



Allianz Malaysia Berhad
197201000819 (12428-W)

48th Annual General Meeting

22 June 2022

Annexure I



Content / topics

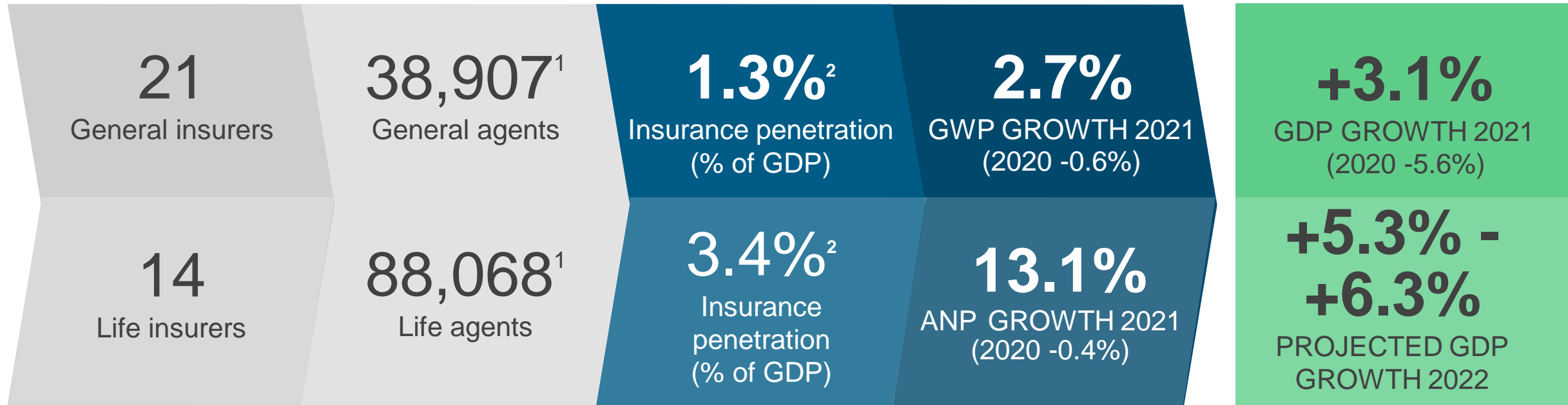
1 Group Performance

2 General Business

3 Life Business

Malaysian 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 in 2021 – General from PBNM Statistics Report 2020 on Insurance Key Indicators and Life from LIAM Annual Report 2021

2 Defined as Gross Written Premium / Gross Domestic Product as at 2021

3 Percentage of Malaysians who own at least one individual life insurance or family takaful policy in 2020 (Source: Bank Negara Malaysia)

Sound fundamental business to overcome the challenges

FY 2021

RM 6.43bn

+ 8.2% (2020 +7.4%)

Operating revenue 

RM 5.69bn

+ 7.2% (2020 +7.8%)

GWP 

RM 625.6mn

-14.3% (2020 +5.4%)

Profit before tax 

ALIM	RM 220.5mn	- 28.6%
AGIC	RM 437.2mn	+1.2%
Investment holding	RM (32.1mn)	(>100%)

RM 1.98

-13.0% (2020 +11.6%)

Basic earnings per ordinary share 

RM 0.63

+8.6% (2020 -10.8%)

Dividend Per Ordinary Share 

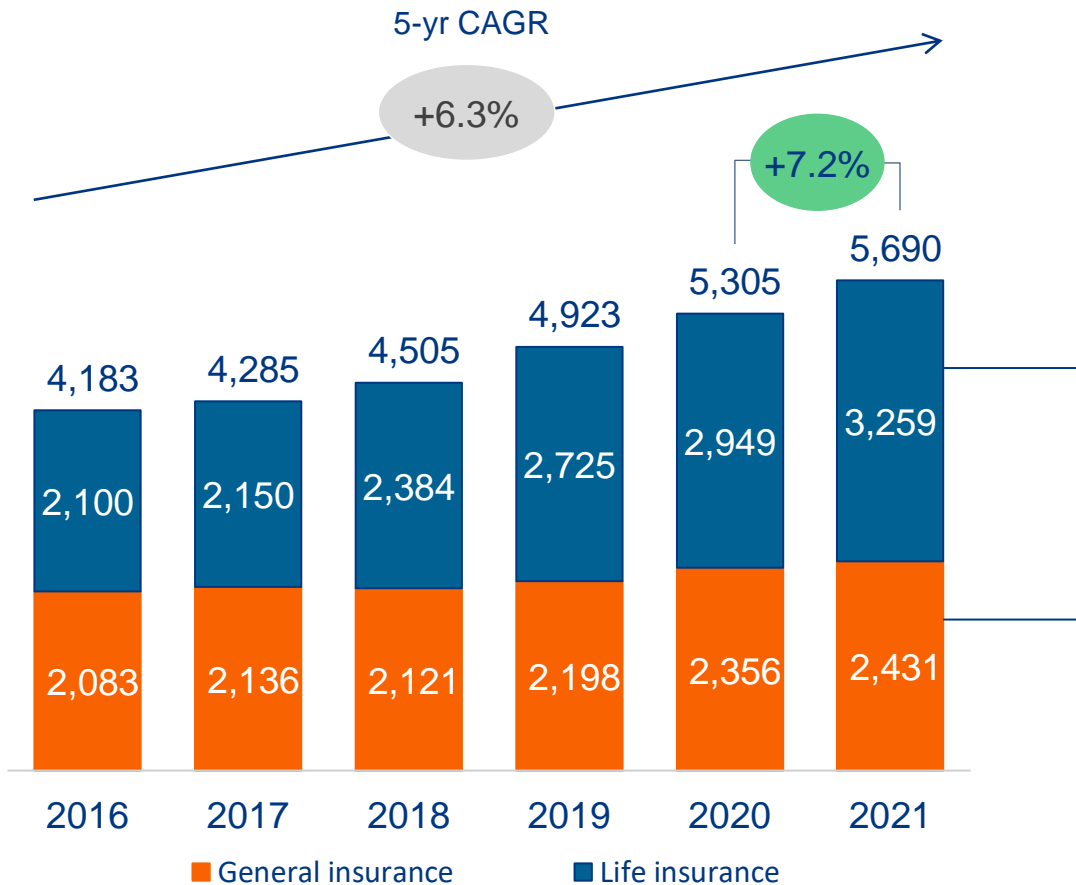
RM 23.6bn

+ 8.0% (2020 +11.1%)

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
+10.5% y-o-y growth

Allianz Life achieved top 4 position in ANP, with 9.0% market share¹ (2020 7.7%)

