Insurance

POSITIVE (Maintain)

2QCY26 Wrap: Growth Over Margins

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

HIGHLIGHTS

- **Expect: A strong topline performance but taper your bottom-line expectations.**
- **Drivers: Strong macroeconomic growth should continue to drive growth in life and general segments. A rebound in TIV is particularly promising, given the General segment's high reliance on motor premium growth.**
- **Headwinds: Claims inflation, particularly in motor and healthcare segments, if logistical disruptions remain. Investment income volatility is also a threat.**
- **Dividends: Already healthy right now, and we could see further increase in payout ratios in CY26. RBC 2.0 is unlikely to crimp near-term dividend expectations.**
- **Maintain POSITIVE call: The sector remains chronically undervalued despite excellent growth prospects and solid dividend yields.**

Sector Verdict

As a proxy to economic growth, a strong macroeconomic backdrop bodes well for the insurance sector's growth prospects. Its dividend outlook is also bright, with ALLZ and STMB likely to boost higher payout ratios in CY26. Expect high topline values but more moderate bottom line growth, due to the presence of headwinds: Claims inflation and investment income volatility could persist – but claims have been manageable so far, contingent on each individual insurer's underwriting ability. We urge investors to look forward to a brighter CY27.

Core Themes

1. ▲ **Valuations remain attractive, especially when compared to regional peers.** For some reason, the MY insurance sector sees less attention: It could be due to its complexity, constant regulatory overhang, and high degree of volatility.
2. ▲ **Sector dividends are solid, with possible upside.** Apart from LPI, sector dividend yields are in the mid-single-digit range. But we expect higher payout ratios in CY26: ALLZ will likely increase its payout, while STMB intends to raise it.
3. ▲ **Strong General GWP growth on the back of stronger macroeconomic prospects.** Healthy GDP and a recovery in TIV bode are promising indicators, though MAT may continue seeing weakness if logistical disruptions persist. However, some insurers point out that the GDP to GWP growth multiplier has been weaker than usual.
4. ▲ **Life insurance growth's solid growth momentum to persist.** Life insurance has staged a comeback. Protection items are in trend, and the employee benefit and bancassurance segment are ramping up as drivers. MediAsas take-up could provide some uplift, though the products themselves have very thin margins.
5. ▲ **Overall, the long-term battle against medical inflation is moving in the right direction.** The adoption of co-pay programme products has already lowered industry health loss ratios. Initiatives are constantly rolled out to target healthcare inflation, implying that the fight is backed by a degree of regulatory will. Also, BNM's premium inflation cap will end by CY26, which implies better pass-through of costs for insurers.
6. ▼ **Elevated reinsurance and claim costs in 2HCY26.** 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 due to logistical disruption. The threat of the MYR falling behind could result in overseas products being more expensive.
7. ▼ **Investment income volatility may persist.**
8. ▼ **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*

STMB

Maintain BUY | Target Price: RM4.51
Price @ 2 September 2026: RM3.12

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

SHARE PRICE CHART



Allianz

Maintain BUY | Target Price: RM26.77
Price @ 2 September 2026: RM21.36

- AGIC scales rapidly and capitalises on its market-leading position and economies of scale to grow 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



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	14.54 ~~15.42~~ ▼		Below 42%	Below 42%	-6%			Higher than expected claims costs, particularly in the motor segment.
ALLZ	Buy	26.77 ~~25.69~~ ▲		In-line 47%	In-line 47%				
STMB	Buy	4.51		In-line 48%	In-line 48%				

Source: Companies, MBSBR

FIG 2: Guidance and Fundamental Outlook

Insurer	Mgmt's Tone	Guidance and Drivers
LPI	▼ -ve	1. Motor segments continue experiencing weakness, both in terms of GWP growth and claims inflation. Some weakness in other segments as well. 2. However, the higher-margined fire segment seems to be doing extremely well from both a growth and claims control standpoint. This should continue to offset weakness in other segments.
ALLZ General	▲ Cautiously +ve	1. A huge rebound in June's TIV figures bodes well for the motor segment, after months of contraction. 2. However, non-motor segments are not performing as well, despite better-than-expected GDP performance. The fire segment was affected by reduced Large & Specialised risk (LSR) take-up, so there is an effort to double down on the retail fire segment. MAT saw continual weakness from logistical issues. 3. Surprisingly, only minor claims inflation despite a huge exposure to the motor segment. AGIC attributes this outperformance to better motor underwriting standards, allowing it to avoid more accident-prone customers.
ALLZ Life	▲ Cautiously +ve	1. Strong life sector performance in 1HFY26, largely driven by improved employee benefits and bancassurance products. In contrast, there is weaker growth from agency distribution. ALIM is shifting priority away from the agency segment and is already content if it shows growth. 2. Medicals claim inflation to ramp up in 2HFY26. It comes from two sources: a spike in acute disease cases this year, as well as continual logistical issues elevating drug raw material and medical equipment prices. 3. Still too early to gauge MediAsas' impact, but ALIM remains positive due to low overlap with pre-existing products. In fact, MediAsas provides a viable product alternative for customers forced to drop coverage of pre-existing products due to cost pressures, thus allowing for better retention rates.
STMB General	▲ Cautiously +ve	1. Bright macroeconomic outlook should continue to drive STMB's strong growth momentum. However, note that recent growth mainly comes from the thinner-margined motor segment, which STMB specifically wants to avoid growing. Other segments such as fire have reported negative sequential growth. Interestingly, its peers were guiding for weaker motor segment growth before this, due to weaker TIV numbers. 2. Watch for claims inflation, particularly on the motor side.
STMB Family	► Neutral	1. There is still drag coming from weaker credit-linked product take-up, due to high base effects in the personal financing segment. Residential mortgages and personal financing loans are less trendy among banks, which could slow down the recovery. 2. But overall, Family GWP is seeing a good recovery. Instead, what is driving the growth is non-credit-linked products such as Group medical, term and retail, which is also contributing to the sharp growth in regular premiums. It is changing STMB's product mix to one less single-premium-dominated. 3. Increased diversification via non-credit-linked products brings good and bad. We like the lower sensitivity to loan growth direction and performance. Diversification is also ideal for the RBC 2 transition. STMB prefers a longer-tailed exposure to CSM release. However, there is a downside: Regular premiums are also more capital-intensive, which could be bad for ROE.

