



Allianz Malaysia Berhad
197201000819 (12428-W)

49th Annual General Meeting

Thursday, 22 June 2023

Annexure I

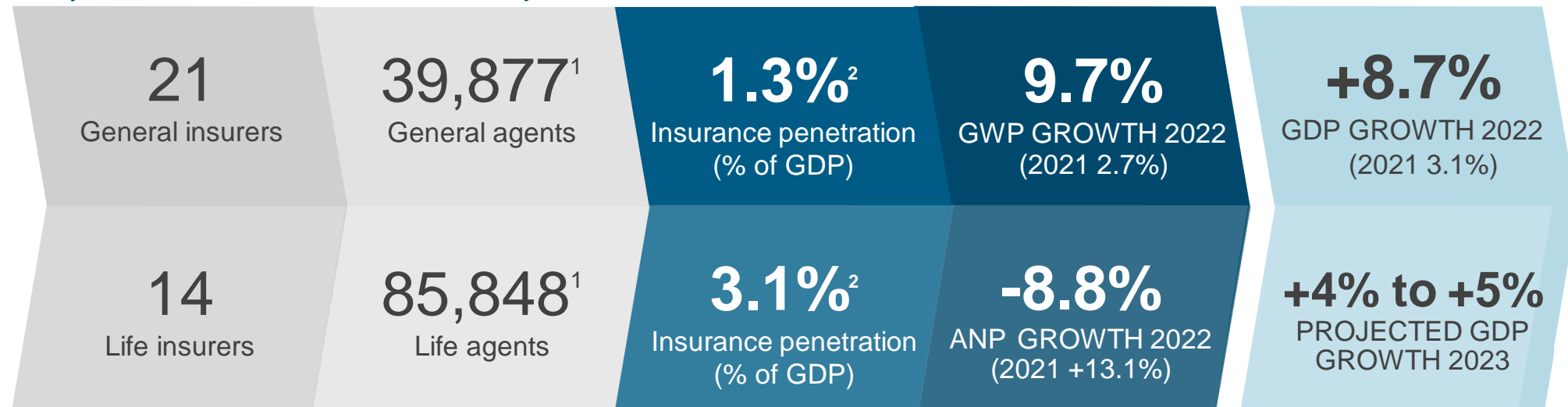


Content / topics

- 1 Group Performance
- 2 Life Business
- 3 General Business
- 4 Embedding Sustainability into our Business
- 5 MFRS 9/17 Results

Malaysia insurance market is under penetrated but growth remains subdued and challenging

Malaysian Conventional Insurance Industry



+ Life insurance & Family Takaful coverage of 42.0%³

Data source:-

1 No. of Agents in 2022 – General from BNM Statistics Report 2022 on Insurance Key Indicators and Life from LIAM Annual Report 2022

2 Defined as Gross Written Premium / Gross Domestic Product as at 2022

3 Percentage of Malaysians adults who own at least one individual life insurance or family takaful policy in 2022 (Source: Bank Negara Malaysia)

Sound fundamental business to overcome the challenges

FY 2022

RM 6.77bn

+ 5.3% (2021 +8.2%)

Operating revenue



RM 6.02bn

+ 5.8% (2021 +7.2%)

GWP



RM 704.4mn

+12.6% (2021 -14.3%)

Profit before tax



ALIM	RM 287.2mn	+30.2%
AGIC	RM 462.6mn	+5.8%
Investment holding	RM (45.4mn)	-41.4%

RM 23.77

+1.8% (2021 +2.5%)

Net asset value per ordinary share



RM 0.85

+34.9% (2021 +8.6%)

Dividend Per Ordinary Share



RM 24.7bn

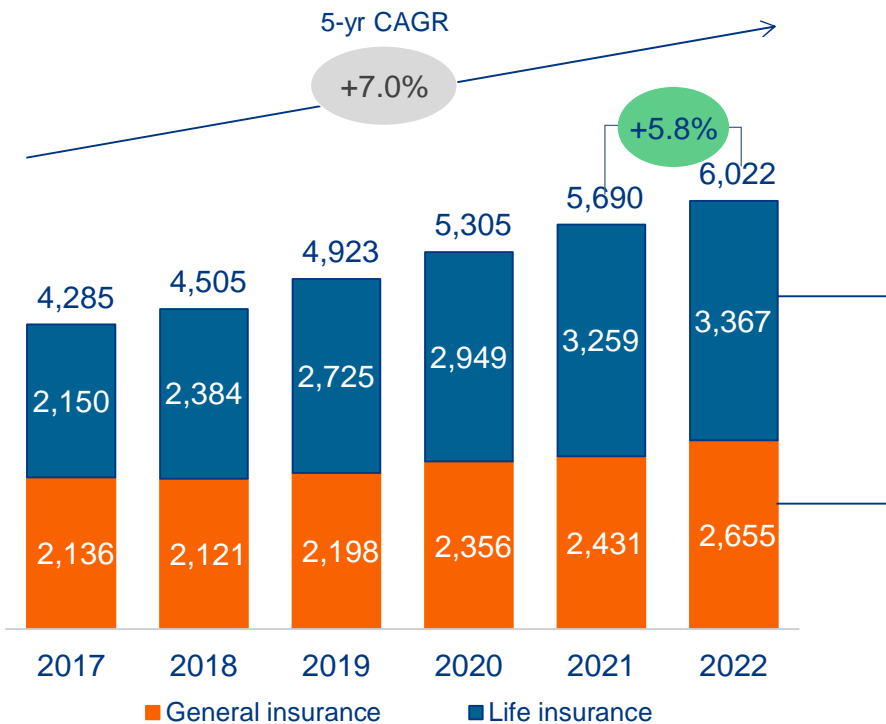
+ 4.4% (2021 +8.0%)

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
+3.3% y-o-y growth

Allianz General
+9.2% y-o-y growth

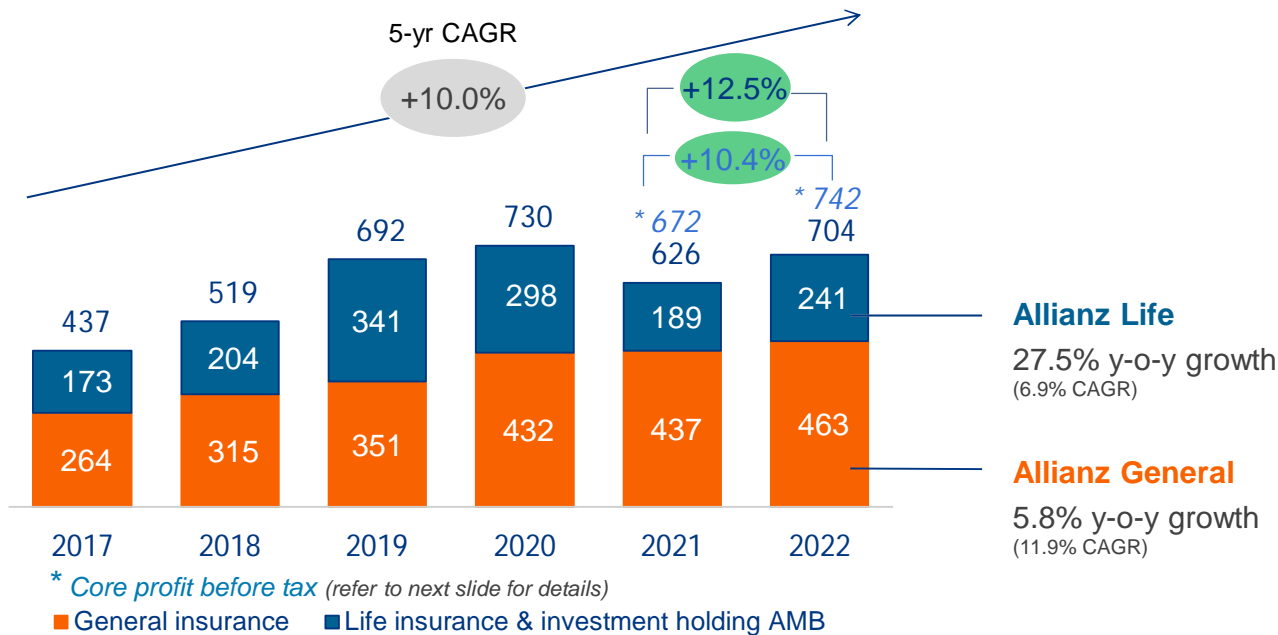
Allianz Life achieved top 4 position in ANP, with 9.5% market share¹ (2021 9.0%)

