

Annual General Meeting 2017

Allianz Malaysia Berhad (12428-W)

Kuala Lumpur
24.05.2017



**Paragraph 8.29A of
Bursa Securities Main Market Listing Requirements**

Resolution set out in the notice of any general meeting, or in any notice of resolution to be voted by poll.

Demand for poll

Article 69 provides that a poll can be demanded by:-

a) The Chairman of the meeting; or

b) At least five (5) members present in person or proxy; or



c) A member or members holding or representing by proxy or entitled to vote in respect of at least one-fifth part of the capital represented at the Meeting.

Poll Administrator and Scrutineers

Poll

Administrator

Tricor Investor &
Issuing House
Services Sdn Bhd

tricor

Scrutineer

Asia Securities Sdn
Bhd

Asia Securities

Shareholders who have appointed Chairman as Proxy

No.	Name of Shareholders	No. of Shares	Vote For	Vote Against	Abstain
1.	Citigroup Nominees (Tempatan) Sdn Bhd Manulife Holdings Berhad (Manulifers)	17,000	OR1, OR2, OR6 , OR7 & OR9	OR8	OR3 – OR5
2.	Maybank Nominees (Tempatan) Sdn Bhd	157,500	OR1, OR2, OR6, OR7 & OR9	OR8	OR3 – OR5
3.	Cartaban Nominees (Tempatan) Sdn Bhd	944,400	ALL	–	–

Shareholders who have appointed Chairman as Proxy – (Cont’)

No.	Name of Shareholders	No. of Shares	Vote For	Vote Against	Abstain
4.	Citigroup Nominees (Tempatan) Sdn Bhd	2,662,300	OR1 – OR7	OR8 & OR9	–
5.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad	1,630,700	OR1, OR2, OR6, OR7, OR8 & OR9	–	OR3 – OR5
6.	Citigroup Nominees (Asing) Sdn Bhd	186,500	OR1 – OR7 & OR9	OR8	–

Shareholders who have appointed Chairman as Proxy – (Cont')

No.	Name of Shareholders	No. of Shares	Vote For	Vote Against	Abstain
7.	Citigroup Nominees (Asing) Sdn Bhd	1,959,900	ALL	–	–
8.	Amsec Nominees (Tempatan) Sdn Bhd Amberdeen Asset Management Sdn Bhd for Tenaga Nasional	1,102,000	OR1 – OR7	OR8 & OR9	–
9.	Cartaban Nominees (Asing) Sdn Bhd	12,000	OR1 – OR8	OR9	–

Shareholders who have appointed Chairman as Proxy – (Cont’)

No.	Name of Shareholders	No. of Shares	Vote For	Vote Against	Abstain
10.	Cartaban Nominees (Asing) Sdn Bhd	57,300	OR1 – OR7 & OR9	OR8	–
11.	DB (Malaysia) Nominee (Asing) Sdn Bhd	9,900	OR1 – OR8	OR9	–
12.	DB (Malaysia) Nominee (Asing) Sdn Bhd	453,300	ALL	–	–
13.	DB (Malaysia) Nominee (Asing) Sdn Bhd	329,900	OR1 – OR7 & OR9	OR8	–

Shareholders who have appointed Chairman as Proxy – (Cont')

No.	Name of Shareholders	No. of Shares	Vote For	Vote Against	Abstain
14.	DB (Malaysia) Nominee (Asing) Sdn Bhd	8,000	OR1 – OR7	OR8 & OR9	–
15.	Citigroup Nominees (Tempatan) Sdn Bhd	656,700	OR1, OR3, OR5, OR6, OR7 & OR9	OR2 & OR4	–

Item 1

To receive the Audited Financial Statements for the financial year ended 31 December 2016 and the Directors' and Auditors' Reports thereon





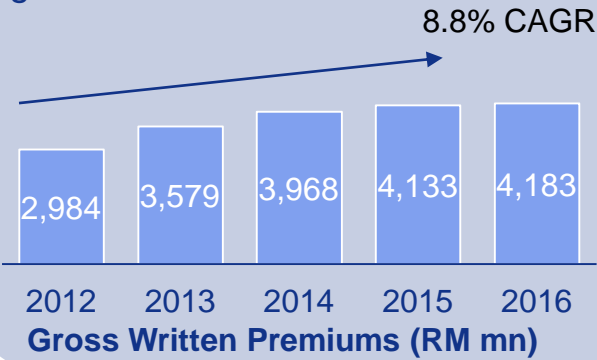
1

Allianz Malaysia Berhad Group

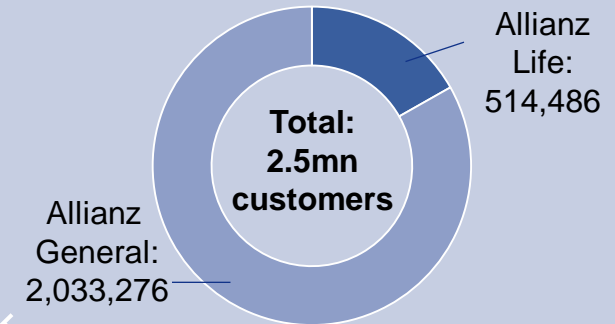
Allianz - Committed To Growth In Malaysia



Strong Gross Written Premium (GWP) growth



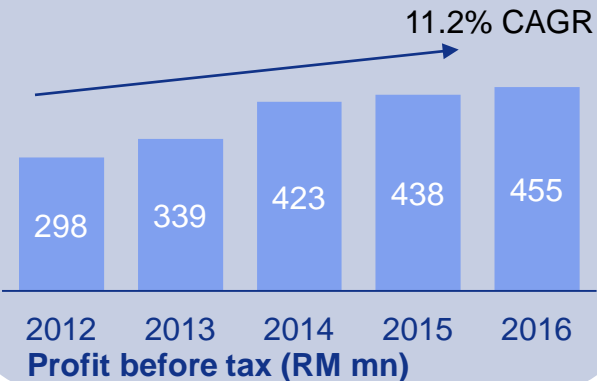
Protecting Malaysians with a range of insurance solutions



