Simplicity wins

Munich, November 2018
AGENDA

Group strategy

A  Simplicity wins
   Oliver Bäte

B  Simplicity at scale
   Iván de la Sota

C  Generating value
   Giulio Terzariol

Selected examples

D  Transform
   Klaus-Peter Röhler

E  Leveraging strengths
   Andreas Wimmer

F  Maximizing the micro potential
   Line Hestvik

G  Building a regional franchise
   Petros Papanikolaou

Disclaimer
Simplicity wins

Oliver Bäte
CEO Allianz SE
November 2018
Agenda

- Taking stock
  - 2016 - 2018

- Simplicity wins
  - Outperform, transform, rebalance

- Capital management
  - The CEO view

- Targets and outlook
  - 2019 - 2021
Allianz – a global financial leader

Facts and figures 2018e (EUR)

- Group operating profit >11bn
- United States operating profit >3bn
- Asia-Pacific VNB ~250mn
- S&P financial strength rating AA
- P/C GPW >50bn
- L/H AuM >500bn
- AM 3rd party AuM 1,500bn
- Solvency II ratio >225%
### Target vs Actual

<table>
<thead>
<tr>
<th>Target</th>
<th>Actual(^1)</th>
<th>Target</th>
<th>Actual</th>
<th>10y Ø 2005 - 2015</th>
<th>2016 - 2018e</th>
<th>Our target</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>3y EPS CAGR 5%</td>
<td>7.1%</td>
<td>7.1%</td>
<td>~71%</td>
<td>2.6%</td>
<td>2.4%</td>
<td>5.0%</td>
<td>x1.4</td>
</tr>
<tr>
<td>RoE 13%</td>
<td>13.8%</td>
<td>13.8%</td>
<td>5.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Businesses with NPS above market Ø 75%</td>
<td>~71%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inclusive Meritocracy Index 72%</td>
<td>71%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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1. 9M 2018 or annualized, if appropriate; no forecast
2. 3-year EPS CAGR estimate at 03/2016

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... by structurally lifting underlying performance

<table>
<thead>
<tr>
<th>Target</th>
<th>Actual¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>3y EPS CAGR</td>
<td>7.1%</td>
</tr>
<tr>
<td>RoE</td>
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<tr>
<td>Inclusive Meritocracy Index</td>
<td>71%</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>P/C CR</td>
<td>94.0%</td>
</tr>
<tr>
<td>PIMCO CIR</td>
<td>58%</td>
</tr>
<tr>
<td>L/H share of preferred lines 80%</td>
<td>82%</td>
</tr>
<tr>
<td>Alternative assets EUR 110bn</td>
<td>127bn</td>
</tr>
<tr>
<td>L/H NBM 3.0%</td>
<td>3.4%</td>
</tr>
<tr>
<td>SII interest rate sensitivity &lt;11%-p</td>
<td>7%-p</td>
</tr>
<tr>
<td>L/H OEs with RoE ≥10% at 100%</td>
<td>93%</td>
</tr>
<tr>
<td>Launched digital products 100%</td>
<td>96%</td>
</tr>
</tbody>
</table>

¹ 9M 2018 or annualized, if appropriate

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### Profitable growth gains momentum

<table>
<thead>
<tr>
<th></th>
<th>P/C</th>
<th>L/H</th>
<th>AM</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Internal growth</strong></td>
<td>5.9%&lt;br&gt;2.9%</td>
<td>~2bn&lt;br&gt;1.2bn</td>
<td>1.5tn&lt;br&gt;1.3tn</td>
<td>6.8%&lt;br&gt;-2.1%</td>
</tr>
<tr>
<td><strong>RoE</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td>13.0%&lt;br&gt;14.0%</td>
<td>10.9%&lt;br&gt;11.4%</td>
<td>15.2%&lt;br&gt;21.4%</td>
<td>12.6%&lt;br&gt;13.8%</td>
</tr>
<tr>
<td>2018e</td>
<td></td>
<td>2018e</td>
<td>9M 2018</td>
<td>9M 2018</td>
</tr>
</tbody>
</table>

1) 9M 2018 annualized

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While customer satisfaction and growth improve, productivity gains materialize

Customer loyalty
(businesses with NPS above market Ø)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018e</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>55%</td>
<td>60%</td>
<td>~71%</td>
</tr>
</tbody>
</table>

Internal growth rate (P/C)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>9M 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>3.1%</td>
<td>2.3%</td>
<td>5.9%</td>
</tr>
</tbody>
</table>

Expense ratio (P/C)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>9M 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>28.7%</td>
<td>28.7%</td>
<td>27.9%</td>
</tr>
</tbody>
</table>

IT spend EUR 3.5bn p.a.
Result: outstanding total shareholder return

Total shareholder return\(^1\) in %
Indexed to 100

1) Period 01.01.2016 - 23.11.2018
Source: Bloomberg

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Groundwork done, real transformation next

2015 - 2018: foundations

- PIMCO back to top performance
- AllianzGI strengthened

2019 - 2021ff: transformation

- Simplicity wins

2015 - 2018:

- AM
  - PIMCO back to top performance
  - AllianzGI strengthened

- L/H
  - Business model restructured

- P/C
  - 94% CR and growth

2019 - 2021ff:

