly known as Affin Hwang Income Fund 5)

AGIC and ALIM holds a 97.4% (2024: 97.4%) and 2.6% (2024: 2.6%) stake in collective investment scheme, namely, AHAM Income Fund 5 (formerly known as Affin Hwang Income Fund 5), which consist of RM959,695,788 (2024: RM911,397,796) unitholders' capital.

The funds aim to provide investors with steady income over the medium-term to long-term investment horizon. The investee fund is classified as FVOCI investment and the change in fair value of the investee fund is included in the statement of financial position and statement of profit or loss and other comprehensive income of the subsidiaries' financial statements. The investee fund is managed by Affin Hwang Asset Management Berhad and applies various investment strategies to accomplish the investment objectives. The investee fund finances its operations through the creation of investee fund units which entitle the holder to variable returns and available for sale value in the investee fund's net assets.

Allianz Malaysia Berhad determines that it has control over AHAM Income Fund 5 and accordingly, the investment in AHAM Income Fund 5 has been consolidated with those of the Company.

The financial information of AHAM Income Fund 5 is disclosed below:

Statement of financial position as at 31 December 2025

	2025 RM'000	2024 RM'000
Assets		
Cash and cash equivalents	4,950	3,141
Investments	954,913	909,821
Other assets	-	18,866
Total assets	959,863	931,828
Liability		
Other liabilities	167	20,430
Total liability	167	20,430
Net asset value of the Fund	959,696	911,398

Statement of profit or loss for the year ended 31 December 2025

	2025 RM'000	2024 RM'000
Interest revenue on financial assets not measured at FVTPL	34,183	26,726
Net gains/(losses) on investments in debt securities measured at FVOCI reclassified to profit or loss on disposal	8,553	(213)
Net credit impairment losses on financial assets	(38)	(91)
Net investment income	42,698	26,422
Other operating expenses	(1,659)	(1,302)
Profit before tax	41,039	25,120
Tax expense	-	-
Profit for the year	41,039	25,120

Notes to the Financial Statements

6. Investments in subsidiaries (continued)

6.2 AmBond Select 1

AGIC holds a 100% (2024: Nil) stake in AmBond Select 1, a wholesale unit trust fund which consists of RM821,212,644 (2024: RMNil) unitholders' capital.

The funds aim to provide investors with steady income over the medium-term to long-term investment horizon. The investee fund is classified as FVOCI investment and the change in fair value of the investee fund is included in the statement of financial position and statement of profit or loss and other comprehensive income of the subsidiaries' financial statements. The investee fund is managed by AmFunds Management Berhad and applies various investment strategies to accomplish the investment objectives. The investee fund finances its operations through the creation of investee fund units which entitle the holder to variable returns and available for sale value in the investee fund's net assets.

Allianz Malaysia Berhad determines that it has control over AmBond Select 1 and accordingly, the investment in AmBond Select 1 has been consolidated with those of the Company.

The financial information of AmBond Select 1 is disclosed below:

Statement of financial position as at 31 December 2025

	2025 RM'000
Assets	
Cash and cash equivalents	5,457
Investments	815,919
Other assets	14
Total assets	821,390
Liability	
Other liabilities	177
Total liability	177
Net asset value of the Fund	821,213

Statement of profit or loss for the year ended 31 December 2025

	2025 RM'000
Interest revenue on financial assets not measured at FVTPL	17,653
Net gains on investments in debt securities measured at FVOCI reclassified to profit or loss on disposal	1,398
Net credit impairment losses on financial assets	(265)
Net investment income	18,786
Other operating expenses	(892)
Profit before tax	17,894
Tax expense	-
Profit for the year	17,894

Notes to the Financial Statements

7. Investments

Group	2025 RM'000	2024 RM'000
Malaysian government securities	11,058,085	9,405,947
Malaysian government guaranteed bonds	3,577,161	3,576,506
Quoted equity securities of corporations in Malaysia*	3,969,513	3,876,793
Quoted equity securities of corporations outside Malaysia	6,398	17,329
Unquoted equity securities of corporations in Malaysia	43,745	42,366
Unquoted bonds of corporations in Malaysia	6,243,079	6,178,059
Unquoted bonds of corporations outside Malaysia	88,908	104,244
Quoted unit trusts in Malaysia	80,973	90,271
Unquoted unit trusts in Malaysia	211,712	359,098
Unquoted unit trusts outside Malaysia	719,863	467,877
Other investments	1,246	3,795
Fixed deposits with licensed financial institutions	1,052,206	998,670
Structured deposits	75,100	-
	27,127,989	25,120,955

* The life insurance subsidiary has designated at FVOCI investment in listed shares in the Participating fund with a total fair value amounting to RM641,436,000 (2024: RM623,299,000) with details below:

By sector	2025 RM'000	2024 RM'000
Financial services	302,983	270,527
Industrial products and services	35,704	30,198
Consumer products and services	35,912	56,067
Energy	10,966	35,590
Telecommunications and media	40,936	47,360
Technology	28,489	14,663
Plantation	40,104	22,730
Property	21,099	36,356
Construction	39,801	20,762
Healthcare	33,047	18,080
Utilities	52,395	70,966
	641,436	623,299

Notes to the Financial Statements

7. Investments (continued)

The total amount of dividends recognised from these investments during the year was RM22,422,000 (2024: RM25,279,000), all of which related to investments held at the end of the year.

During the financial year, the life insurance subsidiary disposed equity investments from the financial investments at FVOCI due to unfavourable market conditions and recorded loss on disposal of RM38,724,000 (2024: loss of RM20,589,000) and gain on disposal of RM11,825,000 (2024: gain of RM77,484,000) respectively. The fair value of the disposed equity investments at the date of derecognition was RM152,860,000 (2024: RM415,984,000).

The life insurance subsidiary applies the FVOCI classification to this portfolio of investments because these financial assets are held for the purpose of backing insurance liabilities to optimise portfolio returns while ensuring capital efficiency.

The Group's financial investments are summarised by categories as follows:

Group	2025 RM'000	2024 RM'000
FVTPL	11,265,859	10,593,834
FVOCI	15,862,130	14,527,121
	27,127,989	25,120,955
The following investments expected to realise within 12 months:		
FVTPL	4,713,778	4,883,996
FVOCI	2,558,573	2,615,116
	7,272,351	7,499,112
The following investments expected to realise after 12 months:		
FVTPL	6,552,081	5,709,838
FVOCI	13,303,557	11,912,005
	19,855,638	17,621,843

Notes to the Financial Statements

7. Investments (continued)

Group	FVOCI		FVTPL		Total	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Malaysian government securities	7,591,485	6,307,804	3,466,600	3,098,143	11,058,085	9,405,947
Malaysian government guaranteed bonds	2,557,182	2,556,890	1,019,979	1,019,616	3,577,161	3,576,506
Quoted equity securities of corporations in Malaysia	641,436	623,299	3,328,077	3,253,494	3,969,513	3,876,793
Quoted equity securities of corporations outside Malaysia	-	-	6,398	17,329	6,398	17,329
Unquoted equity securities of corporations in Malaysia	32,194	32,321	11,551	10,045	43,745	42,366
Unquoted bonds of corporations in Malaysia	4,014,425	3,975,062	2,228,654	2,202,997	6,243,079	6,178,059
Unquoted bonds of corporations outside Malaysia	88,908	104,244	-	-	88,908	104,244
Quoted unit trusts in Malaysia	-	-	80,973	90,271	80,973	90,271
Unquoted unit trusts in Malaysia	-	-	211,712	359,098	211,712	359,098
Unquoted unit trusts outside Malaysia	-	-	719,863	467,877	719,863	467,877
Other investments	1,246	3,795	-	-	1,246	3,795
Fixed deposits with licensed financial institutions	935,254	923,706	116,952	74,964	1,052,206	998,670
Structured deposits	-	-	75,100	-	75,100	-
	15,862,130	14,527,121	11,265,859	10,593,834	27,127,989	25,120,955

Notes to the Financial Statements

7. Investments (continued)

The movements in carrying values of the financial investments are as follows:

Group	FVOCI RM'000	FVTPL RM'000	Total RM'000
At 1 January 2025	14,527,121	10,593,834	25,120,955
Purchases/Placements	5,567,954	2,468,778	8,036,732
Maturities	(2,628,319)	(530,775)	(3,159,094)
Disposals	(1,788,838)	(1,412,457)	(3,201,295)
Fair value gains recorded in:			
Profit or loss:			
- Unrealised gains	-	201,162	201,162
Other comprehensive income	195,666	-	195,666
Accretion of discounts	3,692	2,036	5,728
Amortisation of premiums	(22,882)	(7,906)	(30,788)
Unrealised foreign exchange losses	(9,336)	(54,939)	(64,275)
Movement in income due and accrued	17,072	6,126	23,198
At 31 December 2025	15,862,130	11,265,859	27,127,989
At 1 January 2024	13,536,842	9,515,616	23,052,458
Purchases/Placements	6,216,261	2,993,974	9,210,235
Maturities	(3,548,088)	(381,236)	(3,929,324)
Disposals	(1,751,089)	(1,913,056)	(3,664,145)
Fair value gains recorded in:			
Profit or loss:			
- Unrealised gains	-	413,078	413,078
Other comprehensive income	102,784	-	102,784
Accretion of discounts	(1,207)	1,488	281
Amortisation of premiums	(19,398)	(7,870)	(27,268)
Unrealised foreign exchange losses	(3,313)	(26,915)	(30,228)
Movement in income due and accrued	(5,671)	(1,245)	(6,916)
At 31 December 2024	14,527,121	10,593,834	25,120,955

Notes to the Financial Statements

7. Investments (continued)

Amounts arising from expected credit losses

The following tables explain the changes in the loss allowance for FVOCI debt securities between the beginning and the end of the annual period:

Group	Note	Stage 1 (12-month ECL)		Stage 2 (Lifetime ECL)		Stage 3 (Lifetime ECL – credit impaired)		Total	
		Carrying amount RM'000	Related ECL allowance RM'000	Carrying amount RM'000	Related ECL allowance RM'000	Carrying amount RM'000	Related ECL allowance RM'000	Carrying amount RM'000	Related ECL allowance RM'000
Balance as at 1 January 2025		13,871,501	(5,261)	-	-	-	-	13,871,501	(5,261)
Transfer between stages	(a)	-	-	-	-	-	-	-	-
Originated or purchased		5,398,623	(1,624)	-	-	-	-	5,398,623	(1,624)
Matured or sold		(4,238,963)	91	-	-	-	-	(4,238,963)	91
Remeasurements	(b)	157,339	1,193	-	-	-	-	157,339	1,193
Net charge for the year	(c)	1,316,999	(340)	-	-	-	-	1,316,999	(340)
Balance as at 31 December 2025		15,188,500	(5,601)	-	-	-	-	15,188,500	(5,601)
Balance as at 1 January 2024		12,884,848	(5,579)	-	-	-	-	12,884,848	(5,579)
Transfer between stages	(a)	-	-	-	-	-	-	-	-
Originated or purchased		4,559,660	(1,946)	-	-	-	-	4,559,660	(1,946)
Matured or sold		(3,556,344)	126	-	-	-	-	(3,556,344)	126
Remeasurements	(b)	(16,663)	2,138	-	-	-	-	(16,663)	2,138
Net charge for the year	(c)	986,653	318	-	-	-	-	986,653	318
Balance as at 31 December 2024		13,871,501	(5,261)	-	-	-	-	13,871,501	(5,261)

(a) There have been no transfers between Stage 1, 2 or 3.

(b) Includes releases of ECL allowance.

(c) There have been no write-offs or recoveries to write-offs during the year.

Notes to the Financial Statements

7. Investments (continued)

Company	2025 RM'000	2024 RM'000
Unquoted equity securities of corporations in Malaysia	11,765	10,045
	11,765	10,045

The Company has designated at FVOCI certain private equity investments with a total fair value amounting to RM214,000 (2024: RM2) with details below:

By sector	2025 RM'000	2024 RM'000
Facilities services	214	*
	214	*

* Denotes RM2

There was no dividend recognised from these investments during the year.

There was no transfer of the cumulative gain within equity during the year.

The Company chooses this presentation alternative because the investments were made for strategic purposes rather than with a view to profit on a subsequent sale, and there are no plans to dispose of these investments in the short or medium term.

Financial investment summarised by category as follows:

Company	Current		Total	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
FVTPL	11,551	10,045	11,551	10,045
FVOCI	214	*	214	*
	11,765	10,045	11,765	10,045

* Denotes RM2

Company	FVOCI 2025 RM'000	FVOCI 2024 RM'000	FVTPL 2025 RM'000	FVTPL 2024 RM'000	Total 2025 RM'000	Total 2024 RM'000
	Unquoted equity securities of corporations in Malaysia	214	*	11,551	10,045	11,765
	214	*	11,551	10,045	11,765	10,045

Notes to the Financial Statements

7. Investments (continued)

The movements in carrying values of the financial investments are as follows:

Company	FVOCI RM'000	FVTPL RM'000	Total RM'000
At 1 January 2024	11,060	7,364	18,424
Purchases/Placements	1,436,151	400	1,436,551
Maturities	(1,442,236)	-	(1,442,236)
Fair value gains recorded in:			
Profit or loss:			
- Unrealised gains	-	2,281	2,281
Other comprehensive income	(5,000)	-	(5,000)
Movement in accrued interest	25	-	25
At 31 December 2024/At 1 January 2025	*	10,045	10,045
Purchases/Placements	-	165	165
Fair value gains recorded in:			
Profit or loss:			
- Unrealised gains	-	1,341	1,341
Other comprehensive income	214	-	214
At 31 December 2025	214	11,551	11,765

* Denotes RM2

Notes to the Financial Statements

7. Investments (continued)

Amounts arising from expected credit losses

The following tables explain the changes in the loss allowance for FVOCI debt securities between the beginning and the end of the annual period:

Company	Note	Stage 1 (12-month ECL)		Stage 2 (Lifetime ECL)		Stage 3 (Lifetime ECL – credit impaired)		Total	
		Carrying amount, net of ECL RM'000	Related ECL allowance RM'000	Carrying amount, net of ECL RM'000	Related ECL allowance RM'000	Carrying amount, net of ECL RM'000	Related ECL allowance RM'000	Carrying amount, net of ECL RM'000	Related ECL allowance RM'000
Balance as at 1 January 2025		-	-	-	-	-	-	-	-
Transfer between stages	(a)	-	-	-	-	-	-	-	-
Originated or purchased		3,000	(2)	-	-	-	-	3,000	(2)
Matured or sold		(3,000)	-	-	-	-	-	(3,000)	-
Remeasurements	(b)	-	2	-	-	-	-	-	2
Net charge for the year	(c)	-	-	-	-	-	-	-	-
Balance as at 31 December 2025		-	-	-	-	-	-	-	-
Balance as at 1 January 2024		6,060	-	-	-	-	-	6,060	-
Transfer between stages	(a)	-	-	-	-	-	-	-	-
Originated or purchased		55,082	(39)	-	-	-	-	55,082	(39)
Matured or sold		(61,126)	1	-	-	-	-	(61,126)	1
Remeasurements	(b)	(16)	38	-	-	-	-	(16)	38
Net charge for the year	(c)	(6,060)	-	-	-	-	-	(6,060)	-
Balance as at 31 December 2024		-	-	-	-	-	-	-	-

(a) There have been no transfers between Stage 1, 2 or 3.

(b) Includes releases of ECL allowance.

(c) There have been no write-offs or recoveries to write-offs during the year.

Notes to the Financial Statements

8. Derivative financial assets and (liabilities)

Group	Nominal value RM'000	Assets RM'000	Liabilities RM'000
2025			
Collateralised interest rate swap	400,000	10,403	-
Cross currency swap	90,703	3,687	-
Foreign currency forward contracts	70,809	572	-
	561,512	14,662	-
2024			
Collateralised interest rate swap	400,000	12,934	-
Cross currency swap	98,740	150	(3,107)
	498,740	13,084	(3,107)

The Group uses interest rate swap and cross currency swap to mitigate the changes in fair value of local and foreign currency-denominated debt securities due to movements in interest rates or foreign exchange rates.

Group	2025 RM'000	2024 RM'000
Derivative assets expected to realise within 12 months	4,259	150
Derivative assets expected to realise after 12 months	10,403	12,934
	14,662	13,084
Derivative liabilities expected to realise within 12 months	-	-
Derivative liabilities expected to realise after 12 months	-	(3,107)
	-	(3,107)

9. Reinsurance contract assets

General insurance

	2025 RM'000	2024 RM'000
Facultative	123,439	166,949
Treaty proportional	419,833	216,869
Treaty non-proportional	151,984	141,623
	695,256	525,441
Amount expected to be recovered/settled within 12 months	423,564	305,807
Amount expected to be recovered/settled more than 12 months	271,692	219,634
	695,256	525,441

Life insurance

	2025 RM'000	2024 RM'000
Contracts not measured under PAA	25,397	-
Contracts measured under PAA	39,246	-
	64,643	-

Detailed reconciliations of changes in reinsurance contract assets/liabilities balances during the year are included in Note 15.

Notes to the Financial Statements

9. Reinsurance contract assets (continued)

General insurance

(1) Facultative

Group	2025				
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss-recovery component RM'000	Loss- recovery component RM'000	PVFCF RM'000	RA for non- financial risk RM'000	Total RM'000
At 1 January 2025	(35,669)	1,099	179,955	21,564	166,949
Reinsurance expenses	(169,026)	-	-	-	(169,026)
Incurred claims recovery	-	-	16,276	1,443	17,719
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	-	(16,383)	(9,873)	(26,256)
Income on initial recognition of onerous underlying contracts and reversal of loss-recovery component	-	(861)	-	-	(861)
(Expenses)/Income from reinsurance contracts held	(169,026)	(861)	(107)	(8,430)	(178,424)
Net reinsurance finance income	-	-	3,958	639	4,597
Net (expenses)/income from reinsurance contracts held	(169,026)	(861)	3,851	(7,791)	(173,827)
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	185,616	-	-	-	185,616
Recoverable from reinsurance contract held	-	-	(55,299)	-	(55,299)
Total cash flows	185,616	-	(55,299)	-	130,317
At 31 December 2025	(19,079)	238	128,507	13,773	123,439

Notes to the Financial Statements

9. Reinsurance contract assets (continued)

General insurance (continued)

(1) Facultative (continued)

Group	2024				
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss-recovery component RM'000	Loss- recovery component RM'000	PVFCF RM'000	RA for non- financial risk RM'000	Total RM'000
At 1 January 2024	(60,824)	805	159,514	18,835	118,330
Reinsurance expenses	(137,297)	-	-	-	(137,297)
Incurred claims recovery	-	-	21,099	2,842	23,941
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	-	14,945	(580)	14,365
Income on initial recognition of onerous underlying contracts and reversal of loss-recovery component	-	294	-	-	294
(Expenses)/Income from reinsurance contracts held	(137,297)	294	36,044	2,262	(98,697)
Net reinsurance finance income	-	-	3,764	467	4,231
Net (expenses)/income from reinsurance contracts held	(137,297)	294	39,808	2,729	(94,466)
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	162,452	-	-	-	162,452
Recoverable from reinsurance contract held	-	-	(19,367)	-	(19,367)
Total cash flows	162,452	-	(19,367)	-	143,085
At 31 December 2024	(35,669)	1,099	179,955	21,564	166,949

Notes to the Financial Statements

9. Reinsurance contract assets (continued)

General insurance (continued)

(2) Treaty Proportional

Group	2025				
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss-recovery component RM'000	Loss- recovery component RM'000	PVFCF RM'000	RA for non- financial risk RM'000	Total RM'000
At 1 January 2025	(10,722)	1,613	194,727	31,251	216,869
Reinsurance expenses	(344,640)	-	-	-	(344,640)
Incurred claims recovery	-	-	347,850	16,332	364,182
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	-	(11,929)	(13,092)	(25,021)
Income on initial recognition of onerous underlying contracts and reversal of loss-recovery component	-	(637)	-	-	(637)
(Expenses)/Income from reinsurance contracts held	(344,640)	(637)	335,921	3,240	(6,116)
Net reinsurance finance income	-	-	6,463	1,124	7,587
Net (expenses)/income from reinsurance contracts held	(344,640)	(637)	342,384	4,364	1,471
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	319,928	-	-	-	319,928
Recoverable from reinsurance contract held	-	-	(118,435)	-	(118,435)
Total cash flows	319,928	-	(118,435)	-	201,493
At 31 December 2025	(35,434)	976	418,676	35,615	419,833

Notes to the Financial Statements

9. Reinsurance contract assets (continued)

General insurance (continued)

(2) Treaty Proportional (continued)

Group	2024				
	Liabilities for remaining coverage		Liabilities for incurred claims		Total RM'000
	Excluding loss-recovery component RM'000	Loss- recovery component RM'000	PVFCF RM'000	RA for non- financial risk RM'000	
At 1 January 2024	5,983	6,789	248,546	35,284	296,602
Reinsurance expenses	(113,749)	-	-	-	(113,749)
Incurred claims recovery	-	-	94,614	9,742	104,356
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	-	(59,371)	(14,752)	(74,123)
Income on initial recognition of onerous underlying contracts and reversal of loss-recovery component	-	(5,176)	-	-	(5,176)
(Expenses)/Income from reinsurance contracts held	(113,749)	(5,176)	35,243	(5,010)	(88,692)
Net reinsurance finance income	-	-	5,752	977	6,729
Net (expenses)/income from reinsurance contracts held	(113,749)	(5,176)	40,995	(4,033)	(81,963)
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	97,044	-	-	-	97,044
Recoverable from reinsurance contract held	-	-	(94,814)	-	(94,814)
Total cash flows	97,044	-	(94,814)	-	2,230
At 31 December 2024	(10,722)	1,613	194,727	31,251	216,869

Notes to the Financial Statements

9. Reinsurance contract assets (continued)

General insurance (continued)

(3) Treaty Non-proportional

Group	2025				
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss-recovery component RM'000	Loss- recovery component RM'000	PVFCF RM'000	RA for non- financial risk RM'000	Total RM'000
At 1 January 2025	(51,101)	59	172,306	20,359	141,623
Reinsurance expenses	(81,986)	-	-	-	(81,986)
Incurred claims recovery	-	-	7,320	552	7,872
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	-	18,852	(5,288)	13,564
Income on initial recognition of onerous underlying contracts and reversal of loss-recovery component	-	(56)	-	-	(56)
(Expenses)/Income from reinsurance contracts held	(81,986)	(56)	26,172	(4,736)	(60,606)
Net reinsurance finance income	-	-	5,870	684	6,554
Net (expenses)/income from reinsurance contracts held	(81,986)	(56)	32,042	(4,052)	(54,052)
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	83,327	-	-	-	83,327
Recoverable from reinsurance contract held	-	-	(18,914)	-	(18,914)
Total cash flows	83,327	-	(18,914)	-	64,413
At 31 December 2025	(49,760)	3	185,434	16,307	151,984

Notes to the Financial Statements

9. Reinsurance contract assets (continued)

General insurance (continued)

(3) Treaty Non-proportional (continued)

Group	2024				
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss-recovery component RM'000	Loss- recovery component RM'000	PVFCF RM'000	RA for non- financial risk RM'000	Total RM'000
At 1 January 2024	(25,078)	6	136,468	15,935	127,331
Reinsurance expenses	(98,994)	-	-	-	(98,994)
Incurred claims recovery	-	-	60,220	5,861	66,081
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	-	(6,317)	(1,869)	(8,186)
Income on initial recognition of onerous underlying contracts and reversal of loss-recovery component	-	53	-	-	53
(Expenses)/Income from reinsurance contracts held	(98,994)	53	53,903	3,992	(41,046)
Net reinsurance finance income	-	-	3,352	432	3,784
Net (expenses)/income from reinsurance contracts held	(98,994)	53	57,255	4,424	(37,262)
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	72,971	-	-	-	72,971
Recoverable from reinsurance contract held	-	-	(21,417)	-	(21,417)
Total cash flows	72,971	-	(21,417)	-	51,554
At 31 December 2024	(51,101)	59	172,306	20,359	141,623

Notes to the Financial Statements

10. Other assets

Group	Note	2025 RM'000	2024 RM'000
Non-current			
Other receivables - FVOCI			
Other receivables		4,272	4,928
		4,272	4,928
Staff loans - FVOCI			
Mortgage loans		3,871	4,263
Other secured loans		888	964
		4,759	5,227
Other receivables - amortised cost			
Other receivables		18,427	12,692
		18,427	12,692
		27,458	22,847
Current			
Other receivables - FVOCI			
Other receivables		2,220	2,437
		2,220	2,437
Staff loans - FVOCI			
Mortgage loans		595	627
Other secured loans		328	354
		923	981

Group	Note	2025 RM'000	2024 RM'000
Other receivables - amortised cost			
Dividend receivables		2,594	2,252
Sundry deposits		5,252	4,682
Prepayment		5,225	4,988
MMIP *		35,165	39,623
Other receivables		71,965	95,191
Sales contract outstanding		3,874	18
Due from related companies	10.1	9,009	6,997
		133,084	153,751
		136,227	157,169
Total		163,685	180,016

* The balance with MMIP as at 31 December 2025 is a net receivable of RM25,111,000 (2024: RM28,277,000) after setting off the amounts receivable from MMIP against the Group's share of MMIP's insurance contract liabilities of RM10,054,000 (2024: RM11,346,000) included in Note 14 to the financial statements.

The carrying amounts of other assets reasonably approximate their fair values at the end of the reporting year due to the relatively short-term nature of these financial instruments.

Notes to the Financial Statements

10. Other assets (continued)

10.1 Amounts due from related companies

The amount due from related companies are unsecured, interest free and repayable on demand.

Company	Note	2025 RM'000	2024 RM'000
Non-current			
Other receivables - FVOCI			
Other receivables		488	529
		488	529
Staff loans - FVOCI			
Mortgage loans		45	76
Other secured loans		47	103
		92	179
		580	708
Current			
Staff loans - FVOCI			
Mortgage loans		13	22
Other secured loans		26	44
		39	66
Other receivables - amortised cost			
Other receivables, deposits and prepayments		18,241	21,136
Due from subsidiaries	10.2	15,310	16,043
		33,551	37,179
		33,590	37,245
Total		34,170	37,953

10.2 Amount due from subsidiaries

The amount due from subsidiaries is unsecured, interest free and repayable on demand.

