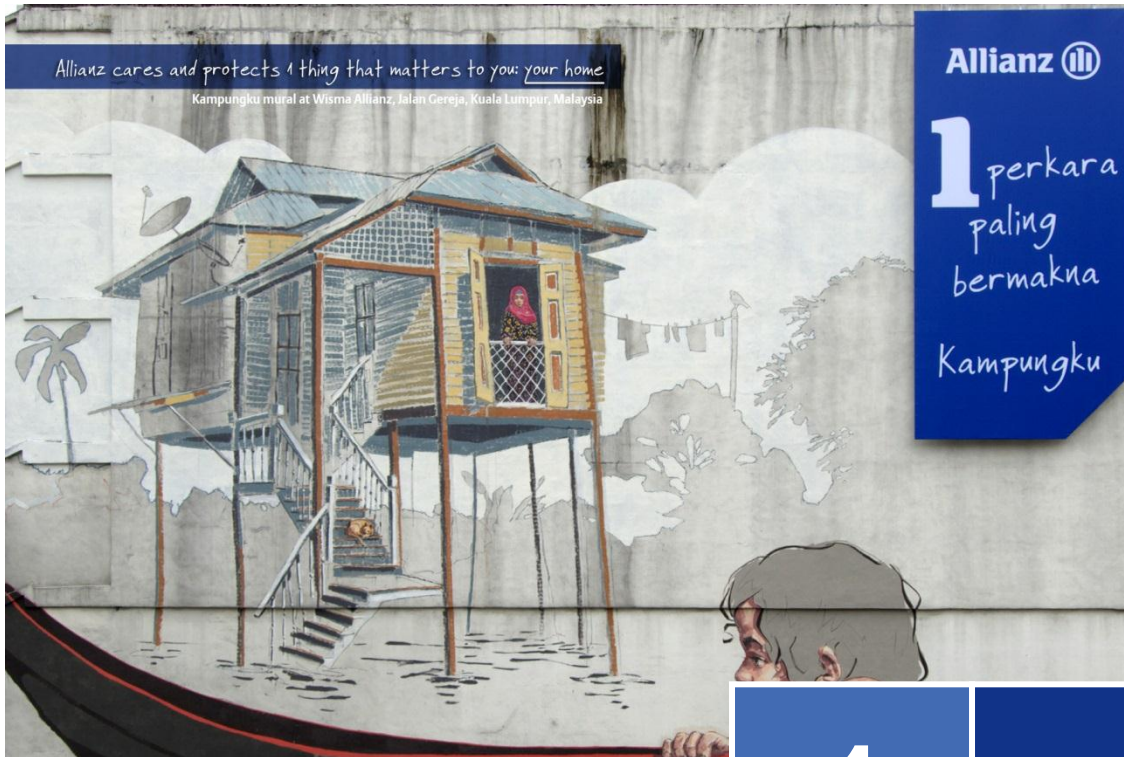


Allianz Malaysia Berhad
(12428-W)

Financial Results 2Q 2014

Analyst Briefing
29 August 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



1 personal brand to represent me!

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

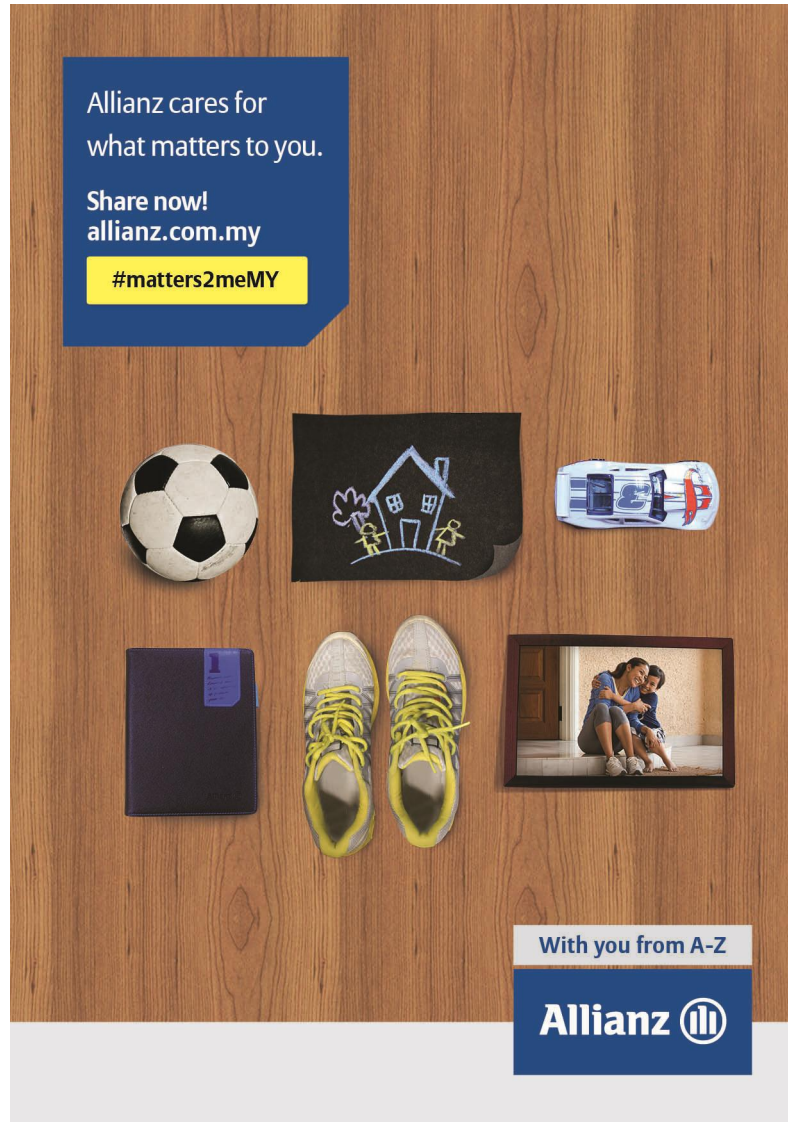
#LETSGETPERSONAL2014 #ALLIANZMALAYSIA

Let's get personal!
2014

Allianz 

Allianz General Insurance Company (Malaysia) Berhad (735426-V)
www.allianz.com.my
www.facebook.com/AllianzMalaysia

The one thing that matters campaign




Allianz cares for what matters to you.

