

# 3Q 2020

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Analyst conference call  
November 6, 2020





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**GROUP FINANCIAL RESULTS  
3Q 2020**

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**GLOSSARY  
DISCLAIMER**



# Group: resilient performance in 9M 2020

   COVID-19 impact

Group	Property-Casualty	Life/Health	Asset Management
<b>Total revenues 9M 20</b> in EUR bn (internal growth vs. prior year in %)			
<b>104.9</b> (-2.9%)	<b>46.7</b> (-0.9%)	<b>53.1</b> (-5.0%)	<b>5.3</b> (+2.3%)
<b>Operating profit 9M 20</b> in EUR mn (vs. prior year in %)			
<b>7,776</b> (-14.6%) <span style="border: 1px solid red; padding: 2px;">-1.3bn</span>	<b>3,490</b> (-16.6%) <span style="border: 1px solid red; padding: 2px;">-0.9bn</span>	<b>2,930</b> (-14.1%) <span style="border: 1px solid red; padding: 2px;">-0.4bn</span>	<b>1,996</b> (+2.2%)
<b>Shareholders' net income</b> (in EUR mn)	<b>Combined ratio</b> (in %)	<b>New business margin</b> (in %)	<b>Cost-income ratio</b> (in %)
<p>6,056 4,990 -17.6% 14.44 12.07 9M 19    9M 20 ○ EPS (in EUR)</p>	<p>94.1 96.0 +1.9%-p 1.4 1.8 2.8 1.3 9M 19    9M 20 ○ NatCat impact<sup>1</sup> □ Run-off ratio</p>	<p>3.4 2.9 -0.5%-p 1,648 1,222 9M 19    9M 20 ○ VNB (EUR mn)</p>	<p>62.1 62.1 +0.0%-p +56.1 +5.0 9M 19    9M 20 ○ 3rd party net flows (EUR bn)</p>

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



# Group: resilient performance in 9M 2020



## Comments

- Revenues affected by COVID-19**  
 -2.9% internal growth. Negative internal growth in P/C driven by Euler Hermes and Allianz Partners. L/H internal growth impacted by lower volumes in the U.S. and France. AM internal growth volume driven. Consolidation (+1.6%) and F/X (-0.6%) lead to total revenue growth of -1.9%.
- COVID-19 impact on OP estimated at EUR -1.3bn**  
 P/C operating profit impacted by COVID-19 and lower investment result, partly offset by a higher 'other' result (sale of own-used property). Decline of L/H operating profit largely due to COVID-19 and a favorable prior-year DAC movement. AM operating profit grows 2%.
- EUR 750mn share buy-back**  
 4.9mn shares acquired representing 1.2% of outstanding capital. Remaining EUR 750mn tranche of our share buy-back program cancelled.
- P/C – good underlying result**  
 Operating profit down due to lower underwriting result ( $\Delta$  EUR -0.7bn) and investment income ( $\Delta$  EUR -0.2bn). Adjusted for EUR  $\sim$ -0.9bn COVID-19 impact on underwriting result, CR is  $\sim$ 94%.
- L/H – OP impacted by capital market turbulences**  
 Better technical margin is more than offset by lower investment margin and higher amortization of DAC, including a favorable prior-year DAC true-up. Impact from COVID-19 estimated at EUR -0.4bn. NBM good at 2.9%. New business volume down 13.2%, VNB declines 25.9%.
- AM – volume growth drives operating profit**  
 Higher average 3rd party AuM drive operating profit increase. Strong 3rd party net inflows in 2Q 2020 and 3Q 2020 more than compensate net outflows in 1Q 2020, resulting in EUR 5bn 3rd party net inflows in 9M 2020.



# Group: 3Q operating profit strong at EUR 2.9bn

-0.1bn COVID-19 impact

Group	Property-Casualty	Life/Health	Asset Management
<b>Total revenues 3Q 20</b> in EUR bn (internal growth vs. prior year in %)			
<b>31.4</b> (-6.0%)	<b>12.9</b> (-4.1%)	<b>16.8</b> (-8.2%)	<b>1.8</b> (+1.0%)
<b>Operating profit 3Q 20</b> in EUR mn (vs. prior year in %)			
<b>2,907</b> (-2.6%) <span style="border: 1px solid red; padding: 2px;">-0.1bn</span>	<b>1,315</b> (-2.4%) <span style="border: 1px solid red; padding: 2px;">-0.1bn</span>	<b>1,119</b> (+3.4%)	<b>677</b> (-3.7%)
<b>Shareholders' net income</b> (in EUR mn)	<b>Combined ratio</b> (in %)	<b>New business margin</b> (in %)	<b>Cost-income ratio</b> (in %)

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



# Group: 3Q operating profit strong at EUR 2.9bn



## Comments

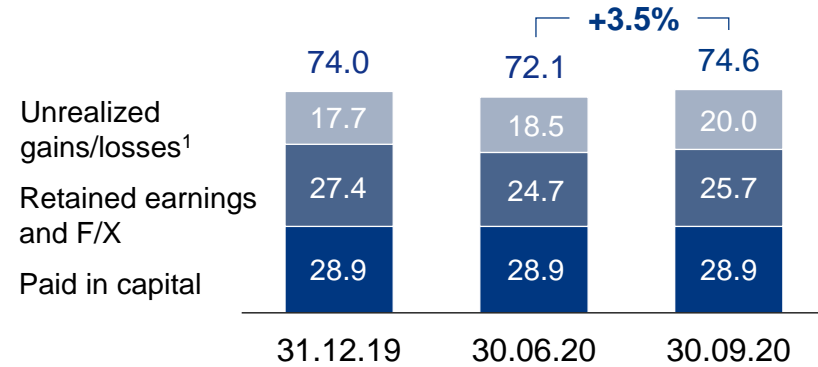
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- **Revenues affected by COVID-19**  
-6.0% internal growth. Negative internal growth in P/C driven by AGCS (portfolio pruning) and Allianz Partners. L/H internal growth impacted by lower revenues in the U.S. and Germany. AM internal growth supported by higher business volume. F/X (-2.2%) and consolidation (+2.1%) lead to total revenue growth of -6.1%.
- **COVID-19 impact on OP estimated at EUR -0.1bn**  
Operating profit in all business segments broadly stable. Slightly lower P/C operating profit due to underwriting result. L/H operating profit supported by strong investment margin. AM operating profit down due to F/X.
- **Shareholders' net income up 5.9% to EUR 2.1bn**  
Better non-operating result ( $\Delta$  EUR +0.2bn).
- **P/C – good underlying result**  
Operating profit almost at last year's level despite EUR -0.1bn COVID-19 impact. NatCat losses and run-off lower than in 3Q 2019.
- **L/H – operating profit strong at EUR 1.1bn**  
Operating profit supported by 4.3% higher investment margin. NBM good at 2.9%. New business volume down 19.7%, VNB declines by 25.1%.
- **AM – OP of EUR 677mn on a very good level**  
EUR 26bn 3rd party net inflows. OP decrease of 3.7% mainly driven by F/X.
- **CO – result broadly in line with expectations**  
Higher operating loss mainly due to higher IT investments at Allianz Technology and lower investment income.

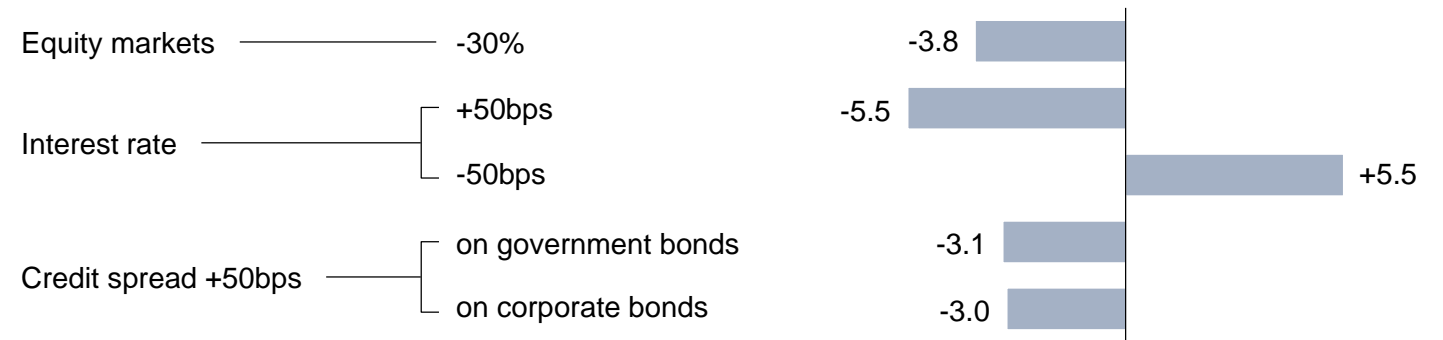


# Group: solvency II ratio remains at a good level

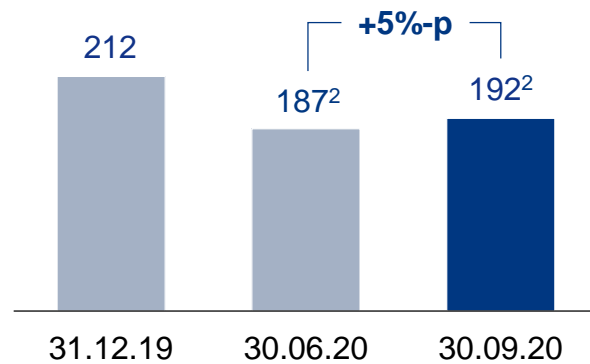
## Shareholders' equity (EUR bn)



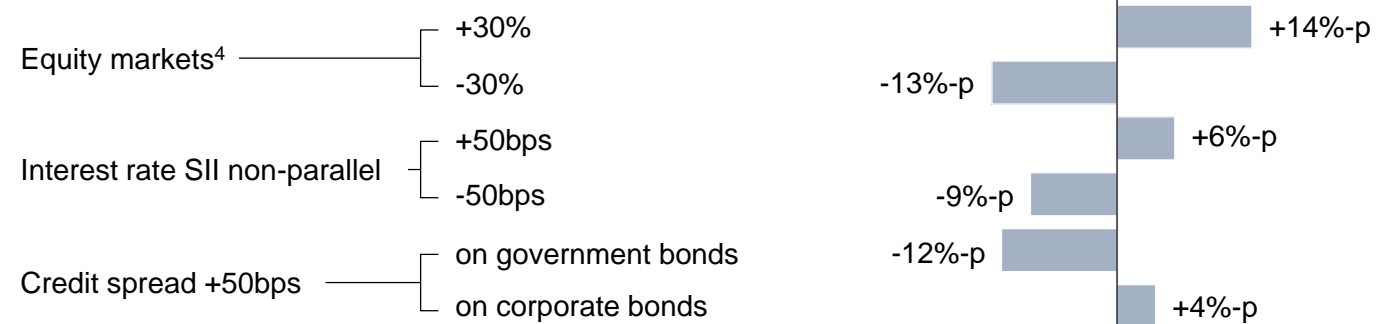
## Key sensitivities (EUR bn)



## SII capitalization (in %)



## Key sensitivities<sup>3</sup>



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 30.06.20 and EUR 4.6bn as of 30.09.20  
 2) Including the application of transitional measures for technical provisions, the Solvency II capitalization ratio amounted to 217% as of 30.06.2020 and to 224% as of 30.09.2020

3) Management actions not considered in the disclosed sensitivities  
 4) If stress applied to traded equities only, sensitivities would be +8%-p/-6%-p for a +/-30% stress



# Group: solvency II ratio remains at a good level



## Comments

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- **Shareholders' equity – EUR 2.5bn increase**

In 3Q 2020, shareholders' equity increases by EUR 2.5bn. The main drivers are net income (EUR 2.1bn) and higher net unrealized gains ( $\Delta$  EUR +1.5bn), partly offset by F/X ( $\Delta$  EUR -1.0bn).

