

Allianz Capital Markets Day

Simplicity wins



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Telephone Conference
for Journalists

November 30, 2018

Allianz 



Agenda





Allianz to deliver on its ambitious targets

| Target | Actual ¹ |
|------------------------------------|---------------------|
| 3y EPS CAGR | 7.1% |
| RoE | 13.8% |
| Businesses with NPS above market Ø | ~71% |
| Inclusive Meritocracy Index | 71% |

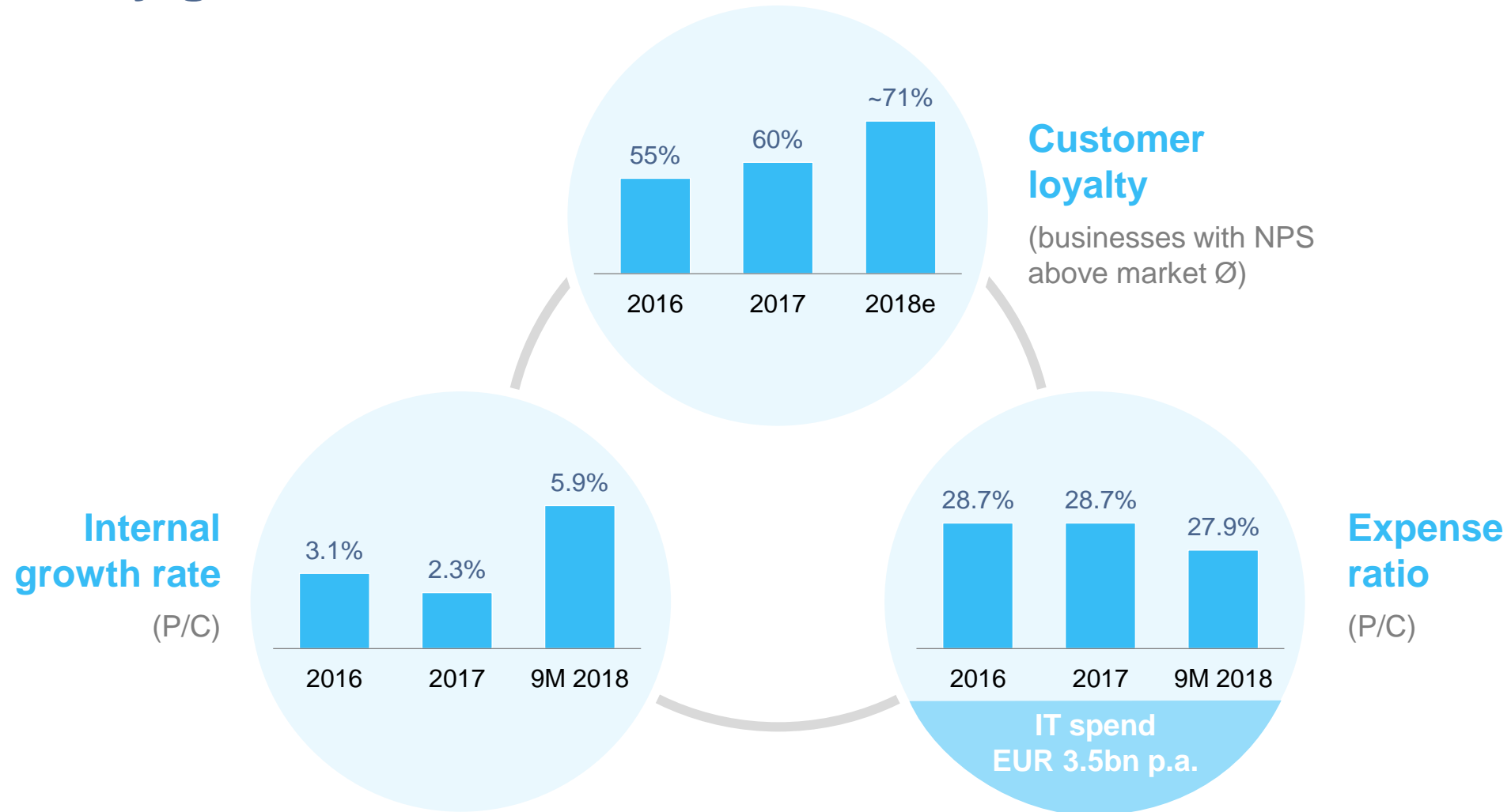


| | | | |
|----------------------------------|--------------|--------------------------------------|--------------|
| P/C CR 94% | 94.0% | PIMCO CIR 60% | 58% |
| L/H share of preferred lines 80% | 82% | Alternative assets EUR 110bn | 127bn |
| L/H NBM 3.0% | 3.4% | SII interest rate sensitivity <11%-p | 7%-p |
| L/H OEs with RoE ≥10% at 100% | 93% | Launched digital products 100% | 96% |

1) 9M 2018 or annualized, if appropriate



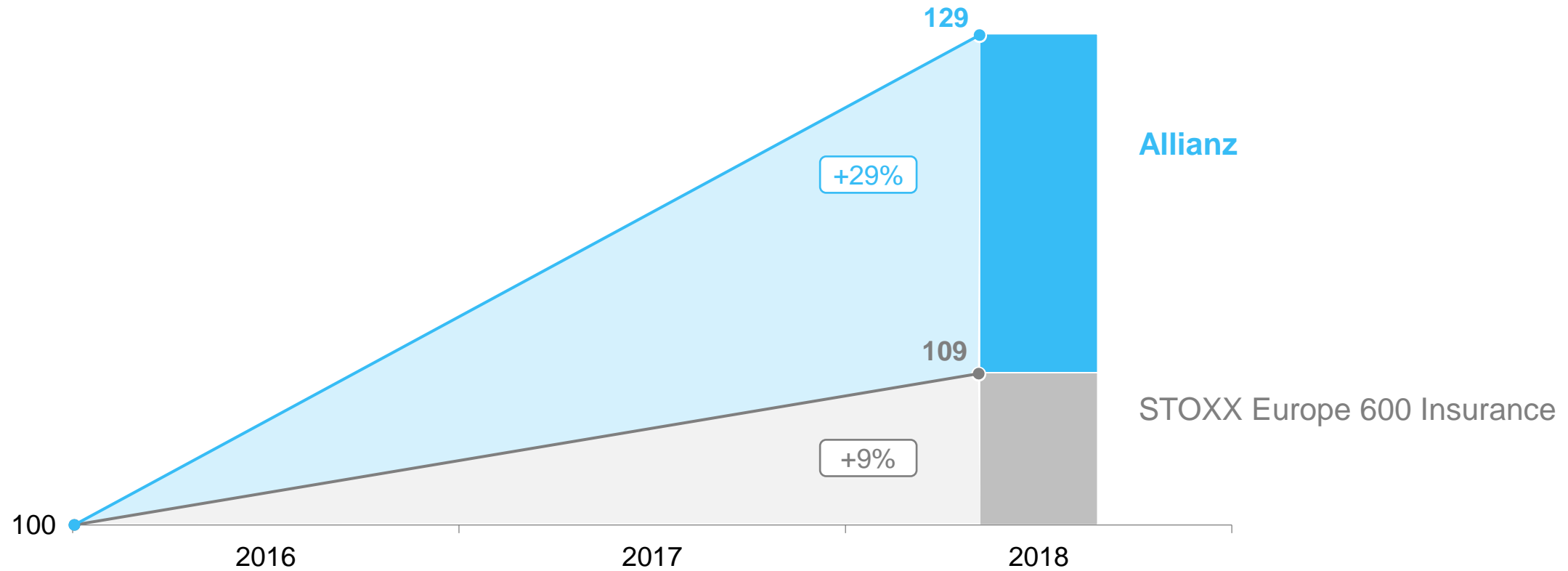
While customer satisfaction and growth improve, productivity gains materialize





