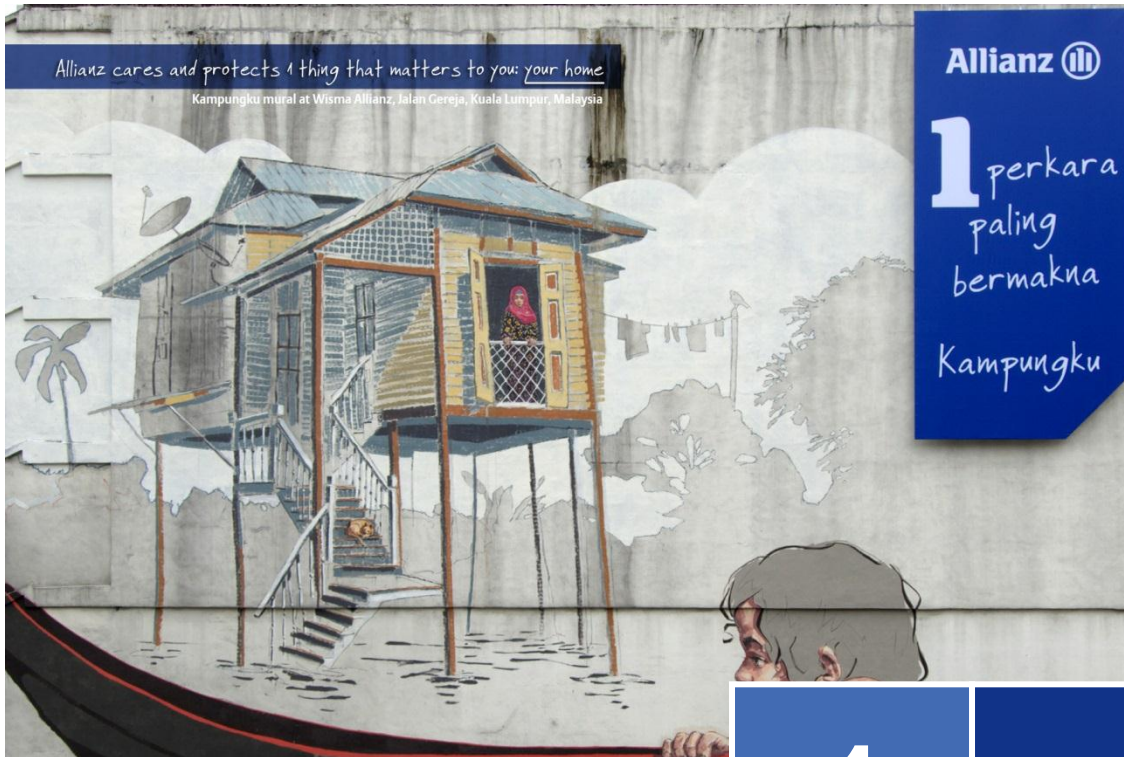


Allianz Malaysia Berhad  
(12428-W)

## Financial Results 1Q 2014

Analyst Briefing  
29 May 2014



1

2014 Campaigns

## Allianz Kampungku: We insure wooden houses

Allianz cares and protects 1 thing that matters to you: your home

Kampungku mural at Wisma Allianz, Jalan Gereja, Kuala Lumpur, Malaysia

Allianz 

**1** perkara  
paling  
bermakna  
Kampungku





## “Let’s get personal” campaign for General and strengthening our retirement pillar in Life



**Allianz RetirePlus**

### Let Allianz Protect Your Retirement.

- Have you started to plan your retirement?
- Can you afford to retire?
- Does your retirement income support your desired lifestyle?

With you from A-Z

**Allianz** 

Scan this code  
  
for more information

For more information, please visit [www.allianz.com.my](http://www.allianz.com.my)



1 personal brand to represent me!

Hi. I'm Natasha 😊  
I love spending time playing tennis. It relaxes me.  
I am an Engineering Student.

