

Allianz Capital Markets Day

Digital

Munich, November 30, 2016

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Allianz 

Agenda

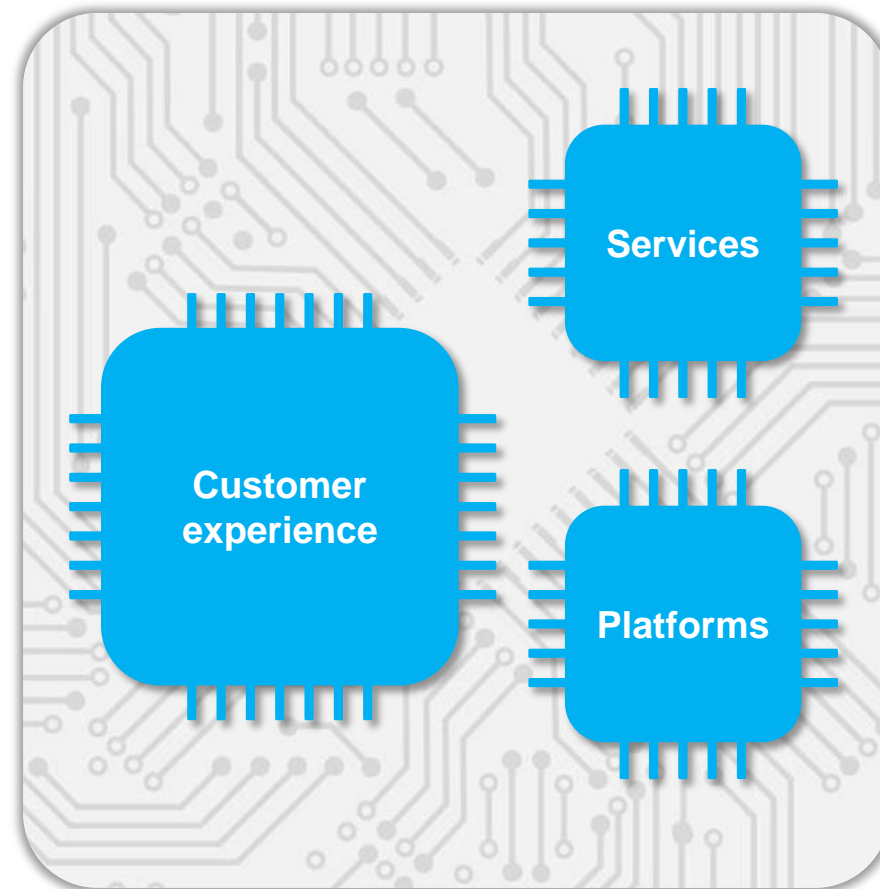
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|----------|--|---|
| A | Introduction | Oliver Bäte
Christof Mascher
Solmaz Altın |
| B | Modular health – disrupting the market | Aylin Somersan-Coqui |
| C | Digital Agency 2.0 | Joachim Müller |
| D | Claims handling in the digital world | Birgit König |
| E | Genialloyd – profitable growth | Leonardo Felician |
| F | Smart home | Sylvie Ouziel |
| G | Allianz in the low interest rate environment | Dieter Wemmer |

Disclaimer

A. Introduction

Oliver Bäte, CEO
Christof Mascher, COO
Solmaz Altın, CDO

Munich, November 30, 2016

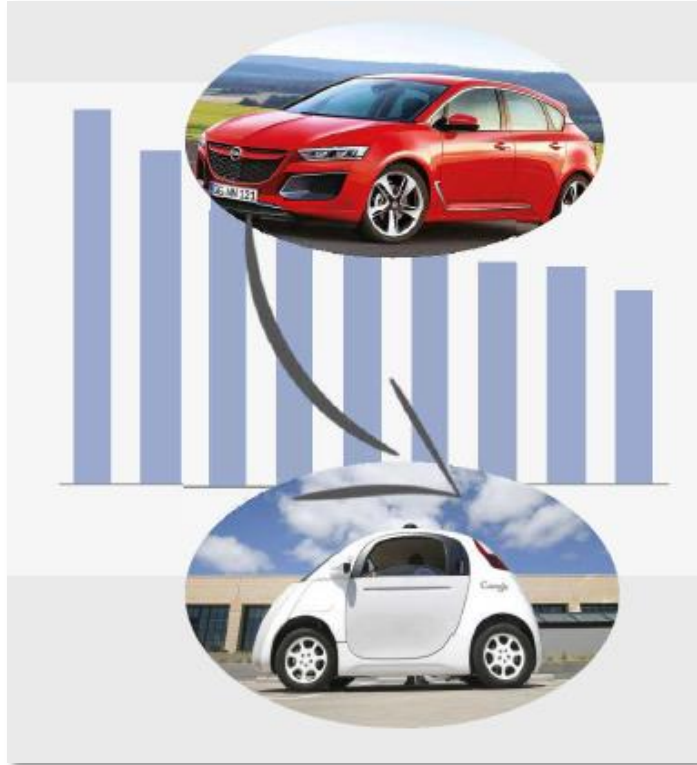




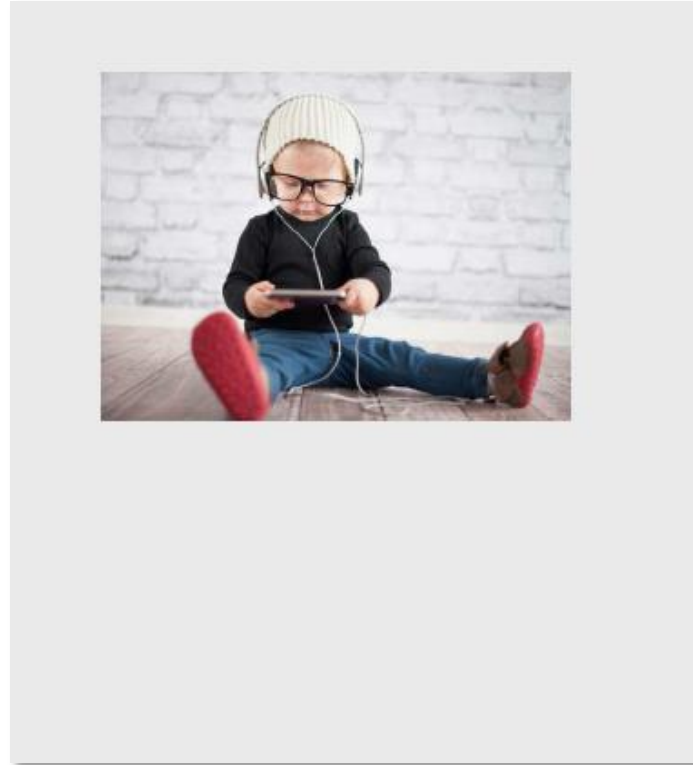
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|----------|--------------------|-------------|
| 1 | Oliver Bäte | Why? |
| 2 | Christof Mascher | What? |
| 3 | Solmaz Altın | How? |

We all know that we need to transform

Insurance is changing ...



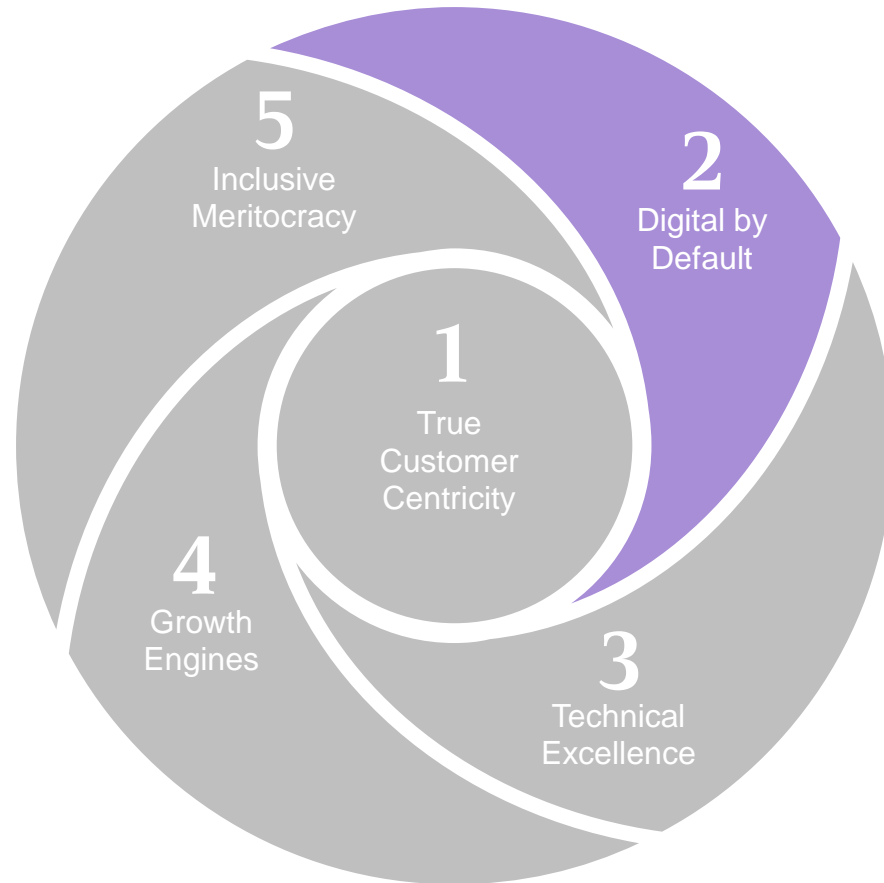
... consumers too ...



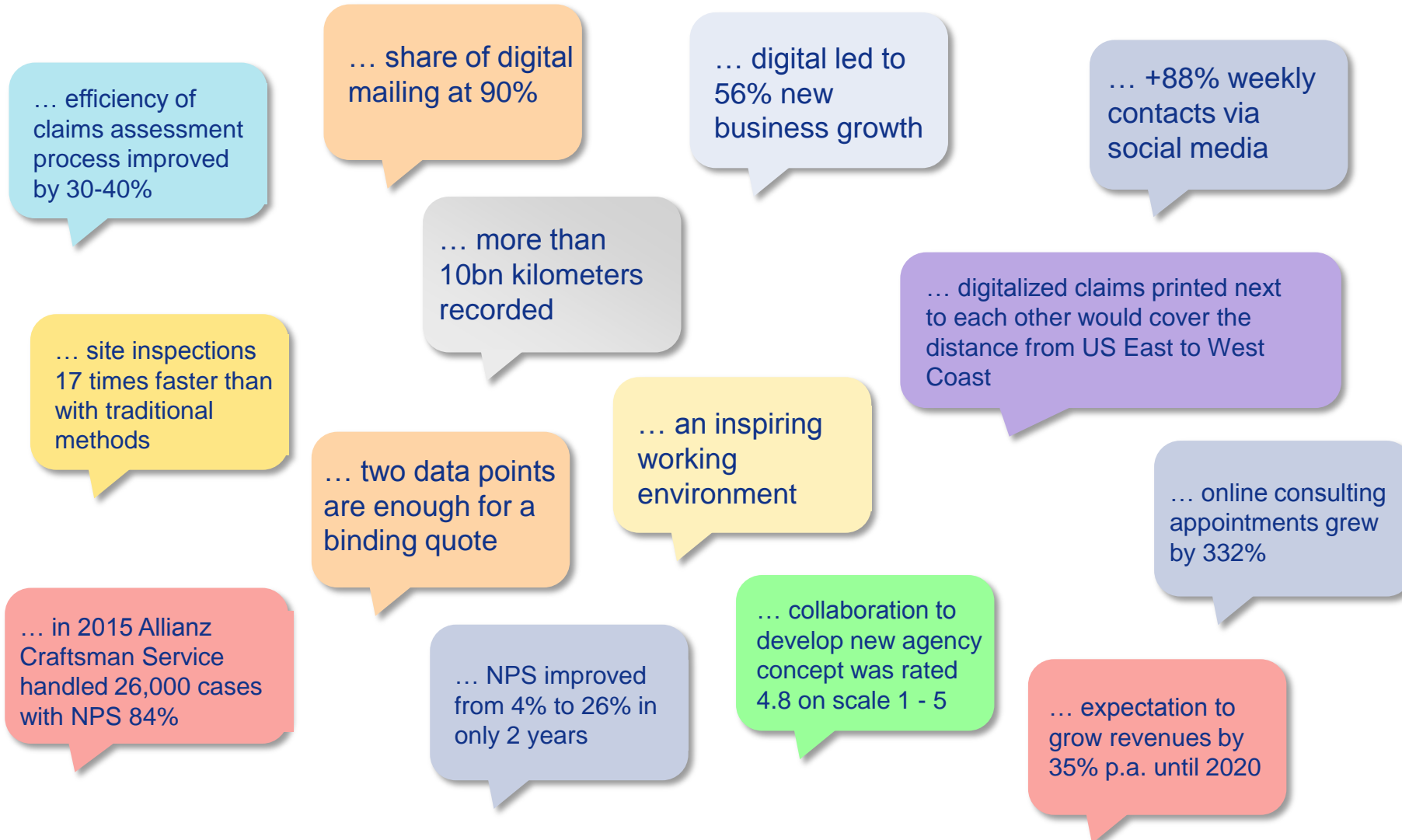
... and time is of the essence



That is why Digital is an essential part of our Renewal Agenda



We have accomplished a lot already¹ ...

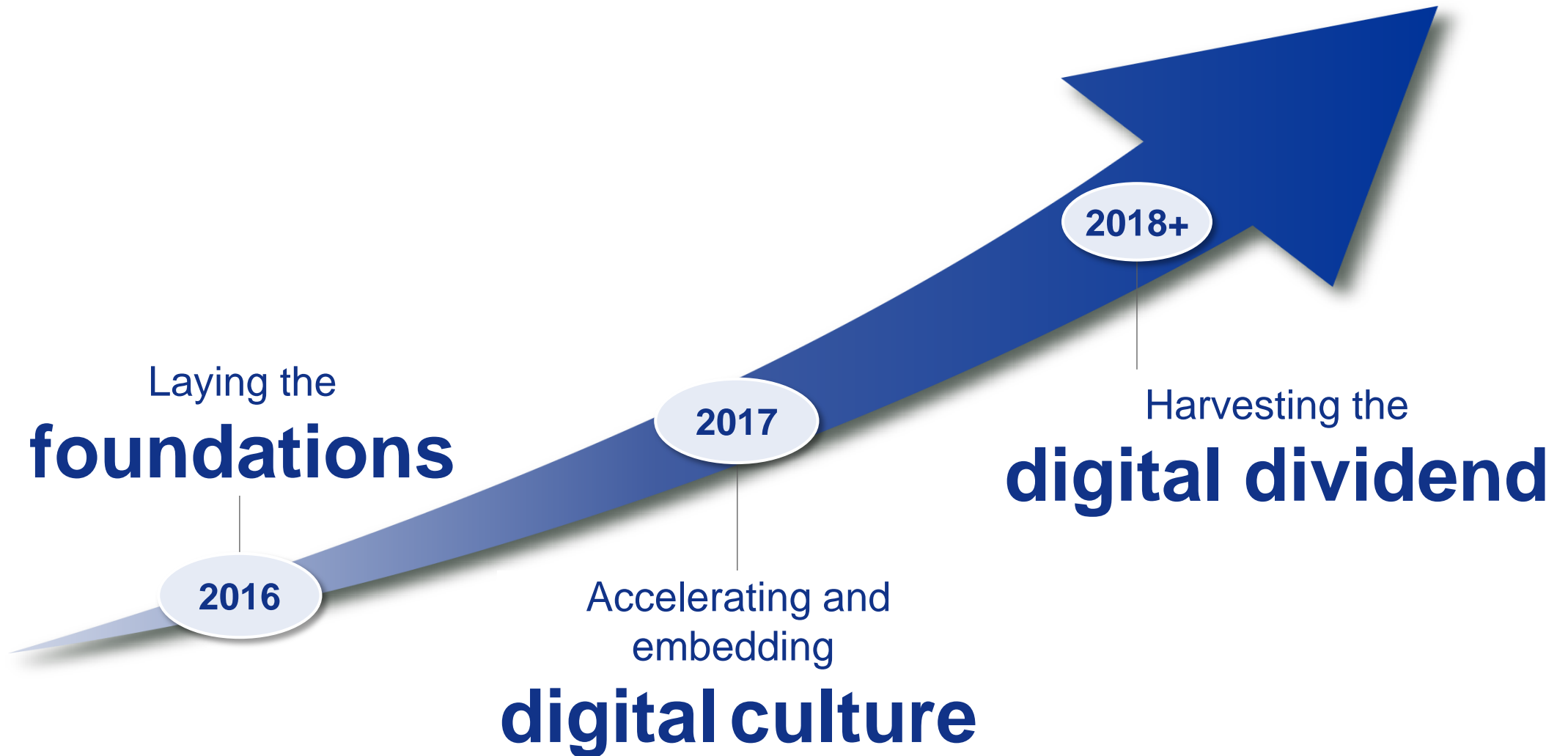


Today's topics

Allianz Turkey
Allianz Germany
Allianz Germany Health
Genialloyd
Allianz Global Assistance
Global Digital Factory
Telematics
Property Solutions
Digital Agency Turkey
Fairfleet

1) Data refers to selected parts of Allianz Group – please refer to respective presentations for details

... but this is still only the beginning



The good news – we have all it takes

Budget and scale

~ EUR 650mn
investments
in digitalization p.a.¹

People, processes and products

*Today's event:
best practice examples
from
Allianz Group*

Customers and brands

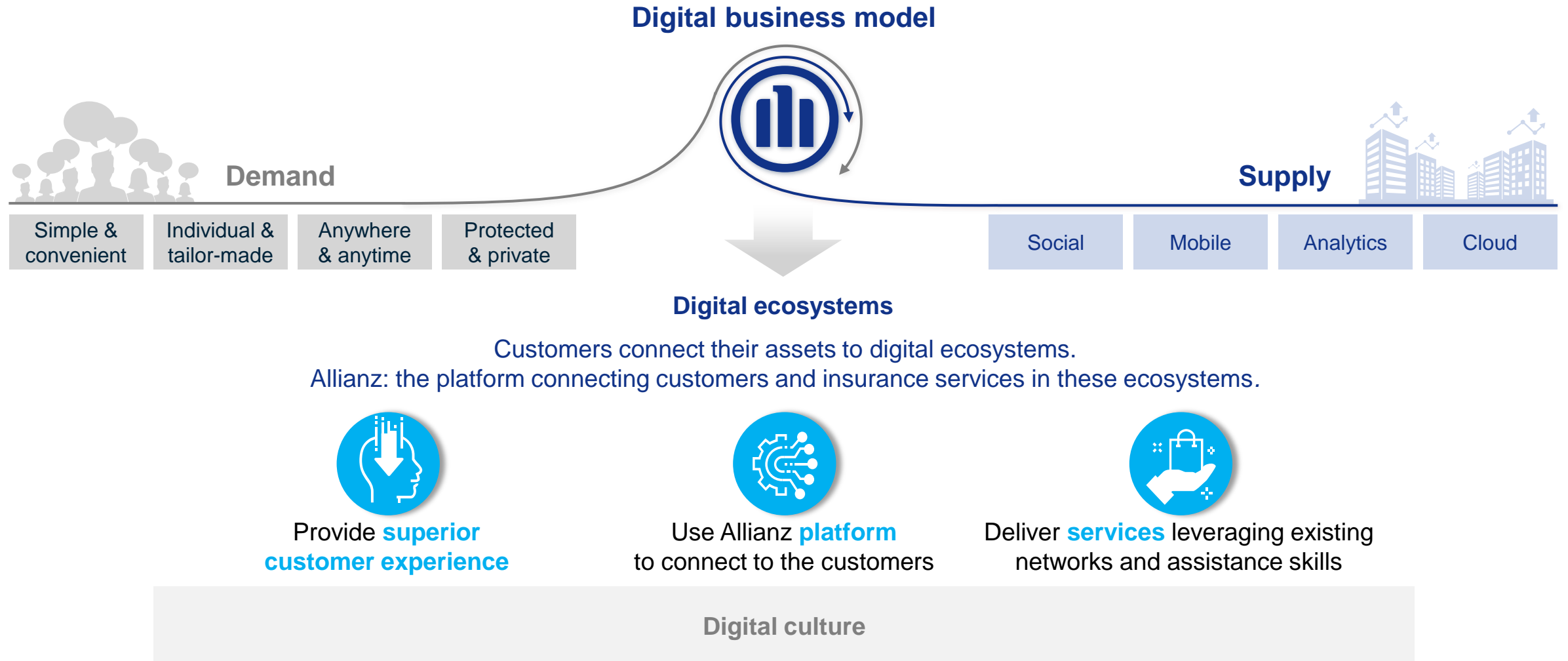
85mn customers
Strong global brands

1) Total IT spend ~ EUR 3bn p.a.

2

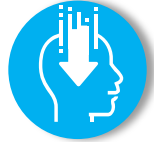
- 1 Oliver Bäte Why?
- 2 Christof Mascher What?**
- 3 Solmaz Altın How?

Customer experience as the ultimate goal – platforms as the connection – services strength as the differentiator



Through the Allianz digital ecosystem ...

Customer experience



- ▶ Digital journeys: transformation of the core (NPS!)
- ▶ New offers: transform, augment, substitute current services

- Customer excellence
- Latent "new demand"
- New types of digital risks



Innovation

- Ideation, design thinking
- Allianz X

Platforms



- ▶ Agile hybrid 2-speed IT architecture
- ▶ Integrated platform: customer, business, analytics, AI, robotics, security ...
- ▶ Data, data, data

- Connect to the customer: mobile first
- No replication of chaos of analog world
- Open platform



Digital

- Convergence global and local
- Network of global and local digital factories

Services



- ▶ Shift from traditional product logic to service logic
- ▶ Radical reduction of transaction costs

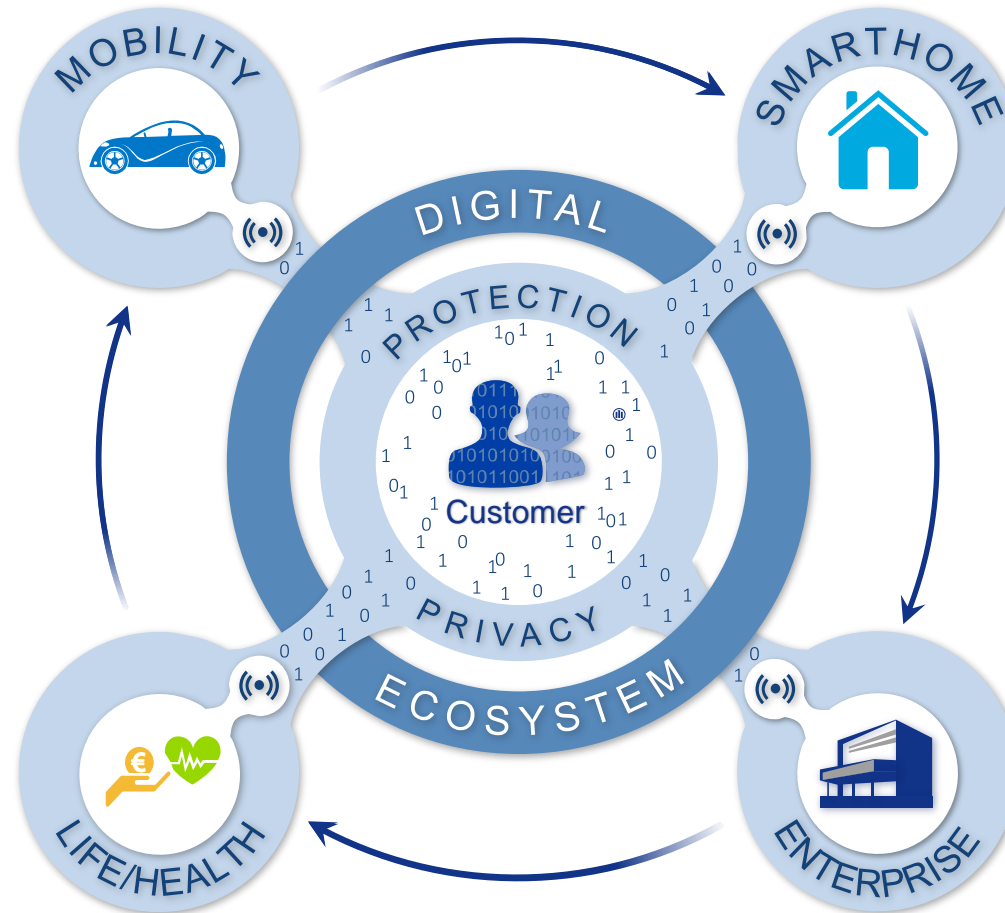
- Technologically shaped services
- Transformation from push to pull
- Harmonization of products and services



Culture

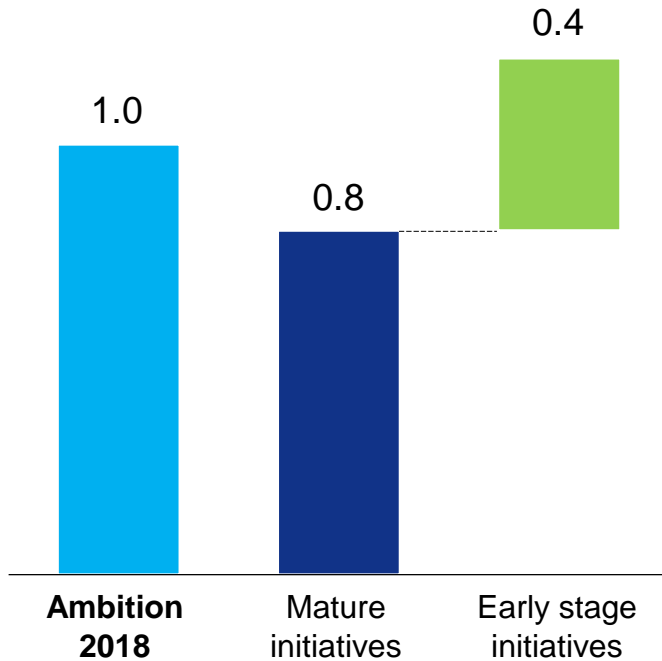
- Co-creation, collaborative networks
- Agile

