



Allianz Malaysia Berhad  
197201000819 (12428-W)

# 50th Annual General Meeting

Thursday, 20 June 2024

Annexure I

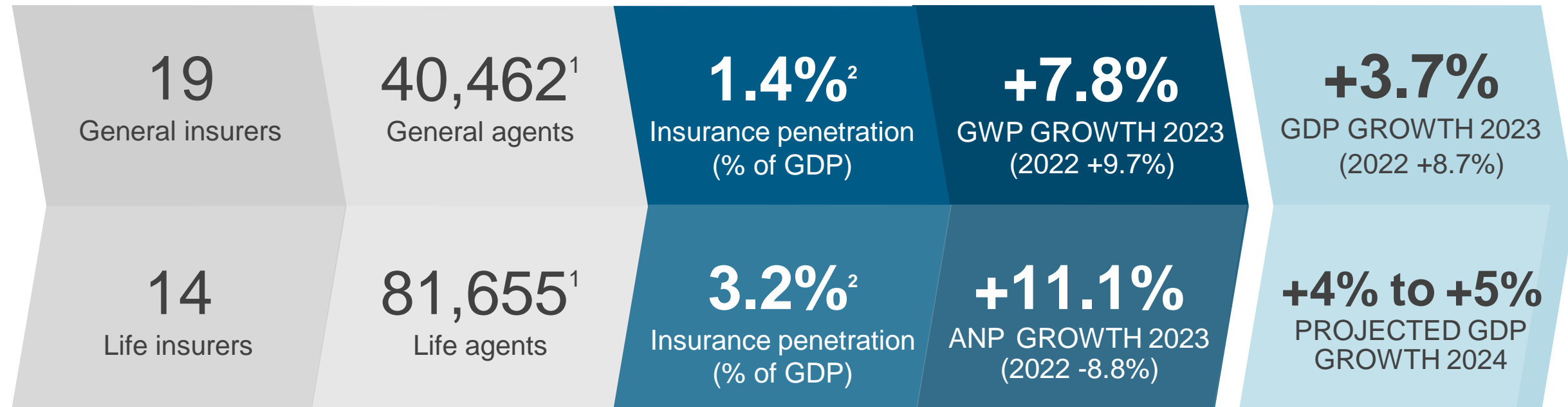


# Content / topics

- 1 Group Performance
- 2 Embedding Sustainability into our Business
- 3 Overview of Q1 2024 Results
- 4 Life Business
- 5 General Business
- 6 Allianz Malaysia IT Transformation

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

## Malaysian Conventional Insurance Industry



+ Life insurance & Family Takaful coverage of 42.0%<sup>3</sup>

Data source:-

1 No. of Agents in 2023 – General from BNM Statistics Report 2023 on Insurance Key Indicators and Life from LIAM Annual Report 2023

2 Defined as Gross Written Premium / Gross Domestic Product as at 2023

3 Percentage of Malaysians adults who own at least one individual life insurance or family takaful policy in 2021 (Source: Bank Negara Malaysia)

# Sound fundamental business to overcome the challenges

FY 2023

**RM 6.55bn**

+ 8.7% (2022 +5.8%)

**GWP**



**RM 4.94bn**

+ 11.8%

**Insurance revenue**



**RM 956.9mn**

+9.5%

**Profit before tax**



ALIM	RM 411.2mn	+8.9%
AGIC	RM 556.2mn	+7.9%
Investment holding	RM (10.5mn)	+45.3%

**RM 25.92bn**

+ 8.1%

**Total assets**



**RM 14.85**

+9.9%

**Diluted net asset  
value per ordinary  
share**



**RM 1.01**

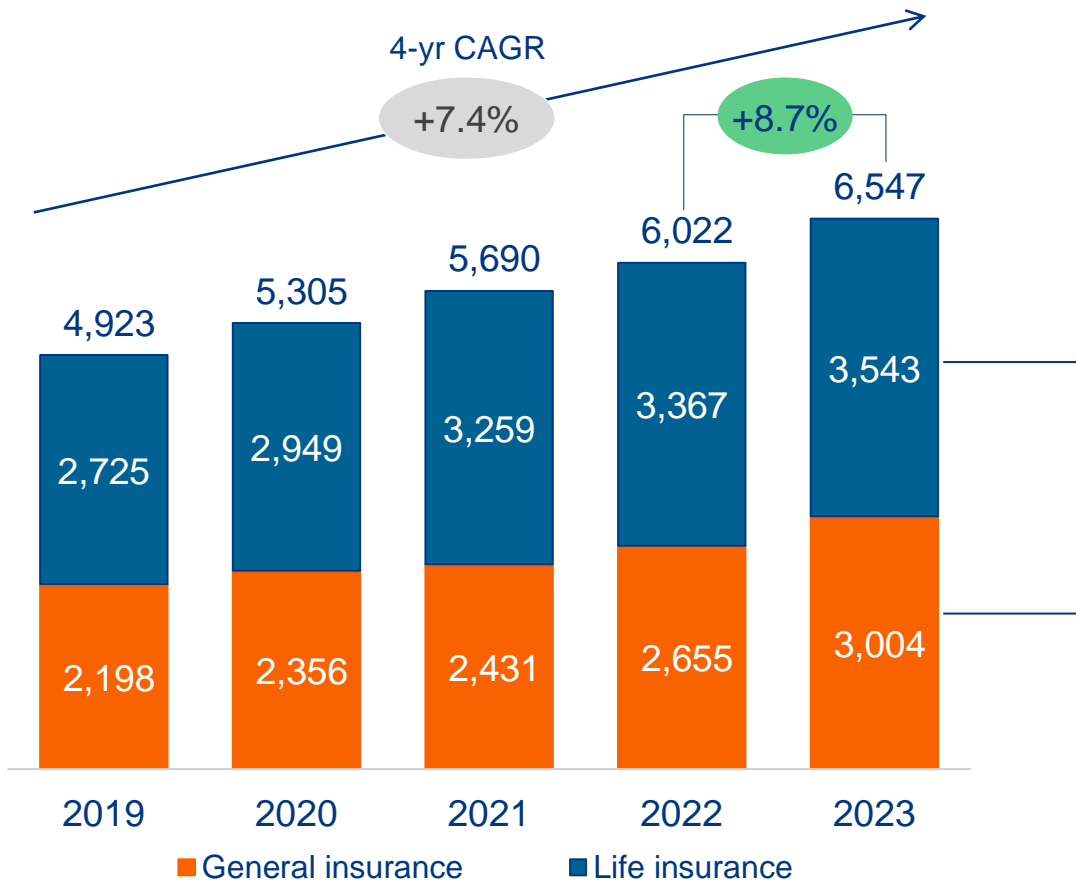
+18.2% (2022 +34.9%)

**Dividend per  
ordinary share**



# Diversification in two strong pillars of businesses: maintain market leadership in general insurance and deliver double digit growth in life insurance

Gross Written Premium (GWP) (RM' mil)



## Allianz Life

+5.2% y-o-y growth

Allianz Life achieved top 4 position in ANP, with 9.8% market share<sup>1</sup> (2022 9.5%)

## Allianz General

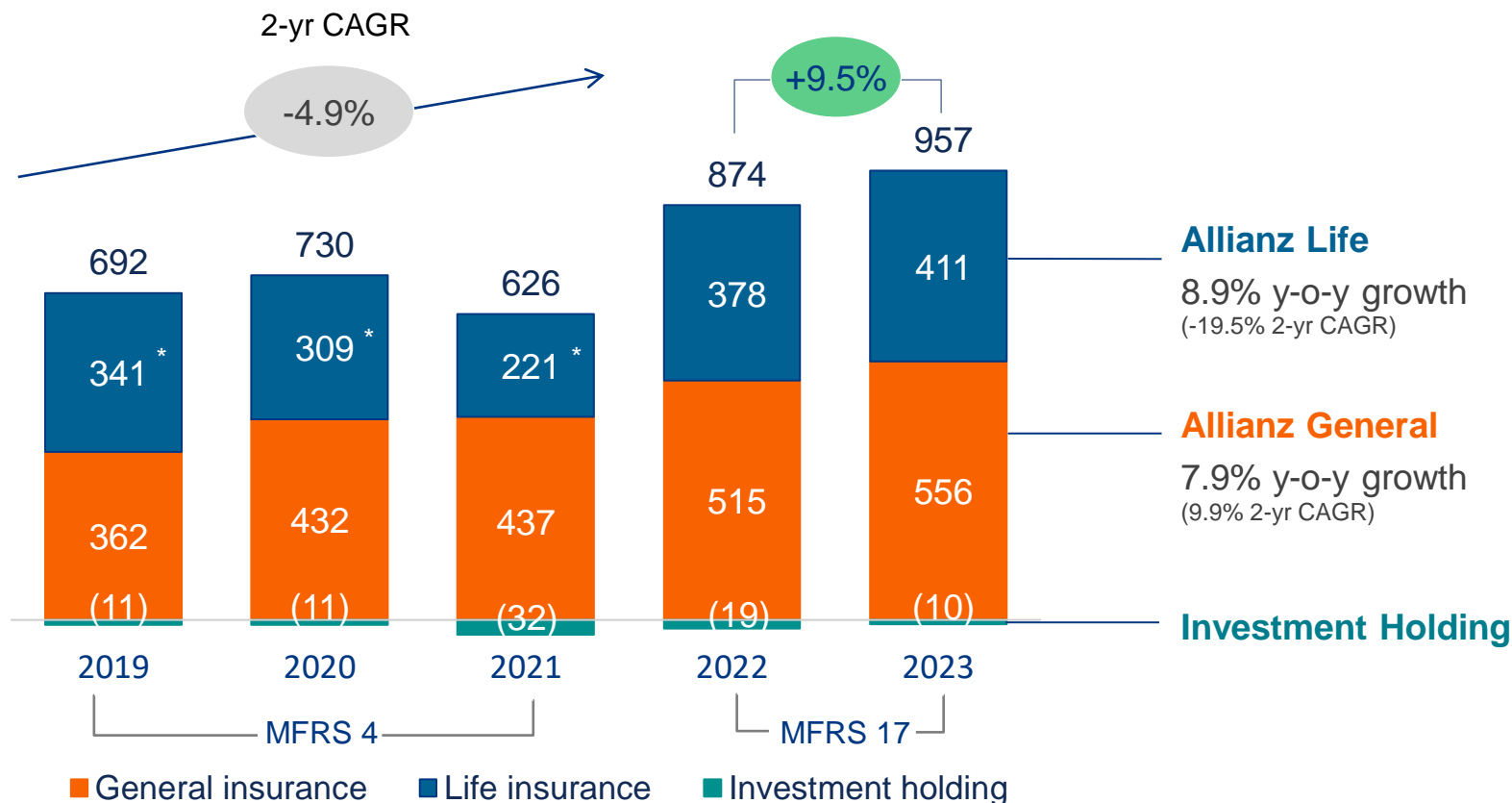
+13.1% y-o-y growth

Allianz General maintained its market leader position with 14.0% market share<sup>2</sup> (2022 13.3%)

