# Insurance

**POSITIVE** (Maintain)

## Working Toward Lower Healthcare Inflation

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### HIGHLIGHTS

- **Positive developments in the healthcare inflation space could result in a much lower CY25 figure. While healthcare inflation made headlines several months ago, regulators and insurance players have had plenty of time to re-strategise**
- **While still in the early days, co-pay programme take-up has been promising thus far, with a high persistency ratio implying that policyholders are compliant and understanding of the situation at hand**
- **There are other positive signs: Insurance companies are taking a harder stance on overspending healthcare providers, while drug raw material prices are beginning to normalise**
- **We are also looking for possible M&A activity from pre-existing conventional insurance players looking to breach the lucrative takaful market**
- **Maintain POSITIVE call: Among other bright spots, we like the encouraging progress towards resolving the healthcare inflation situation, which is one of the main overhangs faced by the sector**

| | |
|---|---|
| **Our Verdict** | **While the sector faces some headwinds, tailwinds are equally aplenty. We think its cheap price point, attractive dividend yields, possible windfall in investment income, and encouraging progress in working against one of its major overhangs (healthcare inflation) make the sector due for a positive rerating.**<br><br>**It helps that the companies under our coverage are market leaders, which allows them to weather (or even take advantage of) some challenges better than most.** |
| **Core Themes** | 1. ▲ Sector dividends are attractive, with all 3 companies under our coverage boasting >5% dividend yields.<br>2. ▲ Sector valuations are attractive, especially when compared to regional peers.<br>3. ▲ Recent declines in MGS yields imply a possible investment income windfall.<br>4. ▲ Good progress has been made by regulatory bodies and insurance companies towards resolving the healthcare inflation issues. So far, insurance policyholders are responding positively, and drug raw material prices have normalised.<br>5. ► A milder economic outlook is capping growth prospects. The resultant weaker stock market performance is also negatively affecting investment-linked policy take-up.<br>6. ► Hardening of reinsurance premiums poses a structural issue for the sector, though there have been fewer floods this year.<br>7. ▼ The insurance industry remains extremely competitive and saturated. Expect further M&A activity, as the sector heads towards consolidation.<br>8. ▼ Healthcare inflation overhang persists. |

### COMPANY *IN FOCUS*

**Allianz**

**Maintain BUY | Target Price: RM21.59**
Price @ 2 July 2025: RM18.50

- AGIC continues to aggressively capture market share, capitalising on its economies of scale.
- ALIM seems to be tackling healthcare inflation well, with health loss ratios outperforming the industry in 1QFY25.

**SHARE PRICE CHART**



**STMB**

**Maintain BUY | Target Price: RM4.59**
Price @ 2 July 2025: RM3.44

- General segment to perform stronger, after portfolio restructuring.
- Family segment to see double-digit GWP growth.
- Kaotim app performance exceeds expectations.

**SHARE PRICE CHART**



**FIG 1: Sector Picks**

| Our Call | STOCK | Catalysts, concerns, and other notes |
|---|---|---|
| GOOD Pick | LPI | 1. ▲ Disposal of Public Bank shares imply a special dividend payout, though details on whether the dividend will be a one-off or staggered over 2 years remain unclear.<br>2. ▲ Collaborative efforts between LPI and Public Bank could translate to higher cost savings and higher operating efficiency.<br>3. ▲ Possible investment income windfall in subsequent quarters, due to a drop in MGS yields.<br>4. ► GWP growth rate is very similar to that of the wider industry.<br>5. ▼ Milder residential mortgage loan growth could imply slower growth of higher-margin fire premiums. Management is making a conscious decision to grow motor and engineering insurance, though no drastic change to the portfolio mix is expected. |
| TOP Pick | Allianz | 1. ▲ AGIC is aggressively growing its market share, capitalising on its #1 market ranking and economies of scale. This is expected to persist.<br>2. ▲ While still in early stages, ALIM seems to be tackling its healthcare inflation issue well. Co-pay programmes have promising take-up rates, while ALIM's health loss ratio in 1QCY25 is outperforming that of the wider industry. (In previous years, it underperformed on this front.)<br>3. ► Some uncertainty about dividend payouts, after recent disappointments (FY24's 40% payout, vs the standard 48%). Regardless, a 40% payout repeat already implies a strong dividend yield of ~5%.<br>4. ► While details remain sparse, Allianz seems to be very enthusiastic about EV vehicle insurance. This remains a developing story.<br>5. ▼ Some weak growth in life premiums is expected in FY25. |
| TOP Pick | STMB | 1. ▲ Strong earnings performance is guided for in General segment. Some drag in GWP growth was seen, due to an intentional decision to pare down on lower-yielding motor premiums, but this should improve overall margins and profitability.<br>2. ▲ Family segment to see double-digit GWP growth.<br>3. ▲ Kaotim app's performance is exceeding expectations, increasing the viability of a cheaper distribution method that can target the younger generation.<br>4. ▲ Healthy dividend yields of >5%.<br>5. ▼ New BNM regulation may put a damper on the Family segment's outlook, especially since mortgage-linked products are becoming less attractive. Management is looking further into personal-financing-linked products instead. |

