



**ALLIANZ MALAYSIA
BERHAD** (12428-W)
**46TH ANNUAL
GENERAL MEETING**

TUESDAY, 30 JUNE 2020

Allianz 

POLL ADMINISTRATOR AND SCRUTINEERS



Poll Administrator

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



Independent Scrutineer

**Mega Corporate Services
Sdn Bhd**

ITEM 1 OF THE AGENDA

FOR INFORMATION

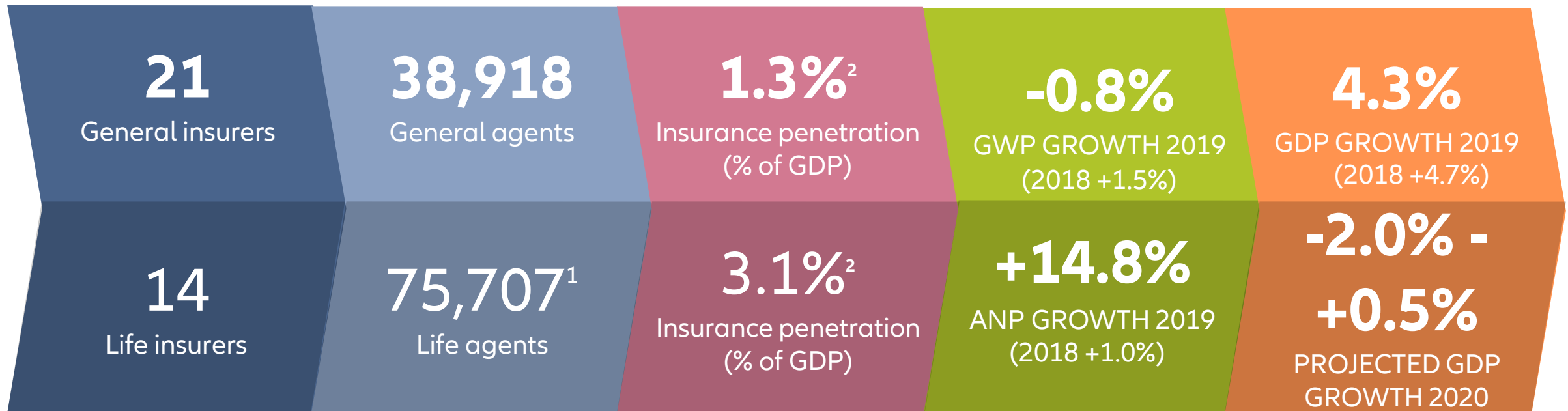
To receive the Audited Financial Statements for the financial year ended 31 December 2019 and the Directors' and Auditors' Reports thereon

GROUP PERFORMANCE

01

MALAYSIA INSURANCE MARKET IS UNDER PENETRATED BUT GROWTH REMAINS SUBDUED AND CHALLENGING

Malaysian Conventional Insurance Industry



+ Life insurance & Family Takaful coverage of 41.0%³ (2017: 36.5%)

Data source:-

1 No of Agents from LIAM Annual Report 2018

2 General - defined as Gross Written Premium / Gross Domestic Product, Life defined as total inforce policies premium / Gross Domestic Product

3 Percentage of Malaysians who own at least one individual life insurance or family takaful policy in 2018 (Source: Bank Negara Malaysia)

DELIVERED A STRONG PERFORMANCE WITH A RECORD SET OF FINANCIAL RESULTS

FY 2019

RM 5.5 bil

+ 6.8% (2018 + 7.9%)

Operating revenue 

RM 4.9 bil

+ 9.3% (2018 + 5.1%)

Gross Written Premium 

RM 692.1 mil


+33.4% (2018 + 18.7%)

Profit before tax 

ALIM	RM340.7 mil	+66.7%
AGIC	RM362.4 mil	+13.0%
AMB	RM(11.0) mil	+83.3%

RM 2.04

+ 21.4% (2018 + 11.1%)

Basic earnings per ordinary share 

RM 0.65

+ 62.5% (2018 +233.3%)

Dividend Per Ordinary Share 

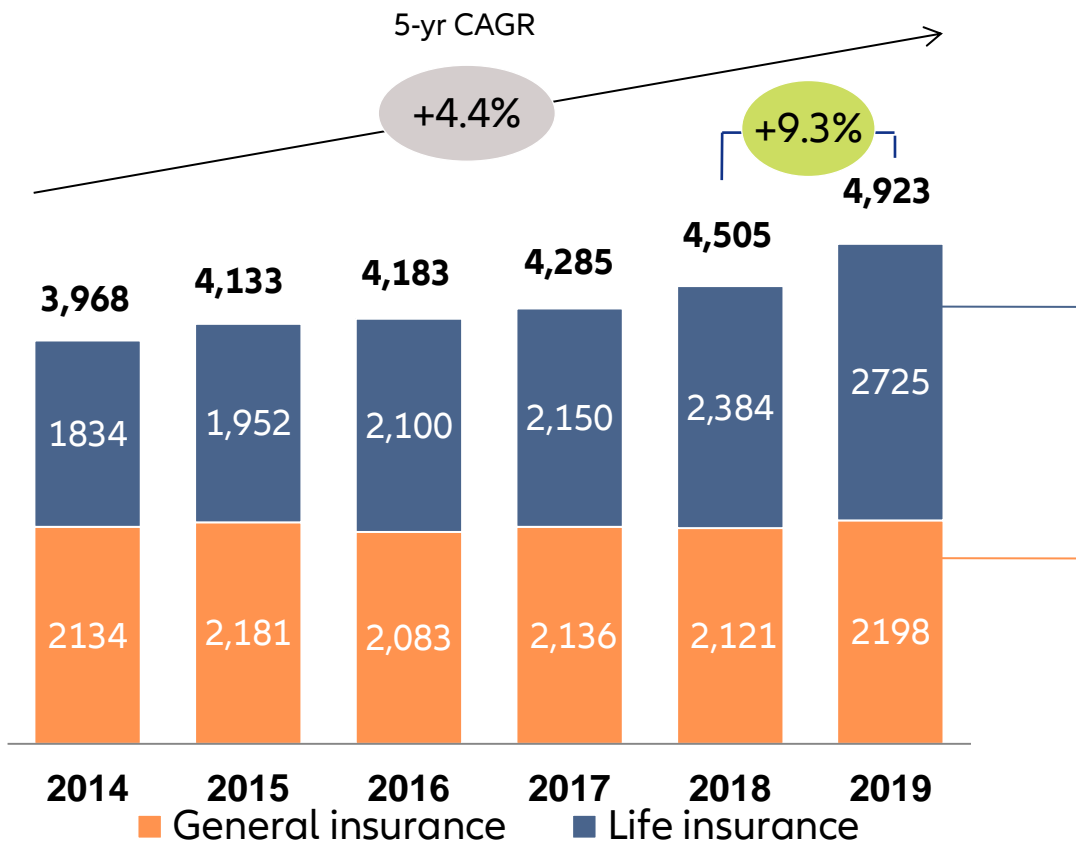
RM 19.7 bil

+ 13.2% (2018 + 4.9%)

Total assets 

DIVERSIFICATION IN TWO STRONG PILLARS OF BUSINESSES: MAINTAIN MARKET LEADERSHIP IN GENERAL INSURANCE & DELIVER STRONG GROWTH IN LIFE INSURANCE

Gross Written Premium (GWP) (RM' mil)



Allianz Life
+14.3% y-o-y growth

Allianz General
+3.6% y-o-y growth

Allianz Life maintained top 5 position in ANP, with 8.5% market share¹ (2018 8.4%)

