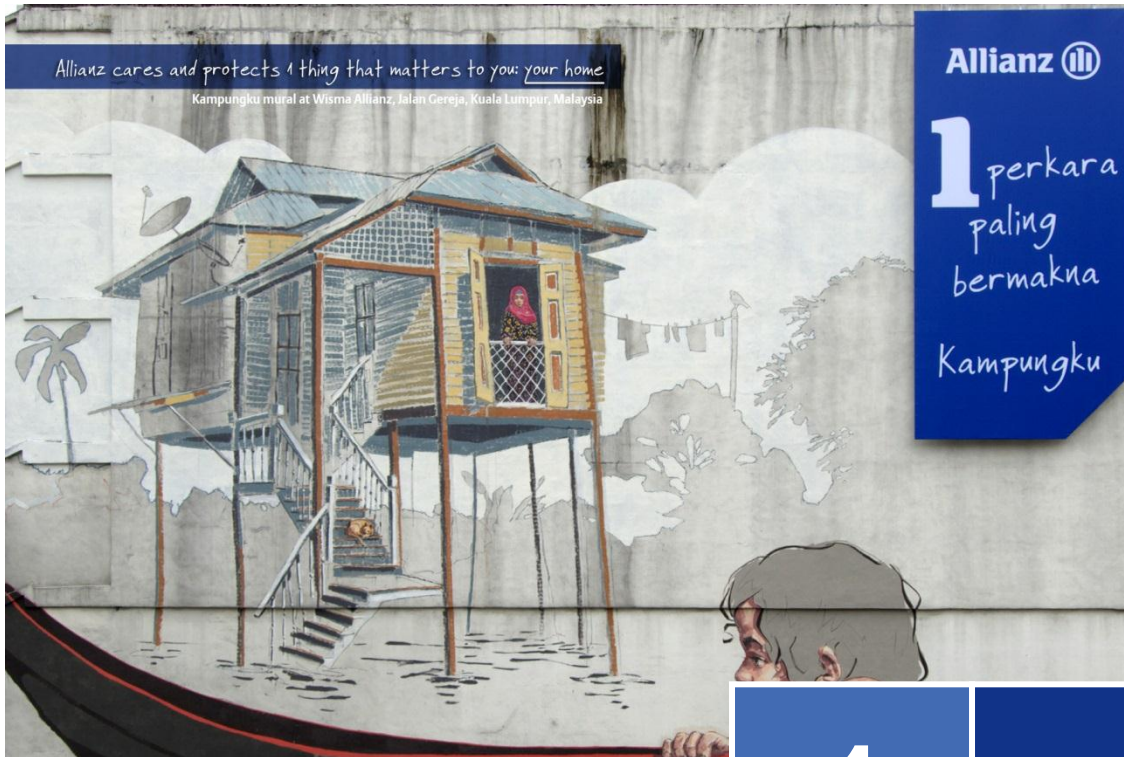


Allianz Malaysia Berhad
(12428-W)

Financial Results 3Q 2014

Analyst Briefing
24 November 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.

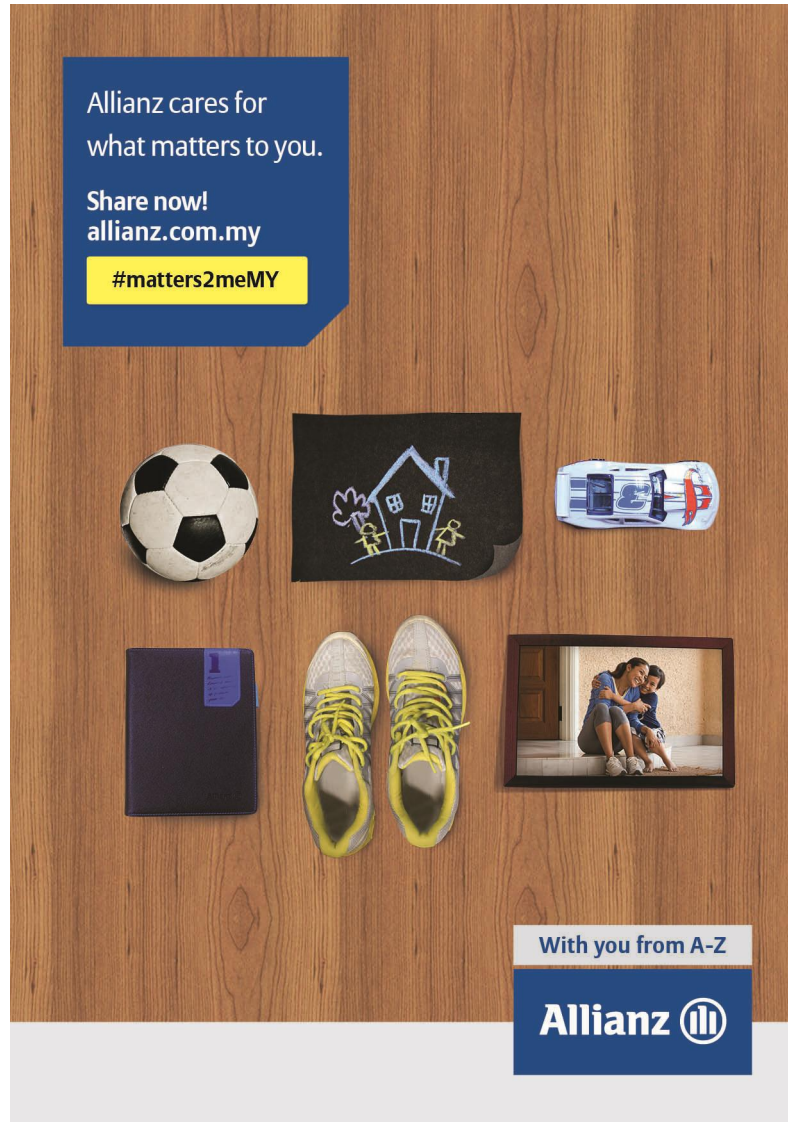
#LETSGETPERSONAL2014 #ALLIANZMALAYSIA

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 arranged on it: a soccer ball, a black t-shirt with a white house and family drawing, a white toy car, a dark blue folder, a pair of yellow sneakers, and a framed photo of a family. The text is in a clean, sans-serif font, and the Allianz logo is prominently displayed at the bottom right.

