

OUTPERFORM TRANSFORM REBALANCE

ANNUAL REPORT 2020

ALLIANZ SE

Allianz 

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Disclaimer regarding roundings

Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

TO OUR INVESTORS



SUPERVISORY BOARD REPORT

Ladies and Gentlemen,

During the financial year 2020, the Supervisory Board fulfilled all its duties and obligations as laid out in the company statutes and applicable law. It monitored the activities of the company's Board of Management, dealt with the succession planning for the Board of Management and advised it on business management issues. The Supervisory Board discussed the status and impact of the COVID-19 pandemic at each meeting.

OVERVIEW

In the financial year 2020, the Supervisory Board held six regular meetings as well as one extraordinary meeting. The regular meetings took place in February, March, May, June, September, and December, and the extraordinary meeting took place in April.

In all of the meetings in 2020, the Board of Management reported on Group revenues and results as well as business developments in the individual business segments. The Board of Management informed the Supervisory Board on the course of business as well as on the development of Allianz SE and the Allianz Group, including deviations in actual business developments from the planning. In this context, the adequacy of capitalization, the solvency ratio, and the respective stress and risk scenarios were discussed. The annual Allianz SE and the Group's consolidated financial statements including the respective auditor's reports, the half-yearly as well as the quarterly reports were reviewed in detail by the Supervisory Board after preparation by the Audit Committee.

Other focal points of reporting, in addition to the status and impact of the COVID-19 pandemic, were strategic topics such as the implementation of the Allianz strategy "Simplicity Wins" with its three pillars "Outperform", "Transform" and "Rebalance", the risk strategy, the Allianz Customer Model (ACM), and the IT strategy. In addition, the Supervisory Board was intensively involved in the Board of Management's planning for both the fiscal year 2021 and the three-year period from 2021 to 2023. Cyber risk security and developments of the life insurance business in the continuous low-interest environment were also regularly discussed. Implications of Brexit for Allianz and the trade conflict between the United States and China were other ongoing topics. Furthermore, the Supervisory Board dealt in depth with personnel matters relating to the Board of Management, the requirements of the new German Corporate Governance Code, which came into effect in 2020, and the Act Implementing the Second Shareholders' Rights Directive (ARUG II). Further, the Supervisory Board discussed the sustainability concept (ESG concept) of the Allianz Group with the Board of Management and debated its adequate treatment in the context of the work of the Supervisory Board.

The Supervisory Board received regular, timely, and comprehensive reports from the Board of Management. The Board of Management's verbal reports at the meetings were accompanied by written documents, which were sent to each member of the Supervisory Board in time for the relevant meeting. The Board of Management also informed the Supervisory Board in writing about important events that occurred between meetings. The chairmen of the Supervisory and Management Boards had regular discussions about major developments and decisions. The Chairman of the Supervisory Board also had individual discussions with each member of the Board of Management about their respective half-year as well as full-year performance.

Also in the financial year 2020, individual trainings and group sessions were held on the basis of an agreed development plan for continued training of the members of the Supervisory Board, for example on underwriting topics and the implications of the new IFRS accounting standards IFRS 9 and 17.

ISSUES DISCUSSED IN THE SUPERVISORY BOARD PLENARY SESSIONS

In the meeting of 20 February 2020, the Supervisory Board comprehensively dealt with the preliminary financial figures for the financial year 2019 as well as the Board of Management's dividend proposal. The appointed audit firm, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC), Munich, reported in detail on the preliminary results of their audit. In the further course of the meeting, the Supervisory Board also discussed the target achievement of each individual member of the Board of Management and, on this basis, set their variable remuneration for the financial year 2019, subject to the approval of the annual financial statements. As part of this performance assessment, the fitness and propriety of the members of the Board of Management were confirmed. The Supervisory Board also dealt with the remuneration systems for the Board of Management and the Supervisory Board and received reports on the strategy of Allianz Partners and the IT strategy. Finally, the Supervisory Board appointed Dr. Klaus-Peter Röhler to the Board of Management of Allianz SE with effect from 1 April 2020 as successor to Dr. Axel Theis, who had resigned his mandate with effect from 31 March 2020.

In the meeting of 5 March 2020, the Supervisory Board discussed and approved the audited annual Allianz SE and consolidated Group financial statements, including market value balance sheets, as well as the Board of Management's recommendation for the appropriation of earnings for the financial year 2019. The auditors confirmed that there were no discrepancies compared to their February report and issued an unqualified auditor's report for the individual and consolidated financial statements. The Supervisory Board also reviewed and approved the separate non-financial report for both Allianz SE and the Group, taking into account the report of the external auditor. Further presentations included the Board of Management's report on risk development in 2019, the annual compliance report, and the annual report of the Head of Group Audit. Next, the Supervisory Board reviewed the agenda and proposals for resolution for Allianz SE's 2020 Annual General Meeting (AGM). At the recommendation of the Audit Committee, the Supervisory Board appointed PwC as auditor for the 2020 individual and consolidated financial statements, the auditor's review of the 2020 half-yearly financial report, and the assurance engagement of the combined separate non-financial report. Furthermore, the Supervisory Board dealt with and approved the control and profit transfer agreement with Allianz Africa Holding GmbH. The Supervisory Board further received reports on the strategy in the area of "business customers" as well as the Allianz X investment unit. Furthermore, the Supervisory Board discussed the succession planning for the Board of Management.

In an extraordinary conference call meeting on 2 April 2020, the Board of Management first reported on the impact of the COVID-19 pandemic on employees, distributors and customers, the financial situation and the planned dividend payment. The Supervisory Board also approved the cancellation of the already scheduled AGM and the convening of a virtual AGM, which was made possible at short notice by the legislator, with the corresponding stipulations of the Board of Management. The specific succession planning for the Board of Management was also discussed further at this meeting.

On 6 May 2020, just before the AGM, the Board of Management briefed the Supervisory Board on business performance in the first quarter of 2020 as well as on the current situation of both the Allianz Group and Allianz SE, in particular with regard to share price development, capitalization, and capital as well as liquidity management. In addition to the update on the COVID-19 pandemic, the meeting also dealt with the withdrawal of the profit target for the 2020 financial year, which had been published in an ad hoc announcement.

In the meeting of 25 June 2020, the Board of Management first reported in detail on the course of business in fiscal year 2020 to date and provided an outlook on the expected half-year results. In addition, the Board of Management reported on various M&A activities, such as the acquisition of the property insurance business of SulAmérica in Brazil, and the cooperation in the bancassurance channel with BBVA in Spain. Furthermore, the Board of Management reported on the impact of the COVID-19 pandemic on Allianz Group employees and the individual business units, business closure and business interruption insurance and reinsurance. Other topics covered in the report were the current status of the cyber security insurance business and Allianz's ESG concept and related reporting. The Supervisory Board discussed the overall economic impact of the COVID-19 pandemic, including the consequences for the insurance industry. The Board of Management then presented the first part of the annual strategy presentation (trends and implications) for discussion. In addition, the Board of Management provided its regular status report on the issue of cyber risk security as well as the life insurance business strategy.

Furthermore, the Supervisory Board dealt in detail with personnel matters relating to the Board of Management. Dr. Barbara Karuth-Zelle was appointed to the Board of Management with effect from 1 January 2021 to replace Dr. Christof Mascher, who left the Board of Management at the end of 2020. The mandates of Mr. de la Sota and Mr. Terzariol, which were to expire at the end of 2020, were extended by five years, and the mandate of Mr. Balbinot, which was also expiring, was extended by two years. Finally, the Supervisory Board reviewed the key criteria for the selection of Board of Management members and amended them accordingly by the competencies leadership, employee engagement and change management.

The meeting on 25 September 2020 focused on the continuation of the presentation on the strategic direction of Allianz Group and Allianz SE (solo). The main focus here was on implementation under the slogan "Simply Deliver" and the definition of priorities within the framework of the Allianz strategy. In this context, the key HR initiatives to support the strategy were also presented. The Supervisory Board also discussed the transformation at Allianz Global Investors, corporate governance issues and the self-evaluation of the Supervisory Board required by supervisory law and the development plan drawn up on this basis. In addition, the Supervisory Board decided on the succession of Mr. Niran Peiris, who retired from the Board of Management on 31 December 2020, and appointed Mr. Christopher Townsend to the Board of Management with effect from 1 January 2021. In addition, the status of the COVID-19 pandemic and the Board of Management's measures with respect to the handling of the second wave of infections were in focus of the discussion.

In the meeting of 10 December 2020, the Board of Management first provided information about the third-quarter results, the further course of business, and the situation of Allianz Group. Furthermore, the Supervisory Board discussed the planning for fiscal year 2021 and the three-year plan for 2021 to 2023. In the context of the three-year plan the Board of Management reported on the updated risk strategy. The Supervisory Board ascertained that both elements are closely interlinked. With the Africa strategy and the initiative "push-to-pull", the Board of Management presented further elements of the Allianz strategy. In addition, the Board of Management provided a status report on the issue of cyber risk security. The Supervisory Board discussed the declaration of conformity with the German Corporate Governance Code and various corporate governance topics. In this context, the Supervisory Board agreed to propose to the 2021 AGM an amendment to the Articles of Association regarding the reduction of Supervisory Board members' term of office to four years. The Supervisory Board discussed in depth the Board of Management remuneration system and the appropriateness of the Board of Management remuneration. The system of Supervisory Board remuneration was also reviewed for appropriateness on the basis of an external benchmark analysis. Furthermore, the Supervisory Board set targets for the variable remuneration of members of the Board of Management for 2021. As part of the individual target-setting process, the climate strategy was added as a new indicator. The Supervisory Board reviewed the succession planning for the Board of Management. Finally, the results of this year's efficiency review of the Supervisory Board's activities were addressed.

DECLARATION OF CONFORMITY WITH THE GERMAN CORPORATE GOVERNANCE CODE

On 10 December 2020, the Board of Management and the Supervisory Board issued the Declaration of Conformity in accordance with § 161 of the German Stock Corporation Act ("Aktiengesetz"). The declaration was posted on the company website, where it is available to shareholders at all times. Allianz SE fully complies and will continue to fully comply with the recommendations of the German Corporate Governance Code in its version of 16 December 2019. Since the last Declaration of Conformity as of 13 December 2019, all recommendations of the Code in the version of 7 February 2017 have been complied with.

Further explanations on corporate governance in the Allianz Group can be found in the [Statement on Corporate Management](#). More details on corporate governance are provided on the Allianz website, specifically:

🔗 www.allianz.com/corporate-governance.

COMMITTEE ACTIVITIES

The Supervisory Board has formed various committees in order to perform its duties efficiently. The committees prepare the consultations in plenary sessions as well as the adoption of resolutions. They can also adopt their own resolutions. The composition of the committees can be found in the [Statement on Corporate Management](#).

The **Standing Committee** held five meetings in 2020 and adopted two written resolutions. In doing so, the Committee primarily dealt with corporate governance topics, the preparations for the AGM, the Supervisory Board self-evaluation as required by supervisory law and associated development plan, and the efficiency review of the Supervisory Board. Collective and, if necessary, individual trainings are continuously carried out as part of the implementation of the development plan. In addition, the Standing Committee has passed resolutions approving the granting of loans to senior executives. In November, the Standing Committee gave its approval by written procedure to the exclusion of subscription rights in connection with the issue of certain financial instruments (Perpetual Fixed Rate Resettable Restricted Tier 1 bonds).

The **Personnel Committee** held six meetings in 2020 and dealt in detail with the succession to the Board of Management for Dr. Mascher and Mr. Peiris as well as the extension to the mandates of Mr. Balbinot, Mr. de la Sota and Mr. Terzariol. Other key topics included the preparatory review of the Board of Management's remuneration system, target achievement of the Board of Management members in the financial year 2019, and the definition of the targets for the 2021 variable remuneration. The committee also looked at various mandate matters of individual board members and at further succession planning for the Board of Management.

The **Audit Committee** held six regular meetings in 2020. In the presence of the auditors, the committee discussed both Allianz SE's annual financial statements and the Allianz Group's consolidated financial statements as well as the management and auditor's reports and the half-yearly financial report. These reviews revealed no reasons for objection. The Board of Management reported on the quarterly results and discussed them in detail with the Audit Committee together with the results of the auditor's review. One focus of the Audit Committee's activities was the regular review of the impact of the COVID-19 pandemic on all areas of the Allianz Group. In this context, the Audit Committee held an additional extraordinary meeting in May and dealt with the withdrawal of the profit target for 2020 by the Board of Management and the proposal for the appropriation of net earnings submitted to the AGM. Furthermore, it prepared the engagement of the external auditor and defined key audit areas for the 2020 financial year and assessed the quality of the audit. The committee also discussed the awarding of non-audit services to the auditor and approved an updated positive list of pre-approved audit and non-audit services. In addition, it discussed in depth the compliance system, the internal audit system, and the financial reporting processes as well as the respective internal controls and held intensive discussions with the Board of Management on short and midterm measures to improve and further develop systems and processes. At all regular meetings reports on legal and compliance issues in the Group, including lawsuits filed against Allianz Global Investors in a court in New York, as well as on the work of the Internal Audit department were discussed in detail. Furthermore, the head of the actuarial function (Group Actuarial, Planning & Controlling) presented his annual report. In addition, the Audit Committee discussed the internal audit plan for 2021 and had the head of the Group Taxation Department explain the processes and procedures for tax compliance.

The **Risk Committee** held two meetings in 2020, in March and September. In both meetings, the committee discussed the current risk situation of the Allianz Group and Allianz SE with the Board of Management. In the March meeting, the risk report and other risk-related statements in the annual Allianz SE and consolidated financial statements as well as management and group management reports were reviewed with the auditor and approved. The Audit Committee was recommended to include the Risk Report as presented in the Annual Report. The appropriateness of the early risk recognition system at Allianz SE and Allianz Group and the result of further risk assessments by the auditor were discussed. The committee took a detailed look at the risk strategy, including risk appetite and capital management, the external rating as well as the effectiveness of the risk management system for the Allianz Group and Allianz SE. Other matters for discussion were the report on Allianz's own risk and solvency assessment (ORSA), and the changes to the internal Solvency II model. Moreover, the Risk Committee intensively discussed the consequences of the COVID-19 pandemic with regard to business development and the risk situation. In this context, the quality of the solvency model and the calculation of the corresponding sensitivities were discussed. In addition, at the request of the Risk Committee, the Board of Management reported on various measures already implemented and possible further measures to safeguard the solvency ratio.

In addition, special regulatory topics, such as the EIOPA review of Solvency II, as well as business strategy topics, such as the further development of the life insurance business, the realignment of industrial insurance, the product governance in the property insurance business and the effects of the strong volatility on the capital market on financial investments were discussed. The link of the business strategy and the risk strategy was reviewed in depth in the Supervisory Board meeting on 10 December 2020.

The **Technology Committee** held two meetings in the fiscal year 2020 in which it continued to discuss the comprehensive IT transformation. In its first meeting, in addition to an update on the IT strategy, the committee looked in particular at Allianz's "Data Fitness" – a program that analyses the completeness, quality and accessibility of data. In addition, the committee discussed how to deal with disruptive trends in a forward-looking way and how to integrate them into the business model. In the second meeting, the Technology Committee discussed the progress of key strategic IT transformation initiatives, such as the implementation of the Business Master Platform (BMP), the legacy system decommissioning strategy, and infrastructure modernization. In this context the external evaluation of the status of the implementation of the transformation measures was presented and discussed. Furthermore, against the background of the many initiatives, the objectives and planning for the next three years were discussed.

At one meeting in the fiscal year 2020, the **Nomination Committee** reviewed the objectives for the composition of the Supervisory Board and its actual composition. In addition, the preparation for the Supervisory Board elections at the AGM 2022 was discussed in detail as was succession planning for the Supervisory Board. The nomination of substitute candidates for the Chairperson of the Supervisory Board and the Chairpersons of the Technology and Audit Committee in case they need to be replaced at short notice formed another focus. Subsequently, their preparedness to step in was agreed with the substitute candidates and first conversations with potential succession candidates were held.

The Supervisory Board was informed regularly and comprehensively of the committees' work.

OVERVIEW OF THE MEMBER PARTICIPATION IN SUPERVISORY BOARD AND COMMITTEE MEETINGS FOR THE FISCAL YEAR 2020

Publication of details of members' participation in meetings

	Presence	%		Presence	%
PLENARY SESSIONS OF THE SUPERVISORY BOARD			AUDIT COMMITTEE		
Michael Diekmann (Chairman)	7/7	100	Dr. Friedrich Eichiner (Chairman)	6/6	100
Gabriele Burkhardt-Berg (Vice Chairwoman)	7/7	100	Sophie Boissard	6/6	100
Jim Hagemann Snabe (Vice Chairman)	7/7	100	Michael Diekmann	6/6	100
Sophie Boissard	7/7	100	Jean-Claude Le Goäer	6/6	100
Christine Bosse	7/7	100	Martina Grundler	6/6	100
Dr. Friedrich Eichiner	7/7	100	RISK COMMITTEE		
Jean-Claude Le Goäer	7/7	100	Michael Diekmann (Chairman)	2/2	100
Martina Grundler	7/7	100	Christine Bosse	2/2	100
Herbert Hainer	7/7	100	Dr. Friedrich Eichiner	2/2	100
Godfrey Hayward	7/7	100	Godfrey Hayward	2/2	100
Frank Kirsch	7/7	100	Frank Kirsch	2/2	100
Jürgen Lawrenz	7/7	100	TECHNOLOGY COMMITTEE		
STANDING COMMITTEE			Jim Hagemann Snabe (Chairman)	2/2	100
Michael Diekmann (Chairman)	5/5	100	Gabriele Burkhardt-Berg	2/2	100
Jean-Claude Le Goäer	5/5	100	Michael Diekmann	2/2	100
Herbert Hainer	5/5	100	Dr. Friedrich Eichiner	2/2	100
Jürgen Lawrenz	5/5	100	Jürgen Lawrenz	2/2	100
Jim Hagemann Snabe	5/5	100	NOMINATION COMMITTEE		
PERSONNEL COMMITTEE			Michael Diekmann (Chairman)	1/1	100
Michael Diekmann (Chairman)	6/6	100	Christine Bosse	1/1	100
Gabriele Burkhardt-Berg	6/6	100	Jim Hagemann Snabe	1/1	100
Herbert Hainer	6/6	100			

AUDIT OF ANNUAL ACCOUNTS AND CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the special legal provisions applying to insurance companies, the statutory auditor and the auditor for the review of the half-yearly financial report are appointed by the Supervisory Board of Allianz SE, not by the AGM. The Supervisory Board appointed PwC as statutory auditor for the annual Allianz SE and consolidated financial statements as well as for the review of the half-yearly financial report of the financial year 2020. PwC audited the financial statements of Allianz SE and the Allianz Group as well as the respective management reports. They issued an auditor's report without any reservations. The consolidated financial statements were prepared on the basis of the International Financial Reporting Standards (IFRS) as adopted in the European Union. The annual financial statements of Allianz SE were prepared in accordance with German law and accounting standards. PwC performed a review of the half-yearly financial report. In addition, PwC was also mandated to perform an audit of the market value balance sheet according to Solvency II as of 31 December 2020 for Allianz SE and the Allianz Group.

All Supervisory Board members received the documentation relating to the annual financial statements and the auditor's reports from PwC on schedule. The preliminary financial statements and PwC's preliminary audit results were discussed in the Audit Committee on 17 February 2021 as well as in the Supervisory Board's plenary session on 18 February 2021. The finalized financial statements and PwC's audit reports (dated 22 February 2021) were reviewed by the Audit Committee on 3 March 2021 and in the Supervisory Board plenary session on 4 March 2021. The auditors participated in the discussions and presented key results from their audit. Particular emphasis was placed on the key audit matters described in the auditor's report and on the audit procedures performed. No material weaknesses in the internal financial reporting control process were discovered. There were no circumstances that might give cause for concern about the auditor's independence. In addition, the market value balance sheets dated 31 December 2020 for both Allianz SE and the Allianz Group as well as the respective PwC reports were reviewed by the Audit Committee and the Supervisory Board.

On the basis of its own reviews of the annual Allianz SE and consolidated financial statements, the management and group management reports, and the recommendation for the appropriation of earnings, the Supervisory Board has raised no objections and agreed with the results of the PwC audit. It has also approved the Allianz SE and consolidated financial statements prepared by the Board of Management. The financial statements have thus been formally adopted. The Supervisory Board agrees with the Board of Management's proposal on the appropriation of earnings.

The Supervisory Board would like to express its special thanks to all Allianz Group employees for their great personal commitment over the past fiscal year under the difficult conditions caused by the pandemic.

ASSURANCE ENGAGEMENT OF THE COMBINED SEPARATE NON-FINANCIAL REPORT

In the financial year 2020, the company was required to issue a separate non-financial report. This report was combined for Allianz SE and the Allianz Group. The Supervisory Board commissioned PwC to perform an assurance engagement of this report. All Supervisory Board members received the combined separate non-financial report and the independent practitioner's assurance report in due time. The report and PwC's assurance report were discussed in the plenary session of the Supervisory Board on 4 March 2021. PwC participated in these discussions and presented the results of their assurance engagement. Based on its own review of the combined separate non-financial report, the Supervisory Board did not raise any objections and approved by acknowledge the results of the PwC assurance engagement.

MEMBERS OF THE SUPERVISORY BOARD AND BOARD OF MANAGEMENT

There were no changes in the composition of the Supervisory Board in fiscal year 2020.

Dr. Klaus-Peter Röhler was appointed to the Board of Management of Allianz SE with effect from 1 April 2020. He succeeded Dr. Axel Theis, who resigned from office as of 31 March 2020. Furthermore, Dr. Christof Mascher and Mr. Niran Peiris left the Board of Management as of 31 December 2020. Dr. Barbara Karuth-Zelle and Mr. Christopher Townsend were appointed as new members of the Board of Management with effect from 1 January 2021.

Munich, 4 March 2021

For the Supervisory Board:

A handwritten signature in blue ink, appearing to read 'M. Diekmann', is positioned above the printed name and title.

Michael Diekmann
Chairman

MANDATES OF THE MEMBERS OF THE SUPERVISORY BOARD

MICHAEL DIEKMANN

Chairman
Member of various Supervisory Boards
Membership in other statutory supervisory boards and SE administrative boards in Germany
Fresenius Management SE
Fresenius SE & Co. KGaA
Siemens AG

JIM HAGEMANN SNABE

Vice Chairman
Member of various Supervisory Boards
Membership in other statutory supervisory boards and SE administrative boards in Germany
Siemens AG (Chairman)
Membership in comparable¹ supervisory bodies
A.P. Møller-Mærsk A/S (Chairman)

GABRIELE BURKHARDT-BERG

Vice Chairwoman
Chairwoman of the Group Works Council of Allianz SE

SOPHIE BOISSARD

Chairwoman of the Board of Management of Korian S.A.
Membership in other statutory supervisory boards and SE administrative boards in Germany
Korian Deutschland AG (Chairwoman)
Korian Management AG (Chairwoman)
Membership in comparable¹ supervisory bodies
Over SpA
since 21 January 2020
Segesta SpA (Korian Group company)
Senior Living Group NV (Korian Group company)

CHRISTINE BOSSE

Member of various Supervisory Boards
Membership in comparable¹ supervisory bodies
Coop Amba
since 25 April 2020
P/F BankNordik (Chairwoman)
until 26 March 2020

DR. FRIEDRICH EICHINER

Member of various Supervisory Boards
Membership in other statutory supervisory boards and SE administrative boards in Germany
Festo AG (Chairman)
until 18 January 2021
Festo Management SE (Chairman)
Infineon Technologies AG
since 20 February 2020

JEAN-CLAUDE LE GOAËR

Employee of Allianz Informatique G.I.E.
Membership in comparable¹ supervisory bodies
Membership in Group bodies
Allianz France S.A.

MARTINA GRUNDLER

National Representative Insurances, ver.di Berlin

HERBERT HAINER

Member of various Supervisory Boards
Membership in other statutory supervisory boards and SE administrative boards in Germany
Deutsche Lufthansa AG
until 5 May 2020
FC Bayern München AG (Chairman)
Membership in comparable¹ supervisory bodies
Accenture Plc

GODFREY ROBERT HAYWARD

Employee of Allianz Insurance plc

FRANK KIRSCH

Employee of Allianz Beratungs- und Vertriebs-AG

JÜRGEN LAWRENZ

Employee of Allianz Technology SE
Membership in other statutory supervisory boards and SE administrative boards in Germany
Membership in Group bodies
Allianz Technology SE

¹ Generally, we regard memberships in other supervisory bodies as comparable if the company is listed on a stock exchange or has more than 500 employees.

MANDATES OF THE MEMBERS OF THE BOARD OF MANAGEMENT

OLIVER BÄTE

Chairman of the Board of Management
Membership in other statutory supervisory boards and SE administrative boards in Germany
Membership in Group bodies
Allianz Deutschland AG
(Chairman since 19 March 2020)

SERGIO BALBINOT

Insurance Western & Southern Europe, Asia Pacific
Membership in comparable¹ supervisory bodies
UniCredit S.p.A.
Bajaj Allianz General Insurance Company Ltd.
Bajaj Allianz Life Insurance Company Ltd.
Membership in Group bodies
Allianz (China) Insurance Holding Company Ltd. (Chairman)
Allianz France S.A.
Allianz Sigorta A.S.
Allianz Yasam ve Emeklilik A.S.

JACQUELINE HUNT

Asset Management, US Life Insurance
Membership in comparable¹ supervisory bodies
Membership in Group bodies
Allianz Life Insurance Company of North America (Chairwoman)

DR. BARBARA KARUTH-ZELLE

since 1 January 2021
Operations, Allianz Services
Membership in other statutory supervisory boards and SE administrative boards in Germany
Membership in Group bodies
Allianz Technology SE (Chairwoman)
Membership in comparable¹ supervisory bodies
Membership in Group bodies
Allianz Partners S.A.S.

DR. CHRISTOF MASCHER

until 31 December 2020
Operations and IT
Membership in other statutory supervisory boards and SE administrative boards in Germany
Volkswagen Autoversicherung AG
Membership in Group bodies
Allianz Technology SE (Chairman)
Membership in comparable¹ supervisory bodies
Membership in Group bodies
Allianz Partners S.A.S.

NIRAN PEIRIS

until 31 December 2020
Global Insurance Lines & Anglo Markets, Reinsurance, Middle East, Africa
Membership in other statutory supervisory boards and SE administrative boards in Germany
Membership in Group bodies
Allianz Global Corporate & Specialty SE (Chairman)
Membership in comparable¹ supervisory bodies
Membership in Group bodies
Allianz p.l.c.

KLAUS-PETER RÖHLER

since 1 April 2020
Insurance German Speaking Countries and Central & Eastern Europe
Membership in other statutory supervisory boards and SE administrative boards in Germany
EUROKAI GmbH & Co. KGaA
Membership in Group bodies
Allianz Beratungs- und Vertriebs-AG (Chairman)
Allianz Lebensversicherungs-AG (Chairman)
Allianz Private Krankenversicherungs-AG (Chairman)
Allianz Versicherungs-AG (Chairman)
Membership in comparable¹ supervisory bodies
Membership in Group bodies
Allianz Suisse Lebensversicherungs-Gesellschaft AG
since 28 April 2020
Allianz Suisse Versicherungs-Gesellschaft AG
since 28 April 2020

IVAN DE LA SOTA

Business Transformation, Insurance Iberia & Latin America, Allianz Partners
Membership in other statutory supervisory boards and SE administrative boards in Germany
Volkswagen Autoversicherung AG
since 1 January 2021
Membership in Group bodies
Allianz Deutschland AG
since 19 March 2020
Membership in comparable¹ supervisory bodies
Membership in Group bodies
Allianz Compañía de Seguros y Reaseguros S.A., Spain
Allianz Partners S.A.S. (Chairman)
Allianz Seguros S.A., Brazil (Chairman)
Companhia de Seguros Allianz Portugal S.A.

GIULIO TERZARIOL

Finance, Controlling, Risk
Membership in other statutory supervisory boards and SE administrative boards in Germany
Membership in Group bodies
Allianz Deutschland AG
since 19 March 2020

DR. GÜNTHER THALLINGER

Investment Management
Membership in other statutory supervisory boards and SE administrative boards in Germany
Membership in Group bodies
Allianz Deutschland AG
since 19 March 2020
Allianz Investment Management SE (Chairman)
Allianz Lebensversicherungs-AG
Allianz Private Krankenversicherungs-AG
Allianz Versicherungs-AG

DR. AXEL THEIS

until 31 March 2020
Insurance German Speaking Countries and Central & Eastern Europe
Membership in other statutory supervisory boards and SE administrative boards in Germany
Gemeinnützige ProCurand GmbH (Chairman)
Membership in Group bodies
Allianz Deutschland AG (Chairman)
until 19 March 2020
Allianz Investment Management SE
Membership in comparable¹ supervisory bodies
Membership in Group bodies
Allianz Elementar Lebensversicherungs-AG (Chairman)
Allianz Elementar Versicherungs-AG (Chairman)
Allianz Investmentbank AG
Allianz Suisse Lebensversicherungs-Gesellschaft AG
Allianz Suisse Versicherungs-Gesellschaft AG

CHRISTOPHER TOWNSEND

since 1 January 2021
Global Insurance Lines & Anglo Markets, Reinsurance, Middle East, Africa
Membership in other statutory supervisory boards and SE administrative boards in Germany
Membership in Group bodies
Allianz Global Corporate & Specialty SE (Chairman)
Membership in comparable¹ supervisory bodies
Membership in Group bodies
Allianz p.l.c.

RENATE WAGNER

Human Resources, Legal, Compliance, Mergers & Acquisitions
Membership in other statutory supervisory boards and SE administrative boards in Germany
Membership in Group bodies
Allianz Global Investors GmbH
until 30 June 2020

¹ Generally, we regard memberships in other supervisory bodies as comparable if the company is listed on a stock exchange or has more than 500 employees.

MANAGEMENT REPORT OF ALLIANZ SE

B

EXECUTIVE SUMMARY AND OUTLOOK

Earnings summary

CONDENSED INCOME STATEMENT

€ mn

	2020	2019	Change
Gross premiums written	12,228	12,384	(156)
Premiums earned (net)	10,888	11,436	(548)
Claims (net)	(7,574)	(8,291)	717
Underwriting expenses (net)	(3,161)	(3,558)	396
Other technical reserves (net)	(13)	15	(28)
Net underwriting result	140	(397)	538
Change in claims equalization and similar reserves	(363)	172	(535)
Net technical result	(223)	(225)	2
Investment result	5,258	5,929	(671)
Allocated interest return	(23)	(19)	(4)
Other non-technical result	(891)	(1,514)	623
Non-technical result	4,344	4,396	(52)
Net operating income	4,121	4,170	(49)
Taxes	486	433	54
Net income	4,608	4,603	4

NET UNDERWRITING RESULT

Gross premiums written decreased by 1.3% to € 12,228 mn (2019: € 12,384 mn). The decrease was mainly driven by the intra-group transfer of the reinsurance business with Liverpool Victoria Insurance Company, a lower premium volume from Allianz Global Corporate & Specialty SE as well as effects from the COVID-19 pandemic. In total, € 11,685 mn (2019: € 11,911 mn) of gross premiums came from Property-Casualty reinsurance and € 543 mn (2019: € 473 mn) from Life/Health reinsurance.

The net retention ratio decreased to 91.8% (2019: 93.9%). **Premiums earned (net)** decreased to € 10,888 mn (2019: € 11,436 mn), mainly driven by the development of gross premiums written and higher ceded premiums for retrocession.

The accident year claims ratio (net) in Property-Casualty reinsurance increased to 72.7% (2019: 70.4%). This was mainly driven by additional COVID-19 losses. The natural catastrophe losses of € 220 mn were under the prior year's amount (2019: € 355 mn)¹.

Natural catastrophes before retrocessions

€ mn

	Losses for Allianz SE
Major Events in 2020	
Storm Sabine/Clara, Europe	68
Storms, Eastern Australia	59
Storms, South Eastern Queensland, Australia	19
Storms, Eastern Queensland, Australia	18
Storm Gloria, Southern Europe	14
Severe Weather, Germany	10
Flooding, France	8
Thunderstorms, United Kingdom	8
Tornado and Hail, North Italy	8
Other	8
Total	220
Losses for Allianz SE	
Major Events in 2019	
Storms Jörn/Klaus, Germany	111
Typhoon Hagibis, Japan	50
Typhoon Faxai, Japan	50
Storm Eberhard, Northern and Western Europe	38
Bushfires, Australia	37
Storm Bernd, Germany	24
Tornado, Northern Italy	12
Storm Bennet, Northern and Western Europe	8
Hailstorm, France	7
Flooding, Southern France	6
Other	12
Total	355

The run-off result (net) amounted to € 400 mn (2019: € (204) mn) and was mainly influenced by fire and property reinsurance (€ 218 mn), credit and bond reinsurance (€ 81 mn) as well as liability reinsurance (€ 71 mn). As a result, the calendar year claims ratio (net) in Property-Casualty reinsurance decreased to 69.0% (2019: 72.3%).

The expense ratio (net) in Property-Casualty reinsurance decreased to 29.5% (2019: to 30.7%), driven by a lower commission ratio of 28.6% (2019: 29.8%). The administrative expense ratio slightly increased to 1.0% (2019: 0.9%).

In Life/Health reinsurance, the net underwriting result increased to € 60 mn (2019: € (36) mn), mainly due to lower commissions.

The total **net underwriting result** amounted to € 140 mn (2019: € (397) mn), mainly driven by the positive development of the calendar year loss ratio in Property-Casualty reinsurance in 2020.

¹ Based on Group definition for large losses.

NET TECHNICAL RESULT

In 2020, the **change in claims equalization and similar reserves** amounted to € (363) mn (2019: € 172 mn). This was mainly driven by the claims development in motor business.

After the increase of equalization and similar reserves, the **net technical result** amounted to € (223) mn (2019: € (225) mn).

NON-TECHNICAL RESULT

INVESTMENT RESULT

€ mn

	2020	2019	Change
Investment income			
Income from profit transfer agreements	2,373	2,625	(252)
Income from affiliated enterprises and participations	4,487	4,046	441
Income from other investments	525	521	4
Realized gains	302	265	37
Income from reversal of impairments	25	94	(69)
Subtotal	7,712	7,551	161
Investment expenses			
Expenses for the management of investments, interest, and other investment-related expenses	(1,022)	(1,041)	19
Depreciation and impairments of investments	(552)	(245)	(307)
Realized losses	(167)	(173)	6
Expenses for losses taken over	(714)	(163)	(551)
Subtotal	(2,454)	(1,622)	(832)
Investment result	5,258	5,929	(671)

The **investment result** decreased by € 671 mn to € 5,258 mn.

Income from profit transfer agreements went down by € 252 mn to € 2,373 mn, primarily due to lower profit transfers from Allianz Argos 14 GmbH and from Allianz Asset Management GmbH, which declined by € 305 mn to € 671 mn and by € 66 mn to € 396 mn, respectively. This was partly offset by a higher profit transfer from Allianz Deutschland AG, which rose by € 126 mn to € 1,284 mn.

Income from affiliated enterprises and participations grew by € 441 mn to € 4,487 mn, mainly because the dividend payment received from our subsidiary Allianz Europe B.V. increased by € 550 mn to € 3,950 mn in 2020.

Income from other investments went up slightly by € 4 mn to € 525 mn, mainly consisting of income from bonds (€ 225 mn), funds held by others under reinsurance business assumed (€ 150 mn) and intra-group loans (€ 101 mn).

Realized gains grew by € 37 mn to € 302 mn. This increase is primarily attributable to realized gains from the sale of bonds, which went up by € 39 mn to € 296 mn.

Income from reversal of impairments declined by € 69 mn to € 25 mn, fully stemming from write-ups related to our bond portfolio (€ 25 mn).

Expenses for the management of investments, interest, and other investment-related expenses declined by € 19 mn to € 1,022 mn. This reduction was driven by lower interest expenses (€ 55 mn) as a result of lower refinancing rates for the rollover of matured debt instruments. The overall decrease of this position was partly offset by higher investment-related expenses (€ 36 mn).

Depreciation and impairments of investments rose by € 307 mn to € 552 mn. The impairments in 2020 were particularly attributable to write-downs on shares in affiliated enterprises (€ 251 mn), bonds (€ 152 mn) and investment funds (€ 141 mn).

Realized losses slightly went down by € 6 mn to € 167 mn and were completely related to the sale of bonds (€ 167 mn).

Expenses for losses taken over significantly increased by € 551 mn to € 714 mn. This was primarily due to a higher loss taken over from Allianz Global Corporate & Specialty SE, which grew by € 506 mn to € 518 mn. A higher loss taken over from our service provider Allianz Technology SE, which went up by € 22 mn to € 163 mn and a loss taken over from Allianz Direct Versicherungs-AG amounting to € 31 mn (2019: profit transfer of € 6 mn) also contributed to this increase.

OTHER NON-TECHNICAL RESULT

The **other non-technical result** improved significantly by € 623 mn to € (891) mn. This development was primarily driven by the foreign currency translation result, which improved by € 486 mn. For further information regarding other income and expenses, please refer to [note 25](#).

TAXES AND NET INCOME

As far as legally permissible, Allianz SE acts as the controlling company ("Organträger") of the German tax group that most German subsidiaries belong to. As the controlling company, Allianz SE is liable for the income taxes of this German tax group.

After being offset against tax losses, the current tax charge of Allianz SE amounted to € (250) mn (2019: € (67) mn). Moreover, Allianz SE received a tax allocation of € 732 mn (2019: € 485 mn) by Allianz SE tax group companies that recorded taxable income. Taking into account other taxes, the income from taxes amounted to € 486 mn (2019: € 433 mn).

Net income increased by € 5 mn to € 4,608 mn (2019: € 4,603 mn).

Economic outlook¹

2021 will be the year of the vaccine. The progress of the global vaccination campaign will be the decisive factor for the economic recovery from the pandemic. After a lackluster start into 2021 – due to new COVID-19 restrictions in Europe and other parts of the world – a successful vaccination of vulnerable populations (20 - 40% of the total) should set the stage for moderate growth in the second half of 2021. Main driver of the rebound will be the return of confidence, helping to restart the service economy, to unleash forced and precautionary savings, and to resume corporate investments. All in all, we expect global gross domestic product to expand by 4.6% in 2021, with China setting the pace (+8.4%) and the United States and the Eurozone registering more modest growth of 3.6% and 4.3%, respectively.

The downside risks are sizeable. First and foremost, vaccination hurdles on the demand side (vaccination skepticism) as well as the supply side (production and distribution bottlenecks) could easily derail the recovery; in that respect, the slow start to the vaccination rollout in Europe is not promising. Other risks include an unexpected strong bout of inflation, a premature withdrawal of fiscal and monetary support, a spike in insolvencies and social unrest in response to rising inequalities and poverty in the aftermath of the pandemic.

In our base case scenario, however, we expect policymakers to step up support to limit long-term scarring to the economy and provide a tailwind to the recovery. On the fiscal side, in Europe, safety net measures look set to be extended while in the United States stimulus spending will be stepped up in 2021. Meanwhile, central banks will continue with their bond purchases to ensure favorable refinancing rates to the public and the private sectors, with the U.S. Federal Reserve and European Central Bank maintaining record-low interest rates for the time being.

At the beginning of 2021, equity markets have already consumed most of the optimism story and high valuations provide very little cushion against unexpected bad news. On the other hand, markets for safe assets, i.e., government bonds, embrace a more cautious stance. Our baseline scenario assumes a slight increase in yields due to reflationary expectations as the economic recovery unfolds.

Insurance industry outlook

The expected economic recovery and heightened risk awareness after the pandemic should give insurance markets some tailwinds in 2021. Premiums are likely to increase in some lines of business. One of the legacies of the pandemic that will shape 2021 (and the following years) is accelerated digitalization: digital processes and distribution channels will continue to become more relevant. Another legacy, less pleasant, are low or even negative interest rates, which have become even more entrenched. Thus, falling investment returns will impact industry profitability in 2021 and beyond.

In the **non-life sector**, premium growth is expected to return to pre-crisis levels, with emerging markets – and particularly China – outperforming advanced markets by a wide margin. Besides the recovery, another supportive factor is the ongoing hard market in commercial lines. On the other hand, investment income will remain under pressure and in some business lines claims from COVID-19 are likely to drag on.

Social inflation and impacts from natural catastrophes are other factors that could drive claims higher and thus require thorough claims management to preserve underwriting profitability.

In the **life sector**, premium income should largely rebound in 2021. This optimism is based on two observations: the pandemic should have raised the awareness of the need for risk cover, especially for healthcare and life insurance, and the lockdowns have swollen the amount of excess savings, parts of which might be used to bolster old-age provisions. But there are also reasons to be cautious: first and foremost, ultra-low interest rates, which will not only impact profitability but also continue to weigh on the demand for savings-type insurance products.

Business outlook

Our outlook assumes no significant deviations from our underlying assumptions – specifically:

- Expected global economic recovery,
- Interest rates to remain at the current level,
- No major disruptions in the capital markets,
- No disruptive fiscal or regulatory interference,
- Level of claims from natural catastrophes at expected average levels,
- An average U.S. Dollar to Euro exchange rate of 1.17.

Allianz SE provides a wide range of reinsurance coverage, primarily to Allianz insurance entities (group-internal business), but also to third-party customers (external business). This includes Property-Casualty as well as Life/Health business on both a proportional and a non-proportional basis. Due to the broad spread of exposures underwritten by line of business and geography, Allianz SE's portfolio is well diversified.

Allianz Group uses Allianz SE, in particular, as a vehicle for actively managing its overall exposure to catastrophes. Under a group-wide risk management framework, each operating entity is responsible for controlling its exposure to individual catastrophes and defining its local reinsurance requirements, based on its local risk appetite and capital position. The respective cover is then provided by Allianz SE or one of its subsidiaries. At the Group level, the Allianz SE Board reviews and approves the risk appetite. The reinsurance division is then responsible for designing and implementing Group catastrophe protection within given exposure limits. These covers take various forms and aim to protect the Group against excessive losses from major natural or man-made catastrophes. However, despite measures to limit or mitigate our risks there is still the potential for an unexpected frequency and/or severity of catastrophic events that may materially impact the results of Allianz SE. The top five residual risk exposures at the Group level are summarized in the paragraph „Premium risk“ in the [Risk and Opportunity Report](#).

Compared to the previous year plan for 2020, net premiums earned were approximately 2% lower than expected, mainly due to lower than planned quota share cessions from European Allianz entities. Driven by COVID-19 related losses, the combined ratio exceeded plan by approximately 2 percentage points and,

¹ The information presented in the sections "Economic outlook" and "Insurance industry outlook" is based on our own estimates.

consequently, the net underwriting result before change in claims equalization and similar reserves was lower than plan.

After several years of rate decreases, rates started moderately hardening in 2020. Following pandemic-related underwriting losses during the course of 2020 and expected global natural catastrophe events at the 10-year average level, the trend of moderate price increases has continued with 2021 renewals. We expect further improvements in risk-adjusted prices during the course of the year 2021.

Allianz SE's technical result largely depends on group-internal cessions resulting from quota share agreements with European Allianz entities. Based on our estimates, we expect slightly higher premiums and an improved net underwriting result before change in claims equalization and similar reserves for the property and casualty reinsurance in 2021. It should be noted that the actual result may vary significantly as the reinsurance business is, by nature, volatile in terms of frequency and severity of losses.

Compared to our outlook, the underwriting result and the investment result deviated negatively for 2020 while we achieved an other non-technical result above plan. Overall, this resulted in both net income as well as net earnings being below our expectations. For 2021, we predict a slightly decreasing net income with almost stable net earnings. Based on our current expectation, increases in the underwriting result and the investment result will be more than offset by a decrease in the other non-technical result. We are not planning a specific foreign currency result, nor are we able to anticipate any net gains/losses from derivatives. These, however, could considerably impact the net income of Allianz SE. Given the susceptibility of our non-technical result to adverse capital market developments, we do not provide a precise outlook for the development of our net income. Nevertheless, we are ultimately planning and managing the Allianz SE net earnings in line with the Allianz Group's dividend policy. To this end, we take advantage of the opportunity to make use of the dividends of our subsidiaries, in particular those of Allianz Europe B.V., in order to generate net earnings for Allianz SE that match the dividend policy of Allianz Group. For more detailed information on our dividend policy, see the Allianz Group's Annual Report 2020 and www.allianz.com/dividend.

Management's overall assessment of the current economic situation of Allianz SE

At the date of issuance of this Annual Report, and based on current information regarding natural catastrophes and capital market trends – in particular foreign currency, interest rates, and equities – the Board of Management has no indication that Allianz SE is facing any major adverse developments.

Cautionary note regarding forward-looking statements

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.

OPERATIONS BY REINSURANCE LINES OF BUSINESS

Gross premiums written decreased by 1.3% to € 12,228 mn (2019: € 12,384 mn). All in all, 87.8% (2019: 87.7%) of premiums written originated from the Allianz Group's internal business. In addition, Allianz SE

continued to write business from selected external partners in order to diversify the internal portfolio.

Gross premiums written and net technical result by reinsurance lines of business

	Gross premiums written			Combined ratio Property-Casualty		Change in claims equalization and similar reserves		Net technical result	
	2020	2019	Change	2020	2019	2020	2019	2020	2019
	€ mn	€ mn	% ¹	%	%	€ mn	€ mn	€ mn	€ mn
Motor	4,823	4,989	(3.3)	94.4	105.2	(416)	24	(231)	(257)
Fire and property reinsurance	3,401	3,316	2.6	102.3	98.3	(74)	(28)	(148)	23
thereof:									
Household and homeowner	1,118	1,080	3.5	83.0	90.1	-	-	190	103
Fire	894	868	3.1	77.1	99.1	(74)	(28)	78	(22)
Engineering	420	415	1.3	91.6	97.0	-	-	34	12
Business interruption	255	236	8.1	234.2	108.1	-	-	(315)	(17)
Other property reinsurance	714	718	(0.5)	123.3	109.1	-	-	(135)	(53)
Liability	1,169	1,295	(9.7)	100.8	113.3	12	161	(8)	(5)
Personal accident	416	403	3.2	84.3	75.9	2	1	68	93
Marine and aviation	382	373	2.3	76.3	113.4	(65)	42	10	(6)
Life	375	317	18.4	n/a	n/a	-	-	58	(34)
Legal expenses	262	265	(1.0)	118.9	102.0	31	9	(18)	5
Credit and bond	198	314	(36.9)	87.8	90.5	135	6	164	35
Health	167	156	7.4	n/a	n/a	-	-	2	(1)
Other lines	1,034	957	8.1	114.5	103.9	11	(43)	(120)	(77)
Total	12,228	12,384	(1.3)	98.5	102.9	(363)	172	(223)	(225)

1. For lines of business on the basis of the accurate, non-rounded amount.

Premiums written in **motor reinsurance** decreased by 3.3% to € 4,823 mn (2019: € 4,989 mn), mainly driven by an intra-group transfer of the reinsurance business with Liverpool Victoria Insurance Company. The combined ratio improved to 94.4% (2019: 105.2%), mainly due to a sharp decline in the accident year claims ratio to 68.2% (2019: 77.6%). The decline is mainly influenced by a lower claims frequency. A strengthening of the equalization reserve by € 416 mn (2019: release of € 24 mn) led to a net technical result of € (231) mn (2019: € (257) mn).

The **household and homeowner reinsurance** portfolio increased by 3.5%, with gross premiums written of € 1,118 mn (2019: € 1,080 mn), mainly coming from business with Allianz IARD S.A. and Allianz Versicherungs-AG. The combined ratio improved to 83.0% (2019: 90.1%), driven by a decline in the accident year claims ratio to 54.6% (2019: 61.4%). The net technical result increased to € 190 mn (2019: € 103 mn).

The increase of the **fire reinsurance** portfolio is mainly caused by higher internal business volume. The combined ratio improved to 77.1% (2019: 99.1%), driven by a decrease of the calendar year claims ratio to 54.5% (2019: 69.6%) due to a higher run-off result of € 253 mn (2019: € 100 mn) as well as a lower expense ratio of 22.7% (2019: 29.6%). After a further strengthening of the equalization reserve by € 74 mn (2019: € 28 mn), the net technical result amounted to € 78 mn (2019: € (22) mn).

Engineering reinsurance premiums written mainly increased due to its business with Allianz Benelux N.V. The combined ratio was at 91.6% (2019: 97.0%) and thus below the previous year and mainly driven

by a positive run-off result of € 31 mn (2019: € (9) mn). The net technical result rose to € 34 mn (2019: € 12 mn).

The written premiums in the **business interruption reinsurance** increased by 8.1% to € 255 mn (2019: € 236 mn) due to a higher external business volume. The combined ratio rose significantly to 234.2% (2019: 108.1%), mainly due to the increase of the accident year claims ratio to 199.6% (2019: 48.4%) caused by the COVID-19 pandemic. The net technical result amounted to € (315) mn (2019: € (17) mn).

