



**ALLIANZ MALAYSIA
BERHAD** (197201000819)

Q1 2022

FINANCIAL RESULTS

Analyst Briefing
23 May 2022

Allianz 

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AMB GROUP FINANCIAL RESULTS



FINANCIAL HIGHLIGHTS 3M 2022

Group	General Insurance	Life Insurance	Investment Holding
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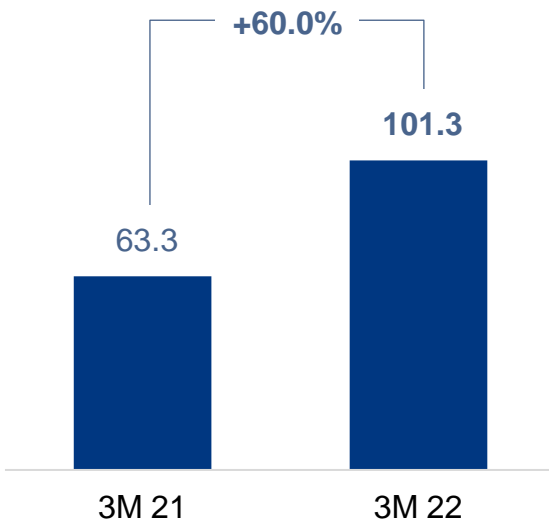
Operating Revenue (RM'mil)

1,707.7 (+6.3%)	656.9 (+4.0%)	1,047.6 (+7.8%)	3.2 (6.7%)
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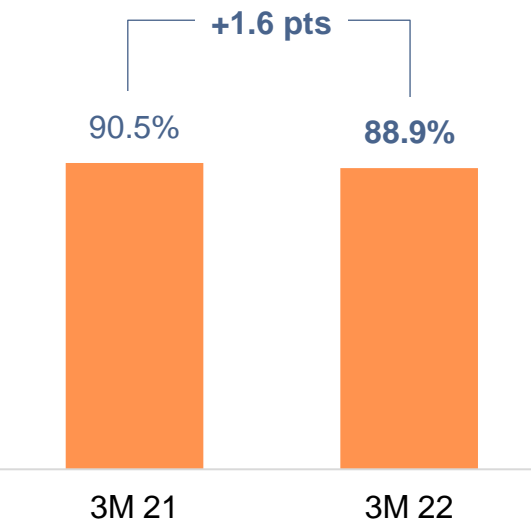
Gross Written Premium (RM'mil)

1,622.5 (+9.5%)	733.7 (11.8%)	888.8 (+7.7%)	
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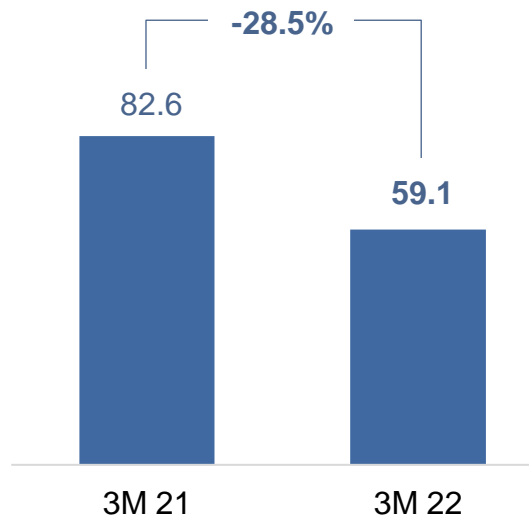
Shareholders' net income (in RM'mil)



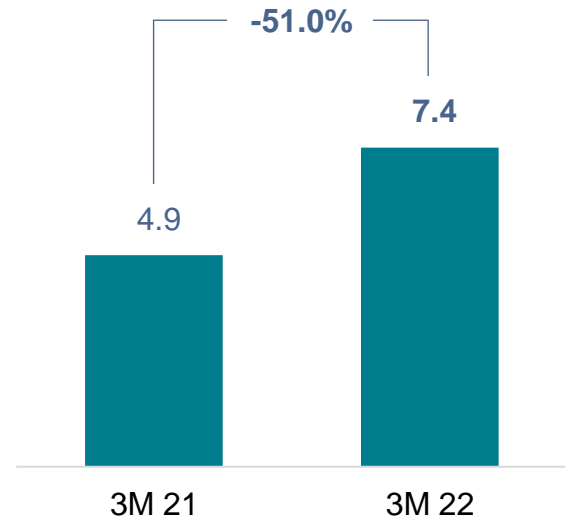
Combined ratio (in %)



New business value (in RM'mil)



Management expenses (in RM'mil)



RESILIENT EARNINGS FOR 3M 2022

Comments

Operating revenue

- Group operating revenue of RM1.71 billion, an increase of 6.3% compared to corresponding period of RM1.61 billion due to higher gross earned premiums and investment income by RM87.8 million and RM13.3 million respectively.
- General business recorded an operating revenue of RM656.9 million, an increase of 4.0% compared to corresponding period of RM631.5 million.
- Life business recorded an operating revenue of RM1.05 billion, an increase of 7.8% compared to corresponding period of RM972.1 million.

Earnings per ordinary share

- Basic earnings per ordinary share at 56.99 sen (3M 2021: 35.74 sen).
- Diluted earnings per ordinary share at 29.28 sen (3M 2021: 18.28 sen).

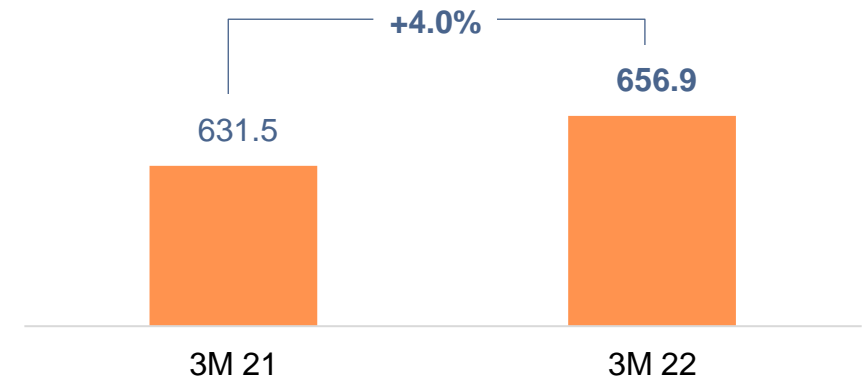
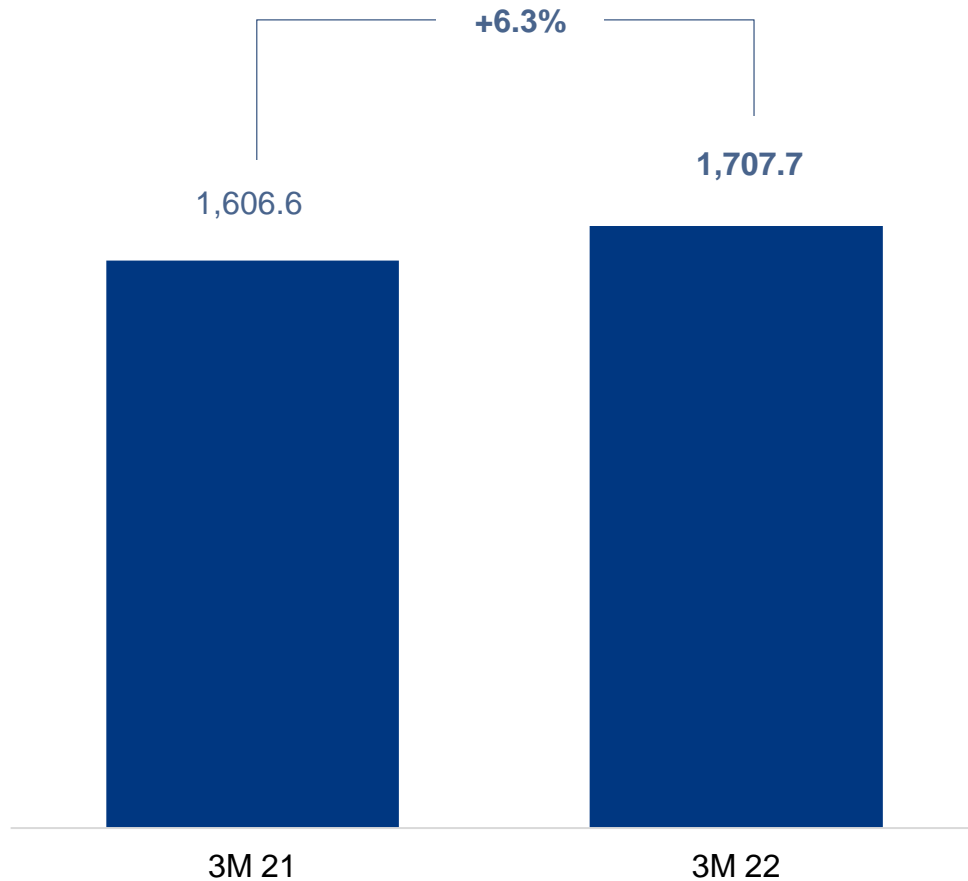
Profitability

- Group profit before tax of RM151.8 million, increased by more than 100% (3M 2021: RM67.4 million) mainly due to profit contribution from both insurance segment.
- General business contributed a profit before tax of RM102.2 million, an increase of 10.4% (3M 2021: RM92.6 million). The increase was attributable to higher underwriting profit. Net combined ratio was 88.9% as at 3M 2022 (3M 2021: 90.5%).
- Life insurance business recorded a profit before tax of RM67.7 million (3M 2021: loss before tax of RM20.2 million). The increase was attributable to lower fair value losses on investment and higher contribution from protection business.