Allianz cares for
what matters to you.

Share now!
allianz.com.my

#matters2meMY



2

AMB Group Results

With you from A-Z

Allianz 

Double digit growth



Operating revenue

- Group operating revenue of RM3.15 billion, an increase of 16.0% compared to corresponding period of RM2.72 billion due mainly to higher gross earned premiums and investment income by RM391.9 million and RM41.6 million respectively.
- General business recorded an operating revenue of RM1.63 billion, an increase of 13.2% compared to corresponding period of RM1.44 billion.
- Life business recorded an operating revenue of RM1.52 billion, an increase of 19.7% compared to corresponding period of RM1.27 billion.

Profit before tax (“PBT”)

- Group consolidated profit before tax of RM323.5 million increased by 19.5% compared to corresponding period last year of RM270.6 million.
- General business contributed a profit before tax of RM247.8 million due mainly to better underwriting results.
- The life insurance operations recorded a higher profit before tax of RM74.1 million due mainly to favorable claims ratio from investment-linked business.

Earnings per share

- Earnings per share (before dilution) at 136.10 sen (2013 9m : 119.41 sen).
- Earnings per share (after dilution) at 54.46 sen (2013 9m: 49.64 sen).

Financial Overview

RM'mil	12M 2011 ²	12M 2012	12M 2013	9M 2013	9M 2014
Gross Written Premiums	2,606.8	2,983.5	3,578.5	2,665.1	3,018.5
Management Expenses	270.5	338.4	400.0	293.2	331.3
Expense Ratio (Non Life)	17.0%	19.7%	17.9%	18.4%	17.6%
Expense Ratio (Life) ¹	8.4%	9.3%	10.6%	10.3%	10.9%
Local Consolidated PBT	248.8	297.8	339.2	270.6	323.5
Total Assets	7,932.8	9,190.5	10,758.8	10,309.1	12,098.1
Shareholders' Equity	1,638.0	1,840.8	2,024.2	1,989.8	2,246.9
Basic earnings per share (sen)	106.09	132.21	149.24	119.41	136.10
Diluted earnings per share (sen)	43.74	54.41	58.94	49.64	54.46

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	9M 2013	9M 2014	△14/13 %
Operating revenue	2,717.5	3,151.1	16.0%
Gross earned premiums	2,483.9	2,875.8	15.8%
Premiums ceded to reinsurers	(444.1)	(464.0)	(4.5%)
Net earned premiums	2,039.8	2,411.8	18.2%
Net change in benefits and claim paid	(756.5)	(934.1)	(23.5%)
Net change in contract liabilities	(643.8)	(836.5)	(29.9%)
Management expenses	(293.2)	(331.3)	(13.0%)
Net fee and commission expenses	(313.3)	(349.5)	(11.6%)
Fair value (losses)/gains	(45.7)	41.1	>100.0%
Net investment results	292.4	327.0	11.8%
Net operating expenditure	(9.1)	(5.0)	45.1%
Profit before tax	270.6	323.5	19.5%
Taxation	(80.6)	(98.7)	(22.5%)
Profit after tax	190.0	224.8	18.3%
Earnings per share before dilution (sen)	119.41	136.10	14.0%

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 9M Ended								
Operating revenue	8.3	9.1	1,443.9	1,626.0	1,265.3	1,516.0	2,717.5	3,151.1
Gross written premiums	-	-	1,546.3	1,676.6	1,118.8	1,341.9	2,665.1	3,018.5
Segment (loss)/profit	(1.1)	1.6	209.4	247.8	62.3	74.1	270.6	323.5
Segment assets	406.6	407.1	4,696.3	5,363.1	5,206.2	6,327.9	10,309.1	12,098.1
Segment liabilities	64.7	64.4	3,366.5	3,822.3	4,888.0	5,964.5	8,319.2	9,851.2

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

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3

General Business

General Business



Gross Written Premiums

- Stable growth of 8.4%.

Investment results

- Higher investment income driven mainly by bigger asset size.

Profit before tax

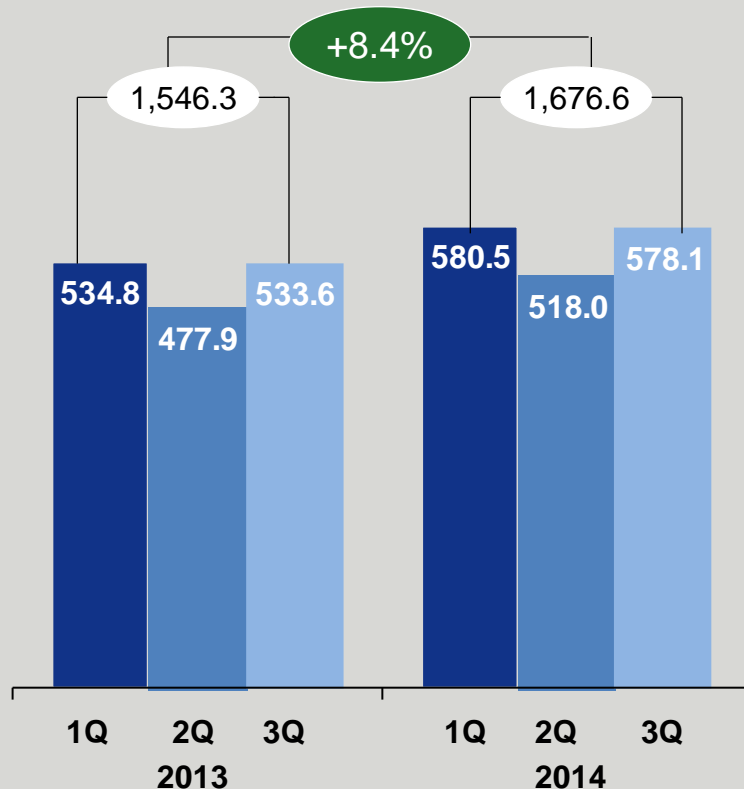
- Higher profit attributable to better underwriting results and higher investment income.

