

## **PRESS RELEASE BY LPI CAPITAL BHD**

### **LPI Group's Commendable Performance for 3rd Quarter of FY2024**

Malaysia is expected to continue experiencing improvement in business resilience in the second half of 2024, in line with the projected sustained expansion in economic activity after posting strong GDP growth in the first half of 2024. Operating under the favourable economic environment, LPI Group reported a commendable performance for the 3rd Quarter of FY2024 (3Q2024).

For the quarter ended 30 September 2024, the Group's Profit Before Tax (PBT) surged by 25.8% to RM150.4 million from RM119.6 million in the corresponding quarter in FY2023 (3Q2023). The improvement was driven by higher PBT from the general insurance segment, which increased by 28.0% to RM130.4 million from RM101.9 million in 3Q2023, mainly contributed by a higher Insurance Service Result. The investment holding segment similarly recorded a higher PBT of RM20.0 million as compared to profit of RM17.7 million in 3Q2023 mainly contributed by higher tax-exempt dividend income received during 3Q2024. Net Profit Attributable to Shareholders for the quarter under review increased by 26.6% to RM123.9 million from RM97.9 million in 3Q2023. Likewise, Net Return on Equity improved to 5.3% from 4.5% while Earnings Per Share was reported higher at 31.11 sen as compared to 24.58 sen in 3Q2023. For 3Q2024, LPI Group's Revenue registered an increase of RM1.4 million to RM499.8 million from RM498.4 million in the previous corresponding quarter. The growth in Revenue was largely contributed by its investment holding segment, which increased to

RM21.9 million as compared to RM19.5 million in 3Q2023, contributed by higher tax-exempt dividend income received from its equity investments. The general insurance segment recorded a marginally lower revenue of RM477.9 million as compared to RM478.9 million reported in the previous corresponding quarter mainly due to lower insurance revenue. The lower insurance revenue was caused by the currency translation of its Singapore operation arising from the strengthening of Ringgit Malaysia.

Lonpac Insurance Bhd (Lonpac), the Group's wholly-owned insurance subsidiary, posted a PBT of RM130.2 million in 3Q2024, representing an impressive 28.3% year-on-year increase from RM101.5 million. The increase in profitability of Lonpac was contributed mainly by higher Insurance Service Result reported as compared to 3Q2023. Lonpac's Insurance Service Result grew 25.9% year-on-year to RM111.4 million from RM88.5 million. The better performance was due primarily to a lower Net Claims Incurred Ratio of 35.8% as compared to 39.4% in 3Q2023. Fire and Miscellaneous classes of business contributed to the better Insurance Service Result in 3Q2024. Meanwhile, the Management Expenses Ratio reported lower at 19.1% in 3Q2024 from 20.0% year-on-year, with the Net Commission Ratio at 8.4% from 8.7%. Consequently, Lonpac's Combined Ratio for 3Q2024 improved to 66.8% from 71.1% in 3Q2023. For the quarter under review, Gross Written Premiums rose 3.9% to RM465.2 million from RM447.9 million in 3Q2023.

For the nine-month period ended 30 September 2024 (9M2024), LPI Group posted an impressive 29.7% growth in its PBT to RM378.3 million from RM291.7 million registered in the corresponding period in FY2023 (9M2023). The increase was primarily driven by higher profit from the general insurance segment which increased by 27.4% to RM339.9 million from RM266.8

million, contributed mainly by higher Insurance Service Result. The investment holding segment also recorded a higher PBT of RM38.4 million as compared to RM24.9 million in 9M2023, mainly contributed by higher tax-exempt dividend income received from its equity investment. Net Profit Attributable to Shareholders similarly registered a strong 29.0% improvement to RM303.2 million from RM235.1 million in 9M2023. Net Return on Equity of LPI Group increased to 12.9% from 10.9% while Earnings Per Share was higher at 76.12 sen from 59.03 sen in 9M2023. Revenue of the LPI Group registered a marginal growth of 1.0% in 9M2024 to RM1,439.0 million from RM1,424.1 million in the previous year. The increase in Revenue was mainly driven by the investment holding segment, attributable to the higher dividend income.

For 9M2024, Lonpac recorded a 27.8% increase in its PBT to RM339.4 million from RM265.5 million in 9M2023. The higher PBT of Lonpac was contributed by favourable claims experience during the period under review with its Insurance Service Result reporting an impressive 35.3% improvement to RM287.7 million from RM212.6 million. Fire class of business posted a 33.9% increase in Insurance Service Result to RM199.8 million from RM149.2 million in 9M2023, while Miscellaneous class of business recorded a 76.0% jump in Insurance Service Result to RM68.8 million from RM39.1 million. Net Claims Incurred Ratio of Lonpac improved to 40.0% from 46.2% in 9M2023. With a lower Management Expenses Ratio of 19.6% from 20.6% and Net Commission Ratio of 8.4%, the Combined Ratio of Lonpac registered at an impressive 71.2% in 9M2024 compared to 77.6% in 9M2023. Gross Written Premiums of Lonpac in 9M2024 increased by 6.7% to RM1,428.7 million from RM1,339.1 million in 9M2023.

Highlights of the Group's Performance: -

<b>LPI CAPITAL BHD GROUP</b>	<b>3<sup>rd</sup> Quarter Ended</b>		<b>9 Months Ended</b>	
	<b>30/9/2024</b>	<b>30/9/2023</b>	<b>30/9/2024</b>	<b>30/9/2023</b>
Revenue (RM'000)	499,832	498,400	1,438,996	1,424,063
Profit Before Tax (RM'000)	150,400	119,569	378,297	291,741
Net Profit Attributable to Shareholders (RM'000)	123,937	97,917	303,231	235,146
Net Return on Equity (%)	5.3	4.5	12.9	10.9
Earnings Per Share (sen)	31.11	24.58	76.12	59.03

<b>LONPAC INSURANCE BHD</b>	<b>3<sup>rd</sup> Quarter Ended</b>		<b>9 Months Ended</b>	
	<b>30/9/2024</b>	<b>30/9/2023</b>	<b>30/9/2024</b>	<b>30/9/2023</b>
Profit Before Tax (RM'000)	130,233	101,516	339,376	265,526
Gross Written Premiums (RM'000)	465,157	447,895	1,428,695	1,339,106
Insurance Service Result (RM'000)	111,374	88,489	287,654	212,560
Net Claims Incurred Ratio (%)	35.8	39.4	40.0	46.2
Management Expenses Ratio (%)	19.1	20.0	19.6	20.6
Net Commission Ratio (%)	8.4	8.7	8.4	8.3
Net Insurance Finance Cost Ratio (%)	3.1	2.9	3.1	3.1
Net Losses on Onerous Contracts Ratio (%)	0.5	-	0.2	(0.5)
Combined Ratio (%)	66.8	71.1	71.2	77.6

Despite the solid economic performance reported by Malaysia, external factors especially the rising geopolitical tensions may overshadow domestic stability and cause heightened uncertainty and volatility. The 4th Quarter of the year is expected to remain challenging and the LPI Group will be keenly focused on international and local developments that may affect its prospects. Lonpac's distribution channels will be further enhanced to tap into the insurance needs of the increased domestic and foreign direct investments to drive sustainable business growth. Meanwhile, the LPI Group recognises the need to future-proof its workforce by enhancing skills and boosting employee value propositions to attract and retain talents. Emerging technologies will be further explored to strengthen its operational effectiveness and efficiency in order to adapt to evolving business needs.

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