

Analyst conference call

Perseverance



February 2021

Please note:
presentations based on 2020 preliminary figures

Allianz Investor Relations App

Apple App Store

Google Play Store





AGENDA

A

CEO ASSESSMENT AND OUTLOOK

OLIVER BÄTE

B

GROUP FINANCIAL RESULTS 2020

GIULIO TERZARIOL

GLOSSARY

DISCLAIMER

Analyst conference call

CEO assessment and outlook

Oliver Bäte
Chief Executive Officer

February 2021



Allianz 

The Allianz logo, consisting of the word 'Allianz' in a bold, dark blue sans-serif font, followed by the Allianz logo symbol: a dark blue circle containing three vertical bars of varying heights.



Content

**Overview
2020**

**Our
stake-
holders**

**Targets
and
outlook**



Resilient performance in an unprecedented year

Key figures
2020 (EUR)

140bn

Revenues

10.8bn

Operating profit

6.8bn

Shareholders'
net income

9.60

Dividend
per share¹

207%

Solvency II ratio

11.4%

Return on
equity²

-1.3bn

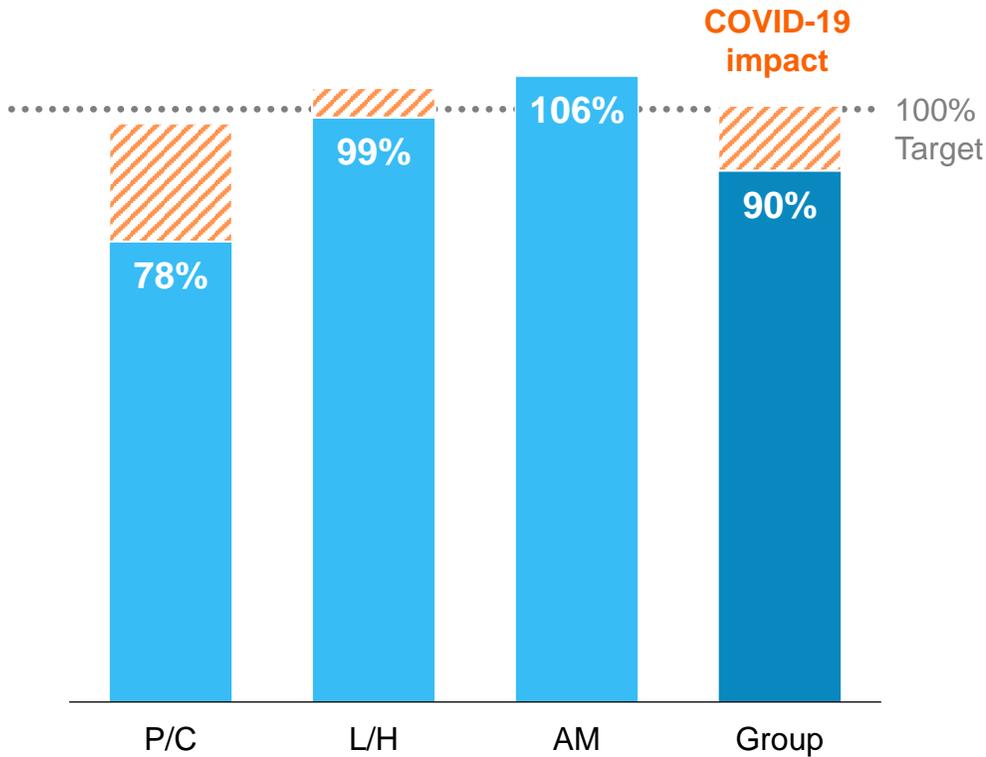
COVID-19
OP impact

1) Proposal
2) For definition of RoE calculation see glossary

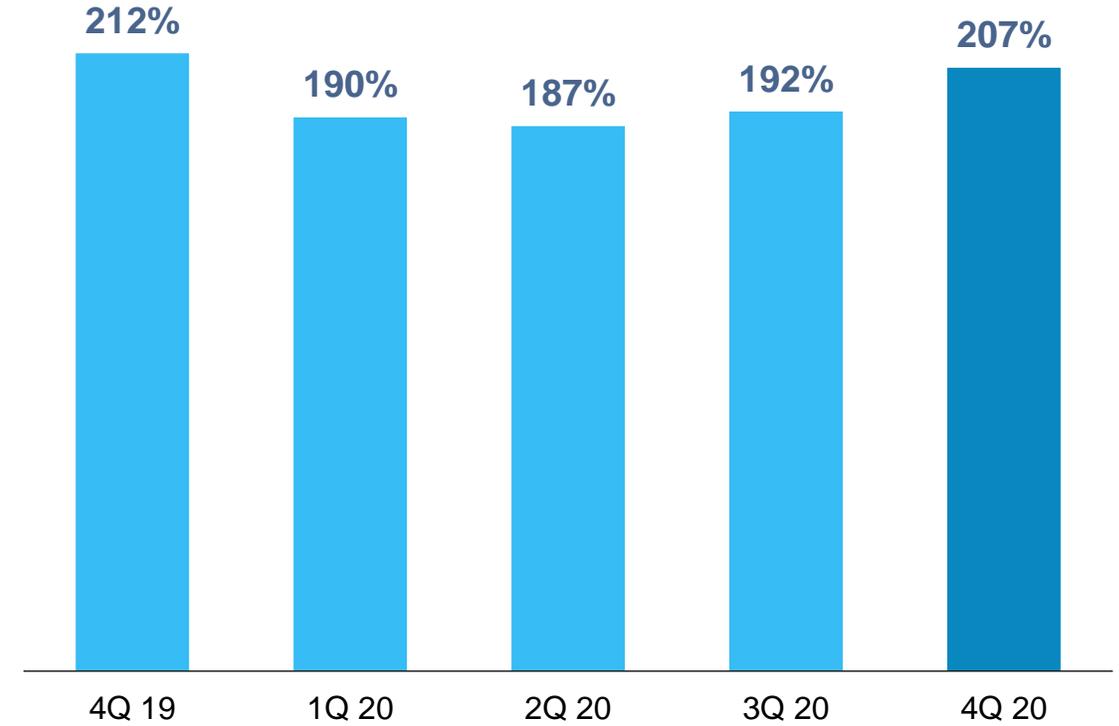


Diversified business model and strong capitalization pay off

Operating profit target achievement



Solvency II ratio¹



1) Before transitionals; 4Q 2020 SII ratio including transitionals at 240%



Shareholders – attractive investment

Attractive dividend



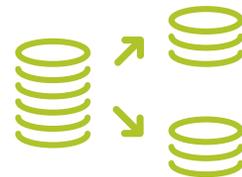
4.0bn

>700,000 shareholders
(+22%)

EUR 9.60 dividend per share¹
with 58% payout ratio

5% dividend yield²

Disciplined capital allocation



2.8bn

EUR 7.3bn cash received
from operating entities

EUR ~2bn invested
in external growth³

EUR 0.75bn share buyback
with 1.2% EPS accretion

Solid total shareholder return



+6.4%-p

Total shareholder return 2020
-2.5% due to COVID-19

+6.4%-p better than
STOXX Insurance 600

5-year total shareholder
return of 9.3% p.a.

1) Proposal
2) Based on share price at year-end 2020

3) E.g. Taikang, SulAmérica, ControlExpert, BBVA cooperation



Customers – reliable partner

High customer satisfaction



79%

79% of Allianz businesses with Net Promoter Score (NPS) above market

60% of Allianz businesses are loyalty leaders

>100mn customers¹

Leading brand



#1

Number one insurance brand globally²

Among top forty best global brands across all industries

Worldwide Olympic and Paralympic insurance partner for the next eight years

Substantial benefits



77 bn

EUR 32bn property-casualty claims paid

EUR 21bn life/health benefits paid

EUR 24bn distribution to 3rd party asset management customers

1) Insurance only, including non-consolidated entities with Allianz customers

2) Source: Interbrand Best Global Brands Ranking 2020



Employees – key strength

Clear purpose



150thou

>150,000 employees worldwide with a clear purpose:

“We secure your future”

We give courage to our customers for what’s ahead and strive to do it right – with passion, every day

Strong engagement



78%

Inclusive Meritocracy Index (IMIX) up 5%-p to 78%, ahead of 2021 ambition (73%)

Employee Engagement Index (EEI) up 6%-p to 78%

Work Well Index (WWi+) up 4%-p to 70%

Modern tools



90%

>1,600 sites across the globe connected via proprietary Allianz Global Network (AGN)

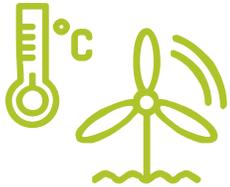
>112,000 employees provided with centrally administered Allianz Virtual Client (AVC)

Result: >90% of employees could work safely and fully operational from home



Society – active responsibility

Environment



0%

-25% emissions for selected asset classes in the portfolio of customer funds by 2025¹

-30% climate gases from own operations by 2025¹

“Net-zero” commitment for proprietary investments and operations by 2050

Social



>5bn

EUR >5bn taxes borne by Allianz

Agreements with governments to secure credit underwriting during crisis

Access to global e-learning platform for 95% of employees by 2021

Governance



#1

Most shareholder-friendly DAX 30 board of management remuneration system²

Upgrade of ESG department and proposal for supervisory board sustainability committee

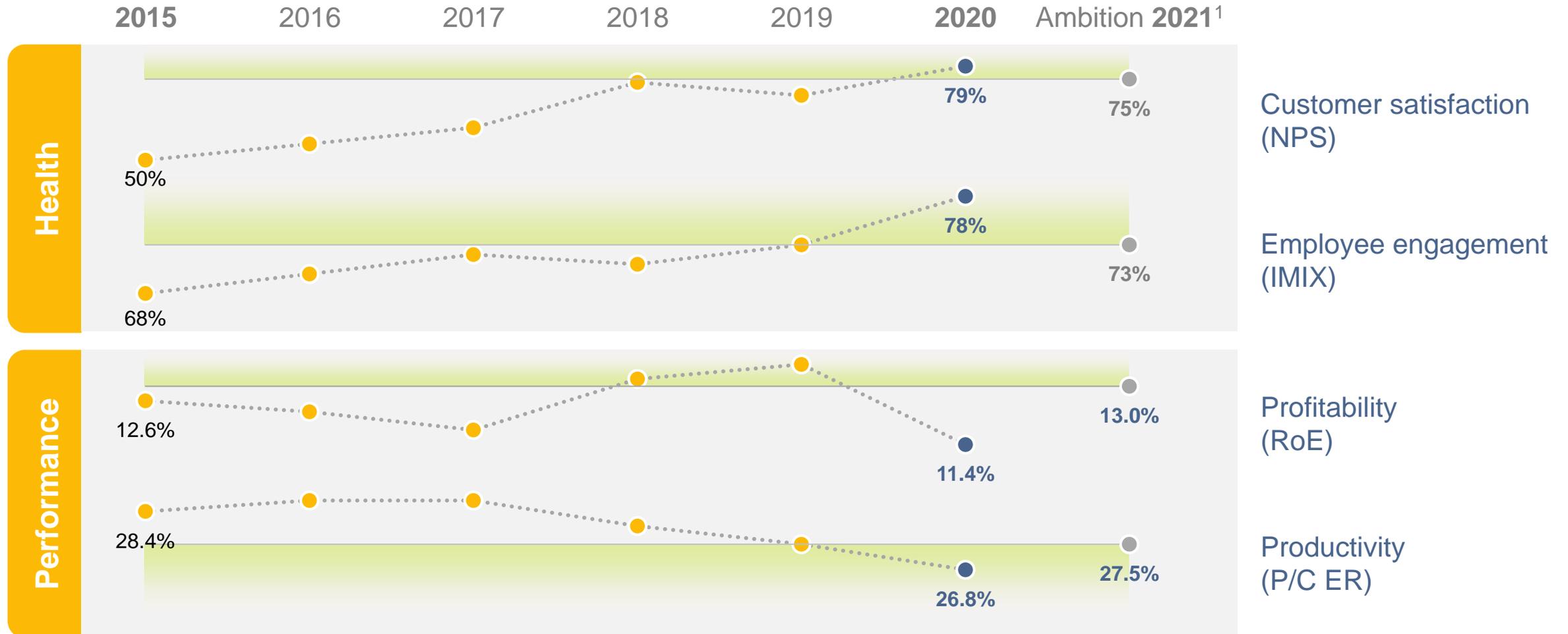
Productivity reward increases share of employee stockholders to >50%

1) Compared to 2019

2) Source: Euroshareholders and Deutsche Schutzvereinigung für Wertpapierbesitz (DSW)



Continuous improvement of “health” and performance



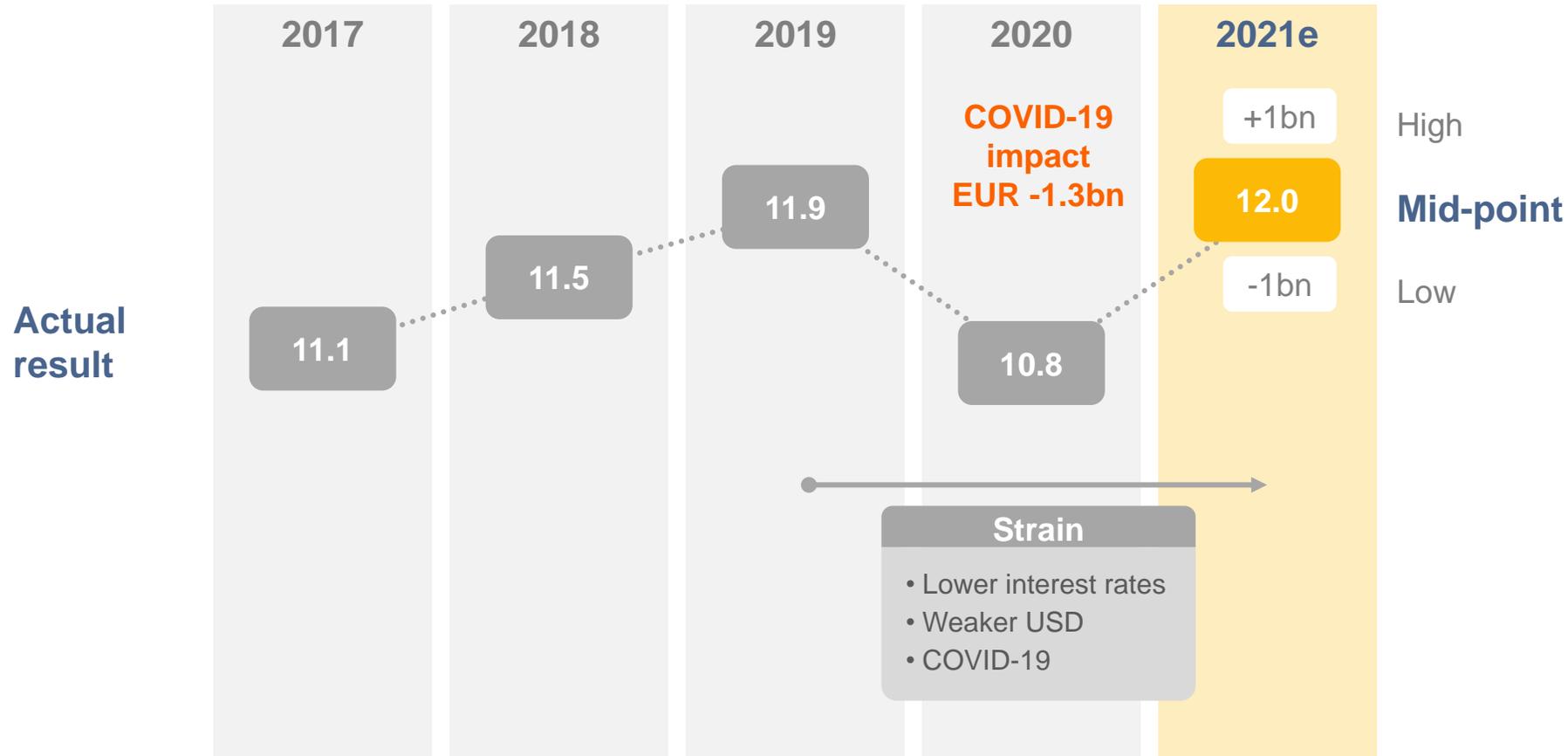
Reported numbers have been retrospectively restated, if appropriate

1) Ambition set in 2018 for 2021



Ambition 2021 – back to strong profitability

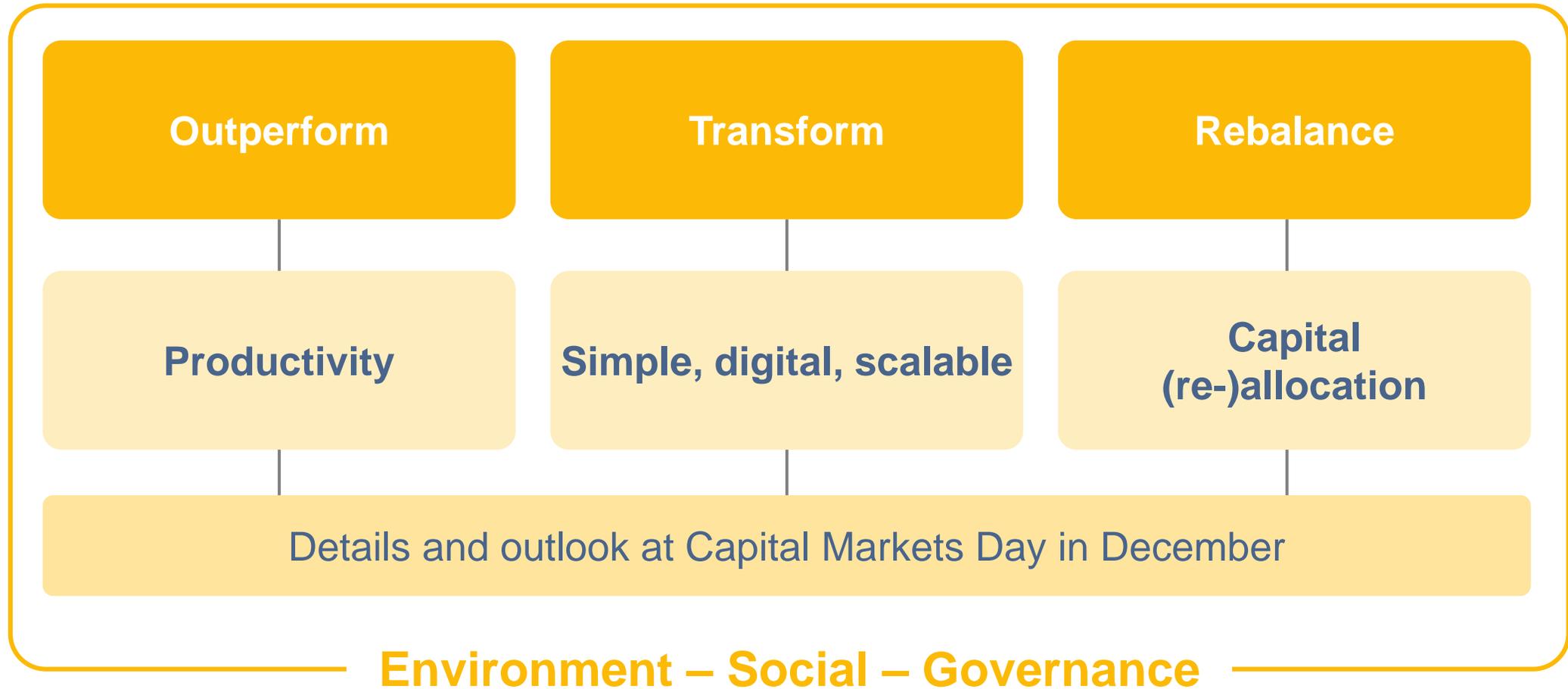
(in EUR bn)



Disclaimer:
Impact from NatCat, financial markets, F/X and global economic development not predictable!



