1Q 2020

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Chief Financial Officer

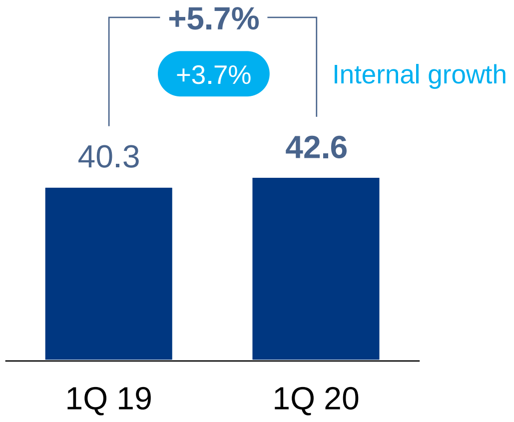
Analyst conference call
May 12, 2020

Allianz

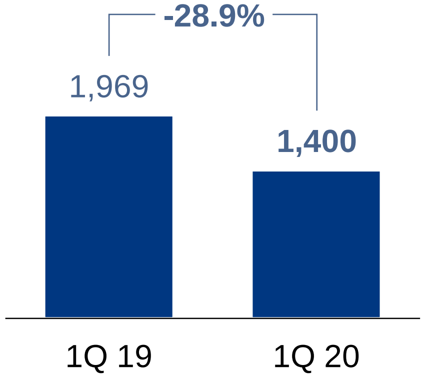
CONTENT

Group: good underlying result, negative impact from COVID-19

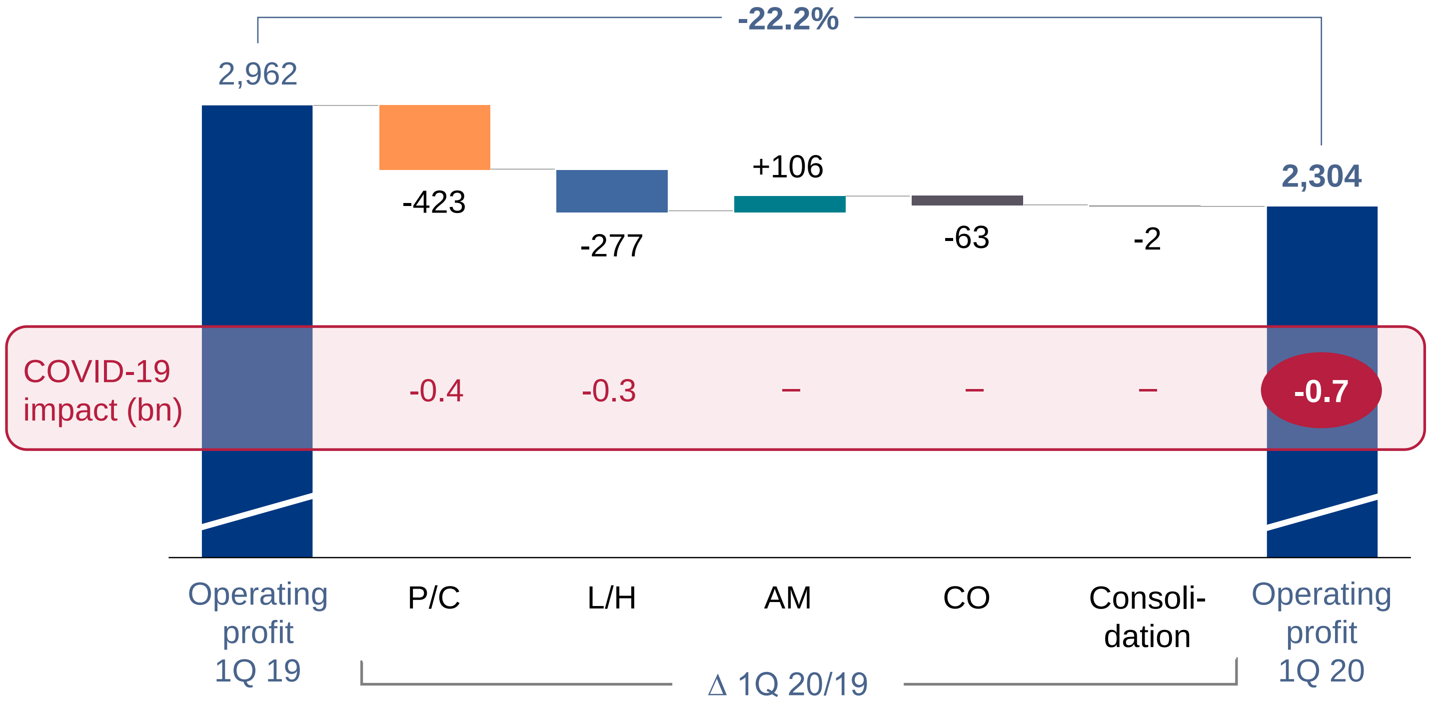
Total revenues (EUR bn)



Shareholders' net income (EUR mn)



Operating profit drivers (EUR mn)



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

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Group: good underlying result, negative impact from COVID-19

Comments

- **Internal growth good at 3.7%**
  Strong internal growth in AM (+9.7%) and L/H (+5.1%). Internal growth in P/C slows down to 1.8%. Positive impacts from F/X (+0.4%) and consolidation (+1.5%) lead to total growth of 5.7%.
- **COVID-19 impact on OP estimated at EUR -0.7bn.**
  Decline of operating profit in P/C and L/H largely due to COVID-19 and NatCat. Double-digit operating profit growth in AM.
- **Allianz withdraws operating profit target**
  A new profit target for 2020 will be announced upon completion of the revised planning.
- **Shareholders' net income down by EUR 0.6bn**
  Drivers are operating profit (Δ EUR -0.7bn) and non-operating result (Δ EUR -0.2bn). Support from lower tax ratio (down 3%-p to 22%).
- **EUR 750mn share buy-back executed by April 2020**
  4.9mn shares acquired representing 1.2% of outstanding capital. The second EUR 750mn tranche of our ongoing share buy-back program was suspended.
- **P/C – NatCat and COVID-19**
  OP declines mainly due to a lower underwriting result (Δ EUR -0.5bn) driven by higher NatCat and COVID-19 related losses. The 'Other' result (Δ EUR +0.1bn) benefits from the gain on the sale of an own-used property.
- **L/H – OP impacted by capital market turbulences**
  Better technical margin is more than offset by lower investment margin (15bps) and higher amortization of DAC. NBM and VNB at solid level of 2.7% and EUR 494mn respectively.
- **AM – strong OP growth**
  13% higher average 3rd party AuM drive increase in OP of 19%. EUR 46bn 3rd party net outflows following industry trends due to COVID-19 pandemic.
- **CO – in line with expectations**
  Negative F/X impact and donation to a COVID-19 solidarity fund.

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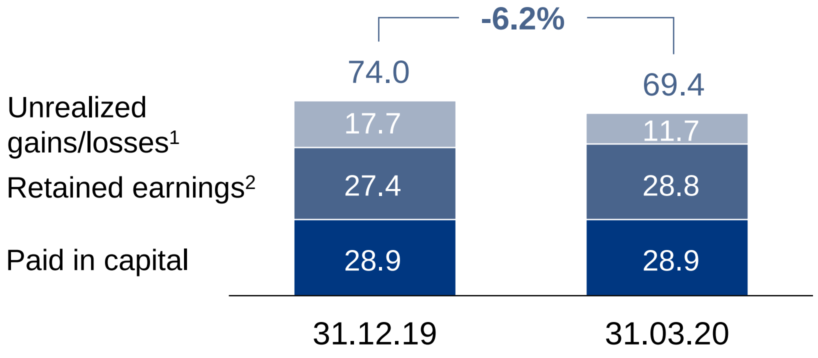
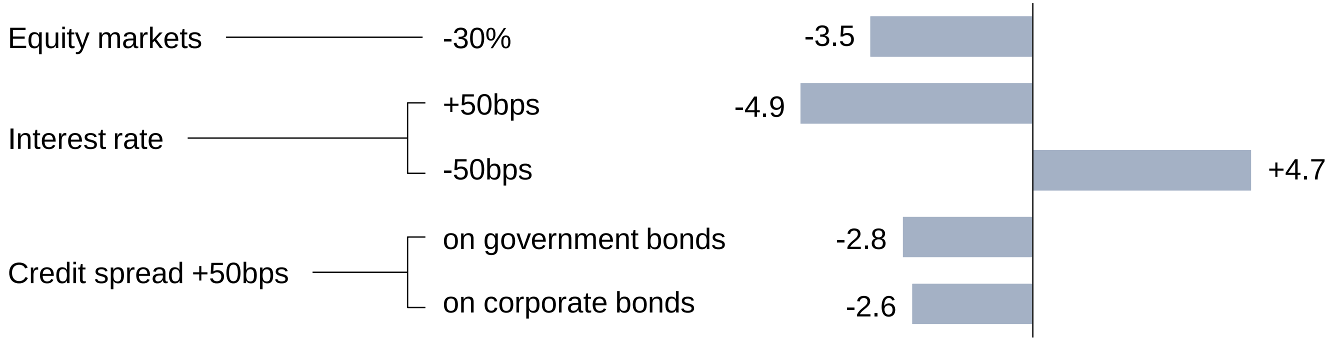
Group: Solvency II ratio on good level

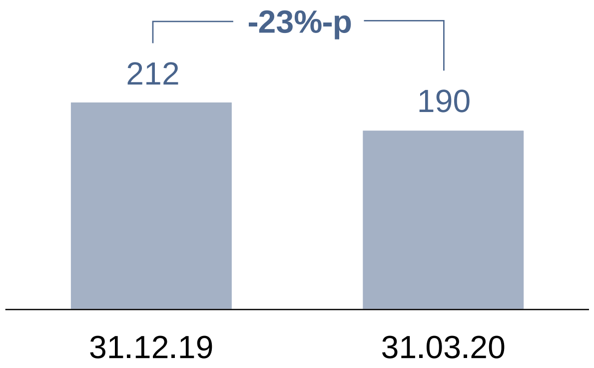
Shareholders' equity (EUR bn)



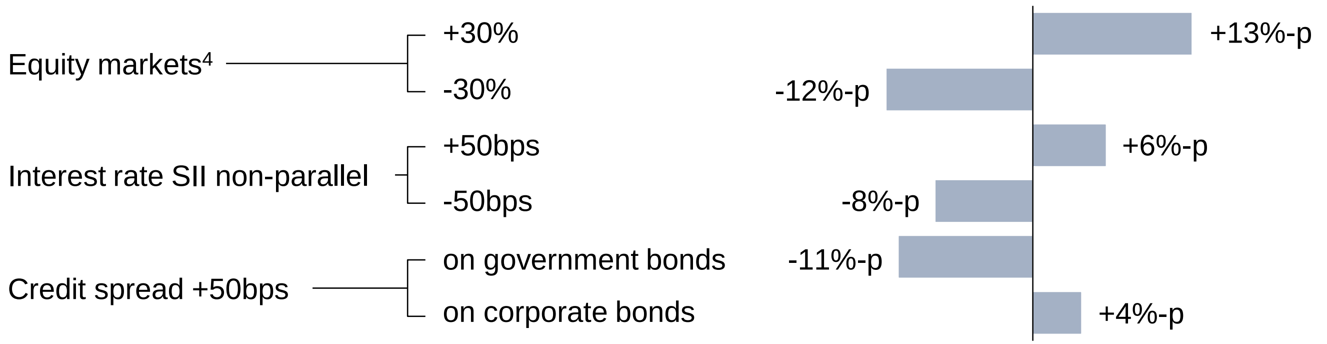
Key sensitivities (EUR bn)



SII capitalization (in %)



Key sensitivities[3]



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 and EUR 4.6bn as of 31.03.20
2) Including F/X
3) Management actions not considered in the disclosed sensitivities
4) If stress applied to traded equities only, sensitivities would be +6%-p/-5%-p for a +/-30% stress

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Group: Solvency II ratio on good level

Comments

- **Shareholders' equity – EUR 4.6bn decrease in 1Q 2020**
  In 1Q 2020, shareholders' equity decreased by EUR 4.6bn. The main drivers were lower net unrealized gains (∆ EUR -6.0bn), F/X (∆ EUR -0.5bn) and the 1Q share of the 2020 share buy-back (EUR -0.4bn). This was partly offset by net income (EUR +1.4bn) and the change in discount rate for defined benefit obligations/plans (EUR +0.8bn).
- **SII sensitivities**
  Overall, the sensitivities are broadly unchanged to FY 2019.

