



**ALLIANZ MALAYSIA
BERHAD** (197201000819)

Q4 2022

FINANCIAL RESULTS

Analyst Briefing
24 February 2023

Allianz 

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AMB GROUP FINANCIAL RESULTS



FINANCIAL HIGHLIGHTS 12M 2022

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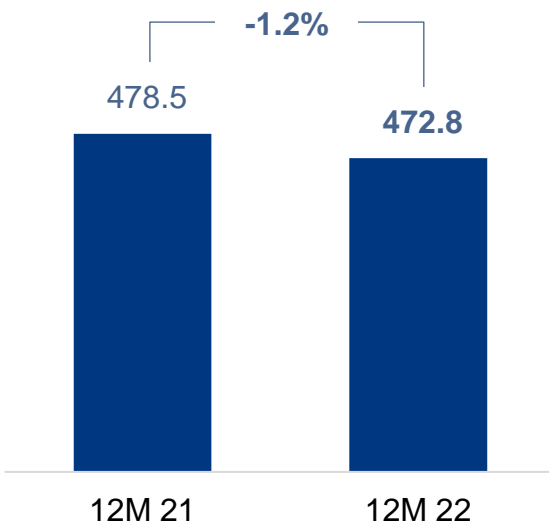
Operating Revenue (RM'mil)

6,773.0 (+5.3%)	2,758.8 (+6.3%)	4,000.7 (+4.6%)	13.5 (+9.8%)
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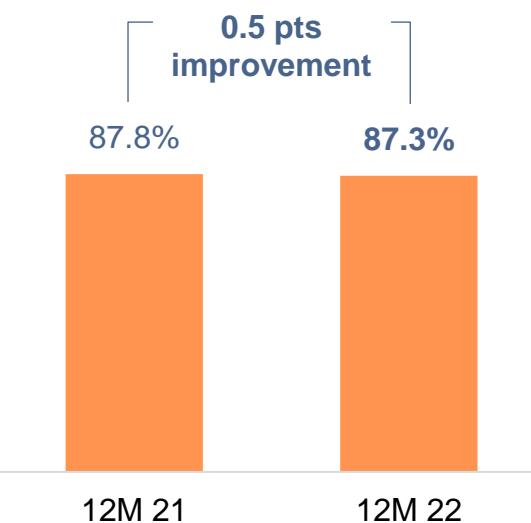
Gross Written Premium (RM'mil)

6,021.7 (+5.8%)	2,655.0 (+9.2%)	3,366.7 (+3.3%)	
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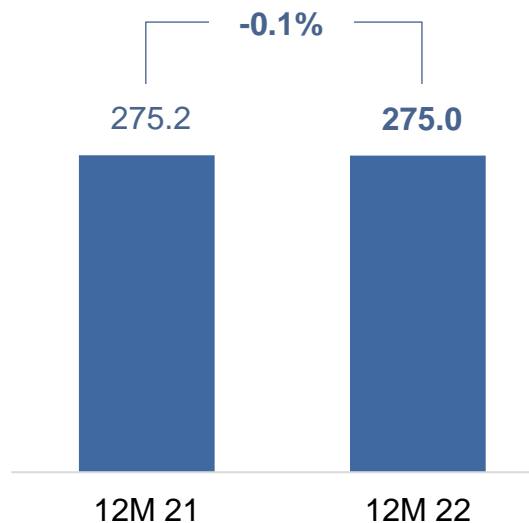
Shareholders' net income (in RM'mil)



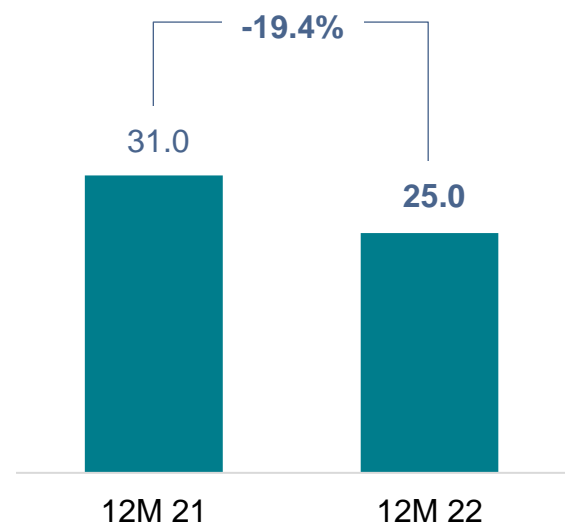
Combined ratio (in %)



New business value (in RM'mil)



Management expenses (in RM'mil)



Note: Net income lower to due to recognition of RM35 million of Prosperity Tax.

RESILIENT EARNINGS AMID VOLATILE MARKET

Comments

Operating revenue

- Group operating revenue of RM6.77 billion, an increase of 5.3% compared to corresponding period of RM6.43 billion due to higher gross earned premiums and investment income by RM259.0 million and RM83.0 million respectively.
- General business recorded an operating revenue of RM2.76 billion, an increase of 6.3% compared to corresponding period of RM2.60 billion.
- Life business recorded an operating revenue of RM4.00 billion, an increase of 4.6% compared to corresponding period of RM3.82 billion.

Earnings per ordinary share

- Basic earnings per ordinary share at 169.31 sen (12M 2021: 197.98 sen).
- Diluted earnings per ordinary share at 136.6 sen (12M 2021: 138.29 sen).

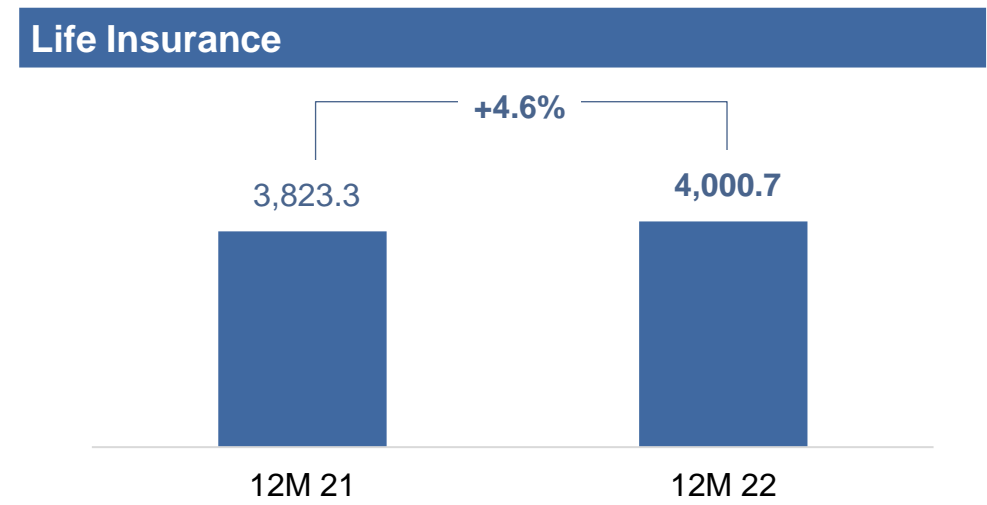
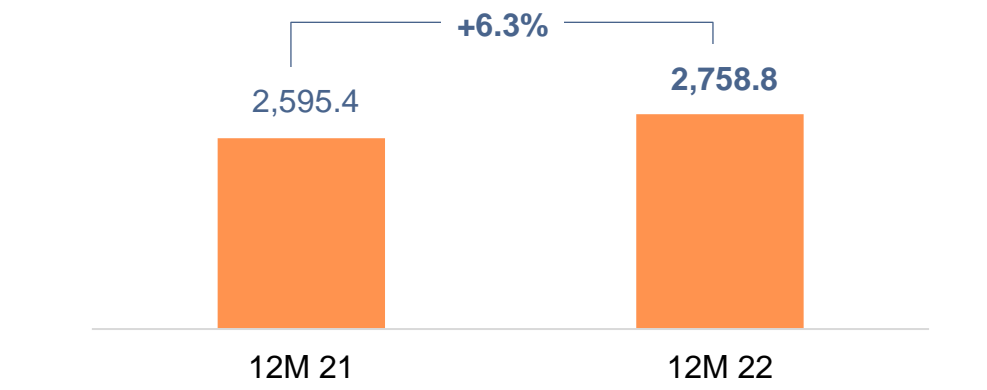
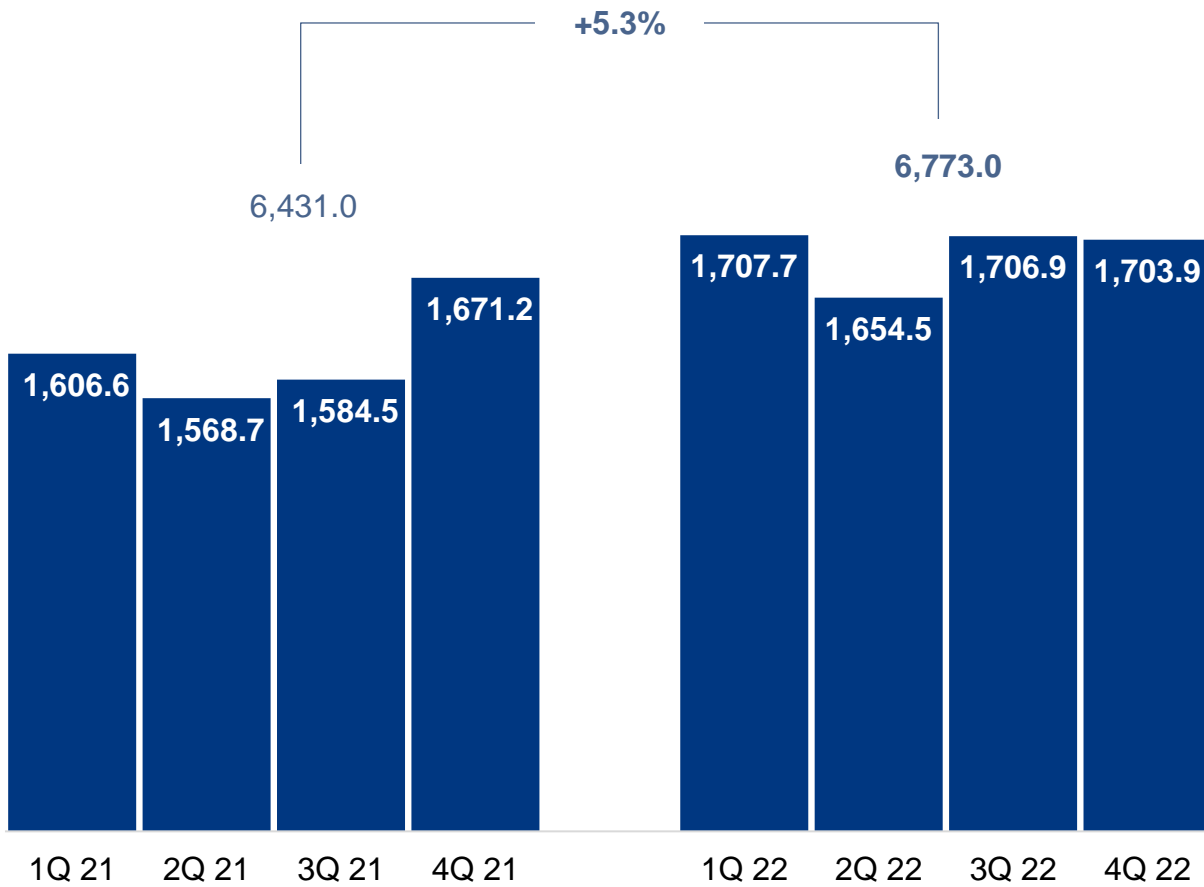
Profitability

- Group profit before tax of RM704.4 million, increased by 12.6% (12M 2021: RM625.6 million) due to higher profit contribution from both insurance segments.
- General business contributed a profit before tax of RM462.6 million, an increase of 5.8% (12M 2021: RM437.2 million). The increase was attributable to higher underwriting profit and lower management expenses. Net combined ratio was 87.3% as at 12M 2022 (12M 2021: 87.8%).
- Life insurance business recorded a profit before tax of RM287.2 million (12M 2021: RM220.5 million) due to better results from protection business.