Combined ratio

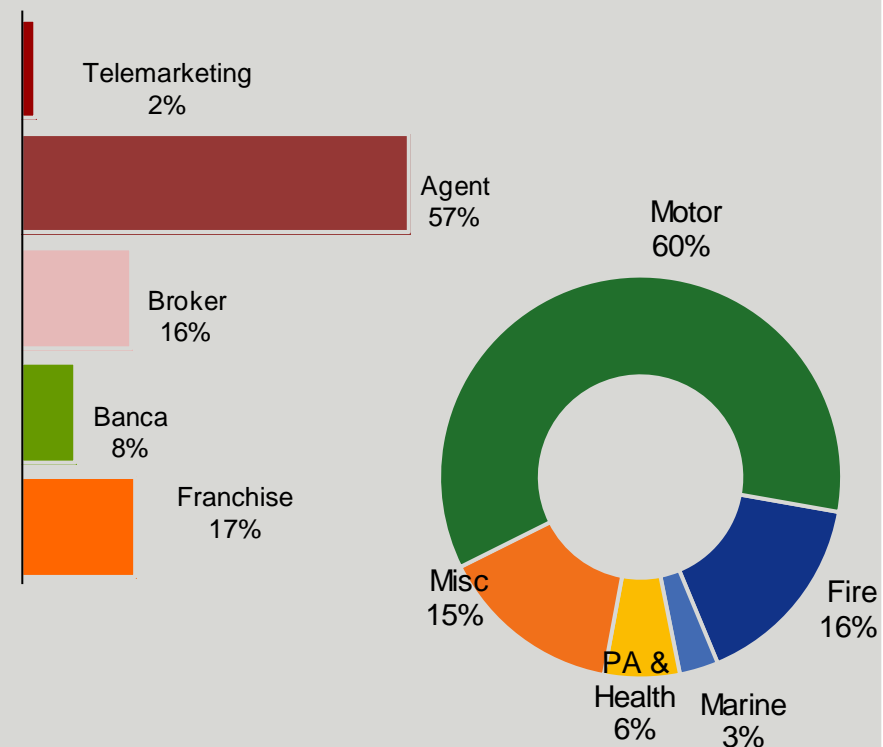
- Combined ratio of below 90%.

General business: Stable growth of 8.4% in GWP

Gross Written Premiums (RM 'mil)

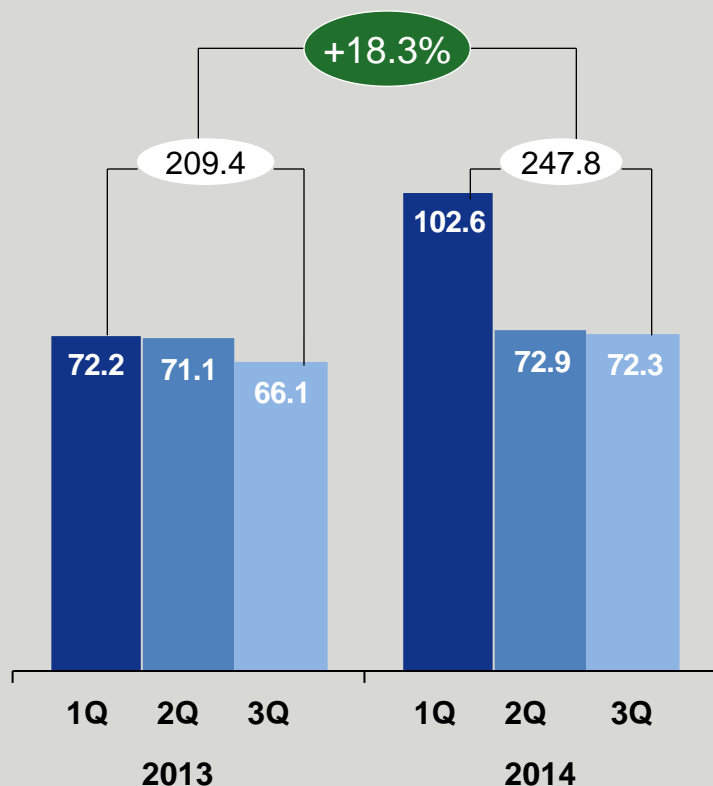


Distribution Channel & Portfolio Mix

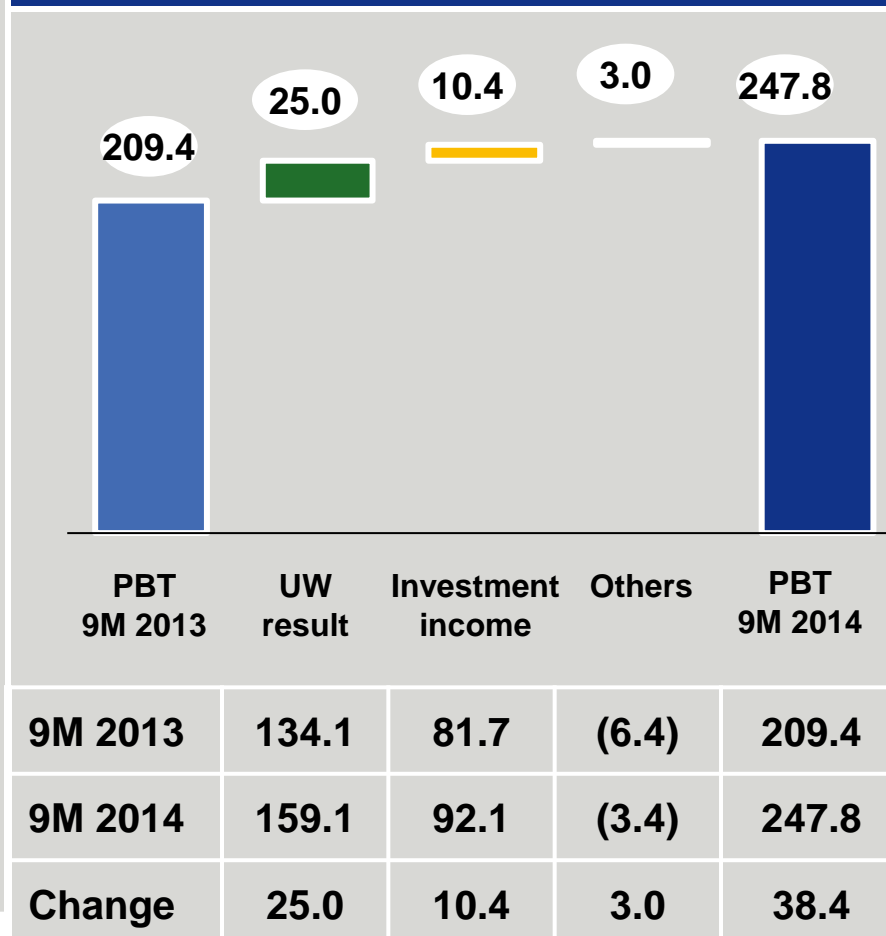


General business: Higher profit attributed to better underwriting results and higher investment income