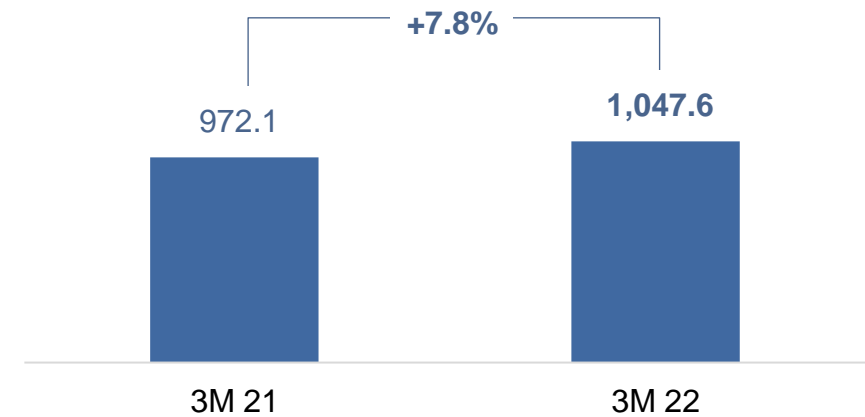
FINANCIAL HIGHLIGHTS 3M 2022

Group | **General Insurance**

Operating Revenue (RM'mil)



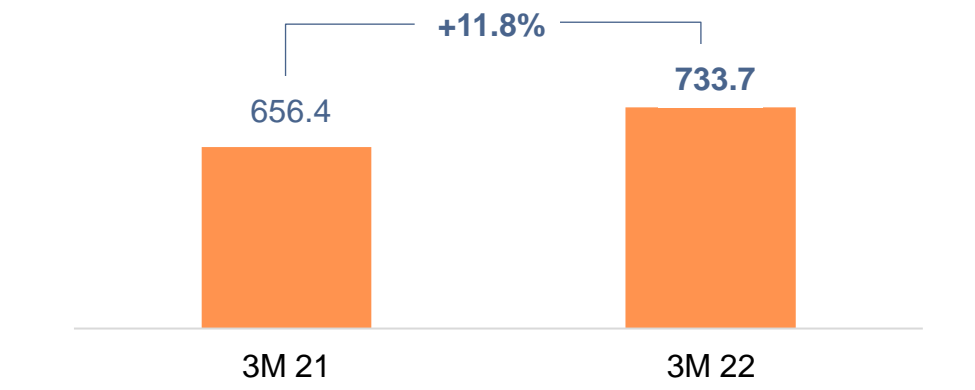
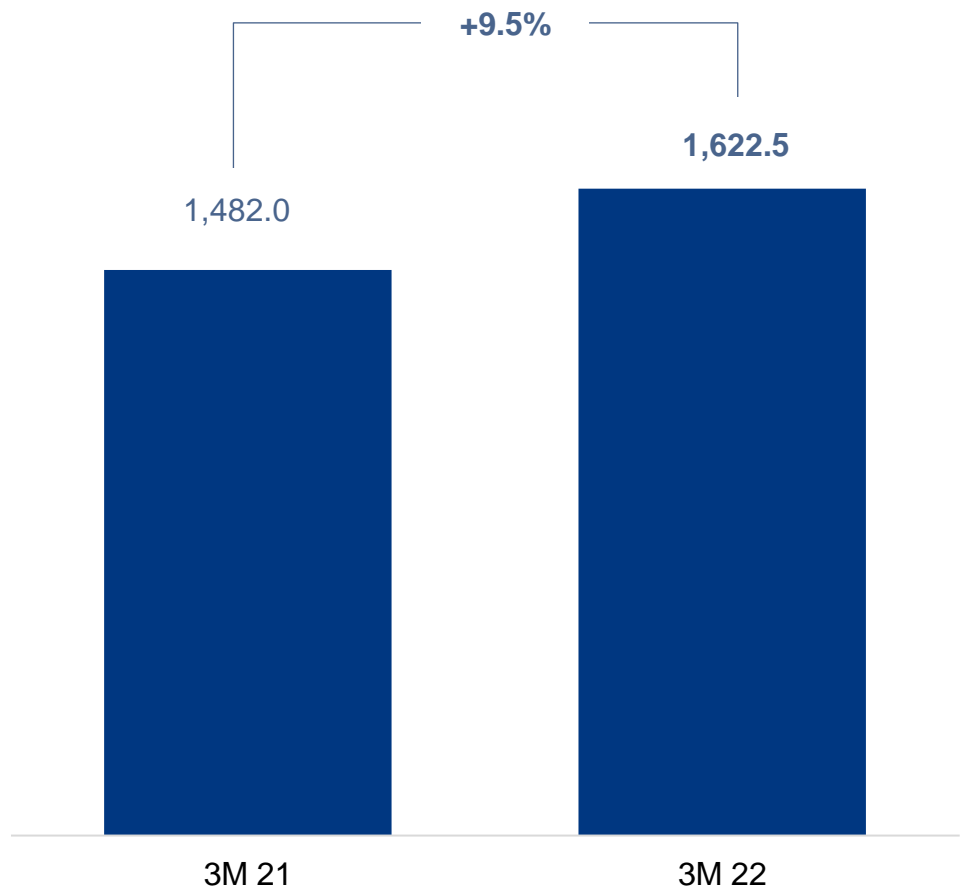
Life Insurance



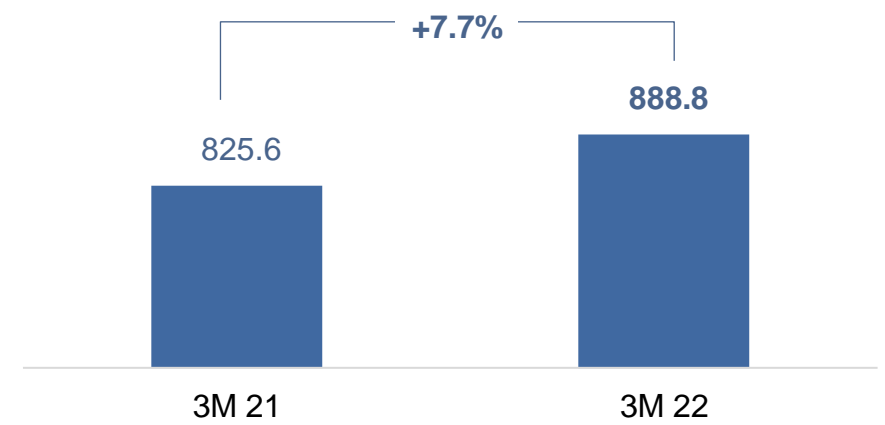
FINANCIAL HIGHLIGHTS 3M 2022

Group | **General Insurance**

Gross Written Premium (“GWP”) (RM’mil)

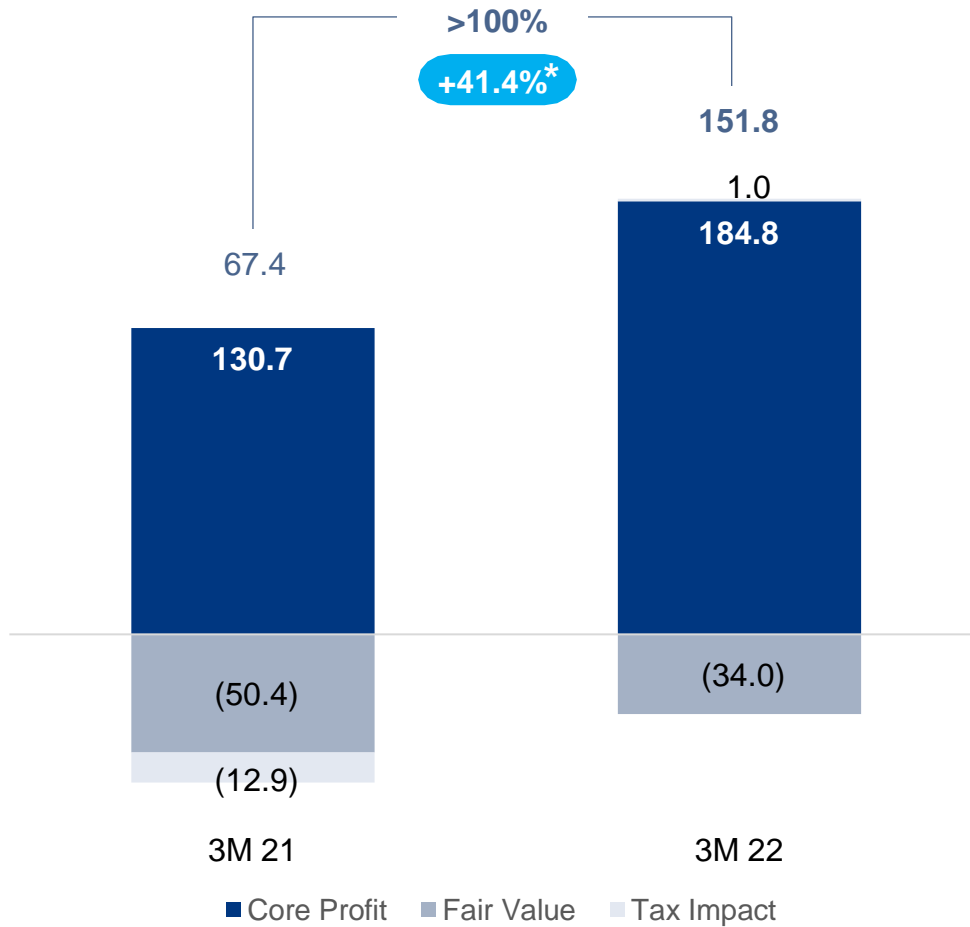


Life Insurance

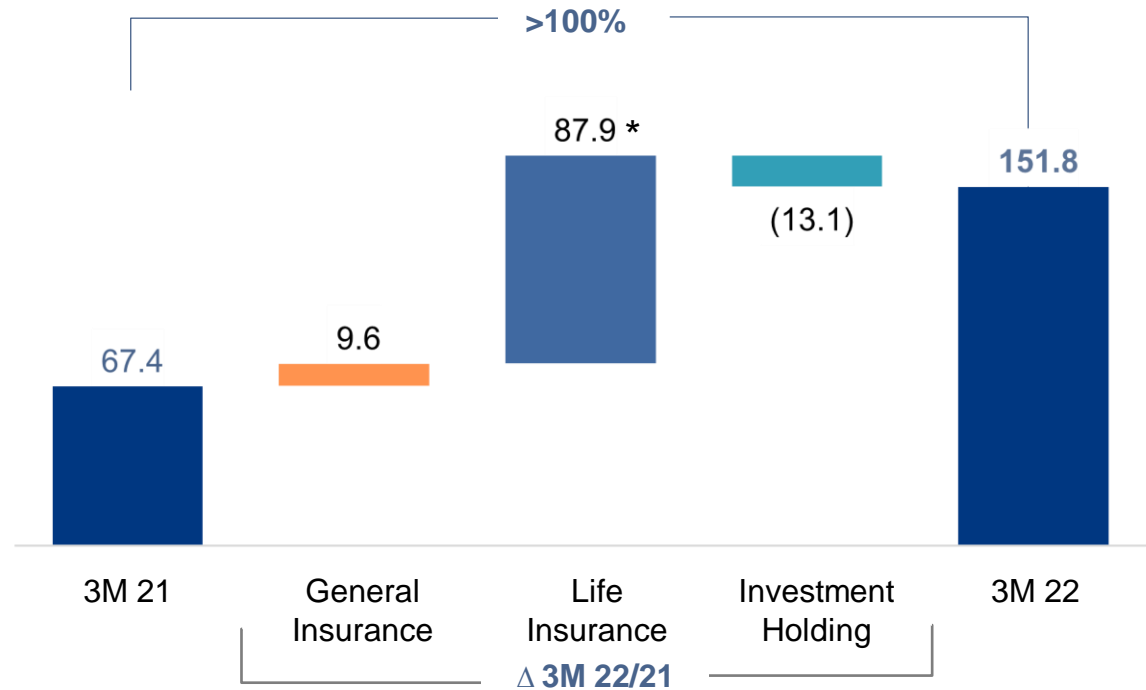


FINANCIAL HIGHLIGHTS 3M 2022

Profit Before Tax (RM'mil)



PBT drivers (RM'mil)



