

# PERFORMANCE MATTERS



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## Allianz at a glance

**EUR  
122bn**  
revenues<sup>1</sup>

**EUR  
7.0bn**  
net income<sup>2</sup>

**EUR  
84bn**  
market cap<sup>3</sup>

**#1  
P/C  
insurer**  
EUR 52bn  
revenues<sup>1</sup>

**Top 5  
L/H  
insurer**  
EUR 65bn  
revenues<sup>1</sup>

**Top 5  
asset  
manager**  
EUR 1,922bn  
AuM<sup>4</sup>

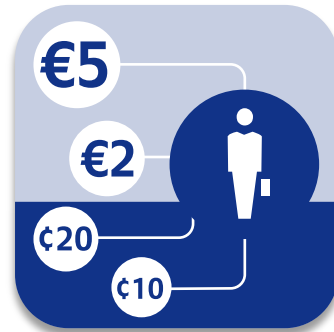
1) FY 2016  
2) FY 2016, attributable to shareholders

3) As per December 2017  
4) As per September 2017

# Our equity story in a nutshell



Downside protection



Attractive capital management



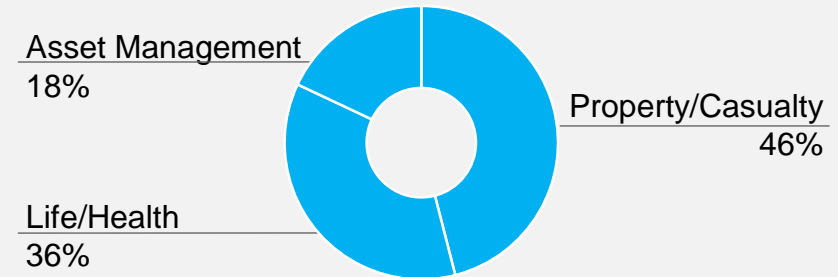
Upside potential

# Strong balance sheet and diversification

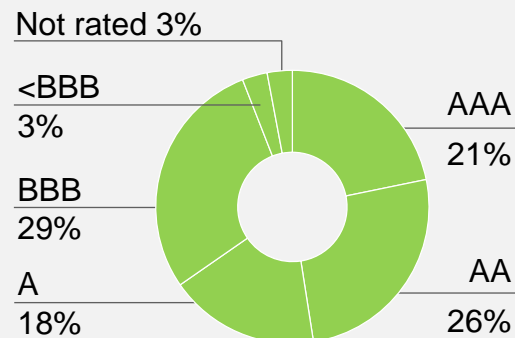
## Excellent capital position<sup>1</sup>



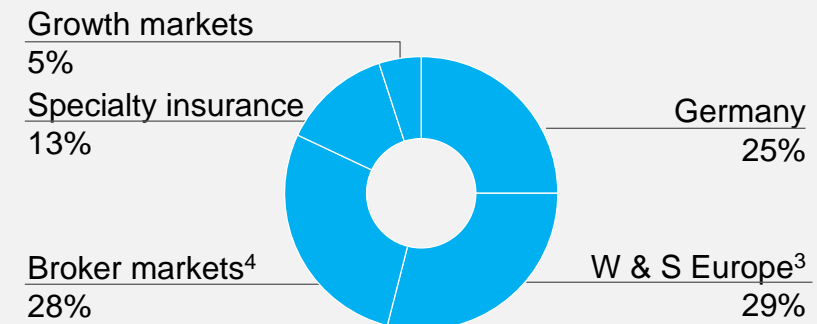
## Diversification – operating profit by segments<sup>2</sup>



## High quality debt portfolio<sup>1</sup> (EUR 574bn)



## Diversification – operating profit by geography<sup>2</sup>



1) As per 3Q 2017  
2) 2016 (OP EUR 11.1bn)

3) W & S Europe = Western and Southern Europe  
4) Broker markets include US, UK, Ireland, Australia