Profit Before Tax (RM 'mil)

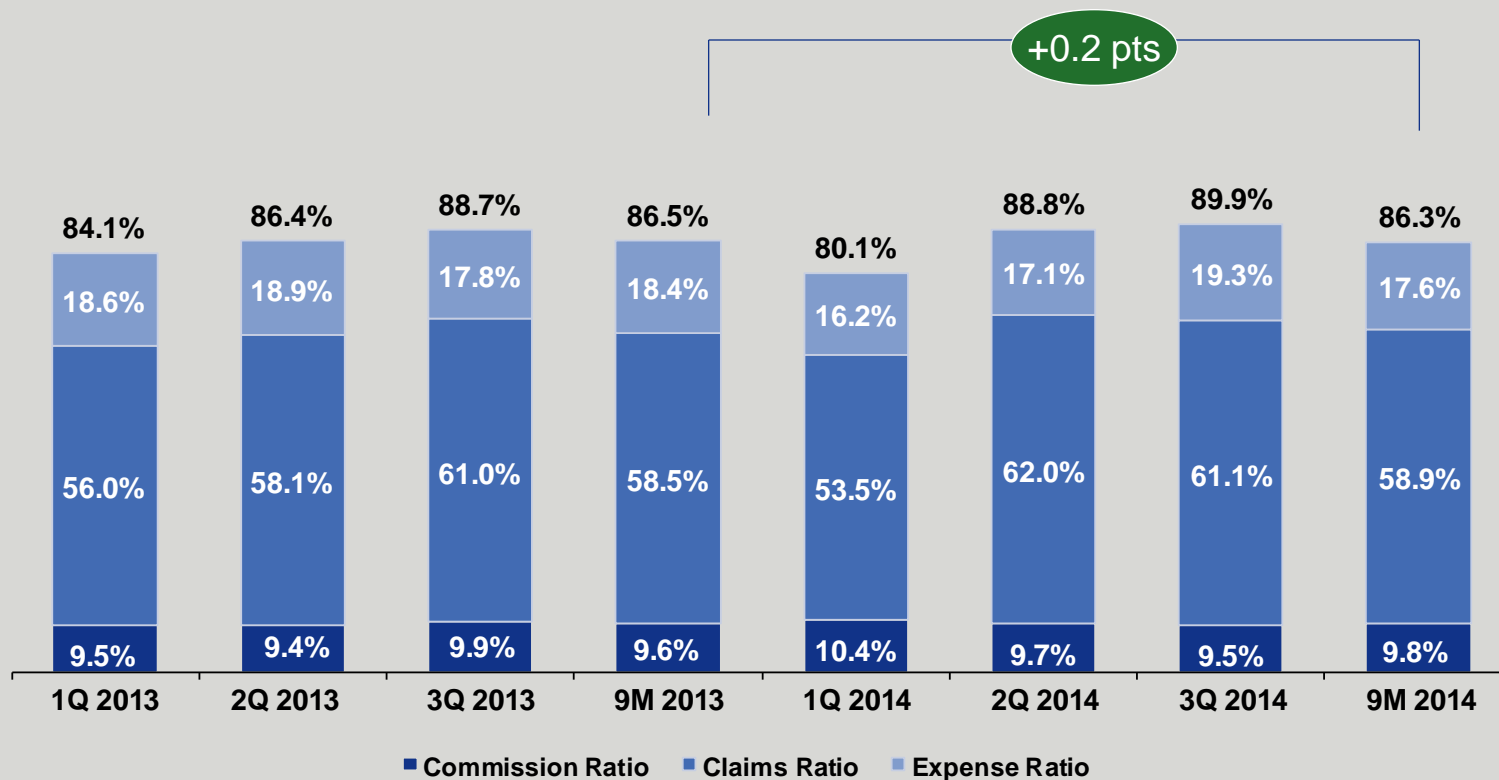


PBT Drivers (RM 'mil)



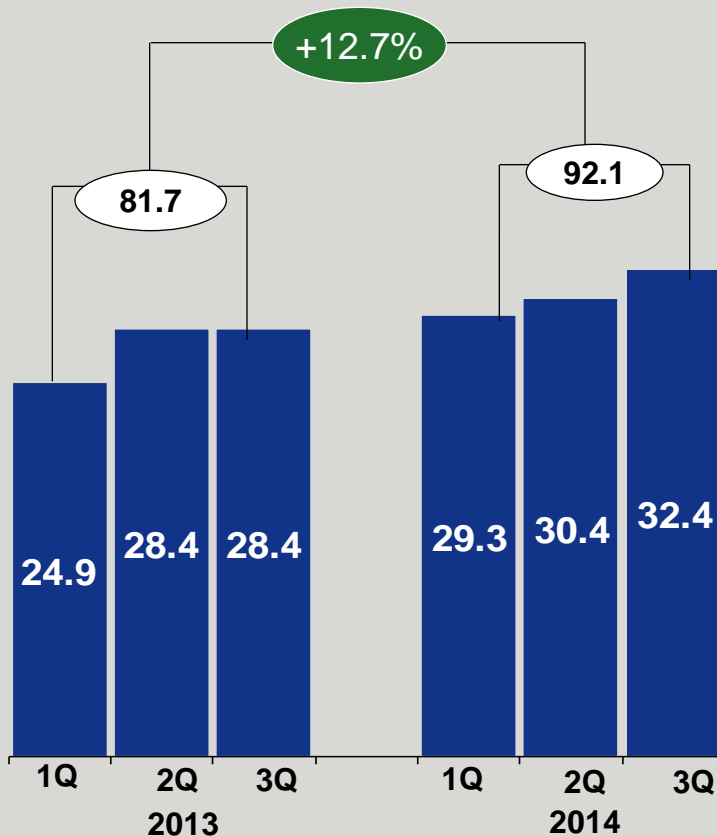
General business: Better combined ratio attributed to lower expense ratio