  Equity sensitivities have slightly reduced following the sale of EUR ~5bn traded equities.
- **SII ratio – on a good level**
  In 1Q 2020, our SII ratio declines versus FY 2019 driven by a reduction in own funds and an increase in SCR.

  Main drivers: negative market effects (-28%-p pre-tax, -23%-p after tax) were only partly offset by positive impact from organic capital generation (+5%-p, +2%-p after tax and dividend).

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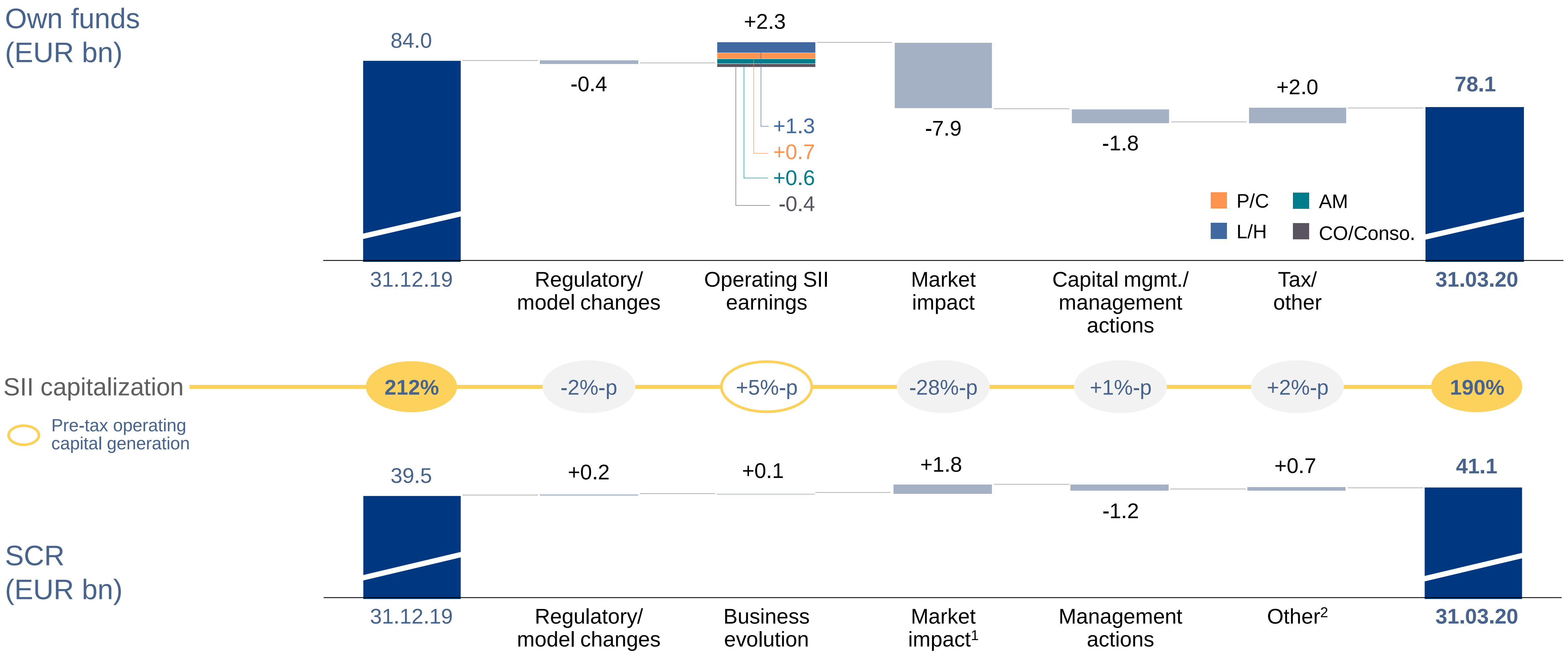
Group: very negative market impact



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

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Group: very negative market impact

Comments

- **SII capital generation**
  SII capital generation – net of tax and dividend – amounts to ~2%-p in 1Q 2020. We anticipate a capital generation net of tax and dividend of ~8%-p in 2020.
- **Regulatory/model changes**
  As previously flagged, the UFR reduction had a ~-2%-p impact.
- **Operating SII earnings**
  The L/H segment's operating SII earnings are above the IFRS results driven by good VNB.

  In the P/C segment, operating SII earnings are below the IFRS segment mainly due to scope differences.

  The operating earnings of the AM segment are largely in line with the IFRS segment.
- **Business evolution**
  P/C growth is the main driver. L/H new business consumption is more than offset by inforce capital release.
- **Market impact**
  Strongly declining equity markets, a drop in risk-free rates, spread widening and high market volatility lead to a very negative market impact.
- **Capital management/management actions**
  The full 2020 share buy-back deduction (EUR 1.5bn) and the normal dividend accrual of 50% of net income (EUR 0.7bn) are the major capital management drivers. Main management actions are the Banco Popular JV deconsolidation (SII ratio impact ~+2%-p) as well as equity derisking and asset duration lengthening which added ~+3%-p.
- **Tax/other**
  Main impact is coming from taxes (EUR +1.8bn).

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P/C: good price-driven growth, lower volume

EUR mn

		Revenues			YTD change on renewals	
		1Q 20	Total growth Δ p.y.	Internal growth Δ p.y.	1Q 20	Momentum
	Total P/C segment	**20,315**	**+4.2%**	**+1.8%**	**+3.9%**	**n.a.**
Selected OEs	Germany	4,762	+0.7%	+0.7%	+2.7%	stable
	France	1,528	0.0%	0.0%	+0.5%	stable
	United Kingdom	1,218	+105.4%	+4.1%	+4.6%	positive
	CEE	1,015	+1.7%	+2.5%	n.a.	n.a.
	Italy	898	-8.3%	-4.4%	-0.1%	negative
	Spain	736	-3.9%	-3.9%	+3.3%	stable
	Australia	652	-5.3%	-0.2%	+2.0%	positive
	Latin America	436	-3.6%	+12.4%	n.a.	n.a.
	Turkey	304	+9.7%	+21.1%	n.a.	n.a.
Global lines	AGCS	3,016	+4.9%	+4.2%	+16.1%	positive
	Allianz Partners	2,173	+2.1%	+1.6%	+2.5%	stable
	Euler Hermes	759	-7.0%	-7.5%	+1.2%	positive

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P/C: good price-driven growth, lower volume

Comments

- **Growth impacted by COVID-19-related restrictions**
  Internal growth of +1.8%, with a positive price effect partly offset by lower volume. AGCS, Asia Pacific and Turkey are the main growth contributors. Consolidations (mainly LV GIG and LGIL; +2.6%) and F/X (-0.2%) lead to +4.2% total growth. Internal NPE growth good at +3.9%. 3M 2020 rate change on renewals +3.9% (12M 2019: +3.1%). AGCS +16.1% (12M 2019: +9.8%).
- **Germany – price-driven growth**
  Good growth in commercial and in ADAC motor JV in particular.
- **France – price offset by lower volume**
  Growth in personal lines offset by reduction in commercial.
- **UK – positive rate momentum in commercial**
  Strong positive price effect partly offset by lower volume. LV GIG and LGIL consolidated as of 1 January 2020.
- **CEE – volume-driven growth**
  Czech Republic, Slovakia and Austria main growth contributors.
- **Italy – volume and price lower**
  COVID-19 quarantine measures drive decline in MTPL (motor third party liability) and MidCorp. Non-motor retail slightly up.
- **Spain – growth in commercial**
  Growing commercial business but lower personal lines volume. The latter is impacted by pricing actions.
- **Turkey – higher volume and prices**
  Health and MOD (motor own damage) main growth drivers.
- **AGCS – price-driven growth, volume down**
  Double-digit price effect.
- **Allianz Partners – growth impacted by COVID-19**
  Good new business in health/life. Further slowdown expected.
- **Euler Hermes – impacted by economic slowdown**
  Lower policyholder turnover as a result of the economic slowdown drives top-line reduction.

