

Allianz SE Annual Shareholders Meeting

Company Participants

- GÃ¼nther Thallinger, Member of Management Board
- Helmut Perlet, Chairman of Supervisory Board and Member of Joint Advisory Council
- Jacqueline Hunt, Member of Management Board
- Oliver BÃ¶lte, Chairman of the Management Board and CEO
- Renate KÃ¶llcher, Former Member of Supervisory Board

Presentation

Helmut Perlet {BIO 1469645 <GO>}

(foreign language) Ladies and gentlemen, dear shareholders, as Chairman of the Supervisory Board, I hereby open the Annual General Meeting 2017 of Allianz SE. On behalf of the Supervisory Board and the Board of Management, I would like to welcome all the shareholders present just as well as all the ladies and gentlemen of the shareholders' associations, of the depository banks and of the press. I would also like to welcome those shareholders who follow our AGM on the Internet. Our Annual General Meeting will be broadcast in its entirety for shareholders of Allianz SE as in previous years. Ladies and gentlemen, it's certainly also in your interest that we stick to a reasonable time frame with our AGM. So that you have the opportunity to stay till the very end.

Therefore, I would like to just give you some brief organizational remarks. I'd first like to state that the AGM was convened in due time and form on the 22nd of March 2017. The minutes of the AGM will be taken by notary public, Dr. Tilman GÃ¶tte. He's on stage here with us. The assembly hall contains all areas of the Olympic hall (sic) (Olympiahalle) that you could get in through following the entrance control. That includes the side rooms and the smokers' area. But if you want to hand in a request to speak or motions and especially if you want to vote later on, you need to come down to the floor of the hall, the so-called arena. If you want to speak in the general debate, we would ask you -- we would kindly ask you to hand in your request to speak as early as possible at the speakers' registration desk right here at the front from the right on -- from my view on the right-hand side. At the entrance gates, you have exchanged your tickets against an AGM card, which replaces as last year the voting card block, which you might have been familiar with from earlier AGMs. You need this AGM card to take part in the ballots. So please keep the AGM card until the voting process starts. If you do possess several entrance tickets and haven't exchanged all of them against AGM cards, you can do so until the beginning of the ballots. That is the only way to make sure that all the shares represented by you will be counted in the voting procedures. I will explain the details about the ballots later on following the general debate. Once again, your votes will cast and counted with mobile registration devices. And I would therefore ask you kindly to familiarize yourselves right now with the remarks on the voting procedure, which you can find on your AGM card. In

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The list of participants can be viewed in electronic form on the screens. And it will be updated continuously until the end of today's AGM. You can find the screens in the back part of the arena. So down here on the floor.

So much on the organizational remarks. And now ladies and gentlemen, the members of the Board of Management and the Supervisory Board are all present today. And before I turn to the agenda, I would like to inform you about some changes on the Board of Management of Allianz SE, which have happened since the last Annual General Meeting.

Moreover, on the 31st of December 2016, Dr. Maximilian Zimmerer, with the end of his term, entered into his well-deserved retirement. After joining Allianz in 1988, Dr. Zimmerer used to work for more than 28 years for Allianz, focusing on the investment management and life, health areas. From 2006 until 2012, he was the Chairman of the Board of Allianz Lebensversicherungs-AG in Stuttgart. In the year 2012, he switched on to the Board of Management of Allianz SE where he was responsible for capital investment in the Life and Health insurance business. The Supervisory Board thanks Dr. Zimmerer for his long-standing commitment and especially for his prudent and successful asset management, with which he steered us through different capital market crises. So ladies and gentlemen, I think can also thank Mr. Ralph and Dr. Zimmerer on your behalf once again cordially at this occasion. And we wish them all the best for the future and good health above all.

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in the United States. Ms. Hunt has long years of experience in the insurance industry. And before entering Allianz, she used to work on the Board of Management of Prudential in London. Ms. Hunt, may I ask you to just briefly introduce yourself to our shareholders?

Jacqueline Hunt {BIO 16204866 <GO>}

Dear shareholders and investors, I'm very glad that I may present myself today to you. My name is Jackie Hunt. And ever since July of last year, I've been responsible for Asset Management and the Life Insurance business in the United States. I was born in South Africa. I'm married and do have 2 children. I'm looking forward to the challenges at Allianz. And I thank you very much for your trust.