- AM

- L/H
  - Simplicity wins

- P/C
Agenda

- Taking stock
  - 2016 - 2018
- Simplicity wins
  - Outperform, transform, rebalance
- Capital management
  - The CEO view
- Targets and outlook
  - 2019 - 2021
“Simplicity wins” to drive value growth despite rising uncertainties

- Global economic growth
- Political stability
- Booming capital markets

- Low interest rates
- Tighter regulation

2012 - 2014: “3+One” continued
Technical profitability and stronger resilience

2015 - 2018: “Renewal Agenda”
Turnarounds and business model redesign

2019 - 2021: “Simplicity wins – Renewal Agenda 2.0”
Outperform, transform and rebalance
Our strategic priority: “simplicity wins”

Objectives

1. Outperform
2. Transform
3. Rebalance

Focus

1. Productivity
2. Scalability through ACM
3. Capital allocation & new businesses incl. EDP

Tools

“Simplicity wins” – Renewal Agenda 2.0

- Customer
- Digital
- Excellence
- Growth
- Meritocracy

Footnotes:
1) Allianz Customer Model
2) European Direct Platform

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Renewal Agenda to be continued and accelerated

New incentives and skills
- Aspiration to become best practice
- Inclusive leadership / mobilization

Loyalty leadership
- Simple and intuitive products
- Empathic service and frontline empowerment

Focus on profitable growth and new platforms
European direct platform (EDP) and digital ventures and partnerships (Allianz X)

Allianz Customer Model (ACM)
Continuous productivity gains through simplification, harmonization and legacy reduction

Superior data analytics
Leveraging of Artificial Intelligence (AI) especially in retail, SME and Allianz Investment Management (AIM)
Outperform: striving for loyalty leadership

Net Promoter Score\(^1\)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2018e</th>
<th>2021p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below market average</td>
<td>15%</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>At market average</td>
<td>35%</td>
<td>25%</td>
<td>20%</td>
</tr>
<tr>
<td>Above market average</td>
<td>50%</td>
<td>71%</td>
<td>75%</td>
</tr>
</tbody>
</table>

Key levers
- Intuitive products
- Trouble-free processes
- Voice-of-customer implementation for frontline steering

1) Percent values refer to share of businesses measuring retail NPS

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Outperform: continuing focus on leadership quality and employee engagement

**IMIX**

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>68%</td>
</tr>
<tr>
<td>2018</td>
<td>71%</td>
</tr>
<tr>
<td>2021p</td>
<td>73% plus</td>
</tr>
</tbody>
</table>

**Key levers**

- Establish purpose-driven culture and further strengthen transformational leadership
- Reduce legacy for higher platform performance
- Decrease complexity and empower the frontline

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1) The Inclusive Meritocracy Index (IMIX) measures the progress of the organization on its way towards incorporating our leadership principles

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### Outperform: get to best in class

Define best in class aspiration versus peers and new competitors

#### Reach benchmarks through stronger performance culture and productivity

- **RoE P/C (%)**
  - 2015: 13.0
  - 9M 2018: 14.0
  - **Benchmark**

- **RoE L/H (%)**
  - 2015: 10.9
  - 9M 2018: 11.4

- **RoE AM (%)**
  - 2015: 15.2
  - 9M 2018: 21.4

1) Annualized

- **Strong portfolio and scale**
- **Further upside through productivity, retail growth and analytical excellence**

- **Closing in on best in class**
- **Ready for growth and innovation**

- **Leading in profitability**
- **Continuing revenue growth in tough environment**

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Outperform: AI to improve productivity and customer satisfaction

Example Allianz Turkey

- Assess damage from a photo with automated triage
- Automate claims status inquiry
- Identify status of a claim
- Predict next best action for claim handler
- Predict duration of the current claim stage
- Automated invoice check

Steering / triage

Assessment

Settlement

Customer complaint ratio down 27%
Average claim file duration down 13%
Motor claims NPS up 5%-p
Fraud detection up 5%

Outperform: AI to improve productivity and customer satisfaction
Transform: turn complexity into superior scale …

**SIMPLE**
- Fewer, intuitive products
- No negative surprises

**DIGITAL**
- Enhanced data analytics
- Trouble-free processes without legacy

**SCALABLE**
- Harmonized products and processes
- Cost and revenue synergies
… now moving from institutional to retail lines

Globalization/
scale benefits

Retail and SME

ACM

Simplified products
Harmonized processes
Global IT platform

Asset Management

AIM (Allianz Investment Management)

Corporate lines P/C

Allianz Partners

Credit

Today
Transform: the Allianz Customer Model

Allianz Group

- Organic growth\(^1\) > 2%
- Profitability\(^2\) 94% CR
- Customer satisfaction\(^3\) n.a.

