

REPORT OF THE CEO

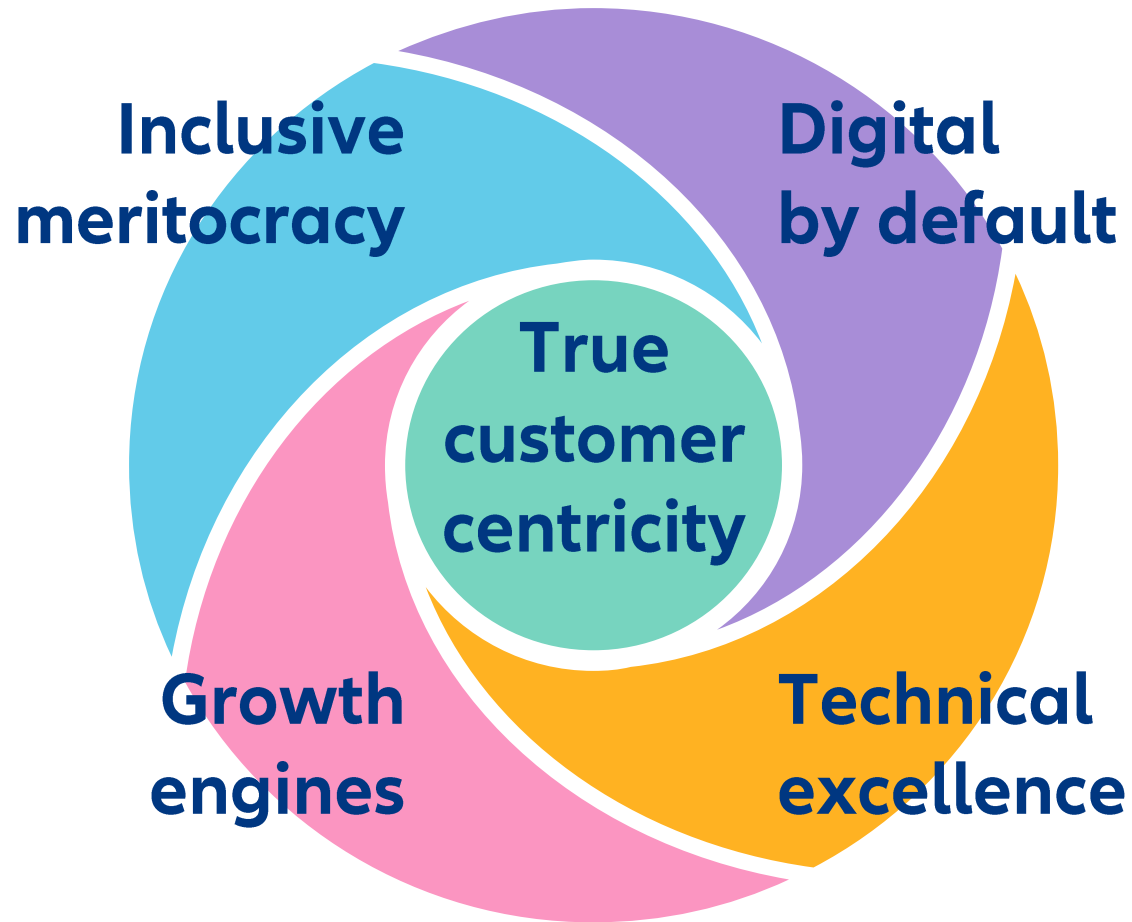
Oliver Bäte
Munich, May 9, 2018





Our path

OUR STRATEGY SINCE 2015: HERITAGE AND RENEWAL

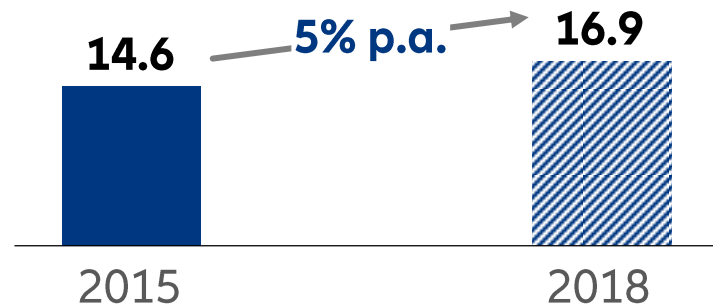




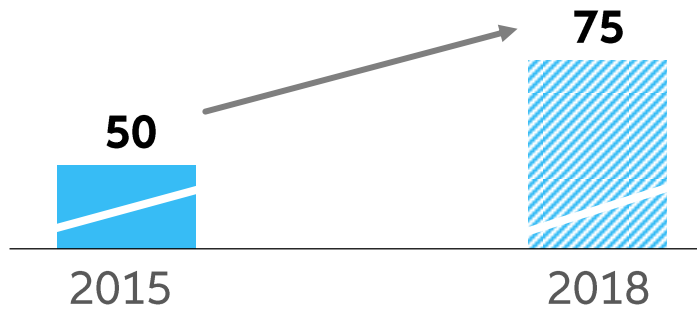
Our path

OUR TARGETS FOR 2018