Helmut Perlet {BIO 1469645 <GO>}

Thank you very much, Ms. Hunt. Dr. Thallinger is responsible for investment management. He's taken over the responsibility from Dr. Zimmerer. After some advisory work, Dr. Thallinger joined Allianz in 2009. And he was responsible at Allianz Investment Management SE -- first as a CFO and then since 2012 as CEO. Mr. Thallinger, may I also ask you to just briefly introduce yourself to our shareholders?

G  nther Thallinger

Yes. My name's G  nther Thallinger. And as been mentioned, I've been responsible for investment management and the centers of Competence, Life and Health Insurance since the 1st of January. I'm a mathematician by profession. I live in Cologne and we have 3 children. And you can find additional details in our CVs. So let me just take the opportunity to thank the colleagues of Allianz and especially the team in the investment management area because they, above all, were the ones who made it able for me to be onstage here today.

Helmut Perlet {BIO 1469645 <GO>}

Thank you very much, Mr. Thallinger. I may certainly also speak on your behalf, ladies and gentlemen, in wishing new members of the board a lot of success and a lot of joy in their new fields of responsibility.

Now I would like to inform you about the upcoming changes on the Board of Management. We had to note -- with regret that towards the end of the year, Dr. Wemmer and Dr. Zedelius, following their own wishes, will leave the Board of Management of Allianz SE. The Supervisory Board with effect of the 1st of January 2018 has appointed the gentleman, Giulio Terzariol and Niran Peiris as new members of the Board of Management. The presentation of the new members and also our praise to the gentlemen leaving will be done in the next AGM. With the end of today's AGM, moreover, some members of the Supervisory Board will leave their offices. On the employees' side, we have Mr. Dante Barban.

Due to the changes in employee numbers for the new Supervisory Board, a representative of the United Kingdom needed to be elected, instead of a representative

from Italy.

On the shareholders' side, Professor KÄfcher and Dr. Bernotat are onstage today for the last time. They've both belonged to our bodies since 2003. In line with our goals for the composition of the Supervisory Board, they therefore cannot be reelected. Professor KÄfcher, gentlemen, I think I can speak on everyone's behalf and thank you cordially for the many years of your valuable and very fruitful support. Overall, these years, you've been a great gift for Allianz, which owes you a great deal. That is why it's important for me to thank you once again at this juncture. (Ms.) KÄfcher has asked for the opportunity to speak now.

Renate KÄfcher

Ladies and gentlemen, not just Mr. Barban, Dr. Bernotat and myself will be leaving the Supervisory Board of Allianz SE but also Dr. Perlet. And on behalf of the Supervisory Board, I'd like to say a few words about that.

Dear, Dr. Perlet, Allianz owes you a great deal. More than 40 years, you've made great contributions to make sure that the company is in the position that it is in now. For 12 years, you were responsible for controlling finances and risk management on the Board of Management during very difficult times because this was the time of the financial and markets crisis. And for companies such as Allianz, that of course was a huge challenge. But the company came out of this challenge in a strengthened and more powerful way. Over the past five years, you've been the Chairman of the Supervisory Board. And you've coined the work on this body in your very own way. For our work, it was -- not just that your expertise and knowledge about the whole financial sector that was important to Allianz. But, above all, your way of managing and controlling this body in a very factual manner, straightforward and relaxed also, in an open and also very cooperative manner. Your connection to the Supervisory Board but also to the Board of Management was always coined by integrity and trust. You were always focused on the company and not on yourself. And with this combination of skills of character and support, you've been a gift to the company. For the Supervisory Board. But certainly also on your behalf, dear shareholders, I would like to thank you, Dr. Perlet, cordially for your long-standing and tireless work for the company. And I would like to wish you all the best for the future. Thank you very much.

Helmut Perlet {BIO 1469645 <GO>}

Thank you very much, Ms. KÄfcher for your friendly words even though you've come a little too far in praising my merits, I would think. But I have to admit that I've been very glad about this. So once again, thank you very much.

