Annual Results Media Conference

Delivering

February 21, 2020

Allianz

AGENDA

Annual Results Media Conference

CEO assessment and outlook

Oliver Bäte
Chief Executive Officer

February 21, 2020

Allianz

Content

Strong performance delivery in 2019

Key figures 2019 (EUR)

Revenues	142bn	+8%
Operating profit	11.9bn	+3%
Shareholders' net income	7.9bn	+6%
Earnings per share	18.9	+8%
Dividend per share[1]	9.60	+7%
Solvency II ratio	212%	Target: ≥ 180%
Return on equity[2]	13.6%	Target: ≥ 13%
Total s/h return[3]	+30%	

1) Proposal
2) RoE calculation excludes unrealized gain/losses on bonds, net of shadow accounting
3) Total shareholder return, includes share price performance plus reinvested dividends. Source: Bloomberg

Outperform against a challenging backdrop

Low growth and low interest rates

Rising political uncertainty

Regulatory develop-ments

Climate debate and activism

Digitalization and new business models

Outperform: Customer at our heart

Customer facts

#1
insurance brand
(Interbrand)

101M (+10%)
customers
worldwide

70% (-4%-p)
share of outperforming
business segments[1]:
top-down NPS

46% (+6%-p)
share of loyality
leader segments[1]:
top-down NPS

Customer feedback

Chemical factory damaged by fire:
*“Excellent and **fast claim manage-ment process**. We are happy to accept the increase of 10% of our premium as **it’s worth it**.“*

10 university buildings severely damaged by flash flood:
*“Thanks to **fast** claim process and **excellent project-based cooperation**, heaviest damages were **fixed in some weeks instead of several years**.“*

Private customer:
“With Allianz a long time.
***Always there when I need them**.”*

Private customer:
*“**Excellent service!** Allianz is the **best insurance company** for its quality, price and customer service.”*

1) Business segments = Property-Casuality, Life, Health. In 2019, 57 segments have been reported in total within Allianz Group

Outperform: Our people make it possible

Engagement Survey 2019

Inclusive Meritocracy Index (IMIX)

Group %Fav

Learning data

>129K learning hours in 2019

>40% employees registered on learning platform

Exceed LinkedIn Learning benchmarks globally

Workplace

94K Allianz virtual clients

2/3rds of workforce enabled to work mobile

Employee shares

92% of workforce globally

41 countries (30 in 2018)

1 free share in 2020 for productivity increase

Diversity & inclusion

51% female of total workforce

38% female managers

#8 Thomson Reuters Refinitiv Diversity & Inclusion Index

Outperform: Sustainable investments gather pace

ASSET OWNERS COMMITTED TO **CARBON NEUTRAL** PORTFOLIOS UNTIL **2050**

UN-CONVENED

PRI Principles for Responsible Investment

UNEP FINANCE INITIATIVE

NGO-SUPPORTED

M2020

WWF

FOUNDING MEMBER

ASSET OWNER-LED

PensionDanmark, alecta, THE CHURCH OF ENGLAND, FRR Fonds de Reserve pour les Retraites, AVIVA, AMF, Caisse des Dépôts, storebrand, Allianz, Folksam, Swiss Re, CDPQ, CalPERS, ZURICH, Nordea Life and Pension, AXA, CNP assurances

Outperform: Strong focus on sustainability

ESG at Allianz

Insurance
EUR 1.3bn sustainable solution revenues[1]

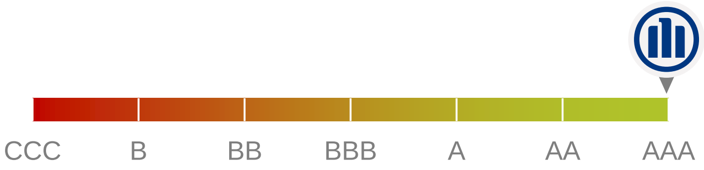
Investments
EUR 161bn 3rd party SRIs[3]

Footprint
Carbon neutral since 2012

Ratings 2019

SAM: industry leader

MSCI: ESG leader



FTSE4Good: top 8%

Targets

Coal
No insurance of coal based business by 2040[2]

Carbon
Own investments carbon neutral by 2050

Electricity
100% renewable by 2023

1) As defined in the Allianz Group Sustainability Report
2) P/C insurance; for details see Allianz Group Sustainability Report
3) SRI = sustainable and responsible investments of PIMCO and AllianzGI end of 2019, as defined in the Allianz Group Sustainability Report

Transform: Allianz Customer Model (ACM) on Business Master Platform

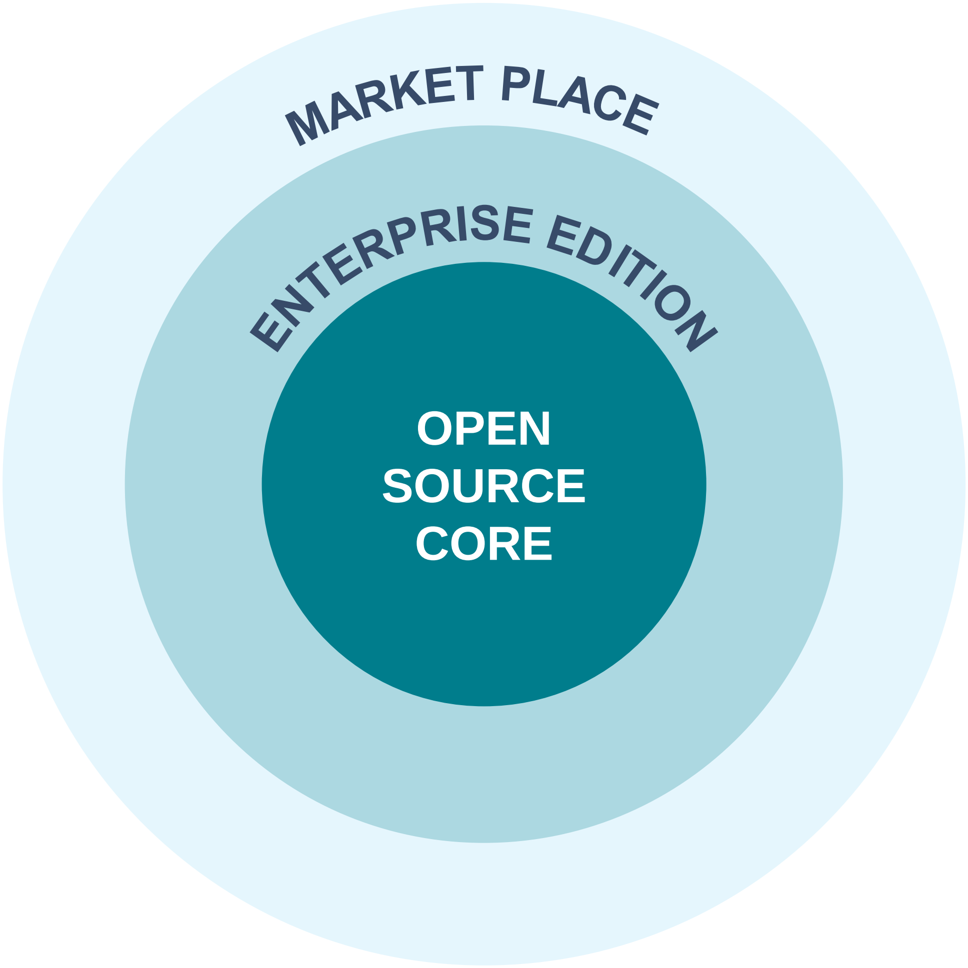
- **Fast & scalable**
- **Plug & play**
- **Cloud-based**

- **Customer-centric**
- **Cost-efficient**
- **Climate-friendly**

- **Business Master Platform meets** business **requirements** identified by **Allianz Customer Model**
- **Decommissioning**[1] of legacy systems to free up substantial productivity gains[2]
- **Expanding** efficiently with flexible future-ready **infrastructure**

1) Short-term target: ~10% fewer IT applications by 2020 and more than 20% less by 2021 (related to 2019 baseline). Ambition is to reduce # IT applications by ~50%
2) Yielding estimated annual savings of more than EUR 0.1bn by 2021 (related to entire Group)

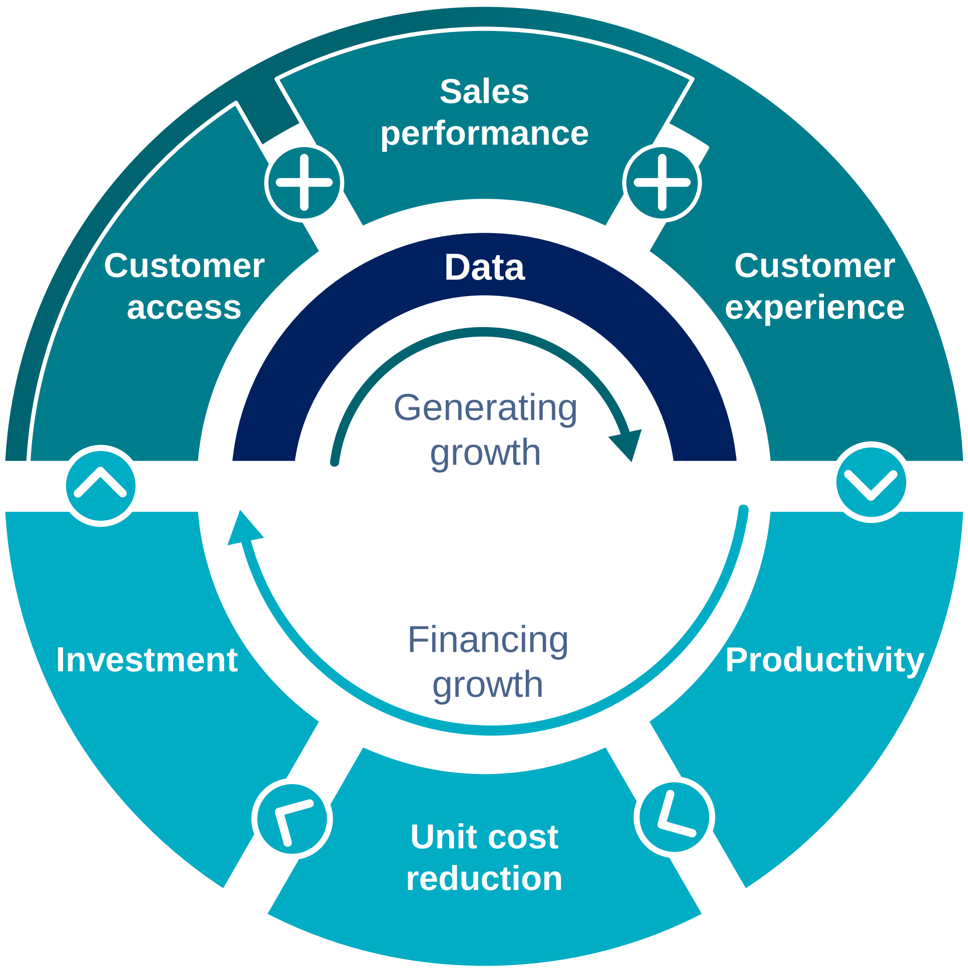
Transform: Syncier's Enterprise Edition and Marketplace



Allianz-founded insurtech Syncier

- **Co-developing** marketplace with Microsoft
- **Configurable** insurance solution based on Allianz insurance software ABS
- **Available** to other insurers

Transform: Creating customer pull to start a virtuous circle



Higher customer satisfaction
in an increasingly digital world

Higher reinvestments
based on increased productivity

Higher profitability
due to lower unit costs

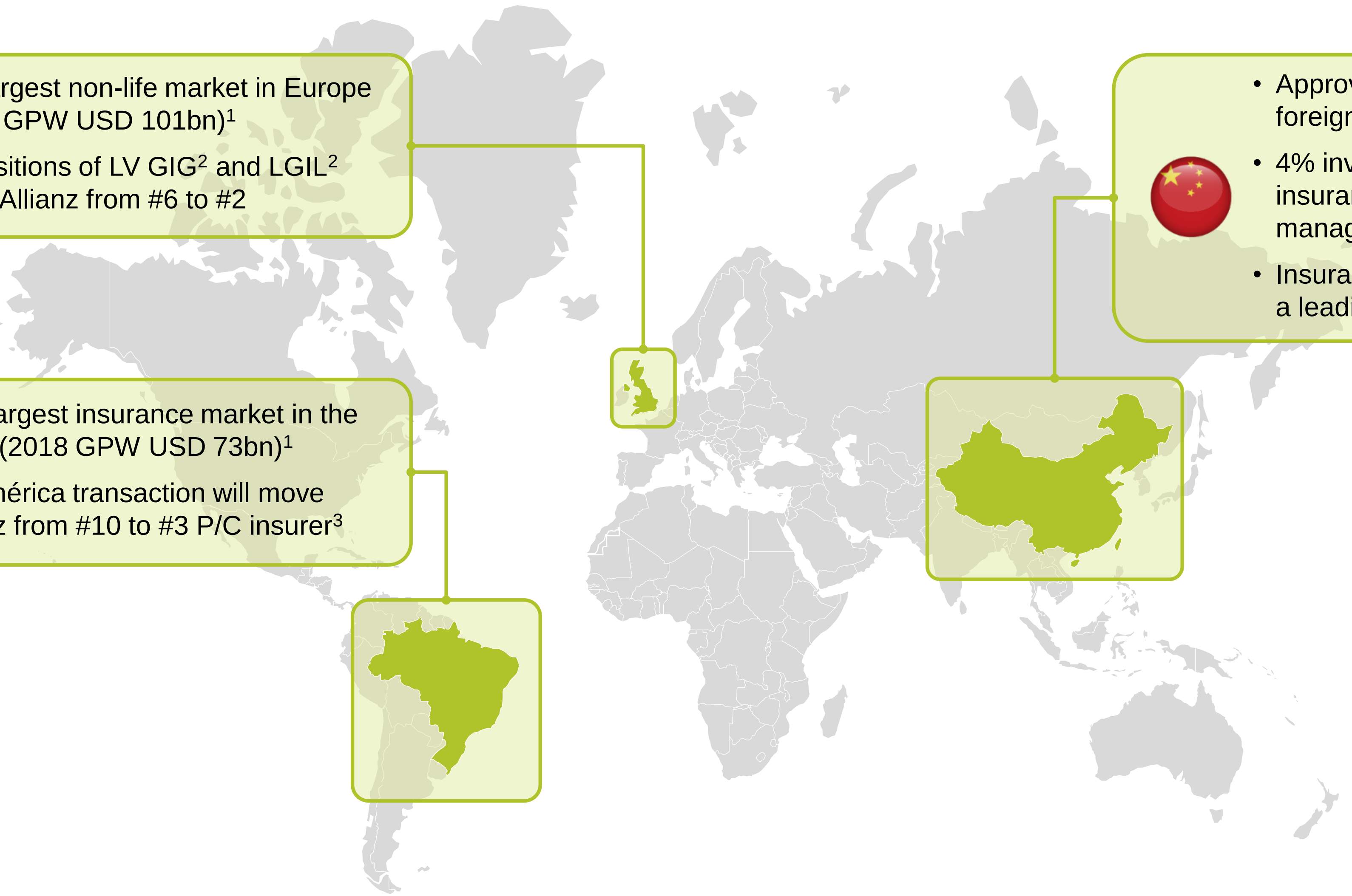
= Profitable Growth

Rebalance: Global market position further improved

- 2nd largest non-life market in Europe (2018 GPW USD 101bn)[1]
- Acquisitions of LV GIG[2] and LGIL[2] move Allianz from #6 to #2

- 16th largest insurance market in the world (2018 GPW USD 73bn)[1]
- SulAmérica transaction will move Allianz from #10 to #3 P/C insurer[3]

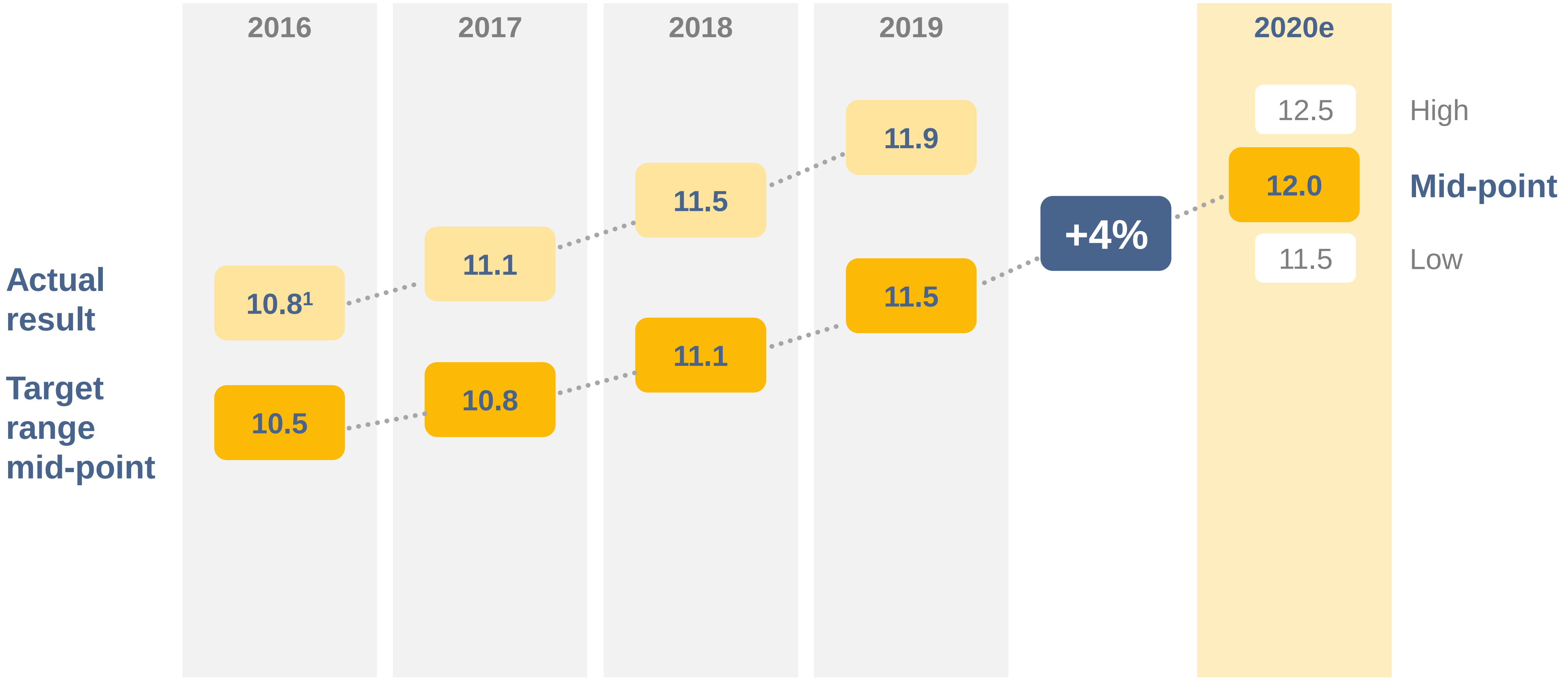
- Approval for first wholly-owned foreign financial holding company
- 4% investment in Taikang, #6 life insurance company and asset manager with EUR 195bn AuM[3]
- Insurance cooperation with JD.com, a leading retailer in China