... Allianz connects with retail and commercial customers

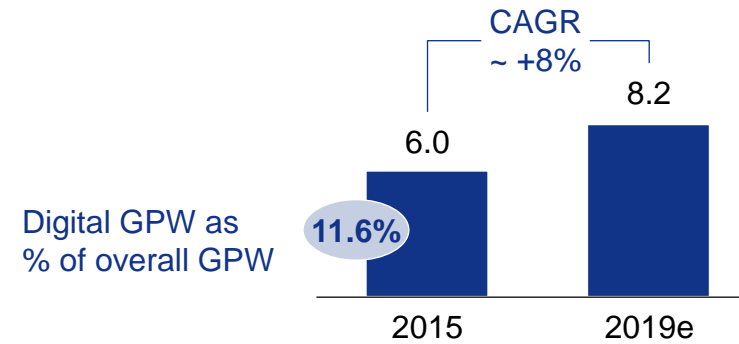


Digital by Default ambition 2018 on track

Digital productivity gains
EUR bn

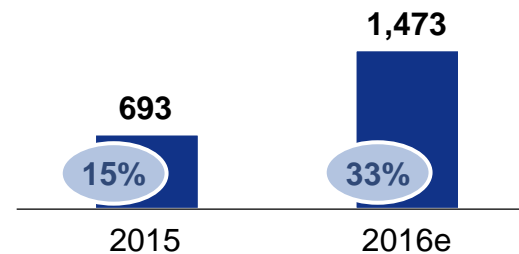


Digital P/C business¹
GPW in EUR bn

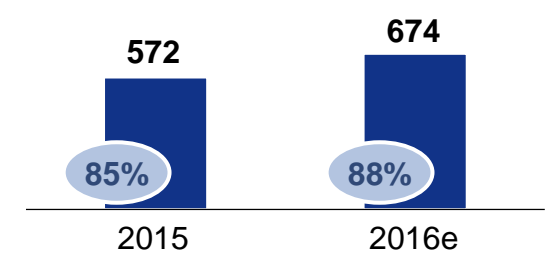


Digital health claims

Allianz Private Krankenversicherung



Allianz Worldwide Care



■ # digital business transactions ('000)
● ... in % of all transactions

■ # digital retail claims ('000)
● ... in % of all retail claims

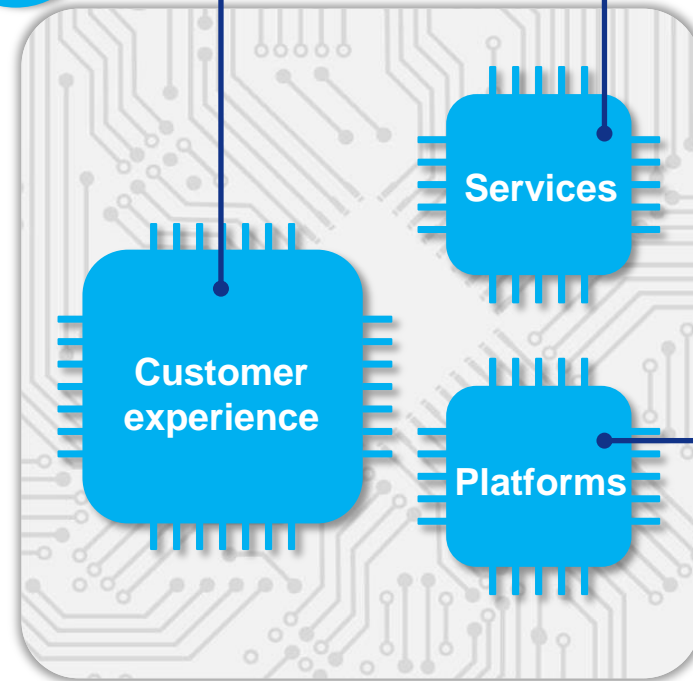
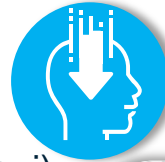
1) Premium volume includes digital sales from Direct and B2B2C business

Agenda today

Digital factories co-creation

- Digital transformation (Solmaz Altın)
- Modular health (Aylin Somersan-Coqui)
- Digital Agency 2.0 (Joachim Müller)

- Guided tour Global Digital Factory*
- Digital Agency Turkey*
- Allianz Property Solutions*



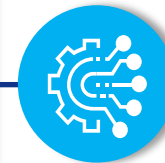
Global #1 service and assistance provider

- Smart home (Sylvie Ouziel)
- Drone flight*



Agile hybrid 2-speed IT architecture

- Claims handling in the digital world (Birgit König)
- Genialloyd – profitable growth (Leonardo Felician)



Telematics



- 1 Oliver Bäte Why?
- 2 Christof Mascher What?
- 3 Solmaz Altın How?**

A Single Digital Agenda to transform the Allianz core and to create new business


Single Digital Agenda

Shaping and organizing the digital transformation of Allianz Group together

 Global Digital Factory

Conducting end-to-end digital journey transformation of existing business

Increase NPS and retention

 Global digital partnerships

Become a key player and partner of choice in relevant ecosystems

 Digital pure play

Develop and scale-up digital offerings and fully digital distribution models

 Allianz X

Connect to start-up ecosystem to adopt from successful disruptors and benefit from company building

Create new business

 Advanced business analytics

Apply analytics to enhance and transform the Allianz value chain

Global management of platforms, infrastructure and services (AMOS¹)

1) Allianz Managed Operations and Services

Allianz X: build companies and connect to the start-up ecosystem

Start date: **1 January 2017**



Fund structure

- Group-wide vehicle
- Setup as general partners / limited partners structure
- Initial fund size EUR 430mn, OEs to participate as further limited partners

Fields of activity

- Company building (majority share)
- Venture investments (minority share)
- Fund-in-fund investments (international venture funds)

CEO


Peter Borchers
(formerly hub:raum)



Enhance our core business and hedge against disruption

Global Digital Factory (GDF): we innovate globally

Agile development factories and labs

 Digital factory
 Digital lab



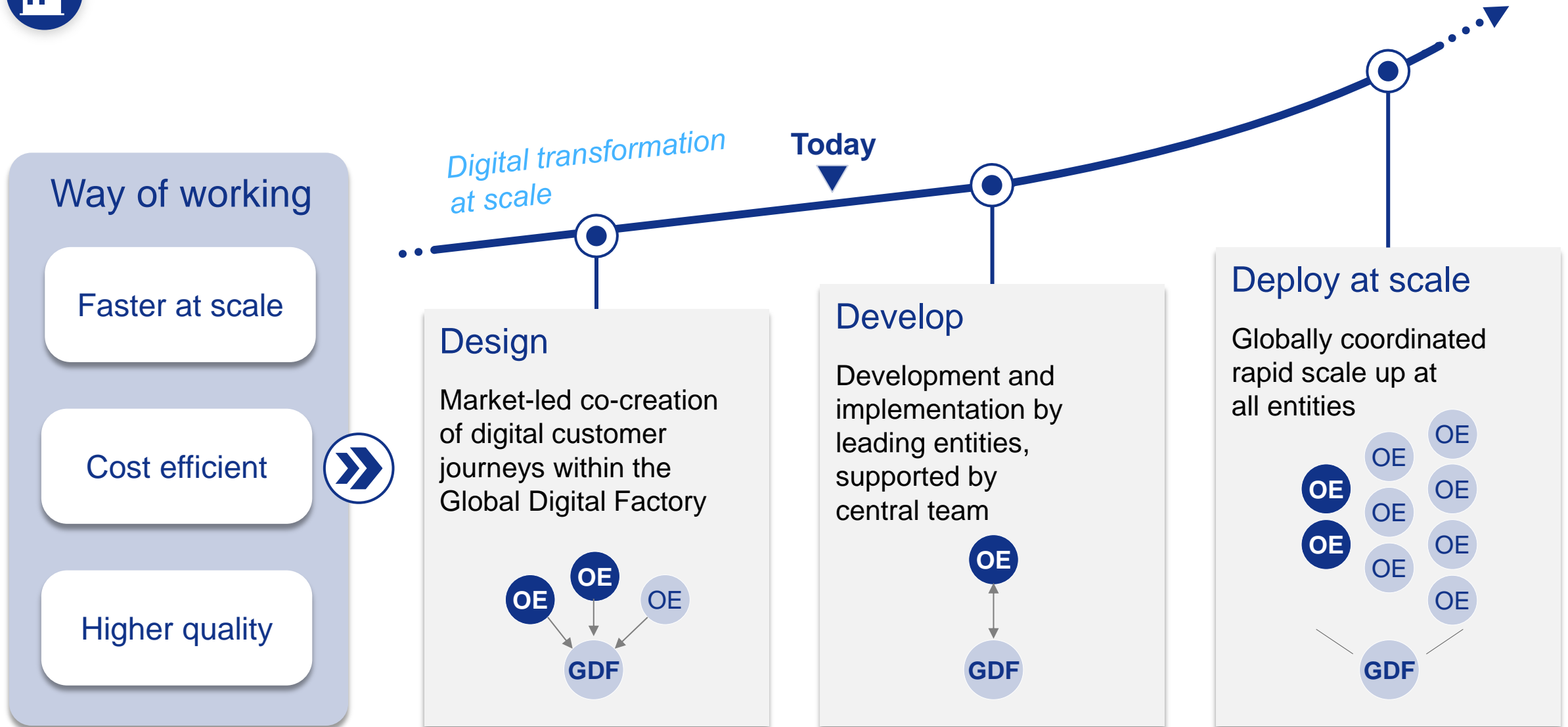
Driver of global digital initiatives

Center of digital knowledge

Role model for Allianz' digital culture



The factory approach: radical transformation of the way we work



New journeys will increase retention and NPS, thereby growing our business

Illustrative

The customer ...



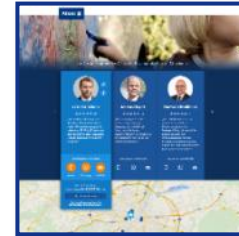
... sees personalized Allianz ad on Facebook



... browses visual and personalized content on landing page



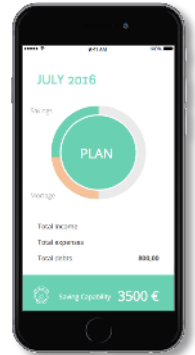
... fills in interactive and visual questionnaire (PRIIPS compliant risk assessment)



... checks possible appointments at nearest brokers with matching competencies



... signs personal policy offer via phone, broker or online



... installs app that analyzes payment streams to help save money for pension



... interacts with Allianz bot within Facebook to learn more about life savings policy



... sees pop-over for video- / text-advisory with broker



... receives personal product recommendation incl. adjustable graphical forecast on savings portfolio



... administers policy in customer portal and dashboard





Outlook: we will build new digital businesses at scale

2016

Proof of concept successful with 10+ local entities participating

- Motor claims
- Life customer onboarding

2017

6 additional key journeys in 2017 to be transformed with 30+ OEs, e.g.

- Health claims
- Home claims
- Motor onboarding

Deployment at scale of first journeys

2018+

Further prioritized journeys to be implemented in 2017+

Overwhelming contribution from 10+ OEs in 2016



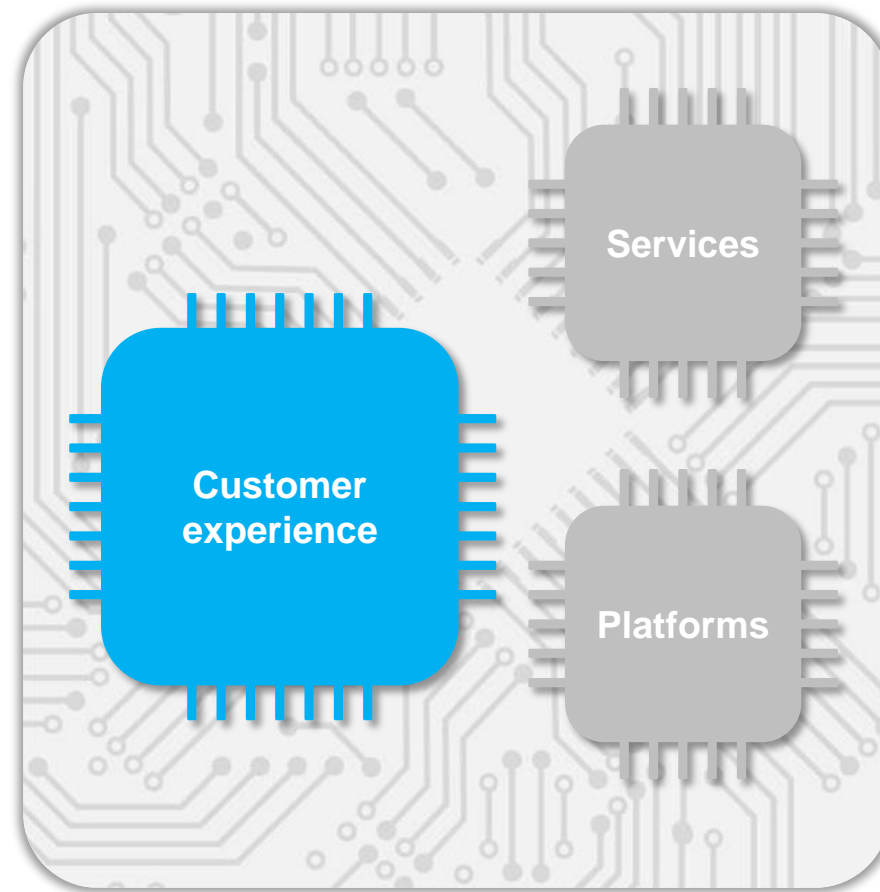
+ global lines

Participants represent > 50% of insurance premiums

B. Modular health – disrupting the market

Aylin Somersan-Coqui
CEO Allianz Turkey

Munich, November 30, 2016



Turkey at a glance

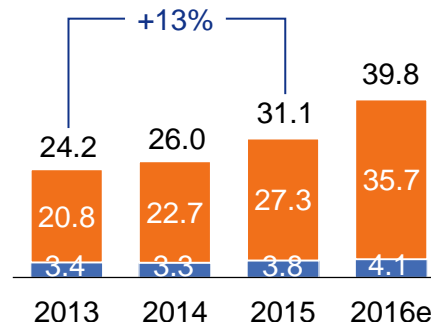
Key data 2015

- Population: 79mn
- GDP (EUR): 647bn
- GDP/capita (EUR): 8,300
- Inflation: 8.8%
- Insurance penetration¹: P/C&H 1.3% Life 0.2%
- Country rating (S&P): BB+
- FX rate: EUR 1 = TRY 3.02²

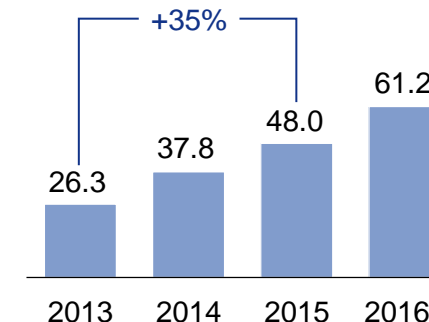
Market specifics

- P/C&H market composition: motor 48%, fire 14%, health 13%, casualty 10%, others 15%
- P/C&H distribution: agency 66%, bank 14%, broker 12%, other 8%
- Life distribution: bank 80%, agency 7%, broker 3%, other 10%
- Fragmented market with ~40 players in P/C&H; life and pension markets dominated by captives of banks³
- Market showing signs of hardening in MoD, prices doubled in MTPL

Market size and growth (CAGR)
(Stat.) GPW, TRY bn



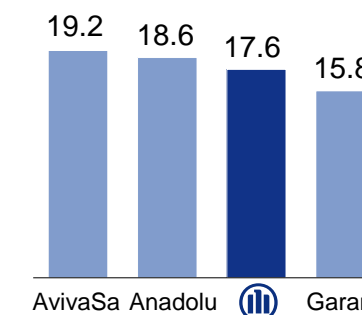
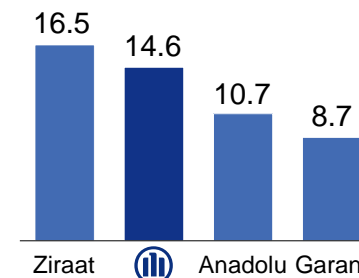
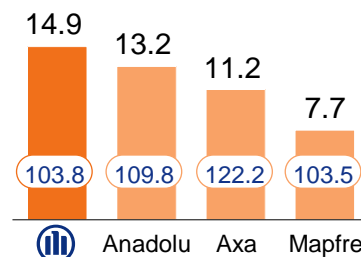
Pension AuM (CAGR)
TRY bn



■ P/C&H
■ Life

Market shares in % (2015)

■ P/C&H (GPW)
■ Life (GPW)
■ Pension (AuM)
○ Combined ratio (%)⁴

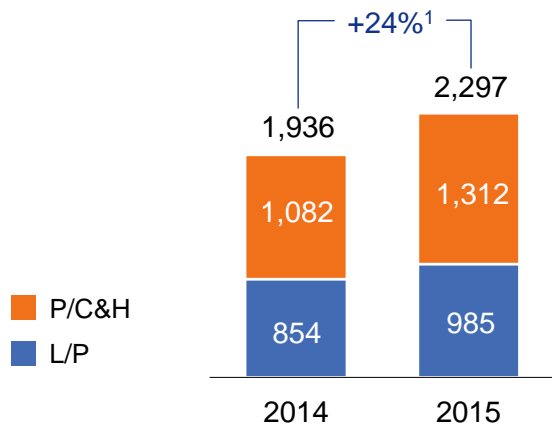


1) Sigma, GPW in % of GDP
2) FX rate as an average for 2015

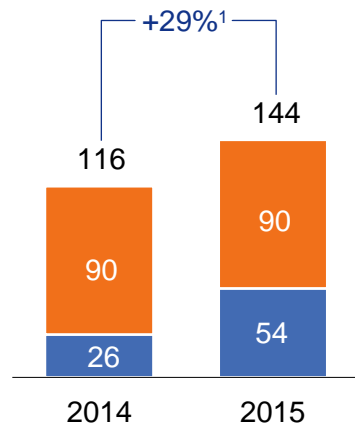
3) Insurance companies owned by banks
4) Local GAAP (2015)

Allianz Turkey (1/2)

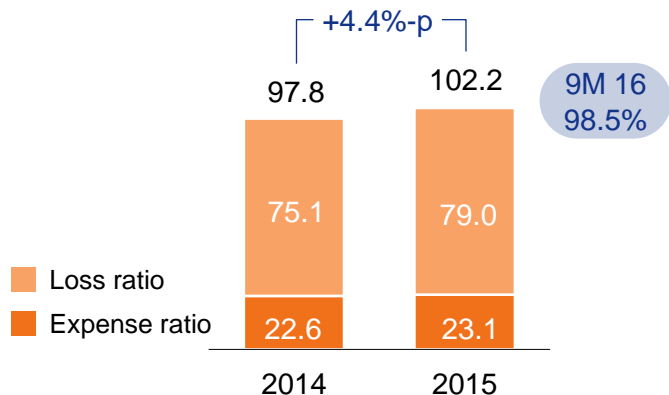
Revenues (EUR mn)



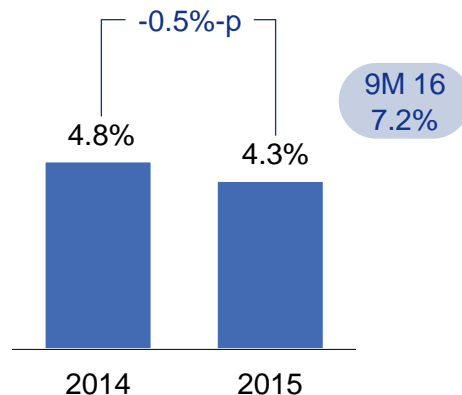
Operating profit (EUR mn)



Combined ratio (%)



New business margin (%)



Highlights

- More than 5.3 million customers
- ~3,900 agents and 99 brokers
- Co-operation with 501 car dealers
- 2,481 employees
- Collaboration with HSBC and Yapı Kredi Bank
- Customer loyalty leader in terms of NPS

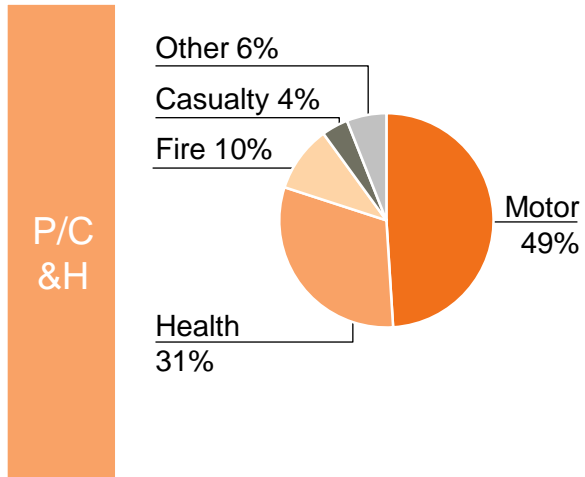
Legal setup

- 1998 Market entry
- 2013 Allianz acquires Yapı Kredi Sigorta
- Ownership P/C&H (AZS) 96% Allianz
- Ownership L&P (AZYE) 80% Allianz
- Ownership L&P (AZHE) 88% Allianz

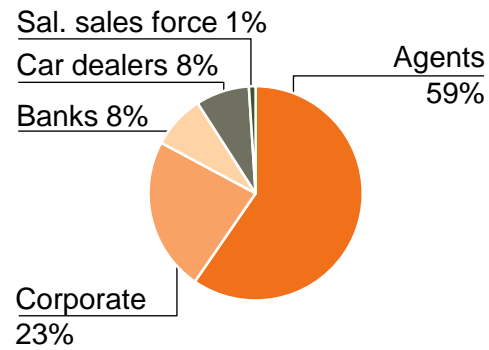
1) Local currency

Allianz Turkey (2/2)

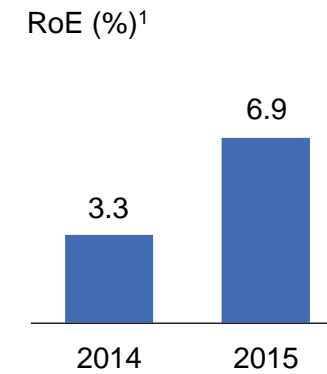
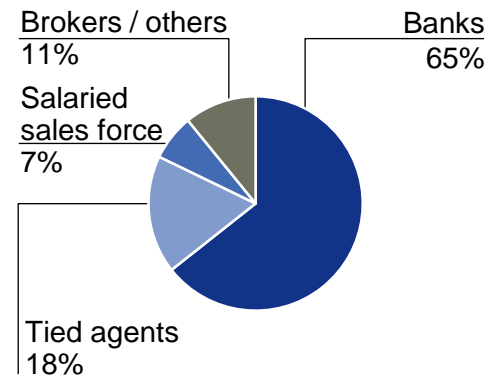
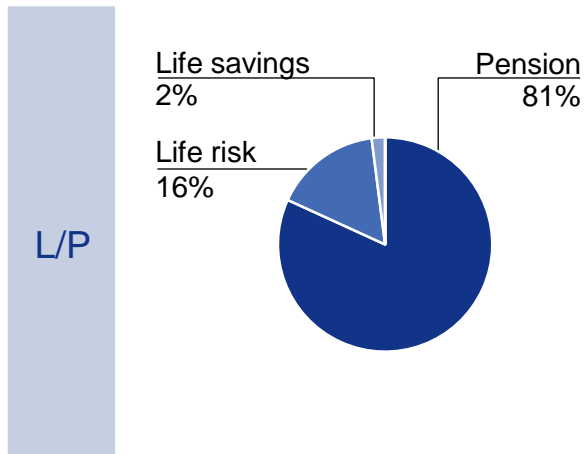
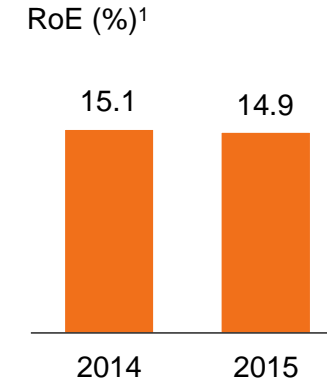
2015 Product mix (GPW)



Distribution mix (GPW)



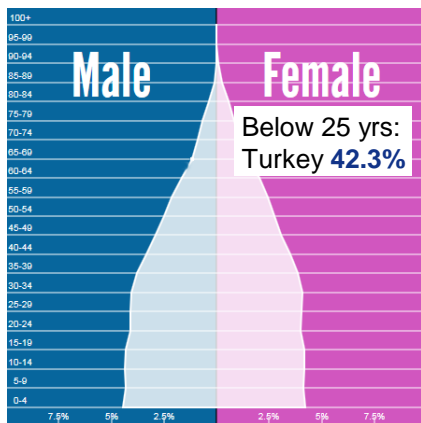
Profitability



1) Excl. unrealized gains/losses on debt securities (net of shadow DAC) and goodwill

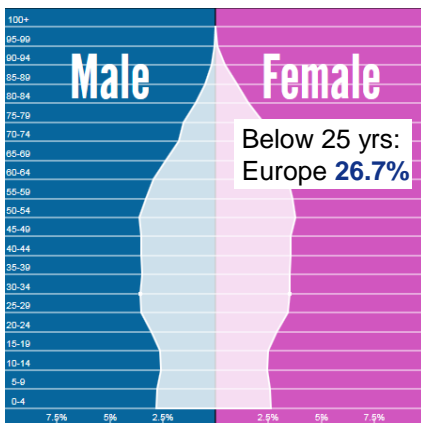
High potential in Turkish health insurance market: low penetration, young population and accelerated healthcare investments

