

50th Annual General Meeting (“AGM”) of Allianz Malaysia Berhad (“AMB” or “Company”)

RESPONSES TO QUESTIONS SUBMITTED BY THE SHAREHOLDERS OF THE COMPANY DURING THE 50TH AGM LIVE SESSION

A. General/Life Business

NO.	QUESTIONS/SUGGESTIONS AS POSTED BY SHAREHOLDERS THROUGH THE QUERY BOX	RESPONSES
1.	<p>How much of the 2023 ANP was contributed by HSBC partnership?</p> <p>How does the HSBC bancassurance channel differ from the agency channel?</p>	<p>HSBC Bank Malaysia Berhad (“HSBC”) contributed RM193 million of Annualised New Premium (“ANP”) in 2023 (i.e. 25% of total ANP in 2023). HSBC Bancassurance channel mainly sells saving products, focusing on legacy and wealth preservation while Agency channel focuses on protection products.</p>
2.	<p>Can you explain the write-off of RM50.495m of intangible assets in 2022 according to Note 5 (page 270)?</p>	<p>The amount disclosed under write-off of RM50.495 million of intangible assets in 2022 was the full amortisation of the Bancassurance partnership with HSBC for the first term which had ended in June 2022.</p>
3.	<p>According to Note 23, "commissions" amount to RM825m in FY23 and RM802m in FY22.</p> <p>Are the commissions confined to policies acquired in FY23 and FY22 only?</p> <p>Given life insurance commissions are paid up front while policies last for years, are the amounts capitalised?</p> <p>What about the "insurance acquisition cash flows amortisation" stated in Note 19, which are RM903m in FY23 and RM756m in FY22? Do they represent the commissions for all in-force policies that are expensed/ amortised in FY22/ FY23?</p>	<p>The commissions disclosed in Note 23 of the Audited Financial Statements of the financial year ended 31 December 2023 (“AFS 2023”) includes commission paid for all in-force policies whereas the amortisation of insurance acquisition cash flow was reflected in Note 19 of the AFS 2023 under Insurance Service Expenses. The total amount disclosed under insurance acquisition cash flows amortisation in Note 19 of the AFS 2023 includes the amortisation for attributable acquisition cost and commission.</p>

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4.	<p>What are the total number of life agents, percentage of active agents, number of MDRT, and number of financial planners?</p> <p>What are the differences in contributions between agents and financial planners?</p>	<p>As at 31 December 2023, Allianz Life Insurance Malaysia Berhad (“Allianz Life”) has 4,700 life agents, excluding financial planner. Approximately half of the agents are active agents and 337 of them are Million Dollar Round Table (“MDRT”) members. In addition, Allianz Life has 1,200 financial planners who contribute merely 2% of ANP in 2023.</p>
5.	<p>Can you explain what is in house claim management for EB (refer Charles's presentation)</p>	<p>For the medical portfolio, claims management would entail claims processing of health insurance. This would include the administration of Guarantee Letter for hospital admission and ensure smooth claims settlement process, as well as the processing the reimbursement of medical expenses to policyholders.</p> <p>In the past, Allianz Life has utilised the services provided by third-party claims administrator to perform the claims processing of the portfolio. The administration of the retail medical claims is later in-sourced and performed by the in-house team, Allianz Care Solutions. Allianz Life plans to build on the technical expertise of the in-house Allianz Care Solutions by further in-sourcing the claims administration of the Employee Benefits (“EB”) business.</p> <p>The in-house medical claims administration would enable Allianz Life to streamline the claim processes and enhance the customer experience. It also allows Allianz Life to have greater control over the claims cost through better visibility of claims data for detection of fraud, wastages, and abuses of the medical benefits. This would then help to ensure a more sustainable medical portfolio without compromising the quality of services delivered to the policyholders. This would serve as a value proposition to attract and retain customers.</p>

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6.	It’s been known that hospital and healthcare providers charge higher medical and surgical fees to patient with insurance as compared to those who hasn’t insured. This has impacted both company in terms of profitability and the insured in terms of higher rising cost of insurance. has Allianz done anything on this matter and what are the future precautionary actions to the healthcare partners? Thank you	<p>Allianz Life has customers that choose to pay and file their claims. However, Allianz Life is unable to obtain any evidence that healthcare providers are charging insured customers more. This is due to the fact that treatments, procedures and/or surgeries are not alike, hence, charges are expected to vary.</p> <p>Allianz Life has fast claims practices and controls to ensure that claims are paid based on pre-negotiated rates and adhering to the Private Healthcare Facilities and Services Act 1998 enforced by the Government.</p>