Allianz General maintained its market leader position with 13.3% market share² (2021 13.3%)

1 Source: LIAM industry statistics Jan-Dec 2022
2 Source: ISM Market Performance Report Jan-Dec 2022

Resilient and diversified business portfolio to protect Group's earnings

Profit before Tax (RM' mil)



Maintain strong discipline in pricing & prudent expense management

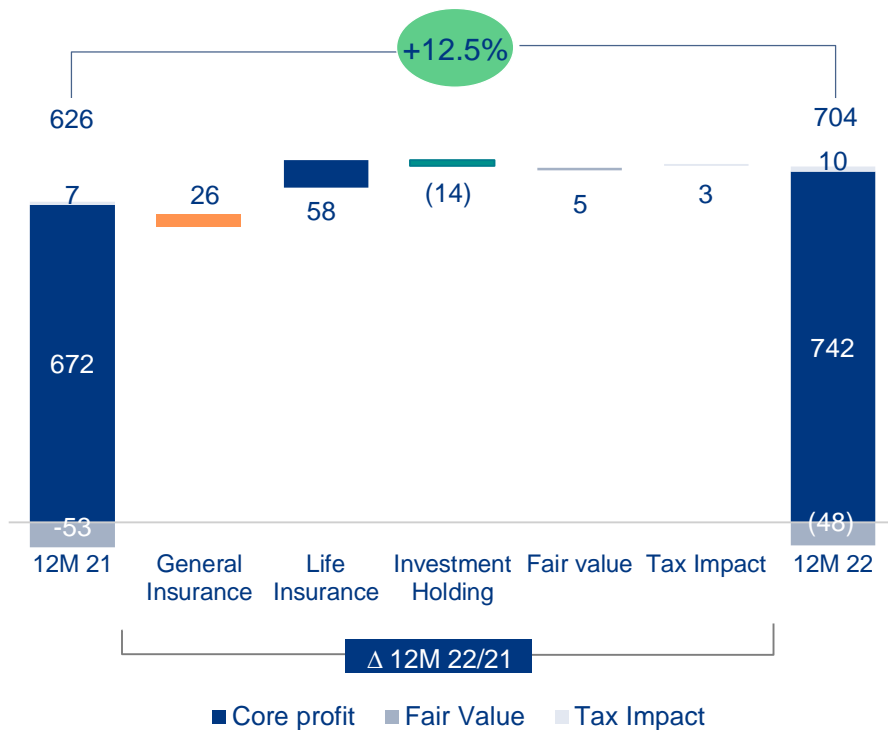
Deliver healthy and sustainable margins. Achieved NBV of RM275mn in 2022

Focus on profitable growth and technical excellence to deliver in a de-tariff environment. Achieved Net Combined Ratio of 87.3%.

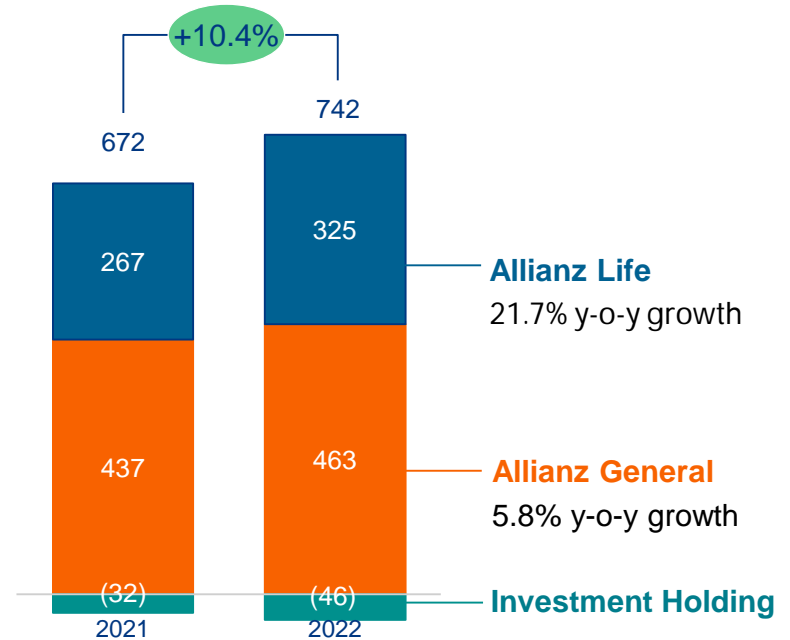
Note: investment holding presented together with Life Segment from 2020 onwards.

Delivered higher core profit. Strong 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

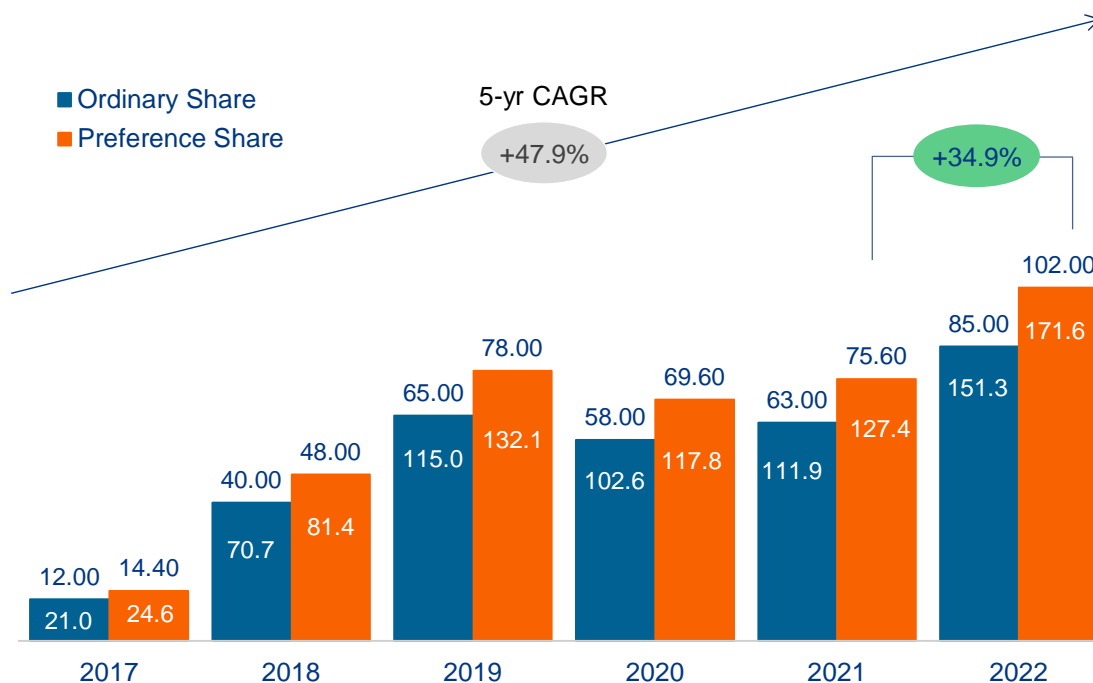
RM'mil	2019	2020	2021	2022	3 YEAR CAGR (2019-2022)
Gross Written Premiums	4,922.5	5,305.2	5,689.6	6,021.7	6.9%
Management Expenses	618.0	641.4	683.8	690.1	(3.7%)
Expense Ratio (Non Life)	20.2%	19.8%	18.7%	16.9%	3.3 pts
Expense Ratio (Life) ¹	10.5%	9.4%	9.9%	9.9%	0.6 pts
Local Consolidated PBT	692.1	729.6	625.6	704.4	0.6%
Core Profit Before Tax	624.4	690.9	672.4	742.3	5.9%
Total Assets	19,710.1	21,896.7	23,643.5	24,683.1	7.8%
Shareholders' Equity	3,673.6	4,031.5	4,144.2	4,230.0	4.8%
Dividends declared	247.05	220.44	239.35	322.88	9.3%
Diluted earnings per ordinary share (sen)	142.29	150.29	138.29	136.60	(1.4%)

