

Allianz Australia

Niran Peiris, Member of
the Board of Management
Allianz SE

Allianz Life

Bill Gaumond, CFO

Allianz Partners

Ulf Lange, CFO

Allianz Technology

Barbara Karuth-Zelle, CEO

Munich, June 28, 2019

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Australia at a glance

Key data 2018

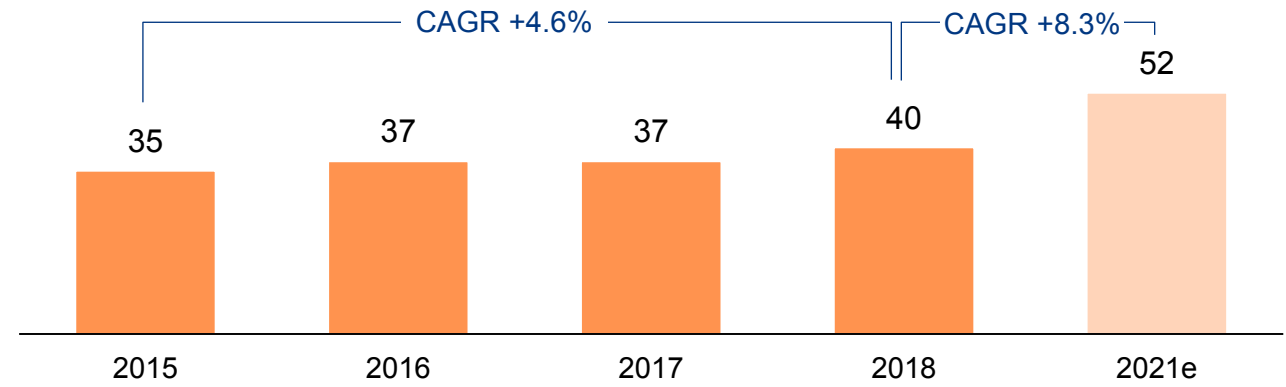
- Population 24.8mn
- GDP (AUD) 1.89tn
- GDP/capita (AUD) 75,096
- Inflation 2.0%
- Insurance penetration¹ P/C 2.1%, Life 2.2%
- Country rating (S&P) AAA
- FX rate AUD 1 = EUR 0.62

Market specifics

P/C

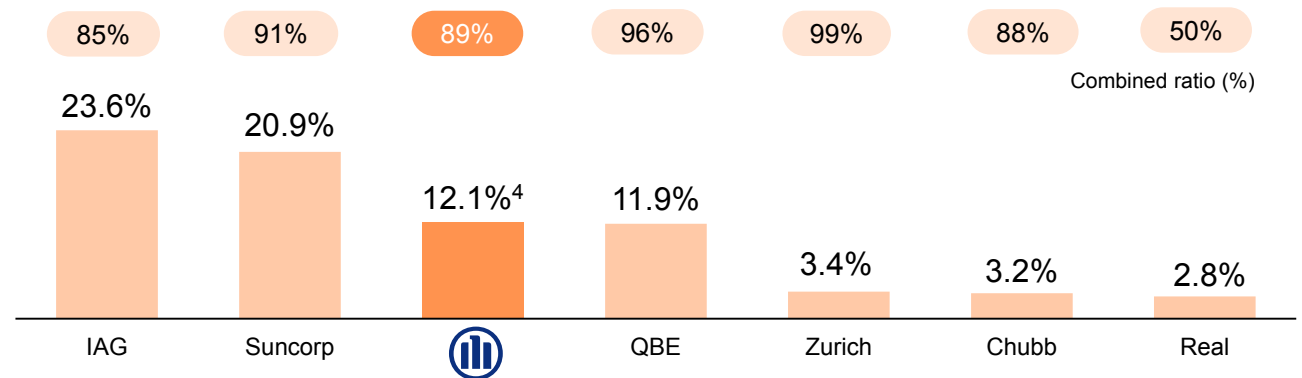
- High market concentration: top 4 insurance companies control 70% of the market
- Overall market growth despite negative one-off impact from regulatory changes on compulsory third party insurance (CTP) in 2017
- Continued growth in volume and rates in particular in short-tail, e.g. motor (excl. CTP) and property
- Growth opportunities in underinsured commercial classes like SMEs (e.g. cyber, business interruption)

Market size and growth (GPW, AUD bn)²



Market shares (GPW)

P/C³



1) GPW in % of GDP (2018), source: Allianz Research - Insurance Markets

2) Estimate calculated on earned basis, source: Finity Optima General Insurance Insights 2018

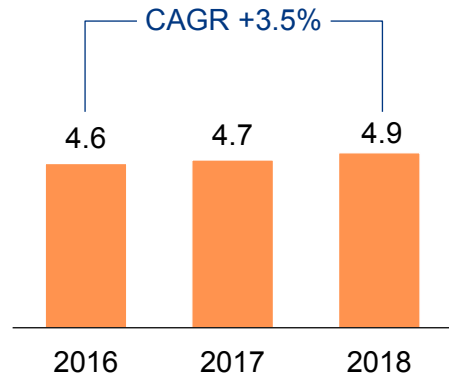
3) FY 2018, source for combined ratios and market shares: Australian Prudential Regulatory Authority (APRA)

4) Small term life portfolio written by Allianz Australia (GPW AUD ~24mn in 2018) included in P/C