1) Source: Swiss Re Sigma
2) LV GIG = Liverpool Victoria General Insurance Group, LGIL = Legal & General Insurance Ltd.
3) Transaction subject to regulatory approval

Ambition 2020: OP target range mid-point up 4%

(in EUR bn)



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

1) To ensure consistency with target setting reported numbers have not been retrospectively restated

Targets for 2021 confirmed

	KPI	Targets 2019-2021[1]
Earnings growth	EPS CAGR	5% plus o/w 4% plus organic
Profitability[2]	RoE	13% plus
Capital strength	SII ratio	180% plus
Customer centricity[3]	NPS > market	75% plus
Employee commitment	IMIX	73% plus

1) Actual results, performance or events may differ materially from these forward-looking statements. The company assumes no obligation to update any information or forward-looking statement contained herein
2) RoE calculation excludes unrealized gain/losses on bonds, net of shadow accounting
3) Percent value refers to share of businesses measuring retail NPS

Annual Results Media Conference

Group financial results 2019

Giulio Terzariol
Chief Financial Officer

February 21, 2020

B

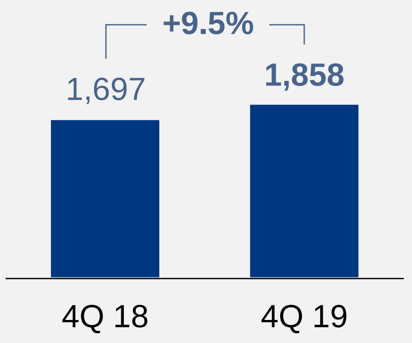
Allianz

CONTENT

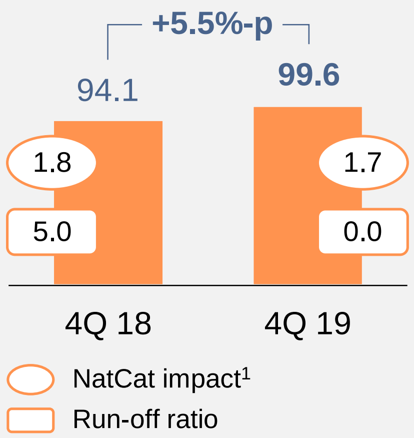
Group: 4Q overall strong, AGCS reserve strengthening

Group	Property-Casualty	Life/Health	Asset Management
Total revenues 4Q 19 in EUR bn (internal growth vs. prior year in %)			
35.5 (+5.5%)	**13.1** (+5.6%)	**20.5** (+4.8%)	**2.0** (+12.3%)
Operating profit 4Q 19 in EUR mn (vs. prior year in %)			
2,751 (-0.7%)	**861** (-42.3%)	**1,298** (+35.8%)	**750** (+18.5%)

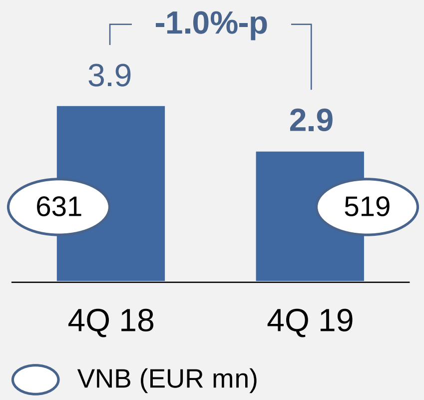
Shareholders' net income
(in EUR mn)



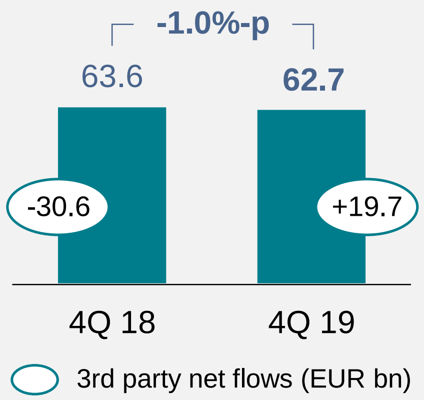
Combined ratio
(in %)



New business margin
(in %)



Cost-income ratio
(in %)



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

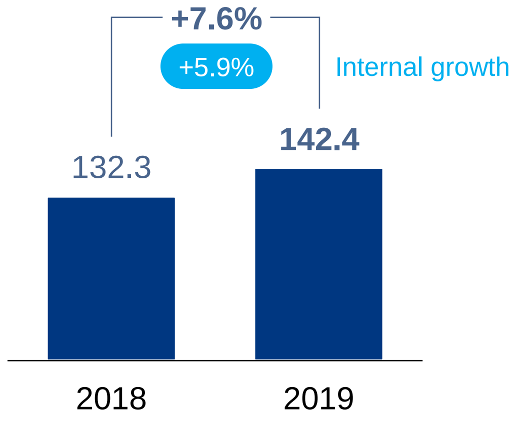
Group: 4Q overall strong, AGCS reserve strengthening

Comments

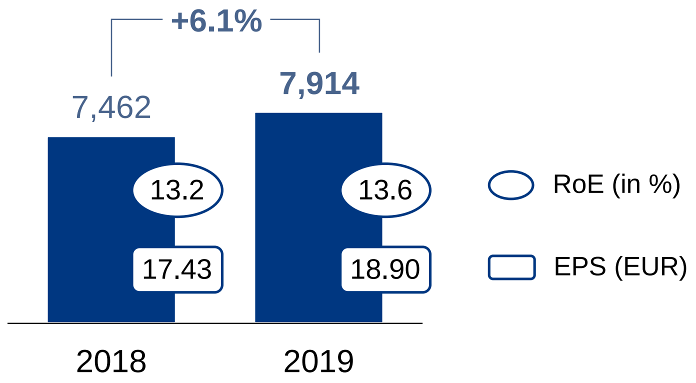
- **Strong internal growth of 5.5%**
  Double-digit growth in AM (+12.3%). Good internal growth in P/C (+5.6%) and L/H (+4.8%). Positive impacts from F/X (+0.8%) and consolidation (+0.6%) lead to total growth of +7.0%.
- **Operating profit stable**
  Double-digit operating profit growth in L/H and AM in combination with a better result from CO compensate for the drop in P/C.
- **Shareholders' net income up 9.5%**
  Driver is improved non-operating result (∆ EUR +322mn) mainly due to better harvesting result (∆ EUR +250mn) which includes EUR +0.2bn gain from disposal of real estate. Tax ratio slightly up by 1%-p to 27%.
- **P/C – reserve strengthening at AGCS**
  OP declines mainly due to a lower underwriting result (∆ EUR -0.6bn) primarily driven by AGCS. The 'Other' result of EUR 0.2bn benefits from the gain on the sale of an own-used property.
- **L/H – very good result**
  Improvement driven by investment margin (29bps) supported by better harvesting result. NBM resilient at 2.9%. VNB at good level of EUR 519mn.
- **AM – excellent finish**
  EUR 20bn 3rd party net inflows, +15% average 3rd party AuM and higher performance fees drive increase in OP of 18.5%.
- **CO – significant improvement**
  Operating loss narrows by EUR ∆ +85mn to EUR -158mn.

Group: successful year 2019 with EPS growth of 8.4%

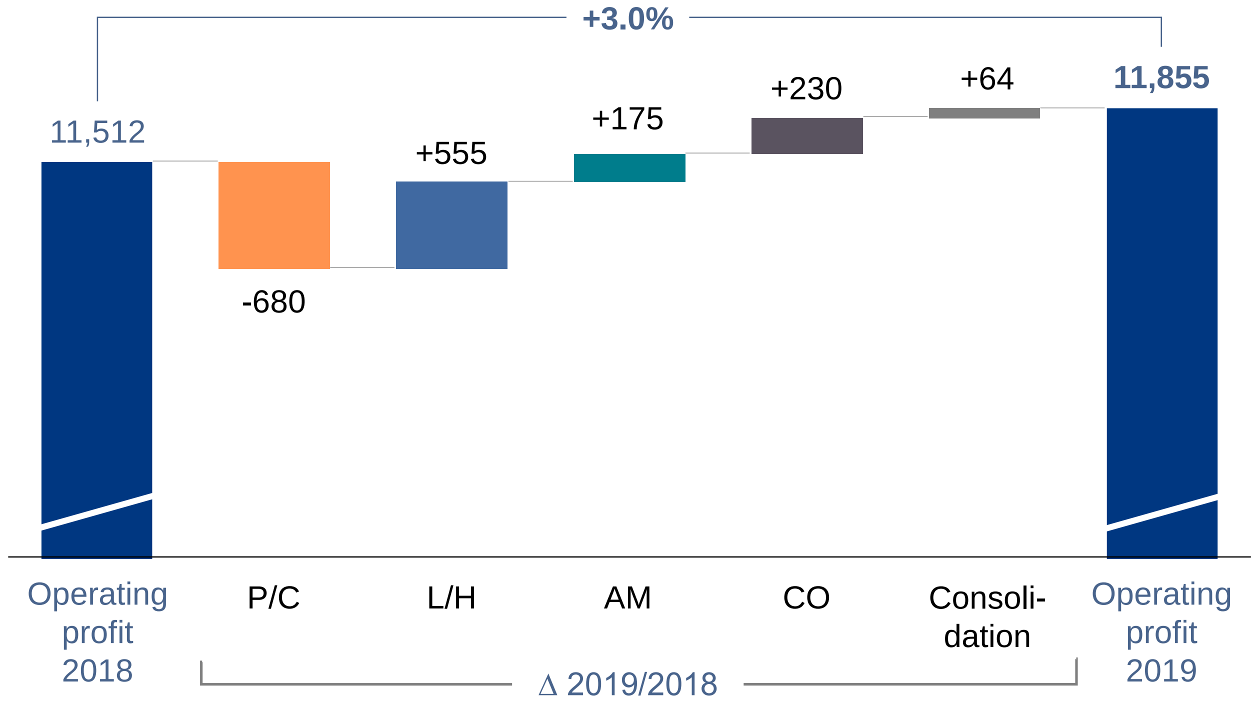
Total revenues[1] (EUR bn)



Shareholders' net income (EUR mn)



Operating profit drivers (EUR mn)



2019	**5,045**	**4,708**	**2,704**	**-602**	**0**
2018	5,725	4,152	2,530	-831	-64

1) Total revenues in P/C now include fee and commission income. Prior year figures were adjusted accordingly.

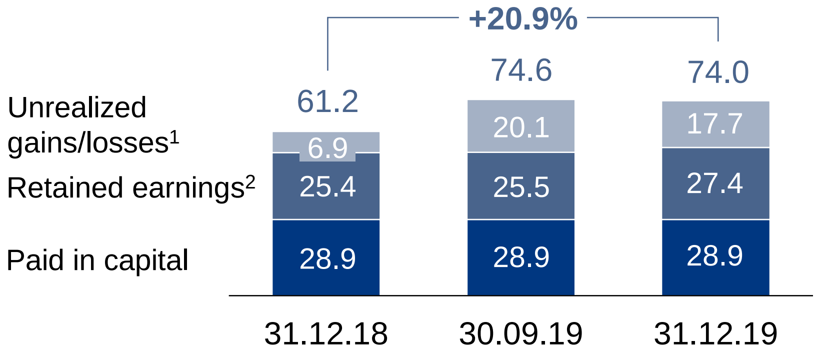
Group: successful year 2019 with EPS growth of 8.4%

Comments

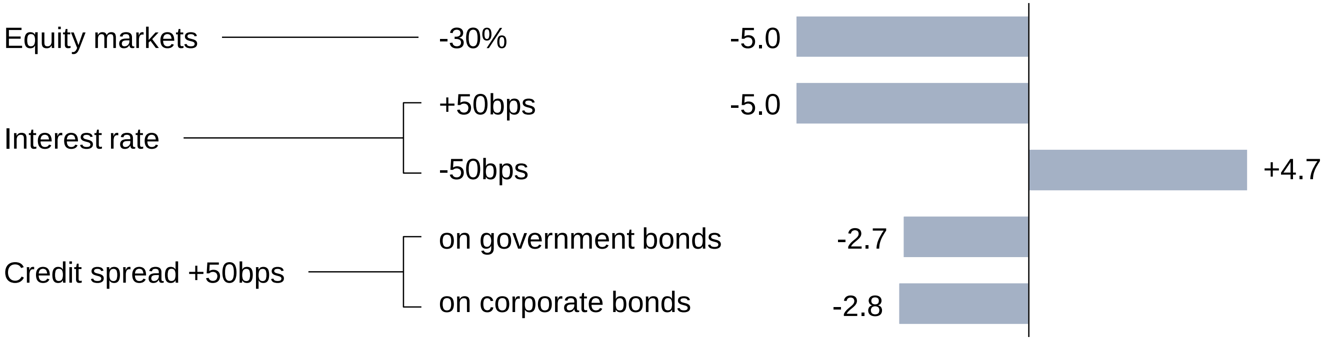
- **Very good internal growth of 5.9%**
  Growth across all segments with L/H +7.3%, P/C +4.7% and AM +1.8%. Positive impact from F/X (+1.0%) and consolidation (+0.7%) leads to total growth of +7.6%.
- **Operating profit – 8th consecutive increase**
  Operating profit is EUR 0.4bn above FY target range mid-point. Higher contribution from L/H, AM and CO (in total ∆ EUR +1.0bn) more than offsets lower result from P/C (∆ EUR -0.7bn).
- **Shareholders' net income up 6.1%**
  Higher operating profit (EUR +0.3bn) and non-operating result (EUR +0.3bn). In addition support from slightly lower tax rate (-1%-p).
- **EPS grows 8.4%**
  Strong net income growth (+6.1%) and EUR 1.5bn share buy-back support EPS growth. Number of shares outstanding at 416.6mn.
- **RoE well above 13%**
  Net income growth and disciplined capital management lift RoE to 13.6%.
- **P/C – reserve strengthening at AGCS**
  Operating profit EUR 0.7bn below FY target range mid-point. OP declines primarily driven by a lower run-off ratio (∆ -2.0%-p) due to a reserve strengthening at AGCS (EUR 0.6bn), more than offsetting a strong ER improvement ∆ -0.5%-p.
- **L/H – very good performance**
  Operating profit EUR 0.5bn above FY target range mid-point. Higher loadings & fees and stable investment margin (86bps). NBM of 3.2% remains well above target. VNB up +3.8%.
- **AM – an excellent year**
  Operating profit EUR 0.2bn above FY target range mid-point. EUR 76bn 3rd party net inflows, average 3rd party AuM up by 10%, operating revenues increase by 6%.
- **CO – significant improvement**
  Operating loss is EUR 0.3bn better than FY target range mid-point. Better result from Allianz Technology driven by increased revenues following delivery of multi-year global infrastructure projects. In addition lower admin expenses and a higher investment result.

