Asian Institute of Insurance

ANNUAL REPORT 2025

Future Ready

Knowledge Forward

aiiasia.org

CREATING VALUE FOR ALL IN 2025

Membership

As of 31 December 2025

25,958 Total Aii Members

- **109** Institutional Members
- **57** Fellow
- **160** Senior Associate
- **72** Associate
- **65** Certificate
- **549** Ordinary
- **24,946** Affiliate (Individual & Institutional)

AITRI

Secretariat for the ASEAN Insurance Training & Research Institute (AITRI)

E-Learning

44,014 - Total E-Learning Users in 2025

Agents

28,204 - Completed Aii's Agent's Licensing Examination in 2025

Graduates

- **2** Fellowship of the Asian Institute of Insurance (FAii)
- **12** Fellowship of Life Administration & Management Programme
- **124** Associateship of the Asian Institute of Insurance (AAii Level 1 & Level 2)
- **474** Certificate of the Asian Institute of Insurance (CAii)
- **40** Certificate of of Life Administration & Management
- **15** Programme Certificate in General Insurance Underwriting (PCGIU)
- **29** Programme Certification Underwriting Course (PCUC)

We Empower Industry Professionals Across the Globe

- Malaysia
- Maldives
- Myanmar
- Singapore
- Thailand
- Brunei
- Cambodia
- Indonesia
- India

International Recognition

Recognised by:

- The Australian and New Zealand Institute of Insurance and Finance (ANZIIF)
- Chartered Insurance Institute (CII)

Asian Institute of Insurance

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Asian Institute of Insurance

Overview

ABOUT **THIS REPORT**

As the industry continues to evolve, Aii remains committed to being a **beacon of knowledge, professionalism, and leadership.** By strengthening human capital, fostering collaboration, and supporting regulatory alignment, Aii continues to contribute meaningfully to a resilient, well-governed, and forward-looking insurance industry—serving the long-term interests of insurers, policyholders, and the broader financial system.

The 2025 Annual Report highlights the performance for the financial year, showcasing strategic focus, execution and shared insights of the outcomes and achievements. It spans the period of 1 January 2025 to 31 December 2025.

ABOUT **US**

The **Asian Institute of Insurance (Aii)** is a leading professional education and capability-building institution dedicated to advancing the insurance and takaful industry in Malaysia and across the region. Formerly known as the Malaysian Insurance Institute, Aii has evolved to reflect its expanded regional outlook and its role as a strategic partner to industry and regulators in developing future-ready talent and leadership.

Aii designs and delivers **professional qualification and certification programmes, and executive development initiatives** covering a wide range of disciplines, including underwriting, claims, actuarial practice, risk management, governance, technology, and emerging risks. Our programmes are developed in close engagement with industry practitioners and regulators to ensure relevance, quality, and practical application.

Beyond training, Aii serves as a **strategic industry convener**, facilitating forums, roundtables, and leadership platforms that enable constructive dialogue and alignment between regulators and market participants. These platforms support shared understanding of regulatory expectations, emerging challenges, and industry best practices.

BOARD **APPROVAL**

The Board of Directors (Board) applied its collective mind to ensure the integrity of this Annual Report as guided by Aii's constitution.

IN THE YEAR **AHEAD**

By expanding access to quality education and professional qualifications, Aii will continue to intensify its efforts in developing a robust pipeline of qualified graduates and professionals for the insurance industry.

OUR VALUE CREATION MODEL

VISION

The Pre-Eminent Insurance Institute for Knowledge, Professionalism, & Leadership in Asia-Pacific

MISSION

Inspiring excellence through Thought Leadership

Driving the professional development of future-ready talent

Building a trusted and sought after brand

CORE VALUES

Resourceful Blending bold imagination with a future-oriented vision to deliver impactful products and services

Integrity Consistently demonstrating honesty, trustworthiness, and ethical behaviour in all decisions and actions

Teamwork Actively collaborating to translate our vision into concrete achievements

Excellence Unwavering dedication to delivering best-in-class results through continuous improvements

Asian Institute of Insurance

Leadership **Insights**

2025 WAS A YEAR MARKED BY VARIOUS ACHIEVEMENTS AND ALSO CHALLENGES AS WE PROCEEDED WITH OUR TRANSFORMATION FOLLOWING THE INSTITUTE'S REBRANDING.

Ng Kok Kheng

Chairman
Asian Institute of Insurance

Dear Individual and Institutional Members, Industry Associations and Stakeholders,

2025 was a year marked by various achievements and also challenges as we proceeded with our transformation following the Institute's rebranding to the Asian Institute of Insurance (Aii). While we aspire to become a regional entity in insurance education, we have continued our work in strengthening the value of our franchise, serving the needs of our core market and delivering quality education, professional qualifications and awards. I am therefore pleased to present the 2025 Annual Report of the Asian Institute of Insurance.

A notable event in 2025 was signing a Memorandum of Understanding with Banco Central de Timor-Leste, extending our support for insurance education beyond Malaysia and deepening regional cooperation within ASEAN.

We enhanced our programmes to address climate risk, digitalisation, cybersecurity and emerging technologies, equipping practitioners with the skills to navigate a more complex environment. Participation in our qualifications and training stayed strong, and the Graduation Ceremony of 2025 was a particularly meaningful occasion as we recognised our graduates. We also advanced the Asian Quality Business Awards, encouraging higher standards across the sector.

Collaboration with our stakeholders was just as central to the year's progress. Close engagement with regulators, industry partners, and regional organisations kept our programmes aligned with broader industry developments — partnerships instrumental to Aii's contribution to the growth of the insurance ecosystem.

Looking ahead, Aii will keep strengthening its capabilities and regional presence, delivering greater value to the industry through quality education and professional development, and standing ready to support the industry in meeting future challenges with confidence.

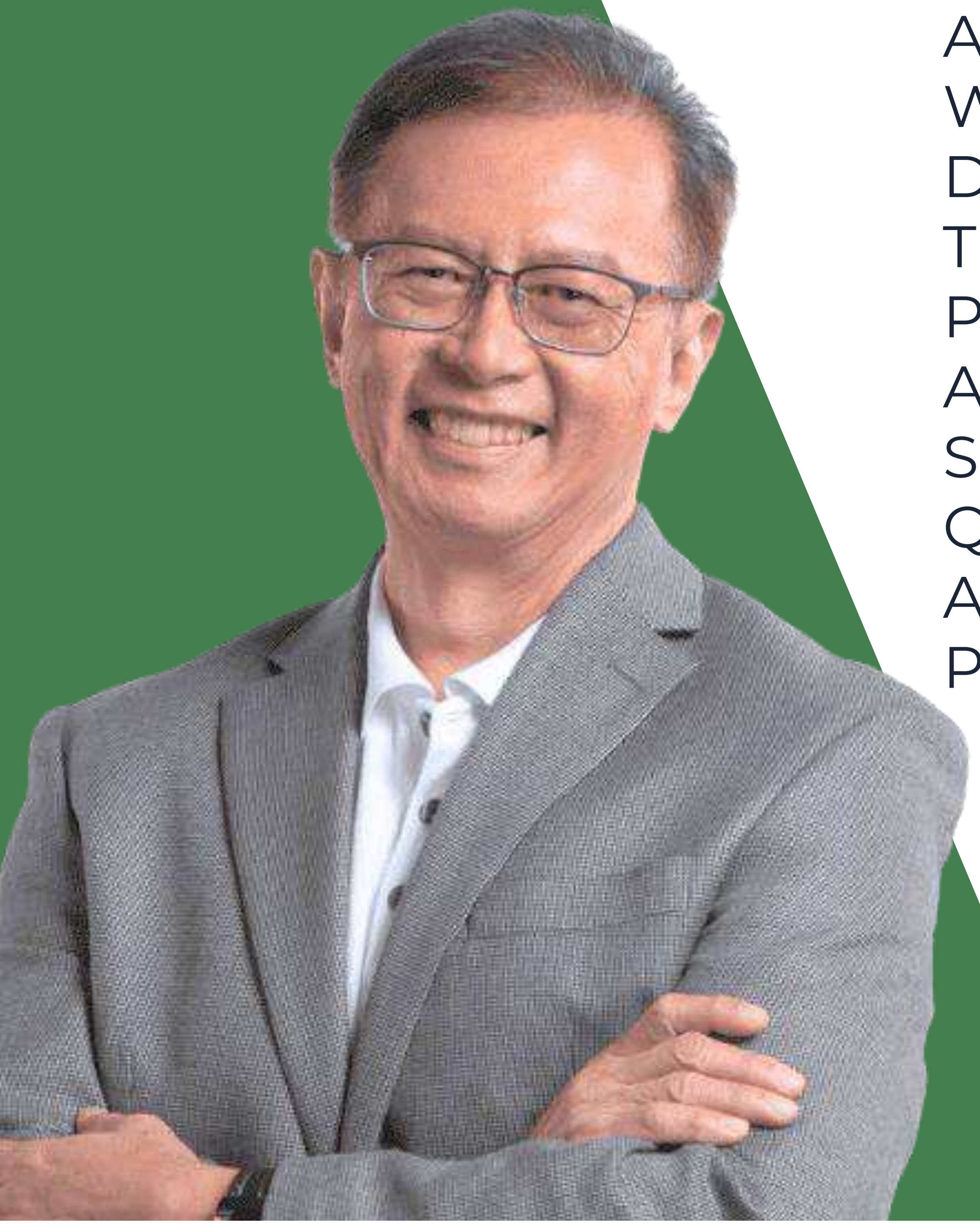
I am happy to have joined the Aii Board in 2025 and honoured to assume the role of Chairman following Mr Antony Lee's retirement from the Board. On behalf of Aii, I would like to express our deepest appreciation to Antony for his years of selfless contribution and wise guidance to the Board, Management and Institute.

We should also not forget the current and immediate past Directors, many having served or still serving the Aii Board for many years. Please join me to extend a very special thank you to the directors who had recently retired. They are Mr Ng Kee Heng, Mr Lee Thim Fook, Mr Tan Kok Guan, Mr Anthony Fook Weng Lee, Mr T. Sivapalan Tharmapalan, En Ezamshah Ismai, Mr Vickneseratnam Rajaratnam and Mr Raymond Lew.

I am also extremely grateful and extend my heartiest thanks to the independent members of the Academic Council whom had continued to contribute their time and professional guidance in ensuring the quality of the programmes that the Institute delivers.

Contributions by independent subject matter experts, programme leaders and partners are also recognised as they are an important part of the Aii family. My appreciation to the members of the management team and staff of all levels, for their dedication, integrity and hard work in ensuring Aii remains strong and able to deliver.

Special thanks to Bank Negara Malaysia and the insurance industry as a whole for their continued support and trust in Aii. We look forward to building on this strength and develop a competent, resilient, future-ready insurance industry.



THE FUTURE OF MALAYSIA'S INSURANCE AND TAKAFUL INDUSTRY WILL NOT BE DETERMINED BY TECHNOLOGY, PRODUCTS OR CAPITAL ALONE. IT WILL BE SHAPED BY THE QUALITY, CAPABILITY AND CHARACTER OF ITS PEOPLE.

Paul Low Hong Ceong

Chief Executive Officer
Asian Institute of Insurance

The Asian Institute of Insurance (Aii) was established by the industry, for the industry, to develop the talent, leadership and professional standards that underpin a strong and sustainable insurance and takaful sector. Today, as the pace of change accelerates, this responsibility has become more important than ever.

Over the past year, Aii continued to advance industry capability through initiatives aligned with the Future Skills Framework, including programmes in Artificial Intelligence Governance, Cybersecurity, Electric Vehicles and Battery Management Systems, alongside professional development pathways such as LAMP, GAMP, AQBA and INSTEP.

Beyond talent development, Aii works closely with Bank Negara Malaysia (BNM), industry associations and stakeholders to support strategic capability-building initiatives, including the CISO Forum and other platforms that strengthen industry resilience, innovation and future readiness.

Looking ahead, Aii aspires to be the catalyst for a future-ready workforce and a trusted centre of excellence for the insurance and takaful ecosystem. Our ambition is not merely to respond to change, but to help shape the future of the industry by developing leaders, accelerating new capabilities and elevating professionalism across the sector.

This vision can only be realised through collective commitment. As an industry-supported institution, Aii's strength is a reflection of the industry's commitment to invest in its people. By supporting Aii, the industry is investing in its own future talent, leadership and competitiveness.

