

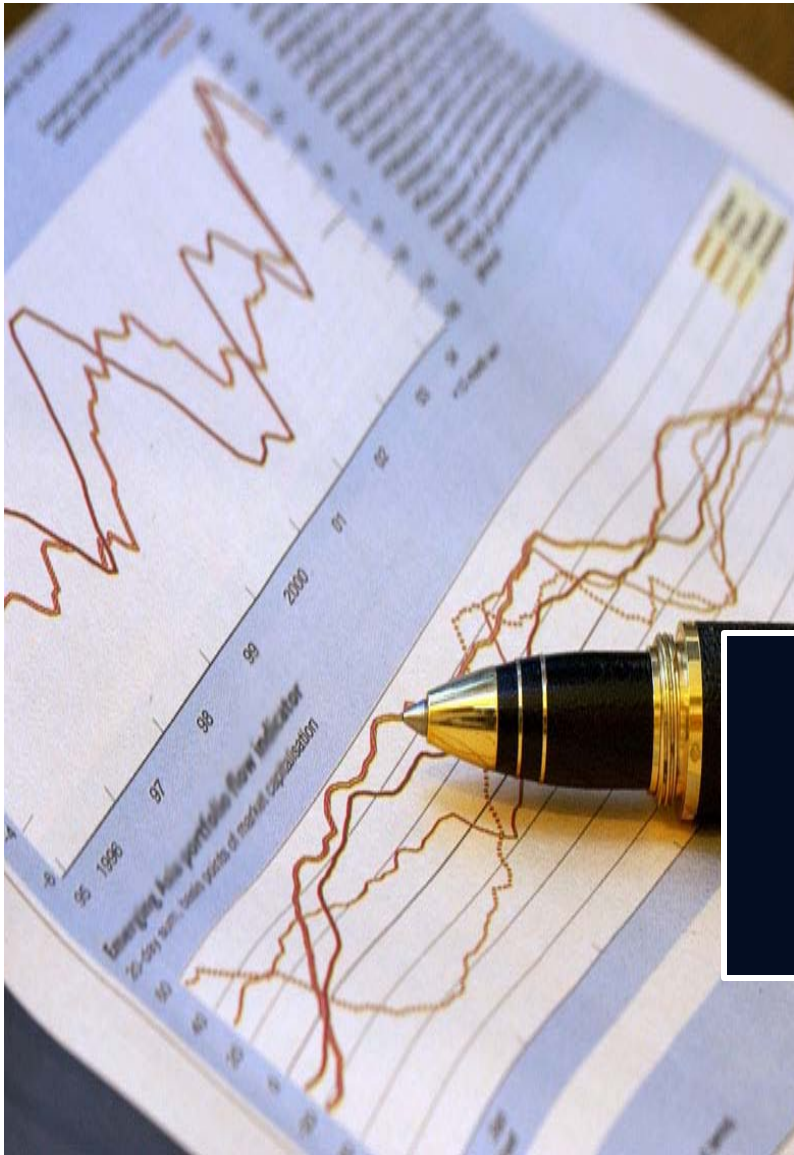


# Allianz Malaysia Berhad (12428-W)

## Financial Results for 9M 2011

November 2011





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## AMB Group Results

# Executive Summary

## Operating revenue

- Group operating revenue of RM 2.0 billion increased by 9.2% compared to corresponding period of RM 1.8 billion due mainly to higher gross earned premiums and investment income by RM 134.4 million and RM 35.6 million respectively.
- Life business recorded an operating revenue of RM 935.7 million, 15.5% increased compared to corresponding period.

## Profit before tax

- Group consolidated profit before tax of RM 153.0 million increased by 18.0% compared to corresponding period last year of RM 129.7 million.
- General business generated a profit before tax of RM 146.0 million, supported by a net combined ratio of 87.5%.

## Investment result

- Stable growth in investment income.

## Earnings per share

- Earnings per share (before dilution) improved from 56.8 sen for 9M 2010 to 63.5 sen for 9M 2011.
- Earnings per share (after dilution) was 26.0 sen.



## Financial Overview

RM'mil	12M 2008A	12M 2009A	12M 2010A	9M 2010A	9M 2011A
Gross Written Premium	1,766.9	2,071.1	2,353.7	1,782.8	1,985.6
Management Expense	208.7	225.6	232.7	173.8	199.9
Expense Ratio (Non Life) <sup>1</sup>	20.1%	19.1%	18.1%	17.8%	18.0%
Expense Ratio (Life) <sup>1</sup>	10.9%	9.4%	7.7%	8.4%	8.4%
Local consolidated PBT <sup>2</sup>	112.3	177.0	191.6	129.7	153.0
Total Assets	3,984.1	5,765.9	6,847.1	6,754.1	7,679.0

Note.1 : Expense Ratio is based on local statutory account basis. Expense ratio for Life weighted for 10% of Single Premium.

2 : 12M 2009 PBT restated to comply with new FRSs. Previously reported RM166.5 mil.

## Summary of Unaudited Financial Results

RM 'mil	9M 2010	9M 2011	% Inc/(Dec) A / LY
<b>Operating revenue</b>	<b>1,845.2</b>	<b>2,015.3</b>	<b>9.2%</b>
Gross earned premiums	1,710.7	1,845.1	7.9%
Premium ceded to reinsurers	(379.4)	(319.3)	15.8%
Net earned premiums	1,331.3	1,525.8	14.6%
Net change in benefits and claim paid	(525.3)	(559.3)	6.5%
Net change in contract liabilities	(425.6)	(518.6)	21.9%
Management expenses	(173.8)	(199.9)	15.0%
Net fee and commission expenses	(236.9)	(267.9)	13.1%
Fair value gain and losses	1.9	(13.6)	(815.8%)
Net investment result	172.9	204.8	18.4%
Net operating income/(expenditure)	(14.8)	(18.3)	23.6%
<b>Profit before tax</b>	<b>129.7</b>	<b>153.0</b>	<b>18.0%</b>
Taxation	(42.3)	(55.3)	30.7%
<b>Profit after tax</b>	<b>87.4</b>	<b>97.7</b>	<b>11.8%</b>
<b>Earnings per share before dilution (sen)</b>	<b>56.8</b>	<b>63.5</b>	<b>11.8%</b>

## Summary of Unaudited Financial Results (continued)

Information about operating segments (after consolidation adjustment)  
for 9M ended

RM 'mil	Investment holding		General business		Life business		Total	
	2010	2011	2010	2011	2010	2011	2010	2011
Operating revenue	4.5	6.9	1,030.6	1,072.7	810.1	935.7	1,845.2	2,015.3
Segment profit	1.5	(2.6)	119.2	146.0	9.0	9.6	129.7	153.0
Segment assets	330.3	286.0	3,474.7	3,809.8	2,949.1	3,583.2	6,754.1	7,679.0
Segment liabilities	28.6	15.9	2,561.6	2,725.1	2,949.1	3,583.2	5,539.3	6,324.2



