

Annexure 2 of the Minutes of the 47th Annual General Meeting (“AGM”) of Allianz Malaysia Berhad (“AMB” or “Company”)

QUESTIONS RECEIVED FROM THE SHAREHOLDERS OF THE COMPANY PRIOR TO 47TH AGM

No.	Question Received from Shareholders	Company’s Response
1.	“Virtual AGM is convenient for shareholders who live faraway. Given the new normal of technological adoption, and to encourage greater shareholders' participation, can the Board offer remote participation option even after the pandemic?”	<p><u>Answered by the Chairman of the Meeting</u></p> <p>The Board would consider for future general meetings</p>
2.	“It seems that rising interest rate is detrimental to the company investment portfolio as seen from the FV losses in Q1 results.”	<p><u>Answered by Mr. Ong Eng Chow (“Charles”), Chief Financial Officer</u></p> <p>From economic perspective, higher or rising interest is actually better for life insurance company to be able to meet its long obligations/liabilities to our policyholders.</p> <p>However, rising interest rate will give an accounting mismatch impacting the income statement. In 2019 and 2020, interest rate was declining and the Company and its insurance subsidiaries (collectively referred to as “Group”) had then recognised fair value gains arising from impact on interest rate arising from market value gains from fixed income instrument. For 2021, the Management saw a rebound of interest rate reversing fair value gains recognised in the income statement previously.</p> <p>During the Management presentation earlier, the Management has shared the life insurance total profit and core profit, which has excluded the fair value gain and losses. The core profit of the life insurance company remains strong for the first quarter of 2021.</p>

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3.	<p>“Investment-linked products have declined from 81.1% in 2017 to 61.5% in 2020.</p> <p>(a) What are the reasons for the decline?</p> <p>(b) How does the profitability of Investment-linked products compare to other products?”</p>	<p><u>Answered by Charles</u></p> <p>(a) The investment-linked business of the life insurance company are mainly contributed by the Agency Channel. In 2020, Agency saw a decline in new business and consequently lower investment-linked sales. The lockdown imposed by the government has restricted face-to-face selling opportunities by the Agency Channel.</p> <p>(b) In general, regular premium investment-linked products (with profitable rider attachment) are more profitable than savings products. The focus remains on selling investment-linked protection products in the longer term.</p>
4.	<p>“Refer to Note 5.3.2 (page 180 of Annual Report). The assumed average GWP growth rate for Life bancassurance agreement has increased sharply from 8.2% in 2019 to 16.1% in 2020.</p> <p>What are the reasons contributing to the increase in assumed growth rate?”</p>	<p><u>Answered by Charles</u></p> <p>The Management has assessed that there are potential for growth in the bancassurance (“banca”) market, hence, the opportunity to further scale up the business. Nonetheless, the Management is mindful of the currently prolonged pandemic and may review the assessment on the growth rate.</p>

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5.	<p>“IFRS 17 will become effective in January 2023.</p> <p>(a) What is the implementation plan and progress?</p> <p>(b) At high level, how might it change the reported profit based on current product composition?”</p>	<p><u>Answered by Charles</u></p> <p>(a) The project implementation is on track with updates being reported to the Board and Bank Negara Malaysia on a quarterly basis.</p> <p>(b) The new Malaysian Financial Reporting Standard (“MFRS”) 17/International Financial Reporting Standard (“IFRS”) 17 Standards will have significant changes to the presentation and disclosure requirements to Income Statement and Balance Sheet, particularly for the life insurance business.</p> <p>The Management are currently validating the results under IFRS 17 and this need to be audited as well. The Management would share the results in due course. Whilst the new standards will change the profit emergence for the life insurance products, it will not alter the profitability of the products over its lifetime.</p>
6.	<p>“There has been a big jump in dividend payout since 2018, where DPS has increased to 40 sen, 51 sen and 58 sen in the last three years.</p> <p>While returning excess capital to shareholders is welcome, does it also mean management foresee fewer opportunities to deploy capital?”</p>	<p><u>Answered by Charles</u></p> <p>The Management aims to maintain a consistent return to the shareholders. The dividend policy is to maintain a minimum payout ratio of 30%, subject to regulator’s approval.</p> <p>When declaring dividend, the Management had taken into consideration future capital requirement, especially for growth plan/organic expansion.</p>

