Annexure 2 of the Minutes of the 49th Annual General Meeting ("AGM") of Allianz Malaysia Berhad ("AMB" or "Company")

RESPONSES TO QUESTIONS RECEIVED FROM THE SHAREHOLDERS OF THE COMPANY PRIOR TO 49TH AGM

NO.	**QUESTIONS/SUGGESTIONS RECEIVED FROM SHAREHOLDERS**	**RESPONSES**
1.	1. Do Allianz Malaysia Berhad distribute door gifts, e vouchers (KFC) or souvenir to its shareholders who registered and participated RPEV AGM 2023? Thanks. 2. Dear Board of Directors, Please kindly consider giving all shareholders a good and generous door gift as we have worked hard, taken a lot of time, efforts, involvement and participation in this important AGM. Thank you very much for your kindness and generosity.	**Answered by the Chairman of the Meeting** The Company is not giving any door gift or e-voucher to its shareholders for attending the 49th AGM. The Board was of the view that the value created for the shareholders is good and the shareholders should be satisfied with the performance of the Company.
2.	Does the company plan to improve the Board's female representation level (currently below 30%)? If so, what are the planned measures?	**Answered by the Chairman of the Meeting** The appointment of Board member is not solely based on gender. The Board has already intensified its effort to source for suitable candidate and endeavour to meet the 30% women requirement during the financial year 2023.

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3.	The Chairman's Statement in page 16 mentions " Even if the law of the land does not entirely align with our interests, we will abide by it and continue to deliver value to our shareholders" What are the possible scenarios envisioned?	**Answered by the Chairman of the Meeting** The Company although listed on the Main Market of Bursa Malaysia Securities Berhad, it is considered as a multi-national company or foreign company. The law of this land when it comes to the governance and guiding principle to guide financial market, favours the local companies. Foreign companies may not necessarily be able to benefit from various initiatives roll-out by the regulators as well as the government. Although the Company and its subsidiaries (collectively referred to as "Group") is efficient and transparent, there are times that the Group may not be given the opportunity due to the local regulatory requirements. Shareholders should rest assured that despite of all these difficulties and challenges, the Group is still able to deliver good results and dividends, which is a testimony of the Management team who are working tirelessly to deliver value to all stakeholders.

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4.	How is ALLIANZ MALAYSIA BERHAD business outlook?	**Answered by Mr. Wang Wee Keong ("Sean"), Chief Executive Officer ("CEO") of the Company and Allianz General Insurance Company (Malaysia) Berhad ("Allianz General")** In 2022, Malaysia saw its Gross Domestic Product ("GDP") grew by 8.7%. Based on Ministry of Finance's latest update, Malaysia's economy is projected to grow between 4.0% and 5.0% in 2023 and it is expected that the general insurance business will also normalise with 4% to 5% annual growth, in line with the GDP growth as well as the pre-pandemic results. Allianz General and Allianz Life Insurance Malaysia Berhad ("Allianz Life") are expected to constantly outperform, despite the challenges and limitation faced by both the insurance subsidiaries. High inflation affects economy as a whole and for Allianz General, rising motor parts, building material costs couple with labour shortage continue to apply pressure on claims cost. Navigating rising motor claims costs will be the main focus, not only for Allianz General, but also other general insurance players in the market. For Allianz Life, medical inflation has increase not only on frequency, but severity as well. Hospital admission has increased post-pandemic and most of the private and public hospitals are already operating at almost full capacity. Regardless of the microeconomic and geopolitical challenges, the Group's target does not change. Despite the challenges above, the Group is optimistic to continue its momentum on business growth, both profitably and sustainably. This confidence comes from having built a resilient business and organisational model, with demonstrated success in navigating the Covid-19 pandemic. The Management will continue to deliver sustainable returns to all stakeholders moving forward.

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5.	1. Among the targets of Renewal Agenda 2.0 were 5%+ EPS growth and 13%+ ROE for the period of 2019 to 2021. (a) How did the Group perform against Renewal Agenda 2.0? (b) What are the new targets for the subsequent periods? 2. The parent company Allianz is set to grow its EPS at a CAGR of 5% to 7% in the 3 years from 2021 to 2024. It consists of 3% to 4% of growth, 1% to 2% of margin expansion, and 1% to 2% of capital efficiency. However, the AMB annual report does not mention any numerial target for Malaysia. What are the past performance and future targets for Malaysia in value creation, growth, margin expansion and capital efficiency respectively?	**Answered by Sean and Mr. Giulio Slavich ("Giulio"), Chief Financial Officer ("CFO") of the Company and Allianz Life** The Allianz SE Group focus on Value Creation Program, which comprises of 3 key focus areas namely:- 1) **Growth** – Strengthening and expanding distribution network, provide innovative product proposition and service differentiation to customers, strengthen proposition synergies through One Allianz program; 2) **Margin Expansion** - Enhance portfolio management to strengthen underwriting and pricing, steering towards profitable product portfolio mix; and 3) **Capital Efficiency** - Prioritization on high Return on Equity ("ROE") initiatives and disciplined portfolio steering, implement discipline cost containment measures to contribute positively to profitability. For the dividend payment, the Group must ensure sufficient capital retained to spur growth plan and also to meet the regulatory requirements of maintaining capital adequacy ratio. The Group is also contributing to Allianz SE Group's target. The Group will continue to focus on healthy margins as well as on key performance indicators namely new business value ("NBV") and combined ratio to monitor the performance of the Group. On the dividend policy, the Management has provided the guidance on the minimum payout ratio. The Management is committed to optimize the ROE by leveraging on business with better capital profile.