Source: Companies, MBSBR

▲ **Dividend upsides aplenty.** Apart from **LPI's** ongoing special dividend programme, ALLZ, STMB, and MNRB have signalled positive changes of their own. If it was not for regulatory delays, **ALLZ's** 1QFY26 dividend could have been issued as part of the FY25 cycle. This implies FY25's payout could have been a higher 45%, which is closer to pre-FY24 levels and a lot higher than FY25's reported 32% payout. **STMB** wants to introduce interim dividends and increase its dividend payout above 40%. **MNRB's** RM1.64b disposal of Takaful Ikhlas is confirmed to involve capital return intentions.

► **RBC 2.0 is a story for the distant future – does not significantly impact near-term dividend.** With BNM releasing minimal updates, it seems unlikely that RBC 2.0 will come online before CY29. Although most proposed changes will negatively impact capital, BNM is also proposing that the CAR regulatory threshold could be reduced to 100% from 130%, providing some offset.

So far, insurers are not worried about the need to hoard capital in preparation for RBC 2.0 changes. However, do expect some level of portfolio mix rebalancing to ease into these changes – particularly changes prioritising diversification benefits and climate-related factors. For example, some element of STMB's ongoing Family portfolio diversification may be to optimise its portfolio mix.

► **Stronger topline growth, weaker bottom line.** Topline should grow rapidly, pushed by a strong macroeconomic outlook. However, expect margin compression at the same time, coming from a combination of increased claims and reinsurance costs, as well as possible investment income volatility. Our forecasts suggest a 7-9%yoy growth in topline revenue, but the bottom line to remain flattish.

To an extent, the new MediAsas products drive the trend: They should sell well but remain too thin margined to bring in any meaningful income contribution. Management needs to bundle them with more profitable products for better profit, but cross-selling may take some time.

▲ **A strong macroeconomic backdrop continues to drive growth but manage your expectations.** The Life segment's growth is very strong (particularly the employee benefit segment) and expect MediAsas offerings to continue to drive growth. As an economic growth proxy, General GWP growth has done well – and a strong rebound in June's TIV figures looks to maintain this momentum. We are more optimistic on the motor segment than anything else: After a weak 1HCY26, pent-up demand could flood in.

Note, however, that ALLZ mentioned that the GWP-growth-to-GDP multiplier was on the lower side this year. Some elements of this could be due to CY26's GDP figures being bolstered by business activity, while retail spending remains more moderate. The fire segment saw weakness in the Large & Specialised risk (LSR) segment on a global scale, while TIV was initially much weaker before rebounding. Also, some non-motor General segments continue to see weakness due to logistical disruptions – most notably, the MAT segment.

▼ **Claims inflation remains the most pressing downside – watch for investment income volatility too.** The two most vulnerable segments are the motor segment (due to reliance on overseas-manufactured parts) and the medical segment (due to logistical disruptions affecting drug raw materials and medical equipment shipments).

Higher motor claims have hit different insurers in varying degrees. LPI was worst hit, whereas STMB and ALLZ were not too badly affected. Some of this variance may come from differing underwriting standards. However, the threat of global interest rate hikes could pose further currency translation risks, especially since the MYR could depreciate (as the OPR is not as volatile as global rates).

Medical claims have not been too bad as of late but expect it to hit 2HCY26 a lot harder. It is not just cost inflation; there has been a spike in acute cases this year. Healthcare insurers do have some buffer: (1) CY26 is the final year of BNM's premium inflation cap, allowing a better pass-on of costs next year; (2) There is more growth in the employee benefit segment, which allows for yearly renewals.

▲ **Possibly one step closer to Etiqa listing (if intended) – a benefit for the whole sector?** Maybank announced its plan to fully acquire Maybank Ageas Holding Bhd (MAHB), the holding company of Etiqa MY and SG. The purchase consideration of P/BV of 1.98x, much higher than what its listed peers are trading at – some element of this may be due to Etiqa's valuable takaful license coupled with its

market-leading position. This acquisition allows Maybank to have full ownership over Etiqa and its subsidiaries – making it easier to list if intended.