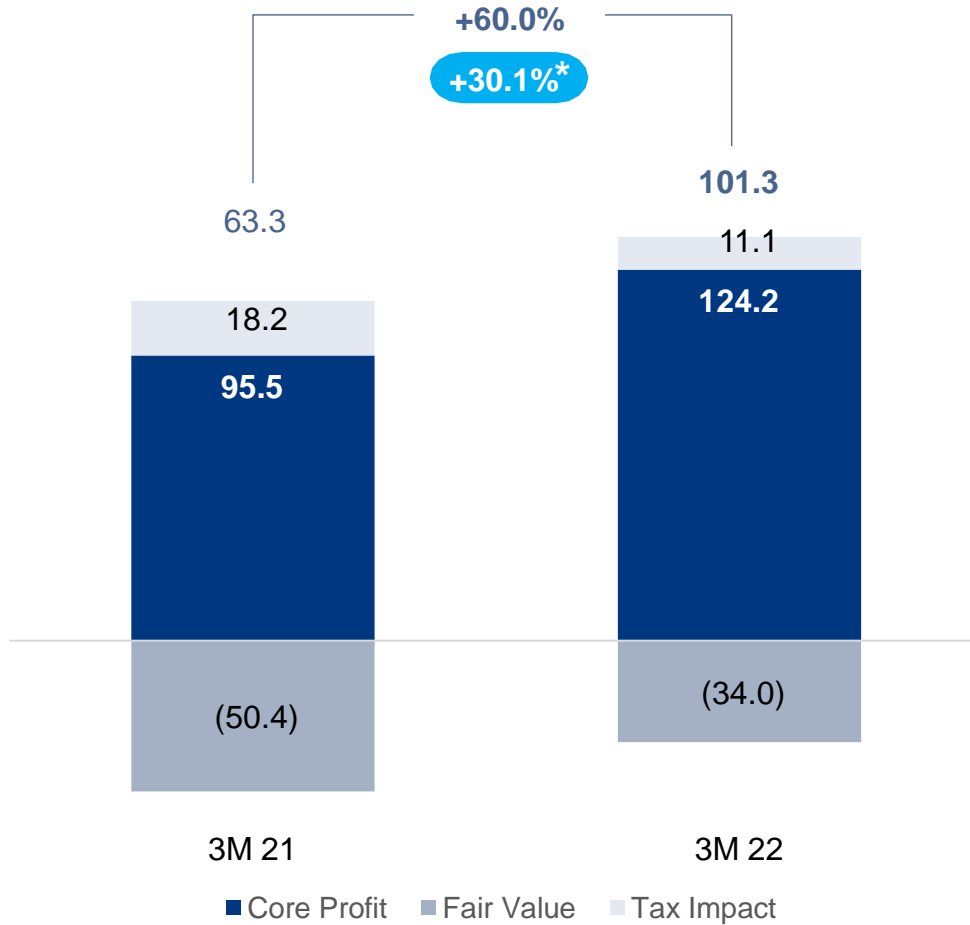
	3M 2021	3M 2022	Change	Change (%)
General Insurance	92.6	102.2	9.6	10.4%
Life Insurance	(20.2)	67.7	87.9	>100%
Investment Holding	(5.0)	(18.1)	(13.1)	(>100%)
Total PBT	67.4	151.8	84.4	>100%

* Core profit growth

* See slide 9 for further details on change for Life Insurance business

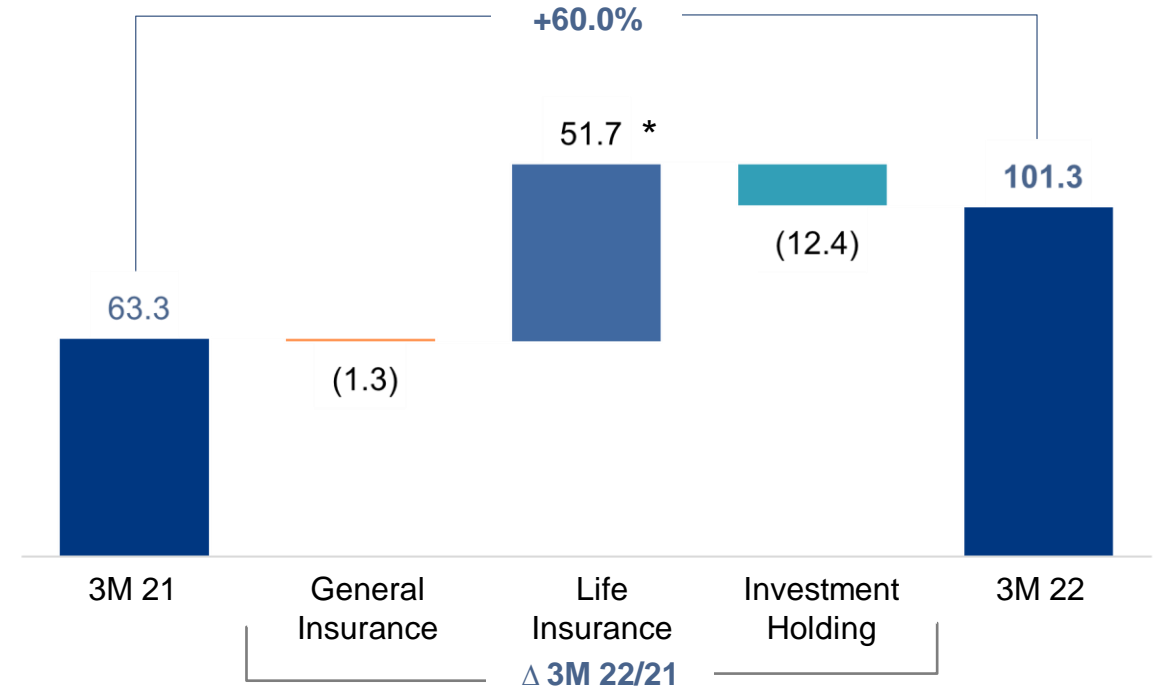
FINANCIAL HIGHLIGHTS 3M 2022

Profit After Tax (RM'mil)



* Core profit growth

PAT drivers (RM'mil)

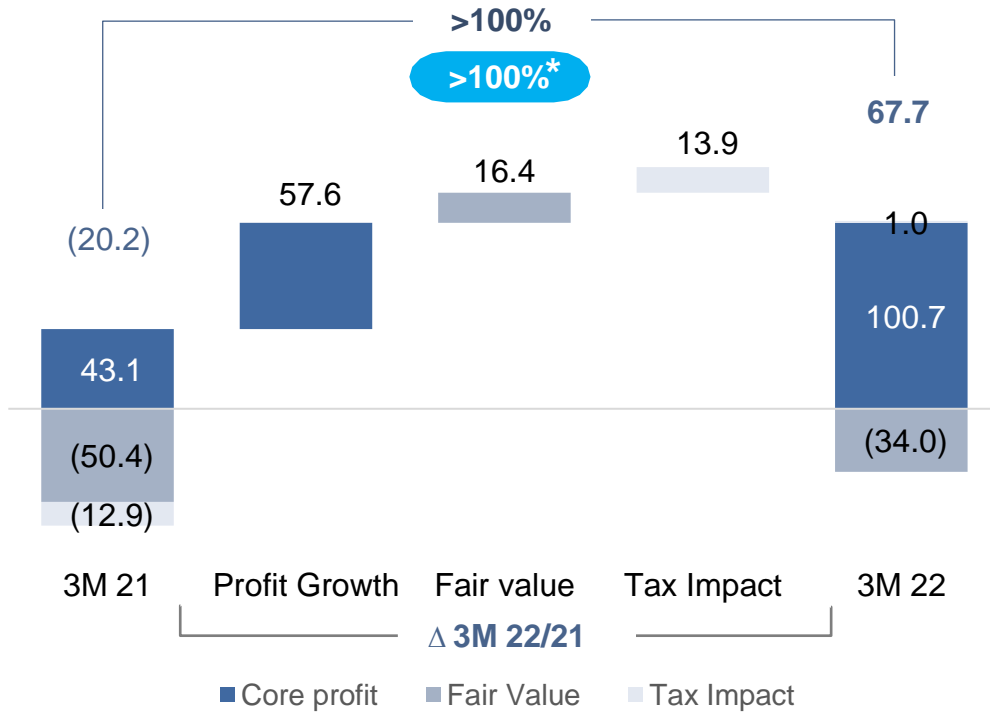


	General Insurance	Life Insurance	Investment Holding	Total
3M 2021	69.7	0.0	(6.4)	63.3
3M 2022	68.4	51.7	(18.8)	101.3
Change	(1.3)	51.7	(12.4)	38.0
Change (%)	(1.9%)	>100%	(>100%)	60.0%

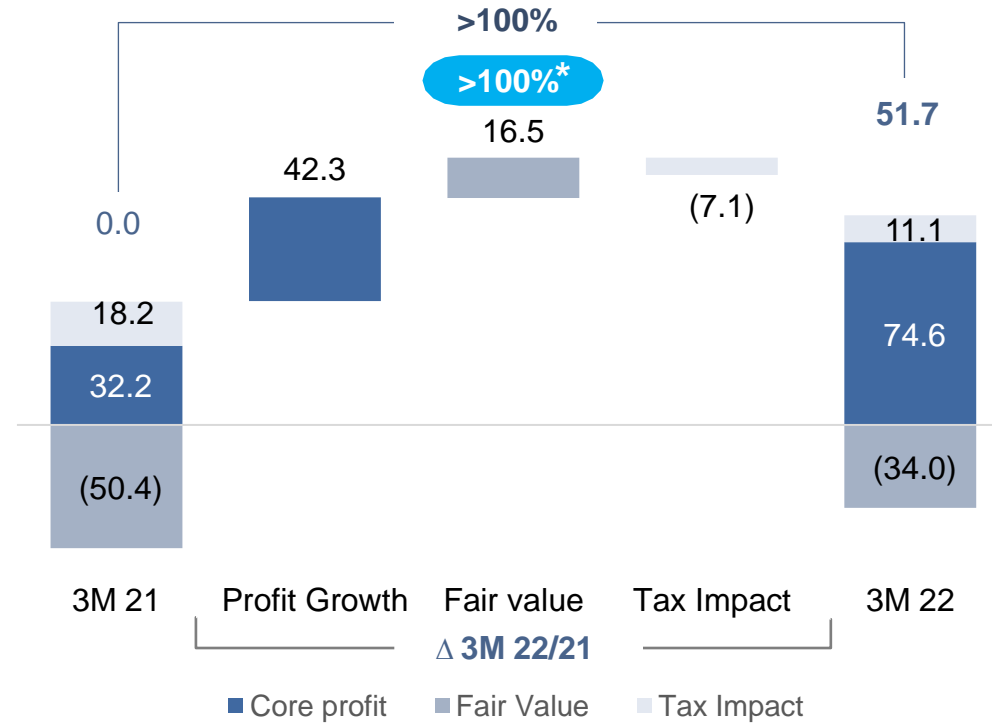
* See slide 9 for further details on change for Life Insurance business

LIFE: HIGHER CORE PBT & PAT

PBT Drivers (RM'mil)



PAT Drivers (RM'mil)



Interest rate 10 years MGS

Dec 21	3.7%	Dec 20	2.6%
Mar 22	3.9%	Mar 21	3.3%
Δ 22/21	0.2 pts	Δ 21/20	0.7 pts

Bursa Malaysia KLCI Index

Dec 21	1,568	Dec 20	1,627
Mar 22	1,587	Mar 21	1,574
Δ 22/21	1.2%	Δ 21/20	(3.3%)

* Core profit growth

FINANCIAL OVERVIEW

RM'mil	2019	2020	2021	3 YEAR CAGR (2018-2021)	3M 2021	3M 2022
Gross Written Premiums	4,922.5	5,305.2	5,689.6	8.1%	1,482.0	1,622.5
Management Expenses	618.0	641.4	683.8	7.2%	164.7	167.9
Expense Ratio (Non Life)	20.2%	19.8%	18.7%	0.5 pts	18.4%	18.1%
Expense Ratio (Life) ¹	10.5%	9.4%	9.9%	(0.3 pts)	10.0%	9.4%
Local Consolidated PBT	692.1	729.6	625.6	6.4%	67.4	151.8
Total Assets	19,710.1	21,896.7	23,643.5	10.8%	21,706.1	23,915.1
Shareholders' Equity	3,673.6	4,031.5	4,144.2	7.2%	3,998.4	4,201.1
Dividends declared	247.05	220.44	239.35	16.3%	-	-
Diluted earnings per ordinary share (sen)	142.29	150.29	138.29	8.5%	18.28	29.28

Note 1 : Expense ratio for Life insurance segment weighted for 10% of Single Premium.

