



**ALLIANZ MALAYSIA  
BERHAD** (197201000819)

**Q4 2023**

**FINANCIAL RESULTS  
MFRS 9/17**

Analyst Briefing  
27 February 2024

**Allianz** 

# 01

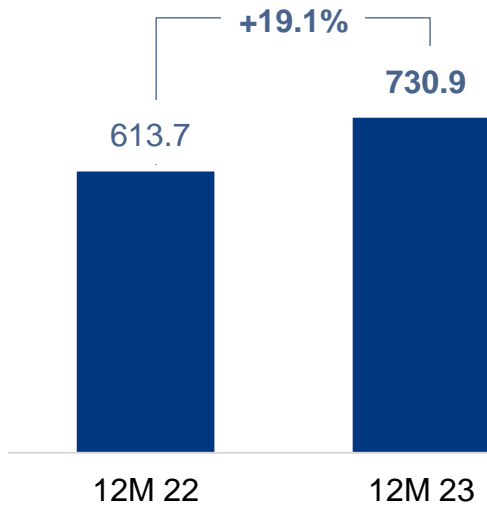
## AMB GROUP FINANCIAL RESULTS



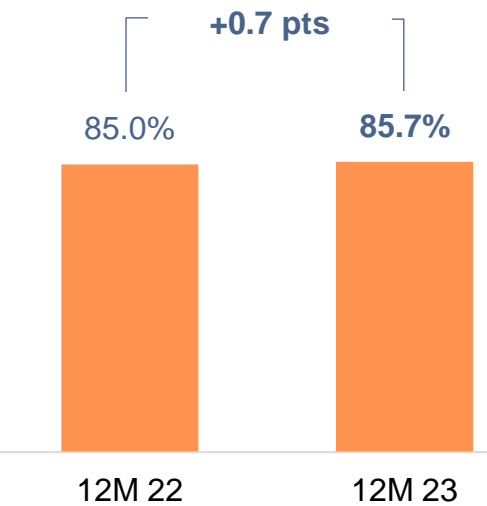
# FINANCIAL HIGHLIGHTS 12M 2023

Group	General Insurance	Life Insurance	Investment Holding
<b>Gross Written Premium (RM'mil)</b>			
6,546.5 (+8.7%)	3,003.5 (+13.1%)	3,543.0 (+5.2%)	
<b>Insurance Revenue (RM'mil)</b>			
4,941.6 (+11.8%)	2,772.8 (+8.0%)	2,168.8 (+17.1%)	
<b>Profit Before Tax (RM'mil)</b>			
956.9 (+9.5%)	556.2 (+7.9%)	411.2 (+8.9%)	(10.5) (+45.3%)

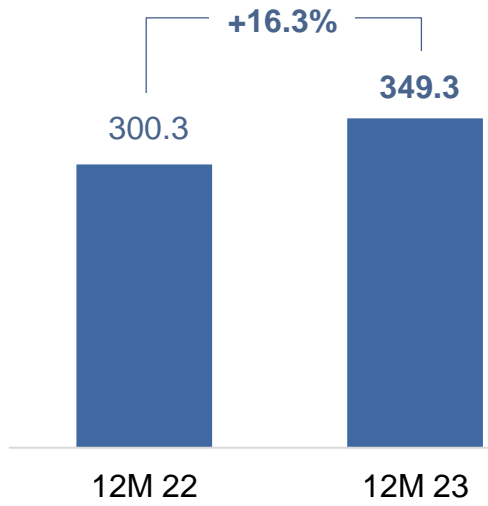
**Shareholders' net income**  
(in RM'mil)



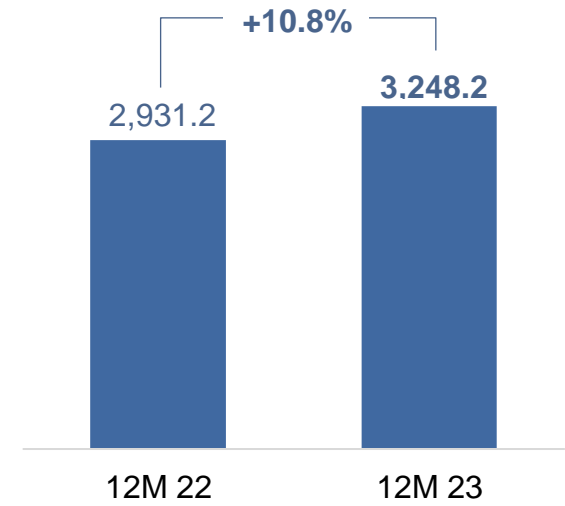
**Combined ratio**  
(in %)



**New business value**  
(in RM'mil)



**Contractual service margin**  
(in RM'mil)



# STRONG PERFORMANCE WITH ROBUST TOP LINE GROWTH AND RESILIENT EARNINGS

## Comments

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### Insurance revenue

- Group insurance revenue of RM4.94 billion, an increase of 11.8% from RM4.42 billion in 2022 due to strong insurance revenue from both insurance segments.
- General business recorded an insurance revenue of RM2.77 billion, an increase of 8.0% compared to corresponding period of RM2.57 billion mainly from increase in gross earned premium from motor business.
- Life business recorded an insurance revenue of RM2.17 billion, an increase of 17.1% compared to corresponding period of RM1.85 billion mainly attributed to higher insurance revenue resulting from investment-linked protection business and employee benefit business.

### Earnings per ordinary share

- Basic earnings per ordinary share at 296.69 sen (12M 2022: 248.48 sen).
- Diluted earnings per ordinary share at 211.12 sen (12M 2022: 177.29 sen).

### Profitability

- Group profit before tax of RM956.9 million, increased by 9.5% (12M 2022: RM873.7 million) due to higher profit contribution from both insurance segments.
- General business contributed a profit before tax of RM556.2 million, an increase of 7.9% (12M 2022: RM515.3 million). The increase was mainly driven by higher earned premium from Motor business and higher investment income. Net combined ratio was 85.7% as at 12M 2023 (12M 2022: 85.0%).
- Life insurance business recorded a profit before tax of RM411.2 million (12M 2022: RM377.6 million) due to higher net insurance and investment results. Higher insurance service results is mainly from reinsurance results and higher investment results contributed by higher investment assets base.

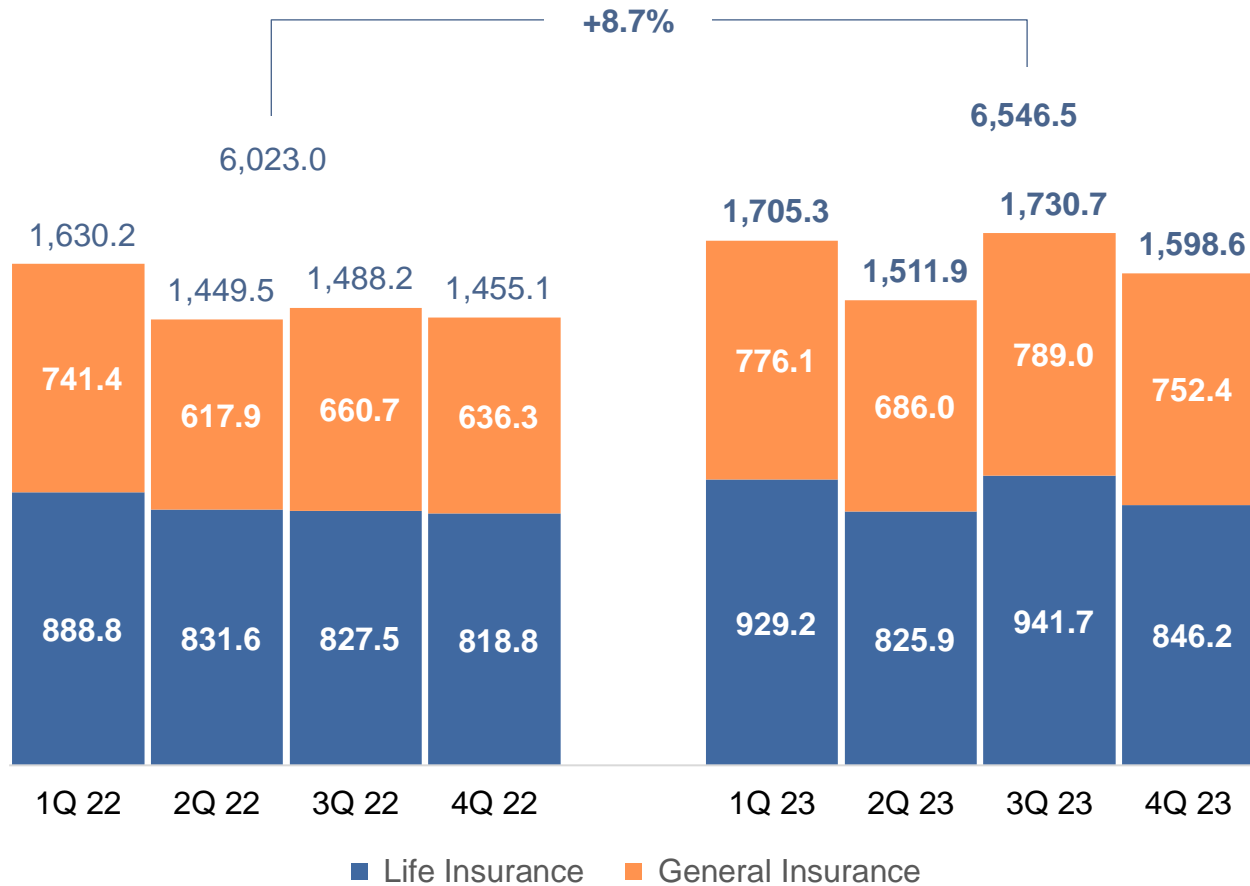
### Dividend

- Declared highest dividend for a financial year with RM381.8 million paid for FYE 2023.

