

Company No. 200701037463 (795492-W)

AIG MALAYSIA INSURANCE BERHAD

(Incorporated in Malaysia)

**CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2025 TO 30 JUNE 2025**

AIG MALAYSIA INSURANCE BERHAD
(Incorporated in Malaysia)

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AIG MALAYSIA INSURANCE BERHAD
(Incorporated in Malaysia)

**CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025 - UNAUDITED**

	Note	30.06.2025 RM'000	31.12.2024 RM'000
Assets			
Property and equipment		319	390
Right-of-use assets	7	3,524	4,615
Intangible assets		1,434	2,339
Financial investments	9	1,249,035	1,280,622
Reinsurance contract assets	10	320,477	417,194
Loans and receivables	12	38,809	38,428
Tax recoverable		4,408	4,408
Cash and bank balances		208,657	168,246
Total assets		1,826,663	1,916,242
Equity and liabilities			
Share capital		310,800	310,800
Retained earnings		297,924	360,969
Fair value reserve		6,827	(392)
Total equity		615,551	671,377
Insurance contract liabilities	11	1,080,584	1,141,110
Deferred tax liabilities		13,239	13,684
Lease liability	8	2,919	3,797
Other payables		114,370	86,274
Total liabilities		1,211,112	1,244,865
Total equity and liabilities		1,826,663	1,916,242

The accompanying notes form an integral part of the financial statements

AIG MALAYSIA INSURANCE BERHAD
(Incorporated in Malaysia)

CONDENSED STATEMENT OF PROFIT OR LOSS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 - UNAUDITED

	30.06.2025	30.06.2024
	RM'000	RM'000
Insurance revenue	434,153	415,477
Insurance service expenses	(241,582)	(349,043)
Net (expenses)/income from reinsurance contracts held	(103,656)	1,273
Insurance service result	88,915	67,707
Interest revenue from financial assets not measured at FVTPL	22,646	21,197
Investment revenue from financial assets measured at FVTPL	1,299	1,592
Net unrealised (losses)/gains on financial assets measured at FVTPL	(6,363)	5,776
Realised net gains on investments in financial assets measured at FVTPL	1,205	2,159
Net investment income	18,787	30,724
Net finance expenses from insurance contracts issued	(15,723)	(9,696)
Net finance income from reinsurance contracts held	6,098	3,984
Net insurance finance expense	(9,625)	(5,712)
Net insurance and investment result	98,077	92,719
Other income	(2,255)	(496)
Other operating expenses	(16,184)	(23,564)
Profit before income tax	79,638	68,659
Income tax expense	(22,683)	(20,849)
Profit for the period	56,955	47,810
Earnings per share		
Basic	0.18 sen	0.15 sen

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

AIG MALAYSIA INSURANCE BERHAD
(Incorporated in Malaysia)

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 - UNAUDITED**

	30.06.2025	30.06.2024
	RM'000	RM'000
Net profit after taxation for the financial year	56,955	47,810
Other comprehensive income:		
Items that may be subsequently reclassified to profit or loss		
Changes in other comprehensive income reserves:		
- Fair value gain/(loss) arise during the financial year	9,499	9,941
- Reclassification from other comprehensive income reserves to Statement of Profit or Loss arising from realised losses on disposal under FVOCI equities	-	-
Tax effect on changes in fair value reserves	(2,280)	(2,386)
	7,219	7,555
Total comprehensive income for the financial year	64,174	55,365

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

AIG MALAYSIA INSURANCE BERHAD
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CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 - UNAUDITED

	<---Non-distributable--->		Distributable	
	Share capital	Fair value reserve	Retained earnings	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2024	310,800	(1,630)	374,614	683,784
<i>Profit for the financial year</i>	-	-	47,810	47,810
<i>Other comprehensive expenses for the financial year</i>	-	7,555	-	7,555
Total comprehensive income for the financial year	-	7,555	47,810	55,365
At 30 June 2024	310,800	5,925	422,424	739,149
At 1 January 2025	310,800	(392)	360,969	671,377
<i>Profit for the financial year</i>	-	-	56,955	56,955
<i>Other comprehensive expenses for the financial year</i>	-	7,219	-	7,219
Total comprehensive income for the financial year	-	7,219	56,955	64,174
Dividend declared during the financial year	-	-	(120,000)	(120,000)
At 30 June 2025	310,800	6,827	297,924	615,551