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

Maintain strong shareholders' dividend return

2023 marks the first time that our dividend payout has exceeded RM1 billion

Dividend Per Share (RM sen)



	2020	2021	2022
Dividend Yield ¹	4.3%	5.4%	6.6%
Payout Ratio	42.4%	50.0%	68.3%

2023 First Interim Dividend declared and to be paid on 28 June 2023 (c. ~ RM 120 mil)

- (a) 31.5 sen per OS
- (b) 37.8 sen per ICPS

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 Life: outperformed industry while market contracted driven by lower volume from Agency business

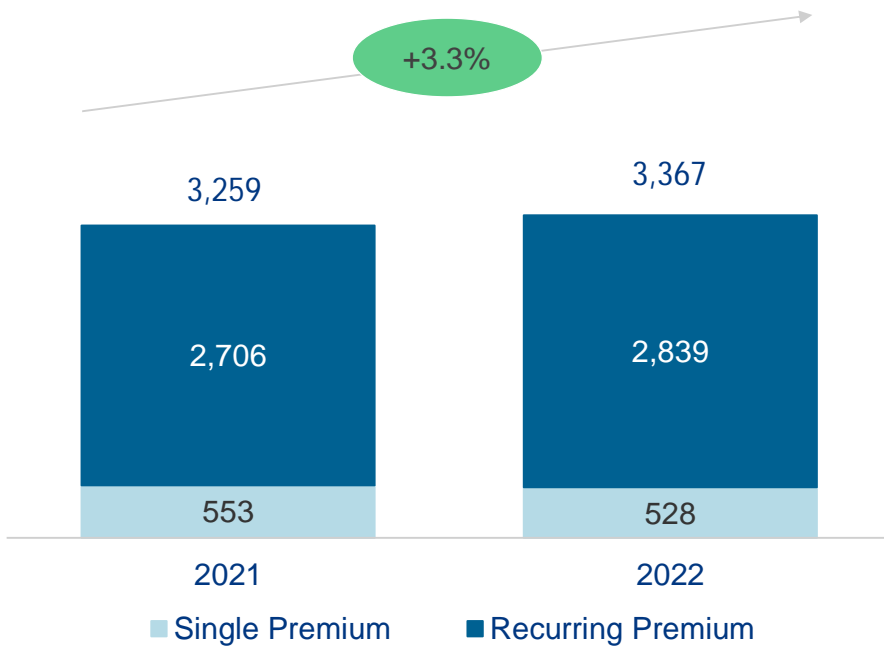
Annualised New Business

Distribution Channel	← 12M 2022 Growth →				12M 2021 Growth		5-year CAGR (2017 – 2022)	
	ALIM (% Growth)	Industry (% Growth)	Market Share	Market Rank	ALIM (% Growth)	Industry (% Growth)	ALIM	Industry
Agency (Traditional)	-4.1%	-6.1%	17.1%	2	8.8%	-12.8%	18.9%	2.8%
Agency (IL)	-16.1%	-11.8%	8.4%	5	48.4%	26.7%	1.4%	2.6%
Agency (Total)	-12.2%	-10.6%	10.3%	4	32.6%	15.9%	6.0%	2.7%
Bancassurance	21.1%	-7.0%	7.9%	6	41.2%	9.5%	17.2%	5.2%
Employee Benefits	13.2%	6.7%	11.2%	3	3.8%	-0.5%	14.4%	4.5%
Total	-3.8%	-8.8%	9.5%	4	32.9%	13.1%	8.8%	3.5%

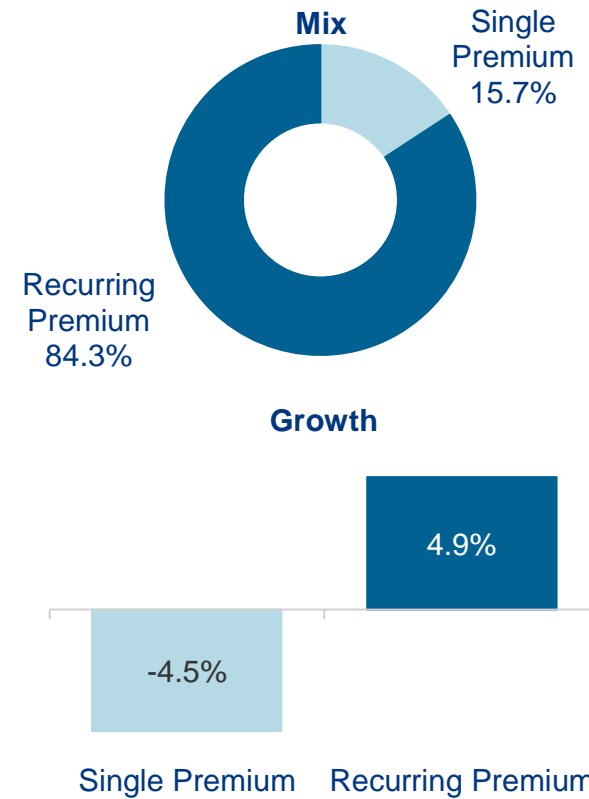
Source: LIAM NB Statistics (2021 & 2022)

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

Gross Written Premium (GWP) (RM' mil)

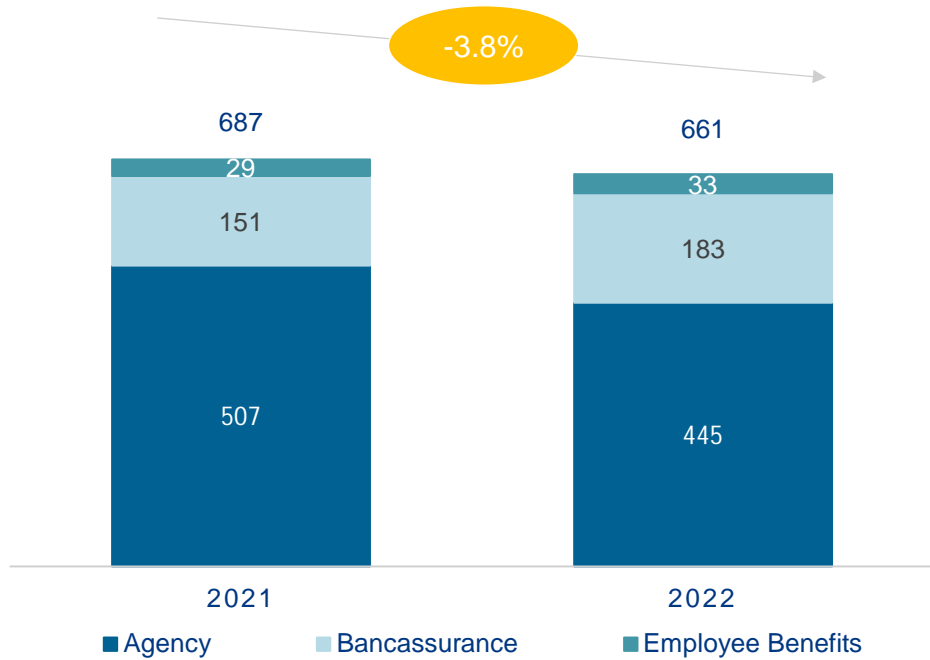


GWP Mix & Growth (%) (12M 2022)

