2015 operating profit near the upper end of target range

- Total revenues reach new high of 125.2 billion euros, up 2.4 percent
- 2015 operating profit up 3.2 percent to 10.7 billion euros
- 4Q operating profit up 14.5 percent to 2.6 billion euros
- Solvency II capitalization strong at 200 percent
- Board of Management to propose dividend of 7.30 euros per share
- Board of Management confident for 2016 – outlook operating profit: 10.5 billion euros, plus/minus 500 million euros

QUARTERLY AND FULL YEAR RESULTS

<table>
<thead>
<tr>
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<th>three months ended 31 December</th>
<th>12 months ended 31 December</th>
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<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2014</td>
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<tr>
<td></td>
<td>€ bn</td>
<td>€ bn</td>
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<tr>
<td>Total revenues</td>
<td>29.7</td>
<td>30.1</td>
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<tr>
<td>Operating profit</td>
<td>2.6</td>
<td>2.3</td>
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<tr>
<td>Net income attributable to shareholders</td>
<td>1.4</td>
<td>1.2</td>
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Allianz delivers as promised

Allianz Group achieved strong results in 2015 with operating profit rising to 10.7 billion euros, driven by a very good fourth quarter. In the Property and Casualty insurance segment, both gross premiums written and operating profit increased, the latter despite a higher impact from natural catastrophes compared to the previous year. In the Life and Health insurance segment, the strategic shift in product mix accelerated, leading to a slight reduction in revenues, while operating profit increased. In Asset Management, third-party net outflows continued to decrease over the year. Lower average third-party assets under management are mirrored in the segment’s operating profit.

“Allianz steadily delivers strong results in increasingly challenging operating conditions. Our business is healthy and well-diversified. This makes us confident that we will continue to deliver strong earnings. We look to generate 10.5 billion euros in operating profit in 2016, plus or minus
500 million euros," said Oliver Bäte, CEO of Allianz SE. "For 2015, the Board of Management will propose a dividend of 7.30 euros per share, an increase of 6.6 percent over 2014."

"Strong performance in our insurance operations plus performance fees in asset management in the fourth quarter drove full-year operating profit close to the top of the target earnings range," said Dieter Wemmer, CFO of Allianz SE. "Active risk management led to a strong capital ratio of 200 percent under Solvency II rules, leaving us well prepared for today’s volatile markets."

**Group: strong operating profit growth**

*Operating profit* for the year rose by 3.2 percent to 10.7 billion euros, arriving near the upper end of the 2015 target range. Growth was driven by the insurance segments, while operating profit in Asset Management declined as expected. An improved non-operating result supported the 6.3 percent increase in *net income attributable to shareholders*. *Total revenues* for the year increased by 2.4 percent. *Basic Earnings per Share (EPS)* rose 6.2 percent to 14.56 euros. *Return on equity* was at 12.5 percent in 2015 (2014: 13.0 percent).

The *Solvency II ratio* rose to 200 percent compared to 191 percent at the end of 2014 due to active risk management. In November 2015, the internal model was approved by the German supervisory authority.

*Total revenues* in the fourth quarter decreased 1.1 percent, largely due to the targeted shift toward unit-linked and capital-efficient products in Life and Health. *Operating profit growth in the quarter* was strong in the Life and Health segment, driven by higher net realized gains, mainly in Germany, and a rising asset base in the United States. In the Property and Casualty segment, better underwriting and investment results supported operating profit growth. In Asset Management, favorable foreign currency effects and higher performance fees mitigated the effect of lower assets under management.
Property and Casualty insurance: strong internal growth

In the Property and Casualty segment, **gross premiums written** increased by 6.8 percent to 51.6 billion euros in the full year. Adjusted for foreign exchange and consolidation effects, internal growth was 2.9 percent, with Allianz Worldwide Partners, Turkey and industrial insurer Allianz Global Corporate & Specialty (AGCS) as the main drivers. **Operating profit** for the year increased by 4.1 percent to 5.6 billion euros. The **combined ratio** for the full year was 0.3 percentage points higher than in the previous year and stood at 94.6 percent. The impact of natural catastrophes rose to 1.6 percentage points, up from 0.9 percentage points the year before.