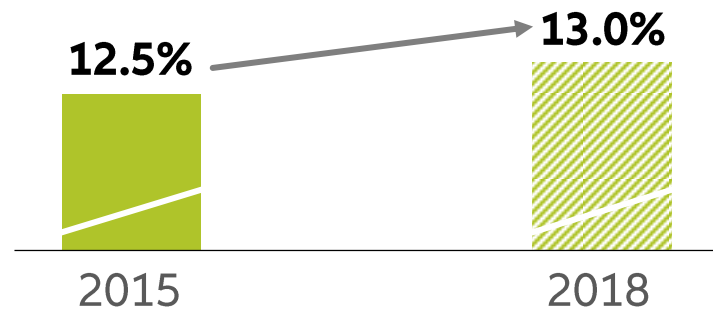
Earnings per share
(EUR)



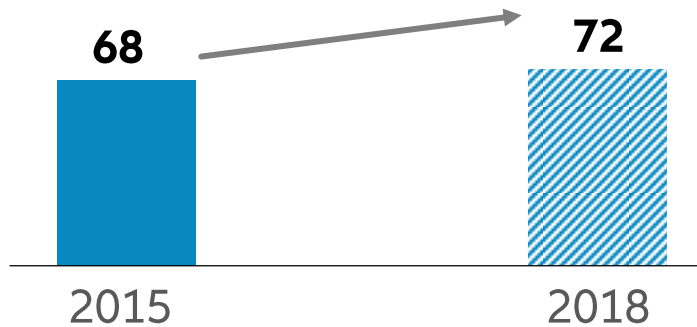
Customer loyalty
(% of businesses above market)



Return on equity
(%)



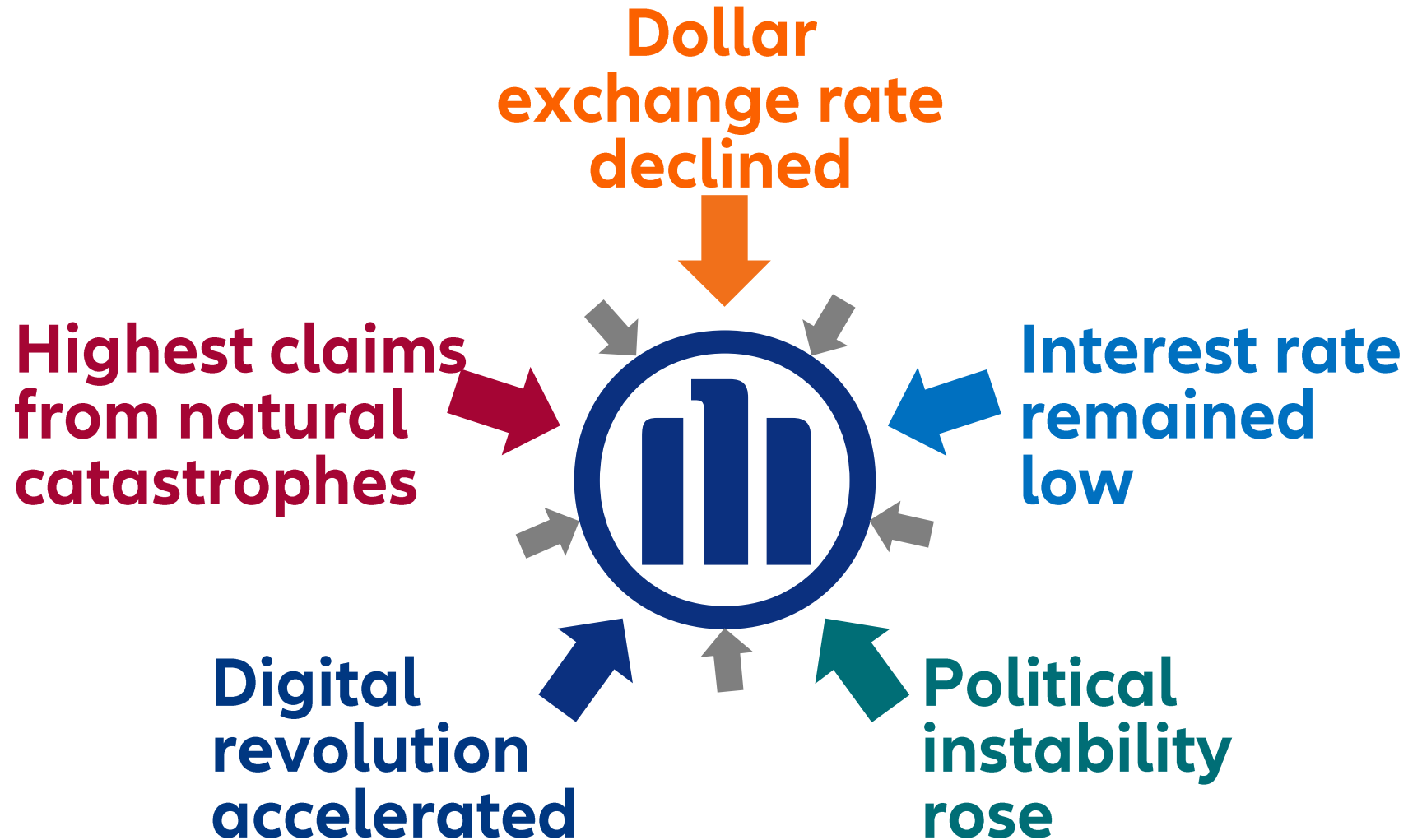
Inclusive meritocracy
(Index)