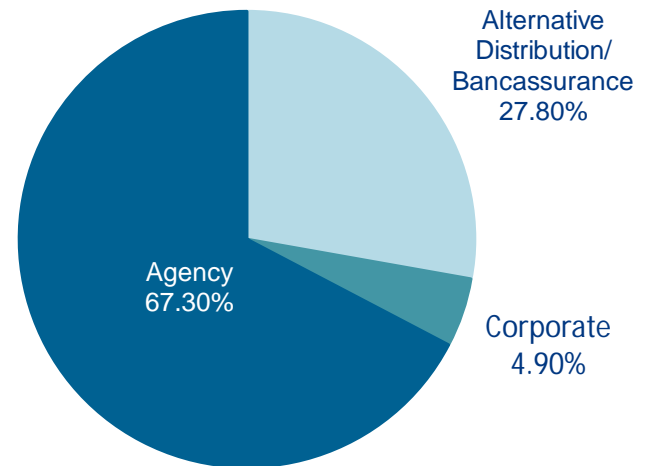


Life Business: continue focus on investment-linked products

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

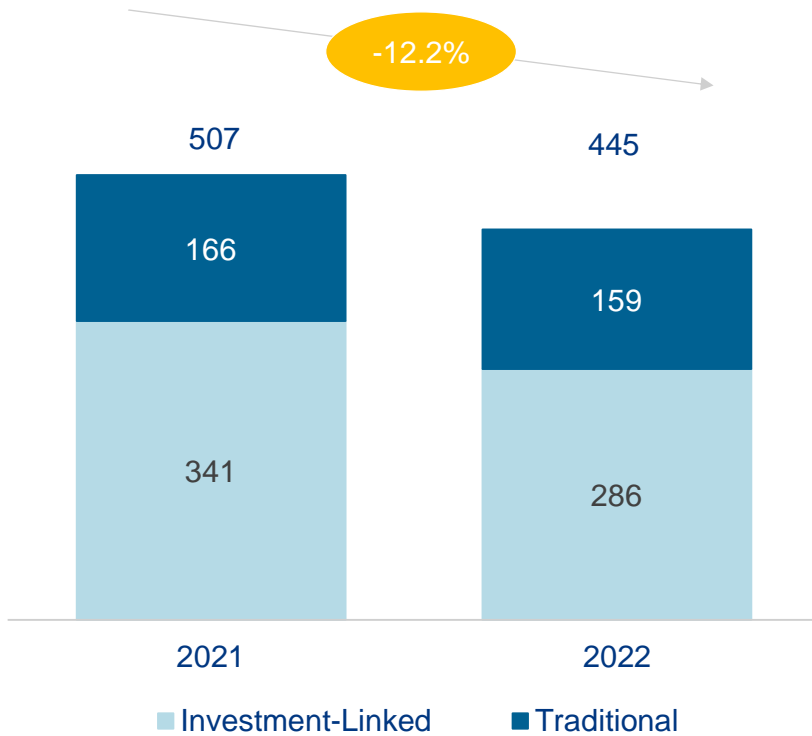


ANP Channel Mix (%) (12M 2022)

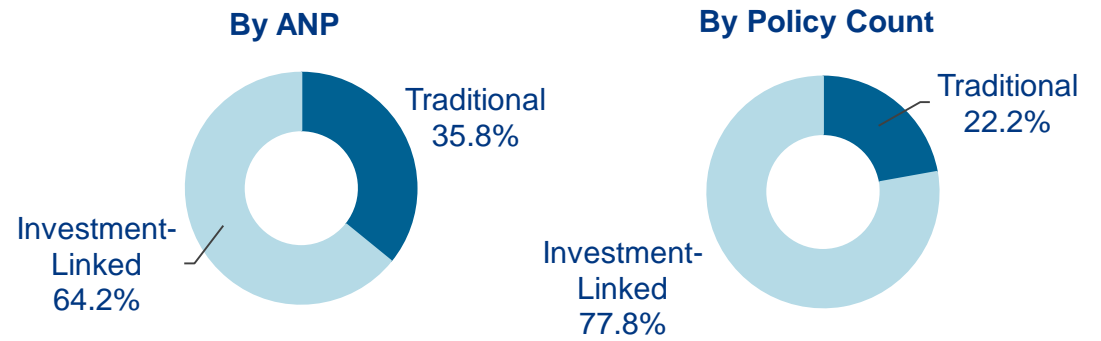


Life Business (Agency): lower sales against last year but outperformed industry

Agency Annualised New Premiums ("ANP") (RM' mil)



Agency Product Mix (%) (12M 2022)

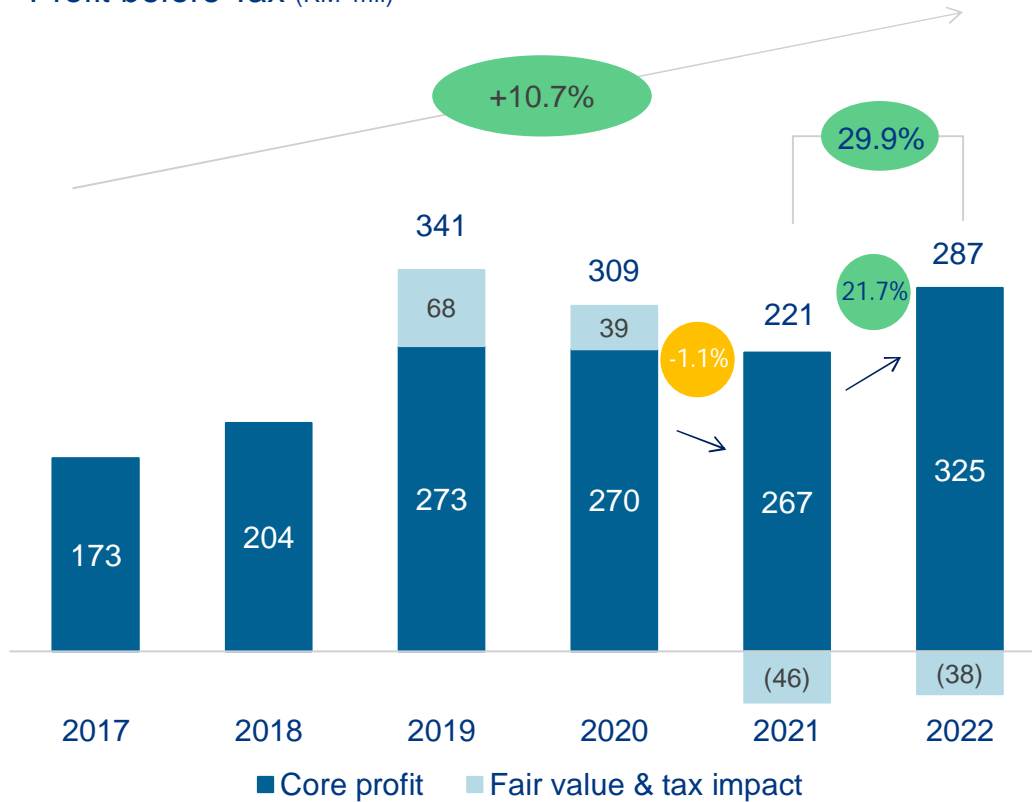


Agency ANP Growth (%) (12M 2022)



