

Allianz Malaysia Berhad
(12428-W)

Financial Results
4Q 2015

Analyst Briefing
29 February 2016



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AMB Group Results

Resilient Growth



Operating revenue

- Group operating revenue of RM4.52 billion, an increase of 3.3% as compared to corresponding period of RM4.38 billion due mainly to higher gross earned premiums and investment income by RM87.3 million and RM56.0 million respectively.
- General business recorded an operating revenue of RM2.28 billion, a decrease of 0.6% compared to corresponding period of RM2.29 billion.
- Life business recorded an operating revenue of RM2.23 billion, an increase of 7.6% compared to corresponding period of RM2.07 billion.

Profit before tax (“PBT”)

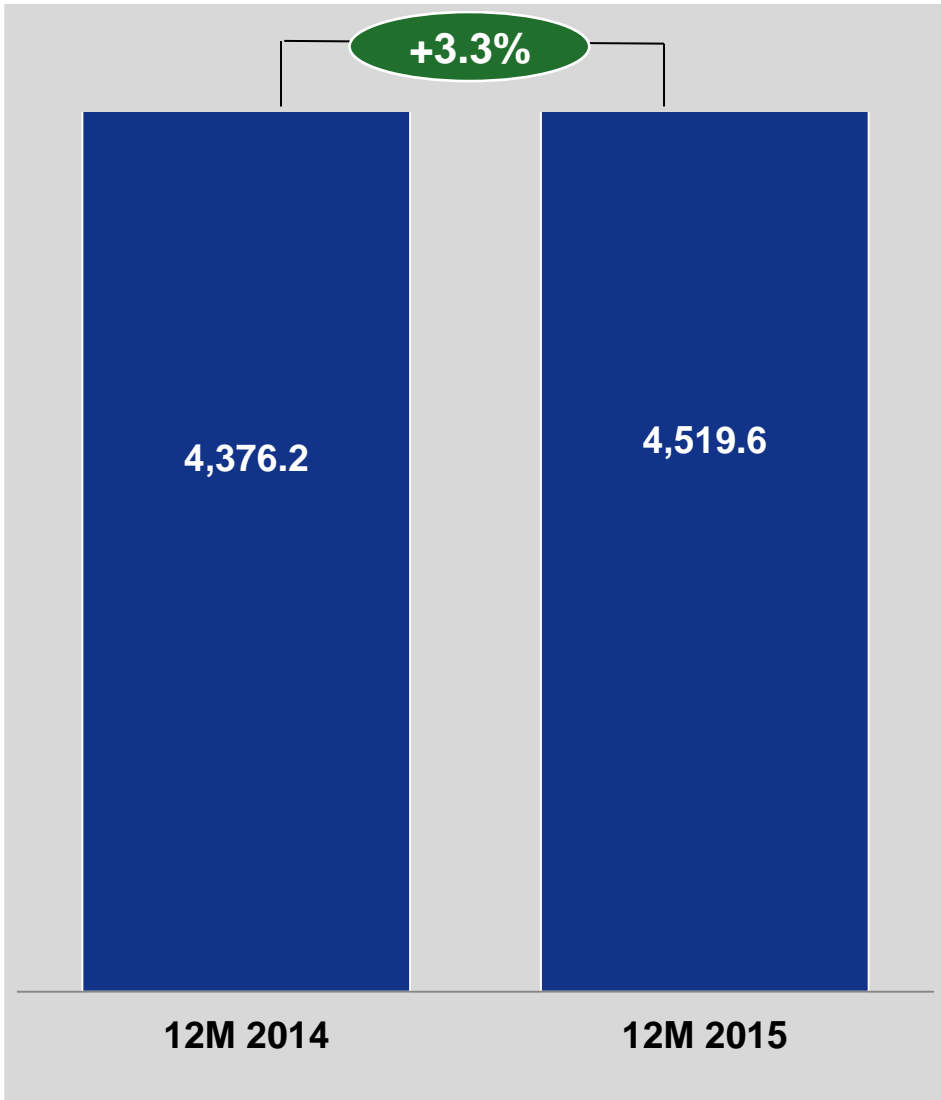
- Group profit before tax of RM438.2 million increased by 3.5% compared to corresponding period of RM423.5 million.
- General business contributed a profit before tax of RM322.3 million (12M 2014: RM319.4 million).
- Life insurance operations recorded a profit before tax of RM116.6 million (12M 2014: RM105.9 million).

Basic earnings per ordinary share

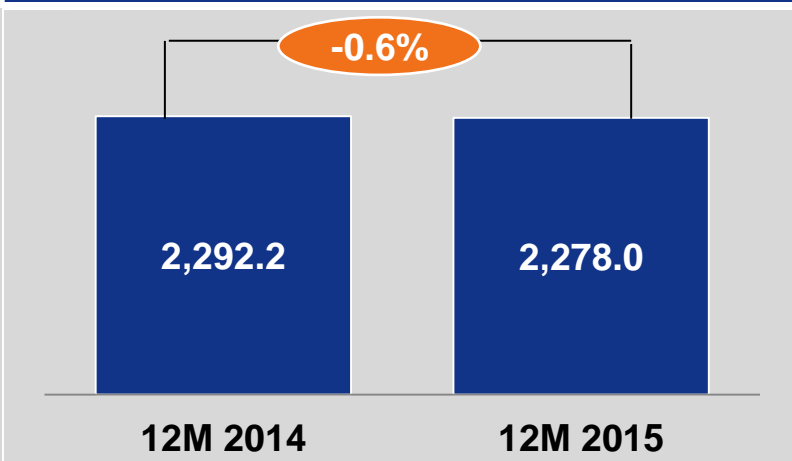
- Basic earnings per ordinary share (before dilution) at 183.08 sen (12M 2014: 178.49 sen).
- Basic earnings per ordinary share (after dilution) at 89.37 sen (12M 2014: 85.89 sen).

Financial Highlights 12M 2015

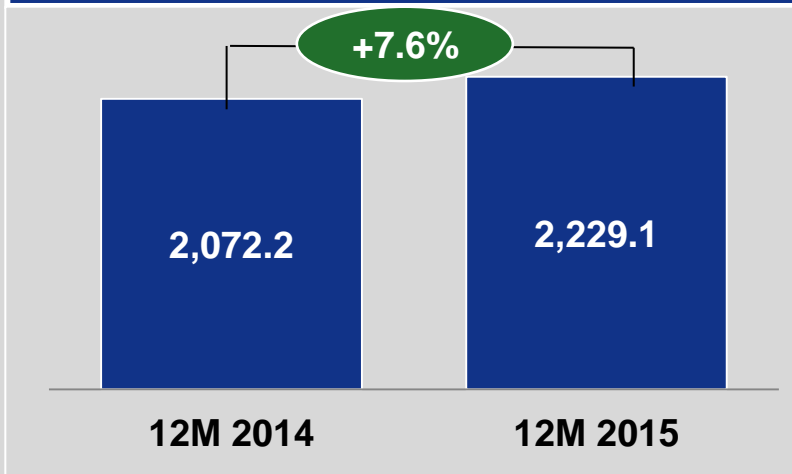
Group Operating Revenue (RM'mil)



General Business (RM'mil)

