

REMUNERATION REPORT

This remuneration report covers the remuneration arrangements for the Board of Management and the Supervisory Board of Allianz SE.

The report has been prepared in accordance with the requirements of the German Commercial Code, the German Accounting Standard 17, and the International Financial Reporting Standards (IFRS). It also takes into account the relevant regulatory provisions and the recommendations contained in the German Corporate Governance Code.

The complete information on Allianz SE Board of Management remuneration as given below and additional information is provided on our remuneration website at www.allianz.com/remuneration.

Allianz SE Board of Management remuneration

GOVERNANCE SYSTEM

The remuneration of the Board of Management is decided upon by the entire Supervisory Board, based on proposals prepared by the Personnel Committee. If required, outside advice is sought from independent external consultants. The Personnel Committee and the Supervisory Board consult with the Chairman of the Board of Management, as appropriate, in assessing the performance and remuneration of Board of Management members. However, the Chairman of the Board of Management is not present when his own remuneration is discussed.

Regarding the activities and decisions taken by the Personnel Committee and the Supervisory Board, please refer to the [Supervisory Board Report](#) starting on [page 4](#).

REMUNERATION PRINCIPLES

Key principles underlying the Board of Management remuneration are as follows:

- **Alignment of pay and performance:** The performance-based, variable component shall form a significant portion of the overall remuneration.
- **Variable remuneration focused on sustainability and aligned with shareholder interests:** A major part of the variable remuneration shall reflect longer-term performance with an adequate deferred payout. Furthermore, a substantial portion shall reward the sustained performance of the share price.
- **Support of the Group's strategy:** The design of the performance targets must reflect the Allianz Group's business strategy.

In light of the above, the Supervisory Board determines the structure, weighting, and level of each remuneration component. In addition, the Supervisory Board regularly deals with the appropriateness of the Board of Management's remuneration. For this purpose, we include, amongst others, remuneration survey data of DAX 30 companies and international competitors from external consultants. Compensation levels are oriented towards the third quartile of that peer group, given Allianz's relative size, complexity, and sustained performance within that group. Furthermore, when reviewing the adequateness and appropriateness of the Board of Management's remuneration, the Supervisory Board takes into account the development of the Board's remuneration in relation to other remuneration levels within the Allianz Group.

REMUNERATION STRUCTURE, COMPONENTS AND TARGET SETTING PROCESS

There are four remuneration components in total, which all have the same weighting: the base salary and three variable components – the annual bonus, the annualized mid-term bonus, and the equity-related remuneration. The target level of each of the variable component does not exceed the base salary, so the total target variable compensation is three times the base salary at maximum.

BASE SALARY

The base salary is not performance-based. It is paid in twelve monthly installments.

VARIABLE REMUNERATION

The variable remuneration (annual bonus, mid-term bonus, and equity-related compensation) is designed to reward performance. A shortfall of targets may result in the variable compensation dropping to zero. Two thirds of the variable compensation are a deferred payout after three or four years. Claw-back clauses for compensation components already paid do not exist because according to the governing German labor law, the enforceability of claw-back clauses is subject to major legal restrictions.

On the other hand, the payout of variable remuneration is subject to a limit and capped at 150% of the respective target levels for the annual bonus and the mid-term bonus, as well as at a 200% increase in value of the grant price for the equity-related remuneration.

Variable remuneration components may not be paid, or payment may be restricted, in the case of a breach of the Allianz Code of Conduct or regulatory Solvency II policies or standards, including risk limits. Additionally, a reduction or cancellation of variable remuneration may occur if the supervisory authority (BaFin) requires this in accordance with its statutory powers.

Annual bonus

The annual bonus depends on performance in the respective financial year, and is paid out in the following financial year. The target level of the annual bonus corresponds to the base salary. Performance targets comprise Group and individual targets. Group targets include – equally weighted – operating profit and net income. Individual performance is assessed against qualitative as well as responsibility-related quantitative targets.

For Board of Management members with business division responsibilities, individual quantitative targets comprise operating profit, net income, Property-Casualty revenues, and Life new-business value. For Board of Management members with a functional focus, division-specific quantitative targets are determined based on their key responsibilities.

As part of the assessment of the individual qualitative target achievement, the personal contribution to the Renewal Agenda is reviewed alongside behavioral aspects. The latter is framed in a common standard ("People Letter") designed to drive necessary change across the Allianz Group, and comprises of customer orientation, collaborative leadership, entrepreneurship, and trust (e.g. with regard to sustainability, corporate social responsibility, and diversity as well as integrity).

To support the assessment of the individual qualitative behavioral targets, a so-called multi-rater process has been introduced: Each member of the Board of Management collects, amongst others, feedback from his or her fellow Board members and his or her direct reports as well as the CEOs of the most important operating entities he or she is in charge of. Furthermore, they perform a self-assessment.

Based on the 2017 target achievement for the Group as a whole and for the respective business division(s) and/or corporate function(s) as well as the qualitative performance achieved, total annual bonus awards range from 111% to 124% of the target bonus, while the average bonus award amounts to 117% of the target.