The accompanying notes form an integral part of the financial statements

AIG MALAYSIA INSURANCE BERHAD
(Incorporated in Malaysia)

CONDENSED STATEMENT OF CASH FLOWS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 - UNAUDITED

	30.06.2025	30.06.2024
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the financial year	56,955	47,810
Adjustments for:		
Depreciation of property and equipment	71	125
Amortisation of intangible assets	1,005	929
Depreciation of right-of-use assets	1,091	2,002
Finance cost on lease liabilities	55	36
Investment income	(22,625)	(21,765)
Write-back of impairment loss on FVTPL financial assets	(855)	(956)
Realised gain on FVTPL financial assets	(1,205)	(2,138)
Gain on disposal of property and equipment	-	(21)
Net fair value (losses)/gains recorded in profit or loss	1,805	(6,128)
Income tax expense	27,242	19,732
	<u>63,539</u>	<u>39,626</u>
Changes in working capital:		
Increase in AC financial assets	(49)	(80,080)
Decrease/(increase) in reinsurance contract assets	96,717	(40,132)
(Decrease)/increase in insurance contract liabilities	(154,885)	121,461
Increase in other payables	2,455	12,426
Increase in loans and receivables	(381)	(17,937)
Cash generated from operations	<u>7,396</u>	<u>35,364</u>
Tax paid	(25,408)	(21,481)
Net cash inflows from operating activities	<u>(18,012)</u>	<u>13,883</u>

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

CONDENSED STATEMENT OF CASH FLOWS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2025 - UNAUDITED (CONTINUED)

	30.06.2025	30.06.2024
	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceed from disposal of property and equipment	-	21
Purchase of property and equipment	-	(172)
Purchase of intangible assets	(100)	(17)
Interest income received	23,710	21,385
Dividend income received	1,177	1,549
Purchase of FVTPL financial assets	(30,465)	(19,520)
Purchase of FVOCI financial assets	(40,642)	(211,944)
Proceeds from disposal of FVTPL financial assets	30,676	24,616
Proceeds from disposal of FVOCI financial assets	75,000	105,000
Net cash inflows from investing activities	59,356	(79,082)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(933)	(1,459)
Net cash outflows from financing activities	(933)	(1,459)
NET INCREASE IN CASH AND CASH EQUIVALENTS	40,411	(66,658)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	168,246	151,108
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	208,657	84,450
Cash and cash equivalents comprise:		
Cash and bank balances	14,198	20,550
Fixed and call deposits with maturity of less than 3 months	194,459	63,900
	208,657	84,450

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

AIG MALAYSIA INSURANCE BERHAD
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

1. BASIS OF PREPARATION

The unaudited condensed interim financial statements ("the Report") of AIG Malaysia Insurance Berhad ("the Company") have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting, and International Accounting Standard ("IAS") 34, Interim Financial Reporting.

The Report does not include all information required for disclosure in the annual financial statements, and should be read in conjunction with the audited financial statements of the Company as at and for the financial year ended 31 December 2024.

The preparation of the condensed interim financial statement 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 as at the date of the condensed interim financial statements, and the reported amount of income and expenses during the period. 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.

The accounting policies and presentation adopted by the Company for the condensed interim financial statements are consistent with those adopted in the Company's audited financial statements for the financial year ended 31 December 2024, except for the adoption of the following:

MFRSs/Interpretations/Amendments	Effective date
<ul style="list-style-type: none">Amendments to MFRS 121, <i>The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability</i>	1 January 2025

The initial application of the abovementioned accounting standards and amendments did not have any material financial impact to the current and prior periods financial statements upon their first adoption.

2. SEASONAL OR CYCLICAL FACTORS

The business operations of the Company were not significantly affected by seasonality or cyclical factors for the period under review.

3. EXCEPTIONAL OR EXTRAORDINARY ITEMS

There were no exceptional or extraordinary items for the six months ended 30 June 2025.

4. CHANGES IN ESTIMATES

There were no material changes in the basis used for accounting estimates for the current financial period ended 30 June 2025.

5. ISSUES, REPURCHASES AND REPAYMENTS OF DEBT AND EQUITY SECURITIES

There was no issuance or repayment of debt and equities for the current financial period under review.

6. DIVIDENDS

A final single-tier dividend of 38.61% (RM0.3861 per share) on ordinary shares declared in respect of financial year ended 31 December 2024 amounting to RM120 million will be paid on 3 July 2025.

