

# AMOS

Allianz Managed Operations & Services SE

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AMOS SE  
**Annual Report 2015**

Allianz 

# At a glance – 2015

Key commercial figures	2015	2014
Revenues (€ mn)	847.3	713.2
Investments (€ mn)	422.3	299.8
Active employees as of 31 December	3,460	2,887
Revenues with Group companies (percentage)	99.1	98.9

Key figures for IT	2015	2014
Computing capacity in MIPS	58,059	58,059
Disk space (terabytes)	11,836	9,318
Servers	6,849	6,499
Physical workstations	62,278	61,688
Virtual workstations	33,382	27,500
Regular users of Virtual Client (approx. figure)	17,511	13,500
Number of Allianz companies using AMOS SAP systems	113	124
Users of AMOS SAP systems with broad-ranging functionality	31,500	29,820
Number of installed video systems	493	371
Users connected to Allianz Global Network	101,198	68,419

Key figures for Services	2015	2014
Savings for the Allianz Group on IT products and services, on non-IT products and services and on claims (€ mn)	127.0	129.6

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# Report of the Supervisory Board 2015



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 2015, the Supervisory Board held two meetings, in March and December. In these meetings, the Board of Management informed about the economic situation of the company, the planned and implemented measures on the development of the business and the risk situation. The Supervisory Board was directly involved in major decisions. In addition, the Supervisory Board adopted two resolutions by circular procedure in September and November 2015.

The business year 2015 was characterized by Allianz Managed Operations & Services SE further executing Allianz group-wide initiatives:

- As of 1 July 2015 Allianz Managed Operations & Services SE acquired 100 % of the shares of Allianz Telematics SpA in Italy, employing about 25 employees, to provide telematics services to all Allianz companies. To support the roll out of the Allianz Global Network (AGN) services in the Asia-Pacific region, and to prepare the upcoming implementation of Data Center Consolidation (DCC), Allianz Managed Operations & Services SE founded the branch AMOS Australia in Sydney on 13 July 2015. AMOS IberoLatAm, Sociedad Limitada was founded in Barcelona on 23 December 2015 in cooperation with Allianz Compañia de Seguros y Reaseguros, S.A. (Allianz Managed Operations & Services SE holds a 49% share). This was done to provide more industrialized core insurance platform services (ePac) for the IberoLatAm region (nine Allianz companies in four countries), and reinforce regional development capabilities. As a result, AMOS IberoLatAm, Sociedad Limitada took over regional services from Allianz Compañia de Seguros y Reaseguros, S.A. in Barcelona, which included the transfer of approximately 130 employees.
- With respect to the DCC program, new data centers were already opened in Frankfurt, Paris, Phoenix and Edison in 2014 in order to address disaster recovery, availability and security targets of Allianz Group. With those data centers being ready, first server migrations started in July 2015 and led to more than 1,100 migrated servers by end of 2015.
- The AGN program continued the roll-out to Allianz Group companies, completing Waves 1, 2 and 3 by end of 2015 and preparing Wave 4, which is the final phase of this global program.
- As of 1 January 2015, Allianz Managed Operations & Services SE handles the full IT delivery of Allianz Global Assistance (AGA) on a worldwide scale. The move included a transfer of 246 employees to AMOS, who work together with roughly 360 AGA employees in the newly established IT B2B2C community.
- oneWeb is the strategic platform for digital interaction of Allianz Group. At the end of 2015, oneWeb consisted of 86 live portals used by more than 20 Allianz entities.
- oneMobile is now positioned as the Allianz strategic framework of App development, enabling Allianz companies to implement their own apps within a defined framework ecosystem.
- Allianz Business System (ABS) in France was migrated to Linux in 2015 and expanded with additional products and further functionalities such as claims handling for professional risks and multi-coverage. As a result, the number of claims in ABS production is aligned with expectations (approximately 40,000 claims in production). Furthermore, all other targeted Group solutions for Allianz France, GloBi, oneWeb and Thunderhead have been deployed.

- Allianz Benelux successfully launched the new ABS-based regional insurance platform. A first rollout to Dutch brokers aims to sell the new Allianz Benelux retail motor product. The ambition is to build a regional platform based on ABS for the three countries, targeting the Property & Casualty retail business, as well as corporate, small and medium-sized enterprises, affinities and direct markets. The scheduled rollouts are planned through end of 2018.
- AMOS Global Sourcing & Procurement (GSP) implemented the Allianz Group Standard for Procurement (AGSP). The major objective of AMOS GSP is to further increase the buying power of Allianz and to utilize Group synergies by generating sustainable savings and partnering with the most suitable global vendors. Furthermore, AMOS GSP achieved run-rate savings of nearly €130 million in 2015 together with respective business partners and Allianz entities.
- Business Processing Services (Finance, HR, Actuarial and Business Administration) continued to expand via FASS (Finance and Accounting Shared Services) deployment and expertise business services being delivered out of both captive and outsourced solutions (reaching a total of around 400 employees in India, Romania and Poland by end of 2015, servicing more than 14 OEs).
- Allianz Managed Operations & Services SE India has scaled to about 900 employees. The team has matured especially in the area of core platforms in terms of both capability and proficiency with, for example, more than 200 ABS consultants. Allianz Managed Operations & Services SE India successfully went live with its flagship ABS project for Allianz Greece for the motor line of business. 24x7 support in the area of network operations and IT security was established in 2015. Together with ACIS Ltd., a combined headcount of about 3,000 employees, additional capability in terms of insurance operations and finance business services is available.
- Allianz Managed Operations & Services SE continued the AMOS 20/15 internal Transformation Program in order to address the business challenges ahead (to drive change, to run smoothly and to master costs). To accelerate the transformation a behavioral model was introduced which was also a major focus of the Learning Week in which more than 2,500 employees from 32 locations in 19 AMOS countries were connected in local, global, online and onsite formats. Overall the ongoing activities within the program contributed to a strong result of this year's employee survey. With a participation rate of 89 %, all areas of the survey showed improvements compared to last year's results. Both the Employee Engagement Index (EEI) at 72 % (+8 %) and the Performance Enablement Index (PEI) at 74 % (+4 %) for Allianz Managed Operations & Services SE had positive results.

Mr. Andree Moschner resigned from his office as Member of the Supervisory Board of Allianz Managed Operations & Services SE with effect from 30 September 2015. On 25 November 2015 an extraordinary shareholders' meeting elected Mrs. Sabia Schwarzer, Head of Group Communications and Corporate Responsibility of Allianz SE as his successor with immediate effect.

Mrs. Sylvie Ouziel resigned from her office as Chairwoman and Member of the Board of Management with effect from 31 December 2015. The Supervisory Board accepted her resignation and elected Mrs. Barbara Karuth-Zelle as of 1 January 2016 as Chairwoman of the Board of Management for the duration of her current office as Member of the Board of Management, that is until 31 December 2019.

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 2015.

The annual financial statements and management report, together with the audit report prepared by KPMG AG Wirtschaftsprüfungsgesellschaft, were made available to all members of the Supervisory Board and were discussed in detail during the Supervisory Board meeting on 9 March 2016 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 AG Wirtschaftsprüfungsgesellschaft. 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 Ms. Sylvie Ouziel and Mr. Andree Moschner for their valuable contributions.

Munich, 9 March 2016  
On behalf of the Supervisory Board



Dr. Christof Mascher

# Members of the Supervisory Board

## Dr. Christof Mascher

Member of the Board of Management, Chief Operating Officer,  
Allianz SE  
Chairman of the Supervisory Board

## Manfred Büttner

Employee, Chairman of the General Works' Council,  
Allianz Managed Operations & Services SE  
Employee Representative

## Claire-Marie Coste-Lepoutre

Member of the Board of Management, Chief Financial Officer,  
Allianz Benelux S. A.  
(since 5 February 2016)

## Nina Klingspor

Member of the Board of Management, Chief Financial Officer,  
Allianz Global Corporate & Specialty SE  
(since 5 February 2016)

## Jürgen Lawrenz

Employee, first Deputy Chairman of the General Works' Council,  
Allianz Managed Operations & Services SE  
Employee Representative

## Sabia Schwarzer

Head of Group Communications and Corporate Responsibility,  
Allianz SE  
Deputy Chairwoman  
(since 25 November 2015)

# Members who left the Supervisory Board

## Patrick Grosjean

Member of the Board of Management, Chief Operating Officer,  
Allianz France S.A.  
(to 31 January 2016)

## Jesus Marin

Member of the Board of Management, Chief Operating Officer,  
Allianz S.p. A. Italy  
(to 31 January 2016)

## Andree Moschner

Member of the Board of Management, Chief Operating Officer,  
Allianz Deutschland AG  
Deputy Chairman  
(to 30 September 2015)



# Board of Management



From left to right:

## Dr. Barbara Karuth-Zelle

Chairwoman of the Board of Management, Member of the Board of Management responsible for Business Transformation and Operations (since 1 January 2016)

## Stefan Britz

Member of the Board of Management, Chief Financial Officer, Member of the Board of Management responsible for Labor Relations and Social Affairs

## Philip Varghese

Member of the Board of Management responsible for India and Organizational Management

## Dr. Ralf Schneider

Member of the Board of Management responsible for IT

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 2015.

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

## Sylvie Ouziel

Chairwoman of the Board of Management, Member of the Board of Management responsible for Operations (to 31 December 2015)



# MANAGEMENT REPORT

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## 1. Mandates and Mission

Allianz Managed Operations & Services SE (AMOS) is designed to transform Allianz into a digital group. The AMOS mission is to deploy Allianz Group solutions together with and to the benefit of Allianz companies.

By deploying the Allianz Group platform architecture (infrastructure and applications) and Group synergies – including procurement, real estate, processing services, and internal consulting –, AMOS delivers significant value to Allianz Group.

The information infrastructure and user applications that AMOS builds and runs, ensure a secure and efficient backbone for the digitalization of Allianz. It protects Allianz's data against threats while supporting the seamless distribution of products and modern customer servicing. Building on this, AMOS partners with Allianz companies to develop next-generation offerings such as telematics, new direct business models, B2B2C services, risk prevention and assistance. Parallel to this digitalization remit, AMOS business services provide long-term cost savings and qualitative benefits through central purchasing, scaled processes and pooled resources.

In summary, AMOS delivers value through six key levers.

1. Driving harmonization and simplification of business processes around best practices
2. Incubating innovation and ensuring fast scale-up and deployment
3. Leveraging sourcing opportunities around the globe to exploit skill tanks and cost-efficient locations, as well as outsourcing options; bringing external services providers on board
4. Leveraging the buying power of Allianz Group
5. Capitalizing on repeat delivery experiences and industrial methodologies, notably via international delivery centers to bring predictability, reliability and quality
6. Leveraging proven change and business transformation expertise

## 2. Structure and Operation

The goal of AMOS is to generate strategic differentiation, sustainable competitiveness and resilience for Allianz companies and 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 companies. AMOS supports Allianz companies through projects along their value chain in terms of IT infrastructure, applications and business services.

IT Infrastructure	<ul style="list-style-type: none"> <li>- Data Center Services</li> <li>- IT-Security Platform (Global Identity Access Management, Secure Mail)</li> <li>- Network Platform (Allianz Global Network, Global LAN/WAN, Global WIFI, Remote Access)</li> <li>- Private Cloud Platform (Allianz Virtual Client, Global Mail, Data Management Services)</li> </ul>
Applications	<ul style="list-style-type: none"> <li>- Central Functions Platforms (Finance, Risk, Treasury, Human Resources, Compliance)</li> <li>- Core Insurance Platforms (ABS, OPUS, ePac)</li> <li>- Digital Analytics Platforms (Global BI, Big Data BI)</li> <li>- Digital Interaction Platforms (oneWeb, oneMobile)</li> <li>- ERP Platforms (eRecruiting, HR Management, Procurement Platform)</li> <li>- Telematics Platforms</li> </ul>
Business Services	<ul style="list-style-type: none"> <li>- Allianz Consulting and Large Transformation Program Support</li> <li>- Corporate Real Estate and Services</li> <li>- Business Processing Services</li> <li>- Global Sourcing and Procurement</li> <li>- Telematics Products and Services</li> </ul>

AMOS continues to enhance its global delivery model. AMOS enlarged its international delivery network by acquiring 100 % of the shares of Allianz Telematics S. p. A. in Italy to be able to provide telematics services to all Allianz companies. AMOS IberoLatAm S.L. was founded in Barcelona in cooperation with Allianz Compañía de Seguros y Reaseguros (49 % AMOS share). This was done to provide more industrialized ePac services (core insurance platform) for the IberoLatAm region (Latin America, Spain and Portugal), consisting of nine Allianz companies in four countries, and to provide the regional development of the application. As a result, AMOS IberoLatAm S.L. will take over the services with approximately 130 employees who will be transferred from Allianz Compañía de Seguros y Reaseguros.

The branch AMOS Australia was founded in Sydney to support the roll out of the Allianz Global Network (AGN) services in the Asia-Pacific region, and to prepare the upcoming implementation of Data Center Consolidation (DCC). In addition, ramp up work went

ahead to establish the AMOS Central & Eastern Europe (CEE) branch in Bratislava as an international delivery center, with particular focus on the CEE region that consists of 16 Allianz companies in eight countries, commencing operations in Q1 2016.

Furthermore, AMOS of America (AMOSA) in the US and AMOS Italy have been incorporated into the AMOS delivery model to enable a close strategic alignment.

For a full listing of AMOS branches and subsidiaries, reference the table in section 4.1.

## 2.2 Our Customers

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 the 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 company).