Our strategic priorities – unchanged for 2021



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Analyst conference call

Group financial results 2020

Giulio Terzariol
Chief Financial Officer

February 2021



CONTENT

1

HIGHLIGHTS

2

ADDITIONAL INFORMATION



B



Group: 4Q operating profit strong at EUR 3.0bn

 COVID-19 impact

Group	Property-Casualty	Life/Health	Asset Management
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Total revenues 4Q 20 in EUR bn (internal growth vs. prior year in %)

35.6 (+1.5%)	12.7 (-3.5%)	20.9 (+3.9%)	2.1 (+7.7%)
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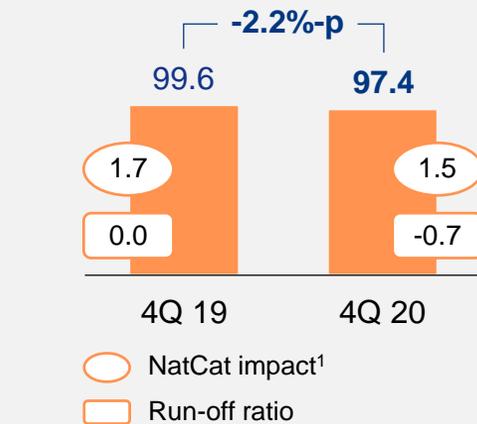
Operating profit 4Q 20 in EUR mn (vs. prior year in %)

2,975 (+8.2%) 0.0bn	881 (+2.4%) -0.2bn	1,429 (+10.1%) +0.2bn	857 (+14.2%)
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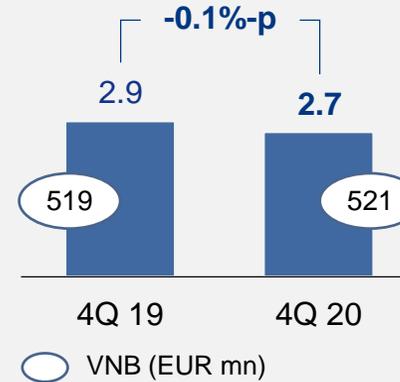
Shareholders' net income
(in EUR mn)



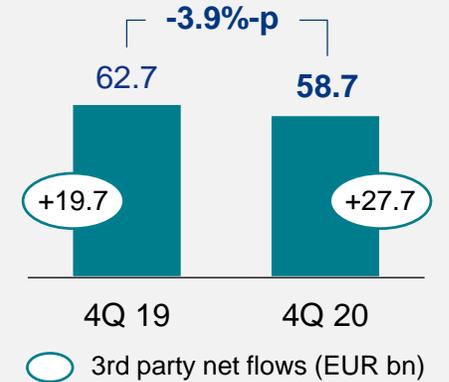
Combined ratio
(in %)



New business margin
(in %)



Cost-income ratio
(in %)



1) NatCat costs (without reinstatement premiums and run-off)



Group: 4Q operating profit strong at EUR 3.0bn



Comments

- **Revenues return to growth path**
Internal growth at 1.5%. Good internal growth in AM (+7.7%) and L/H (+3.9%). Internal growth in P/C (-3.5%) mainly driven by Allianz Partners and Euler Hermes. Consolidation (+1.7%) and F/X (-3.0%) lead to total revenue growth of +0.3%.
- **All segments contribute to operating profit growth**
Double-digit profit growth in L/H and AM supports total operating profit growth of 8.2%. P/C operating profit below expectations due to reserve strengthening at AGCS, but slightly above prior year.
- **Shareholders' net income down 2.2%**
Improved operating profit (Δ EUR +0.2bn) is more than offset by non-operating result (Δ EUR -0.3bn) which includes EUR 0.3bn restructuring expenses. Tax ratio stable at 27%.
- **P/C – AGCS reserve strengthening**
Operating profit at EUR 881mn, impacted by COVID-19 (EUR -0.2bn) and reserve strengthening at AGCS (EUR -0.3bn). Improvement in underlying underwriting performance is largely offset by a lower 'other' result (Δ EUR -0.2bn/positive one-off in 4Q 2019).
- **L/H – very good result**
Investment margin strong at 33bps (+4bps) supported by a favorable result from net harvesting and other. Negative 9M 2020 COVID-19 impact partially reversed. NBM good at 2.7%. New business volume up 5.1%. VNB stable at EUR 521mn.
- **AM – strong performance**
EUR 28bn 3rd party net inflows. Operating profit increases by 14.2% to EUR 857mn due to higher revenues and F/X driven expense reductions.
- **CO – in line with expectations**
Operating loss at EUR -197mn.



Group: resilient performance in 2020

-1.3bn COVID-19 impact

Group	Property-Casualty	Life/Health	Asset Management
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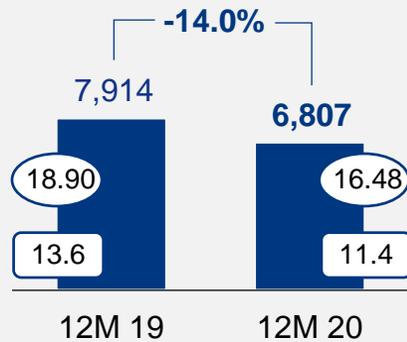
Total revenues 12M 20 in EUR bn (internal growth vs. prior year in %)

140.5 (-1.8%)	59.4 (-1.5%)	74.0 (-2.6%)	7.3 (+3.6%)
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Operating profit 12M 20 in EUR mn (vs. prior year in %)

10,751 (-9.3%) -1.3bn	4,371 (-13.4%) -1.1bn	4,359 (-7.4%) -0.2bn	2,853 (+5.5%)
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Shareholders' net income
(in EUR mn)



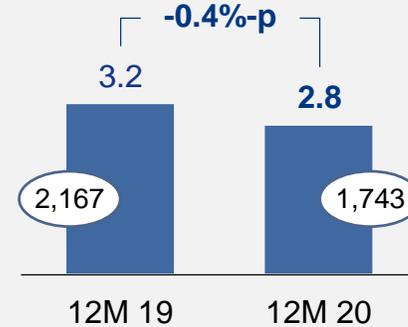
○ EPS (in EUR)
□ RoE (in %)

Combined ratio
(in %)



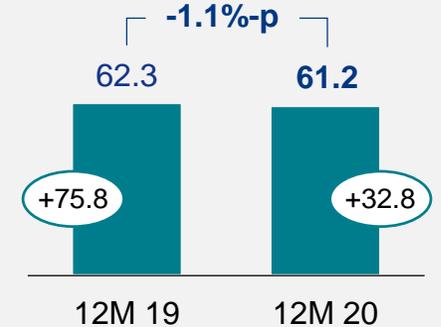
○ NatCat impact¹
□ Run-off ratio

New business margin
(in %)



○ VNB (EUR mn)

Cost-income ratio
(in %)



○ 3rd party net flows (EUR bn)

1) NatCat costs (without reinstatement premiums and run-off)



Group: resilient performance in 2020



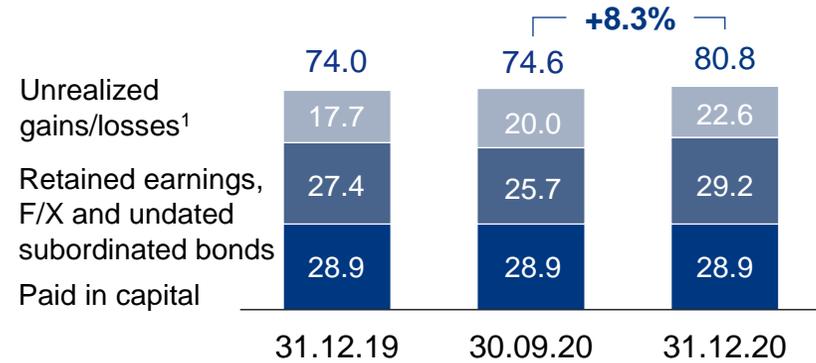
Comments

- Revenues affected by COVID-19**
 -1.8% internal growth. Negative internal growth in P/C (-1.5%) driven by Allianz Partners and Euler Hermes. L/H internal growth (-2.6%) impacted by lower volumes in the U.S. and Germany. Healthy internal growth in AM (+3.6%) is volume driven. Consolidation (+1.6%) and F/X (-1.2%) lead to total revenue growth of -1.3%.
- COVID-19 impact on OP estimated at EUR -1.3bn**
 Deviation of operating profit from initial target range mid-point of EUR 12.0bn driven by negative COVID-19 impact.
- Shareholders' net income down 14.0%**
 Decline driven by lower operating profit (Δ EUR -1.1bn) and decrease in non-operating profit (Δ EUR -0.4bn).
- EUR 750mn share buy-back**
 4.9mn shares acquired representing 1.2% of issued capital. Number of issued shares at 412.3mn.
- P/C – a challenging year**
 Operating profit at EUR 4.4bn. Decline driven by underwriting result (Δ EUR -0.4bn) and investment income (Δ EUR -0.3bn). CR deterioration from COVID-19 (Δ ~+2%-p) and lower run-off (Δ +1.2%-p) is partly offset by a better ER (Δ -0.7%-p) and an improved underlying LR.
- L/H – strong performance**
 OP at EUR 4.4bn, supported by resilient investment margin of 86bps. OP decline driven by deconsolidation of Allianz Popular (Δ EUR -0.1bn) and a less favorable result from change in DAC. NBM good at 2.8%. New business volume down by 8.3%. VNB declines 19.6%.
- AM – asset growth drives operating profit**
 Higher average 3rd party AuM drive operating profit increase of 5.5%. Strong 3rd party net inflows in 2Q-4Q and more than EUR 100bn during the last two years.
- CO – within expected range**
 Higher operating loss mainly due to lower investment income and contribution to a COVID-19 solidarity fund.

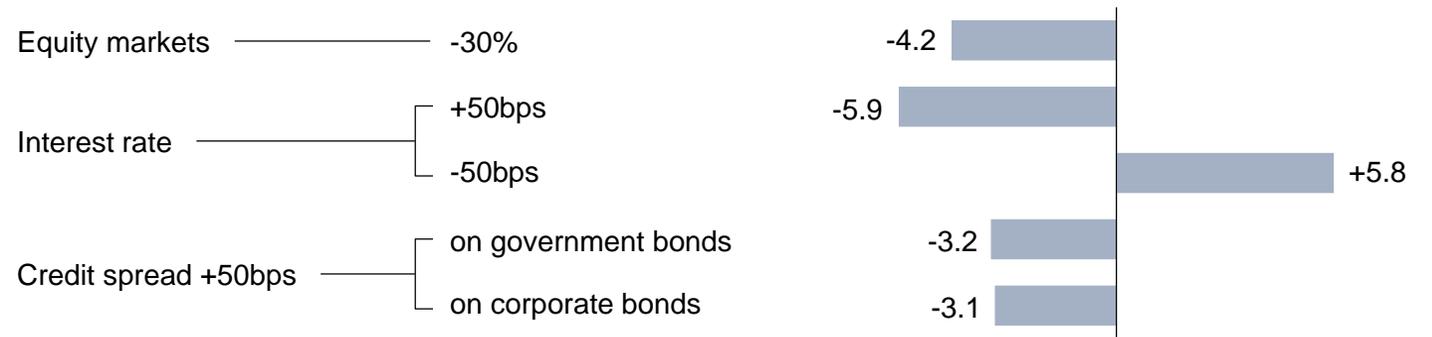


Group: strong capitalization

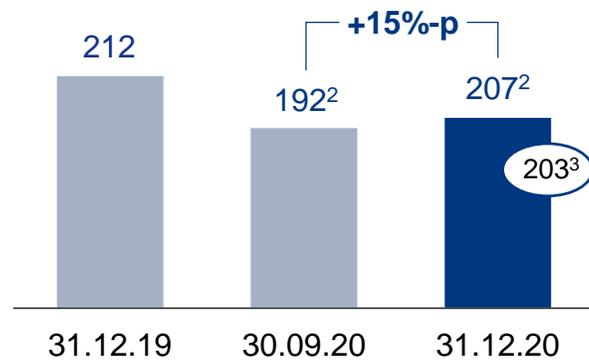
Shareholders' equity (EUR bn)



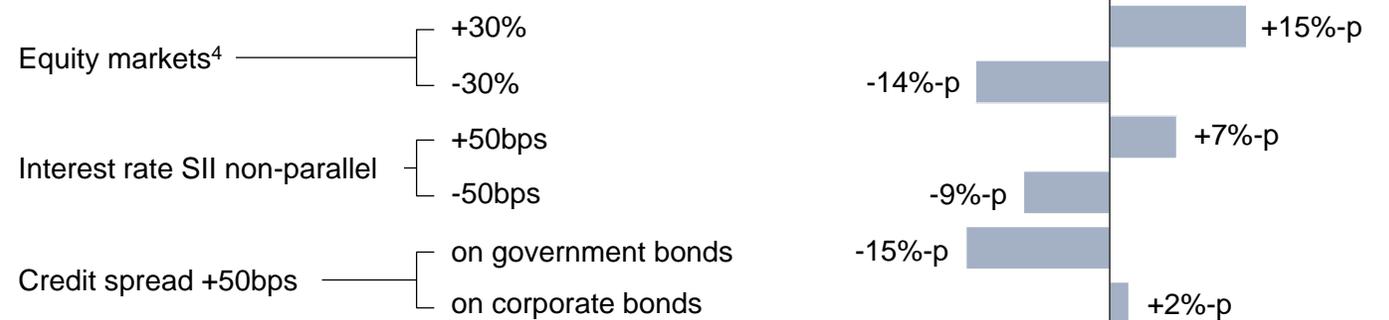
Key sensitivities (EUR bn)



SII capitalization (in %)



Key sensitivities



1) Off-balance sheet unrealized gains on real estate, associates and joint ventures attributable to the shareholders amount to EUR 4.5bn as of 31.12.19, EUR 4.6bn as of 30.09.20 and EUR 4.8bn as of 31.12.20
 2) Including the application of transitional measures for technical provisions, the Solvency II capitalization ratio amounted to 224% as of 30.09.20 and to 240% as of 31.12.20

3) Considering RT1 redemption in 1Q 21
 4) If stress applied to traded equities only, sensitivities would be +8%-p/-6%-p for a +/-30% stress



Group: strong capitalization



Comments

- **Shareholders' equity**

In FY 2020, shareholders' equity increases by EUR 6.8bn. Drivers are

- + s/h net income (EUR +6.8bn)
- + net unrealized gains (EUR +5.0bn)
- + deeply subordinated RT1 debt (EUR +2.3bn)
- dividend paid (EUR -4.0bn)
- F/X (EUR -2.2bn)
- share buy-back (EUR -0.8bn)

- **SII sensitivities**

Sensitivities are broadly unchanged compared to 3Q 2020; credit spread sensitivity on government bonds slightly up.

In a combined stress scenario, we estimate an additional impact due to cross effects of \sim -10%-p compared to the sum of the individual sensitivities.

- **SII ratio – at a strong level**

Main drivers year-on-year are organic capital generation (\sim +23%-p, \sim +7%-p after tax and dividend), more than offset by adverse markets (-27%-p pre-tax).

Deducting RT1 capital to be redeemed in 1Q 2021, the SII ratio would amount to 203% end of FY 2020.

- **SII ratio – 4Q 2020 walk**

Main drivers from 192% to 207%: Subdebt issuance and cancellation of second tranche of share buy-back (+7%-p), markets (+5%-p after tax), model changes (+2%-p) and organic capital generation (\sim +1%-p after tax and dividend).

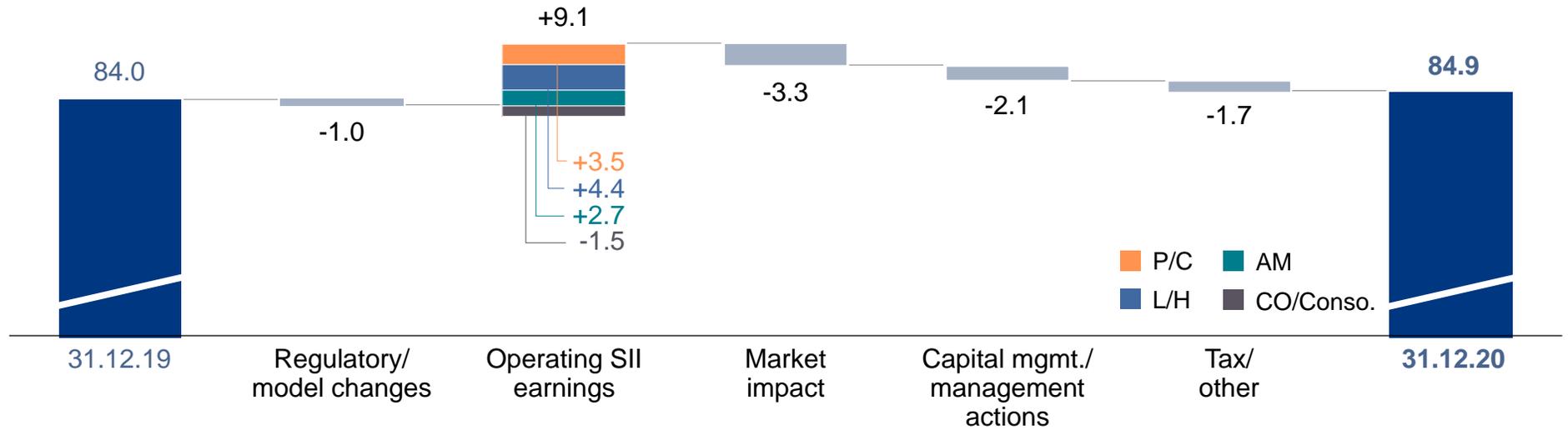
- **Transitionals**

Including transitionals, the Group SII ratio stands at 240%. Our general capital steering will continue to focus on the SII ratio excluding the application of transitional measures for technical provisions.



