Robust performance

Group Treasury & Corporate Finance
Group Investor Relations Allianz SE

J.P. Morgan European Insurance Conference

June 2020

Allianz Investor Relations App

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Allianz

Allianz – a globally leading financial services provider

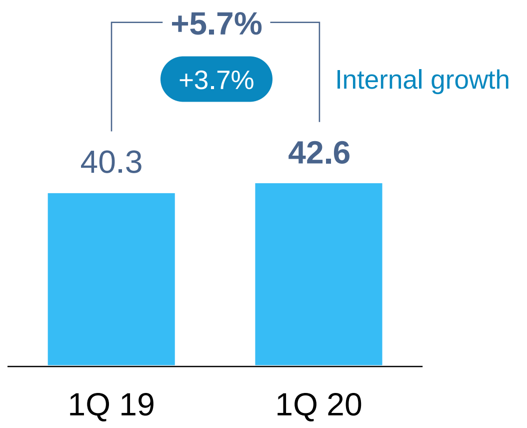
P/C	L/H	AM
#1[1]	Top 5[1]	Top 5[1]

190%	69.4bn	11.9bn	+26%-p
Solvency II capitalization[2]	Shareholders' equity (EUR)[2]	Operating profit (EUR)[3]	Operating SII capital generation[3]

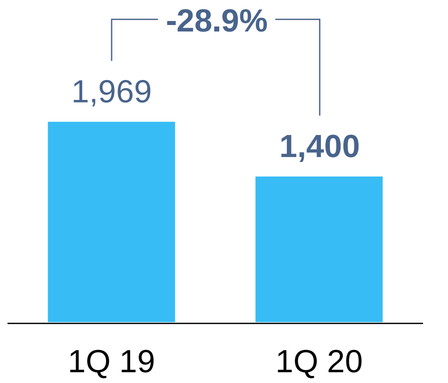
1) Market ranking based on latest available peer data
2) End of 1Q 2020
3) FY 2019. Operating SII capital generation before tax and dividend

1Q 2020: good underlying result, negative impact from COVID-19

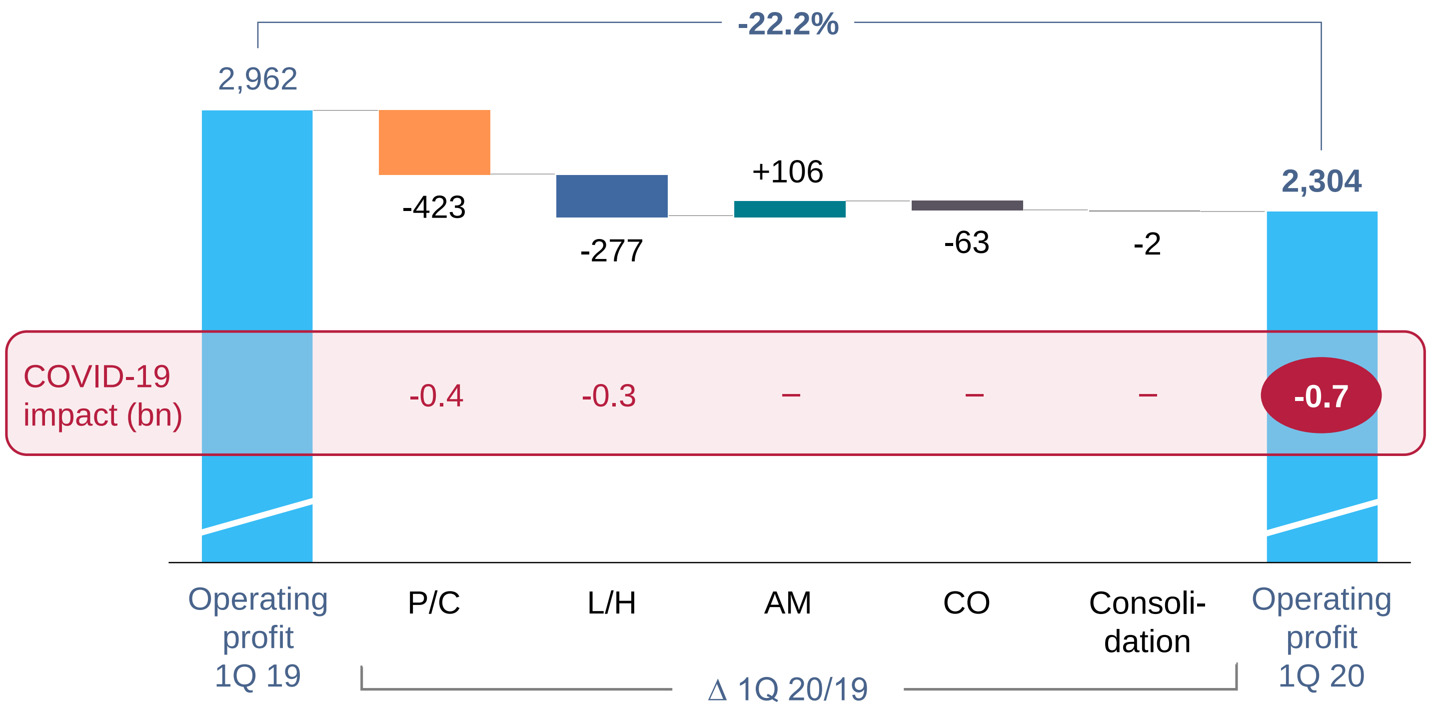
Total revenues (EUR bn)