- **SII sensitivities**

The sensitivities are broadly unchanged to 2Q 2020. In a combined stress scenario, we estimate an additional impact due to cross effects of  $\sim$ -8%-p compared to the sum of the individual sensitivities.

- **SII ratio – at a good level**

In 3Q 2020, our SII ratio increases versus 2Q 2020 driven by a decrease in SCR. At 192%, the SII ratio remains at a good level.

Main drivers are organic capital generation (+6%-p,  $\sim$ +2%-p after tax and dividend) and positive market impact (+6%-p pre-tax, +5%-p after tax).

- **Transitionals**

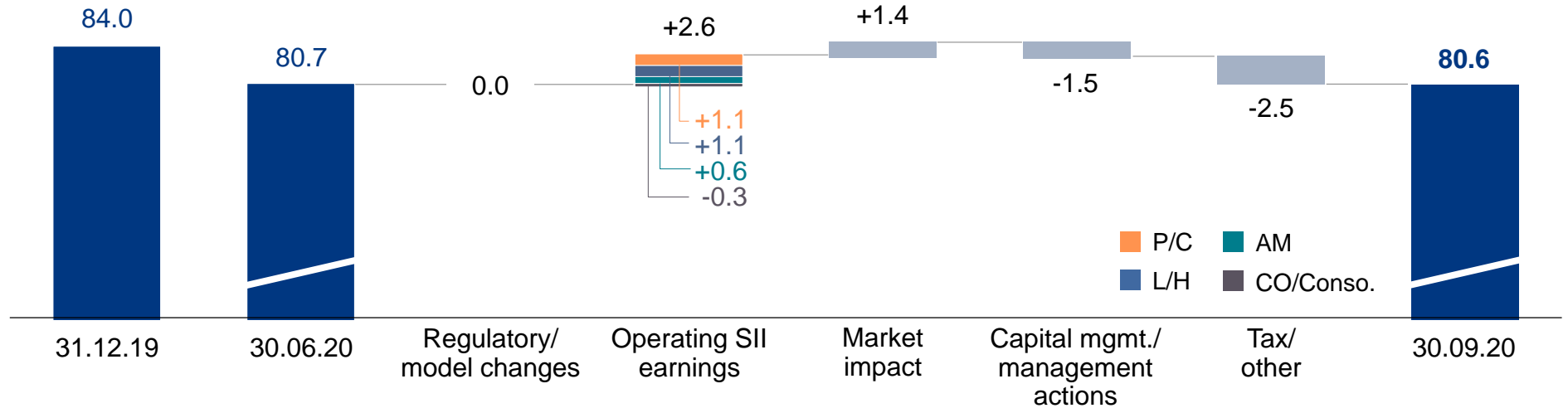
Including transitionals, the Group SII ratio stands at 224%. Our general capital steering will continue to focus on the SII ratio excluding the application of transitional measures for technical provisions.





# Group: ongoing good capital generation

Own funds  
(EUR bn)

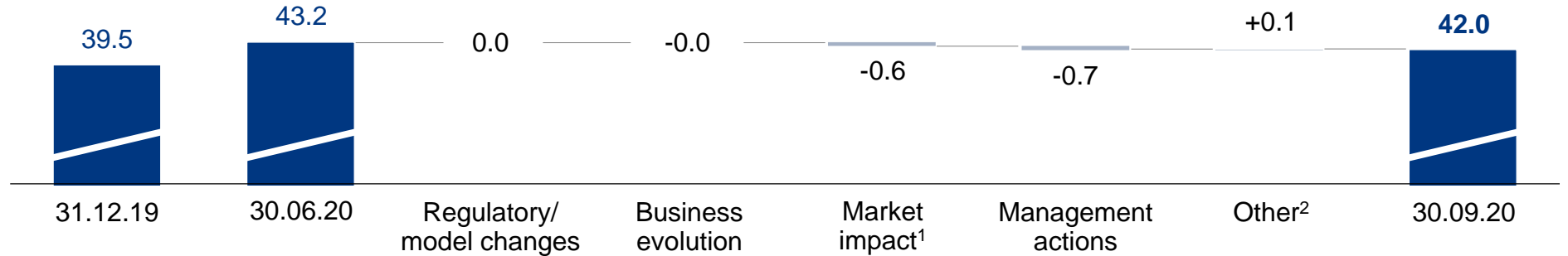


SII capitalization

○ Pre-tax operating capital generation



SCR  
(EUR bn)



1) Including cross effects and policyholder participation

2) Other effects on SCR include diversification effects



# Group: ongoing good capital generation



## Comments

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- **SII capital generation**

SII capital generation – net of tax and dividend – amounts to ~+2%-p in 3Q 2020. We currently anticipate a capital generation net of tax and dividend of 7-8%-p in 2020.

- **Regulatory/model changes**

No changes this quarter.

- **Operating SII earnings**

Continued healthy profit generation in all segments.

- **Business evolution**

No SCR increase from business evolution this quarter due to lower growth in P/C.

- **Market impact**

Mainly driven by contracting spreads and reduced market volatility.

- **Capital management/management actions**

Main capital management items are the 3Q 2020 dividend accrual (EUR -1.1bn) and the acquisition of SulAmérica. The SCR reduces due to management actions, e.g. asset duration lengthening in L/H or equity risk reduction in P/C.

- **Tax/other**

Main drivers are taxes (EUR -1.3bn) and restructuring costs (EUR -0.2bn).

- **Outlook 4Q 2020**

We currently anticipate that the previously announced acquisition of Control Expert and the bancassurance JV with BBVA will reduce our SII ratio by ~2%-p in 4Q 2020. This is being offset by the cancelled 2nd tranche of our EUR 1.5bn share buy-back (EUR 750mn), which is currently still deducted from our SII ratio.



# P/C: strong COVID-19 impact

EUR mn		Revenues			YTD change on renewals	
		3Q 20	Total growth Δ p.y.	Internal growth Δ p.y.	9M 20	Momentum
<b>Total P/C segment</b>		<b>12,943</b>	<b>-1.8%</b>	<b>-4.1%</b>	<b>+5.1%</b>	<b>n.a.</b>
<b>Selected OEs</b>	Germany	2,185	+3.3%	+3.3%	+2.5%	stable
	United Kingdom	1,140	+99.2%	-7.9%	+3.7%	stable
	France	1,083	+0.6%	+0.6%	+0.7%	stable
	Italy	797	-4.4%	-2.3%	-1.1%	negative
	Central and Eastern Europe	778	-2.0%	+0.2%	n.a.	n.a.
	Australia	765	+1.6%	+2.4%	+3.2%	positive
	Latin America	506	+20.9%	+9.7%	n.a.	n.a.
	Spain	499	-0.2%	-0.2%	+3.1%	stable
	Turkey	216	-6.0%	+26.0%	n.a.	n.a.
	<b>Global lines</b>	AGCS	2,037	-10.7%	-6.0%	+25.0%
Allianz Partners		991	-35.7%	-34.0%	+0.5%	stable
Euler Hermes		641	-9.3%	-7.8%	+4.9%	positive



