Allianz Group –
an opportunity

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Chief Executive Officer, Allianz SE

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London, September 2016
1 Allianz equity story
2 Outlook
Allianz at a glance

1. Allianz equity story

EUR 125bn revenues¹
EUR 6.6bn net income²
EUR 61bn market cap³

#1 P/C insurer
EUR 52bn revenues¹

Top 5 life insurer
EUR 67bn revenues¹

Top 5 asset manager
EUR 1,830bn AuM⁴

1) FY 2015
2) FY 2015, attributable to shareholders
3) As per September 15, 2016
4) As per 06/2016
Allianz equity story in a nutshell

1. Allianz equity story

- Attractive and transparent dividend policy
- Upside potential
- Downside protection
1. Allianz equity story

1. Downside protection

Excellent capital position

- Shareholders’ equity: EUR 68bn
- Solvency II ratio: 186%
- S&P rating: AA

High quality debt portfolio (EUR 598bn)

- AAA: 21%
- AA: 27%
- A: 17%
- BBB: 29%
- < BBB: 4%
- Not rated: 2%

Diversification – operating profit by segments

- Property/Casualty: 48%
- Life/Health: 32%
- Asset Management: 20%
- Operating profit: EUR 10.7bn

Diversification – operating profit by geography

- Germany: 26%
- W & S Europe: 31%
- Broker markets: 27%
- Specialty insurance: 14%
- Growth markets: 2%
- Operating profit: EUR 10.7bn

1) Figures refer to 2Q 2016
2) Figures refer to 2015
3) W & S Europe = Western and Southern Europe
4) Broker markets include US, UK, Ireland, Australia
1. Allianz equity story

Excursus Allianz Leben

Business in-force (2Q 2016)

0.0%
Break-even re-investment yield\(^1\)

New business (6M 2016)

2.9%
New business margin

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1) Simplified approach to calculate minimum reinvestment yield based on contractual guarantees only (without any further p/h participation - incl. withdrawal of terminal bonuses and withdrawal of p/h participation in hidden reserves - and without consideration of other b/s restrictions). Calculation based on 2Q 2016 data.
# 2. Attractive and transparent dividend policy

## Pay-out ratio

- **50%** regular pay-out ratio
- **6%** yield<sup>1</sup>
- Remainder used for growth and dividend continuity

## Continuity

- Dividend no less than previous year
- **10%** DPS CAGR in last 5ys
- 3 dividend hikes and 0 cuts in last 5ys

## Discipline

- **20%** of net income allocated to M&A
- Unused M&A budget to be paid out after 3ys, first term 2014 – 2016
- Unused budget for external growth or capital repatriation: EUR 2.5 – 3.0bn

## Growth

- EPS ambition 5% DPS CAGR for 2015 – 2018e
- Entire dividend policy subject to sustainable Solvency II ratio >160%

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1) Based on 2015 DPS of EUR 7.30 and closing price of Allianz share of EUR 132.6 on September 15, 2016
3. Upside potential

Renewal Agenda

1. True Customer Centricity
2. Digital by Default
3. Technical Excellence
4. Growth Engines
5. Inclusive Meritocracy

Competitive advantages for leading firms

- Investments in digitalization
- Investment capabilities
- Solvency II

Headwinds to disappear

- Korea (short-term)
  - EUR -414mn net income impact in 1H 2016
- LatAm (medium-term)
  - EUR -154mn P/C operating loss 2015

1) 1Q 2016 EUR -63mn, 2Q 2016 EUR -352mn
Five-year total return
(Indexed on 100, 31.08.2011 – 31.08.2016)

Allianz 18.5% p.a.
EURO STOXX 50 9.9% p.a.
Wrap-up

1. Allianz equity story

Upside potential

Attractive and transparent dividend policy

Downside protection
Agenda

1  Allianz equity story
2  Outlook
Outlook

1. Macro to remain difficult
2. Successful evolution of business model
3. Digitalization
4. Our targets

Ambition 2018
2. Outlook

We do not plan for an economic recovery\(^1\), …

**Challenging environment**
likely to persist, e.g. geopolitical tensions or prospects for Chinese economy

**Global economic growth**
to remain moderate

**Government bond yields**
to rise modestly

**Emerging Markets’ weight in global output** to continue to rise - but at a slower pace

**Normalization of monetary policy**
to be gradual and cautious – first in the US, later in Europe

**Interest rates**
to stay low for much longer – hunt for yield to continue

\(^1\) High-level 3-5 year macro and interest rate outlook. Source: Allianz Economic Research
2. Outlook

