AMOS

Allianz Managed Operations & Services SE

AMOS SE

Annual Report 2014

Allianz

At a glance – 2014

Key commercial figures	2014	2013
Revenues (€ mn)	713.2	633.7
Investments (€ mn)	299.8	318.4
Active employees as of 31 December	2,887	2,565
Revenues with Group companies (percentage)	98.9	97.8

Key figures for IT	2014	2013
Computing capacity in MIPS	58,059	55,553
Disk space (terabytes)	9,318	7,933
Servers	6,499	6,731
Physical workstations	61,688	69,850
Virtual workstations	27,500	25,304
Regular users of Virtual Client (approx. figure)	13,500	12,000
Number of Allianz companies using AMOS SAP systems	124	106
Users of AMOS SAP systems with broad-ranging functionality	29,820	24,890
Number of installed video systems	371	388
Users connected to Allianz Global Network	68,419	54,414

Key figures for Services	2014	2013
Savings for the Allianz Group on IT products and services, on non-IT products and services and on claims (€ mn)	129.6	120.7

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Report of the Supervisory Board 2014

The Supervisory Board fulfilled its duties and obligations as provided for under the Statutes and applicable law. It monitored the management of the Company and advised the Board of Management regarding the conduct of business. The Board of Management informed the Supervisory Board on a regular basis in a timely and comprehensive manner, both verbally and in writing, on the course of business.

In the financial year 2014, the Supervisory Board held two meetings in March and in November. In these meetings, the Board of Management informed about the economic situation of the company, the planned and implemented measures on the development of business and the risk situation. The Supervisory Board was directly involved in major decisions. In addition, the Supervisory Board adopted three resolutions by circular procedure in April, September and December 2014.

The business year 2014 was characterized by Allianz Managed Operations & Services SE further executing Allianz group-wide initiatives:

- With respect to the Data Centre Consolidation Program, with the service commencement date on April 1st, 2014, Allianz Managed Operations & Services SE handed-over responsibility for remote managed operations of Allianz IT infrastructure to IBM (while retaining the service integration responsibility within Allianz Managed Operations & Services SE). New data centers were opened in Frankfurt, Paris, Phoenix and Edison in order to address disaster recovery, availability and security targets of Allianz Group.

- The Allianz Global Network Program continued the roll-out to Allianz Group Companies, targeting the full completion of waves 1, 2 and 3 by mid 2015.

- On 1 January 2015 Allianz Managed Operations & Services SE took over the responsibility for the complete IT of Allianz Worldwide Partners. About 260 employees were transferred to the AMOS Group. They closely collaborate with about 230 employees from Allianz Worldwide Partners that also form part of the new B2B2C business. In the context of this transition, Allianz Managed Operations & Services SE took over one delivery center of AWP in Thailand which now forms part of the AMOS Group as AMOS Thailand Ltd. Also in this context, Allianz European Hosting SAS extended its scope of business, employing now about 60 former Allianz Global Assistance employees and changing its name into AMOS European Services SAS.

- With Allianz Now (www.allianz.de), oneWeb is servicing transactional websites in an ecosystem of 80 portals, embedding 29 legacy applications and serving two new modern AngularJS Applications. With a new responsive design all devices from desktop to mobile are now displayed in a modern Allianz Now design. The website was launched in September 2014 and is currently the largest oneWeb installation.

- With regards to the GlobalOne program, ABS in France has been expanded for claims with 15 additional products and further functionalities (e.g. business partner administration, document management with Thunder-head). “Release 2 Claims” went live in November 2014 with positive feedback from the business. The design for “Release 4 Household” has been completed, the build phase is in progress and the software test has started. Design of Release 5 Motor is in progress as well. Furthermore, the deployment to the Rennes Call Center has been successful.

- Global Sourcing and Procurement delivered € 130M contracted savings to the Allianz Group and is now providing periodic feedback on actual adoption of Group Contracts. A new Allianz Standard for Procurement was issued and approved by the Allianz SE Board of Management.

- Contract management continued to professionalize as a growing part of AMOS value chain is outsourced to critical business / operational partners such as IBM, Accenture, CSC and CapGemini.

- Corporate Real Estate Services deployed their model to a second wave of OEs including Benelux and some countries of Central & Eastern Europe, Middle East & Africa. Wave 3 is in preparation. The 15% real estate saving stakes were confirmed on wave 1 and wave 2.

- Processing Services (Finance and HR) continued to expand via FASS (accounting outsourcing) deployment to AMOS, Allianz Global Corporate & Specialty, Allianz Worldwide Partners and Allianz France S.A. and via expertise services being delivered out of Amos Bucharest (reaching around 70 employees by end of 2014) with a strong Net Promoter Score of 8.

- AMOS India has in the last one year scaled to more than 700 people, this is in addition to further confirmed demand taking headcount to about 1000. The team has matured not just in terms of numbers but also proficiency – building skills, tools and methods. AMOS India has allocated more than 100 resources on ABS, more than 75 on One Web, about 50 each on SAP and AGN among other topics. Pune Facility is being ramped up to cater to about 600 employees, while Trivandrum has a stable capacity of 500. All Flagships projects e.g ABS Greece are in time and cost budgets.

- AMOS continued the AMOS 20/15 Transformation Program in order to properly address the business challenges ahead (to deliver change, to run smoothly and to master financials). It aims at leading AMOS successfully to the 2020 target model (programs and services being fully deployed to the Allianz Group) while meeting critical milestones in 2015, both in terms of delivering change, running smoothly and mastering costs. In line with this ambition, in 2014, the AMOS 20/15 Program focused on refining and sharing the strategy, analyzing the critical gaps and equipping AMOS with essential capabilities.

- Within AMOS 20/15 specific initiatives were launched in 2014 to follow-up on the AES feedback 2013, e.g. the Digital Olympics "big picture" and the Learning Days which contributed to significantly improve both the response rate (from 73% to 86%) and the 2014 AES results especially in the areas of "Strategic Orientation" and "Leadership Effectiveness" (increase was between 110bp and 190bp).

The current Supervisory Board was elected in the Shareholders' Meeting of Allianz Managed Operations & Services SE held on 2 April 2014, as the term for the previous Supervisory Board ended on the same day according to Allianz Managed Operations & Services SE Statutes. With the exception of Mr. Andree Moschner who succeeded Dr. Manfred Knof, the new Supervisory Board consists of the same members as the previous Supervisory Board. In its constituting meeting, the new Supervisory Board elected Dr. Christof Mascher as Chairperson and Mr. Andree Moschner as his deputy.

In September 2014, the Supervisory Board extended the mandates of Mr. Stefan Britz and Dr. Barbara Karuth-Zelle as members of the Board of Management and the underlying services contracts until 31 December 2019. Dr. Rüdiger Schäfer resigned from his office as a member of the Board of Management taking effect on 31 December 2014. The Supervisory Board accepted his resignation.

KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, audited the annual financial statements and management report of Allianz Managed Operations & Services SE and issued an unqualified opinion for the financial year 2014.

The annual financial statements and management report, together with the audit report prepared by KPMG, were made available to all members of the Supervisory Board and were discussed in detail during the Supervisory Board meeting on 19 March 2015, in the presence of the independent auditors. The examination of these documents presented by the Board of Management and the independent auditors has raised no objections, and the Supervisory Board concurs with the findings of the independent audit carried out by KPMG. The Supervisory Board has also approved the annual financial statements prepared by the Board of Management.

The Supervisory Board expresses its gratitude and appreciation to the Board of Management and the employees for their dedicated work over the past year. The Supervisory Board wishes to extend its special thanks to Dr. Manfred Knof and to Dr. Rüdiger Schäfer for their valuable contributions.

Munich, March 19, 2015
On behalf of the Supervisory Board:

Dr. Christof Mascher

Members of the Supervisory Board

Dr. Christof Mascher
Member of the Board of Management
Allianz SE
Chairman

Manfred Büttner
Employee
Allianz Managed Operations & Services SE
Employee Representative

Patrick Grosjean
Chief Operating Officer
Allianz France

Andree Moschner
Member of the Board of Management
Allianz Deutschland AG
Deputy Chairman
(since April 2, 2014)

Jürgen Lawrenz
Employee
Allianz Managed Operations & Services SE
Employee Representative

Jesus Marin
Chief Operating Officer
Allianz S.p.A. Italy

Members who left the Supervisory Board during the year

Dr. Manfred Knof
Member of the Board of Management
Allianz Deutschland AG
Deputy Chairman
(to April 2, 2014)

Board of Management

From left to right:

Dr. Barbara Karuth-Zelle
Member of the Board of Management

Stefan Britz
Member of the Board of Management
Responsible for labor relations and social affairs

Philip Varghese
Member of the Board of Management

Dr. Ralf Schneider
Member of the Board of Management

Sylvie Ouziel
Chairwoman of the Board of Management

The motivation and all-out commitment of the people who work for AMOS are crucial to the success of the company and its development going forward.

We, the Board of Management of AMOS, would like to thank the employees for their hard work and personal commitment throughout 2014.
We would also like to thank the representatives of the relative work councils for their willingness to engage in dialog and for the good level of cooperation in a spirit of mutual respect.

Members who left the Board of Management during the year

Dr. Rüdiger Schäfer
Member of the Board of Management
(to December 31, 2014)

MANAGEMENT REPORT

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A

1. Mandates and Mission

The AMOS vision is to transform Allianz into a Digital Group. AMOS's mission is to deploy Group solutions together with and to the benefit of the OEs.

By deploying the Allianz-agreed target model around Digitalization (infrastructure and applications) and Group Synergies (procurement, real estate, processing services, internal consulting) AMOS delivers significant value to Allianz.

Digitalization projects support Allianz strategic business transformations, while generating mid-term savings after initial investments are recouped through:

Building the resilient, secure and efficient infrastructure backbone for Allianz's digital journey and protects Allianz's digital assets against cyber-security threats and disasters, Supporting agile distribution of Allianz products and modern customer servicing (modular product portfolio, fast quote, digital agency, multi-access distribution, insight driven campaigns and fraud detection, Straight Through Processing), Positioning next generation Allianz offerings (telematics, direct attacker new business models, B2B partnering, end-to-end offers from prevention to assistance).

Business Services materialize Group synergies when dealing with external providers or efficiently handling processes at scale with short-term savings, while delivering some qualitative benefits.

AMOS

- drives standardization and simplification of business processes around best practices.
- is incubating innovation and ensuring fast scale-up and deployment.
- is leveraging sourcing opportunities around the globe to exploit skill tanks and cost-efficient locations (such as Romania and India) as well as outsourcing options (bringing external service providers on board).
- is leveraging the buying power of the Allianz Group.
- is capitalizing on repeat delivery experience and industrial methodologies, notably via international delivery centers, in order to bring predictability, reliability and quality.
- is leveraging proven change and business transformation expertise.

Via these approaches, AMOS is bringing to life economies of scale, scope and skill.

2. Structure and Operation

The goal of AMOS is to generate strategic differentiation, sustainable competitiveness and resilience for Allianz companies and the Allianz Group as a whole. AMOS has aligned its portfolio and delivery model along a trajectory designed for this objective.

2.1 Services and Presence

The services of AMOS are derived from the strategic requirements of the Group, as well as from the operational needs of Allianz OEs. AMOS supports Allianz companies with projects along their value chains in terms of IT infrastructure, applications and business services.

IT Infrastructure	- Data Center Services - Network Platform (Allianz Global Network, Global LAN/ WAN, Global WIFI, Remote Access) - Private Cloud Platform (Allianz Virtual Client, Global Mail, Data Management Services) - IT-Security Platform (Global Identity Access Management, Secure Mail)
IT Applications	- Core Insurance Platforms (ABS, OPUS) - Digital Interaction Platforms (oneWeb, mobile) - Digital Analytics Platforms (Global BI, Big Data BI) - Central Function Platforms (Group Reporting Platform, Cash Management Platform, Investment Platform) - ERP Platforms (eRecruiting, HR Management, Procurement Platform)
Business Services	- Corporate Real Estate and Services - Financial Business Services - Global Sourcing & Procurement - HR Services - Allianz Consulting and Project Support

AMOS is continuing to develop its global delivery model. Germany has its main focus on steering global shared services and their design. AMOS Indiaand Suisse are incorporated in the AMOS Delivery Model. AMOS enhanced its international delivery network by aquisition of shares of Allianz Managed Operations & Services Thailand to provide international application development services. AMOS European Services in Paris was founded to host one of the two new European Data Centers for AMOS, and to serve as backup for the new Data Center in Frankfurt. These "AMOS Factories" also serve as proximity service hubs to ensure local demand management and service local customizing for the Allianz Group.

AMOS took over IT services from Allianz Global Assistance, which included the transfer of around 250 employees to AMOS in Thailand, France and Germany. The transition of the new B2B2C (Business to Business to Customer) services will continue until 2019. The existing AMOS branches in India and Romania are now fully operational to produce industrialized solutions. Respectively, IT infrastructure and IT applications services in India, and financial business services in Romania.