In 2015, 299 Allianz companies sourced services from AMOS. As in the past, the largest customer was Allianz Deutschland AG (Allianz Germany) and its subsidiaries, such as Allianz Versicherungs-Aktiengesellschaft and Allianz Beratungs- und Vertriebs-AG (ABV), with annual sales revenues of approximately € 347 million. AMOS business grew in all regions with a strong focus on countries outside of Germany, which reduced the share of business generated in Germany to 62.9% (2014: 69.1%).

### Revenues 2015 (AMOS without subsidiaries)

Region	2015			2014		
	Total in Mio €	Share in %	Number of clients (Allianz Group)	Total in €	Share in %	Number of clients (Allianz Group)
Americas	31.4	3.7%	33	8.5	1.2%	35
Asia-Pacific	22.2	2.6%	51	11.1	1.6%	49
EEMEA	17.3	2.0%	56	13.2	1.9%	58
Germany	533.6	63.0%	48	492.7	69.1%	51
Western Europe (excl. Germany)	235.3	27.8%	111	179.8	25.2%	104
<b>Total within Allianz Group</b>	<b>839.9</b>	<b>99.1%</b>	<b>299</b>	<b>705.3</b>	<b>98.9%</b>	<b>297</b>
<b>Additional Revenues</b>						
Third-party business	7.4	0.9%		7.9	1.1%	
<b>Total</b>	<b>847.3</b>	<b>100.0%</b>		<b>713.2</b>	<b>100.0%</b>	

After successful implementation in 2014 of the Account Management set-up, 2015 has seen the implementation of the next level of collaboration with all Allianz companies. This has been estab-

lished through more structured and regular customer interactions, an improved joint planning and forecasting process, an open-book policy and commitment to full transparency. Furthermore, customer feedback is captured in a more systematic way and integrated into AMOS services, products, processes and standardized frameworks, which allows for scale and scope effects as well as increased customer satisfaction.

## Feedback from our customers

The Quality and Methods function provides monthly service and project dashboards to the management of Allianz companies that inform about the delivery status of key AMOS shared services and projects. In addition, Quality and Methods conducts a bi-annual customer satisfaction survey covering the full 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, therefore indicating satisfaction. The mean value of the NPS is measured on a scale from 0 to 10 and is captured for customer groups. The aim is to construct a clear picture of the perceived delivery performance of AMOS and to derive concrete improvement actions and initiatives for AMOS service and project quality. In 2015, AMOS launched a weekly "Voice of the Customer" survey covering major IT services and piloted an "End-user" NPS survey on a quarterly basis to support true customer centricity.

A response rate of 75% was achieved in 2015, demonstrating a positive and consistently growing engagement level with AMOS customers. Based on the feedback from October 2014 and April 2015, AMOS initiated and executed around 192 concrete improvement actions. The service quality result reached 8.2 for the October 2015 survey, surpassing the target of 8.0. The project portfolio result also increased slightly from 7.1 to 7.3. More than 50 further improvement actions and measures were underway at the end of 2015.

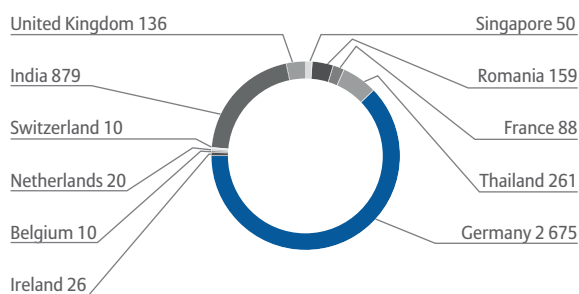
## 2.3 Our Employees

The transformation into a digital group is an ongoing core initiative of Allianz Group, with AMOS acting as the transformation engine. As AMOS develops globally, business growth ensures the full run and change of infrastructure, applications and business services around the world, and the need for employees with the respective skills and profiles increases. Therefore, a great emphasis is placed on fostering strong leadership and expertise (strategic workforce planning and talent management), employee engagement and diversity. As health and work-life balance are increasingly important, AMOS HR launched the initiative "Be Well - Health & Work-Life Balance at AMOS" for all locations worldwide.

### Development of the Workforce

By the end of December 2015, AMOS Group, including subsidiaries Metafinanz-Informationssysteme GmbH, Allianz Managed Operations & Services Netherlands B.V., Allianz Managed Operations & Services (Thailand) Co. Ltd. and AMOS European Services SAS, had a total of 4,314 employees. The average employees of AMOS SE in 2015 amounted to 3,007:

Employees by region



AMOS Employees in Germany by location

Munich	2,375
Stuttgart	229
Frankfurt am Main	71

### Strategic Workforce Planning

Strategic Workforce Planning proactively supports strategic HR decision-making by supplying forecasts on economic, demographic and socio-cultural trends. In 2015, for the first time, all AMOS entities were included, based on the AMOS job role model. On top of the hiring needs and trends of roles, qualitative aspects were considered as well.

### Talent Management

To ensure quality and performance of AMOS employees, focus is placed on managing and developing talent and careers by assessing performance and potential. Various career opportunities are provided in three different career paths and suitable development actions are recommended. A strategic approach ensures robust succession plans for AMOS key positions.

### AMOS Learning Week

With 2,556 registrations from all over the world, the AMOS Learning Week was the biggest and most diverse AMOS learning event to date. The different learning sessions during the week combined individual e-learnings with local and global teamwork activities

and on-site events. Thirty-two locations connected through global Webex events saw 19 AMOS countries participate. The content of the Learning Week focused on internationality, digitalization and the creation of a “one AMOS” culture.

### Employee Engagement

The Allianz Engagement Survey (AES) gathers employee feedback on a range of relevant issues, including factors identified as promoting a high-performance culture within AMOS. The Employee Engagement Index (EEI) is a key measure of employee satisfaction, loyalty, advocacy and pride in working for AMOS. In 2015, 3,650 employees were invited to participate, with a response rate of 89 %, and increase of 3 percentage points compared to 2014. The EEI rose to 72 %, up 8 points from the previous year’s 64 %. The Performance Enablement Index (PEI), and indicator of the extent to which expectations are met in the areas of customer service, product quality, employee training and involvement, also increased from 70 % in 2014 to 74 %, thereby matching Allianz Group level. Overall, AMOS improved its engagement results in 2015 in all 16 dimensions of the survey compared to the previous year.

### Diversity

Worldwide, AMOS staff has an average age of 38.3, while 33.8 % of AMOS staff worldwide are female. In an effort to advance a diverse workforce, the focus is set on diverse succession plans and various development actions, such as job-swaps, trainings and improvement of work-life balance.

Due to the Equal Treatment of Women and Men Act in Germany for both the private and public sectors, AMOS established the following targets for the proportion of women in management positions. The deadline to achieve all targets was set for June 30, 2017.

- The target quota for women on the supervisory board is 30 % (as of December 31, 2015: 17 %).
- The target quota for women on the board is 20 % (as of December 31, 2015: 40 %).
- The target quota for women in the highest leadership level below the board is 20 % (as of December 31, 2015: 23 %).
- The target quota for women in roles below the highest leadership level is also 20 % (as of December 31, 2015: 17 %). Since the introduction of the law on October 1, 2015, AMOS has improved its quota by 2 % from 15 %.

### 2.4 Protection of Natural Resources

In 2015, AMOS Global Sourcing and Procurement (GSP) collaborated with a range of internal stakeholders and initiated the roll out of a Vendor Code of Conduct. Based on this code, vendors must provide a workplace free of inhumane or discriminatory treatment and respect International Labor Organization standards, particularly concerning child labor. Vendors must also comply with all

applicable laws and regulations, industry standards, agreements and guidelines regarding the environment and sustainability. Adherence to the standards of the Vendor Code of Conduct is a mandatory criterion in the Allianz supplier qualification and selection process.

## 3. Key Activities in 2015

### 3.1 AMOS 20/15

In 2014, AMOS launched the AMOS 20/15 internal transformation program in order to master its internal challenges. The goal of the program is to support AMOS in successfully reaching its vision to transform Allianz into a digital Group. In 2015, the focus was execution and results, namely going live with large transformation programs, running operations smoothly, mastering financials and reaching the “Black Zero” break-even point for the service portfolio.

In this context, the Global 3D Ownership strategic framework was launched during the January 2015 AMOS Management Offsite. The framework is built around the concept of global, “Three Dimensional”, personal and team responsibility. As AMOS grows globally, the need to act as one team across pillars and countries is critical. To achieve this, three main targets have been set: drive change, run smoothly and master costs. Success is determined by how AMOS operates internally and interacts with its employees, its vendors and Allianz companies. “Ownership” is about taking responsibility end-to-end, fixing issues through creative thinking and initiative, and keeping the AMOS target picture. Implementing Global 3D Ownership enables the vision to transform Allianz into a digital Group. Together with the strategic framework, eight behaviors were introduced to help AMOS in meeting its objectives while demonstrating how to best work together.

In 2015, the program dealt with several topics in regard to people, processes and financials, including:

- Closing of skill gaps based on the 2014 workforce planning by training and recruiting
- Leveraging existing change agent networks and extending the concept globally
- Introducing the 8 Behaviors to support the overall business targets of AMOS
- Simplification and improvement of existing AMOS processes
- Designing and implementing an efficient process landscape
- Optimization of the cost structure
- Renegotiation of key contracts and an efficient management of external spend

### 3.2 Infrastructure

In 2013, AMOS formed the Allianz IT Infrastructure Transformation (AIT) program, an umbrella program that pulls together all the projects and initiatives working to transform IT-infrastructure throughout Allianz Group. The AIT program consists of four IT infrastructure projects: Allianz Global Network (AGN), Data Center Consolidation (DCC), Allianz Virtual Client (AVC) and Global Identity and Access Management (GIAM). Brought together through the Allianz Private Cloud, these projects create the digital infrastructure backbone and are the foundation for transforming Allianz into a digital group. AIT aligns the respective projects for the customer and ensures that value is delivered to Allianz Group.

#### Allianz Global Network

The Allianz Group is establishing a global infrastructure to underpin its digital program, deployed by AMOS. Spearheading the Group’s IT infrastructure projects is Allianz Global Network (AGN), which serves as the foundation for a robust Allianz Private Cloud strategy. A modern data and voice network is a basic condition to access and process business data in large volumes. AGN turns the fragmented local networks into a high-speed data and voice highway, supporting shared services and the Allianz digital agenda. Along with optimizing network performance, service quality, and costs, AGN provides group-wide standardized network security across and between Allianz companies. On top of the network layer exist additional added-value services for the entire Group, such as VoiceoverIP, video conferencing, collaboration services and chat. Rollout started in 2012. To minimize risk and ensure alignment with expiring contracts, business needs, and Allianz’s digital agenda, the changeover occurs in waves.

As of December 31, 2015, AGN connects 18 countries on five continents and is today the standard for most Allianz companies. AMOS has connected 101,198 users and 72,987 voice users across 558 Allianz sites. In total, 217,240 LAN ports have been connected to the AGN. The fourth changeover wave is underway and the first site in the CEE region has already switched to AGN.

#### Data Center Consolidation

The Data Center Consolidation (DCC) program’s main objective is to transform the current heterogeneous data center landscape of Allianz into a globally harmonized private cloud infrastructure. As a result, more than 140 Allianz data centers worldwide are being consolidated into a total of five strategic locations. In this way, DCC builds up a global, more cost-efficient IT infrastructure that meets the highest standards of quality and service, and increases data security levels, while providing resilience in the event of natural or other disasters.



On December 20, 2013, AMOS, on behalf of Allianz, 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. By the end of 2015, the transition of data center operations to IBM, including the evaluation of operational requirements for the respective countries and Allianz entities, was considered ready in North America and Europe (except for Switzerland due to pending regulatory approval). Furthermore, the technical preconditions for the consolidation of the worldwide data centers were completed in 2015. First migrations to the new strategic data centers in Europe (Frankfurt and Paris) and North America (Phoenix and Edison) were achieved for AMOS and several Allianz entities.

### Allianz Virtual Client

Allianz Virtual Client (AVC) provides Allianz with a cost-efficient and agile virtual desktop environment allowing employees to work any-time, anyplace and on any device, thus improving productivity, flexibility and security, while contributing to maintain Allianz business continuity across the world. Throughout 2015, the AVC solution was further rolled out to additional users, providing access to a total of approximately 40,000 Allianz employees. This was achieved by reaching out to more employees working at legal entities already covered, as well as by extending the AVC solution to legal entities outside of Germany, including Allianz Global Assistance, Allianz Asia-Pacific Singapore and Allianz Suisse. In addition, the AVC program focused on performance and productivity improvements, such as enhancing application logon for end-users.

In 2015, the AVC program started the set-up of the new AVC infrastructure in all strategic data centers, with Paris and Phoenix being the first in 2016 to be activated. This effort will continue to broaden access to shared services on the Allianz Private Cloud, while significantly enhancing global security and protecting Allianz data, algorithms and applications.

### Information Security Platform

Global Identity & Access Management (GIAM) is one of the key AMOS strategic initiatives to roll out a worldwide identity store and tool suite for identification and access management. The project successfully integrated more than 175,000 Allianz identities by December 2015.

Platform enhancements were implemented as planned in 2015. Extra shared services and applications are now available. The project scope was extended and additional globally shared applications were integrated on GIAM. The Enterprise Single Sign On (ESSO) solution for an easy logon process for GIAM users is ready for rollout in 2016.

The project Global Privileged Access Management (GPAM) finalized and aligned the concept of the final production environment for Europe, including out-of-region disaster recovery capability. Implementation has been started. Furthermore, an audit concept for this service and governance guidelines were designed, and inbound and outbound interfaces have been clarified. Alignment with several works councils in Europe, and the setup and general integration of the GPAM concept in North America is ongoing. The GPAM pilot in Austria was rolled out at the end of 2015.