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6.	1. Will there be an increase in dividends for shareholders in 2023? 2. Page 20 mentions "we expect to maintain a positive dividend trajectory moving forward" Does it mean dividend amount is likely to grow on a year by year basis? 3. Allianz announced 1Q interim DPS of 31.5sen on May 30. (a) What is the dividend distribution frequency in 2023? (b) What is Allianz's latest dividend policy? (c) Even if there is no formal policy, can the Board share what it will endeavor to distribute? 4. dividend policy of Allianz Malaysia 5. ALIM paid 38% of its net profit to AMB as dividends in 2022. Do you foresee further increase in the payout ratio from ALIM to AMB in 2023 or 2024? 6. Dividend payout ratio from AGIC to AMB ranged from 72% to 81% in the last few years. Barring unforeseen circumstances, do you expect the payout ratio to be	**Answered by Sean and Giulio** The dividend capacity of the Company is dependent on the dividend stream from its insurance subsidiaries, which are subject to regulatory approval. AMB has steadily paid dividend above the minimum dividend payout ratio of 30%. The Management hopes to continue outperform this benchmark. The Group will continue to commit to minimum 30% dividend payout ratio (subject to solvency requirements) and embark on growth strategies. Internal surplus generated after payment of dividend will be retained by the insurance subsidiaries to support their solvency and to finance their accelerated growth plans. The Group will strive to continue to provide sustainable dividend returns to its shareholders but would need to take into consideration the solvency and cash flow position of its insurance subsidiaries. The dividend payout ratio for the financial year ended 31 December 2022 was at 68%, exceeding the internal target payout ratio of 30%. The Group has begun to provide two times dividend payments, starting 2022, which is a good trajectory.

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	maintained at this level in the coming years?	
7.	1. Currently what proportions of free cash generated at ALIM and AGIC respectively have to be reinvested to support business growth? What proportions are available for dividend distribution? 2. The parent Allianz's strategy includes "redeploying freed-up capital into growing and innovative business models and solutions". Given the recent increase in dividend distribution, is capital being freed up from Allianz Malaysia? Will Allianz Malaysia continue to deliver above industry growth, and to deliver return above its cost of capital in the years to come?	**Answered by Giulio** The dividend capacity of the Company depends on the dividend income from its insurance subsidiaries and the dividend policy of its insurance subsidiaries is in turn driven by regulatory solvency and any financing needed to support growth. The Group has been on a growth trajectory, which supported the increase of dividend amount. The Group will continue to strike a balance between streaming up dividend to shareholders and retaining the surplus to meet the regulatory solvency requirements by the insurance subsidiaries as well as financing distribution expansion plan. The terminology used by Allianz SE Group on redeploying capital was referred to the recent "backbook transactions" in Europe and the United States, where large amounts of traditional liabilities absorbing a significant amount of capital have been offloaded from the balance sheet. For the Group, the focus is instead on promoting preferred lines of business with lower capital consumption and on maintaining a minimum dividend payout ratio of 30% after setting aside sufficient capital for distribution growth and initiatives.

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8.	Do the board have plan of dividend reinvestment.	**Answered by Sean** At this juncture, the Company does not have plan to offer dividend reinvestment. Nonetheless, the Company took note of the suggestion.
9.	Partnership with POS Malaysia has contributed 4.7% of general insurance GWP in 2022. It was 6.5% in 2021. What are the reasons for the decline? What is the outlook for 2023?	**Answered by Sean** There was a combination of reasons contributed to the drop in GWP from Pos Malaysia Berhad ("Pos Malaysia") in Allianz General between 2022 and 2021. There would be movement in the annualised Gross Written Premium ("GWP") among the insurance panel of Pos Malaysia from time to time. Despite the drop in GWP, Pos Malaysia remains a highly valued distribution partner for the Group. The Management is satisfied with Pos Malaysia and will continue to monitor the performance of Pos Malaysia.
10.	According to The Edge on 9 Jul 2022, after the merger between AmGeneral Insurance Bhd (AGIB) and Liberty Insurance Bhd (LIB), the combined entity will overtake Allianz General to become the largest motor insurance. There have also been mergers among other general insurers. Could competitors with larger scale put AGIC at a disadvantage? Does AGIC also actively look for acquisitions, including in the Takaful space?	**Answered by Sean** Allianz General focuses on delivering the right services and products to customers at profitable and sustainable margins. In this regard, Allianz General has demonstrated the ability to outperform the market in delivering margin in the Motor business. The Management is not in the position to discuss the merger and acquisition development of other insurance entities. Nevertheless, the Management of Allianz General will continue to look for opportunities for potential business partners to complement the current business model of the Group.