Combined Ratio

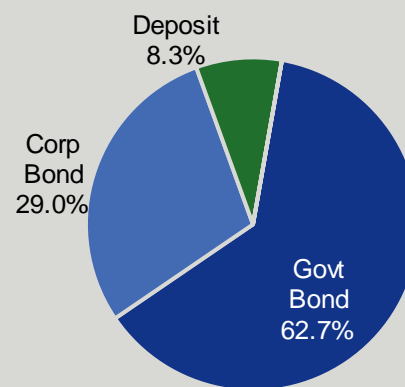


General Business: Higher investment income from bigger asset size

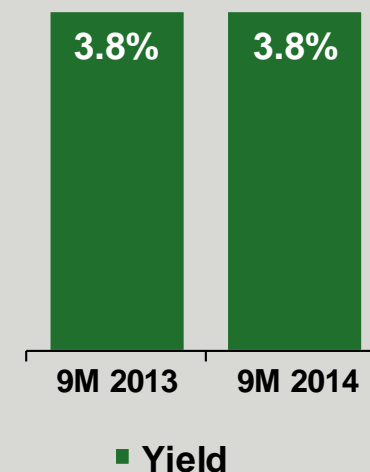
Net Investment Results (RM 'mil)



Portfolio Mix and Investment Yield (Annualised)



As at 30 September 2014



General Business: Unaudited financial results at a glance

RM'mil	9M 2013	9M 2014	△14/13 %
Gross written premiums	1,546.3	1,676.6	8.4%
Gross earned premiums	1,365.0	1,534.0	12.4%
Net earned premiums	994.4	1,160.9	16.7%
Net change in claims paid	(470.8)	(575.3)	(22.2%)
Net change in contract liabilities	(110.5)	(108.4)	1.9%
Management expenses	(183.1)	(204.1)	(11.4%)
Fee and commission expenses	(95.9)	(114.0)	(18.9%)
Underwriting result	134.1	159.1	18.6%
Net investment results	81.7	92.1	12.7%
Net operating expenses	(6.4)	(3.4)	46.9%
Profit before tax (after consolidation adjustment)	209.4	247.8	18.3%
Commission Ratio	9.6%	9.8%	0.2 pts
Claims Ratio	58.5%	58.9%	0.4 pts
Expense Ratio	18.4%	17.6%	(0.8 pts)
Combined Ratio	86.5%	86.3%	(0.2 pts)

Allianz Retire Plus

4

Life Business



Life Business



Gross Written Premiums

- Strong gross written premium growth of 19.9%.

Distribution

- Build multi distribution capabilities with focus on expanding agency and bancassurance channels.
- Enlarged agency force (7,088 agents in Sep 2014 vs 6,532 agents in Sep 2013).

Product Mix

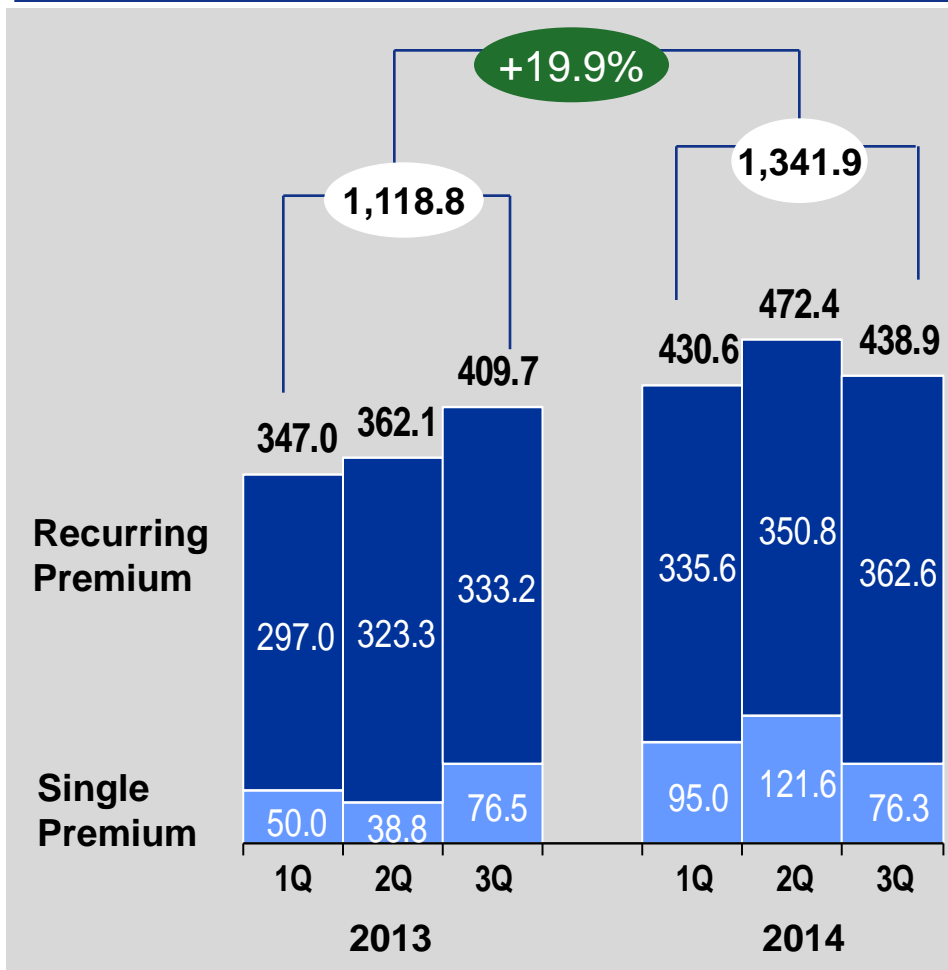
- Focus on profitable products. Investment-linked ANP and GWP grew by 26.2% and 30.4% respectively.