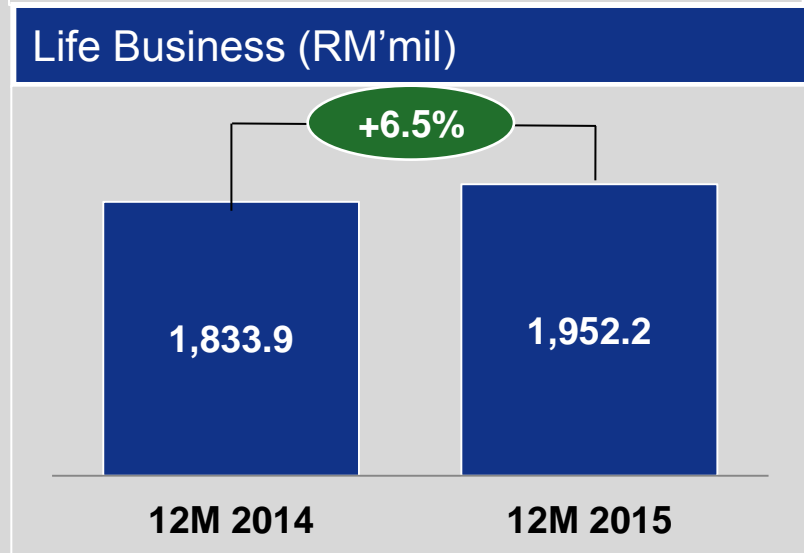
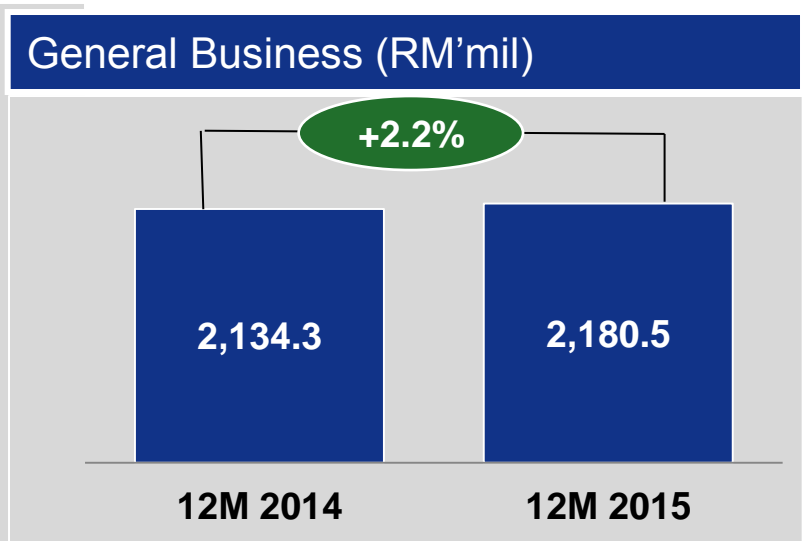
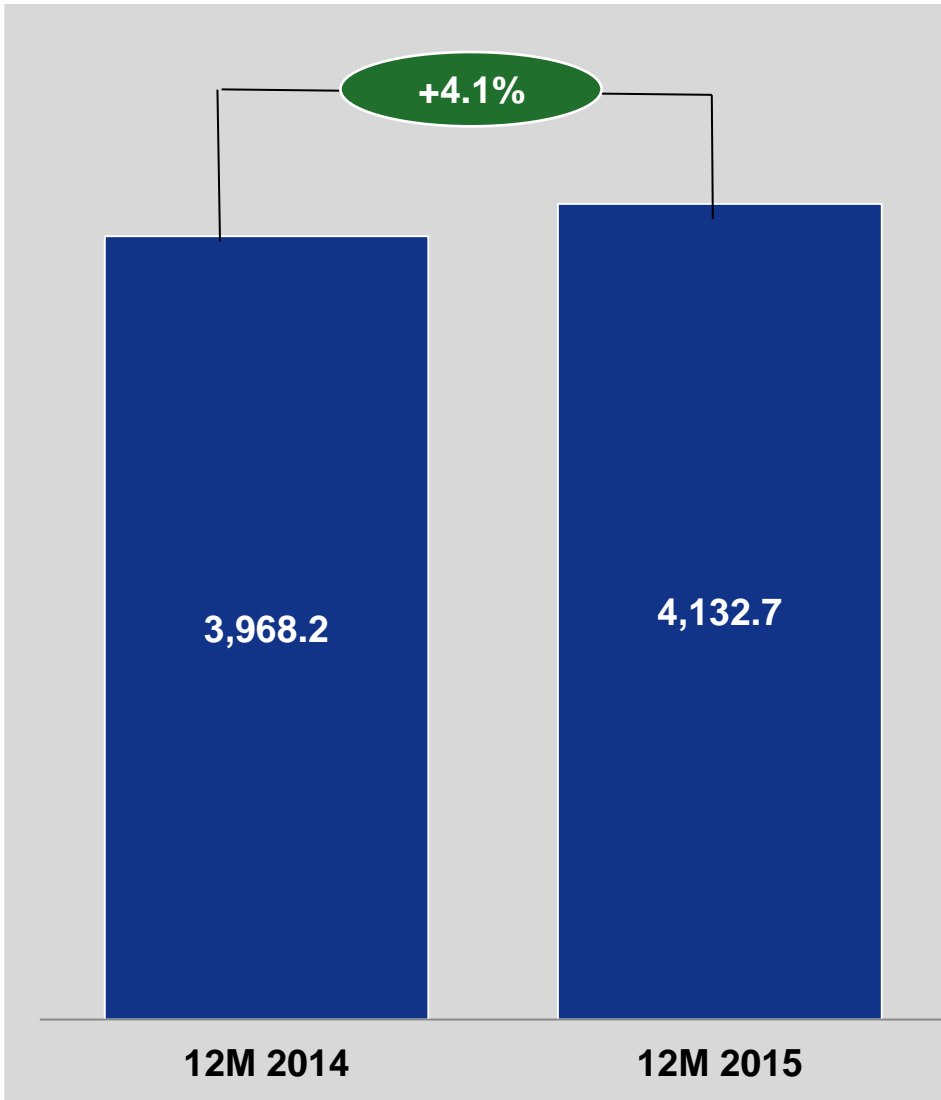


Life Business (RM'mil)