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11.	Based on ISM Yearbooks data, for 2019/20/21, AGIC's fire insurance net claim incurred ratio were 47.1%/ 73.2%/ 70.4% (versus industry 27.4%/ 30.0%/ 41.1%), and net commission ratio 14.8%/ 16.7%/ 15.3% (versus industry 6.6%/ 6.1%/ 6.3%). (a) Why does AGIC has higher fire insurance net claim ratio and net commission ratio than the industry standard? (b) Currently the leading fire insurers can rely on banks with strong mortgage businesses. How does AGIC overcome this disadvantage?	**Answered by Sean** Compared to the industry's standard, Allianz General underwrites in the larger commercial segment where the claims experience can be more volatile from year to year. Having a large, stable bancassurance book may help to absorb the annual volatility inherent in the fire insurance book. However, Allianz General leverages on its strengths by regularly reviewing its underwriting standards and will continue to strengthen its underwriting practices through its technical excellence initiatives. In terms of commission ratio, Allianz General's reinsurance structure is different as compared to the industry's standard where Allianz General's retention is generally higher with lower reinsurance commission income.

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12.	In page 23 of 2021 AR, it was stated that "Allianz General will continue to explore growth opportunities, especially to increase the penetration rate of non-motor insurance which is still very low in the market." According to the ISM Yearbooks, Allianz General's Gross Direct Premium for fire insurance from 2019 to 2021 were RM315m, RM318m, RM329m, i.e. only low single digit growth. What is the plan to penetrate the non-motor insurance markets?	**Answered by Sean** The Management of Allianz General and Allianz Life are working together to seek more opportunities to scale up the Non-Motor retail segment, as well as upselling and cross-selling of general insurance products.
13.	Page 21 mentions the strength of Allianz's technical pricing. Can you elaborate with examples? What is the edge of Allianz as compared with other multinational insurers?	**Answered by Sean** Allianz General focuses on capturing quality and reliable data to feed into its technical pricing models. The Management is prioritising the resources in upskilling Allianz General's geocoding capabilities to ensure that the flood maps are relevant and fit for purpose. The Management also embraces machine learning techniques and utilise advanced programming languages and statistical tools to deliver best in class pricing standards to the market. As part of the multinational insurer, Allianz SE Group provides technical support to the local pricing function through best practice sharing and course-led accreditation and certification programs.

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14.	For 3M23, the GWP growth of AGIC is only 4.8% versus industry at 10.1% (slide 22 for 1Q23) (a) Is the slower growth mainly due to high base effect of Perlindungan Tenang Voucher incentive in 2022 (refer 1Q23 report Note B 2)? Any other reasons? (b) If effects of Perlindungan Tenang Voucher incentive are excluded, what will be the growth rate? (c) Why the market share has remained unchanged at 13.3% despite slower growth (4.8%) than the industry (10.1%)?	**Answered by Sean** (a) Allianz General was one of the first few general insurers to participate in the Perlindungan Tenang Voucher ("PTV") program. Due to the resulting high base effect from PTV, the GWP growth rate of Allianz General has fallen below the industry for first quarter of 2023 ("1Q2023"). (b) Excluding the effects of PTV program, the growth rate for 1Q2023 was 10.8%. (c) Allianz General's market share peaked at 14.0% as at first quarter of 2022, moderating to 13.3% of market share at the end of 2022 and into 1Q2023.
15.	Page 28-30 of the Annual Report has touched on the growth strategies for general and life insurance businesses. Can you share which market segments, product types, and distribution channels are expected to deliver high growth in the next 5 years?	**Answered by Sean and Charles Ong Eng Chow ("Charles"), CEO of Allianz Life** For General insurance segment, Government policies are expected to influence the demand for insurance in the retail segments, particularly for the underserved communities. Together with Allianz Life, Allianz General will continue strengthening their products and services offering, distribution recruitment and cross-selling strategies to pursue growth opportunity in this segment. The Government has also been pushing hard on the roll out of Electric Vehicles ("EV") in the country, of which Allianz General currently underwrites a material share in the EV motor market. Allianz General is also committed to pushing the adoption of renewable energy and accelerating the take up of EV.