Turkey 2015¹



Below 25 yrs:
Turkey 42.3%

Europe 2015¹



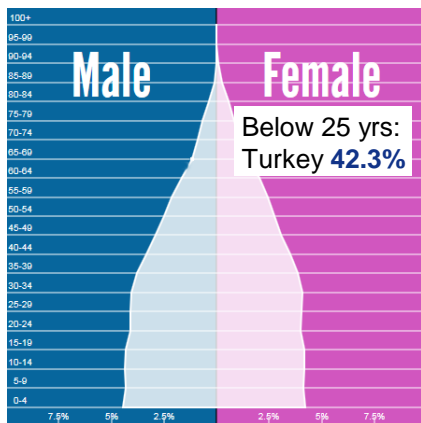
Below 25 yrs:
Europe 26.7%



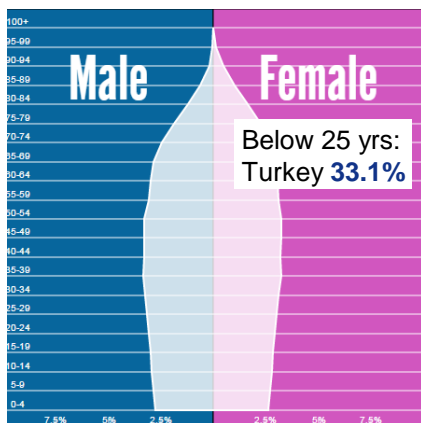
1) Source UN Population Division Department of Economic and Social Affairs

High potential in Turkish health insurance market: low penetration, young population and accelerated healthcare investments

Turkey 2015¹

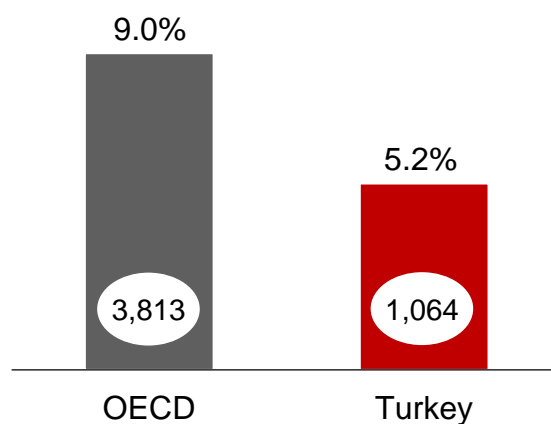


Turkey 2050¹



Healthcare expenditure expected to grow

Total health expenditure (THE)²

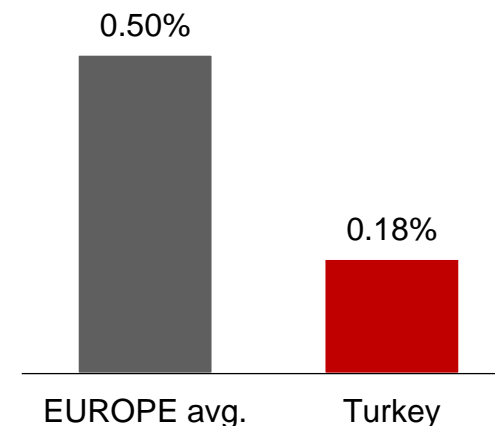


○ Total health expenditure **per capita** at PPP USD (2015) – world average is 1,352

THE real growth (2001 – 2014): **7% p.a.**

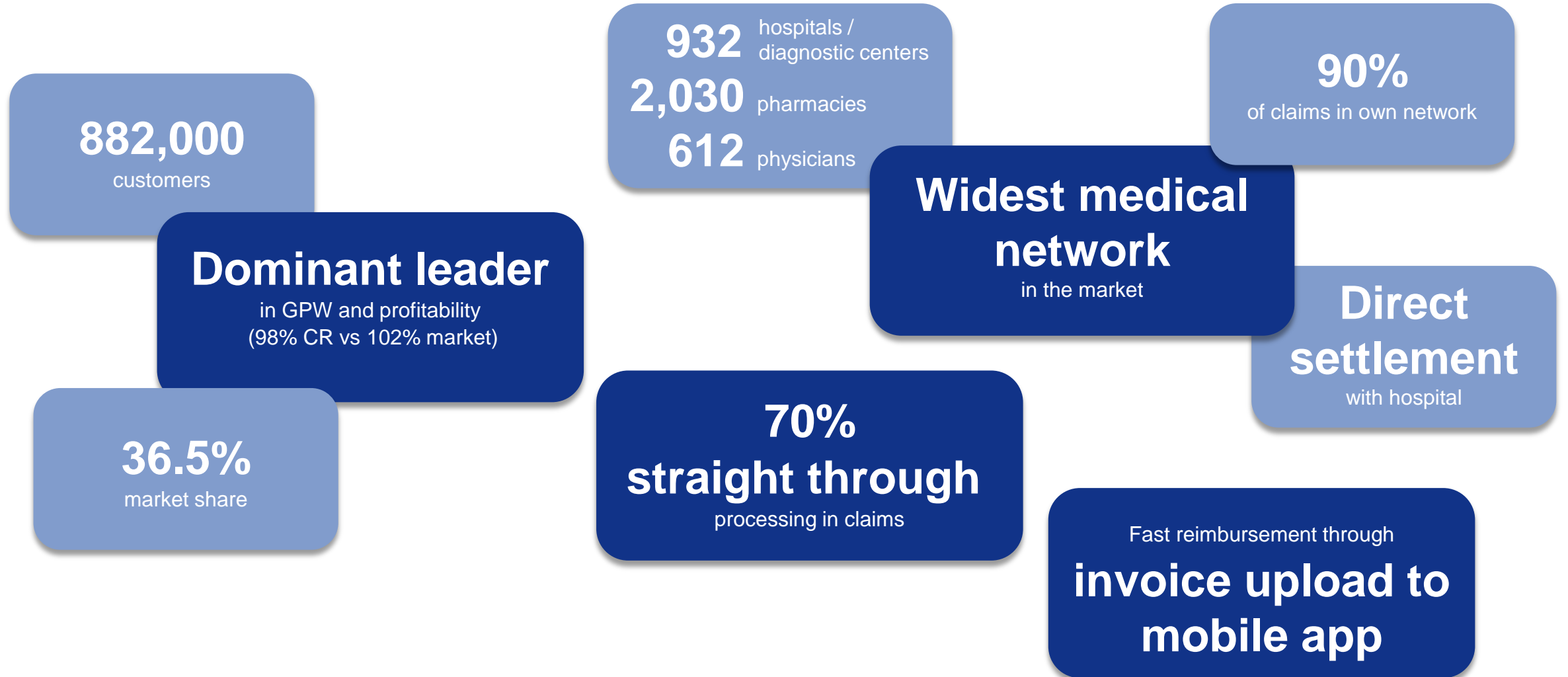
Aging population and increasing healthcare costs pressurize sustainability of social security system

Private health insurance (PHI) penetration³



1) Source UN Population Division Department of Economic and Social Affairs
 2) As % of GDP; source OECD Health Statistics 2016
 3) Premiums to GDP; source Insurance Europe (European insurance and reinsurance federation)

Allianz Turkey health at a glance

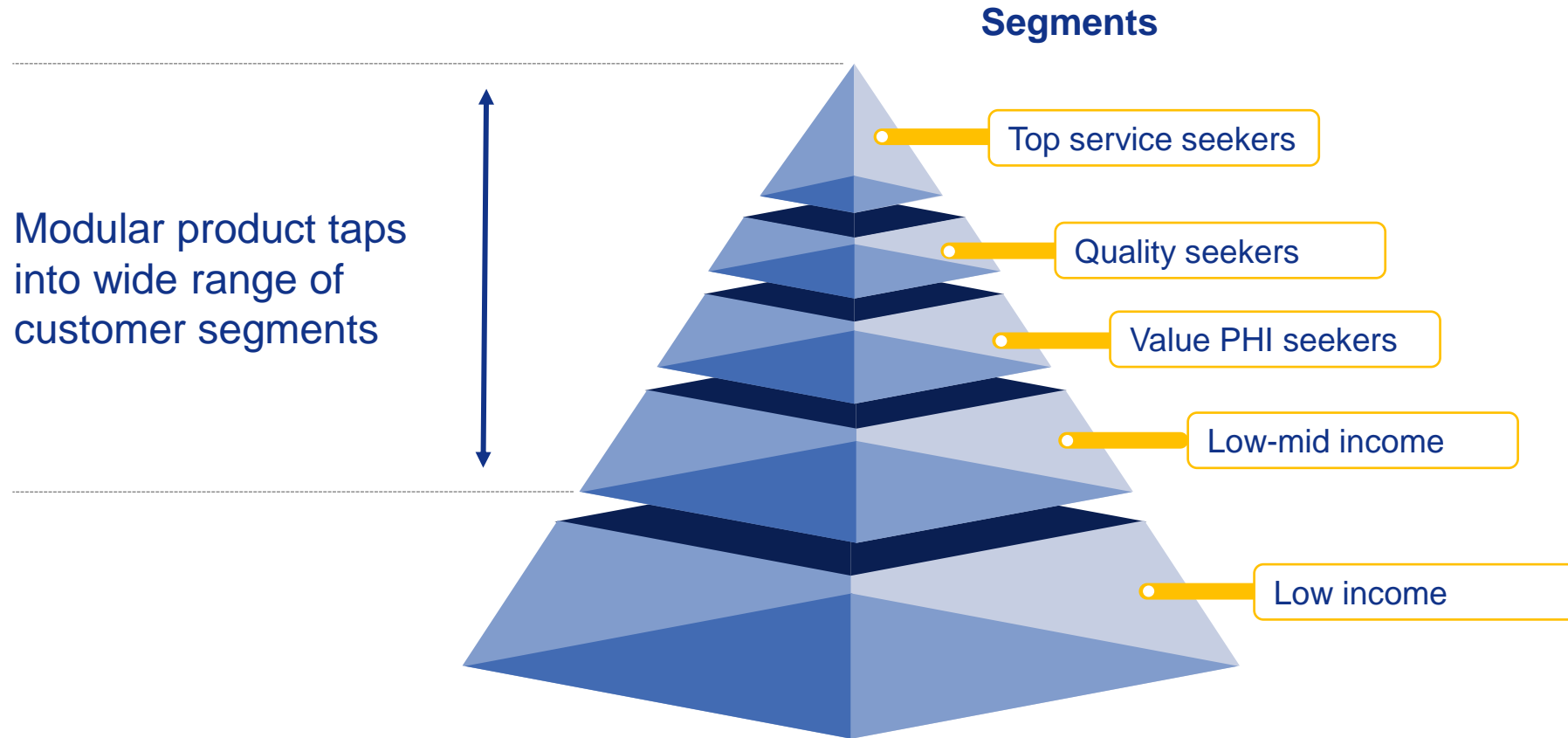


The challenge: private health insurance with limited product variety and too expensive for mass segment

Challenges to overcome

- ! Two different product portfolios and customer expectations after merger with YK (9 products, 96 different plans)
- ! Fierce competition
- ! Increasing costs: medical inflation > consumer price index
- ! Customers require advice given product complexity
- ! Expensive and standardized product. Difficulty in reaching mass segment

The solution: modular health to attract more customers



The solution: modular health «custom made for you»



The solution: modular product tailored to meet customer needs with flexible features

Modular health product features¹




Features to be specified

Modules

	Inpatient	Outpatient	Maternity	Dental & vision	Additional services
Base package (compulsory)		Optional	Optional	Optional	Optional
Limit		Limit	Limit	Limit	Check-up
Co-payment		Co-payment	Routine controls	Co-payment	Prestige package
Deductible		Medication	Newborn limits		
Coverage abroad		Coverage abroad			
	Personal accident / life insurance				
	Network type				

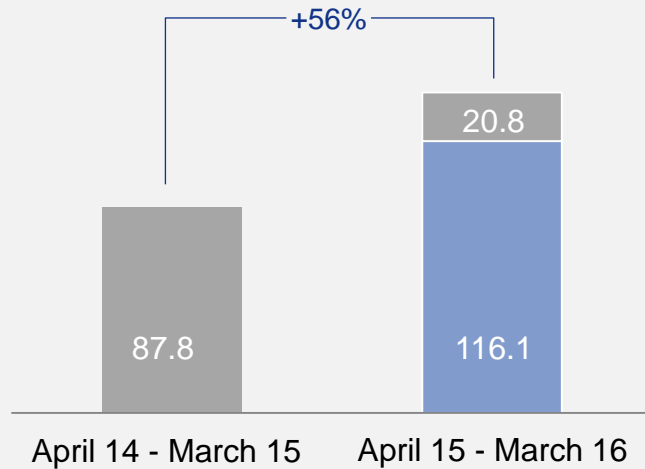
1) Customers can choose 2-6 options per feature; exception Prestige package

The solution: modular health solves pain points in the customer experience

	Pain point	Solution	
1	Difficult to compare plans and prices	Immediate price comparison possible for each option change	 Will be available on mobile
2	Complexity in policy design	New user friendly design	
3	Lack of clear options (i.e. price, coverage)	High degree of flexibility in choosing all options to tailor to individual requirements	
4	Complex coverages, terms and conditions	User friendly guidelines and digital support	
5	Time of contract delivery	Digital delivery, automated system to reduce time	
6	Time to finalize offer	Higher straight through processing in policy production	

The result: a winning solution in all aspects

New business growth (TRY mn, 12M)



■ Old products
■ Modular products



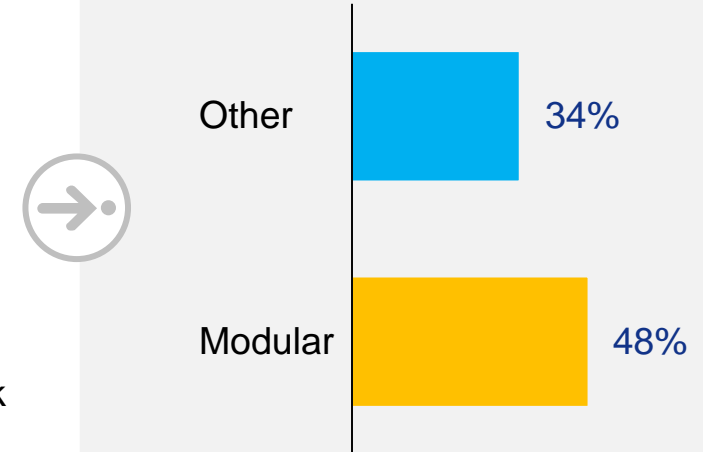
Optimized treatment costs

Customers able to select hospital network that fits their needs

- Lower treatment costs
- Customer co-payment decreases
- Policy renewal loss ratio improves

Selection of lower cost medical network increased from **2%** to **39%** after introduction of modular product

NPS¹ results



Increased new sales

Lower costs

Higher customer satisfaction



1) NPS is based on likelihood to recommend Allianz based on modular health purchasing process; 'other' captures all products except modular health

Allianz Turkey shapes the market with innovative products and services

Everyone needs a doctor friend !!
Dr. Allianz is a 24/7 dedicated healthline offering these services



- Medical information
- Steering
- Preventive advice
- Doctor home visit
- Lab at home

Allianz One App



My Health

- My health policies
- My payments
- Upload receipt
- Provision & reimbursement tracking
- Limits balance

Secure home

70+ of age

- Risk assessment at home visit
- Report on potential risks
- Home safety product package installed for free

Expanding beyond core capabilities

Next to come

- Chronic disease management

7 million diabetes patients in Turkey

Diabetes management module



+



One App

One Web

- Network and doctor rating and engagement tools to increase customer adherence

Aspiration
Own the health space in Turkey

Dominant leader
Lifetime health partner
Pioneering solutions

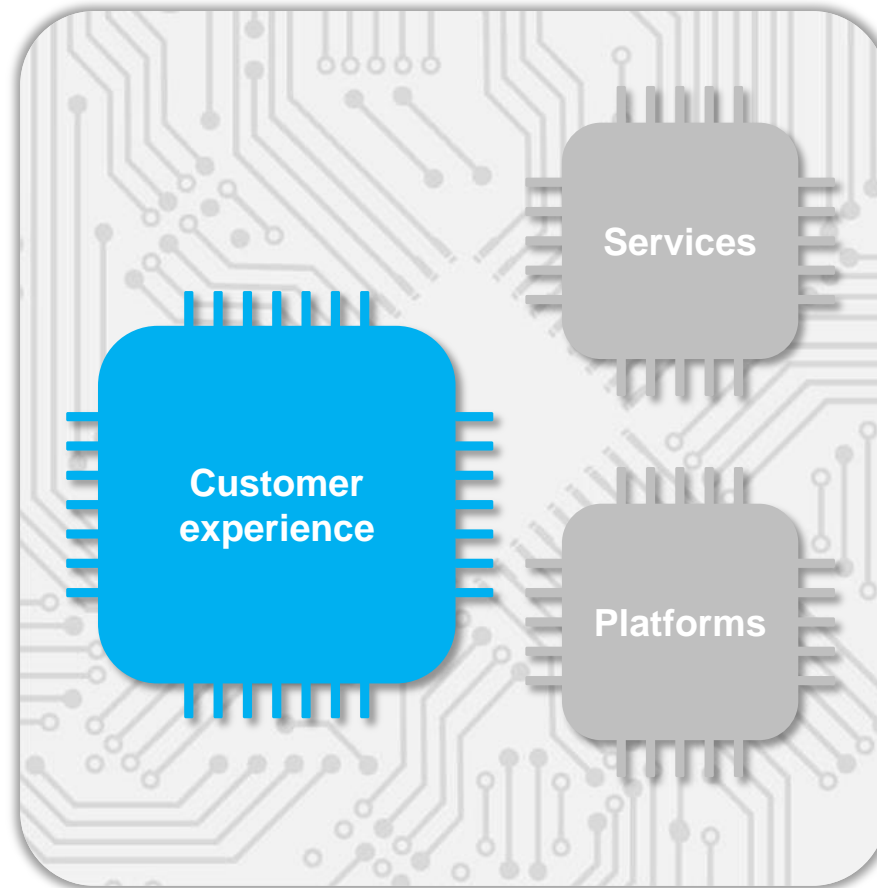
C. Digital Agency 2.0

Joachim Müller

Member of the Board
Allianz Deutschland AG

CEO Allianz Beratungs-
und Vertriebs-AG

Munich, November 30, 2016



Germany at a glance

Key data 2015¹

- Population: 81.5mn
- GDP (EUR): 3,026bn
- GDP/capita (EUR): 37,129
- Inflation: 0.5%
- Insurance penetration²: P/C 3.4% Life 2.9%
- Country rating (S&P): AAA

Market specifics

P/C

- Mature market, strong competition

Life

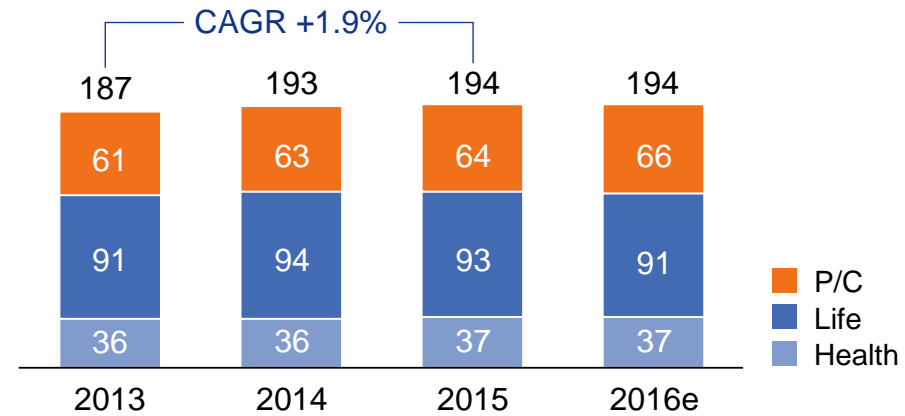
- Challenging business environment due to volatile financial markets and low interest rates
- Market trend towards new products

Health

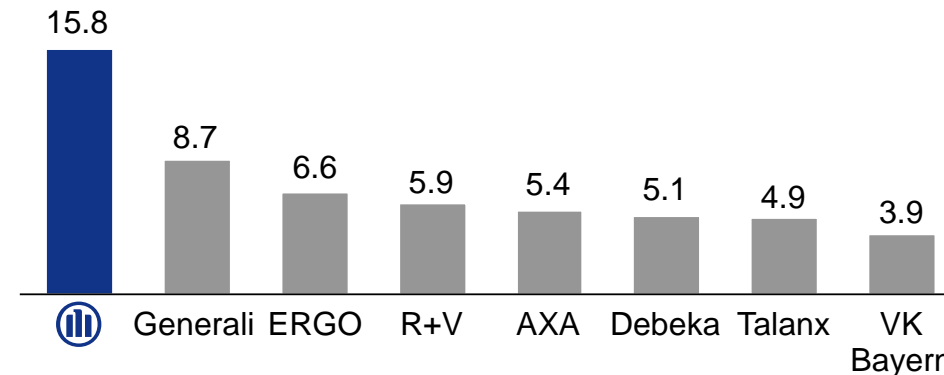
- 2-pillar system with compulsory statutory health insurance, supplementary private health insurance and comprehensive private health insurance

1) Destatis
 2) GPW in % of GDP; Sigma 03/2016
 3) GDV 08/2016

Market size and growth (GPW, EUR bn)³

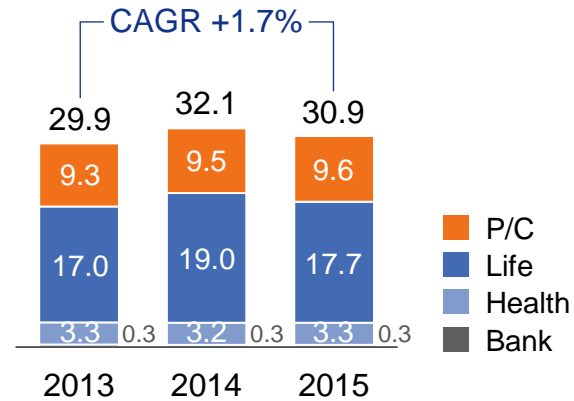


Market shares 2015 (GPW, %)³

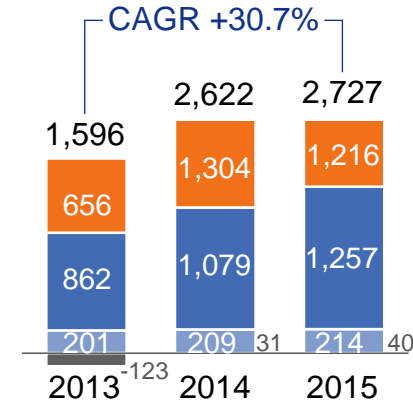


Allianz Germany (1/2)

Revenues¹ (EUR bn)



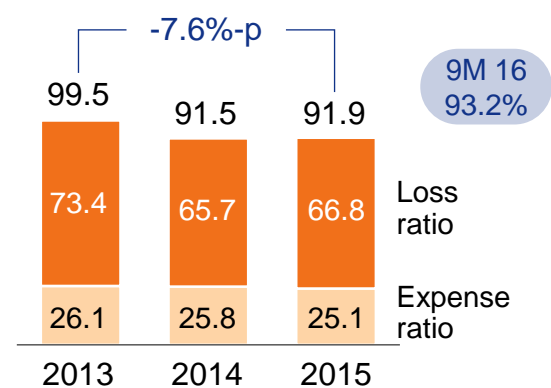
Operating profit¹ (EUR mn)



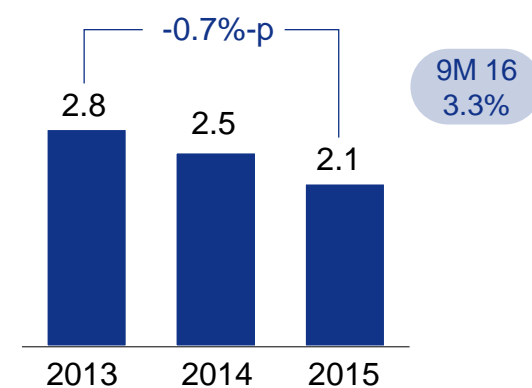
Highlights

- Leading market position
- ~20mn retail customers
- Leading P/C insurer in Germany with nearly 2x market share of number 2
- Market leader in Life with respect to AuM, GPW, new business and corporate pensions
- Strong player in health insurance with an 8.8% market share in 2015

Combined ratio¹ (%)



New business margin (%)