Financial year 2017

CHALLENGING ENVIRONMENT IN 2017





Financial year 2017

OUR STRATEGY SHOWS RESULTS

Revenues
EUR **126** bn

Operating profit
EUR **11.1** bn

Solvency II capitalization
229%

Total return Allianz share
+27%

Shareholders' net income
EUR **6.8** bn

Dividend per share¹
EUR **8.00** (+5%)

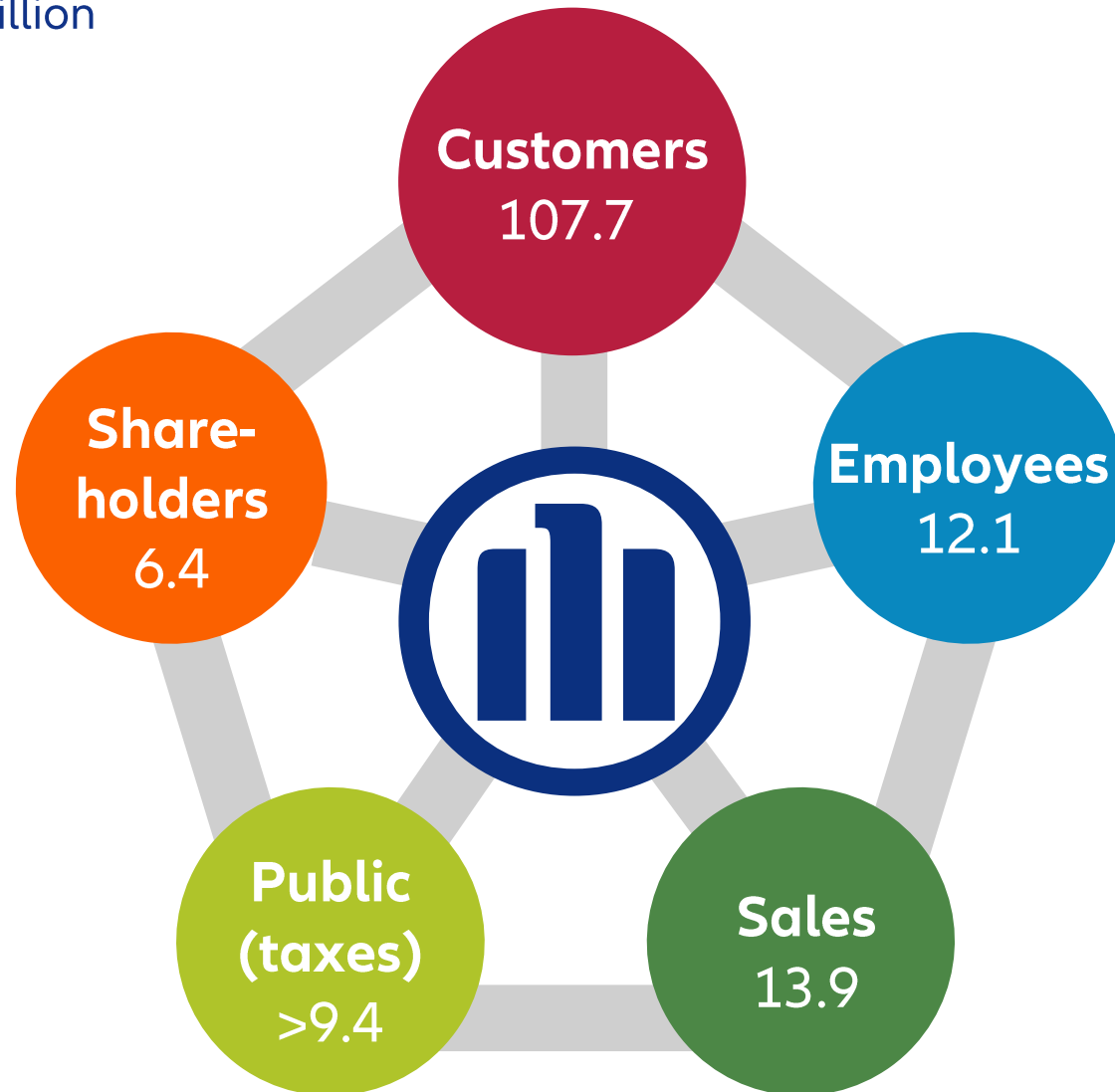
1) Proposal



Financial year 2017