Other property reinsurance includes extended coverage for fire and business interruption as well as hail, storm, water damage, livestock, burglary, and glass reinsurance. The premiums written declined slightly by 0.5% due to a lower external business volume. Driven by a negative run-off result of € (55) mn (2019: € 54 mn), the combined ratio increased to 123.3% (2019: 109.1%). The net technical result amounted to € (135) mn (2019: € (53) mn).

Premiums written for **liability reinsurance** declined by 9.7% to € 1,169 mn (2019: € 1,295 mn), mainly driven by Allianz Global Corporate & Specialty SE which caused a decrease of the written premiums by € 130 mn. The combined ratio improved to 100.8% (2019: 113.3%), mainly due to a positive run-off result of € 71 mn (2019: € (350) mn). Driven by a release of the equalization reserve of € 12 mn (2019: € 161 mn), the net technical result amounted to € (8) mn (2019: € (5) mn).

The premium revenue of **personal accident reinsurance** rose by 3.2%, mainly driven by internal business. The combined ratio worsened to 84.3% (2019: 75.9%), driven by a lower run-off result of € 17 mn

(2019: € 47 mn). The net technical result decreased to € 68 mn (2019: € 93 mn).

The gross premium written in **marine and aviation reinsurance** increased by 2.3%. The combined ratio declined mainly due to a positive run-off result of € 55 mn (2019: € (27) mn). Despite a strengthening of the equalization reserve of € 65 mn (2019: release of € 42 mn), the net technical result was positive at € 10 mn (2019: € (6) mn).

In **life reinsurance**, the premium revenue increased to € 375 mn (2019: € 317 mn), mainly driven by external business. The net technical result rose to € 58 mn (2019: € (34) mn), mainly driven by a decline of the commission costs that were negatively influenced by an initial commission for a new reinsurance contract last year.

The premium revenue of **legal expenses reinsurance** declined slightly by 1.0% to € 262 mn (2019: € 265 mn), driven by Allianz Elementar Versicherungs-AG (€ (10) mn). On the other hand the premium income with Allianz Versicherungs-AG increased by € 7 mn. The combined ratio increased to 118.9% (2019: 102.0%) due to an increase in the calendar year claims ratio to 82.8% (2019: 66.7%), stemming from a higher accident year claims ratio and a lower run-off result. Despite a release of the equalization reserve with an amount of € 31 mn (2019: € 9 mn), the net technical result decreased to € (18) mn (2019: € 5 mn).

Gross premiums written in **credit and bond reinsurance** decreased by 36.9% to € 198 mn (2019: € 314 mn) mainly caused by the decline of the premium income amounting to € 119 mn from Euler Hermes Reinsurance AG. This development resulted mainly from the Corona-related state scheme ("Corona-Schutzschirm") granted by the German government. Driven by a lower calendar year claims ratio of 36.2% (2019: 50.2%), the combined ratio improved to 87.8% (2019: 90.5%). The net technical result amounted to € 164 mn (2019: € 35 mn) after a higher release of the equalization reserve of € 135 mn (2019: € 6 mn).

In **health reinsurance** the premium revenue increased by 7.4% to € 167 mn (2019: € 156 mn), mainly driven by external business. The net technical result rose slightly to € 2 mn (2019: € (1) mn).

Other reinsurance lines include:

- emergency assistance,
- fidelity & political risk,
- motor extended warranty,
- other property and casualty business.

BALANCE SHEET REVIEW

Condensed balance sheet

€ mn		
as of 31 December	2020	2019
ASSETS		
Intangible assets	22	20
Investments	121,110	115,132
Receivables	4,782	5,393
Other assets	396	801
Deferred charges and prepaid expenses	271	266
Excess of plan assets over pension and similar obligations	-	13
Total assets	126,580	121,626
EQUITY AND LIABILITIES		
Shareholders' equity	40,382	40,428
Subordinated liabilities	16,633	13,390
Insurance reserves	18,715	17,852
Other provisions	8,506	8,446
Funds held with reinsurance business ceded	3,121	1,603
Payables on reinsurance business	411	461
Other financial liabilities	38,806	39,441
Deferred income	7	3
Total equity and liabilities	126,580	121,626

Investments

€ mn		
as of 31 December	2020	2019
Real estate	272	264
Investments in affiliated enterprises and participations	73,489	74,458
Other investments	34,220	29,373
Funds held by others under reinsurance business assumed	13,129	11,037
Total investments	121,110	115,132

The book value of **investments in affiliated enterprises and participations** decreased by € 1.0 bn to € 73.5 bn, driven by a reduction of shares in affiliated enterprises (€ 1.8 bn), which was partly offset by a higher book value of participations (€ 0.8 bn). More details regarding this position are explained in [note 5](#) to our financial statements.

Other investments rose from € 29.4 bn to € 34.2 bn, reflecting increases in debt securities (€ 3.7 bn), investment funds (€ 0.6 bn), loans (€ 0.4 bn) and deposits with banks (€ 0.2 bn).

At the end of 2020, € 28.5 bn of other investments were invested in debt securities, of which € 11.3 bn were government bonds. We

raised our overall government bond exposure by € 1.4 bn compared to year-end 2019, thereby increasing our investments in Spanish and Italian government bonds from € 0.8 bn to € 0.9 bn and from € 0.3 bn to € 0.8 bn, respectively.

Funds held by others under reinsurance business assumed increased to € 13.1 bn (2019: € 11.0 bn). This increase was mainly due to a new life reinsurance contract with Allianz Compañía de Seguros y Reaseguros S.A. Allianz SE completely retroceded this portfolio.

As of 31 December 2020, the fair value of investments amounted to € 148.6 bn (2019: € 139.8 bn), compared to a carrying amount of € 121.1 bn (2019: € 115.1 bn). The increase of valuation reserves to € 27.5 bn (2019: € 24.7 bn) is primarily driven by higher fair values of bonds held by Allianz SE directly and by our subsidiaries due to the decline of market interest rates. Accordingly, the overall rise of valuation reserves is mostly attributable to higher net asset values of our shares in affiliated enterprises.

Receivables

Receivables decreased from € 5.4 bn to € 4.8 bn, driven by a decline of € 0.3 bn in other receivables and of € 0.4 bn in receivables on reinsurance business. The reduction in other receivables mainly resulted from lower cash pool receivables of € 0.1 bn.

Shareholders' equity

As of 31 December 2020, our **shareholders' equity** remained at the prior year level and amounted to € 40.4 bn (2019: € 40.4 bn). A buy-back of own shares at acquisition costs of nearly € 0.8 bn led to a decrease. The shares were cancelled without reducing the issued capital. This decrease was partly offset by a rise of € 0.7 bn, due to net income being higher than the dividend paid and due to the sale of own shares for Employee Stock Purchase Plans. The net income remained at the prior year level and amounted to € 4.6 bn. A lower investment result was offset by a better other non-technical result. € 0.8 bn (2019: € 0.9 bn) were transferred from the net income to the revenue reserves.

The Board of Management proposes to use the net earnings of € 4,376 mn for dividend payments in the amount of € 3,956 mn.¹ The unappropriated earnings of € 420 mn will be carried forward.

Our disclosures concerning treasury shares as required in our financial statements in accordance with §160(1) No. 2 AktG can be found in [note 12](#).

¹The proposal reflects the number of shares entitled to the dividend as of 31 December 2020.

Development of shareholders' equity and of issued shares

	Issued shares	Issued capital	Mathematical value of own shares	Additional paid-in capital	Revenue reserves	Net earnings	as of 31 December
	Number	€ thou	€ thou	€ thou	€ thou	€ thou	€ thou
as of 31 December 2019	417,172,859	1,169,920	(1,671)	27,998,146	6,781,177	4,480,282	40,427,854
Own shares: cancellation	(4,879,731)	-	-	-	(759,720)	-	(759,720)
Own shares	-	-	968	-	23,817	-	24,785
Own shares: realized gains	-	-	-	33,561	-	-	33,561
Dividend payment for 2019	-	-	-	-	-	(3,952,296)	(3,952,296)
Net income	-	-	-	-	760,000	3,847,731	4,607,731
as of 31 December 2020	412,293,128	1,169,920	(702)	28,031,707	6,805,274	4,375,717	40,381,915

Insurance reserves and other provisions

For information on **insurance reserves** and **other provisions**, please refer to [notes 14 and 15](#) to our financial statements.

Financial liabilities

As of 31 December 2020, Allianz SE had the following outstanding **financial liabilities**:

Financial liabilities

€ mn

as of 31 December	2020	2019
Intra-group subordinated liabilities	2,481	2,481
Third-party subordinated liabilities	14,151	10,909
Subordinated liabilities	16,633	13,390
Bonds issued to Group companies	2,743	2,750
Liabilities to banks	-	250
Other intra-group financial liabilities	34,528	34,415
Other third-party financial liabilities	1,534	2,026
Other financial liabilities	38,806	39,441
Total financial liabilities	55,438	52,832

Of these financial liabilities, € 39.8 bn (2019: € 39.6 bn) were intra-group liabilities.

Subordinated liabilities increased to € 16.6 bn (2019: € 13.4 bn).

Details regarding this position are explained in [note 13](#) to our financial statements.

Liabilities to banks went down to € 0 bn (2019: € 0.3 bn) following the termination of short-term repurchase agreements amounting to € 0.3 bn.

Other intra-group financial liabilities slightly increased to € 34.5 bn (2019: € 34.4 bn) and were composed of the following positions:

Other intra-group financial liabilities

€ mn

as of 31 December	2020	2019
Intra-group loans	23,482	24,508
Cash pool liabilities	9,751	9,052
Miscellaneous	1,295	855
Other intra-group financial liabilities	34,528	34,415

While liabilities from intra-group cash pooling climbed from € 9.1 bn to € 9.8 bn and miscellaneous intra-group liabilities grew from € 0.9 bn to € 1.3 bn, liabilities from intra-group loans declined from € 24.5 bn to € 23.5 bn, mostly offsetting the overall increase.

In 2020, **other third-party financial liabilities** amounted to € 1.5 bn (2019: € 2.0 bn). This decrease was mainly driven by lower short-term liabilities from unsettled security transactions which went down by € 0.8 bn to € 0.1 bn., while the increase of margin payments received in connection with financial derivative transactions by € 0.3 bn to € 0.4 bn partially offset this decline.

LIQUIDITY AND FUNDING RESOURCES

The responsibility for managing the funding needs of the Group, as well as for maximizing access to liquidity sources and minimizing borrowing costs, lies with Allianz SE.

Liquidity Resources and Uses

Allianz SE ensures adequate access to liquidity and capital for our operating subsidiaries. Main sources of liquidity available to Allianz SE are dividends and funds received from subsidiaries, reinsurance premiums received, and funding provided by capital markets. Liquidity resources are defined as readily available assets – specifically cash, money market investments, and highly liquid government bonds. Funds are primarily used for paying interest expenses on our debt funding, claims arising from the reinsurance business, operating costs, internal and external growth investments, and dividends to our shareholders.

Funding Sources

Allianz SE's access to external funds depends on various factors such as capital market conditions, access to credit facilities, credit ratings and credit capacity. The financial resources available to Allianz SE are both equity and debt funding. Equity can be raised by issuing ordinary no-par value shares. The issuance of debt in various maturities as well as group-wide liquidity management are the main sources of our debt funding.

SHARE CAPITAL

As of 31 December 2020, the share capital registered at the Commercial Register was € 1,169,920,000. This was divided into 412,293,128 no-par value shares. As of 31 December 2020, Allianz SE held 247,489 (2019: 595,677) own shares.

Allianz SE has the option to increase its share capital base according to authorizations provided by the AGM. The following table outlines Allianz SE's capital authorizations as of 31 December 2020:

Capital authorizations of Allianz SE

Capital authorization	Nominal amount	Expiry date of the authorization
Authorized Capital 2018/I ¹	€ 334,960,000	8 May 2023
Authorized Capital 2018/II ²	€ 15,000,000	8 May 2023
Conditional Capital 2010/2018 ³	€ 250,000,000	8 May 2023

1. For issuance of shares against contribution in cash and/or in kind, with the authorization to exclude shareholders' subscription rights.

2. For issuance of shares to employees with exclusion of shareholders' subscription rights.

3. To cover convertible bonds, bonds with warrants, convertible participation rights, participation rights, and subordinated financial instruments, each with the authorization to exclude shareholders' subscription rights.

For further details on Allianz SE's authorized and conditional capital, please refer to [note 12](#) to our financial statements.

DEBT FUNDING

The cost and availability of debt funding may be negatively affected by general market conditions or by matters specific to the financial services industry or to Allianz SE. Our main sources of debt funding are senior and subordinated bonds. Among others, money market securities, letter-of-credit facilities and bank credit lines allow Allianz SE to fine-tune its capital structure.

In 2020, we issued a € 1.0 bn subordinated bond in May and a dual tranche of subordinated bonds in November amounting to € 1.25 bn and USD 1.25 bn each. Subordinated liabilities overall increased to € 16.6 bn (2019: € 13.4 bn) at year-end.

Other financial liabilities decreased to € 38.8 bn (2019: € 39.4 bn), mainly as a result of lower other third-party financial liabilities. For further details on Allianz SE's financial liabilities, please refer to [notes 13 and 16](#) to our financial statements.

RISK AND OPPORTUNITY REPORT

Target and strategy of risk management

Allianz SE aims to ensure that it is adequately capitalized at all times for the benefit of both shareholders and policyholders. This includes meeting the Solvency II regulatory capital requirements resulting from the internal model.

We closely monitor the capital position and risk concentrations of Allianz SE and apply regular stress tests (including standardized, historical and reverse stress test scenarios). These analyses allow us to take appropriate measures to preserve our continued capital and solvency strength. For example, risk capital is allocated to reinsurance business segments and reflected as cost of capital in our pricing tools. Furthermore, we ensure a close alignment of the risk and business strategy by the fact that business decisions to achieve our set targets are taken within the determined risk appetite. Implemented sound processes to steer the business and assess and manage associated risks ensure a continuous alignment between the risk and business strategy and enable us to detect and address any potential deviations.

In addition, the liquidity risk management framework of Allianz SE ensures that our liquidity risks are managed and a sufficient liquidity position is maintained under both market conditions (expected as well as stressed) and business conditions.

Risk governance system

RISK MANAGEMENT FRAMEWORK

As the holding company of the Allianz Group and as a global reinsurer, we consider risk management to be a core competency and an integral part of our business. Our risk management framework covers all operations and business units of Allianz SE in proportion to the inherent risks of the activities, ensuring that risks across Allianz SE are consistently identified, analyzed, assessed, and adequately managed. The key elements of our risk management framework are:

- Promotion of a strong risk management culture, supported by a robust risk governance structure.
- Consistent application of an integrated risk capital framework to protect our capital base and support effective capital management.
- Integration of risk considerations and capital needs into management and decision-making processes by attributing risk and allocating capital to the business units.

Our risk management system is based on the following four pillars:

Risk identification and underwriting: A robust system of risk identification and underwriting forms the foundation for adequate risk and management decisions. Supporting activities include standards for underwriting, valuation methods, individual transaction approvals, emerging-/operational-/top-risk assessments, liquidity risk and scenario analyses, among others.

Risk strategy and risk appetite: Our risk strategy defines our risk appetite consistently with our business strategy. It ensures that rewards are appropriate based on the taken risks and the required capital. It also ensures that delegated decision-making authorities are in line with our overall risk-bearing capacity and strategy.

Risk reporting and monitoring: Our comprehensive qualitative and quantitative risk monitoring and reporting framework provides management with the transparency needed to assess whether our risk profile remains within the approved limits, and to identify emerging issues and risks quickly. For example, risk dashboard and limit utilization reports as well as scenario analyses and stress tests are regularly prepared and communicated.

Communication and transparency: Transparent risk disclosure provides the basis for communicating our strategy and performance to internal and external stakeholders, ensuring a sustainable positive impact on valuation and financing. It also strengthens risk awareness and our risk culture throughout Allianz SE.

Our strategy

Allianz SE's business strategy is aligned with and mainly driven by the strategy of Allianz Group. Allianz SE's main tasks are the ownership of legal entities, in particular subsidiaries, the provision of central financing functions, and offering reinsurance services to mostly internal but also external counterparties.

ALLIANZ GROUP'S BUSINESS ASPIRATIONS

The Board of Management of Allianz SE has defined the following objectives for Allianz Group's medium-term strategy with the motto "Simplicity wins":

- **Outperform:** We seek to move ahead of our competitors, both traditional businesses and disruptors.
- **Transform:** We seek to become simpler and deeply digital, and to make our businesses more scalable.
- **Rebalance:** We seek to build leading positions in large, profitable, and fast-growing geographies as well as in new areas of business.

The COVID-19 pandemic has accelerated some trends that shape the insurance markets. The altered environment has reinforced many of the strategic priorities of Allianz Group and therefore also for Allianz SE as the Holding Company. These are, for example, digital by default, simplification, rebalancing of product portfolios, and transformation towards higher resilience and agility. The COVID-19 pandemic also affects the reinsurance business segment. The extent to which claims from the pandemic are covered by existing reinsurance strongly depends on individual contract wording. However, reinsurance rates are rising in general as the market is characterized by an overall hardening. Business areas such as cyber coverage are experiencing greater demand. Cover for pandemic risks is generally not in the risk appetite of the reinsurance division and is only granted after a strict review and with clear limits.

ALLIANZ GROUP'S BUSINESS STRATEGY

With regard to these strategic objectives, the Allianz SE's Board of Management has defined a number of strategic priorities for Allianz Group, and is implementing initiatives and programs to address the five dimensions of the Renewal Agenda also for Allianz SE:

- **True Customer Centricity:** Design intuitive products and processes to achieve loyalty leadership in our core markets.
- **Digital by Default:** Build legacy-free platforms with automated core processes.
- **Technical Excellence:** Move to data-driven product design, pricing, and claims handling.
- **Growth Engines:** Systematically exploit new sources for profitable growth.
- **Inclusive Meritocracy:** Reinforce a culture where both people and performance matter.

Allianz SE's Board of Management has also defined a strategy for the management of risks. This risk strategy places particular emphasis on protecting the Allianz brand and reputation, remaining solvent even in the event of extremely adverse scenarios, maintaining sufficient liquidity to meet financial obligations, and providing resilient profitability.

OPPORTUNITIES

The Allianz Group's and Allianz SE's financial strength, coupled with ongoing transformation, renders us resilient and allows us to benefit from new opportunities in a fast-changing business environment.

Allianz SE's role – as laid out in our business strategy – includes providing central financing functions to Allianz Group companies, and acting as a reinsurer with predominantly group-internal business. Opportunities management is principally a responsibility for the Allianz Group's primary insurance and asset management entities.

Allianz SE's activities in support of Allianz Group's opportunity management fall mainly in the following areas:

- Supporting the companies' efforts for better customer understanding and evolving data analytics techniques via development of centralized expertise in data analytics, product design, and distribution platforms.
- Supporting Allianz Group's growth strategy via provision of financing for acquisition of M&A targets.
- Reinsurance Pooling from Group companies and optimization via retrocessions, as well as reinsurance solutions to optimize their capital needs.

For a detailed description of the Allianz Group's opportunities see the annual reports of our subsidiaries.

The pooling of internal reinsurance on the balance sheet of Allianz SE is an important strategic initiative which has been pursued for many years. As a Group reinsurer, the reinsurance division not only provides guidance and tools to Group companies to manage exposures as effectively as possible, but also provides most of the reinsurance covers to Group companies. The large and well diversified portfolio at Allianz SE allows for acceptances of a wide range of reinsurance structures including proportional and non-proportional contracts. Furthermore, net quota shares as well as adverse development covers (ADC) contribute to a very balanced portfolio at Allianz SE.

Larger risk concentrations are actively managed via retrocessions on a per risk and per event basis in order to protect our capital and increase the return on equity.

Due to the vast amount of expert know-how at Allianz SE important services to Group companies are provided, for example, via the reinsurance division for the MidCorp business segment with tools for pricing, accumulation management and loss control engineering services, or via the Global P&C and Global Life units for their respective business segments.

In 2020, Allianz SE also supported Group efforts for simplification and digitalization, among others by building centralized expertise in product development, digital distribution platforms, and claims management.

For further details on opportunities envisaged by Allianz SE, please refer to the section "Business Outlook".

Risk governance structure

SUPERVISORY BOARD AND BOARD OF MANAGEMENT

Allianz SE's approach to risk governance ensures that our risk profile remains consistent with both our risk strategy and our capacity to bear risks.

Within our risk governance system, Allianz SE's Supervisory Board and the Board of Management have both Allianz SE and group-wide responsibilities. The Board of Management formulates business objectives and a corresponding risk strategy; the core elements of the risk framework are set out in the Allianz Group Risk Policy approved by the Board of Management, which together with the Allianz SE-specific appendix also serves as the master risk policy for Allianz SE. The Supervisory Board advises, challenges, and supervises the Board of Management in the execution of its management activities. The following committees support the Board of Management and the Supervisory Board on risk issues.

SUPERVISORY BOARD RISK COMMITTEE

The Risk Committee reports to the Supervisory Board, where the information and the findings are discussed with the Board of Management. It monitors the effectiveness of Allianz SE's risk management framework. Furthermore, it focuses on risk-related developments as well as the general risks and specific risk exposures and ensures that the business strategy is aligned with the risk strategy.

For more information please refer to the paragraph "Risk Committee" in the [Supervisory Board Report](#).

GROUP FINANCE AND RISK COMMITTEE

The Group Finance and Risk Committee (GFRC) provides oversight of the Group's and Allianz SE's risk management framework, acting as a primary early-warning function by monitoring the Allianz Group's and Allianz SE's risk profiles as well as the availability of capital. The GFRC also ensures that an adequate relationship between return and risk is maintained. Additionally, the GFRC defines risk standards, is the limit-setting authority within the framework set by the Board of Management, and approves major financing, reinsurance and capital management transactions. Finally, the GFRC supports the Board of Management with recommendations regarding Allianz SE's capital

structure, capital allocation, liquidity position, and investment strategy, including the sub-portfolio strategic asset allocations.

OVERALL RISK ORGANIZATION AND ROLES IN RISK MANAGEMENT

A comprehensive system of risk governance is achieved by setting standards related to organizational structure, risk strategy and appetite, limit systems, documentation, and reporting. These standards ensure the accurate and timely flow of risk-related information and a disciplined approach towards decision-making and execution.

As a general principle, the responsibility for the “First Line of Defense” rests with business managers in the business units of Allianz SE. They are responsible for both the risks taken and the returns from their decisions. Our “Second Line of Defense” is made up of independent oversight functions including Risk, Actuarial, Compliance, and Legal, which support the Board of Management in defining the risk framework within which the business can operate. Audit forms the “Third Line of Defense”, independently and regularly reviewing Allianz SE’s risk governance implementation, compliance with risk principles, performing quality reviews of risk processes, and testing adherence to business standards, including the internal control framework. Allianz SE has established dedicated responsibilities for the three lines of defense at its departments (including reinsurance).

RISK MANAGEMENT FUNCTION

The function of the Chief Risk Officer for both the Allianz Group and Allianz SE is performed by the same person. Independent risk oversight for Allianz SE is performed by risk control units within Group Risk and within the reinsurance department of Allianz SE. The risk management function supports Allianz SE’s Board of Management, including its committees, by performing various analyses, communicating risk management related information, and in preparing and implementing committee decisions.

The risk management function also supports the Board of Management in developing the risk management framework – which covers risk governance, risk strategy, and appetite – and risk monitoring and reporting. The risk management function’s operational responsibilities encompass assessing risks and monitoring limits and accumulations of specific risks across business units and business lines, including natural and man-made disasters and exposures to financial markets and counterparties.

OTHER FUNCTIONS AND BODIES

In addition to the risk management function for Allianz SE, Allianz SE’s legal, compliance, and actuarial functions constitute additional components of the “Second Line of Defense”.

Allianz SE’s legal and compliance functions seek to mitigate legal risks for Allianz SE with support from other departments. The objectives of both functions are to ensure that laws and regulations are observed, to react appropriately to all impending legislative changes or new court rulings, to attend to legal disputes and litigation affecting Allianz SE, and to provide legally appropriate solutions for transactions and business processes. In addition, Compliance – in conjunction with Legal and other experts involved – is responsible for integrity management, which aims to protect Allianz SE and employees from regulatory risks.

Allianz SE’s actuarial function contributes towards assessing and managing risks in line with regulatory requirements, in particular for those risks whose management requires actuarial expertise. The range of tasks includes, among others, the calculation and monitoring of technical provisions, technical actuarial assistance in business planning, reporting and monitoring of the results, and supporting the effective implementation of the risk management system.

Risk-based steering and risk management

Allianz SE is exposed to a variety of risks through its holding function and reinsurance activities, including market, credit, underwriting, business, operational, strategic, liquidity, and reputational risks.

Allianz SE considers diversification across different lines of business and regions to be an important element in managing our risks efficiently, as it limits the economic impact of any single event and contributes to relatively stable results. Our aim is to maintain a balanced risk profile without any disproportionately large risk concentrations and accumulations.

With Solvency II being the regulatory regime relevant for Allianz SE since 1 January 2016, our risk profile is measured and steered based on our approved Solvency II internal model. We have introduced a target solvency ratio in accordance with Solvency II, supplemented by ad-hoc scenarios, historical and reverse stress tests, and sensitivity analyses. By that, we allow for a consistent view on risk steering and capitalization in line with the Solvency II framework.

Allianz SE steers its portfolio taking a comprehensive view at risk and return, which is based on the internal model and is supported by scenario analyses. Risk and concentrations are actively restricted by limits based on our internal model or other considerations. Furthermore, a comprehensive analysis of the return on risk capital¹ (RoRC) is regularly conducted and translated for the underwriting of property and casualty reinsurance business. The RoRC is an indicator for new business and allows us to identify profitable lines of new business on a sustainable basis, and thus is a key criterion for capital allocation decisions.

As a consequence, the internal model is fully integrated in business steering, and its application satisfies the so-called “use test” requirement under Solvency II.

MARKET RISK

As the holding company of the Allianz Group and as a global reinsurer, Allianz SE holds and uses a broad range of financial instruments, which are reflected on our balance sheet as both assets and liabilities.

For our holding activities (i.e., to hold participations, provide financing for Group companies, cover internal pension liabilities, invest cash pooled from subsidiaries, and as the lender of last resort within Allianz Group), Allianz SE predominantly invests in participations and fixed-income assets. As an inherent part of our reinsurance operations, we collect premiums from our customers and invest them in a wide variety of assets. The resulting reinsurance investment portfolio backs the future claims and benefits to our cedents. In addition, we also invest shareholders’ capital, which is required to support the underwritten risks and the holding activities. Our market risk from liabilities primarily

¹ The return on risk capital is defined as the present value of future real world profits on the capital requirement (including a buffer to regulatory requirements).

relates to fixed-income instruments held for financing as well as to internal pensions and reinsurance liabilities. Finally, we use derivatives for various purposes. A principal example would be the hedging of planned dividend income from non-Euro subsidiaries against adverse currency market movements. In the case of high capital market volatility, or especially adverse market conditions, Allianz SE may also undertake hedge overlays to support the solvency of Allianz Group. Generally, the use of derivatives at Allianz SE is for the purpose of risk reduction. Guidelines are in place regarding the use of derivatives, for which adherence is monitored by the risk management function of Allianz SE. Asset/liability management (ALM) decisions are taken based on the internal model, considering both the risks and the returns on the financial markets.

As the fair values of our assets and liabilities depend on changes in the financial markets, we are exposed to the risk of adverse financial market developments. Allianz SE's most important market risk results from changes in the value of its participations in Group companies. The long-dated internal pension liabilities of German Group companies on Allianz SE's balance sheet contribute to interest rate risk, in particular as they cannot be fully matched by available investments due to long maturities. In addition, we are also exposed to adverse changes in equity and real estate prices, credit spread levels, inflation, implied volatilities, and currency values, which might impact the value of our assets and liabilities.

To measure these market risks, real-world stochastic models¹ for the relevant risk factors are calibrated using historical time series to generate possible future market developments. After the scenarios for all risk factors are generated, the asset and liability positions are revalued under each scenario. The worst-case outcome of the portfolio profit and loss distribution at a confidence level of 99.5% defines the market Value at Risk (VaR).

Market risk from Allianz SE's material M&A transactions is evaluated by assessing risk capital implications.

Strategic asset allocation benchmarks are defined for several sub-portfolios of Allianz SE's investment portfolio. Furthermore, we have risk limits in place, including financial VaR, stand-alone equity and interest rate sensitivity limits, and foreign-exchange exposure limits. Limits are closely monitored and, if a breach occurs, countermeasures are implemented which may include the escalation to certain decision-making bodies and/or the closing of positions.

Finally, guidelines are in place regarding certain investments, new investment products, and the use of derivatives.

EQUITY RISK

Allianz SE's equity risk predominantly results from the performance of our strategic insurance participations. Other material risk exposures reflect listed and unlisted equities, equity derivatives, own shares, and management incentive plans.

Risks from changes in equity prices are normally associated with decreasing share prices and increasing equity price volatilities. As the performance of our participations might exceed expectations and stock values also might increase, opportunities may arise from participations and other equity investments.

In 2020, Allianz SE had in place profit-and-loss transfer agreements with fourteen German subsidiaries. These are listed in the

paragraph „Legal obligations“ in the appendix. Risk from these contracts is reflected via the risk capital calculation on participations.

INTEREST RATE RISK

If the duration of our assets is shorter than our liabilities, we may suffer an economic loss in the event of falling interest rates as we reinvest maturing assets at lower rates prior to the maturity of liability contracts.

By contrast, opportunities may arise when interest rates increase. Interest rate risk is managed within our ALM process and controlled via an interest rate sensitivity limit.

CREDIT SPREAD RISK

Fixed-income assets such as bonds may lose value if credit spreads widen. However, our risk appetite for credit spread risk takes into account the underlying economics of our reinsurance business model. As a liability-driven investor, we typically hold fixed-income assets covering reinsurance liabilities until maturity. This implies that we are economically less affected by short-term changes in market prices.

INFLATION RISK

As the holding company of the Allianz Group and as a reinsurance company, we are exposed to changing inflation rates. Since inflation increases reinsurance claims and costs as well as internal pension obligations, higher inflation rates will lead to greater liabilities.

Inflation assumptions are taken into account in our reinsurance underwriting. However, an unexpected rising rate of inflation will increase both future claims and expenses, leading to higher liabilities. Conversely, if future inflation rates were to be lower than assumed, liabilities would be lower than anticipated. The risk of changing inflation rates is incorporated in our internal model.

CURRENCY RISK

The major part of Allianz SE's foreign currency risk results from our ownership of non-Euro Group companies. In addition to this risk, Allianz SE's currency risk is driven by its non-Euro reinsurance exposure, as well as by the use of foreign currency bonds as external financing instruments.

If the Euro strengthens, the Euro-equivalent net asset value of our foreign subsidiaries and the value of our non-EUR financing instruments will decline from Allianz SE's perspective; at the same time, however, capital requirements in Euro will decrease, partially mitigating the total impact on the capitalization of Allianz SE.

An additional important source of currency risk is the planned dividend income from non-Euro subsidiaries.

Allianz SE's currency risk is monitored and managed based on our foreign exchange management limit framework.

CREDIT RISK

Credit risk is measured as the potential economic loss in the value of our portfolio that would result from either changes in the credit quality of our counterparties (“migration risk”) or the inability or unwillingness of a counterparty to fulfill contractual obligations (“default risk”).

Allianz SE's credit risk profile comes from three sources: our investment portfolio, guarantees and retrocession.

¹ Internal pensions are evaluated and modeled based on deterministic models, following IAS 19 principles.

Investment portfolio: Credit risk results from our investments in fixed-income bonds, loans, derivatives, cash positions, and receivables, whose value may decrease depending on the credit quality of the obligor.

Guarantees: Credit risk is caused by the potential default of Group companies on commitments from contracts with external stakeholders, which are backed with guarantees from Allianz SE.

Retrocession: Credit risk to external reinsurers arises when parts of Allianz SE's reinsurance business are retroceded to external reinsurance companies to mitigate risks. Credit risk arises from potential losses from non-recoverability of reinsurance receivables, or due to default on benefits under in-force reinsurance treaties. Our retrocession partners are carefully selected by a team of specialists. Besides focusing on companies with a strong credit rating, we may further require letters of credit, cash deposits, or other financial measures to further mitigate our exposure to credit risk.

The internal credit risk capital model takes into account the major drivers of credit risk for each instrument, including exposure at default, rating, seniority, collateral, and maturity. Additional parameters assigned to obligors are migration probabilities and obligor asset correlations reflecting dependencies within the portfolio. Ratings are assigned to single obligors using a clearly defined assignment process. Central components of this assignment process are long-term ratings from external rating agencies and internal rating models in case of specific internal investment strategies. If available, a dynamic adjustment using market-implied ratings and the most recent qualitative information available is applied.

The loss profile of the portfolio is obtained using a Monte Carlo simulation, taking into account interdependencies and exposure concentrations per obligor segment.

To ensure effective credit risk management, a credit VaR limit is derived from our internal risk capital framework, and rating bucket benchmarks are used to define our risk appetite for exposures in the lower investment grade and non-investment grade area.

Our group-wide country and obligor group limit management framework (CRisP¹) allows us to manage counterparty concentration risk, covering both credit and equity exposures at the levels of the Group and of Allianz SE. This limit framework forms the basis for discussions on credit actions. Clearly defined processes ensure that exposure concentrations and limit utilizations are appropriately monitored and managed.

UNDERWRITING RISK

Allianz SE's underwriting risk consists of premium risk and reserve risk in the Property-Casualty reinsurance business as well as of biometric risk from internal pensions and the Life/Health reinsurance business.

PROPERTY-CASUALTY

Our Property-Casualty reinsurance business is exposed to premium risk related to adverse developments in the current year's new and renewed business as well as to reserve risk related to the business in force.

As part of our Property-Casualty reinsurance operations, we receive premiums from our customers and provide insurance protection in return. Premium risk is the risk that actual claims for the business in the current year develop adversely relative to expected claims ratios.

Premium risk is subdivided into three categories: natural catastrophe risk, terror risk, and non-catastrophe risk including man-made catastrophes.

Allianz SE actively manages premium risk. The assessment of risks as part of the underwriting process is a key element of our risk management framework. There are clear underwriting guidelines, limits, and restrictions in place. Excessive risks are mitigated by external retrocession agreements. All these measures contribute to a limitation of risk accumulation. We also monitor concentrations and accumulation of non-market risks on a stand-alone basis (i.e., before diversification effects) within an Allianz Group global limit framework in order to avoid substantial losses from single events such as natural catastrophes and from man-made catastrophes such as terror or large industrial risk accumulations.

Premium risk is estimated based on actuarial models that are used to derive claims distributions and consider the features of our reinsurance contracts (e.g., shares, limits, reinstatements, and commissions). Non-catastrophe risks are modeled using attritional loss models for frequency losses as well as frequency and severity models for large losses. Natural disasters, such as earthquakes, storms, and floods, represent a significant challenge for risk management due to their high accumulation potential for higher return periods. For natural catastrophe risks, we use special modeling techniques which combine portfolio data (geographic location, characteristics of insured objects, and their values) with simulated natural disaster scenarios to estimate the magnitude and frequency of potential losses. For significant exposures where such stochastic models do not exist, we use deterministic, scenario-based approaches to estimate potential losses. Similar approaches are used to evaluate risk concentrations for terror and man-made catastrophes including losses from cyber incidents and industrial concentrations.

These loss distributions are then used within the internal model to calculate potential losses with a predefined confidence level of 99.5%.

Reserve risk represents the risk of adverse developments in best-estimate reserves over a one-year time horizon, resulting from fluctuations in the timing and/or amount of claims settlement. Allianz SE estimates and holds reserves for claims resulting from past events that have not yet been settled. In case of unexpected negative developments, we would experience a financial loss.

Reserve risk can also be mitigated by retrocession. We constantly monitor the development of reserves for reinsurance claims on a line-of-business level. In addition, Allianz SE conducts annual reserve uncertainty analyses based on similar methods used for reserve risk calculations. Where appropriate, the expertise and analysis of other Group entities is leveraged. The Allianz Group performs regular independent reviews of these analyses.

Similar to premium risk, reserve risk is calculated based on actuarial models. The reserve distributions derived are then used within the internal model to calculate potential losses based on a predefined confidence level of 99.5%.

LIFE/HEALTH

Underwriting risks in Allianz SE's Life/Health reinsurance operations and from our internal pension obligations (biometric risks) include mortality, disability, morbidity, and longevity risks. Mortality, disability, and morbidity risks are associated with an unexpected increase in the

¹Credit Risk Platform.

occurrence of death, disability, or medical claims. Longevity risk is the risk that the reserves covering life annuities and pension contracts might not be sufficient due to longer life expectancies of the insured persons.

Life/Health underwriting risk arises from profitability being lower than expected. As profitability calculations are based on several parameters – such as historical loss information and assumptions on inflation, mortality or morbidity – parameters realized may differ from the ones used for the calculation of pension liabilities and for underwriting. For example, higher-than-expected inflation may lead to higher medical claims in the future. However, beneficial deviations are also possible; for example, a lower morbidity rate than expected will most likely result in lower claims.

We measure risks within our internal risk capital model, distinguishing, where appropriate, between risks affecting the absolute level and trend development of actuarial parameter assumptions on the one hand and pandemic risk scenarios on the other.

OPERATIONAL RISK

Operational risks represent losses resulting from inadequate or failed internal processes, human errors, system failures, and external events, and can stem from a wide variety of sources, for example:

- The category “execution, delivery and process management” describes potential losses arising from transaction or process management failures. Examples include interest and penalties from non-payment or underpayment of taxes. These losses tend to occur with little financial impact (although single large loss events can occur).
- The category “clients, products & business practices” includes potential losses due to a failure to meet the professional obligations, or from the design of transactions. Examples include anti-trust behavior, data protection, sanctions and embargoes. These losses can have a high financial impact; however, they tend to occur rarely.
- “Other operational risks” include, for example, internal and external fraud, financial misstatement risk, and information security incidents causing business disruption or fines. Potential failures at our outsourcing partners can also cause a disruption to our working environment.

In view of Allianz SE's tasks as holding company for Allianz Group and reinsurer, the operational risk capital of Allianz SE is dominated by the risk of potential losses within the areas of “execution, delivery and process management” and “clients, products & business practices”. Operational risk capital is calculated using a scenario approach based on expert judgment as well as internal and external operational loss data. The estimates for frequency and severity of potential loss events for each material operational risk category are assessed and used as the basis for our internal model calibration.

Allianz SE has implemented a group-wide operational risk management framework that focuses on the early recognition and proactive management of material operational risks. The framework defines roles and responsibilities as well as management processes and methods. An important component of this framework is the Integrated Risk and Control System (IRCS), which ensures that effective controls or other risk mitigation activities are in place for all significant operational risks. Risk managers in the Allianz SE risk management

function, in their capacity as the “Second Line of Defense”, identify and evaluate relevant operational risks and control deficiencies via a dialog with the “First Line of Defense”, and in close interaction with both the other “Second Line of Defense” functions at Allianz SE and with the audit function.

In the IRCS approach, risk identification, assessment and controls vary between the different operational risk sources reporting, compliance and operations. For example, compliance risks are addressed via written policies. The risk of financial misstatement is mitigated by a system of internal controls covering financial reporting. Outsourcing risks are covered by an Outsourcing Policy, by Service Level Agreements, and by Business Continuity and Crisis Management programs to protect critical business functions from these events. Cyber risks are mitigated through investments in cyber security, cyber insurance Allianz SE buys from third party insurers, and a variety of ongoing control activities.

Operational risk events are reported in a central database.

BUSINESS RISK

Allianz SE's business risk comprises of cost risk from Property-Casualty reinsurance business as well as policyholder behavior risk from both Life/Health and Property-Casualty reinsurance.

Cost risk is associated with the risk that administration expenses are higher than expected, or that the new business volume decreases to a level that does not allow Allianz SE to cover its fixed costs.

Assumptions on policyholder behavior are set in line with accepted actuarial methods and are based on our own historical data, if and as available. If there is no historical data, assumptions are based on industry data or expert judgment.

Reflecting the business model of Allianz SE as primarily a group-internal reinsurer, business risk is minor.

OTHER RISKS (NOT COVERED BY THE INTERNAL MODEL)

There are certain risks which, due to their nature, cannot be adequately addressed or mitigated by additional capital and are therefore not considered in the internal risk capital model. For the identification, analysis, assessment, monitoring, and management of these risks, we also use a systematic approach, with risk assessment generally based on qualitative criteria or scenario analyses. The most important of these other risks are strategic, liquidity and reputational risk.

STRATEGIC RISK

Strategic risk is the risk of a decrease in the company's value arising from adverse management decisions on business strategies and their implementation.

Strategic risks are identified and evaluated as part of the Allianz Group's and Allianz SE's Top Risk Assessment processes and discussed in various Board of Management-level committees (e.g., the Group Finance and Risk Committee). We also monitor market and competitive conditions, capital market requirements, regulatory conditions, etc., to decide if strategic adjustments are necessary.

The most important strategic risks are directly addressed through Allianz's Renewal Agenda, which focuses on True Customer Centricity, Digital by Default, Technical Excellence, Growth Engines and Inclusive Meritocracy. Progress on mitigating strategic risks and meeting the Renewal Agenda objectives are monitored and evaluated in the

course of the Strategic and Planning Dialogue between Allianz SE's Board of Management and the operative functions of Allianz SE.

LIQUIDITY RISK

Liquidity risk is defined as the risk that current or future payment obligations cannot be met or can only be met on the basis of adversely altered conditions. Liquidity risk can arise primarily if there are mismatches in the timing of cash in- and outflows.

The investment strategy of Allianz SE particularly focuses on the quality of investments and ensures a significant portion of liquid assets in the portfolio (for example, high-rated government or covered bonds). We employ actuarial methods for estimating our liabilities arising from reinsurance and internal pension contracts. In our liquidity planning process, we reconcile liquidity sources (such as dividends received from subsidiaries, cash from investments and premiums) and liquidity needs (including payments due to dividends to shareholders, reinsurance claims and expenses) under a best-estimate plan as well as under idiosyncratic and systemic adverse liquidity scenarios.

The main goal of planning and managing Allianz SE's liquidity position is to ensure that we are always in a position to meet payment obligations. To comply with this objective, the liquidity position of Allianz SE is monitored and forecasted on a daily basis.

Allianz SE's short-term liquidity is managed within Allianz SE's cash pool, which serves as a central tool also for investing the excess liquidity of other Group companies. The accumulated short-term liquidity forecast is updated daily. The cash position in this portfolio is subject to an absolute minimum liquidity threshold and an absolute target liquidity threshold. Both thresholds are defined for the Allianz SE cash pool in order to be protected against short-term liquidity crises.

As part of our liquidity stress testing framework, contingent liquidity requirements and sources of liquidity are taken into account to ensure that Allianz SE is able to meet any future payment obligations even under adverse conditions. Major contingent liquidity requirements include non-availability of external capital markets, combined market and catastrophe risk scenarios for subsidiaries as well as lower than expected profit transfers and dividends from subsidiaries.

In order to protect Allianz Group against the liquidity impact of adverse risk events beyond those covered by the capital and liquidity buffers at our subsidiaries, Allianz SE holds a strategic liquidity reserve for which the target level is re-evaluated annually.

The strategic liquidity planning for Allianz SE covering the time horizons of one calendar year (more granular) and three calendar years is regularly reported to the Board of Management.

REPUTATIONAL RISK

Allianz SE's reputation as a well-respected and socially aware holding and reinsurance company is influenced by our behavior in a range of areas, such as financial performance, quality of reinsurance underwriting and customer service, corporate governance, employee relations, intellectual capital and corporate responsibility.

Reputational risk is the risk of an unexpected drop in the value of the Allianz share price, the value of the in-force business, or the value of the future business caused by a decline in our reputation in internal or external stakeholders' judgement.

All affected Allianz SE functions cooperate in identifying reputational risk. Group Communications and Reputation¹ assesses reputational risk for Allianz SE based on a group-wide methodology, covering all areas of reputational risk including Environmental, Social, and Governance (ESG) risks.

The identification and assessment of reputational risks is part of the annual Top Risk Assessment process. As part of this process, senior management approves the risk management strategy for the most significant risks facing the company, including those with a potentially severe reputational impact. In addition, significant ESG and other reputational risks identified in the course of business (direct reputational risk) are managed on a case-by-case basis.

CLIMATE CHANGE

Climate change has the potential to materially affect the global economy and the business of Allianz Group and Allianz SE, especially in the long run. Risks arising from climate change can be seen already today and their relevance will increase over the mid- and long-term. These can for instance be acute and chronic physical risks such as warming temperatures, extreme weather events, rising sea levels, intensifying heatwaves and droughts, or a change in vector-borne diseases, with impacts on property or health. The risks also result from the cross-sectoral structural change stemming from the transition towards a low-carbon economy. These include changes in climate policy, technology, or market sentiment, and impact thereof on the market value of financial assets as well as impact resulting from climate change litigation.

Climate change also creates opportunities, be it in connection with financing a low-carbon and climate-resilient future (e.g., by investing in renewable energy, energy efficiency in real estate, and electric vehicle infrastructure), or by providing insurance solutions to protect against physical climate impacts and to support low-carbon business models.

Climate change impacts the reinsurance business of Allianz SE in two key ways:

- First, through the provided cover, e.g., for health impacts, property damage, and other losses and
- Second, through changes in market sectors and business models

Furthermore, Allianz Group and Allianz SE are affected as large-scale institutional investors. Allianz has significant stakes in various economies, companies, infrastructure, and real estate that might be affected by the physical impact of climate change and by the transition to a low-carbon economy. This can directly influence the ability of assets to generate long-term value.

We address immediate risks from climate change factors following the management approach for the primary underlying risks, e.g., building on Allianz's long-term expertise in the modeling of extreme weather events or analyzing emission profiles of our proprietary investments. On a forward-looking basis, we consider risks from climate change factors under emerging risks, where we closely monitor the development of the risk landscape supported by selective analyses on our portfolios.

¹As of 1 January 2021, Group Communications and Corporate Responsibility was renamed into Group Communications and Reputation.

Internal risk capital framework

We define internal risk capital as the capital required to protect us against unexpected, extreme economic losses. It forms the basis for determining our Solvency II regulatory capitalization. We calculate Allianz SE's internal risk capital on a quarterly basis in total as well as for all contributing business units. During periods of financial market turbulence, we also project the risk capital requirements for one reporting period more frequently.

GENERAL APPROACH

We utilize an approach that reflects the Solvency II rules for the management of our risk profile and solvency position.

INTERNAL MODEL

Our internal risk capital model is based on a Value at Risk (VaR) approach using a Monte Carlo simulation. Following this approach, we determine the maximum loss in portfolio value in scope of the model within a specified timeframe ("holding period", set at one year) and probability of occurrence ("confidence level", set at 99.5%). We simulate risk events from all risk categories modeled ("sources of risk") and calculate the portfolio value based on the net fair value of assets minus liabilities, including risk-mitigating measures like retrocession or derivatives, under each scenario.

The required risk capital is defined as the difference between the current portfolio value and the portfolio value under adverse conditions at the 99.5% confidence level. As we simultaneously consider the impact of a negative or positive event on all covered businesses, diversification effects across products and regions are taken into account. The results of our Monte Carlo simulation allow us to analyze our exposure to each source of risk, both separately and in aggregate. We also analyze several pre-defined stress scenarios, representing historical events, reverse stress tests and adverse scenarios relevant for our portfolio. Furthermore, we conduct ad-hoc stress tests to reflect current political and financial developments and to analyze specific non-financial risks more closely.

COVERAGE OF THE RISK CAPITAL CALCULATIONS

Allianz SE's internal risk capital model to calculate the Solvency Capital Requirement (SCR) covers the activities of Allianz SE as the holding company for Allianz Group as well as its activities as a reinsurer.

Whereas the model treats most subsidiaries as participations, it applies a look-through rule for 35 subsidiaries and investment funds, which are ancillary to Allianz SE's operations (mainly by holding assets), and reflects their risks on a granular level either completely or partially.

The risk capital model covers all relevant assets (including fixed-income instruments, equities, real estate, and derivatives) and liabilities (including the run-off of all technical provisions as well as deposits, issued debt and other liabilities such as guarantees).

Therefore, Allianz SE's risk capital framework covers all material and quantifiable risks. Risks specifically not covered by our internal model include strategic, liquidity, and reputational risks.

ASSUMPTIONS AND LIMITATIONS

RISK FREE RATE AND VOLATILITY ADJUSTMENT

When calculating the fair values of assets and liabilities (excluding pensions obligations), the assumptions regarding the underlying risk-free yield curve are crucial in determining and discounting future cash flows. For extrapolation of the risk-free interest rate curves beyond the last liquid tenor, we apply the methodology provided by the European Insurance and Occupational Pensions Authority (EIOPA) in its technical documentation (EIOPA BoS-20/109).¹

In addition, we partially adjust the risk-free yield curves of the reinsurance portfolio using a volatility adjustment (VA) for most markets where a volatility adjustment is defined by EIOPA and approved by BaFin. This is done to better reflect the underlying economics of our business. The advantage of being a long-term investor is the opportunity to invest in bonds yielding spreads over the risk-free return and earning this additional yield component over the duration of the bonds. Being a long-term investor mitigates much of the risk of forced selling of debt instruments at a loss prior to maturity.

