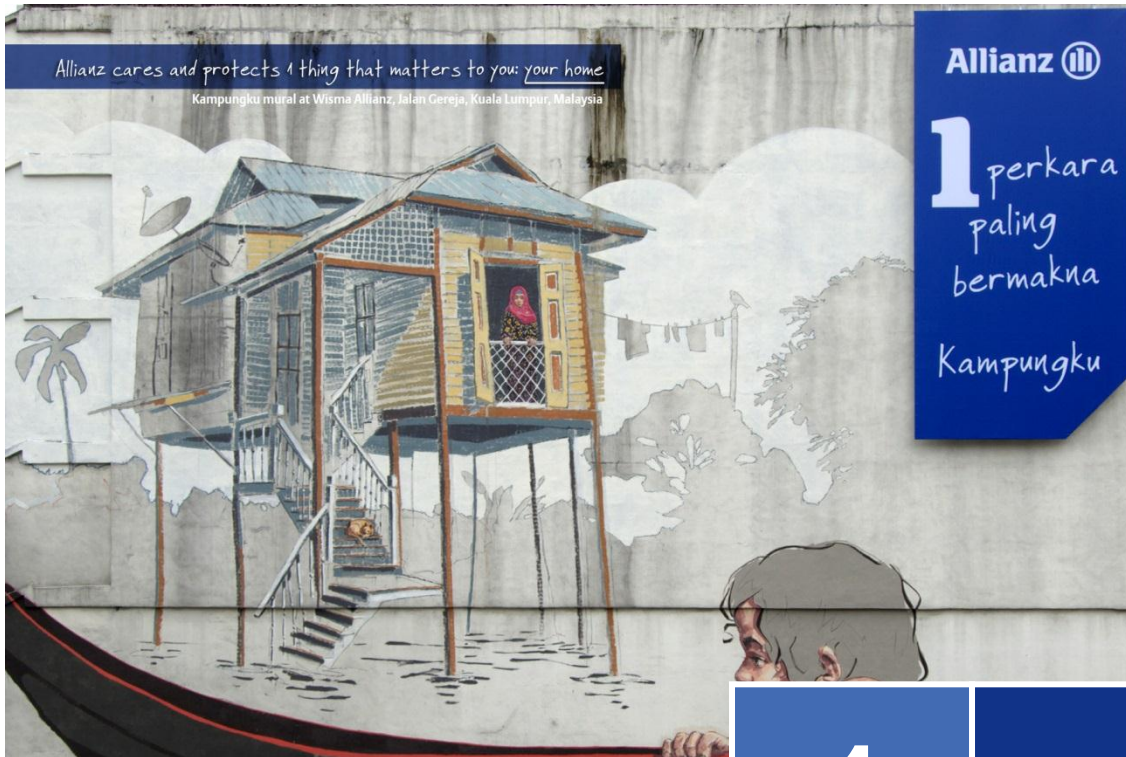


Allianz Malaysia Berhad  
(12428-W)

Financial Results  
4Q 2014

Analyst Briefing  
2 March 2015



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

Scan this code [www.allianz.com.my](http://www.allianz.com.my)

**1 personal brand to represent me!**

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

#LETSGETPERSONAL2014 #ALLIANZMALAYSIA

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



The advertisement features a wooden floor background with several items: a soccer ball, a black mat with a white house and figures drawing, a white toy car, a dark blue folder, a pair of white sneakers with yellow laces, and a framed photo of a woman hugging a child. A blue callout box in the top left contains text and a yellow hashtag button. A white box with the Allianz logo is in the bottom right.

Allianz cares for  
what matters to you.

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

#matters2meMY



2

AMB Group Results

With you from A-Z

Allianz 

## Strong Performance in 2014



### Operating revenue

- Group operating revenue of RM4.38 billion, an increase of 19.9% compared to corresponding period of RM3.65 billion due mainly to higher gross earned premiums and investment income by RM670.5 million and RM56.3 million respectively.
- General business recorded an operating revenue of RM2.29 billion, an increase of 24.7% compared to preceding year of RM1.84 billion.
- Life business recorded an operating revenue of RM2.07 billion, an increase of 15.0% compared to preceding year of RM1.80 billion.

### Profit before tax (“PBT”)

- Group consolidated profit before tax of RM423.5 million increased by 24.9% compared to corresponding period last year of RM339.2 million.
- General business contributed a profit before tax of RM319.4 million due mainly to better underwriting results.
- The life insurance operations recorded a higher profit before tax of RM105.9 million due mainly to better profit from the investment-linked protection business.

### Earnings per share

- Earnings per share (before dilution) at 178.49 sen (2013 : 149.24 sen).
- Earnings per share (after dilution) at 71.58 sen (2013: 58.94 sen).



## Financial Overview

RM'mil	2011 <sup>2</sup>	2012	2013	2014
Gross Written Premiums	2,606.8	2,983.5	3,578.5	3,968.1
Management Expenses	270.5	338.4	400.0	436.0
Expense Ratio (Non Life)	17.0%	19.7%	17.9%	17.3%
Expense Ratio (Life) <sup>1</sup>	8.4%	9.3%	10.6%	10.3%
Local Consolidated PBT	248.8	297.8	339.2	423.5
Total Assets	7,932.8	9,190.5	10,758.8	12,166.7
Shareholders' Equity	1,638.0	1,840.8	2,024.2	2,289.8
Basic earnings per share (sen)	106.09	132.21	149.24	178.49
Diluted earnings per share (sen)	43.74	54.41	58.94	71.58

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 Audited Financial Results

RM'mil	12M 2013	12M 2014	△14/13 %
<b>Operating revenue</b>	<b>3,649.4</b>	<b>4,376.2</b>	<b>19.9%</b>
Gross earned premiums	3,330.3	4,000.8	20.1%
Premiums ceded to reinsurers	(475.8)	(746.5)	(56.9%)
<b>Net earned premiums</b>	<b>2,854.5</b>	<b>3,254.3</b>	<b>14.0%</b>
Net change in benefits and claim paid	(1,019.5)	(1,336.8)	(31.1%)
Net change in contract liabilities	(952.1)	(953.1)	(0.1%)
Management expenses	(400.0)	(436.0)	(9.0%)
Net fee and commission expenses	(441.2)	(476.1)	(7.9%)
Fair value losses	(72.9)	(15.9)	78.2%
Net investment results	383.1	398.7	4.1%
Net operating expenditure	(12.7)	(11.5)	9.4%
<b>Profit before tax</b>	<b>339.2</b>	<b>423.5</b>	<b>24.9%</b>
Taxation	(101.3)	(127.6)	(26.0%)
<b>Profit after tax</b>	<b>237.9</b>	<b>295.9</b>	<b>24.4%</b>
<b>Earnings per share before dilution (sen)</b>	<b>149.24</b>	<b>178.49</b>	<b>19.6%</b>