11. Share capital

Group and Company	2025		2024	
	Amount RM'000	Number of shares '000	Amount RM'000	Number of shares '000
Issued and fully paid shares classified as equity instruments:				
Ordinary shares (Note 11.1)				
At 1 January	241,125	179,569	236,037	177,969
Issued during the year	14,894	4,684	5,088	1,600
At 31 December	256,019	184,253	241,125	179,569
Irredeemable Convertible Preference Shares ("ICPS") (Note 11.2)				
At 1 January	529,904	166,637	534,992	168,237
Conversion during the year	(14,894)	(4,684)	(5,088)	(1,600)
At 31 December	515,010	161,953	529,904	166,637

During the financial year, the Group and the Company issued 4,683,700 (2024: 1,600,000) ordinary shares via conversion of ICPS.

Notes to the Financial Statements

11. Share capital (continued)

11.1 Ordinary shares

The holders of the ordinary shares are entitled to one vote per share at meetings of the Company, and to receive dividends as declared from time to time.

11.2 ICPS

The ICPS holders do not carry the right to vote at any general meeting except for when the dividend or part of the dividend is in arrears for more than 6 months, on a proposal to wind-up of the Company, during the winding-up of the Company, on a proposal that affects the rights attached to the ICPS, on a proposal to reduce the Company's share capital or on a proposal for the disposal of the whole of the Company's property, business and undertaking.

Holders of ICPS receive a non-cumulative preferential dividend equivalent to 1.2 times of the dividend rate of the ordinary shares declared for the same financial year/period at the discretion of the Company.

The ICPS may be converted at any time on a date falling 12 months after the quotation date of the ICPS. The conversion price is fixed at 1 ordinary share of the Company and shall be satisfied by surrendering 1 ICPS for each ordinary share of the Company, subject to adjustment to the conversion price. No cash is payable by the holder of the ICPS upon conversion of the ICPS to ordinary shares. The ordinary shares resulting from each conversion shall rank *pari passu* in all respect with the remaining ordinary shares.

In the event of repayment of capital by the Company (including any cancellation of capital which is lost or unrepresented by assets), each ICPS holder will be entitled to participate in such repayment and shall rank *pari passu* with the existing ordinary shareholders.

12. Reserves

12.1 FVOCI reserves

The FVOCI reserves comprise:

- a) The cumulative net change in the fair value of FVOCI financial assets until (including participating fund's portion of the accumulated fair value changes of FVOCI underlying items) the investments are derecognised or impaired; and
- b) ECL reserves representing the cumulative net change in the ECL.

12.2 Insurance finance reserves

The insurance finance reserves comprise the cumulative insurance finance income and expenses on insurance contracts issued and reinsurance contracts held recognised in OCI (including an equal and opposite reinsurance finance reserve of participating fund's FVOCI underlying items) as disclosed in Note 21.

12.3 Other reserves

The other reserves represent the surplus on revaluation of land and buildings.

12.4 Retained earnings

Restriction on payment of dividends by insurance subsidiaries

Pursuant to the Risk-Based Capital Framework for Insurers ("RBC Framework"), the insurance subsidiaries of the Group ("Insurance Subsidiaries") shall not pay dividends if the Capital Adequacy Ratio ("CAR") position of the Insurance Subsidiaries is less than the Insurance Subsidiaries' internal target capital levels or if the payment of dividends would impair Insurance Subsidiaries' CAR position to below Insurance Subsidiaries' internal target capital levels.

Pursuant to Section 51(1) of the Financial Services Act, 2013 ("FSA 2013"), the Insurance Subsidiaries are required to obtain Bank Negara Malaysia ("BNM")'s written approval prior to declaring or paying any dividend on its shares.

Notes to the Financial Statements

13. Deferred tax assets and (liabilities)

13.1 Recognised deferred tax assets and (liabilities) are attributable to the following:

	Assets		Liabilities		Net	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Group						
Property, plant and equipment	-	-	(16,525)	(15,120)	(16,525)	(15,120)
Intangible assets	-	-	(2,517)	(1,340)	(2,517)	(1,340)
LRC – Allowance for impairment	4,240	5,211	-	-	4,240	5,211
Other payables and accruals	46,547	39,241	-	-	46,547	39,241
Investments recognised in PL	(3,887)	122	(41,459)	(35,447)	(45,346)	(35,325)
Investments recognised in OCI	1,149	1,200	(51,815)	(26,990)	(50,666)	(25,790)
Insurance contract liabilities recognised in PL	60,149	50,191	(85,676)	(70,016)	(25,527)	(19,825)
Insurance contract liabilities recognised in OCI	30,395	19,313	5,081	(136)	35,476	19,177
Reinsurance contract held recognised in PL	8,145	6,231	-	-	8,145	6,231
Reinsurance contract held recognised in OCI	1,248	1,423	-	-	1,248	1,423
Expected credit losses recognised in PL	930	913	-	-	930	913
Expected credit losses recognised in OCI	-	-	(722)	(691)	(722)	(691)
Retained earnings – Life fund	-	-	(549,241)	(588,344)	(549,241)	(588,344)
Tax assets/(liabilities)	148,916	123,845	(742,874)	(738,084)	(593,958)	(614,239)
Offset of tax	(148,739)	(123,275)	148,739	123,275	-	-
Net deferred tax assets/(liabilities)	177	570	(594,135)	(614,809)	(593,958)	(614,239)
Company						
Property, plant and equipment	-	-	(102)	(81)	(102)	(81)
Investments recognised in PL	-	-	(870)	(549)	(870)	(549)
Investments recognised in OCI	1,149	1,200	-	-	1,149	1,200
Tax assets/(liabilities)	1,149	1,200	(972)	(630)	177	570
Offset of tax	(972)	(630)	972	630	-	-
Net deferred tax assets/(liabilities)	177	570	-	-	177	570

Notes to the Financial Statements

13. Deferred tax assets and (liabilities) (continued)

13.1 Recognised deferred tax assets and (liabilities) are attributable to the following (continued):

	2025 RM'000	2024 RM'000
Group		
Deferred tax assets to be recovered:		
- Within 12 months	49,643	43,093
- After 12 months	99,273	80,752
Total deferred tax assets	148,916	123,845
Deferred tax liabilities to be settled:		
- Within 12 months	(63,449)	(48,166)
- After 12 months	(679,425)	(689,918)
Total deferred tax liabilities	(742,874)	(738,084)
Company		
Deferred tax assets to be recovered:		
- After 12 months	1,149	1,200
Total deferred tax assets	1,149	1,200
Deferred tax liabilities to be settled:		
- After 12 months	(972)	(630)
Total deferred tax liabilities	(972)	(630)

Notes to the Financial Statements

13. Deferred tax assets and (liabilities) (continued)

13.2 Movement in temporary differences during the year:

Group	At 1.1.2024 RM'000	Recognised in profit or loss (Note 23.1) RM'000	Recognised in OCI (Note 23.2) RM'000	Recognised in insurance contract liabilities through OCI RM'000	At 31.12.2024 /At 1.1.2025 RM'000	Recognised in profit or loss (Note 23.1) RM'000	Recognised in OCI (Note 23.2) RM'000	At 31.12.2025 RM'000
Property, plant and equipment	(17,186)	2,066	-	-	(15,120)	(1,405)	-	(16,525)
Intangible assets	(969)	(371)	-	-	(1,340)	(1,177)	-	(2,517)
LRC – Allowance for impairment	5,367	(156)	-	-	5,211	(971)	-	4,240
Other payables and accruals	35,950	3,291	-	-	39,241	7,306	-	46,547
Investments recognised in PL	(3,417)	(2,098)	-	(29,810)	(35,325)	(10,021)	-	(45,346)
Investments recognised in OCI	(12,643)	-	(13,147)	-	(25,790)	-	(24,876)	(50,666)
Insurance contract liabilities recognised in PL	(13,049)	(6,776)	-	-	(19,825)	(5,702)	-	(25,527)
Insurance contract liabilities recognised in OCI	10,621	-	8,556	-	19,177	-	16,299	35,476
Reinsurance contract held recognised in PL	3,843	2,388	-	-	6,231	1,914	-	8,145
Reinsurance contract held recognised in OCI	1,623	-	(200)	-	1,423	-	(175)	1,248
Expected credit losses recognised in PL	983	(70)	-	-	913	17	-	930
Expected credit losses recognised in OCI	(764)	-	73	-	(691)	-	(31)	(722)
Retained earnings – Life fund	(549,601)	(38,743)	-	-	(588,344)	39,103	-	(549,241)
	(539,242)	(40,469)	(4,718)	(29,810)	(614,239)	29,064	(8,783)	(593,958)
Company								
Property, plant and equipment	(101)	20	-	-	(81)	(21)	-	(102)
Investments recognised in PL	-	(549)	-	-	(549)	(321)	-	(870)
Investments recognised in OCI	-	-	1,200	-	1,200	-	(51)	1,149
	(101)	(529)	1,200	-	570	(342)	(51)	177

Notes to the Financial Statements

14. Insurance contract liabilities

Group	Note	2025 RM'000	2024 RM'000
Life insurance	14(a)	16,991,916	16,376,783
General insurance	14(b)	5,378,887	4,843,092
		22,370,803	21,219,875
Amount expected to be recovered/settled within 12 months		6,220,752	5,704,940
Amount expected to be recovered/settled more than 12 months		16,150,051	15,514,935
		22,370,803	21,219,875

(a) Life insurance

	2025 RM'000	2024 RM'000
Contracts not measured under PAA	16,648,410	16,020,311
Contracts measured under PAA	343,506	356,472
	16,991,916	16,376,783

Notes to the Financial Statements

14. Insurance contract liabilities (continued)

(a) Life insurance (continued)

A. Movements in carrying amounts

(1) Contracts not measured under PAA

Analysis by remaining coverage and incurred claims:

Group	2025			
	Liabilities for remaining coverage		Liabilities for incurred claims RM'000	Total RM'000
	Excluding loss component RM'000	Loss component RM'000		
At 1 January 2025	14,477,865	10,245	1,532,201	16,020,311
Insurance revenue	(2,147,760)	-	-	(2,147,760)
Insurance service expenses				
Incurred claims and other insurance service expenses	72,254	-	1,240,504	1,312,758
Amortisation of insurance acquisition cash flows	463,608	-	-	463,608
Reversal of losses on onerous contracts	-	(640)	-	(640)
	535,862	(640)	1,240,504	1,775,726
Insurance service result	(1,611,898)	(640)	1,240,504	(372,034)
Finance expenses from insurance contracts issued	664,136	-	16,659	680,795
Net insurance and investment results	(947,762)	(640)	1,257,163	308,761
Investment components	(1,386,138)	-	1,386,138	-
Cash flows				
Premium received	3,451,767	-	-	3,451,767
Claims and other insurance service expenses paid, including investment components	-	-	(2,501,377)	(2,501,377)
Insurance acquisition cash flows	(606,305)	-	-	(606,305)
Total cash flows	2,845,462	-	(2,501,377)	344,085
Other underlying items	(24,747)	-	-	(24,747)
At 31 December 2025	14,964,680	9,605	1,674,125	16,648,410

Notes to the Financial Statements

14. Insurance contract liabilities (continued)

(a) Life insurance (continued)

A. Movements in carrying amounts (continued)

(1) Contracts not measured under PAA (continued)

Reconciliation of the measurement components of insurance contract balances:

Group	2025			Total RM'000
	Estimate of PVFCF RM'000	Risk adjustment for non-financial risk RM'000	Contractual service margin RM'000	
At 1 January 2025	12,020,631	460,840	3,538,840	16,020,311
<u>Changes that relate to current services</u>				
CSM recognised for services provided	-	-	(510,059)	(510,059)
Change in risk adjustment for non-financial risk for risk expired	-	(63,334)	-	(63,334)
Experience adjustments	201,999	-	-	201,999
<u>Changes that relate to future services</u>				
Contracts initially recognised in the year	(596,886)	96,435	500,451	-
Changes in estimates that adjust the CSM	(167,528)	(25,826)	193,354	-
Changes in estimates that result in reversal of losses on onerous contracts	(640)	-	-	(640)
Insurance service result	(563,055)	7,275	183,746	(372,034)
Finance expenses from insurance contracts issued	677,974	115	2,706	680,795
Net insurance and investment results	114,919	7,390	186,452	308,761

Notes to the Financial Statements

14. Insurance contract liabilities (continued)

(a) Life insurance (continued)

A. Movements in carrying amounts (continued)

(1) Contracts not measured under PAA (continued)

Reconciliation of the measurement components of insurance contract balances (continued):

Group	2025			Total RM'000
	Estimate of PVFCF RM'000	Risk adjustment for non-financial risk RM'000	Contractual service margin RM'000	
Cash flows				
Premium received	3,451,767	-	-	3,451,767
Claims and other insurance service expenses paid, including investment components	(2,501,377)	-	-	(2,501,377)
Insurance acquisition cash flows	(606,305)	-	-	(606,305)
Total cash flows	344,085	-	-	344,085
Other underlying items	(24,747)	-	-	(24,747)
At 31 December 2025	12,454,888	468,230	3,725,292	16,648,410

Note 18

Notes to the Financial Statements

14. Insurance contract liabilities (continued)

(a) Life insurance (continued)

A. Movements in carrying amounts (continued)

(1) Contracts not measured under PAA (continued)

Analysis by remaining coverage and incurred claims:

Group	2024			
	Liabilities for remaining coverage		Liabilities for incurred claims RM'000	Total RM'000
	Excluding loss component RM'000	Loss component RM'000		
At 1 January 2024	13,273,364	11,774	1,453,139	14,738,277
Insurance revenue	(1,992,420)	-	-	(1,992,420)
Insurance service expenses				
Incurred claims and other insurance service expenses	77,818	-	1,052,788	1,130,606
Amortisation of insurance acquisition cash flows	433,907	-	-	433,907
Reversal of losses on onerous contracts	-	(1,529)	-	(1,529)
	511,725	(1,529)	1,052,788	1,562,984
Insurance service result	(1,480,695)	(1,529)	1,052,788	(429,436)
Finance expenses from insurance contracts issued	1,189,314	-	-	1,189,314
Net insurance and investment results	(291,381)	(1,529)	1,052,788	759,878
Investment components	(1,199,009)	-	1,199,009	-
Cash flows				
Premium received	3,336,134	-	-	3,336,134
Claims and other insurance service expenses paid, including investment components	-	-	(2,172,735)	(2,172,735)
Insurance acquisition cash flows	(626,233)	-	-	(626,233)
Total cash flows	2,709,901	-	(2,172,735)	537,166
Other underlying items	(15,010)	-	-	(15,010)
At 31 December 2024	14,477,865	10,245	1,532,201	16,020,311

Notes to the Financial Statements

14. Insurance contract liabilities (continued)

(a) Life insurance (continued)

A. Movements in carrying amounts (continued)

(1) Contracts not measured under PAA (continued)

Reconciliation of the measurement components of insurance contract balances:

Group	2024			Total RM'000
	Estimate of PVFCF RM'000	Risk adjustment for non-financial risk RM'000	Contractual service margin RM'000	
At 1 January 2024	11,066,847	423,195	3,248,235	14,738,277
<u>Changes that relate to current services</u>				
CSM recognised for services provided	-	-	(487,092)	(487,092)
Change in risk adjustment for non-financial risk for risk expired	-	(60,444)	-	(60,444)
Experience adjustments	119,629	-	-	119,629
<u>Changes that relate to future services</u>				
Contracts initially recognised in the year	(564,742)	76,658	488,084	-
Changes in estimates that adjust the CSM	(308,080)	21,316	286,764	-
Changes in estimates that result in reversal of losses on onerous contracts	(1,529)	-	-	(1,529)
Insurance service result	(754,722)	37,530	287,756	(429,436)
Finance expenses from insurance contracts issued	1,186,350	115	2,849	1,189,314
Net insurance and investment results	431,628	37,645	290,605	759,878

Notes to the Financial Statements

14. Insurance contract liabilities (continued)

(a) Life insurance (continued)

A. Movements in carrying amounts (continued)

(1) Contracts not measured under PAA (continued)

Reconciliation of the measurement components of insurance contract balances (continued):

Group	2024			Total RM'000
	Estimate of PVFCF RM'000	Risk adjustment for non-financial risk RM'000	Contractual service margin RM'000	
Cash flows				
Premium received	3,336,134	-	-	3,336,134
Claims and other insurance service expenses paid, including investment components	(2,172,735)	-	-	(2,172,735)
Insurance acquisition cash flows	(626,233)	-	-	(626,233)
Total cash flows	537,166	-	-	537,166
Other underlying items	(15,010)	-	-	(15,010)
At 31 December 2024	12,020,631	460,840	3,538,840	16,020,311

Note 18

Notes to the Financial Statements

14. Insurance contract liabilities (continued)

(a) Life insurance (continued)

A. Movements in carrying amounts (continued)

(2) Contracts measured under PAA

Analysis by remaining coverage and incurred claims:

Group	2025		Estimate of PVFCF RM'000	Risk adjustment for non-financial risk RM'000	Total RM'000		
	Liabilities for remaining coverage					Liabilities for incurred claims	
	Excluding loss component RM'000	Loss component RM'000					
At 1 January 2025	123,921	-	216,321	16,230	356,472		
Insurance revenue	(509,410)	-	-	-	(509,410)		
Insurance service expenses							
Incurred claims and other insurance service expenses	-	-	344,268	1,314	345,582		
Amortisation of insurance acquisition cash flows	48,989	-	-	-	48,989		
	48,989	-	344,268	1,314	394,571		
Net insurance and investment results	(460,421)	-	344,268	1,314	(114,839)		
Investment components	(1,452)	-	1,452	-	-		
Cash flows							
Premium received	540,992	-	-	-	540,992		
Claims and other insurance service expenses paid, including investment components	-	-	(387,480)	-	(387,480)		
Insurance acquisition cash flows	(51,639)	-	-	-	(51,639)		
Total cash flows	489,353	-	(387,480)	-	101,873		
At 31 December 2025	151,401	-	174,561	17,544	343,506		

Notes to the Financial Statements

14. Insurance contract liabilities (continued)

(a) Life insurance (continued)

A. Movements in carrying amounts (continued)

(2) Contracts measured under PAA (continued)

Analysis by remaining coverage and incurred claims (continued):

Group	2024				
	Liabilities for remaining coverage		Liabilities for incurred claims		Total RM'000
	Excluding loss component RM'000	Loss component RM'000	Estimate of PVFCF RM'000	Risk adjustment for non-financial risk RM'000	
At 1 January 2024	99,847	-	190,060	15,136	305,043
Insurance revenue	(440,058)	-	-	-	(440,058)
Insurance service expenses					
Incurred claims and other insurance service expenses	-	-	377,831	1,094	378,925
Amortisation of insurance acquisition cash flows	44,764	-	-	-	44,764
	44,764	-	377,831	1,094	423,689
Net insurance and investment results	(395,294)	-	377,831	1,094	(16,369)
Investment components	(4,474)	-	4,474	-	-
Cash flows					
Premium received	470,043	-	-	-	470,043
Claims and other insurance service expenses paid, including investment components	-	-	(356,044)	-	(356,044)
Insurance acquisition cash flows	(46,201)	-	-	-	(46,201)
Total cash flows	423,842	-	(356,044)	-	67,798
At 31 December 2024	123,921	-	216,321	16,230	356,472

Notes to the Financial Statements

14. Insurance contract liabilities (continued)

(a) Life insurance (continued)

B. Effect of contracts initially recognised in the year – Contracts not measured under PAA

Group	2025 Profitable contracts issued RM'000	2024 Profitable contracts issued RM'000
Insurance acquisition cash flows	734,071	607,686
Claims and other insurance service expenses payable	1,590,896	1,041,306
Estimates of present value of cash outflows	2,324,967	1,648,992
Estimates of present value of cash inflows	(2,921,853)	(2,213,734)
Risk adjustment for non-financial risk	96,435	76,658
CSM	500,451	488,084
Insurance contract liabilities from contracts recognised in the year	-	-

C. Expected recognition of the contractual service margin:

Group	1 year or less RM'000	> 1 year RM'000	> 2 years RM'000	> 3 years RM'000	> 4 years RM'000	> 5 years RM'000	Total RM'000
2025							
Contracts not measured under PAA	481,694	429,746	383,574	341,229	302,025	1,787,024	3,725,292
2024							
Contracts not measured under PAA	453,311	404,021	360,093	320,408	284,351	1,716,656	3,538,840

(b) General insurance

	2025 RM'000	2024 RM'000
Motor	3,708,018	3,180,854
Fire	589,288	589,922
Others	1,081,581	1,072,316
	5,378,887	4,843,092

Notes to the Financial Statements

14. Insurance contract liabilities (continued)

(b) General insurance (continued)

A. Movements in carrying amounts

(1) Motor

Analysis by remaining coverage and incurred claims:

Group	2025				
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component RM'000	Loss component RM'000	PVFCF RM'000	Risk adjustment for non-financial risk RM'000	Total RM'000
At 1 January 2025	1,083,674	394	1,989,575	107,211	3,180,854
Insurance revenue	(2,512,984)	-	-	-	(2,512,984)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	1,869,353	55,200	1,924,553
Insurance acquisition cash flows amortisation	419,921	-	-	-	419,921
Initial recognition of onerous underlying contracts and reversal of loss component	-	398	-	-	398
Changes that relate to past services – changes in the FCF relating to the LIC	-	-	(137,252)	(38,328)	(175,580)
	419,921	398	1,732,101	16,872	2,169,292
Insurance service result	(2,093,063)	398	1,732,101	16,872	(343,692)
Finance expenses from insurance contracts issued	-	-	69,073	3,704	72,777
Total amounts recognised in comprehensive income	(2,093,063)	398	1,801,174	20,576	(270,915)
Cash flows					
Premium received	2,652,566	-	-	-	2,652,566
Claims and other directly attributable expenses paid	-	-	(1,409,020)	-	(1,409,020)
Insurance acquisition cash flows	(445,467)	-	-	-	(445,467)
Total cash flows	2,207,099	-	(1,409,020)	-	798,079
At 31 December 2025	1,197,710	792	2,381,729	127,787	3,708,018

Notes to the Financial Statements

14. Insurance contract liabilities (continued)

(b) General insurance (continued)

A. Movements in carrying amounts (continued)

(1) Motor (continued)

Analysis by remaining coverage and incurred claims (continued):

Group	2024				
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component RM'000	Loss component RM'000	PVFCF RM'000	Risk adjustment for non-financial risk RM'000	Total RM'000
At 1 January 2024	978,546	-	1,700,012	90,555	2,769,113
Insurance revenue	(2,233,784)	-	-	-	(2,233,784)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	1,665,488	46,363	1,711,851
Insurance acquisition cash flows amortisation	356,849	-	-	-	356,849
Initial recognition of onerous underlying contracts and reversal of loss component	-	394	-	-	394
Changes that relate to past services – changes in the FCF relating to the LIC	-	-	(158,935)	(32,433)	(191,368)
	356,849	394	1,506,553	13,930	1,877,726
Insurance service result	(1,876,935)	394	1,506,553	13,930	(356,058)
Finance expenses from insurance contracts issued	-	-	50,617	2,726	53,343
Total amounts recognised in comprehensive income	(1,876,935)	394	1,557,170	16,656	(302,715)
Cash flows					
Premium received	2,383,561	-	-	-	2,383,561
Claims and other directly attributable expenses paid	-	-	(1,267,607)	-	(1,267,607)
Insurance acquisition cash flows	(401,498)	-	-	-	(401,498)
Total cash flows	1,982,063	-	(1,267,607)	-	714,456
At 31 December 2024	1,083,674	394	1,989,575	107,211	3,180,854

Notes to the Financial Statements

14. Insurance contract liabilities (continued)

(b) General insurance (continued)

A. Movements in carrying amounts (continued)

(2) Fire

Analysis by remaining coverage and incurred claims:

Group	2025				
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component RM'000	Loss component RM'000	PVFCF RM'000	Risk adjustment for non-financial risk RM'000	Total RM'000
At 1 January 2025	191,366	-	369,342	29,214	589,922
Insurance revenue	(440,245)	-	-	-	(440,245)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	224,003	10,626	234,629
Insurance acquisition cash flows amortisation	76,184	-	-	-	76,184
Changes that relate to past services – changes in the FCF relating to the LIC	-	-	(40,439)	(9,424)	(49,863)
	76,184	-	183,564	1,202	260,950
Insurance service result	(364,061)	-	183,564	1,202	(179,295)
Finance expenses from insurance contracts issued	-	-	12,441	996	13,437
Total amounts recognised in comprehensive income	(364,061)	-	196,005	2,198	(165,858)
Cash flows					
Premium received	433,449	-	-	-	433,449
Claims and other directly attributable expenses paid	-	-	(190,510)	-	(190,510)
Insurance acquisition cash flows	(77,715)	-	-	-	(77,715)
Total cash flows	355,734	-	(190,510)	-	165,224
At 31 December 2025	183,039	-	374,837	31,412	589,288

Notes to the Financial Statements

14. Insurance contract liabilities (continued)

(b) General insurance (continued)

A. Movements in carrying amounts (continued)

(2) Fire (continued)

Analysis by remaining coverage and incurred claims (continued):

Group	2024				
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component RM'000	Loss component RM'000	PVFCF RM'000	Risk adjustment for non-financial risk RM'000	Total RM'000
At 1 January 2024	142,964	-	349,017	29,490	521,471
Insurance revenue	(403,124)	-	-	-	(403,124)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	326,886	14,324	341,210
Insurance acquisition cash flows amortisation	71,205	-	-	-	71,205
Changes that relate to past services – changes in the FCF relating to the LIC	-	-	(118,493)	(15,407)	(133,900)
	71,205	-	208,393	(1,083)	278,515
Insurance service result	(331,919)	-	208,393	(1,083)	(124,609)
Finance expenses from insurance contracts issued	-	-	9,569	807	10,376
Total amounts recognised in comprehensive income	(331,919)	-	217,962	(276)	(114,233)
Cash flows					
Premium received	453,255	-	-	-	453,255
Claims and other directly attributable expenses paid	-	-	(197,637)	-	(197,637)
Insurance acquisition cash flows	(72,934)	-	-	-	(72,934)
Total cash flows	380,321	-	(197,637)	-	182,684
At 31 December 2024	191,366	-	369,342	29,214	589,922

Notes to the Financial Statements

14. Insurance contract liabilities (continued)

(b) General insurance (continued)

A. Movements in carrying amounts (continued)

(3) Others

Analysis by remaining coverage and incurred claims:

Group	2025				
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component RM'000	Loss component RM'000	PVFCF RM'000	Risk adjustment for non-financial risk RM'000	Total RM'000
At 1 January 2025	272,598	15,700	693,487	90,531	1,072,316
Insurance revenue	(626,567)	-	-	-	(626,567)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	369,685	20,190	389,875
Insurance acquisition cash flows amortisation	127,738	-	-	-	127,738
Initial recognition of onerous underlying contracts and reversal of loss component	-	(9,824)	-	-	(9,824)
Changes that relate to past services – changes in the FCF relating to the LIC	-	-	(82,888)	(36,501)	(119,389)
	127,738	(9,824)	286,797	(16,311)	388,400
Insurance service result	(498,829)	(9,824)	286,797	(16,311)	(238,167)
Finance expenses from insurance contracts issued	-	-	22,957	2,998	25,955
Total amounts recognised in comprehensive income	(498,829)	(9,824)	309,754	(13,313)	(212,212)
Cash flows					
Premium received	628,014	-	-	-	628,014
Claims and other directly attributable expenses paid	-	-	(272,563)	-	(272,563)
Insurance acquisition cash flows	(133,974)	-	-	-	(133,974)
Total cash flows	494,040	-	(272,563)	-	221,477
At 31 December 2025	267,809	5,876	730,678	77,218	1,081,581

Notes to the Financial Statements

14. Insurance contract liabilities (continued)

(b) General insurance (continued)

A. Movements in carrying amounts (continued)

(3) Others (continued)

Analysis by remaining coverage and incurred claims (continued):

Group	2024				
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component RM'000	Loss component RM'000	PVFCF RM'000	Risk adjustment for non-financial risk RM'000	Total RM'000
At 1 January 2024	182,805	23,114	690,163	85,944	982,026
Insurance revenue	(582,102)	-	-	-	(582,102)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	348,691	22,656	371,347
Insurance acquisition cash flows amortisation	123,873	-	-	-	123,873
Initial recognition of onerous underlying contracts and reversal of loss component	-	(7,414)	-	-	(7,414)
Changes that relate to past services – changes in the FCF relating to the LIC	-	-	(57,276)	(20,373)	(77,649)
	123,873	(7,414)	291,415	2,283	410,157
Insurance service result	(458,229)	(7,414)	291,415	2,283	(171,945)
Finance expenses from insurance contracts issued	-	-	18,162	2,304	20,466
Total amounts recognised in comprehensive income	(458,229)	(7,414)	309,577	4,587	(151,479)
Cash flows					
Premium received	678,078	-	-	-	678,078
Claims and other directly attributable expenses paid	-	-	(306,253)	-	(306,253)
Insurance acquisition cash flows	(130,056)	-	-	-	(130,056)
Total cash flows	548,022	-	(306,253)	-	241,769
At 31 December 2024	272,598	15,700	693,487	90,531	1,072,316

Notes to the Financial Statements

15. Reinsurance contract liabilities

Life insurance

	2025 RM'000	2024 RM'000
Contracts not measured under PAA	137,304	88,943
Contracts measured under PAA	67,241	43,238
	204,545	132,181
Amount expected to be recovered/settled within 12 months	34,311	35,936
Amount expected to be recovered/settled more than 12 months	105,591	96,245
	139,902	132,181

Notes to the Financial Statements

15. Reinsurance contract liabilities (continued)

Life insurance (continued)

A. Movements in carrying amounts

(1) Contracts not measured under PAA

Analysis by remaining coverage and incurred claims:

Group	2025		Total RM'000
	Liabilities for remaining coverage excluding loss component RM'000	Assets for incurred claims RM'000	
Net reinsurance contract liabilities/(assets) as at 1 January	166,313	(77,370)	88,943
Reinsurance expenses	144,931	-	144,931
Reinsurance recoveries			
Incurred claims and other reinsurance service expenses	-	(117,982)	(117,982)
Adjustments to liabilities for incurred claims	-	(867)	(867)
	-	(118,849)	(118,849)
Expenses/(Income) from reinsurance contracts held	144,931	(118,849)	26,082
Net reinsurance finance expenses	2,190	-	2,190
Net expenses/(income) from reinsurance contracts held	147,121	(118,849)	28,272
Cash flows			
Premium paid	(137,042)	-	(137,042)
Deposit paid	(1,661)	-	(1,661)
Claims and other insurance service expenses paid, including investment components	-	133,395	133,395
Total cash flows	(138,703)	133,395	(5,308)
Reinsurance contract assets as at 31 December	(470)	(24,927)	(25,397)
Reinsurance contract liabilities as at 31 December	175,201	(37,897)	137,304
Net reinsurance contract liabilities/(assets) as at 31 December	174,731	(62,824)	111,907

Notes to the Financial Statements

15. Reinsurance contract liabilities (continued)

Life insurance (continued)

A. Movements in carrying amounts (continued)

(1) Contracts not measured under PAA (continued)

Reconciliation of the measurement components of reinsurance contract balances:

Group	2025			Total RM'000
	Estimate of PVFCF RM'000	Risk adjustment for non-financial risk RM'000	Contractual service margin RM'000	
Net reinsurance contract liabilities/(assets) as at 1 January	269,784	(27,232)	(153,609)	88,943
Changes in the statement of profit or loss and OCI				
<u>Changes that relate to current services</u>				
CSM recognised for services received	-	-	23,816	23,816
Change in risk adjustment for non-financial risk for risk expired	-	3,299	-	3,299
Experience adjustments	(1,033)	-	-	(1,033)
<u>Changes that relate to future services</u>				
Changes in estimates that adjust the CSM	24,722	(2,611)	(22,111)	-
Expenses/(Income) from reinsurance contracts held	23,689	688	1,705	26,082
Net reinsurance finance expenses/(income)	10,513	(337)	(7,986)	2,190
Net expenses/(income) from reinsurance contracts held	34,202	351	(6,281)	28,272
Cash flows				
Premium paid	(137,042)	-	-	(137,042)
Deposit paid	(1,661)	-	-	(1,661)
Claims and other insurance service expenses paid, including investment components	133,395	-	-	133,395
Total cash flows	(5,308)	-	-	(5,308)
Reinsurance contract assets as at 31 December	(7,288)	(5,109)	(13,000)	(25,397)
Reinsurance contract liabilities as at 31 December	305,966	(21,772)	(146,890)	137,304
Net reinsurance contract liabilities/(assets) as at 31 December	298,678	(26,881)	(159,890)	111,907

Note 20

Notes to the Financial Statements

15. Reinsurance contract liabilities (continued)

Life insurance (continued)

A. Movements in carrying amounts (continued)

(1) Contracts not measured under PAA (continued)

Analysis by remaining coverage and incurred claims:

Group	2024		Total RM'000
	Liabilities for remaining coverage excluding loss component RM'000	Assets for incurred claims RM'000	
Net reinsurance contract liabilities/(assets) as at 1 January	86,992	(41,887)	45,105
Reinsurance expenses	136,017	-	136,017
Reinsurance recoveries			
Incurred claims and other reinsurance service expenses	(15,705)	(113,295)	(129,000)
Adjustments to liabilities for incurred claims	-	9,657	9,657
	(15,705)	(103,638)	(119,343)
Expenses/(Income) from reinsurance contracts held	120,312	(103,638)	16,674
Net reinsurance finance income	(335)	-	(335)
Net expenses/(income) from reinsurance contracts held	119,977	(103,638)	16,339
Cash flows			
Premium paid	(127,627)	-	(127,627)
Deposit received	71,265	-	71,265
Claims and other insurance service expenses paid, including investment components	-	68,155	68,155
Insurance acquisition cash flows	15,706	-	15,706
Total cash flows	(40,656)	68,155	27,499
Net reinsurance contract liabilities/(assets) as at 31 December	166,313	(77,370)	88,943

Notes to the Financial Statements

15. Reinsurance contract liabilities (continued)

Life insurance (continued)

A. Movements in carrying amounts (continued)

(1) Contracts not measured under PAA (continued)

Reconciliation of the measurement components of reinsurance contract balances:

Group	2024			Total RM'000
	Estimate of PVFCF RM'000	Risk adjustment for non-financial risk RM'000	Contractual service margin RM'000	
Net reinsurance contract liabilities/(assets) as at 1 January	213,253	(25,537)	(142,611)	45,105
Changes in the statement of profit or loss and OCI				
<u>Changes that relate to current services</u>				
CSM recognised for services received	-	-	23,497	23,497
Change in risk adjustment for non-financial risk for risk expired	-	3,386	-	3,386
Experience adjustments	(10,209)	-	-	(10,209)
<u>Changes that relate to future services</u>				
Contracts initially recognised in the year	205	(7)	(198)	-
Changes in estimates that adjust the CSM	31,374	(4,849)	(26,525)	-
Expenses/(Income) from reinsurance contracts held	21,370	(1,470)	(3,226)	16,674
Net reinsurance finance expenses/(income)	7,662	(225)	(7,772)	(335)
Net expenses/(income) from reinsurance contracts held	29,032	(1,695)	(10,998)	16,339
Cash flows				
Premium paid	(127,627)	-	-	(127,627)
Deposit received	71,265	-	-	71,265
Claims and other insurance service expenses paid, including investment components	68,155	-	-	68,155
Insurance acquisition cash flows	15,706	-	-	15,706
Total cash flows	27,499	-	-	27,499
Net reinsurance contract liabilities/(assets) as at 31 December	269,784	(27,232)	(153,609)	88,943

Note 20

Notes to the Financial Statements

15. Reinsurance contract liabilities (continued)

Life insurance (continued)

A. Movements in carrying amounts (continued)

(2) Contracts measured under PAA

Analysis by remaining coverage and incurred claims:

Group	2025		Total RM'000
	Liabilities for remaining coverage excluding loss component RM'000	Assets for incurred claims RM'000	
Net reinsurance contract liabilities as at 1 January	43,238	-	43,238
Reinsurance expenses	38,817	-	38,817
Reinsurance recoveries			
Incurred claims and other reinsurance service expenses/(income)	1,494	(29,174)	(27,680)
Adjustments to liabilities for incurred claims	-	(3,710)	(3,710)
	1,494	(32,884)	(31,390)
Net expenses/(income) from reinsurance contracts held	40,311	(32,884)	7,427
Cash flows			
Premium paid	(40,054)	(15,500)	(55,554)
Claims and other insurance service expenses paid, including investment components	-	32,884	32,884
Total cash flows	(40,054)	17,384	(22,670)
Reinsurance contract assets as at 31 December	67	(39,313)	(39,246)
Reinsurance contract liabilities as at 31 December	43,428	23,813	67,241
Net reinsurance contract liabilities/(assets) as at 31 December	43,495	(15,500)	27,995

Notes to the Financial Statements

15. Reinsurance contract liabilities (continued)

Life insurance (continued)

A. Movements in carrying amounts (continued)

(2) Contracts measured under PAA (continued)

Analysis by remaining coverage and incurred claims (continued):

Group	2024		Total RM'000
	Liabilities for remaining coverage excluding loss component RM'000	Assets for incurred claims RM'000	
Net reinsurance contract liabilities as at 1 January	24,672	-	24,672
Reinsurance expenses	40,989	-	40,989
Reinsurance recoveries			
Incurred claims and other reinsurance service expenses/(income)	19,129	(25,091)	(5,962)
Net expenses/(income) from reinsurance contracts held	60,118	(25,091)	35,027
Cash flows			
Premium paid	(40,989)	-	(40,989)
Claims and other insurance service expenses paid, including investment components	-	25,091	25,091
Insurance acquisition cash flows	(563)	-	(563)
Total cash flows	(41,552)	25,091	(16,461)
Net reinsurance contract liabilities as at 31 December	43,238	-	43,238

Notes to the Financial Statements

15. Reinsurance contract liabilities (continued)

Life insurance (continued)

B. Effect of contracts initially recognised in the year

Group	2025 Contracts originated not in a net gain RM'000	2024 Contracts originated not in a net gain RM'000
Estimates of present value of cash inflows	-	(1,949)
Estimates of present value of cash outflows	-	2,154
Risk adjustment for non-financial risk	-	(7)
CSM	-	(198)
Reinsurance contract liabilities from contracts recognised in the year	-	-

There are no reinsurance contracts held originated during 2025 and 2024 that are in a net gain.

C. Expected recognition of the contractual service margin:

Group	1 year or less RM'000	> 1 year RM'000	> 2 years RM'000	> 3 years RM'000	> 4 years RM'000	> 5 years RM'000	Total RM'000
2025							
Contracts not measured under PAA	(21,570)	(19,147)	(17,020)	(15,076)	(13,278)	(73,799)	(159,890)
2024							
Contracts not measured under PAA	(19,885)	(17,831)	(15,974)	(14,252)	(12,678)	(72,989)	(153,609)

Notes to the Financial Statements

16. Lease liabilities

	2025 RM'000	2024 RM'000
Non-current	2,383	6,822
Current	30,354	10,909
	32,737	17,731

17. Other liabilities

	Note	2025 RM'000	2024 RM'000
Group			
Current			
Cash collateral payables		6,240	6,240
Performance bond deposits	17.1	124,966	118,927
Outstanding purchase of investment securities		39,031	55,798
Other payables		206,457	187,267
Accrued expenses		54,530	53,280
Sundry creditors		62,386	56,794
Due to agent and intermediaries		92,982	114,749
Dividend payable		338,844	-
Due to holding company	17.2	11,543	12,792
Due to related companies	17.2	37,470	35,297
		974,449	641,144
Company			
Current			
Other payables and accrued expenses		25,896	17,229
Sundry creditors		3,688	2,127
Dividend payable		338,844	-
		368,428	19,356

17.1 Performance bond deposits

Performance bond deposits are interest bearing collateral deposits received from policyholders for guarantees issued on behalf of policyholders.

17.2 Amounts due to holding company and related companies

The amounts due to holding company and related companies are unsecured, interest free and repayable on demand.

18. Insurance revenue

Group	2025 RM'000	2024 RM'000
Contracts not measured under the PAA		
<u>Amount relating to changes in liabilities for remaining coverage</u>		
- CSM recognised for services provided	510,059	487,092
- Change in risk adjustment for non-financial risk for risk expired	63,334	60,444
- Expected incurred claims and other insurance service expenses	1,110,759	1,010,977
Recovery of insurance acquisition cash flows	463,608	433,907
	2,147,760	1,992,420
Contracts measured under the PAA		
	4,089,206	3,659,068
Total insurance revenue	6,236,966	5,651,488

Notes to the Financial Statements

18. Insurance revenue (continued)

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

Group	Note	2025			2024		
		New contracts recognised post-transition and contracts measured under the full retrospective approach at transition RM'000	Contracts measured under the modified retrospective approach at transition RM'000	Total RM'000	New contracts recognised post-transition and contracts measured under the full retrospective approach at transition RM'000	Contracts measured under the modified retrospective approach at transition RM'000	Total RM'000
Insurance revenue		5,697,075	539,891	6,236,966	5,093,463	558,025	5,651,488
CSM as at 1 January	14	2,912,010	626,830	3,538,840	2,654,735	593,500	3,248,235
<u>Changes that relate to current services</u>							
CSM recognised for services provided	14	(401,127)	(108,932)	(510,059)	(377,432)	(109,660)	(487,092)
<u>Changes that relate to future services</u>							
Contracts initially recognised in the year	14	500,451	-	500,451	488,084	-	488,084
Changes in estimates that adjust the CSM	14	88,857	104,497	193,354	144,961	141,803	286,764
	14	188,181	(4,435)	183,746	255,613	32,143	287,756
Net finance expenses from insurance contracts issued	14	1,371	1,335	2,706	1,662	1,187	2,849
Total amounts recognised in comprehensive income		189,552	(3,100)	186,452	257,275	33,330	290,605
CSM as at 31 December	14	3,101,562	623,730	3,725,292	2,912,010	626,830	3,538,840

Notes to the Financial Statements

19. Insurance service expenses

Group	2025 RM'000	2024 RM'000
<u>Contracts not measured under the PAA</u>		
Incurring claims and other directly attributable expenses	(1,312,758)	(1,130,606)
Insurance acquisition cash flows amortisation	(463,608)	(433,907)
Reversal of losses on onerous insurance contracts	640	1,529
	(1,775,726)	(1,562,984)
<u>Contracts measured under the PAA</u>		
Incurring claims and other directly attributable expenses	(2,894,699)	(2,803,407)
Insurance acquisition cash flows amortisation	(672,832)	(596,691)
Changes that relate to past services – changes in the FCF relating to the LIC	344,832	402,917
Reversal of losses on onerous insurance contracts	9,426	7,020
	(3,213,273)	(2,990,161)
Total insurance service expenses	(4,988,999)	(4,553,145)

20. Net expenses from reinsurance contracts held

Group	2025 RM'000	2024 RM'000
Net income/(expenses) from reinsurance contracts held		
<u>Contracts not measured under PAA</u>		
Amounts relating to the changes in the remaining coverage		
- Expected incurred claims and other directly attributable expenses recovery	166	19,866
- Change in the risk adjustment for non-financial risk for the risk expired	(3,299)	(3,386)
- CSM recognised for the services received	(23,816)	(23,497)
Changes in fulfilment cash flows relating to incurred claims	867	(9,657)
	(26,082)	(16,674)
<u>Contracts measured under PAA</u>		
Reinsurance expenses – contracts measured under the PAA	(594,328)	(350,040)
Other incurred directly attributable expenses	(12,461)	(35,027)
Incurring claims recovery	389,773	194,378
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	(34,003)	(67,944)
Change in loss recovery component	(1,554)	(4,829)
	(252,573)	(263,462)
Total net expenses from reinsurance contracts held	(278,655)	(280,136)

Notes to the Financial Statements

20. Net expenses from reinsurance contracts held (continued)

Analysis of the CSM by transition method under reinsurance contracts held is included in the following table.

Group	2025 RM'000	2024 RM'000
Reinsurance contracts held		
CSM as at 31 December		
New contracts and contracts measured under the full retrospective approach at transition	(675)	(255)
Contracts measured under the modified retrospective approach at transition	(159,215)	(153,354)
	(159,890)	(153,609)

Group	2025			2024		
	New contracts recognised post-transition and contracts measured under the full retrospective approach at transition RM'000	Contracts measured under the modified retrospective approach at transition RM'000	Total RM'000	New contracts recognised post-transition and contracts measured under the full retrospective approach at transition RM'000	Contracts measured under the modified retrospective approach at transition RM'000	Total RM'000
CSM as at 1 January	(255)	(153,354)	(153,609)	(17)	(142,594)	(142,611)
Changes that relate to current services						
CSM recognised for services received	49	23,766	23,815	5	23,491	23,496
Changes that relate to future services						
Contracts initially recognised in the year	-	-	-	(198)	-	(198)
Changes in estimates that adjust the CSM	(444)	(21,666)	(22,110)	(36)	(26,489)	(26,525)
	(395)	2,100	1,705	(229)	(2,998)	(3,227)
Net finance income from reinsurance contracts held	(25)	(7,961)	(7,986)	(9)	(7,762)	(7,771)
Total amounts recognised in comprehensive income	(420)	(5,861)	(6,281)	(238)	(10,760)	(10,998)
CSM as at 31 December	(675)	(159,215)	(159,890)	(255)	(153,354)	(153,609)

Notes to the Financial Statements

21. Investment income and insurance finance expenses

Group	2025			2024		
	Participating fund RM'000	Other RM'000	Total RM'000	Participating fund RM'000	Other RM'000	Total RM'000
Net investment income/(expenses)						
Investment income from financial assets not measured at FVTPL	118,971	484,977	603,948	130,520	431,585	562,105
Interest revenue from financial assets not measured at FVTPL	116,996	474,970	591,966	128,048	429,163	557,211
- Interest income	126,326	482,784	609,110	131,418	434,778	566,196
- Interest expenses	(158)	(6,361)	(6,519)	(135)	(5,416)	(5,551)
- Other investment expenses	(9,172)	(1,453)	(10,625)	(3,235)	(199)	(3,434)
Net gains/(losses) on investments in debt securities measured at FVOCI reclassified to profit or loss on disposal	1,975	10,007	11,982	2,472	2,422	4,894
- Realised gains	1,975	10,916	12,891	2,472	7,503	9,975
- Realised losses	-	(909)	(909)	-	(5,081)	(5,081)
Net credit impairment gains/(losses) on financial assets	104	(400)	(296)	157	141	298
Net investment income – not measured at FVTPL	119,075	484,577	603,652	130,677	431,726	562,403
Net gains on FVTPL investments	6,226	309,969	316,195	8,713	851,776	860,489
- Interest income	5,888	277,315	283,203	5,334	263,018	268,352
- Realised gains/(losses)	9,822	(124,577)	(114,755)	1,703	177,203	178,906
- Other investment (expenses)/income	-	(50,784)	(50,784)	-	4,081	4,081
- Fair value (losses)/gains	(9,484)	208,015	198,531	1,676	407,474	409,150
Net investment income – measured at FVTPL	6,226	309,969	316,195	8,713	851,776	860,489
Dividend income from financial assets not measured at FVTPL	22,422	987	23,409	25,279	525	25,804
Dividend income from financial assets measured at FVTPL	774	114,167	114,941	2,408	125,427	127,835
Dividend income	23,196	115,154	138,350	27,687	125,952	153,639
Total net investment income in profit and loss	148,497	909,700	1,058,197	167,077	1,409,454	1,576,531

Notes to the Financial Statements

21. Investment income and insurance finance expenses (continued)

Group (continued)	2025			2024		
	Participating fund RM'000	Other RM'000	Total RM'000	Participating fund RM'000	Other RM'000	Total RM'000
Represented by:						
Net investment income – underlying assets						
Net investment income - not measured at FVTPL	119,075	7,889	126,964	130,677	6,247	136,924
Net investment income - measured at FVTPL	6,226	309,809	316,035	8,713	932,628	941,341
Dividend income	23,196	107,447	130,643	27,687	112,380	140,067
	148,497	425,145	573,642	167,077	1,051,255	1,218,332
Net investment income – other investments						
Net investment income - not measured at FVTPL	-	476,688	476,688	-	425,479	425,479
Net investment income - measured at FVTPL	-	160	160	-	(80,852)	(80,852)
Dividend income	-	7,707	7,707	-	13,572	13,572
	-	484,555	484,555	-	358,199	358,199
Total net investment income in profit or loss	148,497	909,700	1,058,197	167,077	1,409,454	1,576,531
Net gains on investments in debt securities measured at FVOCI	40,767	129,463	170,230	7,050	8,551	15,601
Fair value gains on cash flow hedge	6,811	-	6,811	1,568	-	1,568
Expected credit (losses)/gains	(104)	444	340	(157)	(161)	(318)
Net gains on investments in equity instruments measured at FVOCI	(1,335)	(129)	(1,464)	62,009	25,174	87,183
Net realised loss during the period	26,899	-	26,899	-	-	-
Total net investment income in other comprehensive income	73,038	129,778	202,816	70,470	33,564	104,034
Represented by:						
Net investment income – underlying assets	73,038	-	73,038	70,470	-	70,470
Net investment income – other investments	-	129,778	129,778	-	33,564	33,564
	73,038	129,778	202,816	70,470	33,564	104,034

Notes to the Financial Statements

21. Investment income and insurance finance expenses (continued)

Group	2025			2024		
	Participating fund RM'000	Other RM'000	Total RM'000	Participating fund RM'000	Other RM'000	Total RM'000
Finance (expenses)/income from insurance contracts issued						
Changes in value of underlying assets of contracts measured under the VFA	(146,907)	(398,741)	(545,648)	(165,431)	(938,874)	(1,104,305)
Interest accreted	-	(116,882)	(116,882)	-	(102,291)	(102,291)
Effect of changes in interest rates and other financial assumptions	(5,341)	(8,413)	(13,754)	22,092	(6,258)	15,834
Finance expenses from insurance contracts issued	(152,248)	(524,036)	(676,284)	(143,339)	(1,047,423)	(1,190,762)
Finance income from reinsurance contracts held						
Interest accreted	-	14,972	14,972	-	13,748	13,748
Effect of changes in interest rates and other financial assumptions	-	850	850	-	497	497
Finance income from reinsurance contracts held	-	15,822	15,822	-	14,245	14,245
Net insurance finance expenses in profit or loss	(152,248)	(508,214)	(660,462)	(143,339)	(1,033,178)	(1,176,517)
Finance expenses from insurance contracts issued						
Finance expenses from insurance contract issued	(73,546)	(16,255)	(89,801)	(70,627)	-	(70,627)
Effect of changes in interest rates and other financial assumptions	-	(21,893)	(21,893)	-	(8,170)	(8,170)
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	-	(4,986)	(4,986)	-	(3,940)	(3,940)
Finance expenses from insurance contracts issued	(73,546)	(43,134)	(116,680)	(70,627)	(12,110)	(82,737)
Finance income/(expenses) from reinsurance contracts held						
Effect of changes in interest rates and other financial assumptions	-	4,624	4,624	-	1,786	1,786
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	-	(3,898)	(3,898)	-	(952)	(952)
Finance income from reinsurance contracts held	-	726	726	-	834	834
Net insurance finance expenses in other comprehensive income	(73,546)	(42,408)	(115,954)	(70,627)	(11,276)	(81,903)

Notes to the Financial Statements

21. Investment income and insurance finance expenses (continued)

Summary of the amounts recognised in profit or loss and OCI:

Group	2025			2024		
	Participating fund RM'000	Other RM'000	Total RM'000	Participating fund RM'000	Other RM'000	Total RM'000
Summary of the amounts recognised in profit or loss:						
Net investment income – underlying assets	148,497	425,145	573,642	167,077	1,051,255	1,218,332
Net investment income – other investments	-	196,455	196,455	-	103,045	103,045
Net insurance finance expense	(152,248)	(508,214)	(660,462)	(143,339)	(1,033,178)	(1,176,517)
	(3,751)	113,386	109,635	23,738	121,122	144,860
Summary of the amounts recognised in OCI:						
Net investment income – underlying assets	73,038	-	73,038	70,470	-	70,470
Net investment income – other investments	-	129,778	129,778	-	33,564	33,564
Net insurance finance expense	(73,546)	(42,408)	(115,954)	(70,627)	(11,276)	(81,903)
	(508)	87,370	86,862	(157)	22,288	22,131

Notes to the Financial Statements

21. Investment income and insurance finance expenses (continued)

The net gain or losses for each class of financial instrument by measurement category is as follows:

Group	2025 RM'000	2024 RM'000
Malaysian government securities	263,098	231,725
Malaysian government guaranteed bonds	103,192	94,728
Unquoted bonds of corporations in Malaysia	174,427	177,387
Unquoted bonds of corporations outside Malaysia	3,339	3,656
Fixed deposits with licensed financial institutions	66,644	53,483
Commercial paper	433	14
Other investments	(7,185)	1,112
Investment income from financial assets not measured at FVTPL	603,948	562,105
Malaysian government securities	187,904	122,584
Malaysian government guaranteed bonds	57,680	42,805
Quoted equity securities of corporations in Malaysia	(132,958)	528,037
Quoted equity securities of corporations outside Malaysia	96	(1,046)
Unquoted bonds of corporations in Malaysia	117,323	94,773
Quoted unit trusts in Malaysia	6,241	16,278
Unquoted unit trusts in Malaysia	1,430	5,430
Unquoted unit trusts outside Malaysia	107,352	23,803
Fixed deposits with licensed financial institutions	16,274	12,497
Structured deposits	(856)	-
Other investments	(49,744)	13,923

Group	2025 RM'000	2024 RM'000
<u>Derivative financial assets/liabilities:</u>		
Collateralised interest rate swap	2,234	535
Cross currency swap	1,024	870
Foreign currency forward contracts	2,195	-
Net gains on FVTPL investments	316,195	860,489
Malaysian government securities	(387)	227
Malaysian government guaranteed bonds	19	(77)
Unquoted bonds of corporations in Malaysia	20	200
Fixed deposits with licensed financial institutions	(20)	(58)
Commercial paper	-	1
Other investments	72	5
Net credit impairment (losses)/gains on financial assets	(296)	298

Notes to the Financial Statements

21. Investment income and insurance finance expenses (continued)

Group (continued)	2025 RM'000	2024 RM'000
Quoted equity securities of corporations in Malaysia	22,422	25,279
Unquoted equity securities of corporations in Malaysia	987	525
Dividend income from financial assets not measured at FVTPL	23,409	25,804
Quoted equity securities of corporations in Malaysia	102,391	101,981
Quoted equity securities of corporations outside Malaysia	518	4,483
Quoted unit trusts in Malaysia	5,312	8,324
Unquoted unit trusts in Malaysia	6,720	13,047
Dividend income from financial assets measured at FVTPL	114,941	127,835
Total net investment income in profit or loss	1,058,197	1,576,531
Malaysian government securities	109,147	9,694
Malaysian government guaranteed bonds	29,886	5,385
Quoted equity securities of corporations in Malaysia	(4,611)	62,009
Unquoted equity securities of corporations in Malaysia	30,046	25,174
Unquoted bonds of corporations in Malaysia	29,402	(1,387)
Unquoted bonds of corporations outside Malaysia	2,132	1,596
Fixed deposits with licensed financial institutions	6	11
Other investments	(3)	(16)
<u>Derivative financial assets/liabilities:</u>		
Cross currency swap	6,811	1,568
Total net investment income in other comprehensive income	202,816	104,034

Company	2025 RM'000	2024 RM'000
Net investment income - underlying assets		
Investment income from financial assets not measured at FVTPL	2,424	2,064
Interest revenue from financial assets not measured at FVTPL	2,424	2,064
- Interest income	2,337	2,263
- Other investment income/(expenses)	87	(199)
Net credit impairment gains on financial assets	-	1
Net investment income - not measured at FVTPL	2,424	2,065
Net gains on FVTPL investments	1,341	2,281
- Fair value gains	1,341	2,281
Net investment income - other investment	1,341	2,281
Dividend income from subsidiaries	611,000	60,288
Dividend income	611,000	60,288
Total net investment income in profit or loss	614,765	64,634
Net losses on investments in equity instruments measured at FVOCI	213	(5,000)
Total net investment expenses in other comprehensive income	213	(5,000)

Notes to the Financial Statements

21. Investment income and insurance finance expenses (continued)

Summary of the amounts recognised in profit or loss and OCI:

Company	2025 RM'000	2024 RM'000
Net investment income		
Represented by:		
Amounts recognised in profit or loss	614,765	64,634
Amounts recognised in OCI	213	(5,000)
	614,978	59,634

The net gain or losses for each class of financial instrument by measurement category is as follows:

Company	2025 RM'000	2024 RM'000
Fixed deposits with licensed financial institutions	2,337	2,263
Other investments	87	(199)
Investment income from financial assets not measured at FVTPL	2,424	2,064
Other investments	1,341	2,281
Net gains on FVTPL investments	1,341	2,281
Fixed deposits with licensed financial institutions	-	1
Net credit impairment gains on financial assets	-	1
Dividend income from subsidiaries	611,000	60,288
Dividend income	611,000	60,288
Total net investment income in profit or loss	614,765	64,634
Unquoted equity securities of corporations in Malaysia	213	(5,000)
Total net investment expenses/(gains) in other comprehensive income	213	(5,000)

Notes to the Financial Statements

22. Expenses by nature

Group 2025	Note	Expenses attributed to insurance acquisition cash flows* RM'000	Other directly attributable expenses RM'000	Other operating expenses RM'000	Total RM'000
Advertising and marketing expenses		17,301	5,649	13,142	36,092
Amortisation of intangible assets	5	-	23,420	13,957	37,377
Auditors' remuneration:					
- statutory audit fees		-	1,293	331	1,624
- other audit related fees		-	200	436	636
Insurance and other receivables:					
- reversal of impairment losses		-	-	127	127
Bank charges		3,006	13,615	116	16,737
Depreciation of property, plant and equipment	3	604	12,042	1,196	13,842
Depreciation of right-of-use assets	4	686	28,348	1,687	30,721
Employee benefits expense	22.1	100,574	195,272	113,718	409,564
Executive directors' emoluments	22.2	-	-	6,954	6,954
Non-executive directors' fee and other emoluments	22.2	-	-	2,847	2,847
Short-term lease expenses		12	2,415	338	2,765
Lease expense on low-value assets		14	69	20	103
Claim expenses		-	12,477	-	12,477
Commissions		879,979	39,850	-	919,829
Other expenses		312,397	121,075	71,216	504,688
		1,314,573	455,725	226,085	1,996,383

* Expenses attributed to insurance acquisition cash flows excluded capitalisation and amortisation of insurance acquisition cash flows.

Notes to the Financial Statements

22. Expenses by nature (continued)

Group 2024	Note	Expenses attributed to insurance acquisition cash flows* RM'000	Other directly attributable expenses RM'000	Other operating expenses RM'000	Total RM'000
Advertising and marketing expenses		21,302	5,318	14,847	41,467
Amortisation of intangible assets	5	-	16,139	13,914	30,053
Auditors' remuneration:					
- statutory audit fees		-	1,092	361	1,453
- other audit related fees		-	190	491	681
Insurance and other receivables:					
- reversal of impairment losses		-	-	(206)	(206)
Bank charges		3,164	13,753	140	17,057
Depreciation of property, plant and equipment	3	639	12,832	1,254	14,725
Depreciation of right-of-use assets	4	692	19,050	1,734	21,476
Employee benefits expense	22.1	93,294	187,082	92,438	372,814
Executive directors' emoluments	22.2	-	-	6,379	6,379
Non-executive directors' fee and other emoluments	22.2	-	-	2,811	2,811
Short-term lease expenses		13	1,936	222	2,171
Lease expense on low-value assets		18	76	21	115
Claim expenses		-	19,106	-	19,106
Commissions		846,850	41,000	-	887,850
Other expenses		310,950	88,869	81,972	481,791
		1,276,922	406,443	216,378	1,899,743

* Expenses attributed to insurance acquisition cash flows excluded capitalisation and amortisation of insurance acquisition cash flows.

Notes to the Financial Statements

22. Expenses by nature (continued)

Company	Note	2025 Other operating expenses RM'000	2024 Other operating expenses RM'000
Advertising and marketing expenses		8	27
Amortisation of intangible assets	5	44	-
Auditors' remuneration:			
- statutory audit fees		208	208
- other audit related fees		415	460
Bank charges		2	10
Depreciation of property, plant and equipment	3	452	316
Employee benefits expense	22.1	7,635	4,793
Executive directors' emoluments	22.2	362	334
Non-executive directors' fee and other	22.2	1,608	1,572
Other expenses		25,677	1,445
		36,411	9,165

The following breakdown represents the reconciliation of directly attributable expenses and non-directly attributable expenses:

	2025 RM'000	2024 RM'000
Group		
Directly attributable expenses:		
Management expenses	455,725	406,443
Insurance acquisition cash flows	1,314,573	1,276,922
Non-directly attributable expenses:		
Management expenses		
Investment expenses	12,530	12,072
Other operating expenses	152,943	152,606
Other operating expenses		
Other operating expenses	60,612	25,833
Foreign currency exchange losses	-	25,867
	1,996,383	1,899,743
Company		
Non-directly attributable expenses:		
Other operating expenses	36,411	9,165
	36,411	9,165

Notes to the Financial Statements

22. Expenses by nature (continued)

22.1 Employee benefits expense

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Wages and salaries	302,133	263,386	4,584	2,211
Social security contributions	2,195	1,946	17	13
Contributions to Employees' Provident Fund	43,764	40,828	604	421
Other benefits	61,472	66,654	2,430	2,148
	409,564	372,814	7,635	4,793

22.2 Key management personnel compensation

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Executive Directors/ Chief Executive Officers:				
Salaries and other emoluments	4,010	3,520	185	168
Bonus	2,195	2,161	138	130
Contributions to Employees' Provident Fund	749	698	39	36
	6,954	6,379	362	334
Estimated monetary value of benefits-in-kind	336	115	5	5
	7,290	6,494	367	339
Non-Executive Directors:				
Fees	2,044	2,002	1,204*	1,162#
Other emoluments	803	809	404	410
	2,847	2,811	1,608	1,572
Estimated monetary value of benefits-in-kind	7	7	-	-
	2,854	2,818	1,608	1,572
Other key management personnel*				
Short term employee benefits	22,977	20,630	-	-

Notes to the Financial Statements

22. Expenses by nature (continued)

22.2 Key management personnel compensation (continued)

* Other key management personnel are defined as those persons other than the Directors of the Group and of the Company having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly.

Inclusive of fees for non-executive directors of subsidiaries who are members of Board Committees of the Company amounting to RM144,000 (2024: RM90,000).

The remuneration of CEOs of the Group who are also the Executive Directors of the subsidiaries, including benefits-in-kind, amounted to RM7,290,000 (2024: RM6,494,000).

The number of executive and non-executive directors whose total remuneration and other emoluments received during the year falls within the following bands is:

	Number of directors			
	Group		Company	
	2025	2024	2025	2024
Executive Directors/Chief Executive Officers:				
Below RM1,000,000	-	-	-	1
RM1,000,000 and above	2	2	-	-
Non-Executive Directors:				
RM0	-	-	-	-
Below RM100,000	2	-	6	5
RM100,001 – RM200,000	6	5	2	1
RM200,001 – RM300,000	1	2	4	5
RM300,001 – RM400,000	1	1	-	-
RM400,001 – RM500,000	1	1	-	-
RM500,001 – RM600,000	1	1	-	-
RM600,001 – RM700,000	-	-	-	-
RM700,001 – RM800,000	-	-	-	-

Notes to the Financial Statements

22. Expenses by nature (continued)

22.3 Chief Executive Officers remuneration

2025	Group					Company				
	Salary and other emoluments RM'000	Bonus RM'000	Contributions to Employees Provident Fund RM'000	Estimated monetary value of benefits-in-kind RM'000	Total RM'000	Salary and other emoluments RM'000	Bonus RM'000	Contributions to Employees Provident Fund RM'000	Estimated monetary value of benefits-in-kind RM'000	Total RM'000
Chief Executive Officers										
Wang Wee Keong*	2,090	1,142	386	67	3,685	185	138	39	5	367
Ong Eng Chow**	1,920	1,053	363	269	3,605	-	-	-	-	-
	4,010	2,195	749	336	7,290	185	138	39	5	367
2024										
Chief Executive Officers										
Wang Wee Keong*	1,856	1,127	362	64	3,409	168	130	36	5	339
Ong Eng Chow**	1,664	1,034	336	51	3,085	-	-	-	-	-
	3,520	2,161	698	115	6,494	168	130	36	5	339

* Remuneration receives for his role as the Chief Executive Officer of the Company and the general insurance subsidiary.

** Remuneration receives for his role as the Chief Executive Officer of the life insurance subsidiary.

Notes to the Financial Statements

22. Expenses by nature (continued)

22.4 The total remuneration (including benefits-in kind) of the Directors are as follows:

2025	Group				Company			
	Fees RM'000	Other emoluments RM'000	Benefits- in-kind RM'000	Total RM'000	Fees RM'000	Other emoluments RM'000	Benefits- in-kind RM'000	Total RM'000
Executive Directors								
Wang Wee Keong	-	-	-	-	-	-	-	-
Ong Eng Chow	-	-	-	-	-	-	-	-
Non-Executive Directors								
Zakri Bin Mohd Khir	120	165	-	285	120	165	-	285
Peter Ho Kok Wai	288	51	-	339	168	36	-	204
Tan Sri Datuk Zainun Binti Ali	120	18	-	138	120	18	-	138
Anusha A/P Thavarajah	-	-	-	-	-	-	-	-
Dr Muhammed Abdul Khalid	288	201	7	496	168	39	-	207
Wong Kok Leong	144	36	-	180	144	36	-	180
Dr. Hasnita Binti Dato' Hashim	64	6	-	70	64	6	-	70
Gerard Lim Kim Meng	84	6	-	90	84	6	-	90
Goh Ching Yin	312	210	-	522	192	48	-	240
Lim Tuang Ooi	156	29	-	185	36	14	-	50
Wee Lay Hua	156	27	-	183	36	12	-	48
Lim Fen Nee	156	27	-	183	36	12	-	48
Foo Chee It	156	27	-	183	36	12	-	48
	2,044	803	7	2,854	1,204	404	-	1,608

Notes to the Financial Statements

22. Expenses by nature (continued)

22.4 The total remuneration (including benefits-in kind) of the Directors are as follows (continued):

2024	Group				Company			
	Fees RM'000	Other emoluments RM'000	Benefits- in-kind RM'000	Total RM'000	Fees RM'000	Other emoluments RM'000	Benefits- in-kind RM'000	Total RM'000
Executive Directors								
Wang Wee Keong	-	-	-	-	-	-	-	-
Ong Eng Chow	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Non-Executive Directors								
Zakri Bin Mohd Khir	120	165	-	285	120	165	-	285
Peter Ho Kok Wai	324	63	-	387	204	48	-	252
Goh Ching Yin	312	210	-	522	192	48	-	240
Gerard Lim Kim Meng	192	48	-	240	192	48	-	240
Tan Sri Datuk Zainun Binti Ali	120	18	-	138	120	18	-	138
Anusha A/P Thavarajah	-	-	-	-	-	-	-	-
Dr. Muhammed Bin Abdul Khalid	282	201	7	490	162	39	-	201
Wong Kok Leong	63	9	-	72	63	9	-	72
Fa'izah Binti Mohamed Amin	19	3	-	22	19	3	-	22
Lim Tuang Ooi	156	29	-	185	36	14	-	50
Wee Lay Hua	156	27	-	183	36	12	-	48
Lim Fen Nee	138	21	-	159	18	6	-	24
Foo Chee It	120	15	-	135	-	-	-	-
	2,002	809	7	2,818	1,162	410	-	1,572

Notes to the Financial Statements

23. Tax expense

23.1 Recognised in profit or loss

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current tax expense					
Current year		232,004	193,393	930	582
Under provision in prior years		3,893	766	43	1
		235,897	194,159	973	583
Deferred tax expense/ (income)					
Origination and reversal of temporary differences	13.2	(29,222)	37,750	245	462
Effect of foreign exchange difference		35	-	-	-
Under provision in prior years	13.2	158	2,719	97	67
		(29,029)	40,469	342	529
Total tax expense		206,868	234,628	1,315	1,112

23.2 Deferred tax recognised directly in other comprehensive income

	Note	2025 RM'000	2024 RM'000
Group			
FVOCI reserves			
At 1 January		(26,480)	(13,406)
Net losses arising from change in fair value during the year	13.2	(24,909)	(13,074)
At 31 December		(51,389)	(26,480)
Insurance finance reserves			
At 1 January		20,600	12,244
Net gains arising from change in fair value during the year	13.2	16,126	8,356
At 31 December		36,726	20,600
Other reserves			
At 1 January		(4,837)	(4,837)
Net losses arising from change in fair value during the year	13.2	-	-
At 31 December		(4,837)	(4,837)
Total income tax in other comprehensive income			
At 1 January		(10,717)	(5,999)
Net losses arising from change in fair value during the year	13.2	(8,783)	(4,718)
At 31 December		(19,500)	(10,717)
Company			
FVOCI reserves			
At 1 January		1,201	1
Net (losses)/gains arising from change in fair value during the year	13.2	(51)	1,200
At 31 December		1,150	1,201

Notes to the Financial Statements

23. Tax expense (continued)

23.3 Reconciliation of tax expense

	2025 RM'000	2024 RM'000
Group		
Profit before tax	1,165,650	1,005,364
Tax at Malaysian tax rate of 24% (2024: 24%)	265,612	235,260
Effect of tax attributable to life insurance business	41,095	14,288
Estimation tax relief on actuarial surplus transferable to shareholders' fund	(83,627)	-
Income not subject to tax	(12,829)	(10,405)
Section 110B tax and deferred tax credit set off	(25,143)	(23,458)
Non-deductible expenses	17,709	15,458
	202,817	231,143
Under provision in prior years	4,051	3,485
Total tax expense	206,868	234,628
Company		
Profit before tax	601,919	55,483
Tax at Malaysian tax rate of 24% (2024: 24%)	144,461	13,316
Income not subject to tax	(146,417)	(13,959)
Non-deductible expenses	3,131	1,687
	1,175	1,044
Under provision in prior years	140	68
Total tax expense	1,315	1,112

The income of the general business and life business shareholders' fund is taxed at 24% (2024: 24%). The income tax provided in the life fund for the current and previous financial years is in respect of investment income which is taxed at a reduced tax rate of 8% (2024: 8%) applicable for life insurance business and 24% (2024: 24%) on income other than investment income which is taxed under Section 60(8) of the Income Tax Act, 1967 ("Act").

Notes to the Financial Statements

23. Tax expense (continued)

23.4 Organisation for Economic Co-operation and Development (“OECD”) Pillar Two Model rules

As a fully consolidated affiliated entity of the Allianz SE multinational group, the Group is within the scope of the OECD Pillar Two Model rules. Under these rules, a top-up-tax must be paid per jurisdiction for the difference between the Global Anti-Base Erosion (GloBE) effective tax rate and the 15 per cent minimum rate. Local Pillar Two legislation came into effect from 1 January 2025 in Malaysia, the jurisdiction in which the Group is incorporated. However, as the GloBE effective tax rate of all Allianz entities being situated for tax purposes in jurisdiction is expected to be greater than the minimum rate of 15% no additional income tax is expected for Group. Any transitional reliefs provided by the Pillar Two regulations will be taken as far as possible in order to reduce compliance and reporting efforts.

24. Earnings per ordinary share

(a) Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 December 2025 was based on the profit attributable to ordinary shareholders adjusted for preference dividends of RM298,705,000 (2024: RM53,499,000) and the weighted average number of ordinary shares in issue during the year of 181,548,000 (2024: 178,658,000).

Group	2025	2024
Profit attributable to ordinary shareholders (RM'000)	958,782	770,736
Adjustment:		
- Preference dividends declared (RM'000)	(298,705)	(53,499)
Adjusted profit attributable to ordinary shareholders (RM'000)	660,077	717,237
Weighted average number of shares in issue ('000)	181,548	178,658
Basic earnings per ordinary share (sen)	363.58	401.46

(b) Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share at 31 December 2025 was based on profit attributable to ordinary shareholders and the weighted average number of ordinary shares in issue after adjusting for the effects of all dilutive potential ordinary shares, calculated as follows:

Group	2025	2024
Profit attributable to equity shareholders (RM'000)	958,782	770,736
Weighted average number of shares in issue ('000)	181,548	178,658
Effect of conversion of ICPS ('000)	161,953	166,637
Diluted weighted average number of ordinary shares during the year ('000)	343,501	345,295
Diluted earnings per ordinary share (sen)	279.12	223.21

Notes to the Financial Statements

25. Dividends

Dividends recognised by the Company:

	Sen per share (single tier)	Total amount RM'000	Date of payment
2025			
First Interim 2025 preference dividend	107.4	173,937	13 Feb 2026
First Interim 2025 ordinary dividend	89.5	164,907	13 Feb 2026
		338,844	
Final 2024 preference dividend	75.6	124,768	16 Jul 2025
Final 2024 ordinary dividend	63.0	114,136	16 Jul 2025
		238,904	
		577,748	
2024			
First Interim 2024 preference dividend	31.80	53,499	12 Jun 2024
First Interim 2024 ordinary dividend	26.50	47,162	12 Jun 2024
		100,661	

26. Operating leases

Leases as lessor

The future undiscounted lease payments to be received are as follows:

	2025 RM'000	2024 RM'000
Less than one year	202	201
Between 1 and 2 years	88	159
Between 2 and 3 years	-	54
	290	414

27. Capital commitments

Group	2025 RM'000	2024 RM'000
Property, plant and equipment		
Contracted but not provided for	433	212
Software development		
Contracted but not provided for	27,062	3,712

Notes to the Financial Statements

28. Operating segments

Segment information is presented in respect of the Group's business segments. Each business segment is managed separately based on the Group's management and internal reporting structure.

Performance is measured based on segment profit before tax, interest, depreciation and amortisation, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer (the chief operating decision maker). Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total segment asset is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer. Segment total asset is used to measure the return of assets of each segment.

Segment capital expenditure

Segmental capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one period.

28.1 Business segments

The Group comprises the following main business segments:

Investment holding	Investment holding
General insurance	Underwriting of all classes of general insurance business
Life insurance	Underwriting of all classes of life insurance and investment-linked business

28.2 Geographical segments

The Group operates predominantly in Malaysia and, accordingly, the Directors are of the opinion that the financial information by geographical segments of the Group's operations is not necessary to be presented.

Business segments	Investment holding RM'000	General insurance RM'000	Life insurance RM'000	Consolidated RM'000
2025				
Segment insurance revenue	-	3,579,796	2,657,170	6,236,966
Segment interest revenue	19,154	266,855	606,304	892,313
Segment results	(3,935)	624,770	544,815	1,165,650
Profit before tax				1,165,650
Tax expense				(206,868)
Profit for the year				958,782
Segment assets	570,188	8,922,711	21,002,035	30,494,934
Segment liabilities	363,269	5,719,310	18,125,134	24,207,713
Capital expenditure	1,949	28,093	25,916	55,958
Depreciation of property, plant and equipment	452	8,679	4,711	13,842
Amortisation of intangible assets	44	20,971	16,362	37,377
Allowance for impairment loss on receivables	-	-	127	127

Notes to the Financial Statements

28. Operating segments (continued)

Business segments	Investment holding RM'000	General insurance RM'000	Life insurance RM'000	Consolidated RM'000
2024				
Segment insurance revenue	-	3,219,010	2,432,478	5,651,488
Segment interest revenue	15,170	233,544	585,834	834,548
Segment results	(14,531)	537,861	482,034	1,005,364
Profit before tax				1,005,364
Tax expense				(234,628)
Profit for the year				770,736
Segment assets	225,530	8,229,430	20,033,445	28,488,405
Segment liabilities	36,965	5,163,332	17,460,000	22,660,297
Capital expenditure	361	26,352	16,948	43,661
Depreciation of property, plant and equipment	316	9,317	5,092	14,725
Amortisation of intangible assets	-	18,462	11,591	30,053
Reversal of impairment loss on receivables	-	-	(206)	(206)

29. Related parties

29.1 Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related Parties	Relationship
Allianz SE, Munich ("Allianz SE")	Ultimate holding company
Allianz Europe B.V.	Penultimate holding company
Allianz Asia Holding Pte. Ltd.	Immediate holding company
Allianz Life Insurance Malaysia Berhad	Subsidiary of the Company
Allianz General Insurance Company (Malaysia) Berhad	Subsidiary of the Company
Allianz SE Insurance Management Asia Pacific	Related company of AMB
Allianz Technology SE	Related company of AMB
Allianz Technology (Thailand) Corporation Limited	Related company of AMB
Allianz Technology Sdn Bhd	Related company of AMB
Allianz Investment Management SE	Related company of AMB
Allianz Investment Management Singapore Pte Ltd	Related company of AMB
Allianz Beratungs-Und Vertriebs-AG	Related company of AMB
Allianz China General Insurance Company Ltd	Related company of AMB
Allianz C.P General Insurance Co. Ltd	Related company of AMB

Notes to the Financial Statements

29. Related parties (continued)

29.1 Identity of related parties (continued)

Related Parties	Relationship
Allianz Digital Health GmbH	Related company of AMB
Allianz General Laos	Related company of AMB
Allianz Global Benefits GmbH	Related company of AMB
Allianz Global Corporate & Specialty SE Singapore Branch	Related company of AMB
Allianz Global Corporate & Specialty SE Hong Kong Branch	Related company of AMB
Allianz Global Corporate & Specialty SE	Related company of AMB
Allianz Global Investors Singapore Limited	Related company of AMB
Allianz Global Investors Asia Pacific Limited	Related company of AMB
Allianz Global Risks Nederland	Related company of AMB
Allianz Jingdong General Insurance Co Ltd	Related company of AMB
Allianz Insurance New Zealand	Related company of AMB
Allianz Insurance Company of Singapore Pte Ltd	Related company of AMB
Allianz Risk Consulting LLC	Related company of AMB
Allianz PNP Life Insurance	Related company of AMB

Related Parties	Relationship
Allianz SE General Reinsurance	Related company of AMB
Allianz SE Reinsurance Branch Asia Pacific	Related company of AMB
AWP Services Sdn. Bhd.	Related company of AMB
Euler Hermes Singapore Services Pte. Ltd.	Related company of AMB
Euler Hermes Deutschland AG, Singapore branch	Related company of AMB
IDS GmbH	Related company of AMB
PT Asuransi Allianz Life Indonesia	Related company of AMB
PT Asuransi Allianz Utama Indonesia Ltd	Related company of AMB
Pacific Investment Management Company	Related company of AMB
Rapidpro Consulting Sdn. Bhd.	Company connected to the Director of the Company

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group or the Company either directly or indirectly and entity that provides key management personnel services to the Group. The key management personnel include all the Directors of the Group and the Company, and certain members of Senior Management Committee of the Group and the Company. There were no significant transactions with the Group and the Company during the financial year other than key management personnel compensation as disclosed in Note 22.2.