SUMMARY OF UNAUDITED FINANCIAL RESULTS

RM'mil	3M 2021	3M 2022	△22/21 %
Operating Revenue	1,606.6	1,707.7	6.3%
Gross Earned Premium	1,411.4	1,499.2	6.2%
Premiums ceded to reinsurers	(100.8)	(100.4)	0.4%
Net earned premiums ("NEP")	1,310.6	1,398.8	6.7%
Net change in benefits and claims paid ("Claim")	(458.5)	(629.5)	(37.3%)
Net change in contract liabilities ("Reserve")	(257.8)	(323.8)	(25.6%)
Management expenses ("ME")	(164.7)	(167.9)	(1.9%)
Net fee and commission expense	(195.5)	(202.0)	(3.3%)
Fair value gains and losses	(414.0)	(146.3)	64.7%
Net investment results	244.4	227.4	(7.0%)
Net other operating income/expenses	2.9	(4.9)	(>100%)
Profit before tax	67.4	151.8	>100%
Tax expense	(4.1)	(50.5)	(>100%)
Profit after tax	63.3	101.3	60.0%
ME / NEP ratio	12.6%	12.0%	0.6 pts
Claim & Reserve / NEP ratio	54.7%	68.2%	(13.5 pts)

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GENERAL BUSINESS



GENERAL BUSINESS

Comments

Gross written premiums

- Gross written premium increased by 11.8% as compared to prior year.

Profitability

- Higher profit before tax from higher underwriting profit in motor business.

Distribution and Portfolio

- 60.5% (3M 2021: 57.6%) of GWP from Agency and 29.6% (3M 2021: 31.7%) from Franchise.
- Agency was the main growth contributor with a GWP growth of 17.4% mostly from personal accident and motor business.

Combined ratio

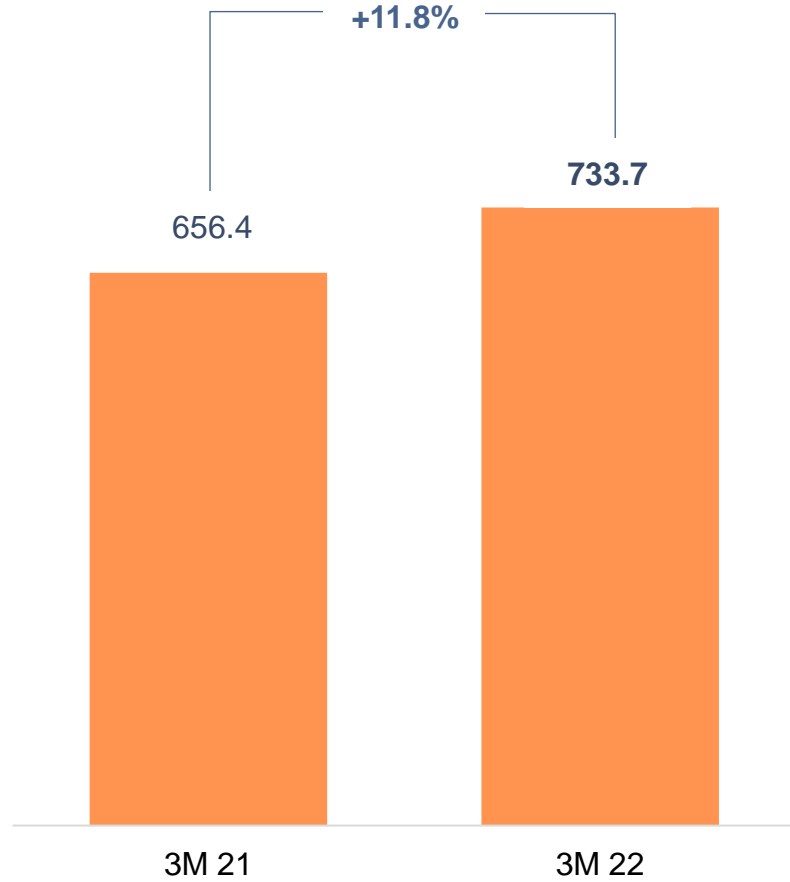
- Lower combined ratio by 1.6 pts mainly from lower claims and expense ratio.

Market growth

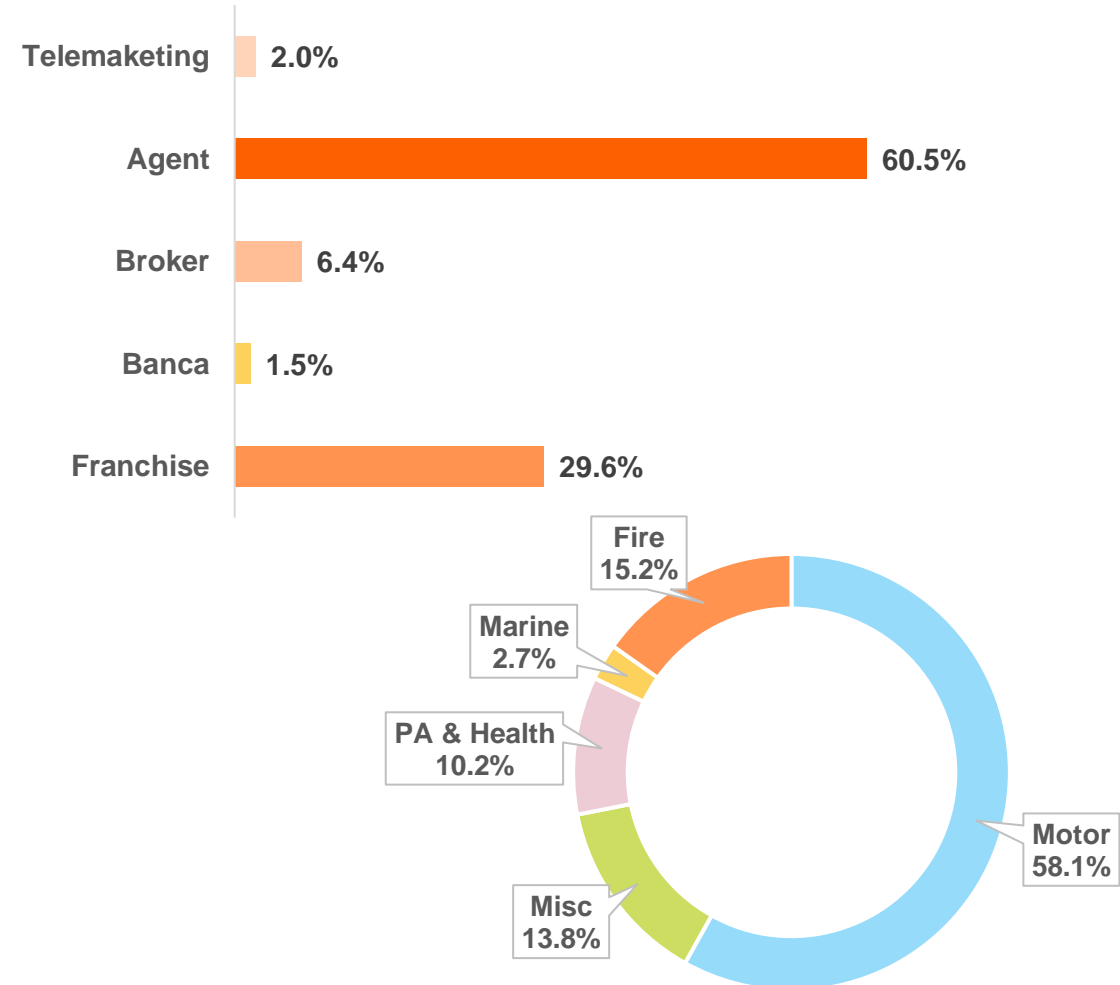
- Market share stood at 14.0% in 3M 2022 (3M 2021: 13.3%).

GENERAL BUSINESS: GWP IS 11.8% HIGHER THAN PRIOR YEAR

Gross Written Premium (RM'mil)

