

**Annexure 2 of the Minutes of the 50th Annual General Meeting (“AGM”) of Allianz Malaysia Berhad (“AMB” or “Company”)**

**RESPONSES TO QUESTIONS RECEIVED FROM THE SHAREHOLDERS OF THE COMPANY PRIOR TO 50TH AGM**

NO.	QUESTIONS/SUGGESTIONS RECEIVED FROM SHAREHOLDERS	RESPONSES
1.	<p>What percentage of auto insurance gross written premium for FY23 was contributed by new vehicle sales?</p> <p>What is AGIC's estimated market share among new vehicles?</p>	<p><b>Answered by Mr. Wang Wee Keong (“Sean”), Chief Executive Officer (“CEO”) of the Company and Allianz General Insurance Company (Malaysia) Berhad (“Allianz General”)</b></p> <p>As a guidance, Allianz General benefited from the high new vehicles sales, where the total industry volume recorded close to 800,000 units sold in 2023. Allianz General estimates its market share on new vehicles sales was above 30% in 2023.</p>
2.	<p>Recently TA Securities analyst mentioned that in the auto segment, "Allianz took advantage of the new operating cost controls (regulating intermediary expenses, cap at 3%) implemented by the regulators"</p> <p>Can you provide more details on this development?</p>	<p><b>Answered by Sean</b></p> <p>Bank Negara Malaysia (“BNM”) had issued the Policy Document on Operating Cost Controls for General Insurance and Takaful Business (“PD on OCC”) which came into effect on 1 January 2024. Allianz General gained the advantage of being the first general insurer in the market to announce its intermediary remuneration structure in an open and transparent manner to its intermediaries.</p>
3.	<p>AGIC has introduced EV Shield for EVs. EV Rangers provide on-the-spot charging (page 26 of AR)</p> <p>What are the differences in insuring EVs versus conventional vehicles, for example in term of underwriting risk and so on?</p> <p>What is AGIC's market share in the EV sub-segment?</p>	<p><b>Answered by Sean</b></p> <p>Allianz General recently launched its Allianz Electronic Vehicle (“EV”) Shield in February 2024. Allianz General does not solely focus on providing motor insurance cover, but to also provide a holistic roadside assistance solution to its policyholders. For electric vehicles, Allianz General equipped its Allianz EV Rangers to be able to offer a comparable level of roadside assistance service as that provided to internal combustion engine vehicles.</p> <p>Allianz General estimates its market share in the EV sub-segment to be more than 30% of new EV car sales in 2023.</p>

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4.	<p>There have been a number of insurance initiatives targeting lower income families under names such as MySalam, Perlindungan Tenang, Rahmah and maybe more.</p> <p>Can you share some key statistics of Allianz participation? (For example, cumulative number of policyholders, average policy size, total claims incurred etc)</p> <p>Does Allianz view them as CSR initiative? If so, what has been the total cost incurred?</p>	<p><b>Answered by Sean</b></p> <p>Allianz General participated in the Perlindungan Tenang initiative by BNM with the aims to expand the availability and quality of insurance solutions to meet the needs of the unserved and underserved segments of the population. Allianz General had also launched the PerlindunganKu Allianz4All product, now included under the Rahmah Insurance Initiative rolled out by the Government (“Initiative”) to provide an affordable insurance plan in the market. In view of an insurance gap in the B40 community, Allianz General and Allianz Life Insurance Malaysia Berhad (“Allianz Life”) are pleased to be one of the first insurance companies to participate in the Initiative. Allianz supports the Initiative as the B40 community should be treated with respect and given opportunities to consume affordable insurance solutions, rather than receiving insurance coverage at no cost. Currently, there are four general insurance products and one life insurance product offered under the Initiative by Allianz General and Allianz Life respectively.</p> <p>The Company and its subsidiaries (collectively referred to as “Group”) have a dedicated fund for corporate social responsibility (“CSR”) activities. The Group also provides financial assistance to the displaced communities through Allianz4Good Department. Despite the Group’s consistent contribution to CSR activities, the participation of Allianz General and Allianz Life in the aforementioned insurance initiatives implemented by the Government is not viewed as CSR cost by the Group.</p>
5.	<p>Tesla has started offering auto insurance for Tesla cars in certain US states.</p> <p>While it might be quite unthinkable in Malaysia right now, could the trend pose a challenge to auto insurers in the future?</p>	<p><b>Answered by Sean</b></p> <p>The Group is not in the position to comment on the business undertakings of external parties outside Malaysia, i.e. Tesla US, a car manufacturer which offers motor insurance. Allianz General will continue its focus on delivering holistic products and services while protecting its branding and reputation, as well as distribution network.</p>