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7.	<p>“Media reported that some local banks may dispose their insurance businesses. Between Allianz general insurance and life insurance, which business may be more suitable for growth through acquisition? Should there be right opportunity at the right price, what are the possible means for the Group to raise the necessary capital?”</p>	<p><u>Answered by Charles</u></p> <p>The Group would continue looking for good opportunity for both the general and life insurance business. If any opportunity arises, the Management would seek the shareholders’ approval on the funding mechanism.</p>
8.	<p>“Last year Malaysia Competition Commission (MyCC) ruled that PIAM and the insurers had infringed the Competition Act 2010 regarding arrangement on the minimum hourly labour rates and spare part prices. It was also reported that some workshops refused to accept Allianz.</p> <p>Can you explain the matter from the Group's point of view - including the background, current situation, the next move and the potential financing saving?”</p>	<p>Answered by Mr. Zakri Bin Mohd Khir (“Zakri”), Chief Executive Officer (“CEO”) of the Company and Allianz General Insurance Company (Malaysia) Berhad (“Allianz General”)</p> <p>MyCC’s Decision against Persatuan Insuran Am Malaysia (“PIAM”) and the 22 general insurers was in respect of an industry-wide arrangement between the insurers and workshops.</p> <p>The financial penalty imposed on Allianz General was approximately RM18.5 million (including a discount as a result of Covid-19). Allianz General has taken a 2 pronged approach in defending its legal position against MyCC by filing an appeal and a Stay Application with the Competition Appeal Tribunal (“CAT”) as well as filing an application for leave at the High Court of Malaya for Judicial Review and a Stay Application.</p>

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	<p><i>Continued</i></p>	<p>An interim stay had been granted by the High Court earlier and then the CAT also granted a stay and so Allianz General need not make any payments in respect of the financial penalty until the proceedings are heard and disposed at the CAT and the High Court.</p> <p>Allianz General had revamped its workshop panel ship last year, among others, Allianz General changed its internal process of how workshop partners are selected, by being the first insurer to hold an open tender to invite car workshops under the PIAM Approved Repairers Scheme to join its panel of repairers.</p> <p>It was a more transparent approach as compared to previous practice. The tender is put up online for the repairers to decide whether they are able to fulfil the stated requirements. There were resistance from several workshops as it threatens the status quo where some repairers enjoyed “quid pro quo” relationships in the past. The exercise brought about improvements in terms of customer service and satisfaction such as 2 years warranty for parts and repairs performed. All workshops which were offered panel ship, accepted to be part of Allianz Approved Repairers Scheme. Further, the workshops that initially resisted had subsequently appealed to be in the panel ship as well.</p>

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9.	<p>“Refer to Note 5.3.1 (page 179 of Annual Report). The assumed average annualised GWP growth rate for GI Bancassurance agreement have declined in successive years - 19% (2017), 14% (2018), 12% (2019), 11% (2020). What are the reasons that drive ever lower assumed growth rate?”</p>	<p><u>Answered by Zakri</u></p> <p>Standard Chartered Bank Malaysia Berhad (“SCB”) is significantly smaller as compared to the previous banca partner, CIMB Bank Berhad (“CIMB”). The amount of business received from SCB is not more than 25% of CIMB’s business previously. Further, the general insurance market as a whole is also not really growing. Lesser banking activities with respect to home loans and retail loans also impacts the general insurance bancassurance agreement. That said, the SCB business is still profitable even though it is no longer a significant contributor to Allianz General’s business as compared to previous arrangement with CIMB.</p>
10.	<p>“Franchise channel has grown very fast, contributing to 29% of general insurance GWP.</p> <p>Do franchises consist of individual auto dealers? How many percent of auto dealers in Malaysia have already been signed up? Who are the brokers and what is their contribution to GWP?”</p>	<p><u>Answered by Zakri</u></p> <p>Franchise Division is the second largest premium contributor, around 29%, after the Agency channel.</p> <p>Franchise channel consists of individual auto dealers and Pos Malaysia Berhad (“Pos”), whereby Pos makes up about a quarter of Franchise production. Growth in 2020 came from both, with strong growth in Pos contributed by the partnership, which started in fourth quarter of 2019. This is an important channel which has been growing year-on-year.</p>

