

Annual General Meeting 2016

Allianz Malaysia Berhad (12428-W)

Kuala Lumpur
25.05.2016



Allianz 

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

The Poll Administrator and Scrutineers appointed for the 42nd Annual General Meeting :-

**Tricor Investor & Issuing
House Services Sdn Bhd**



Shareholders who have appointed Chairman as Proxy

No.	Name of Shareholders	No. of Shares	Vote For	Vote Against	Abstain
1.	Citibank Nominees (Tempatan) Sdn Bhd	17,000	OR1, OR2, OR7, OR9 & OR11	OR10	OR3, OR4, OR5, OR6 & OR8
2.	Cartaban Nominees (Tempatan) Sdn Bhd	280,100	All	–	–
3.	Citigroup Nominees (Tempatan) Sdn Bhd	3,300,000	OR1 - OR9	OR10 & OR11	–

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

No.	Name of Shareholders	No. of Shares	Vote For	Vote Against	Abstain
4.	Amsec Nominees (Tempatan) Sdn Bhd - Aberdeen Asset Management Sdn Bhd for Tenaga Nasional Berhad Retirement Benefit Trust Fund (FM-Aberdeen)	1,090,000	OR1-OR9	OR10 & OR11	–
5.	Cartaban Nominees (Asing) Sdn Bhd	43,500	OR1 – OR9 & OR 11	OR10	–

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

No.	Name of Shareholders	No. of Shares	Vote For	Vote Against	Abstain
6.	DB (Malaysia) Nominee (Asing) Sdn Bhd	108,800	OR1 – OR9 & OR 11	OR10	–
7.	Maybank Nominees (Tempatan) Sdn Bhd	102,000	OR1-OR9	OR10 & OR11	–
8.	HSBC Nominees (Asing) Sdn Bhd	14,400	OR1-OR4, OR5 (8,900) & OR10 (5,500)	OR5 (5,500) & OR10 (8,900)	–
9.	HSBC Nominees (Tempatan) Sdn Bhd	304,800	OR1 – OR2, OR7, OR9 & OR 11	OR10	OR3 – OR6, OR8

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

No.	Name of Shareholders	No. of Shares	Vote For	Vote Against	Abstain
10.	HSBC Nominees (Asing) Sdn Bhd	94,100	OR1 – OR9 & OR 11	OR10	–
11.	DB (Malaysia) Nominee (Asing) Sdn Bhd	610,900	All	–	–
12.	Citigroup Nominees (Asing) Sdn Bhd	59,200	OR1 – OR9 & OR 11	OR10	–
13.	Citigroup Nominees (Asing) Sdn Bhd	28,800	OR1 – OR9 & OR 11	OR10	–

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

No.	Name of Shareholders	No. of Shares	Vote For	Vote Against	Abstain
14.	Maybank Nominees (Tempatan) Sdn Bhd	183,000	OR1 – OR9	OR10 & OR11	–
15.	Citigroup Nominees (Asing) Sdn Bhd	2,000	OR1 – OR9 & OR 11	OR10	–
16.	DB (Malaysia) Nominee (Asing) Sdn Bhd	1,500	All	–	–
17.	DB (Malaysia) Nominee (Asing) Sdn Bhd	4,100	All	–	–

Item 1

To receive the Audited Financial Statements for the financial year ended 31 December 2015 and the Directors' and Auditors' Reports thereon



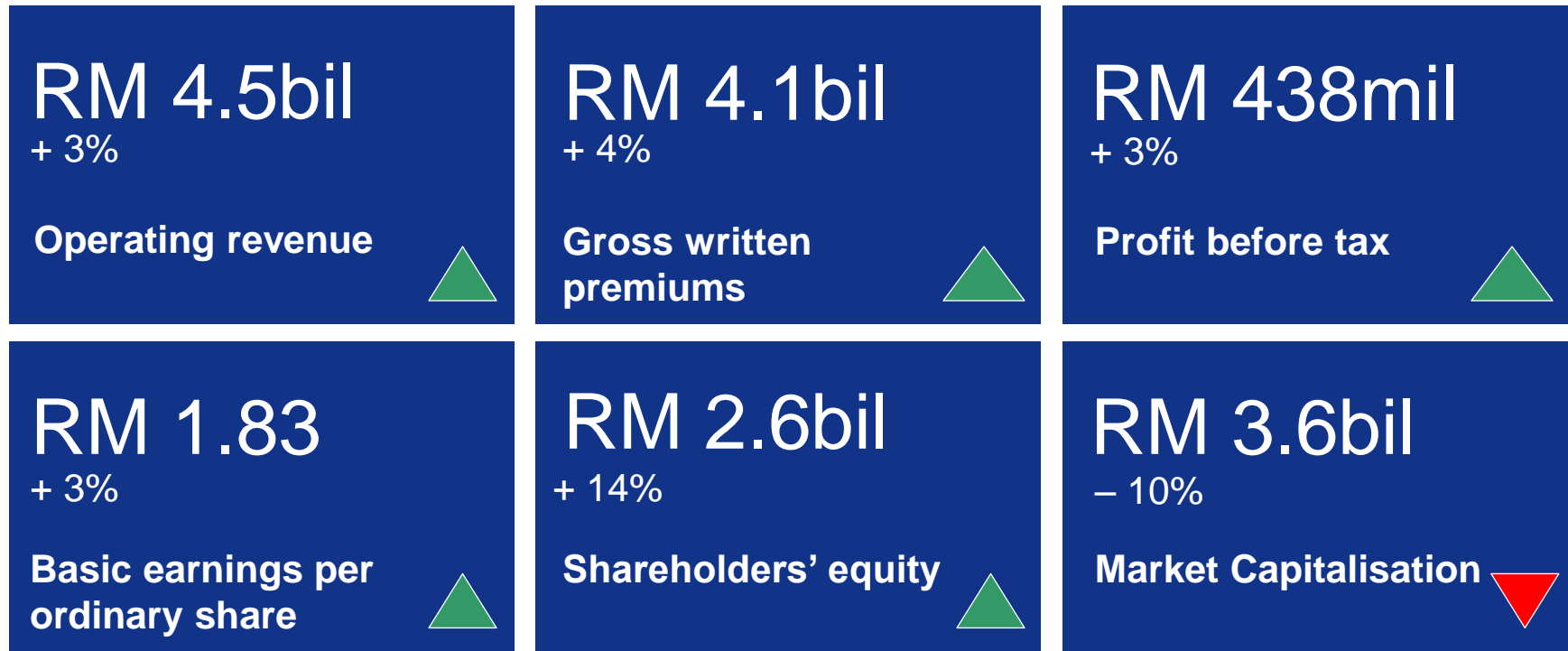


1

Allianz Malaysia
Berhad Group

Resilient and strong performance in 2015 despite weak market condition

Full Year 2015



Note:

All figures as per December 31, 2015

Percentage increases compare to December 31, 2014

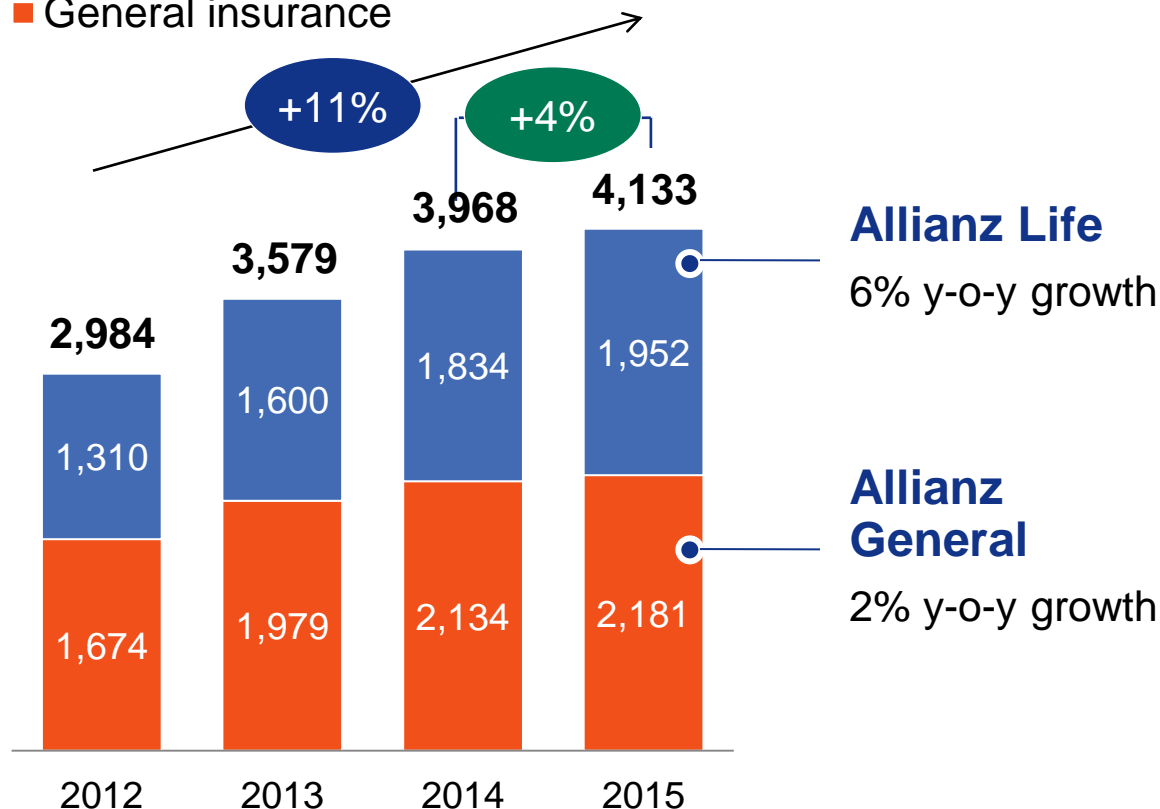
Strong performance in both general and life insurance businesses attributed to multi-distribution capability

