

# Group financial results 2Q 2015

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Chief Financial Officer

Press conference call  
August 7, 2015

# 1

Group financial  
results 2Q 2015

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- 2** Additional information
  - a) Group
  - b) Property-Casualty
  - c) Life/Health
  - d) Asset Management
  - e) Corporate and Other
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# Business highlights from the second quarter of 2015

## Property-Casualty

- Sharing economy: Allianz France partners with Drivy for private car rentals and Tripndrive, which offers free parking at airports in return for private rentals. Allianz Italy insures scooter sharing service in Milan.
- Claims assessment: Optical hail damage scanning in Germany halves time for claims settlement.
- Modular products: Allianz1 in Italy continues to increase sales, reaching 46,000 policies sold in 2Q.

## Life/Health

- Germany: New product “KomfortDynamik” launched, offering customers potentially greater returns by combining opportunity-oriented components with a 100-percent protection of paid premiums
- International Healthcare: Since the MyHealth app was launched in August 2014, the number of medical claims submitted through the app is now almost double that of postal submissions.

## Asset Management

- Allianz Global Investors: Equity investment strategy “Best Styles” assets surpassed EUR 30bn in 2Q and now enters the US market for further expansion
- PIMCO: Enhanced Equity Suite expanded with new funds based on partnership with Research Affiliates

## Investments

- Following acquisition of four Austrian wind farms, investments in renewable energy now exceed EUR 2.5bn. Allianz is now invested in a total of 54 wind farms and 7 solar parks.
- New investments in real estate reach EUR 2.1bn for 2015.
- First infrastructure debt deal in the United States, bringing total transactions to EUR 3bn

## Digitalization

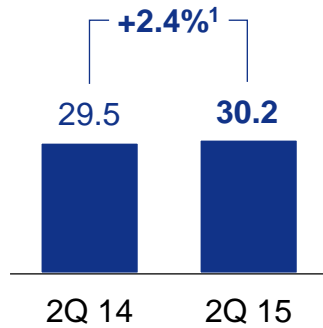
- Austria: Fast quote “Allianz Now” implemented – four clicks to receive an offer for motor insurance
- Germany: “PrivatSchutz” Konfigurator on allianz.de simplifies online product selection for customers.
- France: Mon AllianzGI app for advisors is now used by more than 1,000 agents.
- Allianz Italy named most innovative insurer and front runner in digital transformation in the Italian market by Milano Finanza magazine.

## Branding

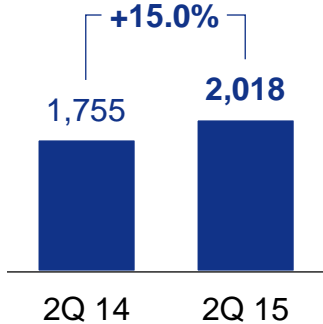
- Allianz Arena in Munich celebrates 10th anniversary. Top Bundesliga matches reach 750 million households in 200 countries.
- Allianz named one of top ten most valuable brands in Germany for the first time by Interbrand.

# Group: good performance continues

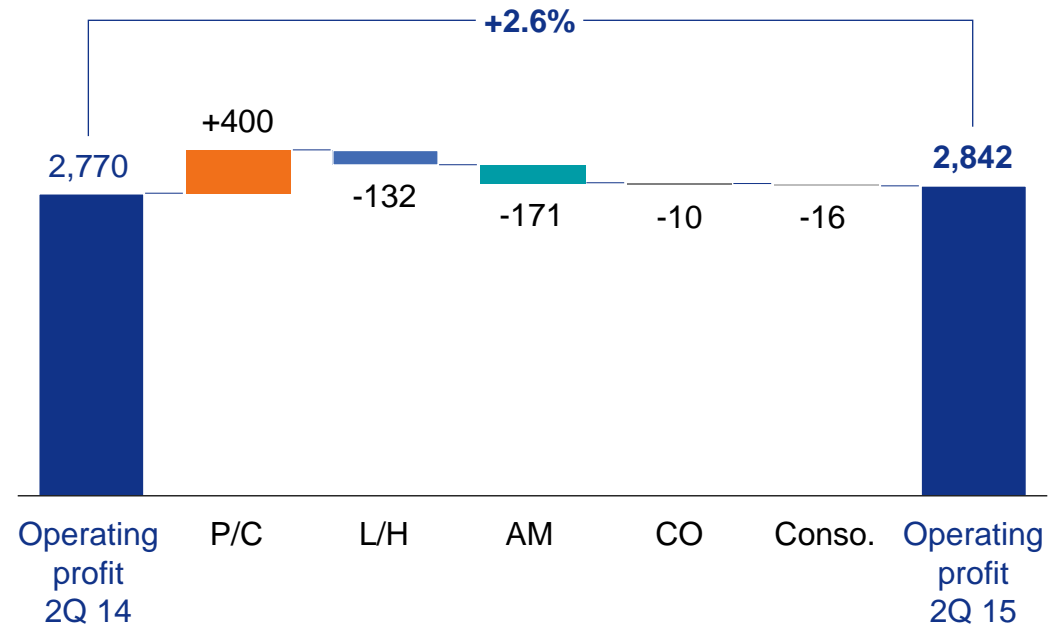
Total revenues (EUR bn)



Net income<sup>2</sup> (EUR mn)



Operating profit drivers (EUR mn)



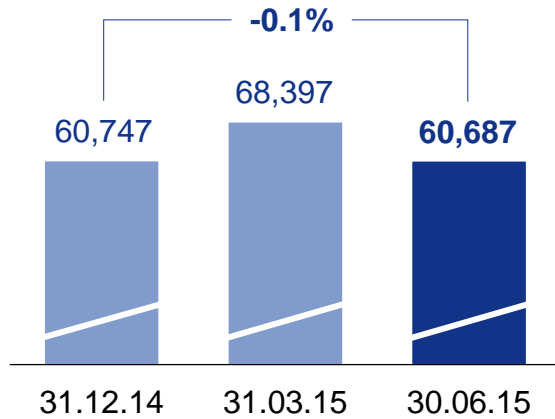
2Q 15	1,745	853	505	-230	-32
2Q 14	1,345	985	676	-219	-16

1) Internal growth of -3.8%, adjusted for F/X and consolidation effects

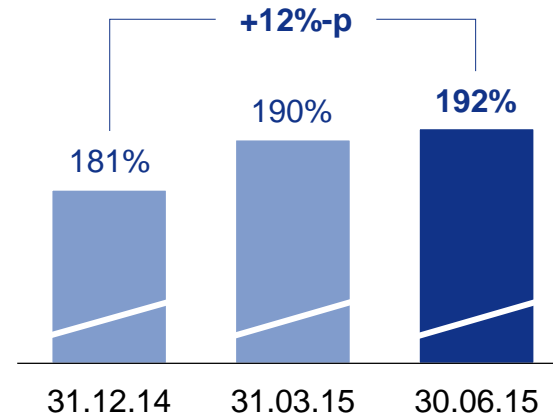
2) Net income attributable to shareholders

# Group: well prepared for Solvency II

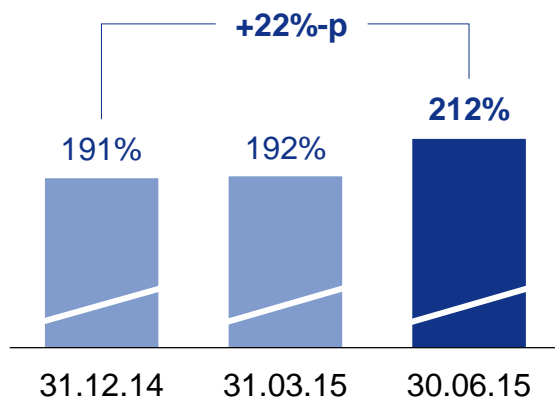
Shareholders' equity (EUR mn)



Conglomerate solvency<sup>1</sup> (in %)



Solvency II capitalization (in %)



S&P capital adequacy

Allianz' rating at "AA" with "stable" outlook

1) Includes off-balance sheet reserves. For details, please refer to the "Additional information" section

## P/C: good internal growth despite portfolio pruning (EUR mn)

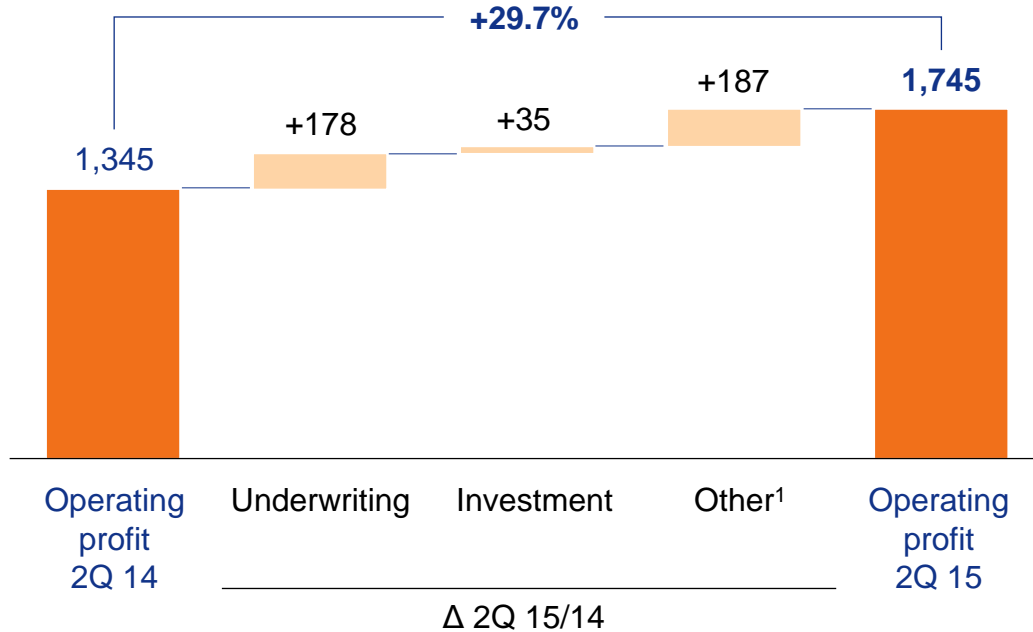
2Q 2015		Revenues	Total growth Δ p.y.	Internal growth Δ p.y.	Price effect	Volume effect
<b>Total P/C segment<sup>1</sup></b>		<b>11,843</b>	<b>+9.2%</b>	<b>+1.6%</b>	<b>-0.2%</b>	<b>+1.7%</b>
<b>Large OEs</b>	Germany	1,755	-1.6%	-1.4%		
	Italy	1,204	+19.0%	-1.9%		
	France	913	+1.0%	+1.0%		
<b>Global lines</b>	AGCS <sup>2</sup>	2,098	+65.9%	+2.0%		
	Allianz Worldwide Partners <sup>1</sup>	852	+23.7%	+9.4%		
	Credit Insurance	575	+8.5%	+3.5%		
<b>Selected OEs</b>	United Kingdom	808	+16.5%	+3.2%		
	Australia	783	+11.3%	+2.7%		
	Latin America	554	+5.9%	+8.7%		
	Central and Eastern Europe	465	-16.3%	-14.8%		

1) In 4Q 14 the French International Health business was transferred from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014

2) Effective 1 January 2015, FFIC was integrated into AGCS. Previous period figures were not adjusted. The sale of the renewal rights for personal lines was effective 1 April 2015. 2Q figures include the gain on the sale of personal lines to ACE. The results from the run-off portfolio included in San Francisco Reinsurance Company Corp., a former subsidiary of FFIC, have been reported within Reinsurance PC since 1 January 2015

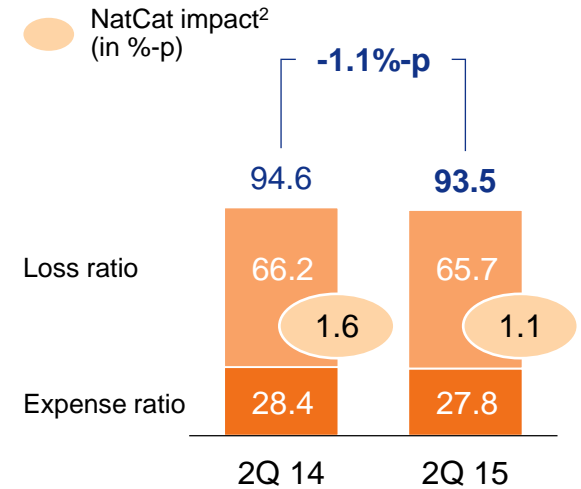
# P/C: strong OP growth as all profit components contribute

## Operating profit drivers (EUR mn)

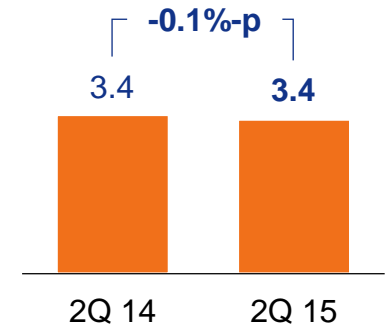


2Q 15	694	840	212
2Q 14	516	805	24

## Combined ratio (in %)



## Run-off ratio³ (in %)



1) 2Q 15 figures include the net gain on the sale of personal lines to ACE of EUR 0.2bn  
 2) NatCat costs (without reinstatement premiums and run-off): EUR 172mn (2Q 14) and EUR 122mn (2Q 15)  
 3) Positive run-off, run-off ratio calculated as run-off result in percent of net premiums earned

## P/C: Germany and CEE with strong OP growth (EUR mn)

2Q 2015		Operating profit	Δ p.y.	Combined ratio	Δ p.y.	NatCat impact in CR <sup>1</sup>	Δ p.y. <sup>1</sup>
<b>Total P/C segment<sup>2</sup></b>		<b>1,745</b>	<b>+29.7%</b>	<b>93.5%</b>	<b>-1.1%-p</b>	<b>1.1%-p</b>	<b>-0.5%-p</b>
<b>Large OEs</b>	Germany	385	+18.8%	86.3%	-5.7%-p	-0.3%-p	-4.0%-p
	Italy	263	+7.0%	85.8%	+3.0%-p	0.0%-p	0.0%-p
	France	131	+21.8%	95.3%	-1.7%-p	0.0%-p	-6.7%-p
<b>Global lines</b>	AGCS <sup>3</sup>	227	+121.6%	110.9%	+13.5%-p	5.5%-p	+5.3%-p
	Allianz Worldwide Partners <sup>2</sup>	31	+12.5%	97.0%	+0.6%-p	0.0%-p	0.0%-p
	Credit Insurance	123	-1.3%	75.7%	+0.7%-p	–	–
<b>Selected OEs</b>	United Kingdom	37	-24.5%	98.4%	+1.9%-p	0.8%-p	+1.1%-p
	Australia	80	-23.8%	95.3%	+4.7%-p	8.8%-p	+8.8%-p
	Latin America	-22	n.m. <sup>4</sup>	111.9%	+7.5%-p	0.0%-p	0.0%-p
	Central and Eastern Europe	43	n.m. <sup>5</sup>	96.0%	-19.9%-p	0.3%-p	+0.3%-p

1) Excluding reinstatement premiums and run-off

2) In 4Q 14 the French International Health business was transferred from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014

3) Effective 1 January 2015, FFIC was integrated into AGCS. Previous period figures were not adjusted. The sale of the renewal rights for personal lines was effective 1 April 2015. 2Q figures include the gain on the sale of personal lines to ACE. The results from the run-off portfolio included in San Francisco Reinsurance Company Corp., a former subsidiary of FFIC, have been reported within Reinsurance PC since 1 January 2015

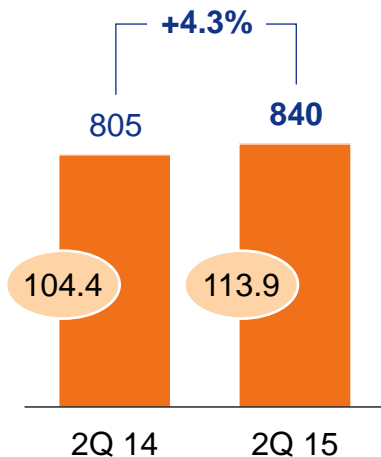
4) Operating profit for Latin America decreased by EUR 26mn from EUR 4mn in 2Q 14

5) Operating profit for Central and Eastern Europe increased by EUR 96mn from EUR -52mn in 2Q 14



# P/C: higher dividend income drives operating investment result increase

## Operating investment result (EUR mn)



Total average asset base<sup>1</sup> (EUR bn)

Interest & similar income <sup>2</sup>	922	961
Net harvesting and other <sup>3</sup>	-43	-35
Investment expenses	-74	-87

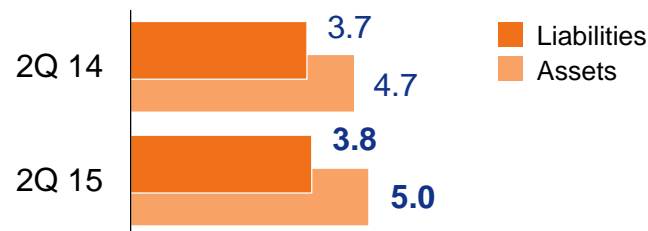
## Current yield (debt securities; in %)