Life business delivered higher 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 value creation for 2023 onwards



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Allianz General: maintaining market leadership

KPIs	ALLIANZ GENERAL 12M 2022	ALLIANZ GENERAL 12M 2021	Industry ¹ 12M 2022	Takaful ¹ 12M 2022
GWP growth	9.2%	3.2%	9.7%	21.1%
Commission ratio	12.7%	12.5%	11.0%	9.3%
Claims ratio				
• Overall	57.7%	56.6%	53.7%	60.7%
• Motor	60.7%	53.0%	65.3%	72.3%
Expense ratio	16.9%	18.7%	24.1%	32.4%
Combined ratio	87.3%*	87.8%	88.8%	102.4%

Market Share (12M 2022)¹

13.3%

Market Rank (12M 2022)¹

1

Notes:

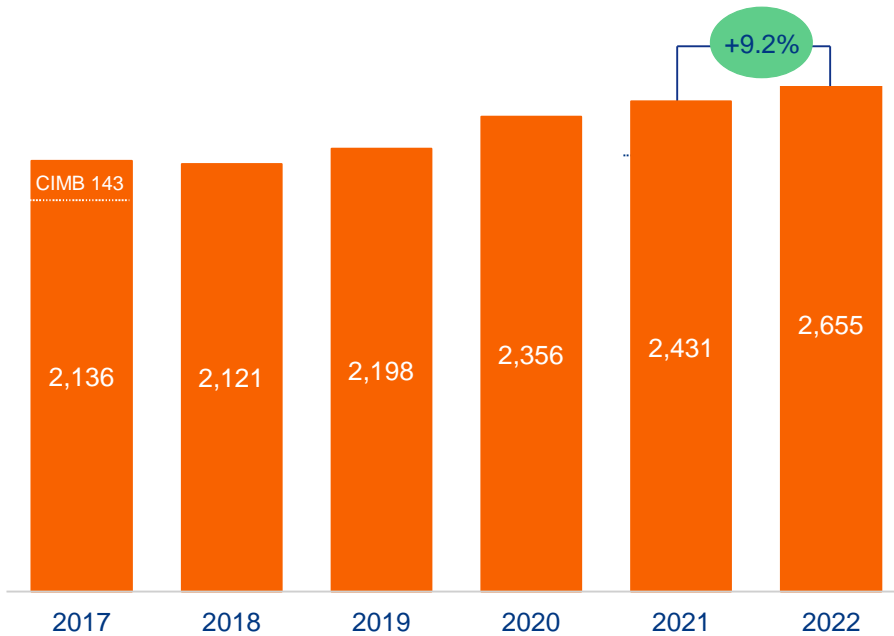
1) Source: ISM Market Performance Report Jan-Dec 2022 (General Insurance & General Takaful) – ISM statistic exclude business outside of Malaysia. AGIC 12M 2022 GWP growth on equivalent basis is 9.6%.

* 12M 22 expense and claims ratio would be 18.4% and 56.2% respectively without the impact of VSC adjustment (see Q2 quarterly announcement page 28 Note 11 for details). There is no impact to the overall underwriting profit.

Top-line growth despite difficult market conditions

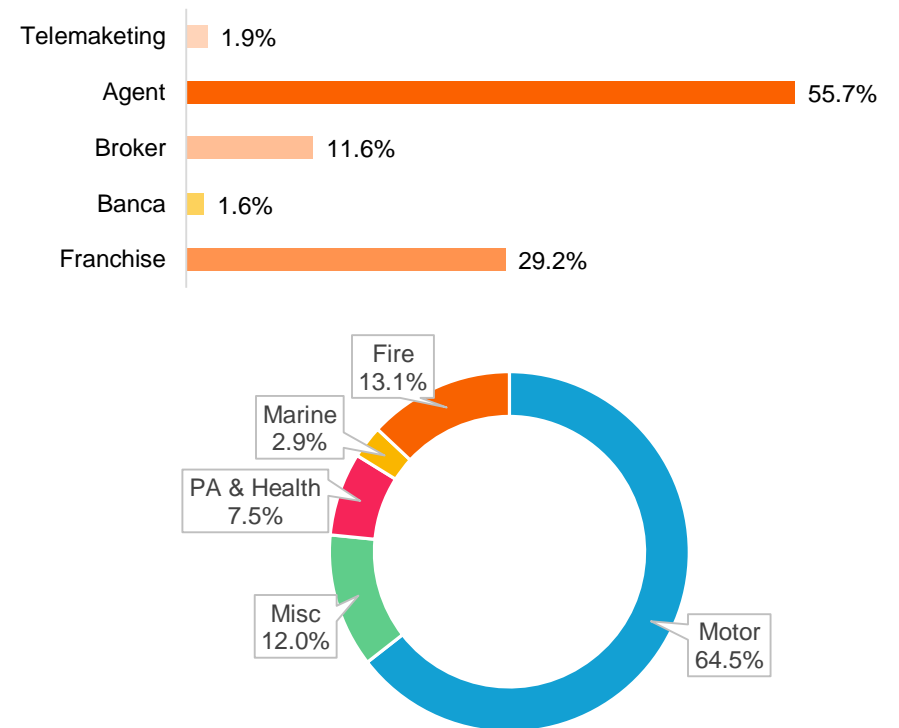
Gross Written Premium (GWP) (RM' mil)

2022 GI Industry Growth **+9.7%**



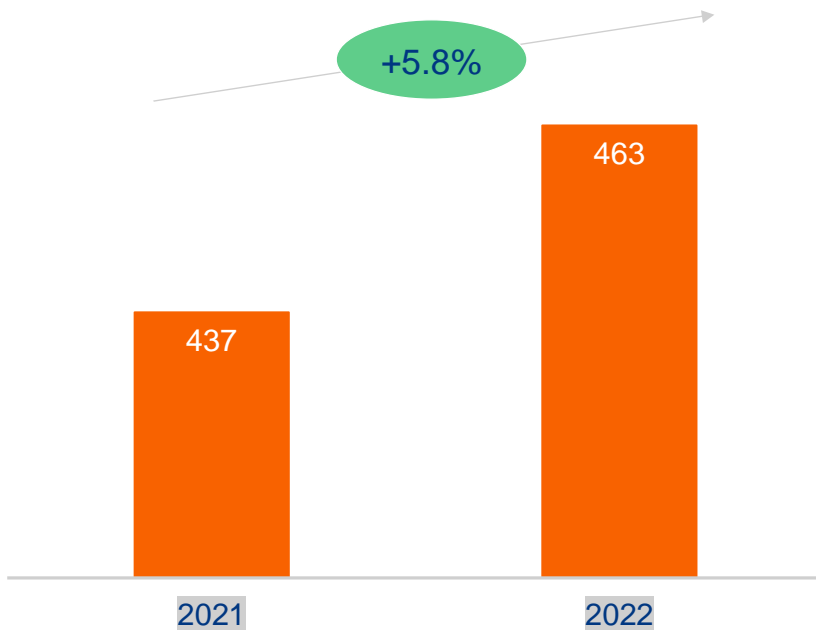
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Distribution Channel & Portfolio Mix

