

AUTOMOTIVE: NEW NORMS AND TRENDS

From a motor insurance perspective...

- (i) New norms & trends in motor insurance
- (ii) Benefits & opportunities from changes in business trends

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

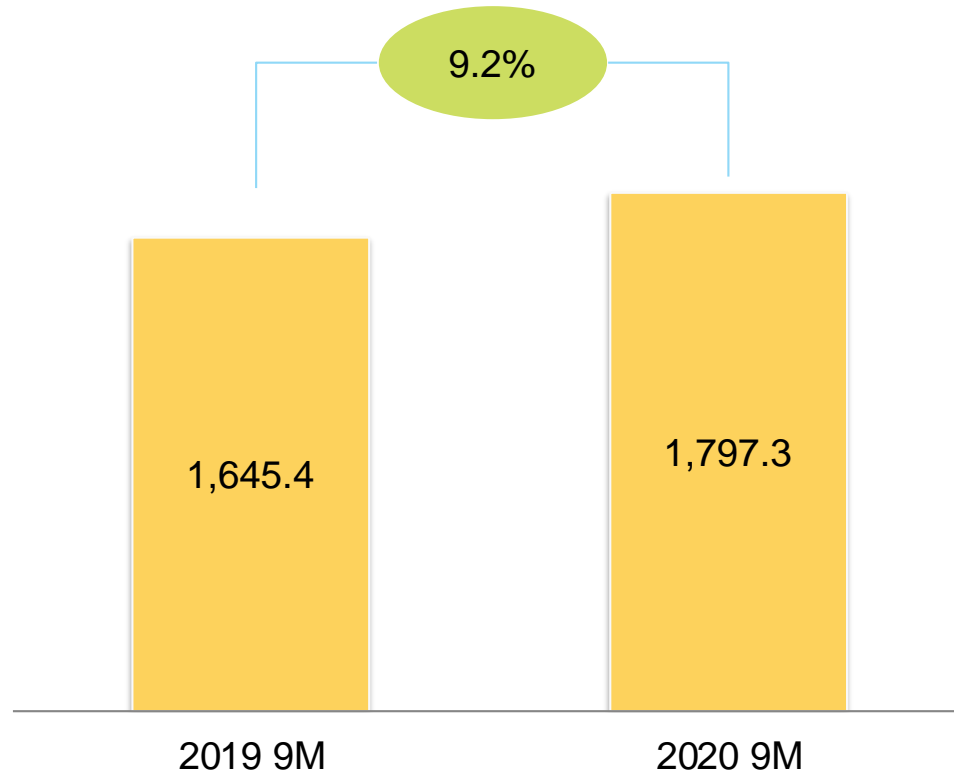
levels, (vi) the extent of credit defaults, (vii) interest rate levels, (viii) currency exchange rates including the Euro/U.S. Dollar exchange rate, (ix) changing levels of competition, (x) changes in laws and regulations, including monetary convergence and the European Monetary Union, (xi) changes in 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.

No duty to update.

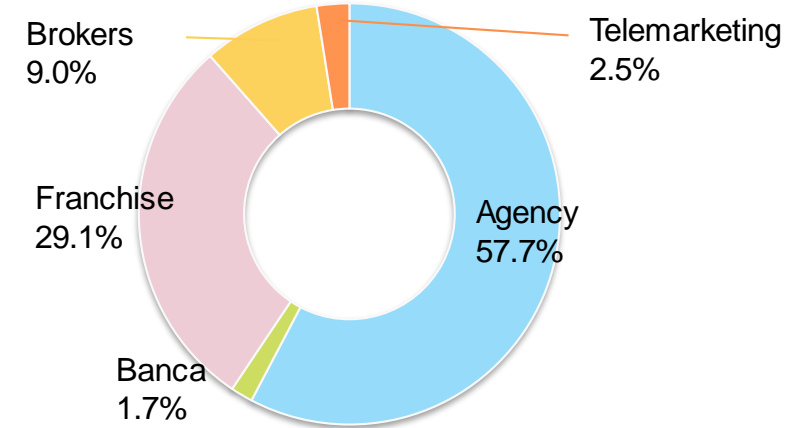
The company assumes no obligation to update any information contained herein.