Notes to the Financial Statements

29. Related parties (continued)

29.2 The significant transactions with related parties are as follows:

Group	For the year ended 31 December 2025 RM'000	For the year ended 31 December 2024 RM'000
Trade		
Ultimate holding company		
Reinsurance premium ceded, net of commission income	(94,852)	(73,009)
Reinsurance claims recovery	(1,242)	(36,002)
Related companies*		
Reinsurance premium ceded, net of commission income	(219,606)	(237,888)
Reinsurance claims recovery	28,797	8,841
Non-trade		
Ultimate holding company		
Personnel expenses	(4,039)	(2,515)
Global marketing expenses	(6,187)	(6,216)
Reimbursement/(Expenses) of expenses made on behalf	2,612	(1,541)
Software license fees	(22)	(42)
Training and other fees	(215)	(167)
Fees for sharing of Global procurement (excluding Information Technology ("IT")) services and support	(122)	(111)
Employee related incentive	(7,288)	(2,431)

Group	For the year ended 31 December 2025 RM'000	For the year ended 31 December 2024 RM'000
Global technical support fees	(9,548)	(9,020)
Employee Share Participation Programs related admin costs	(189)	-
Global mobility service fees	(629)	(312)
Fees for implementation of Azeus Convene Meeting Management Software	-	(39)
Group Human Resource (GHR) IT Licenses & Maintenance expenses	(81)	(14)
Human Resource Transformation (HRT) Project	(168)	(177)
Sharing of cost of the implementation of System Applications and Products in Data Processing (SAP) Success Factors system	(232)	(296)
Sharing of cost to support Group Data Analytics	-	(121)
Support the development and improvement of Technical Excellence expenses	(221)	(234)
Group charges on Compliance Advanced Research Application (CARA)	-	(25)
Sharing of common expenses	-	(133)
Reversal of training-related expenses	(2,458)	(25)
Group charges on Digital Resilience Group Initiative	(2,681)	-
Business transformation	(32)	-
Business building and regional investment	(5,421)	(9,075)

Notes to the Financial Statements

29. Related parties (continued)

29.2 The significant transactions with related parties are as follows (continued):

Group	For the year ended 31 December 2025 RM'000	For the year ended 31 December 2024 RM'000
Non-trade (continued)		
Related companies*		
Service fees	(262)	(606)
Reimbursement of other expenses	2,352	1,523
Investment and redemption of funds (including fund management fees) expenses	(142,423)	(114,164)
Investment advisory fees	(3,766)	(2,820)
Performance attribution analysis expenses	(11)	(10)
Sharing of common expenses	(2,041)	(373)
Asset and investment manager database expenses	(385)	(352)
Reimbursement of life actuarial modelling services	2,537	2,397
Reimbursement for SAP Master Data Management support services and ARIBA	612	587
Provision of Satellite Office Project	19,396	-
Annual maintenance and support fee for software system	(3,765)	(3,281)
Allianz Virtual Client, Windows Distributor File System and Data Center Consolidation expenses	(1,127)	(1,180)
Fee for HRT run services	(1,107)	(1,110)
Software license fees	(24,034)	(16,080)
Human resource database platform and recruitment solution expenses	(74)	(228)
Global mobility charges	(19)	(1,428)
Fee to develop a suite of digital health tools	(2,104)	(1,123)

Group	For the year ended 31 December 2025 RM'000	For the year ended 31 December 2024 RM'000
Various software licenses expenses	-	(139)
Fees for the implementation of a software intelligence platform	(139)	(699)
Fees for usage of Google Analytics	(39)	(504)
Fees for the purchase of ServiceNow implementation services	(750)	(462)
Fees for the usage of Public Cloud Service Allianz Virtual Client for shared remote app and license pack base	(156)	(602)
Payment of personnel cost	-	(7)
Jira Master Platform user license subscription fee	(232)	(301)
Implementation services for Local Identity and Access Management ("LIAM") expenses	(242)	(517)
Engagement with Allianz Technology SE ("AZT") for the purchase of Modern Authentication ("MFA") Solution user license for AVC connection	-	(1)
AZT Malaysia IT Services	(26,021)	(14,753)
Information and technology services	(26,161)	(12,503)
Actuarial modelling services	(210)	(854)
Rental/lease income of Headquarter Office at Menara Allianz Sentral	789	884
Fees for the maintenance of the Solely Payment of Principal and Interest and Impairment engine	-	(48)
Agile training services	(2)	(1)
Microsoft 365 Group Tenant Project cost	(4,506)	(90)
Fees for providing master and market data for required investments	(67)	(103)

Notes to the Financial Statements

29. Related parties (continued)

29.2 The significant transactions with related parties are as follows (continued):

Group	For the year ended 31 December 2025 RM'000	For the year ended 31 December 2024 RM'000
Non-trade (continued)		
Related companies*		
Implementation of Celonis expenses	(153)	(32)
Reimbursement of training-related expenses from AZAP	-	72
Crisis management exercise	(17)	-
IBM Software Maintenance	(263)	-
Encryption expansion for Vormetric Data Encryption License (VDEL)	(42)	-
Project management for Allianz360	(164)	-
Lighthouse project	(3,362)	-
Actimize System - Anti-Money Laundering Standard Solution	(738)	-
Videoconferencing services	(58)	-
Group charges on Digital Resilience Group Initiative (DORA)	(1,018)	-
Professional Patterns of Leadership (PPL) program	(17)	-
Related party – Company connected to the Director of the Company		
Training and other fees	(36)	(530)

* Related companies are companies within the Allianz SE group.

Related party transactions have been entered into in the normal course of business under normal trade terms.

Significant related party balances related to the above transactions are disclosed in Notes 10 and 17. Included in Notes 9 and 15, the outstanding balances due to related party reinsurers amounting to RM509,000 (2024: RM4,819,000).

Company	For the year ended 31 December 2025 RM'000	For the year ended 31 December 2024 RM'000
Non-trade		
Subsidiaries		
Dividend income	611,000	60,288
Reimbursement of other expenses	384	321
Reimbursement of expenses related to common resources	41,959	30,694
Rental of other premises	(793)	(757)
Reimbursement of life actuarial modelling services	571	490
Reimbursement for SAP Master Data Management support services	62	33
Transfer of property, plant and equipment	-	268
Reimbursement for maintenance and usage of BKMS license	7	-
Sharing of Compliance Advanced Research Application (CARA) expenses	24	-
Sharing of compliance charges for gifts and entertainment tools	7	-
Related companies*		
Reimbursement of life actuarial modelling services	2,537	2,397
Reimbursement for SAP Master Data Management support services and ARIBA	612	587
Provision of Satellite Office Project	19,396	-

* Related companies are companies within the Allianz SE group.

Notes to the Financial Statements

29. Related parties (continued)

29.2 The significant transactions with related parties are as follows (continued):

Related party transactions have been entered into in the normal course of business under normal trade terms.

Significant related party balances related to the above transactions are disclosed in Notes 10 and 17.

30. Risk management framework

As a provider of insurance services, the Group considers risk management to be one of its core competencies. It is an integral part of the Group's business process. In order to protect the assets of the Group, the Group has established a risk management framework to promote a strong risk management culture supported by a robust risk governance structure.

This framework ensures that risks are properly identified, analysed and evaluated. Risk appetite is defined by a risk strategy and limit structure. Close monitoring and reporting allow the Group to detect deviations from its risk tolerance limits at an early stage.

The Allianz risk management practice consists of the following key areas:

(a) Risk underwriting and identification

A sound risk underwriting and identification framework including risk assessment, risk standards, and clear targets form the foundation for adequate risk taking and management decisions such as individual transaction approval, new product approval, strategic or tactical asset allocation.

(b) Risk reporting and monitoring

The Group's qualitative and quantitative risk reporting and controlling framework provides transparency and risk indicators to senior management with regards to its overall risk profile and whether the profile is within delegated limits and authorities.

(c) Risk strategy and risk appetite

The Group's risk strategy clearly defines its risk appetite. It ensures that returns are appropriate for the risks taken and that the delegated authorities are in line with the Group's overall risk bearing capacity. The risk-return profile is managed through integration of risk appetite and capital needs in decision making process. This also keeps risk strategy and business objectives consistent with each other and allows the Group to take opportunities within its risk appetite.

(d) Communication and transparency

Finally, a transparent and robust risk disclosure provides a basis for communicating this strategy to the Group's internal and external stakeholders, ensuring a sustainable positive impact on valuation and financing.

Risk governance structure

The Board of Directors of the Company ("the Board") assumes the ultimate responsibility over the effectiveness of the Group's risk management and internal control systems by establishing and supervising the operation of the risk management framework. The Board has delegated the responsibility to establish and supervise the operation of the risk management framework to the Risk Management Committee ("RMC") to discharge its oversight function effectively.

RMC bears the overall responsibility for effective risk identification, measurement, monitoring and control functions of the Group. RMC also oversees the Senior Management's activities in managing the key risk areas of the Group and to ensure that the risk management process is in place and functioning effectively. The RMC is responsible for driving the risk management framework of the Group and to report to the Board on its recommendations and/or decisions. Through structured reporting from the Risk Management Working Committee ("RMWC"), RMC will consolidate the status of the risks and present them to the Board for consideration.

Notes to the Financial Statements

30. Risk management framework (continued)

RMWC serves as and provides a platform for two way communications between the management and the RMC on matters of the Group's risk management framework and its strategies. RMWC is responsible in formulating risk management strategies, policies and risk tolerance for RMC review and onward transmission of recommendation to the Board. RMWC determines the allocation of risks by cascading and/or escalating to the relevant owners. RMWC also oversees the compliance of all risk management process by all departments of the Group and provides pre-emptive recommendations to ensure timely action is taken in managing and mitigating the identified risks.

Risk Governance in Asset and Liability Management ("ALM")

The Investment Committee ("IC") has been tasked to manage business practices so that decisions and actions taken with respect to assets and liabilities are coordinated. It involves various management activities and responsibilities, including the formulation of long-term strategic goals and the management of various risks including liquidity risk, interest rate risk and market risk.

The ALM process is subjected to external and internal constraints.

- External constraints include supervisory and legislative requirements, market condition, as well as the interests and expectations of policyholders and other stakeholders. For instance, one of the major constraints is the liquidity of the assets and liabilities which may compromise the ability to price, measure and hedge exposures.
- Internal constraints such as asset allocation and environmental, social and governance ("ESG") integration framework, which limits reflect the Group's management philosophy or professional judgement (although this may also be influenced by external constraints).

Composition of underlying items for contracts measured under VFA

Group	2025 RM'000	2024 RM'000
Fair value of the underlying assets		
Malaysian government securities	4,377,198	3,977,861
Malaysian government guaranteed bonds	2,097,527	2,084,015
Quoted equity securities of corporations in Malaysia	3,969,512	3,876,793
Quoted equity securities of corporations outside Malaysia	6,398	17,329
Unquoted bonds of corporations in Malaysia	2,967,123	2,995,217
Unquoted bonds of corporations outside Malaysia	88,908	104,244
Quoted unit trusts in Malaysia	80,973	90,271
Unquoted unit trusts in Malaysia	25,637	24,750
Unquoted unit trusts outside Malaysia	719,863	467,877
Fixed deposits with licensed financial institutions	116,952	74,964
Structured deposits	75,100	-
Cash and cash equivalents	680,397	774,656
	15,205,588	14,487,977

Governance and regulatory framework

The Group is required to comply with the requirements of the FSA 2013, relevant regulations and guidelines imposed by BNM, including relevant guidelines from Life Insurance Association Malaysia ("LIAM"), Persatuan Insurans Am Malaysia ("PIAM") and Bursa Securities Malaysia Berhad.

The Group is also required to comply with all Allianz SE Group's policies and standards. If there is any conflict with the local laws or regulations, the local laws or regulations have priority while the stricter will apply where possible.

Notes to the Financial Statements

31. Underwriting risk

31.1 Life insurance contracts

Underwriting risk comprises insurance risk, policyholder behaviour risk and expense risk.

(a) Insurance risk

The risk transferred from the policyholder to ALIM, other than financial risk. Insurance risk arises from the inherent uncertainty about the occurrence, amount or timing of claims.

(b) Policyholder behaviour risk

The risk that a policyholder will cancel a contract (i.e. lapse or persistency risk), increase or reduce premiums, withdraw deposits a contract earlier or later than expected.

(c) Expense risk

The risk of unexpected increases in the administrative costs associated with the servicing of a contract (rather than in the costs associated with insured events).

Management of underwriting risk

The board of directors sets ALIM's strategy for accepting and managing underwriting risk. The board continuously reviews its underwriting strategy in light of evolving market pricing and loss conditions and as opportunities present themselves.

(i) Life insurance contract

Mortality and morbidity risks are mitigated by the use of reinsurance. ALIM allows local management to select reinsurers from a list of reinsurers approved by ALIM. The aggregation of risk ceded to individual reinsurers is monitored at both country and company levels.

Policyholder behaviour risk is considered when designing products – e.g. by means of additional charges on the early surrender of contracts in order to recover acquisition cash flows. Persistency is monitored at local entity level and experience is benchmarked against local market information. From time to time, local management may implement specific initiatives to improve retention.

Expense risk is managed at local entity level through the annual budgeting process and regular expense analyses.

(ii) Key assumptions

Significant judgement is required in determining the liabilities and in the choice of assumptions. Assumptions in use are based on past experiences, current internal data, external market indices and benchmarks which reflect current observable market prices and other published information. Assumptions are determined at the date of valuation. They are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations.

Notes to the Financial Statements

31. Underwriting risk (continued)

31.1 Life insurance contracts (continued)

Management of underwriting risk (continued)

(ii) Key assumptions (continued)

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

Mortality and morbidity rates

Experience study on mortality and morbidity rates is carried out on an annual basis. The actual claim experience is compared against industrial mortality table and reinsurers' mortality and morbidity risk charges. Mortality and morbidity assumptions vary by product type and underwriting procedures.

ALIM can adjust the mortality/morbidity risk charges in future years in line with emerging experience for investment-linked and universal life contracts.

Expenses

Expense assumption was set during initial pricing stage. Expense assumption is reviewed annually to reflect inflation due to higher cost of underwriting, issuing and maintaining the policies. Expense assumption varies by premium term, distribution channel, policy duration and underwriting procedures. The expense assumption is compared to actual expense that ALIM incurred.

Persistency

Experience study on persistency (lapse, surrender, premium holiday, partial withdrawal) is carried out on an annual basis using statistical method. Persistency assumptions vary by product type, distribution channel and policy duration.

Discount rate

ALIM pursues a bottom-up approach in the determination of the discount rates, where all cash flows are discounted using the risk-free rates adjusted for an illiquidity premium. The risk-free rates are constructed from observed spot rates of the local government bonds up to 20 years, with adjustment to remove the credit risk of the government bonds. Thereafter, the risk-free rates are extrapolated towards the ultimate forward rate using the Smith-Wilson method.

ALIM determines the illiquidity adjustment based on the spread of reference portfolio, corrected for expected and unexpected credit loss and application ratio to reflect the difference in illiquidity characteristics of the insurance contract liabilities and the chosen reference portfolio.

ALIM applies the OCI option and recognises the impact of changes in discount rates in OCI. Current interest rates are applied in the measurement of FCF in the statement of financial position. The interest rates applied to recognise the insurance finance income or expense in the statement of profit or loss is based on locked-in interest rates determined on initial recognition.

Notes to the Financial Statements

31. Underwriting risk (continued)

31.1 Life insurance contracts (continued)

Management of underwriting risk (continued)

(ii) Key assumptions (continued)

The assumptions that have significant effects on the gross insurance and reinsurance liabilities are listed below.

Group	Mortality and morbidity rates ⁽¹⁾		Lapse and surrender rates		Discount rate ⁽²⁾	
	2025 %	2024 %	2025 %	2024 %	2025 %	2024 %
Type of business						
With fixed and guaranteed terms and with DPF contracts						
Life insurance	90-100	70-100	3-20	3-20	2.00-5.00	3.00-5.00
Without DPF contracts						
Life insurance	50-170	50-120	3-70	3-70	2.00-5.00	3.00-5.00

⁽¹⁾ Industry mortality and morbidity experience tables that were observed in Malaysia between year 2016 and 2020 or the respective reinsurance risk rates.

⁽²⁾ The Group applies the OCI option and recognises the impact of changes in discount rates in OCI. Current interest rates are applied in the measurement of FCF in the statement of financial position. The interest rates applied to recognise the insurance finance income or expense in the statement of profit or loss is based on locked-in interest rates determined on initial recognition.

Notes to the Financial Statements

31. Underwriting risk (continued)

31.1 Life insurance contracts (continued)

Management of underwriting risk (continued)

(iii) Sensitivity analysis

The table below analyses how the PVFCF, CSM, 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.

Group	Change in assumptions	Impact on liabilities		PVFCF		CSM		Profit or loss		Equity	
		Gross RM'000	Net RM'000	Gross RM'000	Net RM'000	Gross RM'000	Net RM'000	Gross RM'000	Net RM'000	Gross RM'000	Net RM'000
Life insurance contracts											
31 December 2025											
Mortality rates	+15%	20,689	3,191	210,455	100,315	(188,926)	(101,610)	(26,973)	(14,141)	(20,688)	(3,190)
Morbidity rates	+5%	32,992	29,542	327,322	305,019	(288,591)	(270,582)	(43,276)	(40,545)	(32,992)	(29,541)
Discount rate	-0.5%	306,758	307,166	249,851	251,618	44,759	44,759	(5,931)	(2,313)	24,414	24,008
Expenses	+10%	10,875	10,858	113,371	113,371	(101,354)	(101,247)	(14,237)	(14,221)	(10,874)	(10,858)
Lapse and surrender rates	+10%	6,107	4,567	257,313	241,759	(209,232)	(197,875)	(8,357)	(7,521)	(6,107)	(4,567)
31 December 2024											
Mortality rates	+15%	28,522	5,815	222,889	105,048	(200,490)	(105,117)	(28,403)	(14,717)	(14,914)	(4,419)
Morbidity rates	+5%	42,999	39,062	312,151	290,770	(273,890)	(256,185)	(42,910)	(40,341)	(31,705)	(29,688)
Discount rate	-0.5%	315,457	315,572	253,402	254,736	41,526	41,526	(5,223)	(1,542)	13,370	28,835
Expenses	+10%	14,912	14,845	116,841	116,841	(104,379)	(104,301)	(14,874)	(14,815)	(11,358)	(11,284)
Lapse and surrender rates	+10%	6,305	4,738	221,614	207,234	(178,164)	(167,426)	(6,562)	(5,772)	(4,004)	(3,601)

The method used and key assumptions made for deriving sensitivity information did not change from the previous year.

Notes to the Financial Statements

31. Underwriting risk (continued)

31.1 Life insurance contracts (continued)

Management of underwriting risk (continued)

(iii) Sensitivity analysis (continued)

Changes in underwriting risk variables mainly affect the PVFCF and CSM, profit or loss and equity as follows:

PVFCF	Changes in PVFCF.
CSM	Changes in fulfilment cash flows not relating to any loss components, other than those recognised as insurance finance income or expenses.
Profit or loss	Changes in fulfilment cash flows relating to loss components. Changes in fulfilment cash flows that are recognised as insurance finance income or expenses in profit or loss.
Equity	Changes in fulfilment cash flows that are recognised as insurance finance income or expenses in OCI. The effect on profit or loss under profit or loss.

The insurance risk of life insurance contracts consists of mortality and morbidity. Mortality and morbidity risk represents the risk of loss attributable to positive or negative changes in the assumed medical prognosis for life expectancy, occupational disability, illness and the need for long-term care as well as underestimation of these probabilities.

The table below shows the concentration of insurance and reinsurance liabilities by type of contract (with and without DPF).

Group	Gross			Reinsurance			Net RM'000
	With DPF RM'000	Without DPF RM'000	Total RM'000	With DPF RM'000	Without DPF RM'000	Total RM'000	
31 December 2025	3,556,795	13,435,121	16,991,916	(14,794)	156,020	141,226	17,133,142
31 December 2024	3,636,286	12,740,497	16,376,783	(10,318)	142,499	132,181	16,508,964

As all of the business is derived from Malaysia, the entire insurance contract liabilities are in Malaysia. There is no investment contract issued by ALIM during the current and previous financial years.

Notes to the Financial Statements

31. Underwriting risk (continued)

31.2 General insurance contracts

The board of directors sets AGIC's strategy for accepting and managing underwriting risk. Specific underwriting objectives – e.g. aggregation limits, reinsurance protection thresholds and line of business diversification parameters – are prepared and reviewed by AGIC's chief underwriting officer. The board continuously reviews its underwriting strategy in light of evolving market pricing and loss conditions and as opportunities present themselves.

Underwriting risk includes the risk of incurring higher claims costs than expected owing to the random nature of claims, frequency and severity and risk of change in the legal or economic conditions of insurance or reinsurance cover. This may result in the insurer having either received too little premium for the risks it has agreed to underwrite and hence has not enough funds to invest and pay claims, or that claims are in excess of those expected.

AGIC seeks to minimise underwriting risks through a formalised reinsurance arrangement with an appropriate mix and spread of business between classes of business based on its overall strategy. This is complemented by observing formalised underwriting guidelines, limits and standards.

The insurance risk of LRC and LIC consists of premium and reserve risks. Premium risk represents the risk of loss because of an unexpected high loss volume resulting in an insufficient coverage of premiums. Reserve risks represent the risk of loss resulting from deviations between payments for incurred losses that have not yet been settled and the reserves set up to cover these payments, or the use of an insufficient basis for the calculation of reserves.

The table below sets out the concentration of the general insurance risk based on the LIC (before impairment of reinsurance contract held) as at the end of the reporting period. The portfolios are aggregated for internal monitoring purposes as below:

Group	2025			2024		
	Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000
Fire	404,918	(141,926)	262,992	397,294	(155,658)	241,636
Motor	2,490,041	(240,248)	2,249,793	2,086,422	(82,432)	2,003,990
Others	806,271	(290,095)	516,176	782,327	(307,047)	475,280
Total	3,701,230	(672,269)	3,028,961	3,266,043	(545,137)	2,720,906

Notes to the Financial Statements

31. Underwriting risk (continued)

31.2 General insurance contracts (continued)

Key assumptions

The principal assumption underlying the liability estimates is that the subsidiary's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs and claim numbers for each accident year. Additional qualitative judgements are used to assess the extent to which past trends may not apply in the future, for example one-off occurrence as well as internal factors such as portfolio mix, policy conditions and claims handling procedures.

Sensitivities

Analysis of sensitivity around various scenarios provides an indication of the adequacy of the subsidiary's estimation process in respect of its insurance contracts. The table presented below demonstrates the sensitivity of the insurance contract liabilities estimates to particular movements in assumptions used in the estimation process.

The analysis below is performed for reasonable possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities for incurred claims, profit after tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear.

Group	Change in assumptions	Impact on insurance contract liabilities RM'000	Impact on profit after tax RM'000	Impact on equity after tax RM'000
31 December 2025				
Average claim cost	+10%	383,145	(237,622)	(239,048)
Average number of claims	+10%	449,549	(299,749)	(301,546)
Average claim cost	-10%	(383,145)	237,622	239,048
Average number of claims	-10%	(449,549)	299,749	301,546
31 December 2024				
Average claim cost	+10%	337,222	(213,484)	(213,532)
Average number of claims	+10%	437,230	(305,000)	(305,111)
Average claim cost	-10%	(337,222)	213,484	213,532
Average number of claims	-10%	(437,230)	305,000	305,111

Sensitivity for one of the key assumptions – interest rate is disclosed in Note 32.3.2 interest rate risk. The method used for deriving sensitivity information and significant assumptions did not change from the previous year.

Claims development table

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

While the information in the tables provides a historical perspective on the adequacy of the unpaid claims estimate established in previous years, users of these financial statements are cautioned against extrapolating redundancies or deficiencies of the past on current unpaid loss balances.

Notes to the Financial Statements

31. Underwriting risk (continued)

31.2 General insurance contracts (continued)

Claims development table (continued)

The management of the subsidiary believes that the estimate of total claims outstanding as of 31 December 2025 is adequate. However, due to the inherent uncertainties in the reserving process, it cannot be assured that such balances will ultimately prove to be adequate.

