Group financial results 1Q 2014

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Analysts' conference call
May 14, 2014

Allianz

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Group financial results 1Q 2014

Business highlights from the first quarter of 2014

Property-Casualty	▪ "Allianz One" in Italy: Successful launch of modular cover with 13,000 policies sold in 1Q ▪ "Privatschutz" in Germany: Number of modular cover policies increases in 1Q by 170,000
Life / Health	▪ Fixed-indexed annuity products by Allianz Life US more than double sales in 1Q compared to prior year ▪ Launch of "Allianz Global Benefits" providing multinational companies with employee benefit solutions ▪ "Perspektive" in Germany with continued high demand: 15,000 policies sold in 1Q
Asset Management	▪ PIMCO launches its largest private fund ever with some USD 5.5bn in committed capital ▪ "Income and Growth Fund" by AllianzGI meets strong demand with net inflows of EUR 2.3bn in 1Q
Investments	▪ Investments in real assets: acquisition and financing of shopping centers in Düsseldorf and Stuttgart ▪ AllianzGI infrastructure debt investments surpass EUR 2bn with funding of motorway in Belgium
Acquisition	Agreement to acquire property & casualty business and distribution capacity in Italy from UnipolSai
Sustainability	Allianz signs UN Principles for Sustainable Insurance, underwriting and risk standards across Allianz Group now incorporate environmental, social and governance criteria
Branding	Acquisition of stake in soccer club FC Bayern München and strengthening of long-term cooperation

Business highlights from the first quarter of 2014

Comments

- **Allianz Life US**
  Premiums overall increase by EUR 1bn (nearly 70% growth on internal basis) to EUR 2.56bn which drives overall improvement in new business margin.
- **Allianz Global Benefits**
  Coordinates local OEs for seamless cover of employees at multinationals and collaborates with AGCS and AllianzGI.
- **PIMCO**
  Largest illiquid private fund capital raise. Focus on residential and commercial real estate assets and special situation investments.
- **Investments**
  Allianz Real Estate acquired Kö-Galerie in Düsseldorf for EUR 300mn and providing financing for Königsbau Passagen in Stuttgart for EUR 145mn.
- **Acquisition**
  On March 15th Allianz signed an agreement with UnipolSai for the acquisition of a going concern of the former Milano Assicurazioni.
  2013: 729 agencies, nearly 500 staff servicing 1.5 million customers and earning EUR 1.1bn GPW.
- **Sustainability**
  With UN PSI, underwriting and risk standards across Allianz Group now incorporate environmental, social and governance criteria. Insurance and investment guidelines now developed for 13 sensitive areas – including large infrastructure, oil & gas, mining and human rights.
- **Branding**
  Allianz acquired an 8.33% share of FC Bayern München and secured naming rights, including an option, for the Allianz Arena until 2041.

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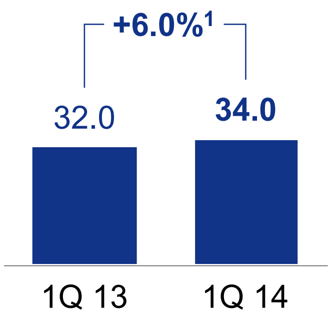
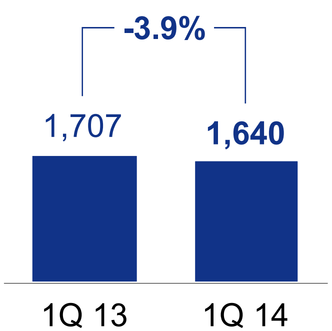
Group: 2014 starts with strong results

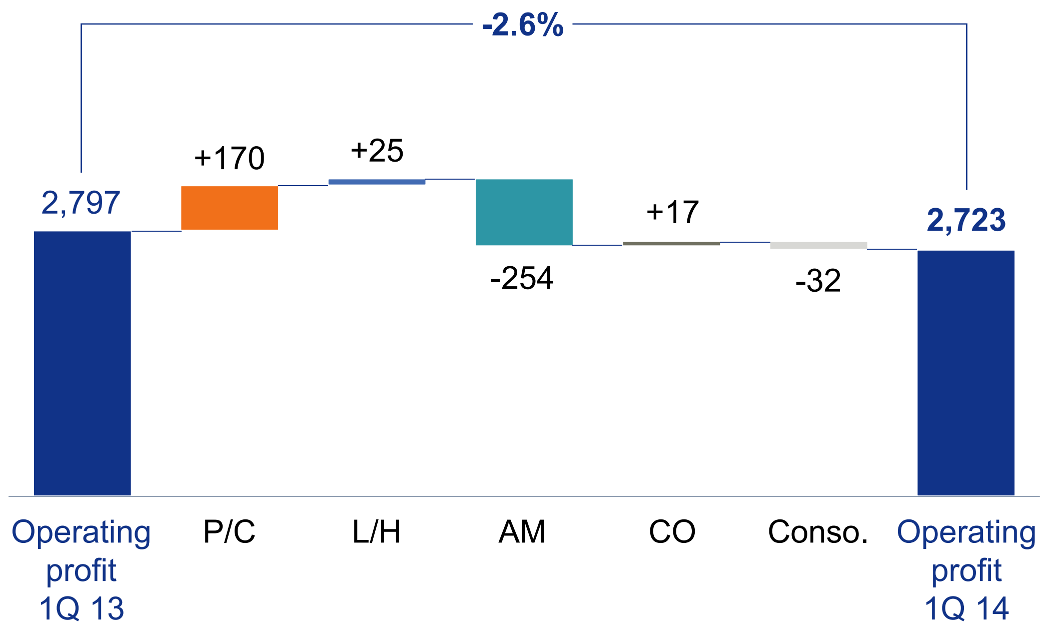
Total revenues (EUR bn)



Net income[3] (EUR mn)



Operating profit drivers[2] (EUR mn)



1Q 14	1,489	880	646	-222	-70
1Q 13	1,319	855	900	-239	-38

1) Internal growth of +7.4%, adjusted for F/X and consolidation effects
2) Effective 2014, certain entities were allocated from Asset Management to Life/Health and Banking
3) Net income attributable to shareholders

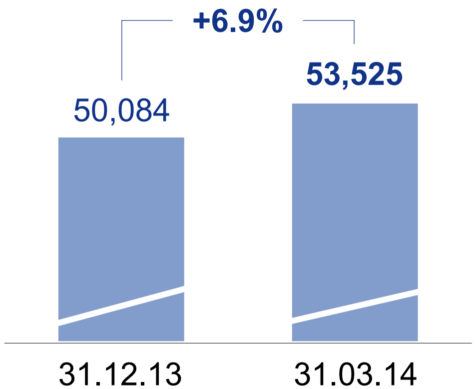
Group: 2014 starts with strong results

Comments

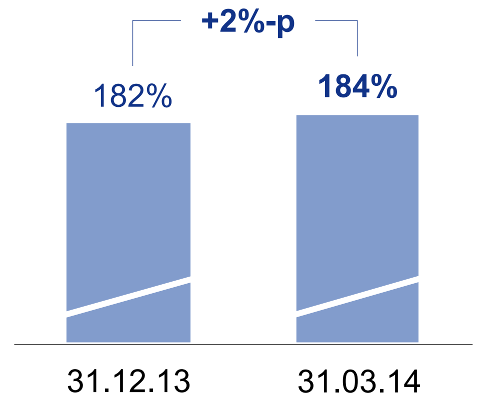
- **Growth**
  Internal growth of 7.4% driven by L/H. P/C slightly up, AM revenues decreasing mainly due to lower performance fees.
- **Operating profit**
  Down 2.6%. P/C and L/H almost compensated for decline in AM (extraordinarily strong performance fees in 1Q 2013). Negative F/X impact of EUR -46mn.
- **P/C**
  Operating profit increases by 12.9%, driven by improvement of loss ratio from 66.1% to 64.6%.
- **L/H**
  Operating profit exceeds high level of previous year, EUR 26mn explained by transfer of AM business to L/H.
- **Asset Management**
  Operating profit down 23.8% on an internal basis, mainly due to the expected reduction of performance fees.
- **Shareholders' net income**
  Decrease driven by lower operating profit, non-operating result stable.
- **Outlook 2014**
  1Q operating profit represents 27% of EUR 10bn full-year outlook mid-point.

Group: healthy "AA" capital position

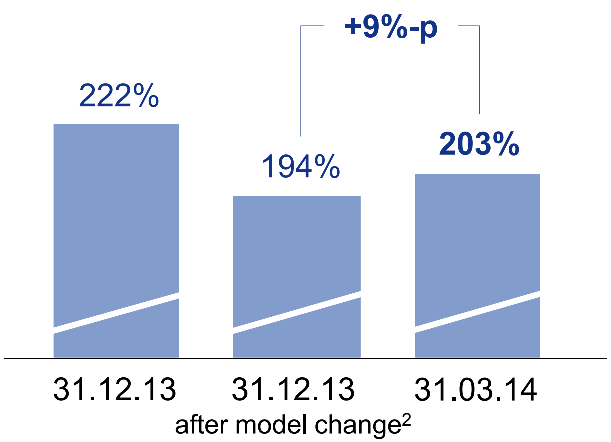
Shareholders' equity (EUR mn)



Conglomerate solvency[1] (%)



Economic solvency (%)



S&P capital adequacy

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

1) Includes off-balance sheet reserves. For details, please refer to the "Additional information" section
2) Internal model changes reflect Allianz' current understanding of forthcoming Solvency II rules

Group: healthy "AA" capital position

Comments

- **Shareholders' equity**
  Increase driven by net income (EUR 1.6bn) and higher unrealized gains (EUR 2.2bn), partly offset by higher actuarial losses for defined benefit pension plans (EUR -0.3bn).

- **Conglomerate solvency**
  Available funds advance through net income after dividend accrual (EUR 1.0bn) and issuance of CHF sub bond (EUR 0.4bn) with 3.25% coupon, offset by higher required funds mainly due to strong growth in the L/H segment.

- **Economic solvency (Best Estimate Solvency II calibration)**
  Decrease of -28%-p driven by adoption of Solvency II calibration (Trialogue decision of November 2013) partly mitigated by higher available funds in 1Q including net income (+9%-p).

- **Solvency II model adoption**
  Model changes based on Solvency II calibration increased own funds by EUR 10.3bn, mostly driven by removal of transferability restrictions in line with understanding of forthcoming Solvency II rules.
  Capital requirements up EUR 8.7bn, mainly driven by correlation updates, inclusion of sovereign credit and pension risk as well as the volatility adjuster (VA) for spread risk. Risk capital update fully reflects current understanding of forthcoming Solvency II rules.

- **Dividend**
  40% of shareholders' net income has been accrued for dividend.

P/C: internal growth of 1.9 percent
(EUR mn)

1Q 2014		Revenues	Total growth Δ p.y.	Internal growth[1] Δ p.y.	Price effect	Volume effect
Total P/C segment		**15,217**	**+0.1%**	**+1.9%**	**+0.5%**	**+1.4%**
Large OEs	Germany	4,090	+2.3%	+2.1%		
	France	1,443	-1.5%	-1.5%		
	Italy	961	-1.7%	-1.7%		
Global lines	AGCS	1,589	+1.5%	+2.6%		
	Credit Insurance	612	+2.2%	+3.4%		
	Allianz Worldwide Partners[2]	785	+9.0%	+8.9%		
Selected OEs	Central and Eastern Europe	713	+3.0%	+11.4%		
	Latin America[3]	399	-29.6%	-10.9%		
	USA	416	-8.0%	-4.6%		
	Turkey	290	+37.4%	+17.5%		

1) Adjusted for F/X and consolidation effects
2) Allianz Worldwide Partners includes the business of Allianz Global Assistance, Allianz Worldwide Care, the management holding as well as the reinsurance business of Allianz Global Automotive
3) South America and Mexico

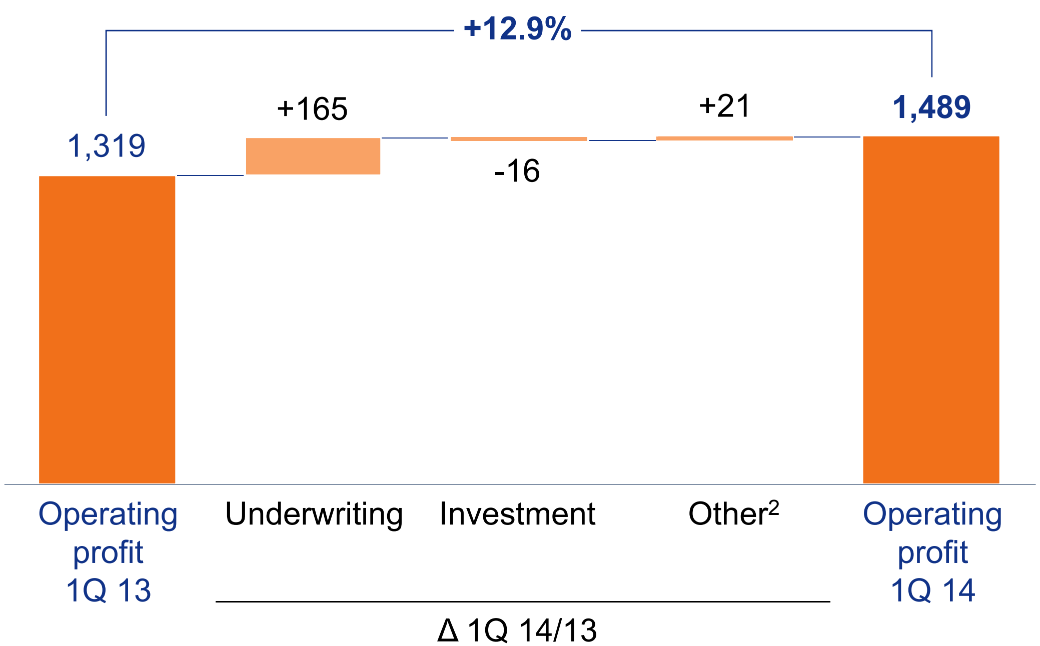
P/C: internal growth of 1.9 percent

Comments

- **P/C growth**
  Internal growth of +1.9%. Total growth masked by strong negative F/X effect. Yapı Kredi contribution to total growth +0.6%-p.
- **Germany**
  Revenue increases both in motor and commercial non-motor, partly offset by volume decline in non-motor retail. Growth driven by price increases (+2.3% on renewals).
- **France**
  Good performance in personal lines (+3.2%) was more than offset by premium declines in commercial (-4.0%).
- **Italy**
  Good performance in a declining market. Broadly stable non-motor performance more than offset by a decline in motor (-2.7%). Direct business continues growing at a double-digit rate.
- **LatAm**
  Volume loss in LatAm mainly driven by Brazil where the stabilization phase for a new IT platform negatively impacted the top-line.
- **AWP**
  Continued strong growth mainly driven by Allianz Global Assistance and Allianz Worldwide Care.
- **USA**
  Top-line development impacted by underwriting discipline. Renewals price change continues to be strongly positive at 3.7%.
- **Turkey**
  Internal growth of 17.5% driven by motor business through agencies and car dealers as well as by health business. Yapı Kredi contribution to total growth EUR 98mn.

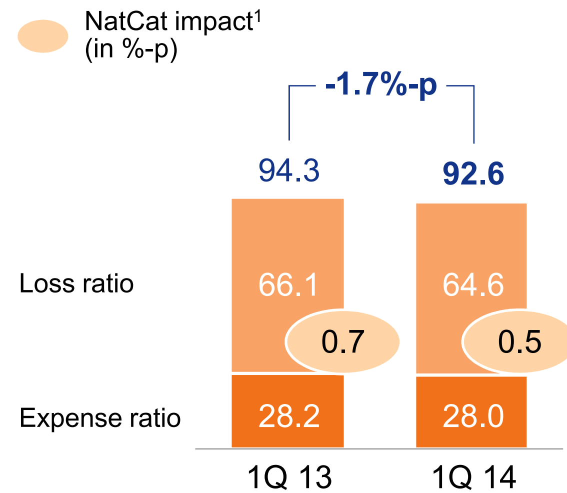
P/C: strong underwriting results continue

Operating profit drivers (EUR mn)

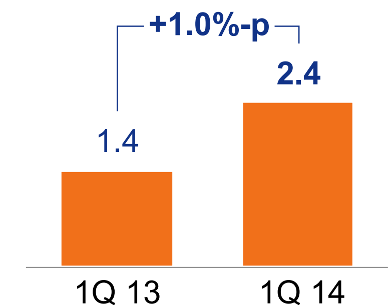


1Q 14	705	747	37
1Q 13	540	763	16

Combined ratio (in %)



Run-off ratio[3] (in %)



1) NatCat costs (without reinstatement premiums and run-off): EUR 70mn (1Q 13) and EUR 54mn (1Q 14)
2) Including restructuring charges
3) Positive run-off, run-off ratio calculated as run-off result in percent of net premiums earned

P/C: strong underwriting results continue

Comments

- **Operating profit**
  12.9% operating profit growth driven by strong underwriting result.
- **Claims environment**
  Large claims impact 0.2%-p worse. NatCat losses of EUR 54mn (0.5%-p) are below last year's already benign level of EUR 70mn (0.7%-p).
- **Run-off**
  Run-off above last year's level but within our expected long-term range of 2-3%.
- **Accident year loss ratio**
  Down 0.5%-p to 67.0% mainly due to lower NatCat but attritional AY loss ratio also down 0.3%-p.
- **Expense ratio**
  Slight reduction due to Germany as well as portfolio mix.

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P/C: operating profit up 12.9 percent
(EUR mn)

1Q 2014		Operating profit	Δ p.y.	Combined ratio	Δ p.y.	NatCat impact in CR[1]	Δ p.y.[1]
Total P/C segment		**1,489**	+12.9%	**92.6%**	-1.7%-p	**0.5%-p**	-0.2%-p
Large OEs	Germany[2]	330	+3.4%	90.6%	-0.8%-p	0.0%-p	0.0%-p
	France	128	+24.3%	93.6%	-2.9%-p	0.0%-p	0.0%-p
	Italy	213	+3.4%	83.7%	-1.9%-p	0.0%-p	0.0%-p
Global lines	AGCS	143	+55.4%	91.9%	-5.4%-p	0.1%-p	-0.2%-p
	Credit Insurance	112	+27.3%	77.8%	-7.1%-p	–	–
	Allianz Worldwide Partners[3]	21	+16.7%	96.7%	-1.6%-p	0.0%-p	0.0%-p
Selected OEs	Central and Eastern Europe	0	-100.0%	106.1%	+7.7%-p	0.0%-p	0.0%-p
	Latin America[4]	41	+5.1%	101.4%	+3.8%-p	0.0%-p	0.0%-p
	USA	24	-48.9%	106.9%	+5.4%-p	6.3%-p	+6.3%-p
	Turkey	23	+35.3%	96.0%	+4.0%-p	0.0%-p	0.0%-p

1) Excluding reinstatement premiums and run-off
2) Combined ratio 1Q 13 included a positive 3.5%-p one-off effect from commutation of internal reinsurance - no impact on segment level
3) Allianz Worldwide Partners includes the business of Allianz Global Assistance, Allianz Worldwide Care, the management holding as well as the reinsurance business of Allianz Global Automotive
4) South America and Mexico

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P/C: operating profit up 12.9 percent

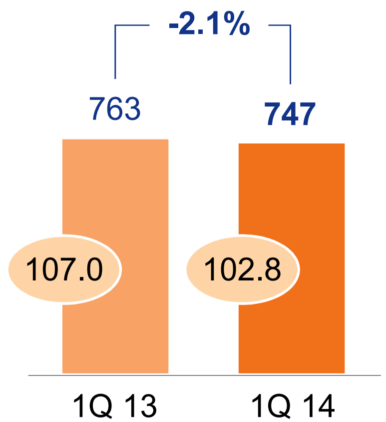
Comments

- **Strong segment result**
  1.7%-p combined ratio reduction mainly driven by a further improvement in the attritional loss ratio (-0.3%-p), a lower NatCat impact (-0.2%-p) and a higher positive run-off result (-1.0%-p).
- **Germany**
  CR reduction driven by claims ratio (-3.7%-p). Attritional loss ratio also down driven by price increases (+2.3% on renewals) and favorable weather. Large losses but also run-off slightly higher.
- **France**
  AY loss ratio continues to improve (-3.1%-p) due to lower large and attritional losses and is the main driver of the CR reduction.
- **Italy**
  AY loss ratio at very low previous year level. CR improvement driven by higher run-off.
- **AGCS**
  CR decline driven by loss ratio improvement due to lower large losses and active expense management.
- **CEE**
  Development predominantly related to motor portfolio in Russia with claims costs impacted by increasing frequency of litigation.
- **USA**
  Y.o.y. deterioration mainly driven by NatCat losses (+6.3%-p from winter storms).
- **Turkey**
  Deterioration in AY loss ratio (+4.5%-p) mainly driven by consolidation of Yapı Kredi. Run-off also lower than last year. Expense ratio better (-2.6%-p) driven by active expense management.

P/C: current yield on debt securities stable

Operating investment result (EUR mn)

Total average asset base[1] (EUR bn)

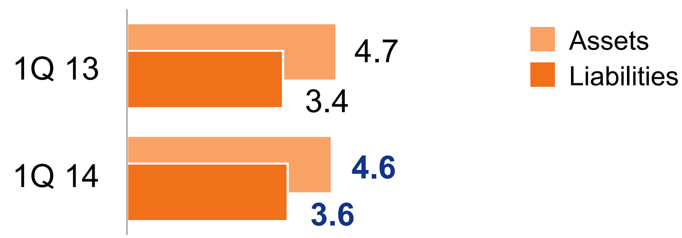


	1Q 13	1Q 14
Interest & similar income[2]	872	840
Net harvesting and other[3]	-41	-24
Investment expenses	-68	-69

Current yield (debt securities; in %)

Reinvestment yield[4] (debt securities; in %)

Duration[5]



1) Asset base includes health business France, fair value option and trading
2) Net of interest expenses
3) Comprises real. gains/losses, impairments (net), fair value option, trading and F/X gains and losses and policyholder participation. Thereof related to APR in Germany: 1Q 13: EUR -7mn, 1Q 14: EUR -32mn
4) On an annual basis
5) For the duration calculation non-parallel shift in line with Solvency II yield curves is used from 1Q 14 onwards

P/C: current yield on debt securities stable

Comments

- **Investment result**
  Current yield stable. Decline predominantly driven by volume effect due to minor net outflows from fixed income asset class.
- **Reinvestment yield**
  Down to 2.6% after 2.7% in 1Q 2013 but up from 2.5% in 4Q 2013.

