



**ALLIANZ MALAYSIA
BERHAD** (197201000819)

Q2 2024

**FINANCIAL RESULTS
MFRS 9/17**

Analyst Briefing
26 August 2024

Allianz 

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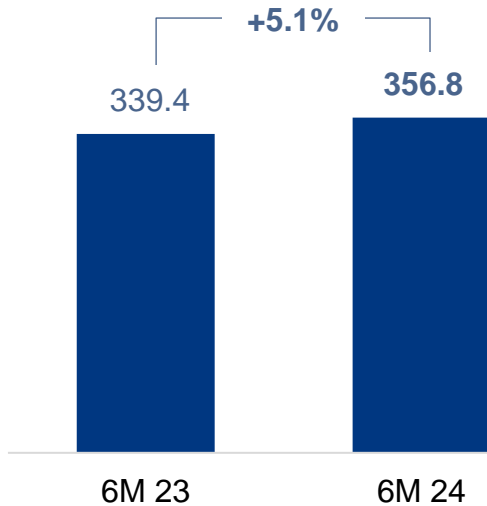
AMB GROUP FINANCIAL RESULTS



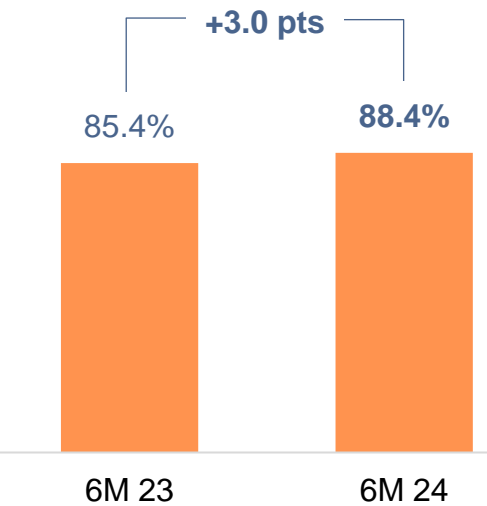
FINANCIAL HIGHLIGHTS 6M 2024

Group	General Insurance	Life Insurance	Investment Holding
Gross Written Premium (RM'mil)			
3,605.8 (+12.1%)	1,685.0 (+15.2%)	1,920.8 (+9.4%)	
Insurance Revenue (RM'mil)			
2,708.0 (+16.4%)	1,534.7 (+15.6%)	1,173.3 (+17.5%)	
Profit Before Tax (RM'mil)			
475.8 (+4.5%)	248.5 (-5.8%)	229.4 (+17.5%)	(2.1) (+44.7%)

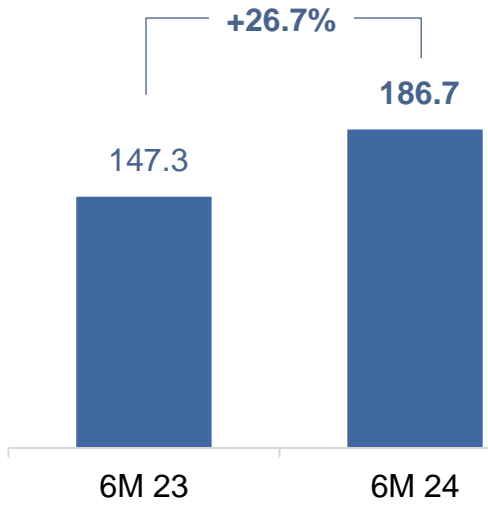
Shareholders' net income
(in RM'mil)



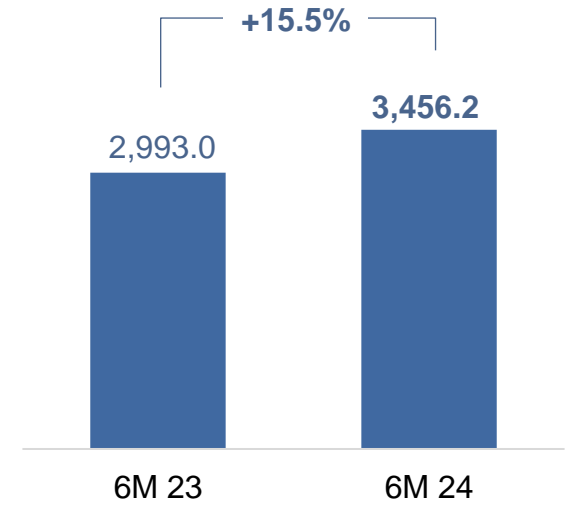
Combined ratio
(in %)



New business value
(in RM'mil)



Contractual service margin
(in RM'mil)



STRONG PERFORMANCE WITH ROBUST TOP LINE GROWTH AND RESILIENT EARNINGS

Comments

Insurance revenue

- Group insurance revenue of RM2.71 billion, an increase of 16.4% from RM2.33 billion in 2023 due to strong insurance revenue from both insurance segments.
- General business recorded an insurance revenue of RM1.53 billion, an increase of 15.6% compared to corresponding period of RM1.33 billion mainly from increase in gross earned premium from motor business.
- Life business recorded an insurance revenue of RM1.17 billion, an increase of 17.5% compared to corresponding period of RM998.7 million mainly attributed to higher insurance revenue from investment-linked protection business.

Earnings per ordinary share

- Basic earnings per ordinary share at 170.44 sen (6M 2023: 154.95 sen).
- Diluted earnings per ordinary share at 103.31 sen (6M 2023: 98.02 sen).

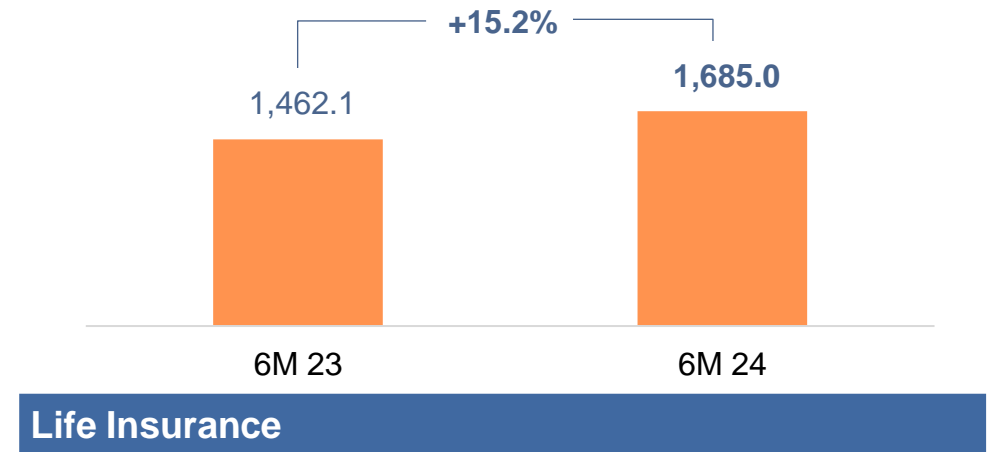
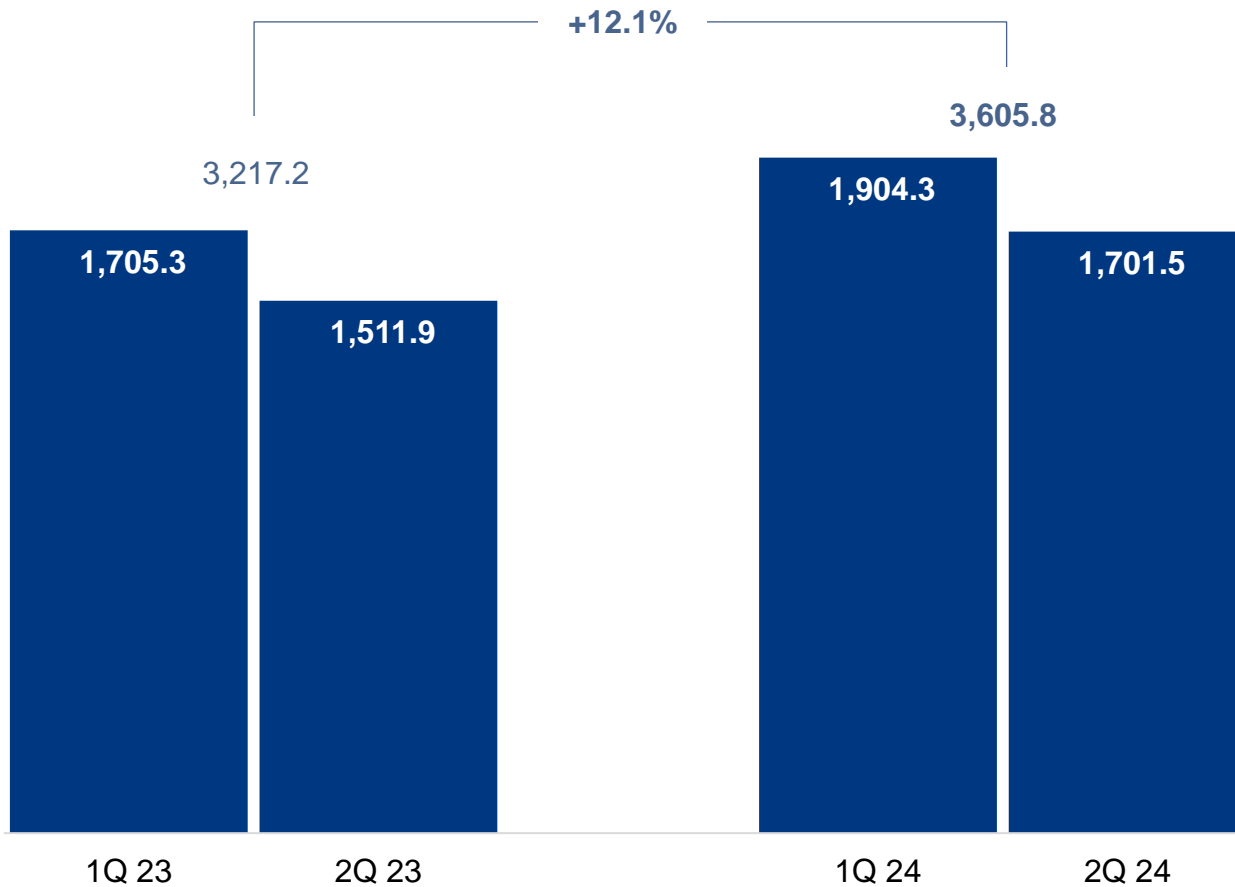
Profitability

- Group profit before tax of RM475.8 million, increased by 4.5% (6M 2023: RM455.2 million) due to higher profit contribution from life insurance segment.
- General business contributed a profit before tax of RM248.5 million, a decrease of 5.8% (6M 2023: RM263.8 million). The decrease was mainly contributed by higher claims from fire and engineering large losses. Net combined ratio was 88.4% as at 6M 2024 (6M 2023: 85.4%), which remain at a strong level even with unusually high claims level in Q2 2024.
- Life insurance business recorded a profit before tax of RM229.4 million, an increase of 17.5% (6M 2023: RM195.2 million) due to higher insurance service results from investment-linked protection business and higher net investment income from larger assets base.