Together, let us build a profession admired for its excellence, an industry respected for its trustworthiness, and a workforce prepared to lead the future.

The future of our industry will not be shaped by what we achieve individually, but by what we build together.

Asian Institute of Insurance

Corporate **Information**

CORPORATE INFORMATION

BOARDS OF DIRECTORS

- Ng Kok Kheng (Chairman)
- Pauline Teoh
- Sudirman Hamzah
- Foo Yong Ken
- Rangam Bir
- Saw Lip Kong Benildus
- Peter Nyam Wing Keong

CHIEF EXECUTIVE OFFICER

Paul Low Hong Ceong

BANKERS

- Malayan Banking Berhad
- RHB Bank Berhad

AUDITORS

Messrs Ernst & Young PLT
Chartered Accountants

COMPANY SECRETARIES

- Datuk Tan Leh Kiah
  (MAICSA: 0719692)
  (SSM PC No.: 201908002912)
- Suzana Binti Ahmad
  (BC/S/356)
  (SSM PC No.: 201908003317)

Aii WEBSITE & CONTACT

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197701004772 (35445-H)

Ng Kok Kheng, FAii

Aii Chairman

Chairman of Persatuan Insurans Am Malaysia (PIAM)

Pauline Teoh

Aii Director

President of Life Insurance Association Malaysia (LIAM)

CEO, Zurich Life Insurance Malaysia Berhad

Sudirman Hamzah, FAii

Aii Director

Chairman of Malaysian Insurance and Takaful Brokers Association (MITBA)

CEO, SP&G Gallagher Insurance Brokers Sdn. Bhd.

Foo Yong Ken, FAii

Aii Director

Chairman of Association of Malaysian Loss Adjusters (AMLA)

Managing Director, General Adjustment Expertise Sdn. Bhd.

Rangam Bir, FAii

Aii Director

Independent

Saw Lip Kong, Benildus, FAii

Aii Director

Managing Director & CEO, Justicia Adjusters Sdn. Bhd.

Peter Nyam Wing Keong

Aii Director

Independent

COUNCILS & COMMITTEES

ACADEMIC COUNCIL

- Rangam Bir (Chairman)
- Mohd Radzuan Mohamed
- Arumugam A/L Kannusamy
- Wong Ah Kow
- Vincent Kwo Shih Kang
- Azitadoly binti Mohd Arifin
- Prof. Dr. Hajjah Zuriah binti Abdul Rahman

AUDIT COMMITTEE

- Rangam Bir (Chairman)
- Sudirman Hamzah
- Peter Nyam Wing Keong

BOARD RISK TECHNOLOGY COMMITTEE

- Saw Lip Kong Benildus (Chairman)
- Peter Nyam Wing Keong
- Ng Kok Kheng
- Sudirman Hamzah

BOARD OVERSIGHT COMMITTEE

- Rangam Bir (Chairman)
- Ng Kok Kheng
- Saw Lip Kong Benildus
- Sudirman Hamzah

NOMINATION & REMUNERATION COMMITTEE

- Rangam Bir (Chairman)
- Ng Kok Kheng

ACADEMIC & QUALITY ASSURANCE COUNCIL

- Paul Low Hong Ceong (Chairman)
- Mark O'Dell
- William Tan
- Sharala Axyrd

PROFESSIONAL MEMBERSHIP COUNCIL

- Ahmad Subri Abdullah (Chairman)
- Mark O'Dell
- Raymond Lew
- Roy Sharma
- Shahrul Azuan

Paul Low, FAii
Chief Executive Officer

Fiona Chew
Chief Operation Officer

Haslindah Atan, CAii
Director
Corporate Service

Patricia Ong, CAii
Director
Digital & Marketing

Asian
Institute of
Insurance

Strategy
In Action

ACADEMIC PERFORMANCE

Aii's professional programmes are strategically developed to address the evolving needs of the insurance industry, covering key sectors such as General Insurance, Life Insurance, Reinsurance, Takaful, Broking, and Loss Adjusting. In 2024 and 2025, the Professional Qualification Programme demonstrated diverse participation trends across its various categories. Notable shifts were observed between classroom-based and self-study formats, reflecting changing learner preferences and the dynamic nature of professional development in the industry.

	Classroom Based (Participant)	Self-Study (Participant)	Total Participants
Associateship of Asian Institute of Insurance (AAii) Level 1	**Decreased from 571 to 526 (-7.9%)**	**Increased from 185 to 204 (+10.3%)**	**Decreased from 756 to 730 (-3.4%)**
Associateship of Asian Institute of Insurance (AAii) Level 2	**Decreased from 83 to 64 (-22.9%)**	**Decreased from 96 to 91 (-5.2%)**	**Decreased from 179 to 155 (-13.4%)**
Fellowship of Asian Institute of Insurance (FAii) - Qualification	**Remained at 0**	**Remained at 1**	**Remained at 1**
Fellowship of Asian Institute of Insurance (FAii) – Senior Route	**Not offering in 2025**		

The AAii Level 1 programme maintained a strong participant base in 2025, with total participation declining slightly from 756 to 730 (-3.4%). While classroom-based participation decreased by 7.9%, self-study participation increased by 10.3%, demonstrating continued demand for more flexible learning options. The AAii Level 2 programme recorded a decline in total participation from 179 to 155 (-13.4%), with participation decreasing across both classroom-based and self-study formats. Nevertheless, self-study remains an important flexible pathway for advanced learners and presents an opportunity to support future enrolment.

Overall, the 2025 results highlight continued demand for flexible learning options and opportunities to strengthen participation across the AAii programmes, particularly at Level 2.

	Classroom Based (Participant)	Self-Study (Participant)	All Programmes
Overall Trend	Decreased from 654 to 590 **(-9.8%)**	Increased from 282 to 296 **(+5%)**	Decreased from 936 to 886 **(-5.3%)**

Overall, the programmes recorded a moderate decline in total participation, decreasing from 936 to 886 participants (-5.3%). This was mainly driven by a 9.8% decrease in classroom-based participation, from 654 to 590 participants. In contrast, self-study participation increased from 282 to 296 participants (+5.0%), highlighting continued interest in flexible learning options. The growth in self-study participation demonstrates an opportunity to further expand and promote flexible learning pathways, while the decline in classroom-based participation highlights the need to review delivery approaches and learner preferences.

Overall, the results point to a continued shift towards flexible learning formats, with opportunities to strengthen participation across the programmes and build on the positive momentum in self-study enrolment.

The Professional Certificate programmes continue to support industry development, although 2025 participation reflects mixed trends across the different programmes and learning formats. The CAii programme recorded a decline in overall participation, from 610 to 393 participants (-35.6%), driven primarily by a 45.3% decrease in classroom-based participation. Self-study participation remained stable, increasing slightly from 127 to 129 participants (+1.6%), highlighting continued demand for flexible learning options. The BCCILA programme showed significant growth, with participation increasing from 97 to 237 (+144.3%).

Similarly, BCCITB recorded healthy growth from 108 to 143 participants (+32.4%), demonstrating sustained interest in these programmes. The PCGIU programme, however, experienced a decline from 78 to 51 participants (-34.6%). This presents an opportunity to review the programme's delivery approach and explore ways to improve accessibility and market appeal.

Overall, the 2025 results demonstrate strong growth in selected programmes, continued interest in flexible learning, and opportunities to enhance programme delivery. These trends provide useful insights for adapting the Professional Certificate portfolio to changing learner preferences and industry needs.

	Classroom Based (Participant)	Self-Study (Participant)	Total Participants
Certificate of Asian Institute of Insurance (CAii)	Decreased from 483 to 264 participants **(-45.3%)**	Increased from 127 to 129 participants **(+1.6%)**	Decreased from 610 to 393 **(-35.6%)**
Basic Certificate in Customer Insurance Life Assurance (BCCILA)	Increased from 97 to 237 participants **(+144.3%)**	Nil	Increased from 97 to 237 participants **(+144.3%)**
Basic Certificate in Customer Insurance Takaful Business (BCCITB)	Increased from 108 to 143 participants **(+32.4%)**	Nil	Increased from 108 to 143 participants **(+32.4%)**
Professional Certificate in General Insurance Underwriting (PCGIU)	Decreased from 78 to 51 participants **(−34.6%)**	Nil	Decreased from 78 to 51 participants **(−34.6%)**

In 2025, a total of 696 individuals graduated from various professional programmes, reflecting the Aii strong role in developing industry-ready talent. The CAii General programme stood out as the top contributor, producing 377 graduates over half of the total, demonstrating its continued relevance. Other programmes also made meaningful contributions, including AAii Level 1 (11.35%), CAii Level 1 Core (7.76%), CAii Life (5.60%) and CAii General – Myanmar (4.45%), showcasing the diversity and regional reach of the Aii offerings.

Programme	No. of Graduates
FAii (Qualification Route)	2
Fellowship of LAMP	12
AAii Level 2	27
AAii Level 1	79
AAii Level 2 Core	18
CAii Level 1 Core	54
CAii General	377
CAii General - Cambodia	6
CAii General - Maldives	6
CAii General - Myanmar	31
CAii Life	39
CAii Life - Myanmar	1
PCGIU - Chubb	13
PCGIU - Cambodia	1
PCGIU - Myanmar	1
PCUC	29
Total	**696**

In 2025, Training continued to demonstrate positive growth in participant engagement, with total participation increasing from 9,646 to 10,582 (+9.7%). This growth was driven primarily by the strong performance of Public Short Courses, which increased from 345 to 619 participants (+79.4%), and Public Premier Programmes, which grew from 81 to 109 participants (+34.6%). These results indicate continued demand for public programmes and opportunities to expand participation in this segment.

In-house programmes remained the largest contributor, with participation increasing from 9,210 to 9,854 (+7.0%), demonstrating sustained demand for customised corporate training. While the number of in-house programmes decreased, the significant participant volume highlights the continued value of tailored learning solutions for organisations.

Overall, the results reflect healthy growth in total participation, strong demand for public and customised programmes, and opportunities to further strengthen programme offerings and delivery models to meet evolving industry learning needs.

	2024			2025		
	No. of Virtual Programmes	No. of F2F Programmes	Total No. of Participants	No. of Virtual Programmes	No. of F2F Programmes	Total No. of Participants
Public Short Courses	8	17	345	12	23	619
Public Premier Programmes	0	5	81	0	4	109
Programmes in Collaboration	1	0	10	0	0	0
In-House Programmes	72	35	9,210	34	8	9854
Total	**81**	**57**	**9,646**	**46**	**35**	**10,582**

MEDICAL & HEALTH INSURANCE

EV BATTERY MANAGEMENT SYSTEM FOR CLAIM AND LOSS ADJUSTER LEVEL 1

FOUNDATION IN CONSTRUCTION ALL RISK (CAR) AND ERECTION ALL RISK (EAR) INSURANCE

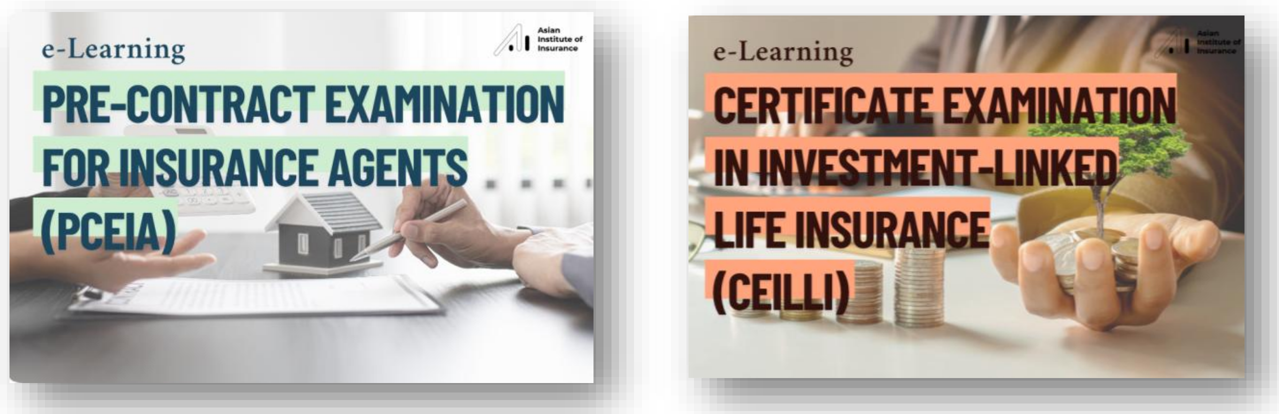
FOUNDATION IN REINSURANCE

In 2025, the Content Development unit continued to deliver core learning materials across licensing examinations and professional qualifications. Building on the momentum of 2024, where 11 major content development projects were completed and 8 more in progress, the unit translated several key commitments into published outputs, affirming Aii's continued commitment to strengthening talent development across the insurance and takaful industry.

i. Pre-Contract Examination for Insurance Agents (PCEIA) & Certificate Examination in Investment-Linked Life Insurance (CEILLI)

Following the publication of the PCEIA 10th Edition (English) and CEILLI 8th Edition (English) in 2024, the unit completed and published the Malay and Chinese language versions of both textbooks in 2025. This fulfils the commitment outlined in the previous year's development roadmap, ensuring that all three language editions — English, Malay, and Chinese — are now available to support multilingual candidates base across both licensing examinations.