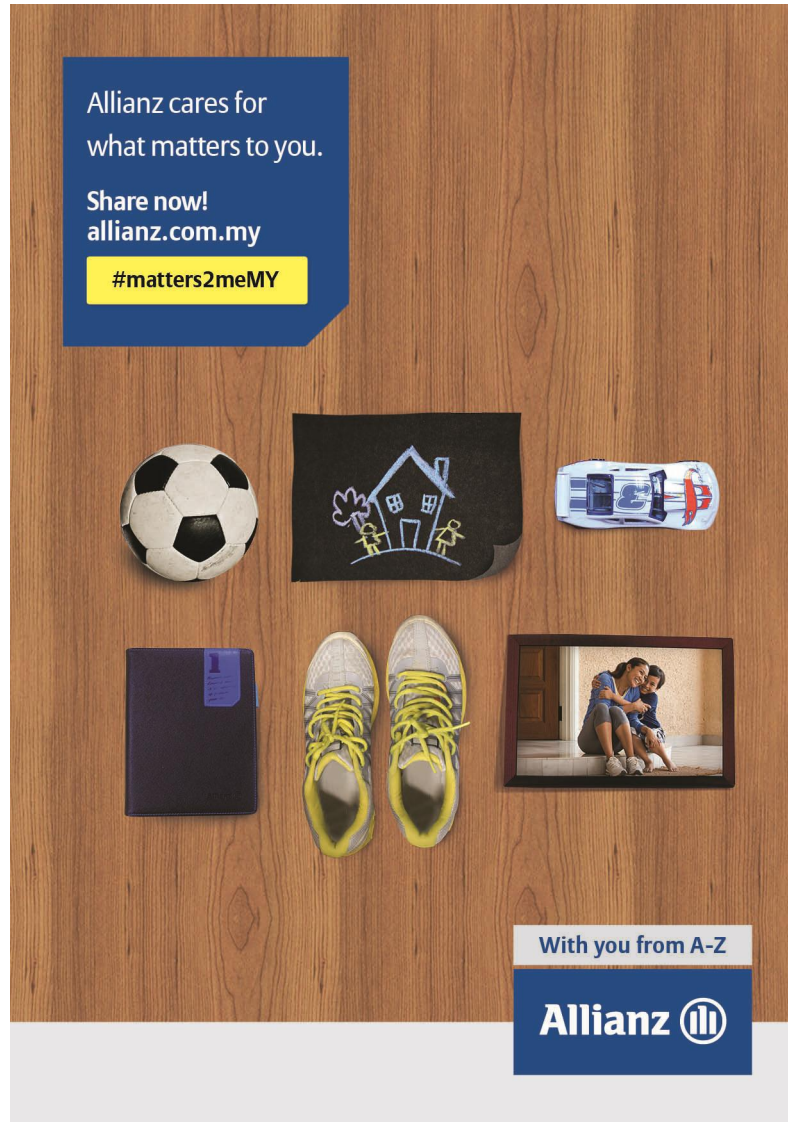
#LETSGETPERSONAL2014 #ALLIANZMALAYSIA

**Let's get personal!**  
2014

**Allianz** 

Allianz General Insurance Company (Malaysia) Berhad (735426-V)  
[www.allianz.com.my](http://www.allianz.com.my)  
[www.facebook.com/AllianzMalaysia](https://www.facebook.com/AllianzMalaysia)

# The one thing that matters campaign




Allianz cares for what matters to you.

Share now!  
[allianz.com.my](http://allianz.com.my)

#matters2meMY

With you from A-Z

**Allianz** 

The advertisement features a wooden floor background with various items representing what matters to people: a soccer ball, a drawing of a house, a toy car, a book, a pair of sneakers, and a photo of a family. The items are arranged in two rows. The top row contains a soccer ball, a drawing of a house, and a toy car. The bottom row contains a book, a pair of sneakers, and a photo of a family. The text 'Allianz cares for what matters to you.' is in the top left, followed by 'Share now! allianz.com.my' and '#matters2meMY'. The bottom right corner features the text 'With you from A-Z' and the Allianz logo.

Allianz cares for  
what matters to you.

Share now!  
[allianz.com.my](https://allianz.com.my)

#matters2meMY



2

AMB Group Results

With you from A-Z

Allianz 

# Strong Start for 2014



## Operating revenue

- Group operating revenue of RM1,016.5 million, an increase of 17.9% compared to corresponding period of RM862.1 million due mainly to higher gross earned premiums and investment income by RM140.2 million and RM14.2 million respectively.
- General business recorded an operating revenue of RM528.9 million, an increase of 13.0% compared to corresponding period of RM468.1 million.
- Life business recorded an operating revenue of RM484.7 million, an increase of 23.9% compared to corresponding period of RM391.3 million.

## Profit before tax (“PBT”)

- Group consolidated profit before tax of RM124.0 million increased by 57.6% compared to corresponding period last year of RM78.7 million.
- General business contributed a profit before tax of RM102.6 million due mainly to higher underwriting profit arising from lower claims ratio .
- The life insurance operations recorded a higher profit before tax of RM20.7 million due mainly to lower insurance contract liability and lower medical claims ratio.

## Earnings per share

- Earnings per share (before dilution) at 53.02 sen (2013 : 33.85 sen).
- Earnings per share (after dilution) at 21.41 sen (2013 : 14.02 sen).



# Financial Overview

RM'mil	12M 2011 <sup>2</sup>	12M 2012	12M 2013	1Q 2013	1Q 2014
Gross Written Premium	2,606.8	2,983.5	3,578.5	881.8	1,011.1
Management Expenses	270.5	338.4	400.0	96.8	103.4
Expense Ratio (Non Life)	17.0%	19.7%	17.9%	18.6%	16.2%
Expense Ratio (Life) <sup>1</sup>	8.4%	9.3%	10.6%	11.8%	11.2%
Local Consolidated PBT	248.8	297.8	339.2	78.7	124.0
Total Assets	7,932.8	9,190.5	10,758.8	9,650.2	11,248.5
Shareholders' Equity	1,638.0	1,840.8	2,024.2	1,893.7	2,109.8
Basic earnings per share (sen)	106.09	132.21	149.24	33.85	53.02
Diluted earnings per share (sen)	43.74	54.41	58.94	14.02	21.41

Note 1 : Expense ratio for Life weighted for 10% of Single Premium.

2 : The financial results of 2011 are restated upon transition to Malaysian Financial Reporting Standards framework on 1 January 2012.



## Summary of Unaudited Financial Results

RM'mil	3M 2013	3M 2014	△14/13 %
<b>Operating revenue</b>	<b>862.1</b>	<b>1,016.5</b>	<b>17.9%</b>
Gross earned premium	790.2	930.4	17.7%
Premiums ceded to reinsurers	(154.8)	(151.5)	2.1%
Net earned premiums	635.4	778.9	22.6%
Net change in benefits and claim paid	(228.4)	(291.9)	(27.8%)
Net change in contract liabilities	(215.4)	(264.7)	(22.9%)
Management expenses	(96.8)	(103.4)	(6.8%)
Net fee and commission expenses	(99.2)	(114.4)	(15.3%)
Fair value (losses)/gains	(3.1)	5.4	274.2%
Net investment results	88.2	114.7	30.0%
Net operating expenditure	(2.0)	(0.6)	70.0%
<b>Profit before tax</b>	<b>78.7</b>	<b>124.0</b>	<b>57.6%</b>
Taxation	(25.0)	(37.8)	(51.2%)
<b>Profit after tax</b>	<b>53.7</b>	<b>86.2</b>	<b>60.5%</b>
<b>Earnings per share before dilution (sen)</b>	<b>33.85</b>	<b>53.02</b>	<b>56.6%</b>

## Summary of Unaudited Financial Results (continued)

### Result by operating segments (after consolidation adjustment)

RM'mil	Investment holding		General Business		Life business		Total	
	2013	2014	2013	2014	2013	2014	2013	2014
<b>YTD 3M Ended</b>								
Operating revenue	2.7	2.9	468.1	528.9	391.3	484.7	862.1	1,016.5
Gross written premium	-	-	534.8	580.5	347.0	430.6	881.8	1,011.1
Segment (loss)/profit	(0.5)	0.7	72.1	102.6	7.1	20.7	78.7	124.0
Segment assets	393.2	415.9	4,444.6	5,070.5	4,812.4	5,762.1	9,650.2	11,248.5
Segment liabilities	65.2	65.3	3,161.2	3,644.9	4,530.1	5,428.6	7,756.5	9,138.8

1 personal  
brand  
to  
represent  
me!