AMOS SE as a 10% subsidiary of Allianz SE now operates in 11 countries via 12 entities. The following entities belong to AMOS SE.

AMOS SE (Headquarters and branch offices)

AMOS Delivery Center	Legal Definition	Mission, Objectives
AMOS Germany	Headquarter	IT infrastructure services, IT applications services, Business services
AMOS Belgium	Branch of AMOS SE	Infrastructure and onsite demand management
AMOS India	Branch of AMOS SE	Infrastructure, Application develpoment and management, Global demand management, Business transformation and project management
AMOS Ireland	Branch of AMOS SE	Infrastructure and onsite demand management
AMOS Romania	Branch of AMOS SE	Consulting, financial business services, HR services and corporate real estate services
AMOS Singapore	Branch of AMOS SE	Infrastructure and onsite demand management, corporate real estate services
AMOS Suisse	Branch of AMOS SE	IT software license procurement and IT transformation
AMOS UK	Branch of AMOS SE	Infrastructure and onsite demand management

In addition, AMOS fulfills the task as a shared service company of Allianz also within a network of the following companies.

AMOS Subsidiaries

AMOS Delivery Center	Legal Definition	Mission, Objectives
AMOS European Services, Paris	100% subsidiary of AMOS SE	Infrastructure, effective from January 1, 2015 took over Allianz Global Assisstance France IT operations
AMOS Netherlands	100% subsidiary of AMOS SE	Infrastructure and onsite demand management
AMOS Thailand	99,9% subsidiary of AMOS SE	Infrastructure and onsite demand management, effective from January 1, 2015 took over Allianz Global Assisstance Thailand IT operations
Metafinanz, Munich	100% subsidiary of AMOS SE	Consulting services and workforce management for IT services

Effective May 1, 2014, the Print and Output Services unit with its 100-plus employees transferred from AMOS to Allianz Germany. The unit has delivered services primarily to Allianz Germany, with a smaller part of its business done with third-party clients in Germany. The transfer reflects the very strong business relationships that the unit shares with Allianz Germany. It also further sharpens AMOS's focus on its core business and strategy to focus on digital topics and services which are materializing international synergies.

2.2 Our OE Partners

An uncompromising customer focus is at the heart of AMOS's strategy. AMOS customers are companies and business units of Allianz Group, including holding functions, as well as clients outside of Allianz Group: either direct external customers (for a limited part of AMOS business) or customers of AMOS customers (for instance Bancassurance or Global Automotive partners which AMOS supports via its products and services, together with the relevant Allianz OE). In 2014, 297 Allianz companies sourced services from AMOS. As in the past, the largest customer was Allianz Germany and its subsidiaries, such as Allianz Beratungs- & Vertriebs-AG and Allianz Lebensversicherungs-AG, with sales revenues over the year of approximately €350 million. AMOS acquired, among others, Allianz SE Reinsurance Branch, Allianz Worldwide Partners S.A.S. and Allianz Worldwide Care S.A. as new customers, and expanded its business that included Allianz Informatique and Allianz IARD in France. Allianz Informatique is the IT subsidiary of Allianz France. Allianz IARD is an insurance subsidiary of Allianz France.

Revenues 2014 (AMOS SE without subsidiaries)

Region	Total in €	Share in %	Number of clients (Allianz Group)
Americas	8,476,728	1.2%	35
Asia-Pacific	11,109,759	1.6%	49
EEMEA	13,239,742	1.9%	58
Germany	492,718,137	69.1%	51
Western Europe (excl. Germany)	179,816,047	25.2%	104
Total within Allianz Group	**705,350,813**	**98.9%**	**297**
Additional Revenues			
Third-party business	7,881,871	1.1%	
Total	**713,232,684**	**100.0%**	

In 2014, AMOS strengthened its customer relationship (meaning proper OE collaboration) by setting up three dedicated roles. For each major customer, one AMOS Board Member was appointed as the dedicated "Board Partner". Within this role, they act as a peer-to-peer counterpart to the customers' management representatives, while embodying AMOS and ensuring sustainable partnerships. Acting as a daily point of contact, the Board Partners are supported by a team of dedicated "Operational Account Managers". The cornerstone of the relationship with all AMOS Customers, they cover end-to-end responsibilities, from jointly setting up long-term engagements to handling day-to-day activities. Moreover, they strive to establish long-term trusted relationships, and are in charge of all AMOS revenues. Lastly, the "Overall Delivery Leads" are fully responsible for the delivery of AMOS services. Their responsibility covers all AMOS service delivery for the customer in terms of costs, quality and continuous improvement. They anticipate and mitigate potential risks, coordinate with all internal service owners and project managers to ensure flawless delivery.

Feedback from our OE Partners

Transparency on AMOS delivery and feedback from our OE Partners help drive continuous service improvement. Quality & Methods provides monthly service and project dashboards to the management of OE Partners that cover the delivery status of major AMOS shared services and projects. In addition, Quality & Methods conducts the bi-annual customer satisfaction survey on the complete delivery scope. The survey addresses a wide range of customer counterparts, from directors and senior management, to points of contact for specific service families and projects. The survey is conducted using the Net Promoter Score (NPS) method. It measures the likelihood that customers will recommend a product or service to others. The mean value of the NPS, measured on a scale from 0 to 10, indicates the satisfaction level for small customer groups. The aim is to construct a clear picture of the objective and perceived delivery performance of AMOS, and to derive concrete improvement actions and initiatives for AMOS service and project quality.

More than half of invited AMOS customers took the time to participate in the surveys, which demonstrates a good engagement level of AMOS business partners. Based on the feedback in April 2014, AMOS initiated and executed around 80 concrete improvement actions. This led to an increase of the service quality rating by around 1 point to 7.2 for the October 2014 survey. The project portfolio rating also increased from 6.6 to 7.1. More than 100 further improvement actions and measures are currently underway. The quality increase of shared services for the international customer community is also visible in a reduced number of major incidents and issues in 2014. Compared to 2013, there is a reduction of 9 percent, despite an increased shared service scope.

2.3 Our Employees

The transformation into a digital group is the ongoing core theme of the Allianz Group, and AMOS is at the heart of this process. In 2014, AMOS continued to the expansion of scope and as well as the development of new services gaining more and more customers globally. As AMOS grows and develops, so does the need for employees as well as the skills and competencies required.
Apart from managing all people-related activities and milestone related to transformation projects like Data Center Consolidation, FASS and AWP Future IT Model, HR invested heavily in employees and HR processes to extend AMOS subject-matter expertise and capabilities during the reporting year. This was mainly achieved by the implementation of the grading, the role model including the associated role-based personnel development processes as well as by recruiting additional employees. Based on the role-model implemented, AMOS conducted the "strategic workforce planning", which was taken as starting point for further HR initiatives, i.e. implementation of trainings for key or critical roles at AMOS.

Fit@AMOS

In 2014, the HR program FIT@AMOS accomplished two major projects. The first being a global – and annual from 2015 – strategic workforce planning exercise for AMOS, which couples future headcount growth forecasts with high-level skill assessments.
The second project, titled Role-based Personal Development, is a unified job role model with 29 job roles that integrates the needs of all pillars and can now be applied in all AMOS entities. Employees are now mapped to job roles, first in Germany and then globally, to better understand recruitment and development needs. The results take us one step forward towards having the right people, at the right time, for the right locations, in the most cost-efficient way.

AMOS Learning Days

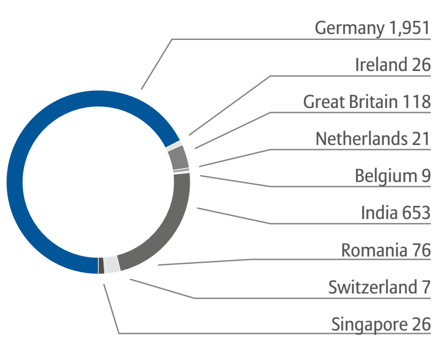
The "Learning Days", a one-day workshop format featuring strategic, business, and change/transformation topics, brought together 1,200 AMOS employees at 15 events in seven countries. In focus were sessions on Strategy, AMOS Delivery Model, DCC and Procurement, as well as presentations with managers from OE customers and partners who provided feedback on the collaboration with AMOS. Breakouts on AMOS 20/15 and it visualization through the "Digital Olympics" generated lots of interaction, and showed how the same vision, mission, strengths and belief can be brought to live. Response was very positive, with a Net Promoter Score was 57 percent across all events. Participants also shared more than 3,000 single comments in written form, which was channeled back to presenters and to AMOS 20/15 work streams.

Development of the Workforce

On December 31, 2014, AMOS had 1,951 employees at the three German campuses in Munich, Frankfurt am Main and Stuttgart. The international branches and subsidiaries had 936 employees working for AMOS.

14 trainees/apprentices were in apprenticeships at the Munich campus in 2014, working toward qualifications as IT specialists and informatics & business administrators. Two of them started their apprenticeship in 2014 in the field of informatics & business administrators. In cooperation with the Ingolstadt University of Applied Sciences, AMOS offers a part-time degree programs in B.Sc. in computer science and business. Eight AMOS-sponsored students were enrolled in the cooperative degree program in computer science and business (combined work and study periods) at the Ingolstadt University of Applied Sciences, and one student was enrolled in applied informatics at the Baden Württemberg University of Cooperative Education (DHBW Stuttgart).

Employees by region



Employees in Germany by location	
Munich	1651
Stuttgart	232
Frankfurt am Main	68

2.4 Protection of Natural Resources

Environment and climate protection are embedded into the core business of AMOS and its internal processes. Within Germany, AMOS sources energy exclusively from hydropower. The move from fiber-based to recycling paper for both office and high-volume printing has proven a viable approach and AMOS is committed to taking this forward. AMOS Global Sourcing & Procurement plays a key role in promoting environmental standards with current and potential suppliers. In practice, this means ensuring that all Allianz suppliers abide by the company's environmental, social and governance standards, as outlined in the Allianz Code of Conduct and Purchasing Principles.

3. Key Activities in 2014

3.1 AMOS 20/15

AMOS launched the AMOS 20/15 internal transformation program in order to master the challenges that lie ahead (delivering projects, providing smooth operations and reaching financial targets). The goal of the program is to successfully lead AMOS to its 2020 target vision (programs and services have been introduced in the Allianz Group in full). Key milestones are also to be reached as this journey progresses, starting as early as 2015 with regard to service provision and business results. In 2014, the focus of the AMOS 20/15 program was on refining and communicating strategy, analyzing where improvements could be made and equipping AMOS with the necessary skills. A 'journey map' was produced to illustrate the strategy, and its message was spread across the organization via the 'Digital Olympics'. As part of strategic workforce planning, the central capabilities necessary for AMOS's success were defined.

In addition, a range of initiatives identified the levers that could be used to improve efficacy and efficiency within AMOS. Further to this, examples of best practices were collected and made available for reference. After successfully implementing the program in 2014, AMOS 20/15 was reshaped to fit with the 'strategic target areas' ('be fit and make an impact', 'be engaged and customer focused', 'be globally connected'). This should enable the results of the program to contribute to reaching both the Digital Picture in 2020 and AMOS's corporate targets in 2015. Furthermore, the program was expanded to cover two overarching functions – 'organizational and cultural change' and 'change communication'.

3.2 AMOS Service Catalogue

In 2014, AMOS continued to evolve its Service Catalog and online portal to give customers a complete and direct overview of the services that AMOS has to offer. AMOS services are now grouped into 38 different clusters – 30 for Infrastructure and Application Services, and eight for Business Services – to ease the service selection process for the customer.

3.3 Infrastructure

In 2013, AMOS formed the Allianz IT Infrastructure Transformation Program (AIT); an overall program organization that pulls together all the projects and initiatives working to transform IT-infrastructure in the Allianz Group worldwide. The AIT program consists of four IT infrastructure projects - Allianz Global Networks (AGN), Data Center Consolidation (DCC), Allianz Virtual Client (AVC) and Global Identity and Access Management (GIAM) – which create the digital infrastructure backbone as a foundation for Allianz as a digital enterprise.

AIT aligns the respective approaches of the projects towards the customers and ensures that the projects deliver business value for Allianz Group.

Allianz Global Network (AGN)

A modern data and voice network is a basic condition to access and process business data in large volumes. The Allianz Global Network (AGN) turns the fragmented local networks into a high-speed data and voice highway, supporting Shared Services and the Allianz Digital Agenda. Along with the optimization of network performance, quality of services and costs, AGN provides group-wide standardized network security across and between OEs. On top of the network layer, additional added-value services such as Voice-over IP, Video Conferencing, Collaboration Services and Chat, are provided to the Allianz Group.