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	<i>Continued</i>	Allianz General has a market share for new car of around 35%. For illustration, for every 1,000 new cars registered, 35% of the new cars are insured with Allianz General. This is because Allianz General is a panel insurer with various motor dealers including motorcycle and commercial vehicles. Allianz General’s partners include BMW, Mercedes Benz, Perodua, Proton, Honda, Toyota, Nissan, Volkswagen, Kia, Scania, Renault, Ford, Hyundai, Jaguar, Land Rover, just to name a few. Their contribution to gross written premium (“GWP”) depends on their individual car sales volume.
11.	<p>“The Group has signed a 15-year regional general insurance bancassurance partnership with SCB.</p> <p>(a) Does the Group pay SCB for the partnership? (b) Is the partnership profitable? (c) What will management do to improve the contribution?”</p>	<p><u>Answered by Zakri</u></p> <p>(a) Yes, Allianz General paid a fee to be an exclusive partner for SCB’s retail banking business. SCB contributed RM26.9 million in GWP for FYE 2020, and remains a very profitable partnership due to significant home insurance business. (b) The Management is exploring other opportunities with SCB such as cross selling, but it will take time as it depends on SCB’s business segment growth.</p>
12.	<p>“The Group has signed on to be POS Malaysia’s preferred partner in 2019.</p> <p>(a) How long is the partnership agreement? (b) What is POS Malaysia percentage contribution to general insurance GWP in 2020? (c) How does the POS Malaysia channel compare with Standard Chartered?”</p>	<p><u>Answered by Zakri</u></p> <p>(a) The Management is not able to disclose the details including the length of the partnership with Pos. (b) Pos contributed to around 7% of Allianz General’s GWP in 2020.</p>

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	<p><i>Continued</i></p>	<p>(c) Pos and SCB are very different channels in nature:-</p> <ul style="list-style-type: none"> • In terms of production, Pos is a larger channel as compared to SCB (7% as compared to 2% GWP contribution). • While SCB business is mainly from home insurance tied to mortgage loans, Pos business is mainly from motor insurance and the Management are trying to expand into other personal lines non-motor products. • In terms of outreach, Pos has a far wider reach nationwide, setting it up as an ideal channel to raise insurance awareness amongst Malaysians beyond compulsory motor insurance. <p>Pos is certainly the profitable partnership for Allianz General. Hopefully next year, the Management would be able to report to the shareholders on further progress of the Pos partnership.</p>
13.	<p>“Early this year, the Association of Private Hospitals Malaysia (APHM) proposed insurance companies to cover policyholders for Covid-19 cases. However, the Group has stated its position in the Annual Report (page 21) that the "pandemic risk belongs to the sovereign nation and not commercial insurers.</p> <p>Can management provide an update on this matter? What could the worst case scenario if insurers are required to bear the cost?”</p>	<p><u>Answered by Zakri</u></p> <p>Most insurance products have a pandemic exclusion and this is how insurance policies have been designed, because insurance is supposed to cover ordinary risks, normal risks that you are expected to be exposed to in life. Pandemics are a rare occurrence, an evolving and mutating risk. It is a risk with high exposure and premiums commensurate with risk exposure so if insurers were to cover this, the insurers will be facing financial difficulty and it will be detrimental to the economy.</p>