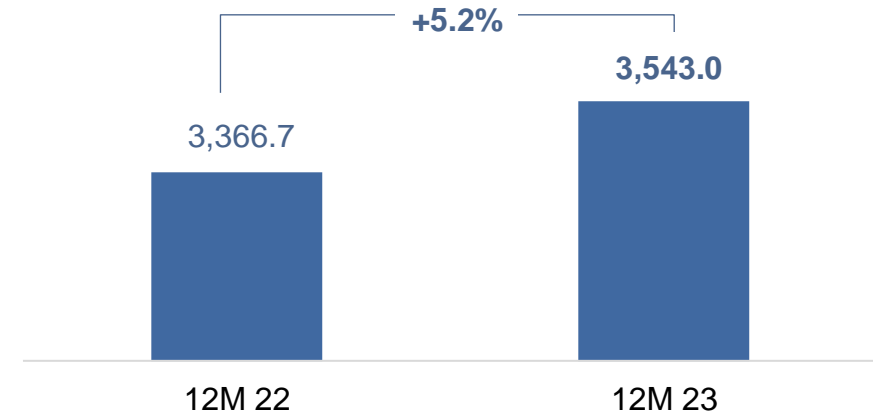
# FINANCIAL HIGHLIGHTS 12M 2023

**Group** **General Insurance**

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



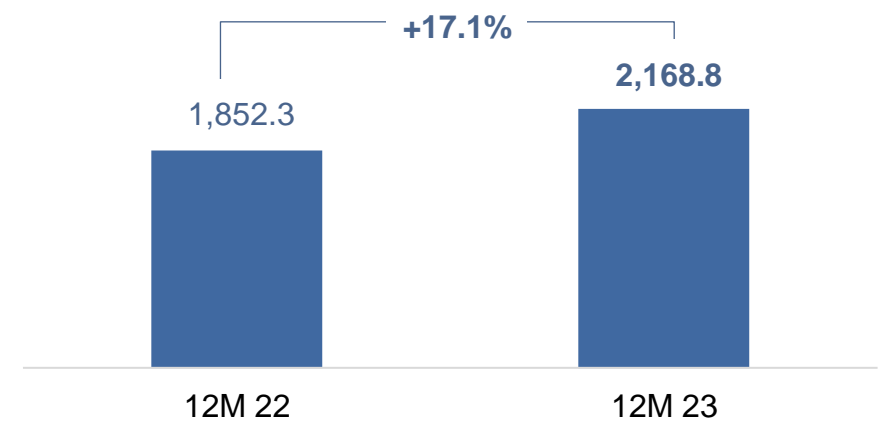
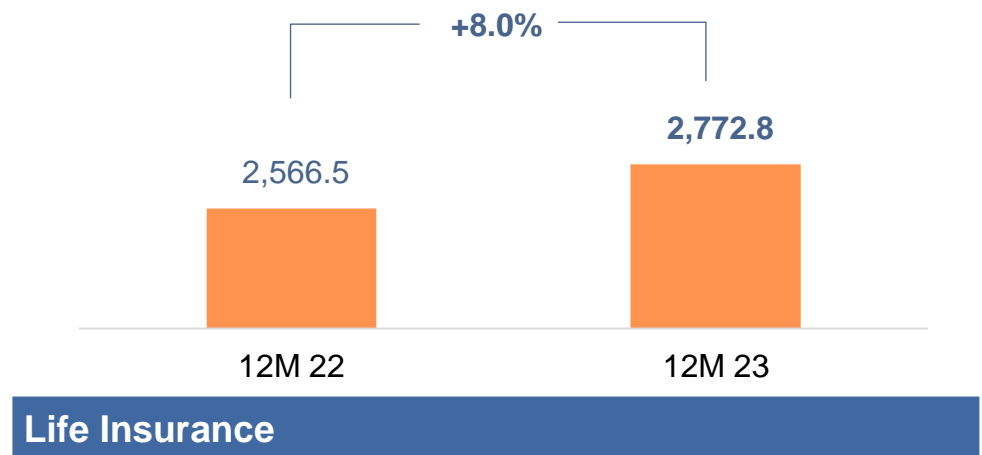
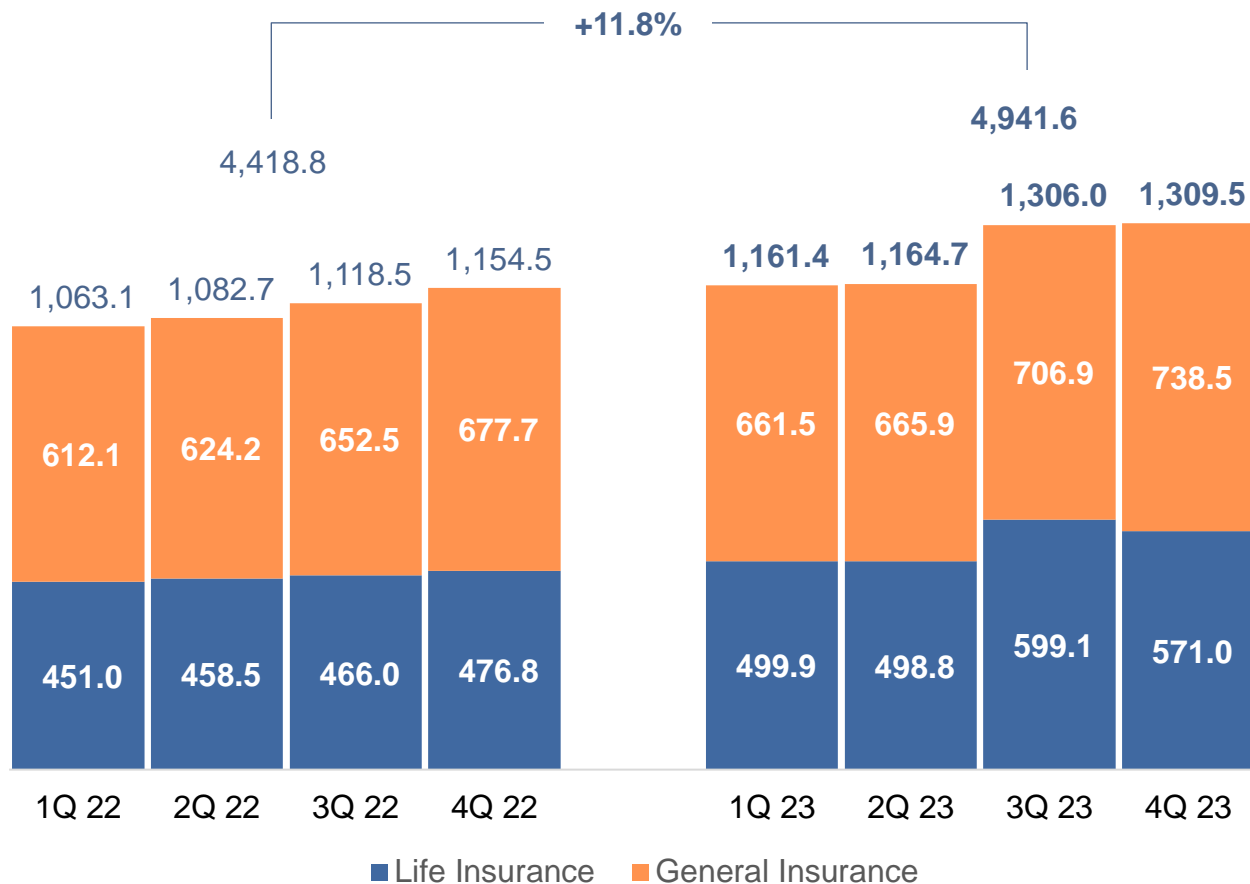
**Life Insurance**



# FINANCIAL HIGHLIGHTS 12M 2023

**Group** **General Insurance**

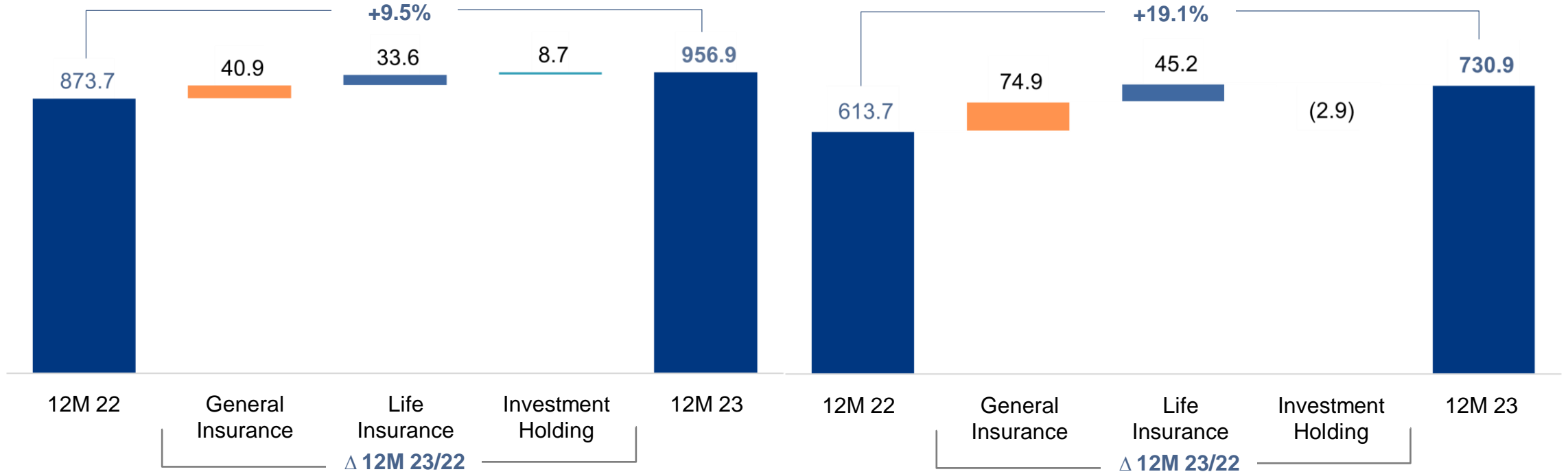
Insurance Revenue (RM'mil)



# FINANCIAL HIGHLIGHTS 12M 2023

Profit Before Tax drivers (RM'mil)

Profit After Tax drivers (RM'mil)