The unit also launched the e-PCEIA and e-CEILLI eLearning modules in English, providing candidates with flexible, self-paced digital learning pathways to complement the published textbooks. Malay and Chinese subtitle versions are currently in development and scheduled for release in 2026, further extending accessibility across all language streams.



ii. Life Administration & Management Programme (LAMP)

Introduced in 2025, the Life Administration and Management Programme (LAMP) is a structured professional qualification designed for practitioners in the life insurance and family takaful sectors.

Whether entering the field or advancing toward senior leadership, LAMP equips candidates to:

- Master the core principles, products, and operations in life insurance and takaful
- Apply real-world underwriting, policy servicing, and claims skills
- Navigate regulations and uphold ethical practices
- Lead high-performing teams and drive operational excellence
- Harness analytics and strategic tools to make smarter decisions

LAMP is structured as a modular, stackable programme leading to four distinct tiers of recognition:

1. Certificate of Life Administration & Management Programme (Certificate of LAMP)
2. Associateship of Life Administration & Management Programme Level 1 (Associateship of LAMP L1)
3. Associateship of Life Administration & Management Programme Level 2 (Associateship of LAMP L2)
4. Fellowship of Life Administration & Management Programme (Fellowship of LAMP)

A major achievement in 2025 was the completion of the revised textbooks for Associateship of LAMP Level 1 and 2, previously identified in the 2024 pipeline.

Four more textbooks for Fellowship-level are currently in progress are targeted for completion in 2026.

iii. Associateship of Asian Institute of Insurance (AAii)

With the LAMP programme substantially complete, Aii will shift its focus to the existing Associateship programme, which is set to undergo a major revision across 2026–2027. Three specialist subjects will be revised and reintroduced into the programme:

1. Marine Hull and P&I Insurance;
2. Marine Cargo Insurance; and
3. Engineering Insurance.

The Insurance Principles and Market Practice (General) textbook, a foundational subject under the AAii programme is also scheduled for revision to ensure continued alignment with current regulatory requirements and industry practices.

Together, these initiatives signal Aii's sustained investment in delivering comprehensive, current, and industry-relevant learning content to support talent development across all insurance sectors.

EXAMINATION PERFORMANCE

In 2025, a total of 31,908 candidates sat for examinations across all categories, reflecting a 1% decrease compared to 32,361 candidates in 2024. While this decline in participation may indicate shifting priorities or market conditions, it also presents an opportunity to re-engage potential candidates through enhanced outreach and support initiatives. Encouragingly, the overall pass rate rose slightly from 60% in 2024 to 62% in 2025. This improvement, despite lower candidate numbers, suggests better exam readiness and more effective preparation strategies. The focus moving forward will be on sustaining this positive momentum in performance while strategically increasing participation to support the continued growth and professional development of the industry workforce.

Overall Exam Performance	2025	2024	2023
Total Sat	31,908	32,361	40,306
Pass Rate	62%	60%	59%

Professional Qualification examination performance across all programmes demonstrated positive participation and promising outcomes, with a total of 1,724 registrations and 1,644 candidates sitting for their exams. Out of these, 965 candidates successfully passed, resulting in an overall pass rate of 59%. These figures reflect a positive trend in candidate performance, particularly in the AAii Level 2 and CAii programmes.

Type of Examination		Total Registration	Total		
			Sat	Pass	% Pass
Professional Qualification	CAii General	593	561	335	60%
	CAii Life	70	66	35	53%
	AAii Level 1	875	835	450	54%
	AAii Level 2	186	182	145	80%
Total Professional Qualification		**1,724**	**1,644**	**965**	**59%**
Professional Certification	BCCILA	631	576	444	77%
	BCCITB	199	194	106	55%
	PCGIU	166	125	42	34%
	PCGI	11	10	7	70%
	BAMC	804	733	692	94%
	RFP	466	422	263	62%
Total Professional Certification		**2,277**	**2,060**	**1,554**	**75%**

Professional Certification programmes continued to play a vital role in upskilling industry talent across various segments of the insurance and financial services sectors. A total of 2,277 candidates registered for professional certification exams, with 2,060 sitting for the exams and 1,554 successfully passing resulting in an overall pass rate of 75%, which is a strong indicator of both candidate readiness and programme effectiveness.

2025	Category	Grand Total
CEILI	Total Registration	1,782
	Total Sat	1,588
	Total Pass	1,150
	Pass Rate	72%
GENERAL	Total Registration	6,766
	Total Sat	6,050
	Total Pass	3,853
	Pass Rate	64%
LIFE	Total Registration	3,520
	Total Sat	3,042
	Total Pass	1,540
	Pass Rate	51%
PCIL	Total Registration	19,727
	Total Sat	17,524
	Total Pass	10,563
	Pass Rate	60%
	Overall Registration	31,795
	Overall Sat	28,204
	Overall Pass	17,106
	Overall Pass Rate	61%

A total of 31,795 candidates registered for agent examinations across four key categories namely CEILI, GENERAL, LIFE, and PCIL. Out of these, 28,204 candidates sat for their exams, with 17,106 successfully passing with a positive overall pass rate of 61%. This year's results show encouraging levels of participation and success across the insurance and financial services sector, with especially strong performance in the CEILI and PCIL categories.

MEMBERSHIP PERFORMANCE

The membership landscape in 2025 reveals a consolidated and highly focused professional community, supported by a total membership base of 25,849 individuals and institutions. This extensive figure is primarily anchored by the Affiliate category, which accounts for 24,946 members. Representing the vast majority of the Institute's reach, this foundational tier continues to serve as a vital entry point for those engaging with the insurance and financial services sectors, reflecting the organization's enduring appeal as a central platform for industry connectivity.

A deeper analysis of the professional membership tiers reveals a dedicated core of 903 individuals who have committed to the highest standards of industry expertise through formal certification. Within this specialized group, the Ordinary Member category remains the most robust professional tier with 549 members, followed by 160 Senior Associates. The remaining professional pipeline is comprised of 72 Associates and 65 Certificate holders, figures that collectively signal consistent and active participation in the Institute's developmental pathways.

Membership Tier	2025
Fellows	57
Certificate	65
Associates	72
Senior Associates	160
Ordinary	549
Affiliates (Individual & Institutional)	**24,946**
Total	**25,849**

Most significantly, the Institute's most prestigious tier, the Fellows, now stands at 57 members. This sustained growth at the highest level of recognition serves as a testament to the success of our members' long-term career advancement and underscores the Institute's ongoing mission to foster leadership and professional excellence within the global industry.

Beyond the core membership data, the Institute's expanding geographical footprint serves as a clear indicator of its growing influence as a premier regional hub for insurance professionals. While Malaysia remains our primary stronghold with 1,672 members, our professional community now spans 15 countries, reflecting a successful internationalization of our standards. This global reach is anchored by a particularly strong presence within the ASEAN region—led by significant engagement in Cambodia and Myanmar—alongside a growing influence in strategic markets such as the Maldives and China. Furthermore, the inclusion of members from as far-reaching locales as Mauritius, Seychelles, and Sierra Leone underscores the universal appeal and cross-border recognition of the Institute's professional benchmarks.

Looking ahead, these figures establish a high-potential platform for long-term strategic growth. The significant density of our affiliate base offers a unique opportunity to transition a wider segment of the community toward formal professional certification, thereby elevating the overall expertise of the industry. Simultaneously, our diverse international representation positions the Institute as a leading voice in the global insurance landscape. By continuing to focus on professional excellence and regional connectivity, the Institute remains well-positioned to enhance its value proposition and deliver specialized, world-class support to its members across the globe.

Members by Country	Total
Malaysia	1672
Cambodia	66
Myanmar	38
Maldives	22
China	20
Indonesia	10
Brunei	5
Japan	2
Bangladesh	1
Hong Kong	1
Mauritius	1
Seychelles	1
Sierra Leone	1
Singapore	1
Thailand	1

In 2025, our Professional Membership events continued to successfully bring together a wide range of participants through a thoughtfully curated calendar of sessions. These activities focused on high-impact industry issues, emerging technological trends, and catastrophe risk, highlighting our ongoing commitment to creating valuable learning and networking opportunities for members at all levels.

Among the most notable events was the session on Earthquake Incidents related to Insurance, which drew the highest engagement with 235 participants, reflecting a strong professional interest in managing technical risks. Similarly, our webinars on Enhancing Decision-Making with Data Literacy and Modern Platforms (171 participants) and the Post Budget 2026 Announcement Session (140 participants) were exceptionally well-received. These high levels of participation underscore our members' desire to stay informed on both the shifting economic outlook and the digital transformation of the industry.

The Institute also addressed niche innovations and practical skill-building, with 93 attendees exploring the implications of Surgical Innovation and 30 participants joining our specialized training on ChatGPT Prompt Techniques. Beyond technical development, we remained dedicated to fostering industry camaraderie through the 17th Asian Institute of Insurance (Aii) Bowling Tournament, which saw spirited participation from 32 teams. Overall, this strong engagement across both educational and social events demonstrates our members' enthusiasm for a holistic approach to growth. Looking ahead, we aim to deliver an even more balanced mix of technical, leadership, and lifestyle-focused programmes to meet the evolving needs of our vibrant membership community.

		Total Participants
2025 Professional Membership Events	Webinar Enhancing Decision-Making with Data Literacy and Modern Platforms Webinar.	171
	Earthquake Incident related to Insurance	235
	Surgical Innovation and Insurance - What's the Implications for Patients and Insurers	93
	Post Budget 2026 Announcement Session: Insurance Industry Outlook	140
	Online Training Jump Start ChatGPT – Prompt Technique	30
	17th Asian Institute of Insurance (Aii) Bowling Tournament 2025	32 Teams

17th Asian Institute of Insurance (Aii) Bowling Tournament

PROFESSIONAL MEMBERSHIP EVENTS 2025

EVENT UPDATES

Throughout 2025, Asian Institute of Insurance (Aii) successfully organized 10 impactful events, attracting a total of 1,042 participants from the insurance and related industries. These initiatives supported professional development, strengthened industry collaboration, and provided valuable platforms for knowledge sharing, networking, and experiential learning, reflecting the Institute's continued commitment to industry growth and excellence.

Among the key highlights of the year was the Mega Structure Experiential Learning Programme at Menara Merdeka 118, which offered participants a rare opportunity to gain first-hand insights into the engineering, construction, risk management, and insurance considerations behind one of Malaysia's most iconic landmark developments. Equally significant was the introduction of the Be Cyber Ready: Cybersecurity Simulation Workshop, which provided participants with practical experience in cyber incident response and cyber risk management, equipping insurance professionals to navigate an increasingly complex digital risk landscape.

No	Events	Total Participants
1	EV BMS for Executive Insight	12
2	New Energy Vehicle (NEV) Insurance for Claims Workshop	93
3	New Energy Vehicle (NEV) Insurance for Underwriting Workshop	71
4	Pickleball	80
5	Graduation 2025	132
6	Be Cyber Ready: Cybersecurity Simulation Workshop	36
7	Engineering Rendezvous	86
8	Liability Insurance Seminar	83
9	Mega Structure Experiential Learning Programme	12
10	Asian Quality Business Awards (AQBA)	437
	Total	**1,042**

Aii also introduced the Pickleball Networking Session, a new initiative that brought industry professionals together in a relaxed and engaging environment, fostering stronger connections and industry collaboration. In addition, the Institute continued to deliver established flagship programmes such as the Asian Quality Business Awards (AQBA), Graduation Ceremony, Engineering Rendezvous, Liability Insurance Seminar, EV BMS for Executive Insight, and New Energy Vehicle (NEV) Insurance Workshops, reinforcing its role as a leading platform for professional development, industry recognition, and stakeholder engagement.