Such a high-profile listing is a boost for such an overlooked sector. The insurance sector is perpetually undervalued relative to regional peers despite healthy dividend yields, high growth levels and thick profitability margins. We opine that some stigma from quarterly earnings volatility (as seen in the MFRS 4 regime), healthcare inflation fears, and overall technical complexity still linger. Hopefully, a listing of such a large scope could clear it once and for all.

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: STMB (BUY, TP: RM4.51) and **Allianz (BUY, TP: RM26.77).**

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	13.52	14.54	7.5	5.4	14.6	12.8	1.7	1.8	13.2	13.8	15.0	11.2
ALLZ	BUY	21.36	26.77	25.3	7.3	7.7	7.6	1.1	1.0	14.4	13.3	4.1	4.2
STMB	BUY	3.12	4.51	44.6	2.7	7.0	6.7	1.3	1.1	17.7	18.0	5.7	6.0
Simple avg						**9.8**	**9.0**	**1.3**	**1.3**	**15.1**	**15.0**	**8.3**	**7.1**
Weighted avg						**10.0**	**9.3**	**1.3**	**1.3**	**14.5**	**14.3**	**8.2**	**7.0**

**Closing prices from 02 Sep 2026.*

Source: MBSBR

FIG 3: Valuation Methodologies

Company	Valuation	Details
LPI	P/BV	**FY27F P/BV of 1.96x.** ***GGM Assumptions:*** *FY27F ROE of* ***13.8%,*** *LTG of* ***4.0%*** *&* *COE of* ***9.0%.***
Allianz	SOTP	**AGIC: FY26F P/BV of 1.5x.** **ALIM: FY26F P/CE of 0.5x.**
STMB	P/BV	**FY27F P/BV of 1.63x.** ***GGM Assumptions****: FY27F ROE of* ***18.0%,*** *LTG of* ***4.0%*** *&* *COE of* ***12.6%.***

Source: Companies, MBSBR

FIG 4: Company Catalysts

INSURER	Catalysts, concerns, and other notes
LPI NEUTRAL	**Verdict: LPI is a defensive pick, but its valuations remain elevated due to the prospect of special dividends – two further payouts remain. The main headwinds come from higher motor claims (amid ongoing logistical disruptions) and volatile investment income (also dragged by the gap from PBK share sale). At the same time, a strong macroeconomic backdrop lifts growth prospects.** 1. ▲ LPI remains a defensive pick, due to its elevated dividend yields, high fire premium product mix, lower dependence on investment income, and a virtually 100% single-premium mix, which allows easier pass-on of costs at a time of aggressive cost inflation. 2. ▲ Special dividends to keep yields and share price elevated until the final payout (estimated at 1HFY27). So far, RM259m of the estimated RM737m will be given away – 2 further payouts remain. 3. ▲ Collaborative efforts between LPI and Public Bank should translate to higher cost savings and operational efficiency. 4. ▲ Despite weakness in some segments, GWP momentum remains steady, premised on strong economic prospects. The higher-margined Fire segment has grown very strongly over the last twelve months. 5. ▼ LPI needs to rebuild its investment portfolio, which could lead to investment weakness in the short term. Unfortunately, volatility stemming from global events hikes up uncertainty on this front. 6. ▼ Logistical problems and elevated cost pressures provide claims inflation risks, particularly for motor parts which are manufactured overseas. At the very least, its Fire premiums, which are less vulnerable to current claim inflation pressures, make up the large part of its GWP portfolio.
ALLZ TOP BUY	**Verdict: A strong macroeconomic outlook and rebound in TIV figures bode well for ALLZ's overall growth trajectory, given AGIC's high reliance on the new car segment. Its economies of scale advantages and ability to draw down on existing pools of knowledge from overseas subsidiaries allow it to outperform peers and adapt quickly to changes. There are some headwinds: Weakness in AGIC's non-motor GWP growth, a volatile investment environment, and claims inflation affecting medical and motor segments. ALLZ's dividend payout schedule can also be erratic – better certainty is a share price rerating driver.** 1. ▲ ALLZ remains agile and ahead of the curve by drawing down on the knowledge base from overseas subsidiaries. 2. ▲ AGIC to maintain its aggressive growth, capitalising on economies of scale and market-leading position. A strong macroeconomic backdrop and recovery in TIV figures bode well for the motor segment, but the non-motor segment has been weaker lately. 3. ▲ ALIM's ANP growth continues to outpace its peers. Core drivers are the bancassurance and employee benefits segments, away from its usual agency preference. The new MediAsas programme could slightly benefit retention rates and wider outreach to a separate demographic. 4. ► Solid but inconsistent dividend yields. Dividend announcements have a rather erratic schedule and can be delayed to the following FY (as we've seen early this year) due to prolonged approval times. Unfortunately, capital constraints will likely persist as ALLZ's high growth levels put pressure on solvency. 5. ▼ Claims inflation should pressure both AGIC's and ALIM's claims ratio. The worst hit are motor and medical segments, both of which ALLZ is highly exposed to. So far, AGIC has been able to largely circumvent motor claims inflation by selective underwriting. And health loss ratios as of 1HCY26 continue to outperform that of the wider industry.
STMB TOP BUY	**Verdict: STMB has great growth prospects, though a rebalancing in the Family portfolio's mix may result in some drag on growth and a greater need for capital retention. Claims inflation isn't severe yet but is still a point of future concern. STMB wants to increase its dividend payouts >40%, but the realistic upside may be limited due to high growth levels and the ongoing push into a more capital-intensive product mix.** 1. ▲ STMB wants to increase dividend payouts above the 40% level, but realistic upside may be limited. High GWP growth levels and the Family portfolio's push into a capital-intensive regular premium mix are the limiting factors. Regardless, dividend yields are already solid enough to begin with 2. ▲ General side should continue strong GWP growth, due to a positive macroeconomic outlook. However, it has been primarily motor premium-driven, which STMB is specifically trying to limit due to its thinner margins. 3. ▲ With its extremely high reliance on bancassurance-style distribution, STMB is well positioned to take advantage of banks' elevated focus on wealth management and fee-based income. 4. ► Family side is seeing some drag from weaker credit-linked premium growth (personal financing), which acted as the main growth driver. To compensate, other segments such as medical, retail and mortgage-related products have stepped up – and regular contribution products are ramping up. The mix is becoming diversified from its former credit-linked premium dominance. 5. ▼ Rising cost pressures should lead to higher claims in the near-term, particularly in the medical and motor segments. At the very least, STMB's exposure to medical premiums (largely employee benefits) is limited. 6. ▼ Tax rate dispute still ongoing, leaving effective tax rate still elevated.

