

Delivering 2.0

Annual Media Conference
Munich, February 16, 2018

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Please note: presentations based on 2017 preliminary figures

Allianz 

Agenda

- A** CEO assessment and outlook
- B** Group financial results 2017
- C** Investments
- D** Allianz Asset Management

Oliver Bäte

Giulio Terzariol

Günther Thallinger

Jacqueline Hunt

Glossary

Disclaimer

CEO assessment and outlook

Oliver Bäte
Chief Executive Officer

Munich, February 16, 2018



2017 – strong performance in a challenging year

Difficult environment

Ultra-low rates

Negative one-offs¹

USD weakness

High NatCat

Increasing regulation

...

Strong performance

Total return Allianz share
+27%

Solvency II capitalization
229%

Operating profit
EUR 11.1bn
in upper half of target range

Shareholders' net income
EUR 6.8bn

Dividend per share²
EUR 8.00 (+ 5%)

Share buy-back
EUR 3bn

1) E.g. Ogden, OLB, F/X
2) Proposal

2017 – segment highlights

P/C

Superior
underwriting in
a tough NatCat year

Turnaround
LatAm completed

UK business
strengthened with LV= JV

L/H

Successful business
mix shift

High **growth** with
value of new business
up 30%

Strong NBM at 3.4%

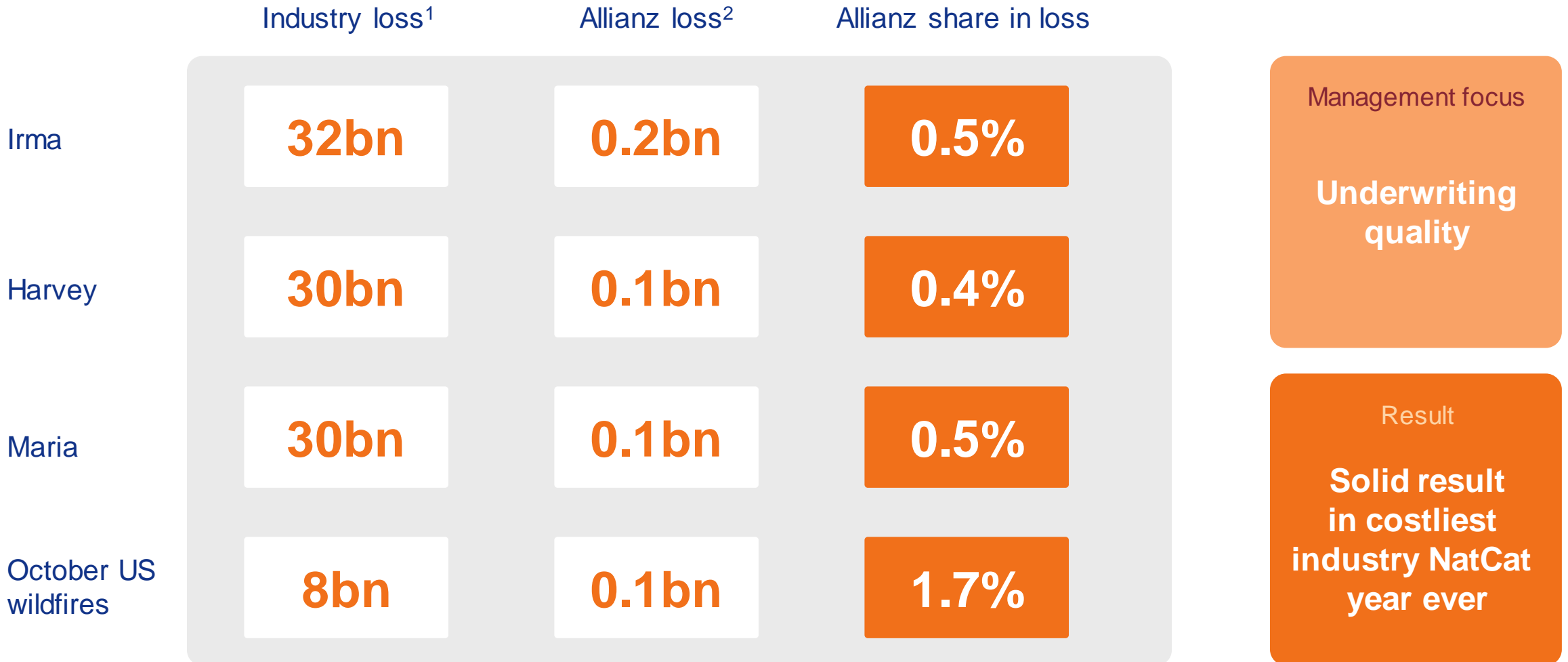
AM

EUR 150bn
3rd party net **inflows**

AuM at
highest level ever
with EUR 1,960bn

Excellent **efficiency**
with 62% CIR (-1.5%-p)

