



# Fact Book for investors

## Capital authorizations

### Allianz Annual General Meeting on May 4, 2022

**Disclaimer:**

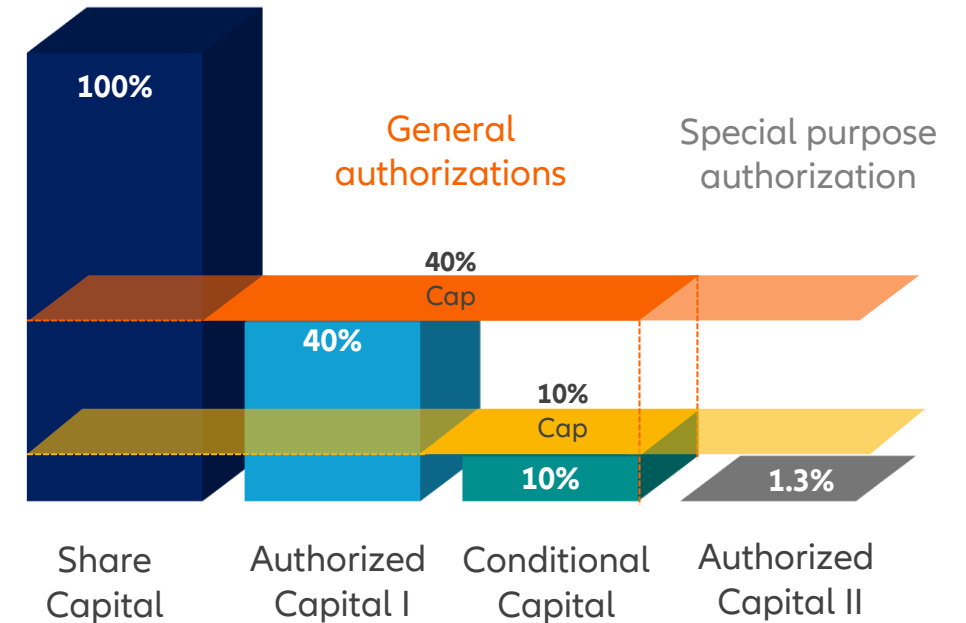
This is a summary of the capital authorizations according to the proposal to the Annual General Meeting of Allianz SE on May 4, 2022. This summary is provided to investors for information purposes only. For more comprehensive information please refer to the invitation to the Annual General Meeting 2022 of Allianz SE released on March 17, 2022. Allianz SE reserves the right to make amendments. No warranty is made as to the accuracy of this summary and Allianz SE assumes no liability with respect thereto.

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# Overview

## Summary







- An **Authorized Capital I of 40%** and a **Conditional Capital of 10%** of the existing share capital are proposed, whereby the use is **limited to a total of 40% (cross-authorization cap)**.
- Authorized Capital I and Conditional Capital are **not linked to a specific purpose** and are referred to jointly as "**General Authorizations**".
- Under the General Authorizations, the **subscription rights** may be excluded **up to a maximum of 10%**.
- In addition to the General Authorizations, an **Authorized Capital II of 1.3%** is proposed which may be used exclusively for the issuance of **employee shares**.
- The term for all capital authorizations **is to be 5 years** (until May 3, 2027).
- The authorizations approved by the Annual General Meeting 2018 for an Authorized Capital 2018/I, an Authorized Capital 2018/II and a Conditional Capital 2010/2018 (term until May 8, 2023) were not used and **will be cancelled** upon the new authorizations taking effect.
- There are no further capital authorizations.



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# 1 Agenda Items for capital authorizations

## Complete title

ITEM <b>8</b>	Creation of an <b>Authorized Capital 2022/I</b> with the authorization to exclude shareholders' subscription rights, <b>cancellation of the Authorized Capital 2018/I</b> and corresponding amendment to the Statutes	Authorized Capital I
ITEM <b>9</b>	Creation of an <b>Authorized Capital 2022/II</b> for the issuance of shares to employees with exclusion of shareholders' subscription rights, <b>cancellation of the Authorized Capital 2018/II</b> and corresponding amendment to the Statutes	Authorized Capital II
ITEM <b>10</b>	Approval of a new <b>authorization to issue convertible bonds, bonds with warrants, participation rights and hybrid instruments</b> , each with the possibility of the exclusion of subscription rights, <b>creation of Conditional Capital 2022</b> , cancellation of the existing authorization to issue convertible bonds, bonds with warrants, convertible participation rights, participation rights and subordinated financial instruments, <b>cancellation of the Conditional Capital 2010/2018</b> and corresponding amendment of the Statutes	Conditional Capital

## What is it about?

- Under the Authorized Capital, the Board of Management is authorized by the Annual General Meeting **to issue new shares** in the course of a capital increase.
- The Conditional Capital is used to provide share-based hedging for **convertible bonds and bonds with warrants**. In addition, participation rights and subordinated financial instruments may be issued without relation to shares.
- The proposals represent **standard authorizations** in the context of prudent financial management which have to be renewed regularly due to their limited term.