Shareholders' net income (EUR mn)



Operating profit drivers (EUR mn)



1Q 20	**1,032**	**819**	**679**	**-228**	**2**
1Q 19	1,455	1,096	573	-164	4

Fixed income story – reliable, robust, responsible

Reliable capitalization

- **AA** Excellent financial strength ratings: AA / Aa3 / A+[1]
- 190% Solvency II capitalization[2]
- Conservative capital structure: 25% financial leverage; 154% UT1 ratio[2]

Robust profitability

- **OTR** „Simplicity wins“ strategy: Outperform – Transform - Rebalance
- EUR 43bn revenues and EUR 2.3bn operating profit in 1Q 2020
- Diversified profit and investments

Responsible governance

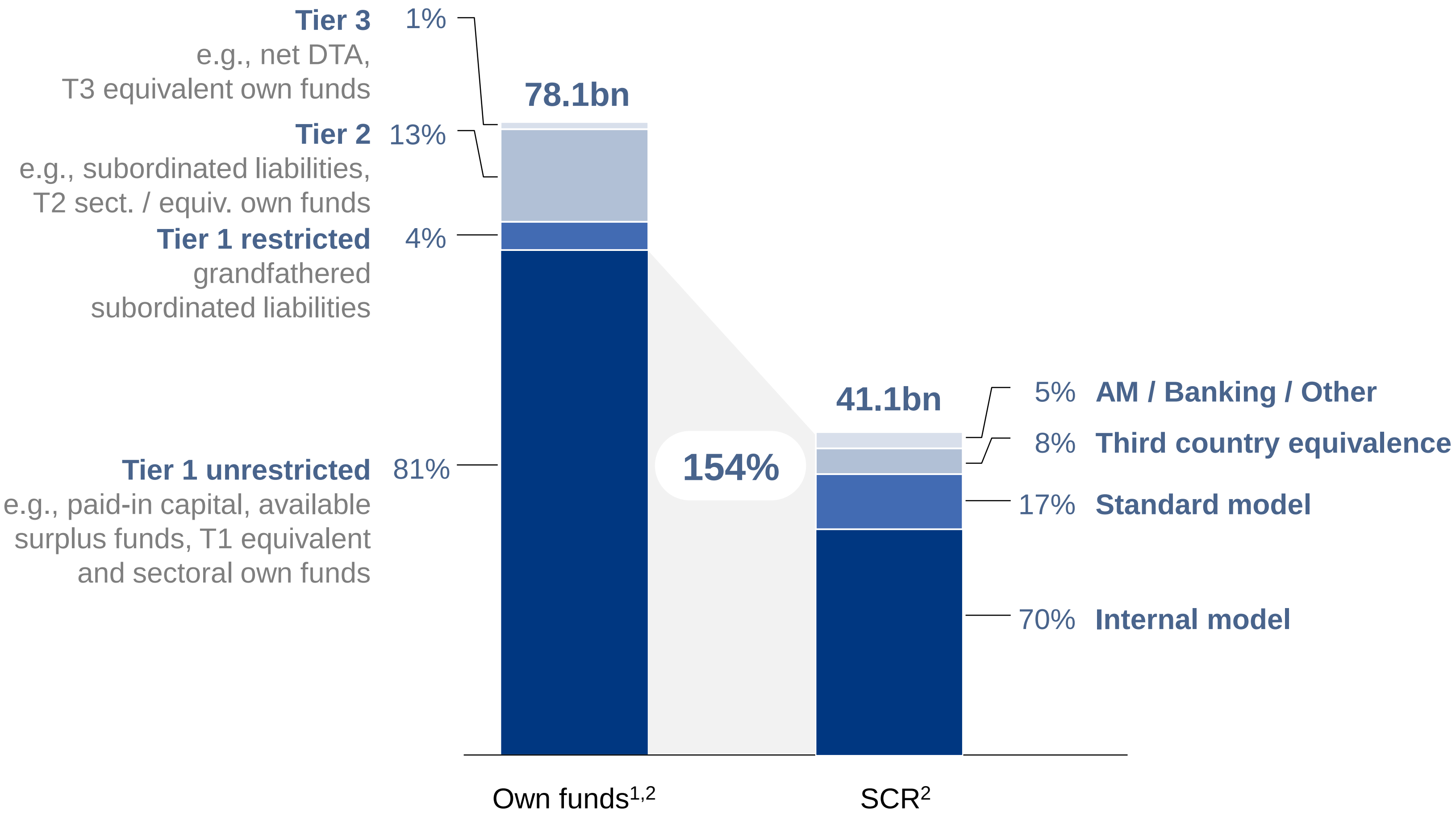
- **100%** Renewable electricity by 2023
- **0%** Net carbon emissions of proprietary investments by 2050
- **0%** P/C insurance of coal based businesses by 2040

1) S&P / Moody's / A.M. Best
2) 1Q 2020

Fixed income story – the details

Allianz

Conservative capital structure with 154% unrestricted tier 1 coverage (in % / EUR, end of 1Q 2020)



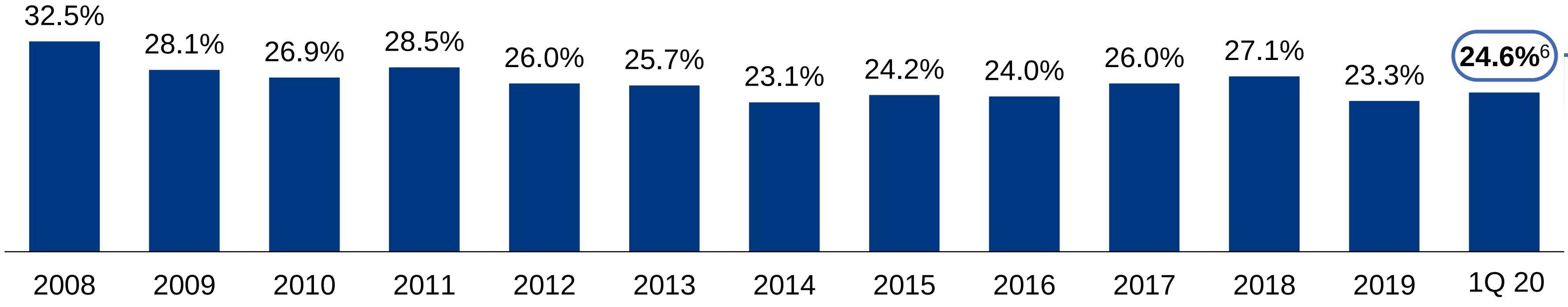
1Q 2020	Allianz
SII ratio	190%
UT1 / SCR	154%
Non-UT1 / SCR	36%