FINANCIAL HIGHLIGHTS 12M 2022

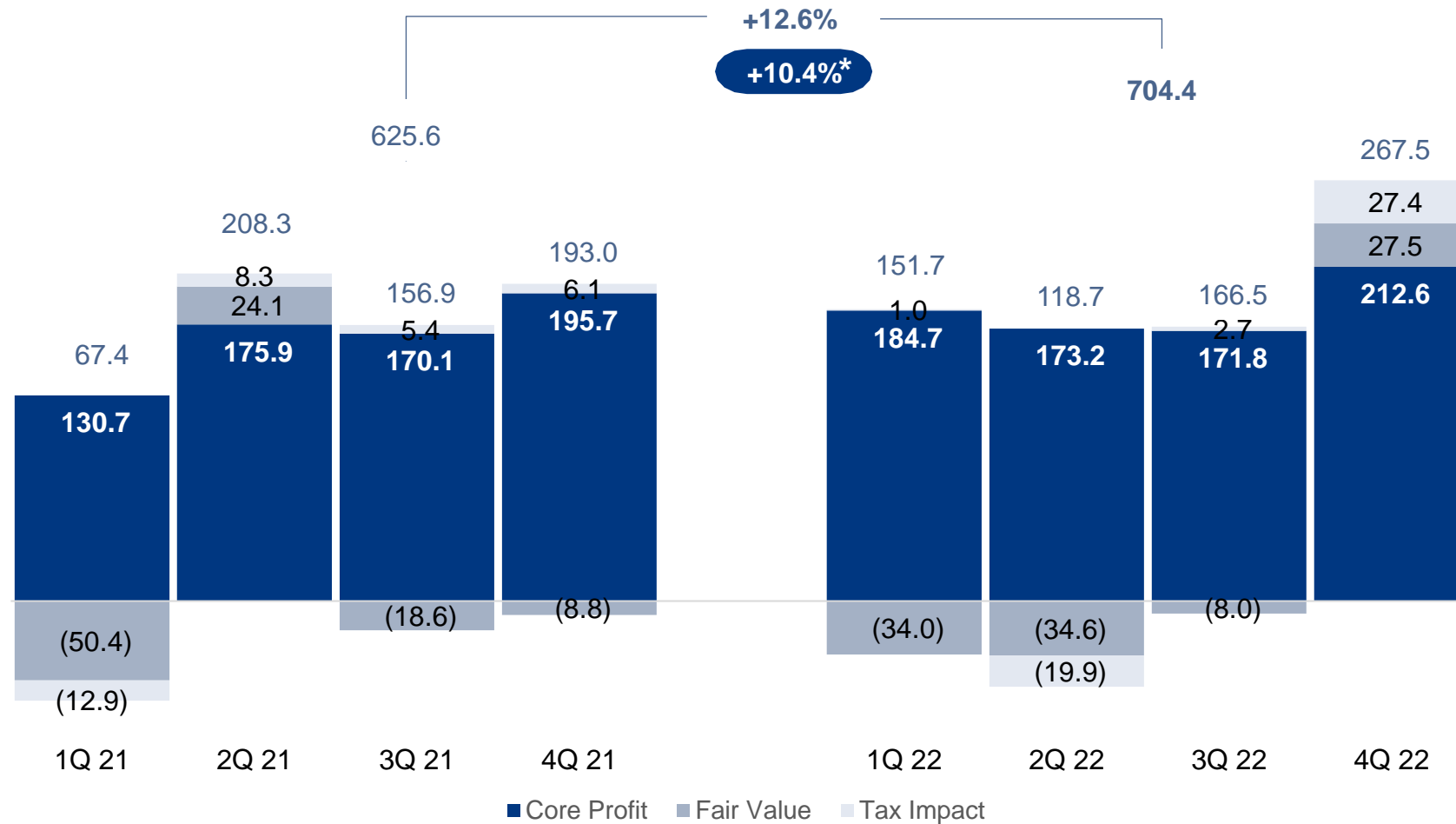
Group | **General Insurance**

Operating Revenue (RM'mil)



FINANCIAL HIGHLIGHTS 12M 2022

Profit Before Tax (RM'mil)

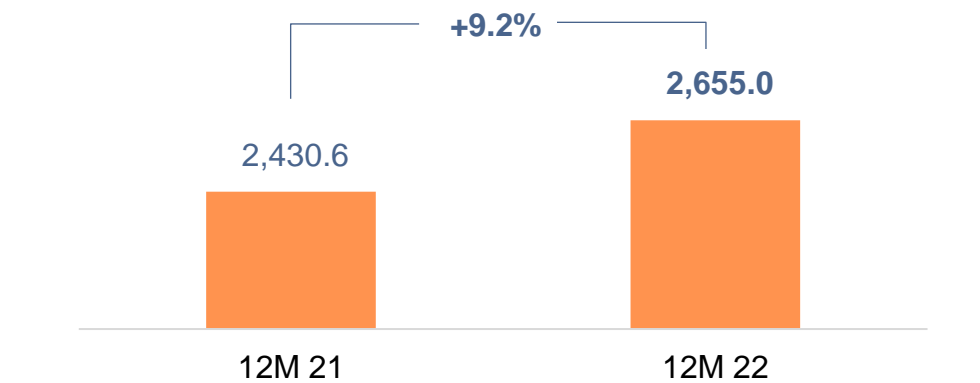
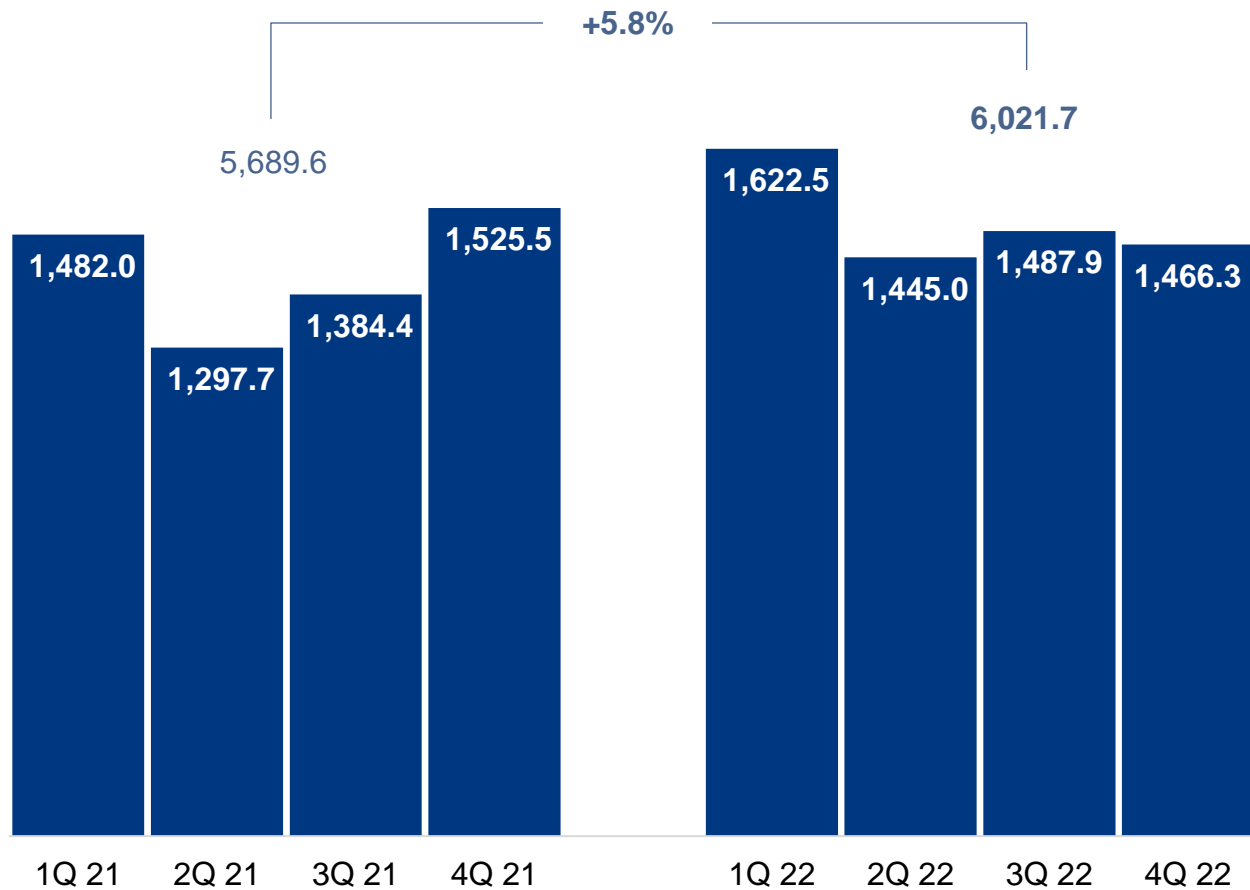