## Summary of Audited 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
12M								
Operating revenue	11.2	11.9	1,838.1	2,292.2	1,800.1	2,072.1	3,649.4	4,376.2
Gross written premiums	-	-	1,978.7	2,134.3	1,599.8	1,833.8	3,578.5	3,968.1
Segment (loss)/profit	(1.1)	(1.7)	258.2	319.4	82.1	105.8	339.2	423.5
Segment assets	415.1	384.2	4,819.4	5,287.0	5,524.3	6,495.5	10,758.8	12,166.7
Segment liabilities	65.7	84.4	3,467.6	3,676.4	5,201.3	6,116.1	8,734.6	9,876.9



3

General Business

## General Business



### **Gross Written Premiums**

- Stable growth of 7.9%.

### **Investment results**

- Stable growth in investment income.

### **Profit before tax**

- Higher profit mainly due to improved underwriting results.

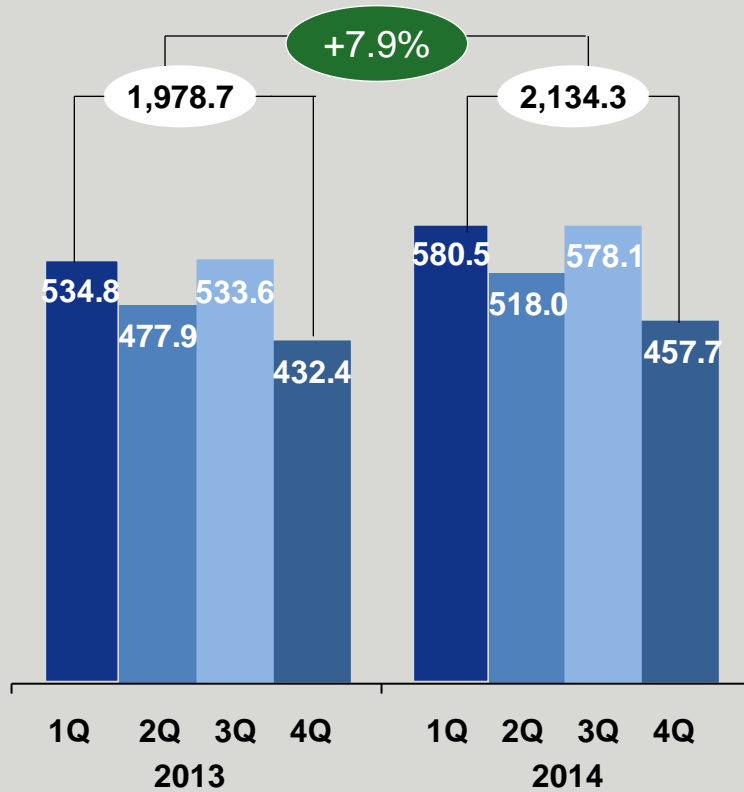
### **Combined ratio**

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