The Advanced Malware Detection (AMD) service from AMOS provides a measure to detect and react to advanced malware attacks and intrusions by means of network monitoring and event analysis. This best-practice approach provides Allianz companies with high-level protection from sophisticated known and unknown cyberattacks. In 2015, the focus was on the continued global rollout. As a result, by the end of 2015, 92,000 users are protected by the AMD solution. A specific focus in 2015 was to prepare for the expansion of the service to all global lines of Allianz within 2016.

### Allianz Private Cloud

The Allianz Private Cloud consists of the consolidated data centers, which are to be connected through the AGN and securely accessible via the AVC. With these state-of-the-art global IT infrastructure services, AMOS ensures that its computing power, data, applications, and algorithms reside in a highly secure place. These are accessible to the Allianz community through an encrypted data stream via the AVC. With the Allianz Private Cloud, AMOS protects the Allianz community, including its end customers and business partners, and enables the digital transformation of the Group.

## 3.3 Applications

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

- oneWeb (inter- and intranet) and oneMobile (mobile applications) foster interaction and engagement via the use of digital channels.
- Integrated core insurance platforms (ABS, OPUS, ePac) help to streamline the product portfolio and support interdisciplinary product sales through multiple channels.
- Central Functions Platforms for Finance, Risk, Treasury, Human Resources and Compliance ensure transparency and efficiency in line with regulatory requirements.
- Global Analytics Platforms provide Business Intelligence (BI) and analytics solutions to evaluate existing data, and to support decision-making and digital business models.

## oneWeb and oneMobile

oneWeb is the strategic platform for digital interaction for Allianz Group. It was created in 2011 and developed together with Allianz companies to increase digital interaction with customers through all standard end-user devices and channels. At the end of 2015, oneWeb consisted of 86 live portals used by more than 20 Allianz companies, including Allianz SE, Allianz Germany, Allianz Global Assistance of Belgium and Malaysia with their B2C portal, Allianz Re and Allianz Taiwan with their corporate websites, Allianz Investment Bank AG's public websites, and the new Allianz Group intranet, Allianz Connect.

oneMobile is now positioned as the Allianz strategic framework of app development, enabling Allianz companies to implement their apps within a defined framework and ecosystem. This includes, for example, embedding other digital technologies such as analytics, sensor technology and security into the framework. Through the oneMobile framework, various Allianz apps, such as the MasterApp in Switzerland and the Allianz Bonus Drive App in Italy, have gone live.

## Integrated core insurance platforms

The core insurance system, Allianz Business System (ABS), was further expanded in Germany with new functionalities, products, and tariffs, and was installed with two major and 14 other releases. Together, with two large migrations for motor (1 million) and private household insurance (2.2 million), ABS at the end of 2015 contains more than 14.6 mn contracts and more than 9.6 mn claims.

ABS in France was migrated to Linux in 2015 and expanded for claims with additional products and further functionalities such as claims handling for professional risks and multi-coverage. As a result, the number of claims in production is aligned with expectations. Release 4.5 household was rolled out in September 2015 for claims and underwriting and all other targeted group solutions for Allianz France have been deployed. ABS was implemented at Allianz Greece for the motor line business and went live in October. Allianz Benelux launched its new ABS-based regional insurance platform and rollouts are planned through to the end of 2018.

ABSi, the strategic core insurance platform for automotive cooperation, focused on delivery of technical and functional standardization. Midyear, AMOS switched ABSi to the new operating system Linux, thereby preparing for future growth. Functional enhancements in the area of Sales & Operations fostered the relationship with car manufacturers. In the sales portal area, the rollout with Ford and Opel that started in 2014 has been enriched with additional functional opportunities to enable car dealers to be a full-service agent for their customers. In Operations, process enhancements and automation according to the automotive business model have been released.

## Central Function platforms

In 2015, AMOS took over the development and maintenance of the RAI+ platform from an external service provider. The RAI+ platform calculates the risk capital for internal and standard models for Allianz Group and all relevant Allianz companies, while enabling Solvency II compliance. This internal management of main parts of the development work for AMOS India, enables both cost reduction and quality improvements. AMOS also established a new Solvency II service for Quantitative Reporting Templates. This enables 19 European countries with about 67 entities to provide required insurance KPIs to all local regulators.

AMOS designed and piloted a new global platform and service for Life & Health (L/H) actuaries by implementing a new runtime environment for L/H actuarial models (RiskAgility) together with Group Actuarial, Allianz Benelux and the Actuarial Service Center in Bucharest. The new runtime environment provides high performance computing capability, full auditability and scheduling possibility.

In addition, AMOS implemented the Global Sanction Screening Solution (GSSS) together with Group Compliance and Allianz Global Corporate & Specialty Group as a pilot. Based on the pilot, further rollouts are planned for all relevant Allianz companies. And, by implementing Global Reporting Platform (GRP) at Allianz Benelux and at Allianz UK, and GRP/IMA at Allianz Greece, AMOS has taken a further step towards a common group platform strategy for financial reporting and investment accounting.

## Global Analytics Platforms

Global Analytics Platforms (GAP), together with the corresponding Business Transformation unit Digital Analytics, the Global BI (GloBI) project and the Global Data Analytics (GDA) team of Allianz SE, forms a Group-wide big data and business intelligence (BI) environment. SAS Classic platform (traditional BI on a shared in-memory platform) went into production. SAS Visual Analytics platform (self-service analytics on shared in-memory) was created and first pilot implementations are complete. Additionally, AMOS is now fully responsible for operations of these platforms (infrastructure and services). Late 2015, 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. The first productive application hosted on this cluster is Global Telematics.

In 2015, the GloBI Datawarehouse product was successfully launched at both Allianz France and Allianz Benelux following their respective ABS implementations to renew the Business Intelligence IT landscape around the new Group solution. Furthermore the GloBI Datawarehouse was launched at Allianz Global Assistance and operated by GAP.

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### 3.4 IT B2B2C

As of January 1, 2015, AMOS handles the full IT delivery of Allianz Global Assistance (AGA) on a worldwide scale. The move included a transfer of 246 employees to AMOS entities, who work together with roughly 360 AGA employees in the newly established IT B2B2C community.

In 2015, AMOS kept the promise to deliver world-class IT services to further support the continuous double-digit growth of Allianz Worldwide Partners (AWP). Besides the IT service delivery, IT B2B2C supported the rollout of several Allianz Group platforms like ABS and AIT including DCC, AGN, AVC, GIAM and Contact Center International (CCI).

The DCC project was completed in France, including at AGA headquarters, while activities in the UK, Italy, Greece, Germany and the US have commenced. Another 12 countries are planned to be rolled out in 2016 while Germany, the UK, Italy and Spain are yet to be completed. The AGN project is 100 % complete in 13 countries including France, Germany, the UK and the US, one of the biggest AGA Business Units (BUs). AVC was launched in France, including at AGA headquarters in 2015. In 2016, Germany, Italy and the UK are planned to be completed. GIAM rollout was completed in 16 countries in 2015, including at major AGA BUs in Europe and the US. The focus in 2016 will be on the Asia-Pacific region and Brazil.

The CCI project was completed in Germany, the UK and Italy, as well as for Allianz Worldwide Care (AWC) and the Global Competence Center in Romania. An additional seven countries are planned to be completed in 2016.

Bringing together roughly 610 employees working in 28 BUs and creating a truly global IT B2B2C community was a significant achievement in 2015.

### 3.5 Business Services

In 2015, Business Services enabled further Group synergies and cost savings by:

- Optimizing business processes, including transactional processes and expert services in Finance and HR
- The optimization of external expenditure achieved by Global Sourcing and Procurement and Corporate Real Estate and Services
- Leveraging the internal consulting organization Allianz Consulting (and retaining associated experience) and reducing spend on external consulting firms.

### Business Processing Services

The Business Processing Services (BPS) department was created in January 2015 to consolidate a number of different activities. The aim is to optimize Transactional Processes and Expertise services (in Finance and Accounting, Human Resources, Actuarial and Business Administration functions). The core offering to Allianz Group is shared service capabilities through the use of two different delivery models: Captive and Third-Parties. This optimizes “value for money” across a number of business service areas. The department functions as a one-stop-shop, providing stakeholders with an efficient way of sourcing and managing their delivery model.

### Transactional Business Services

The Finance and Accounting Shared Service (FASS) project, initiated in 2014 through a Master Service Agreement signed with an external provider, saw a focus in 2015 of onboarding and transitioning activities from a number of Allianz companies. This enabled stabilization of the activities together with execution of associated service governance. This initiative will continue to be rolled out to the wider Allianz Group.

The Accounts Payable Recovery Analysis (APRA) initiative, conducted together with an external partner, engaged in 2015 in the analysis of accounts payable ledgers with a number of Allianz companies and lead to an improvement of its underlying processes.

### Expertise Business Services

In 2015, Expertise Business Services continued to expand the scope of services offered to its growing client portfolio, leveraging the AMOS Captive Expertise Centers in Romania and India. The scope of services currently encompasses:

- Actuarial support (extended to Life and non-Life activities)
- HR services (recruitment, training, eLearning and event management services)
- Business administration support (access management, personal assistant) services, business administration and project management office services)
- Visual design services (presentation support and graphic design services)

This offering and the use of the associated captive center delivery model options, contributed significantly to operational run-costs savings during the year. 2015 also saw the continued successful organization of customer day events to foster exchange with Allianz companies and further roll out the model.

## Operational Procurement Services

Operational Procurement Services (OPS) is the transactional delivery arm for Operational Procurement, bundling the ordering process for German Allianz companies and AMOS, serving IT and non-IT orders:

- 2015 saw the continued deployment of offshore delivery model options to further reduce the costs of processing and the steering of third-party providers to support in order processing and “spot-buy” activities.
- Focus in 2015 was also to simplify the ordering process. Through quick wins such as implementation of digital signatures on orders, to launching an initiative to address improvement requirements of the supporting system landscape.
- The international expansion of AMOS and the opening of branches across different regions, also called for support in the associated Operational Procurement activities. Branch onboarding onto the Group platform is currently underway.

## Global Sourcing and Procurement

AMOS Global Sourcing and Procurement (GSP) has the mission to drive the best-in-class integrated sourcing and procurement network within Allianz to deliver sustainable value for the Group. A major step towards accomplishing this mission in 2015 was the company-wide implementation of the joint Allianz Group Standard for Procurement (AGSP). The AGSP is a standard valid for all worldwide procurement units that sets rules and principles for managing procurement activities within Allianz Group.

The major objective of GSP is to further increase the buying power of Allianz, to utilize Group synergies by generating sustainable savings, and partnering with the most suitable global vendors. In 2015, savings of € 127 mn were achieved with respective Allianz companies and business partners. GSP has further enhanced the Allianz Procurement and Sourcing Network with more than 30 major Allianz companies now involved. Aside from the Annual Procurement Summit, dedicated procurement councils grouped by category assembled on a regular basis to help align global initiatives, thereby facilitating best-practice sharing across Allianz.

Regarding core business categories, GSP continued to support the Claims community in their spare parts costs optimization and Global Claims Vendor panel build-up. Furthermore, core business procurement teams delivered important savings in some new categories, including hospitals and Telematics. IT Procurement continued to support the rollout of the strategic AIT program, as well as AMOS benchmarking. In this context, large services were supported by conducting vendor comparisons and reducing the above benchmark costs to at and better than benchmark, with savings of more than € 15 mn per year. IT Procurement also optimized the

annual maintenance run costs, which had a direct positive impact on the result of € 10 mn.

In the area of Non-IT Procurement, Allianz renewed global framework agreements with financial service providers and defined a global preferred supplier panel with selected partners. Additionally, GSP set up an Allianz global community for facility management and logistics topics to cover business needs. GSP continues to support the transition to digital marketing via new global agreements with digital marketing agencies and digital tool providers. Procurement is now an active member of the Digital Delivery Hub, a joint initiative between Group Market Management and the AMOS oneWeb team for procuring third-party digital marketing tools.

## Corporate Real Estate and Services

AMOS Corporate Real Estate and Services (CRES) has continued the mission to deploy the target, country-based corporate real estate model to Allianz companies worldwide to drive savings for Allianz Group.

In 2015, CRES worked with Allianz companies in Spain and Portugal, the US, Benelux and Poland, which led to the definition of shared convergence scenarios followed by implementation plans. New National Real Estate Committees (NREC) have been established in the UK and Austria, resulting in a shared level of ambition on corporate real estate targets. To ensure the objective of Allianz Group savings, CRES worked with Allianz companies in France, Italy and Switzerland, focusing on implementation of projects and strategy updates. At the end of 2015, CRES covered 45 % of global Group-owned occupied spaces with NREC.

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

- actively supported the delivery of the new joint headquarters of Allianz Worldwide Partners, Allianz Global Assistance, Mondial France and AMOS European Services in Saint Ouen, France
- supported AGA in Poland in rent contract negotiations for the Warsaw office
- supported the selection of a strategic partner for the Bordeaux (France) asset strategy implementation
- project management in Romania, planning and delivering an extension for a joint location of Allianz Worldwide Partners, Euler Hermes Romania and AMOS in Bucharest
- supported Allianz Global Corporate & Speciality in strategy implementation to sublease surplus space in San Francisco

A focus for CRES is to optimize corporate spaces used by AMOS to help master major cost reductions and to further increase efficiency. AMOS's global growth was supported by location selection in Trivandrum, India, and Bangkok. With real estate project management support for new spaces in Pune (India), Bucharest (Romania), Petaluma (USA) and Paris (France), CRES helped to implement efficient new offices and modern workplaces in AMOS.

Based on the initiative "Smart Spend", CRES developed and implemented measures to reduce the cost of corporate spaces used by AMOS, focusing on mastering costs.