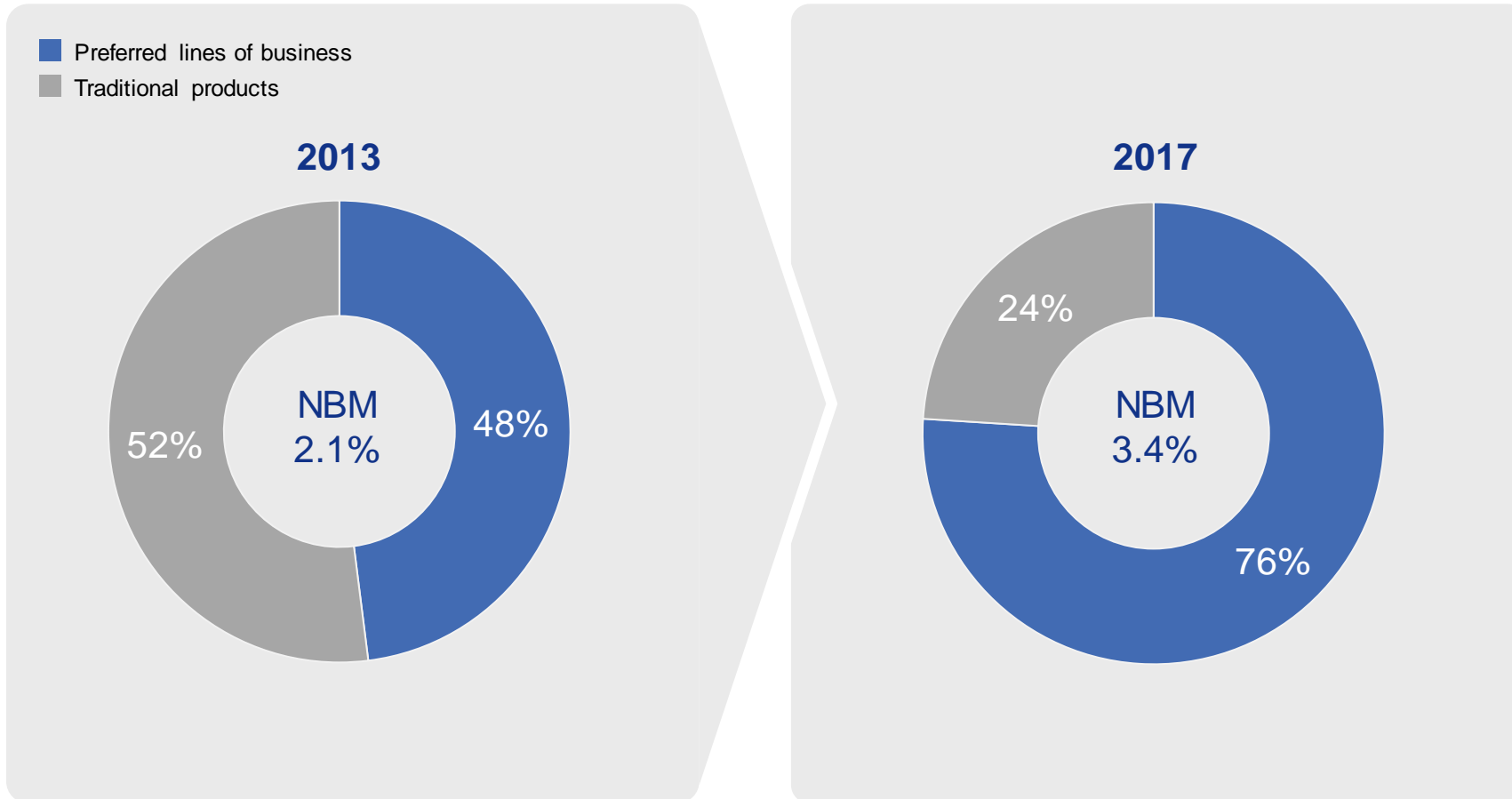
Highlight P/C – technical excellence in NatCat underwriting



1) USD; source: Munich Re, January 4, 2018
 2) Converted into USD at 1.13 USD/EUR exchange rate

Highlight L/H – successful mix shift continues

New business



Management focus

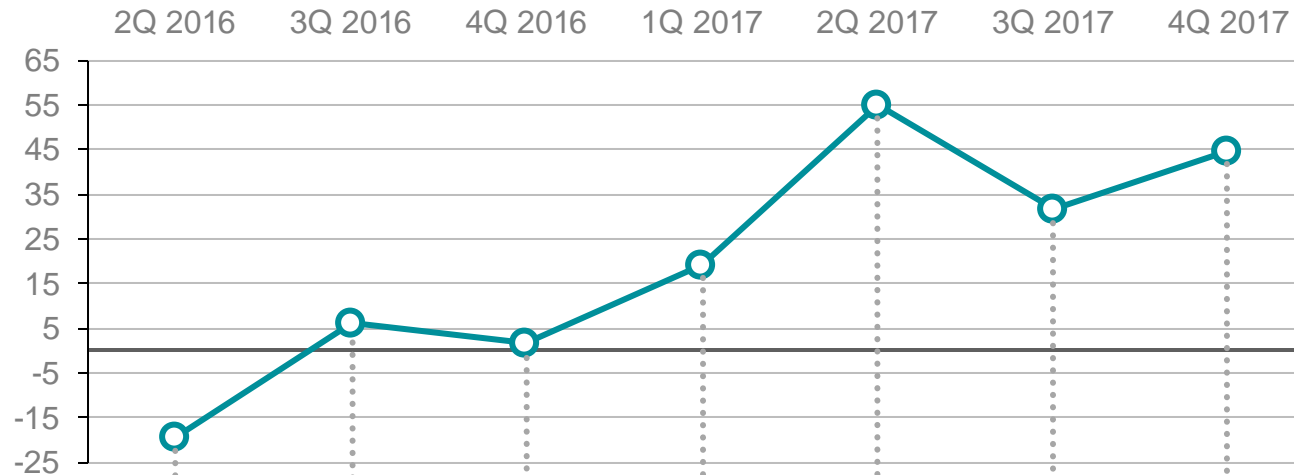
Shift towards modern products

Result

EUR 1.9bn value of new business 30% above 2016 level

Highlight AM – strong net flows and CIR

3rd party net flows
(EUR bn)