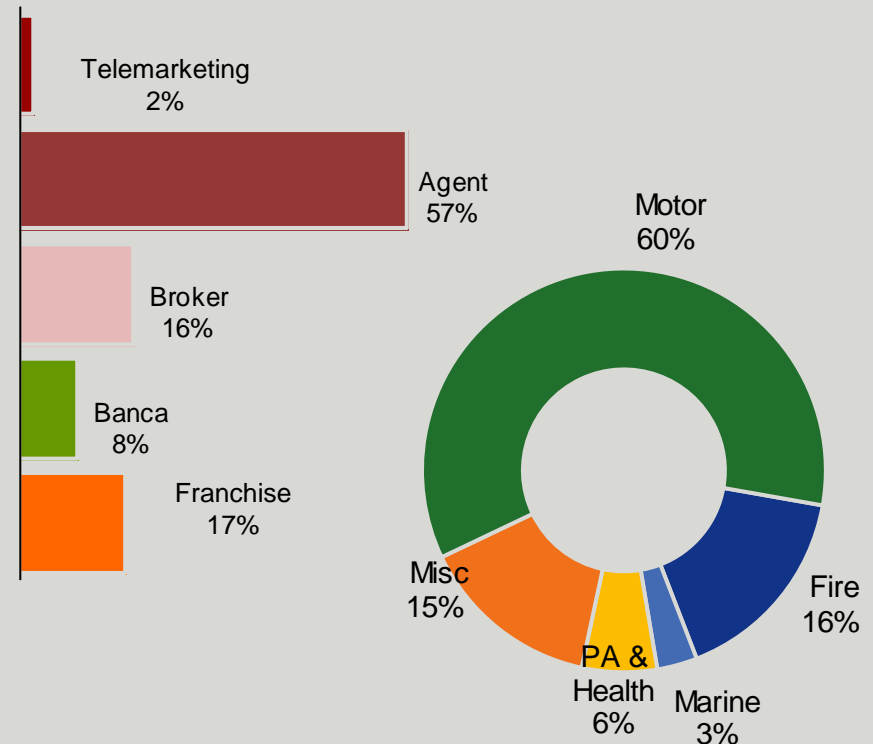


# General Business: Stable growth of 7.9% in GWP

## Gross Written Premium (RM 'mil)

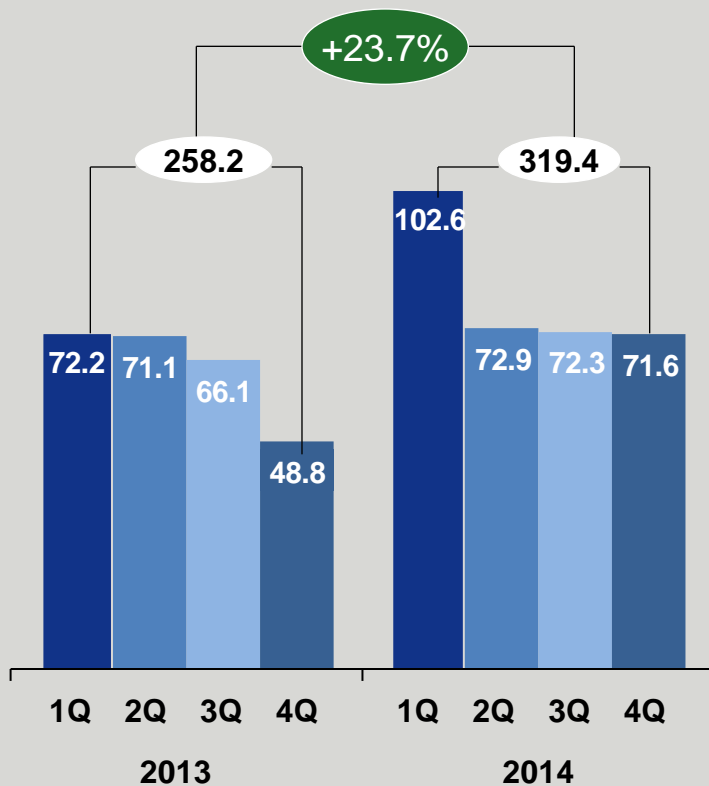


## Distribution Channel & Portfolio Mix

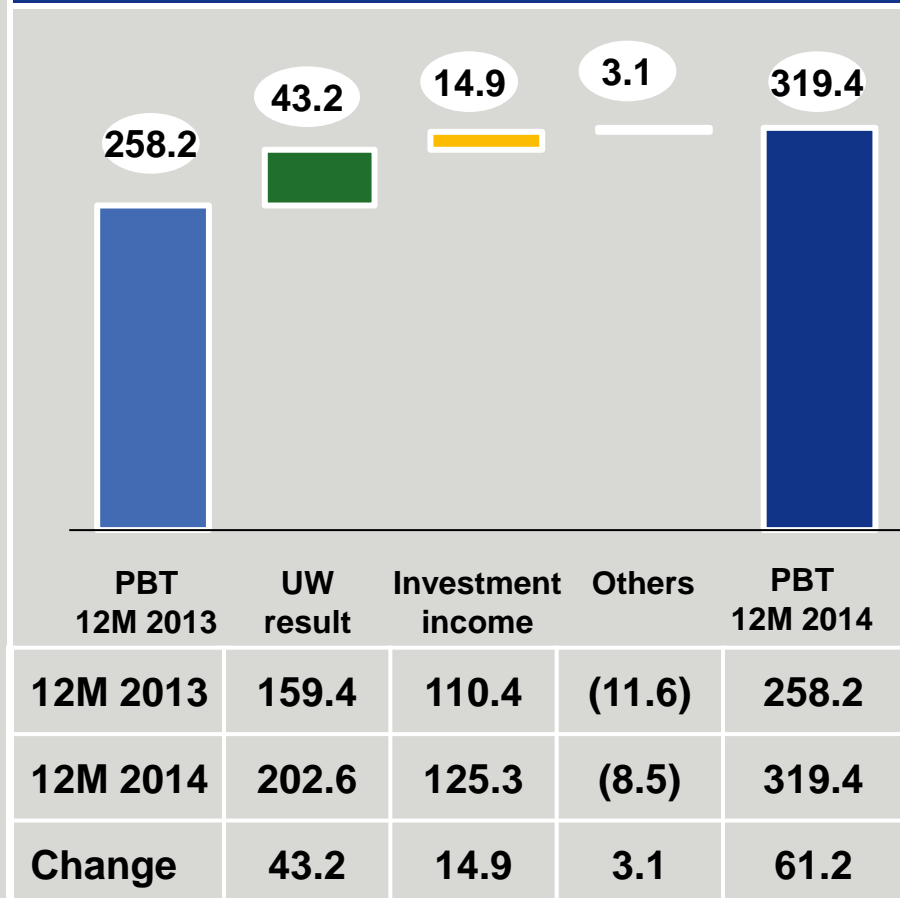


# General Business: Higher profit due to improved underwriting results

## Profit Before Tax (RM 'mil)

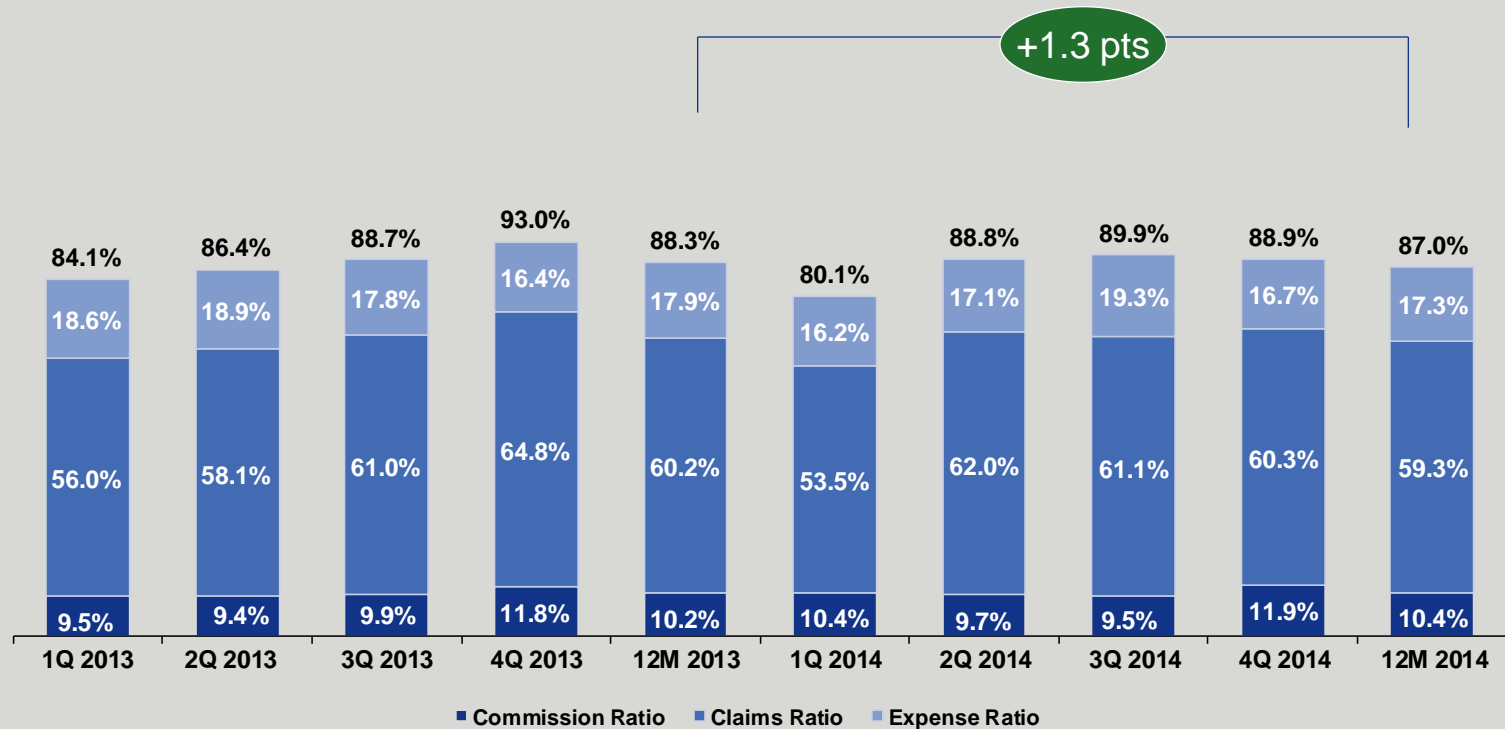


## PBT Drivers (RM 'mil)



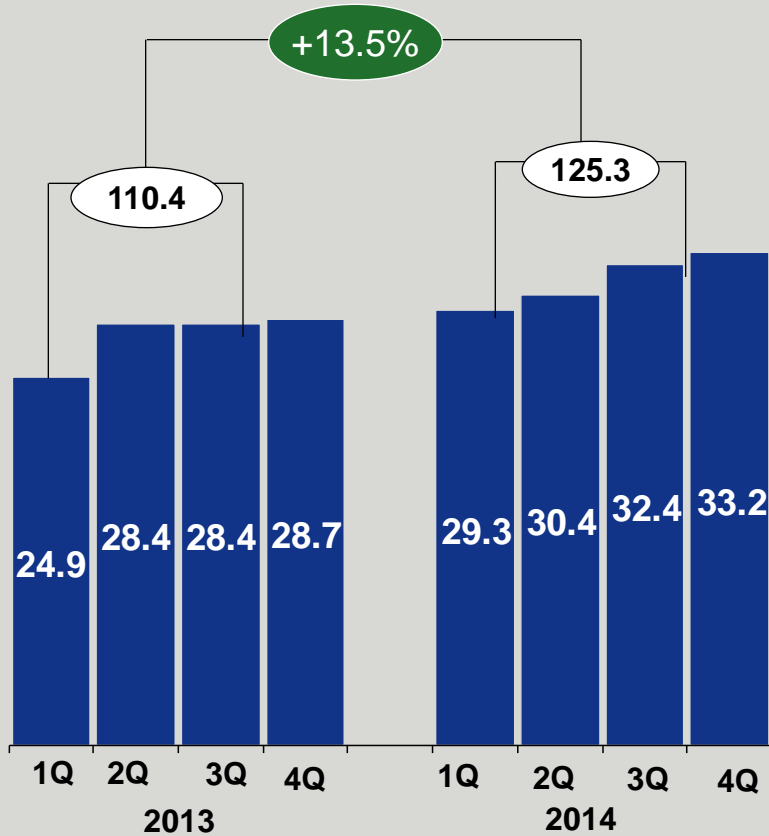
# General Business: Better combined ratio attributed to lower claims and expense ratios

## Combined Ratio

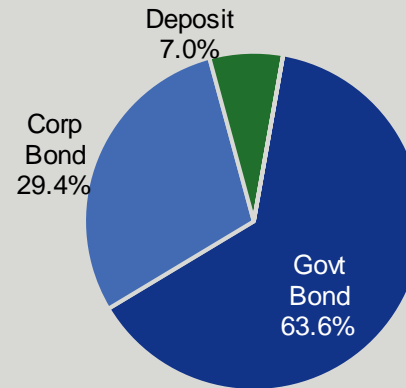


# General Business: Stable growth in investment income

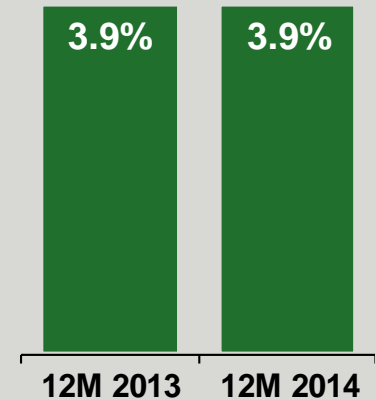
## Net Investment Results (RM 'mil)



## Portfolio Mix and Investment Yield (Annualised)



As at 31 December 2014



■ Yield



## General Business: Audited financial results at a glance

RM 'mil	12M 2013	12M 2014	% ▲ 13/14
Gross written premium	1,978.7	2,134.3	7.9%
Gross earned premium	1,730.4	2,167.0	25.2%
Net earned premium	1,355.8	1,555.7	14.7%
Net change in claims paid	(625.1)	(832.2)	-33.1%
Net change in contract liabilities	(190.5)	(89.8)	52.9%
Management expenses	(242.4)	(269.9)	-11.3%
Fee and commission expenses	(138.4)	(161.2)	-16.5%
Underwriting result	159.4	202.6	27.1%
Net investment	110.4	125.3	13.5%
Other result	(11.6)	(8.5)	26.7%
<b>Profit before tax (after consolidation adjustment)</b>	<b>258.2</b>	<b>319.4</b>	<b>23.7%</b>
Commission Ratio	10.2%	10.4%	-0.2 pts
Claims Ratio	60.2%	59.3%	0.9 pts
Expense Ratio	17.9%	17.3%	0.6 pts
Combined Ratio	88.3%	87.0%	1.3 pts

Allianz Retire Plus



4

Life Business

# Life Business



## Gross Written Premiums

- Strong gross written premium growth of 14.6%.