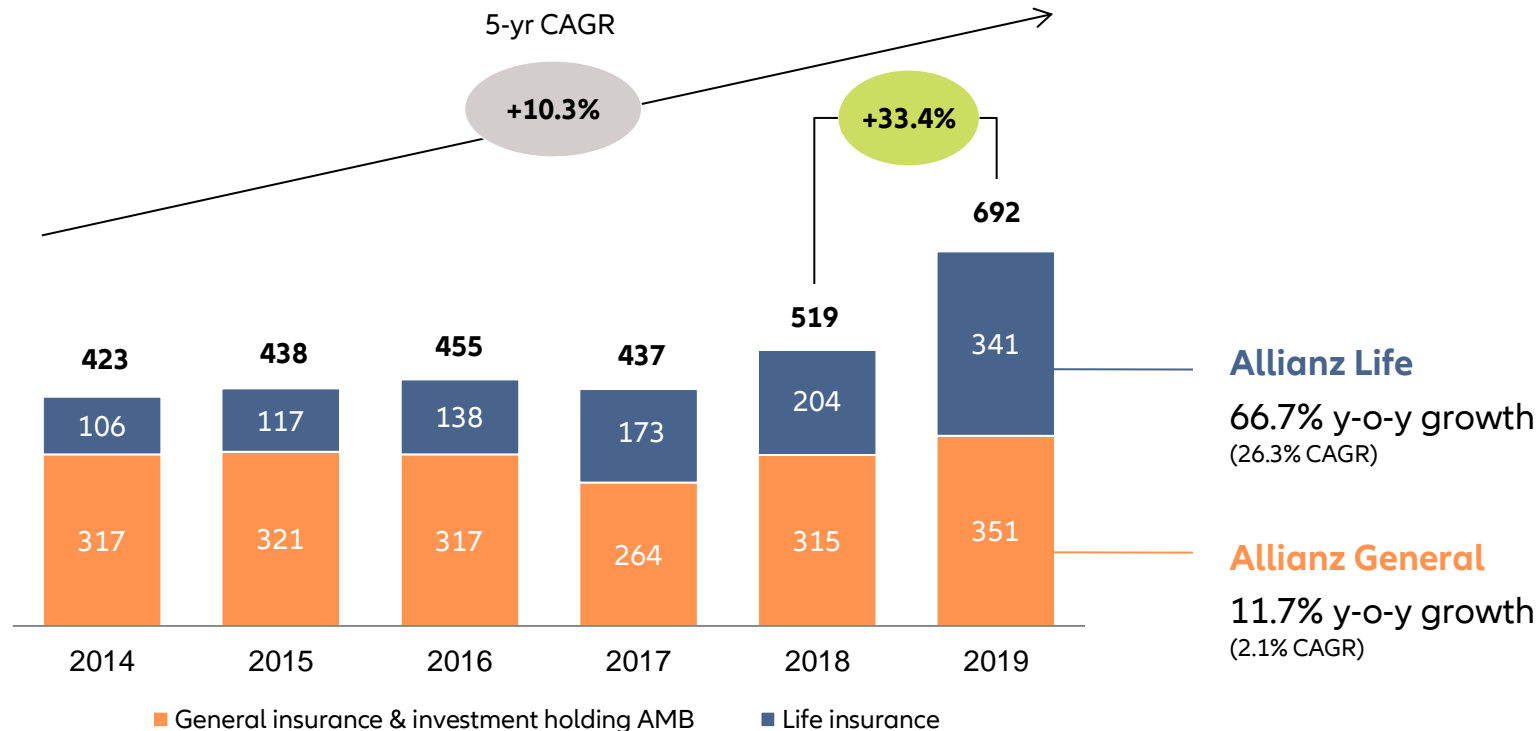
Allianz General maintained its market leader position with 12.3% market share² (2018 11.8%)

1 Source: LIAM industry statistics Jan-Dec 2019
2 Source: ISM Market Performance Report Jan-Dec 2019

DELIVERED A PROFITABLE GROWTH FROM DIVERSIFIED BUSINESS PORTFOLIO

Managing the impact and challenges from de-tariffication and liberalisation

Profit before Tax (RM' mil)



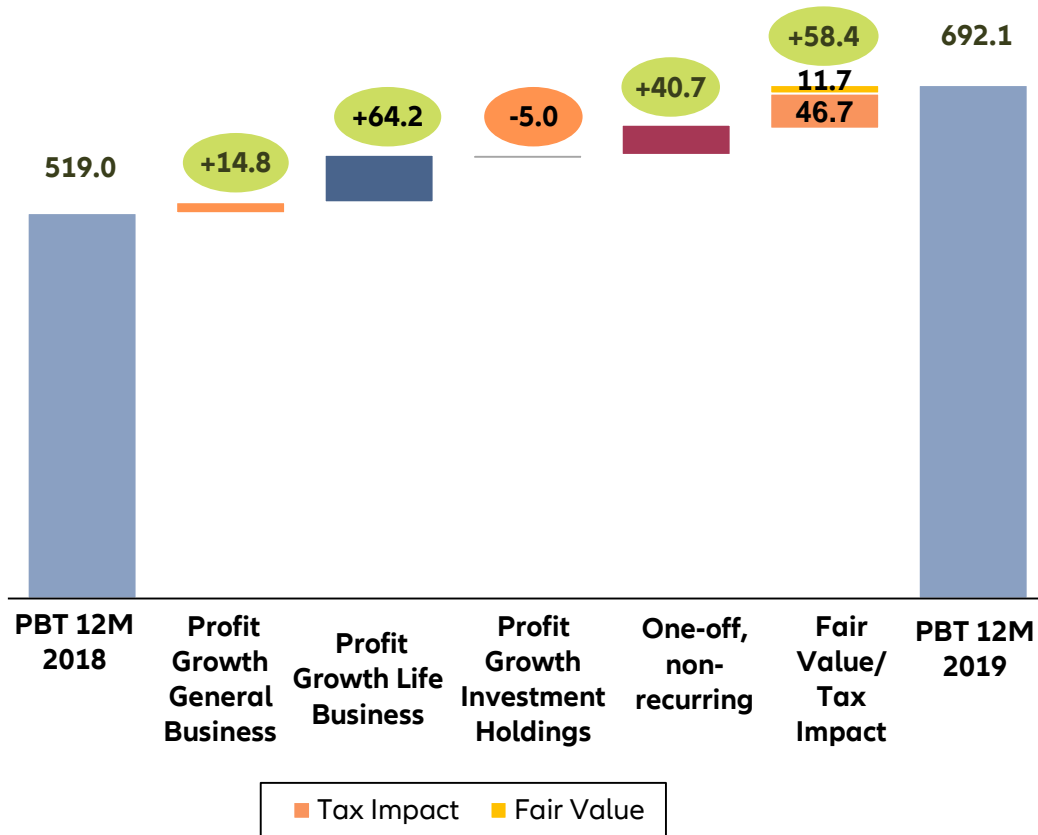
Maintain strong discipline in pricing & prudent expense management

Deliver healthy and sustainable margins. Achieved NBV of RM259 mn (+29.6%)

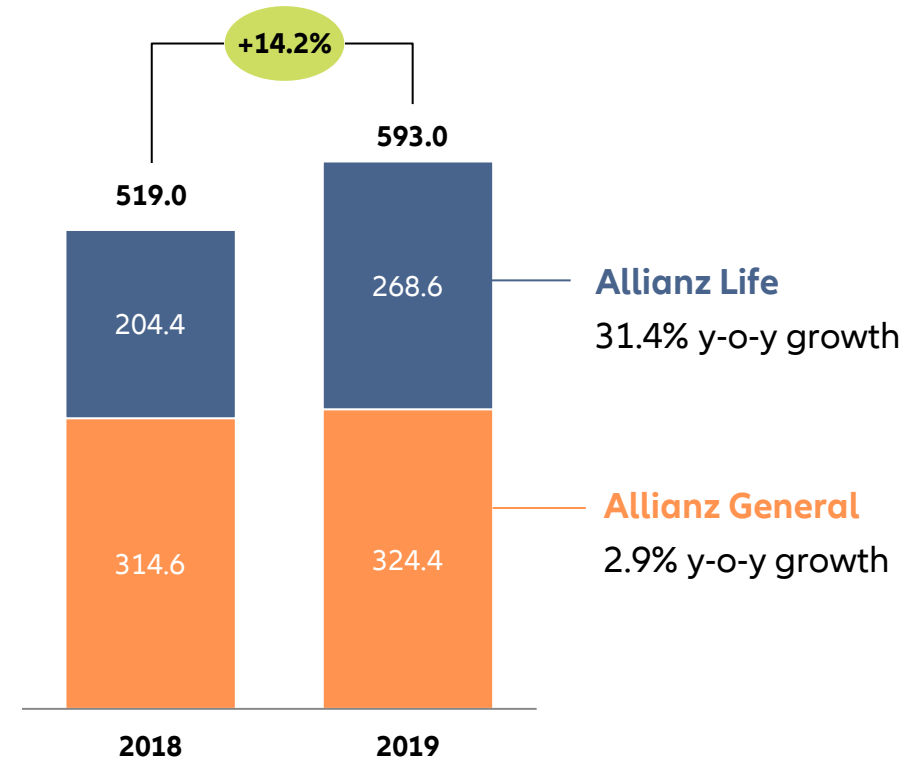
Push for profitable mix & claims management to deliver in de-tariff environment. Achieved Net Combined Ratio of 91.0%.