So ladies and gentlemen, even though I won't fully leave the Supervisory Board with the end of today's AGM, provided you will elect me as proposed for the short time frame until the 6th of May to the new Supervisory Board, nevertheless, this will be my last AGM as your Chairman for the Supervisory Board. Since you elected me in May 2012 and to the Supervisory Board, we've gone through what I believe has been a remarkable development of Allianz. Even in its 127th year of existence, Allianz proves once again the

power and substance that it has. I will leave the office with a lot of good memories but especially with gratefulness towards my colleagues and the Supervisory Board for the cooperation that's always been highly constructive but also with gratefulness towards the Board of Management for the close, uncomplicated and trustful cooperation but above all, with thankfulness towards you, dear shareholders, for the trust you've put in me. I'm very glad that I was -- that I've been able to work so long in a prominent position for Allianz. I would ask you to stay loyal to Allianz also in the future.

Ladies and gentlemen, with this, we will now enter into today's agenda. I call upon agenda item 1, the presentation of the approved annual financial statements and the approved consolidated financial statements as of December 31, 2016. And of the management reports for Allianz SE and for the group, the explanatory reports on the information pursuant to section 289 4 (sic) (section 289 paragraph 4) and 315 of German Commercial Code as well as the report of the Supervisory Board for fiscal year 2016. First of all, I would like to present the documents. The annual financial statements of Allianz SE and the consolidated financial statements as well as the respective management reports were audited by KPMG AG Wirtschaftsprüfungsgesellschaft and deemed in good order. The auditors handed unqualified auditors' opinions for both statements. Board of Management and auditors presented the documents to the auditing -- Audit Committee and the plenary session of the Supervisory Board. And the Supervisory Board, after detailed assessment then, deemed them in good order. And therefore, the annual statements of Allianz SE have been approved.

Ladies and gentlemen, that brings me to the report of the Supervisory Board. In the fiscal year 2016, we had 6 plenary meetings and in addition, there were 18 meetings of Supervisory Board committees. You will find a detailed presentation of the work of the Supervisory Board in the group management report on Pages 5 and following. But let me just pick a few focal points. In all meetings of the Supervisory Board, the Board of Management explained the business development in the different segments and regions in detail. Amongst the most important focal points, we didn't just have the Renewal Agenda of the Board of Management and its implementation. But we also looked at the continuous difficult capital market conditions and their influence on our risk strategy, on capital investment and the business in Life and Health insurance. Further focal points were the changed political framework conditions, the switch of our auditing company from fiscal year 2018 on and the preparation of today's Supervisory Board elections for the AGM.

Let me just say a few words about the compensation of the Board of Management and the Supervisory Board. You can find more detailed explanations in our Remuneration Report on Pages 24 and following in the consolidated financial statements.

The compensation system for the Board of Management, especially the fixed component but also the variable targets component, has remained unchanged compared to the previous year. The assessment and the -- of the performance, achievements regarding the variable compensation is based on the financial success of Allianz and the implementation of the Renewal Agenda of the Board of Management. We take into account the individual achievements of the board members when assessing these figures.

The Supervisory Board deems the compensation of our Board of Management appropriate. The compensation of the Supervisory Board has also remained unchanged. It is a pure, fixed compensation. And the membership in different committees of the Supervisory Board will then be remunerated accordingly. Part of the work of the Supervisory Board is also to look at standards of good governance. And details on the development of corporate governance of the Allianz Group can be found in the declaration on corporate governance and the corporate governance report, both contained in our management report from Page 14 onwards.

Board of Management and Supervisory Boards signed the Declaration on Conformity regarding the recommendations of the German Corporate Governance Code in December in 2016 and published the declaration on the website of the company. All in all, we follow all the recommendations and suggestions of the code in its version of the 5th of May 2015.

Ladies and gentlemen, against the backdrop of a continuously difficult economic environment with significant political changes, Allianz once again improved its competitiveness in the year 2016, especially looking at profitability and the capital basis that we have. So the remarkable result of the previous years was confirmed once again. And we've justified the trust brought into us by investors, customers and employees.

The good result of Allianz is in large part due to the exemplary efforts of all our employees but also due to a successful and future-oriented management. I'm certain that I can also talk, on your behalf, ladies and gentlemen, in thanking both the management but also all our employees for the committed and successful work.