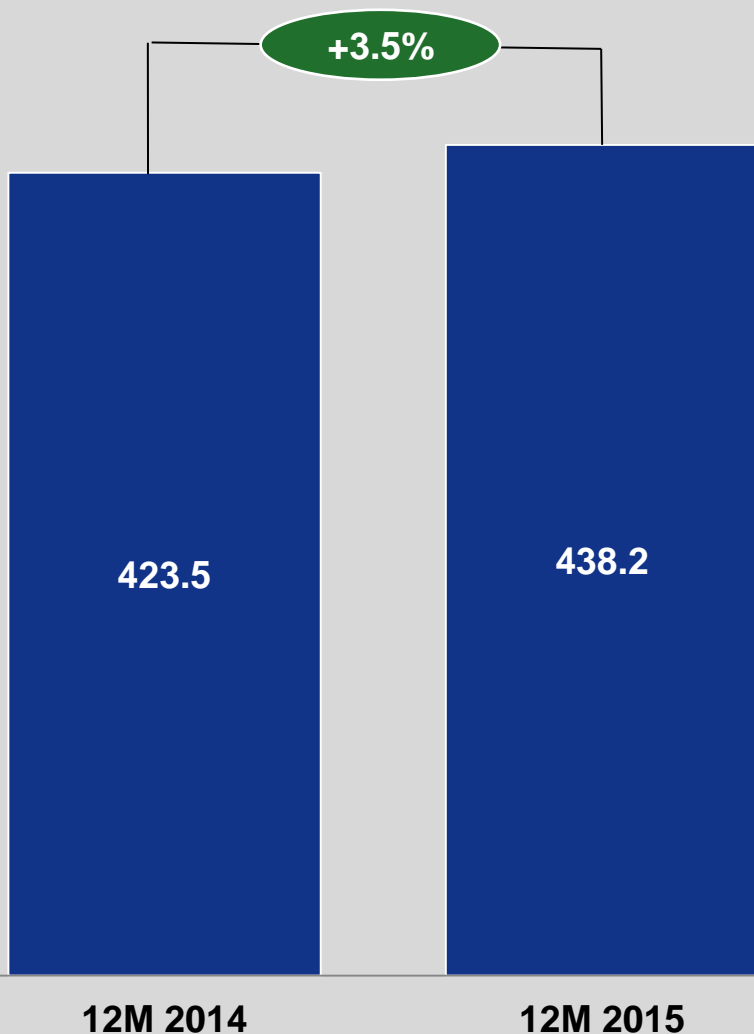
Financial Highlights 12M 2015

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

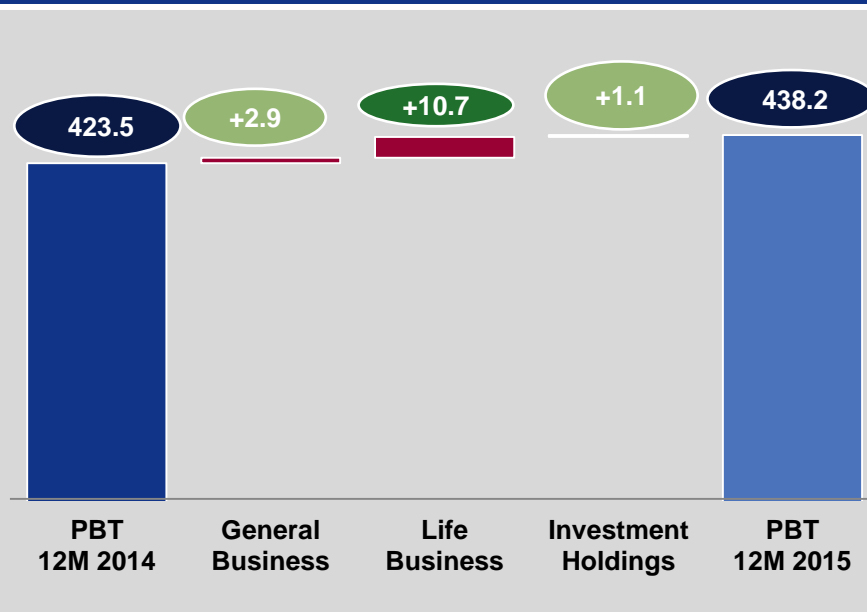


Financial Highlights 12M 2015

Group Profit Before Tax (RM'mil)



PBT Drivers (RM'mil)



	General Business	Life Business	Investment Holdings	PBT
12M 2014	319.4	105.9	(1.8)	423.5
12M 2015	322.3	116.6	(0.7)	438.2
Change	2.9	10.7	1.1	14.7
Change (%)	0.9%	10.1%	(61.1%)	3.5%

Financial Overview

RM'mil	2012	2013	2014	2015	3 Year CAGR
Gross Written Premiums	2,983.5	3,578.5	3,968.2	4,132.7	11.5%
Management Expenses	338.4	400.0	436.0	464.8	11.2%
Expense Ratio (Non Life)	19.7%	17.9%	17.3%	16.9%	2.8 pts
Expense Ratio (Life) ¹	9.3%	10.6%	10.3%	9.9%	(0.6 pts)
Local Consolidated PBT	297.8	339.2	423.5	438.2	13.7%
Total Assets	9,190.5	10,758.8	12,176.1	13,617.4	14.0%
Shareholders' Equity	1,840.8	2,024.2	2,289.8	2,621.3	12.5%
Basic earnings per ordinary share (sen)	132.21	149.24	178.49	183.08	11.5%
Diluted earnings per ordinary share (sen)	54.41	58.94	85.89 ²	89.37	18.0%

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

2 : Comparatives figure have been restated to exclude bonus element.

Summary of Audited Financial Results

RM'mil	12M 2014	12M 2015	△15/14 %
Operating revenue	4,376.2	4,519.6	3.3%
Gross earned premiums	4,000.8	4,088.1	2.2%
Premiums ceded to reinsurers	(746.5)	(583.8)	21.8%
Net earned premiums ("NEP")	3,254.3	3,504.3	7.7%
Net change in benefits and claims paid ("Claim")	(1,336.8)	(1,281.2)	4.2%
Net change in contract liabilities ("Reserve")	(953.1)	(1,188.4)	(24.7%)
Management expenses ("ME")	(436.0)	(464.8)	(6.6%)
Net fee and commission expense	(476.1)	(543.1)	(14.1%)
Fair value gains and losses	(15.9)	(55.7)	<100%
Net investment results	398.7	479.7	20.3%
Net other operating expenses	(11.6)	(12.6)	(8.6%)
Profit before tax	423.5	438.2	3.5%
Tax expense	(127.6)	(129.4)	(1.4%)
Profit after tax	295.9	308.8	4.4%
ME / NEP ratio	13.4%	13.3%	0.1 pts
Claim & Reserve / NEP ratio	70.4%	70.5%	(0.1 pts)



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General Business

General Business



Gross written premiums

- Growth at 2.2% despite difficult market environment.

Combined ratio

- Combined ratio maintained below 90%.

Net investment results

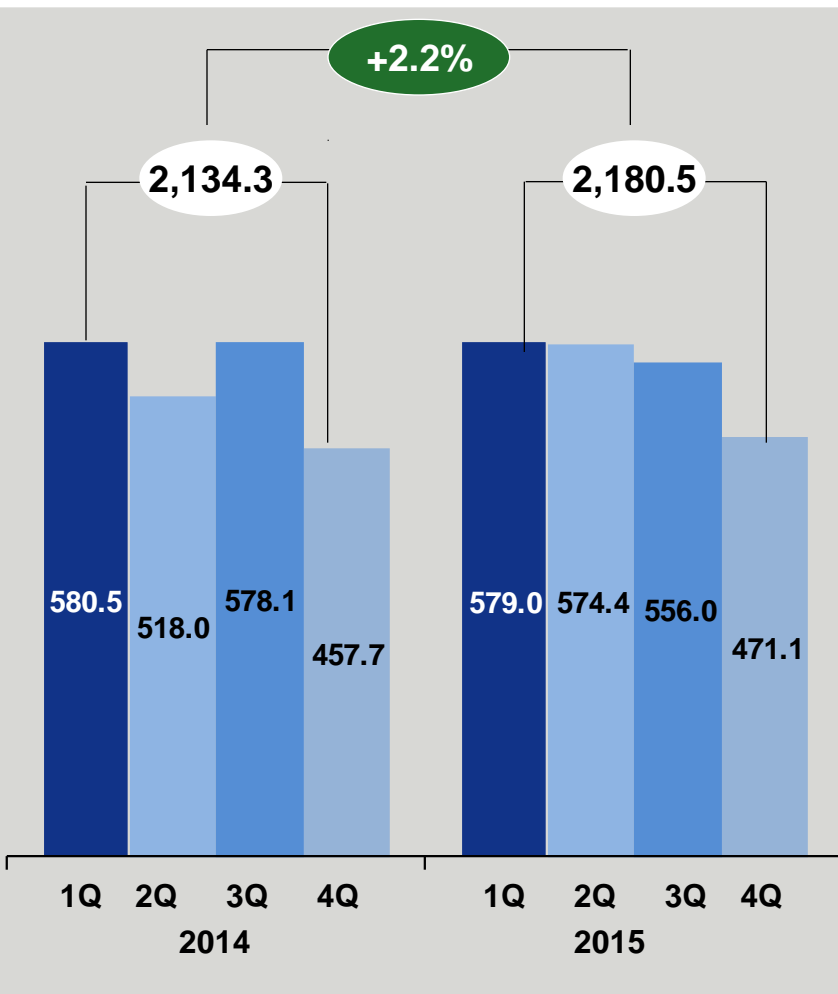
- Stable growth in investment income.