The approach of the Allianz Group to model the volatility adjustment with the help of a dynamic component differs methodologically from replicating the EIOPA VA methodology. To account for deviations with respect to the EIOPA VA methodology, the Allianz Group applies a more conservative, reduced application ratio for the dynamic volatility adjustment.

DIVERSIFICATION AND CORRELATION ASSUMPTIONS

Our internal model considers concentration, accumulation, and correlation effects when aggregating results for Allianz SE. The resulting diversification reflects the fact that all potential worst-case losses are not likely to materialize at the same time.

Diversification typically occurs when looking at combined risks that are not, or only partly, interdependent. Important diversification factors include regions (for example, windstorm in Australia versus windstorm in Germany), risk categories (for example, market risk versus underwriting risk), and subcategories within the same risk category (for example, equity risk versus interest rate risk). Ultimately, diversification is driven by the specific features of the investments or reinsurance transactions in question and their respective risk exposures. For example, an operational risk event at the Allianz SE branch in Singapore can be considered to be highly independent of a change in the credit spread for a French government bond held in Allianz SE's reinsurance investment portfolio in Munich.

Where possible, the Allianz Group derives correlation parameters for each pair of market risks through statistical analysis of historical market data, considering observations over more than a decade. In case historical data or other portfolio-specific observations are insufficient or unavailable, correlations are set by the Allianz Group Correlation Setting Committee, which combines the expertise of risk and business experts in a well-defined and controlled process. In general, when using expert judgment, we set the correlation parameters to represent the joint movement of risks under adverse conditions. Based on these correlations, the Allianz Group uses an industry-standard approach, the Gaussian copula, to determine the dependency structure of quantifiable sources of risk within the applied Monte Carlo simulation.

¹ Due to late availability of the EIOPA publication, the risk-free interest rate term structure used might slightly differ from the one published by EIOPA.

ACTUARIAL ASSUMPTIONS

Our internal model also includes assumptions on claims trends, liability inflation, mortality, morbidity, longevity, policyholder behavior, expenses, etc. We use our own internal historical data for actuarial assumptions wherever possible, leverage expertise of other Allianz Group companies in the scope of the internal model, and also consider recommendations from the insurance industry, supervisory authorities, and actuarial associations. The derivation of our actuarial assumptions is based on generally accepted actuarial methods. Within our internal risk capital and financial reporting framework, comprehensive processes and controls exist for ensuring the reliability of these assumptions.

MODEL LIMITATIONS

As the internal model is based on a 99.5% confidence level, there is a low statistical probability of 0.5% that actual losses could exceed this threshold at the Allianz SE level in the course of one year.

We use model and scenario parameters derived from historical data, where available, to characterize future possible risk events. If future market conditions were to differ substantially from the past, for example in an unprecedented crisis, our VaR approach might be too conservative or too liberal in ways that are difficult to predict. In order to mitigate reliance on historical data, we complement our VaR analysis with stress testing.

Furthermore, we validate the model and parameters through sensitivity analyses, independent internal peer reviews, and – where appropriate – independent external reviews, focusing on methods for selecting parameters and control processes. Overall, we believe that our validation efforts are effective and that the model adequately assesses the risks to which we are exposed.

Since the internal model takes into account the change in the economic fair value of our assets and liabilities, it is crucial to estimate the market value of each item accurately. For some assets and liabilities it may be difficult, if not impossible – notably in distressed financial markets – to either obtain a current market price or to apply a meaningful mark-to-market approach. For such assets we apply a mark-to-model approach. For some of our liabilities, the accuracy of their values additionally depends on the quality of the actuarial cash flow estimates. Despite these limitations, we believe the estimated fair values are appropriately assessed.

While the aggregate risk capital is exactly modeled, the whole account stop loss construction¹ leads to the use of approximations when reporting contributory risk capital figures for the sub-categories of underwriting risk as the individual contributions have to be approximated based on the underlying distributions.

MODEL CHANGES IN 2020

In 2020, our internal model has been further enhanced based on regulatory developments, model validation results, and feedback received by Allianz Group in the course of consultations with the regulator.

Overall, the model changes implemented in 2020 decreased the Solvency II risk capital of Allianz SE by € 420 mn.

In the subsequent sections, the risk figures for 2019 after model changes will form the basis for the analysis of the changes in our risk profile in 2020.

Allianz SE: Impact of model changes; Allocated risk according to the risk profile

€ mn		
as of 31 December	2019 ¹	2019 ²
Market risk	36,998	37,524
Credit risk	566	559
Underwriting risk	3,474	3,407
Business risk	48	48
Operational risk	660	657
Diversification	(3,798)	(3,827)
Total Allianz SE	37,948	38,368

1_2019 risk profile figures recalculated based on model changes in 2020.

2_2019 risk profile figures as reported previously.

The changes to our internal model affected the risk categories and diversification as follows:

MARKET, CREDIT AND UNDERWRITING RISK

The implementation of several model changes, together with updates of the central correlation matrix and real world scenarios (including new random numbers) decreased market risk by € 526 mn, also led to an increase in credit risk by € 7 mn, and caused an increase in underwriting risk by € 67 mn.

OPERATIONAL RISK

Operational risk increased by € 3 mn, driven by the updates of the central correlation matrix and the real world scenarios.

DIVERSIFICATION

The update of the correlation matrix, together with the indirect impact of various other model changes, reduced the risk capital relief from the diversification between risk categories by € 29 mn.

Risk profile and management assessment

RISK PROFILE AND MARKET ENVIRONMENT

The quantitative risk profile of Allianz SE is primarily dominated by market risk that results from its non-traded insurance participations when measured in a manner consistent with the treatment of participations under Solvency II (e.g., without looking through to the underlying risks behind the participations). In order to provide greater transparency, the Group risk figures as reflected in the Allianz Group Annual Report can be interpreted as a “look-through” view at the consolidated risk profile represented by all of the Group’s participations as well as those risks unique to Allianz SE. The second largest risk for Allianz SE from an internal model perspective is the underwriting risk arising from its reinsurance business and from internal pension obligations.

1_Whole account stop loss reinsurance contract between Allianz SE and Allianz Re Dublin dac.

From a broad perspective, the overall risk profile of Allianz SE has remained and is expected to remain stable. “Stable” in this context means a relatively very high exposure to market risk, in particular from participations equity generated by our holding of Allianz Group subsidiaries, a high exposure to underwriting risk and moderate exposures to operational risk and credit risk (i.e., measured as a share of the Allianz SE’s Solvency II risk capital). Please refer to the section “Solvency II regulatory capitalization” for further details.

To support the development of a risk appetite and a risk management framework for these core risks, Allianz SE has elaborated the following risk management philosophy:

- **Financial risks:** Allianz SE’s objective is to support the Group strategy while ensuring that financial risk taking is in line with its risk bearing capacity. To manage financial risk effectively, it is essential to clearly identify, measure, monitor and control the risks inherent especially in the investment portfolios, financing transactions, the reinsurance portfolio and the internal pension obligations.
- **Underwriting risks:** Exposures to these risks are accepted when acting as a reinsurer for predominantly Group-internal business. Quality control mechanisms are applied to ensure adherence to Allianz Group’s underwriting standards and to monitor the quality of the portfolio, the underwriting and retrocession processes. These processes must support sustainable and profitable business decisions, and need to be aligned with the risk appetite of Allianz SE and the Group as well as avoid undesired and/or excessive risks and accumulations. The full economic consequences of a pandemic event such as COVID-19 are uninsurable. The required capital for effective protection against such an accumulation of risks would require premium rates that are unattractive for the customers, if not unaffordable. In addition, a pandemic affects multiple lines of business such as business interruption, travel, event cancellations, but also liability lines as well as increases in medical costs and mortality. On top the impact on capital markets needs consideration.
- **Other non-financial risks:** These risks are inherent to Allianz SE as holding company and reinsurer for Allianz Group, and need to be carefully managed via continuous improvements in risk identification, risk assessment and control environments. This occurs through elements of the risk management framework such as the Top Risk Assessment (TRA), Integrated Risk and Control System (IRCS), Reputational Risk Management Framework, and Liquidity Risk Management.

POTENTIAL RISKS IN THE FINANCIAL MARKETS AND IN OPERATING ENVIRONMENT

Financial markets are characterized by historically low interest rates and low risk premiums, prompting some investors to look for higher-yielding – and potentially higher-risk – investments. In addition to sustained low interest rates, the challenges of implementing long-term structural reforms in key Eurozone countries, the uncertainty about future monetary and fiscal policies, rising populism, amplified geopolitical tensions and economic nationalism amid the pandemic, which weigh on global trade with the potential of prompting long-term structural shifts in global supply chains, may lead to

increasing market volatility. The increasing reliance on digital technologies, which has been greatly accelerated by the COVID-19 pandemic – to ensure business continuity and enhance efficiency and competitiveness – increases the risk of technology obsolescence, cyber-attacks, data breaches and system failures. There is also the risk of noncompliance with increasing regulation covering IT related business processes.

The uncertainty around the evolution of the COVID-19 pandemic remains a significant risk. The approval, production, distribution, and correct administration of the vaccines are critical in alleviating the social, economic, and financial repercussions of the pandemic. The steps are subject to a number of challenges such as the efficacy of the vaccines, high-quality mass production, potential long-term side effects and the willingness of a majority of the population to get vaccinated. Full economic recovery is not expected to occur until the health concerns are forcefully and credibly addressed, i.e., the herd immunity is achieved. Global vaccination is expected to be eventually successful; however, the timing and progress appear uncertain. Residual risks will remain such as further virus mutations, emerging side effects, length of the immunity, or refusal to take vaccines by the majority of the population as most authorities do not intend to make vaccination compulsory. The extended containment (lockdown) measures risk delaying economic recovery, with significant credit implications in some industries. The pace and timing of recovery, the overall economic cost, and credit implications will depend on an effective transition to post-COVID policies, as less supportive fiscal packages could hurt employment and the solvency of small or more exposed businesses.

Another strain is the future relationship between the United Kingdom and the European Union as the Trade and Cooperation Agreement negotiated between them enters into force in 2021.

Therefore, we continue to closely monitor political and financial developments as well as the global trade situation to manage our overall risk profile to specific event risks.

REGULATORY DEVELOPMENTS

Our approved internal model has been applied since the beginning of the year 2016, when Solvency II became effective.

In addition, future Solvency II capital requirements might change depending on the outcome of the 2020 review of the Solvency II framework by EIOPA. Concrete effects of the Solvency II review for Allianz SE, however, can only be assessed after final results are available, which is not expected before end of 2022.

MANAGEMENT ASSESSMENT

Allianz SE’s management feels comfortable with Allianz SE’s overall risk profile and is confident that the effectiveness of its risk management framework meets both the challenges of a rapidly changing environment and the day-to-day business needs. This confidence is based on several factors:

- Due to its effective capital management, Allianz SE is well capitalized. We have met our internal and regulatory solvency targets as of 31 December 2020.
- As a result of COVID-19 pandemic, Allianz SE and Allianz Group experienced the following:

- Losses in the Property-Casualty (re-)insurance business segment resulted from business interruption coverage and accumulations from the entertainment sector.
 - There is a potentially higher market risk, mainly due to the volatility of equity prices and interest rates. Allianz SE has supported Allianz Group's risk mitigating measures, for example via implementing an overlay credit default swap (CDS) protection.
 - Elevated reputational risk, as lawsuits with respect to business interruption policies of Allianz Group companies could affect Allianz SE's and Allianz Group's purpose statement depending on media coverage and public perception. In addition increased regulatory pressure can be observed regarding dividend payments of insurance companies and insurance holdings.
 - Business continuity and employer liability remain a focus area. The implementation of a new work model is key to addressing employer liability risks resulting from the accelerated trend by COVID-19 to work from home. This is accompanied with respective changes in IT risk management.
- Allianz SE is well positioned to deal with potentially adverse future events such as from the COVID-19 pandemic – due to our strong internal limit framework, stress testing, internal model, and risk management practices.
 - Allianz SE has a conservative investment profile and disciplined business practices in the reinsurance business, leading to sustainable operating earnings with a well-balanced risk-return profile.

Based on the information available to us at the moment of report completion, including the known impacts of COVID-19, we expect Allianz SE to continue to be sufficiently capitalized and compliant with both the regulatory Solvency Capital Requirement and the Minimum Capital Requirement. We also expect to maintain a robust liquidity buffer in case of short term market volatility. However, we are carefully monitoring the development of the COVID-19 pandemic and managing our investment portfolio to ensure that Allianz SE has sufficient resources to meet its solvency capital and liquidity needs.

SOLVENCY II REGULATORY CAPITALIZATION

Allianz SE's own funds and capital requirements are based on the market value balance sheet approach consistent with the economic principles of Solvency II.¹ Our regulatory capitalization is shown in the following table:

Allianz SE: Solvency II regulatory capitalization

as of 31 December		2020 ¹	2019 ²
Own funds	€ bn	95.0	92.9
Capital requirement	€ bn	37.0	38.4
Capitalization ratio	%	257	242

¹ Excluding the application at other Allianz Group companies of transitional measures for the valuation of technical provisions.

² 2019 risk profile figures as reported previously.

As of 31 December 2020, the Solvency II capitalization of Allianz SE is at 257%. The increase by 15 percentage points in year 2020 was caused by a € 1.4 bn decrease in risk capital requirements, combined with a € 2.1 bn increase in eligible own funds.

The Allianz Group companies Allianz Lebensversicherungs-AG and Allianz Private Krankenversicherungs-AG have been granted approval for the application of transitionals on technical provisions. The resulting change in participation values impacts Allianz SE's own funds and capital requirements. Including the application of transitional measures for technical provisions at these Allianz Group companies, Allianz SE's own funds and capital requirement amounted to € 108.6 bn and € 41.5 bn, leading to a Solvency II ratio of 262%. However, the general capital steering for both Allianz Group and Allianz SE continues to focus on the previous approach, i.e., excluding the application of transitional measures for technical provisions at Allianz Group companies. Consequently, the figures in all subsequent sections exclude transitional measures applied at Allianz Group companies unless otherwise stated.

Quantifiable risks and opportunities by risk category

This Risk and Opportunity Report outlines Allianz SE's risk figures, reflecting its risk profile based on pre-diversified risk figures and Allianz SE diversification effects.

We measure and steer risk based on an approved internal model, which measures the potential adverse developments of Own Funds. The results provide an overview of how our risk profile is distributed over different risk categories, and determine the regulatory capital requirements in accordance with Solvency II.

The pre-diversified risk figures reflect the diversification effects within each modeled risk category (i.e., within market, credit, underwriting, business, and operational risk) but do not include the diversification effects across risk categories. The Allianz SE diversified risk also captures the diversification effects across all risk categories.

The Allianz SE diversified risk is broken down as follows:

Allianz SE: Allocated risk according to the risk profile

as of 31 December	2020	2019
Market risk	35,876	36,998
Credit risk	636	566
Underwriting risk	3,709	3,474
Business risk	42	48
Operational risk	632	660
Diversification	(3,893)	(3,798)
Total Allianz SE	37,003	37,948

As of 31 December 2020, Allianz SE's diversified risk capital amounted to € 37.0 bn (2019: € 37.9 bn). This represents a slight increase in the diversification benefit by 0.4% to 9.5%.

¹ Own funds and capital requirement are calculated under consideration of volatility adjustment and yield curve extension, as described in section "Risk free rate and volatility adjustment assumptions".

The decrease in Solvency II capital requirements was mainly due to lower market risk.

The following sections outline the evolution of the risk profile per modeled risk category. All risks are presented on a pre-diversified basis and concentrations of single sources of risk are discussed accordingly.

MARKET RISK

The following table presents the market risk of Allianz SE related to the source of risk:

Allianz SE: Risk profile – Market risk by source of risk
pre-diversified, € mn

as of 31 December	2020	2019
Interest rate	30	23
Inflation	(333)	(329)
Credit spread	247	344
Equity	35,668	37,145
Real estate	123	200
Currency	141	(385)
Total Allianz SE	35,876	36,998

For Allianz SE, the pre-diversified market risk as of year-end 2020 shows a decrease of € 1,122 mn driven by a reduction in equity risk.

INTEREST RATE RISK

In 2020, the interest rate risk of Allianz SE increased by € 7 mn, mainly caused by diversification effects.

As of 31 December 2020, Allianz SE's interest-rate-sensitive assets amounting to a market value of € 48.1 bn would have gained € 2.5 bn or lost € 2.2 bn in value, in the event of interest rates changing by -100 and +100 basis points, respectively.

INFLATION RISK

The € 4 mn increase in the market risk relief that results from inflation risk in 2020 mainly results from the impact of lower interest rates.

EQUITY RISK

In 2020, Allianz SE's equity risk decreased by € 1,477 mn, reflecting, among other things, a change in the value of participations in Allianz Group companies.

As of 31 December 2020, those of our investment assets that are sensitive to changing equity markets would have lost € 208 mn in value, assuming equity markets declined by 30%.

CREDIT SPREAD RISK

Allianz SE's credit spread risk is € 97 mn lower than in 2019, mainly reflecting the implementation of an overlay credit default swap (CDS) protection.

REAL ESTATE RISK

The € 77 mn decrease in 2020 primarily reflects diversification effects.

CURRENCY RISK

Allianz SE's € 141 mn currency risk at year-end 2020 results from net open positions in several currencies, dominated by the U.S. Dollar. The € 526 mn increase in the contribution to market risk is mainly caused by diversification effects.

CREDIT RISK

Allianz SE's credit risk slightly increased by € 70 mn in 2020, mainly reflecting additional bond investments.

UNDERWRITING RISK

The following table presents the pre-diversified risk calculated for underwriting risks stemming from our reinsurance business and internal pensions:¹

Allianz SE: Risk Profile – Underwriting risk by source of risk
pre-diversified, € mn

as of 31 December	2020	2019
Premium natural catastrophe	332	371
Premium non-catastrophe and terror	1,544	1,496
Reserve	1,647	1,465
Biometric	186	143
Total Allianz SE	3,709	3,474

For Allianz SE, the pre-diversified underwriting risk showed an increase of € 235 mn, driven by an increase in reserve risk.

PROPERTY-CASUALTY

Premium risk

In 2020, Allianz SE's natural catastrophe risk decreased by € 39 mn.

The top five scenarios contributing to Allianz SE's natural catastrophe risk as of 31 December 2020 were a windstorm in Europe, a flood in Germany, a tropical cyclone in Australia, an earthquake in Turkey, and an earthquake in Australia.

Allianz SE's non-catastrophe and terror premium risk increased by € 48 mn in 2020.

Reserve risk

Among others, the € 182 mn increase in Allianz SE's reserve risk in 2020 reflects an increase in reserves from group-internal quota shares.

LIFE/HEALTH

In 2020, Allianz SE's biometric risk is € 43 mn higher than in 2019. The main driver is an increase in longevity risk from internal pension obligations reflecting lower interest rates.

¹ Impact of whole account stop loss reinsurance contract between Allianz SE and Allianz Re Dublin dac on pre-diversified insurance risks: For premium natural catastrophe risk rise of € 74 mn (2019: € 44 mn), for premium non-catastrophe and terror risk rise of € 347 mn (2019: € 177 mn).

BUSINESS RISK

Business risk decreased by € 6 mn, mainly due to lower lapse risk from quota shares.

OPERATIONAL RISK

The decrease of € 28 mn shown in the operational risk mainly results from a reassessment of potential tax-related operational losses.

LIQUIDITY RISK

Detailed information regarding Allianz SE's liquidity risk exposure, liquidity, and funding – including changes in cash and cash equivalents – are provided in the chapter [Liquidity and Funding Resources](#). As inferred from the section on the management of liquidity risks, they are quantified and monitored through regular stress test reporting and properly managed but are not quantified for risk capital purposes.

INTEGRATED RISK AND CONTROL SYSTEM FOR FINANCIAL REPORTING

The following information is provided pursuant to §289(4) of the HGB.

In line with both our prudent approach to risk governance and compliance with regulatory requirements, we have created a framework and processes to identify and mitigate the risk of material errors in our financial statements (this also includes market value balance sheet and risk capital controls). Allianz SE's Integrated Risk and Control System (IRCS) is regularly reviewed and updated. It differentiates between three areas: Financial Reporting, Compliance and other operational risks (including IT risks). The IT controls are based on COBIT 5 and include, for example, controls for access rights management, and for IT project and change management. The IRCS also covers external service providers. Additionally, our Entity Level Control Assessment (ELCA) framework contains controls to monitor the effectiveness of the system of governance.

Accounting Processes

The accounting processes we use to produce financial statements are based on a group-wide IT solution and local general ledger. Access rights to accounting systems are managed according to strict authorization procedures.

Internal controls are embedded in the accounting processes to safeguard the accuracy, completeness, and consistency of the information provided in our financial statements.

Integrated internal Risk and Control System Approach

Our approach can be summarized as follows:

- We use a **centrally developed risk catalogue** that is linked to individual accounts. This risk catalogue is reviewed on a yearly basis and is the starting point for the definition of the Group's as well as of Allianz SE's scope of financial reporting risks. The methodology is described in the IRCS-Guideline. During the scoping process, both materiality and susceptibility to a misstatement are considered simultaneously. In addition to the quantitative calculation, we also consider qualitative criteria.
- Based on the centrally provided risk catalogue, we **identify risks** that could lead to material financial misstatements.
- **Preventive and detective key controls** to address financial reporting risks have been put in place to reduce the likelihood and impact of financial misstatements. If a potential risk materializes, actions are taken to reduce the impact of the financial misstatement. Given the strong dependence of financial reporting processes on IT systems, we have also implemented IT controls.
- Last but not least, we ensure that controls are appropriately designed and effectively executed to mitigate risk. We conduct an annual **assessment** of our control system to maintain and continuously enhance its effectiveness. Internal audit ensures that the overall quality of our control system is subject to regular control testing, to assure reasonable design and operating effectiveness.

STATEMENT ON CORPORATE MANAGEMENT

The Statement on Corporate Management forms part of the Group Management Report. According to §317 (2) sentence 6 of the German Commercial Code ("Handelsgesetzbuch – HGB"), the audit of the disclosures is limited to whether the relevant disclosures have been made.

Corporate Constitution of the European Company (SE)

As a European Company, Allianz SE is subject to special European SE regulations and the German SE Implementation Act ("SE-Ausführungsgesetz") in addition to the German SE Employee Involvement Act ("SE-Beteiligungsgesetz"). Notwithstanding, the main features of a German stock corporation – in particular the two-tier board system (Board of Management and Supervisory Board) and the principle of equal employee representation on the Supervisory Board – have been maintained by Allianz SE. The Corporate Constitution of Allianz SE is laid down in its Statutes. The current version of the Statutes is available on our website at www.allianz.com/statutes.

Regulatory requirements

The regulatory requirements for corporate governance (system of governance) applicable for insurance companies, insurance groups, and financial conglomerates apply. Specifically, they include the establishment and further design of significant control functions (independent risk control function, actuarial function, compliance function, and internal audit) as well as general principles for a sound business organization. These regulatory requirements are applicable throughout the Group in accordance with the principle of proportionality. The implementation of the regulatory requirements is supported by written guidelines issued by the Board of Management of Allianz SE. Furthermore, Solvency II requires the publication of qualitative and quantitative information including a market value balance sheet. Details on the implementation of the regulatory requirements for corporate governance by Allianz SE and by the Allianz Group can be found in the Solvency and Financial Condition Report of Allianz SE and of the Allianz Group, which are published on our website at www.allianz.com/sfcr.

Declaration of Conformity with the German Corporate Governance Code

Good corporate governance is essential for sustainable business performance. The Board of Management and the Supervisory Board of Allianz SE therefore attach great importance to complying with the recommendations of the German Corporate Governance Code (hereinafter referred to as the "Code"). On 10 December 2020, the Board of Management and the Supervisory Board issued the following Declaration of Conformity of Allianz SE with the Code:

Declaration of Conformity in accordance with § 161 of the German Stock Corporation Act

Declaration of Conformity by the Management Board and the Supervisory Board of Allianz SE with the recommendations of the German Corporate Governance Code Commission in accordance with § 161 of the German Stock Corporation Act (AktG)

Allianz SE currently complies with all recommendations of the German Corporate Governance Code (Code) in the version of December 16, 2019 and will comply with them in the future. Since the last Declaration of Conformity as of December 13, 2019, Allianz SE has complied with all recommendations of the German Corporate Governance Code in the version of February 7, 2017.

Munich, December 10, 2020
Allianz SE

For the Management Board:
Signed Oliver Bäte

Signed Renate Wagner

For the Supervisory Board:
Signed Michael Diekmann

In addition, Allianz SE follows all the suggestions of the Code in its 16 December 2019 version.

The Declaration of Conformity and further information on corporate governance at Allianz can be found on our website at www.allianz.com/corporate-governance.

Function of the Board of Management and the composition and functions of committees

The Board of Management of Allianz SE has ten members. Its members may not, in general, be older than 62 years of age.

The Board of Management is responsible for setting business objectives and the strategic direction, for coordinating and supervising the operating entities, and for implementing and overseeing an efficient risk management system. The Board of Management also prepares the annual financial statements of Allianz SE, the Allianz Group's consolidated financial statements, the market value balance sheet, and the interim report.

The members of the Board of Management are jointly responsible for management and for complying with legal requirements. Notwithstanding this overall responsibility, the individual members head the departments they have been assigned independently. There are divisional responsibilities for business segments as well as functional responsibilities. The latter include the Finance, Risk Management and Controlling Functions, Investments, Operations and IT, Human Resources, Legal, Compliance, Internal Audit, or Mergers & Acquisitions. Business division responsibilities focus on geographical regions or Global Lines. Rules of procedure specify in more detail the structure and departmental responsibilities of the Board of Management.

Board of Management meetings are led by the Chairman. Each member of the Board may request a meeting, providing notification of the proposed subject. The Board makes decisions by a simple majority of participating members. In the event of a tie, the Chairman casts the

deciding vote. The Chairman can also veto decisions, but he cannot impose any decisions against the majority vote.

BOARD OF MANAGEMENT AND GROUP COMMITTEES

In the financial year 2020, the following Board of Management committees were in place:

Board committees

Board committees	Responsibilities
GROUP FINANCE AND RISK COMMITTEE Giulio Terzariol (Chairman), Niran Peiris, Dr. Klaus-Peter Röhler, Dr. Günther Thallinger.	Preparing the capital and liquidity planning for the Group and Allianz SE, implementing and overseeing the principles of group-wide capital and liquidity management as well as risk standards and preparing risk strategy. This includes, in particular, significant individual financing transactions and guidelines for derivatives, Group financing and internal Group capital management as well as establishing and overseeing a group-wide risk management and monitoring system including stress tests.
GROUP IT COMMITTEE Dr. Christof Mascher (Chairman), Niran Peiris, Dr. Klaus-Peter Röhler, Ivan de la Sota, Giulio Terzariol, Dr. Günther Thallinger.	Developing and proposing a group-wide IT strategy, monitoring its implementation and, approving local and group-wide IT investments as well as reviewing and overseeing individual IT projects.
GROUP MERGERS AND ACQUISITIONS COMMITTEE Renate Wagner (Chairwoman), Oliver Bäte, Niran Peiris, Giulio Terzariol.	Managing and overseeing Group M&A transactions, including approval of individual transactions within certain thresholds.

As of 31 December 2020

In addition to Board committees, there are also Group committees. They are responsible for preparing decisions for the Board of Management of Allianz SE, submitting proposals for resolutions, and ensuring a smooth flow of information within the Group.

In the financial year 2020, the following Group committees were in place:

Group committees

Group committees	Responsibilities
GROUP COMPENSATION COMMITTEE Board members of Allianz SE and executives below Allianz SE Board level.	Designing, monitoring, and improving group-wide compensation systems in line with regulatory requirements and submitting an annual report on the monitoring results, along with proposals for improvement.
GROUP INVESTMENT COMMITTEE Board members of Allianz SE and Allianz Group executives.	Specifying the strategic asset allocation for the Group to enable consistent implementation by the operating units, particularly in relation to alternative assets, monitoring of performance across all asset classes and ensuring consistent organization of the Investment Management function and Investment Governance across the Group.

As of 31 December 2020

The Allianz Group runs its operating entities and business segments via an integrated management and control process. First, the Holding and the operating entities define the business strategies and goals. On this basis, joint plans are then prepared for the Supervisory Board's consideration when setting targets for the performance-based remuneration of the members of the Board of Management. For details, please refer to the [Remuneration Report](#).

The Board of Management reports regularly and comprehensively to the Supervisory Board on business development, the company's financial position and earnings, planning and achievement of objectives, business strategy, and risk exposure. Details on the Board of Management's reporting to the Supervisory Board are laid down in the information rules issued by the Supervisory Board.

Important decisions of the Board of Management require approval by the Supervisory Board. These requirements are stipulated by law, by the Statutes, or in individual cases by decisions of the Annual General Meeting (AGM). Supervisory Board approval is required, for example, for certain capital transactions, intercompany agreements, and the launch of new business segments or the closure of existing ones. Approval is also required for acquisitions of companies and holdings in companies as well as for divestments of Group companies that exceed certain threshold levels. The Agreement concerning the Participation of Employees in Allianz SE, in the version dated 3 July 2014 (hereinafter "SE Agreement"), requires the approval of the Supervisory Board for the appointment of the member of the Board of Management responsible for employment and social welfare.

The composition of the Board of Management is described in [Mandates of the Members of the Board of Management](#) or on our website at www.allianz.com/management-board. A general description of the function of the Board of Management can also be found there.

Diversity concept for the Board of Management and succession planning

In accordance with the legislation on the implementation of the European guidelines as regards the disclosure of non-financial and diversity information (CSR Directive), the diversity concept for the Board of Management, its objectives, implementation, and results achieved are to be reported for the 2020 financial year.

The Supervisory Board adopted the following diversity concept for the Board of Management of Allianz SE:

"For the composition of the Management Board, the Supervisory Board aims for an adequate 'Diversity of Minds'. This comprises broad diversity with regard to gender, internationality, and educational as well as professional background.

The Supervisory Board assesses the achievement of such target, inter alia, on the basis of the following specific indicators:

- Adequate proportion of women on the Management Board: at least 30% by 31 December 2021;
- Adequate share of members with an international background (e.g., based on origin or extensive professional experience abroad), ideally with a connection to the regions in which Allianz Group is operating;
- Adequate diversity with regard to educational and professional background, taking into account the limitations for the Supervisory Board by regulatory requirements (fitness)."

This diversity concept is implemented in the appointment procedure for members of the Board of Management by the Supervisory Board. For the purpose of long-term succession planning, a list of candidates

is prepared and updated on an ongoing basis by the Chairman of the Board of Management in consultation with the Chairman of the Supervisory Board. It is ensured that lists of successors will comprise appropriate percentages of female candidates as well as of candidates with international experience. The Personnel Committee takes this into consideration especially in succession planning. The list of candidates includes internal and external candidates who generally meet the requirements for a mandate in the Board of Management. In the event of a vacancy on the Board of Management, the Personnel Committee, after a thorough examination, recommends a suitable candidate to the Supervisory Board plenary session and reports on the selection process and, if necessary, alternative candidates. Prior to an appointment to the Board of Management, all members of the Supervisory Board are given the opportunity to meet the candidate in person.

Currently there are three women on the Management Board representing a share of 30%. Five members of the Management Board have international backgrounds. There is an adequate degree of variety as regards educational and professional backgrounds. The Board of Management of Allianz SE is thus composed in accordance with the diversity concept.

Corporate governance practices

INTERNAL CONTROL SYSTEM

The Allianz Group has an effective internal risk and control system for verifying and monitoring its operating activities and business processes, in particular financial reporting, as well as compliance with regulatory requirements. The requirements placed on the internal control system are essential not only for the resilience and franchise value of the company, but also to maintain the confidence of the capital market, our customers, and the public. An assessment of the adequacy and effectiveness of the internal control system as part of the System of Governance is conducted regularly in the course of the review of the business organization. For further information on our risk organization and risk principles, please refer to the section "Risk governance system" in the [Risk and Opportunity Report](#). For further information on our [Integrated Risk and Control System for Financial Reporting](#), please refer to the respective chapter.

In addition, the quality of our internal control system is assessed by the Allianz Group's Internal Audit function. This function conducts independent, objective assurance activities, analyzing the structure and efficiency of the internal control system as a whole. In addition, it also examines the potential for additional value and improvement of our organization's operations. Fully compliant with all international auditing principles and standards, Internal Audit contributes to the evaluation and improvement of the effectiveness of the risk management, control, and governance processes. Therefore, internal audit activities are geared towards helping the company to mitigate risks, and further assist in strengthening its governance processes and structures.

COMPLIANCE MANAGEMENT SYSTEM

Integrity is at the core of our compliance programs and the basis for the trust of our customers, shareholders, business partners, and employees. The compliance function fosters a corporate culture of individual and collective responsibility for ethical conduct and adherence to the rules by:

- Advising the Board of Management, managers, and employees on business conduct that is lawful and ethical;
- Identifying and assessing material compliance risks and overseeing the implementation of adequate and effective internal controls to mitigate them;
- Providing a speak-up facility that employees and third parties can use to confidentially report possible illegal or inappropriate behavior;
- Communicating transparently and trustfully with supervisory authorities.

The global compliance programs coordinated by Allianz SE's central Group Compliance function support our employees, managers, and executive board members to act responsibly and with integrity in all situations.

Moreover, Allianz SE's central Group Compliance function is responsible – in close cooperation with local compliance functions – for ensuring the effective implementation and monitoring of the compliance programs within the Allianz Group as well as for investigating potential compliance infringements. Furthermore, as a key function, the compliance function carries out the advisory, risk identification and assessment, monitoring, and early warning tasks required under the Solvency II regime.

CODE OF CONDUCT

Our Code of Conduct and the internal Compliance policies and guidelines derived from it provide all employees, managers, and executive board members with clear and practical guidance, enabling them to act in line with the values of the Allianz Group. The rules of conduct established by the Code of Conduct are binding for all employees worldwide and build the basis for our compliance programs. We did not identify any material violations of the Code of Conduct in 2020. The Code of Conduct is available on our website at www.allianz.com/compliance.

SPEAK UP

A major component of the Allianz Group's compliance management system is a speak-up facility that allows employees and third parties to notify the relevant compliance department confidentially about potential illegal or inappropriate conduct. No employee voicing concerns about irregularities in good faith needs to fear retribution, even if the concerns later turn out to be unfounded. Third parties can contact the compliance department via an electronic mailbox on our website www.allianz.com/complaint-system.

COMPLIANCE PROGRAMS

Allianz SE's central Group Compliance function has set up internal guidelines for the following identified compliance risk areas: financial crime, market integrity, customer protection, and compliance with legal requirements. For further information on the compliance risk areas, please refer to the [Combined Separate Non-Financial Report](#) for Allianz Group and Allianz SE of the Allianz Group's Annual Report 2020 and the Sustainability Report on our website at www.allianz.com/sustainability.

COMPLIANCE TRAINING

In order to convey the principles of the Code of Conduct and the compliance programs based on these principles, Allianz has implemented

interactive training programs around the world. These provide practical guidance that enables employees to make their own decisions based on internal and external requirements as well as ethical principles. Training programs comprise in-person and e-learning trainings and are delivered in several languages.

Training courses to prevent corruption and money laundering are mandatory for all Allianz employees worldwide. The same is true for the antitrust training to exposed employees. Further trainings exist for the other compliance programs.

Function of the Supervisory Board and the composition and functions of committees

The German Co-Determination Act ("Mitbestimmungsgesetz") does not apply to Allianz SE because it has the legal form of a European Company (SE). Instead, the size and composition of the Supervisory Board is determined by general European SE regulations. These regulations are implemented in the Statutes and via the SE Agreement.

The Supervisory Board comprises twelve members, including six shareholder representatives appointed by the AGM. The six employee representatives are appointed by the SE works council. The specific procedure for their appointment is laid down in the SE Agreement. This agreement stipulates that the six employee representatives must be allocated in proportion to the number of Allianz employees in the different countries. The Supervisory Board currently in office includes four employee representatives from Germany and one each from France and the United Kingdom. According to § 17(2) of the German SE Implementation Act ("SE-Ausführungsgesetz"), the Supervisory Board of Allianz SE shall be composed of at least 30% women and at least 30% men. It is to be proposed to the AGM on 5 May 2021 that the regular term of appointment for the Supervisory Board of Allianz SE be shortened to four years in the future.

The Supervisory Board oversees and advises the Board of Management on managing the business. It is also responsible for appointing the members of the Board of Management, determining their overall remuneration, succession planning for the Board of Management, and reviewing Allianz SE's and the Allianz Group's annual financial statements. The Supervisory Board's activities in the 2020 financial year, including an individualized disclosure of the meeting participation, are described in the [Supervisory Board Report](#).

The Supervisory Board makes all decisions based on a simple majority. The special requirements for appointing members to the Board of Management, as stipulated in the German Co-Determination Act, and the requirement to have a Conciliation Committee do not apply to an SE. In the event of a tie, the casting vote lies with the Chairman of the Supervisory Board, who at Allianz SE must be a shareholder representative. If the Chairman is not present in the event of a tie, the casting vote lies with the vice chairperson from the shareholder side. A second vice chairperson is elected at the employee representatives' proposal.

The Supervisory Board regularly reviews the efficiency of its activities. The review is carried out either on the basis of a self-evaluation using a questionnaire or by consulting an external consultant. The entire Supervisory Board discusses recommendations for improvements and adopts appropriate measures on the basis of recommendations from the Standing Committee. In addition, the fitness and propriety of the individual members of the Supervisory

Board are reviewed as part of an annual self-evaluation required by supervisory law, and a development plan for the Supervisory Board is drawn up on this basis.

SUPERVISORY BOARD COMMITTEES

Part of the Supervisory Board's work is carried out by its committees. The Supervisory Board receives regular reports on the activities of its committees. The composition of committees and the tasks assigned to them are regulated by the Supervisory Board's Rules of Procedure, which can be found on our website at

🔗 www.allianz.com/supervisory-board.

Supervisory Board committees

Supervisory Board committees	Responsibilities
STANDING COMMITTEE 5 members – Chairman: Chairman of the Supervisory Board (Michael Diekmann) – Two further shareholder representatives (Herbert Hainer, Jim Hagemann Snabe) – Two employee representatives (Jürgen Lawrenz, Jean-Claude Le Goaër)	– Approval of certain transactions which require the approval of the Supervisory Board, e.g., capital measures, acquisitions, and disposals of participations – Preparation of the Declaration of Conformity pursuant to § 161 "Aktiengesetz" (German Stock Corporation Act) and checks on corporate governance – Preparation of the efficiency review of the Supervisory Board
AUDIT COMMITTEE 5 members – Chairman: appointed by the Supervisory Board (Dr. Friedrich Eichiner) – Three shareholder representatives (in addition to Dr. Friedrich Eichiner: Sophie Boissard, Michael Diekmann) – Two employee representatives (Jean-Claude Le Goaër, Martina Grundler)	– Initial review of the annual Allianz SE and consolidated financial statements, management reports (including Risk Report) and the dividend proposal, review of half-yearly reports or, where applicable, quarterly financial reports or statements – Monitoring of the financial reporting process, the effectiveness of the internal control and audit system and legal and compliance issues – Monitoring of the audit procedures, including the independence of the auditor and the services additionally rendered, awarding of the audit contract and determining the focal points of the audit
RISK COMMITTEE 5 members – Chairman: appointed by the Supervisory Board (Michael Diekmann) – Three shareholder representatives (in addition to Michael Diekmann: Christine Bosse, Dr. Friedrich Eichiner) – Two employee representatives (Godfrey Hayward, Frank Kirsch)	– Monitoring of the general risk situation and special risk developments in the Allianz Group – Monitoring of the effectiveness of the risk management system – Initial review of the Risk Report and other risk-related statements in the annual financial statements and management reports of Allianz SE and the Allianz Group, informing the Audit Committee of the results of such reviews
PERSONNEL COMMITTEE 3 members – Chairman: Chairman of the Supervisory Board (Michael Diekmann) – One further shareholder representative (Herbert Hainer) – One employee representative (Gabriele Burkhardt-Berg)	– Preparation of the appointment of Board of Management members – Preparation of plenary session resolutions on the compensation system and the overall compensation of Board of Management members – Conclusion, amendment, and termination of service contracts of Board of Management members unless reserved for the plenary session – Long-term succession planning for the Board of Management – Approval of the assumption of other mandates by Board of Management members
NOMINATION COMMITTEE 3 members – Chairman: Chairman of the Supervisory Board (Michael Diekmann) – Two further shareholder representatives (Christine Bosse, Jim Hagemann Snabe)	– Setting of concrete objectives for the composition of the Supervisory Board – Establishment of selection criteria for shareholder representatives on the Supervisory Board in compliance with the Code's recommendations on the composition of the Supervisory Board – Selection of suitable candidates for election to the Supervisory Board as shareholder representatives
TECHNOLOGY COMMITTEE 5 members – Chairman: appointed by the Supervisory Board (Jim Hagemann Snabe) – Three shareholder representatives (in addition to Jim Hagemann Snabe: Michael Diekmann, Dr. Friedrich Eichiner) – Two employee representatives (Gabriele Burkhardt-Berg, Jürgen Lawrenz)	– Regular exchange regarding technological developments – In-depth monitoring of the Board of Management's technology and innovation strategy – Support of the Supervisory Board in monitoring the implementation of the Board of Management's technology and innovation strategy

As of 31 December 2020

OBJECTIVES OF THE SUPERVISORY BOARD REGARDING ITS COMPOSITION; DIVERSITY CONCEPT

The objectives for the composition of the Supervisory Board in the version of June 2020, as specified to implement legal requirements and a recommendation by the Code, are set out below. In addition to the skills profile for the overall Supervisory Board, the diversity concept

in accordance with the legislation on the implementation of the European guideline as regards the disclosure of non-financial and diversity information (CSR Directive) is also included. The objectives for the composition of the Supervisory Board can be found on our website at www.allianz.com/supervisory-board.

Objectives of Allianz SE's Supervisory Board regarding its composition

"The aim of Allianz SE's Supervisory Board is to have members who are equipped with the necessary skills and competence to properly supervise and advise Allianz SE's management. Supervisory Board candidates should possess the professional expertise and experience, integrity, motivation and commitment, independence, and personality required to successfully carry out the responsibilities of a Supervisory Board member in a financial services institution with international operations.

These objectives take into account the regulatory requirements for the composition of the Supervisory Board as well as the relevant recommendations of the German Corporate Governance Code ("GCGC"). In addition to the requirements for each individual member, a profile of skills and expertise ("Kompetenzprofil") as well as a diversity concept are provided for the entire Supervisory Board.

I. Requirements relating to the individual members of the Supervisory Board

1. Propriety

The members of the Supervisory Board must be proper as defined by the regulatory provisions. A person is assumed to be proper as long as no facts are to be known which may cause impropriety. Therefore, no personal circumstances shall exist which – according to general experience – lead to the assumption that the diligent and orderly exercise of the mandate may be affected (in particular, administrative offenses or violation of criminal law, esp. in connection with commercial activity).

2. Fitness

The members of the Supervisory Board must have the expertise and experience necessary for a diligent and autonomous exercise of the Allianz SE Supervisory Board mandate, in particular for exercising control of and giving advice to the Board of Management as well as for the active support of the development of the company. This comprises in particular:

- adequate expertise in all business areas;
- adequate expertise in the insurance and finance sector or comparable relevant experience and expertise in other sectors;
- adequate expertise in the regulatory provisions material for Allianz SE (supervisory law, including Solvency II regulation, corporate and capital markets law, corporate governance);
- ability to assess the business risks;
- knowledge of accounting and risk management basics.

3. Independence

The GCGC defines a person as independent who, in particular, does not have any business or personal relations with Allianz SE or its executive bodies, a controlling shareholder, or an enterprise associated with the latter, which may cause a substantial and not merely temporary conflict of interest.

To further specify the definition of independence, the Supervisory Board of Allianz SE states the following:

- former members of the Allianz SE Board of Management shall not be deemed independent during the mandatory corporate law cooling-off period.
- members of the Supervisory Board of Allianz SE in office for more than 12 years shall not be deemed independent.
- regarding employee representatives, the mere fact of employee representation and the existence of a working relationship with the company shall not in itself affect the independence of the employee representatives.

Applying such definition, at least eight members of the Supervisory Board shall be independent. In case shareholder representatives and employee representatives are viewed separately, at least four of each should be independent.

It has to be considered that the possible emergence of conflicts of interests in individual cases cannot generally be excluded. Potential conflicts of interest must be disclosed to the Chairman of the Supervisory Board and will be resolved by appropriate measures.

4. Time of availability

Each member of the Supervisory Board must ensure that they have sufficient time to dedicate to the proper fulfilment of the mandate of this Supervisory Board position.

In addition to the mandatory mandate limitations and the GCGC recommendation for active Management Board members of listed companies (max. two mandates), the common capital markets requirements shall be considered.

With respect to the Allianz SE mandate, the members shall ensure that

- they can attend at least four, usually six ordinary Supervisory Board meetings per year, each of which requires adequate preparation;
- they have sufficient time for the audit of the annual and consolidated financial statements;

Employee representation within Allianz SE, according to the Agreement concerning the Participation of Employees in Allianz SE, contributes to the diversity of work experience and cultural background. Pursuant to the provisions of the German SE Participation Act (SEBG), the number of women and men appointed as German employee representatives should be proportional to the number of women and men working in the German companies. However, the Supervisory Board does not have the right to select the employee representatives.

The following requirements and objectives apply to the composition of Allianz SE's Supervisory Board:

- they can attend the General Meeting;
- depending on possible membership in one or more of the current six Supervisory Board special committees, this involves extra time planning to participate in these Committee meetings and do the necessary preparation for these meetings; this applies in particular for the Audit and risk Committees;
- they can attend extraordinary meetings of the Supervisory Board or of a special committee to deal with special matters as and when required.

5. Retirement age

The members of the Supervisory Board shall, as a rule, not be older than 70 years of age.

6. Term of membership

The continuous period of membership for any member of the Supervisory Board should, as a rule, not exceed 12 years.

7. Former Allianz SE Management Board members

Former Allianz SE Management Board members are subject to the mandatory corporate law cooling-off period of two years.

According to regulatory provisions, no more than two former Allianz SE Management Board members shall be members of the Supervisory Board.

II. Requirements for the entire Supervisory Board

1. Profile of skills and expertise for the entire Supervisory Board

In addition to the expertise-related requirements for the individual members, the following shall apply with respect to the expertise and experience of the entire Supervisory Board:

- familiarity of members in their entirety with the insurance and financial services sector;
- adequate expertise of the entire board with respect to investment management, insurance actuarial practice, accounting, technology and employee engagement;
- at least one member with considerable experience in the fields of insurance and financial services;
- at least one member with comprehensive expertise in the fields of accounting or auditing;
- at least one member with comprehensive expertise in the field of digital transformation;
- specialist expertise or experience in other economic sectors;
- managerial or operational experience.

2. Diversity concept

To promote an integrative cooperation among the Supervisory Board members, the Supervisory Board strives for an adequate diversity with respect to gender, internationality, different occupational backgrounds, professional expertise, and experience:

- the Supervisory Board shall be composed of at least 30% women and at least 30% men. The representation of women is generally considered to be the joint responsibility of the shareholder and employee representatives.
 - at least four of the members must, on the basis of their origin or function, represent regions or cultural areas in which Allianz SE conducts significant business.
- For Allianz SE as a Societas Europaea, the agreement concerning the participation of employees in Allianz SE provides the following: Allianz employees from different EU member states be considered in the allocation of employee representatives' Supervisory Board seats.
- in order to provide the Board with the most diverse sources of experience and specialist knowledge possible, the members of the Supervisory Board shall complement each other with respect to their background, professional experience, and specialist knowledge."

The Supervisory Board pursues these objectives, and thus also the diversity concept, when nominating candidates for shareholder representatives. As employee representatives are appointed according to different national provisions, there is only limited potential influence to the selection of employee representatives. The Supervisory Board of

Allianz SE is currently composed in accordance with these objectives, including the diversity concept. According to the assessment by the Supervisory Board, all shareholder representatives, i.e., Ms. Boissard, Ms. Bosse as well as Mr. Diekmann, Dr. Eichiner, Mr. Hainer and Mr. Snabe, are independent within the meaning of the objectives

(see No. I.3). With four female and eight male Supervisory Board members, the current legislation for equal participation of women and men in leadership positions (statutory gender quota of 30%) is being met. In addition, the Supervisory Board has five members with international backgrounds. The skills profile is also met by all current

members of the Supervisory Board. Based on the objectives regarding its composition, the Supervisory Board of Allianz SE has developed the following skill matrix. From the 2021 financial year onwards, it will be expanded to include "Environment, Social & Governance" (ESG).