Group: Solvency II ratio at 207%

Own funds
(EUR bn)

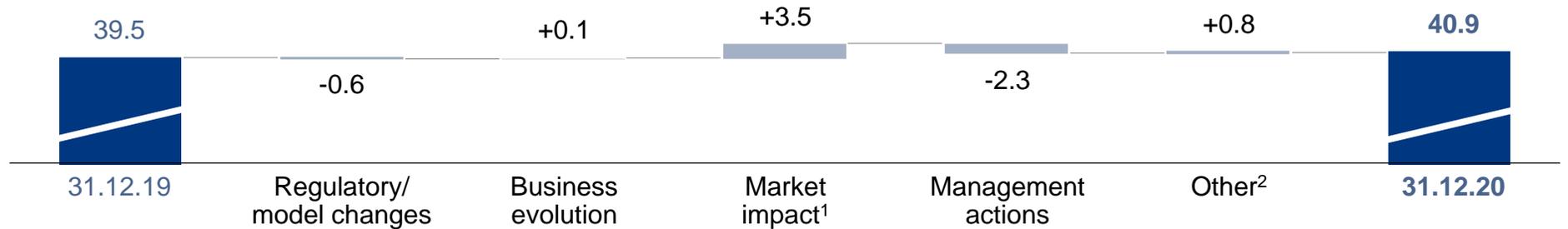


SII capitalization

○ Pre-tax operating capital generation



SCR
(EUR bn)



1) Including cross effects and policyholder participation
2) Other effects on SCR include diversification effects



Group: Solvency II ratio at 207%



Comments

- 23%-p SII capital generation pre-tax/dividend**
 SII capital generation – net of tax and dividend – amounts to ~+7%-p in FY 2020.
- Operating SII earnings**
 L/H and AM largely in line with IFRS results; P/C lower due to scope differences.
- Regulatory/model changes**
 OF: Decrease driven by lower UFR and model changes at Allianz Leben.
 SCR: Decrease driven by model changes introduced in 4Q 2020: Enhanced modelling of cross effects, equity volatilities, surplus funds, cash flows.
- Market impact**
 Negative market impact from COVID-19 in 1H 2020 could not be fully offset by market recovery in 2H 2020. Lower interest rates as crucial driver for adverse FY movement.
- Capital management/management actions**
 OF: Dividend accrual (EUR -4.0bn), share buy-back (EUR -0.8bn), SulAmérica/ControlExpert/BBVA (EUR -1.1bn); subdebt issuances (EUR +3.3bn).
 SCR: De-risking (reduced equity exposure, duration management, reinsurance); changed treatment of Allianz Seguros Brazil following SulAmérica acquisition.
- Tax/other**
 OF: Tax (EUR -1.1bn), restructuring charges (EUR -0.8bn).
 SCR: Calibration updates mainly in 1Q 2020.
- Outlook 2021**
 Redemption of subdebt in 1Q will lower SII ratio by ~4%-p. UFR decreases to 3.60% (up to -2%-p impact). Expected impact of Westpac transaction: -1%-p.
 We currently anticipate a capital generation net of tax and dividend of ~7%-p to 8%-p in 2021.



P/C: adjusted for COVID-19 internal growth positive

EUR mn		Revenues			YTD change on renewals	
		2020	Total growth Δ p.y.	Internal growth Δ p.y.	2020	Momentum
Total P/C segment		59,412	+0.4%	-1.5%	+5.4%	n.a.
Selected OEs	Germany	10,918	+1.7%	+1.6%	+2.4%	positive
	France	4,560	-1.0%	-1.0%	+0.6%	stable
	United Kingdom	4,522	+89.8%	-5.4%	+4.2%	positive
	Italy	3,794	-7.1%	-5.0%	-0.5%	negative
	Central and Eastern Europe	3,277	-2.7%	-0.6%	n.a.	n.a.
	Australia	3,059	-2.4%	+0.3%	+3.9%	positive
	Spain	2,315	-3.5%	-4.6%	+3.4%	stable
	Latin America	1,815	+0.9%	+9.8%	n.a.	n.a.
	Turkey	1,003	-6.3%	+17.1%	n.a.	n.a.
	Global lines	AGCS	9,339	+2.4%	+4.2%	+26.0%
Allianz Partners		5,336	-19.8%	-19.0%	-0.1%	stable
Euler Hermes		2,755	-7.9%	-7.0%	+6.1%	positive



P/C: adjusted for COVID-19 internal growth positive



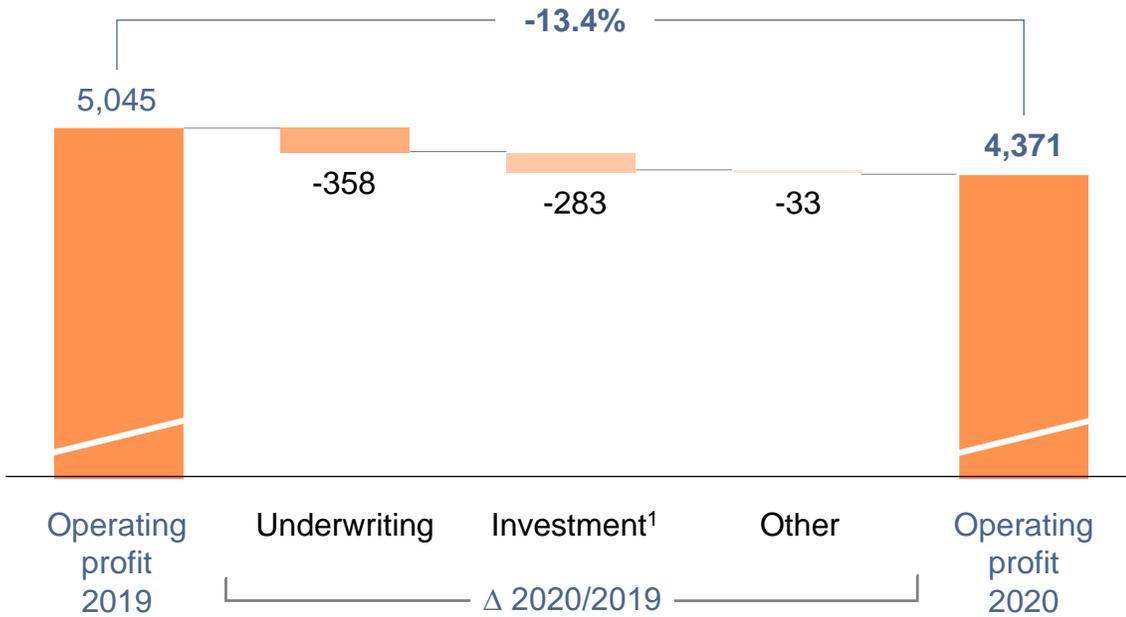
Comments

- Internal growth – driven by COVID-19**
 Lower volume due to COVID-19 negatively impacts internal growth, in particular at Allianz Partners and Euler Hermes. Consolidations (+3.7%, mainly LV GIG, LGIL and SulAmérica) and F/X (-1.8%) lead to total growth of +0.4%. Internal growth excl. Allianz Partners and Euler Hermes at +1.3%. Rate change on renewals +5.4% (9M 2020: +5.1%) driven by AGCS +26.0% (9M 2020: +25.0%) and Euler Hermes. Internal NPE growth at -2.7%.
- Germany – positive price effect**
 Retail motor and property main drivers.
- France – lower volume partly compensated by price**
 Mainly driven by commercial property and liability.
- UK – strong price effect more than offset by volume**
 Exit of selected corporate partnerships and lower volumes due to COVID-19. Total growth driven by LV GIG and LGIL consolidation.
- Italy – impacted by negative price effect**
 Top-line declines in MTPL (motor third party liability) and MidCorp.
- Australia – positive price effect partly offset by volume**
 Growth in property compensated by lower volume in motor.
- Spain – lower volume overcompensates price effect**
 Reduction in motor and personal lines partially offset by growth in commercial.
- Turkey – growth mainly driven by volume**
 Health and MOD (motor own damage) main growth drivers.
- AGCS – fronting and strong positive rate changes**
 Growth in fronting business and double-digit rate increases for all lines outweigh lower volume from strict portfolio cleaning (e.g. exit marine hull North America, MidCorp Canada and agri-business U.S.).
- Allianz Partners – lower GPW and service fees**
 Top-line in travel and assistance business strongly affected by travel restrictions and economic downturn due to COVID-19.
- Euler Hermes – price more than offset by volume**
 Impact from economic slowdown on policyholders' turnover drives top-line reduction. Rate change on renewals accelerates to +6.1% (9M 2020: +4.9%).



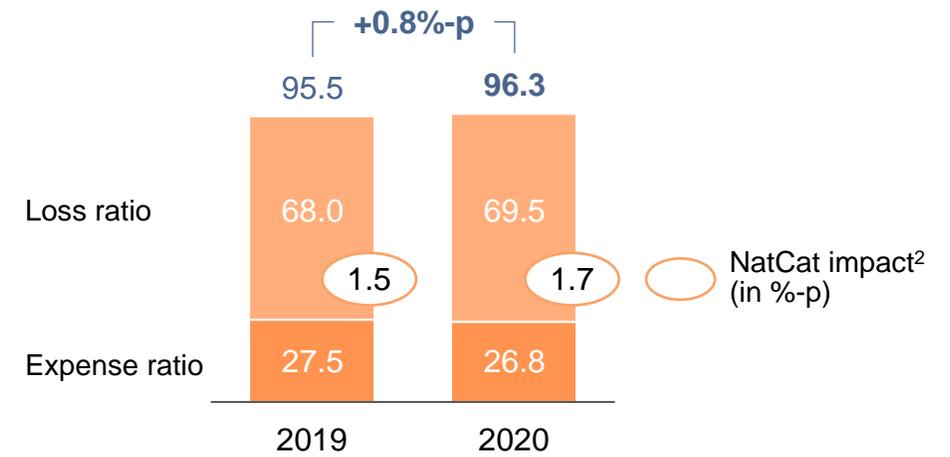
P/C: operating profit at EUR 4.4bn

Operating profit drivers (EUR mn)



2020	1,639	2,556	175
2019	1,997	2,840	208

Combined ratio (in %)



Run-off ratio (in %)



1) Including policyholder participation
 2) NatCat costs (without reinstatement premiums and run-off)



P/C: operating profit at EUR 4.4bn



Comments

- Operating profit materially impacted by COVID-19**
 Lower OP driven by underwriting and investment result. CR increases due to lower run-off and COVID-19-related effects (EUR ~-1.1bn). The latter mainly stems from business interruption (EUR ~-1.2bn), entertainment (EUR ~-0.4bn) and credit (EUR ~-0.4bn), partly compensated by lower frequency.
- AY loss ratio – good underlying performance**
 AY LR up +0.3%-p to 70.3%. Effects from COVID-19 (Δ ~+2%-p) almost offset by underlying improvements. Attritional LR (AY LR excl. NatCat) flat (68.6%/ Δ +0.1%-p).
- NatCat & weather – slightly higher than last year**
 NatCat losses of EUR 880mn/1.7% are above last year's level of EUR 771mn/1.5%, but below 10Y average of 2.0%. Weather related losses (excl. NatCat) of 1.3% are also slightly higher than in previous year (1.2%).

- Expense ratio – improved**
 Strong ER improvement of -0.7%-p. Productivity initiatives across numerous OEs pay off, supported by a lower share of high-commission business at Allianz Partners and a positive one-off in the UK. Normalized ER (excl. COVID-19 and one-off effects) at ~27%.
- Run-off – AGCS reserve strengthening**
 Reserve strengthening of EUR -0.3bn in 4Q 2020 at AGCS.
- 4Q 2020 – COVID-19 impact on OP at EUR ~-0.2bn**

	4Q 2019	4Q 2020	Δ
Attritional LR	69.8%	67.7%	-2.1%-p
NatCat	1.7%	1.5%	-0.2%-p
Run-off	0.0%	0.7%	+0.6%-p
ER	28.0%	27.5%	-0.5%-p
CR	99.6%	97.4%	-2.2%-p
Underwriting result (EUR mn)	-17	289	n.m.
Investment result (EUR mn)	714	607	-15.1%
Other result (EUR mn)	163	-14	n.m.
OP (EUR mn)	861	881	+2.4%



P/C: Global lines impacted by COVID-19

EUR mn

		Operating profit		Combined ratio		NatCat impact on CR	
		2020	Δ p.y.	2020	Δ p.y.	2020	Δ p.y.
Total P/C segment		4,371	-13.4%	96.3%	+0.8%-p	1.7%-p	+0.2%-p
Selected OEs	Germany	1,197	-5.2%	93.0%	+0.5%-p	1.3%-p	-2.0%-p
	France	440	+25.8%	94.9%	-3.1%-p	1.2%-p	-0.1%-p
	United Kingdom	330	+299.5%	91.2%	-7.6%-p	2.0%-p	+2.0%-p
	Italy	761	-6.1%	83.7%	+0.4%-p	1.1%-p	-0.1%-p
	Central and Eastern Europe	427	+6.5%	87.1%	-2.0%-p	0.5%-p	+0.4%-p
	Australia	128	-66.4%	99.3%	+8.1%-p	6.5%-p	+1.6%-p
	Spain	219	+193.5%	91.7%	-6.6%-p	0.3%-p	+0.3%-p
	Latin America	202	+31.7%	100.7%	-1.9%-p	0.0%-p	0.0%-p
	Turkey	142	+7.0%	99.5%	-4.1%-p	0.0%-p	0.0%-p
	Global lines	AGCS	-482	n.m. ¹	115.5%	+3.2%-p	4.0%-p
Allianz Partners		151	-37.4%	97.4%	+0.9%-p	0.0%-p	-0.0%-p
Euler Hermes		107	-77.4%	96.7%	+16.7%-p	–	–

1) In 2019 OP at AGCS was at EUR -284mn (Δ EUR -198mn).



P/C: Global lines impacted by COVID-19



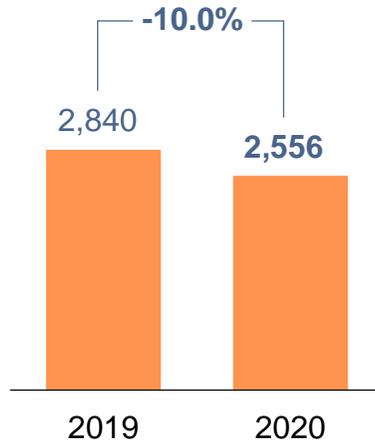
Comments

- * **Germany – CR on very good level**
 ER improvement ($\Delta -0.4\%-p$) more than offset by LR, due to COVID-19 related claims from business closure.
- **France – performance well improved**
 Lower CR supported by lower attritional LR and improved ER ($\Delta -0.7\%-p$).
- **UK – LV GIG consolidation and positive one-off**
 CR driven by LV GIG consolidation, lower frequency in motor as well as a positive one-off ($\sim -4\%-p$).
- **Italy – outstanding CR**
 Better AY LR, mainly from lower frequency in motor, more than offset by decrease in run-off. OP also affected by decline in investment result.
- **CEE – very strong CR**
 OP rises due to better LR and productivity gains, partly compensated by lower investment result.
- **Australia – NatCat and lower run-off**
 CR driven by lower run-off ($\Delta +3.0\%-p$), higher NatCat and negative one-off expenses ($\sim +2\%-p$).
- **Spain – strong profitability restored**
 Strong improvement driven by successful remediation and lower claims frequency. BBVA JV consolidated as of 4Q 2020.
- **LatAm – OP rises in Mexico, Brazil and Colombia**
 SulAmérica consolidation contributes EUR 25mn.
- **Turkey – very good performance**
 OP increases in a difficult market environment. Underlying LR and ER main drivers.
- **AGCS – COVID-19 and reserve strengthening**
 COVID-19 and adverse run-off more than offset improvements in underlying LR and ER. EUR -0.3bn reserve strengthening in 4Q driven by liability. CR target for 2021 at 98%.
- **Allianz Partners – lower top-line**
 Shortfall in NPE (-18.9%) and change in business mix impact OP and CR.
- **Euler Hermes – strongly impacted by COVID-19**
 Lower top-line and higher small to mid-sized claims. State support schemes adversely impact OP as well.

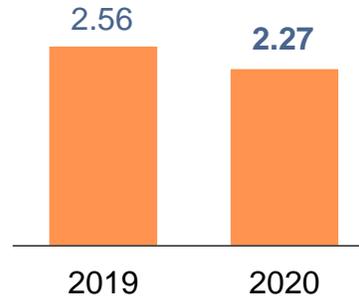


P/C: lower income from debt and equities

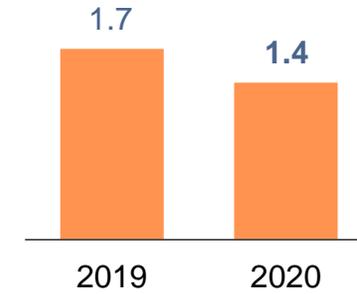
Operating investment result¹
(EUR mn)



Current yield
(debt securities; in %)



Economic reinvestment yield
(debt securities; in %)

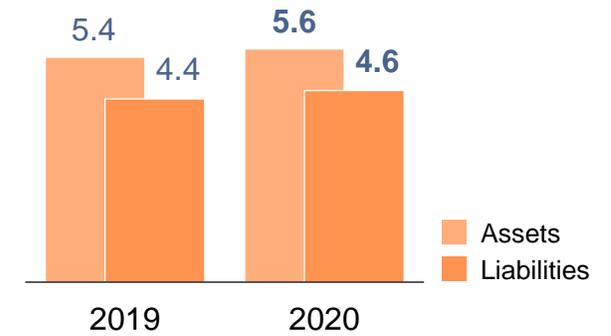


Interest & similar income ²	3,314	3,061	-252
Net harvesting and other ³	-48	-84	-36
Investment expenses	-426	-421	+5

Total average asset base⁴
(EUR bn)



Duration⁵



1) Including policyholder participation
 2) Net of interest expenses
 3) Other comprises fair value option, trading and F/X gains and losses, as well as policyholder participation

4) Asset base includes health business France, fair value option and trading
 5) The durations are based on a non-parallel shift in line with SII yield curves and scaled by Fixed Income assets. Data excludes internal pensions residing in the P/C segment.



P/C: lower income from debt and equities



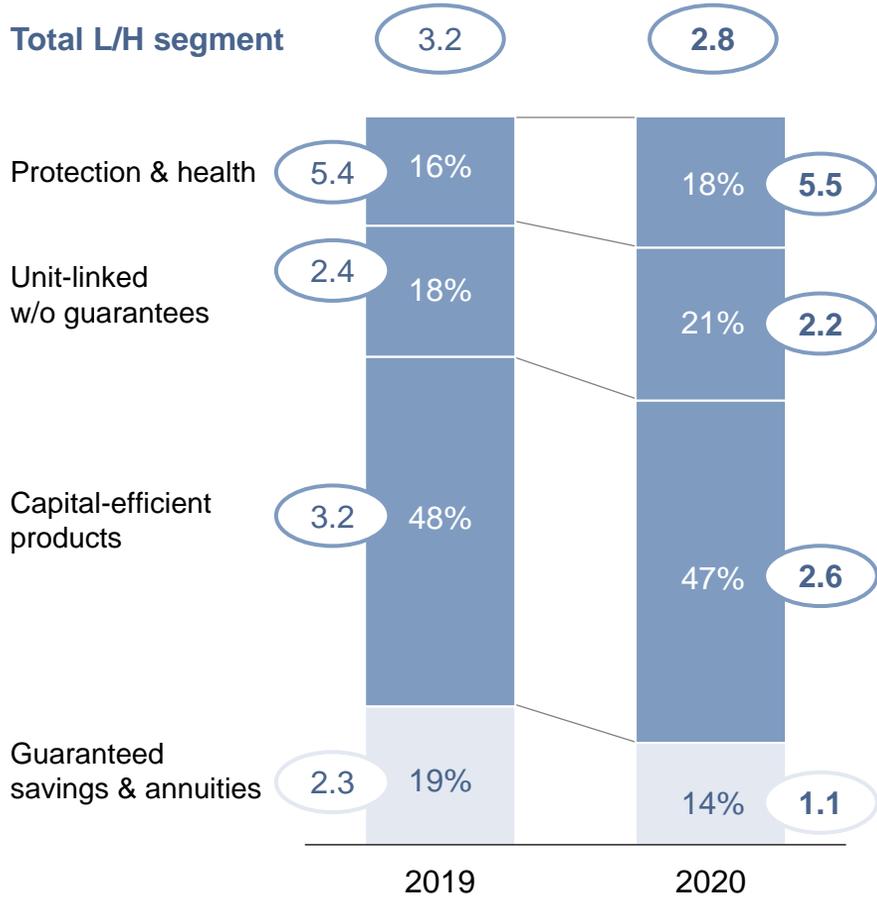
Comments

- **Interest & similar income**
Driven by both debt and equities. Income from debt impacted by lower yields and currency translation effects. Decline in dividend income associated with de-risking of our investment portfolio.
- **Net harvesting & other**
Driven by income from financial assets carried at FV.
- **Current yield**
Impacted by lower market yields and a higher average asset base.