L/H: strong revenue growth across all core markets
(EUR mn)

1Q 2014		Revenues	Total growth Δ p.y.	Internal growth[1] Δ p.y.	PVNBP[2]	Δ p.y.
Total L/H segment		**17,163**	**+15.7%**	**+16.4%**	**14,134**	**+6.9%**
Large OEs	Germany Life	4,980	+11.5%	+11.5%	3,447	-15.9%
	France	2,472	+9.0%	+9.0%	2,873	+12.3%
	Italy	2,370	+13.1%	+13.1%	1,854	+21.0%
	USA	2,556	+63.6%	+69.8%	2,519	+57.2%
Selected OEs	Asia-Pacific	1,339	+3.0%	+11.4%	1,170	-2.3%
	Switzerland	951	+3.7%	+3.3%	643	+15.9%
	Germany Health	808	-2.8%	-2.8%	253	-47.9%
	Benelux[3]	1,084	+57.3%	+57.3%	514	+16.0%
	Spain	353	+12.8%	+12.8%	317	+23.3%
	Central and Eastern Europe	236	-8.2%	-5.1%	187	-27.0%

1) Adjusted for F/X and consolidation effects
2) After non-controlling interests
3) Revenues from investment-oriented products in Luxembourg of EUR 518mn in 1Q 14 (EUR 266mn in 1Q 13) are reinsured by France. For 1Q 14, the PVNBP of Luxembourg business reinsured with France is included in France (EUR 577mn) and not included in Benelux

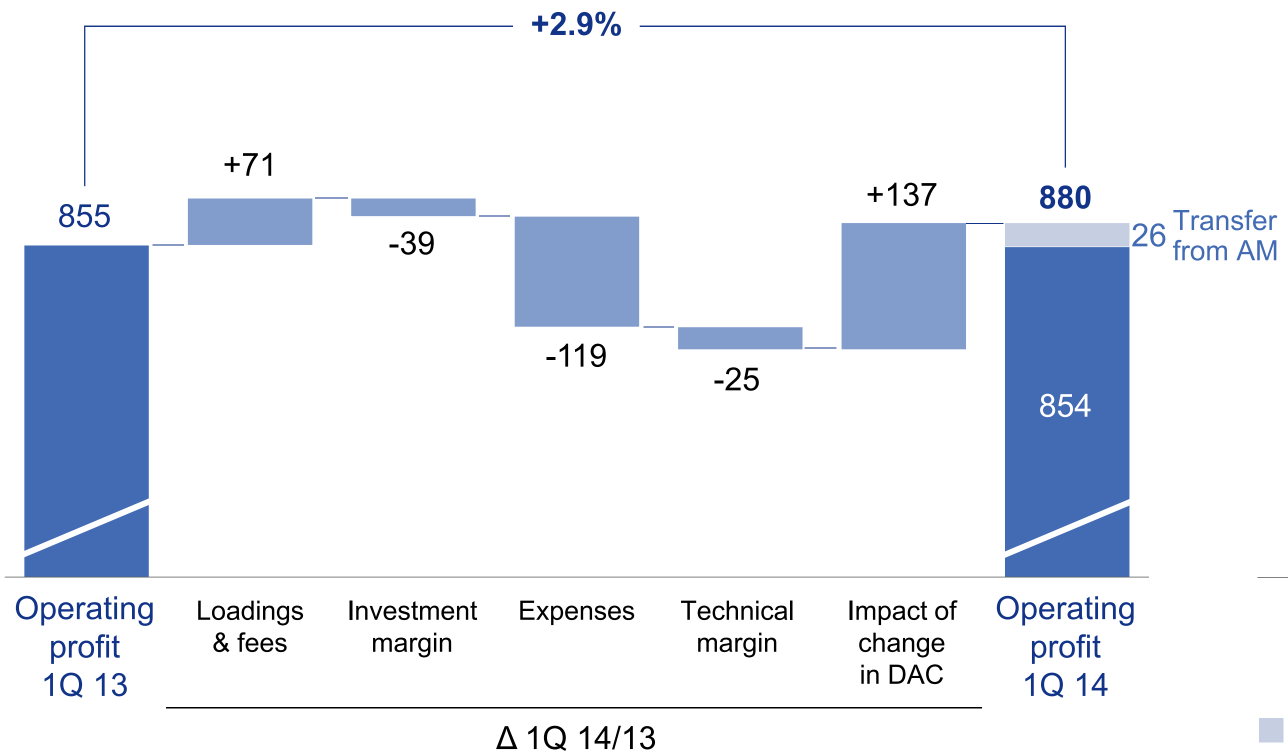
L/H: strong revenue growth across all core markets

Comments

- **New business**
  New business driven by guaranteed savings & annuities products (PVNBP +11%) with a solid NBM of 2.3%.
- **USA**
  Strong PVNBP growth (+57%) with a healthy NBM of 4.1%, continuing the positive momentum built up later last year. An innovative index strategy, well executed distribution initiatives, as well as a recovery of fixed annuity market in U.S. helped the growth recorded in fixed-indexed annuity products.
- **Italy**
  Revenue growth driven by traditional savings products (+61%). Share of unit-linked products remains above 50%.
- **Germany**
  Growth due to higher single premiums and strong contribution via Commerz-bank. Success of "Perspektive" continues with 15,000 contracts sold in 1Q. PVNBP down due to lower recurring premiums in line with market trend.
- **Benelux**
  In Belgium (EUR +150mn) our zero-guarantee products continue their success. The increase in Luxembourg (EUR +252mn) is triggered by investment-oriented products.
- **France**
  Growth driven by internal reinsurance from Luxembourg.
- **Asia-Pacific**
  Healthy internal growth across all core countries, i.e. Taiwan (+10%), Korea (+11%) and Indonesia (+8%).

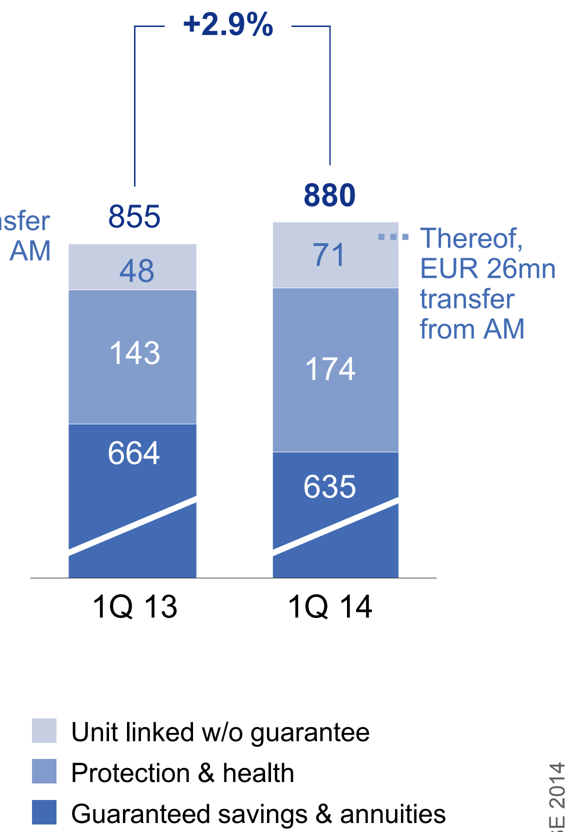
L/H: operating profit stable on like for like basis
(EUR mn)

Operating profit by sources[1,2]



	Loadings & fees	Investment margin	Expenses	Technical margin	Impact of change in DAC
1Q 14	1,241	671	-1,496	264	200
1Q 13	1,170	710	-1,377	289	63

Operating profit by line[2]



1) For a description of the L/H operating profit sources please refer to the glossary
2) Effective 2014, certain entities were allocated from Asset Management to Life/Health and Banking. The impact on operating profit in 1Q 14 is EUR 26mn. In addition, prior year figures changed in order to reflect the roll out of profit source reporting to some Asian companies and the lines of business split in Germany

L/H: operating profit stable on like for like basis

Comments

- **Operating profit**
  Operating profit remains at high level. 29% of EUR 3bn full-year target mid-point already achieved. Inclusion of Asset Management entities lifts operating profit by EUR 26mn.
- **Loadings & fees**
  Including EUR 30mn contribution from Asset Management entities. Otherwise in line with revenue development.
- **Investment margin**
  Margin of 19bps remains at a very solid level.
- **Expenses**
  Increase mainly due to higher acquisition expenses (EUR 85mn) following strong sales growth in USA, largely offset by DAC capitalization (EUR 84mn).
- **Technical margin**
  Decrease driven by Switzerland (EUR 13mn) mainly due to higher Group Life disability claims.
- **Impact of change in DAC**
  Increase driven by higher capitalization (EUR 84mn) following strong new business in USA.
- **Operating profit by line**
  - **Guaranteed savings & annuities**
    Reduction driven by Germany (EUR 73mn) mainly due to lower investment margin (EUR 48mn) as harvesting came down.
  - **Protection & health**
    Improvement due to France (EUR 17mn) and Korea (EUR 9mn).
  - **Unit linked w/o guarantee**
    Improvement mainly driven by inclusion of Asset Management entities (EUR 26mn).

L/H: value of new business up more than 50 percent
(EUR mn)

1Q 2014		Operating profit	Δ p.y.	VNB[1]	Δ p.y.	NBM[1]	Δ p.y.
Total L/H segment[2]		**880**	+2.9%	**360**	+51.3%	**2.5%**	+0.7%-p
Large OEs	Germany Life	276	-19.8%	90	-26.2%	2.6%	-0.4%-p
	France	145	+26.1%	34	n.m.[3]	1.2%	+1.1%-p
	Italy	47	-42.0%	31	+24.0%	1.7%	+0.1%-p
	USA	169	+67.3%	102	+325.0%	4.1%	+2.6%-p
Selected OEs	Asia-Pacific	51	-19.1%	33	+10.0%	2.8%	+0.3%-p
	Switzerland	21	+5.0%	17	+142.9%	2.6%	+1.4%-p
	Germany Health	24	-22.6%	10	-9.1%	3.9%	+1.7%-p
	Benelux[2]	32	+23.1%	21	+110.0%	4.0%	+1.8%-p
	Spain[2]	48	+45.5%	14	+100.0%	4.5%	+1.7%-p
	Central and Eastern Europe[2]	27	+42.1%	12	-20.0%	6.2%	+0.4%-p

1) After non-controlling interests
2) Effective 2014, certain entities were allocated from Asset Management to Life/Health and Banking. Impact on operating profit L/H segment EUR +26mn. Thereof: Benelux EUR +0.4mn, Spain EUR +14.8mn, and CEE EUR +9.6mn
3) Value new business for France increased by EUR 31mn from EUR 3mn in 1Q 13

L/H: value of new business up more than 50 percent

Comments

New Business

- **VNB**
  Increase driven by NBM (+0.7%-p) and volume (+6.9%). Increase in NBM attributed to change in economic assumptions (0.7%-p), e.g. rise in swap rates.
- **USA**
  NBM up due to higher interest rates and favorable business mix change. NBM FIA at 4.3% and NBM VA at 3.1%.

Operating profit

- **Germany Life**
  Decrease in operating profit (EUR 69mn) driven by lower investment margin. Operating profit of EUR 276mn still at very solid level. Lower VNB partially due to “last call” effect in the same prior year quarter caused by introduction of unisex tariff at the end of 2012.
- **France**
  Operating profit increases by EUR 30mn mainly because of higher investment margin (EUR 15mn). VNB improves in all lines of business.
- **Italy**
  Main driver for drop (EUR 34mn) is lower investment margin (EUR 40mn) due to less harvesting and de-risking strategy.
- **USA**
  Operating profit increases by EUR 68mn driven by favorable DAC amortization and basis risk in the VA book.

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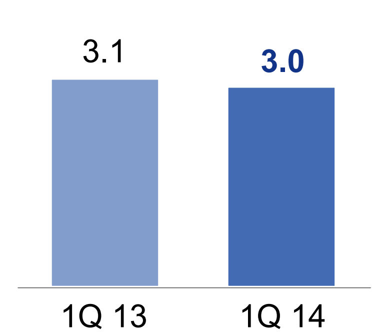
L/H: investment margin resilient

(yields are pro-rata)

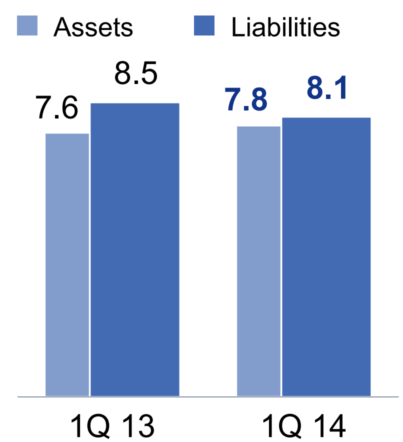
Based on Ø book value of assets[1]	1Q 13	1Q 14
Current yield[2]	1.0%	1.0%
Based on Ø aggregate policy reserves		
Current yield[2]	1.2%	1.2%
Net harvesting and other	0.1%	0.0%
Total yield	**1.3%**	**1.2%**
- Ø min. guarantee for one quarter	0.6%	0.6%
Gross investment margin (in %)	**0.7%**	**0.6%**
- Profit sharing under IFRS[3]	0.5%	0.4%
Investment margin[4] (in %)	**0.2%**	**0.2%**
Investment margin (EUR mn)	710	671
Ø book value of assets[1] (EUR bn)	403	414
Ø aggregate policy reserves (EUR bn)	344	357

Reinvestment yield[5]

(debt securities; in %)



Duration[6]



1) Asset base under IFRS which excludes unit-linked, FVO and trading
2) Based on interest and similar income
3) Includes bonus to policyholders under local statutory accounting and deferred premium refund under IFRS
4) Investment margin divided by the average of the current quarter-end and previous quarter-end aggregate policy reserves
5) On an annual basis
6) For the duration calculation non-parallel shift in line with Solvency II yield curves is used from 1Q 14 onwards

L/H: investment margin resilient

Comments

- **Investment margin**
  Investment margin of 19bps remains solid and well on track to reach 75bps ambition for full-year 2014.

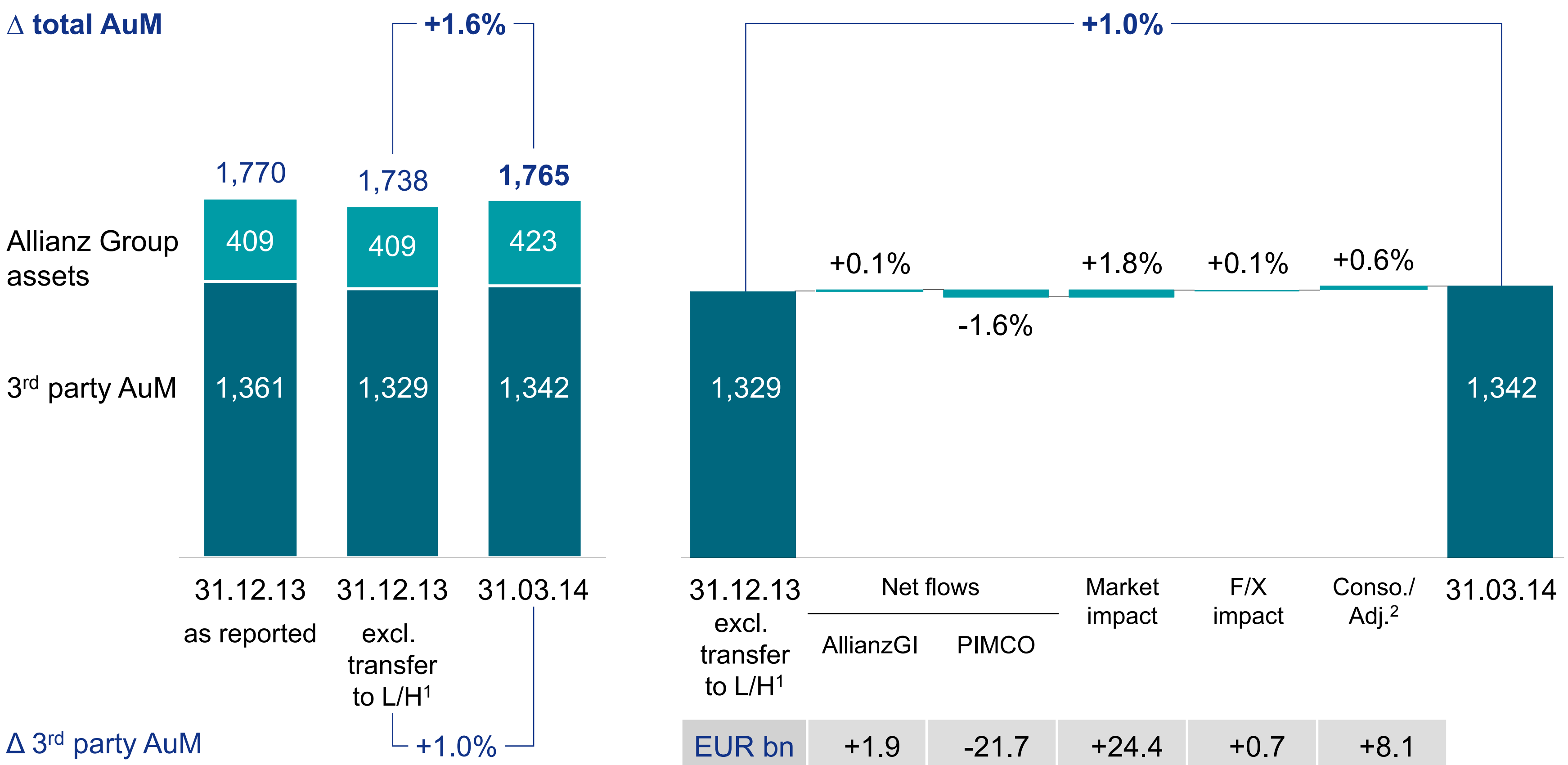
- **Current yield on reserves**
  Current yield holds up very well with a decrease of only 2bps. Negative impact offset by lower average minimum guarantee (2bps). Reduction in minimum guarantee due to strong new business with low guarantees (~1.2%).

- **Net harvesting and other**
  Lower net harvesting of 10bps reflects normalization from a relatively high level of the same quarter at last year.

- **Policyholder participation**
  Lower profit sharing (8bps) helped to stabilize margins. Profit sharing managed on annual basis, quarterly volatility with limited relevance.

- **Duration**
  Duration of liabilities lower due to higher long-term rates, assumption updates, and model changes.

AM: stable total assets under management
(EUR bn)



1) Effective 2014, certain entities were allocated from Asset Management to Life/Health and Banking
2) Mainly driven by a reporting change reflecting the inclusion of fund of fund assets of EUR +7bn at AllianzGI

AM: stable total assets under management

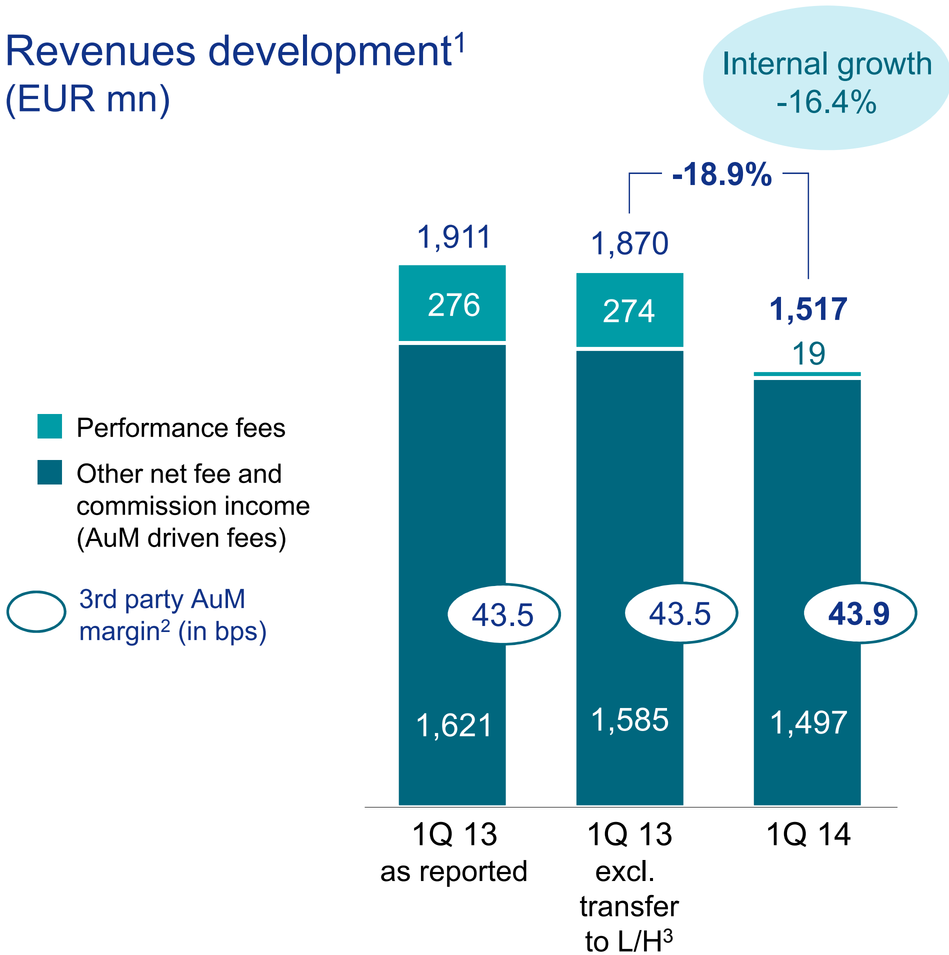
Comments

- **Segment AuM**
  AM segment now consisting of PIMCO, AllianzGI and AAM Corporate. Non-AAM AuM worth EUR 32bn transferred mainly to L/H segment. The following comparisons with 2013 assume current segment definition.
- **PIMCO AuM**
  3rd party AuM stable at EUR 1.1tn (+0.2%) compared to year-end. Reduction of 14% in relation to 1Q 2013 due to F/X impact (-6.5%), net outflows (-6.3%), deconsolidation due to an asset transfer to AllianzGI (-0.7%) and market impact (-0.7%). Share of non-traditional products at 67% (1Q 2013: 63%).
- **AllianzGI AuM**
  Compared to year-end 3rd party AuM increased to EUR 226bn (+5%) driven by net inflows (+1%), positive market return (+1%) and consolidation effect driven by the first-time inclusion of fund of fund assets (+3%). Increase of 19% in relation to 1Q 2013 driven by market impact (+10%), consolidation effect due to the inclusion of fund of fund assets and asset transfer from PIMCO (+9%), 3rd party net flows (+3%) and F/X impact (-3%).
- **PIMCO net flows**
  3rd party net outflows significantly reduced vs 3Q (-25%) and 4Q 2013 (-39%). Outflows stem from traditional and non-traditional products, retail and institutional clients. The Americas and Asia suffered most.
- **AllianzGI net flows**
  3rd party net inflows at AllianzGI driven by multi-asset strategies in Europe and by income, growth and certain high yield strategies in the U.S.

