

2Q 2021

Giulio Terzariol
Chief Financial Officer

Analyst conference call
August 6, 2021





CONTENT

1

GROUP FINANCIAL RESULTS
2Q 2021

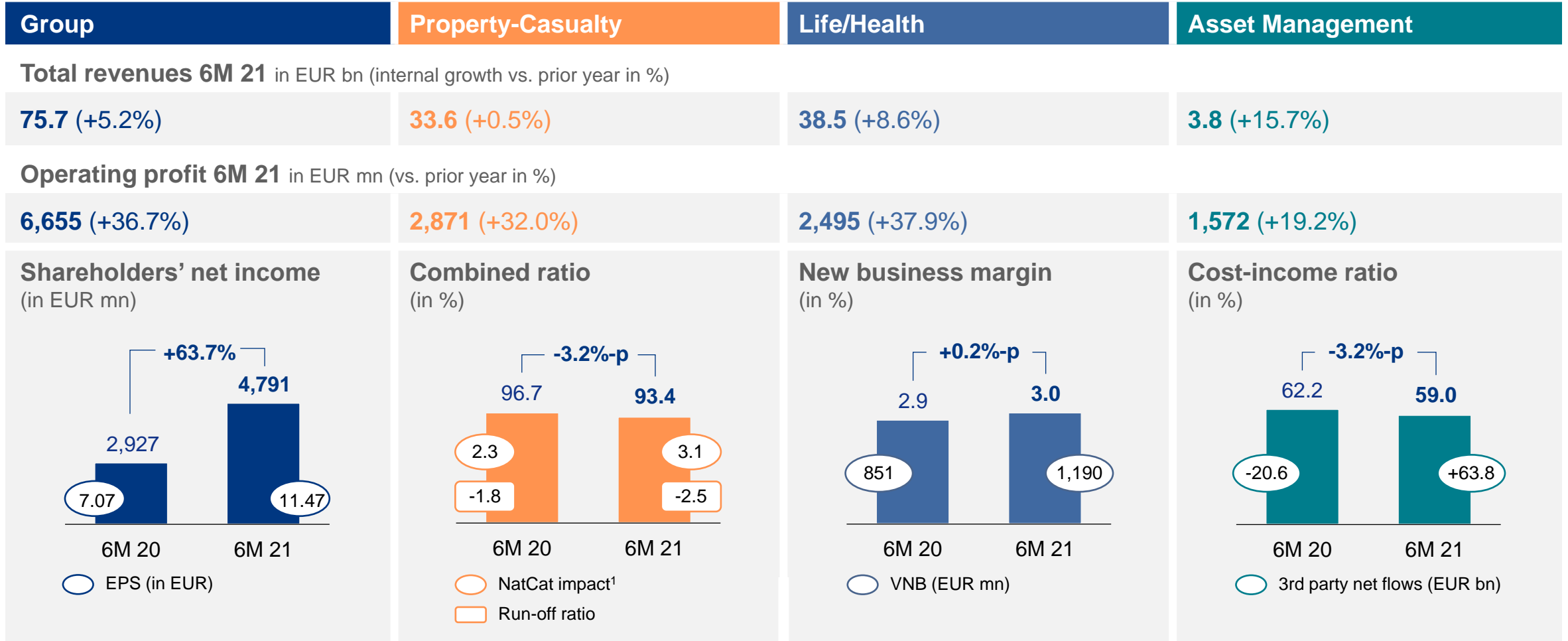
2

ADDITIONAL INFORMATION

GLOSSARY
DISCLAIMER



Group: strong 1H results across all segments



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



Group: strong 1H results across all segments



Comments

- Internal growth strong at 5.2%**
 Strong internal growth in AM +15.7% and L/H +8.6%. P/C returns to growth with +0.5% and positive momentum. Consolidation (+0.5%) and F/X (-2.6%) lead to total revenue growth of 3.1%. Prior-year revenues affected by lockdown measures.
- Operating profit grows 36.7%**
 All operating business segments with double-digit operating profit growth. OP at 55% of FY outlook midpoint. Prior-year operating profit impacted by COVID-19 (EUR -1.2bn).
- Outlook 2021: OP in the upper half of target range**
 Even after considering the NatCat events in July (including storm Bernd with OP impact of EUR ~-0.4bn), we now expect to achieve an OP for the full year in the upper half of the outlook range of EUR 12.0bn, plus or minus EUR 1.0bn, barring unforeseen events, crises or natural catastrophes.
- Shareholders' net income grows 64%**
 Operating profit (Δ EUR +1.8bn) as largest driver. Additional support from better non-OP result (Δ EUR +0.7mn).
- RoE (annualized) improves to 15.6%**
 Ahead of 13% target. All segments contribute.
- P/C – fully on track**
 OP up 32% vs. prior year driven by a higher underwriting result. CR improves 3.2%-p mainly due to better attritional LR (-3.3%-p). CR in 1H 2020 included 3.0%-p negative impact from COVID-19. OP at 51% of FY outlook midpoint.
- L/H – strong result**
 Operating profit driven by investment margin (+10bps to 42bps) and UL management fees (+23%). NBM at target level of 3.0%. New business volume up 33% supported by back-book management in Italy and France. As a result VNB grows 40% to EUR 1,190mn. OP at 57% of FY outlook midpoint.
- AM – operating profit up 19%**
 Good result driven by strong revenue growth, following higher AuM. 3rd party net inflows of EUR +64bn with EUR +34bn from PIMCO and EUR +29bn from AllianzGI. EUR 1.6bn OP at 56% of FY outlook midpoint.
- CO – better than expected**
 Operating loss narrows by EUR 153mn to EUR -278mn.



Group: 2Q operating profit strong at EUR 3.3bn

Group	Property-Casualty	Life/Health	Asset Management
Total revenues 2Q 21 in EUR bn (internal growth vs. prior year in %)			
34.3 (+12.6%)	13.9 (+3.6%)	18.5 (+18.9%)	2.0 (+22.8%)
Operating profit 2Q 21 in EUR mn (vs. prior year in %)			
3,319 (+29.4%)	1,358 (+18.8%)	1,283 (+29.5%)	825 (+29.0%)
Shareholders' net income (in EUR mn)	Combined ratio (in %)	New business margin (in %)	Cost-income ratio (in %)
<p>1,528 2,225</p> <p>2Q 20 2Q 21</p> <p>+45.7%</p>	<p>95.5 93.9</p> <p>2Q 20 2Q 21</p> <p>-1.6%-p</p> <p>0.9 4.7</p> <p>-0.8 -4.0</p> <p>○ NatCat impact¹</p> <p>□ Run-off ratio</p>	<p>3.1 3.2</p> <p>2Q 20 2Q 21</p> <p>+0.1%-p</p> <p>357 633</p> <p>○ VNB (EUR mn)</p>	<p>62.8 58.7</p> <p>2Q 20 2Q 21</p> <p>-4.1%-p</p> <p>+25.8 +25.9</p> <p>○ 3rd party net flows (EUR bn)</p>

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



Group: 2Q operating profit strong at EUR 3.3bn



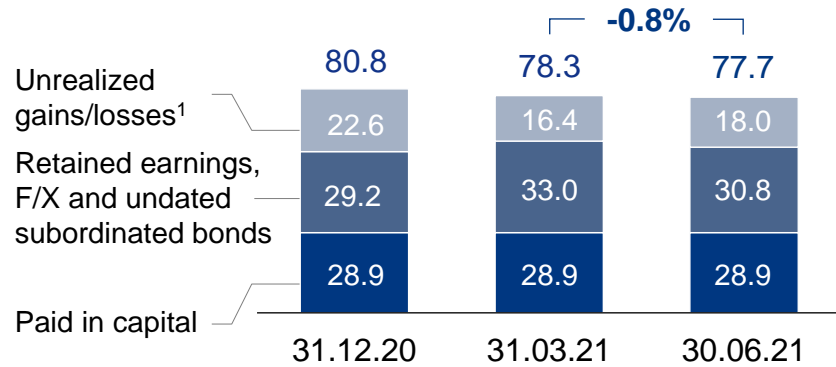
Comments

- **Strong internal growth of 12.6%**
Strong internal growth in AM of +22.8%. L/H internal growth of +18.9% benefits from back-book management. P/C returns to growth with +3.6%. Consolidation (+0.9%) and F/X (-2.6%) lead to total revenue growth of 10.9%. Prior-year revenues affected by lockdown measures.
- **Double-digit OP growth across all segments**
Group operating profit of EUR 3.3bn at 28% of FY outlook midpoint. All segments show strong results. No significant impact from COVID-19 on operating profit; prior-year operating profit impacted by COVID-19 (EUR -0.5bn).
- **Shareholders' net income up by EUR 0.7bn**
Improved operating profit (Δ EUR +0.8bn) main driver for increase in net income. Additional support from better non-operating result (Δ EUR +0.1bn) and lower tax ratio (Δ -3%-p to 25%).
- **P/C – good performance despite high NatCat**
OP improves driven by a better underwriting result (Δ EUR +0.2bn). Combined ratio of 93.9% above FY 2021 target level (93%) due to strong impact from European NatCat events partly offset by favorable run-off development.
- **L/H – strong result**
Operating profit driven by investment margin (+4bps to 21bps) and UL management fees (+27%). NBM at healthy level of 3.2%. New business volume up 71% supported by back-book management in Italy and France. As a result VNB grows by 77% to EUR 633mn.
- **AM – operating profit up 29%**
EUR 26bn 3rd party net inflows. Operating profit increases by 29% to EUR 825mn, 29% of FY outlook midpoint, driven by 10% higher average 3rd party AuM.
- **CO – better than expected**
Operating loss narrows to EUR -143mn mainly due to higher investment income.

