



**ALLIANZ MALAYSIA
BERHAD** (197201000819)

Q3 2024

**FINANCIAL RESULTS
MFRS 9/17**

Analyst Briefing
25 November 2024

Allianz 

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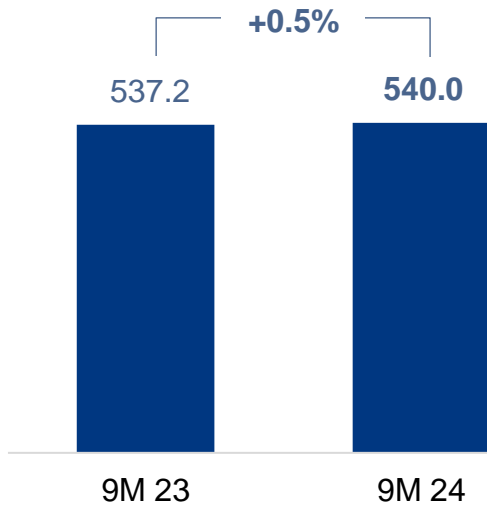
AMB GROUP FINANCIAL RESULTS



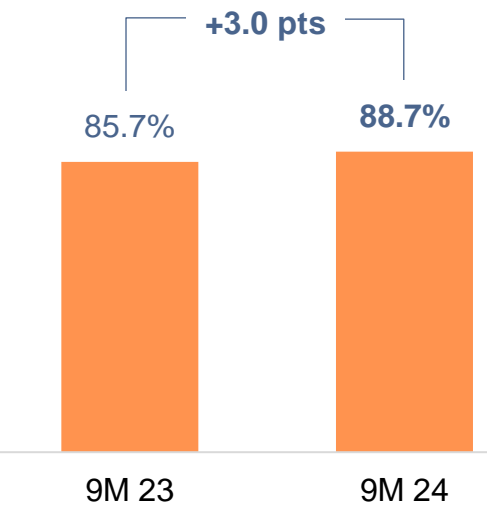
FINANCIAL HIGHLIGHTS 9M 2024

| Group | General Insurance | Life Insurance | Investment Holding |
|---------------------------------------|-------------------|------------------|--------------------|
| Gross Written Premium (RM'mil) | | | |
| 5,514.5 (+11.5%) | 2,570.2 (+14.2%) | 2,944.3 (+9.2%) | |
| Insurance Revenue (RM'mil) | | | |
| 4,148.5 (+14.2%) | 2,361.6 (+16.1%) | 1,786.9 (+11.8%) | |
| Profit Before Tax (RM'mil) | | | |
| 720.9 (+0.5%) | 388.1 (-4.2%) | 341.7 (+6.8%) | (8.9) (-18.7%) |

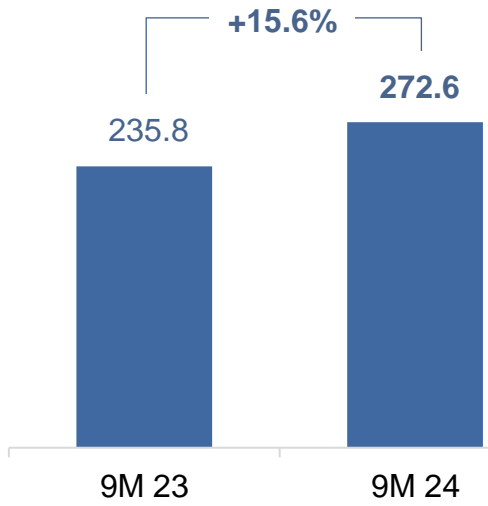
Shareholders' net income
(in RM'mil)



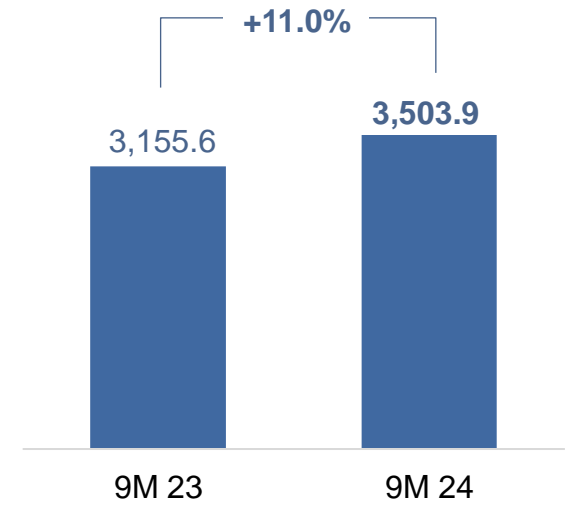
Combined ratio
(in %)



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 RM4.15 billion, an increase of 14.2% from RM3.63 billion in 2023 due to strong insurance revenue from both insurance segments.
- General business recorded an insurance revenue of RM2.36 billion, an increase of 16.1% compared to corresponding period of RM2.03 billion mainly from increase in gross earned premium from motor business.
- Life business recorded an insurance revenue of RM1.79 billion, an increase of 11.8% compared to corresponding period of RM1.60 billion mainly attributed to higher insurance revenue from investment-linked protection and employee benefit business.

Earnings per ordinary share

- Basic earnings per ordinary share at 272.78 sen (9M 2023: 266.13 sen).
- Diluted earnings per ordinary share at 156.53 sen (9M 2023: 155.17 sen).

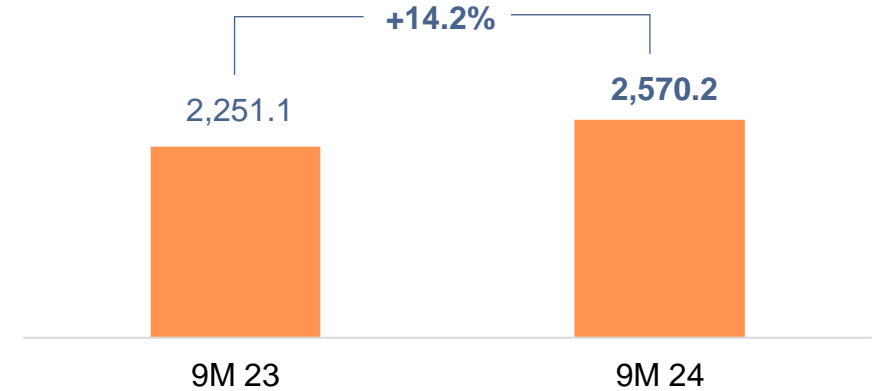
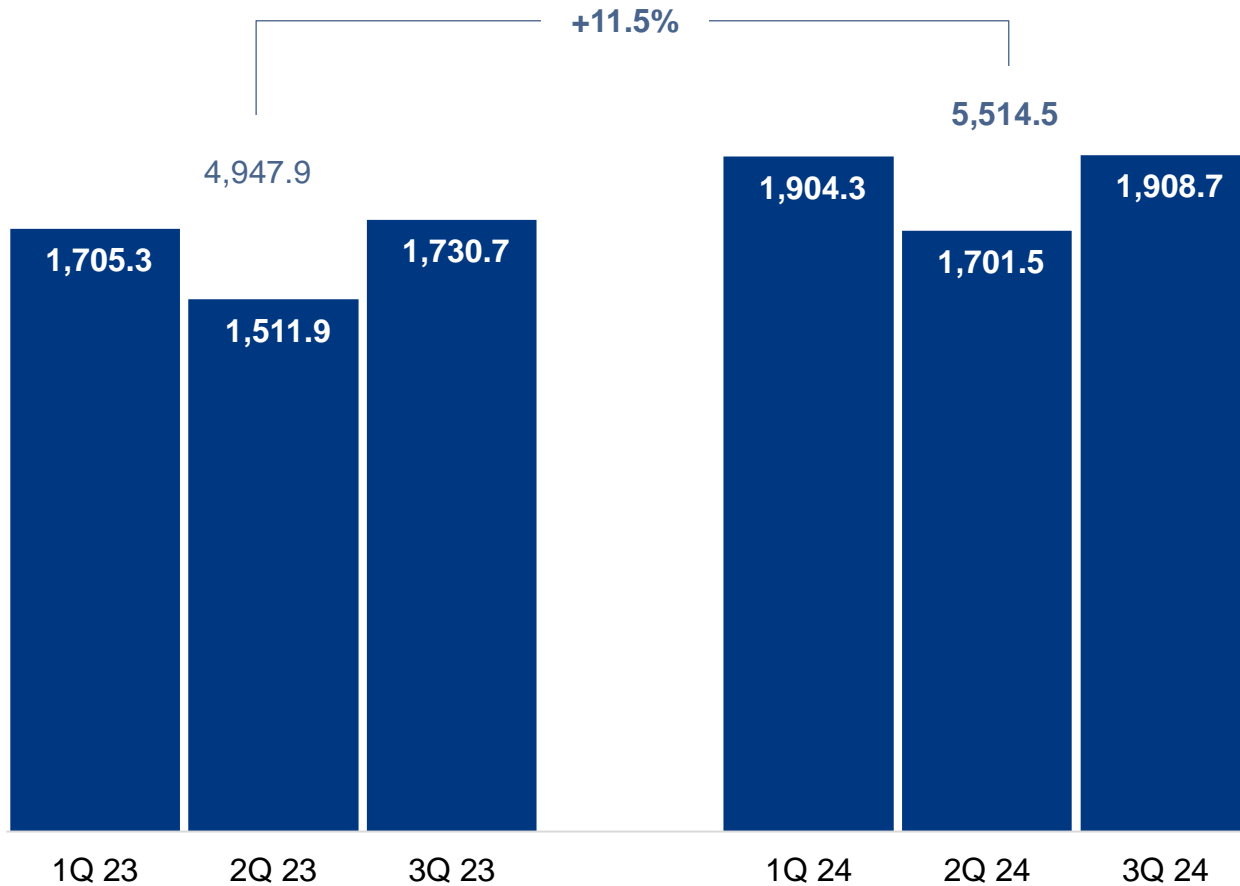
Profitability

- Group profit before tax of RM720.9 million, increased by 0.5% (9M 2023: RM717.5 million) due to higher profit contribution from life insurance segment offset by lower contribution from general insurance segment.
- General business contributed a profit before tax of RM388.1 million, a decrease of 4.2% (9M 2023: RM405.0 million). The decrease was mainly contributed by higher claims from Fire and Engineering large losses. Net combined ratio was 88.7% as at 9M 2024 which remain at a strong level below market average.
- Life insurance business recorded a profit before tax of RM341.7 million, an increase of 6.8% (9M 2023: RM320.0 million) due to higher contractual service margin (“CSM”) release for the period and higher net investment results.