* Core profit growth

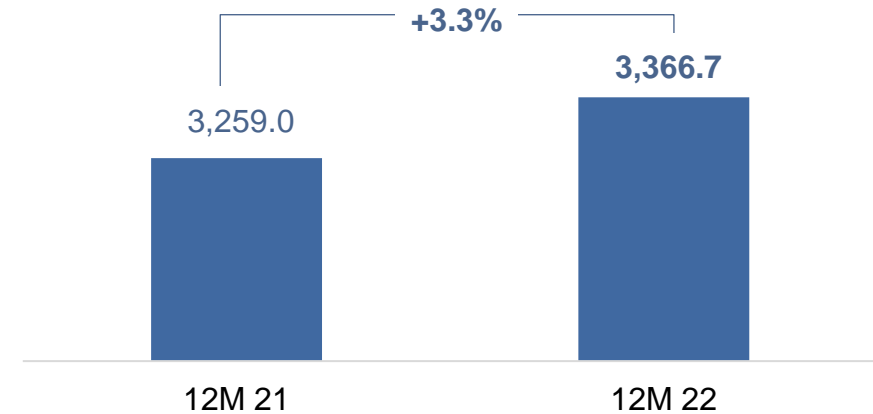
FINANCIAL HIGHLIGHTS 12M 2022

Group **General Insurance**

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

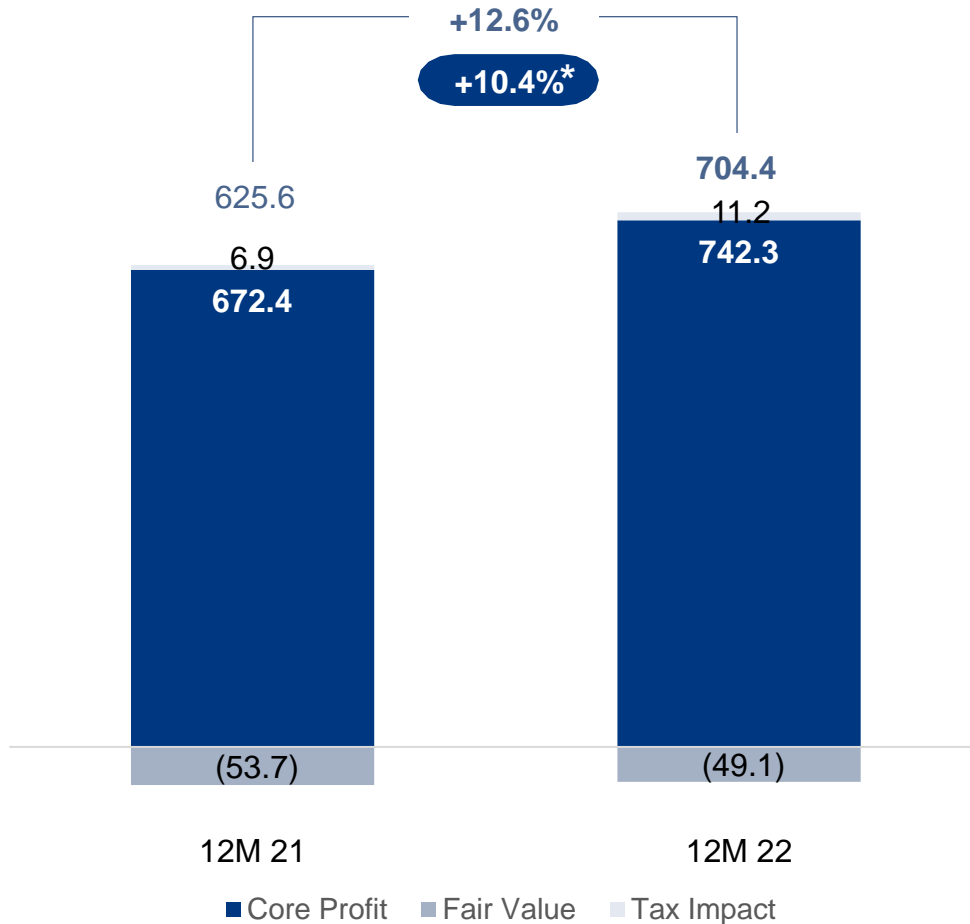


Life Insurance



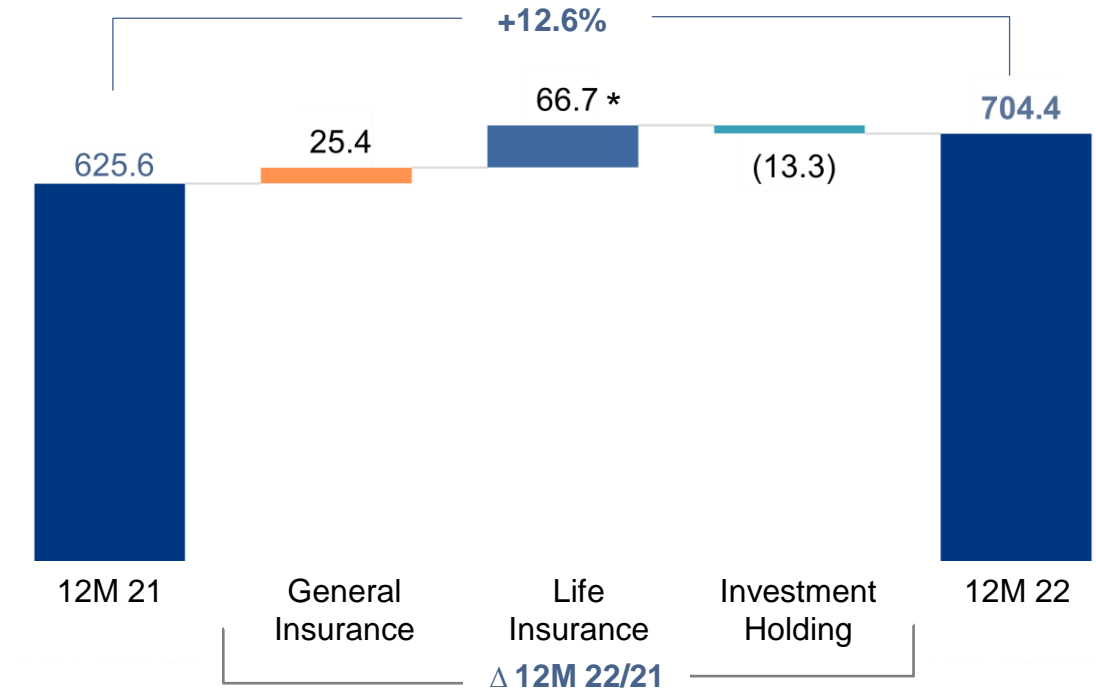
FINANCIAL HIGHLIGHTS 12M 2022

Profit Before Tax (RM'mil)



* Core profit growth

PBT drivers (RM'mil)

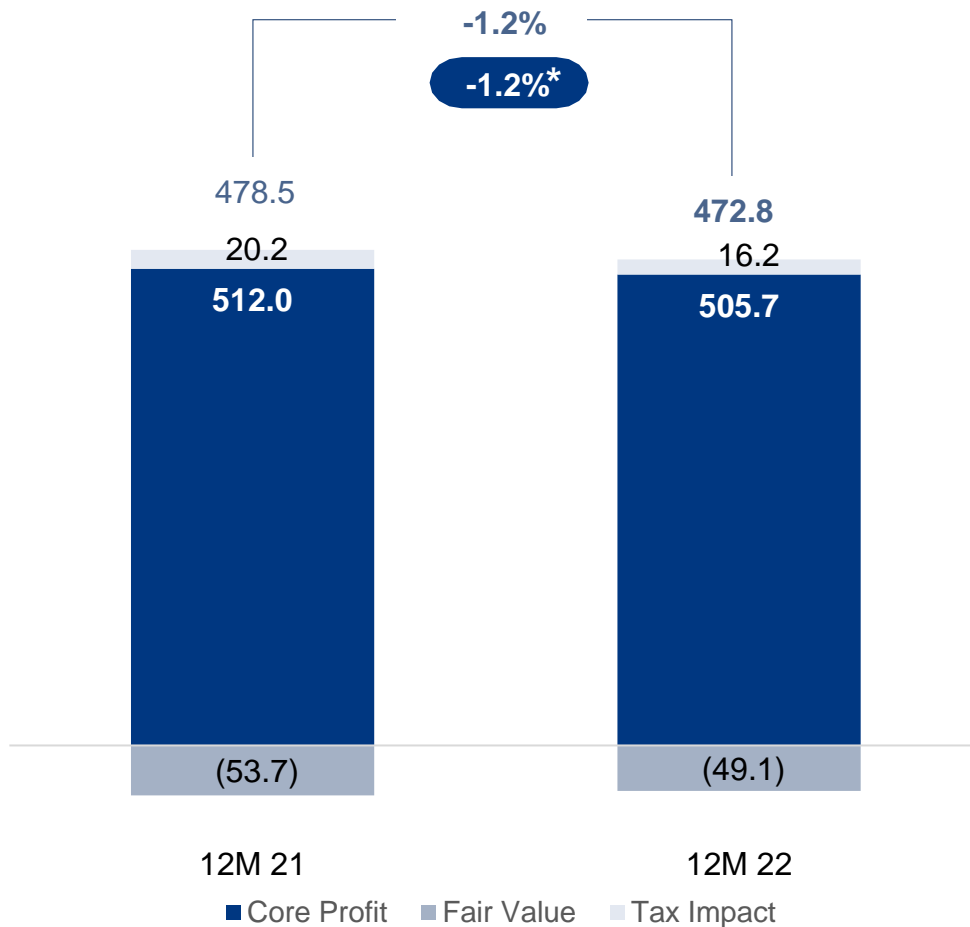


	General Insurance	Life Insurance	Investment Holding	Total
12M 2021	437.2	220.5	(32.1)	625.6
12M 2022	462.6	287.2	(45.4)	704.4
Change	25.4	66.7	(13.3)	78.8
Change (%)	5.8%	30.2%	(41.4%)	12.6%

* See slide 10 for further details on change for Life Insurance business

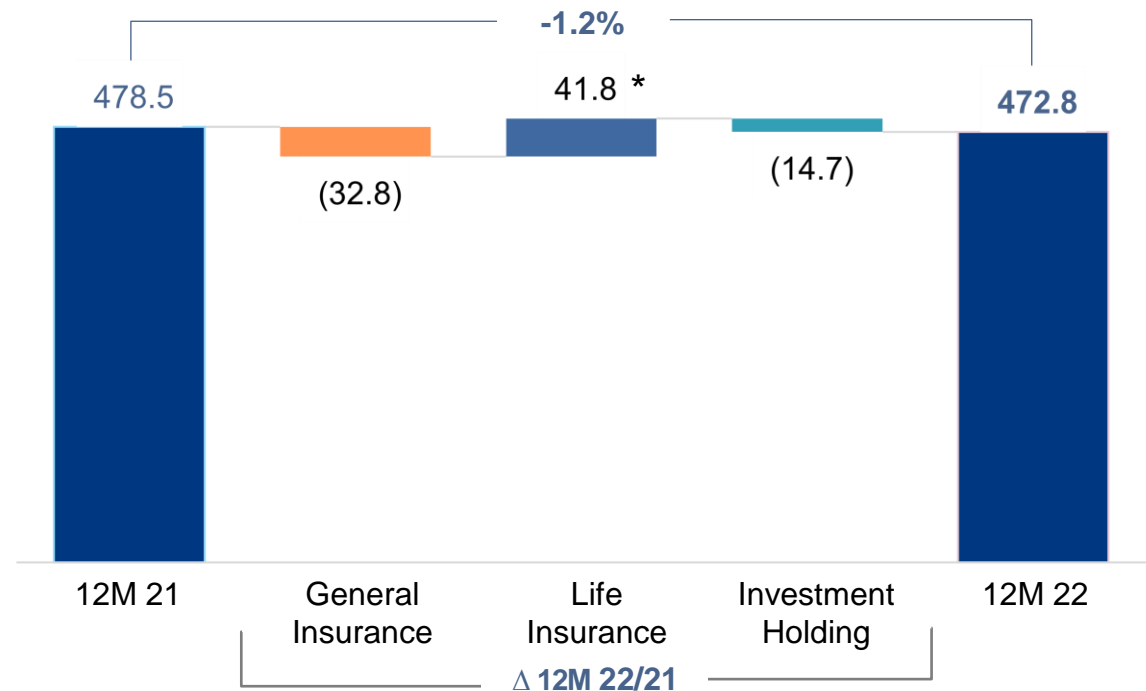
FINANCIAL HIGHLIGHTS 12M 2022

Profit After Tax (RM'mil)



* Core profit growth

PAT drivers (RM'mil)

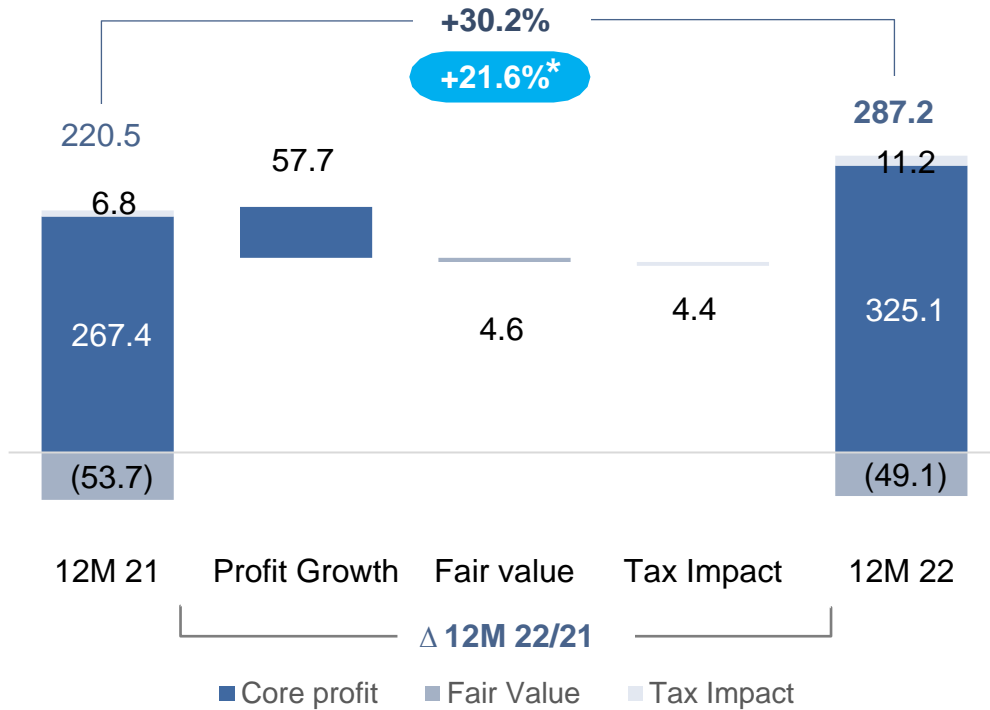


	General Insurance	Life Insurance	Investment Holding	Total
12M 2021	338.4	191.4	(51.3)	478.5
12M 2022	305.6	233.2	(66.0)	472.8
Change	(32.8)	41.8	(14.7)	(5.7)
Change (%)	(9.7%)	21.8%	(28.7%)	(1.2%)

