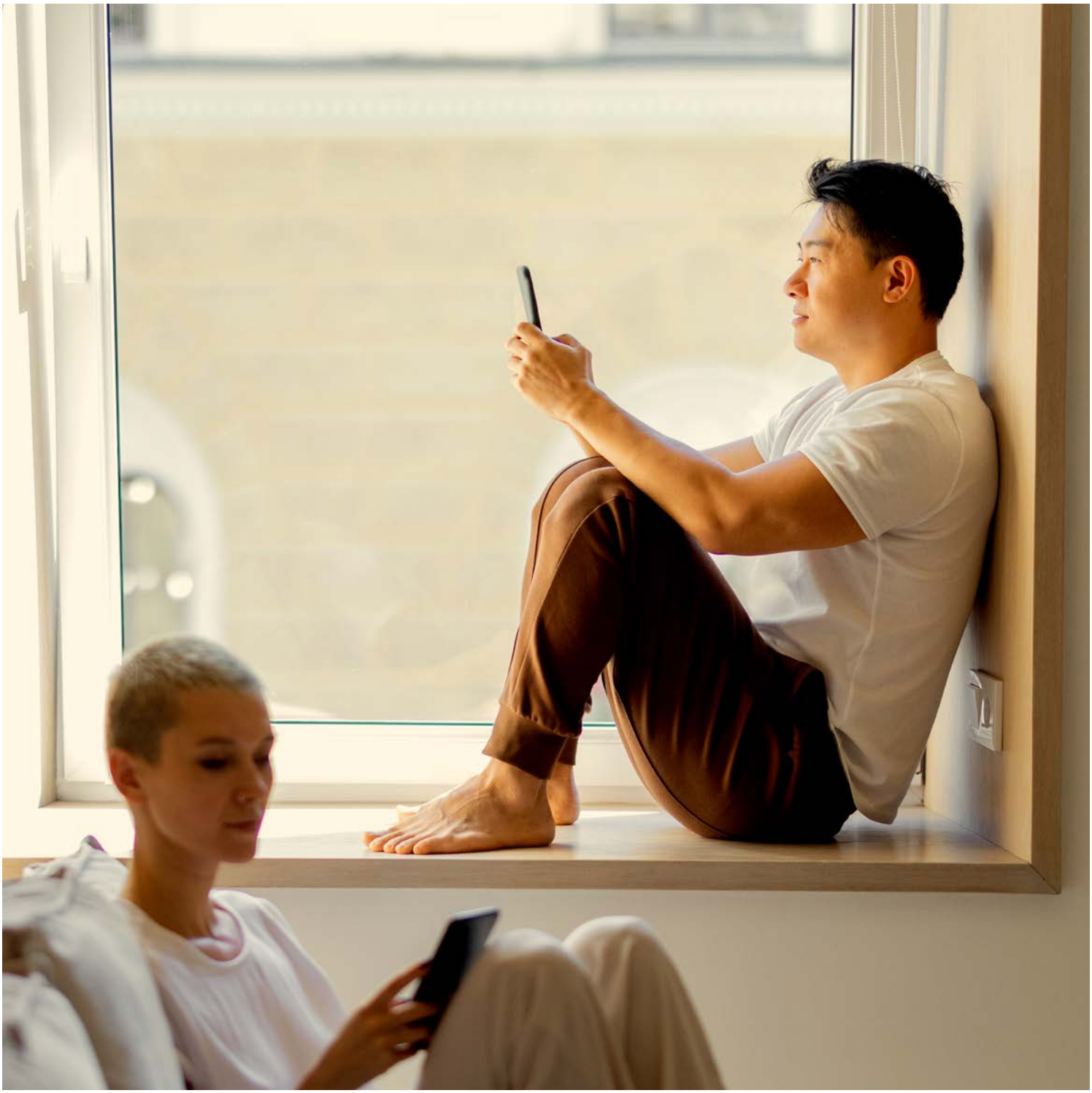
Sun Life

Financial Resilience Index Malaysia

Balancing today's needs and tomorrow's goals





Introduction

Sun Life is committed to helping more people in our community achieve financial security and live healthier lives.