Investment results

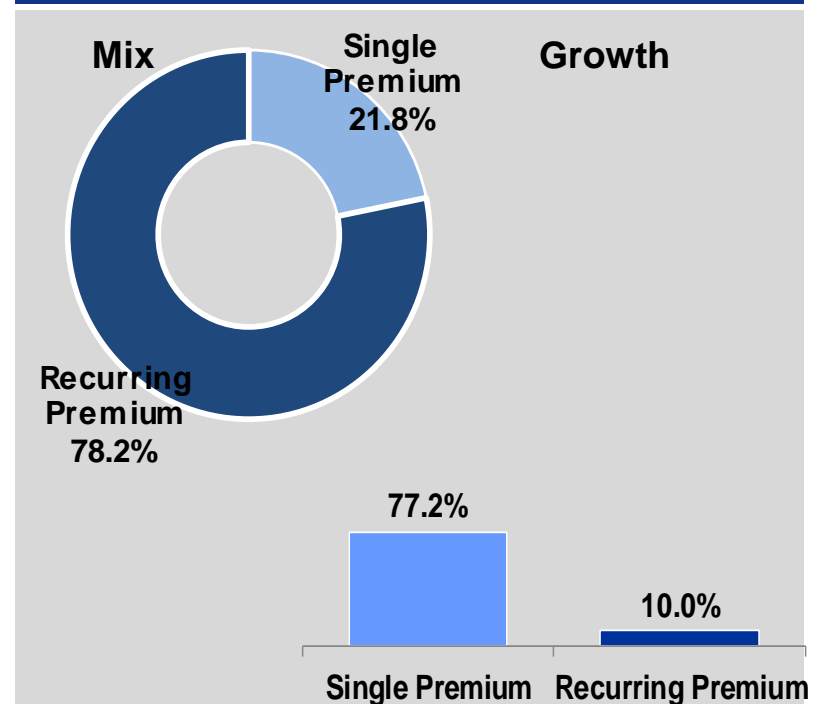
- Higher net investment results due to higher investment income and fair value net gains.

Life Business: Revenue growth due to higher renewal premium and single premiums

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

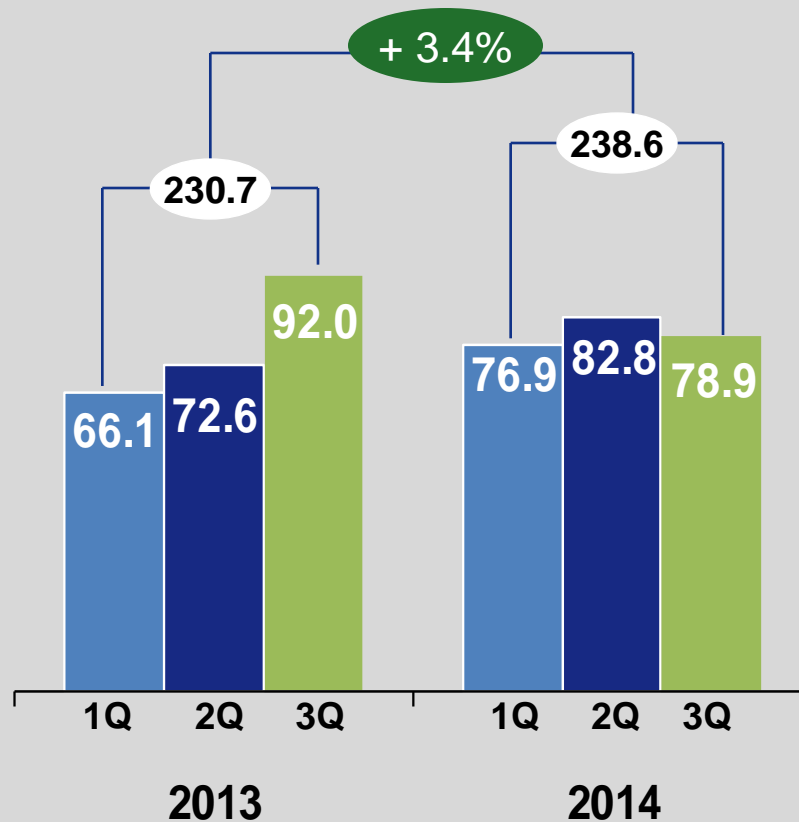


GWP Mix & Growth (%) (9M 2014)

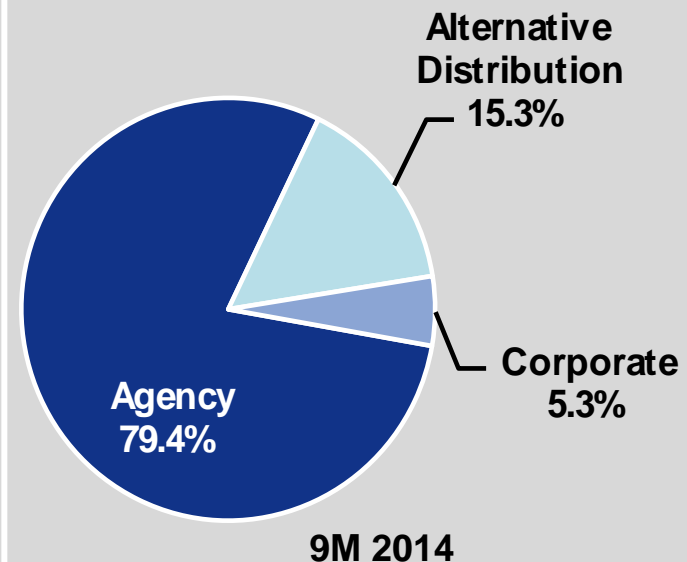


Life Business: Lower new business growth due to softening of traditional business

Annualised New Premiums (“ANP”) (RM’mil)