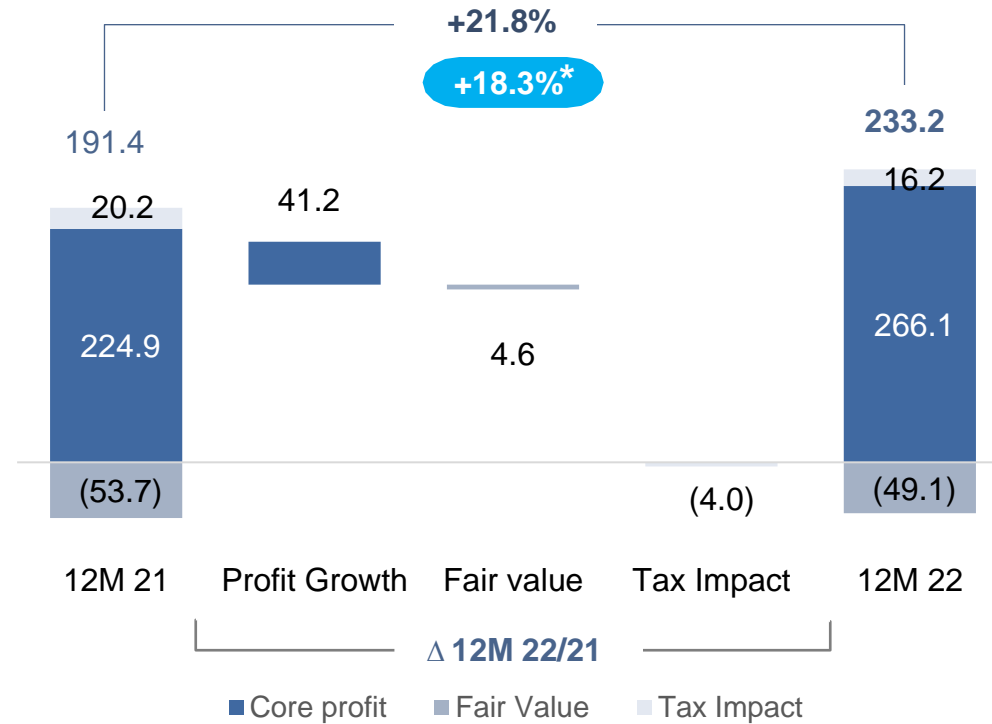
* See slide 10 for further details on change for Life Insurance business

LIFE: HIGHER CORE PBT AND PAT

PBT Drivers (RM'mil)



PAT Drivers (RM'mil)



Interest rate 10 years MGS

Sep 22	4.5%	Dec 20	2.6%
Dec 22	4.1%	Dec 21	3.7%
Δ	-0.4 pts	Δ 21/20	1.1 pts

Bursa Malaysia KLCI Index

Sep 22	1,395	Dec 20	1,627
Dec 22	1,495	Dec 21	1,568
Δ	7.2%	Δ 21/20	(3.6%)

* Core profit growth

FINANCIAL OVERVIEW

RM'mil	2019	2020	2021	2022	3 YEAR CAGR (2019-2022)
Gross Written Premiums	4,922.5	5,305.2	5,689.6	6,021.7	6.9%
Management Expenses	618.0	641.4	683.8	690.1	(3.7%)
Expense Ratio (Non Life)	20.2%	19.8%	18.7%	16.9%	3.3 pts
Expense Ratio (Life) ¹	10.5%	9.4%	9.9%	9.9%	0.6 pts
Local Consolidated PBT	692.1	729.6	625.6	704.4	0.6%
Core Profit Before Tax	624.4	690.9	672.4	742.3	5.9%
Total Assets	19,710.1	21,896.7	23,643.5	24,683.1	7.8%
Shareholders' Equity	3,673.6	4,031.5	4,144.2	4,230.0	4.8%
Dividends declared	247.05	220.44	239.35	322.88	9.3%
Diluted earnings per ordinary share (sen)	142.29	150.29	138.29	136.60	(1.4%)

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

SUMMARY OF AUDITED FINANCIAL RESULTS

RM'mil	12M 2021	12M 2022	△22/21 %
Operating Revenue	6,431.0	6,773.0	5.3%
Gross Earned Premium	5,671.1	5,930.0	4.6%
Premiums ceded to reinsurers	(430.3)	(364.2)	15.4%
Net earned premiums ("NEP")	5,240.8	5,565.8	6.2%
Net change in benefits and claims paid ("Claim")	(2,183.6)	(2,926.6)	(34.0%)
Net change in contract liabilities ("Reserve")	(1,365.5)	(946.3)	30.7%
Management expenses ("ME")	(683.8)	(690.1)	(0.9%)
Net fee and commission expense	(758.9)	(788.5)	(3.9%)
Fair value gains and losses	(430.7)	(390.9)	9.2%
Net investment results	813.4	887.2	9.1%
Net other operating expenses	(6.1)	(6.2)	(1.6%)
Profit before tax	625.6	704.4	12.6%
Tax expense	(147.1)	(231.6)	(57.4%)
Profit after tax	478.5	472.8	(1.2%)
ME / NEP ratio	13.0%	12.4%	0.6 pts
Claim & Reserve / NEP ratio	67.7%	69.6%	(1.9 pts)

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GENERAL BUSINESS



GENERAL BUSINESS

Comments

Gross written premiums

- Gross written premium increased by 9.2% as compared to prior year.

Profitability

- Higher profit before tax from higher underwriting profit, due to better non-motor claims experience compared to the same period last year.

Distribution and Portfolio

- 55.7% (12M 2021: 55.4%) of GWP from Agency and 29.2% (12M 2021: 27.9%) from Franchise.
- Agency and Franchise were the main growth contributors (9.9% growth for Agency and 14.2% growth for Franchise), with growth mainly coming from Motor and Personal Accident classes.

Combined ratio

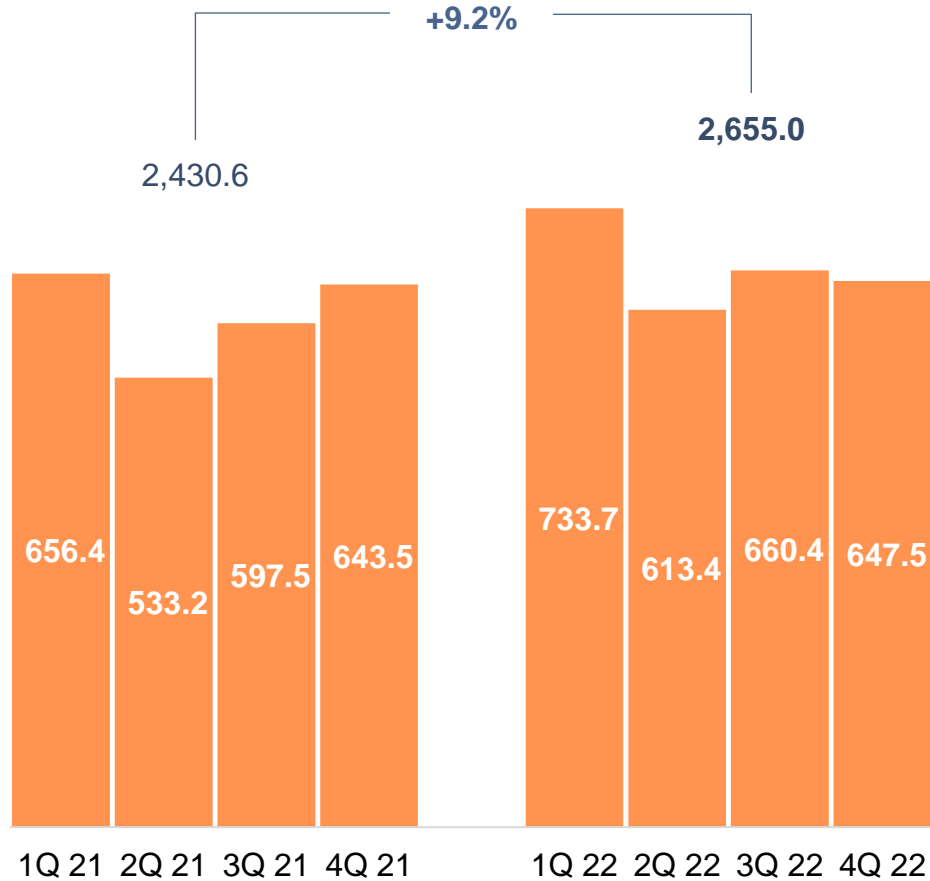
- Lower combined ratio by 0.5 pts driven by lower claims ratio excluding impact of VSC adjustment (*see Note 11 page 28 of Q2 2022 Quarter Announcement for details*).

Market growth

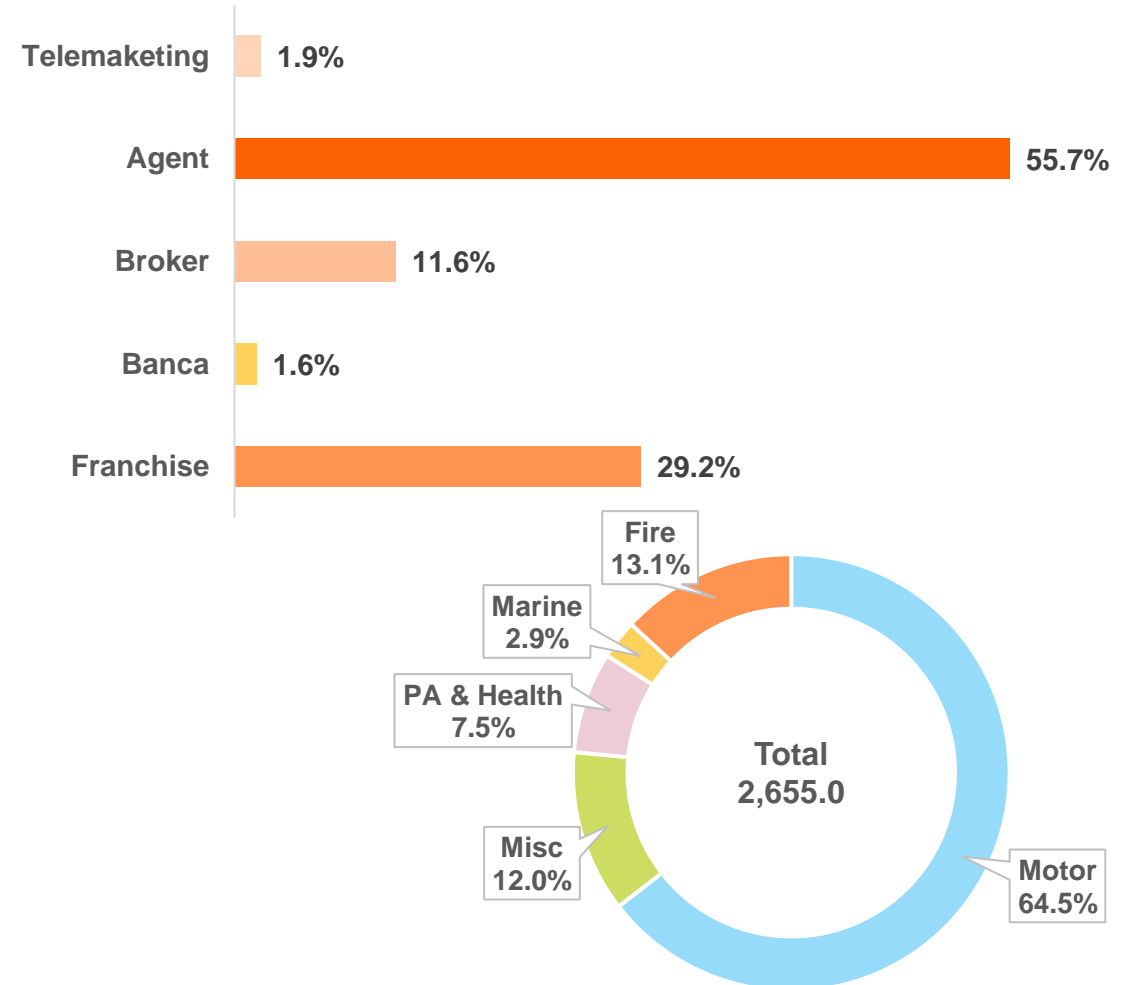
- Market share stood at 13.3% in 12M 2022 (12M 2021: 13.3%).