### Allianz Consulting

Allianz Group's internal consulting unit, Allianz Consulting, experienced another year of strong growth in 2015, again expanding its consulting activities and increasing its headcount. The focus in 2015 was once more on delivering consulting and support for transformation projects, which were offered and executed worldwide. Allianz Consulting was involved in more than 175 projects, increasing revenues by 15 % compared to the previous reporting period, while also further improving the Net Promoter Score to 79%. The number of employees increased to 191 in 2015, compared to 175 in 2014.

For the fourth year in a row, Allianz Consulting won an award for its projects at the "Best of Consulting" awards of the German business magazine "Wirtschaftswoche" (Economy Weekly). In the category HR Management, the project "Firmen Sach – Fit für die Zukunft" (Commercial Business – Ready for the Future) was rated excellent. Allianz Consulting supported Allianz Beratungs- und Vertriebsgesellschaft (ABV) in Germany in developing and implementing new concepts for increasing efficiency in the expert organization that supports the commercial business.

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 441 employees in 11 different countries participated in trainings provided by Allianz Consulting and worked on related OPEX projects in 2015.

## 4. Business Performance

In 2015, AMOS continued to expand and improve its portfolio as the global shared services provider for Allianz Group. AMOS delivers shared services (service portfolio) and supports strategic transformation projects introducing new platforms and associated services for Allianz Group entities (investment portfolio).

AMOS significantly improved its ordinary business activity result for the service portfolio by € 45.5 mn from € -26.2 mn in 2014 to € 19.3 mn in 2015, thereby achieving the targeted "Black Zero" in the service portfolio. This improvement is a result of the new delivery model using near- and offshoring, cost optimization (for example, contract renegotiations) and improved unit costs.

In the investment portfolio, revenues and expenses for global projects grew, which led to a result from ordinary business activity for the investment portfolio of € -229.9 mn in 2015 including impairments of € 36.3 mn for ABSi, AGN and DCC asset parts as well as for AML. Before one-off effects a result of € -193.7 mn (2014: € -180.0 mn) was achieved.

In 2015, no extraordinary expenses and extraordinary income was recognized (2014: € -6.8 mn). In 2015, net € -2.5 mn (2014: € -38.8 mn) taxes on income and earnings was recognized. The 2015 expenses mainly result from the India branch corporate income taxes, while in 2014, an additional liability of € 38.0 mn to fiscal authorities was recognized for tax audits for 2004 through to 2008.

The annual net loss before settlement from the domination and profit transfer agreement was € -214.2 mn (2014: € -252.5 mn).

As shared service center of Allianz Group, AMOS uses besides internal resources also external providers and knowledge for providing and further developing its shared services to Allianz Group companies. In 2015, AMOS raise international revenues and its position as shared service center within Allianz Group.

### 4.1 Organizational structure

In addition to the existing AMOS branches and subsidiaries at the end of 2014, AMOS continued its global expansion in 2015 with the foundation of two new subsidiaries and one branch, as well as an Allianz Group internal acquisition of one subsidiary.

In July 2015, AMOS acquired a 100 % share in Allianz Telematics S.p.A., which will continue to drive Telematics solutions for the Allianz Group and establish future mobility concepts.

Furthermore, in August 2015, the fully-owned subsidiary AMOS International B.V. was founded and incorporated. The company is the shareholder of 95 % of AMOS of America Inc. (AMOSA).

The branch AMOS Australia was founded in Sydney in August 2015 to support the roll out of the AGN services in the Asia-Pacific region, and to prepare the upcoming implementation of DCC.

In December 2015, AMOS and Allianz Compañía de Seguros y Reaseguros S.A. joined forces and created a new subsidiary called AMOS IberoLatAm S.L., located in Barcelona, which will implement technological best practices, create synergies and support the digital transformation aligned with Group strategy. To complete the core insurance platform strategy, AMOS and Allianz Compañía de Seguros y Reaseguros S.A. will be building a jointly managed ePac Core Competence Center (CCC) for the IberoLatAm region.

AMOS branches with their main business activities on December 31, 2015 were as follows:

Branch	Location	Main business activity
AMOS Germany	Munich, Germany Headquarters	IT infrastructure services, IT applications services, business services
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 processing, HR, administration and corporate real estate services
AMOS Singapore	Singapore, Singapore	Infrastructure and onsite and regional 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 Australia	Sydney, Australia	IT infrastructure services

AMOS held participations in the following entities on December 31, 2015:

Entity	AMOS shareholding	Main business activity
<b>Investments in affiliated companies</b>		
AMOS European Services SAS, Paris, France	100 % subsidiary of AMOS	Infrastructure; effective from January 1, 2015, took over Allianz Global Assistance France IT operations
Allianz Managed Operations & Services Netherlands B.V., Rotterdam, Netherlands	100 % subsidiary of AMOS	Infrastructure and onsite demand management
Allianz Managed Operations & Services (Thailand) Co., Ltd, Bangkok, Thailand	100 % subsidiary of AMOS	Infrastructure and onsite demand management; effective from January 1, 2015, took over Allianz Global Assistance Thailand IT operations
Metafinanz-Informationssysteme GmbH, Munich, Germany	100 % subsidiary of AMOS	Consulting services and workforce management for IT services
AMOS International B.V., Amsterdam, Netherlands	100 % subsidiary of AMOS	Incorporated into the AMOS business
Allianz Telematics S.p.A., Trieste, Italy	100 % subsidiary of AMOS	IT infrastructure services, IT applications services
AMOS of America, Inc., Petaluma, USA	95 % subsidiary of AMOS International B.V.	Shared services center for North America
<b>Participations</b>		
AMOS Austria GmbH, Vienna, Austria	49.9 % subsidiary of AMOS	IT application services
AMOS IberoLatAm S.L., Barcelona, Spain	49 % subsidiary of AMOS	IT infrastructure services, IT application services

## 4.2 Development of Earnings

Compared to 2014, total revenues from ordinary business activity increased in 2015 by € 216.3 mn:

Revenues from ordinary business activity (in € mn)			
	2015	2014	Change
Revenues	847.3	713.2	134.1
Increase or decrease in finished and unfinished goods and services not yet invoiced	-0.2	0.2	-0.4
Other own work capitalized	19.8	17.7	2.1
Other operating income	119.9	39.4	80.5
<b>Total</b>	<b>986.8</b>	<b>770.5</b>	<b>216.3</b>

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AMOS generated revenues from shared services business of € 847.3 mn in 2015 (2014: € 713.2 mn), a year-on-year increase of € 134.1 mn or 18.8%:

	Revenues (in € mn)			Revenues (in %)		
	2015	2014	Change	2015	2014	Change
<b>Service Portfolio</b>						
IT	526.2	524.7	1.5	62.1%	73.6%	-11.5%
India	3.8	3.8	0.0	0.5%	0.5%	-0.1%
Operations	23.9	18.7	5.2	2.8%	2.6%	0.2%
Business Services	16.8	12.4	4.4	2.0%	1.7%	0.2%
Corporate	0.4	0.0	0.4	0.1%	0.0%	0.0%
<b>Subtotal Service Portfolio</b>	<b>571.1</b>	<b>559.6</b>	<b>11.5</b>	<b>67.4%</b>	<b>78.5%</b>	<b>-11.1%</b>
<b>Investment Portfolio</b>	<b>276.2</b>	<b>153.6</b>	<b>122.6</b>	<b>32.6%</b>	<b>21.5%</b>	<b>11.1%</b>
<b>Total Revenues</b>	<b>847.3</b>	<b>713.2</b>	<b>134.1</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>

IT running services revenues were stable in 2015 while Operations successfully increased revenues by expanding Allianz Consulting services within the Allianz Group. Business Services again contributed to the overall revenue increase with growth of purchasing services. The significant increase in revenues in the investment portfolio (€ 122.6 mn) resulted from progress in global projects such as the AWP IT Future Model, DCC and AGN.

The year-on-year increase in other operating income mainly resulted from one-time effects of a gain resulting from a transaction in December 2015 from a sale of a mainframe, a VAT refund for the year 2014, and the release of other provisions. 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 2015, total expenses and other income from ordinary business activity amounted to € 1,057.9 mn (2014: € 919.4 mn), which reflects an increase of € 138.6 mn or a 15.1 % increase compared to 2014.

Expenses and other income from ordinary business activity (in € mn)			
	2015	2014	Change
Service Portfolio	-551.8	-585.8	33.9
Investment Portfolio	-506.1	-333.6	-172.5
<b>Total expenses and other income from ordinary business activity</b>	<b>-1.057.9</b>	<b>-919.4</b>	<b>-138.6</b>

Costs in the service portfolio decreased compared to the previous year by € -33.9 mn, as further improvement measures (for example, contract renegotiations) have led to cost reductions and therefore have overcompensated the increased cost level due to business growth.

Expansion and growth of large global projects, visible on the revenue side (such as AGN, DCC, Automotive and AWP IT Future Model), led to increased costs in the investment portfolio. Included in the cost increase are impairment effects to the amount of € 36.3 mn for ABSi, AGN and DCC asset parts as well as for AML.

The increase in expenses for IT operations by € 108.9 mn to € 670.9 mn (2014: € 562.0 mn) resulted mainly from expenses of services provided by subsidiaries for Allianz Global Assistance IT Operations amounting to € 61.5 mn, increasing service provider expenses of € 28.9 mn and an € 11.2 mn increase in software subscription. It was partially mitigated by lower maintenance expenses, and compared to the previous year, a significant reduction in expenses from print services due to sale of the Print and Output Services Unit to Allianz Germany in 2014.

In addition, the expansion of the business and the increase in the number of employees led to an € 21.8 mn increase in personnel expenses to € 258.6 mn (2014: € 236.8 mn).

Depreciation and amortization increased by € 43.3 mn from € 107.3 mn in 2014 to € 150.6 mn in 2015. This mainly was a result of € 36.3 mn partial impairments related to ABSi, AGN and DCC asset parts as well as for AML. These asset parts were not used by some Allianz companies anymore, due to, for example, Allianz's sale of Fireman's Fund Insurance Company to ACE and corresponding lacking demand of service.

Other operating expenses increased in 2015 by € 42.1 mn to € 101.6 mn (2014: € 59.5 mn), primarily due to special effects arising out of pension valuations of € 22.1 mn, increase in other provisions by € 6.3 mn and increase in other costs.

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

Income from the domination and profit transfer agreement contract with Metafinanz Informationssysteme GmbH is disclosed under income from participations.

The year-on-year increase in income from other securities, other interest and similar income is mainly due to interest income resulting from the domination and profit transfer agreement with Allianz SE.

Interest and other expenses increased by € 5.1 mn, from € 14.2 mn in 2014 to € 19.3 mn in 2015, mainly due to loans from customers to fund projects.

The total result from ordinary business activity amounted to € -210.6 mn in 2015, compared to € -206.2 mn in 2014.

Result from ordinary business activity (in € mn)			
	2015	2014	Change
Service Portfolio	19.3	-26.2	45.5
Investment Portfolio	-229.9	-180.0	-49.9
<b>Total result from ordinary activities</b>	<b>-210.6</b>	<b>-206.2</b>	<b>-4.4</b>

AMOS significantly improved its result from ordinary business activity for the service portfolio by € 45.5 mn from € -26.2 mn in 2014 to € 19.3 mn in 2015 and thereby achieved the targeted “Black Zero”. This improvement resulted from the new delivery model with near- and offshoring and further cost optimizations (e.g. contract renegotiations).

As expected, both revenues and costs in the investment portfolio grew again significantly in 2015. The result of the investment portfolio includes a negative impairment effect in the amount of € 36.3 mn for ABSi, AGN and DCC asset parts as well as for AML. Without these effects the result of the investment portfolio would be at € -193.7 mn (2014: € -180.0mn).

The overall result was driven by investments in global projects such as AGN, DCC, Automotive and Allianz Worldwide Partners IT Future Model within Allianz Group, leading to a negative result in 2015 of € -210.6 mn that includes the mentioned impairment of € -36.3 mn. These investments were further funded in 2015 by AMOS main customers within Allianz Group via loans obtained or registered bonds issued.

Accordingly, earnings before tax record a loss of € -210.6 mn (loss 2014: € -213.0 mn) for the financial year 2015.

Taxes on income and earnings amount to € 2.5 mn and mainly contain local corporate income taxes from AMOS India.

Therefore, the annual net loss before settlements from the domination and profit transfer agreement is € -214.2 mn (loss 2014: € -252.5 mn).

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

Overall, AMOS achieved its financial targets in the service portfolio to reach a “Black Zero” result, while in the investment portfolio, which is by design currently negative, financial results were below plan due to the € 36.3 mn partial impairments related to ABSi, AGN and DCC asset parts as well as for AML.

#### 4.3 Asset Situation, Financial Development

The total assets of AMOS increased in 2015 by € 153.4 mn, or 9.7 %, to € 1,734.0 mn (2014: € 1,580.6 mn).

The non-current assets increased by € 252.8 mn, from € 821.4 mn in the previous year to € 1,074.2 mn in 2015.

Within the non-current assets, the reduction of € 25.2 mn in internally generated intangible assets from € 151.0 mn last year to € 125.8 mn in 2015, is mainly attributable to the partial impairment of ABSi of € 27.7 mn in 2015.

The acquired intangible non-current assets are comprised of both finished and intangible assets that are in development, which are not yet ready for use. Purchased licenses and software increased by € 106.6 mn from € 329.8 mn to € 436.4 mn. The main increase results from capitalizable costs relating to projects such as DCC, ABS at both AGA Travel and AGA Assistance, as well as the € 21.7 mn Solvency II asset transfer from Allianz SE.