*Source: Companies, MIDFR*

▲ **Positive developments in the healthcare inflation space could result in a much lower CY25 figure.** Uncontrollable healthcare inflation is a concerning issue that made headlines several months ago. Since then, there has been significant progress on several fronts:

1. **Drug raw material prices are normalising to pre-pandemic values.** Raw material prices spiked during the pandemic, as a result of manufacturing limitations, supply chain disruptions and natural disasters.
2. **Insurance companies are taking a harder stance on overspending healthcare providers.** Some of the worst perpetrators have been struck off the insurers' panel. Initiatives to reduce overspending include:
    a. Substituting brand-name drugs with generic equivalents.
    b. Limiting any price hikes in charge codes and further unbundling and layering of charges.
    c. Prioritising simpler diagnostic tests over more advanced ones when clinically warranted.
    d. Avoiding reliance on positive defensive medicine and unnecessary patients' costs.
    e. To drive daycare procedures without unnecessary admission.
3. **BNM is switching gears on regulatory direction…** Before the pandemic, the regulatory focus was solely on driving insurance rate penetration, which consisted of providing more sophisticated products complementing basic protection. There was a lack of attention given to developing an insurance product mix which penalised moral hazard, which affected the sustainability of the sector when scaling up. Post-pandemic, the focus seems to be on developing a better system of checks and balances.

4. **…So far, co-pay programme take-up has been encouraging.** While BNM maintains that co-pay programmes will remain a mere option for policyholders, insurance providers maintain that the pressure on them to convert pre-existing policyholders to co-pay programmes is very high. While still in early stages, policyholders seem understanding and receptive: Allianz reported that a conversion exercise for one of its blocks saw a conversion rate of ~30%. Overall persistency ratio was still at a strong 84.3%.

► **Possible M&A activity from pre-existing conventional insurance players looking to breach the lucrative takaful market.** The fast-growing takaful market remains extremely attractive, namely because it is far less saturated than the conventional insurance segment. However, further takaful licenses are unlikely to be issued by BNM (save for digital operator licenses (DITOS)) as consolidation seems to be the ongoing intent by regulatory bodies. Thus, M&A activity seems to be the most logical course of action for pure insurance players (such as Allianz) that intend to enter the takaful space. With valuations depressed, we think the likelihood of an event happening soon is very high.

Recall that the purpose of licensed DITOs is to serve the unserved and underserved market, which is not quite the same mandate as institutions holding regular takaful licenses. Furthermore, the last time BNM issued a slew of family takaful licenses was during the liberalisation of the local insurance sector (back in CY10), to increase the insurance penetration rate in the country. Given that BNM's general stance and direction have changed post-pandemic, we believe that there is no incentive for BNM to issue further regular takaful licenses anytime soon, driving the need for M&A activity.

**Maintain POSITIVE call.** (Our comprehensive list of sector drivers is on the first page).
Top downside risks include:

1. Economic downturn, leading to weaker premium growth.
2. Rapid healthcare insurance persists.

**Top Picks: Allianz (BUY, TP: RM21.59)** and **STMB (BUY, TP: RM4.59).**

## PEER COMPARISON

| Companies | Rec | Share P* | Target P | Upside | Mkt Cap | P/E (x) | | P/B (x) | | ROE (%) | | Div Yield (%) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | (RM) | (RM) | (%) | (RM b) | FY25 | FY26 | FY25 | FY26 | FY25 | FY26 | FY25 | FY26 |
| LPI | BUY | 14.74 | 15.25 | 3.5 | 5.9 | 15.2 | 14.1 | 2.4 | 2.3 | 15.8 | 16.5 | 5.6 | 6.0 |
| ALLIANZ | BUY | 18.60 | 21.59 | 16.1 | 6.4 | 8.0 | 7.6 | 1.0 | 1.0 | 13.3 | 13.0 | 5.0 | 5.3 |
| STMB | BUY | 3.42 | 4.59 | 34.2 | 3.0 | 7.2 | 6.9 | 1.3 | 1.2 | 20.1 | 18.6 | 5.1 | 5.4 |
| **Simple avg** | | | | | | **10.1** | **9.6** | **1.6** | **1.5** | **16.4** | **16.0** | **5.3** | **5.6** |
| **Weighted avg** | | | | | | **10.6** | **10.0** | **1.6** | **1.5** | **15.6** | **15.4** | **5.3** | **5.6** |