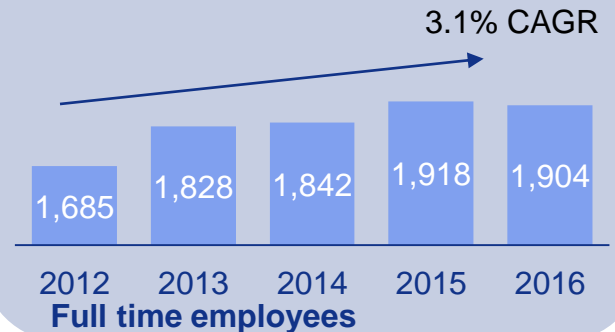
Allianz



Profitable growth

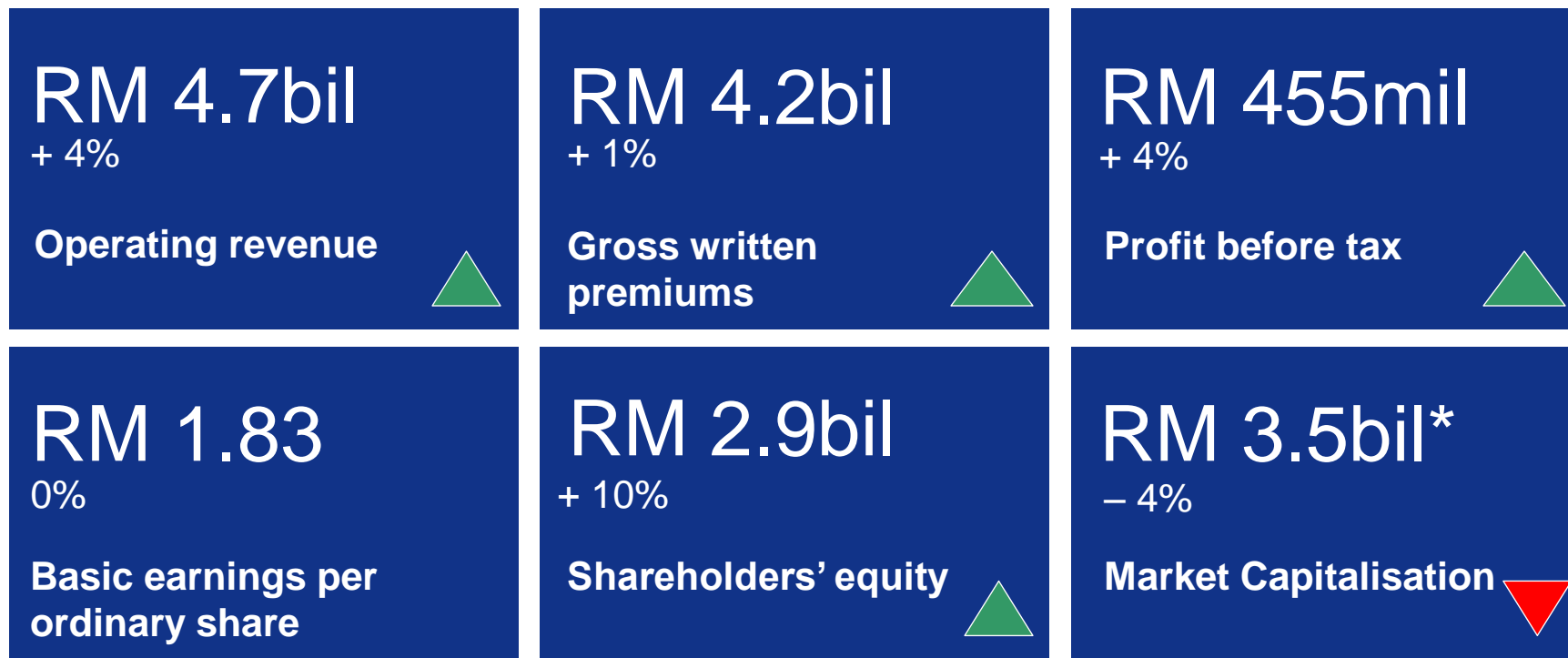


Investing in people, building a skilled workforce



Resilient and strong performance in 2016 despite weak market condition

Full Year 2016



Note:

All figures as per December 31, 2016

Percentage increases compare to December 31, 2015

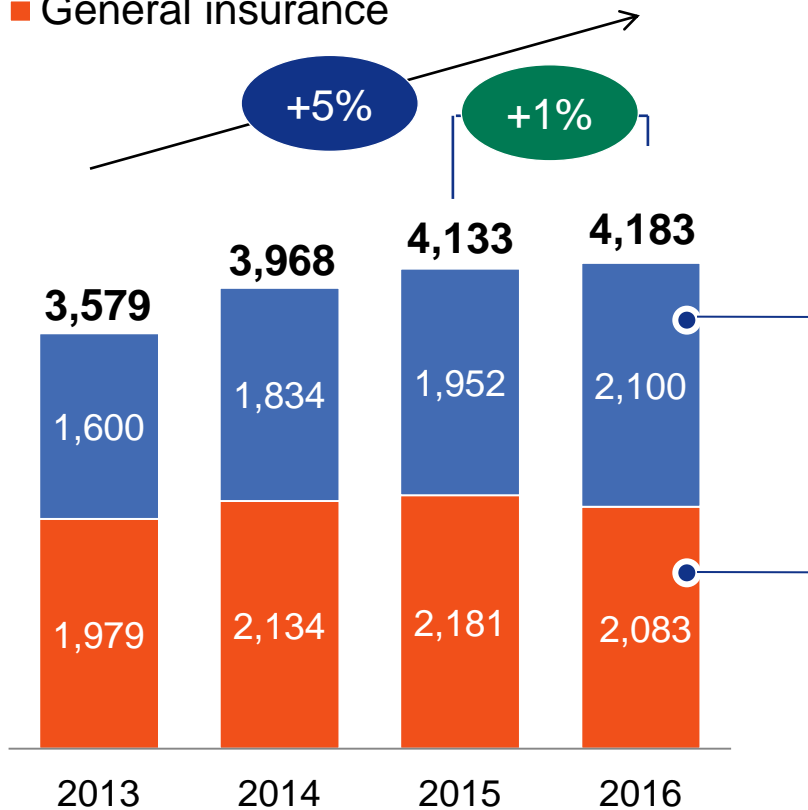
*13% growth in market cap as at 30/4/2017. Ordinary share price 31/12/2016 at RM10.20, 30/4/2017 at RM11.48.

Strong Group performance despite challenges in the general insurance environment

XX% 3-yr CAGR

Gross Written Premium (GWP) (RM 'mil)

- Life insurance
- General insurance



Allianz Life
8% y-o-y growth

Allianz General
-5% y-o-y growth

Allianz Life maintained top 5 position, with 6.6% market share

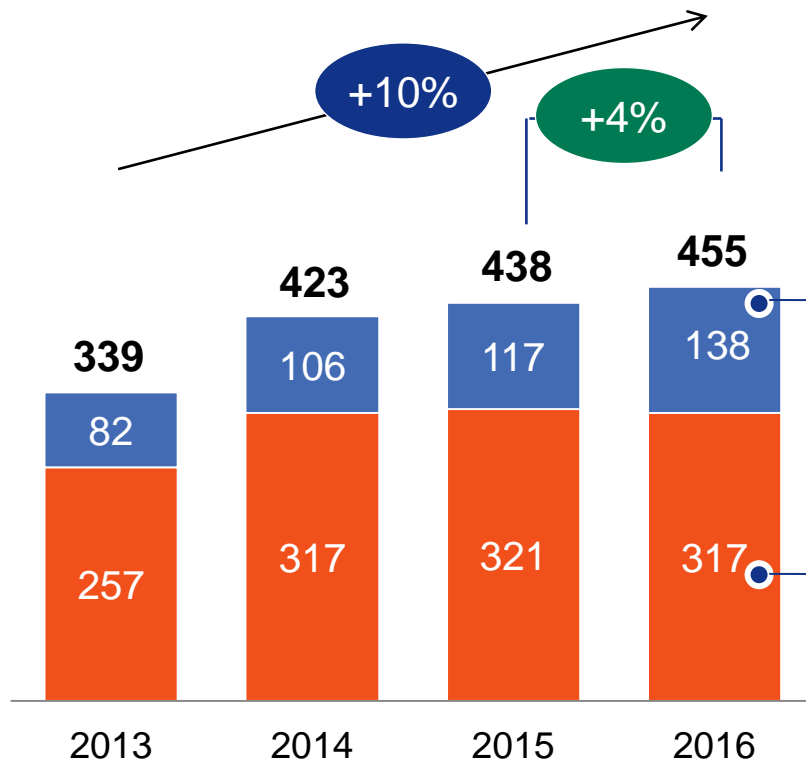
Allianz General maintained its market leader position with 11.8% market share²

Resilience in profit achieved in challenging landscape

Profit Before Tax (RM 'mil)

XX% 3-yr CAGR

- Life insurance
- General insurance & investment holding AMB



Allianz Life

19% y-o-y growth

Allianz General

-1% y-o-y growth

Diversified business portfolio

Maintain strong discipline in pricing & prudent expense management

Deliver healthy and sustainable margins. Achieved NBV of RM157 mn

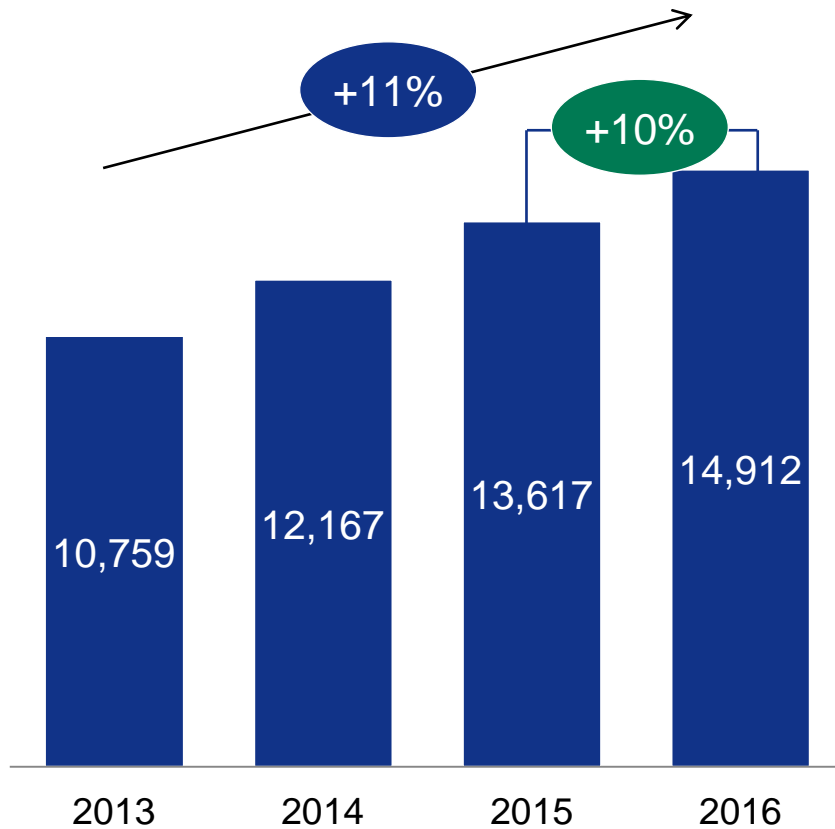
Prudent underwriting & better risk selection to deliver healthy net combined ratio of 90%