Hi. I'm Natasha ☺  
I love spending time  
playing tennis. It relaxes me.  
I am an Engineering Student.

#LETSGETPERSONAL2014 #ALLIANZMALAYSIA

Let's get  
personal!  
2014

Allianz 

3

General Business

## General Business



### **Gross Written Premium**

- Stable growth of 8.5%.

### **Combined ratio**

- Better combined ratio attributed to lower ratios in claims and expense.

### **Investment result**

- Stable growth in investment income.

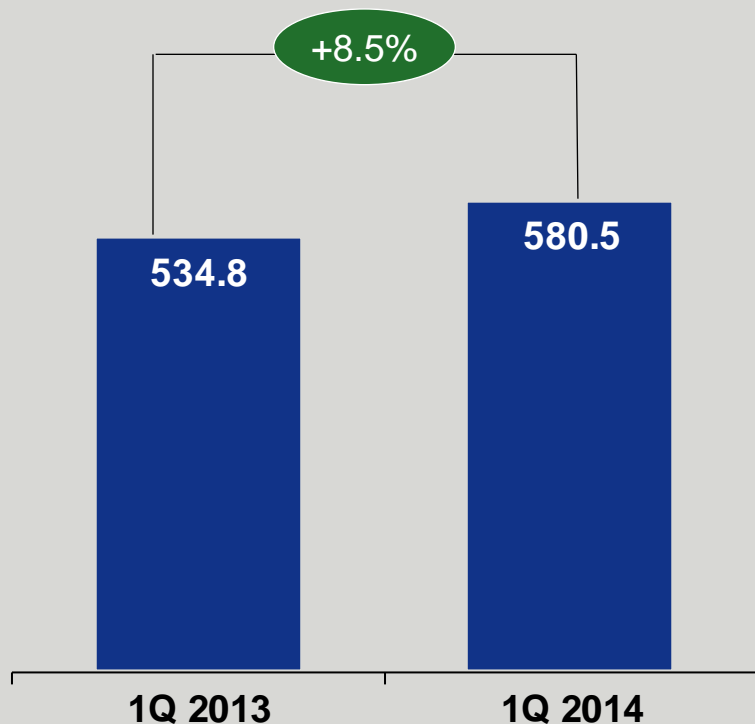
### **Profit before tax**

- Higher profit due to improved underwriting and investment performance.

