

Media Release

Allianz announces three-year strategic outlook and raises targets

- Allianz to expand its current strategy to realize the value of its global scale for customers and shareholders
- Ambitious targets underscore confidence in earnings power and ability to accelerate growth
- Continued focus on purpose, talent, simplicity, and sustainability as performance levers

Munich, December 3, 2021

Building on the success of its outperforming 'Renewal Agenda' blueprint, Allianz today announced its strategic outlook for the 2022-24 cycle, placing scale at the core of its operations.

Allianz also set its financial bar higher for the period, targeting 5-7% annual growth in earnings per share (EPS) and minimum 13% return-on-equity (RoE), as it further unlocks potential across all business segments through present and future profit pools as well as through efficient capital management.

Over the next three years, Allianz will accelerate profitable growth by verticalizing operating models globally across business lines, expanding its leadership position in key markets, and building scalable platform models.

"Allianz continues to overdeliver and outperform, which shows that our customer-centered simplification strategy is working," Allianz CEO **Oliver Bäte** said. "Now, we aim to deploy our global scale as a competitive advantage to grow both our customer base and our margins."

Disciplined capital management is also an important part of Allianz's strategic outlook. The company will continue to become more capital-efficient and lower in volatility as it focuses on reducing long-tail risks from its portfolio. In addition, Allianz has enhanced its [dividend policy](#) to offer shareholders greater protection in uncertain times and higher value during periods of augmented growth.

OUTLOOK 2024: Simplicity at scale to enhance growth and margins

Allianz's 2022-24 outlook rests on five strategic pillars:

- 1) Transforming our Life & Health (L/H) and asset management franchises;
- 2) Strengthening our leadership position in key Property & Casualty (P/C) markets;
- 3) Boosting growth through scalable platforms;
- 4) Deepening global vertical integration of operating models; and
- 5) Reinforcing capital productivity and resilience.

Being a multi-line business, Allianz is well-positioned to deliver synergies through scale in processes, products and infrastructure. The Allianz Customer Model (ACM) is an example of this integrated approach.

With the accelerated rollout of the Allianz Business Master Platform, the company is achieving consistent look and feel for client interfaces, simple and transparent products and processes, and quicker customer service. At the same time, Allianz expects increasing adoption of the Business Master Platform across the group to bring significant productivity and efficiency gains over the long term.

AMBITION 2024: Sustainable cash and capital generation

For 2022-24, Allianz has set a target to achieve 5-7% compounded annual EPS growth. Three levers will drive this ambition: steady topline growth, improvement in profitability, and efficient management of capital.

Over the next three years, Allianz expects to generate 12 billion euros of excess capital through its operational plans.

Providing a solid base for these targets is healthy underlying growth in all business segments and encouraging progress in their transformation to meet future needs.

In the L/H business, Allianz will focus on growing its preferred lines of business such as protection & health, unit-linked and capital-light products. Also, the convergence of Allianz's L/H and asset management businesses towards asset gathering is expected to lead to greater synergies and more efficient deployment of capital driving improved RoE and solvency ratios. As customer needs evolve, the reserves are expected to increase in preferred lines and decrease in guaranteed savings and annuities business.

In the P/C business, the company will focus on annual revenue growth of 3-4% and a target combined ratio of 92%. Product and process optimization and harmonization are envisaged to reduce expense ratio in the P/C business to about 26% by 2024. Further, Allianz aims to make its mid-corporate segment more efficient by rebalancing the portfolio, using integrated tools, strengthening operations in Europe and growing regional hubs as well as by harmonizing and simplifying processes through a global IT platform.

In the asset management business, the growth story is intact in both PIMCO and Allianz Global Investors. In the coming years, PIMCO will focus on building out its alternatives platform, investing in digital capabilities, expanding its ESG investment platform through closer collaboration with Allianz, and developing best-in-class retirement solutions.

DIVIDEND POLICY: Higher resilience of payout and upward trajectory

Beginning retrospectively with fiscal year 2021, Allianz will follow a new and improved dividend policy that offers a dividend per share which is the higher of a 50% payout ratio or a 5% increase from the preceding year's dividend. The payout ratio will be based on net income, adjusted for significant extraordinary and volatile items.