Sun Life Asia's second annual ***Financial Resilience Index*** aims to explore the financial literacy, attitudes and behaviours of individuals across Asia. By analysing how and why people make the financial decisions they do, and the outcomes they achieve, we can identify the factors that separate the financially resilient from the financially vulnerable and make it easier for more people to achieve financial security.

In 2025, our research shows many people face financial vulnerabilities due to rising living costs and economic uncertainties. Rising costs have made managing everyday expenses, balancing household budgets, and access to healthcare more challenging. As personal budgets have been pushed to the limit, long-term goals have been set aside. Respondents are prioritising their day-to-day budgets over long-term saving, a move that, while understandable, will impact longer term wealth accumulation and retirement savings.

Nearly six in 10 Malaysian respondents feel financially secure, a comparable figure to last year (51%), yet the wider findings suggest most are far from financially resilient. More than half of people have no financial plan beyond one year, and less than half (48%) of people feel confident in their ability to handle a financial emergency, suggesting people may overestimate their security and resilience.

Encouragingly, more people, particularly the more financially resilient, are seeking help to improve their financial literacy to combat the challenging conditions.

Overall, the survey reinforces the need to maintain a long-term outlook in turbulent times, and to develop financial plans that meet current and future needs. Holistic financial planning, with the support of an expert advisor, can empower people to take control of their finances, protect their loved ones and work towards long-term goals navigate challenges, regardless of the economic conditions.

With the right support and a complete financial plan, Malaysians can rise above today's challenges and build a more confident, secure future.

Ho Teck Seng
President & Country Head, Sun Life Malaysia

Survey methodology

Fieldwork conducted in 2025

6
Markets

1,000
Respondents per market

6,000
Respondents from different wealth levels, generations, and both rural and urban settings



Hong Kong
Indonesia
Malaysia
Philippines
Singapore
Vietnam

Criteria for high and low financial resilience respondents

	Low resilience (10% of respondents)	**High resilience (32% of respondents)**
Feels financially...	Insecure	Secure
Financial planning	Plans a few months ahead or not at all	Plans more than 5 years ahead
Coping with financial emergency	Unprepared	Prepared
Self-perceived literacy around personal finances	Poor	Good
Meeting long-term financial goals	Unconfident	Confident

Key Findings

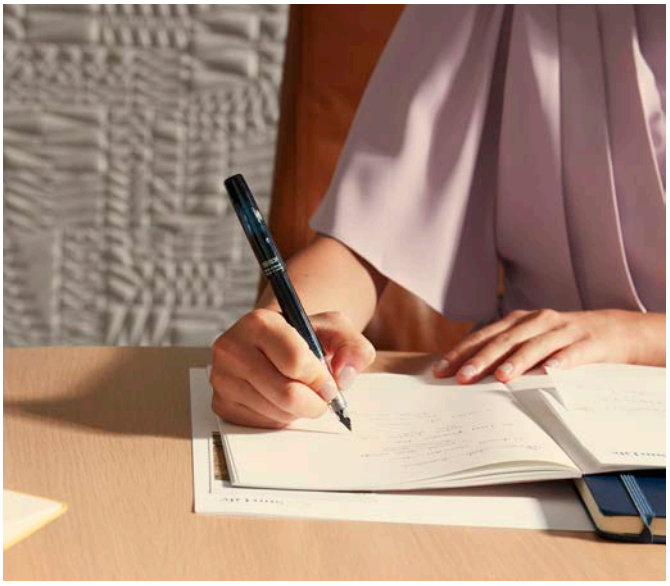
#1

Managing day-to-day finances is increasingly a priority — potentially at the expense of longer-term wealth accumulation