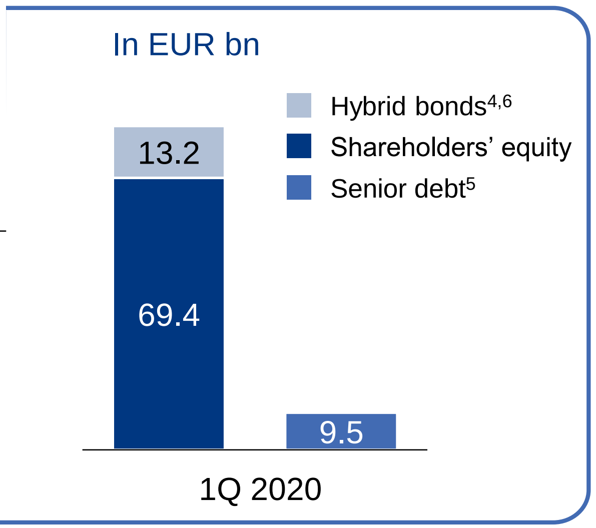
SFCR FY 2019[3]	Allianz	EU G-SII[4]
SII ratio	212%	194%
UT1 / SCR	176%	136%
Non-UT1 / SCR	36%	59%

1) Requirements: Tier 2+3 ≤ 50%, Tier 3 ≤ 15% of consolidated insurance group SCR
2) Immaterial non-EEA (re)insurance entities included via book value deduction (Art. 229 SII directive).
Main internal model entities: AGCS, France, Germany, Italy, UK; main standard model entities: Benelux, Spain, Thailand
3) Source: company disclosure, Allianz
4) Mean of EU-domiciled G-SII excluding Allianz

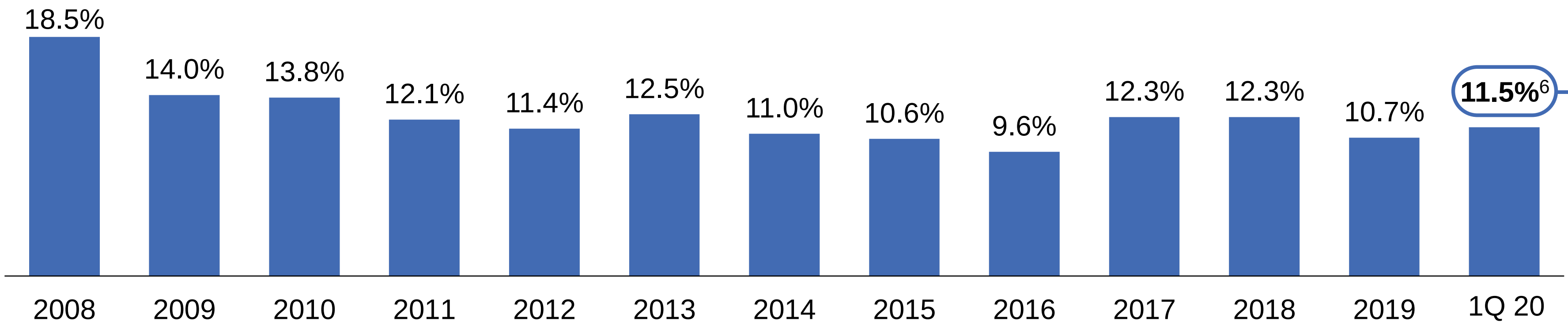
Leverage ratios[1] well within AA-range

Financial leverage[2]





Senior debt leverage[3]