**Closing prices from 02 Jul 2025.*

*Source: MIDFR*

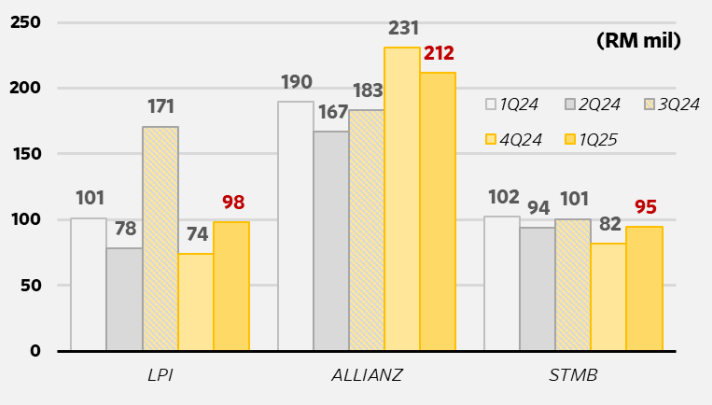
## FIG 2: Valuation Methodologies

| Company | Valuation | Details |
|---|---|---|
| LPI | P/BV | **FY25F P/BV of 2.45x.**<br>***GGM Assumptions:*** *FY25F ROE of* ***15.8%****, LTG of* ***4.0%*** *&* *COE of* ***8.8%.*** |
| Allianz | SOTP | **AGIC: FY25F P/BV of 1.4x**<br>**ALIM: FY25F P/CE of 0.6x.** |
| STMB | P/BV | **FY25F P/BV of 1.81x.**<br>***GGM Assumptions****: FY25F ROE of* ***20.1%,*** *LTG of* ***3.5%*** *&* *COE of* ***12.7%.*** |