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	<i>Continued</i>	<p>That is why pandemics are a sovereign risk and the government, which collects taxes from the people, is supposed to protect and care for the people, and fund this. In this context in Malaysia and any part of the world, the pandemic exclusion is a universal exclusion.</p> <p>Having said that, there are many instances that the Group offer protection. For example, for customers admitted to hospitals for whatever illnesses and infected with Covid-19 at that particular time, the customers will be covered, but not for Covid-19 infections only. Nevertheless, as a responsible insurance company, the Management will also look at the Group’s customers on a case-to-case basis and have assisted them although it’s an exclusion of the policy.</p>
14.	“Prospect for life and general insurance for next 2 - 3 years? As the competitions intensified, how to gain edge?”	<p>Answered by Zakri and Mr. Joseph Kumar Gross (“Joe”), CEO of Allianz Life Insurance Malaysia Berhad (“Allianz Life”)</p> <hr/> <p><u>Allianz General</u> Allianz is a very strong company, hence, the Group will be around providing protection for people. As risk are evolving, the Group will also be evolving. There is a lot of uncertainties on the investment outlook, unemployment and customer’s insurance purchasing power in the next 2 to 3 years. The competitors will faced the same challenges as the Group. Nevertheless, the Group will make more effort to outperform peers, be more transparent, giving more values to the customers and managing the expenses.</p>

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	<i>Continued</i>	<p>There will be a lot of hard work, but, the Management is confident that the Group will deliver good dividends to the shareholders.</p> <p><u>Allianz Life</u> The strategy for Allianz General and Allianz Life has shown that both companies can grow even in an adverse market environment and high competition. The Management is cautiously optimistic and confident that with the Group’s strategy and capability, the Group would continue to grow and succeed in the market.</p>
15.	“Has the company seen a rise in claims for Covid-19 arising from private hospital admission?”	<p><u>Answered by Joe</u></p> <p>Majority of the Covid-19 admissions are still to public hospitals. However, Allianz Life is experiencing higher claims cost for admission to private hospital due to standard operating procedures mandated by the government and use of personal protective equipment required due to Covid-19.</p>
16.	“Why is it that with growing new business at the life division, the y-o-y recent quarter still producing a negative growth?”	<p><u>Answered by Joe</u></p> <p>In 2020, every business suffered and insurance was no different. The Management did observe a decline in new business sales even with very strong fourth quarter in 2020. However, profitability saw significant growth owing to strong inforce block. In first quarter of 2021, the Management witnessed the best first quarter in history in terms of new business sales and gained market share as well.</p>

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	<i>Continued</i>	Allianz Life are growing at significant pace now except recently in June 2021, owing to full lockdown, Allianz Life has to comply with lockdown laws which definitely impacts sales. Nevertheless, based on the long term trend of the life business, the track record showed continuous growth, irrespective of the inconsistent quarterly growth. The Management is confident that Allianz Life will continue with the trajectory.
17.	<p>“The number of life insurance agents have declined from 10,110 in 2015 to 4,400 in 2019</p> <p>(a) How many life agents are there in 2020?</p> <p>(b) Has the Agency Transformation programme completed? How are the achievements measured against the original targets?”</p>	<p><u>Answered by Joe</u></p> <p>Allianz Life had around 4,500 agents in 2020. The decline observed was a strategic choice. The Management decided not to have the highest number of agents, instead, retaining the best agents amongst the 10,100 agents, who fulfilled the quality standard in terms of inter alia, customer service, persistency and productive.</p> <p>On the Agency Transformation programme, it is an on-going process and the Management will continue to improve the agency channel. The key pillar of the Agency Transformation is to have the best quality agents with digital servicing capabilities.</p> <p>On the achievement, the Management measured against all the intermediaries’ target such as productivity, number of complaints, persistency rate and average cases per agents. The Agency Transformation journey will continue to accelerate in the digitalisation area as well as the new normal.</p>