1 Source: LIAM industry statistics Jan-Dec 2023  
2 Source: ISM Market Performance Report Jan-Dec 2023

# Resilient and diversified business portfolio contributing to strong earnings for Group

Profit before Tax (RM' mil)



Maintain strong discipline in pricing & prudent expense management

Deliver healthy and sustainable margins. Achieved NBV of RM349 mil in 2023

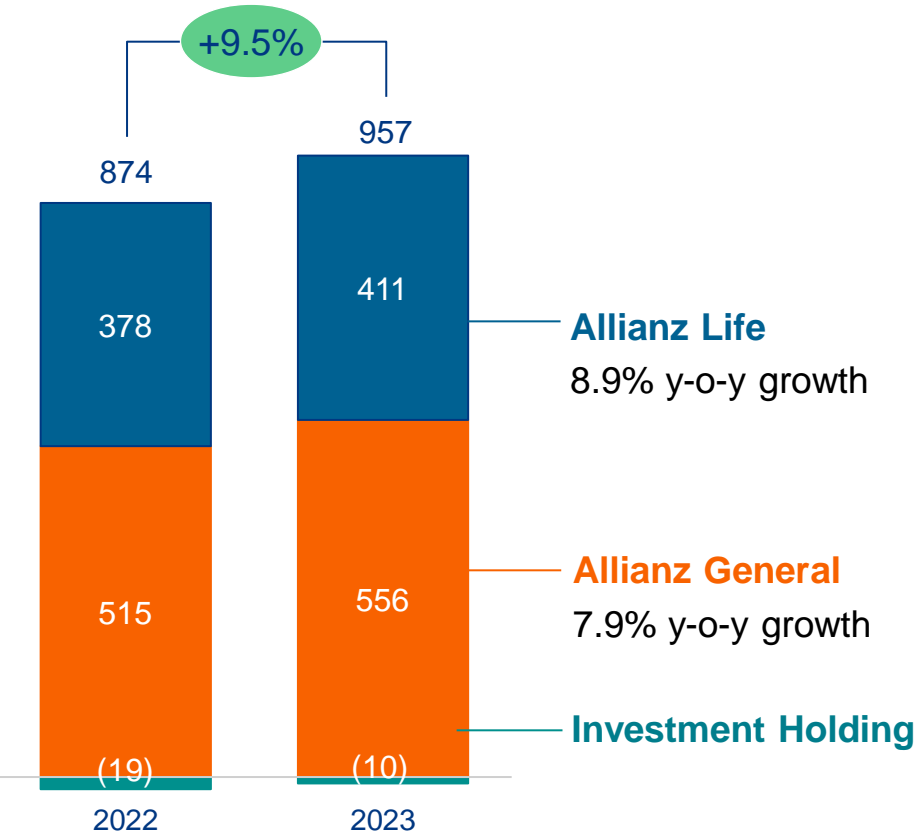
Focus on profitable growth and technical excellence to deliver in a phased-liberalisation environment. Achieved Net Combined Ratio of 85.7%.

\* Core profit for life insurance FY2019 RM273 mil; FY2020 RM270 mil; FY2021 RM267 mil

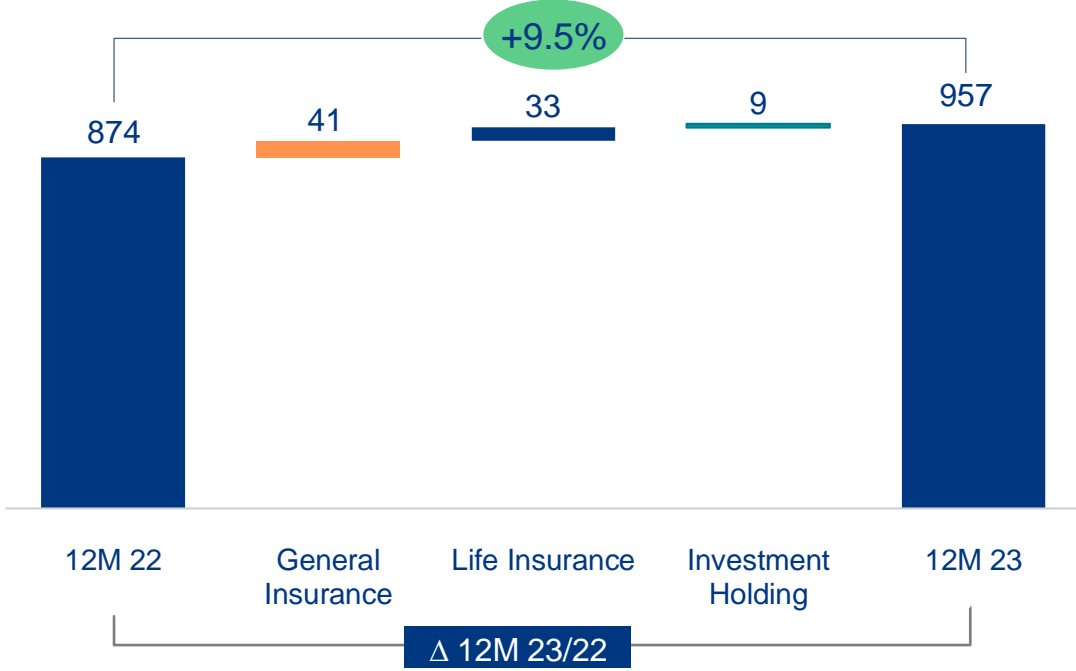


# Delivered higher profit. Strong profit contribution from both General and Life Insurance segment

Profit Before Tax (RM' mil)



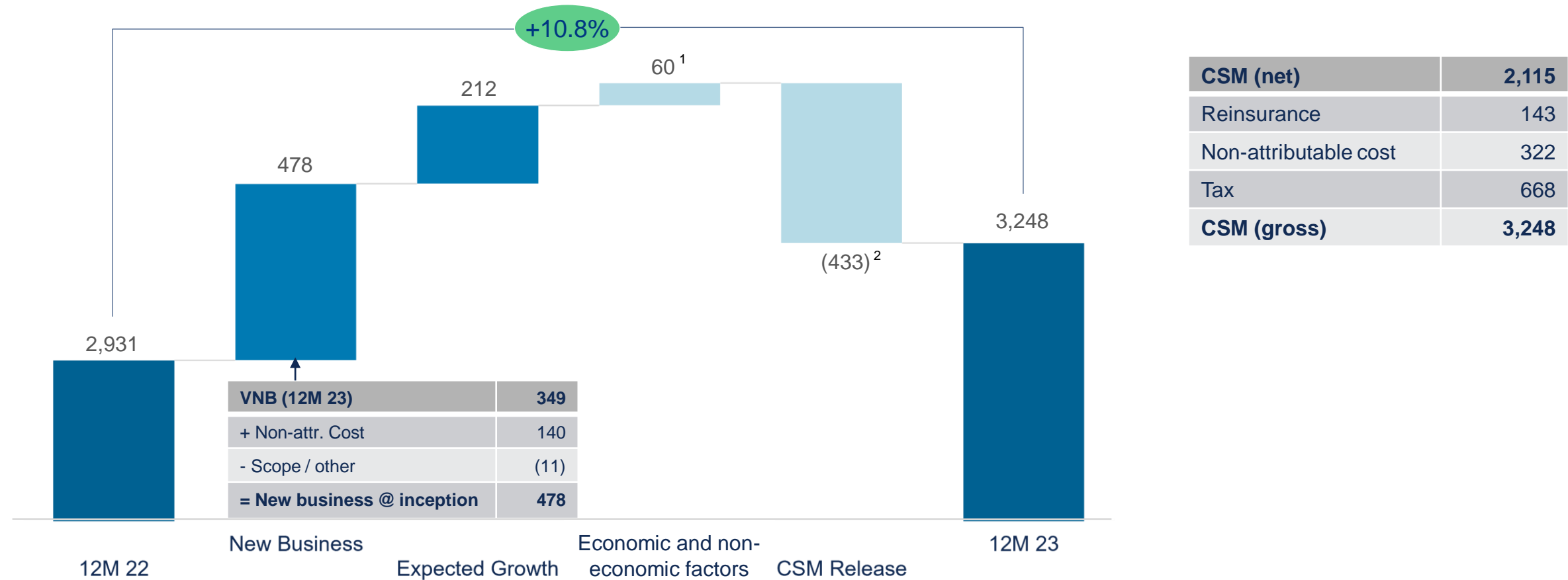
PBT drivers (RM' mil)



12M 2022	515	378	(19)	874
12M 2023	556	411	(10)	957
Change	41	33	9	83
Change (%)	7.9%	8.9%	45.3%	9.5%

# Life Business: Contractual Service Margin (“CSM”) growth good at 10.8%

Contractual Service Margin (RM’ mil)



Note 1 : Increase in CSM is driven by the change in non-financial assumptions mainly due to revision for persistency and mortality assumption.  
Note 2 : Higher CSM release due to 1) new business; 2) non-financial assumption update.



