PERFORMANCE MATTERS

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Allianz at a glance

Performance matters

EUR 122bn
revenues¹

EUR 7.0bn
net income²

EUR 81bn
market cap³

#1
P/C insurer
EUR 52bn
revenues¹

Top 5
L/H insurer
EUR 65bn
revenues¹

Top 5
asset
manager
EUR 1,915bn
AuM⁴

1) FY 2016
2) FY 2016, attributable to shareholders
3) As per August 2017
4) As per June 2017
Strong track record and good start into 2017

5-year CAGR

- +7%
- +22%
- +11%

2016\(^1\)

- Operating profit: EUR 11.1 \(\text{bn}\)
- Shareholders’ net income: EUR 7.0 \(\text{bn}\)
- Dividend per share: EUR 7.60

1H 2017 (in % of 2016)

- 53%
- 55%
- 55\(^2\)

1) 2016 figures have been restated for changed accounting policy
2) Accrual
Performance matters

Our equity story

Upside potential

- 5% EPS growth
- Renewal Agenda

Attractive dividend policy

- 50% payout
- Dividend ratchet

Downside protection

- Best-in-class risk management
- Excellent capital position

Main focus today!

- External growth opportunities
- Scale benefits
- EUR 3bn share buyback
- Flexible payout of excess capital
- Well diversified
- 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 boards, 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%.
Scale – makes digitalization count over time

Opportunity to transform the insurance industry
Combine size of existing assets with innovative power of digital

Performance matters

Radical digitalization

Innovation
“Pure innovation, but too small to matter”

Transformation at scale

“Scale, but lack of innovation”

Scale

Large assets
Scale – provides unique investment opportunities with superior returns

Performance matters

**Alternative assets (EUR bn)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Share in total investments</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>Mid-term target</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>74</td>
<td>92</td>
<td>101</td>
<td>140</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>11%</td>
<td>14%</td>
<td>15%</td>
<td></td>
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</table>

**Enhancement 2016**

- P/C: Δ +0.3%-p current yield
  - EUR Δ +0.4bn investment income
- L/H: Δ +0.3%-p current yield
  - EUR Δ +1.3bn investment income
External growth – creation of 3rd largest UK P/C retail insurer

- **Complementary strengths**
  - LV= GI
  - Allianz UK ownership: 49% 4Q 2017, 70% 4Q 2019

- **Critical mass in direct channel**
  - Allianz UK

- **Allianz UK**
  - #5 market position
  - 2016 stat. premiums (GBP): 2.1bn

- **Allianz UK and LV= GI**
  - #3 market position
  - 2016 pro-forma stat. premiums (GBP): 3.7bn

**Performance matters**

- **2016**
  - Stat. premiums (GBP)
  - #3 market position
  - #5 market position

- **2016 pro-forma**
  - Stat. premiums (GBP)
  - #3 market position
Performance matters

5%

EPS – technical excellence and operational optimization drive combined ratio

Combined ratio (in %)

<table>
<thead>
<tr>
<th>Year</th>
<th>Combined Ratio (%)</th>
</tr>
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<tbody>
<tr>
<td>2016</td>
<td>94.3%</td>
</tr>
<tr>
<td>2018</td>
<td>94.0%</td>
</tr>
</tbody>
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Combined ratio target of ≤ 94% in 2018

Ongoing optimization, e.g. at AGCS or Allianz Germany

1) CR 2016 normalized for NatCat, weather, run-off and large claims
EPS – strategic L/H business mix shift enables long-term profit growth despite low interest rate environment

Potential L/H EPS\(^1\) growth of 3% - 5% p.a.

<table>
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<tr>
<th>2016 reported operating profit</th>
<th>1.4</th>
</tr>
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<tbody>
<tr>
<td>2016 NBV</td>
<td></td>
</tr>
<tr>
<td>Projected cumulative operating profit</td>
<td>5.4</td>
</tr>
</tbody>
</table>

- 6M 2017 NBV at 64% of FY 2016

1) No forecast, includes positive impact from reduced capital intensity as a result of improved business mix

\[\text{Projected cumulative operating profit} = 4.1 + 1.4 = 5.4\]
EPS – strong PIMCO investment performance drives flows

3rd party net flows (EUR bn)

3-year outperformance versus benchmarks

- 62% in 2016 Q2
- 66% in 2016 Q3
- 88% in 2016 Q4
- 92% in 2017 Q1
- 91% in 2017 Q2

EUR 73bn 3rd party inflows in 1H 2017

1H 2017 CIR improved by 4%-points to 59%¹

¹ CIR 1H 2017 59.4%, 1H 2016 63.1%
5% EPS – strong underlying capital generation supported by capital management actions

Impact of operating S II earnings after taxes and 50% dividend accrual

- +3% in Q1 2016
- +1% in Q2 2016
- +2% in Q3 2016
- +4% in Q4 2016
- +4% in Q1 2017
- +4% in Q2 2017

S II ratio

160% 170% 180% 190% 200% 210% 220% 230%

1Q 2016 2Q 2016 3Q 2016 4Q 2016 1Q 2017 2Q 2017

Target range

Healthy operating capital generation

+11% in 2016
+8% in 1H 2017

S II ratio after dividend accrual full share buyback
Renewal Agenda – attractive 5-year total return of Allianz share …

<table>
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<tr>
<th>Absolute¹</th>
<th>Relative²</th>
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<tr>
<td>+220%</td>
<td>+57%-p</td>
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<th>5 years p.a.</th>
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<tr>
<td>+23%</td>
<td>+4%-p</td>
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Source: Bloomberg

1) Total return 1.1.2012 - 31.8.2017
2) Total return relative to STOXX Europe 600 Insurance
Performance matters

... and ambitious targets for 2018

**EPS (EUR)**

- **2015**: 14.6
- **2016**: 15.3
- **2018 ambition**: 16.9

**DPS (EUR)**

- **2015**: 7.3
- **2016**: 7.6
- **2018 ambition**: 8.4

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