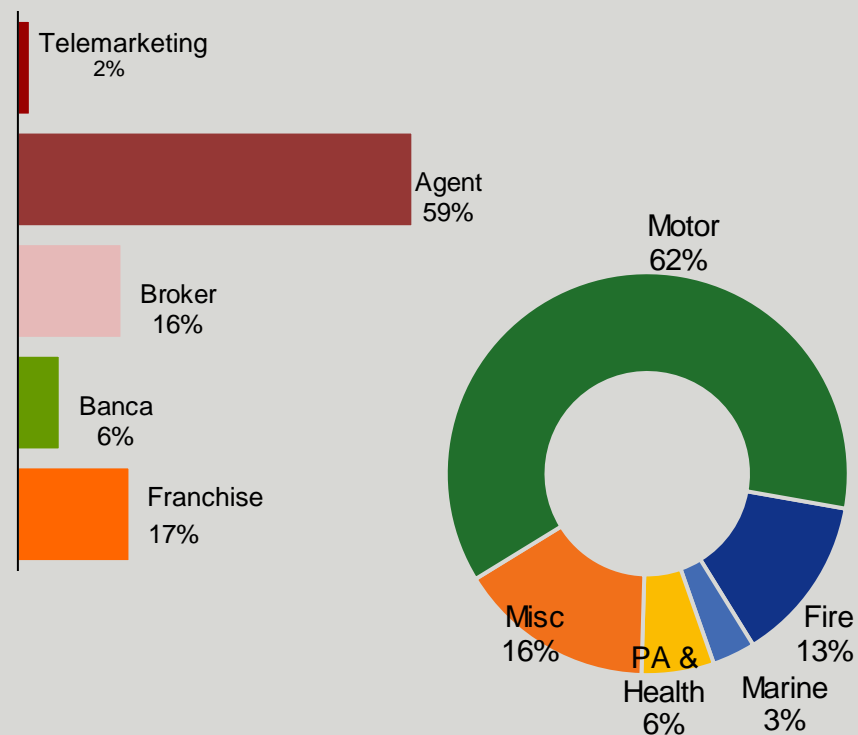


## General Business: Stable growth of 8.5% in GWP

### Gross Written Premium (RM'mil)

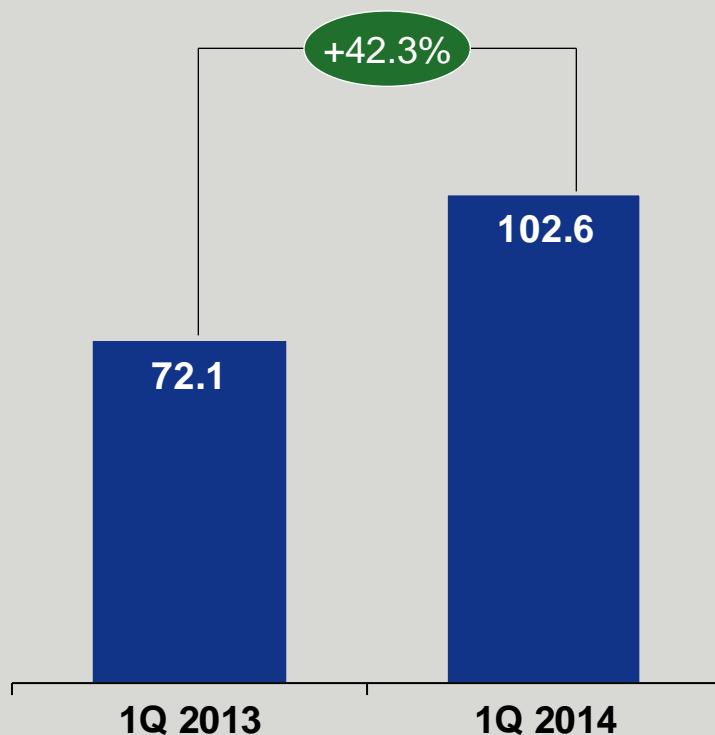


### Distribution Channel & Portfolio Mix

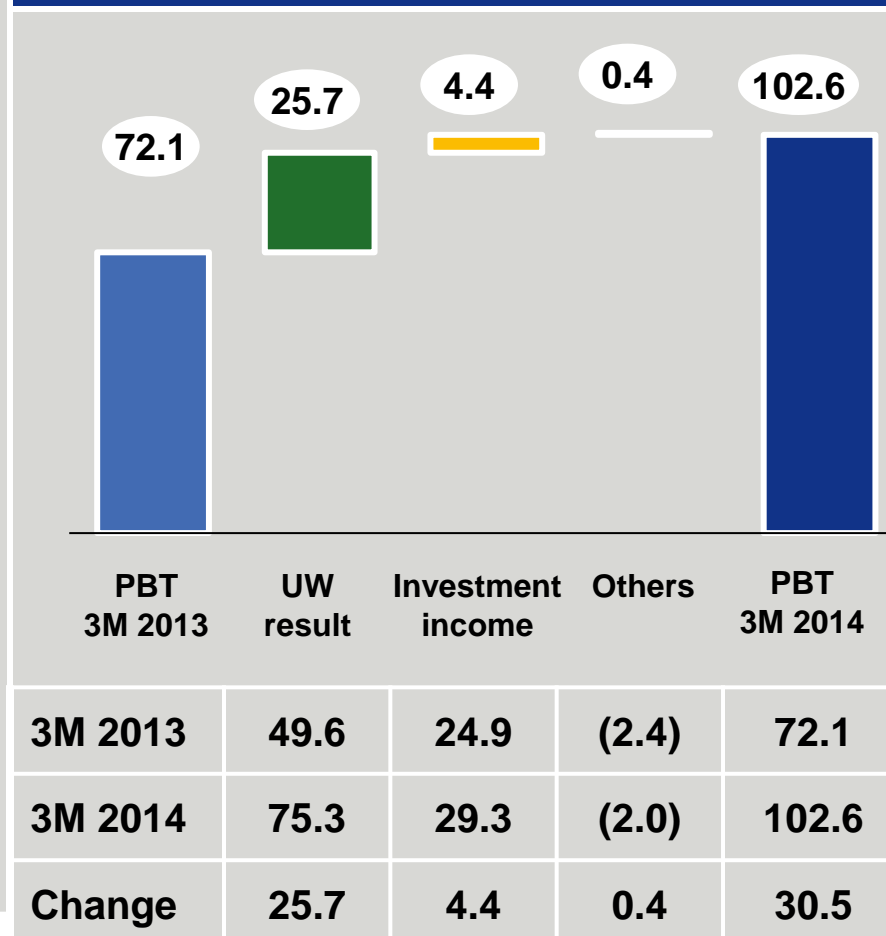


# General Business: Higher profit due to improved underwriting and investment performance

## Profit Before Tax (RM'mil)

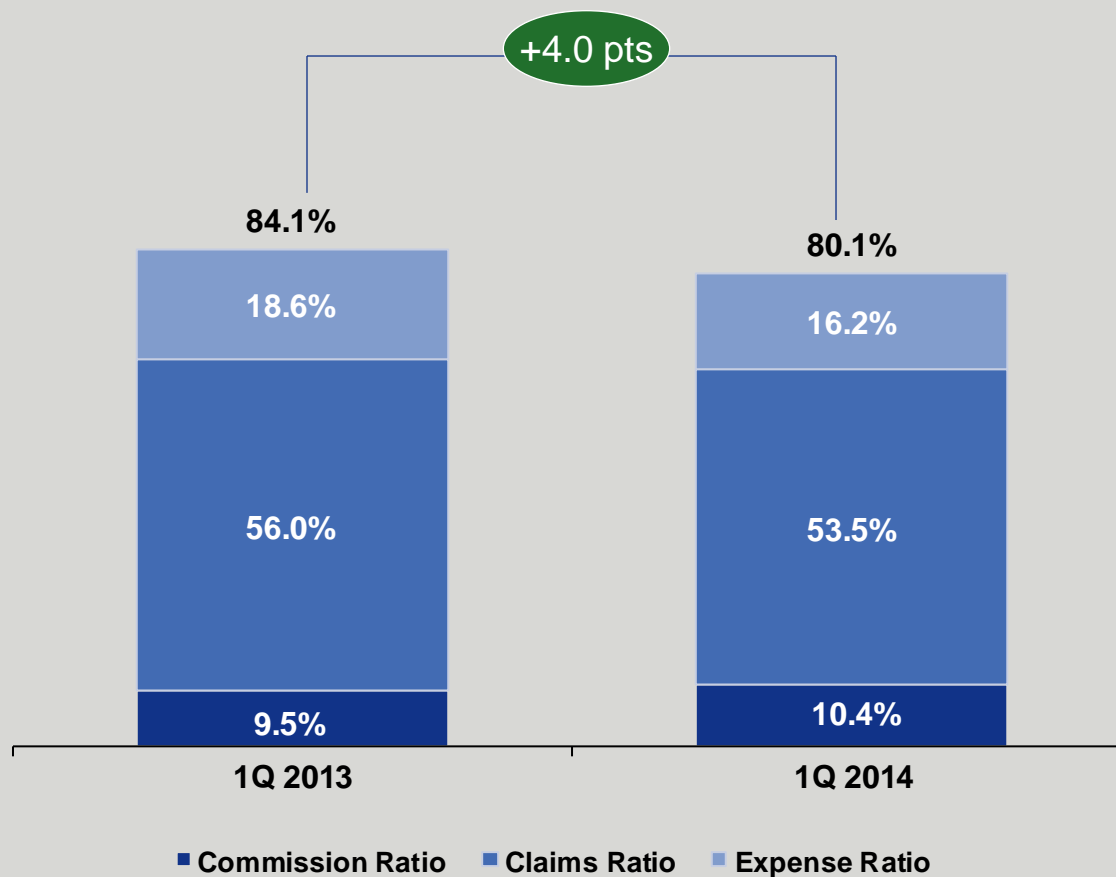


## PBT Drivers (RM'mil)



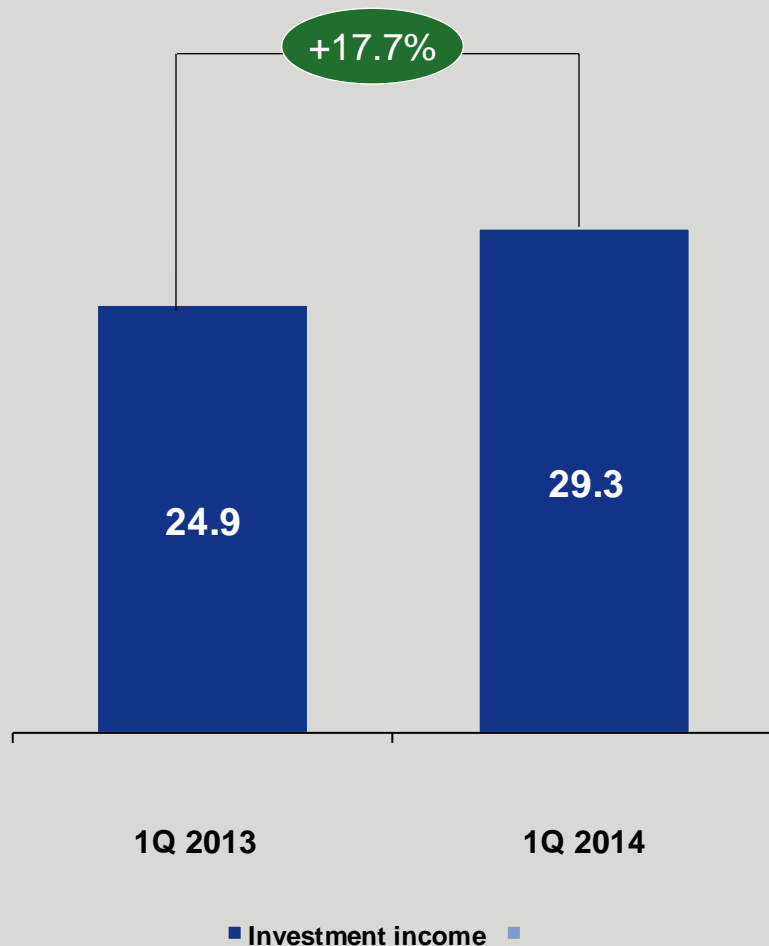
## General Business: Better combined ratio attributed to lower Claims and Expense ratios

### Combined Ratio

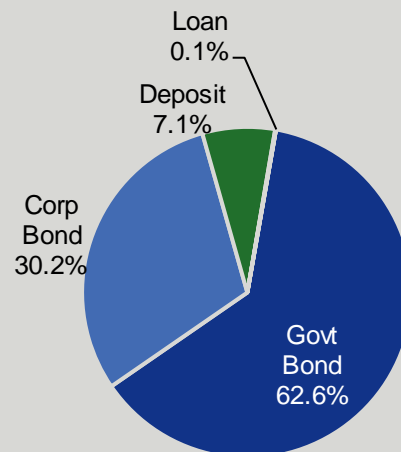


## General Business: Stable growth in investment income

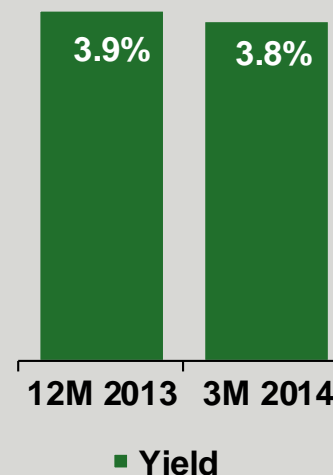
### Net Investment (RM'mil)



### Portfolio Mix and Investment Yield (Annualized)



As at 31 March 2014





## General Business: Unaudited financial results at a glance

RM'mil	3M 2013	3M 2014	△14/13 %