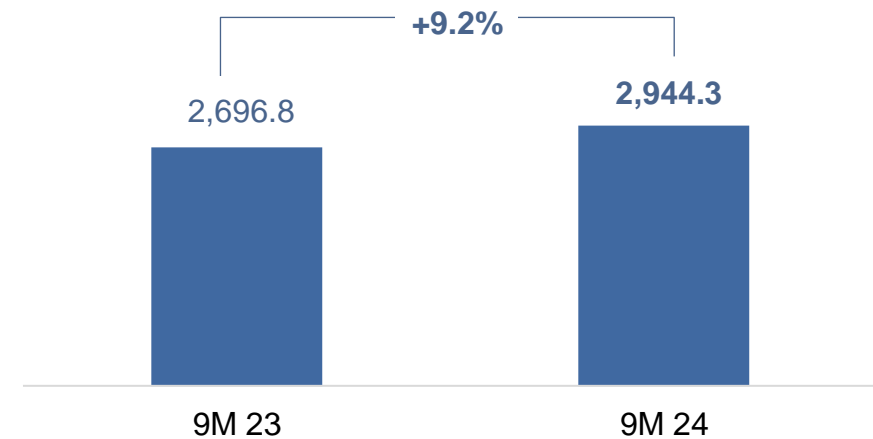
FINANCIAL HIGHLIGHTS 9M 2024

Group | **General Insurance**

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



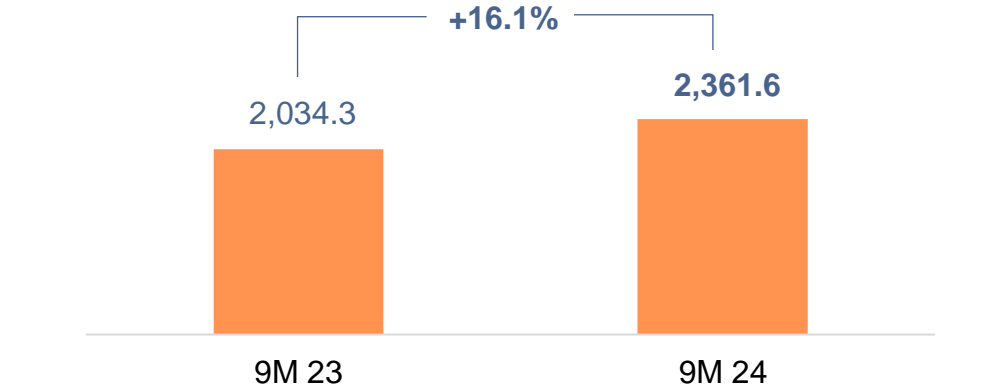
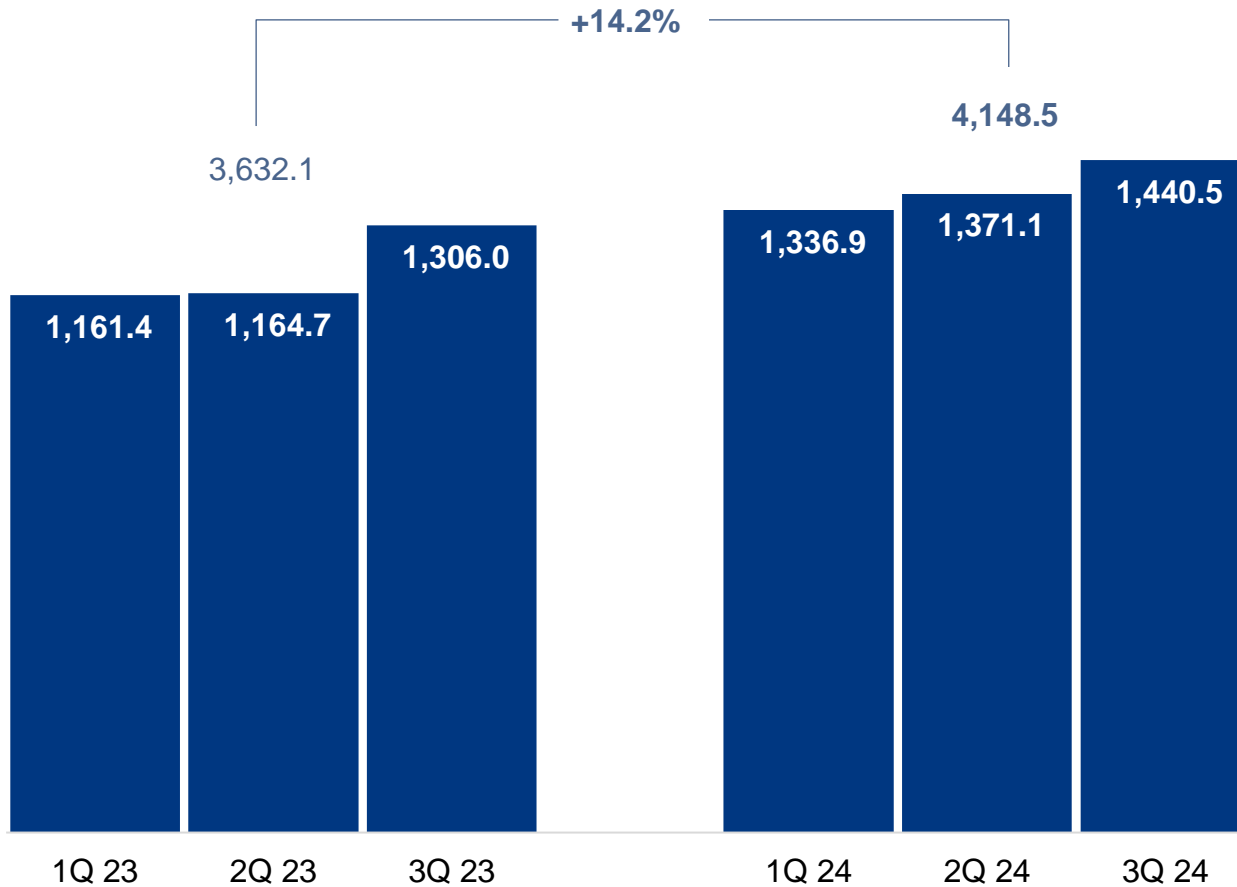
Life Insurance



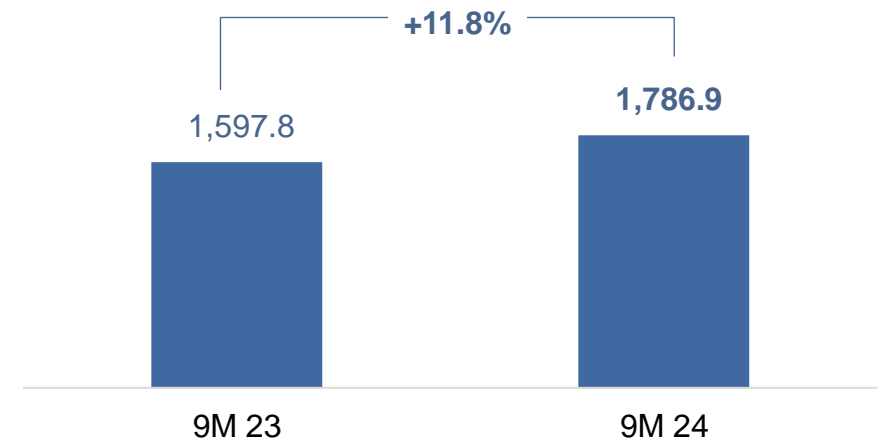
FINANCIAL HIGHLIGHTS 9M 2024

Group **General Insurance**

Insurance Revenue (RM'mil)



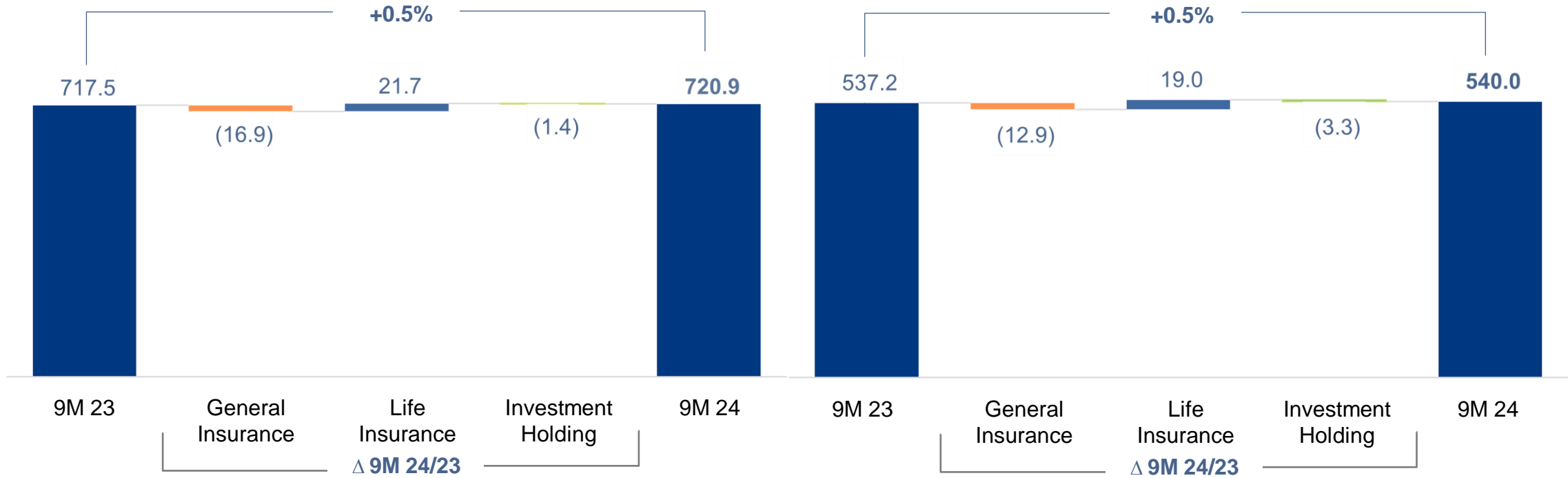
Life Insurance



FINANCIAL HIGHLIGHTS 9M 2024

Profit Before Tax drivers (RM'mil)

Profit After Tax drivers (RM'mil)