XX% Y-o-y growth
XX% 3-yr CAGR

Gross Written Premium (GWP) (RM 'mil)

■ Life insurance

■ General insurance



Allianz Life maintained top 5 position, with 7.3% market share

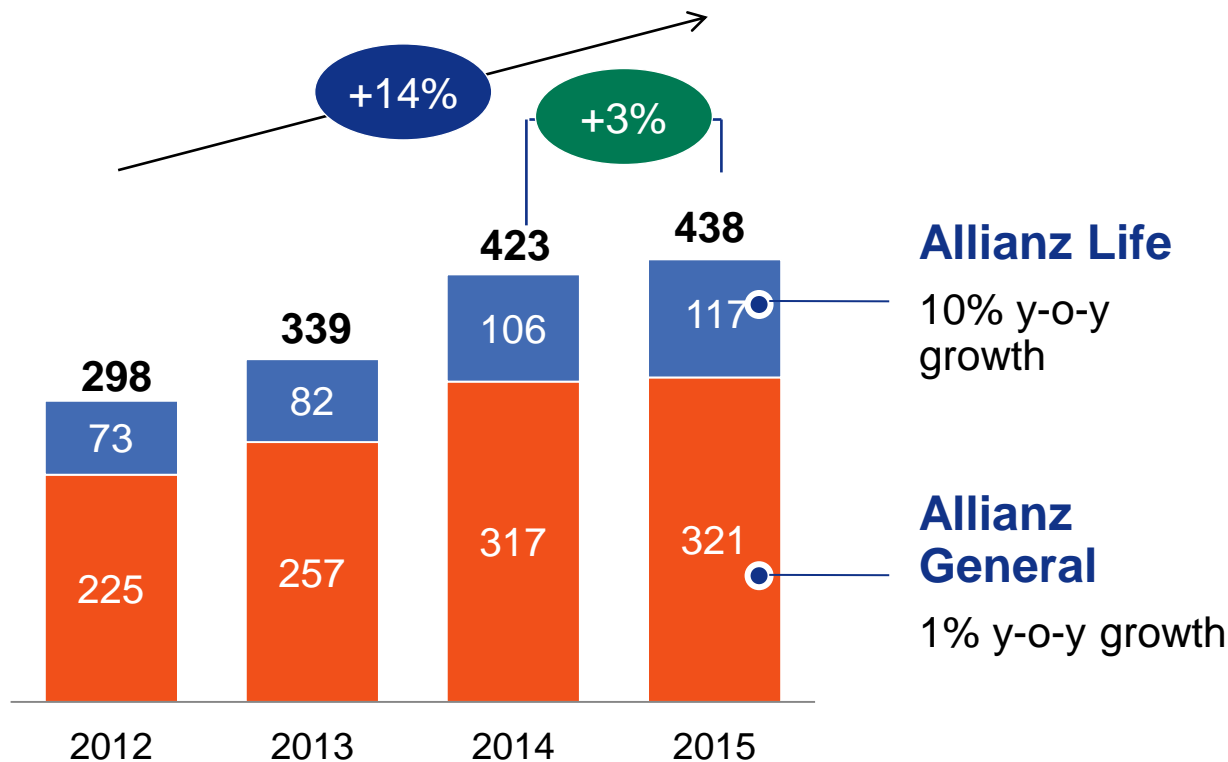
Allianz General maintained its market leader position with 12.4% market share²

Record high profit achieved in challenging landscape

XX% Y-o-y growth
XX% 3-yr CAGR

Profit Before Tax (RM 'mil)

- Life insurance
- General insurance & investment holding AMB



Diversified business portfolio

Maintain strong discipline in pricing & prudent expense management

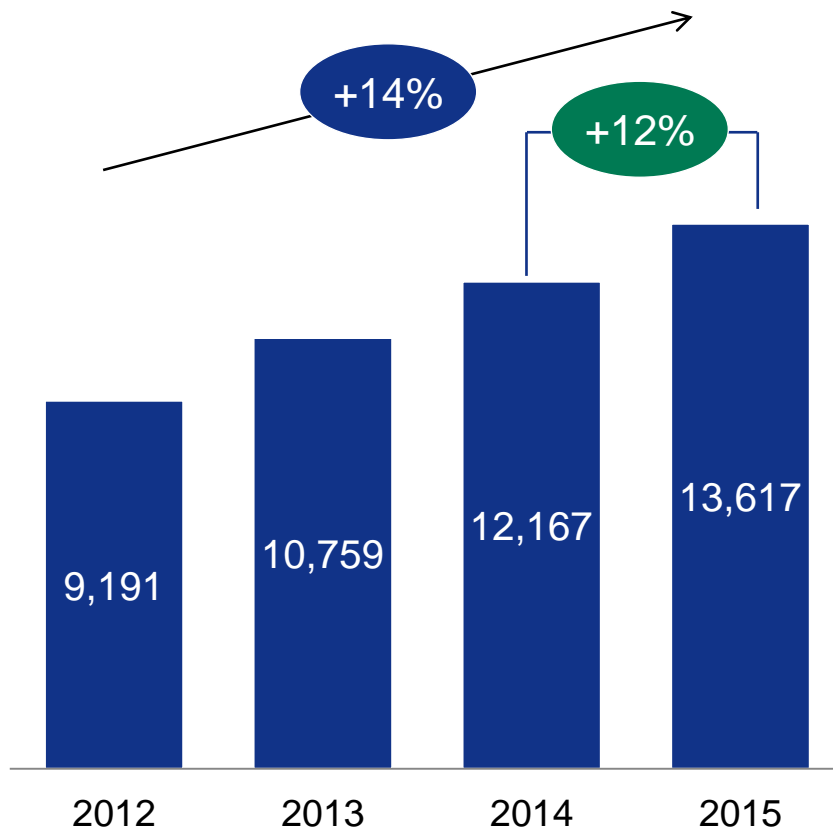
Deliver healthy and sustainable margins. Achieved NBV of RM108 mn

Prudent underwriting & better risk selection to deliver healthy net combined ratio of 89%

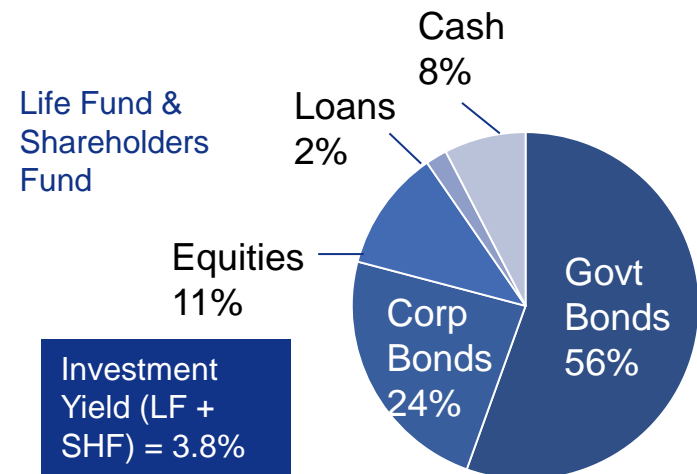
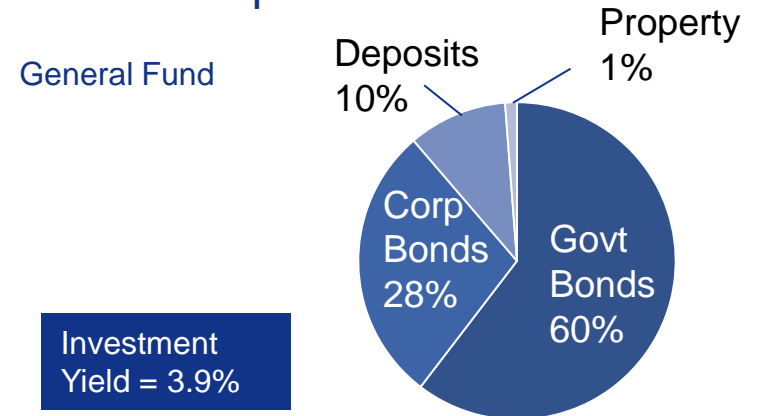
Allianz Malaysia's total assets reach RM 13.6bil