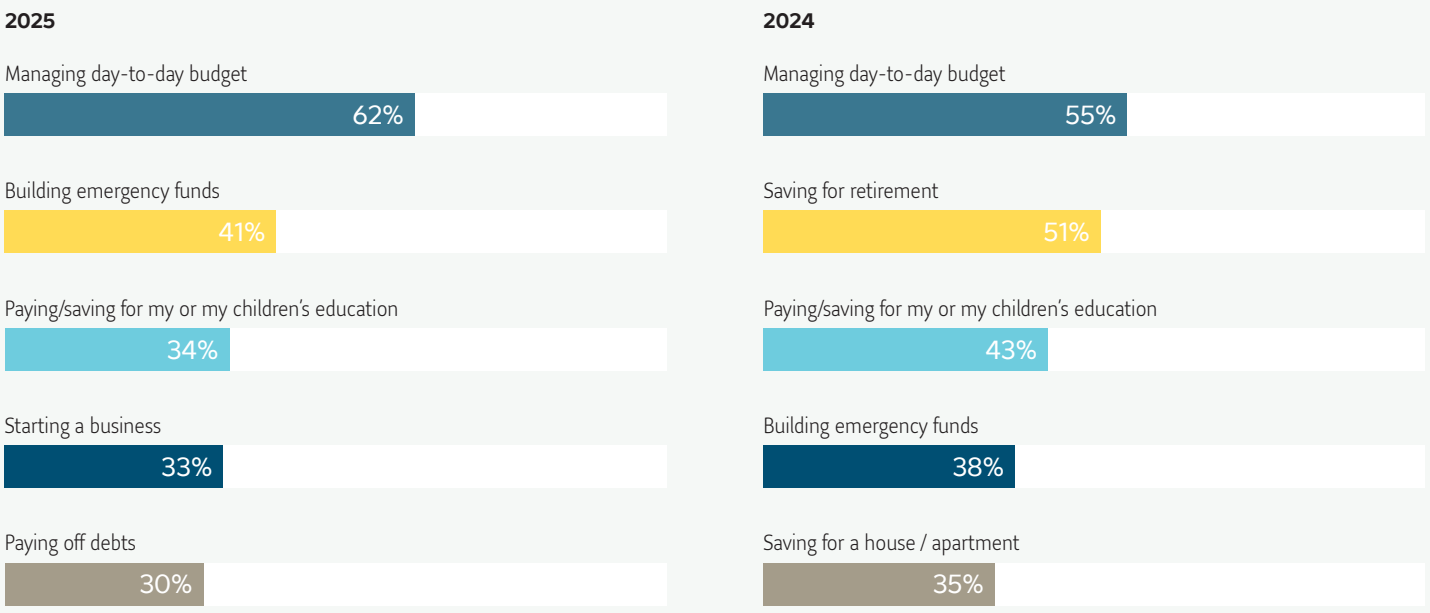
Short-term financial priorities dominate

To build true financial resilience, it is crucial to maintain a long-term outlook. However, in the face of persistent price increases, meeting short-term expenses is now top of mind for most respondents. Managing the day-to-day budget is the leading financial priority over the next 12 months at 62%, compared to 55% in our last survey.

Building emergency funds has become the second highest priority this year, rising to 41% and surpassing retirement savings, which has dropped to seventh place.



Financial priorities over the next 12 months



#2

Gen Z are the least financially secure and most concerned about money

Younger generation are uncertain about their financial situation

Gen Z is falling behind older generations in both confidence and preparedness, despite being at the earliest stage of their financial lives.

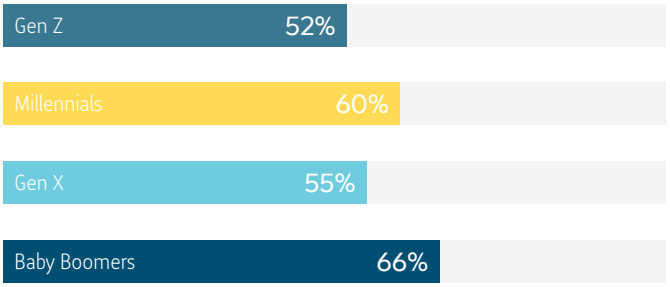
Balanced is best

When it comes to investing, respondents are cautious — 56% take a conservative approach to investing and just 12% are aggressive risk-takers. The findings suggest that lower confidence and financial security are driving conservatism in investment appetite.