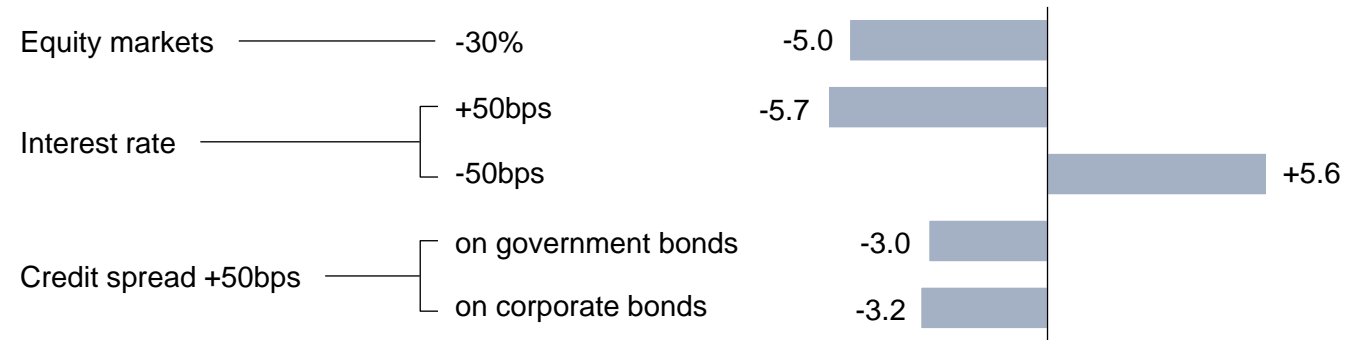


Group: Solvency II ratio at 206%

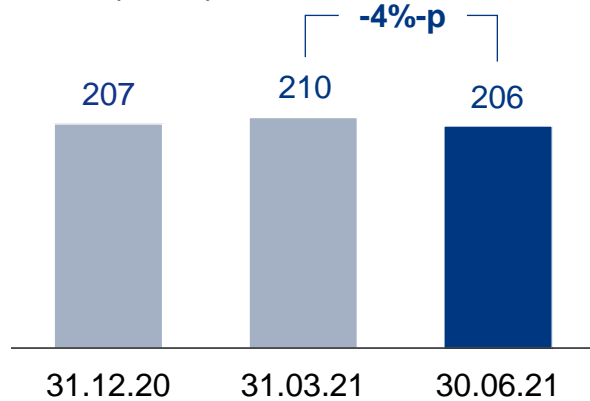
Shareholders' equity (EUR bn)



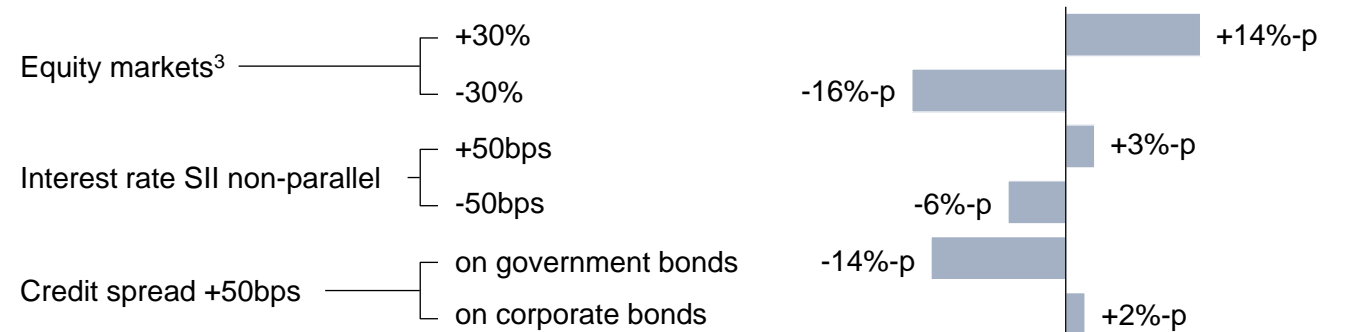
Key sensitivities (EUR bn)



SII capitalization² (in %)



Key sensitivities



1) Off-balance sheet unrealized gains on real estate, associates and joint ventures attributable to the shareholders amount to EUR 4.8bn as of 31.12.20, EUR 4.9bn as of 31.03.21 and EUR 4.9bn as of 30.06.21
 2) Including the application of transitional measures for technical provisions, the Solvency II capitalization ratio amounted to 240% as of 31.12.20, to 241% as of 31.03.21 and to 236% as of 30.06.21
 3) If stress applied to traded equities only, sensitivities would be +7%-p/-7%-p for a +/-30% stress



Group: Solvency II ratio at 206%



Comments

- **Shareholders' equity**

In 2Q 2021, shareholders' equity decreases slightly by EUR 0.6bn. S/h net income (EUR +2.2bn) and higher net unrealized gains/losses (Δ EUR +1.6bn) nearly compensate for dividend payment (EUR -4.0bn) and adverse F/X (EUR -0.2bn).

- **SII sensitivities**

Sensitivities remain relatively stable compared to 1Q 2021.

In a combined stress scenario, we estimate an additional impact due to cross effects of \sim -7%-p compared to the sum of the individual sensitivities.

- **SII ratio – at a good level**

Main positive driver is organic capital generation (\sim +8%-p, \sim +3%-p after tax and dividend), more than compensated by capital management/management actions (\sim -9%-p; mainly redemption/repurchase of subordinated capital and dividend accrual) and tax/other (\sim -3%-p).

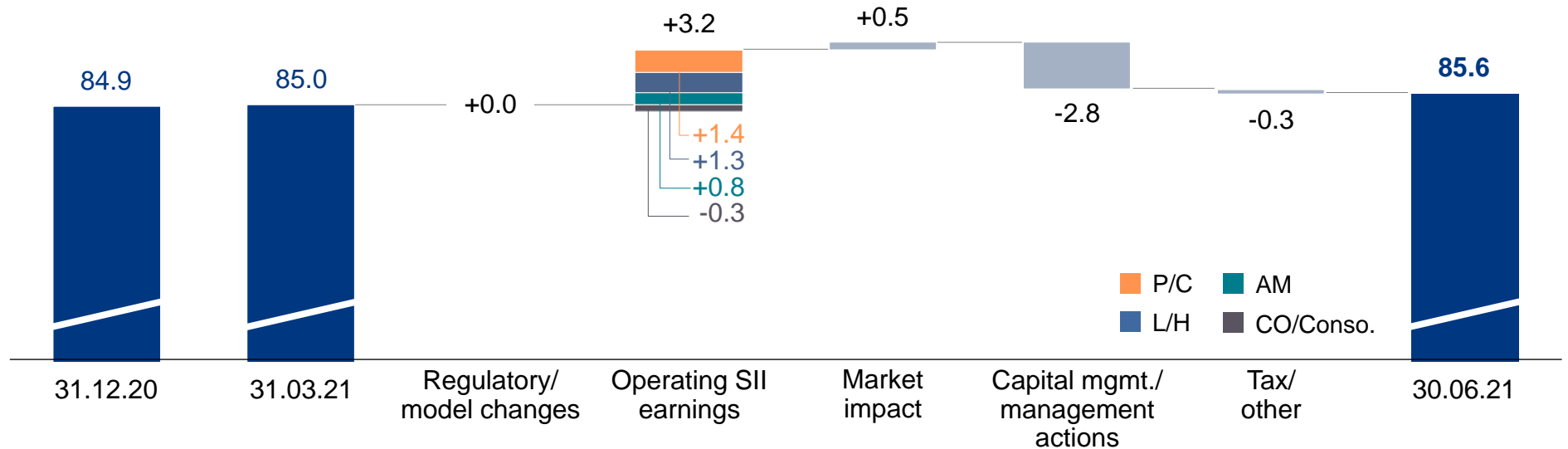
- **Transitionals**

Including transitionals, the Group SII ratio stands at 236%. Our general capital steering will continue to focus on the SII ratio excluding the application of transitional measures for technical provisions.



Group: strong operating SII capital generation continues

Own funds
(EUR bn)

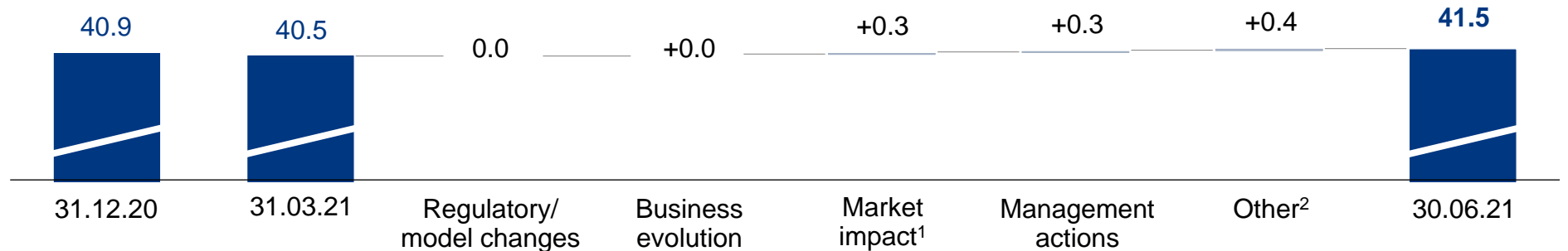


SII capitalization

○ Pre-tax operating capital generation



SCR
(EUR bn)



1) Including cross effects and policyholder participation

2) Other effects on SCR include diversification effects



Group: strong operating SII capital generation continues



Comments

- **8%-p SII capital generation pre-tax/dividend**
SII capital generation net of tax and dividend amounts to ~+3%-p in 2Q 2021.
- **Operating SII earnings**
Operating SII earnings in line with IFRS results.
- **Regulatory/model changes**
No noteworthy changes.
- **Market impact**
Different market movements add up to a negligible impact.
- **Capital management/management actions**
Driven by dividend accrual (~-3%-p) and redemption/repurchase of subordinated capital (~-5%-p).
- **Tax/other**
Own fund reduction driven by taxes (EUR -1.0bn), mitigated by a number of positive impacts.
- **Outlook**
Westpac, Aviva Italy and Aviva Poland transactions are expected to have a combined impact on the SII ratio of ~-9%-p. We anticipate a capital generation net of tax and dividend of 10%-p plus in 2021.



P/C: return to growth as COVID-19 restrictions ease

EUR mn		Revenues			YTD change on renewals	
		2Q 21	Total growth Δ p.y.	Internal growth Δ p.y.	6M 21	Momentum
Total P/C segment		13,930	+3.4%	+3.6%	+4.3%	n.a.
Selected OEs	Germany	2,088	+4.0%	+3.7%	+2.1%	stable
	United Kingdom	1,124	+1.9%	-1.0%	+3.2%	stable
	Australia	983	+14.5%	+7.4%	+4.5%	positive
	France	972	-0.7%	-0.7%	+0.5%	stable
	Italy	943	+0.6%	+0.6%	-0.1%	negative
	Central and Eastern Europe	815	+8.6%	+8.3%	n.a.	n.a.
	Spain	599	+12.4%	-2.8%	+2.6%	stable
	Latin America	491	+37.3%	+11.6%	n.a.	n.a.
	Turkey	198	-11.8%	+18.1%	n.a.	n.a.
	Global lines	AGCS	2,233	-11.3%	-5.8%	+18.0%
Allianz Partners		1,347	+23.7%	+28.5%	+0.1%	stable
Euler Hermes		723	-5.4%	-3.6%	+7.1%	stable



