Corporate Update

Allianz Malaysia Berhad

(1163 | ALLZ MK) Financial Services | Finance

FTSE4Good ESG 3 Stars

Maintain **BUY**

Revised Target Price **RM23.74**
(from RM23.34)

4QFY25 Results Review
Lower Dividends

RETURN STATISTICS	
Price @ 27 February 2026 (RM)	22.16
Expected share price return (%)	+7.1
Expected dividend yield (%)	+4.0
Expected total return (%)	**+11.1**

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	6.2	4.2
3 months	12.7	15.3
12 months	21.7	10.5

INVESTMENT STATISTICS			
FYE Dec	**FY26F**	**FY27F**	**FY28F**
Core NP (RM m)	**954**	**972**	**1,040**
CNP growth (%)	(1)	2	7
Div yield (%)	**4.0**	**4.1**	**4.4**
Gross DPS (sen)	89.0	90.7	97.1
P/BV (x)	**1.1**	**1.0**	**0.9**
BVPS (RM)	20.0	21.8	23.8
ROE (%)	**14.5**	**13.5**	**13.2**
% Street CNP (%)	**107**	**113**	

KEY STATISTICS	
FBM KLCI	1,716.61
Issue shares (m)	178.7
Estimated free float (%)	31.9
Market Capitalisation (RM'm)	4,175.2
52-wk price range	RM16.5 – RM23.3
3-mth average daily volume (m)	0.1
3-mth average daily value (RM'm)	2.8
Top Shareholders (%)	
Allianz SE	63.8
EPF Board	6.6
Kumpulan Wang Persaraan Diperbadan	3.2

Salient Points

A surprise tax reversal led to a strong set of earnings, well above expectations.

Our Verdict

We wait for further details in ALLZ results briefing later today – most importantly for clarity on a weaker dividend payout this year. Otherwise, growth prospects for both AGIC and ALIM seem very bright.

Valuations

A revised SOTP-TP of RM 23.74 *(formerly RM23.34)*

AGIC: FY26F P/BV of 1.4x

ALIM: FY26F P/CE of 0.6x

Current P/BV of 0.65x is inexpensive, trading near -1SD of the 10-year P/BV mean of 0.76x.

Themes

1. ▲ AGIC has aggressively gained market share, capitalising on economies scale and #1 market ranking. This rapid market expansion should persist.
2. ▲ Improved market conditions should be a catalyst for a recovery in Life segment investment-linked product sales.
3. ▲ ALIM has been managing healthcare inflation very well, with its health loss ratios comfortably outperforming more prominent peers.
4. ▼ ALLZ's dividends came in much weaker than expected. It could potentially be due to a delay in regulator's approval (ala last year) rather than a lower dividend payout this year.

Results in a nutshell:

▲ **FY25's Core NP of RM993m was *Above/Above* our/street forecasts: *112%/115%* of full-year forecasts.** The positive surprise came in the form of a tax writeback this quarter.

▼ **Dividends announced.** DPS of 89.5 sen translates to a payout of 31% for FY25. The dividend seems on the low side: we are unsure if this is the final amount, or there will be a delay in issuing final dividends (ala last year).

▲ **FY25's Core net profit (NP) of RM993m up by 29%yoy.** The growth was largely due to insurance revenue, which offset higher insurance expenses.

▲ **4QFY25's Core NP of RM298m up by 27%qoq.** Increases in insurance and a tax reversal offset higher insurance expenses.

Analyst
Samuel Woo
samuelwoo.cy@mbsb.com
03-2173 8461

▲ **AGIC's FY25's PBT of RM624m up by 16%yoy.** Improvements came largely from improved insurance revenue and investment returns.

▼ **AGIC's 4QFY25's PBT of RM145m down by -12%qoq.** Higher insurance expenses and weaker investment returns led to the weaker performance.

▲ **ALIM's FY25's PBT of RM524m up by 9%yoy.** Improved insurance revenue and low net insurance finance expenses offset increases in insurance expenses and weaker investment returns.

▼ **ALIM's 4QFY25's PBT of RM131m down by -4%qoq.** Weaker investment returns offset improvements in net insurance finance expenses and insurance revenue.

Forecasts revised: FY26F/FY27F Core NP adjusted by +5%/+4%. This is to account for stronger investment income.
Key downside risks. *(1) Economic slowdown leads to weakened growth, (2) Higher-than-expected claims, (3) Further regulatory hurdles.*

Maintain BUY call: Revised SOTP-TP of RM 23.74 ***(from RM23.34).*** This is to reflect altered earnings prospects and valuations.