# Our solid track record

## MFRS 4 BASIS

RM'mil	2020	2021	2022	3 YEAR CAGR (2019-2022)
Gross Written Premiums	5,305.2	5,689.6	6,021.7	6.9%
CSM Release	N/A	N/A	N/A	N/A
Expense Ratio (Non Life) <sup>1</sup>	32.9%	31.2%	29.6%	2.3 pts
Expense Ratio (Life) <sup>2</sup>	9.4%	9.9%	9.9%	0.6 pts
Local Consolidated PBT	729.6	625.6	704.4	0.6%
Total Assets	21,896.7	23,643.5	24,683.1	7.8%
Shareholders' Equity	4,031.5	4,144.2	4,230.0	4.8%
Dividends declared	220.44	239.35	322.88	9.3%
Diluted earnings per ordinary share (sen)	150.29	138.29	136.60	(1.4%)
Return on equity	13.5%	11.7%	11.3%	(6.9 pts)
Return on equity (Non Life)	14.8%	14.8%	13.4%	0.0 pts
Return on equity (Life)	14.5%	9.8%	10.7%	(17.4 pts)

## MFRS 17 BASIS

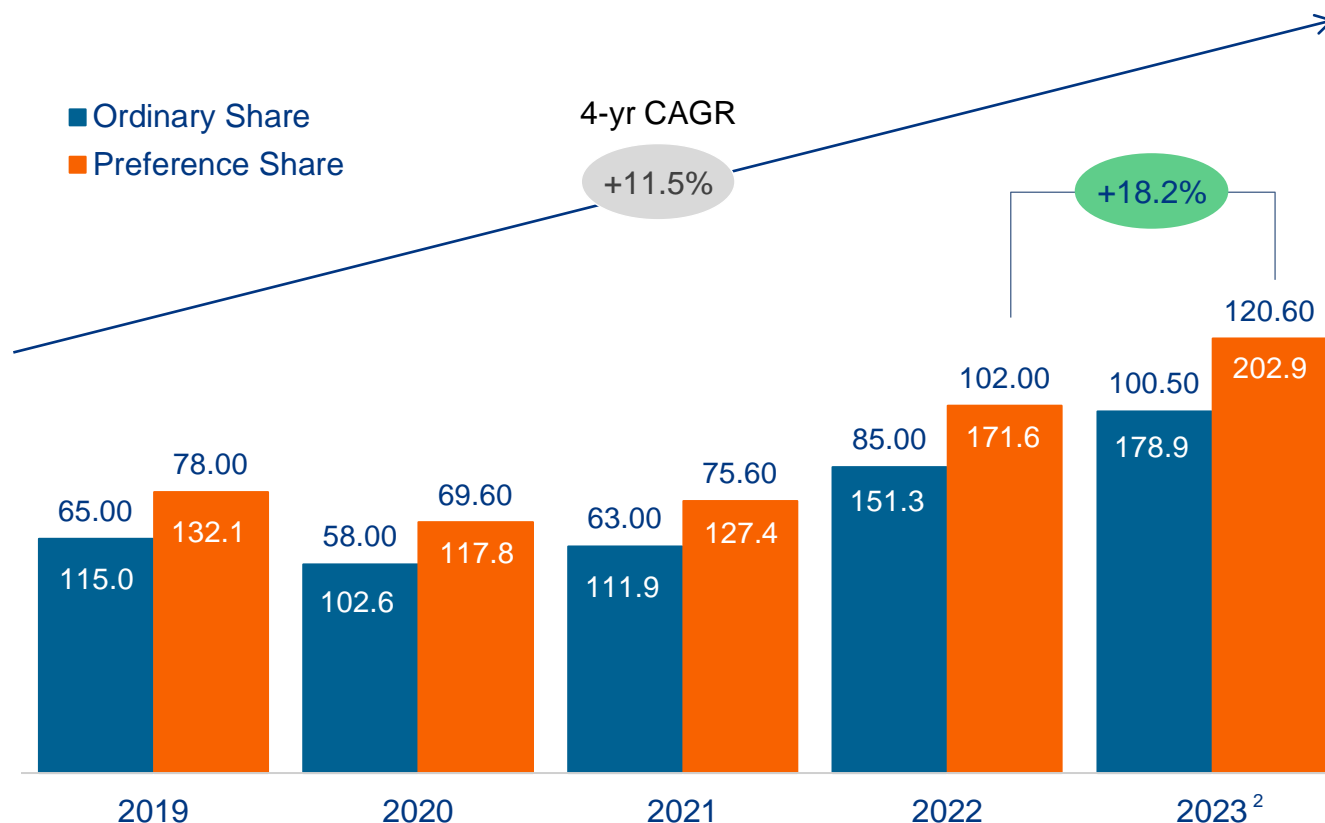
2022	2023
6,023.0	6,546.5
368.6	433.1
26.6%	26.3%
9.8%	12.1%
873.7	956.9
23,989.7	25,921.9
4,677.2	5,140.6
322.88	381.75
177.29	211.12
13.3%	14.8%
14.9%	18.1%
14.2%	14.8%

Note 1 : Expense ratio for Non Life insurance segment consists of commission and management expense (MFRS 4); both attributable and non attributable acquisition and administration expenses (MFRS 17).

Note 2 : Expense ratio for Life insurance segment weighted for 10% of Single Premium.

# Declared highest dividend for financial year 2023 with RM382 mil paid

Dividend Per Share (RM sen)



	2021 (MFRS 4)	2022 (MFRS 17)	2023 (MFRS 17)
Dividend Yield <sup>1</sup>	5.4%	6.6%	5.9%
Payout Ratio	50.0%	52.6%	52.2%

**2024 First Interim Dividend declared and to be paid on 12 June 2024 (c. ~ RM 101 mil)**

- (a) 26.5 sen per OS
- (b) 31.8 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
- Sufficient capital to withstand shock

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

<sup>1</sup> Dividend yield = average of OS and ICPS dividend yield

<sup>2</sup> Includes an extraordinary dividend income of RM30 mil from life insurance segment with the first time adoption of MFRS 17

# Content / topics

- 1 Group Performance
- 2 Embedding Sustainability into our Business**
- 3 Overview of Q1 2024 Results
- 4 Life Business
- 5 General Business
- 6 Allianz Malaysia IT Transformation

# Our key sustainability progress in 2023 – our environmental efforts and results:

## E Environmental

### Embedding Env. Efforts Into Own Operation

**100% Scope 2 emissions offset** with 100% renewable electricity through the purchase of International Renewable Energy Certificates (i-RECs)

**30% energy reduction** per employee from 2019 baseline

**54% travel reduction** per employee from 2019 baseline

**49% recycled waste**

**52% waste reduction** per employee from 2019 baseline

**76% paper reduction** per policy from 2019 baseline

### Environmental Offering To Combat Env. Risks As An Insurer

Conducted **Qualitative Climate Risk Assessment** on key business area to ensure business resilience

Additional **flood benefits** provided in products and services offered

**26% YoY GWP growth** of SolarPro All Risk PV

# Our key sustainability progress in 2023 – our social efforts and results:

## S Social

### Accredited Employer Of Choice With Recognitions

**89%**  
Employee Engagement  
Index

**84%** Work Well Index+

**89%**  
Inclusive Meritocracy Index

Advanced level of  
certification to **EDGE MOVE\***

**RM1.6 mil spent**  
on training & development

**194,691**  
total training/learning hours  
as a company

**96 training hours** per  
employee

### Our Reach To The Unserved/Underserved As A Responsible Business and Citizen

**5 affordable products**  
were offered under  
“Insuran Rahmah” category  
for wider reach of insurance  
especially for the B40

**RM2.0 mil** channeled  
towards corporate social  
responsibility efforts  
via Allianz4Good

**18,923**  
social beneficiaries across  
corporate social  
responsibility initiatives

\* EDGE – Certification for Workplace Diversity, Equality & Inclusion

# Our key sustainability progress in 2023 – our governance efforts and progress witness by:

## G Governance

### Governance & Ethics As Our Core Value

**100%**  
participation in  
Anti-Corruption  
and Antitrust  
training

Enhanced  
**whistleblowing**  
process with  
SpeakUp@Allianz

Enhanced  
sustainability  
criteria (ESG) in  
**Vendor Code  
of Conduct**  
in our business  
value chain

### Embraced International <IR> Disclosure Framework

**Our 1<sup>st</sup> Inaugural  
Integrated  
Report**

**60**  
**Non-Financial  
(ESG) Indicators**  
assured by  
external party

### Sustainability Governance

BOD oversight  
**Local ESG Board**  
for sustainability  
directions, targets  
and matters

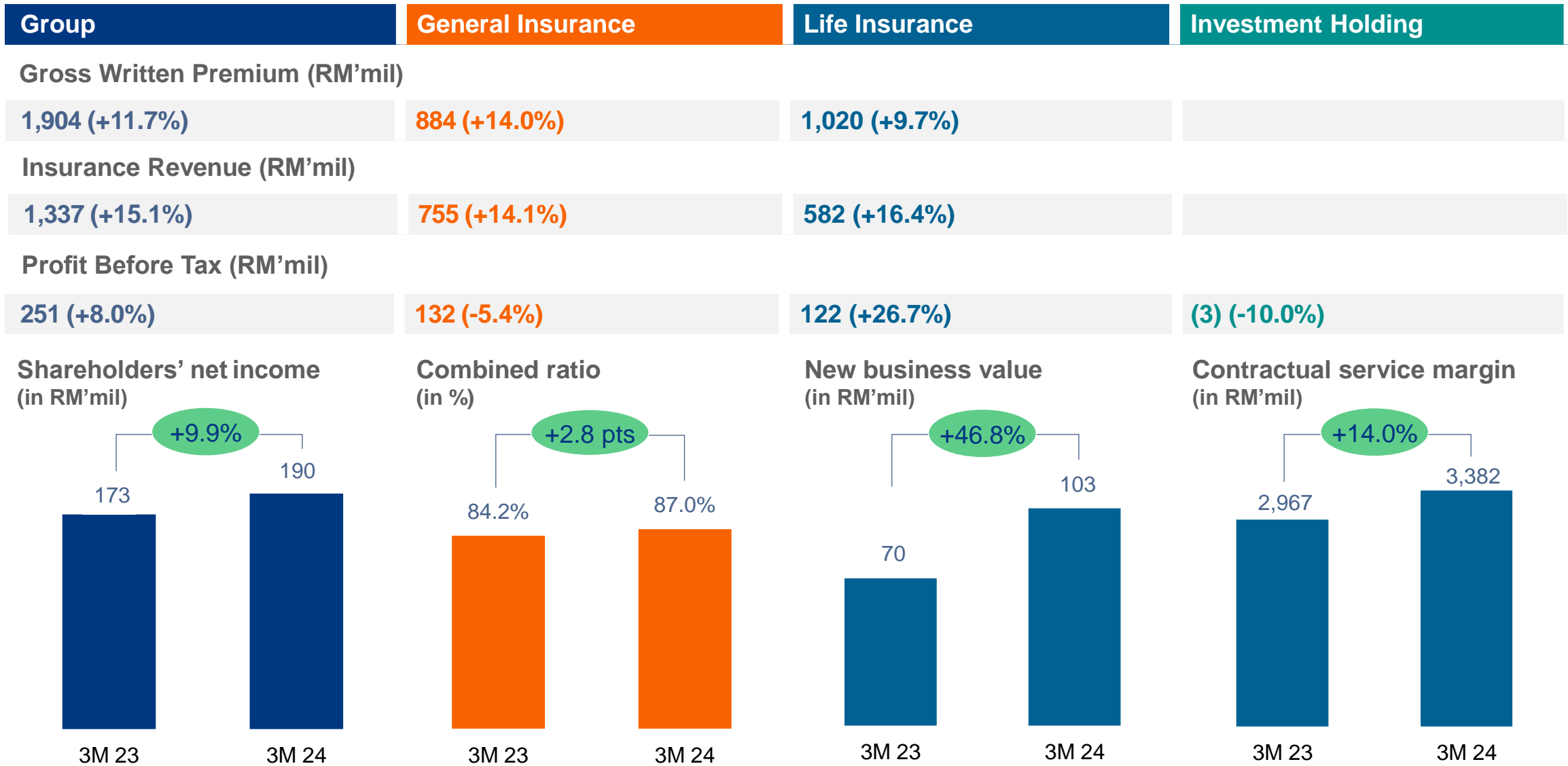
**ESG Screening**  
for 13 sensitive  
businesses