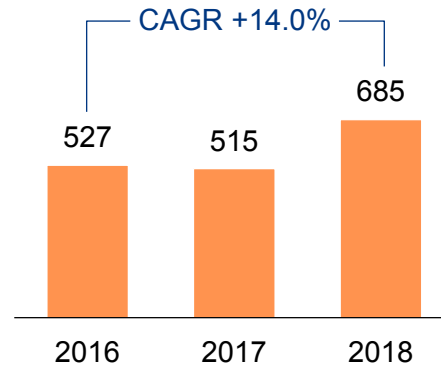


Allianz Australia (1)

Revenues (AUD bn)



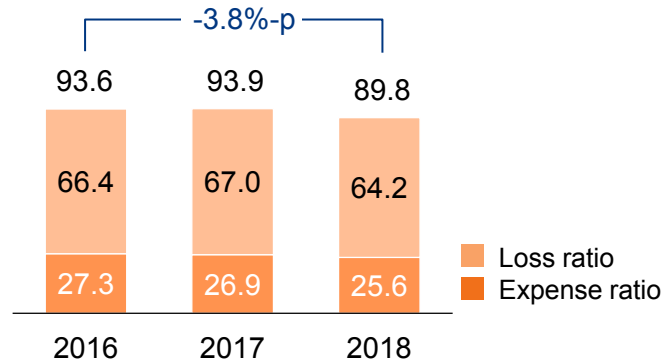
Operating profit (AUD mn)



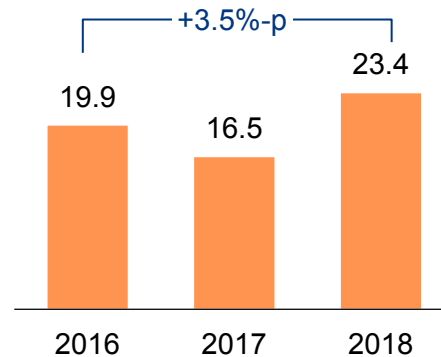
Highlights

- Integrated multi-channel and multi-line insurer serving more than 3mn customers
- Improvement to #3 market position (+1)
- Allianz commits itself to transform holistically to a more simple and digital end-to-end business model
- Productivity gains y.o.y with significant reinvestment in the transformation program and in risk and compliance capabilities
- Strong RoE across the business consistently exceeding Allianz Group targets
- Consistent recipient of industry and employer of choice awards

Combined ratio (%)



RoE¹ (%)



Milestones

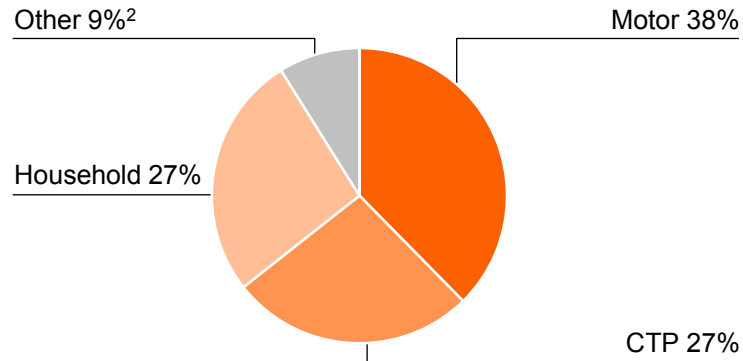
- 2000 Name change to Allianz Australia
- 2006 License to sell life insurance under Allianz Australia Life Insurance Ltd.
- 2014 Purchase of general insurance business of TIO (Territory Insurance Office) in the Northern Territory
- 2018 Launch of Allianz Retire+ retirement solutions by combining Allianz and PIMCO expertise



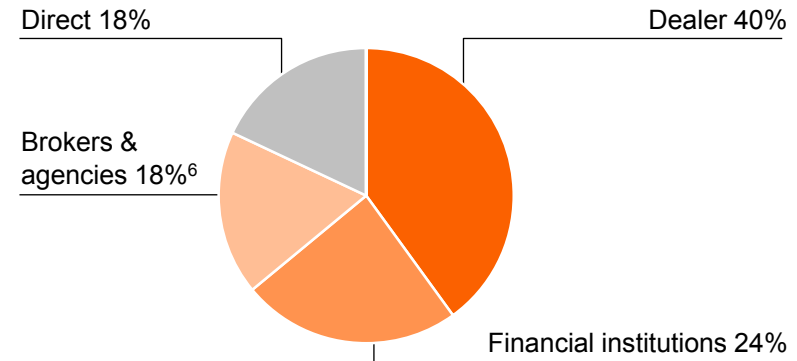
Allianz Australia (2)