B. Outlook and Strategies related

NO.	QUESTIONS/SUGGESTIONS AS POSTED BY SHAREHOLDERS THROUGH THE QUERY BOX	RESPONSES
1.	What’s the future outlook and prospects of the company’s insure busy ? Please advise	<p>The Company and its subsidiaries (collectively referred to as “Group”) is committed to remain on a growth trajectory amidst changing global and local economic conditions. Allianz General Insurance Company (Malaysia) Berhad (“Allianz General”) will continue to strengthen its market leadership position by leveraging its large retail customer base and technical expertise in the commercial segment. Allianz Life is intensifying its agency recruitment programs and strengthening its partnerships with HSBC and Financial Advisor channels. Digital innovation remains an ongoing effort within the Group to improve business processes and customer experience. The Group's financial strength, diversified distribution and strong focus on executing its strategic initiatives will continue to maintain its profitability in 2024.</p> <p>Please refer to pages 56 to 60 of the Integrated Annual Report 2023 for further details of the Company’s outlook against each of its strategic pillars.</p>
2.	Q1 May I know, what is the company's future outlook?	

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NO.	QUESTIONS/SUGGESTIONS AS POSTED BY SHAREHOLDERS THROUGH THE QUERY BOX	RESPONSES
3.	<p>(a) Is it true that the industry's fire insurance claims ratio and combined ratio are much lower compared to other segments, such as motor insurance or medical insurance?</p> <p>(b) Does this suggest that fire insurance is a more profitable business?</p> <p>(c) If that is the case, is our company focusing on this segment of the business?</p> <p>(d) What is the competitive advantage of our company in this segment?</p>	<p>(a) Yes. Based on Persatuan Insurans Am Malaysia's industry statistics, generally, fire insurance experienced lower claims ratio as compared to motor and health insurance.</p> <p>(b) Generally, fire insurance is more profitable with lower claims ratio. However, the claims experience is more volatile as compared to other line of businesses due to propensity to large losses and natural catastrophic events.</p> <p>(c) Yes, fire insurance represents a key growth opportunity for Allianz General. Nonetheless, Allianz General aims to achieve a balanced portfolio along with other line of businesses such as motor, personal accident, travel, etc.</p> <p>(d) Allianz General offers a diversified range of insurance solutions, allowing Allianz General to capture opportunities across different segments, ranging from retail to small and medium companies as well as large commercial risks. Allianz General also strives in technical excellence in technical risk pricing, active flood management, with access to global expertise in underwriting and pricing.</p>
4.	<p>Has the detariffication in Fire Insurance and Motor Insurance resulted in intense competition in these segments? Please provide the combined ratio for these segments and its trend. Has it intense competition resulted in decline profitability?</p>	<p>The de-tariffication of fire and motor insurance has enabled industry players to better price insurance contracts according to the risk profile of the contract. However, different insurers would have differing views of how much to price due to differences in risk appetite, data collection, sales and underwriting strategies. This could lead to differing levels of competition across the various risk segments.</p> <p>The combined ratio for motor insurance has been increasing over the recent years mainly due to the normalisation of road traffic movement to pre-pandemic levels.</p>

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		<p>The combined ratio for fire Insurance has seen some volatility in the recent years, partly due to the varying severity of flood events in the year.</p> <p>The profitability of fire insurance is not only affected by pricing, but also various other factors, including reinsurance arrangement, operational efficiency, etc.</p>
5.	<p>Takaful general insurance market has been growing much faster than conventional, including FY23. What are the drivers for Takaful? How can conventional general insurers like AGIC protect its market share?</p>	<p>The general takaful market has been growing at a relatively faster pace for several reasons such as the number of takaful agents is growing more rapidly than insurance agents. Also, the takaful industry is expanding from a lower base as compared to insurance. In 2022, takaful industry's GWP comprised only 18.6% of the total general insurance industry.</p> <p>For Allianz General, defending market share through product innovation and meeting customer needs is crucial for sustaining competitiveness and growth in the insurance industry. By continuously innovating its product, enabling Allianz General to stay relevant in this dynamic market condition. Beyond product features, Allianz General is also able to foster customer loyalty by enhancing overall customer experience from simplifying the customer journey starting from policy issuance through to claims settlement.</p>

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C. Dividend

NO.	QUESTIONS/SUGGESTIONS AS POSTED BY SHAREHOLDERS THROUGH THE QUERY BOX	RESPONSES
1.	Why is the dividend this time lower than previous year when profit per share has gone up further?	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:
2.	May I know why the dividend this time around gets lower while earning is bigger? If kept for future growth, may I know what is the future plans? Thanks.	(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.
3.	<p>Well done to the BOD and management team for the excellent results.</p> <p>In recent quarter result, the company earns more quarter to quarter, but the dividend declared for the same period is less compared quarter to quarter.</p> <p>Moving forward, what will be the dividend payout policy?</p> <p>What is the dividend payout policy?</p>	<p>(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.</p> <p>(3) AMB is committed to maintaining a sustainable dividend stream that is align with our longer-term strategic goals. AMB’s dividend policy is to maintain minimum dividend payout ratio of 30 percent.</p>
4.	<p>As a shareholder, I would like to propose the implementation of a formal dividend policy to further enhance Allianz's reputation for financial strength and stability.</p> <p>A Well-structured dividend policy could also provide</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 was 52.2% with RM382 million being paid which was the highest dividend paid for a financial year. In addition, there was an extraordinary dividend income of RM30 million from Allianz</p>