Group: strong capital position

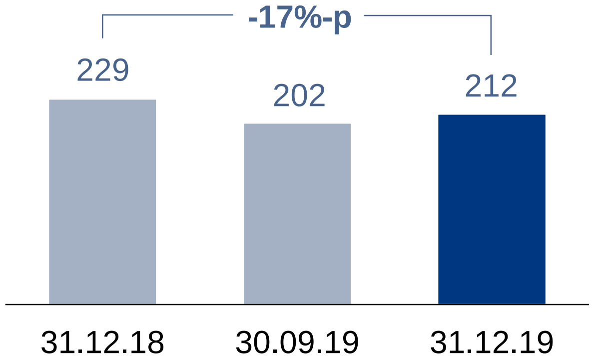
Shareholders’ equity (EUR bn)



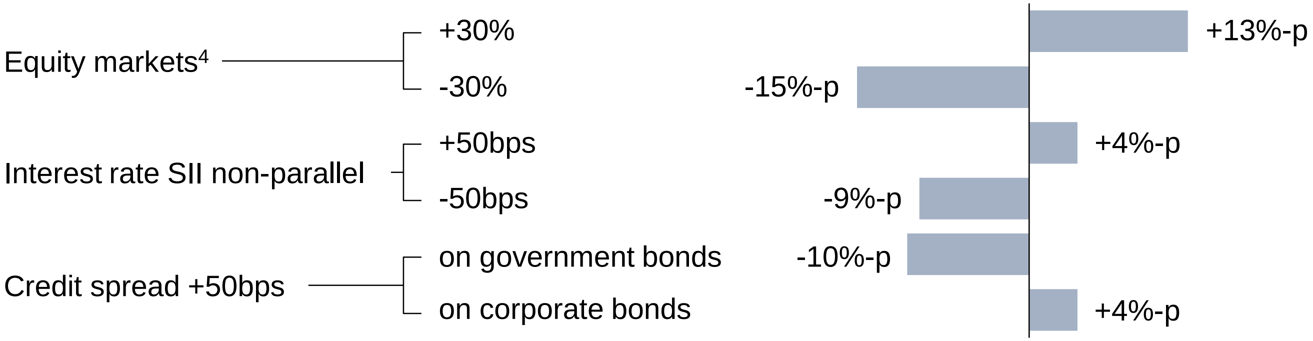
Key sensitivities (EUR bn)



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 4.2bn as of 31.12.18, EUR 4.2bn as of 30.09.19 and EUR 4.5bn as of 31.12.19
2) Including F/X
3) Management actions not considered in the disclosed sensitivities
4) If stress applied to traded equities only, sensitivities would be +7%-p/-7%-p for a +/-30% stress

Group: strong capital position

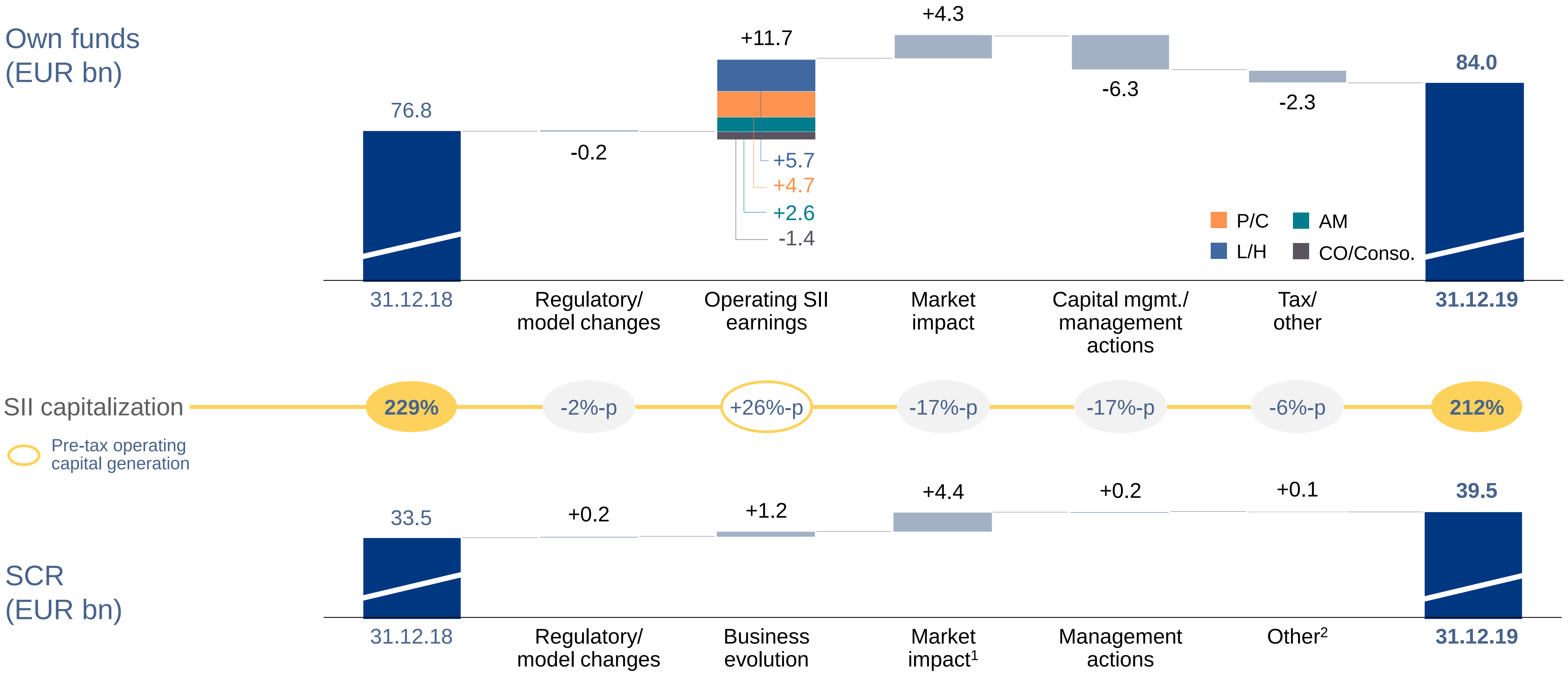
Comments

- **Shareholders' equity – EUR 12.8bn increase in 2019**
  In 12M 2019, shareholders' equity increased by EUR +12.8bn. The main drivers were higher net unrealized gains (EUR +10.7bn) and net income (EUR +7.9bn). This was partly offset by dividends (EUR -3.8bn) and the 2019 share buy-back (EUR -1.5bn).
- **SII sensitivities**
  Sensitivities are broadly unchanged compared to 3Q 2019. Increases in swap rates and the change in the PPE treatment in France have slightly reduced interest rate sensitivities.
- **SII ratio – on very good level**
  In 12M 2019, our SII ratio declines versus 12M 2018 driven by an increase in our SCR.

  Main drivers: Positive impact from organic capital generation (+26%-p, +7%-p after tax and dividend) was offset by negative market effects (-17%-p pre-tax).

  In 4Q 2019, our SII ratio rises 10%-p, mainly due to positive market effects (+8%-p after tax). Regulatory changes, mainly the change in the PPE treatment in France, had a positive impact to the tune of ~2%-p.

Group: SII ratio of 212%



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

Group: SII ratio of 212%

Comments

- **Capital generation impacted by AGCS**
  SII capital generation – net of tax and dividend – amounts to ~7%-p in 12M 2019. For 4Q 2019, SII capital generation – net of tax and dividend – amounts to -1%-p, driven by AGCS and an (annual) true-up at Allianz Leben. Adjusted for the AGCS reserve strengthening, the FY net SII capital generation would have been ~8%-p. We anticipate a capital generation net of tax and dividend of ~8%-p in 2020.
- **Regulatory/model changes**
  Main regulatory changes were the UFR reduction in 1Q 2019 (~-2%-p) and a change in the PPE reserve treatment in France in 4Q 2019 (~+2%-p).
  Model changes in 4Q 2019 include changes to cross effect modelling, dynamic cost inflation at AZ Leben and changes in contract boundaries at AZ Vie and AZ Suisse.
- **Operating SII earnings**
  Operating SII earnings of the L/H segment are overall on a normal level and in line with last year.
  Operating SII earnings of the P/C segment are below the IFRS result due to scope differences.
- **Business evolution**
  P/C growth is the main driver. L/H new business consumption is largely offset by inforce capital release.
- **Market impact**
  Predominantly driven by the decline in interest rates during the year.
- **Capital management/management actions**
  The normal dividend accrual of 50% of net income (EUR 3.9bn) and the 2019 share buy-back (EUR 1.5bn) are the main capital management drivers. Management actions decreased own funds by EUR 0.5bn, mainly driven by the LV GIG and LGIL consolidations.
- **Tax/other**
  Main impact is coming from taxes (EUR -2.8bn).
- **Outlook 1Q 2020**
  The 15bps reduction in the UFR to 3.75% will reduce our SII ratio by ~2%-p in 1Q 2020 which we anticipate to be offset by a broadly similar positive effect from the Allianz Popular transaction.

P/C: strong price and volume-driven internal growth

EUR mn

		Revenues 2019	Revenues Total growth Δ p.y.	Revenues Internal growth Δ p.y.	YTD change on renewals 2019	YTD change on renewals Momentum
	Total P/C segment	**59,156**	**+6.8%**	**+4.7%**	**+3.1%**	**n.a.**
Selected OEs	Germany[1]	10,736	+2.1%	+2.3%	+2.4%	stable
	France	4,607	+1.8%	+1.8%	+1.7%	stable
	Italy[1]	4,085	-10.8%	+3.3%	+0.6%	stable
	CEE	3,367	+3.2%	+4.4%	n.a.	n.a.
	Australia	3,135	-3.7%	+3.6%	+1.9%	positive
	Spain[1]	2,398	-4.3%	-1.6%	+3.9%	positive
	United Kingdom	2,382	-1.1%	+0.3%	+3.3%	stable
	Latin America	1,798	-2.0%	+8.9%	n.a.	n.a.
	Turkey	1,071	+4.6%	+19.8%	n.a.	n.a.
Global lines	AGCS	9,117	+11.2%	+9.5%	+9.8%	positive
	Allianz Partners	6,650	+11.3%	+6.8%	+1.9%	stable
	Euler Hermes	2,991	+0.7%	+6.2%	0.0%	positive

1) Prior year revenues include direct business now transferred to Allianz Direct. Adjusted for this, total growth was +5.1% in Germany, +5.7% in Italy and -1.6% in Spain.

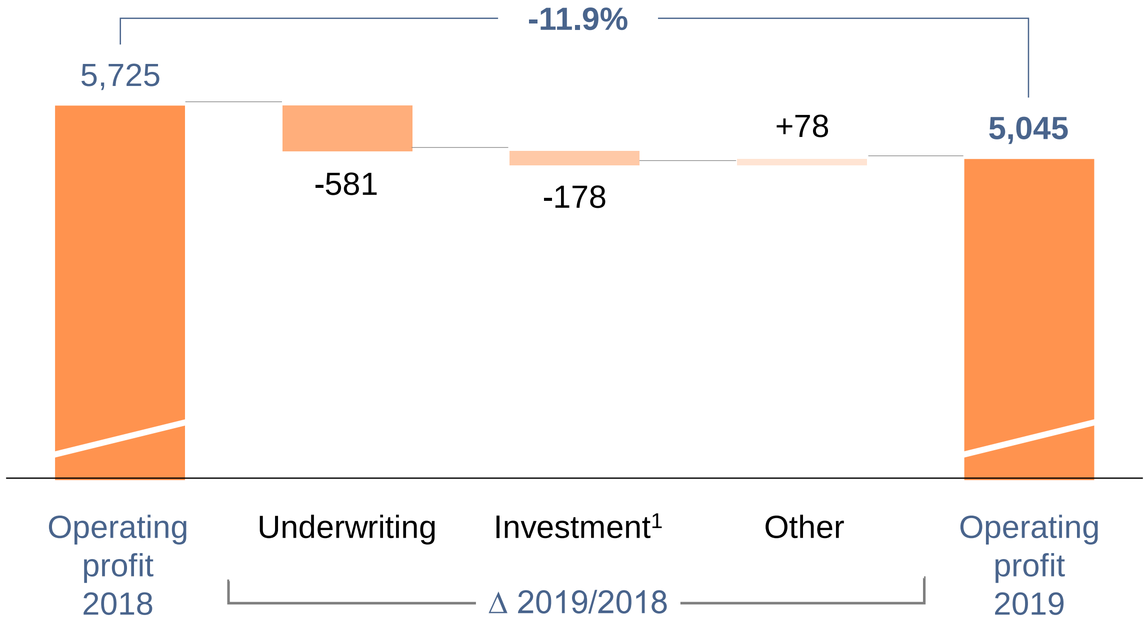
P/C: strong price and volume-driven internal growth

Comments

- **Growth accelerates during 2019**
  Strong internal growth of +4.7%, driven by price and volume. AGCS, Allianz Partners and Germany are the main growth contributors. Consolidations (e.g. ADAC or Multiasistencia; +1.7%) and F/X (+0.4%) lead to +6.8% total growth. Internal NPE growth also strong at +4.3%. 12M 2019 rate change on renewals increase to +3.1% vs. +2.7% at 9M 2019, mainly due to further improved momentum at AGCS (+9.8% after +7.8% at 9M 2019).
- **Germany – price-driven growth**
  Motor and property main drivers.
- **France – growth mainly driven by motor**
  Growth in both commercial and personal lines.
- **Italy – good growth**
  Retail non-motor and motor main growth drivers.
- **CEE – very good growth, driven by higher volume**
  Austria and Czech Republic main growth contributors.
- **Australia – price and volume contribute**
  Strong rate growth in commercial.
- **Spain – price increases offset by lower volumes**
  Higher commercial but lower personal lines following pricing actions.
- **UK – price increases broadly offset volume reduction**
  Portfolio transfers to and from LV GIG completed.
- **Turkey – growth almost entirely price-driven**
  Health, MOD (motor own damage) and property with strong growth.
- **AGCS – price-driven growth**
  Strong rate development drives internal growth. Property, financial lines, MidCorp and aviation are main contributors.
- **Allianz Partners – US travel main driver**
  Growth mainly volume-driven.
- **Euler Hermes – excellent growth**
  Good commercial performance from all regions in particular Asia and Americas.

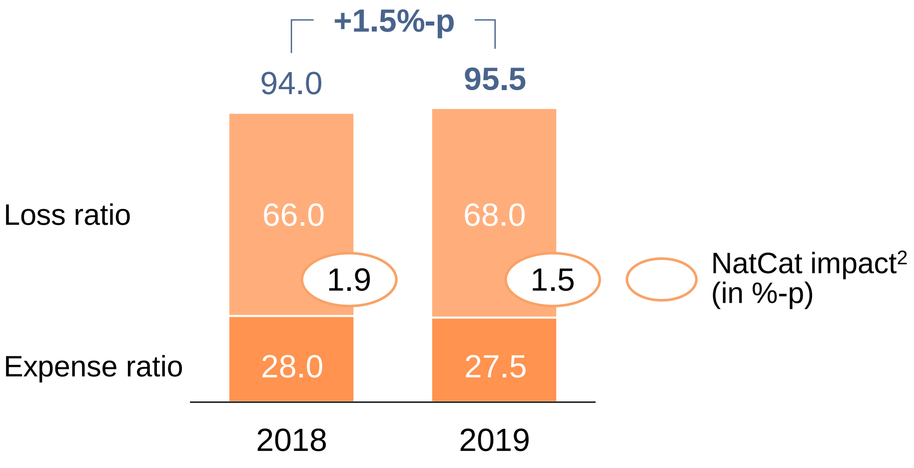
P/C: a good year – overshadowed by AGCS

Operating profit drivers (EUR mn)

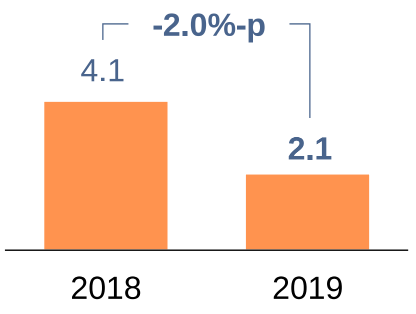


2019	1,997	2,840	208
2018	2,578	3,017	130

Combined ratio (in %)



Run-off ratio (in %)



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

P/C: a good year – overshadowed by AGCS

Comments

- **Operating profit – below target range due to AGCS**
  OP of EUR 5.0bn below low-end of EUR 5.4-6.0bn target range. This is driven by an operating loss at AGCS of EUR -0.3bn for FY 2019 and EUR -0.5bn for 4Q 2019.
- **Loss ratio – AY LR flat**
  AY LR flat at 70.1% (∆ ±0.0%-p) as underlying improvements and lower NatCat are offset by higher large losses. Attritional LR (AY LR ex NatCat) increases +0.4%-p to 68.6%.
- **NatCat & weather – below last year**
  NatCat of EUR 771mn/1.5% is below last year's level of EUR 934mn/1.9% and below 10Y average of 2.2%. Weather losses (ex NatCat) of 1.2% broadly in line with FY 2018 (1.3%).
  Combined NatCat and weather losses of 2.7% are below previous year's level of 3.2%.
- **Run-off – well below prior year largely due to AGCS**
  FY 2019 run-off at 2.1%. This is well below the FY 2018 level of 4.1%. Excluding the AGCS run-off, the group run-off ratio would have been 3.2% for FY 2019.
- **Expense ratio – FY 2019 target overachieved**
  Widespread improvements in the expense ratio.
- **4Q 2019 – impacted by AGCS**

	4Q 2018	4Q 2019	∆
Attritional LR	68.8%	69.8%	+1.1%-p
NatCat	1.8%	1.7%	-0.1%-p
Run-off	-5.0%	0.0%	+5.0%-p
ER	28.5%	28.0%	-0.5%-p
CR	**94.1%**	**99.6%**	**+5.5%-p**
Underwriting result (EUR mn)	623	-17	n.m.
Investment result (EUR mn)	837	714	-14.6%
Other result (EUR mn)	33	163	n.m.
OP (EUR mn)	**1,493**	**861**	**-42.3%**

P/C: OP slightly below FY target range

EUR mn		Operating profit		Combined ratio		NatCat impact on CR	
		2019	Δ p.y.	2019	Δ p.y.	2019	Δ p.y.
	Total P/C segment	**5,045**	**-11.9%**	**95.5%**	**+1.5%-p**	**1.5%-p**	**-0.4%-p**
Selected OEs	Germany[1]	1,263	+15.9%	92.4%	-1.6%-p	3.3%-p	+0.3%-p
	Italy[1]	810	-17.9%	83.3%	+0.4%-p	1.3%-p	+0.9%-p
	France	350	-16.7%	98.0%	+0.6%-p	1.3%-p	-2.0%-p
	CEE	401	+13.0%	89.2%	-1.2%-p	0.1%-p	-0.1%-p
	Australia	381	-12.1%	91.2%	+1.5%-p	4.9%-p	+2.0%-p
	Spain[1]	75	-67.0%	98.3%	+7.4%-p	0.0%-p	0.0%-p
	United Kingdom	83	-46.1%	98.8%	+2.5%-p	0.0%-p	-0.8%-p
	Latin America	153	+50.4%	102.6%	-0.4%-p	0.0%-p	0.0%-p
	Turkey	132	+19.2%	103.6%	-1.9%-p	0.0%-p	0.0%-p
Global lines	AGCS	-284	n.m.	112.3%	+10.8%-p	0.1%-p	-3.9%-p
	Allianz Partners	241	+22.2%	96.5%	-1.0%-p	0.0%-p	-0.0%-p
	Euler Hermes	475	+10.3%	79.9%	-1.2%-p	–	–

1) The transfer of their direct businesses to Allianz Direct had no significant impact on yoy OP growth or CR change of either Germany or Spain. Please see comment page for impact on Italy.