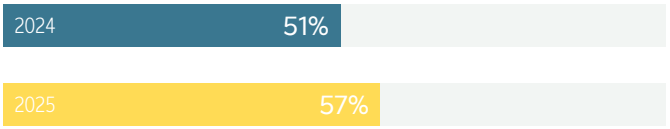
Gen Z investors are best placed to take a balanced approach to risk given their long runway of working years. Yet among all age groups, they are most likely to describe their approach to investing as conservative (60%), highlighting the need for greater financial literacy among young investors around risk-return profiles and matching the right investment products with savings goals.

Overall, high resilience individuals are more likely to tolerate greater investment risk in their pursuit of long-term returns. When asked about their risk approach to investing, they are less conservative with their savings (45%) than the low resilience group, suggesting they are aligning their investment strategy with their financial goals.

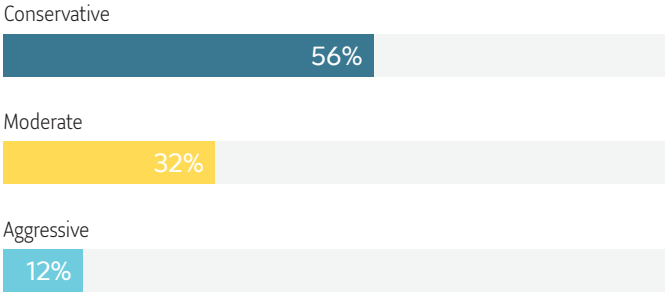
% Financially secure



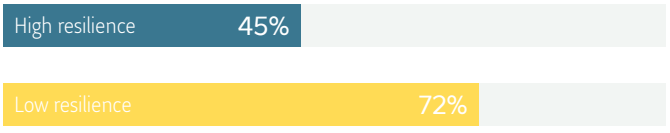
% Financially secure – overall



% Risk approach to investing – overall



% Conservative approach to investing



#3

Most people ask for financial help — but not always from a professional. High resilience individuals more likely to enlist the help of an advisor

Savers seek help from different sources

Most of our respondents (80%) receive help when it comes to making financial decisions. To manage their finances, 43% seek advice from a partner or spouse, 41% ask other family members, while 22% seek financial advice from friends.

More than a quarter of people (26%) receive help from a professional such as a financial advisor, a figure that is consistent across all generations. This highlights an over reliance on informal support networks rather than professional advisors.

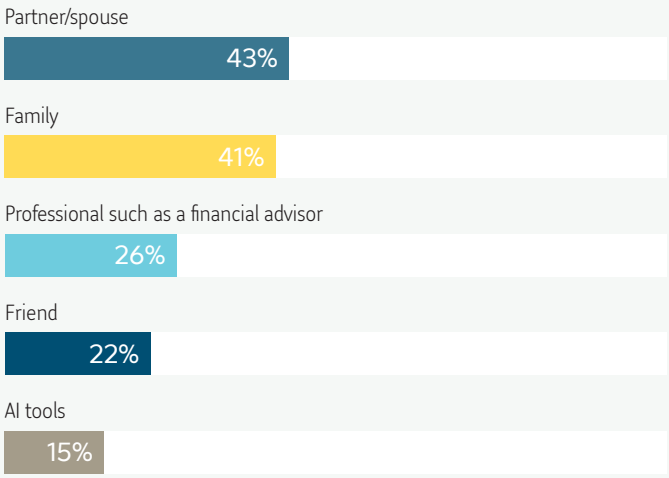
Advisors boost resilience

Low resilience individuals are more likely to obtain financial information from family and friends (48%) and banks and other financial institutions (48%) than social media (46%). Higher resilience individuals use advisors at a greater rate (42%) than low resilience counterparts (25%), highlighting the role of advisors in building financial security.

Respondents were asked about the benefits of working with an advisor. 53% said explaining long-term risks and benefits simply and a further 34% said personalised advice was a key benefit of enlisting professional help.