*Source: Companies, MIDFR*

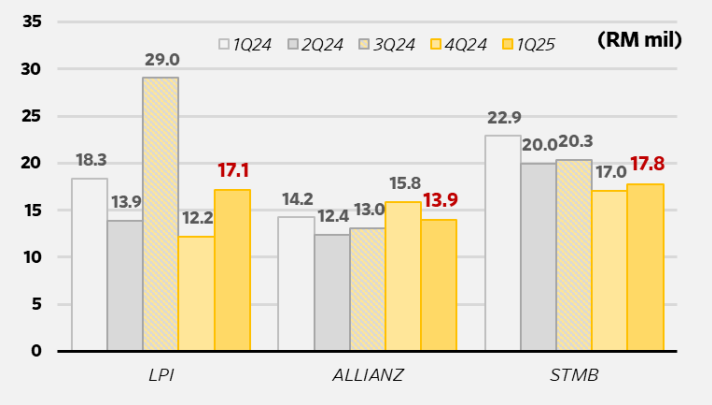
# A. COMPANY I/S

**Fig 3: Company Quarterly Core Net Profit**



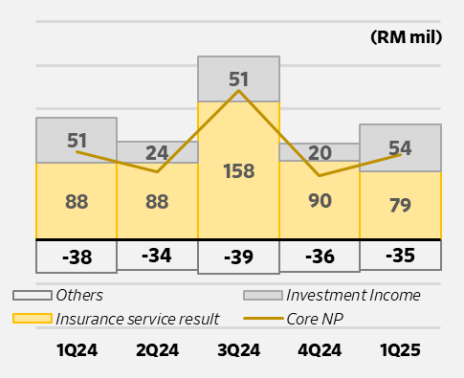

Source: Companies, MIDFR

**Fig 4: Company Quarterly ROE**



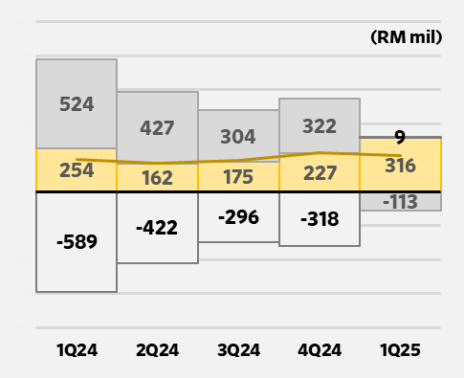

Source: Companies, MIDFR

**Fig 5: LPI Earnings Breakdown**



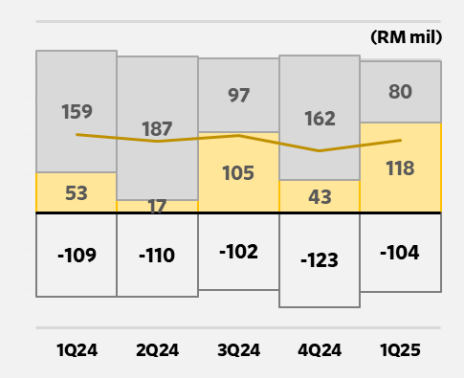

Source: Companies, MIDFR

**Fig 6: Allianz Earnings Breakdown**




Source: Companies, MIDFR

**Fig 7: STMB Earnings Breakdown***




Source: Companies, MIDFR

*STMB's Takaful service result has a different composition from Conventional Insurance peers, and is thus not necessarily comparable to its peers.

**FIG 8: Company's Core NP and Insurance Service Result %yoy growth**

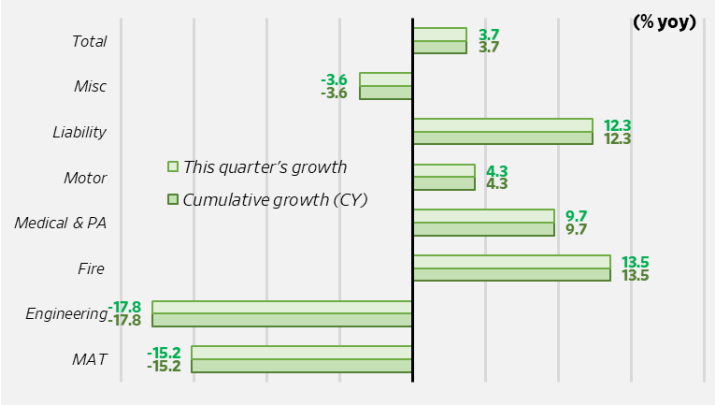
| | Quarter %yoy growth | | | | | | Cumulative %yoy growth | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | LPI | | ALLZ | | STMB | | LPI | | ALLZ | | STMB | |
| | Core NP | ISR* | Core NP | ISR* | Core NP | ISR* | Core NP | ISR* | Core NP | ISR* | Core NP | ISR* |
| 1Q23 | 13.8 | -8.4 | 17.4 | 36.3 | -16.2 | -67.5 | 13.8 | -8.4 | 17.4 | 36.3 | -16.2 | -67.5 |
| 2Q23 | 18.9 | -14.7 | 11.0 | -38.5 | 84.4 | -0.5 | 16.1 | -11.7 | 14.2 | -8.0 | 30.1 | -29.9 |
| 3Q23 | 23.0 | 3.7 | 41.7 | 36.2 | 24.9 | 81.7 | 18.8 | -5.9 | 22.9 | 2.9 | 28.4 | -11.4 |
| 4Q23 | 43.9 | 33.9 | 11.7 | 0.9 | 3.7 | -30.3 | 24.3 | 2.6 | 19.8 | 2.5 | 22.5 | -15.2 |
| 1Q24 | 37.2 | 44.0 | 7.4 | -2.0 | 58.6 | 172.2 | 37.2 | 44.0 | 7.4 | -2.0 | 58.6 | 172.2 |
| 2Q24 | 22.5 | 40.9 | 0.3 | -4.7 | -22.7 | -77.8 | 30.4 | 42.4 | 3.9 | -3.1 | 5.5 | -27.1 |
| 3Q24 | 75.3 | 78.7 | -7.4 | -16.3 | 10.4 | 113.1 | 49.0 | 57.5 | -0.2 | -7.4 | 7.1 | 20.5 |
| 4Q24 | -6.0 | 11.0 | 19.1 | 27.6 | 16.1 | 45.7 | 35.2 | 44.7 | 4.9 | 0.2 | 8.9 | 24.7 |
| **1Q25** | **-3.3** | **-10.4** | **11.5** | **24.1** | **-7.5** | **122.9** | **-3.3** | **-10.4** | **11.5** | **24.1** | **-7.5** | **122.9** |