P/C: return to growth as COVID-19 restrictions ease



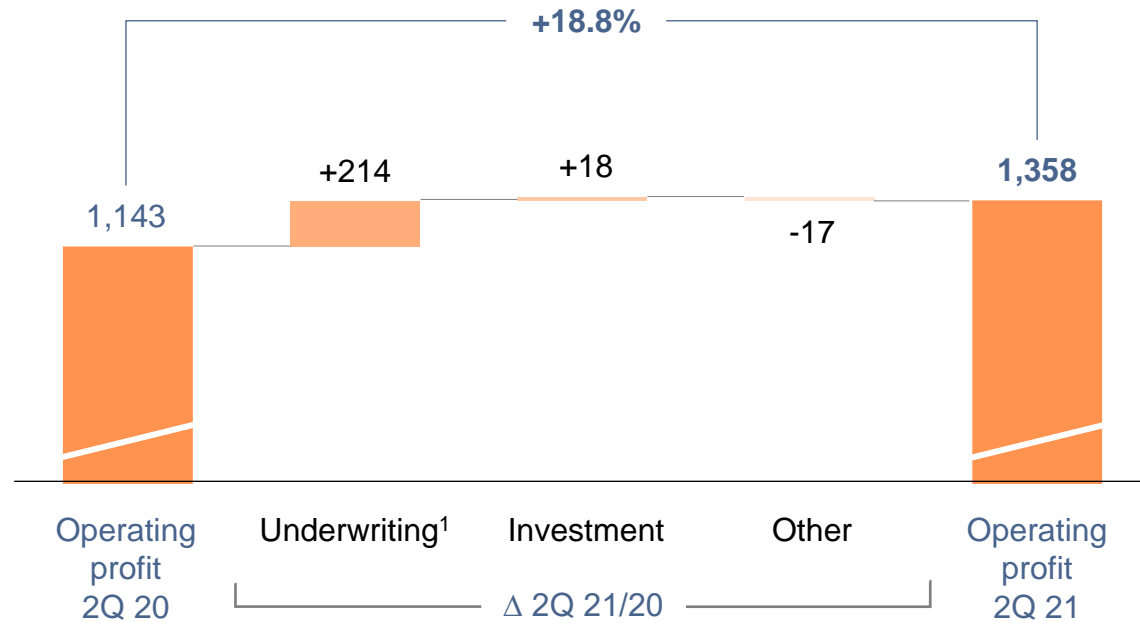
Comments

- Good internal growth of +3.6%**
 Positive contribution from price (+1.6%), volume (+1.5%) and service income (+0.4%). Main drivers are Allianz Partners (U.S. travel), Germany and Asia Pacific. Consolidations (+1.6%, mainly SulAmérica and BBVA) and F/X (-1.8%) lead to total growth of +3.4%. Rate change on renewals stable vs. 1Q 2021 (+4.3%) driven by AGCS (+18.0%) and Euler Hermes (+7.1%). Internal NPE growth at +1.4%.
- Germany – price and volume positive**
 Growth in motor as well as non-motor retail product PrivatSchutz.
- UK – lower volume more than offsets price effect**
 Volume decline in personal motor partially compensated by growth in animal health.
- Australia – price and volume contribute**
 Personal property main driver.
- France – lower volume**
 Driven by commercial lines while retail is slightly up.
- Italy – higher volume partly offset by price**
 Growth in commercial offset by decline in retail motor.
- CEE – good growth across almost all OEs**
- Spain – continued portfolio actions**
 Cleaning and repricing of unprofitable business negatively impact top-line. Total growth supported by consolidation of BBVA JV in 4Q 2020.
- Turkey – price and volume positive**
 Mainly personal motor and retail health.
- AGCS – price effect overcompensated by lower volume**
 Top-line driven by underwriting actions and fronting business. Continued strong rate changes across all lines.
- Allianz Partners – GPW and service fees bounce back**
 Volume-driven top-line growth due to rapid recovery of U.S. travel business.
- Euler Hermes – mainly driven by volume**
 Lower fee income and a seasonality effect in 2Q 2020. Exit of all relevant state schemes by the end of June.



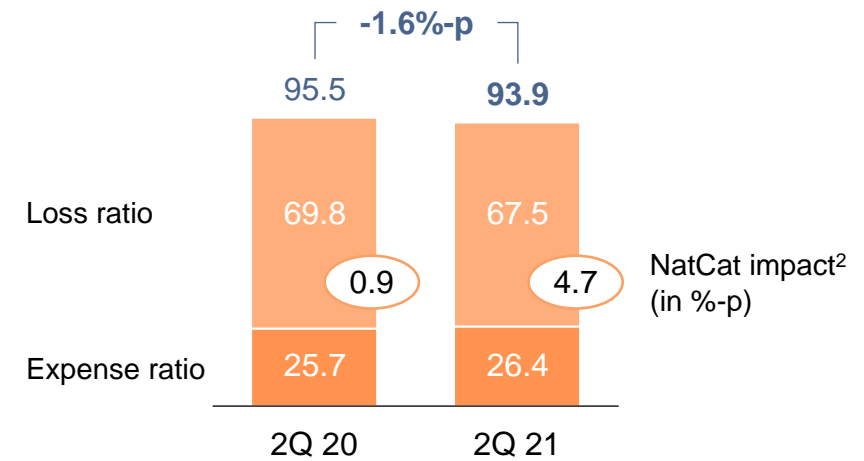
P/C: operating profit at EUR 1.4bn

Operating profit drivers (EUR mn)

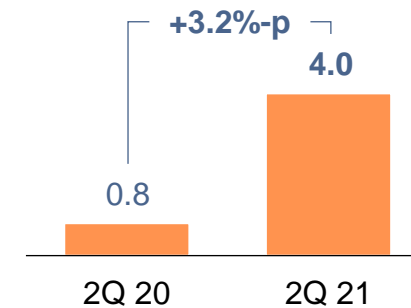


2Q 21	713	660	-15
2Q 20	498	642	3

Combined ratio (in %)



Run-off ratio³ (in %)



1) Underwriting result incl. change in reserves
 2) NatCat costs (without reinstatement premiums and run-off)
 3) Positive run-off ratio implies a positive P&L impact from prior year reserve movements



P/C: operating profit at EUR 1.4bn



Comments

- Operating profit – a good quarter despite NatCat**
 OP above prior year (Δ EUR +0.2bn) driven by a higher underwriting result. CR improves 1.6%-p as higher NatCat losses are more than offset by positive run-off development and better attritional LR. Prior year included EUR 0.4bn negative impact from COVID-19.
- AY Loss ratio – NatCat and large losses**
 AY LR worsens +0.9%-p due to NatCat and large losses. No material effect from COVID-19 in 2Q 2021 while prior year included ~3.6%-p negative impact.
- NatCat & weather – impacted by European storms**
 NatCat losses of EUR 607mn/4.7% clearly above benign prior year's level of EUR 119mn/0.9% and 10Y FY average of 2.0%. Main driver was a series of storm events across Europe in June (e.g. Volker: EUR 0.3bn, Xero: EUR 0.1bn). Weather related losses (excl. NatCat) of 0.6% are below 2Q 2020 (1.0%).
- Run-off – across several OEs**
 Favorable run-off (EUR -510mn/-4.0%) mainly driven by Euler Hermes, AZ Re and Australia. YTD run-off at -2.5%.
- Expense ratio – excellent performance continues**
 ER at 26.4% with continued positive trend vs. FY 2020 (26.8%). ER in 2Q 2020 included some one-off effects.
- 6M 2021 – OP at 51% of FY outlook midpoint**

P/C segment	6M 2020	6M 2021	Δ
Attritional LR	69.6%	66.2%	-3.3%-p
NatCat	2.3%	3.1%	+0.8%-p
Run-off	-1.8%	-2.5%	-0.8%-p
ER	26.5%	26.7%	+0.1%-p
CR	96.7%	93.4%	-3.2%-p
Underwriting result (EUR mn)	717	1,540	+114.7%
Investment result (EUR mn)	1,287	1,324	+2.9%
Other result (EUR mn)	171	7	-95.8%
OP (EUR mn)	2,175	2,871	+32.0%



P/C: combined ratios driven by NatCat and COVID-19

EUR mn		Operating profit		Combined ratio		NatCat impact on CR	
		2Q 21	Δ p.y.	2Q 21	Δ p.y.	2Q 21	Δ p.y.
Total P/C segment		1,358	+18.8%	93.9%	-1.6%-p	4.7%-p	+3.8%-p
Selected OEs	Germany	165	-26.7%	98.3%	+3.5%-p	11.4%-p	+10.3%-p
	United Kingdom	88	-56.4%	93.6%	+20.3%-p	0.0%-p	-1.1%-p
	Australia	58	+10.8%	93.9%	-1.2%-p	7.8%-p	+6.5%-p
	France	123	-6.2%	94.8%	+1.4%-p	2.4%-p	+2.4%-p
	Italy	183	-26.0%	83.1%	+5.5%-p	0.0%-p	0.0%-p
	Central and Eastern Europe	107	-20.6%	89.1%	+4.9%-p	3.7%-p	+3.5%-p
	Spain	66	+29.2%	90.3%	-1.9%-p	0.4%-p	+0.3%-p
	Latin America	38	-23.6%	102.0%	+6.3%-p	0.0%-p	0.0%-p
	Turkey	37	-22.9%	100.2%	+8.3%-p	0.0%-p	0.0%-p
	Global lines	AGCS	98	n.m. ¹	97.2%	-19.7%-p	0.7%-p
Allianz Partners		61	+27.4%	93.3%	-1.1%-p	0.0%-p	-0.0%-p
Euler Hermes		124	+292.0%	63.2%	-37.6%-p	–	–

1) In 2Q 20 OP for AGCS was at EUR -154mn (Δ EUR +252mn)



P/C: combined ratios driven by NatCat and COVID-19



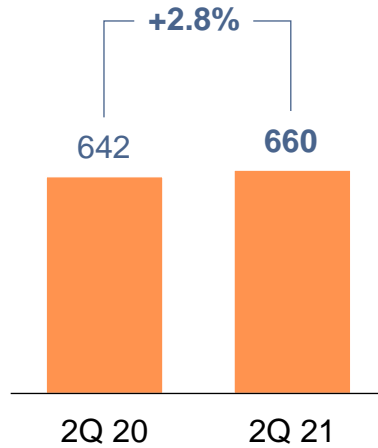
Comments

- **Germany – impacted by NatCat**
Better underlying LR due to prior-year impact from COVID-19 and positive run-off development more than offset by NatCat events.
- **UK – CR on good level**
Lower profitability due to normalization of frequency in motor and positive prior-year one-offs (CR impact ~16%-p).
- **Australia – improved**
NatCat impact more than offset by more favorable run-off and lower attritional LR due to COVID-19.
- **France – higher NatCat main driver**
Lower attritional LR overcompensated by higher NatCat.
- **Italy – CR remains excellent**
Higher attritional LR mainly from increased motor frequency partly offset by ER and favorable run-off.
- **CEE – strong CR despite higher NatCat impact**
- **Spain – CR further improves**
Positive impacts from portfolio measures and lower weather related losses.
- **LatAm – profitability decreases due to COVID-19**
Lower underwriting result in Brazil and Mexico driven by COVID-19 related claims in health.
- **AGCS – on track to reach target CR of 98%**
Improvement vs. 2Q 2020 driven by lower negative COVID-19 impact (Δ ~-15%-p), benign NatCat and underwriting actions.
- **Allianz Partners – a good quarter**
OP increases due to higher top-line and better CR. Positive run-off development overcompensates higher ER from change in business mix.
- **Euler Hermes – outstanding CR**
Historically low claims activity drives favorable run-off and lower AY LR. ER improves as well (Δ -3.3%-p). NPE declines -4.7% as state support schemes had not yet been fully set up in 2Q 2020.