RECORD PBT DRIVEN BY A STRONG GROWTH IN CORE PROFIT AND FAIR VALUE IMPACT

Profit before Tax (RM' mil)



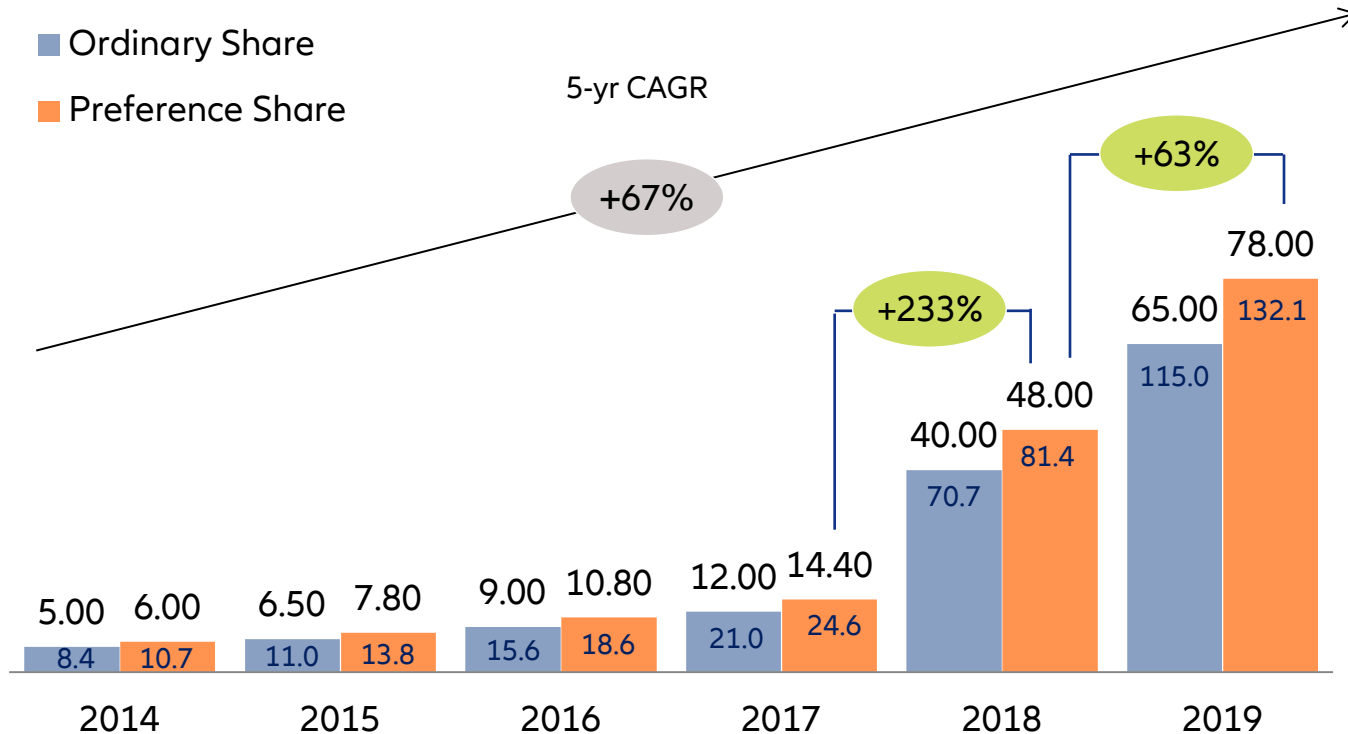
Core profit excluding fair value gain and non-recurring adjustments (RM' mil)



DELIVERING OUR PROMISE TO SHAREHOLDERS TO STRENGTHEN DIVIDEND RETURNS

Achieved a record high dividend payout ratio of 50.2% and dividend yield¹ of 4.4%

Dividend Per Share (RM sen)



*All figures shown within the column bar above are dividend amount in RM'mil.

¹Dividend yield = total dividend payout divided by market capitalisation

	2017	2018	2019
Dividend Yield	0.9%	3.1%	4.4%
Payout Ratio	15.9%	40.3%	50.2%

Dividend policy of minimum payment ratio of 30% is subject to:

Meeting regulatory capital requirements increase to correspond with growth of insurance business

Setting aside sufficient capital to finance new business growth and expansion

Obtaining regulatory approval for dividend from subsidiaries

GENERAL BUSINESS

02

ALLIANZ GENERAL: MAINTAINING MARKET LEADERSHIP

KPIs	ALLIANZ GENERAL 12M 2019	ALLIANZ GENERAL 12M 2018	Industry ¹ 12M 2019	Takaful ² 12M 2019
GWP growth	3.6%	-0.7%	-0.8%	18.8%
Commission ratio	11.7%	12.3%	10.0%	9.4%
Claims ratio				
▪ Overall	59.1%	62.1%	58.1%	58.1%
▪ Motor	63.6%	67.3%	70.1%	72.7%
Expense ratio	20.2%	18.4%	24.7%	31.0%
Combined ratio	91.0%	92.8%	92.8%	98.5%

Market Share¹	12.3%
Market Rank³	1

Notes:

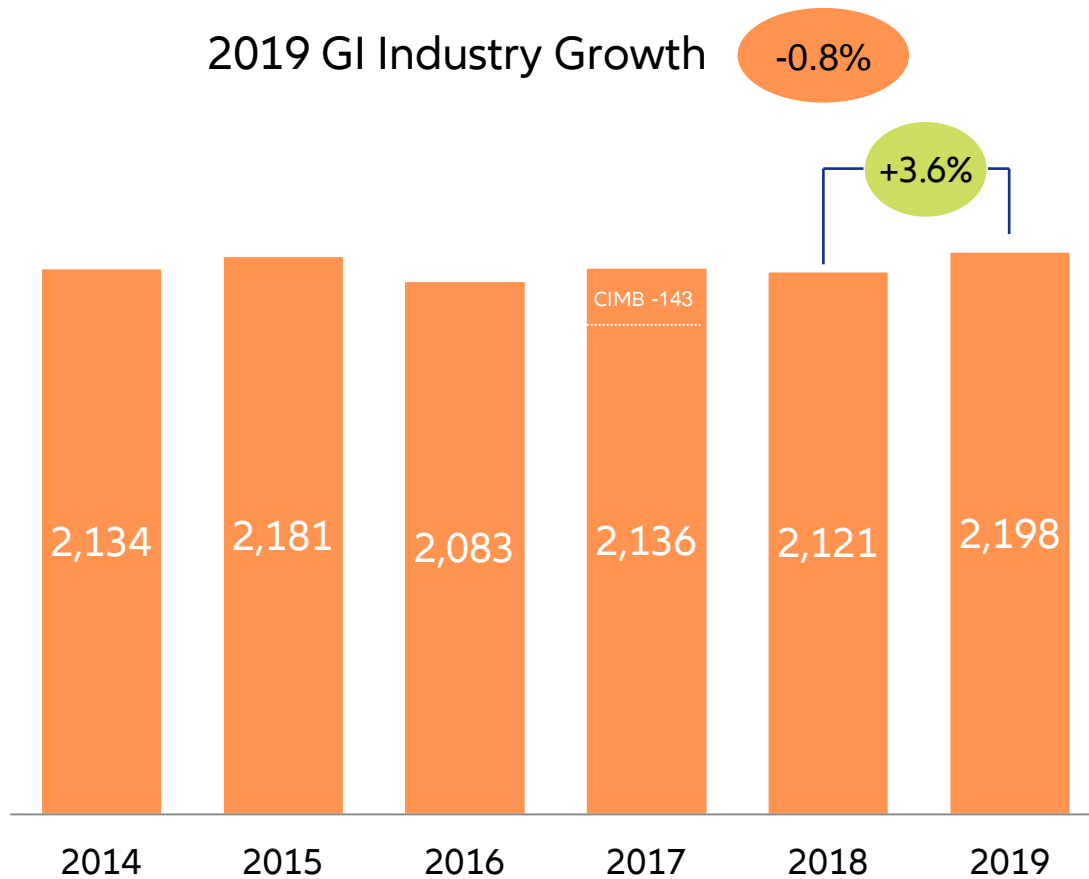
1) Source: ISM Market Performance Report Jan-Dec 2019