## Distribution

- Build multi distribution capabilities with focus on expanding agency and bancassurance channels.
- Enlarged agency force (8,720 agents in Dec 2014 vs 7,652 agents in Dec 2013).

## Product Mix

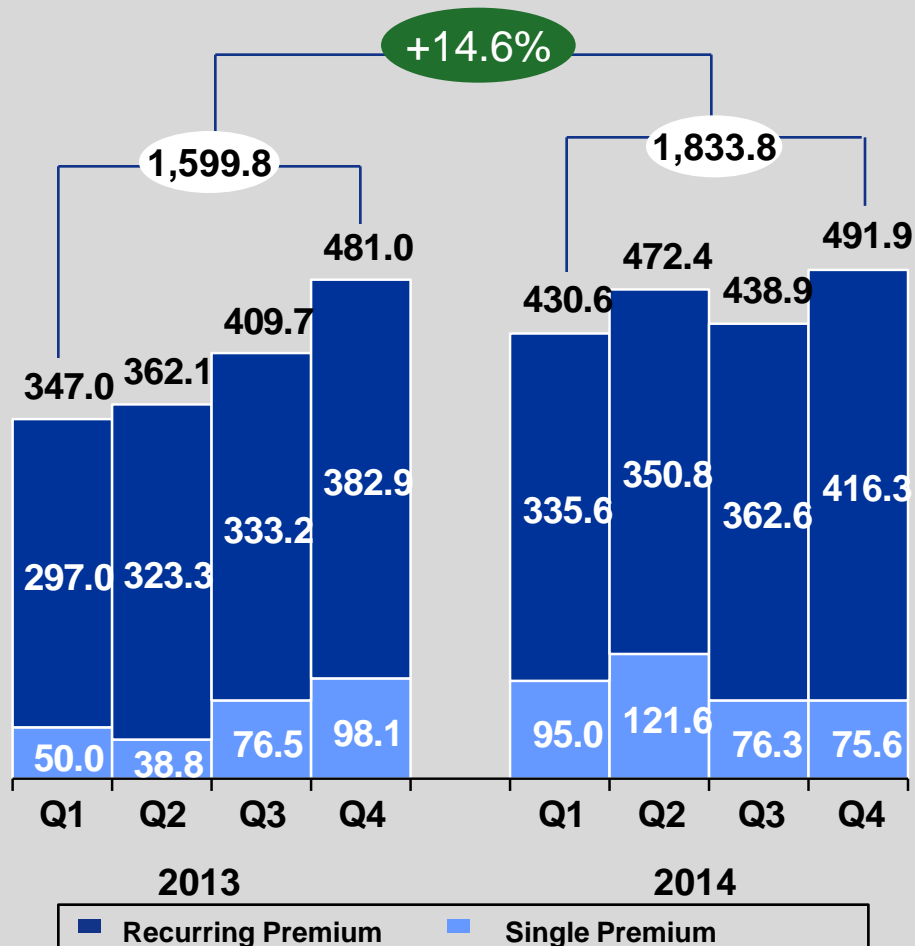
- Focus on profitable products. Investment-linked ANP and GWP grew by 18.5% and 31.2% respectively.

## Investment results

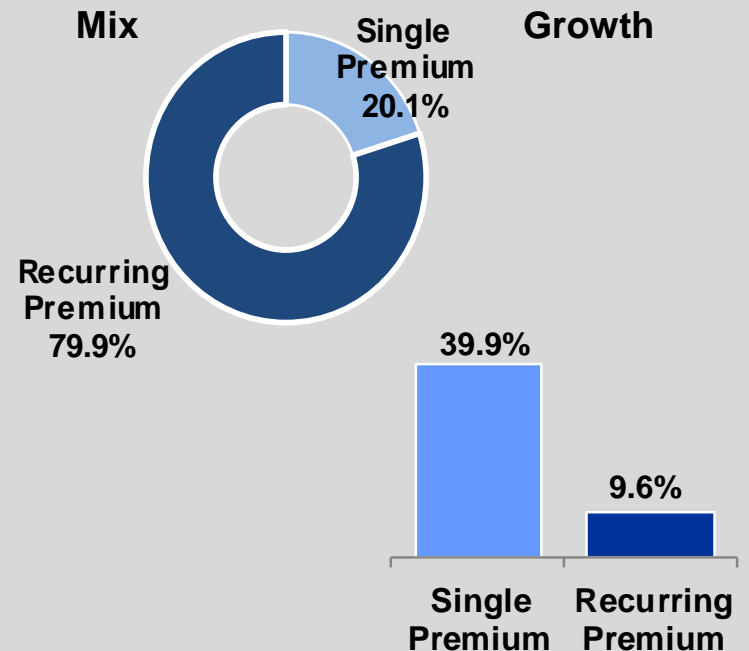
- Higher net investment results due to higher investment income and fair value net gains.