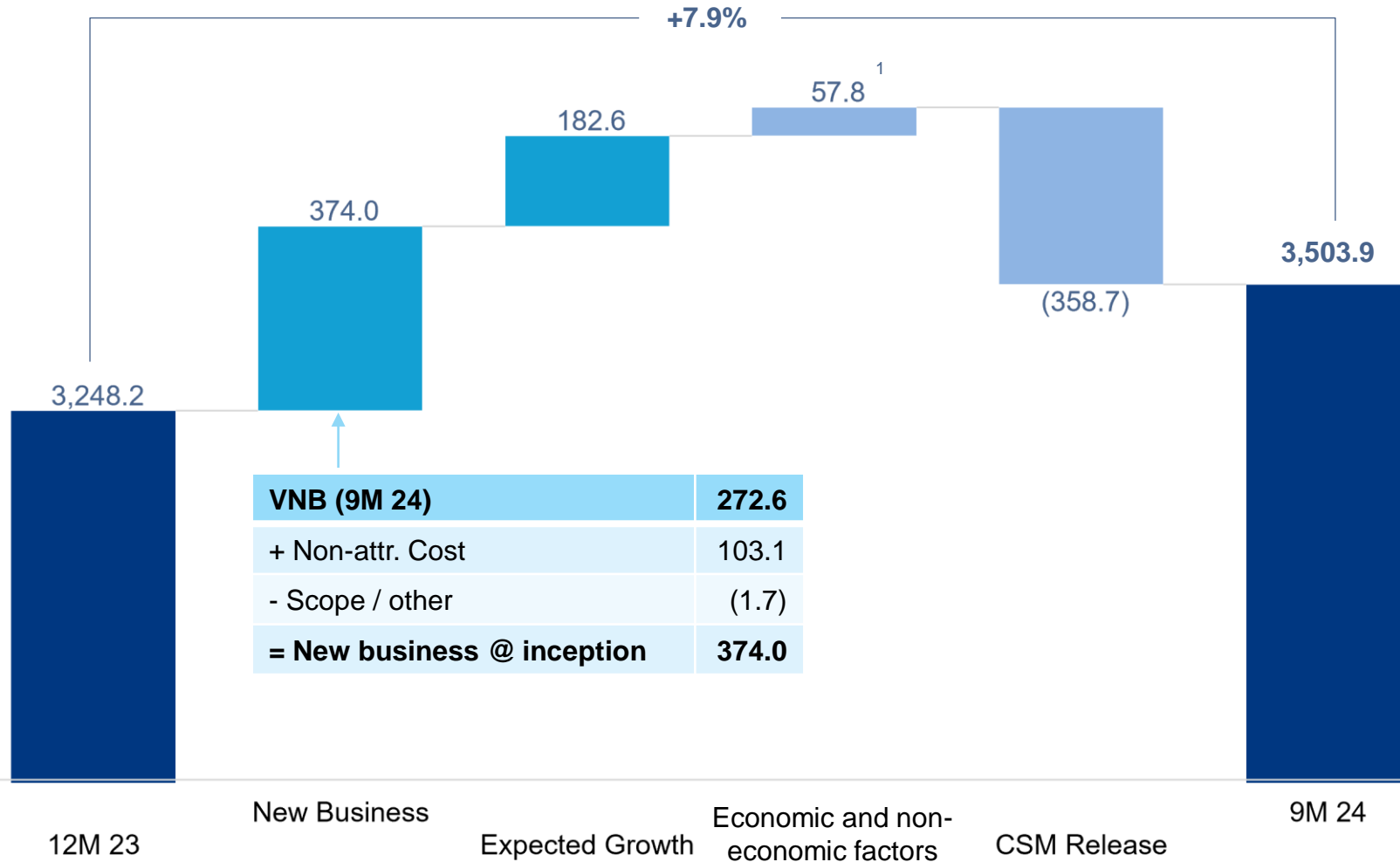


| | | | | |
|------------|--------|-------|---------|-------|
| 9M 2023 | 405.0 | 320.0 | (7.5) | 717.5 |
| 9M 2024 | 388.1 | 341.7 | (8.9) | 720.9 |
| Change | (16.9) | 21.7 | (1.4) | 3.4 |
| Change (%) | (4.2%) | 6.8% | (18.7%) | 0.5% |

| | | | | |
|------------|--------|-------|---------|-------|
| 9M 2023 | 306.8 | 237.3 | (6.9) | 537.2 |
| 9M 2024 | 293.9 | 256.3 | (10.2) | 540.0 |
| Change | (12.9) | 19.0 | (3.3) | 2.8 |
| Change (%) | (4.2%) | 8.0% | (47.8%) | 0.5% |

LIFE BUSINESS: CSM GROWTH GOOD AT 7.9%

Contractual Service Margin (RM'mil)



| | |
|-----------------------|----------------|
| CSM (net) | 2,283.1 |
| Reinsurance | 155.6 |
| Non-attributable cost | 344.2 |
| Tax | 721.0 |
| CSM (gross) | 3,503.9 |

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 % | 9M 2023 | 9M 2024 |
|---|----------|----------|-----------|----------|----------|
| Gross Written Premiums | 6,023.0 | 6,546.5 | 8.7% | 4,947.9 | 5,514.5 |
| CSM Release | 368.6 | 433.1 | 17.5% | 321.4 | 358.7 |
| Expense Ratio (Non Life) ¹ | 26.6% | 26.3% | (0.3 pts) | 26.3% | 24.4% |
| Expense Ratio (Life) ² | 9.8% | 12.1% | 2.3 pts | 11.2% | 10.8% |
| Local Consolidated PBT | 873.7 | 956.9 | 9.5% | 717.5 | 720.9 |
| Total Assets | 23,989.7 | 25,921.9 | 8.1% | 25,142.5 | 27,931.1 |
| Shareholders' Equity | 4,677.2 | 5,140.6 | 9.9% | 5,163.0 | 5,615.4 |
| 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% | 155.17 | 156.53 |
| 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 | 9M 2023 | 9M 2024 | △24/23 % |
|--|-----------|-----------|----------|
| Insurance revenue | 3,632.1 | 4,148.5 | 14.2% |
| Claims and benefits | (1,899.2) | (2,412.4) | 27.0% |
| Acquisition and administrative expenses (net) | (920.0) | (998.8) | 8.6% |
| Reversal of losses/(Losses) on onerous contracts | 26.0 | (2.5) | (>100%) |
| Insurance service expenses | (2,793.2) | (3,413.7) | 22.2% |
| Net expenses from reinsurance contracts held | (200.0) | (143.3) | (28.4%) |
| Insurance service results | 638.9 | 591.5 | (7.4%) |
| Net investment income | 774.7 | 1,254.7 | 62.0% |
| Net (re-)insurance finance expenses | (595.6) | (941.9) | 58.1% |
| Net financial and investment results | 818.0 | 904.3 | 10.6% |
| Other operating income | 0.9 | 2.2 | >100% |
| Other operating expenses | (101.4) | (185.6) | 83.0% |
| Profit before tax | 717.5 | 720.9 | 0.5% |
| Tax expense | (180.3) | (180.9) | 0.3% |
| Profit after tax | 537.2 | 540.0 | 0.5% |

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GENERAL BUSINESS



GENERAL BUSINESS

Comments

Gross written premiums

- Continued growth momentum in the third quarter with gross written premium increased by 14.2% as compared to prior year. Higher premium stemming from motor business (+18.2%).

Profitability

- Lower profit before tax mainly contributed by higher claims from Fire and Engineering large losses.

Distribution and Portfolio

- 56.0% (9M 2023: 55.3%) of GWP from Agency and 29.8% (9M 2023: 30.7%) from Franchise.
- Both distribution channels remained as the main growth contributors, with growth mainly coming from Motor class.

Combined ratio

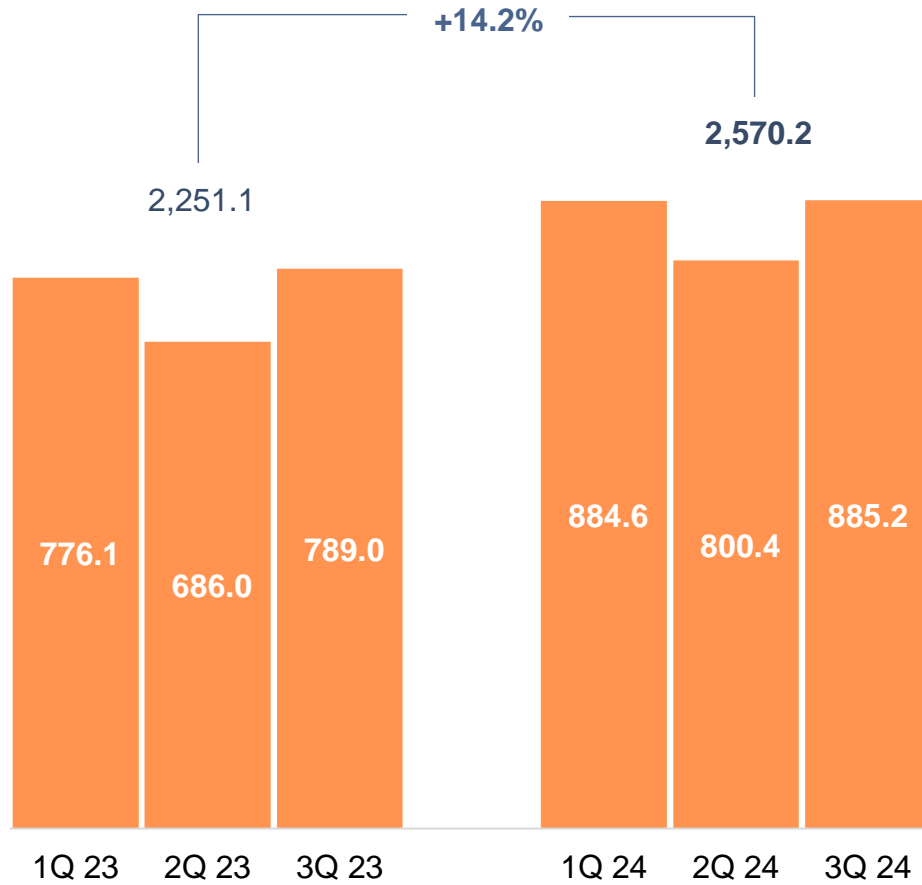
- Higher combined ratio of 3.0 pts mainly contributed by higher claims from Fire and Engineering partially offset by lower expense ratio. Combined ratio of 9M 2023 benefited from one-off claims review, favorable movement of claim reserves on large losses and positive development on onerous contract assumption.