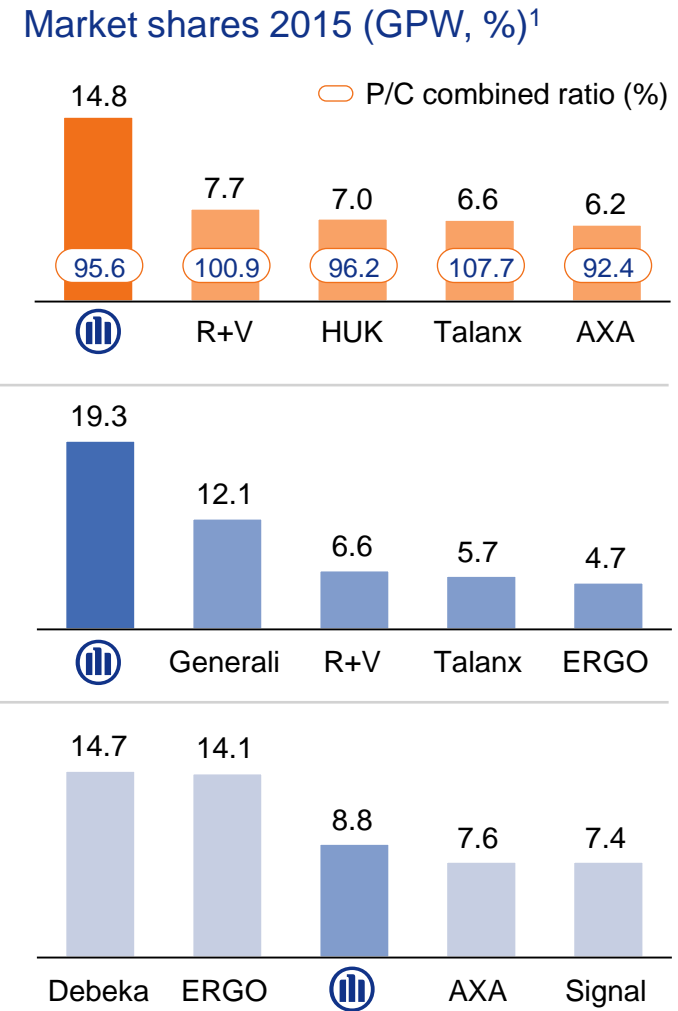
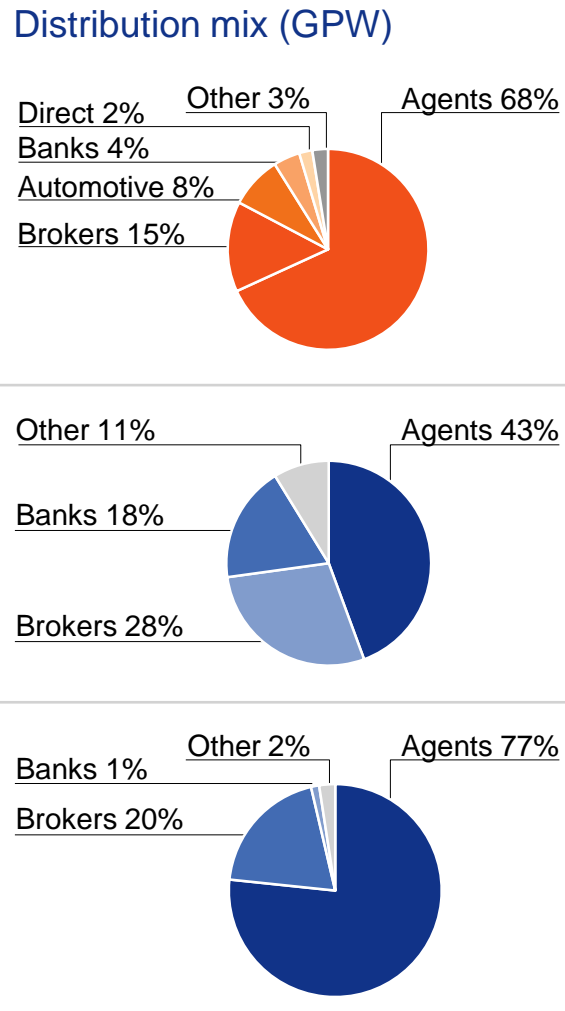
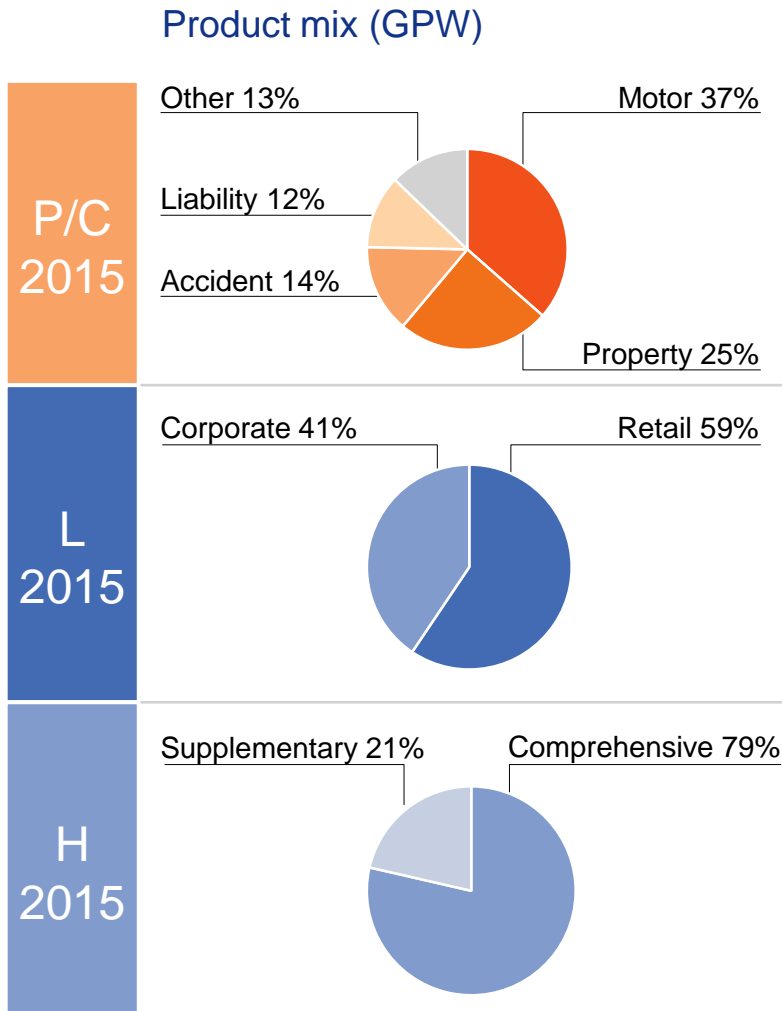


Legal setup

- 1890 Formation of Allianz as an accident and transport insurance company
- 1918 Entry into the motor insurance business
- 1922 Formation of Allianz Lebensversicherungs-AG
- 1990 Takeover of the East German state insurance authority
- 2001 Minority buy-outs
- 2005 Foundation of a direct business entity, initially named Allianz 24, renamed into AllSecur in 2009
- 2006 Foundation of Allianz Deutschland AG

1) IFRS

Allianz Germany (2/2)

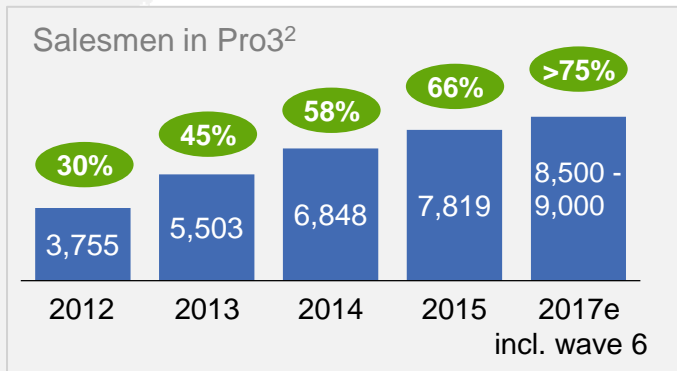
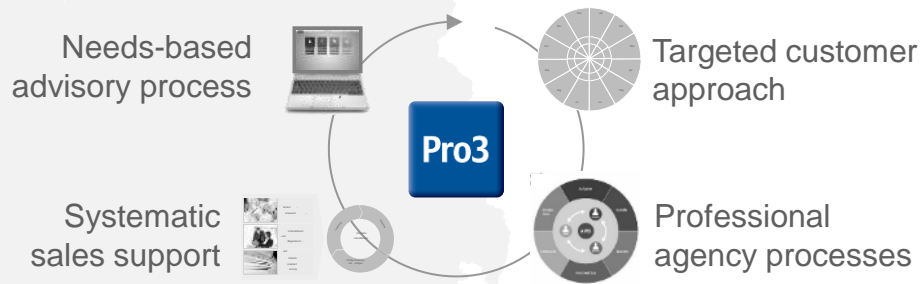


1) GDV 08/2016; local GAAP; Life incl. internal pension funds

The digital transformation of Allianz Germany's proprietary channel

Since 2011¹

“Fixing the basics”



Since 2015

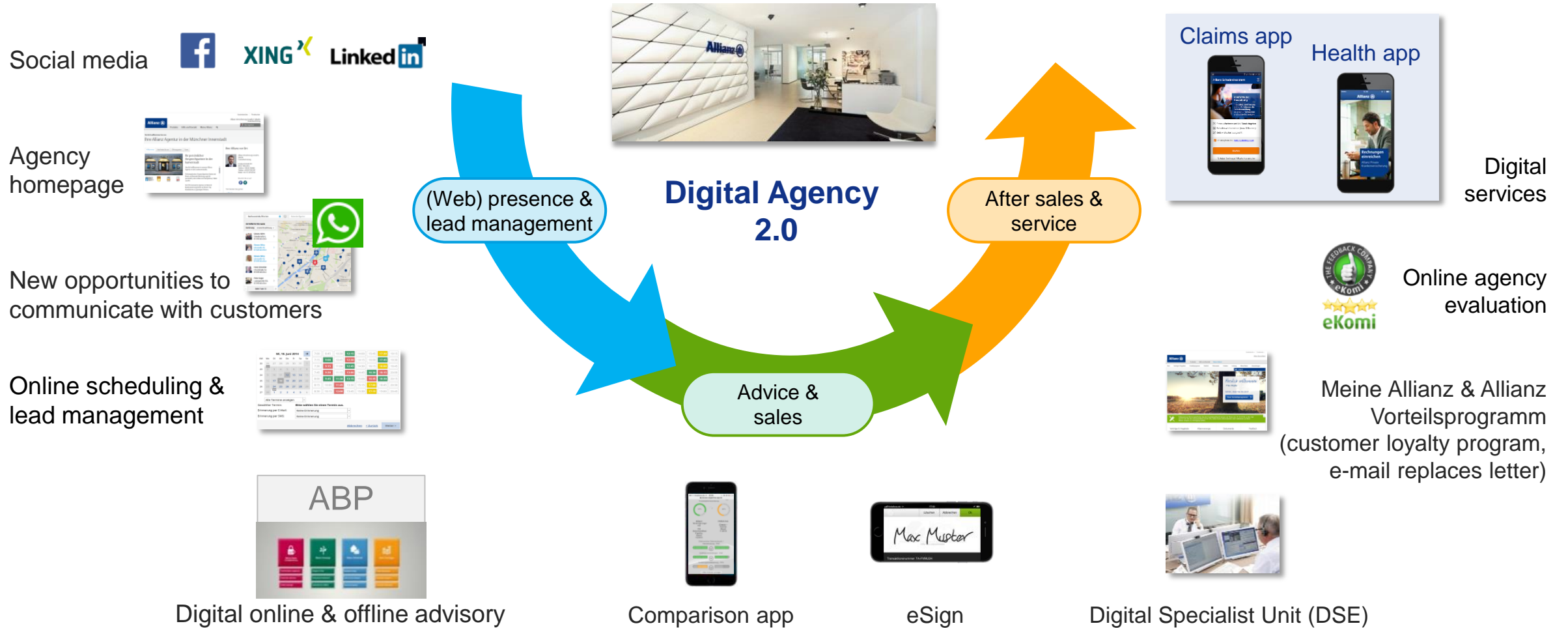
“Digital transformation”



Change management guiding the digital transformation: 70,000 days of training and coaching in the last 4 years

1) For more information on Pro3, please refer to www.Allianz.com
 2) Green bubbles represent share of Pro3 salesmen in % of total salesmen

Digital Agency 2.0: tied agents as integral part of the digital value chain



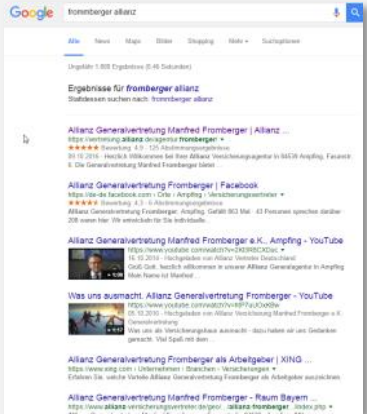
Higher customer satisfaction and lead conversion with digital customer journey

(Web) presence & lead management

Advice & sales

After sales & service

Google search



Rank 1
in Google results

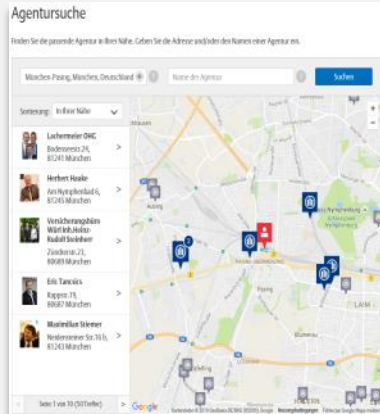
Allianz.de



35.1mn visits¹
+53% (YoY)

new

Agent selection



Best match
agent offered based on
regionality, competency
and online affinity

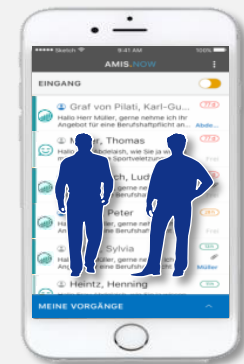
Agency webpage



9.7mn visits¹
+66% (YoY)

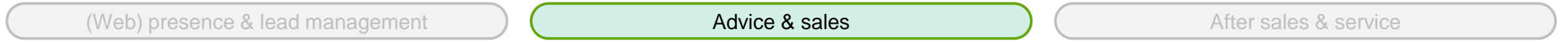
new

Contact



Contact via
all channels

Setting new standards in advisory quality – online and offline

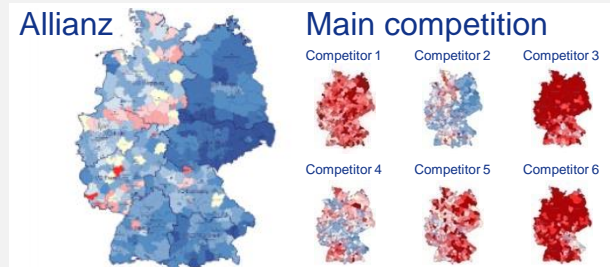


Excellence in advisory

Offline



Only agent network with significant coverage in every region



Online



>70,000 online meetings within only 5 months



Online support & training

Digital Specialist Unit (DSE)
Go live 01/2016



>6,000
Salesmen in webinars and trainings

~30,000
Calls per month
(10/2016)

90%
Reachability¹
As of 21/10/16

1) Reachability: DSE salesman answers a call within 30 seconds

Holistic and convenient after sales process ensures sustainable customer satisfaction

(Web) presence & lead management

Advice & sales

After sales & service

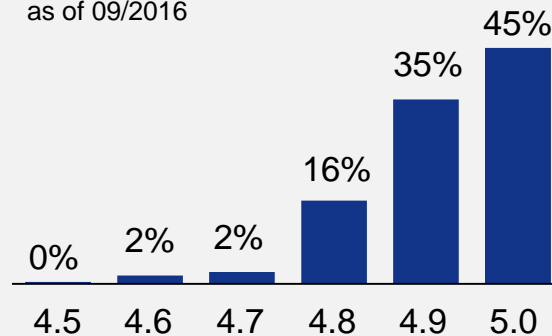
Online agency evaluation

80% with score ≥ 4.9



Rollout 08/2016

Evaluation of agencies, as of 09/2016

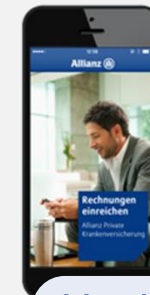


>7,000 evaluations in just two months enhance agents' credibility

Digital interaction



Meine Allianz



Health app



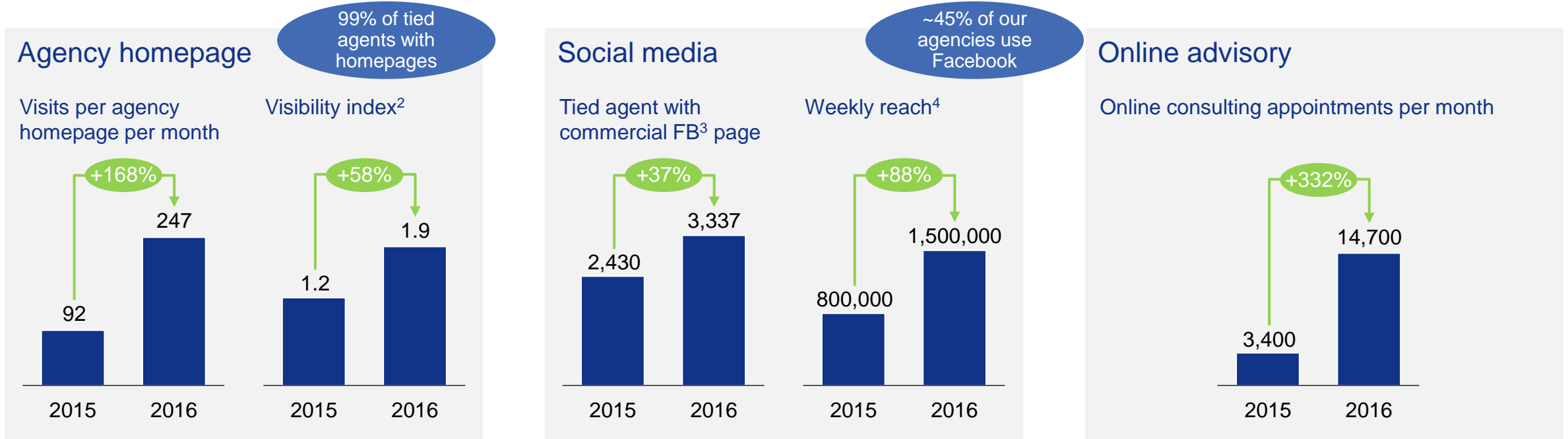
Claims app

“Meine Allianz”
Digital insurance admin system + benefit and loyalty program

“Health app” – convenient, safe, digital
Submitting invoices digitally

“Claims app” – covers all customer needs
Ad hoc support, quick coverage, fast interaction and payment

Significant positive impact in all sections of the customer journey¹...



1) 09/2016 vs 09/2015

2) SISTRIX Visibility index: the SISTRIX Visibility index is a reference number for a domain's visibility in Google's search result pages. The higher the value, the more visitors the domain is expected to gain from Google

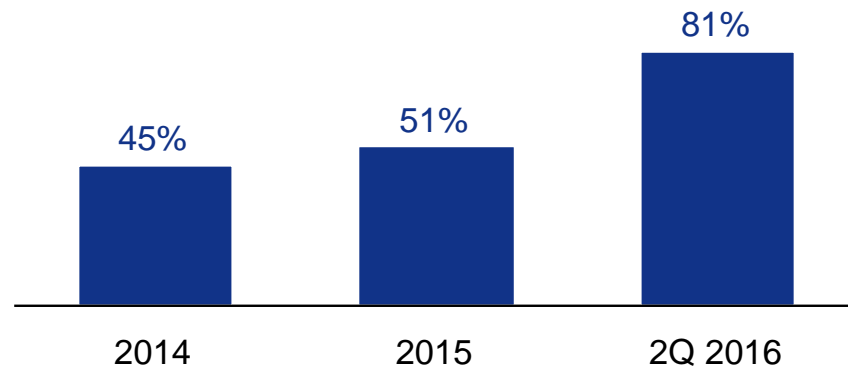
3) FB: Facebook

4) Weekly reach: number of people who see tied agents' posts on Facebook within one week

... outperforming the competition in customer contact frequency, ...

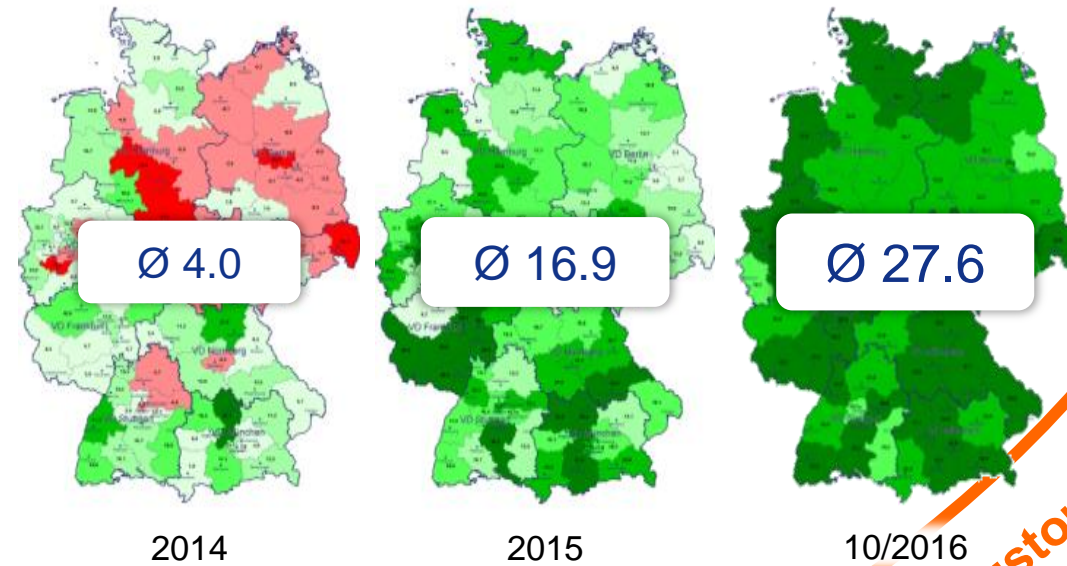
Frequency of customer contact

Advantage over competition¹



... leading to significantly increased customer satisfaction ...

NPS²



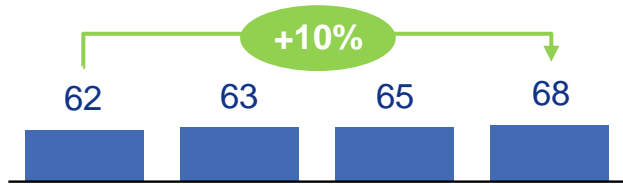
Ambition: market leader in customer centricity

1) Allianz Kundendialog, 2Q 2016
2) In 2016, 30 interviews with customers per agency (in total ~250,000) via market research institute; survey includes four dimensions: recommendation, ratings on advisory parameters, contact frequency and occasions, questions about satisfaction with needs-based advisory process; additionally varying "question of the month"

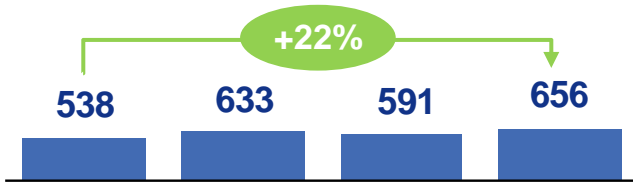
... and resulting in sustainable growth

Agent productivity at all-time high

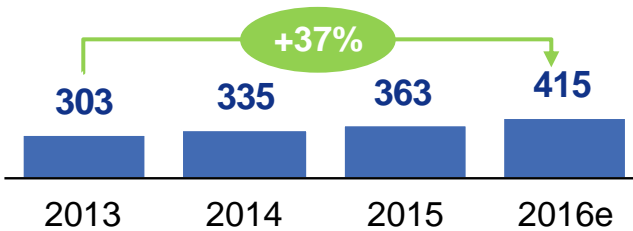
P/C¹, new business² (in '000)



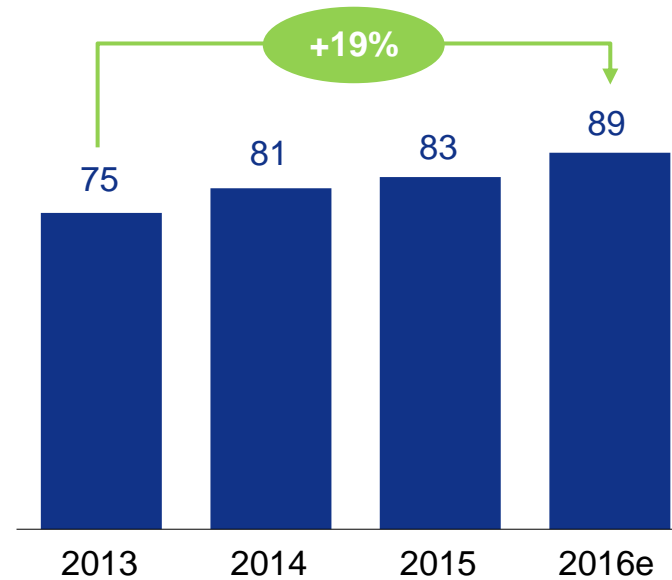
Life, new business³ (in '000)



Health, new business⁴



New business (in '000)⁵



Boosting new business

1) 2013 and 2014 w/o CapitalPlus and APR single premiums according to the logic of 2015
 2) Average GPW of new business per agent
 3) Weighted premium sum new business (Bewertungssumme) p.a. per agent

4) Average monthly new business premium per agent
 5) Ausschließlichkeitsorganisation, i.e. tied agents incl. salaried sales force (w/o specialized sales force); valuation of average total new business business per tied agent

Digital Agency 2.0 as role model for Allianz' digital journey

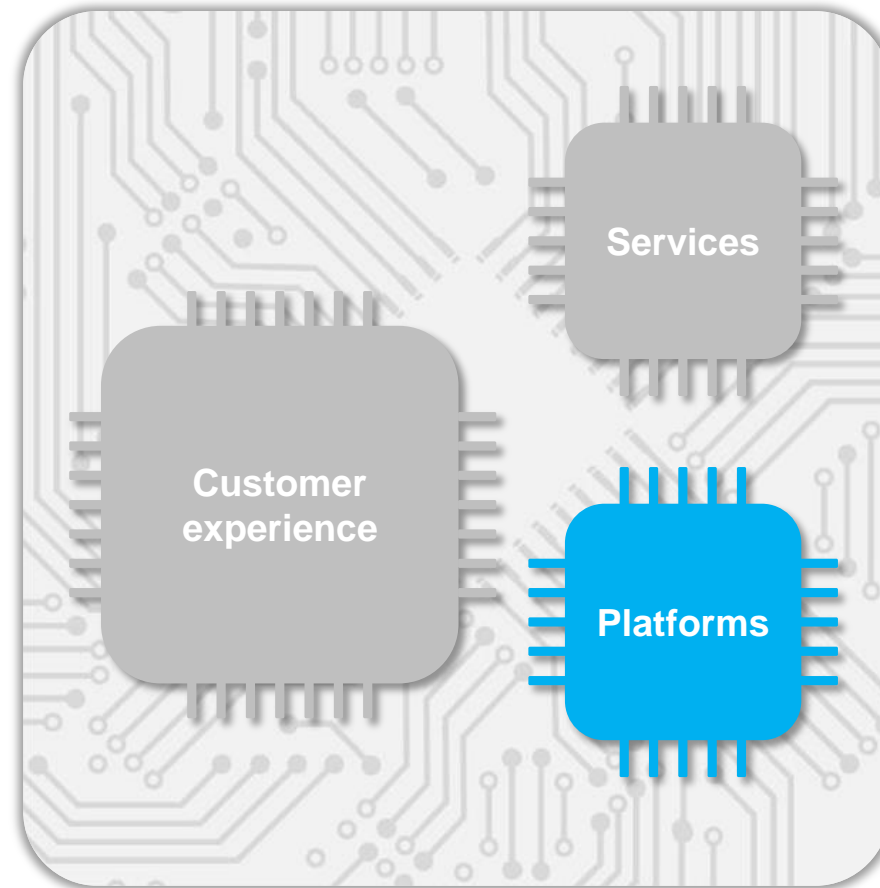
Enable full digital relationship between customers and agents – improve customer experience along all relevant touchpoints with agents – develop indicator for digital readiness of agencies



