



# Business Summary

Including Financials as of December 31, 2014

(All financials are from Alleghany Corporation's SEC filings unless otherwise noted)

February 2015

**Your decision to do business with us, to place your trust in us, is based on your need for a partner with:**

**A Strong Business**

**A Solid Investment Portfolio**

**A Positive Reputation**

**A Stable Ownership Structure**

**A Complete Suite Of Products**

**A Worldwide Network Of Local Support**

**A Singular Focus On Reinsurance**

## BALANCE SHEET (\$m)

Assets	Dec 31, 2014	Dec 31, 2013
Investments		
Available for sale securities at fair value:		
Equity securities	\$1,377	\$1,158
Debt securities	11,730	12,027
Short-term investments	308	658
	13,415	13,843
Other Invested assets	373	283
Total investments	13,788	14,126
Cash	492	379
Reinsurance recoverables	517	475
Goodwill and intangible assets	40	31
All other assets	1,641	1,549
<b>Total assets</b>	<b>\$16,478</b>	<b>\$16,560</b>

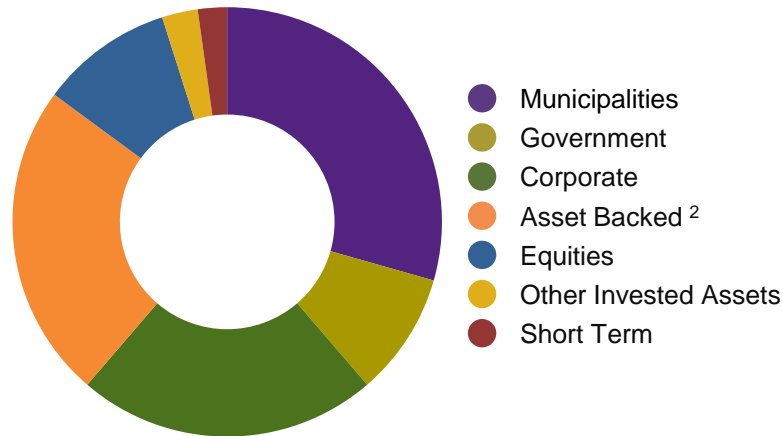
Liabilities & Stockholders' Equity	Dec 31, 2014	Dec 31, 2013
Loss and loss adjustment expenses	\$9,131	\$9,473
Unearned premiums	1,132	1,067
Senior notes	770	1,096
All other liabilities	315	438
Total liabilities	11,348	12,074
Total stockholders' equity	5,130	4,486
<b>Total liabilities &amp; stockholders' equity</b>	<b>\$16,478</b>	<b>\$16,560</b>

## CONSOLIDATED UNDERWRITING RESULTS (\$m)

2014	Property	Casualty & Other	Total
Premiums written:			
Gross	\$1,205	\$2,395	\$3,600
Net	1,073	2,337	3,410
Net premiums earned	1,049	2,282	3,331
Net loss and LAE:			
Current year (ex catastrophes)	(449)	(1,595)	(2,044)
Current year catastrophe losses	(47)	-	(47)
Prior years	73	109	182
Total net loss and LAE	(423)	(1,486)	(1,909)
Commissions, brokerage and other underwriting expenses	(320)	(757)	(1,077)
<b>Underwriting profit</b>	<b>\$306</b>	<b>\$39</b>	<b>345</b>
Net investment income			326
Net realized capital gains			154
OTTI losses			(18)
Other income			3
Other operating expenses			(55)
Amortization of intangible assets			9
Interest expense			(47)
<b>Earnings before income taxes</b>			<b>\$717</b>

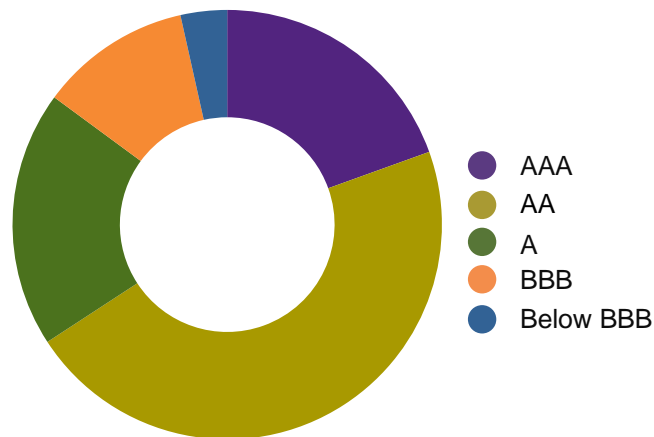
Ratios	Property	Casualty & Other	Total
Net Loss and LAE:			
Current year (ex catastrophe)	42.9%	69.9%	61.4%
Current year catastrophe losses	4.5%	0.0%	1.4%
Prior years	(7.0%)	(4.8%)	(5.5%)
	40.4%	65.1%	57.3%
Expense	30.5%	33.2%	32.3%
Combined	70.9%	98.3%	89.6%