Share now!
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 a yellow button with '#matters2meMY'. The bottom right features the slogan 'With you from A-Z' and the Allianz logo.

Allianz cares for
what matters to you.

Share now!
allianz.com.my

#matters2meMY



2

AMB Group Results

With you from A-Z

Allianz 

Strong Performance



Operating revenue

- Group operating revenue of RM2.09 billion, an increase of 18.8% compared to corresponding period of RM1.76 billion due mainly to higher gross earned premiums and investment income by RM310.2 million and RM27.4 million respectively.
- General business recorded an operating revenue of RM1.07 billion, an increase of 12.6% compared to corresponding period of RM0.95 billion.
- Life business recorded an operating revenue of RM1.02 billion, an increase of 27.5% compared to corresponding period of RM0.8 billion.

Profit before tax (“PBT”)

- Group consolidated profit before tax of RM211.5 million increased by 23.0% compared to corresponding period last year of RM171.9 million.
- General business contributed a profit before tax of RM175.5 million due mainly to better underwriting results.
- The life insurance operations recorded a higher profit before tax of RM35.1 million due mainly to lower claims ratio and higher interest rate.

Earnings per share

- Earnings per share (before dilution) at 89.12 sen (2013 : 72.92 sen).
- Earnings per share (after dilution) at 36.49 sen (2013 : 30.29 sen).

Financial Overview

RM'mil	12M 2011 ²	12M 2012	12M 2013	6M 2013	6M 2014
Gross Written Premium	2,606.8	2,983.5	3,578.5	1,721.8	2,001.5
Management Expenses	270.5	338.4	400.0	194.1	212.5
Expense Ratio (Non Life)	17.0%	19.7%	17.9%	18.8%	16.7%
Expense Ratio (Life) ¹	8.4%	9.3%	10.6%	10.6%	11.1%
Local Consolidated PBT	248.8	297.8	339.2	171.9	211.5
Total Assets	7,932.8	9,190.5	10,758.8	9,932.5	11,577.6
Shareholders' Equity	1,638.0	1,840.8	2,024.2	1,926.1	2,160.3
Basic earnings per share (sen)	106.09	132.21	149.24	72.92	89.12
Diluted earnings per share (sen)	43.74	54.41	58.94	30.29	36.49

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	6M 2013	6M 2014	△14/13 %
Operating revenue	1,755.2	2,092.8	19.2%
Gross earned premium	1,604.6	1,914.8	19.3%
Premiums ceded to reinsurers	(300.3)	(307.0)	(2.2%)
Net earned premiums	1,304.3	1,607.8	23.3%
Net change in benefits and claim paid	(484.7)	(577.5)	(19.1%)
Net change in contract liabilities	(437.6)	(613.3)	(40.2%)
Management expenses	(194.1)	(212.5)	(9.5%)
Net fee and commission expenses	(200.1)	(231.6)	(15.7%)
Fair value (losses)/gains	(0.6)	21.6	>100.0%
Net investment results	192.4	219.9	14.3%
Net operating expenditure	(7.7)	(2.9)	62.3%
Profit before tax	171.9	211.5	23.0%
Taxation	(56.0)	(65.0)	(16.1%)
Profit after tax	115.9	146.5	26.4%
Earnings per share before dilution (sen)	72.92	89.12	22.2%

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
YTD 6M Ended								
Operating revenue	5.4	5.9	946.6	1,071.4	803.2	1,015.5	1,755.2	2,092.8
Gross written premium	-	-	1,012.7	1,098.5	709.1	903.0	1,721.8	2,001.5
Segment (loss)/profit	(0.7)	0.9	143.3	175.5	29.3	35.1	171.9	211.5
Segment assets	391.9	415.7	4,527.4	5,058.6	5,013.2	6,103.3	9,932.5	11,577.6
Segment liabilities	88.3	74.4	3,199.9	3,578.7	4,718.3	5,764.2	8,006.5	9,417.3

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

- Net combined ratio below 90.0%.

Investment result

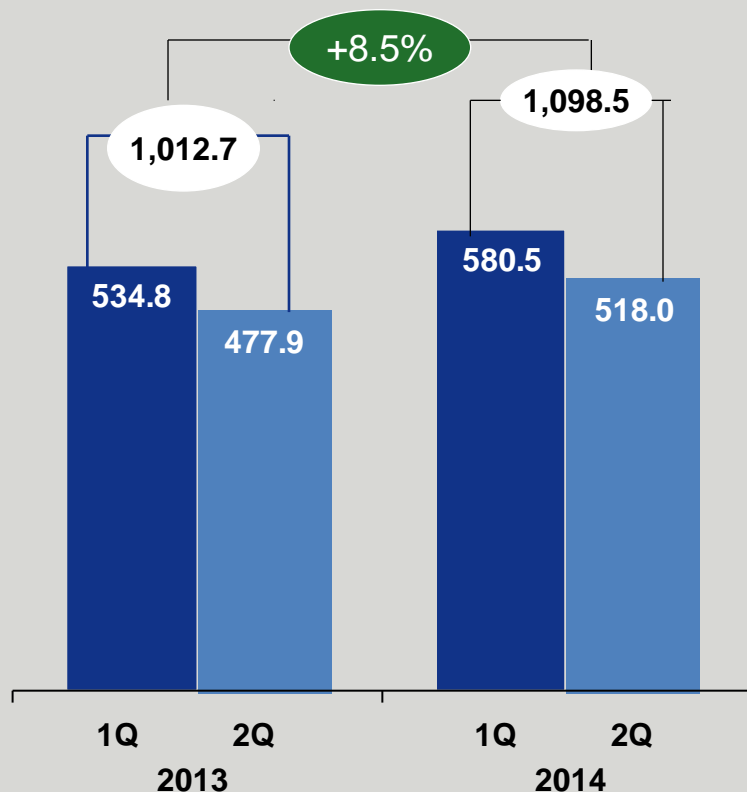
- Stable investment income.