XX% Y-o-y growth
XX% 3-yr CAGR

Total assets (RM 'mil)



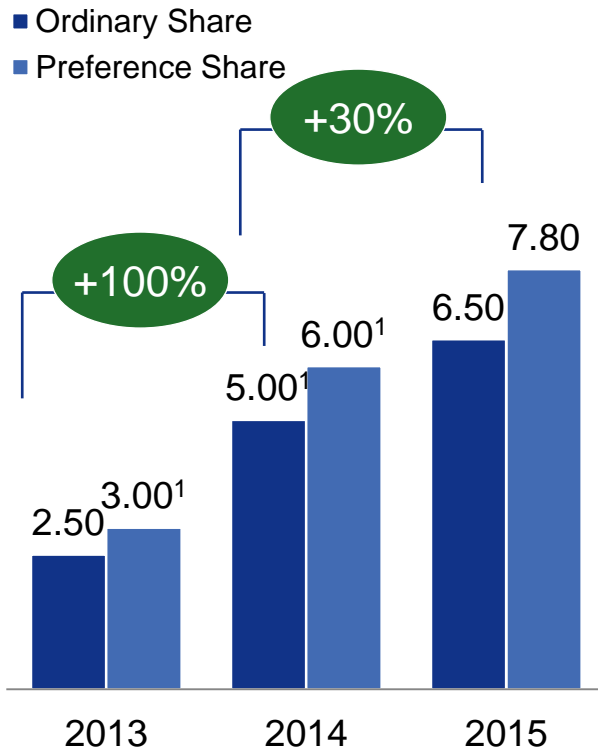
Investment portfolio mix



Managing the capital required to support growth

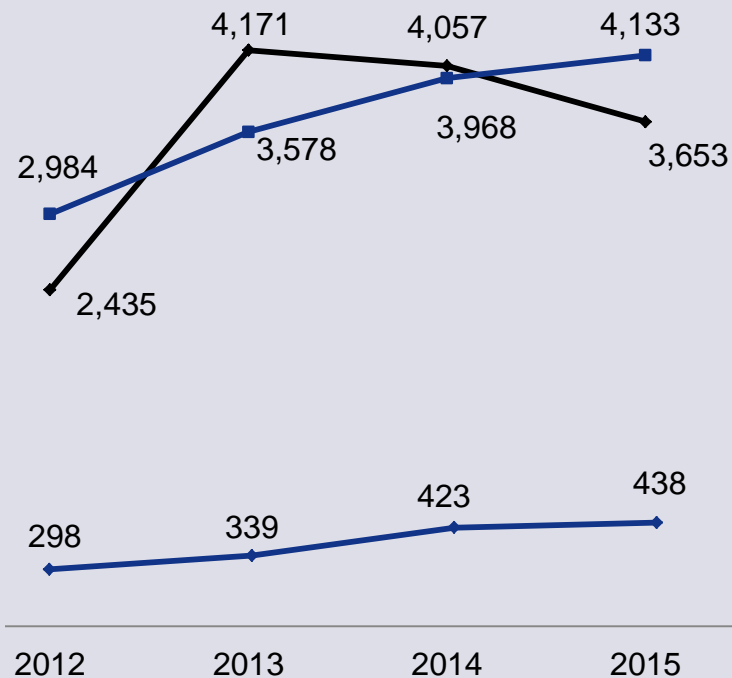
Continue to strengthen dividend returns to shareholders

Dividend Per Share (RM sen)



¹ Single tier dividend

Group performance 2012–2015 (RM 'mil) [3-year CAGR 2012-2015]



Gross written premiums
[11.5%]

Market capitalisation
[14.3%]

Profit before tax
[13.7%]

Capital retained to support new business growth

Group generated RoE of 12.6%. Create value to Group

Gross Written Premiums

	GWP growth 2015	5-yr CAGR (2010-2015)
Allianz Life	6%	14%
Allianz General	2%	11%
Total	4%	11%

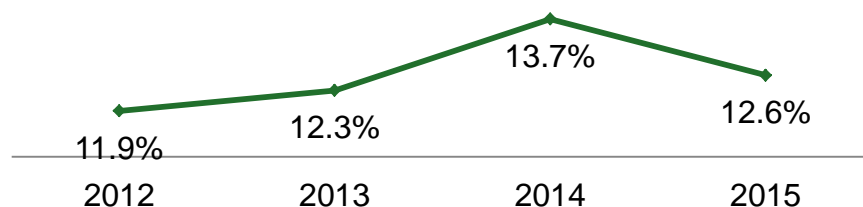
To meet regulatory solvency requirements to protect interest of policy holders

Profit Before Tax

	PBT growth 2015	5-yr CAGR (2010-2015)
Allianz Life	10%	9%
Allianz General	2%	15%
Total	3%	18%

Regulatory capital requirements increase correspondingly with growth of insurance business

Return on Equity



3-yr CAGR
[+0.7%-p]

Insurance subsidiaries need to set aside sufficient capital to finance new business growth



2

Renewal Agenda

Renewal Agenda drives the way we do business

True Customer Centricity

Make superior customer experience the top priority for all our actions

Digital by Default

Move from selected leading assets to become “Digital by Default” everywhere

Technical Excellence

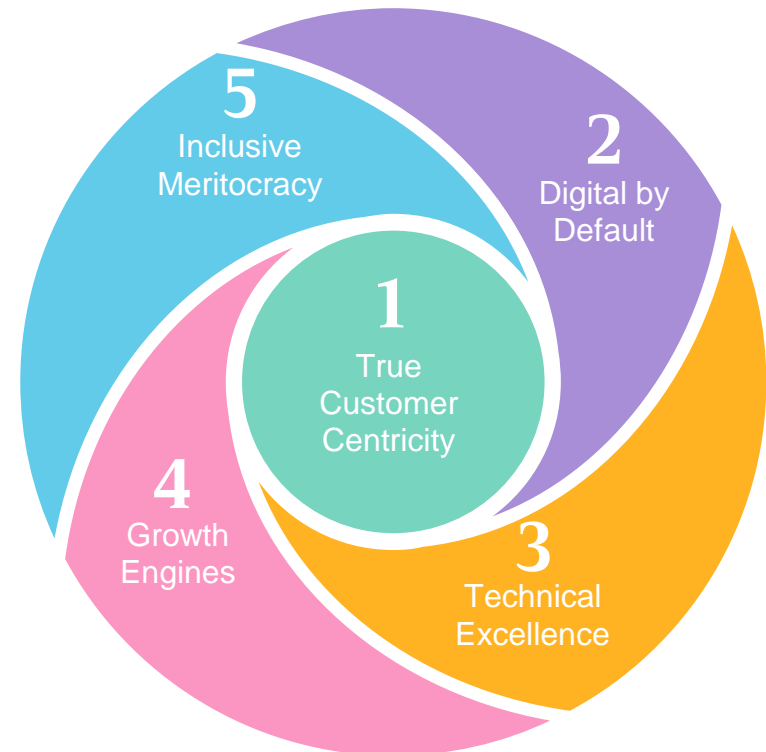
Create superior margins, innovation, and growth through best talents and state-of-the-art skills

Growth Engines

Systematically exploit new sources for profitable growth

Inclusive Meritocracy

Re-inforce a culture where both people and performance matter





3

General Business

Allianz General...