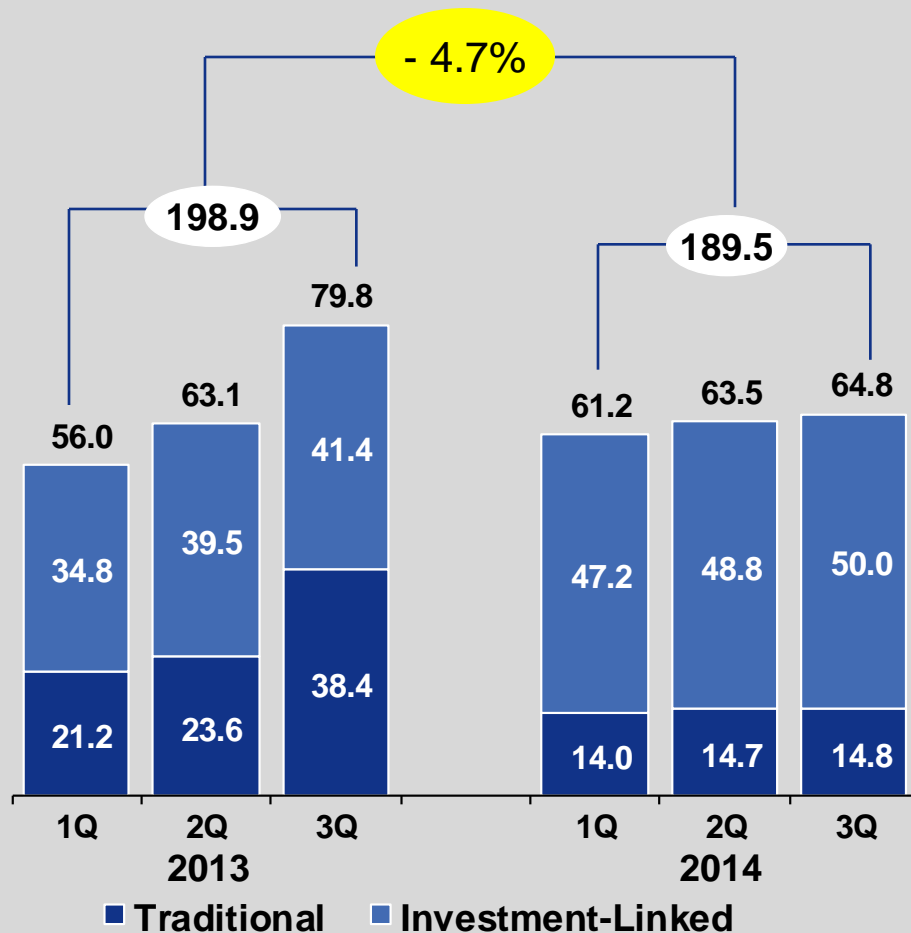


ANP Channel Mix



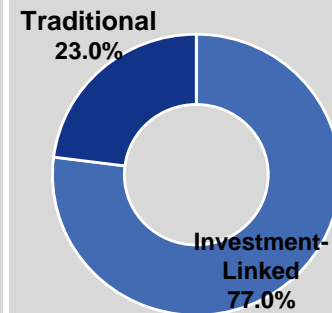
Life Business: New business affected by dampened sales in traditional business

Agency Annualised New Premium (RM 'mil)