## Reinvestment yield<sup>4</sup> (debt securities; in %)



## Duration<sup>5</sup>



1) Asset base includes health business France, fair value option and trading  
 2) Net of interest expenses  
 3) Comprises real. gains/losses, impairments (net), fair value option, trading and F/X gains and losses and policyholder participation

4) On an annual basis  
 5) For the duration calculation a non-parallel shift in line with Solvency II yield curves is used. Data excludes internal pensions residing in the P/C segment

## L/H: targeted growth (EUR mn)

2Q 2015		Revenues	Total growth Δ p.y.	Internal growth Δ p.y.	PVNB <sup>1</sup>	Δ p.y.
<b>Total L/H segment<sup>2</sup></b>		<b>16,719</b>	<b>-1.4%</b>	<b>-6.0%</b>	<b>14,004</b>	<b>-7.0%</b>
<b>Large OEs</b>	Germany Life	4,063	-8.7%	-8.7%	3,184	+2.9%
	Italy	3,366	+9.7%	+9.7%	2,814	-32.5%
	USA	2,592	-22.7%	-37.6%	2,525	-24.4%
	France <sup>2</sup>	1,955	-5.7%	+0.9%	1,503	+0.1%
<b>Selected OEs</b>	Asia-Pacific	1,931	+45.3%	+23.0%	1,734	+47.3%
	Germany Health	816	+0.4%	+0.4%	336	+52.6%
	Benelux <sup>3</sup>	543	-4.9%	-4.9%	461	+30.4%
	Spain	345	+19.1%	+19.1%	556	+83.7%
	Switzerland	262	-4.8%	-18.7%	245	+20.3%
	Central and Eastern Europe	219	-11.4%	-10.5%	154	-29.8%

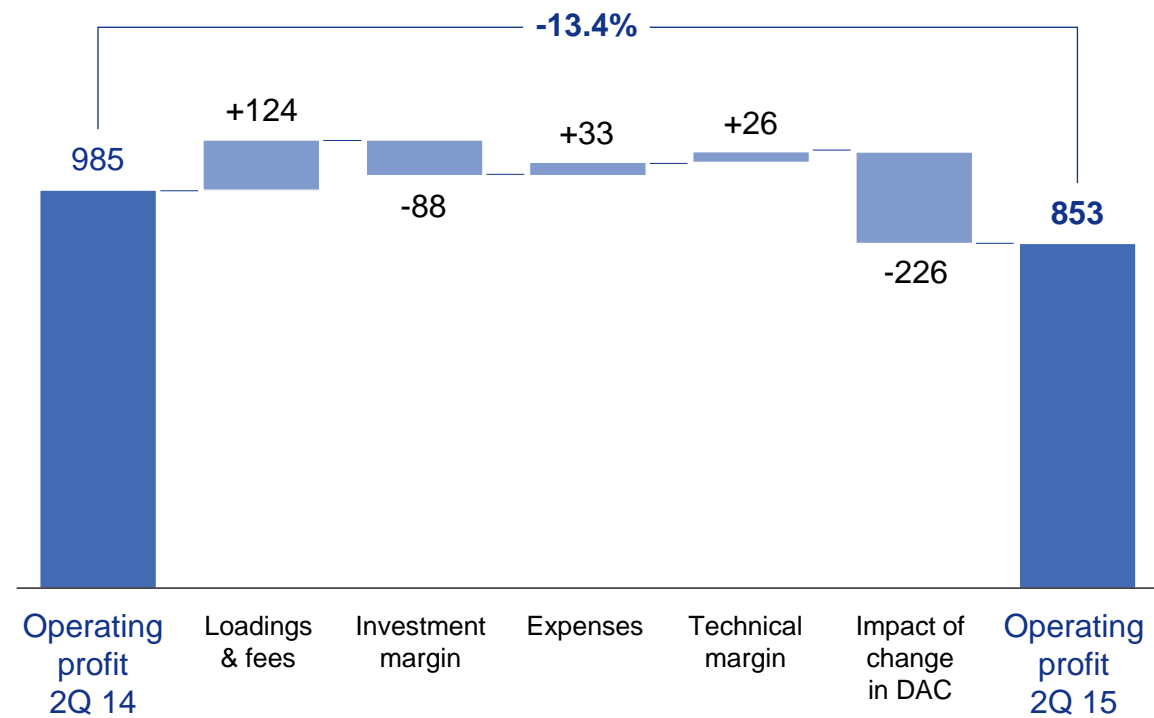
1) New business figures were restated by the impact of contract boundaries, removal of holding expenses and the replacement of CNHR and CReC by RM after tax to be aligned with SII balance sheet

2) In 4Q 14 the French International Health business was transferred from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014

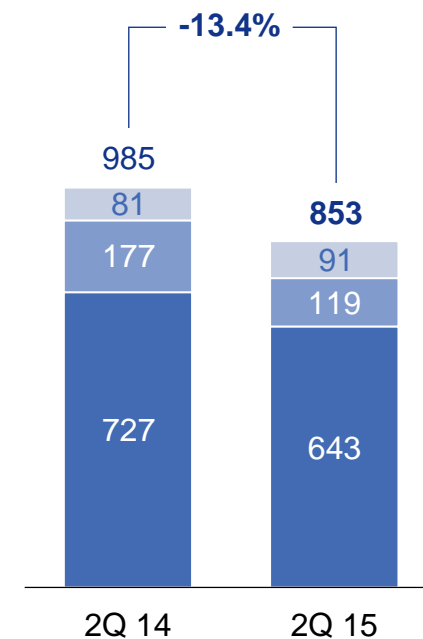
3) Revenues from investment-oriented products in Luxembourg of EUR 42mn in 2Q 15 (EUR 113mn in 2Q 14) are reinsured by France. For 2Q 15, the PVNB of Luxembourg business reinsured with France is included in France (EUR 67mn) and not included in Benelux

# L/H: operating profit strong at EUR 0.9bn (EUR mn)

Operating profit by source<sup>1,2</sup>



Operating profit by line<sup>2</sup>



- Unit-linked w/o guarantee
- Protection & health
- Guaranteed savings & annuities

	Δ 2Q 15/14				
2Q 15	1,411	834	-1,624	295	-63
2Q 14	1,287	922	-1,657	269	163

1) For a description of the L/H operating profit sources please refer to the glossary  
 2) In 4Q 14 the French International Health business was transferred from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014. Prior year figures changed in order to reflect the roll out of profit source reporting to Malaysia

## L/H: mix change stabilizes NBM (EUR mn)

2Q 2015		VNB <sup>1</sup>	Δ p.y.	NBM <sup>1</sup>	Δ p.y.	Operating profit	Δ p.y.
<b>Total L/H segment<sup>2</sup></b>		<b>210</b>	<b>-45.4%</b>	<b>1.5%</b>	<b>-1.1%-p</b>	<b>853</b>	<b>-13.4%</b>
<b>Large OEs</b>	Germany Life	30	-60.3%	0.9%	-1.5%-p	95	-70.3%
	Italy	29	-45.8%	1.0%	-0.3%-p	102	+32.8%
	USA	64	-54.7%	2.6%	-1.7%-p	297	+46.8%
	France <sup>2</sup>	4	-71.7%	0.3%	-0.7%-p	165	+77.1%
<b>Selected OEs</b>	Asia-Pacific	53	+40.7%	3.0%	-0.1%-p	-39	n.m. <sup>3</sup>
	Germany Health	4	-49.9%	1.2%	-2.4%-p	55	+5.1%
	Benelux	-5	n.m. <sup>4</sup>	-1.0%	-3.5%-p	34	-4.2%
	Spain	-1	n.m. <sup>5</sup>	-0.2%	-4.3%-p	49	+5.1%
	Switzerland	3	-37.3%	1.4%	-1.3%-p	24	+12.6%
	Central and Eastern Europe	8	-5.1%	5.2%	+1.4%-p	28	-24.0%

1) New business figures were restated by the impact of contract boundaries, removal of holding expenses and the replacement of CNHR and CReC by RM after tax to be aligned with SII balance sheet

2) In 4Q 14 the French International Health business was transferred from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014

3) Operating profit for Asia-Pacific decreased by EUR 86mn from EUR 47mn in 2Q 14

4) Value of new business for Benelux decreased by EUR 14mn from EUR 9mn in 2Q 14

5) Value of new business for Spain decreased by EUR 14mn from EUR 13mn in 2Q 14

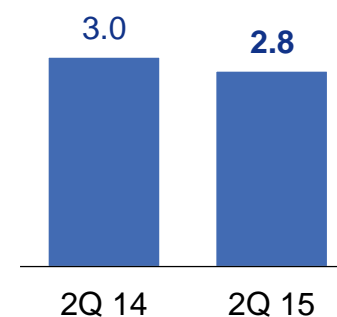
## L/H: strong investment margin of 21bps

(yields are pro-rata)

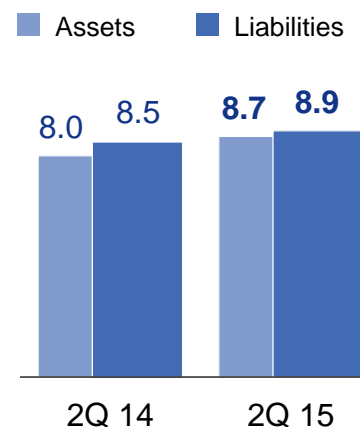
Based on Ø book value of assets <sup>1</sup>	2Q 14	2Q 15
Current yield <sup>2</sup>	1.0%	1.0%
<b>Based on Ø aggregate policy reserves</b>		
Current yield <sup>2</sup>	1.2%	1.2%
Net harvesting and other	0.1%	0.0%
<b>Total yield</b>	<b>1.3%</b>	<b>1.2%</b>
- Ø min. guarantee <sup>3</sup>	0.6%	0.6%
<b>Gross investment margin (in %)</b>	<b>0.7%</b>	<b>0.6%</b>
- Profit sharing under IFRS <sup>4</sup>	0.5%	0.4%
<b>Investment margin<sup>5</sup> (in %)</b>	<b>0.3%</b>	<b>0.2%</b>
Investment margin (EUR mn)	922	834
Ø book value of assets <sup>1</sup> (EUR bn)	431	499
Ø aggregate policy reserves (EUR bn)	364	406

- 1) Asset base under IFRS which excludes unit-linked, FVO and trading
- 2) Based on interest and similar income (net of interest expenses)
- 3) Based on technical interest
- 4) Includes bonus to policyholders under local statutory accounting and deferred premium refund under IFRS
- 5) Investment margin divided by the average of the current quarter-end and previous quarter-end aggregate policy reserves
- 6) On an annual basis
- 7) For the duration calculation a non-parallel shift in line with Solvency II yield curves is used. Data excludes internal pensions residing in the L/H segment

### Reinvestment yield<sup>6</sup> (debt securities; in %)



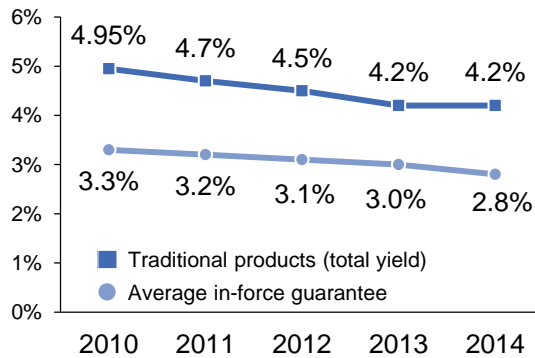
### Duration<sup>7</sup>



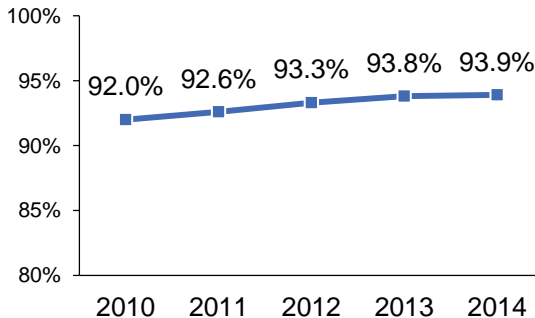
# Our German Life business sustainable and highly performing

## Attractive for customers

### Annual crediting<sup>1</sup>

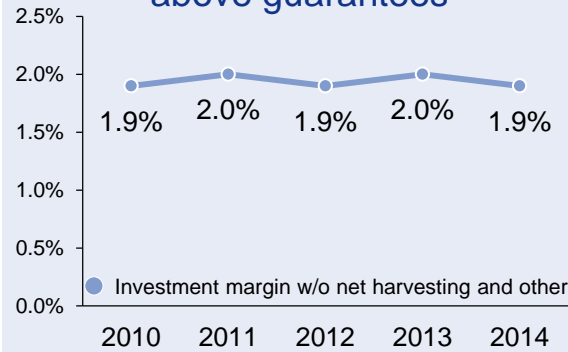


### Policyholder participation<sup>1</sup>



## Sustainable business model

### Healthy investment margin above guarantees

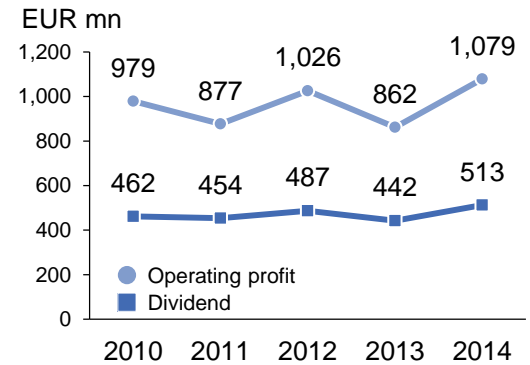


**>300%<sup>2</sup>** High solo SII ratio without transitionals

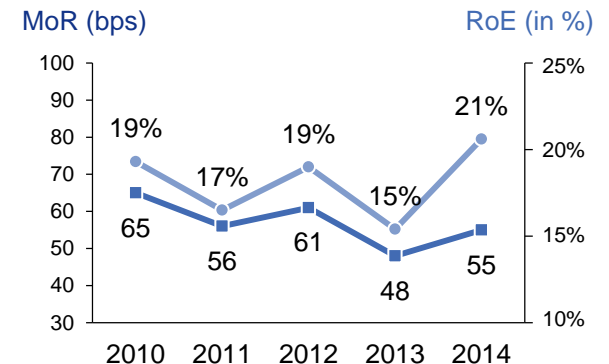
**~0.8%<sup>2</sup>** Low break-even reinvestment yield