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Non-life Insurance

## Non-Life

### **Gross Written Premium**

- Gross written premium grew by 9.4%

### **Combined ratio**

- Lower claims ratio contributed to better combined ratio

### **Investment result**

- Stable growth in investment income

### **Profit before tax**

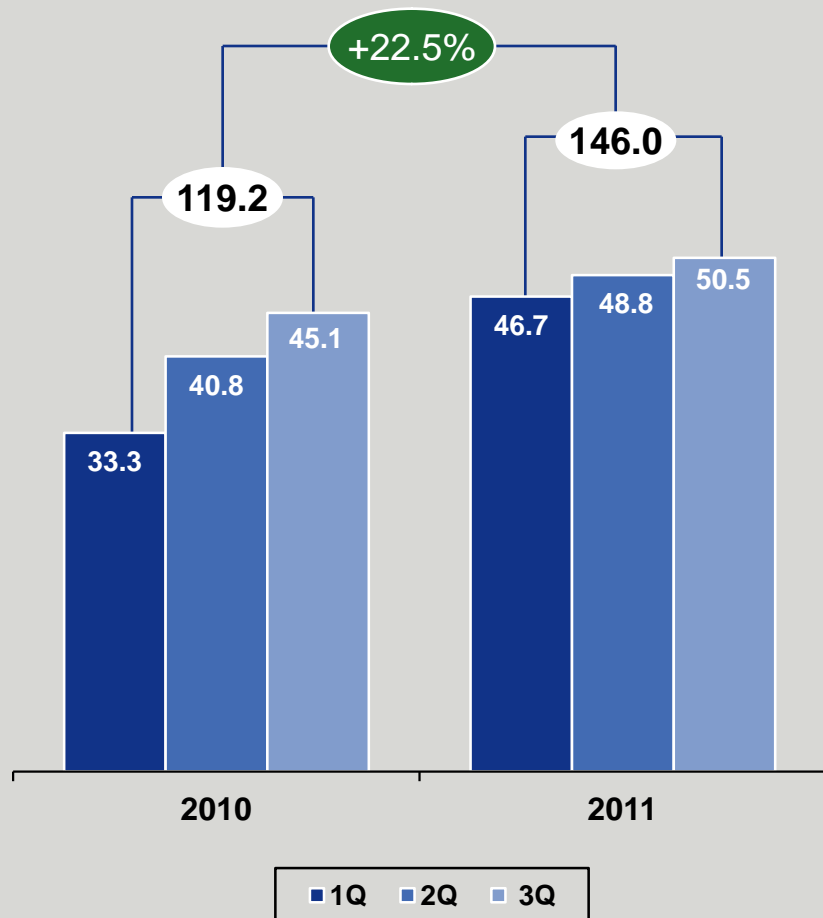
- Higher profit due to improved underwriting and investment performance