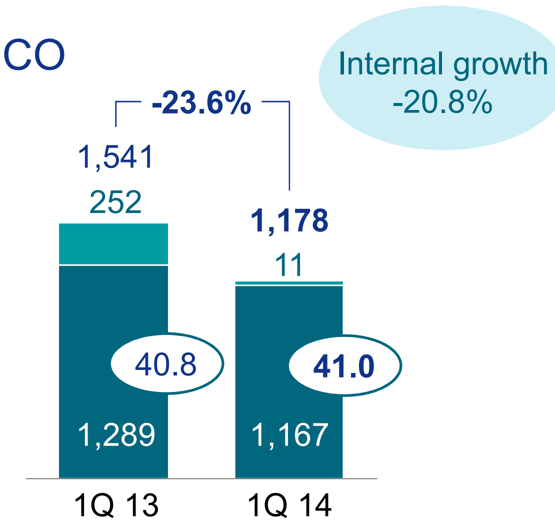
Allianz

AM: revenues down mainly due to exceptionally high performance fees in 2013

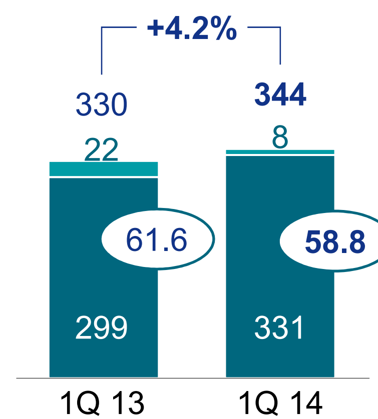
Revenues development[1] (EUR mn)



PIMCO



AllianzGI[4]



1) “Other” revenues of EUR 14mn for AM, excl. transfer to L/H EUR 11mn (1Q 13) and EUR 1mn (1Q 14) are not shown in the chart
2) Excluding performance fees and other income, 3 months
3) Effective 2014, certain entities were allocated from Asset Management to Life/Health and Banking
4) “Other” AllianzGI revenues of EUR 9mn (1Q 13) and EUR 5mn (1Q 14) are not shown in the chart

AM: revenues down mainly due to exceptionally high performance fees in 2013

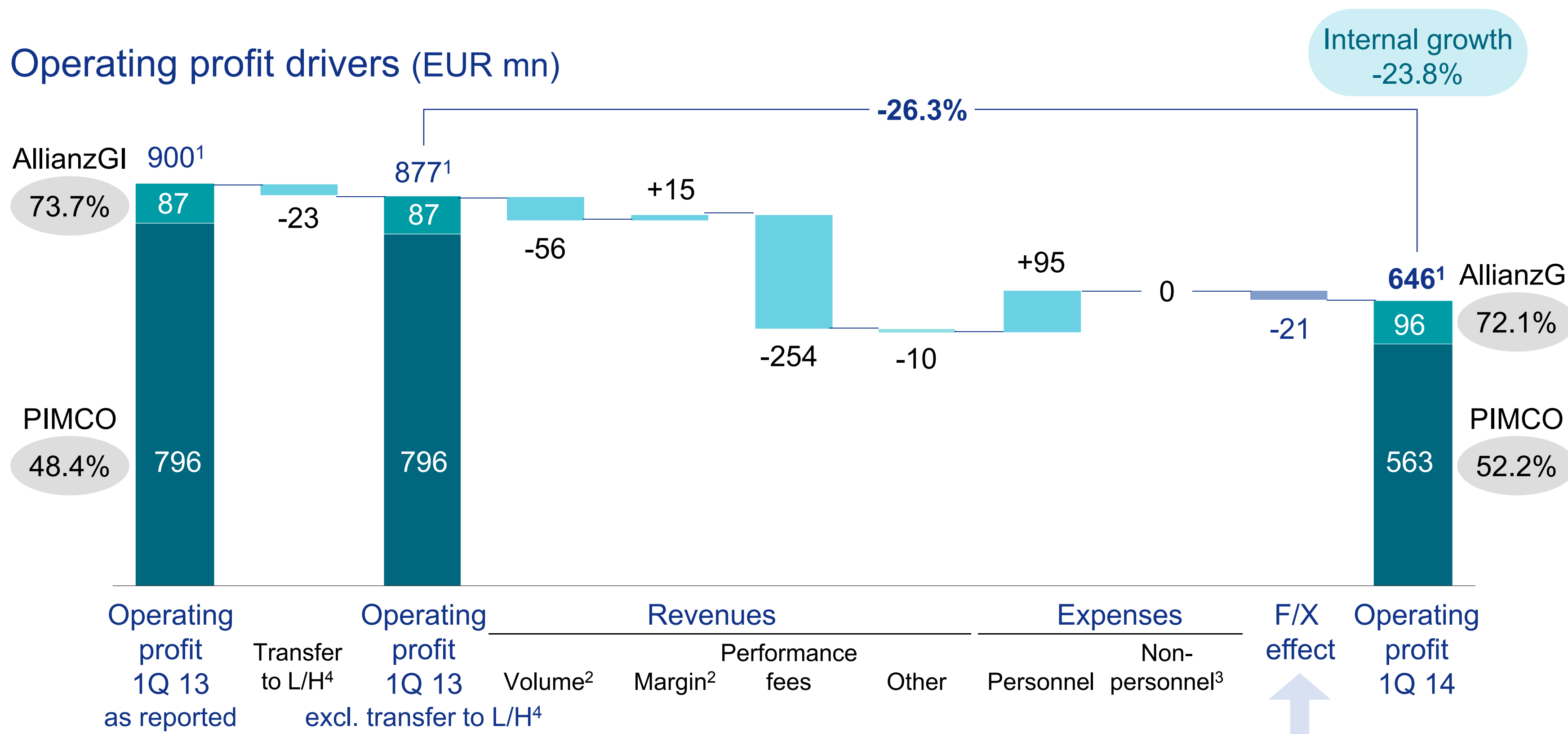
Comments

- **Segment revenues**
  AuM driven revenues down by 6%, equally impacted by adverse F/X impact and lower average AuM.
- **PIMCO revenues**
  EUR 42mn of the total decrease of AuM driven revenues (EUR 122mn) stem from adverse F/X impact.
- **Performance fees**
  Performance fees – as expected – significantly down (-93%). Exceptionally high level in 1Q 2013 driven by one private fund.
- **PIMCO 3rd party AuM margin**
  Margin stable versus 1Q 2013.
  Decrease of 1.6bps in comparison to 4Q 2013 mainly due to fewer fee days.
- **AllianzGI 3rd party AuM margin**
  Decrease versus 1Q and 4Q 2013 driven by inclusion of fund of fund AuM in the asset base and – in relation to 1Q 2013 – a fund transfer from PIMCO to AllianzGI.
- **12 months rolling 3rd party AuM margin**
  Contrary to the quarterly margins all 12 months rolling 3rd party AuM margins improve:
  - AAM: 45.0bps (1Q 2013: 43.2bps)
  - PIMCO: 42.2bps (1Q 2013: 40.5bps)
  - AllianzGI: 61.5bps (1Q 2013: 61.3bps)

Allianz

AM: lower revenues affect operating profit development

Operating profit drivers (EUR mn)



F/X impact	-47	-1	0	+18	+9		CIR
1Q 14	1,497[2]	19	1	-564	-307		57.4%
1Q 13	1,585[2]	274	11	-677	-316		53.1%

1) Including operating profit/loss from other entities of EUR 17mn (1Q 13), excl. transfer to L/H EUR -6mn (1Q 13) and EUR -13mn (1Q 14), which is not shown in the chart
2) Calculation based on currency adjusted average AZ AuM / AZ AuM driven margins and based on currency adjusted average third party AuM / third party AuM driven margins
3) Including restructuring expenses
4) Effective 2014, certain entities were allocated from Asset Management to Life/Health and Banking

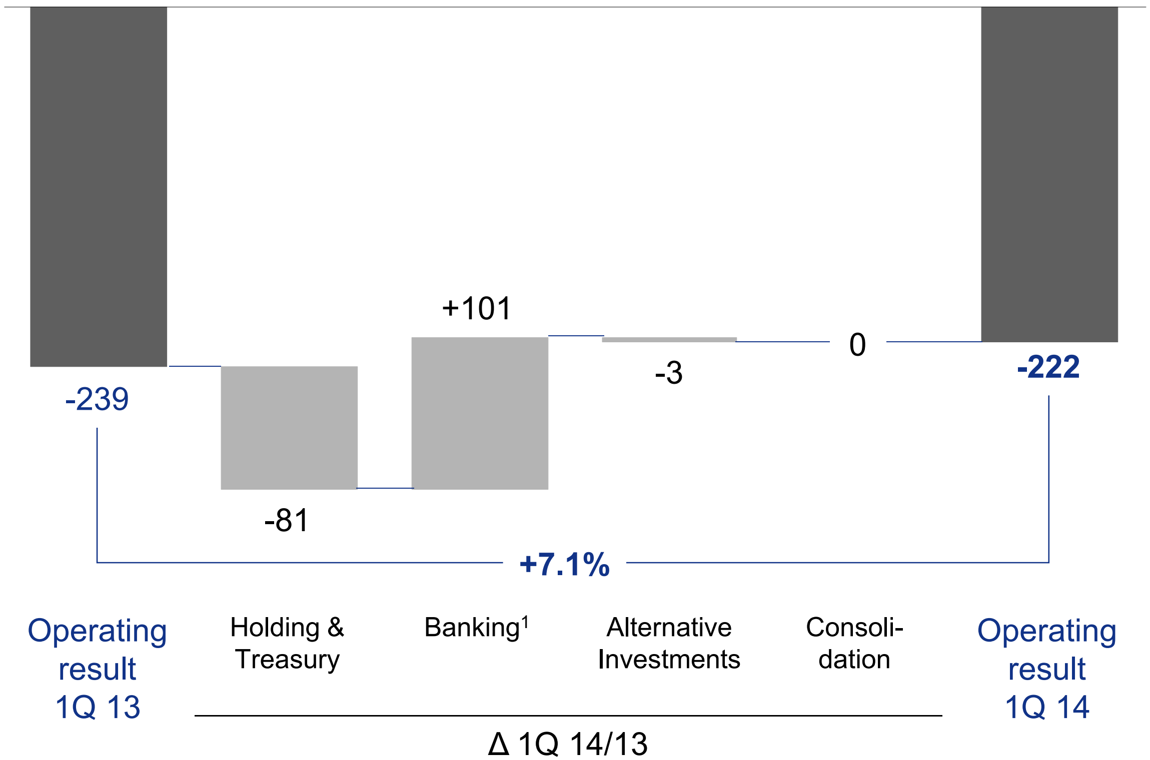
AM: lower revenues affect operating profit development

Comments

- **PIMCO operating profit**
  Decrease primarily due to significantly lower performance fees, but also due to lower average AuM and adverse F/X impact. Variable personnel expenses reduced by 28%.
- **AllianzGI operating profit**
  Up 10% primarily driven by
  - higher average 3rd party AuM,
  - higher AuM driven fees,
  - positive swing in restructuring expenses.
- **AAM Corporate operating profit**
  Operating loss increased by EUR 7mn to EUR 13mn in 1Q 2014 mainly due to absence of gains from seed money valuation.
- **PIMCO CIR**
  CIR excluding performance fees and restructuring expenses remained nearly stable at 52.4% versus 1Q 2013 (+0.4%-p) and significantly declined in comparison to 4Q 2013 (-4.3%-p).
- **AllianzGI CIR**
  CIR excluding performance fees and restructuring expenses of 73.6% better than 1Q 2013 (-2.1%-p) and 4Q 2013 (-5.3%-p).

CO: operating result improved EUR 17mn
(EUR mn)

Operating loss development and components



	Holding & Treasury	Banking[1]	Alternative Investments	Consolidation
1Q 14	-248	18	8	0
1Q 13	-167	-83	11	0

1) Effective 2014, certain entities were allocated from Asset Management to Life/Health and Banking

CO: operating result improved EUR 17mn

Comments

- **Operating profit**
  Slight improvement compared to last year mainly driven by absence of restructuring costs for Allianz Bank.
- **Holding & Treasury**
  Higher operating loss due to lower investment income: last year one-off coupon payment on Commerzbank silent participation of EUR 68mn.
- **Banking**
  Absence of last year's one-off restructuring costs of EUR 88mn for the discontinuation of Allianz Bank in Germany. Lower admin expenses (EUR -18mn) and loan loss provisions (EUR -5mn).

Group: shareholders' net income of EUR 1.6bn
(EUR mn)

	1Q 13	1Q 14	Change
Operating profit	2,797	**2,723**	-74
Non-operating items	-119	**-116**	+3
Realized gains/losses	267	**126**	-141
Impairments (net)	-71	**-66**	+5
Income from fin. assets and liabilities carried at fair value	-4	**-68**	-64
Interest expenses from external debt	-241	**-204**	+37
Fully consolidated private equity inv. (net)	-4	**-5**	-1
Acquisition-related expenses	-25	**4**	+29
One-off effect from pension revaluation	0	**116**	+116
Amortization of intangible assets	-41	**-19**	+22
Income before taxes	2,678	**2,607**	-71
Income taxes	-877	**-867**	+10
Net income	1,801	**1,740**	-61
Non-controlling interests	94	**100**	+6
Shareholders' net income	1,707	**1,640**	-67
Effective tax rate	33%	**33%**	0%-p

Group: shareholders’ net income of EUR 1.6bn

Comments

- **Non-operating items**
  Stable. Less realized gains/losses offset by reduced external financing costs, lower amortization of intangible assets and less acquisition related expenses.
- **Interest expenses from external debt**
  Down due to (re-)financing activities. Average quarterly interest rate declined from 1.3% to 1.1%. Additionally, average external debt decreased from EUR 18.9bn to EUR 18.2bn.
- **Tax**
  Tax rate within expected range.
- **Shareholders’ net income**
  Decrease of 3.9% driven by lower operating profit.

Summary of first quarter results

- Total revenues at EUR 34bn
- Operating profit of EUR 2,723mn
- Shareholders' net income of EUR 1,640mn
- Strong capital position and balance sheet

Outlook[1]:

Confirmation of operating profit outlook of EUR 10bn +/- 0.5bn

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

2a

Group financial results 1Q 2014

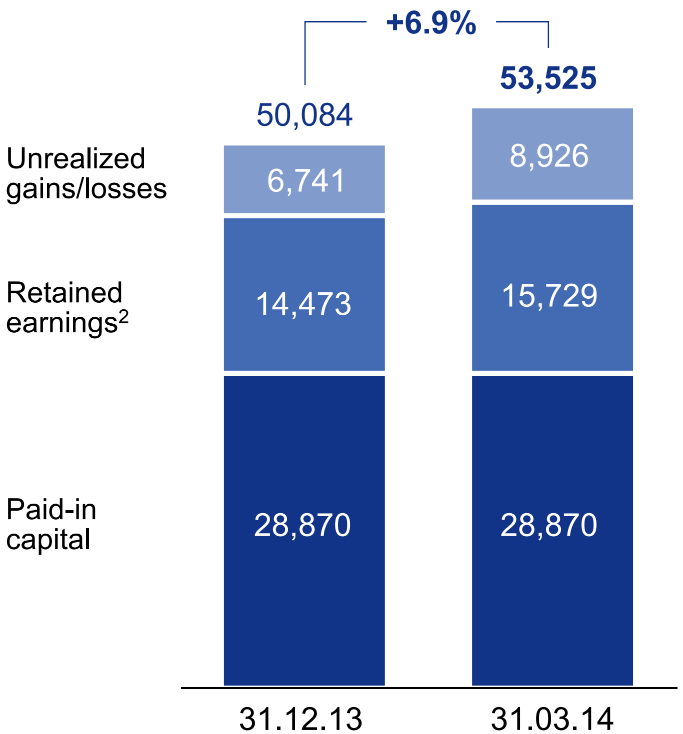
Group: key figures[1]
(EUR mn)

	1Q 2013	2Q 2013	3Q 2013	4Q 2013	1Q 2014	Delta 1Q 14/13
Total revenues (EUR bn)	**32.0**	**26.8**	**25.1**	**26.8**	**34.0**	**+2.0**
- Property-Casualty	*15.2*	*10.8*	*10.7*	*10.0*	*15.2*	*+0.0*
- Life/Health	*14.8*	*14.1*	*12.7*	*15.1*	*17.2*	*+2.4*
- Asset Management	*1.9*	*1.8*	*1.7*	*1.7*	*1.5*	*-0.4*
- Corporate and Other	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*	*+0.0*
- Consolidation	*0.0*	*-0.1*	*0.0*	*-0.2*	*-0.1*	*-0.1*
Operating profit	**2,797**	**2,367**	**2,519**	**2,383**	**2,723**	**-74**
- Property-Casualty	*1,319*	*1,179*	*1,236*	*1,534*	*1,489*	+170
- Life/Health	*855*	*669*	*769*	*416*	*880*	25
- Asset Management	*900*	*804*	*754*	*703*	*646*	-254
- Corporate and Other	*-239*	*-274*	*-230*	*-261*	*-222*	+17
- Consolidation	*-38*	*-11*	*-10*	*-9*	*-70*	-32
Non-operating items	-119	132	-242	-193	-116	+3
Income b/ tax	2,678	2,499	2,277	2,190	2,607	-71
Income taxes	-877	-824	-746	-853	-867	+10
Net income	**1,801**	**1,675**	**1,531**	**1,337**	**1,740**	**-61**
Net income attributable to:						
Non-controlling interests	94	87	86	81	100	+6
Shareholders	1,707	1,588	1,445	1,256	1,640	-67
Group financial assets[2,3] (EUR bn)	**542.1**	**528.8**	**532.5**	**537.5**	**556.0**	**+13.9**

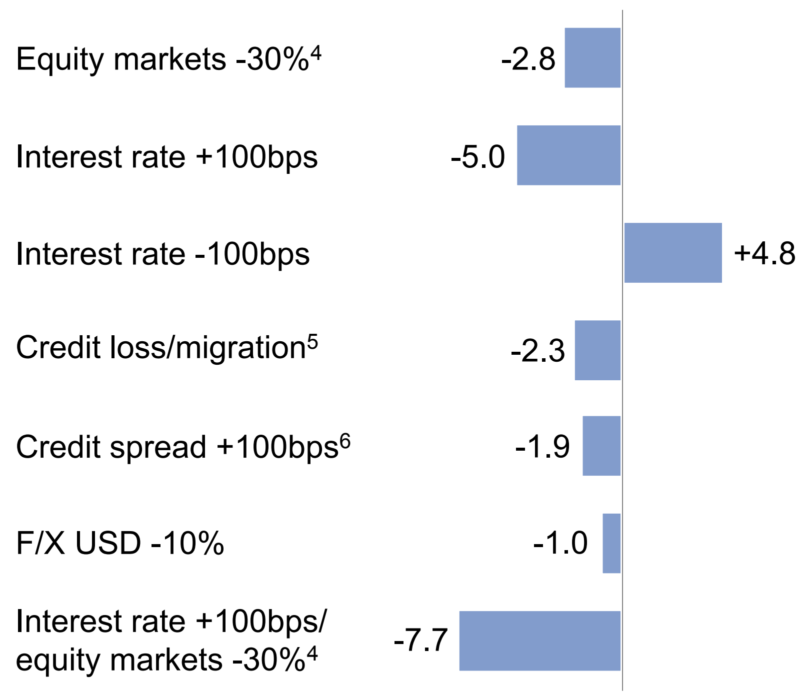
1) Effective 2014, certain entities were allocated from Asset Management to Life/Health and Banking
2) Group own assets including financial assets carried at fair value through income, cash and cash pool assets net of liabilities from securities lending, derivatives and liabilities from cash pooling
3) Prior year figures have been restated to reflect the retrospective application of the amended standard IFRS 10