GENERAL BUSINESS: GWP IS 9.2% HIGHER THAN PRIOR YEAR

Gross Written Premium (RM'mil)

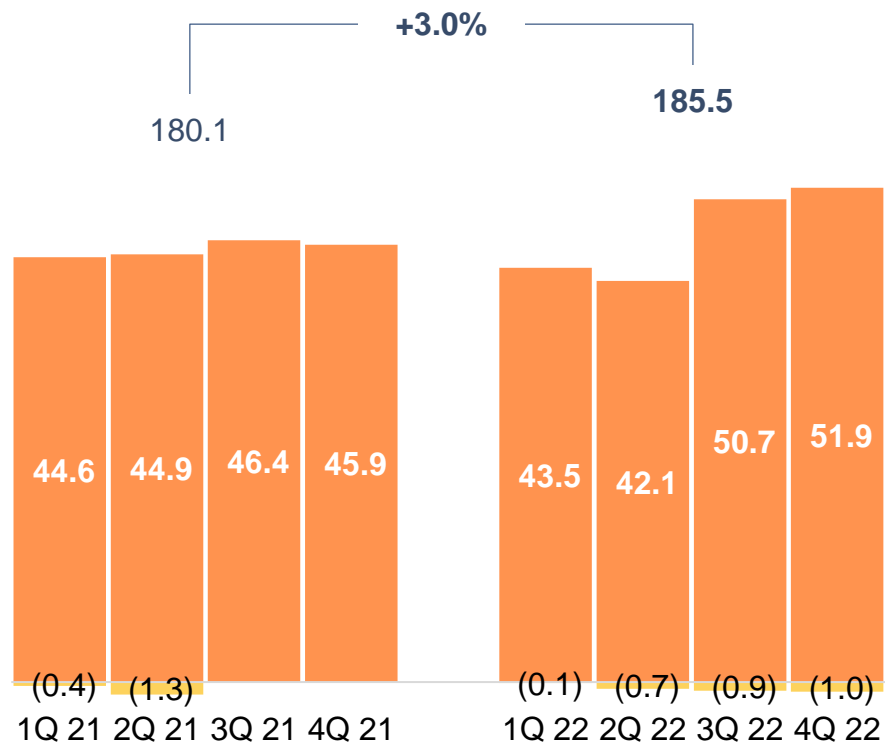


Distribution Channel & Portfolio Mix



GENERAL BUSINESS: STABLE INVESTMENT INCOME

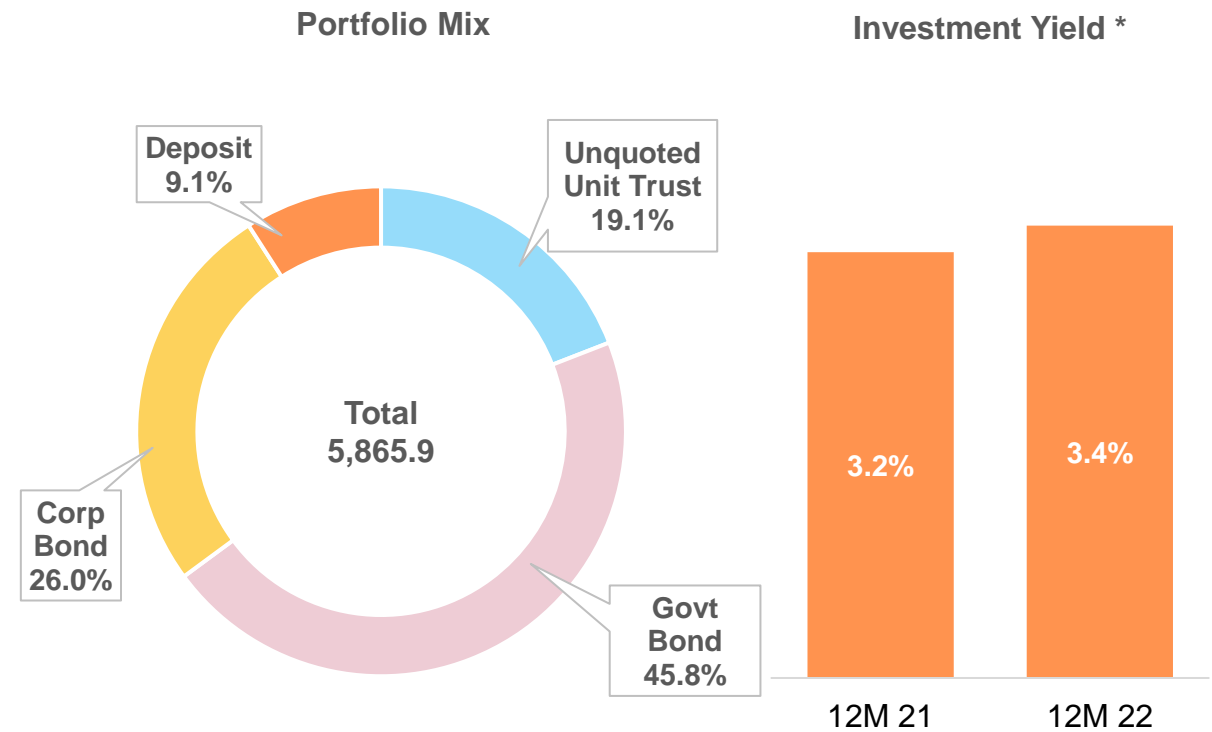
Net Investment Results/
Net Operating Expenses (RM'mil)



■ Net Investment Results ■ Net Operating Expenses

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

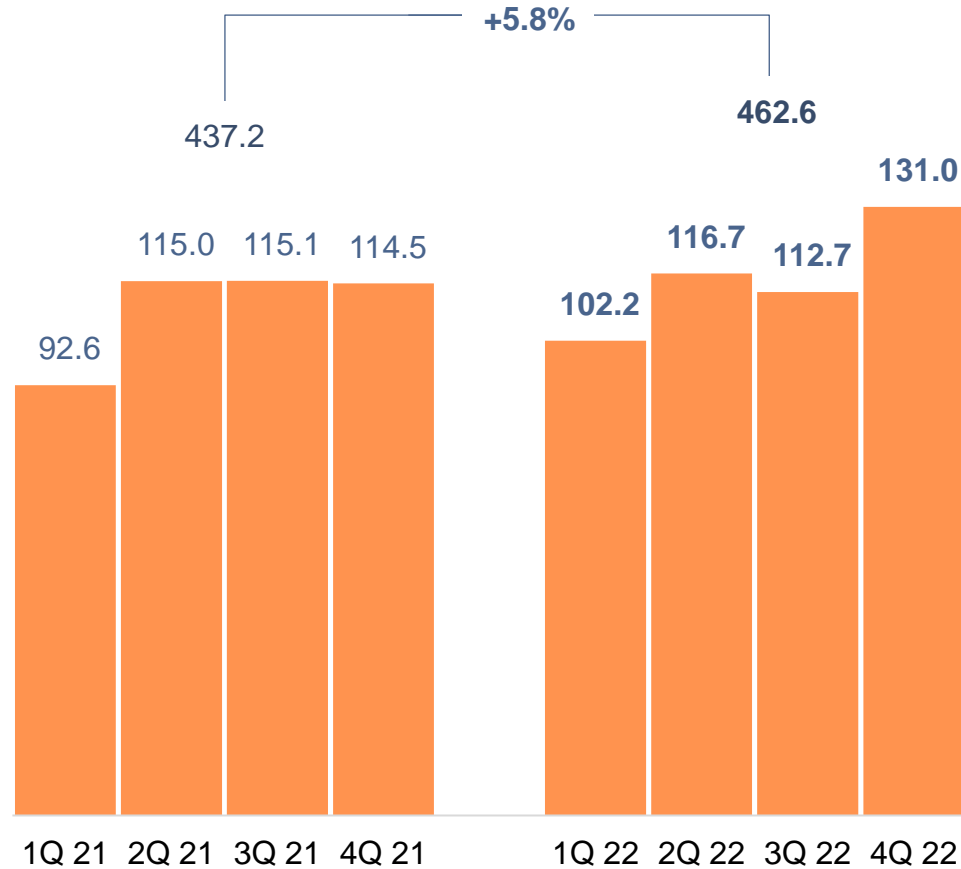
Portfolio Mix and Investment Yield (Annualised)



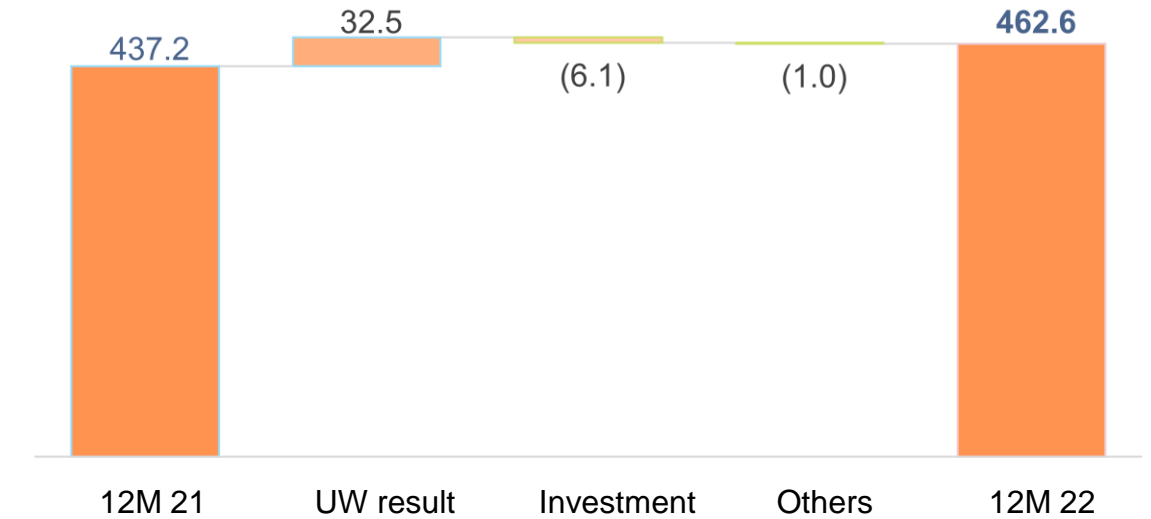
* Investment yield is excluding fair value gains/losses

GENERAL BUSINESS: HIGHER PROFIT BEFORE TAX FROM HIGHER UNDERWRITING RESULTS

Profit Before Tax (RM'mil)



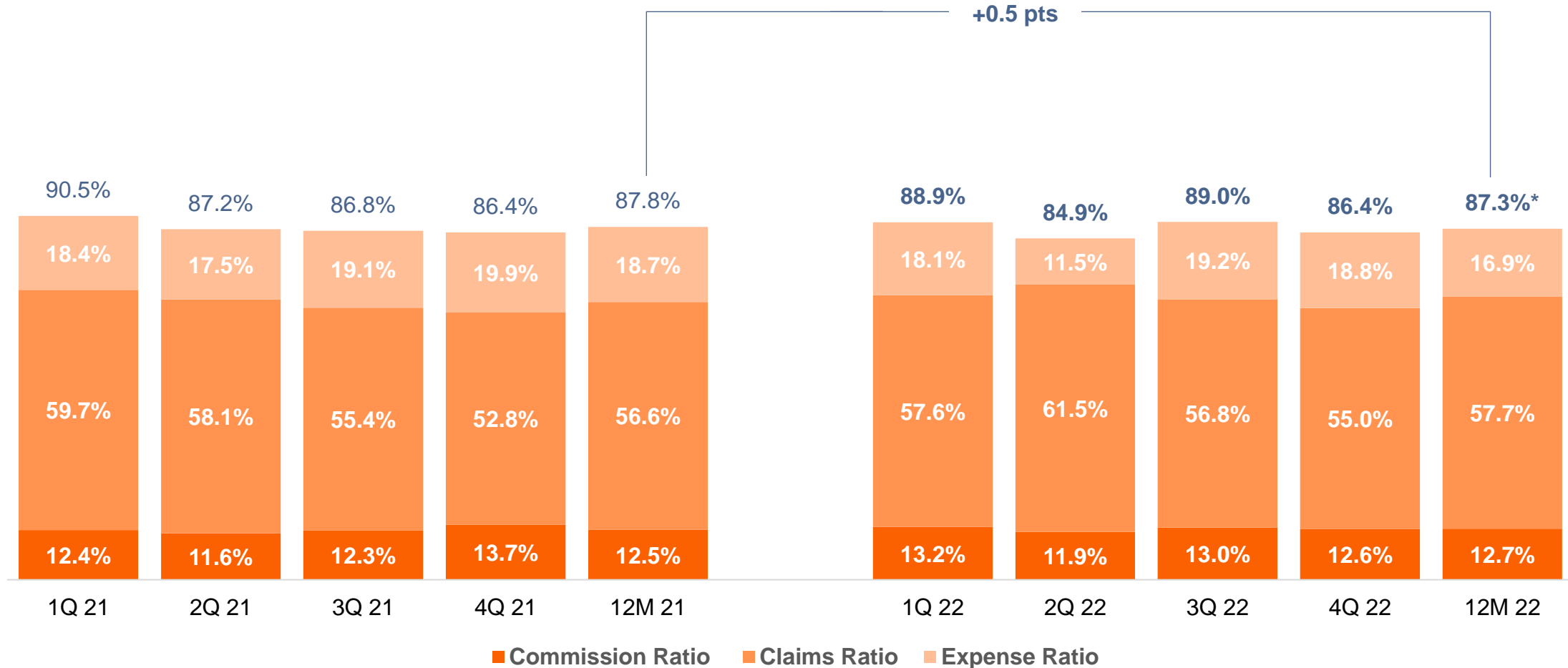
PBT Drivers (RM'mil)



12M 2021	257.1	181.8	(1.7)	437.2
12M 2022	289.6	175.7	(2.7)	462.6
Change	32.5	(6.1)	(1.0)	25.4

GENERAL BUSINESS: BETTER COMBINED RATIO DUE TO BETTER LOSS AND EXPENSE RATIO

Combined Ratio



■ Commission Ratio ■ Claims Ratio ■ Expense Ratio

* 12M 22 expense and claims ratio would be 18.4% and 56.2% respectively without the impact of VSC adjustment (see Q2 quarterly announcement page 28 Note 11 for details). There is no impact to the overall underwriting profit.

