Allianz Group – an opportunity

Jacqueline Hunt, Member of the Board of Management Allianz SE

New York, January 2017
Allianz Equity Story in a nutshell

- **Downside protection**
- **Upside potential**
- **Attractive and transparent dividend policy**
1. Downside protection

**Strong market positions and brands**

- #1 P/C insurer
  - Premiums P/C\(^1\)
    - EUR 52bn

- Top 5 life insurer
  - Premiums L/H\(^1\)
    - EUR 67bn

- Top 5 asset manager
  - AuM\(^2\)
    - EUR 1,859bn

**Well diversified – operating profit**

- Property/Casualty: 48%
- Life/Health: 32%
- Asset Management: 20%
  - Operating profit\(^3\)
    - EUR 10.7bn

**Excellent capital position**

- Shareholders’ equity\(^2\)
  - EUR 70bn
- Solvency II ratio\(^2\)
  - 186%
- S&P rating\(^2\)
  - AA

**High quality debt portfolio\(^2\) (EUR 607bn)**

- AAA: 22%
- AA: 26%
- A: 18%
- BBB: 28%
- < BBB: 4%
- Not rated: 3%
- Insurance investments\(^2\)
  - EUR 679bn

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1) Figures refer to 2015
2) Figures refer to 3Q 2016
2. Upside potential

Renewal Agenda

Further strengthening of our competitive advantage

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

Competitive advantages for large players

- Investments in digitalization
- Investment capabilities
- Solvency II

Headwinds to disappear

Korea (short-term)
- EUR -423mn net income impact in 9M 2016

LatAm (medium-term)
- EUR -154mn P/C operating loss 2015

5% EPS CAGR 2016 – 2018e

Last 5ys
- 5% EPS CAGR achieved 2010 – 2015

Next 3ys
- Ambition 5% EPS CAGR 2015 – 2018e
3. Attractive dividend policy

**Pay-out ratio**
- 50% regular pay-out ratio
- ~5% yield
- Remainder used for growth and dividend continuity

**Dividend continuity**
- Dividend no less than previous year
- 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 would trigger 5% DPS CAGR for 2015 – 2018e
- Entire dividend policy subject to sustainable Solvency II ratio >160%

1) As of 3Q 2016
Wrap-up

Downside protection

Upside potential

Attractive dividend policy

9M result 2016: well on track

- EUR 8.0bn operating profit, equivalent to 76% of full-year target range mid-point
- EUR 5.1bn s/h net income, equivalent to 78% of full-year result 2015
- 186% Solvency II ratio
- Operating profit outlook of EUR 10.5bn plus/minus EUR 500mn confirmed
Allianz Life USA with excellent track record

Revenues (USD bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>FIA</th>
<th>VA</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>9.4</td>
<td>0.55</td>
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<td>2013</td>
<td>9.7</td>
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<td>2014</td>
<td>15.7</td>
<td>2.2</td>
<td>0.7</td>
</tr>
<tr>
<td>2015</td>
<td>11.6</td>
<td>2.0</td>
<td>0.8</td>
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</table>

CAGR +7%

Operating profit (USD mn)

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<th>VA</th>
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</tr>
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<tbody>
<tr>
<td>2012</td>
<td>586</td>
<td>101</td>
<td>3.3</td>
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<tr>
<td>2013</td>
<td>646</td>
<td>106</td>
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<tr>
<td>2014</td>
<td>876</td>
<td>115</td>
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<tr>
<td>2015</td>
<td>932</td>
<td>117</td>
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</table>

CAGR +17%

Operating profit contribution (Rank of OP within OEs / countries)


Top 5 OE

- #5: 2012, 2015
- #6: 2013
- #5: 2014

New business margin

- FIA
- VA
- Other

AuM USD bn

- 2012: 5.5
- 2013: 6.1
- 2014: 12.8
- 2015: 8.8

- 2012: 0.6
- 2013: 0.6
- 2014: 0.7
- 2015: 0.8
AllianzGI success story continues

3rd party AuM (EUR bn)

CAGR +17%

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<tbody>
<tr>
<td>Value</td>
<td>178</td>
<td>215</td>
<td>260</td>
<td>289</td>
</tr>
</tbody>
</table>

Net flows in % of AuM:
- 2012: 0%
- 2013: 3%
- 2014: 5%
- 2015: 7%

3yr-outperformance:
- 2012: 62%
- 2013: 55%
- 2014: 55%
- 2015: 70%

Operating profit (EUR mn)

CAGR +23%

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<th>2015</th>
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<tbody>
<tr>
<td>Value</td>
<td>288</td>
<td>364</td>
<td>408</td>
<td>535</td>
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</tbody>
</table>

CIR:
- 2012: 77%
- 2013: 73%
- 2014: 72%
- 2015: 70%

Operating profit contribution
(Rank of OP within OEs / countries)

Δ +3

<table>
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<tr>
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<tr>
<td>Rank</td>
<td>#10</td>
<td>#10</td>
<td>#9</td>
<td>#7</td>
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PIMCO continues to be a strong asset

- **#2 Allianz OE**
  - In terms of operating profit\(^1\)

- **EUR 1.8bn**
  - Operating profit\(^1\)

- **EUR 1.0tn**
  - 3\(^{rd}\) party assets under management\(^2\)

- **Flows significantly improved**

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1) 2015; ranking of operating profit by operating entity / country
2) 3Q 2016
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