Profit before tax

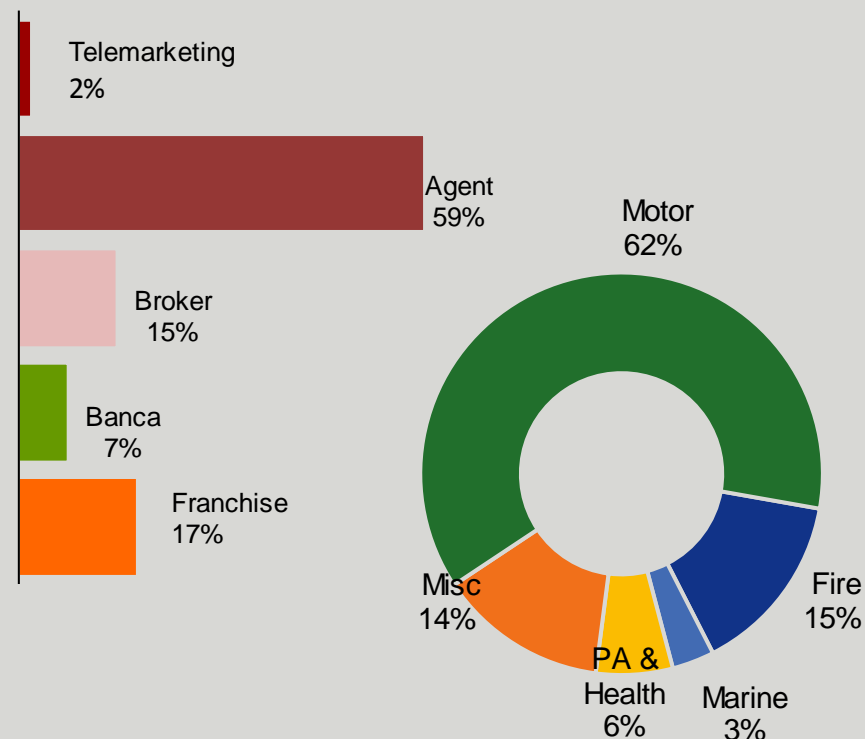
- Higher profit from better underwriting results and higher investment income.

General Business: Gross Written Premium grew by 8.5%

Gross Written Premium (RM 'mil)

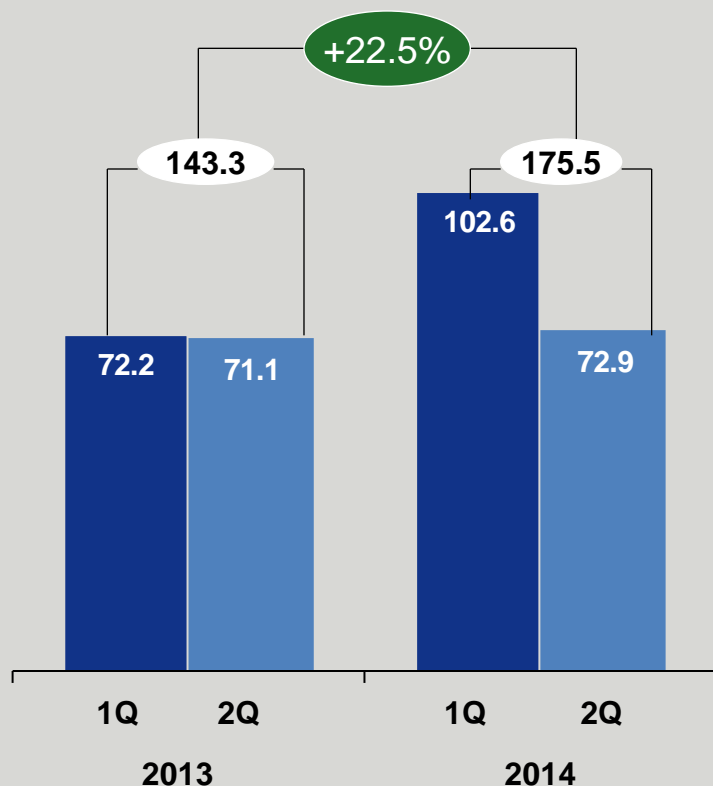


Distribution Channel & Portfolio Mix

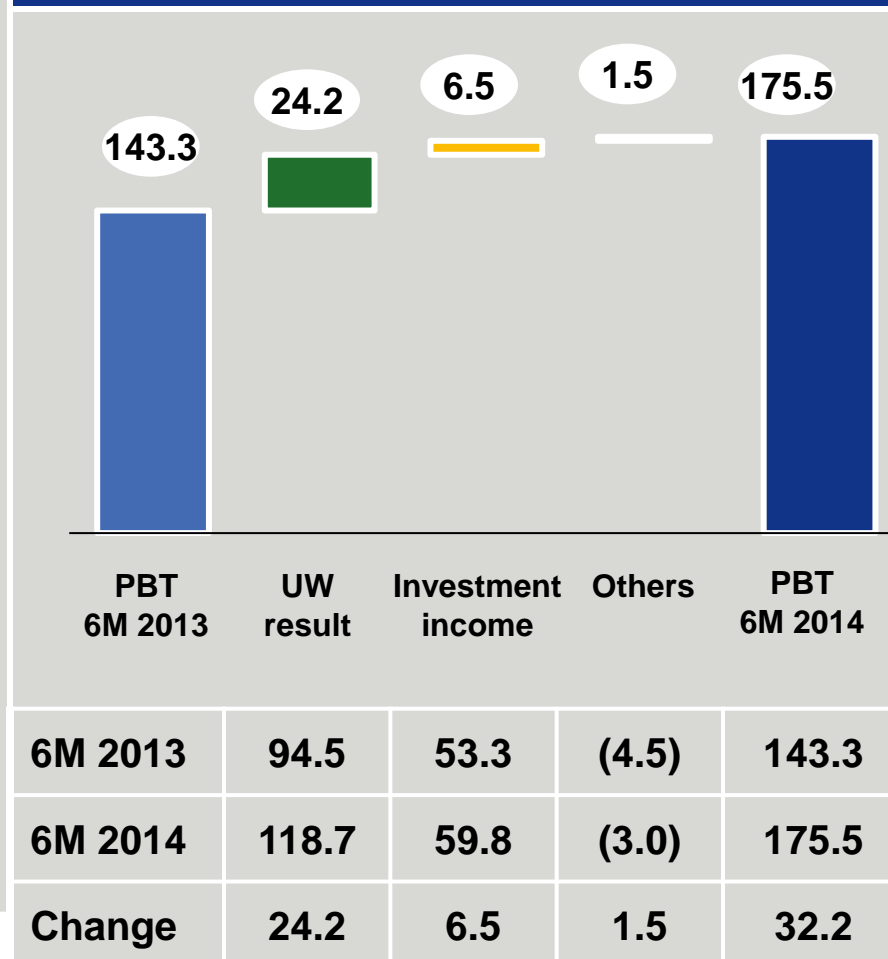


General Business: Higher profit from better underwriting results and higher investment income