- is the **leading conventional general insurer** in Malaysia
- has **around 7,300 agents** nationwide
- has an **exclusive bancassurance distribution** with 
- has **established franchise tie-ups** with leading car manufacturers, car dealers and 
- offers general insurance solutions in motor, fire, health, personal accident, and more to **2.1 million individual and commercial customers**

	Market Share	Growth 2015/2014	5-year CAGR (2010-2015)
Allianz General	12.4%	1.9%	10.4%
Total market		2.3%	6.1%

Queries from the Minority Shareholder Watchdog Group

	Strategy and Financials
Question 1	<p>The Company has a 10-year bancassurance agreement with CIMB Group to distribute general insurance products through CIMB's branches in Malaysia.</p> <p>i. When the bancassurance agreement will expire?</p>
	<p>Answer:</p> <p>The existing 10-year bancassurance agreement between the Company's general insurance subsidiary, Allianz General Insurance (Malaysia) Berhad ("AGIC") with CIMB will expire on 27 August 2017.</p>

Queries from the Minority Shareholder Watchdog Group

	Strategy and Financials – (Cont’)
Question 1 – (Cont’)	<p>ii. How much premium has been written with CIMB Group?</p>
	<p>Answer:</p> <p>A total gross written premium (“GWP”) of RM1.31 billion was written with CIMB Group for the past 9 years, between 2007 and 2015 (averaged at RM146 million per year). The GWP contributed through CIMB is approximately 9.7% of the total GWP of AGIC for the corresponding period.</p>

Queries from the Minority Shareholder Watchdog Group

	Strategy and Financials – (Cont')
Question 1 – (Cont')	<p>iii. Will the Company be able to extend the bancassurance partnership?</p>
	<p>Answer:</p> <p>The Singapore Branch of our holding company, Allianz SE, was approached to submit a bid for a pan-Asian bancassurance deal with CIMB Group covering Malaysia, Thailand, Indonesia and Singapore. A binding bid was submitted on 15 December 2015, followed by a revised binding bid submitted on 26 February 2016.</p> <p>The result of the bancassurance deal has yet to be announced.</p>

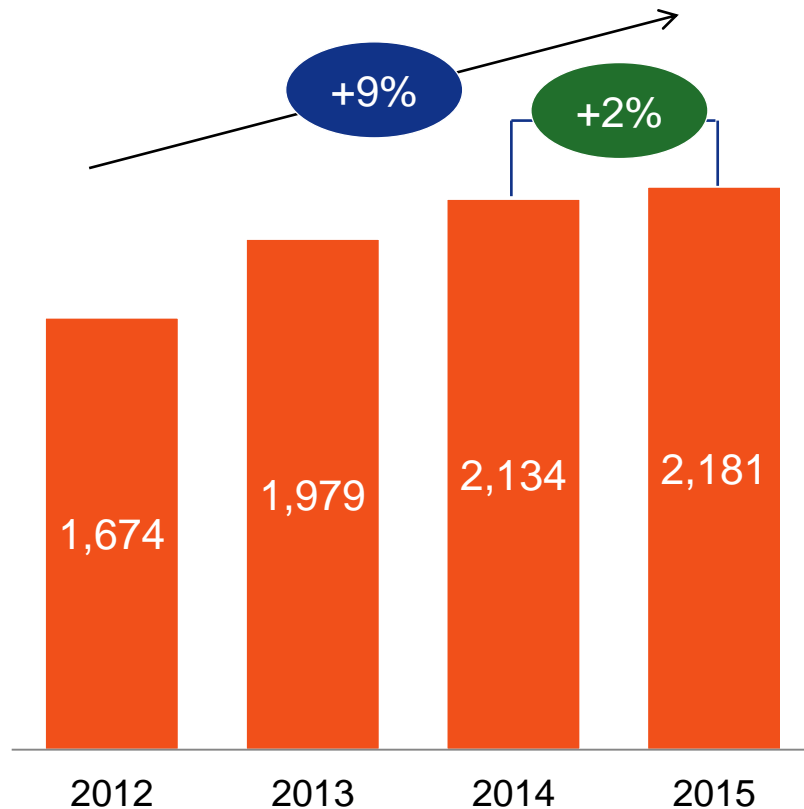
Queries from the Minority Shareholder Watchdog Group

	Strategy and Financials – (Cont')
Question 1 – (Cont')	iv. Has the Company explored entering bancassurance agreement with other local banks in Malaysia and what is the expected success rate?
	<p>Answer:</p> <p>We are constantly looking for opportunities and collaboration with other banks to expand our bancassurance channel.</p>

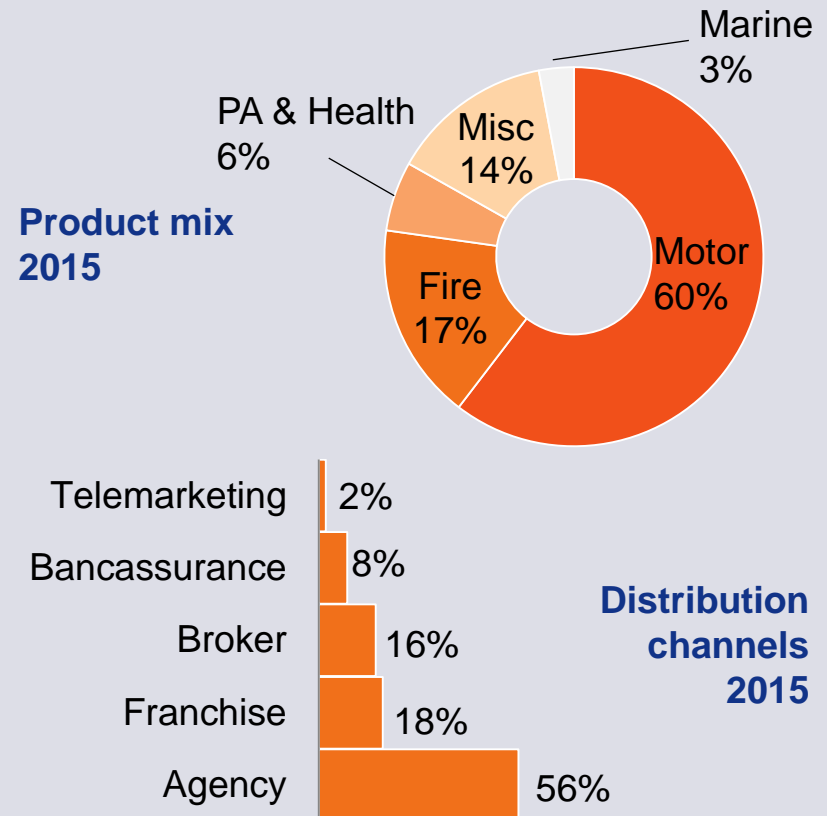
Stable top-line growth despite slowing car sales attributed to multi-distribution strategy

XX% Y-o-y growth
XX% 3-yr CAGR

Gross Written Premium (RM 'mil)



Distribution channel and product mix



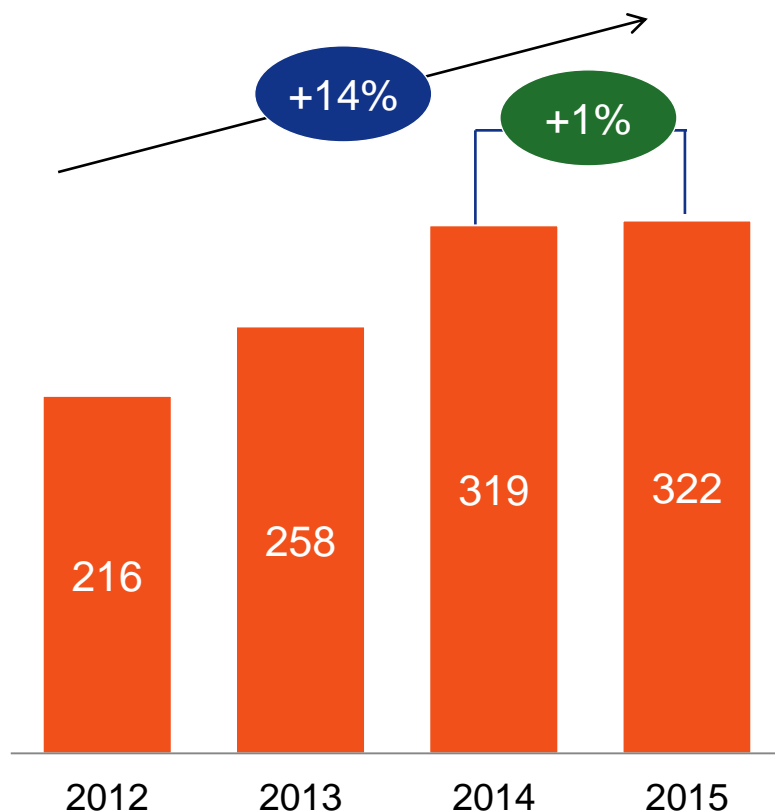
Queries from the Minority Shareholder Watchdog Group

	Strategy and Financials
Question 4	<p>The Miscellaneous class recorded a lower premium of RM584 million in FY2015, a reduction of RM104.9 million or 15.2% as compared to FY 2014.</p> <p>Please explain the reason(s) for the drop in premium and which classes of insurance recorded lower premiums and the respective amount</p>
	<p>Answer:</p> <p>The amount of RM584 million for FY2015 is the gross provision for outstanding claims for Miscellaneous class (please refer to page 247 of the annual financial statement). The drop in the gross outstanding claims provision amount for Miscellaneous class is mainly due to the lower gross claims incurred for the Contractors' All Risk and Engineering class in FY2015.</p>