Retail¹
AUD 2.7bn

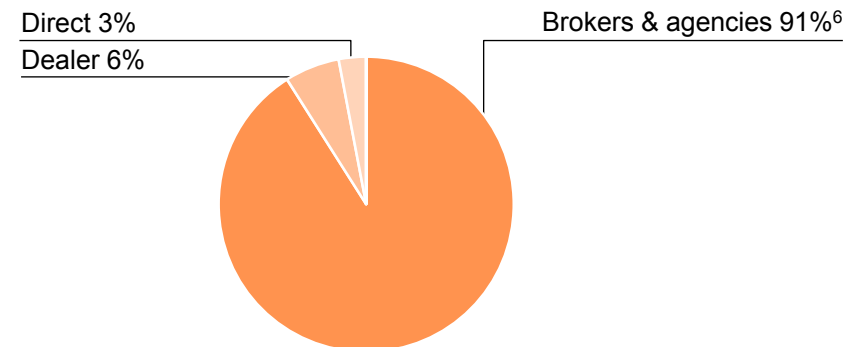
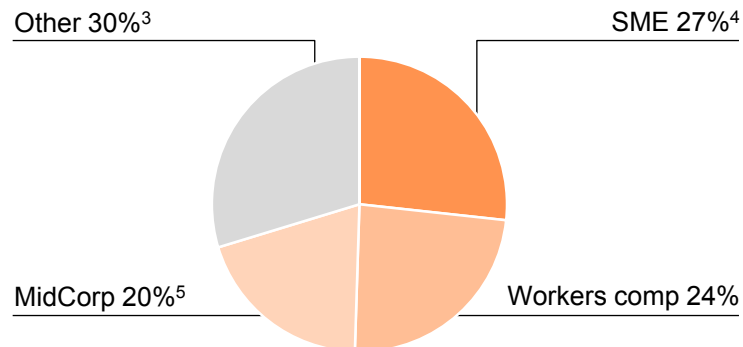
Product mix (GPW)¹



Distribution mix (GPW)¹



Commercial¹
AUD 1.6bn

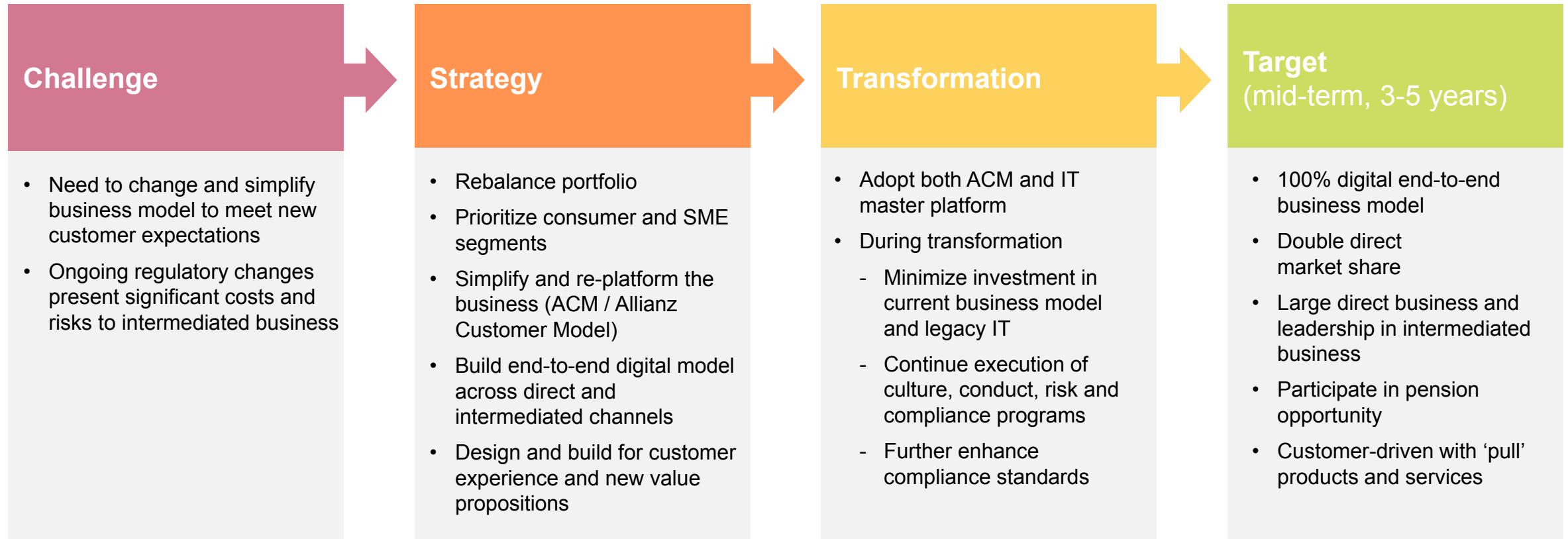


1) GPW excluding fronting, fire service levy and life
 2) Includes portfolio with underwriting agencies and consumer credit insurance
 3) Includes dealer and fleet packages and portfolio with underwriting agencies

4) Includes motor, farm and other packages
 5) Includes industrial special risks, fleet, liability, professional indemnity and construction & engineering
 6) Includes brokers, underwriting agencies, workers compensation



Allianz Australia transformation program



Allianz Life

Bill Gaumond, CFO

Munich, June 28, 2019

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USA at a glance

Key data 2018

- Population 325mn
- GDP (USD) 20,494bn
- GDP/capita (USD) 62,996
- Inflation 2.4%
- Life insurance penetration¹ 3.2%
- Country rating (S&P) AA+
- FX rate USD 1 = EUR 0.87

Market specifics

Fixed indexed annuity (FIA)

- Distributed by IMOs² with increasing sales from B/Ds³ and wirehouses
- Typically double-digit RoE, stable earnings and capital pattern

Indexed variable annuity (IVA)

- Primarily distributed by independent B/Ds and banks
- RoE and earnings / risk profile consistent with FIA