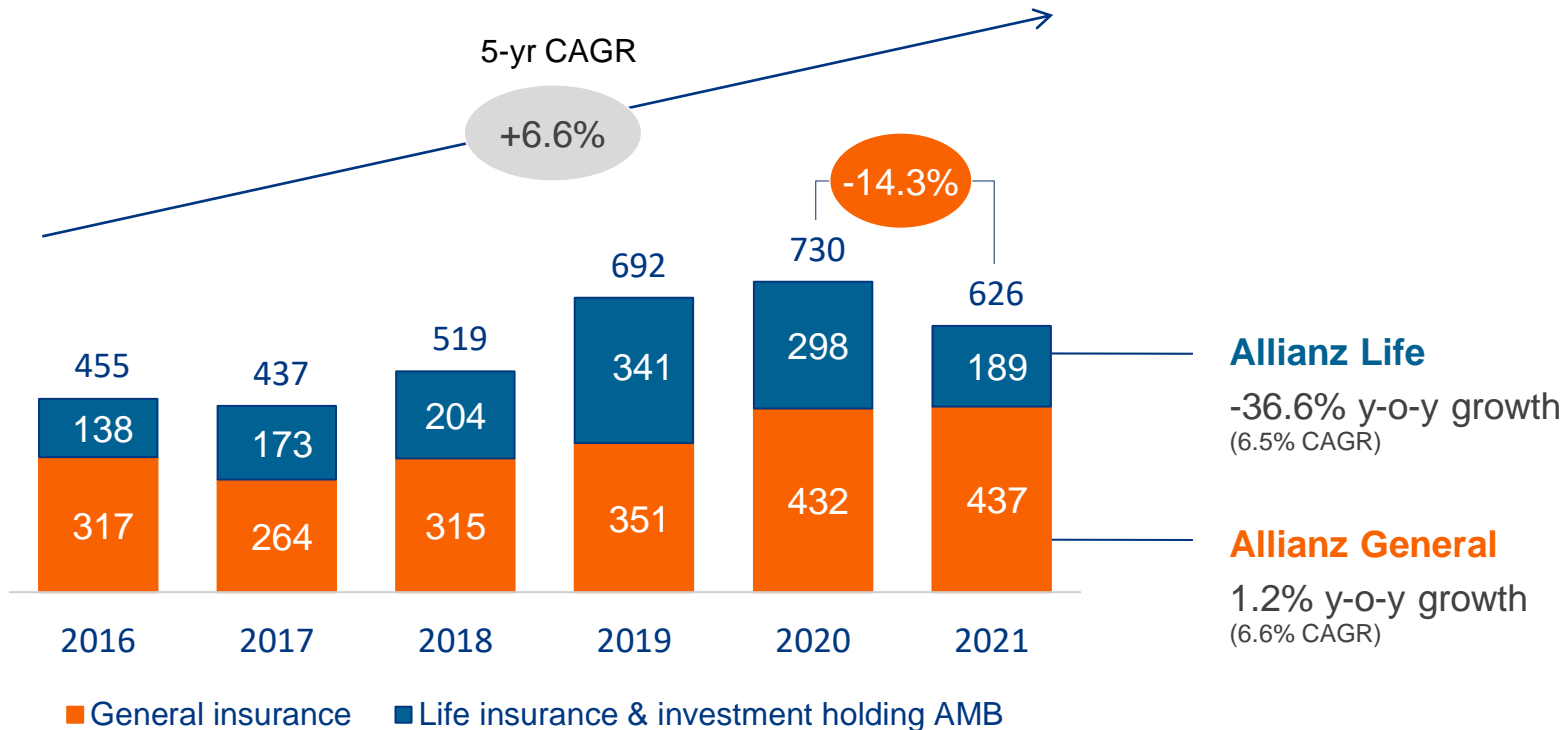
Allianz General
+3.2% y-o-y growth

Allianz General maintained its market leader position with 13.3% market share² (2020 13.3%)

¹ Source: LIAM industry statistics Jan-Dec 2021
² Source: ISM Market Performance Report Jan-Dec 2021

Group profit remains resilient despite fair value losses from Life Segment

Profit before Tax (RM' mil)



Maintain strong discipline in pricing & prudent expense management

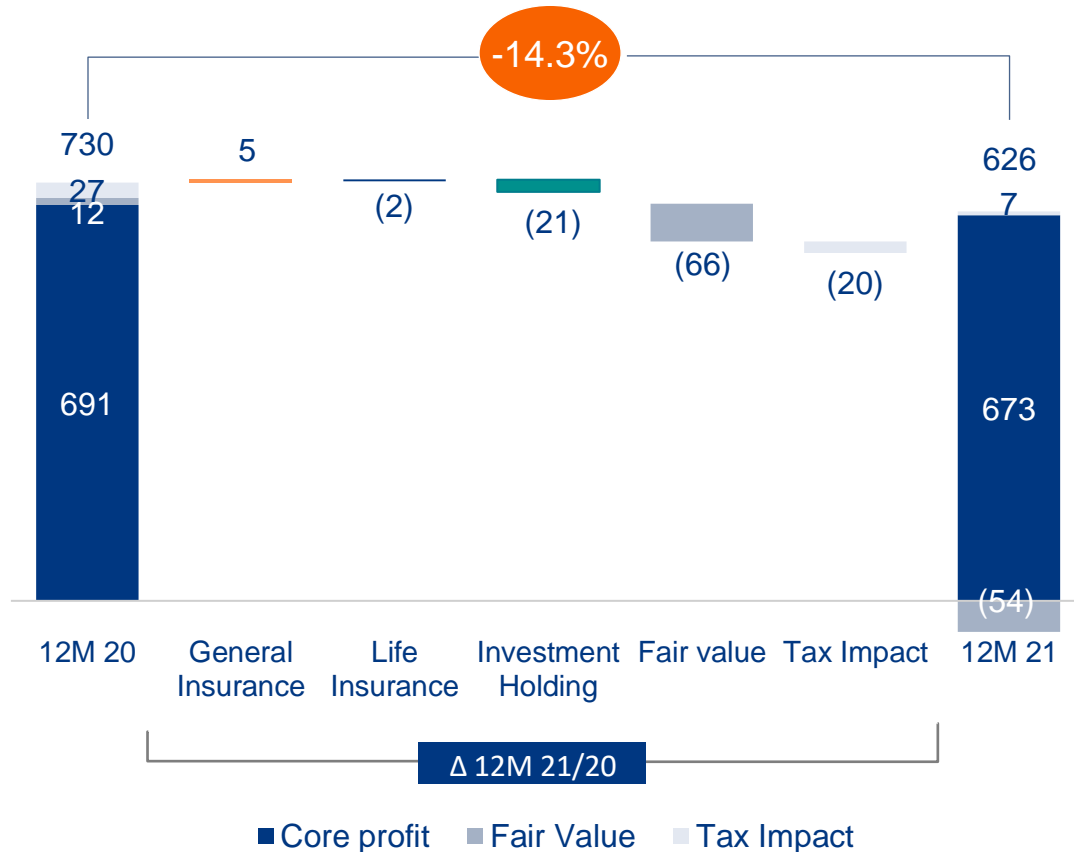
Deliver healthy and sustainable margins. Achieved NBV of RM275mn in 2021

Focus on profitable growth and technical excellence to deliver in a de-tariff environment. Achieved Net Combined Ratio of 87.8%.

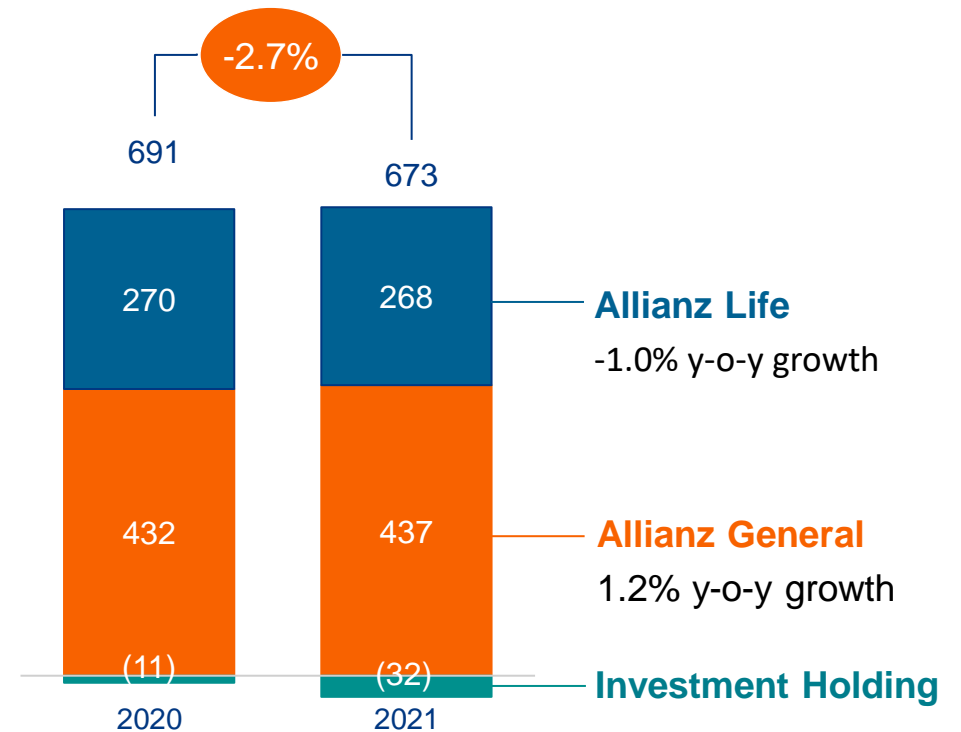
Note: investment holding presented together with Life Segment from 2020 onwards.