*ISR = Insurance Service Result*

Source: Company, MIDFR

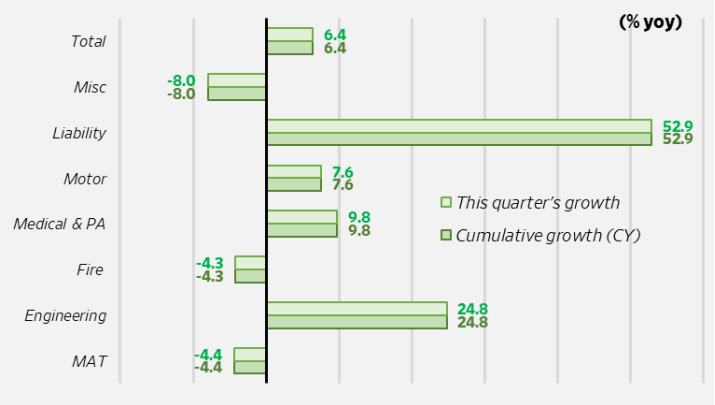
## B. GENERAL STATS

### Fig 9: Insurance Industry %yoy Segmental GWP Growth




*Source: BNM, MIDFR*

### Fig 10: Takaful Industry %yoy Segmental GWP Growth



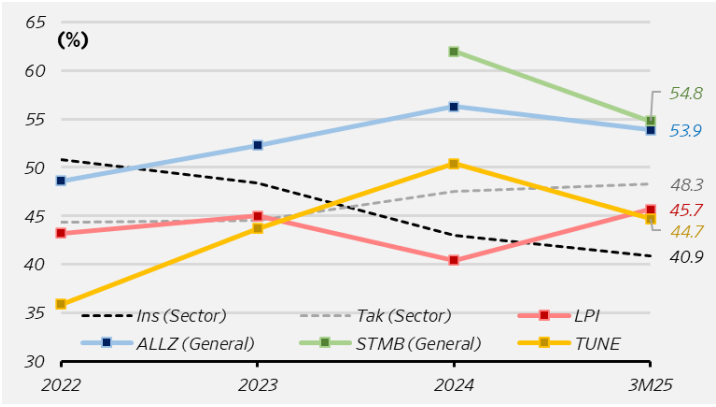

*Source: BNM, MIDFR*

### FIG 11: Industry and Company's GWP growth (General)

| | Quarterly %yoy growth | | | | | Quarterly %qoq growth | | | | | Cumulative %yoy growth | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | LPI | ALLZ (General) | STMB (General) | Insurance Industry | Takaful Industry | LPI | ALLZ (General) | STMB (General) | Insurance Industry | Takaful Industry | LPI | ALLZ (General) | STMB (General) | Insurance Industry | Takaful Industry |
| 1Q23 | 2.7 | 4.7 | | 9.9 | 19.9 | 31.9 | 22.0 | | 20.2 | 10.0 | 2.7 | 4.7 | | 9.9 | 19.9 |
| 2Q23 | 8.0 | 11.0 | | 4.8 | 20.5 | -17.9 | -11.6 | -17.5 | -11.8 | -17.3 | 5.0 | 7.6 | | 7.4 | 20.1 |
| 3Q23 | 9.5 | 19.4 | | 7.6 | 16.4 | 11.5 | 15.0 | 6.4 | 8.3 | 3.1 | 6.5 | 11.4 | | 7.5 | 18.9 |
| 4Q23 | 5.5 | 18.2 | | 10.9 | 13.7 | -12.6 | -4.6 | 52.2 | -3.4 | 21.3 | 6.2 | 13.1 | 21.0 | 8.3 | 17.4 |
| 1Q24 | 8.7 | 14.0 | 11.4 | 10.4 | 10.7 | 35.8 | 17.6 | -16.6 | 19.7 | 7.1 | 8.7 | 14.0 | 11.4 | 10.4 | 10.7 |
| 2Q24 | 7.4 | 16.7 | 13.8 | 9.8 | 10.3 | -18.8 | -9.5 | -15.7 | -12.3 | -17.6 | 8.1 | 15.2 | 12.5 | 10.1 | 10.5 |
| 3Q24 | 3.9 | 12.2 | 3.0 | 2.3 | 11.0 | 7.8 | 10.6 | -3.7 | 0.9 | 3.7 | 6.7 | 14.2 | 9.4 | 7.5 | 10.7 |
| 4Q24 | 10.1 | 12.9 | -21.0 | 5.3 | 2.7 | -7.3 | -4.1 | 16.8 | -0.6 | 12.3 | 7.5 | 13.8 | -0.6 | 7.0 | 8.5 |
| **1Q25** | **6.9** | **10.6** | **2.1** | **3.7** | **6.4** | **31.9** | **15.2** | **7.7** | **17.8** | **10.9** | **6.9** | **10.6** | **2.1** | **3.7** | **6.4** |