Source: Companies, MBSBR

A. DIVIDENDS

FIG 5: Dividend Commentary

Insurer	BAU dividends	Additional notes
LPI	**Usually ~85% (No official policy)**	▲ Additional special dividends from PBK share disposal. So far, RM260m of the estimated RM737m will be given away this time – 2 further payouts to go.
ALLZ	**30%**	► ALLZ can have an erratic dividend announcement schedule, largely due to approval delays. FY25's official dividend payout was a low 32%; However, this is because 1QFY26's interim dividend (which was meant for FY25) was approved too late. If we include this figure, it brings FY25's payout to a respectable 45% – lifting dividend yields to a solid ~5% level.
STMB	**40%**	▲ Management wants to do two things: 1. Introduce an interim dividend (as opposed to a single final dividend). 2. Increase its dividend payout to >40%. However, the realistic upside may be limited, with high GWP growth levels and a push into a more capital-intensive regular premium mix acting as limiting factors.

Source: Companies, MBSBR

FIG 6: Dividend Table

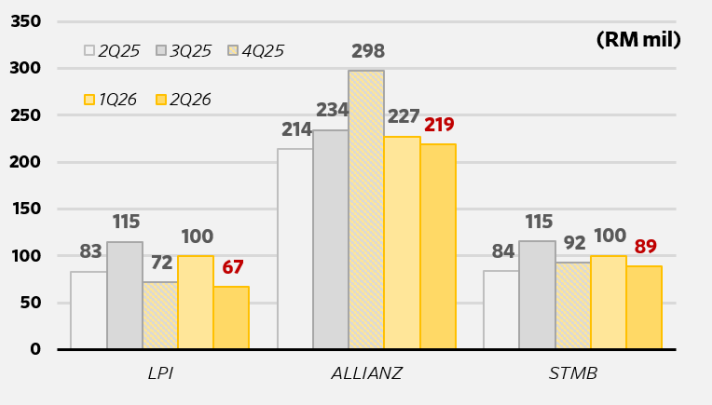
	Quarterly DPS (sen)		
	LPI	ALLZ	STMB
2Q24	30.0		
3Q24			
4Q24	50.0	63.0	17.0
1Q25			
2Q25	30.0		
3Q25			18.5
4Q25	50.0	89.5	
1Q26		35.5	
2Q26	90.0		

	LPI			ALLZ			STMB		
	Payout (%)	DPS (sen)	Yield (%)	Payout (%)	DPS (sen)	Yield (%)	Payout (%)	DPS (sen)	Yield (%)
FY22	95	60.0		48	85.0		40	13.5	
FY23	84	66.0		48	100.5		34	14.0	
FY24	85	80.0		40	89.5		38	17.0	
FY25	87	80.0		32	89.5		42	18.5	
FY26F	218	202.2	15.0	32	88.5	4.1	40	17.8	5.7
FY27F	144	152.1	11.2	32	89.7	4.2	40	18.7	6.0