Profit before tax

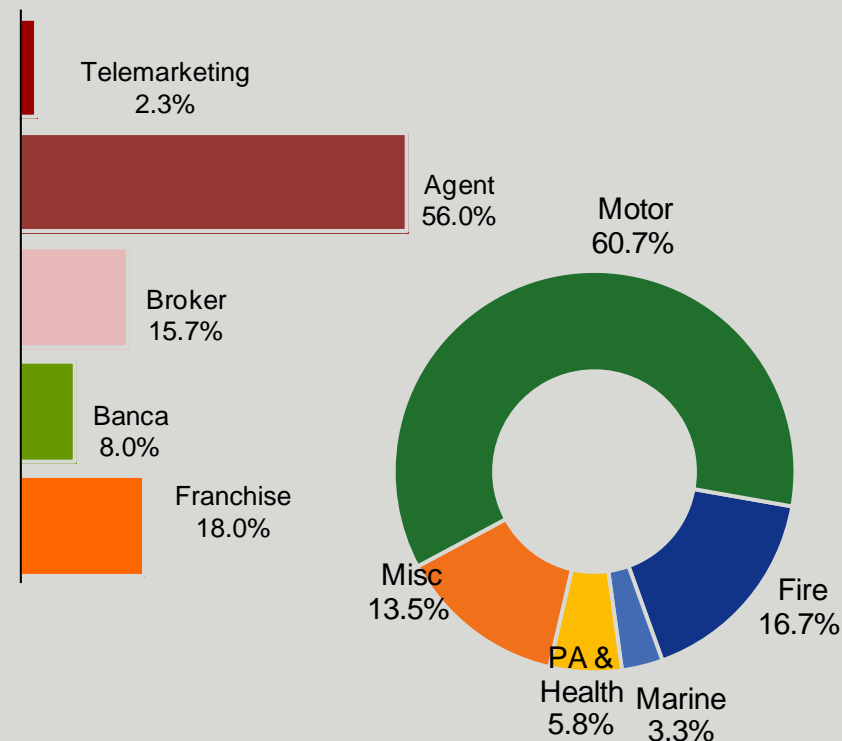
- Higher profit attributable to higher investment income.

General Business: Growth by 2.2% in GWP

Gross Written Premiums (RM'mil)

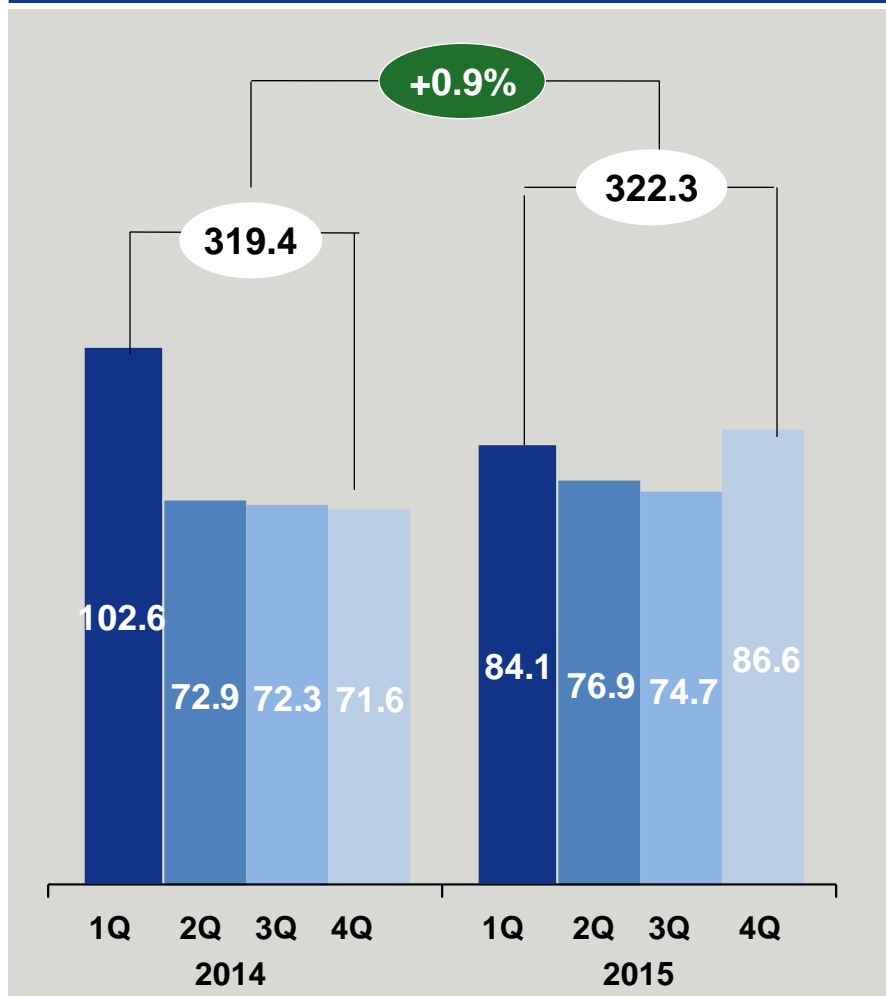


Distribution Channel & Portfolio Mix

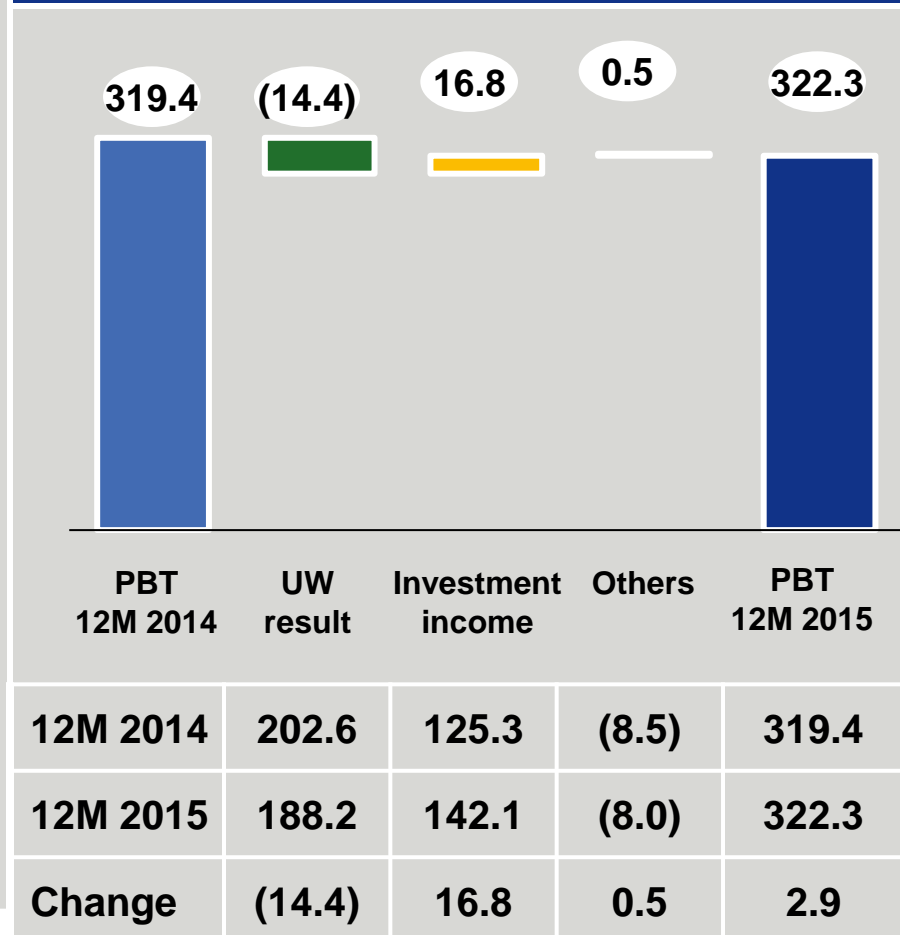


General Business: Higher profit attributable to higher investment income

Profit Before Tax (RM'mil)