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	<p>What is your view on the competitive advantage of motor insurers like AGIC versus EV companies who have direct access to their driver data?</p>	
6.	<p>Any development towards more personalized motor insurance, such as sharing of driving record in exchange for lower premium?</p> <p>What is the regulator stance, market acceptance and technology readiness?</p>	<p><b>Answered by Sean</b></p> <p>As one of the main motor insurers, Allianz General strives to stay ahead in terms of providing the best benefits to its customers through sharing of best practices globally across various Allianz operating entities. To date, Allianz General does not offer a telematics-based motor insurance product and is not ready to embrace such technology at this juncture.</p>
7.	<p>Please comment on the changes and impacts brought by motor and fire tariff liberalisations on the industry in general, and AGIC specifically.</p>	<p><b>Answered by Sean</b></p> <p>The implementation of the phased liberalisation of motor and fire tariffs (“Phased Liberalisation”) is still in progress. The general insurers, together with the regulator are exploring options for more pricing flexibility and autonomy, so that the general insurers can better price according to risks. Nevertheless, the current progress of the said implementation has given a certain extent of flexibility to the general insurance industry. The Phased Liberalisation has created greater awareness and incentive amongst policyholders to better understand and control their risk behaviours and hence, lessen their insurance cost.</p>
8.	<p>Automotive insurance have several categories, which part of Gasoline , EV , Diesel . (from company products , and also overall Automations sectors )Which risk higher in claim?</p>	<p><b>Answered by Sean</b></p> <p>Allianz General is not at liberty to provide information on its pricing strategy based on types of vehicles. Nevertheless, Allianz General has a robust pricing mechanism in place, taking into consideration the various vehicle types and other associated risk factors.</p>

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	<p>others then auto insurance, which commercial insurance are high claim rate?</p> <p>related to travel insurance since some country non -visa require , Now longer time travel or visiting Malaysia and visit others country , How was past 90 days Allianz business analyst of profit revenue and business growth in thus?</p>	<p>The travel insurance growth has rebounded strongly in the general insurance industry. Over the first quarter of 2024, Allianz General has grown its Allianz Travel Care product by more than 20% over the same corresponding period last year. Allianz General is looking forward to a positive outlook for travel insurance business for the rest of the year.</p>
9.	<p>How is the company overview of Cybersecurity? does the company provide cybersecurity insurance coverage?</p>	<p><b>Answered by Sean</b></p> <p>All financial institutions are strengthening their investment in cybersecurity. While an entity shall not fight with cybersecurity threats on its own, the Group has advantages by leveraging on Allianz SE Group’s safeguards against cybersecurity threats. As far as the detection and monitoring are concerned, the necessary hygiene factors are in place. The Board is also taking cybersecurity matters seriously, including investment in cybersecurity.</p> <p>Globally, Allianz SE Group is one of the dominant insurers in providing cybersecurity insurance. Allianz General offered cyber insurance for commercial customer with a good written data protection/information security policy and written crisis management plan.</p>
10.	<p>Page 56-58 of AR have outlined the three strategic pillars of growth, margin expansion, and capital efficiency.</p> <p>Which relevant metrics (e.g. GWP growth, ANP growth, PBT, NBV etc) are used to set performance-based remuneration for</p>	<p><b>Answered by Sean</b></p> <p>All key financial metrics, for example, Gross Written Premium, Annualised New Premium (applicable for the life insurance business), Profit Before Tax and New Business Value. In addition, non-financial metrics such as Net Promoter Score and Allianz Engagement Survey are included in the performance assessment and remuneration consideration for senior management staff.</p>