# Life Business: Strong top line growth contributed by agency and bancassurance channels

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



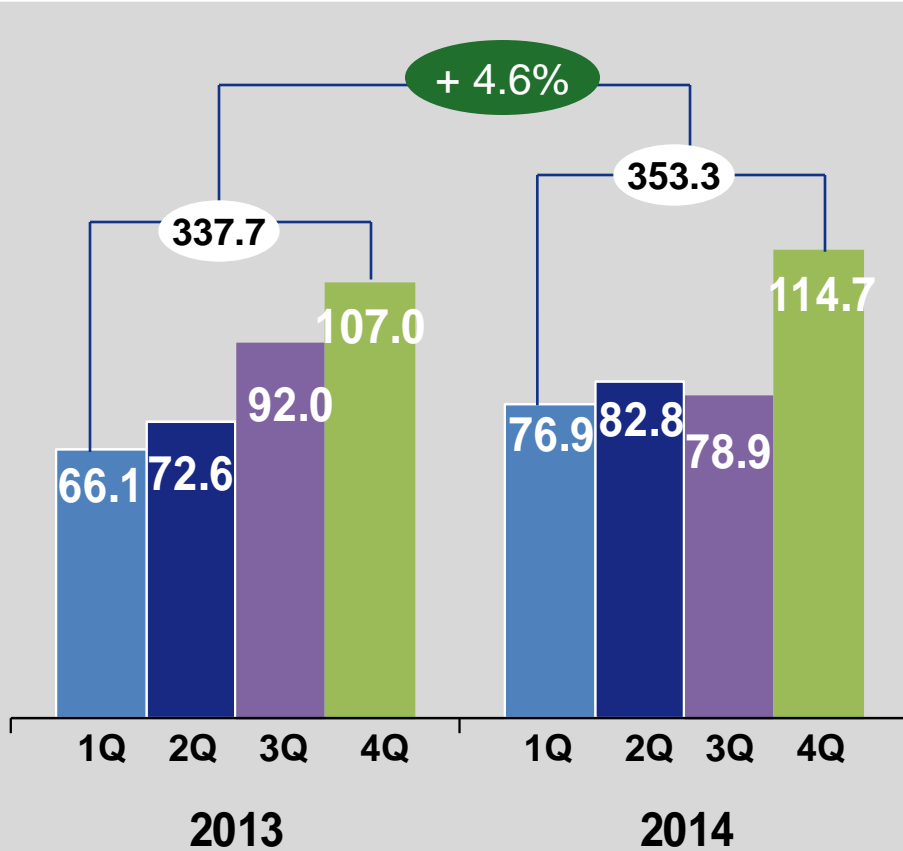
## GWP Mix & Growth (%) (12M 2014)



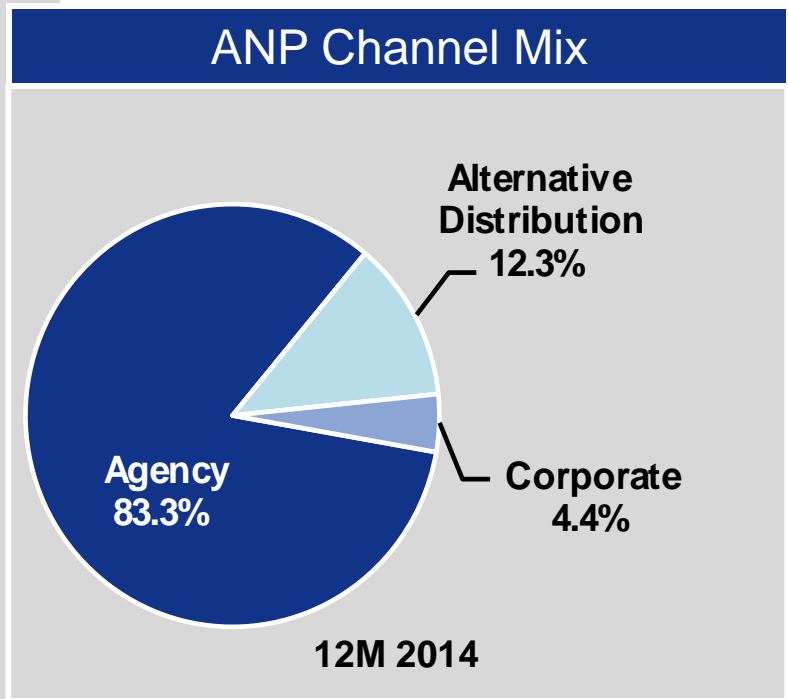


# Life Business: Bancassurance business contributed to growth in new business

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

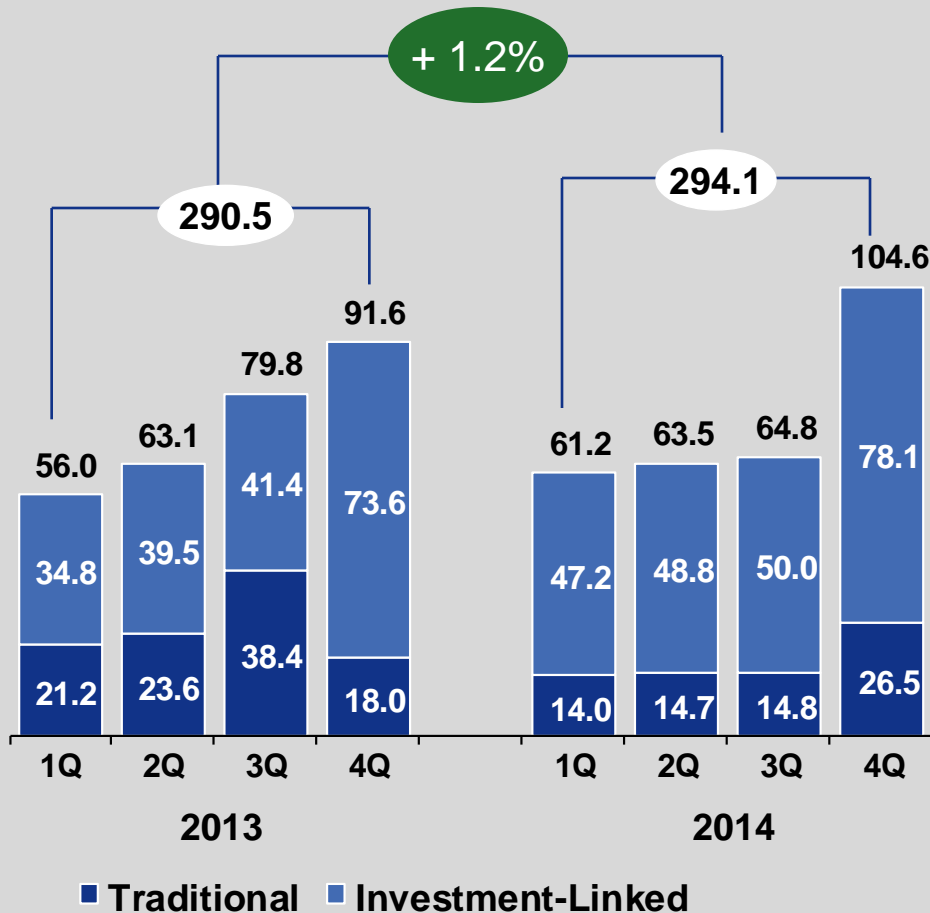


ANP Channel Mix



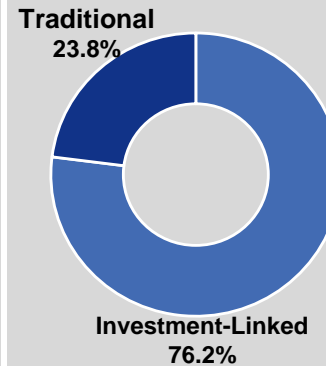
# Life Business: Growth in investment-linked sales cushioned lower sales from traditional products

