
Annual General Meeting of Allianz SE on May 5, 2021

CFO Report

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The report delivered at the Annual General Meeting may differ from this preliminary version, especially to reflect developments occurring in the intervening period. The valid version is the one delivered to the Annual General Meeting.

Dear Shareholders,

I would now like to report on the use of the existing capital authorizations, and begin by informing you that there have been no capital increases since the last Annual General Meeting.

Regarding the **Company's stock of treasury shares**, I can report the following:

In fiscal year 2020, a total of 748,482 treasury shares were transferred to employees of Allianz SE and its subsidiaries in Germany and abroad. Of these shares, 74,873 were bonus shares, offered to all employees of the Allianz Group. The shares required were, in part, sourced from the company's holding of treasury shares. In addition, a total of 400,294 treasury shares were acquired from the market based on an authorization issued by the Annual General Meeting 2018 in order to service the scheme.

As part of the 2020 share buy-back program, a total of 4,879,731 shares were purchased for 750 million euros in the previous fiscal year. Based on the authorization issued by the Annual General Meeting of May 9, 2018, these shares were redeemed. The Statutes were amended accordingly. With a resolution adopted on November 4, 2020, the Management Board decided not to proceed with the second tranche of the 2020 share buy-back program as originally planned.

Allianz SE held a total of 247,489 treasury shares by the end of 2020, representing 0.06% of the share capital. 47,489 of these shares were held to implement the Employee Share Purchase Plans of Allianz SE and its subsidiaries. The other 200,000 shares were held as a hedge for obligations in connection with share-based remuneration schemes for management board members and employees of the Allianz Group, known as the Allianz Equity Incentive Program. The treasury shares currently held are considered in the appropriation of net earnings proposed under Agenda Item 2, since there are no dividend rights attached to these shares.

Other Group companies did not hold any treasury shares as of December 31, 2020.

Further information regarding treasury shares can be found on page 148 of the Group Annual Report (*English version*).

Allow me now to explain the **use of the authorization to issue subordinated financial instruments**, as granted to us by the Annual General Meeting of May 9, 2018.

In November 2020, Allianz SE issued subordinated financial instruments with a nominal value of 1.25 billion euros and 1.25 billion US dollars, respectively, against payment in cash for the purpose of creating own fund items. Shareholders' subscription rights were excluded with the approval of the Supervisory Board.

A banking consortium placed these Restricted Tier 1 Notes (RT1) with institutional investors. These bond issues have increased the amount of regulatory capital and strengthened our capital base yet further.

The issue price of the financial instruments, totaling just over 100% of the nominal value, was set by way of a book-building procedure. This ensured that the issue price did not significantly fall below the theoretical market value of the financial instruments according to recognized finance-mathematical methods, having taken account of the interest rates and Allianz's credit rating at the time.

The issued financial instruments do not carry any conversion or option rights and/or conversion obligations with regard to Allianz shares.

I thank you for your attention.