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	<p>senior management staffs for better alignment?</p> <p>What is the weightage?</p>	
11.	<p>What is the progress of cross selling between AGIC and ALIM? Any statistic that you track? Any challenges encountered?</p>	<p><b>Answered by Sean and Charles Ong Eng Chow (“Charles”), CEO of Allianz Life</b></p> <p>The Group has embarked on its cross-selling journey, leveraging on Allianz General’s large retail motor insurance customer base, which presents a significant opportunity to cross sell and up-sell.</p> <p>One of the initiatives presented under the Growth pillar in the business value creation for 2024 onwards is synergy through One Allianz program.</p> <p>Over the past year and continuing into this year, the Management has intensified its efforts in the One Allianz initiatives. As at March 2024, there are 125,000 common customers who own both Allianz Life and Allianz General insurance policies, which is noteworthy.</p> <p>Recently, the Group introduced One Allianz campaign, where customers who own both Allianz General and Allianz Life policies will be rewarded with exclusive benefits for any purchase of eligible products during the campaign period. Through the campaign, the Management hopes to increase common customers.</p> <p>In addition, under the Group’s health ecosystem, innovative solutions such as Allianz Care@Home and Allianz We Care Community platform plays a critical role in leveraging on the strengths of both companies.</p>

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12.	<p>It was reported that BNM intends to issue five DITO (Digital Insurers and Takaful Operators) licenses. Will Allianz Malaysia apply? What are the implications to existing business?</p>	<p><b>Answered by Sean and Charles</b></p> <p>The Management prefers not to speculate about its intention or commitments concerning DITO as it is currently awaiting the release of Digital Insurers and Takaful Operators (“DITO”) licensing framework from BNM. While the Management regularly reviews and considers any business opportunities that aligns to the business model and core values to drive the business forward, including DITO, it is essential to review the framework first before making any decisions. Therefore, it would be premature to comment on potential application or level of interest until the framework has been reviewed.</p>
13.	<p>Malaysia is transitioning into an aging society.</p> <p>On one hand there is a greater need for medical protection, on the other hand the growth in working population is slowing.</p> <p>Based on lessons in other aging societies, how will the aging demography affect life and general insurance?</p> <p>How do insurers respond to such trend?</p>	<p><b>Answered by Sean and Charles</b></p> <p>Both Allianz Life and Allianz General strive to offer products and services that meet the needs of customers at various life stages. The key initiative of Allianz Life focuses on retirement proposition that aims to offer solutions to cater to individuals entering retirement. This includes ensuring sufficient medical insurance coverage, addressing critical illness needs and supplementing retirement savings. The Management is committed to provide meaningful insurance solutions that cater to the aging population’s specific requirements.</p> <p>There are concerns on escalating medical cost, however having insurance is important.</p>
14.	<p>Can you share more details on the repricing of medical insurance, specifically, (a) what has been the annual increment in medical claims since post-pandemic, as well as on a longer-term basis?</p>	<p><b>Answered by Charles</b></p> <p>The statistics on medical expenditure in Malaysia over the last decade, noting an increased from RM35 billion to over RM50 billion. Total healthcare spending had exceeded 5% of Malaysia’s Gross Domestic Product. Focusing on private healthcare expenditure, 70% was still paid out-of-pocket, with only about 17% covered by insurance, indicating a significant gap in health insurance protection.</p>

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	<p>(b) the magnitude of premium increase in current round of repricing; and how does it compare to other insurers</p> <p>(c) how often is repricing carried out</p> <p>(d) regulator's view</p> <p>(e) the magnitude of increase in policy surrender rate</p>	<p>The post-pandemic medical inflation rate of the industry was at 15% to 20% and Allianz Life were at similar range. Allianz Life does consider both customer affordability and medical inflation. The repricing depends on the claim experience of the underlying product cohort, whether the loss ratio has breached the defined trigger as per the insurance policy. Repricing has been carried out over the past decade, and there has not been a notable increase in policy surrenders. Nevertheless, Policyholders can move from the repriced cohort to the new cohort within the same policy, subject to underwriting. For example, the significant majority did not surrender the policy but merely replaced the medical rider.</p>
15.	<p>What is the number of active life insurance agents by end of 2023?</p> <p>What are the difference in performance between top tier agents versus average agents?</p>	<p><b>Answered by Charles</b></p> <p>As of December 2023, Allianz Life has approximately 4,700 agents, out of which 2,300 are active agents. Allianz Life has 337 Million Dollar Round Table agents, translating to a ratio of about 1 in every 14 agents. Top tier agents (or active agents) are generally consistent performers, averagely selling 3.4 policies per month, 1.8 times higher than average agent performance.</p>
16.	<p>Recently TA Securities reported that “Allianz targets to double its agency sales force to 10,000 by 2028.”</p> <p>However, Allianz Life used to have over 10,000 agents in 2015, but progressively reduced it to under 4,000 by 2022 to professionalize the agency force.</p> <p>How to ensure that the coming cycle of expansion won't lead to past problem of unproductive agents?</p>	<p><b>Answered by Charles</b></p> <p>Allianz Life has launched an agency transformation programme namely, Kingmaker, aiming to double the agency sales force by 2028. This is a transformative initiative designed to evolve Allianz Life's agency taskforce to ensure sustainable growth in next 5 years.</p>

