Insurance

POSITIVE (Maintain)

1QCY26 Wrap: Nearing Headwinds

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

HIGHLIGHTS

- **Near-term headwind #1: Pressure on premium growth – but no one is overly worried. This will affect General premiums more – especially the motor segment (and to an extent, fire); Life premiums can be buoyed by the rollout of base MHIT products, which provide cheaper alternatives. ALLZ is most affected by this, due to its high motor segment exposure.**
- **Near-term headwind #2: Rising claims pressure due to cost inflation and logistical disruptions. Motor and healthcare segments are the worst hit due to their exposure to foreign-manufactured equipment and components. Healthcare premiums make it more difficult to pass on costs to consumers. Again, ALLZ is most vulnerable due to high exposure to both segments.**
- **On a long-term basis, the battle against medical inflation is more promising, especially with a successful co-pay rollout, as well as regulators being a lot more active in rolling out initiatives.**
- **Maintain POSITIVE call: Near-term headwinds loom, but long-term growth prospects remain intact.**

Sector Verdict

The insurance sector faces some short-term headwinds, namely cost inflation's dual impact on premium growth and claims. Nevertheless, we remain optimistic on healthy dividend yields, life insurance's solid recovery momentum, and its successes in its long-term battle against medical inflation. Life insurance growth prospects remain intact, bolstered by new base MHIT products. General insurance growth is more susceptible to rising cost pressure, but insurers under our coverage tend to outperform the rest of the industry anyway.

Core Themes

1. ▲ **Valuations remain attractive, especially when compared to regional peers.**
2. ▲ **Sector dividends remain solid.** Apart from LPI, which has special dividends, dividend yields are in the mid-single-digit range and should remain at the current levels. However, there is a ceiling to the yields – high growth levels prohibit any further upside.
3. ▲ **Life insurance growth's solid recovery momentum to persist.** Previous quarters show that it is staging a strong comeback, as improving market conditions drive investment-linked product uptake. The introduction of base MHIT products (which are more easily accessible for the general populace) should act as another catalyst for recovery.
4. ▲ **Overall, the long-term battle against medical inflation is moving in the right direction.** The widespread adoption of co-pay programme products is a promising development and has already resulted in lower health loss ratios across the industry. The government seems a lot more active in rolling out initiatives to target healthcare inflation (most of which are tied to the RESET scheme) – implying that the fight is backed by a degree of regulatory will.
5. ► **Healthy General GWP growth should persist, but there are some concerns about the near-term economic outlook.** Sales momentum has been solid thus far. Subsequent quarters, however, could be negatively impacted by a weaker macroeconomic environment – though most insurers don't seem overly worried. Economic indicators such as loan growth remain promising in April. Overall, we think the negative impact will be limited.
6. ▼ **We may see higher reinsurance and claim costs in CY26.** Alongside SST implementation (which should affect earnings for at least two years), higher pricing pressures, geopolitical risk, and abnormal weather events are negative drivers. The motor and medical segments will likely be hit hardest, as cost inflation is most evident in them.
7. ▼ **Competition (particularly on the conventional end) remains intense.** Smaller insurers that are unable to capitalise on economies of scale will continue to have it rough.

COMPANY *IN FOCUS*

Allianz

Maintain BUY | Target Price: RM25.69
Price @ 29 May 2026: RM21.52

- AGIC scales rapidly and will capitalise on its market-leading position and economies of scale to grow its premiums.
- ALIM's growth has recovered and is now outpacing the rest of the sector.
- ALIM's health loss ratios outperform its peers, with good co-pay programme take-up.

SHARE PRICE CHART



STMB

Maintain BUY | Target Price: RM4.51
Price @ 29 May 2026: RM3.40

- Family side's growth is gradually shifting its product mix, and is entering segments which we see much potential in.
- General side continues to report huge quarterly growth figures. This should persist.
- Healthy dividend yields of >5%.

SHARE PRICE CHART



FIG 1: Call, Target Price and Earnings Changes

	Call	Target Price (RM)	Roll Valuations?	Forecasts		Earnings Revision*			Adjustment Justification and Key Variances vs Estimates
				Ours	Street	FY26	FY27	FY28	
LPI	Neutral ▼ ~~Buy~~	15.62 ▼ ~~16.65~~	Y	In-line 24%	In-line 25%	-5%	-5%	-5%	Cut to reflect slowing revenue growth due to weaker economic prospects.
ALLZ	Buy	25.69 ▲ ~~23.74~~	Y	In-line 24%	In-line 24%	-1%	-1%	-1%	Cut to incorporate a slightly higher claims ratio considering global cost inflation.
STMB	Buy	4.51 ▲ ~~3.95~~	Y	In-line 26%	In-line 26%				