Market growth

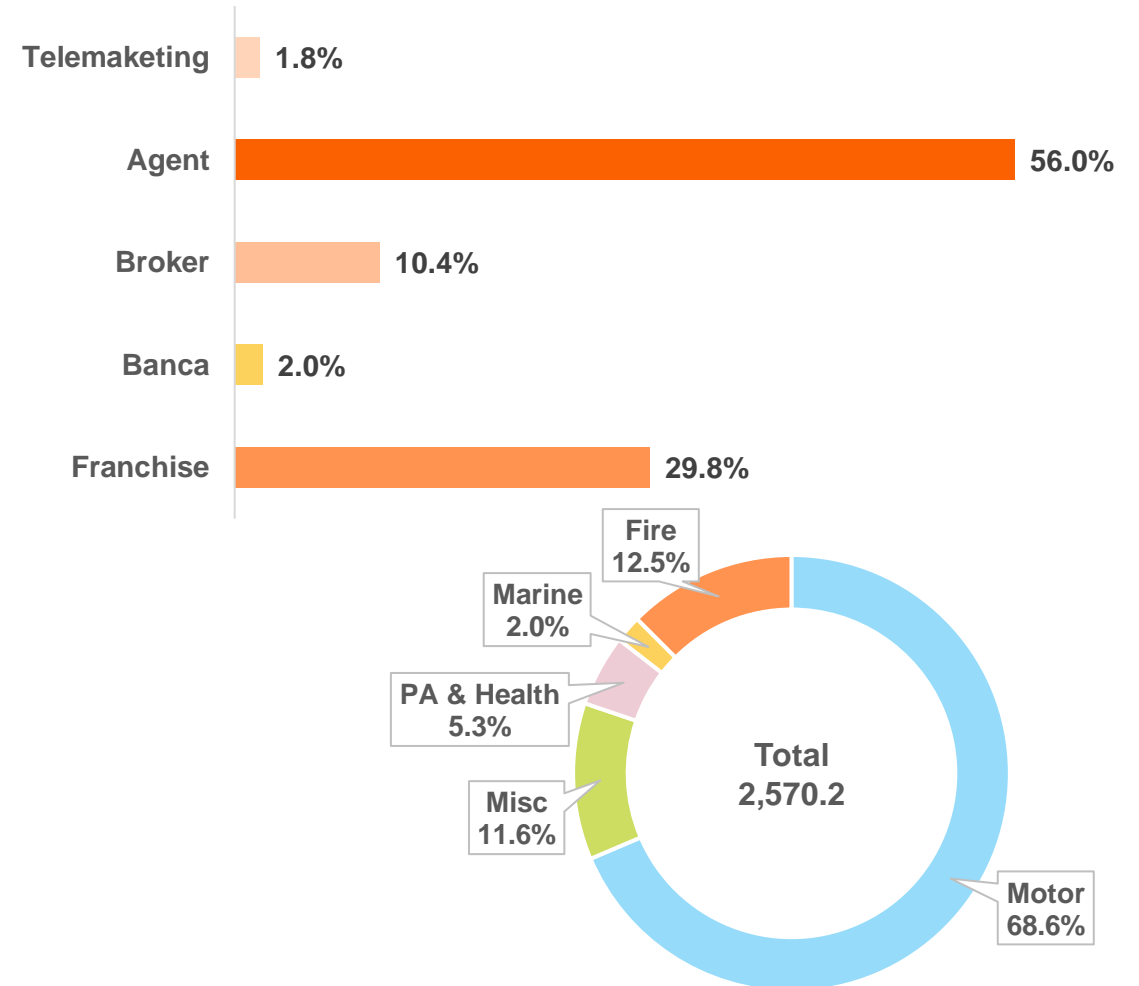
- Market share stood at 14.6% in 9M 2024 as compared to 12M 2023 of 14.0%.

GENERAL BUSINESS: GOOD SALES MOMENTUM WITH DOUBLE DIGIT GWP GROWTH

Gross Written Premium (RM'mil)



Distribution Channel & Portfolio Mix

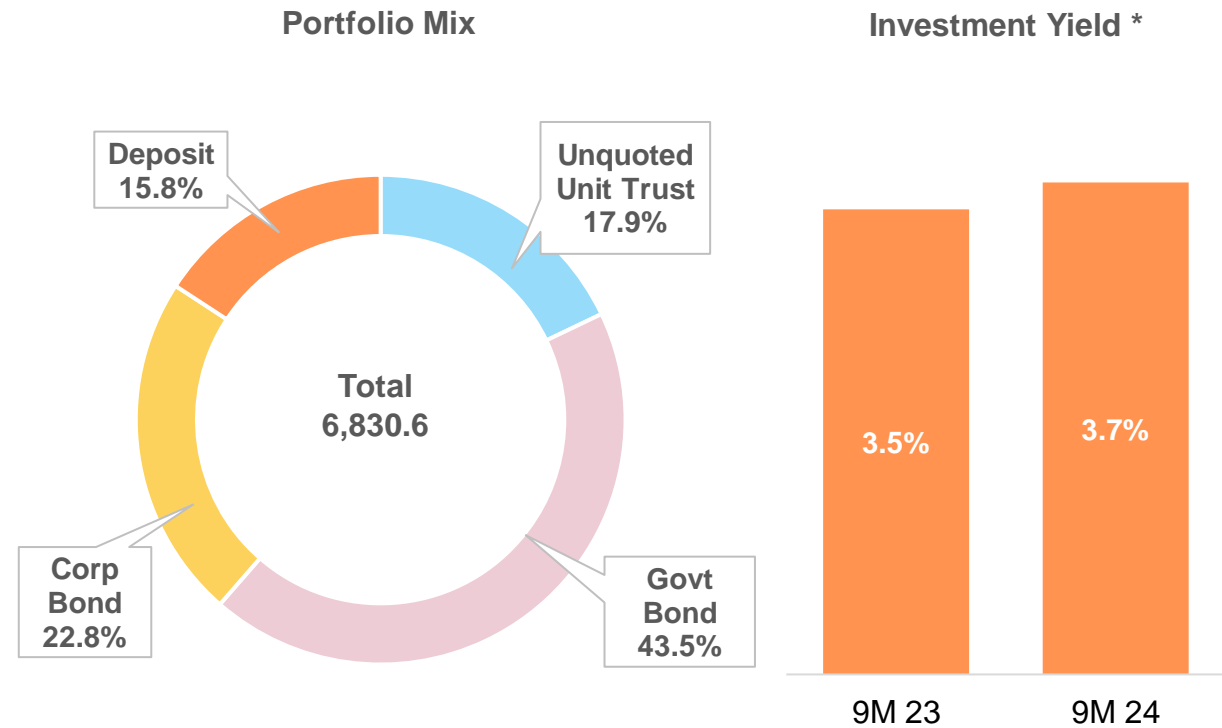


GENERAL BUSINESS: GROWTH IN INVESTMENT INCOME IN LINE WITH HIGHER YIELD AND GROWTH IN INVESTMENT ASSETS

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



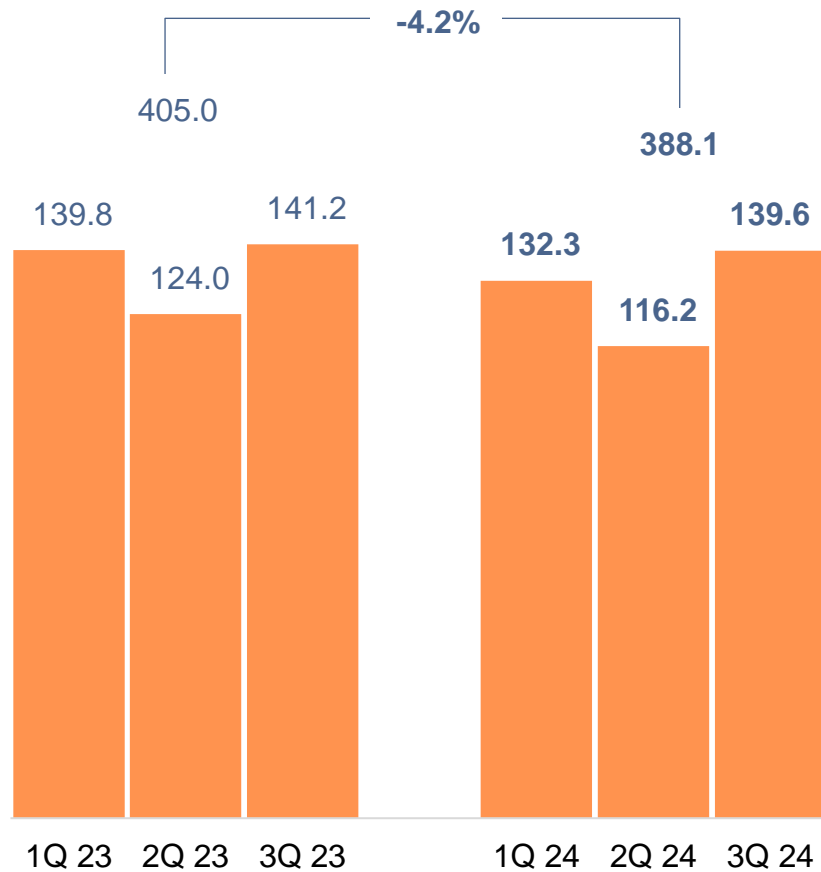
Portfolio Mix and Investment Yield (Annualised)



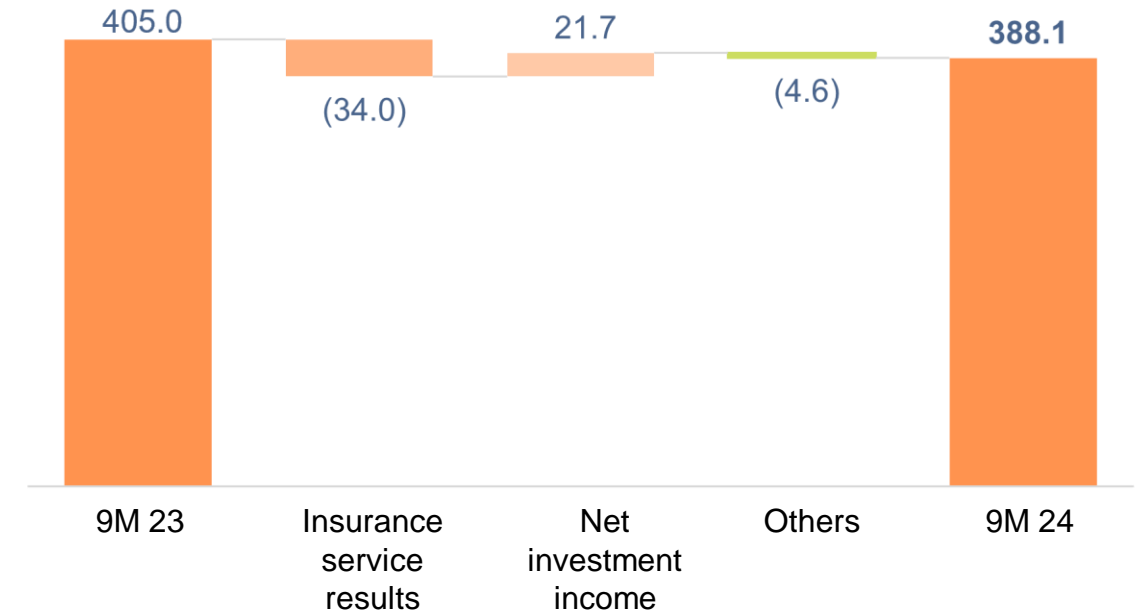
* Investment yield is excluding fair value gains/losses