No dividend has been declared in respect of the current period ended 30 June 2025.

7. RIGHT-OF-USE ASSETS

	Properties RM'000
Cost	
At 1 January 2024	16,318
Addition	3,871
Early Termination	(348)
As at 31 December 2024/1 January 2025	<u>19,841</u>
Additions	-
At 30 June 2025	<u>19,841</u>
Accumulated Depreciation	
At 1 January 2024	13,573
Charge for the period	1,970
Early Termination	(317)
As at 31 December 2024/1 January 2025	<u>15,226</u>
Charge for the period	1,091
At 30 June 2025	<u>16,317</u>
Net book value	
At 31 December 2024	<u>4,615</u>
At 30 June 2025	<u>3,524</u>

8. LEASE LIABILITY

	30.06.2025 RM'000	31.12.2024 RM'000
Due in 1 year or less	1,337	1,531
Due in 2 to 5 years	1,582	2,266
Total present value of minimum lease payments	<u>2,919</u>	<u>3,797</u>
Future minimum lease payments	3,014	3,947
Less: finance cost	(95)	(150)
Total present value of minimum lease payments	<u>2,919</u>	<u>3,797</u>
<i>Payable within one year</i>		
Future minimum lease payments	1,399	1,617
Finance cost	(62)	(86)
Present value of minimum lease payments	<u>1,337</u>	<u>1,531</u>
<i>Payable more than 1 year but not more than 5 years</i>		
Future minimum lease payments	1,615	2,330
Finance cost	(33)	(64)
Present value of minimum lease payments	<u>1,582</u>	<u>2,266</u>

9. FINANCIAL INVESTMENTS

	30.06.2025	31.12.2024
	RM'000	RM'000
Malaysian government securities	851,010	896,691
Cagamas papers	76,864	66,144
Corporate debt securities	254,832	247,115
Equity securities of corporations	66,182	66,850
Real estate investment trust	-	3,724
Fixed and call deposits	147	98
Total investments	1,249,035	1,280,622

The Company's financial investments are summarised by categories as follows:

	30.06.2025	31.12.2024
	RM'000	RM'000
Financial assets at FVTPL	66,182	70,574
Financial assets at FVOCI	1,182,706	1,209,950
Financial assets at amortised cost	147	98
Total investments	1,249,035	1,280,622

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

(a) Fair value through profit or loss ("FVTPL")

	30.06.2025	31.12.2024
	RM'000	RM'000
Equity securities of corporations - quoted in Malaysia	66,182	66,850
Real estate investment trust - quoted in Malaysia	-	3,724
	66,182	70,574

(b) Fair value through other comprehensive income ("FVOCI")

	30.06.2025	31.12.2024
	RM'000	RM'000
At fair value		
Malaysian government securities - unquoted in Malaysia	851,010	896,691
Cagamas papers - unquoted in Malaysia	76,864	66,144
Corporate debt securities - unquoted in Malaysia	254,832	247,115
	1,182,706	1,209,950

(c) Amortised cost ("AC")

	30.06.2025	31.12.2024
	RM'000	RM'000
Fixed and call deposits with licensed financial institutions with maturity more than three months	147	98

The carrying amount of the deposits with financial institutions approximates fair value due to the relatively short term maturities.

9. FINANCIAL INVESTMENTS**(d) Carrying values of financial assets**

	FVOCI RM'000	FVTPL RM'000	AC RM'000	Total RM'000
As at 1 January 2024	1,116,239	70,519	26,817	1,213,575
Purchases	476,428	33,121	-	509,549
Maturities	(380,000)	-	(25,768)	(405,768)
Disposals	-	(46,839)	-	(46,839)
Fair value gains/(losses) recognised in:	1,629	9,005	-	10,634
- <i>profit or loss</i>	-	9,005	-	9,005
- <i>comprehensive income</i>	1,629	-	-	1,629
(Amortisation)/accretion of premium or discount	(5,676)	-	-	(5,676)
Movement of impairment allowance	-	1,598	-	1,598
Realised gain on disposal	-	3,168	-	3,168
Movement accrued interests	1,330	2	(951)	381
As at 31 December 2024	1,209,950	70,574	98	1,280,622
As at 1 January 2025	1,209,950	70,574	98	1,280,622
Purchases	40,642	30,465	-	71,107
Maturities	(75,000)	-	-	(75,000)
Disposals	-	(30,676)	-	(30,676)
Fair value gains/(losses) recognised in:	9,499	(6,363)	-	3,136
- <i>profit or loss</i>	-	(6,363)	-	(6,363)
- <i>comprehensive income</i>	9,499	-	-	9,499
(Amortisation)/accretion of premium or discount	(2,066)	-	-	(2,066)
Movement of impairment allowance	-	855	-	855
Realised gain on disposal	-	1,205	-	1,205
Movement accrued interests	(319)	122	49	(148)
As at 30 June 2025	1,182,706	66,182	147	1,249,035