GENERAL BUSINESS: FINANCIAL RESULTS AT A GLANCE

RM'mil	12M 2021	12M 2022	△22/21 %
Gross written premiums	2,430.6	2,655.0	9.2%
Gross earned premiums	2,412.1	2,563.4	6.3%
Net earned premiums	2,124.1	2,304.0	8.5%
Net change in claims incurred	(1,201.9)	(1,329.5)	(10.6%)
Management expenses	(400.6)	(393.2)	1.8%
Net fee and commission expenses	(264.5)	(291.7)	(10.3%)
Underwriting result	257.1	289.6	12.6%
Fair value gains and losses	-	(12.5)	(>100.0%)
Net investment results	181.8	188.2	3.5%
Net other operating expenses	(1.7)	(2.7)	(58.8%)
Profit before tax (after consolidation adjustment)	437.2	462.6	5.8%
Commission ratio	12.5%	12.7%	(0.2 pts)
Claims ratio	56.6%	57.7%	(1.1 pts)
Expense ratio	18.7%	16.9%	1.8 pts
Combined ratio*	87.8%	87.3%	0.5 pts

* Combined ratio is calculated at company level

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

KPIs	AGIC 12M 2022	Industry ¹ 12M 2022	Takaful ¹ 12M 2022
GWP growth	9.2%	9.7%	21.1%
Commission ratio	12.7%	11.0%	9.3%
Claims ratio			
• Overall	57.7%	53.7%	60.7%
• Motor	60.7%	65.3%	72.3%
Expense ratio	16.9%	24.1%	32.4%
Combined ratio	87.3%*	88.8%	102.4%

Market Share (12M 2022)²

13.3%

Market Ranking (9M 2022)³

No. 1

Notes:

- 1) Source: ISM Market Performance Report Jan-Dec 2022 (General Insurance & General Takaful) – ISM statistic exclude business outside of Malaysia. AGIC 12M 2022 GWP growth on equivalent basis is 9.6%.
- 2) Source: AGIC Revenue Account and ISM Market Performance Report Jan-Dec 2022
- 3) Source: ISM Market Performance Report Jan-Sep 2022

* 12M 22 expense and claims ratio would be 18.4% and 56.2% respectively without the impact of VSC adjustment (see Q2 quarterly announcement page 28 Note 11 for details). There is no impact to the overall underwriting profit.

03

LIFE BUSINESS



LIFE BUSINESS

Comments

Gross written premiums

- Gross written premiums grew by 3.3% from all key distribution channels.

Market Growth

- ANP decline by 3.8% while industry decline by 8.8%.¹
- Market share 12M 2022 increased to 9.5% (12M 2021: 9.0%).

Distribution

- Agency ANP decreased by 12.2% while Bancassurance increased by 21.0%.
- Focus on strategy to intensify agency recruitment and uplift agent productivity.

Product mix

- Remain focused on sales of investment-linked products with protection rider which provides higher margins but to also cater for demand for saving products.
- Investment-linked ANP decreased by 6.5% and GWP increased by 4.3%.

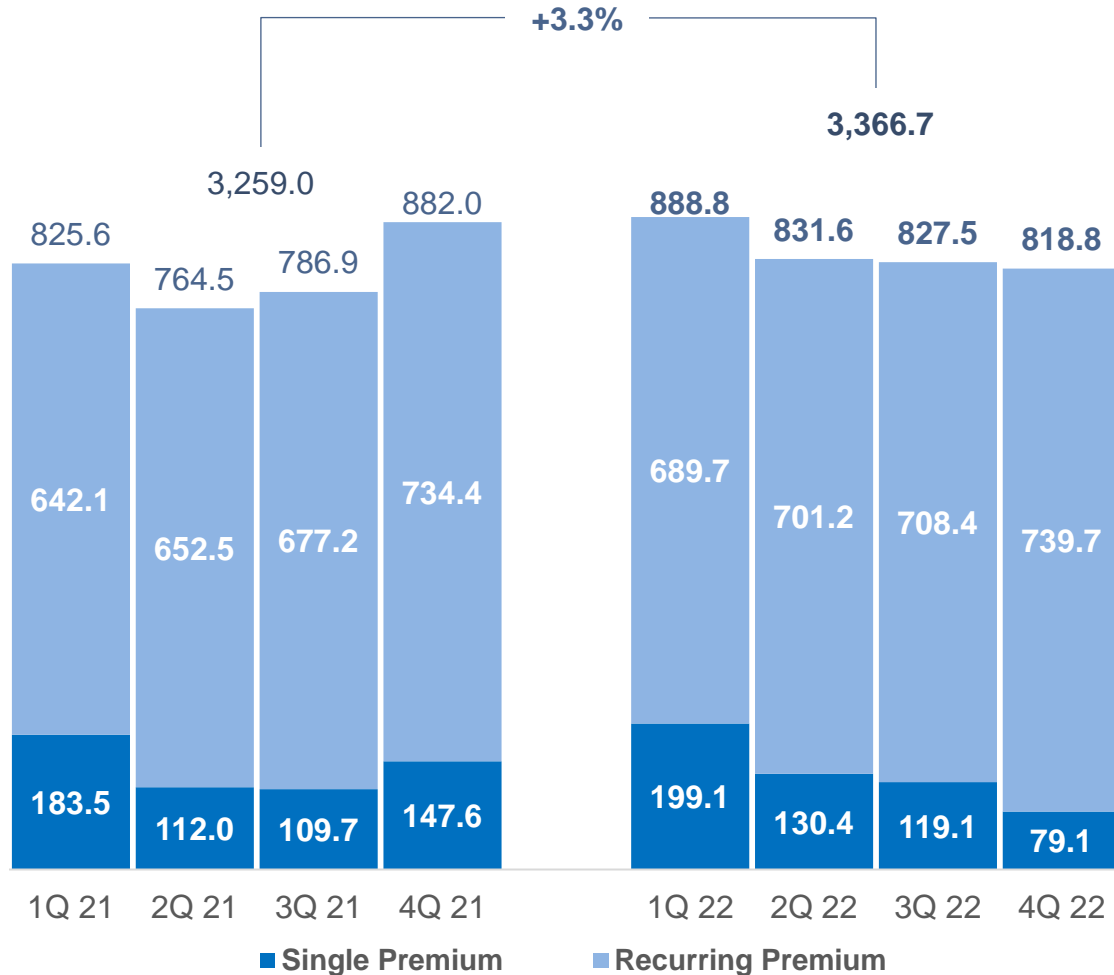
Profitability

- Profit before tax of RM287.2 million (12M 2021: RM220.5 million) due to better results from protection business.
- The core profit was RM325.1 million, an increase of 21.6% from preceding period on a comparable basis.
- New business value was RM275.0 million, decreased by 0.1%, broadly in line with last year despite lower new business due to higher product margins.

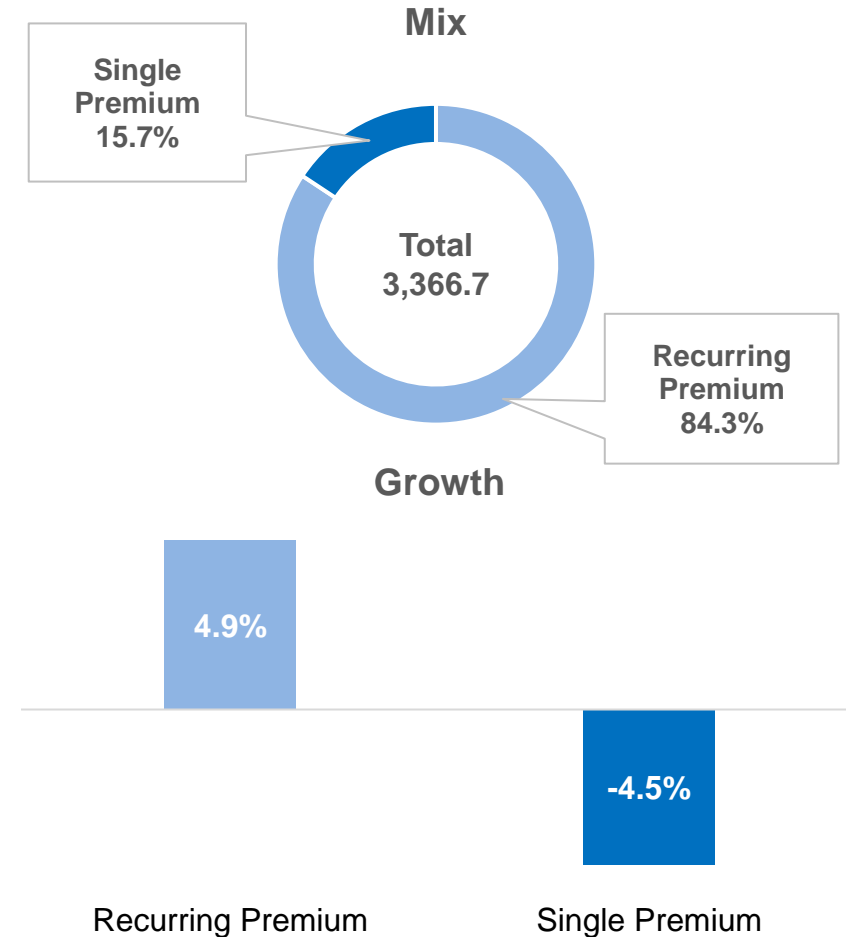
Note1: Market share based on statistics from LIAM.

