

# CONSOLIDATED BALANCE SHEETS

## Consolidated balance sheets

€ mn

As of 31 December	Note	2018	2017
<b>ASSETS</b>			
Cash and cash equivalents		17,234	17,119
Financial assets carried at fair value through income	5	7,611	8,177
Investments	6	550,923	546,828
Loans and advances to banks and customers	7	108,270	104,224
Financial assets for unit-linked contracts		115,361	119,141
Reinsurance assets	8	16,400	16,375
Deferred acquisition costs <sup>1</sup>	9	27,709	23,184
Deferred tax assets	32	959	931
Other assets	10	39,209	37,731
Non-current assets and assets of disposal groups classified as held for sale	3	125	14,329
Intangible assets	11	13,767	13,262
<b>Total assets</b>		<b>897,567</b>	<b>901,300</b>
<b>LIABILITIES AND EQUITY</b>			
Financial liabilities carried at fair value through income <sup>1,2</sup>		11,626	11,291
Liabilities to banks and customers	12	14,222	12,746
Unearned premiums	13	22,891	21,442
Reserves for loss and loss adjustment expenses	14	73,054	73,292
Reserves for insurance and investment contracts <sup>1</sup>	15	529,687	513,687
Financial liabilities for unit-linked contracts	16	115,361	119,141
Deferred tax liabilities	32	4,080	4,906
Other liabilities	17	40,232	39,639
Liabilities of disposal groups classified as held for sale	3	62	13,662
Certificated liabilities	18	9,199	9,596
Subordinated liabilities	18	13,475	13,295
<b>Total liabilities</b>		<b>833,888</b>	<b>832,698</b>
Shareholders' equity		61,232	65,553
Non-controlling interests		2,447	3,049
<b>Total equity</b>	19	<b>63,679</b>	<b>68,602</b>
<b>Total liabilities and equity</b>		<b>897,567</b>	<b>901,300</b>

<sup>1</sup> For 2018, the amounts include the impact from changes related to fixed index annuities. For further information, please refer to [note 2](#), chapter reserves for insurance and investment contracts, paragraph aggregate policy reserves.

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

# CONSOLIDATED INCOME STATEMENTS

## Consolidated income statements

€ mn	Note	2018	2017
Gross premiums written		77,824	77,345
Ceded premiums written		(5,141)	(4,912)
Change in unearned premiums (net)		(1,211)	(1,007)
Premiums earned (net)	20	71,472	71,427
Interest and similar income	21	21,616	21,848
Income from financial assets and liabilities carried at fair value through income (net) <sup>1</sup>	22	(3,301)	(1,204)
Realized gains/losses (net)	23	6,096	6,546
Fee and commission income	24	11,534	10,937
Other income		24	36
Total income		107,442	109,590
Claims and insurance benefits incurred (gross)		(54,459)	(56,644)
Claims and insurance benefits incurred (ceded)		2,302	5,427
Claims and insurance benefits incurred (net)	25	(52,157)	(51,218)
Change in reserves for insurance and investment contracts (net) <sup>1</sup>	26	(9,684)	(14,427)
Interest expenses	27	(1,035)	(1,149)
Loan loss provisions		(2)	(25)
Impairments of investments (net)	28	(3,152)	(1,160)
Investment expenses	29	(1,333)	(1,269)
Acquisition and administrative expenses (net) <sup>1</sup>	30	(24,600)	(25,702)
Fee and commission expenses	31	(4,302)	(3,857)
Amortization of intangible assets		(375)	(154)
Restructuring charges		(398)	(477)
Other expenses		(6)	(5)
Total expenses		(97,043)	(99,442)
Income before income taxes <sup>1</sup>		10,399	10,148
Income taxes	32	(2,696)	(2,941)
Net income		7,703	7,207
Net income attributable to:			
Non-controlling interests		241	404
Shareholders		7,462	6,803
Basic earnings per share (€)	40	17.43	15.24
Diluted earnings per share (€)	40	17.30	15.23

1. For 2018, the amounts include the impact from changes related to fixed index annuities. For further information, please refer to [note 2](#), chapter reserves for insurance and investment contracts, paragraph aggregate policy reserves.