Result: outstanding total shareholder return

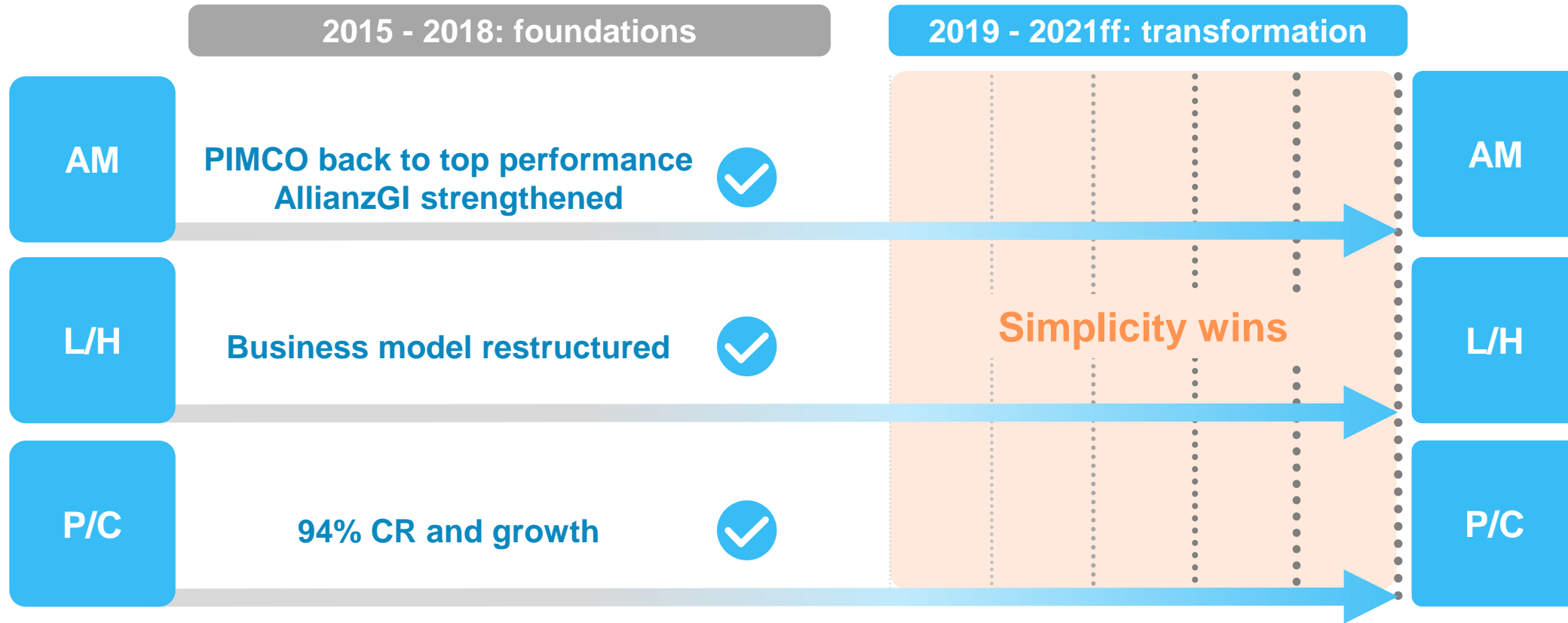
Total shareholder return¹ in %
Indexed to 100



1) Period 01.01.2016 - 23.11.2018
Source: Bloomberg



Groundwork done, real transformation next



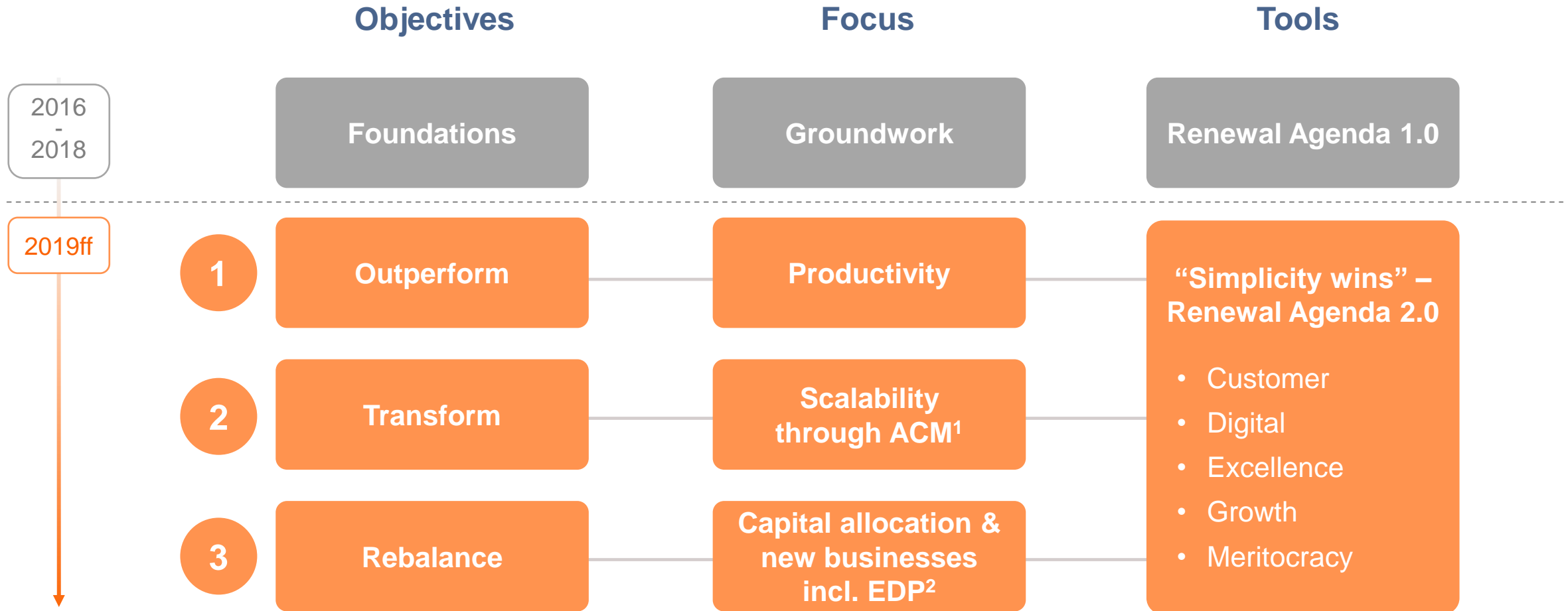


Agenda

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|-----------------------------|----------------------------------|--|--|------------------------------------|
| Taking stock Bäte | Simplicity wins Bäte | Simplicity at scale De la Sota | Capital Management Terzariol | Targets and outlook Bäte |
| 2016 - 2018 | Outperform, transform, rebalance | Allianz Customer Model | Generating value | 2019 - 2021 |



Our strategic priority: “simplicity wins”