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	<i>Continued</i>	The Group will invest in digital infrastructure for the distribution channels to allow for remote sales and be able to digitally connect to the customers. The Management believed that the hybrid model of online and face-to-face is the new future.
18.	<p>“Agency channel contributed 74.6% of ANP annualised new premiums for life insurance (refer page 18 of Annual Report).</p> <p>(a) What is the concentration of top agencies within the agency channel?</p> <p>(b) How does the Group manage the concentration risk and dependence on star agencies? ”</p>	<p><u>Answered by Joe</u></p> <p>The top 10 agencies contribute to 45% to 50% of new business sales, they also hold 35% to 40% of agency force.</p> <p>The relationship with the agencies are based on a few pillars. Firstly, both Allianz Life and the agency force rely on each other for success and growth, which is unshakable. Secondly, Allianz Life supports the agents’ best interest. The Management provides high intensity end-to-end touch point support via Relationship Manager in sales force as well as the Underwriting, Digital, Pricing and Senior Management Teams. The ambition is to give the agents the best tools to deal with Allianz Life and the customers digitally with no hassle.</p> <p>These 2 elements built up the key pillars which would best described as emotional bond build on trust. Therefore, dependency with big or small agencies is not a major issue.</p>

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19.	<p>“The CEO talks about the need for Allianz Life "adapting to an alternative, more agile operating model, and leveraging on new value pools such as Pos Malaysia“. Can you elaborate with examples on how it might be achieved?”</p>	<p><u>Answered by Joe</u></p> <p>One of the major things going forward is to get access to customers in a cost effective way, which help Allianz Life gain market share. Allianz We Care Community program (“WeCare”) is an example of one such initiative and the Management are now in talks with some of the digital partners to get into short-medium term partnerships.</p>
20.	<p>“The Group has initiated Allianz We Care Community, which provides free Covid-19 and healthcare benefits. It has signed up 700,000 members by March 2021. (Page 20 of Annual Report).</p> <p>(a) What is the expected cost of this program? (b) Has the Group managed to cross sell products to the members? Any statistics to share?”</p>	<p><u>Answered by Joe</u></p> <p>WeCare was launched as part of Allianz’s initiative to provide reassurance to the community during the unprecedented pandemic. Besides the Covid-19 cover, registered members will also enjoy host of related health and lifestyle benefits.</p> <p>To date, a total of RM3 million has been offered to help members with the necessary protection and comfort when faced with the pandemic. By playing a role in offering reassurance, the Management has better engagement with the customers, leading to improved net promoter scores. The Management has been encouraged by positive take-up rate from members of this community.</p>

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21.	<p>“HSBC has just announced to close 13 branches in Malaysia.</p> <p>(a) HSBC contributed 19.6% of ANP in 2019. How about 2020?</p> <p>(b) Does the Group expect HSBC contribution to reduce in proportion to the number of branch closure?</p> <p>(c) Does the Group pay an annual fee to HSBC for the bancassurance partnership? How will the payment be adjusted due to lower contribution?”</p>	<p><u>Answered by Joe</u></p> <p>(a) HSBC Bank Malaysia Berhad (“HSBC”) contributed 20.1% of total annualised new premiums (“ANP”) of Allianz Life in 2020 as compared to 19.6% in 2019.</p> <p>(b) The small HSBC branches to be closed had shown a decreasing trend in their contribution towards total ANP since 2019. These branches contributed RM2.5 million ANP in 2020 (4.8% of total ANP generated by HSBC). With a good transition planned by HSBC concerning sales staff redeployment, transfer of customers of the relevant branches and the adoption of mobile sales process, the Management does not expect major disruption on HSBC’s contribution to Allianz Life’s ANP with the HSBC branch closure.</p> <p>(c) Yes, ALIM pays annual performance related bonuses to HSBC, locally and regionally as part of the regional partnership with HSBC.</p>
22.	<p>(a) “Are Directors attending this virtual AGM being paid meeting allowances?</p> <p>(b) What is the cost-savings for conducting this virtual AGM compared to last year virtual AGM and also to previous year’s physical AGM?”</p>	<p><u>Answered by Madam Ng Siew Gek (“Siew Gek”), Company Secretary</u></p> <p>(a) Yes, meeting allowance is paid to INED attending the AGM.</p> <p>(b) Yes, there is a cost saving of 42% as compared to AGM held in 2019 and 45% as compared to AGM held in 2020.</p>