L/H: new business margin supported by business mix

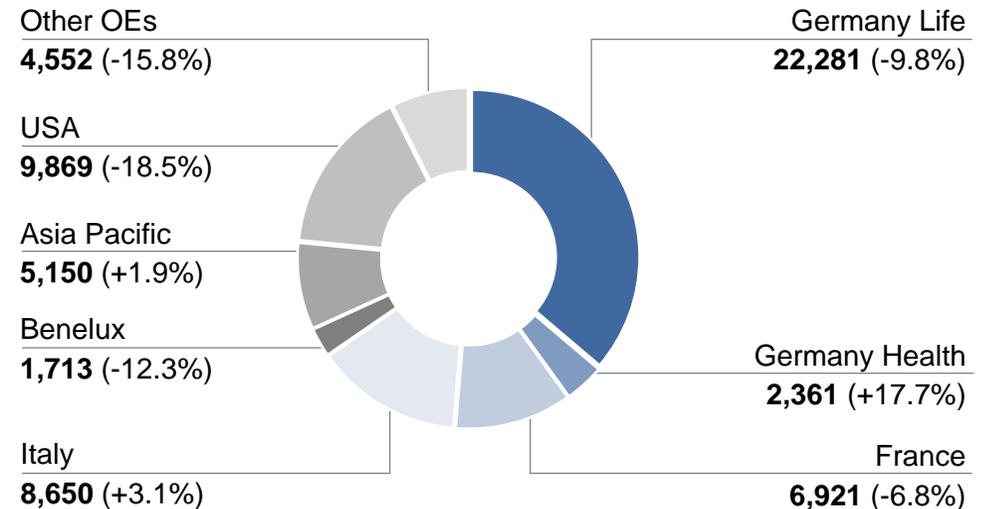
PVNB share by line



■ Preferred LoBs
○ NBM (in %)

EUR mn	2019	2020	Δ p.y.
PVNB	67,046	61,497	-8.3%
APE	9,563	8,616	-9.9%
Single premium	40,737	37,281	-8.5%
Recurring premium	5,489	4,888	-11.0%

PVNB by OE (EUR mn)





L/H: new business margin supported by business mix



Comments

PVNB by line

- **New business – active steering**
GS&A down 32.0% and capital-efficient products decline by 10.2%. UL w/o guarantees grow 10.0% and P&H is up 5.1%. New business returns to growth mode in 4Q with +5.1%.
- **Encouraging trends in Asia and Italy**
Largest volume declines in Germany Life (Δ EUR -2.4bn) and USA (Δ EUR -2.2bn). Asia Pacific with volume growth of 3.7% in local currency. Italy is up by EUR 1bn respectively +12.8% adjusted for a positive prior-year one-off.
- **NBM good at 2.8% – supported by business mix**
NBM at good level due to product changes and business mix shift. Broadly stable NBM in UL w/o guarantees and P&H. NBM of capital-efficient products declines due to lower interest rates, partially offset by product changes and business mix change.

PVNB by OE

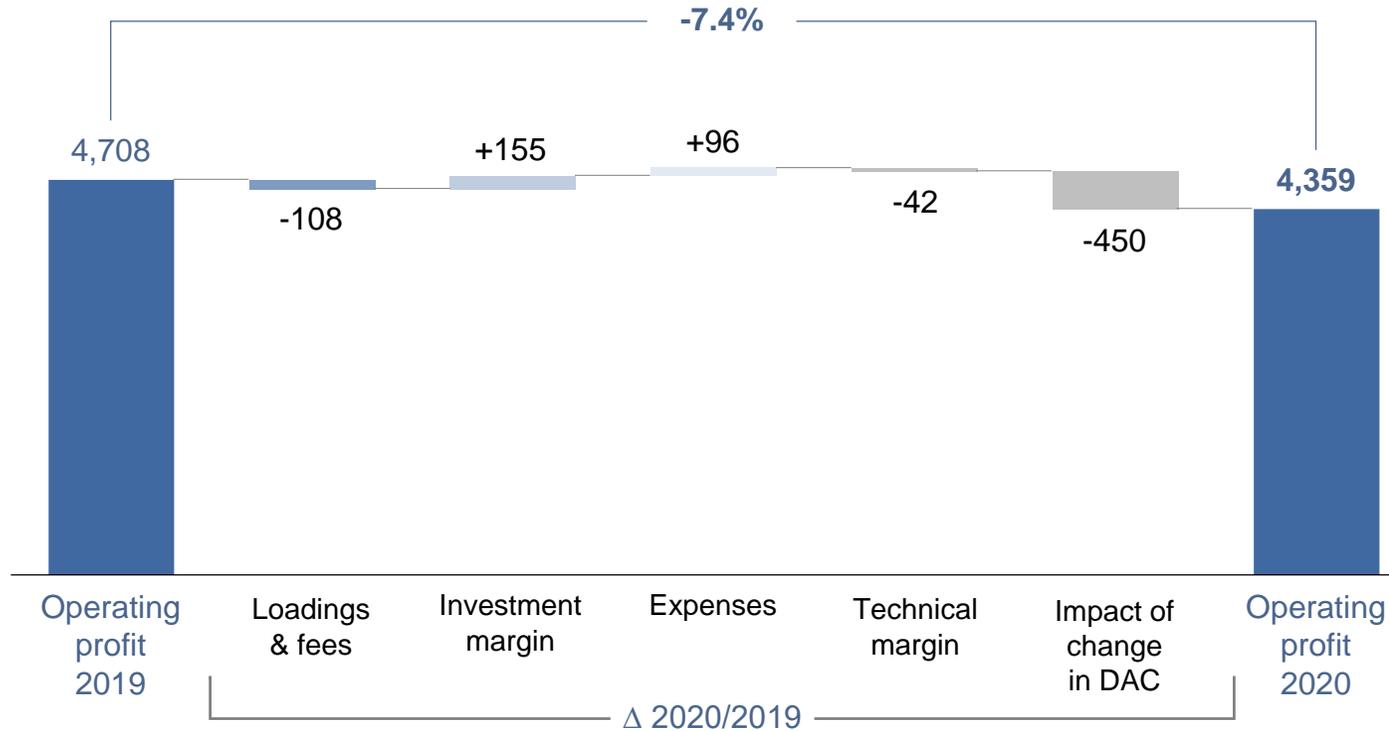
- **Germany Life – favorable shift of business mix**
P&H up +9% and favorable shift within capital-efficient business towards hybrid/UL type products. Significant product changes to become effective 1Q 2021.
- **USA – active steering**
FIA business down 42% due to COVID-19 constraints and product changes. Capital-efficient VA business is up 16% and accounts for 42% of new business. P&H sales growth of 42% results in a 13% share in new business at a NBM of 4.0%.
- **Italy – UL sales grow 22%**
Adjusted for a positive prior-year one-off total growth is 12.8%. Share of preferred lines of business at 91%.
- **Asia Pacific – 3.7% growth in local currency**
Good growth across Indonesia and the Philippines. NBM at 5.8% with NBM >3% in all lines of business.
- **France – lower sales in partnerships**
GS&A down 26%, partially compensated by growth of capital-efficient products supported by a successful product launch.



L/H: operating profit strong at EUR 4.4bn

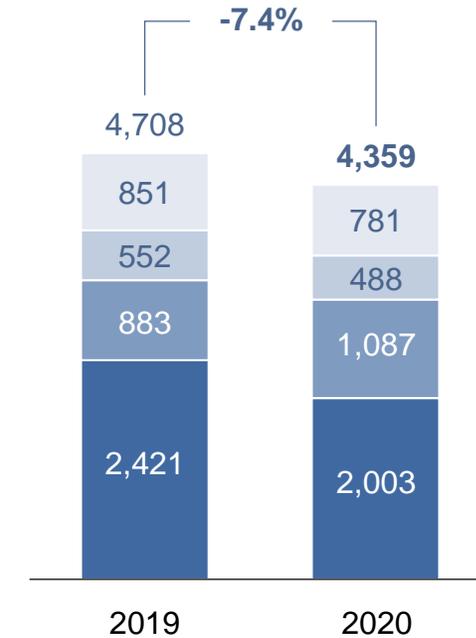
(EUR mn)

Operating profit by source¹



2020	6,605	4,194	-7,365	1,132	-206
2019	6,713	4,039	-7,461	1,174	243

Operating profit by line



- Protection & health
- Unit-linked w/o guarantees
- Capital-efficient products
- Guaranteed savings & annuities

1) Prior year figures changed in order to reflect the refinement of profit source reporting in the USA



L/H: operating profit strong at EUR 4.4bn



Comments

- **Loadings & fees – deconsolidation of AZ Popular**
Loadings & fees down due to deconsolidation of Allianz Popular and lower new business.
- **Investment margin grows by 3.8%**
Higher reserve base (+4.3%) and a stable investment margin of 86bps supported by a positive impact from assumption unlocking, model refinement net of higher hedging expenses in the U.S. (~5bps).
- **Expenses – lower new business volume**
Acquisition expenses down following new business reduction.
- **Technical margin – improvement in Asia**
Better result from Asia offset by lower contribution from USA and Switzerland and deconsolidation of Allianz Popular.
- **Impact of change in DAC driven by U.S. business**
Change driven by U.S. business (Δ EUR -0.5bn):
a) lower capitalization due to less new business;
b) higher amortization due to assumption unlocking, LTC loss recognition and a positive prior-year impact.

Preferred LoBs account for 54% of operating profit

- **Protection & health**
Driven by impact from LTC loss recognition in the U.S. (EUR -0.1bn) and deconsolidation of Allianz Popular.
- **UL w/o guarantees**
Mainly driven by deconsolidation of Allianz Popular.
- **Capital-efficient products**
Higher contribution from Germany Life supported by portfolio growth. Better result from U.S. business driven by FIA supported by a positive impact from assumption unlocking and model refinement (EUR +0.2bn).
- **Guaranteed savings & annuities**
Descending in-force business. Contribution in line with expectations. Lower results from U.S. VA business, Germany Life and various other countries.

	4Q 2019	4Q 2020	Δ
PVNB (EUR mn)	18,061	18,974	+5.1%
NBM	2.9%	2.7%	-0.1%-p
VNB (EUR mn)	519	521	+0.4%
Investment margin	29bps	33bps	+4bps
Operating profit (EUR mn)	1,298	1,429	+10.1%



L/H: NBM good at 2.8%

EUR mn

	Value of new business		New business margin		Operating profit	
	2020	Δ p.y.	2020	Δ p.y.	2020	Δ p.y.
Total L/H segment	1,743	-19.6%	2.8%	-0.4%-p	4,359	-7.4%
Germany Life	672	-23.0%	3.0%	-0.5%-p	1,202	+4.4%
Asia Pacific	297	+2.4%	5.8%	+0.0%-p	431	+11.4%
USA	240	-29.1%	2.4%	-0.4%-p	907	-21.3%
Italy	145	-28.1%	1.7%	-0.7%-p	338	+5.9%
Germany Health	84	+20.1%	3.5%	+0.1%-p	187	+1.3%
France	55	-47.1%	0.8%	-0.6%-p	564	-16.8%
Central and Eastern Europe	40	-19.9%	4.4%	-1.0%-p	228	+8.0%
Turkey	39	+2.9%	6.1%	+0.4%-p	81	+6.5%
Benelux	37	-1.6%	2.2%	+0.2%-p	148	-8.8%
Spain	24	-36.8%	2.6%	-0.9%-p	106	-49.0%
Switzerland	13	-27.8%	1.3%	-0.2%-p	108	+4.9%



L/H: NBM good at 2.8%



Comments

New business

- **NBM good at 2.8%**
Impact from unfavorable market movements (-1.0%-p) largely offset by better business mix (+0.6%-p).
- **VNB multiplier in the range of 3.0-3.5**
Conversion to undiscounted operating profit
- **Germany Life – favorable shift of business mix**
Impact from lower NBM and volume partially mitigated by favorable business mix shift within capital-efficient products and increased sales focus towards P&H.
- **Asia Pacific – 2nd largest contributor to VNB**
VNB in local currency up 5.4%. Higher sales volume (+3.7% local currency) and NBM excellent at 5.8%.
- **USA – NBM supported by better business mix**
Active steering towards capital-efficient VA supports NBM. In 4Q NBM recovers to 3.0% and VNB is up 9%.
- **France – VNB driven by volume and margin**
Less favorable business mix and lower interest rates.
- **Italy – VNB decline due to prior-year one-off**

Operating profit

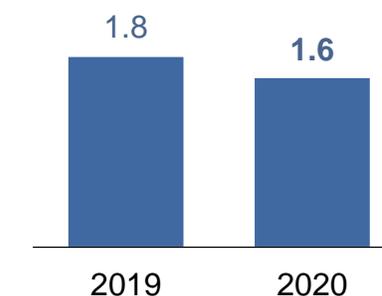
- **Germany Life – very good level**
Profit growth is volume driven.
- **Asia Pacific – double-digit growth**
Main drivers are Indonesia, Malaysia and the Philippines.
- **USA – operating profit at USD 1bn**
FIA result (Δ EUR +0.1bn) benefits from recovery of spread margin, assumption unlocking and model refinement. Operating profit from traditional VA business affected by higher hedging expenses (Δ EUR -0.2bn). Adverse impacts from LTC loss recognition (EUR -0.1bn) and F/X.
- **Italy – higher UL fees and better technical margin**
- **France – lower investment margin**
Lower net harvesting result and decline in interest and similar income.
- **Spain – termination of Allianz Popular (Δ EUR -0.1bn)**



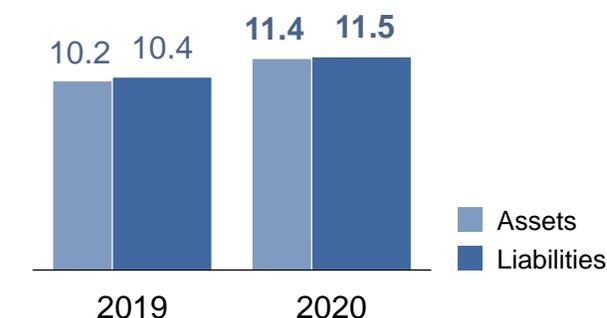
L/H: investment margin resilient at EUR 4.2bn

	Investment margin ¹	
	2019	2020
Based on Ø book value of assets² (EUR bn)	575	627
Current yield	3.22%	2.86%
Based on Ø aggregate policy reserves (EUR bn)	469	490
Current yield	3.95%	3.66%
Net harvesting and other ³	0.32%	0.53%
Total yield	4.27%	4.18%
- Ø min. guarantee ⁴	1.93%	1.85%
Gross investment margin (in %)	2.34%	2.34%
- Profit sharing under IFRS ⁵	1.48%	1.48%
Investment margin (in %)	0.86%	0.86%
Investment margin (EUR mn)	4,039	4,194

Economic reinvestment yield (debt securities; in %)



Duration⁶



- 1) Prior year figures changed in order to reflect the refinement of profit source reporting in the USA
- 2) Asset base under IFRS which excludes unit-linked, FVO and trading
- 3) Other comprises fair value option, trading and F/X gains and losses, as well as investment expenses
- 4) Based on technical interest

- 5) Includes bonus to policyholders under local statutory accounting and deferred premium refund under IFRS
- 6) The durations are based on a non-parallel shift in line with SII yield curves and scaled by Fixed Income assets. Data excludes internal pensions residing in the L/H segment.



L/H: investment margin resilient at EUR 4.2bn



Comments

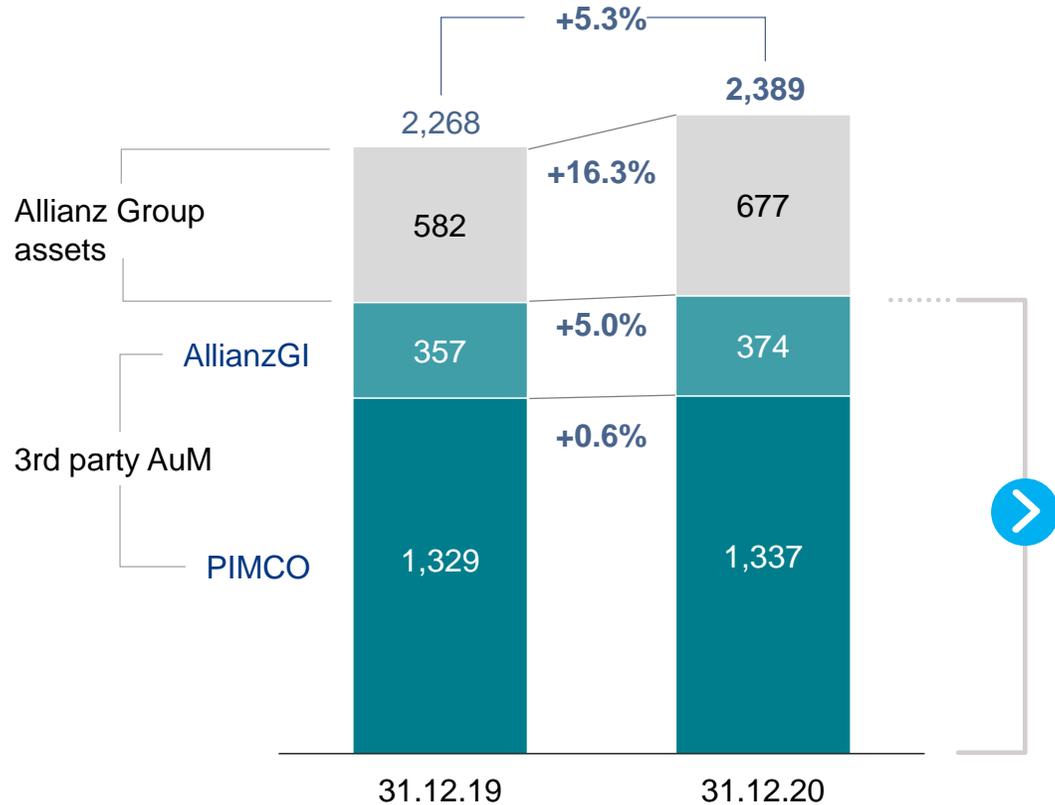
- **Investment margin up EUR 0.2bn to EUR 4.2bn**
Growth of reserve base (+4.3%) and stable investment margin of 86bps.
- **Gross investment margin resilient at 2.34%**
Current yield based on aggregate policy reserves down by 29bps, of which 21bps from lower income from debt and 8bps from lower dividends and income from associates/JV. Decline of current yield offset by lower guarantees (-8bps) and a favorable result from net harvesting and other. The latter is up 21bps supported by a better trading result including a positive impact from assumption unlocking, model refinement net of higher hedging expenses in the U.S. (~5bps).
- **Investment margin stable at 86bps**
Stable gross investment margin (2.34%) and PHP (-0.3%-p to 79.5%) lead to an unchanged investment margin of 86bps.
FY level for 2021 expected at ~70-75bps assuming a normalization of the result from net harvesting and other.
- **Reinvestment yield**
Decline in reinvestment yield driven by market movement.
- **Duration optimized**
Impact from lower interest rates mitigated by management action, e.g. increased asset duration.