1) Allianz Customer Model
 2) European Direct Platform



Renewal Agenda to be continued and accelerated

KEY ELEMENTS

New incentives and skills

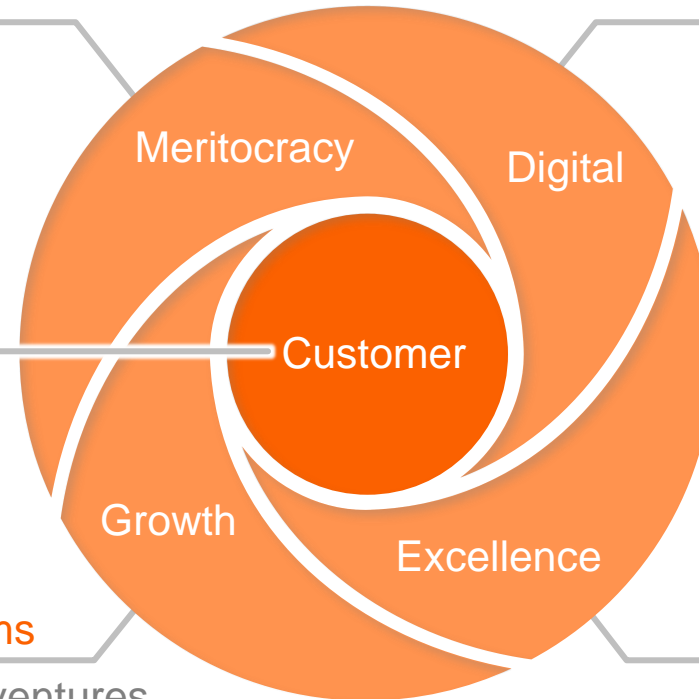
- Aspiration to become best practice
- Inclusive leadership / mobilization

Loyalty leadership

- Simple and intuitive products
- Empathic service and frontline empowerment

Focus on profitable growth and new platforms

European direct platform (EDP) and digital ventures and partnerships (Allianz X)



Allianz Customer Model (ACM)

Continuous productivity gains through simplification, harmonization and legacy reduction

Superior data analytics

Leveraging of Artificial Intelligence (AI) especially in retail, SME and Allianz Investment Management (AIM)

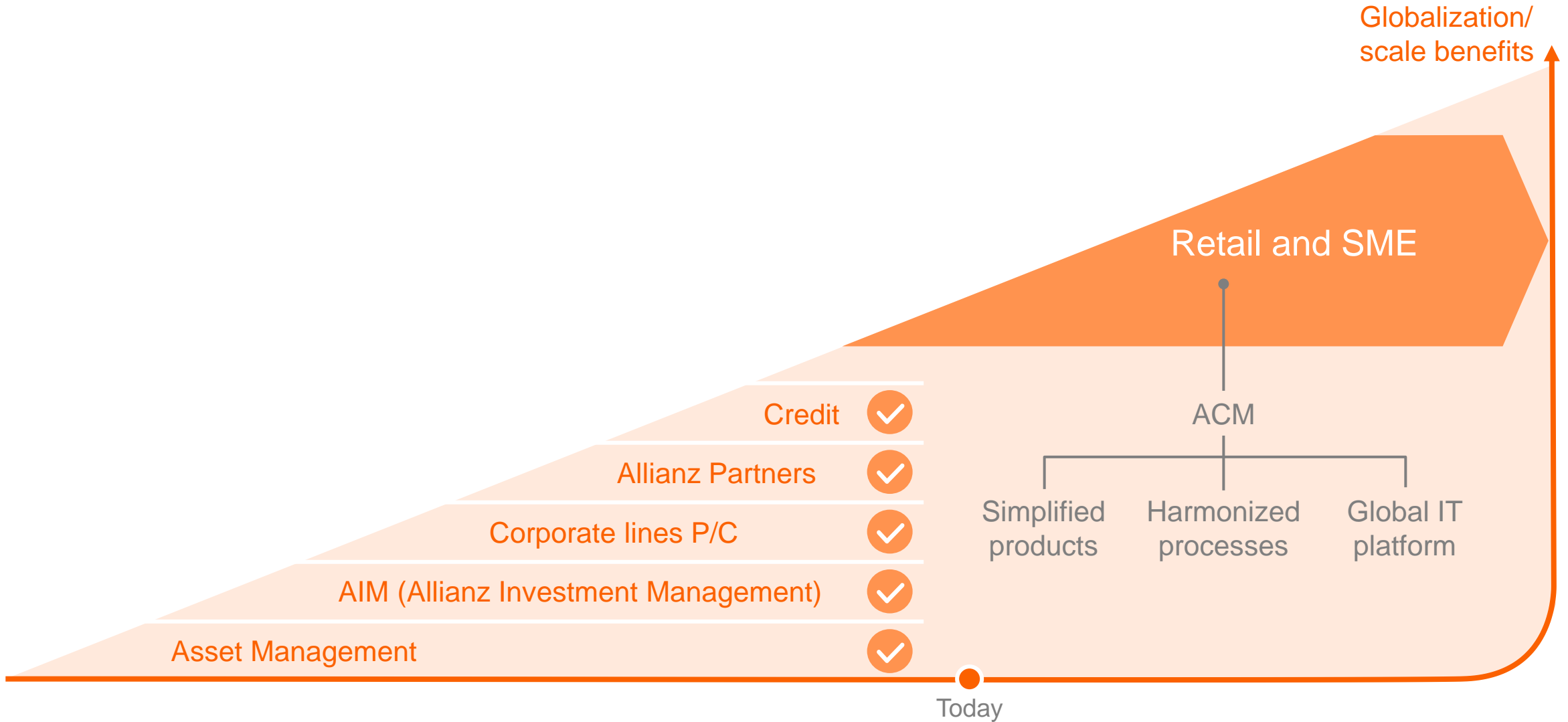


Transform: turn complexity into superior scale ...





... now moving from institutional to retail lines





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Simplicity at scale





“Which ONE thing bothers you most about insurance?”