ALL STAKEHOLDERS BENEFIT

In EUR billion

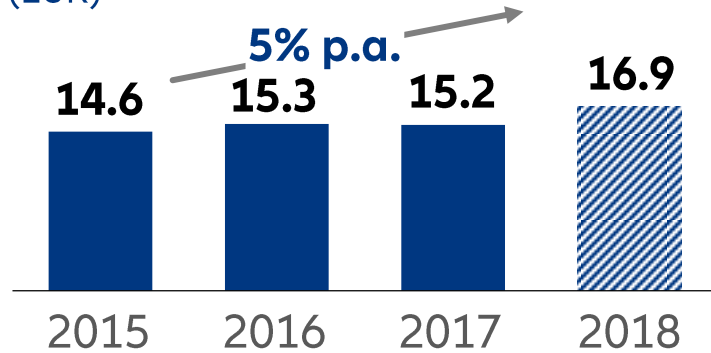




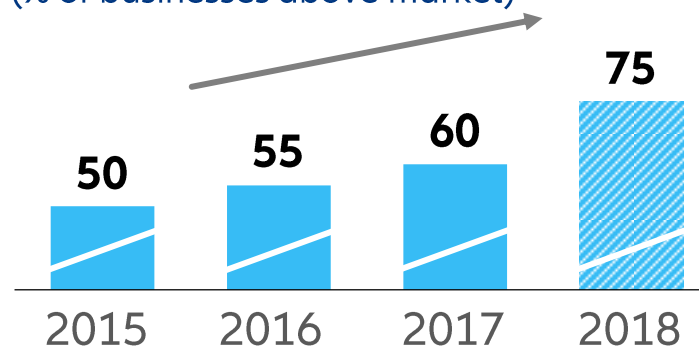
Our path

ON TRACK TO MEET OUR TARGETS

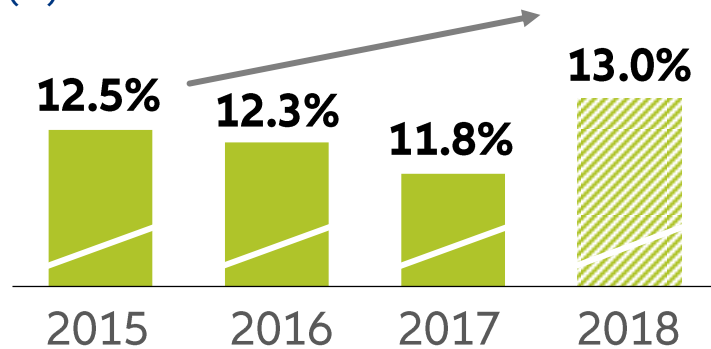
Earnings per share (EUR)



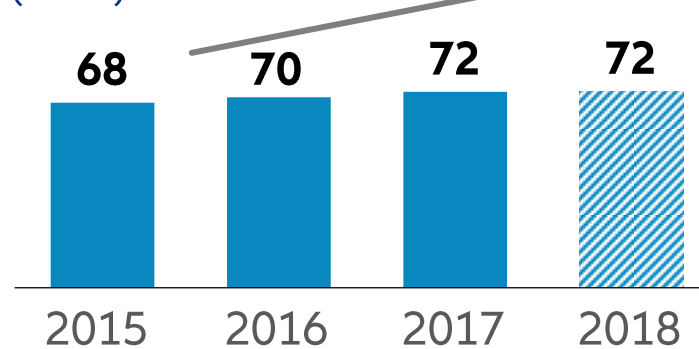
Customer loyalty (% of businesses above market)



Return on equity (%)



Inclusive meritocracy (Index)