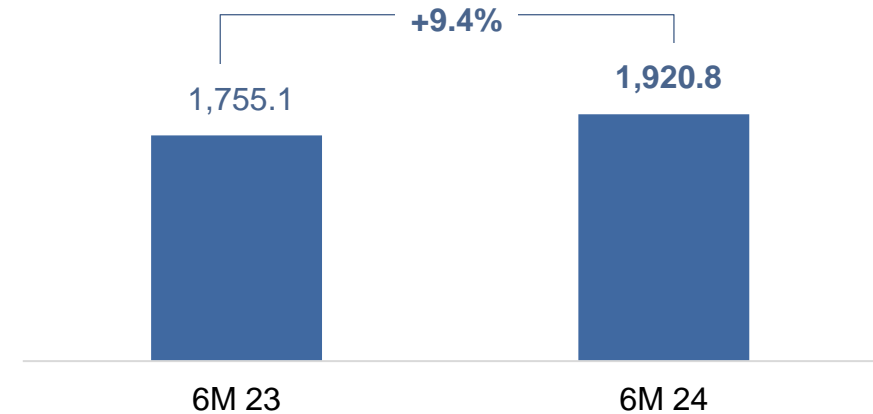
FINANCIAL HIGHLIGHTS 6M 2024

Group **General Insurance**

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



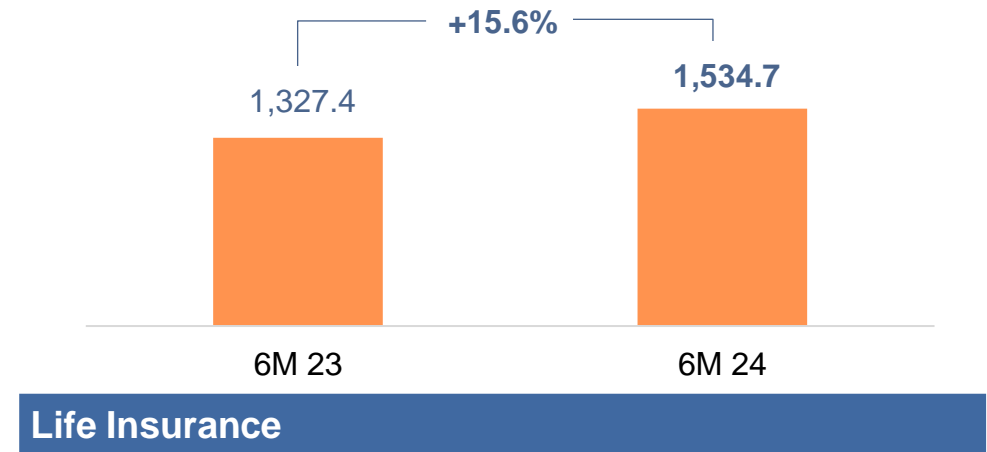
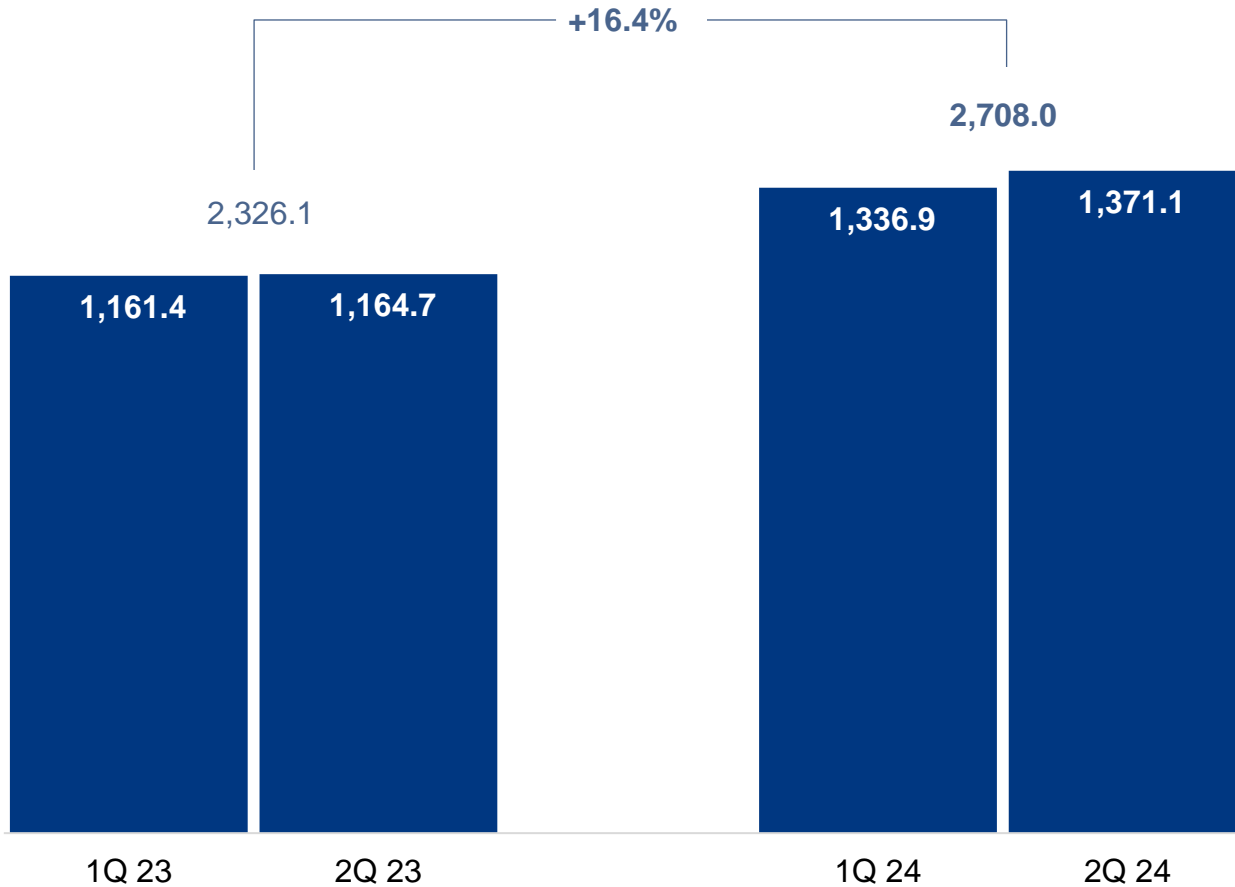
Life Insurance



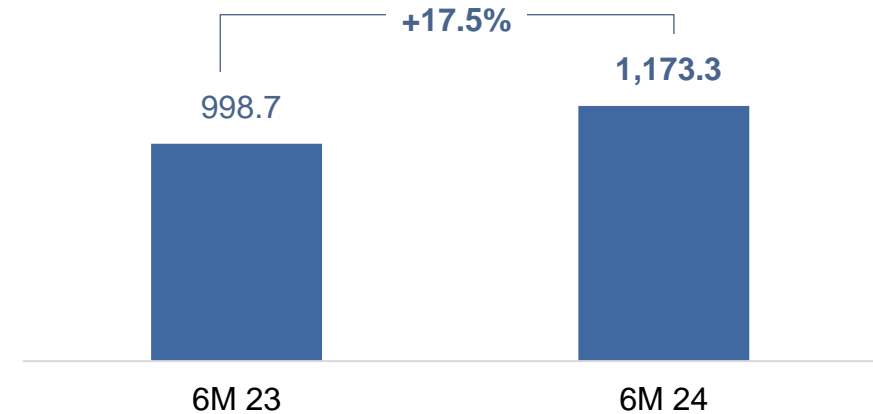
FINANCIAL HIGHLIGHTS 6M 2024

Group **General Insurance**

Insurance Revenue (RM'mil)



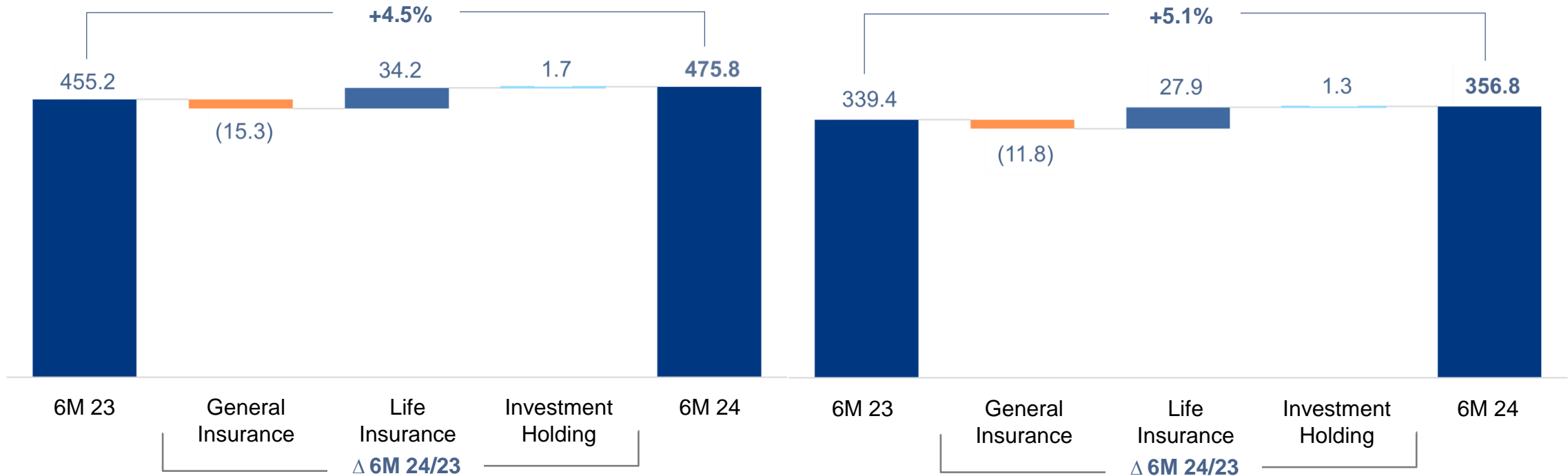
Life Insurance



FINANCIAL HIGHLIGHTS 6M 2024

Profit Before Tax drivers (RM'mil)