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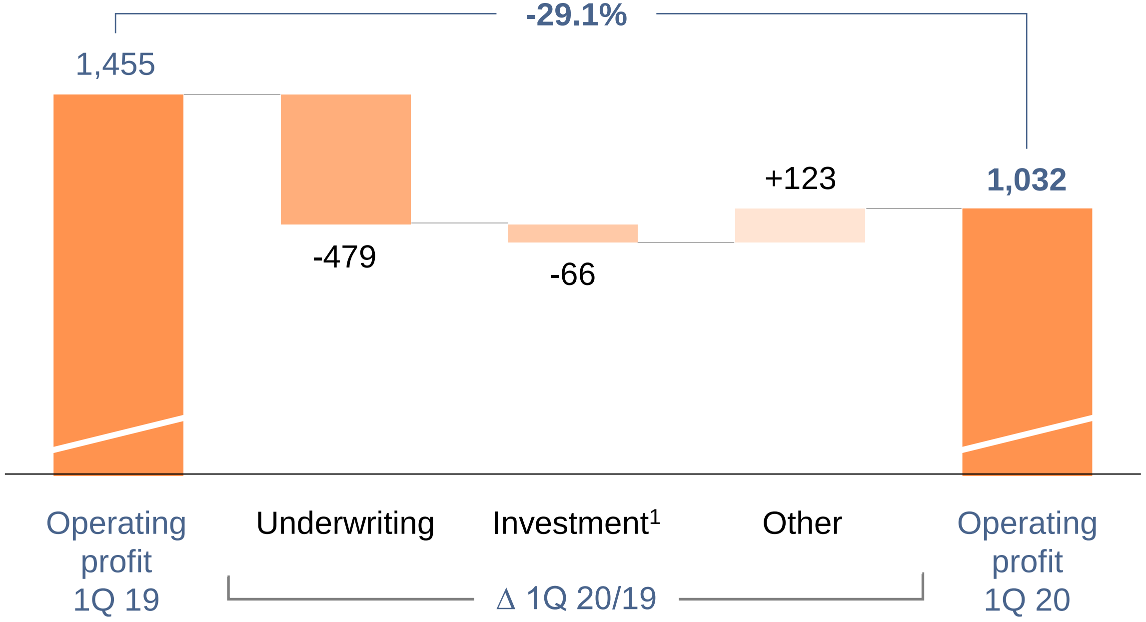
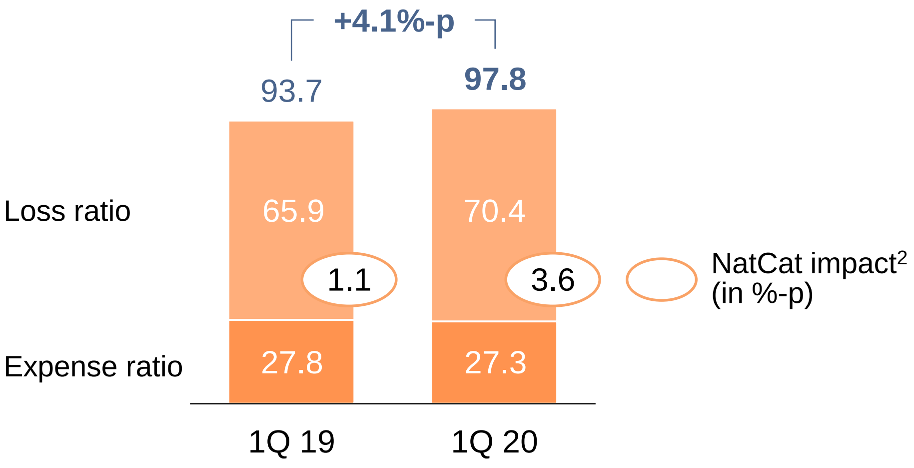
P/C: a tough quarter

Operating profit drivers (EUR mn)

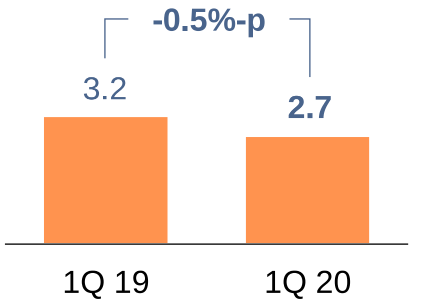


1Q 20	219	645	168
1Q 19	698	711	45

Combined ratio (in %)



Run-off ratio (in %)



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

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P/C: a tough quarter

Comments

- **Operating profit – impacted by NatCat and COVID-19**
  OP of EUR 1.0bn well below prior year (∆ EUR -0.4bn). Main drivers are higher NatCat (∆ EUR 0.3bn) and the negative COVID-19 underwriting result impact (EUR 0.4bn).
- **Loss ratio – attritional LR improves ex COVID-19**
  AY LR increases to 73.1% (∆ +4.1%-p) due to higher NatCat and COVID-19 impact (~2.5%-p). Attritional LR (AY LR ex NatCat) increases by 1.6%-p to 69.5%.
- **AY CR ex NatCat and COVID-19 improves**
  The attritional CR (AY CR ex NatCat) adjusted for COVID-19 losses improves by ~1.8%-p to ~94.0%.
- **NatCat & weather – NatCat well above previous year**
  NatCat losses of EUR 0.5bn/3.6% well above last year's level of EUR 0.1bn/1.1% and also above 10Y FY average of 2.2%. Weather losses (ex NatCat) of 0.8% are in line with the previous year.
  Combined NatCat and weather losses of 4.4% are 2.5%-p worse than 1Q 2019.
- **Run-off – on normal level**
  Run-off of 2.7% below 1Q 2019 level of 3.2% (∆ -0.5%-p).
- **Expense ratio – overall good improvement**
  Cost containment initiatives and LV GIG consolidation contribute positively.
- **COVID-19 impact by LoB**
  The negative COVID-19 impact on the P/C underwriting result amounts to EUR 0.4bn and broadly breaks down as follows: Entertainment EUR 0.2bn, business interruption / business closure EUR 0.2bn and Euler Hermes and travel EUR 0.1bn.
  The frequency decline has a positive impact on the motor underwriting result to the tune of EUR 0.1bn.

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P/C: widespread NatCat and COVID-19 impacts

EUR mn		Operating profit 1Q 20	Operating profit Δ p.y.	Combined ratio 1Q 20	Combined ratio Δ p.y.	NatCat impact on CR 1Q 20	NatCat impact on CR Δ p.y.
	Total P/C segment	**1,032**	**-29.1%**	**97.8%**	**+4.1%-p**	**3.6%-p**	**+2.5%-p**
Selected OEs	Germany	291	+7.7%	96.7%	+3.9%-p	4.7%-p	+1.5%-p
	France	99	-9.9%	95.3%	+0.1%-p	2.0%-p	+1.2%-p
	United Kingdom	19	-57.3%	101.4%	+6.5%-p	5.8%-p	+5.8%-p
	CEE	99	+12.1%	88.8%	-1.9%-p	1.0%-p	+0.3%-p
	Italy	200	-21.1%	83.2%	+5.9%-p	0.0%-p	0.0%-p
	Spain	44	+101.0%	93.8%	-3.9%-p	1.0%-p	+1.0%-p
	Australia	33	-33.1%	100.5%	+2.1%-p	13.5%-p	+9.3%-p
	Latin America	59	+48.2%	100.6%	-0.2%-p	0.0%-p	0.0%-p
	Turkey	32	+31.7%	103.1%	-6.2%-p	0.0%-p	0.0%-p
Global lines	AGCS	-141	n.m.[1]	117.5%	+17.8%-p	3.6%-p	+3.4%-p
	Allianz Partners	33	-44.0%	99.2%	+2.0%-p	0.0%-p	0.0%-p
	Euler Hermes	70	-39.8%	87.5%	+6.0%-p	–	–

1) In 1Q 2019 OP of AGCS was at EUR 106mn (Δ EUR -247mn).

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P/C: widespread NatCat and COVID-19 impacts

Comments

- **Germany – underlying improvements**
  CR primarily higher on increased AY LR (Δ +3.2%-p). AY LR development driven by COVID-19 impact (~4%-p) and higher NatCat. The OP benefits from gain on sale of an own-used property of EUR 0.15bn.
- **France – improved expense ratio**
  Increased AY LR (higher NatCat) broadly offset by better ER.
- **UK – NatCat main CR driver**
  CR negatively impacted by high NatCat load.
  LV GIG and LGIL included as of 1 January 2020.
- **CEE – excellent CR**
  ER reduction as the main driver.
- **Italy – CR remains on very good level**
  Lower run-off and higher ER more than offset an improved AY LR, driven by lower claims frequency.
- **Spain – remedial actions successful**
  CR improvement driven by positive yoy run-off development and better AY LR (Δ -2.9%-p). The latter is mainly driven by underlying improvements.
- **Australia – strong NatCat impact**
  Attritional LR improves by 4.6%-p.
- **Turkey – a good performance**
  AY LR 6.5%-p better driven by lower claims frequency.
- **AGCS – significant COVID-19 impact**
  No major net PY reserve movements. Strong rate increases but AY LR higher on COVID-19 and NatCat. CR ex-COVID-19 around 100%.
- **Allianz Partners**
  LR already exposed to higher claims (mainly travel) and high run-off in prior year. CR development during remainder of the year will be highly dependent on length of lockdown.
- **Euler Hermes – impacted by large losses**
  Expected first reserve build up on small- to mid-size claims for the recession and a few large losses pre COVID-19.
- **Global Lines (AGCS, Euler Hermes, Allianz Partners)**
  We expect further negative COVID-19-driven impacts on revenues and claims during the remainder of the year.

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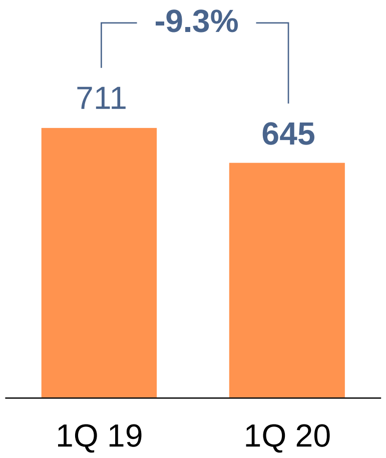
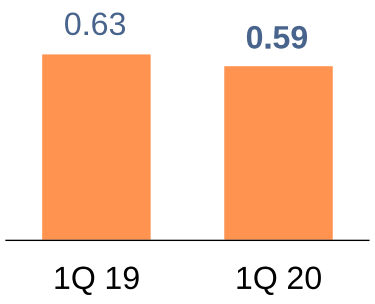
P/C: interest & similar income resilient, net harvesting & other down

Operating investment result[1]
(EUR mn)

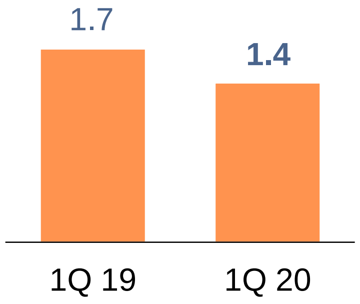


Interest & similar income[2]	792	**784**	-8
Net harvesting and other[3]	17	**-33**	-50
Investment expenses	-98	**-107**	-8

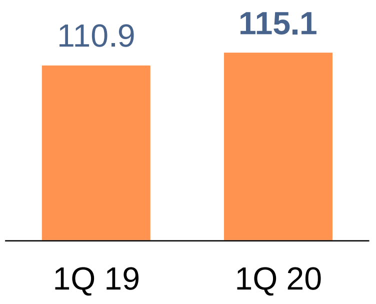
Current yield
(debt securities; in %)



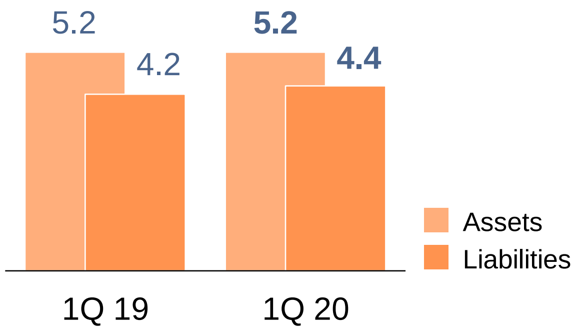
Economic reinvestment yield
(debt securities; in %)



Total average asset base[4]
(EUR bn)



Duration[5]



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.

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P/C: interest & similar income resilient, net harvesting & other down

Comments

- **Interest & similar income**
  Lower income from fixed income partly offset by real estate and alternatives.
- **Net harvesting & other**
  Driven by lower F/X result net of hedges.
- **Reinvestment yield**
  Decline in reinvestment yield vs 1Q 2019 driven by market movements.