Profit Before Tax (RM'mil)

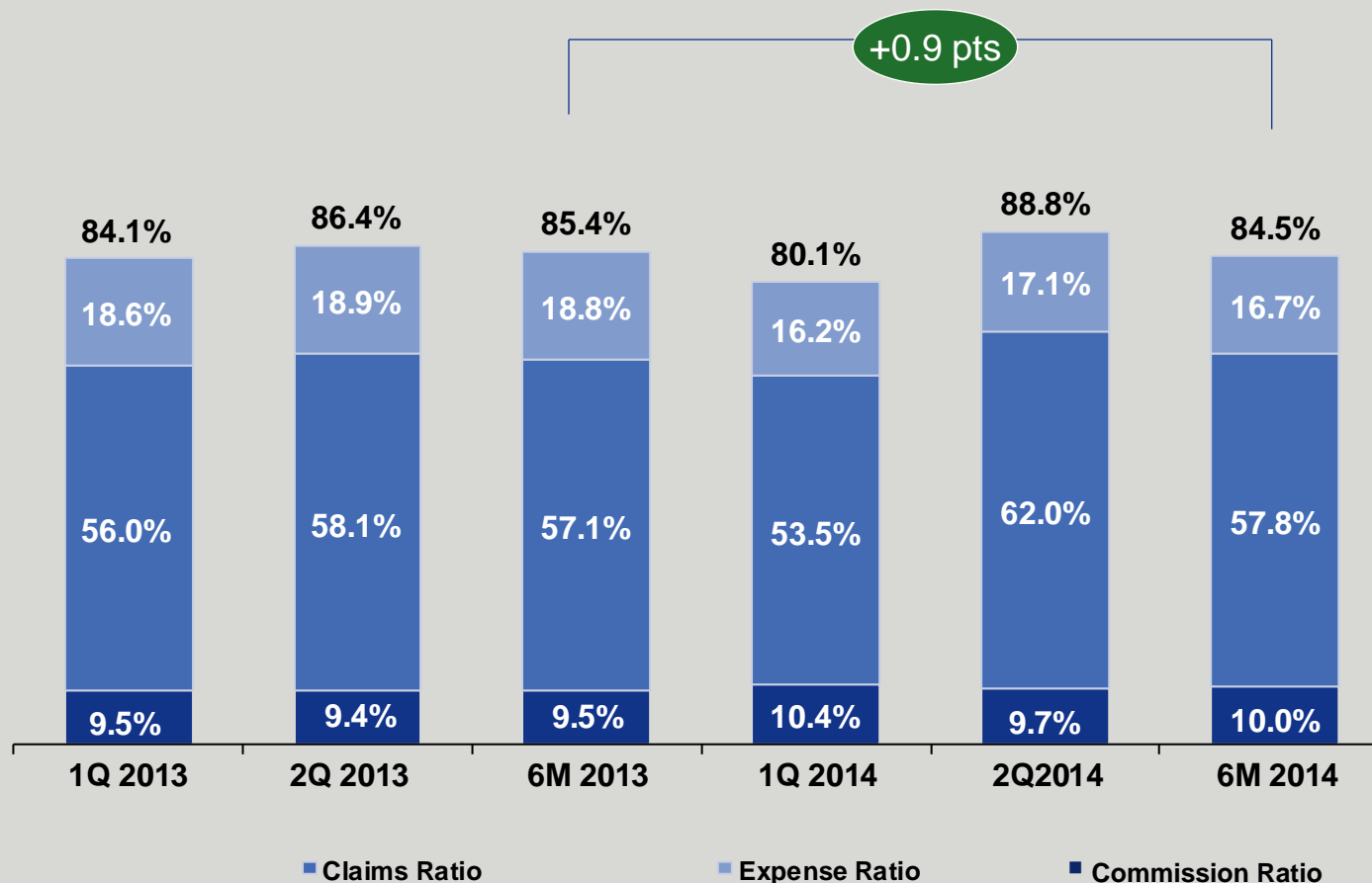


PBT Drivers (RM'mil)



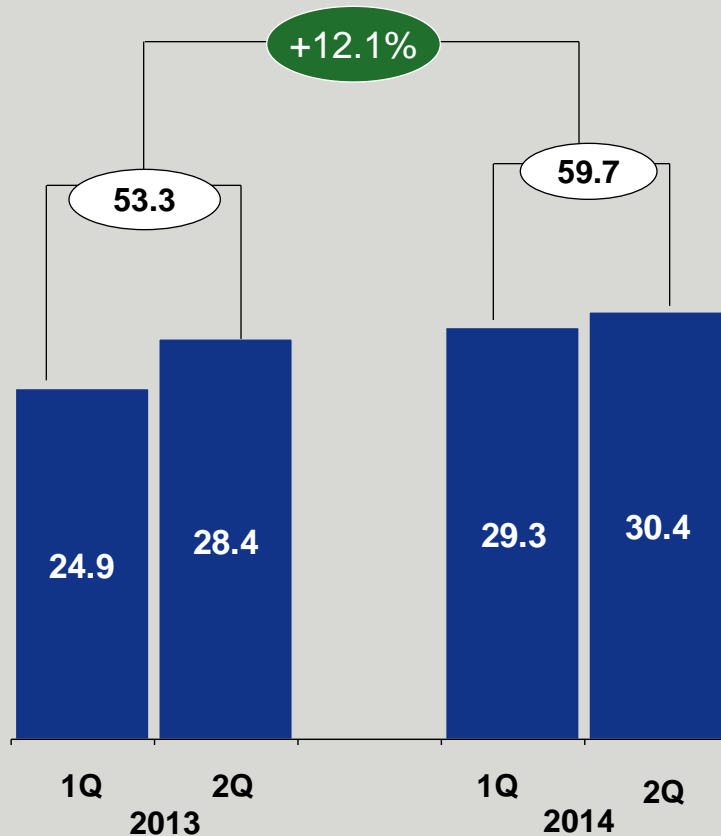
General Business: Delivered net combined ratio below 90.0%