Profit After Tax drivers (RM'mil)

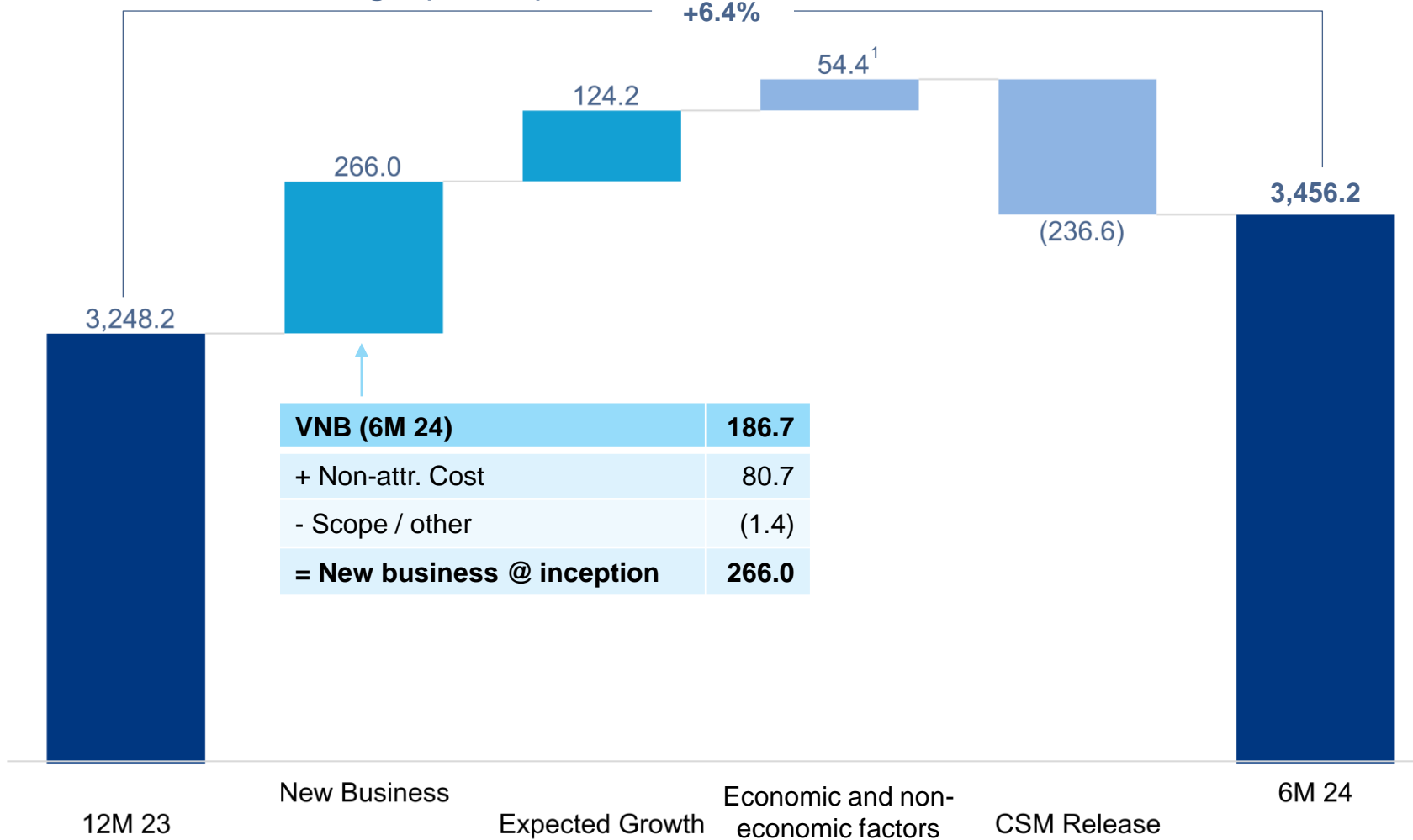


6M 2023	263.8	195.2	(3.8)	455.2
6M 2024	248.5	229.4	(2.1)	475.8
Change	(15.3)	34.2	1.7	20.6
Change (%)	(5.8%)	17.5%	44.7%	4.5%

6M 2023	198.7	144.7	(4.0)	339.4
6M 2024	186.9	172.6	(2.7)	356.8
Change	(11.8)	27.9	1.3	17.4
Change (%)	(5.9%)	19.3%	32.5%	5.1%

LIFE BUSINESS: CSM GROWTH GOOD AT 6.4%

Contractual Service Margin (RM'mil)



CSM (net)	2,263.3
Reinsurance	142.8
Non-attributable cost	335.4
Tax	714.7
CSM (gross)	3,456.2

Note 1: Higher economic and non-economic factors due to better unit fund performance for Investment-Linked and Universal Life portfolios; ongoing effort in medical repricing; and repricing top up premium collection due to medical repricing

FINANCIAL OVERVIEW

RM'mil	2022	2023	△24/23 %	6M 2023	6M 2024
Gross Written Premiums	6,023.0	6,546.5	8.7%	3,217.2	3,605.8
CSM Release	368.6	433.1	17.5%	191.4	236.6
Expense Ratio (Non Life) ¹	26.6%	26.3%	(0.3 pts)	25.6%	24.3%
Expense Ratio (Life) ²	9.8%	12.1%	2.3 pts	10.9%	11.7%
Local Consolidated PBT	873.7	956.9	9.5%	455.2	475.8
Total Assets	23,989.7	25,921.9	8.1%	24,820.1	27,313.4
Shareholders' Equity	4,677.2	5,140.6	9.9%	4,986.4	5,401.2
Dividends declared (for financial year)	322.88	381.75	18.2%	119.65	100.66
Diluted earnings per ordinary share (sen)	177.29	211.12	19.1%	98.02	103.31
Return on equity	13.3%	14.8%	1.5 pts	-	-
Return on equity (Non Life)	14.9%	18.1%	3.2 pts	-	-
Return on equity (Life)	14.2%	14.8%	0.6 pts	-	-

Note 1 : Expense ratio for Non Life insurance segment consists of both attributable and non attributable acquisition and administration expenses.

Note 2 : Expense ratio for Life insurance segment weighted for 10% of Single Premium.

SUMMARY OF UNAUDITED FINANCIAL RESULTS

RM'mil	6M 2023	6M 2024	△24/23 %
Insurance revenue	2,326.1	2,708.0	16.4%
Claims and benefits	(1,190.4)	(1,583.0)	33.0%
Acquisition and administrative expenses (net)	(558.4)	(654.4)	17.2%
Losses on onerous contracts	(9.8)	(4.3)	(56.1%)
Insurance service expenses	(1,758.6)	(2,241.7)	27.5%
Net expenses from reinsurance contracts held	(137.9)	(50.0)	(63.7%)
Insurance service results	429.6	416.3	(3.1%)
Net investment income	470.6	950.9	>100%
Net (re-)insurance finance expenses	(367.5)	(821.4)	>100%
Net financial and investment results	532.7	545.8	2.5%
Other operating income	0.6	5.4	>100%
Other operating expenses	(78.1)	(75.4)	(3.5%)
Profit before tax	455.2	475.8	4.5%
Tax expense	(115.8)	(119.0)	2.8%
Profit after tax	339.4	356.8	5.1%

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GENERAL BUSINESS



GENERAL BUSINESS

Comments

Gross written premiums

- Continued growth momentum in the second quarter with gross written premium increased by 15.2% as compared to prior year. Higher premium stemming from motor business (+20.1%).

Profitability

- Lower profit before tax mainly contributed by higher claims from fire and engineering large losses.

Distribution and Portfolio

- 56.6% (6M 2023: 56.1%) of GWP from Agency and 29.5% (6M 2023: 30.9%) from Franchise.
- Both distribution channels remained as the main growth contributors, with growth mainly coming from Motor class.

Combined ratio

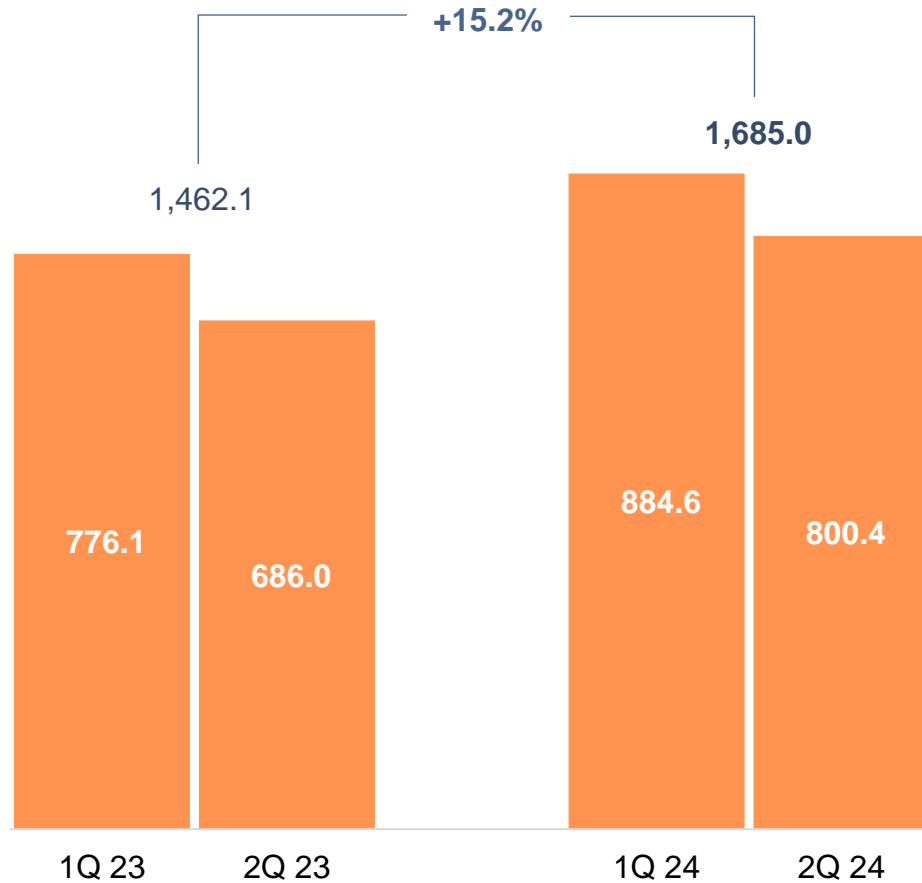
- Higher combined ratio of 3.0 pts mainly contributed by higher claims from fire and engineering large losses partially offset by lower expense ratio.