# Attractive capital generation and disciplined capital management<sup>1</sup>



**50%**  
payout ratio

Dividend  
**ratchet**

Δ Solvency II<sup>2</sup>  
**+11%-p**

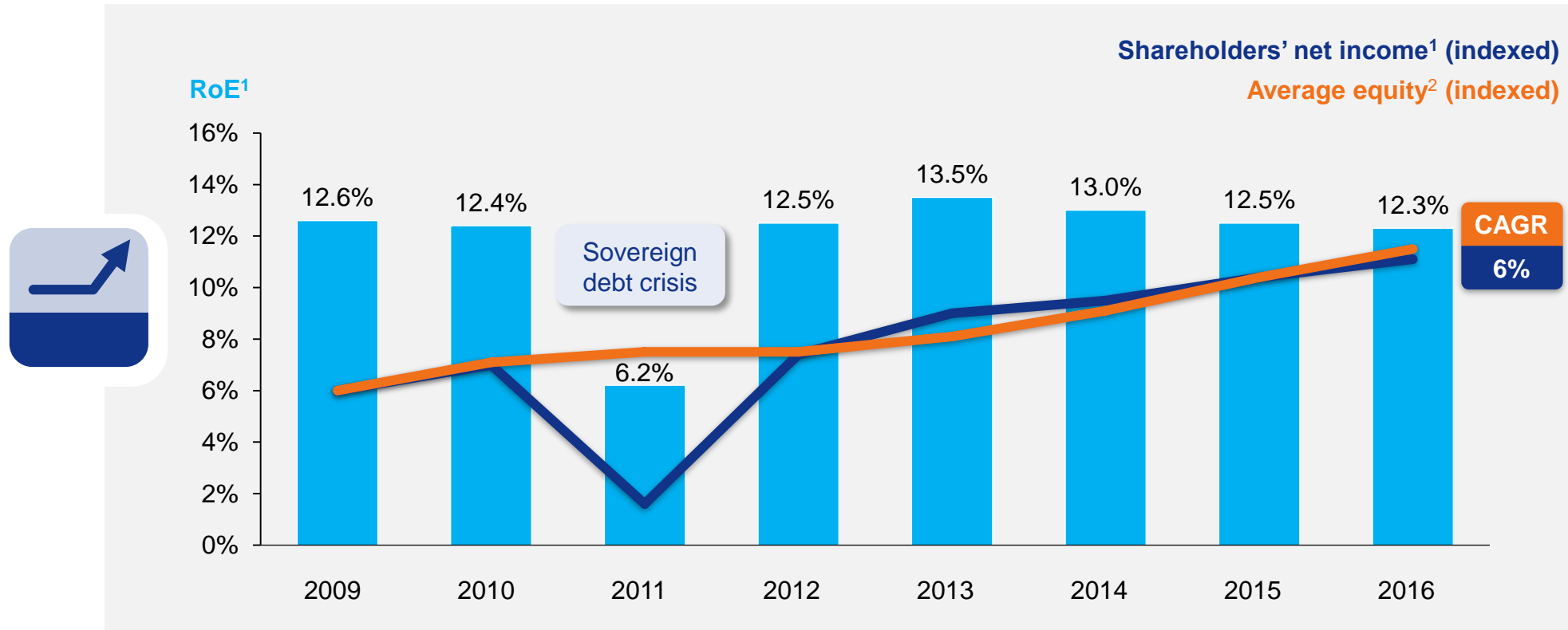
Buy-back #1  
**EUR 3bn**  
completed  
in 2017

Buy-back #2  
**EUR 2bn**  
planned for  
1H 2018<sup>3</sup>

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 published 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 S II ratio >160%

2) SII capital generation within 9M 2017 after tax and dividend accrual  
3) The implementation of the share buy-back program is subject to maintaining a sustainable S II ratio >160%

# Solid earnings growth and RoE



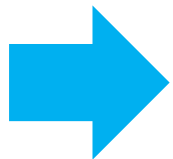
RoE  
 9M 2017 ann.  
**12.4%**

RoE  
 2018e  
**13%**

1) 2016 figures have been restated for changed accounting policy. RoE excluding unrealized gains/losses on bonds net of shadow accounting  
 2) Average shareholders' equity excluding unrealized gains/losses on bonds net of shadow accounting