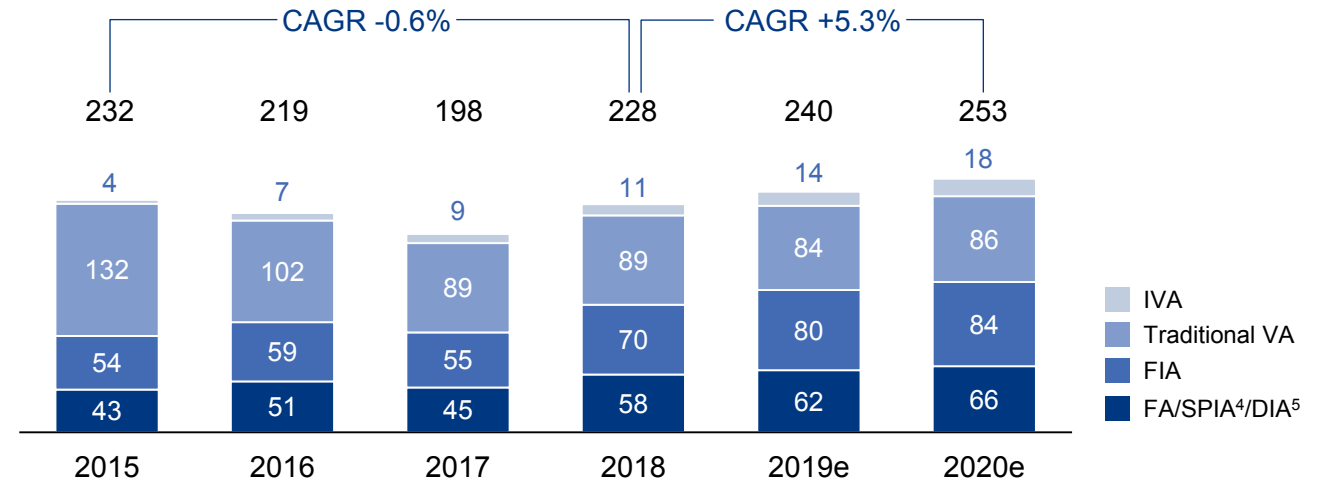
Variable annuity (VA)

- Main distribution channels are B/Ds and captives followed by wirehouses and banks
- Significant de-risking post-crisis. Potentially higher RoE, but volatile earnings and capital pattern

Fixed annuity (FA)

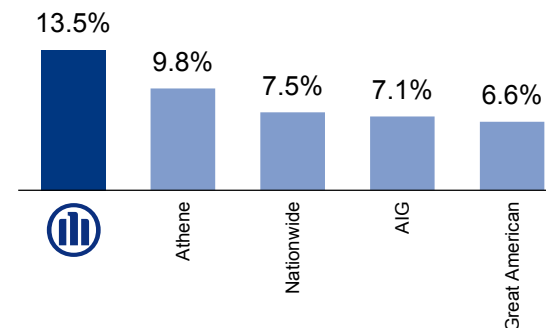
- Mainly distributed via banks and captives
- Single-digit RoE, not MCEV friendly

Annuity market size and growth (statutory premiums, USD bn)

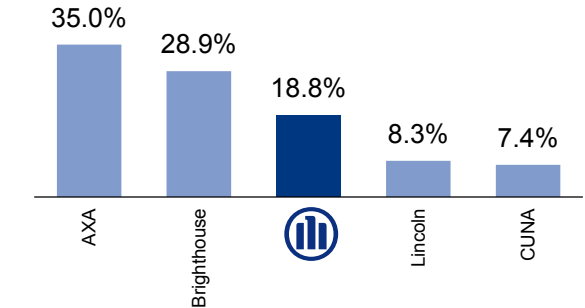


Market shares (2018, statutory premiums)

FIA



IVA



1) GPW in % of GDP (2018), source: Allianz Research - Insurance Markets

2) Independent marketing organizations

3) Independent broker dealers

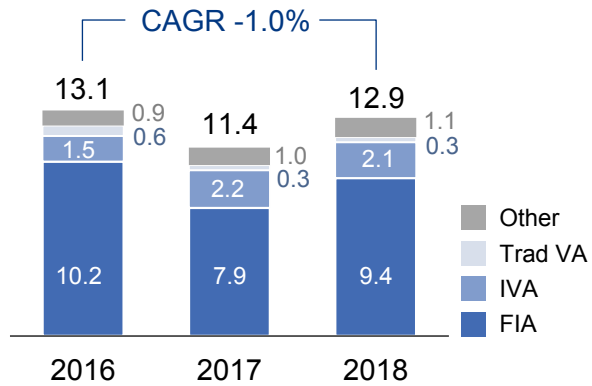
4) Single premium income annuity

5) Deferred income annuity

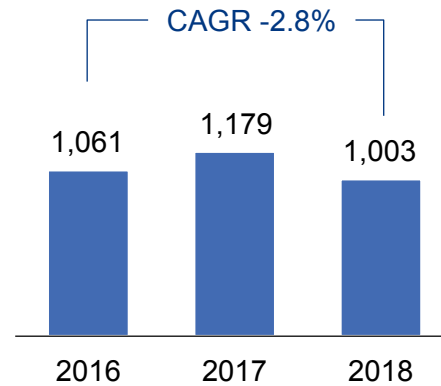


Allianz Life (1)