Market growth

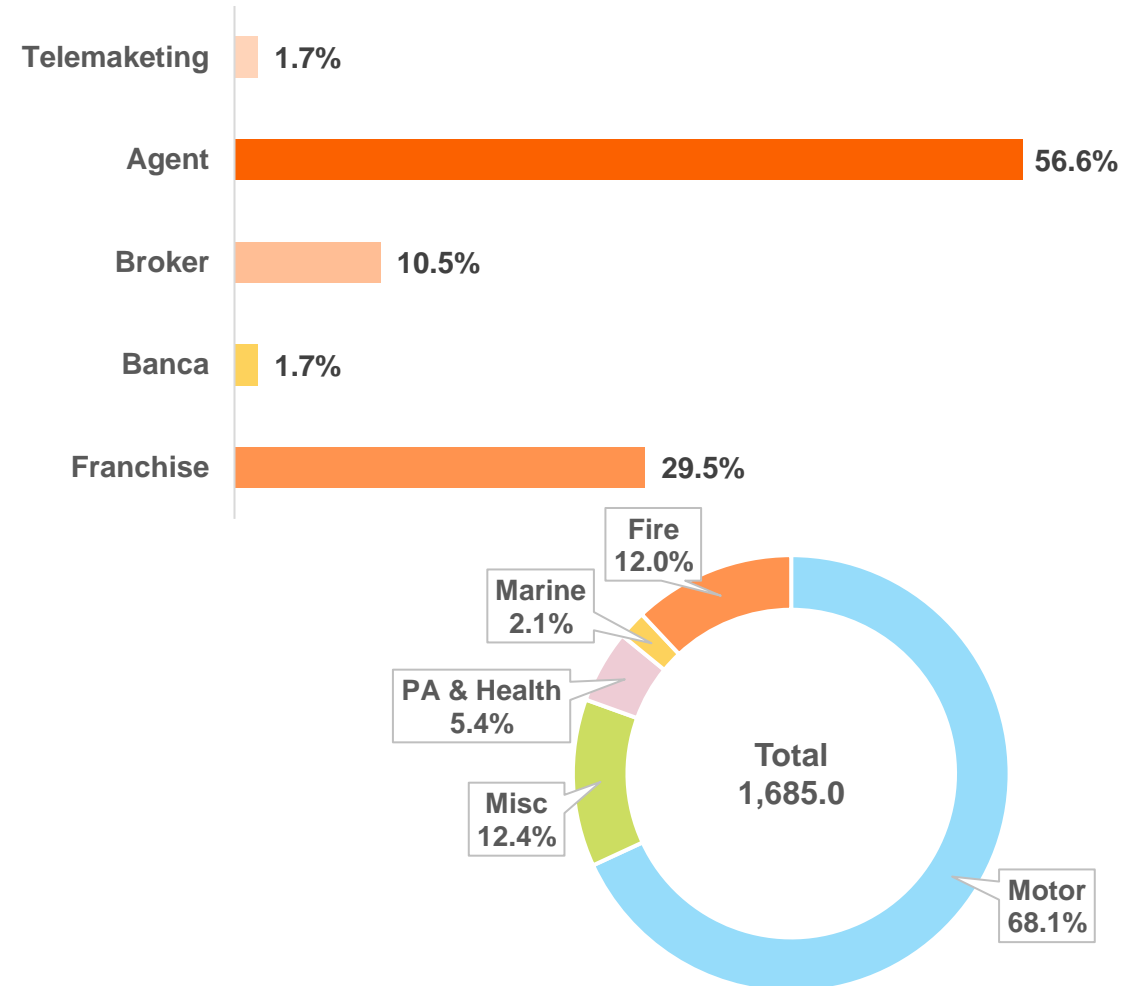
- Market share stood at 14.1% in 6M 2024 as compared to 12M 2023 of 14.0%.

GENERAL BUSINESS: GOOD SALES MOMENTUM WITH HIGHER GWP GROWTH

Gross Written Premium (RM'mil)

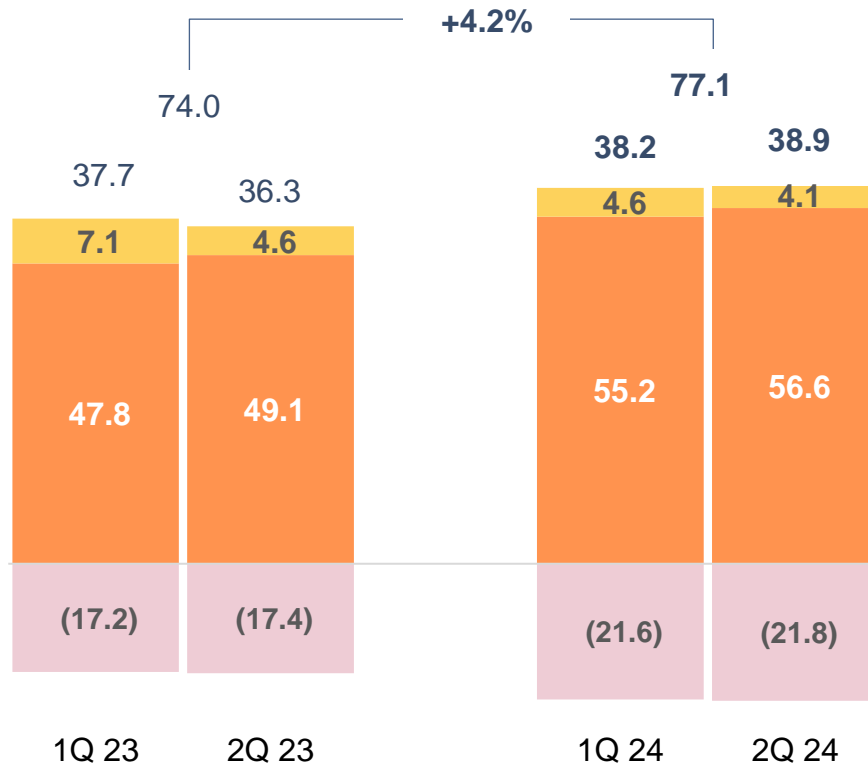


Distribution Channel & Portfolio Mix



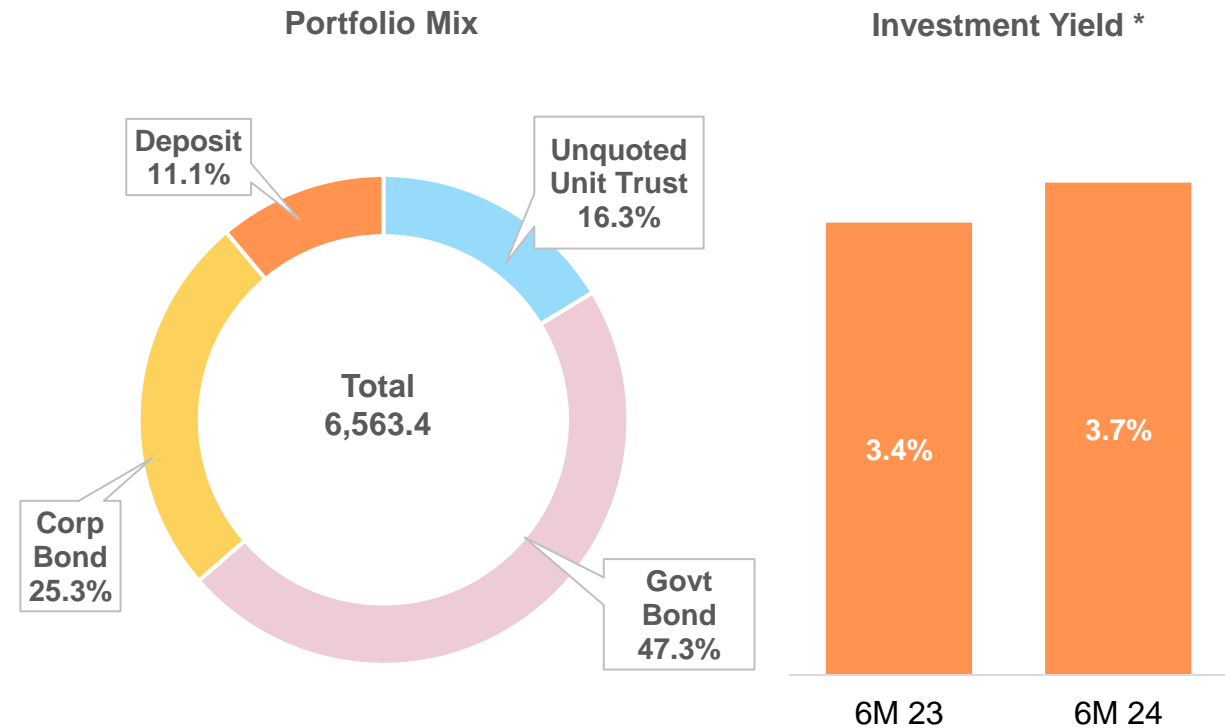
GENERAL BUSINESS: GROWTH IN INVESTMENT INCOME IN LINE WITH HIGHER YIELD AND GROWTH IN INVESTMENT ASSETS

Net investment income/
Net (re-)insurance finance expenses
(RM'mil)



- Interest accretion
- Realised gains/losses, valuation results and others
- Interest and similar income