10. REINSURANCE CONTRACT ASSETS

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims ceded to reinsurers for the financial year ended 30 June 2025 is disclosed in the table below:

	30.06.2025				
	Asset for remaining coverage		Asset for incurred claims		Total RM'000
	Excluding loss recovery component RM'000	Loss recovery component RM'000	Present value of future cash flows RM'000	Risk adjustment for non- financial risk RM'000	
As at 1 January 2025	121,689	-	259,019	36,486	417,194
Allocation of reinsurance premiums paid	(124,495)	-	-	-	(124,495)
Recoveries of incurred claims	-	-	26,959	-	26,959
Adjustments to assets for incurred claims	-	-	-	(6,119)	(6,119)
Net (expense)/income from reinsurance contracts held	(124,495)	-	26,959	(6,119)	(103,655)
Net finance income from reinsurance contracts held	115	-	5,208	774	6,097
Total amounts recognized in comprehensive income	(124,380)	-	32,167	(5,345)	(97,558)
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	67,171	-	-	-	67,171
Reinsurance recoveries	-	-	(66,330)	-	(66,330)
Total cash flows	67,171	-	(66,330)	-	841
Other movements	-	-	-	-	-
As at 30 June 2025	64,480	-	224,856	31,141	320,477

10. REINSURANCE CONTRACT ASSETS (CONTINUED)

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims ceded to reinsurers for the financial year ended 31 December 2024 is disclosed in the table below:

	31.12.2024				
	Asset for remaining coverage		Asset for incurred claims		Total RM'000
	Excluding loss recovery component RM'000	Loss recovery component RM'000	Present value of future cash flows RM'000	Risk adjustment for non-financial risk RM'000	
As at 1 January 2024	97,432	-	230,760	32,741	360,933
Allocation of reinsurance premiums paid	(180,968)	-	-	-	(180,968)
Recoveries of incurred claims	-	-	80,458	-	80,458
Adjustments to assets for incurred claims	-	-	-	2,886	2,886
Net (expense)/income from reinsurance contracts held	(180,968)	-	80,458	2,886	(97,624)
Net finance income/(expenses) from reinsurance contracts held	58	-	5,680	859	6,597
Total amounts recognized in comprehensive income	(180,910)	-	86,138	3,745	(91,027)
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	205,100	-	-	-	205,100
Reinsurance recoveries	-	-	(57,992)	-	(57,992)
Total cash flows	205,100	-	(57,992)	-	147,108
Other movements	67	-	113	-	180
As at 31 December 2024	121,689	-	259,019	36,486	417,194

11. INSURANCE CONTRACT LIABILITIES

The breakdown of groups of insurance contracts issued, that are in a liability position is set out in the table below:

	30.06.2025			31.12.2024		
	Assets	Liabilities	Net	Assets	Liabilities	Net
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Fire	-	258,041	258,041	-	301,119	301,119
Motor	-	67,670	67,670	-	84,339	84,339
Marine & Aviation	-	118,692	118,692	-	108,135	108,135
Miscellaneous	-	636,181	636,181	-	647,517	647,517
Total insurance contracts issued	-	1,080,584	1,080,584	-	1,141,110	1,141,110

Roll-forward of net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims

The table below analyses the movement in the net insurance contract liabilities, showing separately the liabilities remaining coverage and liabilities for incurred claim by line of business with material net liabilities:

	30.06.2025				
	Liability for remaining coverage		Liability for incurred claims		
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Fire					
As at 1 January 2025	118,414	-	162,909	19,796	301,119
Insurance revenue	(103,853)	-	-	-	(103,853)
Insurance service expenses	14,919	-	37,899	(2,342)	50,476
Incurred claims and other directly attributable expenses	-	-	55,687	4,971	60,658
Changes that relate to past service relating to the LIC	-	-	(17,788)	(7,313)	(25,101)
Insurance acquisition cash flows amortisation	14,919	-	-	-	14,919
Insurance service result	(88,934)	-	37,899	(2,342)	(53,377)
Net finance expenses from insurance contracts issued	-	-	(2,607)	212	(2,395)
Total amounts recognized in comprehensive income	(88,934)	-	35,292	(2,130)	(55,772)
Cash flows					
Premium received	56,206	-	-	-	56,206
Claims and other directly attributable expenses paid	-	-	(10,772)	-	(10,772)
Insurance acquisition costs	(32,740)	-	-	-	(32,740)
Total cash flows	23,466	-	(10,772)	-	12,694
Other movements	-	-	-	-	-
As at 30 June 2025	52,946	-	187,429	17,666	258,041

11. INSURANCE CONTRACT LIABILITIES (CONTINUED)

Roll-forward of net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims (continued)

Fire	31.12.2024				
	Liability for remaining coverage		Liability for incurred claims		Total RM'000
	Excluding loss component RM'000	Loss component RM'000	Present value of future cash flows RM'000	Risk adjustment for non-financial risk RM'000	
As at 1 January 2024	81,329	-	128,788	18,292	228,409
Insurance revenue	(177,986)	-	-	-	(177,986)
Insurance service expenses	25,412	-	89,811	1,665	116,888
Incurred claims and other directly attributable expenses	-	-	105,414	7,959	113,373
Changes that relate to past service relating to the LIC	-	-	(15,603)	(6,294)	(21,897)
Insurance acquisition cash flows amortisation	25,412	-	-	-	25,412
Insurance service result	(152,574)	-	89,811	1,665	(61,098)
Net finance expenses/(income) from insurance contracts issued	-	-	(1,601)	(161)	(1,762)
Total amounts recognized in comprehensive income	(152,574)	-	88,210	1,504	(62,860)
Cash flows					
Premium received	199,601	-	-	-	199,601
Claims and other directly attributable expenses paid	-	-	(54,089)	-	(54,089)
Insurance acquisition costs	(9,942)	-	-	-	(9,942)
Total cash flows	189,659	-	(54,089)	-	135,570
Other movements	-	-	-	-	-
As at 31 December 2024	118,414	-	162,909	19,796	301,119

11. INSURANCE CONTRACT LIABILITIES (CONTINUED)

Roll-forward of net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims (continued)

Motor	30.06.2025				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Risk Present value of future cash flows	adjustment for non-financial risk	
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2025	81,678	-	(8,585)	11,246	84,339
Insurance revenue	(106,133)	-	-	-	(106,133)
Insurance service expenses	24,355	-	33,359	(1,272)	56,442
Incurred claims and other directly attributable expenses	-	-	49,015	2,701	51,716
Changes that relate to past service relating to the LIC	-	-	(15,656)	(3,973)	(19,629)
Insurance acquisition cash flows amortisation	24,355	-	-	-	24,355
Insurance service result	(81,778)	-	33,359	(1,272)	(49,691)
Net finance expenses from insurance contracts issued	-	-	(965)	48	(917)
Total amounts recognized in comprehensive income	(81,778)	-	32,394	(1,224)	(50,608)
Cash flows					
Premium received	101,763	-	-	-	101,763
Claims and other directly attributable expenses paid	-	-	(53,057)	-	(53,057)
Insurance acquisition costs	(14,767)	-	-	-	(14,767)
Total cash flows	86,996	-	(53,057)	-	33,939
Other movements	-	-	-	-	-
As at 30 June 2025	86,896	-	(29,248)	10,022	67,670

11. INSURANCE CONTRACT LIABILITIES (CONTINUED)

Roll-forward of net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims (continued)

	31.12.2024				
	Liability for remaining coverage		Liability for incurred claims		Total RM'000
	Excluding loss component RM'000	Loss component RM'000	Present value of future cash flows RM'000	Risk adjustment for non-financial risk RM'000	
Motor					
As at 1 January 2024	82,897	-	55,318	10,487	148,702
Insurance revenue	(221,137)	-	-	-	(221,137)
Insurance service expenses	50,095	-	71,528	815	122,438
Incurred claims and other directly attributable expenses	-	-	83,955	3,897	87,852
Changes that relate to past service relating to the LIC	-	-	(12,427)	(3,082)	(15,509)
Insurance acquisition cash flows amortisation	50,095	-	-	-	50,095
Insurance service result	(171,042)	-	71,528	815	(98,699)
Net finance expenses/(income) from insurance contracts issued	-	-	(11)	(56)	(67)
Total amounts recognized in comprehensive income	(171,042)	-	71,517	759	(98,766)
Cash flows					
Premium received	219,136	-	-	-	219,136
Claims and other directly attributable expenses paid	-	-	(134,418)	-	(134,418)
Insurance acquisition costs	(49,201)	-	-	-	(49,201)
Total cash flows	169,935	-	(134,418)	-	35,517
Other movements	(112)	-	(1,002)	-	(1,114)
As at 31 December 2024	81,678	-	(8,585)	11,246	84,339