So ladies and gentlemen, before I will hand over for the reports of the management to our CEO, Mr. Oliver BÃ¶te, I would like to say a few words about the strategy of Allianz and its implementation. In the recent past, some of you might have gotten the feeling that in the implementation of our strategy, not everyone is pulling into the same direction. But I can assure you that, not just the Supervisory Board fully supports the strategy of the Board of Management, also in our organization, there is broad agreement regarding our strategy. And the management is working in a very committed way towards implementing this strategy. But in successful companies. And Allianz without a doubt is a successful company, there will always be some dissatisfied people who do not recognize the necessity to further development in view of an environment which is quickly changing. But with our strategy, we respond to this necessity. This is not a revolutionary strategy but an evolutionary one but with necessary, appropriately high speed of implementation. With these remarks, I would like to end the reports, reporting of the Supervisory Board and ask you, Mr. BÃ¶te, for the report of the management. Mr. BÃ¶te, the floor is yours.

Oliver BÃ¶te

Yes. Good morning, ladies and gentlemen, dear shareholders. Thank you very much, Mr. Perlet, for your nice words. And also on behalf of the board of Allianz SE, I'm also welcoming you to this year's AGM for fiscal year 2016.

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Let me start with the key messages that I would like to render today and also that I will also back up with a few more details later. Strong in the core business 2016, your Allianz has again generated a very strong result in a difficult environment. Committed to change, the realization of the program of Renewal Agenda is gaining momentum. It's important because when Mr. Perlet mentioned that we're using our strength in order to get ready for the key changes that are coming up, specifically when it comes to digitalization.

Attractive for you, our shareholders. So the development of the share price in 2016 was much above our competitors. At the same time, we are reducing excess capital as promised. And we'd like to increase the dividend to EUR 7.60 per share. And also rendering our high contributions for all groups of interest, basically, we're working for you, our shareholders. But also we are aware of our social responsibility. And EUR 138 billion of from money was flowing to our customers, employees, our distribution partners, to the tax authorities and to you, our shareholders.

Just let's look at shortly into the environment. If you look the great figures of Allianz, you might easily forget that the competitive environment last year was anything than pleasant. So apart from market volatility and regulations that challenged us, we are fighting with ongoing low interest rates. Last year at the middle of the year, the interest were even negative, something as an economist you would never ever think of. And also on the political scene, the Brexit was not ended. And we can't wait to see the results in France. Before that, political development would not have that -- such a huge influence on the market.

So given that scenario, I'm quite happy to say that EUR 10.8 billion operating profit and EUR 6.9 billion net profit for our shareholders we've rendered a great result, 4% more than in the previous year. Dividend per share has increased by 4.1%. And also that's the fourth dividend increase in a row. And the equity, here, it was set at 12%, which is great and is slightly below what we had thought for because we thought our equity basis was increased strongly. That's a luxury problem. Asset solvency was 218%. That was at the upper level of what we expected to do. As you can see, also in our 127th year of its existence, your Allianz was able to convince with strong performance and trust.

Now let me talk about a few details and financial figures on the segment level because all areas of Allianz have contributed to the success of the company. As you know, we're differentiating the P&C, Life and Health and Asset Management. These are the major sectors of reporting, our strategic management.

In P&C, we showed a solid internal growth of 3.1%, which is a historic challenge, meaning that this segment is not growing worldwide apart from a few areas in Asia. With a combined ratio of 94.3%, we're closer to the target COR of 2018 of 94%. Now the results have improved because our difficult portfolios like, for example, in Latin America, we consistently worked on that. And that's why the result in Latin America improved by EUR 18 million alone. And we hope that we're going to (plug) figures after three years of making losses there. And the 13.1% return on equity, for our industry, we are receiving a very good value. A lot of our competitors would like to be that profitable. And also in Life and Health, despite the challenges of the low interest rates, we are quite happy, particularly because our cost -- colleagues in the main country entities have continued to

improve the product mix, which also resulted in our new business margin despite the lower interest. So we were able to go up by 0.5 percentage points to 2.7%. This trend will go on in this year. And please remember, 3%, new business margin, that'll be the target for 2018. And we're getting closer with big steps.