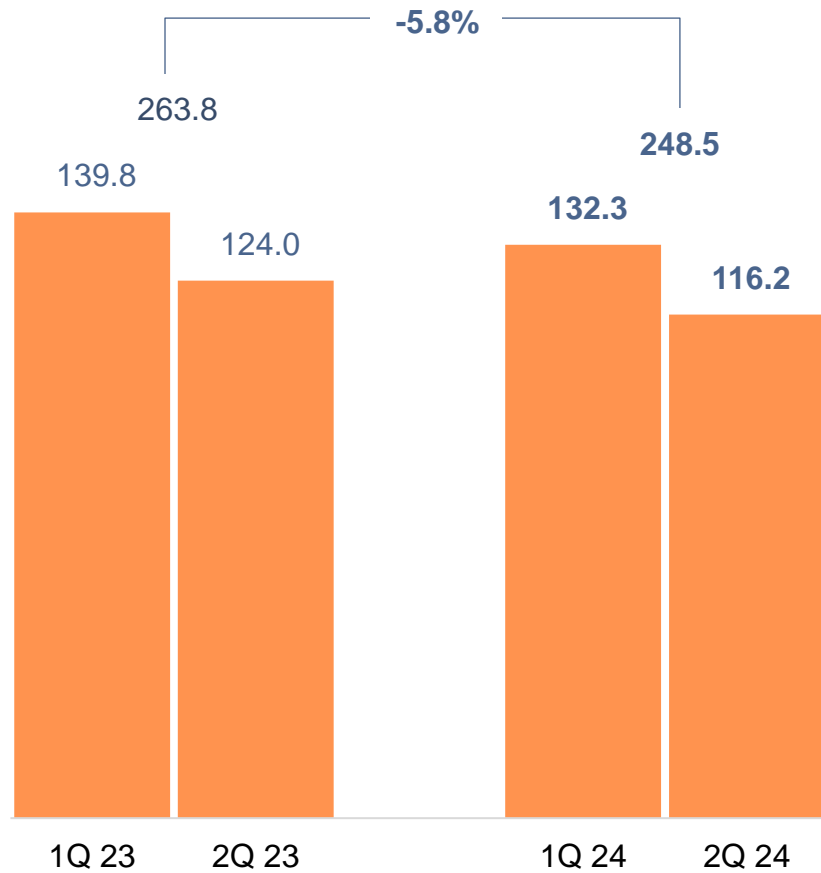
Portfolio Mix and Investment Yield (Annualised)



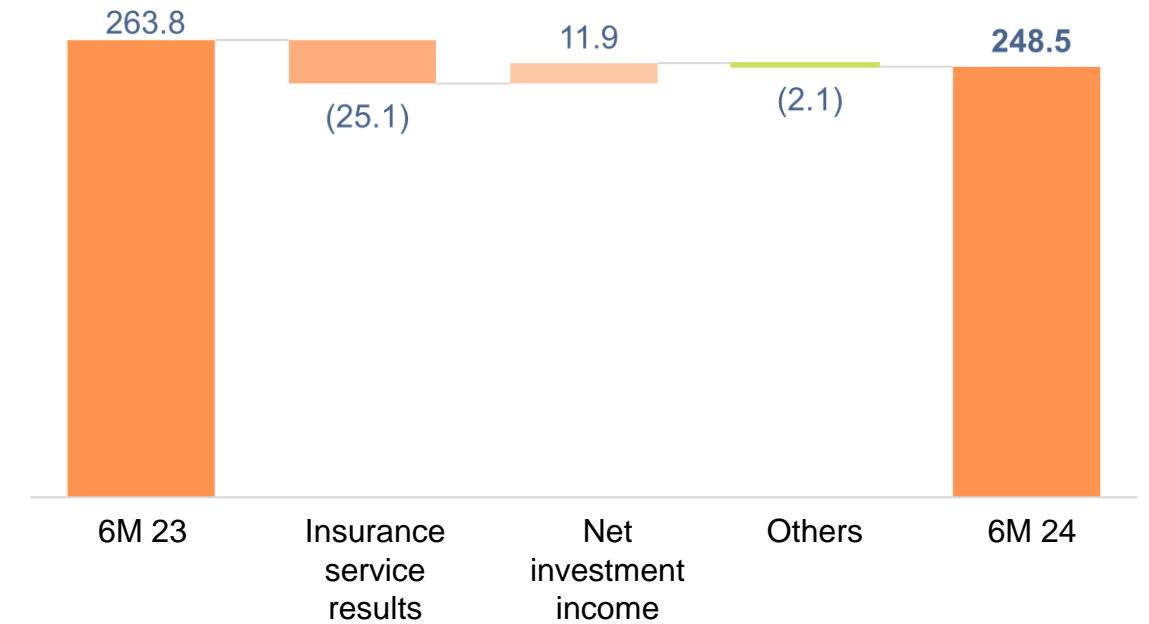
* Investment yield is excluding fair value gains/losses

GENERAL BUSINESS: LOWER PBT DUE TO LOWER INSURANCE SERVICE RESULTS

Profit Before Tax (RM'mil)



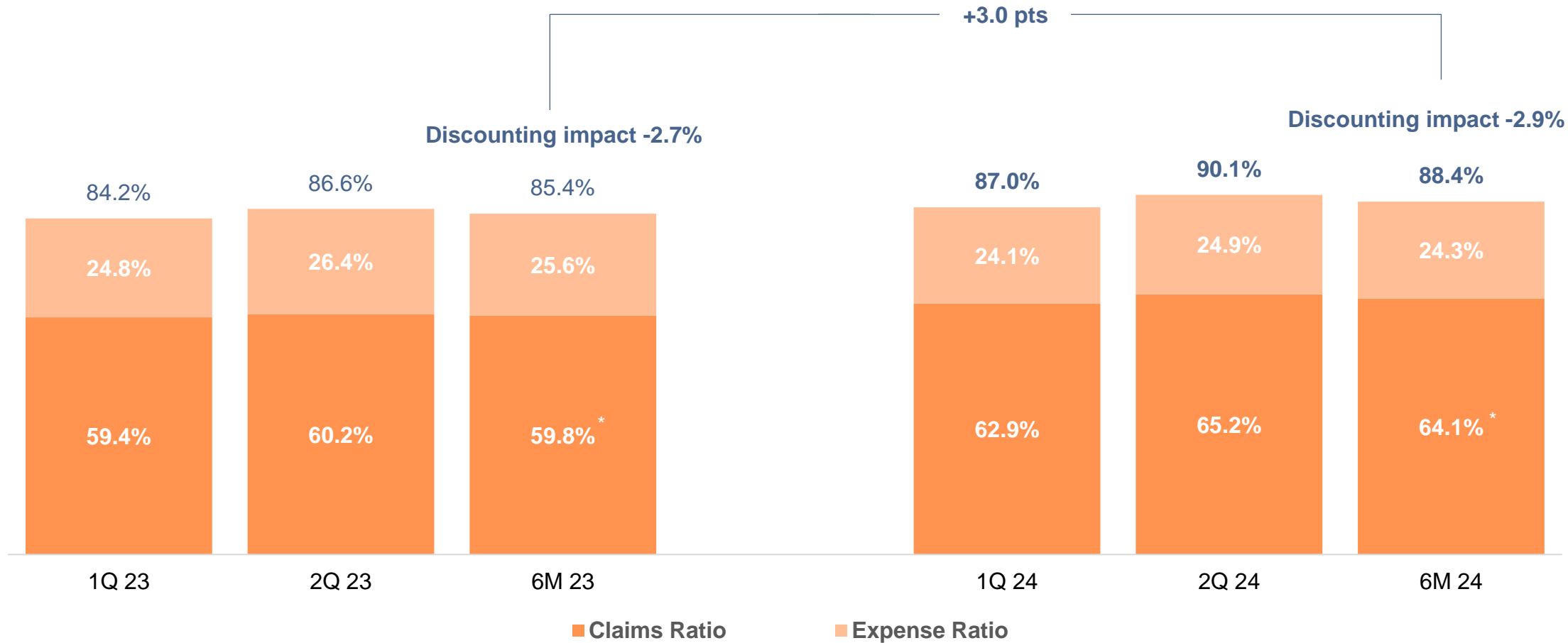
PBT Drivers (RM'mil)



6M 2023	221.2	108.6	(66.0)	263.8
6M 2024	196.1	120.5	(68.1)	248.5
Change	(25.1)	11.9	(2.1)	(15.3)

GENERAL BUSINESS: HIGHER COMBINED RATIO DUE TO HIGHER CLAIMS RATIO

Combined Ratio



* Include reinsurance results - reinsurance ratio 12.2% in 6M 23, 1.9% in 6M 24.

GENERAL BUSINESS: FINANCIAL RESULTS AT A GLANCE

RM'mil	6M 2023	6M 2024	△24/23 %
Insurance revenue	1,327.4	1,534.7	15.6%
Claims	(626.6)	(951.4)	51.8%
Acquisition and administrative expenses (net)	(312.5)	(355.1)	13.6%
Losses on onerous contracts	(5.5)	(3.6)	(34.5%)
Net expenses from reinsurance contracts held	(161.6)	(28.5)	(82.4%)
Insurance service result	221.2	196.1	(11.3%)
Net investment income	108.6	120.5	11.0%
Net (re-)insurance finance expenses	(34.6)	(43.4)	25.4%
Other operating income	0.6	0.5	(16.7%)
Other operating expenses	(32.0)	(25.2)	(21.3%)
Profit before tax (after consolidation adjustment)	263.8	248.5	(5.8%)
Claims ratio	59.8%	64.1%	4.3 pts
Expense ratio*	25.6%	24.3%	(1.3 pts)
Combined ratio	85.4%	88.4%	3.0 pts

* Expense ratio consists of both attributable and non attributable acquisition and administration expenses.

GENERAL BUSINESS: PERFORMANCE COMPARED TO INDUSTRY (JAN-JUN 2024)

KPIs	AGIC ¹ 6M 2024	Industry ¹ 6M 2024	Takaful ¹ 6M 2024
GWP growth	15.1%	9.5%	10.5%
Market Share (6M 2024)²	14.1%		
Market Ranking (3M 2024)³	No. 1		

Notes:

- 1) Source: ISM Market Performance Report Jan-Jun 2024 (General Insurance & General Takaful) – GWP growth is different as ISM statistic exclude business outside of Malaysia.
- 2) Source: AGIC Revenue Account and ISM Market Performance Report Jan-Jun 2024
- 3) Source: ISM Market Performance Report Jan-Mar 2024

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LIFE BUSINESS



LIFE BUSINESS

Comments

Gross written premiums

- Gross written premiums grew by 9.4% with growth from Bancassurance (+ 43.5%) and Employee Benefit (+ 12.8%).

Market growth

- ANP increased by 38.9% and surpassed industry growth of 15.3%.¹
- Market share for 6M 2024 increased to 11.2% (12M 2023: 9.8%).

Distribution

- Growth is driven by all key distribution channels. Agency ANP increased by 26.5%, Bancassurance increased by 71.2% and Employee Benefits increased by 12.9%.
- Focus on strategy to intensify agency recruitment and uplift agency 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.
- Agency protection business grew by 38.0%.
- Investment-linked ANP and GWP grew by 71.3% and 18.5%.