Allianz Malaysia's asset accumulation reached RM 14.9bil

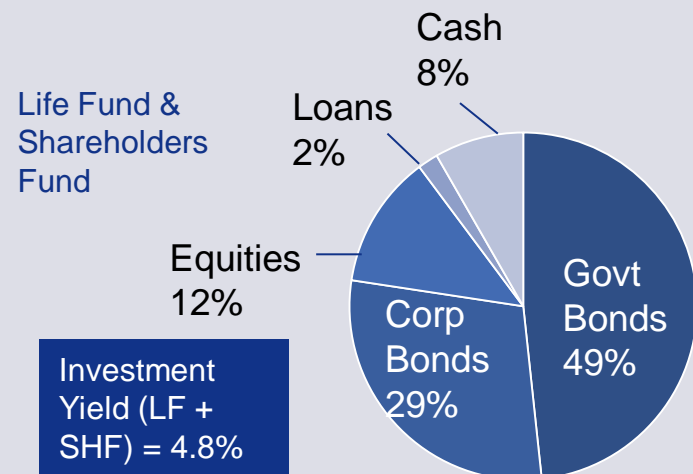
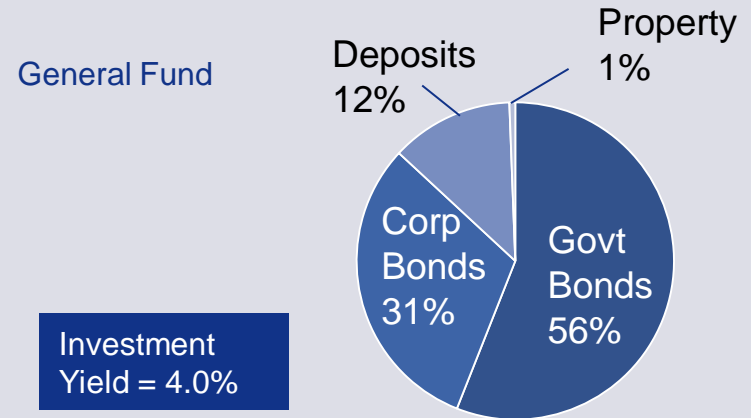
Disciplined investment strategy

XX% 3-yr CAGR

Total assets (RM 'mil)



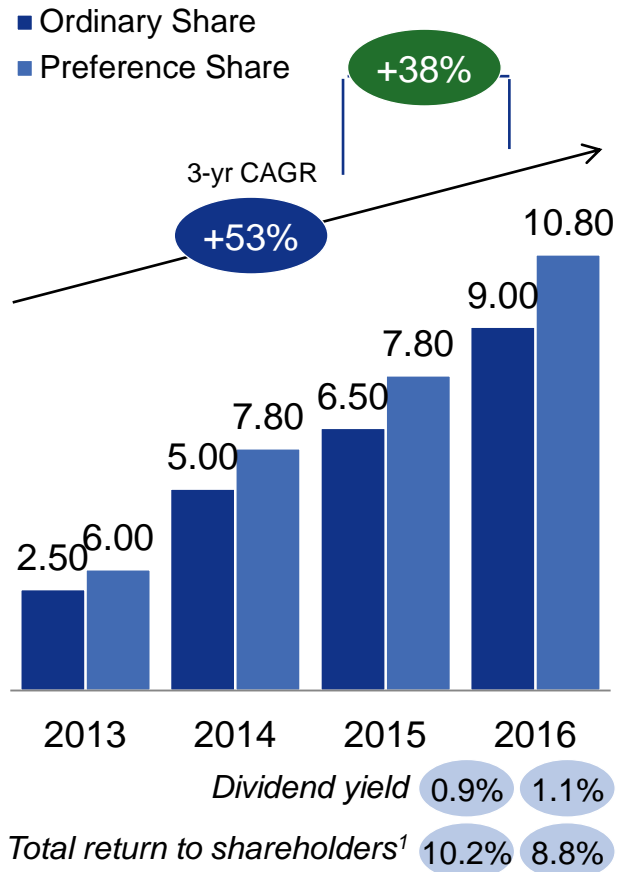
Investment portfolio mix



Continue to strengthen dividend returns to shareholders

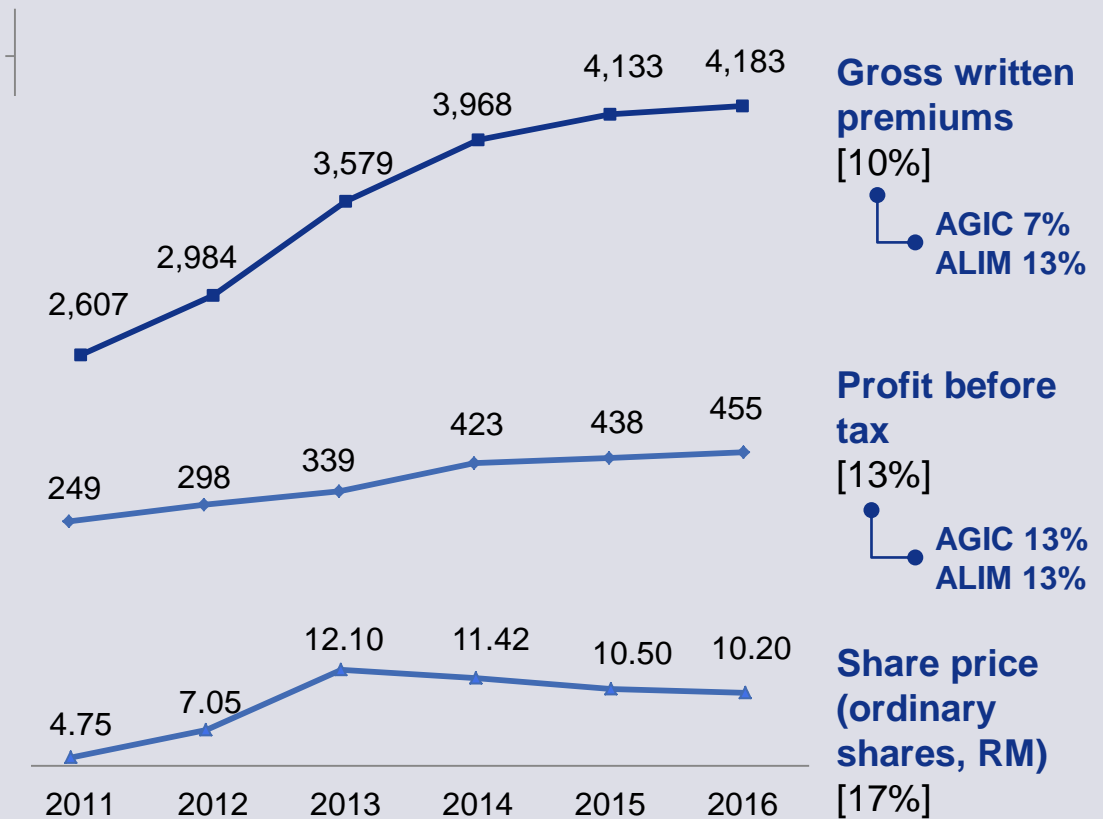
Managing the capital required to support growth

Dividend Per Share (RM sen)



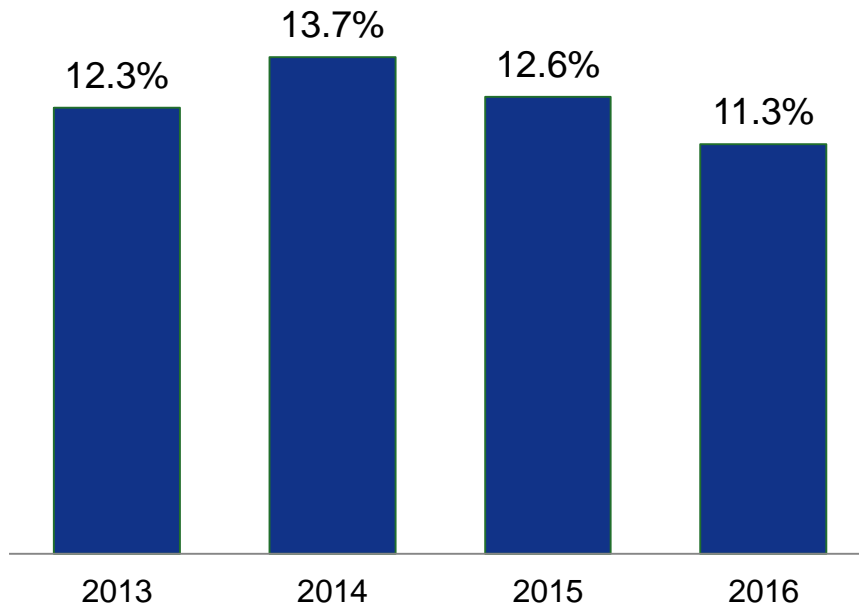
Group performance 2011–2016 (RM 'mil)