## Outlook 2017 – on track

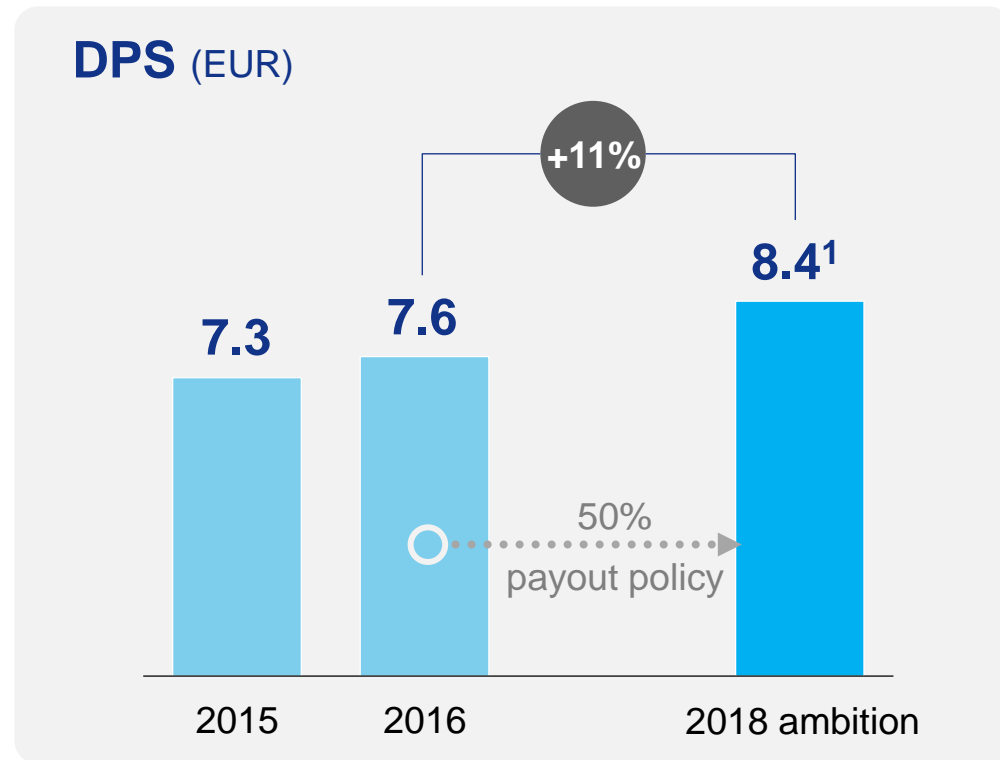
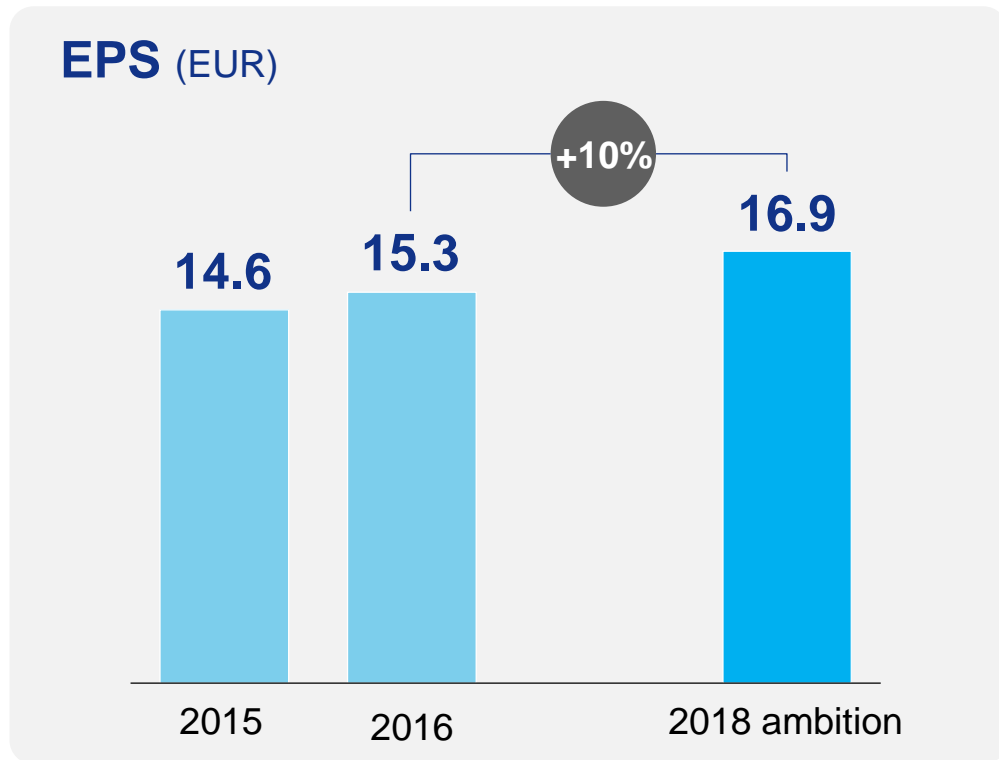
Operating profit 9M 2017 in % of full-year outlook midpoint