## Attractive for shareholders

### Operating profit and dividend



### Margin on reserves and RoE

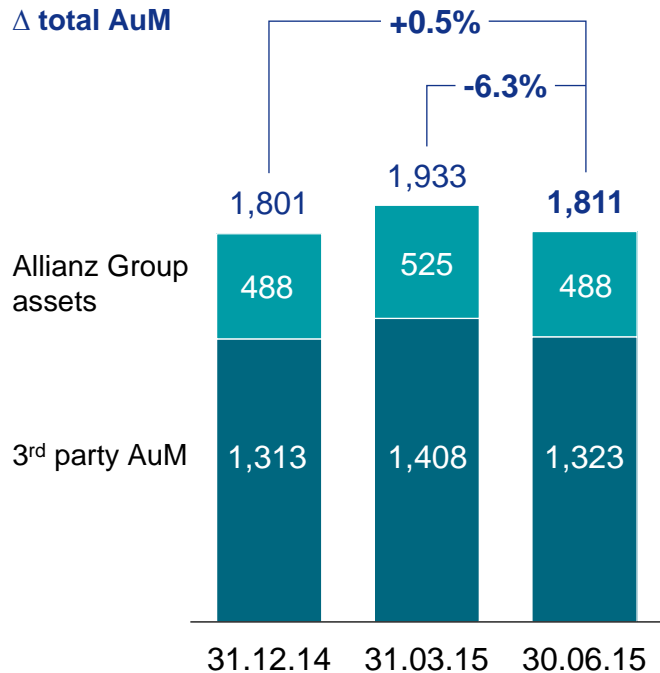


1) Based on local GAAP

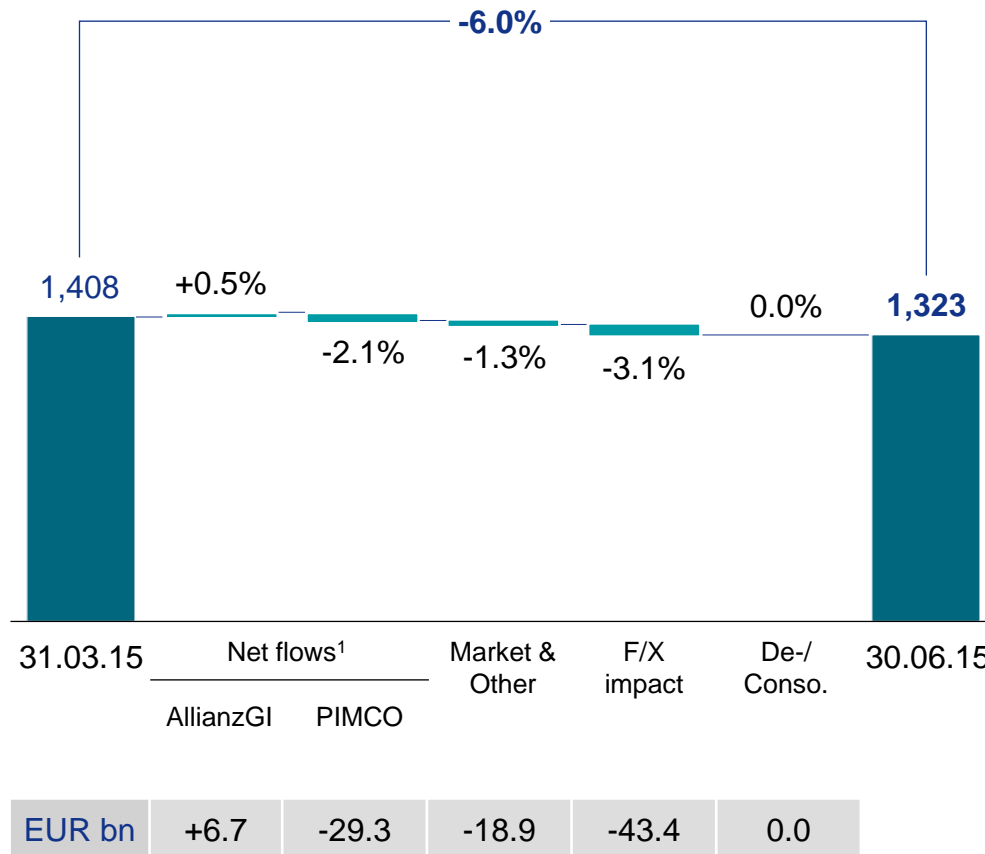
2) 2Q 2015

# AM: AuM flat in 1H 2015 (EUR bn)

Δ total AuM



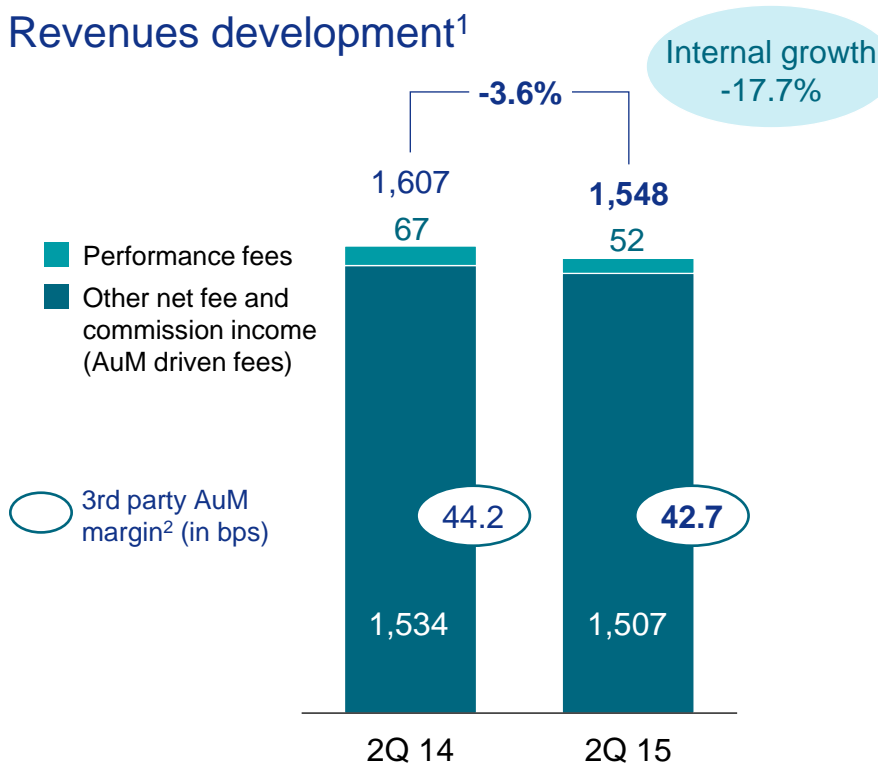
Δ 3<sup>rd</sup> party AuM



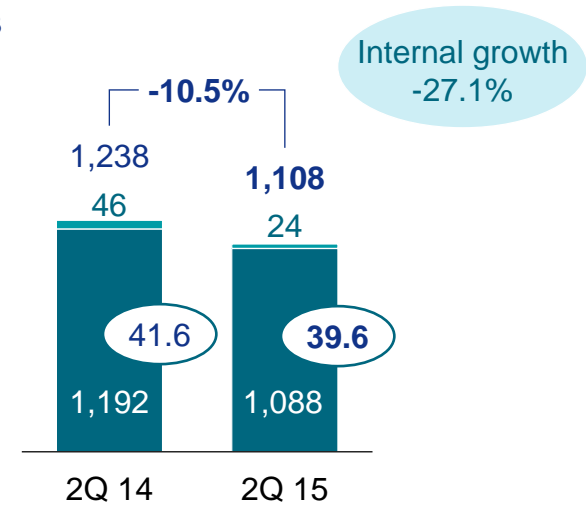
1) Effective 2015, 3rd party net flows contain re-invested dividends (incl. capital gains) from existing clients (EUR +1.9bn for PIMCO and EUR +0.2bn for AllianzGI in 2Q 15). Those have been recognized as market return until 31.12.14

# AM: strong revenue growth at AllianzGI (EUR mn)

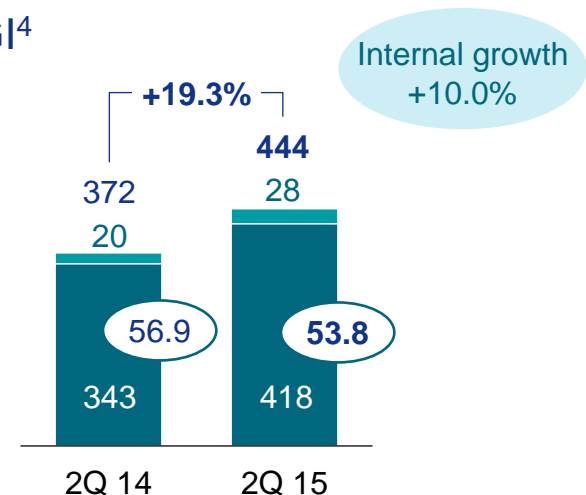
## Revenues development<sup>1</sup>



## PIMCO<sup>3</sup>



## AllianzGI<sup>4</sup>

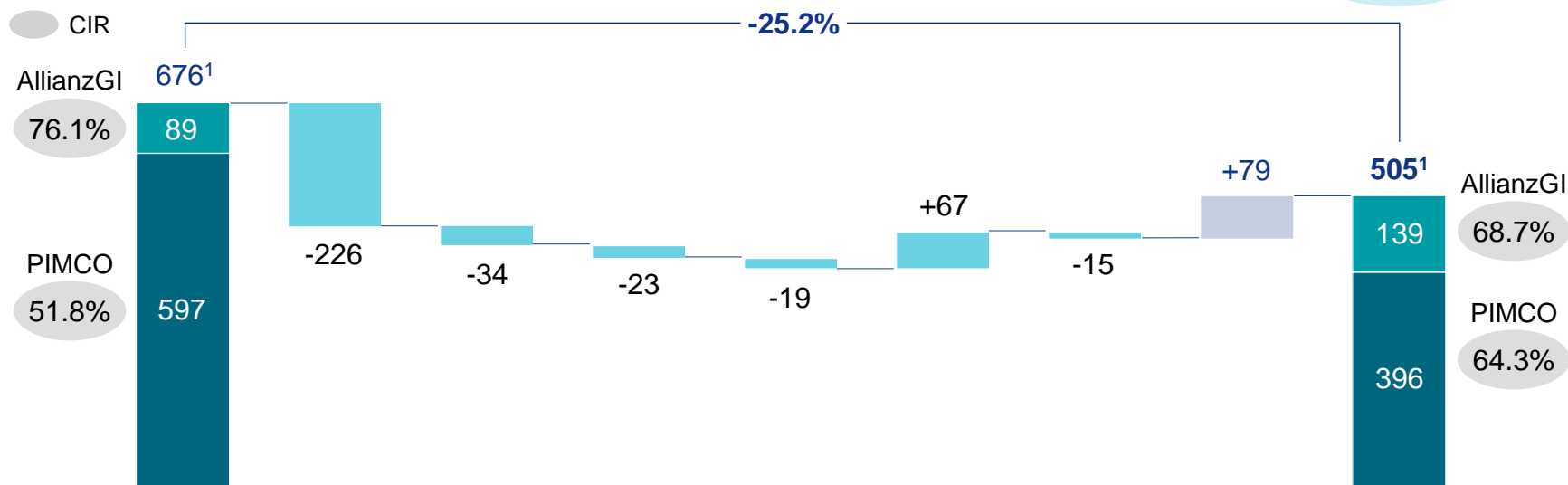


1) "Other" revenues of EUR 6mn (2Q 14) and EUR -10mn (2Q 15) are not shown in the chart  
 2) Excluding performance fees and other income, 3 months  
 3) "Other" PIMCO revenues of EUR 0mn (2Q 14) and EUR -4mn (2Q 15) are not shown in the chart  
 4) "Other" AllianzGI revenues of EUR 9mn (2Q 14) and EUR -2mn (2Q 15) are not shown in the chart



# AM: full-year operating profit target range confirmed

## Operating profit drivers (EUR mn)

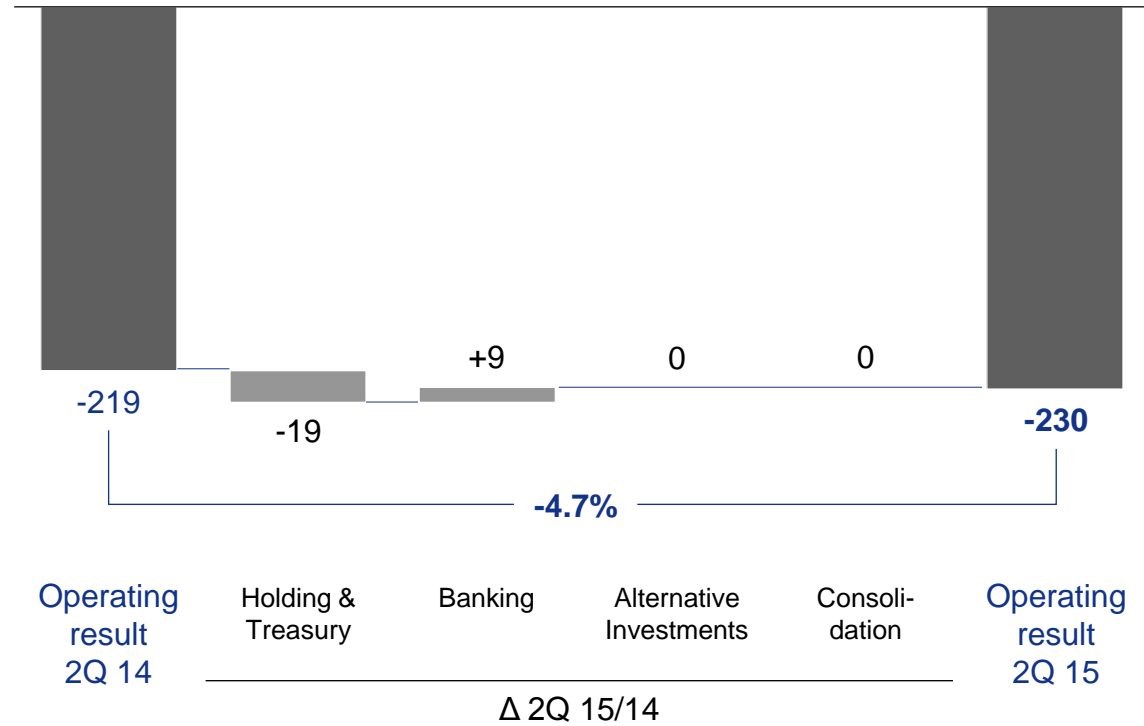


Operating profit 2Q 14	Revenues				Expenses		F/X effect	Operating profit 2Q 15
	Volume <sup>2</sup>	Margin <sup>2</sup>	Performance fees	Other	Personnel	Non-personnel <sup>3</sup>		
F/X impact	+233	+8	+2		-98	-66		CIR
2Q 15	1,507 <sup>2</sup>	52	-10		-624	-419		67.4%
2Q 14	1,534 <sup>2</sup>	67	6		-592	-339		57.9%

1) Including operating loss from other entities of EUR -10mn in 2Q 14 and EUR -29mn in 2Q 15  
 2) Calculation based on currency adjusted average Allianz AuM / Allianz AuM driven margins and based on currency adjusted average third party AuM / third party AuM driven margins  
 3) Including restructuring expenses

# CO: operating result in line with expectations (EUR mn)

## Operating loss development and components



2Q 15	-264	26	8	0
2Q 14	-245	17	8	0

## Group: shareholders' net income up 15 percent (EUR mn)

	2Q 14	2Q 15	Change
Operating profit	2,770	2,842	+72
Non-operating items	-37	137	+174
Realized gains/losses (net)	243	424	+181
Impairments (net)	-24	-43	-20
Income from fin. assets and liabilities carried at fair value (net)	-31	13	+44
Interest expenses from external debt	-206	-213	-7
Fully consolidated private equity inv. (net)	0	-6	-6
Acquisition-related expenses	1	3	+2
Amortization of intangible assets	-20	-41	-21
Income before taxes	2,733	2,979	+246
Income taxes	-875	-867	+7
Net income	1,858	2,112	+254
Non-controlling interests	103	94	-9
Shareholders' net income	1,755	2,018	+263
Effective tax rate	32%	29%	-3%-p

# Summary

- 
- Total revenues at EUR 30.2bn (+2.4%)
  - Operating profit of EUR 2,842mn (+2.6%)
  - Shareholders' net income of EUR 2,018mn (+15.0%)
  - Strong capital position and balance sheet

## Outlook<sup>1</sup> :

Allianz confirms operating profit outlook for 2015 at upper end of target range at EUR 10.8bn

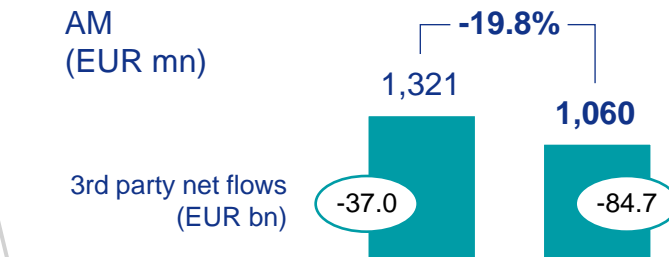
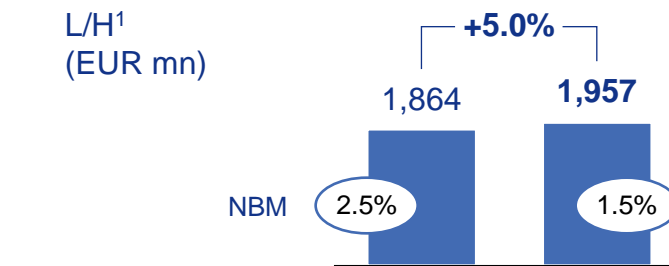
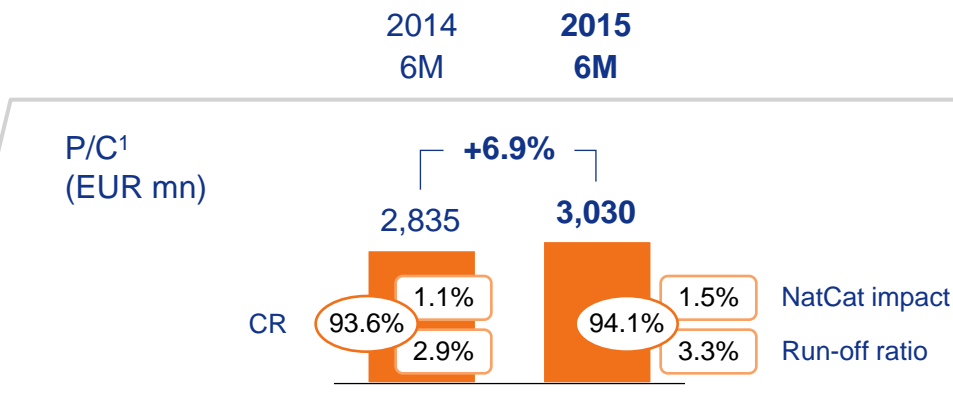
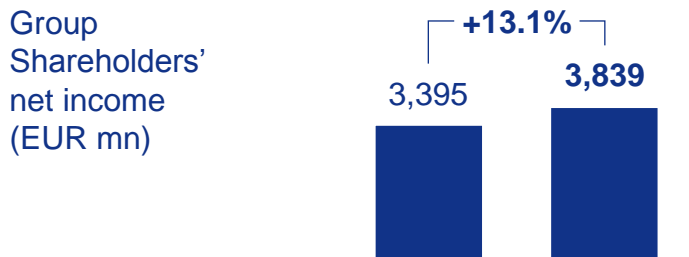
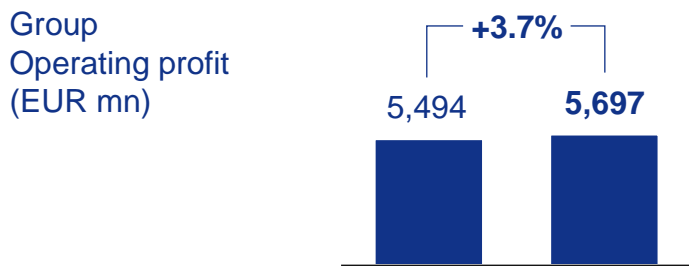
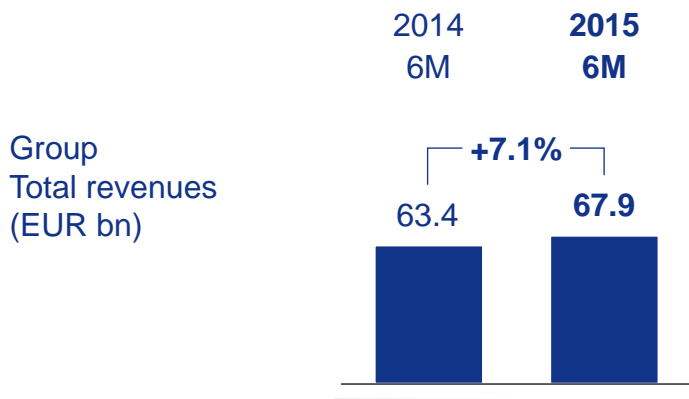
1) Impact from NatCat, financial markets and global economic development not predictable