Group: shareholders' equity and stress tests

Shareholders' equity[1] (EUR mn)



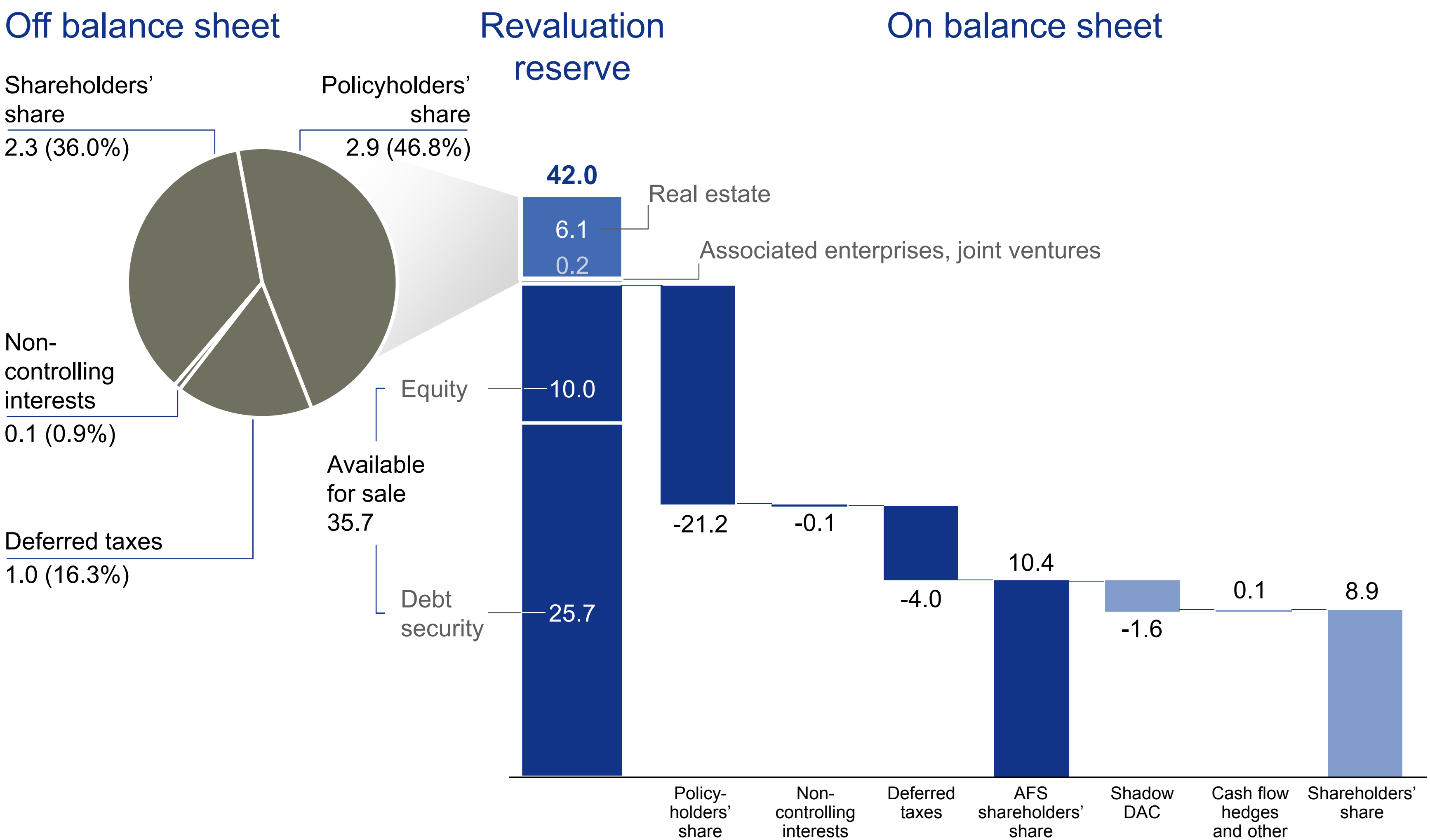
Estimation of stress impact[3] (EUR bn)



1) Excluding non-controlling interests (31.12.13: EUR 2,765mn, 31.03.14: EUR 2,835mn)
2) Including F/X
3) After non-controlling interests, policyholder participation, tax and shadow DAC
4) Including derivatives
5) Credit loss/migration (on corporate and ABS bonds): scenario based on probabilities of default as in 1932, migrations adjusted to mimic recession and assumed recovery rate of 30%
6) Credit spread stress on corporate and ABS portfolio

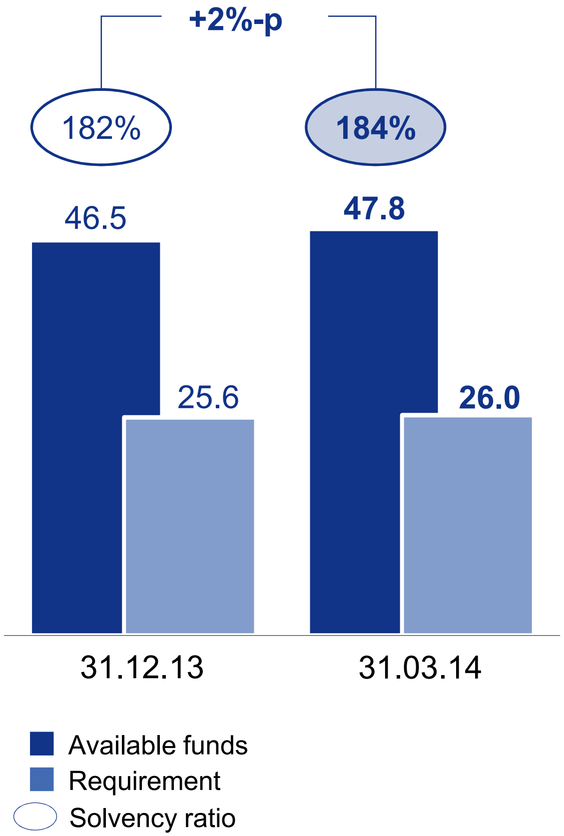
Allianz

Group: revaluation reserve
(EUR bn)

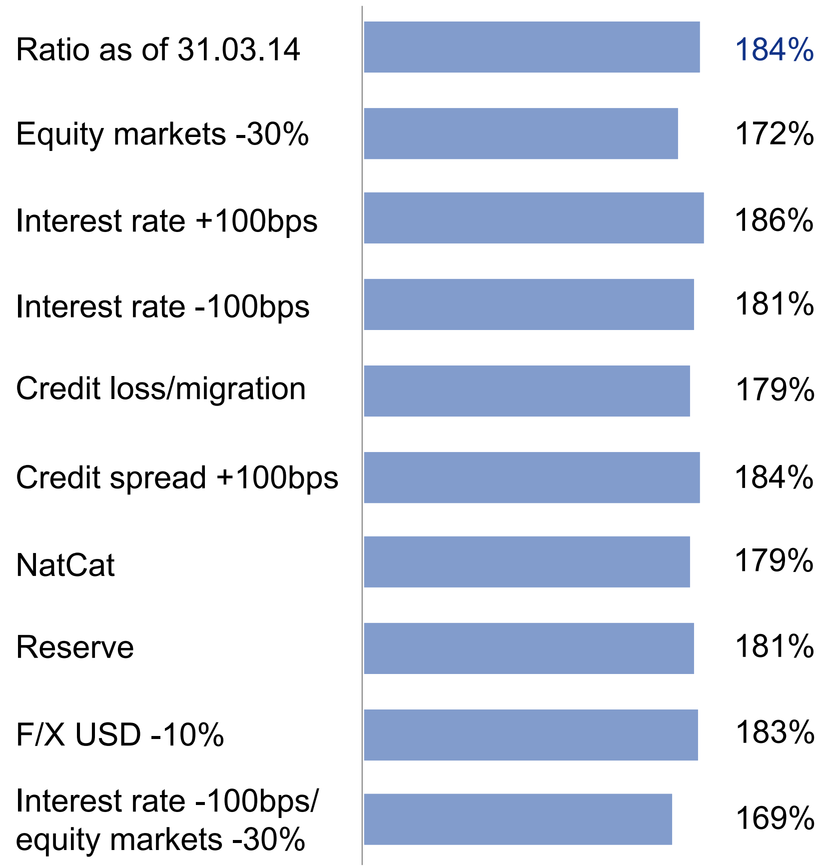


Group: conglomerate solvency ratio and stress tests

Conglomerate solvency[1] (EUR bn)



Estimation of stress impact[1]

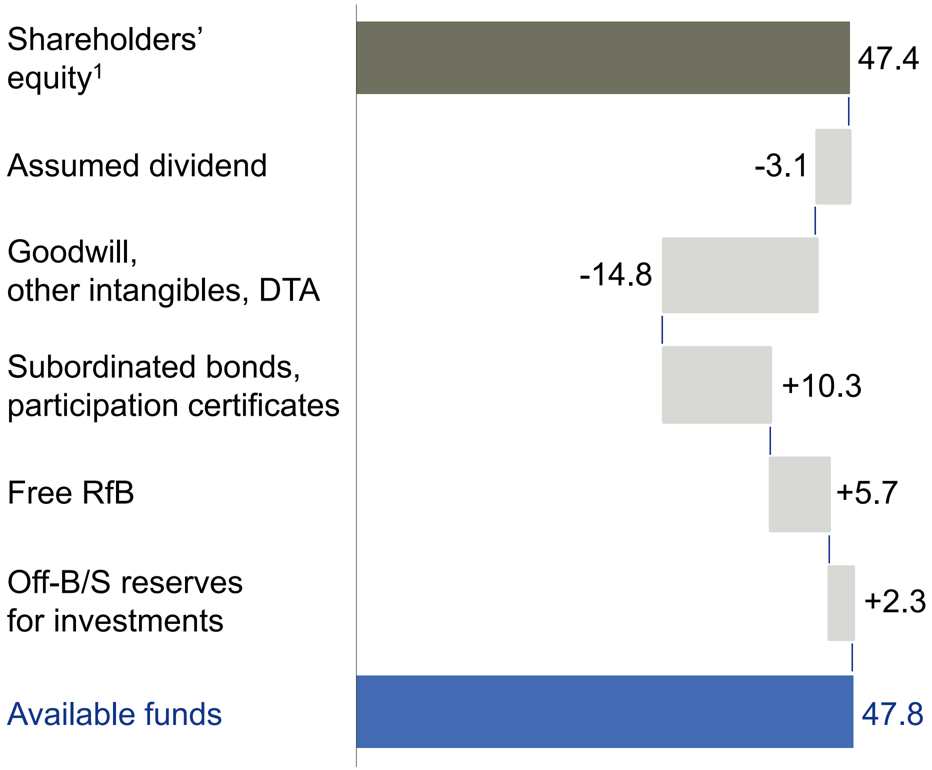


1) Off-balance sheet reserves are accepted as eligible capital only upon request. Allianz SE has not submitted an application so far. Off-balance sheet reserves amounted to: 31.12.13: EUR 2.3bn, 31.03.14: EUR 2.3bn. The solvency ratio excluding off-balance sheet reserves would be 173% for 31.12.13 and 175% for 31.03.14

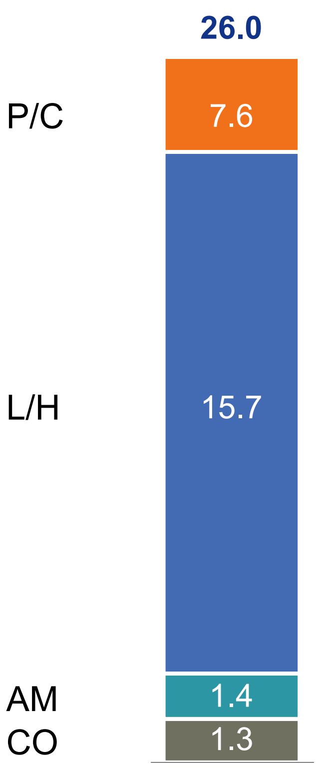
Allianz

Group: conglomerate solvency details as of 31.03.14
(EUR bn)

Available funds



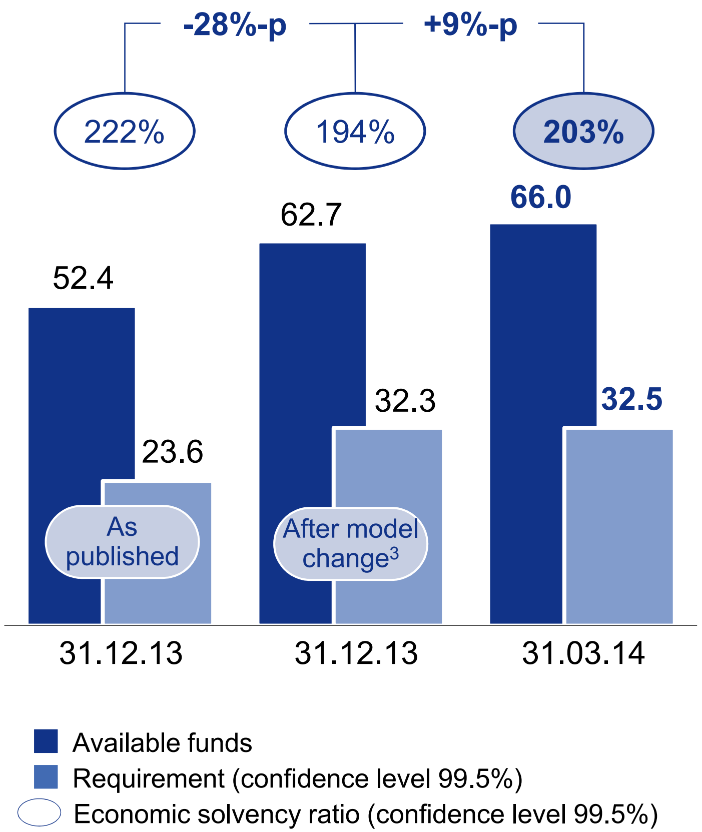
Required capital



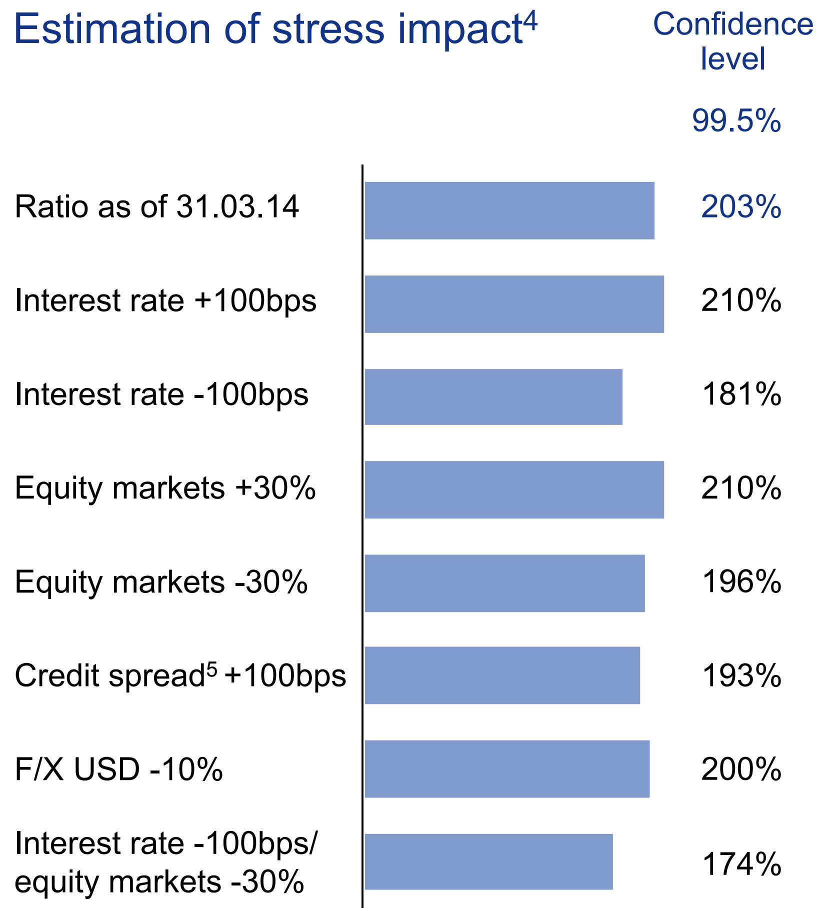
1) Adjusted for unrealized gains/ losses on available-for-sale bonds (negative effect of EUR -6.1bn)

Group: economic solvency ratio and stress tests

Economic solvency[1,2] (EUR bn)



Estimation of stress impact[4]



1) Including sovereign credit risk, including pension risk for 4Q 13 pro forma and for 1Q 14
2) Available funds include anchoring in line with EIOPA approach
3) Internal model changes reflect Allianz‘ current understanding of forthcoming Solvency II rules
4) Estimated solvency ratio changes in case of stress scenarios (stress applied on both available funds and requirement)
5) Credit spread stress on corporate/ABS bonds; not included are AAA collateralized bonds which are predominantly covered or agency sponsored bonds

Group: asset allocation[1]
(EUR bn)

		P/C		L/H		AM		Corporate and Other		Consolidation		Group	
		31.03.13	31.03.14	31.03.13	31.03.14	31.03.13	31.03.14	31.03.13	31.03.14	31.03.13	31.03.14	31.03.13	31.03.14
Investments	*Equities*[2]	*4.1*	*5.6*	*25.1*	*29.6*	*0.0*	*0.0*	*1.5*	*1.9*	*0.0*	*0.0*	*30.7*	*37.1*
	Debt sec.	*71.4*	*68.4*	*272.3*	*284.8*	*1.1*	*0.1*	*23.7*	*28.0*	*0.0*	*0.0*	*368.5*	*381.3*
	Cash and cash pool assets[3]	*6.5*	*6.8*	*6.6*	*8.0*	*2.2*	*1.8*	*-1.2*	*-5.7*	*-1.8*	*-1.1*	*12.3*	*9.8*
	Other[4]	*7.6*	*7.3*	*9.2*	*10.2*	*0.0*	*0.0*	*0.3*	*0.3*	*-6.4*	*-5.9*	*10.7*	*11.9*
	Sum	89.6	88.1	313.2	332.6	3.3	1.9	24.3	24.5	-8.2	-7.0	422.2	440.1
Loans and advances	Debt sec	18.8	16.1	93.0	90.4	0.4	0.1	17.6	17.3	-9.7	-7.9	120.1	116.0
Investments & loans		**108.4**	**104.2**	**406.2**	**423.0**	**3.7**	**2.0**	**41.9**	**41.8**	**-17.9**	**-14.9**	**542.3**	**556.1**
Financial assets and liabilities designated at fair value[5]		0.1	0.1	3.7	3.7	0.7	0.1	0.0	0.1	0.0	0.0	4.5	4.0
Financial assets and liabilities held for trading[5]		0.2	0.3	-4.6	-4.0	0.0	0.0	-0.3	-0.4	0.0	0.0	-4.7	-4.1
Group financial assets		**108.7**	**104.6**	**405.3**	**422.7**	**4.4**	**2.1**	**41.6**	**41.5**	**-17.9**	**-14.9**	**542.1**	**556.0**
Equities AFS		*3.1*	*5.0*	*23.4*	*27.5*	*0.0*	*0.0*	*1.0*	*1.4*	*0.0*	*0.0*	*27.5*	*33.9*
Equities associated ent. / joint ventures		*1.0*	*0.6*	*1.7*	*2.1*	*0.0*	*0.0*	*0.5*	*0.5*	*0.0*	*0.0*	*3.2*	*3.2*
Equities		4.1	5.6	25.1	29.6	0.0	0.0	1.5	1.9	0.0	0.0	30.7	37.1
Affiliated enterprises		*8.8*	*8.9*	*0.8*	*0.4*	*0.0*	*0.0*	*74.6*	*76.5*	*-84.2*	*-85.8*	*0.0*	*0.0*
Investments & loans incl. affiliated ent.		117.2	113.1	407.0	423.4	3.7	2.0	116.5	118.3	-102.1	-100.7	542.3	556.1
Real estate held for investment		*2.7*	*2.9*	*6.8*	*7.7*	*0.0*	*0.0*	*0.3*	*0.3*	*0.0*	*0.0*	*9.8*	*10.9*
Funds under reins. contr. assumed		*4.9*	*4.4*	*2.4*	*2.5*	*0.0*	*0.0*	*0.0*	*0.0*	*-6.4*	*-5.9*	*0.9*	*1.0*
Other		7.6	7.3	9.2	10.2	0.0	0.0	0.3	0.3	-6.4	-5.9	10.7	11.9

1) Prior year figures have been restated to reflect the retrospective application of the amended standard IFRS 10
2) Equities incl. associated enterprises/ joint ventures, excl. affiliated enterprises
3) Net of liabilities from securities lending and including liabilities from cash pooling
4) Other incl. real estate held for investment and funds held by others under reinsurance contracts assumed
5) Net of liabilities

Allianz

Group: investment result
(EUR mn)