Financial year 2017

SUCCESS COMES WITH RESPONSIBILITY – WE WANT TO ACT SUSTAINABLY

2017



#1 insurer in the
Dow Jones
Sustainability Index

And going forward

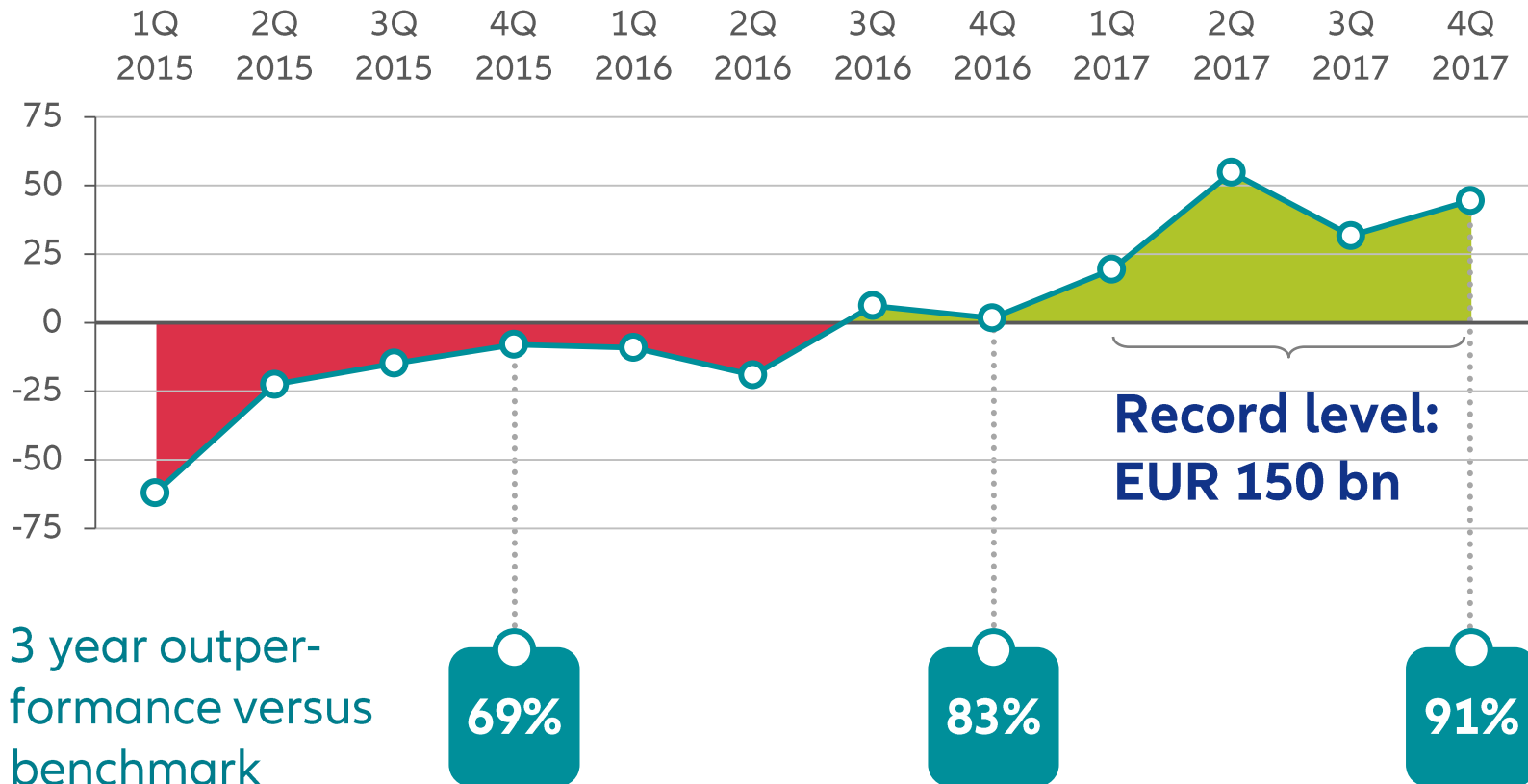
Target	Carbon free economy
Our contribution	Carbon free global investment portfolio and business operations in the long run No investments in coal-based businesses Effective immediately: withdrawal from insuring coal projects



Our path

ASSET MANAGEMENT – FIRST MAJOR CHALLENGE ACCOMPLISHED

Third party net flows (EUR bn)





Financial year 2017

ASSET MANAGEMENT BACK ON THE PATH TO SUCCESS



Asset Management

- PIMCO and AllianzGI 2017 Greenwich **Quality Leaders**
- **EUR 1,960 bn** assets under management – a record
- **Cost income ratio improved** further by 1.5 percentage points to 62%
- **11% growth** in operating profit to **EUR 2.4 bn**