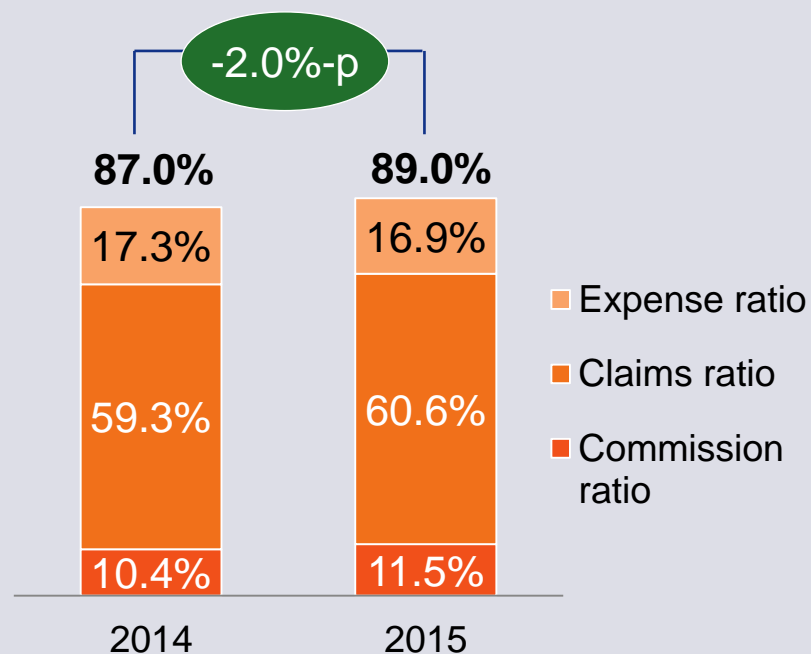
Strong profitability and healthy combined ratios result of prudent underwriting

XX% Y-o-y growth
XX% 3-yr CAGR

Profit before tax (RM 'mil)



Combined ratio (in %)



Queries from the Minority Shareholder Watchdog Group

	Strategy and Financials
Question 3	<p>The Group had written off RM6.885 million of bad debts from insurance and other receivables in FY2015 as compared to RM0.937 million in FY2014, an increase of 635%.</p> <p>i. Please explain the reason(s) for the high bad debts written off and the breakdown of the amount written off in respect of insurance and other receivables respectively.</p>
	<p>Answer:</p> <p>The breakdown of the amount written off are:</p> <ul style="list-style-type: none"> a) RM3.9 million is the bad debts written off for insurance receivables, specifically for the uncollectible GST amount chargeable on the insurance premiums for insurance period spanning 1 April 2015. The cost to collect the GST amount outweighed the GST amount itself, hence was deemed uneconomical. b) RM0.3million is due to the irrecoverability of outstanding debts. c) For the other receivables, the amount written off was due to liquidation of a company (debtor), in which the provision for impairment was previously made.

Queries from the Minority Shareholder Watchdog Group

	Strategy and Financials – (Cont')
Question 3 – (Cont')	ii. Is there any chance of recovery from the bad debts written off?
	<p>Answer:</p> <p>The chance of recovery is slim.</p>

Queries from the Minority Shareholder Watchdog Group

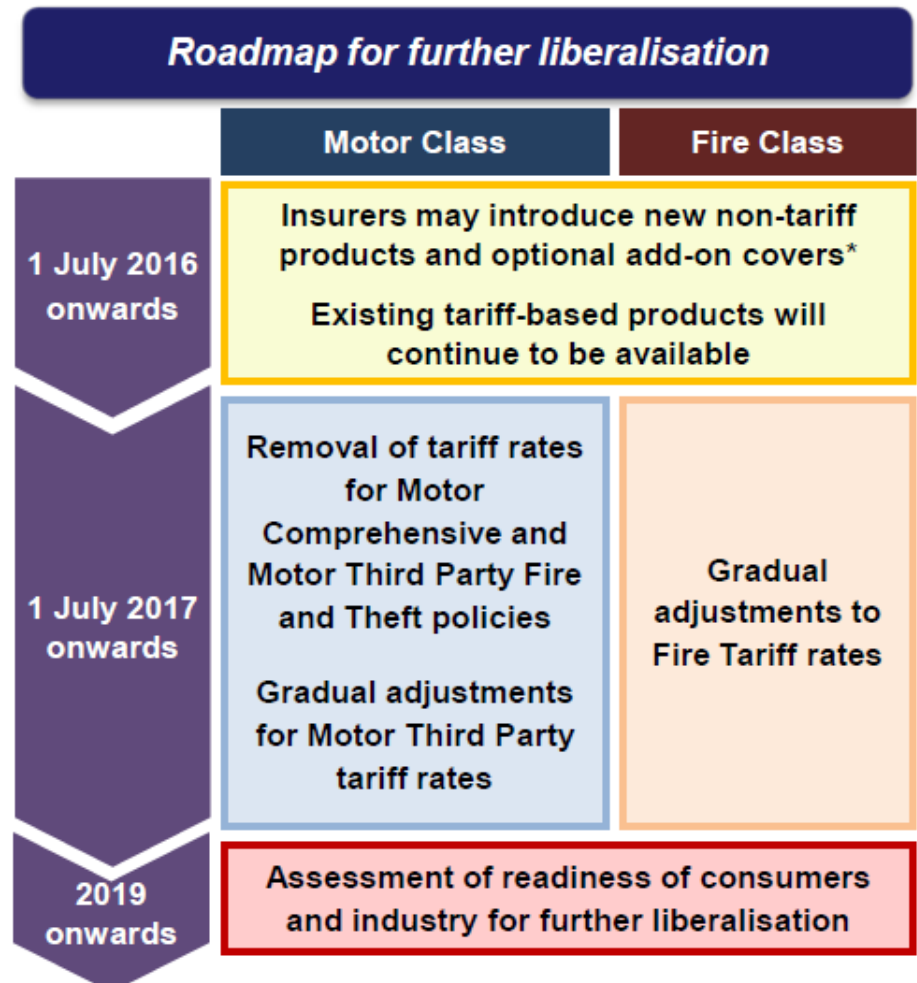
	Strategy and Financials
Question 2	<p>The claims ratio for the general business was 60.6% in FY2015, 1.3% higher than FY2014. Please explain the classes of insurance that recorded higher claims ratio and the reasons for the higher claims ratios?</p>
	<p>Answer:</p> <p>The increase in claims ratio largely due to the higher claims incurred from Motor class, which is attributed to the disallowance of input tax credit on insurance claims settlement in respect of motor repair, maintenance and refurbishment of passenger motor car under the Goods and Services Tax (“GST”) regime.</p>

Roadmap for the liberalization of Motor and Fire Tariff

Formal announcement by BNM on Mar 23rd, 2016

Key Takeaways

- Fire & Motor TP to remain under Tariff
- Motor Comprehensive and TPFT free to price from July 1st, 2017 onwards
- Add-on covers, policy conditions, clauses, endorsements and warranties remain as per Motor and Fire tariff
- No change to commission structure



* New products/coverage not defined under the Motor/Fire Tariff, or any variation to, or extension of, existing products/coverage.



4

Life Business

Allianz Life...

- is among the **top 5 conventional life insurers** based on Annualised New Premiums
- is **ranked 4th in investment-linked** sales
- has **over 10,000 agents** nationwide
- recorded **growth of 8%** in the agency channel vs. industry growth of 0.4%
- successfully implemented **HSBC's bancassurance** generating a **growth of 33.9%** vs. industry growth of 11.6%
- provides **protection, retirement and education solutions** to **480,000 customers**

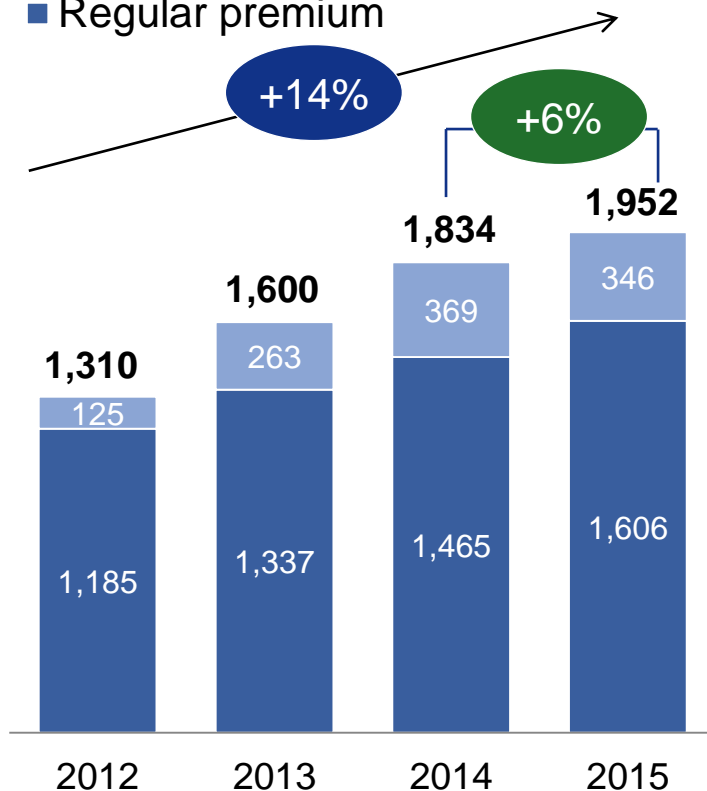
	Market Share	Growth 2015/2014	5-year CAGR (2010-2015)
Allianz Life	7.3%	4.2%	6.5%
Total market		4.3%	3.0%