Allianz Group is establishing a global infrastructure to underpin its digital program. Spearheading Allianz Group IT infrastructure projects, Allianz Global Network serves as a foundation for a robust Allianz private cloud strategy. The program consolidates the currently fragmented OE-based communication networks into one group-wide network and enables state-of-the-art networking, telecommunications and collaboration solutions. This makes cross-border and cross-continental cooperation faster, easier and more convenient. Rollout started in 2012. To minimize risk and ensure alignment with expiring contracts, business needs and Allianz's digital agenda, the change-over is happening in waves. As of December 31, 2014, AMOS had migrated 68,419 data users and 42,681 voice users across 375 Allianz sites. In total, 135,982 LAN ports had been connected within waves 1 through 3.

Data Center Consolidation (DCC)

The DCC Program's main objective is to transform the current heterogeneous data center landscape of Allianz into a globally harmonized Private Cloud infrastructure. Pursuing this aim, more than 140 data centers of Allianz worldwide are being consolidated into a total of five strategic locations. In this way, DCC builds up a global, more cost-efficient IT infrastructure meeting the highest standards of quality and service, increasing the level of data security while providing resilience in the event of natural or other disasters.

On December 20, 2013, Allianz – respectively AMOS on its behalf – and IBM entered into a contract for operational support of the Allianz data centers. As of April 1, 2014, IBM is acting as a global provider of IT operations for Allianz, hence supporting the transformation of its global IT infrastructure.

DCC is being conducted step-by-step across the entire Allianz Group. The initial task in each country and Allianz entity is to care-fully evaluate the respective operational requirements. In 2014 the program started to create the technical preconditions for the consolidation of the worldwide data centers. Furthermore, at this point in time, 180 AMOS employees have transferred to IBM. They moved to the provider under the terms of a transfer of undertakings, retaining all accrued rights. There, they form the core team of a new, Allianz-specific center of excellence and therefore play a key role in driving the digital evolution of the Allianz Group.

Allianz Virtual Client (AVC)

Allianz Virtual Client (AVC) provides Allianz with a cost-efficient and agile virtual desktop environment allowing employees to work anytime, anyplace and on any device, thus improving productivity, flexibility, security and contributing to maintain Allianz business continuity across the world. Until end of 2014, approximately 27,000 Allianz employees were using Allianz Virtual Client (AVC). This was done in 12 companies with the main initial focus on German legal entities. Currently more than 300 applications (e.g. core insurance platforms, analytic solutions, HR/finance applications, web browser, etc.) are available on the AVC.

Starting in 2014, the AVC started focusing on the international rollout, working with other AIT programs to become a global service that is due to be completed by end of 2016. AVC will allow access to the Shared Services of the Allianz Private cloud, all Allianz Strategic Applications and support employees in mobility work.

All this will be done while enhancing the global security significantly, protecting Allianz data, algorithms and applications in our private cloud.

Information Security Platform

Global Identity & Access Management (GIAM) is one of the key strategic initiatives of AMOS to roll out a worldwide identity store and tool suite for identification and access management. In 2014, the GIAM platform has been established and successfully rolled out to more than 20 OEs with 101,050 identities. Core solutions like the Allianz Virtual Client (AVC), Global File Services or the Global Directory Service were connected to GIAM and are now relying on the identities in the central identity store and the global access granting processes.

To address the challenges of high-privileged administrative access, a new initiative on Global Privileged Access Management (GPAM) was started in 2014. This new technology is closely integrated with the GIAM solution and processes, and will be first used to manage the privileged access for the new Data Center Services.
With the Advanced Malware Detection (AMD) service, AMOS provides a measure to detect and react on advanced malware attacks and intrusions by means of network monitoring and event analysis. This best-practice approach gives a high level of attack protection for each OE for known and unknown future sophisticated cyber-attack approaches. In 2014, the focus has been on intensive global rollout, resulting in 90,000 users now being protected by the AMD solution, such as AGI worldwide and the whole Allianz Germany Field Service.

Since December 2014, AMD is offered in a 7x24 mode and is closely integrated into the Security Operations Center (SOC), which has been established to increase the overall level of security in Allianz. It's mission is to early, accurately and systematically detect and respond to internal and external cyber threats to Allianz and its subsidiaries, in order to ensure confidentiality, integrity and availability of its information systems. Around 30 experts will ensure that cyber-attacks on Allianz have no chance of success. As part of the Cyber Security Initiative (CSI), the SOC was set up by a project team comprising employees from Allianz Group and leading technology suppliers. The SOC increases the information security of the whole Allianz Group from the two locations Munich and Trivandrum.

As one of the well-established responsibilities of the SOC, AMOS is using Qualys Guard to systematically scan for, identify and analyze security vulnerabilities on AMOS serviced platforms and components, regardless of agent-based inventory systems. In the following year, this service is planned to be extended and offered as an AMOS shared service to Allianz OEs globally.

Allianz Private Cloud

The Allianz Private Cloud consists of the consolidated data centers (DCC), which will be connected through the Allianz Global Network (AGN) and securely accessible via the Allianz Virtual Client (AVC). With this state-of-the-art global IT infrastructure services, AMOS ensures that its computing power, data, applications and algorithms are in a highly secure place. These are accessible for the Allianz Community through an encrypted data stream by Allianz Virtual Client (AVC). AMOS protects with the Allianz Private Cloud the Allianz Community and enables the digital transformation of the Allianz Group.

3.4 Applications

AMOS implements strategic application platforms in a harmonized way within the Allianz Group and thus ensures that economies of scope, scale, and skill are leveraged. The application architecture is organized as follows:

- Fostering interaction and engagement via the use of digital channels (internet and mobile) on oneWeb
- Integrated core insurance applications (ABS, OPUS) help to streamline the product portfolio and support interdisciplinary product sales through multiple channels.
- Corporate Function platforms (GRP, IMA) ensure financial transparency and efficiency according to compliance and regulatory requirements.
- Analytical platforms provide Global Business Intelligence (BI) and Analytics solutions to evaluate and report existing data.

oneWeb is the strategic platform for digital interaction for the Allianz Group. It has been created in 2011 and co-developed together with local Allianz companies, in order to increase digital interaction with customers through all standard end-user devices and channels. At the end of 2014, oneWeb counts a total of over 60 portals live, e.g. customer portals of Allianz France and AGCS, the public websites of Allianz.com, Allianz Austria, Allianz Deutschland (AllianzNow), Allianz Turkey, Allianz Hungary as the first go-live of oneWeb within the CEE region, and the landing pages for the AZAP region (in cooperation with AZ SE), as well as various mobile applications such as the Investor Relations App. There are around 500,000 page impressions per day globally.

The core insurance system *ABS (Allianz Business System) in Germany* was further expanded with new functionality, products, and tariffs, resulting in the biggest ABS major release 13.5. With the migrations of automotive (1.5 million) and life insurance (1.9 million), ABS has successfully crossed the 10 millionth contract line with more than 11 million contracts and 7.7 million claims. In addition, the team supported the digitalization of direct sales services for the automotive insurance product Digital+ within AZ Germany's AllianzNow initiative and provided innovative artificial intelligence solutions for health regulation.

AMOS provides its services and expertise to support replacing the insurance application landscape of Allianz France. The core insurance system ABS in France has been expanded for claims with 15 additional products and further functionalities in 2014 (e.g. claims solutions, business partner administration, document management with Thunderhead). Furthermore, the deployment to the Rennes Call Center has been successful.

ABSi, the strategic core insurance platform for automotive cooperation, focused on two major development areas in 2014. In spring, AMOS went live with a one-click motor product for BMW. Car insurance sales processing via technical interfaces to the back-end system with all required insurance functionality is just one click away. The second development area has been a new architecture between oneWeb and ABSi for providing a sales portal for motor insurance for German Ford and Opel dealers. Thereby, AMOS provides a holistic insurance product lifecycle solution from sales portal to policy administration. Future releases will include new car manufacturers as well.

In August 2014, AMOS upgraded the *Financial Reporting System SAP-BW*, which is part of the Global Reporting Platform (GRP), by adding in-memory technology (SAP HANA). SAP-BW is currently used by more than 15 OEs to extract and analyze reports in the finance and investment area. This move to the in-memory technology massively accelerates all reporting-related database accesses and leads to faster reports, shorter data update cycles, and further parallelization of processes.

By implementing the financial assets solution (IMA) at Allianz France, AMOS has taken a further step towards a common group platform strategy. After piloting a closing process, operational rollout of the IMA service was achieved.

Within the Solvency II program, AMOS supports all system-related projects for risk calculation and reporting (e.g. RAI platform, ABACUS). In the past year, all relevant functionalities of the risk systems were implemented successfully.

Global Analytics Platforms (GAP), together with the corresponding Business Transformation unit 'Digital Analytics', the Global BI (GloBI) project and the Global Data Analytics (GD&A) team by Allianz SE, forms a group-wide big data and business intelligence (BI) environment. In 2014, SAS Classic platform (traditional BI on a shared in-memory platform) went in production. Secondly a SAS Visual Analytics platform (self-service analytics on shared in-memory) was created and first pilot implementations were done. Additionally, AMOS is now fully responsible for operations of these platforms (infrastructure and services). Recently, a first global multi-tenant Hadoop cluster was built by Allianz SE with support of GAP, allowing users to work on a multitude of use cases exploiting the possibilities of an insurance company in the field of big data technology.

3.5 IT B2B2C

Since the first quarter of 2014 a project was set up and worked intensely to take over the IT of Allianz Group Assistance (AGA) into AMOS. Around 250 employees of AGA enhanced AMOS on January 1, 2015 and are now working together with roughly another 360 AGA employees in the new IT B2B2C Community. Supporting the growth of Allianz Worldwide Partners (AWP) with world-class global scale IT delivery is the goal of the takeover of the AGA IT Services by AMOS. The development of the unit underscores the significant role that AMOS plays in supporting Allianz' growth ambitions in the B2B2C business. In particular, the new AMOS unit will provide support to AWP and AGA to successfully enable their planned growth in the B2B2C segment.

3.6 Business Services

Further Group synergies and cost savings are achieved by:

- Optimizing transactional processes and expert services in Finance and HR,
- The optimization of external spend achieved by Global Sourcing & Procurement and Corporate Real Estate Services
- Leveraging internal consulting organization, "Allianz Consulting"(and retaining associated experience) instead of employing external consulting firms.

Allianz Consulting

Allianz Group's internal consulting unit, Allianz Consulting, experienced another year of strong growth in 2014, expanding its consulting activities and increasing its headcount. After being renamed from Allianz Group OPEX to Allianz Consulting, the focus in 2014 was again on delivering consulting and support for transformation projects, which were offered and executed worldwide. Allianz Consulting was involved in more than 150 projects, increasing revenues by 19 % compared to the previous reporting period. The number of employees increased to 175 in 2014.

Allianz Consulting won two awards for its projects at the "Best of Consulting" awards of the German business weekly Wirtschaftswoche. In the Marketing and Sales category, the project "Global Broker" was rated excellent. Here, Allianz Consulting significantly supported Allianz Germany in developing a forward-looking and cost-optimizing key account management for the three leading international brokerage houses. In a second category, the project "Customer Care Centre Integration" was also rated as excellent. This project delivered an integrated Customer Care Centre strategy for Allianz Turkey after the acquisition of the Turkish insurer Yapı Kredi.

As well as providing consulting services to Allianz companies, Allianz Consulting also offers an OPEX training academy at which Allianz staff are trained in the Operational Excellence method to become either Blue Belts or Black Belts. Other training courses include project management and change management training. A total of some 380 employees participated in trainings provided by Allianz Consulting. In 2014, 287 employees were certified as Blue Belts, and 20 as Black Belts.

Global Sourcing & Procurement

AMOS Global Sourcing & Procurement (GSP) has the mission to drive the best-in-class integrated sourcing and procurement network within Allianz and to deliver sustainable value for the Group. With the now established regular procurement council, which the Heads of Procurement of key OEs are attending, a further step towards accomplishing that mission was completed. Additional to the intensified strategic exchange, a major step made in 2014 was the establishment of a joint Allianz Group Standard for Procurement (AGSP). This standard, valid for all global procurement units, aims to further increase the buying power for the Group and to utilize Group synergies. The AGSP sets rules and principles for managing procurement activities within Allianz Group. It establishes a general framework for AMOS GSP on how to handle Group external expenditures and on how to implement and execute related Group procurement activities, such as managing global deals and global vendors.

Through intensive efforts to increase overall transparency, through pooling Allianz expenditures and leveraging the bargaining power of the Group, and through best-in-class negotiation expertise, GSP was able to achieve savings of almost €130 million for the Allianz Group in 2014 and € 250 million over two years.

One project that contributed significantly to reach these savings was "Multisourcing 2.0". AMOS Global Sourcing & Procurement renegotiated, in collaboration with OEs, the AD&M (Application Development & Maintenance) framework contracts for all Allianz OEs. The main objectives were to reduce costs, implement global vendor clauses and complement global leaders with regional challengers. "Multisourcing 2.0" increases the reach to further consolidate the OE AD&M expenditures under the global contracts.