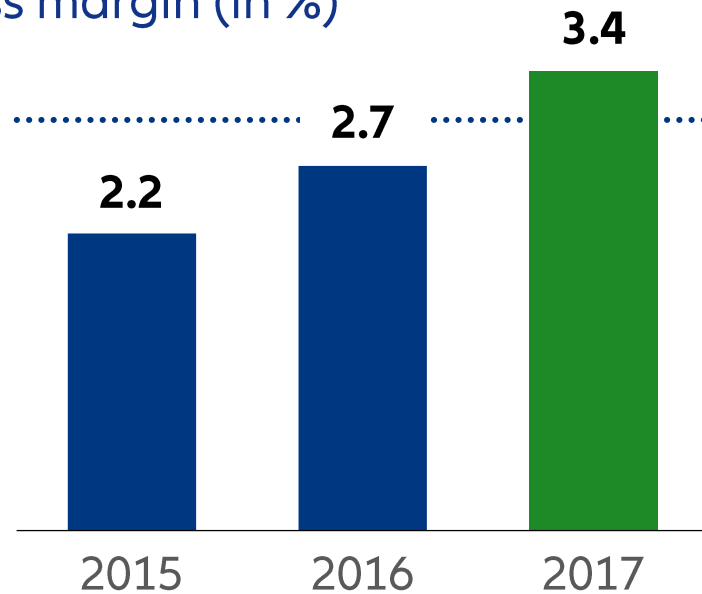


Our path

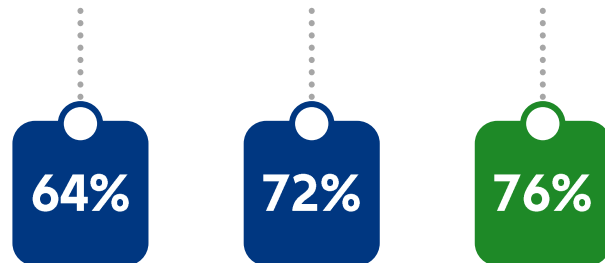
THE SECOND MAJOR CHALLENGE: REPOSITIONING OF OUR LIFE BUSINESS

New business margin (in %)

Target
2017: 3%



Share of preferred products



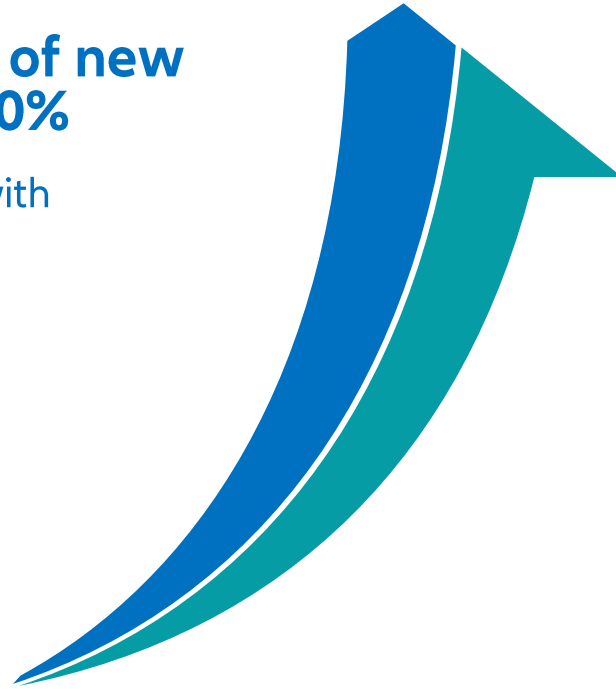
Products beneficial for customers and shareholders



Financial year 2017

LIFE BUSINESS BACK ON TRACK

- **Growth** in statutory premiums of 4%
- Growth in **value of new business of 30%**
- Operating profit with **EUR 4.4 bn** on record level



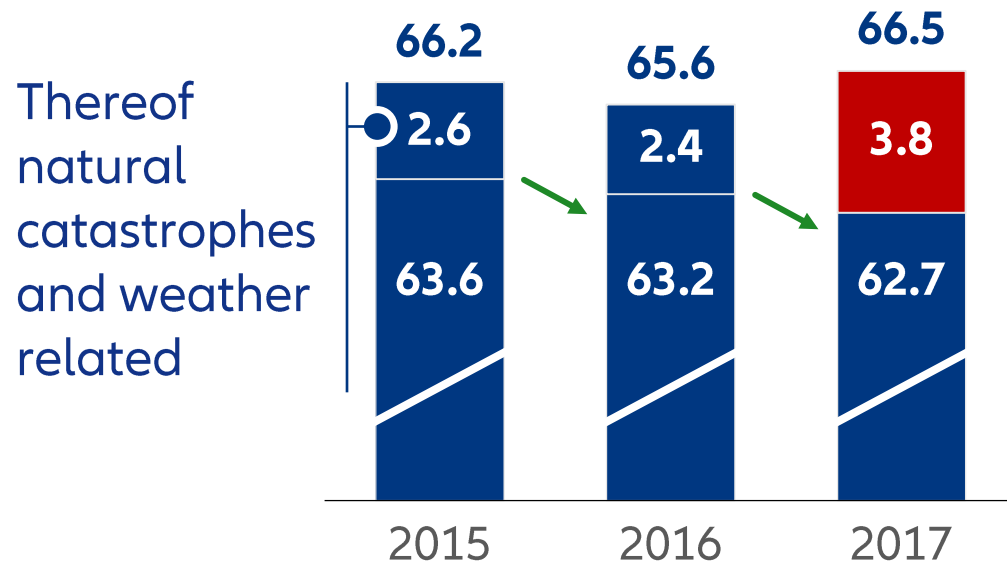
Life/Health
Asset Management



Our path

TECHNICAL EXCELLENCE AS BASE FOR SUCCESS IN PROPERTY AND CASUALTY

Claims ratio (in %)