11. INSURANCE CONTRACT LIABILITIES (CONTINUED)

Roll-forward of net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims (continued)

Marine & Aviation	30.06.2025				
	Liability for remaining coverage		Liability for incurred claims		Total RM'000
	Excluding loss component RM'000	Loss component RM'000	Present value of future cash flows RM'000	Risk adjustment for non-financial risk RM'000	
As at 1 January 2025	12,235	-	87,027	8,873	108,135
Insurance revenue	(24,020)	-	-	-	(24,020)
Insurance service expenses	2,821	-	14,938	(1,068)	16,691
Incurred claims and other directly attributable expenses	-	-	21,949	2,267	24,216
Changes that relate to past service relating to the LIC	-	-	(7,011)	(3,335)	(10,346)
Insurance acquisition cash flows amortisation	2,821	-	-	-	2,821
Insurance service result	(21,199)	-	14,938	(1,068)	(7,329)
Net finance expenses from insurance contracts issued	-	-	1,364	(128)	1,236
Total amounts recognized in comprehensive income	(21,199)	-	16,302	(1,196)	(6,093)
Cash flows					
Premium received	23,968	-	-	-	23,968
Claims and other directly attributable expenses paid	-	-	(3,403)	-	(3,403)
Insurance acquisition costs	(3,915)	-	-	-	(3,915)
Total cash flows	20,053	-	(3,403)	-	16,650
Other movements	-	-	-	-	-
As at 30 June 2025	11,089	-	99,926	7,677	118,692

11. INSURANCE CONTRACT LIABILITIES (CONTINUED)

Roll-forward of net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims (continued)

Marine & Aviation	31.12.2024				
	Liability for remaining coverage		Liability for incurred claims		Total RM'000
	Excluding loss component RM'000	Loss component RM'000	Risk Present value of future cash flows RM'000	adjustment for non-financial risk RM'000	
As at 1 January 2024	9,958	-	69,030	8,316	87,304
Insurance revenue	(41,300)	-	-	-	(41,300)
Insurance service expenses	5,568	-	27,735	595	33,898
Incurred claims and other directly attributable expenses	-	-	32,554	2,844	35,398
Changes that relate to past service relating to the LIC	-	-	(4,819)	(2,249)	(7,068)
Insurance acquisition cash flows amortisation	5,568	-	-	-	5,568
Insurance service result	(35,732)	-	27,735	595	(7,402)
Net finance expenses/(income) from insurance contracts issued	-	-	(80)	(38)	(118)
Total amounts recognized in comprehensive income	(35,732)	-	27,655	557	(7,520)
Cash flows					
Premium received	41,962	-	-	-	41,962
Claims and other directly attributable expenses paid	-	-	(9,658)	-	(9,658)
Insurance acquisition costs	(3,953)	-	-	-	(3,953)
Total cash flows	38,009	-	(9,658)	-	28,351
Other movements	-	-	-	-	-
As at 31 December 2024	12,235	-	87,027	8,873	108,135

11. INSURANCE CONTRACT LIABILITIES (CONTINUED)

Roll-forward of net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims (continued)