ALLIANZ GENERAL: OVERVIEW AS AT 9M 2020

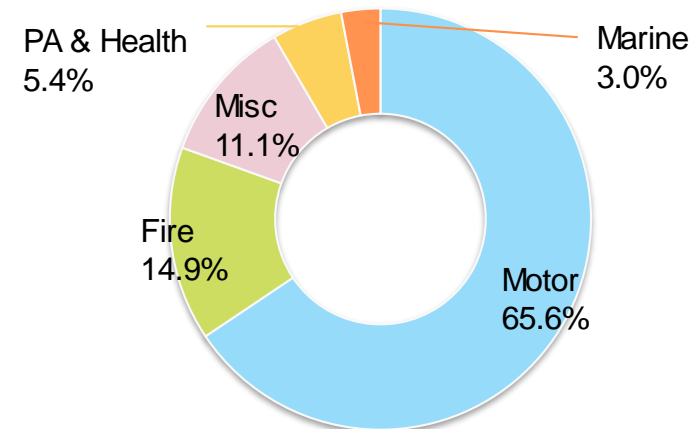
Gross Written Premiums (GWP) (RM mn)



Distribution Channel Mix



Product Mix



ALLIANZ GENERAL: MAINTAINING MARKET LEADERSHIP

KPIs	AGIC 9M 2020	Industry ¹ 9M 2020	Takaful ² 9M 2020
GWP growth	9.2%	-0.9%	3.6%
Commission ratio	12.9%	9.9%	8.5%
Claims ratio			
▪ Overall	57.7%	54.4%	57.0%
▪ Motor	59.6%	63.3%	71.4%
Expense ratio	19.1%	25.1%	31.6%
Combined ratio	89.7%	89.4%	97.1%