Mid-term bonus (MTB)

The mid-term bonus is a variable compensation component with a deferred payout following a three-year cycle. Sustainable and value-adding performance is assessed against a predefined criteria catalog. The current MTB cycle runs from 2016 until 2018 and is based on the following measurable sustainability criteria:

"Performance"

- Sustainable improvement/stabilization of return on equity (excluding unrealized gains/losses on bonds, net of shadow accounting),
- Compliance with economic capitalization guidance (capitalization level and volatility limit).

"Health" (in line with the Renewal Agenda)

- True Customer Centricity,
- Digital by Default,
- Technical Excellence,
- Growth Engines,
- Inclusive Meritocracy (including gender diversity and women in leadership).

For the MTB, an amount is typically accrued that is identical to the annual bonus. However, the accrual as such may be subject to adjustments, for example, if it is foreseeable that the mid-term sustainability criteria are not met or exceeded. The annual accrual is capped at 150% of the respective target level.

Equity-related remuneration

Equity-related remuneration is a virtual share award referred to as "Restricted Stock Units" (RSUs) with a deferred payout after four years. The grant value of the RSUs allocated equals the annual bonus of the previous year, i.e. the grant value is also capped at 150% of the respective target level. The number of RSUs allocated is derived by dividing the grant value by the fair market value of an RSU at the time of grant.

The fair market value is calculated based on the ten-trading-day average Xetra closing price of the Allianz stock for the ten days following the financial press conference where our annual results are publicized. As RSUs are virtual stock without dividend payments during the vesting period, the average Xetra closing price is reduced¹ by the net present value of the expected future dividend payments during the vesting period. The expected dividend stream is discounted with the swap rates as of the valuation day. Following the end of the four-year vesting period, the company makes a cash payment based on the number of RSUs granted, as well as on the ten-day average Xetra closing price of the Allianz stock following the annual financial press conference in the year of expiry of the respective RSU plan. To avoid extreme payouts, the RSU payout level is capped at 200% of the grant price.² Outstanding RSU holdings are forfeited, should a Board member leave at his/her own request or be terminated for cause.

¹In addition, the fair market value of the RSUs is subject to a small reduction of a few Euro cents due to the 200 % cap on the RSU payout. This reduction is calculated based on a standard option pricing formula.

²The relevant share price used to determine the final number of RSUs granted and the 200 % cap is available only after sign-off by the external auditors.

PENSIONS AND SIMILAR BENEFITS

To provide competitive and cost-effective retirement and disability benefits, company contributions to the current pension plan "My Allianz Pension" are invested in a fund with a guarantee for the contributions paid, but no further interest guarantee. Upon retirement, the accumulated capital is paid out as a lump sum or, alternatively, can be converted into a lifetime annuity. Each year the Supervisory Board decides whether and to what extent a budget is provided, also taking into account the target pension level. This budget includes a risk premium paid to cover death and disability. The earliest age a pension can be drawn is 62, except for cases of occupational or general disability for medical reasons. In these cases, it may become payable earlier and an increase by projection may apply. In the case of death, a lump sum – again convertible into an annuity – will be paid to dependents. Should Board membership cease before retirement age for other reasons, the accrued pension rights are maintained if vesting requirements are met.

For members of the Allianz SE Board of Management who were born before 1 January 1958 and for the rights accrued before 2015, the guaranteed minimum interest rate remains at 2.75% and the retirement age is still 60.

From 1 January 2005 until 31 December 2014, most Board of Management members participated in a contribution-based system which was frozen as of 31 December 2014, now only covering disability and death. Before 2005, a defined benefit plan provided fixed benefits not linked to base salary increases. Benefits generated under this plan were frozen at the end of 2004. Additionally, most Board members participated in Allianz Versorgungskasse VVaG (AVK), a contribution-based pension plan, and in Allianz Pensionsverein e.V. (APV); both these plans were closed for new entries on 1 January 2015.

PERQUISITES

Perquisites mainly consist of contributions to accident and liability insurances and the provision of a company car. Perquisites are not linked to performance. Each member of the Board of Management is responsible for paying the income tax due on these perquisites. The Supervisory Board regularly reviews the level of perquisites.

REMUNERATION FOR 2017

The following remuneration disclosure, which is based on and compliant with the German Corporate Governance Code, shows the individual Board members' remuneration for 2016 and 2017 including fixed and variable remuneration and pension service cost. The "Grant" column below shows the remuneration at target, minimum, and maximum levels. The "Payout" column discloses the 2016 and 2017 payments. The base salary, annual bonus, and perquisites are linked to the reported performance years, 2016 and 2017, whereas the Group Equity Incentive (GEI) and Allianz Equity Incentive (AEI) payouts result from grants related to the performance years 2010, 2012 and 2013. To enhance transparency of the remuneration related to the performance year 2017, the additional column "Actual grant" includes the 2017 fixed compensation, the annual bonus paid for 2017, the MTB 2016 – 2018 tranche accrued for the performance year 2017, and the fair value of the RSU grant value for the performance year 2017.