Allianz Customer Model (ACM) - Simplification and harmonization -

OE1

OE2

OE3

OE4

ACM

Allianz best practice

- Organic growth\(^1\) > 5%
- Profitability\(^2\) < 92% CR
- Customer satisfaction\(^3\) > 20%

1) P/C CAGR internal growth 2017/2015
2) Combined ratio 9M 2018
3) P/C absolute NPS 2017. Group: KPI not calculated on aggregated basis
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Transform: simplicity potential even in best practice OEs

Allianz best practice retail motor legacy book

- Share in revenues: 3%
- Share in IT costs: 18%

Disproportional savings potential

Accelerated migration of legacy books and systems

1) Third product generation and older
Rebalance: putting scale to work

Archetypes of direct businesses

- **Attackers**
- **Innovation at scale**
- **Laggards**
- **Specialists**

Customer centricity & innovation

Scale at low costs

- **Allianz European Direct Platform**

- **Most InsurTechs**

**Key Points**:
- **Scope**: Initially European
- **Brand**: Allianz Direct
- **Platform**: ABS and new cloud-based micro-services architecture for best in class cost and agility
- **Offering**: ACM master product and process design
Capital Markets Day 2018

Agenda

Taking stock
2016 - 2018

Simplicity wins
Outperform, transform, rebalance

Capital management
The CEO view
2019 - 2021

Targets and outlook
Discipline generates optionality

Hurdles

Internal growth
- Capital allocation
  - Rol
  - SII
  - Cash

External growth
- Strategic fit
  - Quality
  - Rol
  - SII
  - Cash

Share buy-back
- RoI
- SII
- Cash
Selective portfolio optimization

Transaction volume\(^1\) (EUR)

\(\Sigma 1\text{bn}\)

\(\Sigma 4\text{bn}\)

Bought

Sold

- Euler Hermes
- LV=
- Allianz X investments
- Multiasistencia
- Zurich Maroc
- Allianz Irish Life minorities
- Aegon Commercial NL
- Janashakthi General Insurance
- ADAC JV
- Gurtin
- PWC ECA
- PNB Life
- Rogge Global Partners
- DAS Switzerland/Slovakia/Lux.
- Moneyfarm
- Ensure Nigeria
- Saudi Fransi
- HypoVereinsbank (Germany)
- Standard Chartered (Asia)
- UniCredit (CEE)

- Allianz Life Korea
- AGF Insurance UK
- AllianzGI Korea
- Allianz Taiwan life portfolio
- OLB

\(1\) Net loss in case of disposals with negative P&L impact
Result: strong solvency and attractive payout

Cash returned to shareholders (EUR)

Solvency II


194% 191% 200% 218% 229% 229%

Σ 7.5bn × 2 Σ 16bn

Tight capital management – delivered as promised
Agenda

- Taking stock
  - 2016 - 2018
- Simplicity wins
  - Outperform, transform, rebalance
- Capital management
  - The CEO view
- Targets and outlook
  - 2019 - 2021
## Ambitious targets benefitting all stakeholders

<table>
<thead>
<tr>
<th>KPI</th>
<th>Targets¹ (2019 - 2021)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings growth</td>
<td>EPS CAGR: 5% plus o/w 4% plus organic</td>
</tr>
<tr>
<td>Profitability²</td>
<td>RoE: 13% plus</td>
</tr>
<tr>
<td>Capital strength</td>
<td>SII ratio: 180% plus</td>
</tr>
<tr>
<td>Customer centricity³</td>
<td>NPS &gt; market: 75% plus</td>
</tr>
<tr>
<td>Employee commitment</td>
<td>IMIX: 73% plus</td>
</tr>
</tbody>
</table>

1) Actual results, performance or events may differ materially from these forward-looking statements. The company assumes no obligation to update any information or forward-looking statement contained herein.
2) RoE calculation excludes unrealized gains/losses on bonds, net of shadow DAC.
3) Percent value refers to share of businesses measuring retail NPS.
From discount to premium valuation

<table>
<thead>
<tr>
<th>Allianz valuation</th>
<th>Discount</th>
<th>Neutral</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>until 2015</td>
<td>2016 - 2018</td>
<td>2019 - 2021</td>
</tr>
<tr>
<td>Resilience</td>
<td></td>
<td>✔️</td>
<td></td>
</tr>
<tr>
<td>Profitability</td>
<td></td>
<td>✔️</td>
<td></td>
</tr>
<tr>
<td>Capital management</td>
<td></td>
<td>✔️</td>
<td></td>
</tr>
<tr>
<td>Organic growth</td>
<td></td>
<td>✔️</td>
<td></td>
</tr>
<tr>
<td>Productivity</td>
<td></td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Simplicity</td>
<td></td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Scalability</td>
<td></td>
<td>✔️</td>
<td>✔️</td>
</tr>
</tbody>
</table>
Our equity story – reinforced

“Simplicity wins”

Upside potential

5% plus

EPS growth 5% plus, o/w 4% plus organic

Outperform: continuous productivity gains

Transform: simplicity and scalability

Rebalance: capital reallocation

Attractive dividend policy

50%

50% dividend payout

Attractive dividend yield

Flexible payout of excess capital

Dividend ratchet

Downside protection

Best in class risk management

Well diversified

Excellent capital position

High quality fixed income portfolio

1) Allianz' stated dividend policy may be revised in the future. Also, the decision regarding dividend payments in any given year is subject to specific dividend proposals by the management and supervisory board, each of which may elect to deviate from the dividend policy if appropriate under the then prevailing circumstances, as well as to the approval of the annual general meeting. The entire dividend policy is subject to a sustainable SII ratio >160%.

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Simplicity at scale

Iván de la Sota
Member of the Board Allianz SE
November 2018
Simplicity at scale

Allianz Customer Model
Transform the core

SIMPLICITY!