Overall, € 189.5 mn development costs for IT projects were capitalized under internally generated non-current assets for fiscal year 2015.

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.

In the financial year there were expenses of € 1.4 mn for pre-studies for self-created intangible assets which were not capitalized.



Property, plant and equipment increased from € 295.2 mn in 2014 by € 45.2 mn to € 340.4 mn in 2015. This increase mainly results from investments in AGN, which is an asset under construction. Additional investments in non-current assets concerned network components, telecommunication and server purchases. This increase was partially offset by the sale of mainframe assets with a net book value of € 14.5 mn in December 2015.

Financial assets increased from € 45.4 mn last year by € 126.2 mn to € 171.6 mn in 2015. The increase is attributable to the € 6.2 mn acquisition of the subsidiary Allianz Telematics S.p.A. in July 2015, the foundation of the subsidiary AMOS International B.V. in August 2015 with capital of € 35.6 mn, and the foundation of the subsidiary AMOS IberoLatAm in December 2015 with a capital contribution of € 39.7 mn reflecting AMOS's 49% participation. The incorporation of this entity is effective on January 1, 2016. Furthermore, some loans have been issued to affiliated companies.

The current assets decreased by € 106.9 mn, from € 712.8 mn in the previous year to € 605.9 mn in 2015. This decrease results from lower receivables against Allianz SE from the domination and profit transfer agreement of € 214.2 mn for the financial year 2015, as well as a balance sheet reclassification from receivables from affiliated companies within the Allianz Group. This decrease in current assets was partially offset by an increase in the balances with banks.

Prepaid expenses increased by € 8.7 mn due to a higher contractual volume.

Last year's balance sheet shows € 1.1 mn under excess of plan assets over post-employment benefit liability, which results from offsetting the obligations from earned pension contribution rates stemming from the defined contribution plan with cover assets.

Shareholders' equity increased from € 189.6 mn by € 21.7 mn to € 211.3 mn. With a contribution agreement in September 2015, Solvency II software assets have been transferred from Allianz SE to AMOS. The transfer was performed as a contribution to capital reserve. The equity ratio remains almost unchanged on the balance sheet date of December 31, 2015 at 12.2% (2014: 12.0%).

Provisions increased by € 17.4 mn to € 198.2 mn (2014: € 180.8 mn), largely due to an increase of other provisions for outstanding trade payables.

The liabilities of AMOS increased by € 114.0 mn compared to 2014 from € 1,209.8 mn to € 1,323.8 mn. This is mainly due to new loans and bonds from Allianz Group companies for the projects DCC and AGN, and an increase in cash pool liability. The short-term refi-

ancing of the company is funded through the Allianz cash pool. The company's solvency has been ensured at all times in 2015. Compared to 2014, other liabilities, mainly sales tax, decreased by € 9.7 mn.

Other financial obligations resulting chiefly from multiyear project, maintenance and data transmission contracts with third parties total € 2,246.5 mn (2014: € 886.0 mn). The increase chiefly results from an early extension of the software maintenance contract, and new hardware services with IBM, relating mainly to datacenter services with AMOS customers.

#### 4.4 Investments

Investments in the financial year 2015 amounted to € 422.3 mn (2014: € 299.8 million), € 122.5 mn more than 2014. This increase mainly results from the global expansion in 2015 and the foundation of two new entities and one acquisition of an Allianz Group company with invested capital of € 81.4 mn.

Investments (€ mn)	2015	2014	Change
Software	189.5	176.7	12.8
Network components	47.9	54.6	-6.7
Financial investments	126.2	24.4	101.8
Operating/business equipment	17.8	15.4	2.4
Client/server hardware	35.5	11.2	24.3
Mainframe hardware	2.0	9.2	-7.2
Storage media	3.2	7.8	-4.6
Low-value assets	0.3	0.4	-0.1
Printing and finishing	0.0	0.1	-0.1
<b>Total</b>	<b>422.3</b>	<b>299.8</b>	<b>122.5</b>

The total investment of IT projects under the item intangible assets on the balance sheet amounted to € 189.5 mn in 2015 (2014: € 176.7 mn). Capitalizable costs related to the AGN project with a volume of € 203.9 mn were recognized under the item non-current assets on the balance sheet. These investments were mainly financed through loans and bonds of € 836.0 mn (2014: € 766.7 mn) within the Allianz Group for pre-financing IT projects. In addition, loans and short-term financing from Allianz SE were used to finance business operations.

As an overall assessment of the economic situation, AMOS achieved its goal from 2014 of a "Black Zero" result in the service portfolio in the fiscal year 2015, while in the investment portfolio, the financial results compared to last year decreased due to the € 36.3 mn partial impairments related to ABSi, AGN and DCC asset parts as well as for AML.

## 5. Outlook

After a fast expansion of AMOS's global footprint during the last two years to strengthen its delivery model (about 50 % growth), AMOS will focus in 2016 on the stabilization and harmonization of AMOS Group entities. Therefore, a "Post Transfer Integration" (PTI) program is to be rolled out, which is defined by 10 core elements that address key activities in the areas of customer relationships, change management, steering, processes, tools and services.

Following the Allianz Group strategy, the integration of Allianz Telematics S. p. A. into AMOS is to be strengthened, and the service portfolio further developed and distributed jointly with AMOS and Allianz SE in Munich. AMOS IberoLatAm S.L. is to focus on the industrialization of its ePac platform as one of the three core application platforms within Allianz Group. AMOS CEE is to begin its operations in Q1 of 2016 and is to enhance its service portfolio for Allianz companies in the CEE region by leveraging, for example, the AIT rollout and SAP business services.

After reaching the intermediate target of the "Black Zero" in the service portfolio, the internal transformation program AMOS 20/15 is further evolving. While continuing to focus on the 2020 vision, the program will proceed in yearly steps. This is expressed through the program's new name, AMOS 2020 in 2016, which will consequently progress on a yearly basis itself. The program will promote the six priority areas. These were identified in cooperation with the AMOS Board and map out the way for further improvement potential on the path toward 2020. The priority areas span from "Inspiring Leadership" and "Global Operating Model" to "Smart prices and costs". The corresponding strength and improvement potential will be illustrated in the third part of the Digital Olympics journey map.

Other important milestones are the smooth running of operations, the monitoring of project and service costs, and maintaining the "Black Zero" in the service portfolio.

### 5.1 Infrastructure

The implementation of AGN wave 4 will proceed in 2016 to finalize the global rollout for a larger amount of Allianz sites in the regions Asia-Pacific, IberoLatAm and CEE, and the Global Lines.

In 2016, DCC will continue to focus on the migration from local data centers to the five strategic data centers, mainly in Europe and North America.

AVC is continuing the international rollout across different Allianz companies in 2016. The goal is further globalization of AVC, achieved through the integration of the CEE region, as well as the

migration of Allianz Elementar (Austria), Allianz France and Allianz Life Insurance Company of North America. The project will also continue to work on the centralization and standardization of the global Allianz client services.

GIAM will finish onboarding all relevant Allianz companies. A strong focus will be on the integration of global Allianz solutions and shared services into GIAM and the enabling of applications to work with global accounts. GPAM will finalize the global setup of GPAM solutions in the strategic data centers. Also planned is the integration of access to critical applications, such as SAP, and implementing a solution for technical user management. The project will start the administration of technical accounts in applications. AMD rollout will continue, with specific focus on complete coverage of Allianz global lines, such as Euler Hermes and Allianz Global Assistance, as well as on the implementation for non-covered flagship companies and regions.

### 5.2 Applications

In 2016, oneWeb and oneMobile will continue to further expand collaboration with other Allianz regions and companies such as Germany, IberoLatAm, Asia, Allianz Life, Allianz Global Corporate & Speciality and Euler Hermes.

For ABS in Germany, 2.4 mn Property & Casualty (P&C) insurance policies will be migrated, and more functionalities, new products, and new tariffs will be introduced. Furthermore, additional online self-services for Life, P&C and Health on ABS business logic will be launched. The ABS implementation projects for Allianz Turkey and the CEE region (Romania and Poland), commence in January 2016 with the pre-study phase. ABS rollouts for the non-motor and life businesses at Allianz Greece will also begin in 2016.

At ABSi, the Opel product portfolio will be enriched with a new telematics product. New clients (Volvo, Fiat, and PSA Peugeot Citroen) are planning to begin transacting business on the platform, and further technical stabilization with new print technologies, Thunderhead 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 2015. Thus, in 2016, AMOS will concentrate on increasing the footprint of its central function platforms and the development and piloting of its transformation activities.

GAP will focus on rolling out BI products to large companies like Allianz Germany and Allianz France. Additionally, GAP will work on portfolio and architecture integration of classic BI platforms and big data platforms like Hadoop.

### 5.3 IT B2B2C

In 2016, challenges will be addressed such as the continuous roll-out of the group platforms as a prerequisite to further support the business growth of Allianz Worldwide Partners in the upcoming years. On top of this and in light of growing cyber-attacks, the enhancement of security within the Allianz Global Assistance legacy applications and infrastructure will be a major priority. Furthermore, commencing January 1, 2016, the IT B2B2C community will grow with the inclusion of the IT service delivery for Allianz Worldwide Care. Onboarding of the former Allianz Worldwide Care IT colleagues into the IT B2B2C Community will be key for successful integration.

As Allianz Worldwide Partners, consisting of Allianz Global Assistance, Allianz Worldwide Care and Global Automotive, drives further synergies throughout its business, IT B2B2C will also reflect these changes, and its operational setup will be enhanced to best serve customer needs.

### 5.4 Business services

The current 2016 projection continues to ramp up the Finance and Accounting Shared Service (FASS) initiative along with the Accounts Payable Recovery Analysis (APRA) initiative by adding more Allianz companies to the existing scope and to create a platform for shared services that will continue to contribute to Group savings. The Expertise Business Services delivered out of the AMOS Captive Centers in Romania and India will continue to grow. The current projection for 2016 is to add an additional three-digit FTE number, thereby producing significant savings for Allianz Group. Operational Procurement will focus in 2016 on continued running services for transactional procurement activities and will look to include further innovation in the supporting tool landscape to assist with a best in class procurement experience.

Aside from continuing to leverage Group buying power and delivering sustainable cost savings, GSP will implement the Procurement Strategic Roadmap in 2016 to support the Allianz Renewal Agenda. This roadmap covers various dimensions, like the implementation of regional hubs to further increase and improve global and regional collaboration. It also covers the extension of the procurement scope to new categories leading to more global framework agreements with preferred vendors. The deployment of a fully integrated procurement landscape tool is also a major milestone planned for 2016.

CRES will continue to implement National Real Estate Committees in additional countries. Established National Real Estate Committees will further support and strive to meet the objective of Allianz Group savings. Key focus areas will be support for project management and shared convergence scenario implementation.

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 is especially aiming to further expand its footprint in local Allianz companies and Group global lines, with a special focus on projects related to the Allianz Renewal Agenda.

### 5.5 Financial Development

The business of AMOS is organized into the delivery of continuous shared services (service portfolio) and support for strategic transformation projects that produce new platforms and associated services for Allianz Group and its various companies (investment portfolio).

In the coming year, AMOS aims to maintain the “Black Zero” result in the service portfolio at AMOS Group level.

By design, the investment portfolio will continue to show a negative result up to the scheduled break-even point for business cases of the different Group and Allianz company projects in 2016. Accordingly, the payback of this strategic transformation effort is planned for later years. In the coming year, AMOS expects to moderately improve the result of the investment portfolio in comparison to fiscal year 2015.

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

In 2016, AMOS projects strong revenue growth, mainly driven by the investment portfolio. A moderate improvement of earnings, prior to settlements under the profit and loss transfer agreement, is expected in the investment portfolio with the result of the service portfolio maintaining the “Black Zero”. Overall, AMOS expects to fall short of the break-even point.

## 6. Opportunities and Risk Report

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

As an internal service provider to Allianz Group, AMOS aligns its risk management with operating and financial risks, and reports regularly on its current risk position. Since AMOS is the internal shared services provider of Allianz Group, generally reference can be made to the risk report of Allianz Group.

## 6.1 Risk Management Organization

Risk Management performs the independent oversight function in a second line of defense for all risk related matters and has been established in line with the AMOS Governance & Control Policy. It is headed by the Chief Risk Officer (CRO), who directly reports to the Chief Financial Officer (CFO). Risk Management oversees AMOS Group-wide all short- and long-term risks, mandated with the maintenance of the Internal Control System, and is in charge of the Resilience Office, covering Business Continuity Management as well as Emergency and Crisis Management.

The Risk Committee acts as the decision-making body for AMOS with respect to risk subjects within its delegated authority by the AMOS Board of Management. It consists of the members of the Board of Management within AMOS that are of importance with respect to risk related issues. The heads of the safeguarding functions and representatives of the Allianz Group Center participate as permanent guests. The Risk Committee is responsible for defining risk management activities and is the focal point for review and communication of risks, internal controls, resilience, compliance and legal matters to the responsible executive management.

Risk Management reports on the current risk position to the Risk Committee, the Board of Management and to the CRO of Allianz Group. Reporting on the adequacy and effectiveness of the Risk Management framework to the Supervisory Board of AMOS is carried out by the Board of Management.

To support Risk Management in the first line of defense with the maintenance of risk and control governance, as well as with consistent resilience management throughout the entire organization, all business services, significant projects and all local entities are to implement Risk & Control Officers, as well as Resilience Officers within their unit.

## 6.2. Risk Strategy

As a core element of the Risk Management framework, the AMOS Board of Management designed the risk strategy to define the overall risk appetite with respect to all material risks. It is derived from the AMOS business strategy, which is based on the Allianz Operations strategy (H4 Chief Operating Officer strategy).