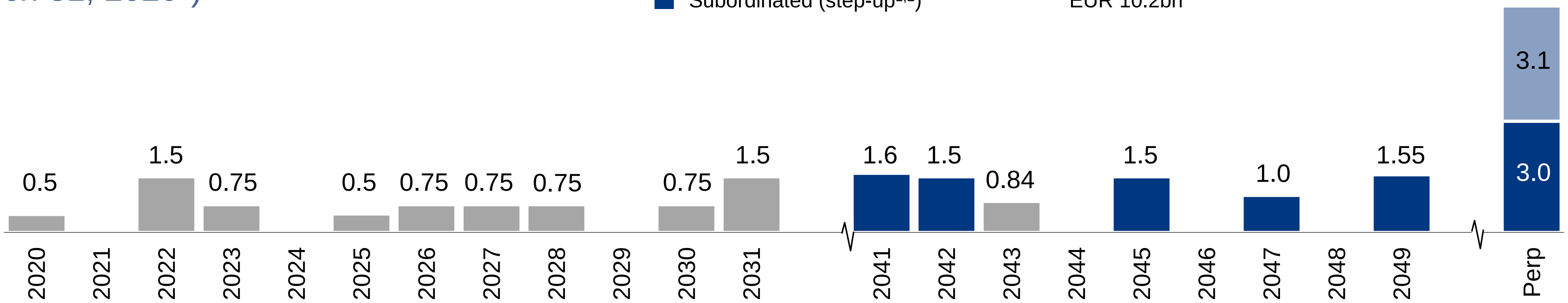
1) As reported in respective years, calculated in accordance with Allianz methodology
2) Senior debt and hybrid bonds divided by the sum of senior debt, hybrid bonds and shareholders' equity
3) Senior debt divided by the sum of hybrid bonds and shareholders' equity
4) Subordinated liabilities excluding bank subsidiaries; nominal value
5) Certificated liabilities (bonds, commercial papers) excluding bank subsidiaries; nominal value
6) Data excluding hybrid bond issued in May 2020. Data including new hybrid bond: Financial leverage: 25.5%; senior debt leverage: 11.4%

Refinancing – long-term oriented maturity structure

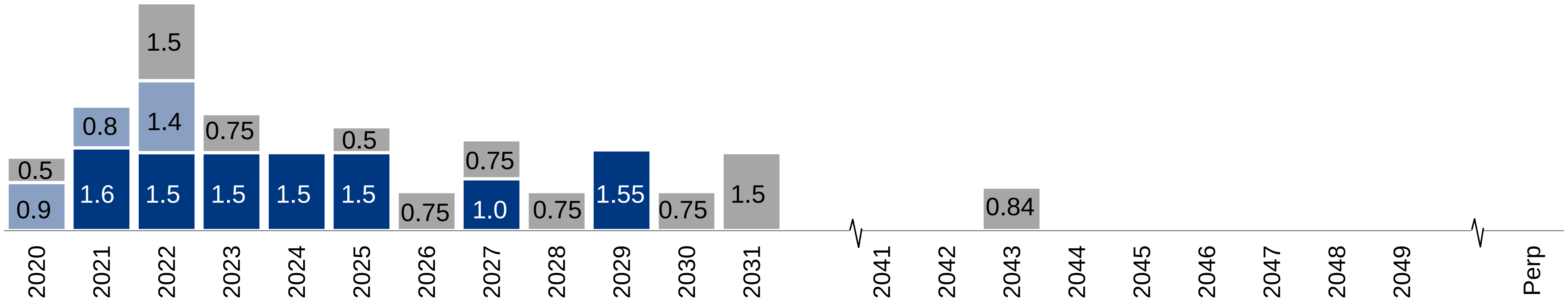
Bond maturity profile
(EUR bn; as of March 31, 2020[1])

Senior bonds	EUR 8.6bn
Subordinated (no step-up[1])	EUR 3.1bn
Subordinated (step-up[1,2])	EUR 10.2bn

Callable bonds at final maturity



Callable bonds at next call date[1,2]



1) Neither the first occurrence of an issuer call option nor a coupon step-up should be construed as an indication by Allianz as to when the instrument will be called for redemption
2) Excluding EUR 1.0bn 30NC10 (step-up) bond issued on 22 May 2020

High quality investment portfolio

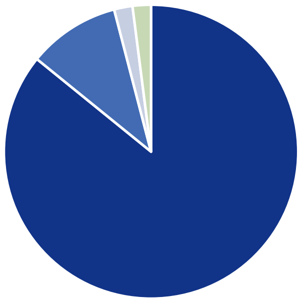
End of 2019 (2018)