AM: Total AuM of EUR 2.4tn at record level

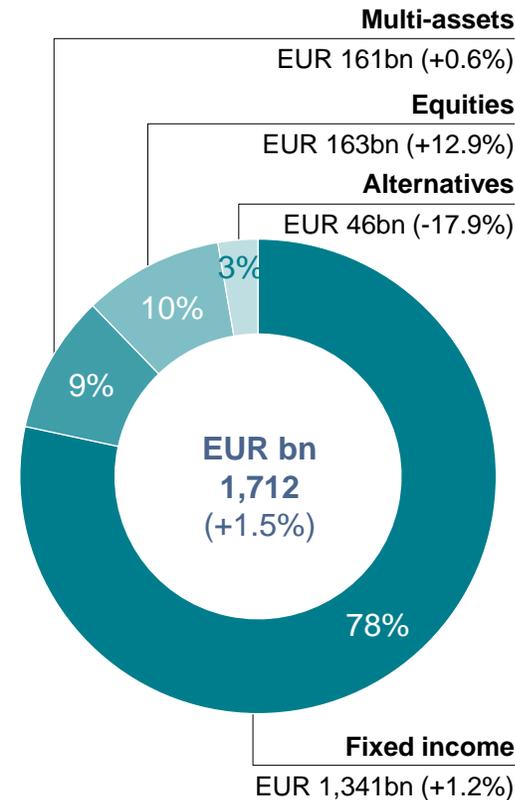
(EUR bn)

Total assets under management

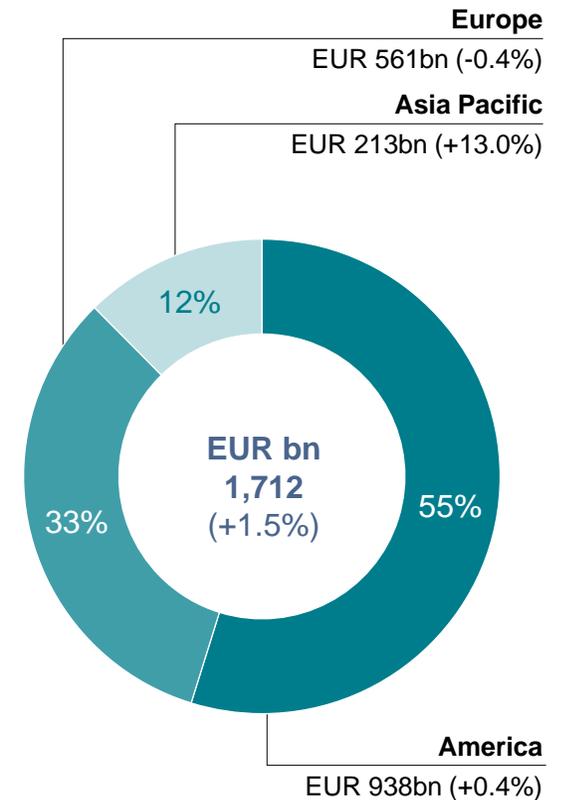


3rd party AuM split

Asset classes



Regions





AM: Total AuM of EUR 2.4tn at record level



Comments

- **Total AuM up 5%**

Increase driven by strong markets, Allianz Real Estate transfer (EUR 66bn AuM end of 2020, vast majority in Allianz Group assets) and EUR 33bn 3rd party net inflows, impacted by adverse F/X. Total and 3rd party AuM at all-time high.

Compared to 3Q 2020, total AuM up 5%.

- **Business highlights**

AM segment: 79% of 3rd party AuM outperform benchmarks on a trailing 3-year basis before fees.

PIMCO assumed oversight of Allianz Real Estate.

AllianzGI and Virtus Investment Partners announced strategic partnership in the U.S. retail market.

AllianzGI: first steps of „Excellence through Optimization and Simplicity“ program (EOS) implemented.



AM: EUR 33bn 3rd party net inflows

(EUR bn)

3rd party assets under management development



3rd party net flow split

Asset classes	Fixed income	+28.0
	Equities	+2.8
	Multi-assets	-0.3
	Alternatives	+2.5
Regions	America	+7.9
	Europe	+6.3
	Asia Pacific	+18.6
Investment vehicles	Mutual funds	+14.2
	Separate accounts	+18.5



AM: EUR 33bn 3rd party net inflows



Comments

- **3rd party AuM up 2% to EUR 1.7tn**
Strong markets and 3rd party net inflows at PIMCO and AllianzGI drive the overall AuM increase of EUR 26bn to an all-time high, despite adverse F/X. Excluding F/X, 3rd party AuM up 8%.

Since end of 3Q 2020, 3rd party AuM up 2%, supported by 3rd party net inflows of EUR 28bn.
- **3rd party net flows PIMCO: EUR +26bn**
3rd party net inflows from investment strategies like investment grade credit, agency MBS and private funds.

EUR 19bn 3rd party net inflows in 4Q 2020.
- **3rd party net flows AllianzGI: EUR +7bn**
3rd party net inflows in fixed income and equity products, net outflows from alternative and multi-asset products.

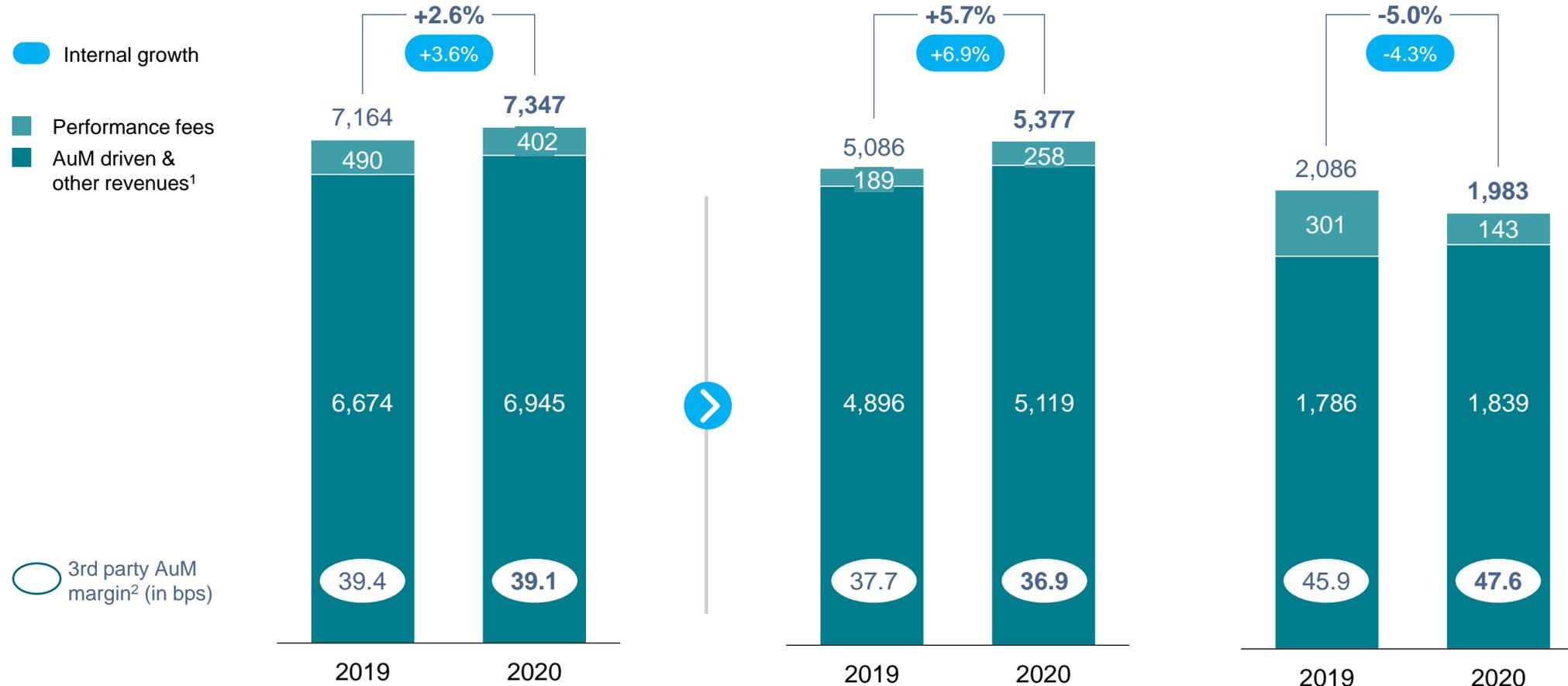
EUR 9bn 3rd party net inflows in 4Q 2020.



AM: revenues up 3%

(EUR mn)

Revenues development



1) Thereof other revenues: AM: 2019: EUR -7mn, 2020: EUR -11mn; PIMCO: 2019: EUR -11mn; 2020: EUR -6mn; AllianzGI: 2019: EUR 8mn; 2020: EUR 6mn

2) Excluding performance fees and other income



AM: revenues up 3%



Comments

- **Segment revenues**

Revenues increase by 3% due to AuM driven fees, including integration of Allianz Real Estate and the non-repetition of adverse one-offs in 2019. Increase of performance fees at PIMCO is more than offset by a decline at AllianzGI, overall resulting in a decrease of 18%.

4Q 2020 performance fees almost stable at EUR 256mn (Δ -4%).

Average 3rd party AuM increase by 4% from EUR 1,598bn in FY 2019 to EUR 1,665bn in FY 2020.

- **Segment margin**

3rd party AuM margin decreases slightly (Δ -0.3bps to 39.1bps), impacted also by a lower share of mutual funds.

4Q 2020 margin at 39.9bps, at elevated level compared to FY 2020 due to AllianzGI.

- **PIMCO margin**

Margin negatively impacted by a lower share of mutual funds, but supported by lower expenses for closed-end fund launches.

4Q 2020 margin at 37.0bps.

- **AllianzGI margin**

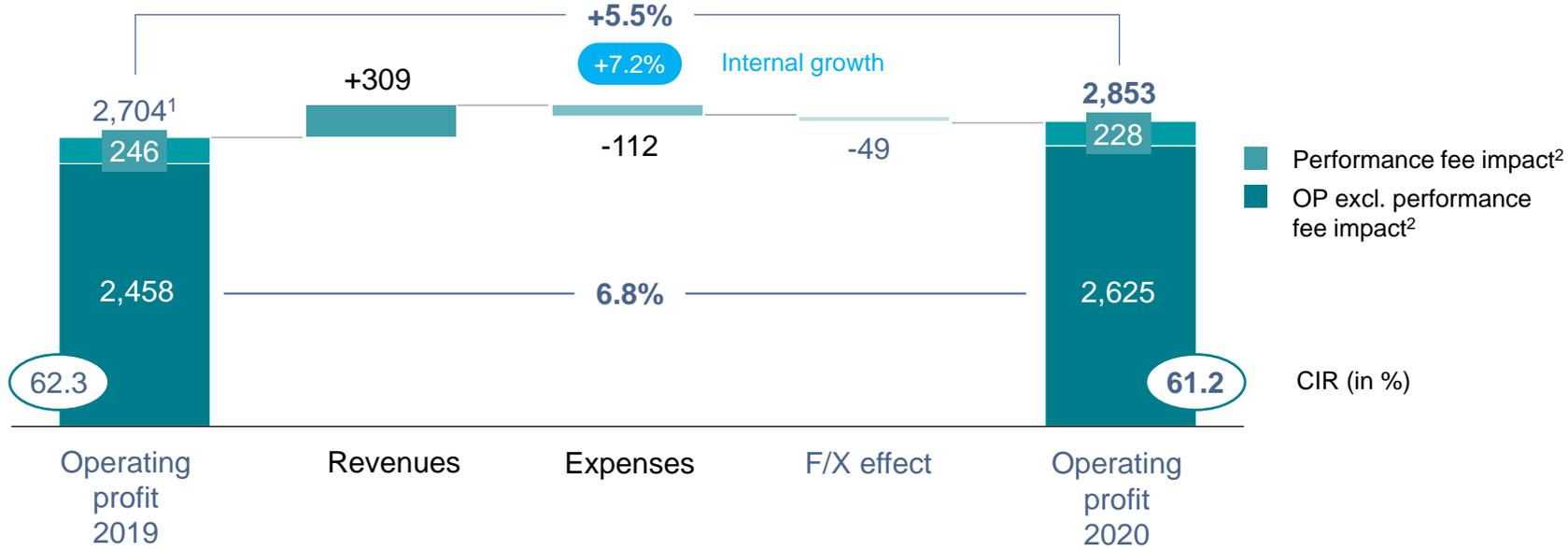
Margin increase driven by lower assets without management fees and due to non-repetition of one-off expenses in 2019 (launch of a closed-end fund).

4Q 2020 margin at 50.8bps; elevated level compared to 4Q 2019 mainly due to the aforementioned impacts.

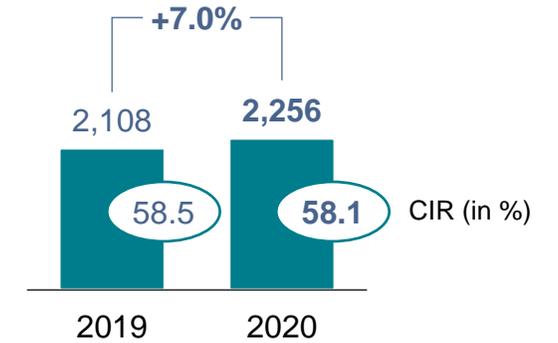


AM: operating profit up 6% (EUR mn)

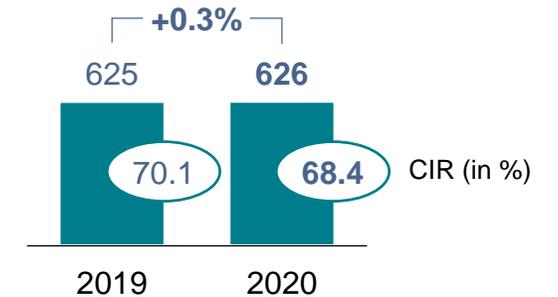
Operating profit drivers



PIMCO



AllianzGI



Δ 2020/2019		
F/X impact	-126	+77
2020	7,347	-4,494
2019	7,164	-4,460

1) Including operating loss from other entities of EUR -29mn in 2019 and EUR -29mn in 2020
 2) Performance fees of PIMCO and AllianzGI (excl. Allianz Capital Partners), net of 30% variable compensation



AM: operating profit up 6%

Comments

- **Segment – OP up 6%**

4% higher average 3rd party AuM and related revenues drive operating profit. F/X impacts OP with EUR -49mn.

CIR at 61.2%, 1.1%-p better than in 2019.

- **PIMCO – OP up 7%**

OP increases to EUR 2,256mn despite negative F/X (Δ +9% excl. F/X). Strong AuM driven revenues and performance fees more than offset higher operating expenses.

CIR at 58.1%, an improvement of 0.5%-p versus prior year.

- **AllianzGI – OP stable**

Less performance fees are compensated by lower expenses and higher AuM driven fees, resulting in an OP of EUR 626mn (Δ EUR +2mn).

CIR at 68.4%, an improvement of 1.6%-p versus prior year.

- **4Q 2020 – OP up 14%**

Both entities contribute to excellent OP.

PIMCO OP up 7% to EUR 641mn, driven by strong performance fees; significant increase of AuM driven fees is nearly neutralized by adverse F/X.

AllianzGI OP up 35% to EUR 219mn supported by 15% higher AuM driven fees including the non-repetition of an adverse one-off in 4Q 2019 and by 16% lower expenses.

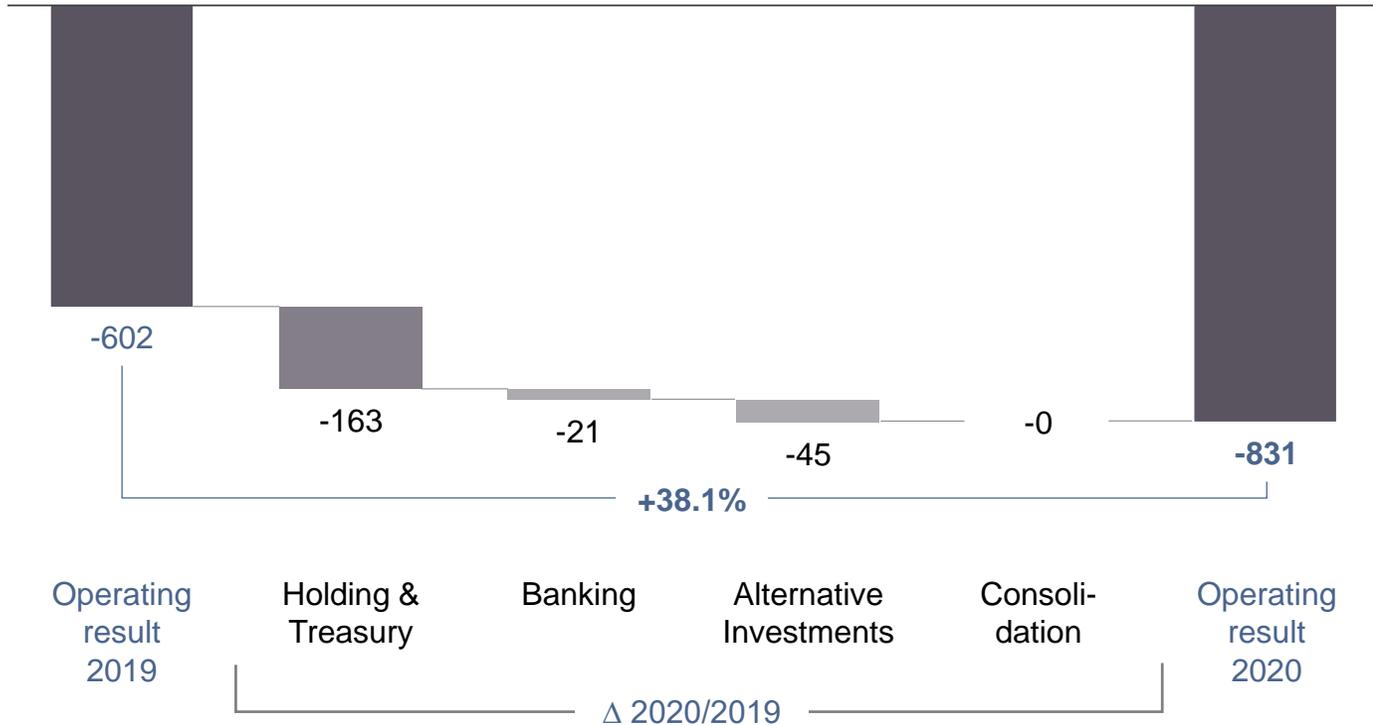
	4Q 2019	4Q 2020	Δ
Operating revenues (EUR mn)	2,009	2,077	+3.4%
Operating profit (EUR mn)	750	857	+14.2%
Average 3rd party AuM (EUR bn)	1,683	1,685	+0.1%
3rd party net flows (EUR bn)	+19.7	+27.7	+40.7%
3rd party AuM margin (bps)	39.4	39.9	+0.6bps
CIR (%)	62.7%	58.7%	-3.9%-p



CO: result within expected range

(EUR mn)

Operating result development and components



	Holding & Treasury	Banking	Alternative Investments	Consolidation
2020	-891	36	24	0
2019	-728	57	69	0



CO: result within expected range

Comments

- **Operating result at EUR -0.8bn**
Higher operating loss mainly due to lower investment income and a contribution to a COVID-19 solidarity fund – all reflected in results from Holding & Treasury and Alternative Investments. Better result from Allianz Technology.