Marginally lower core profit. Resilient underwriting results from General Insurance segment and Life Protection business

Profit before Tax (RM' mil)



Core profit excluding fair value and tax impact (RM' mil)



Our solid track record

RM'mil	2018	2019	2020	2021	3 YEAR CAGR (2018-2021)
Gross Written Premiums	4,504.8	4,922.5	5,305.2	5,689.6	8.1%
Management Expenses	554.9	618.0	641.4	683.8	7.2%
Expense Ratio (Non Life)	18.4%	20.2%	19.8%	18.7%	(0.3 pts)
Expense Ratio (Life) ¹	10.0%	10.5%	9.4%	9.9%	0.1 pts
Local Consolidated PBT	519.0	692.1	729.6	625.6	6.4%
Total Assets	17,404.6	19,710.1	21,896.7	23,643.5	10.8%
Shareholders' Equity	3,361.7	3,673.6	4,031.5	4,144.2	7.2%
Dividends declared	152.04	247.05	220.44	239.35	16.3%
Diluted earnings per ordinary share (sen)	109.09	142.29	150.29	138.29	8.5%

Note 1 : Expense ratio for Life insurance segment weighted for 10% of Single Premium.

Good start for 2022

3M 2022

RM 1.71bn

+ 6.3% (2021 +8.2%)

Operating revenue 

RM 1.62bn

+ 9.5% (2021 +8.8%)

GWP 

RM 151.8mn

>100.0% (2021 -26.7%)

Profit before tax 

ALIM	RM 67.7mn	>100.0%
AGIC	RM 102.2mn	+10.4%
Investment holding	RM (18.1mn)	(>100%)

RM 0.57

+59.5% (2021 -20.5%)

Basic earnings per ordinary share 

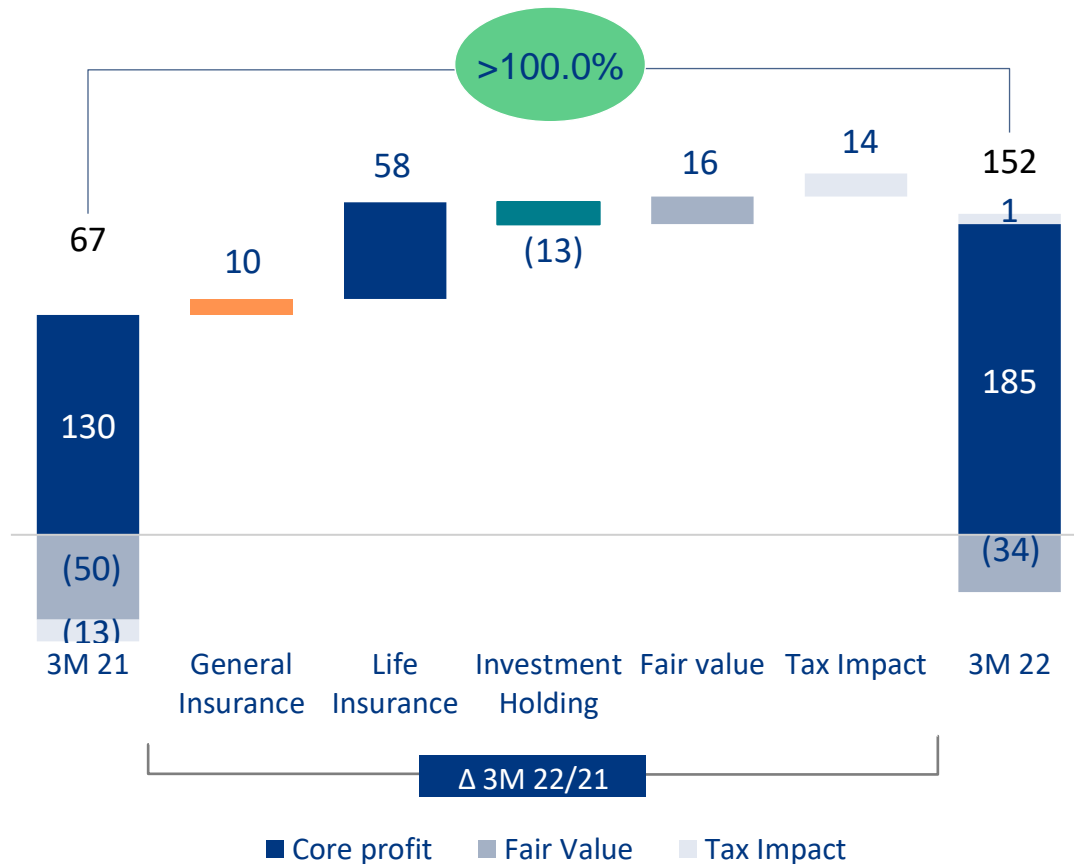
RM 23.9bn

+ 10.2% (2021 +12.3%)

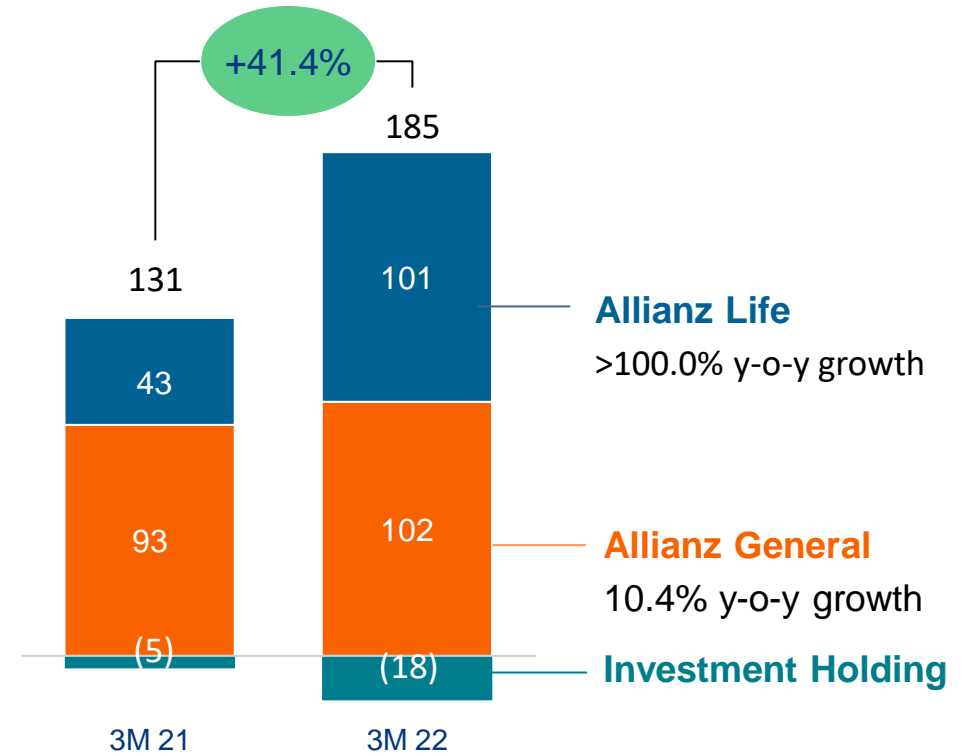
Total assets 

Profitable growth in 3M 2022

Profit before Tax (RM' mil)