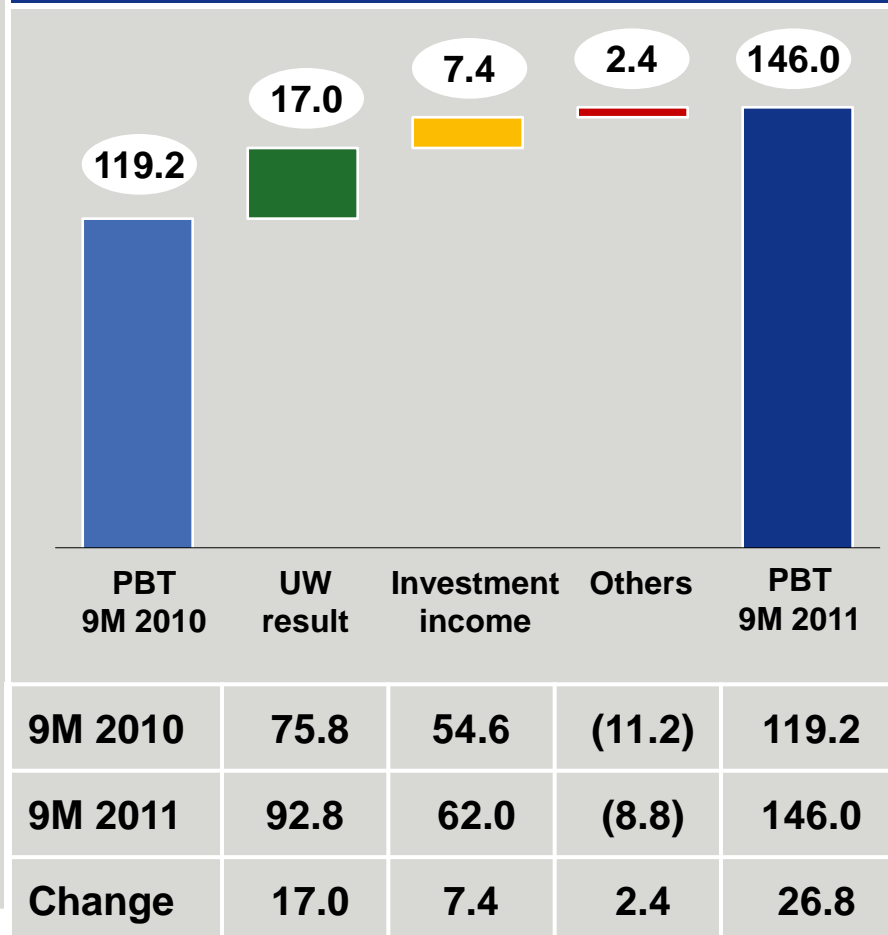


# Non-Life: Higher profit due to improved underwriting and investment performance

## Profit Before Tax (RM 'mil)

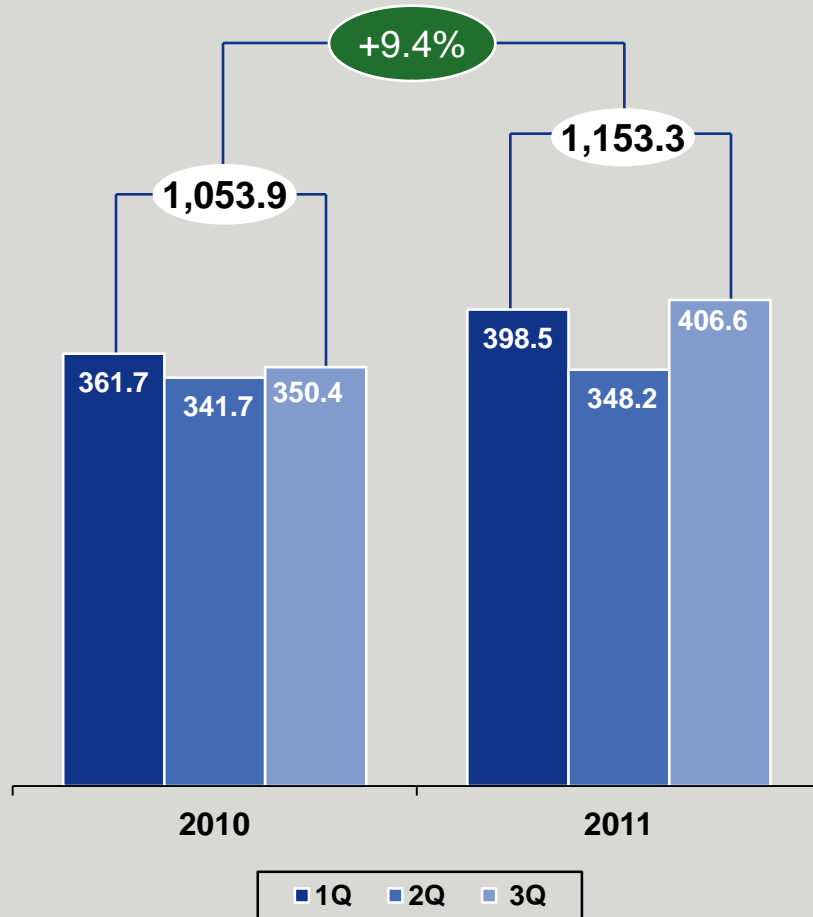


## PBT Drivers (RM 'mil)

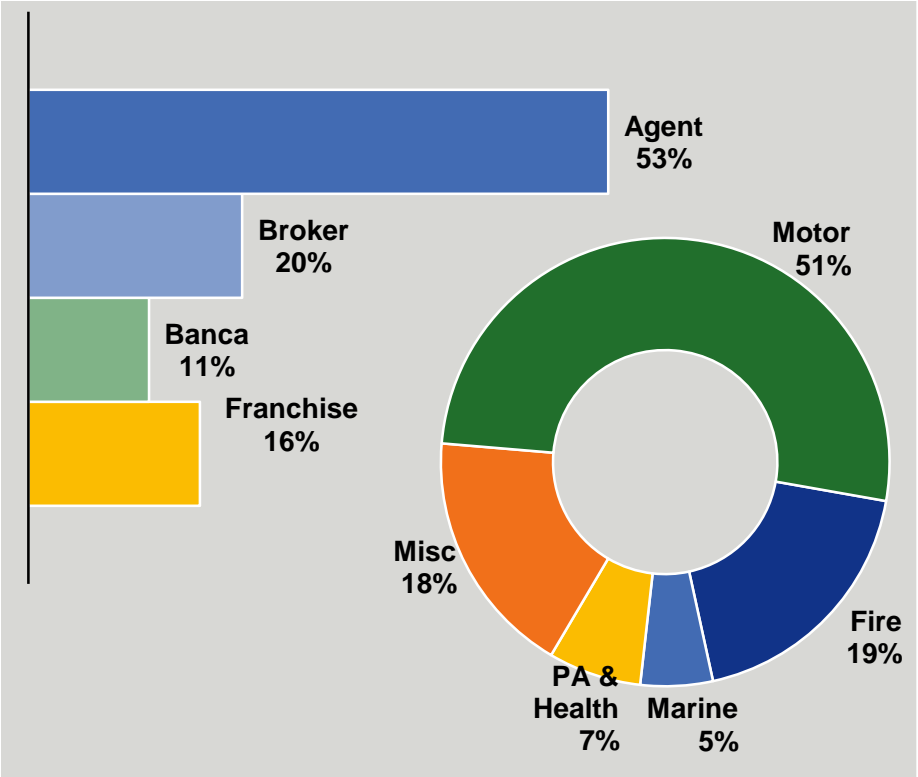


# Non-Life: GWP grew by 9.4%

## Gross Written Premium (RM 'mil)

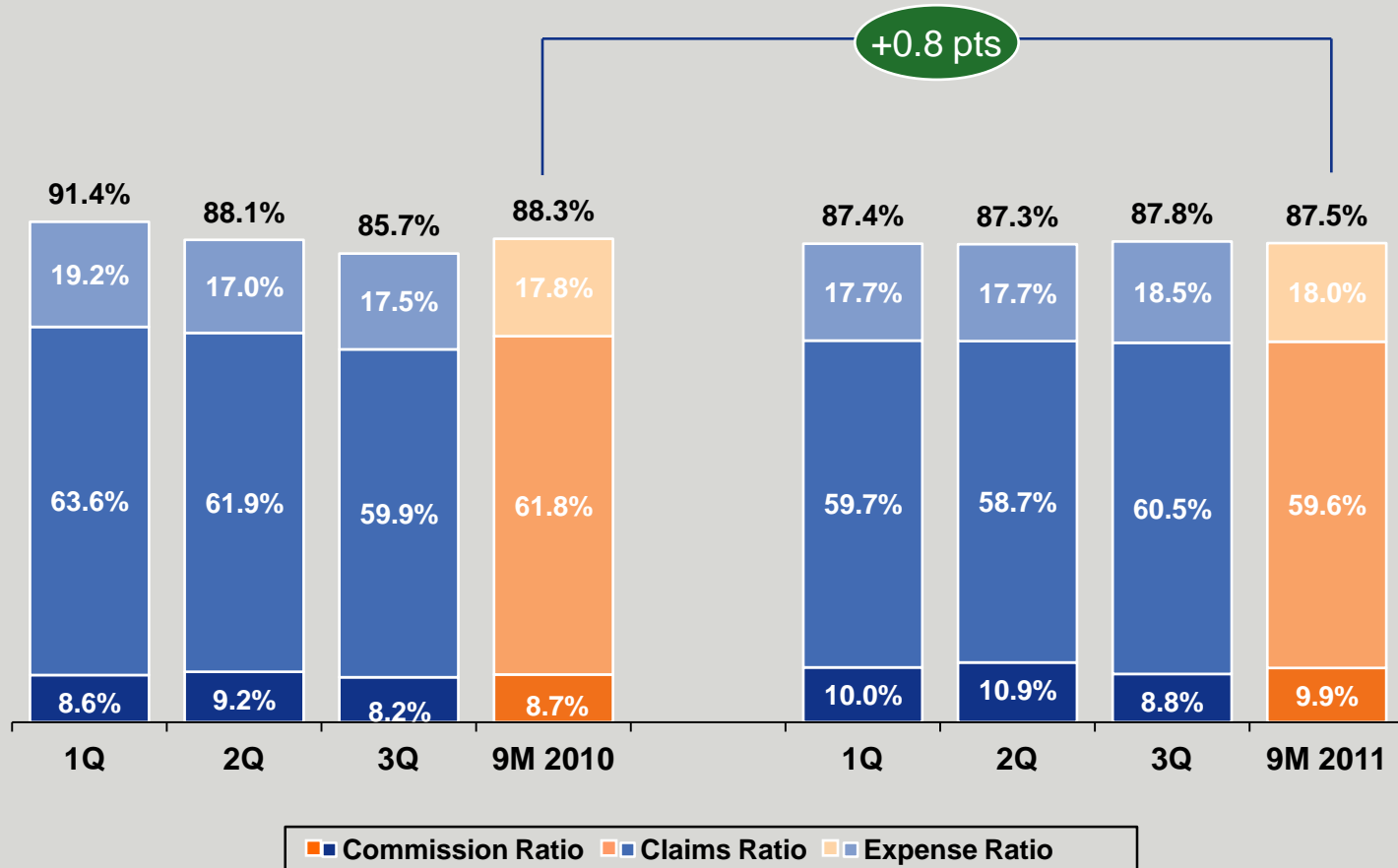


## Distribution Channel & Portfolio Mix



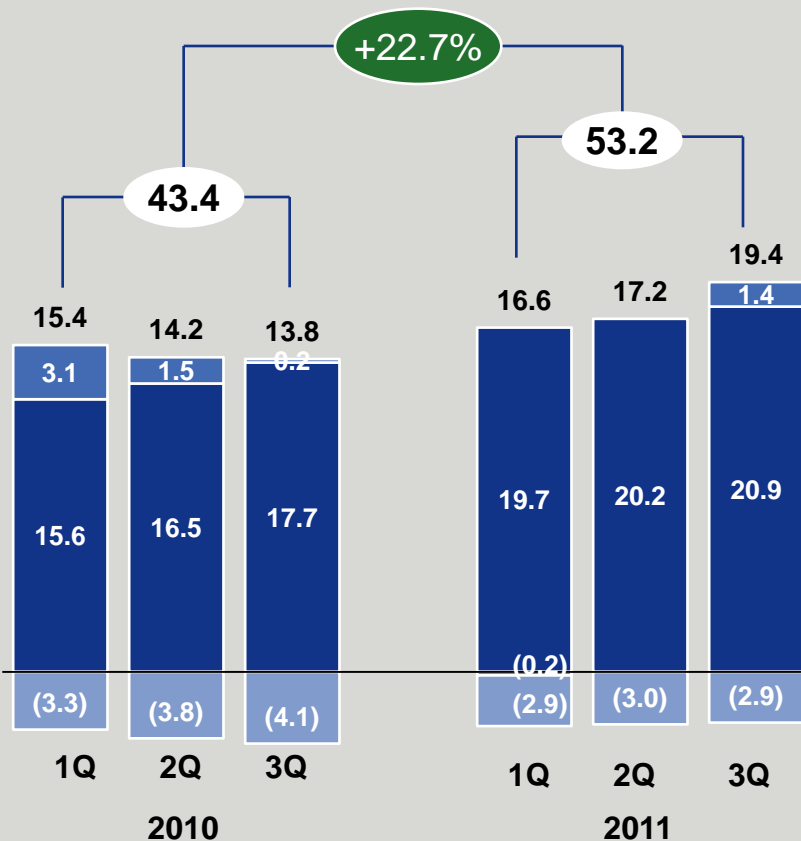
# Non-Life: Lower claims ratio contributed to better combined ratio