Significantly less affected by natural catastrophes than our peers

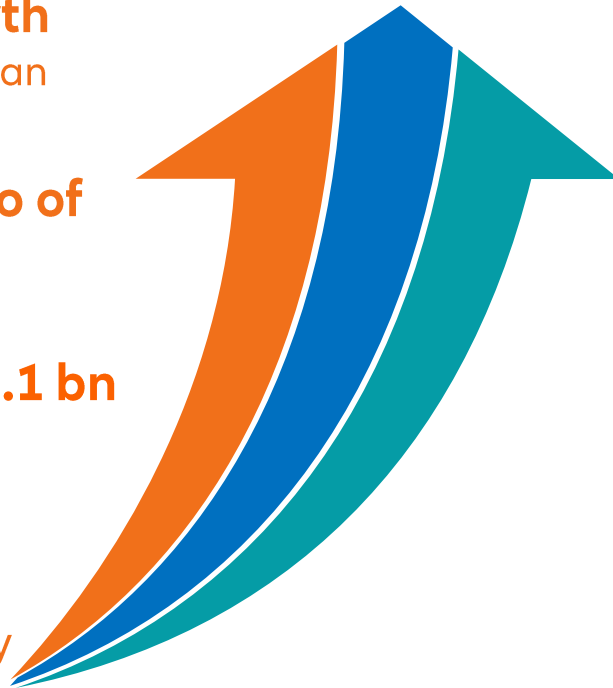
Our strength:
assessing
risks
correctly



Financial year 2017

GOOD RESULT IN PROPERTY AND CASUALTY INSURANCE

- **Revenue growth of 2.3%** better than many competitors
- **Combined ratio of 95.2%**
- **Good operating profit of EUR 5.1 bn**



Property/Casualty
Life/Health
Asset Management



Financial year 2017

ALL SEGMENTS CONTRIBUTE TO THE GOOD RESULT

Operating profit
of EUR 5.1 bn



Operating profit
of EUR 2.4 bn

Operating profit
of EUR 4.4 bn

Property/Casualty

Life/Health

Asset Management

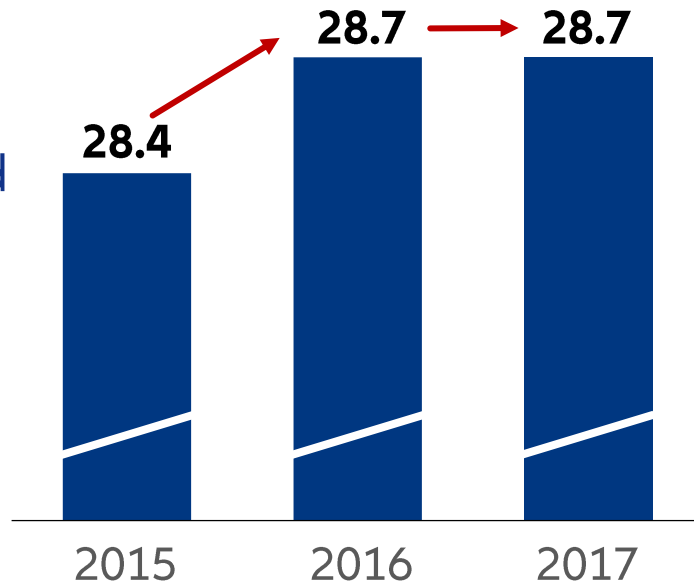




Our path

IMPROVING PRODUCTIVITY IS THE THIRD MAJOR TASK TO ACCOMPLISH

Cast ratio in Property and Casualty insurance (in %)



Growth rate (in %)