Gross liabilities for incurred claims as at 31 December 2025:

Group Accident year	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000	Total RM'000
At end of accident year	1,465,757	1,509,464	1,429,139	1,738,148	1,717,578	1,773,004	2,143,840	2,258,240	
One year later	1,380,596	1,453,938	1,283,734	1,571,530	1,601,371	1,678,040	2,112,073	-	
Two years later	1,372,723	1,407,591	1,243,949	1,515,767	1,555,267	1,647,055	-	-	
Three years later	1,347,544	1,390,544	1,221,463	1,482,360	1,536,091	-	-	-	
Four years later	1,322,821	1,367,014	1,186,759	1,452,401	-	-	-	-	
Five years later	1,314,965	1,352,895	1,177,526	-	-	-	-	-	
Six years later	1,280,067	1,311,217	-	-	-	-	-	-	
Seven years later	1,254,156	-	-	-	-	-	-	-	
Cumulative gross claims paid (Direct & Fac)	(1,206,619)	(1,171,761)	(1,054,450)	(1,206,494)	(1,240,082)	(1,193,911)	(1,301,331)	(810,762)	(9,185,410)
Gross claims liabilities (Direct & Fac) – accident years from 2018 to 2025	47,537	139,456	123,076	245,907	296,009	453,144	810,742	1,447,478	3,563,349
Gross claims liabilities (Direct & Fac) – prior accident years									22,637
Gross claims liabilities (treaty inwards, Malaysian National Reinsurance Berhad "MNRB", MMIP and other adjustments)									9,218
Claims handling expenses									38,762
Effect of discounting									(169,151)
Effect of the risk adjustment for non-financial risk									236,415
Gross LIC for the contracts originated									3,701,230

Notes to the Financial Statements

31. Underwriting risk (continued)

31.2 General insurance contracts (continued)

Claims development table (continued)

Gross liabilities for incurred claims as at 31 December 2024:

Group Accident year	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	Total RM'000
At end of accident year	1,471,640	1,465,757	1,509,464	1,429,139	1,738,148	1,717,578	1,773,004	2,143,840	
One year later	1,406,527	1,380,596	1,453,938	1,283,734	1,571,530	1,601,371	1,678,040	-	
Two years later	1,362,861	1,372,723	1,407,591	1,243,949	1,515,767	1,555,267	-	-	
Three years later	1,336,934	1,347,544	1,390,544	1,221,463	1,482,360	-	-	-	
Four years later	1,324,758	1,322,821	1,367,014	1,186,759	-	-	-	-	
Five years later	1,312,706	1,314,965	1,352,895	-	-	-	-	-	
Six years later	1,283,180	1,280,067	-	-	-	-	-	-	
Seven years later	1,264,242	-	-	-	-	-	-	-	
Cumulative gross claims paid (Direct & Fac)	(1,237,979)	(1,191,473)	(1,164,609)	(1,023,087)	(1,168,474)	(1,157,391)	(1,051,849)	(821,282)	(8,816,144)
Gross claims liabilities (Direct & Fac) – accident years from 2017 to 2024	26,263	88,594	188,286	163,672	313,886	397,876	626,191	1,322,558	3,127,326
Gross claims liabilities (Direct & Fac) – prior accident years									31,855
Gross claims liabilities (treaty inwards, MNRB, Business outside Malaysia, MMIP and other adjustments)									14,816
Claims handling expenses									30,329
Effect of discounting									(165,238)
Effect of the risk adjustment for non-financial risk									226,955
Gross LIC for the contracts originated									3,266,043

Notes to the Financial Statements

31. Underwriting risk (continued)

31.2 General insurance contracts (continued)

Claims development table (continued)

Net liabilities for incurred claims as at 31 December 2025:

Group Accident year	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000	Total RM'000
At end of accident year	1,316,381	1,288,646	1,275,378	1,378,058	1,606,710	1,668,776	1,966,435	1,912,858	
One year later	1,250,031	1,262,739	1,163,249	1,427,263	1,469,686	1,593,975	1,894,529	-	
Two years later	1,224,761	1,244,906	1,140,917	1,176,668	1,429,641	1,566,593	-	-	
Three years later	1,208,500	1,237,143	1,126,967	1,146,619	1,413,432	-	-	-	
Four years later	1,196,597	1,214,741	1,096,113	1,128,282	-	-	-	-	
Five years later	1,190,577	1,202,982	1,086,685	-	-	-	-	-	
Six years later	1,159,627	1,152,728	-	-	-	-	-	-	
Seven years later	1,152,103	-	-	-	-	-	-	-	
Cumulative net claims paid (Direct & Fac)	(1,118,973)	(1,098,243)	(978,702)	(978,509)	(1,155,870)	(1,145,525)	(1,203,227)	(693,918)	(8,372,967)
Net claims liabilities (Direct & Fac) – accident years from 2018 to 2025	33,130	54,485	107,983	149,773	257,562	421,068	691,302	1,218,940	2,934,243
Net claims liabilities (Direct & Fac) – prior accident years									16,671
Net claims liabilities (treaty inwards, MNRB, business outside Malaysia, MMIP and other adjustments)									8,784
Claims handling expenses									38,762
Effect of discounting									(141,039)
Effect of the risk adjustment for non-financial risk									170,722
Effect of non-performance risk of reinsurers									818
Net LIC for the contracts originated									3,028,961

Notes to the Financial Statements

31. Underwriting risk (continued)

31.2 General insurance contracts (continued)

Claims development table (continued)

Net liabilities for incurred claims as at 31 December 2024:

Group Accident year	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	Total RM'000
At end of accident year	1,279,931	1,316,381	1,288,646	1,275,378	1,378,058	1,606,710	1,668,776	1,966,435	
One year later	1,228,773	1,250,031	1,262,739	1,163,249	1,427,263	1,469,686	1,593,975	-	
Two years later	1,198,917	1,224,761	1,244,906	1,140,917	1,176,668	1,429,641	-	-	
Three years later	1,173,951	1,208,500	1,237,143	1,126,967	1,146,619	-	-	-	
Four years later	1,167,124	1,196,597	1,214,741	1,096,113	-	-	-	-	
Five years later	1,147,704	1,190,577	1,202,982	-	-	-	-	-	
Six years later	1,121,989	1,159,627	-	-	-	-	-	-	
Seven years later	1,104,030	-	-	-	-	-	-	-	
Cumulative net claims paid (Direct & Fac)	(1,085,090)	(1,105,457)	(1,089,466)	(960,614)	(941,663)	(1,073,592)	(1,007,519)	(789,644)	(8,053,045)
Net claims liabilities (Direct & Fac) – accident years from 2017 to 2024	18,940	54,170	113,516	135,499	204,956	356,049	586,456	1,176,791	2,646,377
Net claims liabilities (Direct & Fac) – prior accident years									16,648
Net claims liabilities (treaty inwards, MNRB, business outside Malaysia, MMIP and other adjustments)									13,011
Claims handling expenses									30,329
Effect of discounting									(139,930)
Effect of the risk adjustment for non-financial risk									153,782
Effect of non-performance risk of reinsurers									689
Net LIC for the contracts originated									2,720,906

Notes to the Financial Statements

32. Financial risks

Exposure to credit, liquidity, market (currency risk, interest rate risk, equity price risk) and operational risk arises in the normal course of the Group's and the Company's business. The Group and the Company are guided by its risk management framework as well as policies and guidelines from the ultimate holding company, Allianz SE which set out its general risk management philosophy. Through financial risk management, business strategies are evaluated to ensure alignment with the Company's risk appetite and tolerance.

32.1 Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a counterparty to a financial instrument fails to meet its contractual obligations or due to the non-performance of instruments (i.e., payment overdue). The Group's exposure to credit risk arises principally from the reinsurance, receivables and the investment/placement in fixed income instruments and bank balances. Financial loss may materialise when the counterparties failed to meet payment obligations for various reasons.

The Group has credit policies in place to mitigate the credit risk from underwriting of insurance business and it is monitored on an on-going basis. Reinsurance is mainly to local insurers or offshore reinsurers, and if the Group has to place overseas, only counterparties that have a credit rating that is acceptable based on Allianz Guidelines for Reinsurance Security are used.

The Group's Investment Mandate imposes limits by issuer/counterparty and by credit ratings for investments in corporate fixed income securities (all securities that entails credit risks, e.g., credit facilities, bank deposits of longer than 1-year, certificates of deposits, notes, etc.); and these limits are reviewed at least on annual basis. Active monitoring of the exposure against those limits are in place and reported to RMWC, RMC and IC on quarterly basis.

Notes to the Financial Statements

32. Financial risks (continued)

32.1 Credit risk (continued)

Credit exposure by credit rating

The table below provides information regarding the credit risk exposure of the Group by classifying financial assets according to the credit rating agencies' credit ratings of counterparties. AAA is the highest possible rating. Financial assets that fall outside the range of AAA to BBB are classified as non-investment grade. Assets which are not rated by rating agencies are classified as non-rated.

Group 2025	← Neither past-due nor impaired →							Investment- linked funds RM'000	Not subject to credit risk RM'000	Past-due but not impaired RM'000	Total RM'000
	AAA RM'000	AA RM'000	A RM'000	BBB RM'000	Non- investment grade RM'000	Non- rated RM'000					
FVTPL											
Malaysian government securities	-	-	-	-	-	2,707,637	758,963	-	-	-	3,466,600
Malaysian government guaranteed bonds	-	-	-	-	-	978,712	41,267	-	-	-	1,019,979
Quoted equity securities of corporations in Malaysia	-	-	-	-	-	-	-	3,328,077	-	-	3,328,077
Quoted equity securities of corporations outside Malaysia	-	-	-	-	-	-	-	6,398	-	-	6,398
Unquoted equity securities in Malaysia	-	-	-	-	-	-	-	11,551	-	-	11,551
Unquoted bonds of corporations in Malaysia	774,482	719,505	-	-	-	-	734,667	-	-	-	2,228,654
Quoted unit trusts in Malaysia	-	-	-	-	-	-	-	80,973	-	-	80,973
Unquoted unit trusts in Malaysia	-	-	-	-	-	-	-	211,712	-	-	211,712
Unquoted unit trusts outside Malaysia	-	-	-	-	-	-	-	719,863	-	-	719,863
Fixed deposits with licensed financial institutions	77,167	-	-	-	-	-	39,785	-	-	-	116,952
Structured deposits	-	-	-	-	-	-	75,100	-	-	-	75,100

Notes to the Financial Statements

32. Financial risks (continued)

32.1 Credit risk (continued)

Credit exposure by credit rating (continued)

The table below provides information regarding the credit risk exposure of the Group by classifying financial assets according to the credit rating agencies' credit ratings of counterparties. AAA is the highest possible rating. Financial assets that fall outside the range of AAA to BBB are classified as non-investment grade. Assets which are not rated by rating agencies are classified as non-rated. (continued)

Group (continued) 2025 (continued)	← Neither past-due nor impaired →							Investment-linked funds RM'000	Not subject to credit risk RM'000	Past-due but not impaired RM'000	Total RM'000
	AAA RM'000	AA RM'000	A RM'000	BBB RM'000	Non-investment grade RM'000	Non-rated RM'000					
FVTPL (continued)											
Derivatives financial assets											
Collateralised interest rate swap	10,403	-	-	-	-	-	-	-	-	-	10,403
Cross currency swap	3,687	-	-	-	-	-	-	-	-	-	3,687
Foreign currency forward contracts	-	-	-	-	-	-	572	-	-	-	572
FVOCI											
Malaysian government securities	-	-	-	-	-	7,591,485	-	-	-	-	7,591,485
Malaysian government guaranteed bonds	-	-	-	-	-	2,557,182	-	-	-	-	2,557,182
Quoted equity securities of corporations in Malaysia	-	-	-	-	-	-	-	641,436	-	-	641,436
Unquoted equity securities of corporations in Malaysia	-	-	-	-	-	-	-	32,194	-	-	32,194
Unquoted bonds of corporations in Malaysia	2,180,367	1,665,587	-	-	-	168,471	-	-	-	-	4,014,425
Unquoted bonds of corporations outside Malaysia	-	-	-	48,633	-	40,275	-	-	-	-	88,908

Notes to the Financial Statements

32. Financial risks (continued)

32.1 Credit risk (continued)

Credit exposure by credit rating (continued)

The table below provides information regarding the credit risk exposure of the Group by classifying financial assets according to the credit rating agencies' credit ratings of counterparties. AAA is the highest possible rating. Financial assets that fall outside the range of AAA to BBB are classified as non-investment grade. Assets which are not rated by rating agencies are classified as non-rated. (continued)

Group (continued) 2025 (continued)	← Neither past-due nor impaired →						Investment-linked funds RM'000	Not subject to credit risk RM'000	Past-due but not impaired RM'000	Total RM'000
	AAA RM'000	AA RM'000	A RM'000	BBB RM'000	Non-investment grade RM'000	Non-rated RM'000				
FVOCI (continued)										
Fixed deposits with licensed financial institutions	904,527	30,727	-	-	-	-	-	-	-	935,254
Other investments	-	-	-	-	-	1,246	-	-	-	1,246
Other assets	-	-	-	-	-	12,174	-	-	-	12,174
Amortised cost										
Other assets*	-	-	-	-	-	109,880	6,466	-	-	116,346
Cash and cash equivalents	920,028	464,208	5,915	-	-	2,447	395,471	-	-	1,788,069
Reinsurance contract assets	-	424,873	32,209	-	-	238,174	-	-	-	695,256
	4,870,661	3,304,900	38,124	48,633	-	14,407,683	2,052,291	5,032,204	-	29,754,496

* Excluding balance with MMIP.

Notes to the Financial Statements

32. Financial risks (continued)

32.1 Credit risk (continued)

Credit exposure by credit rating (continued)

The table below provides information regarding the credit risk exposure of the Company by classifying financial assets according to the credit rating agencies' credit ratings of counterparties. AAA is the highest possible rating. Financial assets that fall outside the range of AAA to BBB are classified as non-investment grade. Assets which are not rated by rating agencies are classified as non-rated.

Company 2025	AAA RM'000	AA RM'000	A RM'000	BBB RM'000	Non- investment grade RM'000	Non- rated RM'000	Not subject to credit risk RM'000	Total RM'000
FVTPL								
Unquoted equity securities in Malaysia	-	-	-	-	-	-	11,551	11,551
FVOCI								
Unquoted equity securities of corporations in Malaysia	-	-	-	-	-	-	214	214
Other assets	-	-	-	-	-	619	-	619
Amortised cost								
Other assets	-	-	-	-	-	33,551	-	33,551
Cash and cash equivalents	360,975	56,462	-	-	-	-	-	417,437
	360,975	56,462	-	-	-	34,170	11,765	463,372

Notes to the Financial Statements

32. Financial risks (continued)

32.1 Credit risk (continued)

Credit exposure by credit rating (continued)

The table below provides information regarding the credit risk exposure of the Group by classifying financial assets according to the credit rating agencies' credit ratings of counterparties. AAA is the highest possible rating. Financial assets that fall outside the range of AAA to BBB are classified as non-investment grade. Assets which are not rated by rating agencies are classified as non-rated.

Group 2024	← Neither past-due nor impaired →							Investment- linked funds RM'000	Not subject to credit risk RM'000	Past-due but not impaired RM'000	Total RM'000
	AAA RM'000	AA RM'000	A RM'000	BBB RM'000	Non- investment grade RM'000	Non- rated RM'000					
FVTPL											
Malaysian government securities	-	-	-	-	-	2,420,044	678,099	-	-	-	3,098,143
Malaysian government guaranteed bonds	-	-	-	-	-	979,243	40,373	-	-	-	1,019,616
Quoted equity securities of corporations in Malaysia	-	-	-	-	-	-	-	3,253,494	-	-	3,253,494
Quoted equity securities of corporations outside Malaysia	-	-	-	-	-	-	-	17,329	-	-	17,329
Unquoted equity securities in Malaysia	-	-	-	-	-	-	-	10,045	-	-	10,045
Unquoted bonds of corporations in Malaysia	807,983	736,785	-	-	-	-	658,229	-	-	-	2,202,997
Quoted unit trusts in Malaysia	-	-	-	-	-	-	-	90,271	-	-	90,271
Unquoted unit trusts in Malaysia	-	-	-	-	-	-	-	359,098	-	-	359,098
Unquoted unit trusts outside Malaysia	-	-	-	-	-	-	-	467,877	-	-	467,877
Fixed deposits with licensed financial institutions	35,262	-	-	-	-	-	39,702	-	-	-	74,964

Notes to the Financial Statements

32. Financial risks (continued)

32.1 Credit risk (continued)

Credit exposure by credit rating (continued)

The table below provides information regarding the credit risk exposure of the Group by classifying financial assets according to the credit rating agencies' credit ratings of counterparties. AAA is the highest possible rating. Financial assets that fall outside the range of AAA to BBB are classified as non-investment grade. Assets which are not rated by rating agencies are classified as non-rated. (continued)

Group (continued) 2024 (continued)	← Neither past-due nor impaired →						Investment-linked funds RM'000	Not subject to credit risk RM'000	Past-due but not Impaired RM'000	Total RM'000
	AAA RM'000	AA RM'000	A RM'000	BBB RM'000	Non-investment grade RM'000	Non-rated RM'000				
FVTPL (continued)										
Derivatives financial assets										
Collateralised interest rate swap	12,934	-	-	-	-	-	-	-	-	12,934
Cross currency swap	150	-	-	-	-	-	-	-	-	150
FVOCI										
Malaysian government securities	-	-	-	-	-	6,307,804	-	-	-	6,307,804
Malaysian government guaranteed bonds	-	-	-	-	-	2,556,890	-	-	-	2,556,890
Quoted equity securities of corporations in Malaysia	-	-	-	-	-	-	-	623,299	-	623,299
Unquoted equity securities of corporations in Malaysia	-	-	-	-	-	-	-	32,321	-	32,321
Unquoted bonds of corporations in Malaysia	2,164,551	1,723,341	-	-	-	87,170	-	-	-	3,975,062
Unquoted bonds of corporations outside Malaysia	-	-	8,016	53,036	-	43,192	-	-	-	104,244

Notes to the Financial Statements

32. Financial risks (continued)

32.1 Credit risk (continued)

Credit exposure by credit rating (continued)

The table below provides information regarding the credit risk exposure of the Group by classifying financial assets according to the credit rating agencies' credit ratings of counterparties. AAA is the highest possible rating. Financial assets that fall outside the range of AAA to BBB are classified as non-investment grade. Assets which are not rated by rating agencies are classified as non-rated. (continued)

Group (continued) 2024 (continued)	← Neither past-due nor impaired →					Non- investment grade RM'000	Non- rated RM'000	Investment- linked funds RM'000	Not subject to credit risk RM'000	Past-due but not Impaired RM'000	Total RM'000
	AAA RM'000	AA RM'000	A RM'000	BBB RM'000							
FVOCI (continued)											
Fixed deposits with licensed financial institutions	711,112	212,594	-	-	-	-	-	-	-	-	923,706
Other investments	-	-	-	-	-	-	3,795	-	-	-	3,795
Other assets	-	-	-	-	-	-	13,573	-	-	-	13,573
Amortised cost											
Other assets*	-	-	-	-	-	-	126,820	-	-	-	126,820
Cash and cash equivalents	1,075,251	945,475	5,794	-	-	-	76	-	-	-	2,026,596
Reinsurance contract assets	-	299,187	27,204	-	-	-	199,050	-	-	-	525,441
	4,807,243	3,917,382	41,014	53,036	-	-	12,737,657	1,416,403	4,853,734	-	27,826,469

* Excluding balance with MMIP.

Notes to the Financial Statements

32. Financial risks (continued)

32.1 Credit risk (continued)

Credit exposure by credit rating (continued)

The table below provides information regarding the credit risk exposure of the Company by classifying financial assets according to the credit rating agencies' credit ratings of counterparties. AAA is the highest possible rating. Financial assets that fall outside the range of AAA to BBB are classified as non-investment grade. Assets which are not rated by rating agencies are classified as non-rated.

Company 2024	AAA RM'000	AA RM'000	A RM'000	BBB RM'000	Non- investment grade RM'000	Non- rated RM'000	Not subject to credit risk RM'000	Total RM'000
FVTPL								
Unquoted equity securities of corporations in Malaysia	-	-	-	-	-	-	10,045	10,045
FVOCI								
Unquoted equity securities of corporations in Malaysia	-	-	-	-	-	-	*	*
Other assets	-	-	-	-	-	774	-	774
Amortised cost								
Other assets	-	-	-	-	-	37,179	-	37,179
Cash and cash equivalents	24,084	20,095	-	-	-	-	-	44,179
	24,084	20,095	-	-	-	37,953	10,045	92,177

* Denotes RM2

32.2 Liquidity risk

Liquidity risk is the risk of loss resulting from the danger that short-term current or future payment obligations cannot be met or can only be met on the basis of altered conditions, along with the risk that in the case of a liquidity crisis of the Group and the Company, refinancing is only possible at higher interest rates or that assets may have to be liquidated at a discount.

Besides monitoring the liquidity position of the Group and the Company on a daily basis, the investment strategies particularly focus on the quality of investments and ensure a sufficient portion of liquid assets in the portfolio. Some other tools used by the Group include to ensure that its assets and liabilities are adequately matched and drawing down of funds to meet claim payments should the claim events exceed a certain amount as provided for in the reinsurance contracts.

Notes to the Financial Statements

32. Financial risks (continued)

32.2 Liquidity risk (continued)

Maturity profiles

The tables below summarise the maturity profile of the financial assets of the Group and the Company at the end of the reporting year based on remaining undiscounted contractual cash flows, including interest receivable:

Group 2025	Carrying value RM'000	Up to a year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Malaysian government securities	11,058,085	883,771	1,086,289	1,412,094	1,348,896	1,530,221	7,547,367	-	13,808,638
Malaysian government guaranteed bonds	3,577,161	164,301	303,070	352,611	445,645	112,387	3,470,315	-	4,848,329
Quoted equity securities of corporations in Malaysia	3,969,513	-	-	-	-	-	-	3,969,513	3,969,513
Quoted equity securities of corporations outside Malaysia	6,398	-	-	-	-	-	-	6,398	6,398
Unquoted equity securities of corporations in Malaysia	43,745	-	-	-	-	-	-	43,745	43,745
Unquoted bonds of corporations in Malaysia	6,243,079	799,271	948,721	1,304,404	965,135	591,292	2,677,064	-	7,285,887
Unquoted bonds of corporations outside Malaysia	88,908	90,594	-	-	-	-	-	-	90,594
Quoted unit trusts in Malaysia	80,973	-	-	-	-	-	-	80,973	80,973
Unquoted unit trusts in Malaysia	211,712	-	-	-	-	-	-	211,712	211,712
Unquoted unit trusts outside Malaysia	719,863	-	-	-	-	-	-	719,863	719,863
Fixed deposits with licensed financial institutions	1,052,206	1,058,209	-	-	-	-	-	-	1,058,209
Structured deposits	75,100	-	-	75,100	-	-	-	-	75,100
Other investments	1,246	254	254	254	254	230	-	-	1,246
Collateralised interest rate swap	10,403	-	4,255	6,148	-	-	-	-	10,403
Cross currency swap	3,687	3,687	-	-	-	-	-	-	3,687
Foreign currency forward contracts	572	572	-	-	-	-	-	-	572
Reinsurance contract assets	695,256	430,166	137,962	88,028	36,364	20,014	13,875	-	726,409
Other assets*	128,520	101,108	21,607	1,974	1,280	741	2,231	-	128,941
Cash and cash equivalents	1,788,069	1,788,071	-	-	-	-	-	-	1,788,071
	29,754,496	5,320,004	2,502,158	3,240,613	2,797,574	2,254,885	13,710,852	5,032,204	34,858,290

* Excluding balance with MMIP.

Notes to the Financial Statements

32. Financial risks (continued)

32.2 Liquidity risk (continued)

Maturity profiles (continued)

Group 2024	Carrying value RM'000	Up to a year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Malaysian government securities	9,405,947	762,594	850,460	1,030,629	1,082,604	1,242,941	7,015,843	-	11,985,071
Malaysian government guaranteed bonds	3,576,506	183,243	133,489	349,597	472,767	384,626	3,404,425	-	4,928,147
Quoted equity securities of corporations in Malaysia	3,876,793	-	-	-	-	-	-	3,872,867	3,872,867
Quoted equity securities of corporations outside Malaysia	17,329	-	-	-	-	-	-	21,255	21,255
Unquoted equity securities of corporations in Malaysia	42,366	-	-	-	-	-	-	42,366	42,366
Unquoted bonds of corporations in Malaysia	6,178,059	1,345,158	851,615	635,116	1,057,600	858,447	2,482,827	-	7,230,763
Unquoted bonds of corporations outside Malaysia	104,244	63,300	45,856	-	-	-	-	-	109,156
Quoted unit trusts in Malaysia	90,271	-	-	-	-	-	-	90,271	90,271
Unquoted unit trusts in Malaysia	359,098	-	-	-	-	-	-	359,098	359,098
Unquoted unit trusts outside Malaysia	467,877	-	-	-	-	-	-	467,877	467,877
Fixed deposits with licensed financial institutions	998,670	1,002,152	-	-	-	-	-	-	1,002,152
Other investments	3,795	323	323	323	323	323	2,180	-	3,795
Collateralised interest rate swap	12,934	-	-	6,170	6,764	-	-	-	12,934
Cross currency swap	150	150	-	-	-	-	-	-	150
Reinsurance contract assets	525,441	327,033	105,297	80,584	32,734	11,922	12,450	-	570,020
Other assets*	140,393	117,586	16,267	2,167	1,525	826	2,406	-	140,777
Cash and cash equivalents	2,026,596	2,026,598	-	-	-	-	-	-	2,026,598
	27,826,469	5,828,137	2,003,307	2,104,586	2,654,317	2,499,085	12,920,131	4,853,734	32,863,297

* Excluding balance with MMIP.

Notes to the Financial Statements

32. Financial risks (continued)

32.2 Liquidity risk (continued)

Maturity profiles (continued)

Company	Carrying value RM'000	Up to a year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
2025									
Unquoted equity securities of corporations in Malaysia	11,765	-	-	-	-	-	-	11,765	11,765
Fixed deposits with licensed financial institutions	-	-	-	-	-	-	-	-	-
Other assets	34,170	33,590	580	-	-	-	-	-	34,170
Cash and cash equivalents	417,437	417,437	-	-	-	-	-	-	417,437
	463,372	451,027	580	-	-	-	-	11,765	463,372
2024									
Unquoted equity securities of corporations in Malaysia	10,045	-	-	-	-	-	-	10,045	10,045
Fixed deposits with licensed financial institutions	-	-	-	-	-	-	-	-	-
Other assets	37,953	37,245	708	-	-	-	-	-	37,953
Cash and cash equivalents	44,179	44,179	-	-	-	-	-	-	44,179
	92,177	81,424	708	-	-	-	-	10,045	92,177

Notes to the Financial Statements

32. Financial risks (continued)

32.2 Liquidity risk (continued)

Maturity profiles (continued)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the end of the reporting period based on remaining undiscounted contractual obligations, including interest/profit payable.

For insurance contract liabilities of life insurance and general insurance, maturity profiles are determined based on estimated timing of net cash outflows (undiscounted) of the PVFCF from the recognised insurance liabilities.