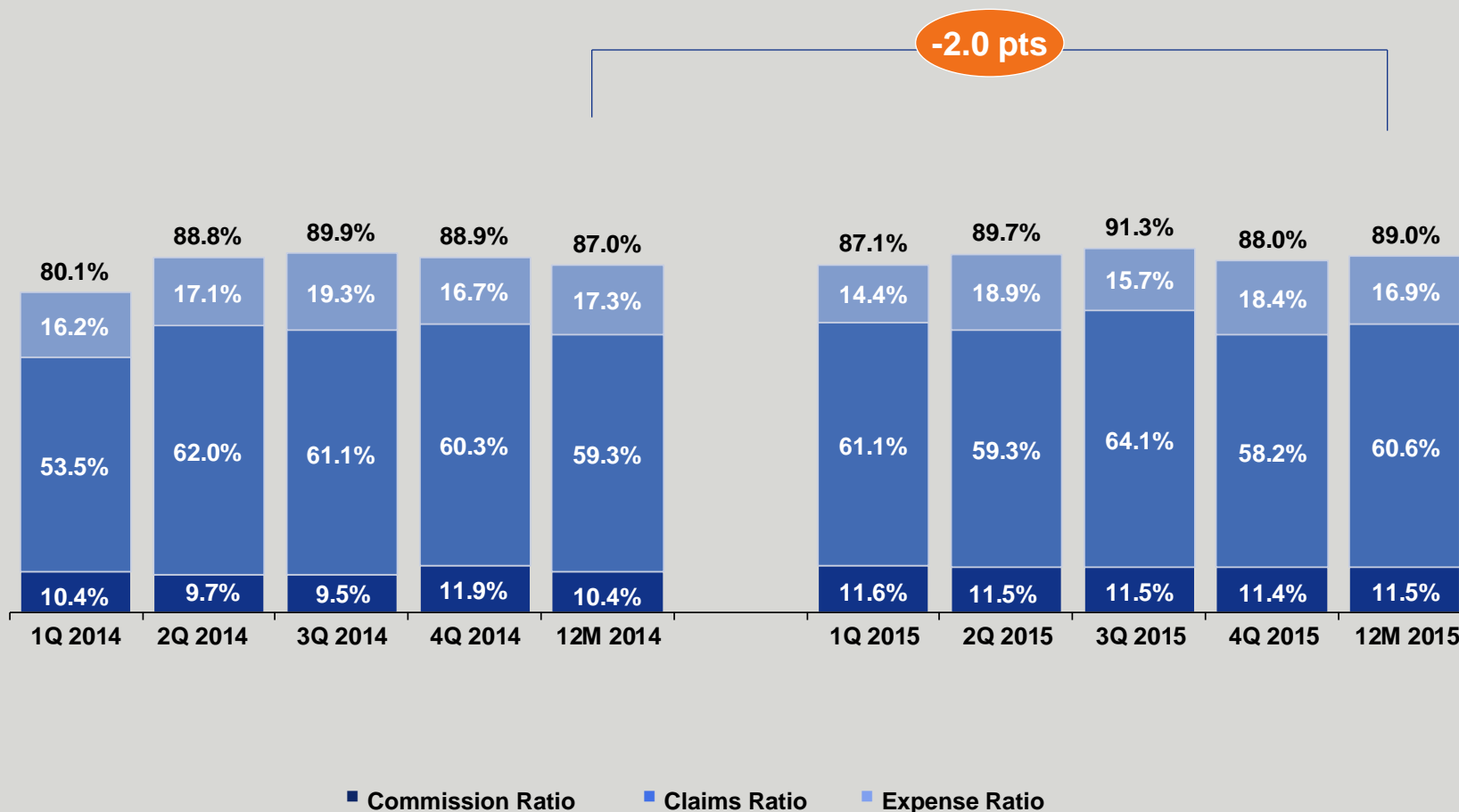


PBT Drivers (RM'mil)



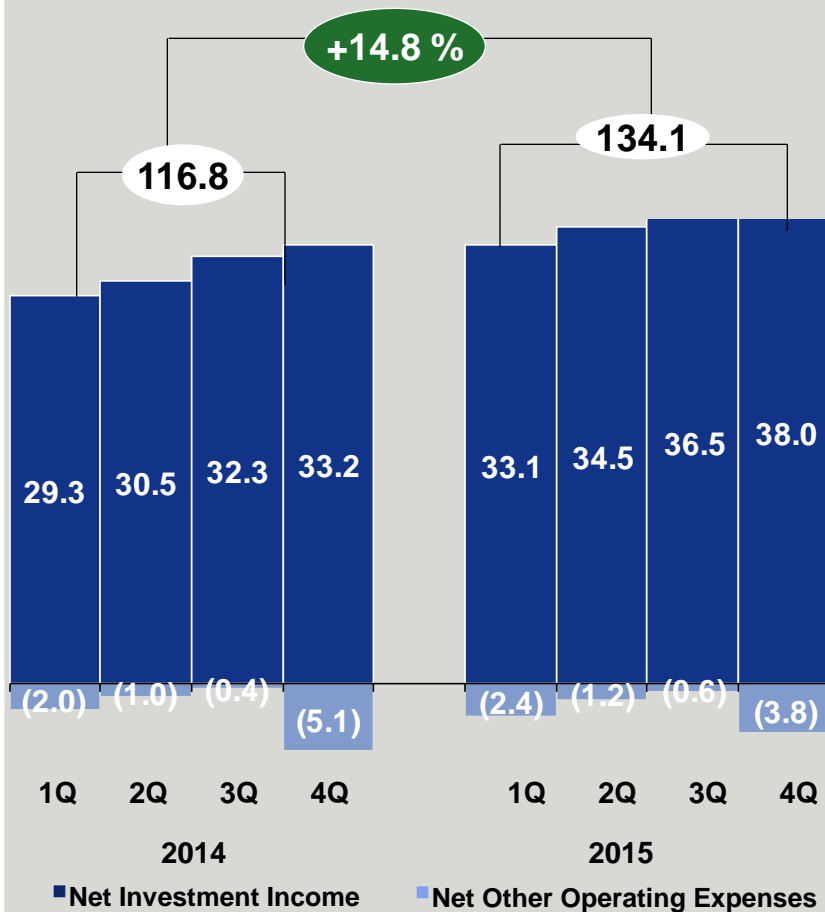
General Business: Combined ratio stayed below 90%

Combined Ratio



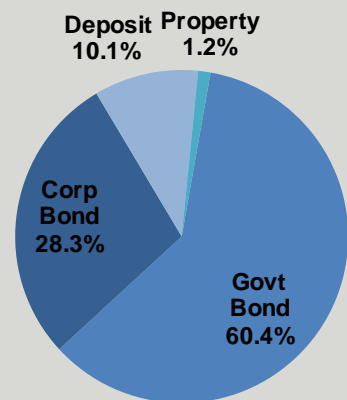
General Business: Higher investment income driven by higher investment asset base

Net Investment Results/Net Operating Expenses (RM'mil)



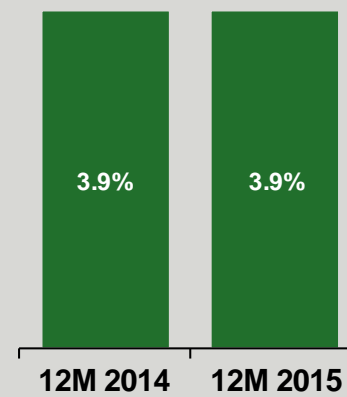
Portfolio Mix and Investment Yield (Annualized)

Portfolio Mix



As at 31 December 2015

Investment Yield



General Business: Financial results at a glance

RM'mil	12M 2014	12M 2015	△15/14 %
Gross written premiums	2,134.3	2,180.5	2.2%
Gross earned premiums	2,167.0	2,136.0	(1.4%)
Net earned premiums	1,555.7	1,716.2	10.3%
Net change in claims incurred	(922.0)	(1,041.3)	(12.9%)
Management expenses	(269.9)	(289.5)	(7.3%)
Net fee and commission expenses	(161.2)	(197.2)	(22.3%)
Underwriting result	202.6	188.2	(7.1%)
Net investment results	125.3	142.1	13.4%
Net other operating expenses	(8.5)	(8.0)	5.9%
Profit before tax (after consolidation adjustment)	319.4	322.3	0.9%
Commission ratio	10.4%	11.5%	(1.1 pts)
Claims ratio	59.3%	60.6%	(1.3 pts)
Expense ratio	17.3%	16.9%	0.4 pts
Combined ratio	87.0%	89.0%	(2.0 pts)



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Life Business

Life Business



Gross written premiums

- Gross written premiums grew by 6.5%.