Supervisory Board of Allianz SE: skill matrix

		Diekmann	Snabe	Boissard	Bosse	Eichiner	Hainer	Burkhardt-Berg	Le Goaër	Grundler	Hayward	Kirsch	Lawrenz
Tenure	Joined Board in	2017	2014	2017	2012	2016	2017	2012	2018	2016	2017	2018	2015
Personal appropriateness	Regulatory requirement (Fit & Proper)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Independence ¹	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	No Overboarding ¹	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Diversity	Gender	male	male	female	female	male	male	female	male	female	male	male	male
	Nationality	German	Danish	French	Danish	German	German	German	French	German	British	German	German
Expertise	Accounting	✓	✓	✓	✓	✓	✓	✓	-	✓	✓	✓	✓
	Insurance Actuarial Practice	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Investment Management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Technology	✓	✓	✓	✓	✓	-	✓	✓	✓	-	-	✓
	Digital Transformation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Employee Engagement	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	North America	✓	✓	-	-	✓	✓	-	-	-	-	-	-
Regional Expertise	Growth Markets	✓	✓	-	-	✓	✓	-	-	-	-	-	-
	Europe (EU)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

✓ Criteria met. Expertise criteria based on yearly self-assessment. Tick means at least "Good knowledge" and implies the capacity to well understand the relevant matters and to take educated decisions. Good knowledge may result from existing qualifications and from the training measures regularly attended by all members of the Supervisory Board. On a scale from A-E this requires at least grade B.

¹ According to German Corporate Governance Code.

The current composition of the Supervisory Board can be found in the [Supervisory Board Report](#). In addition, the composition of the Supervisory Board as well as a general description of the functions of the Supervisory Board and its committees can be found on our website at www.allianz.com/supervisory-board.

Directors' dealings

Members of the Board of Management and the Supervisory Board as well as persons closely associated with them, are obliged by the E.U. Market Abuse Directive to disclose to both Allianz SE and the German Federal Financial Supervisory Authority any transactions involving shares or debt securities of Allianz SE or financial derivatives or other instruments based on them, as soon as the value of the securities acquired or divested by the member amounts to twenty thousand Euros or more within a calendar year. These disclosures are published on our website at www.allianz.com/directorsdealings.

Annual General Meeting

Shareholders exercise their rights at the AGM. When adopting resolutions, each share carries one vote. Shareholders can follow the AGM's proceedings on the internet and be represented by proxies. These proxies exercise voting rights exclusively on the basis of instructions given by the shareholder. Shareholders are also able to cast their votes via the internet in the form of online voting. Allianz SE regularly promotes the use of internet services.

The AGM elects the shareholder representatives of the Supervisory Board and approves the actions taken by the Board of Management and the Supervisory Board. It decides on the appropriation of net earnings, capital transactions, the approval of intercompany agreements, also on the approval of the remuneration system presented by the Supervisory Board for the members of the Board of Management and the remuneration of the Supervisory Board, as well as changes to the company's Statutes. Resolutions of the AGM shall be passed, unless mandatory legal provisions require otherwise, by a simple majority of the valid votes cast. In accordance with European regulations and the Statutes, changes to the Statutes require a two-thirds majority of votes cast, which at the same time represents the majority of the capital stock represented at the time of the resolution, in case less than half of the share capital is represented in the AGM. Each year, an ordinary AGM takes place at which the Board of Management and the Supervisory Board give an account of the preceding financial year. For special decisions, the German Stock Corporation Act provides for the convening of an extraordinary AGM.

Accounting and auditing

The Allianz Group prepares its accounts according to §315e of the German Commercial Code ("Handelsgesetzbuch – HGB") on the basis of the International Financial Reporting Standards (IFRS) adopted by the European Union. The annual financial statements of Allianz SE are prepared in accordance with German law and accounting rules.

In compliance with the special legal provisions that apply to insurance companies, the auditor of the annual financial statements and of the half-yearly financial report is appointed by the Supervisory Board, not the AGM. The audit of the financial statements covers the individual financial statements of Allianz SE and the consolidated financial statements of the Allianz Group.

We inform our shareholders, financial analysts, the media, and the general public about the company's situation on a regular basis and in a timely manner. The annual financial statements of Allianz SE, the Allianz Group's consolidated financial statements, and the respective management reports are publicly available within 90 days of the end of each financial year. Additional information is provided in the Allianz Group's half-yearly financial reports and quarterly statements. Information is also made available at the AGM, at telephone conferences for analysts and journalists, and on the Allianz Group's website. Our website also provides a financial calendar listing the dates of major publications and events, such as annual reports, half-yearly financial reports, and quarterly statements, AGMs, and analyst conference calls as well as financial press conferences.

You can find the 2021 financial calendar on our website at

 www.allianz.com/financialcalendar.

Information in accordance with the German Act on Equal Participation of Women and Men in Executive Positions in the Private and the Public Sector

This section outlines the targets set for Allianz SE and the other companies of the Allianz Group in Germany that are subject to co-determination (the "subsidiaries concerned") for the Supervisory Board, the Board of Management, and the two management levels below the Board of Management.

Article 17(2) of the German SE Implementation Act stipulates that as of 1 January 2016, the share of women and men among the members of the Supervisory Board of Allianz SE must each total up to 30% at least. The Supervisory Board currently in office fulfils this requirement as it includes four women (33%) and eight men (67%).

In August 2017, the Supervisory Board set a target for the percentage of women on Allianz SE's Board of Management at 30% to be achieved by 31 December 2021. As of 31 December 2020, the percentage of women on Allianz SE's Board of Management was 20%. As regards the proportion of women on the first and second management levels below the Board of Management, the Board of Management of Allianz SE has set a target of 20% and 30%, respectively, to be met by 31 December 2021. As of 31 December 2020, this target was already met for the first management level, with a percentage of women of 28%, but could not yet be met on the second level with a percentage of 23%. The first two management levels below the Board of Management comprise a very small comparative group of executives. No suitable female candidates could be identified for the very few positions that became vacant in the period considered.

In the longer term, Allianz aims to place women in at least 30% of the positions at these two management levels throughout the Group.

With regard to the Supervisory Boards of the subsidiaries concerned, the target quotas for eight out of nine subsidiaries concerned were set at 30% and the target quota for the remaining subsidiary concerned was set at 33% for 31 December 2021. Seven of the nine subsidiaries already reached this target as of 31 December 2020. The target quotas for the respective Board of Management of the subsidiaries concerned were between 20% and 30% (24% on average) for 31 December 2021 and were met by six of the nine companies as of 31 December 2020. For the two management levels below the Board of Management, the respective Boards of Management of the subsidiaries concerned had set target quotas between 17% and 33% (23% on average) for 31 December 2021 for the first management level and target quotas between 20% and 33% (26% on average) for 31 December 2021 for the second management level below the Board of Management. As of 31 December 2020, the targets were met by five of the nine subsidiaries concerned at the first management level, while five of the nine companies likewise met the targets set for the second management level. Despite increased efforts to promote women in the Allianz Group and also at the individual subsidiaries, it was not possible to achieve the targets ahead of time in these cases, as it was not always possible to identify suitable female candidates for all vacant positions. Allianz continues to work to achieve these targets.

REMUNERATION REPORT

The remuneration report describes the remuneration structure and arrangements for the Board of Management and the Supervisory Board of Allianz SE.

All information provided here concerning the remuneration of the Allianz SE Board of Management as well as some additional information can also be found on our remuneration website at www.allianz.com/remuneration.

Remuneration of the Allianz SE Board of Management

KEY PRINCIPLES OF THE BOARD REMUNERATION

Remuneration is designed to be appropriate compared to peers, given the Allianz Group's range of business activities, operating environment, and business results achieved. The aim is to ensure and promote sustainable and value-oriented management of the company that is in line with our corporate strategy. The key principles of Board of Management remuneration are as follows:

- **Support of the Group's strategy:** The design of variable compensation and in particular of performance targets reflects the business strategy and sustainable long-term development of the Allianz Group.
- **Alignment of pay and performance:** The performance-based variable component of the board members' remuneration forms a significant portion of the overall remuneration, corresponding to 70% of the target compensation.
- **Sustainability of performance and alignment with shareholder interests:** A major part of the variable remuneration reflects longer-term performance, with deferred payout (64%), and is linked to the absolute and relative performance of the Allianz share.

DETERMINATION OF THE REMUNERATION SYSTEM

The Board of Management's remuneration is decided upon by the entire Supervisory Board, based on proposals prepared by the Supervisory Board's Personnel Committee. If required, the Supervisory Board may seek outside advice from independent external consultants. The Personnel Committee and the Supervisory Board consult with the Chairman of the Board of Management, in assessing the performance and remuneration of Board of Management members. The Chairman of the Board of Management is generally not involved in the discussion about his own remuneration. The Supervisory Board designs the remuneration system for the members of the Board of Management in accordance with the requirements of the German Stock Corporation Act (AktG) in its currently valid version as well as with regulatory requirements and the recommendations of the German Corporate Governance Code, while ensuring clarity and comprehensibility. Feedback from investors is also considered.

DETERMINATION OF AND ADEQUACY OF THE BOARD OF MANAGEMENT REMUNERATION

Based on the remuneration system, the Supervisory Board determines the target total compensation and regularly reviews the appropriateness of the remuneration. This is based on both a horizontal comparison (i.e., with peer companies) and a vertical comparison (in relation to Allianz employees). Again, the Supervisory Board's Personnel Committee develops respective recommendations, if necessary with the assistance of external consultants.

The structure, weighting, and level of each remuneration component should be adequate and appropriate.

HORIZONTAL APPROPRIATENESS

The Supervisory Board regularly benchmarks the Allianz SE Board of Management's remuneration against other DAX companies and selected international competitors, taking into account the situation of the Allianz Group as well as its longer-term performance, relative size, complexity, and global reach.

The horizontal comparison has shown that the ratio of the Chairman of the Board of Management's target compensation to that of a regular member of the Board of Management is equivalent to a factor of 1.75, whereas the average factor in the DAX is 1.96. Furthermore, Allianz is well above average relative to size (revenue, number of employees, and market capitalization) compared to the DAX companies, while the level of target compensation for Allianz SE's Chairman of the Board of Management is average. For 2021, it was therefore decided to propose to the Annual Shareholders' Meeting to adjust the Chairman of the Board of Management's target compensation

➤ **Outlook for 2021.**

VERTICAL APPROPRIATENESS

This comparison is based on the total direct compensation of a member of the Board of Management and the average direct compensation of an employee of the Allianz workforce in Germany. The Supervisory Board's decision in December is based on the factor resulting from this comparison for the previous fiscal year. For the fiscal year 2019, the factor for the Chairman of Board of Management to employee is "77" and the factor regular board member to employee is "42". For the fiscal year 2020, the respective factor for the Chairman of Board of Management to employee is "66" and the factor regular board member to employee is "36".

REMUNERATION STRUCTURE

The structure of the remuneration system of the Board of Management became effective on 1 January 2019. It was approved by Allianz SE's Annual Shareholder Meeting on 8 May 2019 on the basis of the former §120(4) AktG, with a majority vote of 92%.

	% of target compensation	Target compensation in € thou	Modifier for target level	Other characteristics
30% fix	30% Base salary	CEO*: 1,706 RBM*: 975	• Fix	Shareholding requirement • CEO: 2 x Base salary • RBM: 1 x Base salary
36% cash	25% Annual bonus	CEO: 1,422 RBM: 813	Group result <input checked="" type="checkbox"/> Individual contribution factor <input checked="" type="checkbox"/> 0 - 150%	• Malus (up to 100%) • Clawback (up to 3 years)
	45% Long-term incentive (LTI) ¹	CEO: 2,559 RBM: 1,463	Annual bonus target achievement factor <input checked="" type="checkbox"/> 4-year share price performance <input checked="" type="checkbox"/> 4-year relative performance (peer index) <input checked="" type="checkbox"/> 0 - 272% ² <input checked="" type="checkbox"/> Sustainability check (100% down to 0)	
70% variable	100%	CEO: 5,687 RBM: 3,251	• Severance payment ≤ 2 x target compensation	Total stock exposure³ • CEO: 800% of base salary • RBM: 700% of base salary
64% deferred	+ Pension contribution	CEO: 853 RBM: 488	• 15% of target compensation (50% of base salary)	
	Total compensation	CEO: 6,540 RBM: 3,739	• Cap incl. pension contribution: CEO: 10,000, RBM: 6,000	

* CEO = Chief Executive Officer, RBM = regular Board member.

1_For simplicity reasons, the LTI percentage as well as the LTI target amount are based on target allocation values.

2_The overall compensation cap of € 10,000 thou | € 6,000 thou including pension contributions limits the effective payout of the LTI to a maximum of 255% (CEO) and 272% (RBM), respectively.

3_Shareholding requirement plus LTI at full run-rate.

REMUNERATION COMPONENTS AND TARGET SETTING PROCESS

BASE SALARY

The base salary, which is not performance-related, is paid in twelve equal monthly installments.

PERQUISITES

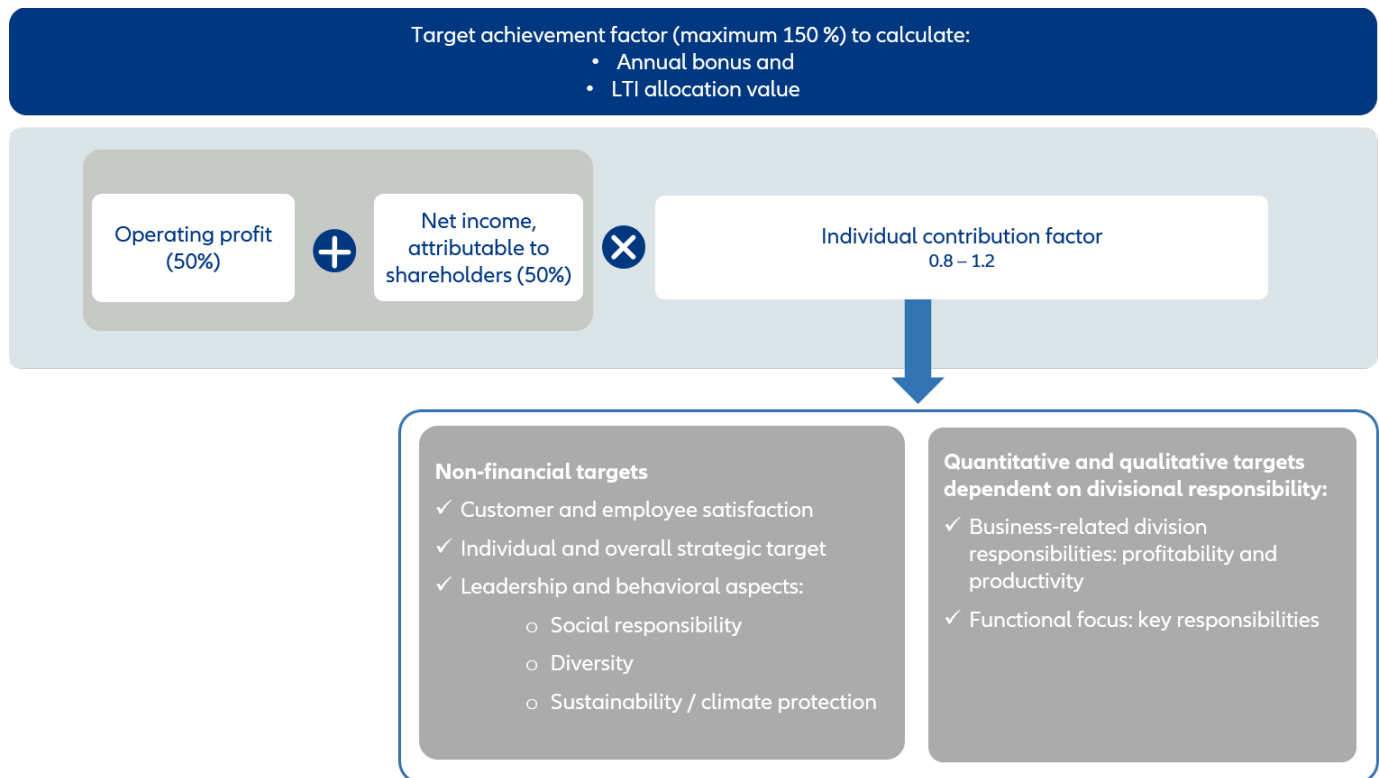
Perquisites mainly consist of contributions to accident and liability insurances, tax consultant fees (if in the interest of Allianz) and the provision of a company car. Perquisites are not linked to performance. Each member of the Board of Management is responsible for paying the income tax due on these perquisites. The Supervisory Board regularly reviews the level of perquisites; a contractual annual cap applies. If an appointment to the Board of Management requires a change of residence, relocation expenses are reimbursed to an appropriate extent.

VARIABLE REMUNERATION

Variable remuneration aims for balance between short-term performance, longer-term success and sustained value creation; the payout of two-thirds of this compensation components are deferred. It is designed to balance risk and opportunity while promoting the sustainable implementation of the Allianz Group's strategy. The Supervisory Board ensures that the targets underlying the variable compensation are challenging, sustainable and ambitious.

Target achievement factor to determine the variable remuneration

In line with the overarching strategic objective "simplicity wins", the calculation of variable remuneration follows a simple system. The annual bonus and LTI allocation are based on only two Group financial targets for the relevant fiscal year: operating profit and net income attributable to shareholders, each at 50%. The resulting target achievement is adjusted by an individual contribution factor (ICF) in the range of 0.8 to 1.2, which reflects both the results of the business division and the performance of the individual board member. If targets are not met, the variable compensation can be reduced to zero. If targets are significantly exceeded, the target achievement is limited to 150%.



GROUP FINANCIAL TARGETS

The Group financial targets are based on equally weighted targets for Group operating profit and Group net income attributable to shareholders. Adjustments are only applied to acquisitions and disposals that account for more than 10% of the Group's operating profit or net income attributable to shareholders or have a value-adding effect from a risk management perspective (e.g. portfolio transfers) and were not yet known at the time the plan was prepared. This regulation is intended to prevent meaningful transactions from having a negative impact on the remuneration of the Management Board. Operating profit highlights the underlying performance of ongoing core operations. Net income attributable to shareholders is the profit after tax and non-controlling interests (minorities). Furthermore, the net income forms the basis for the dividend payout and for the return on equity calculation. Both key performance indicators (KPIs) are important steering parameters for the Allianz Group and therefore reflect the level of implementation of the Group's strategy.

The Group's financial target achievement is limited to a maximum of 150% and can drop to zero.

The minimum, target, and maximum values for the Group financial targets are set annually by the Supervisory Board. These are documented for the respective next fiscal year and published ex-post in the compensation report.

INDIVIDUAL CONTRIBUTION FACTOR (ICF)

The Group financial target achievement is multiplied by the ICF for each board member. The ICF is based on an assessment by the Allianz SE Supervisory Board, resting upon KPIs reflecting the respective board member's area of responsibility and his or her personal contribution.

The ICF takes into account each board member's individual contribution to the implementation of the business strategy.

Since the performance is determined without a specified weighting, the ICF covers a narrow range of 0.8 to 1.2. The concept of non-specified weighting allows the Supervisory Board to react appropriately to changes in priorities during the year.

- **Business division targets:** For board members with business-related division responsibilities, the contribution to the financial performance considers various indicators of profitability (e.g., operating profit and net income) and productivity (e.g., expense ratio) for the respective business division. For board members with a functional focus, division-specific performance targets are determined based on their key responsibilities and qualitatively assessed.
- **Non-financial targets:** Non-financial targets take into account customer satisfaction (e.g., Net Promoter Score (NPS¹)), employee engagement (e.g., Allianz Engagement Survey) and leadership quality, including strategic priorities. The assessment of the individual leadership quality also includes a review of behavioral aspects, such as customer orientation, collaborative leadership, entrepreneurship, and trust (e.g., corporate social responsibility, integrity, diversity, and sustainability as measured by the reduction of the carbon footprint, greenhouse gas reduction, and a step-by-step plan to achieve net-zero compliant asset allocation until 2050 at the latest). For further information, please refer to the [Combined Separate Non-Financial Report](#) for the Allianz Group and Allianz SE.

1_Net Promoter®, NPS®, NPS Prism®, and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Satmetrix Systems, Inc., and Fred Reichheld. Net Promoter Score® and Net Promoter System® are service marks of Bain & Company, Inc., Satmetrix Systems, Inc., and Fred Reichheld.

Variable remuneration components

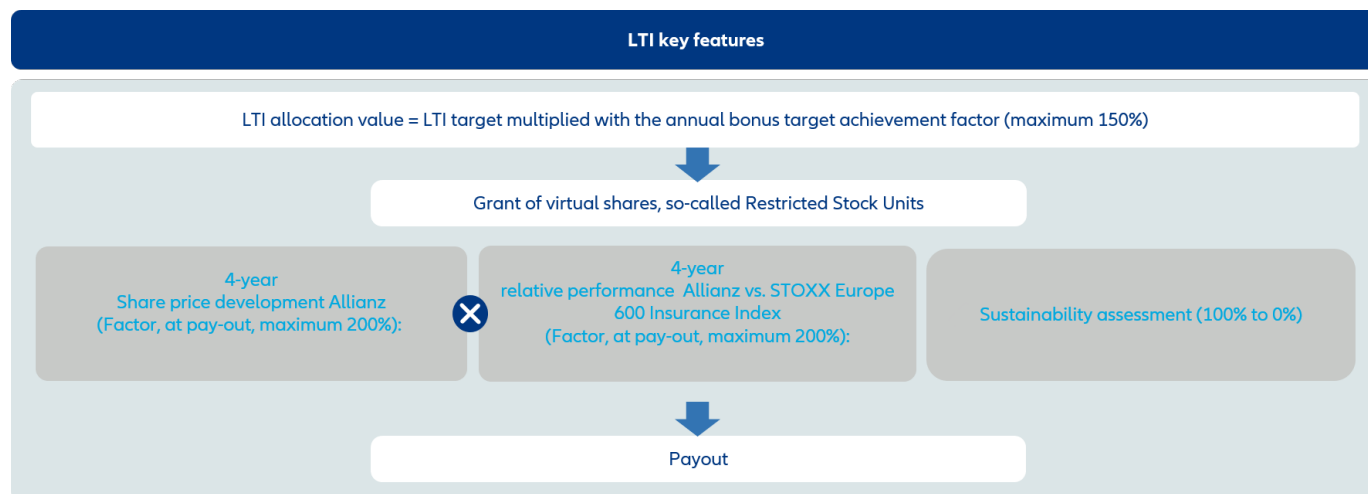
The performance-related variable remuneration consists of an annual bonus and a long-term compensation (Long-Term Incentive – LTI).

ANNUAL BONUS

The annual bonus is derived by multiplying the target achievement factor by the target amount for the annual bonus and is paid out in cash after the end of the relevant fiscal year, with payment limited to a maximum of 150% of the target amount.

LONG-TERM INCENTIVE (LTI)

The long-term, share-based compensation component makes up the largest portion of variable compensation. It promotes alignment with shareholders and reflects the sustainable implementation of the company's long-term strategy. The LTI is based on the performance in absolute and relative terms (i.e., versus competitors) of the Allianz share. Furthermore, the long-term development of KPIs is reflected in the deferred sustainability assessment following the four-year contractual vesting period.



- **Grant and contractual vesting period:** The LTI is granted annually in the form of virtual Allianz shares, so-called restricted stock units (RSUs). The number of RSUs to be granted corresponds to the LTI allocation amount divided by the allocation value of an RSU at grant:
 - The LTI allocation amount is derived by multiplying the LTI target amount by the annual bonus achievement factor and capped at 150% of the target level.
 - The RSU allocation value is based on the ten-day-average Xetra closing price of the Allianz stock following the annual financial media conference¹. As RSUs are virtual stock without dividend payments, the relevant share price is reduced by the net present value of the expected future dividend payments during the four-year contractual vesting period.
- **Relative performance versus peers:** Besides the absolute share-price development, the LTI payout takes the relative performance of the Allianz share into account. The total shareholder return (TSR) of the Allianz share is benchmarked against the TSR of the STOXX Europe 600 insurance index by reflecting the relation of the total performance of the Allianz share (“Allianz TSR”) and the total performance of the STOXX Europe 600 insurance index (“Index TSR”) between the start and end of the four-year contractual vesting period. The payout will be based on the TSR performance factor which is calculated as follows:
 - At the end of the contractual vesting period the difference between the Allianz TSR and the Index TSR is determined in percentage points; the result is multiplied with “2”: As the comparison with competitors and the market is of outstanding importance, the outperformance/underperformance is weighted twofold.
 - To determine the factor, 100 percentage point are added to the result. Example: 1 percentage point outperformance results in a relative performance factor of 102%, 1 percentage point underperformance results in a relative performance factor of 98%.

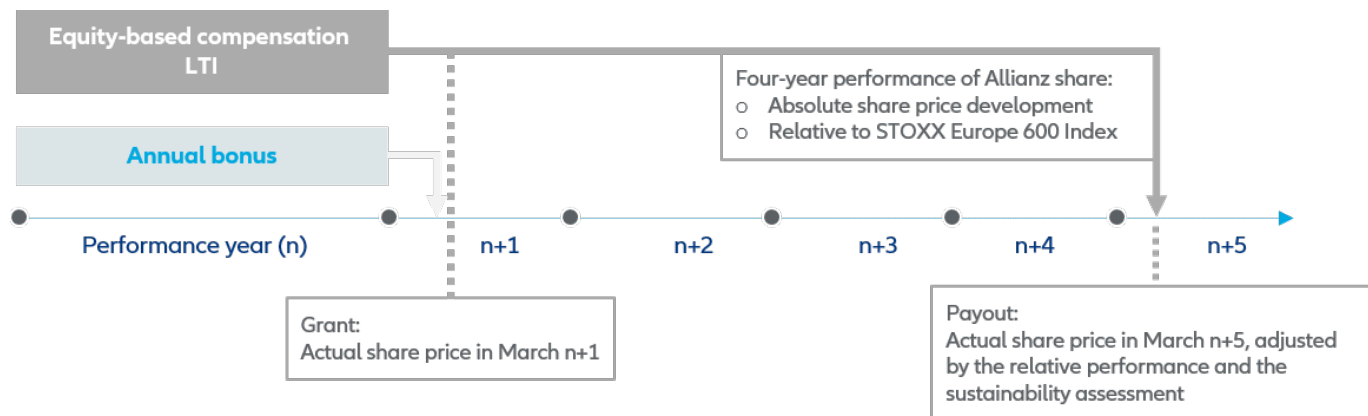
The LTI grant is followed by a contractual vesting period of four years. After that period, the LTI amount to be paid is determined based on the relative performance of the Allianz share, the relevant share price, and the results of the sustainability assessment.

¹ For accounting purposes, the determination of the fair value of RSUs is based on an option pricing model taking into account additional input parameters, including the term structure of interest rates and the expected relative performance of the Allianz share price compared to the peer index. For the latter, simulation techniques are applied at the valuation

date to determine the volatility of the Allianz stock, the volatility of the peer index, their correlation, and the expected dividends. The value of the RSUs used for the board members compensation may deviate from this IFRS value, as a simplified calculation method was applied to increase transparency and traceability.

In order to avoid incentivizing excessive risk-taking, the relative TSR performance factor is limited: it can vary between zero (for underperformance of the index by -50 percentage points or lower) and

200% (for outperformance of the index by +50 percentage points or higher).



- **Sustainability assessment:** Prior to the payout of each LTI tranche, the Supervisory Board determines, following a preliminary assessment by the Personnel Committee and the external auditor, whether there are any sustainability-related concerns regarding a full payout. If so, payment of the tranche may be canceled in full or in part.

Subject of the sustainability assessment are:

- Compliance breaches,
- Balance sheet issues such as reserve strength, solvency, indebtedness, and ratings,
- KPIs entailed in the individual board members' targets, such as NPS, employee satisfaction, and climate targets.

The assessment is made applying a comparable basis, i.e., any regulatory changes, changes in accounting regulations, or changes in calculation methods for the KPIs in question are taken into account.

- **Allianz share performance, payout, and cap:** Following the end of the four-year contractual vesting period, the granted RSUs are settled in cash based on the ten-day average Xetra closing price of the Allianz SE share following the annual financial media conference in the year the respective RSU plan vests, multiplied by the relative TSR performance factor and adjusted by the sustainability assessment, if necessary. The relevant share price is capped at 200% of the grant price. Likewise, the relative TSR performance factor is capped at a maximum of 200%. Taking into account the overall compensation cap (€ 6,000 thou for a regular board member and € 10,000 thou for the Chairman of the Board of Management), the LTI payout in relation to the LTI target – which deviates from the individual LTI component caps – is limited to 255% for the Chairman of the Board of Management and 272% for a regular board member. See also [Sensitivity of total compensation](#).

Outstanding RSU holdings are forfeited, should a board member leave at his/her own request or be terminated for cause.

Illustrative Examples

LTI payout: Performance exceeds expectation (scenario 1)

Illustrative example for RBM	%	Number RSUs	€ thou
Initial grant based on:			
• LTI target			1,463
• LTI allocation value: annual bonus achievement factor applied to LTI target	110		1,609
• RSU grant (listed share price: € 200, for the calculation of the allocation relevant share price: € 160 (= reduced by the net present value of estimated future dividends of € 40))		10,058	
LTI payout at vesting based on:			
• RSUs x share price at vesting (€ 250)			2,515
• TSR relative performance factor: 2 x (TSR Allianz: 45 % - TSR Stoxx Europe 600 Insurance: 40 %) + 100 %	110		
Payout			2,766

LTI payout: Performance remains below expectation (scenario 2)

Illustrative example for RBM	%	Number RSUs	€ thou
Initial grant based on:			
• LTI target			1,463
• LTI allocation value: annual bonus achievement factor applied to LTI target	90		1,317
• RSU grant (listed share price: € 200, for the calculation of the allocation relevant share price: € 160 (= reduced by the net present value of estimated future dividends of € 40))		8,229	
LTI payout at vesting based on:			
• RSUs x share price at vesting (€ 190)			1,564
• TSR relative performance factor: 2 x (TSR Allianz: 15 % - TSR Stoxx Europe 600 Insurance: 40 %) + 100 %	50		
Payout			782

Malus/Clawback

Variable remuneration components may not be paid, or payment may be restricted, in the case of a significant breach of the Allianz Code of Conduct or regulatory Solvency II policies or standards, including risk limits. In the same way, variable remuneration components already paid may be subject to a clawback for three years after payout.

Additionally, a reduction or cancellation of variable remuneration may occur if the supervisory authority (BaFin) requires this in accordance with its statutory powers.

PENSION CONTRIBUTION AND SIMILAR BENEFITS

To provide competitive and cost-effective retirement and disability benefits, company contributions to the defined-contribution pension plan "My Allianz Pension" are invested with a guarantee for the contributions paid, but no further interest guarantee. Each year the Supervisory Board decides whether a budget is provided and, if so, to what extent. The current pension contribution generally represents 15% of the target compensation of the board members.

Apart from cases of occupational or general disability for medical reasons, the earliest age a pension can be drawn is 62. Should board membership cease before the retirement age is reached, accrued pension rights are maintained if vesting requirements are met.

Members of the Board of Management may have additional pension entitlements under former pension plans based on previous positions in the Allianz Group or due to membership of the Board of Management prior to 2015. Payments of social insurance contributions abroad required by Allianz in individual cases may also give rise to additional pension entitlements.

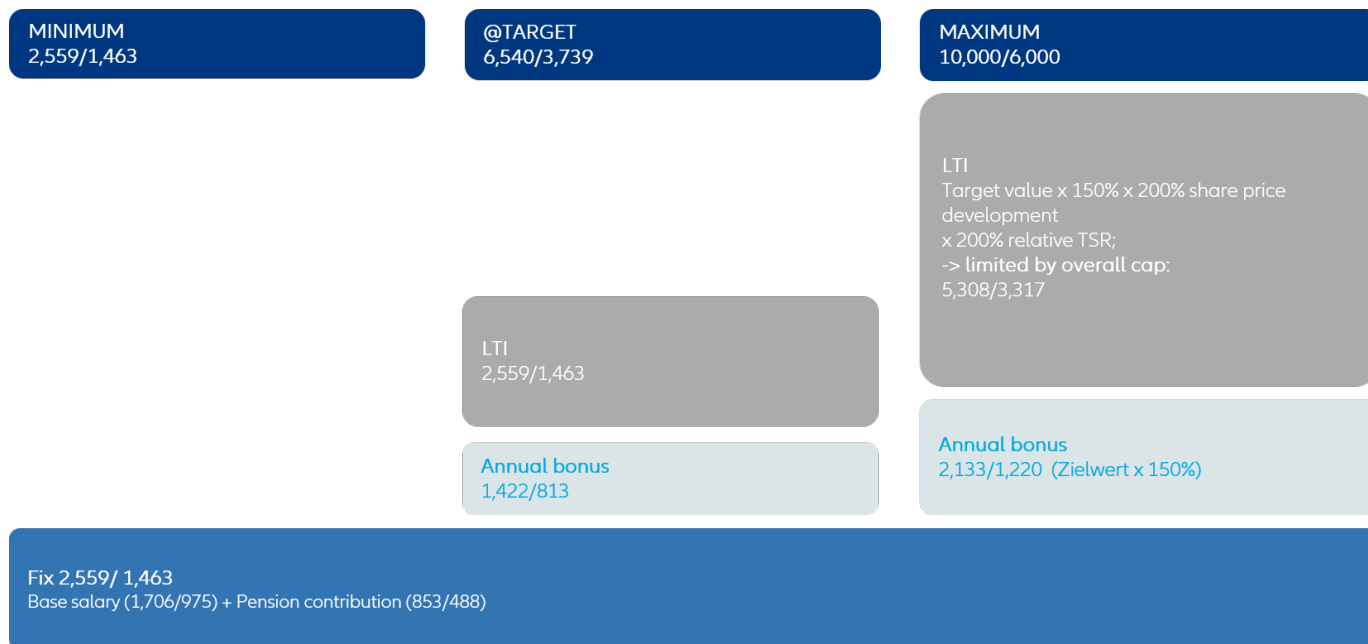
SENSITIVITY OF TOTAL COMPENSATION

The variable remuneration is designed to help achieve the operational targets and to reward sustainable performance. Therefore, payout of almost two thirds of the annual variable compensation will not occur for a period of four years; such payout is subject to sustainability assessment adjustments.

A failure to meet targets may result in a maximum reduction of the variable compensation to zero, with the overall payout being capped: The sum of variable compensation and base salary payout including pension service cost, which is paid in relation to one financial performance year, will be capped at a maximum amount of € 6,000 thou for a regular member of the Board of Management and at € 10,000 thou for the Chairman of the Board of Management:

Compensation sensitivity

€ thou CEO/RBM



SHAREHOLDING REQUIREMENTS AND SHAREHOLDING EXPOSURE

Members of the Board of Management must build share ownership within three years, with the minimum levels defined as follows:

- **Chairman of the Board of Management:** two times base salary, i.e. € 3,412 thou,
- **Regular Board of Management member:** one time base salary, i.e. € 975 thou.

Holding is required for the entire term of service on the Board of Management. Shares will be acquired through mandatory pay component conversion. In case of a base salary increase, the shareholding obligation increases accordingly. The holding obligation ceases with the end of the mandate.

In combination with the virtual shares (RSU) accumulated over four years through the LTI plan, the Allianz SE Board of Management has significant economic exposure to the Allianz stock: It amounts to approx. 800 % of base salary for the Chairman and approx. 700 % of base salary for a regular board member:

	€ thou	Target		Stock exposure	
		CEO	RBM	CEO	RBM
Share Ownership requirement: CEO: 2x base; RBM: 1x base		1,706	975	3,412 200%	975 100%
LTI RSU (virtual shares) • Annual grant of virtual shares • Deferred for four years, i.e. four LTI grants are subject to share price development • Similar economic exposure as physical stock • No personal hedging	€ thou % of base	2,559	1,463	10,236 600%	5,852 600%
	€ thou % of base	Total		13,648 800%	6,827 700%

TERMINATION OF SERVICE

Board of Management contracts are limited to a period of five years. For new appointments, a shorter period of up to three years is provided based on the recommendation by the German Corporate Governance Code. Severance payments made to board members in case of early termination are restricted according to the German Corporate Governance Code.

SEVERANCE PAYMENT CAP

Payments for early termination to board members with a remaining term of contract of more than two years are capped at twice the annual compensation, consisting of last financial year's base salary and 100% of the variable target compensation. If the remaining term of contract is less than two years, the payment is pro-rated for the remaining term of the contract. Contracts do not contain provisions for any other cases of early termination of Board of Management service.

In the event of a contractually agreed non-compete clause, a severance payment is offset against compensation resulting from the non-compete clause in case of premature termination of service.

TRANSITION PAYMENT

Board members appointed before 1 January 2010 are eligible for a transition payment after leaving the Board of Management. The transition payment comprises an amount corresponding to the most recent base salary (paid for a period of six months), plus a one-time payment of 25% of the target variable remuneration at notice date. Where an Allianz pension is due at the same time, such pension is deducted from the monthly transition payments. In the event of a contractually agreed non-compete clause, the remittance of the transitional payment will be offset against the payment resulting from the non-compete clause.

MISCELLANEOUS

INTERNAL AND EXTERNAL BOARD APPOINTMENTS

When a member of the Board of Management simultaneously holds an appointment at another company within the Allianz Group or their joint ventures with outside partners, the full amount of the respective remuneration is transferred to Allianz SE. In recognition of related benefits to the organization and subject to prior approval by the Supervisory Board of Allianz SE, board members are also allowed to accept a limited number of non-executive supervisory roles at appropriate external organizations. In these cases, 50% of the remuneration received is paid to Allianz SE. The respective board member will retain the full remuneration for that position only if the Allianz SE Supervisory Board classifies the appointment as a personal one (*ad personam*). Any remuneration paid by external organizations will

be itemized in those organizations' annual reports; its level will be determined by the governing body of the relevant organization.

TARGET ACHIEVEMENT FOR 2020

GROUP FINANCIAL TARGETS

The combined target achievement level of the Group's financial targets is calculated as the simple average of the achievement of the targets for the Group operating profit and Group net income attributable to shareholders. The targets set for both indicators were not achieved. This was due to the COVID-19 pandemic and its effects; the overall achievement of these Group targets was only 75.58%. If the effects of COVID-19 had been eliminated, the results would have been at least at the target level¹.

Group financial target achievement level

Financial Group targets	0 % - Floor in € bn		100 % - Target in € bn		150 % - Max in € bn		Actual in € bn		Achievement level in %		Weight in %		Achievement level combined in %	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Operating profit	6.00	5.80	12.00	11.50	15.00	14.35	10.75	11.86	79.19	106.24	50.00	50.00		
Net income attributable to shareholders	4.00	3.80	7.90	7.50	9.85	9.35	6.81	7.91	71.97	111.19	50.00	50.00	75.58	108.72

INDIVIDUAL CONTRIBUTION FACTOR AND VARIABLE COMPENSATION 2020

To calculate the annual bonus, the combined level of target achievement for the financial Group targets is multiplied by the individual contribution factor (ICF) determined for each board member by the Supervisory Board.

In view of the unusual circumstances presented with the COVID-19 crisis, the financial performance of the Board of Management, including stabilizing the Group's solvency, has been rated as very strong for the financial year 2020. All business divisions are close to target or even slightly above. As in the previous year, the only exception is the business division comprising the Global Insurance Lines, Anglo-Saxon Markets, MENA, and Africa; consequently, it is almost the only area weighing down the Group's target achievement level.

The Board's overall strong performance was achieved on a sustainable basis. On the one hand, both employees and customers rated its crisis management as excellent, as reflected by indicators such as the Net Promoter Score, the Inclusive Meritocracy Index, and the Work Well Index Plus; on the other hand, Allianz fully achieved the target for reducing CO₂ emissions. As a result, the combined ICF for the Board of Management was above 1.

In the assessments of the individual board members' performance, the underperformance of Niran Peiris' business division has been addressed. However, in the area of credit insurance, one noteworthy achievement was the joint development of a protective shield for German manufacturers and suppliers in cooperation with the German government. The divisions of Ivan de la Sota, Sergio Balbinot, Dr. Klaus-Peter Röhrer, until 31 March 2020 under the responsibility of Dr. Axel Theis, and Jacqueline Hunt have carried the Group's operating result through the crisis. Giulio Terzariol as CFO ensured the balance

sheet strength of the Allianz Group and thus secured the dividend payment to shareholders in the difficult crisis environment. His achievements in capital market communications were also highly recognized by the investment community when he was voted "Best CFO" in the European insurance sector. Renate Wagner and the functional units she leads – Human Resources, Legal, Compliance, and M&A units – have also managed to contribute positively. One particular achievement was the fast implementation of specific supporting measures to help the organization weather the crisis, such as flexible remote working models, digital training and development offerings, and the creation of the necessary legal requirements for the virtual Annual Shareholders' Meeting. In addition, the fact that Allianz was able to go through with several acquisitions in Latin America, Spain, and Australia, despite the difficult conditions, also stands out positively. Dr. Christof Mascher's foresighted planning was another key factor in the smooth transition to remote working models, ensuring a high level of system stability. At peak times, up to 90% of employees worked from home. At the same time, Dr. Günther Thallinger continued to manage Allianz assets professionally and with a steady hand, in particular through the periods of considerable capital market volatility. Last but not least, Oliver Bäte steered the overall company prudently and firmly, providing his Board of Management team with just the right impetus to defy the crisis. He was a true role model to the entire Allianz management team.

In addition to mastering the operational challenges, the Board of Management has also invested in the future: firstly, by improving the Property-Casualty retail and commercial lines and, secondly, by repositioning Allianz Global Investors and redefining the Life strategy in the view of the continued drop of interest rates. The digitalization strategy

¹ Group target achievement is based on an operating profit of € 10,751,118.35 (2019: 11,855,449.63) thou and net income attributable to shareholders of € 6,806,669.99 (2019: 7,914,009.88) thou.

was accelerated, and the risk and business strategies were adapted to the changed market conditions and aligned even more closely.

Furthermore, the ambitious climate strategy developed by the Board of Management was published on 14 January 2021. For further

information, please refer to the [Combined Separate Non-Financial Report](#) for the Allianz Group and Allianz SE.

With regard to the assessment of quantitative Group target achievement, no modifications have been made.

Variable compensation 2020

Target achievement 2020	Group financial performance in %	ICF range: 0.8 - 1.2	Target achievement factor in %	Annual bonus payout in € thou	LTI allocation value in € thou
Oliver Bäte	75.58	1.17	88.43	1,257	2,263
Sergio Balbinot	75.58	1.16	87.67	713	1,283
Jacqueline Hunt	75.58	1.14	86.16	700	1,261
Dr. Christof Mascher	75.58	1.12	84.65	688	1,238
Niran Peiris	75.58	0.80	60.46	492	885
Dr. Klaus-Peter Röhler	75.58	1.15	86.92	531	956
Ivan de la Sota	75.58	1.11	83.89	682	1,227
Giulio Terzariol	75.58	1.14	86.16	700	1,261
Dr. Günther Thallinger	75.58	1.14	86.16	700	1,261
Dr. Axel Theis	75.58	1.15	86.92	176	316
Renate Wagner	75.58	1.14	86.16	700	1,261

REMUNERATION FOR 2020 AND 2019

The following table shows the individual board members' remuneration for 2020 and 2019, including fixed and variable remuneration components and pension service cost.

The Grant column specifies the target, minimum, and maximum remuneration.

The Payout column lists the 2020 and 2019 payments. The base salary, annual bonus, and perquisites are linked to the performance reporting years 2020 and 2019, whereas the Allianz Equity Incentive (AEI) payouts result from grants related to performance years 2015 and 2014.

The column "Actual grant" is compliant with the disclosure requirements stipulated by the applicable German Accounting Standard

No. 17. It includes the fixed compensation components, the annual bonuses paid for both performance years, and the fair value of the RSU grant for 2020 and 2019. It shows that the compensation system breathes with business development: The compensation reported for 2020 is significantly lower than in the previous year. The actual 2020 payout, on the other hand, may be higher for members of the Board of Management who were already appointed in 2015, as the payment of share-based compensation was due and the good share price performance had an impact on payout.

The sum of the total remuneration of the Board of Management for 2020, excluding pension service cost, amounts to € 32 mn (2019: € 39 mn). The corresponding amount including pension service cost is € 38 mn (2019: € 44 mn).

Individual remuneration: 2020 and 2019

€ thou (total might not sum up due to rounding)

	Oliver Bäte (Appointed: 01/2008; CEO since 05/2015)							
	2019	Grant ¹			Actual grant ^{1,2}		Payout ³	
		2020	2019	2020	2019	2020	2019	2020
	Target	Target	Min	Max				
Base salary	1,706	1,706	1,706	1,706	1,706	1,706	1,706	1,706
Perquisites	20	11	11	11	20	11	20	11
Total fixed compensation	1,726	1,717	1,717	1,717	1,726	1,717	1,726	1,717
Annual variable compensation								
Annual bonus	1,422	1,422	-	2,133	1,747	1,257	1,747	1,257
Deferred compensation								
LTI 2020 – 2021/RSU ⁴	-	2,620	-	3,534	-	2,348	-	-
LTI 2019 – 2020/RSU ⁴	2,637	-	-	-	3,143	-	-	-
AEI 2016/RSU ⁴	-	-	-	-	-	-	-	2,375
AEI 2015/RSU ⁴	-	-	-	-	-	-	1,585	-
Total	5,785	5,759	1,717	7,384	6,616	5,323	5,058	5,350
Pension service cost ⁵	891	1,041	1,041	1,041	891	1,041	891	1,041
Total	6,676	6,800	2,758	8,425	7,507	6,364	5,949	6,391

	Sergio Balbinot (Appointed: 01/2015) ⁶							
	2019	Grant ¹			Actual grant ^{1,2}		Payout ³	
		2020	2019	2020	2019	2020	2019	2020
	Target	Target	Min	Max				
Base salary	975	975	975	975	975	975	975	975
Perquisites	74	74	74	74	74	74	74	74
Total fixed compensation	1,049	1,049	1,049	1,049	1,049	1,049	1,049	1,049
Annual variable compensation								
Annual bonus	813	813	-	1,220	981	713	981	713
Deferred compensation								
LTI 2020 – 2021/RSU ⁴	-	1,512	-	2,069	-	1,345	-	-
LTI 2019 – 2020/RSU ⁴	1,516	-	-	-	1,795	-	-	-
AEI 2016/RSU ⁴	-	-	-	-	-	-	-	1,883
AEI 2015/RSU ⁴	-	-	-	-	-	-	-	-
Total	3,378	3,374	1,049	4,337	3,826	3,107	2,030	3,644
Pension service cost ⁵	435	472	472	472	435	472	435	472
Total	3,813	3,845	1,520	4,809	4,260	3,578	2,465	4,116

1_The disclosed LTI target/min/max and LTI actual figures of 2020 and 2019 represent the LTI fair values, which differ from the LTI allocation values. The determination of the LTI fair values is based on an option pricing model taking into account additional input parameters, including the term structure of interest rates and the expected relative performance of the Allianz share price compared to the peer index. For the latter, simulation techniques are applied at the valuation date to determine the volatility of the Allianz stock, the volatility of the peer index and their correlation.

2_The column "Actual grant" is in line with the disclosure requirements under the German Accounting Standard No. 17.

3_The annual bonus disclosed for performance year 2020 is paid in 2021 and for performance year 2019 in 2020. The payments for share-based deferred compensation (AEI and LTI), however, are disclosed for the year in which the actual payment was made.

4_The share price related value increase is capped at 200 % above grant price for the AEI/RSU and at 100 % above grant price for the LTI/RSU. Furthermore, the value increase is limited by the overall payout cap. The relevant share price used to determine the RSU value, and hence the final number of RSUs granted, and the caps are only available after sign-off by the external auditors.

5_Pension service cost in accordance with IAS 19: represents the company cost, not the actual entitlement or a payment.

6_Sergio Balbinot received a buyout award in 2015 to compensate for forfeited grants from his previous employer. Half of this compensation was granted in the form of RSUs, which vested in March 2019. A payment of € 4,807 thou was made.