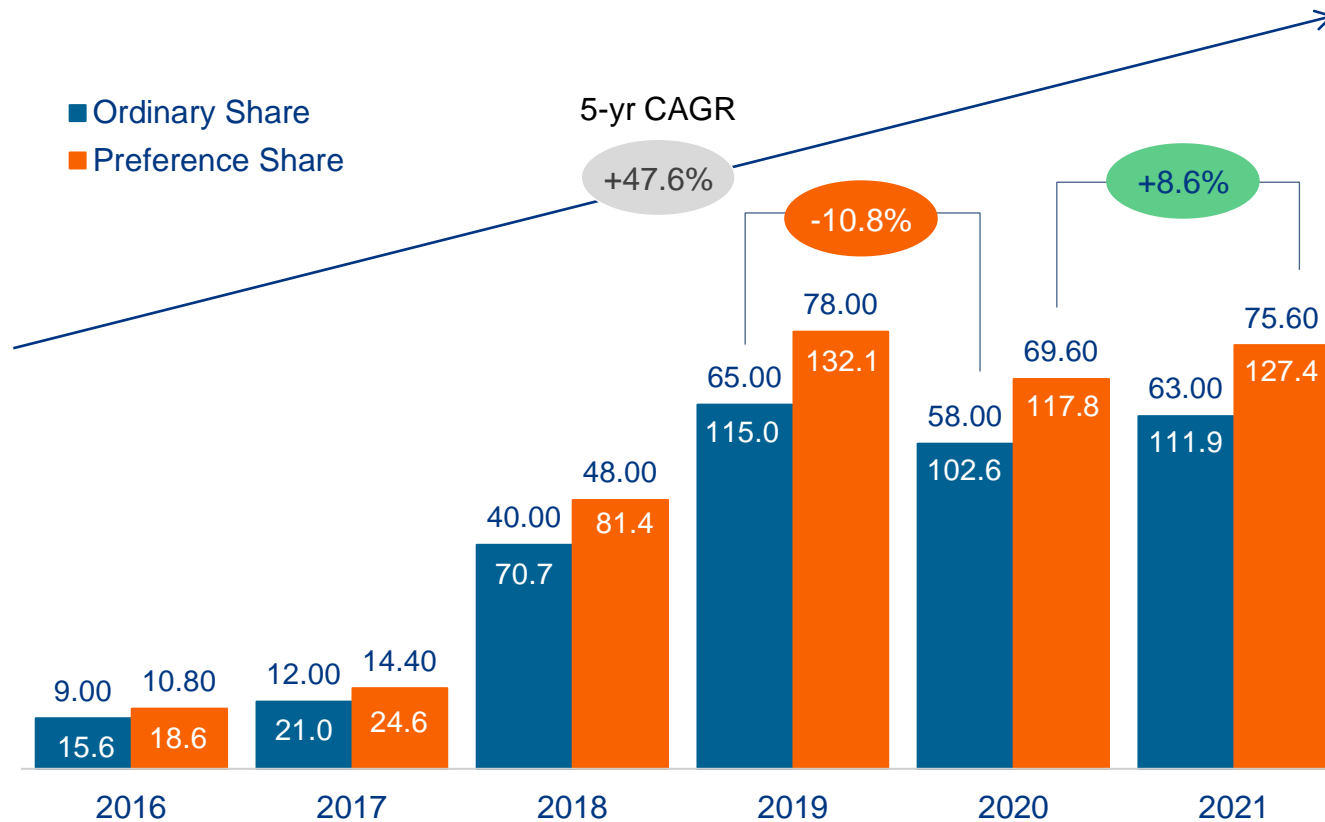


Core profit excluding fair value and tax impact (RM' mil)



Maintain strong shareholders' dividend return

Dividend Per Share (RM sen)



	2019	2020	2021
Dividend Yield ¹	4.4%	4.3%	5.4%
Payout Ratio	50.2%	42.4%	50.0%

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

- Meeting regulatory capital requirements to correspond with growth of insurance business
- Setting aside sufficient capital to finance new business growth and expansion
- Obtaining regulatory approval for dividends from subsidiaries

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

¹ Dividend yield = average of OS and ICPS dividend yield

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Allianz General: maintaining market leadership

KPIs	ALLIANZ GENERAL 12M 2021	ALLIANZ GENERAL 12M 2020	Industry ¹ 12M 2021	Takaful ¹ 12M 2021
GWP growth	3.2%	7.2%	2.7%	10.6%
Commission ratio	12.5%	13.1%	10.0%	8.4%
Claims ratio				
• Overall	56.6%	55.5%	49.9%	51.3%
• Motor	53.0%	59.6%	55.6%	60.1%
Expense ratio	18.7%	19.8%	24.6%	31.2%
Combined ratio	87.8%	88.4%	84.4%	90.9%

Market Share¹	13.3%
Market Rank¹	1

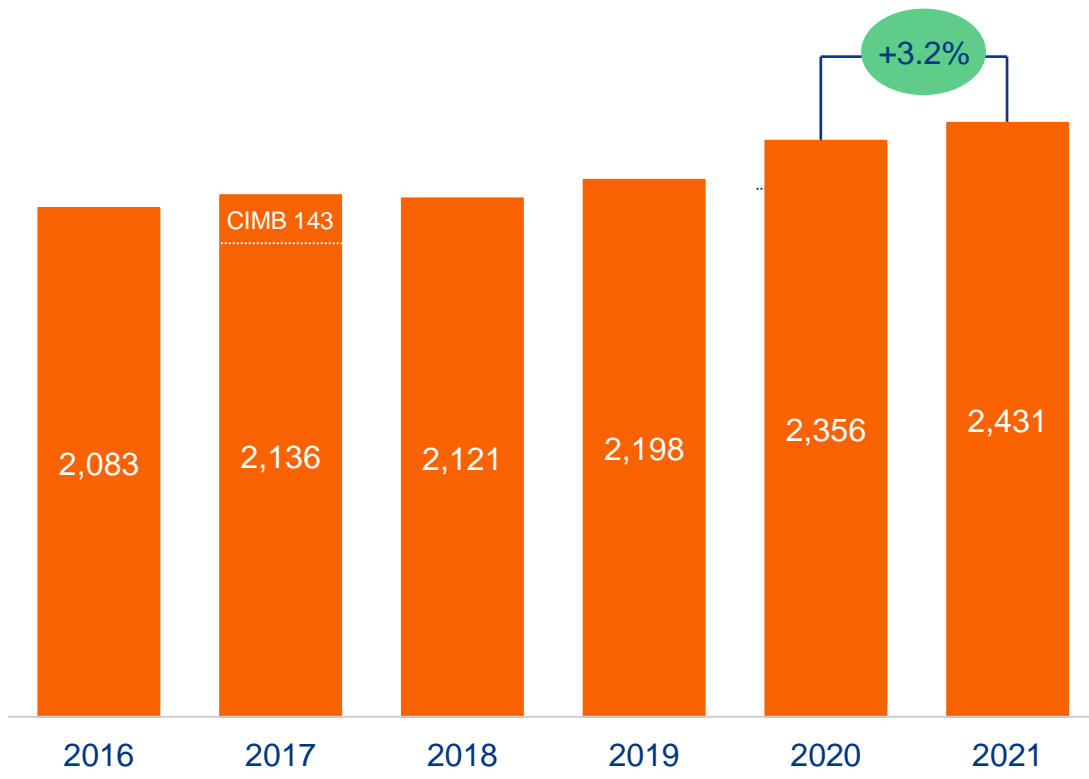
Notes:

1) Source: ISM Market Performance Report Jan-Dec 2021

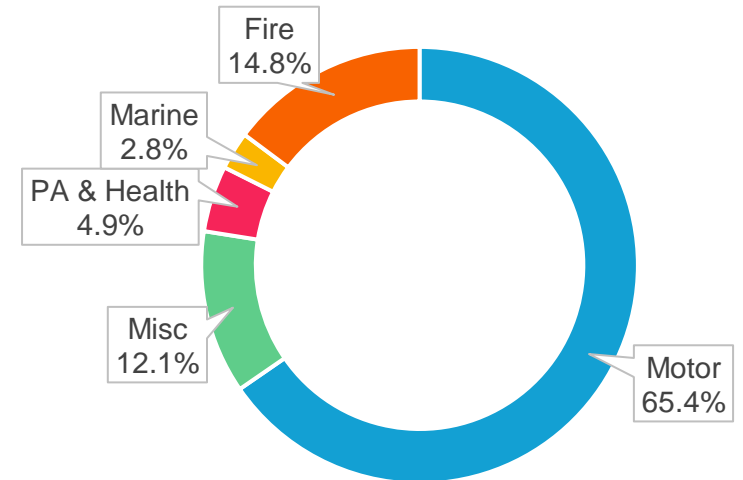
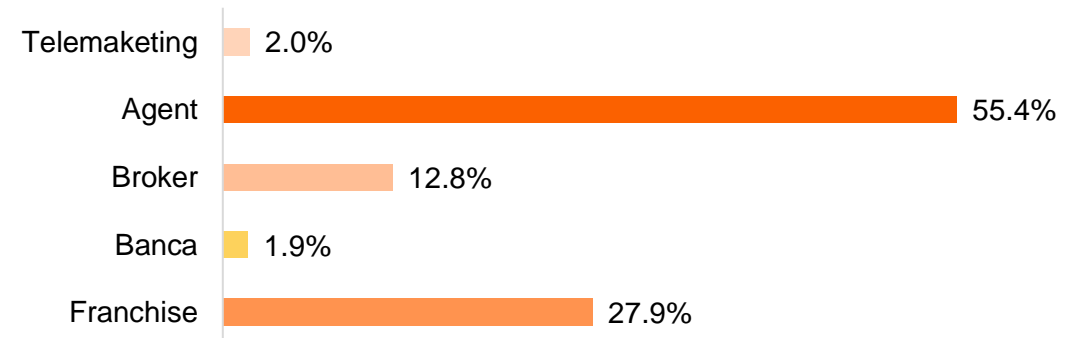
Outperforming industry amidst subdued growth environment

Gross Written Premium (GWP) (RM' mil)

2021 GI Industry Growth **+2.7%**

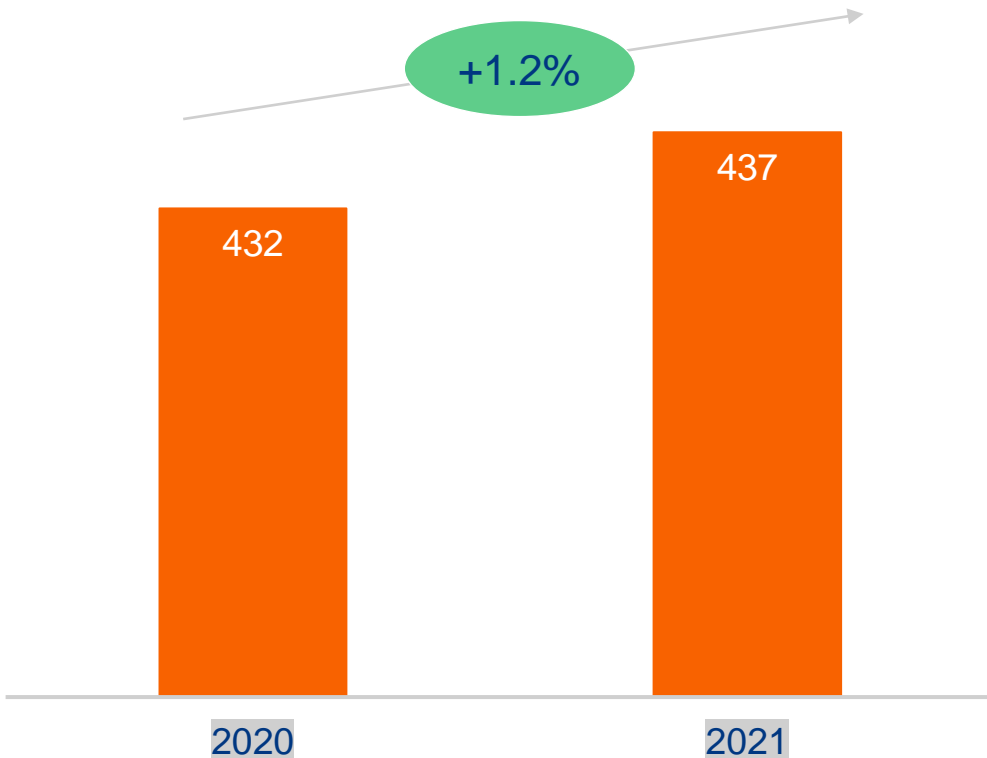


Distribution Channel & Portfolio Mix

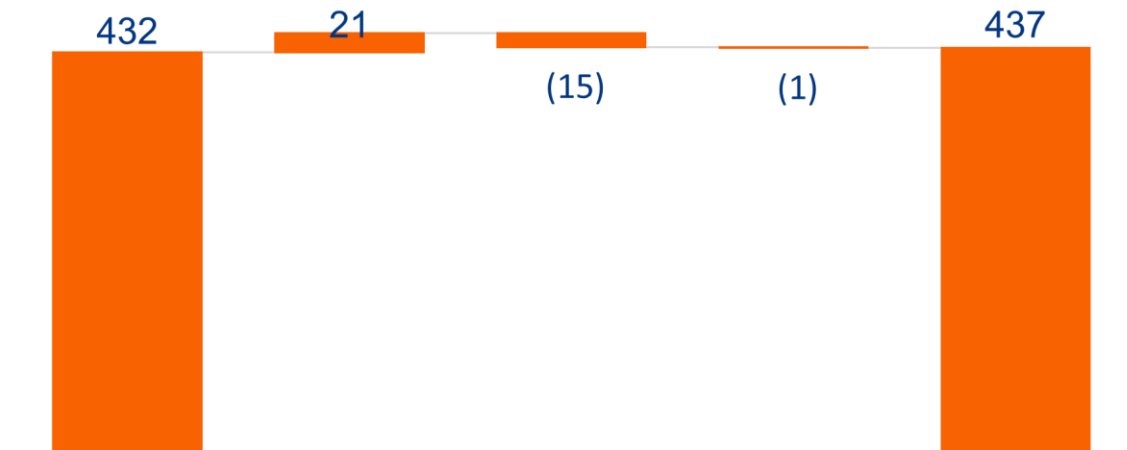


General Business: higher profit before tax from higher underwriting profit

Profit Before Tax (RM' mil)



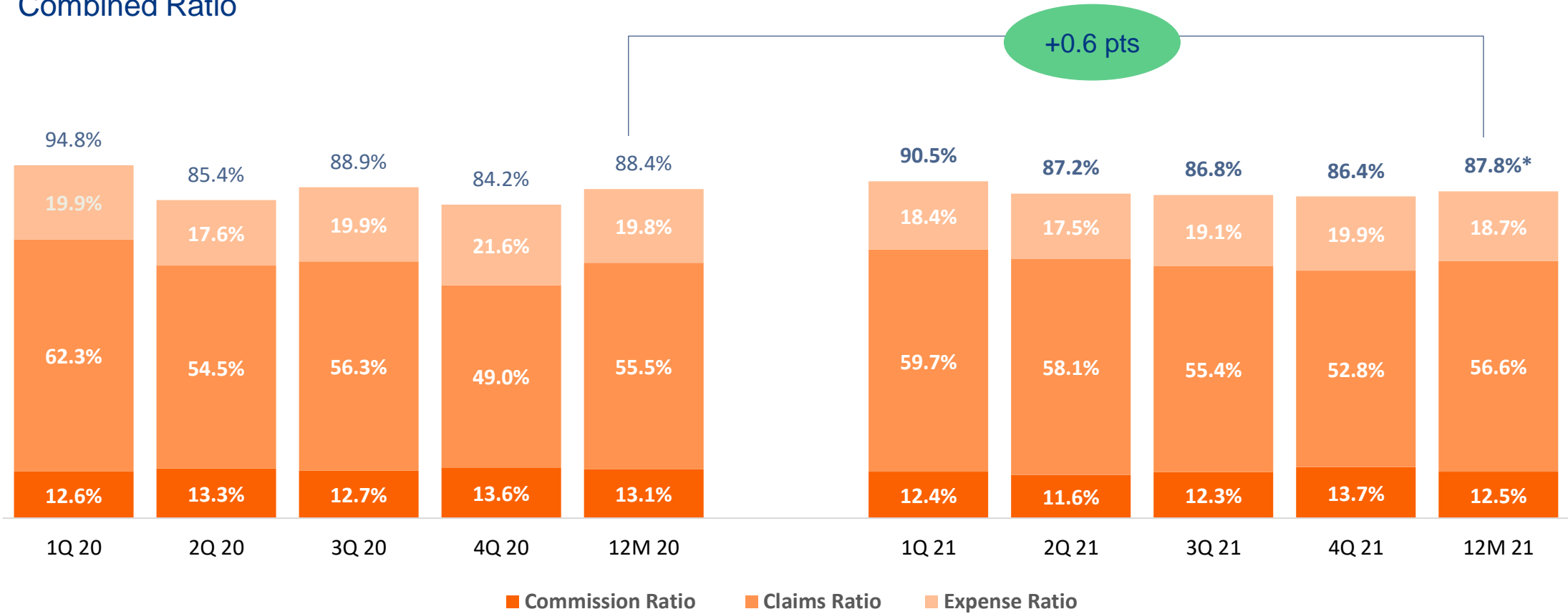
PBT Drivers (RM' mil)