Source: Companies, MBSBR

FIG 2: Guidance and Talking Points

Insurer	Mgmt's Tone	Guidance and Drivers
LPI	▲ Cautiously +ve	1. Defensive: Lower motor exposure shields it from rising cost inflation of overseas vehicle parts. In contrast, LPI's preferred fire segment is less affected from a claim inflation perspective. 2. Defensive: 100% General, thus little exposure to the healthcare segment, which is also hit by steep inflation. 3. So far, banking stats show decent mortgage take-up, but future construction delays and rising cost pressures could weaken demand and growth.
ALLZ General	► Neutral	1. A weaker TIV forecast and negative changes in EV car regulations bode poorly for ALLZ's motor segment, which it heavily depends on. Regardless, ALLZ has always been able to outcompete the industry due to its competitive advantages, even in times of duress. This time shouldn't be any different. 2. Having already reached its market share targets, the Group shifts focus towards growing select, more profitable segments of its non-motor portfolio. With a stellar track record, we expect great success on this front.
ALLZ Life	▲ Cautiously +ve	1. Good growth momentum, which is expected to persist. Unlike before, the Group is making headway into non-agency distribution channels such as bancassurance and employee benefits. 2. Also, the rollout of base MHIT products allows ALIM to penetrate the lower-income demographic, separate from its usual T20 customer base. 3. However, near-term claims prospects are impacted – the medical sector is one of the worst-hit by inflation. We are more confident in longer-term prospects, due to the excellent progress already made.
STMB General	▲ +ve	1. Unlike conventional insurance, the takaful space is a lot less competitive. STMB General's growth has seen excellent momentum, and this should persist, even with pressure from the ongoing economic situation. 2. Our only issue is that growth is mainly driven by the motor segment – the segment (due to its weaker margins) the Group specifically wants to limit growth in.
STMB Family	▲ Cautiously +ve	1. Family side may see weaker growth, but this quarter's steep drop-off is due to high base effects from the personal financing loan surge seen last year. Subsequent quarters should see more normalised figures. 2. That aside, the Group is diversifying into other non-personal-finance-linked products. This is a strong growth opportunity, as STMB can take advantage of the takaful industry's modest competitive environment to quickly scale up. STMB is already growing its mortgages, employee benefits, and retail (recurring premiums) exposure. 3. However, the changing product mix seems to be also compressing new business CSM. We need further data and clarification on whether this will remain a long-term, systemic issue that cannot be corrected – and whether growth prospects outweigh the margin compression.

Source: Companies, MBSBR

► **In theory, rising cost pressure should put pressure on premium growth – but no one seems overly worried.** The most direct segment hit by cost inflation will be the motor segment, purely due to the oil price surge disincentivising the act of driving (and thus the need for cars). Realistically, the fire segment should be hit as well, as property and manufacturing businesses will sideline or delay expansion plans until building material prices come down. Large ticket purchases such as housing are also harder to commit to for the average cash-strapped consumer. However, for now, insurers under our coverage aren't expecting too dramatic a decline – economic indicators such as loan growth remain extremely solid. We don't expect healthcare premiums to be as negatively affected, especially as the rollout of base MHIT products provides cheaper alternatives for cash-strapped individuals.

ALLZ is cautious of weakening TIV figures, given its reliance on the new car segment; but realistically, its economies of scale advantage prevents overall growth from declining more than industry levels. It is doubly affected by the recent legislation making it more difficult to purchase foreign EV cars, given that ALLZ is the biggest market leader in this category.

▼ **Rising cost pressures and logistical issues will result in claims inflation.** Thankfully, insurers have not seen too much of this yet, but be cautious for possible issues in subsequent quarters. We foresee the medical and motor segments to be the worst hit, given that vehicle parts and medical equipment and medication (or at least their raw materials) are usually manufactured overseas.

Of insurers under our coverage, **ALLZ** may be worst affected due to its high exposure to both the motor and healthcare segments. **STMB** has a large motor portfolio, but relatively limited exposure to the healthcare segment via its employee benefit products. Finally, **LPI's** fire-centric portfolio is the least affected due to its limited motor and healthcare exposure.

▼ **Medical inflation is the greater of two evils.** Medical providers have reported a 30-50% increase in medical costs thus far. We've seen a similar occurrence during the pandemic – in the case of the healthcare segment, the supply-demand gap led to a rampant surge in medical inflation. BNM's cap on premium increases makes it more difficult for insurers to pass on costs to consumers.

► **Motor insurance is supported by an easier pass-on-cost mechanism and lower accident incidences.** On the flip side, motor insurance coverage is single-premium and renewable every year. Another plus side: With driving now more expensive, we expect fewer vehicles on the road – thus, the accidents per driver figures should lower in CY26. This offsets some of the impact on claims.

▲ **On a longer-term basis, the battle against medical inflation has become more promising.** A lot of it is due to the successful co-pay programme rollout, which has already shown excellent take-up rates and a track record of reducing insurers' claims ratio. Insurers have mentioned that co-pay programme premiums should likely see a much lower rate hike than other healthcare programmes post-CY26, when BNM's cap on premium hikes is lifted. Success on this front is a good indicator that BNM is unlikely to prolong interim measures.

Another promising development is that the government is now a lot more active in rolling out initiatives to target healthcare inflation – most of which fall under the RESET scheme. At the very least, these initiatives foster dialogue and coordination between the three main parties: Regulators, insurers, and healthcare institutions. Some notable initiatives include:

1. **Diagnosis-Related Group (DRG) payment system:** Slated for a full rollout in 2027.
2. **Base MHIT products.**
3. **MyPriMe:** The mandatory display of medicine prices at all pharmacies and hospitals, implemented in May-25.
4. **Reference guide for common private healthcare procedures**: Issued Jan-26 to provide indicative price ranges for 26 common medical procedures split by location and age group.
5. **Sin Tax:** Raising excise duties on tobacco and alcohol starting Nov-25.

▲ **Base MHIT introduction is a positive development.** The main fear is cannibalisation of customers: Pre-existing customers may opt for the cheaper base MHIT plans in favour of pricier pre-existing deals. Under our coverage, only **ALLZ** has sizeable exposure to recurring individual health premiums. And even so, management claims that their pre-existing customer base comes mainly from the T20 demographic, which will not be satisfied with the limited coverage and flexibility of the base MHIT products. Hence, there is little chance of cannibalisation; if anything, the base MHIT products allow ALLZ to penetrate a previously untouched, lower-paying customer base.