The sale of the Korean life business had a strongly positive effect, first of all, on our solvency and, as it is shown on the Solvency II, our capital ratio. And this also have a positive influence on our profitability this year. Please remember last year, we had EUR 450 (sic) (EUR 450 million) that we had to take as losses. All in all, despite these special burdens in life, health, we had EUR 4.1 billion of operating income that led to a record level and a record result and a 2-digit return on equity despite 10.3% and despite that expenses. And we are receiving the return on equity of 10.3%. A lot of competitors look at Allianz.

In our third segment, in Asset Management, we had a lot of challenges since 2013 because of the management crises within PIMCO. That has been overcome since 2016. We not only have a new management team but also an excellent investment performance. As a consequence, in the second half year, that led to net inflows of more than EUR 11 billion, after continuous net outflows since the Third Quarter of 2013, notably. And we're quite happy that the disputes with Bill Gross were settled this year. That means PIMCO is fully on track again. And as you're going to hear, this year again, the business is running excellently.

We should not forget Allianz Global Investors. Our second investment subsidiary showed an excellent yearly operating profit worth of EUR 543 million on absolute record level. And we're particularly proud of our Allianz Global Investment colleagues.

And if you take a look at these results, all these segments of Allianz have developed excellently. And I'm quite proud that despite having temporary difficulties with PIMCO, that the entire Allianz team was able to compensate. And if you render a lot of work, then the performance would come back. That is a strong company. But it's not only our financial figures that were outstanding. But also we made progress in the implementation of our Renewal Agenda. And I would like to now show you a few examples in order to show you the progress for the individual areas.

As you can see on this page, we addressed 5 important triggers and levers and the most important is the customer centricity.

Last year, 55% of all Allianz entities reached a customer satisfaction level above market average, which is 5% more than in the previous year. And when you look at the more critical environment, that is not a matter of (calls)-- and now I'd particularly (today) say thanks to the employees because you are the ones who have to render these services for your customers. The second main lever in the field of our Renewal Agenda and consistent customer orientation is the new implementation of a method in order to design a core process as we've done this in 24 of our units last year. And in the years to come, we are going to continue working on that. The key change is that we're not only looking at individual customer experience and measure an individual segment like for one call in a

call center. But we're also analyzing the entire customer process from claim notification all the way to payout. And we're analyzing that integratively. And that helps us to service our customers much better.

Consistent digitalization, that is definitely a focus on our customers. And digital, by default, is not a matter in itself. And with the introduction of our Global Digital Factory in Munich and in some of our major entities, we have made progress and (grew) across groups from customer perspective, calls and processes are being redesigned. And they will be changed systematically over the years to come.

In addition, the productivity improvements are on track when it comes to implementation. Like in the past and like we discussed, these productivity improvements will be reinvested for the further development of the company.

So when it comes to technical excellence, as I mentioned before, the composition of the product mix develops even better than planned. And in addition, the sale of the Korea business that was running in the deficits. And that was a difficult transaction. In the P&C, initiatives about technical excellence are running according to plan, which is also expressed in the very good combined ratio. And then we can add more here.

So with regard to growth fields, in 2016, we set up strategic partnerships with important banks. And we expanded them in line of the growth engines. I'd like to say thanks to our partners, Commerzbank, Unicredit, Vereinsbank, Santander also Standard Chartered for the trust they put in us. And we find that we are a partner of the choice for the leading banks in the world and were an important growth source for Allianz in the future. And also, we're also working on unprofitable activities, they're either being improved or, like in the case of Korea, we consistently stopped them. And also, we have lots of ideas for further growth, even externally. But when it comes to external growth, we keep continuing to be quite working in details. And we're going to use capital in a careful manner.

When it comes to leadership culture, this is measured with a particularly specialized index that has improved last year from an index value of 68% going up to 70%. So by 2018, we want to lift it up to 72%. And it's quite important for us that we are going to attain this target. And for that, on a group-wide level, we have used an analysis basis and an evaluation basis and system for management, executives that have already reached 5,000 executives worldwide. What is the key change?

So our executives in the future will not only (be) measured by the result they generated but even more strongly, we will also evaluate them based on their personal leadership behavior, not only which results are being achieved. But how are they being achieved. That is a fundamental change that we have to exercise. And it's going to be an important contribution to our culture.