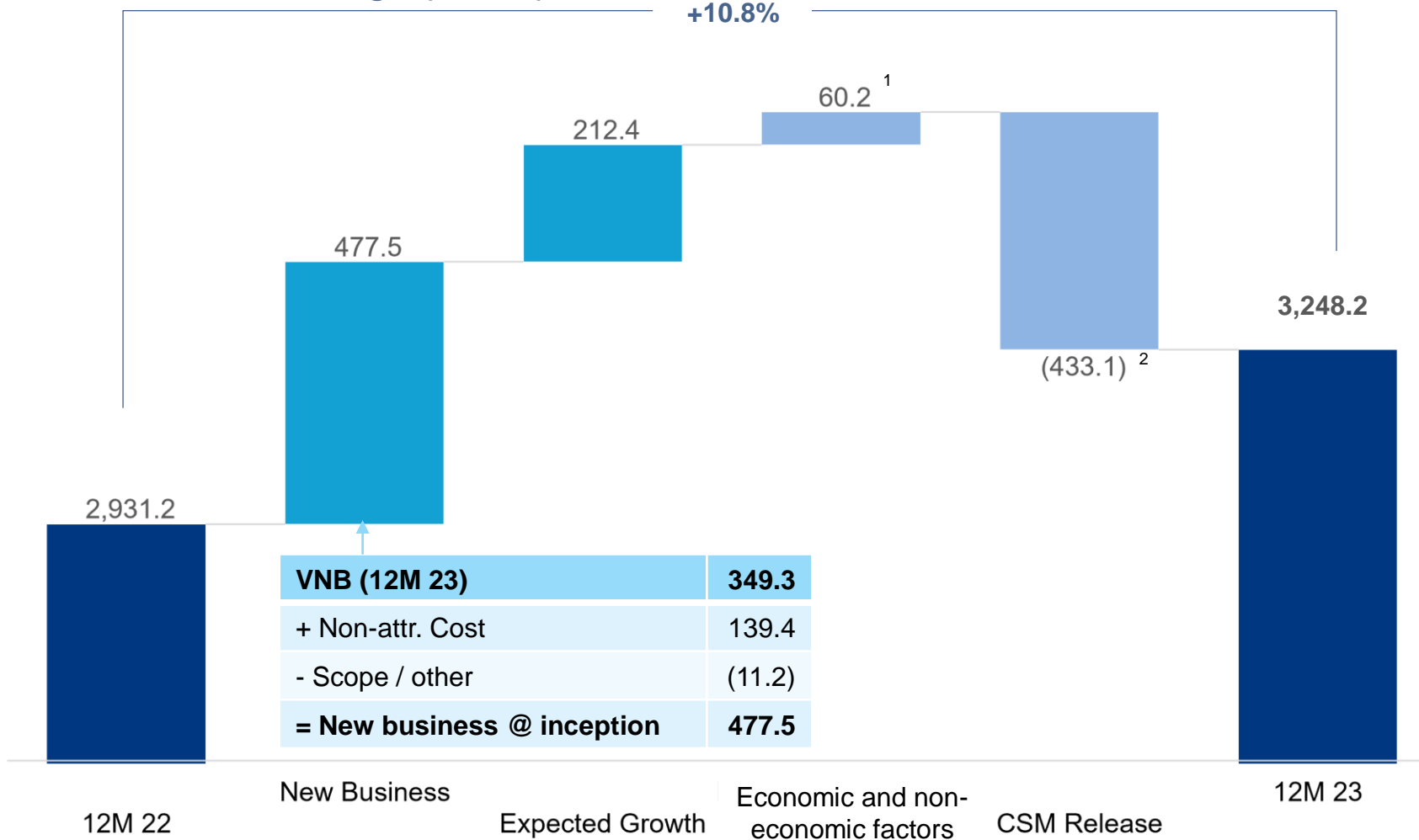


12M 2022	515.3	377.6	(19.2)	873.7
12M 2023	556.2	411.2	(10.5)	956.9
<b>Change</b>	<b>40.9</b>	<b>33.6</b>	<b>8.7</b>	<b>83.2</b>
<b>Change (%)</b>	<b>7.9%</b>	<b>8.9%</b>	<b>45.3%</b>	<b>9.5%</b>

12M 2022	345.7	307.8	(39.8)	613.7
12M 2023	420.6	353.0	(42.7)	730.9
<b>Change</b>	<b>74.9</b>	<b>45.2</b>	<b>(2.9)</b>	<b>117.2</b>
<b>Change (%)</b>	<b>21.7%</b>	<b>14.7%</b>	<b>(7.3%)</b>	<b>19.1%</b>

# LIFE BUSINESS: CSM GROWTH GOOD AT 10.8%

Contractual Service Margin (RM'mil)



<b>CSM (net)</b>	<b>2,115.3</b>
Reinsurance	142.6
Non-attributable cost	322.3
Tax	668.0
<b>CSM (gross)</b>	<b>3,248.2</b>

Note 1 : Increase in CSM is driven by the change in non-financial assumptions mainly due to revision for persistency and mortality assumption.

Note 2 : Higher CSM release due to 1) new business; 2) non-financial assumption update.



## FINANCIAL OVERVIEW

### MFRS 4 BASIS

RM'mil	2020	2021	2022	3 YEAR CAGR (2019-2022)
Gross Written Premiums	5,305.2	5,689.6	6,021.7	6.9%
CSM Release	N/A	N/A	N/A	N/A
Expense Ratio (Non Life) <sup>1</sup>	32.9%	31.2%	29.6%	2.3 pts
Expense Ratio (Life) <sup>2</sup>	9.4%	9.9%	9.9%	0.6 pts
Local Consolidated PBT	729.6	625.6	704.4	0.6%
Total Assets	21,896.7	23,643.5	24,683.1	7.8%
Shareholders' Equity	4,031.5	4,144.2	4,230.0	4.8%
Dividends declared	220.44	239.35	322.88	9.3%
Diluted earnings per ordinary share (sen)	150.29	138.29	136.60	(1.4%)

### MFRS 9/17 BASIS

12M 2022	12M 2023
6,023.0	6,546.5
368.6	433.1
26.6%	26.3%
9.8%	12.1%
873.7	956.9
23,989.7	25,921.9
4,677.2	5,140.6
322.88	381.75
177.29	211.12

Note 1 : Expense ratio for Non Life insurance segment consists of commission and management expense (MFRS 4); both attributable and non attributable acquisition and administration expenses (MFRS 17).

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

## SUMMARY OF AUDITED FINANCIAL RESULTS

RM'mil	12M 2022	12M 2023	△23/22 %
<b>Insurance revenue</b>	4,418.8	4,941.6	11.8%
Claims and benefits	(2,296.2)	(2,675.6)	16.5%
Acquisition and administrative expenses (net)	(1,071.0)	(1,252.0)	16.9%
Reversal of losses on onerous contracts	19.5	31.0	59.0%
<b>Insurance service expenses</b>	<b>(3,347.7)</b>	<b>(3,896.6)</b>	<b>16.4%</b>
Net expenses from reinsurance contracts held	(277.3)	(228.5)	(17.6%)
<b>Insurance service results</b>	<b>793.8</b>	<b>816.5</b>	<b>2.9%</b>
Net investment income	621.4	1,141.9	83.8%
Net (re-)insurance finance expenses	(368.7)	(832.3)	>100%
<b>Net financial and investment results</b>	<b>1,046.5</b>	<b>1,126.1</b>	<b>7.6%</b>
Other operating income	1.3	1.1	(15.4%)
Other operating expenses	(174.1)	(170.3)	(2.2%)
<b>Profit before tax</b>	<b>873.7</b>	<b>956.9</b>	<b>9.5%</b>
Tax expense	(260.0)	(226.0)	(13.1%)
<b>Profit after tax</b>	<b>613.7</b>	<b>730.9</b>	<b>19.1%</b>

# 02

## GENERAL BUSINESS



# GENERAL BUSINESS

## Comments

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### **Gross written premiums**

- Continued growth momentum in the fourth quarter with gross written premium increased by 13.1% as compared to prior year. Higher premium stemming from motor business (+18.8%).

### **Profitability**

- Higher profit before tax from higher earned premium from Motor business and higher investment income.

### **Distribution and Portfolio**

- 54.4% (12M 2022: 55.7%) of GWP from Agency and 29.6% (12M 2022: 29.2%) from Franchise.
- Franchise and Agency were the main growth contributors (14.7% growth for Franchise and 10.5% growth for Agency), with growth mainly coming from Motor class.

### **Combined ratio**

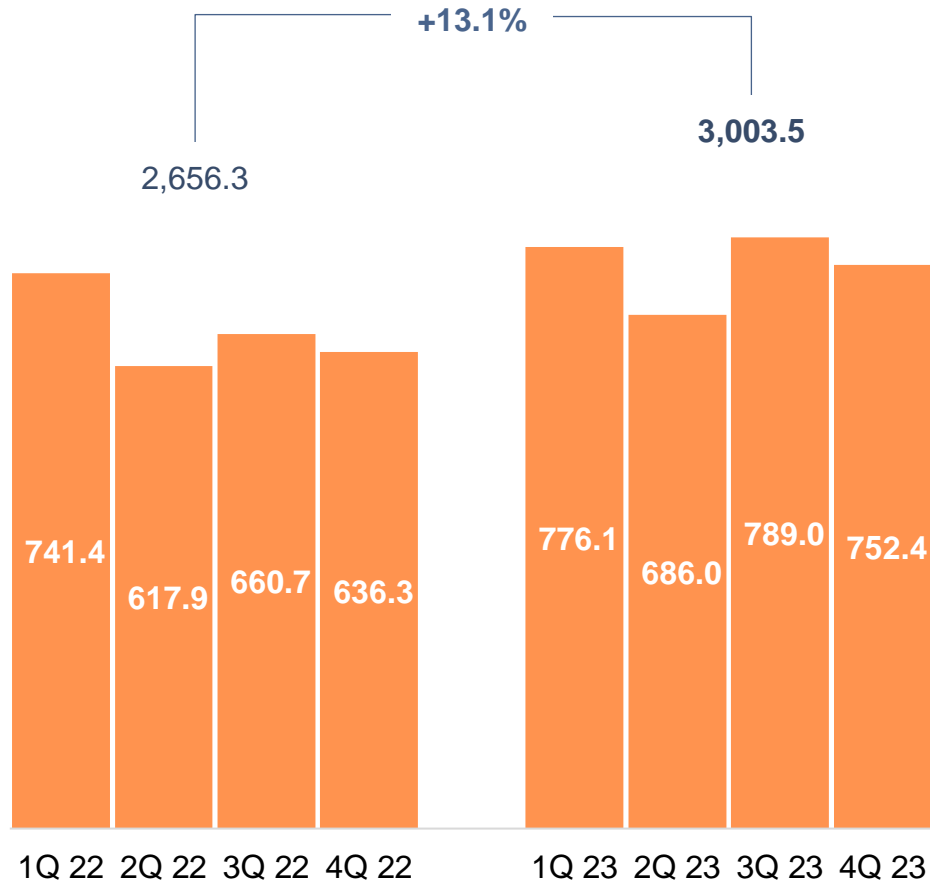
- Higher combined ratio by 0.7 pts contributed by higher claims ratio.