Group: shareholders' net income at EUR 6.8bn

EUR mn	2019	2020	Δ p.y.
Operating profit	11,855	10,751	-1,104
Non-operating items	-778	-1,148	-370
Realized gains/losses (net)	1,104	1,458	+354
Impairments (net)	-581	-860	-279
Income from financial assets and liabilities carried at fair value (net)	107	-28	-135
Interest expenses from external debt	-813	-729	+84
Acquisition-related expenses	-24	-8	+16
Restructuring and integration expenses	-398	-768	-371
Amortization of intangible assets	-176	-240	-65
Change in reserves for insurance and investment contracts (net)	2	27	+25
Income before taxes	11,077	9,604	-1,474
Income taxes	-2,776	-2,471	305
Net income	8,302	7,133	-1,169
Non-controlling interests	-387	-326	+61
Shareholders' net income	7,914	6,807	-1,107
Effective tax rate	25%	26%	+1%-p
Earnings per share (in EUR)	18.90	16.48	-2.42



Group: shareholders' net income at EUR 6.8bn



Comments

- **Shareholders' net income down by EUR 1.1bn**
Decline driven by lower operating profit (Δ EUR -1.1bn) and decrease in non-operating profit (Δ EUR -0.4bn).
- **Non-OP result down by EUR 0.4bn**
Non-operating result driven by higher restructuring expenses (Δ EUR -0.4bn). Better harvesting result (Δ EUR +0.1bn) and lower interest expenses for external debt (Δ EUR +0.1bn) offset by lower income from financial assets and liabilities carried at fair value (Δ EUR -0.1bn) and higher amortization of intangible assets (Δ EUR -0.1bn). Harvesting result includes EUR 0.5bn gain from disposal of Allianz Popular bancassurance partnership.
- **Restructuring expenses – IT decommissioning**
Accelerated investments in productivity and efficiency, mainly AGCS, France, Germany, Allianz Technology and AllianzGI. One third of restructuring expenses (EUR 250mn) refers to decommissioning of 326 legacy IT-systems.
- **Tax rate at good level**
Allianz Group tax rate for FY 2021 expected at ~25%.



Outlook 2021 – operating profit

(EUR bn)



Disclaimer:
Impact from NatCat, financial markets, F/X and global economic development not predictable!

CONTENT

1

HIGHLIGHTS

2

ADDITIONAL INFORMATION



B

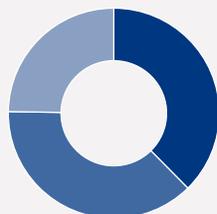


Allianz track record

Operating profit 2020: EUR 10.8bn

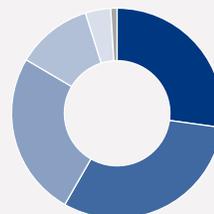
By segments¹

P/C Insurance	38%
L/H Insurance	38%
Asset Mgmt.	25%



By regions:

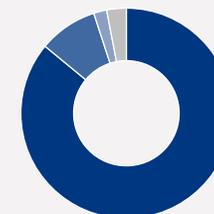
Germany	28%
W & S Europe	32%
USA	26%
Growth Markets ²	12%
Anglo Markets ³	4%
Specialty Ins. ⁴	-1%



Investment portfolio 2020: EUR 790bn

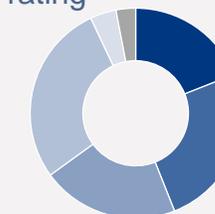
Asset allocation

Debt instruments	86%
• Government	38%
• Covered	10%
• Corporate	37%
• Other	15%
Equities	9%
Real estate ⁵	2%
Other	3%



Debt instruments by rating⁶

AAA	19%
AA	25%
A	21%
BBB	28%
Non inv. grade	4%
Not rated ⁷	3%



In EUR		2016	2017	2018	2019	2020	Δ 20/19	CAGR 4yr
Income statement	Revenues ⁸ (bn)	122.4	126.1	132.3	142.4	140.5	-1.3%	+3.5%
	Operating profit (bn)	11.1	11.1	11.5	11.9	10.8	-9.3%	-0.7%
	Shareholders' net income (bn)	7.0	6.8	7.5	7.9	6.8	-14.0%	-0.7%
Capital	Shareholders' equity (bn)	67.1	65.6	61.2	74.0	80.8	+9.2%	+4.8%
	Solvency II ratio ⁹ (%)	218%	229%	229%	212%	207%	-5%-p	–
Other data	3rd party AuM (tn)	1.36	1.45	1.44	1.69	1.71	+1.5%	+5.9%
	Total AuM (tn)	1.87	1.96	1.96	2.27	2.39	+5.3%	+6.3%
	RoE ¹⁰ (%)	12.3%	11.8%	13.2%	13.6%	11.4%	-2.2%-p	–
Share information	Basic earnings per share	15.3	15.2	17.4	18.9	16.5	-12.8%	+1.9%
	Dividend per share ¹¹	7.60	8.00	9.00	9.60	9.60	0.0%	+6.0%
	Dividend yield (%) ¹²	4.8%	4.2%	5.1%	4.4%	4.8%	+0.4%-p	–

1) Excl. "Corporate & Other" and consolidation between segments
 2) CEE, Asia-Pacific, Latin America, Middle East and Africa, Turkey. Austria and AZ Direct allocated to Western and Southern Europe
 3) UK, Ireland, Australia
 4) Allianz Global Corporate & Specialty, Euler Hermes, Allianz Partners, Allianz Re
 5) Excluding real estate held for own use and real estate held for sale
 6) Excluding seasoned self-originated private retail loans
 7) Mostly mutual funds and short-term investments

8) From 2018, total revenues also comprise P/C fee and commission income
 9) Including the application of transitional measures for technical provisions, the Solvency II capitalization ratio amounted to 240% as of 31.12.20
 10) Definition see glossary
 11) 2020: proposal
 12) Divided by year-end share price



ESG at Allianz (1/3)

Ratings & commitments

ESG ratings

	2019	2020
DJSI/SAM CSA	Industry leader	98 th percentile
MSCI ¹	AAA	AAA
ISS ESG	Prime status	Prime status
FTSE4Good	Top 8%	Top 8%

Commitments (selected examples)

- UN sustainable development goals
- UN principles for sustainable insurance
- UN principles for responsible investment
- UN-convened net-zero asset owner alliance
- UN-convened global investors for sustainable development
- UN global compact
- Renewable electricity 100 (RE100)
- Science based targets initiative
- Task force on climate-related financial disclosures
- Climate Action 100+
- Global reporting initiative (GRI) standards

Governance

ESG Board

Defines ESG standards, decides on ESG relevant business
 4 members of Group Board of Management plus Chief Risk Officer, responsible for ESG topics with respect to insurance business, proprietary investments and 3rd party investments

Assessments of insurance and investment transactions for ESG appropriateness

Assessed transactions	2019	2020
Insurance	474	430
Investments	64	65
Procurement	58	101
Other	6	1
Total	602	597

ESG assessment results

Share of total number of assessments	2019	2020
Proceed	53%	60%
Proceed with mitigation or additional conditions	39%	32%
Do not proceed	8%	8%

2020 Sustainability criteria in Board of Management remuneration

- Net Promoter Score
- Diversity
- Greenhouse gas reduction
- Allianz Engagement Survey
- Leadership quality
- Progress net-zero compliant asset allocation until 2050

New Board of Management sustainability criteria to be proposed at the 2021 AGM

1) The use by Allianz of any MSCI ESG research LLC or its affiliates (“MSCI”) data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Allianz by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided ‘as-is’ and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

For details and definitions please see the Allianz Group Sustainability Report 2020, published on 29 April 2021.



ESG at Allianz (2/3)

Insurance

Revenues from sustainable solutions

EUR mn	2019	2020
Sustainable insurance solutions	962	1,383
Insurance solutions with a sustainability component	348	440
Emerging consumer solutions (excl. non-consolidated entities)	40	56
Total	1,350	1,879

Customers

	2019	2020
Number of customers (incl. non-consolidated entities and excl. emerging consumers)	>100 mn	>100 mn
Emerging consumers (incl. non-consolidated entities)	55 mn	46 mn
Customer satisfaction: businesses with net promoter score above market (incl. loyalty leaders)	70%	79%
Customer satisfaction: share of loyalty leader businesses based on net promoter score	46%	60%

Investments

3rd party sustainable investments

EUR bn	2019	2020
Allianz Global Investors	56	95
PIMCO	102	137
Total	158	232

Proprietary sustainable investments

EUR bn	2019	2020
Certified green buildings	14.6	18.3
Green bonds	5.6	9.6
Renewable energy investments	7.2	6.8
Social bonds	0.8	2.7
Sustainability bonds	1.0	1.5
Other	0.2	0.2
Total	29.4	39.1

Exclusions & targets (selected examples)

Proprietary investments	Timing
Exclusion of controversial weapons	Permanently
-25% GHG emissions in public equities and listed corporate bonds (baseline 2019; scope 1 and 2 emissions of investee companies)	By 2025
Coal based business models	Phase-out by 2040
Carbon neutrality/net-zero	By 2050



ESG at Allianz (3/3)

Human resources

Diversity

	2019	2020
Share of total employees – core business		
Women in Allianz SE Supervisory Board	33%	33%
Women in Allianz SE Board of Management	20%	20%
Women in executive positions	30%	30%
Female managers	38%	38%
Share of women in core business	51%	51%
Number of nationalities represented in executive positions	64	59

Health

	2019	2020
Average days per employee		
Sickness-related absenteeism (days per employee)	8.1	7.3

Training¹

	2019	2020
Total expenses for employee training (EUR mn)	85	63
Training expenses per employee (EUR per employee)	613	442
Average training days (days)	3.3	2.7

Commitment

	2019	2020
Employee Engagement Index (employee satisfaction/loyalty)	72%	78%
Inclusive Meritocracy Index (business culture)	73%	78%

Footprint

Greenhouse gas emissions

	2019	2020
Scope 1 – direct GHG emissions (t CO ₂)	42,011	28,714
Scope 2 – indirect GHG emissions (market based) (t CO ₂)	142,563	100,722
Scope 2 – indirect GHG emissions (location based) (t CO ₂)	224,315	180,826
Scope 3 – other indirect GHG emissions (t CO ₂)	149,459	73,916
Scopes 1 – 3, GHG emissions total (t CO₂)	334,033	203,352
Total GHG emissions per employee (t CO ₂ /employee)	2.4	1.4
Overall GHG reduction per employee since 2010	-35%	-62%

Renewable electricity

	2019	2020
Renewable electricity used (GJ)	872,929	854,762
Renewable electricity used as a share of all electricity sources	49%	57%

Environmental targets 2020 and beyond

- 30% GHG emissions per employee by 2025 (baseline 2019) (new)
- 100% renewable electricity by 2023

Further information

Allianz Group Sustainability Report 2020 will be published on 29 April 2021.

<https://www.allianz.com>

1) Self-organized and guided learning, e.g. on digital learning platforms, not fully captured.
For details and definitions please see the Allianz Group Sustainability Report 2020, published on 29 April 2021.



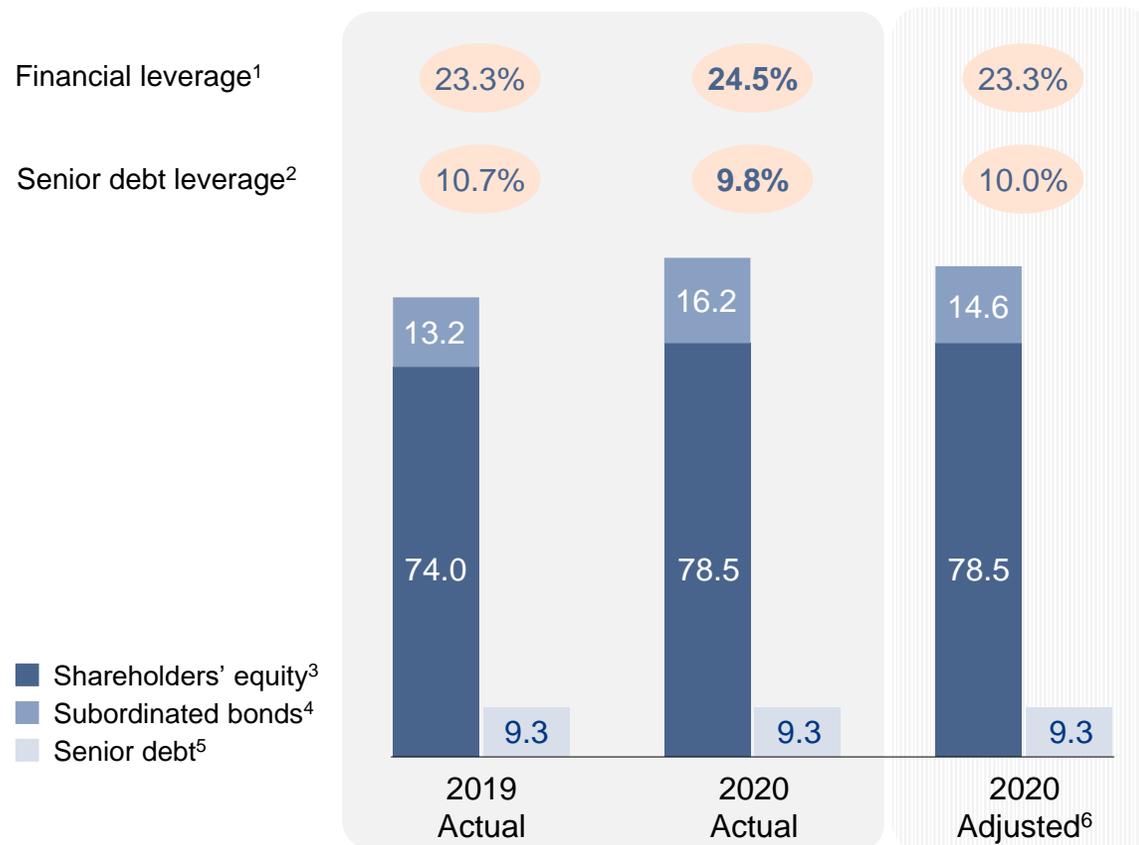
Financial leverage and cash flow

(EUR bn)

Leverage ratios

Financial leverage¹

Senior debt leverage²



■ Shareholders' equity³
 ■ Subordinated bonds⁴
 ■ Senior debt⁵

- 1) Senior debt and subordinated bonds divided by the sum of senior debt, subordinated bonds and shareholders' equity
- 2) Senior debt divided by the sum of subordinated bonds and shareholders' equity
- 3) Excluding equity accounted RT1 bonds (2020: EUR 2.3bn)
- 4) Subordinated bonds issued or guaranteed by Allianz SE including equity accounted RT1 bonds; nominal value
- 5) Certificated liabilities issued or guaranteed by Allianz SE including money market securities; nominal value

Cash flow

(EUR bn)

	2018	2019	2020	Ø 3yr
Cash received from OEs including excess capital upstreaming	7.6	7.8	7.3	7.5
of which P/C	4.4	4.5	3.1	4.0
of which L/H	1.5	1.5	2.3	1.8
of which AM	1.7	1.8	1.9	1.8
Remittance ratio⁷	112%	104%	92%	103%
Dividend coverage ratio⁸	221%	207%	184%	204%

- 6) Adjusted for subordinated bonds that have been called for redemption effective March 2021: EUR 0.8bn 5.4% and USD 1.0bn 5.5%
- 7) Cash received from OEs including excess capital upstreaming divided by shareholders net income of the previous year
- 8) Cash received from OEs including excess capital upstreaming divided by dividend

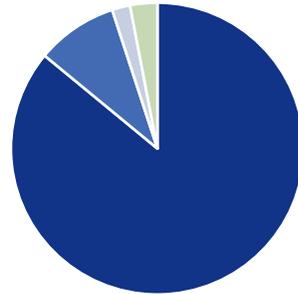


Investment portfolio

Asset allocation

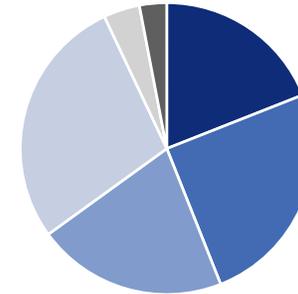
Total: EUR 790.3bn
(2019: EUR 754.4bn)

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



Debt instruments by rating²

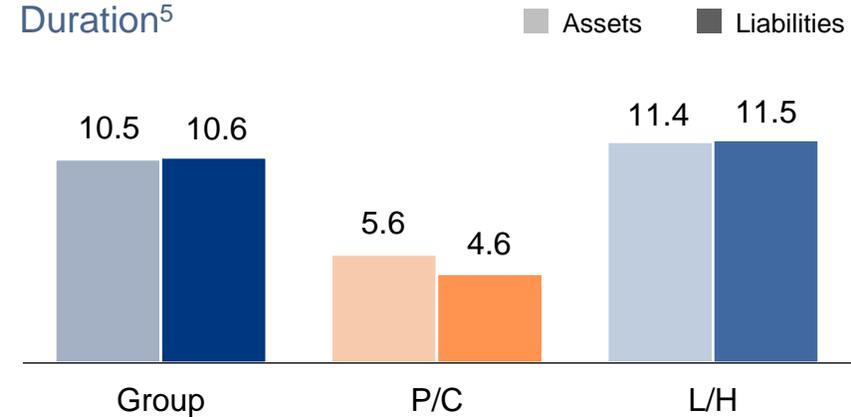
AAA	19%
AA	25%
A	21%
BBB	28%
Non-investment grade	4%
Not rated ³	3%



By segment (EUR bn)

	Group	P/C ⁴	L/H ⁴
Debt instruments	682.4	91.5	550.5
Equities	73.1	6.5	62.0
Real estate ¹	14.3	3.0	10.9
Cash/Other	20.5	5.4	9.0
Total	790.3	106.4	632.4

Duration⁵



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

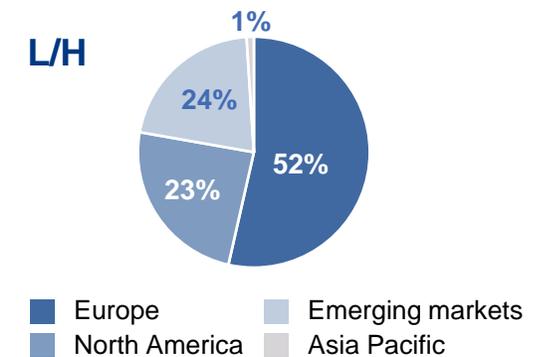
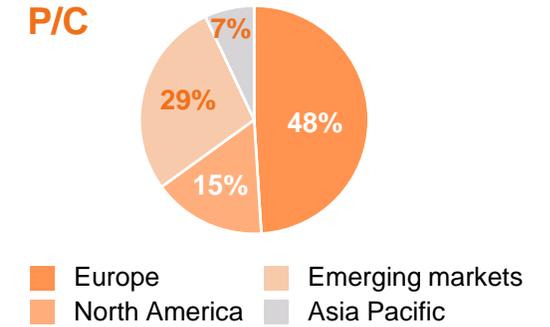
5) The durations are based on a non-parallel shift in line with SII yield curves and scaled by fixed income assets. Internal pensions are included in Group data, while they are excluded in P/C and L/H segments