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		For Life insurance segment, focus in short to medium term is on value creation with a balance towards capturing new market segments. The Management sees the growth potential in protection products and will leverage on the multi-distribution strategy as well as agency to address customers' demand. Agency recruitment will also be intensified to reaching out a wider market. Life insurance business is also now focusing on retirement segment and to reach out mass market with a balanced margin-customer value proposition. Bancassurance segment which offers education product, retirement plan, wealth management and mortgage remains strong. To drive protection business under bancassurance, Allianz Life has been providing insurance specialist to assist banker in selling protection products. Allianz Life will continue to deliver innovative products and services in line with consumers' needs.
16.	Page 29 mentions "greater collaboration between Allianz Life and Allianz General to build synergy". In what areas have synergies been identified?	**Answered by Charles** There is significant synergy to be derived from the collaboration between Allianz General and Allianz Life. As an insurance group, the Group boasts two robust pillars of business. Allianz General holds a market-leader position with over 13% market share, while Allianz Life ranks fourth in the market with approximately 10% market share. Combined, the Group serves approximately 3 million customers, presenting ample opportunities for synergy-building initiatives. One area of focus is the distribution front, where both entities aim to recruit agents capable of selling both life and general insurance products. Additionally, Allianz Life could leverage on the robust presence of Allianz General in small and medium enterprise and franchise businesses, to drive mutual growth. Allianz General and Allianz Life have already embarked on One Allianz transformation at the branches with the objective to better serve the customers of both entities.

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17.	In page 20, the CEO attributes the record dividend partly to Allianz Life's coming of age. (a) On the flip side, does it mean Allianz Life will grow at a slower pace in the coming years? (b) Is it reasonable to expect NBV to at least grow at a high single digit, if not at 10%, for at least several more years?	**Answered by Charles** (a) In the Life segment, growth plays a vital role as it brings in NBV for Allianz Life. The term "Coming of Age" refers to the point at which Allianz Life's business reaches maturity and that the in-force profit on the life business will continue to emerge. Subject to meeting regulatory solvency requirements, the Management aspires to elevate performance and enhance dividend payments. (b) Allianz Life will be focusing on profitable investment-linked protection products with healthy margins and the Management expects this will contribute to the stable growth of NBV over the next few years.

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18.	Note 5.3 shows that the 15-year Bancassurance Agreement with HSBC costs around RM90m. (a) Will the eventual amount vary depending on HSBC's performance? (b) What is the expected contribution from HSBC over the next 15 years? (c) What were the ANP and NBV contributed by HSBC in 2022? (d) What are the differences and similarities in products distributed by the agency versus HSBC?	**Answered by Charles** The Management expresses its gratitude to HSBC for their trust in Allianz Life and for the opportunity to collaborate in distributing Allianz insurance products to the market. This exclusive partnership comes with an access fee, which is not dependent on HSBC's sales performance. Through partnership with HSBC, Allianz Life has achieved a significant uplift in its Bancassurance market ranking and market share. In 2022, sales from HSBC contributed 28% of the total Annualised New Business Premium ("ANP") of Allianz Life. As of May 2023, sales from HSBC contributed 30% of the total ANP of Allianz Life. The products that offered by HSBC are designed to cater for the respective Bank segments and customers' needs. Allianz Life offers a range of products including Investment Linked Plan, Universal Life, Term and Whole life covering the customers' needs such as Protection, Education, Retirement, Managing Wealth and Legacy. Allianz Life also aims to promote protection plans, extending its offerings from the Premier and Advance segment to the mass market.

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19.	The agency's ANP contribution fell to a new low of 67.3% from 73.7% in 2021. The decline (in contribution percentage term) has preceded the pandemic. (a) What are the challenges faced by the agency? (b) As of end 2021, ALIM has 4,264 in-force tied agents and 1,084 financial advisors. What are the current numbers? (c) How will the Recruit2Grow and Allianz C.E.O Programme help? (d) Instead of focusing on recruiting more agents, what about focusing on growing the most productive agents?	**Answered by Charles** Allianz Life's Agency ANP contribution fell from 73.7% in Financial Year ("FY") 2021 to 67.3% in FY 2022 mainly due to higher growth observed in Bancassurance channel as compared to Agency channel. Despite this, Agency continue to be the largest contributor to total Allianz Life ANP, contributing 67.3% to the total Life ANP, which exceeds the industry average at 62%. Recruit2Grow is the theme for Allianz Life Agency to accelerate recruitment and build a strong culture to recruit agents to increase agency capacity, one of the initiative is the Career of Excellence and Opportunity Programme ("C.E.O. Programme") which offers financial support, mentoring and academic program. Through the C.E.O. Programme, Allianz Life aims to cultivate a pipeline of high-quality full-time agents who can contribute to the agency's growth and success. As of financial year ended 31 December 2022, Allianz Life had approximately 3,900 in-force tied agents and 1,177 financial advisors. Out of the 4,000 in-force tied agents, approximately 2,600 agents, or 67% were active agents. 330 agents were qualified as Million Dollar Round Table members, representing approximately 8% of Allianz Life's total agency force. Allianz Life focuses on growing productive agents and improving retention of agents.