European Direct Platform
Develop new models at scale
Agenda

- Allianz Customer Model
  - Transform

- European Direct Platform
  - Occupy the digital space
“Which ONE thing bothers you most about insurance?”

- Complexity
- Rejected claims
- Price
- Trust
- Nothing
- Fraud

Survey with 500 participants; conducted in October 2018 in Germany.
Demystifying products, enhancing service and performance

Master product

Designed for the customer …

- Simple
- Intuitive
- Comprehensive

... and innovative

- One logic
- Data-driven
- Mobile first
All Allianz products will follow the same logic
Products are already the same

Potential commonalities

1) Commonalities (e.g. technical components, covers or technical items) among at least 2 out of the 3 OEs (resp. 3 out of the 5 OEs for SME) that participated in mapping.

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Exponential complexity increase
Imagine the world of ACM ...

PRODUCTS

PROCESSES & CUSTOMER JOURNEYS

IT INFRASTRUCTURE

MASTER PRODUCT

COMMON IT PLATFORM
ACM benefits all stakeholders …

Customers
- Intuitive products
- One look and feel across all touchpoints
- No bad surprises
- Increased customer satisfaction

Distributors
- Quote and sell in ~1 minute
- More time for advice
- Best value for money
- Most attractive franchise model in the market

Allianz
- Scale & efficiency
- Growth & profitability
- Common management framework and culture
- Empowerment of employees
… and beats the best

Customers

NPS (%)

Market avg. 15.4
Allianz 16.0

Distributors

Quotation time motor policy (seconds)

Market avg. 126
Allianz 65

Allianz

Gross admin expense ratio P/C (%)

Market avg. 4.5
Allianz 2.2

Allianz Spain 2017
Source: DGSEF, Allianz Spain data
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We start with our largest OEs … … for impact

Consolidation Ibero/LatAm

Consolidation CEE

Allianz Germany

Wave 1 OEs (further large OEs)

Wave 2 OEs

In parallel, legacy decommissioning and launch of master product in all smaller OEs

Representing >65% of Group P/C GPW and OP1

1) FY 2017. Excluding Global Lines
Agenda

- Allianz Customer Model
  - Transform

- European Direct Platform
  - Occupy the digital space
Customers only one click away from buying insurance online

Share of customers by distribution approach (Germany)

- ~70% Hybrid¹, ROPO²
- ~25% Pure online
- ~5% Pure offline

1) Information online and/or offline, purchase online, but still preference for personal formats (e.g., for claims handling)
2) Research online, purchase offline

Source: GfK, McKinsey

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Global and disruptive

Design principles

- One brand
- One common platform
- One master product
- One insurance carrier
- One steering

Wave 1
- Germany
- Netherlands
- Italy
- Spain

Later waves
- France
- Switzerland
- Austria
- ...
Ambitious targets to get to the top

Our ambition
(GPW in EUR)

- Claims paid in 24h: 90%
- Exclusions: ≤5
- Market leading expense ratio: ~12%
- Claims rejected: <1%
- Straight-through processing: 95%
- Handovers during process: 0

2017
- ~1bn

Mid-term
- 3-5bn
Combine customer potential of a multi-liner with the efficiency of a mono-liner
Allianz Capital Markets Day

Generating value

Giulio Terzariol
CFO Allianz SE
November 2018
Agenda

Profit growth
- EPS 5% plus

Capital management
- RoE 13% plus
**Main drivers**

**Growth**

**Productivity**

### Operating profit (EUR)

<table>
<thead>
<tr>
<th>Category</th>
<th>2018</th>
<th>CAGR 2018 - 2021e</th>
</tr>
</thead>
<tbody>
<tr>
<td>P/C</td>
<td>5.4bn</td>
<td>~ +5%</td>
</tr>
<tr>
<td>L/H</td>
<td>4.2bn</td>
<td>~ +2%²</td>
</tr>
<tr>
<td>AM</td>
<td>2.4bn</td>
<td>~ +5%</td>
</tr>
<tr>
<td>Group</td>
<td>11.1bn</td>
<td>4% plus</td>
</tr>
</tbody>
</table>

1) Midpoint of target range

2) Including negative impact from termination of JV Eurovida (Spain)
Productivity steering – what is different this time?

Key metrics for productivity steering

Identify performance gap

- Total insurance costs
- Acquisition expense ratio
- Cost-income ratio

Close performance gap

- Total insurance unit costs
- Admin expense ratio
- Cost-income ratio excl. performance fees

OP impact 2021e vs. 2018 (EUR)

- ~ +0.6bn
- ~ +0.1bn
- ~ +0.1bn
- Σ ~ +0.8bn

1) Expenses (gross) and loss adjustment expenses

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Productivity steering – a good start

P/C expense ratio (%) – plan versus actual

From underdeliver … … to deliver

New steering setup

- Stronger focus
- Benchmark against best in class
- Granular action plan
- Relevant for management compensation