Also of note was Allianz's search for a strong and innovative communication business partner for the Group's digital transformation, which resulted in partnerships with a global lead agency for global brand communication and one for media. The decision process was performed in coordination with relevant operating entities and business lines, further showcasing the successful global-local collaboration model, which is to be further intensified.

Corporate Real Estate Services (CRES)

In 2014 Corporate Real Estate Services continued to deploy the target, country-based, Corporate Real Estate model to Allianz companies worldwide to drive savings for the Allianz Group. The further deployment of this model has been successfully started in Iberia (Spain, Portugal), USA , Benelux and Poland. New National Real Estate Committees have been established in Iberia and USA, defining shared level of ambition on Corporate Real Estate targets, which lead to the definition of shared convergence scenarios. Securing the objective of Allianz Group savings, National Real Estate Committees in France, Italy and Switzerland were held, focusing on implementation of projects and strategy updates.

CRES supported in parallel Allianz Group entities to bring the Corporate Real Estate Strategy to life:

- delivery of the new Allianz Egypt HQ in Cairo
- actively supported AZ Turkey for the new AZ Turkey HQ in Istanbul during building selection and acquisition of the building
- CRES supported Allianz Worldwide Partners in finding the new building in Paris and in rent contract negotiations
- Project Management for Real Estate project in Romania, planning and delivering a joint and totally new location for Allianz Worldwide Partners and AMOS in Bucharest

Focus of CRES on optimization of AMOS own used space lead to increased space efficiency usage in AMOS spaces globally. Digital transformation was brought to life in Real Estate, having “Digital Campus” in the entrance areas of two key office locations in Munich delivered.

Further sustained assistance to a number of Allianz entities globally regarding real estate transactions, ensured a transparent, fact based and reliable basis for project decisions.

Finance and Business Services

Finance and Business Services finalized and signed a Master Service Agreement for Finance and Accounting Shared Services (FASS) with an external service provider in February 2014. The 1st OE went live in Q3 2014, quickly followed by the 2nd OE in Q4 2014. The program is currently in the process of onboarding and transitioning a number of OEs and will be continuing to roll out this initiative to the wider Allianz Group. The expertise support services for actuaries delivered out of the AMOS Captive Expertise centers in Romania and India continue to grow its client portfolio across the Allianz Group. Finance and Business Services also engaged in a partnership with the external provider to provide an Allianz Group wide offering on Accounts Payable Recovery Analysis.

Finance and Business Services are also engaged in supporting the deployment of the Allianz Credit Card and Travel Agency program following the Group decision on a preferred provider. The first OE’s have been rolled out to the Global contract benefiting in 2014 from the first contract year incentives clauses associated with it.

Human Resources Services

Human Resources Services offer expertise HR Services and Business Administration Services to various Allianz companies. The expertise services are provided out of the AMOS Captive Expertise centers in Romania and India. The scope of services has been extended and currently covers recruitment, e-learning, training and event management services in the HR area as well as project management office, business expertise, access management and personal assistant services. Visual Design Services are also part of the service portfolio covering support in graphic design and presentations. In 2014 the Human Resources Services have continued to grow in terms of volume, scope of services and new OE being serviced. The first 2 sessions of Customer Days were also organized to foster exchanges with OE’s.

4. Business Performance

In 2014, AMOS SE continued to expand and improve its portfolio as the global shared-service provider of the Allianz Group. AMOS SE delivers shared services (service portfolio) and supports strategic transformation projects with the resulting new platforms and services for the operating entities of the Allianz Group (investment portfolio).

AMOS SE could significantly improve its result from ordinary business activity for the service portfolio by € 31.2mn from € -57.4mn in 2013 to € -26.2mn in 2014. This improvement resulted from cost optimizations such as contract renegotiations and offshoring, as well as efficiency measures of the AMOS 20/15 internal transformation program.

In the investment portfolio, revenues and expenses for global projects were growing, which lead to a result from ordinary business activity for the investment portfolio of € -180.0mn in 2014 (2013: € -126.4mn).

Therefore, the total result from ordinary business activity amounted to € -206.2mn in 2014 (2013: € -183.8mn).

Other significant effects in 2014 resulted from recognizing the residual balance of the pension gap from the BilMoG introduction amounting to € 10.7mn. Furthermore, an € 38.0mn liability to fiscal authorities was recognized in 2014 for tax audits for 2004-2008. These impacts were partially offset by extraordinary income of € 3.8mn, primarily from releasing restructuring provisions due to successful negotiations.

The annual net loss before settlement from the domination and profit transfer agreement was € -252.5mn (2013: € -156.5mn).

4.1 Organizational structure

In addition to the existing AMOS SE branches and subsidiaries at the end of 2013, AMOS continued its global expansion in 2014 with the foundation of two new subsidiaries.

In March 2014, the fully-owned subsidiary AMOS European Services SAS was found to set up a datacenter in Paris, France, and took over IT operations from AGA France effective from January 1, 2015. Furthermore, in November 2014, AMOS SE acquired a 99.9% share in Allianz Managed Operations & Services Thailand Co. Ltd, which effective from January 1, 2015, took over IT operations from AGA Thailand.

AMOS SE branches with their main business activities on December 31, 2014 were as follows:

Branch	Location	Main business activity
AMOS Belgium	Brussels, Belgium	Infrastructure and onsite demand management
AMOS India Pune	Pune, India	Infrastructure, Application development and management, Global demand management, Business transformation and project management
AMOS India Trivandrum	Trivandrum, India	Infrastructure, Application development and management, Global demand management, Business transformation and project management
AMOS Ireland	Dublin, Ireland	Infrastructure and onsite demand management
AMOS Romania	Bucharest, Romania	Consulting, financial business services, HR services and corporate real estate services
AMOS Singapore	Singapore, Singapore	Infrastructure and onsite demand management, corporate real estate services
AMOS Suisse	Wallisellen, Switzerland	IT software license procurement and IT transformation
AMOS UK	Guildford, UK	Infrastructure and onsite demand management

AMOS SE held participations in the following entities on December 31, 2014:

Entitiy	AMOS shareholding	Main business activity
AMOS European Services, Paris	100% subsidiary of AMOS SE	Infrastructure, effective from January 1, 2015 took over Allianz Global Assisstance France IT operations
AMOS Netherlands, Rotterdam	100% subsidiary of AMOS SE	Infrastructure and onsite demand management
AMOS Thailand, Bangkok	99% subsidiary of AMOS SE	Infrastructure and onsite demand management, effective from January 1, 2015 took over Allianz Global Assisstance Thailand IT operations
AMOS Austria, Wien	49% subsidiary of AMOS SE	Infrastructure, development and management of applications, development of ABS Core
Metafinanz, Munich	100% subsidiary of AMOS SE	Consulting services and workforce management for IT services

Furthermore, the entities AMOS Italy, AMOS IT Suisse AG and AMOS of America are part of an extended AMOS group, which closely collaborates to provide shared services within the Allianz Group. AMOS SE had no shareholdings in these entities.

4.2 Development of Earnings

Compared to 2013, total revenues from ordinary business activity increased in 2014 by € 55.5mn:

Revenues from ordinary business activity (in € mn)

	2014	2013	Change
Revenues	713.2	633.7	79.5
Increase or decrease in finished and unfinished goods and services not yet invoiced	0.2	0.0	0.2
Other own work capitalized	17.7	18.3	-0.6
Other operating income	39.4	63.0	-23.6
Total	**770.5**	**715.0**	**55.5**

AMOS SE generated revenues from shared service business of € 713.2mn in 2014 (2013: € 633.7mn), a year-on-year increase of € 79.5mn or 12.5%:

	Revenues (in € mn)			Revenues (in percent)		
	2014	2013	Change	2014	2013	Change
Service Portfolio						
IT	524.7	535.9	-11.1	73.6 %	84.6 %	-11.0 %
India[1]	3.8	0.0	3.8	0.5 %	0.0 %	0.5 %
Operations	18.7	14.8	3.9	2.6 %	2.3 %	0.3 %
Business Services	12.4	7.7	4.7	1.7 %	1.2 %	0.5 %
Subtotal Service Portfolio	559.6	558.4	1.3	78.5 %	88.1 %	-9.6 %
Investment Portfolio	153.6	75.3	78.3	21.5 %	11.9 %	9.6 %
Total Revenues	713.2	633.7	79.5	100.0 %	100.0 %	0.0 %

[1] In 2013, revenues from the Indian business had been classified in IT

IT revenues from ongoing business increased in 2014, however, the total IT revenues decreased compared to 2013 by € 11.1mn due to the sale of the Print and Output Services unit to Allianz Germany on May 1, 2014. With projects such as ABS Greece the Indian business could generate revenues of € 3.8mn. Operations could successfully increase revenues by expanding Allianz Consulting services within the Allianz Group. Business Services contributed to the overall revenue increase with growth of purchasing services. The significant increase in revenues from the investment portfolio resulted from global projects such as Allianz Global Network, one Web and Global Automotive.

The year-on-year decline in other operating income resulted from an one-time effect due to a release of a restructuring provision in 2013. Other operating income is classified in revenues from ordinary business activity.

Total expenses and other income from ordinary business activity comprise of expenses for IT operations, personnel expenses, depreciation and amortization, other operating expenses, income from participations, other interest and similar income, and interest and similar expenses. In 2014, total expenses and other income from ordinary business activity amounted to € 976.7mn (2013: € 898.6mn), which reflects an increase of € 78.1mn or 8.7% increase compared to 2013:

Expenses and other income from ordinary business activity (in € mn)

	2014	2013	Change
Service Portfolio	-615.5	-673.1	57.6
Investment Portfolio	-361.2	-225.5	-135.7
Total expenses and other income from ordinary business activity	**-976.7**	**-898.6**	**-78.1**

The decrease of costs in the service portfolio results from successful cost optimizations such as contract renegotiations and offshoring, as well as efficiency measures of the AMOS 20/15 internal transformation program, and the sale of the Print and Output Services unit to Allianz Germany.

The investment portfolio costs increased due to higher operating expenses from the expansion of the Allianz Global Network with additional users within the Allianz Group and investments in global projects of AMOS SE.

Further changes resulted from the outsourcing of Data Center Service to an external supplier instead of own operation. This lead to an increase in expenses for IT operations by € 60.9mn to € 562.0mn (2013: € 501.1mn).

In addition, the expansion of the business lead to an € 12.6mn increase in personnel expenses to € 236.8mn (2013: € 224.2mn), thereof € 4.6mn resulting from growth in AMOS India branches.

Depreciation and amortization increased by € 9.9mn from € 97.4mn in 2013 to € 107.3mn in 2014, which was a result of investments in acquired and self-created intangible assets as well as the finalized Global Reporting Platform project in France at the end of last year.

Other operating expenses could be reduced in 2014 by € 5.5mn to € 59.5mn in 2014 (2013: € 65.0mn), primarily due to lower expenses for non-IT consulting services.

Income from the domination and profit transfer agreement contract is disclosed under income from participations.

The year-on-year decrease in income from other securities, other interest and similar income is mainly due to lower interest income from the discounting of long-term provisions.

Interest and other expenses decreased by € 1.4mn, from € 15.6mn in 2013 to € 14.2mn in 2014, mainly resulting from reduced interest expenses from the discounting of long-term provisions.

The total result from ordinary business activity amounted to € -206.2mn in 2014, compared to € -183.8mn in 2013.

Result from ordinary business activity (in € mn)

	2014	2013	Change
Service Portfolio	-26.2	-57.4	31.2
Investment Portfolio	-180.0	-126.4	-53.6
Total result from ordinary activities	**-206.2**	**-183.8**	**-22.4**

AMOS SE could significantly improve its result from ordinary business activity for the service portfolio by € 31.2mn from € -57.4mn in 2013 to € -26.2mn in 2014. This improvement resulted from cost optimizations such as contract renegotiations and offshoring, as well as efficiency measures of the AMOS 20/15 internal transformation program.

As anticipated, both revenues and costs in the investment portfolio grew significantly in 2014, with a respective impact on earnings. The expected targets were not fully reached due to strategic changes driven by Allianz Group.

The result was driven by investments in global projects such as further implementation of Allianz Global Network, AGA IT Transformation, and Data Center Services within the Allianz Group, leading to an in total negative result. These investments were further funded in 2014 by AMOS SE main customers within the Allianz Group via loans obtained or registered bonds issued.

The extraordinary income in 2014 amounts to € 3.8mn and primarily results from releasing restructuring provisions due to successful negotiations.

The extraordinary expenses of € 10.7mn in 2014 result from the Allianz SE decision to catch up the residual balance of the pension gap resulting from the BilMoG introduction. Allianz SE charged the portion of the old pension plan on the balance sheet of Allianz SE to AMOS SE, based on the existing cost allocation contract for centralized balanced pension plans.

Accordingly, the earnings before tax record a loss of € -213.0mn (loss 2013: € -149.0mn) for the financial year 2014.

Taxes on income and earnings amount to € 38.8 Mio. and contain a € 38.0mn liability to fiscal authorities resulting from a tax audit in 2014 for the financial years 2004-2008 for an entity which has been merged to AMOS SE in 2008.