Gross written premium	534.8	580.5	8.5%
Gross earned premium	443.2	499.9	12.8%
Net earned premium	312.0	377.5	21.0%
Net change in claims paid	(153.2)	(200.1)	(30.6%)
Net change in contract liabilities	(21.6)	(1.7)	92.1%
Management expenses	(58.0)	(61.3)	(5.7%)
Fee and commission expenses	(29.6)	(39.1)	(32.1%)
Underwriting result	49.6	75.3	51.8%
Net investment	24.9	29.3	17.7%
Other result	(2.4)	(2.0)	16.7%
<b>Profit before tax (after consolidation adjustment)</b>	<b>72.1</b>	<b>102.6</b>	<b>42.3%</b>
Commission Ratio	9.5%	10.4%	(0.9 pts)
Claims Ratio	56.0%	53.5%	2.5 pts
Expense Ratio	18.6%	16.2%	2.4 pts
Combined Ratio	84.1%	80.1%	4.0 pts

Allianz Retire Plus

4

Life Business



# Life Business



## **Gross written Premium**

- Double digit growth of gross written premium.

## **Distribution**

- Focus on expanding bancassurance business and building multi distribution capabilities.
- Expand agency force (6,814 agents in Q1 2014 vs 6,026 agents in Q1 2013).