… we adapt our business model: some early success stories …

New business mix shift in L/H

<table>
<thead>
<tr>
<th>Year</th>
<th>Protection &amp; health</th>
<th>UL w/o guarantees</th>
<th>Capital-efficient products</th>
<th>Gtd. savings &amp; annuities</th>
</tr>
</thead>
<tbody>
<tr>
<td>12M 2014</td>
<td>10%</td>
<td>16%</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>12M 2015</td>
<td>13%</td>
<td>21%</td>
<td>29%</td>
<td>37%</td>
</tr>
<tr>
<td>1H 2016</td>
<td>17%</td>
<td>17%</td>
<td>29%</td>
<td>29%</td>
</tr>
<tr>
<td>2018 target</td>
<td>20%</td>
<td>24%</td>
<td>36%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Growing weight of AllianzGI

- Operating profit (EUR mn)
- OE ranking by OP contribution

Stable SII ratio despite rate\(^1\) decline

<table>
<thead>
<tr>
<th>Quarter</th>
<th>200%</th>
<th>200%</th>
<th>186%</th>
<th>186%(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3Q 2015</td>
<td>0.96%</td>
<td>1.01%</td>
<td>0.56%</td>
<td>0.42%</td>
</tr>
<tr>
<td>4Q 2015</td>
<td>200%</td>
<td>200%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1Q 2016</td>
<td>186%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2Q 2016</td>
<td></td>
<td></td>
<td>186%</td>
<td></td>
</tr>
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Disciplined capital management (EUR bn)

- 2013-15 cumulative M&A budget: 3.8
- 2014-16 YTD cumulative M&A spend
- Unused M&A budget: 2.5 - 3.0

1) 10Y EUR swap rates. Source: Thomson Reuters Datastream
2) Before positive impact from sale of Korean Life operation
… including digitalization along all parts of the value chain …

2. Outlook

**Claims**
- **Customer NPS**
  - 36% viaMail
  - 60% viaApp
- **Digital invoices**
  - 3k in 2013, 9k in 2014, 3.4k in 2015, 7.2k in 8M 2016

**Digital communication**
- 88% in 2014, 90% in 2015, 92% in 3M 2016, 96% in 6M 2016

**Sales**
- **Direct P&C GPW (EUR mn)**
- **% of total P/C GPW**
  - 7.9% in 2011, 9.0% in 2012, 10.8% in 2013, 12.2% in 2014, 13.6% in 2015

**Claims**
- **Digital invoices via App**
  - 198k in 2013, 252k in 2014, 257k in 2015, 320k in 8M 2016
- **App invoices as % of all invoices**
  - 3.6% in 2013, 6.0% in 2014, 8.8% in 2015, 10.5% in 8M 2016

**Products**
- **Connected vehicles on platform**
  - 198k in 2013, 252k in 2014, 257k in 2015, 320k in 8M 2016
- **Cumulative kilometers (bn) driven**
  - 3.6bn in 2013, 6.0bn in 2014, 8.8bn in 2015, 10.5bn in 8M 2016

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1) Percentage of total P&C GPW at AZ Italy excludes premiums resulting from the 2014 acquisition of MiSa
2) In 2015, Allianz actively promoted the further development and use of a Group-wide connected car platform

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Achievements and ... with simultaneous emphasis on sustainability

|-------------|--------------------------------------|-----------|-----------|-----------|

<table>
<thead>
<tr>
<th>Environment</th>
<th>Energy consumption [GJ per employee]</th>
<th>CAGR -5%</th>
<th>2011: 22.0</th>
<th>2015: 18.2</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Social</th>
<th>Employee Engagement Index [score]</th>
<th>+12%</th>
<th>2011: 67</th>
<th>2015: 75</th>
</tr>
</thead>
</table>

<table>
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<tr>
<th>Governance</th>
<th>Transactions with ESG screening</th>
<th>+170%</th>
<th>2014: 150</th>
<th>2015: 405</th>
</tr>
</thead>
</table>

... external acknowledgments

1) Dow Jones Sustainability rating: 2016; all other ratings: 2015

One of world’s leading sustainable companies
2. Outlook

Clearly defined ambitions for 2018

Performance

ROE<sup>1</sup> 13

- 2015: 12.5%
- 2018: 13%

EPS 5

- 3-year CAGR
- 2015: 8%
- 2018: 5%

Health

NPS 75

- better than market
- 2015: 50%
- 2018: 75%

IMIX 72

- 2015: 68%
- 2018: 72%

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1) Excluding unrealized gains/losses on bonds net of shadow DAC
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