# 2a

Group financial  
results 2Q 2015

- 1 Highlights
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  - a) Group
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# Financial highlights 6M 2015



1) In 4Q 14 the French International Health business was transferred from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014

## Group: key figures<sup>1</sup> (EUR mn)

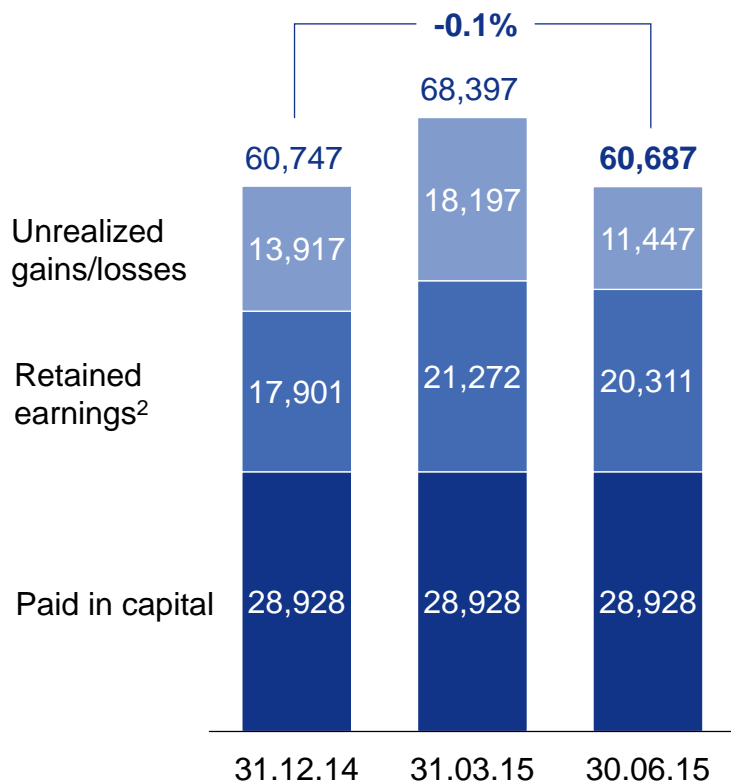
	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	Delta 2Q 15/14	6M 2014	6M 2015	Delta 6M 15/14
<b>Total revenues (EUR bn)</b>	<b>34.0</b>	<b>29.5</b>	<b>28.8</b>	<b>30.1</b>	<b>37.8</b>	<b>30.2</b>	<b>+0.7</b>	<b>63.4</b>	<b>67.9</b>	<b>+4.5</b>
<i>Property-Casualty</i>	15.2	10.8	11.3	11.0	17.3	11.8	+1.0	26.1	29.2	+3.1
<i>Life / Health</i>	17.2	17.0	15.9	17.4	18.8	16.7	-0.2	34.1	35.5	+1.4
<i>Asset Management</i>	1.5	1.6	1.6	1.6	1.6	1.5	-0.1	3.1	3.1	0.0
<i>Corporate and Other</i>	0.1	0.1	0.1	0.2	0.1	0.1	0.0	0.3	0.3	0.0
<i>Consolidation</i>	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	-0.2	-0.2	0.0
<b>Operating profit</b>	<b>2,723</b>	<b>2,770</b>	<b>2,650</b>	<b>2,258</b>	<b>2,855</b>	<b>2,842</b>	<b>+72</b>	<b>5,494</b>	<b>5,697</b>	<b>+204</b>
<i>Property-Casualty</i>	1,489	1,345	1,422	1,125	1,285	1,745	+400	2,835	3,030	+195
<i>Life / Health</i>	880	985	790	673	1,104	853	-132	1,864	1,957	+92
<i>Asset Management</i>	646	676	694	588	555	505	-171	1,321	1,060	-261
<i>Corporate and Other</i>	-222	-219	-248	-131	-101	-230	-10	-442	-331	+111
<i>Consolidation</i>	-69	-16	-9	3	13	-32	-16	-85	-19	+66
Non-operating items	-117	-37	-331	-1,069	-61	137	+174	-154	76	+230
Income before taxes	2,607	2,733	2,319	1,189	2,794	2,979	+246	5,339	5,773	+434
Income taxes	-867	-875	-632	128	-858	-867	+7	-1,741	-1,725	+17
<b>Net income</b>	<b>1,740</b>	<b>1,858</b>	<b>1,687</b>	<b>1,318</b>	<b>1,937</b>	<b>2,112</b>	<b>+254</b>	<b>3,598</b>	<b>4,048</b>	<b>+450</b>
Non-controlling interests	100	103	81	98	115	94	-9	203	209	+6
<b>Shareholders' net income</b>	<b>1,640</b>	<b>1,755</b>	<b>1,606</b>	<b>1,220</b>	<b>1,822</b>	<b>2,018</b>	<b>+263</b>	<b>3,395</b>	<b>3,839</b>	<b>+444</b>
Group financial assets <sup>2</sup> (EUR bn)	556.0	572.8	595.8	612.0	662.0	630.1	+57.3	572.8	630.1	+57.3

1) In 4Q 14 the French International Health business was transferred from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014

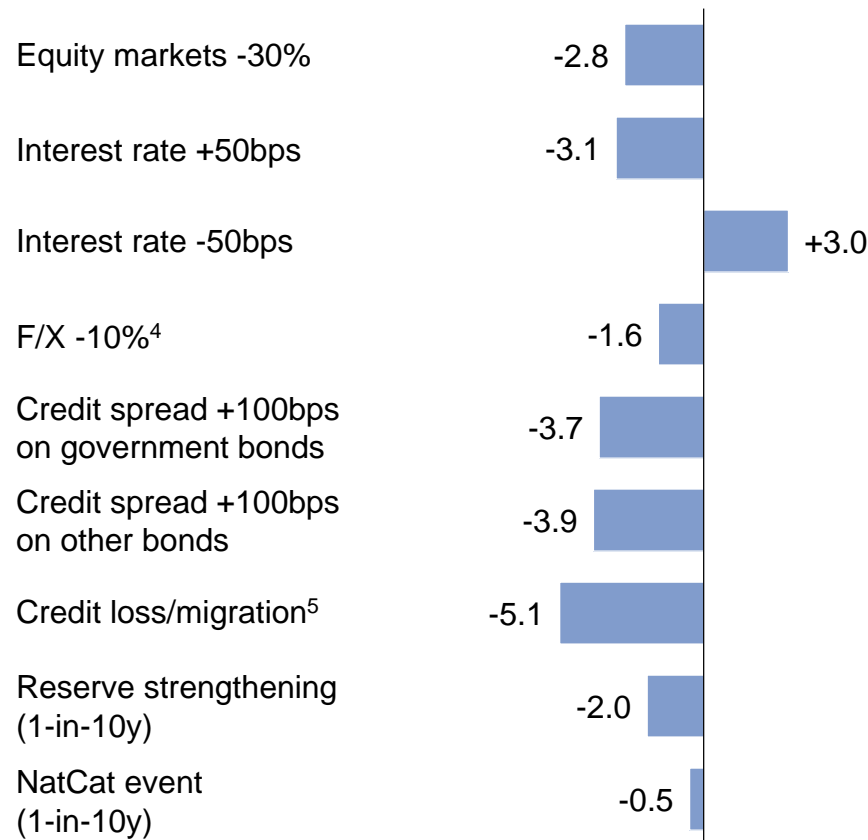
2) Group own assets including financial assets carried at fair value through income, cash and cash pool assets net of liabilities from securities lending, derivatives and liabilities from cash pooling

# Group: shareholders' equity and stress tests

## Shareholders' equity<sup>1</sup> (EUR mn)



## Estimation of stress impact<sup>3</sup> (EUR bn)



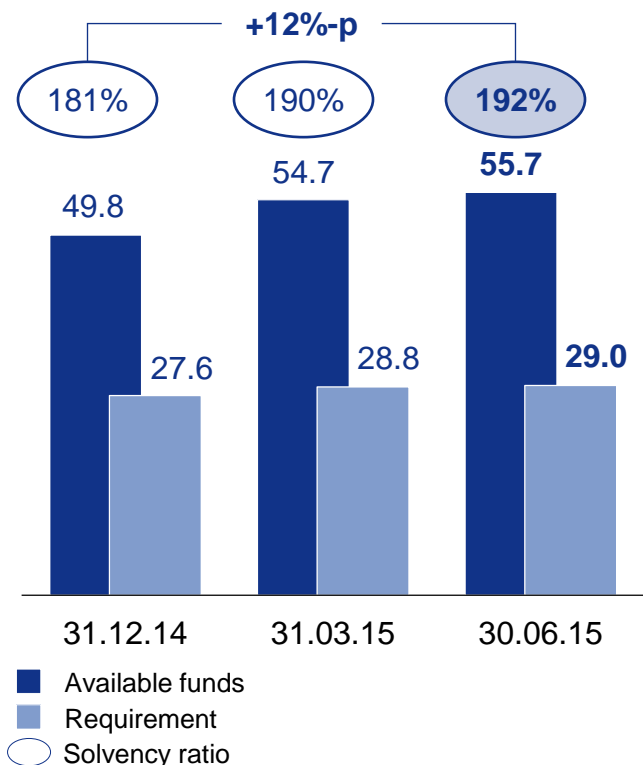
1) Excluding non-controlling interests  
 (31.12.14: EUR 2,955mn; 31.03.15: EUR 3,103mn; 30.06.15: EUR 2,824mn)  
 2) Including F/X  
 3) After non-controlling interests, policyholder participation, tax and shadow DAC

4) Weakening all currencies against EUR  
 5) Credit loss/migration: scenario based on probabilities of default in 1932, migrations adjusted to mimic recession and assumed recovery rate of 30%

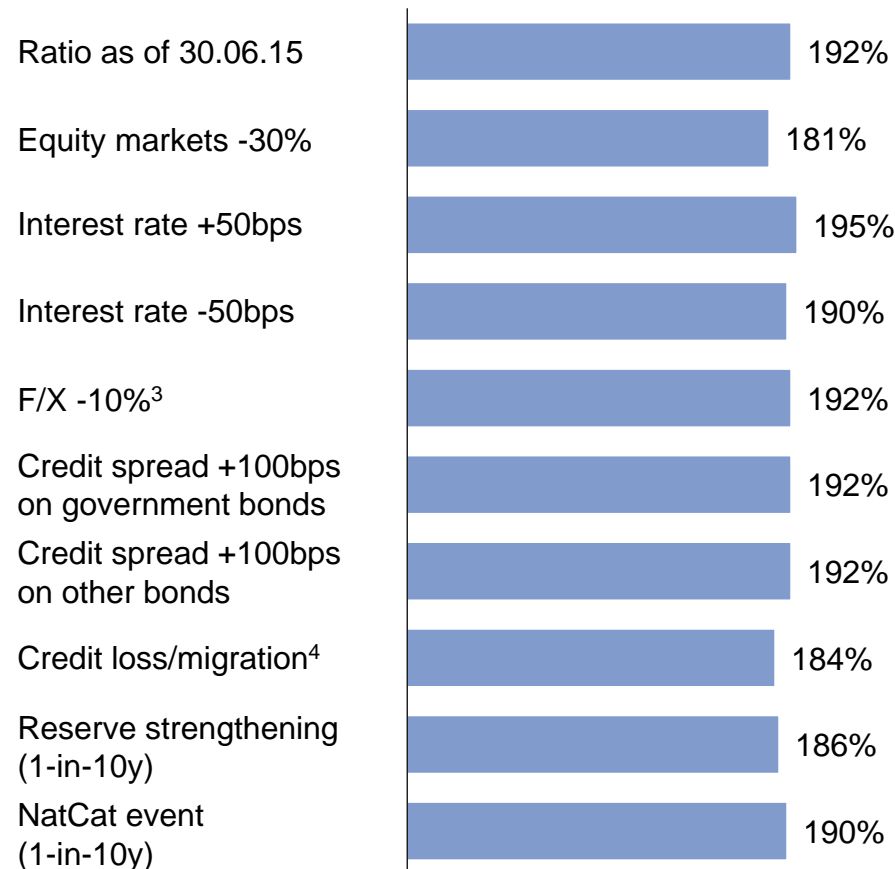


# Group: conglomerate solvency ratio and stress tests

## Conglomerate solvency<sup>1</sup> (EUR bn)



## Estimation of stress impact<sup>1,2</sup>



1) Off-balance sheet reserves are accepted as eligible capital only upon request. Allianz SE has not submitted an application so far. Off-balance sheet reserves amounted to: 31.12.14: EUR 2.3bn, 31.03.15: EUR 2.4bn and 30.06.15: EUR 2.4bn. The solvency ratio excluding off-balance sheet reserves would be 172% for 31.12.14, 182% for 31.03.15 and 184% for 30.06.15

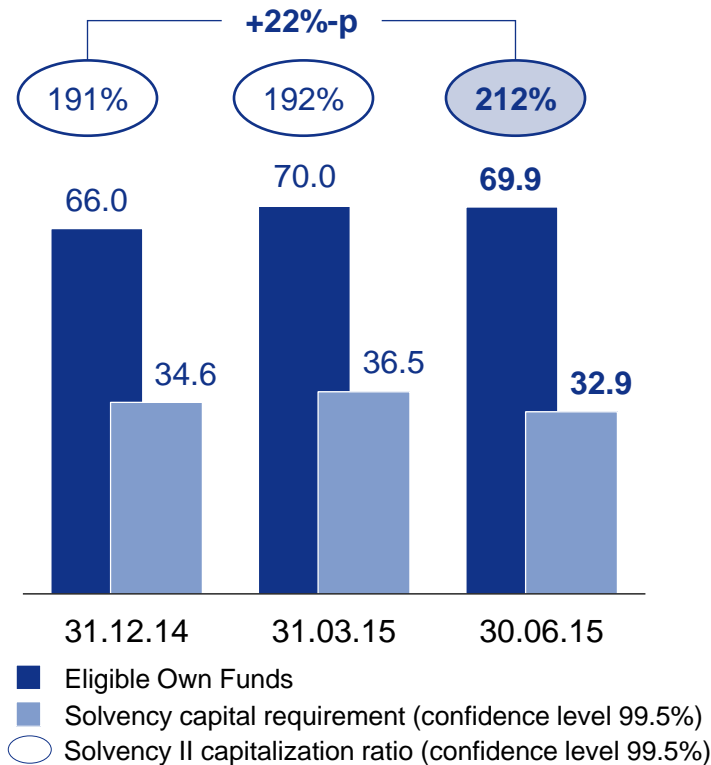
2) After non-controlling interests, policyholder participation, tax and shadow DAC