## INVESTMENT PROFILE<sup>1</sup>



- Conservative, diversified portfolio
- Primary focus - liquid, investment-grade fixed maturity securities
- Objectives
  - Preserve capital
  - Increase surplus
  - Maintain liquidity
  - Optimize after-tax investment income
  - Total rate of return to exceed benchmark

## FIXED MATURITY RATINGS<sup>1</sup>



- Fixed Maturity Portfolio
  - Average credit rating: AA-
  - Rated A- or better: 85.1%
  - Munis Rated A- or Better: 99.9%

## COMPANIES



## BUSINESS UNITS



## Alleghany

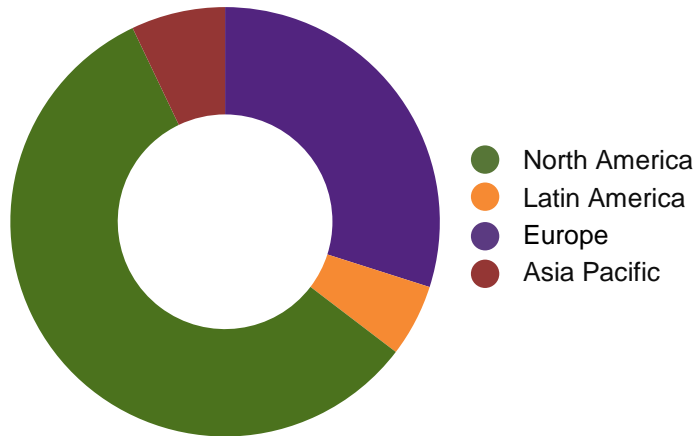
- Founded in 1929: NYSE listed: Y
- Seeks to “create stockholder value through the ownership and management of a small group of operating subsidiaries and investments, anchored by a core position in property and casualty reinsurance and insurance”
- Other insurance operating subsidiaries:
  - RSUI Group – US based specialty insurer
  - CapSpecialty – US based insurer
  - Pacific Comp – US based insurer

## AGENCY RATINGS

	Financial Strength Rating	Outlook
Standard & Poor's	A+	Stable
A. M. Best	A (Excellent)	Positive
Moody's	A1	Stable

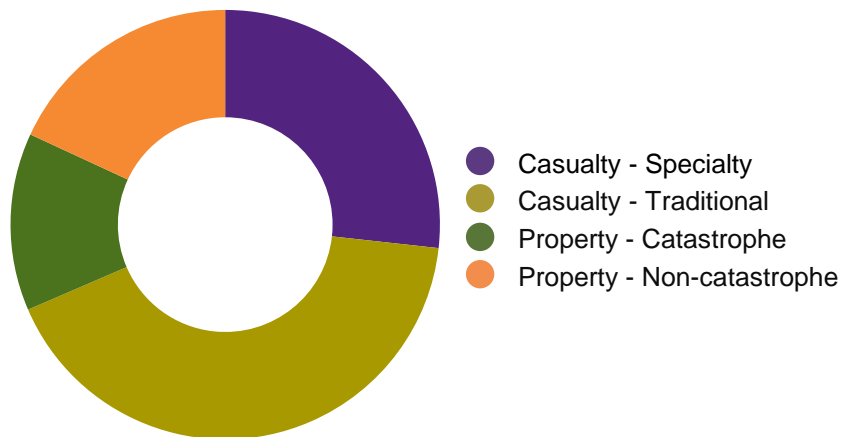
- ‘well diversified mix of business’
- ‘excellent reputation with brokers and clients’
- ‘very strong capital adequacy’
- ‘conservative investment portfolio’

## PREMIUM BY OFFICE



- Working where our customers are
- Understanding local needs
- Leveraging global skills
- Delivering solutions

## PREMIUM BY PRODUCT



- All products, all locations
- Specialty focus
- Significant capacity
- Desire to lead customer lines