3-year outperformance
versus benchmarks



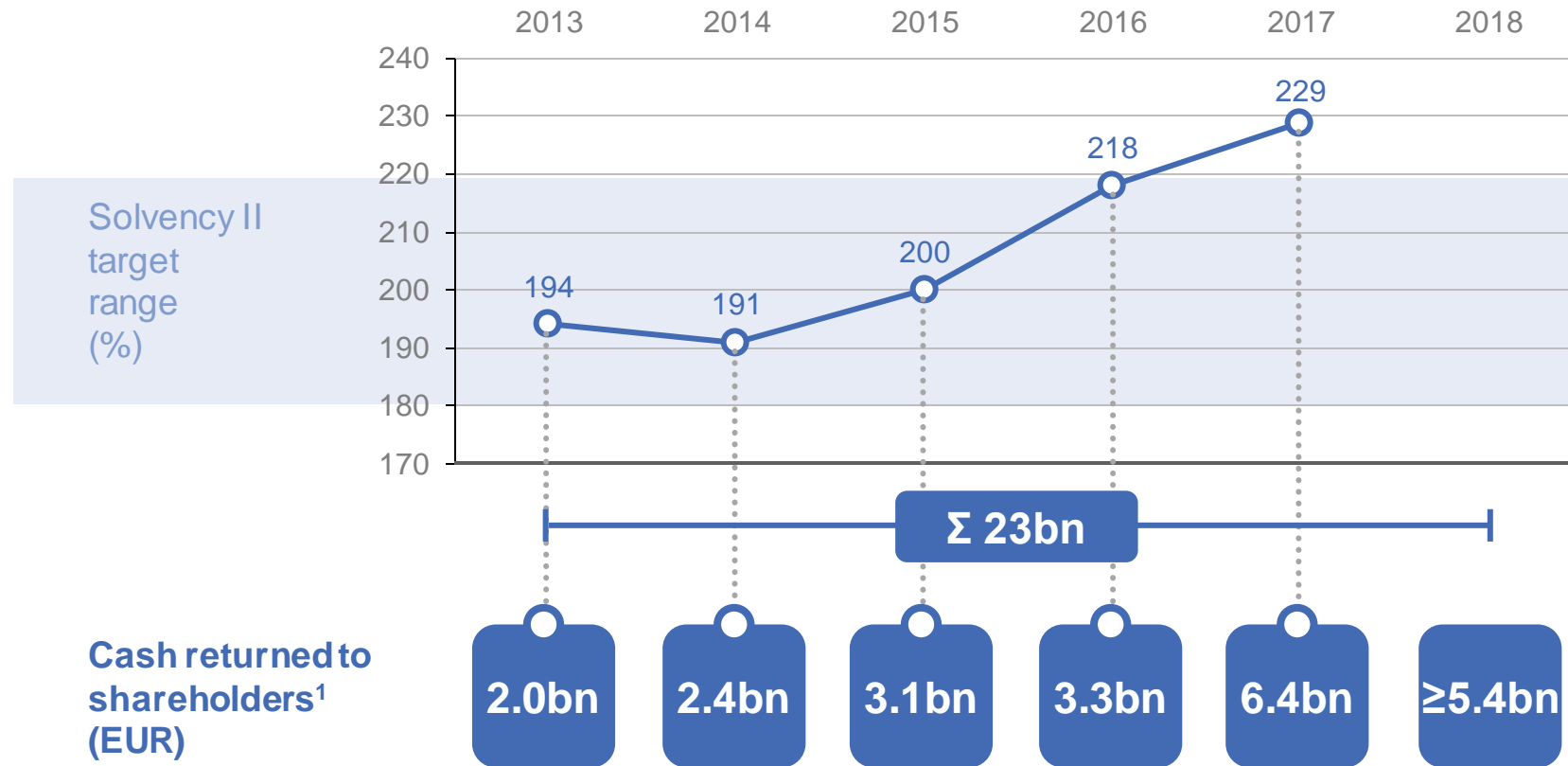
Management focus

**Operational
excellence
and
investment
performance**

Result

**EUR 150bn
3rd party inflows
CIR 62%**

Capital management – attractive returns for shareholders ...