Now I'd like to talk about sustainability. Sustainability played -- continued to play an important role for our strategy in 2016. That's why we're particularly happy for internal results and successes and external awards. Further, to internal success. So the investment into renewable energies was further increased in the past five years. They increased by

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254% to EUR 4.6 billion. In the same period, the energy consumption per employee was reduced by more than 20%. At the same time, our so-called Employee Engagement Index increased, which reflects the motivation level of our employees. That increased by 5 percentage points. And the number of transactions and the investments that we're carrying out have increased since 2014 by 239%. That means we keep checking whether our investments and insurance decisions are also related and in consistency with the ESG guidelines.

Ladies and gentlemen, that's why we have received a few major awards that are listed here. There are many more. And the Board of Management and the employees and, specifically, the young employees are really happy about these awards. And also, this is covered by our claim to have a forward-looking approach to create long-term value for you, our shareholders. And we're on a good track in this way.

Now let me call the equity story (inaudible) the value levers of Allianz. Also in 2016, all value levers were changes. There are 3. The most important element is the protection downwards, as we call it. First of all, we're offering our strong capital position. And by this, we are offering a very solid risk profile. And global diversification of our units provides a good hedging against shocks whereas risk management is a core capacity. As Mr. Perlet just mentioned it before, out of the 3 financial crises of the last decade, we have learned. And we keep on learning because there are new risks coming up. So for example, cyber risks. But also the topic of reputation in the environment of digitalization.

So the second important value driver for you as shareholders are our attractive dividend policy. And I'd like to talk about that in more detail in a minute. So we'd like to propose to increase dividend by 4% to EUR 7.60. That is the fourth dividend increase in sequence. And beyond that, the promise of the Board of Management from November 2014 that we don't use excess capital just lying around. And in fact, we'd like to give it back to you. And that's why we fulfill it. And that's why we have a share buyback amounting to a total of EUR 3 billion. This share buyback has been running since the 17th of February this year. So shares amounting to EUR 1.1 billion were bought back. And you can check the current status of this share buyback in the Investor Relations portal in the Internet.

The third value driver is what we call potential upwards (sic) (upside potential). That means unused profit potential. There's a lot. So we want to increase the share -- growth per share by over 5%. And we want to use the economies of scales and in our program of Renewal Agenda. And we want to achieve it by that. In order to make this clearer, despite special or extraordinary expenses by the sale of the Korean business resulting in EUR 454 million of further costs of the second settlement of Fireman's Fund and also the follow-up expenses from the PIMCO crises or losses in Latin America, we still had profit growth of 4% last year. That was not easy. And I'm very proud of our colleagues.

Let me talk about the dividend policy and give you some more insight that we have clarified. Fifty % of the dividend will be disposed on a regular basis. And I'd like to remind you we want to promise dividend continuity that even if there are fluctuations in the annual surplus, dividend still needs to be held on the level of the previous year. That is our claim. So those funds that we don't disperse, we want to use in order to finance growth and, like I mentioned before, in order to support the dividend continuity if

needed. But basically, if it cannot be used for attaining growth, we are going to use and reduce excess capital flexibly. And that's why in 2017, we started the first share buyback in the history of our company. And as you can tell by the capital market reactions that -- obviously, that was a good decision.

Like I mentioned before, Allianz is not only working for its shareholders but also for many interest groups of our society. And we are fully aware of this responsibility. Let me start with our most groups of interests, which are our customers who are paying our salaries and, at the end of the day, they're also paying our dividend as well. Our customers have -- 86 million and the customer satisfaction is at 55% of our units, above the market average, 5% more than in the previous year. Then 75% of our units want -- will be kept above market average. And we're doing fine. And it's important to have the confidence of our customers. We're one of the few companies that received the AA rating. Our capitalization is even stronger than the AA rating.

The second most important interest group is our employees. So we have roughly 140,000 employees in more than 70 countries. So in Germany, you can forget about that. I mean, thanks very much for the employees for their great performance. And we've got EUR 11.7 billion from -- that we paid for salaries and pensions and other and social benefits.

Our distribution partners make us really successful. So there's a total of 152,000 representatives and that bear the Allianz logo and 200 banking partners and lots of other broker companies who are relying on Allianz. And I would like to say thanks to their trust.