All variable components are granted in accordance with the rules and conditions of the "Allianz Sustained Performance Plan" (ASPP). Depending on individual and company performance, the amounts actually paid can vary between 0% and 150% of the respective target levels. If performance is rated at 0% no variable component will be granted. Consequently, the minimum total direct compensation for a regular member of the Board of Management will equal the base salary of € 750 thou (excluding perquisites and pension contributions), while the maximum total direct compensation (excluding perquisites and pension contributions) is € 4,125 thou: a € 750 thou base salary plus € 3,375 thou (i.e., 150% of the sum of all three variable compensation components at target level). The CEO's maximum total direct compensation (excluding perquisites and pension contributions) is € 6,188 thou: a € 1,125 thou base salary plus € 5,063 thou (150% of the sum of all three variable compensation components at target level).

Individual remuneration: 2017 and 2016

€ thou (total might not sum up due to rounding)

	Oliver Bäte (Appointed: 01/2008; CEO since 05/2015)						
	2016	Grant			Actual grant 2017	Payout ¹	
		Target	2017 Target	2017 Min		2017 Max	2016
Base salary	1,125	1,125	1,125	1,125	1,125	1,125	1,125
Perquisites	30	32	32	32	32	30	32
Total fixed compensation	1,155	1,157	1,157	1,157	1,157	1,155	1,157
Annual variable compensation							
Annual bonus	1,125	1,125	-	1,688	1,384	1,474	1,384
Deferred compensation							
MTB (2016 - 2018) ²	1,125	1,125	-	1,688	1,384	-	-
AEI 2018/RSU ³	-	1,125	-	1,688	1,384	-	-
AEI 2017/RSU ³	1,125	-	-	-	-	-	-
AEI 2013/RSU ³	-	-	-	-	-	-	1,820
AEI 2012/RSU ³	-	-	-	-	-	1,334	-
GEI 2010/SAR ⁴	-	-	-	-	-	-	-
Total	4,530	4,532	1,157	6,221	5,308	3,963	4,361
Pensions service cost ⁵	625	622	622	622	622	625	622
Total	5,155	5,154	1,779	6,843	5,930	4,588	4,983

1_In accordance with the German Corporate Governance Code, the annual bonus disclosed for performance year 2017 is paid in 2018 and for performance year 2016 in 2017. The payments for equity-related deferred compensation (GEI and AEI), however, are disclosed for the year in which the actual payment was made.

2_The MTB figure included in the Actual Grant column shows the annual accrual.

3_Payout is capped at 200% above grant price. The relevant share price used to determine the fair market value, and hence the final number of RSUs granted, and the 200% cap are only available after sign-off by the external auditors.

4_The equity-related remuneration that applied before 2010 consisted of two vehicles, virtual stock awards known as RSUs and virtual stock options known as "Stock Appreciation Rights" (SAR). Only RSUs have been awarded as of 1 January 2010. The remuneration system valid until December 2009 is disclosed in the Annual Report 2009 (starting on page 17). Whereas the RSU grants are automatically exercised at the vesting date, the GEI/SAR grants are exercised by the Board member within the exercise period following the vesting date. Hence the total payout from SARs depends on the individual decision by the Board member. SARs are released to plan participants upon expiry of the vesting period, assuming all other exercise hurdles are met. For SARs granted until and including 2008, the vesting period was two years and the exercise period five years. SARs can be exercised on the condition that the price of the Allianz SE stock is at least 20% above the strike price at the time of grant. During the term of the plan, at least once on five consecutive trading days the Allianz SE stock must relatively appreciate at least 0.01 percentage points ahead of the appreciation of the Dow Jones EURO STOXX Price Index (600).

5_Pension service cost in accordance with IAS 19: represents the company cost not the actual entitlement nor a payment, however, according to the German Corporate Governance Code the Pension Service Cost is to be included in all columns.

Sergio Balbinot (Appointed: 01/2015) ⁶						
2016	Grant			Actual grant 2017	Payout ¹	
	2017	2017	2017		2016	2017
Target	Target	Min	Max			
750	750	750	750	750	750	750
32	22	22	22	22	32	22
782	772	772	772	772	782	772
750	750	-	1,125	932	983	932
750	750	-	1,125	932	-	-
-	750	-	1,125	932	-	-
750	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,032	3,022	772	4,147	3,568	1,765	1,704
365	374	374	374	374	365	374
3,397	3,396	1,146	4,521	3,942	2,130	2,078

Jacqueline Hunt (Appointed: 07/2016) ⁷						
2016	Grant			Actual grant 2017	Payout ¹	
	2017	2017	2017		2016	2017
Target	Target	Min	Max			
375	750	750	750	750	375	750
136 ⁸	18	18	18	18	136 ⁸	18
511	768	768	768	768	511	768
377	750	-	1,125	923	456	923
377	750	-	1,125	923	-	-
-	750	-	1,125	923	-	-
377	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,642	3,018	768	4,143	3,536	967	1,691
159	317	317	317	317	159	317
1,801	3,335	1,085	4,460	3,853	1,126	2,008

⁶ In addition to the amounts disclosed in the table, Sergio Balbinot received a buyout award of € 6 mn to compensate for forfeited grants from his previous employer: € 3 mn in cash and € 3 mn in RSUs. 50% of the cash amount was paid in February 2015 and 50% was paid in 2016 and are subject to clawback.