# CONSOLIDATED STATEMENTS OF CASH FLOWS

## Consolidated statements of cash flows

€ mn

	2018	2017
<b>SUMMARY</b>		
Net cash flow provided by operating activities	25,672	33,188
Net cash flow used in investing activities	(19,310)	(24,755)
Net cash flow used in financing activities	(6,821)	(5,027)
Effect of exchange rate changes on cash and cash equivalents	41	(749)
Change in cash and cash equivalents	(416)	2,656
Cash and cash equivalents at beginning of period	17,119	14,463
Cash and cash equivalents reclassified to assets of disposal groups held for sale and disposed of in 2018	531	-
<b>Cash and cash equivalents at end of period</b>	<b>17,234</b>	<b>17,119</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net income</b>	<b>7,703</b>	<b>7,207</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	(228)	(506)
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	(2,945)	(5,452)
Other investments, mainly financial assets held for trading and designated at fair value through income	5,256	(2,481)
Depreciation and amortization	1,586	1,544
Loan loss provisions	2	25
Interest credited to policyholder accounts	3,811	4,868
Net change in:		
Financial assets and liabilities held for trading	(3,368)	5,144
Reverse repurchase agreements and collateral paid for securities borrowing transactions	(605)	130
Repurchase agreements and collateral received from securities lending transactions	232	108
Reinsurance assets	243	(2,455)
Deferred acquisition costs	(1,272)	(546)
Unearned premiums	1,651	841
Reserves for loss and loss adjustment expenses	(206)	3,300
Reserves for insurance and investment contracts	14,753	15,233
Deferred tax assets/liabilities	748	806
Other (net)	(1,689)	5,421
Subtotal	17,969	25,981
<b>Net cash flow provided by operating activities</b>	<b>25,672</b>	<b>33,188</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	2,956	2,079
Available-for-sale investments	154,368	147,599
Held-to-maturity investments	225	305
Investments in associates and joint ventures	731	945
Non-current assets and disposal groups classified as held for sale	357	420
Real estate held for investment	440	152
Fixed assets of renewable energy investments	1	-
Loans and advances to banks and customers (purchased loans)	5,867	6,333
Property and equipment	144	153
Subtotal	165,089	157,986

# CONSOLIDATED STATEMENTS OF CASH FLOWS – CONTINUED

## Consolidated statements of cash flows

€ mn	2018	2017
<b>Payments for the purchase or origination of:</b>		
Financial assets designated at fair value through income	(3,070)	(1,931)
Available-for-sale investments	(165,621)	(167,932)
Held-to-maturity investments	(320)	(616)
Investments in associates and joint ventures	(3,130)	(2,852)
Non-current assets and disposal groups classified held for sale	-	(199)
Real estate held for investment	(1,374)	(680)
Fixed assets of renewable energy investments	(155)	(218)
Loans and advances to banks and customers (purchased loans)	(1,388)	(2,214)
Property and equipment	(1,258)	(1,374)
Subtotal	(176,315)	(178,016)
<b>Business combinations (note 3):</b>		
Proceeds from sale of subsidiaries, net of cash disposed	(208)	-
<b>Change in other loans and advances to banks and customers (originated loans)</b>	<b>(7,094)</b>	<b>(4,517)</b>
<b>Other (net)</b>	<b>(781)</b>	<b>(209)</b>
<b>Net cash flow used in investing activities</b>	<b>(19,310)</b>	<b>(24,755)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net change in liabilities to banks and customers	1,147	(60)
Proceeds from the issuance of certificated liabilities and subordinated liabilities	4,527	7,463
Repayments of certificated liabilities and subordinated liabilities	(4,961)	(5,173)
Transactions between equity holders	(3,941)	(3,477)
Dividends paid to shareholders	(3,673)	(3,661)
Net cash from sale or purchase of treasury shares	16	42
Other (net)	65	(162)
<b>Net cash flow used in financing activities</b>	<b>(6,821)</b>	<b>(5,027)</b>
<b>SUPPLEMENTARY INFORMATION ON THE CONSOLIDATED STATEMENTS OF CASH FLOWS</b>		
Income taxes paid (from operating activities)	(2,169)	(2,163) <sup>1</sup>
Dividends received (from operating activities)	2,564	2,224 <sup>1</sup>
Interest received (from operating activities)	17,690	18,335
Interest paid (from operating activities)	(1,060)	(1,251)

<sup>1</sup> Prior-year figures have been adjusted.

## Cash and cash equivalents

€ mn	2018	2017
As of 31 December		
Balances with banks payable on demand	7,660	8,745
Balances with central banks	2,990	1,973
Cash on hand	57	71
Treasury bills, discounted treasury notes, similar treasury securities, bills of exchange and checks	6,526	6,331
<b>Total</b>	<b>17,234</b>	<b>17,119</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>
Net cash flows	1,147	(434)	712
Non-cash transactions			
Changes in the consolidated subsidiaries of the Allianz Group	(1)	-	(1)
Foreign currency translation adjustments	(23)	12	(11)
Fair value and other changes	1	205	206
<b>As of 31 December 2018</b>	<b>10,049</b>	<b>22,674</b>	<b>32,723</b>