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20.	Note 15(a) shows that the life insurance net contract liabilities are about RM14b. Note 37.1 shows that life insurance actuarial liabilities are about RM10b. What are the differences between these two types of liabilities? Specifically, what is the significane of the RM4b differences in liabilities?	**Answered by Charles** The RM14.2 billion Insurance contract liabilities in Note 15 (a) of the Audited Financial Statements for the financial year ended 31 December 2022 ("AFS 2022") is inclusive of Actuarial liabilities, benefits and claims liabilities, unallocated surplus, reserves and Net asset value attributable to unitholders from investment-linked business, while the RM9.9 billion in Note 37.1 of AFS 2022 only comprised of Actuarial liabilities. The difference is detailed under page 219 of the Annual Report 2022 and is mainly due to:- (a) Net asset value attributable to unitholders of RM3.2 billion; and (b) Benefits and claims liabilities (claims payable and claims provision) of RM1.0 billion.
21.	According to Note 37.1 (AR 2021), life insurance contracts are classified into whole life, endowment, mortgage, riders and others. (a) Where do term life, universal life, investment linked, medical & health policies fall under? (b) In the past few years, endowment policies have grown while whole life is stagnant. Why?	**Answered by Charles** (a) The classification of term life, universal life, investment-linked, medical and health policies will depend on the coverage term and product types. Whole life policies contain all policies which provides coverage for the whole of life or up to the age of 80 years or more while endowment policies cover the life assured for a specified term and provide for maturity benefit on survival up to the end of term. (b) The shift observed is following the change in product feature for Allianz Life's flagship investment-linked products. Such product feature update has resulted in the switch of classification of the investment-linked products from Whole Life products to Endowment products.

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	(c) What are the significance of participating versus non-participating policies to Allianz?	(c) The insurance contract liabilities for participating policies accounted for 27% of the total Allianz Life insurance contract liabilities. However, this is mainly coming from the in-force block of business as the new business for participating policies has been immaterial in recent years.
22.	Refer Note 37.1, the range of assumed lapse and surrender rates remain unchanged. However, have higher surrender rates been observed during the pandemic period? If yes, how much higher? How about the future outlook?	**Answered by Charles** Allianz Life did not observe any significant change in the persistency experience during the pandemic period.
23.	Based on Allianz Malaysia quarterly presentation, from FY2019 to FY2022, ALIM ANP were RM594.8m, RM531.8m, RM687.2m and RM661.0m. NBV were RM258.8m, RM239.0m, RM275.2m and RM275.0m. The resulting NBV margin were 43.5%, 44.9%, 40.0% and 41.6% (a) Why does NBV margin trend downward (albeit minor recovery in 2022)? (b) The market leader has managed to maintain margin at above 60%. What account for the margin difference between ALIM and the market leader?	**Answered by Charles** (a) The lower margin of Allianz Life in 2021 was attributed to the sales of savings products which has relatively lower margin as compared to protection products. (b) There are various factors that may contribute to the differences, and this includes reporting standard basis.

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24.	Refer notes 5.3.1 and 5.3.2 (page 204 and 205). Why are different discount rates used for general insurance (9.3%) versus life insurance (11.1%)? The discount rate assumptions were the same in the prior years.	**Answered by Giulio** The Group used a uniform beta for its insurance entities as a method for the determination of cost of capital. Recently, it has been observed in the capital markets that general insurance companies trade with a lower beta than life insurance companies due to vast differences in risk profiles. Therefore, the differences are being reflected in the discount rates starting 2022.
25.	For 3M23, new business value "decreased by 9.7% due mainly to increase in acquisition expenses." (a) What are the main acquisition expenses besides agent commissions? (b) Have the commission rates been adjusted upwards? (c) Do you expect the acquisition expenses to remain elevated, leading to lower margin in NBV in the future?	**Answered by Giulio** (a) The 1Q2023 new business value of life insurance decreased by 9.7% mainly driven by the increase in acquisition expenses due to the expansion of agency network. Other than agent commissions, acquisition expenses include agency related expenses such as incentives, costs of selling, underwriting and starting a group of insurance contracts that are directly attributable to a portfolio of insurance contracts (b) There is no adjustment to the current commission rates. (c) Allianz Life is currently focusing on agency force expansion under the Recruit2Grow theme. The Management expect higher acquisition expense in the short term which will be paid off over the long term value creation.

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26.	Refer 2023 Q1 presentation. Slide 9 shows that new business value for 3M23 is RM70.1m. However, slide 29 shows new business is RM82m. Can you explain the discrepancy?	**Answered by Giulio** The new business of RM82 million on Slide 29 is new business Contractual Service Margin ("CSM") which has included the new business value of RM70.1 million for 1Q2023. Key differences between value of new business and new business CSM are as follows:- • CSM is only applicable for products with longer than one-year duration; and • CSM only includes expenses which are attributable to the insurance business.
27.	In 2019 BNM implemented the Minimum Allocation Rates ("MAR") for investment linked policies. (a) What has been the impacts of MAR implementation to the life business? (b) Typically how many years does it take before an investment linked policies turn profitable -- before and after MFRS17?	**Answered by Giulio** (a) The implementation of the Minimum Allocation Rates ("MAR") by Bank Negara Malaysia ("BNM") limits the utilisation of insurance premium collected from customers to fund distribution expenses and other initial expenses i.e. setting up capital. Hence, Allianz Life is required to set up a minimum amount as an investment for customers. This resulted in higher new business strain for investment-linked protection business. (b) Under MFRS 17 accounting, the policy is profitable since the first year given the deferral of acquisition expenses.