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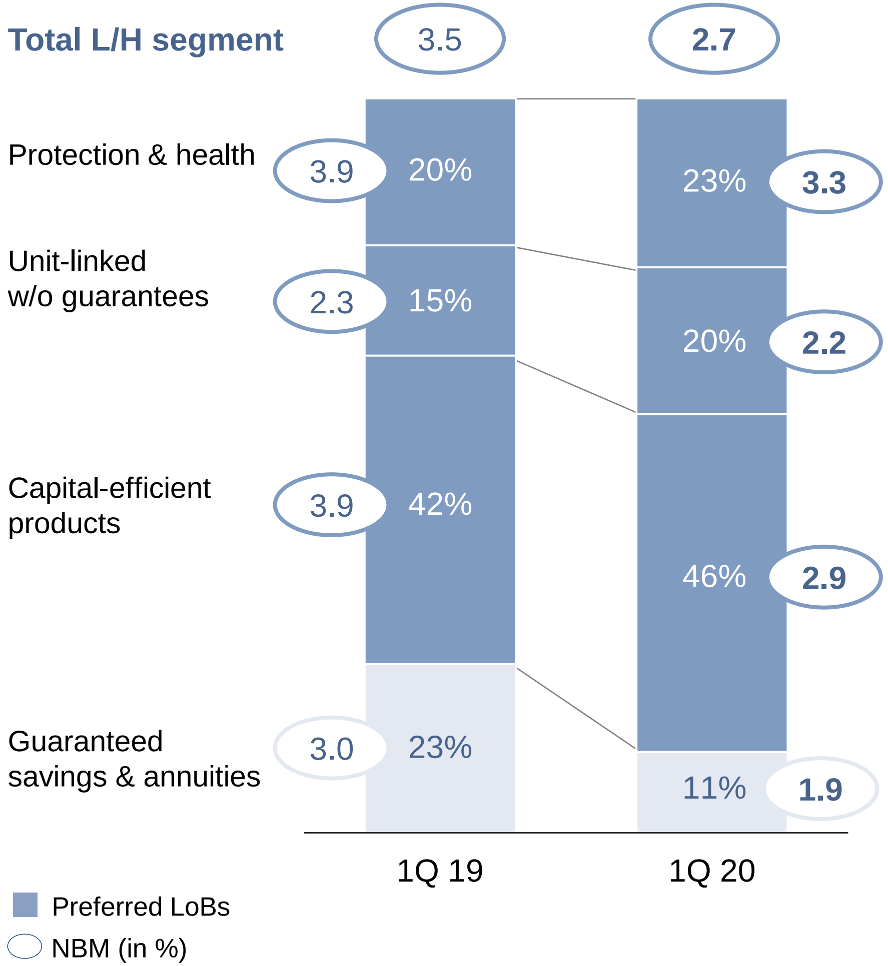
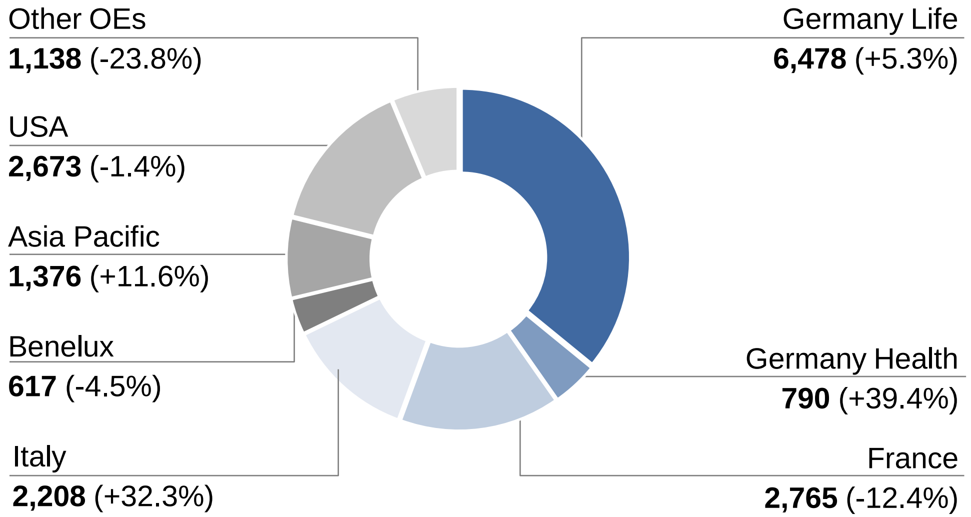
L/H: new business margin solid at 2.7%

PVNBP share by line



PVNBP by OE (EUR mn)



EUR mn	1Q 19	1Q 20	Δ p.y.
PVNBP	17,626	**18,044**	+2.4%
Single premium	9,828	10,301	+4.8%
Recurring premium	2,518	2,582	+2.5%
APE	3,501	**3,612**	+3.2%

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L/H: new business margin solid at 2.7%

Comments

PVNBP by line

- **Preferred lines of business grow 18%**
  New business volume in 1Q 2020 only marginally affected by lockdown so far. UL sales show a plus of 38% with largest volume expansion in Italy (∆ EUR +0.7bn). P&H new business grows 15%. Growth of 13% in capital-efficient products. New business with GS&A is down 51%.
- **NBM solid at 2.7%**
  Stable NBM in UL w/o guarantees. NBM of capital-efficient products declines mainly due to lower interest rates but still is at a good level. Further management actions underway to support NBM.
- **Share of preferred lines of business at 89%**
  Share of GS&A down by 12%-p, of which 3%-p is due to model changes and product reclassification.

PVNBP by OE

- **Germany Life – share of preferred lines at 85%**
  Capital-efficient business up 23%, P&H grows by 9%.
- **USA – shift to capital-efficient VA continues**
  Capital-efficient VA business grows by EUR 0.3bn at NBM 3.1% and accounts for 36% of new business.
- **Italy – UL sales up 63%**
  Bancassurance and financial advisors contribute to UL success.
- **Asia Pacific – double-digit growth in Thailand, Indonesia and Taiwan**
- **France – GS&A sales drop 58%**
  Lower sales in partnerships (banks and family offices).
- **Germany Health – double-digit business growth**
  Growth supported by positive impact from lower discount rates on PV of recurrent premiums.
- **Other OEs – a high prior year level and model changes lead to decline of 71% in Switzerland**

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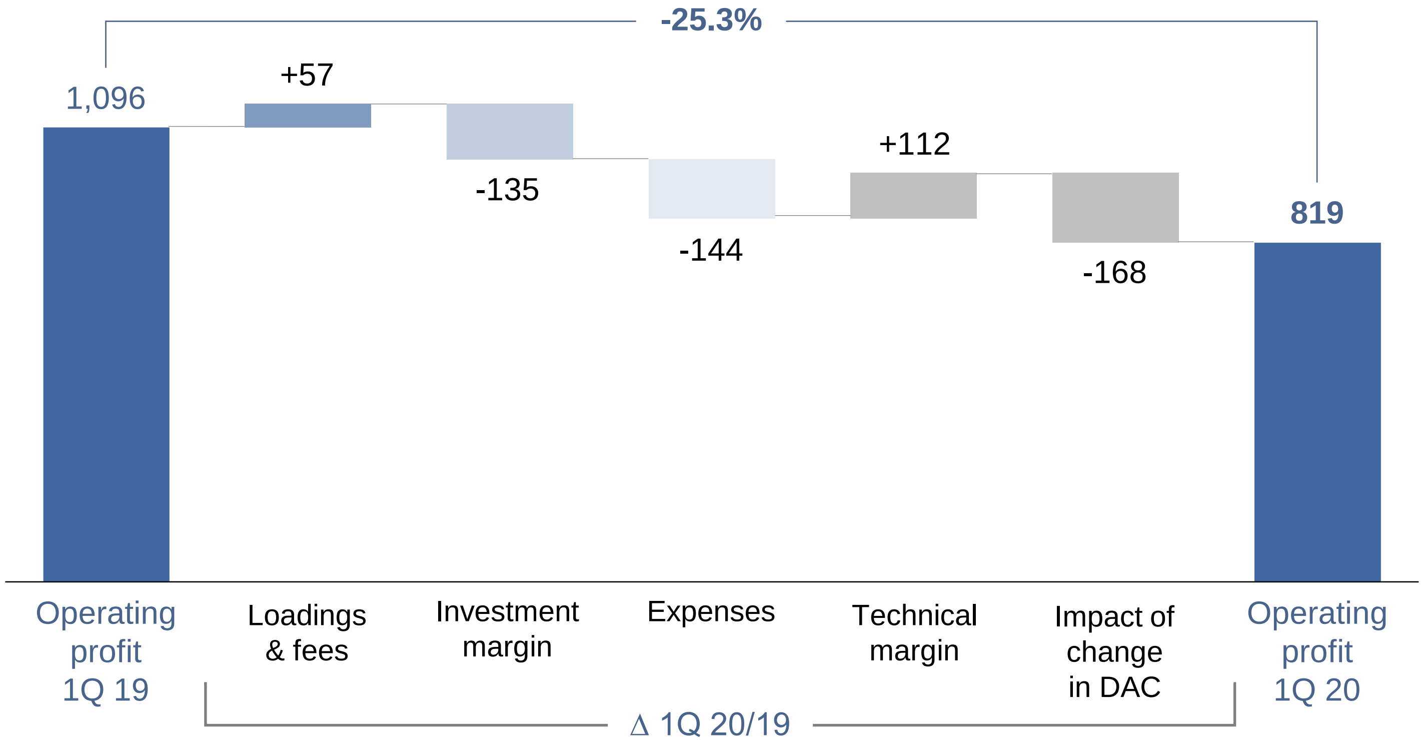
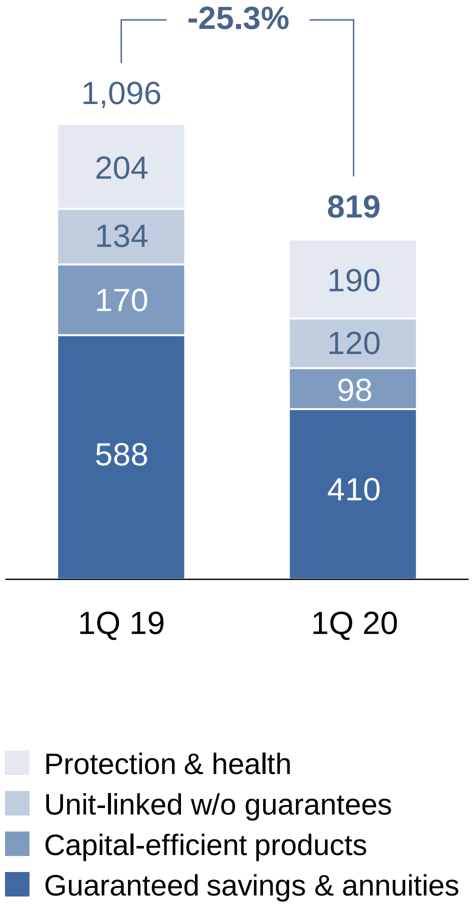
L/H: operating profit affected by capital market turbulences
(EUR mn)

Operating profit by source[1]



1Q 20	**1,699**	**723**	**-1,937**	**410**	**-77**
1Q 19	1,642	858	-1,793	298	91

Operating profit by line



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

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L/H: operating profit affected by capital market turbulences

Comments

- **OP declines by EUR 277mn**
  Better technical margin is more than offset by lower investment margin and higher DAC amortization. Impact from COVID-19 estimated at EUR -0.3bn.
- **Loadings & fees driven by reserve growth**
  Improvement driven by overall avg. reserve growth (+6.0%). Loadings & fees from premiums stable.
- **Investment margin mainly driven by impairments**
  Impairments and a lower trading result, mainly higher hedging costs in USA, lead to a decline of the investment margin by 4bps to 15bps.
- **Expenses – higher acquisition expense ratio**
  Admin expenses grow in line with reserve growth.
- **Technical margin – widespread improvement**
  Better results from Germany Health, USA, Italy, France and Asia Pacific.
- **Impact of change in DAC driven by U.S. business**
  Adverse impact on DAC in U.S. traditional VA business (Δ EUR -0.1bn) resulting from lower account values.