# P/C: strong COVID-19 impact



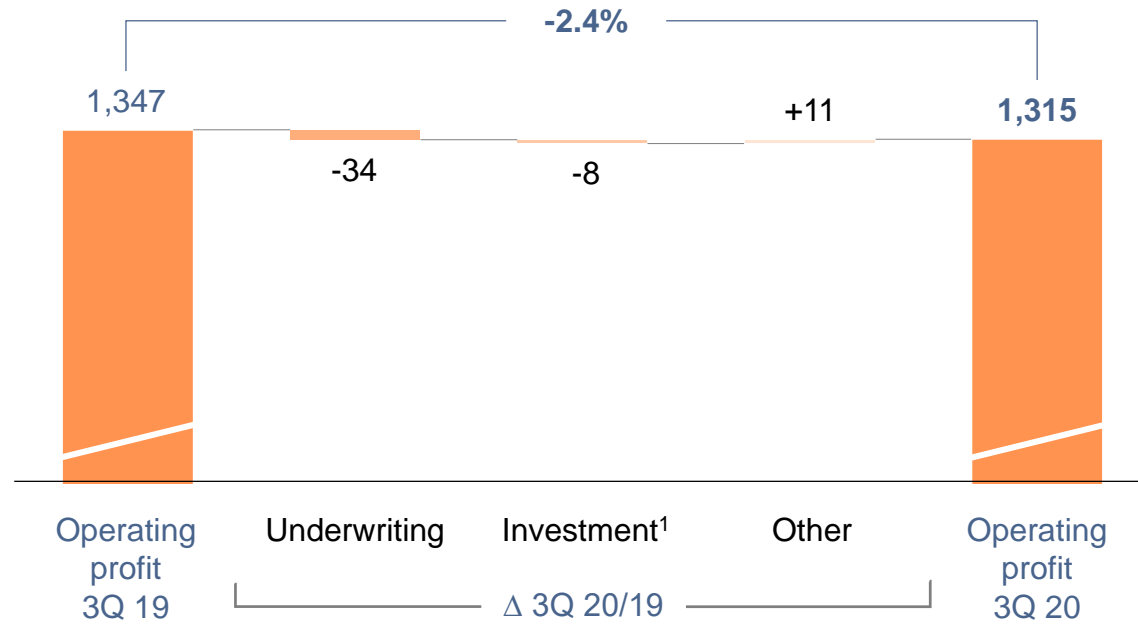
## Comments

- Lower volume more than offsets strong price effect**  
 Internal growth of -4.1%. A positive price effect was more than offset by lower volume, in particular at Allianz Partners (travel, COVID-19-driven) and at AGCS (portfolio pruning). Good internal growth in Germany and Turkey. Consolidations (mainly LV GIG, LGIL and SulAmérica; +5.1%) and F/X (-2.9%) lead to -1.8% total growth. Internal NPE growth -3.7%. 9M 2020 rate change on renewals +5.1% (6M 2020: +4.5%). AGCS +25.0% (6M 2020: +20.8%).
- Germany – price- and volume-driven growth**  
 Retail motor and retail and commercial property main drivers.
- UK – strong price effect, more than offset by volume**  
 Exit of selected corporate partnerships and COVID-19-driven lower volumes.
- France – positive price effect**  
 Mainly growth in retail motor and retail property.
- Italy – higher volume, more than offset by price**  
 Decline in MTPL (motor third party liability), non-motor retail and MidCorp.
- CEE – higher volume offset by price**  
 Good growth in Austria and Czech Republic, partially offset by volume decline mainly in Poland.
- Australia – price-driven growth**  
 Growth in property more than offsets lower volume in motor.
- Spain – higher volume, offset by price**  
 Reduction in motor and personal lines largely offset by growth in commercial.
- Turkey – volume- and price-driven growth**  
 Health and motor main growth drivers.
- AGCS – strong price effect more than offset by volume**  
 Profitability-focused portfolio pruning, e.g. exit agribusiness U.S. and marine hull North America.
- Allianz Partners – growth impacted by COVID-19**  
 COVID-19 related top-line decrease especially in travel and assistance business.
- Euler Hermes – price effect more than offset by volume**  
 Lower policyholder turnover as a result of the economic slowdown drives top-line reduction.



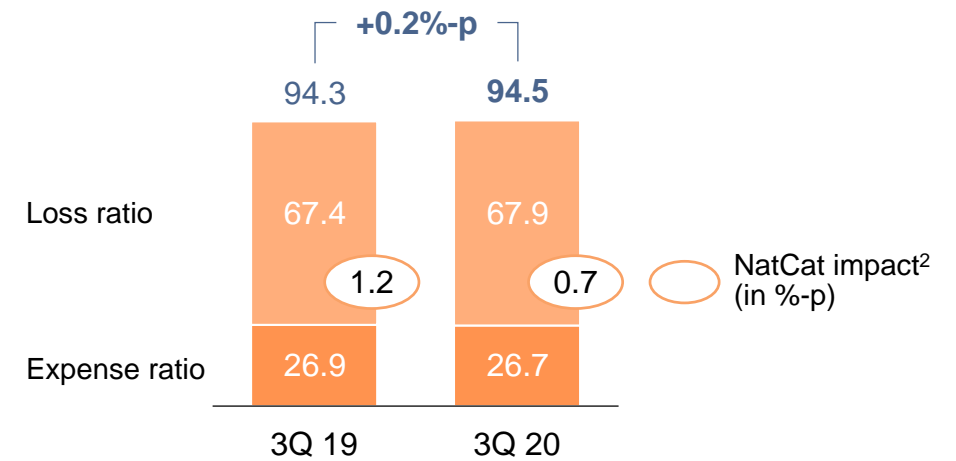
# P/C: Operating profit at EUR 1.3bn

Operating profit drivers (EUR mn)

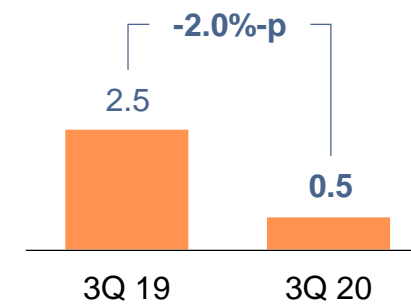


	Underwriting	Investment <sup>1</sup>	Other
<b>3Q 20</b>	<b>634</b>	<b>663</b>	<b>18</b>
3Q 19	668	671	8

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 1.3bn



## Comments

- Operating profit – at last year’s level**  
 OP broadly unchanged at EUR 1.3bn. Underlying improvement and lower NatCat are largely offset by lower run-off. COVID-19 impacts the underwriting result by EUR ~-0.1bn, mainly coming from business interruption (EUR ~-0.1bn) and credit (EUR ~-0.1bn), partially compensated by lower frequency.  
 Adjusted for COVID-19, our CR stands at ~94%.
- Loss ratio – +0.5%-p COVID-19 impact**  
 The AY LR improves to 68.3% ( $\Delta$  -1.5%-p) driven by underlying improvements and lower NatCat, partly offset by COVID-19 effects of -0.1bn ( $\Delta$  +0.5%-p). The attritional LR (AY LR ex NatCat) improves by 1.0%-p to 67.7%. Large losses are elevated in 3Q 2020. The main impact comes from the Beirut port explosion (EUR ~60mn).
- NatCat & weather – weather-related losses lower**  
 NatCat losses of EUR 0.1bn/0.7% are below last year’s level of EUR 0.2bn/1.2% and also well below 10Y FY average of 2.2%. Weather losses (ex NatCat) of 2.2% are slightly higher than in the previous year (2.0%).

- Expense ratio – underlying ER slightly below 27%**  
 Lower share of high-commission business at Allianz Partners and efficiency initiatives are partly offset by negative volume effects.
- 9M 2020 – COVID-19 OP impact of ~EUR -0.9bn**

	9M 2019	9M 2020	$\Delta$
Attritional LR	68.1%	68.9%	0.8%-p
NatCat	1.4%	1.8%	0.3%-p
Run-off	-2.8%	-1.3%	1.4%-p
ER	27.3%	26.6%	-0.8%-p
<b>CR</b>	<b>94.1%</b>	<b>96.0%</b>	<b>1.9%-p</b>
Underwriting result (EUR mn)	2,014	1,351	-32.9%
Investment result (EUR mn)	2,125	1,950	-8.3%
Other result (EUR mn)	45	189	n.m.
<b>OP (EUR mn)</b>	<b>4,184</b>	<b>3,490</b>	<b>-16.6%</b>



# P/C: a good performance across most OEs

EUR mn

		Operating profit		Combined ratio		NatCat impact on CR	
		3Q 20	Δ p.y.	3Q 20	Δ p.y.	3Q 20	Δ p.y.
<b>Total P/C segment</b>		<b>1,315</b>	<b>-2.4%</b>	<b>94.5%</b>	<b>+0.2%-p</b>	<b>0.7%-p</b>	<b>-0.5%-p</b>
<b>Selected OEs</b>	Germany	350	+20.6%	89.3%	-2.6%-p	-0.4%-p	-2.2%-p
	United Kingdom	47	n.m. <sup>1</sup>	96.3%	-1.9%-p	-0.1%-p	-0.1%-p
	France	90	+3.7%	97.4%	-1.0%-p	0.0%-p	-0.3%-p
	Italy	161	-13.3%	86.0%	+2.0%-p	2.3%-p	-2.4%-p
	Central and Eastern Europe	97	-1.0%	87.9%	-1.3%-p	0.6%-p	+0.6%-p
	Australia	86	-17.4%	91.0%	+1.2%-p	4.8%-p	+4.5%-p
	Latin America	56	+53.0%	104.0%	+2.0%-p	0.0%-p	0.0%-p
	Spain	64	+263.0%	90.0%	-8.6%-p	0.7%-p	+0.7%-p
	Turkey	53	+18.4%	91.8%	-4.3%-p	0.0%-p	0.0%-p
	<b>Global lines</b>	AGCS	39	-40.1%	102.9%	+0.2%-p	1.9%-p
Allianz Partners		45	-25.6%	96.9%	+0.6%-p	0.0%-p	0.0%-p
Euler Hermes		3	-97.1%	103.6%	+21.9%-p	–	–

1) In 3Q 2019 OP at AZ UK was at EUR 8.8mn (Δ EUR +38.1mn).



# P/C: a good performance across most OEs



## Comments

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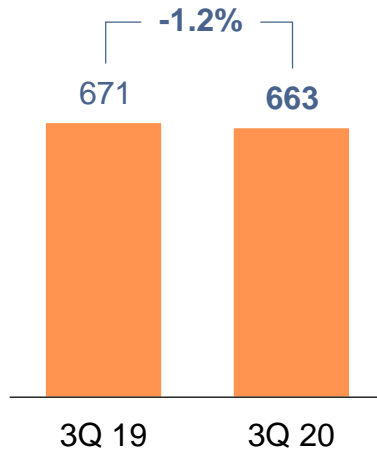
- **Germany – good underlying development**  
Supported by lower NatCat and improved expense ratio.
- **UK – OP rises on LVGIG consolidation, Motor and Pet**
- **France – improved performance**  
Driven by improvements in loss ratio and expense ratio.
- **Italy – CR on an excellent level**
- **Australia – strong CR, lower investment income**  
AY LR improves as favorable underlying development more than offsets higher NatCat losses.
- **Spain – very good CR**  
Good underlying performance restored.
- **Turkey – excellent development**  
Very good performance in health in particular.
- **AGCS – stable CR, lower investment result**  
Higher NatCat and weather-related losses offset by positive underlying development. Ongoing strong price increases and management actions.
- **Allianz Partners – OP mainly down on lower top-line**  
Shift in business mix leads to higher LR but lower ER.
- **Euler Hermes – further COVID-19 impact expected**  
Higher provisions for increase in small- to mid-sized plus some larger claims.