## Combined Ratio

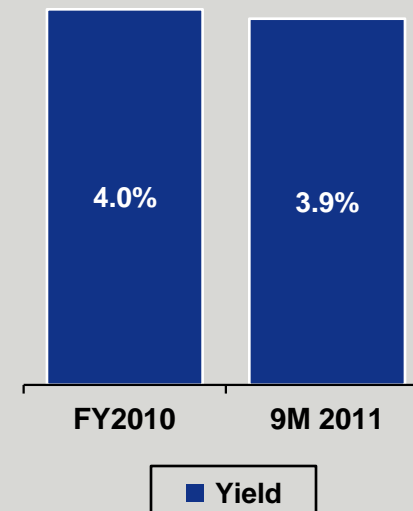
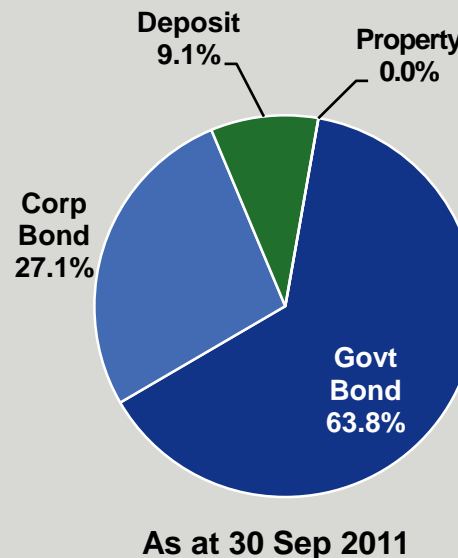


# Non-Life: Stable growth in investment income

## Net Investment/Other Result (RM 'mil)



## Portfolio Mix and Investment Yield (Annualized)



■ Investment income ■ Realised gain/loss ■ Others

## Non-Life: Financial results at a glance

RM 'mil	9M 2010	9M 2011	% increase / (decrease)
Gross written premium	1,053.9	1,153.3	9.4%
Gross earned premium	981.7	1,012.8	3.2%
Net earned premium	649.3	744.3	14.6%
Net change in benefits & claims paid	(357.7)	(380.0)	6.2%
Net change in contract liabilities	(43.4)	(63.7)	46.7%
Management expenses	(115.8)	(133.9)	15.7%
Fee and commission expenses	(56.5)	(73.8)	30.7%
Underwriting result	75.8	92.8	22.4%
Net investment/other result	43.4	53.2	22.7%
<b>Profit before tax (after consolidation adjustment)</b>	<b>119.2</b>	<b>146.0</b>	<b>22.5%</b>
Commission Ratio	8.7%	9.9%	1.2 pts
Claims Ratio	61.8%	59.6%	(2.2pts)
Expense Ratio	17.8%	18.0%	0.2 pts
Combined Ratio	88.3%	87.5%	(0.8 pts)



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Life Insurance

# Life



## **Gross written Premium**

- Double digit growth of 14.2% in gross written premium

## **Agency**

- Agency continued to grow unit linked business
- Continue to focus on recruitment to enlarge agency force

## **Alternative Distribution**

- To re-establish alternative distribution capabilities

## **Unit linked**

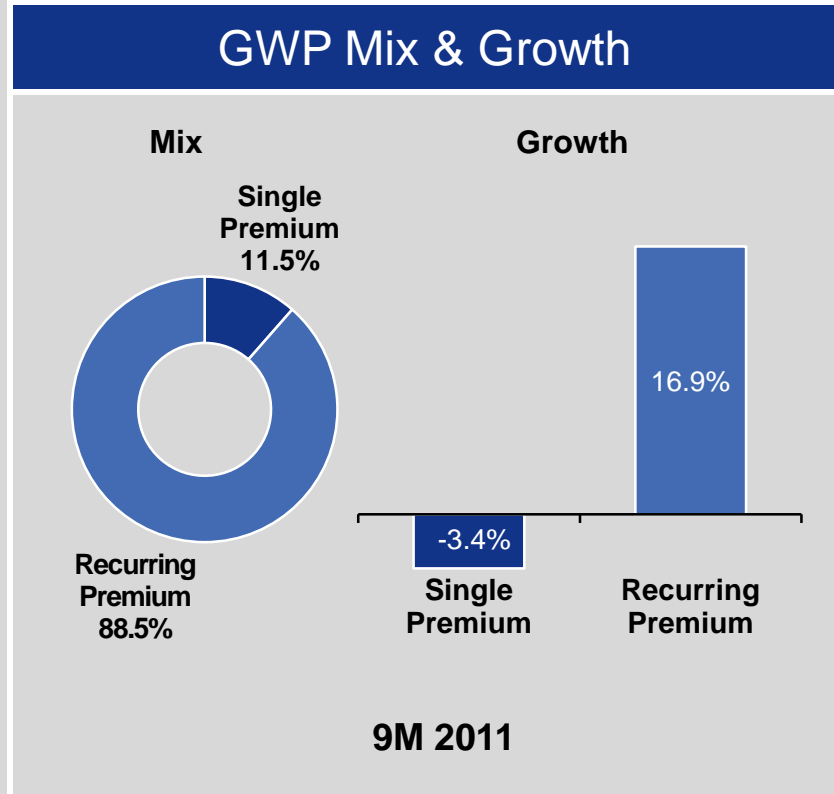
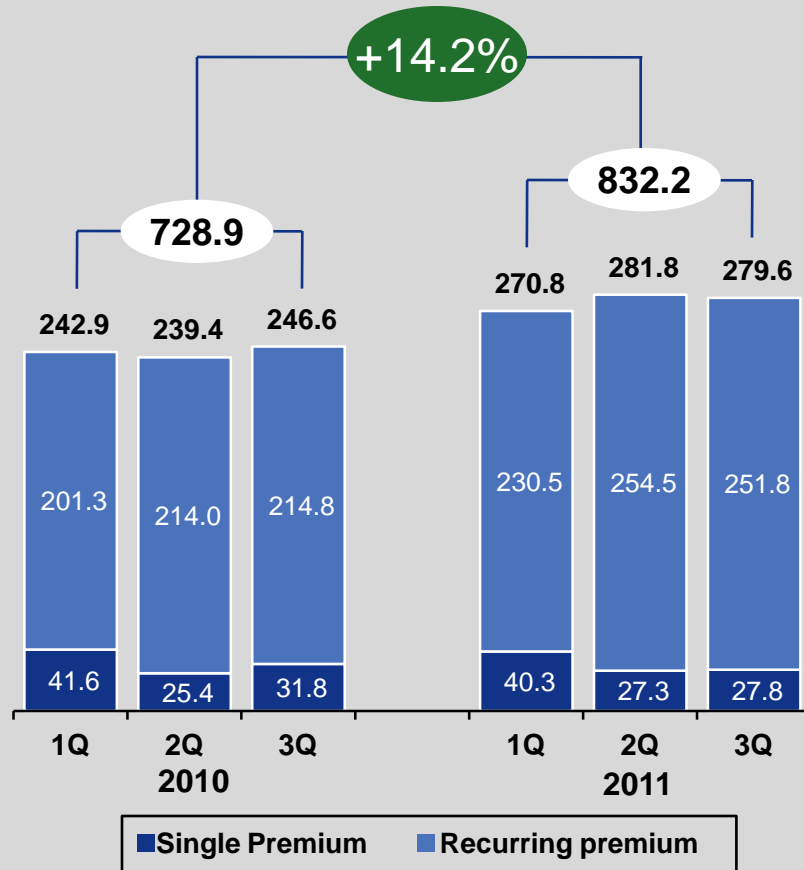
- Sell more unit linked products with profitable riders
- Unit linked ANP and GWP growth by 18.9% and 39.5% respectively