Combined Ratio

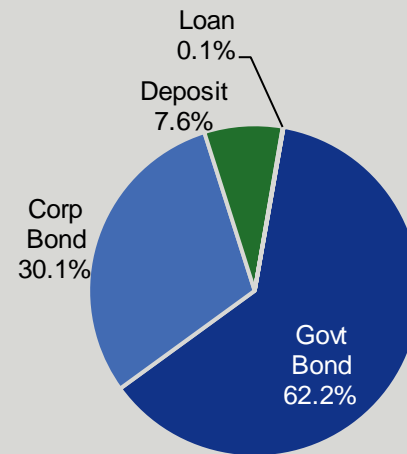


General Business: Stable growth in investment income

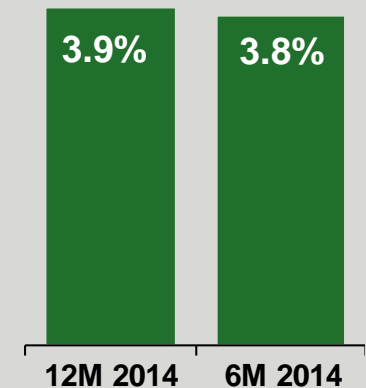
Net Investment (RM 'mil)



Portfolio Mix and Investment Yield (Annualized)



As at 30 June 2014



■ Yield

General Business: Unaudited financial results at a glance

RM'mil	6M 2013	6M 2014	△14/13 %
Gross written premium	1,012.7	1,098.5	8.5%
Gross earned premium	895.5	1,011.8	13.0%
Net earned premium	643.5	764.9	18.9%
Net change in claims paid	(317.0)	(376.2)	(18.7%)
Net change in contract liabilities	(50.5)	(65.7)	(30.1%)
Management expenses	(120.6)	(127.7)	(5.9%)
Fee and commission expenses	(60.9)	(76.5)	(25.6%)
Underwriting result	94.5	118.7	25.6%
Net investment	53.3	59.7	12.0%
Other result	(4.5)	(3.0)	33.3%
Profit before tax (after consolidation adjustment)	143.3	175.5	22.5%
Commission Ratio	9.5%	10.0%	(0.5 pts)
Claims Ratio	57.1%	57.8%	(0.7 pts)
Expense Ratio	18.8%	16.7%	2.1 pts
Combined Ratio	85.4%	84.5%	0.9 pts

Allianz Retire Plus

4

Life Business



Life Business



Gross written Premium

- Strong gross written premium growth of 27.3%

Distribution

- Build multi distribution capabilities with focus on expanding agency and bancassurance channels.
- Enlarged agency force (6,918 agents in Jun 2014 vs 6,281 agents in Jun 2013).

Product Mix

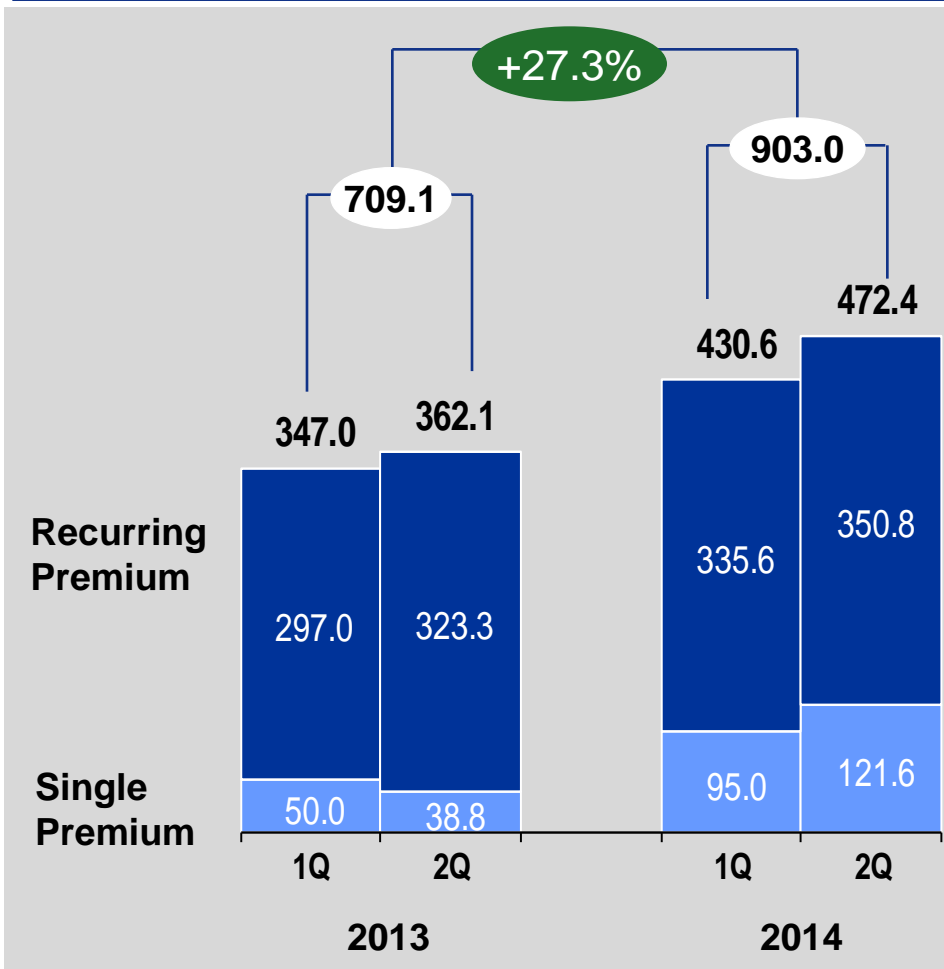
- Focus on profitable products. Investment-linked ANP and GWP grew by 29.2% and 32.6% respectively..