2) Source: ISM Takaful Market Performance Report Jan-Dec 2019

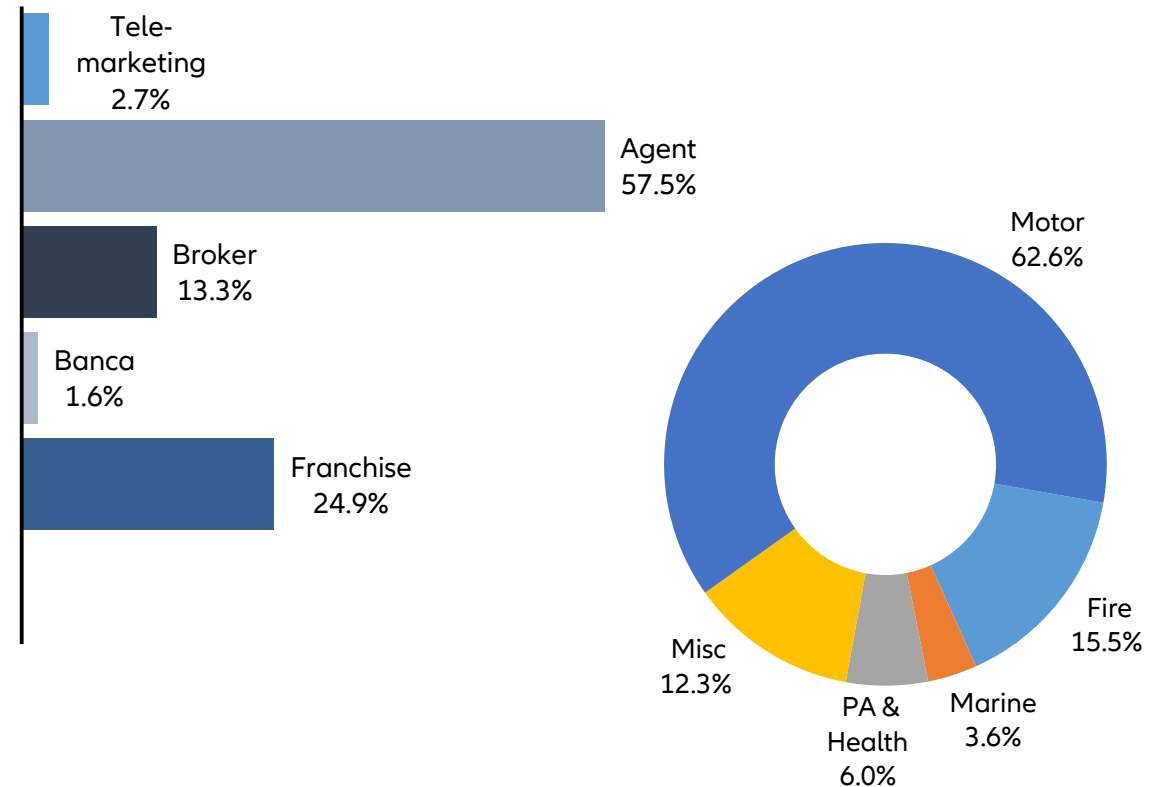
3) Based on AGIC Revenue by account & ISM Market Performance Report Jan-Dec 2019

OUTPERFORM INDUSTRY AMIDST SUBDUED GROWTH ENVIRONMENT

Gross Written Premium (RM' mil)

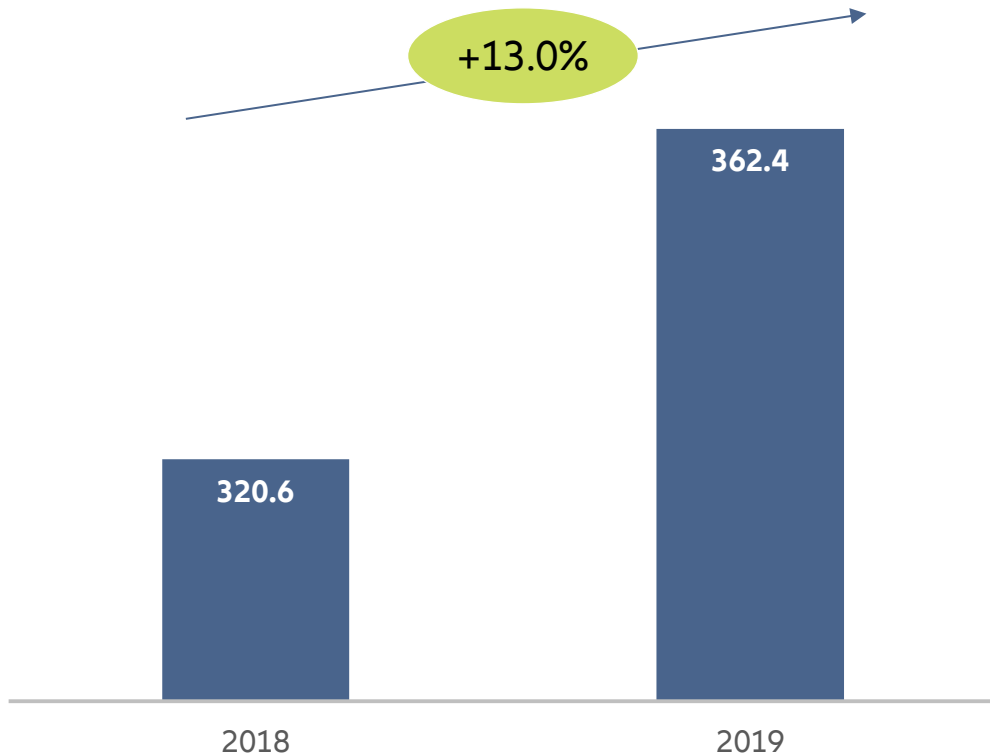


Distribution Channel & Portfolio Mix

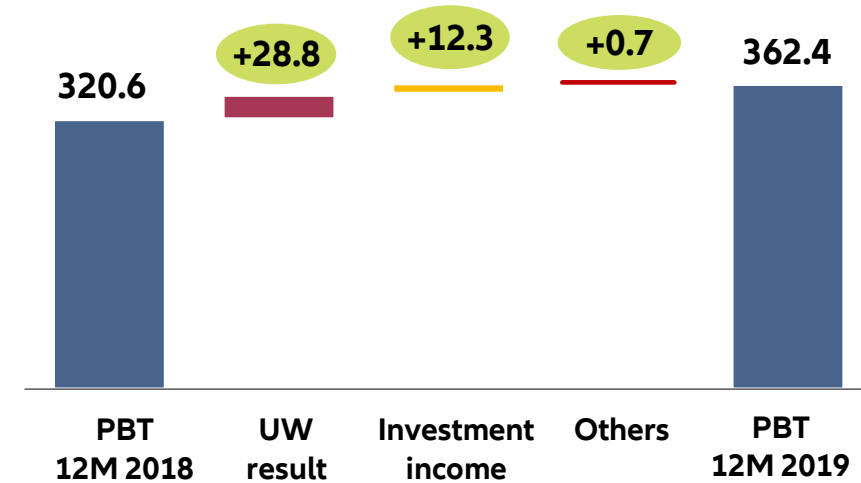


GENERAL BUSINESS: HIGHER UNDERWRITING PROFIT & INVESTMENT INCOME

Profit Before Tax (RM' mil)