And we're also a taxpayer. You're likely to forget because a lot of large groups who don't pay that many taxes. So we have a tax rate of 30%. And we're paying taxes in 50 countries. And through our performance for the shareholders, I was talking about that already, it's just important to note that you'd get the overall picture about what Allianz is doing for our society.

And at this point, I'd like to say thanks on behalf of my board members and to our distributors and customers. So without your support, Allianz could never be that successful. And my particular gratitude is for our 140,000 employees. So without their continuous and committed performance, it would not be possible for Allianz to make this and render this performance. So it's important that these virtues of competence, integrity and sustainability will be rendered every day newly. Thank you very much. I'm so happy about that.

Now I'd like to look back to the investors, performance -- on the performance of Allianz. Each year, we're carrying out an investment survey, ladies and gentlemen, which is new. And so we're asking about the strengths and weaknesses from the perspective of analysts and investors. For that, over the past three years, I've always -- I've evaluated the investor feedback. So let me talk about the weaknesses and strengths and then the effects on the share price.

Historical strengths of Allianz are the market position and the strength of the brand and the progress in digitalization, related to the competitors. And also the capital

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management. So how did we perform from the perspective of our investors? And how have we changed? In 2014, 16% of our shareholders believe that we're doing fine. Today, we have 36% who believe that, specifically focusing on the strengthening of the good units and improving the less performing units. When it comes to brand, 2014, there were 12% of our investors who believed that we were strong in this respect. And this value has increased to 24% in 2014 (sic) (2016) by consistent brand management and continuous business result. Digitalization, 2014, 4% of our investors thought this was a strength in particular. Coming through our program these are 24% and we should never lose sight of that. Capital management was at 16% in 2014 and is now 18%. EUR 3 billion of share buyback and flexible-ization of the capital management made their contribution.

But it's not only our strengths which we were able to increase from the perspective of investments -- investors. But we also addressed our weaknesses. Two years ago, from the perspective of investors, we had to identify 4 main weaknesses: first of all, PIMCO; low interest rates; the German life business; and also an intrinsically low growth of earnings. So the feedback has developed. When still -- almost 50% thought in 2014 that PIMCO was a problem. By the change now. And now, this went down to 18% who believe that it is still a problem. New management, the strong investment performance and net inflows instead of outflows make a key performance in this improved picture.

Low interest rates doesn't go away. But it's extremely important for us, ladies and gentlemen. It's not that we just watch. But instead, we should take measures on the capital investment side, for example, by the expansion of alternative assets, which is a specific merit of Mr. Zimmerer and Mr. Thallinger, I'd like to mention that. But also the sale of Korea, that we're showing a strong deficit and also the change of the life business that we have been doing for a few years.

Then the German Life Insurance business, because of its size and because of those long durations, that used to be a challenge. So 24% of those providing feedback thought in 2014 that this is the problem that went down to 18% because we focused on capital efficient products. And the low revenue growth, that was also a topic here, for 12%. And it's still organic and it's much less a topic today because of the digitalization and also capital management is definitely a good contribution in order to support the revenues and profit per share. So the Board of Management is quite proud that (about) we are able to increase the strengths and reduce the weaknesses and that you also believe we're addressing that. And we're not going to reduce these efforts.

So what were the developments on the valuation of the Allianz share? During the past five years, we've started to be compared in the STOXX Europe Insurance Index. That is basically our competitors who are working in Europe and who are also facing the similar challenges. So the orange line is put on 100. And if you look at the Allianz share price, you can see -- you can be quite happy about the 5 past year, Allianz shareholder who started in 2012 has tripled their stake. That is on 190%. That's the return. So we have increased the index by 34% and outperformed it. And particularly, in '15 and '16 and in the years '17, we were doing so continuously. And thank you very much to the employees as well. And we, as Board of Management, can be quite proud. Thank you very much.

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So dear shareholders, I would now like to give you a short overview about our targets for 2017. We're cautiously optimistic and, therefore, expect an operating result to the tune of EUR 10.8 billion plus/minus EUR 500 million. And just to remind you, in the previous year, the average point of our bandwidth had been at EUR 10.5 billion so below the EUR 10.8 billion. And we plan this even though, as was mentioned before, the low interest rates are still reflected in our results. Moreover, I would like to give you some previous figures for the First Quarter of 2017 that we're extremely proud of and with which I would like to confirm this outlook for 2017.