Source: Company, MBSBR

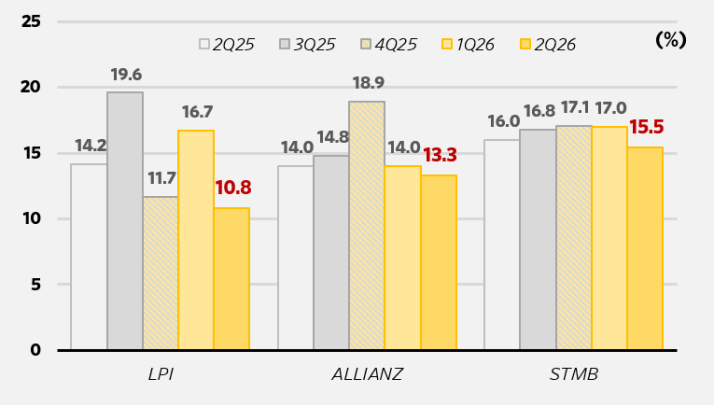
B. COMPANY INCOME STATEMENT

Fig 7: Company Quarterly Core Net Profit



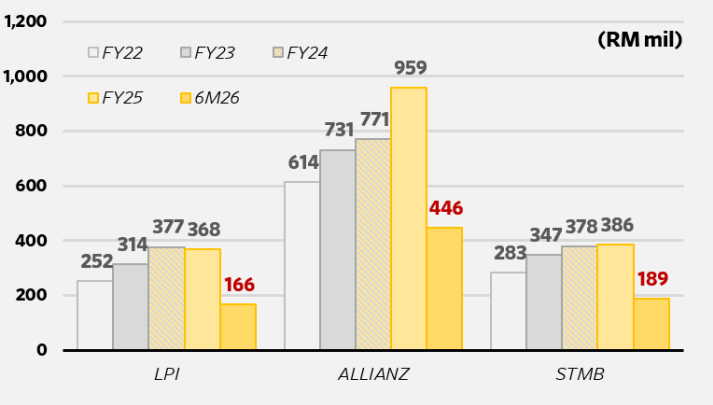
Source: Companies, MBSBR

Fig 8: Company Quarterly ROE (Annualised)



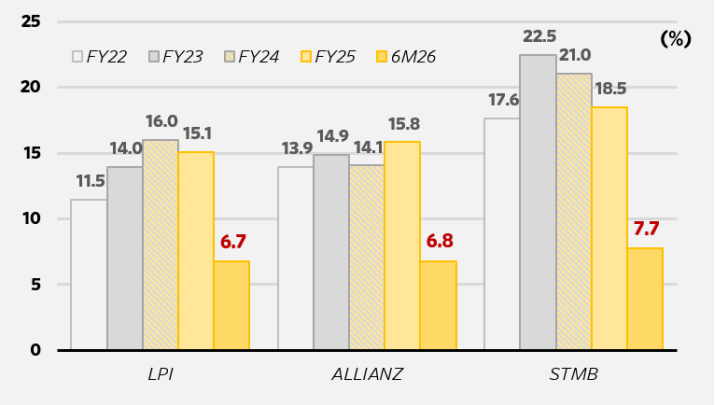
Source: Companies, MBSBR

Fig 9: Company Yearly Core Net Profit



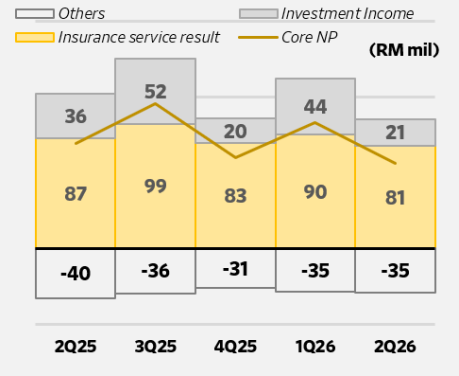
Source: Companies, MBSBR

Fig 10: Company Yearly ROE



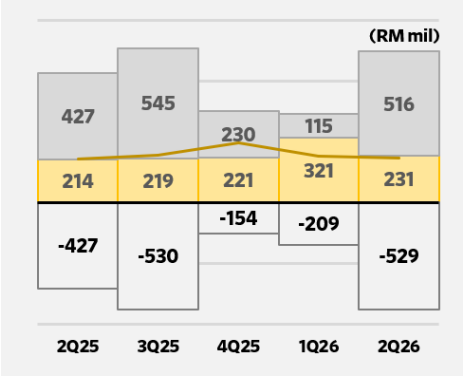
Source: Companies, MBSBR

Fig 11: LPI Earnings Breakdown



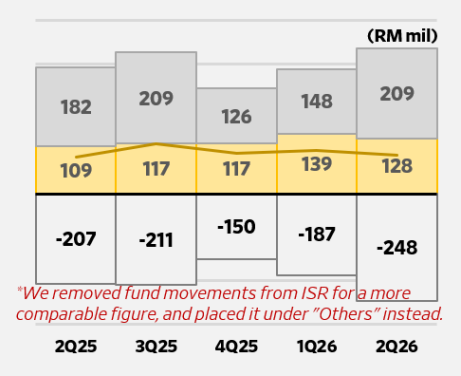
Source: Companies, MBSBR

Fig 12: Allianz Earnings Breakdown



Source: Companies, MBSBR

Fig 13: STMB Earnings Breakdown*



Source: Companies, MBSBR

We removed fund movements (i.e. cash diverted to the risk pool) from STMB's ISR for a more comparable figure to conventional peers. We placed these fund movements under the "Others" segment instead.