There is a threat that comes with base MHIT introduction, though we deem it quite unlikely. It is the regulatory creep in pricing: i.e base MHIT's lower price becomes the new pricing benchmark for all subsequent MHIT products. This will force healthcare insurers to price down their other healthcare programmes.

► **PERKESO's Skim Lindung 24 Jam is a non-factor.** This scheme widens PERKESO's coverage for accidents that happen outside the workplace. While the scope of coverage is vague, we think its primary focus is to handle complaints of claim rejections due to incidents not being on office premises. A wider scope encourages moral hazard – and we doubt PERKESO's underwriting team is large enough to handle too heavy a burden in such immediate notice. The scheme only covers accidents, not infectious and non-communicable diseases; thus, not really a proper substitute for proper Group PA and health insurance. Also, this new scheme is fully borne by employees, not employers – thus, from a cost perspective, there is no reason for employers to halt their pre-existing insurance subscriptions.

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

1. Weaker economic growth leads to weaker premium growth.
2. Cost inflation amps up again and impacts claims adversely.
3. Geopolitical risk, natural disasters, and changing weather conditions drive up reinsurance and claims significantly.

Top Picks: Allianz (BUY, TP: RM25.69) and **STMB (BUY, TP: RM4.51).**

PEER COMPARISON

Insurer	Call	Share P*	Target P	Upside	Mkt Cap	P/E (x)		P/B (x)		ROE (%)		Div Yield (%)	
		(RM)	(RM)	(%)	(RM b)	FY26	FY27	FY26	FY27	FY26	FY27	FY26	FY27
LPI	NEUTRAL	15.34	15.42	0.5	6.1	15.5	14.5	2.1	2.1	14.7	14.3	17.4	5.9
ALLZ	BUY	21.52	25.69	19.4	7.4	7.8	7.7	1.1	1.0	14.4	13.3	4.1	4.2
STMB	BUY	3.40	4.51	32.6	3.0	7.7	7.3	1.4	1.2	17.7	18.0	5.2	5.5
Simple avg						**10.3**	**9.8**	**1.5**	**1.4**	**15.6**	**15.2**	**8.9**	**5.2**
Weighted avg						**10.6**	**10.2**	**1.5**	**1.4**	**15.1**	**14.5**	**9.3**	**5.0**

**Closing prices from 29 May 2026.*

Source: MBSBR

CHANGES TO OUR CALLS

Insurer	Call			Justification
	New	Former	Change	
LPI	NEUTRAL	BUY	↓	LPI's share price has appreciated -- it is now priced in.

Source: MBSBR

FIG 3: Valuation Methodologies

Company	Valuation	Details
LPI	P/BV	**FY27F P/BV of 2.07x.** ***GGM Assumptions:*** *FY26F ROE of* ***14.3%,*** *LTG of* ***4.0%*** *& COE of* ***9.0%.***
Allianz	SOTP	**AGIC: FY27F P/BV of 1.4x.** **ALIM: FY27F P/CE of 0.6x.**
STMB	P/BV	**FY27F P/BV of 1.63x.** ***GGM Assumptions****: FY26F ROE of* ***18.0%,*** *LTG of* ***4.0%*** *& COE of* ***12.6%.***