Distribution

- Agency business outpaced with the industry growth.
- Continue to focus on higher margins regular premium protection business.
- Agency force exceeded 10,000 (2014: 8,720).

Product mix

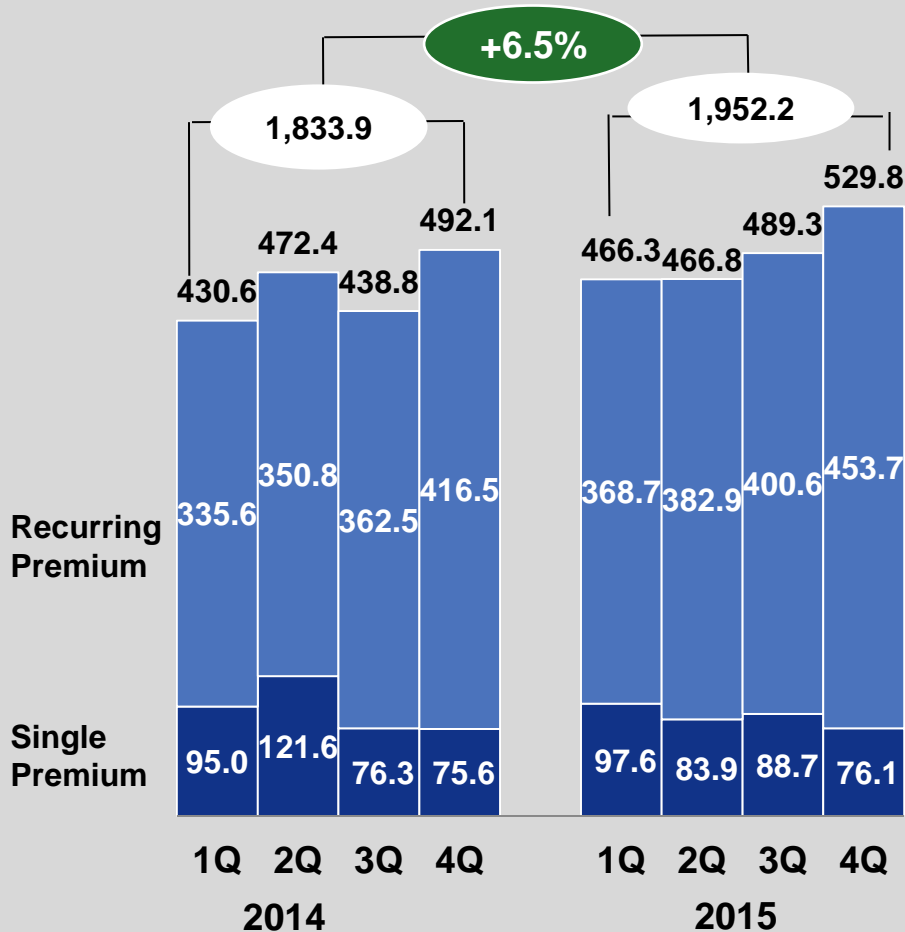
- Investment-Linked ANP and GWP grew by 4.6% and 20.1% respectively.
- 63.3% of new business derived from Investment-Linked business.

Net investment results

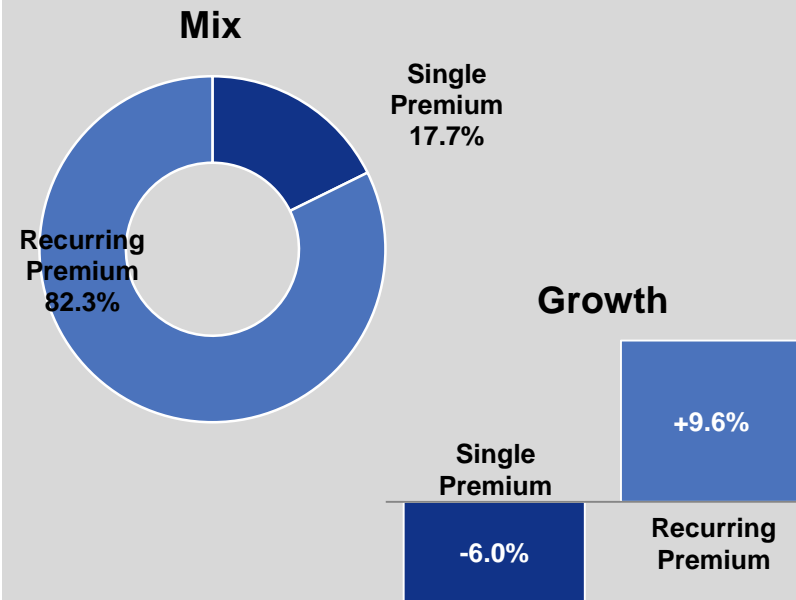
- Investment results lower due to fair value losses.

Life Business: Growth is GWP mainly contributed by growth from Agency business

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

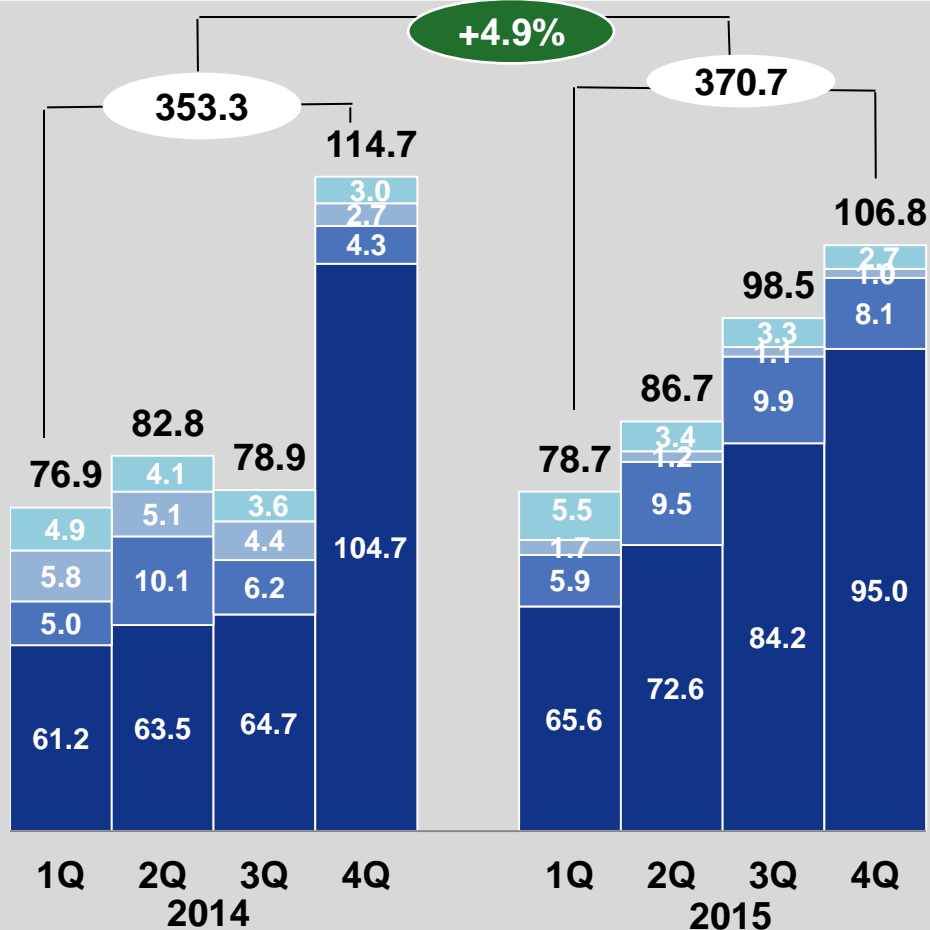


GWP Mix & Growth (%) (12M 2015)