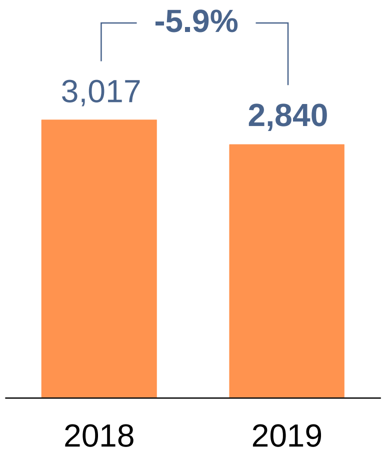
P/C: OP slightly below FY target range

Comments

- **Germany – a strong combined ratio**
  Better AY LR (Δ -1.6%-p) main driver for CR improvement.
- **Italy – CR remains on very good level**
  AY LR increases driven by lower average premiums, higher frequency and severity in motor and higher NatCat & weather-related losses. Adjusted for Allianz Direct effect, OP and CR change would be Δ -13.0% and Δ +2.7%-p, respectively.
- **France – CR increases due to lower run-off**
  Lower NatCat and an improved ER are more than offset by lower run-off.
- **CEE – excellent CR**
  Higher run-off and an improved expense ratio more than offset an increase in weather-related losses.
- **Australia – CR remains strong**
  Higher NatCat major CR driver. For the Group, bushfire-related losses in 4Q 2019 amount to EUR 102mn, of which ~EUR 65mn relate to Allianz Australia.
- **Spain – impacted by adverse run-off**
  Partly offset by further improved ER of 18.1% (Δ -2.0%-p).
- **UK – strong progress expected in 2020**
  CR increases due to lower run-off and higher large losses. OP also affected by a lower investment result. LV GIG fully consolidated as of 31 December 2019.
- **LatAm – strongly improved**
  LatAm OP good at EUR 153mn (Δ +51mn). CR of 102.6% broadly stable yoy.
- **Turkey – strong performance**
  AY LR improves -4.2%-p in a difficult environment.
- **AGCS – EUR 0.6bn reserve strengthening**
  Reserve strengthening is broadly equally split between liability and financial lines. AY LR -4.1%-p better as higher large losses are more than offset by lower NatCat.
- **Euler Hermes – outstanding combined ratio**
  Lower expense ratio and higher run-off main drivers.

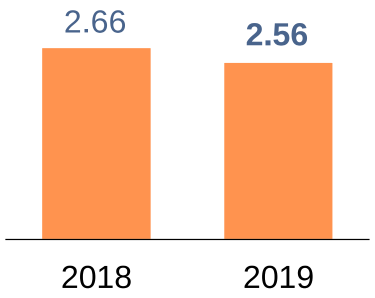
P/C: interest & similar income resilient

Operating investment result[1]
(EUR mn)

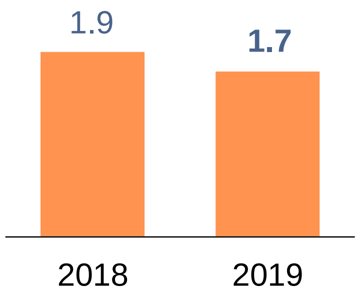


Interest & similar income[2]	3,329	**3,314**	-15
Net harvesting and other[3]	86	**-48**	-134
Investment expenses	-397	**-426**	-29

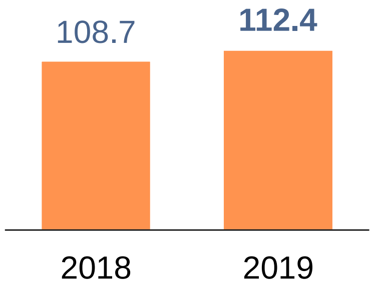
Current yield
(debt securities; in %)



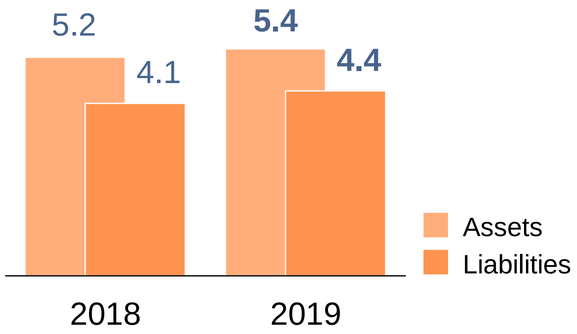
Economic reinvestment yield
(debt securities; in %)



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.

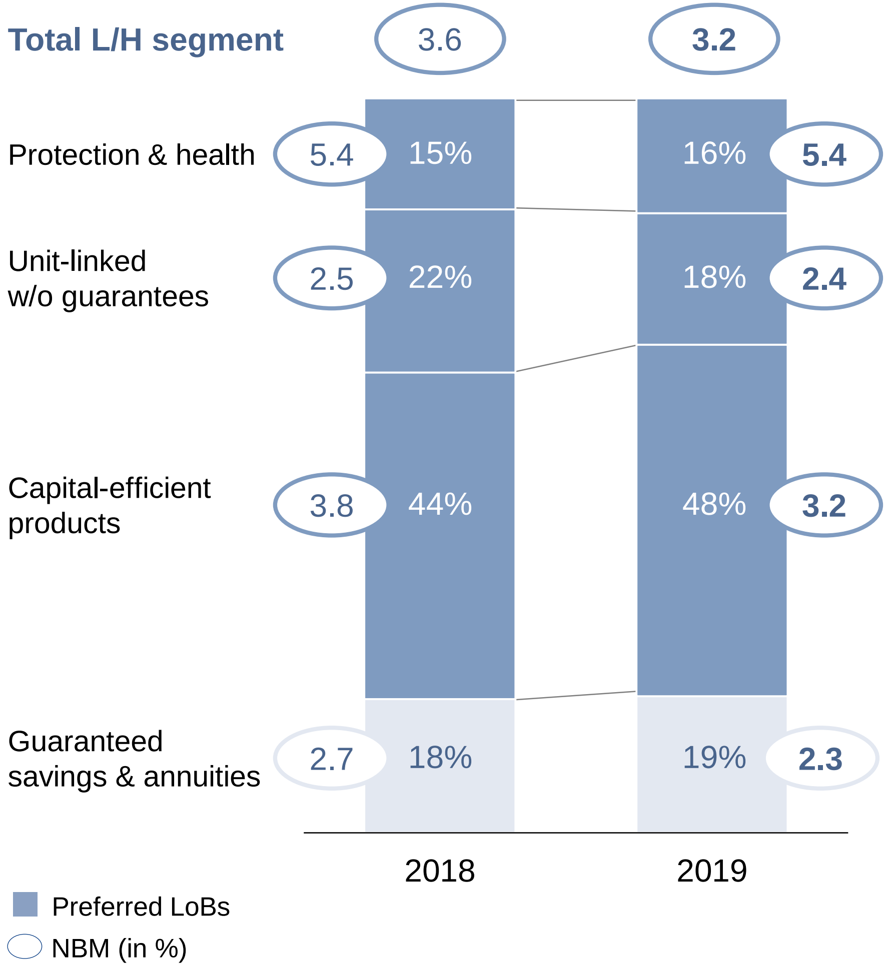
P/C: interest & similar income resilient

Comments

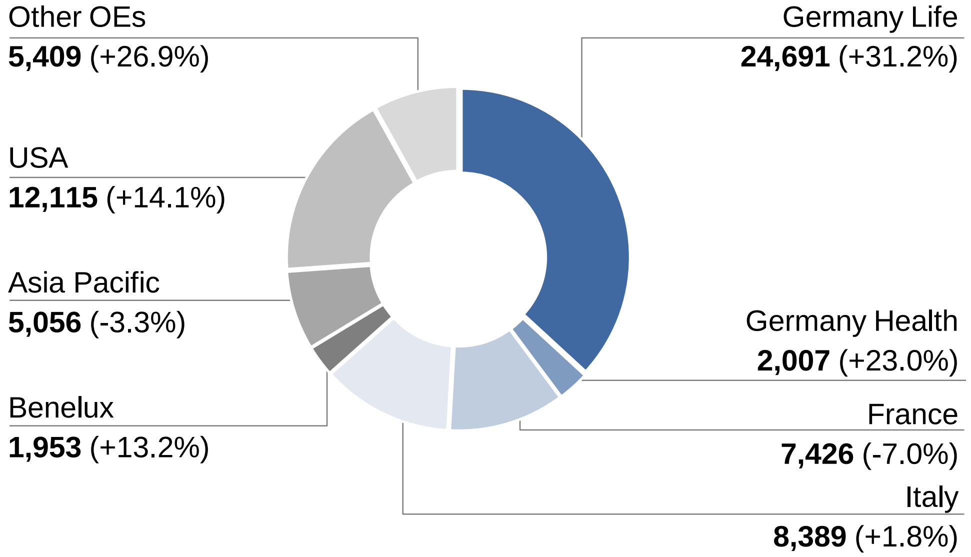
- **Interest & similar income**
  Lower income from fixed income and equities.
- **Net harvesting & other**
  Prior year benefited from positive one-off related to APR business in Germany to the tune of EUR 0.1bn.
- **Investment expenses**
  Good performance leads to higher performance fees.
- **Reinvestment yield**
  Decline in reinvestment yield vs. FY 2018 driven by market movements.

L/H: 14.6% new business growth with NBM 3.2%

PVNBP share by line



PVNBP by OE (EUR mn)



EUR mn	2018	2019	Δ p.y.
PVNBP	58,516	**67,046**	+14.6%
Single premium	36,691	40,737	+11.0%
Recurring premium	4,723	5,489	+16.2%
APE	8,392	**9,563**	+14.0%

L/H: 14.6% new business growth with NBM 3.2%

Comments

PVNBP by line

- **New business driven by capital-efficient products**
  New business with capital-efficient products is up by 24%, respectively EUR +6.1bn, with largest volume expansion in Germany (Δ EUR +4.8bn) and USA (Δ EUR +1.3bn). Strong growth of 18% respectively Δ EUR +1.6bn also in protection & health. Increase of GS&A by EUR +1.8bn driven by Germany and Italy. UL sales are 8% down due to lower volume in Taiwan.
- **NBM above target level of 3.0%**
  Stable NBM in UL w/o guarantees and protection & health. NBM of capital-efficient products declines mainly due to lower interest rates but stays above 3%. Further management actions under way to support NBM.
- **Share of preferred lines of business at 81%**
  Net flows of EUR 12.3bn equal 1.9% contribution to operating asset base. Net flows predominantly into preferred lines of business.

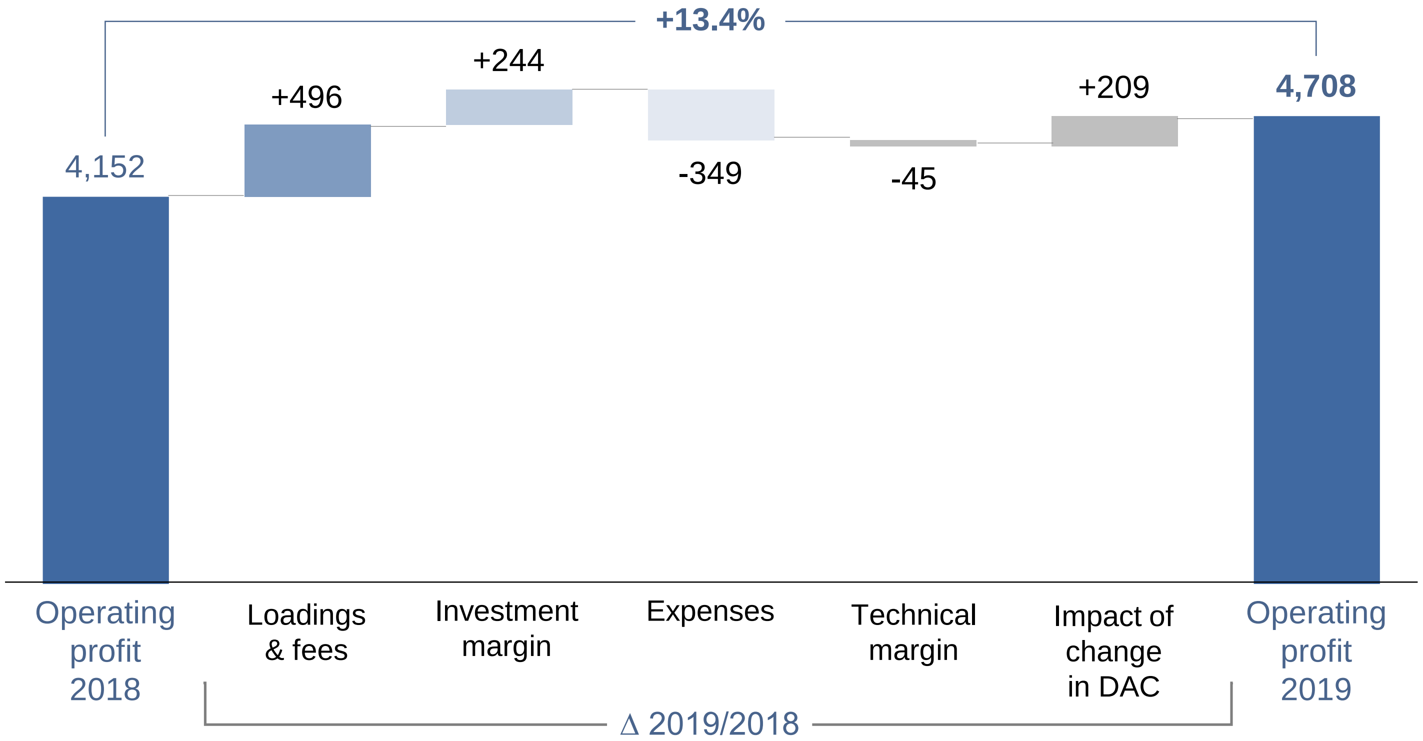
PVNBP by OE

- **Germany Life – capital-efficient products +36%**
  Share of preferred lines at 79%.
- **USA – volume up 9% in local currency**
  Capital-efficient VA business grows by EUR +1.6bn at NBM 3.2% and accounts for 28% of new business mix.
- **Asia Pacific – widespread growth**
  Growth in Indonesia, Thailand, China and Malaysia largely offsets a decline in Taiwan.
- **France – decline driven by lower UL sales**
  High prior year level and lower UL volume from partnerships.
- **Germany Health – double-digit business growth**
  Growth supported by positive impact from lower discount rates on present value of recurrent premiums.

L/H: operating profit very good at EUR 4.7bn

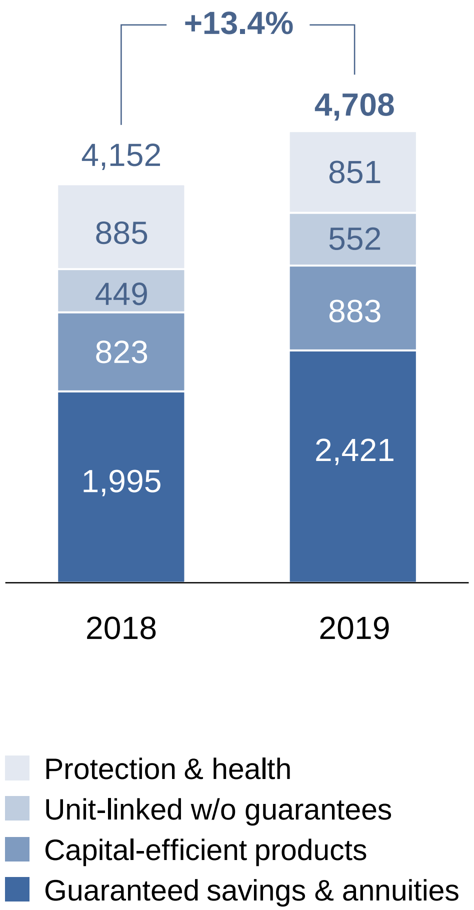
(EUR mn)

Operating profit by source[1]



2019	**6,644**	**4,038**	**-7,392**	**1,174**	**243**
2018	6,148	3,794	-7,043	1,218	34

Operating profit by line[1]



1) Prior year figures changed in order to reflect the roll-out of profit source reporting to Mexico

L/H: operating profit very good at EUR 4.7bn

Comments

- **OP EUR 0.5bn above FY target range mid-point**
  Operating profit increases 13.4% due to volume growth and a favorable change in DAC in the U.S. in 2Q 2019.
- **Loadings and fees in line with business growth**
  Increase driven by new business and overall reserve growth (+6.2%). UL management fees from UL w/o guarantees increase by EUR +32mn.
- **Investment margin up 6.4%**
  Result of volume growth and a stable investment margin (86bps). The latter benefits from the harvesting result and a better trading result.
- **Expenses – lower acquisition expense ratio**
  Acquisition related expenses increase less than new business volume. Admin expenses slightly down.
- **Impact of change in DAC**
  Improvement driven by the U.S. business. Extension of the DAC amortization period leads to positive impact of EUR +156mn in 2Q 2019.

Operating profit by line

- **Protection & health**
  Decline due to higher CR in French business.
- **Unit-linked w/o guarantees**
  Widespread improvement with Italy, France and Asia as main contributors.
- **Capital-efficient products**
  Better results from various countries across Europe and Taiwan.
- **Guaranteed savings & annuities**
  Higher contribution from the U.S. and French business.
- **L/H RoE up 1.3%-p to 12.7%**
  Share of OEs with RoE ≥ 10% at 97%.
- **4Q 2019 – benefits from investment margin**

	4Q 2018	4Q 2019	Δ
PVNBP (EUR mn)	16,074	18,061	+12.4%
NBM	3.9%	2.9%	-1.0%-p
VNB (EUR mn)	631	519	-17.6%
Investment margin	21bps	29bps	+8bps
Operating profit (EUR mn)	955	1,298	+35.8%

L/H: healthy VNB growth of 3.8%

EUR mn	Value of new business		New business margin		Operating profit	
	2019	Δ p.y.	2019	Δ p.y.	2019	Δ p.y.
Total L/H segment	**2,167**	**+3.8%**	**3.2%**	**-0.3%-p**	**4,708**	**+13.4%**
Germany Life	872	+14.2%	3.5%	-0.5%-p	1,151	+2.3%
USA	338	-9.5%	2.8%	-0.7%-p	1,153	+35.2%
Asia Pacific	290	+16.2%	5.7%	+1.0%-p	387	+34.0%
Italy	201	+1.2%	2.4%	-0.0%-p	319	+17.0%
France	105	-42.8%	1.4%	-0.9%-p	678	+13.2%
Germany Health	70	+18.4%	3.5%	-0.1%-p	185	-7.5%
CEE	50	+14.3%	5.4%	-0.4%-p	211	+8.2%
Turkey	38	+11.9%	5.7%	+0.2%-p	76	+3.6%
Benelux	38	-7.0%	1.9%	-0.4%-p	162	+4.1%
Spain	38	-25.2%	3.5%	-1.0%-p	208	-4.7%
Switzerland	18	-0.3%	1.5%	-0.8%-p	103	+2.4%

L/H: healthy VNB growth of 3.8%

Comments

New business

- **NBM above target level of 3.0%**
  NBM decline mainly due to unfavorable market movement (-0.5%-p) partially offset by better business mix (+0.2%-p). 4Q 2019 NBM at 2.9%.
- **VNB multiplier in the range of 3.0-3.5**
  (conversion to undiscounted operating profit)
- **Germany Life – VNB volume driven**
  NBM of 3.5% remains above target level.
- **USA – new business growth offset by lower NBM**
  Successful shift to capital-efficient VA business (NBM 3.2%) which accounts for 33% of VNB.
- **France – VNB decline driven by NBM**
  Lower NBM mainly due to lower interest rates.
- **Asia Pacific – margin-driven VNB growth**
  Lower new business volume more than offset by higher NBM. NBM benefits from better business and distribution mix.