(1) **For AGIC, we use a FY26F P/BV of 1.4x.**
(2) **For ALIM, we use an FY26F P/CE of 0.6x.**

FIG 1: SOTP Valuation

Companies	Equity Value (RM mil)	Equity Value basis	Multiple (X)	Valuation basis	Valuation (RM mil)
AGIC	**3,384**	FY26 P/BV	**1.4**	P/BV	**4,738**
ALIM	**5,696**	FY26F P/CE	**0.6**	P/CE	**3,418**
Total sum-of-parts					**8,155**
(÷) Diluted ALLZ Share Base (mil)					344
Fair value (RM)					**23.74**

Source: Company, MBSBR

FIG 2: Quarterly results

FYE Dec (RM m)	4Q FY25	3Q FY25	4Q FY24	Yoy (%)	Qoq (%)	FY25	FY24	Yoy (%)
Insurance revenue	1,604	1,584	1,503	7	1	6,237	5,651	10
Insurance expenses	(1,336)	(1,297)	(1,139)	17	3	(4,954)	(4,553)	9
Claims	*(944)*	*(911)*	*(782)*	*21*	*4*	*(3,496)*	*(3,194)*	*9*
Acquisitions & Admin exp	*(404)*	*(388)*	*(369)*	*10*	*4*	*(1,467)*	*(1,368)*	*7*
Onerous contracts	*12*	*3*	*11*	*8*	*343*	*9*	*9*	*4*
Reinsurance	(47)	(69)	(137)	-66	-32	(279)	(280)	-1
Insurance service result	**221**	**219**	**227**	-3	1	**1,004**	**818**	23
Investment return	230	545	322	-28	-58	1,089	1,577	-31
Net insurance finance exp	(114)	(412)	(235)	-51	-72	(681)	(1,177)	-42
Net ins & inv result	**337**	**151**	**155**	118	123	**1,412**	**1,218**	16
Other income/OPEX	(58)	(54)	(29)	99	9	(233)	(213)	10
Associates	-	-	-	n.m.	n.m.	-	-	n.m.
PBT	**278**	**299**	**285**	**-2**	**-7**	**1,179**	**1,005**	**17**
Tax	19	(64)	(54)	-136	-130	(186)	(235)	-21
NCI	-	-	-	n.m.	n.m.	-	-	n.m.
Reported NP	**298**	**234**	**231**	**29**	**27**	**993**	**771**	**29**
Core NP	**298**	**234**	**231**	**29**	**27**	**993**	**771**	**29**
Gross DPS (sen)	**89.5**	**-**	**63.0**	**n.m.**	**n.m.**	**89.5**	**89.5**	**n.m.**
Core EPS (sen)	87.0	68.1	66.8	30	28	290.4	223.2	30

Ratios (%)	4Q FY25	3Q FY25	4Q FY24	Yoy (ppts)	Qoq (ppts)	FY25	FY24	Yoy (ppts)
ROE (Ann.)	**18.9**	**14.8**	**15.8**	**3.1**	**4.2**	**15.8**	**13.2**	**2.6**
Underwriting margin	**13.8**	**13.8**	**15.1**	**-1.3**	**-0.0**	**16.1**	**14.5**	**1.6**
Combined	**89.9**	**89.6**	**86.9**	**3.0**	**0.3**	**87.6**	**89.3**	**-1.6**
Claims	58.1	57.4	51.3	6.8	0.7	55.9	56.4	-0.4
Reinsurance	2.9	4.4	9.1	-6.2	-1.4	4.5	5.0	-0.5
Expense	28.9	27.9	26.5	2.4	1.0	27.3	28.0	-0.7

Source: Company, MBSBR

FIG 3: Quarterly results (General)

FYE Dec (RM m)	4Q FY25	3Q FY25	4Q FY24	Yoy (%)	Qoq (%)	FY25	FY24	Yoy (%)
Insurance revenue	919	912	857	7	1	3,580	3,219	11
Insurance expenses	(749)	(712)	(609)	23	5	(2,822)	(2,569)	10
Claims	*(528)*	*(502)*	*(408)*	*29*	*5*	*(1,997)*	*(1,819)*	*10*
Acquisitions & Admin exp	*(232)*	*(210)*	*(212)*	*9*	*10*	*(834)*	*(757)*	*10*
Onerous contracts	*11*	*0*	*10*	*3*	*>500*	*9*	*7*	*34*
Reinsurance	(40)	(77)	(125)	-68	-48	(245)	(228)	7
Insurance service result	**130**	**124**	**123**	6	5	**513**	**421**	22
Investment return	61	79	67	-10	-23	283	251	13
Net insurance finance exp	(12)	(12)	(10)	25	2	(76)	(63)	21
Net ins & inv result	**179**	**190**	**180**	-1	-6	**720**	**609**	18
Other income	1	1	2	n.m.	n.m.	3	5	n.m.
Other OPEX	(34)	(26)	(33)	5	30	(99)	(76)	31
PBT	**145**	**165**	**150**	-3	-12	**624**	**538**	16