BE CYBER READY : CYBERSECURITY SIMULATION WORKSHOP

ENGINEERING RENDEZVOUS 2025

PICKLEBALL

LIABILITY INSURANCE SEMINAR 2025

ASIAN QUALITY BUSINESS AWARD 2025

EV BMS FOR EXECUTIVE INSIGHT

GRADUATION 2025

MEGA STRUCTURE EXPERIENTIAL LEARNING PROGRAMME

THE ASEAN INSURANCE TRAINING AND RESEARCH INSTITUTE (AITRI)

ELEVATING ENGAGEMENT, OPTIMIZING SCHEDULES: A SPOTLIGHT ON SPEAKERS

In 2025, AITRI successfully delivered 4 Regulator's programmes and 4 Webinars, engaging participants from both ASEAN and non-ASEAN regulatory countries.

		Total Participants
Programme 1	Catastrophe Risk Insurance Programme for Insurance Supervisors.	16 pax across 4 Countries
Programme 2	Enterprise Risk Management/Ops Resilience (Cloud & Technology Provider's Operational Risk.	22 pax across 9 Countries
Programme 3	Supervisory Implications of IFRS 17, Insurance Contracts.	33 pax across 11 Countries
Programme 4	The Regulator's Dilemma in Health Insurance: Balancing Policy Imperatives, Innovation, Access, and Accountability.	36 pax across 10 Countries

Webinar 1	Health Insurance Protection Gap Through Innovation in Digital Insurance and Product Development.
Webinar 2	Catastrophe Risk Insurance
Webinar 3	Digital Innovation in Insurance
Webinar 4	Asset and Liability Management

YOUNG ASEAN INSURANCE MANAGER AWARD 2025 (YAMA 2025)

In 2025, nominations for the Young ASEAN Insurance Award (YAMA) were submitted by members of the ASEAN Insurance Council (AIC), with each association allowed a maximum of two nominees. A total of 23 nominations were received, from which a top-three shortlist was selected. AITRI remains committed to its mission of highlighting and recognising inspiring young industry leaders. We believe that platforms such as YAMA can motivate dynamic individuals to emerge as catalysts for growth in the region's insurance sector and broader economy.

YAMA is a prestigious platform that honours visionary young professionals shaping the future of the ASEAN insurance industry. In a remarkable showcase of excellence, Mr Arif Asnawi Leong, Head of Actuarial, Syarikat Takaful Brunei, has been awarded the 2025 Young ASEAN Insurance Award (YAMA). This esteemed accolade, organised by the ASEAN Insurance Training and Research Institute (AITRI) under the auspices of the ASEAN Insurance Council (AIC), recognises the outstanding contributions of young managers to the insurance industry within the ASEAN region.

The announcement of Mr Arif Asnawi Leong as the 2025 YAMA winner was made during the 51st ASEAN Insurance Council (AIC) Joint Plenary Meeting, held at the Sokha Siem Reap Resort, Cambodia.

"As a proud YAMA 2025 recipient, I am deeply grateful for this opportunity. The journey was not easy, but it was incredibly meaningful. I strongly encourage others to apply believe in yourself, embrace the challenge, and you may discover your true potential"

Mr Arif Asnawi Leong
Head of Actuarial
Syarikat Takaful Brunei

YEAR 2025 PRIZES

- ✓ Cash Prize: USD 1,300
- ✓ 1 unit of Electronic Tablet
- ✓ Trophy: Recognizing excellence and achievement
- ✓ Complimentary Seat to attend one of (AIR) Asia Insurance Review
- ✓ Complimentary Seat to attend one of (Aii) Asian Institute of Insurance Event or Workshop
- ✓ 1-year complimentary subscription of (AIR) Asia Insurance Review Digital Magazine
- ✓ 1-year complimentary subscription of (Aii) Asian Institute of Insurance Membership
- ✓ Certificate of Award

WINNER of YAMA 2025

A distinguished panel of judges, comprising prominent corporate leaders from ASEAN's insurance industry, undertook the challenging task of selecting the winner. In the final round of judging, Mr Arif Asnawi Leong secured the highest score during a rigorous interview process.

YAMA JUDGES 2025, CAMBODIA

8TH AFIR-FSI-IAIS ASIA-PACIFIC HIGH-LEVEL MEETING ON INSURANCE SUPERVISION (HLM) AND AFIR 20TH ANNUAL MEETING AND SEMINAR (AMS).

9 – 11 December 2025, Hyderabad, India

AITRI is honoured to have been invited to the 8th AFIR-FSI-IAIS Asia-Pacific High-Level Meeting on Insurance Supervision (HLM) and the AFIR 20th Annual Meeting and Seminar (AMS), graciously hosted by the Insurance Regulatory and Development Authority of India. The forum took place in the historic city of Hyderabad, India, from 9 to 11 December 2025.

This year's HLM featured three key sessions on insurance regulatory mandates, protection gaps in medical and cyber insurance, and the application of artificial intelligence in insurance supervision. Meanwhile, discussions at the AMS centered on the theme “Innovating with Trust, Including with Care: Charting the Insurance Path Ahead”, with valuable insights shared on a wide range of topics from member jurisdictions and capacity-building partners.

These topics resonate deeply with regional concerns and offered truly enlightening perspectives on how other jurisdictions are addressing them. As the Secretariat for ASEAN Regulators, AITRI remains steadfastly committed to fulfilling its mandate by fostering capacity-building initiatives that align closely with the International Association of Insurance Supervisors (IAIS) Core Principles.

Fiona Chew

Aii Chief Operation Officer

Ms Fiona Chew was invited to speak at a conference session on *“Scalable Excellence in EV Underwriting and Claims Innovation”,* sharing insights with a regional audience.

The session highlighted how rapid EV adoption is reshaping motor insurance, with distinct risk profiles driven by battery costs, high torque, younger drivers, and increasing vehicle autonomy. While claims trends show early signs of stabilisation, traditional ICE-based underwriting and claims models are no longer sufficient, underscoring the need for data and AI-driven pricing, battery health assessment, and stronger ecosystem collaboration to support sustainable growth.

KEY INDUSTRY DISCUSSIONS

The Conference featured several in-depth panel discussions, including:

1. Widening protection gaps and emerging risks continue to pressure insurance systems, driven by climate change, demographic shifts, and economic uncertainty.
2. Smart, enabling regulation is needed to reduce friction and support innovation through risk-based, digitally enabled, and internationally aligned supervision.
3. Responsible AI adoption is becoming critical, requiring strong governance, transparency, and human oversight to build trust and long-term sustainability.
4. Data-driven climate & disaster risk analytics are becoming foundational, helping insurers and supervisors quantify risk (hazard exposure vulnerability), strengthen ERM/solvency views, target mitigation efforts, and support inclusive innovations (e.g., parametric solutions and public-private partnerships).

The AFIR Annual Meeting and Seminar 2025 in Hyderabad, India brought together actuarial, regulatory, and industry leaders from across the Asia-Pacific region to exchange cutting-edge insights on emerging risks and insurance innovation. The discussions reaffirmed the region’s collective commitment to strengthening resilience, advancing sustainability, and shaping the future of insurance in an increasingly complex risk landscape.

Asian Institute of Insurance

Governance

1. Constitution

The Board Audit Committee (BAC) is established by the Board of Directors (the Board) to implement and support the oversight function of the Board relating to:

- adequacy and effectiveness of Aii's governance, risk management and compliance practices and potential improvements to those practices; and
- maintenance of a line of communication, through regular scheduled or ad-hoc and private discussions, between the Board and the external as well as the internal auditors.

2. Membership and Composition

The members of BAC are appointed by the Board. BAC comprises no fewer than 3 members, the majority of whom are independent non-executive directors. The Chairman, who shall be an independent non-executive director, is either appointed by the Board or elected by members of BAC from among themselves.

3. Authority

BAC is authorised by the Board to review or investigate any activity within the authority stipulated in its Terms of Reference. It has full and unrestricted access to any information, records, personnel, and properties of Aii.

BAC is also authorised to have access to independent professional or external legal advice, and to secure attendance of outside professionals with relevant experience and expertise, whenever it is deemed necessary. Aii will meet the cost of such advice or attendance.

4. Meeting and Quorum

BAC meets at least 3 times each year. The quorum for each meeting is 2 members, which shall include the Chairman.

The Chief Executive Officer and the Head of Internal Audit are required to attend each meeting. Any other directors and employees of Aii or outside professionals may attend the meeting upon BAC's invitation. BAC meets with the external auditors at least once a year.

In 2025, BAC met in hybrid mode four (4) times on 15 May, 7 August, 24 October, and 4 December. The record of attendance is as follows:

Members	Attendance
En. Ezamshah Ismail (Chairman)	4/4
Mr. Tan Kok Guan	4/4
Mr. Rangam Bir	4/4
Mr. Lee Thim Fook*	0/3

* *Resigned on 2 December 2025*

The number of meetings conducted complied with the minimum requirement of three (3) meetings per annum as stipulated in the Terms of Reference.

The Chairman of BAC or, in his stead, a member of BAC reported all significant matters deliberated in each meeting to the Board.

5. Duties

The main duties of BAC are:

- to consider the appointment of a suitable accounting firm to act as external auditors. Among the factors that may be considered are adequacy of experience and resources of the firm, credentials of the persons assigned to the audit, and amount of the audit fee;
- to approve the appointment and termination of the Head of Internal Audit;
- to review the external and internal auditors' audit plans, nature, and scope;
- to review the external auditors' evaluation of the quality and the effectiveness of the system of accounting and financial reporting controls;
- to review the internal auditors' audit reports and evaluation of the governance, risk management, and compliance processes;
- to review and provide advice on the systems and practices established by Management to monitor compliance with laws, regulations, policies, and standards of ethical conduct, and identify and deal with any legal or ethical violations;
- to review the interim (if any) and the annual audited financial statements;
- to examine the appropriateness of the adopted accounting and business/operating policies and practices;
- to review whether there is a reasonable ground to believe that the external auditors are not independent and/or not suitable for reappointment;
- to review the appointment of external auditors for non-audit works to ensure the independence of the external auditors is not compromised by the non-audit works; and
- to undertake additional duties as may be deemed necessary as requested by the Board.

6. Highlight of Activities

BAC undertook the following duties in 2025:

- reviewed the Audited Financial Statements for the year ended 31 December 2024;
- approved the 2026 Internal Audit plan;
- reviewed the Internal Audit reports pertaining to Customer Service, Human Resources, Administration, and Membership;
- reviewed the ad hoc Internal Audit reports on the completeness and accuracy of fixed asset write-off proposals following the closure of the computer lab and the decommissioning of data centre servers;
- considered and endorsed Internal Audit's recommendations and Management's responses; and
- reviewed the Audit Findings Dashboard and implementation of the agreed corrective actions.

7. Internal Audit Department

Aii has a dedicated Internal Audit department which was established in 2002. The Internal Audit department assists BAC and Management on matters pertaining to governance, risk management and compliance processes. The department is currently staffed with two personnel, including the Head of Internal Audit who reports functionally to BAC and administratively to the Chief Executive Officer.

Asian Institute of Insurance

Financial **Statements**

ASIAN INSTITUTE OF INSURANCE
Institute No. 197701004772 (35445 - H)
(Company Incorporated in Malaysia Limited by Guarantee as an Institute limited by guarantee and not having a share capital)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(In Ringgit Malaysia)

These Audited Financial Statements of the Institute with Unqualified Auditors' Report for the financial year ended 31 December 2025 were tabled at the Annual General Meeting or Adjourned Annual General Meeting held on 14th September 2026.

NG KOK KHENG

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FINANCIAL STATEMENTS

ASIAN INSTITUTE OF INSURANCE
(Company Incorporated in Malaysia Limited by Guarantee)

DIRECTORS' REPORT

The directors of ASIAN INSTITUTE OF INSURANCE ("the Institute") hereby submit their report and the audited financial statements of the Institute for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Institute is engaged in the provision and promotion of insurance education, training and research in insurance and related disciplines. The Institute is the sole examining body for professional insurance examinations in the country leading to the award of the Associateship of the Asian Institute of Insurance ("AAii") and Fellowship of the Asian Institute of Insurance ("FAii"). It is also a membership body of insurance professionals. The Institute is affiliated to other insurance examining institutes internationally and works closely with local institutions of higher learning in promoting the development of insurance education in Malaysia.