GENERAL BUSINESS: LOWER PBT DUE TO LOWER INSURANCE SERVICE RESULTS

Profit Before Tax (RM'mil)



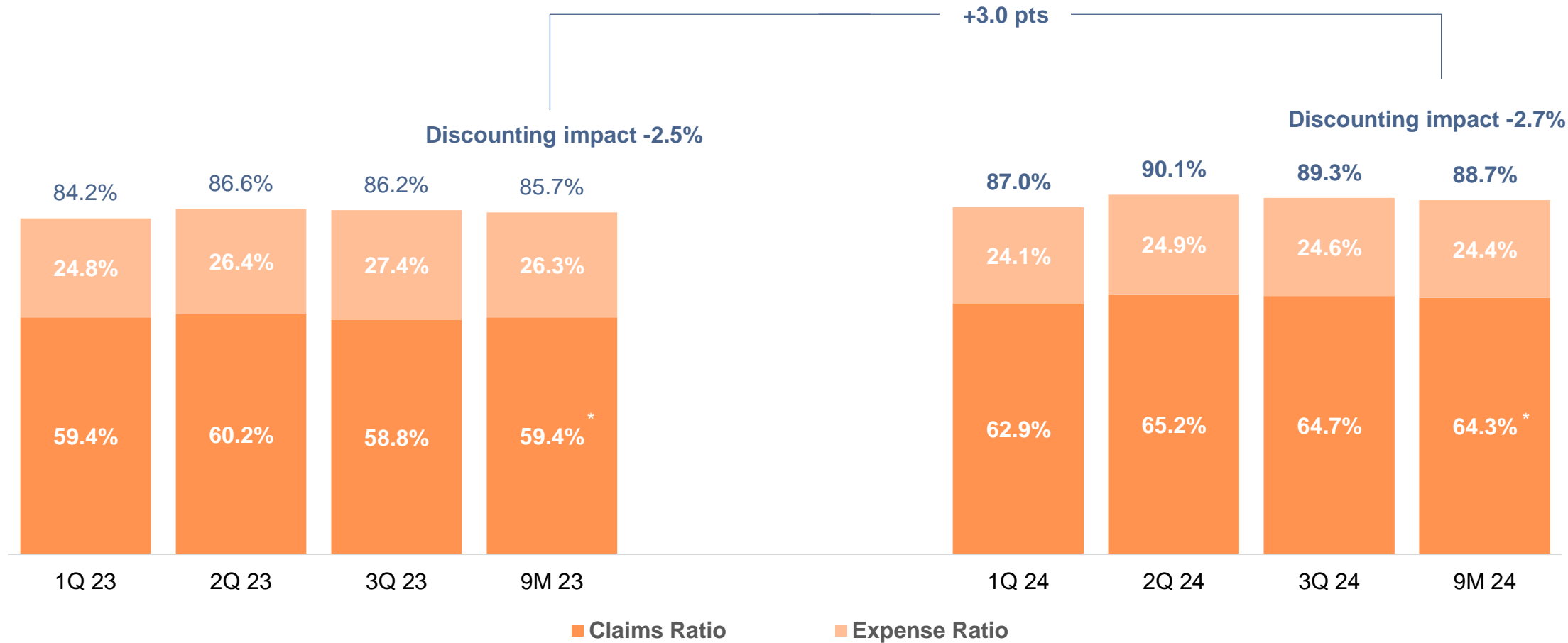
PBT Drivers (RM'mil)



| | | | | |
|---------------|---------------|-------------|--------------|---------------|
| 9M 2023 | 332.4 | 162.1 | (89.5) | 405.0 |
| 9M 2024 | 298.4 | 183.8 | (94.1) | 388.1 |
| Change | (34.0) | 21.7 | (4.6) | (16.9) |

GENERAL BUSINESS: HIGHER COMBINED RATIO DUE TO HIGHER CLAIMS RATIO

Combined Ratio



* Include reinsurance results - reinsurance ratio 11.3% in 9M 23, 4.4% in 9M 24.

GENERAL BUSINESS: FINANCIAL RESULTS AT A GLANCE

| RM'mil | 9M 2023 | 9M 2024 | △24/23 % |
|---|-----------|-----------|-----------|
| Insurance revenue | 2,034.3 | 2,361.6 | 16.1% |
| Claims | (1,010.0) | (1,411.7) | 39.8% |
| Acquisition and administrative expenses (net) | (492.7) | (544.8) | 10.6% |
| Reversal of losses/(Losses) on onerous contracts | 31.1 | (3.4) | (>100%) |
| Net expenses from reinsurance contracts held | (230.3) | (103.3) | (55.2%) |
| Insurance service result | 332.4 | 298.4 | (10.2%) |
| Net investment income | 162.1 | 183.8 | 13.4% |
| Net (re-)insurance finance expenses | (41.9) | (53.1) | 26.7% |
| Other operating income | 0.8 | 2.1 | >100% |
| Other operating expenses | (48.4) | (43.1) | (11.0%) |
| Profit before tax (after consolidation adjustment) | 405.0 | 388.1 | (4.2%) |
| Claims ratio | 59.4% | 64.3% | 4.9 pts |
| Expense ratio* | 26.3% | 24.4% | (1.9 pts) |
| Combined ratio | 85.7% | 88.7% | 3.0 pts |

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

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

| KPIs | AGIC ¹ 9M 2024 | Industry ¹ 9M 2024 | Takaful ¹ 9M 2024 |
|--|------------------------------|----------------------------------|---------------------------------|
| GWP growth | 14.3% | 7.2% | 10.7% |
| Market Share (9M 2024) ² | 14.6% | | |
| Market Ranking (6M 2024) ³ | No. 1 | | |

Notes:

- 1) Source: ISM Market Performance Report Jan-Sep 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-Sep 2024
- 3) Source: ISM Market Performance Report Jan-Jun 2024

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LIFE BUSINESS



 Comments**Gross written premiums**

- Gross written premiums grew by 9.2% with growth from Bancassurance (+ 29.4%) and Employee Benefit (+ 15.9%).

Market growth

- ANP increased by 16.4% and surpassed industry growth of 10.9%.¹
- Market share for 9M 2024 increased to 10.8% (12M 2023: 9.8%).

Distribution

- ANP growth is driven by Bancassurance (+57.2%) and Employee Benefits (+16.4%).
- Agency remained the main contributor of ANP (57.6%) Continue to 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.
- Investment-linked ANP and GWP grew by 65.5% and 17.4%.

Profitability

- Profit before tax of RM341.7 million (9M 2023: RM320.0 million) due to higher CSM release for the period and higher net investment results.

CSM

- Sustainable and healthy CSM of RM3.50 billion as at 30 September 2024, an increase of RM255.7 million as compared to 31 December 2023. The growth in CSM is primary driven by impact of new business written in the first three quarters of the year and interest accretion.
- Profit continued to be generated through CSM release of RM358.7 million for the period ended 30 September 2024 (9M 2023: RM321.4 million).

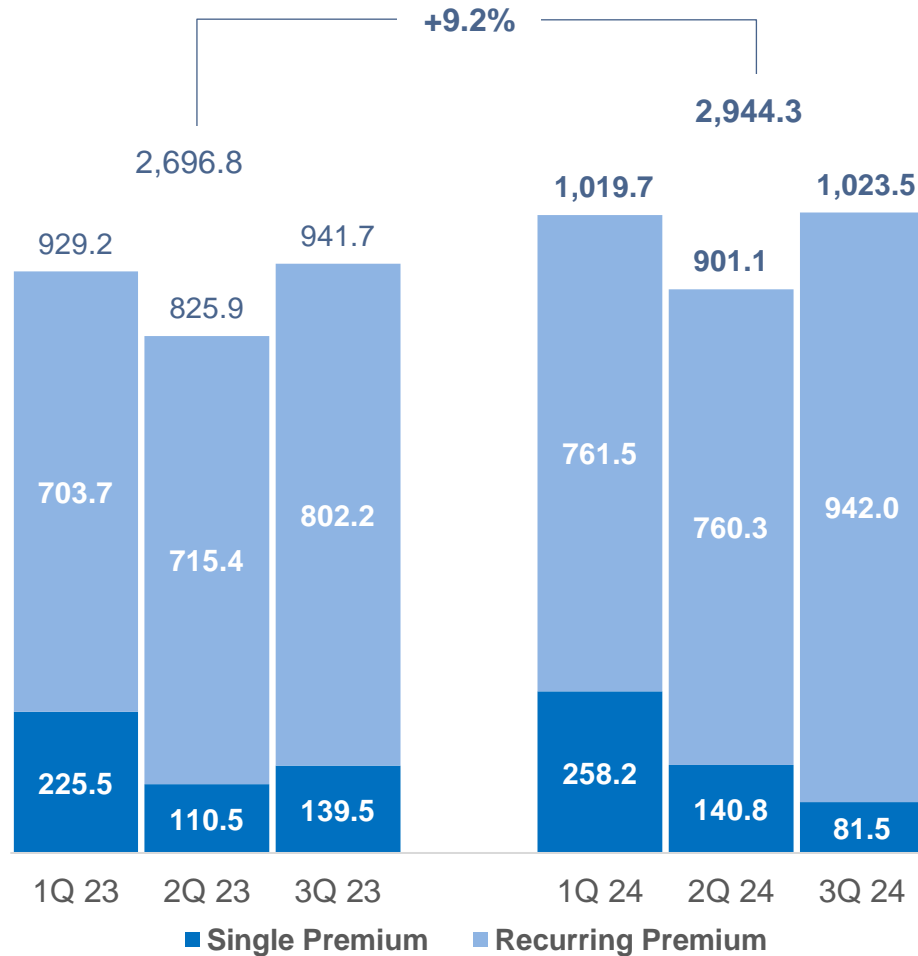
Value of new business

- New business value was RM272.6 million, increased by 15.6% due mainly to higher sales and continued focus on high margin production.