Ratios (%)	4Q FY25	3Q FY25	4Q FY24	Yoy (ppts)	Qoq (ppts)	FY25	FY24	Yoy (ppts)
Underwriting margin	**14.2**	**13.6**	**14.3**	**-0.1**	**0.6**	**14.3**	**13.1**	**1.2**
Combined	**89.5**	**89.2**	**89.2**	**0.3**	**0.3**	**88.4**	**89.1**	**-0.8**
Claims	56.2	55.0	46.3	9.9	1.2	55.5	56.3	-0.8
Reinsurance	4.4	8.4	14.6	-10.2	-4.1	6.8	7.1	-0.2
Expense	28.9	25.8	28.3	0.6	3.1	26.0	25.7	0.3

Source: Company, MBSBR

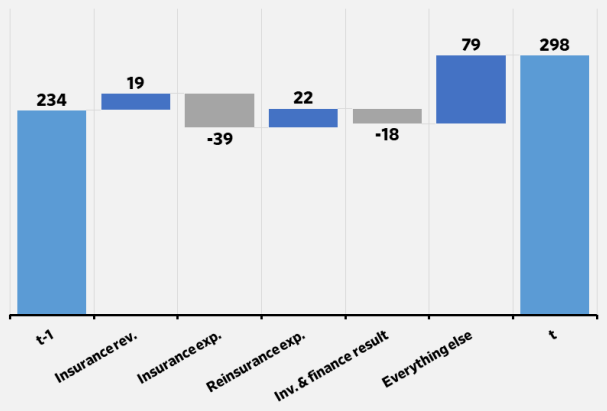
FIG 4: Quarterly results (Life)

FYE Dec (RM m)	4Q FY25	3Q FY25	4Q FY24	Yoy (%)	Qoq (%)	FY25	FY24	Yoy (%)
Insurance revenue	684	672	646	6	2	2,657	2,432	9
Insurance expenses	(587)	(583)	(530)	11	1	(2,164)	(1,983)	9
Claims	*(415)*	*(407)*	*(374)*	*11*	*2*	*(1,496)*	*(1,374)*	*9*
Acquisitions & Admin exp	*(173)*	*(178)*	*(157)*	*10*	*-3*	*(669)*	*(611)*	*9*
Onerous contracts	*1*	*2*	*1*	*101*	*-47*	*1*	*2*	*-58*
Reinsurance	(7)	8	(12)	-43	-186	(34)	(52)	-35
Insurance service result	**91**	**97**	**104**	-12	-7	**460**	**397**	16
Investment return	162	461	248	-34	-65	784	1,308	-40
Net insurance finance exp	(102)	(400)	(225)	-55	-74	(605)	(1,114)	-46
Net ins & inv result	**151**	**159**	**127**	19	-5	**639**	**592**	8
Other income	0	0	35	n.m.	n.m.	0	46	n.m.
Other OPEX	(20)	(23)	(22)	-7	-11	(115)	(156)	-27
PBT	**131**	**136**	**140**	-7	-4	**524**	**482**	9

Ratios (%)	4Q FY25	3Q FY25	4Q FY24	Yoy (ppts)	Qoq (ppts)	FY25	FY24	Yoy (ppts)
Block persistency	**83.5**	**82.1**	**84.2**	**-0.7**	**1.4**	**10.8**	**11.2**	**-0.4**
Underwriting margin	**13.3**	**14.5**	**16.1**	**-2.8**	**-1.2**	**17.3**	**16.3**	**1.0**
Combined (Estimates)	**89.7**	**88.9**	**81.8**	**7.9**	**0.8**	**87.0**	**88.2**	**-1.2**
Claims	60.5	60.2	57.8	2.7	0.3	56.3	56.4	-0.1
Reinsurance	1.0	(1.1)	1.8	-0.8	2.1	1.3	2.1	-0.9
Expense	28.2	29.9	22.2	6.0	-1.7	29.5	29.6	-0.1

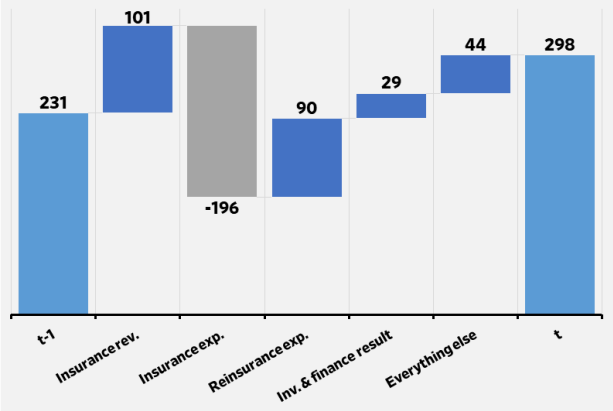
Source: Company, MBSBR

FIG 5: QoQ P/L walk (Quarterly results)