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28.	In the previous AGM, it was mentioned that "Embedded Value for Allianz Life as at 31 December 2021 was at the range of RM3.5 billion" (a) What were the EVs for Allianz Life as at 2020 and 2019 year end? (b) What is the EV as of 2022 year end, under MFRS4 and MFRS17 respectively?	**Answered by Giulio** The embedded value for Allianz Life was RM2.5 billion for 31 December 2019, RM3 billion for 31 December 2020 and RM3.5 billion for 31 December 2021 and 31 December 2022. The Embedded Value at year end 2022 was affected by the dividend distribution and the renewal of the bancassurance agreement with HSBC. The change of accounting does not have impact on the Embedded Value, apart from an adjustment that has been performed to align the consideration for non-financial risks among the Embedded Value methodology and MFRS17. The Embedded Value is computed according to the market consistent method.
29.	During 2022 AGM, it was explained that, for life insurance business's investment, fixed income instruments are classification as Held for Trading Financial Assets ("HFT") for investment-linked funds, and Designated Upon Initial Recognition financial assets ("DUIR") for non-participating funds. How about Available-for-sale financial assets ("AFS")? Do they consist of participating fund and shareholder's fund?	**Answered by Giulio** Yes, under MFRS 139 'Financial Instruments: Recognition and Measurement' applicable until end of last year, fixed income instruments classification as the Available-for-sale financial assets is for fixed income instruments residing in Participating funds and Shareholder's fund where the fair value movement is recognised in Other Comprehensive Income. Starting from 1 January 2023, the Group has adopted MFRS 9 'Financial Instruments together with MFRS 17, 'Insurance Contracts' with significant impacts on assets evaluation. A comprehensive guidance on how to reconcile the previous classification to the new one has been provided in the unaudited consolidated quarterly report of the Company for the financial period ended 31 March 2023 ("1Q2023 Report"). The shareholders are encouraged to refer to the 1Q2023 Report for the key changes to the Group's accounting policies resulting from its adoption of MFRS 9.

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30.	Refer to the Note 15(a), on "Insurance Contract Liabilities" for life Insurance. The contract liabilities with DPF (discretionary participating features) have declined over the years. (a) Do contracts with DPF mean participating policies? (b) Why the decline? (c) Which types of contracts preferred, considering factors such as profit margin, risk etc.?	**Answered by Giulio** (a) Yes, contract liabilities with DPF are referring to the contract liabilities from the participating policies. (b) The decline in contract liabilities is attributed by how Allianz Life is steering its business mix. Allianz Life's strategy is privileging investment-linked policies with protection while maintaining savings business through Universal Life business where minimal new business has been sold in recent years. (c) Allianz Life is always ensuring selling the right product to the right customer and is focused on steering its production on investment-linked business with protection features.
31.	BNM requires insurance companies to maintain a minimum Capital Adequacy Ratio ("CAR") of 130%. What is the CAR before and after MFRS17 implementation?	**Answered by Giulio** The implementation of MFRS 17 does not impact the CAR which is still regulated under the existing BNM's Risk-Based Capital ("RBC") Framework. A new BNM's RBC Framework is expected, but still pending, hence computation of CAR and dividend remains unchanged.

NO.	QUESTIONS/SUGGESTIONS RECEIVED FROM SHAREHOLDERS	RESPONSES
32.	Refer to Note 38.1 on credit exposure by credit rating. (a) Why there are different ratings (AAA, AA, A, non rated) for cash and cash equivalents? What are the cash and cash equivalents that are rated less than AAA? (b) In the rating table, assets under investment-linked funds are listed separately. Are these funds fully belonged to the investment-linked policyholders?	**Answered by Giulio** (a) Cash and cash equivalents is inclusive of cash/current account balances, petty cash and fixed deposits with maturity period of 3 months or less. Credit ratings disclosed are for fixed deposits placements in accordance to credit rating agencies' credit ratings of the Banks. Non-rated categories are current account balances and petty cash. In placing deposits, other than credit ratings, the Group will also consider concentration risk and risk return of any the placements. (b) Yes, these are for assets that belongs to policyholder (i.e. assets backing the policyholders' liabilities in investment-linked funds where the liability to policyholders is linked to performance and value of investment-linked fund assets). The life insurance subsidiary does not have direct credit risk exposure relating to fixed income instrument in the investment-linked funds.
33.	Refer 2023 Q1 presentation slide no. 7. (a) Is the MFRS9/17 new business value of RM300m "before tax"? (b) If yes, where to find, or how to estimate the after tax new business value? Can it be approximated by applying effective tax rate on before tax NBV?	**Answered by Giulio** (a) Yes. (b) Estimation of "After tax" new business value by applying effective tax rate on before tax NBV would not provide an exact figure, however it is an acceptable approximate indication.