Source: Companies, MBSBR

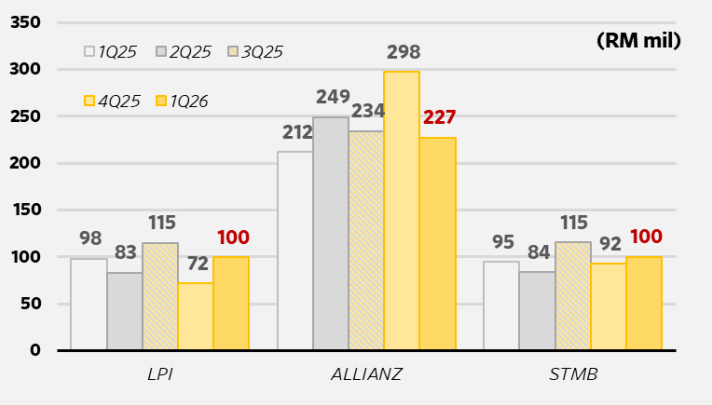
FIG 4: Sector Picks

Call	STOCK	Catalysts, concerns, and other notes
NEUTRAL	LPI	1. ▲ A good defensive pick for several reasons: (a) High dividend yields (thanks to special dividend payout), (b) Limited exposure to segments currently facing the highest claims inflation (namely motor and healthcare) – while having the lowest claims ratio in the industry to begin with, (c) Virtually 100% single premium mix allows easier pass-on of cost during at time of aggressive cost inflation. 2. ▲ High chance of special dividend payout in FY26, as the Group has already disposed of all its Public Bank shares for roughly RM1.05b. 70% of this (or RM735m) will be given away as dividends – though the dividend timing and arrangement are yet to be determined. 3. ▲ Collaborative efforts between LPI and Public Bank are expected to kick in by FY26, translating to higher cost savings and operational efficiency. 4. ▲ Thus far, LPI has done an admirable job in growing GWPs, particularly in the fire segment. We expect this to persist: The latest banking stats show that non-residential property and construction loans are making a rebound. However, rising cost pressures may cause downside to future growth prospects. 5. ▼ Logistical problems and elevated cost pressures could lead to higher claims costs, particularly for motor parts which are manufactured overseas.
TOP Pick	Allianz	1. ▲ AGIC (General)'s economies of scale and market-leading position allow it to outcompete peers' growth levels regularly. Rising cost pressures across the industry surprisingly work to AGIC's advantage: As smaller players are forced to cut growth due to rising cost pressures, AGIC can use this opportunity to double down on market share capture – particularly on the lucrative non-motor segment. 2. ▲ ALIM (Life) has also seen tremendous growth recovery, though this may normalise slightly in subsequent quarters. ANP growth is outpacing the industry by a significant margin. While preferring the agency-style distribution channel, ALIM is growing strongly in both bancassurance and employee benefit segments. They are also geared to penetrate a newer lower-income customer base via the rollout of base MHIT products. 3. ▲ ALIM has a great track record of managing healthcare inflation in the last couple of years. Their health loss ratios are outperforming peers' while showing considerable improvement from last year. Co-pay programme adoption has been successful thus far and should continue to reduce inflationary pressures. BNM's interim measures for MHIT products end this year, giving ALIM more leeway to pass on costs. 4. ▲ ALLZ can leverage its global network and knowledge base in keeping ahead of the curve, especially in tech-related matters. 5. ► Decent dividend yields. Unfortunately, capital constraints may remain due to ALLZ's high growth levels. 6. ▼ However, near-term claims prospects are not as bright. Cost inflation should hurt both AGIC's and ALIM's near-term claims ratio, as equipment and raw materials become pricier. ALLZ has particularly large exposure to two sectors facing the most cost inflation pressure: Healthcare and motor.
TOP Pick	STMB	1. ▲ Dividend payouts are to be kept near the ~40% level, which translates to solid yields. There is an intention to increase this figure, but not anytime soon given current high growth requirements. 2. ▲ Management expects the ongoing tax issue to be resolved by FY26-end. This should result in a large tax writeback and a return to normalised effective tax rates. 3. ▲ General's growth has been very strong as of late, and management expects this to persist despite challenging macroeconomic conditions. However, growth thus far is primarily driven by motor premiums, a segment that the Group specifically wants to limit growth in. 4. ▲ Family side's growth is weaker due to high base effects, but we are seeing newer drivers come into play, allowing for a more diverse income base than one that predominantly comprises credit-linked products. Segments include employee benefits and retail (recurring premiums). It's a good move, as STMB can take advantage of the takaful industry's modest competitive environment (relative to the conventional segment) and easily ramp up growth across various segments. 5. ► Some concerns that a changing product mix is compressing new business CSM, but it remains to be seen how much of it is due to this quarter's drop in personal financing product growth. With a growing dependence on regular-premium products and a rebound in mortgage products, the current portfolio is set to undergo further transformations. 6. ▼ Rising cost pressures could lead to higher claims, though nothing overly concerning thus far. When it comes to vulnerable segments, the Family portfolio has limited exposure to the healthcare segment, though motor premiums make up a large part of the General portfolio.