Operating profit by line

- **Protection & health**
  Decline mainly due to a lower investment margin of Germany Health.
- **Unit-linked w/o guarantees**
  Higher contribution from Italy more than offset by lower results in Taiwan, Spain and France.
- **Capital-efficient products**
  Lower contribution from USA partially compensated by Germany Life.
- **Guaranteed savings & annuities**
  Result from traditional U.S. VA business down. Decline of investment margin main driver for lower contribution from Germany Life.

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L/H: VNB down but still at good level

EUR mn	Value of new business		New business margin		Operating profit	
	1Q 20	∆ p.y.	1Q 20	∆ p.y.	1Q 20	∆ p.y.
Total L/H segment	**494**	**-18.9%**	**2.7%**	**-0.7%-p**	**819**	**-25.3%**
Germany Life	216	-11.0%	3.3%	-0.6%-p	250	-16.6%
Asia Pacific	71	-0.4%	5.2%	-0.6%-p	71	-28.8%
USA	63	-28.9%	2.3%	-0.9%-p	47	-77.8%
Italy	42	-9.4%	1.9%	-0.9%-p	118	+44.2%
Germany Health	31	+49.3%	3.9%	+0.3%-p	15	-64.7%
Turkey	15	+95.8%	7.2%	+2.3%-p	20	+20.0%
Benelux	12	-33.9%	1.9%	-0.8%-p	41	+20.6%
CEE	11	-9.3%	5.0%	-0.7%-p	54	-5.4%
Spain	9	-54.6%	3.4%	-3.7%-p	25	-44.4%
Switzerland	3	-57.2%	2.1%	+0.7%-p	27	+6.2%
France	-2	n.m.[1]	-0.1%	-1.8%-p	139	-15.6%

1) In 1Q 2019 VNB of France was at EUR 54mn (∆ EUR -56mn).

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L/H: VNB down but still at good level

Comments

New business

- **NBM with 2.7% at solid level**
  NBM decline mainly due to unfavorable market movements (-0.9%-p) partially offset by better business mix (+0.4%-p).
- **Germany Life – VNB decline driven by margin**
  Support from new business growth. NBM at 3.3%.
- **USA – stable new business and lower NBM**
  Shift to capital-efficient VA business (NBM 3.1%).
- **France – CR P&H business is weighing on NBM**
  Further pricing and underwriting review ongoing.
- **Turkey and Germany Health benefit from volume growth and margin expansion**
- **Asia Pacific – holding up well**
  VNB accounts for 14% of Group VNB.
- **Spain – discontinuation of JV with Banco Popular**
- **Switzerland – business volume affected by model change**

Operating profit

- **Germany Life – good level**
  Less investment margin and higher DAC amortization.
- **USA – profitability impacted by market turbulences**
  Operating profit from traditional VA business down by EUR 121mn mainly due to higher hedging expenses and lower account values adversely impacting the DAC. In addition lower contribution from capital-efficient VA business (Δ EUR -48mn) due to spike in market volatility affecting the hedging result.
- **Italy – higher UL management fees**
  Improvement driven by UL management fees and technical margin due to better risk and lapse margin.
- **Asia Pacific – lower OP in Taiwan (EUR -34mn)**
  Better result from Indonesia (EUR +13mn).
- **France and German Health – impairments weigh on investment margin**
- **Spain – discontinuation of JV with Banco Popular**

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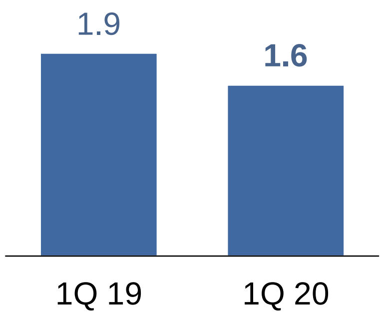
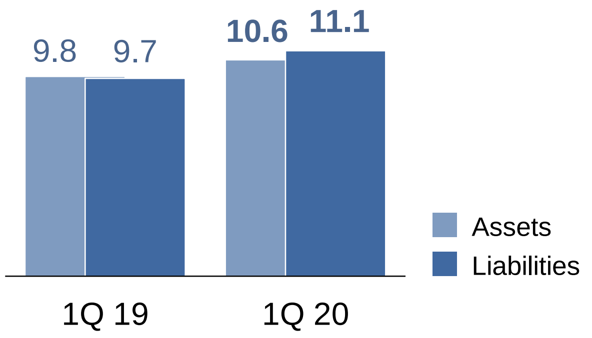
L/H: capital markets volatility weighs on investment margin

	Investment margin 1Q 19	Investment margin 1Q 20
Based on Ø book value of assets[1] (EUR bn)	**552**	**605**
Current yield	0.80%	0.77%
Based on Ø aggregate policy reserves (EUR bn)	**458**	**488**
Current yield	**0.96%**	**0.95%**
Net harvesting and other[2]	0.09%	-0.80%
Total yield	**1.05%**	**0.15%**
- Ø min. guarantee[3]	0.49%	0.47%
Gross investment margin (in %)	**0.56%**	**-0.32%**
- Profit sharing under IFRS[4]	0.37%	-0.47%
Investment margin (in %)	**0.19%**	**0.15%**
Investment margin (EUR mn)	858	723

Economic reinvestment yield (debt securities; in %)



Duration[5]



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1) Asset base under IFRS which excludes unit-linked, FVO and trading
2) Other comprises fair value option, trading and F/X gains and losses, as well as investment expenses
3) Based on technical interest
4) Includes bonus to policyholders under local statutory accounting and deferred premium refund under IFRS
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 L/H segment.

L/H: capital markets volatility weighs on investment margin

Comments

- **Investment margin declines by EUR -135mn**
  Lower investment margin (Δ -4bps to 15bps) partially offset by higher reserve base (+6.5%).
- **Yield decline within expected range**
  Current yield based on aggregate policy reserves down by 2bps. Impact from yield decline offset by lower average minimum guarantee (-2bps).
- **Net harvesting and other (in %)**
  Main drivers are higher equity impairments (-53bps) and a decline in the trading result (-38bps). The latter is mainly due to higher hedging costs which are partially offset by PHP.

  As a result contribution from net harvesting and other is down by 5bps net of PHP.

- **Investment margin at 15bps**
  Lower gross investment margin and higher PHP lead to investment margin of 15bps.
- **Reinvestment yield**
  Decline in reinvestment yield vs 1Q 2019 driven by market movements.
- **Change in duration**
  Impact from lower interest rates partially mitigated by management action (increased asset duration).

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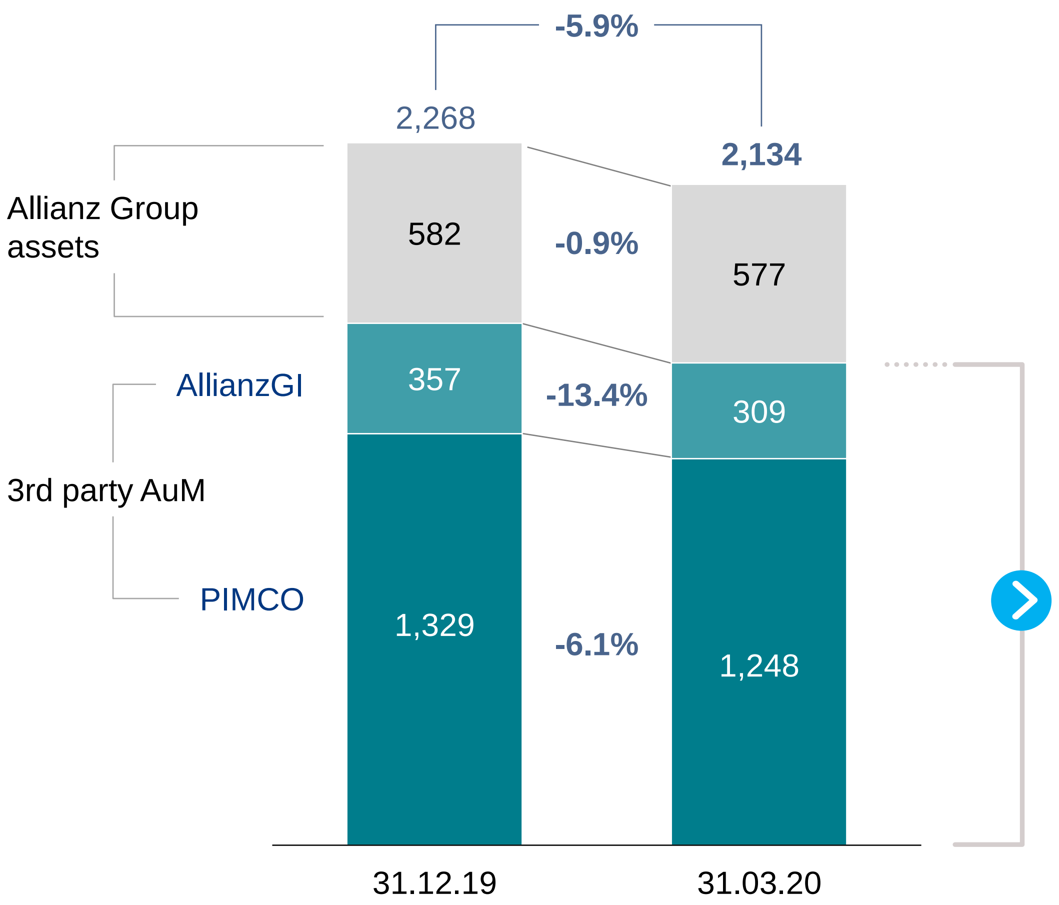
AM: EUR 2.1tn total AuM