Plan and productivity measures improve TIC ratio 2017–2021

<table>
<thead>
<tr>
<th>Measure</th>
<th>On track?</th>
<th>Area</th>
<th>Total cost base of these areas? Baseline 2018</th>
<th>How can productivity be improved in these areas?</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>✓</td>
<td>Area 1</td>
<td>500m EUR 32% of total OE TIC</td>
<td>Detailed action plan</td>
</tr>
<tr>
<td>B</td>
<td>✓</td>
<td>Area 2</td>
<td>300m EUR 45% of total OE TIC</td>
<td>Detailed action plan</td>
</tr>
<tr>
<td>C</td>
<td>✓</td>
<td>Area 3</td>
<td>200m EUR 11% of total OE TIC</td>
<td>Detailed action plan</td>
</tr>
</tbody>
</table>
Underwriting excellence to continue

Accident year loss ratio excl. NatCat (%)

Continuous optimization

Initiatives

- (Gross) u/w culture
- Smart Circle
- Portfolio management
- Pricing
  - Retail
  - Commercial
- Claims governance
- Technology tools¹

2015 - 2018

2019ff

Further strengthen P/C steering

Best practice: move to excellent

Best practice: enhance

Enhance technical excellence, e.g. large losses, NatCat, fraud

R&D on tools to support data / AI

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¹ Pricing, NatCat, geographic information system, loss control engineering, underwriting workbench

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L/H business mix shift supports profit growth

Operating profit growth 2018 - 2021e (p.a.)

- Uplift
- Capital efficiency
- Substitution of maturing business with capital-efficient products

Adjustment for termination of JV Eurovida (Spain)

Adjusted growth 1

~ 2%

Operating profit growth

~ 3%

Adjusted OP growth

4% - 5%

Adjusted EPS growth 1

Operating profit growth 2018 - 2021e (p.a.)

Adjusted 1 operating profit growth with 5% VNB growth

~ +3% p.a.

> +4% p.a.

New business

In-force business

2018

2021e

Mid-term

1) Adjusted for termination of JV Eurovida (Spain)

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Asset Management profit to grow

Operating profit (EUR bn)

2018 midpoint of target range
+0.3 2.4 -0.3

2021e
+0.3 2.8 -0.3

CAGR +5%

Assumptions

- AuM growth ~3.5% p.a.
- Stable fee margin and performance fees
- PIMCO CIR < 60%
  AllianzGI CIR < 67%
- F/X EUR/USD ~1.17
- No major dislocation / financial crisis
Summary – operating profit growth drives EPS

**Operating profit (EUR)**

- **P/C**
  - 2018: 5.4bn
  - CAGR 2018 - 2021e: ~ +5%

- **L/H**
  - 2018: 4.2bn
  - CAGR 2018 - 2021e: ~ +2%

- **AM**
  - 2018: 2.4bn
  - CAGR 2018 - 2021e: ~ +5%

- **Group**
  - 2018: 11.1bn
  - CAGR 2018 - 2021e: 4% plus

- **Group EPS**
  - 2018: ~ +5%
  - CAGR 2018 - 2021e: 5% plus

**Indicative KPIs**

- CR ~93%, ER ~27.5%
- NBM >3%, VNB growth ~5%
- PIMCO CIR <60%, AllianzGI CIR <67%
- Organic profit growth
- OP growth and capital management

---

1) Midpoint of target range
2) Including negative impact from termination of JV Eurovida (Spain)

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Agenda

Profit growth
EPS 5% plus

Capital management
RoE 13% plus
Capital allocation: discipline and optionality

- Capital generation
- Liquidity
- Leverage

Hurdles:
- Strategic fit
- Quality
- RoI
- SII
- Cash

Internal growth:
- RoI
- SII
- Cash

External growth:
- RoI
- SII
- Cash

Share buy-back:
- RoI
- SII
- Cash
Consistent SII capital generation

SII ratio

200% 210% 220% 230%

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating SII earnings</td>
<td>11.9bn</td>
<td>11.2bn</td>
<td>9.0bn</td>
<td>~38bn</td>
</tr>
<tr>
<td>SCR (business evolution)</td>
<td>+0.5bn</td>
<td>-0.4bn</td>
<td>0.0bn</td>
<td>~+2bn</td>
</tr>
</tbody>
</table>
Strong cash generation

Strong cash generation from OEs ...

... to continue – illustrative example¹ (EUR)

OE remittance ratio (incl. excess capital) in % of OE net income
OE remittance ratio in % of OE net income

OE remittance ratio in % of OE net income

- 116% 110% 104% -95%
- 83% 69% 82% -80%

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018e</th>
</tr>
</thead>
<tbody>
<tr>
<td>OE remittance ratio (incl. excess capital) in % of OE net income</td>
<td>- 116%</td>
<td>110%</td>
<td>104%</td>
<td>-95%</td>
</tr>
<tr>
<td>OE remittance ratio in % of OE net income</td>
<td>- 83%</td>
<td>69%</td>
<td>82%</td>
<td>-80%</td>
</tr>
</tbody>
</table>

Net income
Non-cash items / internal growth
Cash
Dividend
Free cash

- ~8bn
- ~6.5bn
- ~4bn
- ~2.5bn

Remittance ratio²
- >80%

50% payout ratio

Available for
- external growth
- share buy-backs

¹ No forecast
² Including corporate segment and internal loans, when used to pre-fund excess capital repatriation

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Leverage ratio at target

Financial leverage\(^1\)

[Graph showing leverage ratios from 2010 to 3Q 2018 with points at 27%, 28%, 26%, 26%, 23%, 24%, 24%, 26%, 27%]