Management focus

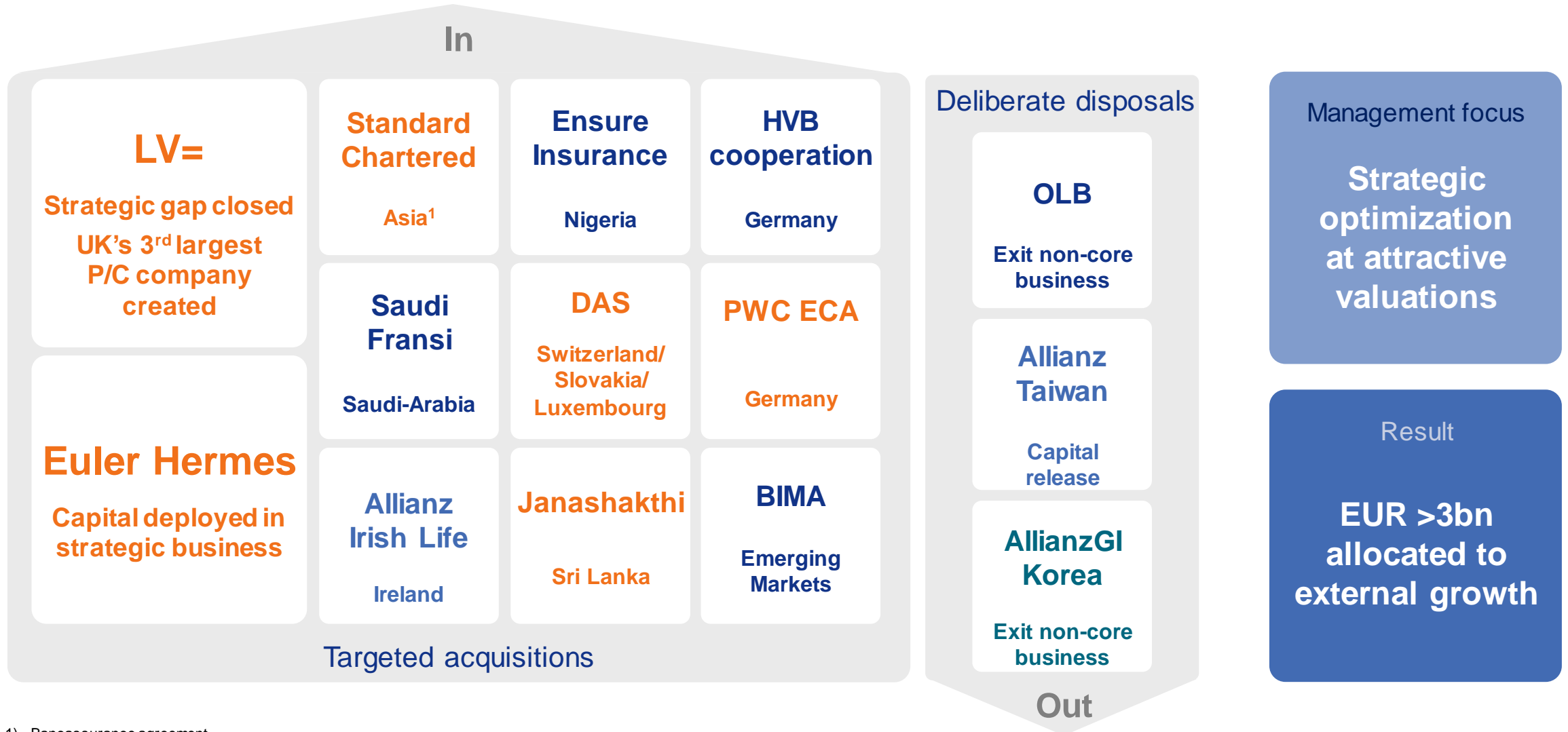
Capital generation and cash upstreaming

Result

Attractive returns for shareholders

1) Dividends paid plus share buy-backs, 2018 including proposed dividend and EUR 2bn share buy-back announced in November 2017

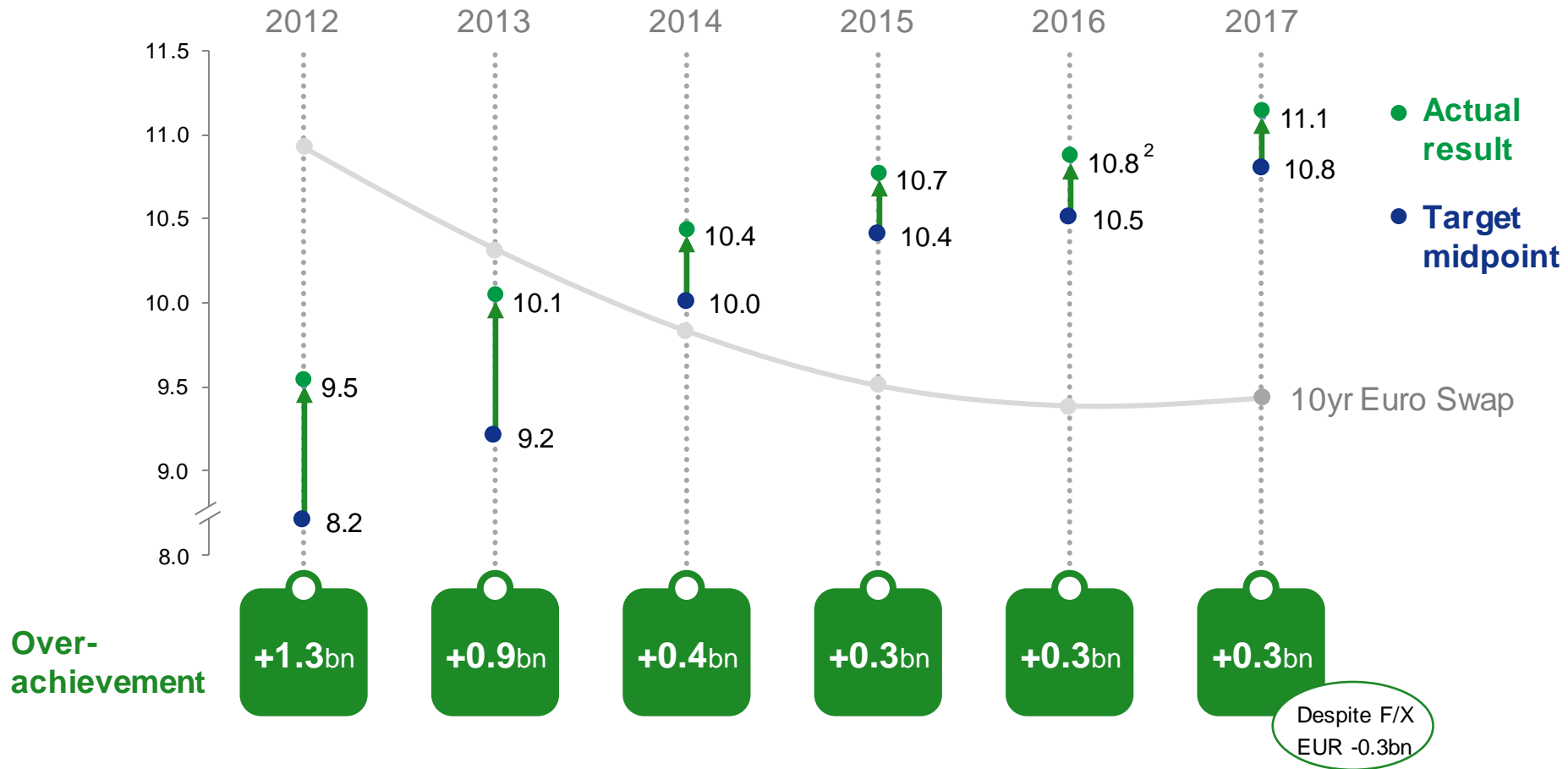
... and targeted M&A transactions to strengthen our scale



1) Bancassurance agreement

Consistent target delivery

Actual achievement vs. target¹ (operating profit in EUR bn)