## **Investment result**

- Net investment result for Life fund higher due to realised gains from disposal of equities

# Life: Strong top line growth of 14.2% in GWP

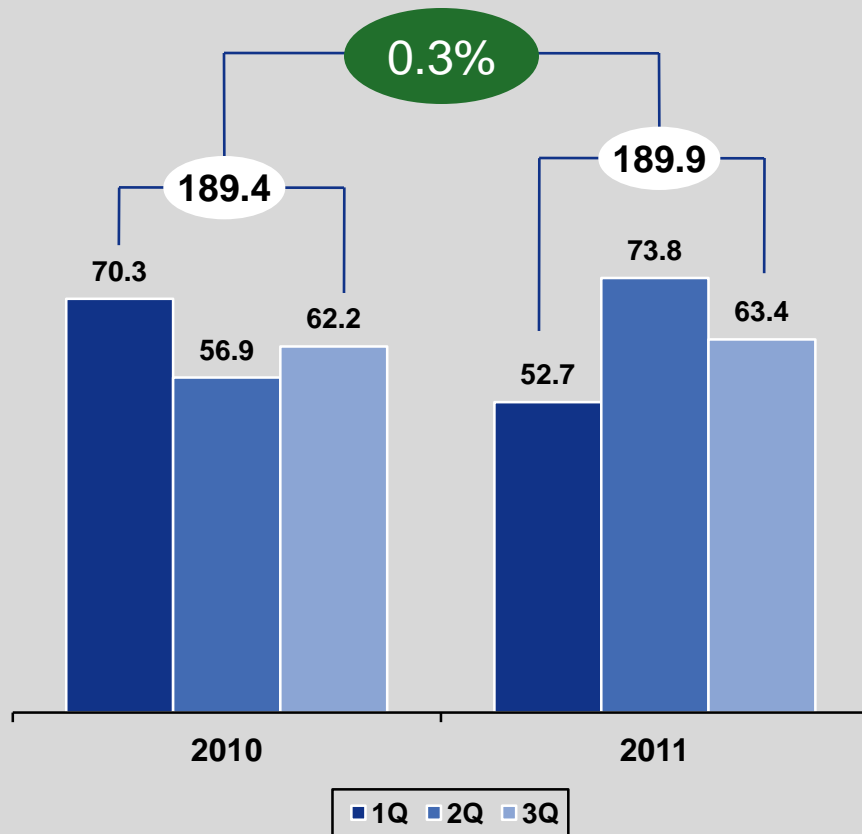
## Gross Written Premium ("GWP") (RM 'mil)



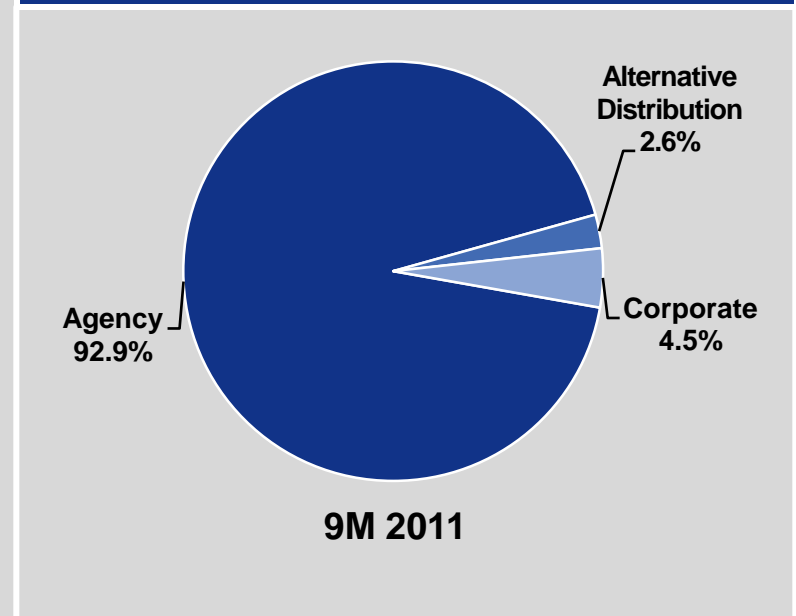


# Life: New business flat, agency remains core channel

## Annualised New Premium (“ANP”) (RM ‘mil)

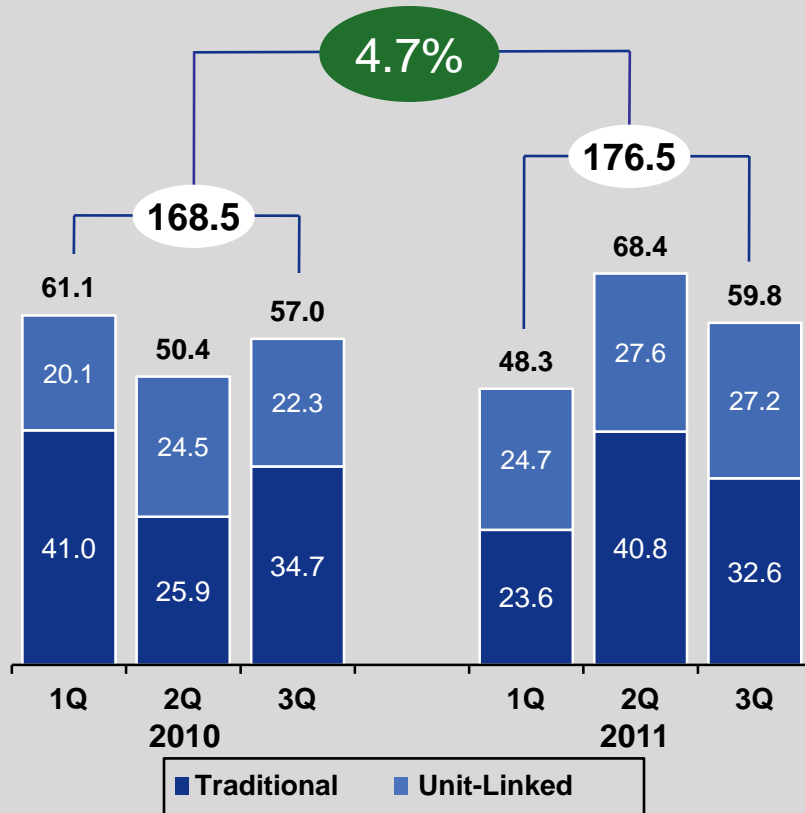


## ANP Channel Mix

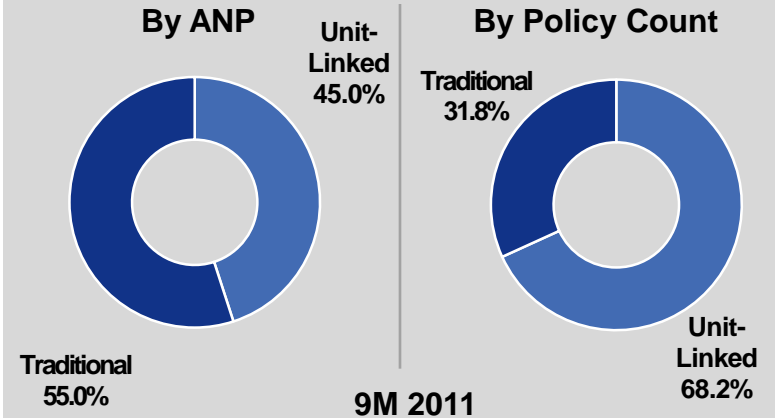


Life: Agency sales higher. Maintained balance mix of product portfolio, continue to grow investment linked business.