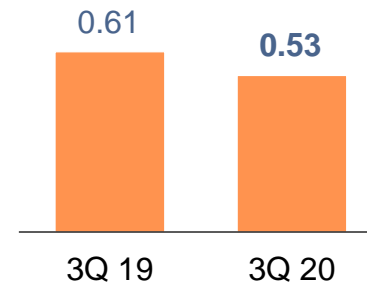
# P/C: operating investment result broadly stable

Operating investment result<sup>1</sup>  
(EUR mn)

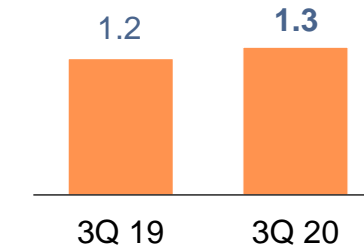


Interest & similar income <sup>2</sup>	801	<b>736</b>	-65
Net harvesting and other <sup>3</sup>	-12	<b>26</b>	+38
Investment expenses	-118	<b>-98</b>	+19

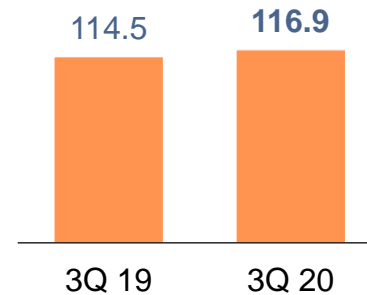
Current yield  
(debt securities; in %)



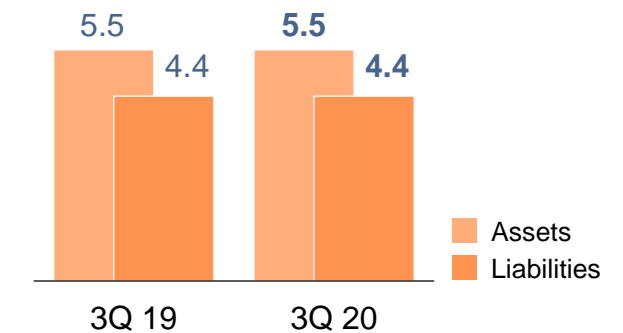
Economic reinvestment yield  
(debt securities; in %)



Total average asset base<sup>4</sup>  
(EUR bn)



Duration<sup>5</sup>



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: operating investment result broadly stable

## Comments

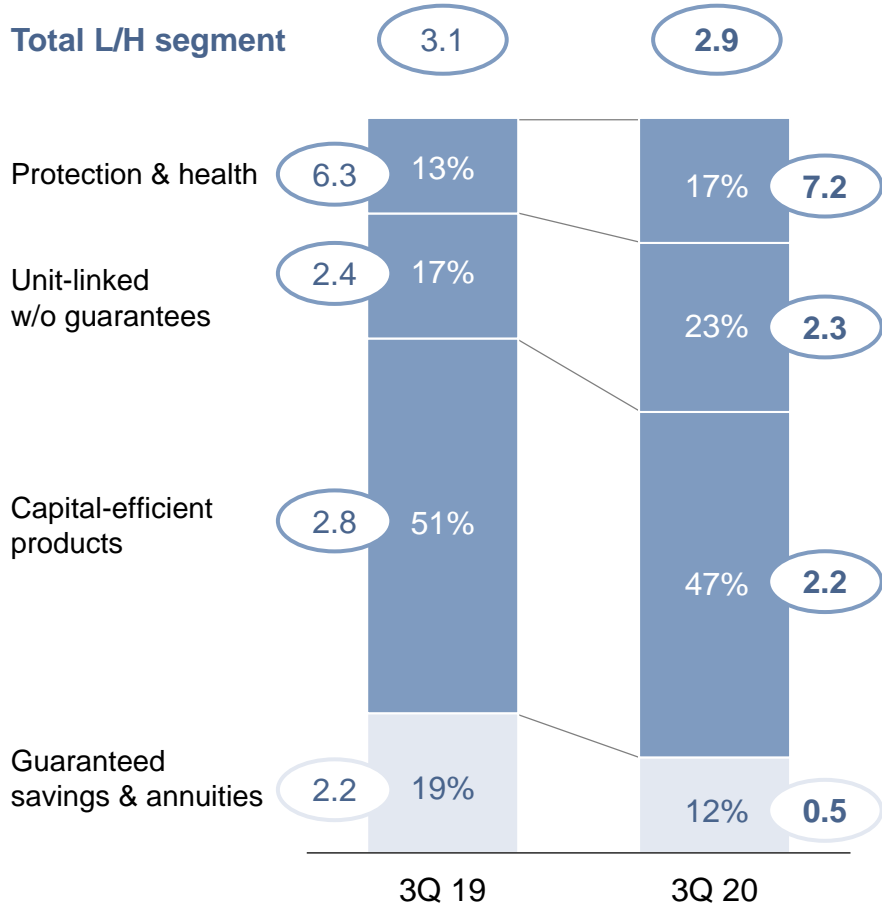
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- **Interest & similar income**  
Lower income from debt, also due to currency translation effects, is the main driver.
- **Net harvesting & other**  
Driven by higher F/X result net of hedges.
- **Current yield**  
Impacted by market movements and a higher average asset base / higher cash allocation.



# L/H: new business margin supported by business mix

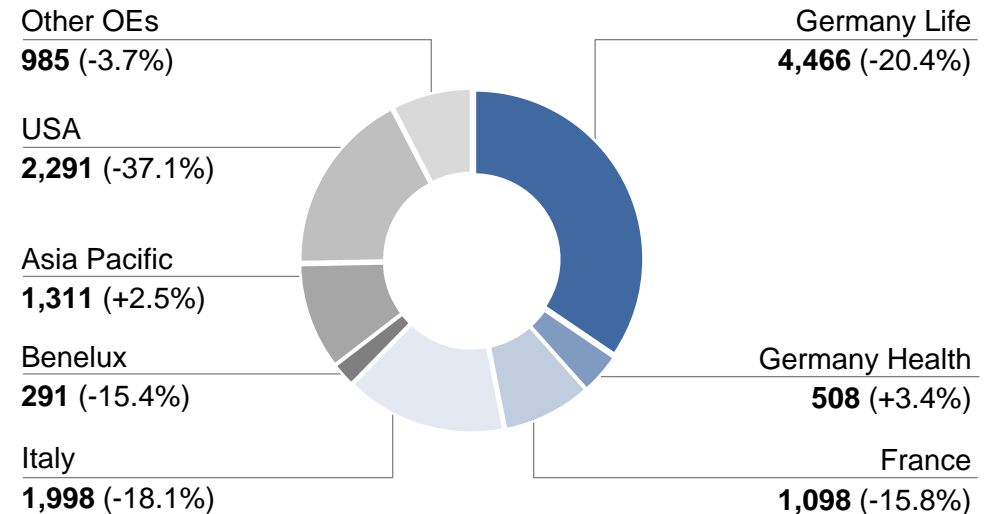
## PVNB share by line



■ Preferred LoBs  
○ NBM (in %)

EUR mn	3Q 19	3Q 20	Δ p.y.
PVNB	16,130	12,947	-19.7%
APE	2,359	1,444	-38.8%
Single premium	10,147	7,972	-21.4%
Recurring premium	1,345	647	-51.9%

## PVNB by OE (EUR mn)





# L/H: new business margin supported by business mix



## Comments

### PVNB by line

- **New business – COVID-19 and active steering**  
Impact from COVID-19 constraints and active steering results in different growth profiles: GS&A and capital-efficient products are down 48.5% respectively 25.7% whereas UL w/o guarantees and P&H business show healthy growth of 10.5% respectively 6.5%.
- **Encouraging trends in Asia and Italy**  
Largest volume declines in USA ( $\Delta$  EUR -1.4bn) and Germany ( $\Delta$  EUR -1.1bn). Asia with volume growth of 7.3% in local currency. Italy is up by EUR 0.3bn respectively +17% adjusted for a positive prior-year one-off.
- **NBM good at 2.9% – supported by active steering**  
NBM broadly stable due to product changes and business mix shift. Stable NBM in UL w/o guarantees and higher NBM in 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

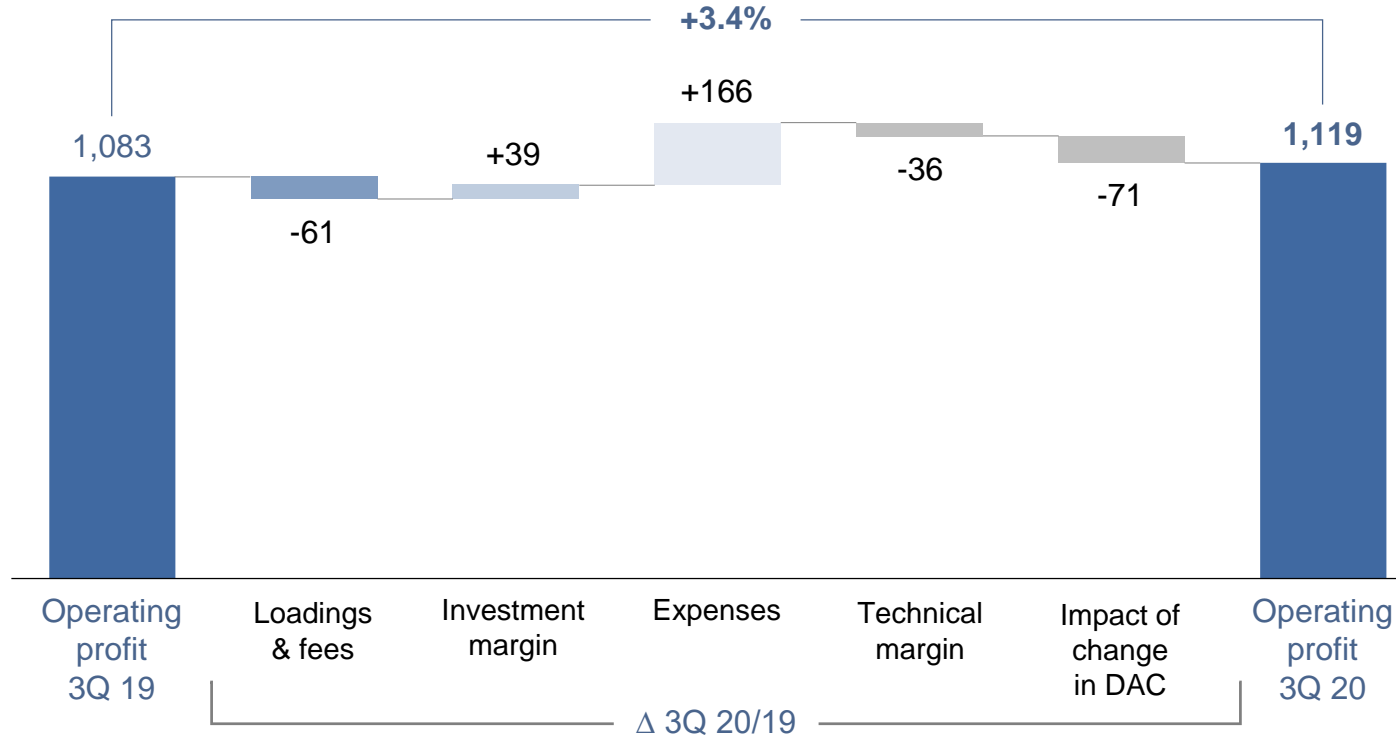
- **Germany Life – favorable shift of business mix**  
P&H up +16%, and favorable shift within capital-efficient business towards hybrid/UL type products. Significant product changes to become effective 1Q 2021.
- **USA – COVID-19 and product changes**  
FIA business down by 55% due to COVID-19 constraints and product changes. Capital-efficient VA business declines 19% but is 34% above 2Q 2020. Decline is also explained by prior-year sales promotion. P&H sales grow 23% resulting in a 15% share in new business.
- **Italy – UL sales grow 27%**  
Adjusted for a positive prior-year one-off total growth is 17%. Share of preferred lines of business at 94%.
- **Asia Pacific – back in growth mode**  
Good growth across the Philippines, Taiwan and Malaysia.
- **France – slowdown in Multisupport sales**  
Share of P&H business is up by 3%-p to 28%.