Market Share (9M 2020)³

13.3%

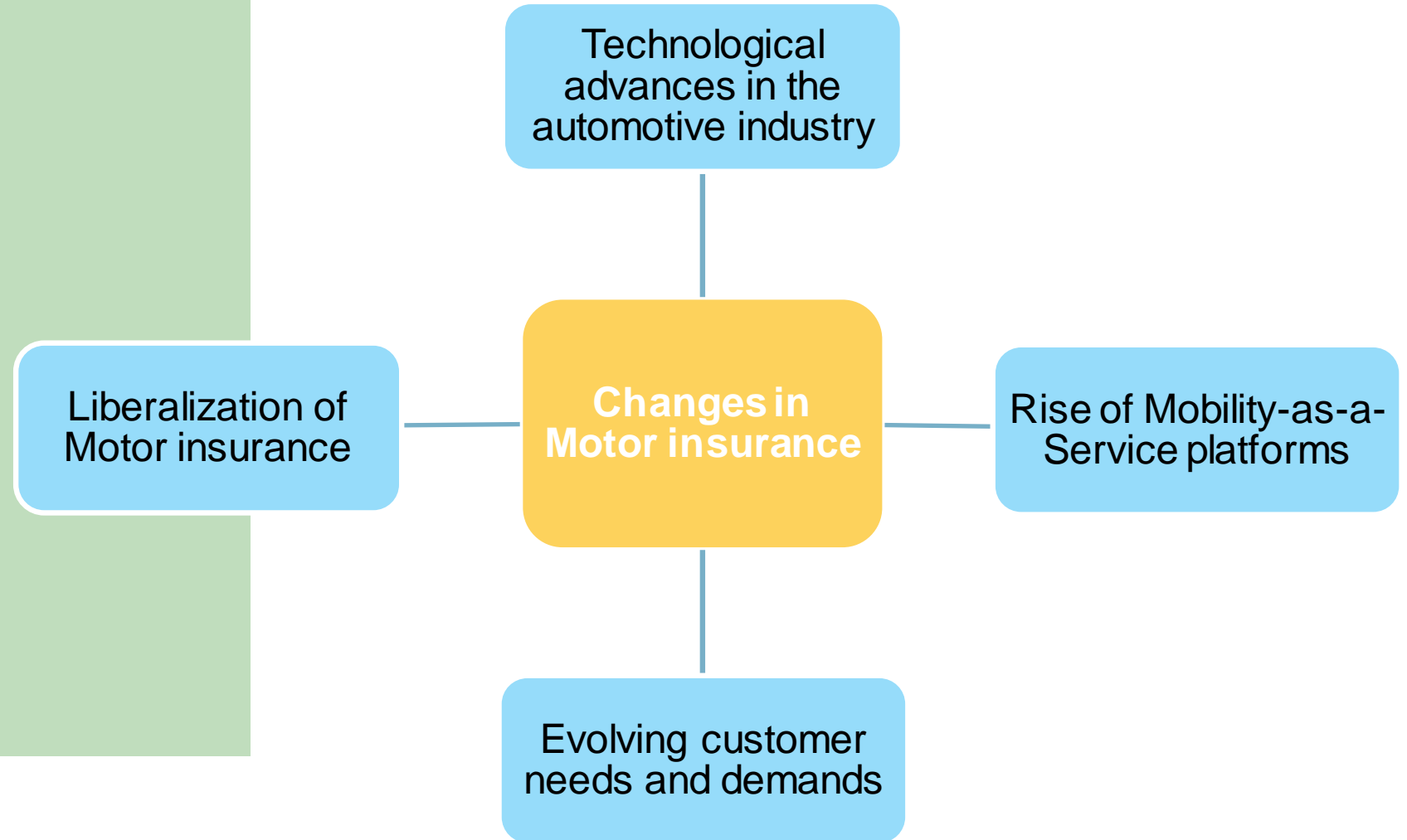
Market Ranking (9M 2020)³

No. 1

Notes:

- 1) Source: ISM Market Performance Report Jan-Sep 2020
- 2) Source: ISM Takaful Market Performance Report Jan-Sep 2020
- 3) Based on Industry's gross written premium from ISM Market Share by Line of Business Report Jan-Sep 2020

NEW NORMS AND TRENDS IMPACTING MOTOR INSURANCE



TECHNOLOGICAL ADVANCES IN THE AUTOMOTIVE INDUSTRY

Connectivity

i.e. interlinking of vehicle to a network which enables tracking of vehicular data

Driver-assist technologies

e.g. automatic braking, blind spot sensors, collision warning, adaptive cruise control etc.

- ✓ Future **potential for use of telematics** in underwriting and pricing motor insurance
- ✓ Potentially **lower accident frequency**; however may be offset by higher repair cost due to expensive sophisticated technology

RISE OF MOBILITY-AS-A-SERVICE (“MAAS”) PLATFORMS

“...the focus has been **moving away from being a proud owner of a vehicle toward valuing the mobility cars provide...**”

“Mobility as a Service (MaaS), as this shift is called, takes many forms. In most large cities around the world, people **can access a car, bike, or scooter without owning one, simply with the purchase of a subscription or download of an app**”

Example of MaaS models:

Ride-hailing, car-sharing, car subscription etc.

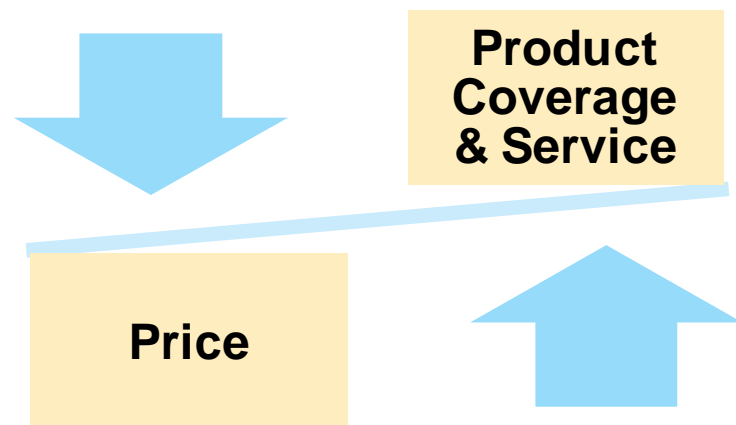
Source: <https://www.oliverwyman.com/our-expertise/insights/2020/jun/automotive-industry-at-the-crossroads.html>

- ✓ Development of **new types of coverage** e.g. e-hailing add-on for Grab drivers
- ✓ Opportunity to **expand via digital partnerships with MaaS providers** (e.g. SoCar, Flux)



EVOLVING CUSTOMER NEEDS AND DEMANDS

- Unlike during the tariff regime, **customers are increasingly more aware and selective** when purchasing motor insurance
- While price remains a key criteria, the **demand for comprehensive coverage and excellent service is also high**