Strong double digit growth backed by continued focus on investment-linked business

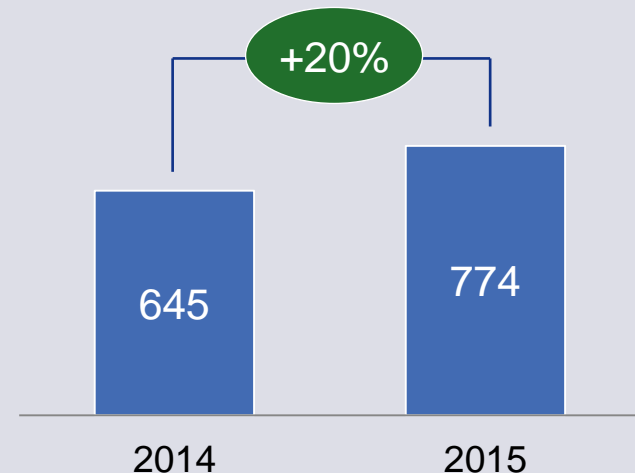
XX% Y-o-y growth
XX% 3-yr CAGR

Gross Written Premium (RM 'mil)

- Single premium
- Regular premium



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

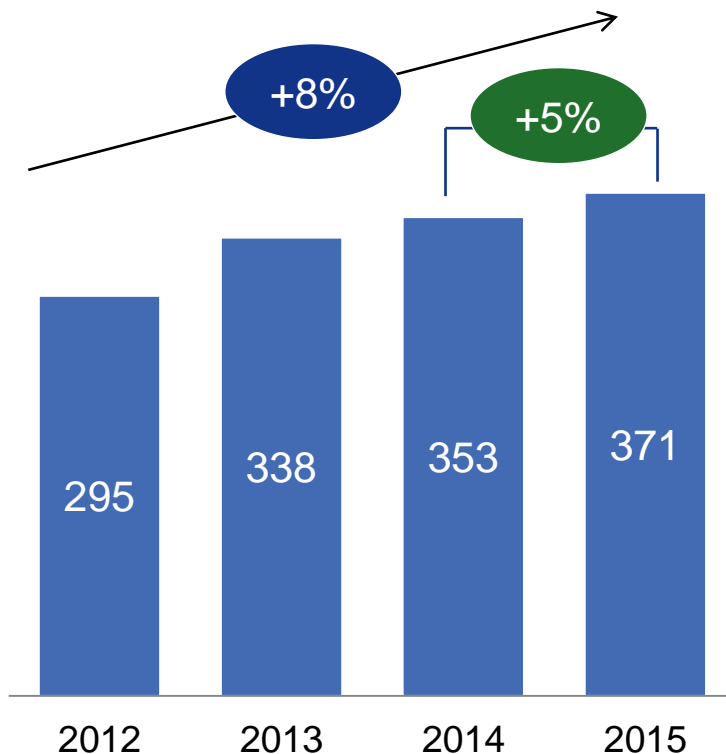


In-force business Growth 15/14	Industry	Allianz Life	Market share	Rank
Investment-linked	12.9%	21.1%	7.6%	#4
Total In-force	6.3%	11.2%	6.5%	#5

Source: LIAM industry statistics Jan-Dec 2015

Strengthen multi-distribution capabilities to deliver growth

Annualised New Premium (ANP) (RM 'mil)

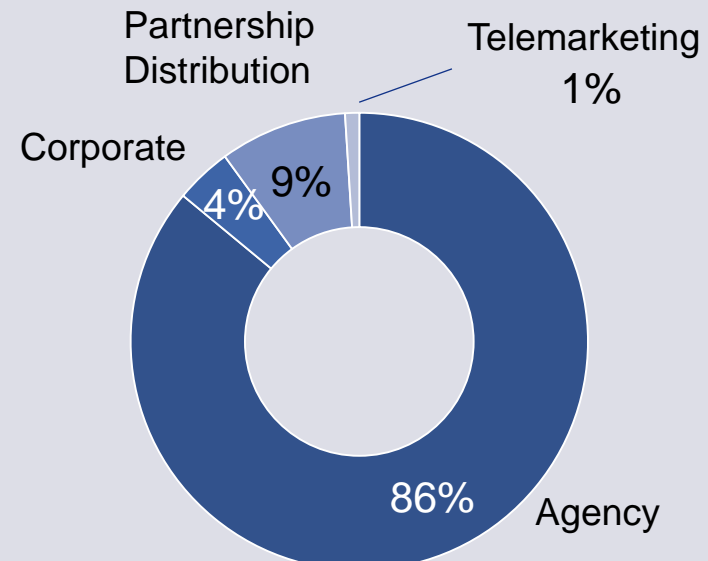


Note:

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

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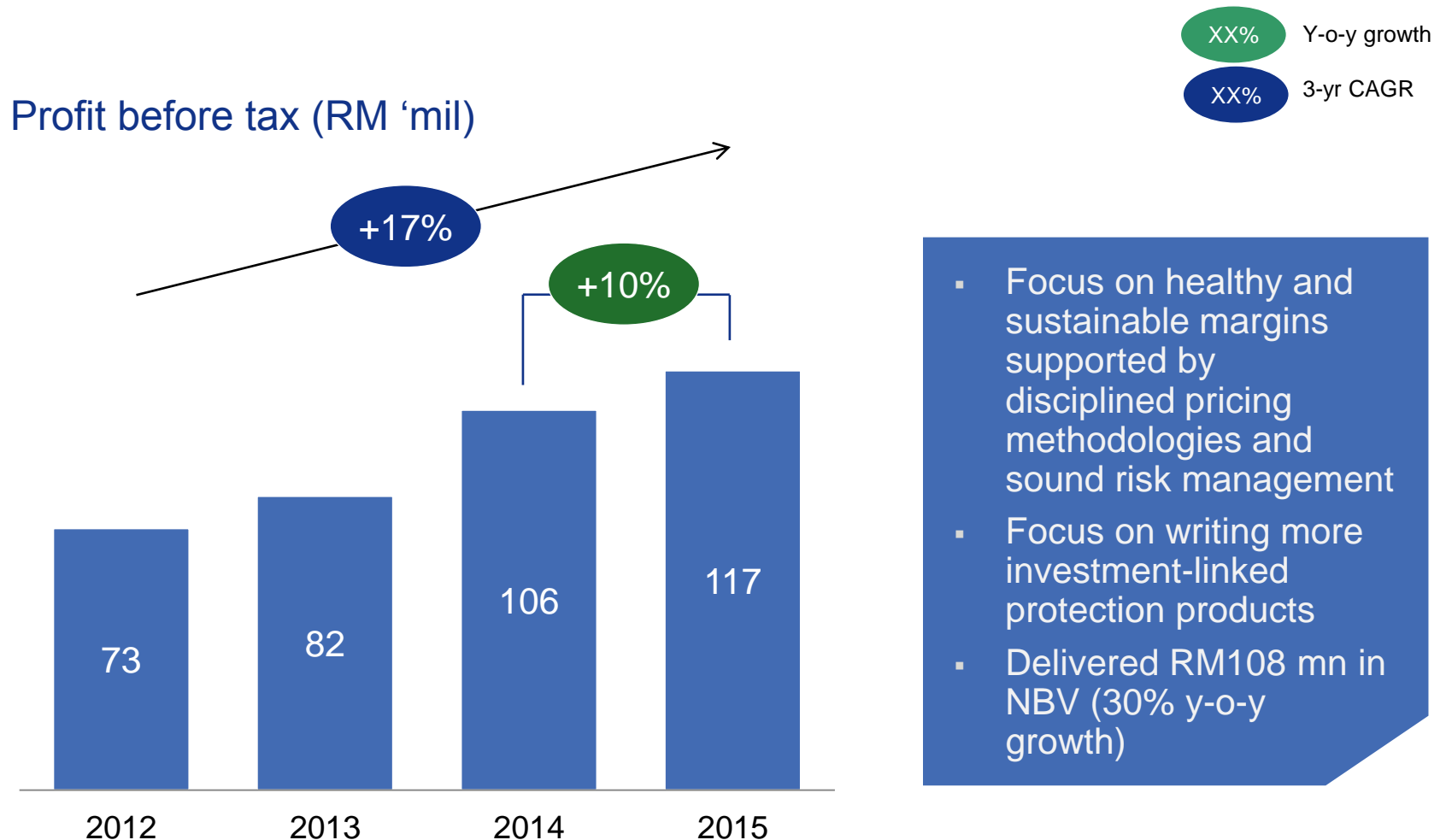
ANP channel mix 2015



ANP Growth 15/14	Industry	Allianz Life	Market share	Rank
Agency ¹	0.4%	7.9%	8.8%	#5
Bancassurance ¹	11.6%	33.9%	5.9%	#7
Employee Benefits ²	37.7%	-2.7%	6.8%	#4

Source: 1. LIAM industry statistics Jan-Dec 2015 (RP+10%SP)
2. LIAM industry statistics Jan-Dec 2015 (RP+100%SP)

Life business generated a 10% growth in Profit Before Tax



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..