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	<p><i>Continued</i></p> <p>(c) Is the Minutes of this AGM going to be uploaded to the corporate website? If yes, please do not include the personal particulars of RPV participants as they would become public domain material which is in breach of the Personal Data Protection Act. Some cases already detected via”</p>	<p>(c) Yes, the minutes of AGM will be uploaded to the corporate website and the personal particulars of the participants will not be disclosed in the minutes.</p>
23	<p>“Please give us some food vouchers or e-wallet or e-vouchers for attending this meeting. Times are bad now. Thank you.”</p>	<p><u>Answered by Siew Gek</u></p> <p>The Company is not giving any e-voucher for attending this AGM. Nevertheless, the Board took note of the suggestion.</p>
24.	<p>“Will the company be considering to provide e-voucher as a token for attending this virtual AGM.”</p>	<p>Refer to response for Question 23.</p>
25.	<p>“Mr Chairman, kindly provide e vouchers to shareholders who attend RPV. I wish to request for e wallet 100.00. Thank you very much.”</p>	<p>Refer to response for Question 23.</p>

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QUESTIONS RECEIVED FROM THE SHAREHOLDERS OF THE COMPANY DURING THE 47TH AGM LIVE SESSION

No.	Question Received from Shareholders	Company’s Response
1.	“What is Allianz future plan on taking up more market share?”	<p><u>Answered by Charles</u></p> <p>The Management has shared the plans for the next 2 to 3 years during the Management presentation earlier. Kindly refer to the presentation slides which is available on the Allianz’s corporate website at https://allianz.com.my/investor-updates.</p>
2.	“What would be the anticipated impact of IFRS 17 on Allianz Life’s related products? Can you please explain in detail? Thanks.”	<p><u>Answered by Charles</u></p> <p>The IFRS 17 project implementation is on track with updates being reported to the Board on quarterly basis. The new MFRS 17/IFRS 17 would have significant change to the presentation and disclosure requirements to Income Statement and Balance Sheet particularly for the life insurance business. The Management is currently validating the results under IFRS 17 and this need to be audited as well. The Management would share the results in due course. Allianz Life selling more protection business, which is good under the IFRS 17 basis. Whilst the new standards will change the profit emergence for the life insurance products, it will not alter the profitability of the products over its lifetime. The target implementation of IFRS 17 is 2023.</p>

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3.	“Are we looking at higher dividend payout as compared to the previous year?”	<p><u>Answered by Charles</u></p> <p>The Management aim to maintain a consistent return to the shareholders. The dividend policy is to maintain a dividend payout ratio of 30%, subject to regulator’s approval. The Management has to retain some of the dividend to fund business expansion for the next 3 years.</p>
4.	“Can dividend declaration be done together with quarterly profit announcement instead of a date unrelated. Is it possible to have 2 interim dividends per financial year instead of just one dividend. Why is there a special dividend for 2019 and not for 2020 and why dividend lower for 2020 although profit was higher?”	<p><u>Answered by Charles</u></p> <p>The Management took note on the suggestion to declare the dividend with any quarterly results. He explained that whilst it is possible for AMB to declare interim dividend, the interim dividend of AMB is dependent on the dividend by its insurance subsidiaries which is subject to regulator’s approval. The Management’s plan is to declare once a year using the third quarter results.</p>
5.	“There is a growth in GWP of Allianz Life amid the Covid-19 pandemic. May I know which product in Allianz Life is achieving growth during this pandemic? Any change of customer’s preference in your life insurance products?”	<p><u>Answered by Charles</u></p> <p>The growth in GWP was mainly due to the strong persistency and good inforce management of the renewal business amid the Covid-19 situation. The product portfolio consists of various types of products from investment-linked, universal life to traditional. It shows Allianz Life’s ability to retain existing customers even during pandemic.</p>