3) Weakening all currencies against EUR

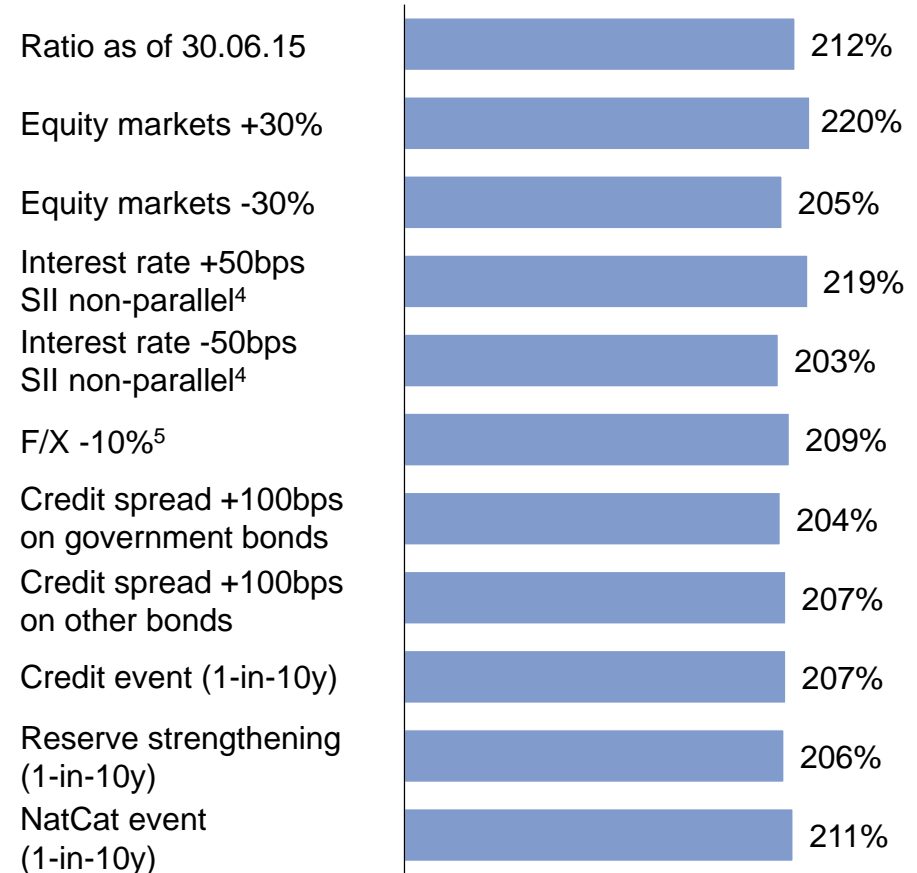
4) Corporate credit loss/migration: scenario based on probabilities of default in 1932, migrations adjusted to mimic recession and assumed recovery rate of 30%

# Group: Solvency II capitalization and stress tests

## SII capitalization<sup>1,2</sup> (EUR bn)



## Estimation of stress impact<sup>3</sup>



1) Including sovereign credit risk based on the domestic light approach. AZ Life included based on third country equivalence with 100% of RBC CAL  
 2) Eligible Own Funds include anchoring in line with EIOPA approach  
 3) Estimated Solvency II capitalization ratio changes in case of stress scenarios (stress applied on both Eligible Own Funds and Solvency capital requirement) Second order effects to other risk types and to own funds transferability restrictions are not considered

4) IR stresses based on non-parallel shifts of the interest rate curve in line with anchoring based on the EIOPA approach  
 5) Weakening all currencies against EUR

# Group: investment result

## (EUR mn)

	Property-Casualty		Life / Health		Asset Management		Corporate and Other		Consolidation		Group	
	2Q 2014	2Q 2015	2Q 2014	2Q 2015	2Q 2014	2Q 2015	2Q 2014	2Q 2015	2Q 2014	2Q 2015	2Q 2014	2Q 2015
<b>Operating investment result</b>												
Interest and similar income <sup>1</sup>	922	961	4,448	4,821	-1	-2	81	108	-14	-20	5,436	5,868
Inc. fr. fin. assets and liab. carried at FV <sup>2</sup>	-15	61	-228	-460	3	-1	11	48	0	-9	-228	-362
Realized gains/losses (net)	29	58	754	1,606	0	0	0	0	0	6	783	1,670
Impairments of investments (net)	-1	-5	-49	-108	0	0	0	0	0	0	-50	-113
F/X result	17	-90	191	-812	1	-8	-3	-59	0	0	206	-968
Investment expenses	-74	-87	-232	-245	0	0	-19	-19	93	86	-232	-265
<b>Subtotal</b>	<b>877</b>	<b>899</b>	<b>4,884</b>	<b>4,802</b>	<b>4</b>	<b>-11</b>	<b>71</b>	<b>78</b>	<b>79</b>	<b>62</b>	<b>5,914</b>	<b>5,830</b>
<b>Non-operating investment result</b>												
Inc. fr. fin. assets and liab. carried at FV	-3	-20	-25	39	0	0	-1	-15	-2	9	-31	13
Realized gains/losses (net)	114	207	90	64	0	0	38	152	1	0	243	424
Impairments of investments (net)	-20	-39	-3	-3	0	0	-1	-1	0	0	-24	-43
<b>Subtotal</b>	<b>91</b>	<b>147</b>	<b>63</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>36</b>	<b>136</b>	<b>-1</b>	<b>10</b>	<b>188</b>	<b>393</b>
<b>Net investment income</b>	<b>968</b>	<b>1,046</b>	<b>4,947</b>	<b>4,903</b>	<b>3</b>	<b>-11</b>	<b>106</b>	<b>214</b>	<b>78</b>	<b>72</b>	<b>6,102</b>	<b>6,224</b>
<i>Investment return in % of avg. investm.<sup>3</sup></i>	<i>0.9%</i>	<i>0.9%</i>	<i>1.1%</i>	<i>1.0%</i>	<i>n/m</i>	<i>n/m</i>	<i>0.3%</i>	<i>0.4%</i>	<i>n/m</i>	<i>n/m</i>	<i>1.1%</i>	<i>1.0%</i>
Movements in unrealized gains/losses on equities	61	-251	456	-1,783	0	0	-36	-135	n/m	n/m	481	-2,170
<i>Total investment return in % of avg. inv.<sup>3</sup></i>	<i>1.0%</i>	<i>0.7%</i>	<i>1.3%</i>	<i>0.6%</i>	<i>n/m</i>	<i>n/m</i>	<i>0.2%</i>	<i>0.2%</i>	<i>n/m</i>	<i>n/m</i>	<i>1.2%</i>	<i>0.6%</i>

1) Net of interest expenses, excluding interest expenses from external debt

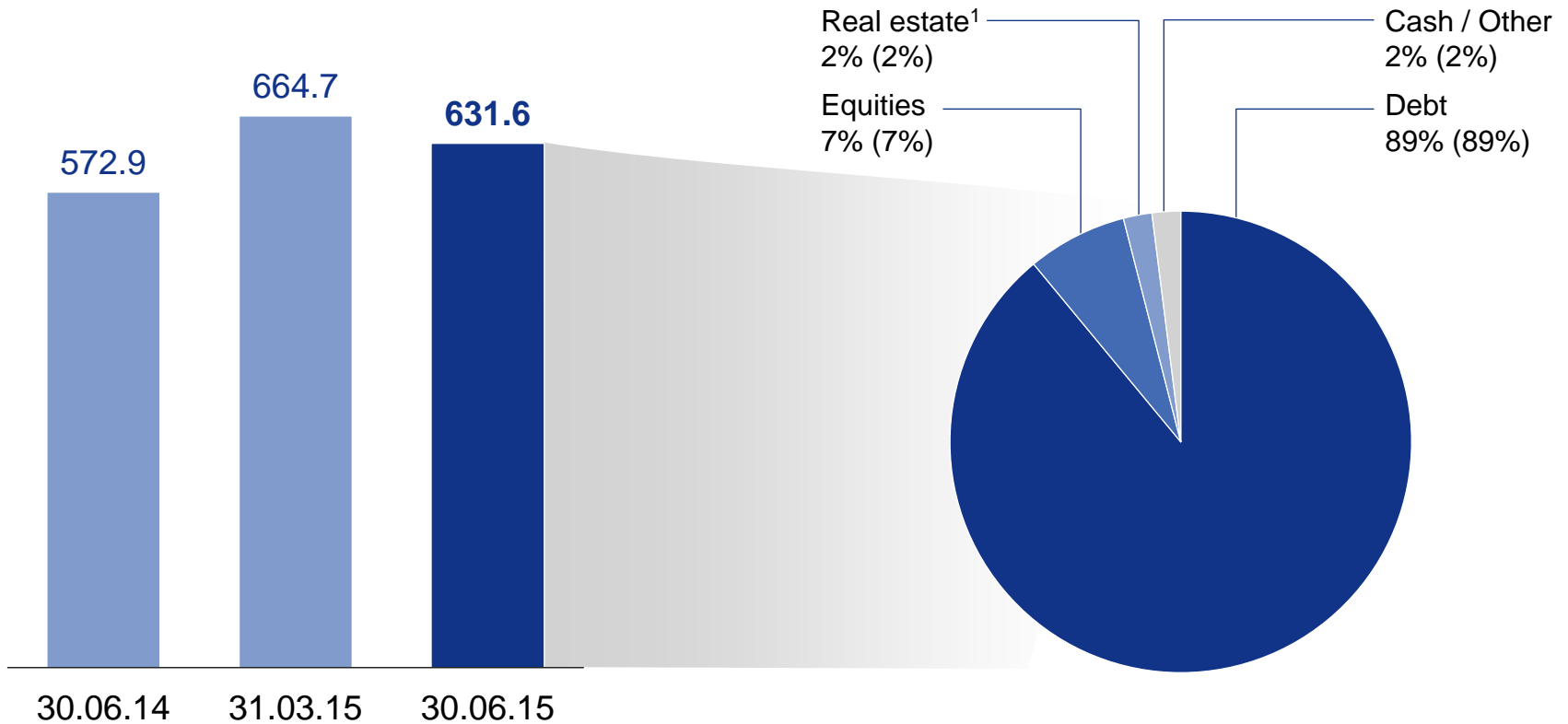
2) Contains income from financial assets/liabilities carried at fair value and operating trading result excluding F/X result

3) Investment return calculation is based on total assets

# Group: overview investment portfolio

Group investments and loans  
(EUR bn)

Asset allocation as of 30.06.15 (30.06.14)



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

# 2b

Group financial  
results 2Q 2015

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## P/C: key figures<sup>1</sup>

(EUR mn)

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	Delta 2Q 15/14	6M 2014	6M 2015	Delta 6M 15/14
<b>Gross premiums written (EUR bn)</b>	15.2	10.8	11.3	11.0	17.3	11.8	+1.0	26.1	29.2	+3.1
<b>Operating profit</b>	1,489	1,345	1,422	1,125	1,285	1,745	+400	2,835	3,030	+195
<i>Underwriting result</i>	704	516	650	380	555	694	+178	1,220	1,249	+29
<i>Investment result</i>	748	805	770	743	799	840	+35	1,552	1,638	+86
<i>Other<sup>2</sup></i>	38	24	2	2	-69	212	+187	62	143	+81
Non-operating items	-576	85	86	-1	0	130	+45	-491	130	+621
Income before taxes	913	1,430	1,509	1,124	1,284	1,876	+446	2,343	3,160	+817
Income taxes	-268	-461	-426	-373	-362	-532	-71	-729	-894	-165
<b>Net income</b>	645	969	1,083	751	922	1,344	+374	1,614	2,266	+651
Non-controlling interests	44	42	31	42	52	37	-4	85	89	+4
<b>Shareholders' net income</b>	601	928	1,051	709	870	1,306	+379	1,529	2,177	+647
<b>Combined ratio (in %)</b>	92.6	94.6	93.5	96.5	94.6	93.5	-1.1%-p	93.6	94.1	+0.4%-p
<i>Loss ratio</i>	64.6	66.2	65.9	67.1	66.4	65.7	-0.5%-p	65.4	66.1	+0.6%-p
<i>Expense ratio</i>	28.0	28.4	27.6	29.3	28.2	27.8	-0.6%-p	28.2	28.0	-0.2%-p
Segment financial assets <sup>3</sup> (EUR bn)	104.6	104.2	106.6	109.2	116.5	111.3	+7.1	104.2	111.3	+7.1

1) In 4Q 14 the French International Health business was transferred from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014

2) 2Q 15 figures include the net gain on the sale of personal lines to ACE of EUR 0.2bn

3) Segment own assets including financial assets carried at fair value through income, cash and cash pool assets net of liabilities from securities lending, derivatives and liabilities from cash pooling

## P/C: portfolio split<sup>1</sup>

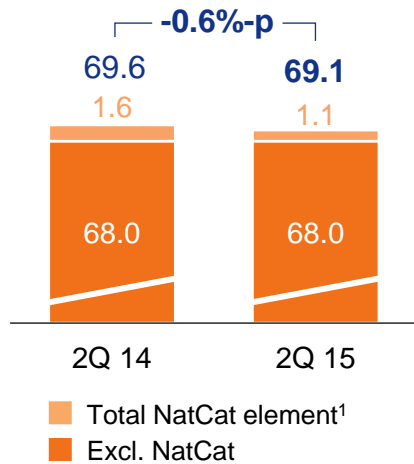
Combined ratio	< 95%	> 95% <100%	> 100%
<b>Key contributors (6M 2015)</b>  <b>Italy</b> <ul style="list-style-type: none"> <li>CR 84.6%. Ongoing excellent performance in a softening market. Declining average motor premium, strong 'Direct' growth and Unipol acquisition lead to AY LR increase. Unipol adds EUR 428mn to top-line.</li> </ul> <b>Germany</b> <ul style="list-style-type: none"> <li>CR 92.1%. Benefitting from positive price momentum and a favorable large loss and expense development. Despite higher NatCat vs py.</li> </ul> <b>AGCS excl. FFIC<sup>2</sup></b> <ul style="list-style-type: none"> <li>Excellent CR of 93.6% supported by run-off in combination with a strong internal growth of 7.7%.</li> </ul>	<b>France</b> <ul style="list-style-type: none"> <li>Favorable CR of 95.0% combined with an internal growth of 1.0% driven by our retail business.</li> </ul> <b>AWP</b> <ul style="list-style-type: none"> <li>CR 97.1%. Our B2B2C business continues with excellent internal growth of 9.1% supported by all lines of business.</li> </ul> <b>Australia</b> <ul style="list-style-type: none"> <li>CR of 99.2% affected by severe NatCat losses, partly mitigated by significant run-off after reserve review. Strong internal growth of 5.1% supported by both positive volume and price effects.</li> </ul>	<b>FFIC<sup>2</sup></b> <ul style="list-style-type: none"> <li>CR of 130.1% affected by EUR 0.1bn reserve strengthening and 1Q NatCat losses. Integration into AGCS on track.</li> </ul> <b>Russia</b> <ul style="list-style-type: none"> <li>CR of 108.8% is 43.1%-p better than prior year driven by both a lower loss and expense ratio. Downscaling of retail business in progress.</li> </ul> <b>Brazil</b> <ul style="list-style-type: none"> <li>CR of 115.7% with turn-around program underway. GPW behind ambition due to faster than planned progress in health portfolio cleaning, whereas motor portfolio back on growth track.</li> </ul>	
Share of GPW	63%	27%	9%
Ø internal growth	3.3%	4.5%	-3.6%

1) Analysis based on OEs as reported. Exception LatAm where analysis is based on individual country performance and Reinsurance PC which is based on Group external business only for calculation of internal growth. Excludes consolidation effects

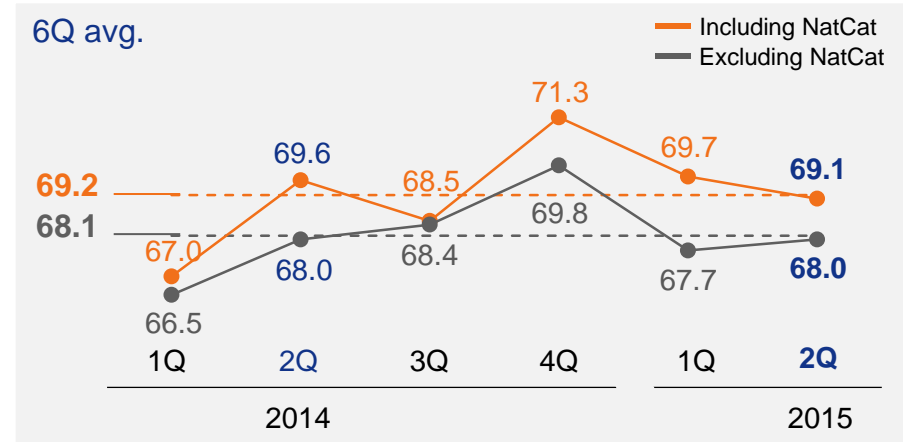
2) Effective 1 January 2015 FFIC was integrated into AGCS Group. Previous period figures were not adjusted. The results from the run-off portfolio included in San Francisco Reinsurance Company Corp., a former subsidiary of FFIC, are reported within Reinsurance PC since January 1, 2015