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17.	<p>Based on q1 result and dividend comparing 2023 and 2024. EPS increase by 10% but why has the company reduced the dividend amount?</p> <p>Does the company foresee challenges in upcoming quarter thus reducing the payout ratio?</p>	<p><b>Answered by Mr. Giulio Slavich (“Giulio”), Chief Financial Officer (“CFO”) of the Company and Allianz Life</b></p> <p>The Management carefully evaluates each dividend payout. Dividend decision is not solely made based on profitability or earnings per share. Amongst key considerations for dividend payout are the following:</p> <ol style="list-style-type: none"> <li>(1) Setting aside sufficient capital to finance new business growth and expansion. The Group needs to retain sufficient capital to finance strategic growth projects. By continuously reinvesting in growth, a platform is being set for the Group to create value to shareholders and continuously pay dividend in future.</li> <li>(2) The Group has a robust capital management policy. The Group will proactively adjust dividends to ensure that the Group is able to leverage on growth opportunities and managing potential challenges. The insurance subsidiaries will need to balance between dividend payout and retaining sufficient capital to finance growth and yet be able to meet regulatory solvency requirement and capital level that is able to withstand adverse shocks including interest rate movement, ability to pay claim, adverse economic scenarios.</li> <li>(3) AMB is committed to maintaining a sustainable dividend stream that is align with its longer-term strategic goals. AMB’s dividend policy to maintain minimum dividend payout ratio of 30 percent.</li> </ol>
18.	<p>Why the company's profits increase year-on-year but the first interim dividend got reduced? Is the company planning to declare a larger quantum for the second interim dividend?</p>	<p>Dividend decision is aimed at strengthening both competitiveness and financial strength of the Group in the longer term while balancing the requirement for dividends to shareholders. The Group believe this would be beneficial to all shareholders in the longer run. The investment decision made by AMB are intended to bring the Group forward. AMB has steadily increased the dividend payout ratio over the years and in 2023 the Group dividend payout ratio is 52.2% with RM 382 million being paid which is the highest dividend paid for a financial year. In addition, there is an extraordinary dividend income of RM30 million from Allianz Life with the first time adoption of MFRS 17. The Management is on a positive track with the exclusion of this</p>



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19.	<p>First interim dividend has been reduced to 26.5 sen from 31.5 sen a year ago.</p> <p>a) What are the rational behind the dividend reduction?</p> <p>b) Does the Group preserve more capital in 2024 because it sees greater investment need?</p> <p>c) What could shareholders expect? Was the high dividend in 2023 (100.5 sen) a one-off exercise to return excess capital to shareholders?</p>	<p>one-off dividend of RM30 million. AMB expects to continue a favorable dividend trajectory despite having to finance the strong growth of the Group.</p> <p>The Management would like to thank all shareholders for their continued support as the Group embark on its journey of growth.</p>
20.	<p>Based on AGIC financial statement for 2023, net profit has increased to RM439m in FY23 from RM347m in FY22.</p> <p>However, dividend declared to the parent company has declined to RM240m from RM280m (Note 24, page 142).</p> <p>Why did AGIC reduce its dividend despite profit increase?</p> <p>Has the dividend reduction from AGIC cause the lower interim dividend of 26.5 sen in 1Q24 (versus 31.5sen)</p>	