Senior debt leverage\(^2\)

[Table showing senior debt leverage: 14%, 12%, 11%, 12%, 11%, 11%, 10%, 12%, 13%]

1) Senior debt and subordinated bonds divided by the sum of senior debt, subordinated bonds and shareholders’ equity

2) Senior debt divided by the sum of subordinated bonds and shareholders’ equity

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Clearly defined M&A hurdles

**Strategic fit**
- Synergies
  - Tangible / credible
- Cultural fit
  - Leadership values / incentive schemes
- Rebalance
  - Attractive markets / leading positions

**Financial performance**
- Balance sheet / P&L
- Transparency / earnings pattern
- Franchise
  - Market positioning / distinctive capabilities
- Business model
  - Clear / simple to integrate

**Valuation**
- RoI
  - IRR ≥ CoE + risk premium
  - Challenge against share buy-backs
- Payback period
  - RoI ≥ CoE after 3 - 5 years
- Financing
  - Solvency and leverage ratio to remain sustainable
Capital discipline safeguarded by strict RoE target

RoE

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>9M 2018</th>
<th>2019ff</th>
</tr>
</thead>
<tbody>
<tr>
<td>RoE</td>
<td>12.6%</td>
<td>12.3%</td>
<td>11.8%</td>
<td>13.8%</td>
<td></td>
</tr>
</tbody>
</table>

Solvency II old
target range: 180% - 220%

SII ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>9M 2018</th>
<th>2019ff</th>
</tr>
</thead>
<tbody>
<tr>
<td>SII</td>
<td>200%</td>
<td>218%</td>
<td>229%</td>
<td>229%</td>
<td></td>
</tr>
</tbody>
</table>

High profitability and strong capitalization

1) Annualized

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Discipline reflected in attractive payout

Total yield:
- 2013: 4.5%
- 2014: 5.1%
- 2015: 4.9%
- 2016: 4.7%
- 2017: 8.3%
- 2018e: ~8%

Total payout ratio:
- 2013: 40%
- 2014: 50%
- 2015: 50%
- 2016: 50%
- 2017: 50%
- 2018e: 50%

- 50% payout ratio
- Dividend ratchet
- Subject to internal and external growth

1) Dividend and share buy-back / average market cap

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Generating value

5% plus EPS growth
13% plus RoE
Value generation
Agenda

Overview
Allianz Germany

Transform
Productivity and simplicity

Motor 2.0
Customer centricity

Outlook
Scalability
Allianz Germany at a glance

Facts and figures 2017 (EUR)

Market position: #1
Revenues: 35bn
Operating profit: 2.3bn
RoE P/C: 15%
RoE Life: 18%
RoE Health: 14%
Agenda

Overview
- Allianz Germany

Transform
- Productivity and simplicity

Motor 2.0
- Customer centricity

Outlook
- Scalability
Foundations laid for profitable growth in P/C

1) 9M 2018 versus 9M 2017
2) Share of retail products and prices available online in 2017;
   100% of all newly launched products are digital
3) 9M 2018 normalized for NatCat. Reported CR 94.9%

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Simplicity drives productivity

2) PrivatSchutz includes household, liability, homeowners’ insurance, legal protection, accident, pet insurance and pet liability.
Moving technical excellence to the next level – example Motor 2.0

State-of-the-art risk modeling
- Most granular risk model in Germany

Modern pricing techniques
- Real-time pricing engine, decoupled from tariff

Real-time monitoring
- Almost every second quote converted

- >800 risk parameters considered
- Machine learning
- Behavioral pricing
- Continuous monitoring of conversion rates
- Daily price adjustments possible

1) Tied agent channel during renewal season 2017
Agenda

- Overview: Allianz Germany
- Transform: Productivity and simplicity
- Motor 2.0: Customer centricity
- Outlook: Scalability
Motor – the anchor product

Retail customers\(^2\)

Total P/C 11mn
Motor 5mn

EUR 10bn P/C premiums\(^1\)
Motor 38%

New retail customers\(^2\) (in ‘000)

<table>
<thead>
<tr>
<th></th>
<th>Motor</th>
<th>Liability</th>
<th>Household</th>
<th>Property</th>
</tr>
</thead>
<tbody>
<tr>
<td>395</td>
<td>77</td>
<td>52</td>
<td>44</td>
<td></td>
</tr>
</tbody>
</table>

High customer reach …

… especially in new business

1) FY 2017
2) 9M 2018
Motor 2.0 – designed around the customer

<table>
<thead>
<tr>
<th>Simple</th>
<th>Comprehensive</th>
<th>Convenient</th>
<th>Attractive</th>
</tr>
</thead>
<tbody>
<tr>
<td>11 instead of 21</td>
<td>5-9 instead of 13</td>
<td>60 seconds</td>
<td>Up to 20% discount for garage steering</td>
</tr>
<tr>
<td>inputs for quote</td>
<td>modules</td>
<td>for online quote</td>
<td>Up to 40% discount for telematics tariff</td>
</tr>
<tr>
<td>No surprises</td>
<td>Valet service</td>
<td>Emergency call in case of accident or critical illness</td>
<td>45% conversion rate tied agents</td>
</tr>
</tbody>
</table>