Management focus

Deliver on demanding targets

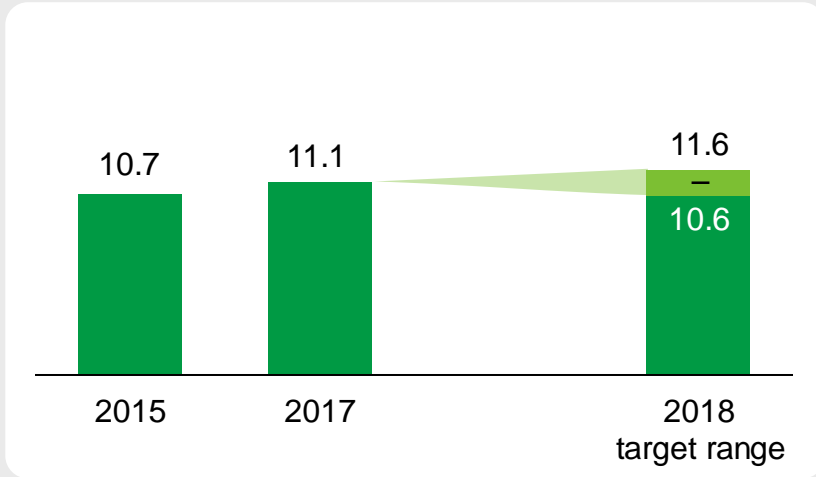
Result

Rising profits with low volatility

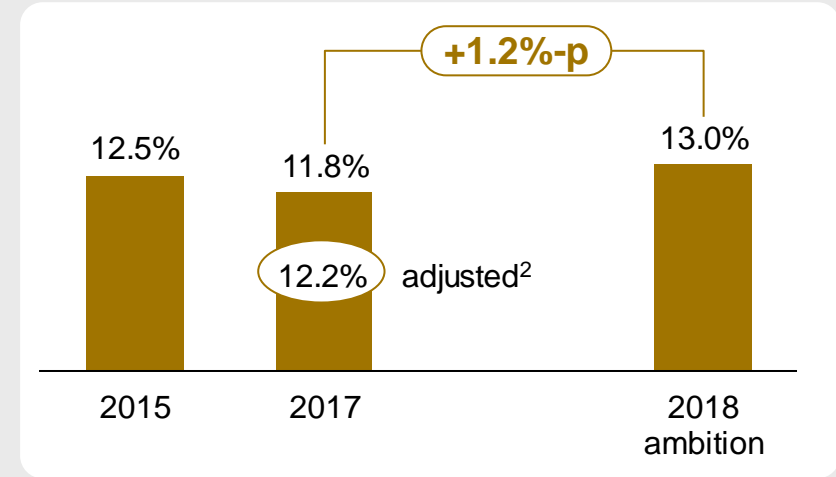
1) As reported in the respective year
2) Adjusted operating profit 2016 EUR 11.1bn

Ambitious targets for 2018 in reach

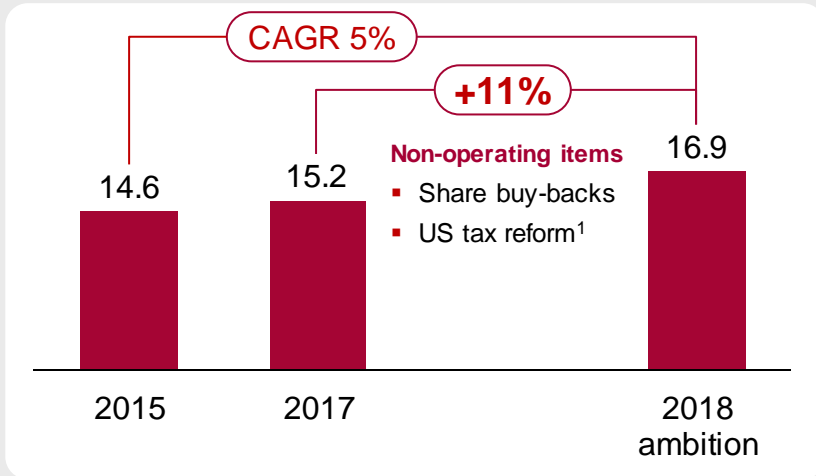
Operating profit (EUR bn)



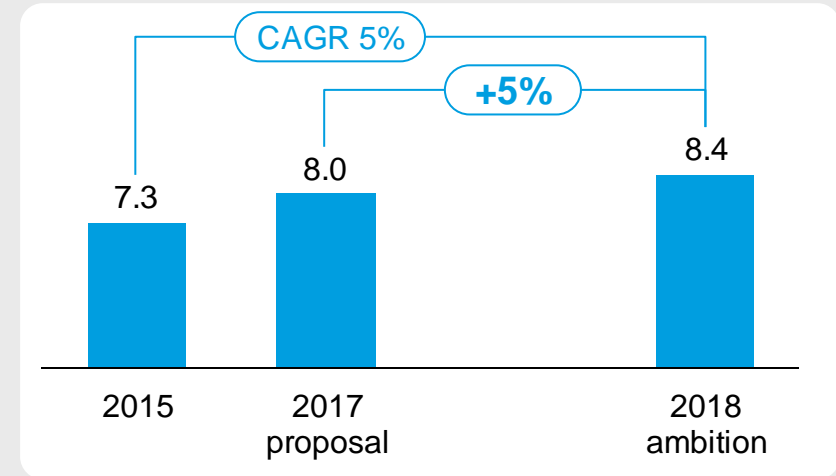
RoE (%)



EPS³ (EUR)



DPS³ (EUR)



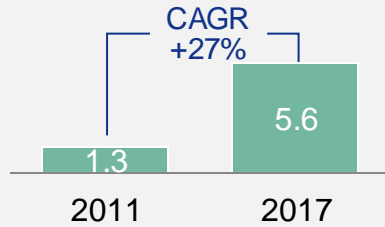
1) Impact from US tax reform EUR ~ -0.1bn in 2017 and EUR ~ +0.3bn in 2018ff
 2) Adjusted for OLB disposal
 3) Based on average (EPS) and actual (DPS) number of shares

Strong track-record: sustainability commitments encourage long-term perspective and create business opportunities

Achievements ...

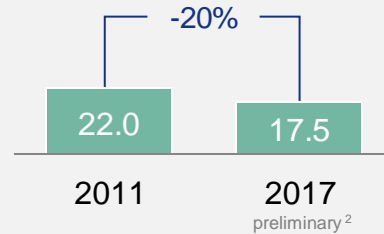
Environment

Renewable energy investments [EUR bn]



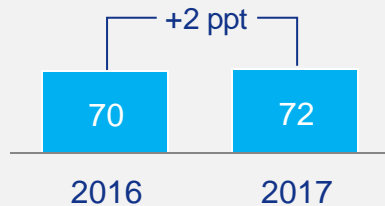
Environment

Energy consumption [GJ per employee]



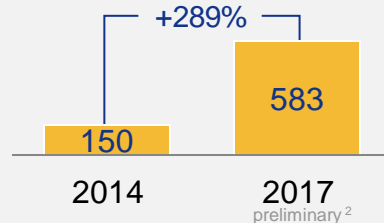
Social

Inclusive Meritocracy Index¹ [score]



Governance

Transactions with ESG assessments



... ongoing undertakings ...