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	a steady return to shareholders, fostering greater loyalty and long-term investment.	<p>Life with the first-time adoption of MFRS 17. The Management is on a positive track with the exclusion of this 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>

D. Requests for hardcopy of Annual Report

NO.	QUESTIONS/SUGGESTIONS AS POSTED BY SHAREHOLDERS THROUGH THE QUERY BOX	RESPONSES
1.	PLS SEND ME A PRINTED REPORT, THANKS	The Management took note of your request. The Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd (“Tricor”), has arranged to dispatch a copy of the Integrated Annual Report 2023 via ordinary post.
2.	I would like to request a printed hard copy of the company annual report	
3.	Morning BOD please send a copy of annual report to me.	
4.	<p>I have requested for the printed copy of Allianz Annual Report more than 1 month ago and have sent a reminder but until today I still HAVE NOT received the Annual Report as requested. This is not just for Allianz annual report but others as well.</p> <p>Can Tricor please response promptly and send it asap as the AGM is already held today. Thank you.</p>	

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E. Cost of AGM and Conduct of AGM

NO.	QUESTIONS/SUGGESTIONS AS POSTED BY SHAREHOLDERS THROUGH THE QUERY BOX	RESPONSES
1.	How much does the company spend on this virtual agm?	The cost of convening the 50th AGM is approximately RM94,000.
2.	May i know virtual meeting of AGM has become company's policy or temporary only? Will company consider hybrid type so that we can interactive physically?	Clause 15.7(a) of the Company’s Constitution allows a general meeting to be held at more than one venue using any technology or method that enables the member to participate and to exercise the member’s rights to speak and vote at the meeting. The Company will consider the mode of AGM, whether virtual, hybrid or physical with the objective of ensuring that the AGM supports meaningful engagement between the Board/senior management and shareholders of the Company.
3.	If you resume physical AGM in the future, please continue to offer the option of remote participation.	The Company took note of the suggestion.

F. Door Gift/e-Voucher

NO.	QUESTIONS/SUGGESTIONS AS POSTED BY SHAREHOLDERS THROUGH THE QUERY BOX	RESPONSES
1.	Dear BOD - Kindly give us some e-vouchers, food vouchers or e-wallet (no discount vouchers please) for being loyal shareholders and attending this meeting. Times are bad. Please be considerate to us shareholders during these trying times. TQ	The Company is not giving any door gift or e-voucher to its shareholders for attending the 50th AGM. The Board is of the view that the value creation for the shareholders is measured through distribution of dividend. Therefore, the Company strives to deliver better financial performance to maximise shareholders’ return.
2.	Would the BOD kindly give Touch n Go as a token of appreciation for attending this RPV	

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3.	Q2 Will The Board consider giving door gift such e-voucher or e-wallets for those participating in this Agm as a token of appreciation?	
4.	please approve e-vouchers to attending shareholders. thank you in advance	
5.	kindly give e-voucher or e-wallet to the shareholders / proxies who attend this virtual AGM meeting as a token of appreciation. TQ	
6.	Kindly provide e voucher Touch go 100.00 to shareholders who attend agm	
7.	Please give ewallact or evouchers to those attending this meeting.Tq Annie goh	
8.	Sir, Any TnGo vouchers for shareholders? THANK YOU!	
9.	Dear Sir Any appreciate token for attendees likes 3 years ago gotta Allianz T shirt and delicious biscuits? thanks	

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G. Others

NO.	QUESTIONS/SUGGESTIONS AS POSTED BY SHAREHOLDERS THROUGH THE QUERY BOX	RESPONSES
1.	<p>Morning, I hope that Allianz can train and recruit good servicing agents as a good professional servicing agent meant more businesses. Servicing agent are your front line battalion!</p> <p>Why do I say that because my current servicing agent is rather not professional and got me into a mess until todote i am not sure how to move forth and a request of change of servicing agent is so confusing I do not know who to trust. My feeling of Allianz now is rather frustrating.</p>	<p>The Company values and takes every feedback seriously. The Customer Service team has reached out to the customer/shareholder to discuss on the feedback in detail. The Company will continue enhancing its service delivery for better customer experience and satisfaction.</p>
2.	<p>Can you share which businesses which are more/ less capital intensive in view of the looming RBC 2.0?</p>	<p>The regulator has yet to release Risk Based Capital Framework for Insurers (“RBC”) 2.0. Hence, the Management would not be able to comment on this.</p>