Individual remuneration: 2020 and 2019

€ thou (total might not sum up due to rounding)

	Jacqueline Hunt (Appointed: 07/2016)							
	2019	Grant ¹			Actual grant ^{1,2}		Payout ³	
		2020	2019	2020	2019	2020	2019	2020
	Target	Target	Min	Max				
Base salary	975	975	975	975	975	975	975	975
Perquisites	20	23	23	23	20	23	20	23
Total fixed compensation	995	998	998	998	995	998	995	998
Annual variable compensation								
Annual bonus	813	813	-	1,220	972	700	972	700
Deferred compensation								
LTI 2020 – 2021/RSU ⁴	-	1,512	-	2,069	-	1,324	-	-
LTI 2019 – 2020/RSU ⁴	1,516	-	-	-	1,781	-	-	-
AEI 2016/RSU ⁴	-	-	-	-	-	-	-	-
AEI 2015/RSU ⁴	-	-	-	-	-	-	-	-
Total	3,324	3,323	998	4,287	3,748	3,023	1,967	1,699
Pension service cost ⁵	449	458	458	458	449	458	449	458
Total	3,773	3,781	1,456	4,744	4,197	3,481	2,416	2,156

	Dr. Christof Mascher (Appointed: 09/2009; end of service: 12/2020) ⁶							
	2019	Grant ¹			Actual grant ^{1,2}		Payout ³	
		2020	2019	2020	2019	2020	2019	2020
	Target	Target	Min	Max				
Base salary	975	975	975	975	975	975	975	975
Perquisites	9	3	3	3	9	3	9	3
Total fixed compensation	984	978	978	978	984	978	984	978
Annual variable compensation								
Annual bonus	813	813	-	1,220	946	688	946	688
Deferred compensation								
LTI 2020 – 2021/RSU ⁴	-	1,512	-	2,069	-	1,302	-	-
LTI 2019 – 2020/RSU ⁴	1,516	-	-	-	1,737	-	-	-
AEI 2016/RSU ⁴	-	-	-	-	-	-	-	1,619
AEI 2015/RSU ⁴	-	-	-	-	-	-	1,426	-
Total	3,313	3,303	978	4,266	3,666	2,968	3,356	3,285
Pension service cost ⁵	489	479	479	479	489	479	489	479
Total	3,801	3,782	1,457	4,745	4,155	3,447	3,844	3,764

1_ The disclosed LTI target/min/max and LTI actual figures of 2020 and 2019 represent the LTI fair values, which differ from the LTI allocation values. The determination of the LTI fair values is based on an option pricing model taking into account additional input parameters, including the term structure of interest rates and the expected relative performance of the Allianz share price compared to the peer index. For the latter, simulation techniques are applied at the valuation date to determine the volatility of the Allianz stock, the volatility of the peer index and their correlation.

2_ The column "Actual grant" is in line with the disclosure requirements under the German Accounting Standard No. 17.

3_ The annual bonus disclosed for performance year 2020 is paid in 2021 and for performance year 2019 in 2020. The payments for share-based deferred compensation (AEI and LTI), however, are disclosed for the year in which the actual payment was made.

4_ The share price related value increase is capped at 200 % above grant price for the AEI/RSU and at 100 % above grant price for the LTI/RSU. Furthermore, the value increase is limited by the overall payout cap. The relevant share price used to determine the RSU value, and hence the final number of RSUs granted, and the caps are only available after sign-off by the external auditors.

5_ Pension service cost in accordance with IAS 19: represents the company cost, not the actual entitlement or a payment.

6_ The appointment of Dr. Christof Mascher as member of the Board of Management of Allianz SE ended as of 31 December 2020. On the basis of a post-contractual one-year non-compete clause already provided for in his service agreement, Dr. Christof Mascher is entitled to an allowance ("Karenzenschädigung") of 50% of his annual target compensation (sum of base salary and variable target compensation), i.e. a total of € 1,625.5 thou. Dr. Christof Mascher waived payment of the transitional allowance to which he would have been entitled. In any case, the transitional allowance would have been set-off against the non-compete allowance.

Individual remuneration: 2020 and 2019

€ thou (total might not sum up due to rounding)

	Niran Peiris (Appointed: 01/2018; end of service: 12/2020) ⁶							
	2019	Grant ¹			Actual grant ^{1, 2}		Payout ³	
		Target	2020	2020	2020	2019	2020	2019
		Target	Min	Max				
Base salary	975	975	975	975	975	975	975	975
Perquisites	47	40	40	40	47	40	47	40
Total fixed compensation	1,022	1,015	1,015	1,015	1,022	1,015	1,022	1,015
Annual variable compensation								
Annual bonus	813	813	-	1,220	707	492	707	492
Deferred compensation								
LTI 2020 – 2021/RSU ⁴	-	1,512	-	2,069	-	942	-	-
LTI 2019 – 2020/RSU ⁴	1,516	-	-	-	1,331	-	-	-
AEI 2016/RSU ⁴	-	-	-	-	-	-	-	-
AEI 2015/RSU ⁴	-	-	-	-	-	-	-	-
Total	3,351	3,340	1,015	4,303	3,060	2,448	1,730	1,507
Pension service cost ⁵	413	429	429	429	413	429	413	429
Total	3,764	3,769	1,444	4,733	3,473	2,877	2,143	1,936

	Dr. Klaus-Peter Röhler (Appointed: 04/2020)							
	2019	Grant ¹			Actual grant ^{1, 2}		Payout ³	
		Target	2020	2020	2020	2019	2020	2019
		Target	Min	Max				
Base salary	-	731	731	731	-	731	-	731
Perquisites	-	23	23	23	-	23	-	23
Total fixed compensation	-	754	754	754	-	754	-	754
Annual variable compensation								
Annual bonus	-	611	-	916	-	531	-	531
Deferred compensation								
LTI 2020 – 2021/RSU ⁴	-	1,136	-	1,555	-	1,017	-	-
LTI 2019 – 2020/RSU ⁴	-	-	-	-	-	-	-	-
AEI 2016/RSU ⁴	-	-	-	-	-	-	-	-
AEI 2015/RSU ⁴	-	-	-	-	-	-	-	-
Total	-	2,501	754	3,225	-	2,302	-	1,285
Pension service cost ⁵	-	390	390	390	-	390	-	390
Total	-	2,891	1,144	3,615	-	2,692	-	1,675

1_The disclosed LTI target/min/max and LTI actual figures of 2020 and 2019 represent the LTI fair values, which differ from the LTI allocation values. The determination of the LTI fair values is based on an option pricing model taking into account additional input parameters, including the term structure of interest rates and the expected relative performance of the Allianz share price compared to the peer index. For the latter, simulation techniques are applied at the valuation date to determine the volatility of the Allianz stock, the volatility of the peer index and their correlation.

2_The column "Actual grant" is in line with the disclosure requirements under the German Accounting Standard No. 17.

3_The annual bonus disclosed for performance year 2020 is paid in 2021 and for performance year 2019 in 2020. The payments for share-based deferred compensation (AEI and LTI), however, are disclosed for the year in which the actual payment was made.

4_The share price related value increase is capped at 200 % above grant price for the AEI/RSU and at 100 % above grant price for the LTI/RSU. Furthermore, the value increase is limited by the overall payout cap. The relevant share price used to determine the RSU value, and hence the final number of RSUs granted, and the caps are only available after sign-off by the external auditors.

5_Pension service cost in accordance with IAS 19: represents the company cost, not the actual entitlement or a payment.

6_The appointment of Niran Peiris as member of the Board of Management of Allianz SE ended as of 31 December 2020. On the basis of a post-contractual one-year non-compete clause already provided for in his service agreement, Niran Peiris is entitled to an allowance ("Karenzentschädigung") of 50% of his annual target compensation (sum of base salary and variable target compensation), i.e. a total of € 1,625.5 thou.

Individual remuneration: 2020 and 2019

€ thou (total might not sum up due to rounding)

	Ivan de la Sota (Appointed: 04/2018)							
	2019	Grant ¹			Actual grant ^{1,2}		Payout ³	
		2020	2019	2020	2019	2020	2019	2020
	Target	Target	Min	Max				
Base salary	975	975	975	975	975	975	975	975
Perquisites	18	60	60	60	18	60	18	60
Total fixed compensation	993	1,035	1,035	1,035	993	1,035	993	1,035
Annual variable compensation								
Annual bonus	813	813	-	1,220	840	682	840	682
Deferred compensation								
LTI 2020 – 2021/RSU ⁴	-	1,512	-	2,069	-	1,290	-	-
LTI 2019 – 2020/RSU ⁴	1,516	-	-	-	1,562	-	-	-
AEI 2016/RSU ⁴	-	-	-	-	-	-	-	-
AEI 2015/RSU ⁴	-	-	-	-	-	-	-	-
Total	3,322	3,360	1,035	4,324	3,395	3,007	1,833	1,717
Pension service cost ⁵	488	560	560	560	488	560	488	560
Total	3,810	3,920	1,595	4,884	3,883	3,567	2,321	2,277

	Giulio Terzariol (Appointed: 01/2018)							
	2019	Grant ¹			Actual grant ^{1,2}		Payout ³	
		2020	2019	2020	2019	2020	2019	2020
	Target	Target	Min	Max				
Base salary	975	975	975	975	975	975	975	975
Perquisites	26	18	18	18	26	18	26	18
Total fixed compensation	1,001	993	993	993	1,001	993	1,001	993
Annual variable compensation								
Annual bonus	813	813	-	1,220	946	700	946	700
Deferred compensation								
LTI 2020 – 2021/RSU ⁴	-	1,512	-	2,069	-	1,322	-	-
LTI 2019 – 2020/RSU ⁴	1,516	-	-	-	1,737	-	-	-
AEI 2016/RSU ⁴	-	-	-	-	-	-	-	-
AEI 2015/RSU ⁴	-	-	-	-	-	-	-	-
Total	3,329	3,318	993	4,282	3,683	3,016	1,946	1,694
Pension service cost ⁵	483	556	556	556	483	556	483	556
Total	3,812	3,874	1,550	4,838	4,166	3,572	2,429	2,250

1_ The disclosed LTI target/min/max and LTI actual figures of 2020 and 2019 represent the LTI fair values, which differ from the LTI allocation values. The determination of the LTI fair values is based on an option pricing model taking into account additional input parameters, including the term structure of interest rates and the expected relative performance of the Allianz share price compared to the peer index. For the latter, simulation techniques are applied at the valuation date to determine the volatility of the Allianz stock, the volatility of the peer index and their correlation.

2_ The column "Actual grant" is in line with the disclosure requirements under the German Accounting Standard No. 17.

3_ The annual bonus disclosed for performance year 2020 is paid in 2021 and for performance year 2019 in 2020. The payments for share-based deferred compensation (AEI and LTI), however, are disclosed for the year in which the actual payment was made.

4_ The share price related value increase is capped at 200 % above grant price for the AEI/RSU and at 100 % above grant price for the LTI/RSU. Furthermore, the value increase is limited by the overall payout cap. The relevant share price used to determine the RSU value, and hence the final number of RSUs granted, and the caps are only available after sign-off by the external auditors.

5_ Pension service cost in accordance with IAS 19: represents the company cost, not the actual entitlement or a payment.

Individual remuneration: 2020 and 2019

€ thou (total might not sum up due to rounding)

	Dr. Günther Thallinger (Appointed: 01/2017)							
	2019	Grant ¹			Actual grant ^{1, 2}		Payout ³	
		Target	2020	2020	2019	2020	2019	2020
		Target	Min	Max				
Base salary	975	975	975	975	975	975	975	975
Perquisites	6	2	2	2	6	2	6	2
Total fixed compensation	981	977	977	977	981	977	981	977
Annual variable compensation								
Annual bonus	813	813	-	1,220	946	700	946	700
Deferred compensation								
LTI 2020 – 2021/RSU ⁴	-	1,512	-	2,069	-	1,322	-	-
LTI 2019 – 2020/RSU ⁴	1,516	-	-	-	1,737	-	-	-
AEI 2016/RSU ⁴	-	-	-	-	-	-	-	-
AEI 2015/RSU ⁴	-	-	-	-	-	-	-	-
Total	3,310	3,302	977	4,266	3,664	3,000	1,926	1,678
Pension service cost ⁵	473	535	535	535	473	535	473	535
Total	3,783	3,837	1,512	4,800	4,137	3,535	2,400	2,212

	Dr. Axel Theis (Appointed: 01/2015; end of service: 03/2020) ⁶							
	2019	Grant ¹			Actual grant ^{1, 2}		Payout ³	
		Target	2020	2020	2019	2020	2019	2020
		Target	Min	Max				
Base salary	975	244	244	244	975	244	975	244
Perquisites	32	1	1	1	32	1	32	1
Total fixed compensation	1,007	244	244	244	1,007	244	1,007	244
Annual variable compensation								
Annual bonus	813	202	-	303	981	176	981	176
Deferred compensation								
LTI 2020 – 2021/RSU ⁴	-	376	-	514	-	336	-	-
LTI 2019 – 2020/RSU ⁴	1,516	-	-	-	1,787	-	-	-
AEI 2016/RSU ⁴	-	-	-	-	-	-	-	1,801
AEI 2015/RSU ⁴	-	-	-	-	-	-	-	-
Total	3,336	822	244	1,062	3,775	756	1,988	2,221
Pension service cost ⁵	564	150	150	150	564	150	564	150
Total	3,900	972	394	1,212	4,340	906	2,552	2,371

1_The disclosed LTI target/min/max and LTI actual figures of 2020 and 2019 represent the LTI fair values, which differ from the LTI allocation values. The determination of the LTI fair values is based on an option pricing model taking into account additional input parameters, including the term structure of interest rates and the expected relative performance of the Allianz share price compared to the peer index. For the latter, simulation techniques are applied at the valuation date to determine the volatility of the Allianz stock, the volatility of the peer index and their correlation.

2_The column "Actual grant" is in line with the disclosure requirements under the German Accounting Standard No. 17.

3_The annual bonus disclosed for performance year 2020 is paid in 2021 and for performance year 2019 in 2020. The payments for share-based deferred compensation (AEI and LTI), however, are disclosed for the year in which the actual payment was made.

4_The share price related value increase is capped at 200 % above grant price for the AEI/RSU and at 100 % above grant price for the LTI/RSU. Furthermore, the value increase is limited by the overall payout cap. The relevant share price used to determine the RSU value, and hence the final number of RSUs granted, and the caps are only available after sign-off by the external auditors.

5_Pension service cost in accordance with IAS 19: represents the company cost, not the actual entitlement or a payment.

6_The appointment of Dr. Axel Theis as member of the Board of Management of Allianz SE ended as of 31 March 2020. On the basis of a post-contractual one-year non-compete clause already provided for in his service agreement, Dr. Axel Theis is entitled to an allowance ("Karenzenschädigung") of 50% of his annual target compensation (sum of base salary and variable target compensation), i.e. a total of € 1,625.5 thou. Dr. Axel Theis waived payment of the transitional allowance to which he would have been entitled. In any case, the transitional allowance would have been set-off against the non-compete allowance.

Individual remuneration: 2020 and 2019

€ thou (total might not sum up due to rounding)

	Renate Wagner (Appointed: 01/2020)							
	2019	Grant ¹			Actual grant ^{1,2}		Payout ³	
		2020	2019	2020	2019	2020	2019	2020
	Target	Target	Min	Max				
Base salary	-	975	975	975	-	975	-	975
Perquisites	-	32	32	32	-	32	-	32
Total fixed compensation	-	1,007	1,007	1,007	-	1,007	-	1,007
Annual variable compensation								
Annual bonus	-	813	-	1,220	-	700	-	700
Deferred compensation								
LTI 2020 – 2021/RSU ⁴	-	1,512	-	2,069	-	1,324	-	-
LTI 2019 – 2020/RSU ⁴	-	-	-	-	-	-	-	-
AEI 2016/RSU ⁴	-	-	-	-	-	-	-	-
AEI 2015/RSU ⁴	-	-	-	-	-	-	-	-
Total	-	3,332	1,007	4,296	-	3,032	-	1,708
Pension service cost ⁵	-	477	477	477	-	477	-	477
Total	-	3,809	1,484	4,773	-	3,508	-	2,185

1_The disclosed LTI target/min/max and LTI actual figures of 2020 and 2019 represent the LTI fair values, which differ from the LTI allocation values. The determination of the LTI fair values is based on an option pricing model taking into account additional input parameters, including the term structure of interest rates and the expected relative performance of the Allianz share price compared to the peer index. For the latter, simulation techniques are applied at the valuation date to determine the volatility of the Allianz stock, the volatility of the peer index and their correlation.

2_The column "Actual grant" is in line with the disclosure requirements under the German Accounting Standard No. 17.

3_The annual bonus disclosed for performance year 2020 is paid in 2021 and for performance year 2019 in 2020. The payments for share-based deferred compensation (AEI and LTI), however, are disclosed for the year in which the actual payment was made.

4_The share price related value increase is capped at 200 % above grant price for the AEI/RSU and at 100 % above grant price for the LTI/RSU. Furthermore, the value increase is limited by the overall payout cap. The relevant share price used to determine the RSU value, and hence the final number of RSUs granted, and the caps are only available after sign-off by the external auditors.

5_Pension service cost in accordance with IAS 19: represents the company cost, not the actual entitlement or a payment.

SHARE-BASED REMUNERATION AND SHAREHOLDINGS

In accordance with the method described earlier, a number of RSU were granted to each member of the Board of Management in March 2021. They will vest and be settled in 2025.

Grants and outstanding holdings under the Allianz Equity Program (AEI, until and including for financial year 2018) and the LTI from the financial year 2019

Board members	RSU	
	Number of RSU granted on 5/3/2021 ¹	Number of RSU held at 31/12/2020 ¹
Oliver Bäte	14,749	49,935
Sergio Balbinot	8,360	30,361
Jacqueline Hunt	8,216	26,077
Dr. Christof Mascher	8,072	27,732
Niran Peiris	5,765	20,691
Dr. Klaus-Peter Röhler	6,228	18,394
Ivan de la Sota	7,999	21,592
Giulio Terzariol	8,216	21,049
Dr. Günther Thallinger	8,216	24,767
Dr. Axel Theis	2,060	29,990
Renate Wagner	8,216	5,159
Total	86,097	275,747

¹ The relevant value of an RSU is only available after sign-off of the Annual Report by the external auditors, therefore numbers are based on a best estimate. As disclosed in the Annual Report 2019, the share-based grant in 2020 was made to participants as part of their 2019 remuneration. The disclosure in the Annual Report 2019 was based on a best estimate of the RSU grants. The actual grants deviated from the estimated values and have to be disclosed accordingly. The actual RSU grants as of 6 March 2020 under the LTI are as follows: Oliver Bäte: 19,588, Sergio Balbinot: 11,001, Jacqueline Hunt: 10,902, Dr. Christof Mascher: 10,604, Niran Peiris: 7,929, Ivan de la Sota: 9,415, Giulio Terzariol: 10,604, Dr. Günther Thallinger: 10,604, Dr. Axel Theis: 11,001.

Under the shareholding requirements, members of the Board of Management must build share ownership within three years

➤ [shareholding requirements](#).

Shareholding exposure as of 31 December 2020

€ thou

Board members	Shareownership portfolio ¹	RSU portfolio ²	Total portfolio	Proportion of total portfolio value on base salary in %
Oliver Bäte	2,611	10,022	12,633	741
Sergio Balbinot	746	6,093	6,839	701
Jacqueline Hunt	746	5,234	5,980	613
Dr. Christof Mascher	746	5,566	6,312	647
Niran Peiris	746	4,153	4,899	502
Dr. Klaus-Peter Röhler	-	3,692	3,692	379
Ivan de la Sota	746	4,334	5,080	521
Giulio Terzariol	746	4,225	4,971	510
Dr. Günther Thallinger	746	4,971	5,717	586
Dr. Axel Theis	-	6,019	6,019	617
Renate Wagner	-	1,035	1,035	106

¹ Based on the XETRA closing price of the Allianz share as of 30 December 2020. Shareholdings as of 31 December 2020: Oliver Bäte: 13,011 shares, Sergio Balbinot, Jacqueline Hunt, Dr. Christof Mascher, Niran Peiris, Ivan de la Sota, Giulio Terzariol and Dr. Günther Thallinger: 3,717 shares each. As part of the shareownership guideline, the first acquisition for Dr. Klaus-Peter Röhler and Renate Wagner will take place in 2021.

² Based on the XETRA closing price of the Allianz share as of 30 December 2020 and the portfolio as of 31 December 2020 shown in the table reporting the share-based compensation.

PENSIONS

Company contributions to the current pension plan "My Allianz Pension" are generally 15% of total target direct compensation, reduced by an amount covering the death and occupational or general disability risk. They are invested in a fund with a guarantee on the contributions paid, but no further interest guarantee.

For members with pension rights under the now frozen defined benefit plan, the above contribution rates are reduced by 19% of the expected annual pension from that frozen plan.

In 2020, Allianz Group paid € 6 mn (2019: € 5 mn) to increase reserves for pensions and similar benefits for active members of the Board of Management. As of 31 December 2020, reserves for pensions and similar benefits for active members of the Board of Management amounted to € 35 mn (2019: € 41 mn).

In 2020, former members of the Board of Management and their dependents received remunerations and other benefits totaling € 8 mn (2019: € 7 mn), while reserves for current pension obligations and accrued pension rights totaled € 166 mn (2019: € 153 mn).

Individual pensions: 2020 and 2019

€ thou (total might not sum up due to rounding)

		Defined benefit pension plan (frozen)			Contribution-based pension plan (frozen) ¹		Current pension plan		AVK/APV ²		Transition payment ³		Total	
		Expected annual pension payment ⁴	SC ⁵	DBO ⁶	SC ⁵	DBO ⁶	SC ⁵	DBO ⁶	SC ⁵	DBO ⁶	SC ⁵	DBO ⁶	SC ⁵	DBO ⁶
Board of Management														
Oliver Bäte	2020	-	-	-	151	4,255	812	3,765	7	51	72	1,332	1,041	9,403
	2019	-	-	-	82	3,898	750	2,868	6	46	53	1,201	891	8,013
Sergio Balbinot	2020	-	-	-	5	34	464	2,354	3	11	-	-	472	2,400
	2019	-	-	-	4	32	429	1,836	3	9	-	-	435	1,877
Jacqueline Hunt	2020	-	-	-	-	-	458	1,720	-	-	-	-	458	1,720
	2019	-	-	-	-	-	449	1,270	-	-	-	-	449	1,270
Dr. Christof Mascher ⁷	2020	-	-	-	9	4,010	464	2,417	6	58	-	-	479	6,485
	2019	-	-	-	6	3,770	429	1,897	6	52	49	912	489	6,631
Niran Peiris	2020	-	-	-	-	-	429	1,188	-	-	-	-	429	1,188
	2019	-	-	-	-	-	413	751	-	-	-	-	413	751
Dr. Klaus-Peter Röhler	2020	17	15	486	22	1,783	346	1,302	8	249	-	-	390	3,821
	2019	-	-	-	-	-	-	-	-	-	-	-	-	-
Ivan de la Sota	2020	14	13	407	74	73	462	1,197	11	137	-	-	560	1,814
	2019	14	11	377	42	61	426	710	9	122	-	-	488	1,270
Giulio Terzariol	2020	19	17	429	61	739	462	1,427	17	297	-	-	556	2,891
	2019	19	14	387	30	660	425	935	14	277	-	-	483	2,260
Dr. Günther Thallinger	2020	-	-	-	63	1,885	464	1,927	7	47	-	-	535	3,860
	2019	-	-	-	38	1,700	429	1,420	7	42	-	-	473	3,162
Dr. Axel Theis ⁸	2020	120	26	-	10	-	110	-	3	-	-	-	150	-
	2019	120	92	3,479	34	2,910	406	1,712	11	330	22	896	564	9,327
Renate Wagner	2020	-	-	-	9	250	464	683	4	15	-	-	477	948
	2019	-	-	-	-	-	-	-	-	-	-	-	-	-

1_The service cost of the frozen contribution-based pension plan reflects the continued death and disability cover.

2_Plan participants contribute 3 % of their relevant salary to the AVK. For the AVK the minimum guaranteed interest rate is 1.75 % - 3.50 % depending on the date of joining Allianz. In general, the company funds the balance required via the APV. Before Allianz's founding of the APV in 1998, both Allianz and the plan participants were contributing to the AVK.

3_For details on the transition payment, see section "Termination of service". In any event a death benefit is included.

4_Expected annual pension payment at assumed retirement age for the frozen defined benefit pension plan, excluding payments for the current pension plan.

5_SC = service cost. Service costs are calculatory costs for the DBO related to the business year reported.

6_DBO = defined benefit obligation, end of year. The figures show the obligation for Allianz resulting from defined benefit plans, taking into account realistic assumptions with regard to interest rate, dynamics, and biometric probabilities.

7_Dr. Christof Mascher waived the transitional allowance to which he would have been entitled. Such transitional allowance would have been set-off against the non-compete allowance ("Karenzentschädigung") in any case.

8_As Dr. Axel Theis retired on 31 March 2020, his employer-financed DBO of € 9,141 thou (of which € 3,748 thou for the frozen defined benefit pension plan, € 3,087 thou for the frozen contribution-based pension plan, € 1,858 thou for the current pension plan and € 448 thou AVK/APV) as of 31 December 2020, is taken into account at the former board members. He waived the transitional allowance to which he would have been entitled. In any case, the transitional allowance would have been set-off against the non-compete allowance.

OUTLOOK FOR 2021

NEW BOARD MEMBERS

The remuneration of the new regular members of the Board of Management of Allianz SE, Dr. Barbara Karuth-Zelle and Christopher Townsend, has been set at the same level as for the other regular members of the Board of Management.

TARGET COMPENSATION ADJUSTMENT FOR THE CHAIRMAN OF THE BOARD OF MANAGEMENT OF ALLIANZ SE

The Supervisory Board has decided to adjust the total target and overall compensation cap of the Chairman of the Board of Management effective 1 January 2021. The increase of the target compensation was actually already planned for 2020 due to the contract extension of Oliver Bäte on 1 October 2019 and is in line with the usual approach at Allianz to increase the target compensation of the Chairman of the Board to market level only if – as in the case of Oliver Bäte – performance and success prove

to be sustainable. The increase was postponed and the originally planned resolution on the Board of Management remuneration system was not submitted to the Annual Shareholders' Meeting for approval in 2020 in order to be able to update the horizontal comparison once again on the basis of the remuneration reports of peer companies published in 2020. This horizontal comparison has led to the following conclusion: The annual target compensation excluding pension contributions will be increased from € 5,687 thou to € 6,371 thou, and the overall compensation cap will be adjusted from € 10,000 thou to € 11,750 thou respectively. The ratio of the Chairman of the Board's target compensation to that of a regular board member has thus been set at 1.96, up from the previous factor of 1.75. This factor corresponds to the average ratio of regular board members to board chairmen in the DAX. In addition, the compensation of the Board of Management was subjected to a horizontal comparison with DAX companies and international competitors. This showed that Allianz is in the 86th percentile of DAX companies relative to its size (revenue, number of employees and market capitalization). The Supervisory Board has set the 75th percentile as the appropriate level of target compensation in terms of the horizontal comparison. The target compensation of the regular board members is at the 75th percentile and was therefore found to be appropriate, while the target compensation of the Chairman of the Board is only at the 55th percentile and was therefore not appropriate. The new target compensation of the Chairman of the Board is also at the 75th percentile. The adjustment of the target compensation of the Chairman was made with the consent of the social partners (employee representatives of the Supervisory Board) of Allianz SE.

In € thou	Base salary	Annual bonus	Long-term incentive	100 %	Pension contribution	Total compensation
2020	1,706	1,422	2,559	5,687	853	6,540
2021	1,911	1,593	2,867	6,371	956	7,327

ADJUSTMENT OF THE BOARD OF MANAGEMENT'S REMUNERATION SYSTEM OF ALLIANZ SE

At its meeting on 18 February 2021, the Supervisory Board adopted the current remuneration system for the Board of Management of Allianz SE. It differs only slightly from the system applicable until 2020 and takes into account, among other things, the current requirements of the German Stock Corporation Act (ARUG II) and the German Corporate Governance Code through technical adjustments. The remuneration system for the Board of Management thus adopted will be submitted to the 2021 Annual Shareholders' Meeting for approval.

The first change relates to the possibility of temporarily deviating from the remuneration system in exceptional circumstances in accordance with the statutory provision (§87a(2) German Stock Corporation Act), if this is necessary in the interests of the long-term welfare of the company. The assessment may take into account both macroeconomic and company-related exceptional circumstances, such as impairment of the long-term viability and profitability of the company. Any deviation requires a prior proposal by the Personnel Committee. The components of the remuneration system from which deviations may be made in exceptional cases include in particular the base salary, the annual bonus and the long-term incentive (LTI), including their relationship to each other, their respective assessment bases where applicable, the target setting and target achievement

assessment principles, and the determination of any payout and payment dates. The duration of the deviation shall be determined by the Supervisory Board at its due discretion, but should not exceed a period of four years. In a crisis situation, for example, this provision is intended to allow the appointment of a new board member, e.g., with crisis management expertise, with a compensation structure that temporarily deviates from the remuneration structure.

The Supervisory Board is also entitled to take appropriate account of extraordinary unforeseeable developments when determining the amount of the variable compensation. This rule takes up a recommendation of the German Corporate Governance Code and allows to adjust the remuneration in rare unforeseeable exceptional cases. Conceivable cases of application include, for example, significant changes in accounting rules or in the tax or regulatory framework, as well as catastrophic events not yet known at the time of target setting. The application of this rule may also lead to a reduction in the variable compensation.

The Supervisory Board may also adjust the target compensation of the members of the Board of Management insofar as this is appropriate to ensure that the compensation of the Chairman of the Board of Management or a regular member of the Board of Management is appropriate with regard to their duties and performance. In doing so, it shall take into account the comparison of board compensation horizontally and vertically. The aim of this rule is to adjust board compensation moderately on the basis of horizontal and vertical compensation trends and thus avoid major compensation increases. It does not constitute an automatic adjustment, but requires a justified decision by the Supervisory Board in each case. Such a moderate adjustment of the target compensation does not in itself represent a significant change to the compensation system. These adjustments or deviations must be justified in detail in the respective remuneration report for the reported financial year. The remuneration report is prepared in accordance with ARUG II and submitted to the Annual Shareholders' Meeting for approval.

By way of clarification, it is mentioned that members of the Board of Management appointed for the first time may be granted corresponding payments or benefit commitments in connection with the commencement of their appointment to the Board of Management of Allianz SE in order to compensate for compensation or pension entitlements forfeited with previous employers. Such compensation commitments are important for the possibility of attracting external candidates for the Board of Management. Payments made on the basis of these commitments are by their nature not considered with regard to the calculation of the overall compensation cap.

Remuneration of the Allianz SE Supervisory Board

The remuneration of the Supervisory Board is governed by the Statutes of Allianz SE and the German Stock Corporation Act. The structure of the Supervisory Board's remuneration is regularly reviewed with regard to its compliance with German, European, and international corporate governance recommendations and regulations.

REMUNERATION PRINCIPLES

- In view of the activities and its business and financial situation of Allianz, the amount of the remuneration for the Supervisory Board is based on the fourth quartile of the Supervisory Board remuneration of the companies reported in the DAX.
- The remuneration structure takes into account the individual functions and responsibilities of Supervisory Board members, such as chair, vice chair, or committee mandates.
- The remuneration structure allows proper oversight of business as well as independent decisions on executive personnel and remuneration.

REMUNERATION STRUCTURE AND COMPONENTS


The remuneration structure, which comprises fixed and committee-related remuneration only, was approved by the Annual General Meeting in 2018 and is laid down in the Statutes of Allianz SE.

FIXED ANNUAL REMUNERATION

The remuneration of a Supervisory Board member consists of a fixed cash amount paid pro rata temporis after the end of the respective quarter of the business year for services rendered over that period. In 2020, each regular Supervisory Board member received a fixed compensation amounting to € 125 thou per year. The Chairperson received € 250 thou, each Vice Chairperson received € 187.5 thou.

COMMITTEE-RELATED REMUNERATION

The Chairperson and members of the Supervisory Board committees receive additional committee-related remuneration. The committee-related remuneration is as follows:

FIXED ANNUAL REMUNERATION						
						
Chairperson € 250 thou	Vice Chairperson € 187,5 thou				Regular Member € 125 thou	
COMMITTEE-RELATED REMUNERATION						
	Audit Committee	Personnel Committee	Risk Committee	Standing Committee	Technology Committee	Nomination Committee
Chairperson	€ 100 thou			€ 50 thou		none
Regular Member	€ 50 thou			€ 25 thou		none

ATTENDANCE FEES AND EXPENSES

In addition to the fixed and committee-related remuneration, members of the Supervisory Board receive an attendance fee of € 1,000 for each Supervisory Board or committee meeting they attend. Should several meetings be held on the same or consecutive days, the attendance fee will only be paid once. In addition, Allianz SE reimburses the Supervisory Board members for their out-of-pocket expenses and the VAT payable on their Supervisory Board service. The company provides insurance coverage and technical support to the Supervisory Board members to an extent reasonable for carrying out their Supervisory Board duties. In the course of the latest change to the German Corporate Governance Code, the recommendation for a 10% deductible for members of the Supervisory Board in the D&O insurance was deleted without replacement. In light of the reasons of the respective Code Commission for this change, i.e., that a deductible would not present a suitable means to increase the sense of responsibility and motivation of Supervisory Board members, it was decided to waive the deductible when signing a new D&O insurance contract in 2020.

REMUNERATION FOR 2020

The total remuneration for all Supervisory Board members, including attendance fees, amounted to € 2,652 thou (2019: € 2,685 thou).

The following table shows the individual remuneration for 2020 and 2019:

Individual remuneration: 2020 and 2019

€ thou (total might not sum up due to rounding)

Members of the Supervisory Board	Committees ¹							Fixed remuneration	Committee remuneration	Attendance fees	Total remuneration
	A	N	P	R	S	T					
Michael Diekmann (Chairman)	M	C	C	C	C	M	2020	250.0	225.0	11.0	486.0
	M	C	C	C	C	M	2019	250.0	225.0	9.0	484.0
Jim Hagemann Snabe (Vice Chairman)		M			M	C	2020	187.5	75.0	4.0	266.5
		M			M	C	2019	187.5	75.0	6.0	268.5
Gabriele Burkhardt-Berg (Vice Chairwoman)			M			M	2020	187.5	50.0	3.0	240.5
			M			M	2019	187.5	50.0	6.0	243.5
Sophie Boissard	M						2020	125.0	50.0	3.0	178.0
	M						2019	125.0	50.0	9.0	184.0
Christine Bosse		M		M			2020	125.0	25.0	3.0	153.0
		M		M			2019	125.0	25.0	6.0	156.0
Dr. Friedrich Eichiner	C			M		M	2020	125.0	150.0	6.0	281.0
	C			M		M	2019	125.0	150.0	9.0	284.0
Jean-Claude Le Goaër	M				M		2020	125.0	75.0	3.0	203.0
	M				M		2019	125.0	75.0	9.0	209.0
Martina Grundler	M						2020	125.0	50.0	4.0	179.0
	M						2019	125.0	50.0	7.0	182.0
Herbert Hainer			M		M		2020	125.0	50.0	5.0	180.0
			M		M		2019	125.0	50.0	6.0	181.0
Godfrey Robert Hayward				M			2020	125.0	25.0	2.0	152.0
				M			2019	125.0	25.0	6.0	156.0
Frank Kirsch				M			2020	125.0	25.0	4.0	154.0
				M			2019	125.0	25.0	6.0	156.0
Jürgen Lawrenz					M	M	2020	125.0	50.0	4.0	179.0
					M	M	2019	125.0	50.0	6.0	181.0
Total²							2020	1,750.0	850.0	52.0	2,652.0
							2019	1,750.0	850.0	85.0	2,685.0

Legend: C = Chairperson of the respective committee, M = Member of the respective committee

1_Abbreviations: A - Audit, N - Nomination, P - Personnel, R - Risk, S - Standing, T - Technology

2_The total reflects the remuneration of the full Supervisory Board in the respective year.

REMUNERATION FOR MANDATES IN OTHER ALLIANZ COMPANIES AND FOR OTHER FUNCTIONS

Mr. Jürgen Lawrenz did not receive any remuneration for his service on the Supervisory Board of Allianz Technology SE. All current employee representatives of the Supervisory Board, except for Ms. Martina Grundler, are employed by Allianz Group companies and receive market-based remuneration for their services.

OUTLOOK 2021

The remuneration of the Supervisory Board of Allianz SE was last amended by the Annual General Meeting on 9 May 2018. In light of the statutory provisions, the Annual General Meeting of Allianz SE will vote on the Supervisory Board's Remuneration System on 5 May 2021, which will also entail remuneration for members of the Nomination Committee. The remuneration is set at half of the usual committee remuneration and amounts to € 25 thou for the Chairperson and € 12.5 thou for a regular member. This remuneration takes into account the increased tasks in the selection of suitable candidates for the election of shareholder representatives on the Supervisory Board as well as the increased selection frequency due to the proposed shortening of the term of office of shareholder representatives on the Supervisory Board from five to four years.

In 2021, the Supervisory Board will also set up a Sustainability Committee, in particular, to closely monitor the sustainability strategy of the Allianz SE Board of Management. The remuneration is set at the usual committee remuneration level of € 50 thou for the Chairperson and € 25 thou for a regular member.

OTHER INFORMATION

Our steering

BOARD OF MANAGEMENT AND ORGANIZATIONAL STRUCTURE

Allianz SE has a divisional Board structure based on functional and business responsibilities. Business-related divisions reflect our business segments Property-Casualty, Life/Health, Asset Management, and Corporate and Other. In 2020, they were overseen by five board members. The following divisions focus on Group functions and come with business-related responsibilities: Chairman of the Board of Management; Finance, Controlling and Risk; Investment Management; Operations and Allianz Services; Human Resources, Legal, Compliance and M&A; and Business Transformation¹.

For further information on Board of Management members and their responsibilities, please refer to [Mandates of the Members of the Board of Management](#).

TARGET SETTING AND MONITORING

For Allianz SE the same key performance indicators and target values as for the Allianz Group apply. In particular the key financial performance indicators are based on IFRS.

The Allianz Group steers its operating entities and business segments via an integrated management and control process. It begins with the definition of a business-specific strategy and goals, which are discussed and agreed upon between the Holding and operating entities. Based on this strategy, our operating entities prepare three-year plans, which are then aggregated to form the financial plans for the business divisions and for the Allianz Group as a whole. This plan also forms the basis for our capital management. The Supervisory Board approves the plan and sets corresponding targets for the Board of Management. The performance-based remuneration of the Board of Management is linked to short-term and long-term targets to ensure effectiveness and emphasize sustainability. For further details about our remuneration structure, including target setting and performance assessment, please refer to the [Remuneration Report](#).

We continuously monitor our business performance against these targets through monthly reviews – which cover key operational and financial metrics – to ensure we can move quickly and take appropriate measures in the event of negative developments. The Allianz Group uses operating profit and net income as key financial performance indicators across all its business segments. Other indicators include segment-specific figures, such as the combined ratio for Property-Casualty, return on equity² and new business margins for Life/Health, and the cost-income ratio for Asset Management.

Besides performance steering, we also have a risk steering process in place, which is described in the [Risk and Opportunity Report](#).

Non-financial key performance indicators (KPIs) are used to assess the organizational health of Allianz and are reflected in the annual bonus of the Board of Management. In line with our Renewal Agenda 2.0 motto “Simplicity Wins”, Customer Centricity and employee commitment – the two key levers identified – are reflected in two KPIs: the Net Promoter Score (NPS³) and the Inclusive Meritocracy Index. For further information on non-financial KPIs, please refer to

the [Combined Separate Non-Financial Report](#) for the Allianz Group and Allianz SE (according to §289b (3) in conjunction with §298(2) of the HGB) of the Allianz Group’s Annual Report 2020.

For an overview of the development and expected development of the most important financial and non-financial KPIs, please refer to the [Outlook 2021](#) of the Allianz Group’s Annual Report 2020.

Branches

In 2020, Allianz SE operated its business from Munich and from branch offices in Rome (Italy), Casablanca (Morocco), Singapore, Labuan (Malaysia), Wallisellen (Switzerland), Vienna (Austria) and Dublin (Ireland).

Takeover-related Statements and Explanations

The following information is provided pursuant to §289a of the German Commercial Code (“Handelsgesetzbuch – HGB”) and §176(1) of the German Stock Company Act (“Aktiengesetz – AktG”).

COMPOSITION OF SHARE CAPITAL

As of 31 December 2020, the share capital of Allianz SE was € 1,169,920,000. It was divided into 412,293,128 registered and fully paid-up shares with no par value. All shares carry the same rights and obligations. Each no-par value share carries one vote.

RESTRICTIONS ON VOTING RIGHTS AND SHARE TRANSFERS; EXERCISE OF VOTING RIGHTS IN CASE OF EMPLOYEE EQUITY PARTICIPATIONS

Shares may only be transferred with the consent of the company. An approval duly applied for may only be withheld if it is deemed necessary in the company’s interest on exceptional grounds. The applicant will be informed of the reasons.

Shares acquired by employees of the Allianz Group as part of the employee stock purchase plan are generally subject to a three-year lock-up period. During the lock-up period, employees can exercise their voting rights.

INTERESTS IN THE SHARE CAPITAL EXCEEDING 10% OF THE VOTING RIGHTS

Allianz SE is not aware of any direct or indirect interests in the share capital that exceed 10% of the voting rights.

SHARES WITH SPECIAL RIGHTS CONFERRING POWERS OF CONTROL

There are no shares with special rights conferring powers of control.

¹ This member of the Board of Management also oversees Insurance Iberia & Latin America and Allianz Partners.

² Excluding unrealized gains/losses on bonds net of shadow accounting.

³ NPS is 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.

LEGAL AND STATUTORY PROVISIONS APPLICABLE TO THE APPOINTMENT AND REMOVAL OF MEMBERS OF THE BOARD OF MANAGEMENT AND TO AMENDMENTS OF THE STATUTES

The appointment and removal of members of Allianz SE's Board of Management is governed by Articles 9(1), 39(2) and 46 of the SE Regulation, §§84, 85 AktG, §24(3) and §47 No. 1 German Insurance Supervision Act ("Versicherungsaufsichtsgesetz – VAG"), and the Statutes. According to the Statutes, the Board of Management shall consist of at least two persons; the Supervisory Board determines the number of any additional members (§5(1) of the Statutes). The members of the Board of Management are appointed by the Supervisory Board for a term of up to five years; reappointment is permitted for a maximum of five years in each case (§5(3) of the Statutes). A simple majority of the votes cast in the Supervisory Board is required to appoint members of the Board of Management. In the case of a tie vote, the Chairperson of the Supervisory Board, who pursuant to Article 42 of the SE Regulation must be a shareholder representative, shall have the casting vote (§8(3) of the Statutes). If the Chairperson does not participate in the vote, the Vice Chairperson shall have the casting vote, provided he or she is a shareholder representative. A Vice Chairperson who is an employee representative has no casting vote (§8(3) of the Statutes).

Amendments to the Statutes are governed by Article 59 SE Regulation, §179 AktG, and the Statutes. §13(4) of the Statutes of Allianz SE stipulates that, unless mandatory law requires otherwise, changes to the Statutes require a two-thirds majority of the votes cast at a General Meeting or, if at least one half of the share capital is represented, a simple majority of the votes cast. Where the law requires a majority in capital for a shareholder resolution, a simple majority of the capital represented at the General Meeting is sufficient, provided this is in line with legal requirements. The Supervisory Board may alter the wording of the Statutes (§179(1) AktG and §10 of the Statutes).

AUTHORIZATION OF THE BOARD OF MANAGEMENT TO ISSUE AND REPURCHASE SHARES

The Board of Management is authorized to issue shares as well as to acquire and use treasury shares as follows:

It may increase the company's share capital on or before 8 May 2023, with the approval of the Supervisory Board, by issuing new registered no-par value shares against contributions in cash and/or in kind, on one or more occasions:

- Up to a total of € 334,960,000 (Authorized Capital 2018/I): In case of a capital increase against cash contribution, the Board of Management may exclude the shareholders' subscription rights for these shares with the consent of the Supervisory Board (i) for fractional amounts, (ii) in order to safeguard the rights pertaining to holders of convertible bonds or bonds with warrants, including mandatory convertible bonds, and (iii) in the event of a capital increase of up to 10%, if the issue price of the new shares is not significantly below the stock market price. The Board of Management may furthermore exclude the shareholders' subscription rights with the consent of the Supervisory Board in the event of a capital increase against contributions in kind.
- Up to a total of € 15,000,000 (Authorized Capital 2018/II): The shareholders' subscription rights are excluded. New shares may only be issued to employees of Allianz SE and its Group companies.

The company's share capital is conditionally increased by up to € 250,000,000 (Conditional Capital 2010/2018). This conditional capital increase will only be carried out to the extent that the holders of convertible bonds, bonds with warrants, convertible participation rights, participation rights, and subordinated financial instruments issued against cash by Allianz SE or its subsidiaries, based on the authorizations granted by the General Meeting on 5 May 2010 or 9 May 2018, exercise their conversion or option rights, or to the extent that conversion obligations from such bonds are fulfilled, and to such extent that treasury shares or shares from authorized capital are not used for such purpose.

Under an authorization by the General Meeting on 9 May 2018, the Board of Management may, until 8 May 2023, buy back Allianz shares corresponding to up to 10% of the lower of (i) the share capital at the moment of the shareholder resolution and (ii) the share capital at the moment of the buy-back, and to use those shares for other purposes (§71(1) No. 8 AktG). Together with other treasury shares that are held by Allianz SE, or which are attributable to it under §§71a et seq. AktG, such shares may not exceed 10% of the share capital at any time. The shares acquired pursuant to this authorization may be used, under exclusion of the shareholders' subscription rights, for any legally admissible purposes, in particular those specified in the authorization. Furthermore, the acquisition of treasury shares under this authorization may also be carried out using derivatives, provided such derivatives do not relate to more than 5% of the share capital.

Domestic or foreign banks that are majority-owned by Allianz SE may buy and sell Allianz shares for trading purposes (§71(1) No. 7 and (2) AktG) under an authorization of the General Meeting valid until 8 May 2023. The total number of shares acquired thereunder, together with treasury shares held by Allianz SE or attributable to it under §§71a et seq. AktG, shall at no time exceed 10% of the share capital of Allianz SE.

ESSENTIAL AGREEMENTS OF ALLIANZ SE WITH CHANGE-OF-CONTROL CLAUSES AND COMPENSATION AGREEMENTS PROVIDING FOR TAKEOVER SCENARIOS

The following essential agreements of the company are subject to a change-of-control condition following a takeover bid:

- Our reinsurance contracts, in principle, include a clause under which both parties to the contract have an extraordinary termination right, if and when the counterparty merges with another entity or its ownership or control situation changes materially. Agreements with brokers regarding services connected with the purchase of reinsurance cover also provide for termination rights in case of a change of control. Such clauses are standard market practice.
- Allianz SE is also party to various bancassurance distribution agreements for insurance products in various regions. These distribution agreements normally include a clause under which the parties have an extraordinary termination right in the event of a change of control of the other party's ultimate holding company.
- Shareholder agreements and joint ventures to which Allianz SE is a party often contain change-of-control clauses that provide, as the case may be, for the termination of the agreement, or for put or call rights that one party can exercise with regard to the joint

- venture or the target company, if there is a change of control of the other party.
- The framework agreements between Allianz SE and the subsidiaries of various car manufacturers relating to the distribution of car insurance by the respective car manufacturers each include a clause under which each party has an extraordinary termination right in case there is a change of control of the other party.
 - Bilateral credit agreements in some cases provide for termination rights in the event of a change of control, mostly defined as the acquisition of at least 30% of the voting rights within the meaning of §29(2) of the German Takeover Act (“Wertpapiererwerbs- und Übernahmegesetz – WpÜG”). Where such termination rights are exercised, the respective credit lines have to be replaced by new credit lines under conditions then applicable.
 - Under the Allianz Sustained Performance Plan (ASPP), Restricted Stock Units (RSUs) – i.e. virtual Allianz shares – are granted to senior management of the Allianz Group worldwide as a stock-based remuneration component. The conditions for these RSUs contain change-of-control clauses, which apply when a majority of the voting share capital in Allianz SE is directly or indirectly acquired by one or more third parties who do not belong to the Allianz Group, and which provide for an exception from the usual vesting and exercise periods. In line with the relevant general conditions, the company will release the RSUs to plan participants on the day of the change of control, without observing any vesting period that would otherwise apply. The cash amount payable per RSU must equal or exceed the average market value of the Allianz share and the price offered per Allianz share in a preceding tender offer. By providing for the non-application of the vesting period in the event of a change of control, the terms take into account the fact that the conditions influencing the share price are substantially different when there is a change of control.

FINANCIAL STATEMENTS OF ALLIANZ SE



FINANCIAL STATEMENTS

BALANCE SHEET

as of 31 December	Note	2020	2020	2019
ASSETS				
A. Intangible assets	1, 2			
I. Self-created industrial property rights and similar rights and assets		21,321		18,864
II. Licenses acquired against payment, industrial property rights, and similar rights and assets as well as licenses for such rights and assets		350		1,010
III. Advance payments made		85	21,756	85
B. Investments	1, 3 – 6			
I. Real estate, real estate rights, and buildings, including buildings on land not owned by Allianz SE		271,612		264,130
II. Investments in affiliated enterprises and participations		73,488,859		74,458,220
III. Other investments		34,220,402		29,373,172
IV. Funds held by others under reinsurance business assumed		13,128,990		11,036,788
			121,109,863	115,132,310
C. Receivables				
I. Accounts receivable on reinsurance business		776,520		1,132,058
thereof from affiliated enterprises: € 237,924 thou (2019: € 614,161 thou)				
thereof from participations ¹ : € 16,381 thou (2019: € 20,172 thou)				
II. Other receivables	7	4,005,553		4,261,362
thereof from affiliated enterprises: € 3,801,735 thou (2019: € 3,998,026 thou)				
thereof from participations ¹ : € 1,777 thou (2019: € 1,751 thou)				
			4,782,073	5,393,420
D. Other assets				
I. Tangible fixed assets and inventories		13,332		14,135
II. Cash with banks, checks, and cash on hand		293,025		351,186
III. Miscellaneous assets	8	89,246		435,586
			395,603	800,907
E. Deferred charges and prepaid expenses	9			
I. Accrued interest and rent		206,171		197,887
II. Other deferred charges and prepaid expenses		64,829		68,592
			271,001	266,478
F. Excess of plan assets over pension and similar obligations	10			
Total Assets			126,580,295	121,625,585

¹ Companies in which we hold a participating interest.