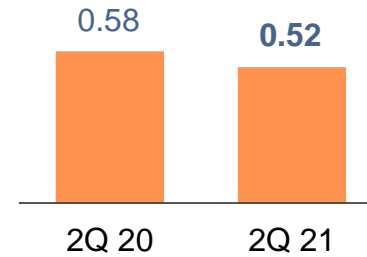
P/C: investment result up 3%

Operating investment result¹
(EUR mn)

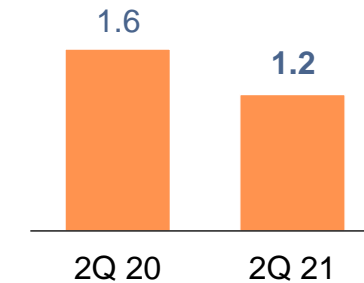


Interest & similar income ²	732	761	29
Net harvesting and other ³	4	8	4
Investment expenses	-95	-109	-14

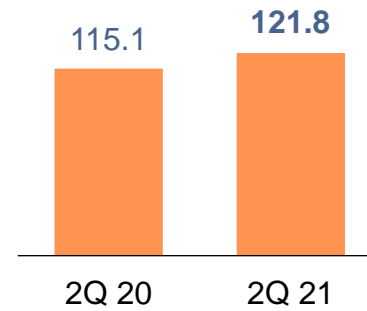
Current yield
(debt securities; in %)



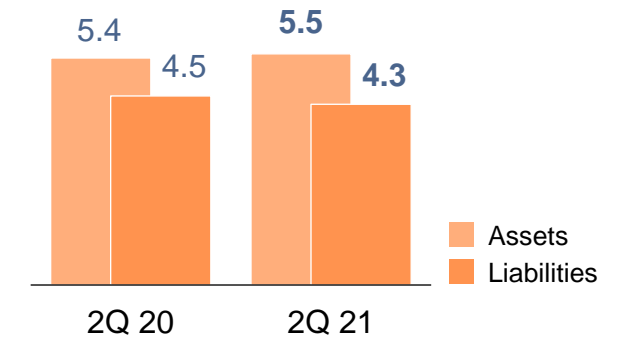
Economic reinvestment yield
(debt securities; in %)



Total average asset base⁴
(EUR bn)



Duration⁵



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

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



P/C: investment result up 3%

Comments

- **Interest & similar income**

Higher income from private equity investments partially compensated by lower income from debt & cash.

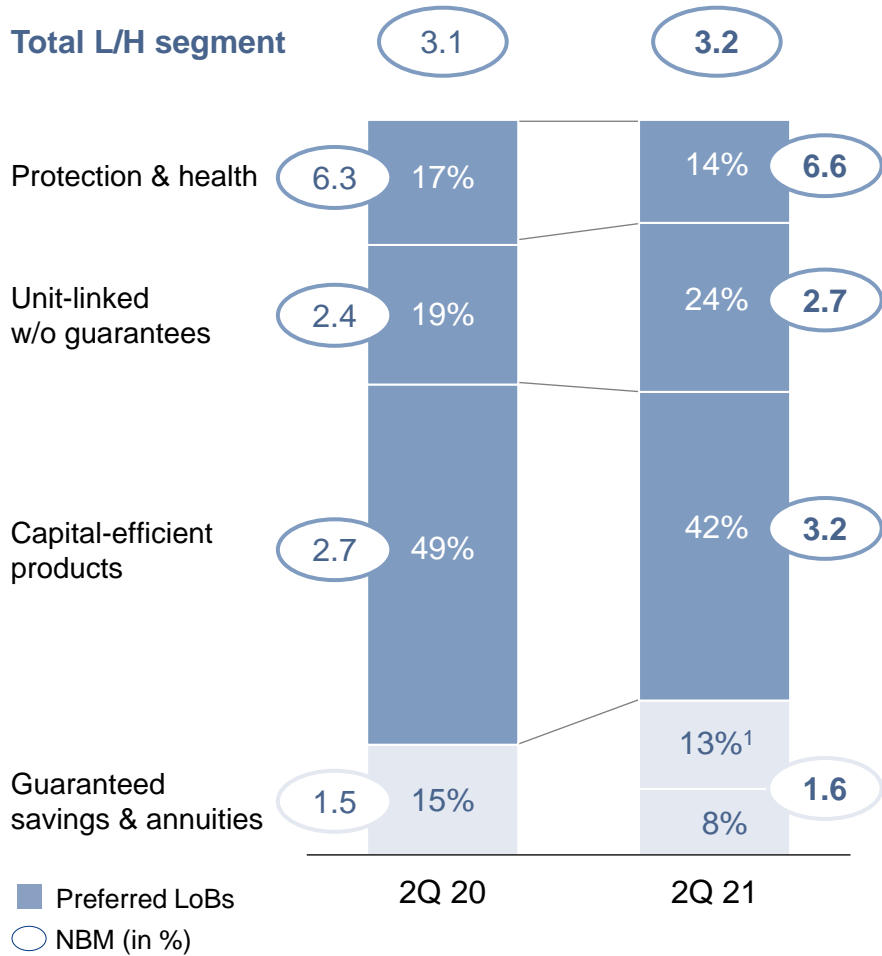
- **Reinvestment yield**

Unchanged vs. 1Q 2021. Decline vs. prior year driven by corporate and emerging market bonds.



L/H: strong new business management

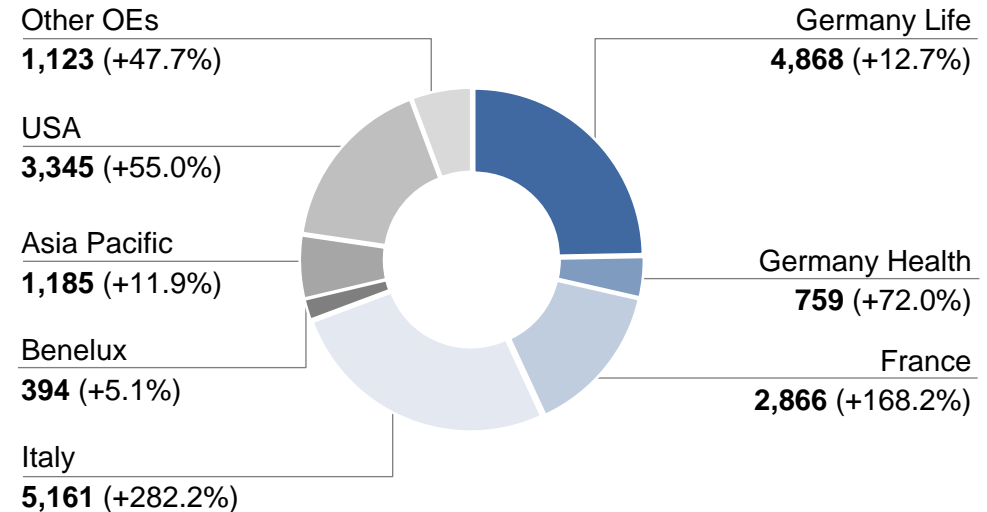
PVNB share by line



1) Renegotiation of a large contract (EUR 2.6bn) in Italy

EUR mn	2Q 20	2Q 21	Δ p.y.
PVNB	11,531	19,700	+70.8%
APE	1,352	1,874	+38.7%
Single premium	7,443	11,712	+57.3%
Recurring premium	607	703	+15.7%

PVNB by OE (EUR mn)





L/H: strong new business management



Comments

PVNBP by line

- **Strong new business across all lines:**

Protection & health increases 34% resp. EUR 0.7bn driven by Germany Health and Life, USA and Asia Pacific.

UL is up by 114%, resp. EUR 2.5bn, driven by Italy (Δ EUR +1.1bn). Higher sales in France (Δ EUR +0.9bn) were supported by back-book management.

Capital-efficient business is up by 46%, resp. EUR 2.6bn, with largest volume expansion in the USA (Δ EUR +1.1bn). Higher sales in France (Δ EUR +1.0bn) were supported by back-book management.

GS&A is up EUR 2.4bn, driven by the renegotiation of a large contract in Italy.

Adjusted for back-book management new business growth is 36% with prior-year sales being affected by lockdown measures.

- **NBM good at 3.2%**

NBM improvement across all lines.

PVNBP by OE

- **Germany Life – good acceptance of modified products**

P&H and capital-efficient business compensate for lower sales of GS&A. Share of P&H is up to 12% with NBM 6.8%.

- **USA – strong sales performance across all lines**

All lines with NBM ≥3%.

- **Asia Pacific – double-digit growth at 5.7% NBM**

Higher volumes across almost all countries.

- **Italy – renegotiation of a large contract**

GS&A (NBM of 2.0%) up due to renegotiation of a large contract in corporate business (EUR 2.6bn). UL sales more than double to EUR 2.1bn. Adjusted for the back-book management new business growth is 90%.

- **France – back-book management**

Successful transfer of in-force business (EUR 1.5bn) into newly launched product with UL and capital-efficient component. Adjusted for the back-book management new business growth is 30%.

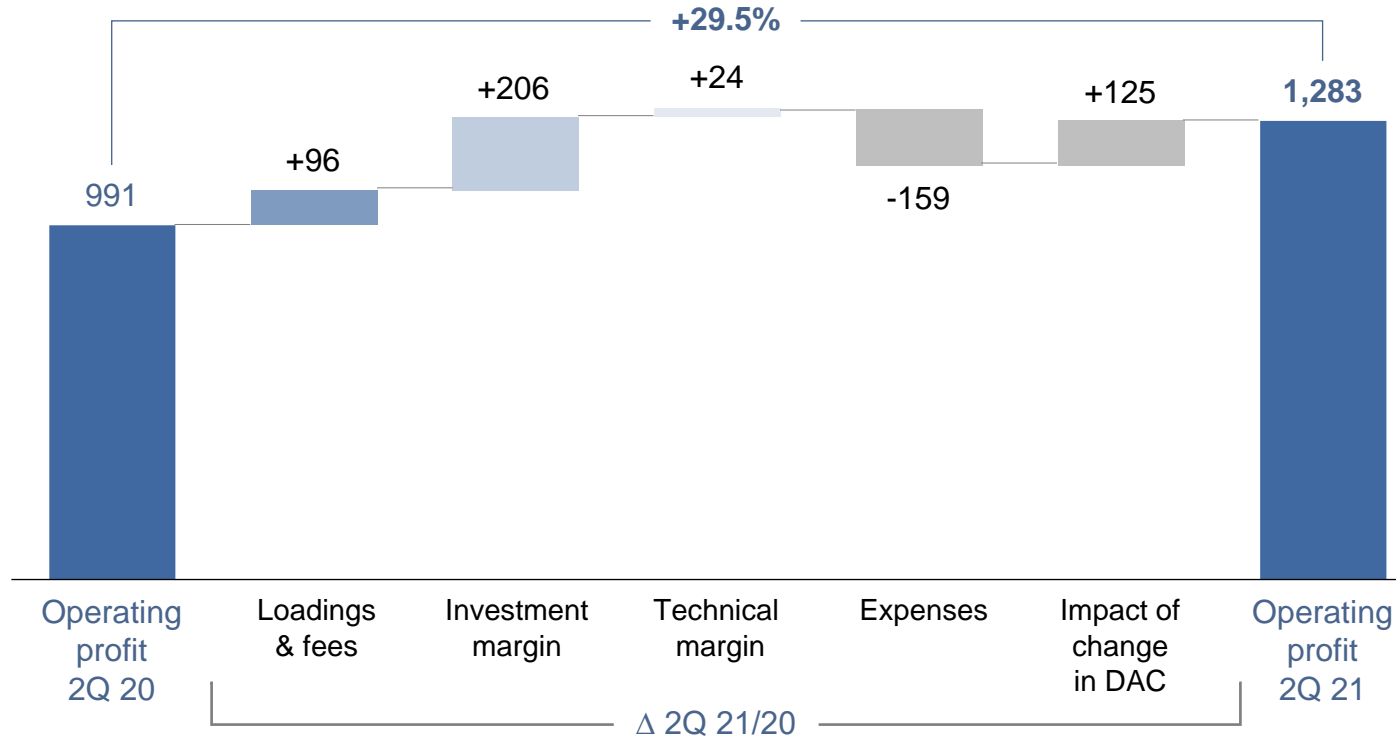
- **Germany Health – 2/3 growth and 1/3 model changes and other**