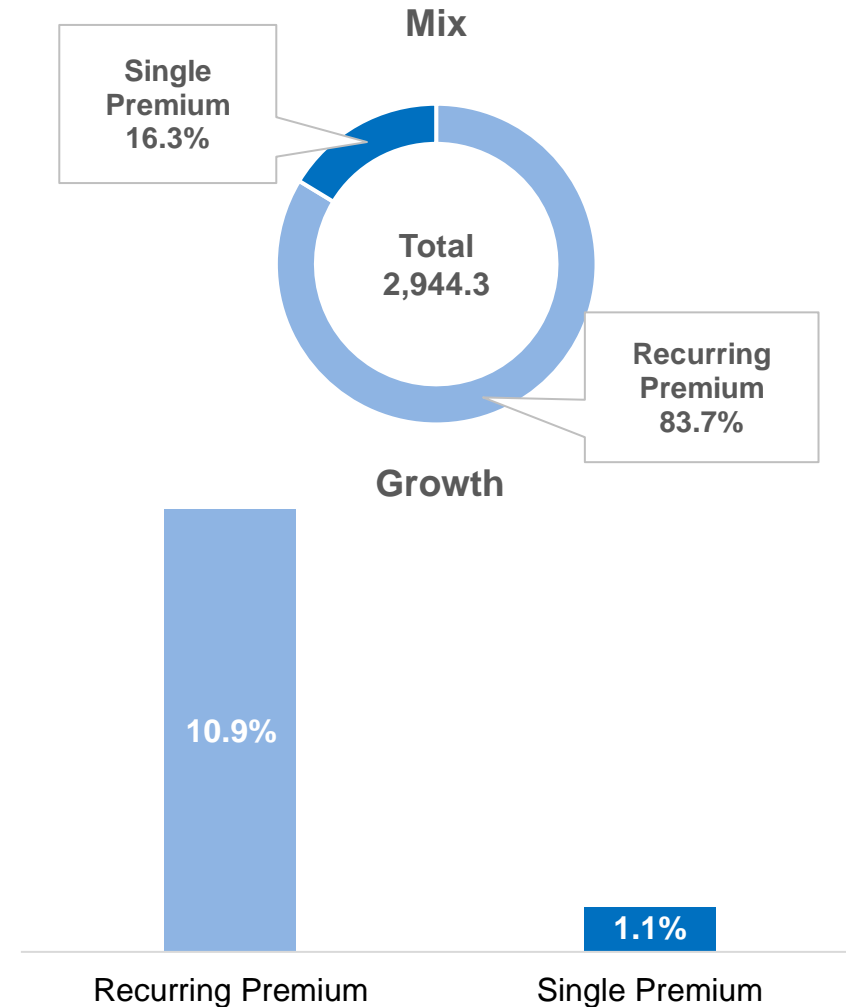
Note 1: Market share based on statistics from LIAM.

LIFE BUSINESS: STRONG GROWTH DRIVEN BY FIRST YEAR PREMIUM AND IN-FORCE PREMIUM

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

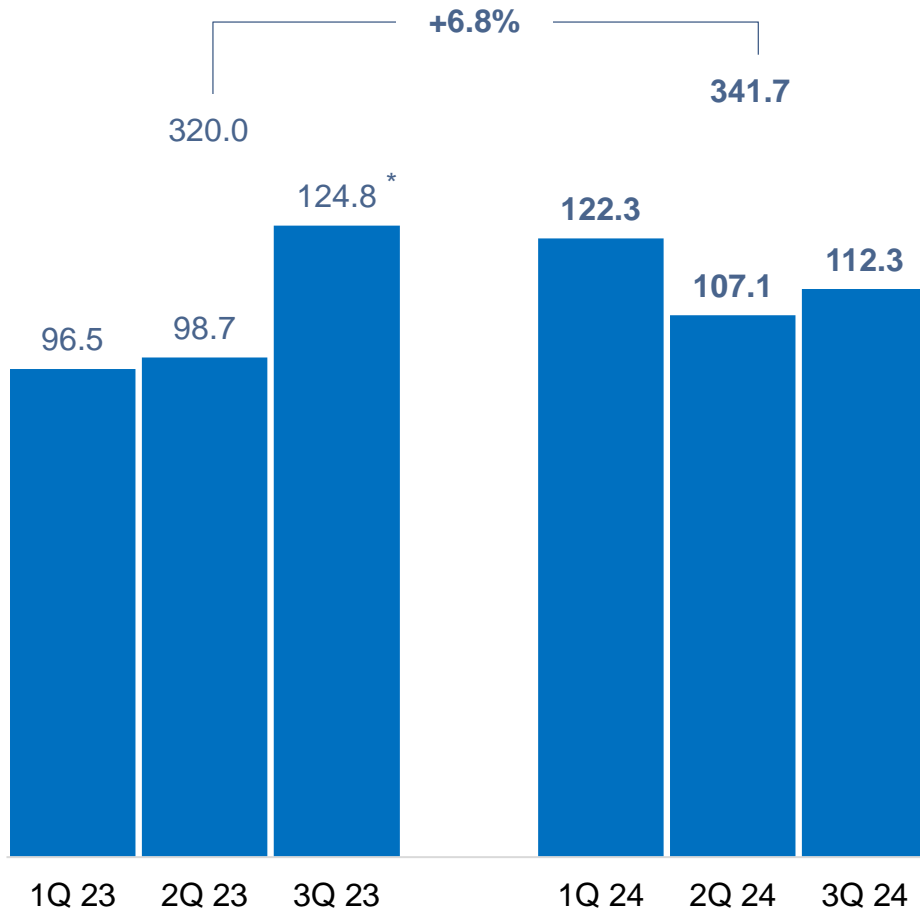


GWP Mix & Growth (%) (9M 2024)



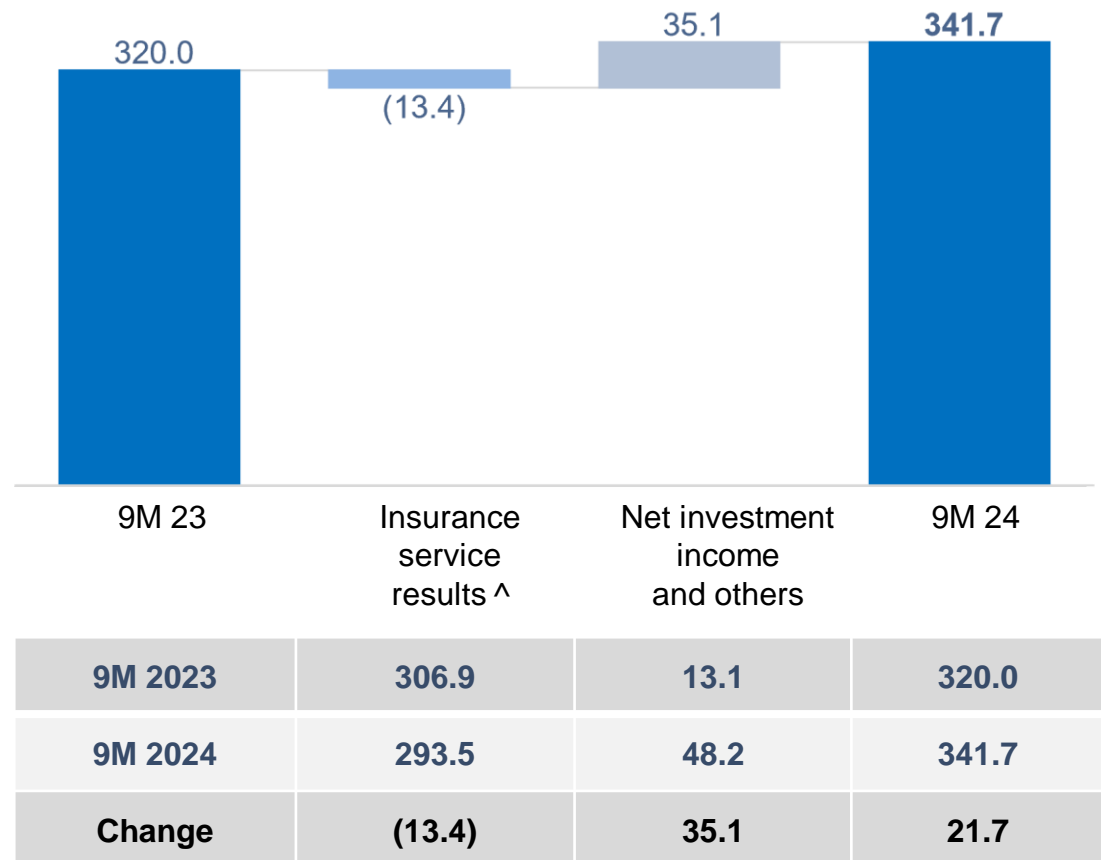
LIFE BUSINESS: HIGHER PBT DUE TO HIGHER CSM RELEASE AND HIGHER NET INVESTMENT RESULTS

Profit Before Tax (RM'mil)



* Higher PBT contributed by higher CSM release due to non-financial assumption updates.

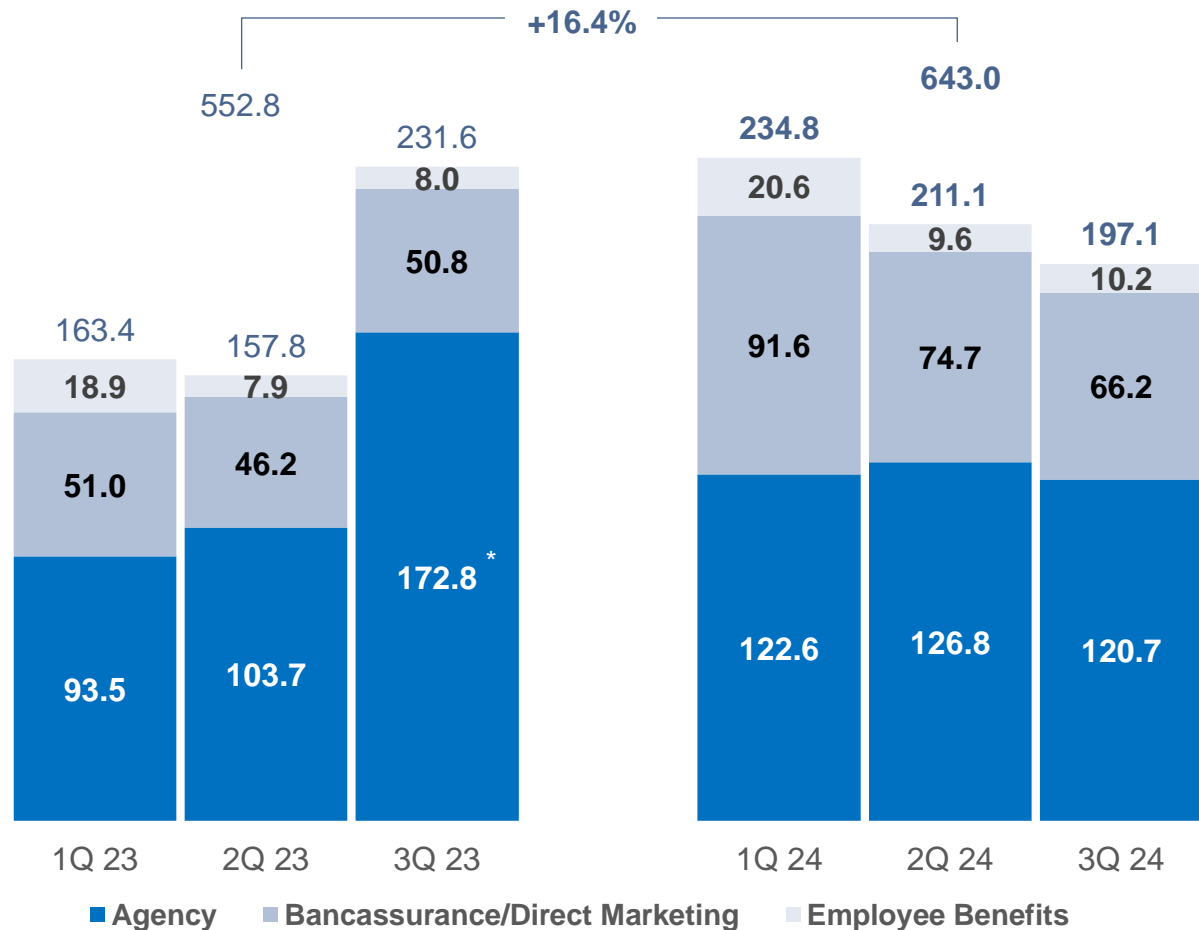
PBT Drivers (RM'mil)