Source: Companies, MBSBR

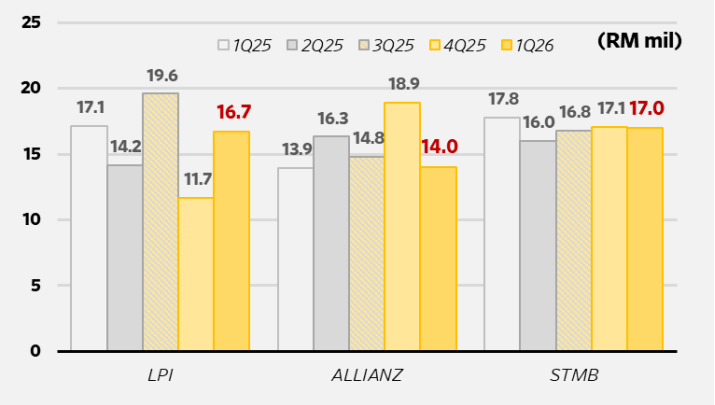
A. COMPANY FINANCIALS

Fig 5: Company Quarterly Core Net Profit



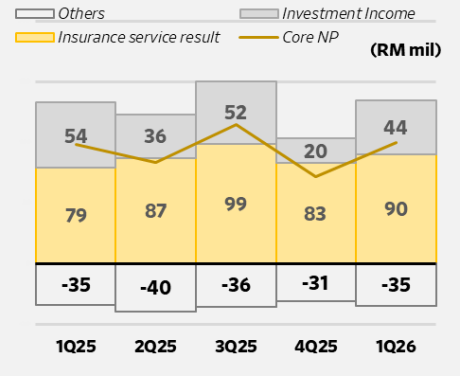
Source: Companies, MBSBR

Fig 6: Company Quarterly ROE



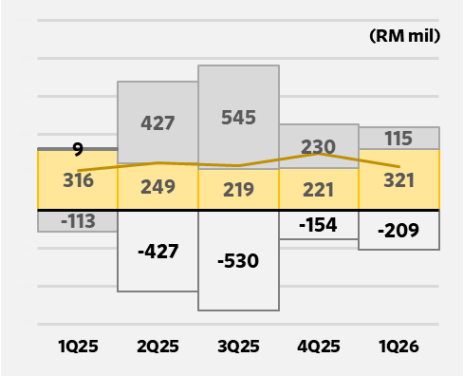
Source: Companies, MBSBR

Fig 7: LPI Earnings Breakdown



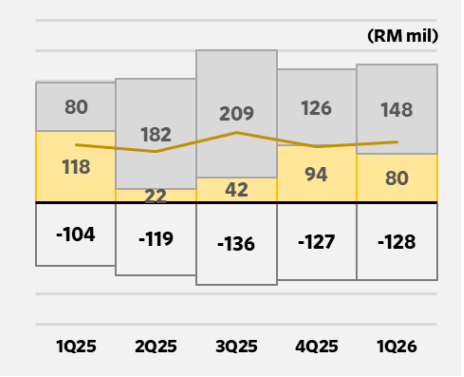
Source: Companies, MBSBR

Fig 8: Allianz Earnings Breakdown



Source: Companies, MBSBR

Fig 9: STMB Earnings Breakdown*



Source: Companies, MBSBR

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

FIG 10: Company's Core NP and Insurance Service Result %yoy growth

	Quarterly (1Q26) %yoy growth						Cumulative (3M26) %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*
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	27.3	25.9	-7.4	-16.3	10.4	113.1	29.1	35.5	-0.2	-7.4	7.1	20.5
4Q24	-6.0	11.0	19.1	27.6	16.1	45.7	20.3	28.7	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
2Q25	6.6	-1.4	49.3	53.6	-10.5	27.4	1.0	-5.9	29.2	35.6	-8.9	99.7
3Q25	-7.3	-11.3	27.8	24.8	14.8	-60.3	-2.4	-8.0	28.7	32.4	-0.9	3.6
4Q25	-2.8	-7.8	29.0	-2.5	13.2	120.4	-2.5	-8.0	28.8	22.7	2.1	26.4
1Q26	**1.6**	**14.2**	**7.4**	**1.8**	**5.7**	**-32.6**	**1.6**	**14.2**	**7.4**	**1.8**	**5.7**	**-32.6**

ISR = Insurance Service Result

Source: Company, MBSBR

FIG 11: Cumulative Dividend Payout

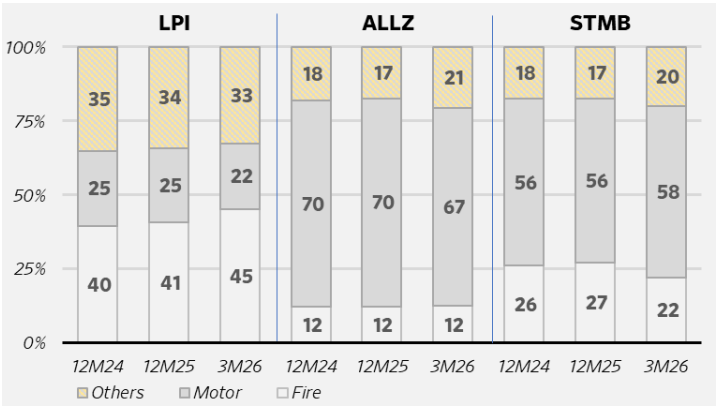
	Cum. Dividend Payout (%)		
	LPI	ALLZ	STMB
3Q24			
4Q24	84.5	40.1	37.7
1Q25			
2Q25	66.0		
3Q25			55.1
4Q25	86.7	30.8	
1Q26		*	