Revenues (USD bn)¹



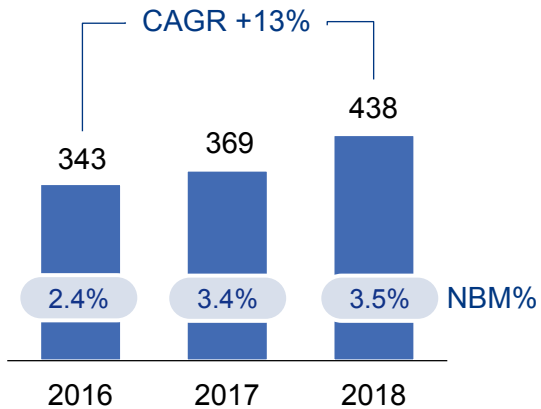
Operating profit (USD mn)¹



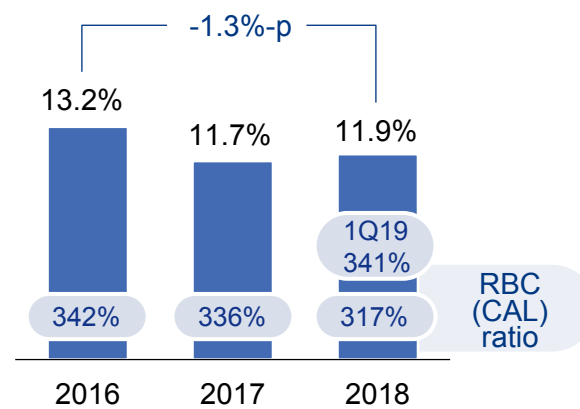
Highlights

- Market leader in fixed indexed annuities for 39 consecutive quarters³
- Product levers allow for active profitability management on both new and inforce business
- Outstanding financial strength with AA S&P rating

Value of new business (USD mn)¹



RoE^{1,2} (%)



Milestones

- 1896 North American Casualty was founded
- 1912 North American Casualty merged with North America Life Association to form North American Life and Casualty (NALAC)
- 1979 NALAC acquired by Allianz AG
- 1993 Company renamed Allianz Life Insurance Company of North America (Allianz Life)
- 1999 Allianz Life merged with Life USA to form today's company

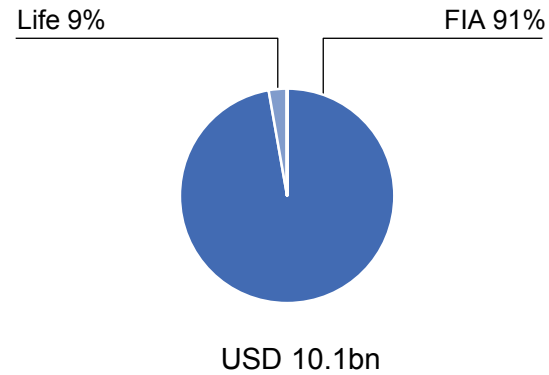
1) As reported in the respective year
 2) Excl. unrealized gains/losses on debt securities (net of shadow DAC) and goodwill
 3) Based on statutory GPW



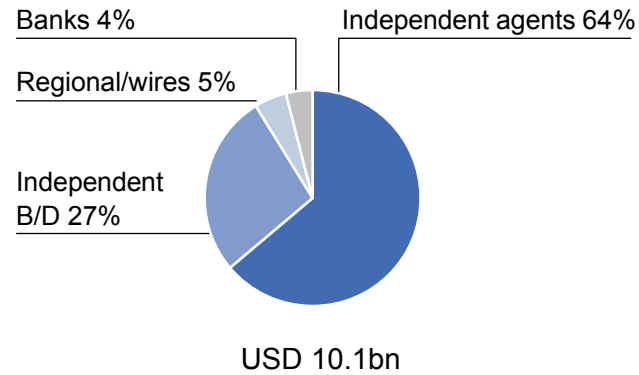
Allianz Life (2)

Life / fixed account products

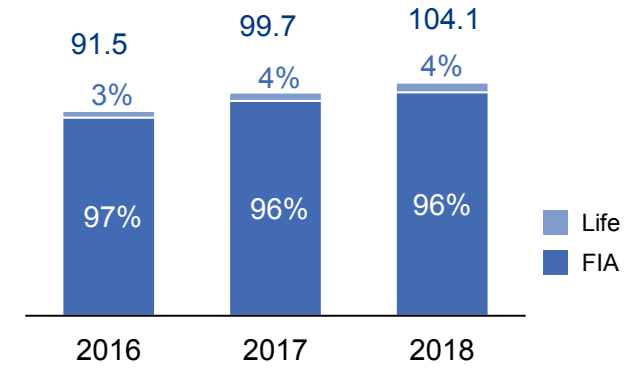
Product mix (GPW)



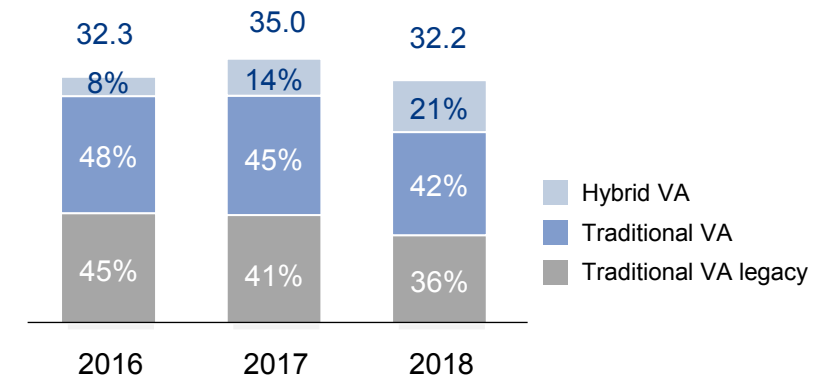
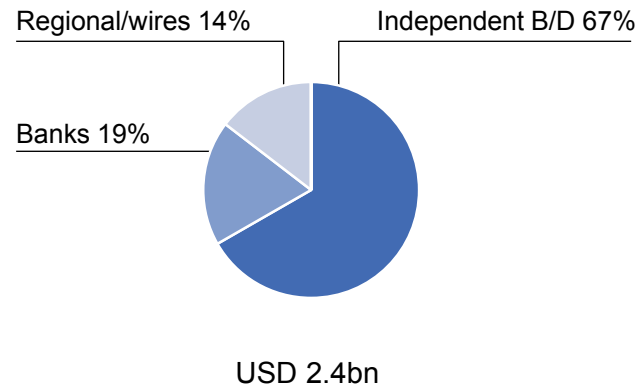
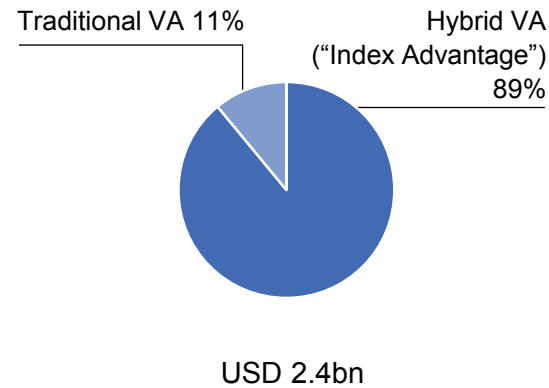
Distribution mix (GPW)