## General authorizations

## 2.1 New authorizations: AC I/2022 and CC 2022

- The update of the General Authorizations leaves **the total maximum capacity unchanged** but with a **different composition** of authorized and conditional capital. The proposed resolutions are significantly **less complex** than the corresponding resolutions of the Annual General Meeting 2018 (see page 6).
- An Authorized Capital I of 40% and a Conditional Capital of 10% of the existing share capital are proposed, **with utilization of the total capacity capped at 40%**.
- This cross-authorization cap of 40% ensures a clear limit. At the same time, the Board of Management is given the opportunity **to make flexible use** of the two options over the period of 5 years in the interests of the Company and the shareholders.
- Shareholders are generally entitled to **subscription rights**, which can be excluded for the General Authorizations **up to a maximum of 10%**.
- These limits are described in the **Agenda** (page 9 of the Invitation) and in the **Report of the Board of Management** (page 64 of the Invitation) and, provided the Annual General Meeting approves the proposed resolutions, will be entered in the **Statutes** (Art. 2 para. 3, 5).
- The % figures relate to the current share capital of 1,169,920,000 euros.

General authorizations	AGM 2022 Proposal	AGM 2018
Authorized Capital I	<b>40%</b> 467,968,000 EUR	<b>28.6%</b> 334,960,000 EUR unaffected
Conditional Capital	<b>10%</b> 116,992,000 EUR	<b>19.7%</b> 230,000,000 EUR unaffected
(Calculated sum)	(50%)	(48.3%)
Cap	<b>40%</b>	<b>40%</b>
Max. exclusion of subscription rights	<b>10%</b>	<b>10%</b>
Term	5 years until May 3, 2027	5 years until May 8, 2023

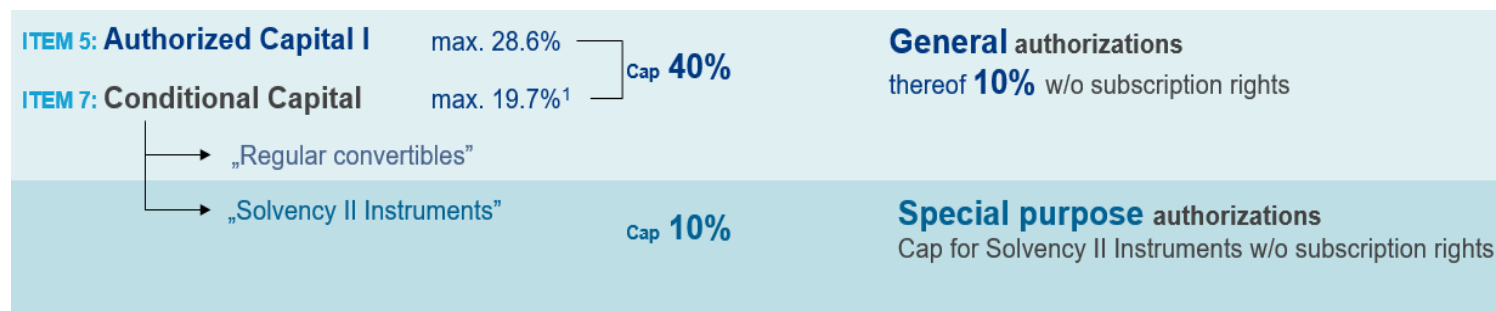
The **German Stock Corporation Act** provides for a maximum of 50% of the existing share capital for both the Authorized Capital and the Conditional Capital. Shareholders are to be granted subscription rights. Provided certain requirements are met, this can be excluded up to 10% in the case of cash contributions and beyond this in the case of contributions in kind. The proposed resolutions fall short of these wide-ranging statutory limits. The proposed resolutions require an approval rate of at least 75%.

General authorizations

# 2.2 Previous authorizations: AC I/2018, CC 2010/18

- The existing capital authorizations were approved by the Annual General Meeting 2018 with **approval rates** of **91.09%** (Authorized Capital I), 99.20% (Authorized Capital II), and 93.70% (Conditional Capital). They expire on May 8, 2023 but will be cancelled already upon approval of the proposed resolutions at the Annual General Meeting 2022.
- There are no further authorizations to issue new shares (no staggering).
- The existing capital authorizations – including the upper limits – are reflected in the [statutes](#) (§2 para. 3, 5).
- In 2018, the possibility to issue so-called **RT1 bonds with a conversion component** (so-called "Conversion RT1") was additionally created in order to secure the equity basis in accordance with the "Solvency II Regulation" and to use conditional capital of up to 10% of the share capital for this purpose (with the possibility to exclude subscription rights). This additional component of the authorization is **not being renewed**. RT1 can alternatively be issued without a conversion component (so-called "write-down RT1").