# Content / topics

- 1 Group Performance
- 2 Embedding Sustainability into our Business
- 3 Overview of Q1 2024 Results**
- 4 Life Business
- 5 General Business
- 6 Allianz Malaysia IT Transformation

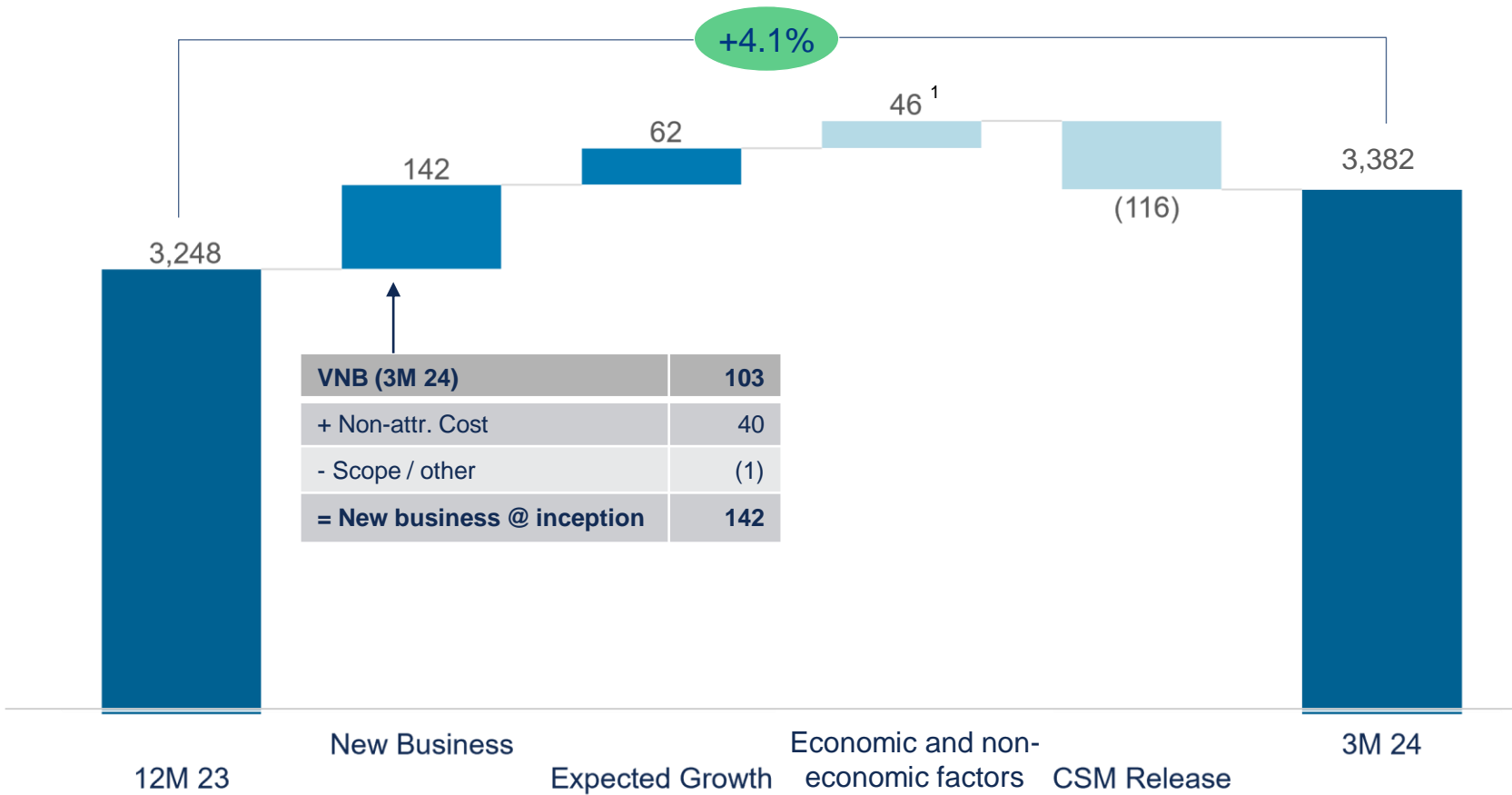


# Financial Highlights 3M 2024



# Life Business: CSM growth good at 4.1%

Contractual Service Margin (RM' mil)



CSM (net)	2,209
Reinsurance	144
Non-attributable cost	331
Tax	698
CSM (gross)	3,382

*Note 1: Higher economic and non-economic factors due to better unit fund performance for Investment-Linked and Universal Life portfolios; ongoing effort in medical repricing; and repricing top up premium collection due to medical repricing*

# Financial Overview

RM'mil	2022	2023	△23/22 %	3M 2023	3M 2024
Gross Written Premiums	6,023.0	6,546.5	8.7%	1,705.3	1,904.3
CSM Release	368.6	433.1	17.5%	95.0	115.6
Expense Ratio (Non Life) <sup>1</sup>	26.6%	26.3%	(0.3 pts)	24.8%	24.1%
Expense Ratio (Life) <sup>2</sup>	9.8%	12.1%	2.3 pts	10.6%	11.1%
Local Consolidated PBT	873.7	956.9	9.5%	232.3	251.0
Total Assets	23,989.7	25,921.9	8.1%	24,253.2	26,794.2
Shareholders' Equity	4,677.2	5,140.6	9.9%	4,917.7	5,336.3
Dividends declared	322.88	381.75	18.2%	-	-
Diluted earnings per ordinary share (sen)	177.29	211.12	19.1%	49.88	54.83
Return on equity	13.3%	14.8%	1.5 pts	-	-
Return on equity (Non Life)	14.9%	18.1%	3.2 pts	-	-
Return on equity (Life)	14.2%	14.8%	0.6 pts	-	-

Note 1 : Expense ratio for Non Life insurance segment consists of both attributable and non attributable acquisition and administration expenses.

Note 2 : Expense ratio for Life insurance segment weighted for 10% of Single Premium.

Note 3 : First interim dividend declared on 29 May 2024 with estimated dividend payable of RM100.7 million.

# Content / topics

- 1 Group Performance
- 2 Embedding Sustainability into our Business
- 3 Overview of Q1 2024 Results
- 4 Life Business**
- 5 General Business
- 6 Allianz Malaysia IT Transformation

# Allianz Life: significantly outperformed industry with growth from agency channel and employee benefit channel

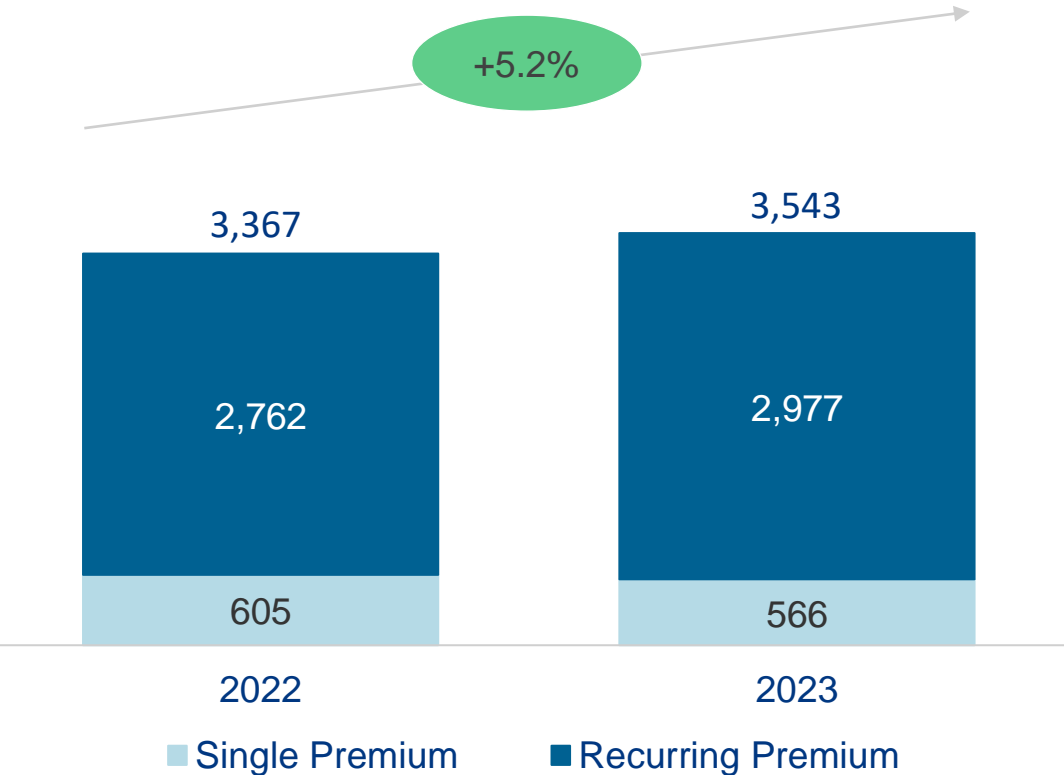
Annualised New Business

Distribution Channel	← 12M 2023 Growth →				12M 2022 Growth		5-year CAGR (2018 – 2023)	
	ALIM (% Growth)	Industry (% Growth)	Market Share	Market Rank	ALIM (% Growth)	Industry (% Growth)	ALIM	Industry
Agency (Traditional)	7.4%	1.7%	18.1%	2	-4.1%	-6.1%	9.8%	2.9%
Agency (IL)	23.7%	8.7%	9.6%	4	-16.1%	-11.8%	4.7%	4.7%
Agency (Total)	17.9%	7.2%	11.3%	4	-12.2%	-10.6%	6.2%	4.3%
Bancassurance	5.2%	17.6%	7.1%	6	21.1%	-7.0%	17.6%	7.6%
Employee Benefits	23.3%	17.7%	11.7%	3	13.2%	6.7%	14.8%	6.5%
<b>Total</b>	<b>14.6%</b>	<b>11.1%</b>	<b>9.8%</b>	<b>4</b>	<b>-3.8%</b>	<b>-8.8%</b>	<b>8.9%</b>	<b>5.5%</b>