Reserves (USD bn)



Variable account products





Key messages



The US retirement market continues to present enormous opportunity as demographics shift, government solutions erode and the need for protection and income grows



We have a strong, established position in the retirement market, differentiated through product innovation, multi-channel distribution, financial strength, risk management and global capabilities



Our core business generates stable earnings and dividends, with levers built into the product to allow for active profitability management



We are committed to driving disciplined growth, both in the US and across the globe

Allianz Partners

Ulf Lange, CFO

Munich, June 28, 2019

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The Allianz Partners market

Market specifics

Allianz Travel

- Air travel to double within next 15 years¹
- Low penetration of travel insurance in most key markets

Allianz Assistance

- Growing demand for repair-in-kind solutions
- Further growth in roadside assistance market driven by continuing growth in number of cars

Allianz Care

- 97 million expats as potential customers for private medical insurance globally²
- 6.2% expected market growth per year until 2022²

Allianz Automotive

- New mobility eco-system: connected, autonomous, electric, shared vehicles

Allianz Partners unique in size and geographical presence (2018)

Revenues	Allianz Partners	AIG	AXA	Bupa	Cigna	CVS Health	Generali	Mapfre	Munich Re	Zurich
Travel	Allianz EUR 2.1bn	 TRAVEL	 AXA ASSISTANCE EUR 1.3bn	 BUPA GLOBAL			 EUR 1.7bn	 ASISTENCIA EUR 1.0bn	 Reiseversicherung EUR 0.6bn	 EUR 0.7bn
Assistance	Allianz EUR 1.9bn							 ASSISTANCE		
Care / International Health	Allianz EUR 1.8bn		 AXA GLOBAL HEALTHCARE	 BUPA GLOBAL	 GLOBAL HEALTH EUR 1.7bn ³	 INTERNATIONAL	 GLOBAL HEALTH		 HEALTH	

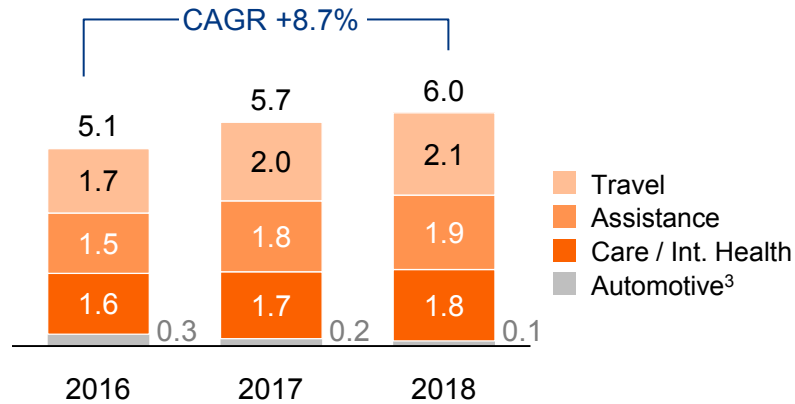
1) Source: IATA
2) Source: Finaccord
3) 2017

Limited or no presence in this space

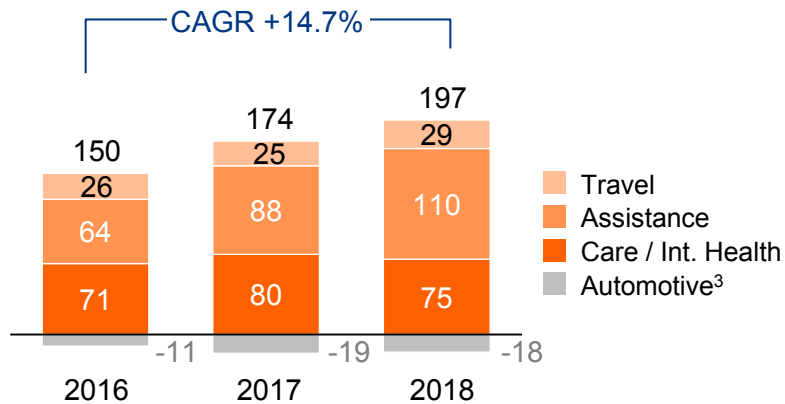


Allianz Partners (1)