**2Q's dividend already announced!*

Source: Company, MBSBR

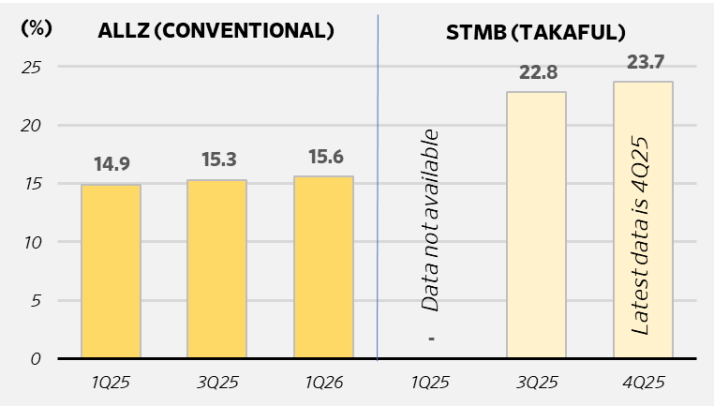
B. GENERAL STATS

Fig 12: Premium Mix



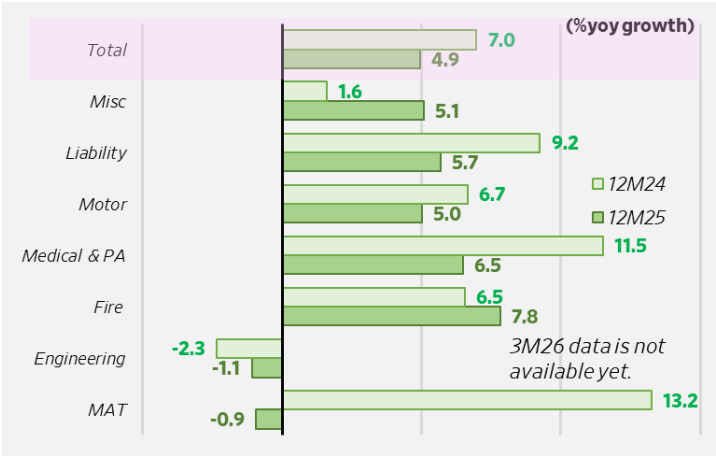
Source: Companies, MBSBR

Fig 13: Market Share



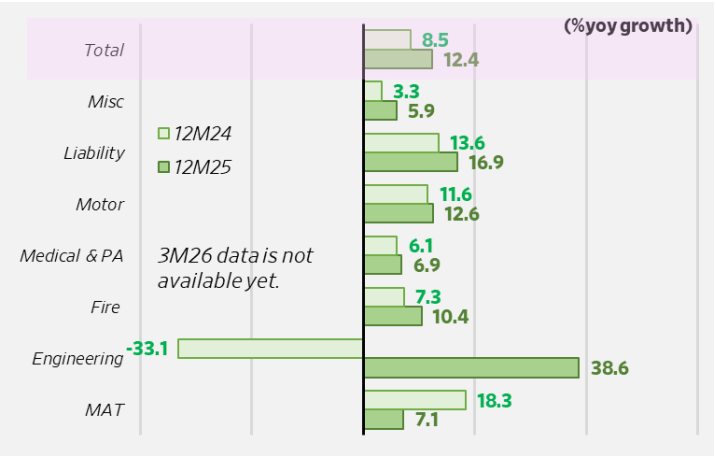
Source: Companies, MBSBR

Fig 14: Insurance Industry %yoy Segmental GWP growth



Source: BNM, MBSBR

Fig 15: Takaful Industry %yoy Segmental GWP growth



Source: BNM, MBSBR

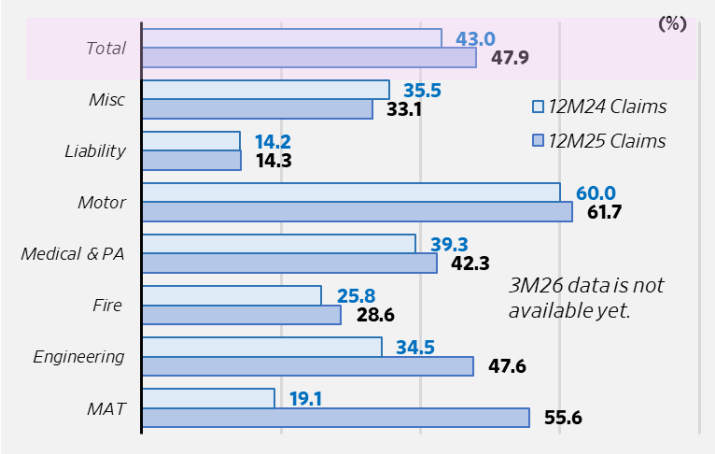
FIG 16: Industry and Company's Total GWP growth by Segment (General)

	Quarterly Total (1Q26) Premiums %yoy growth					Cumulative Total (3M26) Premiums %yoy growth				
	LPI	ALLZ (General)	STMB (General)	Insurance Industry	Takaful Industry	LPI	ALLZ (General)	STMB (General)	Insurance Industry	Takaful Industry
1Q24	8.7	14.0	11.4	10.4	10.7	8.7	14.0	11.4	10.4	10.7
2Q24	7.4	16.7	13.8	9.8	10.3	8.1	15.2	12.5	10.1	10.5
3Q24	3.9	12.2	3.0	2.3	11.0	6.7	14.2	9.4	7.5	10.7
4Q24	10.1	12.9	-21.0	5.3	2.7	7.5	13.8	-0.6	7.0	8.5
1Q25	6.9	10.6	2.1	3.7	6.4	6.9	10.6	2.1	3.7	6.4
2Q25	6.3	12.2	8.7	3.5	13.5	6.6	11.3	5.1	3.6	9.7
3Q25	10.9	4.8	15.5	5.2	13.0	8.0	9.1	8.3	4.1	10.7
4Q25	7.1	3.0	31.5	7.6	17.0	7.8	7.6	14.4	4.9	12.4
1Q26	**1.8**	**8.8**	**15.1**			**1.8**	**8.8**	**15.1**		

	Cumulative Fire (3M26) Premiums %yoy growth					Cumulative Motor (3M26) Premiums %yoy growth				
	LPI	ALLZ (General)	STMB (General)	Insurance Industry	Takaful Industry	LPI	ALLZ (General)	STMB (General)	Insurance Industry	Takaful Industry
1Q24	4.5	-8.1	-6.7	5.8	14.7	15.0	20.6	27.1	7.1	17.1
2Q24	9.2	0.9	9.1	6.5	14.3	13.4	20.0	18.0	8.0	15.9
3Q24	4.9	-0.9	5.4	6.0	14.0	13.4	18.3	12.8	7.4	14.2
4Q24	6.7	-0.9	-15.3	6.5	7.3	11.6	17.4	6.7	6.7	11.6
1Q25	9.7	18.5	10.8	13.5	-4.3	7.0	11.7	-4.6	4.3	7.6
2Q25	6.1	23.4	13.7	10.5	4.4	9.3	11.7	-2.0	5.2	9.5
3Q25	11.4	7.3	10.7	10.0	6.5	8.4	10.5	5.5	4.8	11.0
4Q25	10.7	8.5	18.4	7.8	10.4	10.6	8.5	12.8	5.0	12.6
1Q26	**13.6**	**0.7**	**7.6**			**4.7**	**7.8**	**26.2**		