	P/C		L/H		AM		Corporate and Other		Consolidation		Group	
	1Q 13	1Q 14	1Q 13	1Q 14	1Q 13	1Q 14	1Q 13	1Q 14	1Q 13	1Q 14	1Q 13	1Q 14
Operating investment result												
Interest and similar income[1]	872	840	4,058	4,134	4	0	119	64	4	3	5,057	5,041
Inc. fr. fin. assets and liab. carried at FV[2]	-32	1	-620	-347	6	0	49	7	-1	3	-598	-336
Realized gains/losses (net)	15	26	899	827	0	0	0	0	-35	-73	879	780
Impairments of investments (net)	-1	-5	-62	-291	0	0	0	0	0	0	-63	-296
F/X result	40	13	376	78	1	-1	-40	-5	0	0	377	85
Investment expenses	-68	-69	-190	-195	0	0	-19	-16	69	81	-208	-199
Subtotal	***826***	***806***	***4,461***	***4,206***	***11***	***-1***	***109***	***50***	***37***	***14***	***5,444***	***5,075***
Non-operating investment result												
Inc. fr. fin. assets and liab. carried at FV	-9	-59	13	0	0	0	-8	-6	0	-3	-4	-68
Realized gains/ losses (net)	156	83	34	26	0	0	82	17	-5	0	267	126
Impairments of investments (net)	-16	-57	-4	-6	0	0	-51	-3	0	0	-71	-66
Subtotal	***131***	***-33***	***43***	***20***	***0***	***0***	***23***	***8***	***-5***	***-3***	***192***	***-8***
Net investment income	**957**	**773**	**4,504**	**4,226**	**11**	**-1**	**132**	**58**	**32**	**11**	**5,636**	**5,067**
Investment return in % of avg. investm.[3]	*0.9%*	*0.8%*	*1.1%*	*1.0%*	*n/m*	*n/m*	*0.3%*	*0.1%*	*n/m*	*n/m*	*1.0%*	*0.9%*
Movements in unrealized gains/losses on equities	14	183	385	133	1	0	-67	176	n/m	n/m	333	492
Total investment return in % of avg. inv.[3]	*0.9%*	*0.9%*	*1.2%*	*1.1%*	*n/m*	*n/m*	*0.2%*	*0.6%*	*n/m*	*n/m*	*1.1%*	*1.0%*

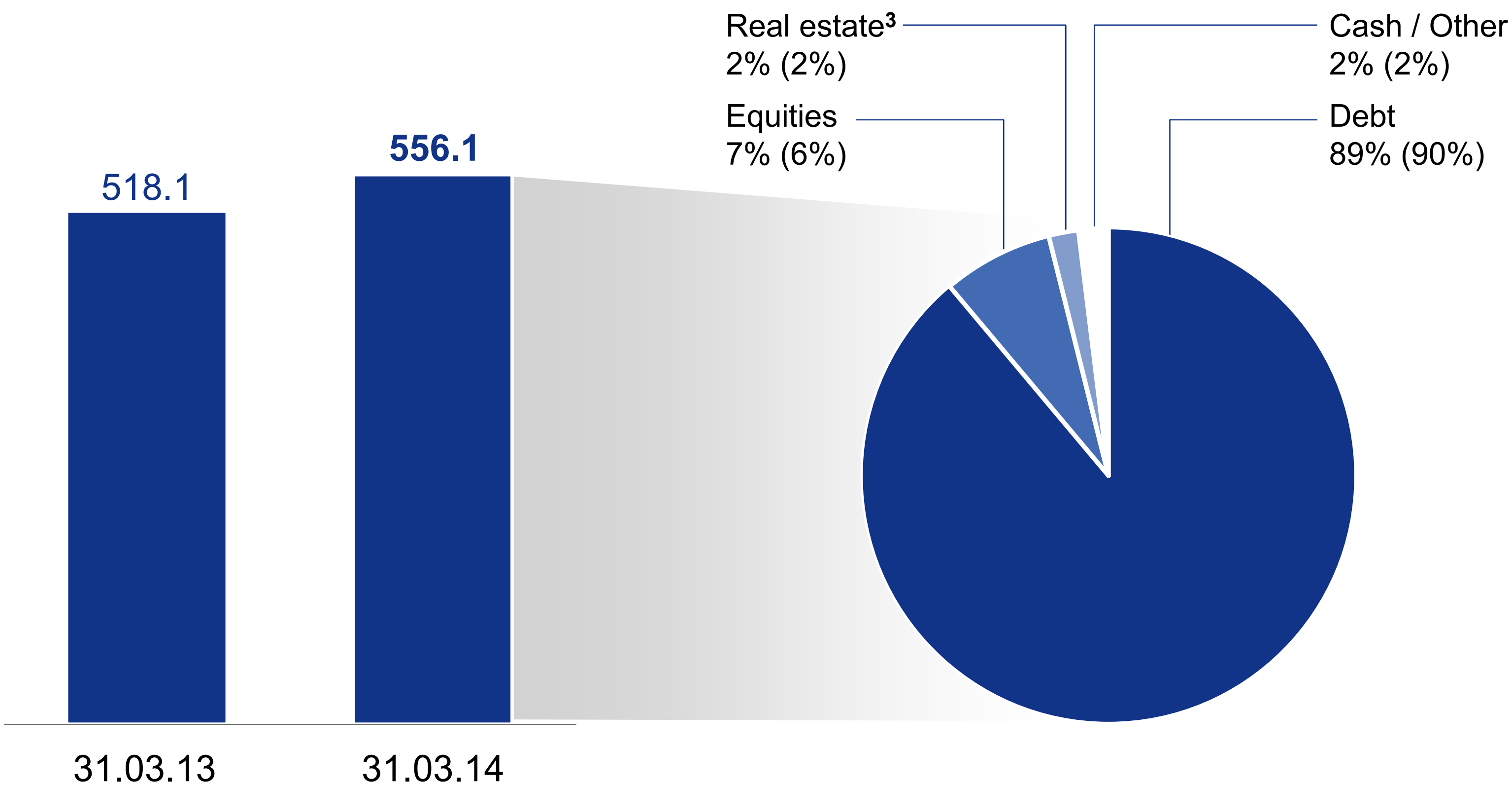
1) Net of interest expenses, excluding interest expenses from external debt
2) Contains inc. from financial assets/ liabilities carried at fair value and operating trading result excluding F/X result
3) Investment return calculation is based on total assets

Group: overview investment portfolio
(EUR bn)

Group investments and loans[1,2]

as of 31.03.14 (31.03.13)

Total EUR 556.1bn (EUR 518.1bn)



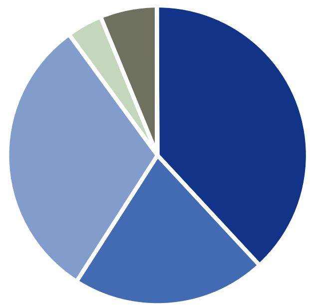
1) Starting 4Q 13 portfolio discussion is based on investments of insurance segments, Banking operations and Asset Management (excluding unit-linked)
2) Prior year figures have been restated to reflect the retrospective application of the amended standard IFRS 10
3) Excluding real estate own use and real estate held for sale

Group: fixed income portfolio (31.03.14)

By type of issuer

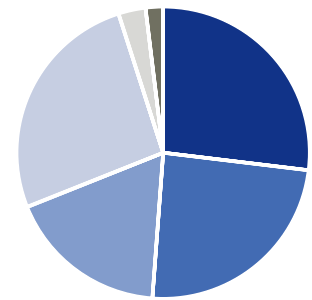
Government	38%
Covered	21%
Corporate	31%
thereof Banking	*6%*
ABS/MBS[1]	4%
Other[2]	6%

Total
EUR 497.4bn



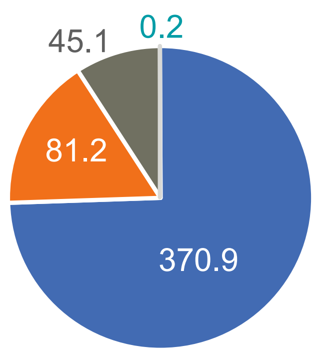
By rating[3]

AAA	27%
AA	24%
A	18%
BBB	26%
Non-investment grade	3%
Not rated[4]	2%

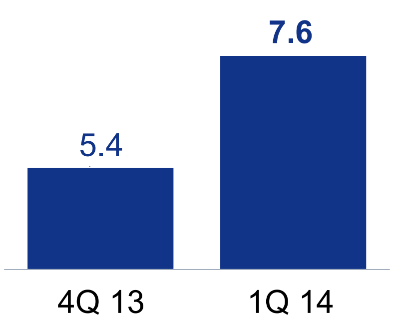


By segment (EUR bn)

L/H	75%
P/C	16%
Corporate and other	9%
Asset Management	0%



Net AFS unrealized gains/ losses (EUR bn)[5]



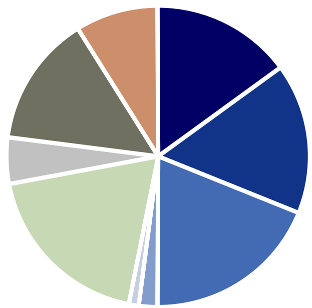
1) Including U.S. agency MBS investments (EUR 2.4bn)
2) Including 5% seasoned self-originated German private retail mortgage loans; 1% short-term deposits at banks
3) Excluding seasoned self-originated German private retail mortgage loans
4) Mostly mutual funds and short-term investments
5) On-balance unrealized gains/ losses after tax, non-controlling interests, policyholders and before shadow DAC

Group: fixed income portfolio – Government and government related (31.03.14)

By region

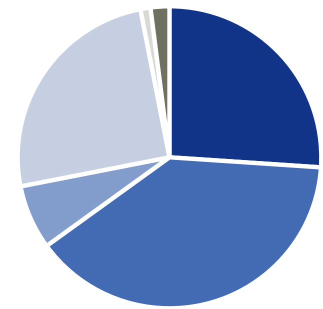
Total
EUR 187.3bn[1]

Germany	15%
Italy	16%
France	19%
Spain	2%
UK	1%
Rest of Europe	19%
USA	5%
Rest of World	14%
Supranational	9%



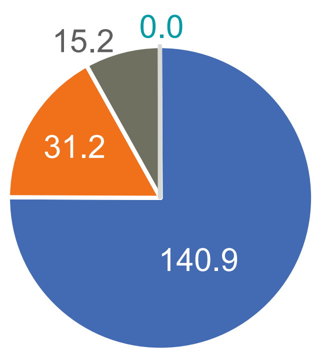
By rating

AAA	25%
AA	39%
A	7%
BBB	26%
Non-investment grade	1%
Not rated	2%

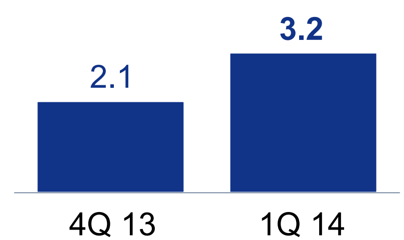


By segment (EUR bn)

L/H	75%
P/C	17%
Corporate and other	8%
Asset Management	0%



Net AFS unrealized gains/ losses (EUR bn)[2]



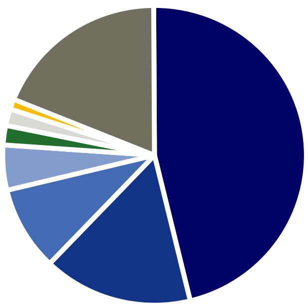
1) Government and government related (excl. U.S. agency MBS)
2) On-balance unrealized gains/ losses after tax, non-controlling interests, policyholders and before shadow DAC

Group: fixed income portfolio – Covered bonds (31.03.14)

By country

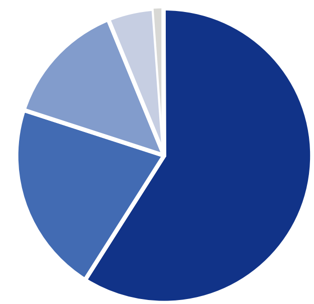
Total
EUR 105.5bn

Germany	46%
France	16%
Spain	9%
UK	5%
Ireland	2%
Switzerland	2%
Sweden	1%
Rest of World	19%



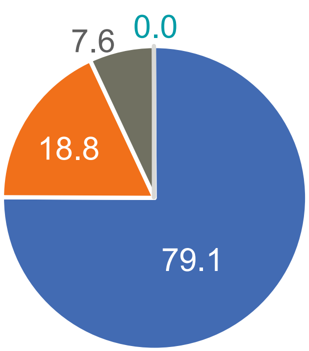
By rating

AAA	59%
AA	21%
A	14%
BBB	5%
Non-investment grade	1%
Not rated	0%

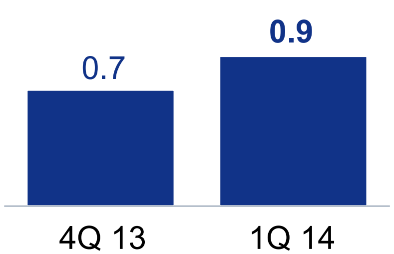


By segment (EUR bn)

L/H	75%
P/C	18%
Corporate and other	7%
Asset Management	0%



Net AFS unrealized gains/ losses (EUR bn)[1]



1) On-balance unrealized gains/ losses after tax, non-controlling interests, policyholders and before shadow DAC

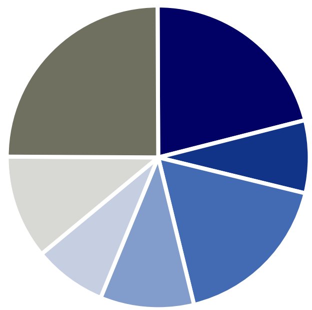
Allianz

Group: fixed income portfolio – Corporate (31.03.14)

By sector

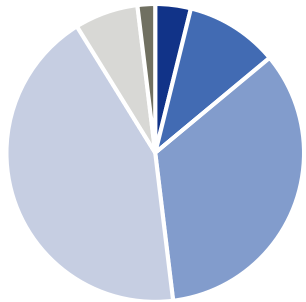
Total
EUR 154.7bn

Banking	21%
Other financials	8%
Consumer	17%
Communication	10%
Industrial	8%
Utility	11%
Other	25%



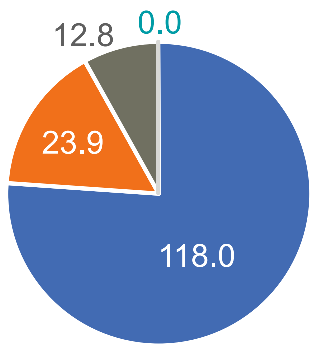
By rating

AAA	4%
AA	10%
A	34%
BBB	43%
Non-investment grade	7%
Not rated[1]	2%

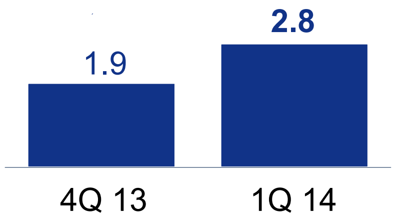


By segment (EUR bn)

L/H	76%
P/C	16%
Corporate and other	8%
Asset Management	0%



Net AFS unrealized gains/ losses (EUR bn)[2]



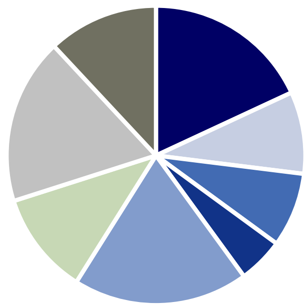
1) Including Eurozone loans/ bonds (1%)
2) On-balance unrealized gains/ losses after tax, non-controlling interests, policyholders and before shadow DAC

Group: fixed income portfolio – Banks (31.03.14)

By country

Germany	18%
UK	9%
France	8%
Italy	5%
Rest Eurozone[1]	19%
Europe ex Eurozone	11%
USA	18%
Rest of World	12%

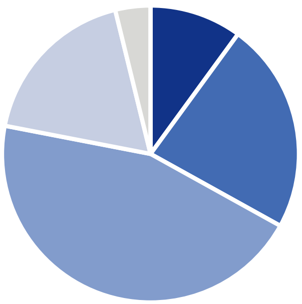
Total
EUR 32.0bn



thereof subordinated bonds: EUR 4.9bn

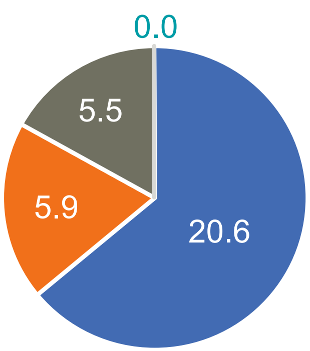
By rating

AAA	10%
AA	23%
A	45%
BBB	18%
Non-investment grade	4%
Not rated	0%

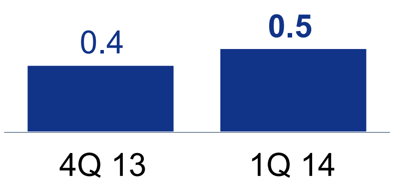


By segment (EUR bn)

L/H	64%
P/C	19%
Corporate and other	17%
Asset Management	0%



Net AFS unrealized gains/ losses (EUR bn)[2]



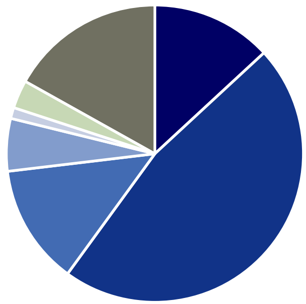
1) Including Spain (1%)
2) On-balance unrealized gains/ losses after tax, non-controlling interests, policyholders and before shadow DAC

Group: fixed income portfolio – ABS/MBS (31.03.14)

By type of category

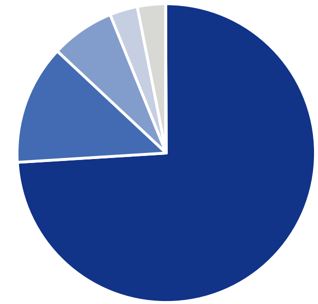
U.S. Agency	13%
CMBS	47%
RMBS	13%
CMO/CDO	6%
Credit Card	1%
Auto	3%
Other	17%

Total
EUR 18.9bn



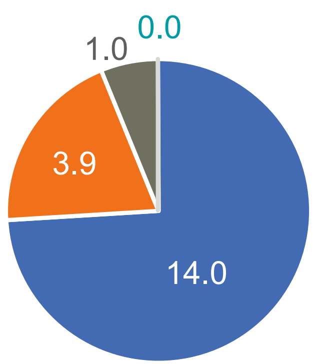
By rating

AAA	74%
AA	13%
A	7%
BBB	3%
Non-investment grade	3%
Not rated	0%

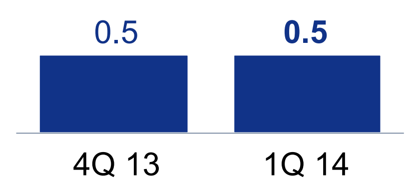


By segment (EUR bn)

L/H	74%
P/C	20%
Corporate and other	6%
Asset Management	0%



Net AFS unrealized gains/ losses (EUR bn)[1]



1) On-balance unrealized gains/ losses after tax, non-controlling interests, policyholders and before shadow DAC

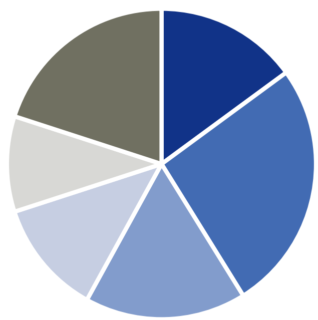
Allianz

Group: equity portfolio (31.03.14)

By region

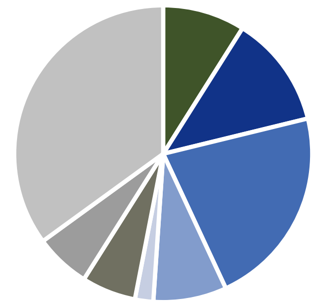
Germany	15%
Eurozone ex Germany	26%
Europe ex Eurozone	17%
NAFTA	12%
Rest of World	10%
Multinational[2]	20%

Total
EUR 37.1bn[1]



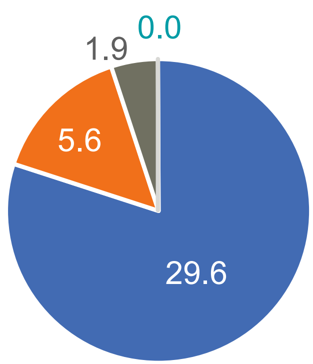
By industry

Banking	9%
Other Financials	12%
Consumer	22%
Basic materials	8%
Utilities	2%
Industrial	6%
Energy	6%
Funds and Other[3]	35%

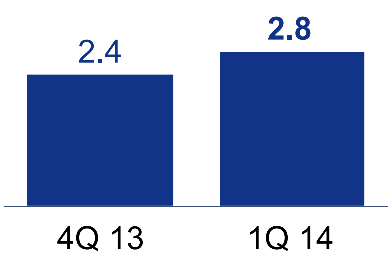


By segment (EUR bn)

L/H	80%
P/C	15%
Corporate and other	5%
Asset Management	0%



Net AFS unrealized gains/ losses (EUR bn)[4]



1) Incl. non-equity retail funds (EUR 0.1bn), excl. equities designated at fair value through income (EUR 1.9bn)
2) Incl. private equity funds (EUR 4.1bn) and mutual stock funds (EUR 2.7bn)
3) Diversified investment funds (EUR 2.9bn); private and unlisted equity (EUR 6.4bn)
4) On-balance unrealized gains/ losses after tax, non-controlling interests, policyholders and before shadow DAC

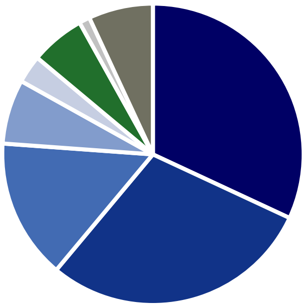
Allianz

Group: real estate portfolio[1]

By region

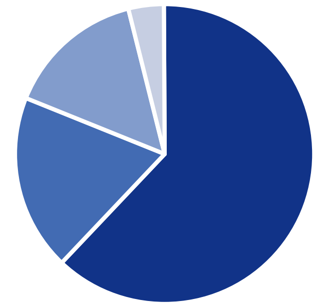
France	32%
Germany	29%
Switzerland	15%
Italy	7%
Spain	3%
Rest of Eurozone	6%
USA	1%
Rest of World	7%

Total
EUR 19.3bn[2]