- **Convenient**: In 60 minutes on the road again; to collect and return car for repair.
- **Attractive**: Up to 20% discount; Up to 40% discount; 45% conversion rate.
Convenient and efficient digital claims handling
Broad integrated marketing campaign

Generate sympathy
2017

Highlight value for money
2018

Multi-channel
Flexible multi-channel access for customers

Customer journeys German motor market

1) Sources: Google, Kantar TNS
2) Renewal season 2017; gross number of new policies and change versus 2016; including AllSecur
3) Including customers requesting online and offline quotes

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Convincing results

Net new contracts\(^1\) 124,000

Share of new customers\(^2\) 30\%

Several seals of quality received

Best renewal season in 16 years

---

1) Renewal season 2017
2) Share of former non-Allianz customers in total customers; renewal season 2017
Agenda

Overview
- Allianz Germany

Transform
- Productivity and simplicity

Motor 2.0
- Customer centricity

Outlook
- Scalability
Upcoming ACM compliant products

35% of GPW on new master platform by 2021

45%

IT cost synergies¹ (example PrivatSchutz)

GPW growth 2018 - 2021e

Motor 2.0 +5% p.a.
Motor SME +6% p.a.
PrivatSchutz +4% p.a.
Non-motor SME

1) Set-up costs

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Outlook 2021 – Allianz Germany P/C

+4% revenue growth p.a.

>30 bps ER reduction p.a.
## Allianz Leben at a glance

### Facts and figures 2017 (EUR)

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>10mn</td>
</tr>
<tr>
<td>Revenues</td>
<td>21bn</td>
</tr>
<tr>
<td>Operating profit</td>
<td>&gt; 1bn</td>
</tr>
<tr>
<td>Payout to customers</td>
<td>13bn</td>
</tr>
<tr>
<td>Market share&lt;sup&gt;1&lt;/sup&gt;</td>
<td>23%</td>
</tr>
<tr>
<td>Solvency II ratio&lt;sup&gt;2&lt;/sup&gt;</td>
<td>403%</td>
</tr>
</tbody>
</table>

1) Based on GPW  
2) Without transitionals

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Our strengths drive profitable growth …

Continuous innovation
Capital-efficient products

Strong capital position
SII ratio¹
403%

New business value (EUR)

Attractive crediting
e.g. “Perspektive”²
3.7%

Best in class productivity
Expenses in bps of AuM
81bps

2015

2018e

Preferred lines of business
>85%
New business margin
~4.0%

1) Without transitionals
2) Crediting rate for 2018

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... and are leveraged throughout the Group

Transfer of products ...

... to new target groups

New target groups

... into a digital landscape

Digital business models

... and digital assets to other OEs

Scalability / internationalization
Agenda

Overview
- Allianz Leben

Digital business models
- Customer centricity

Scalability
- Internationalization

Outlook
- Profitable growth
FOURMORE – digital customer-centric product concept

(launch 07/2018)

**Flexibility**
- Pay as you like
- Withdrawals and deposits

**Simplicity**
- Fully digital with radically simplified processes
- Self-services for easy account management

**Attractive returns**
- Participation in strong investment portfolio\(^1\)
- Integrated steering

**Guarantees**
- Guarantee of premiums paid\(^2\)
- Lock-in of outperformance

**Upscaling – next steps**
- Online sales application for tied agents and brokers
- Affinity business
- Transfer of product concept to other areas

---

1) For typical customer 67% share in growth oriented investment pool (equities, emerging market bonds, corporate bonds and real estate)
2) At age 67

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FIRMENONLINE – meeting the digital agenda of corporate clients

Employer portal

- Easy and fast processes
- End-to-end digitalization
- No costs for platform

API

Employee portal

- Ease of use
- Configurable
- Individualized offering based on pension scheme

Holistic approach

- Administrative burden
- Participation in pension schemes
- New models (e.g., save-more-tomorrow)

1) Application programming interface for integration into corporate context (under development)
Allianz Leben to become an international production center in Europe

Support in disability product development

Perspektive as deferred annuity

Customer requirements
Marketing
Product features
Pricing
Risk assessment
Sales
Electronic underwriting

Conclusion of contract
Contract management incl. handling of claims

After sales services
Allianz Leben
Allianz Austria

Transfer of pension obligations
Integrated solutions for international clients
Global underwriting for protection business

Electronic underwriting for biometric products as a service

Retail business
Product transfer
Product carrier (balance sheet)

Corporate pensions & protection

Sharing of digital assets
Agenda

Overview
- Allianz Leben

Digital business models
- Customer centricity

Scalability
- Internationalization

Outlook
- Profitable growth
Allianz Leben: creating value for customers and shareholders

- **Customers**
  - Innovative products
  - Attractive crediting rate

- **Shareholders**
  - Productivity (AuM)
    - Expense ratio: -3bps p.a.\(^1\)
  - AuM growth\(^1\) p.a.
  - Value of new business\(^1\) p.a.