# L/H: operating profit strong at EUR 1.1bn

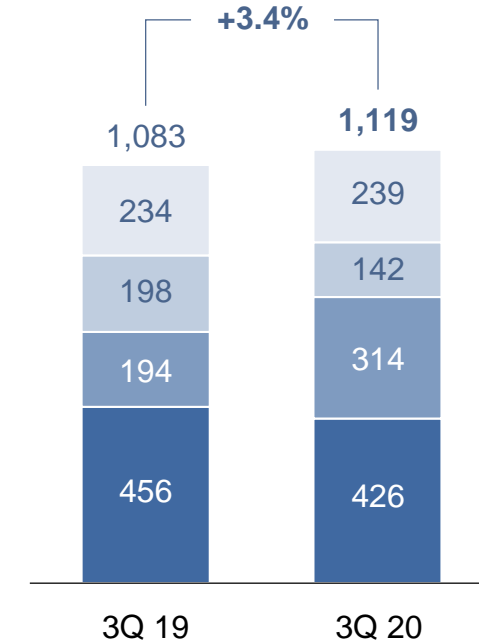
(EUR mn)

Operating profit by source



<b>3Q 20</b>	<b>1,576</b>	<b>952</b>	<b>-1,701</b>	<b>295</b>	<b>-1</b>
3Q 19	1,637	912	-1,867	330	70

Operating profit by line



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



# L/H: operating profit strong at EUR 1.1bn



## Comments

- **Loadings & fees driven by new business**  
Loadings & fees down due to lower new business and deconsolidation of Allianz Popular.
- **Investment margin grows by 4.3%**  
Higher reserve base (+3.9%) and a stable investment margin of 19bps.
- **Expenses – lower new business volume**  
Acquisition expenses down in line with new business. Admin expenses stable.
- **Technical margin – driven by France and Spain**  
Higher claims expenses in France and deconsolidation of Allianz Popular.
- **Impact of change in DAC**  
Lower DAC capitalization in line with lower new business volume in the U.S.

## Operating profit by line

- **UL w/o guarantees**  
Lower contribution from France due to one-off in prior year and deconsolidation of Allianz Popular.
- **Capital-efficient products**  
Better result from U.S. business driven by FIA. Higher contribution from German Life supported by portfolio growth.
- **9M 2020 – COVID-19 OP impact of EUR -0.4bn**

	9M 2019	9M 2020	Δ
PVNB (EUR mn)	48,985	42,523	-13.2%
NBM	3.4%	2.9%	-0.5%-p
VNB (EUR mn)	1,648	1,222	-25.9%
Investment margin	56bps	52bps	-4bps
Operating profit (EUR mn)	3,410	2,930	-14.1%



# L/H: NBM good at 2.9%

EUR mn	Value of new business		New business margin		Operating profit	
	3Q 20	Δ p.y.	3Q 20	Δ p.y.	3Q 20	Δ p.y.
<b>Total L/H segment</b>	<b>371</b>	<b>-25.1%</b>	<b>2.9%</b>	<b>-0.2%-p</b>	<b>1,119</b>	<b>+3.4%</b>
Germany Life	117	-38.9%	2.6%	-0.8%-p	280	+1.3%
Asia Pacific	82	+12.5%	6.3%	+0.6%-p	131	+53.1%
USA	49	-38.4%	2.1%	-0.0%-p	288	+30.0%
Italy	32	-43.8%	1.6%	-0.7%-p	84	+4.3%
France	18	-2.2%	1.6%	+0.2%-p	119	-34.5%
Germany Health	18	+9.8%	3.5%	+0.2%-p	46	+20.1%
Central and Eastern Europe	10	-23.7%	4.5%	-1.4%-p	60	+18.2%
Turkey	10	+9.5%	6.4%	+0.8%-p	21	+10.5%
Benelux	6	-10.0%	2.2%	+0.1%-p	34	-0.0%
Spain	5	+3.7%	2.8%	-0.2%-p	17	-68.0%
Switzerland	3	-19.8%	1.8%	+0.2%-p	27	+1.7%



# L/H: NBM good at 2.9%



## Comments

### New business

- **NBM good at 2.9%**  
NBM decline mainly due to unfavorable market movements (-1.4%-p), largely offset by better business mix (+1.0%-p).
- **VNB declines 25.1%**  
Decline in sales (-19.7%) due to COVID-19 constraints and active steering. Combination with lower margin leads to 25.1% drop in VNB.
- **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 19.2%. Higher sales volume (+7.3% local currency) and better NBM (+0.6%-p).
- **USA – NBM stable due to better business mix**  
Drop in VNB a result of lower sales volume.
- **Italy – VNB decline due to prior-year one-off**

### Operating profit

- **Germany Life – very good level**
- **USA – improvement driven by FIA business**  
Result from FIA business ( $\Delta$  EUR +65mn) benefits from recovery of spread margin.
- **Asia Pacific – 3<sup>rd</sup> largest contributor to operating profit**  
Main driver was better result from Taiwan (EUR +31m).
- **France – decline of investment margin**  
Lower investment margin (EUR -50mn) mainly due to lower net harvesting. Higher CoR in Health weighs on technical margin (EUR -15mn).
- **German Health – better investment margin**
- **Spain – termination of Allianz Popular**  
In addition lower level of net harvesting.





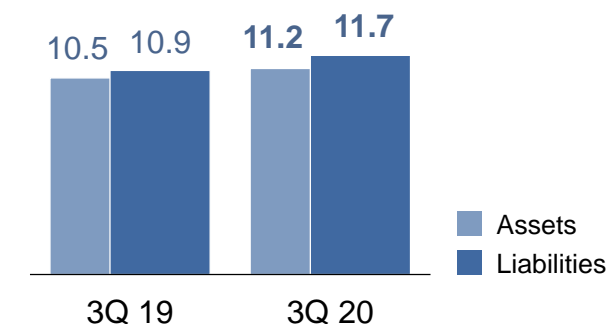
# L/H: investment margin up 4.3% to EUR 952mn

	Investment margin	
	3Q 19	3Q 20
<b>Based on Ø book value of assets<sup>1</sup> (EUR bn)</b>	<b>605</b>	<b>626</b>
Current yield	0.76%	0.68%
<b>Based on Ø aggregate policy reserves (EUR bn)</b>	<b>475</b>	<b>493</b>
<b>Current yield</b>	<b>0.97%</b>	<b>0.87%</b>
Net harvesting and other <sup>2</sup>	0.03%	0.18%
<b>Total yield</b>	<b>1.00%</b>	<b>1.05%</b>
- Ø min. guarantee <sup>3</sup>	0.48%	0.46%
<b>Gross investment margin (in %)</b>	<b>0.52%</b>	<b>0.59%</b>
- Profit sharing under IFRS <sup>4</sup>	0.33%	0.40%
<b>Investment margin (in %)</b>	<b>0.19%</b>	<b>0.19%</b>
Investment margin (EUR mn)	912	952

## Economic reinvestment yield (debt securities; in %)



## Duration<sup>5</sup>



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: investment margin up 4.3% to EUR 952mn



## Comments

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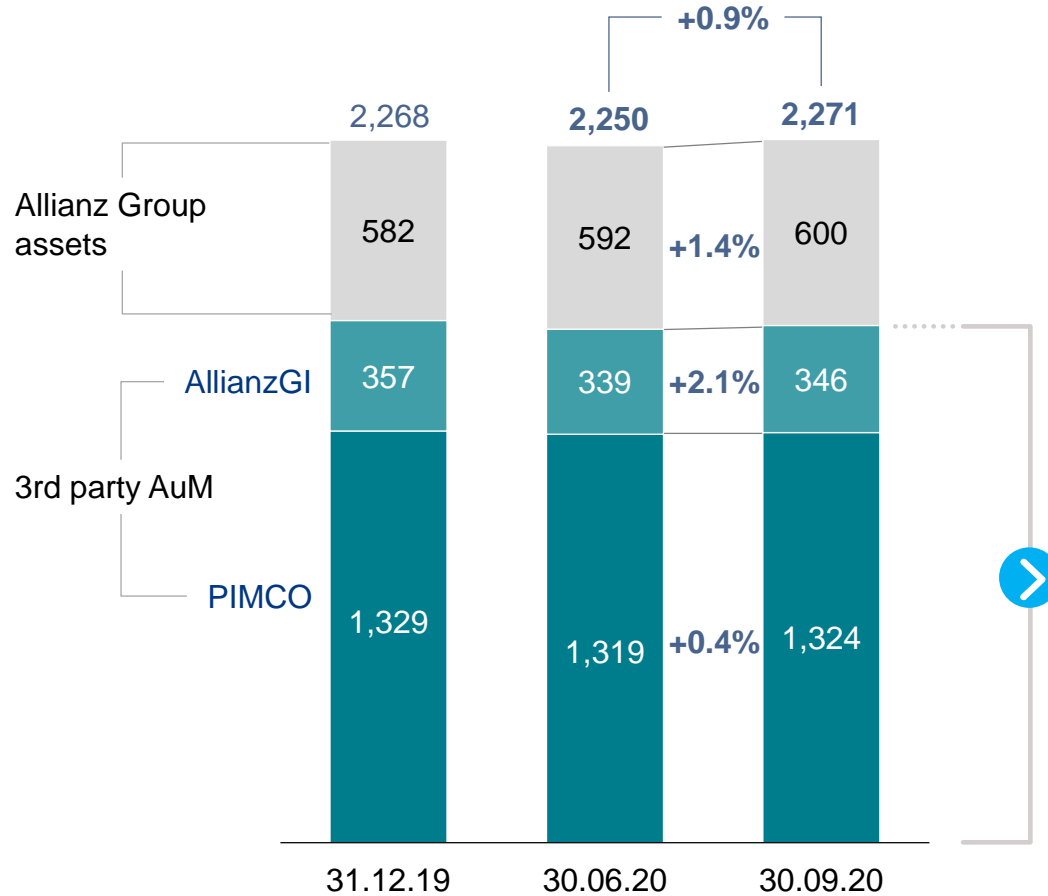
- **Investment margin up 4.3% to EUR 952mn**  
Improvement is a result of higher reserve base (+3.9%) and stable investment margin of 19bps.
- **Gross investment margin up 7bps**  
Current yield based on aggregate policy reserves down by 11bps, of which 7bps from lower income from debt. Average minimum guarantee declines by 3bps. Result from net harvesting and other is up 15bps mainly due to a better trading result.
- **Investment margin stable at 19bps**  
Higher gross investment margin and increased PHP lead to a stable investment margin of 19bps. 9M 2020 investment margin at 52bps.
- **Reinvestment yield broadly stable**
- **Change in duration**  
Impact from lower interest rates mitigated by management action, e.g. increased asset duration.