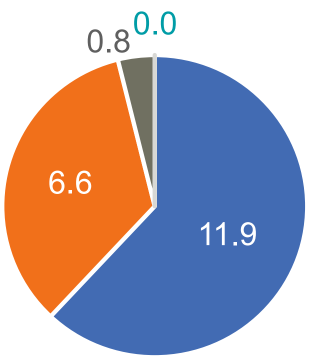
By sectors

Office	62%
Residential	19%
Retail	15%
Other/mixed	4%

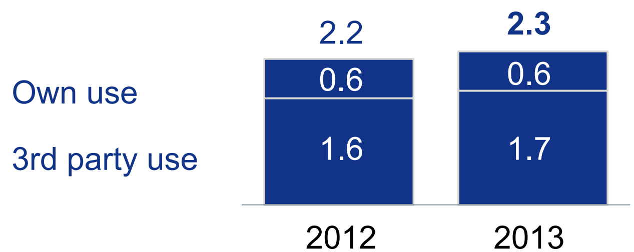


By segment (EUR bn)

L/H	62%
P/C	34%
Corporate and other	4%
Asset Management	0%



Net unrealized gains/ losses (EUR bn)[3]



1) Based on market values as of 31.12.2013
2) Market value of fully consolidated real estate assets including real estate own use (EUR 3.6bn) and minorities (EUR 0.3bn)
3) Off-balance unrealized gains/ losses after tax, non-controlling interests, policyholders and before shadow DAC, based on external and internal real estate valuations

2b

Group financial results 1Q 2014

P/C: key figures
(EUR mn)

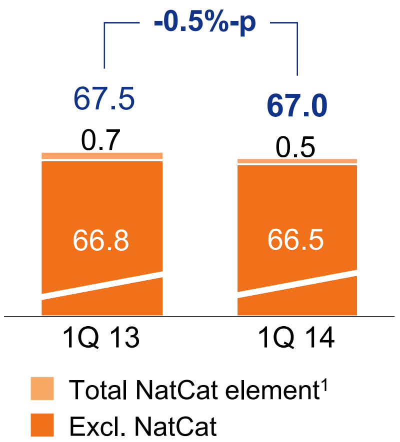
	1Q 2013	2Q 2013	3Q 2013	4Q 2013	1Q 2014	Delta 1Q 14/13
Gross premiums written (EUR bn)	**15.2**	**10.8**	**10.7**	**10.0**	**15.2**	**+0.0**
Operating profit	**1,319**	**1,179**	**1,236**	**1,534**	**1,489**	**+170**
Underwriting result	*540*	*357*	*501*	*772*	*705*	*+165*
Investment result	*763*	*784*	*719*	*782*	*747*	*-16*
Other	*16*	*38*	*16*	*-20*	*37*	*+21*
Non-operating items	128	212	-75	31	-576	-704
Income b/ tax	1,447	1,391	1,161	1,565	913	-534
Income taxes	-430	-390	-365	-561	-268	+162
Net income	**1,017**	**1,001**	**796**	**1,004**	**645**	**-372**
Net income attributable to:						
Non-controlling interests	43	45	35	45	44	+1
Shareholders	974	956	761	959	601	-373
Combined ratio (in %)	**94.3**	**96.0**	**94.8**	**92.2**	**92.6**	**-1.7%-p**
Loss ratio	*66.1*	*67.3*	*67.2*	*63.1*	*64.6*	*-1.5%-p*
Expense ratio	*28.2*	*28.7*	*27.6*	*29.1*	*28.0*	*-0.2%-p*
Segment financial assets[1,2] (EUR bn)	108.7	103.2	102.8	101.1	104.6	-4.1

1) Segment own assets including financial assets carried at fair value through income, cash and cash pool assets net of liabilities from securities lending, derivatives and liabilities from cash pooling
2) Prior year figures have been restated to reflect the retrospective application of the amended standard IFRS 10

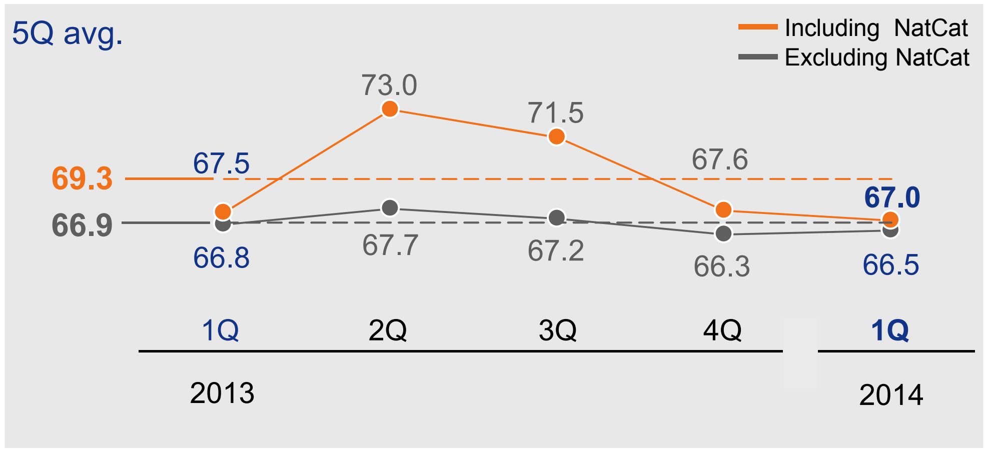
Allianz

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

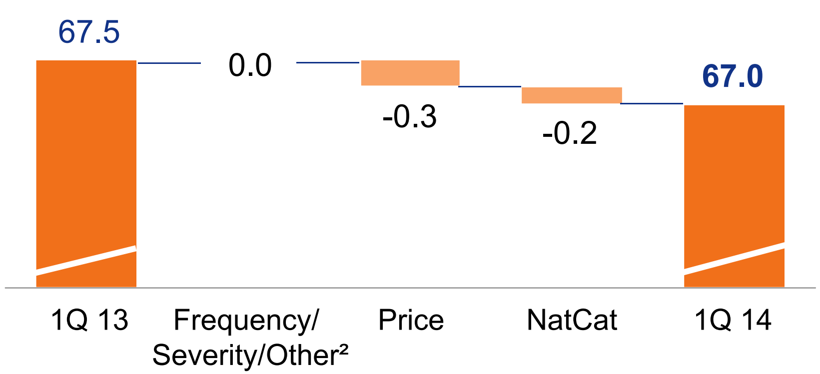
Accident year loss ratio



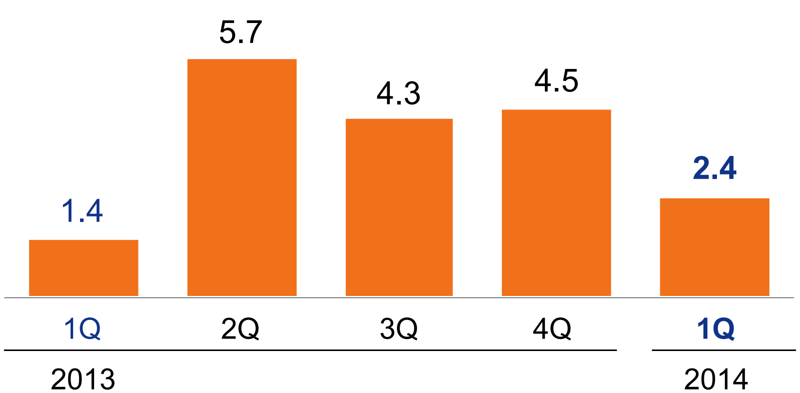
5-quarter overview accident year loss ratio



Development 1Q 14/13



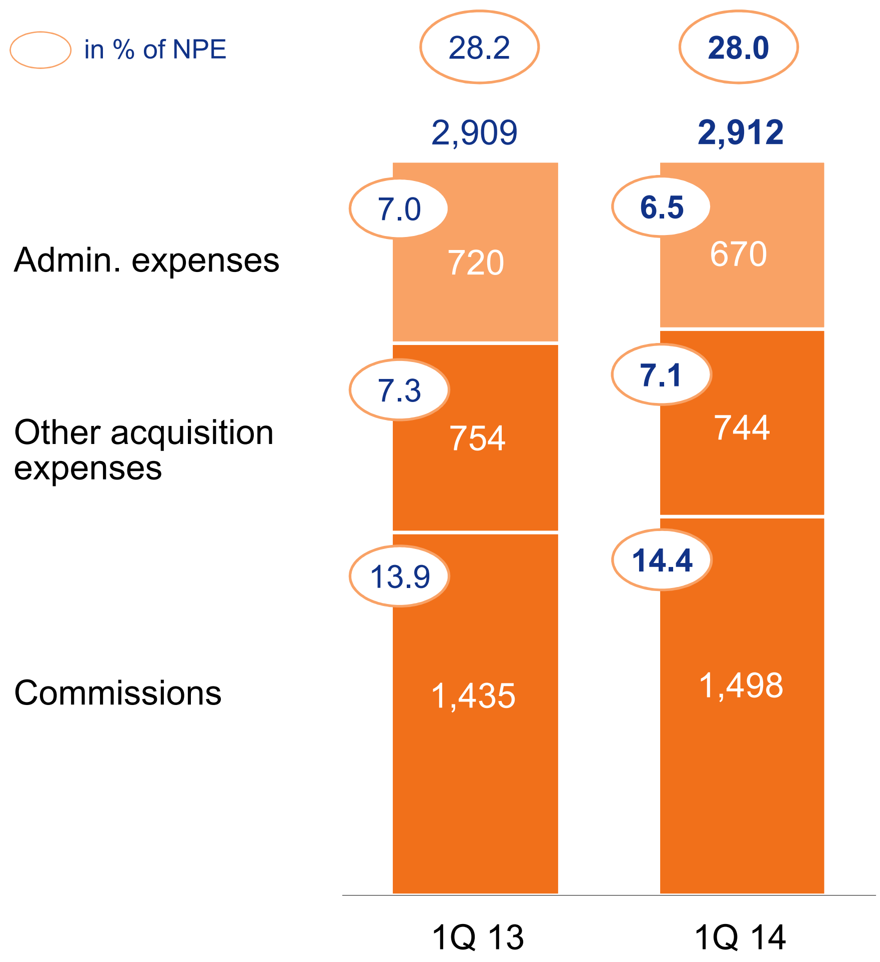
Run-off ratio[3] (5Q-average: 3.7%)



1) NatCat costs (without reinstatement premiums): EUR 70mn (1Q 13) and EUR 54mn (1Q 14)
2) Including large claims, reinsurance, credit insurance
3) Positive values indicate positive run-off; run-off ratio is calculated as run-off result in percent of net premiums earned

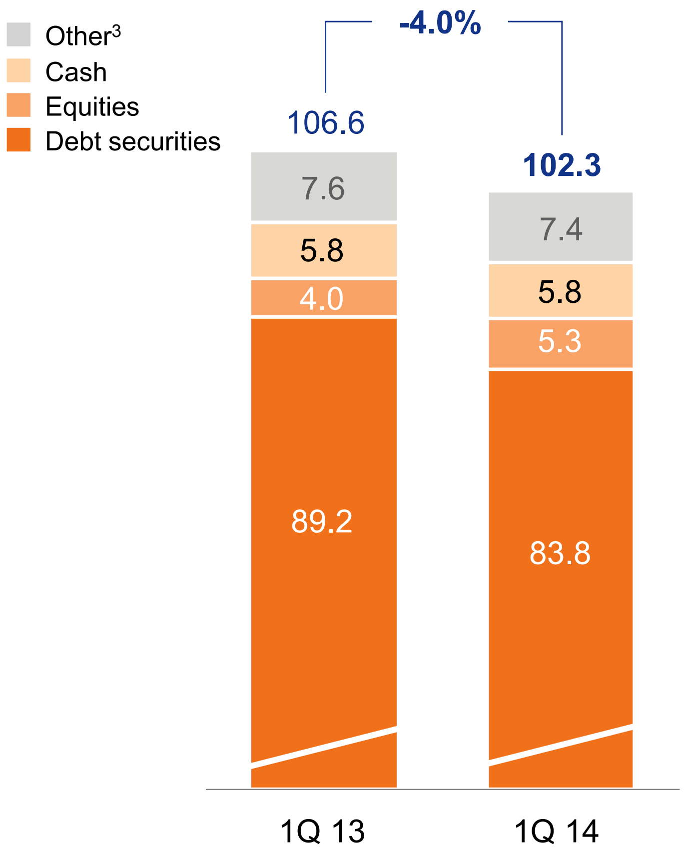
Allianz

P/C: expense ratio
(EUR mn)

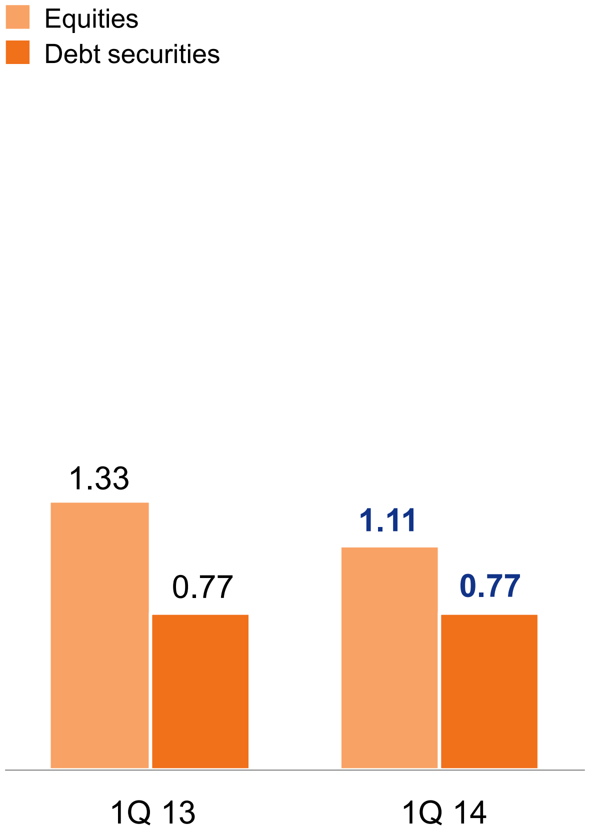


P/C: average asset base and yields

Average asset base[1] (EUR bn)



Current yield[2] (in %)

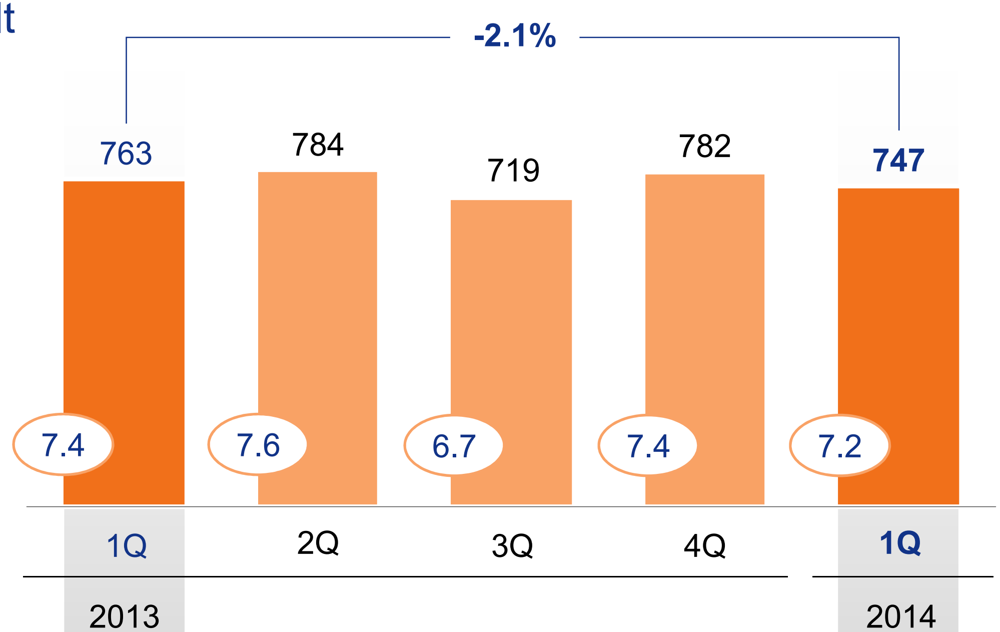


1) Average asset base includes health business France and liabilities from cash pooling, excludes fair value option and trading
2) Prior year figures have been restated to reflect the retrospective application of the amended standard IFRS 10
3) Real estate investments and funds held by others under reinsurance contracts assumed

Allianz

P/C: operating investment result[1]
(EUR mn)

Operating investment result
(EUR mn)



-3.7% (1Q 2013 to 1Q 2014)

	1Q 2013	2Q 2013	3Q 2013	4Q 2013	1Q 2014
Interest & similar income[2]	872	925	877	869	840
Net harvesting and other[3]	-41	-64	-70	-5	-24
Investment expenses	-68	-77	-88	-82	-69

1) Prior year figures have been restated to reflect the retrospective application of the amended standard IFRS 10
2) Net of interest expenses
3) Comprises realized gains/losses, impairments (net), fair value option, trading and F/X gains and losses and policyholder participation. Thereof related to APR in Germany: 1Q 13: EUR -7mn, 1Q 14: EUR -32mn

P/C: price effects on renewals

Pricing overview for selected operating entities[1] (in %)

Selected OEs	Actual rate change on renewals and momentum	Assessment/trends of rate change on renewals
Germany	2.3%	▪ Stable rate change until end of 2014, still driven by motor and commercial property and liability ▪ Ongoing hardening market expected for 2015, but with a less distinct tendency
Austria	1.4%	▪ Motor: price increases at point of sale; slight price increase in the market but first indication of being a temporary effect only ▪ Non-motor: price increases at point of sale; market still soft with no sign of immediate improvement
Italy	-2.2%	▪ Motor continues to soften, strong competition to retain portfolio and acquire NB ▪ Recession and strong competition keep non-motor commercial soft
France	1.6%	▪ Retail motor pricing trend remains stable ▪ But all other lines pricing trends are softer
Spain	0.9%	▪ Economic downturn, strong competition and client price sensitivity keep market soft ▪ Motor retail tariff slightly rising
USA[2]	3.7%	▪ Continued rate increases across all commercial lines, but at a tapering pace ▪ Retail rates increasing, subject to continuing regulatory support
UK	2.4%	▪ Commercial seeing rate strengthening across all lines ▪ Retail rates continue to soften with motor rates falling in response to recent legislative changes
Australia	0.8%	▪ Market conditions are softening; pressure on rates across most lines; increased competition ▪ Rate reductions on commercial products combined with flatter rates for the SME market ▪ Inflationary increases in bodily injury and householders claims and pressure on rates for motor
Credit Insurance	0.1%	▪ Pricing is still under pressure due to growing competition. Rates increase in Southern Europe, France and Asia-Pacific while declining in some growing markets and on large programs
AGCS[3]	0.1%	▪ Generally soft markets driven by overcapacity and low claims activity ▪ Strong competition with competitors compensating low yield with aggressive underwriting ▪ Largest rate increases in marine, most significant decreases in energy and aviation
3M 2014[4]	1.4%	

1) Estimates based on 3M 2014 survey as communicated by our operating entities; coverage of P/C segment 74%
2) From 3M 2014 onwards including crop business
3) AGCS excluding ART
4) Total actual rate change on YTD renewals also including Ireland

2c

Group financial results 1Q 2014

L/H: key figures[1]
(EUR mn)

	1Q 2013	2Q 2013	3Q 2013	4Q 2013	1Q 2014	Delta 1Q 14/13
Statutory premiums (EUR bn)	**14.8**	**14.1**	**12.7**	**15.1**	**17.2**	**+2.4**
Operating profit	**855**	**669**	**769**	**416**	**880**	**+25**
Non-operating items	40	11	26	7	4	-36
Income b/ tax	895	680	795	423	884	-11
Income taxes	-267	-206	-233	-146	-255	+12
Net income	**628**	**474**	**562**	**277**	**629**	**+1**
Net income attributable to:						
Non-controlling interests	23	20	24	13	31	+8
Shareholders	605	454	538	264	598	-7
Margin on reserves[2] (in bps)	**74**	**58**	**66**	**35**	**73**	**-1**
Segment financial assets[3,4] (EUR bn)	405.3	398.1	401.0	405.4	422.7	+17.4
Unit-linked investments (EUR bn)	75.2	75.4	78.7	81.1	82.9	+7.7
Operating asset base[4,5] (EUR bn)	484.7	477.5	483.6	490.7	509.6	+24.9
Loadings & fees	**1,170**	**1,134**	**1,150**	**1,233**	**1,241**	**71**
Investment margin	**710**	**632**	**554**	**541**	**671**	**-39**
Expenses	**-1,377**	**-1,387**	**-1,330**	**-1,658**	**-1,496**	**-119**
Technical margin	**289**	**330**	**353**	**289**	**264**	**-25**
Operating profit before change in DAC	**792**	**709**	**727**	**405**	**680**	**-112**

1) Effective 2014, certain entities were allocated from Asset Management to Life/Health and Banking. The impact on operating profit in 1Q 14 is EUR 26mn. Prior year figures changed in order to reflect the roll out of profit source reporting to some Asian companies and the lines of business split in Germany
2) Represents annualized operating profit divided by the average of (a) current quarter end and prior quarter end net reserves and (b) current quarter end and prior year end net reserves, whereby net reserves equal reserves for loss and loss adjustment expenses, reserves for insurance and investment contracts and financial liabilities for unit-linked contracts less reinsurance assets
3) Segment own assets (incl. financial assets carried at fair value through income) Including cash and cash pool assets net of liabilities from securities lending, derivatives and liabilities from cash pooling
4) Prior year figures have been restated to reflect the retrospective application of the amended standard IFRS 10
5) Grossed up for insurance liabilities which are netted within the trading book (market value liability option) Including cash and cash pool assets net of liabilities from securities lending and derivatives