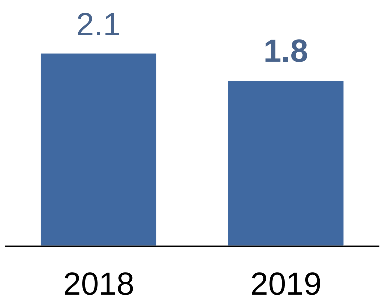
Operating profit

- **Germany Life – very good level**
  Investment margin benefits from harvesting result.
- **USA – operating profit above EUR 1bn**
  Positive impact from change in DAC due to extension of DAC amortization period for FIA. In addition better result from VA business benefitting from favorable market development and unlocking.
- **Asia Pacific – widespread improvement**
  Volume growth, the disposal of a portfolio in Taiwan and one-offs lead to higher contributions from Indonesia, China and Thailand.
- **France – better investment margin**
  Better harvesting result mainly due to lower impairments.
- **Italy – higher UL management fees**
  Improvement driven by UL management fees. Technical margin benefits from volume growth and better claims experience.

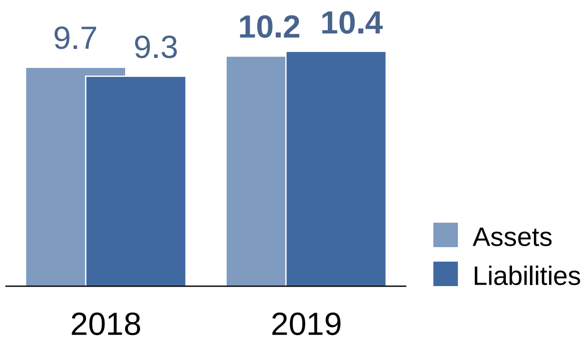
L/H: investment margin is driven by volume

	Investment margin[1]	
	2018	2019
Based on Ø book value of assets[2] (EUR bn)	**533**	**575**
Current yield	3.34%	3.22%
Based on Ø aggregate policy reserves (EUR bn)	**441**	**469**
Current yield	**4.03%**	**3.95%**
Net harvesting and other[3,4]	-0.36%	0.32%
Total yield	**3.67%**	**4.27%**
- Ø min. guarantee[5]	1.98%	1.93%
Gross investment margin (in %)	**1.69%**	**2.34%**
- Profit sharing under IFRS[6]	0.83%	1.48%
Investment margin (in %)[4]	**0.86%**	**0.86%**
Investment margin (EUR mn)[4]	3,794	4,038

Economic reinvestment yield (debt securities; in %)



Duration[7]



1) Prior year figures changed in order to reflect the roll-out of profit source reporting to Mexico
2) Asset base under IFRS which excludes unit-linked, FVO and trading
3) Other comprises fair value option, trading and F/X gains and losses, as well as investment expenses
4) For 2018 it includes an FIA-related change
5) Based on technical interest
6) Includes bonus to policyholders under local statutory accounting and deferred premium refund under IFRS
7) 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 is driven by volume

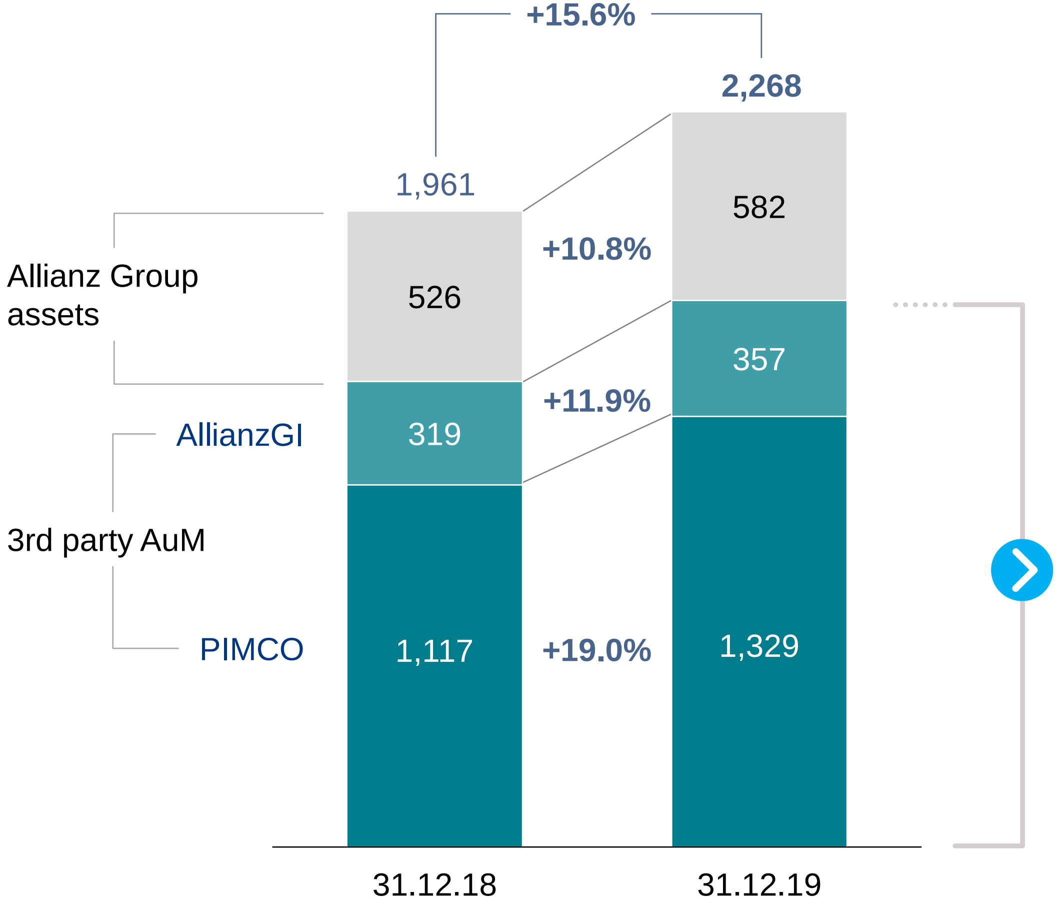
Comments

- **Investment margin grows by EUR +244mn**
  Growth of reserve base (+6.4%) and stable investment margin (86bps) result in 6.4% higher investment margin.
- **Yield decline within expected range**
  Current yield based on aggregate policy reserves down by -8bps. Impact from yield decline largely offset by lower average minimum guarantee (-5bps).
- **Net harvesting and other (in %) – up by 67bps**
  Main drivers are lower impairments (+30bps), higher net capital gains (+16bps) and a better trading result (+24bps).
- **Investment margin stable at 86bps**
  Higher gross investment margin (+65bps) and increased PHP (up 3.2%-p to 79.8%) lead to a stable investment margin. Normal FY level for 2020 expected at ~75-80bps.
- **Change in duration**
  Impact from lower interest rates largely mitigated by management action (increased asset duration).

AM: total AuM increase by 16% to EUR 2.3tn

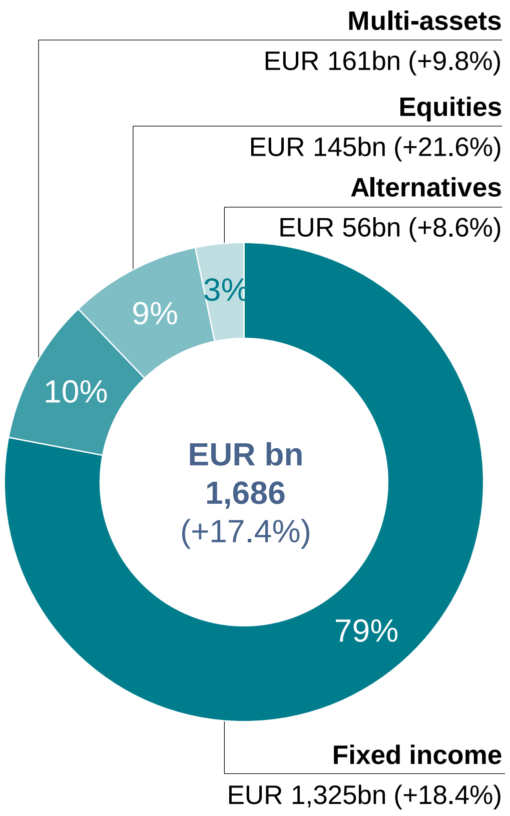
(EUR bn)

Total assets under management

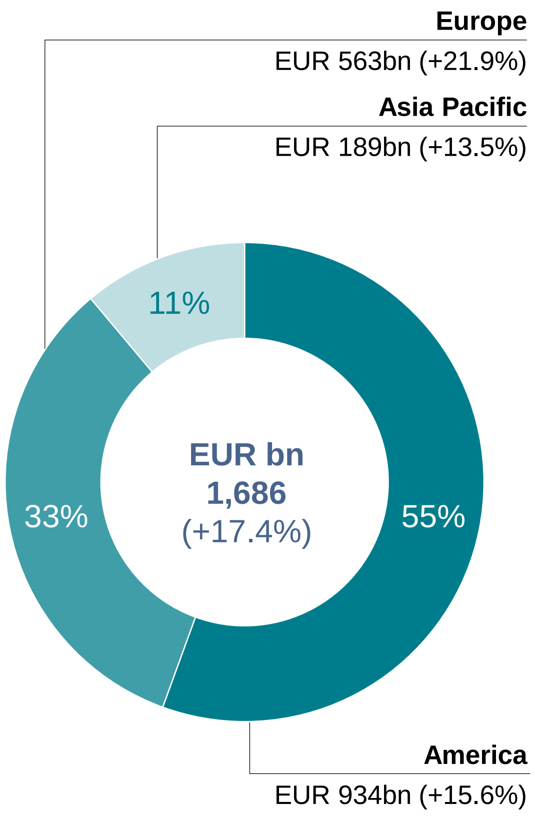


3rd party AuM split

Asset classes



Regions



AM: total AuM increase by 16% to EUR 2.3tn

Comments

- **Total AuM: +16%**
  Increase to EUR 2.3tn driven by 3rd party and Group assets. Reasons are strong markets, net inflows, supportive F/X effects.

  Versus 3Q 2019, total AuM decrease by 0.5% due to adverse F/X.

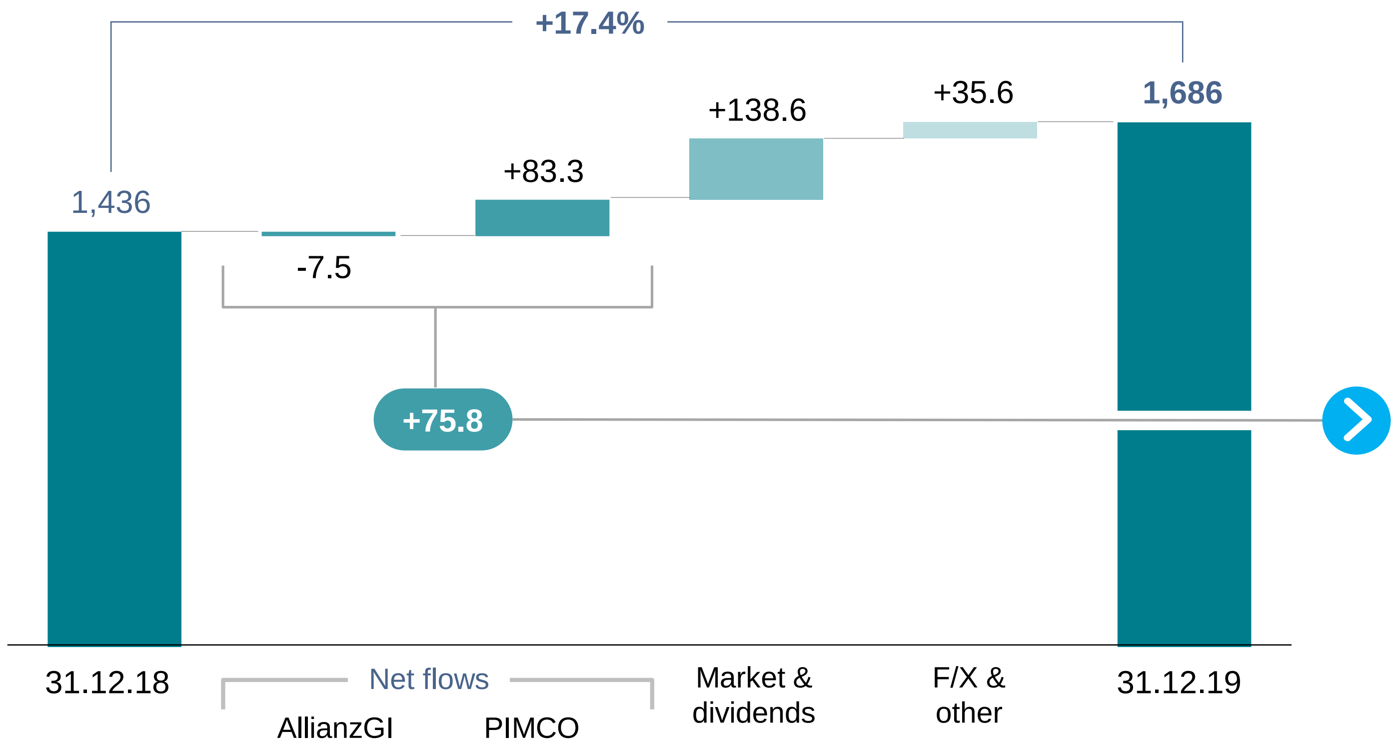
- **Business highlights segment**
  92% of 3rd party AuM outperform benchmarks on a trailing 3-year basis before fees.
- **Business highlights PIMCO**
  Business in Taiwan started. Several new ESG funds launched.

  PIMCO joined – as did Allianz SE – the UN-convened initiative “Global Investors for Sustainable Development Alliance” to scale up financing of sustainable developments.
- **Business highlights AllianzGI**
  After integration of Allianz Capital Partners into AllianzGI, the first fund for 3rd party clients was launched (volume: EUR 0.9bn).
  In addition, successful initiation of a closed-end fund (CEF) with a focus on artificial intelligence opportunities, raising USD 0.7bn.

AM: EUR 76bn 3rd party net inflows

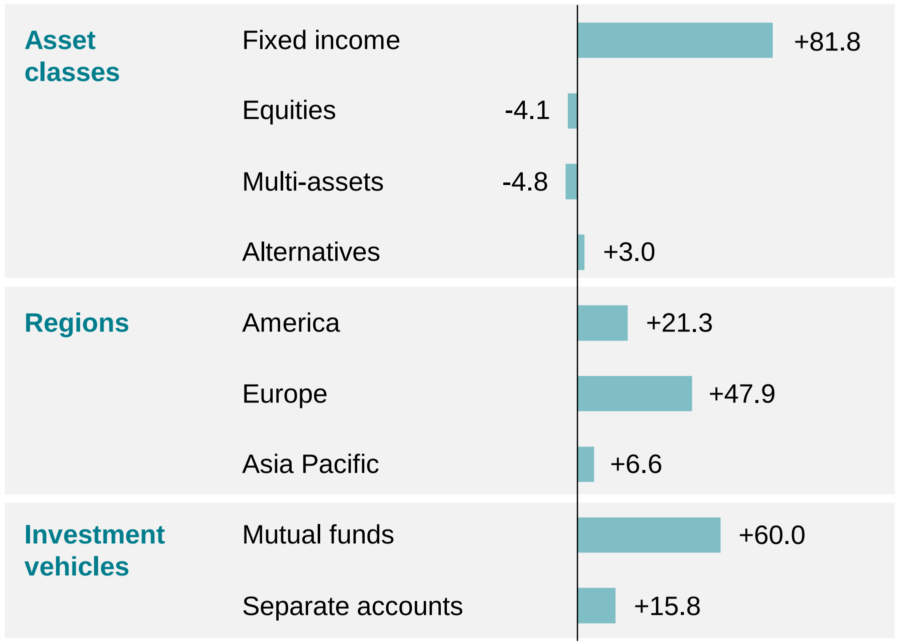
(EUR bn)

3rd party assets under management development



in %	-0.5%	+5.8%	+9.7%	+2.5%

3rd party net flow split



AM: EUR 76bn 3rd party net inflows

Comments

- **3rd party AuM: +17%**
  Strong market effects, EUR 76bn 3rd party net inflows and favorable F/X effects result in 17% AuM growth (end of 4Q 2019 compared with end of 4Q 2018).

  In 4Q 2019, 3rd party AuM increase by EUR 5bn due to EUR 20bn 3rd party net inflows and EUR 17bn market effects, despite EUR -32bn adverse F/X impact.

  FY 2019 average 3rd party AuM amount to EUR 1,598bn, 10% above FY 2018 level of EUR 1,458bn.