Despite the advantages of working with advisors on a long-term financial plan, many respondents avoid professional advice with 42% saying they find difficulty finding a reliable advisor, and 42% cite cost concerns while 32% are confident in their own knowledge which may indicate a misunderstanding of the role that financial advisors play.

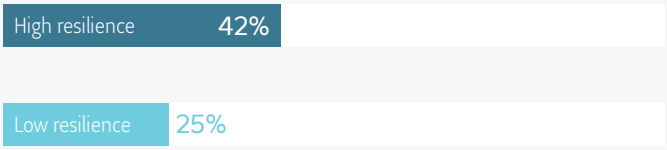
Source of financial management support





of **Gen Z receive no help** when making financial decisions

% Obtain financial information from financial advisors



#4

Inflation forces significant spending cuts

Most people are feeling the pinch

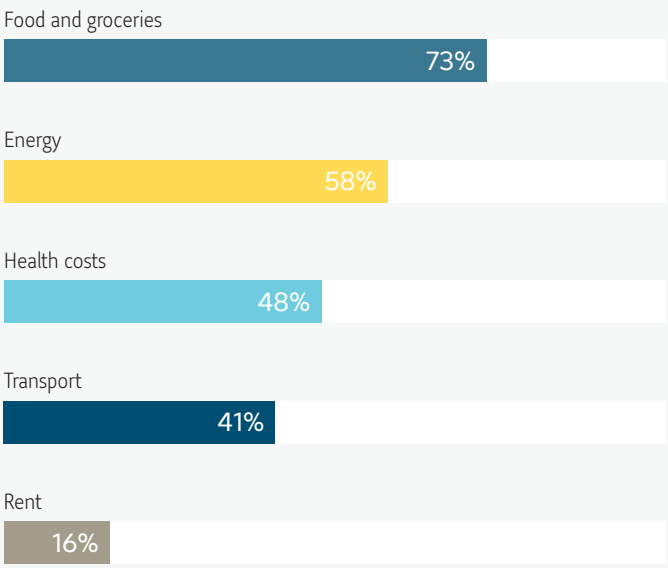
Malaysians are struggling to manage their daily and long-term expenses. 92% of people are feeling the effects of persistent price increases, and 43% note a significant impact on their ability to cover monthly expenses.

The power of financial knowledge

High resilience individuals are more likely to take positive actions to improve their financial situation, such as reading up on personal finance (45%, v 29% of the low resilience group) or making investments to increase returns (43% v 20%).

The findings indicate that while times are tough, many people across Asia are ready to empower themselves with financial knowledge and strategies to boost their long-term wealth, underscoring the value of financial literacy and working with an experienced advisor.

Where inflation has been felt the most



How people are responding to cost of living crisis

Reducing spending on non-essential items	56%
Educating themselves better about personal finance	43%
Making investments to increase returns	33%
Skipping or reducing purchase of essential items	28%
Drawing on savings	28%

#5

People over-estimate their financial resilience, with a mismatch between confidence and preparedness

Many are underprepared for emergencies

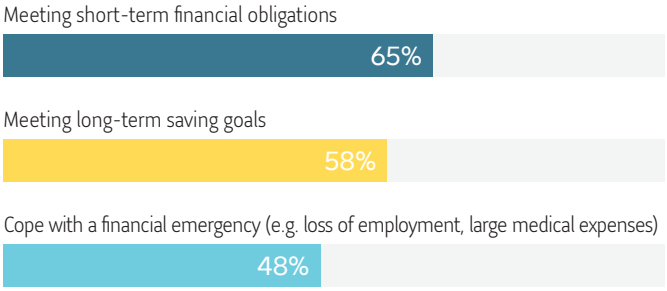
Confidence in being able to meet both short and long-term financial goals has declined over the past year, dropping from 70% to 65% for short term obligations and from 66% to 58% for long-term savings. Less than half (48%) of respondents feel confident in their ability to cope with a financial emergency.

Further underlining the lack of preparedness for emergencies, 73% of overall respondents say they would be able to support themselves for less than six months if they or their partner lost their job or suffered a debilitating illness without needing external help. 44% of high resilience individuals could support themselves for more than six months, compared to just 11% of the low resilience group.