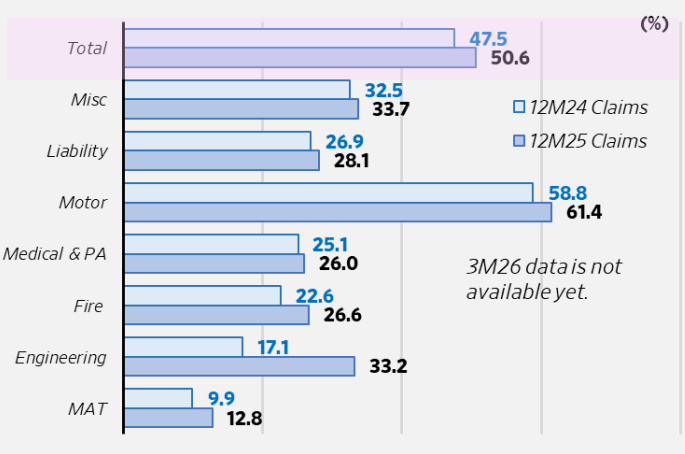
Source: Company, BNM, MBSBR

Fig 17: Insurance Cumulative Claims Ratio by Segment



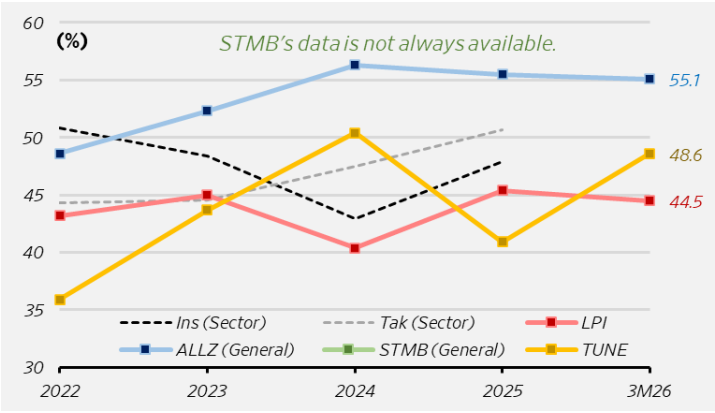
Source: BNM, MBSBR

Fig 18: Takaful Cumulative Claims Ratio by Segment



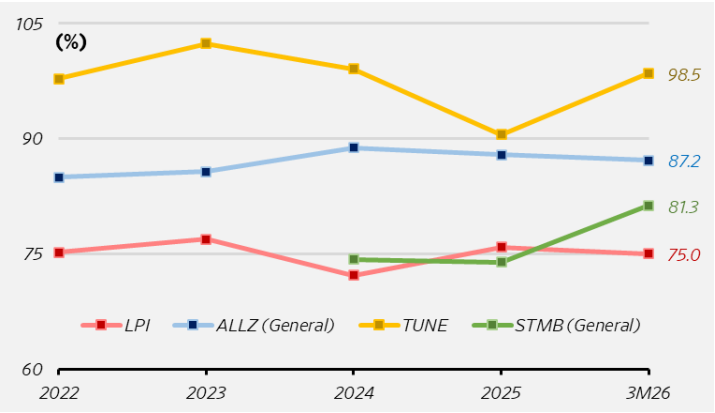
Source: BNM, MBSBR

Fig 19: Industry Cumulative Claims Ratio



Source: Companies, BNM, MBSBR

Fig 20: Industry Cumulative Combined Ratio



Source: Companies, MBSBR

FIG 21: Quarterly/Cumulative Claims and Combined Ratio (General)

	Quarterly (1Q26) Claims ratio					Quarterly Combined ratio		
	LPI	*ALLZ (General)	TUNE	Insurance Industry	Takaful Industry	LPI	ALLZ (General)	TUNE
1Q24	40.1	62.9	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
3Q24	35.8	55.6	43.9	48.3	55.2	66.8	89.3	93.9
4Q24	41.5	46.3	43.9	45.1	47.1	75.1	88.7	93.9
1Q25	45.7	63.0	44.7	40.9	48.3	77.6	85.8	109.8
2Q25	43.9	62.5	42.7	42.8	50.4	75.2	88.0	94.0
3Q25	43.8	55.0	40.5	52.3	55.9	73.1	88.8	89.0
4Q25	48.2	56.2	36.6	56.3	48.5	78.0	89.1	88.7
1Q26	**44.5**	**62.2**	**48.6**			**75.0**	**87.2**	**98.5**

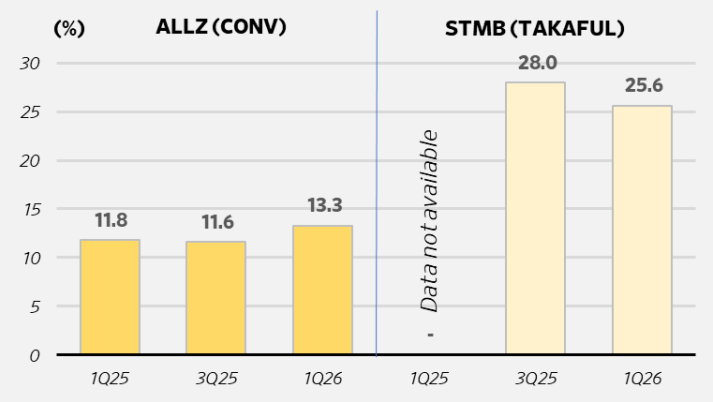
	Cumulative (3M26) Claims ratio					Cumulative Combined Ratio			
	LPI	ALLZ (General)	STMB (General)	TUNE	Insurance Industry	Takaful Industry	LPI	ALLZ (General)	STMB (General)	TUNE
1Q24	40.1	55.0		60.3	36.9	40.2	73.4	87.0		44.7
2Q24	42.2	62.2		56.8	39.5	44.1	73.5	88.4		107.5
3Q24	40.0	59.9		52.4	42.3	47.7	71.2	88.7		102.8
4Q24	40.4	56.3		50.4	43.0	47.5	72.2	88.8	74.3	99.1
1Q25	45.7	53.9		44.7	40.9	48.3	77.6	85.8	82.9	109.8
2Q25	44.8	55.4		43.6	41.8	49.3	76.4	86.9		93.9
3Q25	44.4	55.3		42.5	45.2	51.4	75.2	87.6		91.9
4Q25	45.4	55.5		40.9	47.9	50.6	75.9	87.9	73.9	90.5
1Q26	**44.5**	**55.1**		**48.6**			**75.0**	**87.2**	**81.3**	**98.5**