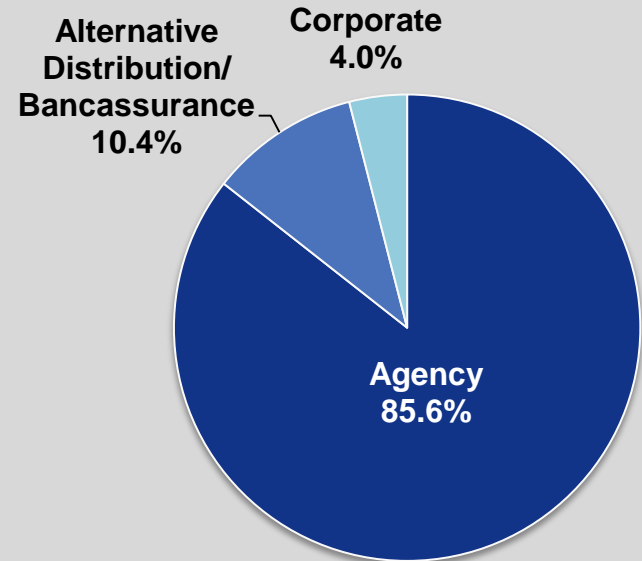


Life Business: New business grew in line with market

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



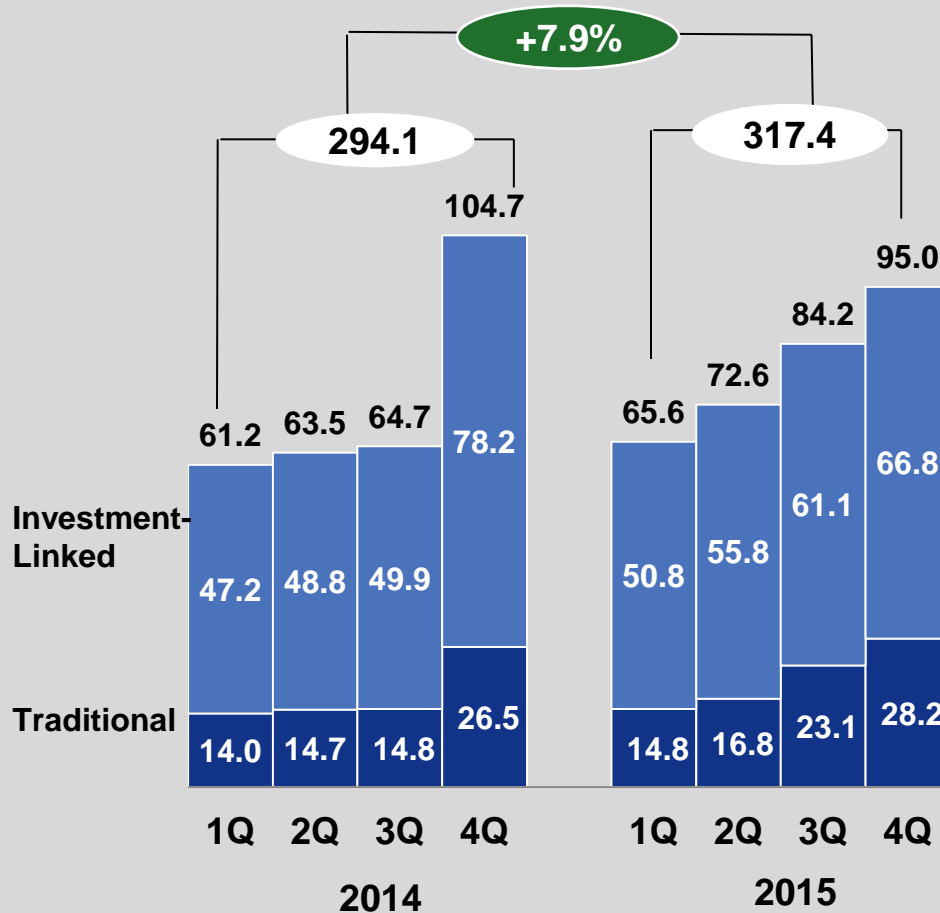
ANP Channel Mix (%) (12M 2015)



■ Agency ■ Bancassurance ■ Direct Marketing ■ Employee Benefits

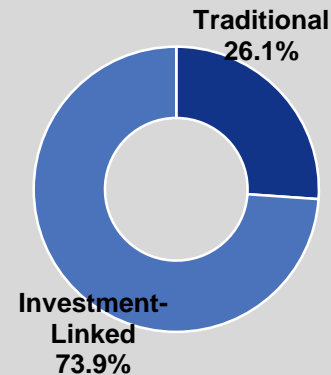
Life Business: Growth in both Investment-Linked and Traditional sales

Agency Annualised New Premiums (RM'mil)

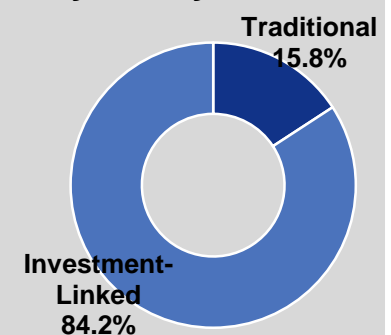


Agency Product Mix (%) (12M 2015)

By ANP



By Policy Count



Agency ANP Growth (%) (12M 2015)

