Bringing skills to scale

Jay Ralph, Member of the Board of Management of Allianz SE

Commerzbank German Investment Seminar

New York, January 2016
Allianz – a leading global financial services company

EUR **122bn** total revenues\(^1\)

EUR **1,746bn** total AuM\(^2\)

EUR **10.4bn** operating profit\(^1\)

200% Solvency II capitalization\(^2\)

EUR **61.3bn** S/H equity\(^2\)

EUR **64.1bn** market cap\(^2\)

Now **85mn** insured customers\(^1\)

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**Segments**\(^{1,3}\)

- Operating profit in %
  - AM: 23%
  - P/C: 48%
  - L/H: 29%

**Regions**\(^{1,3}\)

- Operating profit in %
  - Growth markets
    - Specialty insurance: 14%
    - Broker markets (US, UK, IRL, AUS): 28%
    - Western & Southern Europe: 30%
  - Germany: 26%

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1) 2014
2) 30 September 2015
3) Relation of business segments excluding Corporate & Other and consolidation
Attractive dividend policy

1) This 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 boards, each of which may elect to deviate from this 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%

2) As of 18.11.2015

**Pay-out**
- Supports ratchet, if necessary
- Pay-out of unused external growth budget every three years
- Regular dividend... with ratchet: absolute dividend per share at least at previous year’s level

**Investments**
- Internal growth
- Supports growth, if not needed for ratchet
- External growth

**Allocation of s/h net income**
- 50%
- 20%
- 10%

Bringing skills to scale

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“Renewal Agenda” to reinforce our leadership position

<table>
<thead>
<tr>
<th>Content</th>
<th>Impact</th>
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<tbody>
<tr>
<td>True Customer Centricity</td>
<td>- Superior customer experience</td>
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<td>- 75% of our businesses aim to be Loyalty Leader or above market</td>
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<tr>
<td>Digital by Default</td>
<td>- Expand our common group platforms</td>
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<td>- Achieve productivity gains to finance our digital transformation</td>
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<tr>
<td>Technical Excellence</td>
<td>- Rigorous management of underperforming portfolios</td>
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<td>- In-force management and a strong move into capital-light products</td>
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<td>Growth Engines</td>
<td>- Consolidate leadership in mature markets</td>
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<td>- Reinforce our presence in growth markets</td>
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<tr>
<td>Inclusive Meritocracy</td>
<td>- Reinforce a culture where people and performance matter</td>
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<td>- Strengthen leadership bench and employee engagement</td>
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Accelerated customer retention, growth and margins

Globalization of new digital products and processes

EUR 1bn of recurring productivity gains by 2018

Ambitious financial targets:
- P/C CR ≤ 94%
- L/H RoE ≥ 10% for each OE;
- NBM ≥ 3%

Improve margins and scale

Fortify growth

Secure our future potential

Faster, more successful change execution
## Ambition: 5% EPS and DPS CAGR 2016 - 2018

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<thead>
<tr>
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<th>2009 - 2014</th>
<th>2016 - 2018</th>
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</thead>
<tbody>
<tr>
<td><strong>EPS (EUR)</strong></td>
<td><img src="image1.png" alt="Graph" /></td>
<td><img src="image2.png" alt="Graph" /></td>
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<tr>
<td>CAGR</td>
<td>+8%</td>
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<tr>
<td>EPS</td>
<td>9.33</td>
<td>13.71</td>
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<tr>
<td><strong>DPS (EUR)</strong></td>
<td><img src="image3.png" alt="Graph" /></td>
<td><img src="image4.png" alt="Graph" /></td>
</tr>
<tr>
<td>CAGR</td>
<td>+11%</td>
<td></td>
</tr>
<tr>
<td>DPS</td>
<td>4.10</td>
<td>6.85</td>
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### Renewal Agenda

1. **Capital efficiency**
   - Potential to free up EUR ~3bn from L/H back-books
   - Shift to capital-light products in new L/H business
2. **Healthy cash flows**
   - EUR ~ 5bn free cash flow after tax 2015e
   - Upstreaming of EUR ≥ 4bn local excess capital
3. **Attractive RoE**
   - 13% IFRS RoE 2018e

### Dividend policy

- **EPS CAGR** 5% p.a.
- **DPS CAGR** 5% p.a.
Disclaimer

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 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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