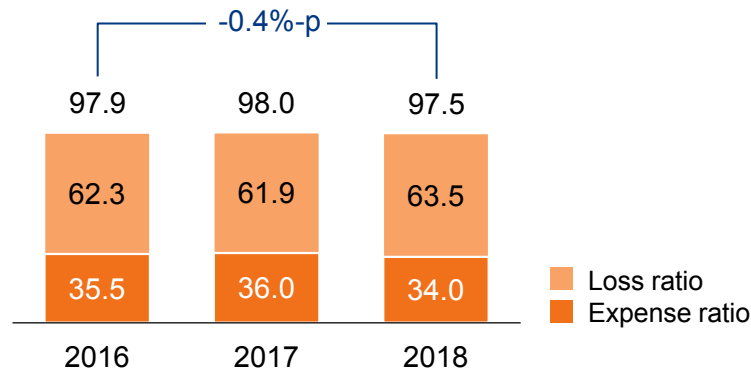
Revenues (EUR bn)^{1,2}



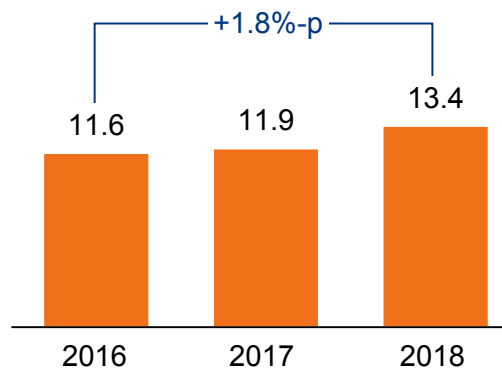
Operating profit (EUR mn)²



Combined ratio (%)²



RoE (%)⁴



Highlights

- Allianz Group's entity specialized in B2B2C business
- Market leader in all four lines of business with a comprehensive suite of services and products
- Outstanding bottom-up NPS for travel and assistance business of 73%
- EUR 865mn revenues with Allianz OEs in 2018 (doubled versus 2014)
- Acquisition of Multiasistencia, the European leader in repair-in-kind home services, in 2018
- Automotive underwritten by Allianz OEs, Allianz Partners provides expertise and acts as cost center

1) New revenue definition including service fee income
 2) Does not include the Automotive business written on AZ OE books (IFRS):
 GPW 2016: EUR 2,813mn; 2017: EUR 2,706mn; 2018: EUR 2,617mn;
 Operating profit 2016: EUR 267mn; 2017: EUR 232mn; 2018: EUR 369mn

3) Automotive reinsurance, extended warranty and cost center
 4) Excluding Automotive, adjusted for capital upstreamed end of 2017 and 2018

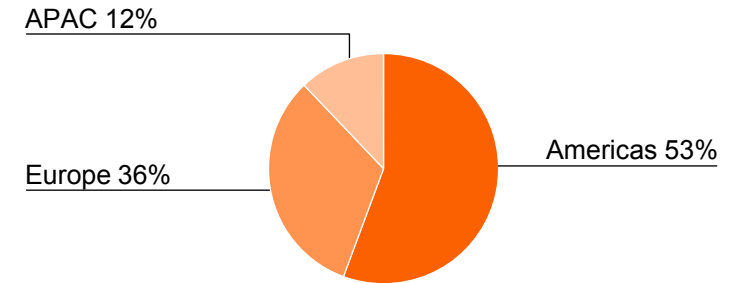
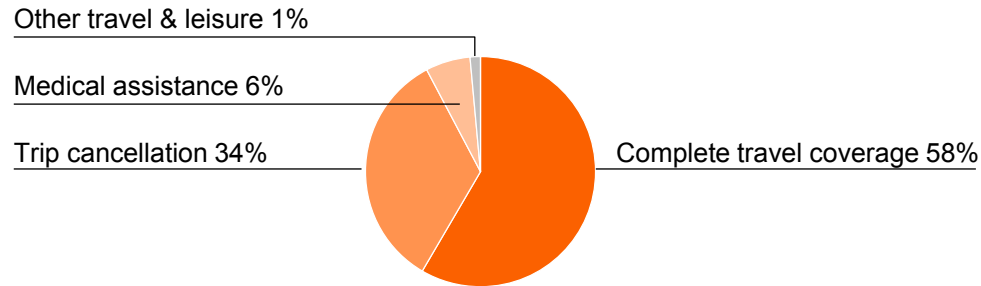


Allianz Partners (2)

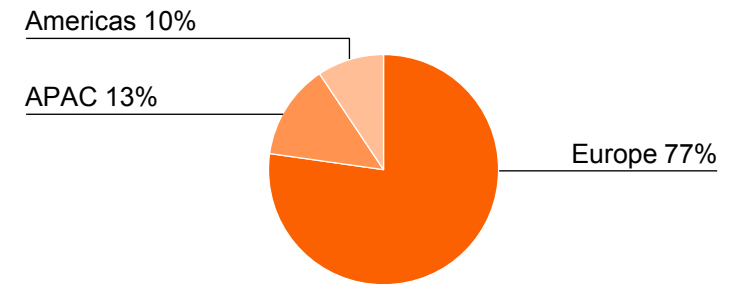
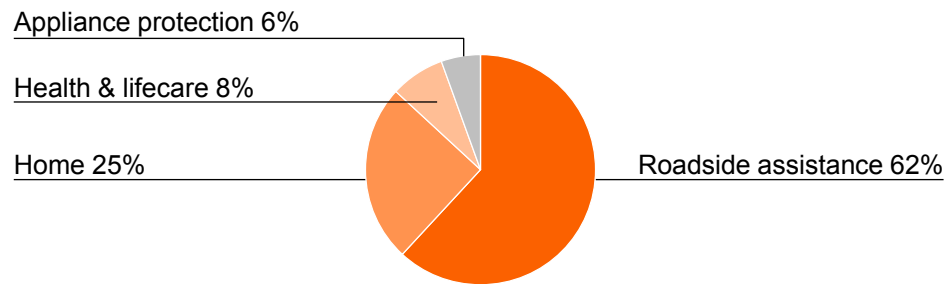
Product mix (revenues)