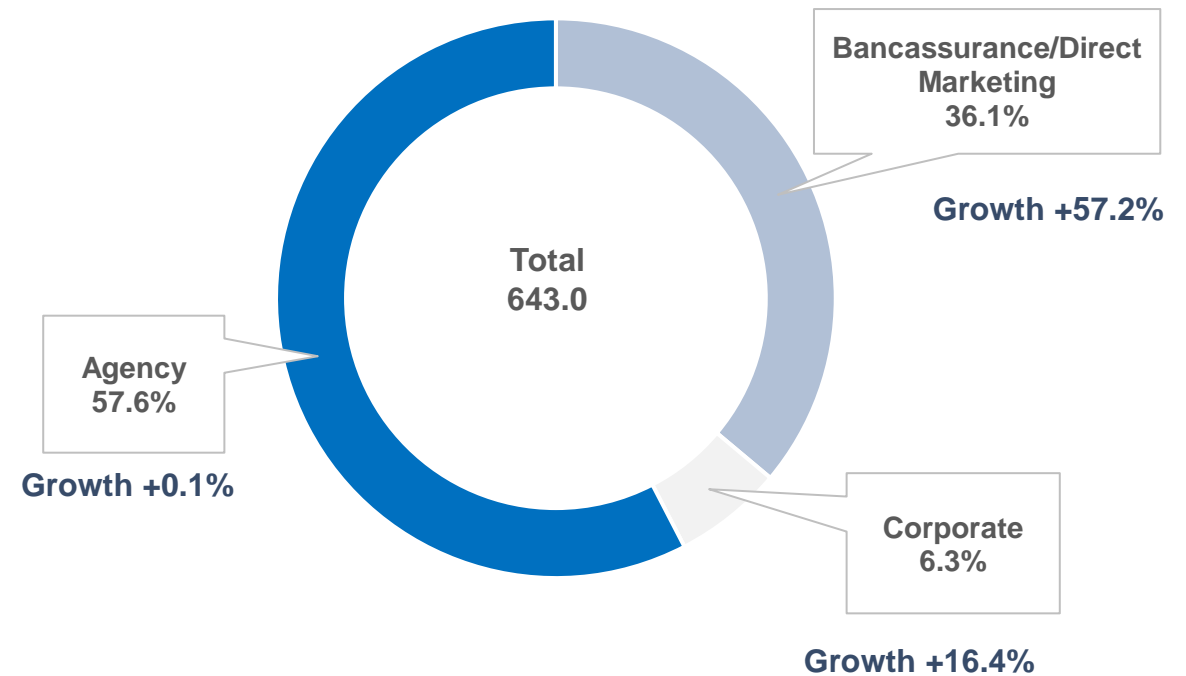
^ Insurance service results for 2023 included one-off RI adjustments. Excluding one-off RI adjustments, the insurance services results growth is 14.5%.

LIFE BUSINESS: GROWTH IN ANP DRIVEN BY BANCASSURANCE AND EMPLOYEE BENEFITS

Annualised New Premiums ("ANP") (RM'mil)



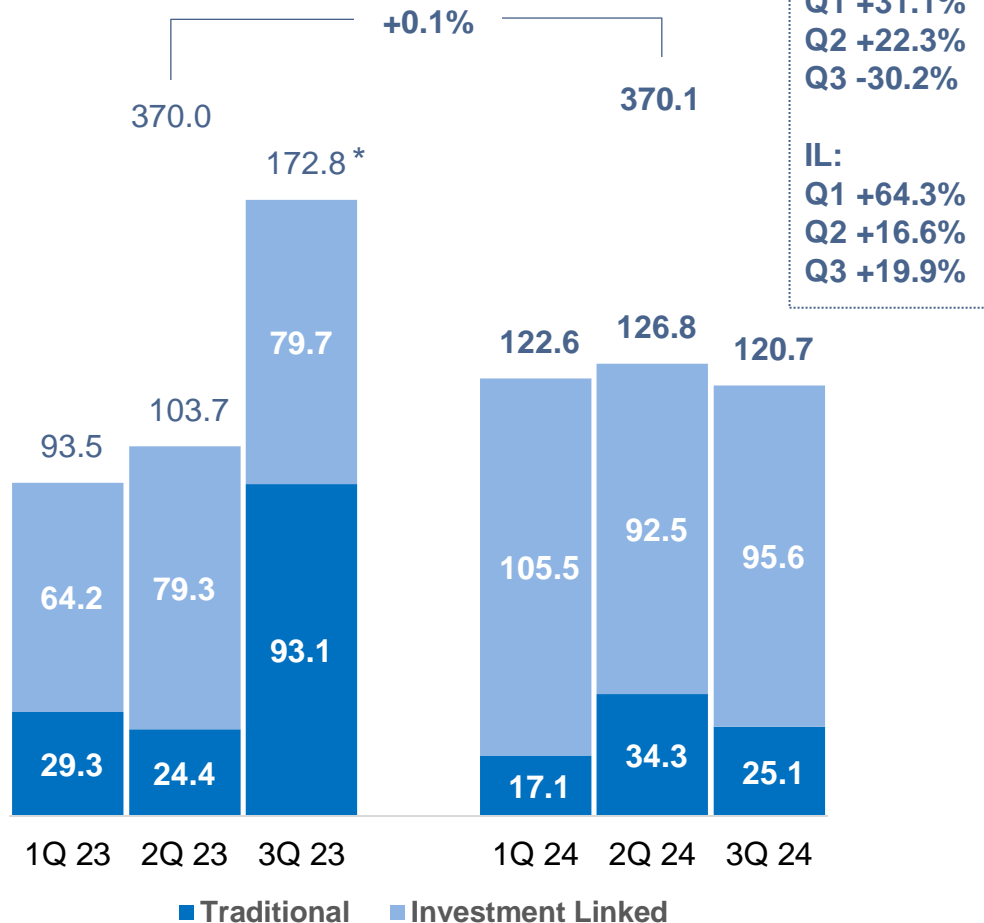
ANP Channel Mix (%) (9M 2024)



* Higher ANP due to tactical campaign of RM78.5 million.

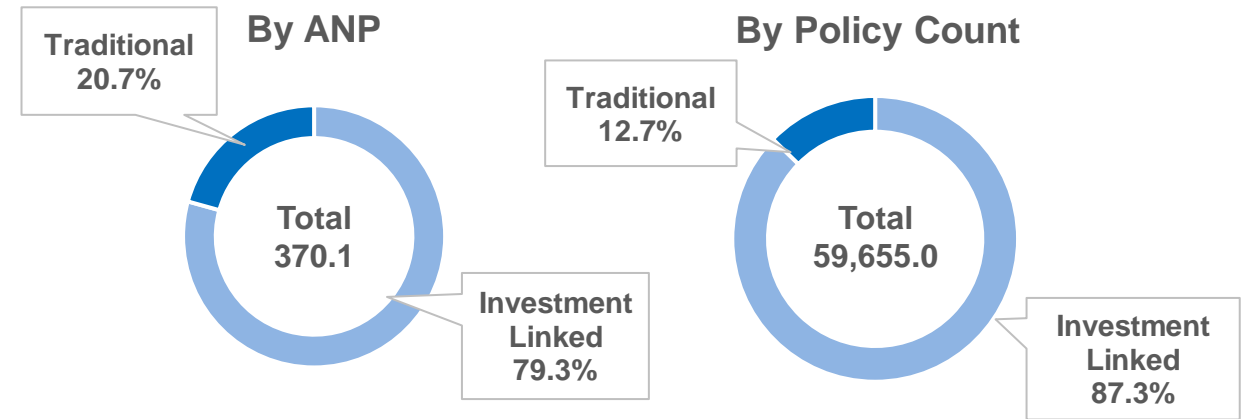
LIFE BUSINESS (AGENCY): CONTINUE FOCUS ON PREFERRED SEGMENT OF REGULAR INVESTMENT-LINKED PRODUCTS WITH BETTER MARGINS

Agency Annualised New Premiums (RM'mil)



* Higher ANP due to tactical campaign of RM78.5 million.

Agency Product Mix (%) (9M 2024)

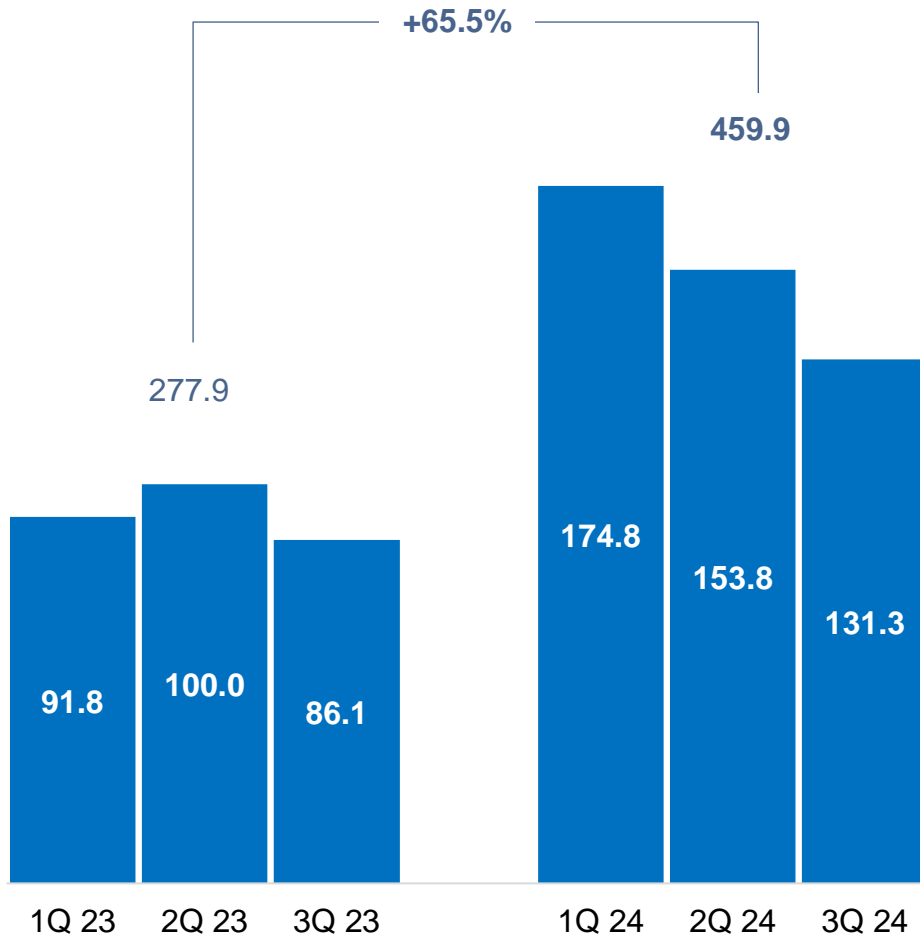


Agency ANP Growth (%) (9M 2024)