Gradual removal of limits on operating costs



Diversification of distribution channels



Strengthening market conduct



From Allianz's perspective..



Product Strategy



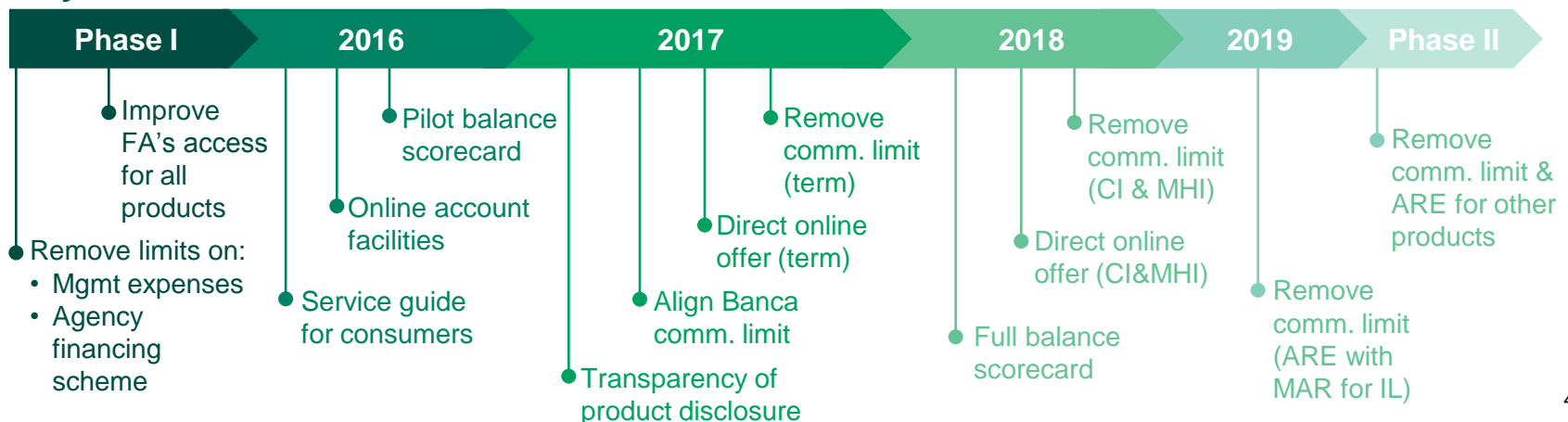
Sales Strategy



Operations/ Service Strategy



Key Milestone & Initiatives:



Resolution 1



To approve the payment of a first and final dividend of 6.50 sen per ordinary share under single tier system in respect of the financial year ended 31 December 2015

15 June 2016

Payment Date

31 May 2016

Entitlement Date

Resolution 2

To approve the payment of Directors' fees of RM561,512 for the financial year ended 31 December 2015 (2014: RM325,413)



Resolutions 3 & 4



To re-elect the following Directors who retire by rotation in accordance with Article 96 of the Articles of Association of the Company and being eligible, offers themselves for re-election:-

- a) Y. Bhg. Tan Sri Datuk (Dr.) Rafiah Binti Salim; and**
- b) Mr. Zakri Bin Mohd Khir**

Resolution 3

Re-election of Y. Bhg. Tan Sri Datuk (Dr.) Rafiah Binti Salim



Y. Bhg. Tan Sri Datuk (Dr.) Rafiah Binti Salim

Aged 69, Malaysian, was appointed to the Board of the Company on 23 November 2012. She is the Chairperson of both Nominating Committee and Remuneration Committee. She is also a member of the Risk Management Committee and Audit Committee of the Company.

Resolution 4

Re-election of Mr. Zakri Bin Mohd Khir

Mr. Zakri Bin Mohd Khir

Aged 52, Malaysian, was appointed to the Board of the Company on 26 April 2010. He is a Chief Executive Officer of Allianz General Insurance Company (Malaysia) Berhad since December 2010 and Chief Executive Officer of the Company since September 2014.



Chief Executive Officer and
Non-Independent Executive Director

Resolutions 5 & 6

To re-appoint the following Directors who retire in accordance with Section 129 (6) of the Companies Act, 1965 to hold office until the conclusion of the next Annual General Meeting:-

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



Resolution 5

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



**Chairman –
Independent Non-Executive Director**

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 the Audit Committee, Nominating Committee and Remuneration Committee of the Company.

Resolution 6

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

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

Aged 71, Malaysian, was appointed to the Board of the Company on 24 June 2011. He is the Chairman of the Risk Management Committee and a member of Audit Committee and Nominating Committee of the Company.



Resolution 7



To re-appoint Messrs KPMG as Auditors of the Company for the financial year ending 31 December 2016 and to authorise the Directors to fix their remuneration

Resolution 8

Continuation in Office as Independent Non-Executive Director:-

“THAT approval be and is hereby given to Mr. Foo San Kan, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company.”



Resolution 8

Mr. Foo San Kan – Continuation in Office as Independent Non-Executive Director



Independent Non-Executive Director

Mr. Foo San Kan

Aged 67, Malaysian, was appointed to the Board of the Company on 25 November 2005. He is the Chairman of the Audit Committee and member of the Risk Management Committee, Nominating Committee and Remuneration Committee of the Company.

He has served more than nine years as an Independent Non-Executive Director of the Company.

Resolution 9

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

Resolution 10

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

Resolution 11

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

**Any other
business**

Briefing on Poll Procedures by Scrutineers



Poll Slip Sample

POLL SLIP

(TO BE USED IN THE EVENT OF A POLL)

Company Name

: ALLIANZ MALAYSIA BERHAD

(12428-W)

Type of Meeting Venue

: 42nd Annual General Meeting

of Meeting

: Grand Ballroom, Level 2, Aloft Kuala Lumpur Sentral,

Date & Time of Meeting Name of

5, Jalan Stesen Sentral, Kuala Lumpur Sentral, 50470 Kuala Lumpur

Holder Account Qualifier

: 25-May-2016 10:00 am

Company No./I.C.No./Passport No./ROM A/c No. Name of

:

proxy/corporate representative I.C.No./Passport No.

:

No. of Security held/represented

:

Please indicate your vote by marking an 'X' in the appropriate box. If you do not wish to cast all your votes in the same manner, please indicate the number of votes that you wish to cast in the appropriate boxes. If you do not indicate your vote in the respective boxes, you are deemed to have abstained from voting on that particular resolution.

Resolution		For	Against
Ordinary Resolution 1	Approval for payment of a first and final dividend		
Ordinary Resolution 2	Approval for payment of Directors' fees		
Ordinary Resolution 3	Re-election of Y. Bhg. Tan Sri Datuk (Dr.) Rafiah Binti Salim as Director		
Ordinary Resolution 4	Re-election of Mr. Zakri Bin Mohd Khir as Director		
Ordinary Resolution 5	Re-appointment of Y. Bhg. Tan Sri Razali Bin Ismail as Director		
Ordinary Resolution 6	Re-appointment of Y. Bhg. Dato' Dr. Thillainathan A/L Ramasamy as Director		
Ordinary Resolution 7	Re-appointment of Messrs KPMG as Auditors and authority to the Directors to fix the Auditors' remuneration		
Ordinary Resolution 8	Continuation in office of Mr. Foo San Kan as an Independent Non-Executive Director		
Ordinary Resolution 9	Proposed Shareholders' Mandate for Recurrent Related Party Transactions with Allianz SE Group		
Ordinary Resolution 10	Proposed Shareholders' Mandate for Recurrent Related Party Transactions with Shook Lin & Bok		
Ordinary Resolution 11	Proposed Shareholders' Mandate for Recurrent Related Party Transactions with Rapidpro Consulting Sdn Bhd		

Note for proxy:

If the holder who appoints you has indicated in his/her proxy form on how you should vote on his/her behalf, the voting instruction have been indicated in this poll slip. If there are no voting instructions indicated in the proxy form, you will have to cast your vote by completing the appropriate boxes. **PLEASE SIGN THIS POLL SLIP.**

I hereby declare that I cast my vote as shown above.