⁷ Jacqueline Hunt joined Allianz on 1 July 2016. She received a pro-rated base salary, annual bonus, MTB tranche, and equity-related compensation. The different pro-rated amounts for base salary and target amounts result from different pro-rating methodologies, which are generally applied. In addition to the amounts disclosed in the table, Jacqueline Hunt received a buyout award of € 170 thou in 2016 to compensate for forfeited grants from her previous employer.

⁸ Jacqueline Hunt received an off-cycle one-time payment of € 120 thou to reimburse her for relocation cost.

Individual remuneration: 2017 and 2016

€ thou (total might not sum up due to rounding)

	Dr. Helga Jung (Appointed: 01/2012)						
	2016	Grant			Actual grant 2017	Payout ¹	
		Target	2017 Target	2017 Min		2017 Max	2016
Base salary	750	750	750	750	750	750	750
Perquisites	14	14	14	14	14	14	14
Total fixed compensation	764	764	764	764	764	764	764
Annual variable compensation							
Annual bonus	750	750	-	1,125	866	889	866
Deferred compensation							
MTB (2016 - 2018) ²	750	750	-	1,125	866	-	-
AEI 2018/RSU ³	-	750	-	1,125	866	-	-
AEI 2017/RSU ³	750	-	-	-	-	-	-
AEI 2013/RSU ³	-	-	-	-	-	-	1,649
AEI 2012/RSU ³	-	-	-	-	-	-	-
GEI 2010/SAR ⁴	-	-	-	-	-	-	-
Total	3,014	3,014	764	4,139	3,363	1,653	3,279
Pensions service cost ⁵	420	431	431	431	431	420	431
Total	3,434	3,445	1,195	4,570	3,794	2,073	3,710

	Dr. Axel Theis (Appointed: 01/2015)						
	2016	Grant			Actual grant 2017	Payout ¹	
		Target	2017 Target	2017 Min		2017 Max	2016
Base salary	750	750	750	750	750	750	750
Perquisites	28	27	27	27	27	28	27
Total fixed compensation	778	777	777	777	777	778	777
Annual variable compensation							
Annual bonus	750	750	-	1,125	885	973	885
Deferred compensation							
MTB (2016 - 2018) ²	750	750	-	1,125	885	-	-
AEI 2018/RSU ³	-	750	-	1,125	885	-	-
AEI 2017/RSU ³	750	-	-	-	-	-	-
AEI 2013/RSU ³	-	-	-	-	-	-	-
AEI 2012/RSU ³	-	-	-	-	-	-	-
GEI 2010/SAR ⁴	-	-	-	-	-	-	-
Total	3,028	3,027	777	4,152	3,432	1,751	1,662
Pensions service cost ⁵	482	501	501	501	501	482	501
Total	3,510	3,528	1,278	4,653	3,933	2,233	2,163

1_In accordance with the German Corporate Governance Code, the annual bonus disclosed for performance year 2017 is paid in 2018 and for performance year 2016 in 2017. The payments for equity-related deferred compensation (GEI and AEI), however, are disclosed for the year in which the actual payment was made.

2_The MTB figure included in the Actual Grant column shows the annual accrual.

3_Payout is capped at 200 % above grant price. The relevant share price used to determine the fair market value, and hence the final number of RSUs granted, and the 200 % cap are only available after sign-off by the external auditors.

4_The equity-related remuneration that applied before 2010 consisted of two vehicles, virtual stock awards known as RSUs and virtual stock options known as "Stock Appreciation Rights" (SAR). Only RSUs have been awarded as of 1 January 2010. The remuneration system valid until December 2009 is disclosed in the Annual Report 2009 (starting on page 17). Whereas the GEI/RSU grants are automatically exercised at the vesting date, the GEI/SAR grants are exercised by the Board member within the exercise period following the vesting date. Hence the total payout from SARs depends on the individual decision by the Board member. SARs are released to plan participants upon expiry of the vesting period, assuming all other exercise hurdles are met. For SARs granted until and including 2008, the vesting period was two years and the exercise period five years. SARs can be exercised on the condition that the price of the Allianz SE stock is at least 20 % above the strike price at the time of grant. During the term of the plan, at least once on five consecutive trading days the Allianz SE stock must relatively appreciate at least 0.01 percentage points ahead of the appreciation of the Dow Jones EURO STOXX Price Index (€00).

5_Pension service cost in accordance with IAS 19: represents the company cost not the actual entitlement nor a payment, however, according to the German Corporate Governance Code the Pension Service Cost is to be included in all columns.