Conditional capital includes "Regular convertibles" and "Solvency II Instruments" which are issued in accordance with regulatory requirements.



<sup>1</sup> This does not include an authorization of 20,000,000 EUR (1.7%) that was reserved exclusively for servicing the 500,000,000 EUR convertible bond from 2011 that was issued under the 2010 capital authorization.

## General authorizations

## 2.3 Rationale

- **Authorized capital** is the instrument provided by the legislator to take account of the Board of Management's need to act quickly and in an entrepreneurial manner in the interest of the Company and the shareholders if additional capital is required either to **safeguard the capital basis** or to **take advantage of growth opportunities**.
  - **Conditional capital** allows issuance of **convertible bonds or bonds with warrants** that enables the Company to raise debt at low coupons.
  - The Company has sufficient capital and liquidity. The authorized and conditional capital represent "**anticipatory capital resources**". There are no concrete plans for their utilization. Amount and term of the resources adequately reflect the Company's **business activities as a leading global insurance company**. They underline the promise of security to customers ("We secure your future") and take into account the Group's risks on the assets and liabilities side.
  - The General Authorizations resolved by the Annual General Meetings 2014 and 2018 were not utilized. Instead, Allianz not only significantly increased its [dividends](#) almost annually, but also returned approximately 9 billion euros of excess capital to shareholders through 6 [share buy-back programs](#) since February 17, 2017.
- The Board of Management's M&A strategy is characterized by a high degree of **growth discipline**. The acquisitions of the past years were, when measured against the overall size of the Allianz Group, small and medium-sized expansions of business activities in a number of markets. The financing of these transactions did not require a utilization of capital authorizations.
  - This strategy was reaffirmed at the Capital Markets Day on December 3, 2021 (page 13 of the [presentation](#)). The most recent acquisition under this **bolt-on** acquisition strategy was announced on February 11, 2022 (acquisition of a 72% stake in [European Reliance](#), which will make Allianz the market leader in the Greek property and casualty insurance market).
- Shareholders are generally entitled to **subscription rights** in order to take account of their economic and voting right interests. It may be excluded by up to 10% of the share capital, provided that the issue price is close to the then prevailing market price .
  - In case of a capital increase without subscription rights, the limitation and the issue price close to the market price adequately protect the interests of the shareholders with regard to their share in profits and voting rights.

# 3 Special purpose authorization for employee shares

- New shares from the **Authorized Capital 2022/II** may only be issued to employees of Allianz SE and its group companies.
- The issuance of employee shares is in the interest of the Company and its shareholders because it enhances employee identification with the Company and promotes the **alignment with the interests of the shareholders**.
- Authorized Capital II is proposed in an **unchanged amount** of 15,000,000 euros (corresponding to **1.3%** of the share capital). This volume takes appropriate account of the number of eligible employees and the term of the authorization. In order to be able to offer employees shares from authorized capital, it is necessary to exclude shareholders' subscription rights.
- The existing authorization for **Authorized Capital 2018/II** was **not utilized**. Since 2015, treasury shares or shares from share buy-backs have been used for employee shares.
- Although it is likely that this will continue to be the practice in the coming years, the option to create the shares for employees by issuing new shares from Authorized Capital II should be granted to maintain flexibility.
- The employee share purchase program is not eligible for the Board of Management and Authorized Capital II cannot be used for Board of Management long-term incentive plans.

## Key data of the employee share purchase program

- As a rule, Allianz employees receive an annual offer to subscribe to Allianz SE shares at special conditions. In 2021, more than **30 thousand employees** from **41 countries** subscribed for employee shares.
- In total, around **86 thousand employees**, retired employees and representatives (sales force) hold **1.6%** of Allianz shares.
- In 2018, the program was fundamentally revised: For every 3 euros an employee invests, he or she receives an additional 1 euro from the Company in the form of so-called matching shares. This corresponds to a **discount of 25%**. The subscription price per share paid by employees corresponds to the average Xetra closing price on the 5 trading days from the last day of the subscription period. As a prerequisite to benefit from this discount, an own investment by the employees is always mandatory.
- In order to underpin the employees' longer-term interest in the success of Allianz, the **vesting period is 3 years**.



Thank you  
for your trust  
and your vote.