### **Market growth**

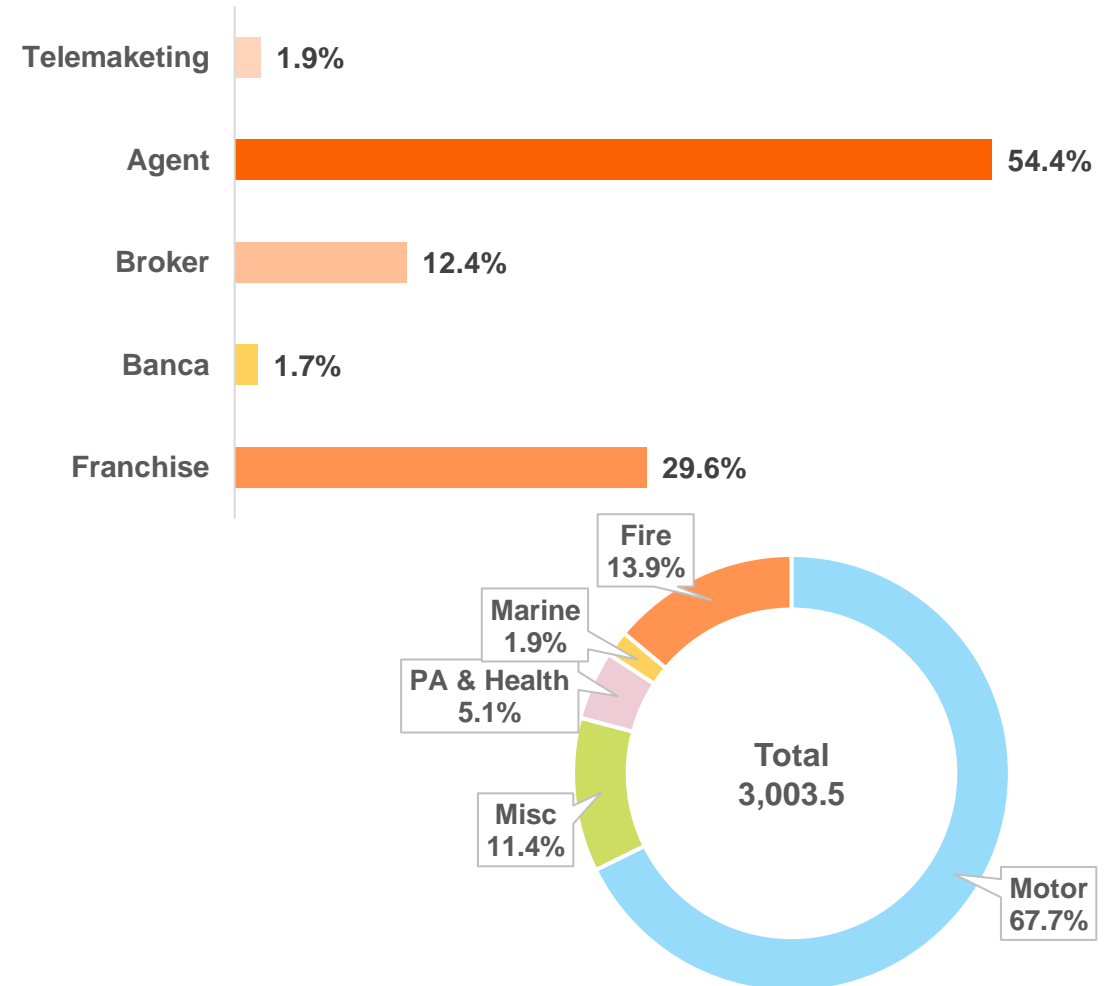
- Market share improved to 14.0% in 12M 2023 as compared to 12M 2022 of 13.3%.

# GENERAL BUSINESS: GOOD SALES MOMENTUM WITH DOUBLE DIGIT GWP GROWTH

Gross Written Premium (RM'mil)

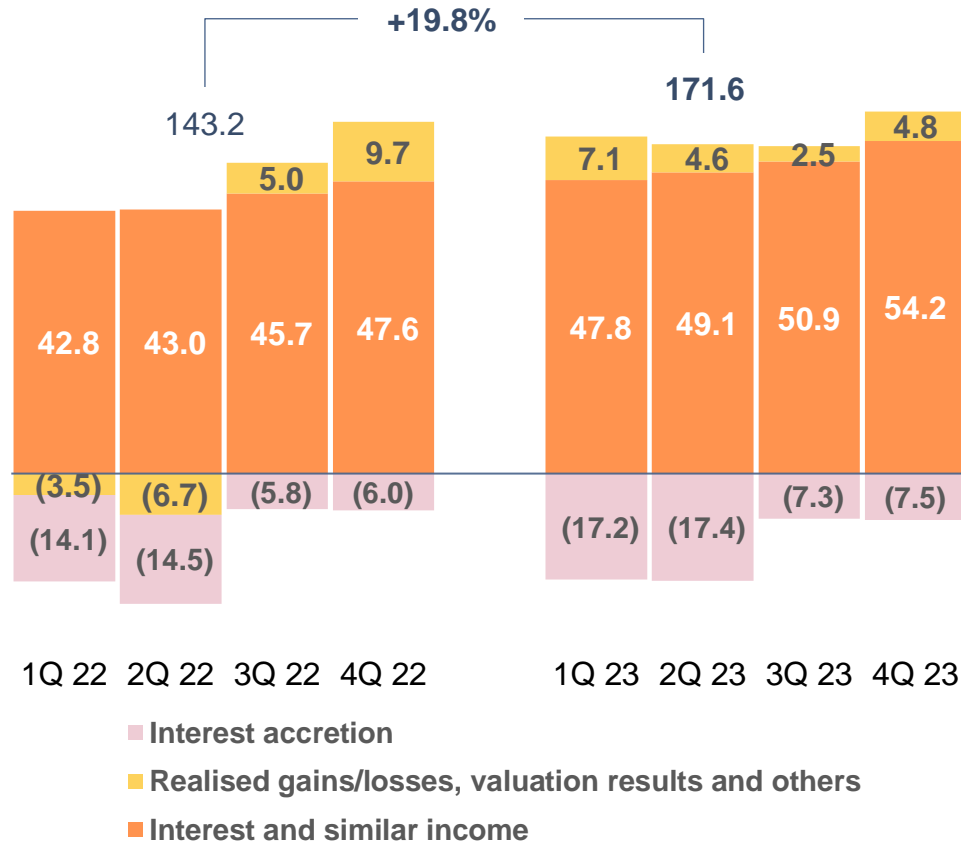


Distribution Channel & Portfolio Mix

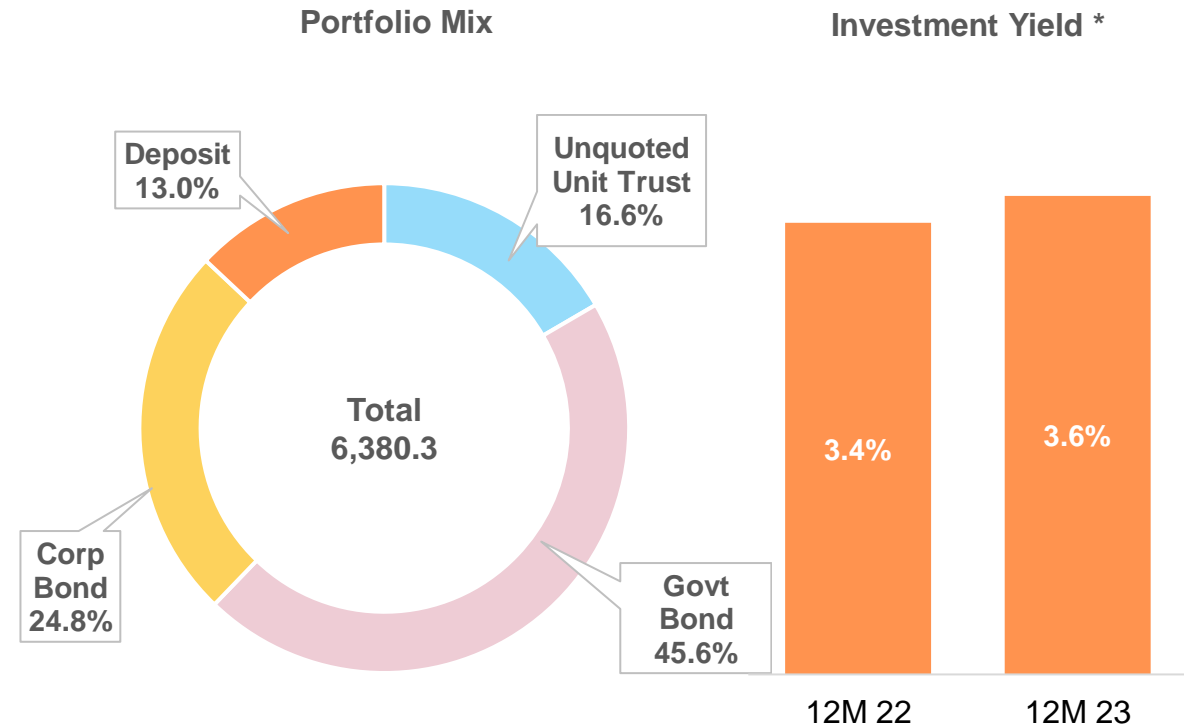


# GENERAL BUSINESS: INVESTMENT INCOME CONTINUED TO GROW IN LINE WITH HIGHER YIELD AND INVESTMENT ASSETS

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



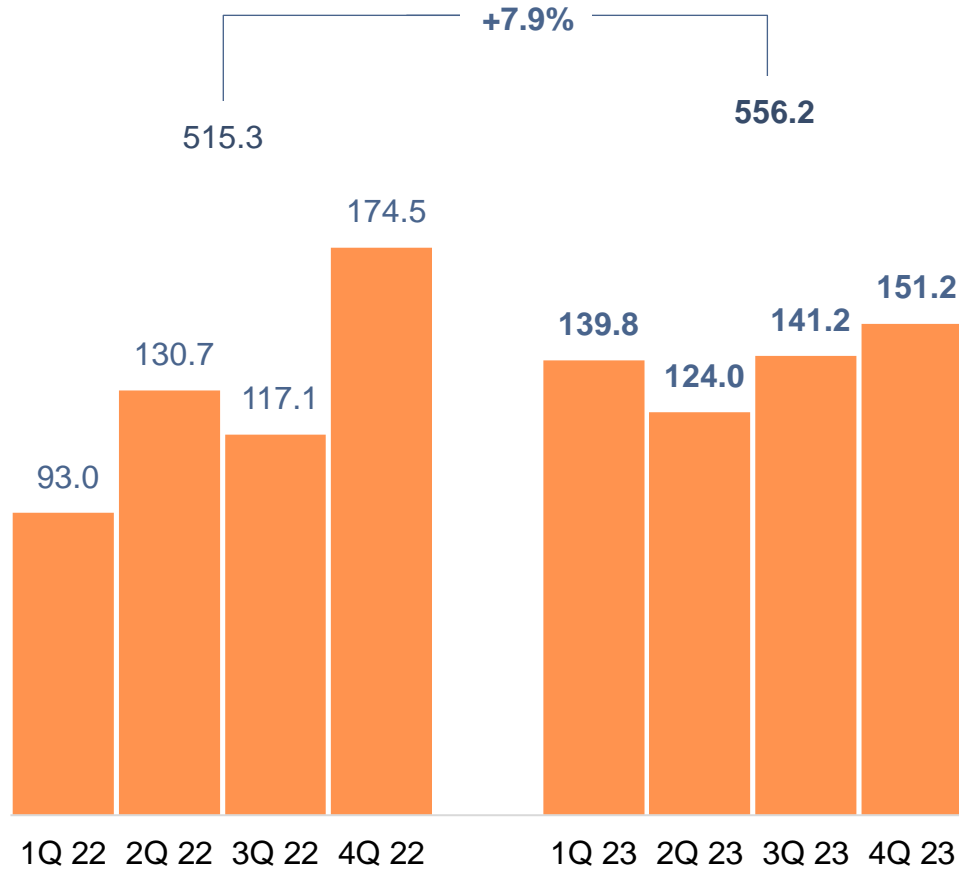
## Portfolio Mix and Investment Yield (Annualised)