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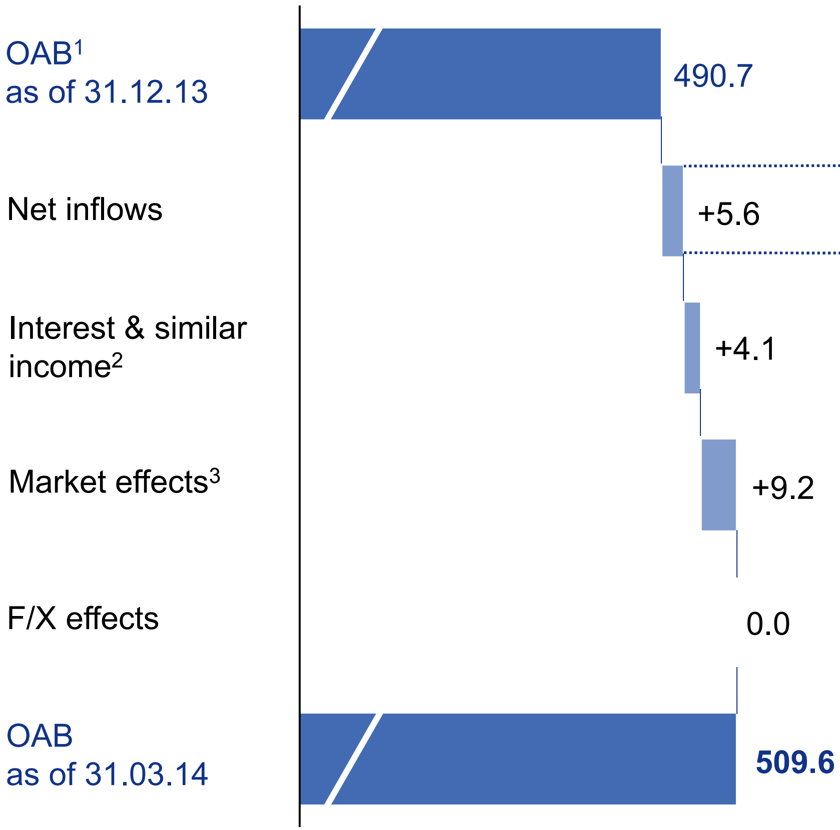
L/H: operating profit details[1,2] (EUR mn)

	L/H segment[3]			Guaranteed savings & annuities		Protection & health		Unit-linked w/o guarantee	
	1Q 13	1Q 14	Δ	1Q 13	1Q 14	1Q 13	1Q 14	1Q 13	1Q 14
Loadings & fees	**1,170**	**1,241**	**71**	**707**	**730**	**353**	**368**	**109**	**143**
Loadings from premiums	829	827	-3	447	430	336	349	46	47
as % of GPW	5.59%	4.82%	-0.77%	4.34%	3.36%	14.52%	14.94%	2.08%	2.36%
Loadings from reserves	237	267	30	213	237	17	19	7	10
as % of avg reserves[4,5]	0.06%	0.06%	0.00%	0.06%	0.06%	0.06%	0.06%	0.03%	0.04%
Unit-linked management fees	103	147	44	46	62	0	0	56	85
as % of avg unit-linked reserves[5,6]	0.14%	0.14%	0.00%	0.10%	0.12%	NA	NA	0.22%	0.19%
Investment margin	**710**	**671**	**-39**	**675**	**637**	**34**	**25**	**1**	**8**
Investment margin net of PHP	710	671	-39	675	637	34	25	1	8
as % of avg aggregate policy reserves[5]	0.21%	0.19%	-0.02%	0.21%	0.19%	0.12%	0.08%	0.41%	3.25%
Expenses	**-1,377**	**-1,496**	**-119**	**-889**	**-1,009**	**-390**	**-380**	**-98**	**-107**
Acquisition expenses and commissions	-1,048	-1,133	-85	-666	-763	-305	-292	-77	-78
as % of PVNBP	-7.54%	-7.56%	-0.01%	-7.06%	-7.28%	-14.48%	-13.67%	-3.28%	-3.28%
Admin and other expenses	-329	-363	-34	-223	-246	-85	-89	-21	-29
as % of avg reserves[4,5]	-0.08%	-0.08%	0.00%	-0.06%	-0.06%	-0.30%	-0.30%	-0.08%	-0.10%
Technical margin	**289**	**264**	**-25**	**155**	**109**	**113**	**135**	**21**	**20**
Operating profit before change in DAC	**792**	**680**	**-112**	**648**	**467**	**110**	**148**	**33**	**64**
Impact of change in DAC[7]	63	200	137	15	167	33	26	15	7
Capitalisation of DAC	371	455	84	230	348	101	76	41	30
Amortization, unlocking and true-up of DAC	-308	-255	53	-215	-181	-67	-51	-26	-24
Operating profit	**855**	**880**	**25**	**664**	**635**	**143**	**174**	**48**	**71**
GWP	14,837	17,163	2,326	10,311	12,819	2,314	2,335	2,211	2,009
avg unit-linked reserves	73,207	81,967	8,760	47,580	53,106	0	0	25,627	28,861
avg aggregate policy reserves	344,369	357,344	12,975	315,896	327,064	28,210	30,027	263	254
avg reserves[4]	417,576	439,312	21,735	363,476	380,170	28,210	30,027	25,890	29,115
PVNBP[8]	13,891	14,999	1,108	9,435	10,485	2,105	2,134	2,350	2,380

1) Figures do not add up due to roundings
2) Prior year figures changed in order to reflect the roll out of profit source reporting to some Asian companies and the lines of business split in Germany
3) Profit sources are based on in scope OEs with a coverage of 99.6% revenues. Operating profit from OEs that are not in scope is included in “investment margin”
4) Aggregate policy reserves + unit-linked reserves
5) Yields are pro-rata
6) Calculation based on only unit-linked fees on unit-linked reserves
7) Impact of change in DAC includes effects of change in DAC, URR and VOBA and is the net impact of deferral and amortization of acquisition costs and front-end loadings on operating profit
8) PVNBP is before non-controlling interests

L/H: operating asset base

Operating asset base (EUR bn)

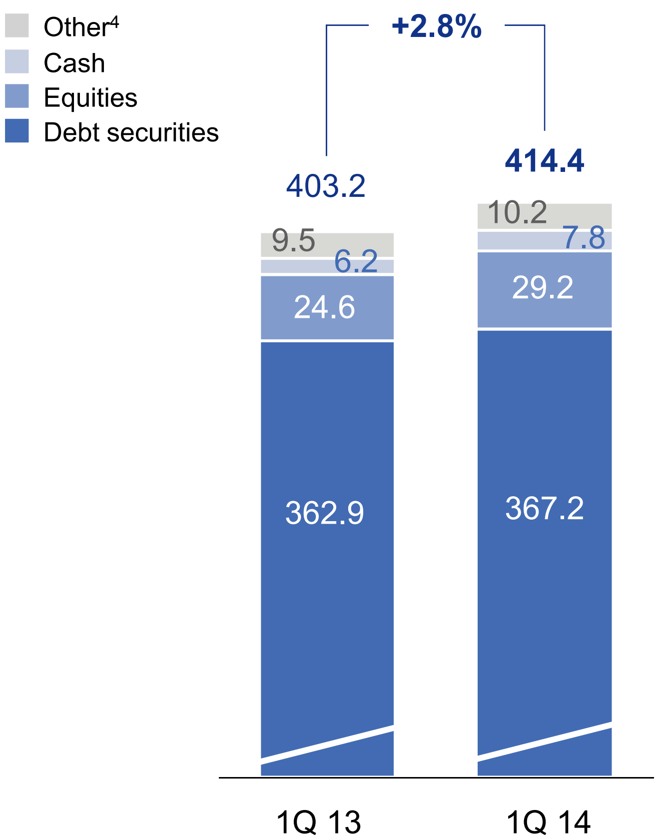


Net flows (EUR bn)	1Q 13	1Q 14
Germany Life	+1.0	+0.9
Germany Health	0.0	0.0
France	+0.3	+0.5
Italy	+0.1	+0.7
CEE	0.0	0.0
USA	-0.2	+0.7
Asia-Pacific	-0.1	+0.1
Other	+0.8	+0.8
Subtotal	+1.9	+3.7
Transfer of Asset Management entities	-	+1.9
Total	**+1.9**	**+5.6**

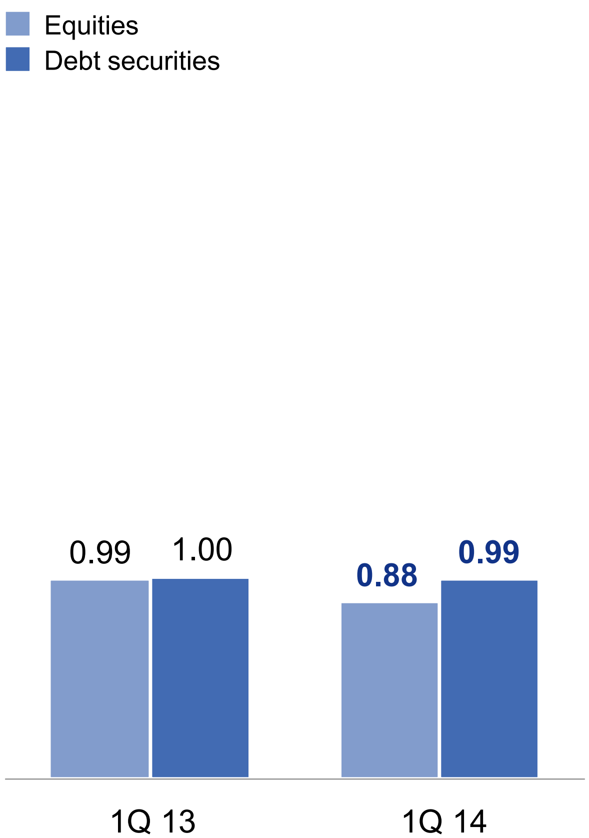
1) Figure has been restated to reflect the retrospective application of the amended standard IFRS 10
2) Net of interest expenses
3) Includes changes in other assets and liabilities of EUR +0.5bn

L/H: average asset base and yields

Average asset base[1,2,3] (EUR bn)



Current yield[2] (in %)



1) Average asset base includes liabilities from cash pooling, excludes fair value option, trading, unit-linked assets
2) Prior year figures have been restated to reflect the retrospective application of the amended standard IFRS 10
3) Effective 2014, certain entities were allocated from Asset Management to Life/Health and Banking. The impact on the average asset base in 1Q 14 is EUR 0.7bn
4) Real estate investments and funds held by others under reinsurance contracts assumed

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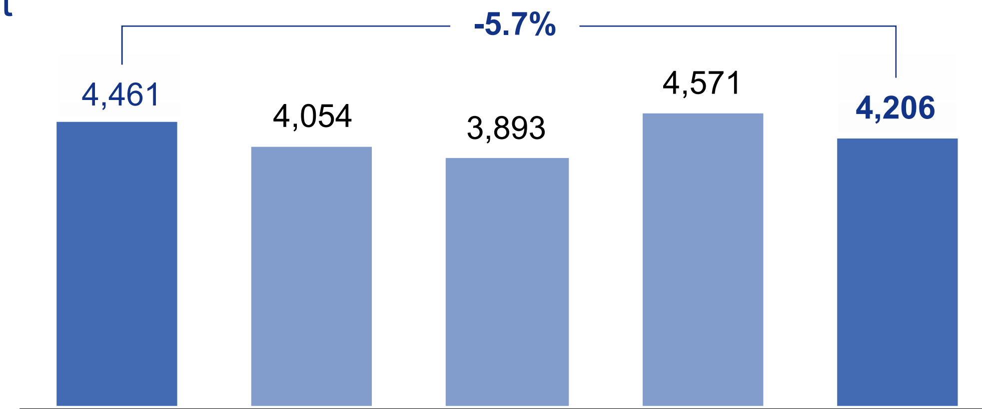
L/H: operating investment result[1]

Operating investment result (EUR mn)



	1Q 2013	2Q	3Q	4Q	1Q 2014
Operating investment result	4,461	4,054	3,893	4,571	4,206
Interest & similar income[2]	4,058	4,348	4,111	4,169	4,134
Net harvesting and other[3]	593	-101	-20	660	267
Investment expenses	-190	-193	-198	-258	-195

Interest & similar income, 1Q 2013 to 1Q 2014: +1.9%

	1Q 13	Δ	1Q 14
Impairments (net)	-62	-229	-291
Realized gains/losses (net)	899	-72	827
Income from fin. assets and liab. carried at FV	-244	-25	-269

1) Prior year figures have been restated to reflect the retrospective application of the amended standard IFRS 10
2) Net of interest expenses
3) Comprises realized gains/losses, impairments (net), fair value option, trading and F/X gains and losses

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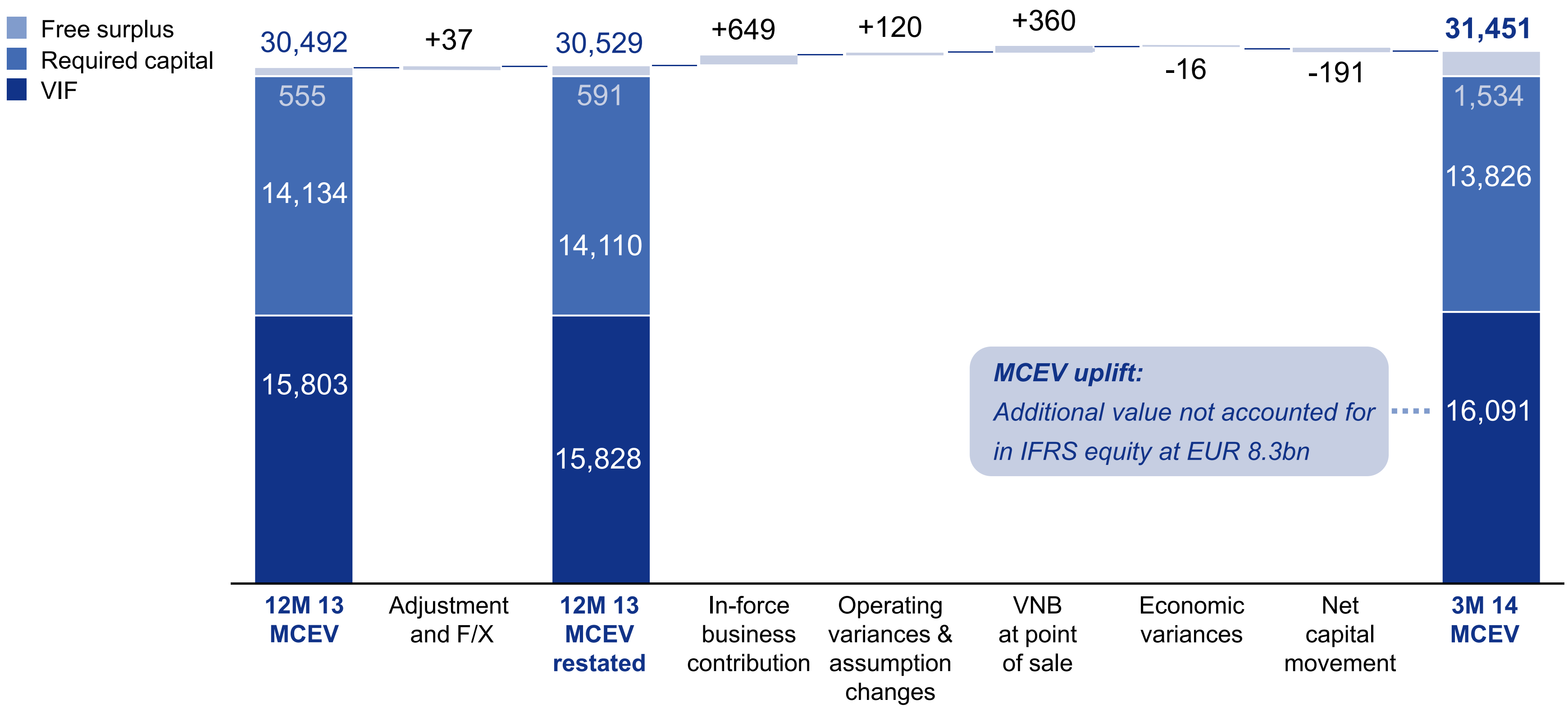
L/H: MCEV development (1/2)
(EUR mn, after non-controlling interests)



	12M 13 MCEV	Adjustment and F/X	12M 13 MCEV restated	In-force business contribution	Operating variances & assumption changes	VNB at point of sale	Economic variances	Net capital movement	3M 14 MCEV
Free surplus	555	37	591	(2) 578	(4) -90	(6) -514	1,160	-191	1,534
Req. capital	14,134	-24	14,110	-176	153	308	-569	0	13,826
VIF	15,803	24	15,828	(3) 247	(5) 57	566	-607	0	16,091
MCEV	**30,492**	(1) **37**	**30,529**	**649**	**120**	**360**	(7) **-16**	**-191**	**31,451**

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L/H: MCEV development (2/2)
(EUR mn, after non-controlling interests)

1	37			Mainly F/X changes from Asia-Pacific and Switzerland
2	578	=	150	Projected release of risk free profits from VIF in the reporting period
			176	Projected release of in-force required capital
			35	Projected risk free return on Net Asset Value
			217	Expected over-returns earned in the year, mainly from US and Italian spreads
3	247	=	-150	Projected release of risk free profits from VIF in the reporting period
			177	Projected unwinding of VIF at the risk free rate and release of Options and Guarantees
			220	VIF increase from higher asset base due to expected over-return, mainly US, Germany and France
4	-90			Small negative impact from increase in required capital in US, partly offset by positive experience variance in Germany Life and lower required capital in France
5	57	=	-381	Assumption changes and experience variances
			438	Other operating variances, mostly Germany and Asia-Pacific
6	-514	=	-308	New business capital strain
			-206	New business cash strain

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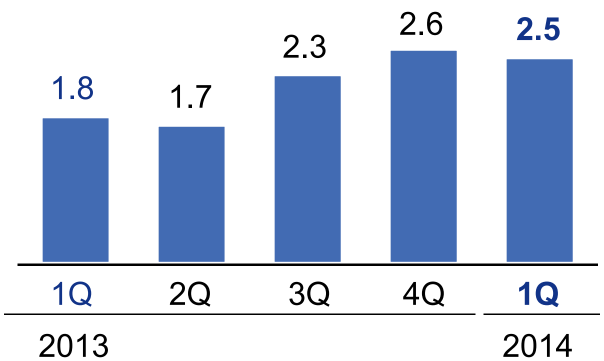
(EUR mn) Estimates based on sensitivities	German speaking countries	Western & Southern Europe[1]	Iberia & Latin America[2]	Growth markets	USA[3]	Total[4]
Economic variances	**-414**	**-39**	**120**	**-28**	**336**	**-16**
Driven by changes in interest rate	-581	-40	112	-14	11	-506
Driven by changes in equity value	68	0	5	-3	257	330
Driven by changes in volatilities	99	1	3	-11	68	160

1) Includes EUR 107mn effect of reduced spread on Italian government bonds in changes in interest rate
2) Includes EUR 88mn effect of reduced spread on Spanish government bonds in changes in interest rate
3) Includes EUR 7mn effect of decreased credit spreads in the US in changes in interest rate
4) Total includes holding expenses and reinsurance

L/H: key metrics

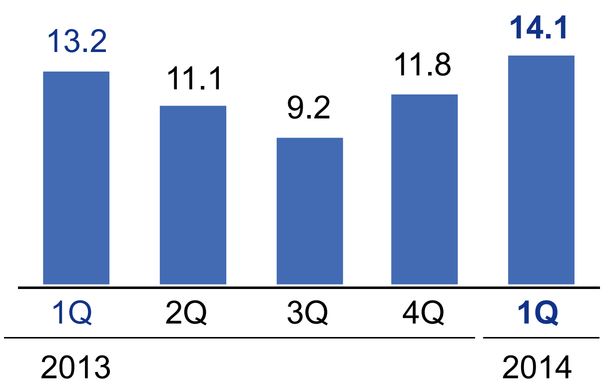
New business margin[1]

(VNB in % of PV of NB premiums)



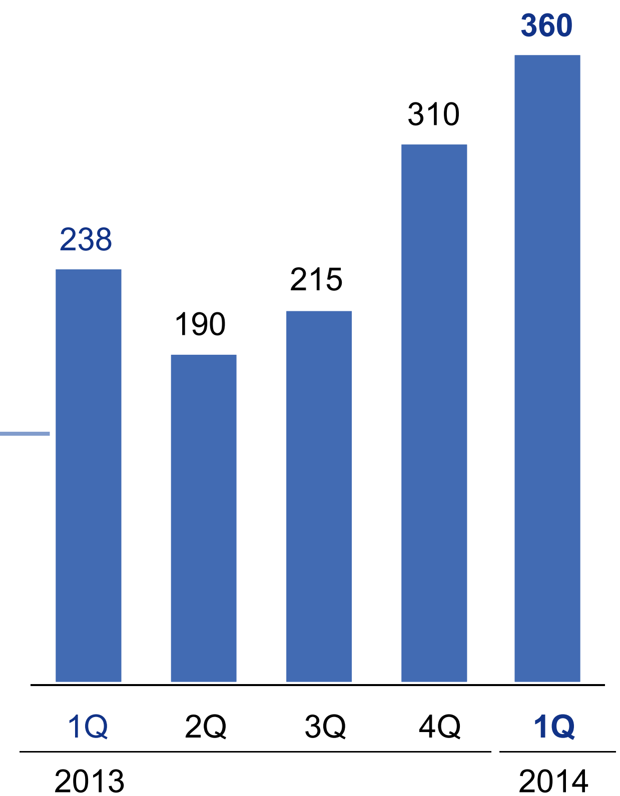
PV of NB premiums[1]

(EUR bn)



Value of new business[1]

(EUR mn)