# P/C: loss ratio and run-off (in %)

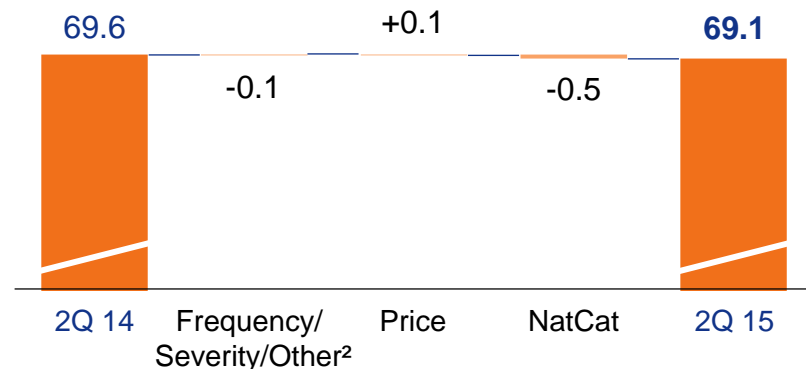
## Accident year loss ratio



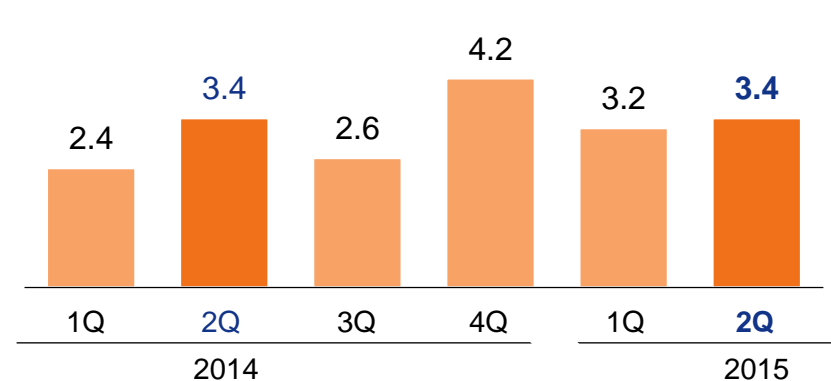
## 6-quarter overview accident year loss ratio



## Development 2Q 15/14 (in %-p)



## Run-off ratio<sup>3</sup> (6Q-average: 3.2%)



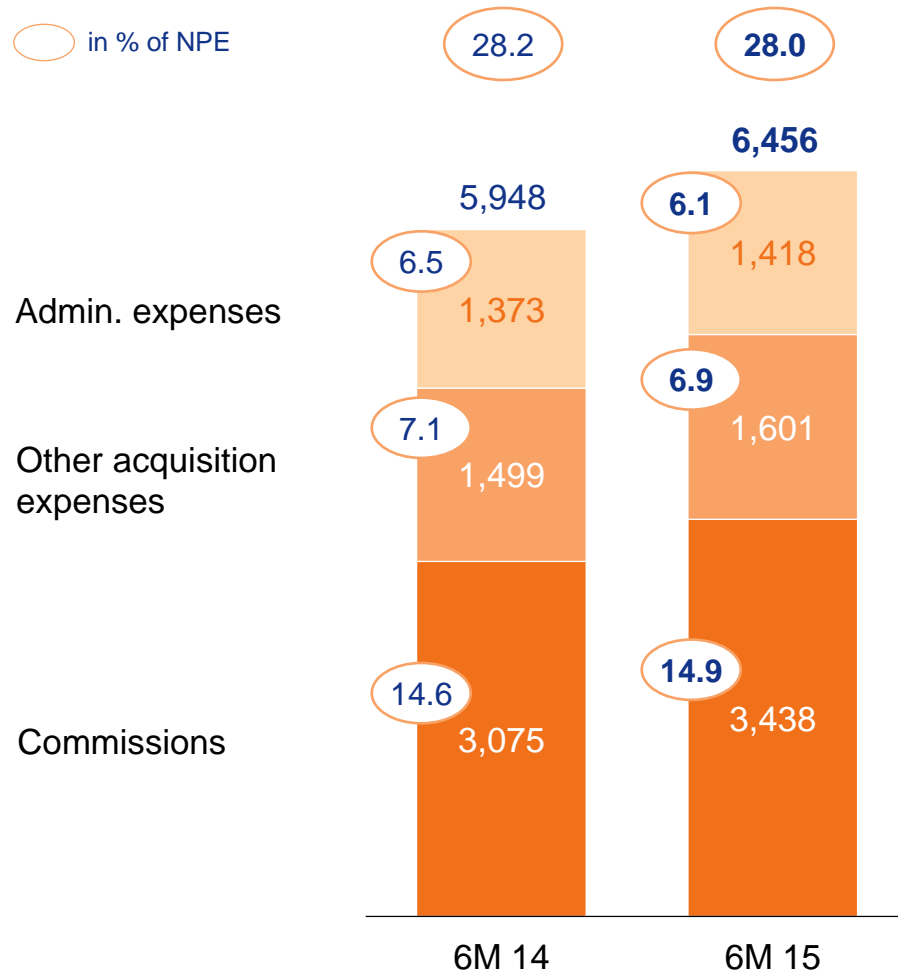
1) NatCat costs (without reinstatement premiums): EUR 172mn (2Q 14) and EUR 122mn (2Q 15)

2) Including large claims, reinsurance, credit insurance

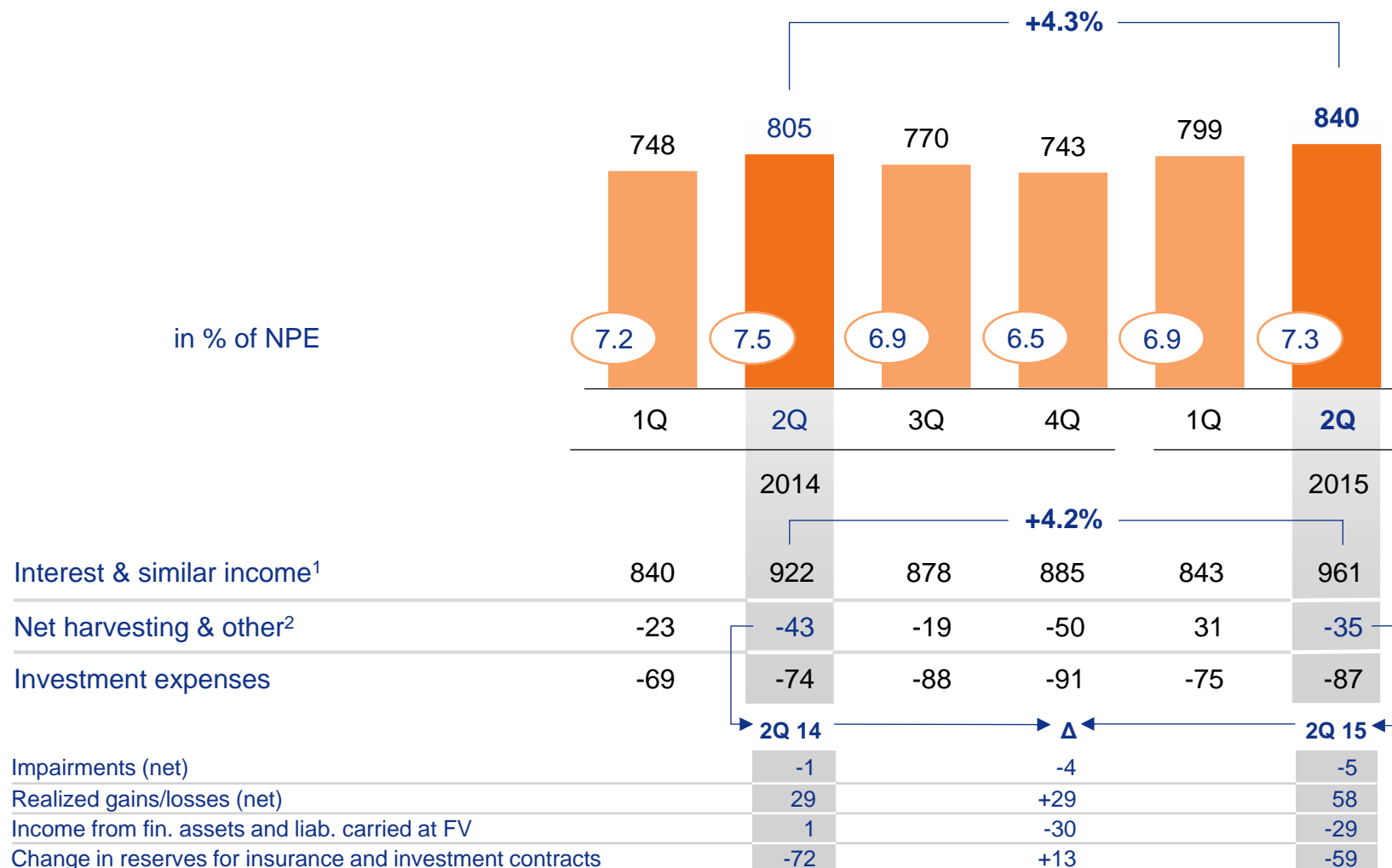
3) Positive values indicate positive run-off; run-off ratio is calculated as run-off result in percent of net premiums earned



# P/C: expense ratio (EUR mn)



# P/C: operating investment result (EUR mn)

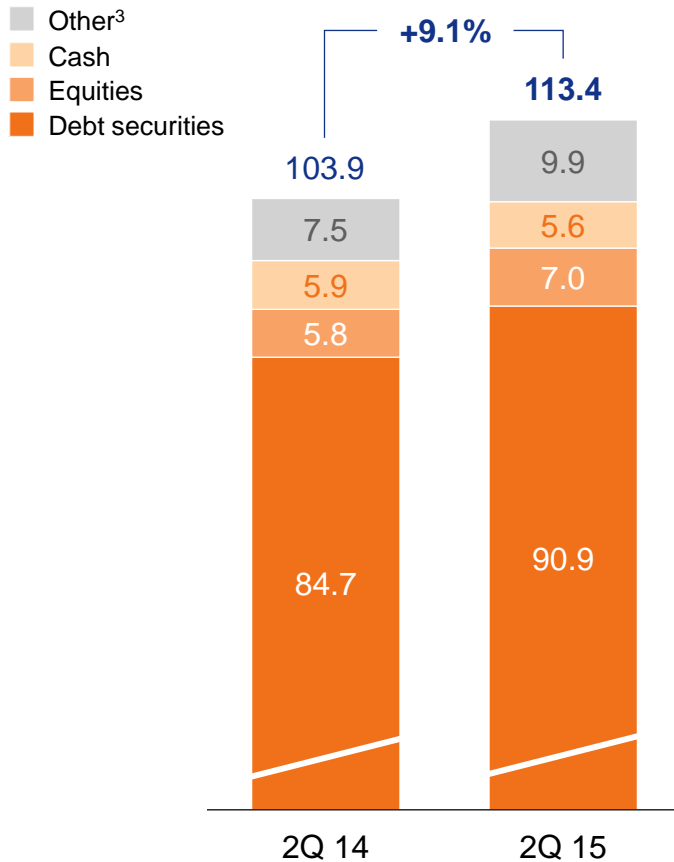


1) Net of interest expenses

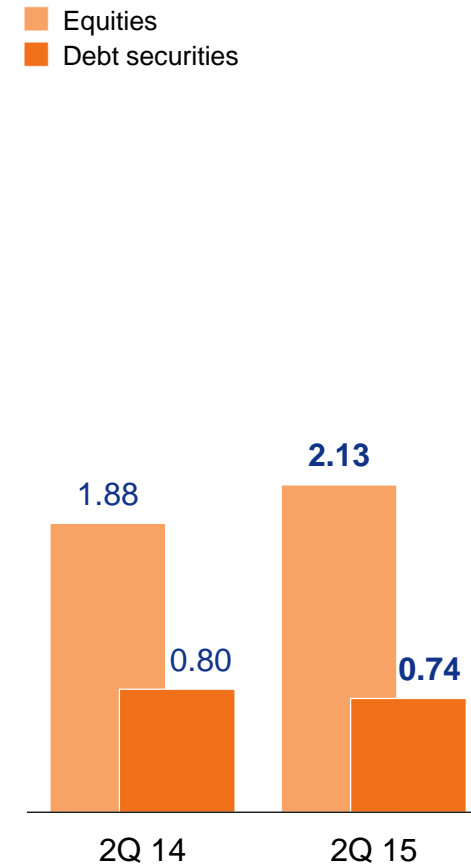
2) Comprises realized gains/losses, impairments (net), fair value option, trading and F/X gains and losses and policyholder participation

# P/C: average asset base and yields

Average asset base<sup>1,2</sup> (EUR bn)



Current yield<sup>2</sup> (in %)



1) Average asset base includes health business France and liabilities from cash pooling, excludes fair value option and trading  
 2) In 4Q 14 the French International Health business was transferred from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014  
 3) Real estate investments and funds held by others under reinsurance contracts assumed

# 2c

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## L/H: key figures<sup>1</sup> (EUR mn)

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	Delta 2Q 15/14	6M 2014	6M 2015	Delta 6M 15/14
<b>Statutory premiums (EUR bn)</b>	<b>17.2</b>	<b>17.0</b>	<b>15.9</b>	<b>17.4</b>	<b>18.8</b>	<b>16.7</b>	<b>-0.2</b>	<b>34.1</b>	<b>35.5</b>	<b>+1.4</b>
<b>Operating profit</b>	<b>880</b>	<b>985</b>	<b>790</b>	<b>673</b>	<b>1,104</b>	<b>853</b>	<b>-132</b>	<b>1,864</b>	<b>1,957</b>	<b>+92</b>
<i>Loadings &amp; fees</i>	1,272	1,287	1,320	1,407	1,441	1,411	+124	2,559	2,852	+293
<i>Investment margin</i>	670	922	701	680	1,002	834	-88	1,592	1,836	+244
<i>Expenses</i>	-1,522	-1,657	-1,586	-1,757	-1,659	-1,624	+33	-3,178	-3,283	-105
<i>Technical margin</i>	270	269	318	346	301	295	+26	539	596	+57
<i>Impact of change in DAC</i>	189	163	39	-2	19	-63	-226	352	-44	-396
Non-operating items	4	54	-15	-55	-39	81	+27	58	43	-15
Income before taxes	884	1,039	776	617	1,065	935	-104	1,923	2,000	+77
Income taxes	-255	-308	-245	-188	-326	-273	+35	-562	-599	-36
<b>Net income</b>	<b>629</b>	<b>731</b>	<b>530</b>	<b>429</b>	<b>739</b>	<b>662</b>	<b>-70</b>	<b>1,360</b>	<b>1,401</b>	<b>+41</b>
Non-controlling interests	31	32	24	35	40	37	+5	63	78	+15
<b>Shareholders' net income</b>	<b>598</b>	<b>699</b>	<b>507</b>	<b>394</b>	<b>699</b>	<b>624</b>	<b>-75</b>	<b>1,297</b>	<b>1,323</b>	<b>+26</b>
<b>Margin on reserves (in bps)</b>	<b>73</b>	<b>79</b>	<b>61</b>	<b>50</b>	<b>77</b>	<b>58</b>	<b>-20</b>	<b>76</b>	<b>70</b>	<b>-6</b>
Segment financial assets <sup>2</sup> (EUR bn)	422.7	438.5	456.4	470.8	510.4	483.6	+45.1	438.5	483.6	+45.1
Unit-linked investments (EUR bn)	82.9	86.9	90.8	94.6	106.2	104.9	+18.0	86.9	104.9	+18.0
Operating asset base <sup>3</sup> (EUR bn)	509.6	529.8	551.8	571.0	622.7	594.1	+64.3	529.8	594.1	+64.3

1) In 4Q 14 the French International Health business was transferred from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014.

Prior year figures changed in order to reflect the roll out of profit source reporting to Malaysia

2) Segment own assets (incl. financial assets carried at fair value through income).

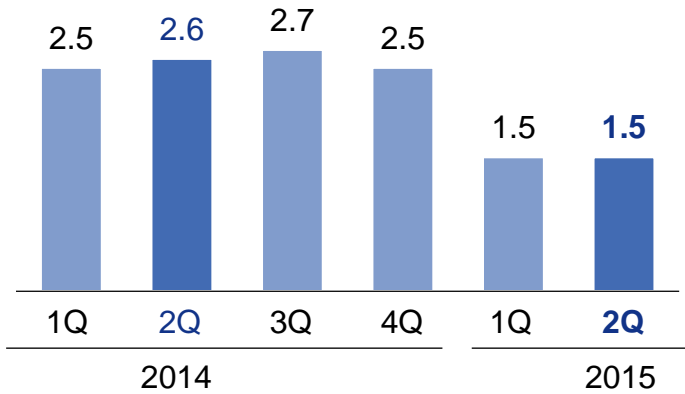
Including cash and cash pool assets net of liabilities from securities lending, derivatives and liabilities from cash pooling

3) Grossed up for insurance liabilities which are netted within the trading book (market value liability option).