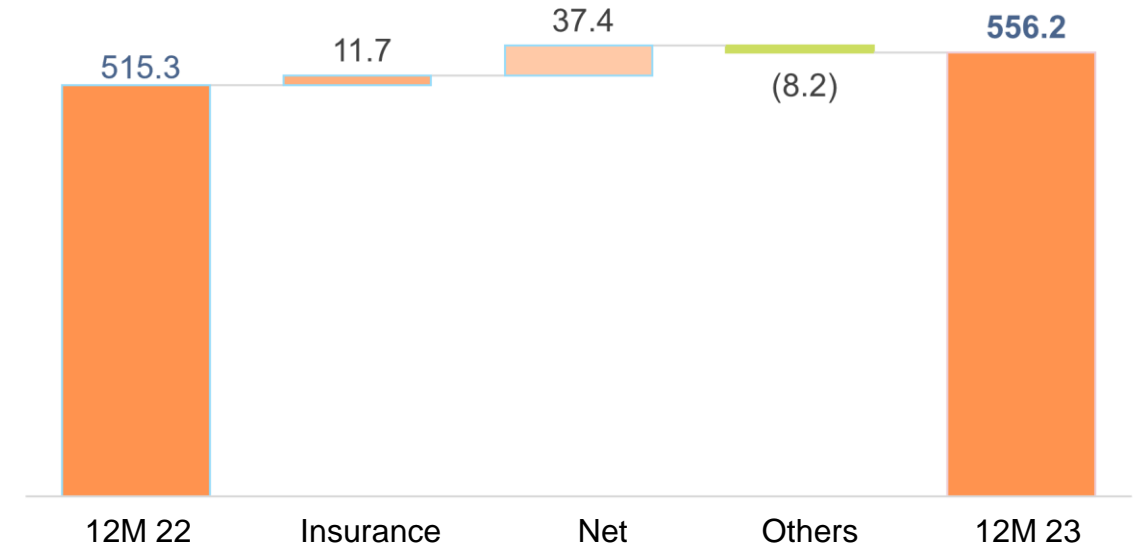
\* Investment yield is excluding fair value gains/losses

# GENERAL BUSINESS: STRONGER PBT WITH HIGHER CONTRIBUTION FROM BOTH INSURANCE SERVICE RESULTS AND INVESTMENT INCOME

Profit Before Tax (RM'mil)



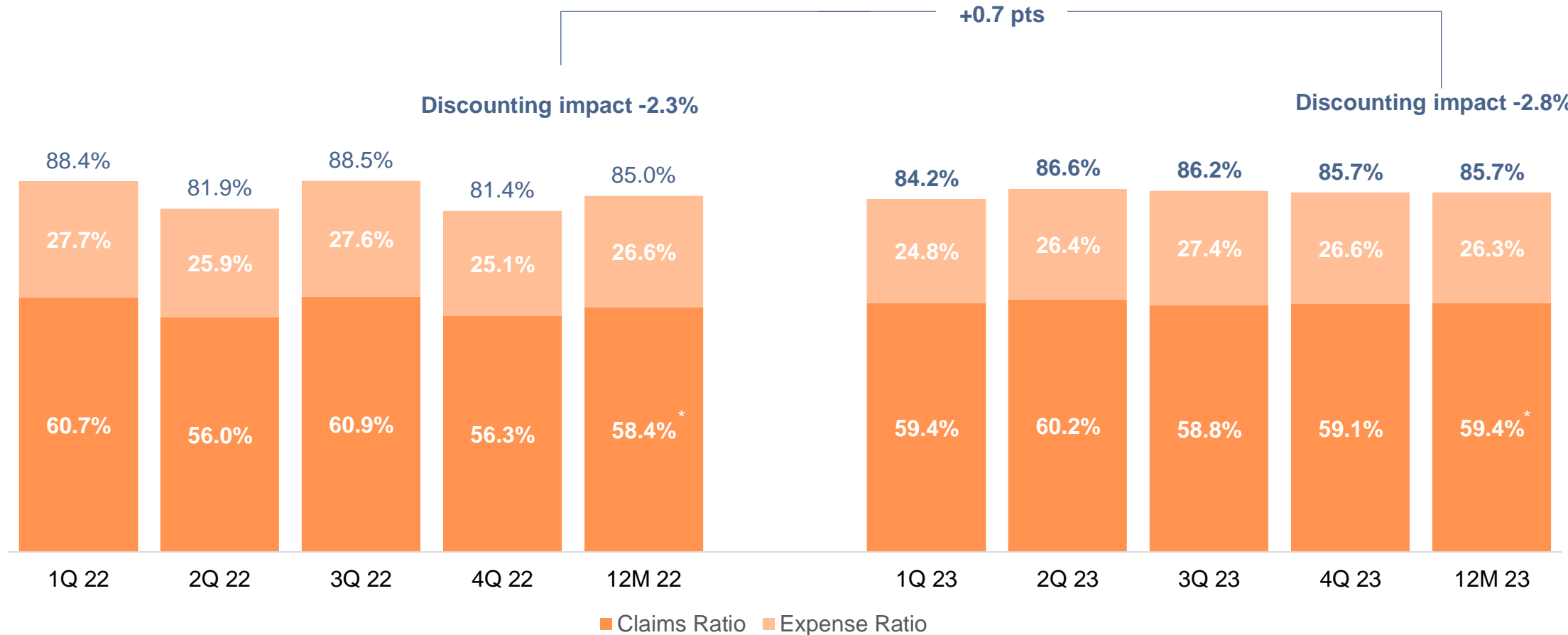
PBT Drivers (RM'mil)



12M 2022	443.3	183.6	(111.6)	515.3
12M 2023	455.0	221.0	(119.8)	556.2
<b>Change</b>	<b>11.7</b>	<b>37.4</b>	<b>(8.2)</b>	<b>40.9</b>

# GENERAL BUSINESS: HIGHER COMBINED RATIO DUE TO HIGHER CLAIMS RATIO

## Combined Ratio



\* Include reinsurance results - reinsurance ratio 9.8% in 12M 22, 10.3% in 12M 23.



## GENERAL BUSINESS: FINANCIAL RESULTS AT A GLANCE

RM'mil	12M 2022	12M 2023	△23/22 %
Insurance revenue	2,566.5	2,772.8	8.0%
Claims	(1,259.0)	(1,395.8)	10.9%
Acquisition and administrative expenses (net)	(623.1)	(671.9)	7.8%
Reversal of losses on onerous contracts	10.9	35.0	>100%
Net expenses from reinsurance contracts held	(252.0)	(285.1)	13.1%
<b>Insurance service result</b>	<b>443.3</b>	<b>455.0</b>	<b>2.6%</b>
Net investment income	183.6	221.0	20.4%
Net (re-)insurance finance expenses	(40.4)	(49.4)	22.3%
Other operating income	1.2	1.0	(16.7%)
Other operating expenses	(72.4)	(71.4)	(1.4%)
<b>Profit before tax (after consolidation adjustment)</b>	<b>515.3</b>	<b>556.2</b>	<b>7.9%</b>
Claims ratio	58.4%	59.4%	1.0 pts
Expense ratio*	26.6%	26.3%	(0.3 pts)
Combined ratio	85.0%	85.7%	0.7 pts

\* Expense ratio consists of commission and management expense (MFRS 4); both attributable and non attributable acquisition and administration expenses (MFRS 17).

## GENERAL BUSINESS: PERFORMANCE COMPARED TO INDUSTRY (JAN-DEC 2023)

KPIs	AGIC <sup>1</sup> 12M 2023	Industry <sup>1</sup> 12M 2023	Takaful <sup>1</sup> 12M 2023
<b>GWP growth</b>	<b>13.0%*</b>	<b>7.8%</b>	<b>17.4%</b>
<b>Market Share (12M 2023) <sup>2</sup></b>	<b>14.0%</b>		
<b>Market Ranking (9M 2023) <sup>3</sup></b>	<b>No. 1</b>		

### Notes:

- 1) Source: ISM Market Performance Report Jan-Dec 2023 (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-Dec 2023
- 3) Source: ISM Market Performance Report Jan-Sep 2023

\* GWP growth is 15.8% excluding premium contribution from the Perlindungan Tenang Voucher incentive in prior year, which has since been discontinued by the Government in December 2022.

# 03

## LIFE

## BUSINESS



# LIFE BUSINESS

## Comments

### Gross written premiums

- Gross written premiums grew by 5.2% with growth from Agency (+ 6.1%) and Employee Benefit (+ 21.1%).

### Market growth

- ANP increased by 14.6% and surpassed industry growth of 11.1%.<sup>1</sup>
- Market share for 12M 2023 increased to 9.8% (12M 2022: 9.5%).
- ANP of RM757.6 million is the highest ANP recorded by the Company.

### Distribution

- Growth is driven by all key distribution channels. Agency ANP increased by 17.9%, Bancassurance increased by 5.2% and Employee Benefits increased by 22.5%.
- 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 23.8%.
- Investment-linked ANP and GWP grew by 9.1% and 5.8%.

### Profitability

- Profit before tax of RM411.2 million (12M 2022: RM377.6 million) due to higher net insurance and investment results.

### Value of new business

- New business value was RM349.3 million, increased by 16.3% due mainly to higher sales, partially offset by higher acquisition expenses.

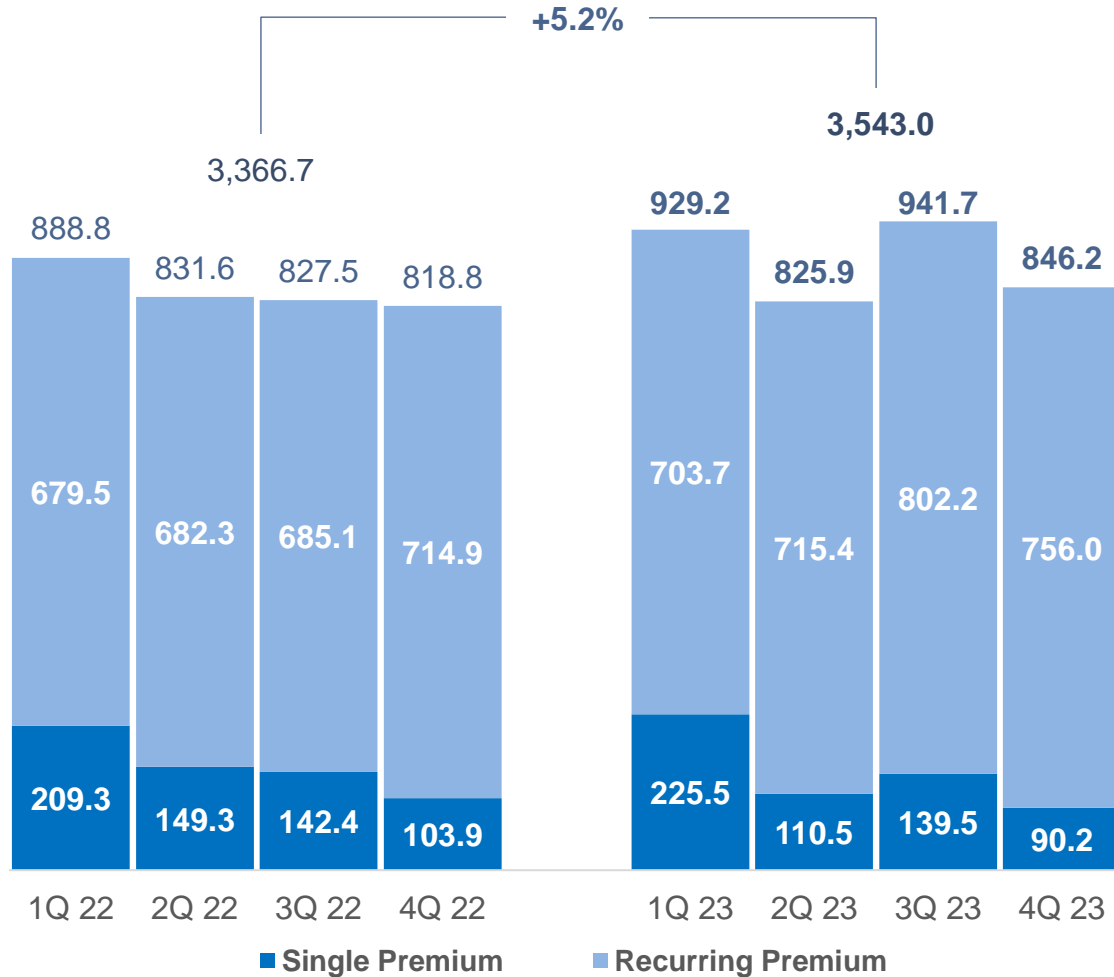
### CSM

- As at 31 December 2023, CSM was at RM3.25 billion, an increase of RM317.0 million from the end of 2022. The growth in CSM is contributed by new business generated, in-force movements offset by releases for the period. Higher CSM balance is also contributed by update in non-financial assumption arising from revision in persistency and mortality assumption.