## **Product Mix**

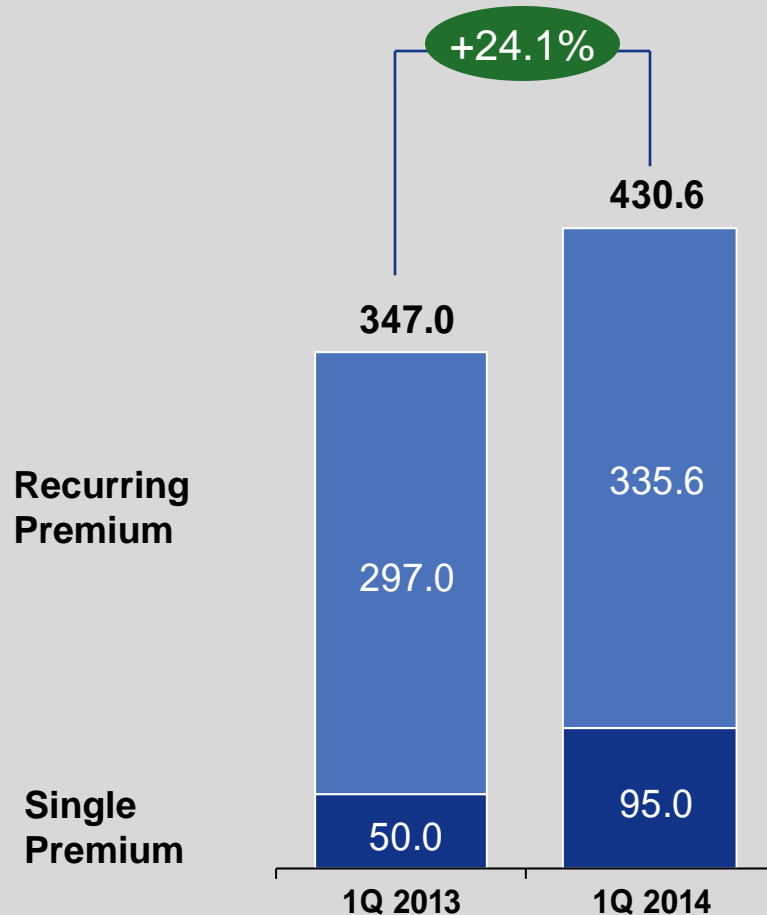
- Investment-linked ANP and GWP grew by 35.2% and 32.4% respectively.
- Continue to develop balanced product portfolio.

## **Investment results**

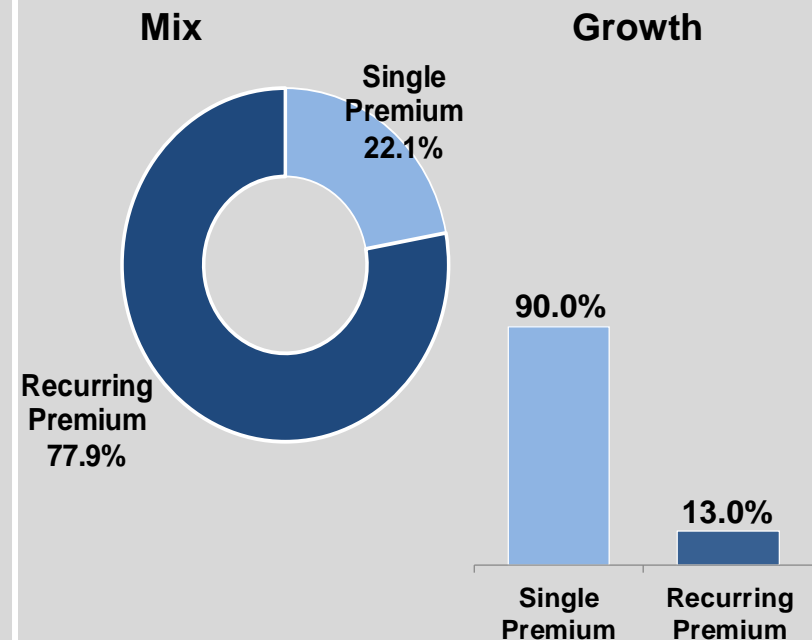
- Higher net investment results due to higher investment income and realised gains.

# Life Business: Top line growth driven by sales of single premium and good persistency of renewal premium

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



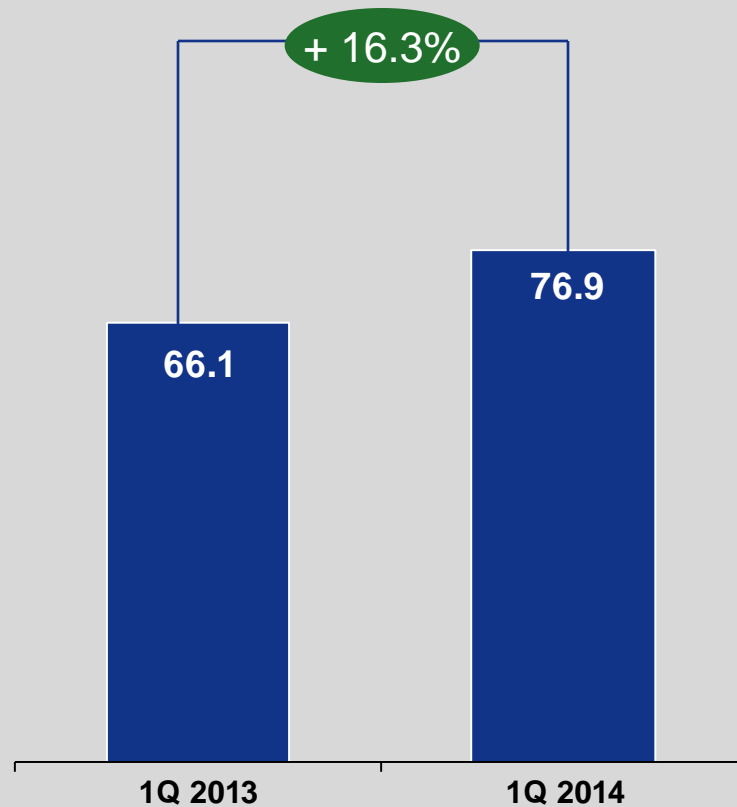
## GWP Mix & Growth (%) (3M 2014)