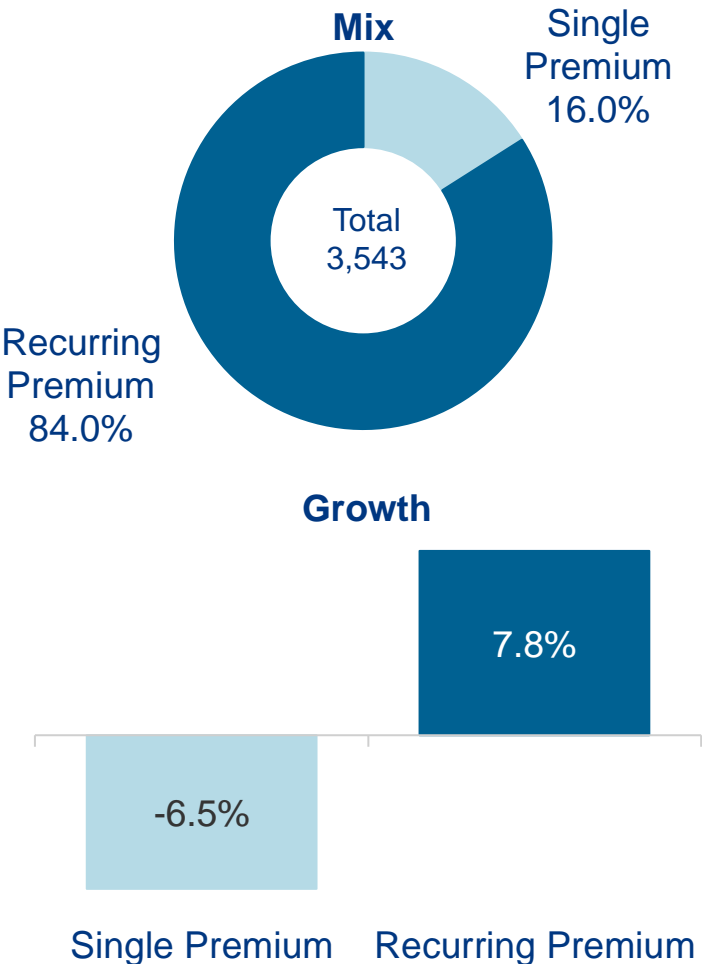
Source: LIAM NB Statistics (2022 & 2023)

# Life Business: GWP growth driven by recurring premium growth from first year and renewal year premium

Gross Written Premium (GWP) (RM' mil)

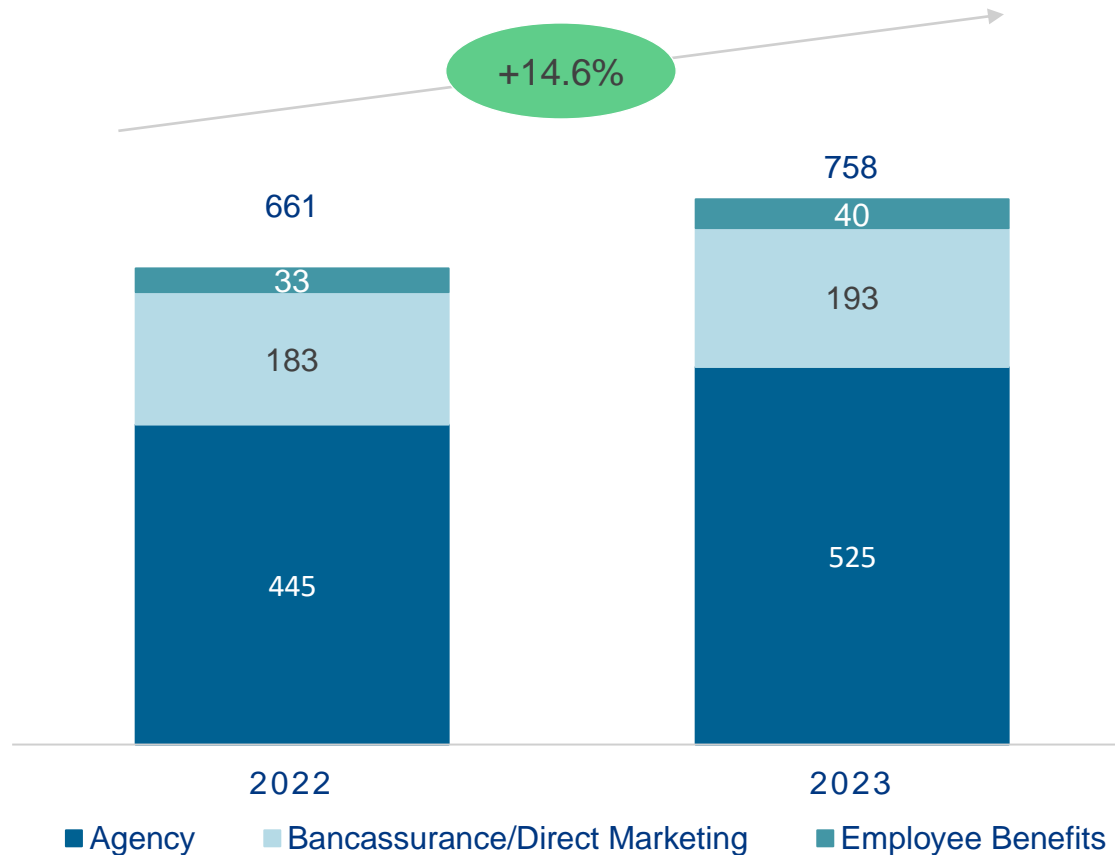


GWP Mix & Growth (%) (12M 2023)

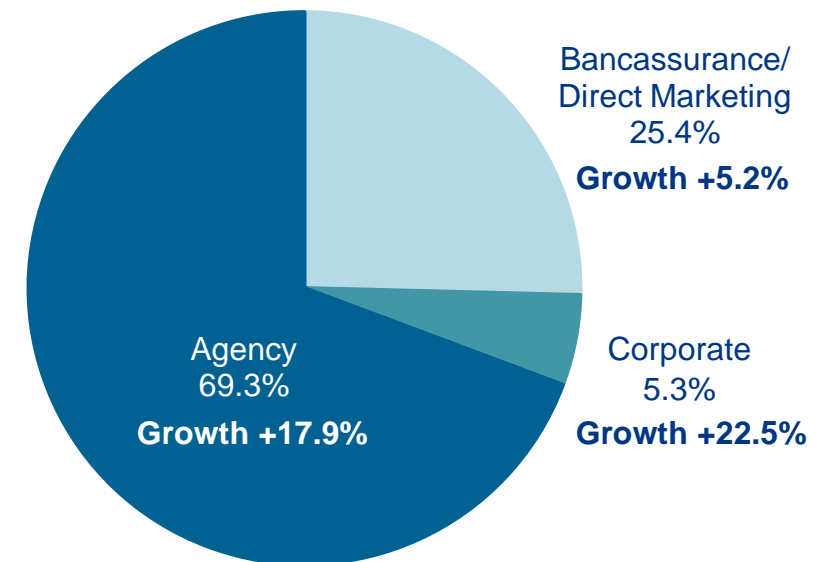


# Life Business: growth in ANP driven by all key distribution channels

Annualised New Premiums (ANP) (RM' mil)



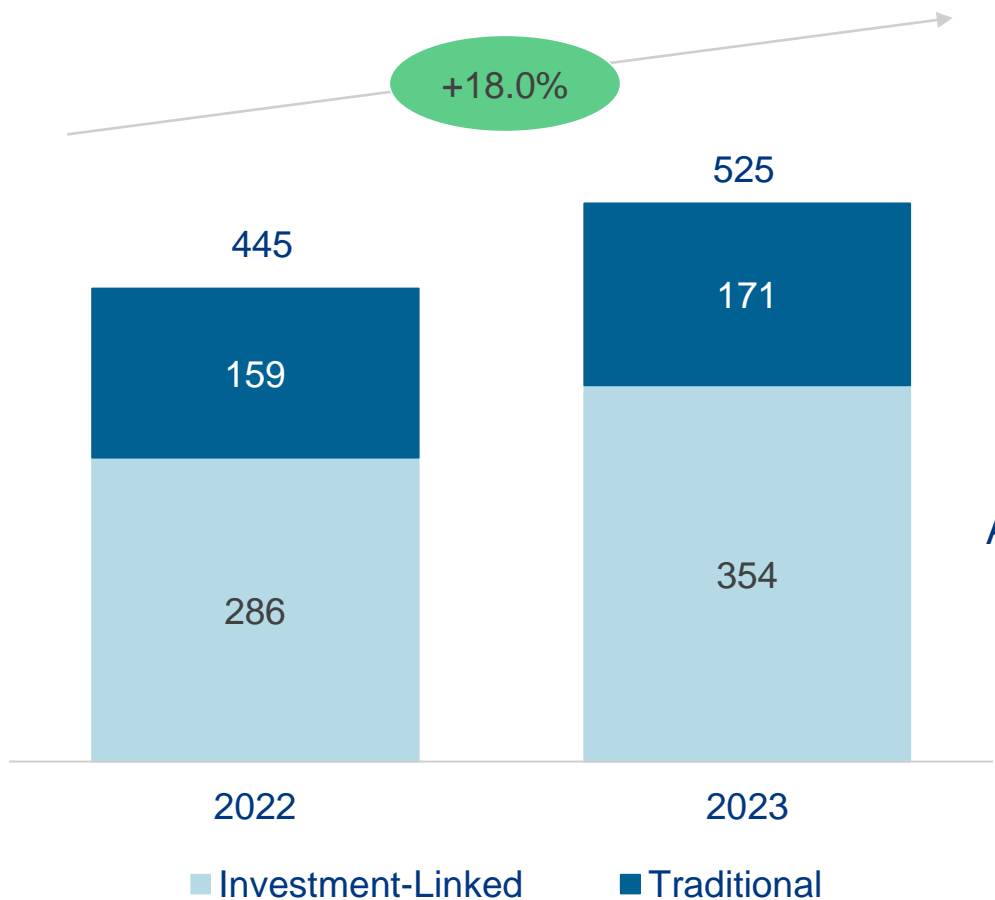
ANP Channel Mix (%) (12M 2023)