## 6.3 Risk categories and Control measures

Risks associated with the AMOS business strategy and AMOS business model are operational risks, reputational risks, business and strategic risks, liquidity risks, market risks and credit risks. The core business objective of AMOS is to deliver high-quality services to Allianz companies by being a trusted partner and optimizing transaction costs of Allianz through realizing scale effects, streamlining and increasing efficiency, automation, and leverage of labor costs.

To protect AMOS and its clients, and to support its strategic objectives, the AMOS risk management framework mainly focuses on operational and reputational risks, while not disregarding other risks.

### Operational risks

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. Operational risk is present in all activities conducted within AMOS and typically cannot be fully avoided, but needs to be managed by effective internal controls. Therefore, the internal control framework is designed to ensure an enterprise-wide, holistic approach covering all business services and functions and all entities. It also takes the specifics of the AMOS business model into account; that is, service delivery for AMOS clients, AMOS internal services and functions and outsourcing of services and functions to third-party providers, including potential sub-outsourcing.

### Reputational risks

Reputational risk may result from operational events with respect to AMOS services or via AMOS outsourcing partners, but may also be inherent to new business decisions. Since any reputational risk may not only affect AMOS but also its customers, it is important to manage reputational risks and events properly. Potential reputational risks are discussed and tracked regularly with AMOS Corporate Communications.

### Business and strategic risks

Strategic risks include threats associated to the implementation of strategy, for example the implementation of the company's target achievement. Responsibility for strategic corporate management lies with the Board. Further, to measure business policy decisions in AMOS, an Executive Committee on new business (NBM) will assess and monitor the impact of projects and contracts on the revenue, cost and earning situation.

### Liquidity risks

Risk arising from the ability to meet payment obligations is not guaranteed at maturity. The liquidity needs of AMOS are ensured by the operating cash flow and by the loss compensation of Allianz SE on the basis of the profit and loss transfer agreement. In addition, projects are financed by Allianz Group companies and short-term liquidity needs of AMOS can be covered at any time via the Allianz cash pool.

### Market risks

Among market risks, all risks arising from changes in market conditions are identified, and are considered together with financial risks. Use is made of derivative financial instruments to hedge

foreign currency risk exposure due to loans and bonds. Hedging transactions are entered into with Allianz SE only.

### Financial risks

The financial risks include all risks that lead to a deviation of the financial planning, such as by defective cost or project planning. These risks are reduced by the control of financial reporting and project management in AMOS.

### Significant risks

A number of risks have been identified as part of the risk management processes and assessed by the board with a high risk rating. The progress of risk-reducing measures is regularly reported to the Supervisory Board and Group Risk.

Risks with high rating include interruption of data center operations due to structural-physical problems, environmental hazards, terrorist attacks, damage caused by unforeseen events like plane crashes, and because of a lack of secondary data centers (backup), the business operation at AMOS and Allianz companies will be significantly affected. To limit this risk, among other things, the project DCC aims to provide all customers with disaster recovery solutions for business-critical applications for outside the affected region. On September 1, 2015, the service readiness of the future mode of operation (FMO) was achieved for the first time; in selected Allianz companies migrations were successfully initiated for DCC.

The loss, disclosure of or unauthorized access to sensitive customer and confidential company data could significantly affect the operation of AMOS and Allianz companies, leading to higher operating costs and give rise to high reputational risk. To limit these risks, AMOS has initiated and implemented a comprehensive program to ensure IT security (GIAM, GPAM, establishment of a security operation center, AMD, data protection action plan, global vulnerability management and monitoring toxic IT components).

### 6.4. Risk policy framework

The risk strategy is supported by an additional group-wide risk management process, which is described in a policy set (AMOS-risk policy, AMOS Enterprise-Wide Risk-Based integrated Control (ERIC), AMOS Resilience Policy) in which the requirements of Allianz Group are included in the AMOS business model. For more detailed process descriptions, please refer to the AMOS standards, manuals and guidelines of Allianz Group.

### 6.5. Integrated Risk and Control System

The objective of the AMOS ERIC Policy is to establish an Integrated Risk & Control System (IRCS) to proactively manage operational risks of AMOS through control activities, and to ensure effective-

ness of key controls at all times. In its role as Allianz Group's internal shared services provider, who also outsources a major part of these provided services, AMOS needs to ensure that it covers all risks inherent to its business model, including service delivery to Allianz companies, AMOS internal services and functions, and outsourcing (including sub-outsourcing) to third-party providers.

This approach is designed to ensure that AMOS's ability to conduct business is safeguarded, that business operations are effective, and that AMOS adheres to applicable laws and regulations. It also guarantees that internal and external financial reporting and regulatory reporting processes produce complete and accurate information. Consequently, "Internal Controls over Financial Reporting (ICFR)", as performed in previous years, will be part of the future IRCS approach. AMOS, jointly with Allianz Group, started a project at the end of 2015 to operationalize IRCS together with Allianz companies and third-party providers.

### 6.6. Resilience Management

As a service partner to Allianz Group, AMOS is subject to the applicable regulations and laws requiring the implementation and maintenance of sound resilience management. The objective of the AMOS Resilience Policy is to continue its operations and protect its employees and assets in cases of incidents or crises. It provides an effective business continuity, emergency and crisis management approach for services offered by the AMOS Group and its third-party providers. It is the ambition of AMOS to establish disaster recovery plans for all business critical services, processes and functions, and to align them to the needs of Allianz companies through integration and testing.

## 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 occurred between the end of the financial year and the Board of Management meeting at which the Annual Report was presented.



# FINANCIAL STATEMENTS

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# B

# Balance sheet at December 31, 2015

## Assets<sup>1</sup>

€	2015	2015	2015	2014
<b>A. Non-current assets</b>				
<b>I. Intangible assets</b>				
1. Internally generated commercial property rights and similar rights and assets	125,780,815			150,950,686
2. Purchased concessions, commercial property rights and similar rights and assets as well as licenses to such rights and assets	436,350,517			329,849,938
		<b>562,131,332</b>		<b>480,800,624</b>
<b>II. Property, plant and equipment</b>				
2. Technical plant and equipment	136,567,694			155,073,465
4. Downpayments made and assets under construction	203,875,808			140,124,829
		<b>340,443,502</b>		<b>295,198,295</b>
<b>III. Financial assets</b>				
1. Investment in affiliated companies	87,661,047			25,152,884
2. Loans to affiliated companies	23,441,569			0
3. Participations	54,405,755			14,739,465
5. Securities	6,095,318			5,539,561
		<b>171,603,688</b>		<b>45,431,910</b>
			<b>1,074,178,522</b>	<b>821,430,828</b>
<b>B. Current assets</b>				
<b>I. Inventories</b>				
2. Unfinished goods and work in progress	0			170,000
		<b>0</b>		<b>170,000</b>
<b>II. Receivables and other assets</b>				
2. Receivables due from affiliated companies thereof with a remaining term of more than one year 0 € (2014: 0 €) thereof receivables from companies in which participations are held 2,377,500 € (2014: 1,127,906 €)	467,824,848			606,604,181
4. Other assets thereof with a remaining term of more than one year 0 € (2014: 0 €)	91,295,342			99,086,508
		<b>559,120,190</b>		<b>705,690,689</b>
<b>IV. Balances with banks, Bundesbank, checks and cash on hand</b>		<b>46,792,474</b>		<b>6,980,794</b>
			<b>605,912,664</b>	<b>712,841,483</b>
<b>C. Prepaid expenses</b>			<b>53,929,759</b>	<b>45,204,243</b>
<b>E. Excess of plan assets over post-employment benefit liabilities</b>			<b>0</b>	<b>1,108,235</b>
<b>Total assets</b>			<b>1,734,020,946</b>	<b>1,580,584,789</b>

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



# Balance sheet at December 31, 2015

## Equity and Liabilities<sup>2</sup>

€	2015	2015	2014
<b>A. Shareholders' equity</b>			
<b>I. Issued capital</b>	121,000		121,000
<b>II. Additional capital reserves</b>	211,174,878		189,487,056
		<b>211,295,878</b>	<b>189,608,056</b>
<b>B. Provisions</b>			
<b>1. Reserves for pensions and similar obligations</b>	4,613,956		1,094,465
<b>2. Tax provisions</b>	14,209,942		10,237,778
<b>3. Other provisions</b>	179,374,825		169,516,911
		<b>198,198,724</b>	<b>180,849,154</b>
<b>C. Liabilities</b>			
<b>4. Trade payables</b> thereof due within one year 47,544,382 € (2014: 42,199,549 €)	47,544,382		42,199,549
<b>6. Liabilities to affiliated companies</b> thereof due within one year 542,347,173 € (2014: 386,816,392 €) thereof due within up to five years 556,783,848 € (2014: 630,864,297 €) thereof due more than five years 146,051,954 € (2014: 112,449,708 €) thereof Liabilities to companies in which a participating interest is held 3,203,182 € (2014: 0€)	1,248,386,167		1,130,130,397
<b>8. Other liabilities</b> thereof due within one year 27,843,898 € (2014: 37,475,024 €) thereof from taxes 24,304,150 € (2014: 16,453,003 €) thereof for social security 58,566 € (2014: 18,215 €)	27,843,898		37,475,024
		<b>1,323,774,448</b>	<b>1,209,804,971</b>
<b>D. Prepaid expenses</b>		<b>751,897</b>	<b>322,608</b>
<b>Total equity and liabilities</b>		<b>1,734,020,946</b>	<b>1,580,584,789</b>

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

# Income statement

for the period January 1, 2015, to December 31, 2015 in €<sup>3</sup>

	2015	2015	2015	2014
<b>1. Revenues</b>		847,303,587		713,232,684
<b>2. Increase or decrease of unfinished goods</b>		0		170,000
<b>3. Other own work capitalized</b>		19,612,476		17,686,496
<b>4. Other operating income</b>		119,896,836		39,473,196
thereof from currency conversion: 17,244,130 € (2014: 7,204,643 €)				
thereof out-of-period revenues: 39,294,164 € (2014: 7,991,739 €)			986,812,899	770,562,375
<b>5. Expenses for IT operations</b>				
a) Expenses for materials and other supplies	-3,643,060			-7,483,142
thereof out-of-period expenses: 0 € (2014: 0 €)				
b) Expenses for services received	-454,643,767			-396,365,020
thereof out-of-period expenses: 259,048 € (2014: 2,396,187 €)				
c) Service provider services	-212,598,347			-158,197,530
thereof out-of-period expenses: 10,043 € (2014: 5,170,967 €)				
		-670,885,175		-562,045,693
<b>6. Personnel expenses</b>				
a) Wages and salaries	-213,297,280			-193,724,903
thereof out-of-period expenses: 304,238 € (2014: 2,137,304 €)				
b) Social security	-25,922,380			-22,668,764
thereof out-of-period expenses: 1,600 € (2014: 21,448 €)				
c) Pensions	-19,408,968			-20,395,433
		-258,628,629		-236,789,100
<b>7. Depreciation and amortization</b>				
a) on intangible assets	-107,246,944			-65,465,905
b) on property, plant and equipment	-43,370,065			-41,795,406
		-150,617,010		-107,261,311
<b>8. Other operating expenses</b>		-101,661,069		-59,516,838
thereof from currency conversion: 16,076,966 € (2014: 7,557,059 €)				
thereof out-of-period expenses: 25,242 € (2014: 55,408 €)				
			-1,181,791,883	-965,612,941
<b>9. Income from participations</b>			1,669,284	1,925,601
thereof income from profit transfer: 1,669,284 € (2014: 1,925,601 €)				
thereof from affiliated companies: 1,669,284 € (2014: 1,925,601 €)				
<b>11. Other interest and similar income</b>			2,027,143	1,158,687
thereof from affiliated companies: 1,983,244 € (2014: 971,236 €)				
thereof from discounting interest on provisions: 1,035 € (2014: 39,523 €)				
<b>13. Interest and similar expenses</b>			-19,307,774	-14,199,634
thereof from affiliated companies: 18,300,647 € (2014: 13,297,641 €)				
thereof from discounting interest on provisions: 348,076 € (2014: 573,108 €)				
<b>14. Earnings from ordinary activities</b>			-210,590,331	-206,165,913
<b>15. Extraordinary income</b>			0	3,834,925
<b>16. Extraordinary expenses</b>			0	-10,657,704
<b>17. Extraordinary result</b>			0	-6,822,779
			-210,590,331	-212,988,691
<b>18. Taxes on income and earnings</b>			-2,492,842	-38,816,422
<b>19. Other taxes</b>			-1,083,182	-661,986
Income from losses absorbed			214,166,355	252,467,099
<b>20. Net income / loss for the year</b>			0	0
<b>Net profit/loss</b>			0	0

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

# Notes to the Financial Statements

Allianz Managed Operations & Services SE (termed AMOS 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 AMOS.

## Accounting and valuation policies

Due to calculations, there may be rounding differences.

### Intangible assets, property, plant and equipment

Intangible assets, property plant and equipment are stated at their acquisition cost or production cost minus straight-line depreciation and amortization over the defined economic lives. Depreciation is calculated on a monthly basis.

Asset	Economic life (years)
Software	3
Plant & office equipment (misc.)	8
Plant & office equipment (cars)	6
Plant & office equipment (furnishing)	13
Plant & office equipment (electronic items)	7
Plant & office equipment (cabling, tenant installations)	10
Plant & office equipment (racks, LAN cabinets)	4
Mainframes	5
PCs	3
Telecommunications (HICOM, telephone systems)	8
Telecommunications (fax, mobile phones, etc.)	6
Printing equipment	5
Finishing equipment (printing)	8
Storage media	5
Servers	5
Network components	3

Furthermore, AMOS is carrying out strategic projects for various customers within the Allianz Group for which a longer economic life is planned for. This primarily concerns the implementation of the insurance portfolio management system Allianz Business System international (ABSi) (10 years), Group financial systems such as SAP ERP (10 years) and Solvency II systems (10 years), as well as infrastructure projects such as Data Center Consolidation (8 years) and Global Network (10 years).