L/H: operating profit excellent at EUR 1.3bn

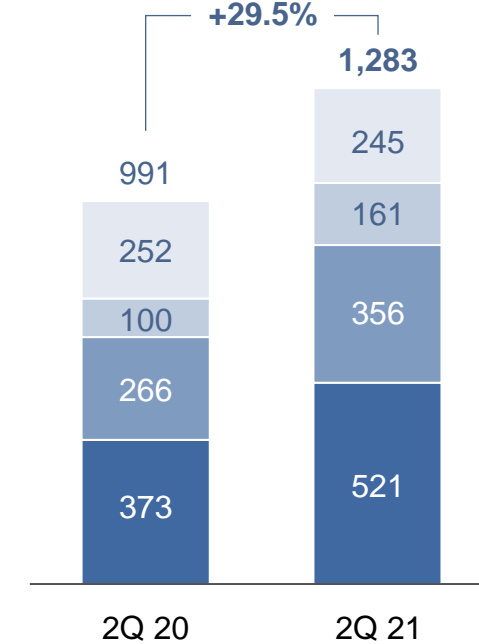
(EUR mn)

Operating profit by source



2Q 21	1,654	1,085	302	-1,896	139
2Q 20	1,558	879	278	-1,737	13

Operating profit by line



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



L/H: operating profit excellent at EUR 1.3bn



Comments

- **Operating profit at 29% of FY outlook midpoint**
Operating profit mainly driven by investment margin (+4bps) and UL management fees (+27%).
- **Loadings & fees supported by UL business**
Increase driven by higher UL management fees and loadings from reserves.
- **Technical margin – low prior-year result**
- **Investment margin grows by EUR 0.2bn**
Investment margin improves by 4bps to 21bps supported by higher contribution from USA. Result from net harvesting significantly below prior-year level.
- **Expenses – new business growth**
Acquisition expense ratio (based on PVNBP) down mainly due to back-book management with low commission level.
- **Impact of change in DAC – new business growth**
Higher capitalization driven by new business growth, e.g. USA and Italy.

Operating profit by line

- **UL w/o guarantees**
Higher UL management fees in Italy. Higher loadings from reserves in France.
- **Capital-efficient products**
Better result from Germany Life mainly due to business growth and higher contribution from registered index-linked annuities (RILA) in the USA.
- **Guaranteed savings & annuities**
Improvement mainly due to better result from U.S. VA business (Δ EUR +0.1bn).
- **6M 2021 RoE (annualized) at 13.0%**

L/H segment	6M 2020	6M 2021	Δ
PVNBP (EUR bn)	29.6	39.2	+32.7%
NBM	2.9%	3.0%	+0.2%-p
VNB (EUR mn)	851	1,190	+39.9%
Investment margin	33bps	42bps	+10bps
Operating profit (EUR mn)	1,810	2,495	+37.9%
RoE (annualized)	12.3%	13.0%	+0.7%-p



L/H: new business growth at healthy margin

EUR mn	Value of new business		New business margin		Operating profit	
	2Q 21	Δ p.y.	2Q 21	Δ p.y.	2Q 21	Δ p.y.
Total L/H segment	633	+77.1%	3.2%	+0.1%-p	1,283	+29.5%
Germany Life	156	+10.8%	3.2%	-0.1%-p	301	+7.1%
USA	130	+188.9%	3.9%	+1.8%-p	327	+94.0%
Italy	108	+292.3%	2.1%	+0.1%-p	96	+33.7%
France	73	+224.8%	2.5%	+0.4%-p	154	+15.1%
Asia Pacific	67	+23.4%	5.7%	+0.5%-p	158	+31.1%
Germany Health	32	+124.5%	4.3%	+1.0%-p	48	+24.9%
Central and Eastern Europe	11	+22.8%	4.0%	-1.0%-p	59	-1.4%
Benelux	10	-12.1%	2.4%	-0.5%-p	39	-5.0%
Turkey	9	+13.5%	6.7%	+1.0%-p	22	+13.6%
Spain	8	+118.1%	3.3%	+0.4%-p	33	+81.7%
Switzerland	3	+41.3%	2.3%	+0.1%-p	26	-3.9%



L/H: new business growth at healthy margin



Comments

New business

- **VNB supported by growth and back-book management** Healthy NBM of 3.2% supported by change in business mix (+0.3%-p).
- **Germany Life – good acceptance of modified products** Capital-efficient business including products with new guarantee levels grows by 14%. Adverse impact from model changes on NBM offset by better business mix.
- **USA – VNB growth is volume and margin driven** Improved NBM mainly due to product changes and improved business mix.
- **Italy – VNB benefits from contract renegotiation** Value enhancing renegotiation of a EUR 2.6bn corporate contract and expanded UL sales.
- **France – successful back-book management** Transfer of in-force business (EUR 1.5bn) at healthy margin into newly launched product with UL and capital-efficient component.

Operating profit

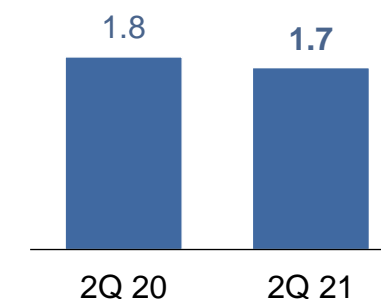
- **Germany Life – very good level**
Increase in operating profit in line with business growth.
- **USA – strong performance**
Recovery of operating profit supported by favorable market conditions in contrast to elevated volatility in the second quarter of the prior year.
- **Asia Pacific – 3rd largest contributor to operating profit**
Increase mainly due to higher investment margin in Thailand.
- **Italy – operating profit driven by higher UL fees**
Operating profit from UL increases 40%.
Share of UL in total operating profit is up to 78%.
- **France – good level**
Low prior-year investment margin.
- **Germany Health – business growth and lower expenses**
- **Spain – better technical result**



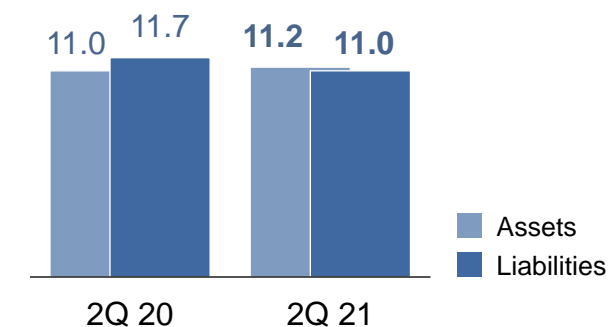
L/H: investment margin very good at EUR 1.1bn

	Investment margin	
	2Q 20	2Q 21
Based on Ø book value of assets¹ (EUR bn)	610	638
Current yield	0.73%	0.75%
Based on Ø aggregate policy reserves (EUR bn)	492	508
Current yield	0.90%	0.95%
Net harvesting and other ²	0.45%	0.01%
Total yield	1.35%	0.96%
- Ø min. guarantee ³	0.47%	0.44%
Gross investment margin (in %)	0.89%	0.52%
- Profit sharing under IFRS ⁴	0.71%	0.30%
Investment margin (in %)	0.18%	0.21%
Investment margin (EUR mn)	879	1,085

Economic reinvestment yield (debt securities; in %)



Duration⁵



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 very good at EUR 1.1bn



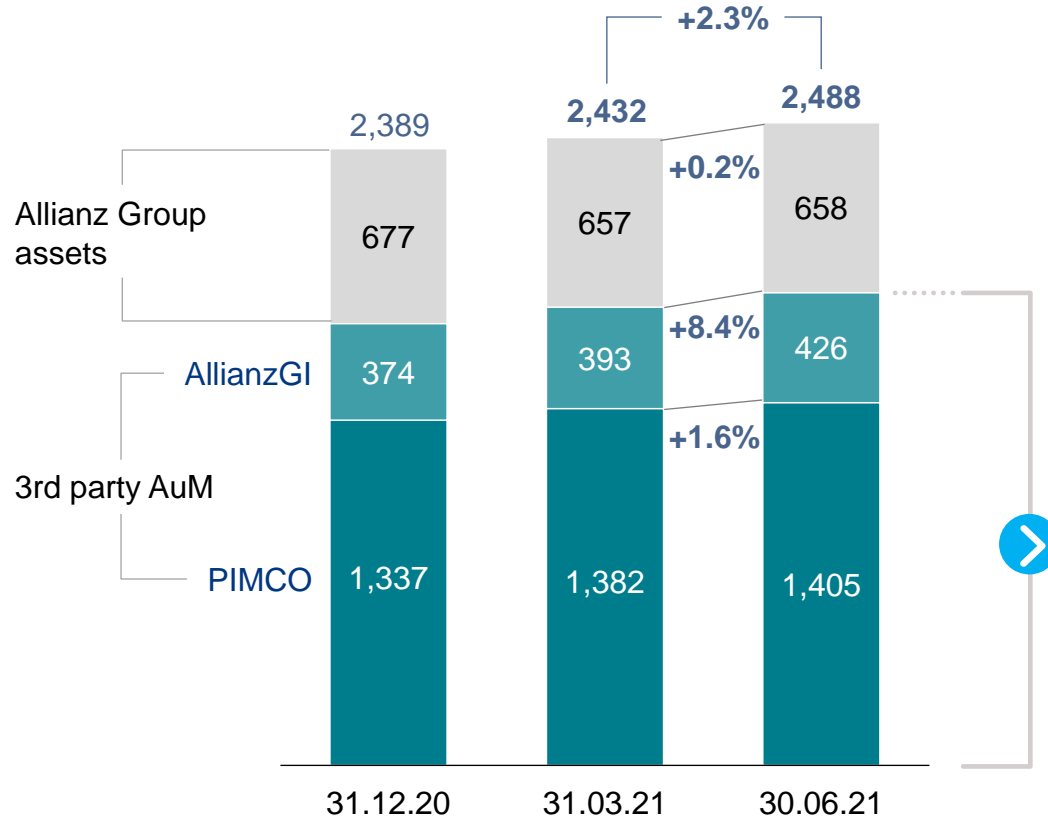
Comments

- **Investment margin up EUR 0.2bn to EUR 1.1bn**
Strong investment margin (Δ +4bps to 21bps) and growth of reserve base (+3.1%).
- **Current yield recovery**
Current yield based on aggregate policy reserves is up by 5bps. Increase is driven by recovery of dividends.
- **Net harvesting and other down**
Main driver is lower net harvesting result.
- **Average minimum guarantee down by -2bps**
Decline in line with expectations.
- **Gross investment margin at 52bps**
Decline due to normalization of net harvesting result.
- **Investment margin very good at 21bps**
PHP back to more normal level (-9.1%-p to 77.7%).
- **Reinvestment yield broadly stable**
- **Change in duration**
Duration gap narrows mainly due to higher interest rates and management action, e.g. increased asset duration.