[5-year CAGR 2011-2016]



Group generated RoE of 11.3%, delivering value to shareholders

Return on Equity





2

Strategic Priorities



*“Allianz is anchoring its
**customer-centric
orientation**, driving
digitalization forward and
committing to a
performance culture.”*

Source: 2016 Group CEO letter

Allianz Malaysia going digital

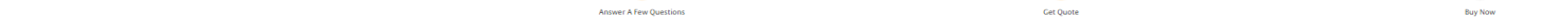
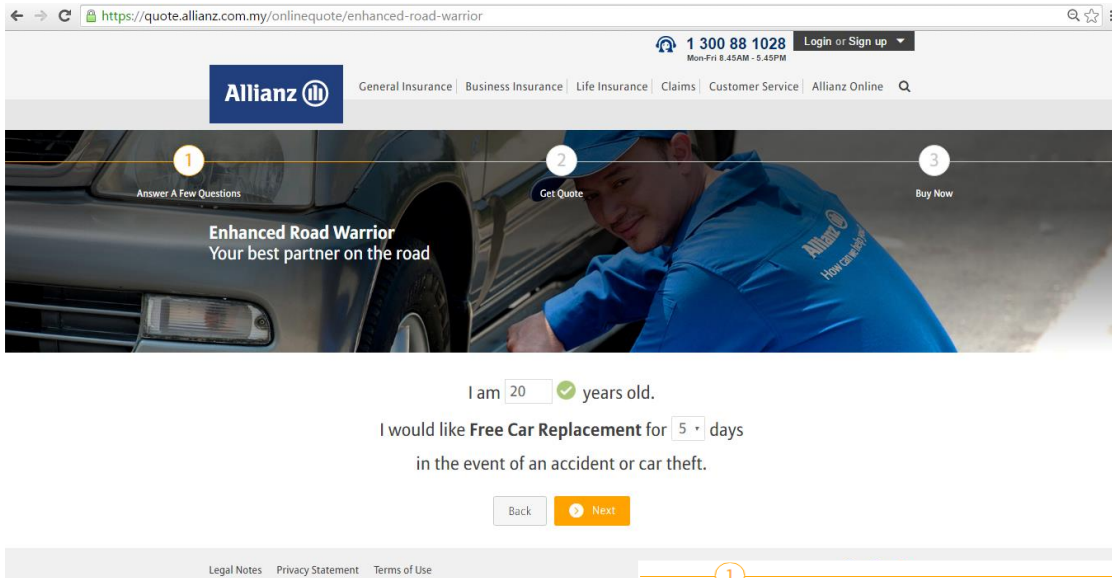
Building a digital ecosystem where customers can have **seamless access to Allianz products and services** across different distribution channels:

- Launched our **AtoZ customer mobile app** that has a **roadside assistance** function, **hospital geolocator**, as well as **online claims submission**
- End-to-end automation with **expert underwriting, ePolicy, mobile claims, etc.**
- Digitalising our agency force with our **digital submission** platform, **agent portal**, moving towards **e-payment**
- Establish **digital affinity and partnerships** to tap into a growing digital customer base

Our ultimate aim is to provide superior customer experience!

Fast Offer – Enhanced Road Warrior

Simple and fuss free quotation page



Enhanced Road Warrior Your best partner on the road

	Recommended RM 104.94 per year Plan A Selected	RM 189.74 per year Plan B	RM 274.54 per year Plan C
Free Car Replacement	5 days	6 days	7 days
Free Car Towing	Unlimited Towing Mileage	Unlimited Towing Mileage	Unlimited Towing Mileage
Personal Accident for driver and each passenger	RM 10,000	RM 50,000	RM 100,000
Taxi	Up to RM 60	Up to RM 60	Up to RM 60
Car Rental and Hotel Accommodation	Up to RM 400	Up to RM 400	Up to RM 400
Flood Coverage	Repairs up to RM1,500	Repairs up to RM1,500	Repairs up to RM1,500

Allianz Enhanced Road Warrior
Quotation Summary

Reference Number: QERW17022300049

Plan	Plan A
Premium	RM 99.00
Total Premium (inclusive 6% GST)	RM 104.94
Stamp Duty	RM 10.00

Premium Payable RM 114.95

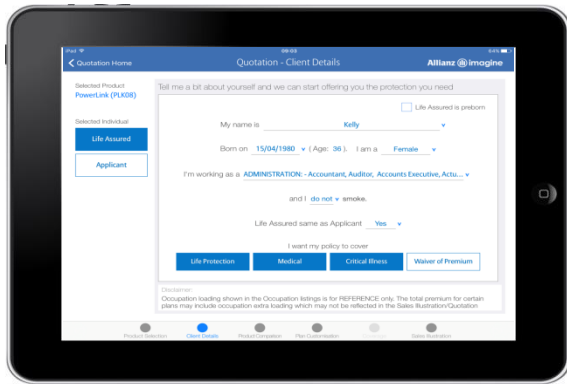
[Purchase Now](#)

[Back](#) [Or choose an Agent to ask for advice](#)

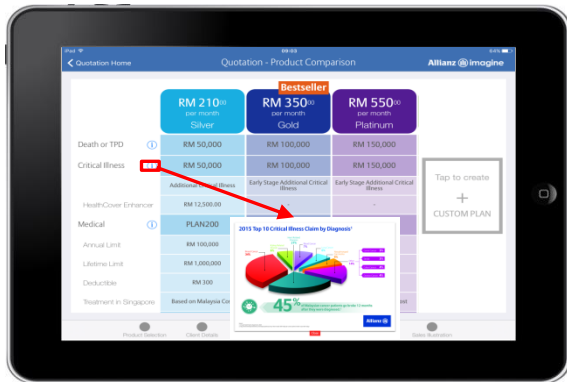
Customer can choose to purchase online

Or opt to be referred to a servicing Agent

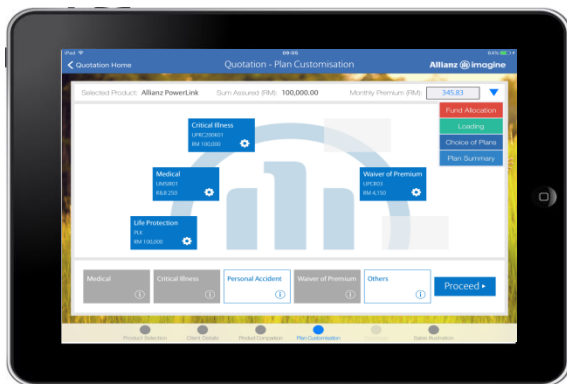
Imagine Fast Quote



- ✓ Redesigned Client Details screen for a more simplified data collection. (Client Details screen is implemented for all products)
- ✓ User to pre-define which category of riders to be included in the packages



- New Product Comparison screen!
- ✓ 3 plan packages will be displayed according to customer info
- ✓ Option to customized plan if the plans are not suitable
- ✓ Info button to display all the Sales Materials



New screen design to customise your plan!

Acquisition of digital partners

3 digital partnership commenced, 30 contacted / in negotiation, and more to come.

e-Commerce	Financial	Mobility/ Transport	Fintech/Insurtech
recomN.com ServisHero Service marketplace roomia <hr/> SPEEDRENT Property marketplace <hr/> carousell Lelong.my Retail marketplace <hr/> CarBengkkel Workshop aggregator GOMEQ CAR SOME Car comparison PropertyGuru.com Property comparison	RinggitPlus Financial marketplace / comparison iMoney.my gobear <hr/> FATFISH Policy Street Insurance marketplace Buyinsuran ce.direct <hr/> ctos Credit report agency	UBER Ride-sharing rideeasy KWIKCAR Car-sharing roadaz <hr/> GoCar Car rental / leasing <hr/> ParkEasy SPARK Parking app PARKBOX <hr/> MALAYSIA AIRPORTS Airport management iKargo Transportation service	Touch n GO Payment / e-Wallet DIALOG ePetrol <hr/> digiX Telematics solution insbee P2P insurance
	<h3>Home</h3> astro ICT VADS Smart home solution		Digital partners signed up: <ul style="list-style-type: none"> ▪ ParkEasy (Oct 2016) ▪ RecomN (Oct 2016) ▪ Speedrent (Jan 2017) ▪ ServisHero (Apr 2017) ▪ Fatfish (Apr 2017) ▪ Rideeasy (Apr 2017) ▪ Kwikcar (Apr 2017) Lead generators signed up: <ul style="list-style-type: none"> ▪ CarBengkkel (Apr 2016) ▪ CarSome (Oct 2016) ▪ Property Guru (Oct 2016)