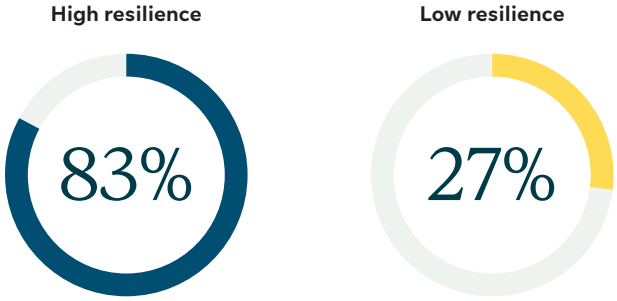
Critical illness protection and emergency savings can provide crucial support and stability in life's more stressful moments.

The findings suggest a clear mismatch between confidence levels and preparedness, and a need for people across Asia to protect themselves from unexpected life events.

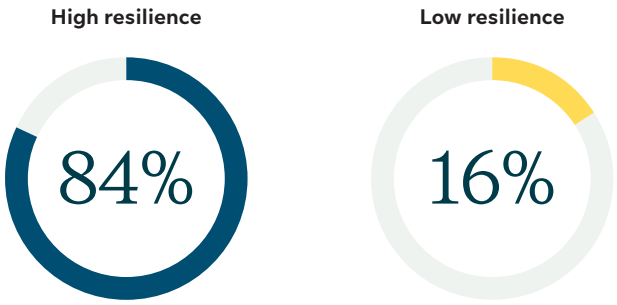
% Confidence levels



% Confidence levels – meeting short-term obligations



% Confidence levels – meeting long-term saving goals



#6

Financial literacy gap to overcome to build financial resilience

People overestimate their financial literacy

People overestimate their financial literacy as well as their financial resilience. Only 6% rate their financial knowledge as poor or very poor, but 16-27% fail to answer basic financial literacy questions correctly.

High resilience associated with stronger financial literacy

Lower financial resilience is associated with weaker levels of literacy, and this was reflected across the range of financial literacy questions.

Unsurprisingly, high resilience respondents showed greater financial literacy than their low resilience counterparts, particularly on subjects including inflation, interest, insurance, debt and risk, underlining the need for broad financial literacy and education across all age groups.

Financial literacy questions*

	% Overall	% High resilience	% Low resilience
If you invest $1,000 at an annual interest rate of 5%, how much will you have after one year? **$1,050**	82%	98%	69%
If inflation is 3% and your savings account earns 1% interest, are your savings increasing or decreasing in value? **Decreasing in value**	80%	92%	78%
Which factor can affect the cost of your health insurance? **Your age**	80%	94%	76%
What is the impact of making only **minimum** payments on credit card debt? **You will remain in debt longer and pay more in interest**	77%	84%	68%
Which of these investment options is generally considered the lowest risk? **Government bonds**	79%	94%	79%

*Figures in table reflect % of respondents who answered these questions correctly

Recommendations for individuals to improve financial resilience

Save: Even the smallest savings contributions make a huge difference

If you haven't saved money for a rainy day or retirement, now is the best time to start. Even a small contribution of RM 500 per month can help you develop financial resilience over time due to compounding interest and investment returns. Balance managing your short-term finances with saving for the long-term.

Seek advice: Seek financial help from a trusted financial advisor

In a world full of online information, it can be hard to separate good advice from bad. Seeking financial help from a professional advisor can help you meet your long-term savings and retirement goals. An adviser will create a holistic financial plan to meet your savings, insurance and protection needs.

Review risk: Match your investments with your long-term goals

Advisors create tailor-made financial plans from a range of investment options. They ensure you take on an appropriate level of risk for your age and life stage, and find the right financial products for your individual circumstances. A professional advisor will ensure your investments are fully aligned with your long-term goals.

Develop financial literacy: Lay the foundation for resilience

Many people over-estimate their financial knowledge, impacting their financial resilience. Work on your financial literacy by reading and speaking to professionals. Seek out trusted resources and information that can bolster your resilience and improve your understanding of saving, investing, and insurance.



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