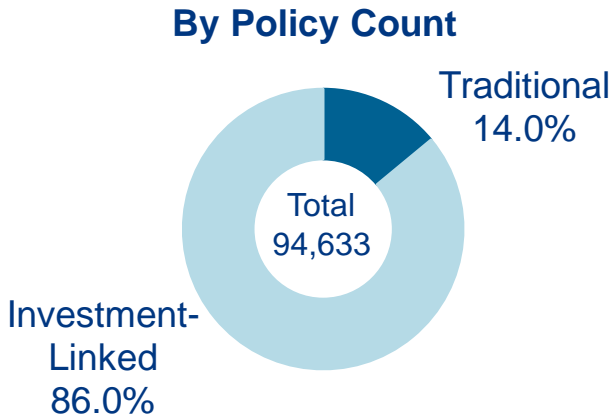
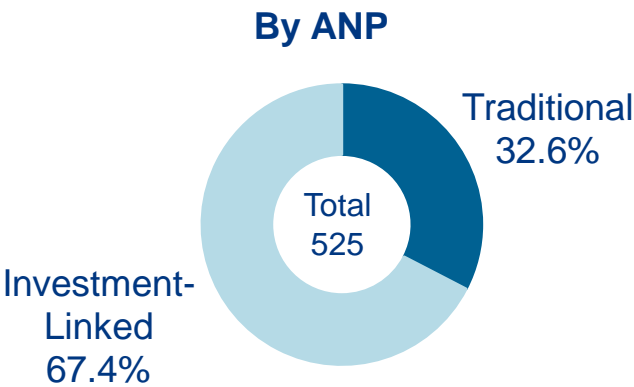


# Life Business (Agency): continue focus on preferred segment of regular investment-linked products with better margins

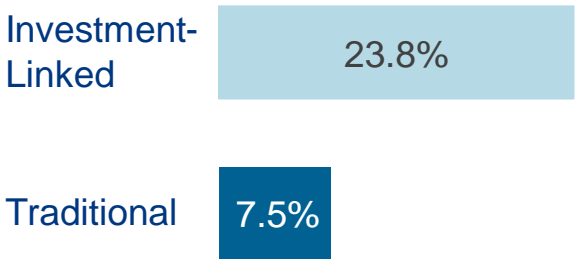
Agency Annualised New Premiums (ANP) (RM' mil)



Agency Product Mix (%) (12M 2023)



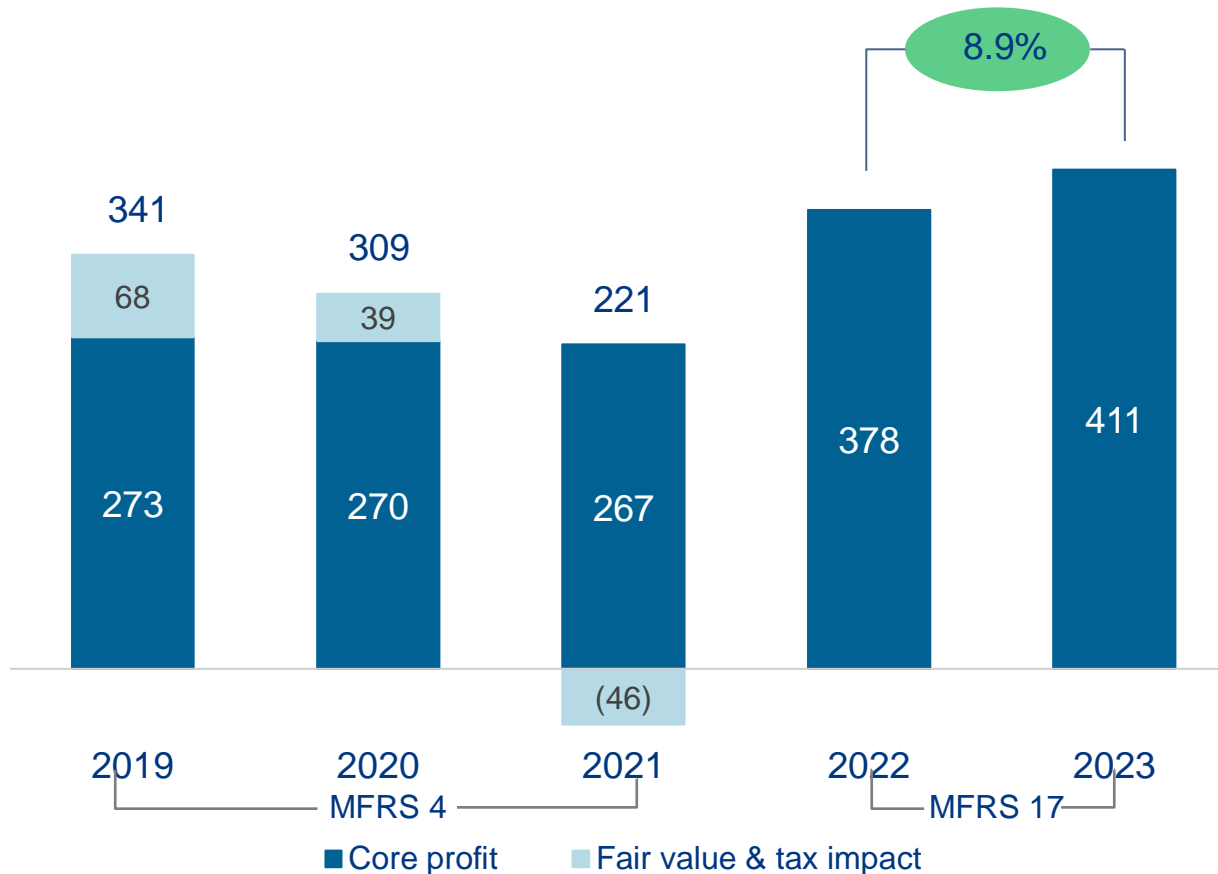
Agency ANP Growth (%) (12M 2023)



	CEO Program Recruits Headcount		Total New Recruits Headcount	
	2023	Growth	2023	Growth
Q1	133	+34.3%	301	-6.5%
Q2	208	+96.2%	461	+25.6%
Q3	180	+87.5%	517	+81.4%
Q4	191	>100%	705	>100%
Total	712	+85.4%	1,984	+56.0%

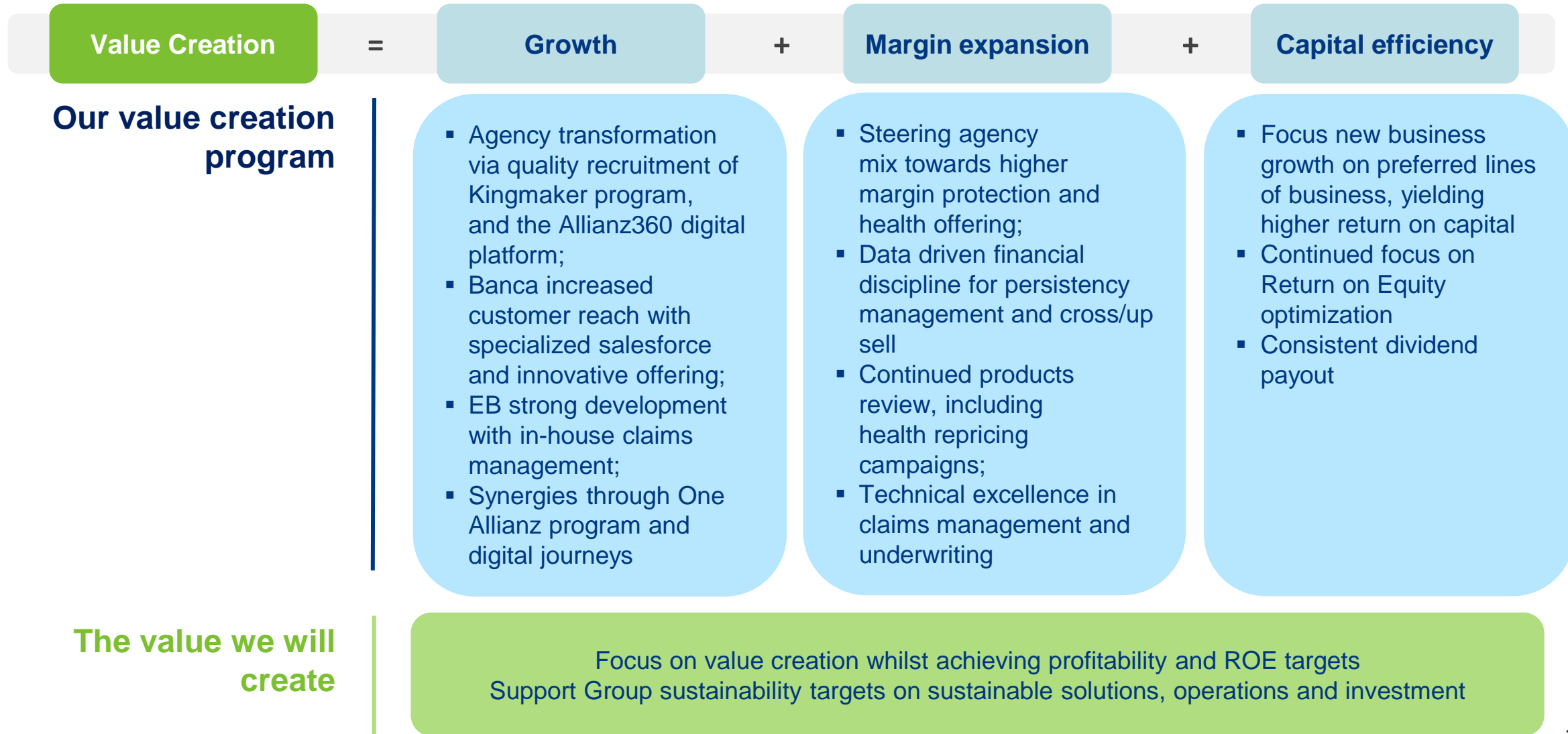
# Life Business delivered higher profit

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 RM349 mil in NBV.