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

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

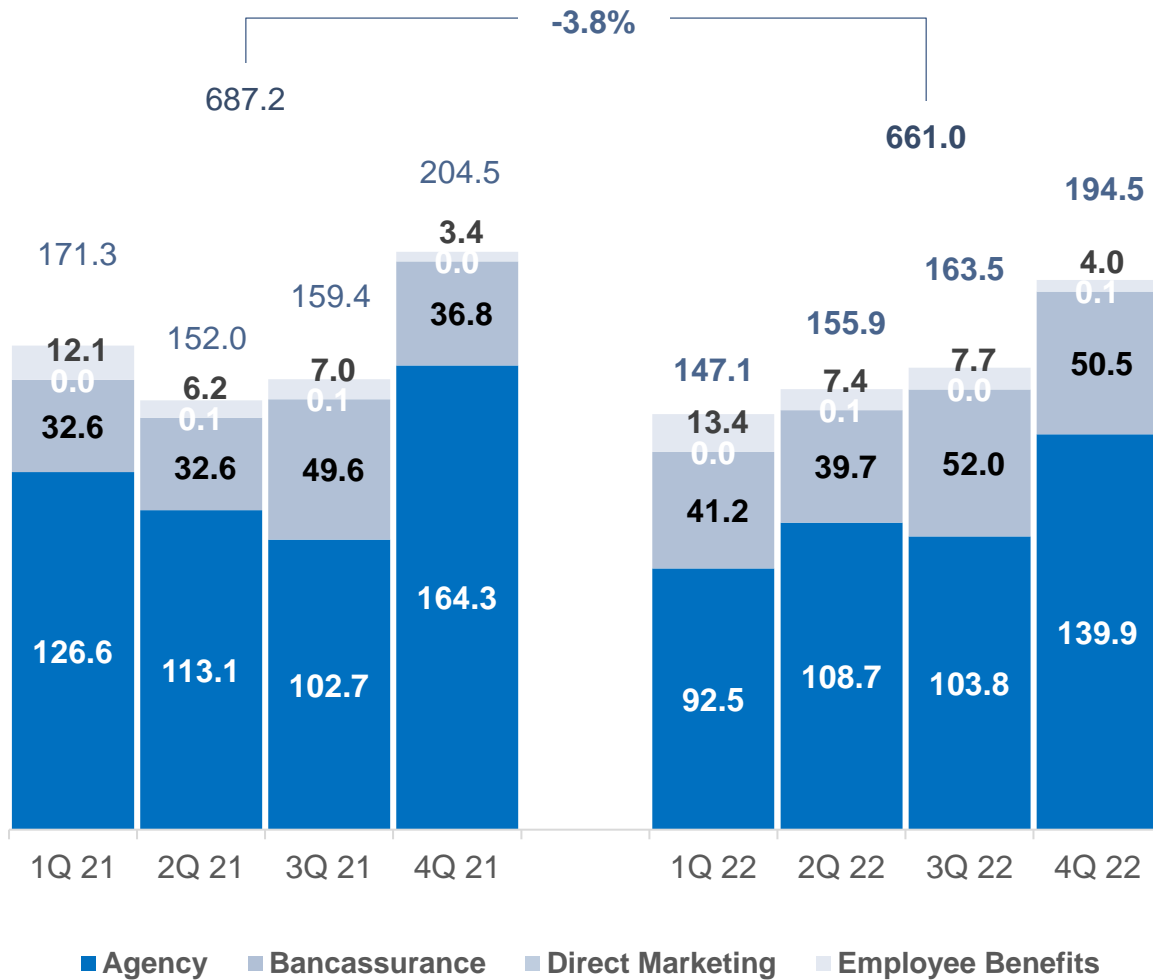


GWP Mix & Growth (%) (12M 2022)

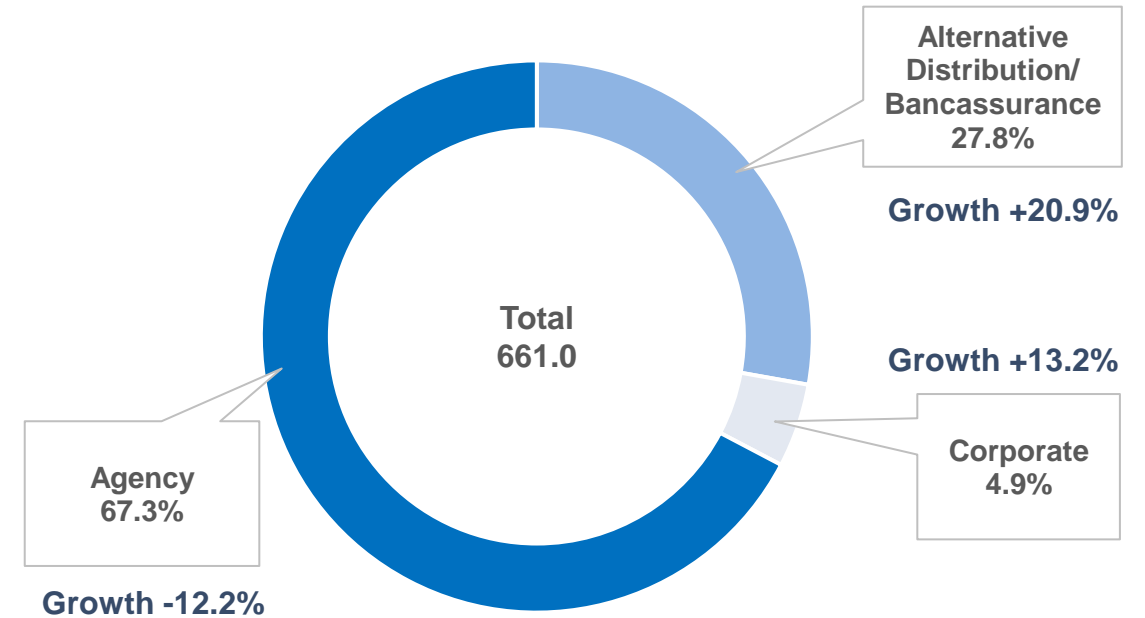


LIFE BUSINESS: LOWER CONTRIBUTION FROM AGENCY CHANNEL

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

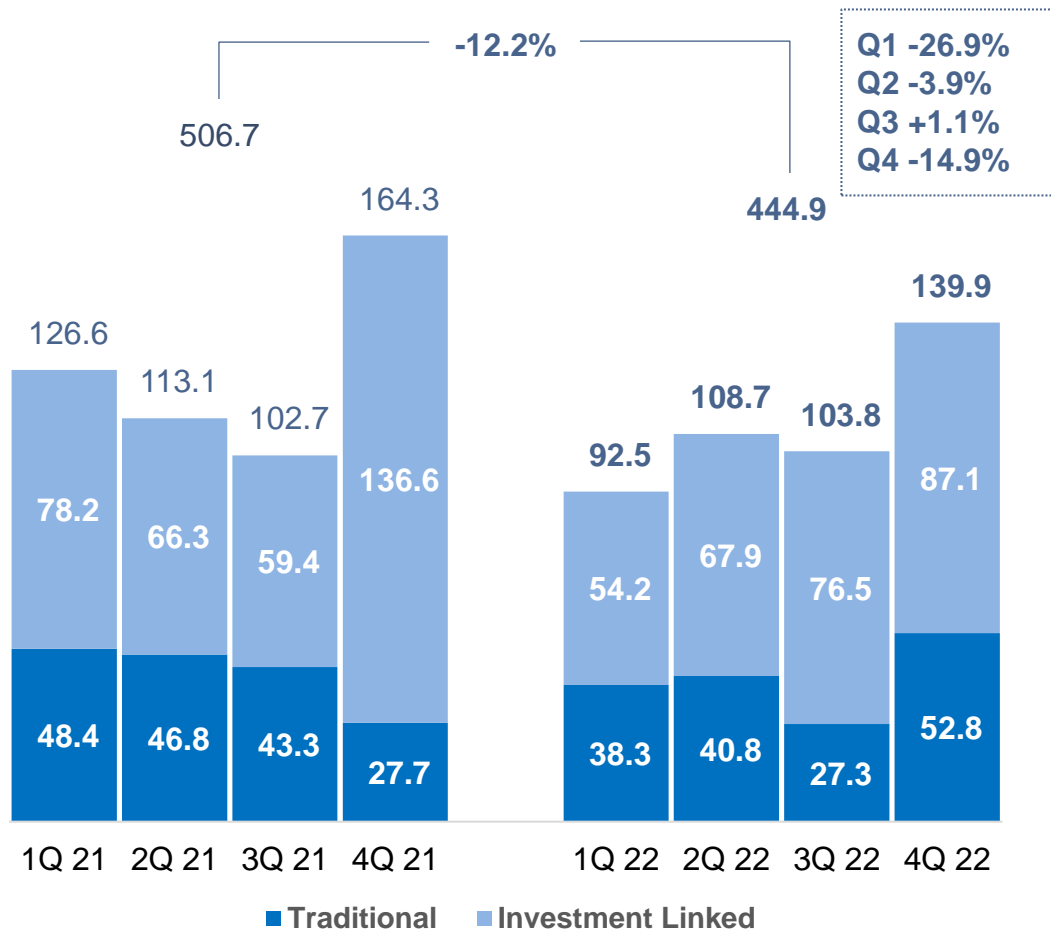


ANP Channel Mix (%) (12M 2022)

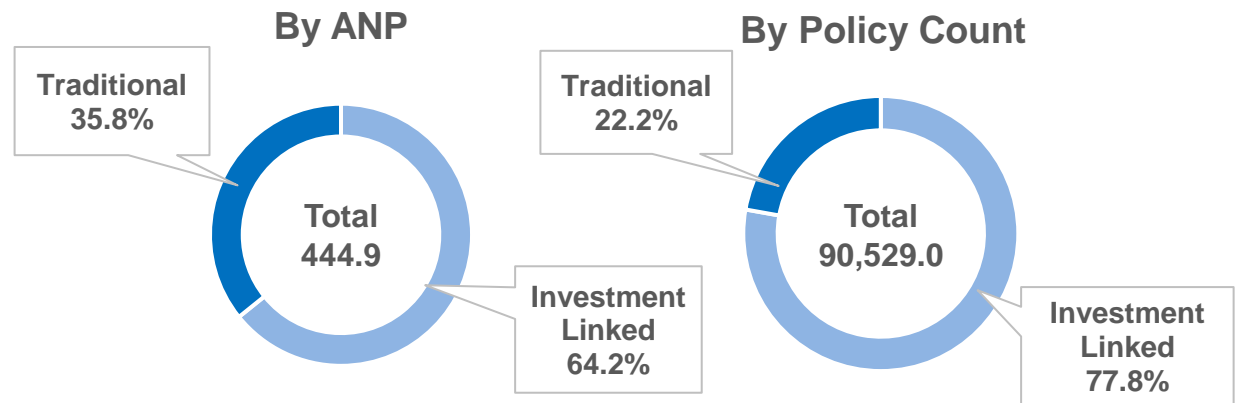


LIFE BUSINESS (AGENCY): LOWER SALES AGAINST LAST YEAR BUT OUTPERFORMED INDUSTRY

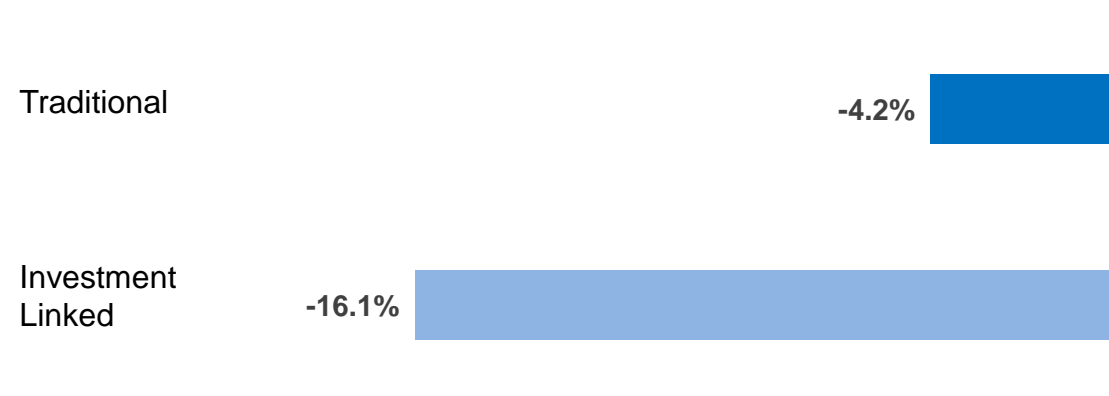
Agency Annualised New Premiums (RM'mil)



Agency Product Mix (%) (12M 2022)