Profitability

- Profit before tax of RM229.4 million (6M 2023: RM195.2 million) due to higher insurance service results from investment-linked protection business and higher net investment income from larger assets base. It is sustained by high CSM release despite the continued high health inflation.

Value of new business

- New business value was RM186.7 million, increased by 26.7% due mainly to higher sales and continued focus on high margin production.

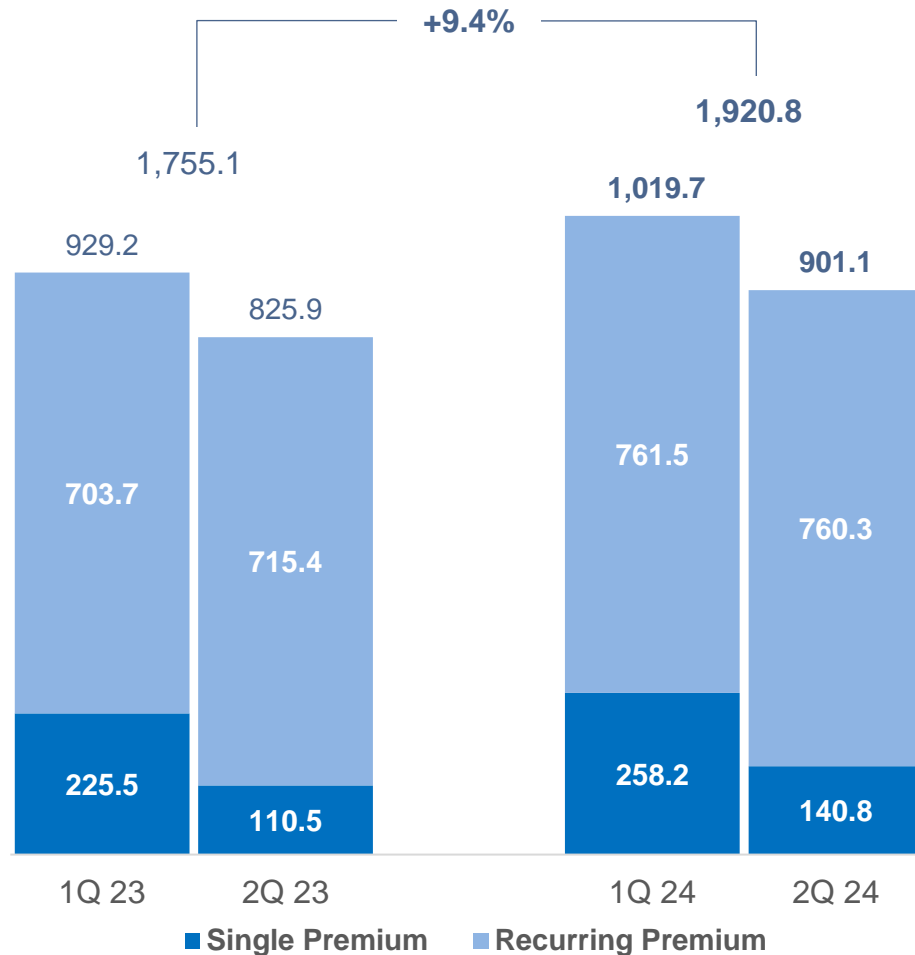
CSM

- As at 30 June 2024, CSM was at RM3.46 billion, an increase of RM208.0 million from the end of 2023. The growth in CSM is contributed by new business generated, in-force movements offset by releases for the period.

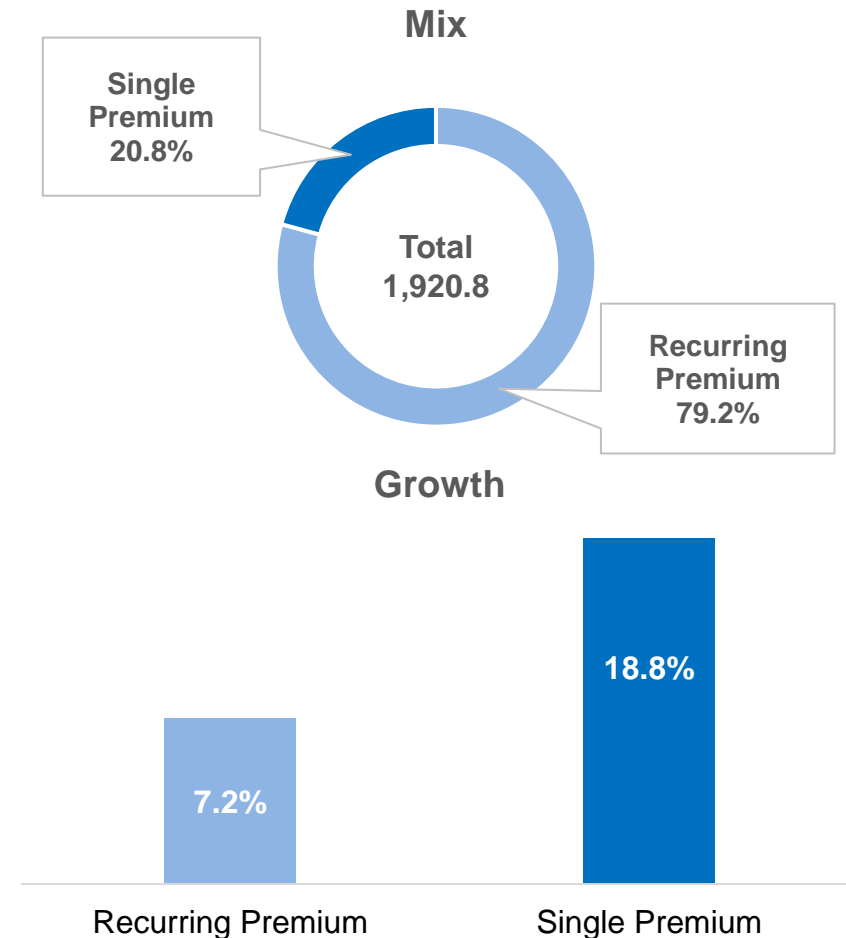
Note 1: Market share based on statistics from LIAM.

LIFE BUSINESS: STRONG GROWTH DRIVEN BY SINGLE PREMIUM (DOUBLE DIGIT GROWTH) AND RECURRING PREMIUM

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

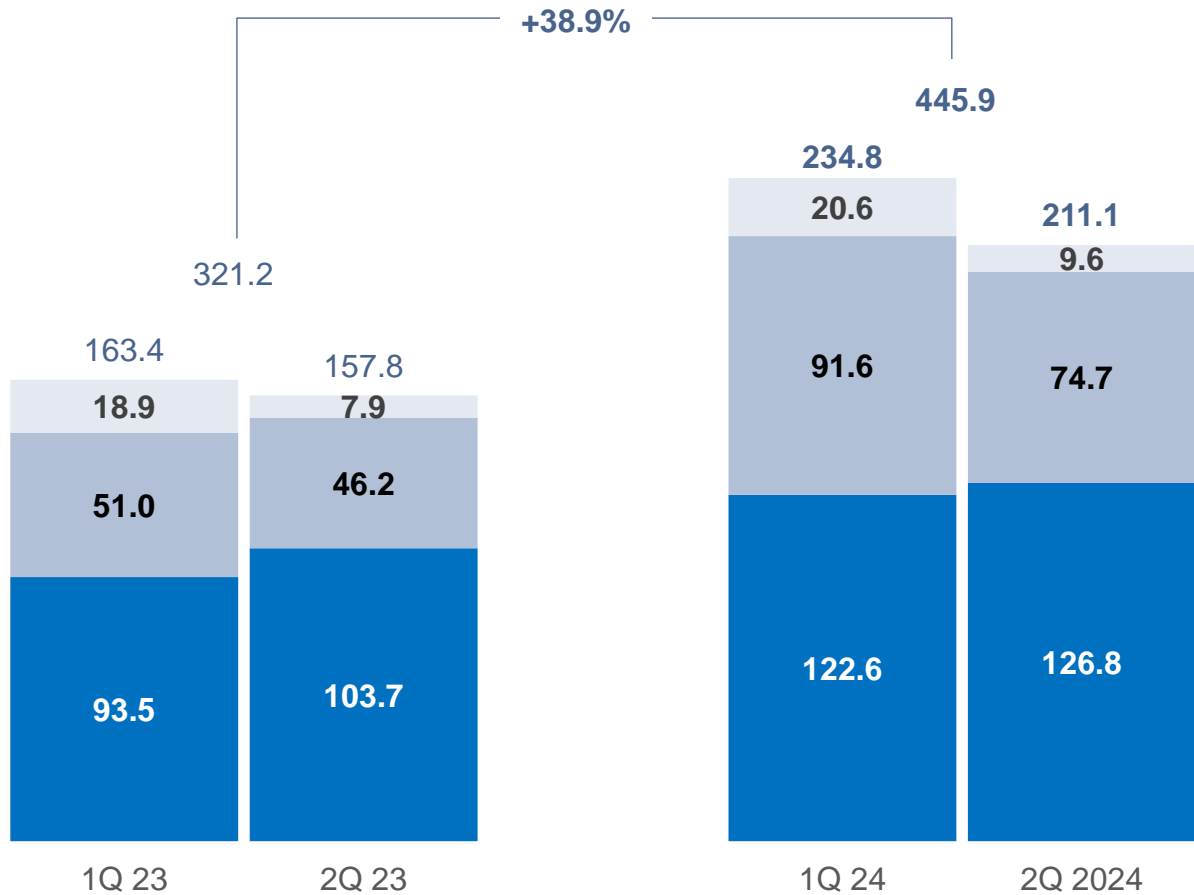


GWP Mix & Growth (%) (6M 2024)