So in the First Quarter, we've reached an operating profit of EUR 2.9 billion. Ladies and gentlemen, this is 9.4% more than in the previous year's quarter. And with this, we already reached 27%. So more than 1 quarter of the medium value we're aiming at. But please just don't just multiply this by 4. It's not as easy as that. But the surplus for shareholders in the quarter was at EUR 1.8 billion. That is 15.3% lower than in the previous year's quarter, which is due to the fact that last year, we had one-off profits from the sale of financial holdings in the First Quarter, which cannot be repeated obviously this year.

We do not have any precise figures regarding solvency. But what I can show you is that our balance sheet continues to be very strong. We've published a press release today on the cornerstones of the First Quarter. And Mr. Wemmer will inform you in detail about the figures of the First Quarter on the 12th of May in proven quality. So on the basis of these figures, we do take an optimistic view into the future even though our environment remains highly difficult as I've mentioned before. There's the topic of politics in addition to market volatilities and the topic of the obvious polarization in our society should not just be something that we take a look at. But we need to actively commit ourselves against this. And we're well prepared for this environment. The last few months have, nevertheless, shown that there are new challenges coming up time and again. So we need to move and to respond to this. And that's the most important point. Allianz, in spite of its results or because of its strong results, can't just be left standing there. We see the positive side on the Board of Management our diversification and the economies of scale, which are especially important in the digital world and the consistent implementation of our agenda -- of our Renewal Agenda, all this on the foundation of the virtues of Allianz: of skills, of integrity and sustainability.

Ladies and gentlemen, we can only perform change with our employees. And that is a point I would like to talk about now. Our employees are doing exemplary work because, on the one hand, each and every one of them contributes to the strong results that we can deliver time and again in our core business year-by-year across all the segments. On the other hand, they support us. They support us in the reshaping of a group towards a more customer-oriented company, which is especially well-prepared for the digital world. Doing all this simultaneously is highly challenging. And I know that many of our employees ask themselves what this will mean for them and their personal employment. But I would like to ensure them, our employees. But also you, our shareholders, that we're familiar. We know about these challenges. And we will not be just a part of that. But we will be an active part of change.

So we need to look at new focal points and technology and digitalization and customer orientation and leadership behavior. And this, as I said, before, will be put more into the

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focus. And that makes me optimistic that we'll continue to be successful in our core business. But also follow through with these necessary changes with a lot of energy. So dear shareholders, you can be certain that we'll continue to do the utmost to fully seize the potential of your Allianz. So please be loyal to us even though -- even if the headwinds might be stronger again in the future than they used to be for some time.

Finally, I would like to talk to some of the supporters, who have a great share in making sure that we had this great result of Allianz. First of all, I would like to thank the colleagues on the Board of Management for the strong year 2016 but also to the Supervisory Board for their support to -- during these times of change. Now I would especially like to mention my colleagues on the board who have their last AGM today and without whose great contribution, that wouldn't have been possible. Dr. Zedelius will have been 30 years at Allianz on the 1st of August 2017. So thank you very much for your support. And the same holds true for Dr. Zimmerer who will -- who left us at the end of 2016 after 28 years at Allianz. Thank you for coming today. Thank you for your great personal support. Then finally, I would also like to thank Dr. Wemmer. Without your work, Allianz wouldn't be as resistant as it is today. So thank you very much to the 3 gentlemen.

And even though Ms. K  cher has already spoken also on behalf of the Board of Management as well as that's how I felt, thank you very much for your great speech, Ms. K  cher. I would nevertheless like to thank Mr. Perlet myself, not just as the Chairman of the Supervisory Board. But also I would also like to thank him as my mentor. So thank you very much for your advice and your support and all the best for your future, where you will stay loyal to Allianz. And I'm looking forward to that. So ladies and gentlemen, with this, I can thank you for your kind attention. And I wish all of us a great AGM.

Helmut Perlet {BIO 1469645 <GO>}

Thank you very much, Mr. B  te, for your informative and detailed reports. Ladies and gentlemen, those of you following our AGM on the Internet, I would like to point out to you that at this point, the public part of the broadcast will end. And if you want to continue viewing the AGM, you need to be a shareholder of Allianz SE who's logged into the Internet broadcast with your...

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