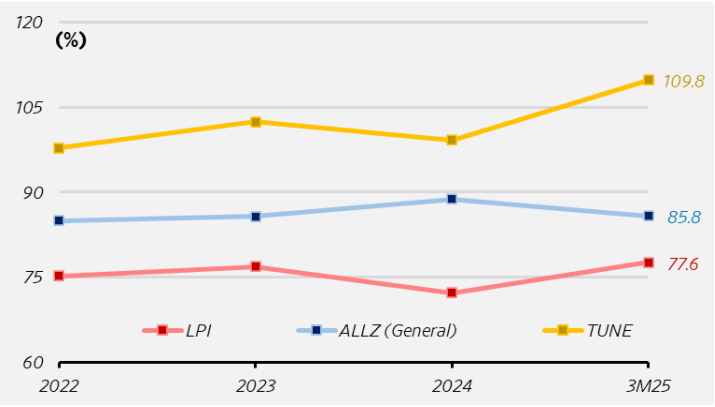
*Source: Company, MIDFR*

## Fig 12: Company's Cumulative Claims Ratio



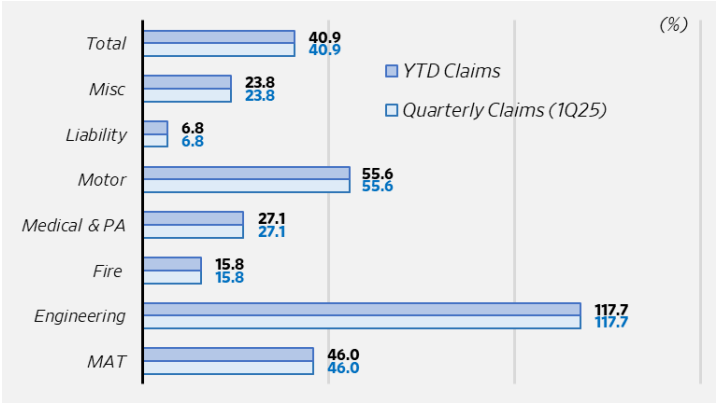

Source: Companies, MIDFR

## Fig 13: Company's Cumulative Combined Ratio



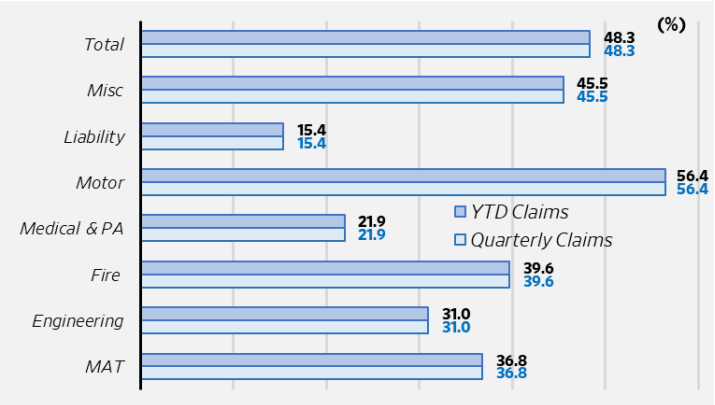

Source: Companies, MIDFR

## Fig 14: Industry Claims Ratio by Segment (Insurance)




Source: BNM, MIDFR

## Fig 15: Industry Claims Ratio by Segment (Takaful)




Source: BNM, MIDFR

## FIG 16: Quarterly Claims and Combined Ratio (General)

| | Quarterly Claims ratio | | | | | Quarterly Combined ratio | | | Cumulative Claims ratio | | | | | | Cumulative Combined Ratio | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | LPI | *ALLZ (General) | TUNE | Insurance Industry | Takaful Industry | LPI | ALLZ (General) | TUNE | LPI | ALLZ (General) | STMB (General) | TUNE | Insurance Industry | Takaful Industry | LPI | ALLZ (General) | TUNE |
| 1Q23 | 51.8 | 59.4 | 39.4 | 42.5 | 38.7 | 81.2 | 84.2 | 95.3 | 51.8 | 45.6 | | 39.4 | 42.5 | 38.7 | 81.2 | 84.2 | 95.3 |
| 2Q23 | 47.6 | 60.2 | 38.9 | 50.5 | 46.7 | 80.6 | 86.6 | 95.3 | 49.7 | 47.6 | | 39.2 | 46.2 | 42.3 | 80.9 | 85.4 | 95.4 |
| 3Q23 | 39.4 | 58.8 | 37.3 | 51.4 | 53.1 | 71.1 | 86.2 | 95.2 | 39.4 | 48.1 | | 38.6 | 48.0 | 45.8 | 71.1 | 85.7 | 95.3 |
| 4Q23 | 41.7 | 59.1 | 83.6 | 49.7 | 41.4 | 74.9 | 85.7 | 156.9 | 45.0 | 52.3 | | 43.7 | 48.4 | 44.5 | 76.9 | 85.7 | 102.4 |
| 1Q24 | 40.1 | 62.9 | 60.3 | 36.9 | 40.2 | 73.4 | 87.0 | 44.7 | 40.1 | 55.0 | | 60.3 | 36.9 | 40.2 | 73.4 | 87.0 | 44.7 |
| 2Q24 | 44.3 | 65.2 | 53.4 | 42.4 | 48.9 | 73.6 | 90.1 | 105.2 | 42.2 | 62.2 | | 56.8 | 39.5 | 44.1 | 73.5 | 88.4 | 107.5 |
| 3Q24 | 35.8 | 64.7 | 43.9 | 48.3 | 55.2 | 66.8 | 89.3 | 93.9 | 35.8 | 59.9 | | 52.4 | 42.3 | 47.7 | 66.8 | 88.7 | 102.8 |
| 4Q24 | 41.5 | 60.9 | 43.9 | 45.1 | 47.1 | 75.1 | 88.7 | 93.9 | 40.4 | 56.3 | 62.0 | 50.4 | 43.0 | 47.5 | 72.2 | 88.8 | 99.2 |
| **1Q25** | **45.7** | **63.0** | **44.7** | **40.9** | **48.3** | **77.6** | **85.8** | **109.8** | **45.7** | **53.9** | **54.8** | **44.7** | **40.9** | **48.3** | **77.6** | **85.8** | **109.8** |

