

# CONSOLIDATED BALANCE SHEETS

## Consolidated balance sheets

€ mn

As of 31 December	note	2017	2016 <sup>1</sup>
<b>ASSETS</b>			
Cash and cash equivalents		17,119	14,463
Financial assets carried at fair value through income	5	8,177	8,333
Investments	6	546,828	536,869
Loans and advances to banks and customers	7	104,224	105,369
Financial assets for unit-linked contracts		119,141	111,325
Reinsurance assets	8	16,375	15,562
Deferred acquisition costs	9	23,184	24,887
Deferred tax assets	32	931	1,003
Other assets	10	37,731	38,050
Non-current assets and assets of disposal groups classified as held for sale	3	14,329	14,196
Intangible assets	11	13,262	13,752
<b>Total assets</b>		<b>901,300</b>	<b>883,809</b>
<b>LIABILITIES AND EQUITY</b>			
Financial liabilities carried at fair value through income <sup>2</sup>		11,291	11,271
Liabilities to banks and customers	12	12,746	13,038
Unearned premiums	13	21,442	21,360
Reserves for loss and loss adjustment expenses	14	73,292	72,373
Reserves for insurance and investment contracts	15	513,687	505,322
Financial liabilities for unit-linked contracts	16	119,141	111,325
Deferred tax liabilities	32	4,906	4,683
Other liabilities	17	39,639	39,867
Liabilities of disposal groups classified as held for sale	3	13,662	13,290
Certificated liabilities	18	9,596	7,615
Subordinated liabilities	18	13,295	13,530
<b>Total liabilities</b>		<b>832,698</b>	<b>813,674</b>
Shareholders' equity		65,553	67,083
Non-controlling interests		3,049	3,052
<b>Total equity</b>	19	<b>68,602</b>	<b>70,135</b>
<b>Total liabilities and equity</b>		<b>901,300</b>	<b>883,809</b>

<sup>1</sup> Due to the change in accounting policies for GMIBs, the figures as of 31 December 2016 have been adjusted retrospectively. For further information please refer to [note 2](#).

<sup>2</sup> Include mainly derivative financial instruments.

# CONSOLIDATED INCOME STATEMENTS

## Consolidated income statements

€ mn			
	note	2017	2016
Gross premiums written		77,345	76,331
Ceded premiums written		(4,912)	(4,901)
Change in unearned premiums (net)		(1,007)	(1,073)
Premiums earned (net)	20	71,427	70,357
Interest and similar income	21	21,848	22,149
Income from financial assets and liabilities carried at fair value through income (net)	22	(1,204)	(850)
Realized gains/losses (net)	23	6,546	8,403
Fee and commission income	24	10,937	10,491
Other income		36	100
Total income		109,590	110,649
Claims and insurance benefits incurred (gross)		(56,644)	(55,914)
Claims and insurance benefits incurred (ceded)		5,427	2,758
Claims and insurance benefits incurred (net)	25	(51,218)	(53,156)
Change in reserves for insurance and investment contracts (net)	26	(14,427)	(13,201)
Interest expenses	27	(1,149)	(1,207)
Loan loss provisions		(25)	(46)
Impairments of investments (net)	28	(1,160)	(1,940)
Investment expenses	29	(1,269)	(1,306)
Acquisition and administrative expenses (net)	30	(25,702)	(25,301)
Fee and commission expenses	31	(3,857)	(3,734)
Amortization of intangible assets		(154)	(154)
Restructuring charges		(477)	(186)
Other expenses		(5)	(5)
Total expenses		(99,442)	(100,236)
<b>Income before income taxes</b>		<b>10,148</b>	<b>10,413</b>
Income taxes	32	(2,941)	(3,085)
<b>Net income</b>		<b>7,207</b>	<b>7,329</b>
<b>Net income attributable to:</b>			
Non-controlling interests		404	367
Shareholders		6,803	6,962
Basic earnings per share (€)		15.24	15.31
Diluted earnings per share (€)		15.23	15.18