Dr. Christof Mascher (Appointed: 09/2009)

2016	Grant			Actual grant 2017	Payout ¹	
	2017	2017	2017		2016	2017
Target	Target	Min	Max			
750	750	750	750	750	750	750
2	11	11	11	11	2	11
752	761	761	761	761	752	761
750	750	-	1,125	829	870	829
750	750	-	1,125	829	-	-
-	750	-	1,125	829	-	-
750	-	-	-	-	-	-
-	-	-	-	-	-	1,619
-	-	-	-	-	1,155	-
-	-	-	-	-	-	645
3,002	3,011	761	4,136	3,247	2,777	3,854
418	428	428	428	428	418	428
3,420	3,439	1,189	4,564	3,675	3,195	4,282

Dr. Günther Thallinger (Appointed: 01/2017)

2016	Grant			Actual grant 2017	Payout ¹	
	2017	2017	2017		2016	2017
Target	Target	Min	Max			
-	750	750	750	750	-	750
-	2	2	2	2	-	2
-	752	752	752	752	-	752
-	750	-	1,125	857	-	857
-	750	-	1,125	857	-	-
-	750	-	1,125	857	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	3,002	752	4,127	3,323	-	1,609
-	318	318	318	318	-	318
-	3,320	1,070	4,445	3,641	-	1,927

Dr. Dieter Wemmer (Appointed: 01/2012 - End of Service: 12/2017)

2016	Grant			Actual grant 2017	Payout ¹	
	2017	2017	2017		2016	2017
Target	Target	Min	Max			
750	750	750	750	750	750	750
15	46	46	46	46	15	46
765	796	796	796	796	765	796
750	750	-	1,125	866	954	866
750	750	-	1,125	866	-	-
-	750	-	1,125	866	-	-
750	-	-	-	-	-	-
-	-	-	-	-	-	1,843
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,015	3,046	796	4,171	3,395	1,719	3,505
479	499	499	499	499	479	499
3,494	3,545	1,295	4,670	3,894	2,198	4,005

Dr. Werner Zedelius (Appointed: 01/2002 - End of Service: 12/2017)⁶

2016	Grant			Actual grant 2017	Payout ¹	
	2017	2017	2017		2016	2017
Target	Target	Min	Max			
750	750	750	750	750	750	750
18	33	33	33	33	18	33
768	783	783	783	783	768	783
750	750	-	1,125	829	954	829
750	750	-	1,125	829	-	-
-	750	-	1,125	829	-	-
750	-	-	-	-	-	-
-	-	-	-	-	-	1,725
-	-	-	-	-	1,083	-
-	-	-	-	-	-	-
3,018	3,033	783	4,158	3,269	2,805	3,337
661	721	721	721	721	661	721
3,679	3,754	1,504	4,879	3,990	3,466	4,057

⁶ Dr. Werner Zedelius left the Allianz SE Board of Management upon his retirement effective 31 December 2017. According to his contract he receives a transition payment of € 937.5 thou. The payment is calculated based on the latest base salary, which is paid for a further six months starting 1 July 2018, and a final lump-sum payment of 25 % of the target variable remuneration. The payable pension takes into account the monthly payments over the six-month period. The lump-sum payment will be paid in spring 2019.

GERMAN ACCOUNTING STANDARD 17 DISCLOSURE

Under the German Accounting Standard 17, the total remuneration to be disclosed for 2017 (2016 in parenthesis) is defined differently as compared to the German Corporate Governance Code: It is composed of the base salary, perquisites, the annual bonus, and the fair value of the RSU grant, but excludes both the notional annual accruals of the MTB 2016 – 2018 and the pension service cost:

Oliver Bäte € 3,925(4,103) thou,
 Sergio Balbinot € 2,636(2,747) thou,
 Jacqueline Hunt € 2,613(1,423) thou,
 Dr. Helga Jung € 2,497(2,542) thou,
 Dr. Christof Mascher € 2,419(2,492) thou,
 Dr. Günther Thallinger € 2,466(-) thou,
 Dr. Axel Theis € 2,547(2,724) thou,
 Dr. Dieter Wemmer € 2,529(2,674) thou,
 Dr. Werner Zedelius € 2,441(2,677) thou.

The sum total of the remuneration of the Board of Management for 2017 – excluding the notional accruals of the MTB 2016 – 2018 as well as the pension service cost, as outlined above – amounts to € 24 mn (2016: € 26 mn). If pension service cost is included, the sum total is € 28 mn (2016: € 30 mn).

EQUITY-RELATED REMUNERATION

In accordance with the approach described earlier, in March 2018 a number of RSUs were granted to each member of the Board of Management, which will vest and be settled in 2022.

Grants, outstanding holdings, and equity compensation expense under the Allianz Equity Program

Board members	RSU		Equity compensation expense 2017 € thou ²
	Number of RSU granted on 2/3/2018 ¹	Number of RSU held at 31/12/2017 ¹	
Oliver Bäte	8,164	40,714	2,607
Sergio Balbinot	5,498	41,479	2,412
Jacqueline Hunt	5,443	3,417	291
Dr. Helga Jung	5,111	28,696	1,932
Dr. Christof Mascher	4,890	30,623	2,091
Dr. Günther Thallinger	5,056	11,517	834
Dr. Axel Theis	5,222	25,902	1,612
Dr. Dieter Wemmer	5,111	33,701	4,594
Dr. Werner Zedelius	4,890	33,311	4,560
Total	49,385	249,360	20,933

¹The relevant share price used to determine the fair market value, and hence the final number of RSUs granted, is only available after sign-off of the Annual Report by the external auditors, thus numbers are based on a best estimate. As disclosed in the Annual Report 2016, the equity-related grant in 2017 was made to participants as part of their 2016 remuneration. The disclosure in the Annual Report 2016 was based on a best estimate of the RSU grants. The actual grants deviated from the estimated values and have to be disclosed accordingly. The actual RSU grants as of 3 March 2017 under the Allianz Equity Incentive are as follows: Oliver Bäte: 11,038, Sergio Balbinot: 7,359, Jacqueline Hunt: 3,417, Dr. Helga Jung: 6,657, Dr. Christof Mascher: 6,516, Dr. Axel Theis: 7,289, Dr. Dieter Wemmer: 7,148, Dr. Werner Zedelius: 7,148.