Survey with 500 participants; conducted in October 2018 in Germany



Transform: the Allianz Customer Model

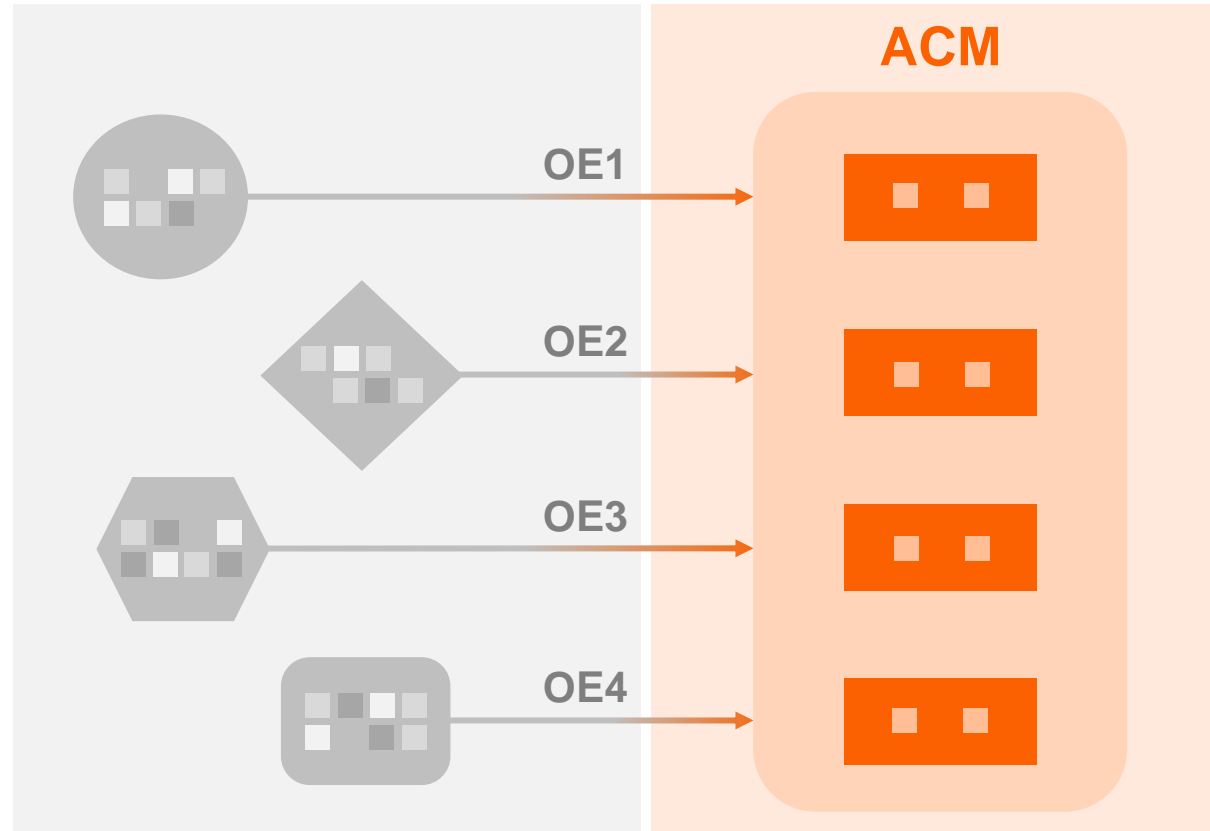
Allianz Group

Organic growth¹
> 2%

Profitability²
94% CR

Customer satisfaction³
n.a.

Allianz Customer Model (ACM) - Simplification and harmonization -



Allianz best practice

Organic growth¹
> 5%

Profitability²
< 92% CR

Customer satisfaction³
> 20%

1) P/C CAGR internal growth 2017/2015

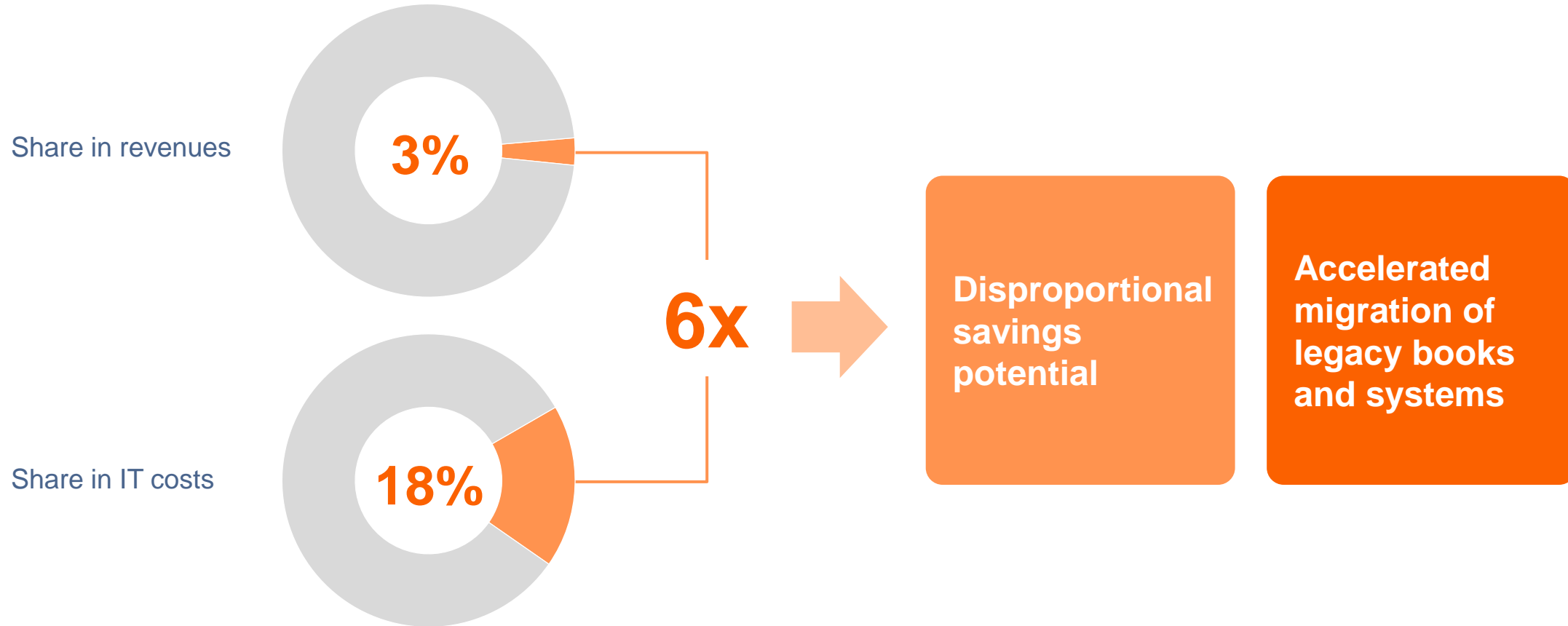
2) Combined ratio 9M 2018

3) P/C absolute NPS 2017. Group: KPI not calculated on aggregated basis



Transform: simplicity potential even in best practice OEs

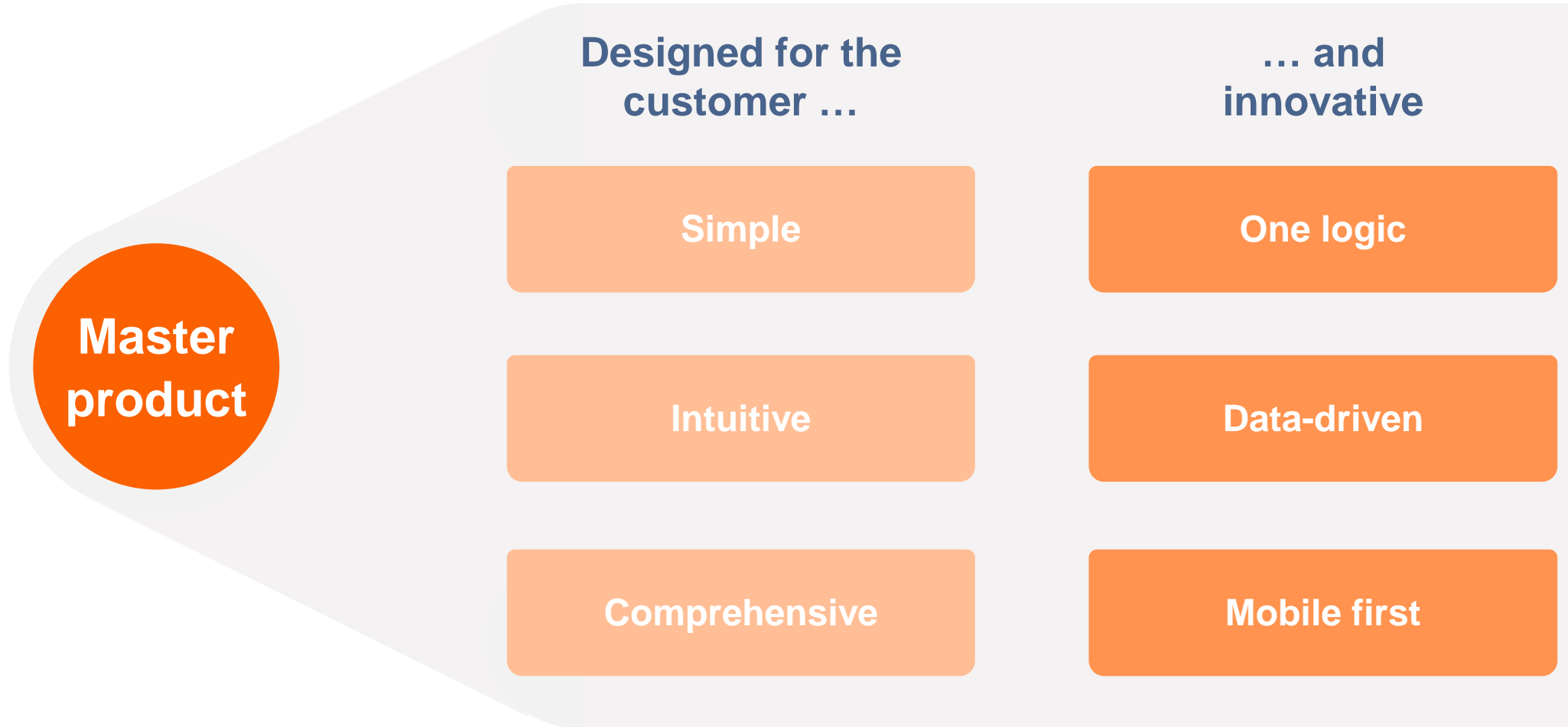
Allianz best practice retail motor legacy book¹