**This ratio value also includes reinsurance costs, hence it is higher than cumulative figures.*

Source: Company, BNM, MIDFR

# C. LIFE STATS

## FIG 17: Company's Life ANP & GWP %yoy growth

| | Quarterly ANP (RM m) | | Cumulative ANP (RM m) | | | Quarterly GWP (RM m) | | | | Cumulative GWP % yoy growth | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | ALLZ (Life) | %yoy growth | ALLZ (Life) | %yoy growth | Sector %yoy | ALLZ (Life) | %yoy growth | STMB (Family) | %yoy growth | ALLZ (Life) | STMB (Family) |
| 1Q23 | 163 | 4.7 | 163 | 11.1 | | 929 | 4.5 | 599 | | 4.5 | |
| 2Q23 | 158 | 11.0 | 321 | 6.0 | | 826 | -0.7 | 485 | | 2.0 | |
| 3Q23 | 232 | 19.4 | 553 | 18.5 | | 942 | 13.8 | 555 | | 5.8 | |
| 4Q23 | 205 | 18.2 | 758 | 14.6 | | 846 | 3.3 | 578 | | 5.2 | 7.1 |
| 1Q24 | 235 | 14.0 | 235 | 43.7 | 22.4 | 1,020 | 9.7 | 656 | 9.5 | 9.7 | 9.5 |
| 2Q24 | 211 | 16.7 | 446 | 38.8 | 15.3 | 901 | 9.1 | 645 | 33.0 | 9.4 | 20.0 |
| 3Q24 | 197 | 12.2 | 643 | 16.3 | 10.9 | 1,024 | 8.7 | 690 | 24.3 | 9.2 | 21.5 |
| 4Q24 | 229 | 12.9 | 872 | 15.1 | 8.6 | 881 | 4.1 | 660 | 14.2 | 8.0 | 19.6 |
| **1Q25** | **214** | **10.6** | **214** | **-9.1** | **-9.6** | **1,031** | **1.1** | **938** | **43.0** | **1.1** | **43.0** |

*Source: Company, MIDFR*

## FIG 18: Industry and Company's Life ANP %yoy growth (Segmental Breakdown)

| | Agency New Business | | | | | Employee Benefits New Business | | | | | Banca New Business | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Quarterly | | Cumulative | | | Quarterly | | Cumulative | | | Quarterly | | Cumulative | | |
| | ALLZ (Life) | %yoy growth | ALLZ (Life) | %yoy growth | Sector %yoy | ALLZ (Life) | %yoy growth | ALLZ (Life) | %yoy growth | Sector %yoy | ALLZ (Life) | %yoy growth | ALLZ (Life) | %yoy growth | Sector %yoy |
| 1Q23 | 94 | 1.1 | 94 | 1.1 | | 51 | 23.8 | 51 | 23.8 | | 19 | 41.0 | 19 | 41.0 | |
| 2Q23 | 104 | -4.6 | 197 | -2.0 | | 46 | 16.1 | 97 | 20.0 | | 8 | 6.8 | 27 | 28.8 | |
| 3Q23 | 173 | 66.5 | 370 | 21.3 | | 51 | -2.3 | 148 | 11.3 | | 8 | 3.9 | 35 | 22.1 | |
| 4Q23 | 155 | 10.6 | 525 | 17.9 | | 45 | -10.9 | 193 | 5.2 | | 5 | 25.0 | 40 | 22.5 | |
| 1Q24 | 123 | 31.1 | 123 | 31.1 | 11.7 | 92 | 79.6 | 92 | 79.6 | 12.2 | 21 | 9.0 | 21 | 9.0 | 41.3 |
| 2Q24 | 127 | 22.3 | 249 | 26.5 | | 75 | 61.7 | 166 | 71.1 | | 10 | 21.5 | 30 | 12.7 | |
| 3Q24 | 121 | -30.2 | 370 | 0.0 | | 66 | 30.3 | 233 | 57.1 | | 10 | 27.5 | 40 | 16.1 | |
| 4Q24 | 182 | 17.5 | 552 | 5.2 | 2.1 | 42 | -8.0 | 274 | 41.9 | 17.2 | 5 | 8.0 | 46 | 15.1 | 18.5 |
| **1Q25** | **105** | **-14.0** | **105** | **-14.0** | **-15.7** | **87** | **-4.8** | **87** | **-4.8** | **13.9** | **21** | **1.5** | **21** | **1.5** | **-7.6** |