This dividend policy is subject to a sustainable Solvency II ratio of greater than 150% versus the group's target level of more than 180%.

"The new dividend policy reflects our confidence in the financial strength and the earnings power of the Allianz Group," says **Giulio Terzariol**, the Chief Financial Officer of Allianz SE. "Our shareholders are assured that even during challenging times, the dividend will grow and they will benefit from participating in our sustainable growth story."

STRATEGIC PARTNERSHIPS: Allianz Life enters reinsurance agreement

Underscoring its commitment to strong partnerships and efficient capital management for the next phase of its growth cycle, Allianz today announced that its U.S. life insurer Allianz Life is entering into a reinsurance agreement with affiliates of Sixth Street, including Talcott Resolution Life Insurance Company, and Resolution Life, for a \$35-billion fixed index annuity portfolio.

Allianz Life will continue to manage administration of the policies in the portfolio and will remain responsible for fulfilling its obligations to policyholders.

The agreement, which unlocks 3.6 billion euros for Allianz and its shareholders, signals the sustainable growth proposition for Allianz's life insurance segment through capital-light business models and alignment with its asset management businesses, PIMCO and Allianz Global Investors.

A long-time, premier annuity and life insurance carrier, Allianz Life has continued to prove its ability to grow its resilient business model while addressing changing customer needs, as well as generate value for the Allianz Group.

Allianz's world-leading asset management franchise is positioned to further grow assets under management and corresponding fee revenue.

For the presentations, please visit www.allianz.com/cmd.

The Capital Markets Day online event will start at 11:00 AM CET and is scheduled to end at about 3:00 PM CET. It will be broadcast live on Allianz SE's YouTube Channel (<https://www.youtube.com/user/allianz/featured>). A recording of the event will be made available later in the day.

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About Allianz

The Allianz Group is one of the world's leading insurers and asset managers with 120 million¹ private and corporate customers in more than 70 countries. Allianz customers benefit from a broad range of personal and corporate insurance services, ranging from property, life and health insurance to assistance services to credit insurance and global business insurance. Allianz is one of the world's largest investors, managing around 802 billion euros on behalf of its insurance customers. Furthermore, our asset managers PIMCO and Allianz Global Investors manage 1.9 trillion euros of third-party assets. Thanks to our systematic integration of ecological, social and governance criteria in our business processes and investment decisions, we hold the leading position for insurers in the Dow Jones Sustainability Index, launched on 12.11.2021. In 2020, over 150,000 employees achieved total revenues of 140 billion euros and an operating profit of 10.8 billion euros for the group.

These assessments are, as always, subject to the disclaimer provided below.

Cautionary note regarding forward-looking statements

This document includes forward-looking statements, such as prospects or expectations, that are based on management's current views and assumptions and subject to known and unknown risks and uncertainties. Actual results, performance figures, or events may differ significantly from those expressed or implied in such forward-looking statements.

Deviations may arise due to changes in factors including, but not limited to, the following: (i) the general economic and competitive situation in the Allianz's core business and core markets, (ii) the performance of financial markets (in particular market volatility, liquidity, and credit events), (iii) adverse publicity, regulatory actions or litigation with respect to the Allianz Group, other well-known companies and the financial services industry generally, (iv) the frequency and severity of insured loss events, including those resulting from natural catastrophes, and the development of loss expenses, (v) mortality and morbidity levels and trends, (vi) persistency levels, (vii) the extent of credit defaults, (viii) interest rate levels, (ix) currency exchange rates, most notably the EUR/USD exchange rate, (x) changes in laws and regulations, including tax regulations, (xi) the impact of acquisitions including and related integration issues and reorganization measures, and (xii) the general competitive conditions that, in each individual case, apply at a local, regional, national, and/or global level. Many of these changes can be exacerbated by terrorist activities.

No duty to update

Allianz assumes no obligation to update any information or forward-looking statement contained herein, save for any information we are required to disclose by law.

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¹ Including non-consolidated entities with Allianz customers.