	12M 20	UW result	Investment	Others	12M 21
12M 2020	236	197	(1)	432	
12M 2021	257	182	(2)	437	
Change	21	(15)	(1)	5	

General Business: lower combined ratio driven by lower expense ratio

Combined Ratio



* Combined ratio is calculated at company level

General Business value creation for 2022 onwards

GROWTH

- **Expand Distribution Capacity**
 - Strengthen traditional channels
 - Forge new partnerships
- **Optimise Customer Value**
 - Cross-selling to increase protection to customers
- **Product & Service Innovation**
 - Develop products & services which meet customer needs

MARGIN

- **Underwriting Excellence**
 - Strengthen portfolio management & steering for commercial segment
- **Pricing Excellence**
 - Leverage on dynamic pricing capabilities in a partially detariff environment
- **Claims Excellence**
 - Enhance customer claims journey while continuing to manage claims costs

DIGITALISATION & EFFICIENCY

- **Automation & Process Efficiency**
 - Enhance customer & intermediary experience through simplifying processes
- **Data & Analytics**
 - Enrich data capturing and develop analytics capabilities for data-driven insights & decisions

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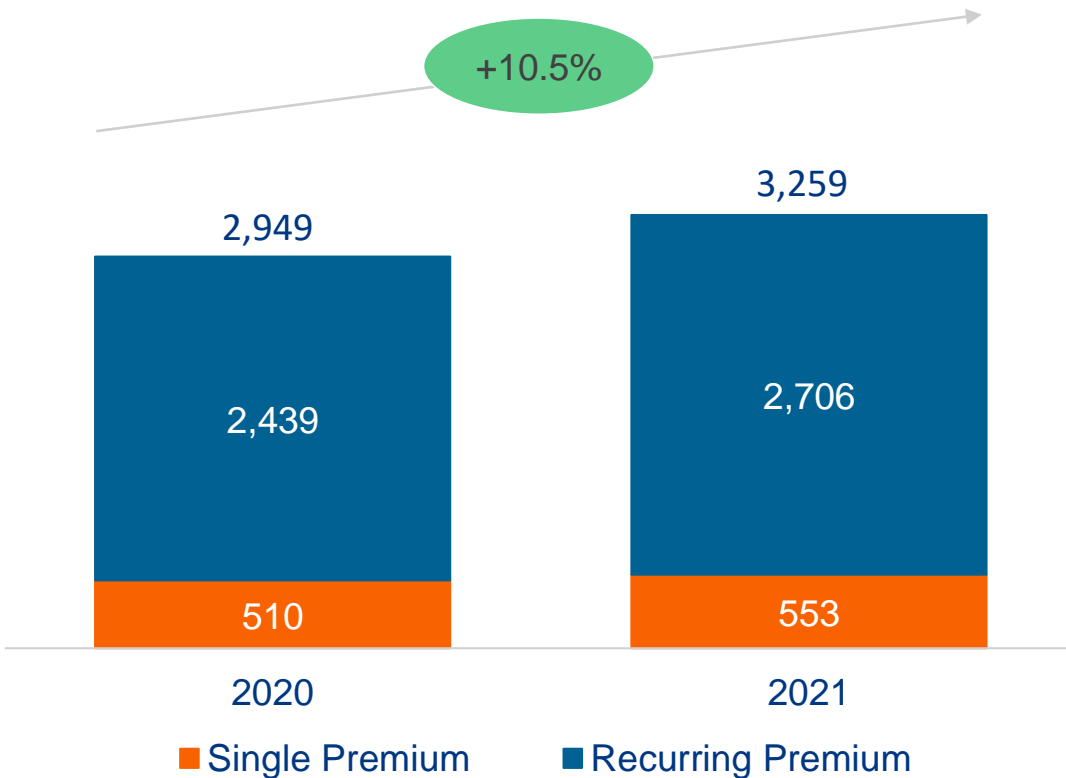
Allianz Life: growth in ANP driven by all key distribution channels

Annualised New Business

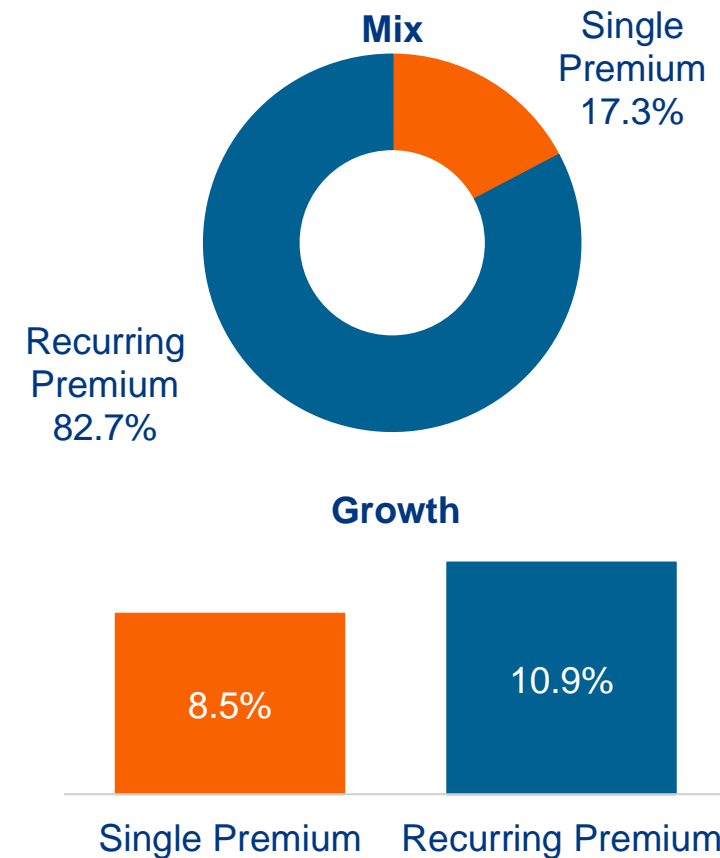
Distribution Channel	← 12M 2021 Growth →				12M 2020 Growth		5-year CAGR (2016 – 2021)	
	ALIM (% Growth)	Industry (% Growth)	Market Share	Market Rank	ALIM (% Growth)	Industry (% Growth)	ALIM	Industry
Agency (Traditional)	8.8%	-12.8%	16.8%	2	25.4%	35.9%	16.6%	-4.7%
Agency (IL)	48.4%	26.7%	8.8%	5	-26.6%	-9.3%	7.4%	7.1%
Agency (Total)	32.6%	15.9%	10.5%	4	-12.0%	-0.2%	9.9%	3.9%
Bancassurance	41.2%	9.5%	6.1%	6	-7.6%	-1.1%	28.2%	10.5%
Employee Benefits	3.8%	-0.5%	10.5%	3	14.8%	3.1%	13.5%	4.8%
Total	32.9%	13.1%	9.0%	4	-10.0%	-0.4%	12.9%	5.9%