**For Cumulative ANP figures (Agency + EB + Banca), refer to the table directly above this one.*

*Source: Company, MIDFR*

## FIG 19: Industry and Company's Health Loss Ratio

| | Group Policies | | | | | Investment Linked Policies | | | | | Traditional Policies | | | | | Total of All 3 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Sector | Allianz | Pru | AIA | GE | Sector | Allianz | Pru | AIA | GE | Sector | Allianz | Pru | AIA | GE | Sector | Allianz | Pru | AIA | GE |
| 3M24 | 90.6 | 80.3 | 74.1 | 73.0 | 175.1 | 95.7 | 87.3 | 102.5 | 112.5 | 85.1 | 90.1 | 116.4 | 106.1 | 95.1 | 74.4 | 93.5 | 85.8 | 102.3 | 92.7 | 92.1 |
| 12M24 | 81.5 | 84.9 | 64.5 | 67.0 | 91.3 | 97.1 | 87.0 | 105.4 | 107.8 | 88.4 | 93.8 | 97.6 | 194.2 | 96.2 | 77.0 | 93.2 | 86.7 | 106.5 | 90.0 | 87.7 |
| **3M25** | **86.3** | **80.4** | **109.3** | **87.7** | **102.6** | **87.4** | **80.3** | **86.6** | **89.6** | **87.1** | **78.2** | **73.7** | **111.9** | **76.7** | **81.2** | **85.3** | **80.1** | **87.5** | **82.8** | **88.5** |

*Source: Company, MIDFR*

## FIG 20: Healthcare Policy Net Earned Premiums %yoy growth

| | Group Policies | | | | | Investment Linked Policies | | | | | Traditional Policies | | | | | Total of All 3 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Sector | Allianz | Pru | AIA | GE | Sector | Allianz | Pru | AIA | GE | Sector | Allianz | Pru | AIA | GE | Sector | Allianz | Pru | AIA | GE |
| **3M25** | **8.9** | **6.7** | **0.0** | **6.1** | **62.8** | **19.8** | **15.3** | **23.7** | **39.7** | **13.0** | **6.7** | **47.8** | **-8.2** | **12.2** | **-9.0** | **14.9** | **13.4** | **22.4** | **16.4** | **14.9** |

*Source: Company, MIDFR*

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### MIDF AMANAH INVESTMENT BANK: GUIDE TO RECOMMENDATIONS

**STOCK RECOMMENDATIONS**

| | |
|---|---|
| BUY | Total return is expected to be >10% over the next 12 months. |
| TRADING BUY | The stock price is expected to rise by >10% within 3 months after a Trading Buy rating has been assigned due to positive news flow. |
| NEUTRAL | Total return is expected to be between -10% and +10% over the next 12 months. |
| SELL | Total return is expected to be <-10% over the next 12 months. |
| TRADING SELL | The stock price is expected to fall by >10% within 3 months after a Trading Sell rating has been assigned due to negative news flow. |

**SECTOR RECOMMENDATIONS**

| | |
|---|---|
| POSITIVE | The sector is expected to outperform the overall market over the next 12 months. |
| NEUTRAL | The sector is to perform in line with the overall market over the next 12 months. |
| NEGATIVE | The sector is expected to underperform the overall market over the next 12 months. |

**ESG RECOMMENDATIONS*** - source Bursa Malaysia and FTSE Russell

| | |
|---|---|
| ☆☆☆☆ | Top 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell |
| ☆☆☆ | Top 26-50% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell |
| ☆☆ | Top 51%- 75% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell |
| ☆ | Bottom 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell |

* ESG Ratings of PLCs in FBM EMAS that have been assessed by FTSE Russell in accordance with FTSE Russell ESG Ratings Methodology