Asset allocation

Total: EUR 754.4bn

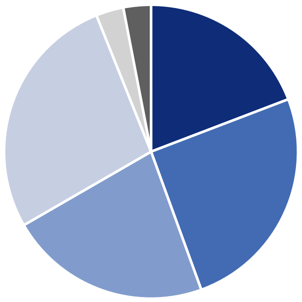
(2018: EUR 672.8bn)

Debt instruments	85% *(86%)*
Equities	10% *(9%)*
Real estate[1]	2% *(2%)*
Cash/Other	3% *(3%)*



Debt instruments by rating[2]

AAA	19%
AA	25%
A	22%
BBB	27%
Non-investment grade	3%
Not rated[3]	3%

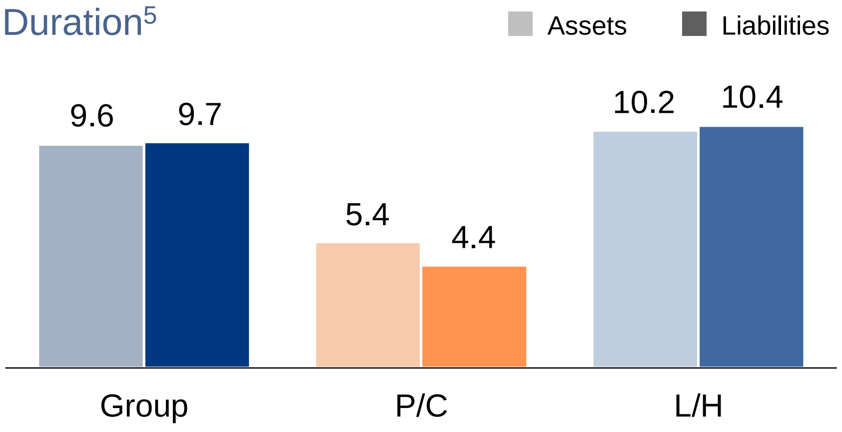


By segment (EUR bn)

	Group	P/C[4]	L/H[4]
Debt instruments	643.6	87.3	520.7
Equities	78.3	10.5	63.5
Real estate[1]	13.0	3.0	9.8
Cash/Other	19.4	5.8	8.9
Total	**754.4**	**106.6**	**602.9**

1) Excluding real estate held for own use and real estate held for sale
2) Excluding seasoned self-originated private retail loans
3) Mostly mutual funds and short-term investments
4) Consolidated on Group level

Duration[5]

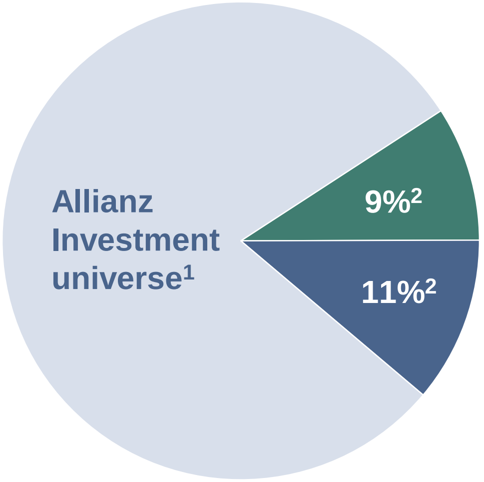


5) The durations are based on a non-parallel shift in line with SII yield curves and scaled by Fixed Income assets. Internal pensions are included in Group data, while they are excluded in P/C and L/H segments.

Alternative asset quota of 20%

End of 2019

Total
EUR 795bn[1]



Alternative equity
Alternative debt

Current volume (EUR bn)			Average expected return
Real estate[3]	49.3	Total 71.9bn	3 - 6%
Infrastructure equity	9.3		5 - 8%
Renewable energy	4.3		3 - 6%
Private equity	9.0		10 - 12%
Non-commercial mortgages	26.4	Total 89.2bn	1 - 2%
Commercial mortgages	23.2		1.5 - 2.5%
Infrastructure debt	17.4		2 - 3.5%
Private placements	17.6		1 - 2%
Other[4]	4.7		4 - 7%
Total	**161.1**		