1) Third product generation and older



Demystifying products, enhancing service and performance



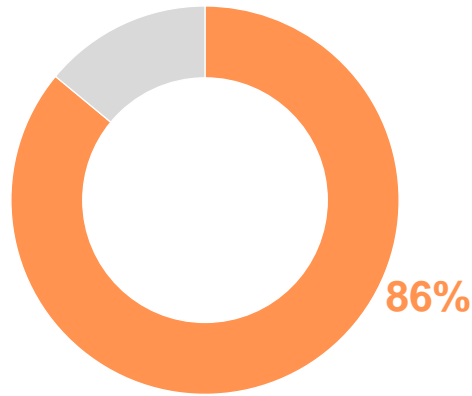


Products are already the same

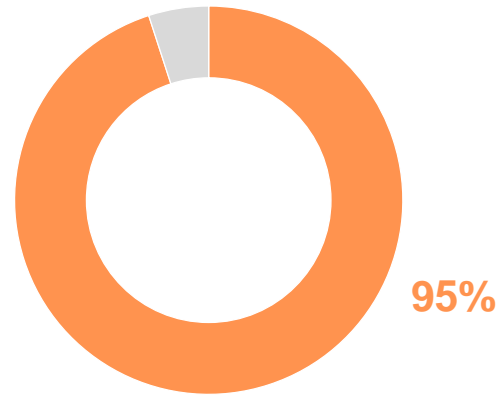
Potential commonalities¹

Commonalities and standardizable elements
Non-commonalities

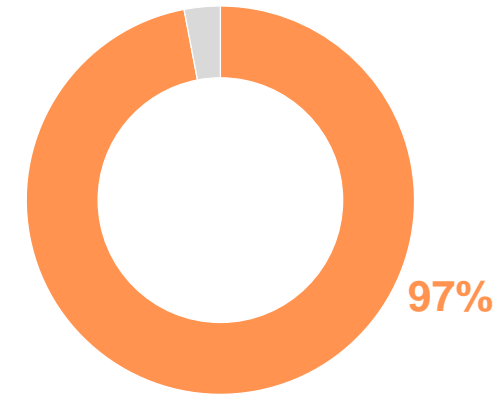
Home



Motor



Non-motor SME

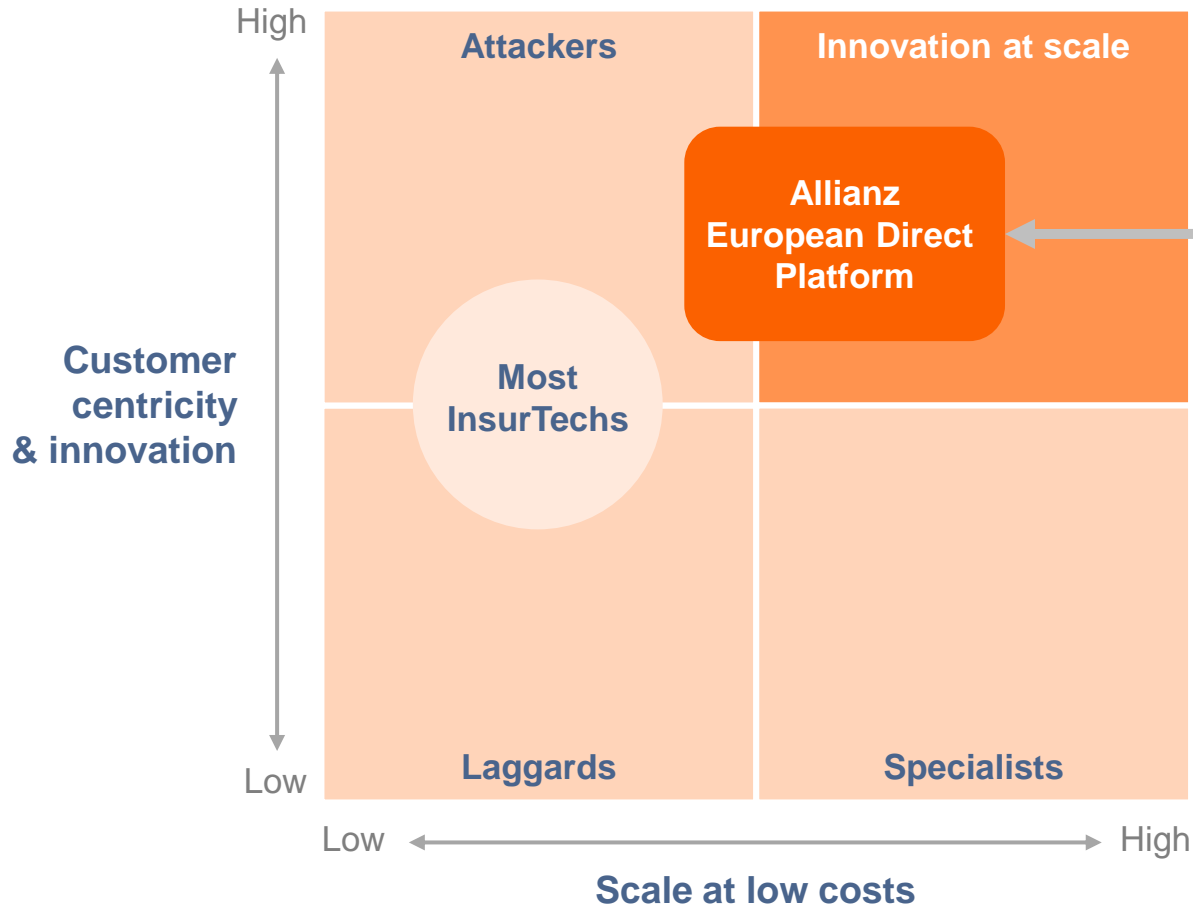


1) Commonalities (e.g. technical components, covers or technical items) among at least 2 out of the 3 OEs (resp. 3 out of the 5 OEs for SME) that participated in mapping