# AM: AuM stable at EUR 2.3tn

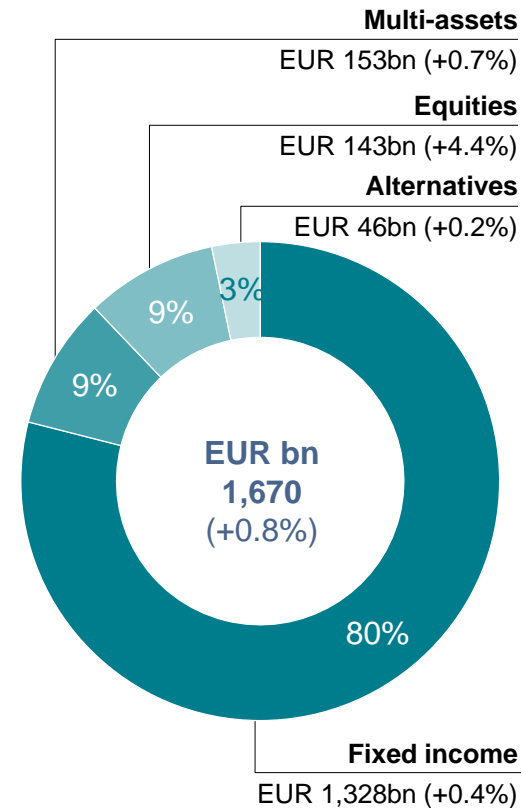
(EUR bn)

## Total assets under management

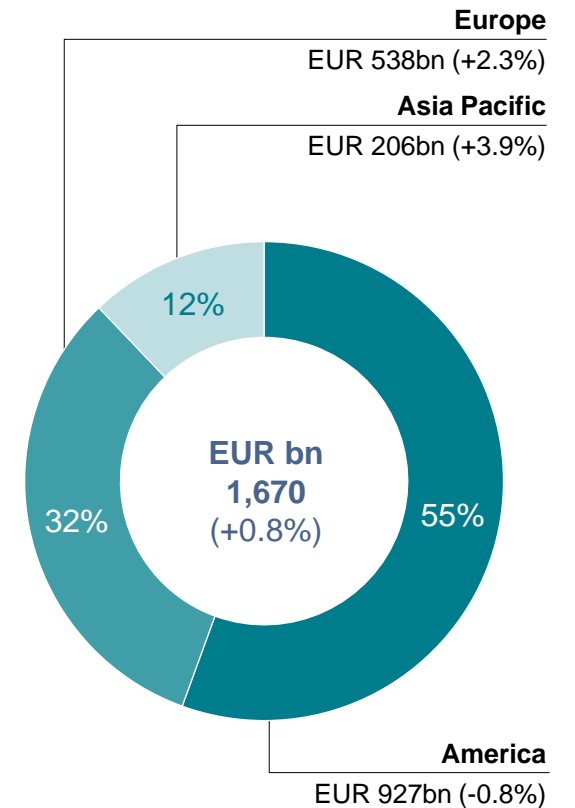


## 3rd party AuM split

### Asset classes



### Regions





# AM: AuM stable at EUR 2.3tn



## Comments

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- **Total AuM stable**

Positive market effects and 3rd party net inflows mitigated by adverse F/X.

- **Business highlights**

PIMCO ESG Income Fund launched, adding to PIMCO's Income suite and ESG fund offerings.

PIMCO officially assumed oversight of Allianz Real Estate in October, forming one of the world's largest and most diversified real estate platforms with a portfolio amounting to approximately EUR 100bn.

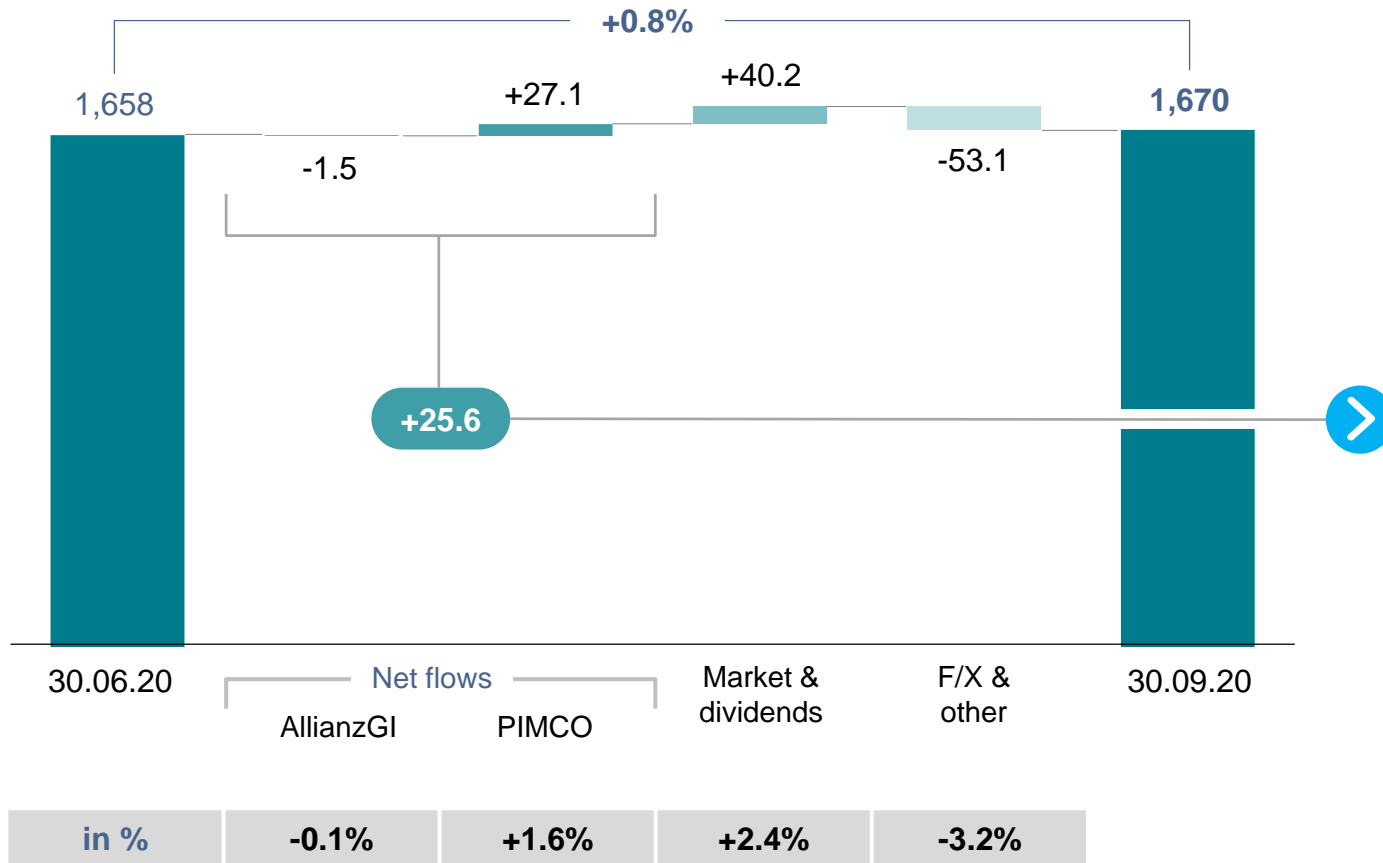
AM segment: 71% of 3rd party AuM outperform benchmarks on a trailing 3-year basis before fees.



# AM: EUR 26bn 3rd party net inflows

(EUR bn)

## 3rd party assets under management development



## 3rd party net flow split

<b>Asset classes</b>	Fixed income	+28.1
	Equities	-0.8
	Multi-assets	-0.9
	Alternatives	-0.9
<b>Regions</b>	America	+10.1
	Europe	+7.3
	Asia Pacific	+8.2
<b>Investment vehicles</b>	Mutual funds	+13.8
	Separate accounts	+11.8