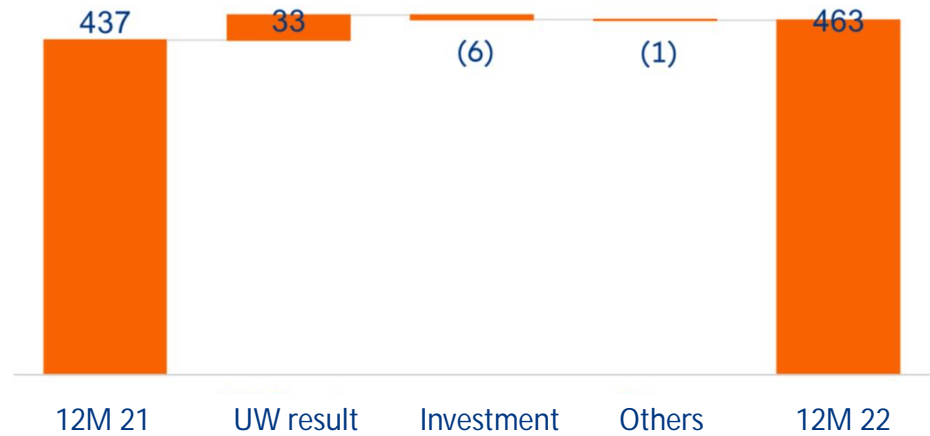


General Business: higher profit before tax from higher underwriting profit

Profit Before Tax (RM' mil)



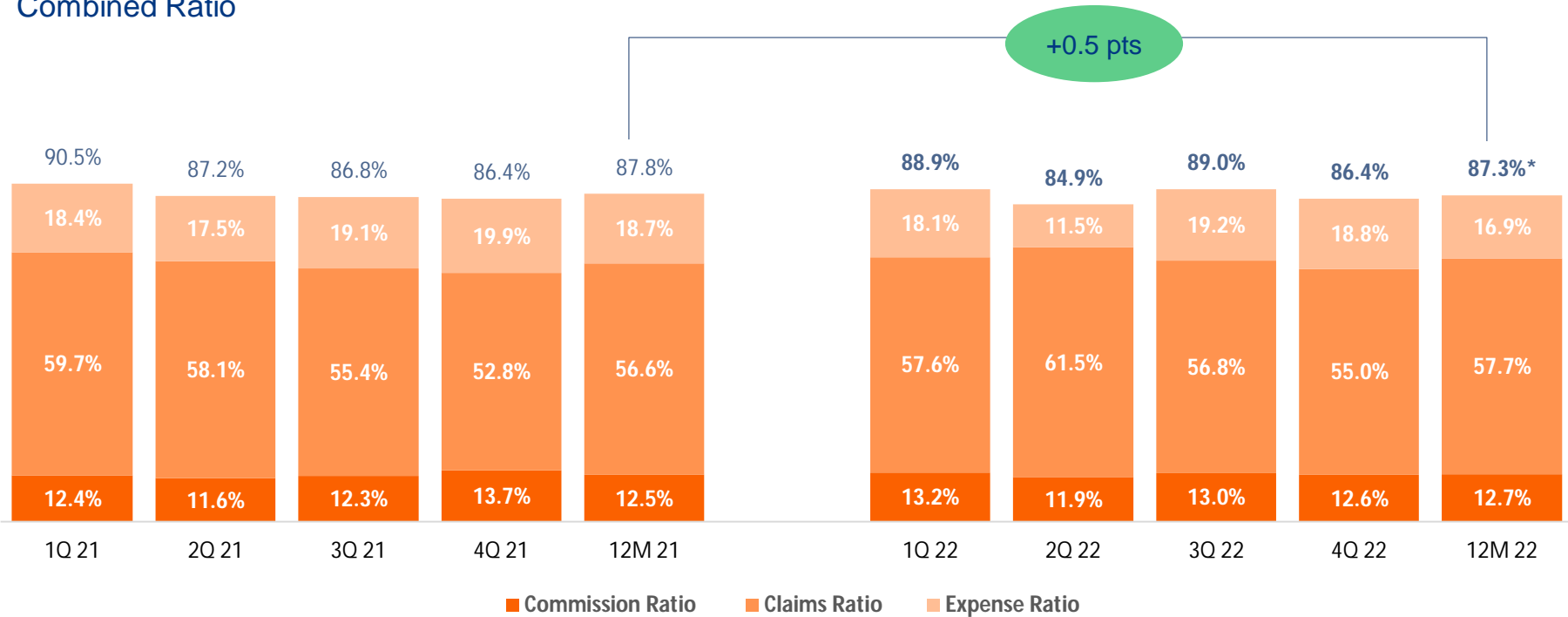
PBT Drivers (RM' mil)



12M 2021	257	182	(2)	437
12M 2022	290	176	(3)	463
Change	33	(6)	(1)	26

General Business: better combined ratio due to better loss and expense ratio

Combined Ratio



* 12M 22 expense and claims ratio would be 18.4% and 56.2% respectively without the impact of VSC adjustment (see Q2 quarterly announcement page 28 Note 11 for details). There is no impact to the overall underwriting profit.

General Business value creation for 2023 onwards



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Embedding sustainability into our business

	As an Organisation	As an Insurer & Investor
Environment	<p>GHG reduction in own operations of 50% by 2025 (vs 2019); Net-Zero by 2030</p> <ul style="list-style-type: none"> Hybrid working model; reduction of in-person meetings & trainings Digitalisation to reduce paper usage Solar panel installation at branch office Improve energy and water efficiency e.g. use of LED lighting 100% renewable electricity through i-Renewable Energy Certificates 	<p>Net-Zero investment and insurance portfolios by 2050</p> <ul style="list-style-type: none"> Investment and Underwriting: ESG screening; Phase out of coal and O&G Solutions to support climate transition and resilience e.g. <ul style="list-style-type: none"> Solar Photovoltaic (PV) insurance Allianz KampungKu Increase special perils awareness and complimentary special perils coverage for Motorcycle Plus
Social	<p>Employer of Choice</p> <ul style="list-style-type: none"> Career development & talent management: AllianzU; L.E.A.P programme Health & wellbeing: Mind Happiness programme; Flexible working model Diversity & Inclusion: EDGE certification (gender equality) <p>Responsible Corporate Citizen</p> <ul style="list-style-type: none"> Community outreach via Allianz4Good (RM2.75m towards CR efforts in 2022) Sponsorship support for para-athletes and MoveForward programme Allianz Junior Badminton Championship 	<p>Social Inclusion & Customer-centric Solutions</p> <ul style="list-style-type: none"> Solutions to support social inclusion e.g. <ul style="list-style-type: none"> Allianz Perlindunganaku (B40-focus) Allianz Ability Life (PwD-focus) Expedited flood claim payments facilitated by Claims Caravan and 4x4s Health Ecosystem: Allianz We Care Community; Allianz Care@Home Knowledge sharing e.g. partnering with Bomba to raise awareness on fire risk reduction measures; online talks on physical and mental health

- ✓ Enabled by good corporate governance practices as well as advocating for such practices e.g. RasuahBusters partnership
- ✓ Driven by the Local ESG Board with the support of a dedicated Sustainability Department and cross-functional ESG Taskforce
- ✓ ESG awareness and volunteering opportunities for all employees

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Adoption of new accounting standards of MFRS 9 *Financial Instruments* and MFRS 17 *Insurance Contracts*

Summary: Fundamentals unchanged, disclosure improved

1	General considerations	<ul style="list-style-type: none"> • Adoption of MFRS 9/17 welcome as supporting better visibility of profit emergence, higher transparency and comparability • Over 2 years of internal work to ensure readiness; actuarial and financial competencies coming closer together • Life business representation overall more significantly impacted
2	Key accounting changes	<ul style="list-style-type: none"> • Life: introduction of CSM¹, P&L based on CSM movement, VNB restated • P&C: claims reserve discounting, Loss component, CoR on insurance revenue • Lower P&L impact from assets market value changes
3	Strategic and value considerations	<ul style="list-style-type: none"> • No change in strategy following the introduction of MFRS 9/17 • Dividend capacity and Solvency position unchanged (under RBC² framework) • Profit emergence acceleration in Life, overall higher equity