Economic reinvestment yields 2020

		New F/I investments	Yield	Maturity in years
P/C	Government bonds ¹	50%	1.4%	10
	Covered ²	18%	0.9%	11
	Corporates	32%	1.8%	9
	Total F/I 2020	100%	1.4%	10
L/H	Government bonds ¹	50%	1.2%	23
	Covered ²	18%	1.4%	19
	Corporates	32%	2.3%	16
	Total F/I 2020	100%	1.6%	20
EUR bn		New investments	Current yield	
Group	Real assets	7.1	~4%	

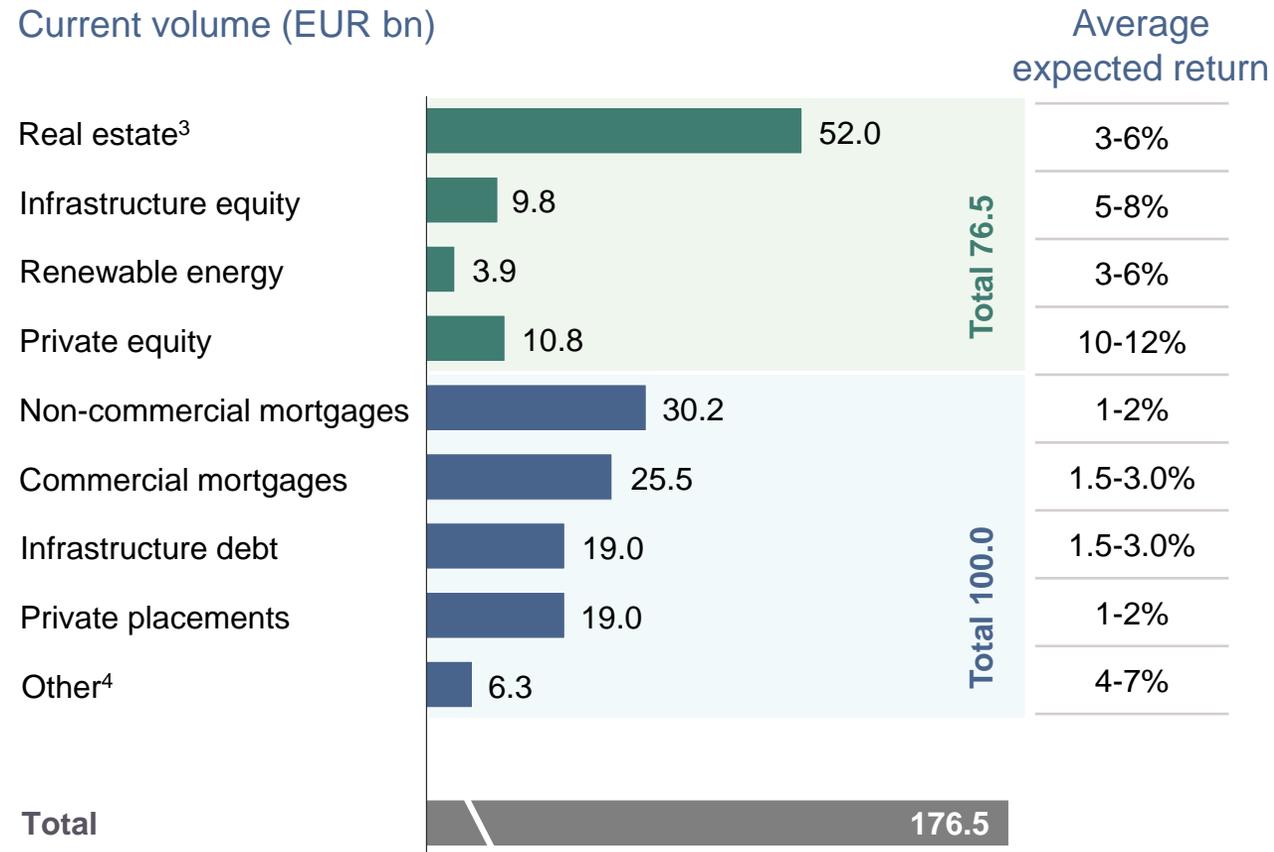
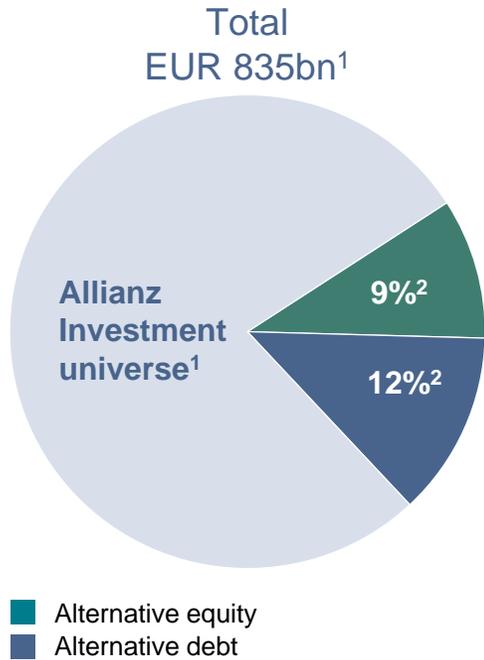
Regional allocation



1) Treasuries and government related
 2) Including ABS/MBS



Alternative asset quota of 21%



- Current yield: 3.9%
- 68% real estate
- EUR 18.7bn gross unrealized gains/losses

- Current yield: 3.2%
- 56% real estate related
- EUR 11.2bn gross unrealized gains/losses
- 88% investment grade
- Loan to value largely <65%

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 30.6bn directly held real estate assets (e.g., held for investment, held for own use) and EUR 21.4bn indirectly held real estate assets (e.g., associates and joint ventures, available-for-sale investments). Including minorities on directly held real estate assets (EUR 0.6bn). 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

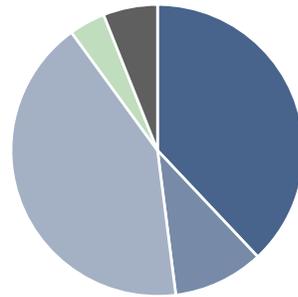


Fixed income portfolio

By type of issuer

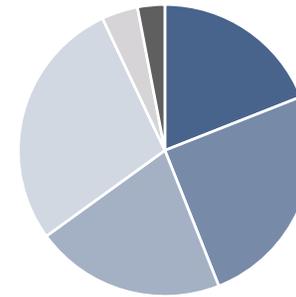
Government	38%
Covered	10%
Corporate	42%
<i>thereof Banking</i>	5%
ABS/MBS ¹	4%
Other ²	6%

Total
EUR 682.4bn



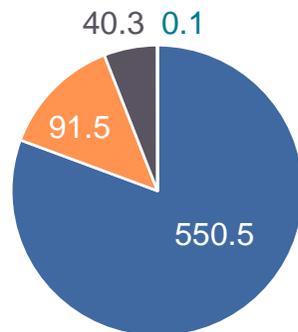
By rating³

AAA	19%
AA	25%
A	21%
BBB	28%
<i>BBB+</i>	9%
<i>BBB</i>	10%
<i>BBB-</i>	8%
Non-investment grade	4%
Not rated ⁴	3%



By segment (EUR bn)

L/H	81%
P/C	13%
Corporate and other	6%
Asset Management	0%



AFS unrealized gains/losses (EUR bn)

Gross unrealized gains/losses
Net unrealized gains/losses ⁵



1) Including U.S. agency MBS investments (EUR 3.9bn)
 2) Including seasoned self-originated private retail loans and short-term deposits at banks
 3) Excluding seasoned self-originated private retail loans

4) Mostly mutual funds and short-term investments
 5) On-balance sheet unrealized gains/losses after tax, non-controlling interests and policyholders, and before shadow accounting

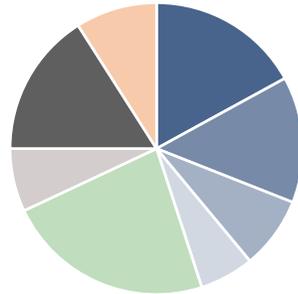


Government bond allocation

By region

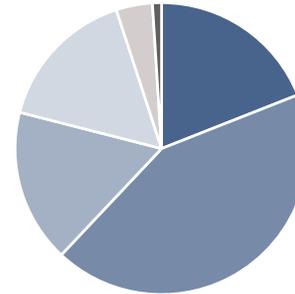
France	17%
Germany	14%
Italy	8%
Spain	6%
Rest of Europe	23%
USA	7%
Rest of World	16%
Supranational	9%

Total
EUR 258.5bn¹



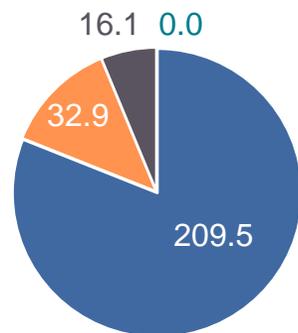
By rating

AAA	19%
AA	43%
A	17%
BBB	16%
Non-investment grade	4%
Not rated	1%



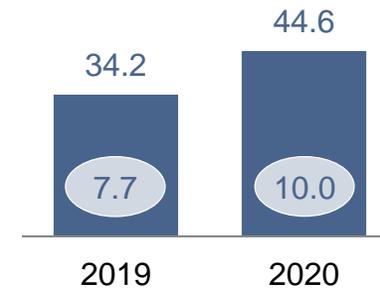
By segment (EUR bn)

L/H	81%
P/C	13%
Corporate and other	6%
Asset Management	0%



AFS unrealized gains/losses (EUR bn)

Gross unrealized gains/losses
Net unrealized gains/losses ²



1) Government and government related (excl. U.S. agency MBS)

2) On-balance sheet unrealized gains/losses after tax, non-controlling interests and policyholders, and before shadow accounting



Details sovereigns

(EUR bn)

	Group		L/H		P/C	
	Book value	% of FI Group	Book value	% of FI L/H	Book value	% of FI P/C
France	44.0	6.4%	38.3	7.0%	3.2	3.6%
Germany	35.3	5.2%	29.4	5.3%	3.0	3.3%
Supranational	23.4	3.4%	21.3	3.9%	1.4	1.5%
Italy	19.8	2.9%	15.7	2.8%	2.3	2.5%
USA	18.9	2.8%	16.6	3.0%	2.2	2.4%
Spain	15.9	2.3%	13.5	2.5%	1.3	1.4%
Belgium	14.9	2.2%	13.0	2.4%	1.3	1.4%
Austria	10.1	1.5%	9.2	1.7%	0.6	0.6%
Switzerland	6.0	0.9%	4.8	0.9%	1.2	1.3%
Thailand	4.4	0.6%	4.2	0.8%	0.1	0.1%
Ireland	4.0	0.6%	3.5	0.6%	0.3	0.3%
Japan	3.4	0.5%	0.0	0.0%	0.1	0.1%
Mexico	3.2	0.5%	2.9	0.5%	0.3	0.4%
Australia	2.8	0.4%	0.0	0.0%	2.7	3.0%
Czech Republic	2.3	0.3%	1.8	0.3%	0.4	0.5%
Netherlands	2.3	0.3%	1.4	0.3%	0.4	0.4%
Malaysia	2.1	0.3%	1.5	0.3%	0.7	0.7%
Indonesia	2.1	0.3%	1.9	0.3%	0.2	0.2%
Canada	2.1	0.3%	0.8	0.1%	1.2	1.3%
China	1.9	0.3%	1.6	0.3%	0.1	0.1%
Slovakia	1.9	0.3%	1.6	0.3%	0.2	0.2%
Poland	1.9	0.3%	1.0	0.2%	0.8	0.9%
Other	35.9	5.3%	25.6	4.6%	9.0	9.8%
Total 2020	258.5	37.9%	209.5	38.0%	32.9	36.0%
Total 2019	238.1	37.0%	193.1	37.1%	31.3	35.9%

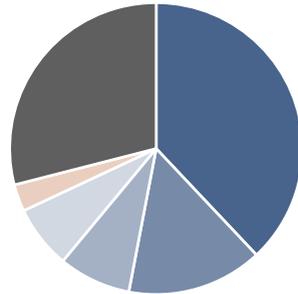


Fixed income portfolio: covered bonds

By country

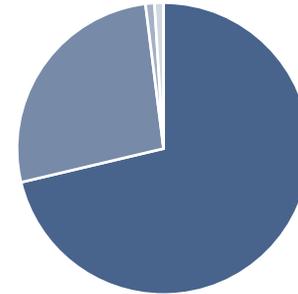
Germany	38%
France	15%
Spain	8%
Italy	7%
UK	3%
Rest of World	29%

Total
EUR 66.7bn



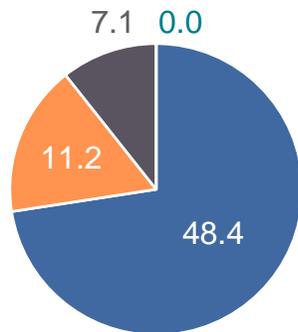
By rating

AAA	72%
AA	27%
A	1%
BBB	1%
Non-investment grade	0%
Not rated	0%



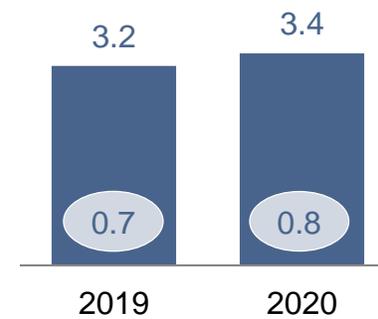
By segment (EUR bn)

L/H	73%
P/C	17%
Corporate and other	11%
Asset Management	0%



AFS unrealized gains/losses (EUR bn)

Gross unrealized gains/losses
Net unrealized gains/losses ¹



1) On-balance sheet unrealized gains/losses after tax, non-controlling interests and policyholders, and before shadow accounting

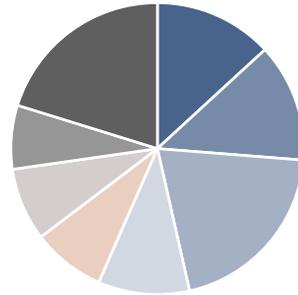


Fixed income portfolio: corporates

By sector

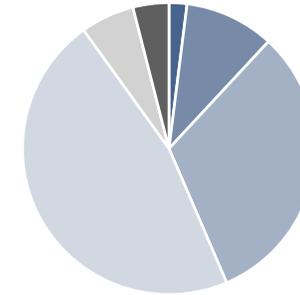
Banking	13%
Other financials	13%
Consumer	20%
Utility	10%
Industrial	8%
Communication	8%
Energy ¹	7%
Other	20%

Total
EUR 285.4bn



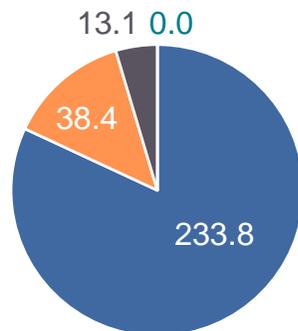
By rating

AAA	2%
AA	10%
A	32%
BBB	47%
Non-investment grade	6%
Not rated ²	4%



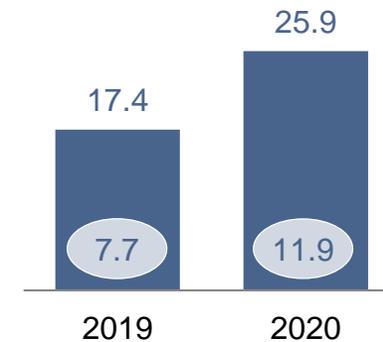
By segment (EUR bn)

L/H	82%
P/C	13%
Corporate and other	5%
Asset Management	0%



AFS unrealized gains/losses (EUR bn)

Gross unrealized gains/losses	
Net unrealized gains/losses ³	



1) Thereof EUR 7.3bn in US energy sector
 2) Including Eurozone loans/bonds (2%)
 3) On-balance sheet unrealized gains/losses after tax, non-controlling interests and policyholders, and before shadow accounting

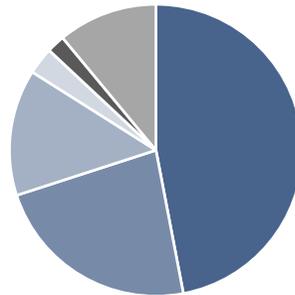


Fixed income portfolio: ABS

By type of issuer

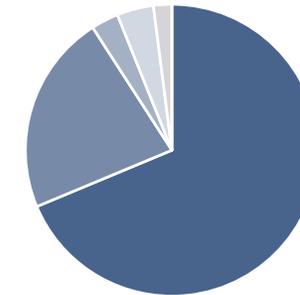
CMBS	47%
CMO/CDO	23%
US Agency	14%
RMBS	3%
Auto	2%
Credit Card	0%
Other	11%

Total
EUR 28.1bn



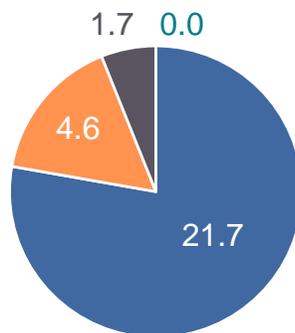
By rating

AAA	68%
AA	22%
A	3%
BBB	4%
Non-investment grade	2%
Not rated	0%



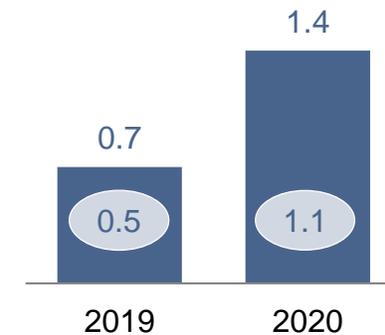
By segment (EUR bn)

L/H	77%
P/C	16%
Corporate and other	6%
Asset Management	0%



AFS unrealized gains/losses (EUR bn)

Gross unrealized gains/losses
Net unrealized gains/losses ¹



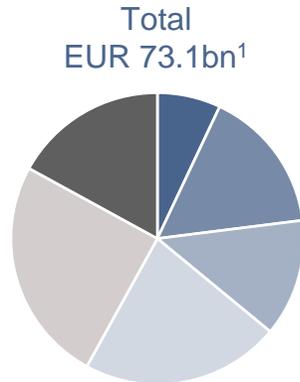
1) On-balance sheet unrealized gains/losses after tax, non-controlling interests, policyholders and before shadow accounting



Equity portfolio

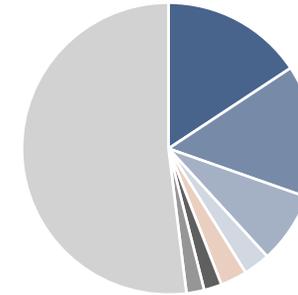
By region

Germany	7%
Eurozone ex Germany	16%
Europe ex Eurozone	13%
NAFTA	22%
Rest of World	25%
Multinational ²	17%