- Active ownership: engagement
- Emerging consumers: digital insurance offers in emerging markets
- Corporate citizen: encouraging youth via innovative partnerships

... external recognition.



Industry leader



Industry leader



Prime status



Our ambition: social improvement, economic development, value creation for all stakeholders.

1) The Inclusive Meritocracy Index (IMIX) measures the progress of the organization on its way towards Inclusive Meritocracy, a culture where performance and people matter. It comprises items related to our four people attributes of Customer and Market Excellence, Collaborative Leadership, Entrepreneurship and Trust.
2) Final data will be published in the Combined separate non-financial report for the Allianz Group and Allianz SE on March 9, 2018.

Housekeeping done – future focus on simplicity, productivity and growth



Group financial results 2017

Giulio Terzariol
Chief Financial Officer

Munich, February 16, 2018

B

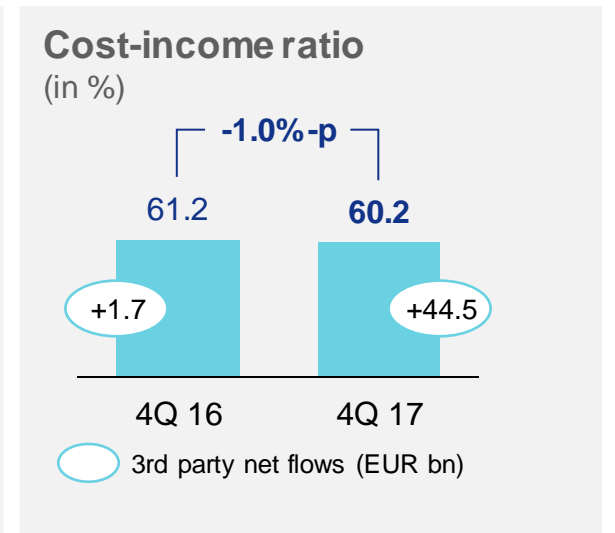
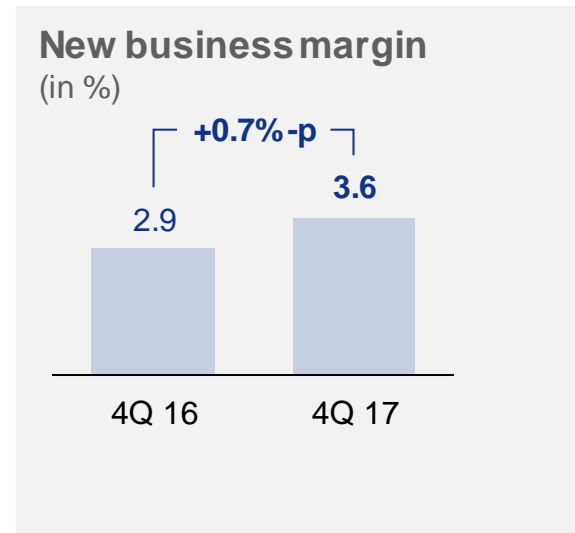
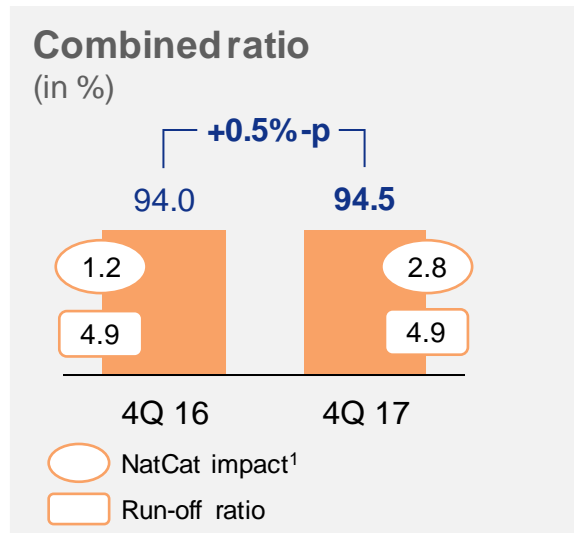
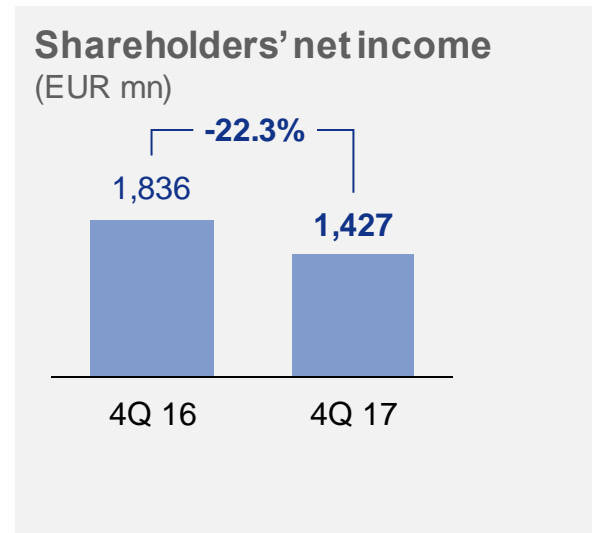
B

Group financial
results 2017

- 1 Highlights**
- 2 Additional information

Group: good 4Q performance

Group	Property-Casualty	Life/Health	Asset Management
Total revenues 4Q 17 in EUR bn (internal growth vs. prior year in %)			
31.7 (+9.8%)	11.3 (+5.1%)	18.6 (+12.7%)	1.7 (+12.8%)
Operating profit 4Q 17 in EUR mn (vs. prior year in %)			
2,760 (-8.0%)	1,309 (-9.6%)	1,060 (-13.5%)	697 (+8.4%)



1) NatCat costs (without reinstatement premiums and run-off)