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21.	<p>Dear Board:</p> <p>1.Regarding the distribution of dividends consideration on a quarterly basis. Quarterly dividend distributions can provide shareholders with more frequent returns and potentially enhance shareholder value over time.</p> <p>2.Propose a discussion regarding the possibility of implementing a share split, A share split could potentially make our stock more accessible to a broader range of investors and enhance liquidity in the market.</p> <p>Thank you for considering this proposal.</p>	<p><b>Answered by Giulio</b></p> <p>First of all, thank you for the suggestion. Based on observations from the last two years, AMB Group has been able to increase both dividends and share value. The Management is happy with this progress and therefore, quarterly dividend distributions and share splits are not being considered at this juncture.</p>
22.	<p>Embedded Value</p> <p>a) What is the Embedded Value as of 31 Dec 2023 and now?</p> <p>b) What is the assumed long term investment return used in the EV estimation?</p> <p>c) What is the sensitivity to higher/ lower investment return?</p> <p>d) Does the market consistent embedded value approach used by ALIM (page 271) provide the most conservative estimate?</p>	<p><b>Answered by Giulio</b></p> <p>(a) There were various disclosures on the application of Malaysian Financial Reporting Standard (“MFRS”) 17, particularly regarding the Contractual Service Margin (“CSM”) in the Audited Financial Statements for the financial year ended 31 December 2023. The combined amount of CSM and equity would be the value to shareholders which is comparable to the embedded value. Please refer to page 293 of the 2023 Integrated Annual Report (“IAR”) for the gross CSM as at 31 Dec 2023, which stood at RM3.2 billion.</p> <p>(b) The assumption of long-term investment return used in the valuation of CSM could be found in the disclosure on page 260 of the 2023 IAR.</p> <p>(c) The detailed disclosure of impact of various sensitivities to the CSM can be found on page 336 of the 2023 IAR.</p>

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		(d) MCEV is derived based on the best estimate assumptions instead of the most conservative estimates.
23.	<p>Refer Note 2.21.2(a), page 259 of AR on yearly-renewable term standalone medical products.</p> <p>a) Given the Goup's obligation ends at policy anniversary, does it mean CSM and EV ignore contribution from future years?</p> <p>b) What about non-standalone medical products? Like ILP protection riders?</p> <p>c) What are the respective GWPs?</p> <p>d) Are medical policies under ALIM or AGIC?</p> <p>e) Could regulator deny repricing despite premium rates not guaranteed?</p>	<p><b>Answered by Giulio</b></p> <p>(a) The yearly-renewable term (“YRT”) was explained under contract boundaries on page 258 of the 2023 IAR. The YRT standalone medical products are measured using the Premium Allocation Approach (“PAA”), where CSM is not part of the insurance contract revenue. The renewal of the contract is treated as a new contract.</p> <p>(b) For the non-standalone medical products, Investment-Linked (“IL”) protection riders, the cost of insurance chargeable to the policyholders is included in the estimates of future cash flows, therefore, it forms part of the CSM.</p> <p>(c) For standalone medical products including YRT, the gross written premium (“GWP”) was around RM351 million. The GWP for IL protection riders was not reported on standalone basis, however, the total GWP for IL business was approximately RM2.1 billion.</p> <p>(d) Both Allianz General and Allianz Life offer medical policies with majority coming from Allianz Life.</p> <p>(e) As mentioned by Charles earlier, Allianz Life’s medical repricing is managed and guided by the Internal Repricing Policy and the filing to the regulator is based on the ‘launch and file’ system. Therefore, there is no pre-approval required from the regulator. For any repricing exercise, Allianz Life will adopt a customer centric approach, and the repricing will be based on past experiences with the product portfolios.</p>