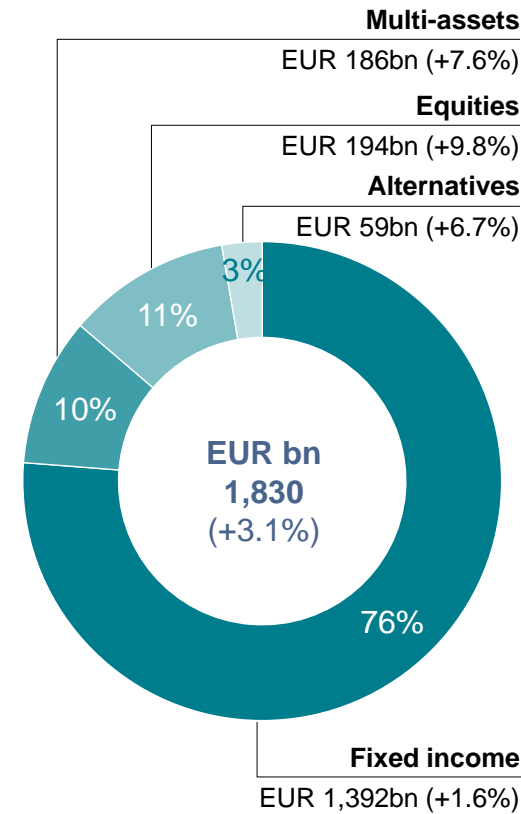
AM: all regions and asset classes support AuM growth (EUR bn)

Total assets under management

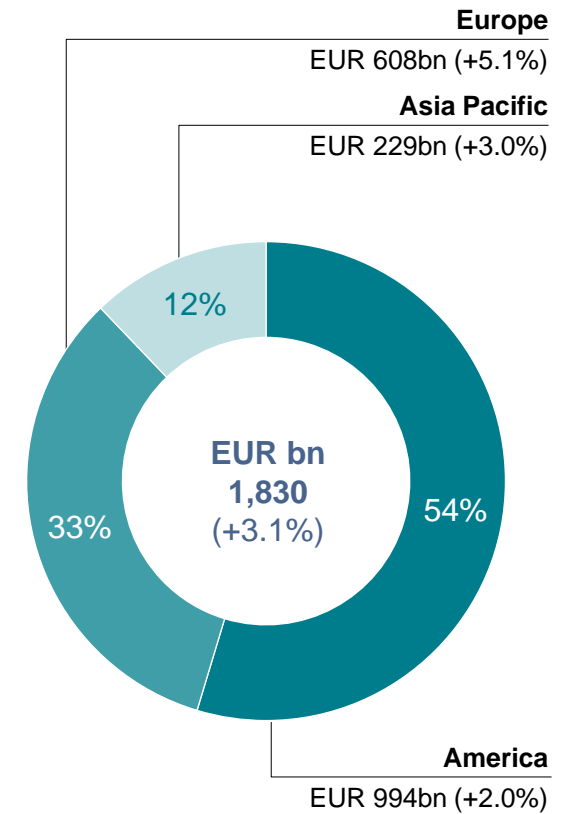


3rd party AuM split

Asset classes



Regions





AM: all regions and asset classes support AuM growth



Comments

- **Total AuM up 2%**

Increase primarily due to 3rd party assets, driven by market effects and 3rd party net inflows, despite adverse F/X (impact EUR -14bn).

- **Business highlights**

AM segment: 91% of 3rd party AuM outperform benchmarks on a trailing 3-year basis before fees.

PIMCO: Tactical Income Opportunities closed-end fund launched in Canada.

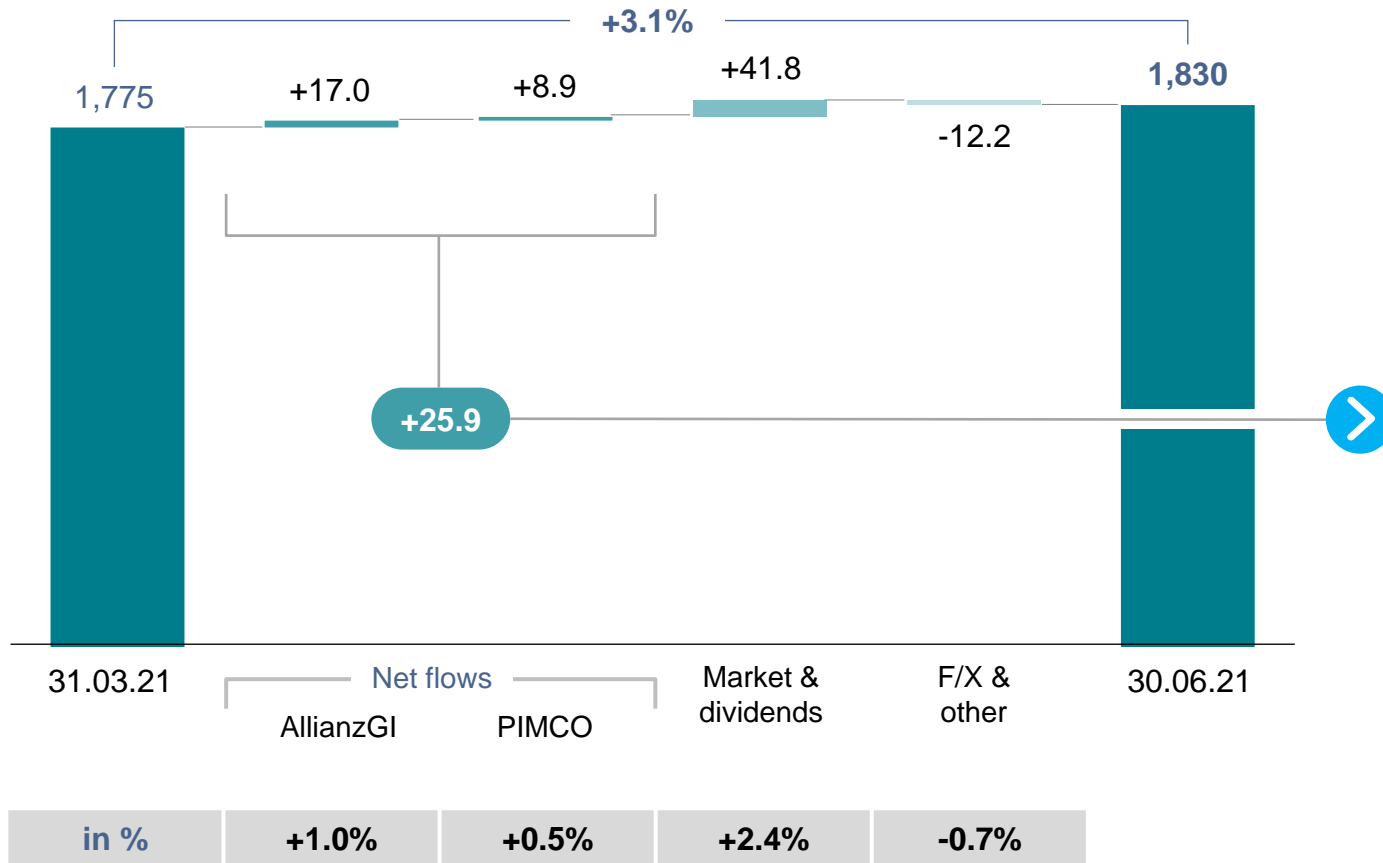
AllianzGI: Extended company-wide exclusion policy for 3rd party investments related to coal and controversial weapons. Policy announced in July and to become effective in December 2021.



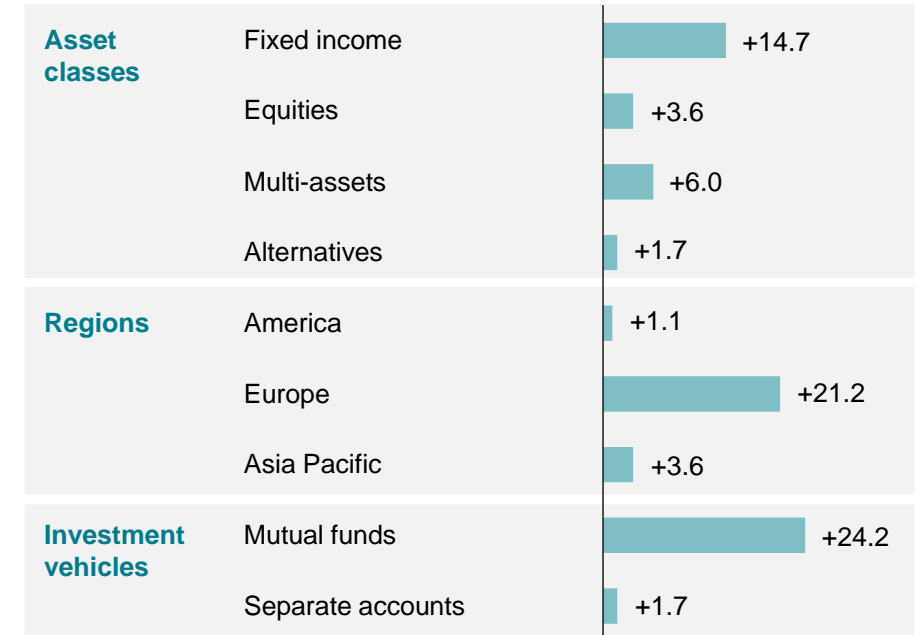
AM: EUR 26bn 3rd party net inflows

(EUR bn)