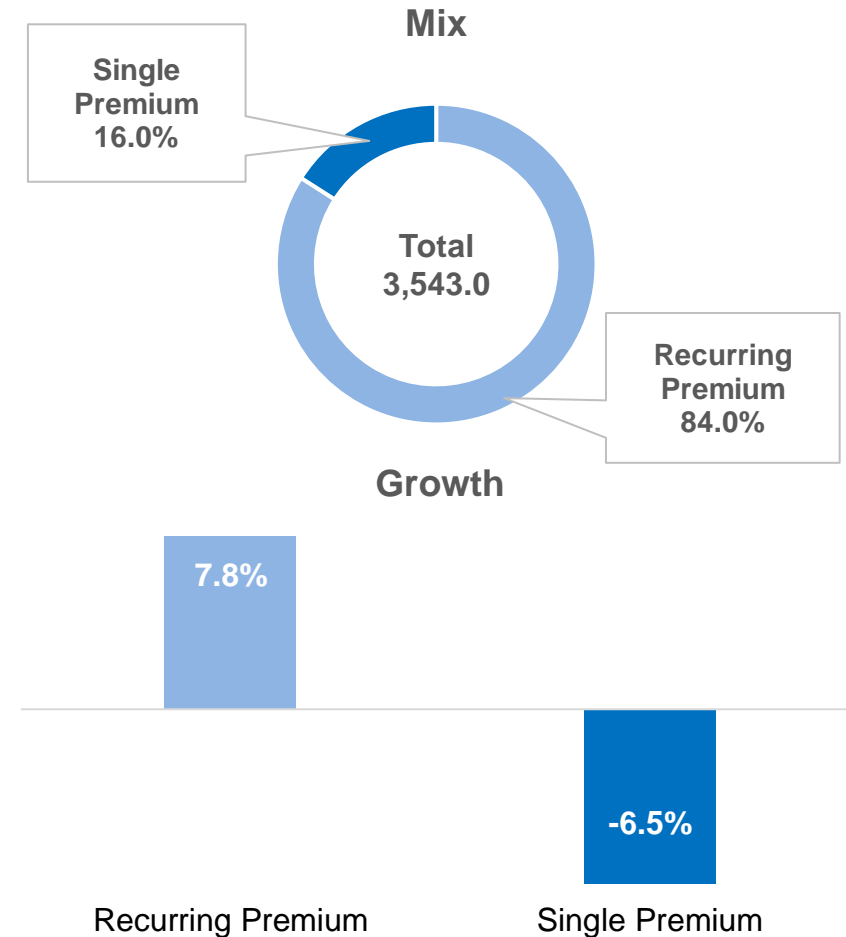
*Note 1: Market share based on statistics from LIAM.*

# LIFE BUSINESS: STRONG FIRST YEAR PREMIUM AND IN-FORCE PREMIUM

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

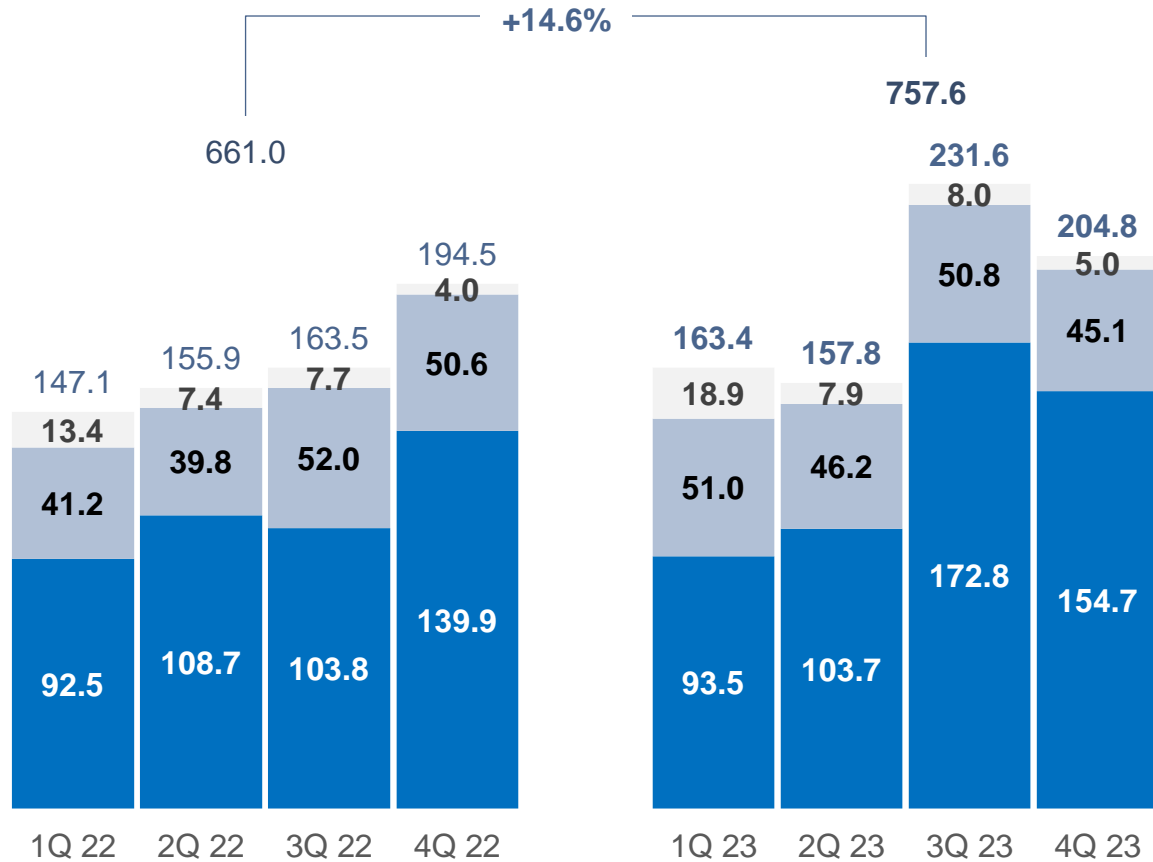


GWP Mix & Growth (%) (12M 2023)