Rebalance: putting scale to work

Archetypes of direct businesses

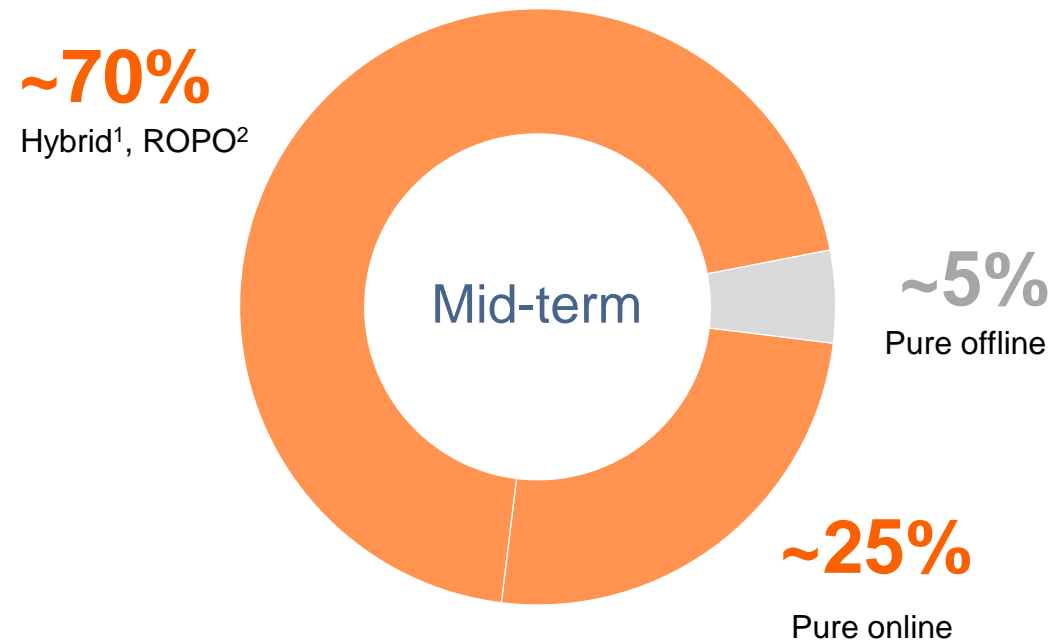


- Scope: Initially European
- Brand: Allianz Direct
- Platform: ABS and new cloud-based micro-services architecture for best in class cost and agility
- Offering: ACM master product and process design



Customers only one click away from buying insurance online

Share of customers by distribution approach (Germany)



1) Information online and/or offline, purchase online, but still preference for personal formats (e.g. for claims handling)

2) Research online, purchase offline

Source: GfK; McKinsey



Global and disruptive

Design principles

One brand





One common platform

One master product




One insurance carrier

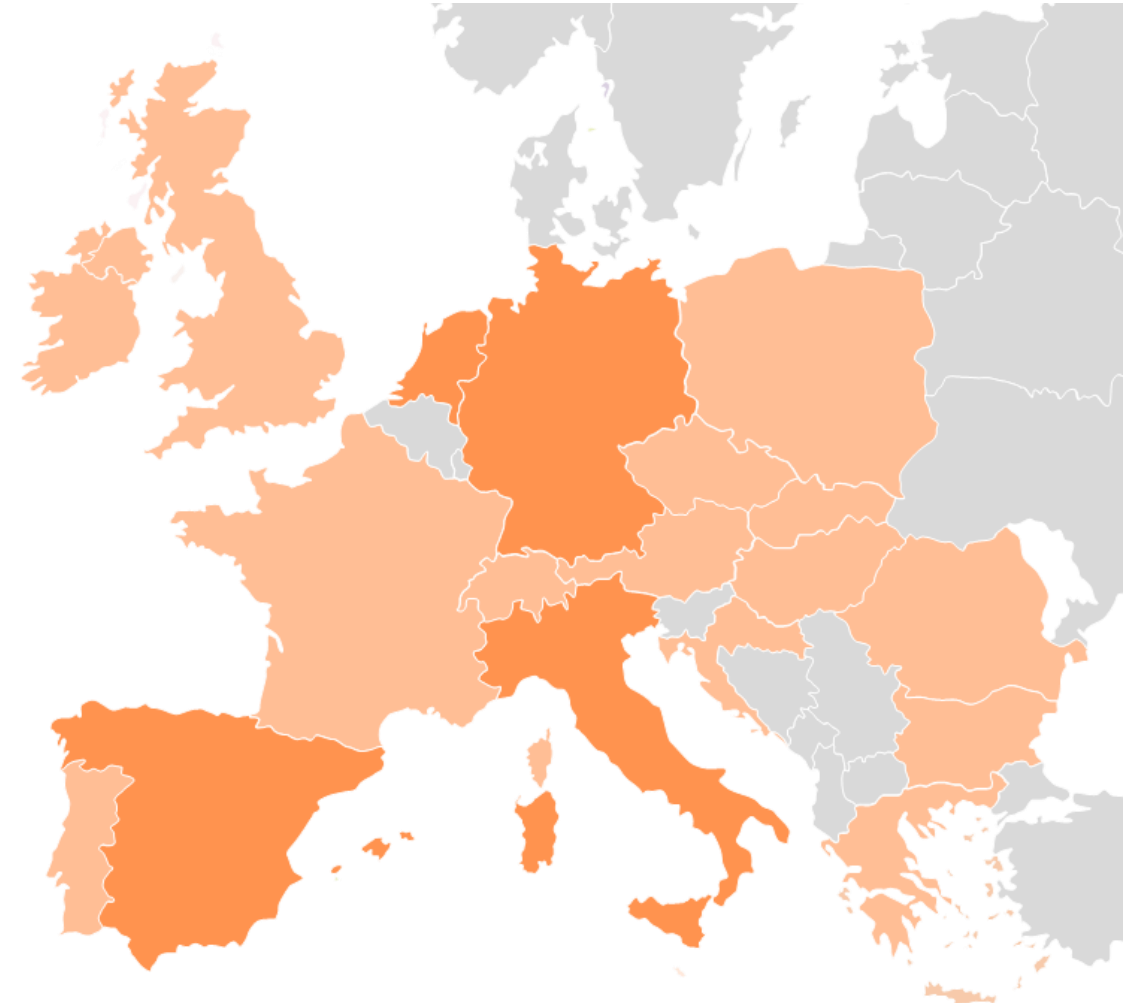
One steering

Wave 1

-  Germany
-  Netherlands
-  Italy
-  Spain

Later waves

-  France
-  Switzerland
-  Austria
- ...

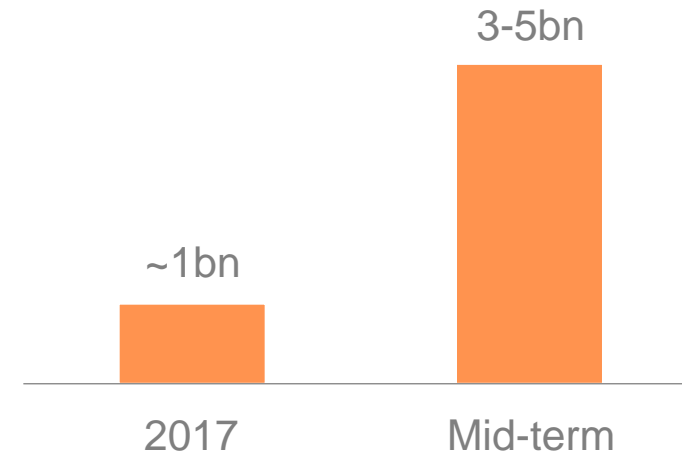




Ambitious targets to get to the top

| | | | |
|------------------------------|------|--------------------------|-----|
| Claims paid in 24h | 90% | Exclusions | ≤5 |
| Market leading expense ratio | ~12% | Claims rejected | <1% |
| Straight-through processing | 95% | Handovers during process | 0 |

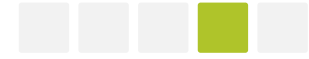
Our ambition
(GPW in EUR)