Malaysia as the Allianz Regional Centre of Competence

- Established / establishing
- Planned

General Centre of Competence

- Leading General Operating Entity within the Asia Pacific Region
- Point of reference for General technical and operational related matters

Actuarial Centre of Competence

- Set-up Life actuarial liability and asset modelling centre to strengthen regional modelling capabilities
- Planned expansion to include General Actuarial

Regional Digital Hub

- Set-up as an extension of Allianz Asia Pacific Digital Lab in Singapore
- Establish presence in the digital ecosystem with various partners around Fintech topics

P&C Regional Banca Roll-out

- Leading the regional bancassurance deal with Standard Chartered

Life Underwriting Centre of Competence

- Regional Life underwriting centre of expertise

Health Service Centre of Competence

- Plan to establish in-house claims service with global Allianz Worldwide Care (subject to BNM approval)
- Build scale across the region

Internal Audit Centre of Competence

- Plan to establish for IT and Actuarial



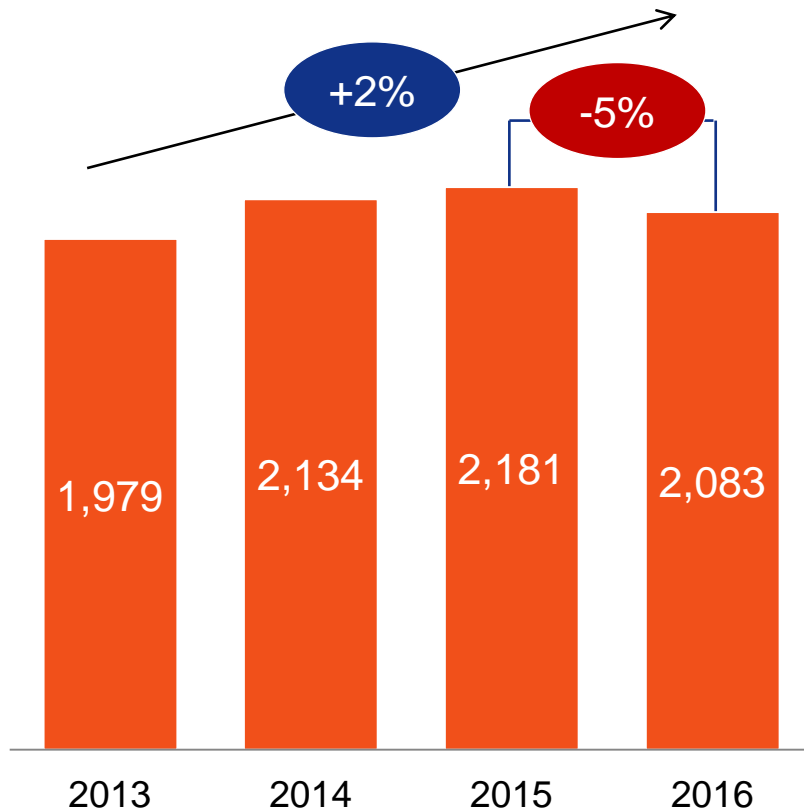
3

General Business

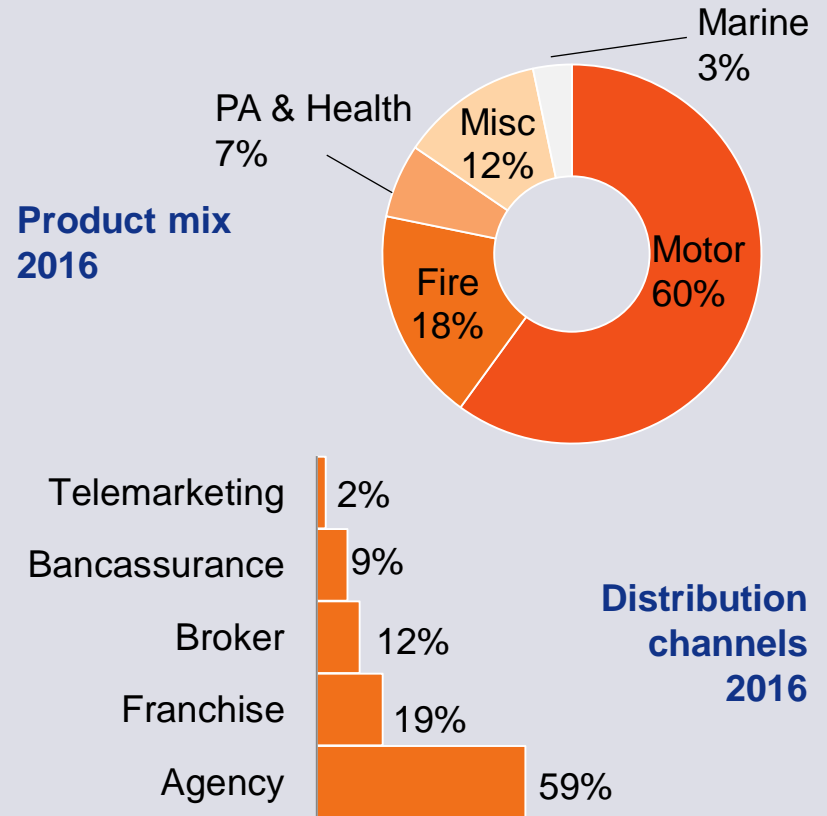
Growth affected by weak economic conditions and slowdown in new car sales

XX% 3-yr CAGR

Gross Written Premium (RM 'mil)