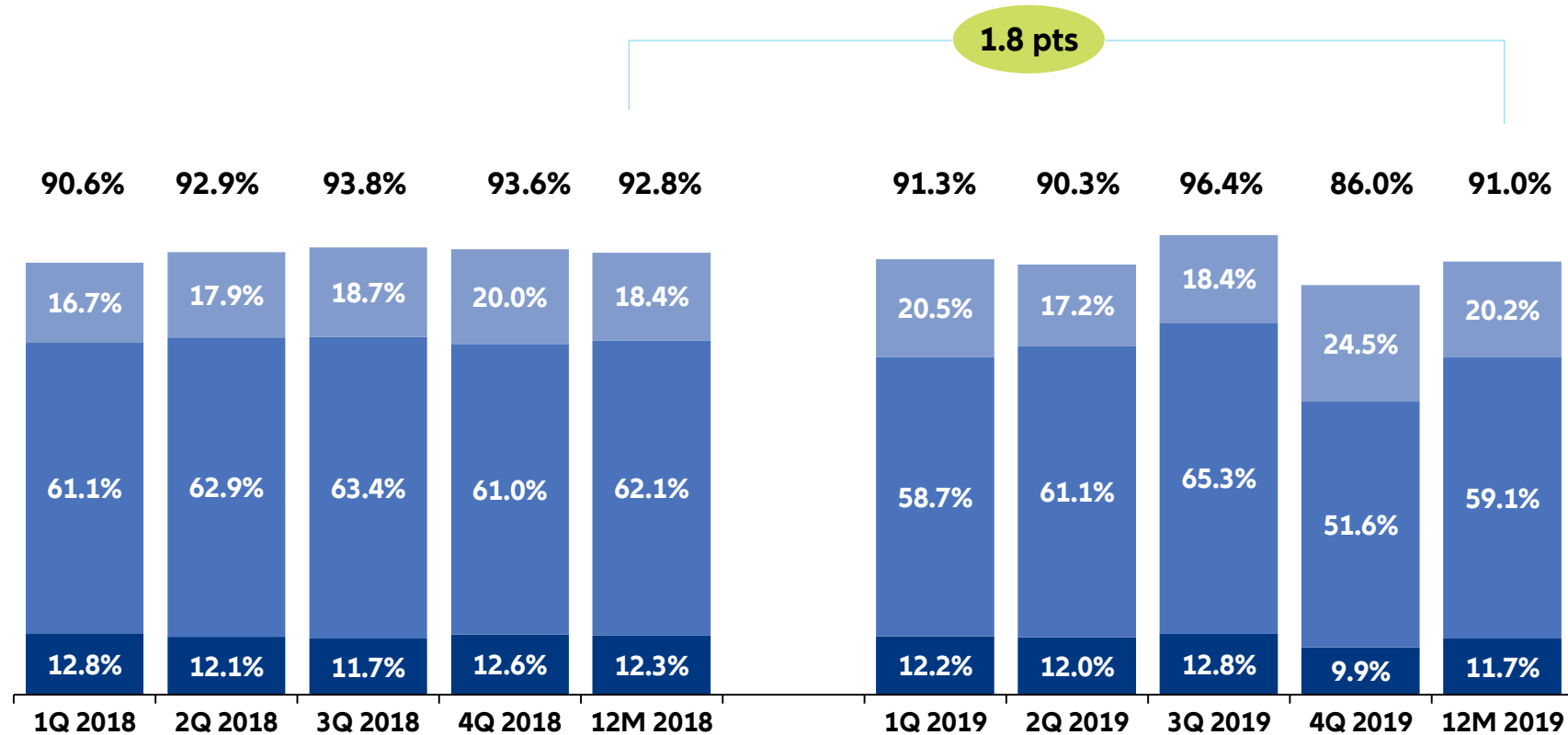
PBT Drivers (RM' mil)



12M 2018	137.8	182.6	0.2	320.6
12M 2019	166.6	194.9	0.9	362.4
Change	28.8	12.3	0.7	41.8

GENERAL BUSINESS: LOWER COMBINED RATIO DUE TO LOWER CLAIMS RATIO

Combined Ratio

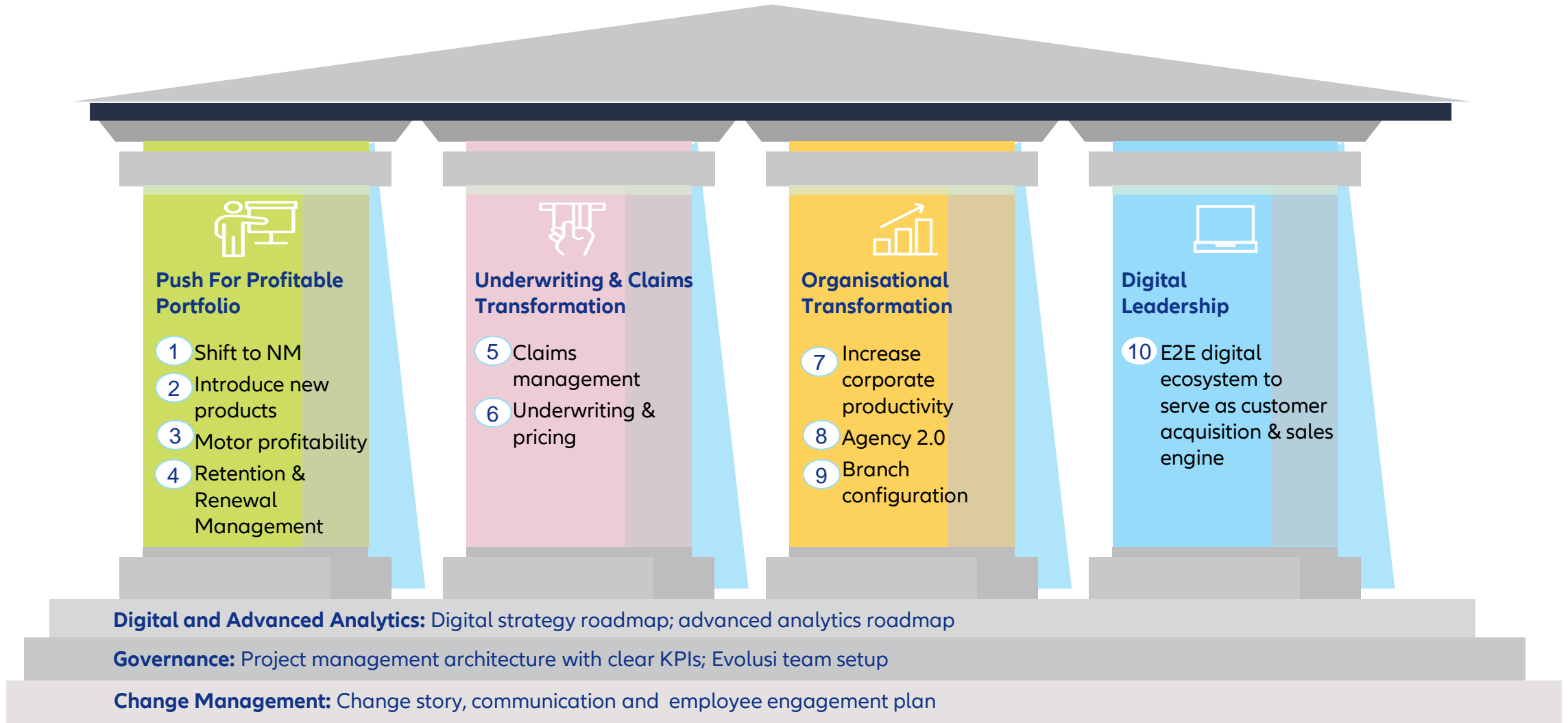


- Commission Ratio
- Claims Ratio
- Expense Ratio

Net Combine Ratio excluding one-off impact:

	4Q 2019	12M 2019
Expense Ratio	24.5%	20.2%
Claim Ratio	53.7%	59.7%
Commission Ratio	13.5%	12.6%
Net Combine Ratio	91.7%	92.5%

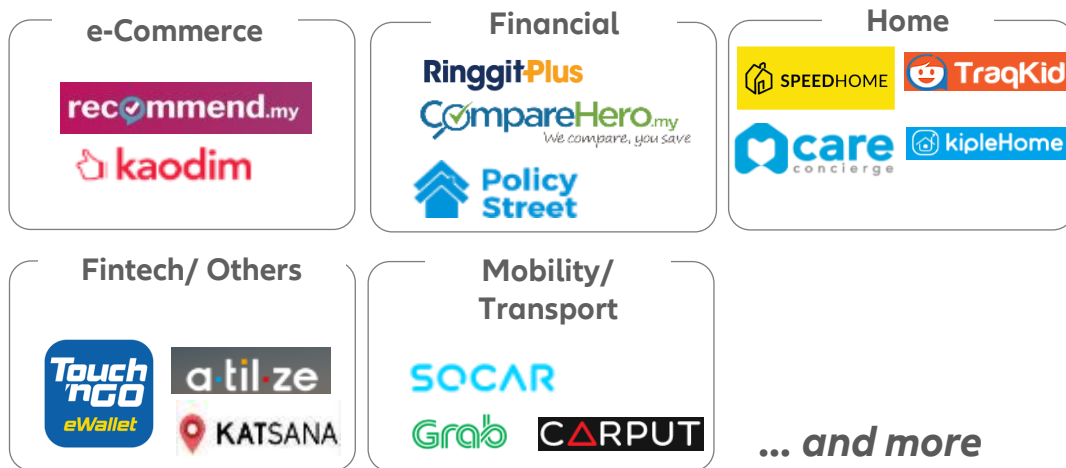
TRANSFORMATION OF GENERAL BUSINESS



DIGITAL PARTNERS AT A GLANCE

Growth via Digital Partnerships

Digital Channel GWP grew by more than 2.5x from RM3.6mn in 2018 to RM 9.4mn in 2019