# AM: EUR 26bn 3rd party net inflows

## Comments

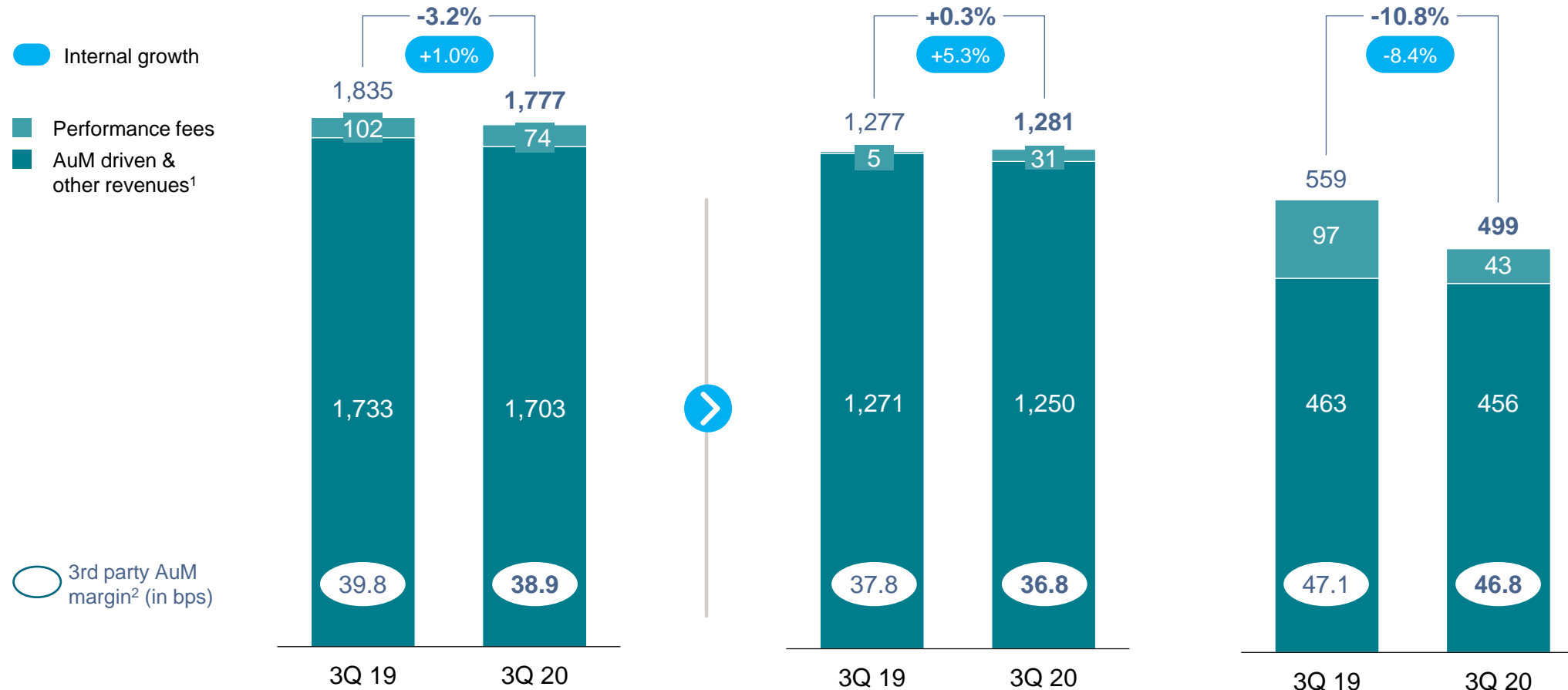
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- **3rd party AuM stable**  
Positive capital markets and 3rd party net inflows at PIMCO; adverse contribution from USD depreciation.  
Excluding F/X, 3rd party AuM increased by 4%.
- **3rd party net flows PIMCO: EUR +27bn**  
3rd party net inflows from investment strategies like investment grade credit and enhanced cash.
- **3rd party net flows AllianzGI: EUR -2bn**  
3rd party net inflows in fixed income products, net outflows from multi-asset, alternative and equity products.



# AM: revenue decline driven by F/X (EUR mn)

## Revenues development



1) Thereof other revenues: AM: 3Q 19: EUR +2mn, 3Q 20: EUR -5mn; PIMCO: 3Q 19: EUR +5mn; 3Q 20: EUR -5mn; AllianzGI: 3Q 19: EUR -2mn; 3Q 20: EUR +3mn

2) Excluding performance fees and other income



# AM: revenue decline driven by F/X



## Comments

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- **Segment revenues – F/X and performance fees**

Revenues decrease driven by F/X and lower performance fees. Excluding F/X, revenues increase by 1% due to higher AuM driven revenues.

3Q 2020 average 3rd party AuM increase by 1% compared to 3Q 2019 and by 2% compared to 2Q 2020.

- **PIMCO margin**

Margin at 36.8bps (3Q 2019: 37.8bps). Decrease mainly due to lower share of higher fee rate vehicles.

- **AllianzGI margin**

Margin at 46.8bps (3Q 2019: 47.1bps). Small decrease mainly impacted by changes in business mix with slightly lower share of mutual funds.

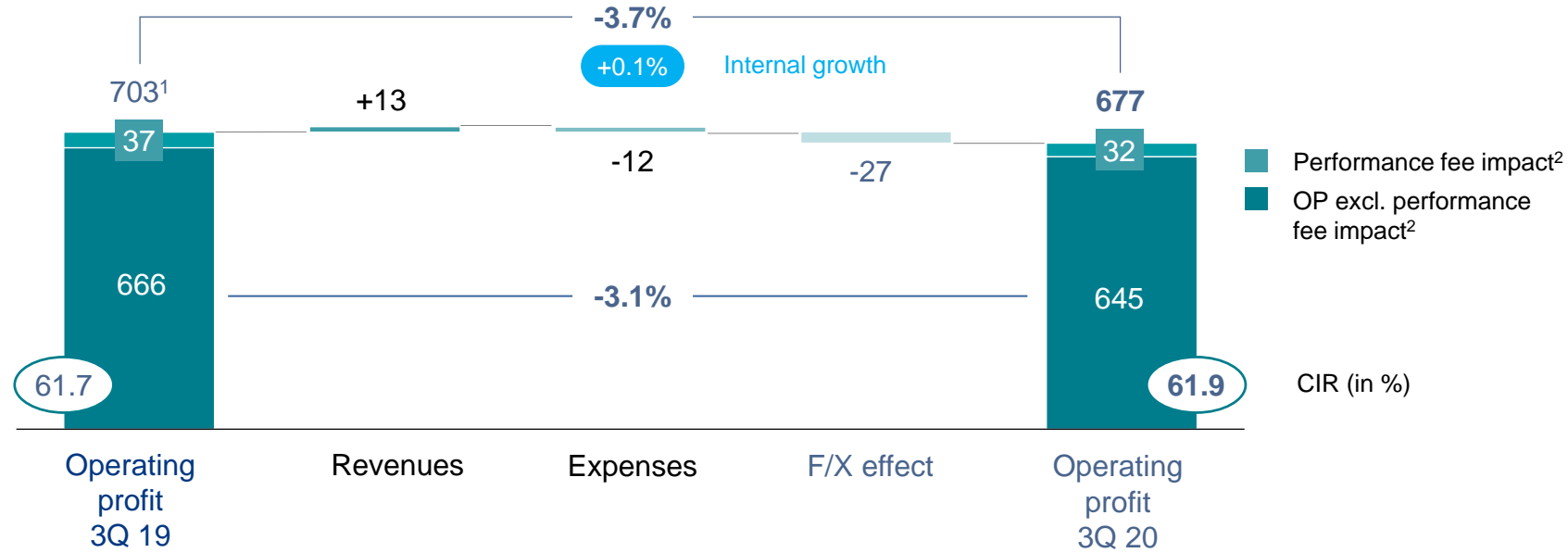




# AM: EUR 677mn operating profit

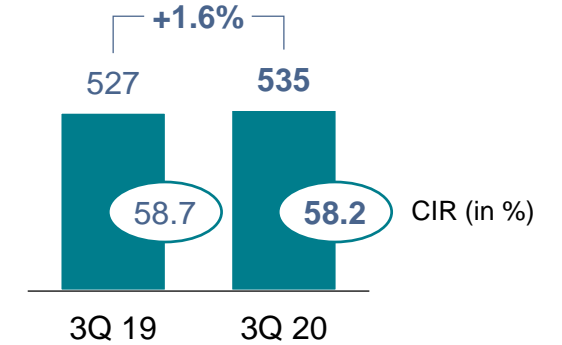
(EUR mn)

## Operating profit drivers

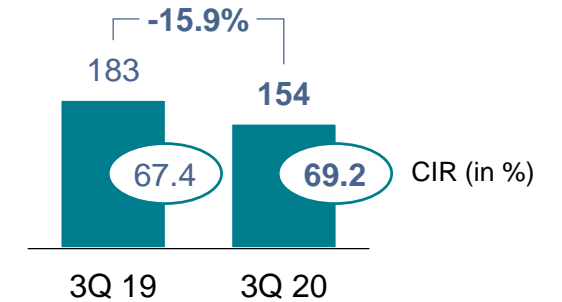


Δ 3Q 20/19		
F/X impact	-72	+45
<b>3Q 20</b>	<b>1,777</b>	<b>-1,100</b>
3Q 19	1,835	-1,132

## PIMCO



## AllianzGI



1) Including operating loss from other entities of EUR -6mn in 3Q 19 and EUR -7mn in 3Q 20  
 2) Performance fees of PIMCO and AllianzGI (excl. Allianz Capital Partners), net of 30% variable compensation



# AM: EUR 677mn operating profit



## Comments

- Segment – OP down 4%, but on a very good level**  
 Stable OP excluding F/X impact.  
 CIR strong at 61.9% ( $\Delta$  +0.2%-p).
- PIMCO – OP up 2%**  
 OP increases by 2% to EUR 535mn despite negative F/X impact. Excluding F/X, OP increases by 7% due to higher AuM driven revenues and performance fees, more than compensating for higher operating expenses.  
 CIR at 58.2%, an improvement of 0.5%-p.
- AllianzGI – OP down 16%**  
 Operating profit driven by lower performance fees.  
 CIR at 69.2%, an increase of 1.9%-p.