Regional mix (revenues)

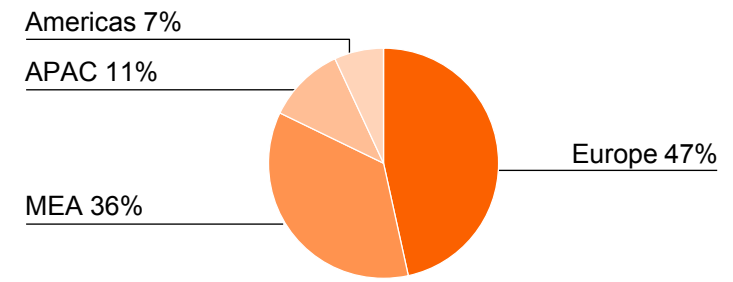
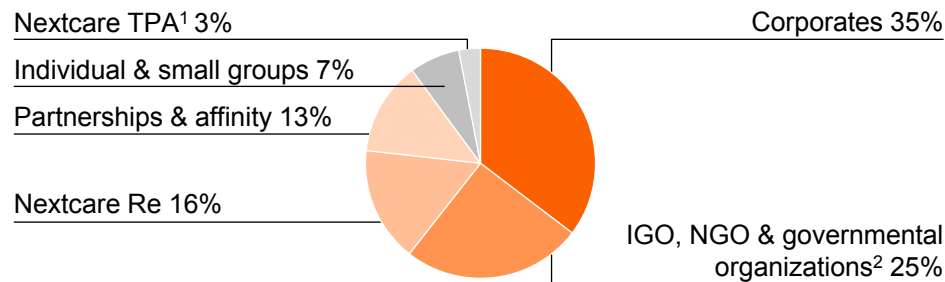
Allianz Partners Travel
EUR 2.1bn



Allianz Partners Assistance
EUR 1.9bn



Allianz Partners Care / International Health
EUR 1.8bn



1) TPA = third party administrator
2) IGO = inter-governmental organization / NGO = non-governmental organization



Allianz Partners – a unique asset within Allianz Group



#1 player in the B2B2C sphere

- Four lines of business: Travel, Assistance, Care and Automotive







Strong and global footprint

- Global network across 78 countries
- Further harmonization via ongoing rollout of GBM¹ (GBM = ACM for B2B2C)



Innovation center of AZ Group

- Allianz  Travel** Digital traveler – e.g. automated reimbursement in case of flight or train delay
- Allianz  Assistance** Smart Home, repair-in-kind services
- Allianz  Care** 24/7 tele-health services via video consultations
- Allianz  Automotive** MyMobility – first truly multi-modal mobility coverage including insurance and service



Significant growth engine

- +9% revenue CAGR 2016-2018
- Continued growth expected for the next three years



Ability to improve profit margins

- +15% operating profit CAGR 2016-2018
- Continued growth expected for the next three years

Allianz Technology

Barbara Karuth-Zelle, CEO

Munich, June 28, 2019

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Allianz Technology – main tasks

1

Management of
Group IT budget

2

Protection against
cyber risks

3

Implementation
of ACM



1. Management of Group IT budget

Goals



KPIs



Examples



Optimization of digital assets

More than 55 countries

Implementation and running of Group IT architectural blueprint solutions

Group-wide IT harmonization

EUR 3.6bn IT budget

>40 OEs already consolidated in global infrastructure and security transfer

Bundling of purchasing power and efficient allocation of budget

EUR 1.9bn service fees

Sustainable use of resources; 97% green energy

Bundling of global IT competencies

>7,500 IT FTEs

Skilled workforce in IT including niche products



2. Protection against cyber risks

Goals



Protection of hardware
against physical perils

Protection of data
against theft, loss and corruption

Maximization of system availability and
resilience

KPIs



~18,000 servers

>82,000 virtual workplaces

6 strategic data centers

Examples



Consolidation of data centers from
140 to 6 strategic data centers

Other than enhanced cost efficiency,
the modern hardware provides
a state-of-the-art
environment for our data



3. Technical implementation of Allianz Customer Model (ACM)

Goals



KPIs



Examples



Group-wide implementation of “simple” IT master platform

Share of legacy systems in costs ~6x higher than share in revenues

Scalable and fast implementation for Africa region

Development and running of core and country layers for all LoBs

Standardized API¹ management for integration of assets, partners, distribution channels

Various go-lives within next 12 months, e.g. in Italy, Australia, Spain

Decommissioning of legacy IT

Zero internal/external vulnerabilities, less than 90 toxic components

Started e.g. in Germany, France, Turkey



Disclaimer

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 Group's core business and core markets, (ii) the performance of financial markets (in particular market volatility, liquidity, and credit events), (iii) the frequency and severity of insured loss events, including those resulting 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, most notably the EUR/USD exchange rate, (ix) changes in laws and regulations, including tax regulations, (x) the impact of acquisitions including and related integration issues and reorganization measures, and (xi) 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

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