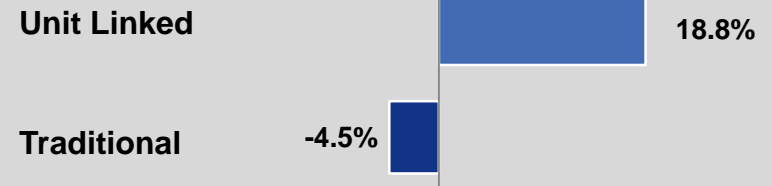
### Agency Annualised New Premium (RM 'mil)



### Agency Product Mix

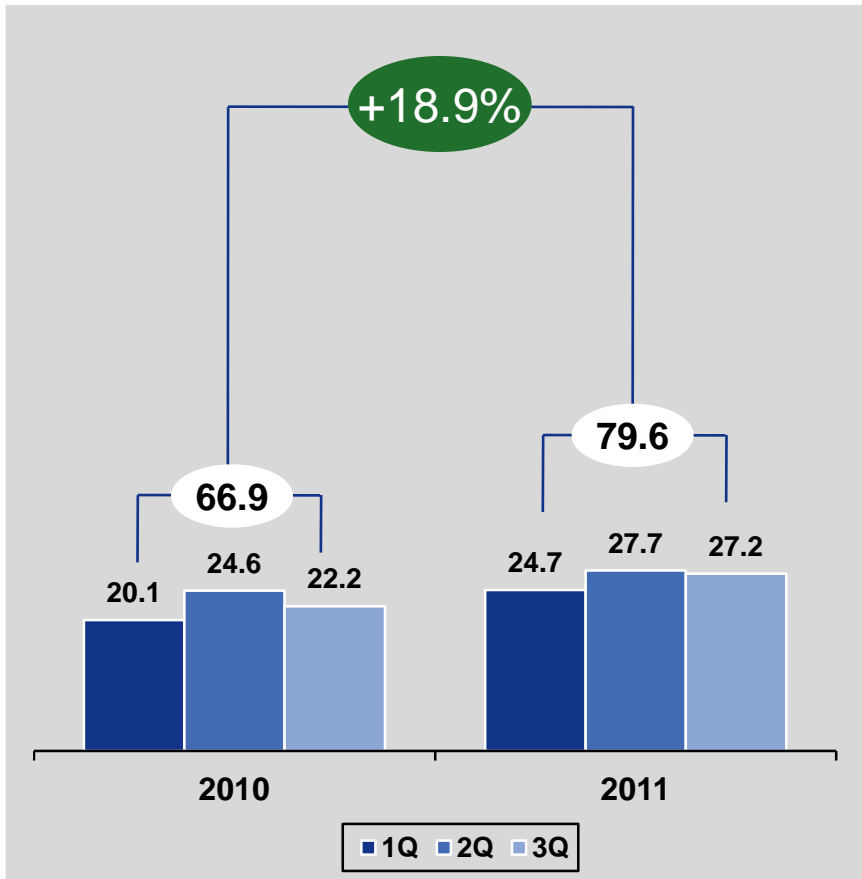


### Agency ANP Growth

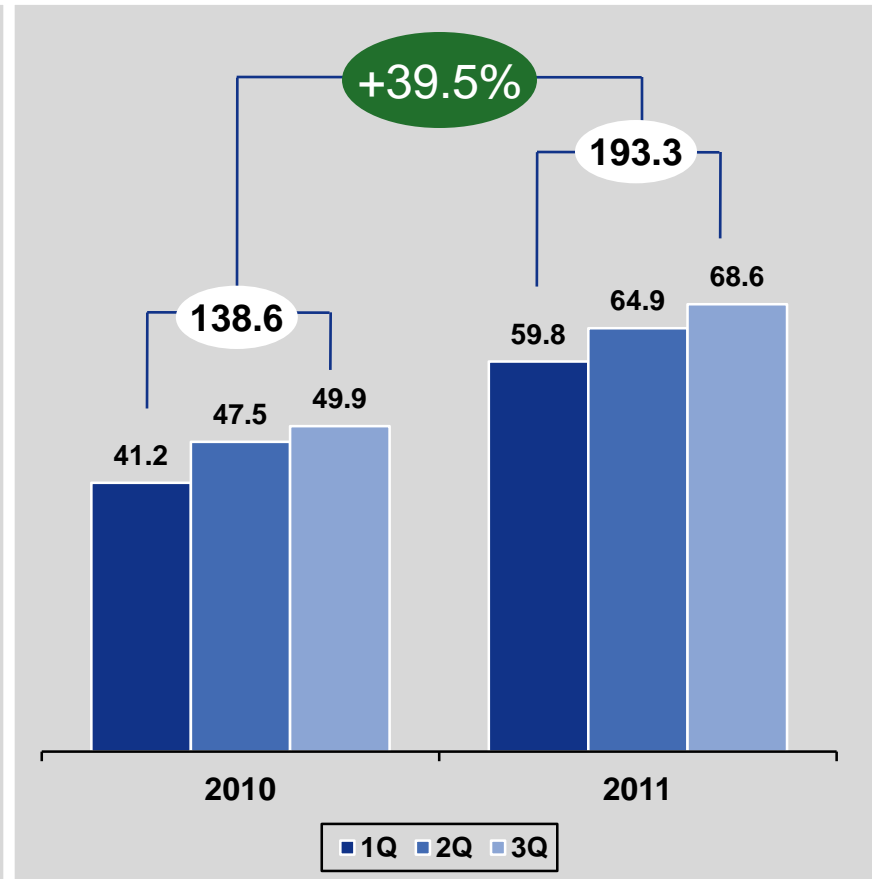


# Life: Unit linked business ANP and GWP growth by 18.9% and 39.5% respectively

**Annualised New Premium (“ANP”) (RM ‘mil)**

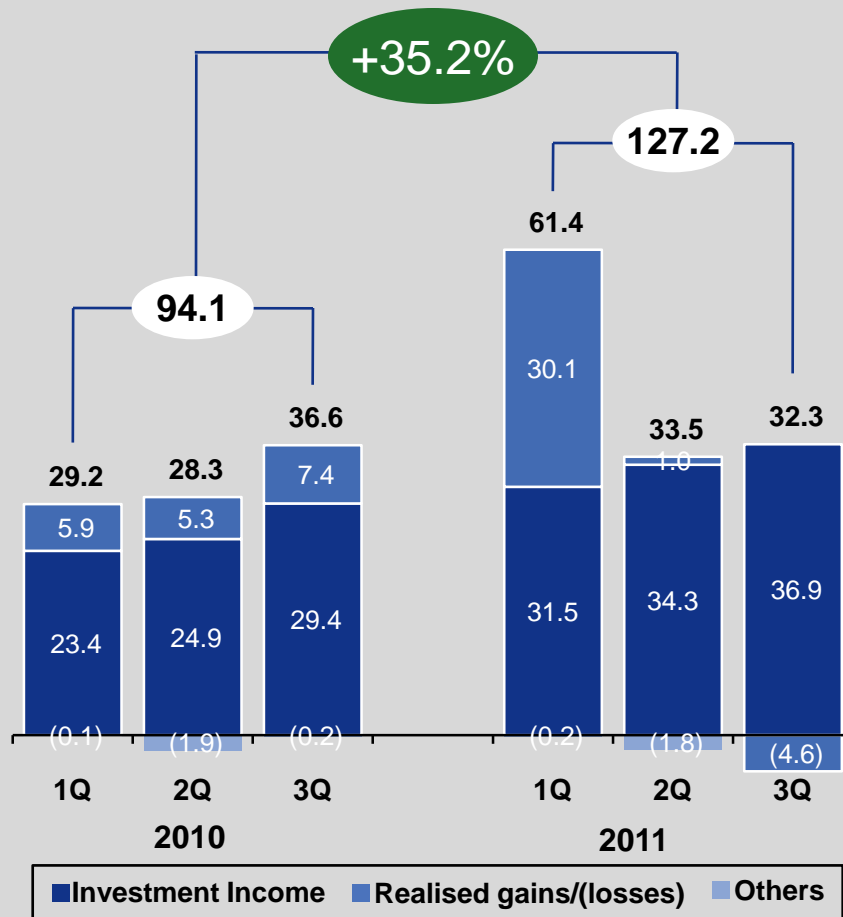


**Gross Written Premium (“GWP”) (RM ‘mil)**

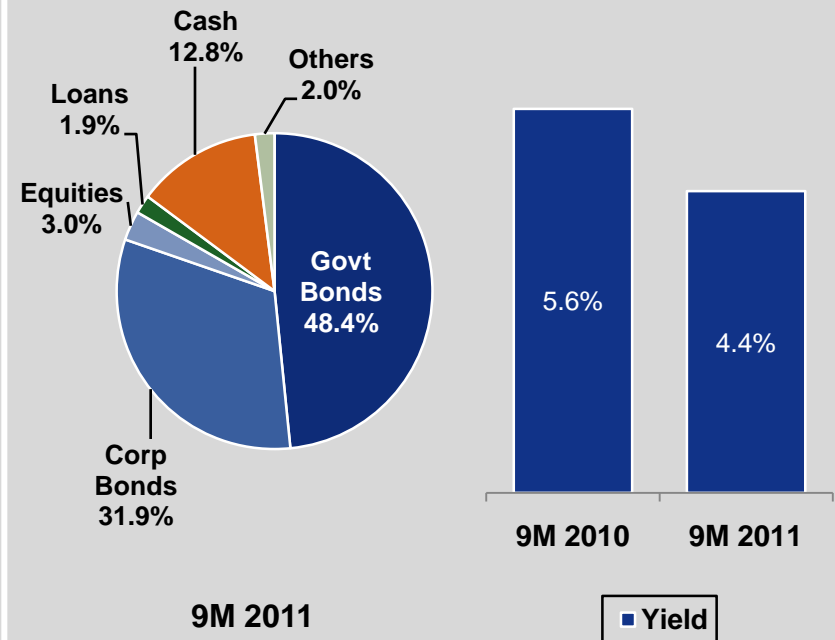


# Net investment income improved due to realised gains from disposal of equities in Life fund.

Net Investment/Other Result (RM 'mil) (LF + SHF)



Portfolio Mix and Investment Yield (LF + SHF)



## Life: Financial results at a glance

RM 'mil	9M 2010	9M 2011	% Inc/(Dec) A / LY
Gross written premiums	728.9	832.3	14.2%
Premium ceded to reinsurers	(47.0)	(50.8)	8.1%
Net earned premiums	681.9	781.5	14.6%