Group: good 4Q performance

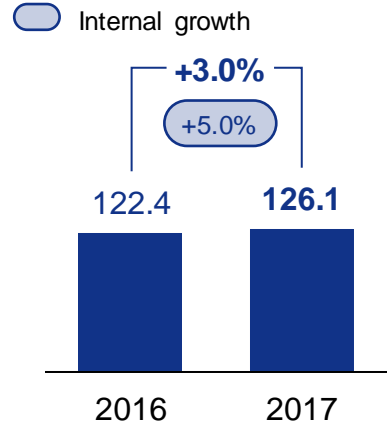


Comments

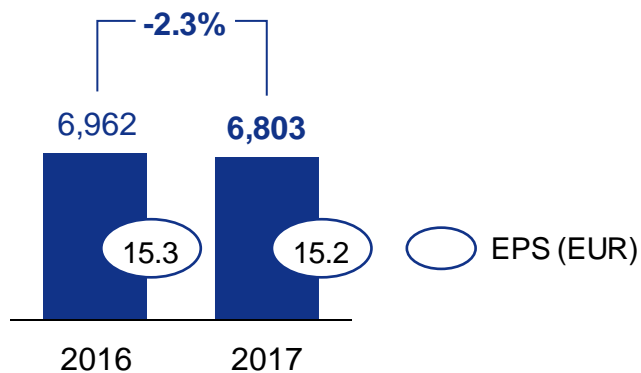
- **Internal growth of +9.8%**
Double-digit internal growth in AM +12.8% and L/H +12.7% followed by P/C +5.1%. Adverse impact from F/X (-3.0%) and consolidation (-1.1%) leads to total growth of 5.6%.
- **Operating profit – good performance**
Profitability of L/H and AM at very good level. Lower contribution from P/C mainly due to higher NatCat load and weather-related losses.
- **S/h net income at EUR 1.4bn**
Net income impact of EUR -210mn from sale of OLB, EUR -135mn from US tax reform and F/X effects of EUR -62mn.
- **EUR 3bn share buy-back executed**
Number of shares acquired and cancelled amount to 16.8mn, representing 3.7% of outstanding capital as per December 31, 2016.
Total number of shares stands at 440.2mn.
- **P/C – better attritional LR, higher NatCat**
Operating profit reduction mainly attributable to EUR -0.2bn higher NatCat losses. AY LR ex NatCat (attritional LR) improves 0.4%-p, ER 0.7%-p better.
- **L/H – strong finish**
Operating profit EUR >1bn for 7th consecutive quarter. Investment margin remains strong at 25bps vs. very high prior year level (37bps). New business growth of 4% with NBM of 3.6% leads to 31% increase in VNB.
- **AM – best quarterly OP since 4Q 2013**
EUR 45bn 3rd party net inflows support average asset base (+7%) and AuM driven revenues (+7%). Strong performance fees at AllianzGI (+39%) contribute to profit increase.

Group: operating profit in the upper half of target range

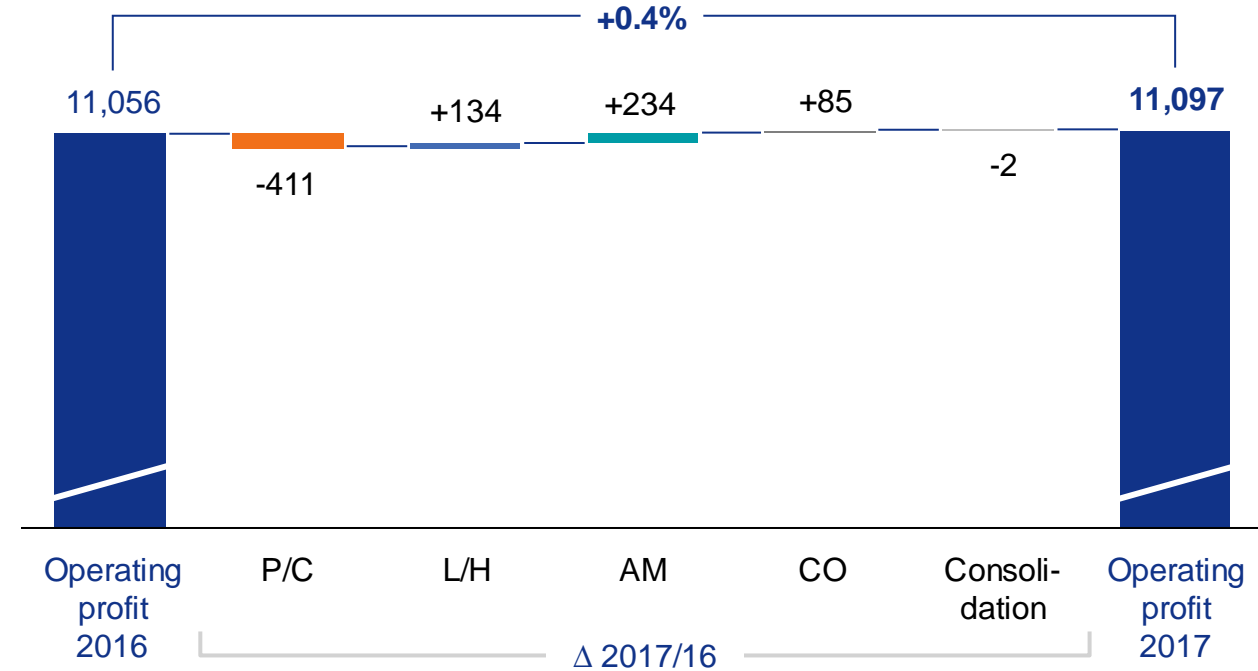
Total revenues (EUR bn)



Shareholders' net income (EUR mn)



Operating profit drivers (EUR mn)



	P/C	L/H	AM	CO	Consolidation
2017	5,053	4,412	2,440	-783	-24
2016	5,464	4,277	2,206	-868	-23