€ thou

as of 31 December	Note	2020	2020	2020	2019
EQUITY AND LIABILITIES					
A. Shareholders' equity	12				
I. Issued capital		1,169,920			1,169,920
Less: mathematical value of own shares		702			1,671
			1,169,218		1,168,249
II. Additional paid-in capital			28,031,707		27,998,146
III. Revenue reserves					
1. Statutory reserve		1,229			1,229
2. Other revenue reserves		6,804,045			6,779,948
			6,805,274		6,781,177
IV. Net earnings			4,375,717		4,480,282
				40,381,915	40,427,854
B. Subordinated liabilities	13, 16			16,632,819	13,390,097
C. Insurance reserves	14				
I. Unearned premiums					
1. Gross		2,119,617			1,842,823
2. Less: amounts ceded		21,044			44,080
			2,098,572		1,798,743
II. Aggregate policy reserves					
1. Gross		2,308,453			614,790
2. Less: amounts ceded		1,772,015			28,711
			536,438		586,079
III. Reserves for loss and loss adjustment expenses					
1. Gross		15,786,832			15,742,376
2. Less: amounts ceded		2,389,638			2,539,816
			13,397,194		13,202,561
IV. Reserves for premium refunds					
1. Gross		23,681			27,423
2. Less: amounts ceded		8			9
			23,673		27,414
V. Claims equalization and similar reserves			2,571,764		2,208,537
VI. Other insurance reserves					
1. Gross		87,127			29,150
2. Less: amounts ceded		-			-
			87,127		29,150
				18,714,769	17,852,484
D. Other provisions	15			8,506,049	8,446,272
E. Funds held with reinsurance business ceded				3,121,192	1,603,237
F. Other liabilities					
I. Accounts payable on reinsurance business			411,163		461,375
thereof to affiliated enterprises: € 254,729 thou (2019: € 328,252 thou)					
thereof to participations ¹ : € 12 thou (2019: € 6 thou)					
II. Bonds	16		2,743,109		2,750,117
thereof to affiliated enterprises: € 2,743,109 thou (2019: € 2,750,117 thou)					
III. Liabilities to banks	16		287		250,375
IV. Miscellaneous liabilities	16		36,062,254		36,440,949
thereof for taxes: € 14,117 thou (2019: € 18,456 thou)					
thereof for social security: € 2 thou (2019: € 4 thou)					
thereof to affiliated enterprises: € 34,527,802 thou (2019: € 34,415,254 thou)					
thereof to participations ¹ : € 0 thou (2019: € 2 thou)					
				39,216,813	39,902,816
G. Deferred income				6,738	2,824
Total equity and liabilities				126,580,295	121,625,585

1_Companies in which we hold a participating interest.

INCOME STATEMENT

€ thou	Notes	2020	2020	2020	2019
I. Technical account					
1. Premiums earned (net)					
a) Gross premiums written	18	12,228,142			12,384,252
b) Ceded premiums written		(1,005,252)			(758,707)
			11,222,890		11,625,546
c) Change in gross unearned premiums		(316,496)			(170,812)
d) Change in ceded unearned premiums		(18,408)			(19,104)
			(334,905)		(189,916)
Premiums earned (net)				10,887,985	11,435,629
2. Allocated interest return (net)	19			16,255	17,912
3. Other underwriting income (net)				-	1
4. Loss and loss adjustment expenses (net)	20				
a) Claims paid					
aa) Gross		(7,651,758)			(7,322,103)
ab) Amounts ceded in reinsurance		441,663			875,494
			(7,210,095)		(6,446,609)
b) Change in reserve for loss and loss adjustment expenses (net)					
ba) Gross		(347,834)			(1,658,675)
bb) Amounts ceded in reinsurance		(15,701)			(185,265)
			(363,536)		(1,843,940)
Loss and loss adjustment expenses (net)				(7,573,630)	(8,290,549)
5. Change in other insurance reserves (net)	21			(9,090)	21,410
6. Expenses for premium refunds (net)				3,474	(639)
7. Underwriting expenses (net)	22			(3,161,360)	(3,557,564)
8. Other underwriting expenses (net)				(23,319)	(23,654)
9. Subtotal (net underwriting result)				140,314	(397,454)
10. Change in claims equalization and similar reserves				(363,227)	172,179
11. Net technical result				(222,913)	(225,275)
II. Non-technical account					
1. Investment income	23	7,712,099			7,550,956
2. Investment expenses	24	(2,454,138)			(1,622,082)
3. Investment result			5,257,961		5,928,874
4. Allocated interest return			(22,651)		(18,860)
				5,235,310	5,910,013
5. Other income			2,957,837		2,129,025
6. Other expenses			(3,848,947)		(3,643,275)
7. Other non-technical result	25			(891,111)	(1,514,251)
8. Non-technical result				4,344,199	4,395,763
9. Net operating income				4,121,286	4,170,487
10. Income Taxes	26	(250,000)			(66,668)
Amounts charged to other Group companies		731,924			485,184
			481,924		418,516
11. Other taxes			4,521		14,373
12. Taxes				486,445	432,889
13. Net income				4,607,731	4,603,376
14. Unappropriated earnings carried forward				527,986	776,906
15. Transfer to revenue reserves					
To other revenue reserves			(760,000)		(900,000)
				(760,000)	(900,000)
16. Net earnings	27			4,375,717	4,480,282

NOTES TO THE FINANCIAL STATEMENTS

NATURE OF OPERATIONS AND BASIS OF PREPARATION

NATURE OF OPERATIONS

Allianz SE, the holding and reinsurance company of the Allianz Group, is located at Königinstraße 28, 80802 Munich, and registered in the Commercial Register of the municipal court in Munich under HRB 164232.

The annual financial statements of Allianz SE and the consolidated financial statements of the Allianz Group are published digitally in the Federal Gazette ("Bundesanzeiger").

BASIS OF PREPARATION

Our financial statements and the management report have been prepared in accordance with the regulations of the German Commercial Code (HGB), the German Stock Corporation Act (AktG), the Law on the Supervision of Insurance Enterprises (VAG), and the Government Order on the External Accounting Requirements of Insurance Enterprises (RechVersV).

All amounts in these financial statements are presented in thousands of Euros (€ thou), unless otherwise stated.

ACCOUNTING, VALUATION, AND CALCULATION METHODS

INTANGIBLE ASSETS

Intangible assets are recorded at acquisition or construction cost less depreciation. They are amortized on a straight-line basis over a useful life of generally three to five years. In case of a permanent impairment, an unscheduled write-down is recognized. Based on the capitalization option in accordance with § 248 (2) sentence 1 of the German Commercial Code, the internally generated intangible assets are capitalized.

REAL ESTATE, REAL ESTATE RIGHTS, AND BUILDINGS, INCLUDING BUILDINGS ON LAND NOT OWNED BY ALLIANZ SE

These items are recorded at acquisition or construction cost less depreciation. Depreciation is measured mainly using a straight-line method according to ordinary useful life. The useful life of newly acquired properties is based on the remaining useful life in the purchase report. For all other assets, we use tax depreciation tables. In case of a permanent impairment, the values of these items are adjusted through unscheduled write-downs.

INVESTMENTS IN AFFILIATED ENTERPRISES AND PARTICIPATIONS

SHARES IN AFFILIATED ENTERPRISES AND PARTICIPATIONS

These are recorded at cost less impairments, in accordance with § 341b (1) of the German Commercial Code in conjunction with § 253(3) sentence 5 of the German Commercial Code.

Impairments are measured either as the difference between the acquisition cost and the respective value, in accordance with IDW RS HFA 10 in conjunction with IDW S1, or as the difference between the acquisition cost and the lower share price as of 31 December 2020, or in some cases as the difference between the acquisition cost and the net asset value.

Wherever the market value on the balance sheet date is higher than the previous year's valuation, the value is written up to no more than the historical acquisition cost.

LOANS IN AFFILIATED ENTERPRISES AND PARTICIPATIONS

These items are normally recorded at cost less impairments, in accordance with § 253 (3) sentence 5 of the German Commercial Code. However, when converting foreign currency loans into Euros at the reporting date, the strict lower of cost or market value principle is applied.

OTHER INVESTMENTS

STOCKS, INTERESTS IN FUNDS, DEBT SECURITIES AND OTHER FIXED AND VARIABLE INCOME SECURITIES, MISCELLANEOUS INVESTMENTS

These items are generally valued in accordance with § 341b (2) of the German Commercial Code in conjunction with § 253 (1), (4), and (5) of the German Commercial Code, using either the acquisition cost or the stock exchange or market value on the balance sheet date, whichever is lower. We calculate the acquisition cost by averaging the different acquisition costs for securities of the same type.

REGISTERED BONDS, DEBENTURES AND LOANS

These items are recorded at cost less impairments in accordance with § 253 (3) sentence 5 of the German Commercial Code. In accordance with § 341c of the German Commercial Code, amortized cost accounting is applied and the difference between acquisition cost and the redemption amount is amortized over the remaining period, based on the effective interest method.

ASSETS TO MEET LIABILITIES RESULTING FROM RETIREMENT PROVISION COMMITMENTS

These assets are recorded at fair value in accordance with §253 (1) of the German Commercial Code, and offset against the liabilities in accordance with §246(2) of the German Commercial Code. Group life insurance contracts are recorded at asset value.

If the liabilities exceed the fair value, the exceeding amount will be shown under other provisions. If the fair value of the assets exceeds the liabilities, the exceeding amount is shown as an excess of plan assets over pensions and similar obligations.

The accounting and valuation method of the excess of plan assets over pension and similar obligations is the same as described in the section „Other provisions“.

TANGIBLE FIXED ASSETS, INVENTORIES, AND MISCELLANEOUS ASSETS

These items are recorded at acquisition cost less depreciation on a straight-line basis. The expected useful life is based on the tax depreciation tables. Low-value assets worth up to € 250 are written off immediately. A compound item for tax purposes formed in accordance with § 6 (2a) of the German Income Tax Act (EStG) for assets from € 250 to € 1,000 is depreciated by one fifth each year.

DEFERRED TAX ASSETS

When calculating deferred taxes, deferred tax assets and liabilities are offset.

Based on the capitalization option in accordance with §274(1) sentence 2 of the German Commercial Code, the surplus of deferred tax assets over deferred tax liabilities is not recognized.

REMAINING ASSETS

These consist of the following:

- funds held by others under reinsurance business assumed,
- bank deposits,
- accounts receivable on reinsurance business,
- other receivables,
- cash with banks and cash on hand.

These items are recorded at face value less repayments and impairments.

INSURANCE RESERVES

These consist of the following:

- unearned premiums,
- aggregate policy reserves,
- reserves for loss and loss adjustment expenses,
- reserves for premium refunds,
- claims equalization and similar reserves,
- other insurance reserves.

Insurance reserves are set up according to the German Commercial Code and RechVersV requirements. The primary goal is to ensure our ongoing ability to satisfy reinsurance contract liabilities in all cases. Generally, reinsurance reserves are booked according to the cedent's statements. For claims incurred but not yet reported, or not sufficiently reported, additional reserves are calculated using actuarial techniques.

Insurance reserves in the ceded reinsurance business are calculated according to the terms of the retrocession contracts.

Unearned premiums are accrued premiums already written for future risk periods. They are calculated in accordance with German accounting principles, partly on the basis of information received from the cedents and partly using nominal percentages. Where unearned premiums are calculated using such percentages, these are based on many years of experience and the latest information available.

Aggregate policy reserves for Life/Health reinsurance are generally recorded according to the amounts in the cedent's statements.

Reserves for loss and loss adjustment expenses are established for the payment of losses and loss adjustment expenses on claims that have occurred but are not yet settled. Reserves for loss and loss adjustment expenses fall into two categories: case reserves for reported claims and reserves for losses incurred but not reported yet, or not sufficiently reported.

Reserves for premium refunds are generally recorded according to the amounts in the cedent's statements.

For Property-Casualty reinsurance, the equalization reserve, the reserve for nuclear plants, the product liability reserve for major pharmaceutical risks, and reserves for risks relating to terrorist attacks are calculated according to §341h of the German Commercial Code in conjunction with §29 and §30 RechVersV. The reserves are set up to moderate substantial fluctuations in the claims of individual lines of business. In cases where above-average or below-average claims occur, changes in the reserves mitigate the technical result for the individual lines of business.

Other insurance reserves are generally recorded according to the amounts in the cedent's statements.

OTHER PROVISIONS

Pension provisions are calculated applying actuarial principles. Other obligations such as provisions for jubilee payments, birthday payments, early retirement payments and phased-in early retirement benefits are also calculated in accordance with actuarial principles.

According to §253 (2) sentence 1 of the German Commercial Code (HGB), the discount rate used for calculating the pension obligations has to be derived from a 10-year-average, for calculating other obligations it has to be derived from a 7-year-average.

§253 (6) sentence 2 of the German Commercial Code states that a positive difference resulting from the calculation of pension obligations with the discount rate of 7-year-average versus 10-year-average is subject to the restriction on dividend payout.

Apart from that, with respect to the discount rate, the simplification option set out in §253(2) sentence 2 of the German Commercial Code has still been applied (duration of fifteen years). The effect resulting from the change in the discount rate is reported under other non-technical result.

For further information regarding the accounting for pensions and similar obligations, please refer to [note 15](#) to our financial statements.

Remaining other provisions are recognized at the settlement amount. Long-term provisions are discounted applying the net approach in accordance with IDW RS HFA 34.

REMAINING LIABILITIES

These consist of the following:

- subordinated liabilities,
- funds held with reinsurance business ceded,
- other liabilities.

These items are valued at the settlement amount. Annuities are recorded at present value.

PREPAID EXPENSES AND DEFERRED INCOME

Accrued interest and rent are valued at nominal amounts. Premiums and discounts carried forward as prepaid income and expenses are amortized over the remaining life of the related financial instruments.

CURRENCY TRANSLATION

Transactions are generally recorded in the original currency and converted into Euros at the relevant daily rate (middle forex spot rate).

Loans to affiliated enterprises denominated in foreign currencies are converted into Euros using the middle forex spot rate as of the reporting date and applying the strict lower of cost or market value principle.

The valuation of foreign currency shares in affiliated enterprises and participations, stocks, interests in funds, and other variable and fixed-income securities is performed by converting their value from the original currency into Euro, using the middle forex spot rate as of the reporting date.

Comparing the acquisition cost in Euros with the value in Euro as described above, the moderate lower-value principle is applied for affiliated enterprises and participations. For other investments, the strict lower of cost or market value principle is applied.

As a result of this valuation method, currency gains and losses are not separately determined and shown as foreign-exchange gains/losses in the other non-technical result. Instead, the net effect

of both changes (exchange rate and value in original currency) is reflected in the impairments/reversals of impairments and in the realized gains/losses calculated for these asset classes and is disclosed in the investment result.

Issued debt securities and borrowings denominated in foreign currencies are converted into Euro at the middle forex spot rate as of the reporting date. Unrealized losses are recognized immediately in the income statement, while unrealized gains are not.

All other monetary assets and liabilities with a remaining term of one year or less recorded in foreign currency are valued at the middle forex spot rate as of the reporting date. Both unrealized losses and gains resulting from the valuation of these foreign currency positions are reflected immediately in the other non-technical result as neither §253 (1) sentence 1 nor §252 (1) number 4 clause 2 of the German Commercial Code (HGB) are applicable.

VALUATION UNITS

Allianz SE made use of the option of forming valuation units as defined in §254 of the German Commercial Code. This option is used for derivative contracts in which Allianz SE acts as an intra-group clearing agency. In this function, Allianz SE enters into derivative transactions with other Group companies and hedges the exposure resulting from these transactions by entering into mirror positions with the same term and structure but with different partners. Opposing positions whose performance completely offset each other have been combined into valuation units and form a perfect micro hedge.

When accounting for valuation units, we apply the “freezing” method, which means that mutually offsetting changes in value of opposing positions (i.e., within valuation units) are not recorded in the income statement. More details regarding derivative transactions combined into valuation units are explained in [note 17](#) to our financial statements.

SUPPLEMENTARY INFORMATION ON ASSETS

1 _ Change of assets A., B.I. through B.III.

	Values stated as of 1 January 2020	
	€ thou	%
A. Intangible assets		
1. Self-created industrial property rights and similar rights and assets	18,864	
2. Licenses acquired against payment, industrial property rights, and similar rights and assets as well as licenses for such rights and assets	1,010	
3. Advance payments made	85	
Subtotal A.	19,960	
B.I. Real estate, real estate rights, and buildings, including buildings on land not owned by Allianz SE	264,130	0.3
B.II. Investments in affiliated enterprises and participations		
1. Shares in affiliated enterprises	72,731,869	69.9
2. Loans to affiliated enterprises	1,134,420	1.1
3. Participations	590,432	0.6
4. Loans to participations	1,500	-
Subtotal B.II.	74,458,220	71.5
B.III. Other investments		
1. Stocks, interests in funds and other variable-income securities	1,233,848	1.2
2. Debt securities and other fixed-income securities	24,819,884	23.8
3. Other loans		
a) Registered bonds	2,029,921	2.0
b) Loans and promissory notes	271,905	0.3
4. Bank deposits	1,017,614	1.0
Subtotal B.III.	29,373,172	28.2
Subtotal B.I. – B.III.	104,095,523	100.0
Total	104,115,483	

2 _ Intangible assets

The book value of intangible assets totaled € 22 mn (2019: € 20 mn) and mainly consists of internally generated software. The increase was

primarily driven by the research and development costs of internally generated software, which amounted to € 2 mn.

3 _ Market value of investments

Fair values and carrying amounts of the investments, subdivided into individual asset categories, were as follows:

Book values and market values of investments

€ bn

as of 31 December	Book value		Market value		Valuation reserve	
	2020	2019	2020	2019	2020	2019
Real estate	0.3	0.3	1.0	0.9	0.7	0.6
Equity securities	74.1	74.6	99.5	97.5	25.4	23.0
Debt securities	28.5	24.8	29.7	25.7	1.2	0.9
Loans	3.9	3.4	4.0	3.6	0.2	0.2
Bank deposits	1.2	1.0	1.2	1.0	-	-
Funds held by others under reinsurance business assumed	13.1	11.0	13.1	11.0	-	-
Total	121.1	115.1	148.6	139.8	27.5	24.7

Additions (+)	Transfers	Disposals (-)	Revaluation (+)	Depreciation (-)	Net additions (+) Net disposals (-)	Values stated as of 31 December 2020	
€ thou	€ thou	€ thou	€ thou	€ thou	€ thou	€ thou	%
7,161	-	-	-	4,705	2,456	21,321	
105	-	643	-	123	(661)	350	
-	-	-	-	-	-	85	
7,266	-	643	-	4,828	1,796	21,756	
13,273	-	-	-	5,792	7,482	271,612	0.3
645,739	-	2,212,390	-	250,623	(1,817,274)	70,914,595	65.7
538,212	-	456,914	-	-	81,298	1,215,718	1.1
801,996	(3,094)	30,192	-	2,097	766,614	1,357,046	1.3
-	-	-	-	-	-	1,500	-
1,985,947	(3,094)	2,699,495	-	252,720	(969,362)	73,488,859	68.1
856,171	3,094	108,969	-	141,379	608,916	1,842,763	1.7
33,771,203	-	29,986,580	24,737	151,949	3,657,411	28,477,295	26.4
1,520,590	-	1,320,531	-	-	200,059	2,229,980	2.1
172,672	-	19,948	-	-	152,725	424,630	0.4
228,120	-	-	-	-	228,120	1,245,734	1.2
36,548,755	3,094	31,436,028	24,737	293,328	4,847,230	34,220,402	31.7
38,547,975	-	34,135,523	24,737	551,839	3,885,350	107,980,873	100.0
38,555,241	-	34,136,166	24,737	556,667	3,887,146	108,002,629	

VALUATION METHODS USED TO DETERMINE THE MARKET VALUE

REAL ESTATE

Land and buildings are valued using the Discounted Cash Flow method or, for new buildings, at cost. The fair value was determined during the fiscal year.

EQUITY SECURITIES

Investments in companies quoted on the stock exchange are generally measured by the stock exchange price quoted on the last trading day of 2020. Non-quoted companies are valued at their net asset value calculated by the German Association for Financial Analysis and Asset Management's (DVFA) method. For recent transactions the transaction prices were used.

DEBT SECURITIES

These items are measured at the stock exchange value quoted on the last trading day of 2020 or, if there is no active market, at the prices obtained from brokers or pricing services.

LOANS

Loans are valued using the Discounted Cash Flow method. Relevant discount rates are derived from observable market parameters and reflect the remaining life and credit risk of the instruments. In exceptional cases, the carrying amount is used as fair value.

BANK DEPOSITS AND FUNDS HELD BY OTHERS UNDER REINSURANCE BUSINESS ASSUMED

There are no differences between the book value and the fair value of those items.

4 _ Real estate, real estate rights and buildings

The book value of own property for own use amounted to € 161 mn (2019: € 153 mn).

5 _ Investments in affiliated enterprises and participations

€ bn

as of 31 December	2020	2019	Change
Shares in affiliated enterprises	70.9	72.7	(1.8)
Loans to affiliated enterprises	1.2	1.1	0.1
Participations	1.4	0.6	0.8
Total	73.5	74.5	(1.0)

The book value of shares in affiliated enterprises went down by € 1.8 bn to € 70.9 bn (2019: € 72.7 bn). This decrease resulted from the following:

- Book value decrease of € 1.9 bn due to the intra-group sale of shares in our subsidiary Euler Hermes Group S.A.,
- Disposal of our real estate investment company Allianz Sakura Multifamily Lux SCSp, Luxembourg, declining the book value by € 0.2 bn,
- Various capital increases of Group companies leading to book value increases of € 0.6 bn, partially offset by € 0.3 bn book value decreases due to impairments.

Driven by the purchase of shares in Taikang Insurance Group Inc., Shanghai, the book value of participations went up by € 0.8 bn to € 1.4 bn (2019: € 0.6 bn).

6 _ Interests in investment funds

Details on interests in investment funds in accordance with § 285 (26) of the German Commercial Code:

€ thou

as of 31 December 2020	Book value	Fair value	Valuation reserve	Dividend distribution
Equity funds				
Allianz China A-Shares Equity Fund	3,968	4,912	944	-
Subtotal equity funds	3,968	4,912	944	-
Bond funds				
Allianz RE Asia Fund	1,063,715	1,094,193	30,478	12,348
Allianz SE - PD Fund	663,271	663,271	-	-
Allianz Selective Global High Yield	4,334	4,334	-	-
Allianz SE Ashmore Emerging Markets Corporates Fund	100,000	110,950	10,950	-
Subtotal bond funds	1,831,320	1,872,748	41,428	12,348
Mixed funds				
Allianz Voyager Asia	4,500	5,386	886	-
Subtotal mixed funds	4,500	5,386	886	-
Total	1,839,788	1,883,046	43,258	12,348

Allianz SE holds more than 10.0% of the respective shares of these investment funds. The fund shares can be redeemed each trading day.

7 _ Other receivables

As of 31 December 2020, other receivables amounted to € 4,006 mn (2019: € 4,261 mn). They mainly comprise receivables from profit transfer agreements amounting to € 3,121 mn (2019: € 3,165 mn), receivables from cash pooling of € 570 mn (2019: € 716 mn) and tax receivables of € 183 mn (2019: € 241 mn).

8 _ Miscellaneous assets

At the end of the fiscal year, this position mainly included variation margins paid in connection with financial derivative transactions (€ 78 mn).

9 _ Deferred charges and prepaid expenses

This item includes accrued interest in the amount of € 206 mn (2019: € 198 mn), which mainly results from our investments in debt securities and loans as well as other deferred charges and prepaid expenses amounting to € 65 mn (2019: € 69 mn). The latter comprise the discount on borrowings from affiliated enterprises, issued bonds, and subordinated liabilities.

10 _ Excess of plan assets over pension and similar obligations

A part of the pension obligations is secured by group life insurance contracts and offsettable plan assets. As a fixed discount rate is partly applied for the calculation of these plan assets, this resulted in an excess of plan assets over pension and similar obligations for some pension plans of € 13 mn in 2019. As of 31 December 2020 no excess of plan assets over pension and similar obligations exists.

11 _ Collateral

Assets amounting to € 171 mn (2019: € 51 mn), of which € 44 mn (2019: € 48 mn) were in favor of affiliated enterprises, were pledged as collateral for liabilities.

SUPPLEMENTARY INFORMATION ON EQUITY AND LIABILITIES

12 _ Shareholders' equity

ISSUED CAPITAL

Issued capital as of 31 December 2020 amounted to € 1,169,920,000, divided into 412,293,128 fully paid registered shares. The shares have no-par value but a mathematical per-share value as a proportion of the issued capital.¹

AUTHORIZED CAPITAL

As of 31 December 2020, Allianz SE had authorized capital with a notional amount of € 334,960,000 for the issuance of new shares until 8 May 2023 (Authorized Capital 2018/I). The shareholders' subscription rights can be excluded for capital increases against contribution in kind. For a capital increase against contributions in cash, the shareholders' subscription rights can be excluded: (i) for fractional amounts, (ii) if the issue price is not significantly below the market price and the shares issued under exclusion of the subscription rights pursuant to § 186 (3) sentence 4 of the German Stock Corporation Act (Aktiengesetz) do not exceed 10% of the share capital, and (iii) to the extent necessary to grant a subscription right for new shares to the holders of bonds that carry conversion or option rights or provide for mandatory conversion. The subscription rights for new shares from the Authorized Capital 2018/I and the Conditional Capital 2010/2018 may only be excluded for the proportionate amount of the share capital of up to € 116,992,000 (corresponding to 10% of the share capital at year-end 2020).

In addition, Allianz SE has authorized capital (Authorized Capital 2018/II) for the issuance of new shares against contributions in cash until 8 May 2023. The shareholders' subscription rights are excluded. The new shares may only be offered to employees of Allianz SE and its Group companies. As of 31 December 2020, the Authorized Capital 2018/II amounted to € 15,000,000.

CONDITIONAL CAPITAL

As of 31 December 2020, Allianz SE had conditional capital totaling € 250,000,000 (Conditional Capital 2010/2018). This conditional capital increase will only be carried out if conversion or option rights attached to convertible bonds, bonds with warrants, convertible participation rights, participation rights, and subordinated financial instruments, which Allianz SE or its Group companies have issued against cash payments according to the resolutions of the Annual General Meeting (AGM) on 5 May 2010 or 9 May 2018, are exercised or the conversion obligations under such bonds are fulfilled, and only to the extent that the conversion or option rights or conversion obligations are not serviced through treasury shares or through shares from authorized capital.

Convertible subordinated notes totaling € 500,000,000, which may be converted into Allianz shares, were issued against cash in July 2011. Within 10 years after the issuance a mandatory conversion of the notes into Allianz shares at the then prevailing share price may apply if certain events occur, subject to a floor price of at least € 74.90 per share. Within the same period, investors have the right to convert the notes into Allianz shares at a price of € 187.26 per share.

¹ Mathematical per-share value € 2.84 (rounded).

Both conversion prices are as of inception and subject to antidilution provisions. The subscription rights of shareholders for these convertible notes have been excluded with the consent of the Supervisory Board and pursuant to the authorization of the AGM on 5 May 2010. The granting of new shares to persons entitled under such convertible notes is secured by the Conditional Capital 2010/2018. On or before 31 December 2020, there was no conversion of any such notes into new shares.

CHANGES IN THE NUMBER OF ISSUED SHARES OUTSTANDING

Number of issued shares outstanding

	2020	2019
Number of issued shares outstanding as of 1 January	416,577,182	423,498,025
Changes in number of treasury shares	348,188	365,959
Cancellation of issued shares	(4,879,731)	(7,286,802)
Number of issued shares outstanding as of 31 December	412,045,639	416,577,182
Treasury shares ¹	247,489	595,677
Total number of issued shares	412,293,128	417,172,859

¹ Thereof 247,489 (2019: 595,677) own shares held by Allianz SE.

PROPOSAL FOR APPROPRIATION OF NET EARNINGS

The Board of Management and the Supervisory Board propose that the net earnings ("Bilanzgewinn") of Allianz SE of € 4,375,716,820.22 for the 2020 fiscal year shall be appropriated as follows:

- Distribution of a dividend of € 9.60 per no-par share entitled to a dividend: € 3,955,638,134.40
- Unappropriated earnings carried forward: € 420,078,685.82

The proposal for appropriation of net earnings reflects the 247,489 treasury shares held directly and indirectly by the company as of 31 December 2020. Such treasury shares are not entitled to the dividend pursuant to § 71b of the German Stock Corporation Act (AktG). Should there be any change in the number of shares entitled to the dividend by the date of the Annual General Meeting, the above proposal will be amended accordingly and presented for resolution on the appropriation of net earnings at the Annual General Meeting, with an unchanged dividend of € 9.60 per each share entitled to dividend.

TREASURY SHARES

As of 31 December 2020, Allianz SE held 247,489 (2019: 595,677) treasury shares. Of these, 47,489 (2019: 395,677) were held for covering future subscriptions by employees in Germany and abroad in the context of Employee Stock Purchase Plans, whereas 200,000 (2019: 200,000) were held as a hedge for obligations from the Allianz Equity Incentive Program.

In 2020, 748,482 (2019: 365,959) treasury shares were transferred to employees of Allianz SE and its subsidiaries in Germany and abroad. This number includes 74,873 granted free shares. The 395,677

treasury shares earmarked for these purposes were fully consumed. In addition, 400,294 treasury shares were acquired from the market. As in the previous years, no capital increase for the purpose of Employee Stock Purchase Plans was carried out in 2020. Employees of the Allianz Group purchased approximately 75% of the shares of the purchase plan at a reference price of € 167.76 (2019: € 210.21) per share and were allocated one additional share per three shares purchased, which is equivalent to a discount of approximately 25%. The shares were sold to employees at a mean price of € 125.82 (2019: between € 157.66 and € 161.59). As of 31 December 2020, the remaining treasury shares of Allianz SE held for covering subscriptions by employees in the context of the Employee Stock Purchase Plans of Allianz SE and its subsidiaries in Germany and abroad amounted to 47,489 shares.

In the year ending 31 December 2020, the total number of treasury shares of Allianz SE decreased by 348,188 (2019: a decrease of 365,959), which corresponds to € 988,015.75 (2019: € 1,026,295.80) or 0.08% (2019: 0.09%) of issued capital as of 31 December 2020.

The treasury shares of Allianz SE and its subsidiaries represented € 702,273.00 (2019: € 1,670,517.20) or 0.06% (2019: 0.14%) of the issued capital as of 31 December 2020.

SHARE BUY-BACK PROGRAM 2020

In its meeting on 20 February 2020, the Board of Management of Allianz SE resolved to carry out a share buy-back program in an amount of up to € 1.5 bn within a period between March 2020 and 31 December 2020 (Share Buy-Back Program 2020) based on the authorization granted by the Annual General Meeting on 9 May 2018. In the period between 9 March 2020 and 28 April 2020, a total of 4,879,731 treasury shares with a market value of € 749,999,985.35 were acquired for an average price of € 153.70. By resolution dated 4 November 2020, the Board of Management of Allianz SE decided to cancel the execution of the second tranche of the Share Buy-Back Program 2020 in the amount of € 750,000,000.

All of the treasury shares acquired within the Share Buy-Back Program 2020 have been redeemed according to the simplified procedure without reduction of the share capital.

Additional paid-in capital

€ thou

As of 31 December 2019	27,998,146
Own shares: realized gains	33,561
As of 31 December 2020	28,031,707

Revenue reserves

€ thou

as of 31 December	2019	Own shares exceeding mathematical value	Own shares: cancellation ¹	Transfer to revenue reserves	2020
1. Statutory reserve	1,229	-	-	-	1,229
2. Other revenue reserves ²	6,779,948	23,817	(759,720)	760,000	6,804,045
Total	6,781,177	23,817	(759,720)	760,000	6,805,274

1_Share buy-back program 2020: Acquisition costs of the repurchased and cancelled shares of Allianz SE.

2_Thereof reserves for own shares € 702 thou (2019: € 1,671 thou).

RESTRICTIONS ON DIVIDEND PAYOUT

The unappropriated reserves plus the unappropriated earnings carried forward are not fully available for the distribution of a dividend due to legal restrictions.

The unappropriated reserves of Allianz SE correspond to the other revenue reserves.

Of the unappropriated reserves plus the unappropriated earnings carried forward, a total of € 891,432 thou (2019: € 910,065 thou) is exempt from dividend distribution. Of this amount, € 868,005 thou (2019: € 888,178 thou) are due to the legal requirement for discounting pension obligations according to § 253 (2) sentence 1 in connection with § 253 (6) of the German Commercial Code.

Another € 21,321 thou (2019: € 18,864 thou) account for internally generated intangible assets according to § 268 (8) sentence 1 of the German Commercial Code and € 1,404 thou (2019: € 1,352 thou) account for the surplus of the fair value of pension plan assets and phased-in early retirement plan assets compared to the acquisition costs according to § 268 (8) sentence 3 of the German Commercial Code.

Another, € 702 thou (2019: € 1,671 thou) correspond to the mathematical value of own shares deducted from issued capital according to § 272 (1a) of the German Commercial Code.

13 _ Subordinated liabilities

Subordinated liabilities increased to € 16.6 bn in 2020 (2019: € 13.4 bn). Of these, € 14.2 bn (2019: € 10.9 bn) were external subordinated liabilities resulting from bonds directly issued by Allianz SE. In 2020, Allianz SE placed a new subordinated bond with a volume of € 1.0 bn and issued a dual tranche restricted tier 1 (RT1) bond comprising a USD tranche of USD 1.25 bn (€ 1.1 bn) and a EUR tranche of € 1.25 bn. This increase was slightly offset by a book value decline of € 0.1 bn due to the foreign currency revaluation of our subordinated liabilities denominated in USD.

Further, intra-group subordinated liabilities amounting to € 2.5 bn (2019: € 2.5 bn) were attributable to subordinated bonds issued by Allianz Finance II B.V., an affiliated enterprise that usually transfers the proceeds from these issues to Allianz SE via intra-group loans. Allianz SE provides a financial guarantee for the total amount of bonds issued by Allianz Finance II B.V.

14 _ Insurance reserves

€ thou

as of 31 December 2020	Unearned premiums	Aggregate policy reserves	Reserves for loss and loss adjustment expenses	Reserves for premium refunds	Claims equalization and similar reserves	Other insurance reserves	Total
Motor	799,169	-	3,969,805	-	765,541	53,074	5,587,589
Fire and property reinsurance	592,484	-	2,455,076	4,805	736,076	9,689	3,798,130
Liability	216,197	-	4,333,643	2,897	245,037	11,985	4,809,760
Personal accident	43,768	42,233	601,397	793	146	2,598	690,935
Marine and aviation	31,026	-	464,899	-	101,466	4,992	602,382
Life	65,684	492,744	165,136	-	-	1,105	724,670
Legal expenses	50,590	-	411,129	-	-	900	462,620
Credit and bond	9,006	-	324,196	15,043	315,510	533	664,287
Health	1,897	1,461	10,639	-	-	21	14,018
Other lines	288,752	-	661,275	135	407,988	2,229	1,360,379
Total	2,098,572	536,438	13,397,194	23,673	2,571,764	87,127	18,714,769

The development of the insurance reserves was mainly driven by the strengthened claims equalization and similar reserves as well as by an increase in the unearned premiums.

AGGREGATE POLICY RESERVES

Aggregate policy reserves declined by € 50 mn to € 536 mn, which was mainly attributable to the Life reinsurance.

RESERVES FOR LOSS AND LOSS ADJUSTMENT EXPENSES

Reserves for loss and loss adjustment expenses increased slightly by 1.5% to € 13,397 mn. Mainly the provisions for business interruptions, which is part of the fire and property reinsurance, increased from € 154 mn to € 511 mn due to the COVID-19 pandemic. Provisions for motor reinsurance in particular declined.

CLAIMS EQUALIZATION AND SIMILAR RESERVES

In 2020, claims equalization and similar reserves increased by € 363 mn to € 2,572 mn. This was mainly driven by a lower claims frequency in the motor reinsurance and the impact of the COVID-19 pandemic on the credit and bond reinsurance. Due to the sharp decline in the accident year claims ratio from 77.6% to 68.2%, the claims equalization and similar reserves increased by € 416 mn in motor reinsurance. In credit and bond reinsurance, on the other hand, a decline of € 135 mn was recorded. This was mainly due to the decline in the premiums earned (net) because of the Corona-related state scheme ("Corona-Schutzschirm") granted by the German government.

15 _ Other provisions

Development of other provisions

€ thou

	Provision	Use	Release ¹	Additions ¹	Reversal of Discounting	Provision
	1 January 2020	(-)	(-)	(+)	(+)	31 December 2020
Provisions for pensions and similar liabilities	7,207,002	285,754	154,545	54,610	636,000	7,457,314
Tax provisions	466,951	104,793	-	54,904	-	417,061
Miscellaneous						
1. Anticipated losses	318,447	213,784	50,240	116,423	2,817	173,662
2. Remaining provisions	453,872	197,899	33,269	233,472	1,836	458,011
Total	8,446,272	802,231	238,054	459,409	640,653	8,506,049

¹ Including currency translation effects.

The total of other provisions rose by € 60 mn. This growth resulted mainly from a net increase of pension liabilities by € 250 mn, which was partially offset by a decline of miscellaneous provisions by € 141 mn, driven nearly solely by the reduction of provisions for anticipated losses (€ 145 mn). The tax provisions went down by € 50 mn.

Allianz SE has made pension promises for which pension provisions are recognized. Part of these pension obligations are secured by "Contractual Trust Arrangements" (Methusalem Trust e.V.). Nearly all of these trust assets constitute offsettable plan assets, with the asset value/market value being used as the fair value.

In 1985, the pension provisions of the German subsidiaries were centralized by transferring the corresponding assets to Allianz SE. As a result, Allianz SE has a joint liability for a large part of these old pension promises. The German subsidiaries reimburse the costs, with Allianz SE assuming responsibility for settlement. Consequently, these pension provisions are reported by Allianz SE.

As of 1 January 2015, Allianz SE completely assumed the obligations resulting from the agents pension fund ("Vertreterversorgungswerk" – VVW) from Allianz Beratungs- und Vertriebs-AG. Effective from 1 January 2017, the German subsidiaries reimburse only the service costs for their employees. There is no cost reimbursement anymore for the risks arising from changes in interest rate, inflation, and mortality tables.

The following table shows a breakdown of pension provisions:

Settlement amount of the offset liabilities

€ thou		
as of 31 December	2020	2019
Old pension promises of the German subsidiaries	1,920,002	1,913,742
Pension promises of Allianz SE		
agents pension fund (VVW)	5,522,013	5,282,603
old pension promises to employees	231,523	227,147
contribution-based pension plans	284,216	243,748
deferred compensation	138,286	132,172
Total	8,096,040	7,799,411

The settlement amount is calculated on the basis of the projected unit credit method and/or reported as the present value of the entitlements acquired. In the case of security-linked pension plans, the fair value of the offset assets is shown.

Due to the fact that there is no employment relationship between the tied agents and Allianz SE, and since Allianz Beratungs- und Vertriebs-AG no longer reimburses any costs, the pension obligations resulting from the VVW are recorded at their full present value.

Actuarial parameters

%		
as of 31 December	2020	2019
Applied discount rate (10-year-average)	2.30	2.71
Applied discount rate (7-year-average)	1.60	1.97
Rate of assumed pension trend	1.30	1.50
Rate of assumed salary increase (inclusive average career trend)	3.25	3.25

Contrary to the above rates, part of the pension promises are calculated using a guaranteed pension increase rate of 1.00% p.a. of these pension promises.

The mortality tables used are the Heubeck's RT2005G tables, which have been adjusted with respect to mortality, disability and labor turnover to reflect company-specific circumstances. The adjustment was installed in 2010 and reviewed and revised in 2018. The retirement age applied is the contractual or legal retirement age.

Supplementary information

€ thou		
as of 31 December	2020	2019
Historical costs of the offset assets	637,348	603,850
Settlement amount of the offset liabilities	8,096,040	7,799,411
(-) Fair value of the offset assets	638,513	604,918
Net amount of pension provisions and excess of plan assets over pension and similar obligations	7,457,526	7,194,494

Allianz SE has obligations resulting from jubilee payments, birthday payments, early retirement and phased-in early retirement, which are reported under remaining provisions. The obligations resulting from a long-term credit account are shown under provisions for pensions and similar liabilities. These obligations are basically calculated in the same way as pension obligations, using the same actuarial assumptions (except for the discount rate).

Offsettable plan assets are held at Methusalem Trust e.V. to secure the phased-in early retirement and long-term credit account obligations. The asset value/market value is used as the fair value.

The following table shows a breakdown of the offset assets and liabilities that result from phased-in early retirement and long-term credit account obligations.

Information on the offset assets and liabilities

€ thou		
as of 31 December	2020	2019
Historical costs of the offset assets	21,591	21,657
Settlement amount of the offset liabilities	21,530	21,837
Fair value of the offset assets	21,830	21,941

16 _ Maturity of financial liabilities

The residual terms of subordinated liabilities, bonds issued, and miscellaneous liabilities are as follows:

Maturity table as of 31 December 2020

	Total	Term < 1 year	Term 1 – 5 years	Term > 5 years
Subordinated liabilities (B.)				
Intra-group transmission of proceeds from third-party financing	2,481,474	85,674	-	2,395,800
Subordinated bonds issued by Allianz SE	14,151,345	136,781	-	14,014,564
Subtotal Subordinated liabilities (B.)	16,632,819	222,455	-	16,410,364
Bonds (intra-group – F.II.)	2,743,109	147,109	137,000	2,459,000
Liabilities to banks (F.III.)	287	287	-	-
Miscellaneous liabilities (F.IV.)				
Intra-group transmission of proceeds from third-party financing	6,906,831	292,427	2,750,000	3,864,404
Other intra-group liabilities ¹	27,620,972	13,944,608	7,014,000	6,662,364
Subtotal intra-group miscellaneous liabilities	34,527,802	14,237,035	9,764,000	10,526,767
Liabilities to third parties	1,534,451	1,534,451	-	-
Subtotal Miscellaneous liabilities (F.IV.)	36,062,254	15,771,486	9,764,000	10,526,767
Total	55,438,469	16,141,338	9,901,000	29,396,131

1. As of 31 December 2020, other intra-group liabilities due within one year amounted to € 13.9 bn. Thereof, cash pool and intra-group loans accounted for € 9.8 bn and € 3.1 bn, respectively. Upon maturity, intra-group loans are rolled forward by Allianz SE on a regular basis.

Maturity table as of 31 December 2019

	Total	Term < 1 year	Term 1 – 5 years	Term > 5 years
Subordinated liabilities (B.)				
Intra-group transmission of proceeds from third-party financing	2,481,240	85,440	-	2,395,800
Subordinated bonds issued by Allianz SE	10,908,857	121,226	1,500,000	9,287,631
Subtotal Subordinated liabilities (B.)	13,390,097	206,666	1,500,000	11,683,431
Bonds (intra-group – F.II.)	2,750,117	154,117	137,000	2,459,000
Liabilities to banks (F.III.)	250,375	250,375	-	-
Miscellaneous liabilities (F.IV.)				
Intra-group transmission of proceeds from third-party financing	6,929,060	1,543,948	2,250,000	3,135,112
Other intra-group liabilities ¹	27,486,194	19,122,194	8,264,000	100,000
Subtotal intra-group miscellaneous liabilities	34,415,254	20,666,141	10,514,000	3,235,112
Liabilities to third parties	2,025,695	2,025,695	-	-
Subtotal Miscellaneous liabilities (F.IV.)	36,440,949	22,691,837	10,514,000	3,235,112
Total	52,831,538	23,302,995	12,151,000	17,377,543

1. As of 31 December 2019, other intra-group liabilities due within one year amounted to € 19.1 bn. Thereof, cash pool and intra-group loans accounted for € 9.1 bn and € 9.4 bn, respectively. Upon maturity, intra-group loans are rolled forward by Allianz SE on a regular basis.

Of the total financial liabilities, other intra-group liabilities with a residual term of less than one year amounting to € 0.9 bn (2019:

€ 0.9 bn) were secured by assets pledged as collateral as of 31 December 2020.

17 _ Information about derivative financial instruments

Options dealing in shares and share indices as of 31 December 2020

	Nominal	Fair value	Book value	Underlying	Balance sheet position
Class	€ thou	€ thou	€ thou		
Long call	41,958	7,183	4,345	Share index	Assets D.III.
Short call	41,958	(7,183)	4,345	Share index	Liabilities F.IV.

The options on share indices are held in the context of hedging activities of Allianz companies with Allianz SE. Allianz SE hedged these positions by entering into countertrades at the market. Both intra-group and group-external positions were combined to valuation units ("Bewertungseinheiten"). The average remaining term of the call options is seven years.

European-type options are valued using the Black-Scholes model and American-type options using the binomial model, both based on

the closing price on the valuation date. Yield curves are derived from the swap rates prevailing on the valuation date. The future dividend yield is estimated on the basis of market information on the valuation date. Volatility is estimated based on currently traded implicit volatility, taking into account the residual term and the ratio between the strike price and the prevailing share price.

Forward contracts in shares, share indices and hedge RSU as of 31 December 2020

	Nominal	Fair value	Book value	Underlying	Balance sheet position
Class	€ thou	€ thou	€ thou		
Long forward	404,133	74,419	-	Allianz SE share	-
Long forward	181,423	(11,862)	-	UniCredit S.p.A. share	-
Long forward	19,890	17,012	-	Lemonade Inc. share	-
Short forward	181,423	11,862	-	UniCredit S.p.A. share	-
Short forward	19,890	(17,012)	-	Lemonade Inc. share	-
Hedge RSU	270,349	(343,261)	343,261	Allianz SE share	Liabilities F.IV.

Positions in long forwards on Allianz SE shares and in hedge RSU are held in the context of hedging the Allianz Equity Incentive Plans.

For the purpose of hedging the share price risk, our subsidiary Allianz Finance II Luxembourg S.à.r.l. entered into short forwards on UniCredit S.p.A. shares with Allianz SE. For the same purpose, our subsidiary Allianz Strategic Investments S.à.r.l. entered into short forwards on shares of Lemonade Inc. with Allianz SE. Allianz SE hedged these positions by entering into countertrades at the market. Both intra-group and group-external positions were combined to valuation units. The remaining term of these forwards is less than one year.

The fair value of a forward contract is determined as the difference between the underlying closing price on the valuation date and the discounted forward price. The net present value of dividend payments due before maturity of the forward contract is also taken into account, unless the dividends are subject to a pass-through agreement. Liabilities from hedge RSU, which the Group companies acquire from Allianz SE in order to hedge their liabilities from the Group Equity Incentive programs, are valued on the basis of the Allianz closing price on the valuation date, minus the net present value of estimated future dividends due before maturity of the respective hedge RSU. Applicable discount rates are derived from interpolated swap rates.

Forward contracts in bonds as of 31 December 2020

	Nominal	Fair value	Book value	Underlying	Balance sheet position
Class	€ thou	€ thou	€ thou		
Long forward	875,467	26,262	-	Bonds	-
Short forward	875,467	(26,262)	-	Bonds	-

For the purpose of hedging the interest rate risk of investments, Allianz Benelux N.V. entered into forward transactions on bonds with Allianz SE. Allianz SE hedged these positions by entering into countertrades at the market. Both intra-group and group-external positions were combined to valuation units. The average remaining term of these forwards is less than one year.

The fair value of a forward bond contract is determined as the difference between the market price of the underlying bond (including accrued interest) on the valuation date and the discounted forward price, taking into account the net present value of all interest payments occurring between the valuation date and the expiry date of the forward contract.

Forward currency contracts as of 31 December 2020

Class	Nominal € thou	Fair value € thou	Book value € thou	Underlying	Balance sheet position
Long forward	14,128,185	461	73,106	AED, AUD, BRL, CAD, CHF, CNY, COP, CZK, GBP, HKD, HUF, ILS, INR, JPY, KRW, NOK, PLN, RON, SEK, SGD, TRY, TWD, USD, ZAR	Liabilities D.
Short forward	21,663,216	127,986	96,834	AED, AUD, BRL, CAD, CHF, CNY, COP, CZK, DKK, GBP, HKD, HUF, INR, JPY, NOK, PLN, RON, SEK, SGD, TRY, TWD, USD, ZAR	Liabilities D.

