



## True to our promises

Message from Walter White
President and Chief Executive Officer

At Allianz Life Insurance Company of North America (Allianz), every decision we make is guided by a single principle: **We're true** to the people we serve, each and every day.

That commitment is at the heart of every decision we make – from the products we offer, to how we manage our assets.

We're proud to be a leading provider of innovative financial products – including fixed annuities, variable annuities, and life insurance – that help our customers pursue their financial goals.

We're also proud of our disciplined investment approach. We focus on stability, reliability, and long-term results, which helps us guarantee the benefits we offer and the money you entrust to our care.

The detailed information in the following pages will show you how we earn that trust ... and how we're true to our promises, so you can be true to yours. After all, a promise is a promise.

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### We focus on results.

At Allianz, we understand that the savings you work hard to accumulate have a value beyond the numbers. Your savings represent your dreams for the future, your goals, and the security you need to enjoy the life you want.

That's why we've built our company around a commitment to being true: We're true to our customers. We're true to our promises. And we're true to our investment philosophy.

We've designed our conservative investment management approach to weather all market conditions and achieve long-term results. We seek steady, reliable performance based on:

- Diversification across high-quality, fixed-income asset types
- High credit rating requirements
- Efficient asset-liability matching and strong risk modeling
- A high level of liquidity
- Dedicated risk management, leveraging resources around the globe
- Best-in-class hedging operation/platform chosen to manage market risk for companies across the globe

#### We're experts in risk management.

We use our extensive, in-house risk-management capabilities to monitor and control risk in real time. This allows us to hedge against potentially extreme market events, from general market turbulence to periodic financial crises. We've been successfully hedging our products since 1996.

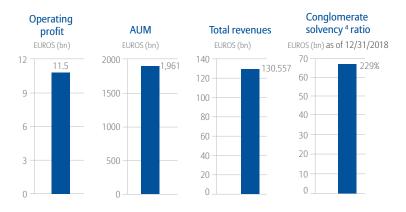
Our approach to risk management also allows us to design innovative products. As a leader in fixed index and variable annuities, we create products that help consumers to build their assets over the long term – and receive income for life – while managing risk.

## We're part of a global financial powerhouse.

We're proud to be part of Allianz SE, a global financial services group. Founded in 1890 in Germany, Allianz SE has over 85 million customers in 70 countries.

#### Allianz SE is the world's:

- 38th largest company<sup>1</sup>
- 5th largest asset manager<sup>2</sup>
- Largest company in the diversified insurance industry, based on market value<sup>3</sup>
- 2<sup>nd</sup> largest company in the diversified insurance industry, based on assets<sup>3</sup>



### Allianz SE takes pride in being a responsible investor.

- 5.4 billion euro additional sustainable investments in 2018, bringing the total to 25.1 billion Euro<sup>5</sup>
- 175.6 billion euro sustainable and responsible investments (SRI) across AllianzGI and PIMCO<sup>5</sup>
- Equity investments in renewable energy totaled 3.8 billion euro at the end of 2018<sup>5</sup>



Allianz in North America includes **Allianz Global Investors** and **PIMCO (Pacific Investment Management Company LLC)**. PIMCO is one of the world's leading fixed-income managers.

<sup>&</sup>lt;sup>1</sup> Fortune Global 500, July 2018. Ranking based on revenue.

<sup>&</sup>lt;sup>2</sup> Allianz SE: P&I/Towers Watson World 500, October 2018. Ranked by total AUM.

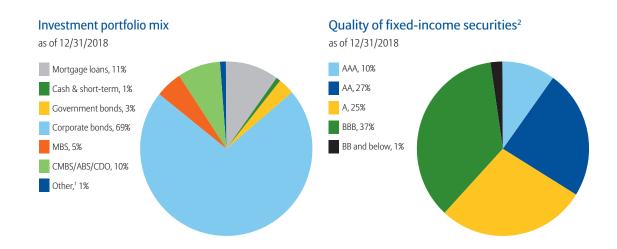
<sup>&</sup>lt;sup>3</sup> Forbes Global 2000, The World's Biggest Public Companies, June 2018.

<sup>&</sup>lt;sup>4</sup> Off-balance sheet reserves are included in the calculation but accepted by authorities as eligible capital only upon request. Allianz SE has not submitted an application so far. Excluding off-balance sheet reserves, the solvency ratio would be 229% (2017: 229%). Source: Allianz Group Annual Report 2018.

<sup>&</sup>lt;sup>5</sup> Source: Allianz Sustainability Report 2018.

# We focus on steady, reliable performance.

We carefully manage our general account to achieve results over time, not overnight. Our portfolio of more than \$119 billion is comprised of 99% of investments that are investment grade. Investment-grade securities are generally of higher quality and are more likely to repay principal than non-investment-grade securities. Our global disciplined approach to investment management has provided strong returns and minimal losses.



Terms:	
ABS	Asset-backed security
MBS	Mortgage-backed security
CMBS	Commercial mortgage-backed security
CDO	Collateralized debt obligation

<sup>&</sup>lt;sup>1</sup>Other includes equities, partnerships, real estate, COLI, RSUs, and loans. Excludes derivatives and securities lending.