²Grants of equity-related remuneration are accounted for as cash settled awards. The fair market value of the granted RSUs and SARs is remeasured at each reporting date and accrued, as a compensation expense, proportionately over the vesting and service period. Upon vesting, any subsequent changes in the fair value of the unexercised SARs are also recognized as a compensation expense.

PENSIONS

Company contributions for the current pension plan are set at 50% of the base salary, reduced by an amount covering the disability and death risk. They are invested in a fund and include a guarantee for the contributions paid, but no further interest guarantee (for members of the Board of Management who were born before 1 January 1958, the guaranteed minimum interest rate remains at 2.75% p.a.). For members with pension rights in the frozen defined-benefit plan,

the above contribution rates are reduced by 19% of the expected annual pension from that frozen plan. The Allianz Group paid € 4 mn (2016: € 5 mn) to increase reserves for pensions and similar benefits for active members of the Board of Management. As of 31 December 2017, reserves for pensions and similar benefits for active members of the Board of Management amounted to € 41 mn (2016: € 44 mn).

Individual pensions: 2017 and 2016

€ thou (total might not sum up due to rounding)

		Defined benefit pension plan (frozen)			Contribution-based pension plan (frozen) ¹		Current pension plan		AVK/APV ²		Transition payment ³		Total	
		Ex-pected annual pension pay-ment ⁴	SC ⁵	DBO ⁶	SC ⁵	DBO ⁶	SC ⁵	DBO ⁶	SC ⁵	DBO ⁶	SC ⁵	DBO ⁶	SC ⁵	DBO ⁶
Board of Management														
Oliver Bäte	2017	-	-	-	45	3,149	536	1,385	6	36	36	675	622	5,245
	2016	-	-	-	33	3,063	536	818	5	36	51	594	625	4,511
Sergio Balbinot	2017	-	-	-	14	28	357	961	3	6	-	1	374	995
	2016	-	-	-	5	39	357	582	2	4	-	1	365	626
Jacqueline Hunt	2017	-	-	-	-	-	317	472	-	-	-	-	317	472
	2016	-	-	-	-	-	159	159	-	-	-	-	159	159
Dr. Helga Jung	2017	62	59	1,429	19	1,863	345	924	8	204	-	-	431	4,421
	2016	62	54	1,347	12	1,813	345	558	8	159	-	-	420	3,878
Dr. Christof Mascher	2017	-	-	-	26	3,208	357	1,018	5	42	40	646	428	4,914
	2016	-	-	-	12	3,115	357	637	5	42	43	583	418	4,377
Dr. Günther Thallinger	2017	-	-	-	27	1,311	284	570	7	32	-	-	318	1,914
	2016	-	-	-	-	-	-	-	-	-	-	-	-	-
Dr. Axel Theis	2017	120	114	3,332	16	2,537	334	889	11	283	25	768	501	7,810
	2016	120	107	3,422	6	2,528	334	535	9	233	25	774	482	7,493
Dr. Dieter Wemmer	2017	-	-	-	497	2,339	-	-	2	11	-	-	499	2,350
	2016	-	-	-	477	1,832	-	-	2	10	-	-	479	1,842
Dr. Werner Zedelius	2017	225	221	6,711	466	5,671	-	-	11	246	23	716	721	13,344
	2016	225	207	6,385	431	5,090	-	-	9	222	14	678	661	12,375

1_The service cost of the frozen contribution-based pension plan reflects the continued death and disability cover.

2_Plan participants contribute 3% of their relevant salary to the AVK. For the AVK the minimum guaranteed interest rate is 2.75% - 3.50% depending on the date of joining Allianz. In general, the company funds the balance required via the APV. Before Allianz's founding of the APV in 1998, both Allianz and the plan participants were contributing to the AVK.

3_For details on the transition payment, see section "Termination of service". In any event a death benefit is included.

4_Expected annual pension payment at assumed retirement age (age 60), excluding current pension plan.

5_SC = service cost. Service costs are calculatory costs for the DBO related to the reported business year.

6_DBO = defined benefit obligation, end of year. The figures show the obligation for Allianz resulting from defined benefit plans, taking into account realistic assumptions with regard to interest rate, dynamics, and biometric probabilities.

In 2017, former members of the Board of Management and their dependents received remuneration and other benefits totaling € 8 mn (2016: € 7 mn), while reserves for current pension obligations and accrued pension rights totaled € 137 mn (2016: € 126 mn).

LOANS TO MEMBERS OF THE BOARD OF MANAGEMENT

As of 31 December 2017, there were no outstanding loans granted by Allianz Group companies to members of the Board of Management.

TERMINATION OF SERVICE

Board of Management contracts are limited to a period of five years. For new appointments a shorter period is typical, a practice in line with the German Corporate Governance Code.