Therefore, the annual net loss before settlements from the domination and profit transfer agreement is € -252.5mn (loss 2013: € -156.5mn).

The overall goal for the reporting year 2014 – a strong increase in revenues with a slight deterioration of earnings – was essentially achieved. With consideration to the ambitious plan, missing revenues were widely compensated by reduced costs.

4.3 Asset Situation, Financial Development

The total assets of AMOS SE increased in 2014 by € 524.8mn or 49.7% to € 1,580.6mn (2013: € 1,055.8mn).

The non-current assets increased by € 104.3mn, from € 717.1mn in the previous year to € 821.4mn in 2014.

The change of € 6.3mn in internally generated intangible non-current assets from € 144.7mn last year to € 151.0mn in 2014 is attributable to the capitalization of IT projects and mainly results from development costs of the project Global BI.

Purchased licenses and software increased by € 26.4mn from € 303.4mn to € 329.8mn. The main increase results from capitalizable costs relating to the projects Data Center Consolidation, SAP-IMA in France, ABS at AGA and Allianz Worldwide Care. The increase was partially offset by the transfer of the Global One asset (carrying amount: € 78.3mn) in December 2014 to another Allianz Group company.

The acquired intangible non-current assets comprise both finished and intangible assets in development not ready for use yet. Overall, € 176.7mn development costs for IT projects were capitalized under internally generated non-current assets in the financial year 2014.

These investments are above all attributable to the execution of IT projects of the Allianz Group and of IT projects for individual Allianz Group companies. Increases were offset by disposals and depreciation.

Property, plant and equipment increased from € 245.7mn in 2013 by € 49.5mn to € 295.2mn in 2014. This increase mainly results from investments in Allianz Global Network and equipment for the new data center in Frankfurt in scope of the data center consolidation project, which is an asset under construction. Additional investments in non-current assets concerned network components, telecommunication and computer purchases.

The financial assets increased from € 23.3mn last year by € 22.1mn to € 45.4mn in 2014. The increase is attributable to the foundation of the subsidiary AMOS European Services SAS in March 2014 and aquisition of shares of the subsidiary AMOS Thailand in November 2014.

The current assets increased by € 409.3mn, from € 303.6mn in the previous year to € 712.8mn in 2014. This increase results from higher receivables against Allianz SE from the domination and profit transfer agreement of € 253.0mn for the financial year 2014 as well as increased receivables from affiliated companies within Allianz Group. The sale of the Global One asset occurred in December 2014 with payment in January 2015 leading to an increase of receivables at year end 2014 of € 81.5mn.

Prepaid expenses increased by € 10.1mn due to a higher contractual volume.

In the balance sheet under excess of plan assets over post-employment benefit liability is the amount of € 1.1mn shown which results from the offsetting of obligation from earned pension contribution rates from the defined contribution plan with cover asset.

Shareholders' equity remained unchanged at € 189.6mn. Due to the significantly increased liabilities from loans and bonds for funding global projects, the equity ratio on the balance sheet date of December 31, 2014 was lower at 12.0 % (2013 18.0 %). AMOS SE funds global projects through loans and registered bonds from Allianz companies or through current account liabilities payable to Allianz SE.

Provisions increased by € 14.8mn to € 179.7mn (2013: € 164.9mn), largely due to an increase of other provisions for outstanding trade payables.

The liabilities of AMOS SE increased by € 508.4mn compared to 2013 from € 701.4mn to € 1,209.8mn. This is mainly due to new loans and bonds of € 416.4mn from Allianz Group companies for the projects Data Center Consolidation and Allianz Global Network. Compared to 2013 other liabilities, mainly sales tax, increased by € 18.0mn.

The short-term refinancing of the company is funded through the Allianz cash pool. The company's solvency has been ensured at all times in 2014.

4.4 Investments

Investments in the financial year 2014 amounted to € 299.8mn (2013: € 318.4mn), € 18.6mn less than 2013. This decrease mainly results from less investments in the Allianz Global Network project as substantial locations were migrated already in 2013.

Investments (in € mn)	2014	2013	Change
Software	176.7	189.5	-12.8
Network components	54.6	75.0	-20.4
Financial investments	24.4	1.0	23.4
Operating/business equipment	15.4	30.8	-15.4
Client/server hardware	11.2	8.3	2.9
Mainframe hardware	9.2	0.9	8.3
Storage media	7.8	5.6	2.2
Low-value assets	0.4	0.8	-0.4
Printing and finishing	0.1	3.9	-3.8
Communications equipment	0.0	2.6	-2.6
Total	**299.8**	**318.4**	**-18.6**

The total investment of IT projects under the item intangible assets on the balance sheet amounted to € 176.7mn in 2014 (2013: € 189.5mn). Capitalizable costs related to the Allianz Global Network project with a volume of € 140.1mn were recognized under the item Non-current assets on the balance sheet. These investments were mainly financed through loans and bonds of € 766.7mn (2013: € 349.0mn) within the Allianz group for the pre-financing of IT projects. Loans and short-term financing from Allianz SE were in addition used to finance business operations.

5. Outlook

AMOS's industrialized global model will continue to grow in 2015 in response to increasing demand and enlarged service portfolio. India and Romania will pursue to strengthen their position through an increase in size and the creation of additional services. AMOS will also set the groundwork to provide new innovative services to our customers, such as the set-up of a competence center that is dedicated to "telematics".

Now that the foundation has been laid for the AMOS 20/15 transformation program, the focus for 2015 is to ensure that AMOS's corporate targets are reached. In 2015, the program will concentrate primarily on the following topics: optimizing the cost structure in areas focusing on spending, contracts and services, improving processes, further training and motivating employees, strengthening customer relationships, and promoting collaboration within AMOS. Other important milestones are the smooth running of operations, the monitoring of project and service costs, and above all, breaking even in the service portfolio.

In 2015, AMOS SE again expects strong revenue growth in the investment portfolio with lower cost increases and, in turn, an improvement in earnings that reaches the middle double-digits in millions.

5.1 Infrastructure

After its approval in 2014, implementation of AGN wave 4 will proceed in 2015. It is initiated to finalize the global rollout for remaining regions, Global Lines and OEs.

Data Center Consolidation (DCC) will focus in 2015 on the migration from local data centers to the five strategic data centers mainly in Europe and North America.

Allianz Virtual Client (AVC) is continuing the international rollout across different regions, Global Lines and OEs in 2015.

GIAM will be further developed and implemented in other OEs within the Allianz Group in 2015.

5.2 Applications

In 2015, oneWeb will continue and further expand its collaboration with other Allianz OEs such as Asia, MENA, and Benelux. For ABS in Germany, 3.5m P&C (including motor) insurance policies will be migrated as well as more functionality, new products, and new tariffs will be introduced. Furthermore, additional online self-services for life and health based on ABS business logic will be launched. At ABSi, a new BMW product portfolio, new functionality including a new direct product for Volkswagen, and further technical stabilization including Linux migration and ABS core upgrades will take place. Within Central Function Platforms, Allianz is well prepared for the expected additional regulatory requirements of the upcoming year and is able to sustainably build on the achievements of 2014. Thus, in 2015, AMOS will concentrate on increasing the rollout footprint of its finance platforms and the development and piloting of its finance transformation activities. GAP will focus on rolling out the BI products to high-end OEs like Allianz Germany and Allianz France. Additionally, GAP will work on portfolio and architecture integration of classic BI platforms and the Big-Data platforms like Hadoop.

5.3 IT B2B2C

In 2015, the focus within IT B2B2C will be on strengthening the IT operations of Allianz Worldwide Partners (AWP) while simultaneously rolling out the transformation projects of ABS and AIT within the Allianz Global Assistance business units worldwide. IT delivery for AWP will further be extended.

5.4 Business services

Following, in 2014, the first pilots implementations of the FBS services offering and the extension of the HR services being delivered, the outlook in 2015 is to continue to expand the model. The service portfolio of FBS and HRS will be roll out to new OEs and further developed leveraging from our captive centers extension (in particular in Romania) and our partnership with external vendors.
Allianz Consulting is planning to continue its growth in line with sustainable demand for transformational consulting services within Allianz Group. In the course of this growth, Allianz Consulting especially targets on further expanding its footprint in Allianz' local OEs and global lines.

Corporate Real Estate Services will continue to implement National Real Estate Committees in further countries globally. Key focus areas will be support on project management and shared convergence scenario implementation.

In 2015, Global Sourcing & Procurement will continue to rigorously exploit Group buying power by increasing group-wide collaboration and delivering significant cost-savings to Allianz. Global Sourcing & Procurement will further increase the global collaboration and roll out their support to additional countries and companies, delivering significant cost savings to Allianz as a Group.

5.5 Financial Development

The business of AMOS SE is organized into the delivery of continuous shared services (service portfolio) and support for strategic transformation projects that produce new platforms and services for the Allianz Group and its various OEs (investment portfolio). In the coming year, AMOS SE will continue the "Transformation Plan" program and aims to achieve with further revenue increase and cost reduction measures a "black zero" result in the service portfolio at AMOS Group level.

By design, the investment portfolio shows a negative result up to the scheduled break-even point for business cases of the different Group and OE projects. Accordingly, the payback of this strategic transformation effort is planned for later years.

Funding requirements arising from these investments were and will continue to be covered through obtained loans or registered bonds issued within Allianz Group. AMOS SE bears these investments. AMOS SE has always access to short-term liquidity via the Allianz cash pool.

A domination and profit transfer agreement between Allianz SE as the controlling company and AMOS SE as the dependent company has been in place since the 2009 financial year. The contract term ended on December 31, 2013, and since then it is renewed on a yearly basis if it is not terminated 6 months in advance of the calendar year. It is assumed that the contract will be continued as AMOS SE provides worldwide shared services for Allianz Group.

In the financial year 2012 a domination and profit transfer agreement was concluded between AMOS SE as the controlling company and Metafinanz-Informationssysteme GmbH as the dependent company. Due to this contract AMOS SE has the obligation to compensate losses and the right to obtain gains of the subsidiary. The contract term ended on December 31, 2016. If it is not terminated 6 months in advance of the calendar year it will be automatically renewed on a yearly basis.

In 2015, AMOS SE projects strong revenue growth and an pronounced improvement in earnings – prior to settlements under the profit and loss transfer agreement – but expects to fall short of the breakeven point.

6. Opportunities and Risk Report

The explanation of the main opportunities for AMOS are outlined in “5. Outlook”.

As an internal service provider to the Allianz Group, AMOS aligns its risk management with operating and financial risks and reports regularly on its current risk position.

6.1 Risk Management Organization

Risk controlling is part of Risk Management & NBM Office (Risk & NBM) in Business Development. Risk Management heads the risk committee, which comprises the members of AMOS Management Board. Preliminary work for the committee is carried out by the sub-division heads of each business unit. The committee convenes for regular meetings, where it identifies, appraises and manages risks and the countermeasures to be adopted. Risk Management reports on the current risk position to the Supervisory Board of AMOS and to Allianz SE.

6.2 Risk categories, Risk assessment and Control Measures

As a service provider, AMOS classifies risks into the following categories: operational, financial, strategic, reputation and market risks. The risks are assessed both quantitatively and qualitatively using recognized methods in accordance with Allianz Group specifications.

In this respect, AMOS essentially concentrates on identifying and minimizing operational and financial risks. Strategic risks are identified and managed as part of the wider strategic debate in the Allianz Group as a whole. Strategic risks include risks which could, for example, jeopardize the company’s ability to reach its strategic objectives. Reputation risks concern the risk of loss in the event the reputation of AMOS is compromised. Potential reputation risks are regularly discussed with AMOS Communications and recorded. Market risks encompass all risks arising from changes to underlying market conditions, and are considered in conjunction with financial risks.

Financial risks cover all risks that can cause outcomes to deviate from financial planning, such as incorrect costing or project planning. Such risks can be mitigated by controlling of financial reporting and by project steering within AMOS. Operational risks cover all risks of loss arising from inefficiencies or errors in processes and controls caused by technology, employees, organizational structures or external factors. Risks of this nature are mitigated by appropriate technical and organizational safeguards – such as high availability and backup measures at the Unterföhring computer centers, at the Frankfurt computer center and crisis management to recover business following a disaster. Allianz customers and business partners have controlled, authorized access to Allianz Group applications protected by firewall-DMZ complexes (demilitarized zone, security system with access-controlled communication between internal and external computer networks). This prevents unauthorized access from the Internet or other external networks. Access authorization and control systems are employed alongside encryption technologies to ensure the confidentiality of stored or transferred data. In addition, correct and secure operation and development of central applications in finance, investment, HR and procurement are ensured by incorporating SAP applications and SAP-supported processes.

A business impact analysis/risk identification and assessment (BIA/RIA) is carried out in compliance with the Allianz Standard for Business Continuity Management (ASBCM) to evaluate the ability of AMOS to recover operations in the event of disaster. The risk controlling activities at AMOS did not identify any risks in 2014 that could jeopardize the company's existence.