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

Source: Company, BNM, MBSBR

C. LIFE/FAMILY STATS

Fig 22: Market Share



Source: Companies, MBSBR

FIG 23: Industry & ALLZ's Life ANP growth

	Agency New Business (RM m)				Employee Benefits NB (RM m)				Banca New Business (RM m)				Total New Business (RM m)				
	Qtrly (1Q26)		Cum (3M26)		Quarterly		Cumulative		Quarterly		Cumulative		Quarterly		Cumulative		
	ALLZ (Life)	%yoy growth	ALLZ (Life)	%yoy growth	ALLZ (Life)	%yoy growth	ALLZ (Life)	%yoy growth	ALLZ (Life)	%yoy growth	ALLZ (Life)	%yoy growth	ALLZ (Life)	%yoy growth	ALLZ (Life)	%yoy growth	Sector %yoy
1Q24	123	31.1	123	31.1	92	79.6	92	79.6	21	9.0	21	9.0	235	14.0	235	43.7	22.4
2Q24	127	22.3	249	26.5	75	61.7	166	71.1	10	21.5	30	12.7	211	16.7	446	38.8	15.3
3Q24	121	-30.2	370	0.0	66	30.3	233	57.1	10	27.5	40	16.1	197	12.2	643	16.3	10.9
4Q24	182	17.5	552	5.2	42	-8.0	274	41.9	5	8.0	46	15.1	229	12.9	872	15.1	8.6
1Q25	105	-14.0	105	-14.0	87	-4.8	87	-4.8	21	1.5	21	1.5	214	10.6	214	-9.1	-9.6
2Q25	155	22.6	261	4.6	66	-11.1	154	-7.6	13	36.5	34	12.6	235	12.2	448	0.6	-7.4
3Q25	135	11.9	396	7.0	84	27.3	238	2.3	12	19.6	46	14.4	232	4.8	680	5.8	-1.5
4Q25	177	-2.5	573	3.8	60	45.5	298	8.9	6	16.7	53	14.6	244	3.0	924	6.0	0.7
1Q26	**153**	**45.2**	**153**	**45.2**	**83**	**-4.7**	**83**	**-4.7**	**27**	**29.2**	**27**	**29.2**	263	**8.8**	263	**23.2**	5.5

Source: Company, MBSBR

FIG 24: ALLZ + STMB's Life GWP %yoy growth

	Quarterly (1Q26) GWP (RM m)				Cumulative (3M26) GWP (RM m)			
	ALLZ (Life)	%yoy growth	STMB (Family)	%yoy growth	ALLZ (Life)	%yoy growth	STMB (Family)	STMB (Family)
1Q24	1,020	9.7	656	9.5	1,020	9.7	656	9.5
2Q24	901	9.1	645	33.0	1,921	9.4	1,301	20.0
3Q24	1,024	8.7	690	24.3	2,944	9.2	1,991	21.5
4Q24	881	4.1	660	14.2	3,825	8.0	2,651	19.6
1Q25	1,031	1.1	938	43.0	1,031	1.1	938	43.0
2Q25	1,007	11.8	610	-5.4	2,038	6.1	1,548	19.0
3Q25	1,039	1.5	648	-6.1	3,077	4.5	2,196	10.3
4Q25	935	6.1	661	0.2	4,011	4.9	2,857	7.8
1Q26	**1,221**	**18.4**	**840**	**-10.4**	**1,221**	**18.4**	**840**	**-10.4**

Source: Company, MBSBR

FIG 25: Industry and Company's %yoy Health Net Premium 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
4Q FY25	12.7	17.3	38.8	10.7	17.4	10.7	9.2	11.8	18.7	8.2	1.4	-16.8	49.0	3.2	-5.7	9.2	10.9	12.8	8.9	8.2
1Q FY26	**10.1**	**30.3**	**14.8**	**16.4**	**-19.5**	**6.3**	**4.6**	**2.5**	**6.7**	**10.7**	**-2.9**	**-23.2**	**9.6**	**-5.6**	**12.4**	**5.1**	**11.5**	**2.8**	**3.1**	**7.0**

Source: Company, MBSBR

FIG 26: Industry and Company's Cumulative Health Loss Ratio

	Group Policies					Investment Linked Policies					Traditional Policies					Sum of All Policies				
	Sector	ALLZ	PRU	AIA	GE	Sector	ALLZ	PRU	AIA	GE	Sector	ALLZ	PRU	AIA	GE	Sector	ALLZ	PRU	AIA	GE
4Q FY24	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
1Q FY25	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
2Q FY25	71.7	78.1	67.2	66.1	87.6	91.5	81.9	93.1	95.5	88.7	87.1	82.5	201.9	86.9	83.8	86.6	80.7	94.4	83.0	88.1
3Q FY25	75.7	77.0	96.9	69.8	81.0	95.8	83.3	100.7	99.9	90.1	89.8	89.8	131.7	87.4	81.9	90.5	81.4	101.4	85.1	87.8
4Q FY25	75.6	78.8	95.2	70.0	78.3	96.6	83.8	101.3	100.8	91.8	88.9	91.8	126.1	89.2	83.5	90.6	82.3	101.8	86.1	88.7
1Q FY26	**91.3**	**79.2**	**177.4**	**66.3**	**138.9**	**92.8**	**81.9**	**92.4**	**95.8**	**90.5**	**81.9**	**88.2**	**94.6**	**81.6**	**74.5**	**90.5**	**81.1**	**93.4**	**81.0**	**93.6**

Source: Company, MBSBR

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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