RESULTS OF OPERATIONS

The results of operations of the Institute for the financial year are as follows:

	RM
Deficit for the year	8,465,639

Included in the deficit of the year is an impairment loss of RM4,299,501 recognised on the plant and equipment and right-of-use assets. Apart from this, the results of operations of the Institute during the financial year were not substantially affected by any other item, transaction or event of a material and unusual nature.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

OTHER STATUTORY INFORMATION

Before the financial statements of the Institute were made out, the directors took reasonable steps:

a. to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and have satisfied themselves that there were no known bad debts to be written off and that adequate provision had been made for doubtful debts; and

b. to ensure that any current assets which were unlikely to be realised in the ordinary course of the business including the value of current assets as shown in the accounting records of the Institute had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

a. which would necessitate the writing off of bad debts or render the amount of provision for doubtful debts in the financial statements of the Institute inadequate to any substantial extent;

b. which would render the values attributed to current assets in the financial statements of the Institute misleading;

c. which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Institute misleading or inappropriate; or

d. not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Institute misleading.

At the date of this report, there does not exist:

a. any charge on the assets of the Institute which has arisen since the end of the financial year which secures the liabilities of any other person; and

b. any contingent liability of the Institute which has arisen since the end of the financial year.

OTHER STATUTORY INFORMATION *(cont'd.)*

In the opinion of the directors:

a. No contingent or other liability 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 Institute to meet its obligations as and when they fall due; and

b. No item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the Institute for the succeeding financial year in which this report is made.

DIRECTORS

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

Ng Kok Kheng (Chairman) (appointed on 10.07.2025)
Tapan Kumar Rangam Bir
Saw Lip Kong Benildus
Peter Nyam Wing Keong (appointed on 05.05.2025)
Raymond Lew Yung Chow (resigned on 28.05.2025)
Antony Fook Weng Lee (Chairman) (resigned on 10.07.2025)
Lee Thim Fook (resigned on 02.12.2025)
Sudirman Hamzah (appointed on 22.12.2025)
Vicknesaratnam A/L Kathirasu Rajaratnam (resigned on 22.12.2025)
Ben Ng Kee Heng (appointed on 19.05.2025, resigned on 01.12.2025)
Foo Yong Ken (appointed on 21.01.2026)
Pauline Teoh Bee Lin (appointed on 18.05.2026)
Ezamshah Ismail (resigned on 01.03.2026)
Tan Kok Guan (resigned on 09.04.2026)
T. Sivapalan a/l Tharmapalan (resigned on 30.06.2026)

DIRECTORS' BENEFITS

The Institute is a company limited by guarantee and thus has no shares in which the Board of Directors could have an interest. The Institute has also not issued any debentures.

Since the end of the previous financial year, none of the directors of the Institute has received or become entitled to receive any benefit by reason of a contract made by the Institute with a firm of which he is a member, or with a company in which he has a substantial financial interest.

During and at the end of the financial year, no arrangement subsisted to which the Institute was a party whereby the directors of the Institute might acquire benefits by means of the acquisition of shares in, or debentures of, the Institute or any other body corporate.

	2025 RM	2024 RM
Director's fee	9,500	-
	9,500	-

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Institute maintains directors' and officers' liability insurance for purposes of Section 289 of the Companies Act, 2016, throughout the year, which provides appropriate insurance cover of RM10,000,000 for the directors of the Institute. The amount of insurance premium paid during the year amounted to RM37,248.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young PLT during or since the financial year end.

AUDITORS

The auditors, Ernst & Young PLT, have indicated their willingness to continue in office.

AUDITORS' REMUNERATION

The amount paid or payable as remuneration of the auditors for the financial year ended 31 December 2025 is RM90,000.

Signed on behalf of the Board
in accordance with a resolution of the Directors,

NG KOK KHENG
(CHAIRMAN)

TAPAN KUMAR RANGAM BIR
(DIRECTOR)

Kuala Lumpur,
14 August 2026

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASIAN INSTITUTE OF INSURANCE
(COMPANY INCORPORATED IN MALAYSIA LIMITED BY GUARANTEE)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Asian Institute of Insurance ("the Institute") which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages **43 to 67.**

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

Basis for opinion

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

Independence and other ethical responsibilities

We are independent of the Institute in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

The directors of the Institute are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Institute and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the Annual Report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Institute does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Institute, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Institute or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Institute and take appropriate action.

Responsibilities of the directors for the financial statements

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

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

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

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

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

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute'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 Institute 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 Institute to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Institute, including the disclosures, and whether the financial statements of the Institute represent the underlying transactions and events in a manner that achieves fair presentation

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

OTHER MATTERS

This report is made solely to the members of the Institute, 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.

Signed on behalf of the Board
in accordance with a resolution of the Directors,

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Ahmad Hammami Bin Muhyidin
No. 03313/07/2027 J
Chartered Accountant

Kuala Lumpur, Malaysia
14 August 2026

ASIAN INSTITUTE OF INSURANCE
(Company Incorporated in Malaysia Limited by Guarantee)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 RM	2024 RM
Revenue	6	13,634,418	12,364,759
Other income		694,887	493,373
Employee benefits expense		(7,925,693)	(6,470,616)
Depreciation of plant and equipment	9	(817,119)	(795,839)
Depreciation of right-of-use asset	10	(1,172,282)	(1,294,227)
Impairment loss of plant and equipment	9	(1,103,331)	-
Impairment loss of right-of-use assets	10	(3,196,170)	-
Other expenses		(8,482,369)	(7,495,992)
Operating deficit	7	(8,367,659)	(3,198,542)
Finance cost		(97,980)	(27,047)
Deficit before tax	8	(8,465,639)	(3,225,589)
Tax expense		-	-
Deficit after tax, representing total comprehensive deficit for the year		(8,465,639)	(3,225,589)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Note	2025 RM	2024 RM
ASSETS			
Non-Current Assets			
Plant and equipment	9	-	1,706,687
Right-of-use assets	10	1,077,158	2,197,187
Total Non-Current Assets		1,077,158	3,903,874
Inventories	12	46,585	46,910
Trade receivables	13	1,587,699	980,906
Other receivables, deposits and prepaid expenses	14	960,157	1,197,261
Fixed deposits	11	8,645,050	12,587,187
Cash and bank balances	16	1,399,896	1,350,997
Total Current Assets		12,639,387	16,163,261
Total Assets		13,716,545	20,067,135

The accompanying Notes form an integral part of the Financial Statements.

STATEMENT OF FINANCIAL POSITION (cont'd)
AS AT 31 DECEMBER 2025

	Note	2025 RM	2024 RM
RESERVES AND LIABILITIES			
General reserves	17	6,673,042	6,673,042
Accumulated (deficit)/surplus		(761,238)	7,704,401
Accumulated Fund		5,911,804	14,377,443
Non-Current Liabilities			
Lease liabilities	21	3,167,582	1,294,326
Total Non-Current Liabilities		3,167,582	1,294,326
Current Liabilities			
Trade payables	18	419,487	336,842
Other payables and accrued expenses	18	1,907,835	1,598,572
Capacity building fund	15	468,894	553,701
Training credit scheme	19	226,245	274,211
Contract liabilities	20	464,079	716,205
Lease liabilities	21	1,150,619	915,835
Total Current Liabilities		4,637,159	4,395,366
Total Liabilities		7,804,741	5,689,692
Total Reserves and Liabilities		13,716,545	20,067,135

The accompanying Notes form an integral part of the Financial Statements.

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

	General reserves RM	Accumulated surplus (deficit) RM	Total RM
As at 1 January 2024	6,673,042	10,929,990	17,603,032
Total comprehensive deficit for the year	-	(3,225,589)	(3,225,589)
As at 31 December 2024	6,673,042	7,704,401	14,377,443
As at 1 January 2025	6,673,042	7,704,401	14,377,443
Total comprehensive deficit for the year	-	(8,465,639)	(8,465,639)
As at 31 December 2025	6,673,042	(761,238)	5,911,804

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Deficit before tax		(8,465,639)	(3,225,589)
Adjustments for:			
Depreciation of right-of-use assets	10	1,172,282	1,294,227
Impairment loss right-of-use assets	10	3,196,170	-
Depreciation of plant and equipment	9	817,119	795,839
Impairment loss of plant and equipment	9	1,103,331	-
(Reversal)/Impairment on trade receivables	13	(16,435)	9,926
Plant and equipment written-off	7	68,374	-
Finance cost arising from lease liabilities	21	97,980	27,047
Unrealised loss on foreign exchange	7	6,608	15,537
Interest income from fixed deposits	7	(260,887)	(434,740)
Operating Deficit Before Working Capital Changes		(2,281,097)	(1,517,753)
Decrease/(Increase) in:			
Inventories		325	5,069
Trade receivables		(590,358)	25,899
Other receivables, deposits and prepaid expenses		251,932	(40,554)
Training credit scheme		(47,966)	(60,234)
(Decrease)/Increase in:			
Trade payables		82,645	(336,960)
Other payables and accrued expenses		309,263	(874,572)
Contract liabilities		(252,126)	348,809
Cash Used In Operating Activities		(2,527,382)	(2,450,296)
Tax paid		-	-
Net Cash Used In Operating Activities		(2,527,382)	(2,450,296)

	Note	2025 RM	2024 RM
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		246,059	411,501
Withdrawal of fixed deposits		4,442,137	4,358,320
Additions to plant and equipment	9	(282,137)	(130,952)
Net Cash Generated From Investing Activities		4,406,059	4,638,869
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of finance cost	21	(97,980)	(27,047)
Repayment of lease liability	21	(1,140,383)	(1,302,156)
Net Cash Used In Financing Activities		(1,238,363)	(1,329,203)
NET INCREASE IN CASH AND CASH EQUIVALENTS		640,314	859,370
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		797,296	(46,537)
Effect of foreign exchange rate changes		(6,608)	(15,537)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		1,431,002	797,296
Cash and cash equivalents consists of:			
Cash and bank balances	16	1,399,896	1,350,997
Fixed deposits with original maturity period of 3 months and below	11	500,000	-
		1,899,896	1,350,997
Less: Cash restricted in use	15	(468,894)	(553,701)
		1,431,002	797,296

The accompanying Notes form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

1. GENERAL INFORMATION

Asian Institute of Insurance (“the Institute”) is a private company limited by guarantee under Companies Act, 2016, incorporated and domiciled in Malaysia.

The Institute is engaged in the provision and promotion of insurance education, training and research in insurance and related disciplines. The Institute is the sole examining body for professional insurance examinations in the country leading to the award of the Associateship of the Asian Institute of Insurance (“AAii”) and Fellowship of the Asian Institute of Insurance (“FAii”). It is also a membership body of insurance professionals. The Institute is affiliated to other insurance examining institutes internationally and works closely with local institutions of higher learning in promoting the development of insurance education in Malaysia.

There have been no significant changes in the nature of the activities of the Institute during the financial year.

The principal place of business and registered office of the Institute is located at Level 6, Bangunan AICB, No. 10 Jalan Dato’ Onn, 50480 Kuala Lumpur, Malaysia.

The financial statements of the Institute have been authorised by the Board of Directors for issuance on 14 August 2026.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Institute have been prepared in accordance with MFRS Accounting Standards ("MFRSs"), IFRS Accounting Standards ("IFRS"s) and the requirements of the Companies Act, 2016 in Malaysia.

Statement of compliance

On 1 January 2025, the Institute adopted the following amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2025.

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

The following are accounting standards and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Institute.

MFRS, interpretation 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 to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity
- Annual Improvements to MFRS accounting standards – Volume 11

MFRS, interpretation 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
- MFRS 121 The Effects of Changes in Foreign Exchanges Rates – Translation to a Hyperinflationary Presentation Currency

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (cont'd)

Effective date of these amendments to Standards has been indefinitely deferred

- Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures – Sales or Contribution of Assets between an Investor and its Associate or Joint Venture

The Institute plans to apply the abovementioned accounting standards, interpretations and amendments, where applicable. Except for MFRS 18, the Institute expects that the adoption of the above standards and amendments to the Standards will have no material impact on the financial statements of the Institute in the period of initial application. The Institute is currently in the process of assessing the impact, if any, upon the application of MFRS 18.