D. Claims handling in the digital world

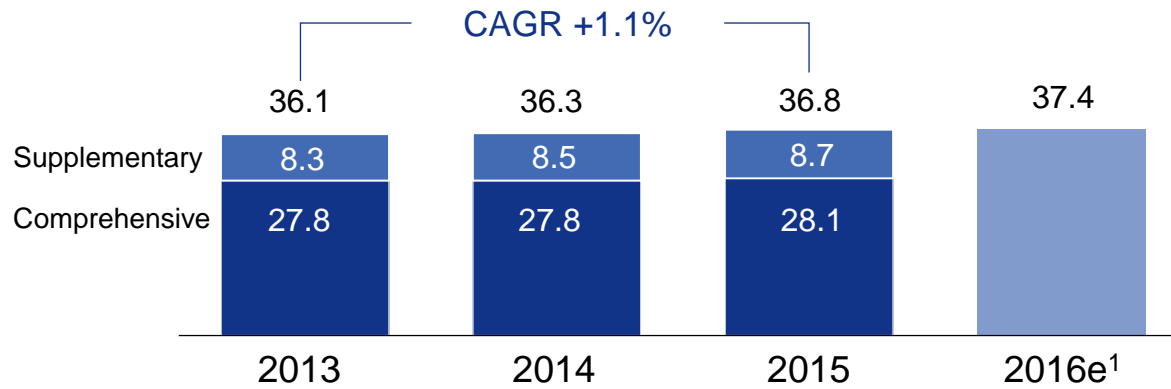
Birgit König
CEO Allianz Private
Krankenversicherungs-AG

Munich, November 30, 2016

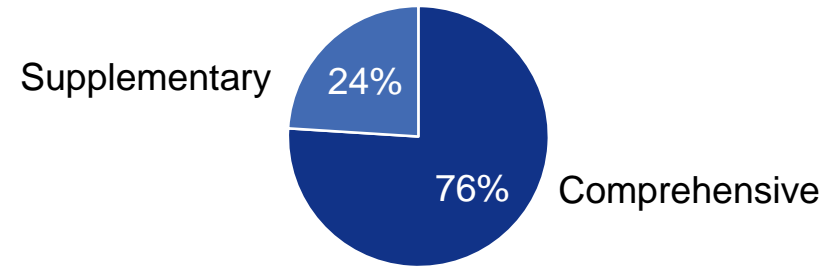


German health insurance market at a glance

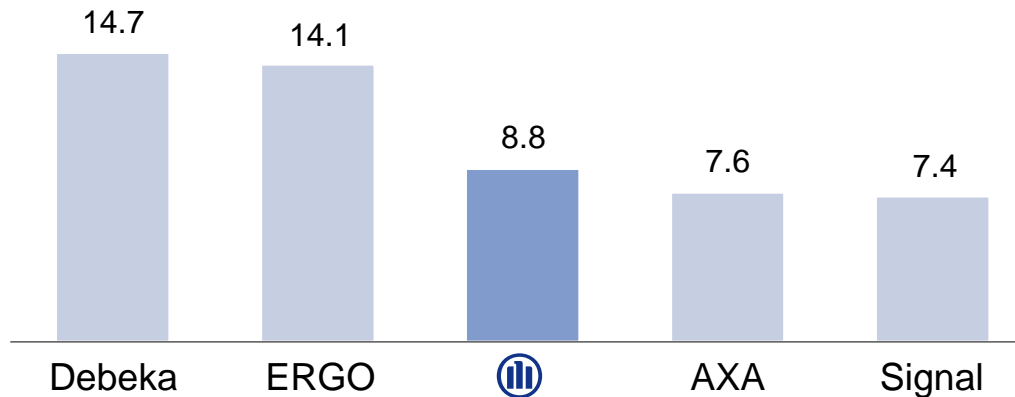
Market size and growth (GPW, EUR bn)



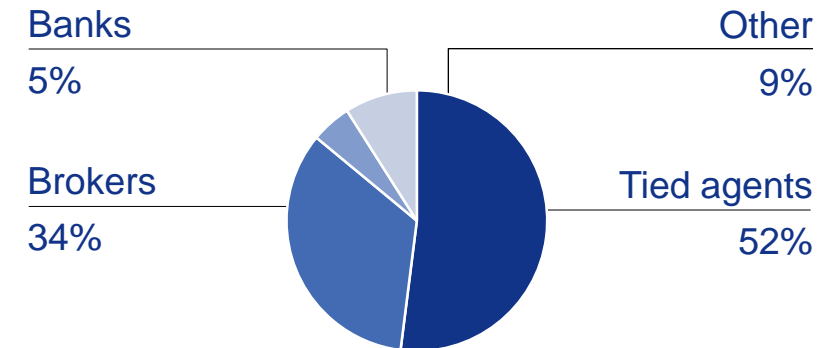
Product mix 2015 (GPW)



Market shares 2015 (% based on GPW)



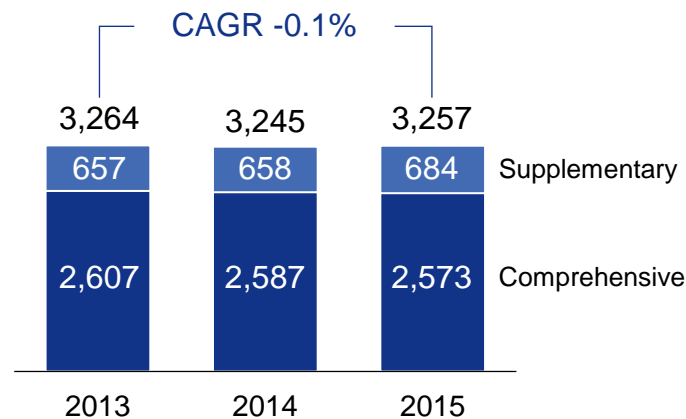
Channel mix 2015 (new business total)



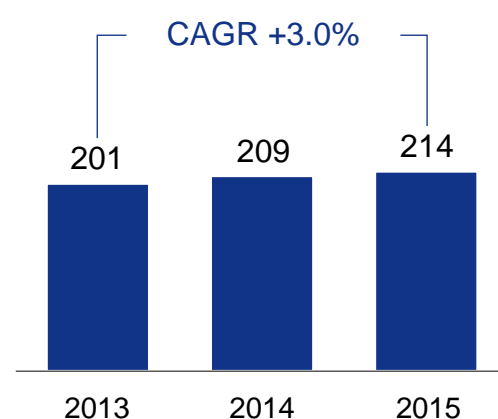
1) GDV as of April 6th, 2016
Sources: PKV data as of May 23rd, 2016 (preliminary), Towers Watson Survey 2015

Allianz Health Germany at a glance

GPW (EUR mn)



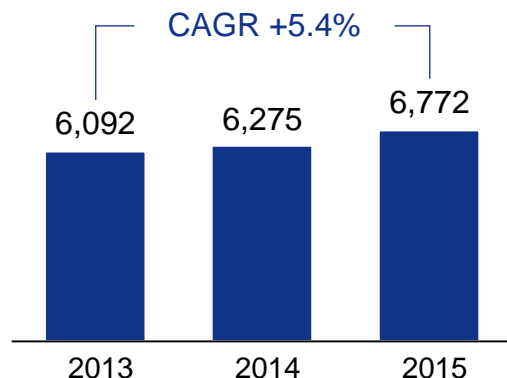
Operating profit (EUR mn)



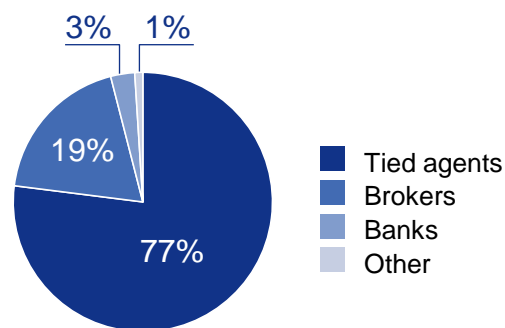
Highlights

- Two-pillar German health system unique in the world
- No long-term guarantees plus ability to adjust premiums reduce interest rate sensitivity substantially
- Demographic trends negative for industry, stable premium income strong achievement
- Allianz Health offers strong coverage and superior financial strength
- On top, Allianz Health is working on simplifying its product design, streamlining its cost base and offering delightful customer journeys

New business (EUR k)



Channel mix²

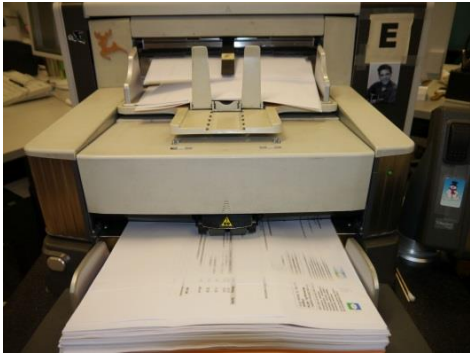


Legal setup

- 1890 Formation of Allianz as an accident and transport insurance company
- 1927 Formation of Vereinigte Krankenversicherungs-AG¹, later renamed in Vereinte Krankenversicherung AG
- 1996 Takeover of Vereinte Group by Allianz (incl. Vereinte Krankenversicherung AG)
- 2003 Renaming in Allianz Private Krankenversicherungs-AG
- 2006 Foundation of Allianz Deutschland AG, since then sole shareholder of Allianz Private Krankenversicherungs-AG

1) Original name "Kosmos" Kranken- und Sterbegeldversicherungsbank AG
 2) New business, 2015

The challenge: processing > 53,000 claims every day



53,033
claims received
per working day

€ 8-11mn
claims paid out
per day

> 95t
weight of claims
processed per
year*

* If all submitted paper-based



21.9mn
documents
processed
per year

12.6mn
claims without
correction

573k
claims with
correction

The solution: full digitalization of claims management to ensure a hassle-free and efficient process for customers and Allianz

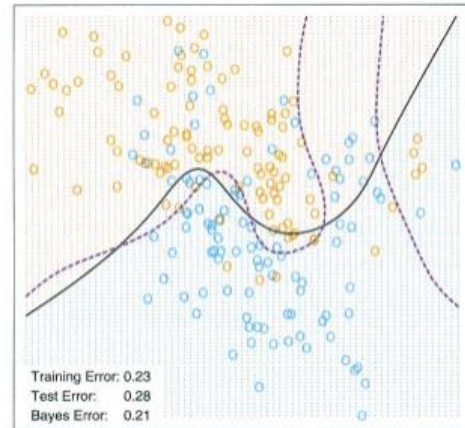
1

Claims app



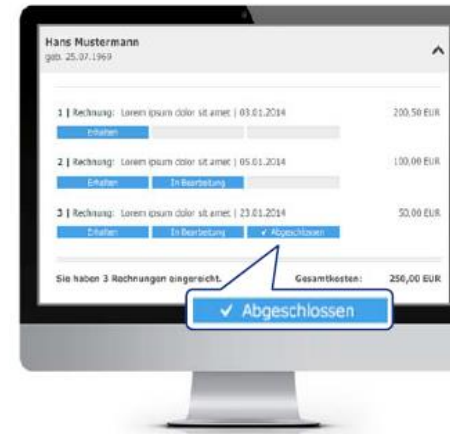
2

Automated processing



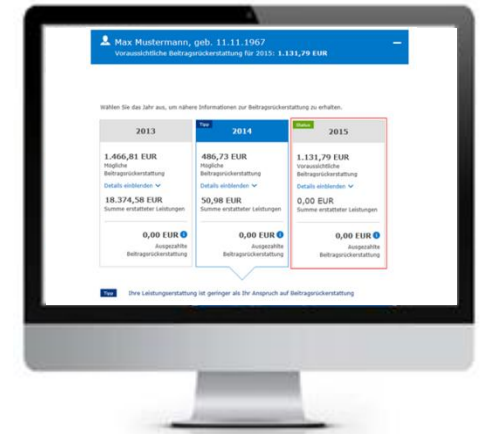
3

Online tracking

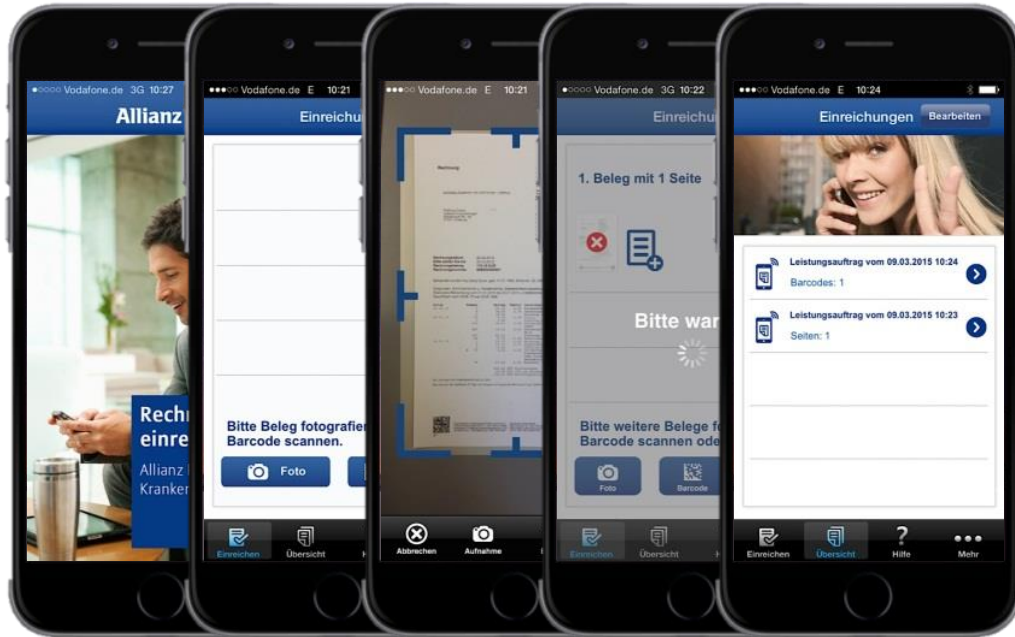


4

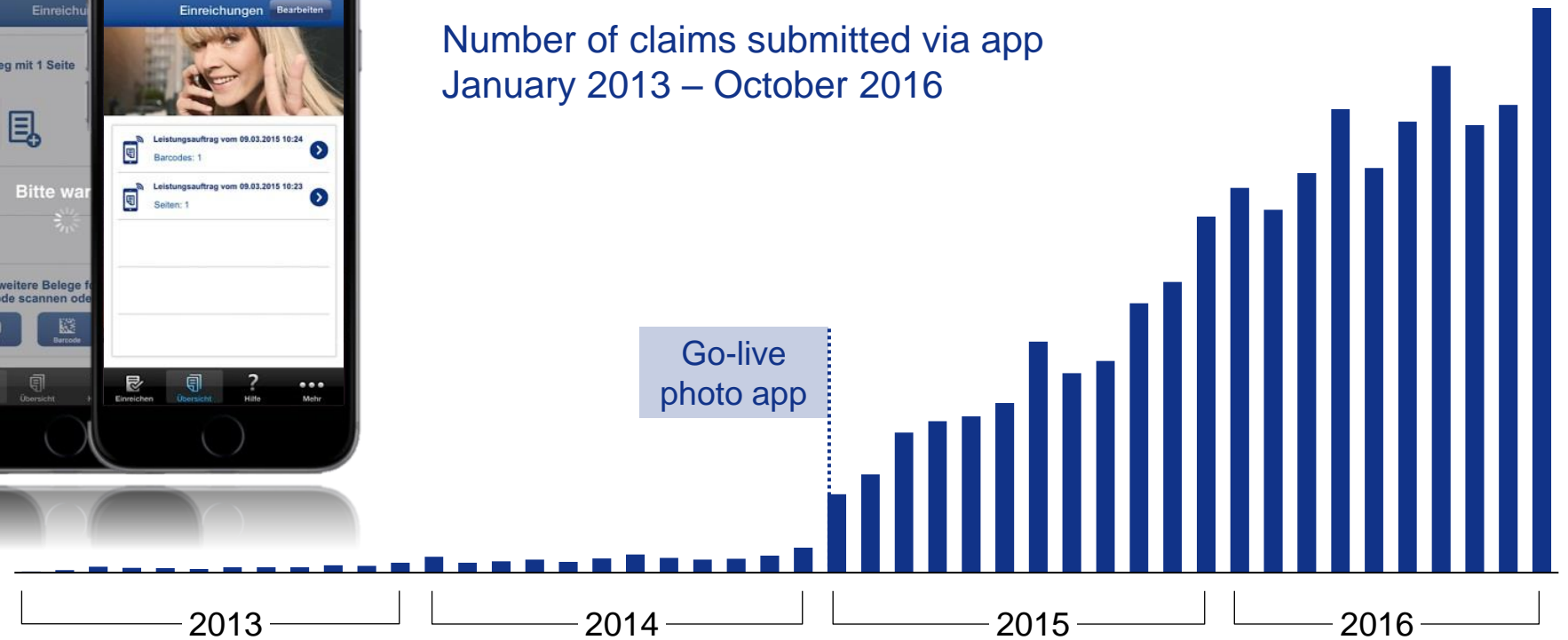
“Best-of” bonus check



1 One-click claims submission per app



Number of claims submitted via app
January 2013 – October 2016



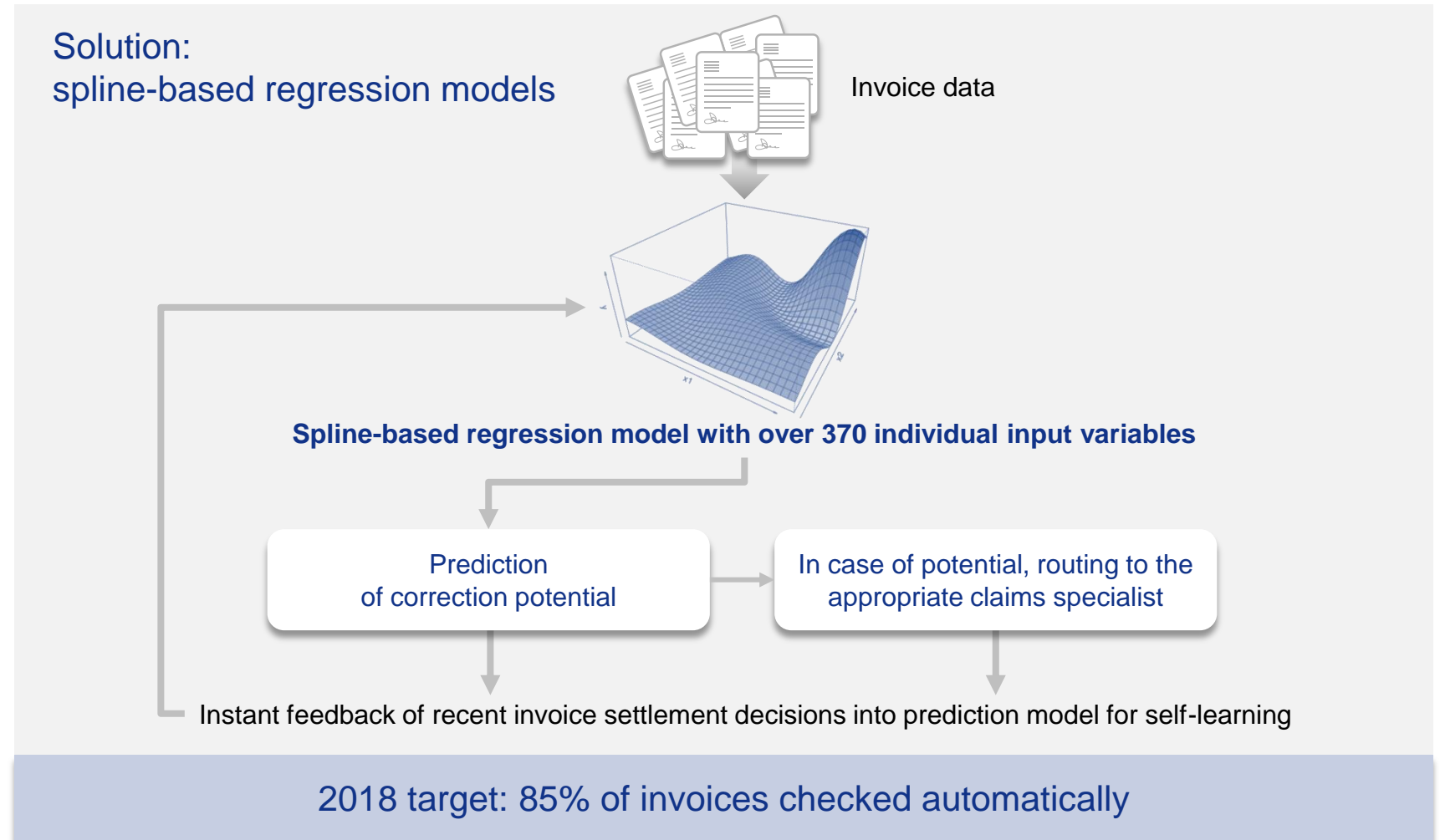
➔ ~ 10%¹ of claims submitted via app

1) In total 33% of claims submitted digitally

2 Artificial intelligence in operations

Issue

- Reduction potential of complex claims unknown to claims manager before time is invested in going through the claim item by item
- Inefficient allocation of time between “low value” and “high value” claims (often based on rules of thumb)



3 + 4 24/7 transparency through status tracking and bonus check

3 Online status tracking

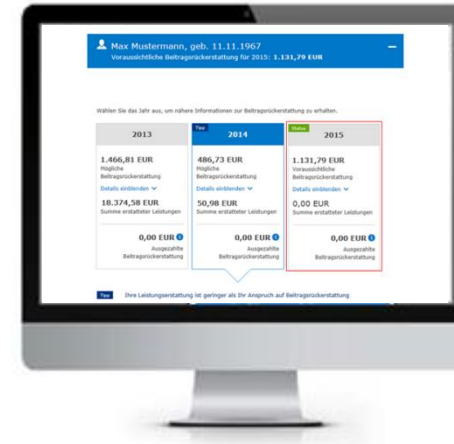


User statistics 2016

- Close to 20,000 registered users
- 25,000 messages sent per month
- Up to 850 visits per day

- Online tracking of claims status in Allianz' customer portal
- Display of expected processing time
- Free SMS and e-mail service in every case (full push and pull functionality)

4 "Best-of" bonus check



Statistics 2016

- 417,000 customers potentially eligible for premium refund
- 139,000 customers with actual premium refund

- "Best-of" bonus check in Allianz' customer portal
- Display of possible premium refund for current year and previous two years
- Selection of "best of" option from customers' perspective (also retroactively)

Summary and outlook: application of digital assets across Allianz Group

Summary



Customer satisfaction

Convenient processes and high transparency

Efficiency

Large degree of automation leads to significant efficiency gains

Effectiveness

Even complicated medical cases can be settled error free

Upside potential

Outlook



App

Roll-out of app functionalities from Allianz Health Germany to other operating entities within the Group (currently 29 Allianz OEs with health insurance business)

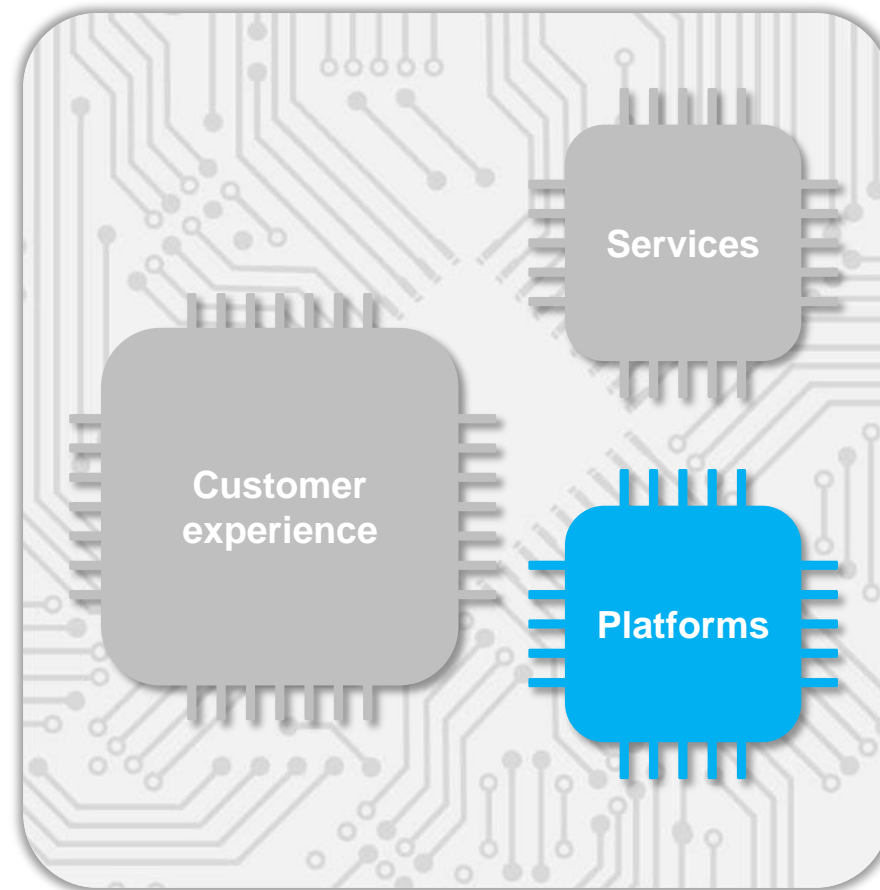
Artificial intelligence

Application of artificial intelligence technologies to other high volume processes beyond health, e.g. claims handling in motor

E. Genialloyd – profitable growth

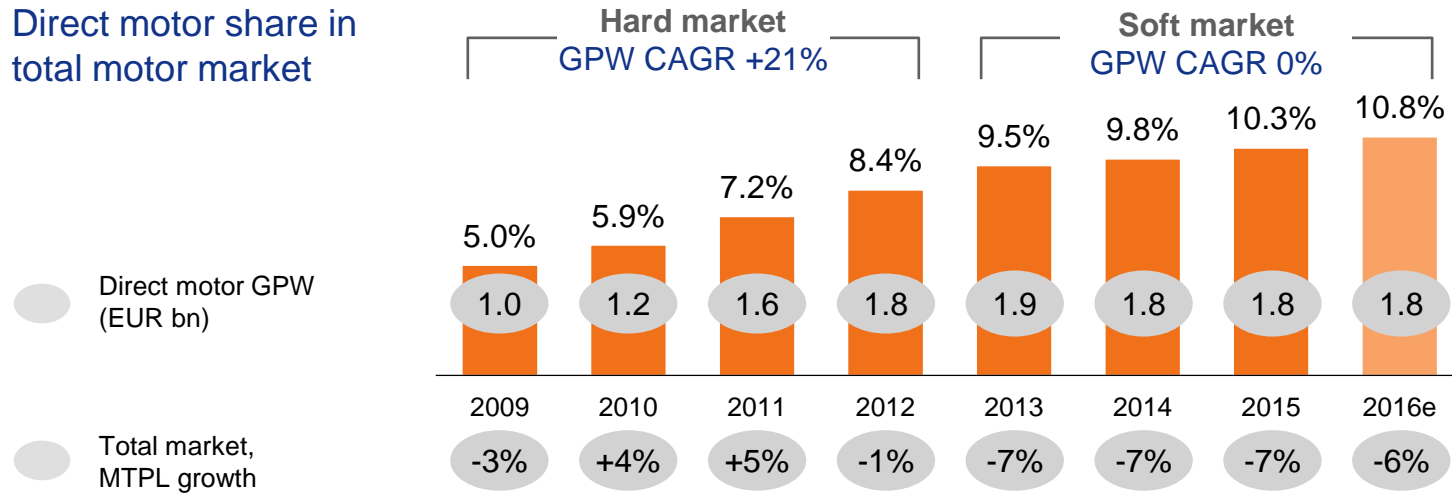
Leonardo Felician
CEO Genialloyd S.p.A.