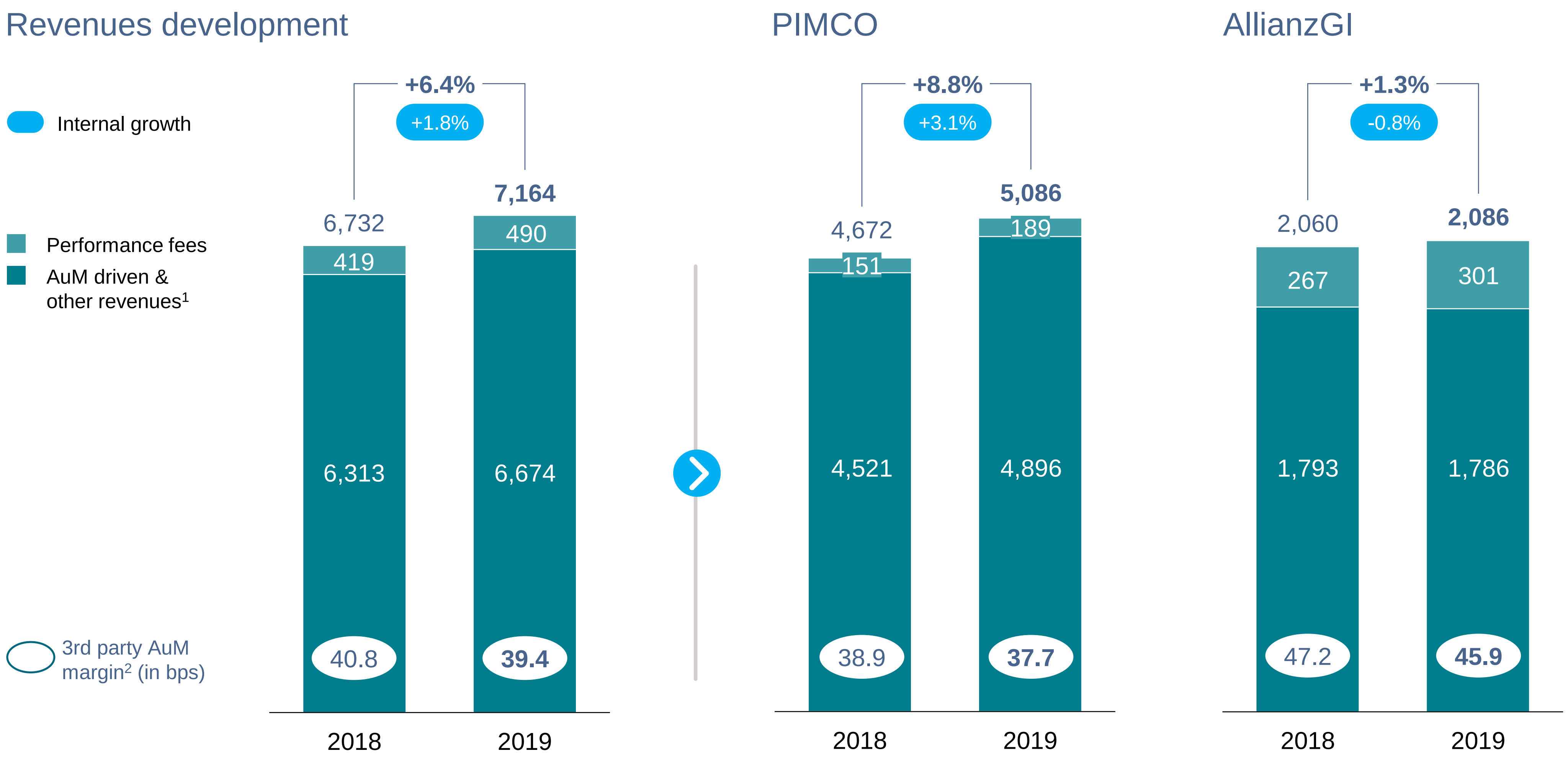
- **3rd party net flows PIMCO: EUR +83bn**
  3rd party net inflows from investment strategies like income, investment grade credit, global and diversified income.

  EUR 17.7bn 3rd party net inflows in 4Q 2019.

- **3rd party net flows AllianzGI – net inflows in 4Q**
  FY 2019: 3rd party net inflows in fixed income and alternative products, net outflows from equity and multi-asset products, overall resulting in net outflows of EUR 7.5bn.

  EUR 2.0bn 3rd party net inflows in 4Q 2019.

AM: 6% revenue growth
(EUR mn)



1) Thereof other revenues: AM: 2018: EUR 19mn, 2019: EUR -7mn; PIMCO: 2018: EUR 7mn; 2019: EUR -11mn; AllianzGI: 2018: EUR 11mn; 2019: EUR 8mn
2) Excluding performance fees and other income

AM: 6% revenue growth

Comments

- **Segment revenues – higher AuM driven fees and F/X**
  Revenues increase by 6% supported by higher average 3rd party AuM (+10%) and positive F/X.
  4Q 2019 performance fees strong at EUR 266mn.

- **PIMCO margin – mix, closed-end fund and Gurtin**
  Margin at 37.7bps (FY 2018: 38.9bps), decrease driven by change in business mix, launch of a closed-end fund and Gurtin acquisition (municipal bond management for high-net-worth individuals).

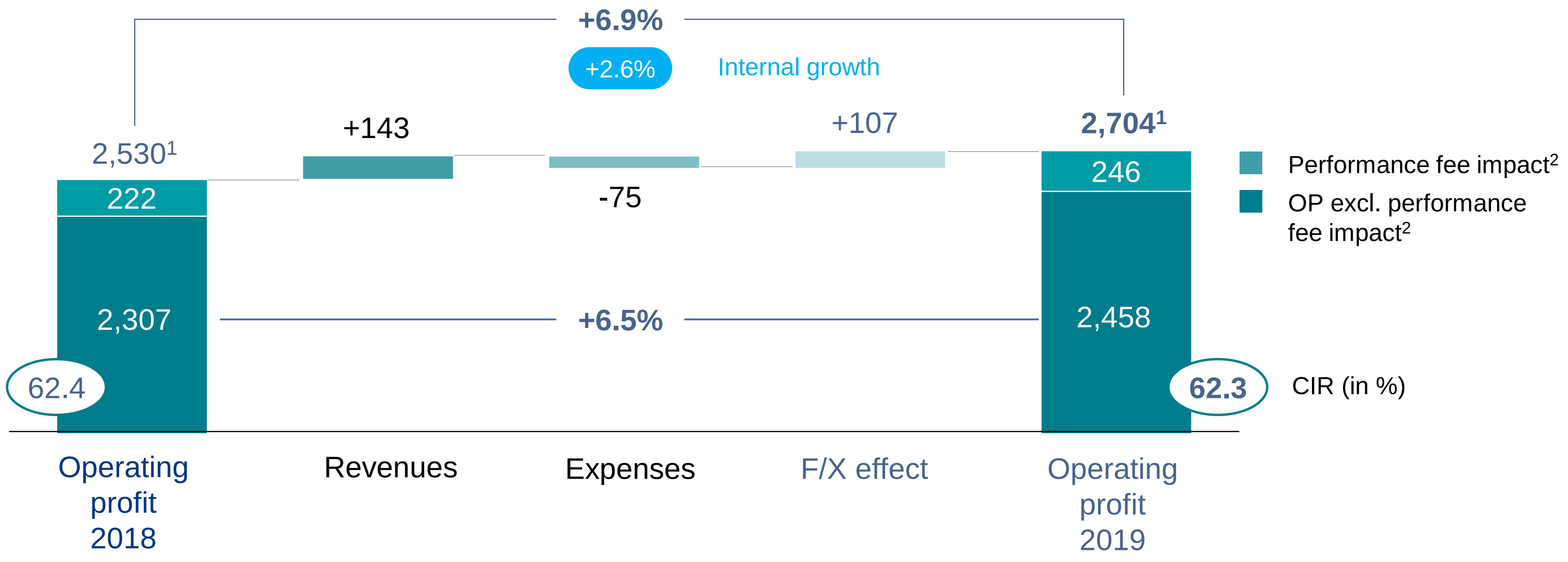
  4Q 2019 margin of 38.2bps is well above 9M 2019 (37.5bps), mainly due to number of fee days.
  4Q 2018: 39.2bps.

- **AllianzGI margin – CEF one-off impact**
  Margin of 45.9bps below FY 2018 (47.2bps).
  4Q 2019 margin at 43.6bps (4Q 2018: 48.2bps).
  Both decreases driven by the launch of a closed-end fund.

AM: operating profit up 7%

(EUR mn)

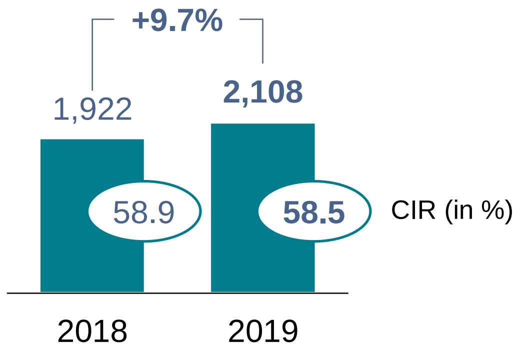
Operating profit drivers



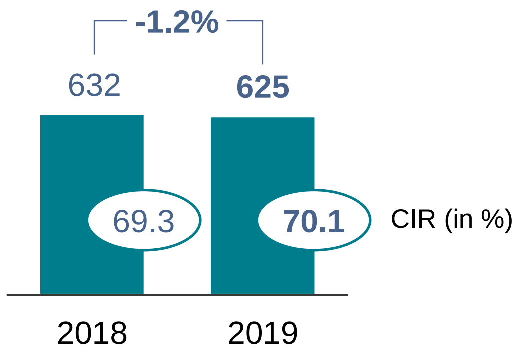
Δ 2019/2018

F/X impact	+289	-182
2019	**7,164**	**-4,460**
2018	6,732	-4,202

PIMCO



AllianzGI



1) Including operating loss from other entities of EUR -24mn in 2018 and EUR -29mn in 2019
2) Performance fees of PIMCO and AGI (excl. ACP), net of 30% variable compensation

AM: operating profit up 7%

Comments

- **Segment – strong OP**
  Higher average 3rd party AuM and favorable F/X drive strong OP increase of 6.9%. OP at 108% of FY outlook mid-point.

  OP excluding impact of performance fees[1] +6.5%.

  CIR nearly unchanged.
- **PIMCO – OP up 10%**
  Increase driven by higher average 3rd party AuM, F/X and performance fees.

  CIR at 58.5%. Improvement of 0.3%-p versus 2018 mainly due to higher AuM driven revenues.
- **AllianzGI – OP down 1%**
  Slight decrease of OP, caused mainly by one-off expenses for launch of closed-end fund. OP increases by 2% excluding CEF impact.

  CIR increases by 0.7%-p to 70.1%, but flat excluding CEF impact.
- **4Q 2019 – strong OP at EUR 750mn, up 18%**
  Increase driven by PIMCO: OP increases by 26% to EUR 597mn, mainly due to 17% increase of average 3rd party AuM and strong performance fees (EUR 139mn, +79%).

  AllianzGI OP at EUR 162mn, down 4%, impacted by one-off expenses for successful launch of CEF. OP up by 8% excluding CEF impact.

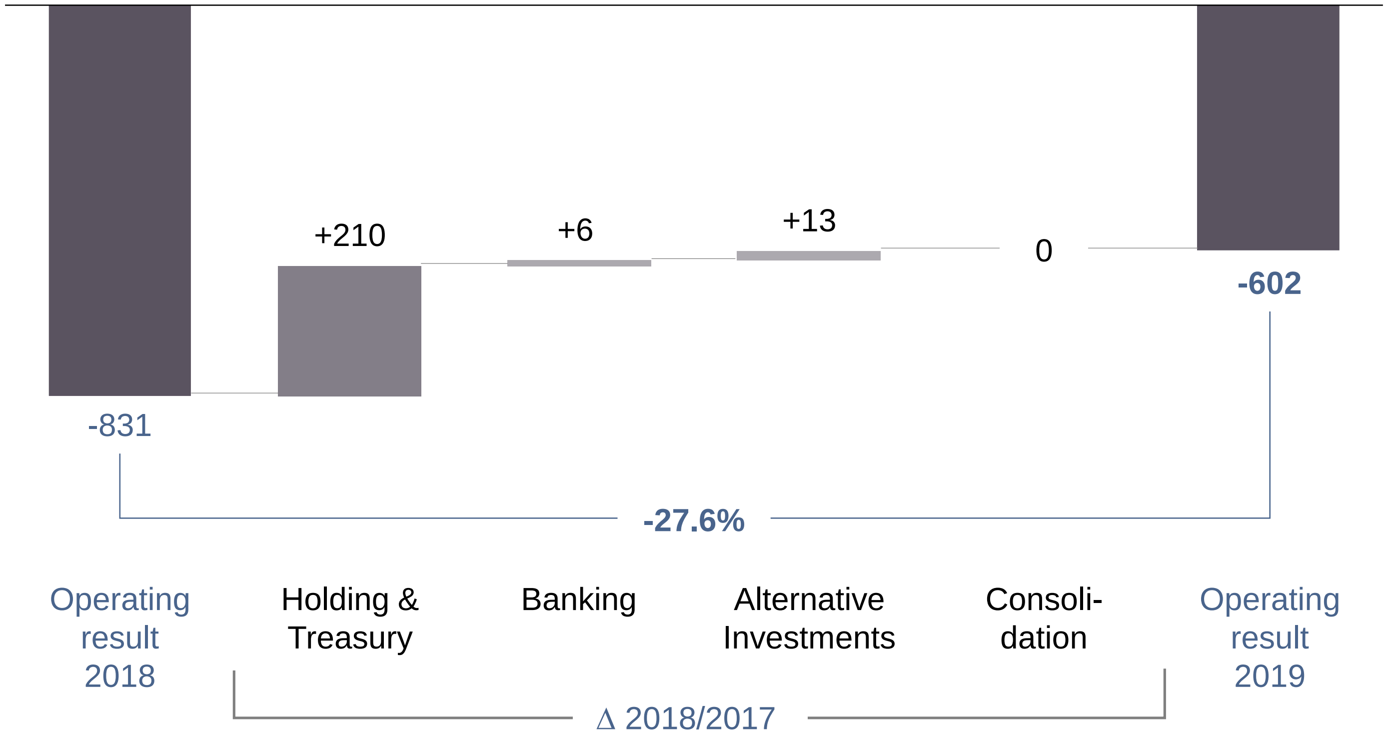
AM segment	4Q 2018	4Q 2019	Δ
Operating revenues (EUR mn)	1,741	2,009	+15.4%
Operating profit (EUR mn)	633	750	+18.5%
3rd party net flows (EUR bn)	-30.6	+19.7	n.m.
3rd party AuM margin (bps)	41.3	39.4	-1.9bps
CIR (%)	63.6%	62.7%	-1.0%-p

1) Performance fees of PIMCO and AGI (excl. ACP), net of 30% variable compensation

CO: significant improvement

(EUR mn)

Operating loss development and components



2019	**-728**	**57**	**69**	**0**
2018	-938	51	56	0

CO: significant improvement

Comments

- **Operating loss improves by EUR +230mn**
  Better result from Allianz Technology driven by increased revenues following delivery of multi-year global infrastructure projects. In addition lower admin expenses and a higher investment result.
  Operating loss is EUR 0.3bn better than FY target range mid-point.

Group: shareholders' net income up 6.1%

EUR mn	2018	2019	Change
Operating profit	11,512	11,855	+344
Non-operating items	**-1,113**	**-778**	**+335**
Realized gains/losses (net)	951	1,104	+153
Impairments (net)	-575	-581	-7
Income from financial assets and liabilities carried at fair value (net)	67	107	+40
Interest expenses from external debt	-840	-813	+27
Acquisition-related expenses	0	-24	-24
Restructuring charges	-339	-398	-59
Amortization of intangible assets	-355	-176	+180
Change in reserves for insurance and investment contracts (net)	-22	2	+24
Income before taxes	**10,399**	**11,077**	**+678**
Income taxes	-2,696	-2,776	-80
Net income	**7,703**	**8,302**	**+598**
Non-controlling interests	-241	-387	-146
Shareholders' net income	**7,462**	**7,914**	**+452**
Effective tax rate	26%	25%	-1%-p
EPS (EUR)	17.43	18.90	+1.47

Group: shareholders' net income up 6.1%

Comments

- **Shareholders' net income strong at EUR 7.9bn**
  Increase equally driven by better operating and non-operating result. In addition support from slightly better tax rate.
- **Non-OP – better harvesting result and disposals**
  Better harvesting result (Δ EUR +147mn) includes EUR +0.3bn gain from disposal of real estate and EUR -0.1bn loss from partial buyback of subordinated bond.
  Impairments remain on similar level due to impairment on Argentinian bonds (EUR -0.1bn) in 3Q 2019 and Lebanese bonds (EUR -0.1bn) in 4Q 2019.
  The net income impact from impairments was higher because prior year largest impairment (Autostrade per l'Italia) was largely offset by non-controlling interests (EUR +0.1bn).

  Line item amortization of intangible assets reflects impact of EUR -0.2bn from the disposal of a part of the life insurance portfolio in Taiwan in the prior year.
- **Restructuring charges**
  Higher investments in productivity and efficiency, mainly Allianz Technology, Germany P/C, Italy P/C.
- **Tax rate at good level**
  Allianz Group tax rate for FY 2020 expected ~25%.
- **Non-controlling interests – normalization**
  Prior year figure includes minority share in impairments on Autostrade per l'Italia (EUR +0.1bn).