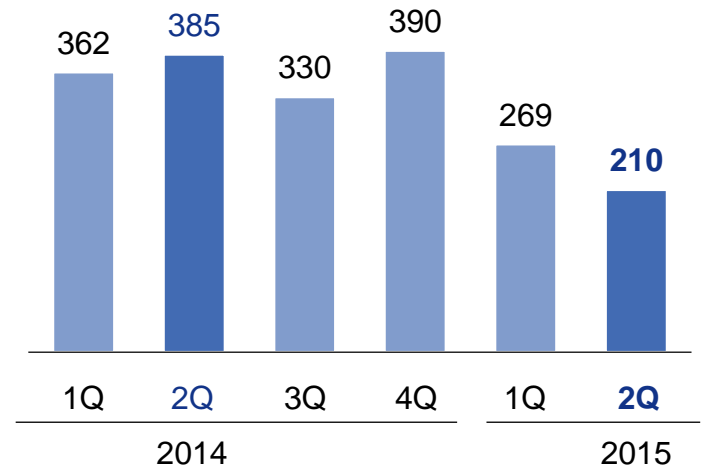
Including cash and cash pool assets net of liabilities from securities lending and derivatives

# L/H: key new business metrics

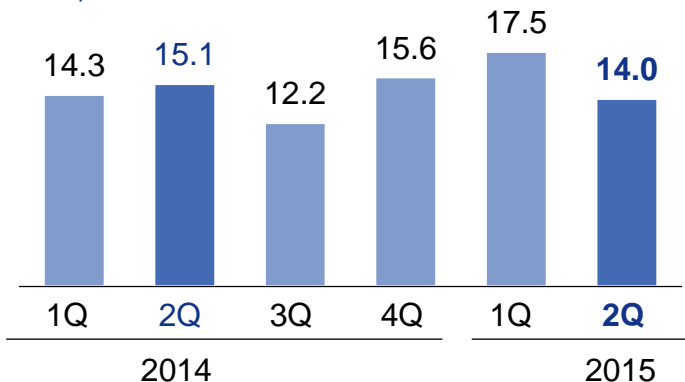
**New business margin<sup>1</sup>**  
(VNB in % of PV of NB premiums)



**Value of new business<sup>1</sup>**  
(EUR mn)

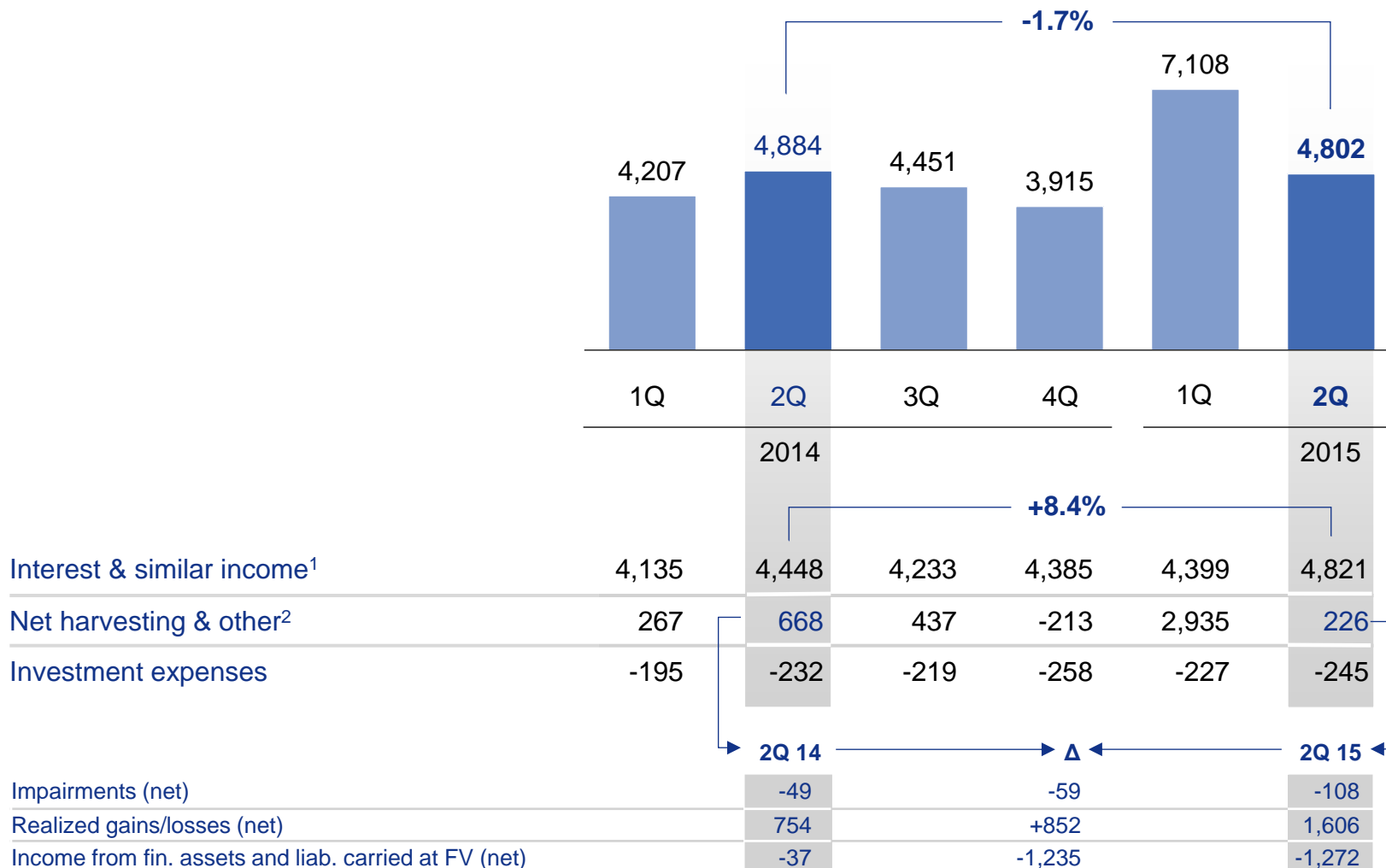


**PV of NB premiums<sup>1</sup>**  
(EUR bn)



1) After non-controlling interests, including internal reinsurance. All values using F/X rates as of valuation date. New business figures were restated by the impact of contract boundaries, removal of holding expenses and the replacement of CNHR and CReC by RM after tax to be aligned with SII balance sheet

# L/H: operating investment result (EUR mn)

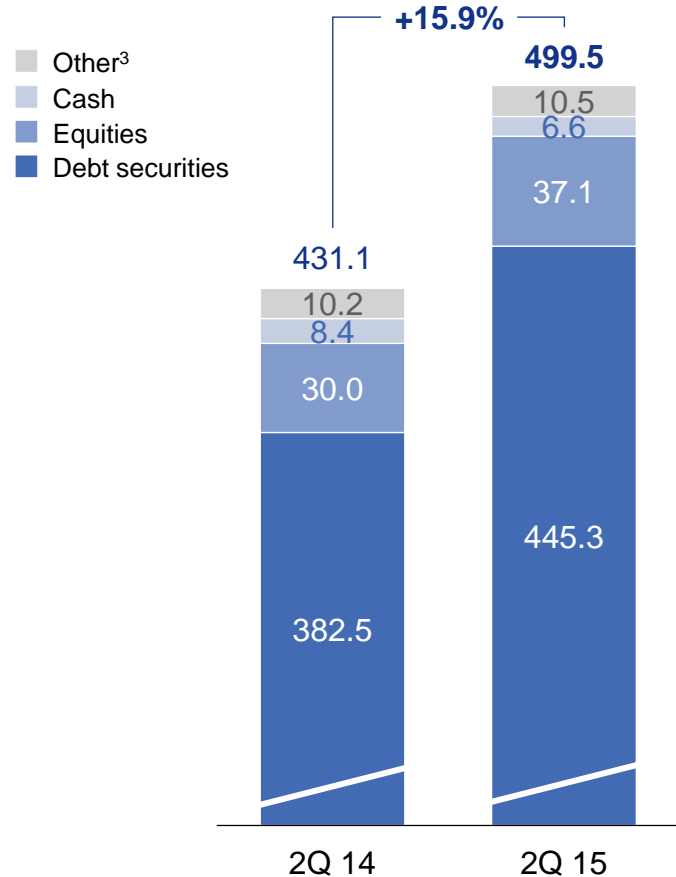


1) Net of interest expenses

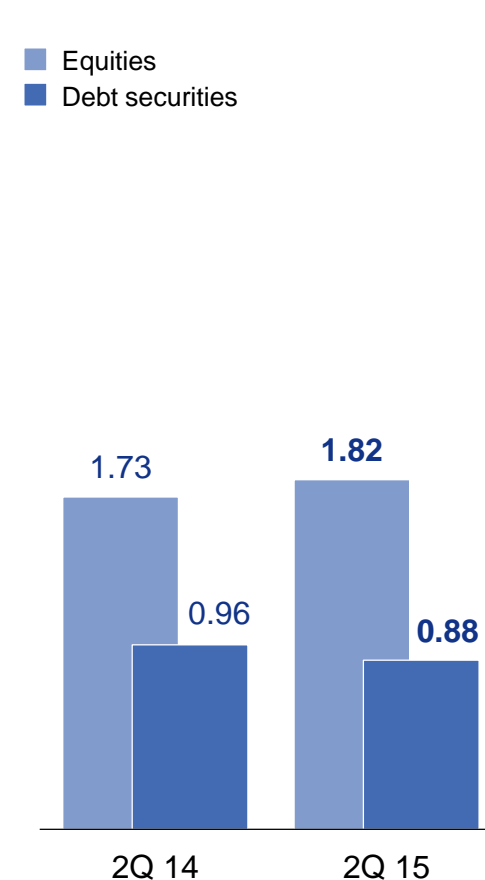
2) Comprises realized gains/losses, impairments (net), fair value option, trading and F/X gains and losses

# L/H: average asset base and yields

Average asset base<sup>1,2</sup> (EUR bn)



Current yield<sup>2</sup> (in %)

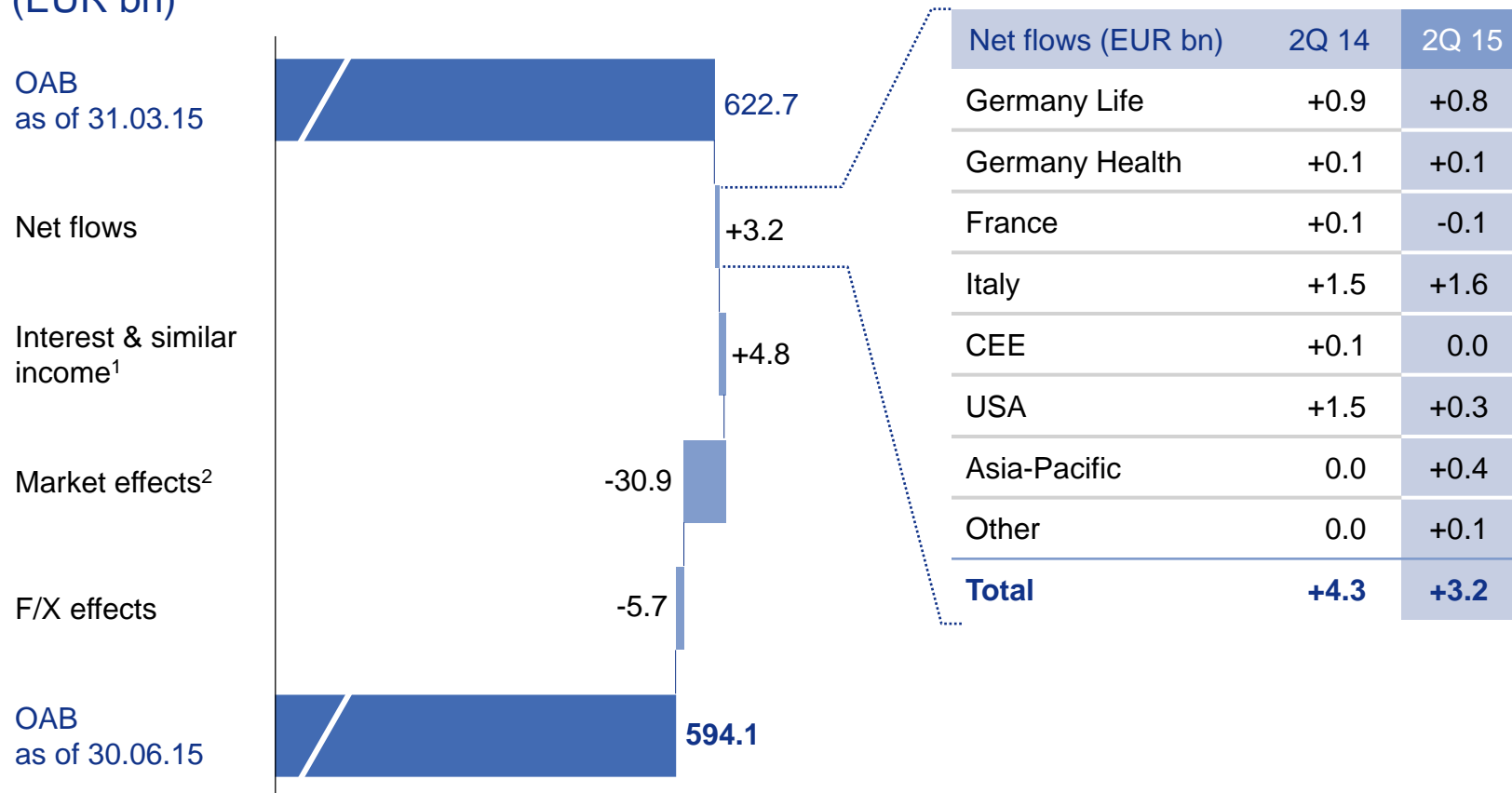


1) Average asset base includes liabilities from cash pooling, excludes fair value option, trading, unit-linked assets  
 2) In 4Q 14 the French International Health business was transferred from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014  
 3) Real estate investments and funds held by others under reinsurance contracts assumed



# L/H: operating asset base

## Operating asset base (EUR bn)



1) Net of interest expenses

2) Includes changes in other assets and liabilities of EUR -1.1bn

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## AM: AAM key figures (1/2)

(EUR mn)

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	Delta 2Q 15/14	6M 2014	6M 2015	Delta 6M 15/14
<b>Operating revenues</b>	<b>1,517</b>	<b>1,607</b>	<b>1,618</b>	<b>1,646</b>	<b>1,573</b>	<b>1,548</b>	<b>-59</b>	<b>3,124</b>	<b>3,121</b>	<b>-3</b>
<b>Performance fees</b>	<b>19</b>	<b>67</b>	<b>40</b>	<b>149</b>	<b>59</b>	<b>52</b>	<b>-15</b>	<b>86</b>	<b>111</b>	<b>+25</b>
<b>Operating profit</b>	<b>646</b>	<b>676</b>	<b>694</b>	<b>588</b>	<b>555</b>	<b>505</b>	<b>-171</b>	<b>1,321</b>	<b>1,060</b>	<b>-261</b>
Non-operating items	-14	-3	2	0	-27	0	+3	-17	-27	-10
Income before taxes	631	673	696	588	528	505	-168	1,304	1,034	-271
Income taxes	-225	-254	-258	-230	-199	-176	+78	-479	-375	+104
<b>Net income</b>	<b>406</b>	<b>419</b>	<b>438</b>	<b>358</b>	<b>329</b>	<b>329</b>	<b>-90</b>	<b>825</b>	<b>658</b>	<b>-167</b>
Non-controlling interests	22	23	22	19	17	16	-7	45	32	-12
<b>Shareholders' net income</b>	<b>385</b>	<b>396</b>	<b>415</b>	<b>340</b>	<b>312</b>	<b>314</b>	<b>-83</b>	<b>781</b>	<b>626</b>	<b>-155</b>
<b>Cost-income ratio (in %)</b>	<b>57.4</b>	<b>57.9</b>	<b>57.1</b>	<b>64.3</b>	<b>64.7</b>	<b>67.4</b>	<b>+9.4%-p</b>	<b>57.7</b>	<b>66.0</b>	<b>+8.3%-p</b>
<b>3rd party AuM (EUR bn)</b>	<b>1,342</b>	<b>1,373</b>	<b>1,411</b>	<b>1,313</b>	<b>1,408</b>	<b>1,323</b>	<b>-50</b>	<b>1,373</b>	<b>1,323</b>	<b>-50</b>
Allianz AuM (EUR bn)	423	441	461	488	525	488	+47	441	488	+47
Total AuM (EUR bn)	1,765	1,814	1,872	1,801	1,933	1,811	-3	1,814	1,811	-3
<b>3rd party net flows<sup>1</sup> (EUR bn)</b>	<b>-19.8</b>	<b>-17.2</b>	<b>-47.4</b>	<b>-141.3</b>	<b>-62.1</b>	<b>-22.5</b>	<b>-5.3</b>	<b>-37.0</b>	<b>-84.7</b>	<b>-47.7</b>
Net flows in 3rd party AuM eop (in %)	-1.5	-1.3	-3.5	-10.0	-4.7	-1.6	-0.3%-p	-2.8	-6.4	-3.7%-p

1) Effective 2015, 3rd party net flows contain re-invested dividends (incl. capital gains) from existing clients (EUR +2.1bn in 2Q 15). Those have been recognized as market return until 31.12.14

## AM: AAM key figures (2/2)

(EUR mn)