Investment results

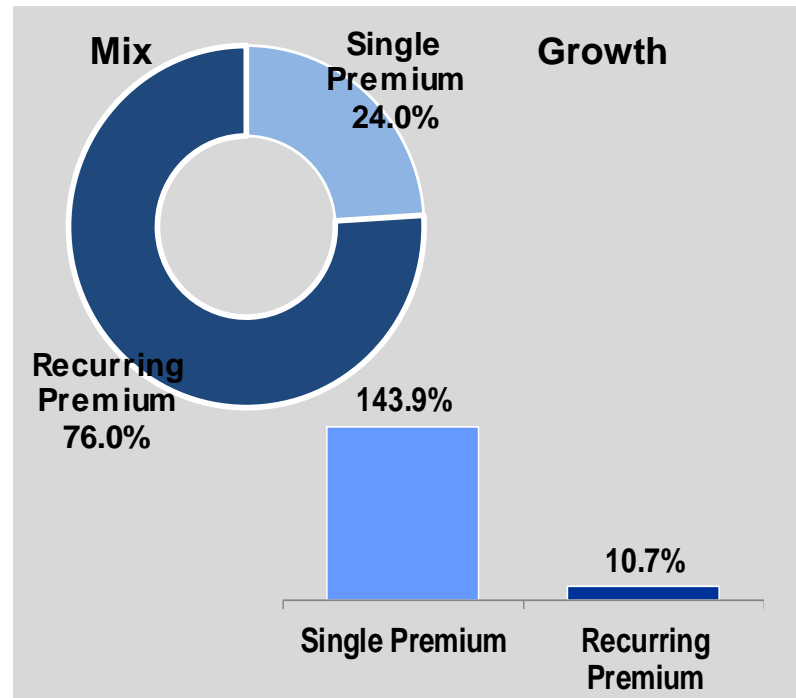
- Higher net investment results due to higher investment income and realised gains.

Life Business: Strong top line growth driven by sale of single premium and good persistency from regular premium.

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

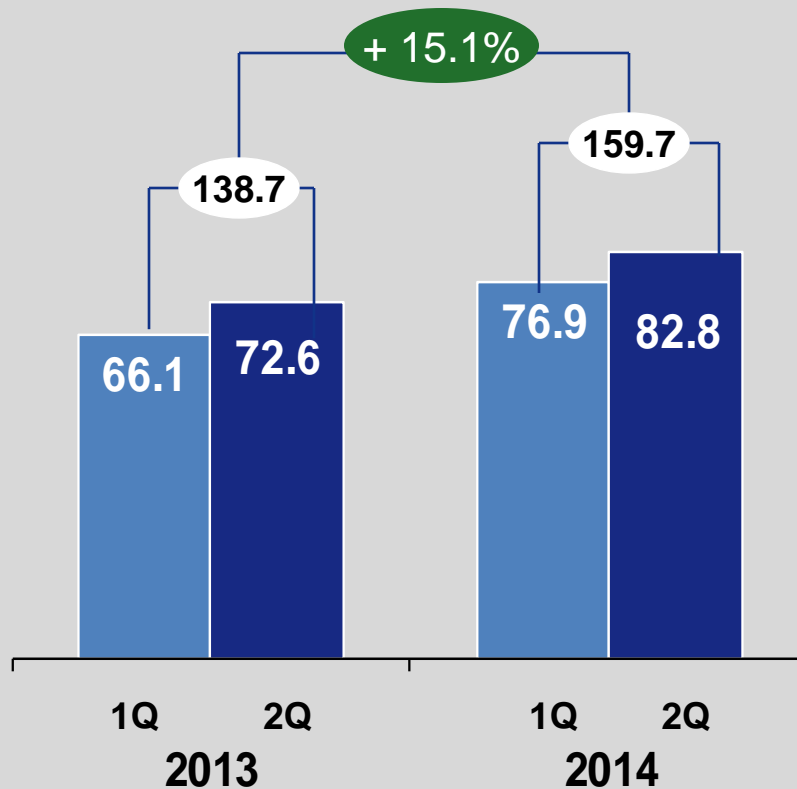


GWP Mix & Growth (%) (6M 2014)

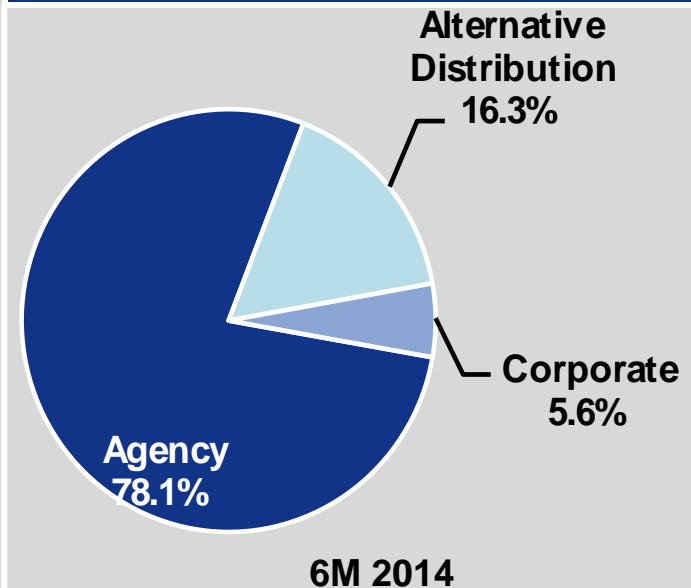


Life Business: Double digit new business sales, with higher contribution from Bancassurance business

Annualised New Premium ("ANP") (RM 'mil)