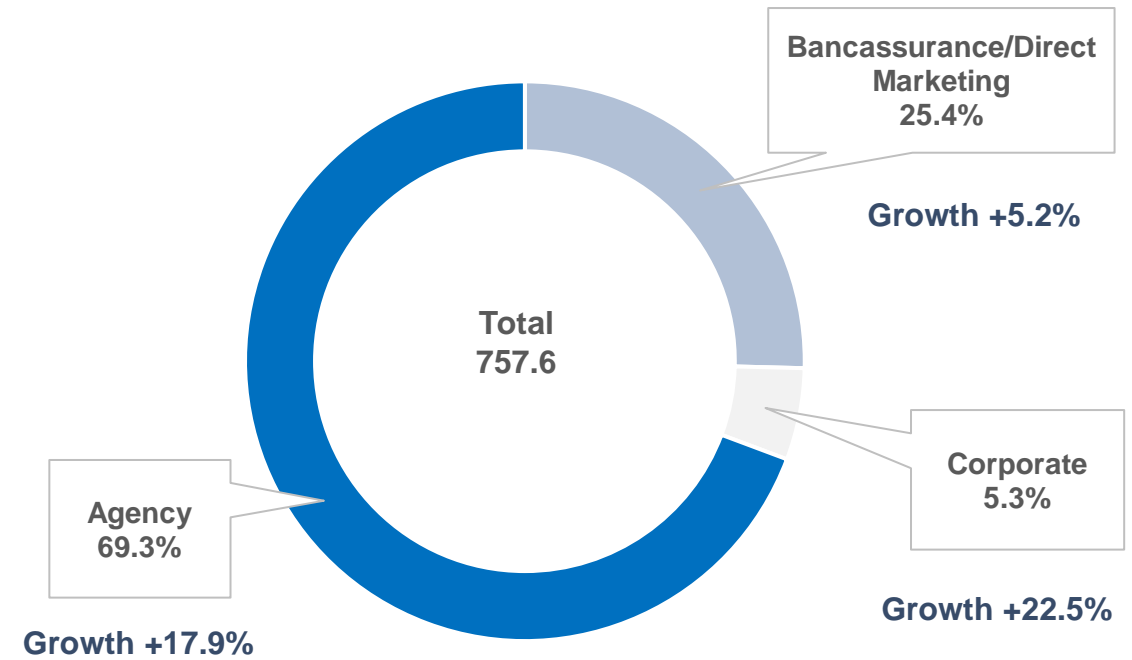


# LIFE BUSINESS: GROWTH IN ANP DRIVEN BY ALL KEY DISTRIBUTION CHANNELS

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

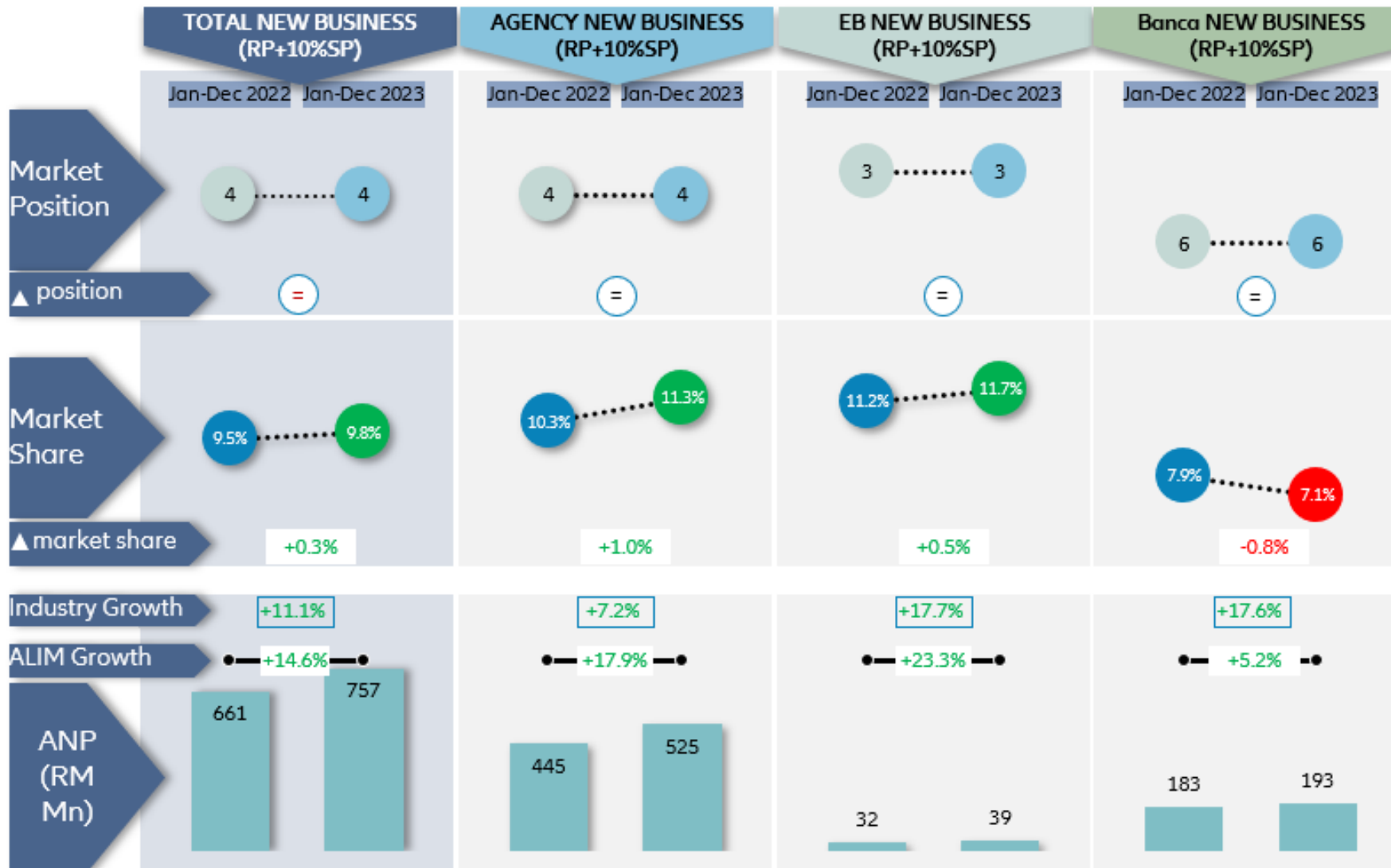


ANP Channel Mix (%) (12M 2023)



■ Agency ■ Bancassurance/Direct Marketing ■ Employee Benefits

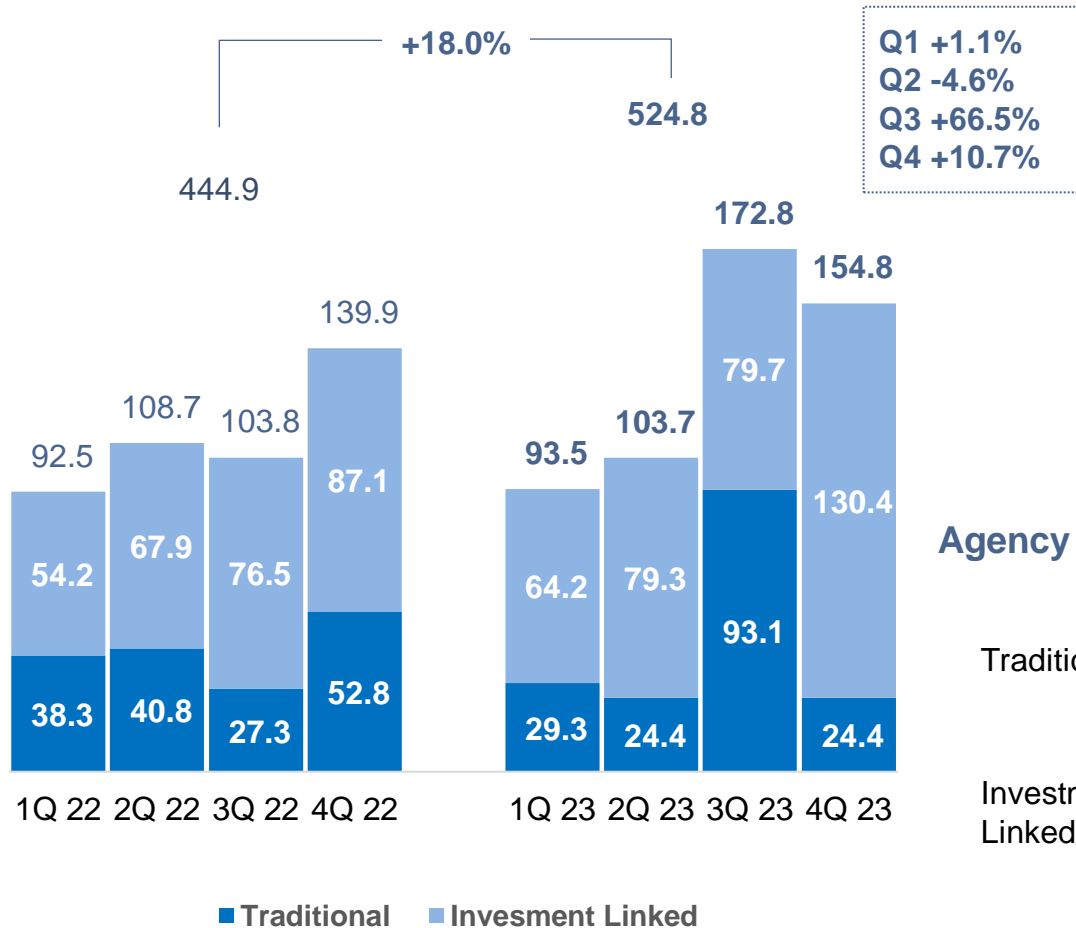
# LIFE BUSINESS: GROWTH IN ANP DRIVEN BY ALL KEY DISTRIBUTION CHANNELS



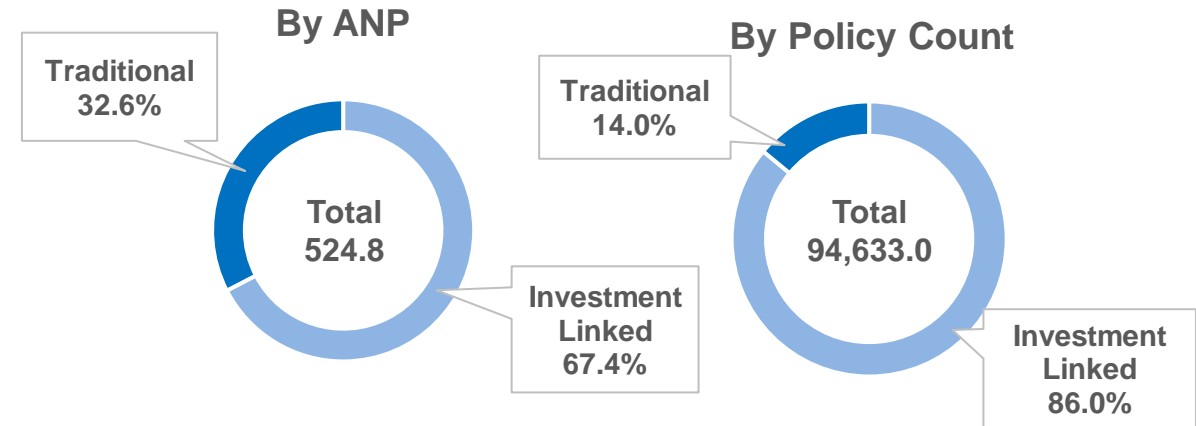
Source: LIAM NB Statistics (2023 & 2022)

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

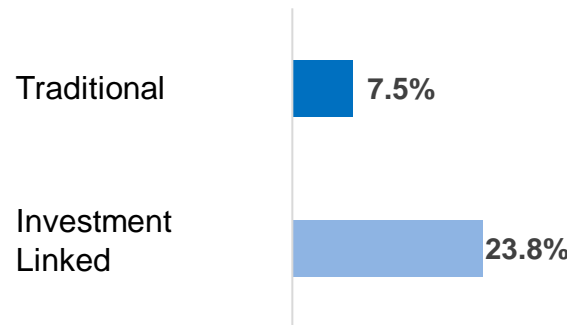
Agency Annualised New Premiums (RM'mil)



Agency Product Mix (%) (12M 2023)



Agency ANP Growth (%) (12M 2023)

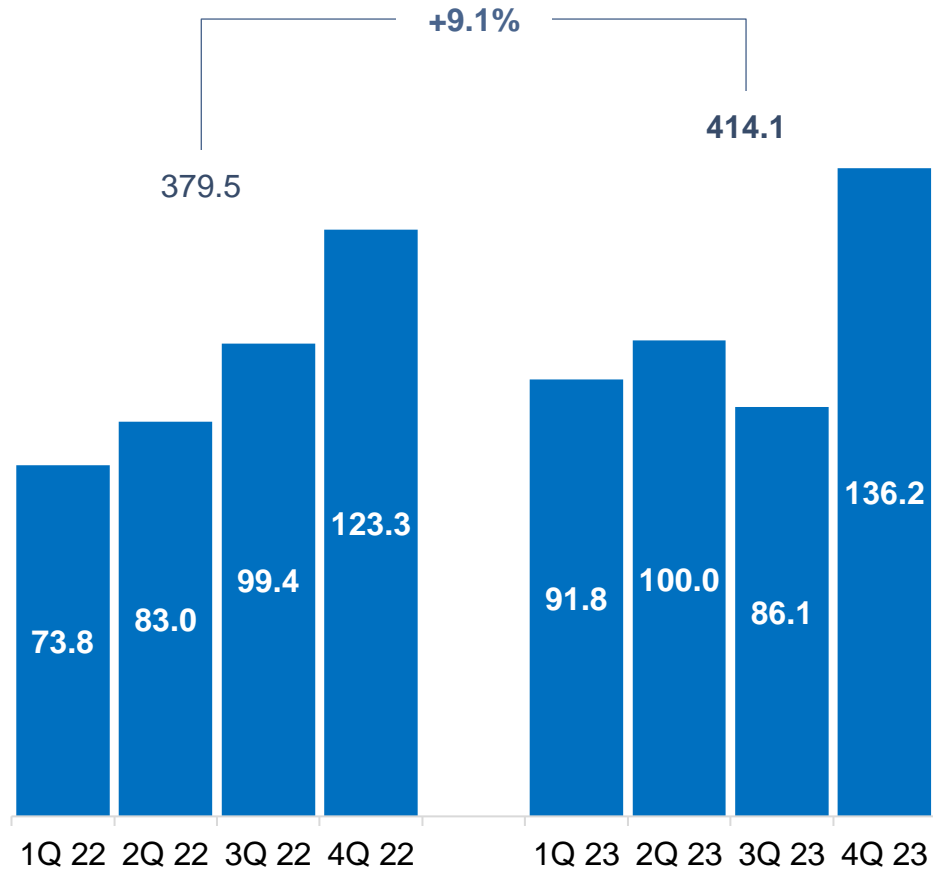


	CEO Program Recruits Headcount		Total New Recruits Headcount	
	2023	Growth	2023	Growth
Q1	133	+34.3%	301	-6.5%
Q2	208	+96.2%	461	+25.6%
Q3	180	+87.5%	517	+81.4%
Q4	191	>100%	705	>100%
<b>Total</b>	<b>712</b>	<b>+85.4%</b>	<b>1,984</b>	<b>+56.0%</b>

