Shaping a sustainable future
Strategic focus – downside protection, upside potential

“Simplicity wins”

**Upside potential**
- EPS growth 5% *plus*, o/w 4% *plus* organic
- Outperform: continuous productivity gains
- Transform: simplicity and scalability
- Rebalance: capital reallocation

**Attractive dividend policy**¹
- 50% dividend payout
- Attractive dividend yield
- Flexible payout of excess capital
- Dividend ratchet

**Downside protection**
- SII capital generation 8-10%-p²
- Well diversified
- Excellent capital position
- 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 board, 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%.

² Expected annual operating capital generation net of tax and dividend.
### Results 9M 2019 – good profitable growth

#### Group

<table>
<thead>
<tr>
<th></th>
<th>Total revenues 9M 19</th>
<th>Operating profit 9M 19</th>
<th>Shareholders' net income</th>
<th>Combined ratio</th>
<th>New business margin</th>
<th>Cost-income ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>in EUR bn (internal growth vs. prior year in %)</td>
<td>in EUR mn (vs. prior year in %)</td>
<td>(in EUR mn)</td>
<td>(in %)</td>
<td>(in %)</td>
<td>(in %)</td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td><strong>Property-Casualty</strong></td>
<td><strong>Life/Health</strong></td>
<td><strong>Asset Management</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>106.9 (+6.0%)</td>
<td>9,105 (+4.2%)</td>
<td>269</td>
<td>55.9 (+8.1%)</td>
<td>5.2 (-1.8%)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>46.1 (+4.4%)</td>
<td>4,184 (-1.1%)</td>
<td>327</td>
<td>3,410 (+6.7%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>55.9 (+8.1%)</td>
<td>3,410 (+6.7%)</td>
<td>709</td>
<td>1,954 (+3.0%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5.2 (-1.8%)</td>
<td>1,954 (+3.0%)</td>
<td>748</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

#### Operating profit 9M 19

<table>
<thead>
<tr>
<th></th>
<th>9,105 (+4.2%)</th>
<th>4,184 (-1.1%)</th>
<th>3,410 (+6.7%)</th>
<th>1,954 (+3.0%)</th>
</tr>
</thead>
</table>

#### Shareholders' net income

<table>
<thead>
<tr>
<th></th>
<th>5,765 (+5.0%)</th>
<th>6,056 (+5.0%)</th>
<th>5,765 (+5.0%)</th>
<th>6,056 (+5.0%)</th>
</tr>
</thead>
</table>

#### Combined ratio

<table>
<thead>
<tr>
<th></th>
<th>94.0 (94.1)</th>
<th>94.0 (94.1)</th>
<th>94.0 (94.1)</th>
<th>94.0 (94.1)</th>
</tr>
</thead>
</table>

#### New business margin

<table>
<thead>
<tr>
<th></th>
<th>3.4 (+0.1%)</th>
<th>3.4 (+0.1%)</th>
<th>3.4 (+0.1%)</th>
<th>3.4 (+0.1%)</th>
</tr>
</thead>
</table>

#### Cost-income ratio

<table>
<thead>
<tr>
<th></th>
<th>62.0 (+27.1)</th>
<th>62.1 (+56.1)</th>
<th>62.0 (+27.1)</th>
<th>62.1 (+56.1)</th>
</tr>
</thead>
</table>

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1. NatCat impact
2. Run-off ratio
3. VNB (EUR mn)
4. 3rd party net flows (EUR bn)
Sustainability at Allianz – highlights 2019

Initiated UN-convened net-zero asset owner alliance
- A group of the world’s largest pension funds and insurers
- Reduce carbon emissions of their investment portfolios to net-zero by 2050

Co-chair of Global Investors for Sustainable Development
- Allianz co-chairs UN-convened initiative, GISD, of 30 business leaders
- Scale up finance and investment in sustainable development

Leading insurer in Dow Jones Sustainability Index
- Top position as sector leader among all rated insurance companies in the SAM rating / DJSI
- #1 for the 3rd time in a row

Developed first ESG guide for global insurance industry
- Allianz co-led Principles for Sustainable Insurance initiative to develop 1st global guidance on ESG in P/C underwriting
- First version of standard to be published in December 2019
Allianz – the ESG strategy ...