## Agency Annualised New Premium (RM 'mil)

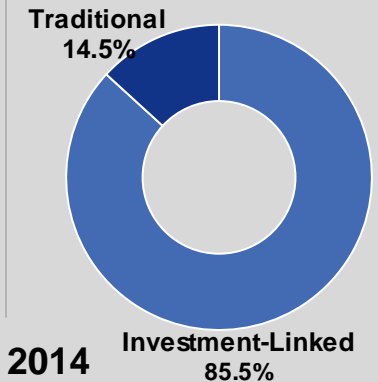


## Agency Product Mix

### By ANP

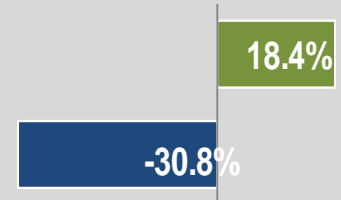


### By Policy Count



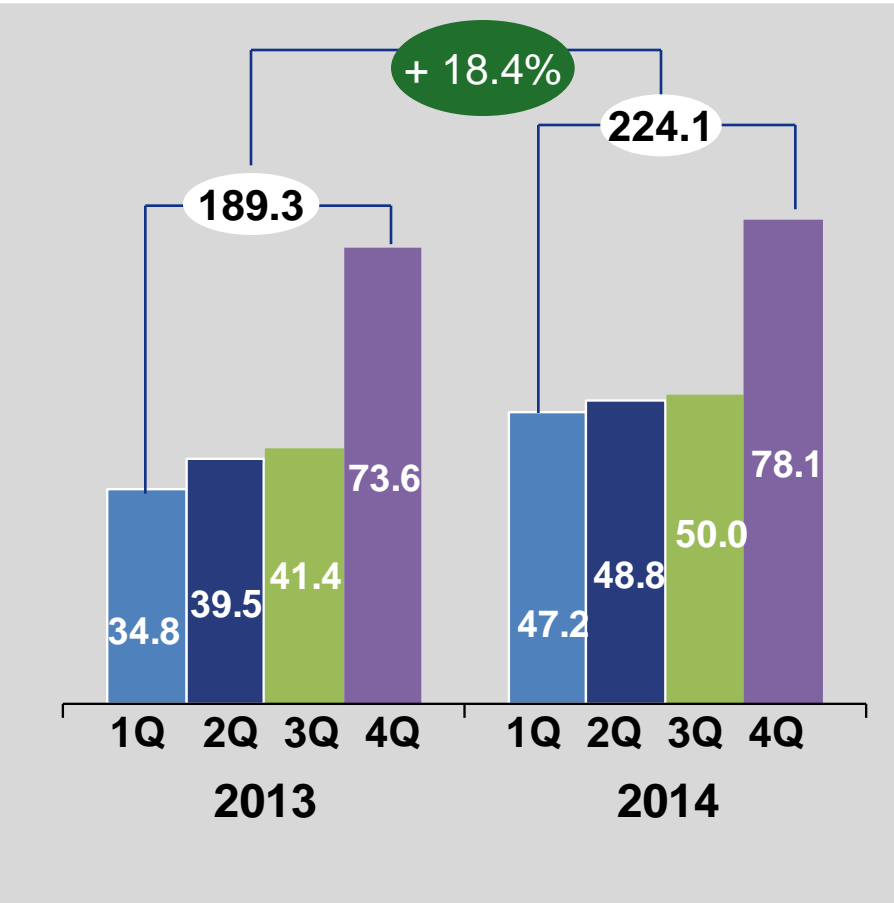
## Agency ANP Growth

Investment-Linked  
Traditional

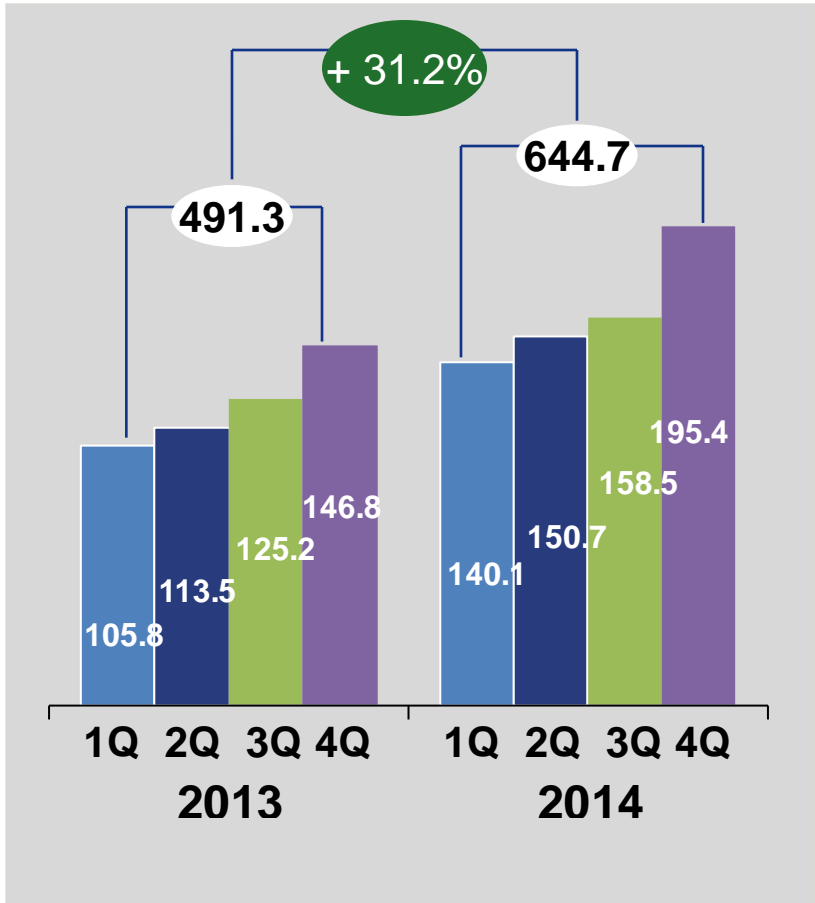


# Life Business: Investment-linked protection business continue to perform well

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

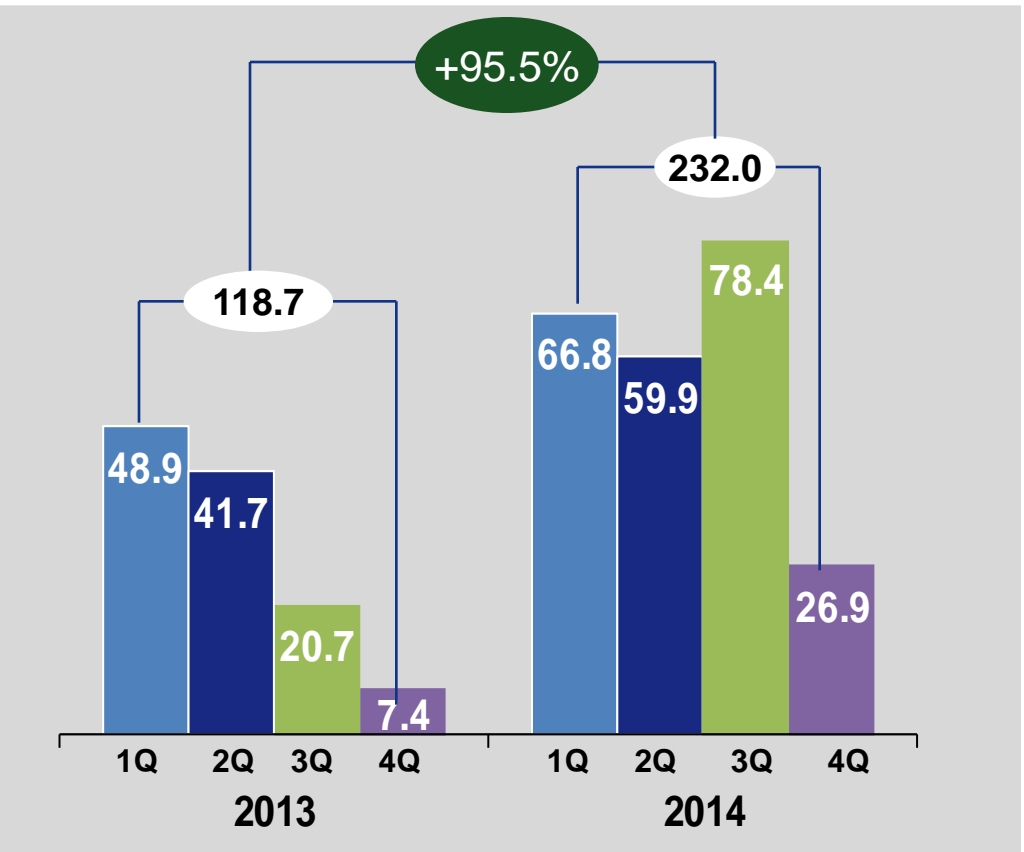


**Gross Written Premiums (“GWP”)  
(RM ‘mil)**



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

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

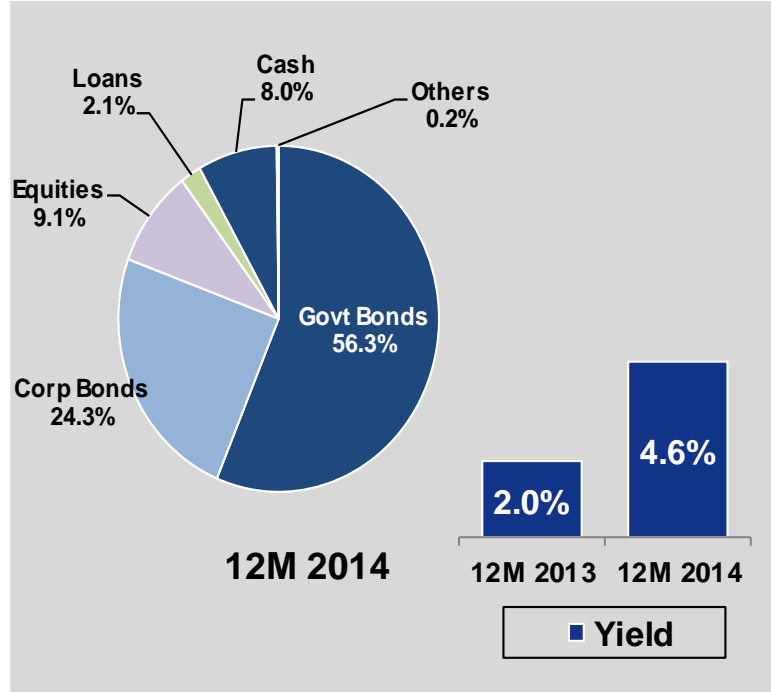


Note: Net investment results include Fair Value Gains/(Losses), Investment Income and Realised Gains/(Losses).

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: Audited financial results at a glance