How It Works/ Partnership Benefits

Participate in an open digital ecosystem through win-win digital partnerships

- **Customised Solutions** – Design products & services to match partners’ business needs and its customers profiles
- **Customer Centricity** – Enhance partners’ customer and/or employee engagement by offering relevant insurance protection
- **Accessibility** – Nationwide Allianz branch network; digital product setup enables quick roll-out of products to partner’s platforms
- **Partnership Support** – continuous support on partner onboarding, marketing & promotion, product training etc.
- **Reciprocity** – Allianz customers exposed to partners’ products and services & vice versa

LIFE BUSINESS

03

ALLIANZ LIFE: OUTPERFORMED THE MARKET

Annualised New Premiums

12M 2019 Growth

12M 2018 Growth

5-year CAGR (2014 – 2019)

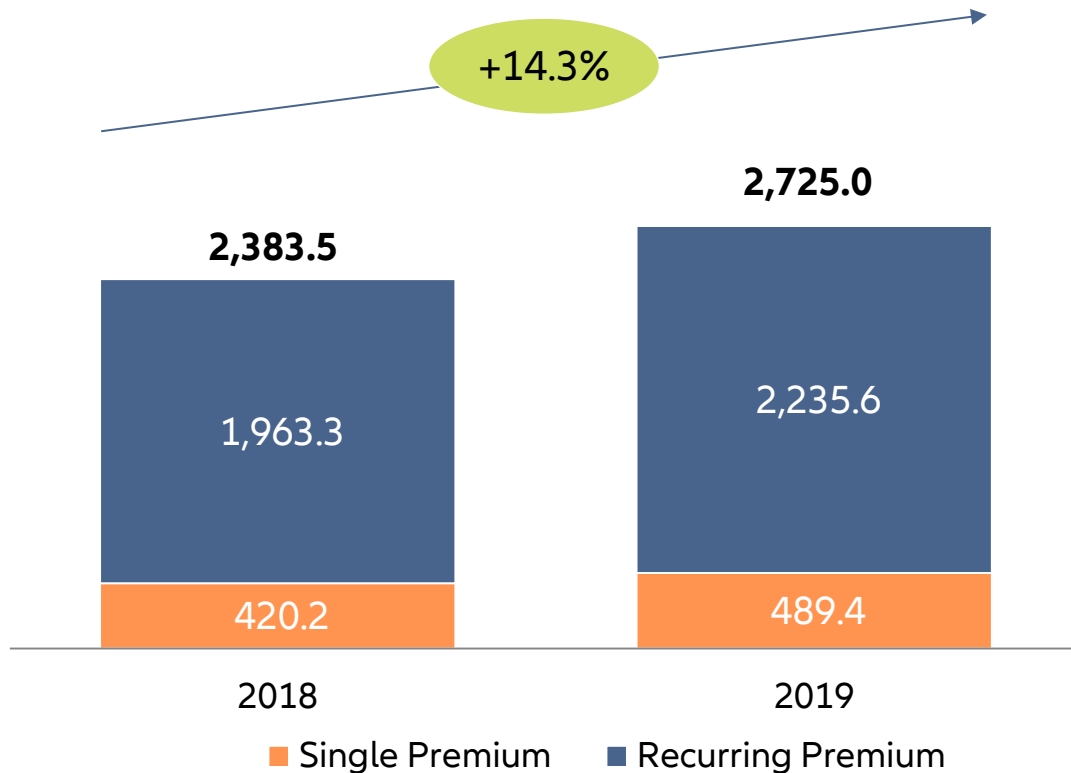
Distribution Channel	12M 2019 Growth				12M 2018 Growth		5-year CAGR (2014 – 2019)	
	ALLIANZ LIFE (% growth)	Industry (% growth)	Market share	Market rank	ALLIANZ LIFE (% growth)	Industry (% growth)	ALLIANZ LIFE (% growth)	Industry (% growth)
Agency (Traditional)	13.4%	2.3%	14.5%	3	60.0%	1.3%	11.6%	-7.8%
Agency (IL)	11.4%	14.4%	9.3%	5	5.5%	-1.9%	7.6%	8.4%
Agency (Total)	12.0%	11.8%	10.4%	5	16.5%	-1.2%	8.6%	3.7%
Bancassurance	35.2%	21.9%	5.0%	8	3.7%	4.9%	21.5%	16.7%
Employee Benefits	20.0%	6.6%	9.1%	4	21.4%	6.9%	9.6%	11.1%
Total	16.3%	14.8%	8.5%	5	14.2%	1.0%	10.6%	7.5%

Notes:

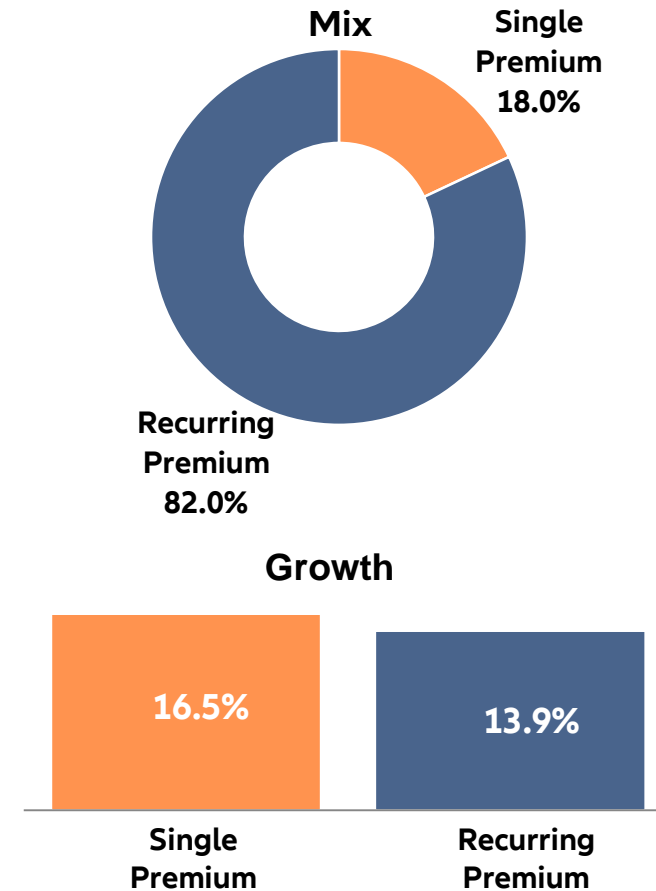
Source: LIAM statistic as of 31 December 2019

LIFE BUSINESS: GROWTH IN BOTH SINGLE PREMIUM AND RECURRING PREMIUM

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

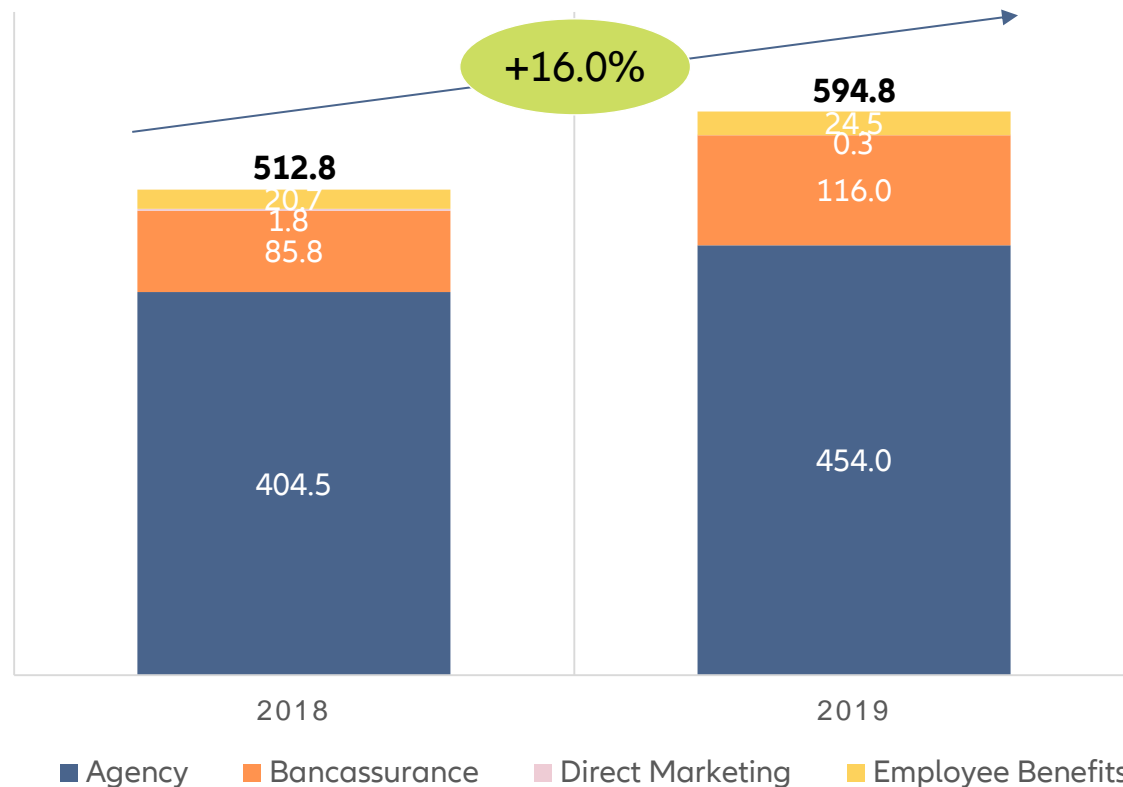


GWP Mix & Growth (%) (12M 2019)