Miscellaneous	30.06.2025				
	Liability for remaining coverage		Liability for incurred claims		Total RM'000
	Excluding loss component RM'000	Loss component RM'000	Risk Present value of future cash flows RM'000	adjustment for non-financial risk RM'000	
As at 1 January 2025	219,929	-	388,104	39,484	647,517
Insurance revenue	(200,147)	-	-	-	(200,147)
Insurance service expenses	46,559	-	75,442	(4,028)	117,973
Incurred claims and other directly attributable expenses	-	-	110,849	8,547	119,396
Changes that relate to past service relating to the LIC	-	-	(35,407)	(12,575)	(47,982)
Insurance acquisition cash flows amortisation	46,559	-	-	-	46,559
Insurance service result	(153,588)	-	75,442	(4,028)	(82,174)
Net finance expenses from insurance contracts issued	1,154	-	15,126	1,519	17,799
Total amounts recognized in comprehensive income	(152,434)	-	90,568	(2,509)	(64,375)
Cash flows					
Premium received	192,113	-	-	-	192,113
Claims and other directly attributable expenses paid	-	-	(102,433)	-	(102,433)
Insurance acquisition costs	(36,641)	-	-	-	(36,641)
Total cash flows	155,472	-	(102,433)	-	53,039
Other movements	-	-	-	-	-
As at 30 June 2025	222,967	-	376,239	36,975	636,181

11. INSURANCE CONTRACT LIABILITIES (CONTINUED)

Roll-forward of net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims (continued)

Miscellaneous	31.12.2024				
	Liability for remaining coverage		Liability for incurred claims		Total RM'000
	Excluding loss component RM'000	Loss component RM'000	Risk Present value of future cash flows RM'000	adjustment for non-financial risk RM'000	
As at 1 January 2024	184,229	-	317,411	34,650	536,290
Insurance revenue	(403,954)	-	-	-	(403,954)
Insurance service expenses	129,837	-	166,887	2,837	299,561
Incurred claims and other directly attributable expenses	-	-	195,879	13,560	209,439
Changes that relate to past service relating to the LIC	-	-	(28,992)	(10,723)	(39,715)
Insurance acquisition cash flows amortisation	129,837	-	-	-	129,837
Insurance service result	(274,117)	-	166,887	2,837	(104,393)
Net finance expenses/(income) from insurance contracts issued	757	-	15,560	1,997	18,314
Total amounts recognized in comprehensive income	(273,360)	-	182,447	4,834	(86,079)
Cash flows					
Premium received	424,781	-	-	-	424,781
Claims and other directly attributable expenses paid	-	-	(111,754)	-	(111,754)
Insurance acquisition costs	(115,721)	-	-	-	(115,721)
Total cash flows	309,060	-	(111,754)	-	197,306
Other movements	-	-	-	-	-
As at 31 December 2024	219,929	-	388,104	39,484	647,517

12. LOANS AND RECEIVABLES

	30.06.2025 RM'000	31.12.2024 RM'000
Other receivables:		
Amount due from Malaysian Motor Insurance pool ("MMIP")	36,272	36,272
- Assets held under MMIP	30,813	30,813
- Cash contribution to MMIP	5,459	5,459
Other receivables, deposits and prepayments	2,537	2,156
Total loans and receivables	38,809	38,428

13. RELATED PARTY DISCLOSURES

In the normal course of business, the Company undertakes at agreed terms and prices, various transactions with the ultimate holding company and other related corporations deemed related parties by virtue of them being members of American International Group, Inc. group of companies ("AIG Group").

Details of significant related party transactions during the financial year:

	30.06.2025 RM'000	31.12.2024 RM'000
Reinsurance premium ceded	(65,036)	(129,612)
Claims paid	(413)	(16,245)
Commission earned	24,039	50,161
System related costs paid to related corporations	(7,299)	(19,873)
Reimbursement of expenses paid on behalf of immediate holding company	1,949	3,452
Asset management fees	(583)	(1,391)
Policy processing and related administration costs	(909)	(2,322)
Global service fees	(5,541)	(12,572)
Professional fees	(472)	(2,235)
Dividends payable/paid	(120,000)	(160,000)

14. FAIR VALUE INFORMATION

Fair value measurement

The Company carries certain of its financial instruments at fair value. The fair value of a financial instrument is the amount that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between willing, able and knowledgeable market participants at the measurement date.

Fair value hierarchy

Financial assets recorded at fair value in the Statement of Financial Position are measured and classified in a hierarchy for disclosure purposes consisting of three levels based on the characteristics of inputs available in the marketplace that are used to measure the fair values as noted below:

Level 1

Financial instruments are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted prices is readily available, and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an on-going basis. These would include actively traded listed equities and actively exchange-traded derivatives.

Level 2

Where fair value is determined using unquoted market prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2. In cases where quoted prices are generally not available, the Company then determines fair value based upon valuation techniques that use as inputs, market parameters including but not limited to yield curves, volatilities and foreign exchange rates. The majority of valuation techniques employ only observable market data and so reliability of the fair value measurement is high. These would include certain bonds, government bonds, corporate debt securities, repurchase and reverse purchase agreements, loans.