Net change in benefits and claim paid	(167.6)	(179.3)	7.0%
Net change in contract liabilities	(320.5)	(358.1)	11.7%
Management expenses	(55.7)	(63.0)	13.1%
Fee and commission expenses	(180.4)	(194.1)	7.6%
Fair value gain and losses	1.9	(13.6)	(815.8%)
Net investment result	115.7	137.0	18.4%
Net operating income/(expenditure)	(4.5)	(4.5)	-
<b>Surplus before tax</b> (after consolidation adjustment)	<b>70.8</b>	<b>105.9</b>	<b>49.6%</b>
Annualised new business premium	189.4	189.9	0.3%
Expenses Ratio	8.4%	8.4%	-
Local Investment Yield (LF+ SHF)	5.6%	4.4%	(1.2 pts)
Lapse Ratio (total company)	7.0%	7.8%	(0.8 pts)
Persistency (13th month by premium)	84.9%	84.9%	-



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Allianz SE

## Allianz 3Q 2011

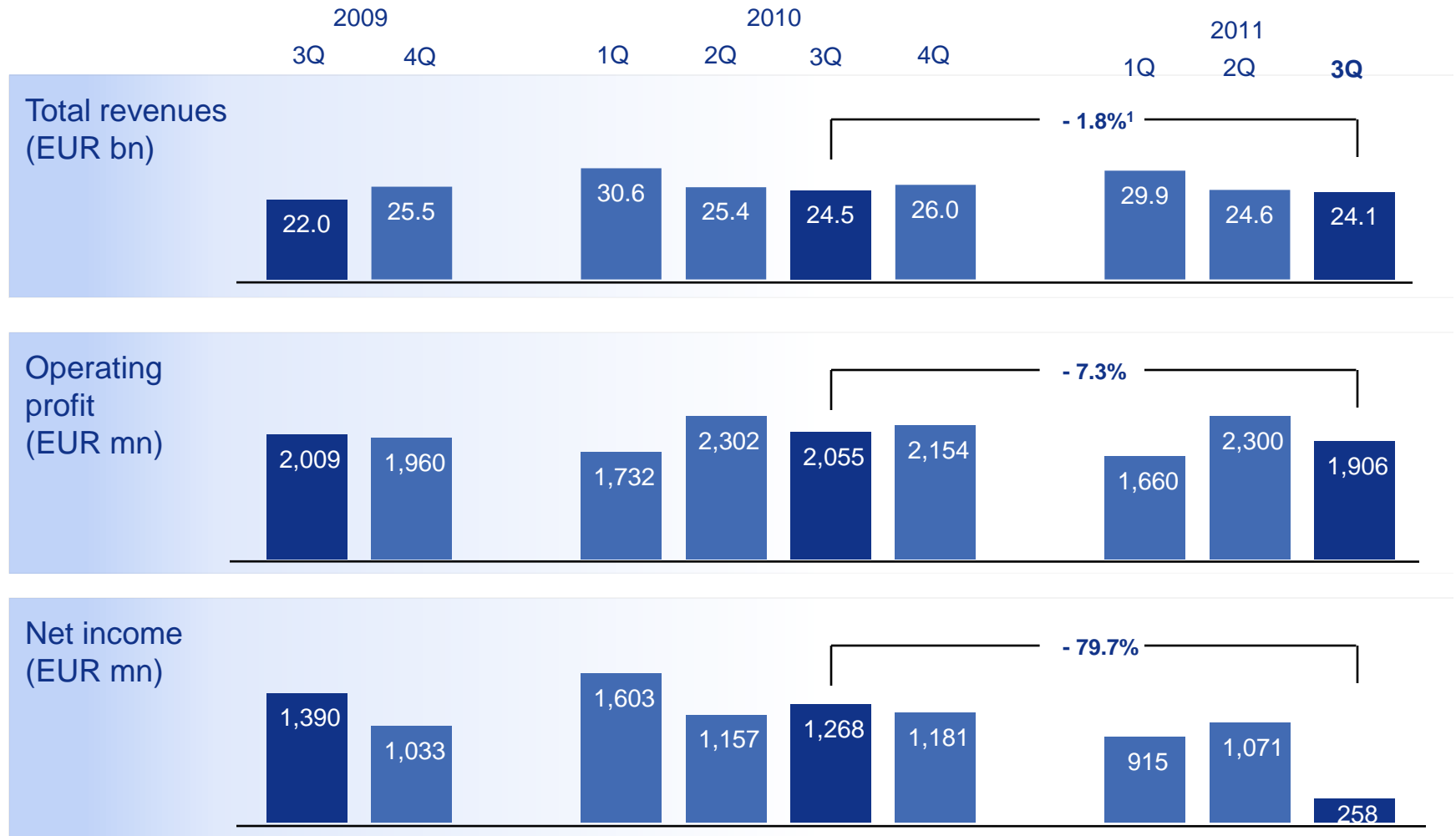
### Tough environment, operating performance remains strong