Non-derivative financial liabilities

	Carrying value RM'000	Up to a year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Group									
2025									
Insurance contract liabilities									
With DPF	3,556,795	533,685	235,008	222,099	212,616	205,991	4,744,018	-	6,153,417
Without DPF	18,814,008	5,757,430	963,826	847,227	608,431	641,788	9,711,631	-	18,530,333
Reinsurance contract liabilities									
With DPF	(14,794)	(14,794)	-	-	-	-	-	-	(14,794)
Without DPF	156,020	47,600	(389)	2,266	4,534	6,334	132,032	-	192,377
Lease liabilities	32,737	30,624	2,056	513	-	-	-	-	33,193
Other liabilities	974,449	974,447	-	-	-	-	-	-	974,447
Total liabilities	23,519,215	7,328,992	1,200,501	1,072,105	825,581	854,113	14,587,681	-	25,868,973
Company									
2025									
Other liabilities	368,428	368,428	-	-	-	-	-	-	368,428

Notes to the Financial Statements

32. Financial risks (continued)

32.2 Liquidity risk (continued)

Maturity profiles (continued)

Non-derivative financial liabilities (continued)

	Carrying value RM'000	Up to a year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Group									
2024									
Insurance contract liabilities									
With DPF	3,636,286	580,297	224,480	223,662	214,544	205,486	5,174,844	-	6,623,313
Without DPF	17,583,589	5,205,945	798,025	568,103	429,619	470,937	9,860,971	-	17,333,600
Reinsurance contract liabilities									
With DPF	(10,318)	(10,318)	-	-	-	-	-	-	(10,318)
Without DPF	142,499	43,017	(1,868)	620	2,841	4,780	128,154	-	177,544
Lease liabilities	17,731	11,494	6,283	158	-	-	-	-	17,935
Other liabilities	641,144	641,142	-	-	-	-	-	-	641,142
Total liabilities	22,010,931	6,471,577	1,026,920	792,543	647,004	681,203	15,163,969	-	24,783,216
Company									
2024									
Other liabilities	19,356	19,356	-	-	-	-	-	-	19,356

Notes to the Financial Statements

32. Financial risks (continued)

32.2 Liquidity risk (continued)

Maturity profiles (continued)

Derivative financial liabilities

The table below analyses the Group's trading derivative financial liabilities and hedging derivative financial liabilities that will be settled on a gross basis.

Group 2025	Up to a year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Derivatives held for trading								
Cross currency swaps	-	-	-	-	-	-	-	-
Derivatives used for hedging								
Forward purchase agreements								
- Cash inflows	-	-	-	-	-	-	-	-
- Cash outflows	-	-	-	-	-	-	-	-
Net cash outflows	-	-	-	-	-	-	-	-

Group 2024	Up to a year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
Derivatives held for trading								
Cross currency swaps	-	-	(2,842)	(265)	-	-	-	(3,107)
Derivatives used for hedging								
Forward purchase agreements								
- Cash inflows	-	-	-	-	-	-	-	-
- Cash outflows	-	-	-	-	-	-	-	-
Net cash outflows	-	-	(2,842)	(265)	-	-	-	(3,107)

Notes to the Financial Statements

32. Financial risks (continued)

32.2 Liquidity risk (continued)

Maturity profiles (continued)

The amounts from insurance contract liabilities that are payable on demand are set out below:

Group	Amount payable on demand	Carrying amount	Amount payable on demand	Carrying amount
	2025	2025	2024	2024
	RM'000	RM'000	RM'000	RM'000
Direct participating contracts	15,312,459	15,965,198	14,516,809	15,161,461
Other non-participating insurance contracts	435,101	1,026,718	591,133	1,215,322
	15,747,560	16,991,916	15,107,942	16,376,783

32.3 Market risk

Market risk is the risk of loss arising due to changes in market prices or parameters influencing market prices, and in particular the resultant interest rate guarantee risks from asset liability management or from changes to participations. This includes changes in market prices due to worsening of market liquidity. Market risk comprises currency risk, interest rate risk and equity price risk.

The following risk mitigation actions are in place to control and monitor such risk:

- IC actively monitors the investment activities undertaken by the Group.
- IC would make recommendations after balancing competing and legitimate objective of various stakeholders.
- The Investment Policy and Mandate which formulated the single counterparty limits, company limits and sector limits are in place. Compliance to such limits is monitored monthly and reported to RMWC, RMC and IC on a quarterly basis.
- Stress testing is performed as and when needed.
- Stop loss policy is in place.

The Group also issues investment-linked policies in a number of products. In the investment-linked business, the policyholders bear the investment risk on the assets held in the investment-linked funds as the policy benefits are directly linked to the value of the assets in the funds. The Group's exposure to market risk on this business is limited to the extent that income arising from fund management charges is based on the value of the assets in the funds.

32.3.1 Currency risk

Currency risk is the risk arising from the fluctuation of foreign exchange rates.

The Group's primary transactions are carried out in RM, and its exposure to foreign exchange risk arises principally with respect to US Dollar (USD), Singapore Dollar (SGD), Thai Baht (THB), European Union (EUR) and Indonesian Rupiah (IDR). As the Group's business is conducted primarily in Malaysia, the Group's financial assets are also primarily maintained in Malaysia as required under the FSA 2013 and hence, primarily denominated in the same currency (RM) as its insurance contract liabilities. Thus, the main foreign exchange risk from recognised assets and liabilities arises from transactions other than those in which insurance contract liabilities are expected to be settled.

As the Group's main foreign exchange risk from recognised assets and liabilities arises from reinsurance transactions for which the balances are expected to be settled and realised in less than a year, the impact arising from sensitivity in foreign exchange rates is deemed minimal as the Group has no significant concentration of foreign currency risk. All currency risk in investment-linked funds is borne by policyholders.

Notes to the Financial Statements

32. Financial risks (continued)

32.3 Market risk (continued)

32.3.1 Currency risk (continued)

Exposure to foreign currency risk

The Group's exposure to foreign currency risk, based on carrying amounts as at the end of the reporting period was:

Group	Insurance and shareholders' fund	Investment- linked funds	Insurance and shareholders' fund	Investment- linked funds
	2025 RM'000	2025 RM'000	2024 RM'000	2024 RM'000
Financial assets				
Denominated in				
USD	88,908	699,771	104,244	449,380
EUR	-	6,990	-	4,228
SGD	-	4,049	-	2,147
THB	-	723	-	14,435
IDR	-	14,728	-	15,016

Currency risk sensitivity analysis

It is estimated that a 10% (2024: 10%) strengthening of the RM against the following currencies at the end of the reporting period would have decreased the insurance contract liabilities by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted income and expenses.

Group	Impact on insurance contract liabilities	Impact on insurance contract liabilities
	2025 RM'000	2024 RM'000
Denominated in		
USD	(78,868)	(55,362)
EUR	(699)	(423)
SGD	(405)	(215)
THB	(72)	(1,444)
IDR	(1,473)	(1,502)

It is estimated that a 10% (2024:10%) weakening of the RM against the above currencies at the end of the reporting period would have equal but opposite effect on the above currencies to the amount shown above, on the basis that all variables remained constant.

The method used for deriving sensitivity information and significant variables did not change from previous year.

Only Life Participating fund and investment-linked funds invested in foreign financial instruments.

32.3.2 Interest rate risk

The Group is affected by changes in market interest rate because the change in interest rates will affect the value of mark to market fixed income investments and also the valuation of the liabilities, resulting in the risk of not being able to meet product guarantees.

Besides, due to the uncertainty of the cash flows of the insurance funds and scarcity of the longer dated instruments, it is not possible to hold assets that will perfectly match the policy liabilities.

Notes to the Financial Statements

32. Financial risks (continued)

32.3 Market risk (continued)

32.3.2 Interest rate risk (continued)

Interest rate risk sensitivity analysis

The analysis below is performed for assumed movements of 100 bps in interest rate with all other variables held constant, showing the impact on the profit after tax, equity and insurance contract liabilities.

Life insurance:

Group	Change in variables	Impact on profit after tax RM'000	Impact on equity* RM'000	Impact on insurance contract liabilities** RM'000
31 December 2025				
Interest rate	+100 basis points	-	(130,373)	(564,785)
Interest rate	-100 basis points	-	139,424	633,291
31 December 2024				
Interest rate	+100 basis points	-	(138,683)	(534,801)
Interest rate	-100 basis points	-	148,986	599,087

The impact on profit after tax would be dependent on whether the interest rate risk resides in Shareholders' fund, Life Non-Participating fund, Life Participating fund, or investment-linked funds. Where the interest rate risk resides in shareholders' fund and life non-participating fund, the impact will be directly to profit after tax and equity of the Group. In respect of life participating fund and investment-linked funds, impact arising from changes in interest rate risk will affect the insurance contract liabilities. It should be noted that movements in these variables are non-linear.

* The impact on equity reflects adjustments for tax, where applicable.

** The impact on insurance contract liabilities only reflects the changes in the prescribed assumptions above without any adjustment to policyholders' bonuses for the life participating business. Impact on insurance contract liabilities also reflects adjustments for tax, where applicable.

The method used for deriving sensitivity information and significant variables did not change from the previous year.

Notes to the Financial Statements

32. Financial risks (continued)

32.3 Market risk (continued)

32.3.2 Interest rate risk (continued)

Interest rate risk sensitivity analysis (continued)

General insurance:

Group	Change in variables	Impact on profit after tax RM'000	Impact on equity after tax RM'000	Impact on insurance contract liabilities after tax RM'000
31 December 2025				
Interest rate	+100 basis point	910	(82,135)	33,005
Interest rate	+50 basis point	519	(40,945)	16,625
Interest rate	-100 basis point	(1,691)	80,885	(34,255)
Interest rate	-50 basis point	(571)	40,776	(16,793)
31 December 2024				
Interest rate	+ 100 basis points	1,118	(79,458)	(108,972)
Interest rate	+ 50 basis points	552	(39,686)	(54,486)
Interest rate	- 100 basis points	(1,190)	78,980	108,972
Interest rate	- 50 basis points	(602)	39,534	54,486

It should be noted that movements in these variables are non-linear.

The method used for deriving sensitivity information and significant variables did not change from the previous year.

32.3.3 Equity price risk

Equity price risk is the risk that fair value of FCF of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rates or currency risk), whether those changes are caused by factors specific to the individual financial instrument of its issuer or factors affecting similar financial instruments traded in the market.

The Group's equity price risk exposures relate to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices, principally with respect to investments securities not held for the account of the investment-linked business.

The Group's equity price risk policy requires it to prioritise capital preservation besides setting limits on overall portfolio, single security and sector holdings. The Group complies with BNM stipulated limits during the financial year and has no significant concentration of equity price risk.

Equity price risk sensitivity analysis

The analysis below is performed for reasonable possible movements in key variables with all other variables held constant, showing the impact on profit after tax, equity and insurance contract liabilities. The correlation of variables will have a significant effect in determining the ultimate impact on equity 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.

Notes to the Financial Statements

32. Financial risks (continued)

32.3 Market risk (continued)

32.3.3 Equity price risk (continued)

Equity price risk sensitivity analysis (continued)

Life insurance:

Group	Changes in variables	2025			2024		
		Impact on profit after tax [#] RM'000	Impact on equity* RM'000	Impact on insurance contract liabilities** RM'000	Impact on profit after tax [#] RM'000	Impact on equity* RM'000	Impact on insurance contract liabilities** RM'000
Market indices							
Market value	+10%	-	-	(371,524)	-	-	(362,951)
Market value	-10%	-	-	371,524	-	-	362,951

[#] The impact on profit after tax would be dependent on whether the equity price risk resides in Shareholders' fund, Life Non-Participating fund, Life Participating fund or investment-linked funds. Where the equity price risk resides in shareholders' fund and life non-participating fund, the profit after tax and equity of the Group will be impacted. In respect of life participating fund and investment-linked funds, impact arising from changes in equity price risk will affect the insurance contract liabilities. The above sensitivity test would yield proxy results if market price were to move in the opposite direction, with the Group.

* The impact on equity reflects adjustments for tax, where applicable.

** The impact on insurance contract liabilities only reflects the changes in the prescribed assumptions above without any adjustment to policyholders' bonuses for the participating insurance business. Impact on insurance contract liabilities also reflects adjustments for tax, where applicable.

The method used for deriving sensitivity information and significant variables did not change from the previous year.

Only life participating fund, universal life fund and investment-linked funds invested in equity securities.

Notes to the Financial Statements

32. Financial risks (continued)

32.4 Operational risk

Operational risk is the risk of losses resulting from inadequate or failed internal processes and systems, human factors or external events.

Operational risk management (“ORM”) is a continuous process which includes risk identification, measurement, quantification, management and monitoring to mitigate such risks.

ORM covers a combination of the following activities:

- The Non-Financial Risk Management (“NFRM”) framework defines a system for managing Non-Financial Risks by establishing a standard set of risk vectors, facilitating the implementation of controls via a control catalogue, and ensuring robust testing of key controls using a systematic risk-based approach.
- Analysis of actual loss events reported into the Loss Event database.
- Periodic audits by the Internal Audit function and reviews by second line functions.
- Monitoring of key risk indicators and feedback from subject matter experts (for example IT Security Officer, Data Privacy Officer, Business Continuity Management Officers, Anti-Fraud and Anti-Corruption Coordinators, as well as respective operation managers).

32.5 Fair value of financial instruments

The Group’s and the Company’s basis in estimation of fair values for financial instruments is as follows:

- The fair values of structured deposits, negotiable certificate of deposits, collateralised interest rate swap and cross currency swap are based on the indicative market prices from the issuing banks.
- The fair value of foreign currency forward contracts is determined using quoted forward exchange rates at the reporting date.

The Group uses foreign currency forward contracts to minimise its exposure to foreign currency risks as a result of transactions denominated in currencies other than its functional currency, arising from the normal business activities.

The foreign currency forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure and fair value changes exposure. Any gains or losses arising from changes in the fair value of derivatives are recognised directly in profit or loss.

- The fair values of quoted equity securities of corporations in and outside Malaysia and quoted unit trusts in Malaysia are based on quoted market bid price as at the end of the reporting period.
- The unquoted equity securities of corporations in Malaysia are stated at cost. Where in the opinion of the Directors, there is a decline other than temporary in value of unquoted equity securities, the allowance for impairment is recognised as an expense in the financial year in which the decline is identified.

- The fair values of Malaysian government securities, Malaysian government guaranteed bonds, unquoted bonds of corporations in and outside Malaysia are based on the indicative market prices provided by its custodian bank.
- The fair values of unquoted unit trust in and outside Malaysia are based on the net asset values of the unit trusts as at the date of the statements of assets and liabilities obtained from fund managers.
- The carrying amounts of mortgage loans and fixed and deposits are assumed to reasonably approximate their fair values; and
- The carrying amounts of cash and cash equivalents, other assets (current) and other liabilities (current) reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

Estimation of the fair values of Malaysian government securities, Malaysian government guaranteed bonds, unquoted bonds of corporations in and outside Malaysia are based on the indicative market prices provided by the custodian bank which involve projections of the market yields based on past transactions. There are elements of uncertainty in projecting the expected market yields and these uncertainties arise from changes in underlying risk and overall economic conditions. As such, the projected market yields may be different from the actual market yields in future.

It was not practicable to estimate the fair value of the Group’s investment in unquoted equity securities of corporations in Malaysia due to lack of comparable quoted market prices and the inability to estimate fair value without incurring excessive costs.

Notes to the Financial Statements

32. Financial risks (continued)

32.5 Fair value of financial instruments (continued)

32.5.1 Fair value information

The table below analyses financial instruments carried at fair value.

Group	Fair value of financial instruments carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
2025						
Financial assets						
Malaysian government securities	-	11,058,085	-	11,058,085	11,058,085	11,058,085
Malaysian government guaranteed bonds	-	3,577,161	-	3,577,161	3,577,161	3,577,161
Quoted equity securities of corporations in Malaysia	3,969,513	-	-	3,969,513	3,969,513	3,969,513
Quoted equity securities of corporations outside Malaysia	6,398	-	-	6,398	6,398	6,398
Unquoted equity securities of corporations in Malaysia	-	-	43,745	43,745	43,745	43,745
Unquoted bonds of corporations in Malaysia	-	6,243,079	-	6,243,079	6,243,079	6,243,079
Unquoted bonds of corporations outside Malaysia	-	88,908	-	88,908	88,908	88,908
Quoted unit trusts in Malaysia	80,973	-	-	80,973	80,973	80,973
Unquoted unit trusts in Malaysia	-	211,712	-	211,712	211,712	211,712
Unquoted unit trusts outside Malaysia	-	719,863	-	719,863	719,863	719,863
Collateralised interest rate swap	-	10,403	-	10,403	10,403	10,403
Cross currency swap	-	3,687	-	3,687	3,687	3,687
Foreign currency forward contracts	-	572	-	572	572	572
Other investments	-	-	1,246	1,246	1,246	1,246
Structured deposits	-	75,100	-	75,100	75,100	75,100
Fixed deposits with licensed financial institutions	-	1,052,206	-	1,052,206	1,052,206	1,052,206
	4,056,884	23,040,776	44,991	27,142,651	27,142,651	27,142,651
Financial liability						
Lease liabilities	-	-	-	-	32,737	32,737

Notes to the Financial Statements

32. Financial risks (continued)

32.5 Fair value of financial instruments (continued)

32.5.1 Fair value information (continued)

The table below analyses financial instruments carried at fair value. (continued)

Group	Fair value of financial instruments carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
2024						
Financial assets						
Malaysian government securities	-	9,405,947	-	9,405,947	9,405,947	9,405,947
Malaysian government guaranteed bonds	-	3,576,506	-	3,576,506	3,576,506	3,576,506
Quoted equity securities of corporations in Malaysia	3,876,793	-	-	3,876,793	3,876,793	3,876,793
Quoted equity securities of corporations outside Malaysia	17,329	-	-	17,329	17,329	17,329
Unquoted equity securities of corporations in Malaysia	-	-	42,366	42,366	42,366	42,366
Unquoted bonds of corporations in Malaysia	-	6,178,059	-	6,178,059	6,178,059	6,178,059
Unquoted bonds of corporations outside Malaysia	-	104,244	-	104,244	104,244	104,244
Quoted unit trusts in Malaysia	90,271	-	-	90,271	90,271	90,271
Unquoted unit trusts in Malaysia	-	359,098	-	359,098	359,098	359,098
Unquoted unit trusts outside Malaysia	-	467,877	-	467,877	467,877	467,877
Collateralised interest rate swap	-	12,934	-	12,934	12,934	12,934
Cross currency swap	-	150	-	150	150	150
Other investments	-	-	3,795	3,795	3,795	3,795
Fixed deposits with licensed financial institutions	-	998,670	-	998,670	998,670	998,670
	3,984,393	21,103,485	46,161	25,134,039	25,134,039	25,134,039
Financial liability						
Cross currency swap	-	3,107	-	3,107	3,107	3,107
Lease liabilities	-	-	-	-	17,731	17,731
	-	3,107	-	3,107	20,838	20,838

Notes to the Financial Statements

32. Financial risks (continued)

32.5 Fair value of financial instruments (continued)

32.5.1 Fair value information (continued)

There has been no transfer between Level 1, Level 2 and Level 3 fair values during the financial year (2024: no transfer in either direction).

The following table presents the changes in Level 3 instrument measured at FVTPL:

	2025 RM'000	2024 RM'000
Group		
At the beginning of the financial year	13,840	22,136
Fair value movement recognised in profit or loss	(1,043)	(8,296)
At the end of the financial year	12,797	13,840
Company		
At the beginning of the financial year	10,045	7,364
Fair value movement recognised in profit or loss	1,506	2,681
At the end of the financial year	11,551	10,045

33. Capital management

The Group aims to maintain a robust capital management in both its general and life insurance businesses to sustain adequate solvency levels to support business growth, dividend payment to shareholders, return on equity and maintaining capital adequacy above the regulatory requirements. There are no significant changes to the Group's capital management policies and processes during the financial year.

The primary sources of capital of the Group and the Company are shareholder's equity as disclosed in the statement of changes in equity. Share Capital of the Group and the Company comprises ordinary share capital and ICPS.

Regulatory capital requirements

Under the RBC Framework issued by BNM, insurance companies need to maintain a capital adequacy level that commensurate with their risk profiles. All insurance companies are required to maintain a minimum CAR of 130% and an internal target capital level required by BNM or level determined under the Internal Capital Adequacy Assessment Process. The internal target will include additional capacity to absorb unexpected losses beyond those that are covered under the minimum required CAR.

The insurance subsidiaries of the Group have been in compliance with the said requirement by maintaining a CAR that is in excess of minimum requirements.

34. Contingent liabilities

On 10 August 2016, the Malaysia Competition Commission ("MyCC") commenced an investigation into an alleged infringement by Persatuan Insurans Am Malaysia ("PIAM") and all 22 general insurers including the Company's general insurance subsidiary, Allianz General Insurance Company (Malaysia) Berhad ("AGIC"), of Section 4(2)(a) of the Competition Act 2010 ("CA"). The alleged infringement is in relation to the agreement reached between PIAM and the Federation Of Automobile Workshop Owners' Association Of Malaysia ("FAWOAM") in relation to trade discount rates on the parts for certain vehicle makes and labour hourly rates for PIAM Approved Repairers Scheme workshops. These rates were applied by AGIC pursuant to a members' circular issued by PIAM, which arose from Bank Negara Malaysia ("BNM")'s directive to PIAM to engage FAWOAM to resolve the issues of parts trade discounts and labour hourly rate.

On 22 February 2017, AGIC received MyCC's notice of its proposed decision ("Proposed Decision") that AGIC and all the other 21 general insurers who are PIAM members had infringed one of the prohibitions under Part II of the CA. The Proposed Decision included a proposed financial penalty of RM213,454,814 on all the 22 general insurers. AGIC had a share of RM27,480,883 of the proposed penalty.

Following the parties' submission of their respective written representations and the Hearing of the oral representations, on 25 September 2020, AGIC's solicitors received MyCC's Decision that parties had infringed the prohibition under section 4 of the CA and imposed financial penalties for the said infringement on each of the 22 general insurers ("MyCC's Decision").

Notes to the Financial Statements

34. Contingent liabilities (continued)

In view of the impact of the Covid-19 pandemic, MyCC had granted a reduction of 25% of the said financial penalties imposed and a moratorium period of up to 6 months for the payment of the financial penalties to be made by 6 equal monthly instalments. The financial penalty imposed on AGIC, taking into account the 25% reduction amounts to RM18,549,595.97.

Appeal filed with the Competition Appeal Tribunal

On 13 October 2020, AGIC filed a Notice of Appeal against MyCC's Decision ("Appeal") with the Competition Appeal Tribunal ("CAT") and a formal Notice of Application was filed to the stay MyCC's Decision on 12 November 2020 ("Stay Application").

In response to AGIC's Notice of Appeal, MyCC filed a Statement in Reply ("SIR") and AGIC filed its Reply to the SIR on 11 December 2020.

Upon conclusion of the hearing of the respective parties' submissions, on 23 March 2021, the CAT allowed the Stay Application, pending the disposal of the Appeal.

As for the appeal proceedings before the CAT, MyCC as well as several other insurers presented their oral submissions on hearing dates in March and April 2022. AGIC presented its submissions in reply on 21 April 2022 and 22 April 2022 whereupon all parties' submissions concluded.

On 2 September 2022, the CAT unanimously allowed AGIC's appeal along with the appeals of PIAM and the other 21 general insurers ("CAT's Decision") thereby setting aside MyCC's Decision.

AGIC's Application for leave for Judicial Review filed at the High Court of Malaya

Separately, on 26 April 2021, the High Court of Malaya granted AGIC leave to apply for Judicial Review of MyCC's Decision and an interim stay of MyCC's Decision until the hearing of any objection or application by MyCC to set it aside. AGIC filed its Notice of Hearing of Application for Judicial Review at the High Court on 9 May 2021 ("AGIC's JR Proceedings") and MyCC then filed an application against the orders granting AGIC leave to apply for judicial review and interim stay ("MyCC's Setting Aside Application").

On conclusion of the parties' submissions, the High Court decided on 20 October 2021 to allow MyCC's Setting Aside Application. On its solicitors' recommendation, AGIC filed a Notice of Appeal against the said decision on 18 November 2021 ("AGIC's Appeal"). The matter was then fixed for further case management on 8 September 2022.

In light of the CAT's Decision, AGIC through its solicitors withdrew AGIC's Appeal since the same was superseded by the CAT's Decision. The case management on 8 September 2022 was vacated thereby bringing AGIC's JR Proceedings to an end.

MYCC's Application for leave for Judicial Review filed at the High Court of Malaya

On 1 December 2022, MyCC filed an application at the High Court of Malaya seeking leave to apply for Judicial Review against CAT's Decision ("MyCC's Leave Application") and AGIC's solicitors filed an affidavit on AGIC's behalf to object to the said application.

MyCC in turn filed a further affidavit on 17 April 2023 and in response thereto, on 2 May 2023, AGIC's solicitors filed a further affidavit on behalf of AGIC.

MyCC's Leave Application initially fixed for Hearing on 8 May 2023 was converted into a case management at which the Court fixed a further case management for 16 May 2023 for parties to fix a new Hearing date for MyCC's Leave Application. At the case management on 16 May 2023, the Court fixed the Hearing for MyCC's Leave Application for 30 November 2023.

At the Hearing on 30 November 2023, the parties' solicitors made their respective oral submissions to the Court which then fixed 16 January 2024 to deliver its decision.

On 16 January 2024, the Court dismissed MyCC's Leave Application with the cost of RM10,000.00 to each insurer (including AGIC) and PIAM.

On 15 February 2024, MyCC filed an appeal at the Court of Appeal against the High Court's decision in dismissing MyCC's Leave Application. The Court of Appeal had fixed the case management on 15 May 2024. In the said case management, the Court of Appeal fixed the hearing for MyCC's Leave Appeal on 22 May 2025.

The hearing for MyCC's Leave Appeal initially fixed for 22 May 2025 has been adjourned by the Court of Appeal. This matter was fixed on 29 May 2025 for case management to set a new hearing date.

In the case management on 29 May 2025, the Court of Appeal has fixed the next case management on 16 April 2026 and the hearing date for MyCC's Leave Appeal on 30 April 2026.

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 208 to 382 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards 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 Group and of the Company as of 31 December 2025 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Zakri Bin Mohd Khir
Director

Peter Ho Kok Wai
Director

Kuala Lumpur

Date: 27 February 2026

Statutory Declaration

pursuant to Section 251 (1)(b) of the Companies Act 2016

I, **Chin Xiao Wei**, the officer primarily responsible for the financial management of Allianz Malaysia Berhad, do solemnly and sincerely declare that the financial statements set out on pages 208 to 382 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 Chin Xiao Wei, at Kuala Lumpur in the Federal Territory on 27 February 2026.

Chin Xiao Wei

Before me:

Thangaperumal A/L Andimuthu

No. W919

Pesuruhjaya Sumpah

Kuala Lumpur

Independent Auditors' Report

To The Members of Allianz Malaysia Berhad (Incorporated in Malaysia)
Registration No. 197201000819 (12428-W)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Allianz Malaysia Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss, statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policies, as set out on pages 208 to 382.