Life Business: year-on-year growth driven by single & recurring premium

Gross Written Premium (GWP) (RM' mil)



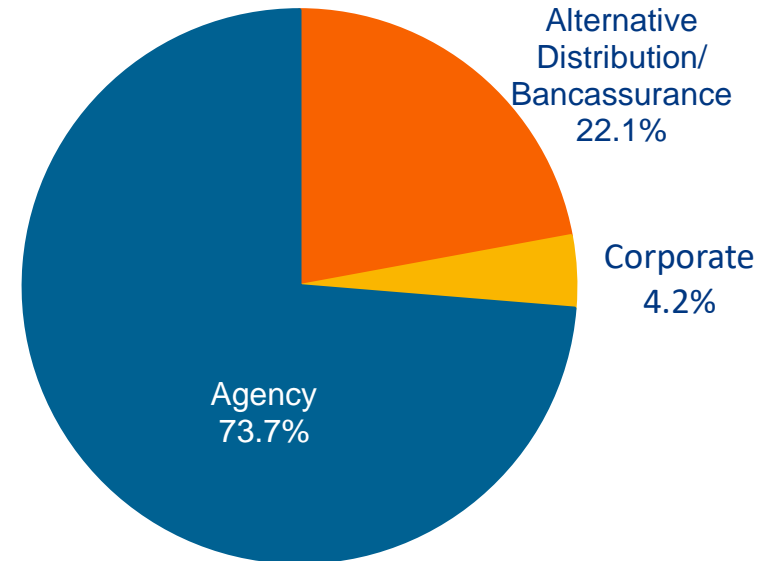
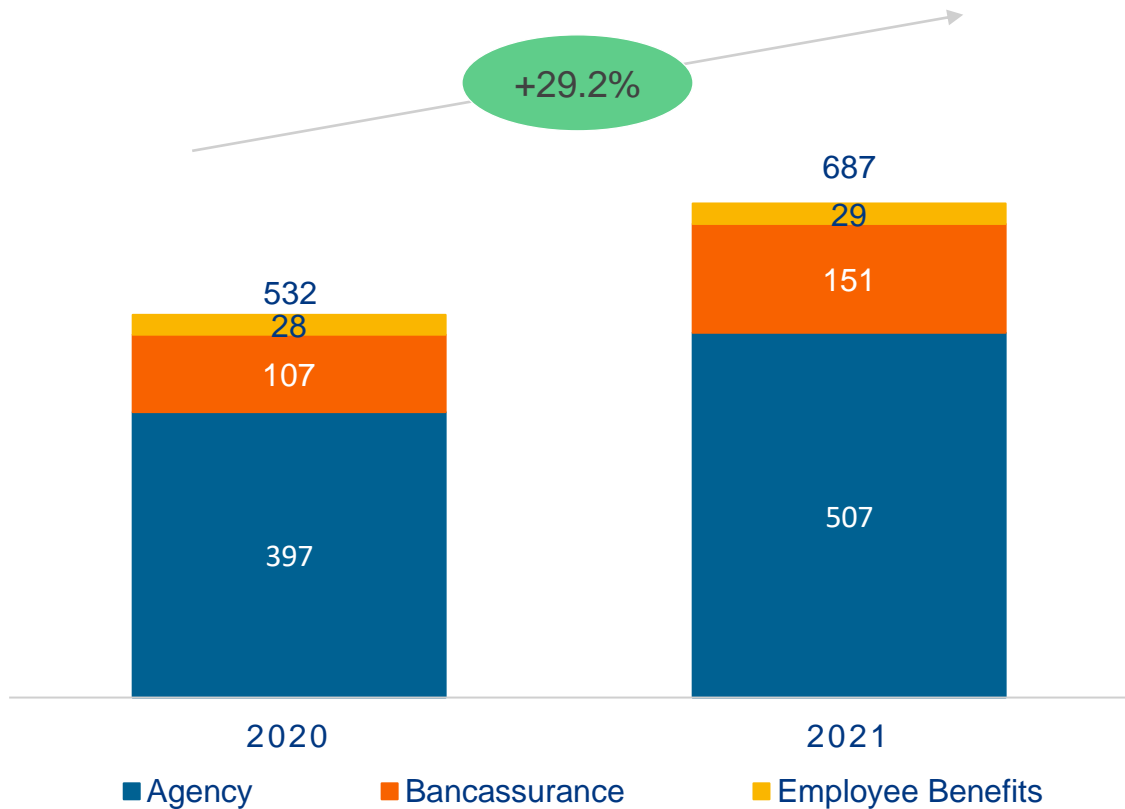
GWP Mix & Growth (%) (12M 2021)



Life Business: growth in ANP driven by all key distribution channels

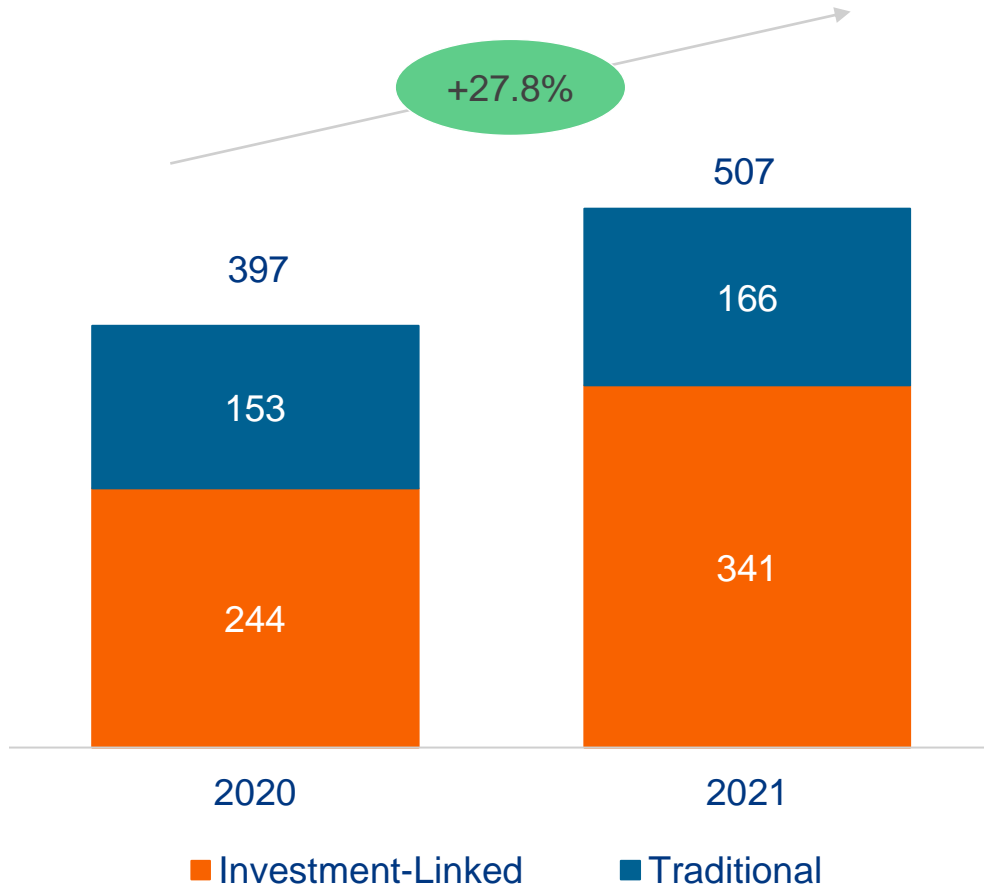
Annualised New Premiums (“ANP”) (RM’ mil)

ANP Channel Mix (%) (12M 2021)