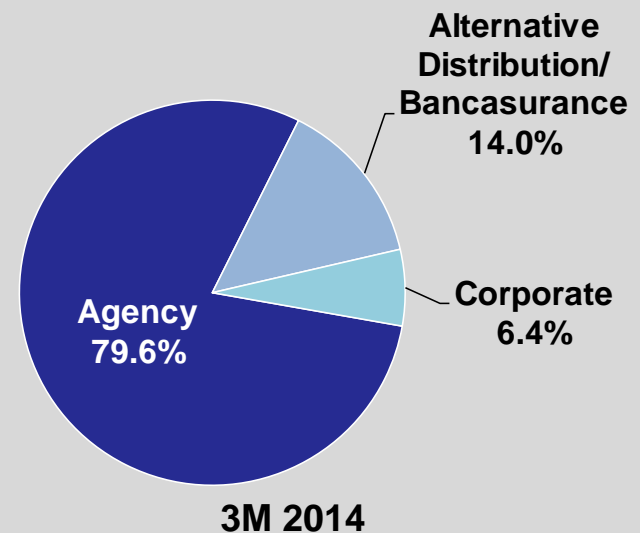


Life Business: Agency remains core channel, Bancassurance business grow significantly.

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

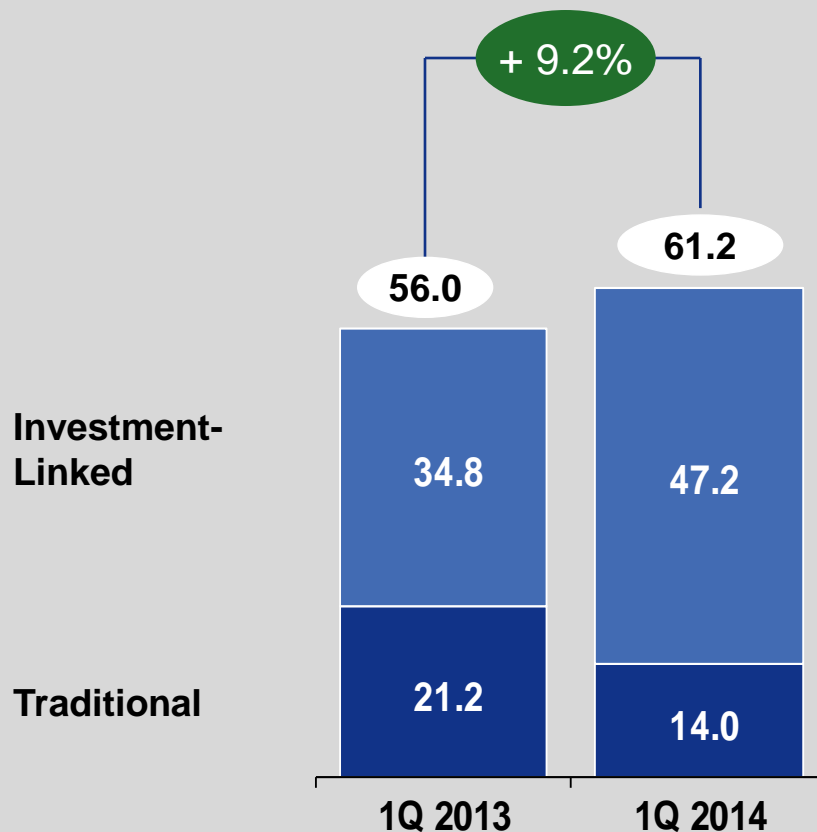


### ANP Channel Mix

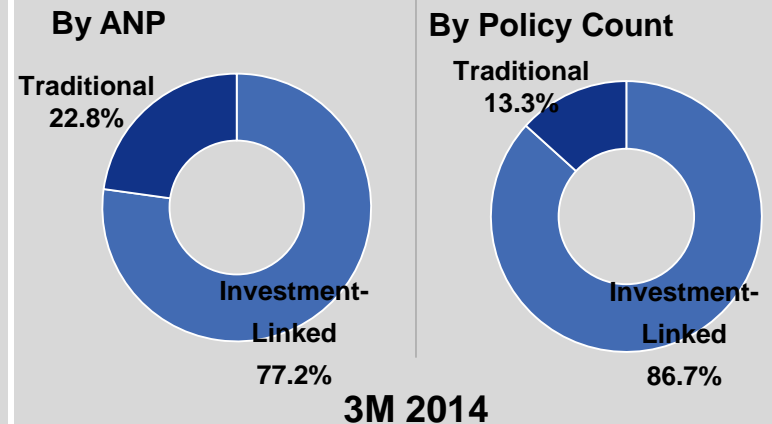


# Life Business: Continue focus on profitable regular investment-linked products

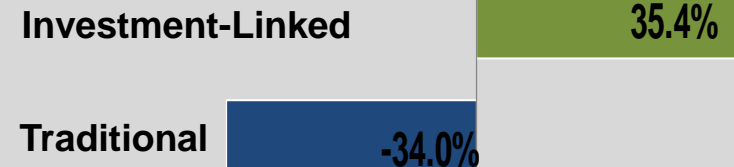
## Agency Annualised New Premium (RM'mil)