AMOS meets the requirements of Internal Control over Financial Reporting (ICOFR) in compliance with the provisions of the Group Risk, carrying out regular controls of key service provision processes such as procurement, processes in change management, problem management, user access management and IT security management, and supplying documentary evidence to the financial reporting officers at customer companies. The controlling environment introduced under ICOFR will continue to contribute to high-quality financial reporting.

AMOS consistently meets the Group guidelines set out in documents such as the Allianz Standard for Information Security, the Allianz Standard for Business Continuity Management, the Group Risk Policy, the Group Compliance Policy and financial reporting requirements from the ICOFR. Compliance with the requirements is demonstrated on a regular basis by means of suitable controls and reports. As was previously the case for the German client base of AMOS, these compliance services for standard operating processes are now also performed for European and non-European Allianz companies which are customers of AMOS. Client-specific services are provided in accordance with customer requirements.

Risk Controlling will again actively track AMOS services for client companies in the 2015 financial year.

7. Report on Events Subsequent to the Balance Sheet Date

No events of particular significance for evaluating the asset, financial and earnings situation at AMOS SE occurred between the end of the financial year and the Board of Management meeting at which the Annual Report was presented.

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Balance sheet at December 31, 2014

Assets[1]

€	2014	2014	2014	2013
A. Non-current assets				
I. Intangible assets				
1. Internally generated commercial property rights and similar rights and assets	150,950,686			144,725,649
2. Purchased concessions, commercial property rights and similar rights and assets as well as licenses to such rights and assets	329,849,938			303,405,745
		480,800,624		**448,131,394**
II. Property, plant and equipment				
2. Technical plant and equipment	155,073,465			121,917,041
4. Downpayments made and assets under construction	140,124,829			123,772,861
		295,198,295		**245,689,901**
III. Financial assets				
1. Investment in affiliated companies	25,152,884			15,475,124
3. Participations	14,739,465			1,500
5. Securities	5,539,561			7,830,445
		45,431,910		**23,307,068**
			821,430,828	**717,128,363**
B. Current assets				
I. Inventories				
1. Raw materials and supplies	0			827,755
2. Unfinished goods and work in progress	170,000			0
		170,000		**827,755**
II. Receivables and other assets				
2. Receivables due from affiliated companies, thereof due after more than one year 0 € (2013: 0 €)	606,604,181			253,319,298
4. Other assets	99,086,508			47,631,019
		705,690,689		**300,950,317**
IV. Balances with banks, Bundesbank, checks and cash on hand		**6,980,794**		**1,776,833**
			712,841,483	**303,554,906**
C. Prepaid expenses			**45,204,243**	**35,124,167**
E. Excess of plan assets over post-employment benefit liabilities			**1,108,235**	**0**
Total assets			**1,580,584,789**	**1,055,807,436**

1 – Item numbering as per § 266 (2) HGB

Balance sheet at December 31, 2014

Equity and Liabilities[2]

€	2014	2014	2013
A. Shareholders' equity			
I. Issued capital	121,000		121,000
II. Additional capital reserves	189,487,056		189,487,056
		189,608,056	**189,608,056**
B. Provisions			
1. Reserves for pensions and similar obligations	1,094,465		2,277,739
2. Tax provisions	10,237,778		8,110,763
3. Other provisions	169,516,911		154,460,287
		180,849,154	**164,848,788**
C. Liabilities			
4. Trade payables thereof due within one year 42,199,549 € (2013: 51,737,496 €)	42,199,549		51,737,496
6. Liabilities to affiliated companies thereof due within one year 386,816,392 € (2013: 281,176,303 €) thereof due within up to five years 630,864,297 € (2013: 349,007,685 €) thereof due more than five years 112,449,708 € (2013: 0 €)	1,130,130,397		630,183,984
8. Other liabilities thereof due within one year 37,475,024 € (2013: 19,429,112 €) thereof due to taxes 16,453,003 € (2013: 0 €)	37,475,024		19,429,112
		1,209,804,971	**701,350,592**
D. Prepaid expenses		**322,608**	0
Total equity and liabilities		**1,580,584,789**	**1,055,807,436**

2 – Item numbering as per § 266 (3) HGB

Income statement

for the period January 1, 2014, to December 31, 2014 in € [3]	2014	2014	2014	2013
1. Revenues		713,232,684		633,698,068
2. Increase or decrease of unfinished goods		170,000		
3. Other own work capitalized		17,686,496		18,281,631
4. Other operating income		39,473,196		62,976,213
thereof from currency conversion: 7,204,643 € (2013: 10,647,292 €)				
thereof out-of-period revenues: 7,991,739 € (2013: 28,631,585 €)			**770,562,375**	**714,955,912**
5. Expenses for IT operations				
a) Expenses for materials and other supplies	-7,483,142			-6,213,052
thereof out-of-period expenses: 0 € (2013: 0 €)				
b) Expenses for services received	-396,365,020			-384,543,554
thereof out-of-period expenses: 2,396,187 € (2013: 0 €)				
c) Service provider services	-158,197,530			-110,386,723
thereof out-of-period expenses: 5,170,967 € (2013: 97,834 €)				
		-562,045,693		**-501,143,330**
6. Personnel expenses				
a) Wages and salaries	-193,724,903			-179,702,350
thereof out-of-period expenses: 2,137,304 € (2013: 4,023,226 €)				
b) Social security	-22,668,764			-22,709,243
thereof out-of-period expenses: 21,448 € (2013: 10,448 €)				
c) Pensions	-20,395,433			-21,761,380
		-236,789,100		**-224,172,973**
7. Depreciation and amortization				
a) on intangible assets	-65,465,905			-57,216,998
b) on property, plant and equipment	-41,795,406			-40,204,138
		-107,261,311		**-97,421,136**
8. Other operating expenses		**-59,516,838**		**-65,044,522**
thereof following currency conversion: 7,557,059 € (2013: 10,688,140 €)				
thereof out-of-period expenses: 55,408 € (2013: 2,239,358 €)				
			-965,612,941	**-887,781,961**
9. Income from participations			1,925,601	1,920,844
thereof income from profit transfer: 1,925,601 € (2013: 1,920,844 €)				
11. Other interest and similar income			1,158,687	2,753,428
from affiliated companies: 971,236 € (2013: 1,435,654 €)				
from discounting interest on provisions: 39,523 € (2013: 976,546 €)				
13. Interest and similar expenses			-14,199,634	-15,604,956
from affiliated companies: 13,297,641 € (2013: 11,955,270 €)				
from discounting interest on provisions: 573,108 € (2013: 2,978,315 €)				
14. Earnings from ordianary activities			**-206,165,913**	**-183,756,732**
15. Extraordinary income			3,834,925	35,772,645
16. Extraordinary expenses			-10,657,704	-979,326
17. Extraordinary result			-6,822,779	34,793,319
			-212,988,691	**-148,963,413**
18. Taxes on income and earnings			-38,816,422	-65,325
19. Other taxes			-661,986	-7,501,895
Income from losses absorbed			252,467,099	156,530,632
20. Net income / loss for the year			**0**	**0**
Net profit / loss			**0**	**0**

3 – Numbering and discription were taken over from § 275 (2) HGB

Notes to the Financial Statements

Legal Regulations

Allianz Managed Operations & Services SE (termed "AMOS SE" or "Company" in the following) prepares its annual financial statements and management report in accordance with the provisions of the German Commercial Code (HGB) and the German law governing the establishment of a Societas Europaea (SE Implementation Act). It meets the criteria for recognition as a large corporation on the basis of the provisions in § 267 section 3 of the German Commercial Code (HGB).

The financial statements have been prepared in Euros (€).

The income statement has been prepared using the "nature of expense method" (§ 275 section 2 HGB). Item names in the income statement have been adjusted in accordance with § 265 sections 5 and 6 HGB in accordance with the business of the Company.

Accounting and valuation policies

Due to calculations, there may be rounding differences of +/- one unit.

Intangible assets, property, plant and equipment

Intangible assets are stated at their acquisition cost or production cost minus straight-line depreciation and amortization over the economic lives defined internally by the Group. Depreciation is calculated on a monthly basis.
The production costs are reported with the lower production cost limit. Overheads have not been included because they were insignificant.

The purchased intangible assets include both finished and unfinished intangible assets which are not ready for use yet.

In exercising the capitalization options pursuant to § 248 section 2 HGB, self-created intangible assets were capitalized in the financial year and depreciated on a straight-line basis over the economic lives defined internally by the Group. Write-downs are made in the case of permanent impairment.

Assets with an acquisition cost of up to € 410 are depreciated immediately, in accordance with tax regulations.

Various IT projects that AMOS SE is performing for other Allianz companies are capitalized in the intangible assets at acquisition or production costs.

Investment in affiliated companies

Investments in affiliated companies are carried at acquisition cost or at the contribution value (book value carried by the predecessor in title).

Participations

The participations are valued at cost.

Securities

Part of the pension commitments are secured by a contractual trust arrangement (Methusalem Trust e.V.). These trust assets constitute primarily offsettable plan assets in accordance with § 246 section 2 HGB, the fair value of which is either equivalent to the asset value or the market value in accordance with § 253 section 1 HGB.

The financial assets are valued at the mitigated lower of cost or market principle.

Inventories

Inventories are valued individually at acquisition cost or production cost.

Trade and other receivables

Receivables are valued at their nominal amounts.

Option rights are acquired to hedge liabilities from Stock Appreciation Rights (SAR). The Restricted Stock Units (RSU) are hedged through forward contracts (Hedge RSU) with Allianz SE, carried as a receivable due from Allianz SE and as an equity swap. The option rights and forward contracts are combined with the corresponding underlying transactions as a hedge, provided a direct hedging relationship exists. The underlying transactions are reported under Other Provisions and the hedging transactions are reported under Other Assets. A micro-hedge is used to ensure the hedges are fully protected against the risk of price changes as a result of fluctuations in market prices.

The effectiveness of the hedging for the Group Equity Incentive Plans which are scheduled to expire in 2017 at the latest is checked prospectively and retrospectively at the balance sheet date using the critical term match method to match conditions, parameters and risks.

Development of non-current assets in the financial year 2014

	Acquisitions				
	Balance at 31.12.13 Total €	Additions 2014 €	Reclassifications 2014 €	Disposals 2014 €	Balance at 31.12.14 €
Software	616,697,165	145,248,800	3,342	-92,488,506	669,460,801
Self-created software	178,523,758	31,406,038	0	0	209,929,796
Total software	**795,220,924**	**176,654,838**	**3,342**	**-92,488,506**	**879,390,597**
Mainframes	59,423,453	9,195,230	0	-37,309,042	31,309,642
Storage media	92,494,190	7,773,666	-13,415	-38,023,628	62,230,812
Print and post-press	28,054,131	110,525	-4,308	-27,162,226	998,122
Network components	175,249,598	54,586,575	369,157	83,160	230,288,490
Servers	208,062,437	11,212,136	-3,538	-104,789,835	114,481,200
Plant and office equipment	95,003,525	15,434,998	-342,550	-5,457,401	104,638,571
Low-value assets	3,719,223	393,578	-8,687	-2,245,677	1,858,437
Total property plant and equipment	**662,006,557**	**98,706,708**	**-3,342**	**-214,904,649**	**545,805,274**
Investments in affiliated companies	15,475,124	24,415,725	-14,737,965	0	25,152,884
Participations	1,500	0	14,737,965	0	14,739,465
Securities	7,830,445	0	0	-2,290,884	5,539,561
Total investments	**23,307,069**	**24,415,725**	**0**	**-2,290,884**	**45,431,910**
Total AMOS SE	**1,480,534,549**	**299,777,271**	**0**	**-309,684,039**	**1,470,627,781**

The underlying transactions, which consist of future payment obligations, totaled € 8,882 thou (2013: € 8,438 thou) on the balance sheet date. Hedges against risks of changes in value in the amount of € 4,865 thou (2013: € 5,400 thou) have been formed. The hedges are reported using the net hedge presentation method.

Prepaid expenses

Prepaid expenses are stated at nominal value.

Provisions

In accordance with § 253 section 1 sentence 1 HGB, provisions are entered at the anticipated settlement amount required on the basis of reasonable commercial appraisal.

Provisions with a residual term in excess of one year are discounted applying the average market interest rate of the past seven financial years, according to their remaining maturities.

Reserves for pensions, for long-service awards, partial and early retirements

The company has made pension commitments for which pension reserves have been formed. Part of these pension commitments are secured by a contractual trust arrangement (Methusalem Trust e.V.). These trust assets constitute offsettable plan assets, the fair value of which is either equivalent to the asset value or the market value.

The settlement amount is determined by applying the projected unit credit actuarial method or reported as the present value of the acquired pension entitlement.