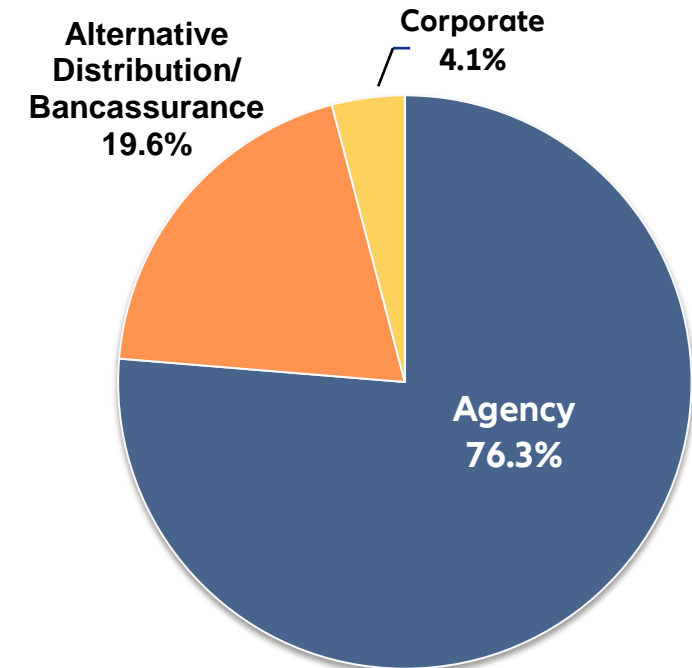


LIFE BUSINESS: GROWTH IN ANP DRIVEN BY AGENCY, BANCASSURANCE AND EMPLOYEE BENEFITS CHANNELS

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

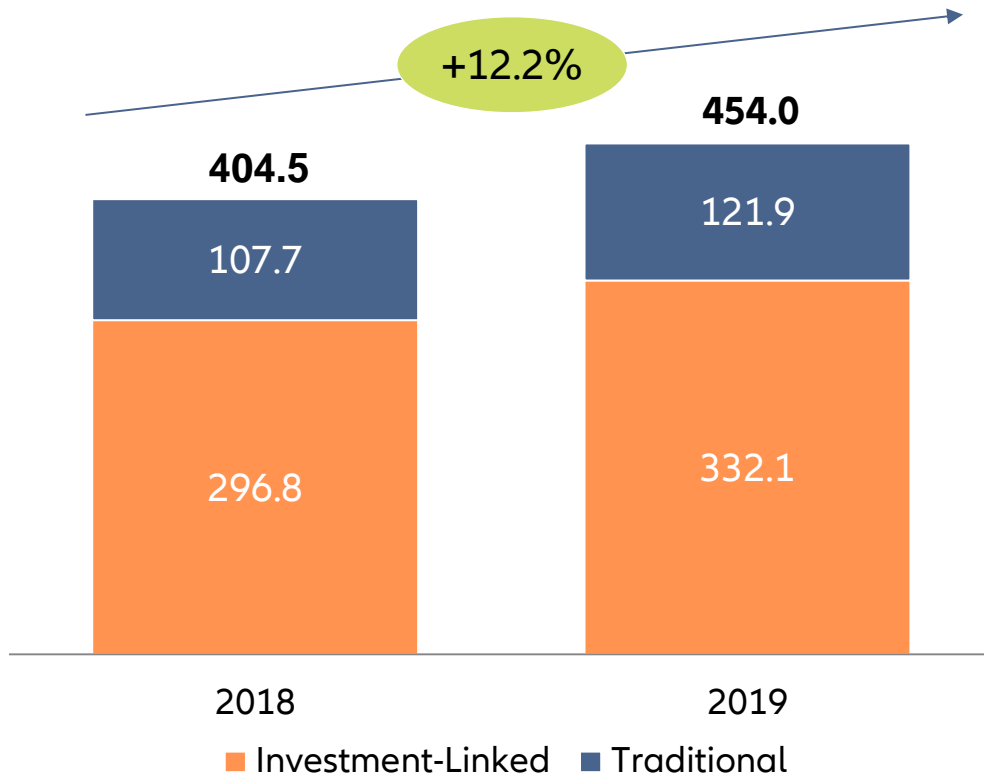


ANP Channel Mix (%) (12M 2019)

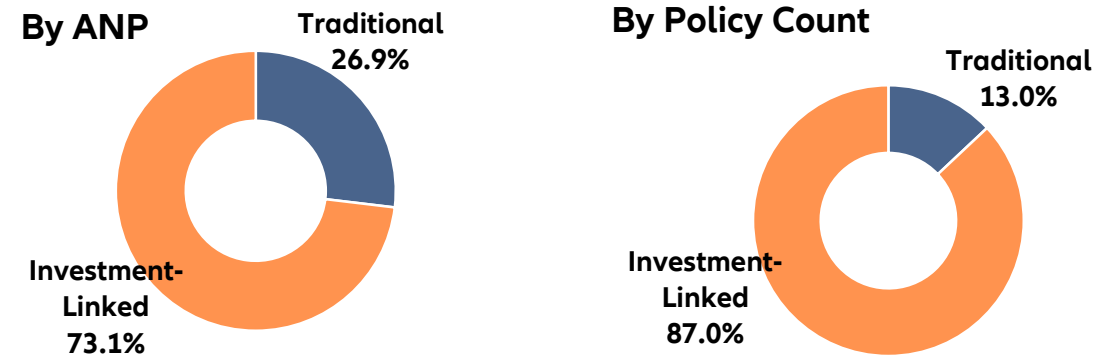


LIFE BUSINESS (AGENCY): CONTINUE TO FOCUS ON PROFITABLE REGULAR INVESTMENT-LINKED PRODUCTS WITH CONTRIBUTION FROM TRADITIONAL BUSINESS

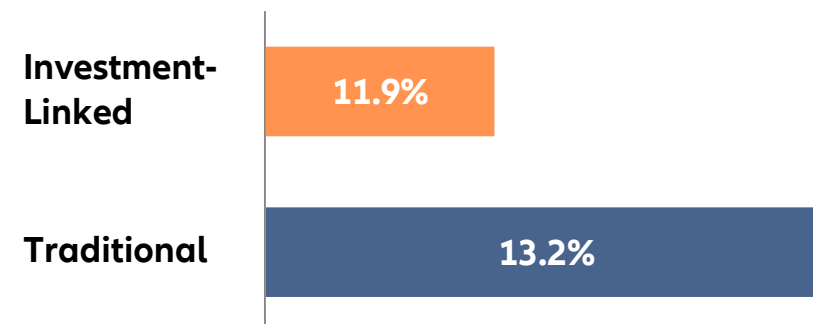
Agency Annualised New Premiums (RM'mil)



Agency Product Mix (%) (12M 2019)