RM'mil	12M 2013	12M 2014	△14/13 %
Gross written premiums	1,599.8	1,833.8	14.6%
Premiums ceded to reinsurers	(101.1)	(135.1)	(33.6%)
Net earned premiums	1,498.7	1,698.7	13.3%
Net change in benefits and claims paid	(394.5)	(504.7)	(27.9%)
Net change in contract liabilities	(761.6)	(863.3)	(13.4%)
Management expenses	(139.4)	(145.9)	(4.7%)
Fee and commission expenses	(302.9)	(315.0)	(4.0%)
Fair value losses	(69.5)	(15.9)	(77.1%)
Net investment results	261.6	261.1	(0.2%)
Net operating expenditure	(10.3)	(9.2)	10.7%
<b>Surplus before tax</b> (after consolidation adjustment)	<b>82.1</b>	<b>105.8</b>	<b>28.9%</b>
Annualised New Business Premium	337.7	353.3	4.6%
Expense Ratio	10.6%	10.3%	0.3 pts
Local Investment Yield (LF+ SHF)	2.0%	4.6%	2.6 pts
Lapse Ratio (total company)	7.9%	9.3%	(1.4 pts)
Persistency (13th month by premium)	83.0%	82.4%	(0.6 pts)

Thank You  
for Your Attention

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