Allianz SE holds long and short positions in various currencies in order to manage foreign exchange risk within Allianz SE and other entities of the Allianz Group.

The fair value of a forward currency contract is the difference between the discounted forward price and the spot rate in Euros. The discounted forward price is calculated by applying the Euro interest

rate as a discount rate and the foreign currency interest rate as a compound interest rate.

Long forwards and short forwards with a nominal value of € 9.2 bn and a fair value of € 56.7 mn, respectively, were aggregated to valuation units, each comprising intra-group positions offset by countertrades at the market. The average remaining term of the forwards in valuation units is less than one year.

Interest rate swap contracts as of 31 December 2020

Class	Nominal € thou	Fair value € thou	Book value € thou	Underlying	Balance sheet position
Receiver swap EUR	1,500,000	72,860	-	Long-term interest rate positions	-
Receiver swap EUR	650,000	(7,213)	3,722	Long-term interest rate positions	Liabilities D.

Allianz SE holds EUR receiver swaps for the purpose of managing duration and hedging interest rate risk arising from interest rate positions in the pension portfolio of Allianz SE.

The fair value of an interest rate swap is the aggregate net present value of all expected incoming and outgoing cash flows of the respective swap transaction.

Our financial participations include put and call options on company shares, which are linked to certain conditions. Due to the lack of quoted prices on active markets for these financial participations and the uncertainty regarding the occurrence of the option conditions, the fair value of such options cannot be determined reliably. Wherever feasible, contractual arrangements including the option agreements were taken into account when determining the fair value of the financial participation. However, no stand-alone valuation of the options as derivative financial instruments was performed.

Embedded in a retrocession agreement covering the retrocession of life business to an external reinsurance partner, Allianz SE has provided the retrocessionaire with credit protection related to the issuer risk associated with ceded future cash flows arising from a corporate bond. The agreement obliges Allianz SE to pay an amount of € 87 mn to the retrocessionaire as compensation for safeguarding the reinsurance partner against default risk arising from a bond. At the End of 2020, the fair value of this credit derivative amounted to € 1 mn.

SUPPLEMENTARY INFORMATION ON THE INCOME STATEMENT

18 _ Gross premiums written

€ thou	2020	2019
Property-Casualty reinsurance	11,685,402	11,911,333
Life/Health reinsurance	542,740	472,920
Total	12,228,142	12,384,252

Gross premiums written decreased by 1.3% to € 12,228 mn. In particular, the motor reinsurance and credit and bond reinsurance lines were affected by the COVID-19 pandemic.

19 _ Allocated interest return (net)

The allocated interest return (net) mainly corresponds to the agreed interest rate for deposited provisions and is therefore transferred from the non-technical section to the technical section. It reduced to € 16 mn (2019: € 18 mn).

20 _ Run-off result

In 2020, the run-off result amounted to € 400 mn (2019: € (204) mn) and was mainly influenced by fire and property reinsurance (€ 218 mn), credit and bond reinsurance (€ 81 mn) as well as liability reinsurance (€ 71 mn).

21 _ Change in other insurance reserves (net)

€ thou	2020	2019
Change in aggregate policy reserves (net)	49,086	26,841
Other insurance reserves (net)	(58,176)	(5,431)
Total	(9,090)	21,410

The change in aggregate policy reserves (net) was mainly driven by the life reinsurance.

The other insurance reserves (net) mostly include reserves for motor reinsurance.

22 _ Underwriting expenses (net)

€ thou	2020	2019
Gross underwriting expenses	(3,445,229)	(3,599,956)
Less: commission received on retroceded business	283,869	42,392
Net	(3,161,360)	(3,557,564)

The decrease of underwriting expenses (net) mainly resulted from the premium development. The expense ratio (net) in Property-Casualty reinsurance decreased to 29.5% (2019: 30.7%), driven by a lower commission ratio of 28.6% (2019: 29.8%).

23 _ Investment income

€ thou	2020	2019
a) Income from participations thereof from affiliated enterprises: € 4,485,589 thou (2019: € 4,004,912 thou)	4,487,046	4,045,911
b) Income from other investments thereof from affiliated enterprises: € 249,456 thou (2019: € 212,828 thou)		
aa) Income from real estate, real estate rights, and buildings including buildings on land not owned by Allianz SE	13,717	12,808
bb) Income from other investments (see below)	511,685	508,602
c) Income from reversal of impairments	24,737	94,191
d) Realized gains	301,942	264,651
e) Income from profit transfer agreements	2,372,971	2,624,794
Total	7,712,099	7,550,956
	2020	2019
bb) Income from other investments		
Debt securities	224,697	257,266
Funds held by others under reinsurance business assumed	149,894	125,322
Loans to affiliated enterprises	101,001	86,469
Receivables from intra-group cash pooling	21,879	21,513
Interests in funds	12,398	12,540
Other	1,816	5,492
Total	511,685	508,602

24 _ Investment expenses

€ thou	2020	2019
a) Expenses for the management of investments, interest, and other investment-related expenses		
aa) Interest expenses (see below)	(904,078)	(959,124)
ab) Other	(117,605)	(81,986)
b) Depreciation and impairments of investments	(551,839)	(245,288)
c) Realized losses	(166,997)	(172,798)
d) Expenses from losses taken over	(713,618)	(162,887)
Total	(2,454,138)	(1,622,082)
	2020	2019
aa) Interest expenses		
Subordinated bonds issued by Allianz SE	(429,834)	(413,171)
Liabilities from intra-group loans	(195,571)	(235,039)
Intra-group subordinated liabilities (intra-group transmission of proceeds from third-party financing)	(145,212)	(186,418)
Liabilities from intra-group cash pooling	(58,451)	(41,870)
Liabilities from intra-group bonds	(56,649)	(56,638)
Liabilities from commercial paper issues	(5,019)	(16,883)
Other	(13,342)	(9,105)
Total	(904,078)	(959,124)

Depreciation and impairments of investments include unscheduled write-downs of € 251 mn (2019: € 140 mn) on holdings in affiliated enterprises.

25 _ Other non-technical result

€ thou	2020	2019
Other Income		
Gains on derivatives	1,443,382	1,125,093
Currency gains	1,051,480	555,349
Other service revenues from group companies	224,267	206,565
Income from the release of other provisions	185,910	175,975
Intercompany income	35,773	39,294
Service revenues from pensions charged to group companies	10,046	12,185
Interest and similar income		
thereof from affiliated enterprises: € 0 thou (2019: € 67 thou)	2,901	10,694
Other	4,078	3,869
Total other income	2,957,837	2,129,025
Other expenses		
Expenses for derivatives	(1,431,569)	(974,077)
Currency losses	(708,129)	(698,360)
Interest and similar expenses		
thereof from reversal of discounting miscellaneous provisions: € (2,912) thou (2019: € (1,410) thou)		
thereof from affiliated enterprises: € (686) thou (2019: € (1,112) thou)	(703,928)	(803,309)
Other HR-related expenses	(306,359)	(314,859)
Other administrative expenses	(264,255)	(313,972)
Other service expenses to group companies	(224,267)	(206,565)
Anticipated losses on derivatives	(119,240)	(210,244)
Pension expenses	(75,004)	(107,053)
Service expenses from pensions charged to group companies	(10,046)	(12,185)
Other	(6,151)	(2,651)
Total other expenses	(3,848,947)	(3,643,275)
Other non-technical Result	(891,111)	(1,514,251)

The other non-technical result amounted to € (891) mn compared to € (1,514) mn in 2019. This is mainly attributable to a significant improvement of the result from foreign currency translation by € 486 mn, turning the result positive to € 343 mn after a € (143) mn loss in the previous year. Main drivers of this development were improved foreign currency translation results of liabilities denominated in USD (€ 360 mn) and GBP (€ 126 mn) caused by a stronger Euro in 2020.

Allianz SE has a joint liability for a large part of the pension provisions of its German subsidiaries (see [note 15](#) for more details). Expenses incurred in this context are recognized as service expenses from pension plans charged to group companies, as they are reimbursed by the German subsidiaries according to the cost allocation contract and result in corresponding service revenues.

Income from the release of other provisions refers to income from the release of pension provisions of € 142 mn in 2020. The reason is the decrease in the pension trend parameter of 1.5% p.a. to 1.3% p.a.

Furthermore, other income/expenses include the following offset income and expenses:

€ thou	2020		2019	
	Pensions and similar obligations	Other obligations	Pensions and similar obligations	Other obligations
Actual return of the offset assets	(16,874)	(265)	(19,351)	(585)
Imputed interest cost for the settlement amount of the offset liabilities	208,769	291	234,913	596
Effect resulting from the change in the discount rate for the settlement amount	444,098	8	502,444	7
Net amount of the offset income and expenses	635,993	34	718,006	18

FEES TO THE AUDITOR

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC GmbH) is the external auditing firm for the Allianz Group.

Audit services primarily relate to services rendered for the audit of the Allianz Group's consolidated financial statements, the audit of the statutory financial statements of Allianz SE and its subsidiaries, the audit of the Allianz Group's Solvency II market value balance sheet as well as those of Allianz SE and its subsidiaries. In addition, a review of the Allianz Group's consolidated interim financial statements was performed.

Tax services primarily refer to tax compliance services, other services mainly refer to consulting services.

Details of the fees to the auditor for services to Allianz SE, pursuant to §285 (17) of the German Commercial Code, can be found in the notes to the Allianz Group's consolidated financial statements.

26 _ Income taxes

In 2020, our tax income, most of which is net operating income, increased to € 482 mn (2019: € 419 mn).

As the controlling company ("Organträger") of the tax group, Allianz SE files a consolidated tax return with most of its German affiliated enterprises. As long as the corporate income tax loss carried forward is not fully utilized, the tax compensation payments of € 732 mn (2019: € 485 mn) received from members of the tax group result in a tax income.

The greatest differences between accounting and tax-based valuation concern the balance sheet items "pension accruals", "reserves for loss and loss adjustment expenses", and "provisions for anticipated losses" resulting in deferred tax assets.

In addition, the existing corporate tax loss increases the surplus of deferred tax assets.

The valuation of the domestic deferred taxes is based on the following tax rates:

- 31.0% differences in balance sheet items,
- 15.8% corporate tax losses,
- 15.2% trade tax losses.

27 _ Net earnings

€ thou	2020	2019
Net income	4,607,731	4,603,376
Unappropriated earnings carried forward	527,986	776,906
Transfer to other revenue reserves	(760,000)	(900,000)
Net earnings	4,375,717	4,480,282

OTHER INFORMATION

Contingent liabilities, other financial commitments, and litigation

CONTINGENT LIABILITIES

GUARANTEES

The following guarantees have been provided by Allianz SE to Allianz Group companies as well as to third parties with regard to the liabilities of certain Allianz Group companies:

- Bonds issued by Allianz Finance II B.V. and Allianz Finance III B.V. for € 10.5 bn, of which € 2.4 bn were on a subordinated basis,
- Commercial papers issued by Allianz Finance Corporation. As of 31 December 2020, USD 0.2 bn in commercial papers were issued as part of the program,
- Letters of credit issued to various Allianz Group companies amounting to € 0.9 bn.

Guarantee declarations totaling € 1.0 bn have also been made for life policies signed by Allianz Compañía de Seguros y Reaseguros S.A.

Contingent liabilities exist because of indirect pension promises organized via pension funds (Allianz Versorgungskasse VVaG) and support funds (Allianz Pensionsverein e.V.). The adjustment obligation according to Section 16 BetrAVG is not funded in the APV old tariff. Due to this and because of the sharp decrease of the discount rate, the plan assets of the support funds are less than the pension obligations. As of 31 December 2020, the resulting deficit amounts to € 20 mn (2019: € 19 mn). In addition, Allianz SE has a joint liability of € 531 mn for a part of the pension promises of its German subsidiaries.

In the context of the sale of investments, guarantees were given in individual cases to cover counterparty exposure or the various bases used to determine purchase prices.

In addition, Allianz SE has issued guarantees to various Allianz Group companies totaling € 0.7 bn.

Allianz SE enters into contingent liabilities only after careful consideration of the risks involved. On the basis of a continuous evaluation of the risk situation of the contingent liabilities entered into, and taking into account the knowledge gained up to the preparation date, it can be assumed that the obligations underlying the contingent liabilities can be met by the respective principal debtors. As of today, and to the best of our knowledge, Allianz SE assesses the probability of a loss resulting from contingent liabilities to be extremely remote.

LEGAL OBLIGATIONS

Legal obligations to assume any losses arise on account of management control agreements and/or profit transfer agreements with the following companies:

- Allianz Africa Holding GmbH,
- Allianz Argos 14 GmbH,
- Allianz Asset Management GmbH,
- Allianz Climate Solutions GmbH,
- Allianz Deutschland AG,
- Allianz Direct Versicherungs-AG,
- Allianz Finanzbeteiligungs GmbH,
- Allianz Global Corporate & Specialty SE,
- Allianz Global Health GmbH,
- Allianz Investment Management SE,
- Allianz Real Estate GmbH (until 31 December 2020),
- Allianz Technology SE,
- AZ-Arges Vermögensverwaltungsgesellschaft mbH,
- IDS GmbH-Analysis and Reporting Services.

OTHER FINANCIAL COMMITMENTS

There are financial obligations of € 492 mn, which result from advertising agreements (€ 468 mn) and payment obligation arising from investments (€ 24 mn).

LITIGATION

Allianz SE is involved in legal, regulatory, and arbitration proceedings in Germany and foreign jurisdictions, including the United States. Such proceedings arise in the ordinary course of business, including, amongst others, Allianz SE's activities as a reinsurance company, employer, investor and taxpayer. While it is not feasible to predict or determine the ultimate outcome of such proceedings, they may result in substantial damages or other payments or penalties or result in adverse publicity and damage to Allianz SE's reputation. As a result, such proceedings could have an adverse effect on Allianz SE's business, financial condition and results of operations. Apart from the proceedings discussed below, Allianz SE is not aware of any threatened or pending legal, regulatory or arbitration proceedings which may have, or have had in the recent past, significant effects on its financial position or profitability. Material proceedings in which Allianz SE is involved are in particular the following:

Since July 2020, multiple complaints have been filed in the U.S. Federal Court for the Southern District of New York (the "S.D.N.Y."), and also in certain U.S. State Courts against Allianz Global Investors U.S. LLC ("AllianzGI U.S. LLC") and in certain complaints, against certain of AllianzGI U.S. LLC's affiliates, including Allianz SE and Allianz Asset Management GmbH ("Affiliate Allianz Defendants"), in connection with losses suffered by investors in AllianzGI U.S. LLC's Structured Alpha funds ("Funds") during the COVID-19 related market downturn. The actions brought to date have included institutional investor plaintiffs and individual plaintiffs with certain plaintiffs asserting claims on behalf of putative classes. An investment consultant has also asserted third-party claims against AllianzGI U.S. LLC. Plaintiffs in the pending actions have alleged losses of several billion dollars. In exchange for a tolling agreement, plaintiffs in the actions filed in the S.D.N.Y. have agreed to voluntarily dismiss claims against the Affiliate Allianz Defendants. In addition to the complaints filed to date, other investors in the Funds, or other third parties, may bring similar actions. Allianz intends to defend vigorously against the allegations contained in the complaints. AllianzGI U.S. LLC has also received information requests from the U.S. Securities and Exchange Commission ("SEC") regarding an SEC investigation of the Funds, and is fully cooperating with the SEC's investigation. The ultimate outcome of the court proceedings as well as the SEC investigation cannot yet be determined.

Board Members

The disclosures required in accordance with §285 No. 10 HGB for the Supervisory Board and Board of Management can be found in the chapters [Mandates of the Members of the Supervisory Board](#) and [Mandates of the Members of Board of Management](#).

Board of Management remuneration¹

As of 31 December 2020, the Board of Management was comprised of ten members. The following expenses reflect the full Board of Management active in the respective year.

The remuneration of the Board of Management includes fixed and variable components.

The variable remuneration consists of the annual bonus (short-term) and the equity-related remuneration (long-term). In 2020, the equity-related remuneration was comprised of 86,097² (2019: 112,252³) Restricted Stock Units (RSU).

Board of Management remuneration

€ thou	2020	2019
Base salary	(10,481)	(10,481)
Annual bonus	(7,341)	(10,011)
Perquisites	(287)	(267)
Subtotal Base salary, Annual bonus and Perquisites	(18,109)	(20,759)
Fair value of RSU at grant date	(13,873)	(18,346)
Subtotal equity-related remuneration	(13,873)	(18,346)
Total	(31,982)	(39,105)

The total remuneration of the Board of Management of Allianz SE for 2020 amounted to € 31,982 thou (2019: € 39,105 thou).

EQUITY-RELATED REMUNERATION

The remuneration system as of 1 January 2019 only awards RSUs under the long-term incentive plan. For 2020, the fair value of the RSUs at the date of grant was € 13,873 thou (2019: € 18,346 thou).

BENEFITS TO RETIRED MEMBERS OF THE BOARD OF MANAGEMENT

In 2020, remuneration and other benefits of € 8 mn (2019: € 7 mn) were paid to retired members of the Board of Management and to surviving dependents of deceased former Board members.

The pension obligations for former members of the Board of Management and their surviving dependents are as follows:

€ thou	2020	2019
as of 31 December		
Fair value of the offset assets	129,322	123,739
Settlement amount of the offset liabilities	138,815	128,064
Pension provisions	9,493	4,325

Supervisory Board remuneration⁴

	2020		2019	
	€ thou	%	€ thou	%
Fixed remuneration	(1,750)	66.0	(1,750)	65.2
Committee-related remuneration	(850)	32.0	(850)	31.7
Attendance fees	(52)	2.0	(85)	3.2
Total	(2,652)	100.0	(2,685)	100.0

¹ For detailed information regarding the Board of Management remuneration, please refer to the [Remuneration Report](#).

² The relevant share price to determine the final number of RSUs granted is only available after the sign-off by the external auditors, thus numbers are based on a best estimate.

³ The disclosure in the Annual Report 2019 was based on a best estimate of the RSU grants. The figure shown here for 2019 now includes the actual fair value as of the grant date (6 March 2020), including the Board members who left as of 31 December 2019. The value therefore differs from the value disclosed last year.

⁴ For detailed information regarding the Supervisory Board remuneration, please refer to the [Remuneration Report](#).

Average number of employees

Excluding members of the Board of Management, trainees, interns, employees in the passive phase of early retirement and on early retirement, and employees on maternity leave or voluntary military/federal voluntary service.

	2020	2019
Full-time staff	1,586	1,488
Part-time staff	223	223
Total	1,809	1,711

Staff expenses

Including members of the Board of Management, trainees, interns, employees in the passive phase of early retirement, and employees on maternity leave or voluntary military/federal voluntary service.

€ thou

	2020	2019
Wages and salaries	(331,934)	(326,780)
Statutory welfare contributions and expenses for optional support payments	(26,732)	(25,113)
Expenses for pensions and other post-retirement benefits	(26,489)	(26,535)
Total expenses	(385,156)	(378,428)

Events after the balance sheet date

The Allianz SE was not subject to any subsequent events that significantly impacted Allianz SE's financial results after the balance sheet date and before the financial statements were authorized for issue.

Information pursuant to § 160(1) No. 8 AktG

The following major shareholdings exist and were reported pursuant to § 20(1) or (4) AktG or pursuant to §§ 33, 34 WpHG:

By way of a letter dated 28 December 2020, BlackRock Inc., Wilmington, Delaware, United States of America, notified in the course of a voluntary group notification with triggered threshold on subsidiary level its voting rights pursuant to §§ 33, 34 WpHG as of 22 December 2020, amounted to 6.69% (representing 27,582,556 shares), its holdings in instruments pursuant to § 38(1) No. 1 WpHG as of 22 December 2020, amounted to 0.01% (representing 47,272 voting rights absolute), and its holdings in instruments pursuant to § 38(1) No. 2 WpHG as of 22 December 2020, amounted to 0.01% (representing 43,549 voting rights absolute). The total position as notified on 28 December 2020 amounted to 6.71%.

By way of a letter dated 5 March 2020, DWS Investment GmbH, Frankfurt am Main, Germany, notified that its voting rights pursuant to §§ 33, 34 WpHG have crossed 3% as of 2 March 2020 and amounted to 3.85% (representing 16,060,512 shares). As of 2 March 2020 its holdings in instruments pursuant to § 38(1) No. 1 WpHG amounted to 0% (representing 0 voting rights absolute), and its holdings in instruments pursuant to § 38(1) No. 2 WpHG amounted to 0% (representing 0 voting rights absolute). The total position notified on 5 March 2020 amounted to 3.85%.

Declaration of Conformity with the German Corporate Governance Code

On 10 December 2020, the Board of Management and the Supervisory Board of Allianz SE issued the Declaration of Conformity with the German Corporate Governance Code required by § 161 AktG and made it permanently available on the company's website at www.allianz.com/corporate-governance.

LIST OF PARTICIPATIONS OF ALLIANZ SE, MUNICH

AS OF 31 DECEMBER 2020 ACCORDING TO § 285 NO. 11 AND 11B HGB

IN CONJUNCTION WITH § 286 (3) NO. 1 HGB

	Owned ¹	Equity	Net Earnings		Owned ¹	Equity	Net Earnings
	%	€ thou	€ thou		%	€ thou	€ thou
GERMAN ENTITIES							
Affiliates							
ACP Vermögensverwaltung GmbH & Co. KG Nr. 4a, Munich	100.0	5,674	4	APK-Argos 75 Vermögensverwaltungsgesellschaft mbH, Munich	100.0 ²	69,776	-
ADAC Autoversicherung AG, Munich	51.0	132,764	(5,712)	APK-Argos 85 Vermögensverwaltungsgesellschaft mbH, Munich	100.0 ²	115,648	-
ADEUS Aktienregister-Service-GmbH, Munich	80.0	8,340	2,710	APKV Direkt Infrastruktur GmbH, Munich	100.0 ²	35,096	-
AGCS Infrastrukturfonds GmbH, Munich	100.0 ²	34,042	-	APKV Infrastrukturfonds GmbH, Munich	100.0 ²	206,985	-
AGCS-Argos 76 Vermögensverwaltungsgesellschaft mbH, Munich	100.0 ²	66,088	-	APKV Private Equity Fonds GmbH, Munich	100.0 ²	742,622	-
AGCS-Argos 86 Vermögensverwaltungsgesellschaft mbH, Munich	100.0 ²	67,805	-	APKV-Argos 74 Vermögensverwaltungsgesellschaft mbH, Munich	100.0 ²	187,097	-
ALIDA Grundstücksgesellschaft mbH & Co. KG, Hamburg	95.0 ³	388,025	10,996	APKV-Argos 84 Vermögensverwaltungsgesellschaft mbH, Munich	100.0 ²	401,386	-
Allianz Africa Holding GmbH, Munich	100.0 ²	207,042	-	ARE Funds APKV GmbH, Munich	100.0 ^{2,3}	278,711	-
Allianz Argos 14 GmbH, Munich	100.0 ²	4,515,397	-	ARE Funds AZL GmbH, Munich	100.0 ^{2,3}	2,771,757	-
Allianz Asset Management GmbH, Munich	100.0 ^{2,3}	3,308,358	-	ARE Funds AZV GmbH, Munich	100.0 ^{2,3}	12,057	-
Allianz AZL Vermögensverwaltung GmbH & Co. KG, Munich	100.0	409,276	(58)	atpaccv Fund GmbH & Co. KG, Munich	100.0	34,371	(6,258)
Allianz Beratungs- und Vertriebs-AG, Munich	100.0 ²	8,605	-	Atropos Vermögensverwaltungsgesellschaft mbH, Munich	100.0	481,500	2,084
Allianz Capital Partners GmbH, Munich	100.0 ^{2,3}	27,388	-	AZ ATLAS GmbH & Co. KG, Stuttgart	95.0 ³	101,236	2,813
Allianz Capital Partners Verwaltungs GmbH, Munich	100.0	55,899	(74)	AZ ATLAS Immo GmbH, Stuttgart	100.0 ^{2,3}	140,167	181
Allianz Deutschland AG, Munich	100.0 ²	7,274,341	-	AZ Northside GmbH & Co. KG, Stuttgart	94.0 ³	18,050	13
Allianz Digital Health GmbH, Munich	100.0 ²	14,466	-	AZ-Arges Vermögensverwaltungsgesellschaft mbH, Munich	100.0 ²	172,158	-
Allianz Direct Versicherungs-AG, Munich	100.0 ²	44,813	-	AZL-Argos 73 Vermögensverwaltungsgesellschaft mbH, Munich	100.0 ²	1,206,653	-
Allianz Finanzbeteiligungs GmbH, Munich	100.0 ²	860,411	-	AZL-Argos 83 Vermögensverwaltungsgesellschaft mbH, Munich	100.0 ²	2,859,487	-
Allianz Focus Teleport Beteiligungs-GmbH & Co. KG, Stuttgart	100.0 ³	9,999	(43)	AZL-Argos 89 Vermögensverwaltungsgesellschaft mbH, Munich	100.0 ²	26,921	-
Allianz Global Corporate & Specialty SE, Munich	100.0 ^{2,3}	1,144,237	-	AZL-Private Finance GmbH, Stuttgart	100.0 ²	200,100	-
Allianz Global Investors GmbH, Frankfurt am Main	100.0 ^{2,3}	307,838	-	AZ-SGD Classic Infrastrukturfonds GmbH, Munich	100.0 ²	11,435	-
Allianz Handwerker Services GmbH, Aschheim	100.0 ³	40,204	4,809	AZ-SGD Direkt Infrastruktur GmbH, Munich	100.0 ²	33,787	-
Allianz Investment Management SE, Munich	100.0 ²	5,882	-	AZ-SGD Infrastrukturfonds GmbH, Munich	100.0 ²	176,249	-
Allianz Leben Direkt Infrastruktur GmbH, Munich	100.0 ²	184,257	-	AZ-SGD Private Equity Fonds 2 GmbH, Munich	100.0 ²	18,538	-
Allianz Leben Infrastrukturfonds GmbH, Munich	100.0 ²	1,522,286	-	AZ-SGD Private Equity Fonds GmbH, Munich	100.0 ²	786,631	-
Allianz Leben Private Equity Fonds 2001 GmbH, Munich	100.0 ²	5,785,028	-	AZV-Argos 72 Vermögensverwaltungsgesellschaft mbH, Munich	100.0 ²	76,474	-
Allianz Leben Private Equity Fonds Plus GmbH, Munich	100.0 ²	18,306	-	AZV-Argos 77 Vermögensverwaltungsgesellschaft mbH, Munich	100.0 ²	29,323	-
Allianz Lebensversicherungs-Aktiengesellschaft, Stuttgart	100.0	2,991,344	-	AZV-Argos 82 Vermögensverwaltungsgesellschaft mbH, Munich	100.0 ²	171,425	-
Allianz of Asia-Pacific and Africa GmbH, Munich	100.0	805,502	7,211	AZV-Argos 87 Vermögensverwaltungsgesellschaft mbH, Munich	100.0 ²	108,250	-
Allianz Partners Deutschland GmbH, Aschheim	100.0 ³	10,870	563	BrahmsQ Objekt GmbH & Co. KG, Stuttgart	95.0 ³	79,981	2,021
Allianz Pensionsfonds Aktiengesellschaft, Stuttgart	100.0	60,536	447	Deutsche Lebensversicherungs-Aktiengesellschaft, Berlin	100.0 ²	44,991	-
Allianz Pensionskasse Aktiengesellschaft, Stuttgart	100.0	315,192	17,698	EASTSIDE Joint Venture GmbH & Co. KG, Frankfurt am Main	50.0 ³	65,267	(192)
Allianz Private Equity GmbH, Munich	100.0 ²	30,003	-	EASTSIDE TAMARA GmbH, Frankfurt am Main	50.0 ³	25,968	968
Allianz Private Krankenversicherungs-Aktiengesellschaft, Munich	100.0 ^{2,3}	337,731	-	Euler Hermes Aktiengesellschaft, Hamburg	100.0 ³	102,780	15,083
Allianz Real Estate GmbH, Munich	100.0 ²	21,237	-	finanz.de Vermittlungsgesellschaft für Verbraucherverträge GmbH, Berlin	100.0 ³	94,224	(11,965)
Allianz Renewable Energy Subholding GmbH & Co. KG, Sehestedt	100.0 ³	13,580	1,390	manroland AG, Offenbach am Main	100.0 ⁴⁵	148,289	(179,129)
Allianz Taunusanlage GbR, Stuttgart	100.0 ³	167,125	4,397	manroland Vertrieb und Service GmbH, Mülheim am Main	100.0 ⁴⁵	5,155	-
Allianz Technology SE, Munich	100.0 ^{2,3}	338,218	-	MAWISTA GmbH, Wendlingen am Neckar	100.0 ³	5,930	3,272
Allianz Versicherungs-Aktiengesellschaft, Munich	100.0 ²	887,569	-	Mercato Leadmanagement Investments Holdings GmbH, Berlin	100.0 ³	94,224	(11,965)
Allianz X GmbH, Munich	100.0	7,665	901				
APK Infrastrukturfonds GmbH, Munich	100.0 ²	22,928	-				

	Owned ¹	Equity	Net Earnings
	%	€ thou	€ thou
PIMCO Europe GmbH, Munich	100.0 ²	51,968	-
REC Frankfurt Objekt GmbH & Co. KG, Hamburg	80.0 ³	287,817	10,221
Seine GmbH, Munich	100.0	264,055	(5,173)
Seine II GmbH, Munich	100.0	60,155	(2,448)
Spherion Objekt GmbH & Co. KG, Stuttgart	100.0 ³	66,485	3,379
Syncier GmbH, Munich	97.0 ³	5,147	(4,111)
Volkswagen Autoversicherung AG, Braunschweig	100.0 ²	112,561	-
Volkswagen Autoversicherung Holding GmbH, Braunschweig	49.0	143,349	26,095
Windpark Aller-Leine-Tal GmbH & Co. KG, Sehestedt	100.0 ³	19,278	856
Windpark Berge-Kleeste GmbH & Co. KG, Sehestedt	100.0 ³	9,350	1,413
Windpark Büttel GmbH & Co. KG, Sehestedt	100.0 ³	21,395	1,180
Windpark Calau GmbH & Co. KG, Sehestedt	100.0 ³	41,287	2,164
Windpark Cottbuser See GmbH & Co. KG, Sehestedt	100.0 ³	9,034	1,653
Windpark Dahme GmbH & Co. KG, Sehestedt	100.0 ³	19,782	4,011
Windpark Eckolstädt GmbH & Co. KG, Sehestedt	100.0 ³	32,076	1,752
Windpark Freyenstein-Halenbeck GmbH & Co. KG, Sehestedt	100.0 ³	17,125	1,599
Windpark Kesfeld-Heckhuscheid GmbH & Co. KG, Sehestedt	100.0 ³	18,957	472
Windpark Kittlitz GmbH & Co. KG, Sehestedt	100.0 ³	6,962	601
Windpark Pröttlin GmbH & Co. KG, Sehestedt	100.0 ³	13,097	1,704
Windpark Quitzow GmbH & Co. KG, Sehestedt	100.0 ³	13,048	1,630
Windpark Redekin-Genthin GmbH & Co. KG, Sehestedt	100.0 ³	22,662	1,325
Windpark Schönwalde GmbH & Co. KG, Sehestedt	100.0 ³	14,956	1,018
Windpark Waltersdorf GmbH & Co. KG Renditefonds, Sehestedt	100.0 ³	8,581	729
Windpark Werder Zinndorf GmbH & Co. KG, Sehestedt	100.0 ³	22,006	2,691
Joint ventures			
AQ Focus Teleport GmbH & Co. KG, Hamburg	50.0 ³	18,467	(1,543)
AQ Überseehaus GmbH & Co. KG, Hamburg	40.0 ³	5,725	(810)
Dealis Fund Operations GmbH, Frankfurt am Main	50.0 ³	32,914	(61)
UGG TopCo GmbH & Co. KG, Ismaning	42.0	9,922	77
VGP Park München GmbH, Vaterstetten-Baldham	49.0 ³	65,455	(7,122)
Associates			
Arabesque S-Ray GmbH, Frankfurt am Main	11.0 ³	15,958	(3,469)
Autobahn Tank & Rast Gruppe GmbH & Co. KG, Bonn	25.0 ³	194,821	(59,419)
AV Packaging GmbH, Munich	100.0	16,485	(279)
DCSO Deutsche Cyber-Sicherheitsorganisation GmbH, Berlin	25.0 ³	7,516	(2,721)
SDA SE Open Industry Solutions, Hamburg	25.0 ³	6,771	92
T&R Real Estate GmbH, Bonn	25.0 ³	140,898	85
Verimi GmbH, Berlin	20.0 ³	33,006	(26,623)
Other participations below 20% voting rights			
EXTREMUS Versicherungs-Aktiengesellschaft, Cologne	16.0 ³	64,100	42
FC Bayern München AG, Munich	8.0 ³	481,926	42,653
GDV Dienstleistungs-GmbH, Hamburg	9.0 ³	28,941	1,511
La Famiglia Fonds I GmbH & Co. KG, Munich	6.0 ³	22,827	(965)
MPL AG, Wiesloch	10.0 ³	437,392	36,925
N26 GmbH, Berlin	6.0 ³	214,474	(216,937)
Protektor Lebensversicherungs-AG, Berlin	10.0 ³	7,851	7
Sana Kliniken AG, Ismaning	15.0 ³	1,017,094	66,685
Simplesurance GmbH, Berlin	14.0 ³	7,885	(10,992)
STEMMER IMAGING AG, Puchheim	6.0 ³	71,600	4,800

	Owned ¹	Equity	Net Earnings
	%	€ thou	€ thou
FOREIGN ENTITIES			
Affiliates			
490 Lower Unit LP, Wilmington, DE	100.0 ³	127,756	(723)
Aero-Fonte S.r.l., Catania	100.0 ³	17,201	2,721
AGA Service Company Corp., Richmond, VA	100.0 ³	6,819	1,486
AGCS International Holding B.V., Amsterdam	100.0 ³	1,258,137	12,689
AGCS Marine Insurance Company, Chicago, IL	100.0 ³	141,130	2,472
AGCS Resseguros Brasil S.A., São Paulo	100.0 ³	266,939	8,480
Allianz (UK) Limited, Guildford	100.0 ³	1,841,845	93
Allianz Africa SAS, Paris la Défense	100.0 ³	43,588	(4,107)
Allianz Alapkezelő Zrt., Budapest	100.0	5,458	2,524
Allianz Argentina Compañía de Seguros Generales S.A., Buenos Aires	100.0	115,064	51,542
Allianz Argentina RE S.A., Buenos Aires	100.0	16,294	5,345
Allianz Asia Holding Pte. Ltd., Singapore	100.0 ³	5,065	5
Allianz Asset Management of America L.P., Dover, DE	100.0 ³	713,789	1,483,843
Allianz Asset Management of America LLC, Dover, DE	100.0 ³	6,493,935	1,828,789
Allianz Asset Management U.S. Holding II LLC, Dover, DE	100.0 ³	245,732	73,385
Allianz Australia Insurance Limited, Sydney	100.0 ³	1,777,624	237,872
Allianz Australia Life Insurance Holdings Limited, Sydney	100.0 ³	132,010	-
Allianz Australia Life Insurance Limited, Sydney	100.0 ³	105,477	(19,423)
Allianz Australia Limited, Sydney	100.0 ³	1,758,570	238,427
Allianz Ayudhya Assurance Public Company Limited, Bangkok	83.0 ³	811,433	58,821
Allianz Ayudhya Capital Public Company Limited, Bangkok	49.0 ³	373,077	13,154
Allianz Ayudhya General Insurance Public Company Limited, Bangkok	100.0 ³	75,362	(8,041)
Allianz Bank Bulgaria AD, Sofia	100.0 ³	120,423	16,898
Allianz Bank Financial Advisors S.p.A., Milan	100.0	249,980	13,523
Allianz Banque S.A., Puteaux	100.0 ³	116,413	2,791
Allianz Benelux S.A., Brussels	100.0 ³	944,592	167,401
Allianz Bulgaria Holding AD, Sofia	66.0 ³	61,615	19,015
Allianz Cameroun Assurances SA, Douala	75.0 ³	10,998	3,438
Allianz Carbon Investments B.V., Amsterdam	100.0 ³	11,440	(557)
Allianz Cash SAS, Paris la Défense	100.0 ³	5,965	294
Allianz Chicago Private Reit LP, Wilmington, DE	100.0 ³	179,049	(89)
Allianz China Insurance Holding Limited, Shanghai	100.0 ³	385,636	(5,101)
Allianz China Life Insurance Co. Ltd., Shanghai	51.0 ³	275,888	89,285
Allianz Colombia S.A., Bogotá D.C.	100.0 ³	105,080	9,977
Allianz Compañía de Seguros y Reaseguros S.A., Madrid	100.0 ³	864,268	142,364
Allianz Côte d'Ivoire Assurances SA, Abidjan	74.0 ³	7,485	7,521
Allianz Côte d'Ivoire Assurances Vie SA, Abidjan	71.0 ³	8,524	3,241
Allianz Direct S.p.A., Milan	100.0 ³	418,819	32,201
Allianz do Brasil Participações Ltda., São Paulo	100.0 ³	293,858	76,003
Allianz Elementar Lebensversicherungs-Aktiengesellschaft, Vienna	100.0	100,964	14,936
Allianz Elementar Versicherungs-Aktiengesellschaft, Vienna	100.0	513,148	156,718
Allianz EM Loans S.C.S., Luxembourg	100.0 ³	231,788	13,920
Allianz Engineering Inspection Services Limited, Guildford	100.0 ³	17,877	3,381
Allianz Equity Investments Ltd., Guildford	100.0 ³	186,996	19,870
Allianz Europe B.V., Amsterdam	100.0 ³	45,032,709	3,395,910
Allianz Europe Ltd., Amsterdam	100.0 ³	4,017,362	43,634
Allianz Finance Corporation, Wilmington, DE	100.0 ³	184,045	10
Allianz Finance II Luxembourg S.à r.l., Luxembourg	100.0 ³	4,547,445	139,645
Allianz Finance IX Luxembourg S.A., Luxembourg	100.0 ³	1,139,487	5,423
Allianz Finance VII Luxembourg S.A., Luxembourg	100.0 ³	3,255,458	60,268

	Owned ¹	Equity	Net Earnings		Owned ¹	Equity	Net Earnings
	%	€ thou	€ thou		%	€ thou	€ thou
Allianz Finance VIII Luxembourg S.A., Luxembourg	100.0 ³	984,805	19,831	Allianz Insurance Company of Kenya Limited, Nairobi	100.0 ³	8,896	(337)
Allianz Fire and Marine Insurance Japan Ltd., Tokyo	100.0 ³	20,814	2,712	Allianz Insurance Company-Egypt S.A.E., New Cairo	95.0 ³	21,165	4,867
Allianz France Investissement OPCI, Paris la Défense	100.0 ³	136,210	5,412	Allianz Insurance Lanka Limited, Colombo	100.0 ³	47,431	8,058
Allianz France Real Estate Invest SPICAV, Paris la Défense	100.0 ³	1,345,216	51,525	Allianz Insurance plc, Guildford	100.0 ³	1,104,502	75,456
Allianz France Richelieu 1 S.A.S., Paris la Défense	100.0 ³	534,522	(3,999)	Allianz Inversiones S.A., Bogotá D.C.	100.0 ³	6,377	586
Allianz France S.A., Paris la Défense	100.0 ³	6,142,162	979,460	Allianz Invest Kapitalanlagegesellschaft mbH, Vienna	100.0	8,775	3,226
Allianz France US REIT LP, Wilmington, DE	100.0 ³	119,761	119	Allianz Investment Management LLC, Minneapolis, MN	100.0 ³	9,484	54,343
Allianz Fund Investments Inc., Wilmington, DE	100.0 ³	303,533	15,046	Allianz Investmentbank Aktiengesellschaft, Vienna	100.0	27,239	2,725
Allianz General Insurance Co. Ltd., Bangkok	100.0 ³	25,185	7,235	Allianz Investments III Luxembourg S.A., Luxembourg	100.0 ³	1,776,402	98,878
Allianz General Insurance Company (Malaysia) Berhad, Kuala Lumpur	100.0 ³	460,918	59,205	Allianz Jingdong General Insurance Company Ltd., Guangzhou	50.0 ³	160,032	585
Allianz General Laos Co. Ltd., Vientiane	51.0 ³	8,323	980	Allianz Leasing Bulgaria AD, Sofia	100.0 ³	5,705	1,085
Allianz Global Corporate & Specialty do Brasil Participações Ltda., Rio de Janeiro	100.0 ³	59,390	1,828	Allianz Leben Real Estate Holding I S.à r.L., Luxembourg	100.0 ³	885,503	40,180
Allianz Global Corporate & Specialty of Africa (Proprietary) Ltd., Johannesburg	100.0 ³	12,732	1,514	Allianz Leben Real Estate Holding II S.à r.L., Luxembourg	100.0 ³	3,311,983	46,312
Allianz Global Corporate & Specialty South Africa Ltd., Johannesburg	100.0 ³	11,997	809	Allianz Life (Bermuda) Ltd., Hamilton	100.0 ³	5,375	(292)
Allianz Global Investors Asia Pacific Ltd., Hong Kong	100.0 ³	36,368	10,653	Allianz Life Assurance Company-Egypt S.A.E., New Cairo	100.0 ³	58,259	10,649
Allianz Global Investors Distributors LLC, Dover, DE	100.0 ³	32,636	2,840	Allianz Life Financial Services LLC, Minneapolis, MN	100.0 ³	33,927	(4,561)
Allianz Global Investors Holdings Ltd., London	100.0 ³	24,675	(6,045)	Allianz Life Insurance Company Ltd., Moscow	100.0 ³	83,884	12,224
Allianz Global Investors Japan Co. Ltd., Tokyo	100.0 ³	18,649	3,557	Allianz Life Insurance Company of Missouri, Clayton, MO	100.0 ³	315,716	4,234
Allianz Global Investors Singapore Ltd., Singapore	100.0 ³	19,770	3,725	Allianz Life Insurance Company of New York, New York, NY	100.0 ³	189,878	(3,409)
Allianz Global Investors Taiwan Ltd., Taipei	100.0 ³	41,216	22,042	Allianz Life Insurance Company of North America, Minneapolis, MN	100.0 ³	11,391,674	913,177
Allianz Global Investors U.S. Holdings LLC, Dover, DE	100.0 ³	135,219	96,700	Allianz Life Insurance Malaysia Berhad, Kuala Lumpur	100.0 ³	278,414	47,792
Allianz Global Investors U.S. LLC, Dover, DE	100.0 ³	79,946	87,069	Allianz Life Luxembourg S.A., Luxembourg	100.0 ³	109,789	17,211
Allianz Global Life dac, Dublin	100.0 ³	144,074	13,011	Allianz Life Malaysia Berhad, Kuala Lumpur	75.0 ³	218,770	42,282
Allianz Global Risks US Insurance Company Corp., Chicago, IL	100.0 ³	1,539,747	(157,506)	Allianz Marine (UK) Ltd., Ipswich	100.0 ³	11,371	80
Allianz Hayat ve Emeklilik A.S., Istanbul	89.0 ³	19,053	1,671	Allianz Maroc S.A., Casablanca	99.0 ³	75,820	(6,082)
Allianz Hellas Single Member Insurance S.A., Athens	100.0 ³	162,558	3,663	Allianz MENA Holding (Bermuda) Ltd., Hamilton	100.0 ³	42,747	9,162
Allianz Hold Co Real Estate S.à r.L., Luxembourg	100.0 ³	298,798	13,350	Allianz México S.A. Compañía de Seguros, Mexico City	100.0 ³	160,049	32,334
Allianz Holding eins GmbH, Vienna	100.0	2,767,491	420,465	Allianz Nederland Groep N.V., Rotterdam	100.0 ³	1,933,386	252,775
Allianz Holding France SAS, Paris la Défense	100.0 ³	9,152,290	1,098,804	Allianz New Europe Holding GmbH, Vienna	100.0	961,345	221,584
Allianz Holdings p.Lc., Dublin	100.0 ³	61,518	2	Allianz New Zealand Limited, Auckland	100.0 ³	37,071	2,083
Allianz Holdings plc, Guildford	100.0 ³	2,749,513	318,920	Allianz Nigeria Insurance Limited, Lagos	100.0 ³	16,511	(7,792)
Allianz Hrvatska d.d., Zagreb	83.0 ³	155,135	15,610	Allianz of America Inc., Wilmington, DE	100.0 ³	14,127,950	2,094,961
Allianz Hungária Biztosító Zrt., Budapest	100.0	139,510	62,529	Allianz p.Lc., Dublin	100.0 ³	411,576	43,794
Allianz HY Investor LP, Wilmington, DE	100.0 ³	378,851	1,616	Allianz Partners S.A.S., Saint-Ouen	100.0 ³	822,751	145,133
Allianz IARD S.A., Paris la Défense	100.0 ³	1,832,702	217,333	Allianz PCREL US Debt S.A., Luxembourg	100.0 ³	8,549	26,896
Allianz Individual Insurance Group LLC, Minneapolis, MN	100.0 ³	197,441	(68)	Allianz Pensionskasse Aktiengesellschaft, Vienna	100.0	12,703	227
Allianz Infrastructure Czech HoldCo I S.à r.L., Luxembourg	100.0 ³	179,139	94,993	Allianz penzijní společnost a.s., Prague	100.0 ³	42,902	5,364
Allianz Infrastructure Czech HoldCo II S.à r.L., Luxembourg	100.0 ³	179,633	95,574	Allianz PNB Life Insurance Inc., Makati City	51.0 ³	31,521	(4,923)
Allianz Infrastructure Luxembourg Holdco I S.A., Luxembourg	100.0 ³	2,908,301	21,569	Allianz pojistovna a.s., Prague	100.0 ³	292,143	56,145
Allianz Infrastructure Luxembourg Holdco II S.A., Luxembourg	100.0 ³	607,460	4,490	Allianz Polska Services Sp. z o.o., Warsaw	100.0 ³	14,133	(524)
Allianz Infrastructure Luxembourg Holdco III S.A., Luxembourg	100.0 ³	846,077	(18)	Allianz Presse Infra S.C.S., Luxembourg	92.0 ³	45,891	(316)
Allianz Infrastructure Luxembourg Holdco IV S.A., Luxembourg	100.0 ³	208,877	(18)	Allianz Presse US REIT LP, Wilmington, DE	92.0 ³	55,923	255
Allianz Infrastructure Luxembourg I S.à r.L., Luxembourg	100.0 ³	4,015,496	39,746	Allianz Properties Limited, Guildford	100.0 ³	230,767	1,598
Allianz Infrastructure Luxembourg II S.à r.L., Luxembourg	100.0 ³	1,060,399	10,825	Allianz Re Dublin dac, Dublin	100.0 ³	1,086,129	8,457
Allianz Infrastructure Norway Holdco I S.à r.L., Luxembourg	100.0 ³	48,901	14,439	Allianz Real Estate Investment S.A., Luxembourg	100.0 ³	411,820	(4,856)
Allianz Infrastructure Spain Holdco I S.à r.L., Luxembourg	100.0 ³	50,186	4,041	Allianz Real Estate of America LLC, Wilmington, DE	100.0 ³	22,633	1,056
Allianz Infrastructure Spain Holdco II S.à r.L., Luxembourg	100.0 ³	463,515	(33)	Allianz Reinsurance America Inc., Los Angeles, CA	100.0 ³	408,949	17,476
				Allianz Renewable Energy Partners I LP, London	100.0 ³	145,316	7,446
				Allianz Renewable Energy Partners II Limited, London	100.0	99,649	(6,731)
				Allianz Renewable Energy Partners III LP, London	99.0 ³	125,247	6,787
				Allianz Renewable Energy Partners IV Limited, London	99.0 ³	646,704	(34,270)
				Allianz Renewable Energy Partners of America 2 LLC, Wilmington, DE	100.0	286,253	20,421