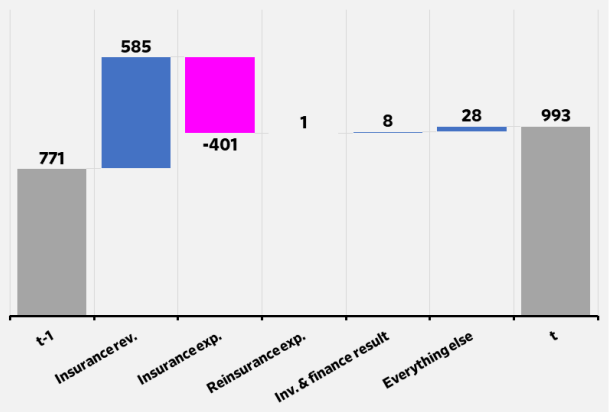
Source: Company, MBSBR

FIG 6: YoY P/L walk (Quarterly results)



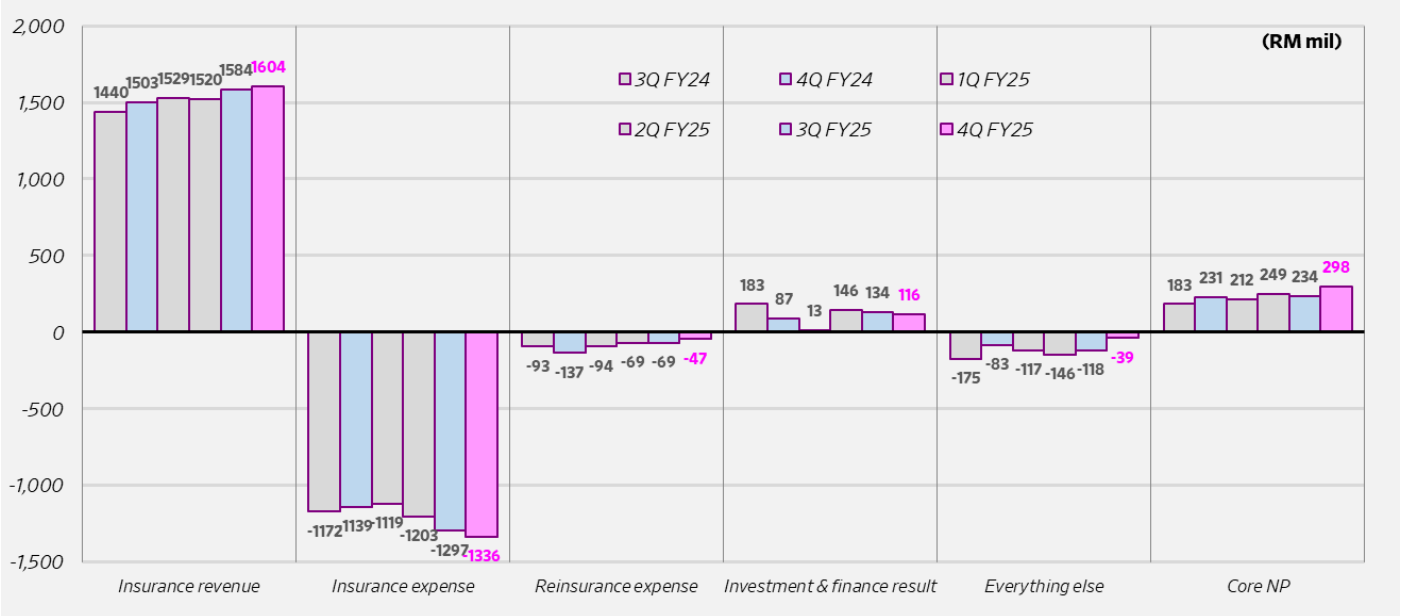
Source: Company, MBSBR

FIG 7: YoY P/L walk (Cumulative results)



Source: Company, MBSBR

FIG 8: QoQ P/L walk (Multiple Quarters)

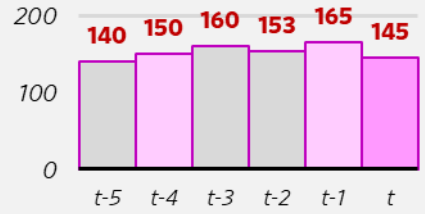


Source: Company, MBSBR

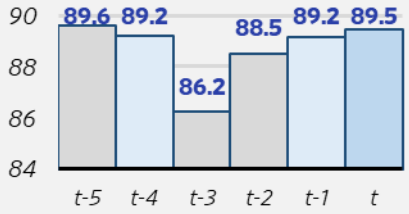
FIG 9: Quarterly Insurance Service Result Performance by Segment