3rd party assets under management development



3rd party net flow split





AM: EUR 26bn 3rd party net inflows



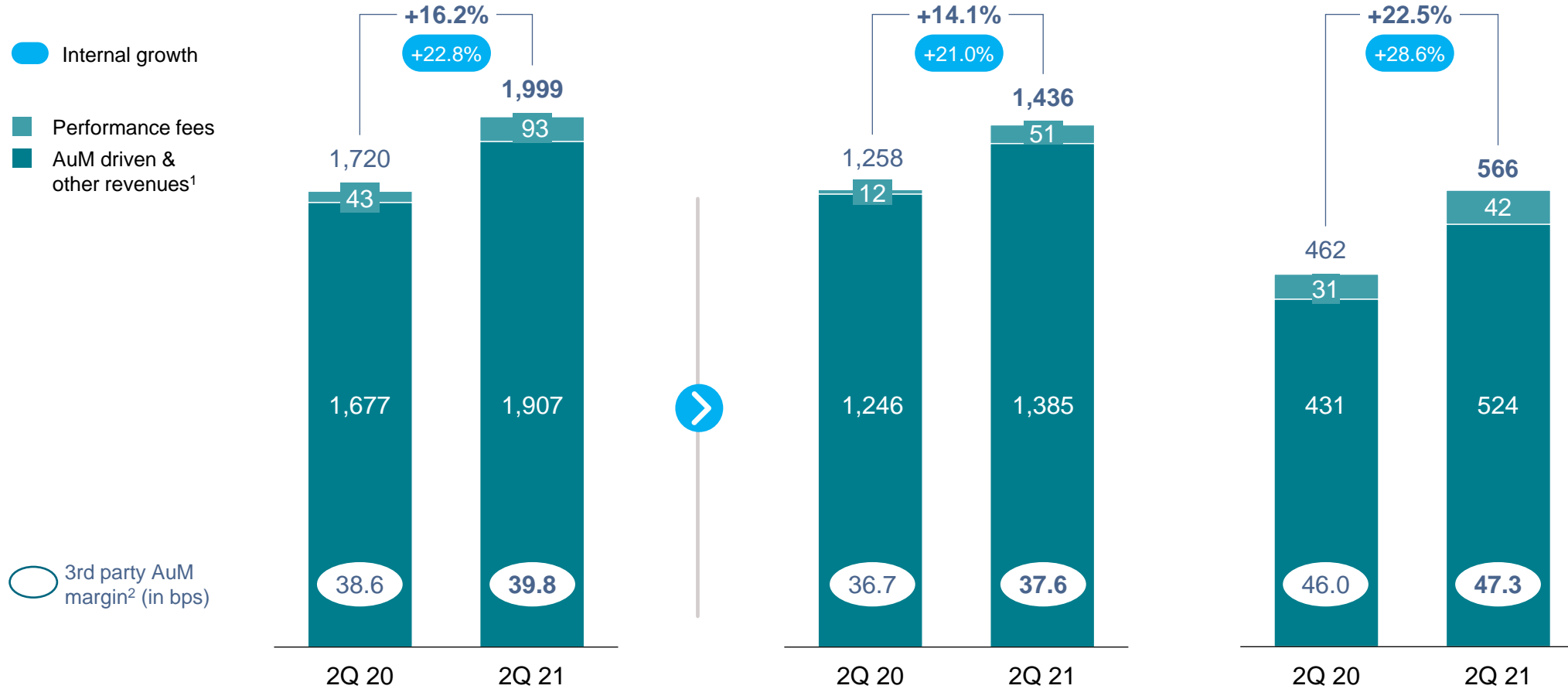
Comments

- **3rd party AuM up 3% to EUR 1.83tn**
3rd party AuM increase by EUR 56bn to a new all-time high. Strong 3rd party net inflows of EUR 26bn, stemming from AllianzGI (EUR 17bn) and PIMCO (EUR 9bn).
EUR 1,781bn average 3rd party AuM in 2Q 2021, 10% above 2Q 2020 level of EUR 1,620bn.
- **3rd party net flows PIMCO: EUR +9bn**
3rd party net inflows from a broad range of strategies as, for instance, income, emerging markets and municipals. Net inflows mitigated by outflows from a large low-fee mandate.
- **3rd party net flows AllianzGI: EUR +17bn**
Highest quarterly 3rd party net inflows ever, well diversified by asset classes and regions, supported by a new large single mandate.



AM: 23% internal revenue growth (EUR mn)

Revenues development



1) Thereof other revenues: AM: 2Q 20: EUR 8mn, 2Q 21: EUR -5mn; PIMCO: 2Q 20: EUR 0mn; 2Q 21: EUR -3mn; AllianzGI: 2Q 20: EUR 10mn; 2Q 21: EUR 1mn
 2) Excluding performance fees and other income



AM: 23% internal revenue growth



Comments

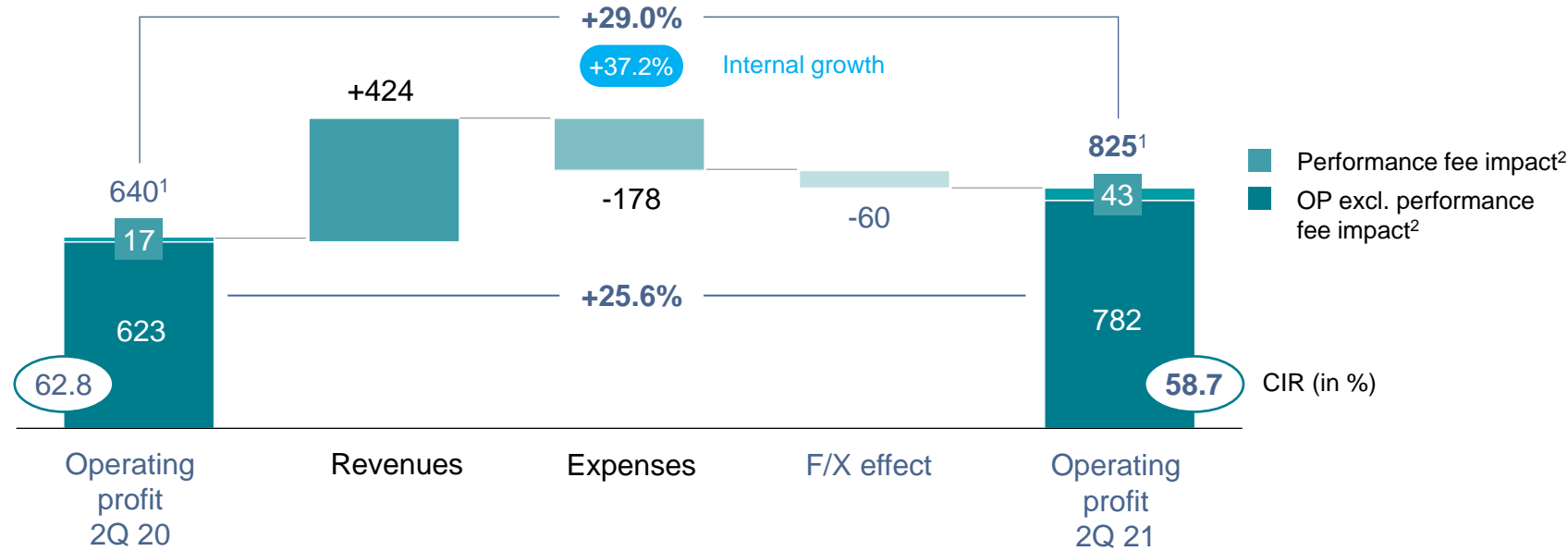
- **Segment revenues – excellent development**
Strong revenue increase by 16%/EUR 279mn due to rising AuM driven revenues and performance fees, despite significantly negative F/X impact (EUR -144mn). Revenues supported by Allianz Real Estate integration with EUR 46mn.
Excluding F/X and consolidation impact, revenues increase by 23%/EUR 391mn.
- **Segment margin – up 1.2bps**
Favorable 3rd party AuM margin of 39.8bps, increase driven by AllianzGI and PIMCO.
- **PIMCO margin – up 0.9bps**
Margin increases to 37.6bps supported by higher shares of mutual funds, multi-assets and alternatives.
- **AllianzGI margin – up 1.3bps**
Strong increase in mutual fund and equity business results in improved margin of 47.3 bps.



AM: operating profit up 29%

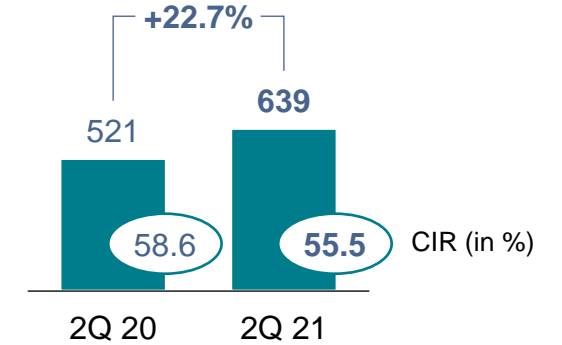
(EUR mn)

Operating profit drivers

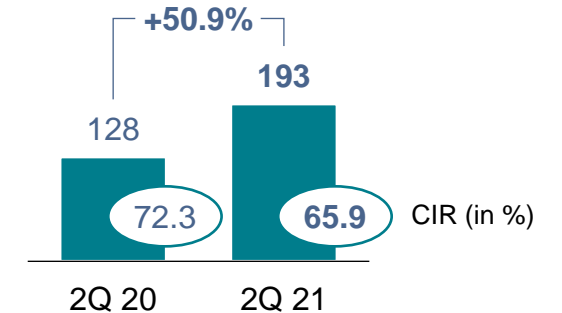


Δ 2Q 21/20		
F/X impact	-144	+84
2Q 21	1,999	-1,174
2Q 20	1,720	-1,080

PIMCO



AllianzGI



1) Including operating loss from other entities of EUR -9mn in 2Q 20 and EUR -7mn in 2Q 21
 2) Performance fees of PIMCO and AllianzGI (excl. Allianz Capital Partners), net of 30% variable compensation



AM: operating profit up 29%



Comments

- **Segment – outstanding OP**

OP up 29% despite an F/X impact of EUR -60mn, at 29% of FY outlook midpoint.

Excluding F/X, OP grows by 38%/EUR 245mn mainly due to higher average 3rd party AuM and corresponding fees, which more than compensate for higher expenses. CIR at 58.7%, 4.1%-p better than in 2Q 2020.

- **PIMCO – OP up 23%**

Higher AuM driven and performance fees and a relatively moderate increase in expenses. Allianz Real Estate also contributes positively.

CIR at 55.5%, improved by 3.1%-p.

- **AllianzGI – OP up 51%**

Higher AuM driven fees following a significantly higher business volume (24% higher average 3rd party AuM). CIR improved by 6.4%-p to 65.9%, favorably impacted by strong revenue growth and the “Excellence through Optimization and Simplicity” program.