1) Contractual service margin

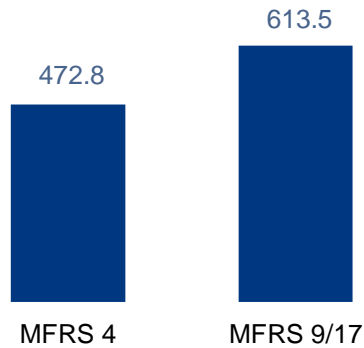
2) Risk Based Capital

Highlights 2022: Accelerated Results Under MFRS 9/17

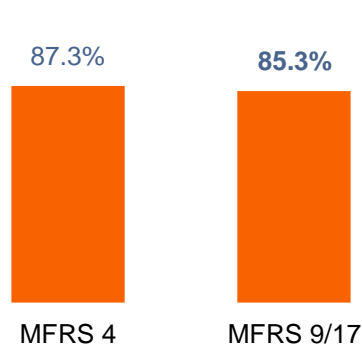
(31 December 2022)

Group	General Insurance	Life Insurance	
Gross Written Premium (RM' mil)			
6,023.0	2,656.3	3,366.7	
Insurance Revenue (RM' mil)			
4,450.1	2,597.8	1,852.3	
Profit Before Tax (RM' mil) (values in brackets based on MFRS 4)			
873.6 (704.4)	515.4 (462.6)	377.5 (287.2)	

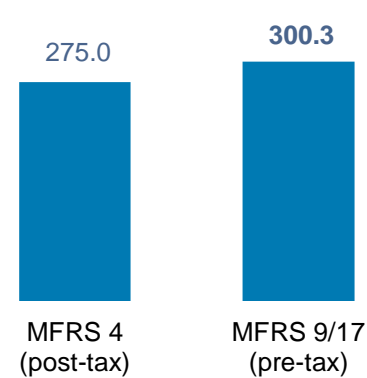
Shareholders' net income (in RM'mil)



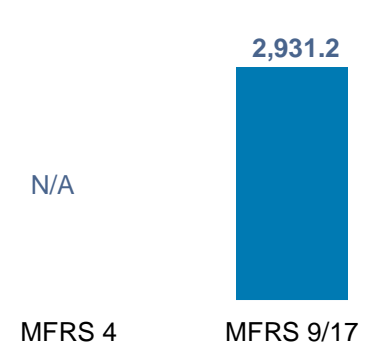
Combined ratio (in %)



New business value (in RM'mil)

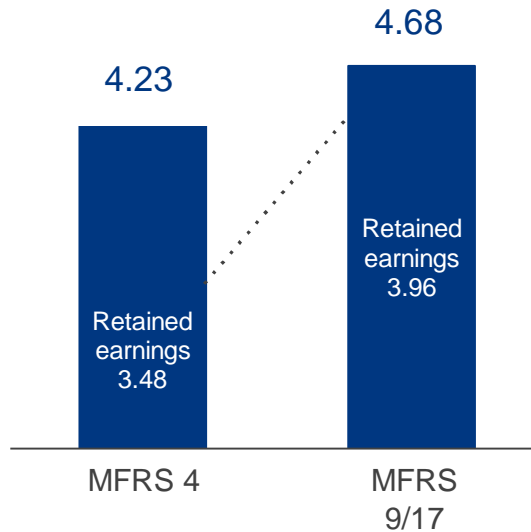


Contractual service margin ("CSM") (in RM'mil)



Highlights 2022: Accelerated Results Under MFRS 9/17

Group balance sheet equity (RM' bil)
31 December 2022

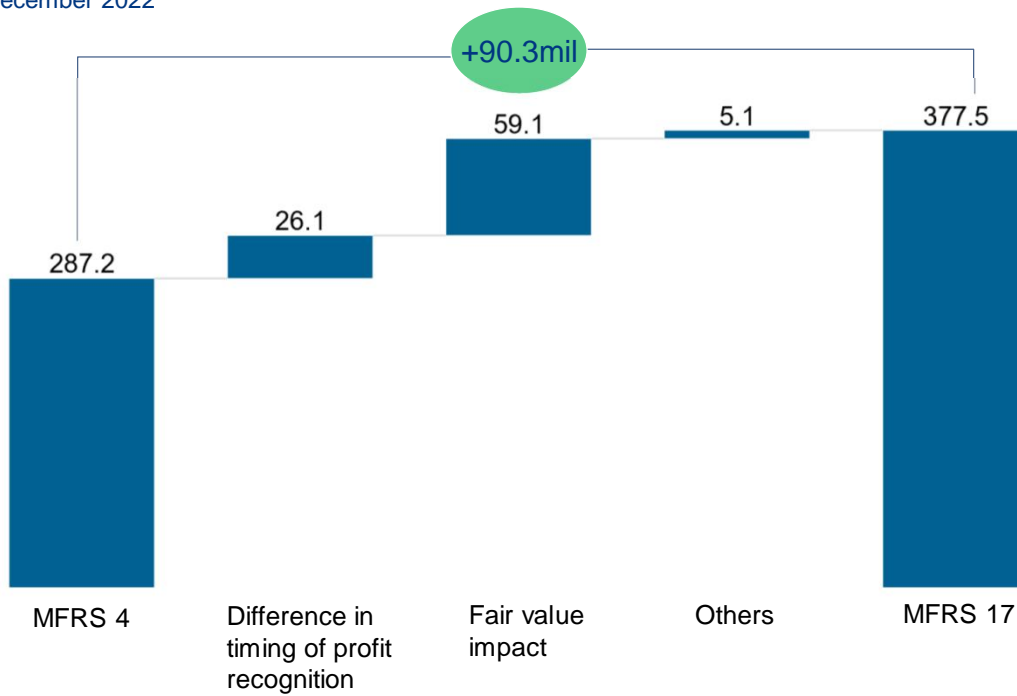


Highlights

- Difference versus MFRS 4 mainly driven by difference in profit emergence in the life insurance business;
- Higher retained earnings for general insurance business from first time adoption of MFRS 17 with introduction of discounting of claims reserves and deferral of expenses.

Life Segment Profit Before Tax Changes

Profit before Tax (RM' mil)
31 December 2022

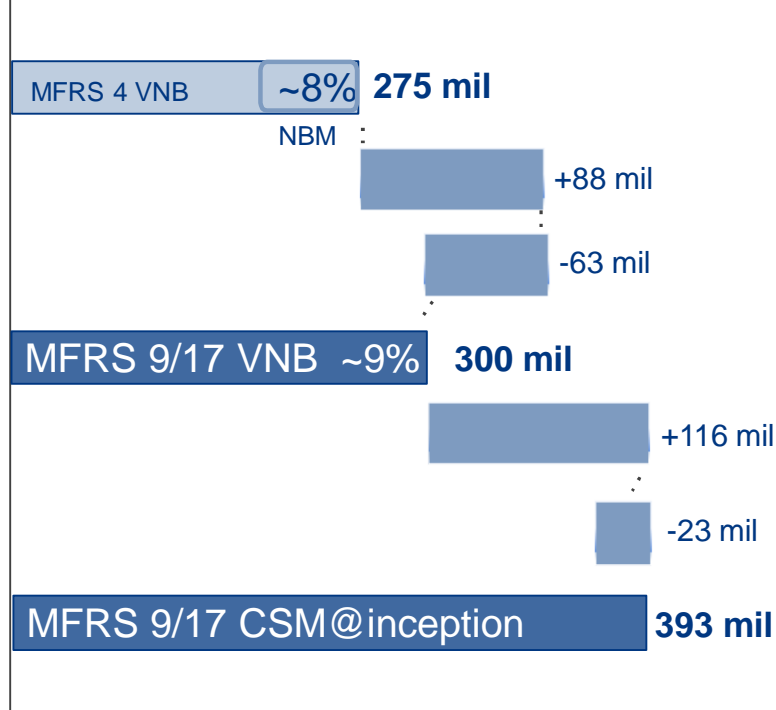


Profits under MFRS 17 against MFRS 4 mainly due to:

- Acceleration of profit under MFRS 17 for investment-linked business
- Fair value impact on investment assets being recognised in OCI

Life Segment New Business Value Aligned to MFRS 17 Framework

Value of new business (“VNB”) (RM’ mil)
31 December 2022

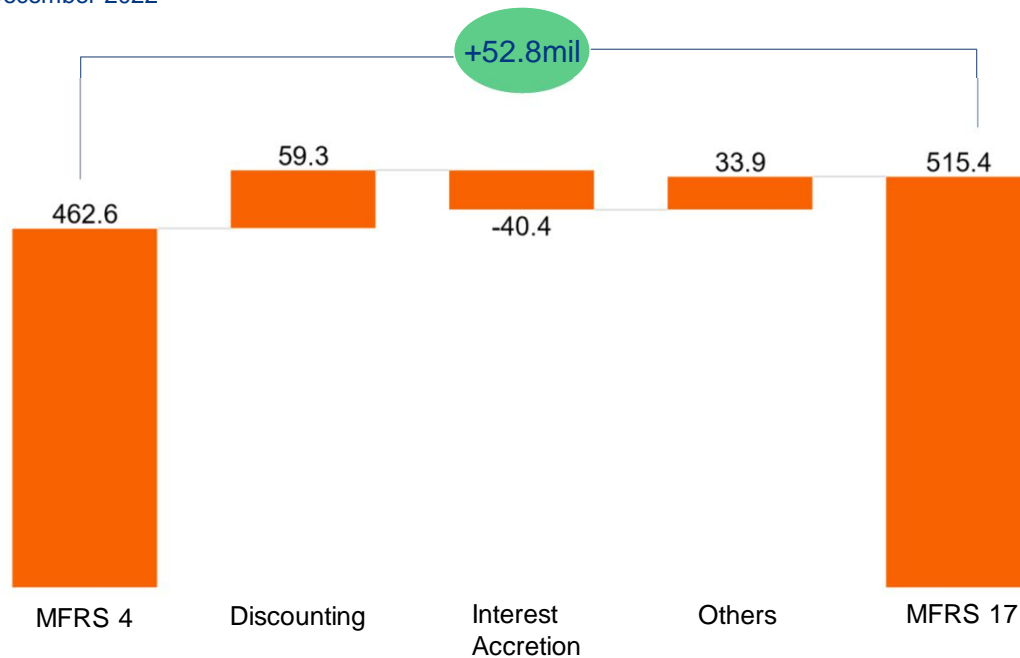


Highlights

	MFRS 4 KPI for new business value; basis for NBM
Tax	MFRS 9/17 view is before tax
Valuation basis	Difference in risk adjustment, valuation curve and contract boundaries
	MFRS 9/17 KPI for new business value; basis for NBM
Non-attr. cost / reinsurance	CSM@inception is before non-attributable cost and reinsurance, which are separate profit line items
Scope	Premium allocation approach business not in scope of MFRS 17 (= no CSM)
	KPI for CSM movement

General Segment Profit Before Tax Changes

Profit before Tax (RM' mil)
31 December 2022



Profits under MFRS 17 against MFRS 4 mainly due to:

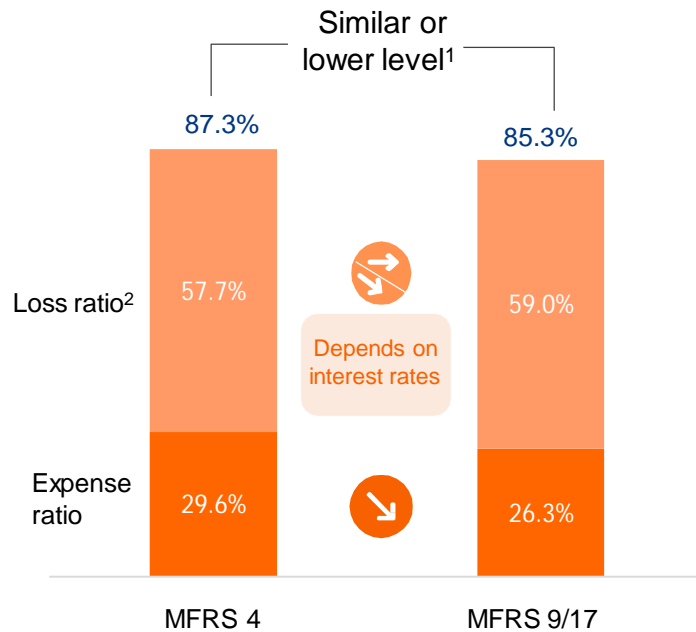
Higher PBT from discounting on claims due to higher interest rate

Others: Fair value impact on investment assets being recognised in FVPL, loss component and deferral of acquisition cost

General Segment Combined Ratio In Detail

Combined ratio ("CoR")

31 December 2022



Highlights

New topline: CoR calculation based on gross instead of net premiums earned

- Lower loss ratio due to discounting of current accident year claims reserves
- Secondary discounting impact on prior year claims reserves will affect the loss ratio; minimal impact expected
- Movement in loss component will affect the loss ratio
- Reclassification of claims function expenses from expenses

- Lower expense ratio following move from net to gross view and reclassification of claims function expenses to claims
- Includes non-attributable cost, i.e., same cost basis as under MFRS 4

Notes:

1) Based on current interest rate environment

2) Including reinsurance result with reinsurance ratio of 11.0% under MFRS 9/17

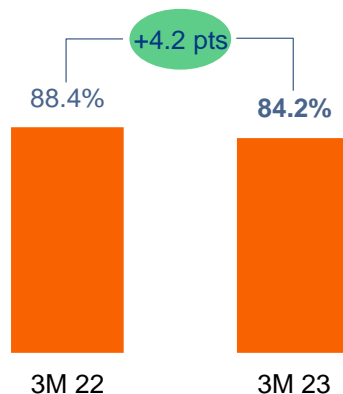
Financial Highlights 3M 2023

Group	General Insurance	Life Insurance	
Gross Written Premium (RM' mil)			
1,705.3 (+4.6%)	776.1 (+4.7%)	929.2 (+4.5%)	
Insurance Revenue (RM' mil)			
1,161.4 (+9.2%)	661.5 (+8.1%)	499.9 (+10.8%)	
Profit Before Tax (RM' mil)			
232.3 (+7.8%)	139.8 (+50.3%)	96.5 (-26.6%)	

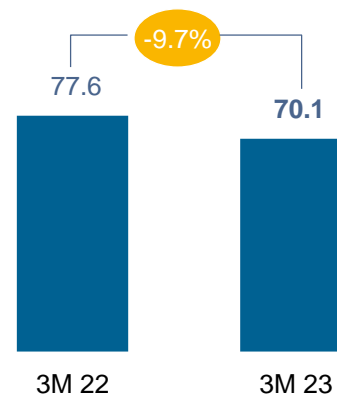
Shareholders' net income
(in RM'mil)



Combined ratio
(in %)



New business value
(in RM'mil)



Contractual service margin
("CSM") (in RM'mil)