Arrangements for termination of service including retirement are as follows:

1. Board members who were appointed before 1 January 2010, and who have served a minimum of five years, are eligible for a six-month transition payment after leaving the Board of Management.
2. Severance payments made to Board members in case of early termination comply with the German Corporate Governance Code.
3. Special terms – which are also in accordance with the German Corporate Governance Code – apply if a Board member's service ended as a result of a "change of control" (i.e., if a situation arises in which a shareholder of Allianz SE, acting alone or together with other shareholders, holds more than 50% of voting rights in Allianz SE).

Contracts do not contain provisions for any other cases of early termination of Board of Management service.

Board members who were appointed before 1 January 2011 are eligible to continue using a company car for up to one year after retirement.

TERMINATION OF SERVICE – DETAILS OF THE PAYMENT ARRANGEMENTS

Transition payment (appointment before 1 January 2010)

Board members who receive a transition payment are subject to a six-month non-compete clause.

The transition payment comprises an amount corresponding to the most recent base salary, covering a period of six months, plus 25% of the target variable remuneration at the notice date. A Board member with a base salary of € 750 thou would receive a maximum of € 937.5 thou.

Where an Allianz pension is immediately payable, transition payment amounts are offset against it.

Severance payment cap

Payments for early termination to Board members with a remaining term of contract of more than two years are capped at twice the annual compensation – whereby the annual compensation:

1. is determined based on the previous year's annual base salary plus 50% of the target variable remuneration (annual bonus, annualized MTB, and equity-related remuneration: For a Board member with a fixed base salary of € 750 thou, the annual compensation would amount to € 1,875 thou. Hence, he/she would receive a maximum severance payment of € 3,750 thou) and
2. shall not exceed the latest year's actual total compensation.

If the remaining term of contract is less than two years, the payment is pro-rated according to the remaining term of the contract.

Change of control

In case of early termination as a result of a change of control, severance payments made to Board members generally amount to three times the annual compensation (as defined above) and shall not exceed 150% of the severance payment cap. A Board member with a base salary of € 750 thou would receive a maximum of € 5,625 thou.

MISCELLANEOUS

INTERNAL AND EXTERNAL BOARD APPOINTMENTS

When a member of the Board of Management simultaneously holds an appointment at another company within the Allianz Group, the full amount of the respective remuneration is transferred to Allianz SE. In recognition of related benefits to the organization, Board of Management members are also allowed to accept a limited number of non-executive supervisory roles in appropriate external organizations. In these cases, 50% of the remuneration received is paid to Allianz SE. Only if the Allianz SE Supervisory Board classifies the appointment as a personal one will the respective Board member retain the full remuneration for that position. Any remuneration paid by external organizations will be itemized in those organizations' annual reports; its level is determined by the governing body of the relevant organization.

OUTLOOK FOR 2018

The remuneration of the two new regular members of the Board of Management, Niran Peiris and Giulio Terzariol, have been set at the same level as for the other regular members of the Board of Management.

Based on the yearly adequacy test, the Allianz SE Supervisory Board agreed to an increase of the base salary of Oliver Bäte, in line with the well-established approach at Allianz, from € 1,125 thou to € 1,312.5 thou – i.e., from 1.5 times to 1.75 times of a regular Board member. The target values of his variable components increase accordingly with his total target compensation resulting in € 5,250 thou.

Remuneration of the Supervisory Board

The remuneration of the Supervisory Board is governed by the Statutes of Allianz SE and the German Stock Corporation Act. The structure of the Supervisory Board's remuneration is regularly reviewed with regard to its compliance with German, European, and international corporate governance recommendations and regulations.

REMUNERATION PRINCIPLES

- Set total remuneration at a level both aligned with the scale and scope of the Supervisory Board's duties and appropriate in view of the company's activities and its business and financial situation.
- Establish a remuneration structure that takes into account the individual functions and responsibilities of Supervisory Board members, such as chair, vice chair, or committee mandates.
- Establish a remuneration structure that allows proper oversight of business as well as independent decisions on executive personnel and remuneration.

REMUNERATION STRUCTURE AND COMPONENTS

The remuneration structure, which comprises fixed and committee-related remuneration only, was approved by the Annual General Meeting in 2011 and is laid down in the Statutes of Allianz SE.

FIXED ANNUAL REMUNERATION

The remuneration of a Supervisory Board member consists of a fixed cash amount paid after the end of each business year for services rendered over that period. In 2017, as in 2016, each regular Supervisory Board member received a fixed compensation amounting to € 100 thou per year. Each Vice Chairperson received € 150 thou, the Chairperson received € 200 thou.

COMMITTEE-RELATED REMUNERATION

The Chairperson and members of the Supervisory Board committees receive additional committee-related remuneration. The committee-related remuneration is as follows:

Committee-related remuneration

€ thou

Committee	Chair	Member
Personnel Committee, Standing Committee, Risk Committee, Technology Committee	40	20
Audit Committee	80	40

ATTENDANCE FEES AND EXPENSES

In addition to the fixed and committee-related remuneration, members of the Supervisory Board receive an attendance fee of € 750 for each Supervisory Board or committee meeting they attend. Should several meetings be held on the same or consecutive days, the attendance fee will only be paid once. In addition, Allianz SE reimburses the Supervisory Board members for their out-of-pocket expenses and the VAT payable on their Supervisory Board service. The Company provides insurance coverage and technical support to the Supervisory Board members to an extent reasonable for carrying out the Supervisory Board duties.