Date: Signature 25-
May-2016

For Office Use

Verified By: Staff

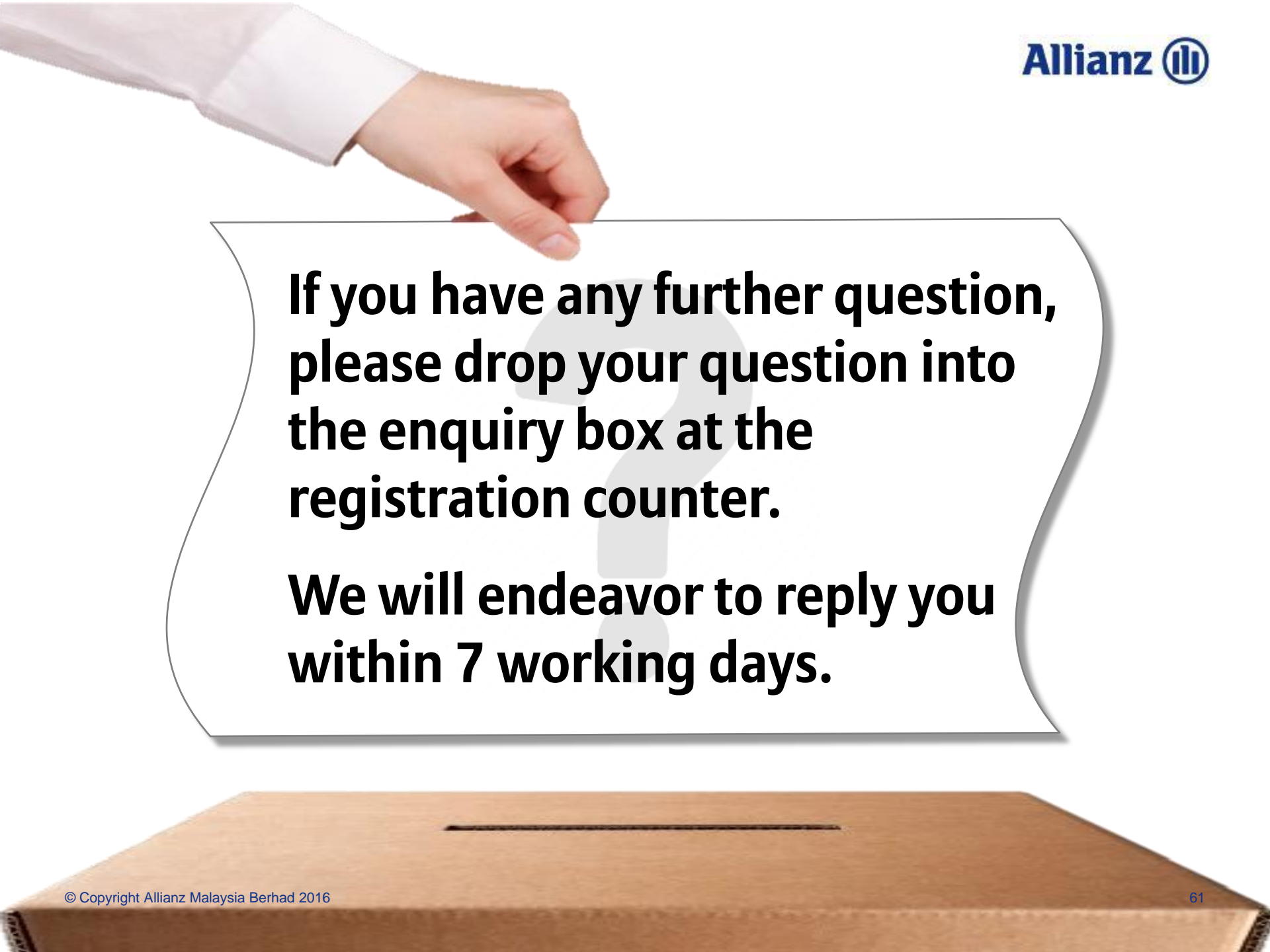
Initial:

Date:

25-May-2016



Meeting Adjourned for Poll Voting Calculation



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

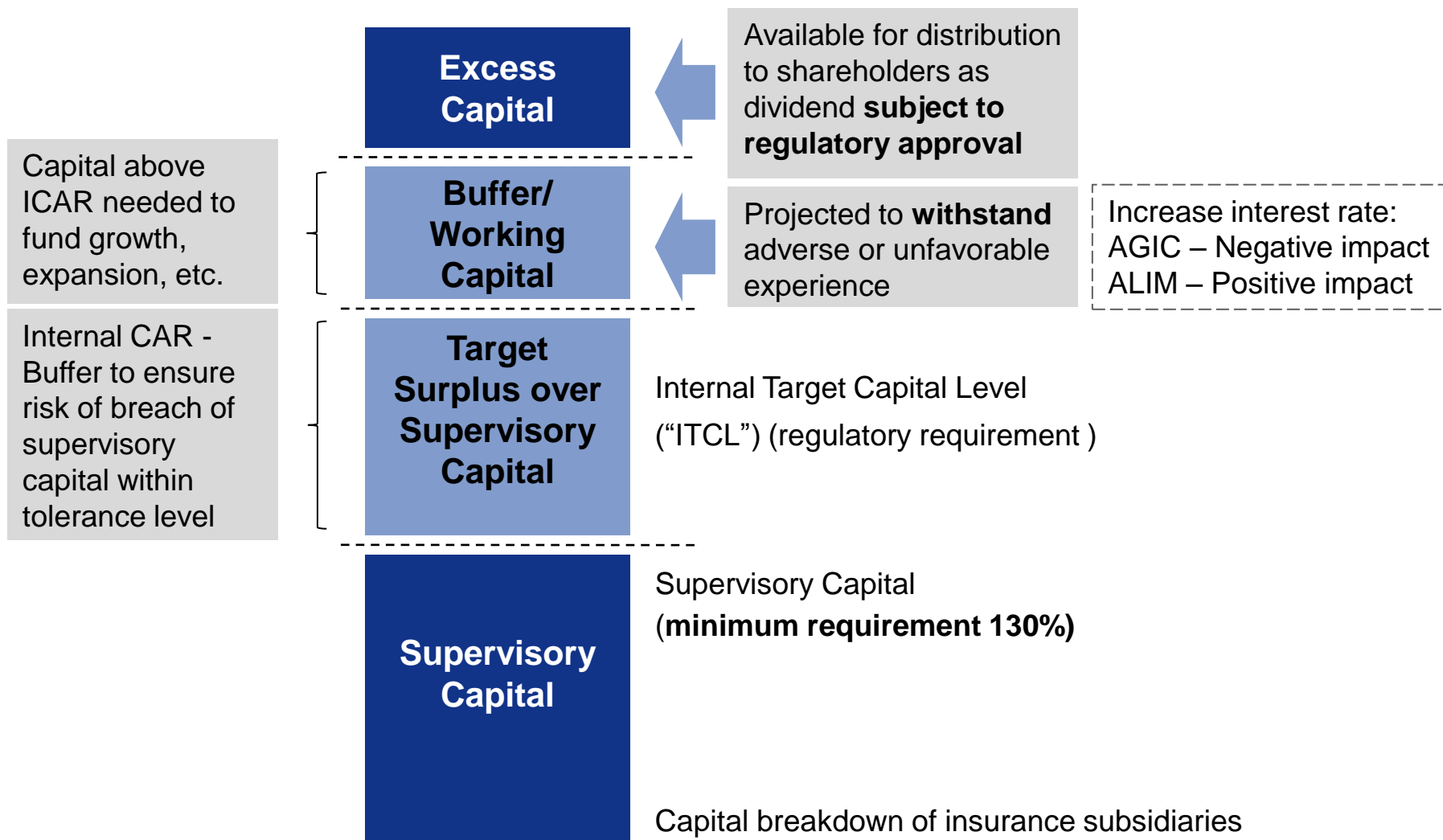
**We will endeavor to reply you
within 7 working days.**

Thank You

Appendix

Capital Requirement

Dividend capacity dependent on insurance subsidiaries' solvency strength



Dividend policy of insurance subsidiaries

Dividend capacity of AMB dependent on dividend stream from insurance subsidiaries

Dividend Policy Holding Company

- AMB will continuously strive to protect investors' capital and provide attractive returns whilst striking a balance between dividend payout and the solvency of its insurance subsidiaries;
- The dividend policy of its insurance subsidiaries is driven by regulatory solvency

Dividend Policy Insurance Subsidiaries

Ability to Withstand

Regulatory Capital

Ensure sufficient capital retained within the insurance subsidiary to:

- finance new business expansion and planned level of investment (based on internal projections);
- meet regulatory requirements of maintaining CAR above ITCL at all times

Buffer

- Potential volatility in the market value of investments
- Potential adverse and unfavorable experience
- Volatility and fluctuation of risk factors, e.g. credit risk and market risk for investment and reinsurers; and
- Temporary fluctuation in interest rate for the life insurance subsidiary.

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.