1. General	Overall: ▼ Weak | Qtr: -12%qoq, -3%yoy | Cum: +16%yoy

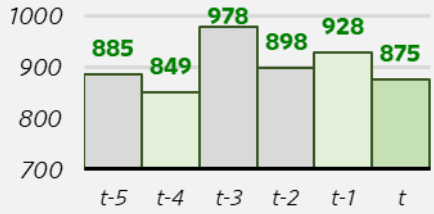
PBT (RM m)



Combined Ratio (%)



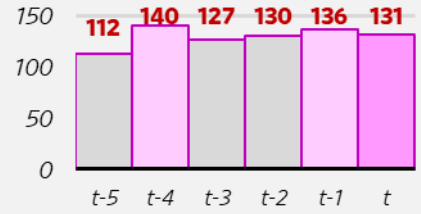
GWP (RM m)



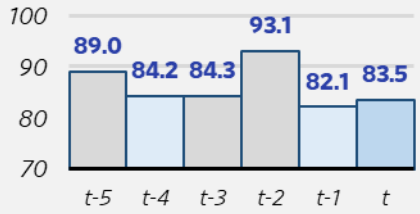
Commentary: It was a weaker quarter due to higher combined ratio, which stemmed mainly from higher expenses.

2. Life	Overall: ► Mediocre | Qtr: -4%qoq, -7%yoy | Cum: +9%yoy

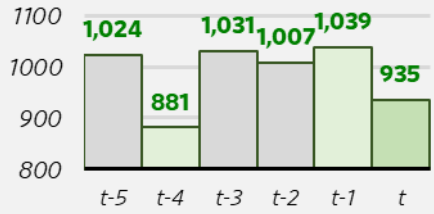
PBT (RM m)



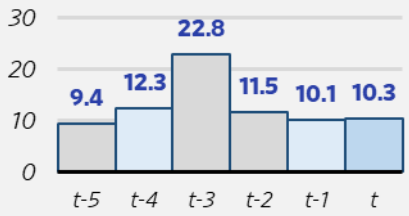
Block Persistency Ratio (%)



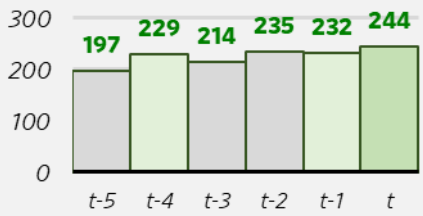
GWP (RM m)



Expense Ratio (%)



Annualised New Premium (RM m)

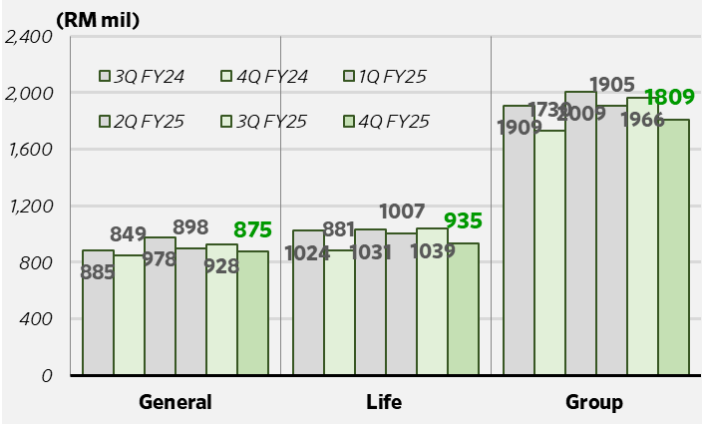


Commentary: Admittedly not a remarkable quarter in any way, though ANP growth was solid.

Source: Company, MBSBR

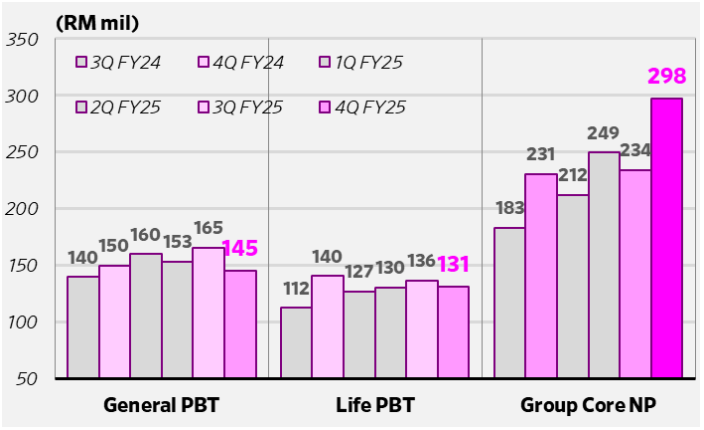
SEGMENTAL BREAKDOWN

FIG 10: GWP by Segment (Quarterly)