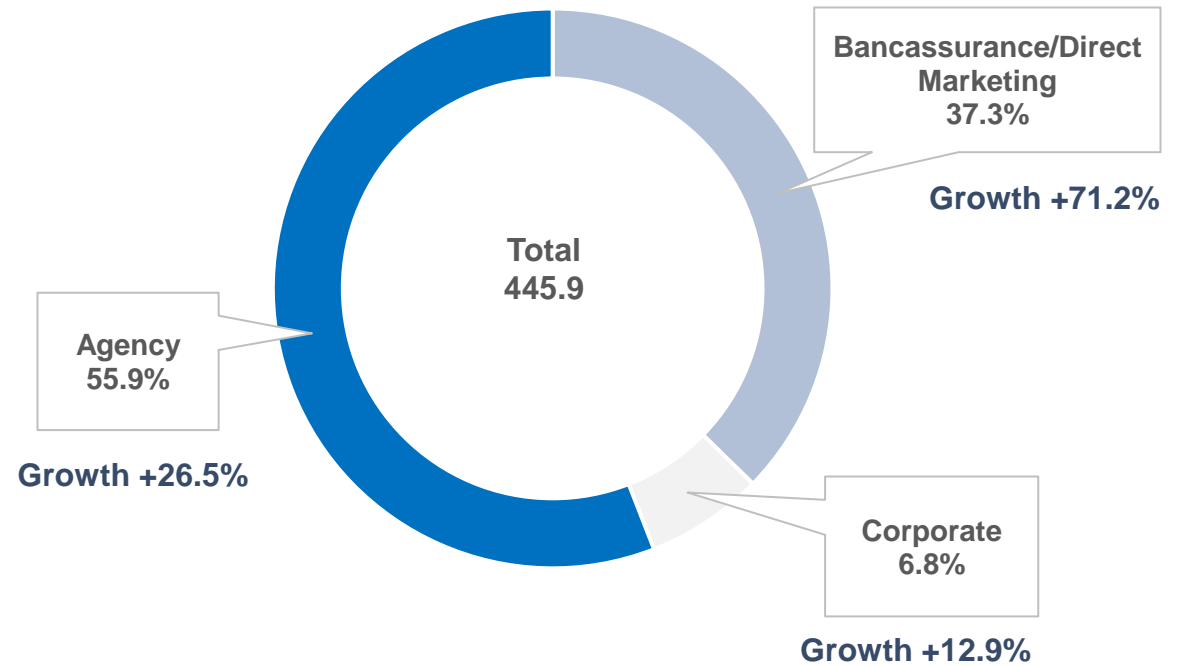


LIFE BUSINESS: GROWTH IN ANP DRIVEN BY ALL KEY DISTRIBUTION CHANNELS

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



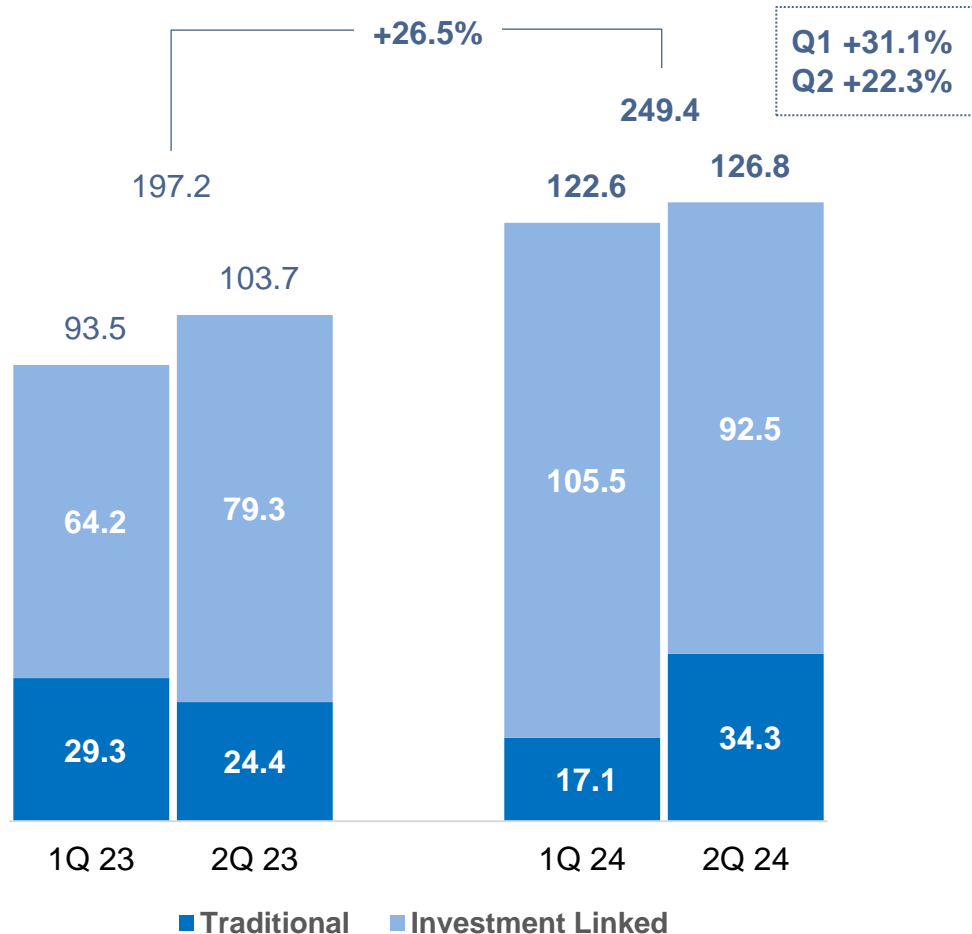
ANP Channel Mix (%) (6M 2024)



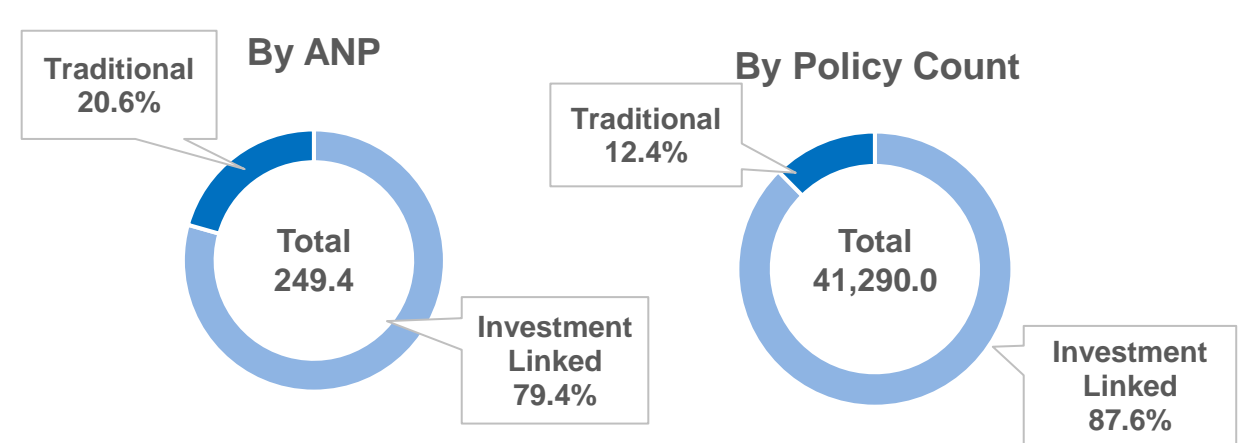
■ Agency ■ Bancassurance/Direct Marketing ■ Employee Benefits

LIFE BUSINESS (AGENCY): CONTINUE FOCUS ON PREFERRED SEGMENT OF REGULAR INVESTMENT-LINKED PRODUCTS WITH BETTER MARGINS

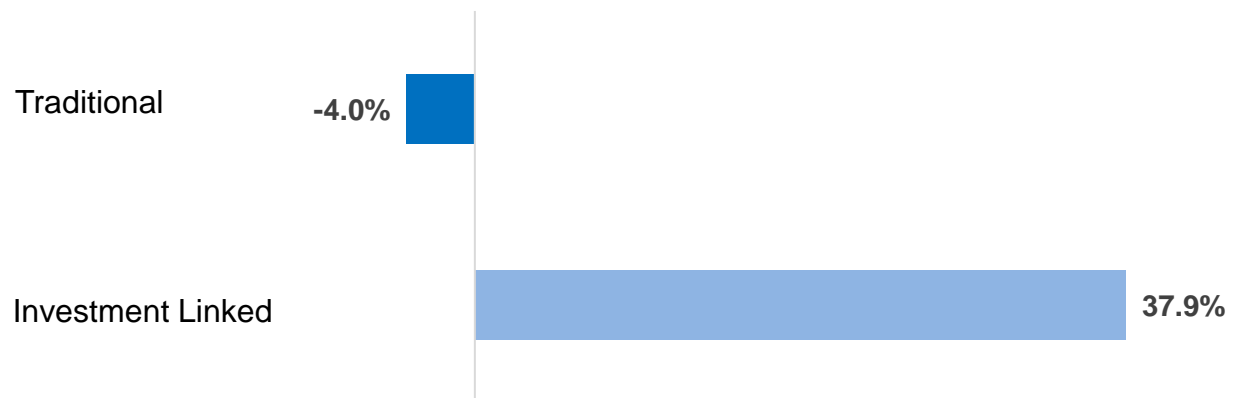
Agency Annualised New Premiums (RM'mil)



Agency Product Mix (%) (6M 2024)

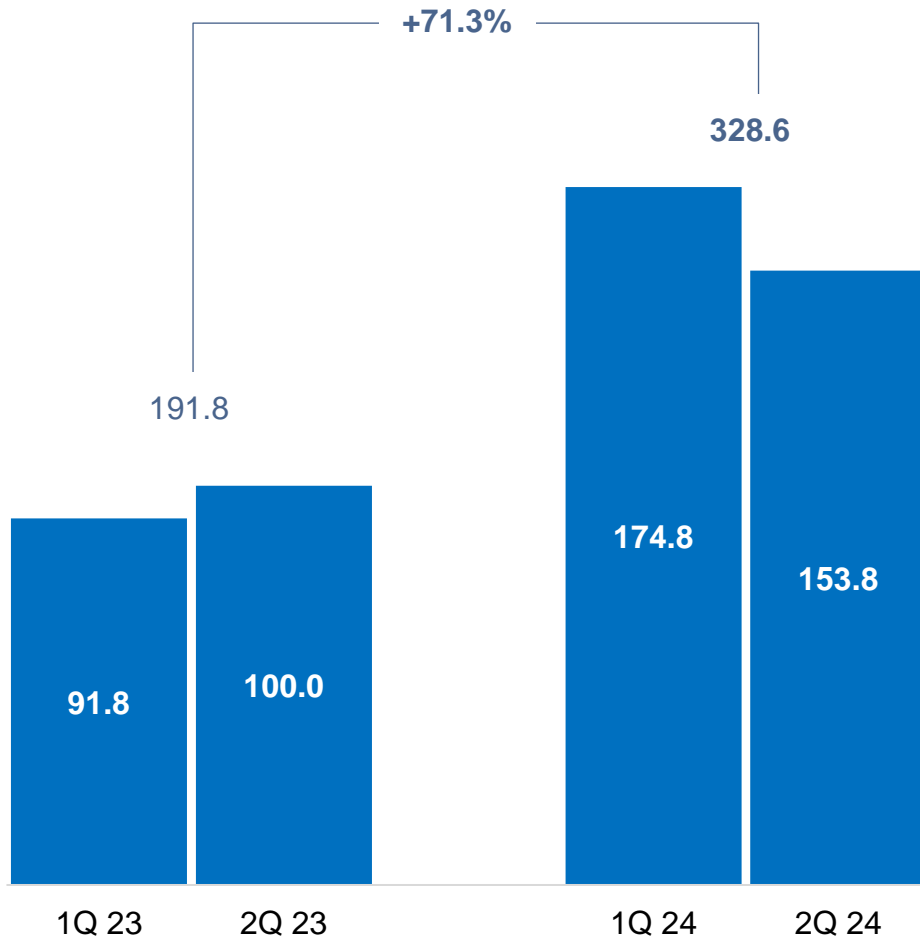


Agency ANP Growth (%) (6M 2024)