- **6M 2021 – operating profit up 19%**

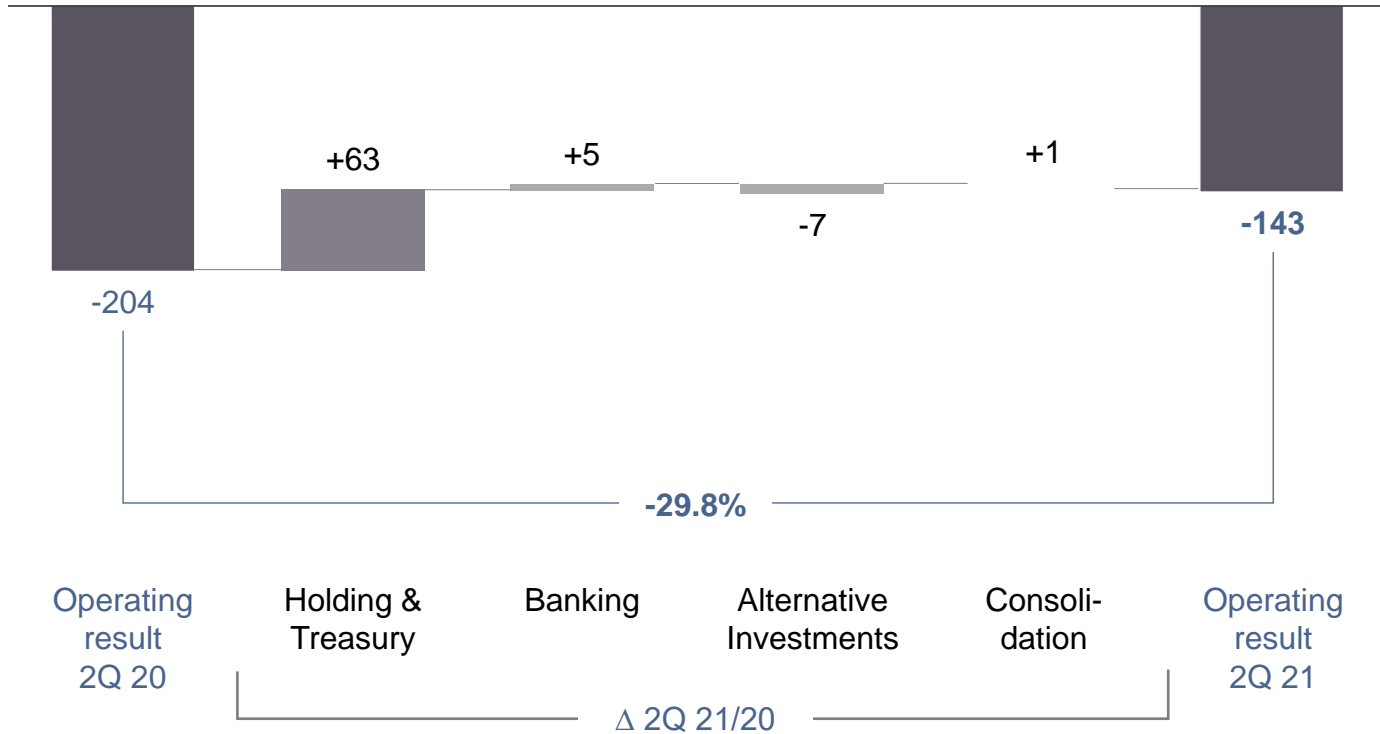
AM segment	6M 2020	6M 2021	Δ
Operating revenues (EUR mn)	3,493	3,835	+9.8%
Operating profit (EUR mn)	1,319	1,572	+19.2%
Average 3rd party AuM (EUR bn)	1,660	1,760	+6.0%
3rd party net flows (EUR bn)	-20.6	+63.8	n.m.
3rd party AuM margin (bps)	38.8	38.4	-0.5bps
CIR (%)	62.2%	59.0%	-3.2%-p



CO: operating result better than expected

(EUR mn)

Operating result development and components



	Holding & Treasury	Banking	Alternative Investments	Consolidation
2Q 21	-158	14	0	0
2Q 20	-220	9	7	-1



CO: operating result better than expected



Comments

- **Operating loss at 18% of FY outlook midpoint**
Lower operating loss mainly due to higher investment income, reflected in result from Holding & Treasury.



Group: shareholders' net income at EUR 2.2bn

EUR mn	2Q 20	2Q 21	Δ p.y.
Operating profit	2,565	3,319	+754
Non-operating items	-333	-195	+138
Realized gains/losses (net)	254	120	-133
Impairments (net)	-136	-55	+81
Income from financial assets and liabilities carried at fair value (net)	-84	54	+138
Interest expenses from external debt	-182	-157	+25
Restructuring and integration expenses	-141	-147	-6
Amortization of intangible assets	-49	-85	-36
Change in reserves for insurance and investment contracts (net)	5	41	+36
Other	0	34	n.m.
Income before taxes	2,232	3,124	+893
Income taxes	-614	-770	-156
Net income	1,618	2,355	+737
Non-controlling interests	-90	-129	-39
Shareholders' net income	1,528	2,225	+698
Effective tax rate	28%	25%	-3%-p



Group: shareholders' net income at EUR 2.2bn



Comments

- **Shareholders' net income up by EUR 0.7bn**
Increase driven by higher operating profit (Δ EUR +0.8bn) and better non-operating profit (Δ EUR +0.1bn).
- **Non-OP result improves by EUR 0.1bn**
Non-operating result benefits from higher income from financial assets and liabilities carried at fair value.
- **Restructuring expenses – IT decommissioning**
Continuous investments in productivity and efficiency, mainly France and Spain.
Approx. 40% of restructuring expenses (EUR 61mn) refer to decommissioning of legacy IT-systems.
- **Tax rate in line with expectations**



Strong first half 2021 results across all dimensions

Facts
and figures
6M 2021
(EUR)

76bn
+5%¹

Revenues

6.7bn
+37%

Operating profit

4.8bn
+64%

Shareholders'
net income

206%
Target: ≥ 180%

Solvency II ratio



Upper half
of target range
(11-13bn)

OP outlook 2021

750mn

Share buy-back

1) Internal growth vs. prior year



CONTENT

1

GROUP FINANCIAL RESULTS
2Q 2021

2

ADDITIONAL INFORMATION

GLOSSARY
DISCLAIMER

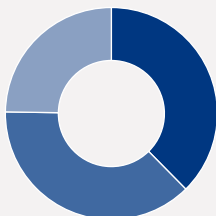


Allianz track record

Operating profit 2020: EUR 10.8bn

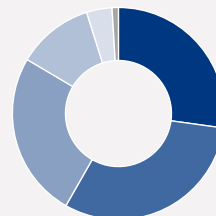
By segments¹

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



By regions:

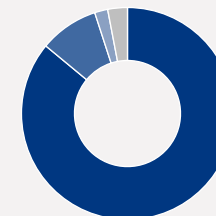
Germany	28%
W & S Europe	32%
USA	26%
Growth Markets ²	12%
Anglo Markets ³	4%
Specialty Ins. ⁴	-1%



Investment portfolio 2020: EUR 790bn

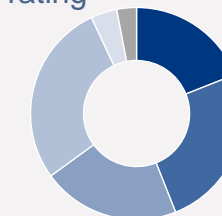
Asset allocation

Debt instruments	86%
• Government	38%
• Covered	10%
• Corporate	42%
• Other	11%
Equities	9%
Real estate ⁵	2%
Other	3%



Debt instruments by rating⁶

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



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

1) Excl. "Corporate & Other" and consolidation between segments

2) CEE, Asia-Pacific, Latin America, Middle East and Africa, Turkey. Austria and AZ Direct allocated to Western and Southern Europe

3) UK, Ireland, Australia

4) Allianz Global Corporate & Specialty, Euler Hermes, Allianz Partners, Allianz Re

5) Excluding real estate held for own use and real estate held for sale

6) Excluding seasoned self-originated private retail loans

7) Mostly mutual funds and short-term investments

8) From 2018, total revenues also comprise P/C fee and commission income

9) Including the application of transitional measures for technical provisions, the Solvency II capitalization ratio amounted to 240% as of 31.12.20

10) Definition see glossary

11) Divided by year-end share price

GLOSSARY & DISCLAIMER





Glossary (1)

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



Glossary (2)

Bps	Basis points: 1 Basis point = 0.01%.
CEE	Central and Eastern Europe
CIR	Cost-income ratio: Operating expenses divided by operating revenues
CO	(The Allianz business segment) Corporate and Other
CR	Combined ratio: Represents the total of acquisition and administrative expenses (net), excluding one-off effects from pension revaluation, and claims and insurance benefits incurred (net), divided by premiums earned (net).
Current yield	Represents interest and similar income divided by average asset base at book value.
DAC	Deferred acquisition costs: The expenses of an insurance company which are incurred in the acquisition of new insurance policies, or the renewal of existing policies, and capitalized in the balance sheet. They include commissions paid, underwriting expenses, and policy issuance costs.
Economic reinvestment yield	Reflects the reinvestment yield, including F/X hedging costs on non-domestic hard-currency F/X bonds as well as expected F/X losses on non-domestic emerging-market bonds in local currencies. The yield is presented on an annual basis.
EIOPA	European Insurance and Occupational Pensions Authority
EPS	Earnings per share: A ratio calculated by dividing the respective period's net income attributable to shareholders, adjusted by interest payments and F/X adjustments on RT1 capital, 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
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.



Glossary (3)

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	<p>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.</p> <p>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.</p> <p>Protection & health: Insurance products covering the risks associated with events that affect an individual's physical or mental integrity.</p> <p>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.</p>
L/H operating profit sources	<p>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.</p> <p>Loadings & fees: Includes premium and reserve-based fees, unit-linked management fees, and policyholder participation in expenses (if and as applicable).</p> <p>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.</p> <p>Expenses: Includes commissions, acquisition, and administration expenses.</p> <p>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).</p> <p>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.</p>
LatAm	Latin America: South America and Mexico



Glossary (5)

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



Glossary (6)

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



Glossary (7)

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



Glossary (8)

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



Disclaimer

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

Deviations may arise due to changes in factors including, but not limited to, the following: (i) the general economic and competitive situation in the Allianz's core business and core markets, (ii) the performance of financial markets (in particular market volatility, liquidity, and credit events), (iii) adverse publicity, regulatory actions or litigation with respect to the Allianz Group, other well-known companies and the financial services industry generally (iv) the frequency and severity of insured loss events, including those resulting from natural catastrophes, and the development of loss expenses,

(v) mortality and morbidity levels and trends, (vi) persistency levels, (vii) the extent of credit defaults, (viii) interest rate levels, (ix) currency exchange rates, most notably the EUR/USD exchange rate, (x) changes in laws and regulations, including tax regulations, (xi) the impact of acquisitions including and related integration issues and reorganization measures, and (xii) 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.