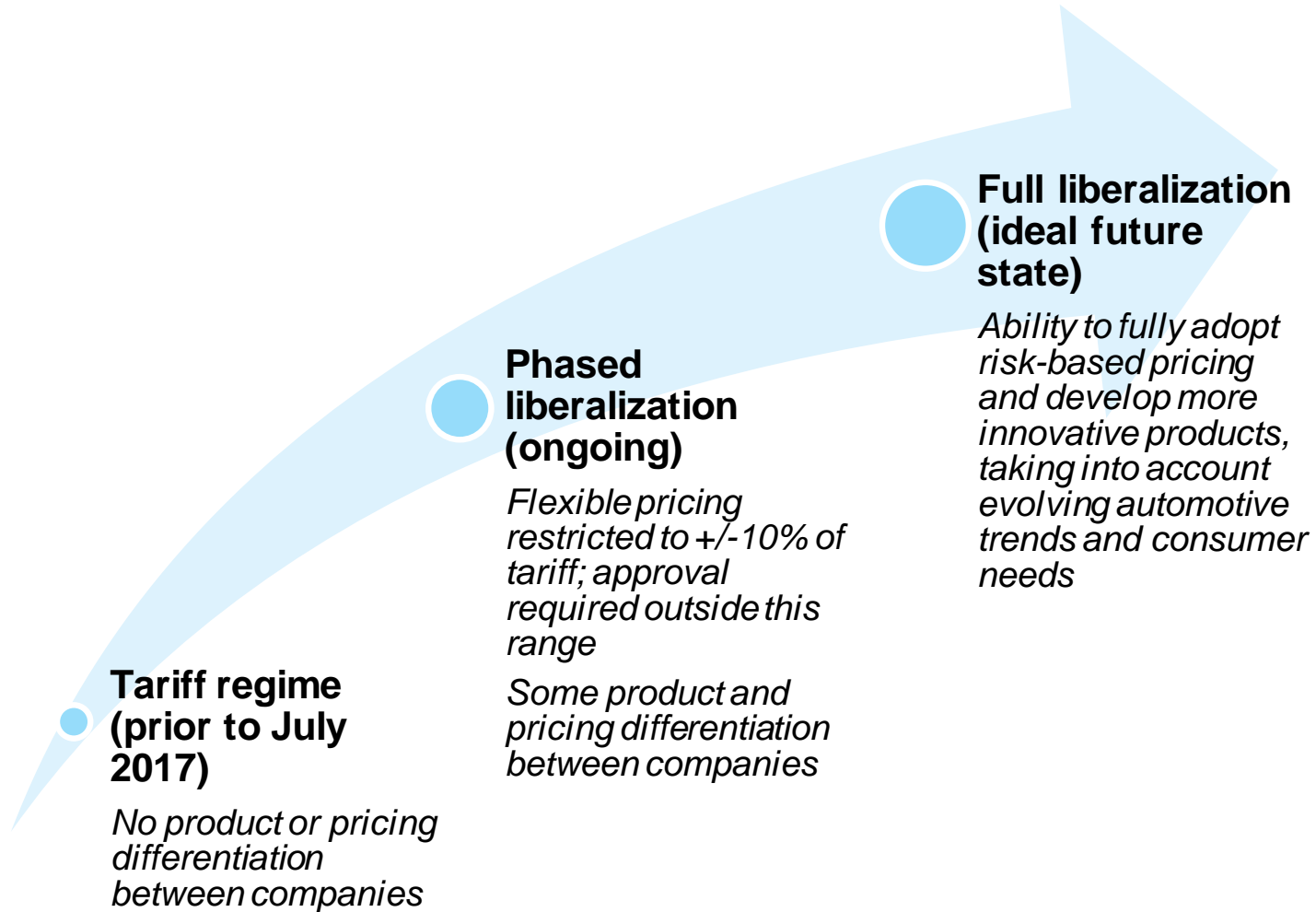
- ✓ **Improve claims service value proposition** (e.g. Allianz Road Rangers, windscreen on-the-go)
- ✓ Create attractive products with **value-added additional coverage** (e.g. Motorcycle Plus)
- ✓ **Improve efficiency in managing claims and expenses** that will allow for **more competitive pricing, without compromising customer satisfaction**

Allianz

Road Rangers



LIBERALIZATION OF MOTOR INSURANCE IN MALAYSIA



- ✓ Able to **fully leverage on data and advanced analytics for fairer pricing** via increased price differentiation between risks, **without jeopardizing the sufficiency of premiums to meet claims**
- ✓ Insurers with **superior pricing models and capabilities to quickly respond to evolving market developments will have significant advantage**

TWO STRONG PILLARS IN LIFE & GENERAL: A DEFENSIVE & RESILIENT BUSINESS MODEL FACING THE IMPACT OF COVID

9M 2020

RM 4.4 bil

+ 7%

Operating revenue 

RM 4.0 bil

+ 8.7%

Gross Written Premium 

RM 542.8 mil

+7.7%

Profit before tax 

RM 1.08

+ 4.8%

Diluted EPS 

RM 0.58

Dividend yield 4.2% for ordinary & 5.0% for ICPS

Dividend Per Ordinary Share 

RM 21.3 bil

+ 8% (2019 + 4.9%)

Total assets 

THANK YOU