FIG 14: Company's Core NP and Insurance Service Result %yoy growth

	Quarterly (2Q26) %yoy growth						Cumulative (6M26) %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*
2Q24	22.5	40.9	0.3	-4.7	-22.7		30.4	42.4	3.9	-3.1	5.5	
3Q24	27.3	25.9	-7.4	-16.3	10.4		29.1	35.5	-0.2	-7.4	7.1	
4Q24	-6.0	11.0	19.1	27.6	16.1		20.3	28.7	4.9	0.2	8.9	
1Q25	-3.3	-10.4	12.2	24.1	-7.5		-3.3	-10.4	12.2	24.1	-7.5	
2Q25	6.6	-1.4	28.2	32.1	-10.5		1.0	-5.9	19.7	27.2	-8.9	
3Q25	-7.3	-11.3	27.8	24.8	14.8		-2.4	-8.0	22.4	26.5	-0.9	
4Q25	-2.8	-7.8	29.0	-2.5	13.2		-2.5	-8.0	24.4	18.5	2.1	
1Q26	1.6	14.2	6.8	1.8	5.7	5.5	1.6	14.2	6.8	1.8	5.7	5.5
2Q26	**-19.5**	**-6.8**	**2.2**	**7.9**	**5.7**	**17.4**	**-8.1**	**3.2**	**4.5**	**4.3**	**5.7**	**10.9**

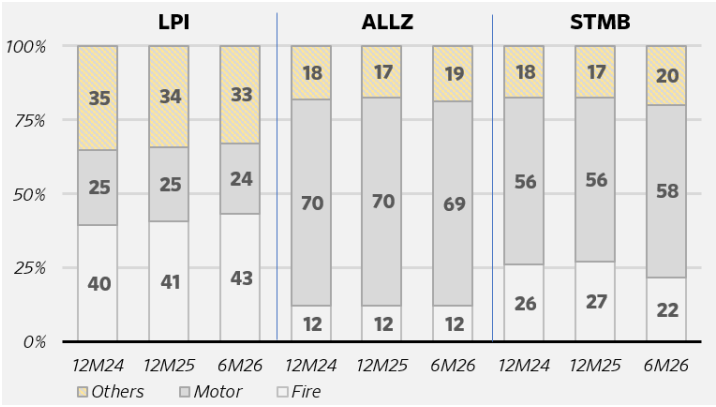
**ISR = Insurance Service Result*

^For STMB, we strip off distortions brought about by fund movements for a more accurate ISR figure.