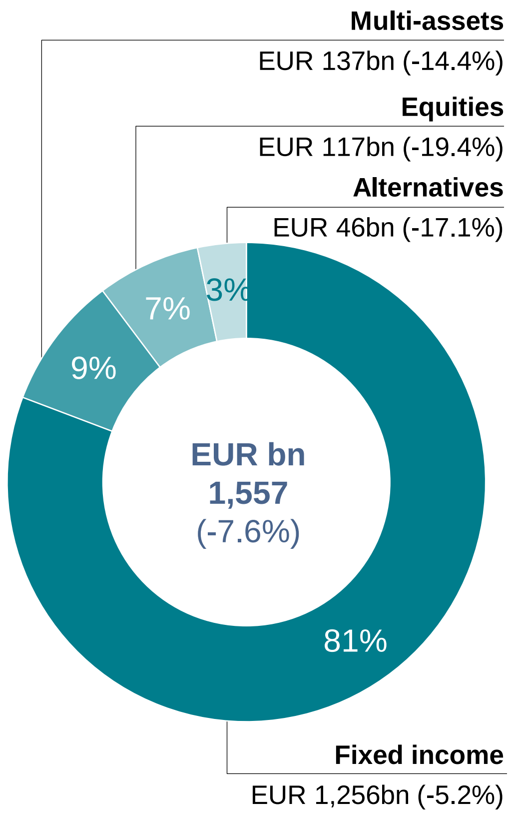
(EUR bn)

Total assets under management

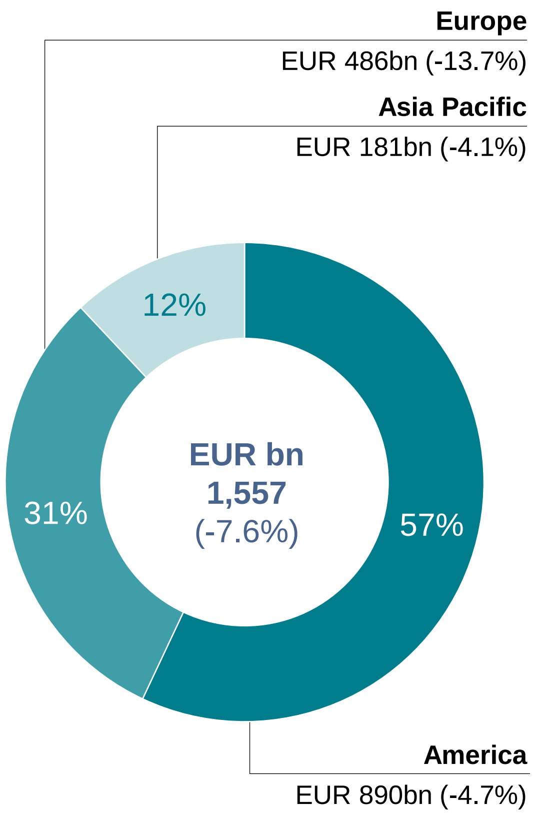


3rd party AuM split

Asset classes



Regions



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AM: EUR 2.1tn total AuM

Comments

- **Total AuM: -6%**
  Decrease to EUR 2.1tn driven by 3rd party assets. Supportive F/X effects do not compensate for adverse markets and net outflows, impacted by COVID-19 pandemic and the resulting developments in capital markets and asset management industry.

  1Q 2020 average total AuM amount to EUR 2,297bn, 13% above 1Q 2019 level of EUR 2,039bn and 6% above FY 2019 level of EUR 2,168bn.

- **Business highlights**
  After the transfer of Allianz Real Estate with a property portfolio of more than EUR 70bn, PIMCO will become one of the largest global real estate investment managers with more than EUR 100bn in real estate assets across Europe, USA and the Asia Pacific region. Transfer expected in 2020.

  53% of segment 3rd party AuM outperform benchmarks on a trailing 3-year basis before fees.

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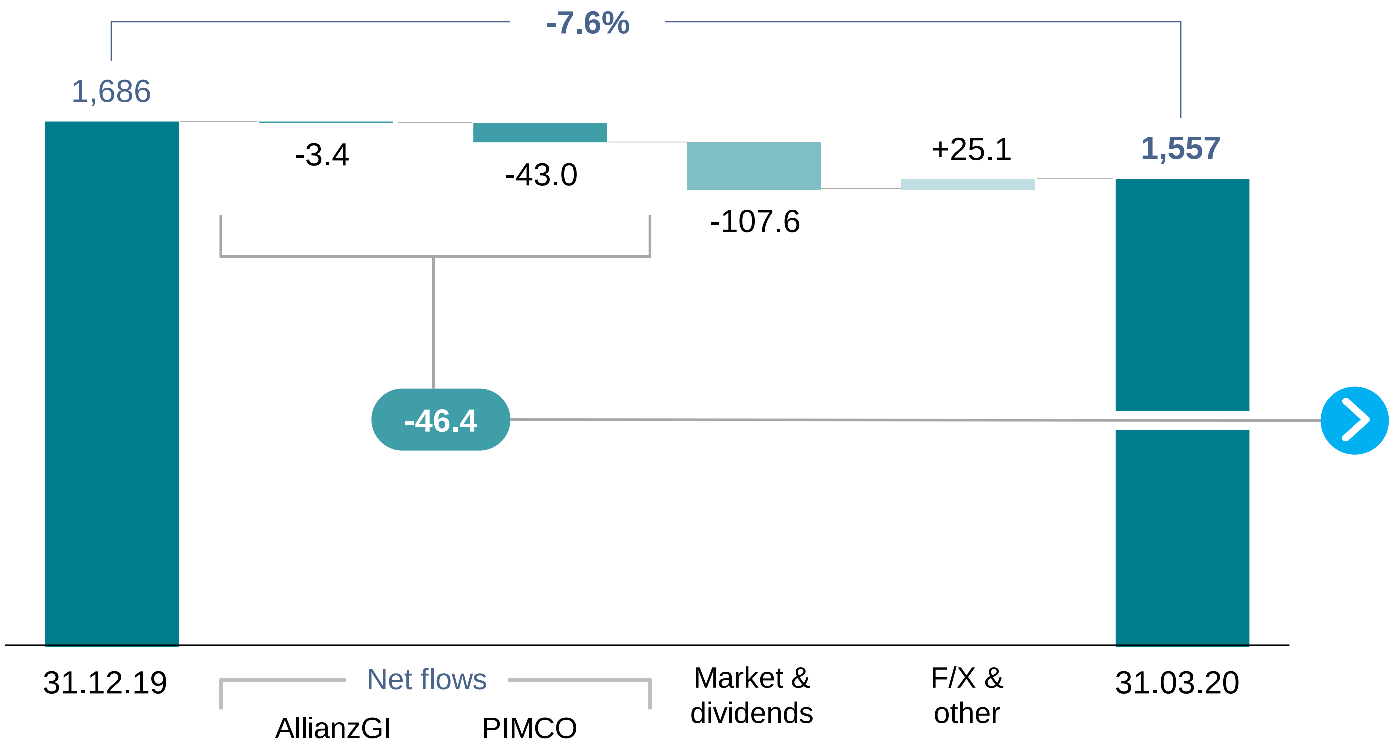
AM: 3rd party AuM down driven by markets

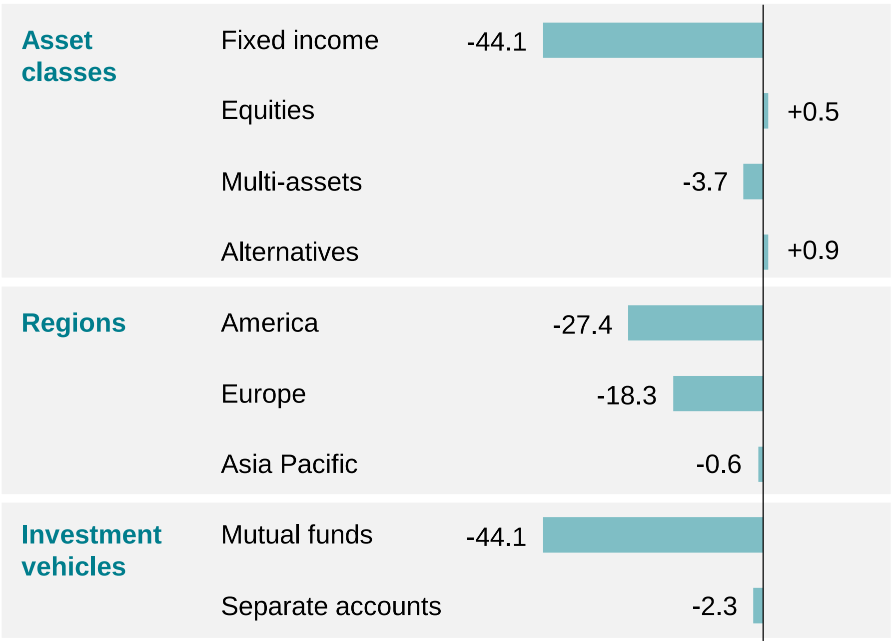
(EUR bn)

3rd party assets under management development



in %	-0.2%	-2.6%	-6.4%	+1.5%

3rd party net flow split



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AM: 3rd party AuM down driven by markets

Comments

- **3rd party AuM: -8%**
  Decrease driven by capital markets and 3rd party net outflows; F/X effects contribute positively (end of 1Q 2020 compared with end of FY 2019).

  3rd party AuM end of March only 3% below average 3rd party AuM of FY 2019.

  1Q 2020 average 3rd party AuM amount to EUR 1,700bn, 13% above 1Q 2019 level of EUR 1,499bn and 6% above FY 2019 level of EUR 1,598bn.

- **3rd party net flows PIMCO: EUR -43bn**
  After EUR 83bn 3rd party net inflows in FY 2019, net inflows continued through 2M 2020, but turned into net outflows in March following industry trends due to COVID-19 pandemic. Major parts of outflows stem from income, enhanced cash and core strategies.