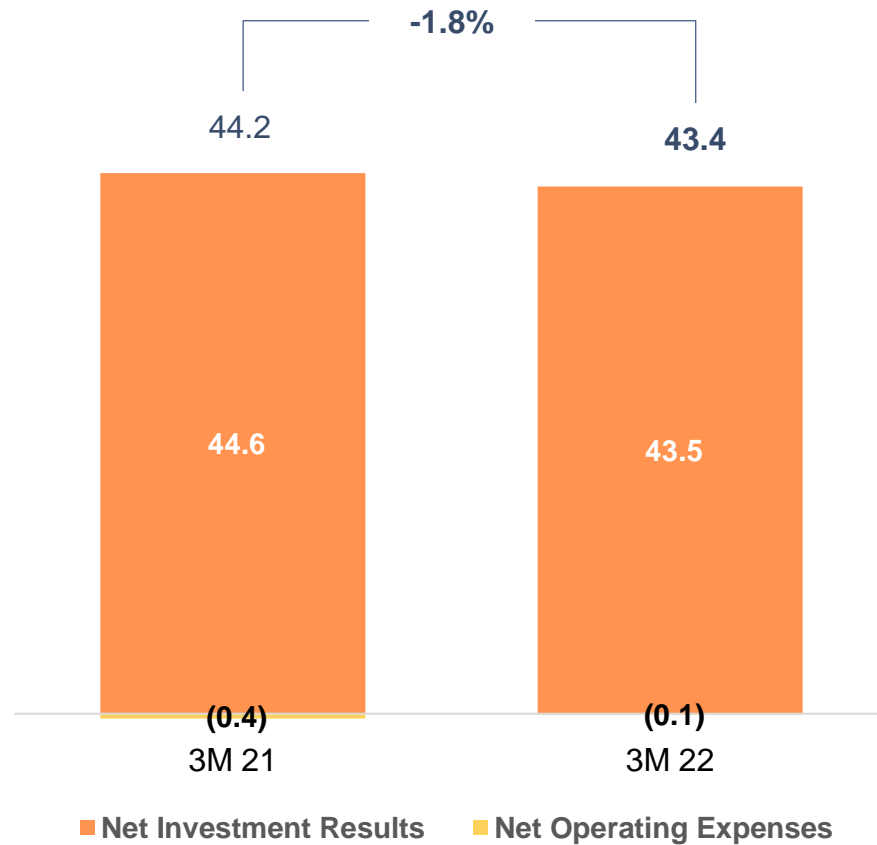


Distribution Channel & Portfolio Mix

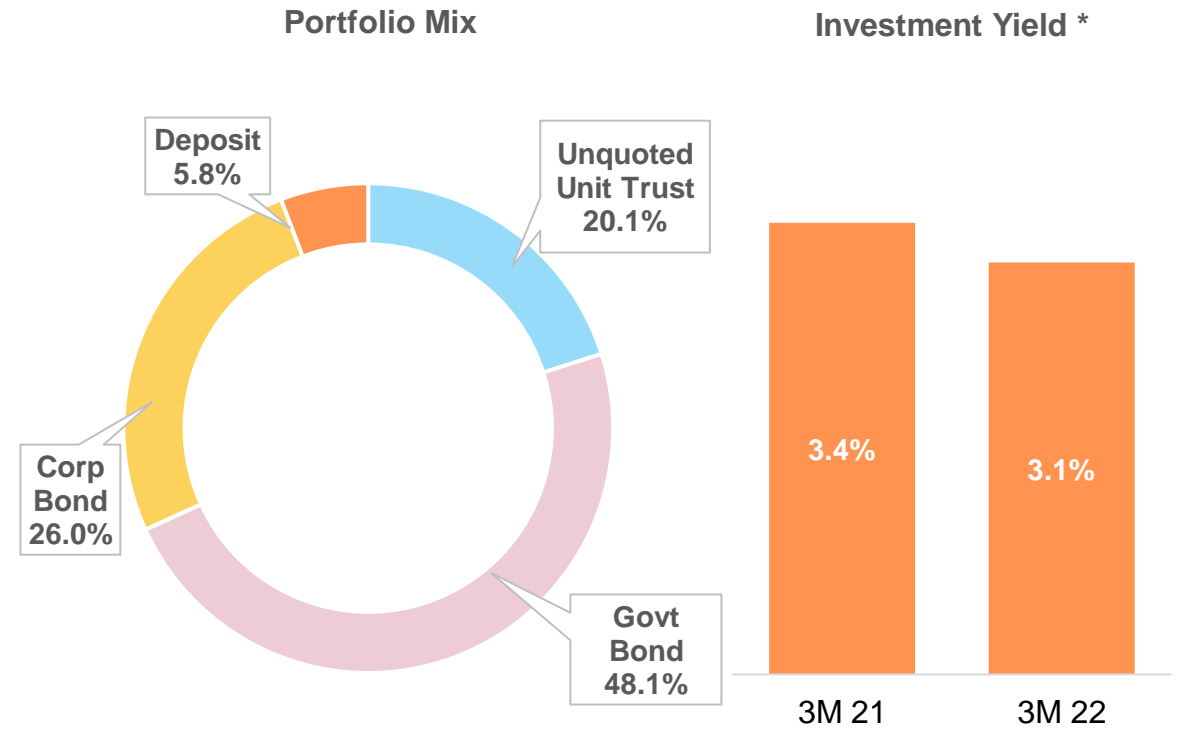


GENERAL BUSINESS: STABLE INVESTMENT INCOME

Net Investment Results/
Net Operating Expenses (RM'mil)



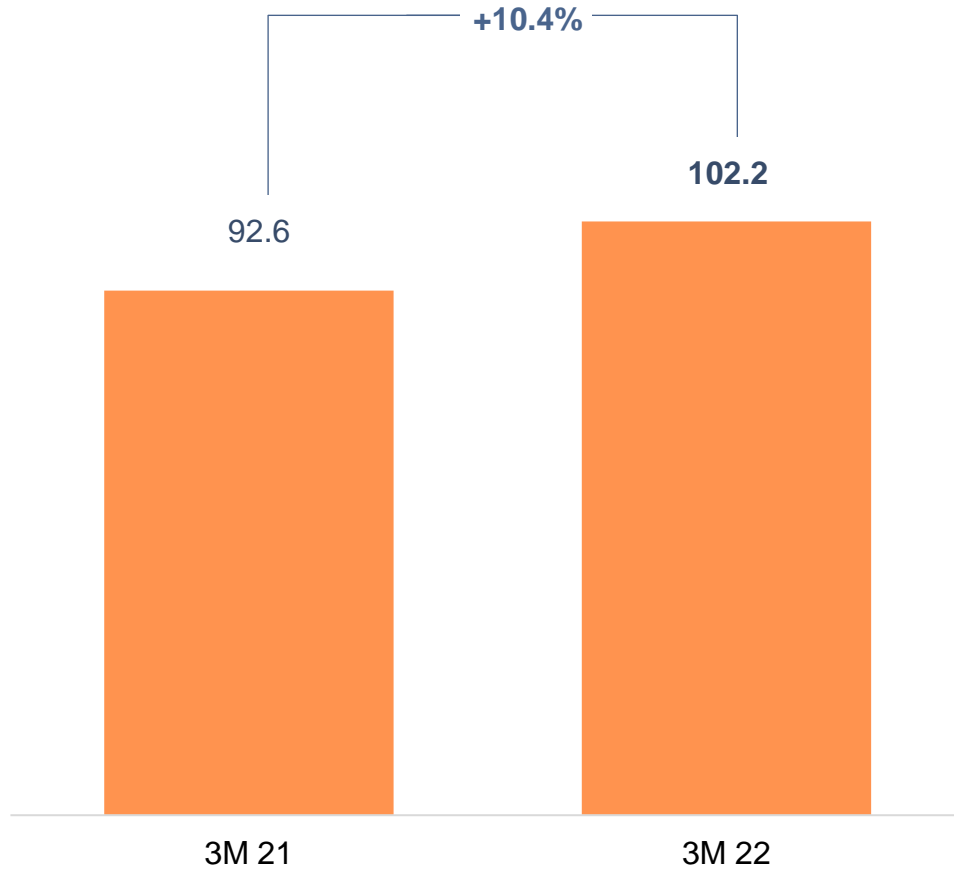
Portfolio Mix and Investment Yield (Annualised)



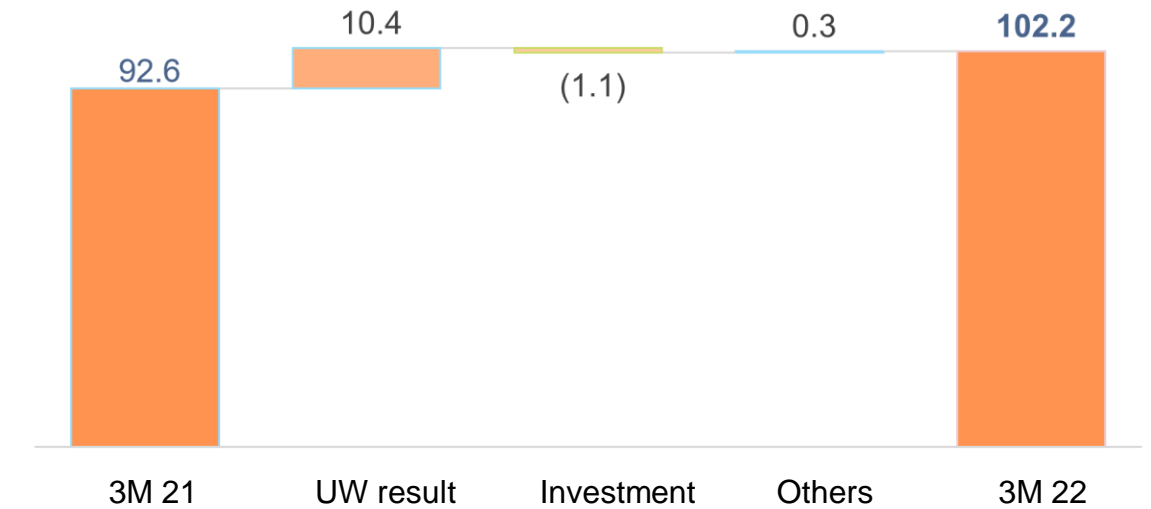
* Investment yield is excluding fair value gains/losses

GENERAL BUSINESS: HIGHER PROFIT BEFORE TAX FROM HIGHER UNDERWRITING RESULTS

Profit Before Tax (RM'mil)



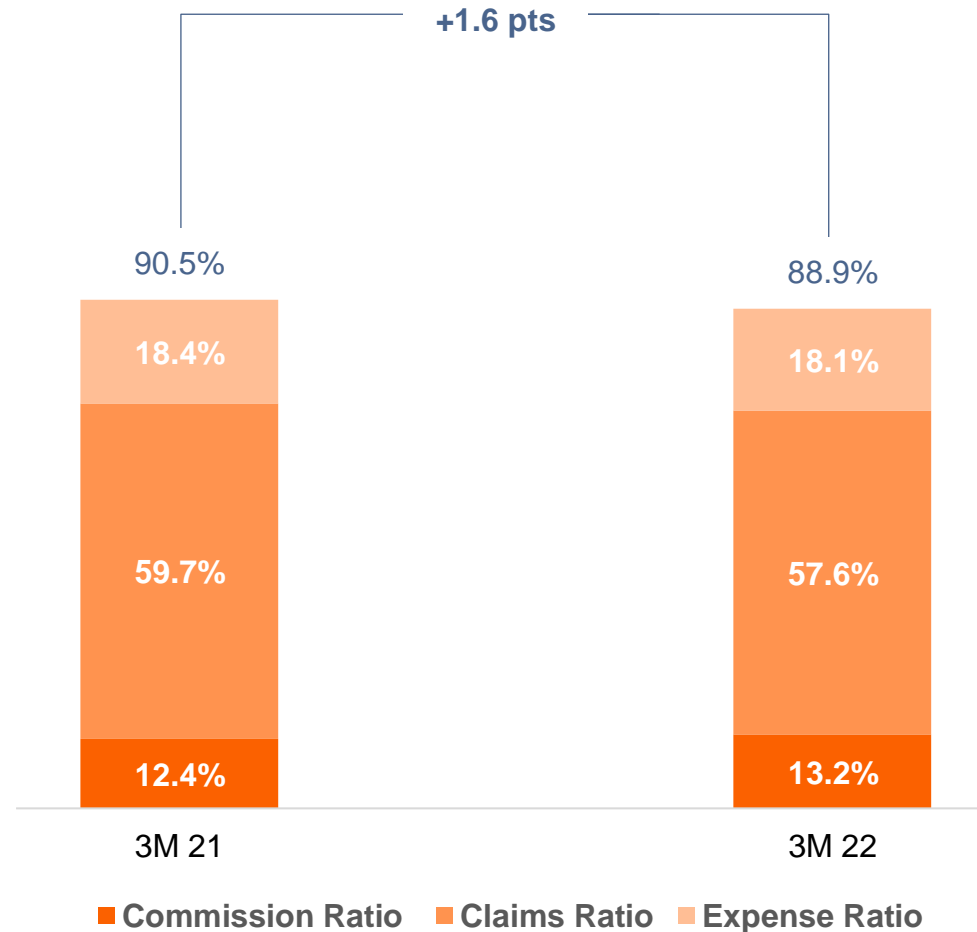
PBT Drivers (RM'mil)