Munich, November 30, 2016

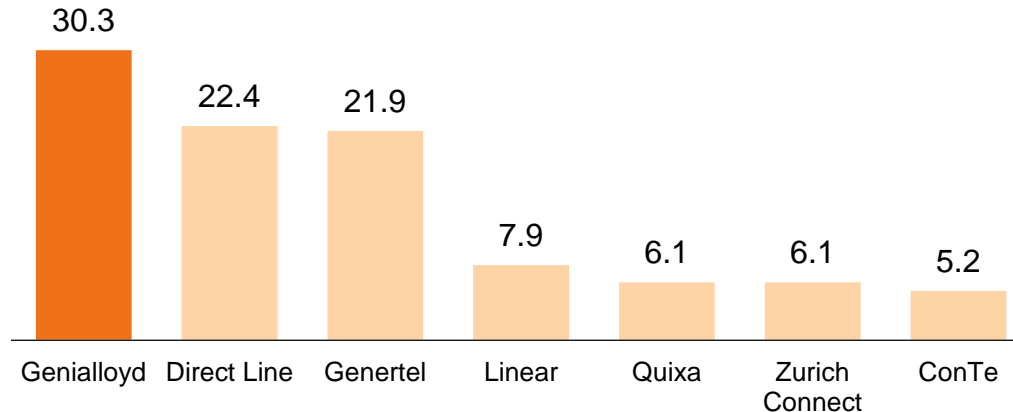


Italian Direct market at a glance

Direct motor share in total motor market



Direct market shares 2015 (% based on GPW)



Key drivers of growth

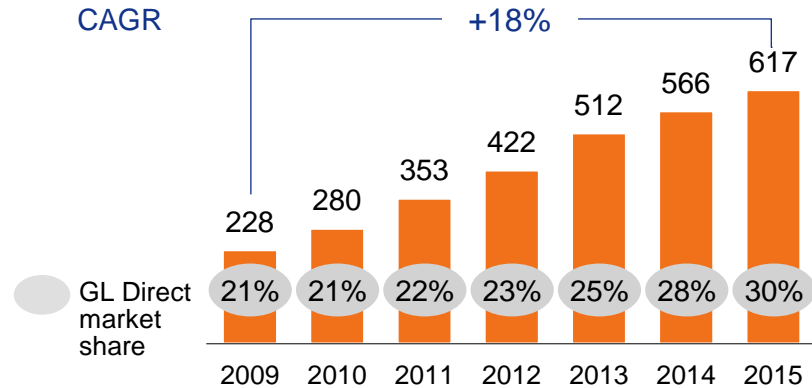
- Price sensitivity of consumers
- Consumers buying online
- Growing importance of aggregators (30% of new Direct business)
- Softening MTPL market since 2013

Direct market characteristics 2015

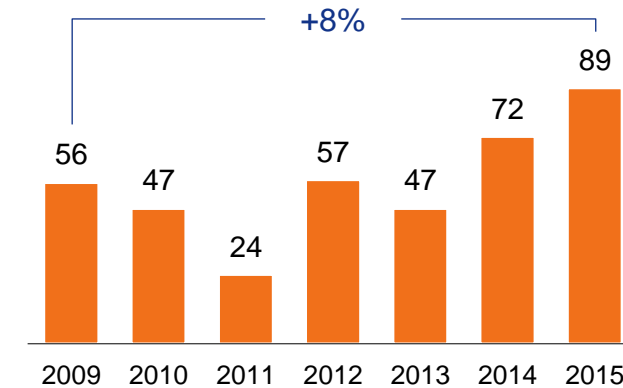
- ~5mn customers
- Predominantly motor
- Ongoing market concentration
 - 75% market share for top 3 companies
 - 93% market share for top 2 aggregators
- Ø combined ratio Direct motor 2015: 99.8% (total motor market: 93.5%)
- Ø combined ratio Direct motor 2009-2015: 102.5% (total motor market: 97.3%)

Genialloyd at a glance (EUR mn)

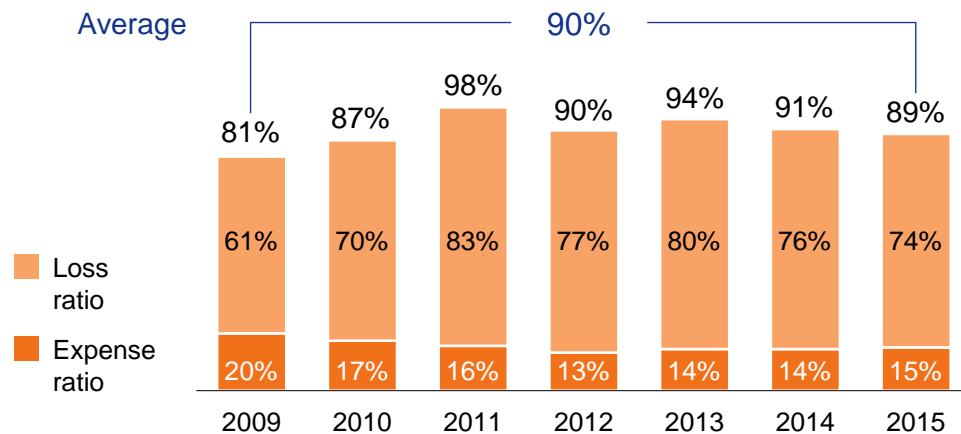
Revenues (EUR mn)



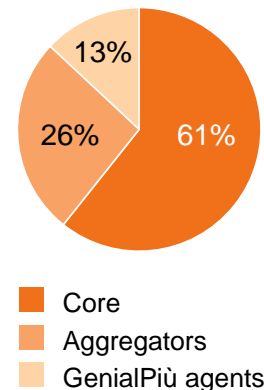
Operating profit (EUR mn)



Combined ratio (%)



Channel mix¹



Highlights

- #1 Direct insurer in Italy, #5 in Europe
- #8 motor insurer in Italy
- Largest Direct operation of Allianz Group (1/3 of global Direct GPW)
- #1 in terms of 3-year CAGR²: Genialloyd +13% versus Direct peers +1%
- Highest customer satisfaction: #1 Italy, global #2 Brand Advocacy Index³
- Front runner in innovation: Fast Quote[®], customer service on Facebook, Twitter and WhatsApp
- Combined ratio consistently better than market⁴: Ø CR 2015 P/C market 92.0%, Direct 93.8%, Genialloyd 89.0%
- Best expense ratio in the market⁴: Ø ER 2015 P/C market 29.0%, Direct 22.9%, Genialloyd 14.9%
- Local regulatory solvency ratio: 247% (31/12/2015)
- Normalized RoE 2015⁵: 21.3%
- GenialClick: fully digital product line without call center support and without document control, introduced 2015
- GenialPiù: network of independent agents cooperating with Genialloyd, established 2009

1) GPW, 2015
 2) GPW, 2012-2015
 3) Boston Consulting Group survey 2015

4) Italian GAAP
 5) Adjusted for one-offs

Today's presentation



1

How digital enhances pricing, underwriting, operations, customer experience and growth

2

GenialClick as a new sales trigger

3

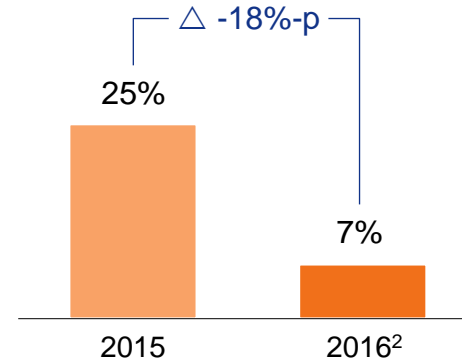
Scalability within Allianz Group

1 Digital enhances pricing, underwriting, operations ...

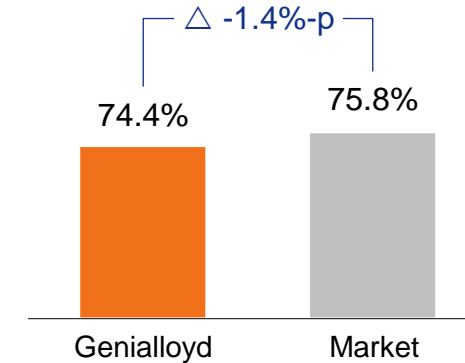
Underwriting

- Use of 10 different national databases for information gathering
- Better risk selection and less u/w leakage
- Strong antifraud defense
- Extensive use of Big Data: we rely on facts and do not guess

Document request for new business¹



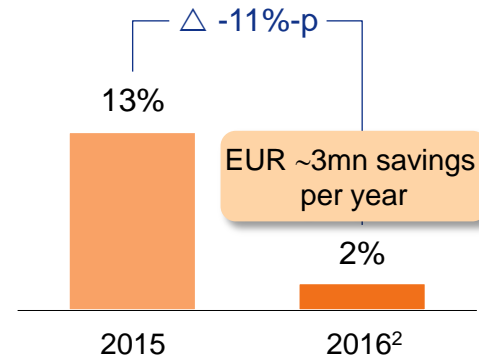
Loss ratio (Ø 2009-2015)³



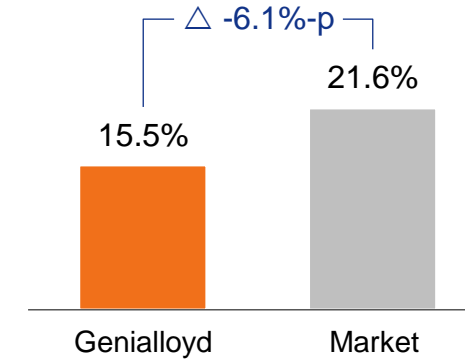
Productivity & operations

- High automation
- Best expense ratio in the market for many years
- Very modular motor product, click and drop additional coverage
- All relevant insurance documents sent by e-mail, including green card

Physical document delivery¹



Expense ratio (Ø 2009-2015)³



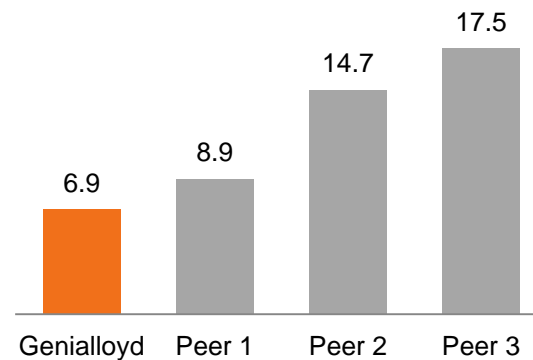
1) % of policies issued
 2) Forecast based on November 2016 data
 3) Italian GAAP

1 ... customer experience and growth

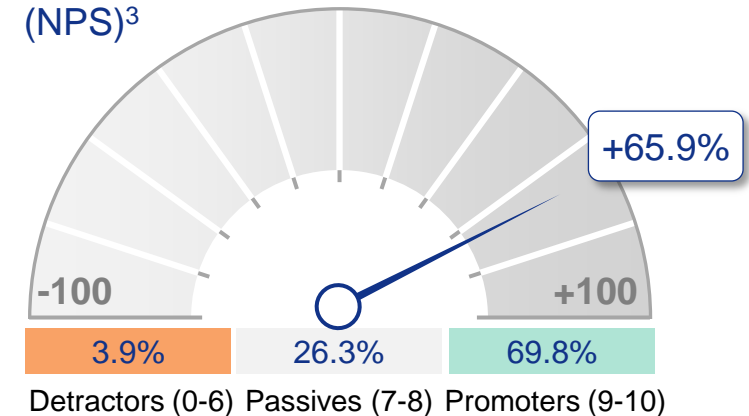
Experience

- #1 in customer satisfaction (NPS)
- Simplicity of customer-related processes as key driver of customer satisfaction
- Significantly less complaints due to easy to use processes
- 90% of customers very satisfied or satisfied with speed and ease of quotation, policy description and speed of policy issuance

of complaints per EUR 1mn MTPL GPW²



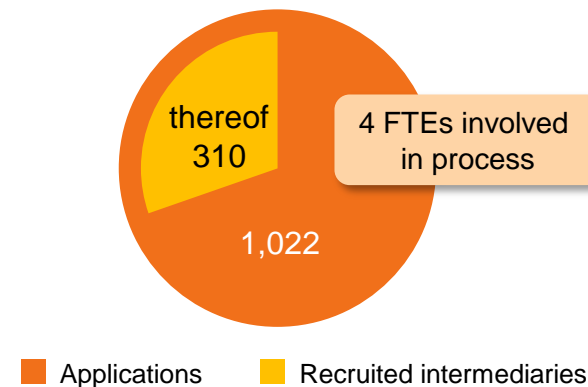
Net Promoter Score (NPS)³



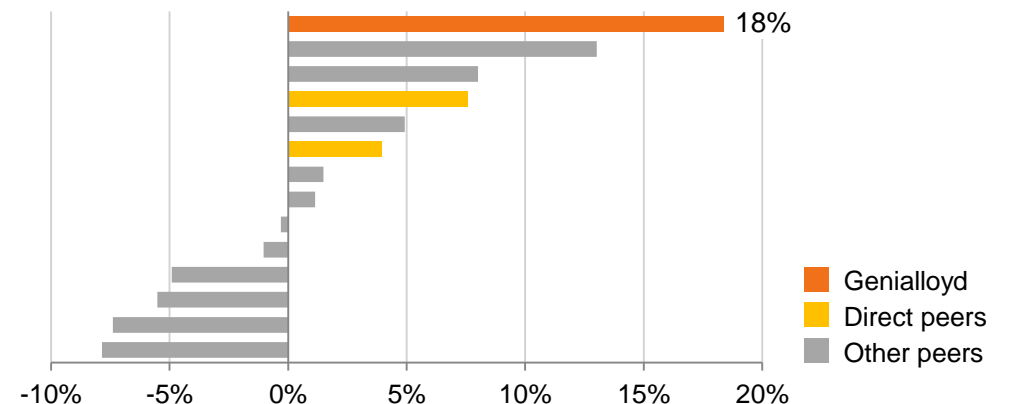
Growth

- More new business & better retention via dynamic & behavioral pricing based on individual risk profiling
- Increase of conversion rate due to reduced policy issue time
- Low cost / fully digital process from candidature to recruiting GenialPiù intermediary network
- GenialPiù: 1,450 intermediaries¹

GenialPiù fast recruiting (2016¹)



Growth: MTPL GPW CAGR 2009-2015⁴



1) As of November 2016
2) 2015. Peers in the Italian Direct market. Source: IVASS

3) Bottom-up NPS
4) 14 largest insurance companies in Italy

2 GenialClick as a new sales trigger (1/2)

Business model



- Fully digital business model: 100% web, no call center support
- Focused on aggregators' shelf space
- Monoliner: modular motor products, click and drop additional coverage

Enhanced customer experience



- Mobile first
- Social login: customer identified via Google+ / Facebook¹
- Fast Quote[®] / Fast Buy: 1-2 inputs for binding quote, 2-4 inputs to buy a policy
- Fast Pay: digital payments via credit card / Paypal

Processes



- 100% paperless & digital; e-mails and pdf only
- Relevant data automatically retrieved from national databases
- Full self-service policy management

Architecture



- "Allianz Direct Platform" developed to be shared with other OEs
- Leverage of AMOS / Allianz Group IT skills, services and tools

160,000 policies in 19 months

2 GenialClick as a new sales trigger (2/2)

Webpage

The webpage features the GenialClick logo and navigation links: Assicurazioni, Come fare per, Sinistri, Chi siamo, and an AREA PERSONALE button. The main headline reads: "Assicurazione GenialClick. Solo web, tutto risparmio! Inserisci targa e data di nascita e scopri il prezzo in pochi secondi!". Below this is a form for "PREVENTIVO POLIZZA AUTO" with fields for "TARGA DELL'AUTO" (AA123BB) and "DATA DI NASCITA DEL PROPRIETARIO" (GG/MM/AAAA). A prominent orange button says "SCOPRI IL PREZZO". To the right, there is a promotional banner for "GENIALCLICK VINCE IL 1° PREMIO MF INNOVATION AWARD" showing a trophy. At the bottom, there are three service links: "Acquistare una polizza", "Modificare una polizza", and "Denunciare un sinistro", each with a "Scopri di più" link. A footer message says: "Hai bisogno di aiuto? Ecco come ricevere il supporto necessario. Scopri di più".

Mobile

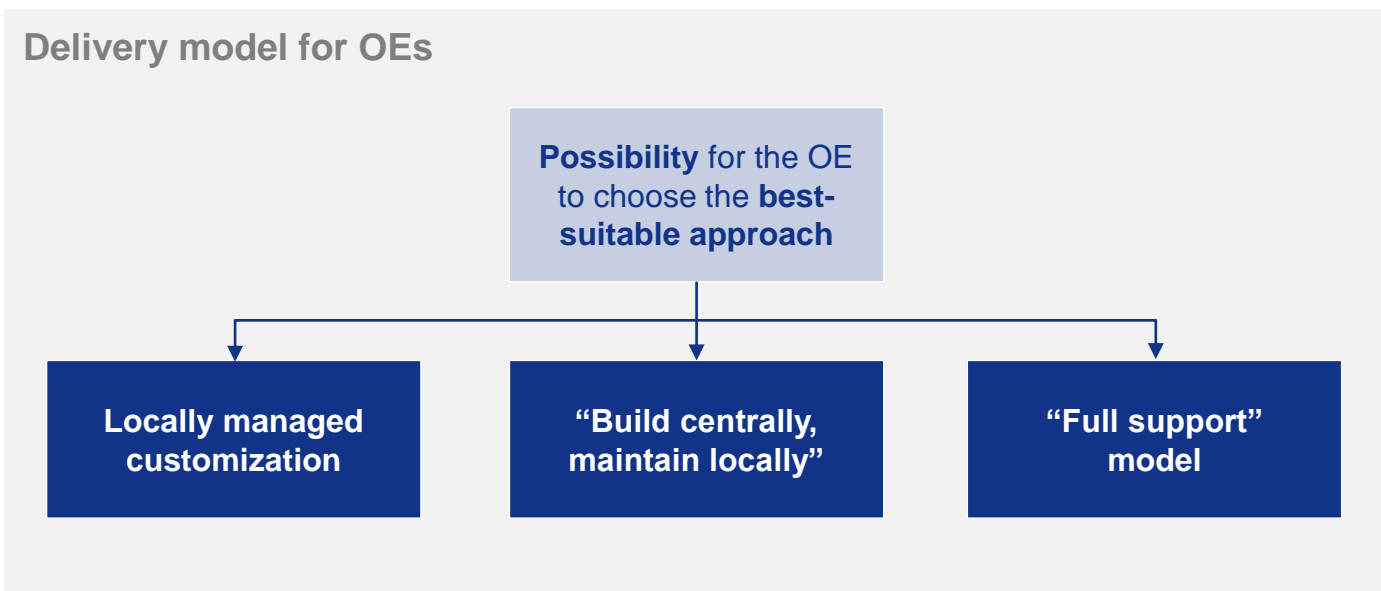
The mobile app interface mirrors the website's design, showing the "PREVENTIVO POLIZZA AUTO" form on a smartphone screen. The headline and main text are identical to the website version, emphasizing the online-only service and quick pricing.

Aggregators

The aggregator website displays "Preventivi assicurazione auto" for a specific policy. It lists three different quotes from GenialClick. The first quote shows a price of €252,00 for an annual policy with a maximum coverage of €6,000,000. The second quote shows a price of €258,00 for a similar policy. The third quote shows a price of €265,81 for a policy with a maximum coverage of €5,000,000. Each quote includes details like "Compagnia: GenialClick", "Prodotto: RCA Annuale", "Emissione: Immediata", and "Guida: Esperta". A "VAI »" button is present for each quote. The aggregator also shows a "Scegli le garanzie" section with various options like RCA, Infurti conducente, Assistenza stradale, etc., and a "Tipo polizza" section with options like RCA Classica and satellite device.

3 Business case transferable within Allianz Group

- “Allianz Direct Platform” = off-the-shelf software with back-end neutrality ready for other Allianz entities
- Global and local layer design – usable also in countries outside Italy
- Concrete projects about use of platform in other OEs
- Flexible solution to fit different business models (Direct, multi access, ROPO¹)



Ambition
Co-creation² of a unique front-end platform for all countries, sharing Direct business best practices

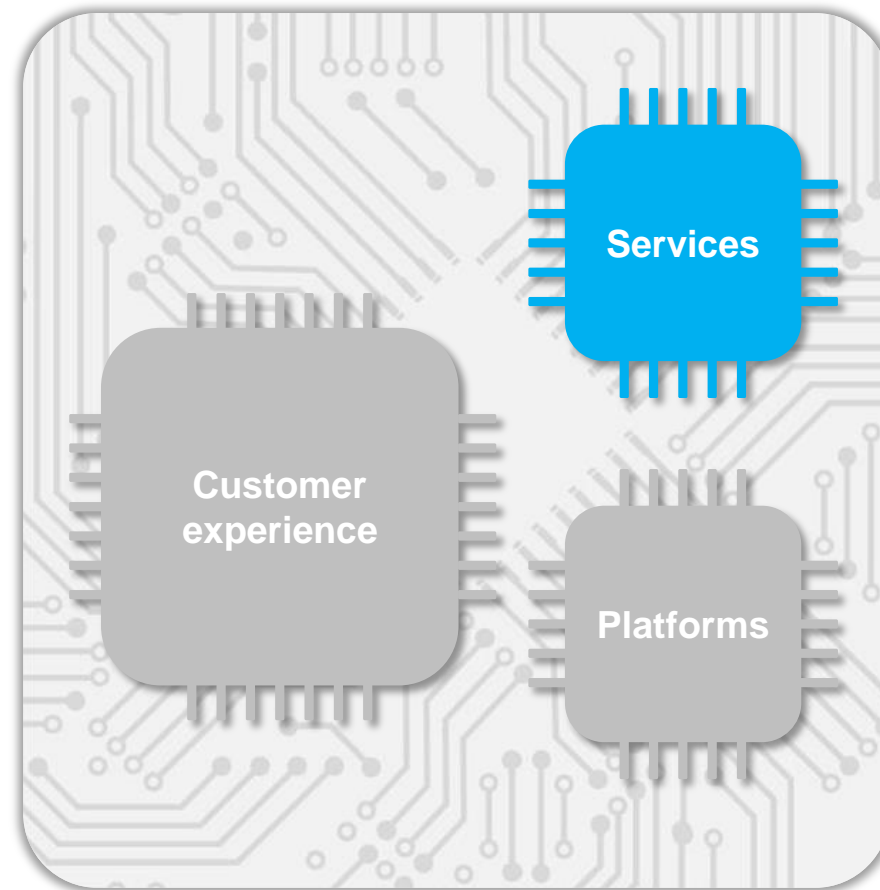
1) Research online purchase offline
2) Genialloyd and AMOS Italy, Germany, Austria

F. Smart home

Sylvie Ouziel

Allianz Worldwide Partners
CEO Global Assistance

Munich, November 30, 2016



The Allianz Worldwide Partners market

Key data

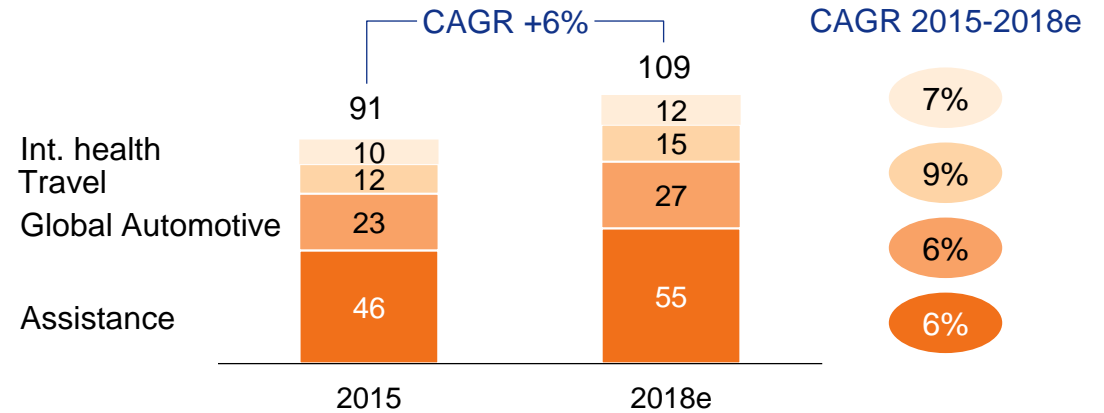
- Global travel market expected to grow 9% p.a., roadside assistance market 6% p.a. until 2018¹
- Mobile device and appliance protection market expected to grow 7%² p.a. and to reach EUR 29bn by 2018