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	Delta 2Q 15/14	6M 2014	6M 2015	Delta 6M 15/14
<b>PIMCO</b>										
<b>Operating profit</b>	<b>563</b>	<b>597</b>	<b>594</b>	<b>488</b>	<b>428</b>	<b>396</b>	<b>-201</b>	<b>1,160</b>	<b>823</b>	<b>-336</b>
Performance fees	11	46	25	122	26	24	-22	58	50	-8
Cost-income ratio (in %)	52.2	51.8	52.4	61.2	62.5	64.3	+12.5%-p	52.0	63.4	+11.4%-p
3rd party AuM (EUR bn)	1,116	1,135	1,162	1,053	1,114	1,032	-103	1,135	1,032	-103
3rd party net flows <sup>1</sup> (EUR bn)	-21.7	-20.4	-49.2	-144.8	-68.3	-29.3	-8.9	-42.1	-97.6	-55.5
3-yr. outperformance (in %)	88	89	93	88	87	84	-5%-p	89	84	-5%-p
<b>AllianzGI</b>										
<b>Operating profit</b>	<b>96</b>	<b>89</b>	<b>110</b>	<b>113</b>	<b>135</b>	<b>139</b>	<b>+50</b>	<b>185</b>	<b>274</b>	<b>+89</b>
Performance fees	8	20	15	27	33	28	+7	28	61	+32
Cost-income ratio (in %)	72.1	76.1	70.8	70.9	68.9	68.7	-7.3%-p	74.2	68.8	-5.3%-p
3rd party AuM (EUR bn)	226	238	248	260	294	292	+53	238	292	+53
3rd party net flows <sup>1</sup> (EUR bn)	2.0	3.2	1.8	3.5	6.2	6.7	+3.6	5.1	12.9	+7.8
3-yr. outperformance (in %)	53	51	58	55	58	64	+13%-p	51	64	+13%-p

1) Effective 2015, 3rd party net flows contain re-invested dividends (incl. capital gains) from existing clients (EUR +1.9bn for PIMCO and EUR +0.2bn for AllianzGI in 2Q 15). Those have been recognized as market return until 31.12.14

## AM: splits of 3rd party AuM<sup>1</sup> (EUR bn)

	AAM		PIMCO		AGI	
	30.06.14	30.06.15	30.06.14	30.06.15	30.06.14	30.06.15
<b>Regions<sup>2</sup></b>						
America	853	765	780	680	72	85
Europe	385	416	240	232	145	185
Asia-Pacific	135	142	114	120	21	22
<b>Investment vehicles<sup>3</sup></b>						
Mutual funds	842	784	666	570	176	214
Separate accounts	531	539	468	462	62	77
<b>Asset classes<sup>4</sup></b>						
Fixed income	1,184	978	1,135	918	50	60
Equity	189	154	0	23	189	130
Multi-Assets	n.a.	146	n.a.	54	n.a.	92
Other	n.a.	46	n.a.	37	n.a.	10

1) Comprises 3rd party AuM managed by AAM

2) Based on the origination of the assets by the asset management company

3) Effective 2015, the split of AuM into clients has been replaced by a split into investment vehicles. Mutual funds pool the money of several individual investors into one account. At separate accounts, the money of a single investor is directly managed in a separate dedicated account

4) Effective 2015, the split of AuM into asset classes has been enhanced with two additional asset classes for a more granular breakdown. Multi-Assets is a combination of several different asset classes. Other comprises money market instruments with short maturity as well as alternative investments. Therefore, 2015 and 2014 figures are not comparable

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## CO: key figures (EUR mn)

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	Delta 2Q 15/14	6M 2014	6M 2015	Delta 6M 15/14
<b>Total revenues (Banking)</b>	<b>139</b>	<b>132</b>	<b>135</b>	<b>151</b>	<b>140</b>	<b>131</b>	<b>-1</b>	<b>270</b>	<b>270</b>	<b>0</b>
<b>Operating profit</b>	<b>-222</b>	<b>-219</b>	<b>-248</b>	<b>-131</b>	<b>-101</b>	<b>-230</b>	<b>-10</b>	<b>-442</b>	<b>-331</b>	<b>+111</b>
<i>  Holding &amp; Treasury</i>	-248	-245	-267	-157	-143	-264	-19	-493	-407	+85
<i>  Banking</i>	18	17	11	21	32	26	+9	35	58	+23
<i>  Alternative Investments</i>	8	8	8	6	10	8	0	16	19	+3
<i>  Consolidation</i>	0	0	0	0	0	0	0	0	0	0
<b>Non-operating items</b>	<b>472</b>	<b>-177</b>	<b>-211</b>	<b>-276</b>	<b>27</b>	<b>-89</b>	<b>+89</b>	<b>294</b>	<b>-62</b>	<b>-356</b>
<i>  Holding &amp; Treasury</i>	484	-177	-194	-271	23	-82	+94	307	-60	-367
<i>  Banking</i>	-1	4	3	5	6	5	+1	3	11	+8
<i>  Alternative Investments</i>	-11	-5	-19	-11	-2	-11	-6	-16	-13	+3
<i>  Consolidation</i>	0	0	0	0	0	0	0	0	0	0
Income before taxes	249	-397	-458	-407	-74	-318	+78	-147	-393	-245
Income taxes	-118	148	147	179	25	113	-35	30	138	+108
<b>Net income</b>	<b>131</b>	<b>-249</b>	<b>-311</b>	<b>-228</b>	<b>-49</b>	<b>-205</b>	<b>+43</b>	<b>-117</b>	<b>-254</b>	<b>-137</b>
Non-controlling interests	4	6	3	2	6	4	-2	10	10	0
<b>Shareholders' net income</b>	<b>127</b>	<b>-255</b>	<b>-315</b>	<b>-231</b>	<b>-55</b>	<b>-209</b>	<b>+46</b>	<b>-127</b>	<b>-264</b>	<b>-137</b>
<b>Cost-income ratio Banking (in %)</b>	<b>80.7</b>	<b>75.8</b>	<b>86.6</b>	<b>76.8</b>	<b>71.7</b>	<b>67.0</b>	<b>-8.8%-p</b>	<b>78.3</b>	<b>69.5</b>	<b>-8.8%-p</b>
RWA <sup>1</sup> Banking (EUR bn)	8.9	8.9	9.0	8.9	8.9	8.6	-0.3	8.9	8.6	-0.3

1) RWA data is preliminary; based on Basel approach

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# Glossary (1)

<b>AAM</b>	Allianz Asset Management, mainly the holding company of PIMCO and AllianzGI
<b>ABS</b>	Asset-backed securities: Structured bonds or notes collateralized by a pool of assets such as loans, bonds or mortgages. As characteristics of the collaterals vary considerably (with regard to asset class, quality, maturity, etc.), so do asset-backed securities.
<b>AGCS</b>	Allianz Global Corporate & Specialty
<b>AllianzGI</b>	Allianz Global Investors
<b>AM</b>	Asset Management – AM segment
<b>AuM</b>	<p>Assets under management are assets or securities portfolios, valued at current market value, for which Allianz Asset Management companies provide discretionary investment management decisions and have the portfolio management responsibility. They are managed on behalf of third parties as well as on behalf of the Allianz Group.</p> <p><b>Net flows:</b> Net flows represent the sum of new client assets, additional contributions from existing clients, including dividend reinvestment, withdrawals of assets from, and termination of, client accounts and distributions to investors.</p> <p><b>Market and other:</b> Market and other represents current income earned on, and changes in fair value of, securities held in client accounts. It also includes dividends from net investment income and from net realized capital gains to investors of open ended mutual funds and of closed end funds.</p> <p><b>Multi-assets:</b> A combination of several asset classes (e.g. bonds, stocks, cash and real property) used as an investment. Multi-assets class investments increase the diversification of an overall portfolio by distributing investments throughout several asset classes.</p> <p><b>Other:</b> Composed of other asset classes than equity, fixed income and multi-assets, e.g. money markets, commodities, real estate investment trusts, infrastructure investments, private equity investments, hedge funds.</p>
<b>AuM splits by asset classes</b>	

## Glossary (2)

### AuM splits by investment vehicle

**Mutual funds:** Investment vehicles (in the US, investment companies, subject to the US code; in Germany, vehicles subject to the “Standard-Anlagerichtlinien des Fonds” Investmentgesetz) where the money of several individual investors is pooled into one account to be managed by the asset manager, e.g. open-end funds, closed-end funds.

**Separate accounts:** Investment vehicles where the money of a single investor is directly managed by the asset manager in a separate dedicated account (e.g. public or private institutions, high net worth individuals, corporates)

### Bps

Basis point = 0.01%

### CEE

Central and Eastern Europe

### CNHR

Cost of residual non-hedgeable risk: The allowance made in the MCEV for non-hedgeable risks. This allowance should include the impact of non-hedgeable non-financial risks and non-hedgeable financial risks.

### Combined ratio (CR)

Represents the total of acquisition and administrative expenses (net), excluding one-off effect from pension revaluation, and claims and insurance benefits incurred (net) divided by premiums earned (net).

### Cost-income ratio (CIR)

Operating expenses divided by operating revenues

### Current yield

Represents interest and similar income divided by average asset base at book value (excluding income from financial assets and liabilities carried at fair value); current yield on debt securities adjusted for interest expenses; yield on debt securities including cash components.

### DAC

Deferred acquisition costs: Expenses of an insurance company which are incurred in connection with the acquisition of new insurance policies or the renewal of existing policies. These typically include commissions paid and the costs of processing proposals.

### F/X

Foreign exchange

### Fair value (FV)

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

### FCD

Financial conglomerates directive: European regulation for the supervision of financial conglomerates and financial groups involved in cross-sectoral business operations.

## Glossary (3)

<b>Government bonds</b>	Government bonds include government and government agency bonds.
<b>Gross/Net</b>	In insurance terminology the terms “gross” and “net” mean before and after consideration of reinsurance ceded, respectively. In investment terminology the term “net” is used where the relevant expenses (e.g. depreciations and losses on the disposal of assets) have already been deducted.
<b>Harvesting rate</b>	(Realized gains and losses (net) + impairments on investments (net))/ average investments and loans at book value (excluding income from financial assets/ liabilities carried at fair value)
<b>IFRS</b>	International Financial Reporting Standards: Since 2002, the designation of IFRS applies to the overall framework of all standards approved by the International Accounting Standards Board. Standards already approved before will continue to be cited as International Accounting Standards (IAS).
<b>Internal growth</b>	Enhances the understanding of our total revenue performance by excluding the effects of foreign currency translation as well as of acquisitions and disposals
<b>IRR</b>	Internal rate of return: The discount rate which gives a zero value of new business under real-world projections after allowing for any acquisition expense overrun or underrun
<b>L/H</b>	Life and health insurance
<b>L/H lines of business</b>	<p><b>Guaranteed savings &amp; annuities:</b> Guaranteed savings and annuities are life insurance obligations that always relate to the length of human life. Life obligations may be related to guarantees offering life and/or death coverage of the insured in the form of single or multiple payments to a beneficiary.</p> <p><b>Protection &amp; health:</b> Protection and health insurance covers different risks which are linked to events affecting the physical or mental integrity of a person.</p> <p><b>Unit-linked without guarantee:</b> Conventional unit-linked products are those where all of the benefits provided by a contract are directly linked to the value of assets contained in an internal or external fund held by the insurance undertakings. Performance is linked to a separate account and the investment risk is borne by the policyholder rather than the insurer.</p>

## Glossary (4)

<b>L/H operating profit sources</b>	<p>The objective of the Life/Health operating profit sources analysis is to explain movements in IFRS results by analyzing underlying drivers of performance on a L/H segment consolidated basis.</p> <p><b>Loadings &amp; fees:</b> Includes premium and reserve based fees, unit-linked management fees and policyholder participation on expenses</p> <p><b>Investment margin:</b> Is defined as IFRS investment income net of expenses less interest credited to IFRS reserves less policyholder participation</p> <p><b>Expenses:</b> Includes commissions, acquisition expenses and administration expenses</p> <p><b>Technical margin:</b> Comprises risk result (risk premiums less benefits in excess of reserves less policyholder participation), lapse result (surrender charges and commission claw-backs) and reinsurance result</p> <p><b>Impact of change in DAC:</b> Includes effects of change in DAC, URR and VOBA and is the net impact of deferral and amortization of acquisition costs and front-end loadings on operating profit</p>
<b>Loss frequency</b>	Number of accident year claims reported divided by number of risks in-force
<b>Loss ratio (LR)</b>	Claims and insurance benefits incurred (net) divided by premiums earned (net). Loss ratio calendar year (c.y.) includes the results of the prior year reserve development in contrast to the loss ratio accident year (a.y.).
<b>NatCat</b>	Accumulation of claims that are all related to the same natural or weather/atmospheric event during a certain period of time and where AZ Group's estimated gross loss exceeds EUR 20mn if one country is affected (respectively EUR 50mn if more than one country is affected); or if event is of international media interest.
<b>NBM</b>	New business margin: Value of new business divided by present value of new business premiums
<b>Non-controlling interests</b>	Those parts of the equity of affiliates which are not owned by companies of the Allianz Group.
<b>OAB</b>	Operating asset base: Represents all operating investment assets within the L/H segment. This includes investments & loans, financial assets and liabilities carried at fair value as well as unit-linked investments. Market value liability option is excluded.
<b>OE</b>	Operating entity

## Glossary (5)

<b>Operating profit (OP)</b>	Earnings from ordinary activities before income taxes and non-controlling interests in earnings, excluding, as applicable for each respective segment, all or some of the following items: Income from financial assets and liabilities carried at fair value (net), realized gains/ losses (net), impairments on investments (net), interest expenses from external debt, amortization of intangible assets, acquisition-related expenses and income from fully consolidated private equity investments (net) as this represents income from industrial holdings outside the scope of operating business
<b>P/C</b>	Property and casualty insurance
<b>PIMCO</b>	Pacific Investment Management Company Group
<b>Premiums written/ earned (IFRS)</b>	Premiums written represent all premium revenues in the year under review. Premiums earned represent that part of the premiums written used to provide insurance coverage in that year. In the case of life insurance products where the policyholder carries the investment risk (e.g. variable annuities), only that part of the premiums used to cover the risk insured and costs involved is treated as premium income.
<b>PVNBP</b>	Present value of new business premiums: Present value of projected new regular premiums, discounted with risk-free rates, plus the total amount of single premiums received
<b>Required capital</b>	The market value of assets attributed to the covered business over and above that required to back liabilities for covered business whose distribution to shareholders is restricted
<b>RfB</b>	Reserves for premium refunds (in German: “Rückstellung für Beitragsrückerstattung”): That part of the surplus which will be distributed to policyholders in the future. This refund of premiums is made on the basis of statutory, contractual, or company by-law obligations, or voluntary undertaking.
<b>Run-off ratio</b>	Run-off ratio is calculated as run-off result (result from reserve releases in P/C business) in percent of net premiums earned.
<b>SE</b>	Societas Europaea: European stock company
<b>Solvency ratio</b>	Ratio indicating the capital adequacy of a company comparing eligible funds to required capital
<b>Sovereign bonds</b>	Sovereign bonds include government and government agency bonds.
<b>Statutory premiums</b>	Represent gross premiums written from sales of life insurance policies, as well as gross receipts from sales of unit-linked and other investment-oriented products, in accordance with the statutory accounting practices applicable in the insurer’s home jurisdiction

## Glossary (6)

<b>Total revenues</b>	Represent the sum of P/C segment's gross premiums written, L/H segment's statutory premiums, operating revenues in Asset Management and total revenues in Corporate and Other (Banking)
<b>Unrealized gains and losses</b> (net) (as part of shareholders' equity)	Include primarily unrealized gains and losses from available-for-sale investments net of tax and policyholder participation
<b>VNB</b>	Value of new business: The additional value to shareholder created through the activity of writing new business. It is defined as present value of future profits (PVFP) after acquisition expense overrun or underrun, minus the time value of financial option and guarantees (O&G), minus the cost of residual non-hedgeable risk (CNHR), minus the frictional cost of holding required capital (CReC), all determined at issue date.
<b>3-year-outperformance AM</b>	The investment performance is based on Allianz Asset Management account-based, asset-weighted three-year investment performance of third-party assets versus the primary target including all accounts managed by portfolio managers of Allianz Asset Management. For some retail funds, the net of fee performance is compared to the median performance of the corresponding Morningstar peer group (first and second quartile mean outperformance). For all other retail funds and for all institutional accounts, the gross of fee performance (revaluated based on closing prices) is compared to the respective benchmark based on different metrics.

# Disclaimer

These assessments are, as always, subject to the disclaimer provided below.

## Forward-looking statements

The statements contained herein may include prospects, statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those expressed or implied in such forward-looking statements.

Such deviations may arise due to, without limitation, (i) changes of the general economic conditions and competitive situation, particularly in the Allianz Group's core business and core markets, (ii) performance of financial markets (particularly market volatility, liquidity and credit events) (iii) frequency and severity of insured loss events, including 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 including the Euro/U.S. Dollar exchange rate, (ix) changes in laws and regulations, including tax regulations, (x) the impact of acquisitions, including related integration issues, and reorganization measures, and (xi) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

## No duty to update

The company assumes no obligation to update any information or forward-looking statement contained herein, save for any information required to be disclosed by law.