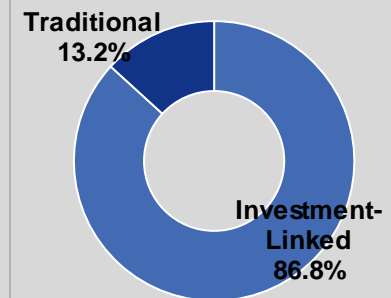


Agency Product Mix

By ANP



By Policy Count



9M 2014

Agency ANP Growth

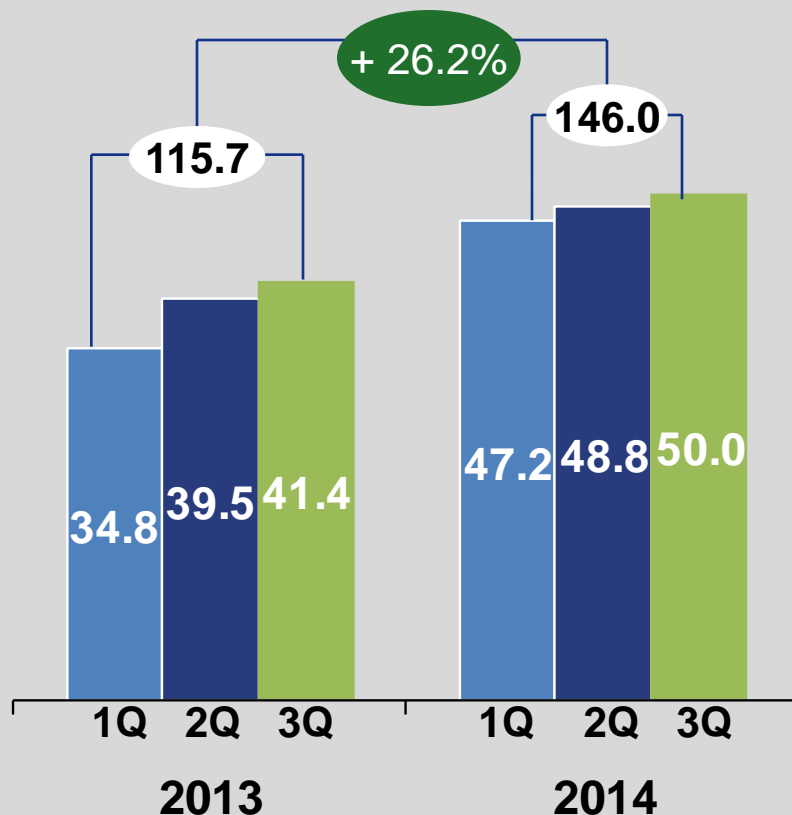
Investment-Linked
Traditional

-47.7%

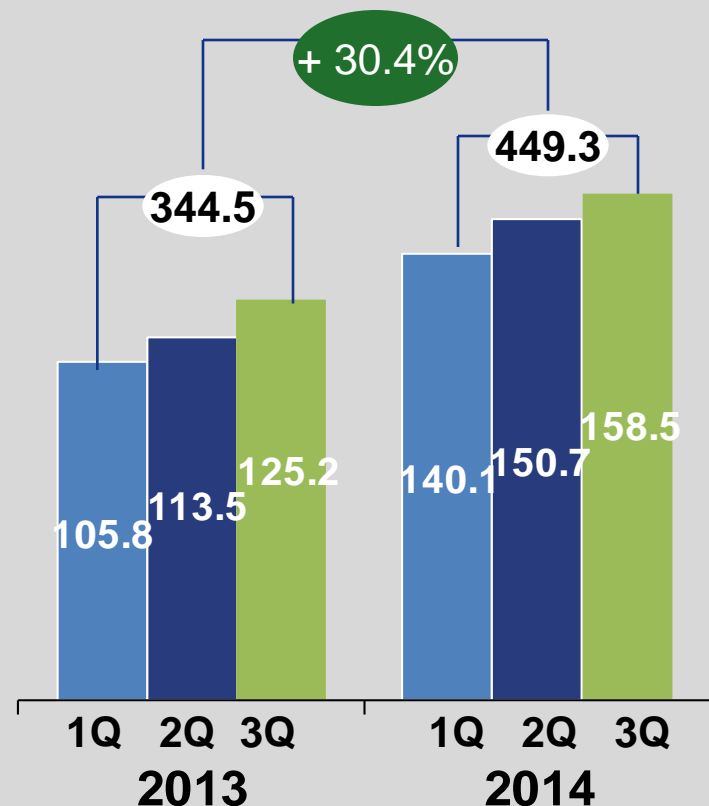
26.2%

Life Business: Investment-linked business continue to perform well

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

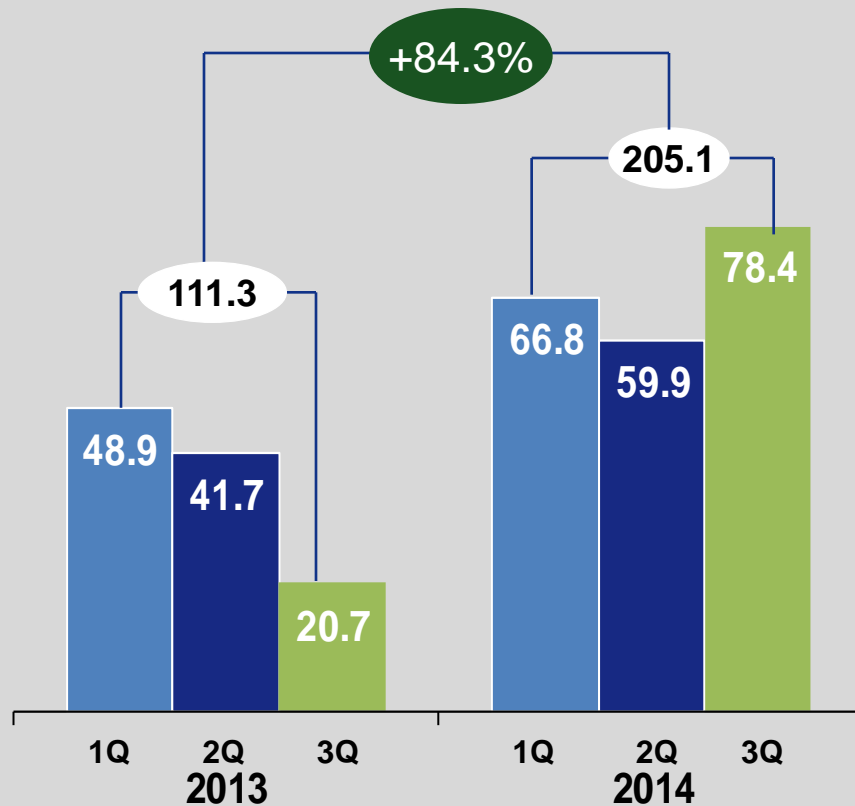


**Gross Written Premiums (“GWP”)
(RM ‘mil)**



Life Business: Higher investment results from higher investment income and fair value gains

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

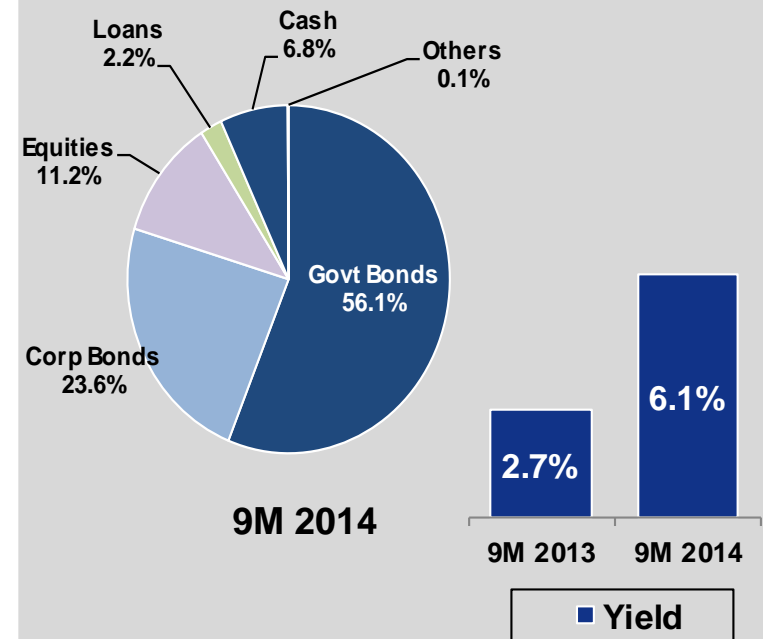


Note: Net investment results include Fair Value Gains/(Losses), Investment Income and Realised Gains/(Losses).

LF = Life Fund

SHF = Shareholders' Fund

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	9M 2013	9M 2014	△14/13 %
Gross written premiums	1,118.8	1,341.9	19.9%
Premiums ceded to reinsurers	(73.6)	(90.9)	(23.5%)
Net earned premiums	1,045.2	1,251.0	19.7%
Net change in benefits and claims paid	(285.6)	(358.8)	(25.6%)
Net change in contract liabilities	(533.3)	(728.1)	(36.5%)
Management expenses	(96.4)	(113.9)	(18.2%)
Fee and commission expenses	(217.6)	(235.5)	(8.2%)
Fair value (losses)/gains	(45.7)	41.1	>100.0%
Net investment results	202.4	225.5	11.4%
Net operating expenditure	(6.7)	(7.2)	(7.5%)
Surplus before tax (after consolidation adjustment)	62.3	74.1	18.9%
Annualised New Business Premium	230.7	238.6	3.4%
Expense Ratio	10.3%	10.9%	(0.6 pts)
Local Investment Yield (LF+ SHF)	2.7%	6.1%	3.4 pts
Lapse Ratio (total company)	6.6%	8.7%	(2.1 pts)
Persistency (13th month by premium)	82.9%	82.0%	(0.9 pts)

Thank You
for Your Attention

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

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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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