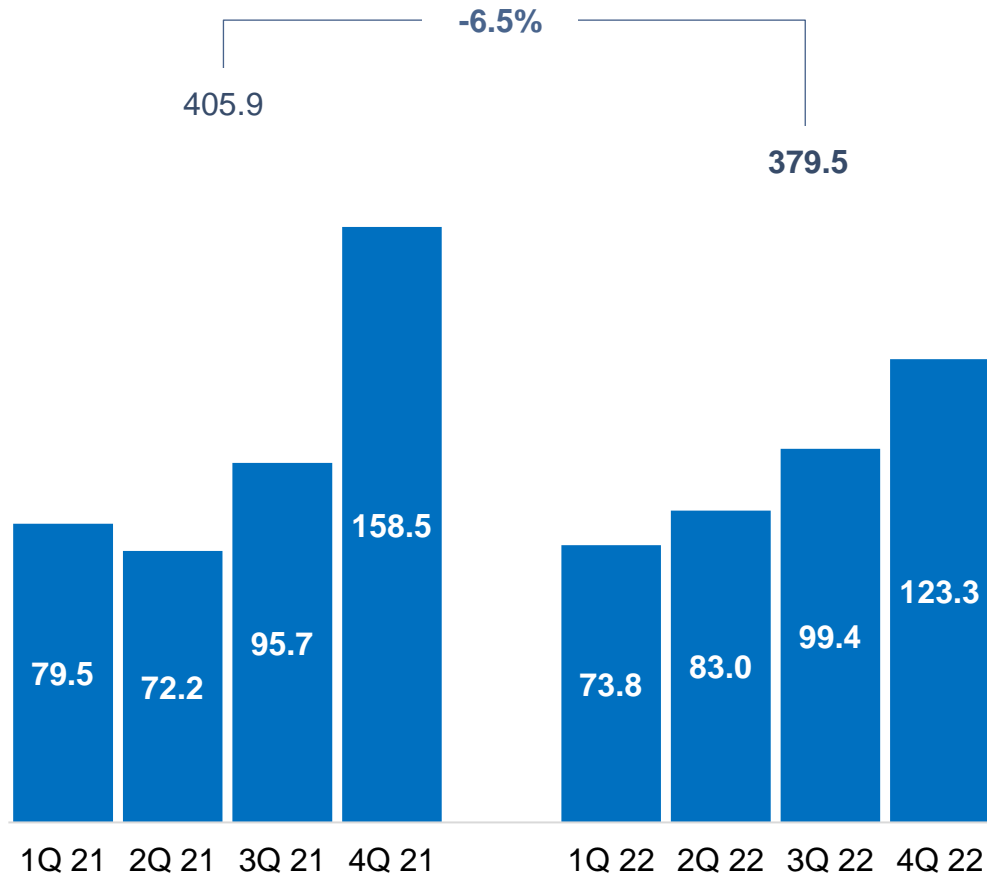


Agency ANP Growth (%) (12M 2022)

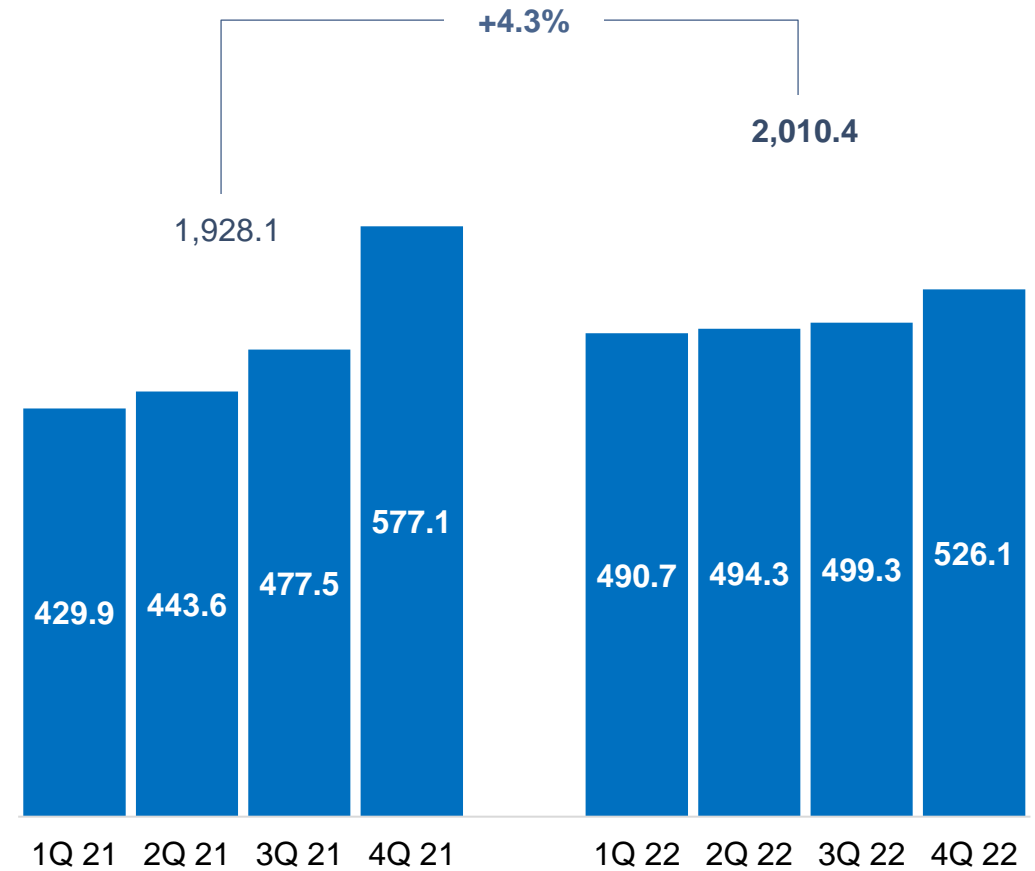


LIFE BUSINESS: PROTECTION BUSINESS (INVESTMENT-LINKED) GWP CONTINUES TO GROW DESPITE LOWER NEW BUSINESS

Annualised New Premiums (RM'mil)

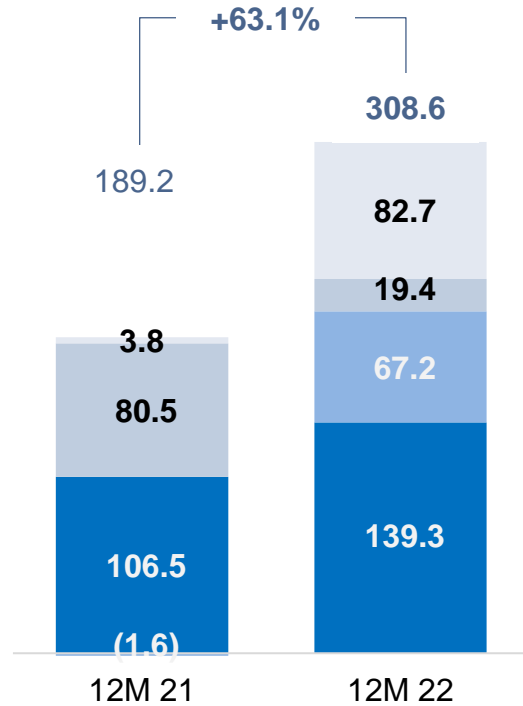


Gross Written Premiums (RM'mil)

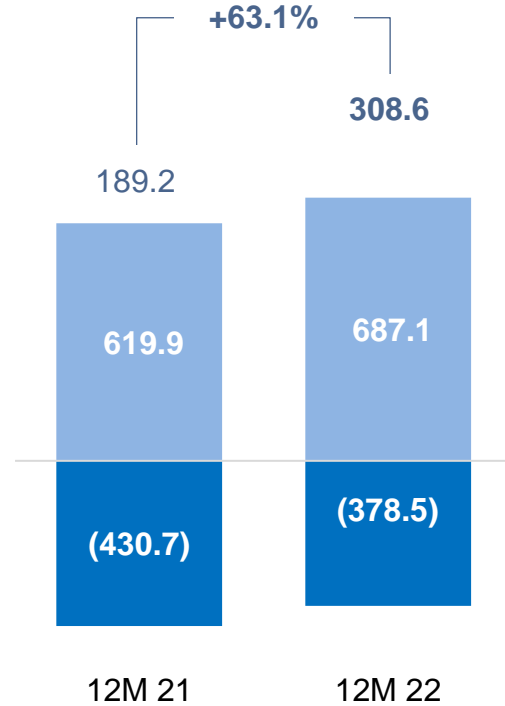


LIFE BUSINESS: HIGHER INVESTMENT RESULTS FROM LOWER FAIR VALUE LOSSES

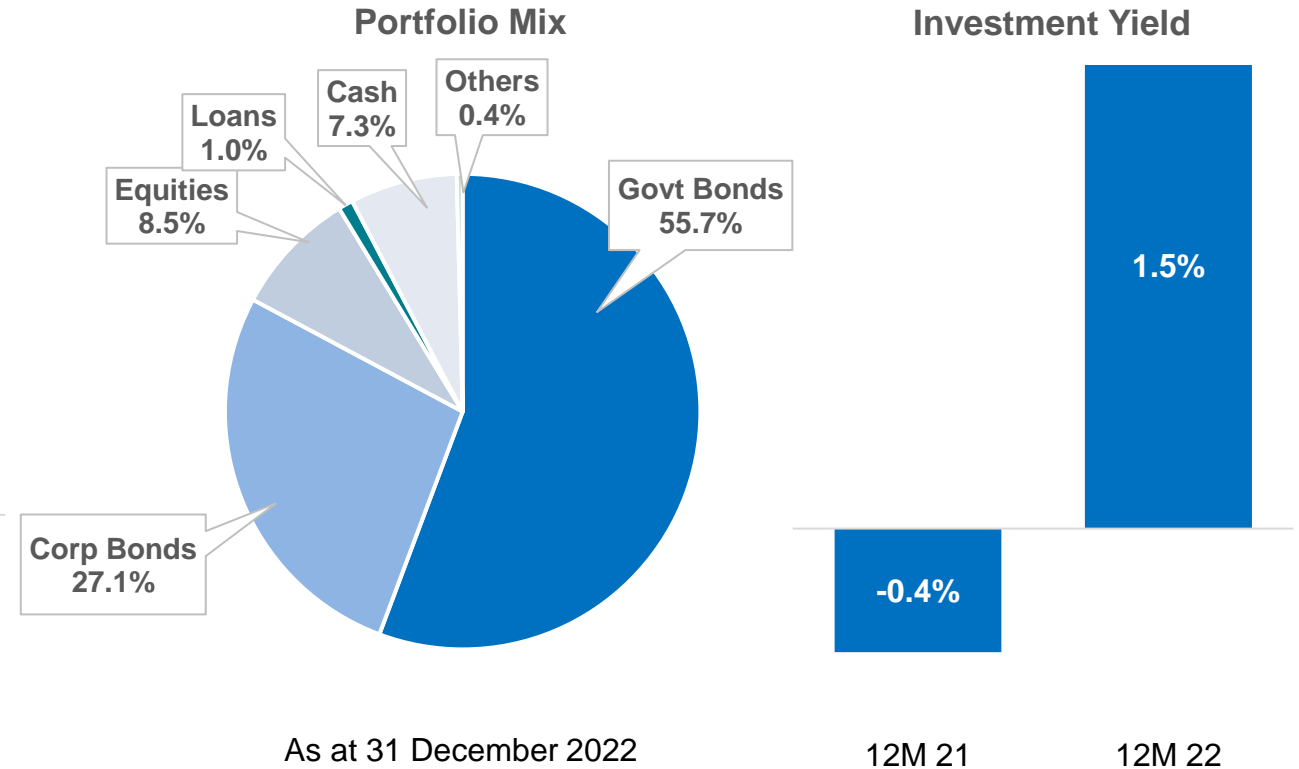
Investment Results by funds (RM'mil)



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: FINANCIAL RESULTS AT A GLANCE

RM'mil	12M 2021	12M 2022	△22/21 %
Gross written premiums	3,259.0	3,366.7	3.3%
Premiums ceded to reinsurers	(142.3)	(104.8)	26.4%
Net earned premiums	3,116.7	3,261.9	4.7%
Net change in benefits and claims paid	(1,272.3)	(1,675.6)	(31.7%)
Net change in contract liabilities	(1,074.7)	(862.2)	19.8%
Management expenses	(252.1)	(271.7)	(7.8%)
Net fee and commission expenses	(482.7)	(488.7)	(1.2%)
Fair value gains and losses	(430.7)	(378.5)	12.1%
Net investment results	619.9	687.1	10.8%
Net other operating (expenses)/income	(3.6)	14.9	>100.0%
Profit before tax (after consolidation adjustment)	220.5	287.2	30.2%
Annualised new premiums	687.2	661.0	(3.8%)
Expense ratio (LF+SHF)	9.9%	9.9%	0.0 pts
Local investment yield (LF+SHF)	(0.4%)	1.5%	1.9 pts
Block persistency ratio	88.7%	85.3%	(3.4 pts)

**THANK YOU
FOR YOUR ATTENTION**

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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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