3M 2021	48.4	44.6	(0.4)	92.6
3M 2022	58.8	43.5	(0.1)	102.2
Change	10.4	(1.1)	0.3	9.6

GENERAL BUSINESS: LOWER COMBINED RATIO DUE TO LOWER CLAIMS AND EXPENSE RATIO

Combined Ratio



* Combined ratio is calculated at company level

GENERAL BUSINESS: UNAUDITED FINANCIAL RESULTS AT A GLANCE

RM'mil	3M 2021	3M 2022	△22/21 %
Gross written premiums	656.4	733.7	11.8%
Gross earned premiums	585.8	610.4	4.2%
Net earned premiums	522.5	542.2	3.8%
Net change in claims incurred	(312.2)	(312.5)	(0.1%)
Management expenses	(97.2)	(99.2)	(2.1%)
Net fee and commission expenses	(64.7)	(71.7)	(10.8%)
Underwriting result	48.4	58.8	21.5%
Net investment results	44.6	43.5	(2.5%)
Net other operating expenses	(0.4)	(0.1)	75.0%
Profit before tax (after consolidation adjustment)	92.6	102.2	10.4%
Commission ratio	12.4%	13.2%	(0.8 pts)
Claims ratio	59.7%	57.6%	2.1 pts
Expense ratio	18.4%	18.1%	0.3 pts
Combined ratio*	90.5%	88.9%	1.6 pts

* Combined ratio is calculated at company level

GENERAL BUSINESS: PERFORMANCE COMPARED TO INDUSTRY (JAN-MAR 2022)

KPIs	AGIC 3M 2022	Industry ¹ 3M 2022	Takaful ¹ 3M 2022
GWP growth	11.8%	6.5%	13.6%
Commission ratio	13.2%	11.3%	10.8%
Claims ratio			
• Overall	57.6%	51.9%	58.5%
• Motor	54.9%	61.2%	73.3%
Expense ratio	18.1%	24.7%	37.4%
Combined ratio	88.9%	87.9%	106.8%

Market Share (3M 2022) ²	14.0%
Market Ranking (12M 2021) ³	No. 1

Notes:

- 1) Source: ISM Market Performance Report Jan-Mar 2022 (General Insurance & General Takaful)
- 2) Source: AGIC Revenue Account and ISM Market Performance Report Jan-Mar 2022
- 3) Source: ISM Market Performance Report Jan-Dec 2021

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LIFE BUSINESS



 **Comments****Gross written premiums**

- Gross written premiums grew by 7.7% from all key distribution channels.

Market Growth

- ANP decline by 11.2% while industry decline by 15.7%.¹
- Market share 3M 2022 increased to 9.3% (3M 2021: 8.8%).

Distribution

- Agency ANP decreased by 26.9% while Bancassurance increased by 26.4%.
- Focus on strategy to intensify agency recruitment and uplift agency productivity.

Product mix

- Remain focus on sales of investment-linked products with protection rider which provide higher margins but to also cater for demand for saving products.
- Investment-linked ANP decline marginally by 7.1% while GWP increased by 14.1%.

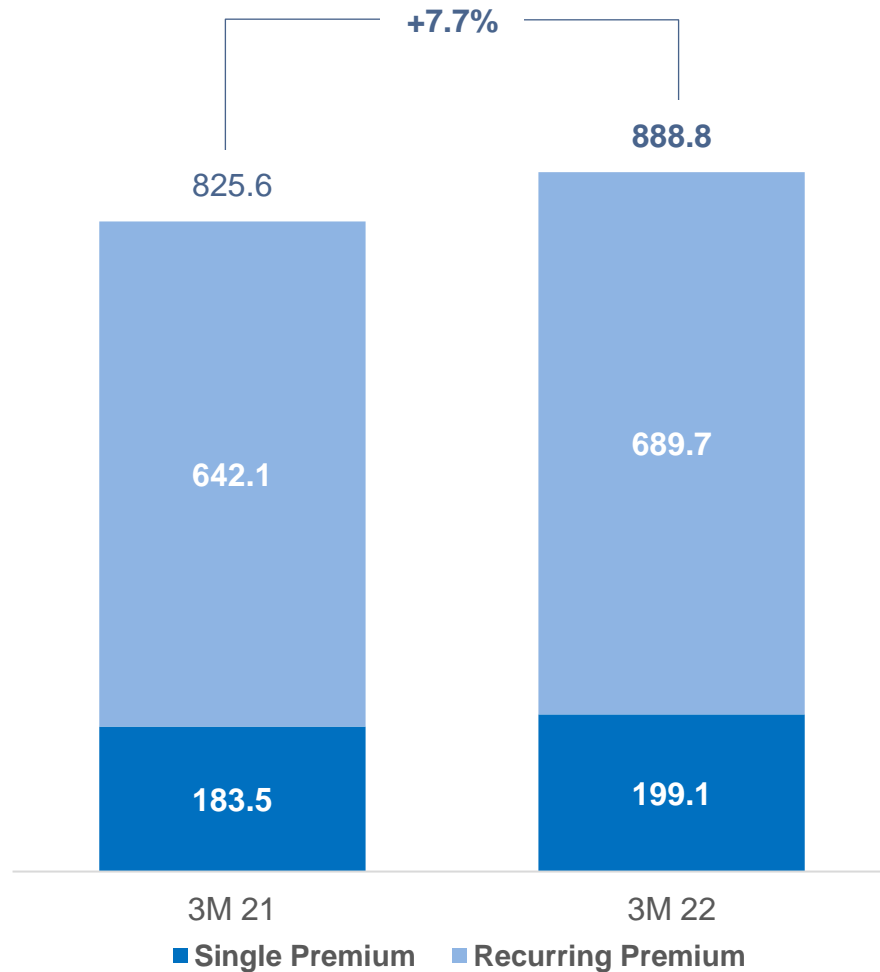
Profitability

- Profit before tax of RM67.7 million (3M 2021: loss before tax of RM20.2 million) due to lower fair value losses on investment and higher contribution from protection business.
- The core profit was RM100.7 million, an increase of more than 100% from preceding period on a comparable basis.
- New business value was RM59.1 million, decreased by 28.5% due mainly to lower sales volume from agency business.

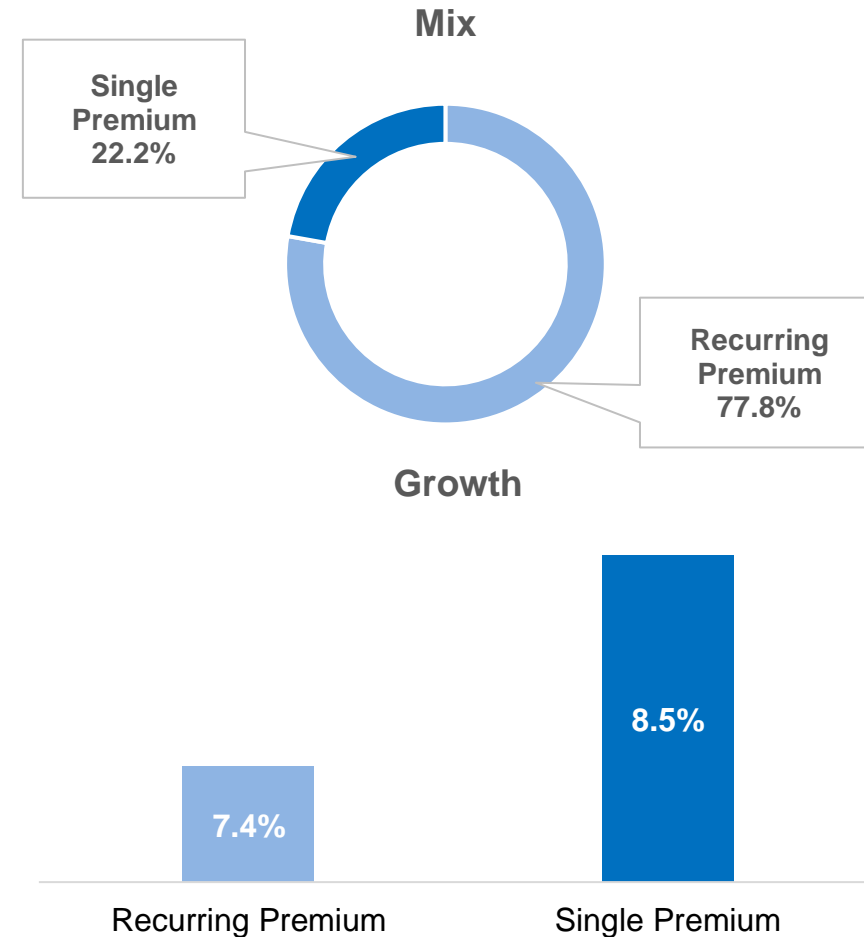
Note1: Market share based on statistics from LIAM.

LIFE BUSINESS: Y-O-Y GROWTH DRIVEN BY SINGLE PREMIUM AND RECURRING PREMIUM

Gross Written Premiums (“GWP”) (RM’mil)

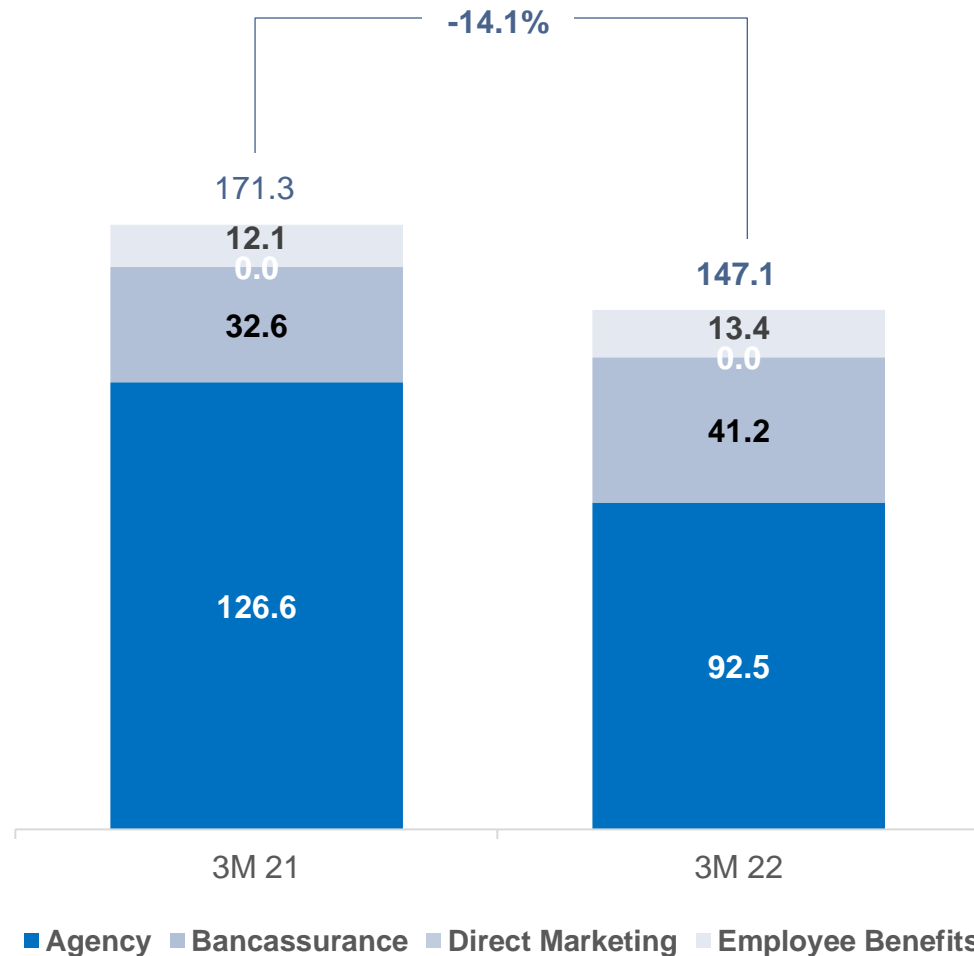


GWP Mix & Growth (%) (3M 2022)