# Life Business value creation for 2024 onwards



# Content / topics

- 1 Group Performance
- 2 Embedding Sustainability into our Business
- 3 Overview of Q1 2024 Results
- 4 Life Business
- 5 General Business**
- 6 Allianz Malaysia IT Transformation

# Allianz General: maintaining market leadership

KPIs	ALLIANZ GENERAL <sup>1</sup> 12M 2023	ALLIANZ GENERAL <sup>1</sup> 12M 2022	Industry <sup>1</sup> 12M 2023	Takaful <sup>1</sup> 12M 2023
GWP growth	13.0%	9.2%	7.8%	17.4%

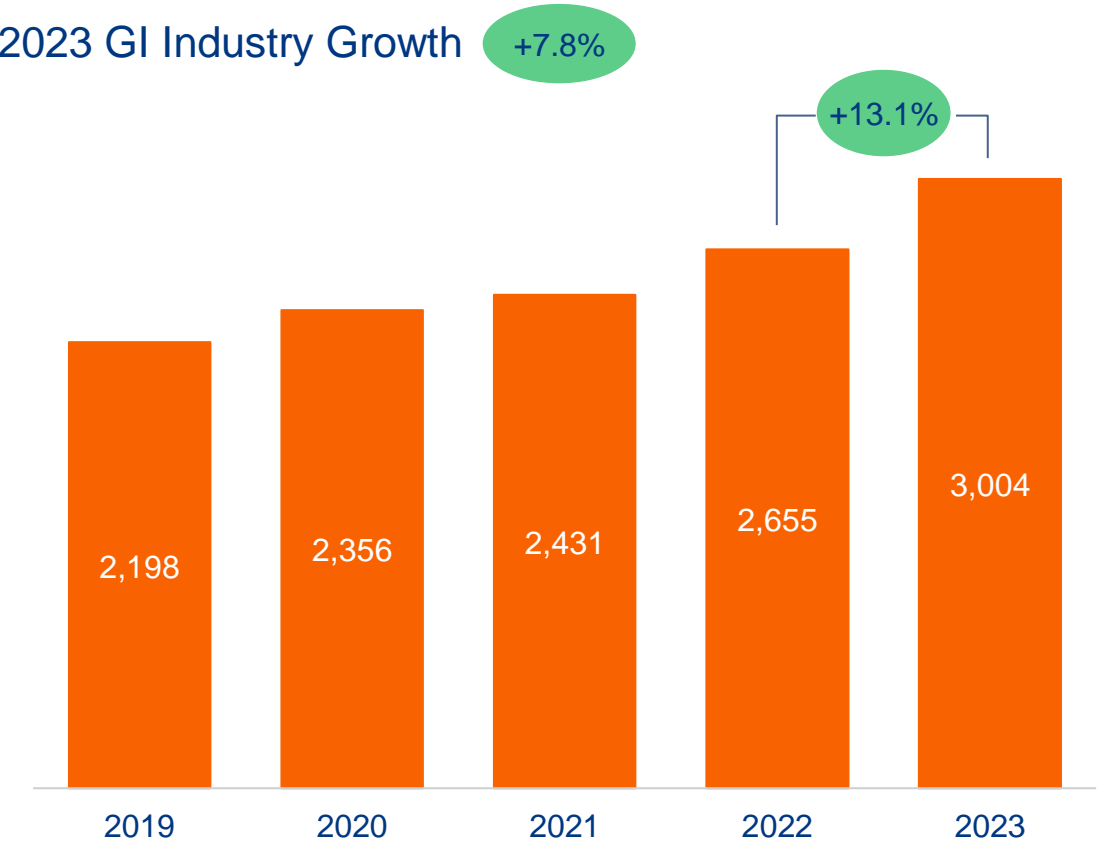
Market Share (12M 2023) <sup>2</sup>	14.0%
Market Rank (12M 2023) <sup>2</sup>	1

Notes:

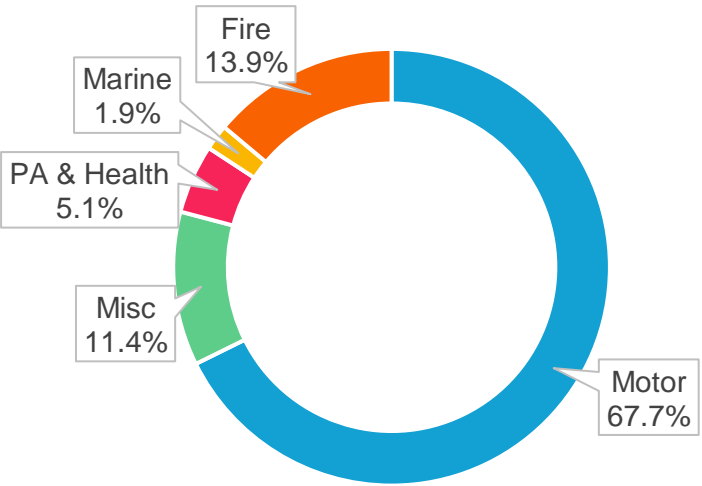
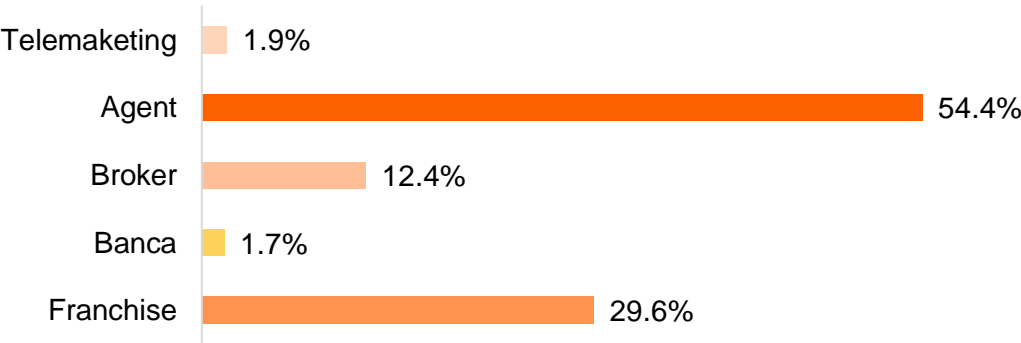
- 1) Source: ISM Market Performance Report Jan-Dec 2023 (General Insurance & General Takaful) – GWP growth is different as ISM statistic exclude business outside of Malaysia.
- 2) Source: AGIC Revenue Account and ISM Market Performance Report Jan-Dec 2023.

# General Business: good sales momentum with double digit GWP growth

Gross Written Premium (GWP) (RM' mil)

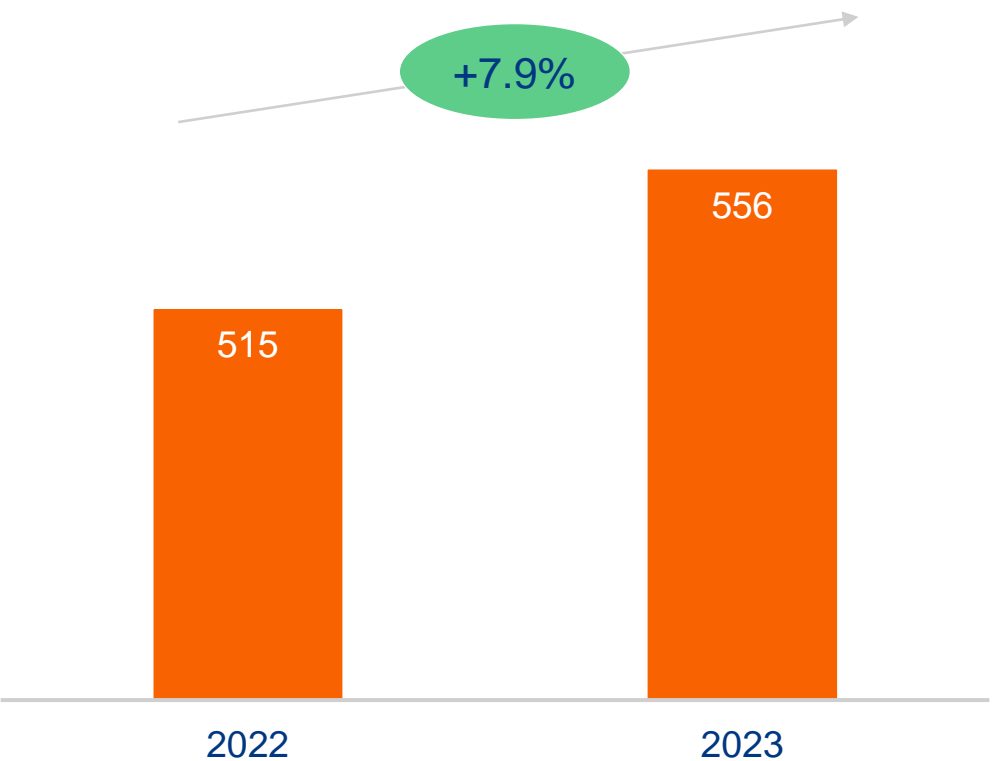


Distribution Channel & Portfolio Mix

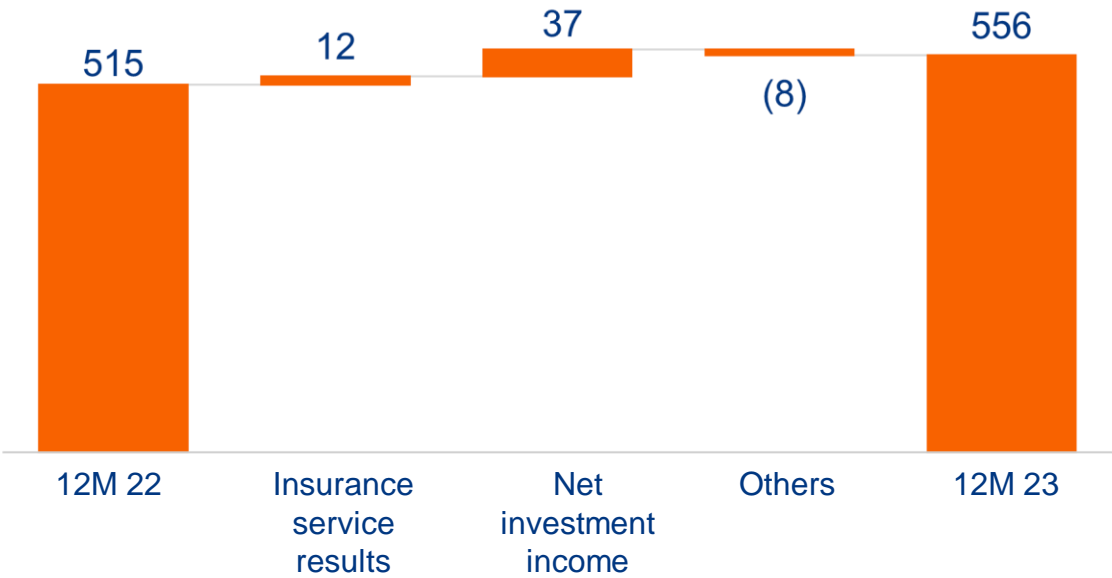


# General Business: stronger PBT with higher contribution from both insurance service results and investment income

Profit Before Tax (RM' mil)