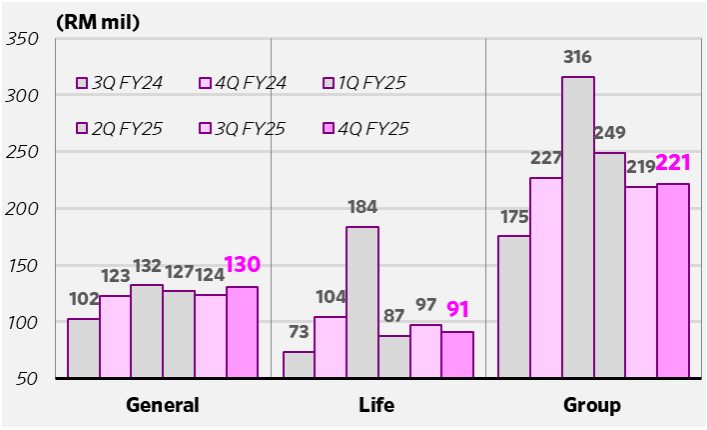
Source: Company, MBSBR

FIG 11: PBT by Segment, with Group Core NP (Quarterly)



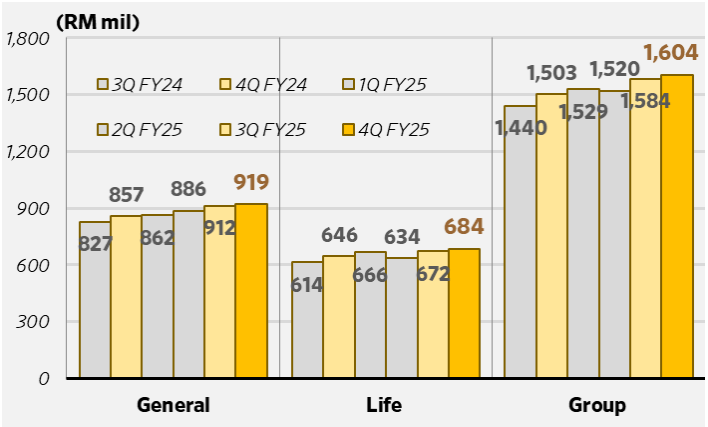
Source: Company, MBSBR

FIG 12: Insurance Service Result by Segment (Quarterly)



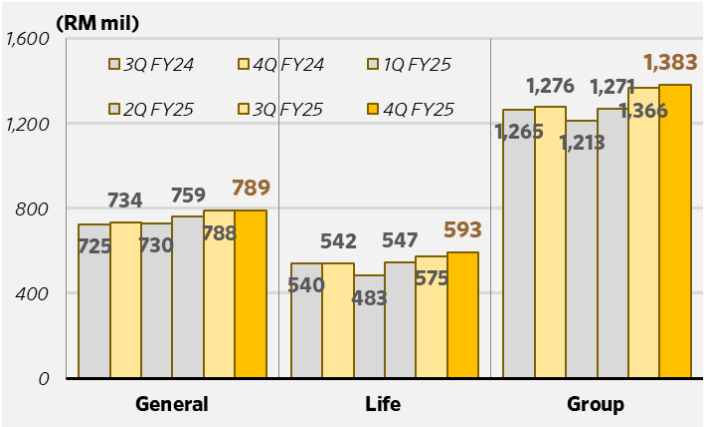
Source: Company, MBSBR

FIG 13: Insurance Revenue by Segment (Quarterly)



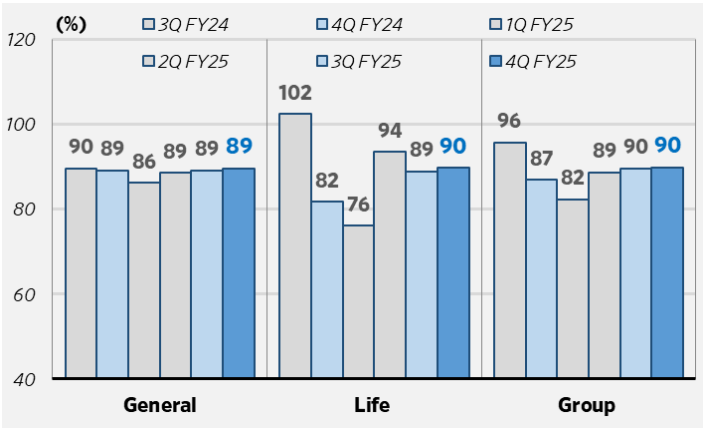
Source: Company, MBSBR

FIG 14: Insurance & Reinsurance Expenses by Segment (Quarterly)