Level 3

Financial instruments are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). Such inputs are generally determined based on observable inputs of a similar nature, historical observations on the level of the input or other analytical techniques.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

There is no transfer between Level 1 and Level 2 of the fair value hierarchy during the period under review.

14. FAIR VALUE INFORMATION (CONTINUED)Fair value hierarchy (continued)

The following table present information about assets carried at fair value by their valuation method.

30.06.2025	Level 1 RM'000	Level 2 RM'000	Total RM'000
Financial assets			
FVTPL			
Equity securities of corporations	66,182	-	66,182
Real estate investment trust	-	-	-
FVOCI			
Malaysian government securities	-	851,010	851,010
Cagamas papers	-	76,864	76,864
Corporate debt securities	-	254,832	254,832
	<u>66,182</u>	<u>1,182,706</u>	<u>1,248,888</u>
31.12.2024	Level 1 RM'000	Level 2 RM'000	Total RM'000
Financial assets			
FVTPL			
Equity securities of corporations	66,850	-	66,850
Real estate investment trust	3,724	-	3,724
FVOCI			
Malaysian government securities	-	896,691	896,691
Cagamas papers	-	66,144	66,144
Corporate debt securities	-	247,115	247,115
	<u>70,574</u>	<u>1,209,950</u>	<u>1,280,524</u>

15. REGULATORY CAPITAL REQUIREMENTS

The capital structure of the Company as at 30 June 2025, as prescribed under the Framework is provided below:

	30.06.2025 RM'000	31.12.2024 RM'000
Eligible Tier 1 Capital		
Share capital (paid-up)	310,800	310,800
Retained earnings	239,213	293,178
	<u>550,013</u>	<u>603,978</u>
Tier 2 Capital		
Eligible reserves	<u>6,827</u>	<u>(392)</u>
*Amount deducted from Capital	<u>(5,872)</u>	<u>(9,057)</u>
Total Capital Available	<u>550,968</u>	<u>594,529</u>

16. CONTINGENT LIABILITY

As background, the Malaysia Competition Commission ("MyCC") issued a decision in 2020 against Persatuan Insuran Am Malaysia (PIAM) and 22 other members of PIAM (including AIG) for the agreement between PIAM and the Federation of Automobile Workshop Owners' Association of Malaysia (FAWOAM) to fix trade discount rates for parts of certain vehicle makes and labour hourly rates for workshops under the PIAM Approved Repairers Scheme (the "Decision"). PIAM and its members appealed against the Decision to the Competition Appeal Tribunal ("CAT"), which delivered its decision in September 2022 to overturn the Decision.

MyCC then applied to the High Court for leave to judicially review against the CAT Decision and the hearing for the leave application was scheduled for 8 May 2023. AIG (together with PIAM and a majority of the insurers) then filed an objection to MyCC's leave application for Judicial Review.

The leave hearing scheduled for 8 May 2023 was postponed to 30 November 2023 instead. AIG had also filed an affidavit on 19 May 2023 ("AIG's Affidavit") opposing the Judicial Review Application. On 12 June 2023, MyCC had filed a reply to AIG's Affidavit. MyCC then filed its Written Submissions on 20 August 2023 and AIG filed its Written Submissions on 21 August 2023.

On 16 January 2024, the High Court dismissed the Judicial Review Application with costs of RM10,000 payable to each insurer ("High Court Decision"). MyCC filed an appeal to the Court of Appeal against the High Court Decision. During the case management on 15 May 2024, the court fixed the hearing of the appeal for 22 May 2025. During a case management on 30 May 2025, the court postponed the hearing of the appeal to 30 April 2026.

Saved as disclosed above, the management of the Company believes the criteria to disclose the above as contingent liability are met. Save as disclosed above, the Company does not have any other contingent assets and liabilities since the last annual balance sheet date of 31 December 2024.

AIG MALAYSIA INSURANCE BERHAD
(Incorporated in Malaysia)

**CONFIRMATION BY OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL
MANAGEMENT OF THE COMPANY**

I, Zawinah Ismail, being the officer primarily responsible for the financial management of AIG Malaysia Insurance Berhad, confirm that the financial statements set out on pages 1 to 19 are drawn up in accordance with Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting.

Zawinah Ismail

Kuala Lumpur

Date: 22 August 2025