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

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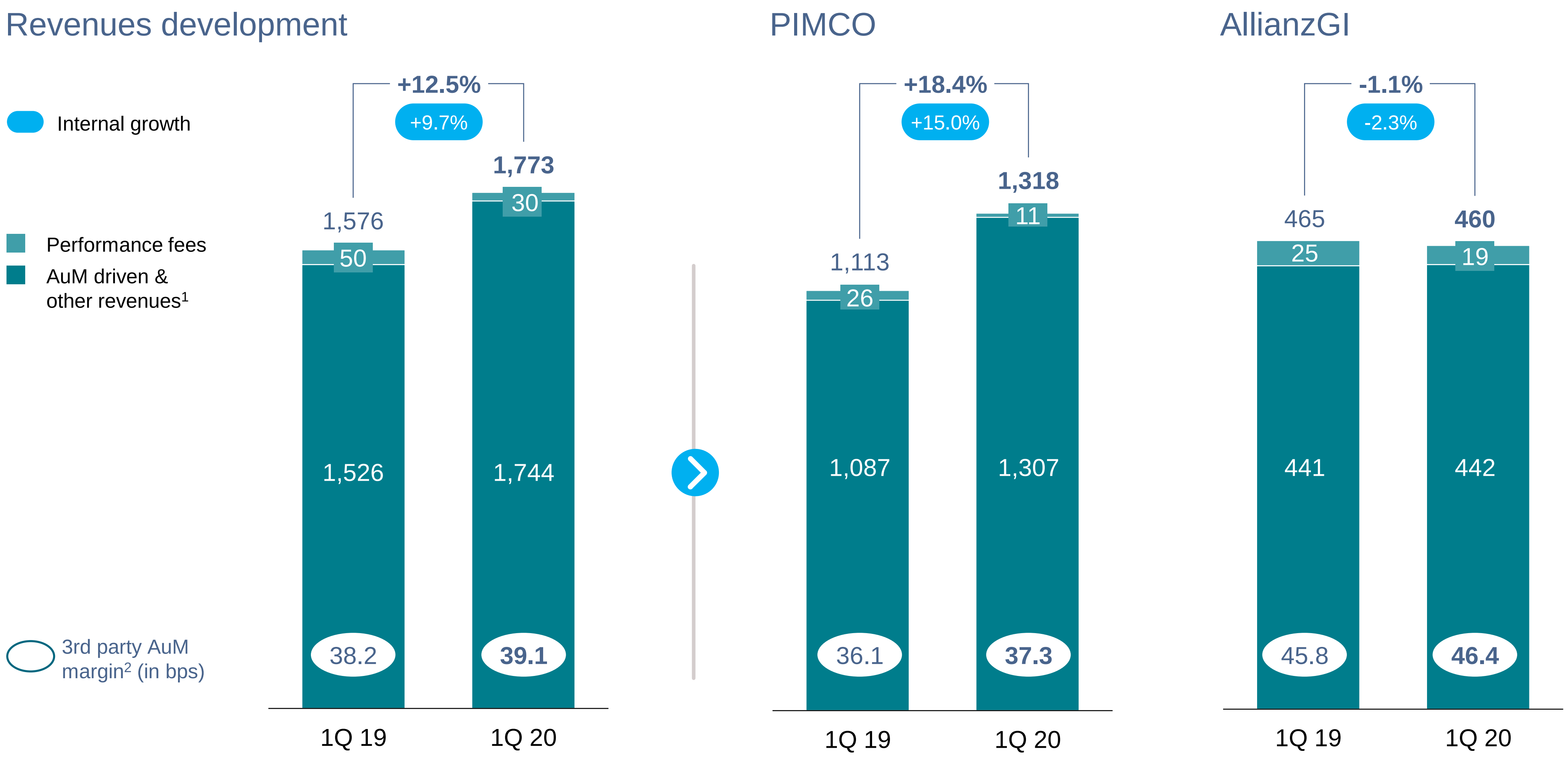
AM: revenues up 12%

(EUR mn)



1) Thereof other revenues: AM: 1Q 19: EUR 0mn, 1Q 20: EUR -10mn; PIMCO: 1Q 19: EUR -6mn; 1Q 20: EUR +6mn; AllianzGI: 1Q 19: EUR +5mn; 1Q 20: EUR -13mn
2) Excluding performance fees and other income

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AM: revenues up 12%

Comments

- **Segment revenues – higher AuM driven revenues and favorable F/X**
  Revenues increase by 12% due to higher average 3rd party AuM (+13%) and positive F/X effects.

  AuM driven revenues +15% mainly due to higher average 3rd party AuM at PIMCO (+16%) and AllianzGI (+5%), supported by non-repetition of one-off expenses in 1Q 2019.

- **PIMCO margin**
  Margin at 37.3bps (1Q 2019: 36.1bps). Increase of 1.2bps mainly due to non-repetition of one-off expenses in 1Q 2019, additionally supported by positive fee day impact.

- **AllianzGI margin**
  Margin at 46.4bps (1Q 2019: 45.8bps). Increase of 0.6bps mainly driven by fee day impact.

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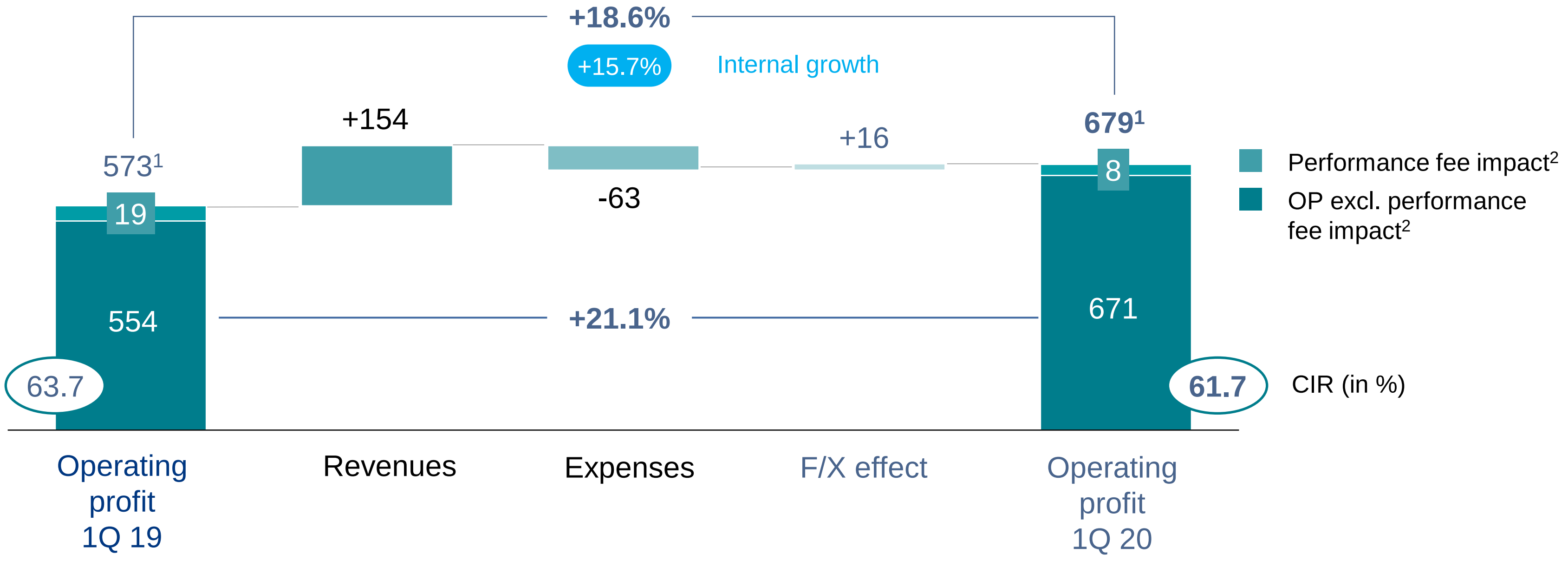
AM: OP increases 19%

(EUR mn)

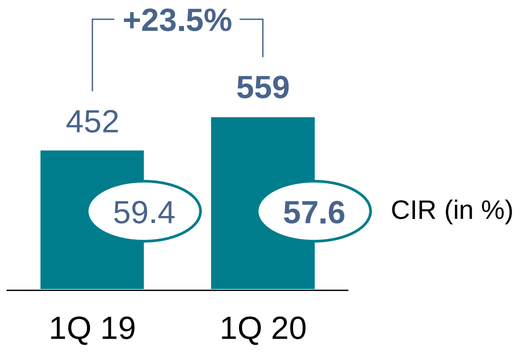
Operating profit drivers



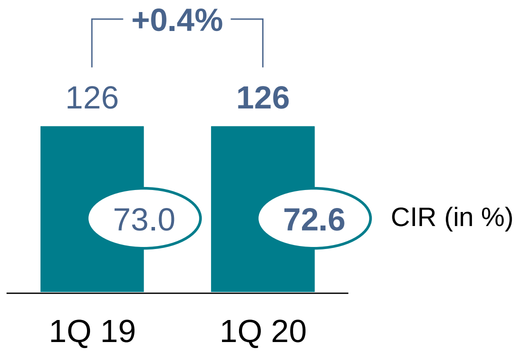
Δ 1Q 20/19

F/X impact	+43	-27
1Q 20	**1,773**	**-1,094**
1Q 19	1,576	-1,004

PIMCO



AllianzGI



1) Including operating loss from other entities of EUR -5mn in 1Q 19 and EUR -6mn in 1Q 20
2) Performance fees of PIMCO and AllianzGI (excl. Allianz Capital Partners), net of 30% variable compensation

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AM: OP increases 19%

Comments

- **Segment – OP increases 19%**
  Higher average 3rd party AuM / AuM driven revenues, supportive F/X and a moderate increase in expenses result in a strong OP increase of 18.6%.

  OP excluding impact of performance fees[1] grows even stronger (+21.1%).

  CIR improves by 2.0%-p due to strong revenue increase and only moderate increase in expenses.

- **PIMCO – OP up 24%**
  Increase predominantly driven by higher average 3rd party AuM / higher AuM driven revenues, also supported by non-repetition of one-off expenses in 1Q 2019 and by F/X.

  CIR at 57.6%. Improvement of 1.8%-p mainly due to higher AuM driven revenues.

- **AllianzGI – OP stable**
  OP and CIR nearly unchanged. Slightly lower revenues compensated by lower expenses.