NO.	QUESTIONS/SUGGESTIONS RECEIVED FROM SHAREHOLDERS	RESPONSES
	(c) How does the RM393m of "CSM at inception" relate to the RM2,967m of CSM (as of 3M23) mentioned elsewhere?	(c) RM393 million is the CSM contributed by the new business whereas RM2,967 million is the total CSM for in-force portfolio.
34.	Refer 2023 Q1 Income Statement. Investment return for both general and life insurance have increased significantly YoY by 40% and 156% respectively. Note B4 shows that "valuation results for unit-linked contracts" was RM126m versus RM15m a year ago. (a) Is such improved investment return sustainable in the coming quarters? (b) Stripping out one-time effect and fair value changes, what is the range of quarterly total net investment return that can be reasonably expected?	**Answered by Giulio** The higher interest rate environment is beneficial to the Group over the long term as it will lead to higher investment income, but investment return may fluctuate in the short term due to impact on assets values. A substantial portion of both Allianz Life and Allianz General investment assets are held in high quality fixed income instruments with fixed coupon payments that provide a steady stream of income. Under MFRS 9, earnings are expected to be less volatile as compared to MFRS 4, which was more impacted by fluctuations of interest rates for the life segment. As an indication, returns above 3% and 4% respectively are the expected normalized return of investment for the general and life business

NO.	QUESTIONS/SUGGESTIONS RECEIVED FROM SHAREHOLDERS	RESPONSES
35.	Refer Refer 2023 Q1 Income Statement. Net (re-)insurance finance expenses for life insurance has ballooned to RM241m in 3M23 from RM51m in 3M22. (a) Please provide details of the major components that make up of net (re-)insurance finance expenses. (b) Which of these cost components will remain elevated in the coming quarters?	**Answered by Giulio** When investment return is increasing, which is what happened for Allianz Life's investment-linked policies in 2023, Allianz Life has to recognise the increased return that is distributed to its policyholders. The increase in net (re-) insurance finance expenses was mainly the result of the increase in investment performance. Insurance finance expense for life insurance mainly consist of: (i) Interest accretion (unwinding of discount rate); (ii) Change in fair value underlying items for portfolio under Variable Fee Approach ("VFA") i.e. policyholder participating contracts; (iii) Experience adjustments for contracts valued under VFA (variance between expected and actual experience).

NO.	QUESTIONS/SUGGESTIONS RECEIVED FROM SHAREHOLDERS	RESPONSES
36.	Refer Refer 2023 Q1 Income Statement. Reinsurance expenses for General Insurance have almost tripled to RM91m in 3M23 from RM34m in 3M22. AGIC insurance revenue only increased by 8% over the same period (a) What are the reasons for the marked increase in reinsurance expenses? (b) In the long run, will the net reinsurance expenses (incomes) remain small, representing the modest profits earned by reinsurers? How much will it be in percentage term?	**Answered by Giulio** (a) The higher reinsurance expense was attributed by higher ceded claims recovery in the 1Q2023. (b) In a longer term, the reinsurance expense is not expected to move in one direction due to its volatility in nature.

NO.	QUESTIONS/SUGGESTIONS RECEIVED FROM SHAREHOLDERS	RESPONSES
37.	In the 2023 Q1 report, the explanatory notes on MFRS 17 explains that " the liability for incurred claims consists of the fulfillment cash flows related to past services" Does "liability for incurred claims" consist of (1) claim pending payment, plus (2) provision for incurred but not reported claims ("IBNR")? Any other?	**Answered by Giulio** The liability for incurred claims includes claims or liabilities provision, claims payable or pending payment and IBNR. There was also risk adjustment for the 1Q2023 Report but it would be separately highlighted in the next quarterly reports.
38.	"In the income statement, the release of the contractual service margin and the risk adjustment for non-financial risk will become the main components for the profit before tax of the life insurance" (Pg 37 1Q23 presentation) (a) What is the risk adjustment as of 3M2023? (b) Slide 29 shows no profit release from risk adjustment in 3M23. Shouldn't (any over-estimated) risk adjustment be released after contracts fulfillment? (c) How to relate CSM and risk adjustment to the embedded value?	**Answered by Giulio** (a) Risk adjustment balance for Allianz Life as of 1Q2023 was RM369.8 million, and the release over the 3-months period was RM11.9 million. (b) Although there is no explicit line capturing the risk adjustment release amount in the overview table, the releases have contributed to RM11.9 million of the profit before tax for the 1Q2023. (c) CSM and risk adjustment is conceptually similar to present value of future profits and risk margin under embedded value.