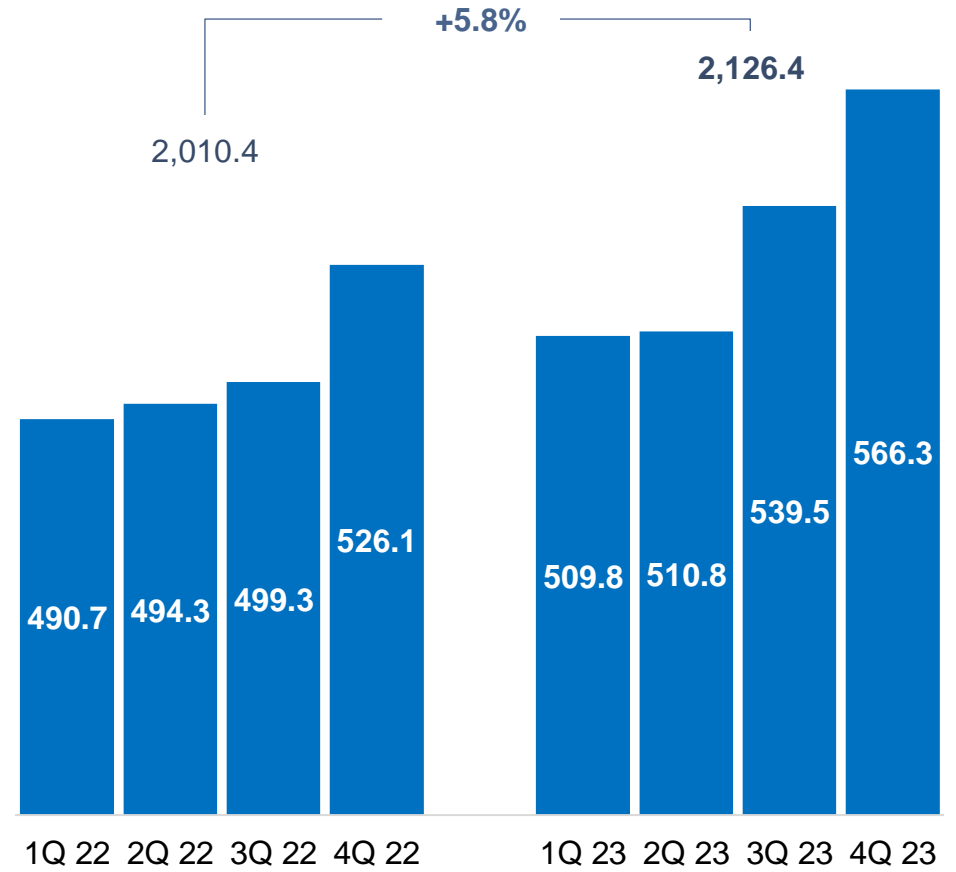


# LIFE BUSINESS: INVESTMENT-LINKED WITH PROTECTION FEATURES CONTINUES TO GROW

Annualised New Premiums (RM'mil)

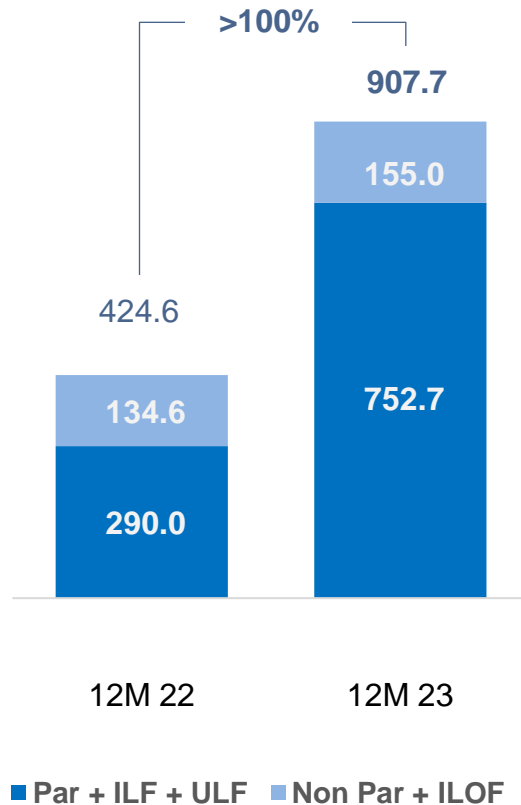


Gross Written Premiums (RM'mil)

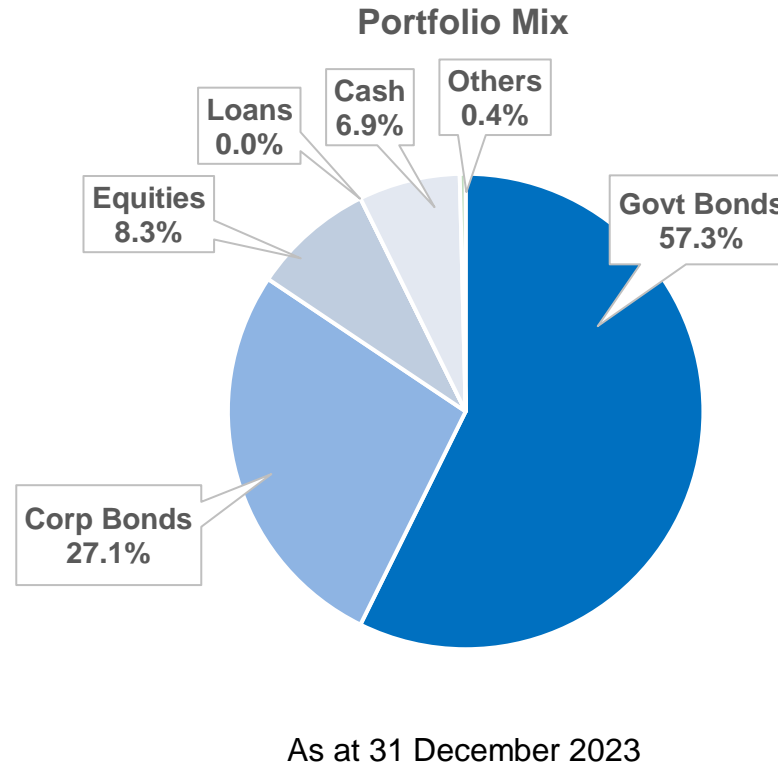


# LIFE BUSINESS: HIGHER INVESTMENT INCOME DRIVEN BY HIGHER YIELD AND INVESTMENT ASSETS BASE

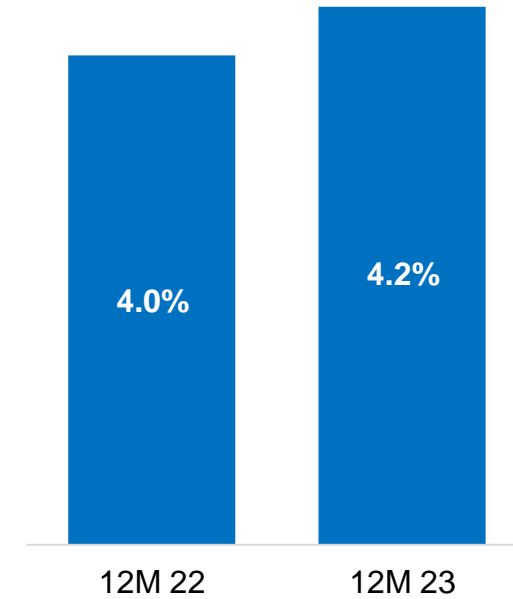
Investment Income by funds (RM'mil)



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	12M 2022	12M 2023	△23/22 %
<b>Insurance revenue</b>	1,852.3	2,168.8	17.1%
- <i>Release contractual service margin</i>	368.6	433.1	17.5%
- <i>Release of expected cash flows, risk adjustments and others</i>	1,483.7	1,735.7	17.0%
<b>Claims and benefits</b>	(1,031.6)	(1,279.4)	24.0%
<b>Acquisition and administrative expenses (net)</b>	(447.9)	(580.1)	29.5%
<b>Reversal of losses/(Losses) on onerous contracts</b>	8.6	(4.0)	(>100%)
<b>Net expenses from reinsurance contracts held</b>	(25.3)	56.6	(>100%)
<b>Insurance service result</b>	356.1	361.9	1.6%
<b>Net investment income</b>	424.6	907.7	>100%
<b>Finance expenses from insurance contracts issued</b>	(327.8)	(784.9)	>100%
<b>Finance (expenses)/income from reinsurance contracts held</b>	(0.5)	2.0	(>100%)
<b>Other operating income</b>	0.1	0.1	0.0%
<b>Other operating expenses</b>	(74.9)	(75.6)	0.9%
<b>Profit before tax (after consolidation adjustment)</b>	377.6	411.2	8.9%
<b>Annualised new premiums</b>	661.0	757.6	14.6%
<b>Expense ratio (LF+SHF)</b>	9.8%	12.1%	2.3 pts
<b>Local investment yield (LF+SHF)</b>	4.0%	4.2%	0.2 pts
<b>Block persistency ratio</b>	85.3%	84.8%	(0.5 pts)

**THANK YOU  
FOR YOUR ATTENTION**

# DISCLAIMER

These assessments are, as always, subject to the disclaimer provided below.

## Cautionary Note Regarding Forward-Looking Statements

The statements contained herein may include statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by reason of context, the words "may", "will", "should", "expects", "plans", "intends", "anticipates", "believes", "estimates", "predicts", "potential", or "continue" and similar expressions identify forward-looking statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) general economic conditions, including in particular economic conditions in the Allianz Group's core business and core markets, (ii) performance of financial markets, including emerging markets, and including market volatility, liquidity and credit events (iii) the frequency and severity of insured loss events, including from natural catastrophes and including the development of loss expenses, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) the extent of credit defaults, (vii) interest rate levels, (viii) currency exchange rates including the Euro/U.S. Dollar exchange rate, (ix) changing levels of competition, (x) changes in laws and regulations, including monetary convergence and the European Monetary

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.

### **No duty to update.**

The company assumes no obligation to update any information contained herein.