... is based on the 17 UN Sustainable Development Goals ...

... impacting our roles as insurer, investor, employer and corporate citizen

A Sustainable insurer
B Responsible investor
C Attractive employer
D Committed corporate citizen

ESG governance
Allianz – shaping a sustainable future

Allianz – a sustainable insurer

Targets

- Include ESG expertise in products & services
- Phase out insurance of coal based businesses in P/C by 2040

Business segments

- Sustainable solutions
  - Environmental or social benefit
- Climate solutions
  - Insurance of renewable energy, climate risks, NatCat
- Emerging consumers
  - Insurance solutions for low income customers

Examples

- Austria: Smart repair
- Germany: Roof top photovoltaic insurance
- Allianz Care: Health insurance for refugees

Impact on Allianz Group

- Revenues from sustainable solutions: EUR 1.6bn
- Insurance transactions assessed for ESG risks: 470
- Emerging consumers: 44mn

Business integration

- UN Principles for Sustainable Insurance
- ESG integration framework
- Screening along 13 sensitive business areas
- Issues discussed at ESG-Board
Allianz – a responsible investor

Targets

- Consider ESG in own and 3rd party investments
- Phase out coal based investments by 2040
- Own investments climate-neutral by 2050

Product examples

<table>
<thead>
<tr>
<th>AllianzGI</th>
<th>Impact examples¹</th>
<th>Sustainable investments (EUR bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allianz Climate Transition fund</td>
<td>8,535</td>
<td>AllianzGI² 13 15 41</td>
</tr>
<tr>
<td>Allianz EM SRI Bond fund</td>
<td></td>
<td>2016 2017 2018</td>
</tr>
<tr>
<td>PIMCO</td>
<td>147</td>
<td>PIMCO² 106 130 135</td>
</tr>
<tr>
<td>Low Duration ESG fund</td>
<td></td>
<td>2016 2017 2018</td>
</tr>
<tr>
<td>Total Return ESG fund</td>
<td></td>
<td>Proprietary investments</td>
</tr>
<tr>
<td>Own investments</td>
<td>EUR 6bn</td>
<td></td>
</tr>
<tr>
<td>Wind &amp; solar parks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certified green buildings</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Impact examples¹

- Shareholder meetings with proxy voting by AllianzGI
- PIMCO engagements with corporate issuers
- Coal assets in run-off

Business integration

- UN Principles for Responsible Investment
- Own investments: ESG exclusions (e.g. coal, controversial weapons)
- Listed assets: MSCI ESG scoring
- Non-listed assets: Referral process along 13 sensitive business areas

1) 2018
2) 3rd party assets
## Allianz – an attractive employer

### Targets
- Gender equality and diversity
- Health and safety of employees
- People and performance matter

### Group-wide initiatives

<table>
<thead>
<tr>
<th>Diversity</th>
<th>• Gender, ethnicity, age, religious belief, sexual orientation, disability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee commitment</td>
<td>• Fair feedback &amp; reward</td>
</tr>
<tr>
<td>Career development</td>
<td>• Allianz University and LinkedIn learning • “Dare to grow” career development plans</td>
</tr>
</tbody>
</table>

### Examples

| Allianz (ん) | • Junior Executive Talent JET program for female talents |
| Spain | • First OE which won the “Work Well Award” |
| Allianz (ん) | • Five-year strategic workforce plans |