Market specifics

- Continuing increase in number of organizations seeking global healthcare solutions for their staff
- Increasing reliance on private sector healthcare funding and assistance services
- Automotive with strong trend away from individual car ownership is reshaping automotive market
- Growing travel markets in Asia and online channels as main drivers. New direct players enter the market
- Mobile devices: market driven by customer behavior and increased level of cyber risk

1) Based on 2015
 2) Based on 2014
 3) Own estimates, B2B2C market

Modelled market size and growth (EUR bn)³

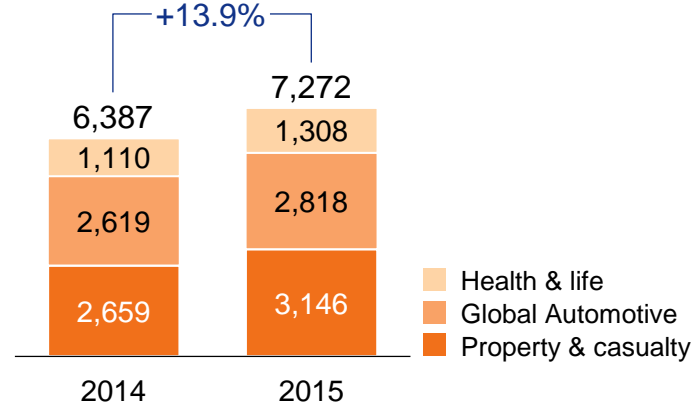


AWP unique in size and presence

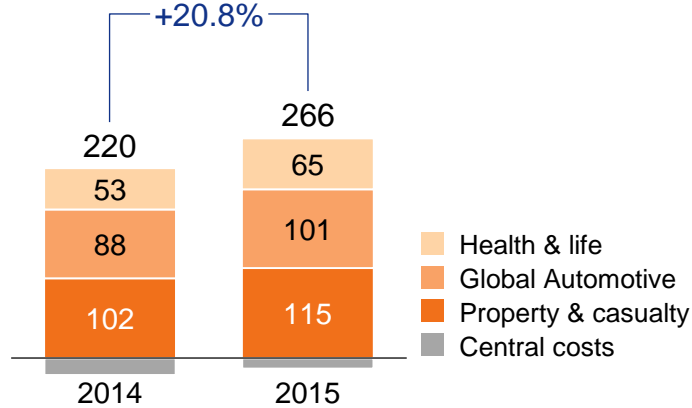


AWP at a glance (1/2)

Revenues (EUR mn)¹



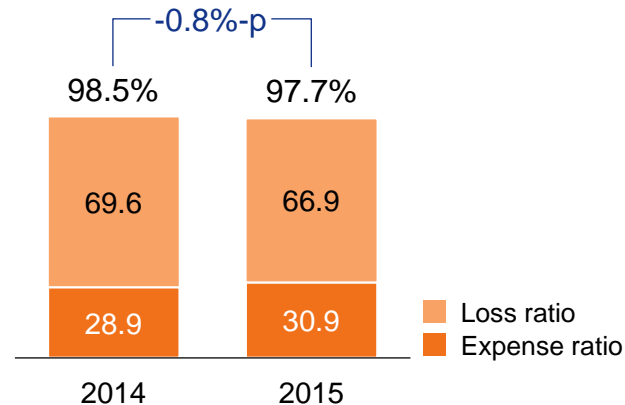
Operating profit (EUR mn)¹



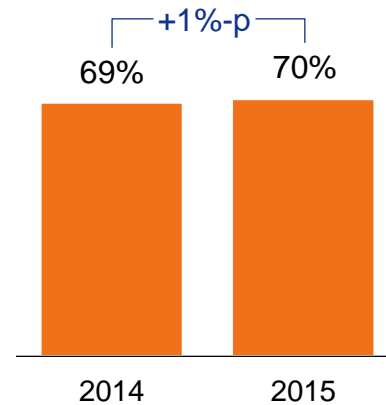
Highlights

- AWP is market leader in all lines of business
- Strong growth in all lines of business
- Comprehensive suite of services
- Bundled offers to get more integrated throughout entire Allianz operations; AWP realized EUR ~500mn revenues with Allianz OEs in 2015 (twice as high as in 2010)

Combined ratio (%)¹



NPS (%)²



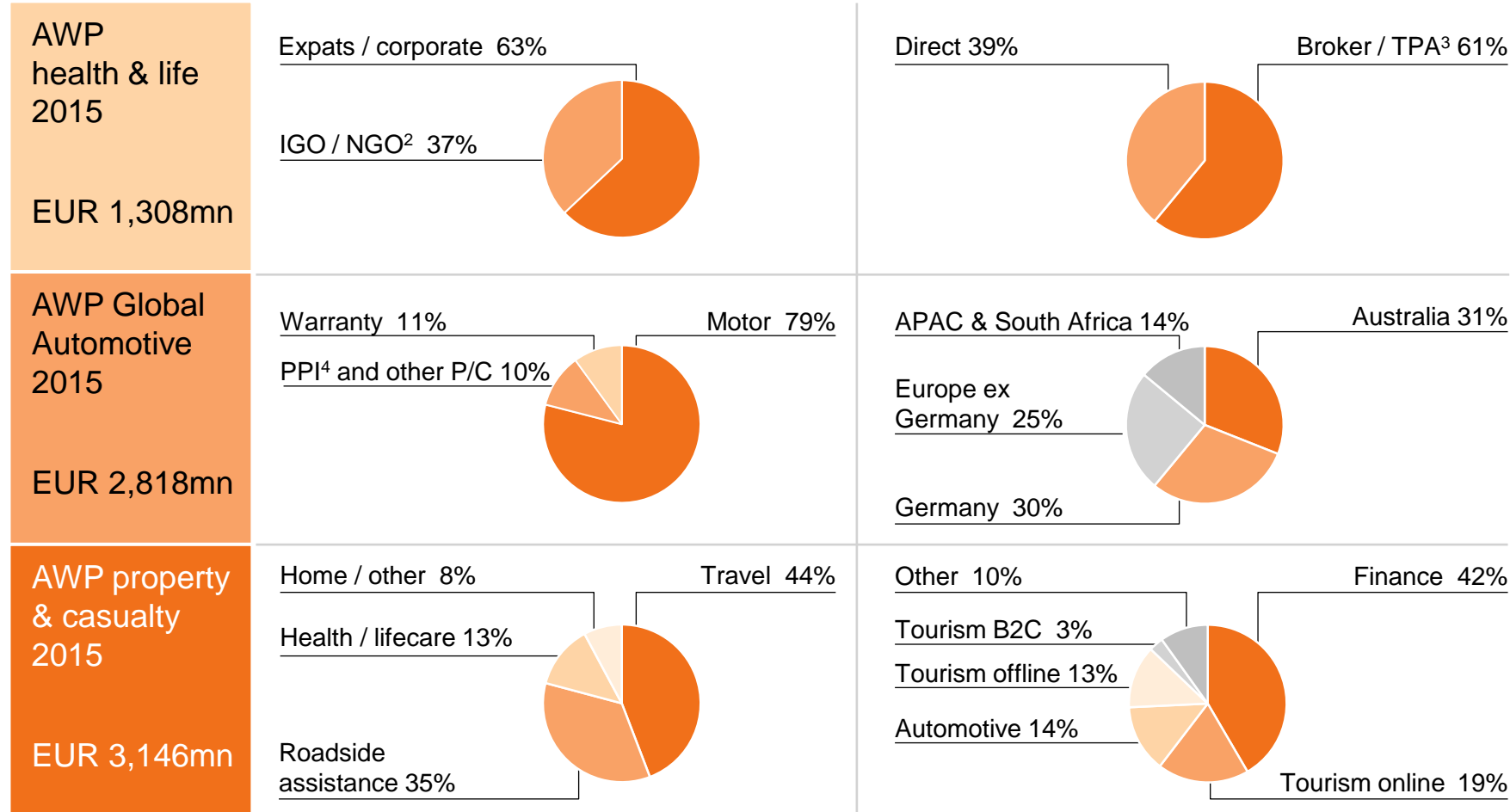
Setup

- Created in January 2014
- Allianz Worldwide Partners is Allianz Group's entity specializing on B2B2C business
- AWP lines of business
 - Assistance & travel (AWP P&C)
 - Global Automotive (AWP GA)
 - International health (AWP H&L)

1) Management view (including Global Automotive businesses written on other Allianz OE books); external view (including Global Automotive reinsurance business written in Allianz SE only): IFRS GPW 2015: EUR 3,975mn, 2014: EUR 3,341mn; IFRS operating profit 2015: EUR 128mn, 2014: EUR 105mn; IFRS combined ratio 2015: 97.4%, 2014: 96.6%

2) Bottom-up NPS AWP P&C

AWP at a glance (2/2)¹



1) Management view

2) IGO = inter-governmental organization / NGO = non-governmental organization

3) TPA = third party administrator

4) PPI = payment protection insurance

High touch & high tech services – the heart of AWP's DNA

Insurance ...

... bundled with high **availability** / high reliability emergency services ...

... delivered via a capillary high quality **network** ...

... supported by seamless technology **integration** along all ecosystem partners (business, consumer, network provider) ...

... for a world-class customer **experience**



Illustrations

31 **European countries** served via one simple Freedom of Service setup

1.3 **calls** handled every second
9mn **text messages** every year

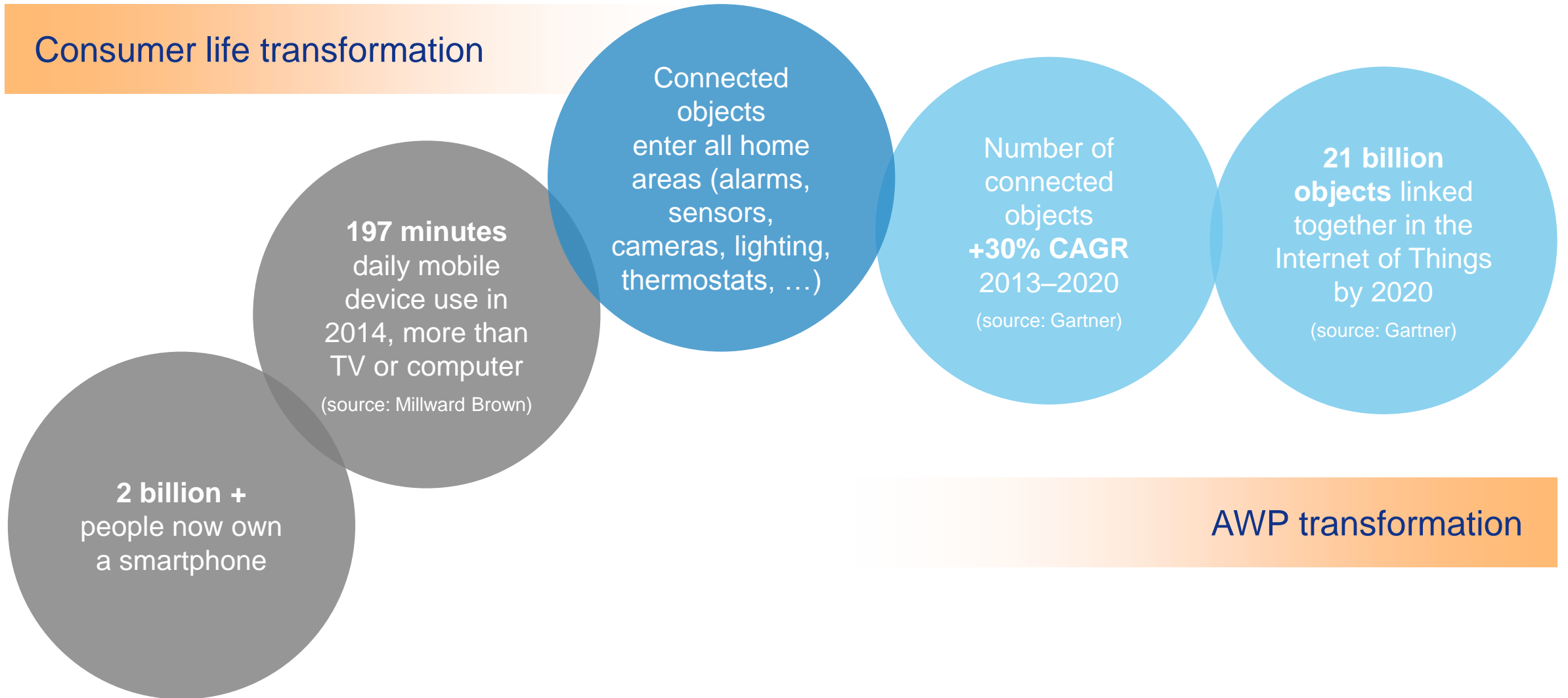
40mn **cases** handled¹:

- > 69,000 medical providers
- 50 air ambulance providers
- > 600,000 replacement cars rented

Claims paid in **135 currencies**
70 languages spoken

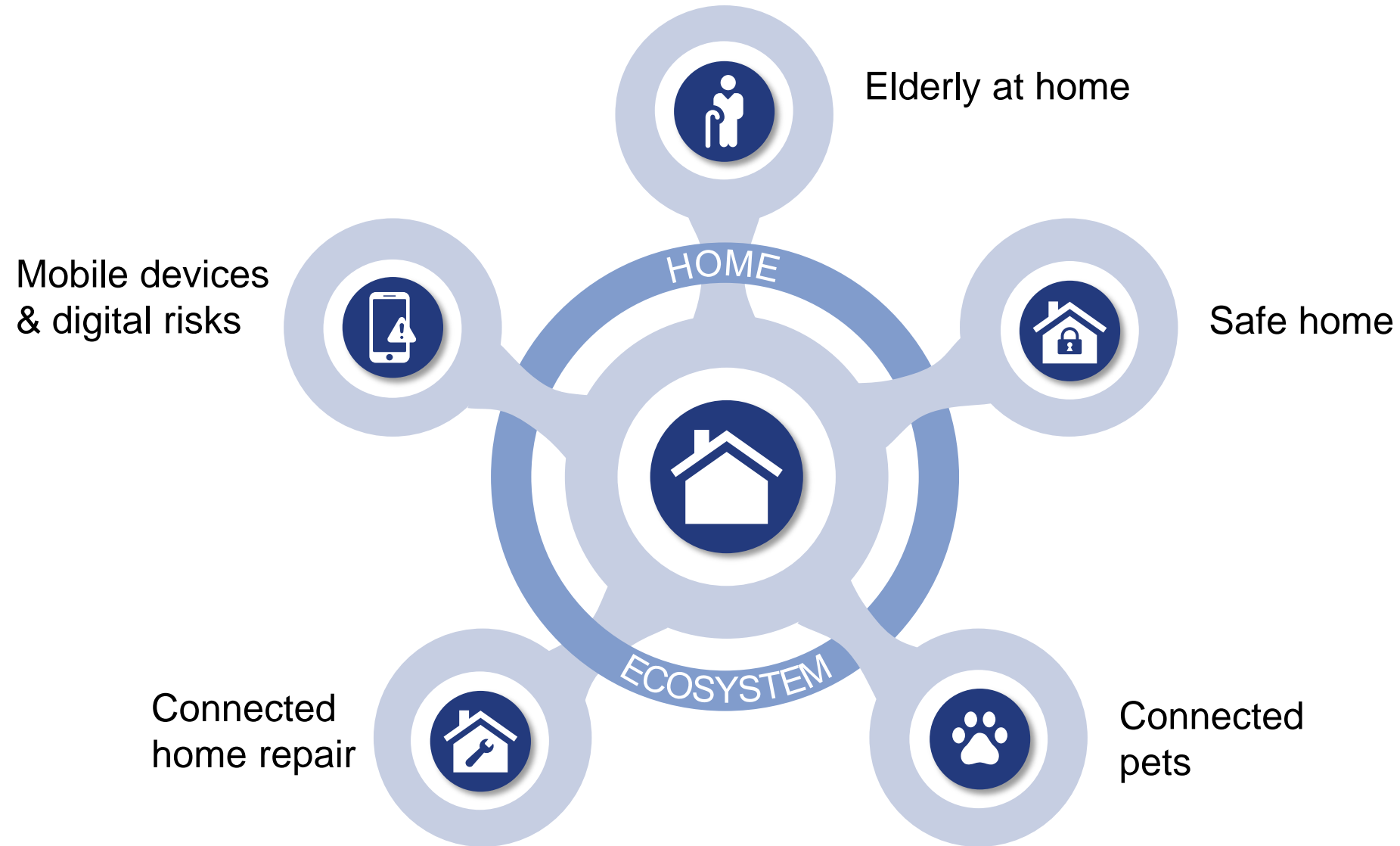
“Always connected” changes our lives – and our business model

Consumer life transformation



AWP transformation

Our response: smart home





Elderly at home

Home adaption for convenience over time

- E-commerce platform and network

Home and health monitoring

- Connected objects platform and providers

Family communication and entertainment

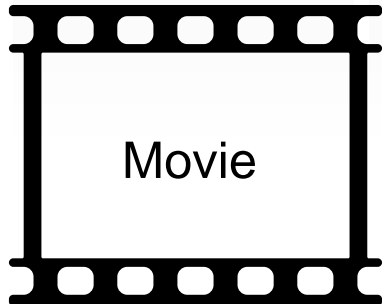
- Connected objects platform and providers

Teleassistant to alert family, health professionals

- Call center
- Highly specialized call center agents
- No lost call, 100% of alert calls handled

Home assistance

- Home assistance as recurring service, on site or remotely



Example – France

- 80,000+ subscribers
- 860,000 alarms/year
- 120,000 interventions (incl. 30,000 emergency)
- 24/7 services

NPS 71%¹



1) Bottom-up NPS



Safe home



Sensor installation

- With a wide range of sensors: smoke, water, electricity, door / windows, ...

Incident detection

- Via connected objects detection of: fire, water leakage, electric surge, intrusion, ...

Emergency

- Warning of owner and full management of intervention with technical experts and emergency services

Post emergency

- Relocation services, VIP access to home repair services

Example – France

- 25,000 clients
- 1,400 locations for security intervention covering ~95% of France
- High customer satisfaction > 9/10
- E-commerce platform





Connected home repair

Repair in kind

- Repair of damage instead of claims payment

Repair network

- Urgency & maintenance

Home concierge

- Assistance services related to home via concierge platform provided for business partners

Privileged access

- Insured customers' access to repair network in case of non-insured events

Web platform

- E-commerce & rating tool

Home services

- Access to craftsmen network via e-commerce platform

NPS 84%¹

Example – Germany

- “Allianz Handwerker Service” – German repair network
- 70 central job schedulers
- 150 architects and engineers and 2,500 certified technicians
- 26,000 cases handled in 2015

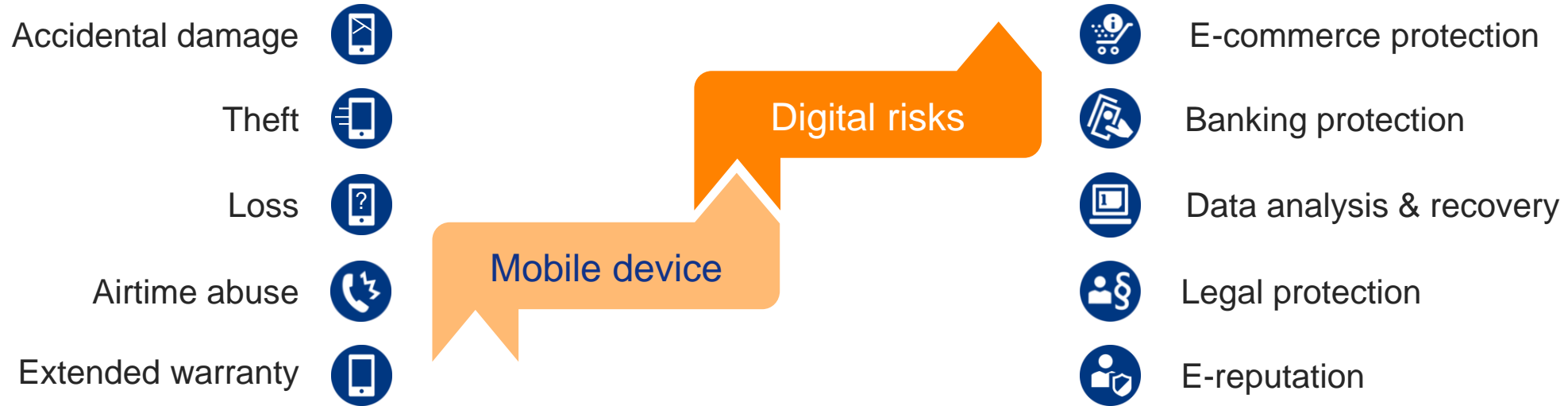
Example – Spain

- > 1,000 independent providers network
- Appointment confirmed by provider with customer within 1h from 1st call
- Simultaneously digital loss adjustment, reducing average intervention time from 15 to 7 days
- 381,000 cases settled in 2015

1) Bottom-up NPS



Mobile devices and digital risks



Example – Europe and China

- Allianz Worldwide Partners supports OnePlus and Huawei across 31 countries in Europe to insure mobile devices and coordinate service network in case of loss, theft, accidental damage, water damage, dysfunction or digital life / cyber security issues
- Allianz Worldwide Partners is also partner of Ingram in China





Connected pets

Pet insurance

- Health cover

Network

- Veterinaries
- Pet sitters

Third party administration

- Claims management for other insurers

Pet care

- Pet sitter

Platform

- Call center
- Claims handling

Pet assistance

- Health monitoring
- Geofencing, find my pet services

Center of competence – Allianz UK

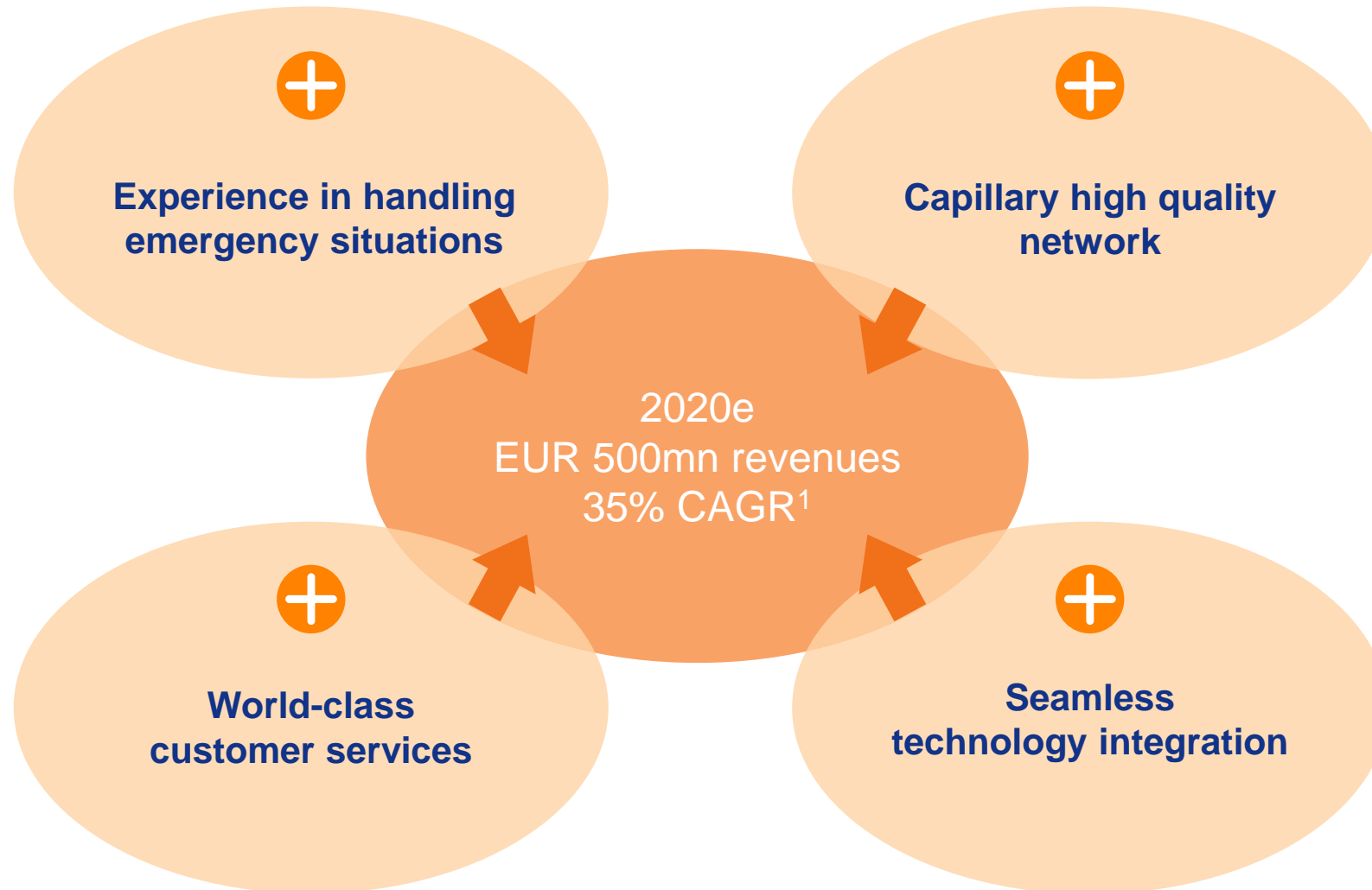
- 1.1mn pets insured
- 90% customers renew contracts every year
- 9/10 veterinaries are promoters