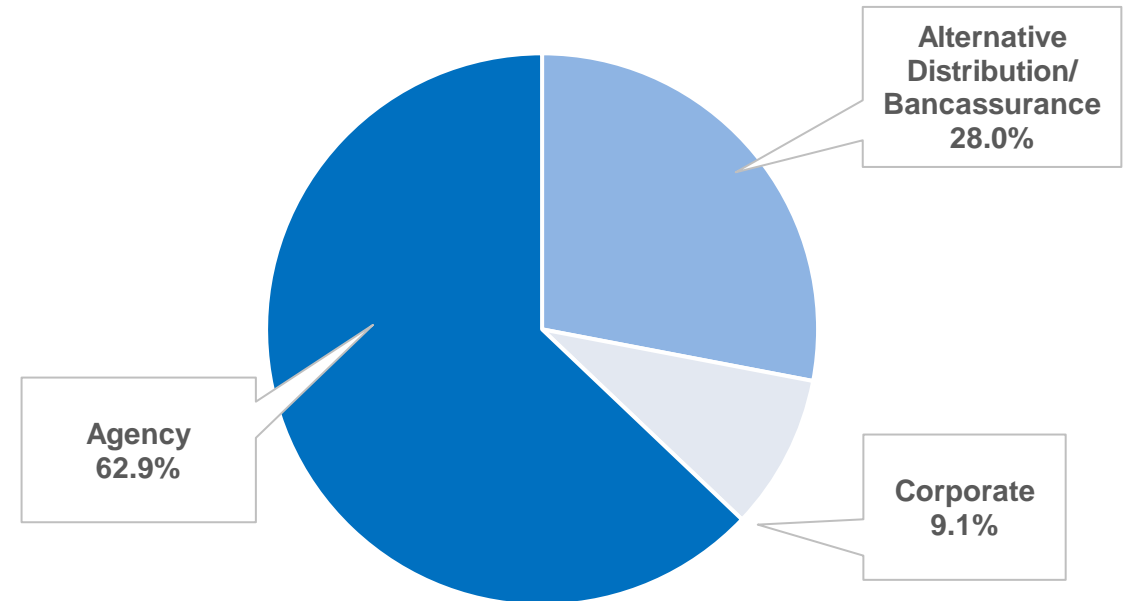


LIFE BUSINESS: LOWER CONTRIBUTION FROM AGENCY CHANNEL

Annualised New Premiums (“ANP”) (RM’mil)

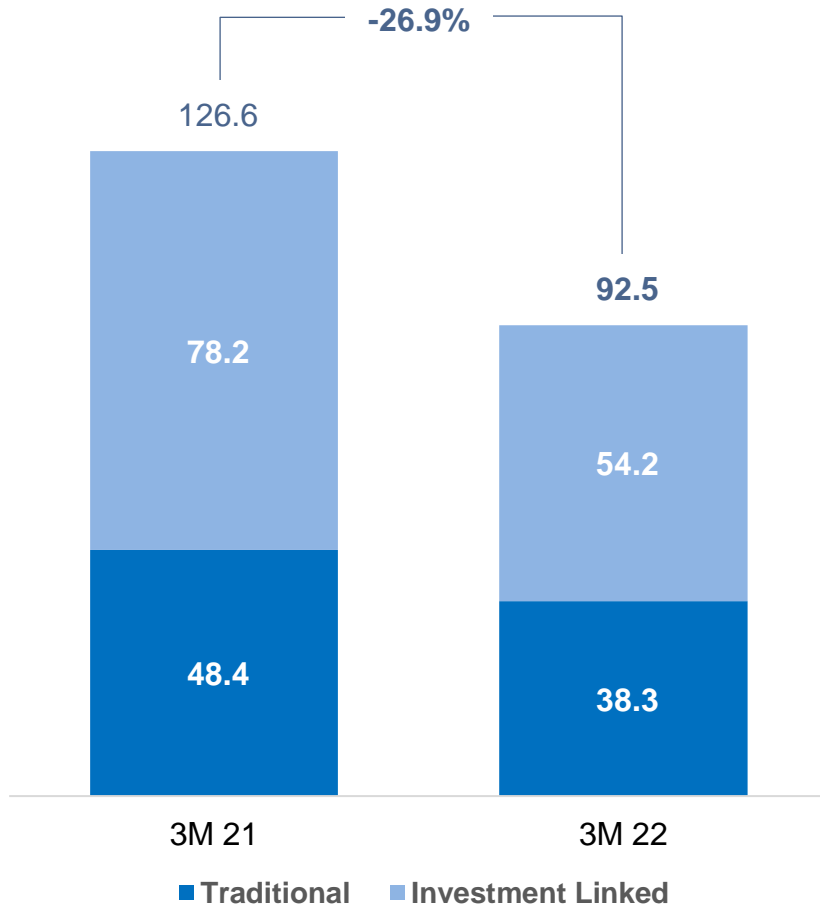


ANP Channel Mix (%) (3M 2022)

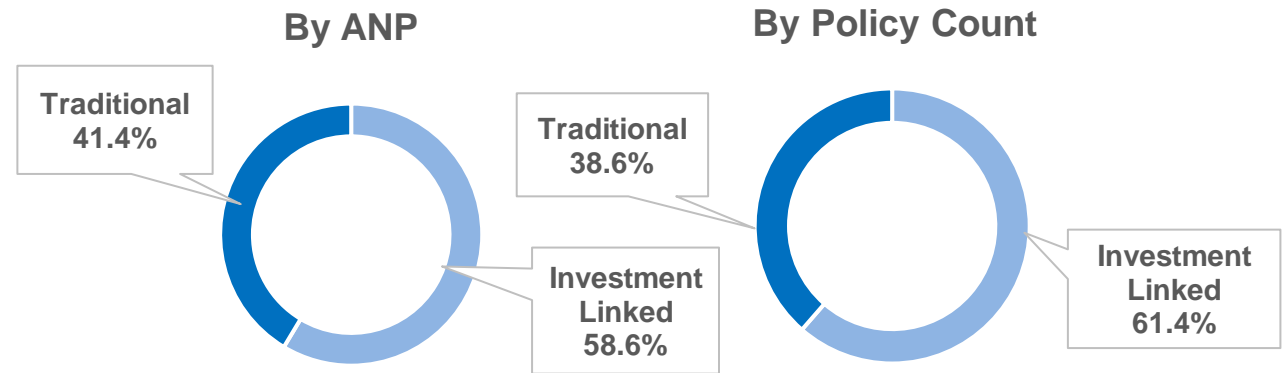


LIFE BUSINESS (AGENCY): SLOWER SALES FROM AGENCY

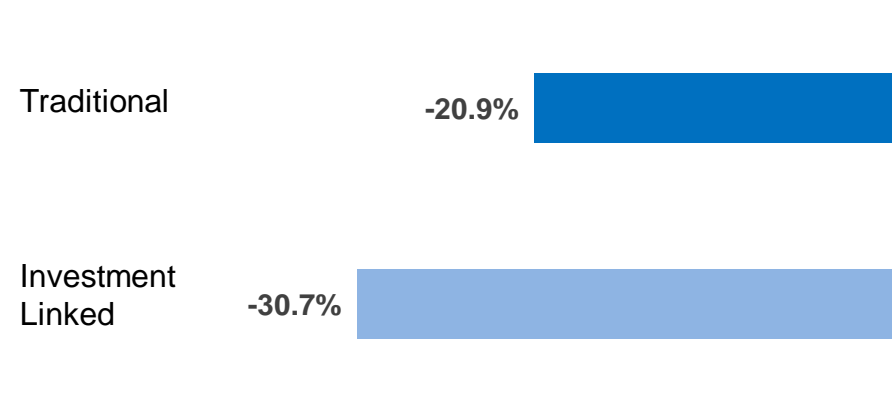
Agency Annualised New Premiums (RM'mil)



Agency Product Mix (%) (3M 2022)

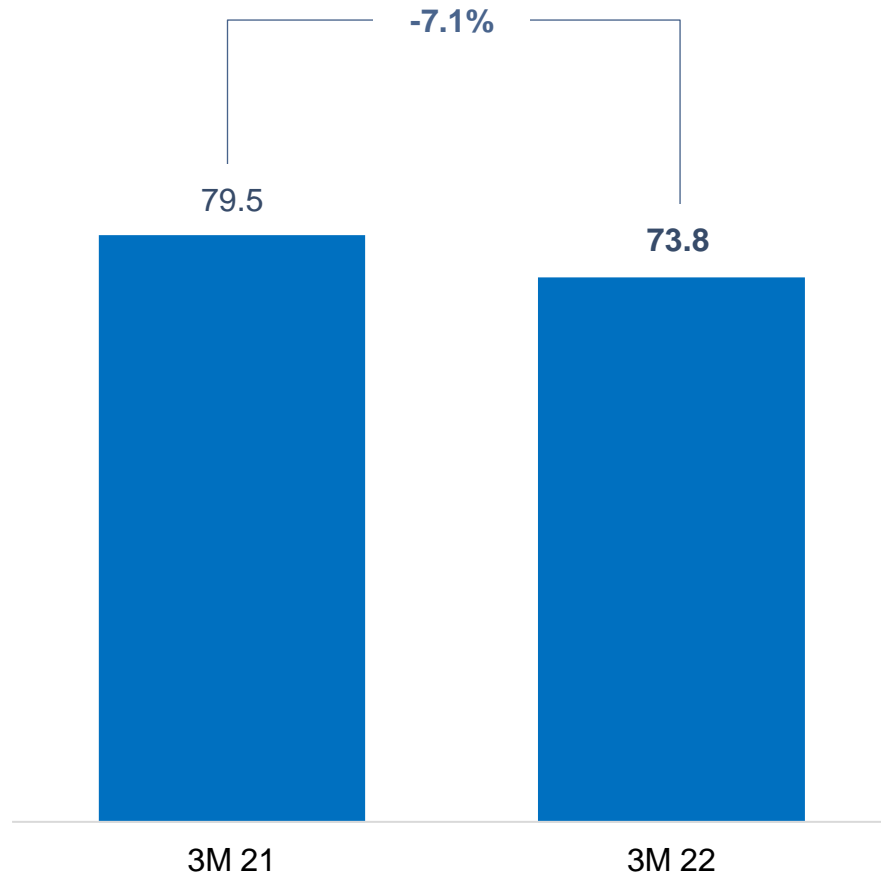


Agency ANP Growth (%) (3M 2022)