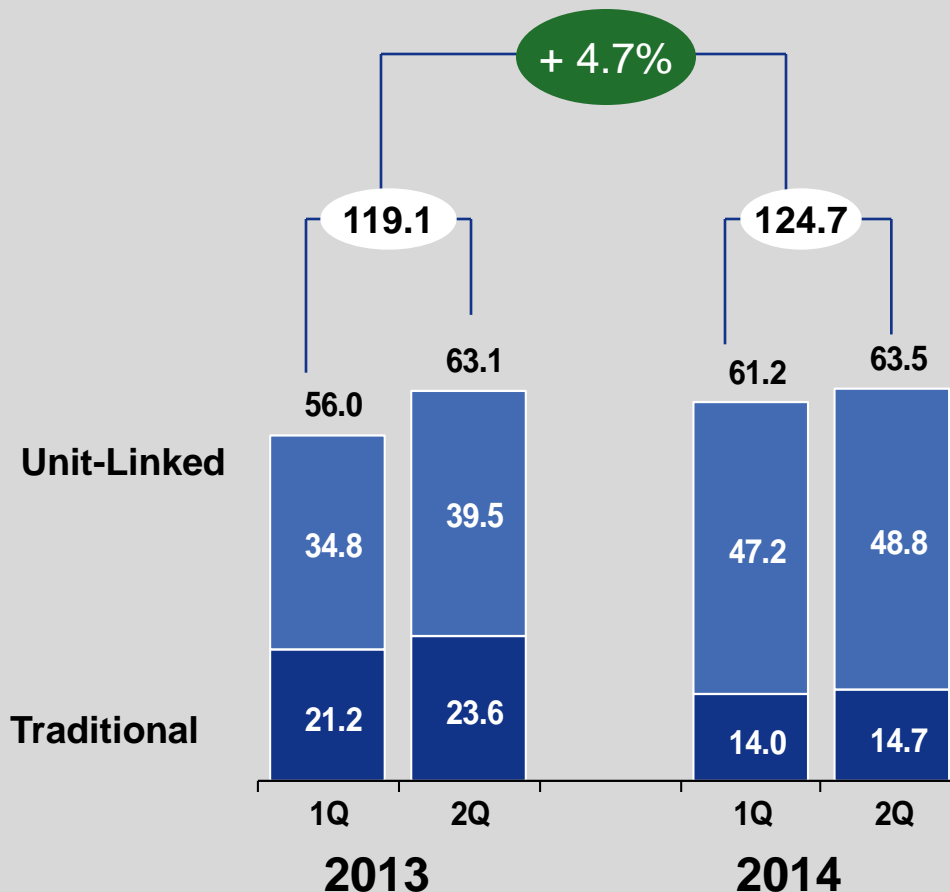


ANP Channel Mix



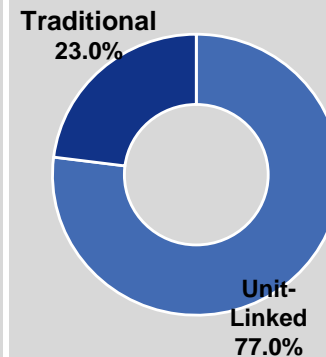
Life Business: Growth in investment-linked products cushioned lower sales from traditional products

Agency Annualised New Premium (RM 'mil)

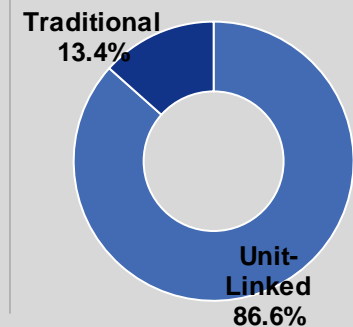


Agency Product Mix

By ANP



By Policy Count



6M 2014

Agency ANP Growth

Unit Linked

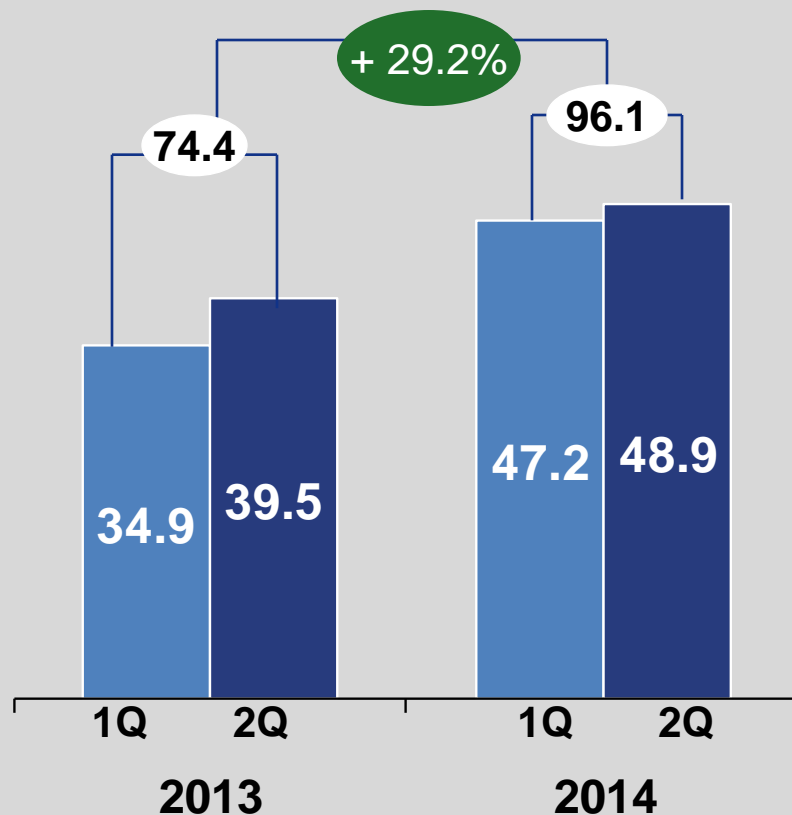
29.2%

Traditional

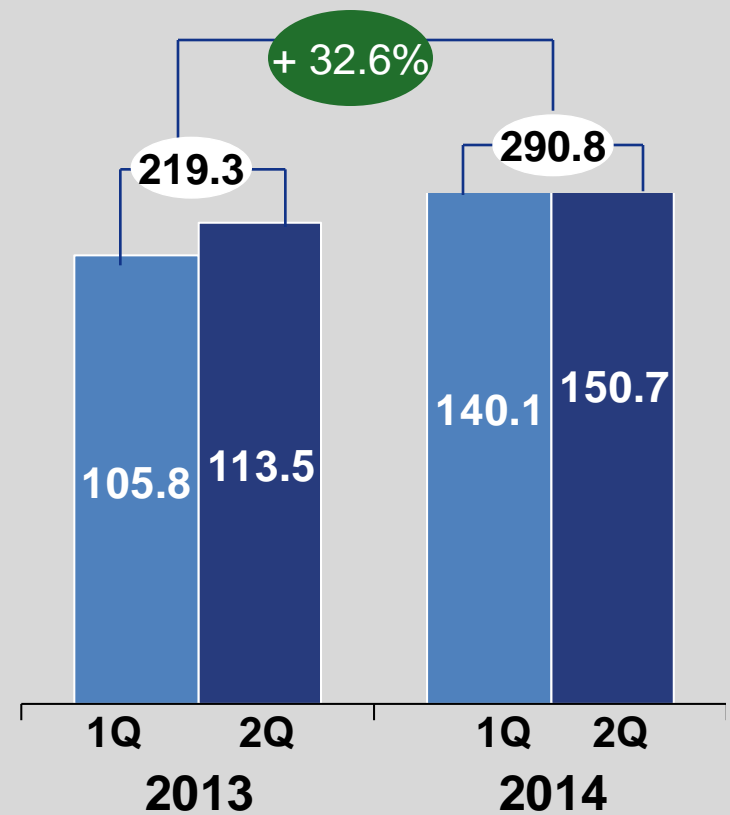
-35.9%

Life Business: Investment-linked sales continue to grow.