3. FINANCIAL AND CAPITAL RISK MANAGEMENT POLICIES

The Institute's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Institute's business whilst managing their risks. The Institute operates within guidelines that are approved by the Board and the Institute's policy is not to engage in speculative transactions.

The main areas of financial risks faced by the Institute and the policies in respect of the major areas of treasury activities are set out as follows:

a. Foreign currency risk

The Institute is exposed to foreign currency risk as a result of its normal operating activities, where the currency denomination differs from the local currency, Ringgit Malaysia ("RM"). The Institute's policy is to minimise the exposure to foreign currency risk by monitoring and approving requisitions which involves foreign currencies.

No sensitivity analysis is prepared as the Institute does not expect any material effect on the Institute's deficit after tax and reserves arising from the effect of reasonably possible changes to exchange rates on the foreign currency denominated monetary assets and monetary liabilities at the end of the financial year as the balances are immaterial. The Institute did not engage in any transactions involving financial derivative instruments during the financial year.

b. Credit risk

The credit risk is controlled by not granting any credit to individuals and companies with the exception of entities within the insurance industry, which have a special arrangement with the Institute.

The maximum credit risk associated with recognised financial assets is the carrying amount as shown in the statement of financial position.

The Institute has no significant concentration of credit risk with any single counterparty.

c. Liquidity and cash flow risks

The Institute seeks to achieve a balance between certainty of funding even in difficult times for the markets of the Institute and to meet its cash obligation in a timely and cost-effective manner.

3. FINANCIAL AND CAPITAL RISK MANAGEMENT POLICIES (cont'd)

c. Liquidity and cash flow risks (cont'd)

The following tables detail the Institute's remaining contractual maturity for its financial assets and financial liabilities. The tables have been drawn up based on the undiscounted cash flows for financial assets and financial liabilities based on the earlier date on which the Institute expects to earn or may be required to pay. The tables include both interest and principal cash flows.

	Effective interest rate during the year %	Less than 1 year/ On demand RM	More than 1 year RM	Total RM
2025				
Financial assets:				
Fixed deposits and interest receivables	2.05 to 3.50	500,000	8,167,732	8,667,732
Cash and bank balances (Note 16)	-	1,399,895	-	1,399,895
Trade receivables (Note 13)	-	1,587,699	-	1,587,699
Other receivables and refundable deposits	-	775,603	-	775,603
Financial liabilities:				
Trade payables (Note 18)	-	419,487	-	419,487
Other payables	-	802,012	-	802,012
Lease liabilities (Note 21)	5.00	1,150,619	3,167,582	4,318,201

3. FINANCIAL AND CAPITAL RISK MANAGEMENT POLICIES (cont'd)

c. Liquidity and cash flow risks (cont'd)

	Effective interest rate during the year %	Less than 1 year/ On demand RM	More than 1 year RM	Total RM
2024				
Financial assets:				
Fixed deposits and interest receivables	2.50 to 3.50	12,624,698	-	12,624,698
Cash and bank balances (Note 16)	-	1,350,997	-	1,350,997
Trade receivables (Note 13)	-	980,906	-	980,906
Other receivables and refundable deposits	-	570,692	-	570,692
Financial liabilities:				
Trade payables (Note 18)	-	336,842	-	336,842
Other payables	-	429,189	-	429,189
Lease liabilities (Note 21)	5.00	1,091,266	1,251,720	2,342,986

3. FINANCIAL AND CAPITAL RISK MANAGEMENT POLICIES (cont'd)

c. Liquidity and cash flow risks (cont'd)

Sensitivity analysis for interest rates

At the end of the financial year, if the interest rates increased or decreased by 25 basis points (2024: 25 basis points), with all other variables held constant, the Institute's surplus for the year will be higher or lower by RM2,363 (2024: RM5,812).

The assumed movement in interest rates for interest rate sensitivity analysis is based on the current observable market environment.

d. Capital risk management

The Institute manages its capital to ensure that the Institute will be able to continue as a going concern, through regular reviews of the capital structure. The capital structure of the Institute consists of general reserves and surplus as disclosed in the statement of changes in equity.

The Institute is not subject to any externally imposed capital requirements.

4. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation

The financial statements of the Institute have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policy information. The financial statements are presented in Ringgit Malaysia ("RM") which is the Institute's functional currency.

Revenue recognition

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied i.e. when the "control" of the services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Institute's customary business practices.

Revenue is measured at the amount of consideration to which the Institute expects to be entitled in exchange for transferring the promised services to the customers, excluding the amounts collected on behalf of third parties such as sales taxes or goods and services taxes. If the amount and consideration vary due to discounts, rebates, refunds or other similar items, the Institute estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices promised in the contract.

Revenue is recognised to the extent that is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

Where contractual obligations exist for the performance of post placement activities, relevant proportion of the revenue is deferred and recognised over the period during which the activities are performed and is being recognised as contract liabilities.

The Institute offers an extensive range of quality education programmes and training courses for professionals in the insurance and financial services industry. The Institute recognises revenue from the following major source:

4. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

Revenue recognition (cont'd)

Point-in-time revenue:

a. Examination fees

The Institute conducts examinations with a fee which to be paid by its customer. Revenue is recognised for examination, professional qualification and certification fees when the service is completed as this represents the point in time at which the right to consideration becomes unconditional, as only passage of time is required before the payment is due.

b. Training, seminar and conference fees

The Institute conducts trainings, seminars and conferences for the benefit of the industry and its members and such services are recognised as performance obligations satisfied at the point in time. Revenue is recognised upon the performance of the services. Seminar and conferences fees will be recognised during the month of the programme as the duration of these seminar and conferences are short. Revenue from trainings conducted will be recognised at the point in time.

c. E-learning fees and sale of books

For e-learning and sale of books, revenue is recognised when control of the goods has transferred being at the point the customer purchases the goods from the Institute. Payment of the transaction price is due immediately at the point the customer purchases the goods.

Over-time revenue:

a. Membership fees

Membership fees comprise both corporate and individual memberships. Only subscription which is attributable to the current financial year is recognised as revenue. Subscription relating to periods beyond the current financial year is recognised as subscriptions in advance. Deferred income will be recognised accordingly.

b. Professional qualification and certification fees (Class-based)

For fee relating to the classes, the fee for which the classes are conducted are recognised on the current financial year as revenue. Classes to be conducted beyond the current financial year is recognised as fee in advance. Deferred income will be recognised accordingly.

Foreign currency

The Institute's financial statements are presented in the currency of the primary economic environment in which it operates (its functional currency).

In preparing the financial statements of the Institute, transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of the financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transactions.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items are included in statement of comprehensive income for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in statement of comprehensive income for the year except for differences arising on the retranslation of non-monetary items in respect of gains and losses that are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

4. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

Taxation

a. Current income tax

Current income tax assets and liabilities for the current year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted at the end of the financial year in the countries where the Institute operates and generates taxable income.

b. Deferred Tax

Deferred tax is provided for, using the liability method, on temporary differences at the end of the financial year between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted by the end of the financial year. Deferred tax is recognised in statement of comprehensive income, except when it arises from a transaction which is recognised outside statement of comprehensive income (whether in other comprehensive income or directly in equity), in which case the deferred tax is also recognised outside statement of comprehensive income.

The carrying amount of deferred tax assets, if any, is reviewed at the end of the financial year and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Institute intends to settle its current tax assets and liabilities on a net basis.

Employee benefits

a. Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees. Short-term accumulating compensated absences such as paid annual leave is recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

b. Defined contribution plans

The Institute is required by law to make monthly contributions to the Employees Provident Fund ("EPF"), a statutory defined contribution plan for all their eligible employees based on certain prescribed rates of the employees' applicable remuneration. Contributions are charged to statement of comprehensive income in the period in which they relate. The Institute's contributions to EPF are disclosed separately and the employees' contributions to EPF are included in employee benefits expense. Once the contributions have been paid, the Institute has no further payment obligations.

Leases - As lessee

The Institute assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee, the Institute applies a single recognition and measurement approach for all leases, except for short-term leases and lease of low-value assets. The Institute recognises lease liability to make lease payment and right-of-use asset representing the right to use the underlying asset.

4. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

Leases - As lessee (cont'd)

i. Right-of-use assets

The Institute recognises a right-of-use asset at the lease commencement date. The right-of-use asset is initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability. The cost of right-of-use asset includes the amount of lease liability recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the asset.

ii. Lease liabilities

At the commencement date of the lease, the Institute recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease term payment includes fixed payment less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Institute and the payments of penalties for terminating the lease, if the lease term reflects the Institute exercising the option to terminate.

In calculating the present value of lease payments, the Institute uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payment made. In addition, the carrying amount of lease liabilities are remeasured if there is a modification, a change in the lease term, a change in the lease payment or a change in the assessment of an option to purchase the underlying asset.

iii. Short-term leases and leases of low-value assets

The Institute has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (less than RM20,000 individually). The Institute recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Impairment of non-financial assets

At the end of the financial year, the Institute reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the Institute estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating unit, or otherwise they are allocated to the smallest group of cash-generating unit for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of comprehensive income.

4. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and any impairment loss.

Subsequent cost is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Institute and the cost can be measured reliably. The carrying amount of the part of the asset being replaced is derecognised. All other repairs and maintenance costs are charged to statement of comprehensive income in the year in which they are incurred.

Depreciation of plant and equipment are computed on the straight-line method at the following annual rates based on the estimated useful lives of the various plant and equipment:

Furniture and fittings, audio visual and office equipment	10% - 33.33%
Motor vehicles	20%
Computers and peripherals	20% - 33.33%
Renovation	20%

At the end of each financial year, the residual values, useful lives and depreciation method of the plant and equipment are reviewed, and the effects of any changes are recognised prospectively.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset, and is recognised in statement of comprehensive income.

Inventories

Inventories are valued at the lower of cost and net realisable value. Inventories represent books and publications for sale.

In arriving at net realisable value, impairment is made for obsolete and slow-moving inventories.

Cost includes the cost of purchase plus the cost incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated cost necessary to make the sale.

Provisions

Provisions are made when the Institute has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation. Provisions are reversed if it is no longer probable that the Institute will be required to settle the obligation.

Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when, and only when, the Institute becomes a party to the contractual provisions of the financial instruments.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

a. Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Institute changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

4. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

a. Financial assets (cont'd)

i. Amortised cost

Amortised cost category comprises financial assets that are held within the business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding. The financial assets are not designated as at Fair Value Through Profit or Loss ("FVTPL").

Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Any gains or losses on derecognition is recognised in statement of comprehensive income.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised costs.

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period.

The effective interest rate is the rate that exactly discounts the estimated future cash receipts or payments through the expected life of the financial assets, or where appropriate, a shorter period.

All financial assets, except those measured at FVTPL, are subject to impairment assessment.

b. Financial Liabilities

Financial liabilities not categorised as FVTPL are categorised as other financial liabilities, which subsequently measured at amortised cost using the effective interest method. Interest expense is recognised in the statement of comprehensive income. Any gains or losses on derecognition are also recognised in statement of comprehensive income. Other financial liabilities comprising payables and accrued expenses.

c. Derecognition

The Institute derecognises a financial asset only when the contractual rights to the cash flows from the financial asset expires, or it transfers the financial assets and substantially all of the risks and rewards of ownership of the financial asset to another entity. If the Institute neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred financial asset, the Institute recognises its retained interest in the financial asset and an associated liability for amounts it may have to pay.

If the Institute retains substantially all the risks and rewards of ownership of a transferred financial asset, the Institute continues to recognise the financial asset and also recognises a collateralised borrowing from the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the financial asset's carrying amount and the sum of consideration received and receivable and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in statement of comprehensive income.

A financial liability is derecognised when, and only when the obligation specified in the contract is discharged, cancelled or expires.

A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid is recognised in statement of comprehensive income.

Impairment of financial assets

The Institute recognises estimated credit loss ("ECL") on financial assets measured at amortised cost. ECLs are a probability-weighted estimate of credit losses. The Institute measures loss allowance at an amount equal to lifetime expected credit loss, except for other receivables, capacity building fund, fixed deposits and cash and bank balances that are determined to have low credit risk at the reporting date or the credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowance for trade receivables is always measured at an amount equal to lifetime expected credit loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

Impairment of financial assets (cont'd)

The Institute considers reasonable and supportable information that is relevant and available without undue cost or effort when assessing the ECL. This includes both quantitative and qualitative information and analysis, based on the Institute's historical experience and forward-looking information, where available.