REMUNERATION FOR 2017

The total remuneration for all Supervisory Board members, including attendance fees, amounted to € 2,179 thou (2016: € 2,025 thou). The following table shows the individual remuneration for 2017 and 2016:

Individual remuneration: 2017 and 2016

€ thou (total might not sum up due to rounding)

Members of the Supervisory Board	Committees ¹							Fixed remuneration	Committee remuneration	Attendance fees	Total remuneration
	A	N	P	R	S	T					
Michael Diekmann ² (Chairman)	M	C	C	C	C	M	2017	133.3	120.0	3.7	257.0
							2016	-	-	-	-
Dr. Helmut Perlet ³ (Chairman)	M	C	C	C	C		2017	83.3	66.6	2.3	152.2
	M	C	C	C	C		2016	200.0	160.0	6.7	366.7
Dr. Wulf H. Bernotat ⁴ (Vice Chairman)	C				M		2017	62.5	41.7	2.2	106.4
	C				M		2016	150.0	100.0	4.5	254.5
Jim Hagemann Snabe (Vice Chairman)	M ⁵	M			M ⁶	C	2017	133.3	56.7	4.5	194.5
	M	M					2016	100.0	40.0	5.2	145.2
Rolf Zimmermann (Vice Chairman)			M		M ⁷	M	2017	150.0	41.7	4.5	196.2
			M		M		2016	150.0	40.0	4.5	194.5
Dante Barban ⁸				M			2017	41.7	8.3	3.0	53.0
				M			2016	100.0	20.0	4.5	124.5
Sophie Boissard ⁹	M						2017	66.7	26.7	3.7	97.1
							2016	-	-	-	-
Christine Bosse		M ¹⁰		M ¹¹			2017	100.0	28.3	4.5	132.8
			M	M			2016	100.0	40.0	4.5	144.5
Gabriele Burkhardt-Berg					M	M	2017	100.0	33.3	3.8	137.1
					M		2016	100.0	20.0	4.5	124.5
Jean Jacques Cette	M						2017	100.0	40.0	5.3	145.3
	M						2016	100.0	40.0	6.0	146.0
Dr. Friedrich Eichiner ¹²	C ¹³			M		M	2017	100.0	86.7	6.0	192.7
				M			2016	66.6	13.3	2.2	82.1
Martina Grundler ¹⁴	M						2017	100.0	40.0	5.3	145.3
	M						2016	75.0	26.6	4.5	106.1
Herbert Hainer ¹⁵			M		M		2017	66.7	26.7	3.0	96.4
							2016	-	-	-	-
Godfrey Robert Hayward ¹⁶				M			2017	66.7	13.3	3.0	83.0
							2016	-	-	-	-
Prof. Dr. Renate Köcher ¹⁷		M			M		2017	41.7	8.3	2.2	52.2
		M			M		2016	100.0	20.0	3.7	123.7
Jürgen Lawrenz				M	M ¹⁸		2017	100.0	33.3	4.5	137.8
				M			2016	100.0	20.0	4.5	124.5
Total¹⁹							2017	1,445.9	671.7	61.5	2,179.0
							2016	1,408.2	558.2	58.5	2,025.2

Legend: C = Chairperson of the respective committee, M = Member of the respective committee

1_Abbreviations: A - Audit, N - Nomination, P - Personnel, R - Risk, S - Standing, T - Technology

2_Since 7 May 2017

3_Until 6 May 2017

4_Until 3 May 2017

5_Until 3 May 2017

6_Since 3 May 2017

7_Until 3 May 2017

8_Until 3 May 2017

9_Since 3 May 2017

10_Since 3 May 2017

11_Until 3 May 2017

12_Since 4 May 2016

13_Since 3 May 2017

14_Since 1 April 2016

15_Since 3 May 2017

16_Since 3 May 2017

17_Until 3 May 2017

18_Since 3 May 2017

19_The total reflects the remuneration of the full Supervisory Board in the respective year.

REMUNERATION FOR MANDATES IN OTHER ALLIANZ COMPANIES AND FOR OTHER FUNCTIONS

As remuneration for her membership in the Supervisory Board of Allianz Deutschland AG, Ms. Gabriele Burkhardt-Berg received € 61.8 thou for the financial year 2017. Mr. Jürgen Lawrenz did not receive any remuneration for his service on the Supervisory Board of Allianz Technology SE. All current employee representatives of the Supervisory Board except for Ms. Martina Grundler are employed by Allianz Group companies and receive a market-based remuneration for their services.

LOANS TO MEMBERS OF THE SUPERVISORY BOARD

As of 31 December 2017, there was one outstanding loan granted to a member of the Allianz SE Supervisory Board by an Allianz Group company. It is an € 80 thou mortgage loan from Allianz Bank, granted at the normal market interest rate in 2010, with an overall duration of ten years.