## **NORTH AMERICA**

### **NEW YORK**

#### **Group Headquarters**

18<sup>th</sup> Floor, One Liberty Plaza  
165 Broadway  
New York, New York 10006  
T: 212 365 2200

### **CHICAGO**

200 South Wacker  
Suite 900  
Chicago, Illinois 60606  
T: 312 416 6600

### **HAMILTON**

Par-La-Ville Place, 5<sup>th</sup> Floor  
14 Par-La-Ville Road  
Hamilton, Bermuda  
T: 441 533 8646

### **OVERLAND PARK**

7500 College Blvd., Suite 1100  
Overland Park, Kansas 66210  
T: 913 319 2510

### **SAN FRANCISCO**

100 Montgomery St, Suite 2050  
San Francisco, CA 94104  
T: 415 399 5900

### **STAMFORD**

1177 Summer Street  
Suite 400B  
Stamford, Connecticut 06905  
T: 212 365 2200

### **TORONTO**

145 Wellington Street West  
Toronto, Ontario M5J 1H8  
T: 416 649 5300

## **LATIN AMERICA**

### **MIAMI**

#### **Regional Headquarters**

701 NW 62<sup>nd</sup> Avenue, Suite 790  
Miami FL 33126  
T: 786 437 3900

### **BUENOS AIRES**

Carlos Pellegrini 1023, 5<sup>th</sup> Floor  
C1009ABU  
Buenos Aires, Argentina  
T: (5411) 5296 3500

### **PANAMA CITY**

Torre Panamá – Piso 26  
Blvd. Costa del Este y Ave. La Rotonda  
Panamá, República de Panamá  
T: (507) 282 6900

### **RIO DE JANEIRO**

Rua da Candelaria 65  
Sala 2101  
Rio de Janeiro, Brasil  
20091-020  
T: (55) 21 2127 2700

## **AFRICA**

### **JOHANNESBURG – Representative**

1st Floor, Dalmore  
Kildrummy Office Park  
1 Umhlanga Road, Paulshof, 2191  
P.O. Box 139, Peterville, 2151  
Johannesburg, South Africa  
T: (27) 11 797 1500

## **EUROPE**

### **LONDON**

#### **Regional Headquarters**

Corn Exchange, 55 Mark Lane  
London, United Kingdom  
EC3R 7NE  
T: (44) 207 204 8600

### **MUNICH**

Promenadeplatz 8,  
80333 Munich, Germany  
T: (49) 89 45237 7910

### **PARIS**

21 Boulevard Haussmann  
Paris 75009, France  
T: (33) 1 4006 1200

### **STOCKHOLM - Representative**

Linnégatan 98, Apt.1202  
115 23 Stockholm, Sweden  
T: (46) 8753 3840

### **WARSAW - Representative**

65/79 Jerozolimskie Av., 18-05  
LIM Office Centre  
00-697 Warsaw, Poland  
T: (48) 22 630 6371

### **ZURICH**

Nüscherstrasse 32  
P.O. Box 1475  
8021 Zurich, Switzerland  
T: (41) 44 227 6100

### **DUBAI**

Office No.19, Level 1  
Gate Village Building 3  
Dubai International Financial Centre  
P.O. Box 113355, Dubai, UAE  
T: (971) 4 401 9103

## **ASIA PACIFIC**

### **HONG KONG**

#### **Regional Headquarters**

3303 The Lee Gardens  
33 Hysan Avenue  
Causeway Bay  
Hong Kong S.A.R.  
People's Republic Of China  
T: (852) 2574 0231

### **SHANGHAI - Representative**

Unit 2307-08, Shanghai IFC II,  
No. 8, Century Avenue  
Pudong New Area,  
Shanghai 200120  
People's Republic Of China  
T: (86 21) 5031 2671/5

### **SINGAPORE**

12 Marina View  
Asia Square Tower 2, Level 23-03  
Singapore 018961  
T: (65) 6407 1085

### **SYDNEY**

Level 21, Australia Square  
264 George Street  
Sydney NSW 2000  
Australia  
T: (61) 2 9274 3061

### **TOKYO**

2202 Marunouchi Eiraku Building,  
1-4-1, Marunouchi, Chiyoda-ku, Tokyo 100-0005  
Japan  
T: (81) 3 5293 5151

**A strong reputation takes a long time to build – and a moment to lose.**

**We know that and are committed to preserving our record of excellence.**

**We make the same commitment to you that we make to every client:**

**We are here for you.**

**We will be here for you.**

**We are the right risk partner for you.**