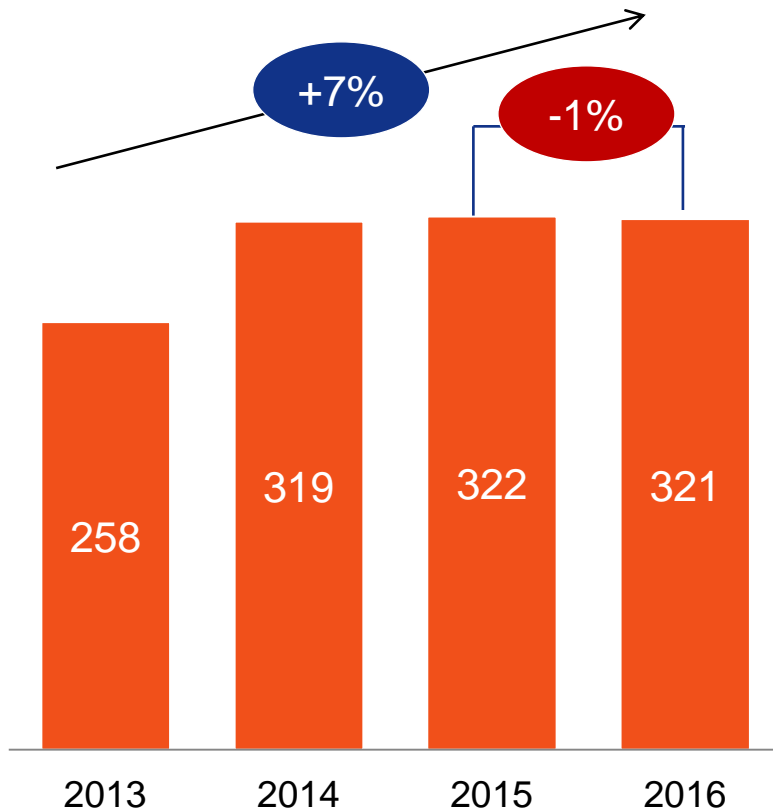
Distribution channel and product mix



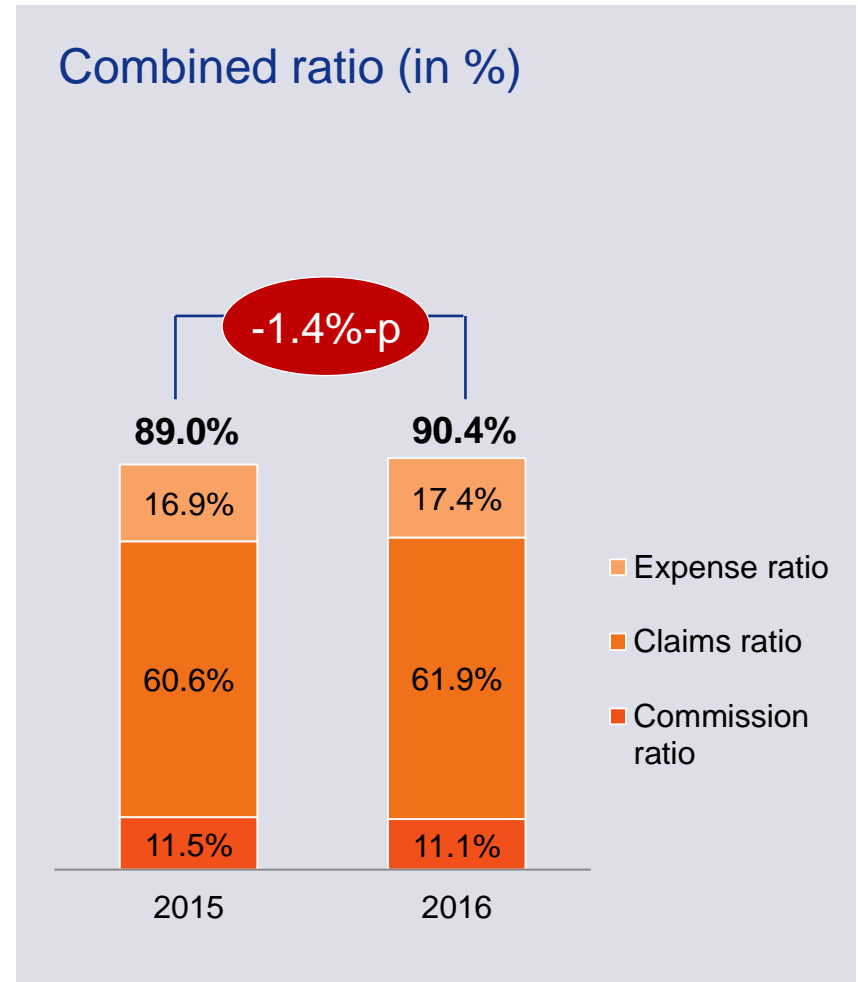
Maintaining profitability and healthy combined ratios amidst difficult economic conditions

XX% 3-yr CAGR

Profit before tax (RM 'mil)



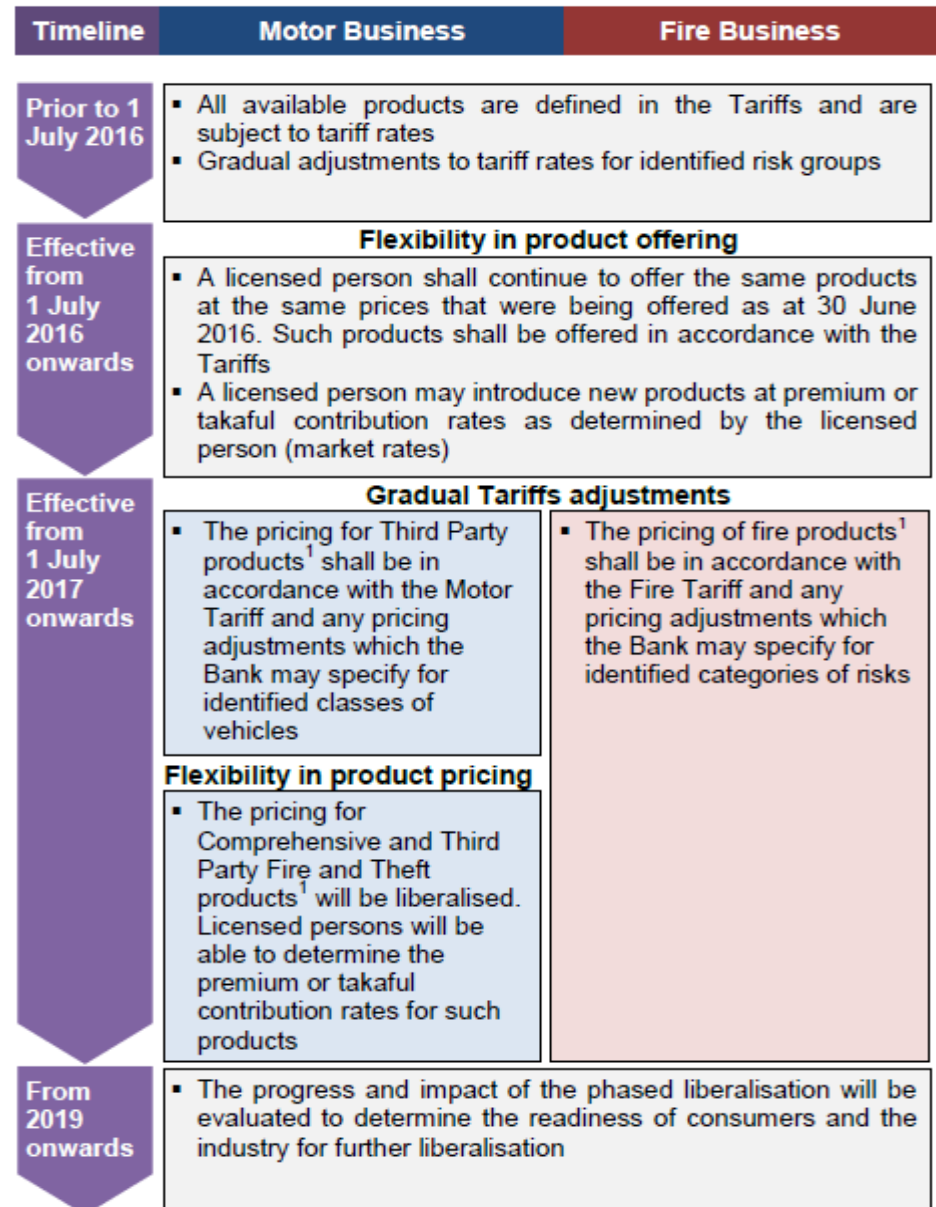
Combined ratio (in %)



Detariff Roadmap

Key Summary

- Fire & Motor TP to remain under Tariff
- Motor Comprehensive and TPFT free to price from July 1st, 2017 onwards
- Wordings of new products / add-on subject to PIAM approval prior to launch
- BNM approval required, if new rates deviate by more than:
 - 10% for Motor
 - 30% for Fire New Product
- No change to commission structure
- BNM shall withdraw flexibilities provided if insurer circumvent Tariffs/impede objective of BNM



Source: BNM Phased Liberalization of Motor and Fire Tariffs Policy

© Copyright Allianz Malaysia Berhad 2017

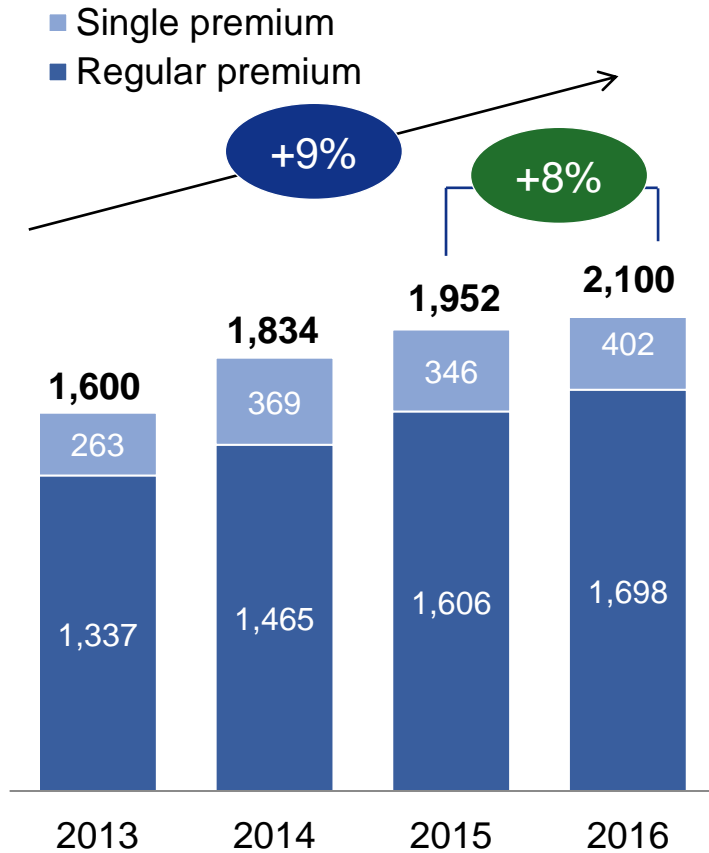


4

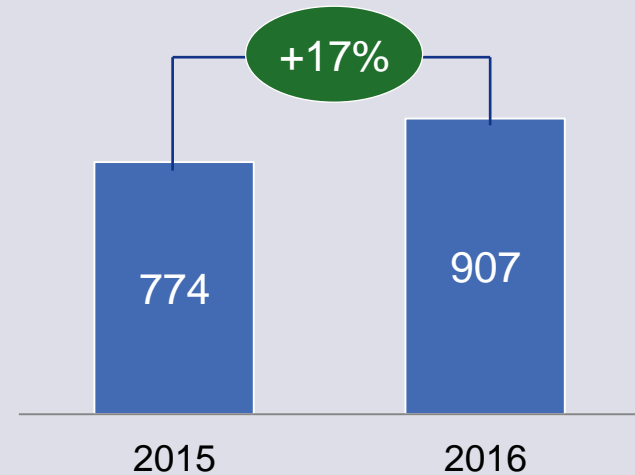
Life Business

Strong growth backed by continued focus on investment-linked business

Gross Written Premium (RM 'mil)