Investment-Linked

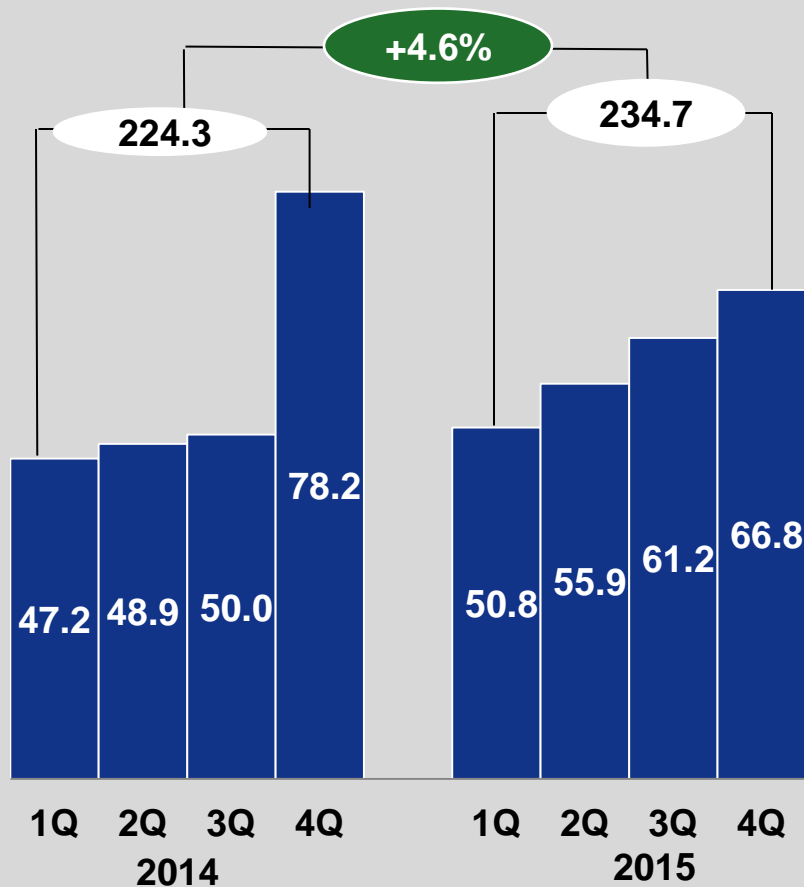
4.6%

Traditional

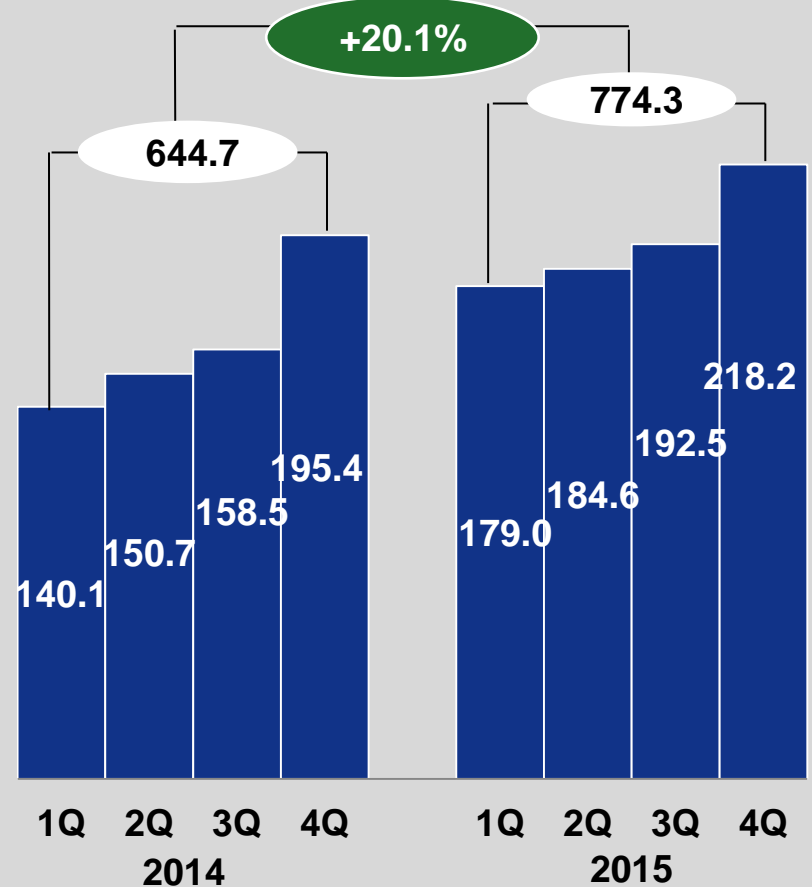
18.3%

Life Business: Investment-Linked sales continue to grow

Annualised New Premiums (RM'mil)

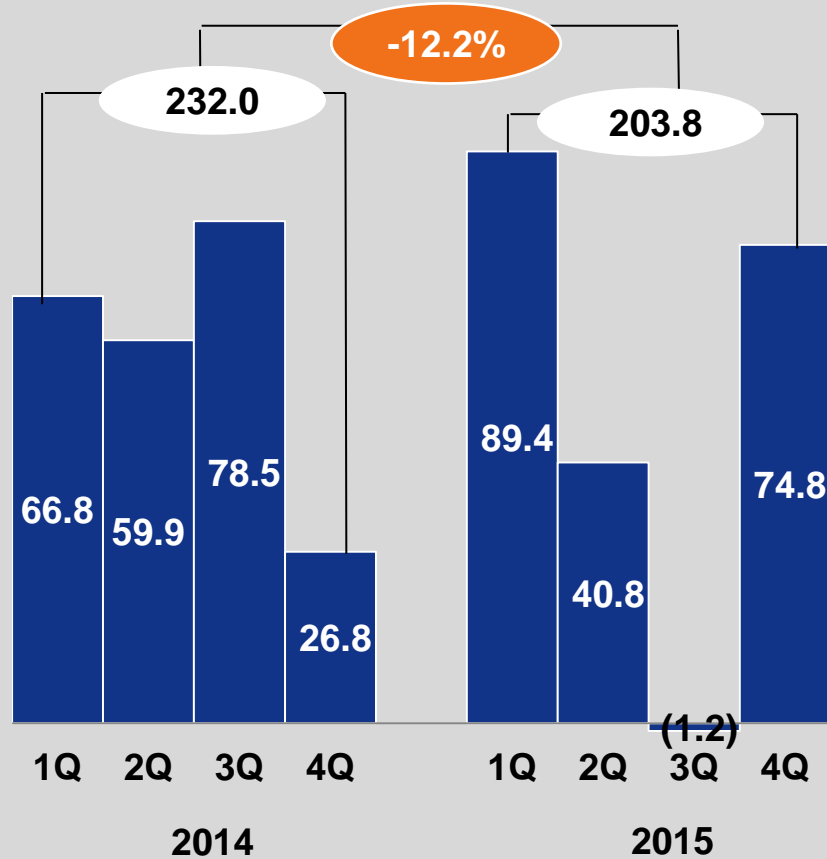


Gross Written Premiums (RM'mil)

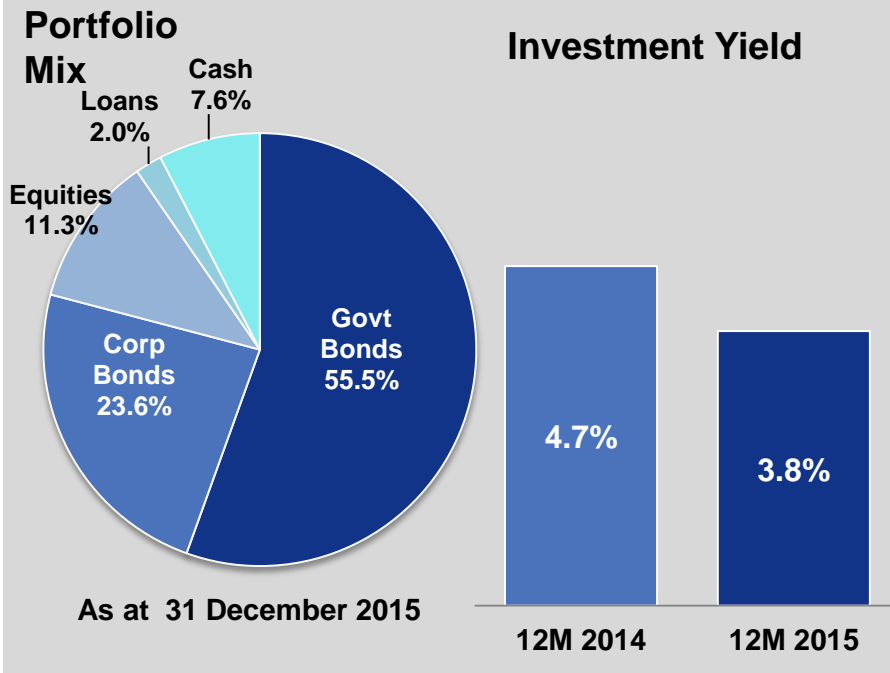


Life Business: Lower net investment results due to fair value losses

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



Portfolio Mix and Investment Yield (LF+SHF) (%) (Annualized)



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

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

Life Business: Financial results at a glance

RM'mil	12M 2014	12M 2015	△15/14 %
Gross written premiums	1,833.9	1,952.2	6.5%
Premiums ceded to reinsurers	(135.1)	(164.0)	(21.4%)
Net earned premiums	1,698.8	1,788.2	5.3%
Net change in benefits and claims paid	(504.7)	(492.4)	2.4%
Net change in contract liabilities	(863.3)	(936.0)	(8.4%)
Management expenses	(145.9)	(156.7)	(7.4%)
Net fee and commission expenses	(315.0)	(346.0)	(9.8%)
Fair value gains and losses	(15.9)	(55.7)	<100%
Net investment results	261.1	325.2	24.5%
Net other operating expenses	(9.2)	(10.0)	(8.7%)
Profit before tax (after consolidation adjustment)	105.9	116.6	10.1%
Annualised new premiums	353.3	370.7	4.9%
Expense ratio (LF+SHF)	10.3%	9.9%	0.4 pts
Local investment yield (LF+SHF)	4.7%	3.8%	(0.9 pts)
Lapse ratio (total company)	9.3%	9.5%	(0.2 pts)
Persistency (13th month by premium)	82.4%	81.4%	(1.0 pts)

Thank You
for Your Attention

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