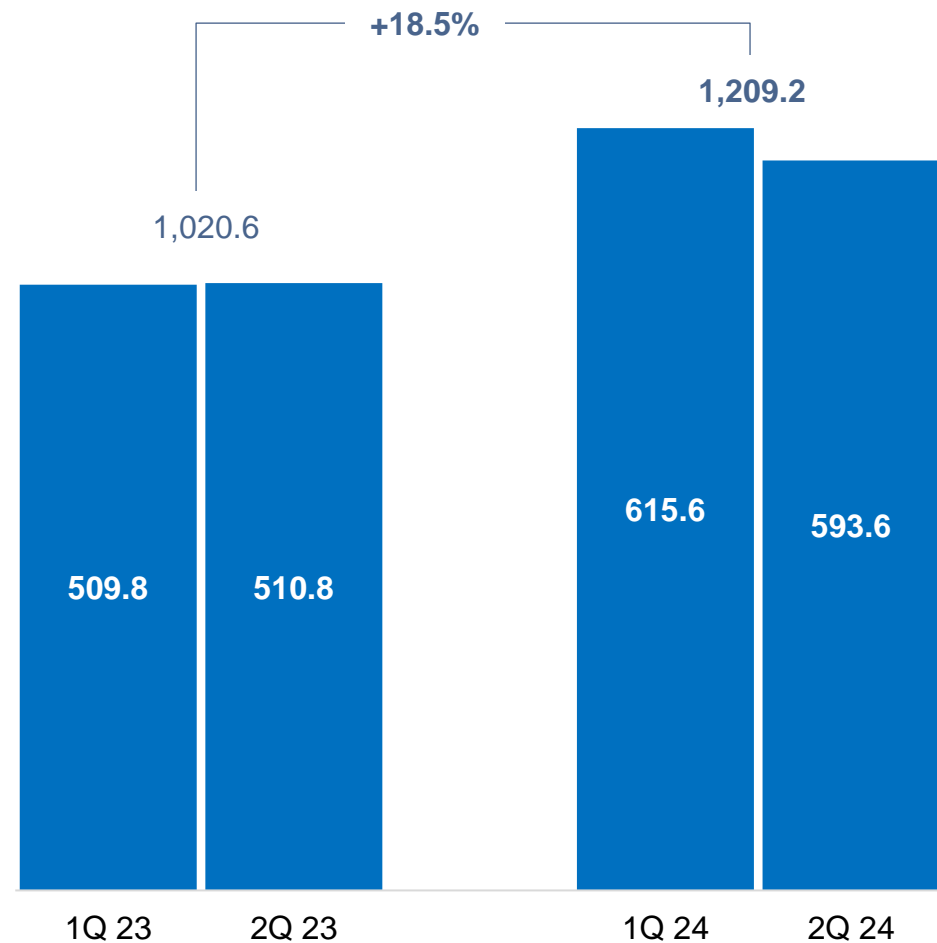


LIFE BUSINESS: INVESTMENT-LINKED WITH PROTECTION FEATURES CONTINUES TO GROW

Annualised New Premiums (RM'mil)

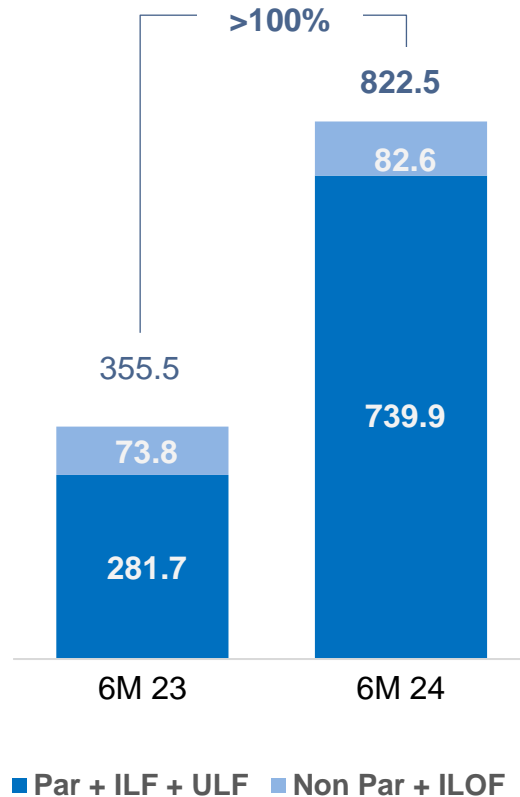


Gross Written Premiums (RM'mil)

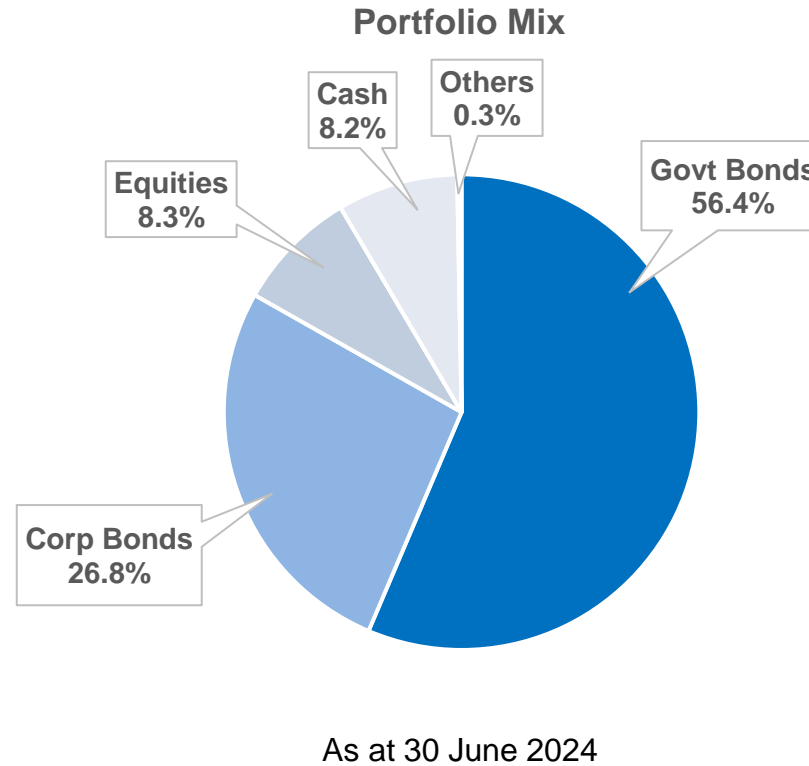


LIFE BUSINESS: HIGHER INVESTMENT INCOME DRIVEN FAIR VALUE GAINS FROM FAVOURABLE MARKET CONDITION

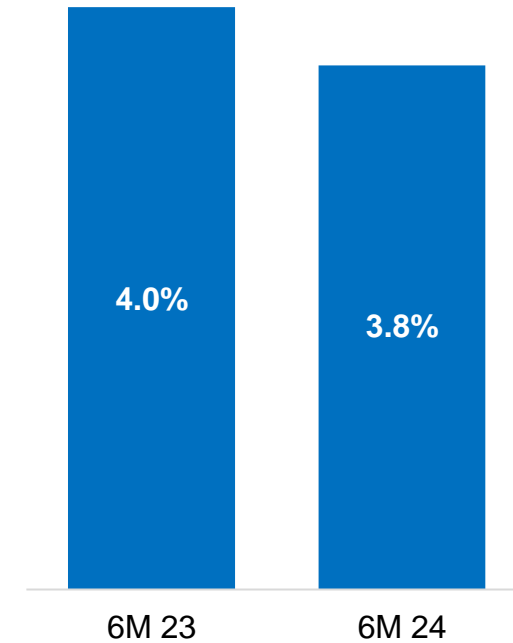
Investment Income by funds (RM'mil)



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



Investment Yield (Annualised)



Note: Net investment income exclude fair value gains/ (losses).

LIFE BUSINESS: FINANCIAL RESULTS AT A GLANCE

RM'mil	6M 2023	6M 2024	△24/23 %
Insurance revenue	998.7	1,173.3	17.5%
- Release contractual service margin	191.4	236.6	23.6%
- Release of expected cash flows, risk adjustments and others	807.3	936.7	16.0%
Claims and benefits	(563.8)	(631.6)	12.0%
Acquisition and administrative expenses (net)	(245.9)	(299.3)	21.7%
Losses on onerous contracts	(4.3)	(0.7)	(83.7%)
Net income/(expenses) from reinsurance contracts held	23.7	(21.5)	(>100%)
Insurance service result	208.4	220.2	5.7%
Net investment income	355.5	822.5	>100%
Finance expenses from insurance contracts issued	(333.0)	(777.1)	>100%
Finance expenses from reinsurance contracts held	0.1	(0.9)	(>100%)
Other operating income	-	4.9	>100%
Other operating expenses	(35.8)	(40.2)	12.3%
Profit before tax (after consolidation adjustment)	195.2	229.4	17.5%
Annualised new premiums	321.2	445.9	38.9%
Expense ratio (LF+SHF)	10.9%	11.7%	0.8 pts
Local investment yield (LF+SHF)	4.0%	3.8%	(0.2 pts)
Block persistency ratio	85.4%	82.2%	(3.2 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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