The reserves for pensions are calculated according to actuarial principles. The conversion costs incurred as a result of the initial application of the German Act to Modernize Accounting, Reporting and Auditing (BilMoG) in 2010 can be distributed over up to 15 years. In the years up to and including 2013, the company partly made use of this possibility, and recognized one-fifteenth of this amount as an extraordinary expense. In 2014, all still outstanding

Depreciation and amortization					Balance sheet results	
Balance at 31.12.13 Total €	Additions 2014 €	Reclassifications 2014 €	Disposals 2014 €	Balance at 31.12.14 €	Balance at 31.12.13 Total €	Balance at 31.12.14 Total €
313,291,420	40,284,904	186	-13,965,648	339,610,862	303,405,745	329,849,938
33,798,109	25,181,001	0	0	58,979,110	144,725,649	150,950,686
347,089,529	**65,465,905**	**186**	**-13,965,648**	**398,589,972**	**448,131,394**	**480,800,624**
51,301,979	4,045,132	0	-37,307,156	18,039,955	8,121,474	13,269,687
77,906,162	5,002,819	-251	-38,010,375	44,898,355	14,588,028	17,332,457
22,312,996	599,475	-140	-21,869,089	1,043,242	5,741,135	-45,120
27,767,214	5,902,929	10,373	180,211	33,860,728	147,482,383	196,427,762
193,788,423	8,316,218	762	-104,781,690	97,323,713	14,274,013	17,157,487
40,089,066	17,531,154	11,271	-3,474,223	54,157,269	54,914,459	50,481,303
3,150,815	397,678	-22,201	-2,242,573	1,283,719	568,408	574,718
416,316,655	**41,795,406**	**-186**	**-207,504,895**	**250,606,980**	**245,689,901**	**295,198,294**
0	0	0	0	0	15,475,124	25,152,884
0	0	0	0	0	1,500	14,739,465
0	0	0	0	0	7,830,445	5,539,561
0	**0**	**0**	**0**	**0**	**23,307,069**	**45,431,910**
763,406,184	**107,261,311**	**0**	**-221,470,543**	**649,196,952**	**717,128,364**	**821,430,828**

amounts were recognized in full as an extraordinary expense. This results from the pension commitments which are accounted for centrally at Allianz SE (see section on Contingent Liabilities). Provisions for long-service awards to staff, partial retirement ("Altersteilzeit", which is a specific type of early retirement program in Germany) and preretirement benefits are also determined according to actuarial principles. The full amount of the obligations determined is carried as a liability.

The simplified regulations in § 253 section 2 sentence 2 HGB (residual time to maturity of 15 years) were used to arrive at the discount rate. In contrast to the previous year, an interest rate forecast to the balance sheet date was used as the basis. This approach was taken owing to the substantial reduction in the discount rate over the course of 2014.

The effect of a change in the discount rate is recognized in Other interest and similar income.

On December 31, 2014, the discount rate was 4.50 % (2013: 4.90 %), the rate of pension increase was 1.70 % (2013: 1.90 %) and the rate of increase in remuneration was 3.25 % (2013: 3.25 %), including average career rate increases.

Notwithstanding the above, some of the pension commitments use the guaranteed rate of the pension commitments of 2.75 % p.a. and the guaranteed rate of pension increase of 1 % p.a. as their basis.

The mortality tables used are the current RT2005G tables of Dr. Klaus Heubeck, adjusted with respect to mortality, disability and fluctuation to reflect company-specific circumstances. The retirement age applied is the contractual or legal retirement age (as per the German Pension Insurance Retirement Age Adjustment Act of 2007).

Derivative financial instruments (Assets B.II.)

Category / Type	Nominal amount (in € thou)	Fair value (in € thou)	Valuation method	Significant assumptions		Book value (in € thou)	Balance sheet line item
Options (Allianz Long Call SAR 2008)	1,571	258	Binomial model	Interest rate	-0.03%	321	Assets B.II.
				Volatility	28.57%		
				Dividend yield	0.00%		
				Share price	137.35 €		
				Cap	293.45 €		

Status December 31, (in €)	2014	2013
Acquisition cost of the offset assets	57,322,716	51,458,686
Fair value of the offset assets	57,740,439	51,677,822
Settlement amount of the offset debts	57,726,667	53,955,461
Amount of provisions not recognized in accordance with Art. 67 section 2 EGHGB (Introductory Act to the German Commercial Code)	0	0

You can find further explanations of reporting of pensions and similar obligations in the Notes under "Notes on liabilities" and "Contingent liabilities".

Other provisions

The company has obligations from staff long-service awards, a long-term credit account and partial retirement and early retirement agreements which are reported under Other Provisions.

The assets reserved in the Methusalem Trust e.V. for partial retirement security deposits and the long-term credit account represent offsettable pension assets, the fair value of which is either equivalent to the asset value or the market value. These obligations are valued largely in the same way as for pension commitments and on the basis of the same accounting assumptions.

Status December 31, (in €)	2014	2013
Acquisition cost of the offset assets	11,796,642	9,884,669
Fair value of the offset assets	13,225,277	11,034,325
Settlement amount of the offset debts	19,379,223	18,142,179

Liabilities

Liabilities are carried at the settlement amount.

Foreign currency translation

All business transactions are in principle posted in the original currency and converted to Euros at the rate prevailing on the day (average spot exchange rate). As at December 31, 2014, receivables and liabilities as per § 256 a sentence 1 HGB were valued on the balance sheet date at the average spot exchange rate on the balance sheet date. The provisions of § 256 a sentence 2 HGB were applied to receivables and liabilities due within one year. Profit and loss were posted in the income statement in the "thereof" note.

Derivative financial instruments and valuation units

Use is made of derivative financial instruments to hedge foreign currency risk exposure due to operating activities or as part of investment and financial transactions. Provided commercial-code requirements are fulfilled for offsetting opposing changes in fair value or cash flows resulting from the onset of comparable risks, assets, liabilities, pending or anticipated transactions (underlying transactions) are combined with these derivative financial instruments as a hedge, provided a direct hedging relationship exists. If no direct hedging relationship exists, they are accounted for in accordance with general valuation principles.

In accordance with the net hedge presentation method, value changes resulting from underlying transactions and hedging transactions are not reported to the extent that the hedging relationship is effective. To the extent a hedging relationship is ineffective, a total residual loss is recognized immediately in the income statement; a total residual profit, on the other hand, can be left out of consideration. The effectiveness of the hedging relationships is determined prospectively and retrospectively at each balance sheet date.

Deferred taxes

Pursuant to the option provided under § 274 section 1 sentence 2 HGB, deferred tax assets in excess of the offsettable amount are not included.

The largest discrepancy between the commercial and fiscal valuations can be found in the item Intangible assets, which results in deferred tax assets. A tax rate of 31 % is used in the valuation of the domestic deferred tax assets.

Profit distribution block

The sum total of amounts which pursuant to § 268 section 8 HGB are essentially subject to the profit distribution block, or which are subject to the profit transfer block as per § 268 section 8 in combination with § 301 AktG (Stock Corporation Act) is € 152,797 thou (2013: € 146,095 thou). This amount comprises amounts from capitalizing self-created intangible assets totaling € 150,951 thou (2013: € 144,726 thou), and amounts from capitalizing assets at fair value totaling € 1,846 thou (2013: € 1,369 thou) serving exclusively to serve debts from pension obligations. The amount subject to the profit transfer block is fully covered by freely available shareholder equity.

Notes to the balance sheet and income statement

Intangible assets (Assets A.I.)

This item covers self-created intangible assets and purchased software licenses.

The self-created intangible assets rose from € 144, 726 thou in the preceding year to € 150,951 thou. The purchased intangible assets include both finished and unfinished intangible assets. A total of € 176,655 thou was capitalized in 2014 for development costs for IT projects and for self-created intangible assets.

These investments are primarily driven by Allianz Group projects and by projects for other Allianz companies. Increases were offset by disposals and depreciation.

Property, plant and equipment (Assets A.II.)

Technical plant and equipment comprises servers, network components, storage devices, plant and office equipment, mainframes, print and post-press, and low- value assets.

The Downpayments made and Assets under construction item includes € 140,125 thou for the Allianz Global Network project, which is not yet completed.

Financial assets (Assets A.III.)

Investment in affiliated companies (Assets A.III.1.)

Investment in affiliated companies (Assets A.III.1.)

	Participation (percentage share)	Equity capital 31.12.2014 (in € thou)	Result 2014 (in € thou)
Allianz Managed Operations & Services Netherlands B.V. (Rotterdam, Netherlands)	100 %	-1,347.7	-1,425.2
Metafinanz-Informationssysteme GmbH (Munich, Germany)	100 %	1,026.7	1,925.6*
AMOS European Services SAS (Paris, France)	100 %	24,011.1	-38.9
Allianz Managed Operations & Services Thailand Co. Ltd (Bangkok, Thailand)	99,9 %	340.1	-36.7

* Result before profit transfer

In 2012, the branch in The Netherlands migrated to a 100 % subsidiary. The subsidiary is reported at investment book value.

Metafinanz-Informationssysteme GmbH (Munich) has since August 2011 been a 100 % subsidiary of AMOS SE. A domination and profit transfer agreement was concluded with AMOS SE in the 2012 financial year.

AMOS European Services SAS was founded in March 2014. AMOS SE has since that time held a 100% share of the company.

AMOS SE has since November 2014 held a 99.9 % share in Allianz Managed Operations & Services Thailand Co. Ltd.

Participations (Assets A.III.3.)

The portfolio of participation investments at the balance sheet date consists of a holding in DENIC Domain Verwaltungs- und Betriebsgesellschaft eG, Frankfurt am Main, Germany.

In addition, AMOS SE has held a 49.9 % share in AMOS Austria GmbH (Vienna) since June 2011.

Securities (Assets A. III. 5.)

The portfolio of securities comprises investment fund shares of € 5,540 thou (2013: € 7,830 thou) serving as insolvency insurance for partial retirement credits under the Contractual Trust Arrangement (CTA). The shares in the CTA are assets received up to the balance sheet date with the same value as the liability under the partial retirement agreements insured against insolvency from July 1, 2004.

Assets and debts were offset pursuant to § 246 section 2 sentence 2 HGB.

Inventories (Assets B.I.2)

The inventories comprise work in progress totaling € 170 thou.

Receivables and other assets (Assets B.II.)

Receivables from affiliated companies are primarily the receivable of € 252,467 thou (2013: € 156,531 thou) from the domination and profit transfer agreement with Allianz SE. Under this agreement, there are also trade receivables of € 328,168 thou (2013: € 81,691 thou) from Group customers arising from unpaid invoices for services.

The Other assets item includes tax refund claims resulting from the affiliation for tax purposes with Allianz SE totaling € 24,690 thou (2013: € 16,025 thou), SAP licenses held for resale totaling € 11,052 thou (2013: € 9,218 thou), options on shares of Allianz SE to hedge the risks of the Allianz Group arising from the Group Equity Incentives (GEI) and Allianz Equity Incentives (AEI) totaling € 8,958 thou (2013: € 8,550 thou) and tax refund claims from value added tax in Switzerland totaling € 9,024 thou (2013: € 6,407 thou).

Details as per § 285 No. 23 HGB on the valuation units (GEI) are reported under Trade and other receivables.

In addition, reimbursement rights from the Inland Revenue resulting from corporation tax and loans to employees are also reported under this item.

Prepaid expenses (Assets C.)

Prepaid expenses rose by € 10,080 thou from € 35,124 thou in 2013 to € 45,204 thou, and comprise prepaid amounts for maintenance and servicing of hardware and software and for rental fees.

Excess of plan assets over post-employment benefit liability (Assets E.)

The amount of € 1,108 thou (2013: € 0 thou) reported under the item Excess of plan assets over post-employment benefit liability results from the difference between obligations arising from vested pension contributions to contribution-based pension plans (BPV), and the pension assets.

Issued capital (Equity and liabilities A.I.)

The issued capital on December 31, 2014 totaled € 121 thou, the same as 2013, and is divided into 121,000 shares of € 1 each.

Additional capital reserves (Equity and liabilities A.II.)

The capital reserves were unchanged per December 31, 2014 over December 31, 2013. The capital reserves include freely available shareholder equity pursuant to § 272 section 4 HGB.

Reserves for pensions (Equity and liabilities B.1.)

Reserves for pensions consist of obligations arising from vested pension contributions of € 0 (2013: € 1,284 thou) (see Assets E.) to contribution-based pension plans (BPV), after offsetting with the pension assets, and of pension commitments for deferred compensation schemes (PZE) amounting to € 1,094 thou (2013: € 993 thou).

Tax provisions (Equity and liabilities B.2.)

A tax reserve was formed for operations at various locations. In addition, it was necessary to form a value added tax reserve for the procurement of licenses, the use of which had not been adequately finalized by December 31, 2014.

Other provisions (Equity and liabilities B.3.)

The main items under Other Provisions were € 114,904 thou (2013: € 98,482 thou) for outstanding trade payables, € 19,176 thou for profit-sharing (2013: € 15,120 thou) and € 5,510 thou (2013: € 7,671 thou) for the change of provider.