NPS 73%¹

Petplan[®]

1) Bottom-up NPS

Allianz well positioned to capture smart home opportunity





1) CAGR 2015–2020

G. Allianz in the low interest rate environment

Dieter Wemmer
CFO Allianz SE

Munich, November 30, 2016

Concerns versus facts

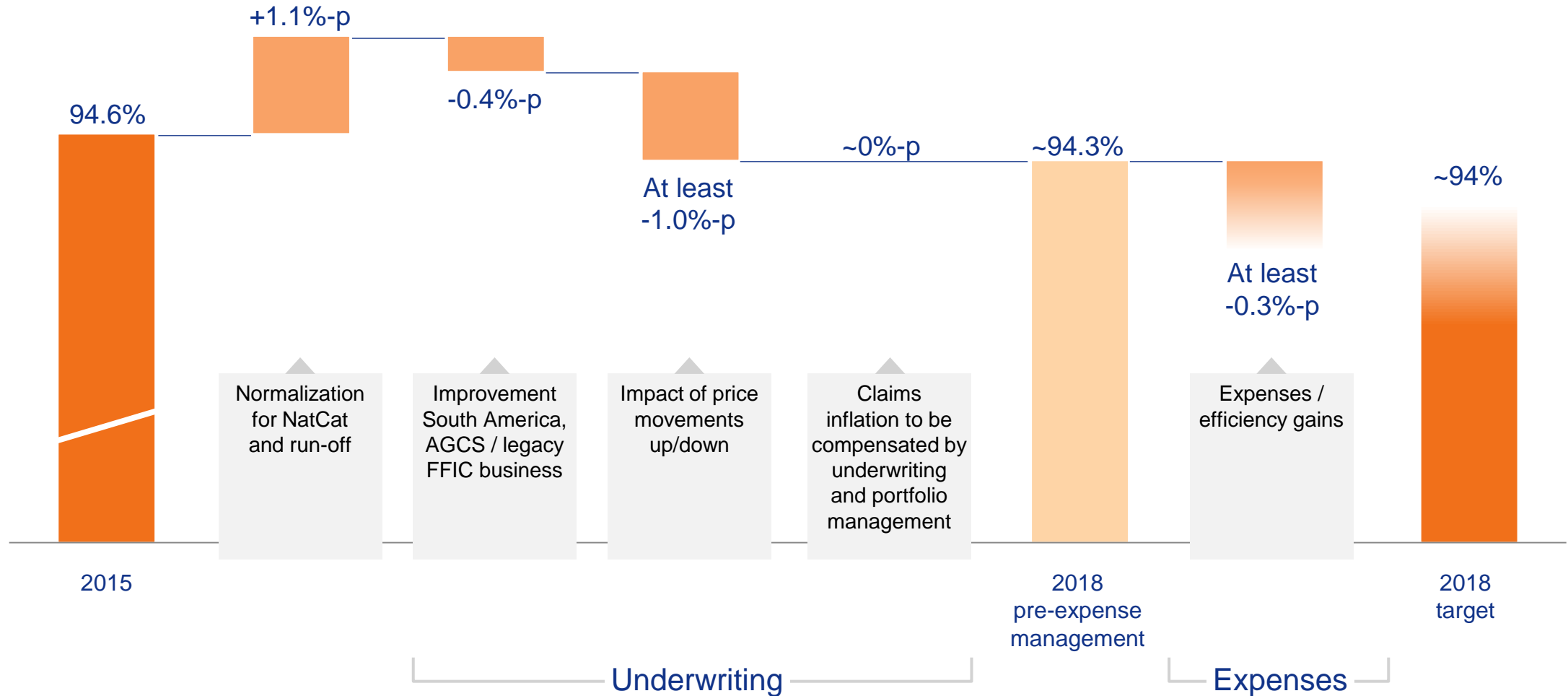
Concern 	Fact 
1 Declined yields reduce EPS growth	Impact from lower yields manageable
2 Combined ratio target of 94% too ambitious	Action plan implemented
3 Run-offs not sustainable	Excellent reserve quality
4 L/H business model not sustainable	Successful shift to modern products
5 Low reinvestment yields reduce L/H profits	Matched cash flows not affected by reinvestment yields
6 Forced bailout of weak German L/H players	High hurdles for activation of rescue fund; exposure manageable
7 Volatile environment puts potential buyback at risk	Transparent capital management policy – unchanged

1 Impact from lower interest rates manageable

Net income impact of 50bps lower yields on 5% EPS growth target plan

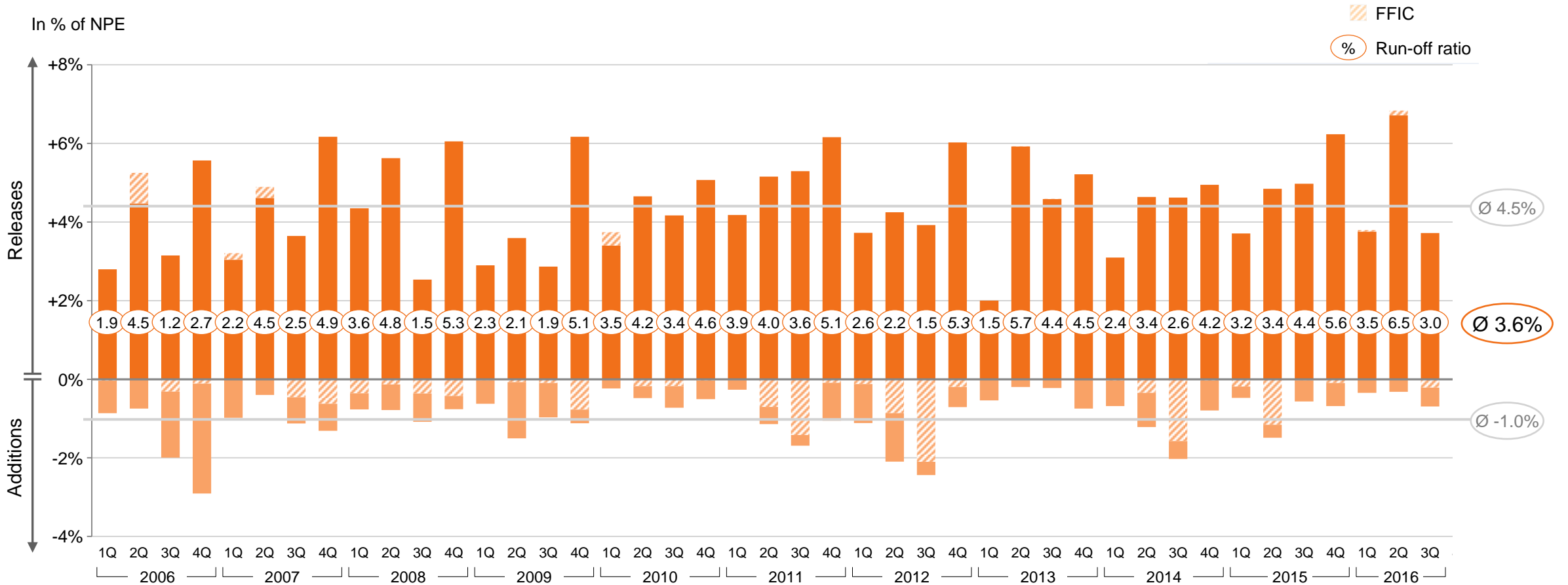
EUR	2018e	Comments
P/C	-0.1bn	<ul style="list-style-type: none"> Duration of 5 with a current yield of 2.7% for debt securities as of 3Q 2016
L/H	-0.1bn	<ul style="list-style-type: none"> Largely cash flow matched
AM	+0.0bn	<ul style="list-style-type: none"> Higher AuM base, partly offset by lower returns in three years
Corp	0	<ul style="list-style-type: none"> Lower costs for debt service offset by lower current income
Σ net	~ -150mn	
Potential compensation:		
P/C	Additional CR improvement or additional P/C growth	about -0.4%-p about +1.8% p.a.
or		
L/H	Additional exp. ratio improvement or additional reserve growth	about -4bps about +2.2% p.a.

② 94% CR target 2018 achievable

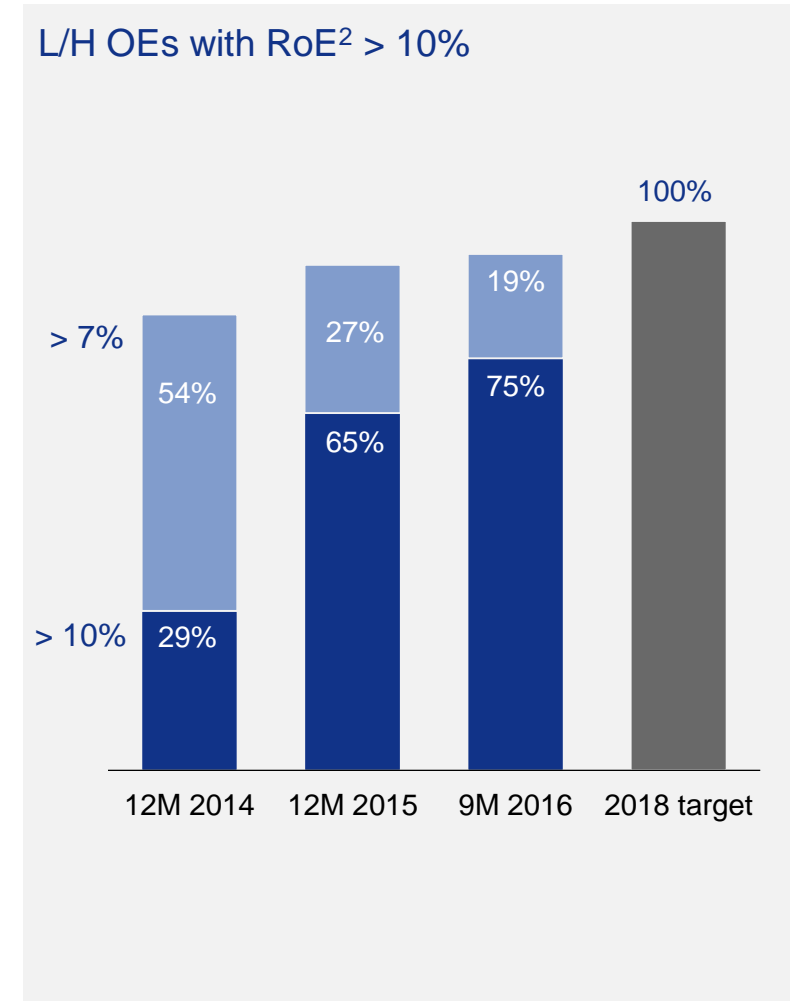
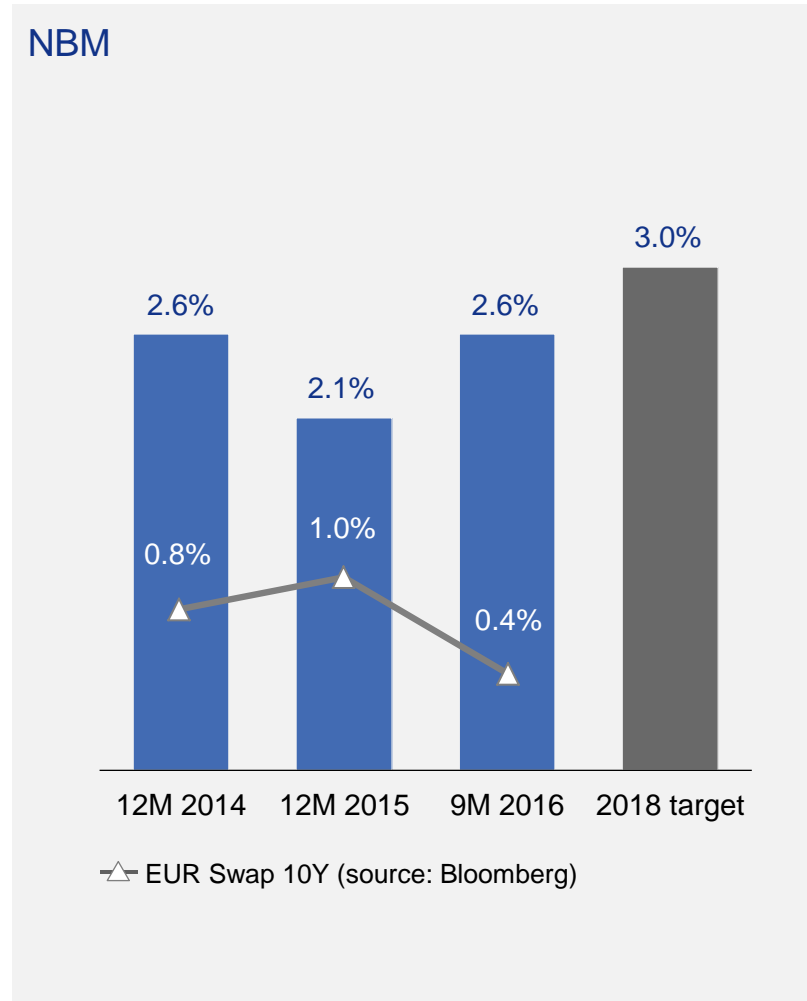
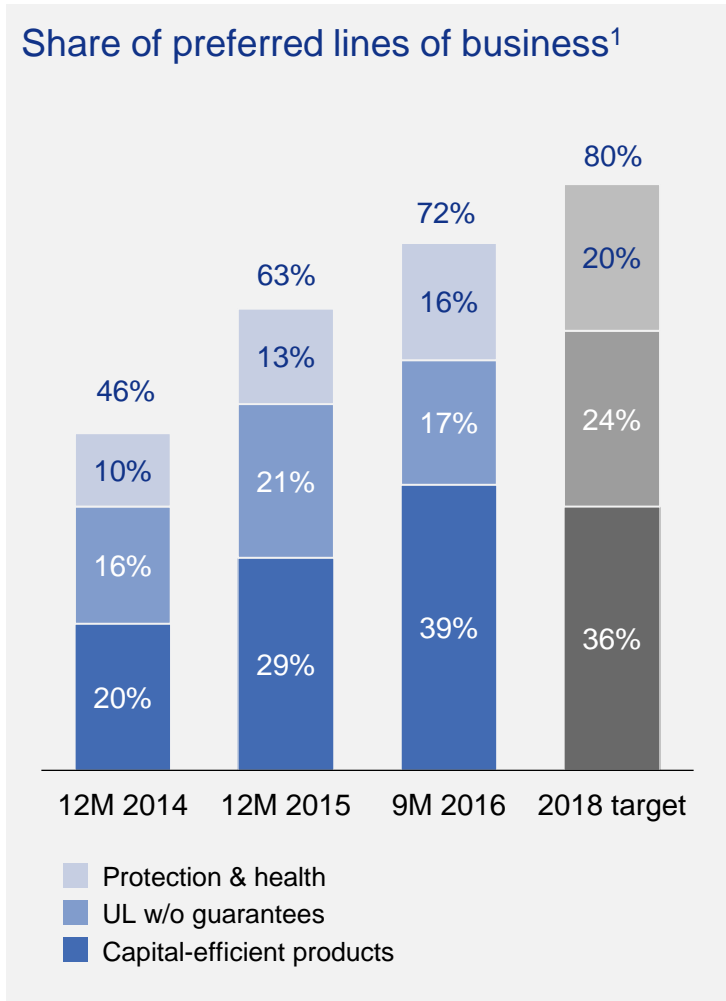


3 Excellent reserve quality

Run-off ratio 2006 – 3Q 2016



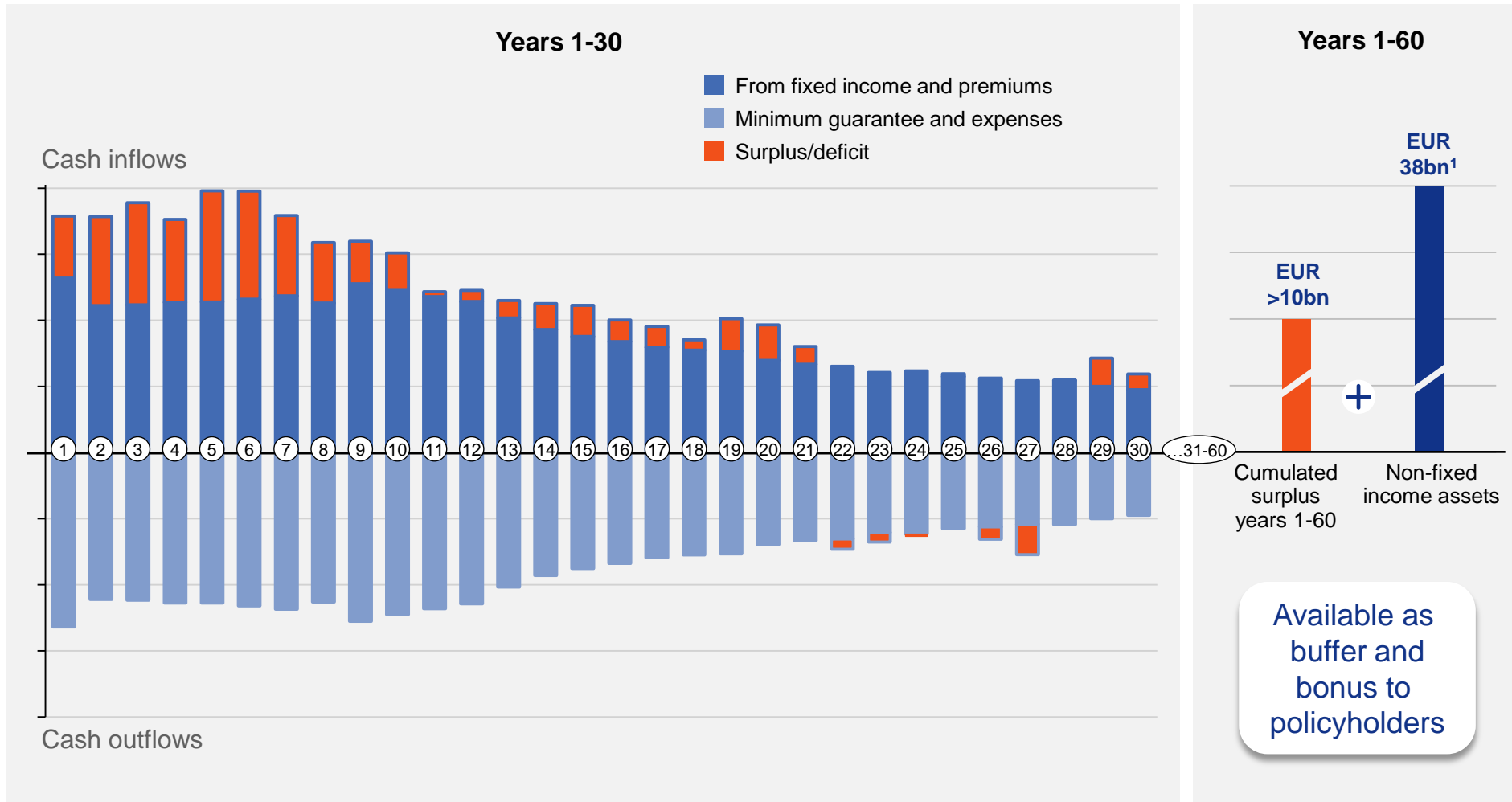
4 Successful shift to modern L/H products



1) 9M 2016 excluding Korea

2) Excl. unrealized gains/losses on debt securities (net of shadow DAC) and goodwill; 9M 2016 annualized

5 Allianz Leben: cash flow matched for 30 years with sufficient buffers beyond



In-force

- Portfolio largely duration matched (3Q 2016)
 - Assets 11.0
 - Liabilities 12.0
- Non-fixed income assets not included in calculation of asset duration

New business

- Duration matched
- 3Q 2016 NBM 4.2%; NBM capital-efficient products 4.7% with reduced capital intensity
- Positive impact on own funds and risk capital in the long run

► Resilient earnings

1) Market value as of 3Q 2016

⑥ Protektor: high hurdles for activation, exposure manageable

Low probability of Protektor activation

- Protektor not established to compensate impact of ECB politics
- Protektor last resort only – after all other actions are exhausted

2

Low share of market at risk to need external help

- Solid market participants with largest market share
- Weaker market participants mostly part of solid conglomerates

1

Wide range of actions possible, e.g.

- Management change
- Capital injection from affiliated companies
- Reduction of P/H dividend to minimum
- Discontinuation of new business and lean run-off management

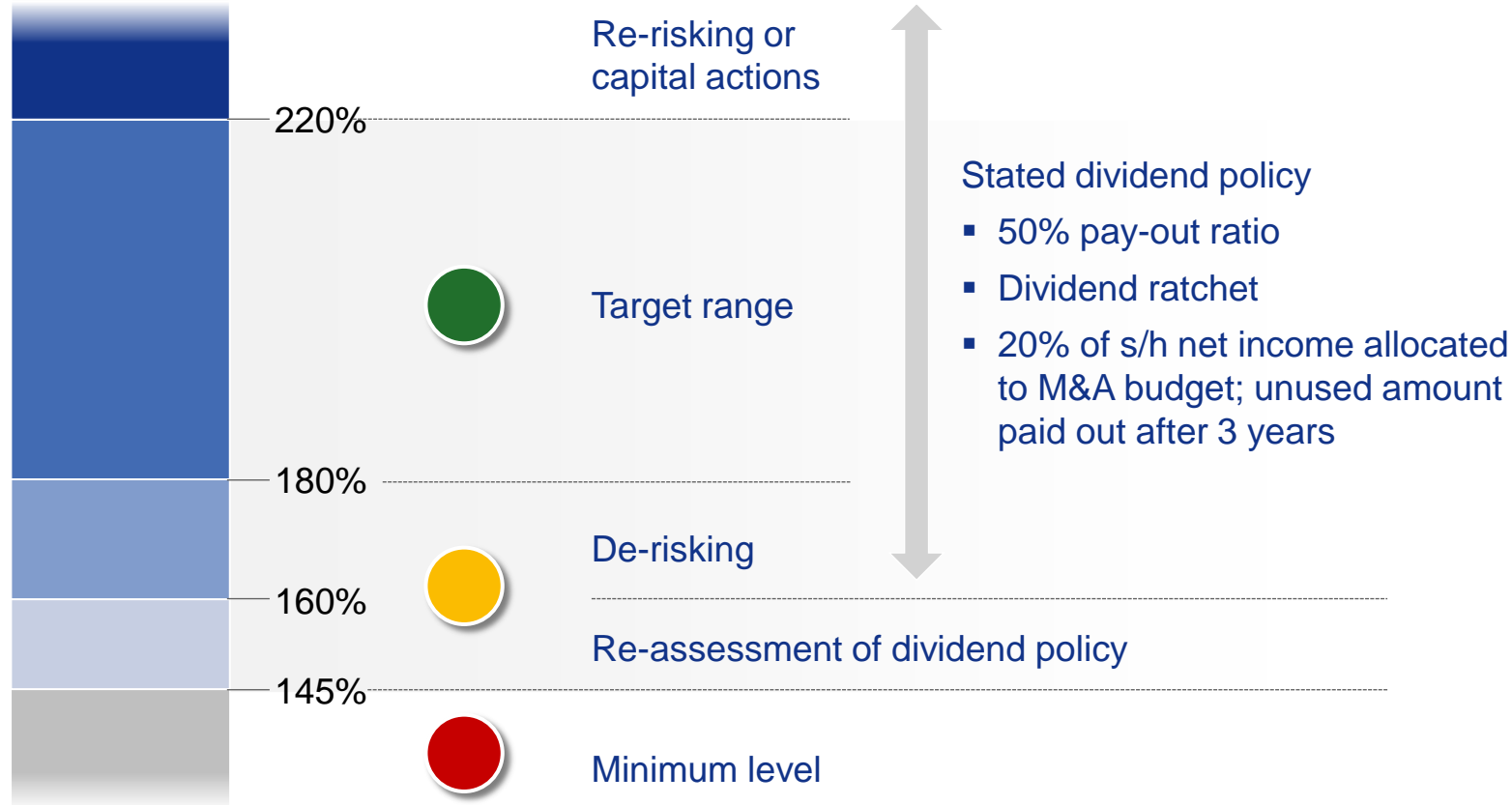
3

Remaining potential impact manageable

- Protektor protects customers, not companies
- Existing Protektor funds of EUR 0.9bn sufficient to deal with small cases
- Investments into Protektor are regular investments of the life company

4

7 Transparent capital management policy – unchanged



As of 3Q 2016

- Solvency II ratio at 186%
- Unused M&A budget at EUR 2.5 - 3.0bn

Summary: we stick to our ambitions for 2018

9M 16	2018			9M 16	2018
3.5% ¹	5% ¹	EPS Growth	Businesses with NPS above market	50% ⁴	75%
12.4% ²	13%	RoE Allianz Group	SII interest rate sensitivity	11%-p	<11%-p
94.4%	94%	P/C CR	PIMCO CIR	61.1%	60%
75% ²	100%	L/H OEs with RoE ≥10%	IMIX	68% ⁴	72%
2.6% ³	3.0%	L/H NBM	Share of new digital retail products (P/C)	<10% ⁴	~100%

1) 9M 16: Growth rate of annualized EPS for 9M 16 vs. EPS for FY 2015; Ambition for 2018: 3-year CAGR. Annualized figures are not a forecast for full year numbers

2) RoE for 9M 16 annualized. Annualized figures are not a forecast for full year numbers. For more details on the RoE calculation please refer to the glossary

3) Figure presented excluding the effects from the Korean life business

4) Based on latest available data

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.

Such deviations may arise due to, without limitation, (i) changes of the general economic conditions and competitive situation, particularly in the Allianz Group's core business and core markets, (ii) performance of financial markets (particularly market volatility, liquidity and credit events) (iii) frequency and severity of insured loss events, including from natural catastrophes, and the development of loss expenses, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) particularly in the banking business, the

extent of credit defaults, (vii) interest rate levels, (viii) currency exchange rates including the EUR/USD exchange rate, (ix) changes in laws and regulations, including tax regulations, (x) the impact of acquisitions, including related integration issues, and reorganization measures, and (xi) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

No duty to update

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