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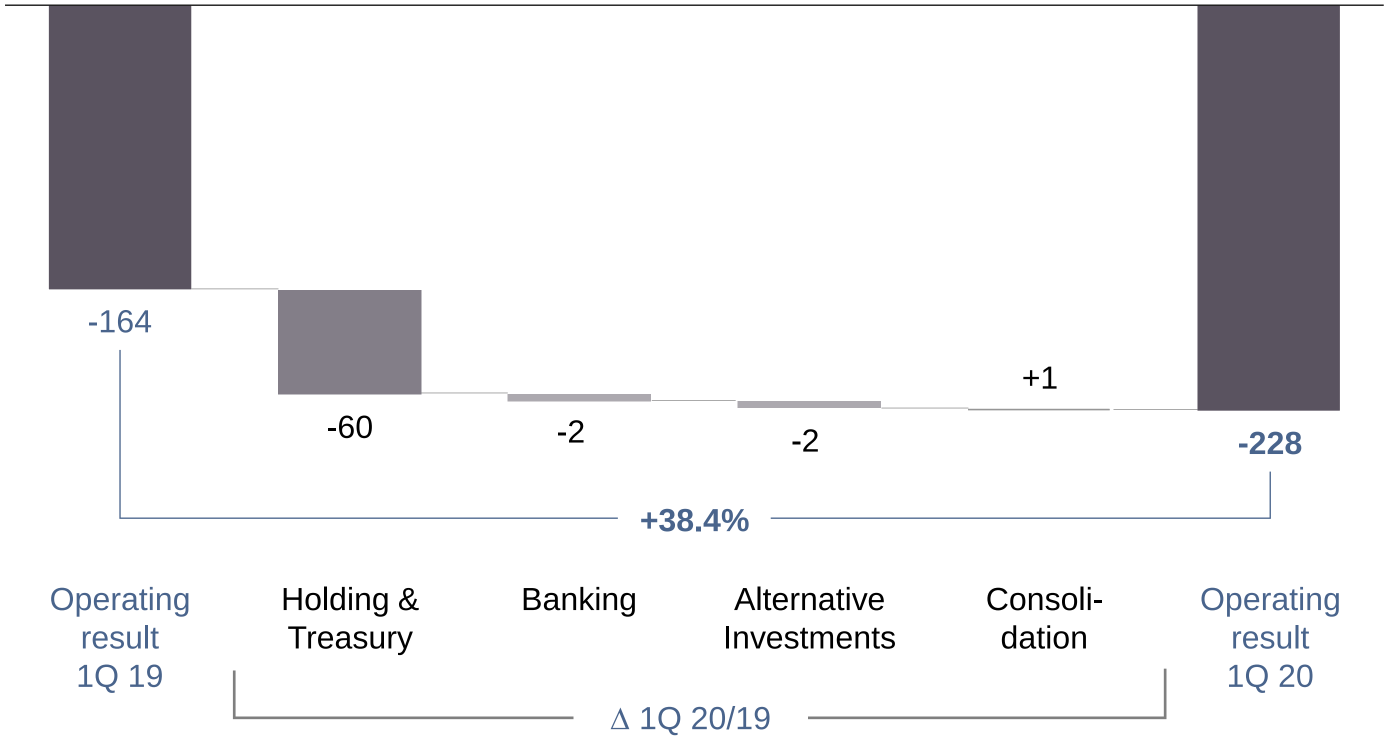
1) Performance fees of PIMCO and AllianzGI (excl. Allianz Capital Partners), net of 30% variable compensation

CO: in line with expectations

(EUR mn)

Operating loss development and components



1Q 20	**-247**	**10**	**9**	**1**
1Q 19	-188	12	11	0

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CO: in line with expectations

Comments

- **Operating loss at EUR -0.2bn**
  Operating loss slightly above normal run rate due to a negative F/X impact and a donation to a COVID-19 solidarity fund – all reflected in result from Holding & Treasury.

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Group: shareholders' net income at EUR 1.4bn

EUR mn	1Q 19	1Q 20	Change
Operating profit	2,962	2,304	-658
Non-operating items	**-235**	**-412**	**-177**
Realized gains/losses (net)	110	448	+339
Impairments (net)	-65	-509	-444
Income from financial assets and liabilities carried at fair value (net)	-2	-6	-4
Interest expenses from external debt	-215	-180	+35
Acquisition-related expenses	0	0	+0
Restructuring and integration expenses	-15	-141	-126
Amortization of intangible assets	-43	-46	-3
Change in reserves for insurance and investment contracts (net)	-5	22	+27
Income before taxes	**2,727**	**1,892**	**-835**
Income taxes	-676	-409	+267
Net income	**2,051**	**1,483**	**-567**
Non-controlling interests	-82	-84	-2
Shareholders' net income	**1,969**	**1,400**	**-569**
Effective tax rate	25%	22%	-3%-p

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Group: shareholders' net income at EUR 1.4bn

Comments

- **Shareholders' net income down by EUR 0.6bn**
  Decline due to lower operating and non-operating profit. Support from lower tax ratio.
- **Non-OP – lower harvesting result**
  Lower harvesting result includes EUR 0.5bn gain from disposal of Allianz Popular bancassurance partnership. Impairments driven by equities (Δ EUR -0.3bn) and debt (Δ EUR -0.2bn). The latter includes impairments on Lebanese bonds (EUR -0.1bn).
- **Restructuring expenses**
  Higher investments in productivity and efficiency, mainly AllianzGI.
- **Interest expenses from external debt**
  Lower interest expenses mainly as a result of lower refinancing costs and slightly lower debt volume.
- **Tax rate**
  Lower tax rate mainly due to higher tax assets resulting from U.S. tax law change.

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Summary: robust performance in challenging environment

Facts and figures 1Q 2020 (EUR)

Revenues	43bn
Operating profit	2.3bn
Shareholders' net income	1.4bn
Solvency II ratio	190%

+

Dividend paid	4.0bn
Share buy-back	750mn

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CONTENT

Investments: well balanced with high quality

Allianz Group investment portfolio EUR 754bn (2019)

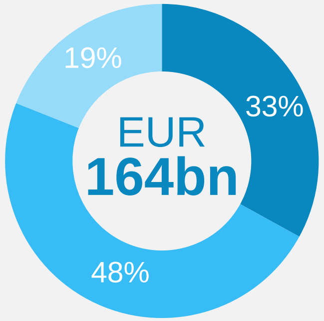
85% Debt investments	93% Investment grade[1] (1Q 20 93%)
3.1% Current yield	4bps Impairments[2]

of which …

BBB credit risk

1Q 20 26%

- 27% of debt portfolio BBB rated
- 82% held in L/H with PHP
- EUR 13.7bn gross unrealized gains/losses

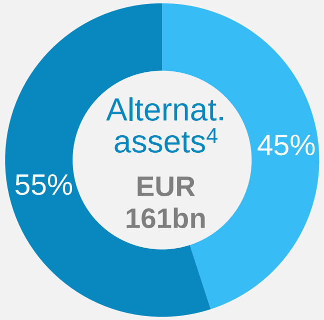


- Diversified
- Managed mainly by PIMCO
- Low share in BBB-

Illiquidity risk

Alternative debt (55%)

- 88% investment grade[3]
- 3.4% current yield
- EUR 8.4bn gross unrealized gains/losses
- Vast majority LTV[5] <60%



Alternative equity (45%)

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

1) Debt instruments
2) Debt instruments; 5yr average
3) EUR ~79bn, excl. EUR ~6bn not rated investments
4) Non-traded assets, fair value
5) Loan-to-value ratio

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ESG at Allianz (1/3)

Ratings & commitments

ESG ratings

	2018	2019
SAM	Industry leader	Industry leader
MSCI	AAA	AAA
ISS ESG	Prime status	Prime status
FTSE4Good	Top 6%	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
- ClimateAction100+
- Global reporting initiative (GRI) standards

Governance

ESG Board

Defines ESG standards, decides on ESG relevant business

3 members of Group Board of Management, 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	2018	2019
Insurance	470	474
Investments	52	64
Procurement	109	58
Other	0	6
Total	**631**	**602**

ESG assessment results

Share of total number of assessments	2018	2019
Proceed	53.2%	53.3%
Proceed with mitigation or additional conditions	36.5%	38.7%
Do not proceed	10.3%	8.0%

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

Management remuneration system approved by AGM 2019 with 92% majority

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For details and definitions please see the Allianz Group Sustainability Report 2019

ESG at Allianz (2/3)

Insurance

Revenues from sustainable solutions

EUR mn	2018	2019
Sustainable insurance solutions	881.0	927.8
Insurance solutions with a sustainability component	371.2	364.3
Emerging consumer solutions	26.4	40.7
Total	**1,278.6**	**1,332.9**

Customers

	2018	2019
Number of customers (excl. emerging consumers)	>92mn	>100mn
Emerging consumers (incl. non-consolidated entities)	44mn	49mn
Customer satisfaction: businesses with net promotor score above market (incl. loyalty leaders)	74%	70%
Customer satisfaction: share of loyalty leader businesses based on net promoter score	40%	46%

Investments

3rd party sustainable investments

EUR bn	2018	2019
Allianz Global Investors	40.9	56.1
PIMCO	105.9	101.6
Total	**146.8**	**157.7**

Proprietary sustainable investments

EUR bn	2018	2019
Certified green buildings	13.3	14.6
Renewable energy investments	6.8	7.2
Green bonds	3.6	5.6
Sustainability bonds	0.4	1.0
Social bonds	0.8	0.8
Other	0.2	0.2
Total	**25.1**	**29.4**

Exclusions & targets (selected examples)

Proprietary investments	Timing
Exclusion of controversial weapons	Permanently
Coal based business models	Phase-out by 2040
Carbon neutrality / net-zero	By 2050

For details and definitions please see the Allianz Group Sustainability Report 2019

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ESG at Allianz (3/3)

Human resources

Diversity

Share of total employees – core business	2018	2019
Women in Allianz SE Supervisory Board	33.3%	33.3%
Women in Allianz SE Board of Management	20.0%	20.0%
Women in executive positions	28.9%	29.9%
Female managers	37.8%	37.9%
Share of women in core business	51.2%	51.3%
Number of nationalities represented in executive positions	54	64

Health

Average days per employee	2018	2019
Sickness-related absenteeism	8.4	8.1

Training

		2018	2019
Total expenses for employee training	(EUR mn)	87.7	84.7
Training expenses per employee	(EUR)	646	613
Average training days	(days)	3.0	3.3
LinkedIn training days delivered	(days)	14,257	17,004

Commitment

	2018	2019
Employee Engagement Index (employee satisfaction/loyalty)	70%	72%
Inclusive Meritocracy Index (business culture)	71%	73%

Footprint

Greenhouse gas emissions

		2018	2019
Scope 1 – direct GHG emissions	(t CO_2)	46,734	42,011
Scope 2 – indirect GHG emissions (market based)	(t CO_2)	159,181	142,563
Scope 2 – indirect GHG emissions (location based)	(t CO_2)	239,132	224,315
Scope 3 – other indirect GHG emissions	(t CO_2)	167,533	149,459
Scope 1 – 3, GHG emissions total	**(t CO_2)**	**373,448**	**334,033**
Total GHG emissions per employee	(t/employee)	2.7	2.4
Overall GHG reduction per employee since 2010		-27%	-35%

Renewable electricity

		2018	2019
Renewable electricity used	(GJ)	859,862	872,929
Renewable electricity used as a share of all electricity sources		45%	49%

Targets

-30% GHG emissions per employee by 2020 (baseline 2010)

100% renewable electricity by 2023

Further information

Allianz Group Sustainability Report 2019

https://www.allianz.com

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For details and definitions please see the Allianz Group Sustainability Report 2019

GLOSSARY & DISCLAIMER

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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	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. **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. **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.
AY LR	Accident year loss ratio: Please refer to “LR” (loss ratio).
AZ	Allianz

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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

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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

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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

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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.
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.

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Glossary (6)

Operating SII earnings	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. 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.
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	Represents the change in SII capitalization following regulatory and model changes and which is attributable to a) changes in own funds as a consequence of operating SII earnings and b) changes in SCR as a consequence of business evolution. Factors such as market developments, dividends, capital management activities, taxes, etc. are not taken into account.
Premiums written/earned (IFRS)	"Premiums written" refers to all premium revenues recorded in the respective year. "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.
PVNBP	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. PVNBP is shown after non-controlling interests, unless otherwise stated.

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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	**Return on equity – Group:** Represents the ratio of net income attributable to shareholders to the average shareholders' equity excluding unrealized gains/losses on bonds, net of shadow accounting, at the beginning and at the end of the period. **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. **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.
RoRC	Return on risk capital
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

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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).

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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.

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