

Allianz Media Release

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

		three months ended 31 December			12 months ended 31 December		
		2015	2014	Change from previous year	2015	2014	Change from previous year
Total revenues	€ bn	29.7	30.1	-1.1 %	125.2	122.3	2.4 %
Operating profit	€ bn	2.6	2.3	14.5 %	10.7	10.4	3.2 %
Net income attributable to shareholders	€ bn	1.4	1.2	16.2 %	6.6	6.2	6.3 %

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

Full year 2015

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).

Solvency II ratio
200% at year-end

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.

Revenues down
1.1% in 4Q

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
up 14.5% in 4Q

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

Full year 2015

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 down 1.0% in 4Q

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.

Combined ratio 96.2% in 4Q

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.

Management assessment

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

Full year 2015

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 4Q
down 1.8%

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
€1.1bn in 4Q

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.

NBM 2.8% and
VNB €392mn
in 4Q

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.

Management
assessment

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

Full year 2015

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
€637mn in 4Q

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.

CIR 63.0% in 4Q

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

3P net outflows in
4Q at €8bn

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.

Management
assessment

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.

Allianz Group - preliminary key figures 4th quarter and fiscal year 2015

		4Q 2015	4Q 2014	Δ	12M 2015	12M 2014	Δ	
Total revenues	€ bn	29.7	30.1	-1.1%	125.2	122.3	2.4%	
- Property-Casualty	€ bn	10.9	11.0	-1.0%	51.6	48.3	6.8%	
- Life/Health	€ bn	17.0	17.4	-1.8%	66.9	67.3	-0.6%	
- Asset Management	€ bn	1.7	1.6	4.6%	6.5	6.4	1.4%	
- Corporate and Other	€ bn	0.2	0.2	6.3%	0.6	0.6	3.7%	
- Consolidation	€ bn	-0.1	-0.1	0.2%	-0.4	-0.3	6.1%	
Operating profit / loss	€ mn	2,586	2,258	14.5%	10,735	10,402	3.2%	
- Property-Casualty	€ mn	1,221	1,125	8.6%	5,603	5,382	4.1%	
- Life/Health	€ mn	1,101	673	63.7%	3,796	3,327	14.1%	
- Asset Management	€ mn	637	588	8.2%	2,297	2,603	-11.8%	
- Corporate and Other	€ mn	-368	-131	181%	-945	-820	15.1%	
- Consolidation	€ mn	-5	3	-	-16	-91	-81.9%	
Net income	€ mn	1,499	1,318	13.8%	6,987	6,603	5.8%	
- attributable to non-controlling interests	€ mn	81	98	-16.9%	371	381	-2.6%	
- attributable to shareholders	€ mn	1,418	1,220	16.2%	6,616	6,221	6.3%	
Basic earnings per share	€	3.12	2.69	16.1%	14.56	13.71	6.2%	
Diluted earnings per share	€	3.12	2.67	16.8%	14.55	13.64	6.6%	
Dividend per share	€	-	-	-	7.30 ¹	6.85	6.6%	
Additional KPIs								
- Group	Return on equity ^{2,3}	%	-	-	12.5%	13.0%	-0.4% -p	
- Property-Casualty	Combined ratio	%	96.2%	96.5%	-0.2% -p	94.6%	94.3%	0.3% -p
- Life/Health	New business margin ⁴	%	2.8%	2.5%	0.3% -p	2.1%	2.6%	-0.4% -p
- Life/Health	Value of new business ⁴	€ mn	392	390	0.4%	1,196	1,468	-18.5%
- Asset Management	Cost-income ratio	%	63.0%	64.3%	-1.2% -p	64.5%	59.2%	5.3% -p
					12/31/15	12/31/14	Δ	
Shareholders' equity²	€ bn	-	-	-	63.1	60.7	3.9%	
Solvency II capitalization⁵	%	-	-	-	200%	191%	9% -p	
Third-party assets under management	€ bn	-	-	-	1,276	1,313	-2.8%	

Please note: The consolidated financial statements are presented in millions of Euros, unless otherwise stated. Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

- ¹ Proposal.
² Excluding non-controlling interests.
³ Excluding unrealized gains/losses on bonds net of shadow DAC.
⁴ New business figures were restated by the impact of contract boundaries, removal of holding expenses and the replacement of CNHR and CReC by risk margin after tax to be aligned with Solvency II balance sheet.
⁵ Risk capital figures are group diversified at 99.5% confidence level. Allianz Life is included based on third country equivalence with 150% of RBC CAL as of 12/31/15 and with 100% of RBC CAL as of 12/31/14.

Munich, February 19, 2016

For further information please contact:

Thomas Atkins	Tel. +49.89.3800-2960
Christian Kroos	Tel. +49.89.3800-5043
Elizabeth Goetze	Tel. +49.89.3800-5509
Daniela Markovic	Tel. +49.89.3800-2063

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

About Allianz

Together with its customers and sales partners, Allianz is one of the strongest financial communities. More than 85 million private and corporate customers insured by Allianz rely on its knowledge, global reach, capital strength and solidity to help them make the most of financial opportunities and to avoid and safeguard themselves against risks. In 2015, around 142,000 employees in over 70 countries achieved total revenues of 125.2 billion euros and an operating profit of 10.7 billion euros. Benefits for our customers reached 107.4 billion euros.

This business success with insurance, asset management and assistance services is based increasingly on customer demand for crisis-proof financial solutions for an aging society and the challenges of climate change. Transparency and integrity are key components of sustainable corporate governance at Allianz SE.

Cautionary note regarding 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/US-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.