# CONSOLIDATED STATEMENTS OF CASH FLOWS

## Consolidated statements of cash flows

€ mn

	2017	2016
<b>SUMMARY</b>		
Net cash flow provided by operating activities	33,188	21,461
Net cash flow used in investing activities	(24,755)	(19,765)
Net cash flow used in financing activities	(5,027)	(1,732)
Effect of exchange rate changes on cash and cash equivalents	(749)	52
Change in cash and cash equivalents	2,656	16
Cash and cash equivalents at beginning of period	14,463	14,842
Cash and cash equivalents reclassified to assets of disposal groups classified as held for sale	-	(395)
<b>Cash and cash equivalents at end of period</b>	<b>17,119</b>	<b>14,463</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net income</b>	<b>7,207</b>	<b>7,329</b>
<b>Adjustments to reconcile net income to net cash flow provided by operating activities</b>		
Share of earnings from investments in associates and joint ventures	(506)	(288)
Realized gains/losses (net) and impairments of investments (net) of:		
Available-for-sale and held-to-maturity investments, investments in associates and joint ventures, real estate held for investment, loans and advances to banks and customers, non-current assets and disposal groups classified as held for sale	(5,452)	(6,540)
Other investments, mainly financial assets held for trading and designated at fair value through income	(2,481)	2,710
Depreciation and amortization	1,544	1,345
Loan loss provisions	25	46
Interest credited to policyholder accounts	4,868	4,563
Net change in:		
Financial assets and liabilities held for trading	5,144	(3,026)
Reverse repurchase agreements and collateral paid for securities borrowing transactions	130	(696)
Repurchase agreements and collateral received from securities lending transactions	108	(1,278)
Reinsurance assets	(2,455)	(587)
Deferred acquisition costs	(546)	(588)
Unearned premiums	841	909
Reserves for loss and loss adjustment expenses	3,300	622
Reserves for insurance and investment contracts	15,233	16,569
Deferred tax assets/liabilities	806	404
Other (net)	5,421	(33)
Subtotal	25,981	14,132
<b>Net cash flow provided by operating activities</b>	<b>33,188</b>	<b>21,461</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
<b>Proceeds from the sale, maturity or repayment of:</b>		
Financial assets designated at fair value through income	2,079	2,224
Available-for-sale investments	147,599	156,085
Held-to-maturity investments	305	466
Investments in associates and joint ventures	945	850
Non-current assets and disposal groups classified as held for sale	420	156
Real estate held for investment	152	407
Fixed assets of renewable energy investments	-	3
Loans and advances to banks and customers (purchased loans)	6,333	8,409
Property and equipment	153	128
Subtotal	157,986	168,728

# CONSOLIDATED STATEMENTS OF CASH FLOWS – CONTINUED

## Consolidated statements of cash flows

€ mn	2017	2016
<b>Payments for the purchase or origination of:</b>		
Financial assets designated at fair value through income	(1,931)	(2,193)
Available-for-sale investments	(167,932)	(174,302)
Held-to-maturity investments	(616)	(151)
Investments in associates and joint ventures	(2,852)	(1,557)
Non-current assets and disposal groups classified held for sale	(199)	(1)
Real estate held for investment	(680)	(409)
Fixed assets of renewable energy investments	(218)	(720)
Loans and advances to banks and customers (purchased loans)	(2,214)	(3,007)
Property and equipment	(1,374)	(1,335)
Subtotal	(178,016)	(183,676)
<b>Business combinations (note 3):</b>		
Proceeds from sale of subsidiaries, net of cash disposed	-	(8)
<b>Change in other loans and advances to banks and customers (originated loans)</b>	<b>(4,517)</b>	<b>(4,848)</b>
<b>Other (net)</b>	<b>(209)</b>	<b>38</b>
<b>Net cash flow used in investing activities</b>	<b>(24,755)</b>	<b>(19,765)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net change in liabilities to banks and customers	(60)	911
Proceeds from the issuance of certificated liabilities and subordinated liabilities	7,463	7,059
Repayments of certificated liabilities and subordinated liabilities	(5,173)	(6,155)
Transactions between equity holders	(3,477)	52
Dividends paid to shareholders	(3,661)	(3,646)
Net cash from sale or purchase of treasury shares	42	44
Other (net)	(162)	4
<b>Net cash flow used in financing activities</b>	<b>(5,027)</b>	<b>(1,732)</b>
<b>SUPPLEMENTARY INFORMATION ON THE CONSOLIDATED STATEMENTS OF CASH FLOWS</b>		
Income taxes paid	(2,099)	(2,933)
Dividends received	2,249	1,809
Interest received	18,335	19,263
Interest paid	(1,251)	(1,185)
<b>SIGNIFICANT NON-CASH TRANSACTIONS</b>		
Transfer of profit participating notes		
Investments in associates and joint ventures	-	815
Loans and advances to banks and customers	-	(815)

## Cash and cash equivalents

€ mn	2017	2016
As of 31 December		
Balances with banks payable on demand	8,745	6,855
Balances with central banks	1,973	1,273
Cash on hand	71	94
Treasury bills, discounted treasury notes, similar treasury securities, bills of exchange and checks	6,331	6,241
<b>Total</b>	<b>17,119</b>	<b>14,463</b>

## Changes in liabilities arising from financing activities

€ mn	Liabilities to banks and customers	Certificated and subordinated liabilities	Total
<b>As of 1 January 2017</b>	<b>8,998</b>	<b>21,145</b>	<b>30,143</b>
Net cash flows	(60)	2,291	2,231
Non-cash transactions			
Changes in the consolidated subsidiaries of the Allianz Group	(180)	-	(180)
Foreign currency translation adjustments	59	(8)	50
Fair value and other changes	109	(536)	(427)
<b>As of 31 December 2017</b>	<b>8,925</b>	<b>22,891</b>	<b>31,817</b>