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

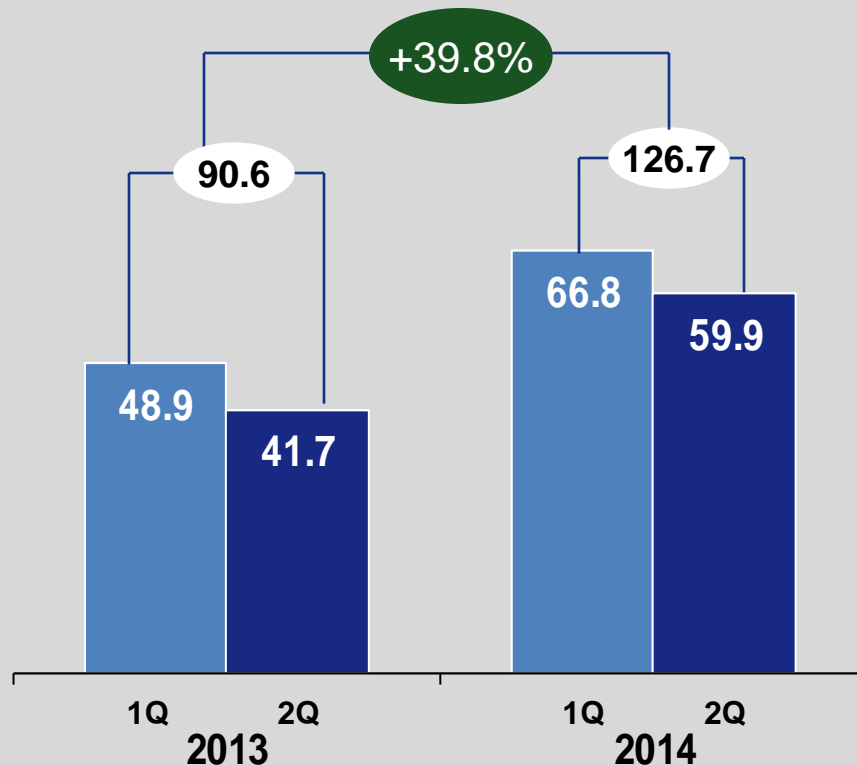


**Gross Written Premium (“GWP”)
(RM ‘mil)**



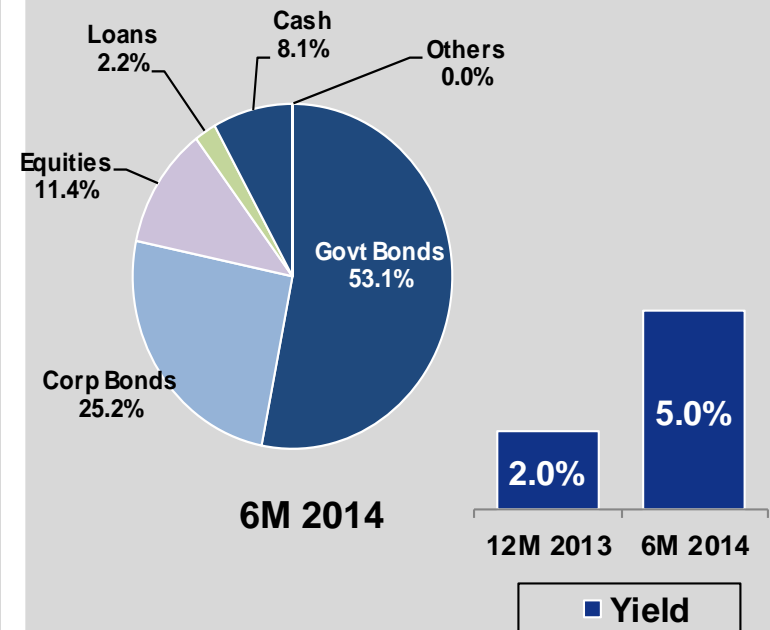
Life Business: Higher investment results from higher investment income and realised gains

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	6M 2013	6M 2014	△14/13 %
Gross written premium	709.1	903.0	27.3%
Premiums ceded to reinsurers	(48.4)	(60.1)	(24.2%)
Net earned premium	660.7	842.9	27.6%
Net change in benefits and claim paid	(167.7)	(201.2)	(20.0%)
Net change in contract liabilities	(387.2)	(547.6)	(41.4%)
Management expenses	(64.3)	(76.1)	(18.4%)
Fee and commission expenses	(139.2)	(154.9)	(11.3%)
Fair value (losses)/gains	(0.6)	21.6	>100.0%
Net investment results	133.8	154.1	15.2%
Net operating expenditure	(6.2)	(3.7)	40.3%
Surplus before tax (after consolidation adjustment)	29.3	35.1	19.8%
Annualised New Business Premium	138.7	159.7	15.1%
Expense Ratio	10.6%	11.1%	(0.5 pts)
Local Investment Yield (LF+ SHF)	4.5%	5.0%	0.5 pts
Lapse Ratio (total company)	7.1%	8.4%	(1.3 pts)
Persistency (13th month by premium)	84.5%	83.2%	(1.3 pts)

Thank You
for Your Attention

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These assessments are, as always, subject to the disclaimer provided below.

Cautionary Note Regarding Forward-Looking Statements

The statements contained herein may include statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by reason of context, the words "may", "will", "should", "expects", "plans", "intends", "anticipates", "believes", "estimates", "predicts", "potential", or "continue" and similar expressions identify forward-looking statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) general economic conditions, including in particular economic conditions in the Allianz Group's core business and core markets, (ii) performance of financial markets, including emerging markets, and including market volatility, liquidity and credit events (iii) the frequency and severity of insured loss events, including from natural catastrophes and including the development of loss expenses, (iv) mortality and morbidity levels and trends, (v) persistency

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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