1) Time period 2018 - 2021e
2) "Perspektive" crediting rate for 2018

---

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Maximizing the micro potential

Line Hestvik
Head of Global P/C
November 2018
A partner for your courage
Micro SME sits between retail and midcorp

- Exposure and complexity
- Need of automation
Attractive market with significant growth potential

**Facts and figures**

- **EUR ~60bn**: Huge market
- **> +4% p.a.**: Fast growing
- **<2/3 covered**: Underpenetrated
- **EUR 3bn**: Allianz GPW in SME
- **~90%**: Combined ratio
- **EUR 430mn**: Operating profit

3) PWC, Global Digital Small Business Insurance Survey; example for premises and content LoBs: ~60% of respondents ‘have cover’, rest ‘don’t have’, ‘don’t know’ or consider ‘not applicable’
4) 2017 OP SME segment. Approximation as not all OEs report SME segment separately

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Allianz’ answer to the needs of Micro SME customers
Automated and scalable

**Old product**

- Traditional
- Paper
- Specialist sales force
- Backoffice
  - Traditional pricing based on up to 40 questions
  - Delayed policy issuance

**New product**

- Platform partnerships
- Individualized risk explanation
- One-to-one
- Fully digital delivery model
- Fit for all channels
- Fully automated
- 2 questions & 7 clicks to the final quote
- Immediate policy delivery
More than protection
Helping customers to manage their risks

Examples

- Alerting to profession-typical risks
- Weather warnings
- On-site visit and risk assessment⁴
- 24/7 specialist support, e.g. electrician/plumber/IT²

1) Provided by Allianz Partners
A digital, intuitive and convenient service proposition

Old product

- Limited
- Notification via agents or backoffice

New product

### Service
- 100% self-serving customer portal
- Assistance services\(^1\)
- Digital community building

### Claims
- Digital notification
- 24h assistance service\(^1\)
- Data recovery and consultancy (cyber)

---

1) Provided by Allianz Partners, e.g. prevention consulting or assistance services

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Agenda

Overview
- Micro SME

Productivity
- Automated

Customer centricity
- Intuitive

Scalability
- Growth
Micro SME to be scaled up through widespread roll-out

Further scale-up

- Allianz Customer Model compliant global product
- Allianz best practice solutions
- Allianz core technology
- Global service solutions provided by Allianz Partners
- Fully automated and scalable

Roll-out in ...

- Austria
- Rest of CEE
- Germany
- Benelux

Ambition

2x Market share
### Allianz CEE at a glance

<table>
<thead>
<tr>
<th>Facts and figures 2017 (EUR)</th>
<th>Countries</th>
<th>Revenues</th>
<th>Operating profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>4.4bn</td>
<td>491mn</td>
<td></td>
</tr>
<tr>
<td>8.3mn</td>
<td>14%</td>
<td>75%</td>
<td></td>
</tr>
</tbody>
</table>

1) 8 countries (excl. RU, UA, SI)

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Great expectations

**Outlook**

**2021e vs. 2017**

- **Countries**: +19%
- **Revenues**: +25%
- **Operating profit**: +45%
- **Customers**: +3%-p
- **RoE**: +19%
- **OEs with NPS above market**: >75%

---

1) Actual results, performance or events may differ materially from these forward-looking statements.

The company assumes no obligation to update any information or forward-looking statement contained herein.

2) 8 countries (excl. RU, UA, SI)

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The journey of transformation

2015

Outperform

- Complexity reduction
- Performance culture
- Productivity improvements

Completed

2017

2018

Transform

- True simplicity
- True customer centricity
- Regional business model

Current focus

2020

2021ff

Regional franchise with no borders and full scalability

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Simplicity and harmonization

Unified ...

... business model
- Simplified products
- Harmonized processes
- Common platform

... production
- Harmonized and scalable
- Best in class benchmarking
- Regional IT architecture

... steering
- Regional pricing cockpit
- Regional portfolio optimization

... culture
- Job mirroring and mobility
- Common interests & know-how sharing

... governance
- Regional functions
- Single P&L
### Example motor

#### Regional product design

- **4 packages** instead of >1,000 coverage combinations
- **Customer friendly** benefits guide
- **Common** marketing and communication

#### Motor product

<table>
<thead>
<tr>
<th>Coverage</th>
<th>✓</th>
<th>✓</th>
<th>✓</th>
<th>✓</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own damage (MOD)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gap insurance</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Theft</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vandalism</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Glass</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Natural catastrophes</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fire, explosion, implosion</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Animal collision</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Personal accident ext.</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roadside assistance ext.</td>
<td>✓</td>
<td>✓</td>
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<td>✓</td>
</tr>
<tr>
<td>MTPL</td>
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</tr>
<tr>
<td>Legal support</td>
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<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Personal accident basic</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Roadside assistance basic</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

#### Regional claims journey

- **Simple**
  - 4 step navigation
- **One universal** tool for claims journey tracking
- **Full transparency** on process status

#### Claims journey

1. Notification
2. Assessment
3. Repair
4. Ready2Go
Scalable business model enables swift expansion

Local and regional management know-how to align companies

Possibility to onboard quickly

Ability to leverage common processes and platform

New businesses, e.g. health

New countries, e.g. Slovenia

Smart mergers & acquisitions
Convincing track record and ambitious targets

1) All numbers refer to all countries including Austria, Russia, Slovenia and Ukraine
2) Actual results, performance or events may differ materially from these forward-looking statements. The company assumes no obligation to update any information or forward-looking statement contained herein
These assessments are, as always, subject to the disclaimer provided below.

Forward-looking statements
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 EUR/USD 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.

No duty to update
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