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 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 Group and 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.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

Independent Auditors' Report

To The Members of Allianz Malaysia Berhad (Incorporated in Malaysia)
 Registration No. 197201000819 (12428-W)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of insurance contract liabilities – General insurance contract liabilities</p> <p>Refer to accounting policies 2.13, 2.21.1 and Notes 14(b) and 31.2 of the consolidated financial statements.</p> <p>As at 31 December 2025, the Group has gross general insurance contract liabilities of RM5,379 million, which account for approximately 22.2% of the Group's total liabilities. The general insurance contract actuarial liabilities have been estimated based on actuarial valuation methodologies as allowed under MFRS 17.</p> <p>We focused on management's valuation of the actuarial liabilities as it involves significant judgement about uncertain future outcomes, including assumptions on past claims development experiences, management's judgement on external factors and regulatory changes, and internal factors such as portfolio mix and claims handling process.</p>	<p>We evaluated the design and tested key controls over the valuation process, including controls over the completeness and accuracy of claim settlement data that support key reserving calculations and controls over the valuation of general insurance liabilities for remaining coverage and liabilities for incurred claims.</p> <p>We tested the underlying data used in estimation of the liabilities for remaining coverage and liabilities for incurred claims to source documents.</p> <p>We engaged our actuarial experts in reviewing and assessing the methodologies, basis and key assumptions used in the valuation of the liabilities for remaining coverage and liabilities for incurred claims in accordance with MFRS 17 requirements.</p> <p>We reviewed and assessed the reasonableness of key actuarial assumptions by referencing to the Group's historical experiences, current trends and our own industry knowledge.</p> <p>Our actuarial experts performed independent re-projections of the liabilities for incurred claims for selected major portfolios, focusing on the largest and most uncertain liabilities. The re-projected liabilities/ assets for incurred claims and liabilities/ assets for remain coverage –loss components and loss recovery components are compared to those recognised by management and evaluated if they are within reasonable range.</p> <p>Based on the procedures performed, we found the methodology and key assumptions used by the Group in the valuation of general insurance contract liabilities as at 31 December 2025 to be appropriate.</p>

Independent Auditors' Report

To The Members of Allianz Malaysia Berhad (Incorporated in Malaysia)
 Registration No. 197201000819 (12428-W)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of insurance contract liabilities – Life insurance contract liabilities</p> <p>Refer to accounting policies 2.12, 2.21.2 and Notes 14(a) and 31.1 of the consolidated financial statements.</p> <p>As at 31 December 2025, the Group's life insurance contract liabilities comprise of gross liabilities for remaining coverage and liabilities for incurred claims of RM16,992 million, which account for approximately 70.2% of the Group's total liabilities. The life insurance contract liabilities have been estimated based on actuarial valuation methodologies prescribed in MFRS 17.</p> <p>We focused on management's valuation of the life insurance contract liabilities as it involves significant judgement about uncertain future outcomes, including non-economic assumptions, discount rates, risk adjustment as well as the actuarial valuation methodologies.</p>	<p>We evaluated the design and tested key controls over the models and assumptions used in the valuation of the liabilities for remaining coverage and liabilities for incurred claims, including controls over the reliability of data used in the calculation of these liabilities.</p> <p>We engaged our actuarial experts in assessing if the valuation methodologies used by the Group is in accordance with the principles prescribed in MFRS 17 'Insurance Contracts'.</p> <p>We assessed the reasonableness of the key actuarial assumptions, particularly around mortality, morbidity, persistency, expense, discount rate by:</p> <ul style="list-style-type: none"> i. Reviewing the approach used by management to derive the assumptions using our industry knowledge and experience; ii. Comparing them with the Group's actual historical experience, market observable data (as applicable) and our views of current trends and experience to-date. <p>We performed an independent review of model points on a sample basis to assess if the methodologies and assumptions reviewed have been consistently applied.</p> <p>We performed independent recalculations of coverage units and substantive analytical procedures over the contractual service margin amortisation during the year. The results are compared to those recognised by management.</p> <p>We assessed the analysis of movements in the insurance contract liabilities to determine whether the movements during the year are consistent with key actuarial assumptions adopted by the Group and our knowledge of developments in the life insurance business.</p> <p>Based on the procedures performed, we found the methodologies and key assumptions used by the Group in the valuation of the life insurance contract liabilities as at 31 December 2025 to be appropriate.</p>

Independent Auditors' Report

To The Members of Allianz Malaysia Berhad (Incorporated in Malaysia)
Registration No. 197201000819 (12428-W)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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 Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and 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 this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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 Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability 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 Group or 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 Group and 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:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and 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.

Independent Auditors' Report

To The Members of Allianz Malaysia Berhad (Incorporated in Malaysia)
Registration No. 197201000819 (12428-W)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

- (b) 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 Group's and of the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) 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 Group's or on the Company's ability 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 Group and 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 Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

This report is made solely to the members 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.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
27 February 2026

WONG HUI CHERN
03252/05/2026 J
Chartered Accountant

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 52nd Annual General Meeting (“52nd AGM”) of Allianz Malaysia Berhad (“Company”) will be held on Tuesday, 16 June 2026 at 10.00 a.m. at the Grand Ballroom, Level 2, Aloft Kuala Lumpur Sentral, 5 Jalan Stesen Sentral, Kuala Lumpur Sentral, 50470 Kuala Lumpur (“Main Venue”) and virtually by way of electronic means via the Vistra Share Registry and IPO (MY) portal (“The Portal”) at <https://srmy.vistra.com>, to transact the following businesses:

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 and the Directors’ and Auditors’ Reports thereon.
2. To approve the payment of the following fees to the Non-Executive Directors for the period from 17 June 2026 until the next Annual General Meeting of the Company:

 - (a) RM10,000 per month for holding the position of a Non-Executive Director;
 - (b) RM4,000 per month for being an Audit Committee member;
 - (c) RM3,000 per month for being a Risk Management Committee member; and
 - (d) RM2,000 per month for being a Nomination and Remuneration Committee member.
3. To approve the benefits payable to the Non-Executive Directors, of up to an amount equivalent to RM1,259,000 for the period from 17 June 2026 until the next Annual General Meeting of the Company.
4. To re-elect the following Directors, who retire by rotation in accordance with Clause 19.1 of the Constitution of the Company and who being eligible offer themselves for re-election:

 - (a) Peter Ho Kok Wai
 - (b) Dr. Muhammed Bin Abdul Khalid

Dr. Hasnita Binti Dato’ Hashim, who retires in accordance with Clause 19.7 of the Constitution of the Company, has expressed her intention to retire at the conclusion of 52nd AGM and therefore, she will not seek for re-election.
5. To re-appoint PricewaterhouseCoopers PLT as Auditors of the Company for the financial year ending 31 December 2026 and to authorise the Directors to fix their remuneration.

Ordinary Resolution 1

Ordinary Resolution 2

Ordinary Resolution 3

Ordinary Resolution 4

Ordinary Resolution 5

Notice of Annual General Meeting

Special Business

To consider and if thought fit, to pass the following Ordinary Resolutions:

6. Proposed Shareholders' Mandate for Recurrent Related Party Transactions with Allianz SE Group

Ordinary Resolution 6

"THAT pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries to enter into the recurrent related party transactions with Allianz SE Group as specified in Section 2.2 (A) of the Company's Circular to Shareholders dated 30 April 2026, provided that the transactions are in the ordinary course of business and are on terms not more favourable than those generally available to the public and not to the detriment of the minority shareholders.

AND THAT such authority shall take effect from the passing of this Ordinary Resolution and shall continue in force until:

- (a) the conclusion of the next Annual General Meeting of the Company, at which time it will lapse, unless by ordinary resolution passed at the said Annual General Meeting, the authority is renewed; or
- (b) the expiration of the period within which next Annual General Meeting is required to be held pursuant to Section 340 (2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340 (4) of the Companies Act 2016); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is the earlier;

AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things including executing all documents as may be required to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

7. Proposed Shareholders' Mandate for Recurrent Related Party Transactions with Rapidpro Consulting Sdn Bhd

Ordinary Resolution 7

"THAT pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries to enter into the recurrent related party transactions with Rapidpro Consulting Sdn Bhd as specified in Section 2.2 (B) of the Company's Circular to Shareholders dated 30 April 2026, provided that the transactions are in the ordinary course of business and are on terms not more favourable than those generally available to the public and not to the detriment of the minority shareholders.

Notice of Annual General Meeting

AND THAT such authority shall take effect from the passing of this Ordinary Resolution and shall continue in force until:

- (a) the conclusion of the next Annual General Meeting of the Company, at which time it will lapse, unless by ordinary resolution passed at the said Annual General Meeting, the authority is renewed; or
- (b) the expiration of the period within which next Annual General Meeting is required to be held pursuant to Section 340 (2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340 (4) of the Companies Act 2016); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is the earlier;

AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things including executing all documents as may be required to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.”

8. To transact any other business for which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

By Order of the Board

ROSNIZA BINTI MOHAMED RAMLI (LS 0010893) (SSM PC No. 202508000055)

Company Secretary

Kuala Lumpur

30 April 2026

Notice of Annual General Meeting

NOTES TO MEMBERS AND PROXIES

1. Hybrid 52nd AGM

- 1.1 The Company's 52nd AGM will be held on a hybrid mode whereby Members/proxies will have an option, either:
 - (a) To attend physically in person at the Main Venue ("Physical Attendance"); OR
 - (b) To attend virtually using the Remote Participation and Voting ("RPV") facilities which are available on The Portal at <https://srmy.vistra.com> ("Virtual Attendance").
- 1.2 All Members/proxies who wish to attend the 52nd AGM physically are required to register for the meeting at the Main Venue.
- 1.3 All Members/proxies who wish to attend the 52nd AGM virtually are required to pre-register their attendance via The Portal at <https://srmy.vistra.com> for the 52nd AGM for verification of their eligibility to attend the 52nd AGM based on the **Record of Depositors as at 8 June 2026**. Pre-registration is not required for Physical Attendance.
- 1.4 The pre-registration is open from the date of the Notice of the 52nd AGM on Thursday, 30 April 2026 until such time before the voting session ends at the 52nd AGM on Tuesday, 16 June 2026.
- 1.5 Please refer to the **Administrative Details** for the full guide to Physical Attendance and Virtual Attendance at the 52nd AGM.

2. Submission of Questions Before and During Meeting

- 2.1 Members may submit questions in relation to the agenda items for the 52nd AGM prior to the 52nd AGM via The Portal at <https://srmy.vistra.com>, no later than Monday, 15 June 2026 at 10.00 a.m.
- 2.2 During the 52nd AGM, Members who are physically present at the Main Venue will be able to ask questions in person. Members who attend virtually using the RPV facilities may use the Query Box facility to ask questions in real time (in the form of typed text) during the meeting.

3. Appointment of Proxy/Proxies

- 3.1 For the purposes of determining a Member who shall be entitled to participate in the forthcoming 52nd AGM of the Company, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a **Record of Depositors as at 8 June 2026**. Only a depositor whose name appears in the **Record of Depositors as at 8 June 2026** shall be entitled to participate in the 52nd AGM or appoint proxy/proxies to participate on his/her behalf.

- 3.2 Every Member including authorised nominees as defined under the Securities Industry (Central Depositories) Act 1991, and Exempt Authorised Nominees which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account, is entitled to appoint one (1) or more proxy to exercise all or any of his rights to participate instead of him at the 52nd AGM, and that such proxy need not be a Member.
- 3.3 Where a Member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- 3.4 The instrument appointing a proxy shall be in writing under the hand of the Member or of his attorney duly authorised in writing or if the Member is a corporation, shall either be executed under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing.
- 3.5 The instrument of proxy must be submitted in the following manner, **no later than Monday, 15 June 2026 at 10.00 a.m.**, being twenty-four (24) hours before the appointed time for holding the 52nd AGM:

(a) In hardcopy

The Form of Proxy must be deposited at the office of **Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur** or alternatively, the drop-in box located at **Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur**.

(b) In electronic form

The Form of Proxy can also be electronically lodged through The Portal at <https://srmy.vistra.com>.

Please refer to the Administrative Details for the 52nd AGM for procedures on the submission of Form of Proxy.

Notice of Annual General Meeting

EXPLANATORY NOTES ON ORDINARY BUSINESS

1. Audited Financial Statements for the financial year ended 31 December 2025 ("FY2025")

The Audited Financial Statements for the FY2025 and the Directors' and Auditors' Reports thereon are laid in accordance with Section 340 (1)(a) of the Companies Act 2016 for discussion only. Hence, this item will not be put for voting.

2. Directors' Fees and Benefits payable to Non-Executive Directors (excluding Nominee Directors of Allianz Asia Holding Pte. Ltd.) ("NEDs")

Pursuant to Section 230 (1)(b) of the Companies Act 2016 which requires fees and any benefits payable to the Directors of a listed company and its subsidiaries to be approved at a general meeting, the proposed payment of Directors' fees and benefits to the NEDs under Ordinary Resolutions 1 and 2 include fees and benefits payable to the NEDs by the Company and its insurance subsidiaries, namely Allianz Life Insurance Malaysia Berhad and Allianz General Insurance Company (Malaysia) Berhad.

(a) Directors' fees from 17 June 2026 until the next Annual General Meeting ("AGM") of the Company

The shareholders of the Company had at the 51st AGM held on 25 June 2025 ("2025 AGM") approved the payment of Directors' fees to the NEDs effective 26 June 2025 until the next AGM scheduled for 16 June 2026, to be made on a monthly basis (excluding Service Tax), as detailed below ("Directors' Fees"):

	Directors' Fees per month (RM)	Directors' Fees per annum (RM)
Fee to each NED	10,000	120,000
Fee for being an Audit Committee member	4,000	48,000
Fee for being a Risk Management Committee member	3,000	36,000
Fee for being a Nomination and Remuneration Committee ("NRC") member	2,000	24,000

The Directors' fees to be paid to the NEDs for the period from 17 June 2026 until the next AGM of the Company remains the same as the Directors' Fees approved by the shareholders at the 2025 AGM.

The Directors' Fees paid during FY2025 was RM2,044,000 and disclosed in the Note 22.4 of the Audited Financial Statements of the Company for the FY2025.

(b) Directors' benefits for the period from 17 June 2026 until the next AGM of the Company

The benefits extended to NEDs comprise allowances and benefits in-kind to the Chairman and members of the Board/Board Committees of the Company and its insurance subsidiaries (excluding Service Tax).

- (i) Monthly fixed allowance
 - Chairman of the Board: RM12,000 per month
- (ii) Meeting allowance
 - Chairman of the Board/Board Committee: RM3,500 per meeting
 - Member of the Board/Board Committee: RM3,000 per meeting
- (iii) Benefits in-kind
 - Company car and driver: Chairman of the Board (based on taxable rate)
 - Medical, personal accident and Directors' and Officers' Liability insurance

The shareholders of the Company had at the 2025 AGM approved the payment of benefits to the NEDs, of up to an amount of RM1,184,000 from 26 June 2025 until the next AGM scheduled for 16 June 2026.

Please refer to Note 22.4 of the Audited Financial Statements of the Company for the total benefits paid to the NEDs for FY2025. The estimated total amount of benefits payable to the NEDs from 26 June 2025 to the 52nd AGM is equivalent to RM795,000.

Notice of Annual General Meeting

The proposed total amount of benefits payable to the NEDs is estimated to be up to an amount equivalent to RM1,259,000 from 17 June 2026 until the next AGM of the Company in 2027 ("2026/2027 Directors' Benefits"), taking into account the projected number of meetings for the Board/Board Committees as well as the projected number of NEDs involved in these meetings.

The Ordinary Resolution 2, if passed, will allow the Company and its insurance subsidiaries to make payment of the 2026/2027 Directors' Benefits to the NEDs on a monthly basis and/or as and when incurred.

3. Re-election of Directors who retire in accordance with Clause 19.1 and Clause 19.7 of the Company's Constitution

Clause 19.1 of the Company's Constitution provides that an election of Directors shall take place each year at the AGM of the Company where one-third (1/3) of the Directors for the time being, or if their number is not three (3) or a multiple of three (3), then the number nearest one-third (1/3), shall retire from office and be eligible for re-election provided always that all Directors shall retire from office once at least in each three (3) years. A retiring Director shall retain office until the close of the meeting at which he retires.

Peter Ho Kok Wai and Dr. Muhammed Bin Abdul Khalid will retire at the 52nd AGM pursuant to Clause 19.1 of the Constitution of the Company.

Pursuant to Clause 19.7 of the Company's Constitution, any Director so appointed shall hold office only until the next following AGM of the Company, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

Dr. Hasnita Binti Dato' Hashim was appointed as an Independent Non-Executive Director on 1 July 2025. Accordingly, she is standing for re-election pursuant to Clause 19.7 of the Company's Constitution at the 52nd AGM.

Save for Dr. Hasnita Binti Dato' Hashim, all other retiring Directors have indicated their willingness to seek for re-election ("Retiring Directors"). Dr. Hasnita Binti Dato' Hashim has expressed her intention to retire at the conclusion of the 52nd AGM due to personal reasons and therefore she will not seek for re-election.

The NRC conducted fit and proper assessment on the Retiring Directors in accordance with the Company's Fit and Proper Policy and Procedures for Key Responsible Persons ("Fit and Proper Policy").

All the Retiring Directors met the fit and proper criteria prescribed in the Fit and Proper Policy and the Retiring Directors have also fulfilled the independence criteria as prescribed under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The evaluation of the Retiring Directors was carried out by the Board members based on the relevant criteria approved by the Board, which include the following:

- (a) Understanding of the Company;
- (b) Industry and Market Awareness;
- (c) Effective Communication and Collaboration;
- (d) Preparation and Engagement;
- (e) Commitment to Continuous Learning; and
- (f) Constructive Feedback to Management.

The evaluation results of the Retiring Directors were submitted to the NRC for review. Based on the assessments, the NRC recommended the re-election of the Retiring Directors for the Board's approval. The Board supported the recommendation of the NRC and sought shareholders' approval for the re-election of the Retiring Directors.

The Retiring Directors had abstained from deliberations and voting on their respective re-elections at the Board Meeting.

The profile of the Retiring Directors is set out in the Board of Directors' Profile in the Integrated Annual Report.

Notice of Annual General Meeting

4. Re-appointment of Auditors

The Audit Committee reviewed the proposed re-appointment of PricewaterhouseCoopers PLT ("PwC PLT") (including of engagement partner and concurring partner) as Auditors for the Company and its insurance subsidiaries for the financial year ending 31 December 2026 ("FY2026") and concluded that PwC PLT met all the evaluation criteria as prescribed by the relevant authorities. The Audit Committee recommended the proposed re-appointment of PwC PLT to the respective Boards of the Company and its insurance subsidiaries for consideration.

The Board having satisfied that PwC PLT met the evaluation criteria as prescribed by the relevant authorities, recommended the proposed re-appointment of PwC PLT as Auditors of the Company for FY2026, for the shareholders' approval.

Detailed information in relation to the proposed shareholders' mandate for recurrent related party transactions are set out in the Circular, issued together with the Integrated Annual Report.

ABSTENTION FROM VOTING

1. NEDs who are shareholders of the Company, will abstain from voting on Resolutions 1 and 2 with regard to their remunerations.
2. Directors referred to in Resolutions 3 and 4 who are shareholders of the Company, will abstain from voting on resolution with regard to their respective re-election at the 52nd AGM.
3. The interested Directors and interested major shareholder will abstain from voting in respect of their direct and/or indirect shareholdings on Resolutions 6 and 7 with regard to the proposed shareholders' mandate for recurrent related party transactions involving their interests and/or interests of persons connected to them at the 52nd AGM. Please refer to the Circular for detailed information.

EXPLANATORY NOTES ON SPECIAL BUSINESS

5. Proposed Shareholders' Mandate for Recurrent Related Party Transactions

The Company is principally engaged in investment holding whilst the principal activities of its subsidiaries are underwriting of all classes of general insurance business, life insurance and investment-linked businesses.

It is anticipated that the Company and its insurance subsidiaries will, in the ordinary course of business, enter into recurrent related party transactions with classes of related parties as set out in Section 2.2 of the Company's Circular to Shareholders dated 30 April 2026 ("Circular").

In view of time sensitivity and the frequent nature of such related party transactions, the Directors of the Company are seeking shareholders' approval for the proposed Ordinary Resolutions 6 and 7, to allow the Company and its insurance subsidiaries in their ordinary course of business, to enter into recurrent related party transactions with the respective related parties as detailed in Section 2.2 of the Circular, provided that such transactions are made on arm's length basis and are on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders.

NOTE TO THE HOLDERS OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

The holders of ICPS shall be entitled to attend the 52nd AGM via Physical Attendance or Virtual Attendance but have no right to vote at the 52nd AGM. The voting rights of the ICPS holders are detailed in the Constitution of the Company published on the Company's website at allianz.com.my/corporate-governance.

Form of Proxy

ALLIANZ MALAYSIA BERHAD 197201000819 (12428-W)
(Incorporated in Malaysia)

Privacy Notice

Any personal data collected shall be used for the purpose of enabling your proxy/proxies to attend the 52nd Annual General Meeting of the Company. We shall retain the personal data for record keeping purposes in accordance with the Company's retention policy. By submitting this Form of Proxy to us, you confirm that you have consented and have obtained the consent of such proxy/proxies to enable us to process and retain the personal data provided in this Form of Proxy. If you or your proxy/proxies have a residential address in any of the European Union ("EU") member states, please reach out to us at: privacy@allianz.com.my in order for us to assess and comply with the EU Privacy Law - General Data Protection Regulation otherwise the local Personal Data Protection Act, 2010 shall apply to you and your proxy/proxies.

Number of Shares Held	
CDS Account No.	
Contact No.	

I/We _____
(Full Name of Shareholder as per NRIC/Passport/Certificate of Incorporation)

NRIC/Passport/Company No. _____ of _____

(Full Address)

being a member/members of ALLIANZ MALAYSIA BERHAD ("Company") hereby appoint:

Full Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares Held	%
Address			

and/or (delete as appropriate)

Full Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares Held	%
Address			

or failing him/her, the Chairman of the Meeting as my/our proxy to attend and vote for me/us on my/our behalf at the 52nd Annual General Meeting ("52nd AGM") of the Company to be held at the Grand Ballroom, Level 2, Aloft Kuala Lumpur Sentral, 5 Jalan Stesen Sentral, Kuala Lumpur Sentral, 50470 Kuala Lumpur ("Main Venue") and virtually by way of electronic means via the Vistra Share Registry and IPO (MY) portal ("The Portal") at <https://srm.vistra.com> on Tuesday, 16 June 2026 at 10.00 a.m. and any adjournment thereof, to vote as indicated below:

ORDINARY RESOLUTIONS		FOR	AGAINST
1.	Approval for payment of Directors' fees from 17 June 2026 until the next Annual General Meeting of the Company		
2.	Approval for payment of Directors' benefits from 17 June 2026 until the next Annual General Meeting of the Company		
3.	Re-election of Peter Ho Kok Wai as Director		
4.	Re-election of Dr. Muhammed Bin Abdul Khalid as Director		
5.	Re-appointment of PricewaterhouseCoopers PLT as Auditors for the financial year ending 31 December 2026 and authority to the Directors to fix the Auditors' remuneration		
6.	Proposed Shareholders' Mandate for Recurrent Related Party Transactions with Allianz SE Group		
7.	Proposed Shareholders' Mandate for Recurrent Related Party Transactions with Rapidpro Consulting Sdn Bhd		

(Please indicate with an "X" in the appropriate boxes on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain as he/she thinks fit.)

Dated this day of 2026.

Signature of Shareholder/Common Seal

NOTES TO MEMBERS AND PROXIES

1. Hybrid 52nd AGM

- 1.1 The Company's 52nd AGM will be held on a hybrid mode whereby Members/proxies will have an option, either:
 - (a) To attend physically in person at the Main Venue ("Physical Attendance"); OR
 - (b) To attend virtually using the Remote Participation and Voting ("RPV") facilities which are available on The Portal at <https://srmy.vistra.com> ("Virtual Attendance").
- 1.2 All Members/proxies who wish to attend the 52nd AGM physically are required to register for the meeting at the Main Venue.
- 1.3 All Members/proxies who wish to attend the 52nd AGM virtually are required to pre-register their attendance for the 52nd AGM via The Portal at <https://srmy.vistra.com> for verification of their eligibility to attend the 52nd AGM based on the **Record of Depositors as at 8 June 2026**. Pre-registration is not required for Physical Attendance.
- 1.4 The pre-registration is open from the date of the Notice of the 52nd AGM on Thursday, 30 April 2026 until such time before the voting session ends at the 52nd AGM on Tuesday, 16 June 2026.
- 1.5 Please refer to the **Administrative Details** for the full guide to Physical Attendance and Virtual Attendance at the 52nd AGM.

2. Submission of Questions Before and During Meeting

- 2.1 Members may submit questions in relation to the agenda items for the 52nd AGM prior to the 52nd AGM via The Portal at <https://srmy.vistra.com>, no later than Monday, 15 June 2026 at 10.00 a.m.
- 2.2 During the 52nd AGM, Members who are physically present at the Main Venue will be able to ask questions in person. Members who attend virtually using the RPV facilities may use the Query Box facility to ask questions real time (in the form of typed text) during the meeting.

3. Appointment of Proxy/Proxies

- 3.1 For the purposes of determining a Member who shall be entitled to participate in the forthcoming 52nd AGM of the Company, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a **Record of Depositors as at 8 June 2026**. Only a depositor whose name appears in the **Record of Depositors as at 8 June 2026** shall be entitled to participate in the 52nd AGM or appoint proxy/proxies to participate on his/her behalf.
- 3.2 Every Member including authorised nominees as defined under the Securities Industry (Central Depositories) Act 1991, and Exempt Authorised Nominees which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account, is entitled to appoint one (1) or more proxy to exercise all or any of his rights to participate instead of him at the 52nd AGM, and that such proxy need not be a Member.
- 3.3 Where a Member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- 3.4 The instrument appointing a proxy shall be in writing under the hand of the Member or of his attorney duly authorised in writing or if the Member is a corporation, shall either be executed under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing.
- 3.5 The instrument of proxy must be submitted in the following manner, **no later than Monday, 15 June 2026 at 10.00 a.m.**, being twenty-four (24) hours before the appointed time for holding the 52nd AGM:
 - (a) **In hardcopy**
The Form of Proxy must be deposited at the office of **Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur** or alternatively, the drop-in box located at **Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur**.
 - (b) **In electronic form**
The Form of Proxy can also be electronically lodged through The Portal at <https://srmy.vistra.com>.

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AFFIX
STAMP

The Share Registrar
Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

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