Gross Written Premium (RM 'mil) Investment-linked business



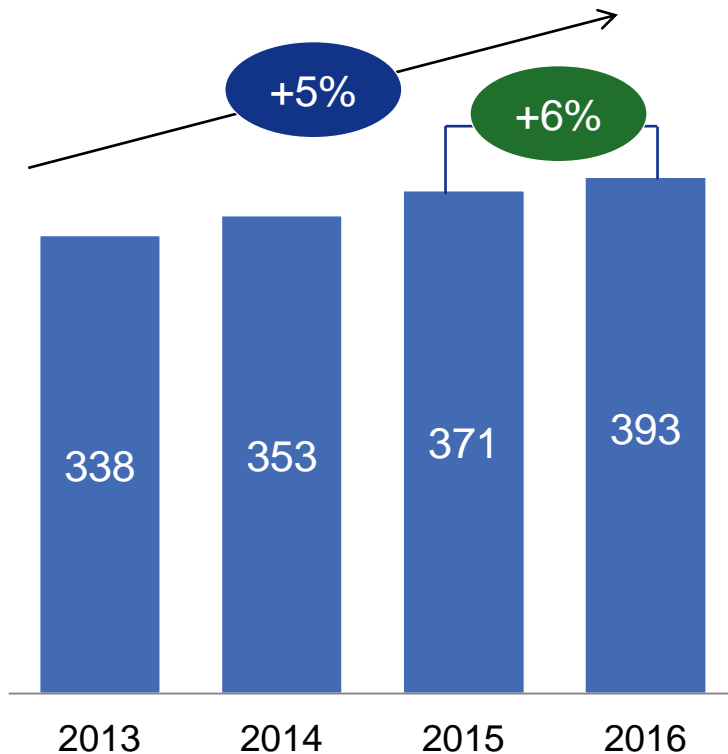
In-force business Growth 16/15	Industry	Allianz Life	Market share	Rank
Investment-linked	13.6%	18.0%	7.9%	#4
Total In-force	7.6%	9.8%	6.7%	#5

Strengthening multi-distribution capabilities to deliver growth

Actively stepping up acquisition of distribution partners

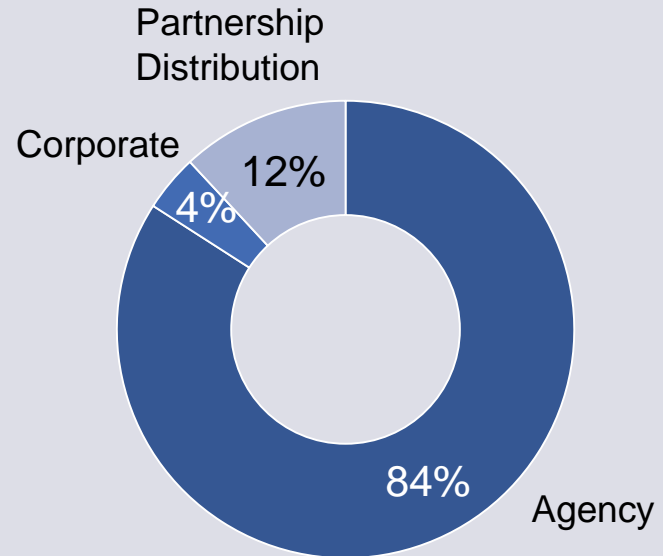
XX% 3-yr CAGR

Annualised New Premium (ANP)
(RM 'mil)



Note:
1) ANP comprises all recurring premiums and 10% of single premiums
2) Strategic move to scale down unprofitable TM business

ANP channel mix 2016



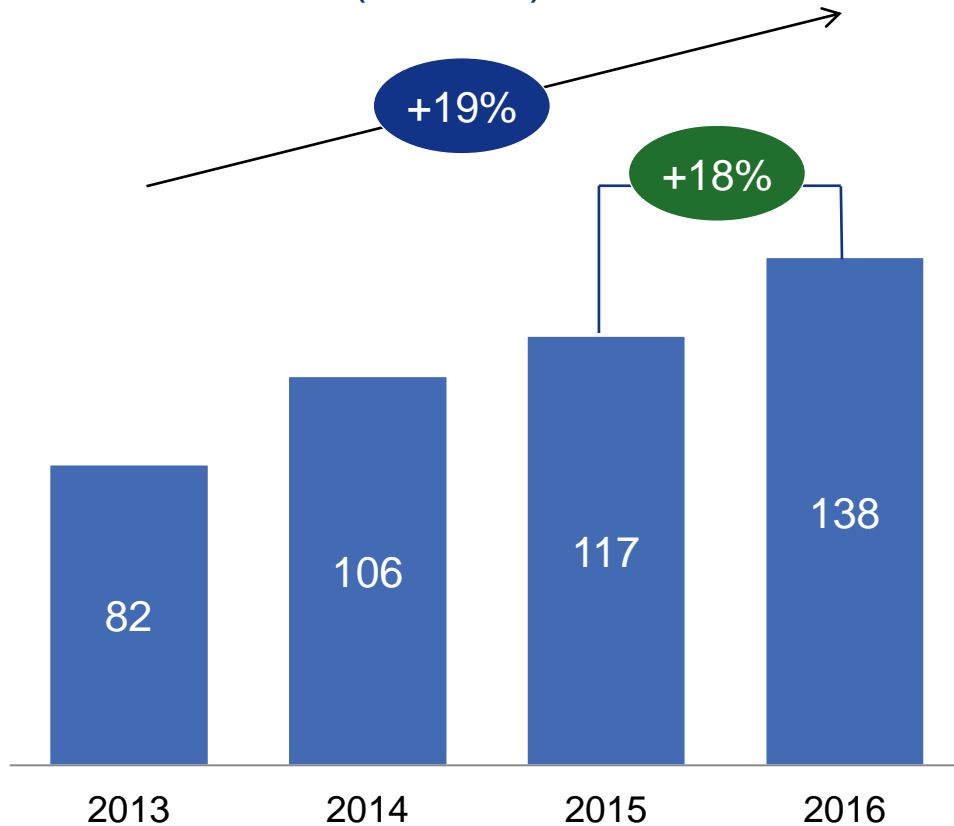
ANP Growth 16/15	Industry	Allianz Life	Market share	Rank
Agency ¹	13.7%	2.2%	7.9%	#5
Bancassurance ²	6.5%	23.8%	6.8%	#6
Employee Benefits ²	-7.0%	9.7%	8.0%	#3

Source: 1. LIAM industry statistics Jan-Dec 2016 (RP+10%SP)
2. LIAM industry statistics Jan-Dec 2016 (RP+100%SP)

Life business generated an 18% growth in Profit Before Tax

XX% 3-yr CAGR

Profit before tax (RM 'mil)



- Focus on healthy and sustainable margins supported by disciplined pricing methodologies and sound risk management
- Focus on writing more investment-linked protection products
- Delivered RM 157mn in NBV (45% y-o-y growth)

We need to be ready for the Life Framework

LIFE Framework

It aims to promote innovation and a more competitive market supported by higher levels of professionalism and transparency in the provision of insurance services.

Objective of the framework will be achieved through specific initiatives introduced under the Framework, which can be broadly summarized as below:



From BNM's perspective..



From Allianz's perspective..