Per yearend 2015, the project Allianz Global Network continues to be in development. It is anticipated to be available by the start of 2017 with the full scope of functionality expected by management and customers. Since peripheral equipment such as telephones are in part already in use, AMOS has already retroactively included amortizations for these peripherals in 2015.

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.

In exercising the capitalization options pursuant to § 248 section 2 HGB, intangible assets that were self-created in the financial year are capitalized and depreciated on a straight-line basis over the defined economic lives. An impairment test is conducted regularly at the end of the financial year and also in the event a permanent impairment is indicated. If the test determines that a permanent impairment can be expected, a write-down is made in the financial statements. Write-downs were made in the financial year 2015; see notes on depreciation and amortization in the “Notes to the balance sheet and income statement”.

In the financial year there were expenses of € 1,404 thou for pre-studies for self-created intangible assets which were not capitalized.

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

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

## Development of non-current assets in the financial year 2015

	Acquisitions				Balance at 31.12.15 Total €
	Balance at 31.12.14 Total €	Additions 2015 €	Reclassifications 2015 €	Disposals 2015 €	
Purchased concessions, commercial property rights and similar rights and assets as well as licenses to such rights and assets	669,460,801	162,081,344	-1,027,177	-257,421	830,257,547
Internally generated commercial property rights and similar rights and assets	209,929,796	27,400,020	148,224	0	237,478,041
<b>Total intangible assets</b>	<b>879,390,597</b>	<b>189,481,364</b>	<b>-878,953</b>	<b>-257,421</b>	<b>1,067,735,588</b>
Mainframes	31,309,642	1,966,848	0	-12,458,070	20,818,420
Storage media	62,230,812	3,219,191	0	-4,837,268	60,612,735
Print and post-press	998,122	182	-182	-998,041	80
Network components	230,288,490	47,846,132	-3,136,508	-964,399	274,033,715
Servers	114,481,200	35,547,724	1,003,996	-7,504,024	143,528,896
Plant and office equipment	104,638,571	17,790,879	3,008,878	-505,325	124,933,003
Low-value assets	1,858,437	324,271	2,769	-45,870	2,139,607
<b>Total property plant and equipment</b>	<b>545,805,274</b>	<b>106,695,228</b>	<b>878,953</b>	<b>-27,312,998</b>	<b>626,066,456</b>
Investments in affiliated companies	25,152,884	62,508,163	0	0	87,661,047
Loans to affiliated companies	0	23,441,569	0	0	23,441,569
Participations	14,739,465	39,666,290	0	0	54,405,755
Securities	5,539,561	555,757	0	0	6,095,318
<b>Total investments</b>	<b>45,431,910</b>	<b>126,171,779</b>	<b>0</b>	<b>0</b>	<b>171,603,689</b>
<b>Total AMOS SE</b>	<b>1,470,627,781</b>	<b>422,348,371</b>	<b>0</b>	<b>-27,570,419</b>	<b>1,865,405,733</b>

## Financial assets

### 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).

### Loans to affiliated companies

Loans to affiliated companies are valued at nominal amount. Necessary write-downs are made in accordance with § 253 (3) sentence 3 HGB.

### 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 (2) HGB, the fair value of which is either equivalent to the asset value or the market value in accordance with § 253 (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

Trade and other 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

Depreciation and amortization				Balance sheet results			
Balance at 31.12.14 Total €	Additions 2015 €	Reclassifications 2015 €	Disposals 2015 €	Balance at 31.12.15 Total €	Balance at 31.12.14 Total €	Balance at 31.12.15 Total €	
339,610,862	54,532,499	-30,148	-206,182	393,907,030	329,849,938	436,350,517	
58,979,110	52,711,939	6,176	0	111,697,226	150,950,686	125,780,815	
<b>398,589,972</b>	<b>107,244,438</b>	<b>-23,972</b>	<b>-206,182</b>	<b>505,604,256</b>	<b>480,800,624</b>	<b>562,131,332</b>	
18,039,955	4,769,166	0	-4,475,246	18,333,875	13,269,687	2,484,545	
44,898,355	4,818,476	0	-2,083,044	47,633,787	17,332,457	12,978,949	
1,043,242	-7,036	-27	-1,036,167	11	-45,120	69	
33,860,728	4,730,139	0	-272,851	38,318,016	196,427,762	235,715,699	
97,323,713	6,500,035	27,916	-110,856	103,740,808	17,157,487	39,788,088	
54,157,269	22,163,661	-4,030	-335,595	75,981,304	50,481,303	48,951,700	
1,283,719	398,130	113	-66,808	1,615,154	574,718	524,453	
<b>250,606,980</b>	<b>43,372,571</b>	<b>23,972</b>	<b>-8,380,568</b>	<b>285,622,954</b>	<b>295,198,294</b>	<b>340,443,502</b>	
0	0	0	0	0	25,152,884	87,661,047	
0	0	0	0	0	0	23,441,569	
0	0	0	0	0	14,739,465	54,405,755	
0	0	0	0	0	5,539,561	6,095,318	
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>45,431,910</b>	<b>171,603,689</b>	
<b>649,196,952</b>	<b>150,617,009</b>	<b>0</b>	<b>-8,586,751</b>	<b>791,227,210</b>	<b>821,430,828</b>	<b>1,074,178,523</b>	

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 2019 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.

The underlying transactions, which consist of future payment obligations, totaled € 10,274 thou (€ 8,882 thou) on the balance sheet date. Hedges against risks of changes in value in the amount of € 6,011 thou (€ 4,865 thou) have been formed. The hedges are reported using the net hedge presentation method.

### Prepaid expenses

Prepaid expenses are valued at their nominal amounts.

### 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 and similar obligations

AMOS 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. In the case of security-linked commitments, the fair value of the offset assets is applied.

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 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. For the first time, an interest rate by the balance sheet date published by the German central bank (Deutsche Bundesbank) was used as the basis. This approach was taken owing to the substantial reduction in the discount rate since 2014.

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

On December 31, 2015, the discount rate was 3.89 % (2014: 4.50 %). The discount rate was determined on the basis of the to date valid German Regulations on the Discounting of Provisions (Rückstellungsabzinsungsverordnung). The rate of pension increase was 1.70 % (2014: 1.70 %) and the rate of increase in remuneration was 3.25 % (2014: 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).

Status December 31, (in €)	2015	2014
Acquisition cost of the offset assets	63,116,851	57,322,716
Fair value of the offset assets	63,696,430	57,740,439
Settlement amount of the offset debts	67,955,765	57,726,667
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

AMOS 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 €)	2015	2014
Acquisition cost of the offset assets	14,404,172	11,796,642
Fair value of the offset assets	15,732,934	13,225,277
Settlement amount of the offset debts	20,746,025	19,379,223

### 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, 2015, receivables and liabilities as per § 256 a sentence 1 HGB were valued 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 that can arise due to foreign currency loans and bonds. Provided commercial-code requirements are fulfilled for offsetting opposing changes in fair value or cash flows resulting from the onset of comparable risks, the 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.

The derivative financial instruments are combined into valuation units with the opposing foreign currency transactions with respect to future cash flows. If over the life of the hedging relationship, there is no change to parameters of the underlying transaction and hedge with respect to valuation, and it can be assumed that the payments will be fully covered, the opposing changes of expected payments from the hedging relationship are not reported in the balance sheet or income statement. The ineffective parts of hedging relationships, i.e. uncompensated changes in fair value or unhedged foreign currency positions, are treated according to general valuation principles. The effectiveness of the hedging relationships is determined prospectively and retrospectively at each balance sheet date. Hedging relationships are exclusively entered into with Allianz SE.

To hedge against foreign currency risk in USD (USD 44,200 thou) und CHF (CHF 108,938 thou), AMOS enters into opposing forward exchange transactions. The sum of the risks hedged with the valuation unit is equivalent to the fair value of the forward exchange transactions.

Per December 31, 2015, the fair value of the forward exchange transactions that serve to hedge foreign currency transactions was € 13,177 thou.

## Prepaid expenses

Prepaid expenses are valued at their nominal amount.

## 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 reserves for pensions, 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 € 127,689 thou (2014: € 152,797 thou)

This amount comprises amounts from capitalizing self-created intangible assets totaling € 125,781 thou (2014: € 150,951 thou), and amounts from capitalizing assets at fair value totaling € 1,908 thou (2014: € 1,846 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 decreased from € 150,951 thou in the preceding year to € 125,781 thou. The purchased intangible assets include both finished and unfinished intangible assets. A total of € 189,481 thou was capitalized in 2015 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 individual companies in the Allianz Group. Increases were offset by disposals and depreciation.

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

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

Downpayments made, Assets under construction and Property plant and equipment include € 203,876 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.)

	Participation (percentage share)	Equity capital 31.12.2015 (in € thou)	Result 2015 (in € thou)
<b>Direct participations</b>			
AMOS European Services SAS (Paris, France)	100 %	40,520.8	478.8
Allianz Managed Operations & Services Netherlands B.V. (Rotterdam, Netherlands)	100 %	488.63	-405.9
Allianz Managed Operations & Services (Thailand) Co., Ltd. (Bangkok, Thailand)	100 % <sup>2</sup>	3,521.4	1,112.6
Metafinanz-Informationssysteme GmbH (Munich, Germany)	100 %	1,026.7	1,669.3 <sup>1</sup>
AMOS International B.V. (Amsterdam, Netherlands)	100 %	35,522.0	-28.0
Allianz Telematics S.p.A. (Triest, Italy)	100 %	1,148.4	-275.0
<b>Indirect participations</b>			
AMOS of America, Inc. (Petaluma, USA)	95 %	46,759.6	-13,830.6

1 – Result before profit transfer

2 – AMOS held 99.99978947 % shares. Allianz SE and Allianz Europe B.V. both held 0.000105268 % shares.

AMOS European Hosting SAS was founded in March 2014, and officially became AMOS European Services SAS in November 2014. AMOS has held a 100 % share in the company since its foundation.

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

Allianz Managed Operations & Services Thailand Co. Ltd was founded in November 2014, and AMOS has since November 2014 held a 100 % share in the company.

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

In July 2015 AMOS acquired Allianz Telematics S.p.A. from the Allianz Group company Allianz Italy SpA. AMOS has since that time held a 100% share of the company.

The company AMOS International B.V. was founded in August 2015 and since that time has been a 100 % subsidiary of AMOS. In September 2015 AMOS International B.V. acquired preference shares in AMOS of America, Inc. and since that time has held a 95 % share of the company.

### Loans to affiliated companies (Assets A.III. 2.)

The loans to affiliated companies include loans to AMOS European Services SAS totaling € 20,000 thou (2014: € 0), to Allianz Managed Operations & Services (Thailand) Co. Ltd., totaling € 2,025 thou (2014: € 0) and to Allianz Business Services, spol. s.r.o. totaling € 1,416 thou (2014: € 0).

#### Participations (Assets A.III.3.)

	Participation (percentage share)	Equity capital 31.12.2015 € thou	Result 2015 € thou
AMOS Austria GmbH (Vienna, Austria)	49.9 %	41,987.2	4,612.2
AMOS IberoLatAm S.L. (Barcelona, Spain)	49 %	80,951.6	0

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

Furthermore, in December 2015 Allianz Compañía de Seguros y Reaseguros S.A. founded the company AMOS IberoLatAm S.L., and AMOS took up a 49 % participation in the company in December 2015.



The remaining participation investment at the balance sheet date is a holding in DENIC Domain Verwaltungs- und Betriebsgesellschaft eG, Frankfurt am Main, Germany.

### Securities (Assets A. III. 5.)

The portfolio of securities comprises investment fund shares of € 6,095 thou (2014: € 5,540 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.

### Receivables and other assets (Assets B.II.)

Receivables from affiliated companies are primarily the receivable of € 214,732 thou (2014: € 252,999 thou) plus applicable taxes from the domination and profit transfer agreement with Allianz SE. Under this agreement, there are also trade receivables of € 224,684 thou (2014: € 328,168 thou) from Group customers arising from unpaid invoices for services. Part of the decrease results from a balance sheet extension reported in 2014 largely comprising part-payments in the item Receivables due from affiliated companies, which was mitigated in the financial year 2015.

Receivables from companies in which participations are held include in the financial year 2015 € 2 378 thou trade receivables.

The Other assets item includes among other items tax refund claims resulting from the affiliation for tax purposes with Allianz SE totaling € 25,340 thou (2014: € 27,052 thou). This was partly offset by tax liabilities resulting from the affiliation for tax purposes with Allianz SE totaling € 13,780 thou (2014: € 2,391 thou). Furthermore, tax refund claims resulting from prior years are reported totaling € 11 028 thou (2014: € 6,660 thou). Receivables from value added tax totaling € 6,692 thou (2014: € 9,024 thou) are reported in the AMOS Switzerland branch. This was partially offset by value added tax liabilities in the branch in Switzerland totaling € 6,253 thou (2014: € 8,971 thou). In addition, receivables of AMOS from IBM Deutschland GmbH totaling € 12,327 thou are carried in the balance sheet, resulting chiefly from a sale of hardware and from a settlement agreement in December. Furthermore this item includes SAP licenses held for resale totaling € 11,312 thou (2014: € 11,052 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 € 10,274 thou (2014: € 8,958 thou).

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

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 € 8,726 thou from € 45,204 thou in 2014 to € 53,930 thou, and comprise prepaid amounts for maintenance and servicing of hardware and software and for rental fees.