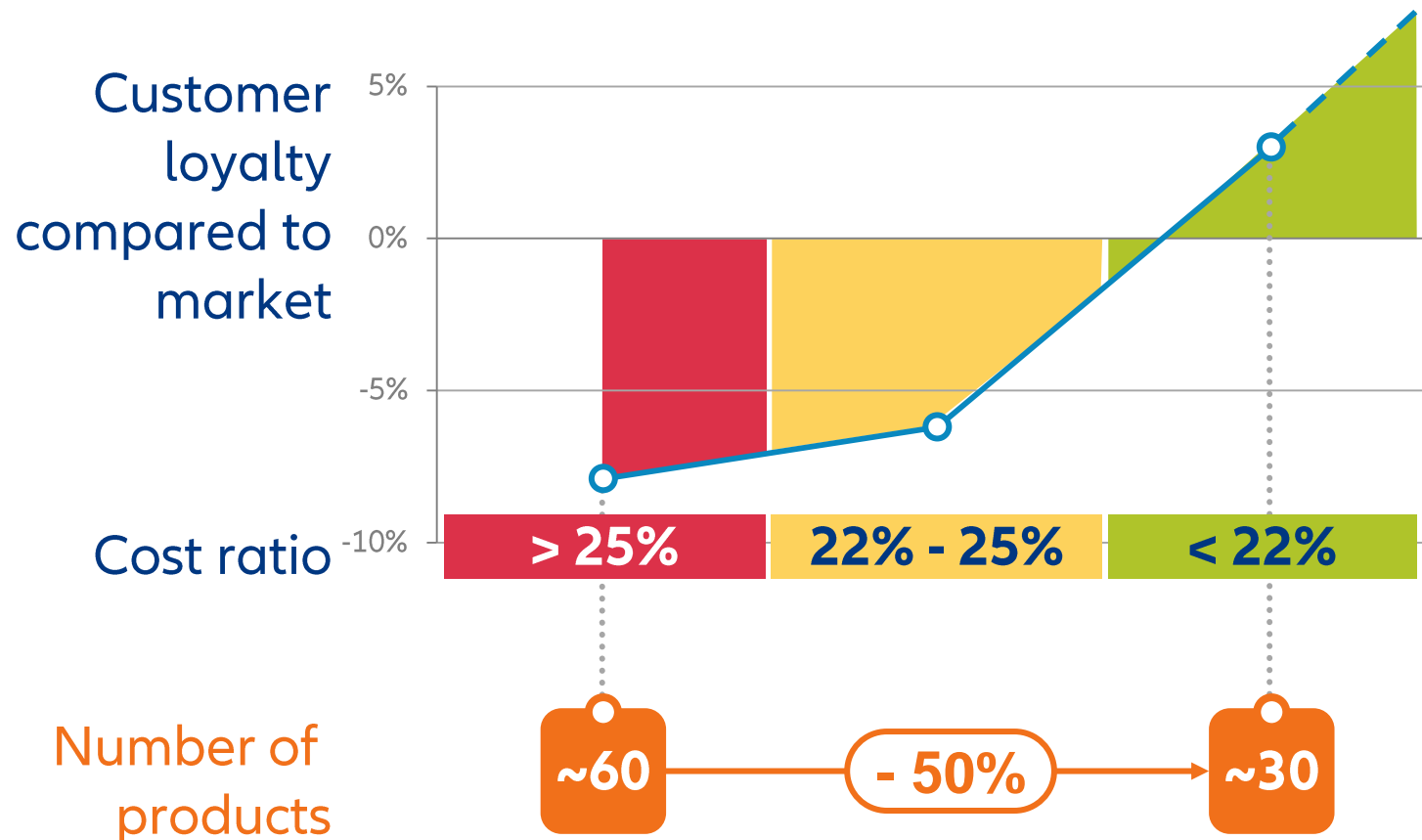


Our challenge remains:
improved productivity
and profitable growth



Our path

WHAT WE NEED TO ACHIEVE: SIMPLIFICATION!



Our path

SIMPLICITY IS THE FOUNDATION FOR OUR PATH INTO THE FUTURE

INVEST INTO THE FUTURE

TRANSFORM

OPTIMIZE THE EXISTING



SIMPLIFY

Our path

SIMPLIFIED PRODUCTS GENERATE GROWTH

Example: motor insurance in Germany



Productivity



Happy employees and
distribution partners



Happy customers



Growth



Clarity creates TRUST



Outlook 2018

OUTLOOK FOR OPERATING PROFIT: EUR 11.1 BN +/- EUR 500 MN

Operating profit in EUR bn

	P/C	L/H	AM	Corporate/ Consoli- dation	Group
High	5.7	4.5	2.7	-0.8	11.6
Mid- point	5.4	4.2	2.4	-0.9	11.1
Low	5.1	3.9	2.1	-1.0	10.6



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The statements contained herein may include prospects, statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those expressed or implied in such forward-looking statements.

Such deviations may arise due to, without limitation, (i) changes of the general economic conditions and competitive situation, particularly in the Allianz Group's core business and core markets, (ii) performance of financial markets (particularly market volatility, liquidity and credit events) (iii) frequency and severity of insured loss events, including from natural catastrophes, and the development of loss expenses, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) particularly in the banking business, the

extent of credit defaults, (vii) interest rate levels, (viii) currency exchange rates including the Euro/U.S. Dollar exchange rate, (ix) changes in laws and regulations, including tax regulations, (x) the impact of acquisitions, including related integration issues, and reorganization measures, and (xi) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

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