Operating profit 2017 expected in upper half of target range of EUR 10.8bn +/- EUR 500mn<sup>1</sup>

1) Barring unforeseen events, crises or natural catastrophes

## Ambition 2018 – attractive dividend growth

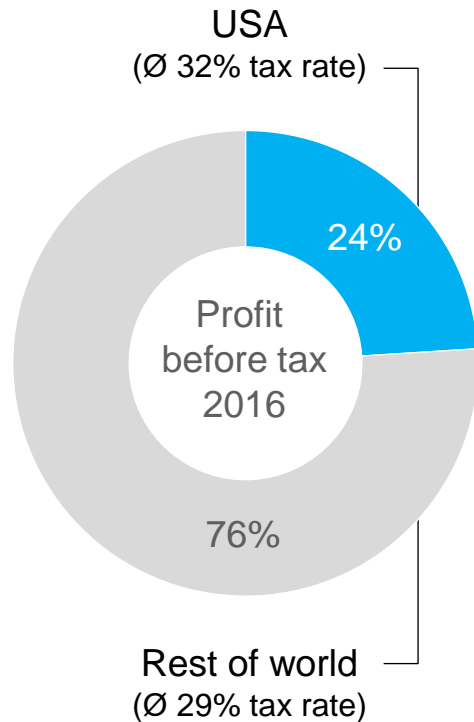


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# Appendix

## Current status of US tax reform (January 2018)



### Profit (Allianz USA)

$$\text{Tax payment} = \text{tax rate} \downarrow \times \text{tax base} \uparrow$$

- Nominal tax rate of 35% reduced to 21% from 2018 onwards
- 2017: ≈ USD 0.2bn adverse one-off impact, mainly from DTA write-off
- 2018ff: ≈ USD 0.4bn annual tax savings

### Capital (Allianz Life)

$$\text{RBC ratio} = \frac{\text{available capital} \downarrow}{\text{required capital} \uparrow}$$

- Available capital down due to lower net DTAs
- Required capital up due to tax impact on risk factors
- Reinstatement of 330% target RBC ratio would require USD 1.1bn retained dividends (worst case)

## Euler Hermes cash tender offer – an EPS accretive investment

### Euler Hermes basics

- ▶ World's largest credit insurer with strong market position
- ▶ Allianz already owned 63% and 74.34% following purchase of 11.34% of Euler Hermes' share capital through share purchase agreements concluded with two large Euler Hermes shareholders on November 24, 2017
- ▶ Market cap EUR 4.2bn (pre announcement)<sup>1</sup>, net income 2016 EUR 287mn / 9M 2017 EUR 228mn

### Transaction/financials

- ▶ Cash offer price: EUR 122 per share; 20.7% premium on closing price day before announcement
- ▶ 2018e P/E of ~16x<sup>2</sup>; immediately ca. 1% EPS accretive
- ▶ Allianz SII ratio ~-4%-p, less than half of our expected annual SII operating capital generation
- ▶ No impact on current EUR 3bn and already announced EUR 2bn share buy-back programs

### Strategic rationale/timing

- ▶ Profitable deployment of capital in a strategic business with solid operating performance
- ▶ Strengthening of our positions in our core markets with low execution risks
- ▶ Tender offer expected to be filed within the next weeks; closing of tender offer expected in 1Q 2018
- ▶ A squeeze-out is intended in the event our holding reaches 95%

1) Excluding treasury shares  
 2) Bloomberg consensus  
 Source market data Bloomberg

## 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.

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