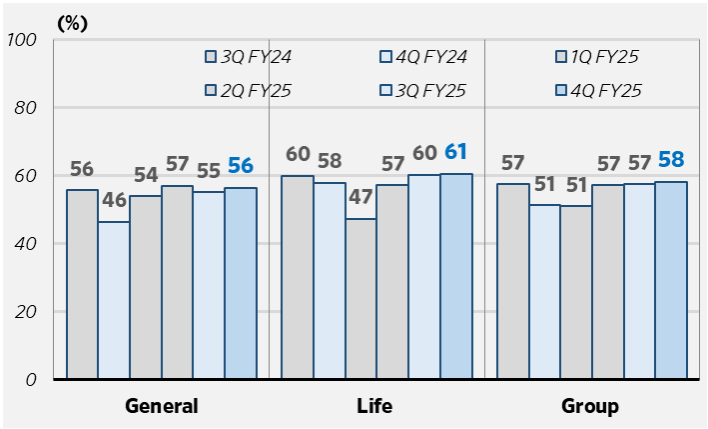
Source: Company, MBSBR

FIG 15: Combined Ratio by Segment (Quarterly)



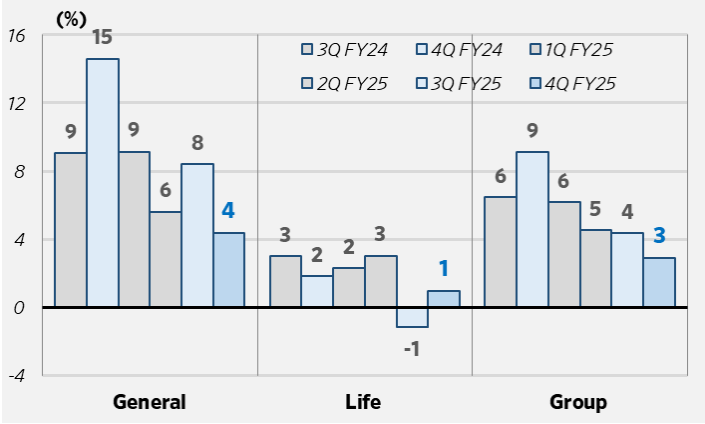
Source: Company, MBSBR

FIG 16: Claims Ratio by Segment (Quarterly)



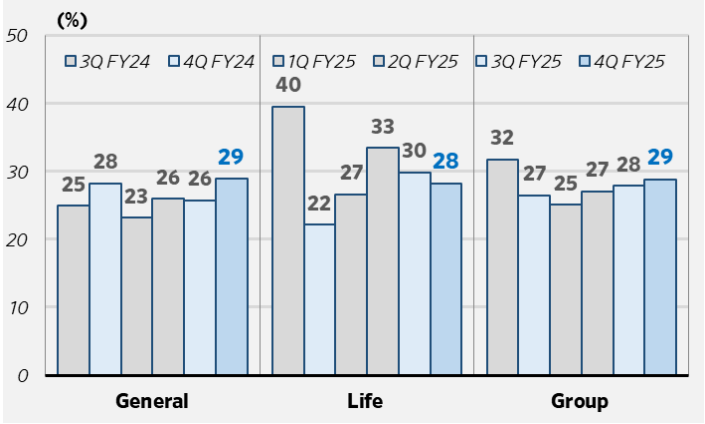
Source: Company, MBSBR

FIG 17: Reinsurance Ratio by Segment (Quarterly)



Source: Company, MBSBR

FIG 18: Expense Ratio by Segment (Quarterly)



Source: Company, MBSBR

FINANCIAL SUMMARY

INCOME STATEMENT

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Insurance revenue	5,651	6,237	6,821	7,462	8,163
Insurance service expenses	(4,553)	(4,989)	(5,562)	(6,085)	(6,656)
Reinsurance expense	(280)	(279)	(319)	(351)	(386)
Insurance service result	**818**	**969**	**940**	**1,026**	**1,120**
Investment return	1,577	1,058	1,112	1,080	1,104
Net finance result	(1,177)	(660)	(676)	(708)	(742)
Total ins, inv & financial result	**1,218**	**1,367**	**1,376**	**1,398**	**1,482**
Other income	5	26	11	11	11
Other OPEX	(217)	(228)	(228)	(228)	(228)
Associates	-	-	-	-	-
PBT	**1,005**	**1,166**	**1,160**	**1,181**	**1,265**
Tax	(235)	(207)	(206)	(210)	(224)
NCI	-	-	-	-	-
Reported NP	**771**	**959**	**954**	**972**	**1,040**
Core NP	**771**	**959**	**954**	**972**	**1,040**