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24.	<p>How can the newly set up Regional Delivery Centre (Allianz Technology Sdn Bhd) in Malaysia benefit Allianz Malaysia, directly and indirectly?</p>	<p><b>Answered by Mr. Stefan Ritz, Chief Operations Officer and Chief Digital Officer of the Company and Allianz Life</b></p> <p>For the Group, the benefits at a neutral overall cost are as follows:-</p> <ul style="list-style-type: none"> <li>(a) Access to larger talent pool: AMB Group IT can leverage global internal IT talent pool from Allianz Technology Sdn Bhd and increases its attractiveness to external candidates with global technology company branding.</li> <li>(b) Accelerating new technologies: With consolidated IT resources into one technology company in Allianz, AMB Group can accelerate new Technologies such as AI and Cloud as global resources with experience in these areas can be accessed.</li> <li>(c) Economies of scale: To collaborate with other Asian Allianz Entities to jointly develop applications and consolidate vendors.</li> </ul> <p>In addition, we are very proud that this step supports Malaysian economy: Approximately 500 high profile roles will be created in Kuala Lumpur as all other Asia Allianz Entities will also be shifting their resources to the Regional Delivery Center.</p>
25.	<p>What is the latest trend of technology adoption in the insurance industry?</p> <p>How does Allianz Malaysia compare to their peers in technology adoption, especially among foreign insurers in Malaysia?</p>	<p><b>Answered by Stefan</b></p> <p>The Company emphasis on the latest trends in technology i.e. cloudification of applications and generative artificial intelligence (“AI”) solutions. All applications where either financially or business related benefits are seen will be migrated to cloud environment. The Company is also further enhancing on data analytics to further strengthen data-driven decision-making in the Company.</p> <p>The Company is assessing concrete generative AI use cases to improve business operations internally while putting close focus on ethnical perspectives. The generative AI use cases will only be tested internally without human intervention when it comes to direct customer contact.</p>

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		<p>The Company is continuously improving customer experience by integrating sales channels and developing attractive digital customer solutions. It is also providing an efficient way of selling and servicing for agents.</p> <p>The Company is well-positioned as a market leader. The Management is of the view that it is not viable to benchmark against peers in terms of technology adoption. The Company remained the top-performer in productivity amongst other insurers, partly due to adoption of innovative technology solutions. Agents are leveraging digital solutions in sales process.</p>

**QUESTIONS RECEIVED FROM THE SHAREHOLDERS OF THE COMPANY DURING THE 50TH AGM LIVE SESSION**

NO.	QUESTIONS/SUGGESTIONS RECEIVED FROM SHAREHOLDERS	RESPONSES
1.	<p>Refer to Note 23 (page 314). On employee benefits expense, please explain the differences of</p> <p>a) Expenses attributed to insurance acquisition cash flows (RM81m)</p> <p>b) Other directly attributable expenses (RM169m)</p> <p>c) Other operating expenses (RM84m)</p>	<p><b>Answered by Giulio</b></p> <p>The directly attributable expenses are expenses relating to the cost of selling, underwriting and starting of a group of insurance contracts (issued or expected to be issued) and directly attributable to a portfolio of contracts.</p> <p>Non-directly attributable expenses are expenses not directly relating to a portfolio of contracts such as product development and training cost.</p> <p>Other operating expenses are those expenses that are not related to attributable nor non-attributable expenses such as insurance guarantee levy.</p> <p>The computation of contractual service margin (“CSM”) only includes expenses which are attributable to the insurance business. CSM will be reconciled by including non-attributable expenses to provide a full economic view. It is conceptually similar to the new business value</p>

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		which consists of value of new business and non-attributable expenses. This is also implying that combined ratio disclosure is made on an economic basis.
2.	Reinsurance assets were at RM1,126m as of 2021 year end. It has steadily decreased to RM542m as of 2023 year end despite growing business. Does it mean the Group choose to take on larger risk?	<p><b>Answered by Giulio</b></p> <p>Reinsurance contract assets as at 1 January 2022 of RM1.13 million was restated to RM0.83 million, resulting from the effect of adoption of Malaysian Financial Reporting Standard 17 and 9.</p> <p>AMB does not take on a larger risk. The explanation on movements in reinsurance contract assets were as follows:-</p> <p>(a) reduction from RM0.83 million as at 1 January 2022 to RM0.66 million as at 31 December 2022 was mainly due to the payment of large claims arising from Klang Valley major flood event occurred in the previous year; and</p> <p>(b) a further reduction from RM0.66 million as at 31 December 2022 to RM0.54 million as at 31 December 2023 was attributed to settlement of large non-motor outstanding claims during the year.</p>