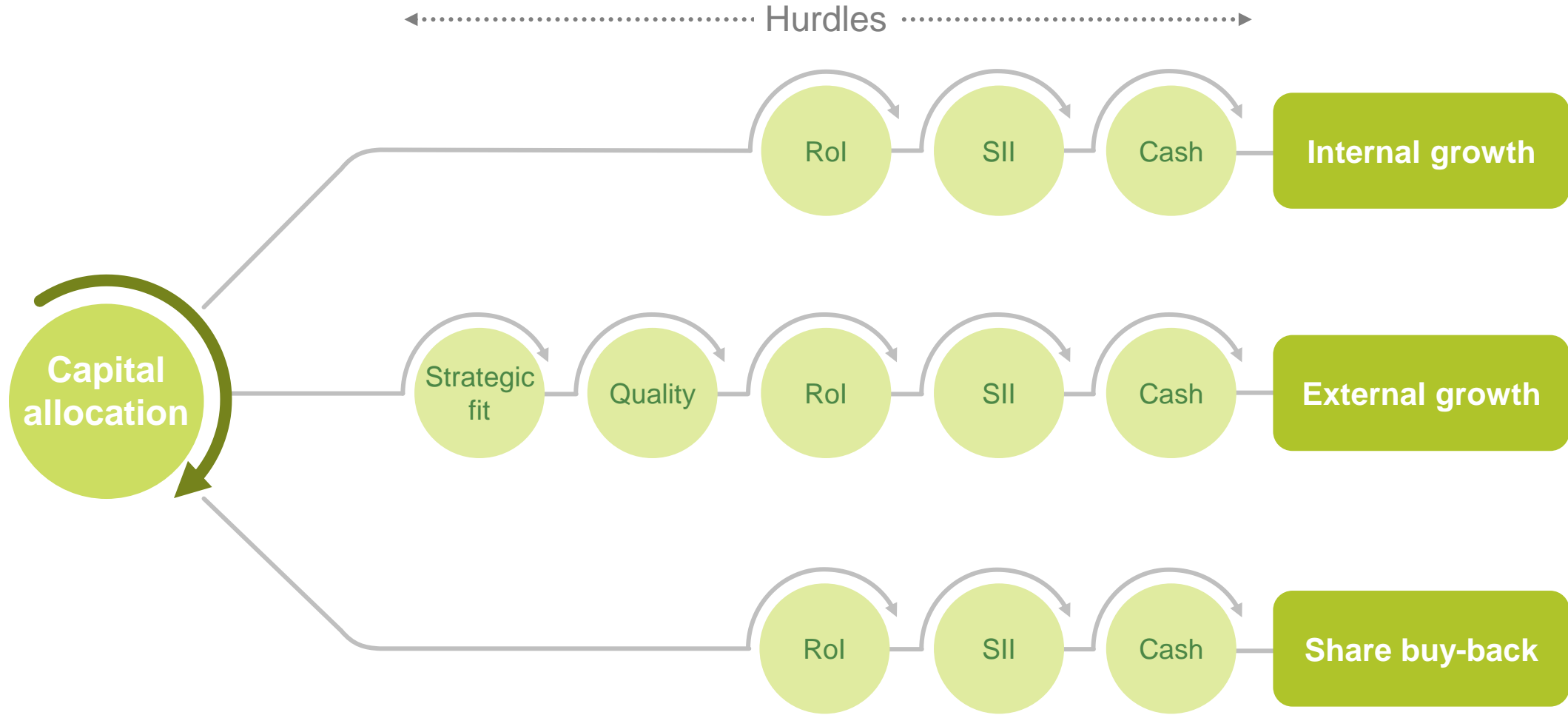


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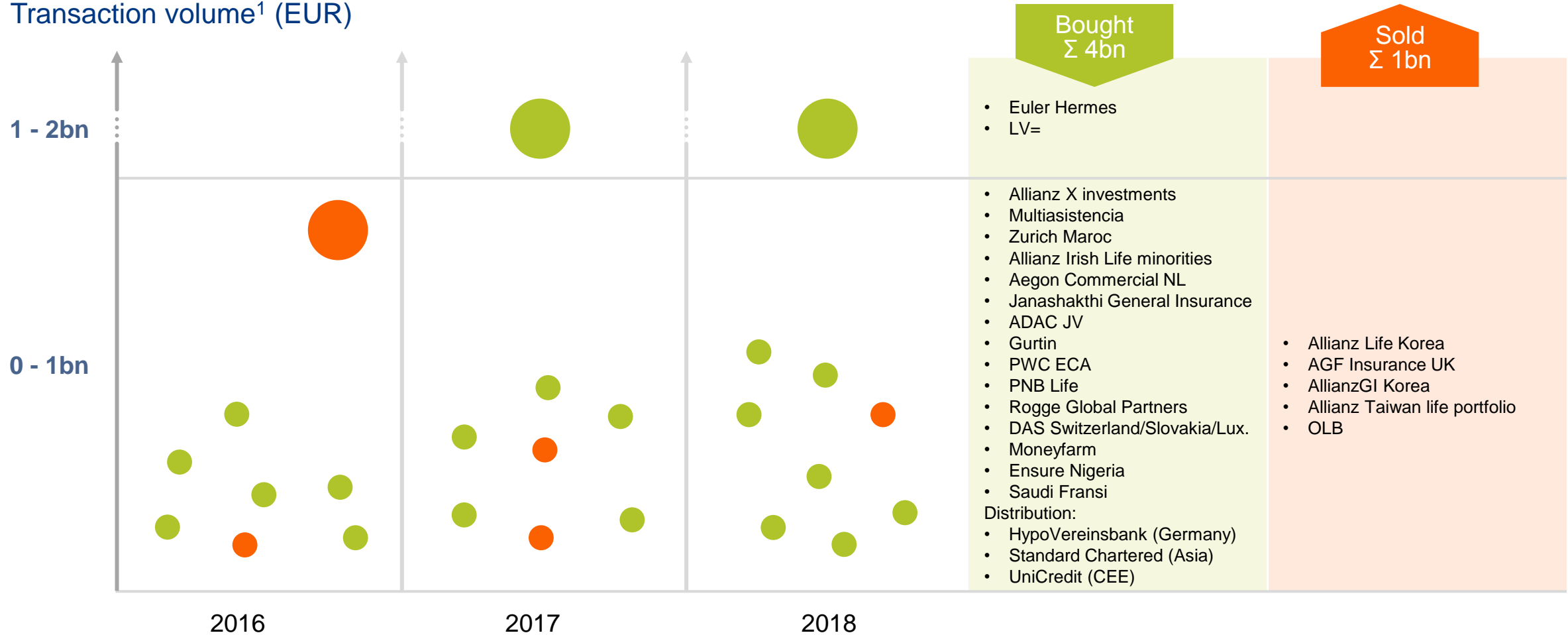
Discipline generates optionality