The increase in other provisions by € 15,057 thou in comparison to the previous year is primarily due to the increase of € 16,422 thou for provisions for outstanding trade payables, and the increase of € 4,056 thou for provisions for profit-sharing. The increase is partially offset by the release and use of provisions for restructuring costs of € 4,063 thou, and the use of provisions for the change of provider of € 2,161 thou.

Since the other provisions are obligations with a term of more than one year, they were discounted at the interest rate published by the German Central Bank (Deutsche Bundesbank) on the balance sheet date.

Funds have been set aside for staff vacation and flexitime credits, staff anniversary awards, Group Equity Incentive plans, bonuses, preretirement benefits, contributions to the employers' mutual insurance association, tax audits, archiving costs, financial statement costs and the compensatory levy for severely disabled persons.

Liabilities (Equity and liabilities C.)

Liabilities resulting from trade payables relate to unpaid claims by third parties for goods and services received and for contractual agreements.

Liabilities to affiliated companies comprise primarily liabilities arising from loans and bonds. The loan providers are the parent company Allianz SE, AGA International S.A. Paris, Allianz IARD S.A., Allianz Hellas Insurance Company, Allianz S.p.A. Trieste NL, Allianz Risk Transfer Zurich, Allianz Leben AG, Euler Hermes Group S.A., Allianz Vie S.A. and Allianz Switzerland. Per December 31, 2014, the loan liabilities were € 766,714 thou (2013: € 349,008 thou). This item also includes the following liabilities: € 246,535 thou in liabilities to Allianz SE resulting from the cash pool (2013: € 242,815 thou), liabilities of € 112,568 thou (2013: € 35,288 thou) through the clearing business with Group companies, and liabilities of € 1,961 thou (2013: € 2,484 thou) for value added tax payments from the years 1999-2003 due to Allianz SE.

Revenues (Income statement 1.)

Revenues are attributable to Application & Data Services (31.7 %), Standard and Other Cross Functional Services (15.4 %), Projects & Consulting (12.3 %), Network (8.9 %), Workplace (8.5 %), Print & Output Services (4.7%), Telecommunication (3.0 %) and Other Services (15.6 %).

The Other Services also include services from Operations and Services and license sales.

Revenues organized by geographical markets:

Company code	2014 (in € thou)	%
Germany	654,856	91.8
UK	23,598	3.3
Belgium	10,308	1.4
Ireland	10,571	1.5
Switzerland	11,248	1.6
Singapore	2,421	0.3
Romania	231	0.0
Total revenue	**713,233**	**100**

Increase or decrease in inventories of unfinished goods (Income statement 2.)

In the financial year 2014 the inventories of unfinished goods changed by € 170 thou.

Other own work capitalized (Income statement 3.)

This item comprises own work capitalized for IT projects which are carried as intangible assets and property, plant and equipment in the balance sheet.

Other operating income (Income statement 4.)

Other operating income essentially results from value added tax declarations from 2014 totaling € 19,980 thou (2013: € 23,396 thou) as a result of company affiliation for tax purposes.

Expenses for IT operations (Income statement 5.)

The items recognized under expenses for IT operations include expenses for purchased services and for materials and other supplies.

Expenses for materials and other supplies represent expenses for disposable items and consumables and IT information carriers.

Expenses for purchased services primarily include expenses for services of service providers, for maintenance and repair services, rents, fees for external services, intra-Group and inter-Group netting of services, fees for postal services, communications and external personnel costs.

Service provider expenses primarily include expenses for external vendors in connection with Allianz Global Network and Data Center Services.

Personnel expenses (Income statement 6.)

The item includes wages and salaries, social security contributions, expenses for pensions and for support for AMOS SE employees over the financial year. The € 12,616 thou increase in personnel expenses, from € 224,173 thou to € 236,789 thou, is attributable to the expansion of the business and the resulting higher number of employees in 2014.

Depreciation and amortization (Income statement 7.)

Depreciation and amortization is recorded as scheduled depreciation applied on the basis of monthly charges as permitted under commercial law. In contrast with the amortization period of 3-5 years, the European target IT platform project transferred from Allianz SE, and the SAP-based Global Reporting System, are being amortized over a period of ten years.

Pursuant to § 253, section 3 sentence 3 HGB, write-downs of € 802 thou have been made owing to the likely permanent impairment of assets. This impairment loss has been recognized in non-current assets.

Other operating expenses (Income statement 8.)

Other operating expenses include expenses for the use of cross-departmental functions charged by Group companies to AMOS SE, expenses for travel and professional training, expenses for consulting services for AMOS SE projects, and expenses for the valuation of foreign currencies and for exchange differences. The other operating expenses fell by € 5,528 thou from € 65,045 thou to € 59,517 thou in the reporting year. The decrease compared to the previous year is primarily due to the lower demand for non-IT consulting services.

Income from participations (Income statement 9.)

Income from participations exclusively comprises the income from profit transfer with Metafinanz-Informationssysteme GmbH totaling € 1,926 thou (2013: € 1,921 thou).

Other interest and similar income (Income statement 11.)

Other interest and similar income chiefly comprises interest revenue from affiliated companies arising out of interest on the assumption of losses by Allianz SE for the previous year, and interest accruing from the cash pool.

In addition, this item includes other interest income. This results mainly from interest from pension commitments, interest from discounting of multiyear provisions, interest income from value added tax refunds, and interest income from employee loans.

Interest and similar expenses (Income statement 13.)

Interest and similar expenses chiefly comprise interest expenses against affiliated companies. These include the proportionate interest expenses for the loans, and the interest cost for reserves for employee anniversary awards. Also reported in this item are other interest expenses. These chiefly comprise interest cost on long-term provisions, and interest payment for pension commitments.

Other obligations

Status December 31, (in €)	2014
Income from the fair value of the offset assets	-117,096
Imputed interest on the settlement amount of offset debts	887,154
Effect of the change in the discount rate on the settlement amount	142,037
Net amount of offset income and expenses	**912,095**

Pensions and similar obligations

Status December 31, (in €)	2014
Income from the fair value of the offset assets	-2,339,103
Imputed interest on the settlement amount of offset debts	2,450,515
Effect of the change in the discount rate on the settlement amount	121,134
Net amount of offset income and expenses	**232,546**

Offsetting was carried out as per § 246 section 2 sentence 2 half-sentence 2 HGB, and recognized in interest expenses.

Extraordinary income (Income statement 15.)

In the financial year 2014 there was extraordinary income of € 3,835 thou (2013: € 35,773 thou), chiefly comprising income from releasing restructuring provisions. These concerned mainly older restructuring measures which were ended in 2014.

Extraordinary expenses (Income statement 16.)

In the financial year 2014 there were extraordinary expenses of € 10,658 thou (2013: € 979 thou). These comprise the Allianz SE reversal of impairment, decided in 2014, relating to the shortfall in pension provision resulting from the introduction of BilMoG. Allianz SE calculated the part of the old pension plan due from AMOS SE on the basis of the existing cost distribution agreement on balanced pension commitments.

Out-of-period income

The out-of-period income of € 7,992 thou (2013: € 28,632 thou) results chiefly from releasing provisions and from value added tax refunds from previous years.

Out-of-period expenses

The out-of-period expenses of € 9,781 thou (2013: € 6,371 thou) largely comprise expenses for profit-sharing and higher expenses for purchased services and external costs for business operation.

Taxes on income and earnings

Taxes on income and earnings include tax expenses of € 37,969 thou resulting from audits of the financial years 2004-2008.

Other information

Contingent liabilities from company pension commitments and other financial obligations

a) Pension commitments

Contingent liabilities exist within the framework of pension plans. The company pension plan for employees of the German subsidiaries is generally based on membership in the Allianz Versorgungskasse VVaG pension fund (AVK), which is a legally independent pension fund regulated by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, or BaFin). The benefits provided by the AVK are financed in accordance with the lump-sum contribution system, under which the member companies make payments to the fund through deferred compensation.

In addition to Allianz SE, Allianz Deutschland AG, Allianz Versicherungs-AG and Allianz Lebensversicherungs-AG, the member companies also include the Company.

The Company is obliged to cover the administration costs of the pension fund on a pro rata basis, and may also be obliged to pay subsidies in accordance with legal requirements.

The member companies also make contributions to the Allianz Pensionsverein e.V. (APV), a contribution-based Group pension plan.

Allianz SE has assumed joint liability for part of the Company's pension commitments. The Company reimburses the costs; Allianz SE has assumed the fulfillment. For this reason, reserves for pensions are carried on the Allianz SE accounts, and not on the Company's accounts.

The Company's joint and several liabilities arising from these pension commitments and the related right of recourse against Allianz SE are:

Status December 31, (in €)	2014	2013
Settlement amount of the offset debts	98,824,484	96,904,378
Amount of reserve not recognized in accordance with Art. 67 section 2 EGHGB	0	10,657,704
Joint and several liability/right of recourse to Allianz SE	98,824,484	86,246,674

b) Changed financing procedure of the Pension Guarantee Fund in 2006

The conversion of the financing procedure of the pension guarantee fund in 2006 gave rise to joint and several liability of € 281 thou (2013: € 316 thou), which is not reported in the Company's balance sheet as it is matched by a right of recourse to Allianz SE in the same amount.

c) Other financial obligations

Other financial obligations resulting chiefly from multiyear project, maintenance and data transmission contracts with third parties total € 885,993 thou (2013: € 1,091,187 thou).

This item includes obligations totaling € 533,708 thou resulting from obligations from the overarching Allianz Group project Allianz Global Network.

Additional financial obligations resulting from multiyear rental agreements total € 75,538 thou (2013: € 109,528 thou). Included in this total are financial obligations toward affiliated companies totaling € 25,447 thou (2013: € 29,600 thou).

The full fees to the auditor are reported in the Group financial statements of Allianz SE.

Remuneration for the Board of Management and the Supervisory Board

The remuneration paid to two members of the Board of Management is part of the personnel expenses of Allianz SE.

The total remuneration for the other members of the Board of Management in the reporting period was € 3,652 (2013: € 2,732 thou).

Shared-based remuneration of € 7,529 (2013: € 4,994 thou) Restricted Stock Units (RSU)[1] granted in the financial year 2014 was issued to members of the Board of Management. The fair value of these units at the time they were granted is € 903 thou (2013: € 513 thou).

1 – The relevant share price used to determine the final number of RSUS granted is only available sign-off by the external auditors, thus numbers and values are based on a best estimate as well as the maximum amount distributed after the RSU portion has vested.

Allianz SE created provisions of € 4,237 thou (2013: € 3,501 thou) for current pensions and accrued pension rights for former members of the Board of Management and their surviving dependents.

The following chart shows the reserves for pensions for former members of the Board of Management/Directors and their surviving dependents:

Status December 31, (in €)	2014	2013
Acquisition cost of the offset assets	118,075	107,759
Fair value of the offset assets	118,075	107,759
Settlement amount of the offset debts	4,354,836	4,265,281
Amount of reserve not recognized in accordance with Art. 67 section 2 EGHGB	0	656,603
Reserves for pensions / excess of plan assets over pension liability	4,236,761	3,500,919

The fair value of the offset assets is based on the fair asset value of the reinsurance cover.

Expenses for the Supervisory Board amounted to € 24 thou in the financial year (2013: € 32 thou). The members of the Supervisory Board and the members of the Board of Management are listed on pages 8 and 9 respectively.

Average total number of employees for the year (excluding board members, trainees, interns and employees on parental leave or in military service/alternative civilian service.)	
Full-time employees	2,334
Part-time employees	215
Total	**2,549**

Group membership

Allianz Managed Operations & Services SE (AMOS SE) is part of the Allianz Group, for which the controlling parent company is Allianz SE, Munich. The consolidated financial statements and Group Management Report of Allianz SE in accordance with § 315a HGB are published in March in the Group Annual Report and then submitted to the operator of the German Official Gazette and published there. The documents may be viewed in the corporate register or requested from our Company. They are also available on the Allianz SE website. AMOS SE is included in the consolidated financial statements and Group Management Report of Allianz SE, with discharging effect for AMOS SE in accordance with § 291 HGB.

A domination and profit transfer agreement has existed between Allianz SE and AMOS SE since the financial year 2009. The companies belonging to the Allianz Group and their affiliated companies are named in the Annual Report of Allianz SE.

Munich, March 11, 2015
Allianz Managed Operations & Services SE

The Board of Management

Sylvie Ouziel | Stefan Britz | Dr. Barbara Karuth-Zelle

Dr. Ralf Schneider | Philip Varghese

Auditor's Report

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of Allianz Managed Operations & Services SE, Munich, for the business year from January 1 to December 31, 2014. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 HGB [„Handelsgesetzbuch": „German Commercial Code"] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Munich, March 12, 2015

KPMG AG
Wirtschaftsprüfungsgesellschaft

Dielehner	Dr. Pfaffenzeller
Wirtschaftsprüfer	Wirtschaftsprüfer
(Independent Auditor)	(Independent Auditor)