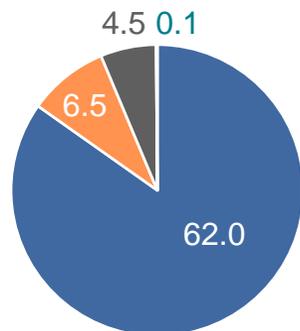
By industry

Consumer	16%
Other financials	15%
Industrial	8%
Basic materials	3%
Banking	3%
Utilities	2%
Energy	2%
Funds and other ³	53%



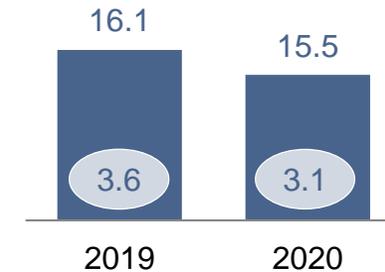
By segment (EUR bn)

L/H	85%
P/C	9%
Corporate and other	6%
Asset Management	0%



AFS unrealized gains/losses (EUR bn)

Gross unrealized gains/losses
Net unrealized gains/losses ⁴



1) Excl. equities designated at fair value through income (EUR 2.4bn)
 2) Incl. private equity limited partnership funds (EUR 9.3bn) and mutual stock funds (EUR 2.1bn)
 3) Diversified investment funds (EUR 3.2bn); private and unlisted equity (EUR 22.0bn)
 4) On-balance sheet unrealized gains/losses after tax, non-controlling interests and policyholders, and before shadow accounting

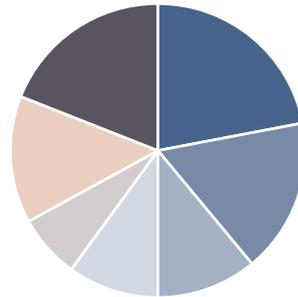


Real estate portfolio (incl. own use, market value)

By region

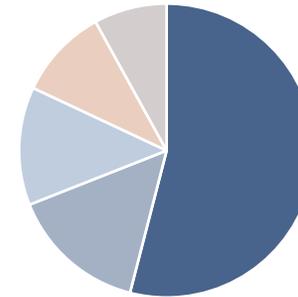
Germany	22%
France	17%
USA	11%
Switzerland	10%
Italy	7%
Rest of Eurozone	14%
Rest of World	19%

Total
EUR 52.0bn¹



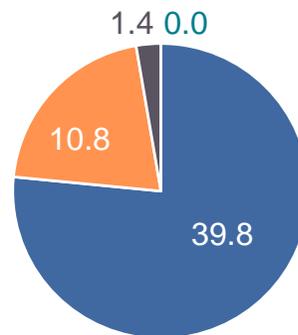
By sectors

Office	54%
Residential	14%
Retail	13%
Logistics	10%
Other/mixed	8%



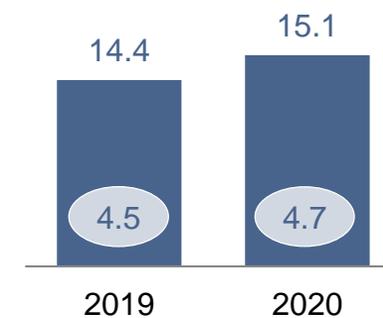
By segment (EUR bn)

L/H	77%
P/C	21%
Corporate and other	3%
Asset Management	0%



Unrealized gains/losses (EUR bn)

Gross unrealized gains/losses
Net unrealized gains/losses ²



1) Market value of real estate assets including EUR 30.6bn directly held real estate assets (e.g., held for investment, held for own use) and EUR 21.4bn indirectly held real estate assets (e.g., associates and joint ventures, available-for-sale investments). Including minorities on directly held real estate assets (EUR 0.6bn). 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.

2) Unrealized gains/losses after tax, non-controlling interests, policy holders and before shadow DAC, based on external and internal real estate valuations

GLOSSARY & DISCLAIMER





Glossary (1)

AFS	Available for sale: Available-for-sale investments are non-derivative financial assets which have been acquired neither for sale in the near term nor to be held to maturity. They are shown at fair value on the balance sheet.
AGCS	Allianz Global Corporate & Specialty
AllianzGI	Allianz Global Investors
AM	(The Allianz business segment) Asset Management
AP	Allianz Partners
APE	Annual premium equivalent: A measure to normalize single premiums to the recurring premiums. It is calculated as the sum of recurring premiums and 10% of single premiums of the respective period.
APR	Accident insurance with premium refund (“Unfallversicherung mit Beitragsrückzahlung”): Special form of accident insurance where the policyholder, in addition to insurance coverage for accidents, has a guaranteed claim to the refund of premiums, either at the agreed maturity date or in the event of death.
Attritional LR	Accident year losses less claims arising from natural catastrophes as per our group-level definition (please refer to “NatCat”) divided by premiums earned (net).
AuM	<p>Assets under management are assets or securities portfolios, valued at current market value, for which Allianz Asset Management companies provide discretionary investment management decisions and have the portfolio management responsibility. They are managed on behalf of third parties as well as on behalf of the Allianz Group.</p> <p>Net flows: Net flows represent the sum of new client assets, additional contributions from existing clients (including dividend reinvestment), withdrawals of assets from and termination of client accounts, and distributions to investors.</p> <p>Market & dividends: Represents current income earned on and changes in fair value of securities held in client accounts. This also includes dividends from net investment income and from net realized capital gains to investors of open-ended mutual funds and closed-end funds.</p>
AY LR	Accident year loss ratio: Please refer to “LR” (loss ratio).
AZ	Allianz



Glossary (2)

Bps	Basis points: 1 Basis point = 0.01%.
CEE	Central and Eastern Europe
CIR	Cost-income ratio: Operating expenses divided by operating revenues
CO	(The Allianz business segment) Corporate and Other
CR	Combined ratio: Represents the total of acquisition and administrative expenses (net), excluding one-off effects from pension revaluation, and claims and insurance benefits incurred (net), divided by premiums earned (net).
Current yield	Represents interest and similar income divided by average asset base at book value.
DAC	Deferred acquisition costs: The expenses of an insurance company which are incurred in the acquisition of new insurance policies, or the renewal of existing policies, and capitalized in the balance sheet. They include commissions paid, underwriting expenses, and policy issuance costs.
Economic reinvestment yield	Reflects the reinvestment yield, including F/X hedging costs on non-domestic hard-currency F/X bonds as well as expected F/X losses on non-domestic emerging-market bonds in local currencies. The yield is presented on an annual basis.
EIOPA	European Insurance and Occupational Pensions Authority
EPS	Earnings per share: A ratio calculated by dividing the respective period's net income attributable to shareholders by the weighted average number of shares outstanding (basic EPS). To calculate diluted earnings per share, the number of common shares outstanding and the net income attributable to shareholders are adjusted to include the effects of potentially dilutive common shares that could still be exercised. Potentially dilutive common shares result from share-based compensation plans (diluted EPS).
ER	Expense ratio: Represents acquisition and administrative expenses (net), excluding one-off effects from pension revaluation, divided by premiums earned (net).
F/X	Foreign exchange rate



Glossary (3)

FIA	Fixed index annuity: Annuity contract under which the policyholder can elect to be credited based on movements in equity or in bond market indices, with the principal remaining protected.
FV	Fair value: The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
FVO	Fair-value option: Financial assets and liabilities designated at fair value through income are measured at fair value, with changes in fair value recorded in the consolidated income statement.
Goodwill	Difference between the cost of acquisition and the fair value of the net assets acquired.
Government bonds	Government bonds include government and government agency bonds.
GPW	Gross premiums written: Please refer to “Premiums written/earned” as well as “Gross/net”.
Gross/net	In insurance terminology the terms “gross” and “net” mean before and after consideration of reinsurance ceded, respectively. In investment terminology the term “net” is used where the relevant expenses have already been deducted.
Harvesting	Includes realized gains/losses (net) and impairments of investments (net).
Held for sale	A non-current asset is classified as held for sale if its carrying amount will principally be recovered through a sale transaction rather than continued use. On the date a non-current asset meets the criteria for being considered as held for sale, it is measured at the lower of its carrying amount and its fair value less costs to sell.
IFRS	International Financial Reporting Standards: As of 2002, the term IFRS refers to the total set of standards adopted by the International Accounting Standards Board. Standards approved before 2002 continue to be referred to as International Accounting Standards (IAS).
IMIX	Our Inclusive Meritocracy Index (IMIX) measures the progress of the organization on its way towards inclusive meritocracy. This internal index is based on ten items from the Allianz Engagement Survey (AES) which deal with leadership, performance, and corporate culture.
Internal growth	Total revenue performance excluding the effects of foreign-currency translation as well as of acquisitions and disposals.
JV	Joint venture
KPI	Key performance indicator



Glossary (4)

L/H

(The Allianz business segment) Life and Health insurance

L/H lines of business

Guaranteed savings & annuities: Life insurance products linked to life expectancy, offering life and / or death benefits in the form of single or multiple payments to beneficiaries and possibly including financial and non-financial guarantees.

Capital-efficient products: Products that are based on the general account but involve a significantly lower market risk, either through comprehensive asset/liability management or through significant limitation of the guarantee. This also includes hybrid products which, in addition to conventional assets, invest in a separate account (unit-linked). Capital-efficient products offer a guaranteed surrender value at limited risk, due to, e.g. precise asset-liability management or market value adjustment.

Protection & health: Insurance products covering the risks associated with events that affect an individual's physical or mental integrity.

Unit-linked [products] without guarantees: With conventional unit-linked products, all benefits under the contract are directly linked to the value of a set of assets which are pooled in an internal or external fund and held in a separate account by the insurer. In this constellation, it is the policyholder rather than the insurer who bears the risk.

L/H operating profit sources

The objective of the "Life/Health operating profit sources" analysis is to explain movements in IFRS results by analyzing underlying drivers of performance, consolidated for the Life/Health business segment.

Loadings & fees: Includes premium and reserve-based fees, unit-linked management fees, and policyholder participation in expenses (if and as applicable).

Investment margin: Is defined as IFRS investment income, net of expenses, less interest credited to IFRS reserves as well as policyholder participation in the investment result.

Expenses: Includes commissions, acquisition, and administration expenses.

Technical margin: Comprises risk result (risk premiums less benefits in excess of reserves), lapse result (surrender charges and commission clawbacks) and reinsurance result, all net of policyholder participation (as applicable).

Impact of change in DAC: Represents the net impact of the deferral and amortization of both acquisition costs and front-end loadings on operating profit. Includes effects of changes in DAC and URR.

LatAm

Latin America: South America and Mexico



Glossary (5)

LoB	Line of business
LR	Loss ratio: Represents claims and insurance benefits incurred (net), divided by premiums earned (net). The calendar year (CY) loss ratio includes the results of the prior year's reserve development in addition to the accident year (AY) loss ratio.
LTC	Long-term care
MCEV	Market-consistent embedded value: A measure of the consolidated value of shareholders' interests in the covered business. It is defined as the excess of the market value of assets over the market value of liabilities as of the valuation date. As such, the MCEV excludes any item not considered shareholder interest, such as the Going Concern Reserve and Surplus Fund.
NatCat	Accumulation of claims that are all related to the same natural or weather/atmospheric event during a certain period and where the estimated gross loss for the Allianz Group exceeds EUR 20mn.
NBM	New-business margin: Performance indicator to measure the profitability of new business in the Life/Health business segment. It is calculated as the value of new business, divided by the present value of new-business premiums, both based on the same assumptions to ensure a valid and meaningful indicator.
Non-controlling interests	Those parts of the equity of affiliates which are not owned by companies of the Allianz Group.
NPE	Net premiums earned: Please refer to "premiums written/earned" as well as "gross/net".
NPS	Net promoter score: A measurement of customers' willingness to recommend Allianz. Top-down NPS is measured regularly according to global cross-industry standards and allows benchmarking against competitors in the respective markets.
OE	Operating entity
Ogden rate	Discount (Ogden) rate is used by British courts to calculate the discounted values of future losses in bodily injury claims paid out as lump-sum payments. It largely impacts motor, but also liability lines.
OP	Operating profit: Earnings from ordinary activities before income taxes and non-controlling interests in earnings, excluding (if and as applicable for each business segment) all or some of the following items: income from financial assets and liabilities carried at fair value through income (net), realized gains/losses (net), impairments of investments (net), interest expenses from external debt, amortization of intangible assets, acquisition-related expenses, restructuring and integration expenses, and profit/loss of substantial subsidiaries held for sale, but not yet sold.



Glossary (6)

Operating SII earnings	<p>Operating SII earnings represent the change in own funds, before tax and dividend accrual, that is attributable to the Allianz Group's ongoing core operations. As such, operating SII earnings comprise: expected return from existing business, new business value, operating variances and changes in assumptions, and interest expense on external debt.</p> <p>Operating SII earnings exclude the following effects, which are disclosed separately in our analysis of own-funds movements: regulatory / model changes, economic variances driven by changes in capital market parameters, including F/X rates, taxes, non-operating restructuring charges, capital management (e.g. issuance or redemption of subordinated debt, dividend accruals and payments, share buy-back programs), one-off impacts from, e.g., the acquisition and disposal of subsidiaries, changes in transferability restrictions, and tier limits.</p>
Own funds	The capital eligible to cover the regulatory solvency capital requirement.
P/C	(The Allianz business segment) Property and Casualty [insurance]
PHP	Policyholder participation
PIMCO	Pacific Investment Management Company Group
PPE	Provision pour participation aux excédents: The portion of the profit participation that is unpaid and has to be credited to policyholders in the future – either by virtue of statutory or contractual obligations or at the insurer's discretion.
Pre-tax operating capital generation	<p>Represents the change in SII capitalization following regulatory and model changes and which is attributable to</p> <p>a) changes in own funds as a consequence of operating SII earnings and</p> <p>b) changes in SCR as a consequence of business evolution.</p> <p>Factors such as market developments, dividends, capital management activities, taxes, etc. are not taken into account.</p>
Premiums written/earned (IFRS)	<p>“Premiums written” refers to all premium revenues recorded in the respective year.</p> <p>“Premiums earned” refers to the part of the premiums written used to provide insurance coverage in that year. In the case of life insurance products that are interest-sensitive (e.g. universal life products) or where the policyholder carries the investment risk (e.g. variable annuities), only the part of the premiums that is used to cover the risk insured and the costs involved is treated as premium income.</p>
PVNB	Present value of new business premiums: I.e. the present value of future premiums on new business written during the period in question, discounted at a reference rate. This includes the present value of projected new regular premiums plus the total amount of single premiums received. PVNB is shown after non-controlling interests, unless otherwise stated.



Glossary (7)

Reinsurance	Insurance companies transfer parts of the insurance risk they have assumed to reinsurance companies.
Retained earnings	In addition to the reserve legally required in the group parent company's financial statements, this item mainly comprises the undistributed profits of group entities as well as the amounts transferred from consolidated net income.
RfB	Reserves for premium refunds ("Rückstellungen für Beitragsrückerstattung"): The portion of the surplus that that is to be distributed to policyholders in the future – either by virtue of statutory or contractual obligations or obligations under the company bylaws, or at the insurer's discretion.
RoE	<p>Return on equity – Group: Represents the ratio of net income attributable to shareholders to the average shareholders' equity at the beginning of the period and at the end of the period. The net income attributable to shareholders is adjusted for net financial charges related to undated subordinated bonds classified as shareholders' equity. From the average shareholders' equity undated subordinated bonds classified as shareholders' equity and unrealized gains/losses on bonds net of shadow accounting are excluded.</p> <p>Return on equity P/C OE: Represents the ratio of net income to the average total equity excluding unrealized gains/losses on bonds, net of shadow accounting, deducting goodwill and deducting participations in affiliates not already consolidated in this OE, at the beginning and at the end of the period.</p> <p>Return on equity L/H OE: Represents the ratio of net income to the average total equity excluding unrealized gains/losses on bonds, net of shadow accounting, and deducting goodwill at the beginning and at the end of the period.</p>
Run-off ratio	The run-off result (result from reserve developments for prior (accident) years in P/C business) as a percentage of premiums earned (net).
SII	Solvency II
SII capitalization	Ratio that expresses the capital adequacy of a company by comparing own funds to SCR.
SCR	Solvency capital requirement
SE	Societas Europaea: European stock company
SFCR	Solvency and Financial Condition Report



Glossary (8)

Statutory premiums	Gross premiums written from the sales of life and health insurance policies, as well as gross receipts from sales of unit-linked and other investment-related products, in accordance with the statutory accounting principles applicable in the insurer's home jurisdiction.
Total equity	The sum of shareholders' equity and non-controlling interests.
Total revenues	The sum of P/C total revenues (gross premiums written & fee and commission income), L/H statutory premiums, operating revenues in AM and total revenues in CO (Banking).
UFR	Ultimate forward rate: The UFR is determined using the EIOPA methodology and guidelines, and is used for extrapolation of periods after the last liquid point defined by the SII regulation. The UFR is calculated for each currency based on expected real rates and inflation for the respective region. The UFR is subject to revision in order to reflect fundamental changes in long term expectations.
UL	Unit-linked: Please refer to "L/H lines of business".
Unrealized gains/losses (net) (as part of shareholders' equity)	Include unrealized gains and losses primarily from available-for-sale investments, net of taxes and of policyholder participation.
URR	Unearned revenue reserves: These comprise premium components (other than expense loadings) that refer to future periods. They are reserved and released over the lifetime of the corresponding contracts.
VA	Variable annuities: The benefits payable under this type of life insurance depend primarily on the performance of the investments in a mutual fund. The policyholder shares equally in the profits or losses of the underlying investments. In addition, the contracts can include separate guarantees, such as guaranteed death, withdrawal, accumulation or income benefits.
VNB	Value of new business: The additional value to shareholders that results from the writing of new business. The VNB is determined as present value of future profits, adjusted for acquisition expenses overrun or underrun, minus the time value of financial options and guarantees, minus a risk margin, all determined at issue date. Value of new business is calculated at point of sale, interpreted as at beginning of each quarter assumptions. In the case of the USA a more frequent valuation, using updated assumptions, is performed (bi-weekly).



Disclaimer

This document includes forward-looking statements, such as prospects or expectations, that are based on management's current views and assumptions and subject to known and unknown risks and uncertainties. Actual results, performance figures, or events may differ significantly from those expressed or implied in such forward-looking statements.

Deviations may arise due to changes in factors including, but not limited to, the following: (i) the general economic and competitive situation in the Allianz Group's core business and core markets, (ii) the performance of financial markets (in particular market volatility, liquidity, and credit events), (iii) the frequency and severity of insured loss events, including those resulting from natural catastrophes, and the development of loss expenses, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) particularly in the banking business, the extent of credit defaults, (vii) interest rate levels,

(viii) currency exchange rates, most notably the EUR/USD exchange rate, (ix) changes in laws and regulations, including tax regulations, (x) the impact of acquisitions including and related integration issues and reorganization measures, and (xi) the general competitive conditions that, in each individual case, apply at a local, regional, national, and/or global level. Many of these changes can be exacerbated by terrorist activities.

No duty to update

The Allianz Group assumes no obligation to update any information or forward-looking statement contained herein, save for any information we are required to disclose by law.