Outlook 2020 – operating profit

(EUR bn)

	P/C	L/H	AM	Corp/Cons	Group
High	6.0	4.7	3.0	-0.6	12.5
Mid-point	**5.6**	**4.4**	**2.7**	**-0.7**	**12.0**
Low	5.2	4.1	2.4	-0.8	11.5
Actual 2019	5.0	4.7	2.7	-0.6	11.9
Mid-point 2019	5.7	4.2	2.5	-0.9	11.5

+4%

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

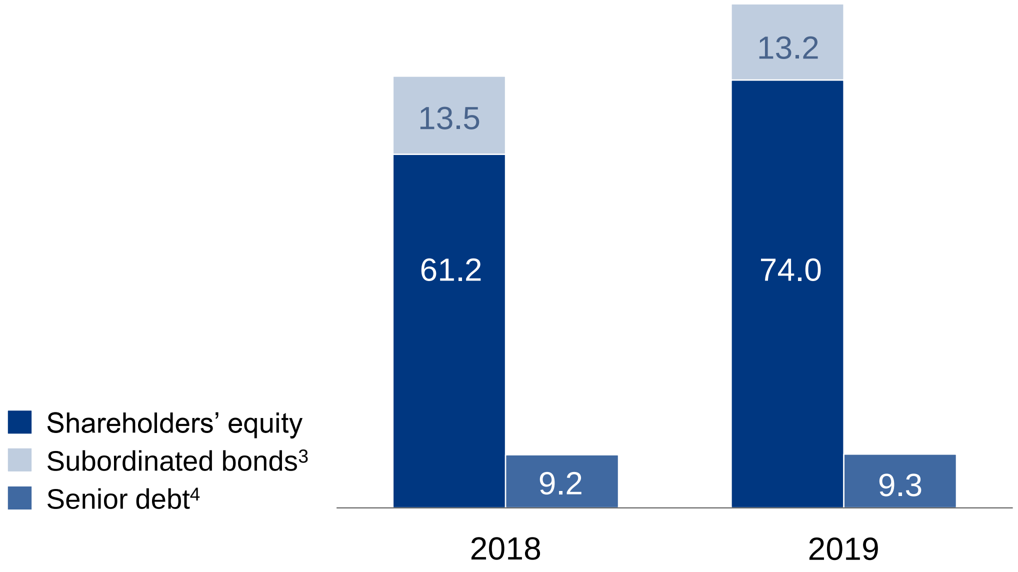
CONTENT

Group: financial leverage well in AA-range

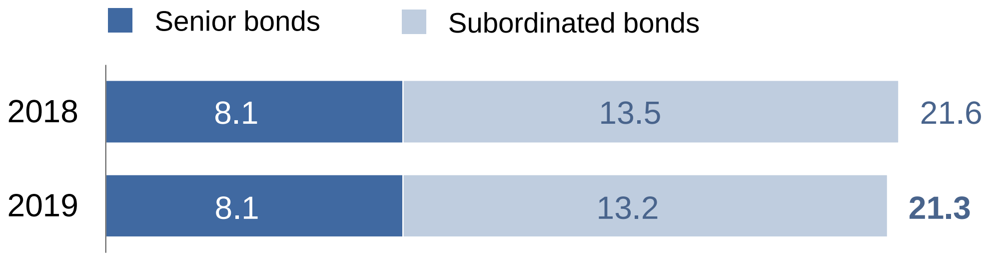
(EUR bn)

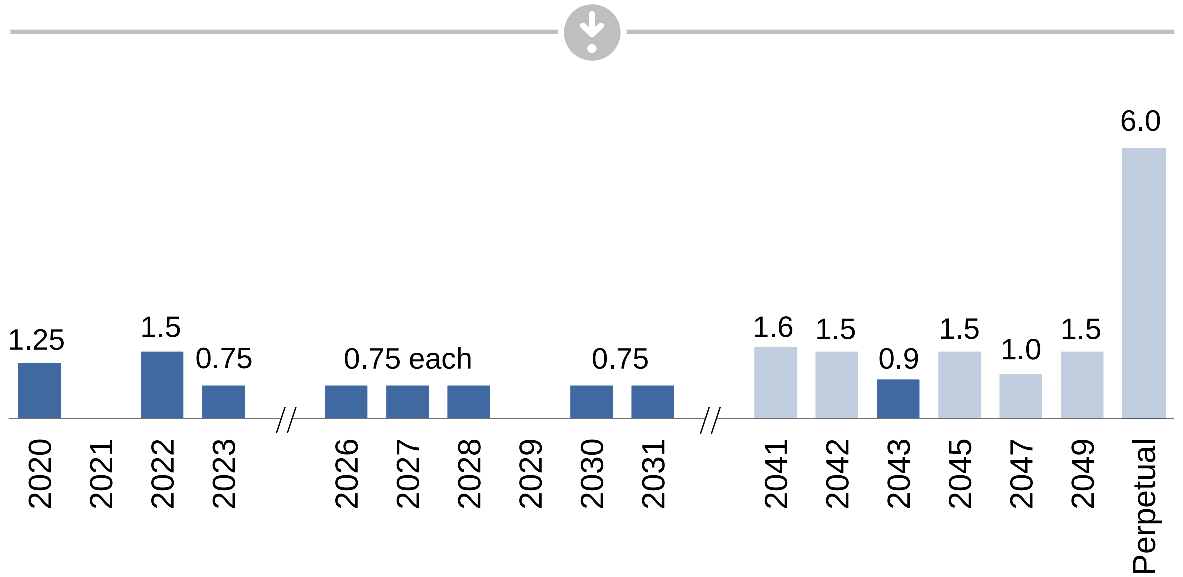
Leverage ratios

	2018	2019
Financial leverage[1]	27.1%	**23.3%**
Senior debt leverage[2]	12.3%	**10.7%**



Outstanding bonds and maturity structure

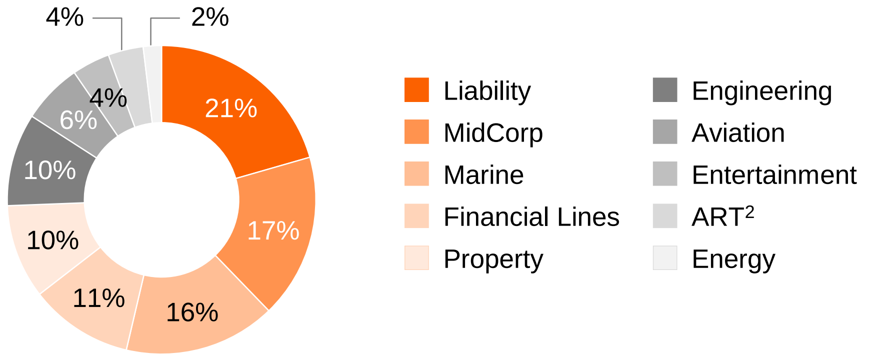




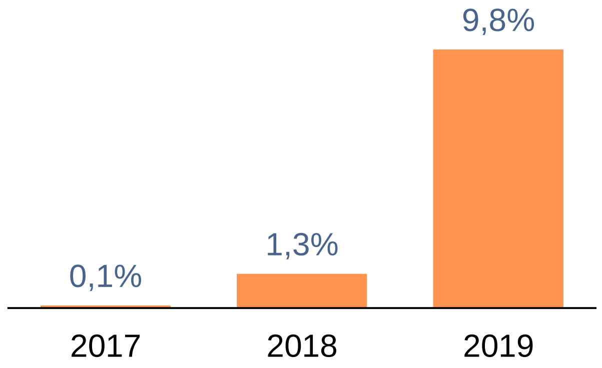
1) Senior debt and subordinated bonds divided by the sum of senior debt, subordinated bonds and shareholders' equity
2) Senior debt divided by the sum of subordinated bonds and shareholders' equity
3) Subordinated liabilities issued or guaranteed by Allianz SE; nominal value
4) Certificated liabilities issued or guaranteed by Allianz SE including money market securities; nominal value

AGCS: portfolio restructuring

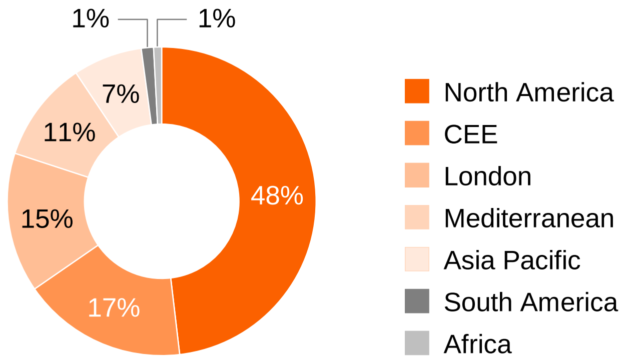
NPE by LoB (2019: EUR 5.4bn)[1]



12M rate changes on renewals (%)



NPE by region (2019: EUR 5.4bn)[1]



Key messages

- EUR 0.6bn reserve strengthening, mainly in liability and financial lines
- New CEO since December 2019
- Portfolio restructuring ongoing
- Strong rate increase of 9.8% to support turn-around but claims inflation development uncertain

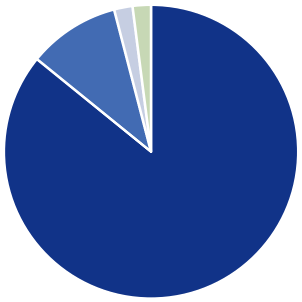
1) Charts exclude ‚other' of EUR 0.1bn
2) Alternative Risk Transfer

High quality investment portfolio

Asset allocation

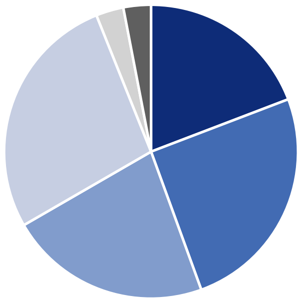
Total: EUR 754.4bn
(2018: EUR 672.8bn)

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



Debt instruments by rating[2]

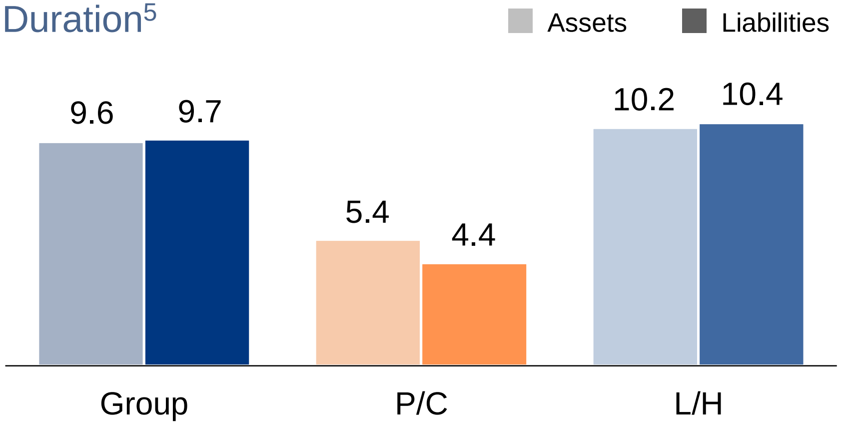
AAA	19%
AA	25%
A	22%
BBB	27%
Non-investment grade	3%
Not rated[3]	3%



By segment (EUR bn)

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

Duration[5]



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

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

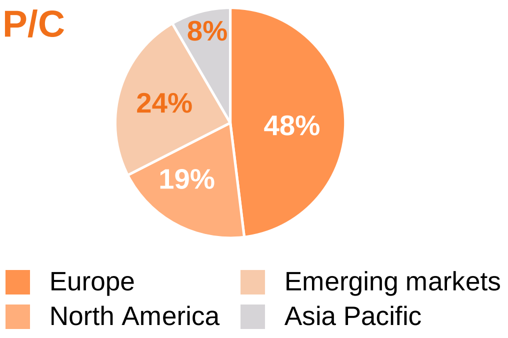
Economic reinvestment yields 2019

		New F/I investments	Yield	Maturity in years
P/C	Government bonds[1]	43%	1.8%	10
	Covered[2]	21%	1.4%	10
	Corporates	37%	1.7%	8
	Total F/I 2019	**100%**	**1.7%**	**9**
L/H	Government bonds[1]	46%	1.4%	20
	Covered[2]	21%	1.9%	13
	Corporates	33%	2.3%	13
	Total F/I 2019	**100%**	**1.8%**	**16**

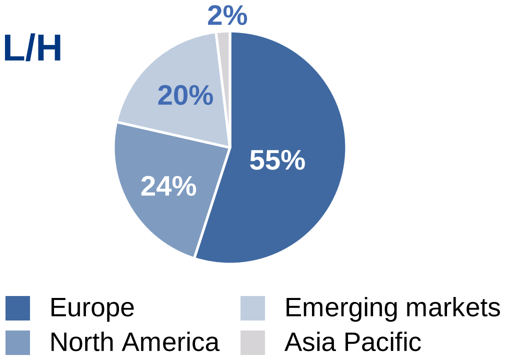
EUR bn		New investments	Current yield
Group	Real assets	11.4	~4%

Regional allocation

P/C



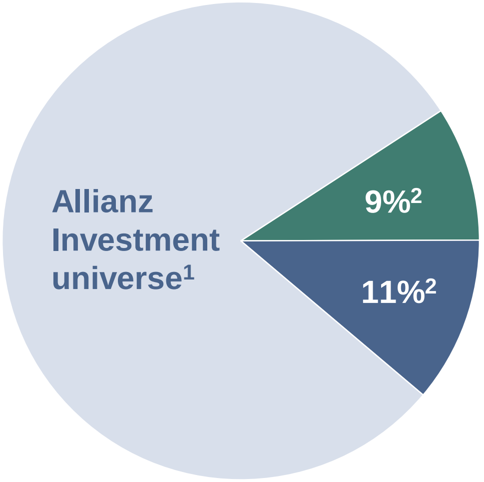
L/H



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

Alternative asset quota of 20%

Total
EUR 795bn[1]



Alternative equity
Alternative debt

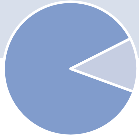
Current volume (EUR bn)			Average expected return
Real estate[3]	49.3	Total 71.9bn	3 - 6%
Infrastructure equity	9.3		5 - 8%
Renewable energy	4.3		3 - 6%
Private equity	9.0		10 - 12%
Non-commercial mortgages	26.4	Total 89.2bn	1 - 2%
Commercial mortgages	23.2		1.5 - 2.5%
Infrastructure debt	17.4		2 - 3.5%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

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

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

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

85%



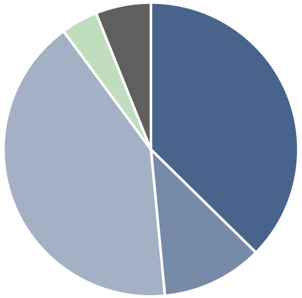
Investment portfolio

High quality fixed income portfolio

By type of issuer

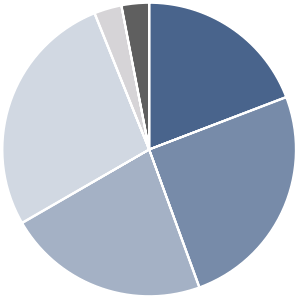
Government	37%
Covered	11%
Corporate	41%
thereof Banking	*6%*
ABS/MBS[1]	4%
Other[2]	6%

Total
EUR 643.6bn



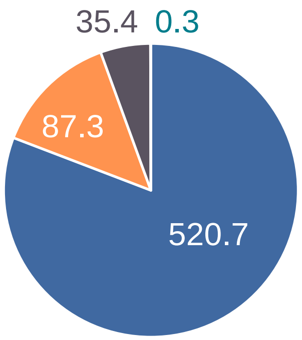
By rating[3]

AAA	19%
AA	25%
A	22%
BBB	27%
BBB+	*9%*
BBB	*13%*
BBB-	*5%*
Non-investment grade	3%
Not rated[4]	3%



By segment (EUR bn)

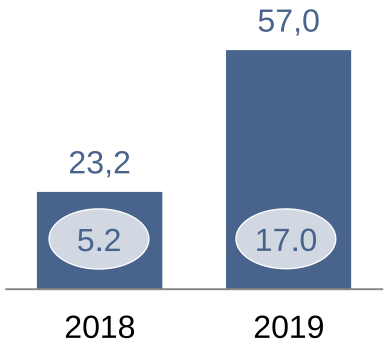
L/H	81%
P/C	14%
Corporate and other	5%
Asset Management	0%



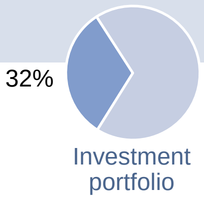
AFS unrealized gains/losses (EUR bn)

Gross unrealized gains/losses

Net unrealized gains/losses[5]



1) Including U.S. agency MBS investments (EUR 5.0bn)
2) Including seasoned self-originated private retail loans and short-term deposits at banks
3) Excluding seasoned self-originated private retail loans
4) Mostly mutual funds and short-term investments
5) On-balance sheet unrealized gains/losses after tax, non-controlling interests and policyholders, and before shadow accounting

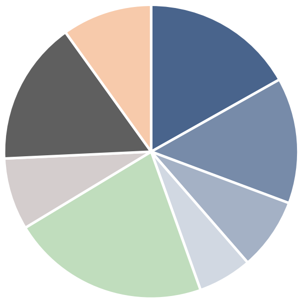


Government bond allocation concentrated in Economic and Monetary Union core countries

By region

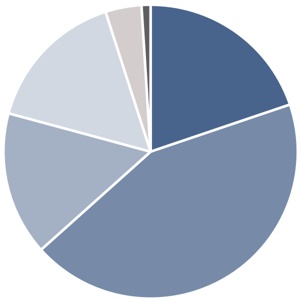
France	17%
Germany	14%
Italy	8%
Spain	6%
Rest of Europe	22%
USA	8%
Rest of World	16%
Supranational	10%

Total
EUR 238.1bn[1]



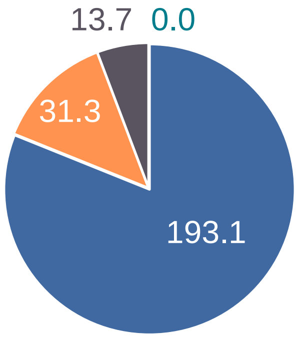
By rating

AAA	20%
AA	44%
A	16%
BBB	16%
Non-investment grade	4%
Not rated	1%



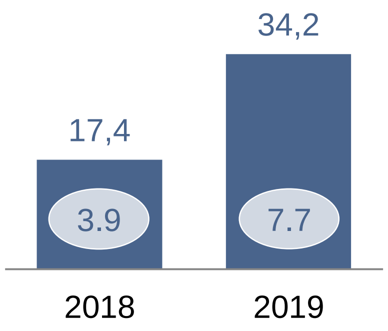
By segment (EUR bn)