Gradual removal of limits on operating costs



Diversification of distribution channels



Strengthening market conduct



Product Strategy

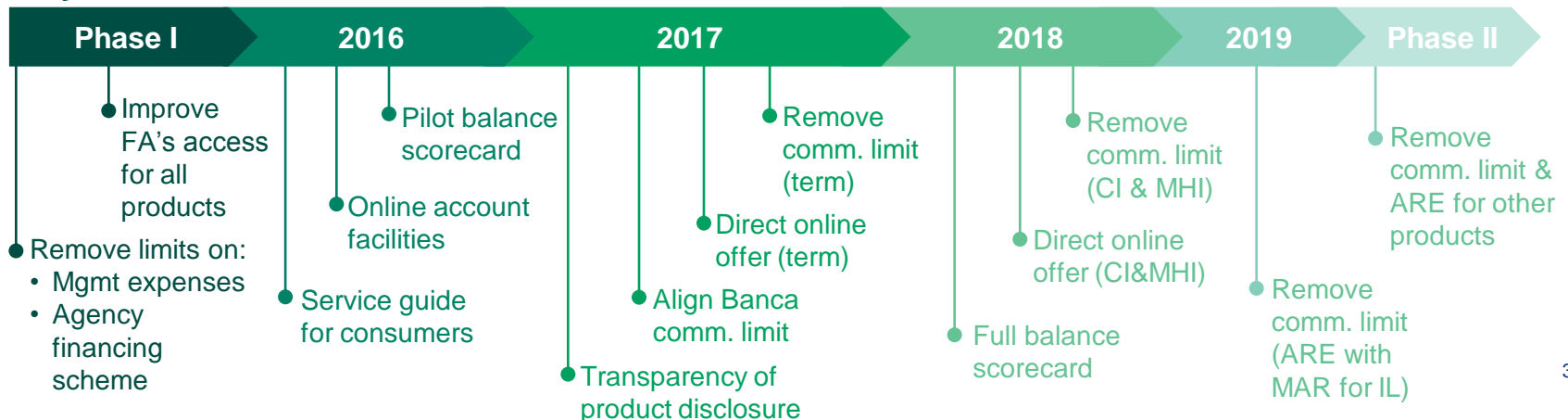


Sales Strategy



Operations/ Service Strategy

Key Milestone & Initiatives:



Questions from the Minority Shareholder Watchdog Group

(1) Given the financial liberalisation of the sector together with the imminent deregulation and removal of tariff structure, please share on the measures that the Group has embarked for the last two years to address and mitigate the impact as well as competition in the industry

Answer

Preparations for tariff liberalisation began many years ago with key initiatives including:-

- **Project Angkasa which started from 2012 to 2014 to reach economies of scale in preparation for detariff**
- **Building and enhancing technical pricing models for transition into risk based pricing**
- **Active portfolio and claims management to improve underwriting profitability**
- **Disciplined expense management for competitive advantage**
- **Focus on service delivery and customer service (Allianz Road Rangers, express claims service)**

Questions from the Minority Shareholder Watchdog Group

(2) How would the Group address the risk pricing of the products to remain competitive vis-a-vis its competitors and to ensure good and loyal customers with minimum or no claims records are rewarded under the risk pricing approach? Would the benefits of competitive premium price adjustments be passed on to the Company's customers?

Answer

Under a risk based pricing approach, the premium charged is dependent on the risk profile of a customer which can vary according to insured's age, driving experience, location, type of car driven etc in addition to whether the insured has had any claims in the past. Each company would have a different pricing model depending on the data credibility, expense and profit loading assumptions. We believe that Allianz's strong technical expertise, continuous efforts in providing service excellence and expense discipline will be a competitive advantage moving into the liberalised environment.

Questions from the Minority Shareholder Watchdog Group

(3) The Company has secured a 15-year partnership agreement with Standard Chartered Bank in several parts of Asia. Please elaborate on the arrangement and anticipated returns/savings and upside future potentials from the collaboration in these markets

Answer

Allianz entered into a 15-year partnership agreement with Standard Chartered Bank (“SCB”) in 5 key markets in Asia, namely Singapore, Hong Kong, Malaysia, Indonesia and China to be implemented during the course of 2017. The partnership allows Allianz to distribute general insurance products, including travel, Personal Accident, Fire and motor insurance, to SCB’s Personal, Priority and Business Banking customers. In addition to SCB’s branch network, Allianz products will also be available for distribution via a proprietary digital bancassurance platform for an integrated, data-driven and highly tailored customer proposition.

Questions from the Minority Shareholder Watchdog Group

(4) One of the Group's key drivers going forward would be the digital asset and in line with its three year transformation plan, please share on the preparation and the budget allocation towards achieving the goal

Answer

For Digital Transformation, a budget in excess of RM32 million has been allocated for new initiatives in 2017 and for 2018 and 2019, RM22 million and RM17 million have been earmarked respectively for digital investments. Several key projects are under way in the areas of digital distribution (launched several online distribution products for Allianz General and Allianz Life), digital communication (change to paperless communication for ALIM customers) and digital partnerships. More details on some of these projects can be found in our Sustainability Report 2016 which is available on our Corporate Website. We are also planning to move ahead in more data driven analytics projects and a more flexible system architecture to allow fast and easy integration with our business partners. Overall we are progressing very well in our Digital Transformation journey and are confident that we are making the right investments to further future-proof our business.

Questions from the Minority Shareholder Watchdog Group

(5) We noted that under the asset allocation review, the Group has increased its portfolio in unquoted bonds to RM3.89 billion, up by 29.9% and the second largest investments in the overall portfolio in FY 2016. Please share on the policy criteria and basis to invest in these assets

Answer

The increase in unquoted bonds size is in tandem with our approved strategic asset allocation exposure and driven also by higher investment asset size.

The rationale for the higher asset allocation to such fixed income securities is to provide stable long term income to meet the liability obligations; and the income is enhanced by the credit premium spread via holdings in corporate bonds.

On the risk policies, we have investment limits control on individual and group counterparty; and sector of the counterparty. For the selection of corporate credits, we adopt a stringent credit risk assessment process, applying internal credit scoring system to assess the credit risk profile.

Resolution 1

To approve the payment of directors' fees of RM1,966,764 to the Non-Executive Directors of the Company and its insurance subsidiaries for the financial year ended 31 December 2016 (2015: RM1,564,137)



Resolution 2

To approve the payment of Directors' remuneration (excluding directors' fee) to the Non-Executive Directors of the Company and its insurance subsidiaries up to an amount of RM 1,613,360, from 1 January 2017 until the next AGM of the Company



Resolution 3



To re-elect Mr. Foo San Kan who retires by rotation in accordance with Article 96 of the Articles of Association of the Company and being eligible, offers himself for re-election

Resolution 3 Re-election of Mr. Foo San Kan



**Independent Non-Executive
Director**

Mr. Foo San Kan

Aged 68, Malaysian, was appointed to the Board of the Company on 25 November 2005.

He is the member of the Audit Committee, Risk management Committee Nomination Committee and Remuneration Committee of the Company.

Resolutions 4 & 5

To re-appoint the following Directors:-

- a) Y. Bhg. Tan Sri Razali Bin Ismail**
- b) Y. Bhg. Dato' Dr. Thillainathan A/L Ramasamy**



Resolution 4

Re-appointment of Y. Bhg. Tan Sri Razali Bin Ismail



Y. Bhg. Tan Sri Razali Bin Ismail

Aged 77, Malaysian, was appointed to the Board of the Company on 25 September 2001. He is a member of Nomination and Remuneration Committee of the Company.

**Chairman –
Independent Non-Executive Director**

Resolution 5

Re-appointment of Y. Bhg. Dato' Dr. Thillainathan A/L Ramasamy

Y. Bhg. Dato' Dr. Thillainathan A/L Ramasamy

Aged 72, Malaysian, was appointed to the Board of the Company on 24 June 2011. He is the Chairman of the Audit Committee and member of Risk management Committee and Nomination and Remuneration Committee of the Company.



**Independent Non-Executive
Director**

Resolution 6



To re-appoint Messrs KPMG PLT as Auditors of the Company for the financial year ending 31 December 2017 and to authorise the Directors to fix their remuneration

Resolution 7

**Proposed Shareholders' Mandate for
Recurrent Related Party Transactions with
Allianz SE Group**

Resolution 8

**Proposed Shareholders' Mandate for
Recurrent Related Party Transaction
with Shook Lin & Bok**

Resolution 9

**Proposed Shareholders' Mandate for
Recurrent Related Party Transaction
with Rapidpro Consulting Sdn Bhd**

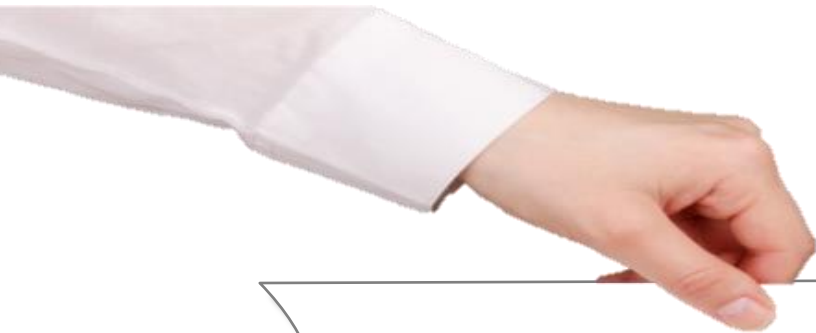
Any other business

Briefing on Electronic Voting by Poll Administrator





Meeting Adjourned for Poll Voting Calculation



**If you have any further question,
please drop your question into the
enquiry box at the registration
counter.**

**We will endeavor to reply you within
7 working days.**



Thank You

Allianz 

Disclaimer

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. The company assumes no obligation to update any forward-looking statement.

No duty to update.

The company assumes no obligation to update any information contained herein.