	Owned ¹	Equity	Net Earnings		Owned ¹	Equity	Net Earnings
	%	€ thou	€ thou		%	€ thou	€ thou
Allianz Renewable Energy Partners of America LLC, Wilmington, DE	100.0	723,379	47,057	Assistance Courtage d'Assurance et de Réassurance S.A., Courbevoie	100.0 ³	6,057	5,402
Allianz Renewable Energy Partners V plc., London	100.0	582,812	26,232	Associated Indemnity Corporation, Los Angeles, CA	100.0 ³	83,544	1,505
Allianz Renewable Energy Partners VI Limited, London	100.0	789,266	20,719	Assurances Médicales SA, Metz	100.0 ³	6,502	3,733
Allianz Renewable Energy Partners VIII Limited, London	100.0	302,732	7,161	AWP Assistance (India) Private Limited, Gurgaon	100.0 ³	5,954	2,125
Allianz Risk Transfer (Bermuda) Ltd., Hamilton	100.0 ³	84,424	10,887	AWP Australia Holdings Pty Ltd., Toowoong	100.0 ³	6,889	-
Allianz Risk Transfer AG, Schaan	100.0 ³	476,645	3,212	AWP Australia Pty Ltd., Toowoong	100.0 ³	6,617	4,342
Allianz Risk Transfer Inc., New York, NY	100.0 ³	20,047	27,991	AWP Business Services Co. Ltd., Beijing	100.0 ³	18,747	3,817
Allianz S.p.A., Milan	100.0 ³	2,208,205	703,037	AWP France SAS, Saint-Ouen	95.0 ³	55,683	39,176
Allianz Sakura Multifamily 1 Pte. Ltd., Singapore	100.0 ³	491,953	(99)	AWP Health & Life S.A., Saint-Ouen	100.0 ³	467,170	34,743
Allianz Sakura Multifamily 2 Pte. Ltd., Singapore	100.0 ³	245,243	(98)	AWP MEA Holdings Co. W.L.L., Manama	100.0 ³	35,552	12,110
Allianz Sakura Multifamily Lux SCSp, Luxembourg	100.0 ³	498,201	(205)	AWP P&C S.A., Saint-Ouen	100.0 ³	413,082	40,908
Allianz Saúde S.A., São Paulo	100.0 ³	38,175	2,657	AWP Service Brasil Ltda., São Bernardo do Campo	100.0 ³	29,107	1,008
Allianz Saudi Fransi Cooperative Insurance Company, Riyadh	51.0 ³	79,439	7,562	AWP Services NL B.V., Amsterdam	100.0 ³	5,819	(3,436)
Allianz Seguros de Vida S.A., Bogotá D.C.	100.0 ³	56,553	6,620	AWP USA Inc., Richmond, VA	100.0 ³	293,067	16,202
Allianz Seguros S.A., Bogotá D.C.	100.0 ³	45,768	3,193	AZ Euro Investments II S.à r.l., Luxembourg	100.0 ³	383,631	21,177
Allianz Seguros S.A., São Paulo	100.0 ³	288,157	79,212	AZ Euro Investments S.A., Luxembourg	100.0 ³	3,471,184	285,860
Allianz Sénégal Assurances SA, Dakar	83.0 ³	6,401	(1,555)	AZ Jupiter 10 B.V., Amsterdam	100.0 ³	390,782	6,522
Allianz Sénégal Assurances Vie SA, Dakar	99.0 ³	5,388	(1,599)	AZ Jupiter 11 B.V., Amsterdam	98.0 ³	334,854	50,207
Allianz Services (UK) Limited, London	100.0 ³	7,204	(178)	AZ Jupiter 8 B.V., Amsterdam	100.0 ³	3,308,933	(227)
Allianz Services Mauritius LLC, Ebene	100.0 ³	7,010	525	AZ Jupiter 9 B.V., Amsterdam	100.0 ³	301,770	50,919
Allianz Services Private Ltd., Thiruvananthapuram	100.0 ³	23,810	6,411	AZ Vers US Private REIT LP, Wilmington, DE	100.0 ³	108,367	173
Allianz Servizi S.p.A., Milan	100.0 ³	16,709	905	AZGA Service Canada Inc., Kitchener, ON	55.0 ³	25,446	(4,258)
Allianz Sigorta A.S., Istanbul	96.0 ³	483,973	114,328	AZL PF Investments Inc., Minneapolis, MN	100.0 ³	545,632	-
Allianz SNA s.a.l., Beirut	100.0 ³	27,022	(14,107)	AZOA Services Corporation, New York, NY	100.0 ³	11,514	(8,915)
Allianz Société Financière S.à r.l., Luxembourg	100.0 ³	1,179,250	53,257	Beleggingsmaatschappij Willemsbruggen B.V., Rotterdam	100.0 ³	111,443	1,830
Allianz South America Holding B.V., Amsterdam	100.0 ³	450,899	(622)	Beykoz Gayrimenkul Yatırım İnfaat Turizm Sanayi ve Ticaret A.S., Ankara	100.0 ³	126,833	15,302
Allianz Strategic Investments S.à r.l., Luxembourg	100.0 ³	597,634	(51,697)	BN Infrastruktur GmbH, St. Pölten	75.0	30,284	(12)
Allianz Suisse Lebensversicherungs-Gesellschaft AG, Wallisellen	100.0 ³	781,492	52,226	Calobra Investments Sp. z o.o., Warsaw	100.0 ³	136,894	1,991
Allianz Suisse Versicherungs-Gesellschaft AG, Wallisellen	100.0 ³	750,932	315,623	CAP Rechtsschutz-Versicherungsgesellschaft AG, Wallisellen	100.0 ³	41,257	9,484
Allianz Taiwan Life Insurance Co. Ltd., Taipei	100.0 ³	533,185	60,259	Caroline Berlin S.C.S., Luxembourg	93.0 ³	176,807	2,558
Allianz Technology (Thailand) Co. Ltd., Bangkok	100.0 ³	9,422	1,116	Castle Field Limited, Hong Kong	100.0 ³	8,457	(1,194)
Allianz Technology AG, Wallisellen	100.0 ³	11,812	3,672	Central Shopping Center a.s., Bratislava	100.0 ³	56,605	3,100
Allianz Technology GmbH, Vienna	100.0 ³	22,284	(1,028)	CEPE de la Forterre S.à r.l., Versailles	100.0 ³	9,339	293
Allianz Technology S.L., Barcelona	100.0 ³	64,184	(4,775)	CEPE de Langres Sud S.à r.l., Versailles	100.0 ³	23,524	4,526
Allianz Technology SAS, Paris	100.0 ³	47,230	1,798	CEPE de Mont Gimont S.à r.l., Versailles	100.0 ³	21,329	(70)
Allianz Tiriac Asigurari SA, Bucharest	52.0 ³	194,848	31,985	CEPE de Sombres S.à r.l., Versailles	100.0 ³	10,033	(5,308)
Allianz Tiriac Pensii Private Societate de administrare a fondurilor de pensii private S.A., Bucharest	100.0 ³	27,288	(3,735)	CEPE de Vieille Carrière S.à r.l., Versailles	100.0 ³	5,641	(1,410)
Allianz Underwriters Insurance Company Corp., Burbank, CA	100.0 ³	54,578	1,606	CEPE des Portes de la Côte d'Or S.à r.l., Versailles	100.0 ³	9,544	(934)
Allianz US Investment LP, Wilmington, DE	100.0 ³	2,094,412	(12,805)	CEPE du Bois de la Serre S.à r.l., Versailles	100.0 ³	5,092	(1,639)
Allianz US Private REIT LP, Wilmington, DE	100.0 ³	2,173,185	(13,138)	Chicago Insurance Company Corp., Chicago, IL	100.0 ³	59,599	353
Allianz Vermogen B.V., Rotterdam	100.0 ³	7,155	2,900	CIC Allianz Insurance Ltd., Sydney	100.0 ³	26,704	(220)
Allianz Vie S.A., Paris la Défense	100.0 ³	3,072,993	300,894	Climolux Holding SA, Luxembourg	100.0 ³	76,951	2,435
Allianz Vorsorgekasse AG, Vienna	100.0	39,544	8,373	Club Marine Limited, Sydney	100.0 ³	5,924	1,180
Allianz Yasam ve Emeklilik A.S., Istanbul	80.0 ³	126,531	56,558	Companhia de Seguros Allianz Portugal S.A., Lisbon	65.0 ³	204,127	40,605
Allianz ZB d.o.o. Mandatory and Voluntary Pension Funds Management Company, Zagreb	51.0 ³	21,690	7,602	Corn Investment Ltd., London	100.0	20,671	(7,520)
Allianz-Slovenská DSS a.s., Bratislava	100.0 ³	52,376	10,371	Cova Beijing Zpark Investment Pte. Ltd., Singapore	98.0 ³	17,776	3,739
Allianz-Slovenská poisťovňa a.s., Bratislava	100.0	417,742	92,472	CPRN Thailand Ltd., Bangkok	100.0 ³	99,859	35,657
American Automobile Insurance Company Corp., Earth City, MO	100.0 ³	72,628	1,237	CreditRas Assicurazioni S.p.A., Milan	50.0 ³	114,770	15,590
APK US Investment LP, Wilmington, DE	100.0 ³	106,330	286	CreditRas Vita S.p.A., Milan	50.0 ³	613,476	131,816
APKV US Private REIT LP, Wilmington, DE	100.0 ³	312,261	(317)	Darta Saving Life Assurance dac, Dublin	100.0 ³	384,961	68,036
Appia Investments S.r.l., Milan	58.0	698,894	(92,386)	Delta Technical Services Ltd., London	100.0 ³	46,893	1,618
Arges Investments I N.V., Amsterdam	100.0 ³	51,290	3,387	Diamond Point a.s., Prague	100.0 ³	12,182	881
Asit Services S.R.L., Bucharest	100.0 ³	26,810	917	Dresdner Kleinwort Pfandbriefe Investments II Inc., Minneapolis, MN	100.0 ³	669,332	21,922
				Elite Prize Limited, Hong Kong	100.0 ³	16,704	2,235
				Enertrag-Dunowo Sp. z o.o., Szczecin	100.0 ³	51,461	(1,792)
				Eolica Erchie S.r.l., Lecce	100.0 ³	8,272	1,070

	Owned ¹	Equity	Net Earnings		Owned ¹	Equity	Net Earnings
	%	€ thou	€ thou		%	€ thou	€ thou
Euler Hermes Collections North America Company, Owings Mills, MD	100.0 ³	6,312	575	Järvsö Sörby Vindkraft AB, Danderyd	100.0 ³	113,082	4,299
Euler Hermes Collections Sp. z o.o., Warsaw	100.0 ³	13,372	1,136	Jefferson Insurance Company Corp., New York, NY	100.0 ³	356,207	31,920
Euler Hermes Crédit France S.A.S., Paris la Défense	100.0 ³	116,985	8,073	Joukhaiselän Tuulipuisto Oy, Oulu	100.0 ³	9,116	(394)
Euler Hermes Group SA, Paris la Défense	100.0 ³	1,638,768	447,676	Jouttikallio Wind Oy, Kotka	100.0 ³	9,178	(224)
Euler Hermes Luxembourg Holding S.à r.l., Luxembourg	100.0 ³	102,961	(21)	JSC Insurance Company Allianz, Moscow	100.0 ³	75,725	14,536
Euler Hermes North America Holding Inc., Owings Mills, MD	100.0 ³	177,573	14,707	KAIGO Hi-Tech Development (Beijing) Co. Ltd., Beijing	100.0 ³	17,776	3,739
Euler Hermes North America Insurance Company Inc., Owings Mills, MD	100.0 ³	237,866	34,536	Kailong Greater China Real Estate Fund II S.C.Sp., Luxembourg	100.0 ³	70,778	(514)
Euler Hermes Patrimonia SA, Brussels	100.0 ³	355,813	11,099	Kensington Fund, Milan	100.0 ³	244,462	10,890
Euler Hermes Ré SA, Luxembourg	100.0 ³	61,055	-	Keyeast Pte. Ltd., Singapore	100.0 ³	66,192	(18)
Euler Hermes Real Estate SPPICAV, Paris la Défense	60.0 ³	240,052	7,278	Kiinteistöasakeyhtiö Eteläesplanadi 2 Oy, Helsinki	100.0 ³	31,199	1,791
Euler Hermes Recouvrement France S.A.S., Paris la Défense	100.0 ³	27,541	14,924	Kohlenberg & Ruppert Premium Properties S.à r.l., Luxembourg	100.0 ³	111,420	5,395
Euler Hermes Reinsurance AG, Wallisellen	100.0 ³	940,056	195,357	Kuolaavaara-Keulakoppään Tuulipuisto Oy, Oulu	100.0 ³	19,462	(656)
Euler Hermes S.A., Brussels	100.0 ³	770,272	71,603	Lincoln Infrastructure USA Inc., Wilmington, DE	100.0	9,807	452
Euler Hermes Service AB, Stockholm	100.0 ³	28,851	10,397	Liverpool Victoria General Insurance Group Limited, Guildford	100.0 ³	773,880	106,121
Euler Hermes Services Italia S.r.l., Rome	100.0 ³	15,658	13,975	Liverpool Victoria Insurance Company Limited, Guildford	100.0 ³	856,183	82,443
Euler Hermes Services North America LLC, Owings Mills, MD	100.0 ³	11,293	5,538	LLC "IC Euler Hermes Ru", Moscow	100.0 ³	18,697	4,494
Euler Hermes Serviços de Gestão de Riscos Ltda., São Paulo	100.0 ³	6,088	756	LV Repair Services Limited, Guildford	100.0 ³	17,360	15,554
Euler Hermes Sigorta A.S., Istanbul	100.0 ³	6,591	688	Maevaara Vind 2 AB, Stockholm	100.0 ³	36,104	1,449
Euler Hermes Singapore Services Pte. Ltd., Singapore	100.0 ³	8,009	1,126	Maevaara Vind AB, Stockholm	100.0 ³	81,303	(9,743)
Euler Hermes South Express S.A., Brussels	100.0 ³	29,226	684	Medi24 AG, Bern	100.0 ³	5,549	2,466
Eurt 20/22 Le Peletier, Paris la Défense	100.0 ³	50,149	1,487	Mombyasen Wind Farm AB, Halmstad	100.0 ³	37,281	1,148
Eurosol Invest S.r.l., Udine	100.0 ³	9,367	750	Morningchapter S.A., Grandaços	100.0 ³	12,680	(335)
Fairmead Insurance Limited, Guildford	100.0 ³	234,899	(54,537)	Multiasistencia S.A., Madrid	100.0 ³	7,863	6,824
Fénix Directo Compañía de Seguros y Reaseguros S.A., Madrid	100.0 ³	40,788	(5,724)	National Surety Corporation, Chicago, IL	100.0 ³	68,659	943
Ferme Eolienne des Jaladeaux S.à r.l., Versailles	100.0 ³	5,713	332	NEXtCARE Claims Management LLC, Dubai	100.0 ³	17,772	7,243
FinOS Technology Holding Pte. Ltd., Singapore	100.0 ³	10,707	2,664	NEXtCARE Lebanon SAL, Beirut	100.0 ³	9,670	3,459
FinOS Technology Vietnam Single-Member Limited Liability Company, Ho Chi Minh City	100.0 ³	5,617	(621)	Niederösterreichische Glasfaserinfrastrukturgesellschaft mbH, St. Pölten	100.0 ³	26,707	(5,765)
Fireman's Fund Indemnity Corporation, Liberty Corner, NJ	100.0 ³	13,837	269	öGIG GmbH, St. Pölten	100.0	19,526	(1,929)
Fireman's Fund Insurance Company Corp., Los Angeles, CA	100.0 ³	1,151,225	26,171	OPCI Allianz France Angel, Paris la Défense	100.0 ³	111,762	4,262
Flying Desire Limited, Hong Kong	100.0 ³	66,486	(9)	Orione PV S.r.l., Milan	100.0 ³	8,867	455
Foshan Geluo Storage Services Co. Ltd., Foshan	100.0 ³	29,228	736	Orsa Maggiore PV S.r.l., Milan	100.0 ³	18,813	1,916
Fragonard Assurance S.A., Paris	100.0 ³	116,278	38,328	Pacific Investment Management Company LLC, Dover, DE	95.0 ³	595,710	1,900,645
Franklin S.C.S., Luxembourg	95.0 ³	89,550	5,027	Parc Eolien de Chaurouse SAS, Versailles	100.0 ³	7,421	(449)
Galore Expert Limited, Hong Kong	100.0 ³	22,001	3,605	Parc Eolien de Chateau Garnier SAS, Versailles	100.0 ³	5,545	(949)
Generation Vie S.A., Courbevoie	53.0 ³	79,999	3,507	Parc Eolien de Dyé SAS, Versailles	100.0 ³	5,073	(1,210)
Global Azawaki S.L., Madrid	100.0 ³	140,993	(14)	Parc Eolien de Fontfroide SAS, Versailles	100.0 ³	7,313	910
Global Carena S.L., Madrid	100.0 ³	176,070	(189)	Parc Eolien de la Sole du Bois SAS, Paris	100.0 ³	7,515	1,050
Grupo Multiasistencia S.A., Madrid	100.0 ³	20,234	4,685	Parc Eolien des Barbes d'Or SAS, Versailles	100.0 ³	5,083	1,245
Harro Development Praha s.r.o., Prague	100.0 ³	59,816	605	Pet Plan Ltd., Guildford	100.0 ³	17,696	88
Highway Insurance Company Limited, Guildford	100.0 ³	288,960	(7,526)	PFP Holdings Inc., Dover, DE	100.0 ³	260,406	8,000
Highway Insurance Group Limited, Guildford	100.0 ³	347,640	-	PGA Global Services LLC, Dover, DE	100.0 ³	6,962	2,615
Home & Legacy Insurance Services Limited, Guildford	100.0 ³	9,344	1,972	PIMCO (Schweiz) GmbH, Zurich	100.0 ³	19,890	5,976
Humble Bright Limited, Hong Kong	100.0 ³	66,188	(8)	PIMCO Asia Ltd., Hong Kong	100.0 ³	28,779	(4,933)
ICON Immobilien GmbH & Co. KG, Vienna	100.0 ³	255,339	1,949	PIMCO Asia Pte Ltd., Singapore	100.0 ³	19,554	8,678
ICON Inter GmbH & Co. KG, Vienna	100.0 ³	23,975	20,791	PIMCO Australia Management Limited, Sydney	100.0 ³	5,420	173
Immovalor Gestion S.A., Paris la Défense	100.0 ³	12,247	6,943	PIMCO Australia Pty Ltd., Sydney	100.0 ³	30,216	24,372
ImWind PDV GmbH & Co. KG, Pottenbrunn	100.0 ³	9,434	2,170	PIMCO Canada Corp., Toronto, ON	100.0 ³	18,888	23,668
ImWind PL GmbH & Co. KG, Pottenbrunn	100.0 ³	7,166	1,609	PIMCO Europe Ltd., London	100.0 ³	159,851	169,956
Insurance CJSC "Medexpress", Saint Petersburg	100.0 ³	13,190	239	PIMCO Global Advisors (Ireland) Ltd., Dublin	100.0 ³	33,873	17,894
Interstate Fire & Casualty Company, Chicago, IL	100.0 ³	67,233	2,345	PIMCO Global Advisors (Resources) LLC, Dover, DE	100.0 ³	5,319	17
Investitori Logistic Fund, Milan	100.0 ³	96,803	3,305	PIMCO Global Advisors LLC, Dover, DE	100.0 ³	391,577	261,652
Investitori SGR S.p.A., Milan	100.0 ³	15,744	4,481	PIMCO Global Holdings LLC, Dover, DE	100.0 ³	31,206	25,158
				PIMCO Investments LLC, Dover, DE	100.0 ³	94,578	250,175
				PIMCO Japan Ltd., Road Town	100.0 ³	36,826	36,519
				PIMCO Taiwan Ltd., Taipei	100.0 ³	5,025	(4,111)

	Owned ¹	Equity	Net Earnings		Owned ¹	Equity	Net Earnings
	%	€ thou	€ thou		%	€ thou	€ thou
POD Allianz Bulgaria AD, Sofia	66.0 ³	33,027	10,711	TU Allianz Zycie Polska S.A., Warsaw	100.0 ³	109,890	17,846
Protexia France S.A., Paris la Défense	100.0 ³	49,891	13,702	TUIR Allianz Polska S.A., Warsaw	100.0 ³	295,653	40,407
PT Asuransi Allianz Life Indonesia, Jakarta	100.0 ³	417,845	74,445	UK Logistics PropCo I S.à r.L., Luxembourg	100.0 ³	55,630	(1,683)
PT Asuransi Allianz Utama Indonesia, Jakarta	98.0 ³	59,563	(568)	UK Logistics PropCo II S.à r.L., Luxembourg	100.0 ³	40,636	(77)
PTE Allianz Polska S.A., Warsaw	100.0 ³	48,117	4,736	UK Logistics S.C.Sp., Luxembourg	100.0 ³	33,324	(2)
Q207 S.C.S., Luxembourg	94.0 ³	88,070	2,935	Vailong Hong Kong DC17 Limited, Hong Kong	100.0 ³	17,152	622
Real Faubourg Haussmann SAS, Paris la Défense	100.0 ³	805,400	(4,421)	Vailong Hong Kong DC19 Limited, Hong Kong	100.0 ³	6,683	3,602
Real FR Haussmann SAS, Paris la Défense	100.0 ³	63,203	3,043	Valderrama S.A., Luxembourg	100.0 ³	150,007	(752)
Rokko Development Praha s.r.o., Prague	100.0 ³	7,764	(458)	Vanilla Capital Markets S.A., Luxembourg	100.0 ³	316,426	1,545
SA Carène Assurance, Paris	100.0 ³	16,477	1,186	VertBois S.à r.L., Luxembourg	100.0 ³	19,820	913
SA Vignobles de Larose, Saint-Laurent-Médoc	100.0 ³	48,084	521	Viveole SAS, Versailles	100.0 ³	13,979	1,728
Saarenkylä Tuulipuisto Oy, Oulu	100.0 ³	7,712	(448)	Vordere Zollamtsstraße 13 GmbH, Vienna	100.0 ³	70,545	2,136
SAS 20 pompidou, Paris la Défense	100.0 ³	113,642	4,691	Weihong (Shanghai) Storage Services Co. Ltd., Shanghai	100.0 ³	25,000	238
SAS Allianz Etoile, Paris la Défense	100.0 ³	105,563	940	Weilong (Hubei) Storage Services Co. Ltd., Ezhou	100.0 ³	9,470	1,119
SAS Allianz Forum Seine, Paris la Défense	100.0 ³	234,843	9,985	Weilong (Jiaxing) Storage Services Co. Ltd., Jiaxing	100.0 ³	16,547	237
SAS Allianz Logistique, Paris la Défense	100.0 ³	803,669	28,807	Weiyi (Shenyang) Storage Services Co. Ltd., Shenyang	100.0 ³	16,189	(1,074)
SAS Allianz Platine, Paris la Défense	100.0 ³	266,287	11,495	Windpark AO GmbH, Pottenbrunn	100.0 ³	11,766	(728)
SAS Allianz Prony, Paris la Défense	100.0 ³	75,764	(636)	Windpark EDM GmbH & Co. KG, Pottenbrunn	100.0 ³	9,782	(922)
SAS Allianz Rivoli, Paris la Défense	100.0 ³	97,945	3,123	Windpark EDM GmbH, Pottenbrunn	100.0 ³	11,250	(183)
SAS Allianz Serbie, Paris la Défense	100.0 ³	233,283	4,177	Windpark GHW GmbH, Pottenbrunn	100.0 ³	7,770	(357)
SAS Angel Shopping Centre, Paris la Défense	90.0 ³	276,564	3,038	Windpark Ladendorf GmbH, Vienna	100.0 ³	7,181	(563)
SAS Chaponnay Mérieux Logistics, Paris la Défense	100.0 ³	5,679	781	Windpark Les Cent Jalois SAS, Versailles	100.0 ³	7,394	1,051
SAS Madeleine Opéra, Paris la Défense	100.0 ³	634,789	16,970	Windpark LOI GmbH, Pottenbrunn	100.0 ³	11,285	(1,461)
SAS Passage des princes, Paris la Défense	100.0 ³	191,685	2,344	Windpark PDV GmbH, Pottenbrunn	100.0 ³	10,241	(599)
Sättravallen Wind Power AB, Strömstad	100.0 ³	51,139	3,661	Windpark PL GmbH, Pottenbrunn	100.0 ³	6,366	(457)
SC Tour Michelet, Paris la Défense	100.0 ³	55,195	1,513	Windpark Zistersdorf GmbH, Pottenbrunn	100.0 ³	6,579	(691)
SCI 46 Desmoulins, Paris la Défense	100.0 ³	115,811	4,333	YAO NEWREP Investments S.A., Luxembourg	94.0 ³	161,383	(124)
SCI Allianz Arc de Seine, Paris la Défense	100.0 ³	218,130	7,411	Yorktown Financial Companies Inc., Minneapolis, MN	100.0 ³	148,781	4
SCI Allianz Immobilier Durable, Paris la Défense	100.0 ³	62,100	339	ZAD Allianz Bulgaria Zhivot, Sofia	99.0 ³	52,000	3,654
SCI Allianz Invest Pierre, Paris la Défense	100.0 ³	653,934	4,282	ZAD Allianz Bulgaria, Sofia	87.0 ³	53,022	9,321
SCI Allianz Messine, Paris la Défense	100.0 ³	221,014	8,606	ZAD Energia, Sofia	51.0 ³	14,734	3,913
SCI Allianz Value Pierre, Paris la Défense	100.0 ³	112,004	245				
SCI AVIP SCPI Selection, Paris la Défense	100.0 ³	45,706	3,665				
SCI ESQ, Paris la Défense	75.0 ³	106,378	3,114	Joint ventures			
SCI Onnaing Escout Logistics, Paris la Défense	100.0 ³	28,616	212	114 Venture LP, Wilmington, DE	50.0 ³	167,582	(495)
SCI Pont D'Ain Septembre Logistics, Paris la Défense	100.0 ³	69,048	29	1515 Broadway Realty LP, Dover, DE	50.0 ³	954,474	10,305
SCI Réau Papin Logistics, Paris la Défense	100.0 ³	76,825	79	1800 M Street Venture LP, Wilmington, DE	43.0 ³	379,271	5,967
SCI Via Pierre 1, Paris la Défense	100.0 ³	261,195	10,385	30 HY WM REIT Owner LP, Wilmington, DE	49.0 ³	418,372	113
Servicios Compartidos Multiasistencia S.L., Madrid	100.0 ³	143,473	16,098	53 State JV L.P., Wilmington, DE	49.0 ³	328,709	4,061
Silex Gas Norway AS, Oslo	100.0 ³	57,921	1,311	A&A Centri Commerciali S.r.L., Milan	50.0 ³	151,673	4,407
Sirius S.A., Luxembourg	95.0 ³	336,589	1,328	Allée-Center Kft., Budapest	50.0 ³	104,463	11,850
Società Agricola San Felice S.p.A., Milan	100.0 ³	21,053	(92)	AMLI-Allianz Investment LP, Wilmington, DE	75.0 ³	88,197	2,923
Société d'Énergie Eolien Cambon SAS, Versailles	100.0 ³	8,425	618	AS Gasinfrastruktur Beteiligung GmbH, Vienna	56.0 ³	338,981	23,447
Société Foncière Européenne B.V., Amsterdam	100.0 ³	216,827	2,758	Austin West Campus Student Housing LP, Wilmington, DE	45.0 ³	401,990	(24,252)
Société Nationale Foncière S.A.L., Beirut	66.0 ³	7,483	(103)	AZ/JH Co-Investment Venture (DC) LP, Wilmington, DE	80.0 ³	310,210	17,576
Sofiholding S.A., Brussels	100.0 ³	18,852	266	AZ/JH Co-Investment Venture (IL) LP, Wilmington, DE	80.0 ³	253,594	3,365
South City Office Broodthaers SA, Brussels	100.0 ³	52,396	1,465	BCal Houston JV L.P., Wilmington, DE	40.0 ³	220,439	(574)
Stam Fem Gångaren 11 AB, Stockholm	100.0 ³	82,801	2,497	Chapter Master Limited Partnership, London	46.0 ³	925,083	7,682
StocksPLUS Management Inc., Dover, DE	100.0 ³	5,341	71	Columbia REIT – 221 Main Street LP, Wilmington, DE	45.0 ³	11,221	7,118
Syncier Consulting GmbH, Vienna	100.0 ³	5,746	209	Columbia REIT – 333 Market Street LP, Wilmington, DE	45.0 ³	435,186	14,450
TFI Allianz Polska S.A., Warsaw	100.0 ³	9,490	1,895	Columbia REIT-University Circle LP, Wilmington, DE	45.0 ³	474,224	18,938
The American Insurance Company Corp., Cincinnati, OH	100.0 ³	62,341	1,289	Companhia de Seguro de Créditos S.A., Lisbon	50.0 ³	49,314	7,049
Three Pillars Business Solutions Limited, Guildford	100.0 ³	5,728	(9)	CPIC Fund Management Co. Ltd., Shanghai	49.0 ³	65,704	2,656
Top Immo A GmbH & Co. KG, Vienna	100.0	5,954	657	Daiwater Investment Limited, London	37.0 ³	740,133	(109,080)
Top Immo Besitzgesellschaft B GmbH & Co. KG, Vienna	100.0	9,043	1,187	Dundrum Car Park Limited Partnership, Dublin	50.0 ³	34,762	1,419
Top Versicherungsservice GmbH, Vienna	100.0	17,843	(1,633)	Dundrum Retail Limited Partnership, Dublin	50.0 ³	1,000,204	(111,324)
Towarzystwo Ubezpieczen Euler Hermes S.A., Warsaw	100.0 ³	21,499	3,509	Elton Investments S.à r.L., Luxembourg	33.0 ³	529,572	222,201
Trafalgar Insurance Limited, Guildford	100.0 ³	46,662	397	Enhanced Reinsurance Ltd., Hamilton	25.0 ³	372,177	86,693

	Owned ¹	Equity	Net Earnings		Owned ¹	Equity	Net Earnings
	%	€ thou	€ thou		%	€ thou	€ thou
ESR India Logistics Fund Pte. Ltd., Singapore	50.0 ³	112,898	(1,883)	Douglas Emmett Partnership X LP, Wilmington, DE	28.0 ³	20,722	3,066
Euromarkt Center d.o.o., Ljubljana	50.0 ³	53,036	9,168	Four Oaks Place LP, Wilmington, DE	49.0 ³	467,340	9,867
Fiumaranuova S.r.l., Genoa	50.0 ³	152,463	5,307	Global Stream Limited, Hong Kong	16.0 ³	19,016	11,000
GBTC I LP, Singapore	50.0 ³	90,059	11,137	Glory Basic Limited, Hong Kong	16.0 ³	14,141	8,214
Helios SCC Sp. z o.o., Katowice	45.0 ³	176,906	(2,166)	Helios Silesia Holding B.V., Amsterdam	45.0 ³	60,382	(2,155)
Hudson One Ferry JV LP., Wilmington, DE	45.0 ³	122,856	(6,329)	Jumble Succeed Limited, Hong Kong	16.0 ³	25,418	21,482
Israel Credit Insurance Company Ltd., Tel Aviv	50.0 ³	53,690	9,136	Lennar Multifamily Venture LP, Wilmington, DE	11.0 ³	2,124,044	157,124
Italian Shopping Centre Investment S.r.l., Milan	50.0 ³	16,922	(6,228)	Long Coast Limited, Hong Kong	16.0 ³	17,730	9,436
LBA IV-PPI Venture LLC, Dover, DE	45.0 ³	332,634	7,500	Luxury Gain Limited, Hong Kong	16.0 ³	18,380	11,782
LBA IV-PPH-Office Venture LLC, Dover, DE	45.0 ³	28,233	2,051	Medgulf Takaful B.S.C.(c), Manama	25.0 ³	16,283	7
LBA IV-PPH-Retail Venture LLC, Dover, DE	45.0 ³	40,696	30	MFM Holding Ltd., London	37.0 ³	87,655	(2,012)
LPC Logistics Venture One LP, Wilmington, DE	32.0 ³	250,082	8,490	Milvik AB, Stockholm	35.0 ³	8,409	(20,120)
NET4GAS Holdings s.r.o., Prague	50.0 ³	389,017	216,474	Modern Diamond Limited, Hong Kong	16.0 ³	6,771	4,612
NRF (Finland) AB, Västerås	50.0 ³	203,200	19,810	MTech Capital Fund (EU) SCSp, Luxembourg	27.0 ³	14,668	(1,630)
NRP Nordic Logistics Fund AS, Oslo	50.0 ³	451,916	38,294	New Try Limited, Hong Kong	16.0 ³	9,282	3,766
Ophir-Rochor Commercial Pte. Ltd., Singapore	60.0 ³	435,080	183,315	Ocean Properties LLP, Singapore	20.0 ³	1,537,456	69,509
Orion MF TMK, Tokyo	50.0 ³	485,456	6,208	OeKB EH Beteiligungs- und Management AG, Vienna	49.0 ³	120,857	9,678
Piaf Bidco B.V., Amsterdam	24.0 ³	1,716,951	(16,807)	Praise Creator Limited, Hong Kong	16.0 ³	11,558	5,716
Podium Fund HY REIT Owner LP, Wilmington, DE	44.0 ³	775,135	(7,395)	Prime Space Limited, Hong Kong	16.0 ³	27,867	26,430
Porterbrook Holdings I Limited, London	30.0 ³	1,306,720	93,106	Quadgas Holdings Topco Limited, Saint Helier	13.0 ³	4,826,813	(14,818)
Queenspoint S.L., Madrid	50.0 ³	112,158	8,811	Residenze CYL S.p.A., Milan	33.0 ³	84,845	(670)
RMPA Holdings Limited, Colchester	56.0 ³	9,401	11,325	SAS Alta Gramont, Paris	49.0 ³	246,162	1,265
SC Holding SAS, Paris	50.0 ³	13,582	1,461	SCI Bercy Village, Paris	49.0 ³	40,102	8,402
Scape Investment Operating Company No. 3 Pty Ltd., Sydney	36.0 ³	5,928,139	279,936	Sierra European Retail Real Estate Assets Holdings B.V., Amsterdam	25.0 ³	165,261	102,631
SCI Docks V2, Paris la Défense	50.0 ³	27,454	(147)	Sino Phil Limited, Hong Kong	16.0 ³	23,479	18,309
SCI Docks V3, Paris la Défense	50.0 ³	90,790	(211)	SNC Alta CRP Gennevilliers, Paris	49.0 ³	27,457	1,708
SES Shopping Center AT1 GmbH, Salzburg	50.0 ³	220,113	9,405	SNC Alta CRP La Valette, Paris	49.0 ³	14,554	4,583
SES Shopping Center FP 1 GmbH, Salzburg	50.0 ³	104,690	2,772	SNC Société d'aménagement de la Gare de l'Est, Paris	49.0 ³	11,631	3,107
Solucion Compañía Internacional de Seguros y Reaseguros SA, Madrid	50.0 ³	121,037	7,816	Summer Blaze Limited, Hong Kong	16.0 ³	14,759	9,689
Spanish Gas Distribution Investments S.à r.l., Luxembourg	40.0 ³	1,219,899	37,438	Supreme Cosmo Limited, Hong Kong	16.0 ³	12,654	7,510
SPREF II Pte. Ltd., Singapore	50.0 ³	98,481	697	Sure Rainbow Limited, Hong Kong	16.0 ³	9,148	4,450
Terminal Venture LP, Wilmington, DE	31.0 ³	314,279	(44,930)	Tikehau Real Estate III SPPICAV, Paris	12.0 ³	234,941	23,007
The FIZZ Student Housing Fund S.C.S., Luxembourg	50.0 ³	176,957	10,675	UK Outlet Mall Partnership LP, Edinburgh	20.0 ³	488,869	38,151
The State-Whitehall Company LP, Dover, DE	50.0 ³	30,212	8,402	Wildlife Works Carbon LLC, San Francisco, CA	9.0 ³	6,652	308
TopTorony Ingatlanhasznosító Zrt., Budapest	50.0 ³	23,297	(90)				
VGP European Logistics 2 S.à r.l., Senningerberg	50.0 ³	51,495	(1,408)	Other participations below 20% voting rights			
VGP European Logistics S.à r.l., Senningerberg	50.0 ³	189,926	(10,021)	1QB Information Technologies Inc., Vancouver, BC	5.0 ³	8,246	(8,949)
VISION (III) Pte Ltd., Singapore	30.0 ³	62,634	55,946	Agrupación Española de Entidades Aseguradoras de los Seguros Agrarios Combinados S.A., Madrid	7.0 ³	13,125	658
Waterford Blue Lagoon LP, Wilmington, DE	49.0 ³	351,436	3,475	Al-Nisr Al-Arabi Insurance Company, Amman	18.0 ³	28,005	3,581
				ALTRO Invest S.C.A., Weiswampach	20.0 ³	5,324	(17)
Associates				Autostrade per l'Italia S.p.A., Rome	7.0 ³	2,220,424	(268,433)
Allianz Life Insurance Japan Ltd., Tokyo	40.0 ³	28,531	(4,258)	B3i Services AG, Zurich	10.0 ³	22,081	7,004
Archstone Multifamily Partners AC JV LP, Wilmington, DE	40.0 ³	48,445	295	Blackstone Property Partners Asia (Lux) SCSp, Luxembourg	6.0 ³	1,085,745	90,349
Archstone Multifamily Partners AC LP, Wilmington, DE	29.0 ³	82,187	(15,231)	China Pacific Insurance (Group) Co. Ltd., Shanghai	1.0 ³	22,819,670	3,587,186
Areim Fastigheter 2 AB, Stockholm	23.0 ³	145,860	92,810	CLF Fund I LP, Singapore	12.0 ³	1,820,622	102,869
Areim Fastigheter 3 AB, Stockholm	32.0 ³	186,066	933	Commercial Bank of Cameroon LC, Douala	10.0 ³	23,532	3,845
Bajaj Allianz General Insurance Company Ltd., Pune	26.0 ³	721,132	98,674	Drone Racing League Inc., Wilmington, DE	3.0 ³	23,230	(21,952)
Bajaj Allianz Life Insurance Company Ltd., Pune	26.0 ³	1,497,664	57,733	Formula E Holdings Limited, Hong Kong	4.0 ³	20,456	3,808
Bazalgette Equity Ltd., London	34.0 ³	601,522	-	Fundbox Ltd., Tel Aviv	3.0 ³	124,552	(48,858)
Best Regain Limited, Hong Kong	16.0 ³	20,034	8,432	Geodis SACS, Levallois-Perret	5.0 ³	1,185,000	12,000
Blue Vista Student Housing Select Strategies Fund L.P., Dover, DE	25.0 ³	175,898	(1,552)	IDI SCA, Paris	5.0 ³	223,998	82,835
Brunei National Insurance Company Berhad Ltd, Bandar Seri Begawan	25.0 ³	12,477	2,205	Italo - Nuovo Trasporto Viaggiatori S.p.A., Rome	10.0 ³	1,763,611	151,420
CPIC Allianz Health Insurance Co. Ltd., Shanghai	23.0 ³	150,556	1,070	Logistis Luxembourg Feeder S.A., Luxembourg	20.0 ³	1,650,121	332,588
Delgaz Grid S.A., Târgu Mures	30.0 ³	663,300	(8,714)	Meiji Yasuda Asset Management Company Ltd., Tokyo	7.0 ³	79,434	7,384
Delong Limited, Hong Kong	16.0 ³	17,023	5,772	Nauto Inc., Dover, DE	3.0 ³	40,937	(44,720)
				Oddo et Cie SCA, Paris	2.0 ³	819,491	61,194

	Owned ¹	Equity	Net Earnings
	%	€ thou	€ thou
PERILS AG, Zurich	10.0 ³	9,948	190
Pollen Inc., Wilmington, DE	5.0 ³	104,657	(14,039)
Portima SCRL, Brussels	11.0 ³	10,420	1,357
PT Aplikasi Karya Anak Bangsa, Jakarta	1.0 ³	958,827	(1,524,061)
PT Asuransi Andika Raharja Putera, Jakarta	8.0 ³	68,758	8,250
PT Polinasi Iddea Investama, Jakarta	2.0 ³	45,479	28,513
Quantemplate Technologies Limited, Gibraltar	2.0 ³	7,665	4,264
Rothschild & Co SCA, Paris	3.0 ³	1,957,587	309,401
Société Africaine de Réassurance Limited, Lagos	8.0 ³	868,773	89,247
Société d'Assurances de Consolidation des Retraites de l'Assurance S.A., Paris	21.0 ³	291,610	14,003
Société Générale de Banque au Cameroun LC, Douala	16.0 ³	102,043	24,143
Société Générale de Banques en Côte d'Ivoire S.A., Abidjan	6.0 ³	321,748	76,610
SOFIDY Pierre Europe SPPICAV, Évry	9.0 ³	69,828	1,546
SONACO SA, Abidjan	12.0 ³	10,821	(191)
Tecnologías de la Información y Redes para las Entidades Aseguradoras S.A., Las Rozas de Madrid	6.0 ³	43,076	4,495
UniCredit S.p.A., Milan	1.0 ³	61,416,000	3,373,000
Wayhome Ltd., London	20.0 ³	6,229	(3,573)
Wealthsimple Financial Corporation, Toronto, ON	10.0 ³	56,404	(42,618)
Zagrebacka banka d.d., Zagreb	12.0 ³	2,215,871	210,563

1_Percentage includes equity participations held by dependent entities in full, even if the Allianz Group's share in the dependent entity is below 100%.

2_Profit and loss transfer agreement.

3_As per annual financial statement 2019.

4_Insolvent. Dependent entities are shown in a way, which reflects the state as of the date of filing for insolvency.

5_As per annual financial statement 2010. This is only applicable for manroland AG and their subsidiaries.

FURTHER INFORMATION

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RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements of Allianz SE give a true and fair view of the assets, liabilities, financial position, and profit or loss of the company, and the management report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal opportunities and risks associated with the expected development of the company.

Munich, 16 February 2021

Allianz SE
The Board of Management



Oliver Bäte



Sergio Balbinot



Jacqueline Hunt



Dr. Barbara Karuth-Zelle



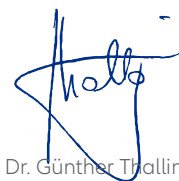
Dr. Klaus-Peter Röhler



Ivan de la Sota



Giulio Terzariol



Dr. Günther Thallinger



Christopher Townsend



Renate Wagner

INDEPENDENT AUDITOR'S REPORT

To Allianz SE, Munich

Report on the Audit of the Annual Financial Statements and of the Management Report

AUDIT OPINIONS

We have audited the annual financial statements of Allianz SE, Munich, which comprise the balance sheet as at 31 December 2020, and the income statement for the financial year from 1 January to 31 December 2020, and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Allianz SE for the financial year from 1 January to 31 December 2020. In accordance with the German legal requirements, we have not audited the content of those parts of the management report listed in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2020 and of its financial performance for the financial year from 1 January to 31 December 2020 in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of those parts of the management report listed in the "Other Information" section of our auditor's report.

Pursuant to §322(3) sentence 1 HGB of the German Commercial Code ("Handelsgesetzbuch – HGB"), we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the annual financial statements and of the management report in accordance with §317 HGB and the EU Audit Regulation (number 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany – IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements.

In addition, in accordance with Article 10(2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

KEY AUDIT MATTERS IN THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2020. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matter of most significance in our audit was as follows:

- Measurement of reserves for loss and loss adjustment expenses

Our presentation of this key audit matter has been structured as follows:

- Matter and issue
- Audit approach and findings
- Reference to further information

Hereinafter, we present the key audit matter:

MEASUREMENT OF RESERVES FOR LOSS AND LOSS ADJUSTMENT EXPENSES

Matter and issue

In the annual financial statements of the Company, technical provisions (so called "claims provisions") amounting to € 13,397 mn (10.6% of total assets) are reported under the "Reserves for loss and loss adjustment expenses" balance sheet item.

Insurance companies are required to recognize technical provisions to the extent necessary in accordance with reasonable business judgment to ensure that they can meet their obligations from insurance contracts on a continuous basis. Defining assumptions for the purpose of measuring the technical provisions requires the Company's executive directors, in addition to complying with the requirements of commercial and regulatory law, to make estimations of future events and to apply appropriate measurement methods. This also includes the expected effects of the ongoing COVID-19 pandemic on the recognition of the claims provisions of the affected lines of business. The gross provision is generally determined on the basis of the cedents' information or, in the case of outstanding settlements, on the basis of an estimate. The Company reviews the appropriateness of the cedents' information and, if necessary, makes appropriate increases to the amounts.

The methods used to determine the amount of the claims provisions and the calculation parameters are based on judgments and

assumptions made by the executive directors. In particular, the lines of products with long claims settlement periods, low loss frequency or high individual losses are usually subject to increased estimation uncertainties and usually require a high degree of judgment by the Company's executive directors.

Minor changes to those assumptions and to the methods used may have a material impact on the measurement of the claims provisions. Due to the material significance of the amounts of these provisions in relation to the assets, liabilities and financial performance of the Company as well as the considerable scope for judgment on the part of the executive directors and the associated uncertainties in the estimations made, the measurement of the claims provisions was of particular significance in the context of our audit.

Audit approach and findings

As part of our audit, we evaluated the appropriateness of selected controls established by the Company for the purpose of selecting actuarial methods, determining assumptions and making estimates for the measurement of provisions for unsettled claims in property-casualty insurance.

With the support of our property-casualty insurance valuation specialists, we have compared the respective actuarial methods applied and the material assumptions with generally recognized actuarial practices and industry standards and examined to what extent these are appropriate for the valuation. Our audit also included an evaluation of the plausibility and integrity of the data and assumptions used in the valuation and an analysis of the claims settlement processes and the reconciliation of the information provided by the cedents. In this connection, we also evaluated the assessment of the executive directors regarding the effects of the COVID-19 pandemic on the affected lines of business. Furthermore, we recalculated the amount of the provisions for selected lines of products, in particular lines of products with large reserves or increased estimation uncertainties. For these lines of products we compared the recalculated provisions with the provisions calculated by the Company and evaluated any differences.

Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors are appropriate overall for measuring the technical provisions in property-casualty insurance.

Reference to further information

The Company's disclosures on the measurement of provisions for unsettled claims are contained in section [Accounting, Valuation, and Calculation Methods](#) in the notes to the financial statements.

OTHER INFORMATION

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the management report:

- the statement on corporate governance pursuant to §289f HGB included in section [Statement on Corporate Management](#) of the management report
- the separate non-financial report pursuant to §289b (3) HGB and §315b (3) HGB

The other information comprises further the remaining parts of the annual report – excluding cross-references to external information –

with the exception of the audited annual financial statements, the audited management report, and our auditor's report.

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE ANNUAL FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material

misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with §317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities,

financial position, and financial performance of the Company in compliance with German Legally Required Accounting Principles.

- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by management in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

ASSURANCE REPORT IN ACCORDANCE WITH §317 (3B) HGB ON THE ELECTRONIC REPRODUCTION OF THE ANNUAL FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT PREPARED FOR PUBLICATION PURPOSES

REASONABLE ASSURANCE CONCLUSION

We have performed an assurance engagement in accordance with §317 (3b) HGB to obtain reasonable assurance about whether the reproduction of the annual financial statements and the management report (hereinafter the "ESEF documents") contained in the attached electronic file Allianz_SE_AG_JA+LB_ESEF-2021-02-22.zip and prepared for publication purposes complies in all material respects with the requirements of §328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance engagement only extends to the conversion of the information contained in the annual financial statements and the management report into the ESEF format and therefore relates neither to the information contained within this reproduction nor to any other information contained in the above-mentioned electronic file.

In our opinion, the reproduction of the annual financial statements and the management report contained in the above-mentioned attached electronic file and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format. We do not express any opinion on the information contained in this reproduction nor on any other information contained in the above-mentioned electronic file beyond this reasonable assurance conclusion and our audit opinion on the accompanying annual financial statements and the accompanying management report for the financial year from 1 January to 31 December 2020 contained in the "Report on the Audit of the Annual Financial Statements and on the Management Report" above.

BASIS FOR THE REASONABLE ASSURANCE CONCLUSION

We conducted our assurance engagement on the reproduction of the annual financial statements and the management report contained in the above mentioned attached electronic file in accordance with § 317 (3b) HGB and the Exposure Draft of IDW Assurance Standard: Assurance in Accordance with § 317 (3b) HGB on the Electronic Reproduction of Financial Statements and Management Reports Prepared for Publication Purposes (ED IDW AsS 410) and the International Standard on Assurance Engagements 3000 (Revised). Accordingly, our responsibilities are further described below in the "Auditor's Responsibilities for the Assurance Engagement on the ESEF Documents" section. Our audit firm has applied the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QS 1).

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE ESEF DOCUMENTS

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic reproduction of the annual financial statements and the management report in accordance with § 328 (1) sentence 4 number 1 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 (1) HGB for the electronic reporting format, whether due to fraud or error.

The executive directors of the Company are also responsible for the submission of the ESEF documents together with the auditor's report and the attached audited annual financial statements and audited management report as well as other documents to be published to the operator of the German Federal Gazette [Bundesanzeiger].

The supervisory board is responsible for overseeing the preparation of the ESEF documents as part of the financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE ASSURANCE ENGAGEMENT ON THE ESEF DOCUMENTS

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 (1) HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance engagement. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 (1) HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance conclusion.
- Obtain an understanding of internal control relevant to the assurance engagement on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance conclusion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version applicable as at the balance sheet date on the technical specification for this electronic file.
- Evaluate whether the ESEF documents enables a XHTML reproduction with content equivalent to the audited annual financial statements and to the audited management report.

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as auditor by the supervisory board on 5 March 2020. We were engaged by the supervisory board on 11 May 2020. We have been the auditor of the Allianz SE, Munich, without interruption since the financial year 2018.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Frank Trauschke.

Munich, 22 February 2021

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Richard Burger

Wirtschaftsprüfer
(German Public Auditor)

Frank Trauschke

Wirtschaftsprüfer
(German Public Auditor)

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This is a translation of the German Annual Report of Allianz SE. In case of any divergences, the German original is legally binding.