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6.	<p>“The first quarter of 2021 results suffered a substantial Profit After Tax compared to the immediate preceding quarter ended 31 December 2020. Please provide details for the reason(s) for the drop and whether the remaining quarters of FY2021 will see improvements from the 1st Quarter results.”</p>	<p><u>Answered by Charles</u></p> <p>The interest rate rebound during the first quarter of 2021, this was indicated during the presentation on profit analysis earlier. When the interest rate dropped in 2019 and 2020, the Management has booked in around RM100 million fair value gain. In 2021, the Management has booked in fair value loss due to interest rate rebound. The Management has shared via the analyst briefing presentation uploaded in the corporate website that it is important to refer to core profit, which has remained intact for the life insurance business.</p>
7.	<p>“It’s great that in 2020 Allianz performed well in majority metrics but it’s noted that net operating cash flow is negative for that particular FYE. How Allianz intend to minimise/mitigate such impact in coming future.”</p>	<p><u>Answered by Charles</u></p> <p>The negative cash flow for FYE 2020 was mainly due to increase in investment during FYE 2020. The Group still have a positive cash balance of RM1.17 billion as at 31 December 2020.</p>
8.	<p>“Will Company have a plan to set a fixed dividend policy in future?”</p>	<p><u>Answered by Charles</u></p> <p>The Management aim to maintain a consistent return to the shareholders. The dividend policy is to maintain a dividend payout ratio of 30%, subject to regulator’s approval. The Management has to retain some of the dividend to fund business expansion for the next 3 years.</p>

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9.	<p>“Despite transient inflationary pressures, low interest rates environment are likely to persist. How is current situation going to impact investment performance and the composition of Allianz Malaysia’s investment portfolio?”</p>	<p><u>Answered by Charles</u></p> <p>The changes in interest rate would have an impact on both the asset and liability side of the Balance Sheet for life insurance portfolios. The Management adopt a long-term investment approach, taking into account factors such as asset liability management (“ALM”) considerations, return expectations, risk capital requirements and risk tolerance levels. To overcome low interest rate environment, it is important to have a strong investment discipline.</p>
10.	<p>“Can you share the asset class breakdown for your investment portfolio?”</p>	<p><u>Answered by Charles</u></p> <p>Asset Class Breakdown</p> <ul style="list-style-type: none"> (a) Malaysian Government Securities and Government Guaranteed Bond: 50% (b) Corporate Bond and debt: 27% (c) Unit Trust: 4% (d) Quoted securities: 13% (e) Fixed Deposits: 5% <p>The details of the asset class breakdown can be found on page 185 of the Annual Report. Investment mandate has been established for both Allianz Life and Allianz General to ensure investment and allocation of assets met the objective of the investment. For Allianz General, the investments are mainly on fixed income.</p>