Selective portfolio optimization

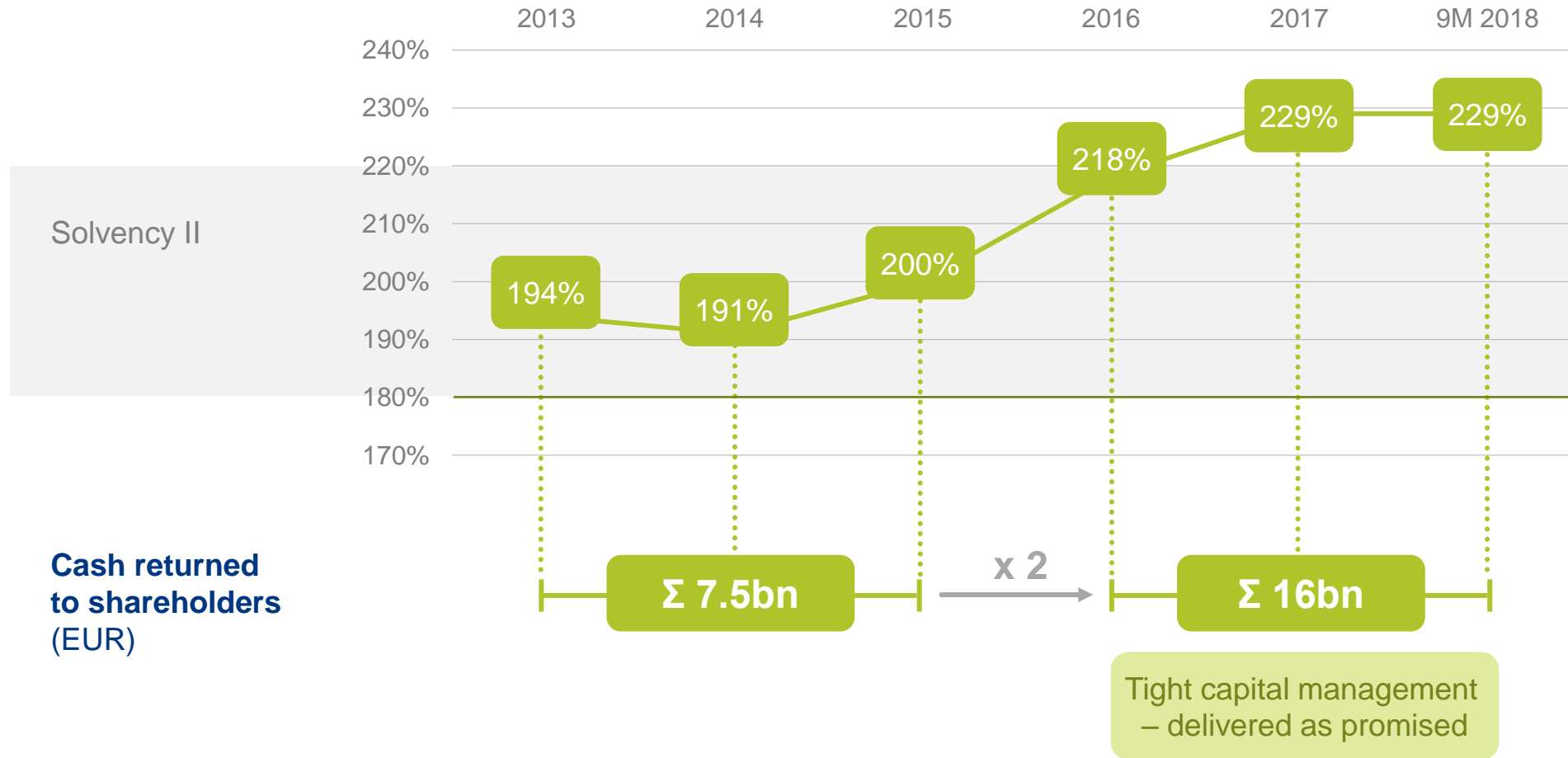
Transaction volume¹ (EUR)

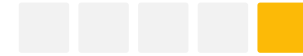


1) Net loss in case of disposals with negative P&L impact



Result: strong solvency *and* attractive payout





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Ambitious targets benefitting all stakeholders

| | KPI | Targets ¹ (2019 - 2021) |
|----------------------------------|--------------|---------------------------------------|
| Earnings growth | EPS CAGR | 5% plus o/w 4% plus organic |
| Profitability ² | RoE | 13% plus |
| Capital strength | SII ratio | 180% plus |
| Customer centricity ³ | NPS > market | 75% plus |
| Employee commitment | IMIX | 73% plus |

1) Actual results, performance or events may differ materially from these forward-looking statements. The company assumes no obligation to update any information or forward-looking statement contained herein
 2) RoE calculation excludes unrealized gain/losses on bonds, net of shadow DAC
 3) Percent value refers to share of businesses measuring retail NPS



From discount to premium valuation

Allianz valuation

Discount

Neutral

Premium

until 2015

2016 - 2018

2019 - 2021

Resilience



Profitability



Capital management



Organic growth



Productivity



Simplicity



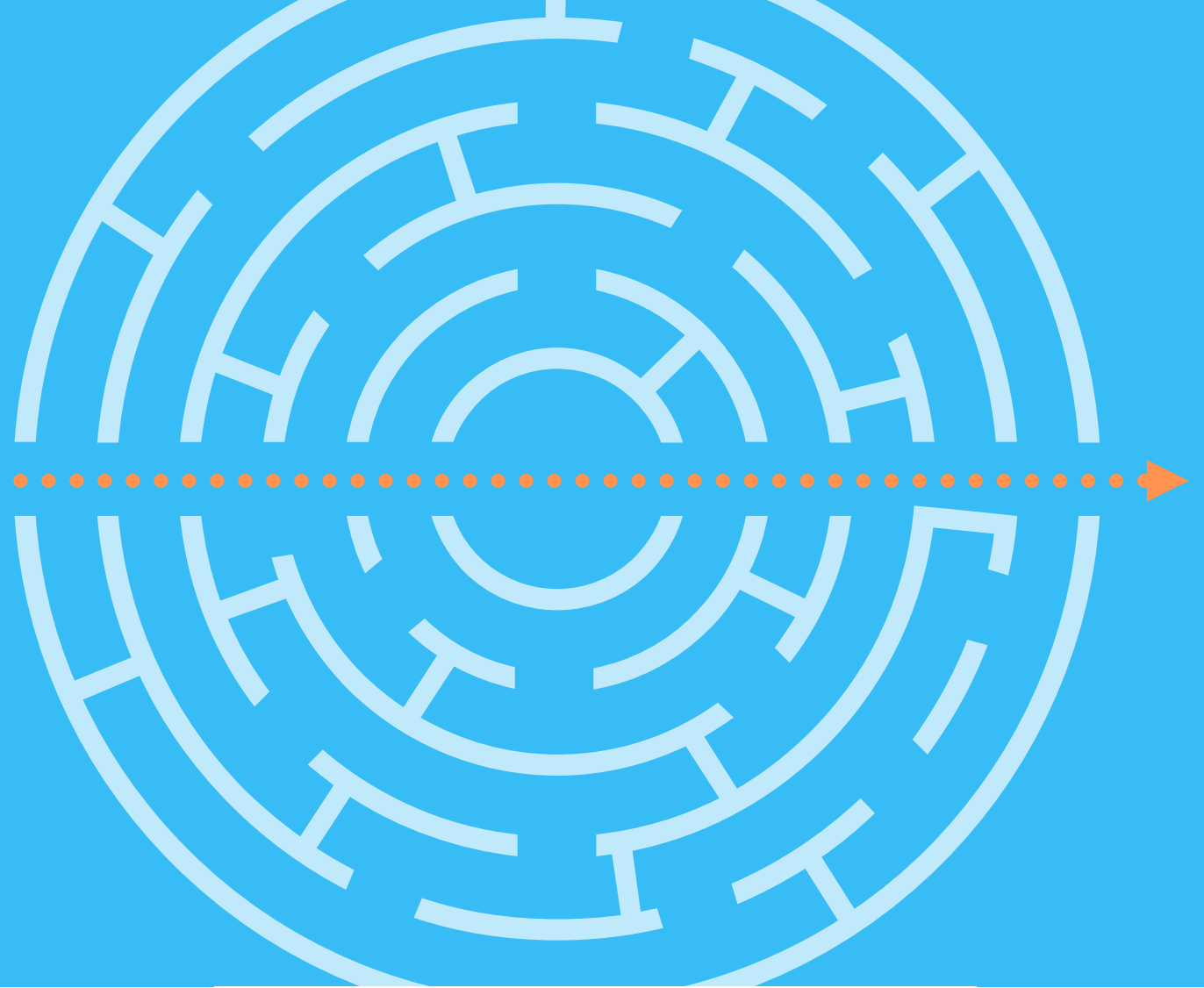
Scalability



Allianz Capital Markets Day

Q & A

Munich, November 30, 2018





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