### Results

<table>
<thead>
<tr>
<th>Share of female managers</th>
<th>37.2%</th>
<th>37.6%</th>
<th>37.8%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>2017</td>
<td>2018</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Inclusive meritocracy index</th>
<th>70</th>
<th>72</th>
<th>71</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>2017</td>
<td>2018</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Hired people</th>
<th>21,863</th>
<th>21,890</th>
<th>24,702</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>2017</td>
<td>2018</td>
<td></td>
</tr>
</tbody>
</table>

### Business integration
- Meritocracy as part of renewal agenda 2.0
- Managers’ remuneration linked to engagement survey results
## Allianz – a committed corporate citizen

### Targets
- Foster customer centricity
- Drive digital transformation
- Manage own environmental impact

### Group wide initiatives

<table>
<thead>
<tr>
<th>Customer</th>
<th>Digital</th>
<th>Environmental impact</th>
</tr>
</thead>
</table>
| • Simple/intuitive products  
  • Empathic service | • Productivity gains by simplicity and harmonization | • Long-term climate targets  
  • Carbon-neutrality since 2012 |

### Examples

<table>
<thead>
<tr>
<th>Germany</th>
<th>Germany, NL, IT, ES</th>
<th>Allianz</th>
</tr>
</thead>
</table>
| • Motor 2.0 | • Allianz Direct | • 100% electricity from renewable sources by 2023  
  • Less paper, water, waste |

### Results and ambitions

<table>
<thead>
<tr>
<th>NPS above market (%)</th>
<th>P/C expense ratio (%)</th>
<th>Tons CO₂e per employee</th>
</tr>
</thead>
</table>
| 2016: 55  
  2017: 60  
  2018: 74  
  2021e: 75 plus | 2016: 28.7  
  2017: 28.7  
  2018: 28.0  
  2021e: 27.5 | 2016: 2.8  
  2017: 2.7  
  2018: 2.7  
  2020e: 2.6 |

### Business integration
- Customer/digital = part of renewal agenda 2.0
- Group environment management system
- Environmental data assured by PwC
- Ensure data privacy & compliance
Allianz – effective sustainability governance

The “ESG anchor” on the highest possible hierarchy level …

Group ESG Board

- Quarterly meetings on ESG topics
- Defines future ESG standards
- Decides on ESG relevant business

Günther Thallinger
Member of the BoM, Investment Management, Chair of ESG Board

Jackie Hunt
Member of the BoM, AM & US Life Insurance, Member of ESG Board

Giulio Terzariol
Member of the BoM, Group CFO, Member of ESG Board

… ensures ESG integration in the whole Allianz universe

Results of ESG referral process

<table>
<thead>
<tr>
<th>ESG referral process</th>
<th>Insurance</th>
<th>Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Listed</td>
<td>Non-listed</td>
</tr>
<tr>
<td>ESG referral process</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>ESG sensitive business guidelines</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Sensitive countries list</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>ESG scoring approach</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Engagement and dialog</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>ESG exclusion policies</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Asset manager mandating, selection and review</td>
<td>●</td>
<td>●</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Insurance Listed</th>
<th>Insurance Non-listed</th>
<th>Investments Listed</th>
<th>Investments Non-listed</th>
<th>Projects Proceed</th>
<th>Proceed with mitigation</th>
<th>Do not proceed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>240</td>
<td></td>
<td>251</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>262</td>
<td></td>
<td>282</td>
<td></td>
<td>230</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>631</td>
<td></td>
<td>65</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Sustainability performance – excellent external recognition

- **Insurance Sector Leader**: Gold Class SAM / Dow Jones Sustainability Index (2019)
- **Prime**: One of the leading insurance companies (2019)
- **Top 8%**: Top 8% in sector in the FTSE4Good Index (2019)
- **AAA rating**: AAA rating by MSCI ESG Research (2019)
- **B rating**: B rating in the Carbon Disclosure Project (2019)
- **A+ rating**: Highest rating for responsible investment strategies and governance (2019)
- **ISS Quality Score**: Highest rating in the ISS Quality Score for the environment and social pillars (2019)
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