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11.	<p>“Allianz General non-motor businesses has steadily decline from RM821.4 million to RM791.4 million. Non-Motor business remains great profit contribution to Allianz. Why Allianz was not able to grow last year? Even the overall claim ratio has reduced compare to year 2019 due to MOC, no doubt motor insurance remains higher claim amongst the others. Would Allianz emphasises more fire insurance and public liability business to become biggest non-motor business amongst the others?”</p>	<p><u>Answered by Zakri</u></p> <p>The number 1 reason is basically the Covid-19 pandemic, which has hit the business in the early part of the year given that nobody was travelling. Hence, no one has bought or renew the travel insurance. Secondly, there was no new engineering projects as the existing projects were stalled, hence, not much premium received from the engineering insurance.</p> <p>Another sector that was badly affected was marine due to supply chain disruption, as people not able to export or import goods. Having said that, part of the strategy has always been to push for non-motor business growth and the Management have rolled-out attractive products such as Smart Home Cover and Smart Retail Shield. In 2020, Allianz General gained 5% more customers in Fire portfolio, which was encouraging. The Management will continue to develop products to penetrate the non-motor market.</p>
12.	<p>“How is the general insurance pricing is being carried out? Will it be based on the risk factors on the insured candidates?”</p>	<p><u>Answered by Zakri</u></p> <p>Approximately 70% to 80% of the general insurance business such as motor and fire is determine by tariff, which is govern by the Bank Negara Malaysia. Hence, Allianz General did not set the price. On general basis, the risk factor of policyholder is part of the consideration for pricing. Other factors include regulatory requirements, commercial and business strategy considerations.</p>

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13.	“Will Allianz venture to takaful in future?”	<p><u>Answered by Joe</u></p> <p>Strategically, Takaful has become increasingly important especially for life business. The Management will continue looking for opportunities and options that are valuable for stakeholders. As the market is now closed, the Management will wait until the Government offers new takaful license. Should there is any opportunity in the market in terms of partnership or any access to takaful license opportunity, the Management would be actively looking whether the Group can participate.</p>
14.	“The spending power of most peoples is affected during the pandemic. It might affect the willingness of peoples to purchase insurance (i.e. life insurance) I suppose? As such, may I know how Allianz addresses this challenge?”	<p><u>Answered by Joe</u></p> <p>The Management does expect the purchasing power to be impacted due to Covid-19 pandemic, depending on their demography. The value for money and price will definitely an important factor moving ahead. However, the pandemic has brought increasing awareness to the public for need of protection and insurance coverage. Therefore, the Management strongly believes the products offering focusing on protection/health address the needs and the Management will continue to innovate products in this space. Further, the Management will continue to stay the course in terms of providing customers with outstanding services, paying claims, easing the way of doing business for the customers via digitisation and improving quality of agents and banca partners.</p>

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No.	Question Received from Shareholders	Company’s Response
	<i>Continued</i>	The Management will also look into newer alternative or innovative ways on healthcare, new market penetration and alternative products as part of the future plans.
15.	“How would HSBC branch closure affect your banca distribution channel going forward?”	<p><u>Answered by Joe</u></p> <p>Please refer to response of question 21. The Management do not foresee any major impact to Allianz Life’s business and partnership with HSBC following HSBC’s revised strategy in Malaysia. The Management is working closely with HSBC while they operationalised their transition. The biggest interest of Allianz Life is managing its customers who are affected with HSBC’s branch closure, ensuring smooth transition and continue providing the best service to them.</p>
16.	“How much does the Company spend on this virtual AGM?”	<p><u>Answered by Siew Gek</u></p> <p>The Company spend approximately RM61,000 for this fully virtual AGM.</p>
17.	“How does Allianz Life digitisation and online community compare against competitors?”	<p><u>Answered by Joe</u></p> <p>Allianz Life would strive to be the best and deliver the best, by benchmarking against best practices of other Allianz operating entities (“OEs”) regionally and globally. Allianz Life able to benefit from being a part of a global corporation and the Management is able to take the inspiration from other Allianz OEs and import and share best practices of other OEs regionally or globally, such as digitisation effort.</p>

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No.	Question Received from Shareholders	Company’s Response
	<i>Continued</i>	Allianz Life is strongly emphasising in digital innovation in Malaysia and the Management believe that Allianz Life one of the innovative and fastest in term of digitisation amongst the Allianz OEs. Given that Allianz is one of the most successful insurer in the world, he assured that the benchmark is a good benchmark.