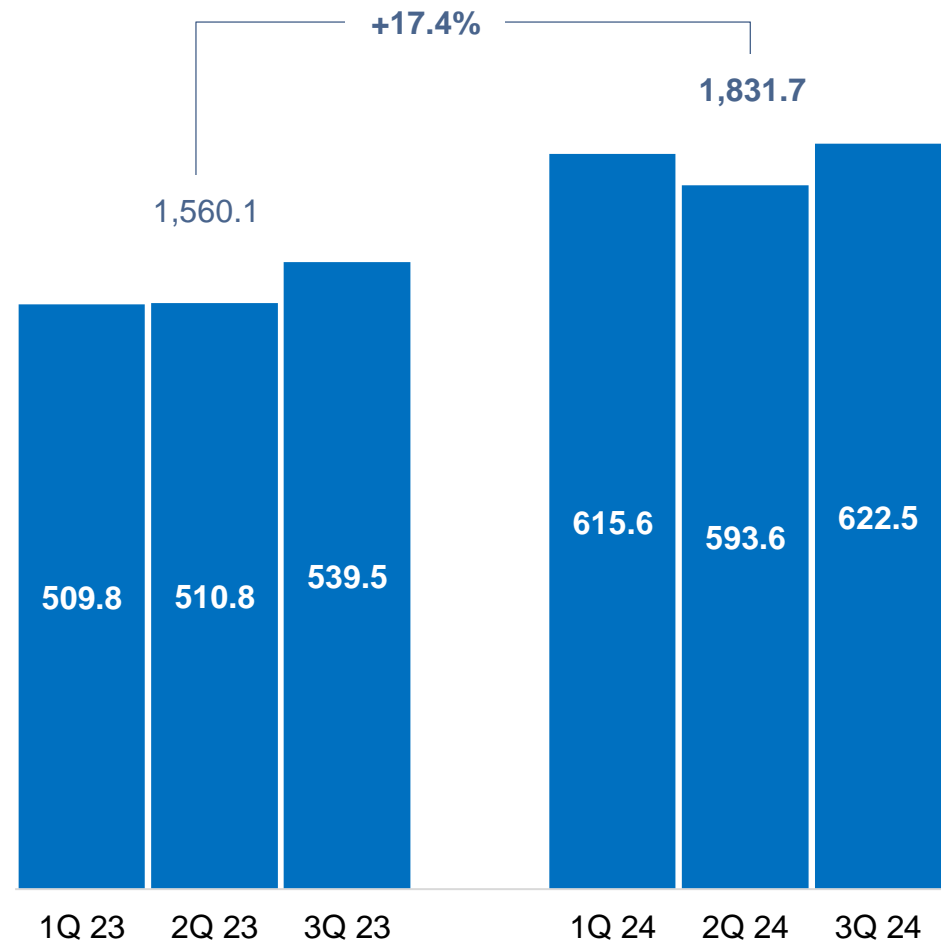


LIFE BUSINESS: INVESTMENT-LINKED WITH PROTECTION FEATURES CONTINUES TO GROW

Annualised New Premiums (RM'mil)

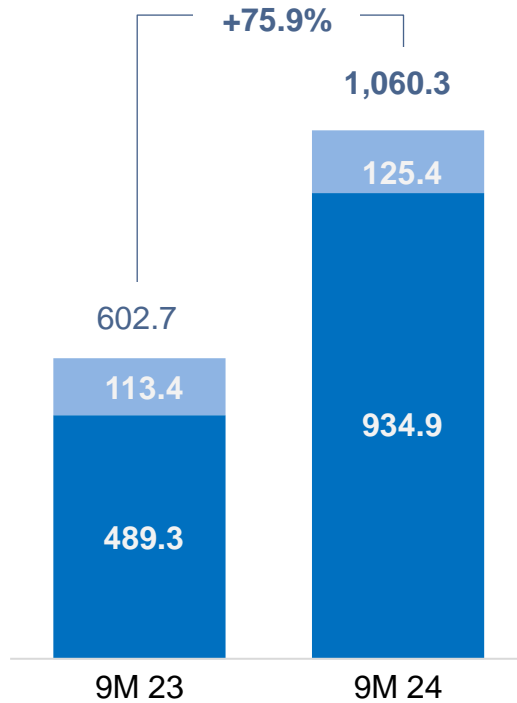


Gross Written Premiums (RM'mil)



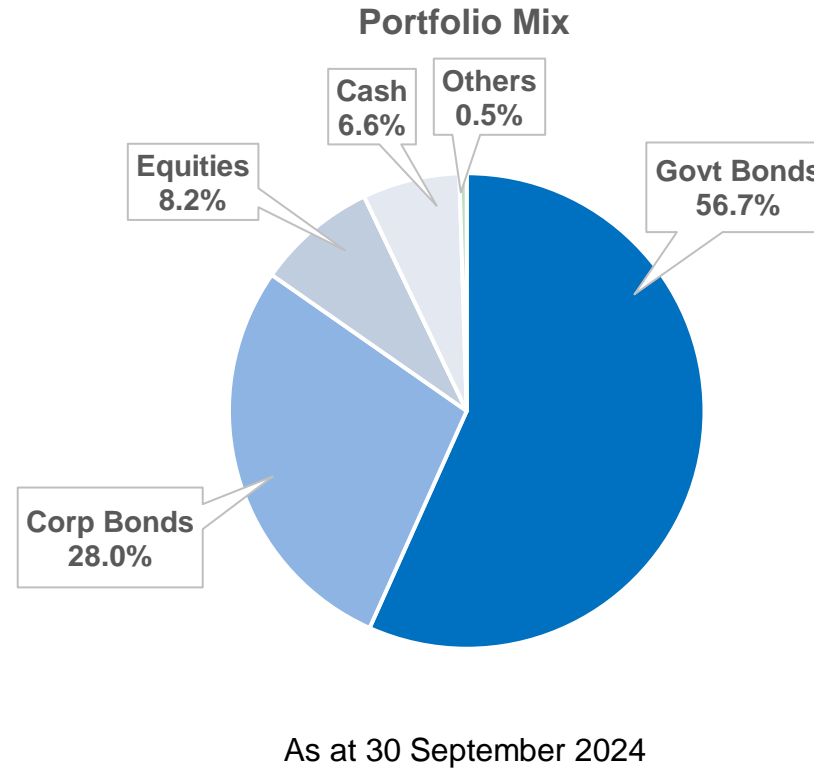
LIFE BUSINESS: HIGHER INVESTMENT INCOME DRIVEN BY FAIR VALUE AND REALISED GAINS FROM FAVOURABLE MARKET CONDITION

Investment Income by funds (RM'mil)

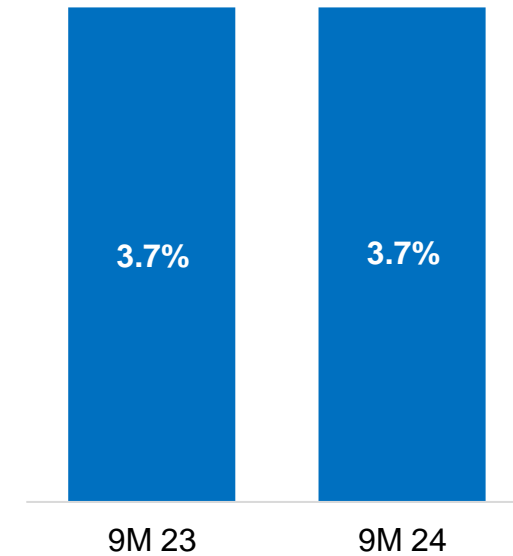


■ Par + ILF + ULF ■ Non Par + ILOF

Portfolio Mix and Investment Yield (LF) (%)



Investment Yield (Annualised)



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

LIFE BUSINESS: FINANCIAL RESULTS AT A GLANCE

| RM'mil | 9M 2023 | 9M 2024 | △24/23 % |
|---|---------|-----------|-----------|
| Insurance revenue | 1,597.8 | 1,786.9 | 11.8% |
| - Release contractual service margin | 321.4 | 358.7 | 11.6% |
| - Release of expected cash flows, risk adjustments and others | 1,276.4 | 1,428.2 | 11.9% |
| Claims and benefits | (888.8) | (1,000.3) | 12.5% |
| Acquisition and administrative expenses (net) | (427.3) | (454.0) | 6.2% |
| (Losses)/Reversal of losses on onerous contracts | (5.1) | 0.9 | (>100%) |
| Net income/(expenses) from reinsurance contracts held | 30.3 | (40.0) | (>100%) |
| Insurance service result | 306.9 | 293.5 | (4.4%) |
| Net investment income | 602.7 | 1,060.3 | 75.9% |
| Finance expenses from insurance contracts issued | (553.8) | (888.9) | 60.5% |
| Finance income from reinsurance contracts held | 0.1 | 0.1 | 0.0% |
| Other operating income | 0.1 | 0.1 | 0.0% |
| Other operating expenses¹ | (36.0) | (123.4) | >100% |
| Profit before tax (after consolidation adjustment) | 320.0 | 341.7 | 6.8% |
| Annualised new premiums | 552.8 | 643.0 | 16.3% |
| Expense ratio (LF+SHF) | 11.2% | 10.8% | (0.4 pts) |
| Local investment yield (LF) | 3.7% | 3.7% | 0.0 pts |
| Block persistency ratio | 85.2% | 87.5% | 2.3 pts |

Note 1 : Includes impact of foreign exchange movement from IL funds.

**THANK YOU
FOR YOUR ATTENTION**

DISCLAIMER

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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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