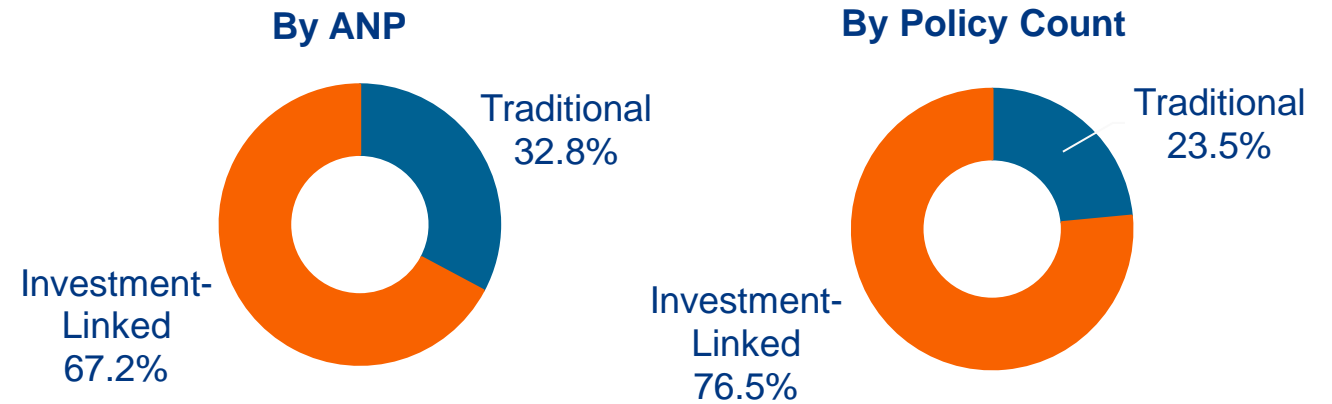


Life Business (Agency): strong momentum in 2021

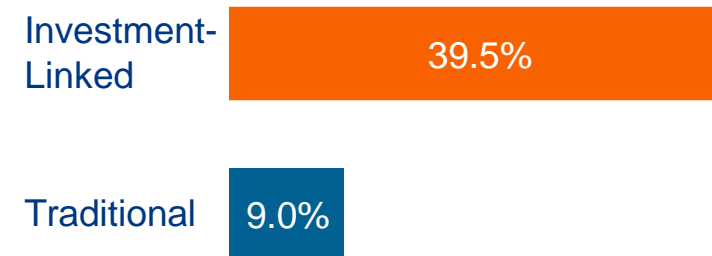
Agency Annualised New Premiums (“ANP”) (RM’ mil)



Agency Product Mix (%) (12M 2021)

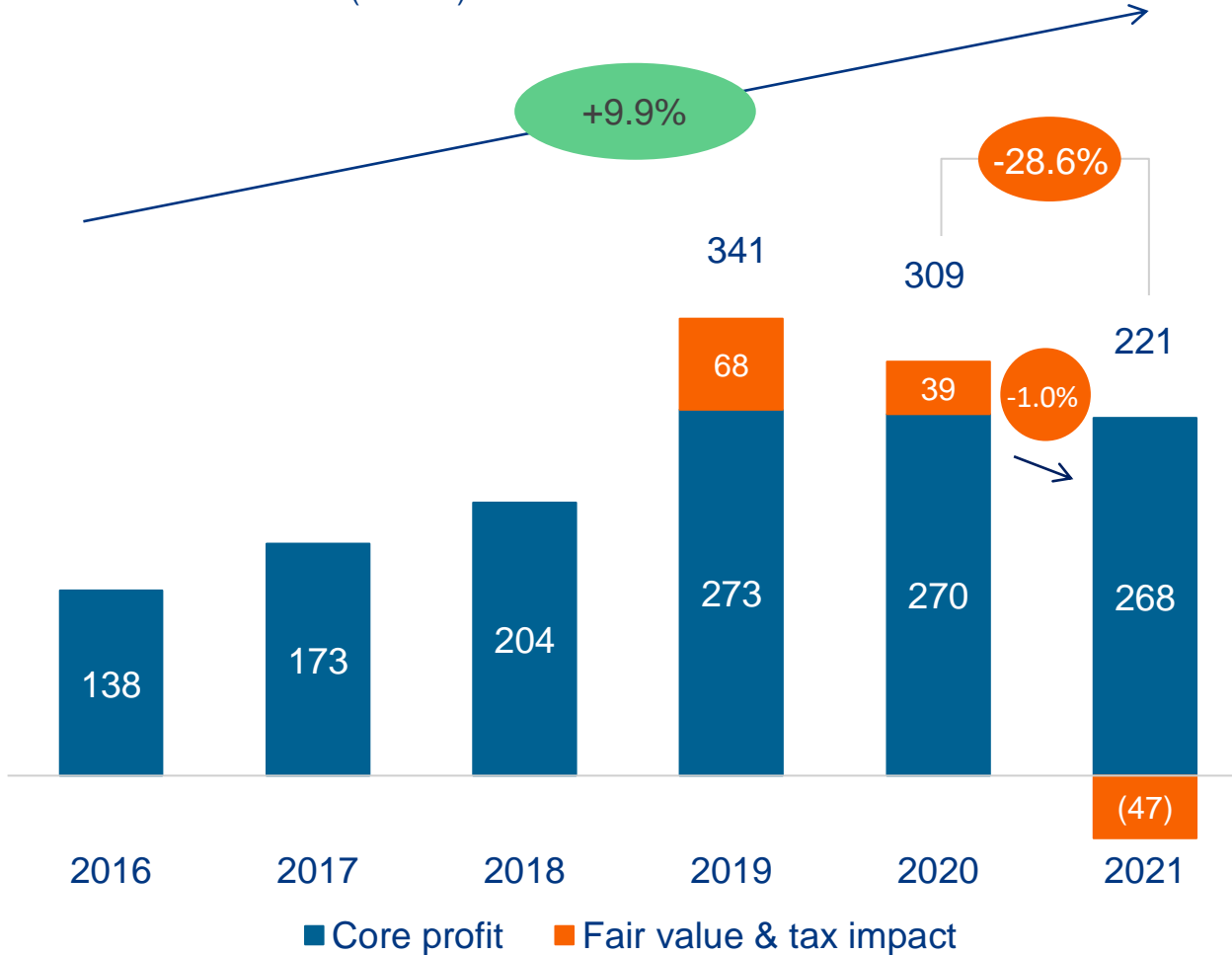


Agency ANP Growth (%) (12M 2021)



Life business delivered stable core profit

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 with protection riders which provide higher margins and also cater to demand for savings products.
- Delivered RM275 mn in NBV.

Life Business key strategic initiatives for value creation : 2022 & onwards

NEW BUSINESS DEVELOPMENT [CAPACITY EXPANSION]

Key KPIs : ANP , NBV ,Customers

- **Agency Recruitment**
 - CEO Program [Productive Agents]
 - R- Plus [New Leader Recruitment]

- **Banca Expansion**
 - Proposed renewal of banca partnership

- **Digital / Alternative Partnerships**
 - Build New Partnership channel
 - Acquisition of DITO to enter Bumi segment

STRATEGIC VALUE CREATION [CAPACITY UTILIZATION]

Key KPIs : ANP , NBV

- **One Allianz Proposition**
 - U/X Sell
 - More hybrid one Allianz agents

- **White Space Acquisition**
 - Use Current Agency force to enter white space in Malaysia
 - Enter New Need Segments

- **Customer Campaigns**
 - Increase share of customer wallets / enhance existing customer value / Inforce management
 - Re-Routing Digital/Alternate channel Customers to traditional channel products

DIGITALISATION & OPERATIONAL EFFICIENCY [PRODUCTIVITY IMPROVEMENTS]

Key KPIs : Operating Profit , Expense Ratio

- **Customer Experience Framework**
 - Call Center efficiency
 - Better Branch Operations
 - ACM implementation

- **Agency Experience / Digital**
 - Sugar App & Unified App
 - Agency Hotline

- **Digital Health Platform**
 - Overarching Health Strategy
 - Vivy

- **Strategic Workforce Planning**
 - Resource Optimization & Capability Development