## Agency Product Mix



## Agency ANP Growth

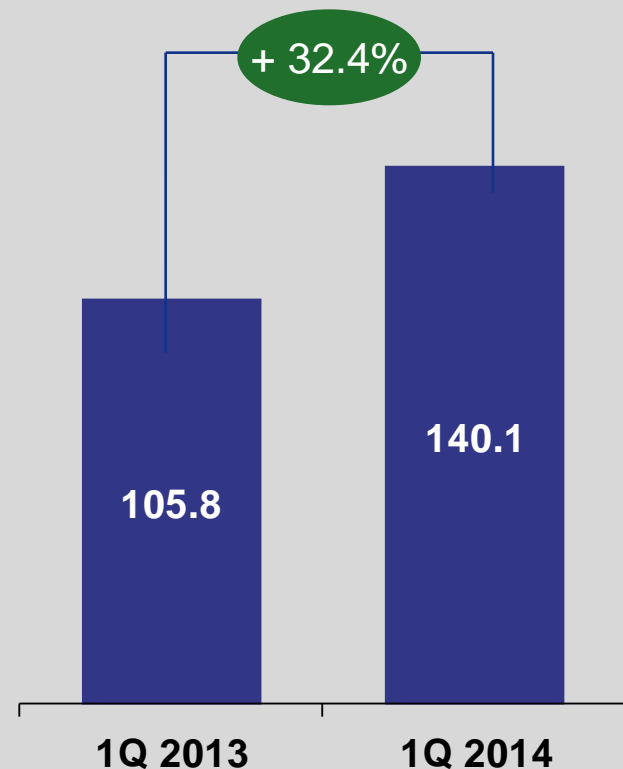


## Life Business: Continue to shift to investment-linked business in 2014

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

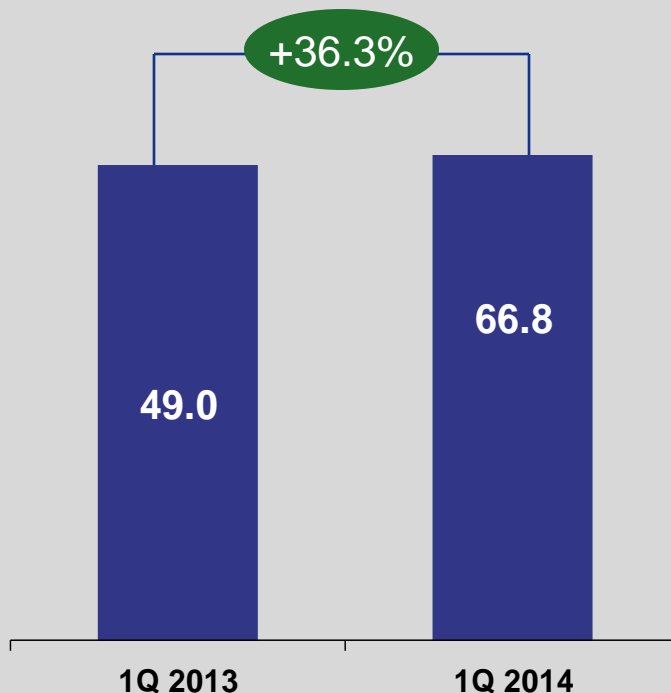


**Gross Written Premium (“GWP”)  
(RM’mil)**



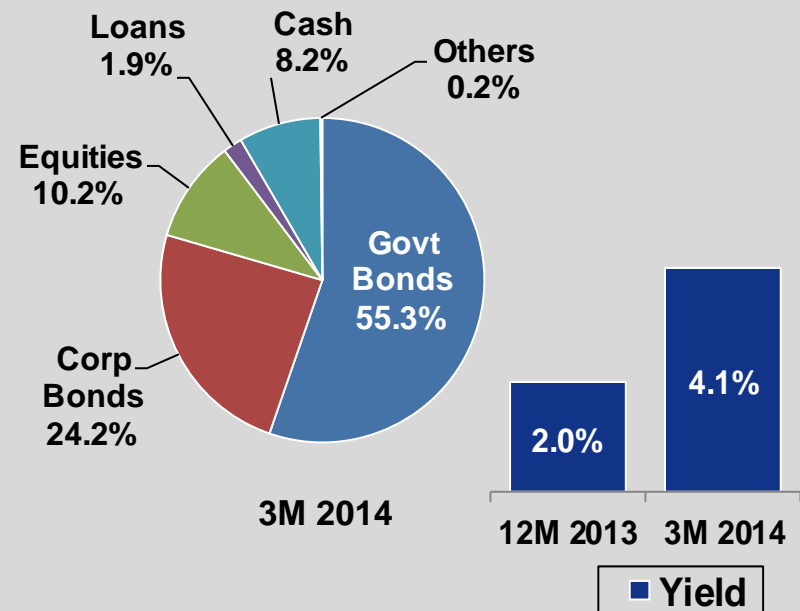
## Life Business: Higher investment results from higher investment income and realised gains

### Net Investment Results (RM'mil) (LF+SHF)



Note: Net investment results include Fair Value Gains/(Losses), Investment Income and Realised Gains/(Losses).

### Portfolio Mix and Investment Yield (LF+SHF)



Note: Yield % includes unrealised gains/losses from equities and fixed income.



## Life Business: Unaudited financial results at a glance

RM'mil	3M 2013	3M 2014	△14/13 %
Gross written premium	347.0	430.6	24.1%
Premiums ceded to reinsurers	(23.6)	(29.1)	(23.3%)
Net earned premium	323.4	401.5	24.1%
Net change in benefits and claim paid	(75.2)	(91.8)	(22.1%)
Net change in contract liabilities	(193.8)	(263.0)	(35.7%)
Management expenses	(34.2)	(37.7)	(10.2%)
Fee and commission expenses	(69.6)	(75.5)	(8.5%)
Fair value (losses)/gains	(3.1)	5.4	274.2%
Net investment results	60.7	82.5	35.9%
Net operating expenditure	(1.1)	(0.7)	36.4%
<b>Surplus before tax</b> (after consolidation adjustment)	7.1	20.7	191.5%
Annualised New Business Premium	66.1	76.9	16.3%
Expense Ratio	11.8%	11.2%	0.6 pts
Local Investment Yield (LF+ SHF)	4.2%	4.1%	(0.1 pts)
Lapse Ratio (total company)	6.7%	6.2%	0.5 pts
Persistency (13th month by premium)	85.6%	84.4%	(1.2 pts)

Thank You  
for Your Attention

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levels, (vi) the extent of credit defaults, (vii) interest rate levels, (viii) currency exchange rates including the Euro/U.S. Dollar exchange rate, (ix) changing levels of competition, (x) changes in laws and regulations, including monetary convergence and the European Monetary Union, (xi) changes in the policies of central banks and/or foreign governments, (xii) the impact of acquisitions, including related integration issues, (xiii) reorganization measures, and (xiv) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

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