Source: Company, MBSBR

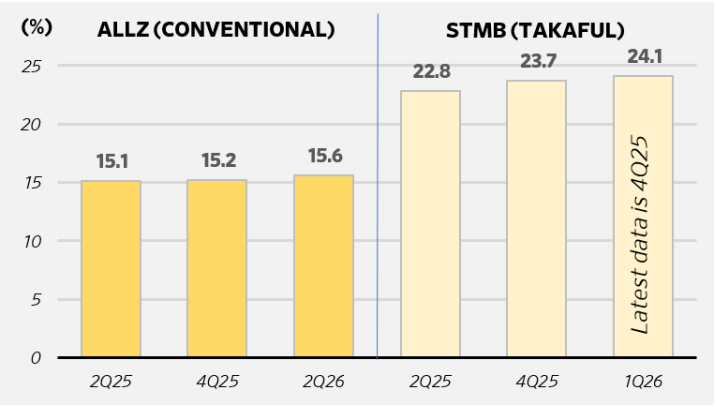
C. GENERAL STATS

Fig 15: Premium Mix



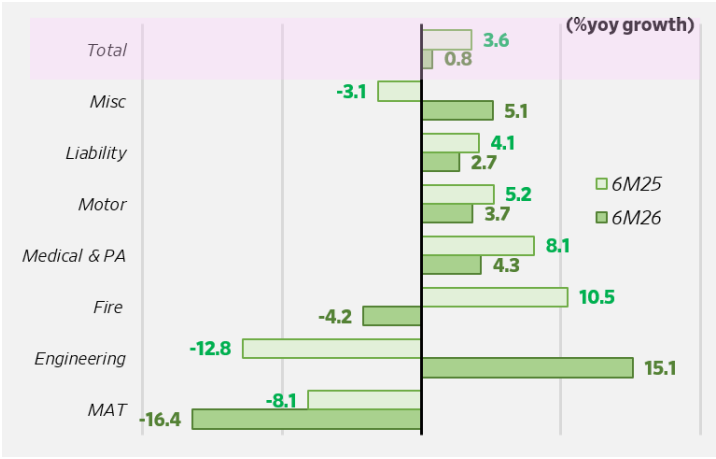
Source: Companies, MBSBR

Fig 16: Market Share



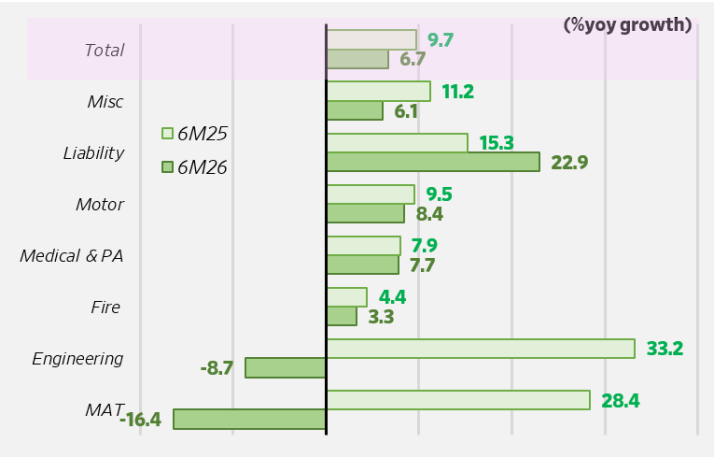
Source: Companies, MBSBR

Fig 17: Insurance Industry %yoy Segmental GWP growth



Source: BNM, MBSBR

Fig 18: Takaful Industry %yoy Segmental GWP growth



Source: BNM, MBSBR

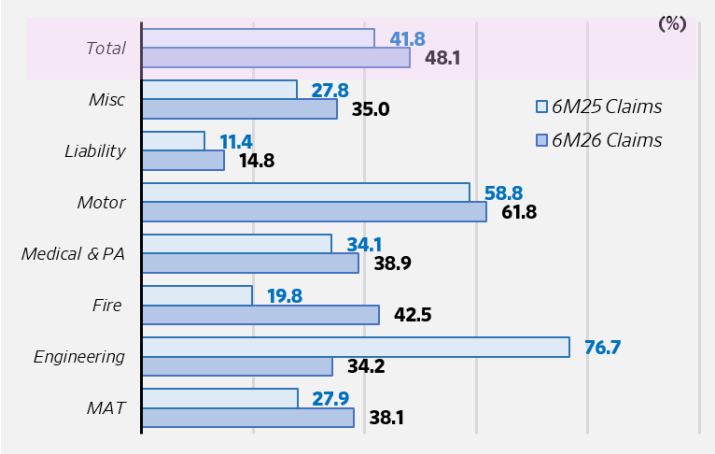
FIG 19: Industry and Company's Total GWP growth by Segment (General)

	Quarterly Total (2Q26) Premiums %yoy growth					Cumulative Total (6M26) Premiums %yoy growth				
	LPI	ALLZ (General)	STMB (General)	Insurance Industry	Takaful Industry	LPI	ALLZ (General)	STMB (General)	Insurance Industry	Takaful Industry
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	-2.6	7.8	1.8	8.8	15.1	-2.6	7.8
2Q26	**6.9**	**4.4**	**3.1**	4.6	5.4	**4.1**	**6.7**	**9.5**	0.8	6.7

	Cumulative Fire (6M26) Premiums %yoy growth					Cumulative Motor (6M26) Premiums %yoy growth				
	LPI	ALLZ (General)	STMB (General)	Insurance Industry	Takaful Industry	LPI	ALLZ (General)	STMB (General)	Insurance Industry	Takaful Industry
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	-7.0	2.1	4.7	7.8	26.2	1.8	10.2
2Q26	**12.1**	**-2.1**	**-7.3**	-4.2	3.3	**7.7**	**7.8**	**20.5**	3.7	8.4