**Gross premiums written** amounted to 10.9 billion euros in the fourth quarter of 2015, 1.0 percent lower than in the year-earlier quarter. Adjusted for foreign exchange and consolidation effects, internal growth was 2.6 percent and driven in particular by Turkey and AGCS. Both price and volume effects were positive.

**Operating profit** in the fourth quarter increased 8.6 percent to 1.2 billion euros compared to the prior-year quarter. Claims from natural catastrophes increased, primarily due to storms and flooding in the UK, as well as floods in France, the United States and India. This was offset by a larger run-off contribution. The **combined ratio** improved by 0.2 percentage points to 96.2 percent in the fourth quarter compared to the year-earlier period.

Growth continued in both **core markets** as well as emerging markets, even leading to the highest annual premium growth in the last ten years. We continue to support our growth agenda with targeted acquisitions, including the recent acquisition of a commercial P&C portfolio in the Netherlands.

Life and Health insurance: accelerating the strategic shift in product mix

In Life and Health insurance, **operating profit** for the year jumped 14.1 percent to 3.8 billion euros, mainly driven by a higher investment margin. **Statutory premiums** for the full year were 66.9 billion euros, a decrease of 0.6 percent. The development of the **new business margin (NBM)** throughout the year reflects the targeted shift toward unit-linked and capital-efficient products. In the first half, continued low interest rates and market volatilities led to a
comparatively low NBM of 1.5 percent. The targeted change in product mix positively affected the second half of the year, when the NBM nearly doubled to 2.9 percent, bringing the average NBM for the year to 2.1 percent. Correspondingly, the value of new business (VNB) was higher in the second half of the year versus the first half of the year. In total, VNB decreased by 18.5 percent to 1.2 billion euros compared to 2014 due to interest rate effects in the first half of the year.

Statutory premiums in the fourth quarter were 17.0 billion euros, a decrease of 1.8 percent. This was mainly due to reduced sales of traditional products in Italy and the non-recurrence of the elevated premiums from the fixed-indexed annuity business in the United States in the fourth quarter of 2014.

Operating profit increased by 63.7 percent to 1.1 billion euros in the quarter. This increase was mainly driven by a higher investment margin on an increased asset base in the United States and higher net realized gains in the German life business.

The value of new business (VNB) rose slightly to 392 million euros in the quarter. As a result of changes in product strategy, premiums shifted to unit-linked and capital-efficient products and the new business margin increased by 0.3 percentage points to 2.8 percent compared to one year ago.

Allianz succeeded in two very important areas in 2015 in the Life and Health segment: the continued shift toward new products that are specifically designed for the low interest rate environment and the significant improvement of the new business margin in the second half of 2015.

Asset Management: third-party net outflows significantly reduced

In Asset Management, operating profit declined 11.8 percent for the year. This mainly reflects an impact from an overall lower asset base that resulted from continued — albeit declining — third-party net outflows at PIMCO and, to a lesser extent, a decrease in margin on third-party assets under management. At PIMCO, third-party net outflows nearly halved compared to 2014, while Allianz Global Investors achieved record third-party net inflows. Allianz Global Investors recorded their highest operating profit since the implementation of the new structure at Asset Management in 2012. The cost-income ratio (CIR) went up 5.3 percentage points to 64.5 percent for the entire segment.
Operating profit in the fourth quarter increased by 8.2 percent to 637 million euros. On an internal basis, excluding positive foreign currency effects, mainly from the appreciation of the U.S. dollar against the euro, operating profit decreased by 2.7 percent. Following the drop in average third-party assets under management, related revenues decreased. This was partly offset by higher performance fees and lower operating expenses.

The CIR improved to 63.0 percent from 64.3 percent in the year-earlier quarter, mainly reflecting higher performance fees in the quarter.

Compared to September 30, 2015, third-party assets under management increased by 17 billion euros to 1,276 billion euros, driven by positive foreign currency translation effects. The fourth quarter saw third-party net outflows recede to 8 billion euros, compared to net outflows of 141 billion euros in the previous year’s fourth quarter. Outflows were driven by third-party net outflows at PIMCO, while Allianz Global Investors recorded third-party net inflows for the twelfth consecutive quarter.

Asset Management performed within expectations in 2015. The continued slowdown of net outflows at PIMCO and the strong development at Allianz Global Investors are pleasing. However, Asset Management will remain in focus in 2016.
These assessments, as are 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 maybe 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 be disclosed by law.