PBT Drivers (RM' mil)

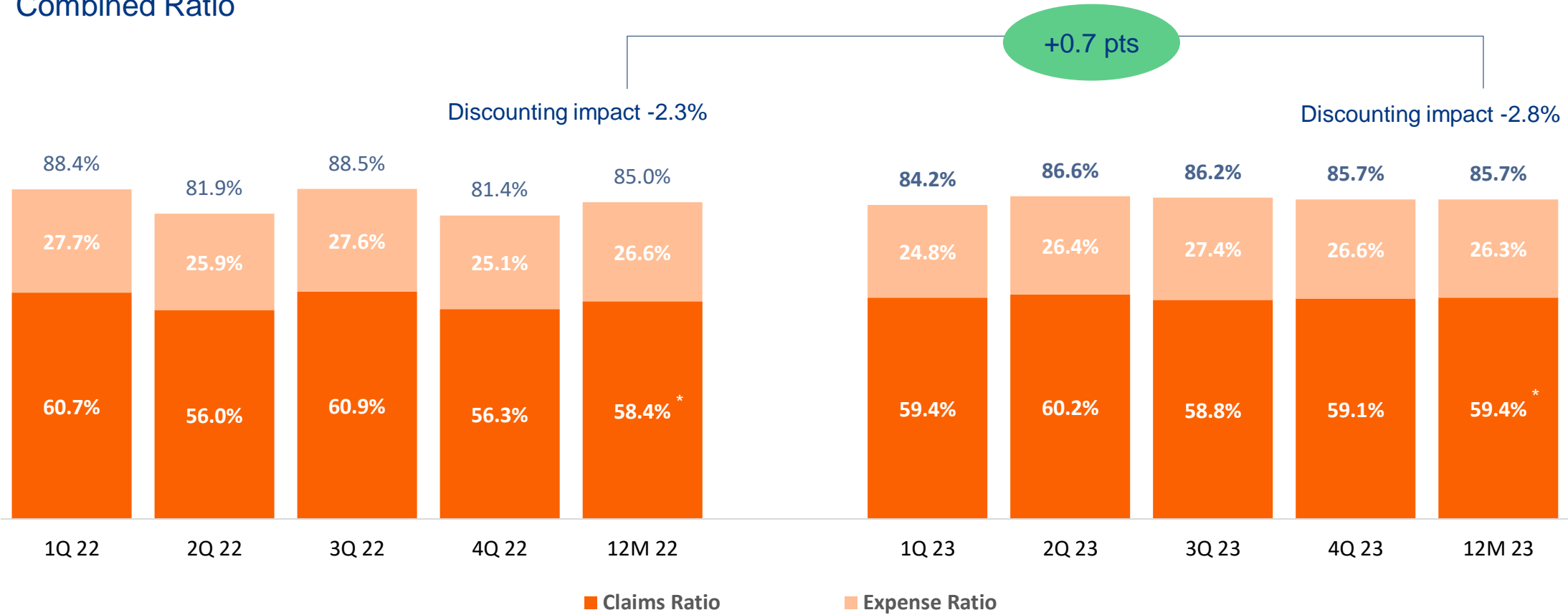


12M 2022	443	184	(112)	515
12M 2023	455	221	(120)	556
Change	12	37	(8)	41



# General Business: higher combined ratio due to higher claims ratio

Combined Ratio



\* Include reinsurance results - reinsurance ratio 9.8% in 12M 22, 10.3% in 12M 23.

# General Business value creation for 2024 onwards



# Content / topics

- 1 Group Performance
- 2 Embedding Sustainability into our Business
- 3 Overview of Q1 2024 Results
- 4 Life Business
- 5 General Business
- 6 Allianz Malaysia IT Transformation**

# Bringing IT to the next level – Benefits of the Regional Delivery Center (“RDC”) for Allianz Malaysia

With Project Gearshift, Allianz aims to consolidate IT Supply Services into one global service provider: Allianz Technology. This move enables opportunities for improvement for AZ Malaysia IT at stable cost.



## Access to larger IT talent pool

- Gain access to global Allianz internal pool of IT talent
- Become more attractive to external IT talent due to global Technology company branding

## Our share for Malaysian economy

- Collaboration with MDEC & Invest KL
- Create approx. 500 high profile jobs in Malaysia



## Accelerating new Technologies

- To stay ahead of the curve, new technologies such as Generative AI, Conversational AI or cloudified Applications must be adopted
- With central support from Allianz Technology for Asia this can be accelerated

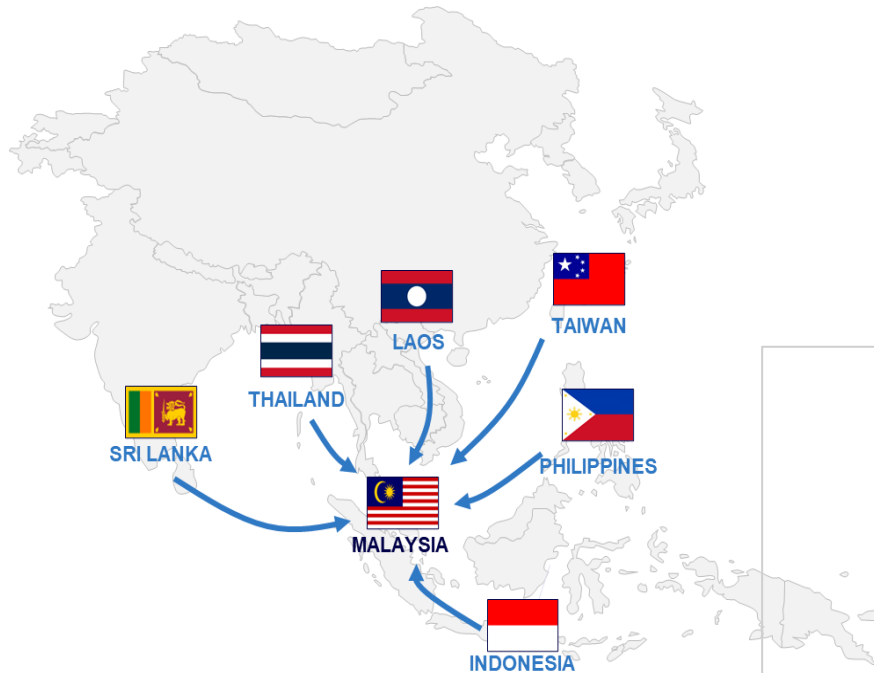
## Leveraging on economies of scale

- To grow Allianz Malaysia business, investments into IT are inevitable
- RDC can be leveraged to collaborate with other Asian entities to consolidate vendors and jointly develop applications



# Bringing IT to the next level – Regional Delivery Center as long-term strategy

In the next 2 years, Allianz Technology Malaysia will continue to build and operationalize the RDC, providing end-to-end IT shared services in Asia and creating over 500+ roles as part of Allianz Group IT Strategy.



Timeline for countries to join  
RDC: Q3 2024 – Q2 2025<sup>1</sup>

## Scope of IT Services:

- IT Application Development
- IT Operations and Production Support
  - IT Infrastructure Support
  - IT Security Operations

## Allianz RDC: The long-term strategy for IT in Asia

- **Faster** IT service delivery (shift of services from Europe to Asia) for Allianz Malaysia due to dedicated resources located in Malaysia
- **Better** quality due to concentration of Asian IT experts in Kuala Lumpur (learning from other entities)
- **Cheaper** regional solutions due to further leverage of economies of scale (joint app development)

*Note 1: Singapore will also join RDC, but already gearshifted, therefore no move in plan*

# Scope & Progress for Allianz Malaysia



Original Entity:  
**Allianz Malaysia**

- Out of total 128 IT staff, **111 IT supply staff** in scope for transfer
- In addition, External Contract Staff (FTC) mainly in Application Development
- **Remaining 17 IT staff** to represent AZ MY OE to control strategy, governance, budget as well as regulatory and governance requirements and represent the business



Transfer of Total Contract Value **RM98.6 mil**

Total contract value transferred to AZ Tech MY with committed cost neutrality in 2024



Receiving Entity:  
**Allianz Technology Sdn. Bhd.**



**Transfer date:**

- October 1, 2023



**Headcount in transfer scope:**

- 111 FTE; 124 FTC



**Transfer scope:**

- Workforce
- Applications
- Infrastructure (End Point Devices)
- Vendor Contracts

- 111 IT supply staff have successfully transferred **without any loss of key personnel and all jobs kept in Malaysia**
- **Transfer based on “lift & shift approach”**: All transferred staff continue same role with same line manager
- **FTC successfully transferred**
- IT services remain on very high operational quality with **improvements in IT stability**

**Key milestones achieved**

1. BNM approval obtained
2. BOD approval obtained
3. Official opening of RDC by Deputy Finance Minister Steven Sim: **October 3, 2023**

# Operational governance and service continuity: Allianz MY will be fully accountable for all outsourced activities including regulatory compliance