- 9M 2020 – OP up by 2%**

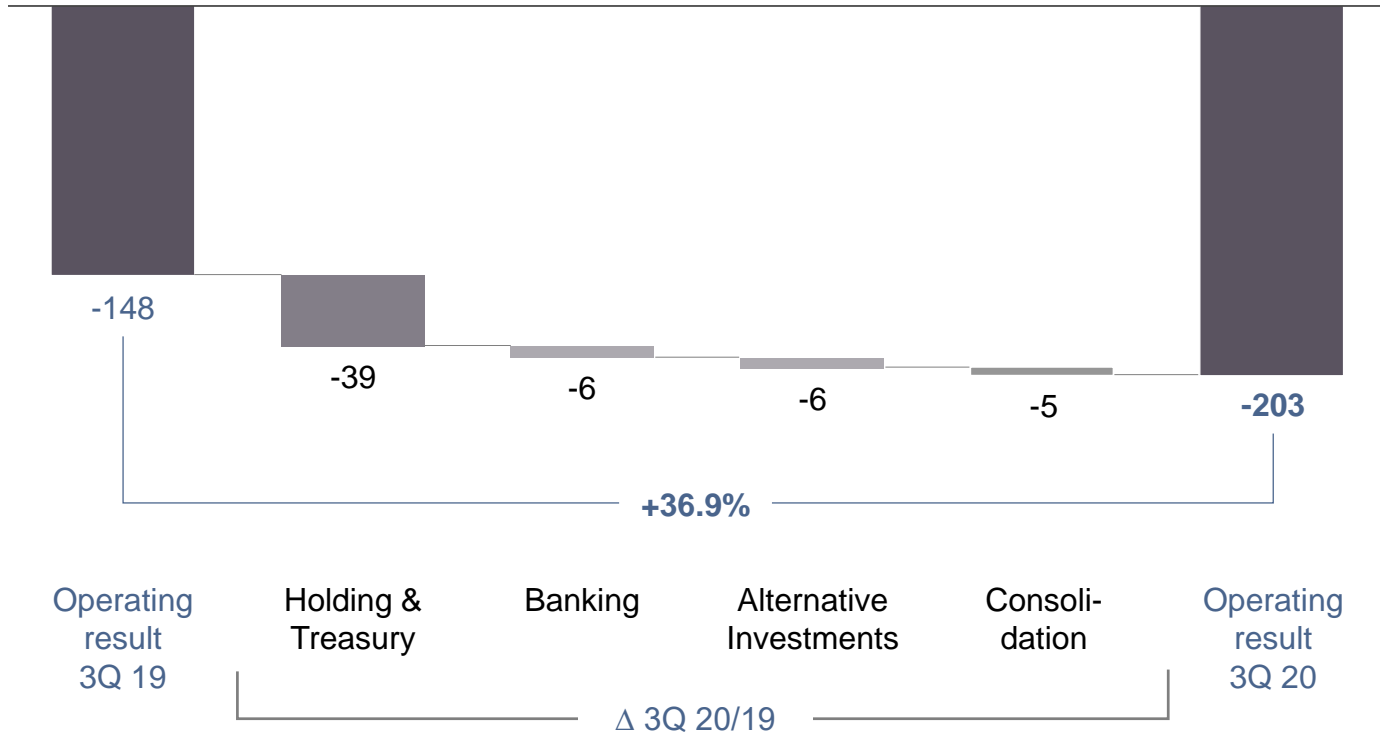
	9M 2019	9M 2020	$\Delta$
Operating revenues (EUR mn)	5,155	5,270	+2.2%
Operating profit (EUR mn)	1,954	1,996	+2.2%
Average 3rd party AuM (EUR bn)	1,570	1,659	+5.6%
3rd party net flows (EUR bn)	+56.1	+5.0	-91.0%
3rd party AuM margin (bps)	39.5	38.9	-0.6bps
CIR (%)	62.1%	62.1%	0.0%-p



# CO: result broadly in line with expectations

(EUR mn)

## Operating loss development and components



	3Q 20	3Q 19	Δ 3Q 20/19
Operating result 3Q 19	-174	-174	0
Holding & Treasury	-212	-174	-38
Banking	8	13	-5
Alternative Investments	7	13	-6
Consolidation	-5	0	-5
Operating result 3Q 20	-203	-174	-29



# CO: result broadly in line with expectations

## Comments

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- **Operating result at EUR -0.2bn**  
Higher operating loss mainly due to higher IT investments at Allianz Technology and lower investment income – all reflected in result from Holding & Treasury.



# Group: shareholders' net income up 5.9% to EUR 2.1bn

EUR mn	3Q 19	3Q 20	Δ p.y.
Operating profit	2,984	2,907	-77
<b>Non-operating items</b>	<b>-242</b>	<b>-21</b>	<b>+221</b>
Realized gains/losses (net)	309	436	+127
Impairments (net)	-185	-98	+87
Income from financial assets and liabilities carried at fair value (net)	-58	19	+77
Interest expenses from external debt	-203	-183	+20
Acquisition-related expenses	0	0	-0
Restructuring and integration expenses	-67	-193	-126
Amortization of intangible assets	-38	-48	-10
Change in reserves for insurance and investment contracts (net)	0	46	+46
<b>Income before taxes</b>	<b>2,742</b>	<b>2,886</b>	<b>+144</b>
Income taxes	-710	-755	-45
<b>Net income</b>	<b>2,032</b>	<b>2,131</b>	<b>+99</b>
Non-controlling interests	-84	-68	+16
<b>Shareholders' net income</b>	<b>1,947</b>	<b>2,063</b>	<b>+116</b>
Effective tax rate	26%	26%	+0%-p



# Group: shareholders' net income up 5.9% to EUR 2.1bn



## Comments

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- **Shareholders' net income up by 5.9%**  
Increase due to better non-operating profit.
- **Non-OP up by EUR 0.2bn**  
Better harvesting result ( $\Delta$  EUR +0.2bn) due to higher realized gains and lower impairments. Prior-year impairments driven by Argentinian bonds (EUR -114mn). Lower interest expenses for external debt and higher income from financial assets and liabilities more than offset by increase in restructuring expenses.
- **Income from financial assets and liabilities**  
Positive impact from favorable market movement and better result from hedging instruments.
- **Restructuring expenses**  
Accelerated investments in productivity and efficiency, mainly AGCS and AllianzGI. Expenses for IT decommissioning at EUR 45mn. Further restructuring expenses expected for 4Q 2020.
- **Interest expenses from external debt**  
Lower interest expenses mainly a result of lower refinancing costs.
- **Tax rate of 26% in line with expectations**



# Summary: resilient performance in 9M 2020

Facts  
and figures  
9M 2020  
(EUR)

**105<sub>bn</sub>**

Revenues

**7.8<sub>bn</sub>**

Operating profit

**4.0<sub>bn</sub>**

Dividend paid

**5.0<sub>bn</sub>**

Shareholders'  
net income

**192%**

Solvency II ratio

**750<sub>mn</sub>**

Share buy-back





# CONTENT

1

GROUP FINANCIAL RESULTS  
3Q 2020

2

GLOSSARY  
DISCLAIMER





# Glossary (1)

<b>AFS</b>	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.
<b>AGCS</b>	Allianz Global Corporate & Specialty
<b>AllianzGI</b>	Allianz Global Investors
<b>AM</b>	(The Allianz business segment) Asset Management
<b>AP</b>	Allianz Partners
<b>APE</b>	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.
<b>APR</b>	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.
<b>Attritional LR</b>	Accident year losses less claims arising from natural catastrophes as per our group-level definition (please refer to “NatCat”) divided by premiums earned (net).
<b>AuM</b>	<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><b>Net flows:</b> 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><b>Market &amp; dividends:</b> 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>
<b>AY LR</b>	Accident year loss ratio: Please refer to “LR” (loss ratio).
<b>AZ</b>	Allianz



# Glossary (2)

<b>Bps</b>	Basis points: 1 Basis point = 0.01%.
<b>CEE</b>	Central and Eastern Europe
<b>CIR</b>	Cost-income ratio: Operating expenses divided by operating revenues
<b>CO</b>	(The Allianz business segment) Corporate and Other
<b>CR</b>	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).
<b>Current yield</b>	Represents interest and similar income divided by average asset base at book value.
<b>DAC</b>	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.
<b>Economic reinvestment yield</b>	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.
<b>EIOPA</b>	European Insurance and Occupational Pensions Authority
<b>EPS</b>	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).
<b>ER</b>	Expense ratio: Represents acquisition and administrative expenses (net), excluding one-off effects from pension revaluation, divided by premiums earned (net).
<b>F/X</b>	Foreign exchange rate



# Glossary (3)

<b>FIA</b>	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.
<b>FV</b>	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.
<b>FVO</b>	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.
<b>Goodwill</b>	Difference between the cost of acquisition and the fair value of the net assets acquired.
<b>Government bonds</b>	Government bonds include government and government agency bonds.
<b>GPW</b>	Gross premiums written: Please refer to “Premiums written/earned” as well as “Gross/net”.
<b>Gross/net</b>	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.
<b>Harvesting</b>	Includes realized gains/losses (net) and impairments of investments (net).
<b>Held for sale</b>	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.
<b>IFRS</b>	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).
<b>IMIX</b>	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.
<b>Internal growth</b>	Total revenue performance excluding the effects of foreign-currency translation as well as of acquisitions and disposals.
<b>JV</b>	Joint venture
<b>KPI</b>	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)

<b>LoB</b>	Line of business
<b>LR</b>	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.
<b>MCEV</b>	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.
<b>NatCat</b>	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.
<b>NBM</b>	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.
<b>Non-controlling interests</b>	Those parts of the equity of affiliates which are not owned by companies of the Allianz Group.
<b>NPE</b>	Net premiums earned: Please refer to "premiums written/earned" as well as "gross/net".
<b>NPS</b>	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.
<b>OE</b>	Operating entity
<b>Ogden rate</b>	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.
<b>OP</b>	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)

<b>Operating SII earnings</b>	<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>
<b>Own funds</b>	The capital eligible to cover the regulatory solvency capital requirement.
<b>P/C</b>	(The Allianz business segment) Property and Casualty [insurance]
<b>PHP</b>	Policyholder participation
<b>PIMCO</b>	Pacific Investment Management Company Group
<b>PPE</b>	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.
<b>Pre-tax operating capital generation</b>	<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>
<b>Premiums written/earned (IFRS)</b>	<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>
<b>PVNBP</b>	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.



# Glossary (7)

<b>Reinsurance</b>	Insurance companies transfer parts of the insurance risk they have assumed to reinsurance companies.
<b>Retained earnings</b>	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.
<b>RfB</b>	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.
<b>RoE</b>	<p><b>Return on equity – Group:</b> 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.</p> <p><b>Return on equity P/C OE:</b> 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><b>Return on equity L/H OE:</b> 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>
<b>RoRC</b>	Return on risk capital
<b>Run-off ratio</b>	The run-off result (result from reserve developments for prior (accident) years in P/C business) as a percentage of premiums earned (net).
<b>SII</b>	Solvency II
<b>SII capitalization</b>	Ratio that expresses the capital adequacy of a company by comparing own funds to SCR.
<b>SCR</b>	Solvency capital requirement
<b>SE</b>	Societas Europaea: European stock company
<b>SFCR</b>	Solvency and Financial Condition Report



# Glossary (8)

<b>Statutory premiums</b>	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.
<b>Total equity</b>	The sum of shareholders' equity and non-controlling interests.
<b>Total revenues</b>	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).
<b>UFR</b>	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.
<b>UL</b>	Unit-linked: Please refer to "L/H lines of business".
<b>Unrealized gains/losses (net)</b> (as part of shareholders' equity)	Include unrealized gains and losses primarily from available-for-sale investments, net of taxes and of policyholder participation.
<b>URR</b>	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.
<b>VA</b>	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.
<b>VNB</b>	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.