1) After non-controlling interests. Includes holding expenses and internal reinsurance

L/H: value of new business[1]
(EUR mn)

	Value of new business		New business margin		Present value of new business premium			Recurring premium		Single premium	
Region	1Q 2013	1Q 2014	1Q 2013	1Q 2014	1Q 2013	1Q 2014	Δ %[2]	1Q 2013	1Q 2014	1Q 2013	1Q 2014
German Speaking Countries	**140**	**117**	**2.7%**	**2.7%**	**5,195**	**4,393**	**-15.4%**	**222**	**164**	**1,936**	**2,204**
Germany Life[3]	*122*	*90*	*3.0%*	*2.6%*	*4,099*	*3,447*	*-15.9%*	*164*	*114*	*1,748*	*1,994*
Western & Southern Europe	**39**	**92**	**0.9%**	**1.7%**	**4,576**	**5,415**	**+18.5%**	**185**	**276**	**2,895**	**3,382**
France	*3*	*34*	*0.1%*	*1.2%*	*2,559*	*2,873*	*+12.2%*	*98*	*128*	*1,275*	*1,501*
Italy	*25*	*31*	*1.6%*	*1.7%*	*1,532*	*1,854*	*+21.0%*	*67*	*97*	*1,305*	*1,485*
Iberia & Latin America	**11**	**20**	**3.3%**	**4.7%**	**343**	**429**	**+27.7%**	**20**	**20**	**200**	**244**
Growth Markets	**47**	**46**	**3.1%**	**3.3%**	**1,508**	**1,379**	**-1.1%**	**189**	**183**	**701**	**664**
Asia-Pacific	*30*	*33*	*2.5%*	*2.8%*	*1,197*	*1,170*	*+7.4%*	*151*	*138*	*578*	*610*
CEEMA	*16*	*13*	*5.8%*	*6.1%*	*274*	*209*	*-21.8%*	*38*	*45*	*85*	*53*
USA	**24**	**102**	**1.5%**	**4.1%**	**1,602**	**2,519**	**+68.7%**	**13**	**13**	**1,484**	**2,416**
Total[4]	**238**	**360**	**1.8%**	**2.5%**	**13,224**	**14,134**	**+8.8%**	**629**	**656**	**7,217**	**8,910**

1) After non-controlling interests, including holding expenses and internal reinsurance. All values using F/X rates as of valuation date
2) Internal growth (adjusted for F/X and consolidation effects)
3) Single premium for Germany Life does not include Parkdepot business (1Q 13: EUR 282mn, 1Q 14: EUR 542mn)
4) Total including holding expenses and internal reinsurance

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L/H: new business profitability by region

	Value of new business (EUR mn)[1,2]					New business margin (in %)[1,2]					Capital return 1Q 14 (in %)[3]	
	1Q 13	2Q 13	3Q 13	4Q 13	1Q 14	1Q 13	2Q 13	3Q 13	4Q 13	1Q 14	IRR	Payback period (yrs)
German Speaking Countries	140	74	87	105	117	2.7%	2.8%	2.8%	2.7%	2.7%	18.1%	5.2
Western & Southern Europe	39	44	47	72	92	0.9%	0.9%	1.6%	1.8%	1.7%	11.0%	6.9
Iberia & Latin America	11	13	13	18	20	3.3%	2.7%	4.2%	4.2%	4.7%	13.1%	6.6
Growth Markets	47	44	32	43	46	3.1%	3.0%	2.8%	3.2%	3.3%	15.3%	5.3
USA	24	41	62	92	102	1.5%	2.3%	3.8%	4.1%	4.1%	13.9%	5.4
Total[4]	**238**	**190**	**215**	**310**	**360**	**1.8%**	**1.7%**	**2.3%**	**2.6%**	**2.5%**	**12.9%**	**6.2**

1) After non-controlling interests. All values using F/X rates as of valuation date
2) Based on beginning of quarter economic assumptions. For the USA we use point of sale assumptions
3) Both IRR and payback period are real world metrics, using an expected over-return on certain assets and capturing risks in the discount rate
4) Including holding expenses and internal reinsurance

2d

Group financial results 1Q 2014

Allianz

AM: AAM key figures[1] (1/2)
(EUR mn)

	1Q 2013	2Q 2013	3Q 2013	4Q 2013	1Q 2014	Delta 1Q 14/13
Operating revenues	**1,870**	**1,772**	**1,661**	**1,682**	**1,517**	**-353**
Performance fees	274	75	41	109	19	-255
Operating profit	**877**	**781**	**731**	**671**	**646**	**-231**
Non-operating items	-28	-18	-2	6	-14	+14
Income b/ tax	849	763	729	677	632	-217
Income taxes	-296	-288	-263	-312	-226	+70
Net income	**553**	**475**	**466**	**365**	**406**	**-147**
Net income attributable to:						
Non-controlling interests	21	18	17	16	21	+0
Shareholders	532	457	449	349	385	-147
Cost-income ratio (in %)	**53.1**	**55.9**	**56.0**	**60.1**	**57.4**	**+4.3%-p**
3rd party AuM[2] (EUR bn)	**1,491**	**1,427**	**1,374**	**1,329**	**1,342**	**-149**
Allianz AuM[2] (EUR bn)	**417**	**407**	**407**	**409**	**423**	**+6**
Total AuM[2] (EUR bn)	**1,908**	**1,834**	**1,781**	**1,738**	**1,765**	**-143**
3rd party net flows (EUR bn)	**41.8**	**6.0**	**-27.5**	**-35.4**	**-19.8**	**-61.6**
Net flows in 3rd party AuM eop (in %)	3.0	0.4	-1.9	-2.6	-1.5	-4.5%-p

1) Effective 2014, certain entities were allocated from Asset Management to Life/Health and Banking. Therefore, only AAM figures are shown in the table and on the following pages
2) Assets under Management are end of period values

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AM: AAM key figures (2/2)
(EUR mn)

	1Q 2013	2Q 2013	3Q 2013	4Q 2013	1Q 2014	Delta 1Q 14/13
PIMCO						
Operating profit	**796**	**700**	**645**	**599**	**563**	**-233**
Performance fees	252	40	25	89	11	-241
Cost-income ratio (in %)	48.4	51.2	51.3	54.9	52.2	+3.8%-p
3rd party AuM[1] (EUR bn)	1,301	1,238	1,178	1,114	1,116	-185
3rd party net flows (EUR bn)	40.4	4.3	-28.8	-35.6	-21.7	-62.1
3-yr outperformance (in %)	95	94	93	90	88	-7%-p
AllianzGI						
Operating profit	**87**	**95**	**99**	**83**	**96**	**+9**
Performance fees	22	35	16	20	8	-14
Cost-income ratio (in %)	73.7	72.4	71.0	76.6	72.1	-1.6%-p
3rd party AuM[1] (EUR bn)	190	189	196	215	226	+36
3rd party net flows (EUR bn)	1.4	1.7	1.3	0.2	1.9	+0.5
3-yr outperformance (in %)	66	59	53	55	53	-13%-p

1) 3rd party Assets under Management are end of period values

Allianz

AM: splits of 3rd party AuM[1]

	AAM		PIMCO		AllianzGI	
	31.03.13	31.03.14	31.03.13	31.03.14	31.03.13	31.03.14
Regions (in %)[2]						
America	64.2	62.5	68.9	69.1	32.1	29.6
Europe	25.3	27.7	20.7	20.9	56.7	61.6
Asia Pacific	10.5	9.8	10.4	10.0	11.2	8.8
Clients (in %)[3]						
Institutional	65	64	66	67	58	51
Retail	35	36	34	33	42	49
Products (in %)						
Fixed Income	89	87	100	100	17	21
Equity	11	13	0	0	83	79

1) Comprises 3rd party AuM managed by AAM
2) Based on the origination of the assets by the asset management company
3) Classification is driven by vehicle types

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Group financial results 1Q 2014

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Corporate and Other: key figures[1]
(EUR mn)

	1Q 2013	2Q 2013	3Q 2013	4Q 2013	1Q 2014	Delta 1Q 14/13
Total revenues (Banking)	**148**	**132**	**132**	**139**	**139**	**-9**
Operating profit						
Holding & Treasury	-167	-277	-239	-256	-248	-81
Banking	-83	-1	4	-11	18	+101
Alternative Investments	11	4	5	4	8	-3
Consolidation	*0*	*0*	*0*	*2*	*0*	*+0*
Corporate and Other operating profit	**-239**	**-274**	**-230**	**-261**	**-222**	**+17**
Non-operating items						
Holding & Treasury	-251	-67	-202	-221	484	+735
Banking	3	4	11	4	-2	-5
Alternative Investments	-54	-6	-5	-47	-11	+43
Consolidation	*27*	*0*	*0*	*-2*	*0*	*-27*
Corporate and Other non-operating items	**-275**	**-69**	**-196**	**-266**	**471**	**+746**
Income b/taxes	-514	-343	-426	-527	249	+763
Income taxes	117	66	119	174	-118	-235
Net income	**-397**	**-277**	**-307**	**-353**	**131**	**+528**
Net income attributable to:						
Non-controlling interests	2	0	4	1	4	+2
Shareholders	-399	-277	-311	-354	127	+526
Cost-income ratio Banking (in %)	**146.6**	**89.6**	**83.2**	**80.0**	**80.3**	**-66.3%-p**
RWA[2] Banking (EUR bn)	**9**	**9**	**9**	**9**	**9**	**+0**

1) Effective 2014, certain entities were allocated from Asset Management to Life/Health and Banking
2) RWA data is preliminary; based on Basel approach

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Group financial results 1Q 2014

Glossary (1)

AAM	Allianz Asset Management, mainly the holding company of PIMCO and AllianzGI
ABS	Asset-backed securities: Structured bonds or notes collateralized by a pool of assets such as loans, bonds or mortgages. As characteristics of the collaterals vary considerably (with regard to asset class, quality, maturity, etc.), so do asset-backed securities.
AFS	Available-for-sale: Securities which have been acquired neither for sale in the near term nor to be held to maturity. Available-for-sale investments are shown at fair value on the balance sheet.
AGCS	Allianz Global Corporate & Specialty
AllianzGI	Allianz Global Investors
AM	Asset Management – AM segment
APR (accident insurance with premium refund)	Special form of accident insurance (in German: “Unfallversicherung mit garantierter Beitragsrückzahlung” (UBR)) where the policyholder, in addition to insurance coverage for accidents (accident insurance), has a guaranteed claim to refund from premiums on the agreed maturity date or in the event of death (endowment insurance)
AuM	Assets under Management: The total of all investments, valued at current market value, which the Group has under management with responsibility for their performance. In addition to the Group´s own investments, AuM include investments managed on behalf of third parties.
Bps	Basis point = 0.01%
CEE	Central and Eastern Europe
CEIOPS	Committee of European Insurance and Occupational Pensions Supervisors; as of January 1, 2011, CEIOPS has been replaced by the European Insurance and Occupational Pensions Authority (EIOPA).
Combined ratio (CR)	Sum of loss ratio and expense ratio, represents the total of acquisition and administrative expenses (net) and claims and insurance benefits incurred (net) divided by premiums earned (net).

Glossary (2)

Collateralized debt obligation (CDO)	Collateralized debt obligation (CDO) is a type of structured security backed by a pool of bonds, loans and other assets. CDOs usually do not specialize in any one type of debt but are often non-mortgage loans or bonds.
Collateralized mortgage obligation (CMO)	Collateralized mortgage obligation (CMO) is a type of mortgage-backed security where the cash flows are often pooled and structured into many classes of securities with different maturities and payment schedules
Commercial mortgage-backed securities (CMBS)	Commercial mortgage-backed security (CMBS) is a type of mortgage backed security that is secured by the underlying pool of loans on commercial properties.
Cost-income ratio (CIR)	Represents operating expenses divided by operating revenues.
Covered bonds	Debt securities covered by a pool of mortgage loans or by public-sector loans with investors having a preferential claim in case of a default.
Current yield	Interest and similar income/ average asset base at book value (excluding income from financial assets and liabilities carried at fair value); current yield on debt securities adjusted for interest expenses; yield on debt securities including cash components.
DAC	Deferred acquisition costs: Commissions, underwriting expenses and policy issuance costs, which vary with and are primarily related to the acquisition and renewal of insurance contracts. These acquisition costs are deferred, to the extent that they are recoverable, and are subject to recoverability testing at the end of each accounting period.
EIOPA	European Insurance and Occupational Pensions Authority (also see CEIOPS)
Equity exposure	The equity exposure is the part of investments invested in equity securities.
Equity gearing	Equity exposure (attributable to shareholders) divided by net asset value excluding goodwill.
Expense ratio (ER)	Acquisition and administrative expenses (net) divided by premiums earned (net).
Fair value (FV)	The amount for which an asset could be or is exchanged between knowledgeable, willing parties in an arm's length transaction.

Glossary (3)

FCD	Financial conglomerates directive: European regulation for the supervision of financial conglomerates and financial groups involved in cross-sectoral business operations.
Financial assets carried at fair value through income	Financial assets carried at fair value through income include debt and equity securities as well as other financial instruments (essentially derivatives, loans and precious metal holdings) which have been acquired solely for sale. They are recorded in the balance sheet at fair value.
Financial liabilities carried at fair value through income	Financial liabilities carried at fair value through income include primarily negative market values from derivatives and short selling of securities. Derivatives shown as financial liabilities carried at fair value through income are valued the same way as financial assets carried at fair value through income.
FVO	Fair value option: Financial assets and liabilities designated at fair value through income are measured at fair value with changes in fair value recorded in the consolidated income statement. The recognized net gains and losses include dividends and interest of the financial instruments. A financial instrument may only be designated at inception as held at fair value through income and cannot be subsequently changed.
F/X	Foreign exchange
Goodwill	Difference between a subsidiary's purchase price and the relevant proportion of its net assets valued at the current value of all assets and liabilities at the time of acquisition.
Government bonds	Government bonds include government and government agency bonds.
Gross/Net	In insurance terminology the terms "gross" and "net" mean before and after consideration of reinsurance ceded, respectively. In investment terminology the term "net" is used where the relevant expenses (e.g. depreciations and losses on the disposal of assets) have already been deducted.
Harvesting rate	(Realized gains and losses (net) + impairments on investments (net))/ average investments and loans at book value (excluding income from financial assets/ liabilities carried at fair value).
IFRS	International Financial Reporting Standards. Since 2002, the designation of IFRS applies to the overall framework of all standards approved by the International Accounting Standards Board. Standards already approved before will continue to be cited as International Accounting Standards (IAS).
Internal growth	Enhances the understanding of our total revenue performance by excluding the effects of foreign currency translation as well as of acquisitions and disposals.

Glossary (4)

L/H	Life and health insurance
L/H operating profit sources	The objective of the Life/Health operating profit sources analysis is to explain movements in IFRS results by analyzing underlying drivers of performance on a L/H segment consolidated basis. **Loadings & fees:** Includes premium and reserve based fees, unit-linked management fees and policyholder participation on expenses. **Investment margin:** Is defined as IFRS investment income net of expenses less interest credited to IFRS reserves less policyholder participation. **Expenses:** Includes commissions, acquisition expenses and administration expenses **Technical margin:** Comprises risk result (risk premiums less benefits in excess of reserves less policyholder participation), lapse result (surrender charges and commission claw-backs) and reinsurance result. **Impact of change in DAC:** Includes effects of change in DAC, URR and VOBA and is the net impact of deferral and amortization of acquisition costs and front-end loadings on operating profit .
Loss frequency	Number of accident year claims reported divided by number of risks in-force
Loss ratio	Claims and insurance benefits incurred (net) divided by premiums earned (net). Loss ratio calendar year (c.y.) includes the results of the prior year reserve development in contrast to the loss ratio accident year (a.y.).
Loss severity	Average claim size (accident year gross claims reported divided by number of claims reported)
MBS	Mortgage-backed securities: Securities backed by mortgage loans
MCEV	Market consistent embedded value is a measure of the consolidated value of shareholders' interest in a life portfolio. The Market Consistent Embedded Value is defined as Net asset value (NAV) + Present value of future profits - Time value of financial options and guarantees (O&G) - Frictional cost of required capital - Cost of residual non-hedgeable risk (CNHR)

Glossary (5)

Modified duration	Is a measure for the interest rate sensitivity of the portfolio.
MoR	Represents operating profit divided by the average of (a) current quarter end and prior quarter end net reserves and (b) current quarter end and prior year end net reserves, whereby net reserves equal reserves for loss and loss adjustment expenses, reserves for insurance and investment contracts and financial liabilities for unit-linked contracts less reinsurance assets.
MVLO	Market value liability option
NatCat	Accumulation of claims that are all related to the same natural or weather/atmospheric event during a certain period of time and where AZ Group's estimated gross loss exceeds EUR 20mn if one country is affected (respectively EUR 50mn if more than one country is affected); or if event is of international media interest.
NBM	New business margin: Value of new business divided by present value of new business premiums
Non-controlling interests	Represent the proportion of equity of affiliated enterprises not owned by Group companies.
NPE	Net premiums earned
OAB	Operating asset base: Represents all operating investment assets within the L/H segment. This includes investments & loans, financial assets and liabilities carried at fair value as well as unit-linked investments. Market value liability option is excluded.
OE	Operating entity
Operating profit	Earnings from ordinary activities before income taxes and minority interests in earnings, excluding, as applicable for each respective segment, all or some of the following items: Income from financial assets and liabilities carried at fair value (net), realized gains/ losses (net), impairments on investments (net), interest expense from external debt, amortization of intangible assets, acquisition-related expenses and income from fully consolidated private equity investments (net) as this represents income from industrial holdings outside the scope of operating business.
P/C	Property and casualty insurance

Glossary (6)

PIMCO	Pacific Investment Management Company Group
Premiums written/ earned (IFRS)	Premiums written represent all premium revenues in the year under review. Premiums earned represent that part of the premiums written used to provide insurance coverage in that year. In the case of life insurance products where the policyholder carries the investment risk (e.g. variable annuities), only that part of the premiums used to cover the risk insured and costs involved is treated as premium income.
PVNBP	Present value of new business premiums: Present value of projected new regular premiums, discounted with risk-free rates, plus the total amount of single premiums received.
Reinsurance	Where an insurer transfers part of the risk which he has assumed to another insurer.
Required capital	The market value of assets attributed to the covered business over and above that required to back liabilities for covered business whose distribution to shareholders is restricted.
Residential mortgage-backed securities (RMBS)	Debt instruments that are backed by portfolios of mortgages on residential rather than commercial real estate.
Retained earnings	Retained earnings comprise the net income of the current year, not yet distributed earnings of prior years and treasury shares as well as any amounts directly recognized in equity according to IFRS such as consolidation differences from minority buyouts.
Risk capital	Minimum capital required to ensure solvency over the course of one year with a certain probability which is also linked to our rating ambition.
Risk-weighted assets (RWA)	All assets of a bank multiplied by the respective risk-weight according to the degree of risk of each type of asset.
Run-off ratio	Run-off ratio is calculated as run-off result (result from reserve releases in P/C business) in percent of net premiums earned.
SE	Societas Europaea: European stock company

Glossary (7)

Shadow DAC	Shadow accounting is applied in order to include the effect of unrealized gains or losses from the debt or equity securities classified as available for sale in the measurement of Deferred Acquisition Costs in the same way as it is done for realized gains or losses. Due to virtual (shadow) realization of unrealized gains or losses Deferred Acquisition Costs are adjusted with corresponding charges or credits recognized directly to shareholders' equity
Solvency ratio	Ratio indicating the capital adequacy of a company comparing eligible funds to required capital
Sovereign bonds	Sovereign bonds include government and government agency bonds
Statutory premiums	Represent gross premiums written from sales of life insurance policies, as well as gross receipts from sales of unit-linked and other investment-oriented products, in accordance with the statutory accounting practices applicable in the insurer's home jurisdiction
Stress tests	Conglomerate solvency ratio stress tests are based on the following scenarios **- Credit loss / migration:** scenario based on probabilities of default in 1932, migrations adjusted to mimic recession and assumed recovery rate of 30% **- Credit spread:** 100bps increase of credit spreads across all rating classes **- NatCat:** loss due to NatCat events, both natural and man-made, leading to annual claims of EUR 1.6bn. Applies to P/C business only
Total equity	Represents the sum of shareholders' equity and non-controlling interests
Total revenues	Represent the sum of P/C segment's gross premiums written, L/H segment's statutory premiums, operating revenues in Asset Management and total revenues in Corporate and Other (Banking)
Unrealized gains and losses (net) (as part of shareholders' equity)	Include primarily unrealized gains and losses from available-for-sale investments net of tax and policyholder participation
URR	The unearned revenue reserve contains premium components that refer to future periods, which are reserved and released over the lifetime of the corresponding contracts.

Glossary (8)

VOBA	Value of the business acquired. It refers to the present value of future profits associated with a block of business purchased.
VIF	Value of in-force: Present value of future profits from in-force business (PVFP) minus the time value of financial options and guarantees (O&G) granted to policyholders, minus the cost of residual non-hedgeable risk (CNHR), minus the frictional cost of holding required capital (CReC)
VNB	Value of new business: The additional value to shareholder created through the activity of writing new business. It is defined as present value of future profits (PVFP) after acquisition expenses minus the cost of option and guarantees (O&G), minus the cost of residual non-hedgeable risk (CNHR), minus the frictional cost of holding required capital, all determined at issue date
3-year-outperformance AM	The investment performance is based on Allianz Asset Management account-based, asset-weighted three-year investment performance of third-party assets versus the primary target including all accounts managed by portfolio managers of Allianz Asset Management. For some retail funds, the net of fee performance is compared to the median performance of the corresponding Morningstar peer group (first and second quartile mean outperformance). For all other retail funds and for all institutional accounts, the gross of fee performance (revaluated based on closing prices) is compared to the respective benchmark based on different metrics.

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