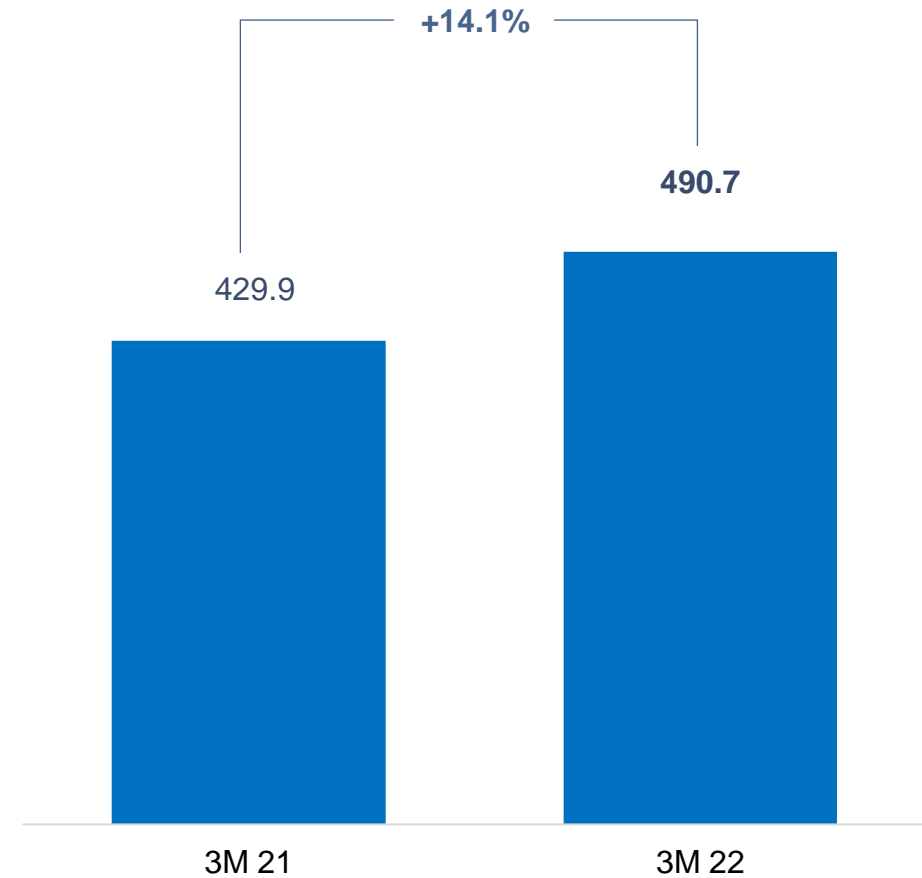


LIFE BUSINESS: LOWER INVESTMENT-LINKED NEW BUSINESS

Annualised New Premiums (RM'mil)

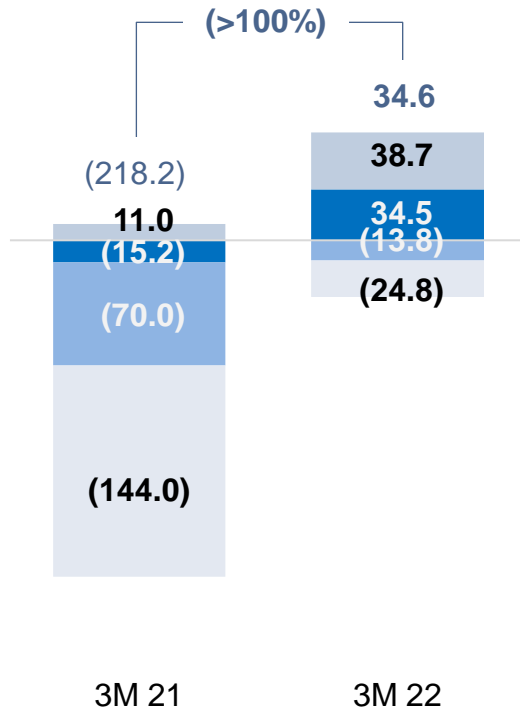


Gross Written Premiums (RM'mil)

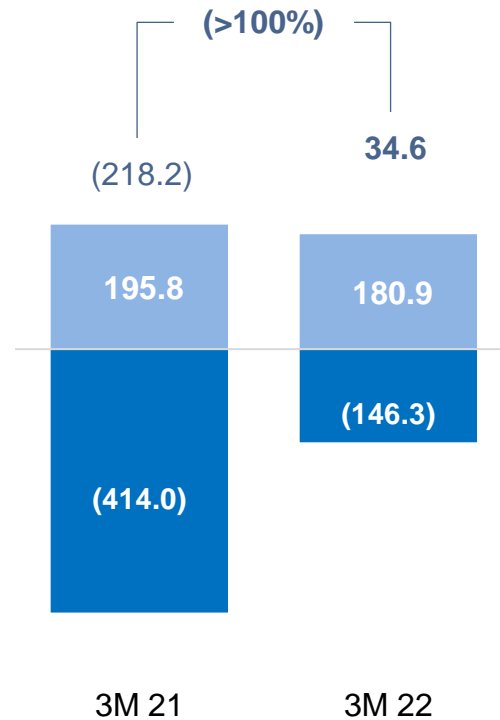


LIFE BUSINESS: HIGHER NET INVESTMENT RESULTS FROM LOWER FAIR VALUE LOSSES

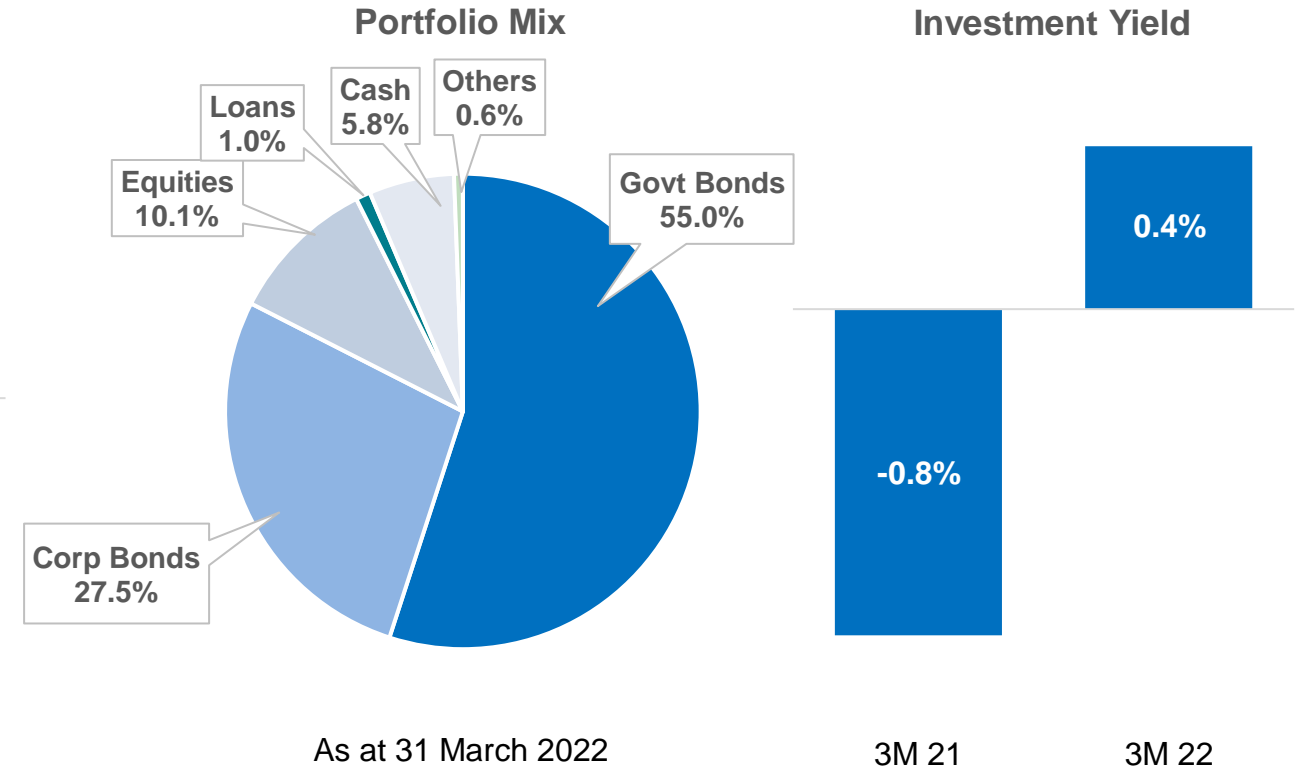
Investment Results by funds (RM'mil)



Investment Results (RM'mil)



Portfolio Mix and Investment Yield (LF+SHF) (%) (Annualised)



■ Par ■ Non Par + ILOF ■ ILF ■ ULF

■ Net investment results
■ Fair value gains and losses

Note: Net investment results include Investment Income and Realised Gains/(Losses).

Note: Yield % includes unrealised gains/losses from equities and fixed income.

LIFE BUSINESS: UNAUDITED FINANCIAL RESULTS AT A GLANCE

RM'mil	3M 2021	3M 2022	△22/21 %
Gross written premiums	825.6	888.8	7.7%
Premiums ceded to reinsurers	(37.5)	(32.1)	14.4%
Net earned premiums	788.1	856.7	8.7%
Net change in benefits and claims paid	(260.3)	(345.6)	(32.8%)
Net change in contract liabilities	(143.8)	(291.4)	(>100%)
Management expenses	(62.5)	(61.4)	1.8%
Net fee and commission expenses	(126.9)	(126.1)	0.6%
Fair value gains and losses	(414.0)	(146.3)	64.7%
Net investment results	195.8	180.9	(7.6%)
Net other operating income	3.4	0.9	(73.5%)
Profit before tax (after consolidation adjustment)	(20.2)	67.7	>100%
Annualised new premiums	171.3	147.1	(14.1%)
Expense ratio (LF+SHF)	10.0%	9.4%	0.6 pts
Local investment yield (LF+SHF)	(0.8%)	0.4%	1.2 pts
Block persistency ratio	90.8%	87.3%	(3.5 pts)

**THANK YOU
FOR YOUR ATTENTION**

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Cautionary Note Regarding Forward-Looking Statements

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Union, (xi) changes in the policies of central banks and/or foreign governments, (xii) the impact of acquisitions, including related integration issues, (xiii) reorganization measures, and (xiv) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

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