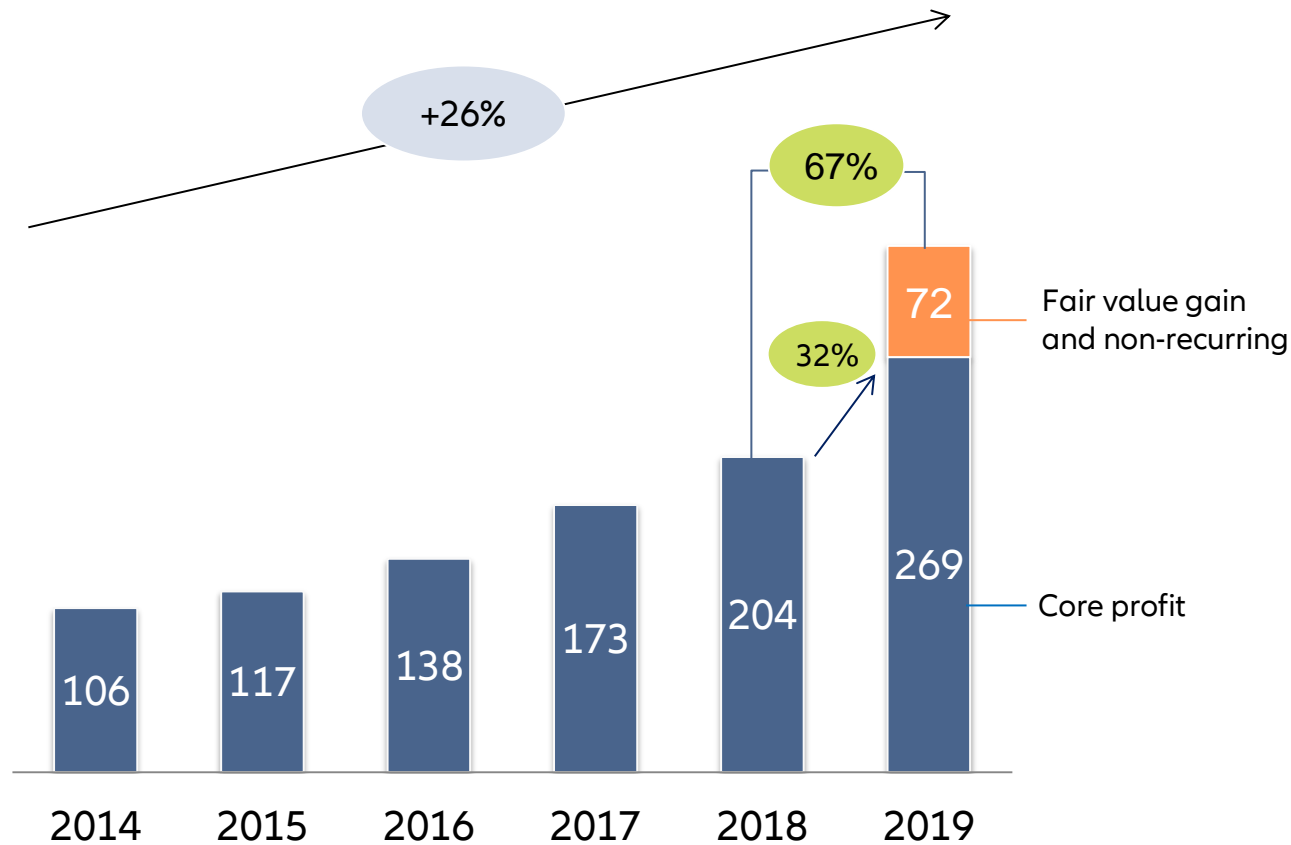


Agency ANP Growth (%) (12M 2019)



LIFE BUSINESS DELIVERED PROFITABLE GROWTH

Profit Before Tax (RM' mil)



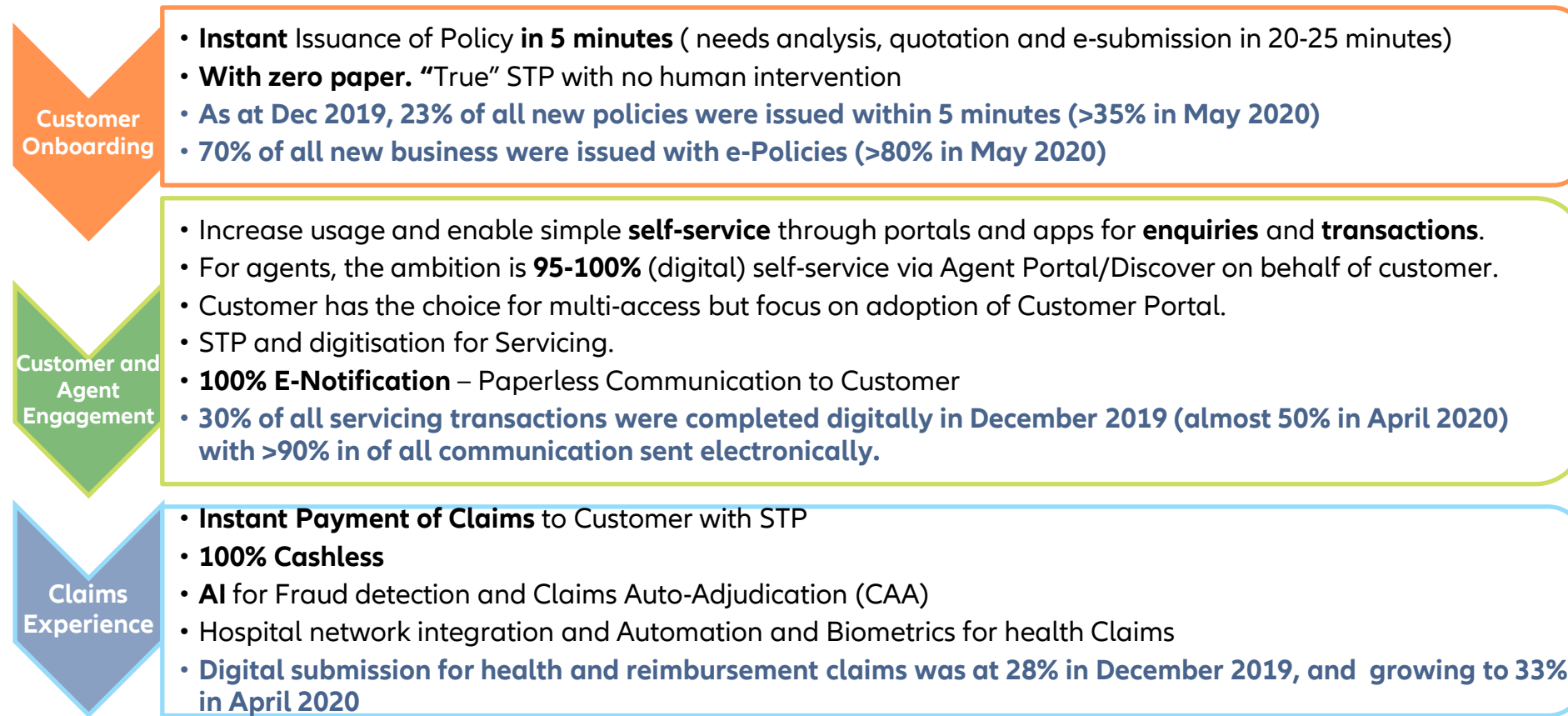
- Focus on healthy and sustainable margins supported by disciplined pricing methodologies and sound risk management
- Focus on writing more investment-linked protection products
- Delivered RM259 mn in NBV (29.6% y-o-y growth)

OPERATION TRANSFORMATION OBJECTIVES

Change Customer and Distributor Experience and drive **end-to-end Automation** : “**True Straight Through Processing (STP)**”

Transformation success based on its three pillars:

Key Principles:



ITEM 2 (a) OF THE AGENDA

ORDINARY RESOLUTION 1

To approve the payment of Directors' fees of RM2,036,194 to Non-Executive Directors of the Company and its insurance subsidiaries for the financial year ended 31 December 2019

ITEM 2 (b) OF THE AGENDA

ORDINARY RESOLUTION 2

To approve the payment of Directors' benefits of up to an amount of RM1,140,860 to Non-Executive Directors of the Company and its insurance subsidiaries from 1 July 2020 until the next Annual General Meeting of the Company

ITEM 3 OF THE AGENDA

ORDINARY RESOLUTION 3

To re-elect Y. A.M Tunku Zain Al-'Abidin Ibni Tuanku Muhriz, who retires by rotation in accordance with Clause 19.1 of the Constitution of the Company



ITEM 4 (a) OF THE AGENDA

ORDINARY RESOLUTION 4

To re-elect Madam Claudia Salem, who was appointed to the Board during the year and retires in accordance with Clause 19.7 of the Constitution of the Company



ITEM 4 (b) OF THE AGENDA

ORDINARY RESOLUTION 5

To re-elect Mr. Peter Ho Kok Wai, who was appointed to the Board during the year and retires in accordance with Clause 19.7 of the Constitution of the Company



ITEM 5 OF THE AGENDA

ORDINARY RESOLUTION 6

To re-appoint Messrs.
PricewaterhouseCoopers PLT as
Auditors of the Company for the
financial year ending 31
December 2020 and to authorise
the Directors to fix their
remuneration

ITEM 6 OF THE AGENDA

ORDINARY RESOLUTION 7

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

ITEM 7 OF THE AGENDA

ORDINARY RESOLUTION 8

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



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MEETING ENDED