- Current yield: 4.5%
- 69% real estate
- EUR 18.2bn gross unrealized gains/losses

- Current yield: 3.4%
- 56% real estate related
- EUR 8.4bn gross unrealized gains/losses
- 88% investment grade
- Vast majority loan to value (LTV) <60%

1) Based on economic view. Compared to accounting view it reflects a volume increase due to switch from book to market values and changed asset scope (e.g. including FVO, trading and real estate own-use)
2) Alternative equity denoted in market value, alternative debt in book value
3) Market value of real estate assets including EUR 30.0bn directly held real estate assets (e.g., held for investment, held for own use) and EUR 19.3bn indirectly held real estate assets (e.g., associates and joint ventures, available-for-sale investments). Including minorities on directly held real estate assets (EUR 0.5bn). Associates and joint ventures as well as available-for-sale indirectly held real estate investments are also part of the equity portfolio and fixed income portfolio.
4) Including distressed assets and middle market lending

Appendix: Allianz bonds – senior debt

Coupon	Nominal amount (mn)	Denomination	Currency	Issue date	Maturity	Coupon structure[1]	S&P / Moody's
FRN	500	100,000	EUR	2017	12/07/2020	Reset (Euribor)	AA, Aa3
0.0%	500	100,000	EUR	2020	01/14/2025	FFL	AA, Aa3
0.25%	750	100,000	EUR	2017	06/06/2023	FFL	AA, Aa3
0.50%	750	100,000	EUR	2020	01/14/2031	FFL	AA, AA3
0.875%	750	100,000	EUR	2019	01/15/2026	FFL	AA, Aa3
0.875%	750	100,000	EUR	2017	12/06/2027	FFL	AA, Aa3
1.5%	750	100,000	EUR	2019	01/15/2030	FFL	AA, Aa3
1.375%	750	100,000	EUR	2016	04/21/2031	FFL	AA, Aa3
3.0%	750	100,000	EUR	2013	03/13/2028	FFL	AA, Aa3
3.50%	1,500	100,000	EUR	2012	02/14/2022	FFL	AA, Aa3
4.50%	750	100,000	GBP	2013	03/13/2043	FFL	AA, Aa3

1) FFL = Fixed for life

Appendix: Allianz bonds – subordinated debt

Coupon	Nominal amount (mn)	Denomination	Currency	Issue date	Maturity	1st call date	Coupon structure[1]	Tiering	S&P / Moody‘s
1.301%	1,000	100,000	EUR	2019	09/25/2049	09/25/2029	FTF	Tier 2	A+ / A2
2.121%	1,000	100,000	EUR	2020	07/08/2050	07/08/2030	FTF	Tier 2	A+ / A2
2.241%	1,500	100,000	EUR	2015	07/07/2045	07/07/2025	FTF	Tier 2	A+, A2
3.099%	1,000	100,000	EUR	2017	07/06/2047	07/06/2027	FTF	Tier 2	A+, A2
3.375%	1,500	100,000	EUR	2014	undated	09/18/2024	FTF	Restr. Tier 1[2]	A+, A2
3.875%	1,500	200,000	USD	2016	undated	03/07/2022	FFL	Tier 2	A+, A2
4.75%	1,500	100,000	EUR	2013	undated	10/24/2023	FTF	Tier 2	A+, A2
5.10%	600	200,000	USD	2017	01/30/2049	01/30/2029	FTF	Tier 2	A+, A2
5.375%	800	1,000	EUR	2006	undated	03/03/2011	FFL	Restr. Tier 1[2]	A+, A3
5.50%	1,000	200,000	USD	2012	undated	09/26/2018	FFL	Restr. Tier 1[2]	A+, A2
5.625%	1,500	100,000	EUR	2012	10/17/2042	10/17/2022	FTF	Tier 2[2]	A+, A2
5.75%	1,095.8	100,000	EUR	2011	07/08/2041	07/08/2021	FTF	Tier 2[2]	A+, A2

1) FFL = Fixed for life; FTF = fixed to float (including fixed-fixed-reset)
2) Group Solvency and Financial Condition Report 2019: instrument counted under transitional rules

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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.

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