BALANCE SHEET

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Cash & ST funds	2,027	1,788	1,788	1,788	1,788
Investment securities	25,121	27,128	28,484	29,909	31,404
Other assets	1,341	1,579	1,571	1,745	1,938
Total assets	**28,488**	**30,495**	**31,843**	**33,441**	**35,130**
Insurance contracts	21,220	22,371	23,489	24,664	25,897
Other liabilities	1,440	1,837	1,448	1,240	1,020
Total liabilities	**22,660**	**24,208**	**24,937**	**25,904**	**26,917**
Share capital	241	256	256	256	256
Reserves	5,057	5,516	6,135	6,766	7,441
Total equity	**5,828**	**6,287**	**6,906**	**7,537**	**8,213**
Total L&E	**28,488**	**30,495**	**31,843**	**33,441**	**35,130**

Source: Company, MBSBR

FINANCIAL RATIOS

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Profitability (%)					
ROE	11.7	12.7	14.5	13.5	13.2
ROA	3.0	4.0	3.1	3.0	3.0
Combined ratio (%)	**85.5**	**84.5**	**86.2**	**86.2**	**86.3**
Claims	56.4	55.9	55.8	55.8	55.8
Expenses	24.2	24.1	25.7	25.7	25.7
Reinsurance	5.0	4.5	4.7	4.7	4.7
Growth (%)					
Insurance revenue	14.4	10.4	9.4	9.4	9.4
Insurance expense	16.9	9.6	11.5	9.4	9.4
Insurance service result	0.2	18.5	-3.0	9.2	9.2
Net ins & investment result	8.2	12.2	0.7	1.6	6.0
PBT	5.1	15.9	-0.5	1.9	7.1
Core NP	5.4	24.4	-0.5	1.9	7.1
Valuation metrics					
Core EPS (sen)	223.2	277.7	276.2	281.4	301.3
Gross DPS (sen)	89.5	89.5	89.0	90.7	97.1
Div payout (%)	40	32	32	32	32
BVPS (RM)	16.9	18.2	20.0	21.8	23.8
Core P/E (x)	9.9	8.0	8.0	7.9	7.4
Div yield (%)	**4.0**	**4.0**	**4.0**	**4.1**	**4.4**
P/BV (x)	1.3	1.2	1.1	1.0	0.9

MBSB RESEARCH (formerly known as MIDF RESEARCH) is part of MBSB Investment Bank Berhad (formerly known as MIDF Amanah Investment Bank Berhad) 197501002077 (24878-X).

(Bank Pelaburan) (A Participating Organisation of Bursa Malaysia Securities Berhad)

DISCLOSURES AND DISCLAIMER

This report is prepared by MBSB Investment Bank Berhad (formerly known as MIDF Amanah Investment Bank Berhad) (Company Registration No.: 197501002077 (23878-X)) and is for distribution only to the intended readers and under such circumstances as may be permitted by applicable law. Readers should be fully aware that this report is provided solely for informational purposes and does not constitute a Shariah advice nor constitute an investment recommendation or basis for any credit or other evaluation in any manner whatsoever.

The opinions and analyses contained in this report are based on information obtained or derived from sources that MBSB Investment Bank Berhad believes to be reliable. Any forward-looking statements in this report speak only as of the date of such statements. However, MBSB Investment Bank Berhad makes no representation or warranty, expressed or implied, as to the accuracy, completeness, or reliability of such information, and it should not be relied upon as such.

While the information presented in this report may include references to Shariah -compliant and non-compliant securities or other financial instruments, this report is not, and should not be construed as, an offer to buy or sell any securities or other financial instruments or to promote or endorse any specific investment. Investors are strongly advised to conduct their own due diligence and to consult licensed Shariah or financial advisors before making any investment decisions. Any action taken based on this report is at the sole discretion and risk of the investor.

The analyses in this report are based on numerous assumptions, and different assumptions could yield different results. All opinions and estimates in this report are subject to change without notice.

The research analysts will initiate, update, and cease coverage solely at the discretion of MBSB Investment Bank Berhad.

The directors, employees, and representatives of MBSB Investment Bank Berhad and MBSB Berhad may have interests in any of the securities mentioned and may benefit from the information contained herein. Members of MBSB Berhad and their affiliates may provide services to any company or its affiliates whose securities are mentioned in this report.

This report shall not be reproduced, distributed, or published in any form or for any purpose without the prior written consent of MBSB Investment Bank Berhad.

MBSB INVESTMENT BANK (formerly known as MIDF 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