- Total revenues at EUR 24.1bn and solid operating profit of EUR 1.9bn – despite strong headwinds.
- P/C revenues at EUR 10.8bn, operating profit of EUR 1,111mn – despite further NatCat losses.
- L/H operating profit of EUR 520mn, impacted by EUR 224mn lower investment result due to crisis.
- AM continues outstanding performance with operating profit of EUR 537mn.
- Net income at EUR 258mn, heavily impacted by financial market turmoil.
- Capital position resilient.

Note: Details of Allianz SE Group results can be obtained from the following website:  
[https://www.allianz.com/en/investor\\_relations/index.html](https://www.allianz.com/en/investor_relations/index.html)

## Quarterly results overview

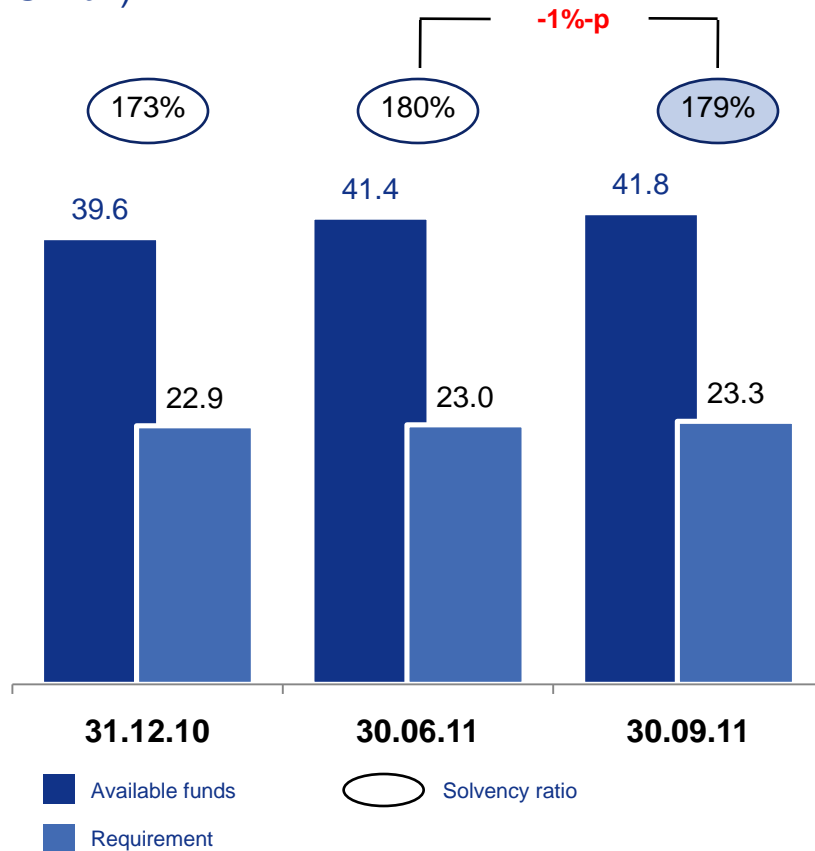


1) Internal growth +0.2%, adjusted for F/X and consolidation effects

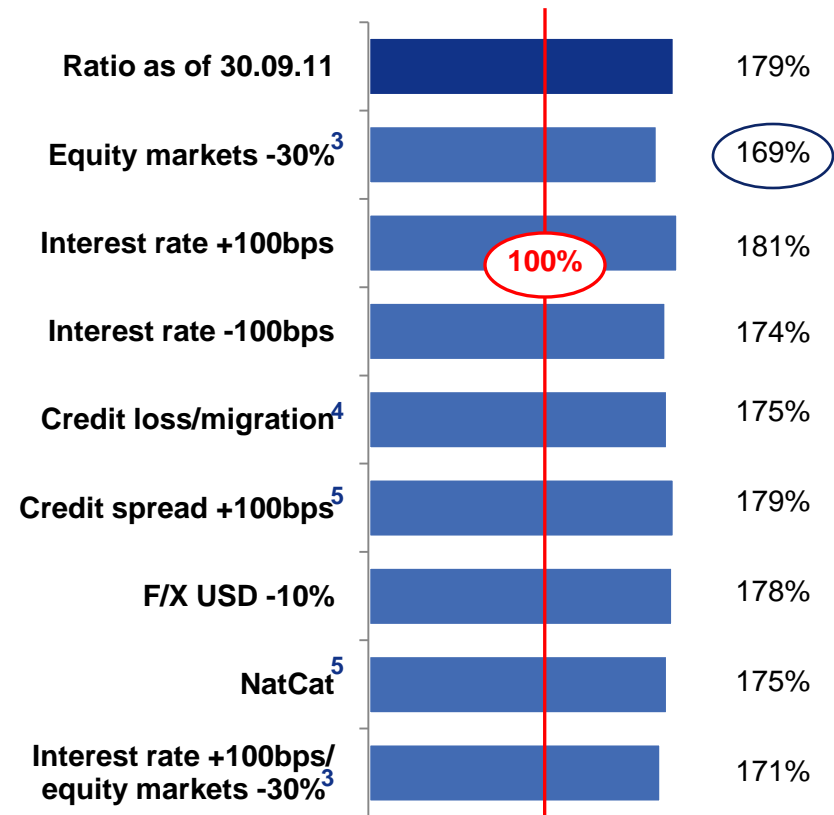


# Strong conglomerate solvency

Conglomerate solvency<sup>1</sup>  
(EUR bn)



Estimation of stress impact<sup>2</sup>



1) Including off-balance sheet reserves (31.12.10: EUR 2.1bn, 30.06.11: EUR 2.1bn, 30.09.11: EUR 2.0bn) pro forma. The solvency ratio excluding off-balance sheet reserves would be 164% as of 31.12.10, 171% as of 30.06.11 and 171% as of 30.09.11.  
 2) After non-controlling interests, policyholder participation, tax and shadow DAC.  
 3) Including derivatives.

4) Corporate credit loss/migration: scenario based on probabilities of default as in 1932, migrations adjusted to mimic recession and assumed recovery rate of 30%.  
 5) Credit spread stress on corporate and ABS portfolio.  
 6) NatCat: loss due to Cat events, both natural and man-made, leading to claims of EUR 1.5bn. Applies to P/C business only.

## Disclaimer

This update on Allianz Malaysia Berhad's Financial Results has been prepared for general information purposes. Professional advice should always be sought prior to making any investment related decisions.

The Company shall endeavour to provide quarterly updates on the Company's Financial Results.

Thank You  
for Your Attention