<sup>&</sup>lt;sup>2</sup> Ratings based on S&P or converted Moody's or NAIC where no S&P ratings are available.

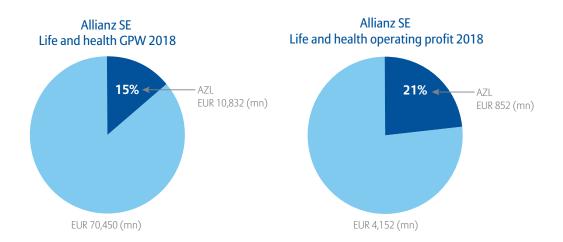
## We offer financial strength.

Any financial product is only as strong as the company behind it. That's why it's important that you work with a company you can trust for the long term.

Allianz has maintained enviable cash reserves and a strong operating margin, in spite of continued economic turbulence.

Allianz Life®		Allianz SE	
2018	(USD in billions)	2018	(Euros in billions)
Statutory premium	12.7	Total revenue	130.6
Total assets	159.8	Total assets	897.6
Total liabilities	152.1	Total liabilities	833.9
Total equity	7.6	Total equity	63.7

Total revenues include statutory gross premiums written (GPW) in property-casualty and life/health, operating revenues in asset management, and total revenues in corporate and other (banking). Balance sheet numbers reported as of 12/31/18 and are based on International Financial Reporting Standards (IFRS).



## We enjoy solid ratings.

Our consistently high ratings from independent rating agencies – including Standard & Poor's, A.M. Best, and Moody's – reflect our stability, integrity, and our strong balance sheet.

#### Current ratings for Allianz Life® and Allianz SE

Rating agency	Allianz Life®	Allianz SE
STANDARD & POOR'S	AA (Very Strong)	AA (Very Strong)
A.M. BEST	A+ (Superior)	A+ (Superior)
MOODY'S	A1	Aa3 (Excellent)

#### Historical ratings for Allianz Life

Year	Standard & Poor's	A.M. Best	Moody's
2017 – 2018	AA	A+	A1
2015 – 2016	AA	A+	A2
2007 – 2014	AA	Α	A2
2005 – 2006	AA-	Α	A2
2003 – 2004	AA-	<b>A</b> +	A2
2002	AA	A+	A1

For a full description of how rating categories are assigned, please refer to the rating agencies' websites: www.standardandpoors.com | www.AMBest.com | www.moodys.com

### We're well-positioned for what's ahead.

Thanks to a combination of careful planning, disciplined investing, and expert risk management, Allianz is well-positioned to meet its challenges and fulfill its promises.

If you're looking for stability and reliability, look to Allianz. We're true to our promises, so you can be true to yours.

The Standard & Poor's rating of AA (Very Strong) is the 3<sup>rd</sup> highest of 21 possible ratings, and was affirmed for Allianz Life in July 2018 and Allianz SE in December 2018.

The A.M. Best rating of A+ (Superior) is the 2<sup>nd</sup> highest of 16 possible ratings, and was affirmed for Allianz Life in August 2018. The A.M. Best rating of A+ (Superior) is the 2<sup>nd</sup> highest of 16 possible ratings, and was affirmed for Allianz SE in August 2018.

The Moody's rating of A1 is the 5<sup>th</sup> highest of 21 possible ratings, and was affirmed for Allianz Life in August 2018. The Moody's rating of Aa3 (Excellent) is the 4<sup>th</sup> highest of 21 possible ratings, and was affirmed for Allianz SE in April 2018.

These independent agency ratings are based on an analysis of financial results and an evaluation of management objectives and strategies. The ratings do not indicate approval by the analysts and are subject to change.

# True to our promises ... so you can be true to yours.

A leading provider of annuities and life insurance, Allianz Life Insurance Company of North America (Allianz) bases each decision on a philosophy of being true: True to our strength as an important part of a leading global financial organization. True to our passion for making wise investment decisions. And true to the people we serve, each and every day.

Through a line of innovative products and a network of trusted financial professionals, and with over 3.6 million contracts issued, Allianz helps people as they seek to achieve their financial and retirement goals. Founded in 1896, Allianz is proud to play a vital role in the success of our global parent, Allianz SE, one of the world's largest financial services companies.

While we are proud of our financial strength, we are made of much more than our balance sheet. By being true to our commitments and keeping our promises we believe we make a real difference for our clients. It's why so many people rely on Allianz today and count on us for tomorrow – when they need us most.

Guarantees are backed solely by the financial strength and claims-paying ability of Allianz Life Insurance Company of North America. Variable annuity guarantees do not apply to the performance of the variable subaccounts, which will fluctuate with market conditions.

- Not FDIC insured May lose value No bank or credit union guarantee
- Not a deposit Not insured by any federal government agency or NCUA/NCUSIF

Products are issued by Allianz Life Insurance Company of North America. Variable annuities are distributed by its affiliate, Allianz Life Financial Services, LLC, member FINRA, 5701 Golden Hills Drive, Minneapolis, MN 55416-1297. www.allianzlife.com

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