### Issued capital (Equity and liabilities A.I.)

The issued capital on December 31, 2015 totaled € 121 thou, the same as 2014, and is divided into 121,000 shares of € 1 each.

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

The capital reserves were € 21,688 thou higher per December 31, 2015 than December 31, 2014, owing to inclusion of Solvency II applications transferred as a result of the transfer agreement between Allianz SE and AMOS.

The capital reserves include freely available shareholder equity pursuant to § 272 (4) HGB.

### Reserves for pensions and similar obligations (Equity and liabilities B.1)

The reserves for pensions mainly comprise obligations of € 2,930 thou (2014: € 0) resulting from accrued pension contributions from the contribution-based pension scheme (BPV), after offsetting with the plan assets, and from pension obligations from deferred compensation schemes totaling € 1,330 thou (2014: € 1,094 thou).

### Tax provisions (Equity and liabilities B.2.)

A tax reserve was formed for tax-related issues at various locations, chiefly in the AMOS headoffice and in the AMOS branches in India.

### Other provisions (Equity and liabilities B.3.)

The main items under Other Provisions were € 122,055 thou (2014: € 114,904 thou) for outstanding trade payables, € 20,746 thou (2014: € 19,176 thou) for profit-sharing and € 3,211 thou (2014: € 5,510 thou) for obligations from a transfer of operations to a provider.

The increase in other provisions by € 9,858 thou in comparison to the previous year is primarily due to the increase of € 7,151 thou for provisions for outstanding trade payables, increased provisions for Group Equity Incentives (GEI) and the Allianz Equity Incentives (AEI) of € 1,761 thou and the increase of € 1,570 thou for provisions for profit-sharing. The increase is partially offset by the use of pro-

visions for obligations from a transfer of operations to a provider of € 2,299 thou.

In the financial year 2015, the provisions for outstanding trade payables include warranty provisions totaling €9,940 thou, formed in accordance with § 249 section 1 HGB.

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, 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., Allianz Risk Transfer Zurich, Allianz Lebensversicherungs-AG, Euler Hermes Group S.A., Allianz Vie S.A., Allianz Global Corporate & Specialty SE, Allianz Compañía de Seguros y Reaseguros S.A. and Allianz Suisse Lebensversicherungs-Gesellschaft AG. In the financial year 2015, loan liabilities without taking into account interest rose to € 836,036 thou (2014: € 766,714 thou). The increase was partially offset by the reduction in a balance sheet extension reported in 2014 largely comprising part-payments in the item Receivables due from affiliated companies, which was mitigated in the financial year 2015.

This item also includes the following liabilities: € 344,453 thou (2014: € 246,535 thou) in liabilities to Allianz SE resulting from the cash pool, and liabilities of € 61,439 thou (2014: € 112,568 thou) through the clearing business with Group companies.

### Revenues (Income statement 1.)

In the financial year 2015, AMOS achieved revenues from shared services totaling € 847,304 thou (2014: € 713,233 thou).

Accordingly, revenues increased over the previous year by € 134.1 mn, or 18.8%:

	Revenue (in € mn)			Revenue (in %)		
	2015	2014	Change	2015	2014	Change
<b>Service portfolio</b>						
IT	526.2	524.7	1.5	62.1 %	73.6 %	-11.5 %
India	3.8	3.8	0.0	0.5 %	0.5 %	-0.1 %
Operations	23.9	18.7	5.2	2.8 %	2.6 %	0.2 %
Business Services	16.8	12.4	4.4	2.0 %	1.7 %	0.2 %
Corporate	0.4	0.0	0.4	0.1 %	0.0 %	0.0 %
Subtotal						
<b>Service portfolio</b>	<b>571.1</b>	<b>559.6</b>	<b>11.5</b>	<b>67.4 %</b>	<b>78.5 %</b>	<b>-11.1 %</b>
<b>Investment portfolio</b>	<b>276.2</b>	<b>153.6</b>	<b>122.6</b>	<b>32.6 %</b>	<b>21.5 %</b>	<b>11.1 %</b>
<b>Total revenue</b>	<b>847.3</b>	<b>713.2</b>	<b>134.1</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>0.0 %</b>

Revenues organized by AMOS branches are as follows:

Company code	2015 € thou	%
Germany	784,269	92.6 %
UK	24,481	2.9 %
Switzerland	15,280	1.8 %
Ireland	11,053	1.3 %
Belgium	7,112	0.8 %
Singapore	4,697	0.6 %
Romania	412	0.0 %
<b>Total revenue</b>	<b>847,304</b>	<b>100 %</b>

### 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 2015 and from post-period value added tax declarations relating to the value added tax declaration for 2014 totaling € 42,121 thou (2014: € 19,980 thou), from the release of provisions totaling € 26,015 thou (€ 3,241 thou), largely for trade receivables, and from sales revenue of € 16,521 thou resulting from sales of hardware in the AMOS data centers in Frankfurt and

Unterföhring in December 2015 under the provisions of a sale service back contract.

The assets were sold at the market prices of € 31,143 thou. In addition, the Other operating income item includes per yearend 2015 revenues of € 5,300 thou, which were recognized from a settlement agreement with IBM for incremental costs incurred by AMOS owing to the delay in the transition & transformation of the Data Center Consolidation project.

### 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 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. In September 2015 AMOS and IBM Deutschland GmbH signed an extension to the original Data Center Consolidation contract. The extension makes provisions for credit for already paid and due transition & transformation invoices, and for a new payment plan for transition & transformation to reflect delays in the project. Apart from new projects and the associated increase in expenses, the overall higher expenses are in part attributable to a delay in implementing the AGN project.

### Personnel expenses (Income statement 6.)

The item includes wages and salaries, social security contributions, expenses for pensions and for support for AMOS employees over the financial year. The € 21,840 thou increase in personnel expenses, from € 236,789 thou to € 258,629 thou, is attributable to the expansion of the business and the resulting higher number of employees in 2015, and to a 2.4% increase in collective-agreement wages and salaries in September 2015.

### Depreciation and amortization (Income statement 7.)

Depreciation and amortization are recorded as scheduled depreciation applied on the basis of monthly charges as permitted under commercial law, based on the economic lives specified in the section Accounting and valuation policies. Furthermore, a longer economic life is being applied for strategic projects that AMOS is carrying out for various customers within the Allianz Group. This primarily concerns the implementation of the insurance portfolio management system Allianz Business System international (ABSi) (10 years),

Group financial systems such as SAP ERP (10 years) and Solvency II systems (10 years), as well as infrastructure projects such as Data Center Consolidation (8 years) and Global Network (10 years).

Pursuant to § 253 (3) sentence 3 HGB, write-downs of € 36,260 thou (2014: € 802 thou) have been made owing to the likely permanent impairment of assets. This is attributable to the partial write-down of € 36,260 thou associated with the ABSi, Allianz Global Network, AML and Data Center Consolidation assets. These assets were no longer used by certain Allianz companies, the reasons for this being (among others) the sale of Fireman's Fund Insurance Company by Allianz to ACE Limited and the resulting lack of demand.

### Other operating expenses (Income statement 8.)

Other operating expenses include, among other expenses, expenses for the use of cross-departmental functions charged by Group companies to AMOS, expenses for travel and professional training, expenses for consulting services including settlements of AMOS subsidiaries for AMOS projects, and expenses for foreign currency valuation and for exchange differences.

The other operating expenses increased from € 59,517 thou in 2014 by € 42,144 thou to € 101,661 thou. The increase over the previous year is chiefly due to a one-time effect of € 22,068 thou resulting from the decrease in the rate cost allocation contact (KVV) interest rate from 5.25 % to 2.20 % whereas the rate of pension increase (inflation assumption) from 2.00 % p.a. to 1.70 % p.a. had a compensatory effect. The change compared to the previous year was also attributable to increased foreign currency losses and a settlement with AMOS Italy S.p.c.A. owing to a delay in project implementation (€ 3,758 thou).

### Income from participations (Income statement 9.)

Income from participations exclusively comprises the income from profit transfer with Metafinanz-Informationssysteme GmbH totaling € 1,669 thou (2014: € 1,926 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 saving accounts, 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 €)	2015
Income from the fair value of the offset assets	-59,353
Imputed interest on the settlement amount of offset debts	807,504
Effect of the change in the discount rate on the settlement amount	187,254
<b>Net amount of offset income and expenses</b>	<b>935,405</b>

## Pensions and similar obligations

Status December 31, (in €)	2015
Income from the fair value of the offset assets	-2,114,527
Imputed interest on the settlement amount of offset debts	2,439,371
Effect of the change in the discount rate on the settlement amount	165,118
<b>Net amount of offset income and expenses</b>	<b>489,962</b>

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

## Extraordinary income

The extraordinary income of € 39,294 thou (2014: € 7,992 thou) chiefly comprises income from releasing restructuring provisions and from refunds of value added tax from previous years.

## Extraordinary expenses

Extraordinary expenses of € 714 thou (2014: € 9,781 thou) chiefly comprised personnel expenses from AMOS branches and expenses for services received.

## Taxes on income and earnings (Income statement 18.)

In the financial year 2015, taxes on income and earnings include the current year's actual taxes on earnings of 3,177 thou, the previous year's actual taxes on earnings of € 213 thou and an earnings tax reapportionment of € -897 thou.

## Other taxes (Income statement 19.)

The other taxes are chiefly value added tax expenses.

## 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 who joined the companies until 31.12.2014 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 Allianz Versorgungskasse VVaG 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 AMOS.

AMOS is obliged to cover the administration costs of the Allianz Versorgungskasse VVaG 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, for employees who joined the company until December 31, 2014.

Due to the sharp drop in the discount rate, the value of the Allianz Pensionsverein e.V. plan assets per December 31, 2015, is lower than the pension commitments. The shortfall per December 31, 2015, is € 8,435 thou.

AMOS is exercising its option as per Art. 28 section 1 sentence 2 EGHGB not to set aside reserves for contingent liabilities, because the legally mandated adjustment of pensions to the consumer price index is financed by additional contributions to the Allianz Pensionsverein e.V.

Both the Allianz Versorgungskasse VVaG and the Allianz Pensionsverein e.V. have been closed to new entrants effective January 1, 2015. For new entrants from January 1, 2015, the company pension arrangements have been uniformly revised. For new entrants from January 1, 2015, AMOS pays a monthly contribution into a direct insurance at Allianz Lebensversicherungs-AG, which is financed by employees as part of the deferred compensation scheme.

In addition, an employer contribution is granted monthly in the form of a direct commitment.

Allianz SE has assumed joint liability for part of the pension commitments of AMOS. AMOS 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 accounts of AMOS.

In 2015, the contract determining cost reimbursement was changed such that in future Allianz SE bears the interest risk. The company has paid a one-off-amount to compensate for the interest risk.

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 €)	2015	2014
Settlement amount of the offset debts	109,340,229	98,824,484
Amount of reserve not recognized in accordance with Art. 67 section 2 EGHGB	0	0
Joint and several liability/right of recourse to Allianz SE	109,340,229	98,824,484

### 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 € 244 thou (2014: € 281 thou), which is not reported in the AMOS 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 € 2,246,510 thou (2014: € 885,993 thou).

This item includes obligations totaling an anticipated € 263,262 thou (2014: € 533,708 thou) from the overarching Allianz Group project Allianz Global Network, and € 1,797,027 thou from IBM contracts assuming fulfilment of the contracts over the planned duration. The increase in the IBM contracts results chiefly from an early extension of the software maintenance contract, and new hardware services.

Additional financial obligations resulting from multiyear rental agreements total € 98,986 thou (2014: € 75,538 thou). Included in this total are financial obligations toward affiliated companies totaling € 15,220 thou (2014: € 25,447 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 one member 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 € 3,515 thou (2014: € 3,653 thou).

Shared-based remuneration of 5,586 (2014: 7,333) Restricted Stock Units (RSU)<sup>1</sup> granted in the financial year was issued to members of the Board of Management. The fair value of these units at the time they were granted is € 688 thou (2014: € 903 thou).

1 – The applicable value of an RSU cannot be determined until after the attestation by the auditor. The reported units and values are based on a best estimate. As was reported in the Annual Report 2014, the allocation of share-based remuneration in 2015 was regarded as a granted remuneration for 2014. The RSUs were reported in the Annual Report 2014 at best-estimate value. The actual allocations on March 19, 2015, are reported in the 2015 Annual Report with the amounts in brackets (=previous year).

Allianz SE created provisions of € 4,155 thou (2014: € 4,237 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 €)	2015	2014
Acquisition cost of the offset assets	122,777	118,075
Fair value of the offset assets	122,777	118,075
Settlement amount of the offset debts	4,277,513	4,354,836
Amount of reserve not recognized in accordance with Art. 67 section 2 EGHGB	0	0
Reserves for pensions	4,154,736	4,236,761

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 € 36 thou in the financial year (2014: € 24 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	2,791
Part-time employees	216
<b>Total</b>	<b>3,007</b>

## Group membership

Allianz Managed Operations & Services SE (AMOS) 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 be requested from AMOS. They are also available on the Allianz SE website. AMOS is included in the consolidated financial statements and Group Management Report of Allianz SE, with discharging effect for AMOS in accordance with § 291 HGB. A domination and profit transfer agreement has existed between Allianz SE and AMOS 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, 26 February 2016

Allianz Managed Operations & Services SE

The Board of Management



Dr. Barbara Karuth-Zelle

Stefan Britz



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, 2015. 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 9, 2016

KPMG AG Wirtschaftsprüfungsgesellschaft

[original German version signed by:]

Dielehner  
Wirtschaftsprüfer  
(Independent Auditor)

Dr. Pfaffenzeller  
Wirtschaftsprüfer  
(Independent Auditor)