Lifetime ECLs are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month ECLs are the portion of expected credit losses that result from default events that are possible within the 12 months after the end of the financial year.

An impairment loss in respect of financial assets measured at amortised cost is recognised in statement of comprehensive income and the carrying amount of the asset is reduced through the use of an allowance account.

Classification as debt or equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements.

Fair value measurement

Fair value is 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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Institute. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Fair value measurement of a non-financial asset 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 participants that would use the asset in its highest and best use.

The Institute uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which all inputs that are significant to the fair value measurement are directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Cash and cash equivalents

The Institute adopts the indirect method in the preparation of the statement of cash flows. Cash equivalents are short-term, highly liquid investments and are readily convertible to cash with insignificant risk of changes in value.

Cash and cash equivalent include cash, cash in banks and fixed deposits with licensed financial institutions with original maturity periods of three months or less, which have an insignificant risk of changes in value and are readily convertible to a known amount.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

a. Critical judgements in applying the Institute's material accounting policy information

In the process of applying the Institute's material accounting policy information as described in Note 4 above, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

b. Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of non-current assets

The non-current assets of plant and equipment and right-of-use assets are tested for impairment when there is an indication that they may be impaired. If any such indication exists, the Institute shall estimate the recoverable amount of cash-generating unit ("CGU").

During the financial year, the Institute has carried out an impairment assessment on plant and equipment and right-of-use assets with a carrying amount of RM5,376,659 as a result of the recurring operating deficits over the years, accompanied by declining net assets and accumulated surplus.

The aforementioned impairment review resulted in the recognition of impairment loss of RM4,299,501 on the plant and equipment and right-of-use assets, as the recoverable amount of these assets was lower than its carrying amount. The recoverable amount was determined based on value-in-use ("VIU") method. The estimation of future cash flows is subject to changes and highly subjective. Actual results may differ materially from those estimated.

The key assumptions used in the value-in-use calculations and sensitivity analysis of changes of key assumptions are disclosed below.

Key assumptions	2025
Number of projection years	5 years
Total income growth rate	4% to 10%
Total expenditure growth rate	-5% in 2026 and 2 to 3% from 2027 to 2030
Post-tax discount rate	9.7%
Terminal value cash flow growth rate	2.0%

Sensitivity analysis	Sensitivity – additional impairment would arise if
If the total income decreased by approximately 0.6% and all other variables held constant.	There would be an additional impairment of RM1,077,158, which represents the remaining carrying amount of the CGU.
If the total expenditure increased by approximately 0.6% and all other variables held constant.	There would be an additional impairment of RM1,077,158, which represents the remaining carrying amount of the CGU.
Discount rate increased by approximately 0.8% and all other variables held constant.	There would be an additional impairment of RM55,996.
Terminal value cash flow growth rate decreased by approximately 1% and all other variables held constant.	There would be an additional impairment of RM36,957.

6. REVENUE

	2025 RM	2024 RM
Revenue recognised at a point-in-time:		
Examination fees	6,718,847	5,607,994
Training, seminar and conference fees	3,060,265	3,161,799
E-learning	605,310	686,212
Sale of books	44,540	60,904
	10,428,962	9,516,909
Revenue recognised over time:		
Professional qualification and certification fees	2,392,792	2,020,570
Membership fees	812,664	827,280
	3,205,456	2,847,850
	13,634,418	12,364,759

Revenue of the Institute is generated from Malaysia.

7. OPERATING DEFICIT

In addition to the employee benefits expenses and depreciation of plant and equipment and right-of-use assets, operating deficit is arrived at after crediting/(charging):

	2025 RM	2024 RM
AITRI Reimbursement	399,059	79,705
Interest income from fixed deposits	260,887	434,740
Finance costs (Note 21)	(97,980)	(27,047)
Gain/(loss) on foreign exchange:		
Realised	9	(5,534)
Unrealised	(6,608)	(15,537)
Expenses relating to:		
Short-term leases and leases of low value assets	(160,660)	(583,599)
Reversal/(Impairment) on trade receivables (Note 13)	16,435	(9,926)
Plant and equipment written off	(68,374)	-
Auditors' remuneration	(90,000)	(65,000)
Directors' fees	(9,500)	-

Employee benefits expense include salaries, contributions to EPF and all other staff related expenses. During the financial year, contributions of EPF made by the Institute amounted to RM883,731(2024: RM720,702).

Included in other income is Hibah, a voluntary gift on savings account with licenced banks, amounting to RM15,099 (2024: RM16,863).

8. TAX EXPENSE

For tax purposes, the Institute is treated as a "Trade Association" under Section 53(3) of the Income Tax Act 1967 where its income is taxed at scale rates.

A numerical reconciliation of tax expense applicable to the deficit before tax at the statutory income tax rate to tax credit at the effective tax rate of the Institute is as follows:

	2025 RM	2024 RM
Deficit before tax	(8,465,639)	(3,225,589)
Tax at 24%	2,031,753	774,141
Tax effects of:		
Expenses not deductible for tax purposes	(1,314,832)	(397,896)
Impact of differential tax rate	81,583	57,654
Income not subject to tax	20,919	30,846
Deferred tax assets not recognised	(819,423)	(464,745)
Tax expense for the year	-	-

Deferred tax asset has not been recognised as the Institute is uncertain to have sufficient future taxable profits to utilise against the deferred tax asset.

Deferred tax assets have not been recognised in respect of the following items:

	2025 RM	2024 RM
Unutilised tax losses	9,732,498	6,672,891
Unabsorbed capital allowances	1,503,917	1,149,160
	11,236,415	7,822,051

Year of expiry of unutilised business losses is analysed as follows:

	2025 RM	2024 RM
Expiring in 2035	(3,059,607)	-
Expiring in 2034	(1,672,410)	(1,672,410)
Expiring in 2033	(2,245,682)	(2,245,682)
Expiring in 2032	(1,056,907)	(1,056,907)
Expiring in 2031	(187,107)	(187,107)
Expiring in 2030	(161,300)	(161,300)
Expiring in 2029	(1,349,485)	(1,349,485)
	(9,732,498)	(6,672,891)

The unabsorbed capital allowance of the Institute are available indefinitely for offsetting against taxable profit.

With effect from Year of Assessment ("YA") 2019, unutilised business losses in a year of assessment can only be carried forward for a maximum period of 10 consecutive years of assessment to be utilised against income from any business source.

9. PLANT AND EQUIPMENT

	Furniture and fittings, audio visual and office equipment RM	Computers and peripherals RM	Renovation RM	Total RM
Cost				
At 1 January 2024	1,108,288	2,223,602	2,640,162	5,972,052
Additions	1,020	127,332	2,600	130,952
At 31 December 2024/1 January 2025	1,109,308	2,350,934	2,642,762	6,103,004
Additions	-	282,137	-	282,137
Write-offs	(3,500)	(150,740)	(167,498)	(321,738)
At 31 December 2025	1,105,808	2,482,331	2,475,264	6,063,403

9. PLANT AND EQUIPMENT (cont'd)

	Furniture and fittings, audio visual and office equipment RM	Computers and peripherals RM	Renovation RM	Total RM
Accumulated Depreciation and Impairment				
At 1 January 2024	542,826	2,001,873	1,055,779	3,600,478
Charge for the year	182,122	84,695	529,022	795,839
At 31 December 2024/1 January 2025	724,948	2,086,568	1,584,801	4,396,317
Charge for the year	180,944	141,122	495,053	817,119
Impairment [1]	202,016	405,375	495,940	1,103,331
Write-offs	(2,100)	(150,734)	(100,530)	(253,364)
At 31 December 2025	1,105,808	2,482,331	2,475,264	6,063,403
Net Carrying Amount				
At 31 December 2024	384,360	264,366	1,057,961	1,706,687
At 31 December 2025	-	-	-	-

Included in plant and equipment of the Institute are fully depreciated assets which are still in use, costing RM1,952,687 (2024: RM2,103,427).

[1] The key assumptions used in the impairment assessment and sensitivity analysis of changes of key assumptions are disclosed in Note 5(b).

10. RIGHT-OF-USE ASSETS

	2025 RM	2024 RM
Cost		
At beginning of year	3,511,358	3,080,253
Additions	3,248,423	2,837,899
Write off	(682,984)	(2,406,794)
At end of year	6,076,797	3,511,358
Accumulated Depreciation and Impairment		
At beginning of year	1,314,171	2,426,738
Charge for the year	1,172,282	1,294,227
Impairment [1]	3,196,170	-
Write off	(682,984)	(2,406,794)
At end of year	4,999,639	1,314,171
Net Carrying Amount	1,077,158	2,197,187

The Institute has lease arrangements for its office premises and other facilities such as computer labs and training rooms. The contractual lease terms comprise a lease for 3 years for office premises, which has been renewed during the financial year and will be expired on 31 March 2030.

[1] The key assumptions used in the impairment assessment and sensitivity analysis of changes of key assumptions are disclosed in Note 5(b).

11. FIXED DEPOSITS

Fixed deposits placed with licensed banks earn interest at rates ranging from 2.05% to 3.50% (2024: 2.50% to 3.50%). The fixed deposits with original maturity period of 3 months and below and original maturity period of more than 3 months have average maturity periods of 90 days (2024: 0 day) and 174 days (2024: 203 days) respectively. The Institute's fixed deposits placements as at 31 December 2025 are as below:

	2025 RM	2024 RM
Original maturity period of 3 months and below, classified as cash and cash equivalents (Note 16)	500,000	-
Original maturity period of more than 3 months	8,145,050	12,587,187
At end of year	8,645,050	12,587,187

12. INVENTORIES

	2025 RM	2024 RM
Bookshop books:		
At cost	46,585	46,910

The cost of inventories recognised as an expense for the year was RM5,456 (2024: RM18,465).

13. TRADE RECEIVABLES

	2025 RM	2024 RM
Third parties	1,597,678	1,007,320
Less: Loss allowances	(9,979)	(26,414)
Net	1,587,699	980,906

Trade receivables comprise amounts receivable from customers for academic and training courses conducted. These are non-interest bearing and recognised at their original invoice amounts which represent their fair values on initial recognition. The Institute allows credit to customers with special arrangements with the Institute, subject to approval. Credit terms of approved trade receivables is 90 days (2024: 90 days). No interest is charged on outstanding trade receivables.

Movements in loss allowance accounts used to record the impairment loss and the analysis of the Institute's trade receivables that are individually and collectively impaired at the reporting date are as follows:

	Individually Impaired RM	Collectively Impaired RM	Total RM
Movement in loss allowance accounts			
At 1 January 2024	-	16,488	16,488
Increase in impairment for the year	-	9,926	9,926
At 31 December 2024	-	26,414	26,414
At 1 January 2025	-	26,414	26,414
Decrease in impairment for the year	-	(16,435)	(16,435)
At 31 December 2025	-	9,979	9,979

The Institute measures the loss allowance for trade receivables at an amount equal to lifetime Estimated Credit Loss ("ECL").

The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate should there be any and an assessment of both the current as well as the forecast direction of conditions at the end of the financial year.

The Institute writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities

The following table details the risk profile of trade receivables based on the Institute's provision matrix. As the Institute's historical credit loss experience does not show significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Institute's different customer bases.

	Days not past due			Days past due		
	<30 RM	31 - 60 RM	61 - 90 RM	91 – 120 RM	>120 RM	Total RM
As at 31 December 2025						
Gross carrying amount	402,336	243,152	327,017	276,913	348,260	1,597,678
Lifetime ECL	1,086	2,564	4,581	40	1,708	9,979
As at 31 December 2024						
Gross carrying amount	494,859	146,134	216,528	18,529	131,270	1,007,320
Lifetime ECL	19,895	5,520	999	-	-	26,414

As at 31 December 2025, trade receivables with a total of RM623,425 (2024: RM149,799) were past due but not impaired. Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Institute. In determining the recoverability of a trade receivable, the Institute considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the financial year.

14. OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES

	2025 RM	2024 RM
Other receivables	403,303	36,735
Interest receivable	22,683	37,511
Refundable deposits	372,300	533,957
Prepaid expenses	161,871	589,058
	960,157	1,197,261

15. CAPACITY BUILDING FUND

	2025 RM	2024 RM
At beginning of year	553,701	1,789,986
Payments	(84,807)	(1,236,285)
At end of year	468,894	553,701

Following the idea of having a permanent funding mechanism from the industry, Bank Negara Malaysia initiated the move to set up a capacity building fund to be jointly funded by Bank Negara Malaysia and the insurance industry. The basis of the contribution is that Bank Negara Malaysia will match Ringgit-for-Ringgit the contribution by the insurance industry. This fund can only be used for expenditure incurred for approved capacity building projects.

During the year, the fund was utilised for Capacity Building Projects (CBP), including the MII Education System (iLMS), the AMII Fast Track Programmes, and the refund of CBP fund surpluses to industry contributors.

16. CASH AND CASH EQUIVALENTS

	2025 RM	2024 RM
Cash and bank balances	1,399,896	1,350,997
Fixed deposits placements with original maturity period of 3 months and below (Note 11)	500,000	-
	1,899,896	1,350,997
Less: Cash restricted in-use (Note 15)	(468,894)	(553,701)
	1,431,002	797,296

Cash and bank balances are denominated in the following currencies:

	2025 RM	2024 RM
Ringgit Malaysia	1,309,535	1,341,268
United States Dollar	90,281	9,729
Singapore Dollar	78	-
British Pound Sterling	2	-
	1,399,896	1,350,997

17. GENERAL RESERVES

General reserves arose mainly from contributions by insurance companies, brokers, agents and adjusters and the surplus arising on the disposal of a subsidiary company in prior years.

18. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

Trade payables comprise amounts outstanding for trade purchases and ongoing costs. These payables are non-interest bearing and the credit period granted to the Institute for trade purchases ranges from 30 days to 90 days (2024: 30 days to 90 days).

Trade payables, other payables and accrued expenses consist of the following:

	2025 RM	2024 RM
Trade payables	419,487	336,842
Other payables	828,658	476,740
Accrued expenses	1,079,177	1,121,832
	2,327,322	1,935,414

19. TRAINING CREDIT SCHEME

	2025 RM	2024 RM
At beginning of year	274,211	334,445
Additions	11,872	2,160
Utilisations	(59,838)	(62,394)
At end of year	226,245	274,211

The Aii Training Credit Scheme was mooted during the Extraordinary General Meeting of the bondholders of Zero Coupon Bonds on 14 November 2017 by Bank Negara Malaysia ("BNM") as an initiative to the bondholders to have the redemption sum converted into training credits. The scheme was then established following the redemption of the Zero Coupon Bond on 4 November 2019.

The Training Credit Scheme will be utilised by participating companies to offset against training fees for subscribed courses provided by Aii or an approved training provider.

The objective of the scheme is to promote a lifelong learning culture and to boost investment in talent development and capacity building initiatives by insurance industry players

20. CONTRACT LIABILITIES

	2025 RM	2024 RM
As of beginning of year	716,205	367,396
Deferred during the year	11,565,425	11,632,871
Recognised as revenue during the year	(11,817,551)	(11,284,062)
At end of year	464,079	716,205

21. LEASE LIABILITIES

	2025 RM	2024 RM
At beginning of year	2,210,161	674,418
Additions	3,248,423	2,837,899
Finance costs (Note 7)	97,980	27,047
Repayments of lease liability	(1,140,383)	(1,302,156)
Repayments of finance costs	(97,980)	(27,047)
At end of year	4,318,201	2,210,161
Non-Current Liabilities	3,167,582	1,294,326
Current Liabilities	1,150,619	915,835
At end of year	4,318,201	2,210,161

The incremental borrowing rate applied to the lease liability recognised in the statement of financial position is 5.00% (2024: 5.00%).

The following are the amount recognised in profit and loss:

	2025 RM	2024 RM
Expenses:		
Depreciation of right-of use assets (Note 10)	1,172,282	1,294,227
Interest expense on lease liabilities	97,980	27,047
	1,270,262	1,321,274

The Institute had total cash outflows of lease liabilities of RM 1,238,363 in 2025 (2024: RM 1,329,203)

22. CAPITAL COMMITMENTS

As of the end of the financial year, the Institute has the following capital commitments in respect of plant and equipment:

	2025 RM	2024 RM
Approved but not contracted for	50,000	331,980

23. RENTAL COMMITMENTS

As of the end of the financial year, the Institute has the following rental commitments which have been exempted under MFRS 16 as they relate to leases of low-value assets and short-term leases:

	Future Minimum Lease Payment 2025 RM	2024 RM
Financial years ending 31 December,		
2025	36,111	35,631
2026	30,480	30,000
2027 onwards	25,480	25,000
	92,071	90,631

24. COMPENSATION OF KEY MANAGEMENT PERSONNEL

The compensation of key management personnel which comprises key members of senior management of the Institute during the financial year are as follows:

	2025 RM	2024 RM
Short-term employee benefits	2,521,277	1,890,906
Contributions to EPF	253,982	235,807
	2,775,259	2,126,713

25. FINANCIAL INSTRUMENTS

	2025 RM	2024 RM
Financial assets		
Fixed deposits and interest receivables	8,667,732	12,624,698
Cash and bank balances	1,399,896	1,350,997
Trade receivables	1,587,699	980,906
Other receivables and refundable deposits	775,603	570,692
Financial assets at amortised cost	12,430,930	15,527,293
Financial liabilities		
Trade payables	419,487	336,842
Other payables	802,012	429,189
Lease liabilities	4,318,201	2,210,161
Financial liabilities at amortised cost	5,539,700	2,976,192

The carrying amounts of all financial assets and trade payables and other payables of the Institute at the end of the financial year approximate their fair values due to their short term maturity and the immaterial impact of discounting. The carrying amount of the lease liabilities is discounted based on the incremental borrowing rate applied upon the recognition of the lease.

ASIAN INSTITUTE OF INSURANCE
(formerly known as The Malaysian Insurance Institute)
(Company Incorporated in Malaysia Limited by Guarantee)

STATEMENT BY DIRECTORS

The directors of **ASIAN INSTITUTE OF INSURANCE** state that, in their opinion, the financial statements give a true and fair view of the financial position of the Institute as at 31 December 2025 and of its financial performance and its cash flows for the year then ended in accordance with MFRS Accounting Standards and IFRS Accounting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Signed in accordance with
a resolution of the Directors,

NG KOK KHENG
(CHAIRMAN)

TAPAN KUMAR RANGAM BIR
(DIRECTOR)

Kuala Lumpur,
14 August 2026

DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE INSTITUTE

I, **PAUL LOW HONG CEONG** the officer primarily responsible for the financial management of **ASIAN INSTITUTE OF INSURANCE,** do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

PAUL LOW HONG CEONG

Subscribed and solemnly declared by the abovenamed **PAUL LOW HONG CEONG** at **KUALA LUMPUR** this 14th day of August, 2026

Before me,

PESURUHJAYA SUMPAH
W1015
SHAHRIZAL BIN NASRUL
01.01.2026 - 31.12.2028
MALAYSIA

COMMISSIONER FOR OATHS

LOT 1, ARAS B1 MENARA MAIWP,

Asian Institute of Insurance

Notice of Annual General Meeting

ASIAN INSTITUTE OF INSURANCE
Registration Number: 197701004772 (35445-H)
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 48th Annual General Meeting of **ASIAN INSTITUTE OF INSURANCE** ["the Company" or "Aii")] will be held at **Aii Cafeteria, Asian Institute of Insurance, Level 6 (North Wing), Bangunan AICB, 10 Jalan Dato' Onn, 50480 Kuala Lumpur** on Monday, 14th September 2026 at 10.30 a.m. to consider the following matters:

AGENDA

AS ORDINARY BUSINESS

1.	To receive the Audited Financial Statements for the financial year ended 31st December 2025 together with the Reports of the Directors' and Auditors' thereon.	***Explanatory Notes A***
2.	To re-elect the following Director who retires pursuant to Article 72(3)(b) of the Company's Constitution and who being eligible offer himself for re-election: (i) Mr. Peter Nyam Wing Keong	 ***Ordinary Resolution 1***
3.	To re-appoint Messrs. Ernst & Young PLT as Auditors of the Company, to hold office until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.	***Ordinary Resolution 2***

SPECIAL BUSINESS

To consider and if thought fit, to pass the following ordinary resolution, with or without modifications:

4.	Proposed Directors' Benefits To approve the payment of directors' meeting allowance of RM500 per meeting, payment of AII membership fees and subscriptions fees by AII for its directors effective from the conclusion of the 48th Annual General Meeting until the conclusion of the 49th Annual General Meeting.	***Ordinary Resolution 3***
5.	To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.	

By Order of the Board

SUZANA BINTI AHMAD
Bar Council No. BC/S/356
SSM PC No.: 201908003317
Company Secretary

Kuala Lumpur
Dated: 21st August 2026

NOTES:

a. A member entitled to attend and vote at this meeting is entitled to appoint one proxy or accredited representative respectively to attend and vote in his stead.

b. Only an Individual Member shall be a proxy and no proxy shall be a proxy for more than two (2) Individual Members.

c. The instrument appointing a proxy or accredited representative and the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy thereof shall be deposited at the Company's Registered Office at Level 6, Bangunan AICB, 10 Jalan Dato' Onn 50480, Kuala Lumpur or send by any electronic means not less than forty-eight (48) hours before the time appointed for holding the meeting or adjournment meeting at which the person named in the instrument proposes to vote.

Explanatory Notes A:

1. *Audited Financial Statements for the financial year ended 31st December 2025*

   This item of the Agenda is meant for discussion only, as the provision of Section 340(1) (a) of the Companies Act 2016 ["CA 2016"] does not require the shareholders to formally approve the Audited Financial Statements. Hence, this item is not put forward for voting.

   The Annual Report and Financial Statements can also be accessed and obtained through our homepage address, https://aiiasia.org/

ASIAN INSTITUTE OF INSURANCE
Registration Number: 197701004772 (35445-H)
(Incorporated in Malaysia)

Membership No.

PROXY / ACCREDITED REPRESENTATIVE FORM

I/We ....
(in block letters)

I/C No. / Passport No. Co. No. .... of

....
(Full address)

being an Individual / Institutional Member of **ASIAN INSTITUTE OF INSURANCE** ["the Company" or "Aii")] hereby appoint the following person:

☐

Name of Proxy/ Accredited Representative	NRIC No. / Passport No.	Membership No. (For Proxy)	Mobile No.	Email	Address

or failing him/ her

Alternate Proxy					

☐ the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 48th Annual General Meeting of the Company, to be held at Aii Cafeteria, Asian Institute of Insurance, Level 6 (North Wing), Bangunan AICB, 10 Jalan Dato' Onn, 50480 Kuala Lumpur on Monday, 14th September 2026 at 10.30 a.m. or at any adjournment thereof.

My proxy/ our nominee is to vote as indicated below:

	Ordinary Business	For	Against
1.	Ordinary Resolution 1 To re-elect Mr. Peter Nyam Wing Keong as Director of the Company.		
2.	Ordinary Resolution 2 To re-appoint Messrs. Ernst & Young PLT as Auditors of the Company, to hold office until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.		
3.	Ordinary Resolution 3 Proposed Directors' Benefits - To approve the payment of directors' meeting allowance of RM500 per meeting, payment of AII membership fees and subscriptions fees by AII for its directors effective from the conclusion of the 48th Annual General Meeting until the conclusion of the 49th Annual General Meeting.		

(Please indicate with a "✓" or "X" in the space provided how you wish your vote to be cast. If no instructions as to voting is given, the proxy(ies) will vote or abstain from voting at his/her discretion.

Dated this ____ day of ____________ , 2026 ______________________________
Signature(s) of member(s)

**strike out whichever is not desired.*

NOTES:

a. A member entitled to attend and vote at this meeting is entitled to appoint one proxy or accredited representative respectively to attend and vote in his stead.

b. Only an Individual Member shall be a proxy and no proxy shall be a proxy for more than two (2) Individual Members.

c. The instrument appointing a proxy or accredited representative and the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy thereof shall be deposited at the Company's Registered Office at Level 6, Bangunan AICB, 10 Jalan Dato' Onn 50480, Kuala Lumpur or send by any electronic means not less than forty-eight (48) hours before the time appointed for holding the meeting or adjournment meeting at which the person named in the instrument proposes to vote.

Asian Institute of Insurance

Level 6, Bangunan AICB
No. 10, Jalan Dato' Onn
50480, Kuala Lumpur
Malaysia

aiiasia.org