NO.	QUESTIONS/SUGGESTIONS RECEIVED FROM SHAREHOLDERS	RESPONSES
39.	Refer slide 37 in 2023 Q1 presentation. "The Group is currently assessing the quantitative impact of the application of MFRS 17. The final figures will also depend on the application of the transition approaches" (a) What are the main results that may change at the end of transition, and possibly by how much? (b) Do the variations mostly arise from old life insurance contracts measured using modified retrospective approach and fair value approach? (c) When will transition period end?	**Answered by Giulio** The Group has adopted MFRS 9 and MFRS 17 retrospectively from 1 January 2023. The combined effect on the Group's consolidated statement of financial position on transition to MFRS 9 and MFRS 17 as at 1 January 2022 had improved total equity measured under MFRS 17 by approximately 8%. For Life segment, the full retrospective approach would be adopted for all currently modelled products in annual cohort 2014 or later. For modelled products in annual cohort prior to 2014, modified retrospective approach would be applied. For General segment, the full retrospective approach would be applied for group of contracts in annual cohort 2018 and later. Meanwhile, fair value approach would be applied for annual cohort 2018 and prior. Please refer to pages 160 to 161 of the Annual Report 2022 for more details.

NO.	QUESTIONS/SUGGESTIONS RECEIVED FROM SHAREHOLDERS	RESPONSES
40.	Daily trading volume of ordinary shares and ICPS has been very thin for a long time. The board should offer an attractive conversion of ICPS which works for all parties. This will increase number of ordinary shares in the market, which is a more common and tradeable asset class than ICPS. We believe the move can help to re-rate Allianz shares' value in the long term.	**Answered by Giulio** The Company took note of the suggestion and the expectation of shareholders. In evaluating of such proposal, the Board of Directors would need to consider the benefits and equitable interest of all classes of shareholders.
41.	Can the management publish the transcript or webcast recording of its quarterly analyst briefing to shareholders, as what Petronas Chemical has been doing? Alternatively, can shareholders be given access to join as listeners?	**Answered by Giulio** The Management took note of the suggestion.

NO.	QUESTIONS/SUGGESTIONS RECEIVED FROM SHAREHOLDERS	RESPONSES
42.	1. Virtual AGM format is very convenient. It is an efficient use of shareholders' time. Allianz management has also demonstrated high level of professionalism by attempting to answer all relevant questions from shareholders, if not during the AGM, at least afterwards via the meeting minutes. Therefore, please kindly continue the virtual AGM format in the future. Even if physical meeting is resumed, please continue to offer the option of remote participation. 2. Can we have a physical AGM next year? Face-to-face meeting will allow better engagement among shareholders.	**Answered by Ng Siew Gek ("Siew Gek"), Company Secretary** Thank you and the Management took note of the feedback. The Management would take this into consideration for future planning of AGM.

QUESTIONS RECEIVED FROM THE SHAREHOLDERS OF THE COMPANY DURING THE 49TH AGM LIVE SESSION

NO.	QUESTIONS/SUGGESTIONS RECEIVED FROM SHAREHOLDERS	RESPONSES
1.	The Group's total Capex for FY2022 was RM126.8 million mainly due to increase in intangible assets associated with the renewal of 15-year bancassurance partnership with HSBC Bank Malaysia. (1) What is the nature of the Capex spent for the partnership with HSBC Bank? (2) How much is the budgeted Capex for FY2023?	**Answered by Charles** The life insurance subsidiary had entered into an exclusive conventional bancassurance partnership with HSBC in 2012 and it was further extended to another 15 years in 2022. The Intangible Asset was a one-off access fee to enter into the said exclusive conventional bancassurance partnership with HSBC to market the Group's life as well as general conventional insurance products to the HSBC's customers. The Group does not provide guidance on budgeted capital expenditure ("CAPEX") of current year. Nevertheless, the CAPEX for the past few years continue to focus on investment in digital initiatives to ensure delivery of superior customer journey as well as supporting the distributors in terms of digitalisation.
2.	AGIC's claims declined by 12.9% YoY to RM294mil in 1Q23, contributed by one-off claims reviews. do management expect to have further impact on this claim review for the rest of FY2023?	**Answered by Sean** It is a one-off claims review, hence there will be no further impact for financial year 2023. The Management expects the claim to be normalised for the remaining year.

NO.	QUESTIONS/SUGGESTIONS RECEIVED FROM SHAREHOLDERS	RESPONSES
3.	What is the impact of MFRS17 adoption	**Answered by Giulio** The MFRS 17 has to be applied retrospectively, which resulted in improvement in total equity by approximately 8% and for the life business, there is an acceleration of emergence of profit for the investment link business. Life insurance subsidiary used to disclose core profit and under the new accounting standard, core profit will not be disclosed due to the stability of the profit. This is because less fair value volatility being observed as fixed income will be recognised as Fair Value through Other Comprehensive Income with a number of assets remains under Fair Value through Profit and Loss. Nevertheless, the movement is through profit and loss, hence, there is no volatility in profit for the life insurance subsidiary.