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



AFS unrealized gains/losses (EUR bn)

Gross unrealized gains/losses
Net unrealized gains/losses[2]

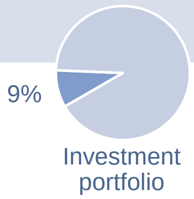


1) Government and government related (excl. U.S. agency MBS)
2) On-balance sheet unrealized gains/losses after tax, non-controlling interests and policyholders, and before shadow accounting

Details sovereigns

(EUR bn)

	Group		L/H		P/C	
	Book value	% of FI Group	Book value	% of FI L/H	Book value	% of FI P/C
France	40.8	6.3%	34.8	6.7%	3.3	3.8%
Germany	32.2	5.0%	27.1	5.2%	2.6	2.9%
Supranational	23.8	3.7%	21.6	4.2%	1.4	1.6%
USA	18.2	2.8%	15.8	3.0%	2.3	2.6%
Italy	18.1	2.8%	14.8	2.8%	2.2	2.6%
Spain	14.5	2.3%	12.2	2.3%	1.3	1.5%
Belgium	13.2	2.0%	11.4	2.2%	1.2	1.4%
Austria	8.7	1.4%	8.0	1.5%	0.4	0.5%
Switzerland	6.1	0.9%	4.8	0.9%	1.3	1.4%
Thailand	4.6	0.7%	4.5	0.9%	0.1	0.1%
Ireland	3.5	0.5%	3.0	0.6%	0.3	0.3%
Australia	3.2	0.5%	0.0	0.0%	3.1	3.6%
Mexico	3.1	0.5%	2.8	0.5%	0.3	0.3%
Netherlands	2.6	0.4%	1.8	0.3%	0.3	0.4%
Japan	2.3	0.4%	0.0	0.0%	0.0	0.0%
Poland	2.1	0.3%	1.2	0.2%	0.8	0.9%
Czech Republic	2.0	0.3%	1.6	0.3%	0.4	0.4%
Malaysia	2.0	0.3%	1.4	0.3%	0.5	0.6%
Indonesia	1.9	0.3%	1.7	0.3%	0.2	0.2%
Slovakia	1.9	0.3%	1.6	0.3%	0.2	0.2%
Canada	1.6	0.3%	0.6	0.1%	0.9	1.1%
Turkey	1.4	0.2%	0.7	0.1%	0.7	0.7%
Other	30.3	4.7%	21.4	4.1%	7.4	8.4%
Total 2019	**238.1**	**37.0%**	**193.1**	**37.1%**	**31.3**	**35.9%**
Total 2018	**211.6**	**36.5%**	**169.8**	**36.6%**	**30.2**	**36.8%**

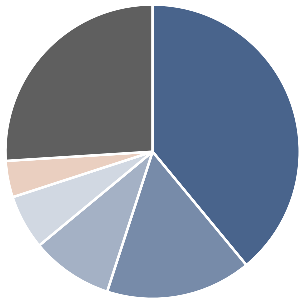


Fixed income portfolio: covered bonds

By country

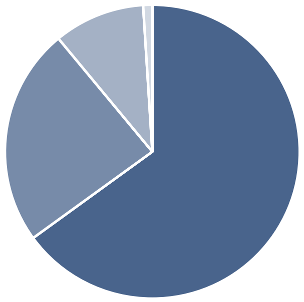
Total
EUR 71.3bn

Germany	39%
France	16%
Spain	9%
Italy	6%
UK	4%
Rest of World	26%



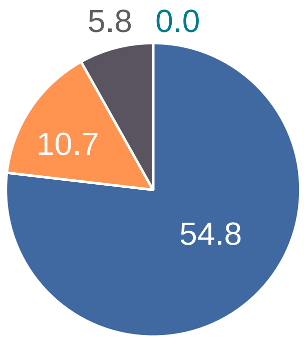
By rating

AAA	65%
AA	24%
A	10%
BBB	1%
Non-investment grade	0%
Not rated	0%

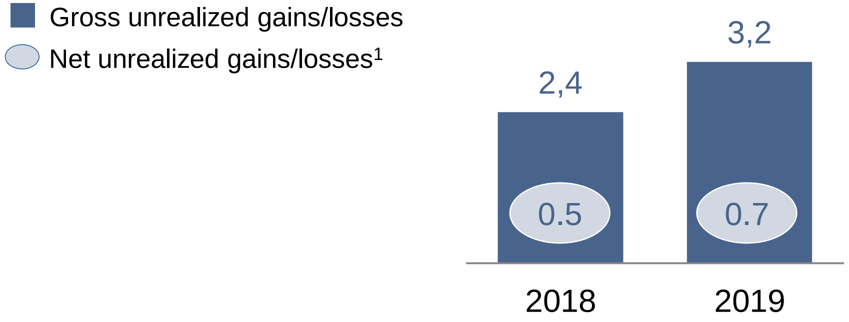


By segment (EUR bn)

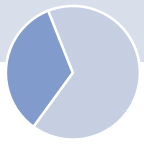
L/H	77%
P/C	15%
Corporate and other	8%
Asset Management	0%



AFS unrealized gains/losses (EUR bn)



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

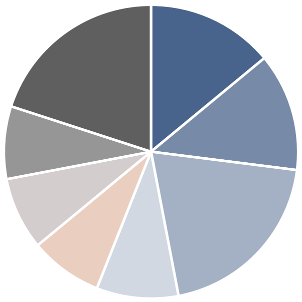


Fixed income portfolio: corporates

By sector

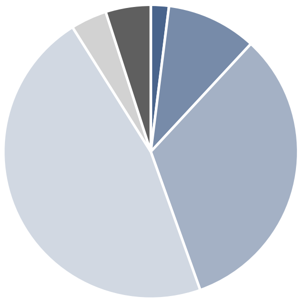
Total
EUR 264.8bn

Banking	14%
Other financials	13%
Consumer	20%
Utility	9%
Energy[1]	8%
Industrial	8%
Communication	8%
Other	20%



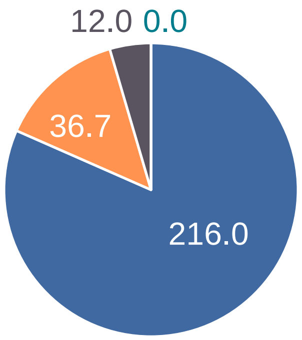
By rating

AAA	2%
AA	10%
A	33%
BBB	47%
Non-investment grade	4%
Not rated[2]	5%



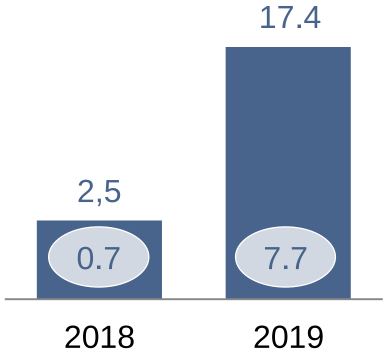
By segment (EUR bn)

L/H	82%
P/C	14%
Corporate and other	5%
Asset Management	0%

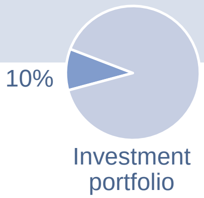


AFS unrealized gains/losses (EUR bn)

Gross unrealized gains/losses
Net unrealized gains/losses[3]



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

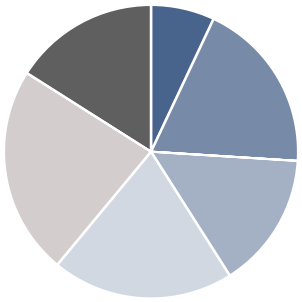


Equity portfolio

By region

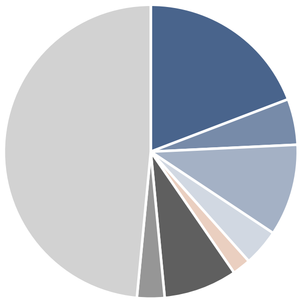
Total
EUR 78.3bn[1]

Germany	7%
Eurozone ex Germany	19%
Europe ex Eurozone	15%
NAFTA	20%
Rest of World	23%
Multinational[2]	16%



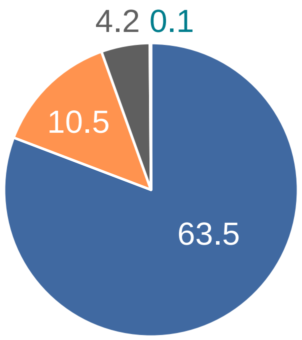
By industry

Consumer	19%
Banking	5%
Other financials	10%
Basic materials	4%
Utilities	2%
Industrial	8%
Energy	3%
Funds and other[3]	48%



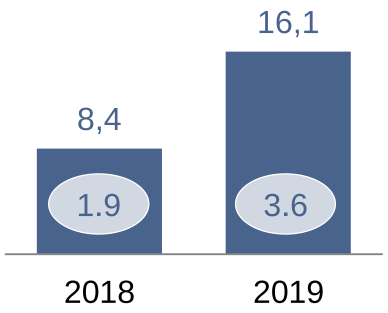
By segment (EUR bn)

L/H	81%
P/C	13%
Corporate and other	5%
Asset Management	0%



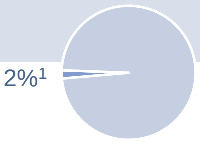
AFS unrealized gains/losses (EUR bn)

Gross unrealized gains/losses
Net unrealized gains/losses[4]



1) Excl. equities designated at fair value through income (EUR 2.6bn)
2) Incl. private equity limited partnership funds (EUR 8.8bn) and mutual stock funds (EUR 3.5bn)
3) Diversified investment funds (EUR 5.0bn); private and unlisted equity (EUR 18.3bn)
4) On-balance sheet unrealized gains/losses after tax, non-controlling interests and policyholders, and before shadow accounting

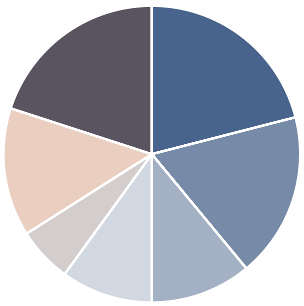
Real estate portfolio (incl. own use, market value)



By region

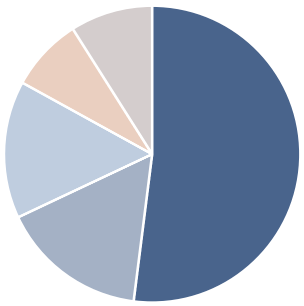
Germany	21%
France	18%
USA	11%
Switzerland	10%
Italy	6%
Rest of Eurozone	14%
Rest of World	20%

Total
EUR 49.3bn[2]



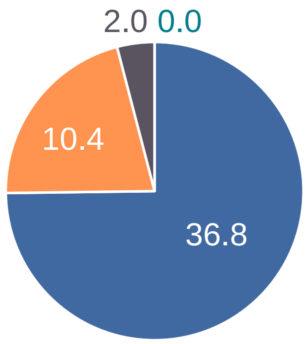
By sectors

Office	52%
Residential	16%
Retail	15%
Logistics	8%
Other/mixed	9%



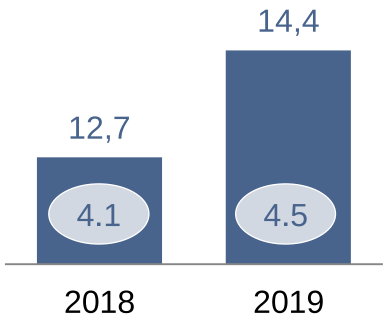
By segment (EUR bn)

L/H	75%
P/C	21%
Corporate and other	4%
Asset Management	0%

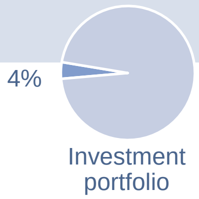


Unrealized gains/losses (EUR bn)

Gross unrealized gains/losses
Net unrealized gains/losses[3]



1) Based on carrying value, 3rd party use only
2) Market value of real estate assets including EUR 30.0bn directly held real estate assets (e.g., held for investment, held for own use) and EUR 19.3bn indirectly held real estate assets (e.g., associates and joint ventures, available-for-sale investments). Including minorities on directly held real estate assets (EUR 0.5bn). Associates and joint ventures as well as available-for-sale indirectly held real estate investments are also part of the equity portfolio and fixed income portfolio.
3) Unrealized gains/losses after tax, non-controlling interests, policy holders and before shadow accounting, based on external and internal real estate valuations

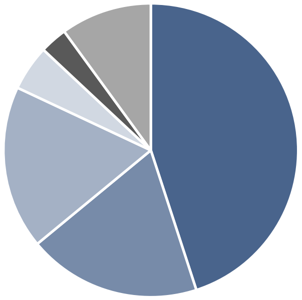


Fixed income portfolio: ABS

By type of issuer

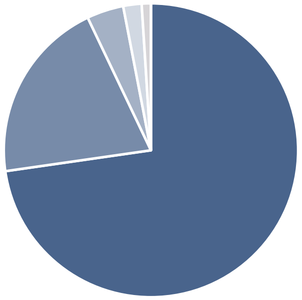
CMBS	45%
CMO/CDO	19%
US Agency	18%
RMBS	5%
Auto	3%
Credit Card	0%
Other	10%

Total
EUR 28.5bn



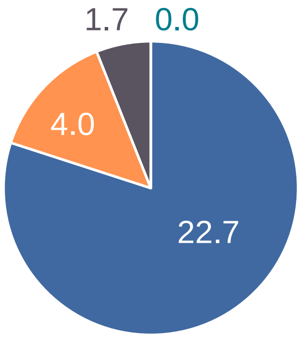
By rating

AAA	72%
AA	20%
A	4%
BBB	2%
Non-investment grade	1%
Not rated	0%



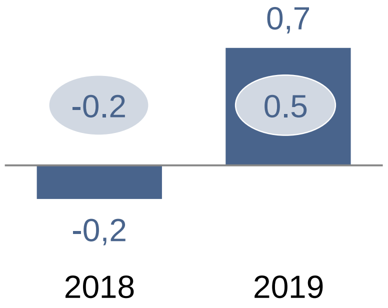
By segment (EUR bn)

L/H	80%
P/C	14%
Corporate and other	6%
Asset Management	0%



AFS unrealized gains/losses (EUR bn)

Gross unrealized gains/losses
Net unrealized gains/losses[1]



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

GLOSSARY & DISCLAIMER

Glossary (1)

AFS	Available for sale: Available-for-sale investments are non-derivative financial assets which have been acquired neither for sale in the near term nor to be held to maturity. They are shown at fair value on the balance sheet.
AGCS	Allianz Global Corporate & Specialty
AllianzGI	Allianz Global Investors
AM	(The Allianz business segment) Asset Management
AP	Allianz Partners
APE	Annual premium equivalent: A measure to normalize single premiums to the recurring premiums. It is calculated as the sum of recurring premiums and 10% of single premiums of the respective period.
APR	Accident insurance with premium refund (“Unfallversicherung mit Beitragsrückzahlung”): Special form of accident insurance where the policyholder, in addition to insurance coverage for accidents, has a guaranteed claim to the refund of premiums, either at the agreed maturity date or in the event of death.
Attritional LR	Accident year losses less claims arising from natural catastrophes as per our group-level definition (please refer to “NatCat”) divided by premiums earned (net).
AuM	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

Glossary (2)

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

Glossary (3)

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

Glossary (4)

L/H	(The Allianz business segment) Life and Health insurance
L/H lines of business	**Guaranteed savings & annuities:** Life insurance products linked to life expectancy, offering life and / or death benefits in the form of single or multiple payments to beneficiaries and possibly including financial and non-financial guarantees. **Capital-efficient products:** Products that are based on the general account but involve a significantly lower market risk, either through comprehensive asset/liability management or through significant limitation of the guarantee. This also includes hybrid products which, in addition to conventional assets, invest in a separate account (unit-linked). Capital-efficient products offer a guaranteed surrender value at limited risk, due to, e.g. precise asset-liability management or market value adjustment. **Protection & health:** Insurance products covering the risks associated with events that affect an individual's physical or mental integrity. **Unit-linked [products] without guarantees:** With conventional unit-linked products, all benefits under the contract are directly linked to the value of a set of assets which are pooled in an internal or external fund and held in a separate account by the insurer. In this constellation, it is the policyholder rather than the insurer who bears the risk.
L/H operating profit sources	The objective of the "Life/Health operating profit sources" analysis is to explain movements in IFRS results by analyzing underlying drivers of performance, consolidated for the Life/Health business segment. **Loadings & fees:** Includes premium and reserve-based fees, unit-linked management fees, and policyholder participation in expenses (if and as applicable). **Investment margin:** Is defined as IFRS investment income, net of expenses, less interest credited to IFRS reserves as well as policyholder participation in the investment result. **Expenses:** Includes commissions, acquisition, and administration expenses. **Technical margin:** Comprises risk result (risk premiums less benefits in excess of reserves), lapse result (surrender charges and commission clawbacks) and reinsurance result, all net of policyholder participation (as applicable). **Impact of change in DAC:** Represents the net impact of the deferral and amortization of both acquisition costs and front-end loadings on operating profit. Includes effects of changes in DAC and URR.
LatAm	Latin America: South America and Mexico

Glossary (5)

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

Glossary (6)

Operating SII earnings	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 buyback 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.

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

Glossary (8)

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

Disclaimer

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

Deviations may arise due to changes in factors including, but not limited to, the following: (i) the general economic and competitive situation in the Allianz Group's core business and core markets, (ii) the performance of financial markets (in particular market volatility, liquidity, and credit events), (iii) the frequency and severity of insured loss events, including those resulting from natural catastrophes, and the development of loss expenses, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) particularly in the banking business, the extent of credit defaults, (vii) interest rate levels, (viii) currency exchange rates, most notably the EUR/USD exchange rate, (ix) changes in laws and regulations, including tax regulations, (x) the impact of acquisitions including and related integration issues and reorganization measures, and (xi) the general competitive conditions that, in each individual case, apply at a local, regional, national, and/or global level. Many of these changes can be exacerbated by terrorist activities.

No duty to update

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