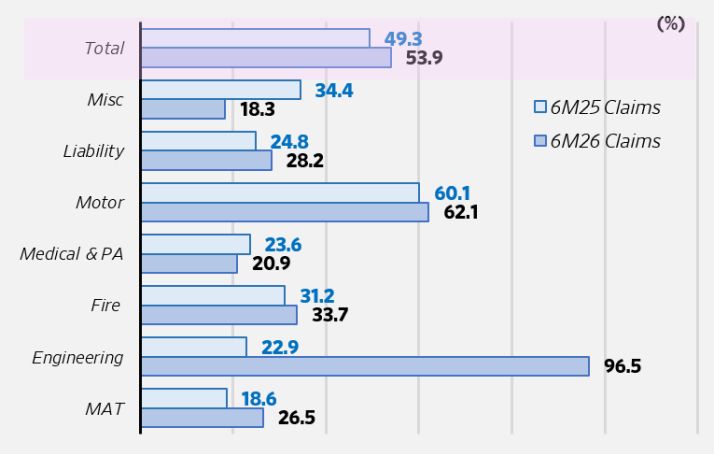
Source: Company, BNM, MBSBR

Fig 20: Insurance Cumulative Claims Ratio by Segment



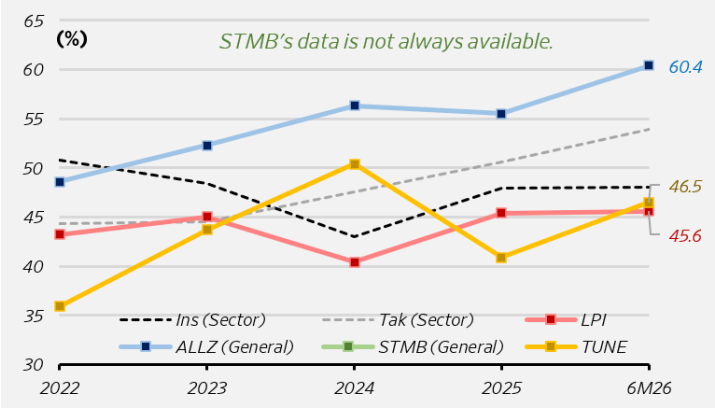
Source: BNM, MBSBR

Fig 21: Takaful Cumulative Claims Ratio by Segment



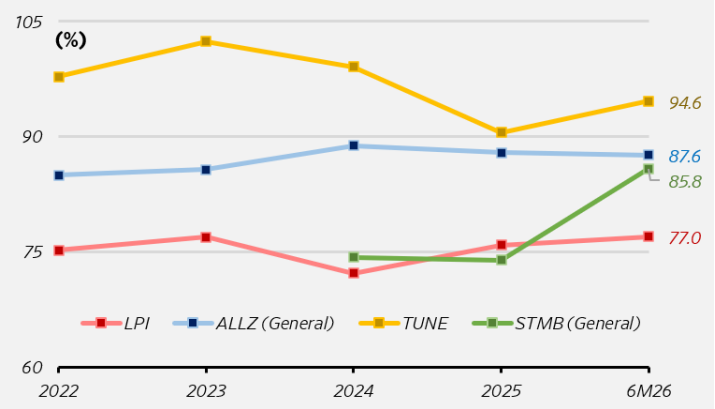
Source: BNM, MBSBR

Fig 22: Industry Cumulative Claims Ratio



Source: Companies, BNM, MBSBR

Fig 23: Industry Cumulative Combined Ratio



Source: Companies, MBSBR

FIG 24: Quarterly/Cumulative Claims and Combined Ratio (General)

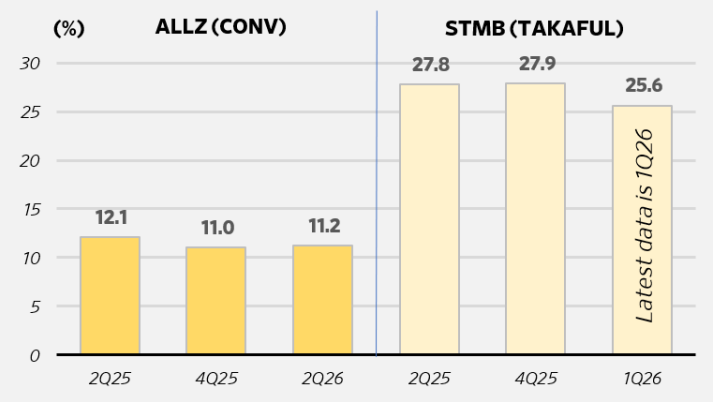
	Quarterly (2Q26) Claims ratio					Quarterly Combined ratio			Cumulative (6M26) Claims ratio						Cumulative Combined Ratio				
	LPI	*ALLZ (General)	TUNE	Insurance Industry	Takaful Industry	LPI	ALLZ (General)	TUNE	LPI	ALLZ (General)	STMB (General)	TUNE	Insurance Industry	Takaful Industry	LPI	ALLZ (General)	STMB (General)	TUNE
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	55.6	43.9	48.3	55.2	66.8	89.3	93.9	40.0	59.9		52.4	42.3	47.7	71.2	88.7		102.8
4Q24	41.5	46.3	43.9	45.1	47.1	75.1	88.7	93.9	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	109.8	45.7	53.9		44.7	40.9	48.3	77.6	85.8	82.9	109.8
2Q25	43.9	56.9	42.7	42.8	50.4	75.2	88.0	94.0	44.8	55.4		43.6	41.8	49.3	76.4	86.9		93.9
3Q25	43.8	55.0	40.5	52.3	55.9	73.1	88.8	89.0	44.4	55.3		42.5	45.2	51.4	75.2	87.6		91.9
4Q25	48.2	56.2	36.6	56.3	48.5	78.0	89.1	88.7	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	48.1	47.8	75.0	87.2	98.5	44.5	55.1		48.6	48.1	47.8	75.0	87.2	81.3	98.5
2Q26	**46.6**	**65.6**	**44.5**	48.1	61.0	**78.9**	**88.1**	**90.9**	**45.6**	**60.4**		**46.5**	48.1	53.9	**77.0**	**87.6**	**85.8**	**94.6**

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

Source: Company, BNM, MBSBR

D. LIFE/FAMILY STATS

Fig 25: Market Share



Source: Companies, MBSBR

FIG 26: ALLZ + STMB's Life GWP %yoy growth

	Quarterly (2Q26) GWP (RM m)				Cumulative (6M26) GWP (RM m)			
	ALLZ (Life)	%yoy growth	STMB (Family)	%yoy growth	ALLZ (Life)	%yoy growth	STMB (Family)	STMB (Family)
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	936	42.7	1,031	1.1	936	42.7
2Q25	1,007	11.8	608	-5.7	2,038	6.1	1,544	18.7
3Q25	1,039	1.5	652	-5.5	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	-10.3	1,221	18.4	840	-10.3
2Q26	**1,143**	**13.4**	**722**	**18.8**	**2,364**	**16.0**	**1,562**	**1.2**

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