Group: operating profit in the upper half of target range

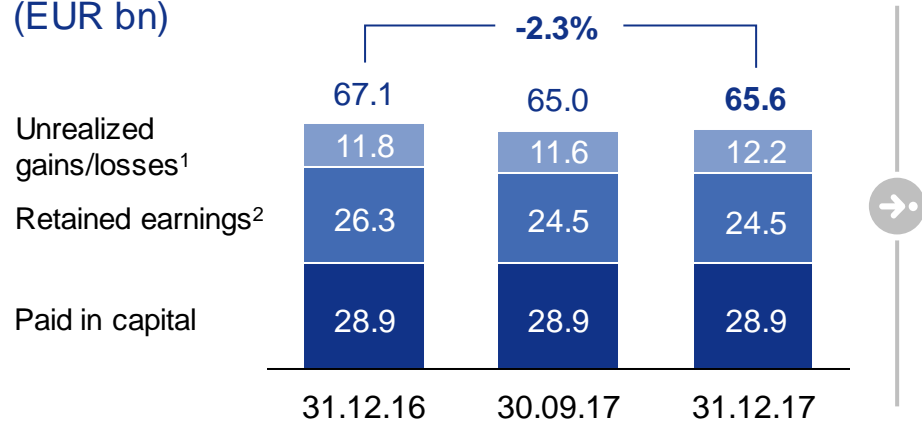


Comments

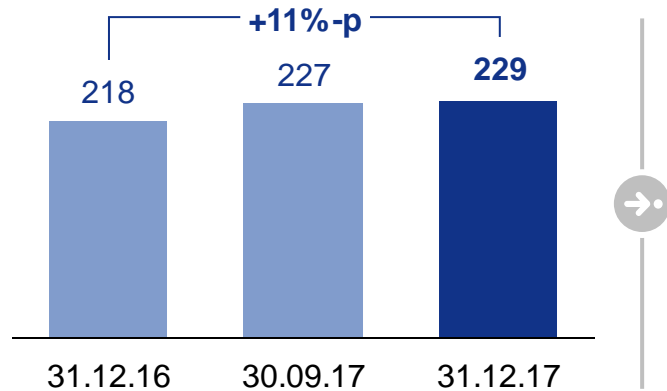
- **Strong internal growth of 5.0%**
Highest internal growth in AM +7.8%, followed by L/H +7.0% and P/C +2.3%.
- **Operating profit – 6th consecutive increase**
Operating profit in the upper half of target range (EUR 10.3 -11.3bn). Increase in light of unfavorable F/X (EUR -0.3bn) and EUR 0.6bn higher NatCat and weather-related claims remarkable.
- **S/h net income includes special items**
Net income impact of EUR -210mn from sale of OLB, F/X effects of EUR -152mn and from US tax reform EUR -135mn.
- **EUR 3bn share buy-back executed**
Number of shares down 3.7%. Number of shares used for EPS calculation is 446.4mn. Based on year-end number of shares, EPS is EUR 15.5. Second share buy-back of EUR 2bn started in January 2018.
- **Confident to reach 5% EPS growth target¹**
F/X headwind, but support expected from improved non-operating result, lower tax rate, higher profit share in Euler Hermes and share buy-backs.
- **P/C – better attritional LR overshadowed by higher NatCat**
Operating profit of EUR 5.1bn in lower half of target range. YoY decline largely due to lower underwriting result, mainly driven by EUR -0.4bn higher NatCat losses. AY LR ex NatCat (attritional LR) improves -0.4%-p despite increase in large and weather-related losses. Run-off below last year.
- **L/H – outstanding operating profit**
Operating profit 10% above target range midpoint. 4% growth in new business volume with NBM with of 3.4% leads to 30% increase in VNB. New business mix further improves with 76% share of preferred lines.
- **AM – EUR 150bn 3rd party net inflows**
Operating profit up 11%, driven by strong net inflows supporting higher AuM driven fees.

Group: outstanding capital strength

Shareholders' equity (EUR bn)



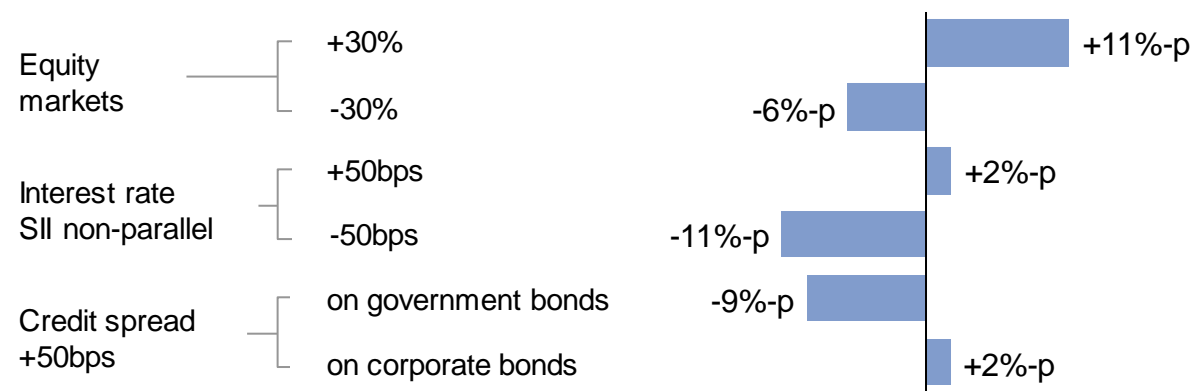
SII capitalization (in %)



Key sensitivities (EUR bn)



Key sensitivities³



1) Off-balance sheet unrealized gains on real estate, associates and joint ventures attributable to the shareholders amount to EUR 3.3bn as of 31.12.16, EUR 3.3bn as of 30.09.17 and EUR 3.7bn as of 31.12.17

2) Including F/X
 3) Management actions not considered in the disclosed sensitivities. Second order effects to other risk types and to own funds are not considered.

Group: outstanding capital strength



Comments

- **Shareholders' equity – only slightly down, following EUR 6.4bn capital return**

In 2017, shareholders' equity decreases by EUR -1.5bn. The positive impacts from net income (EUR +6.8bn) and higher net unrealized gains (EUR +0.3bn) are offset by regular dividend payment (EUR -3.4bn), completed share buy-back (EUR -3.0bn), negative F/X (EUR -2.0bn) and negative development of actuarial gains/losses on defined benefit pension plans (EUR -0.3bn). Book value per share EUR 149.

- **SII sensitivities**

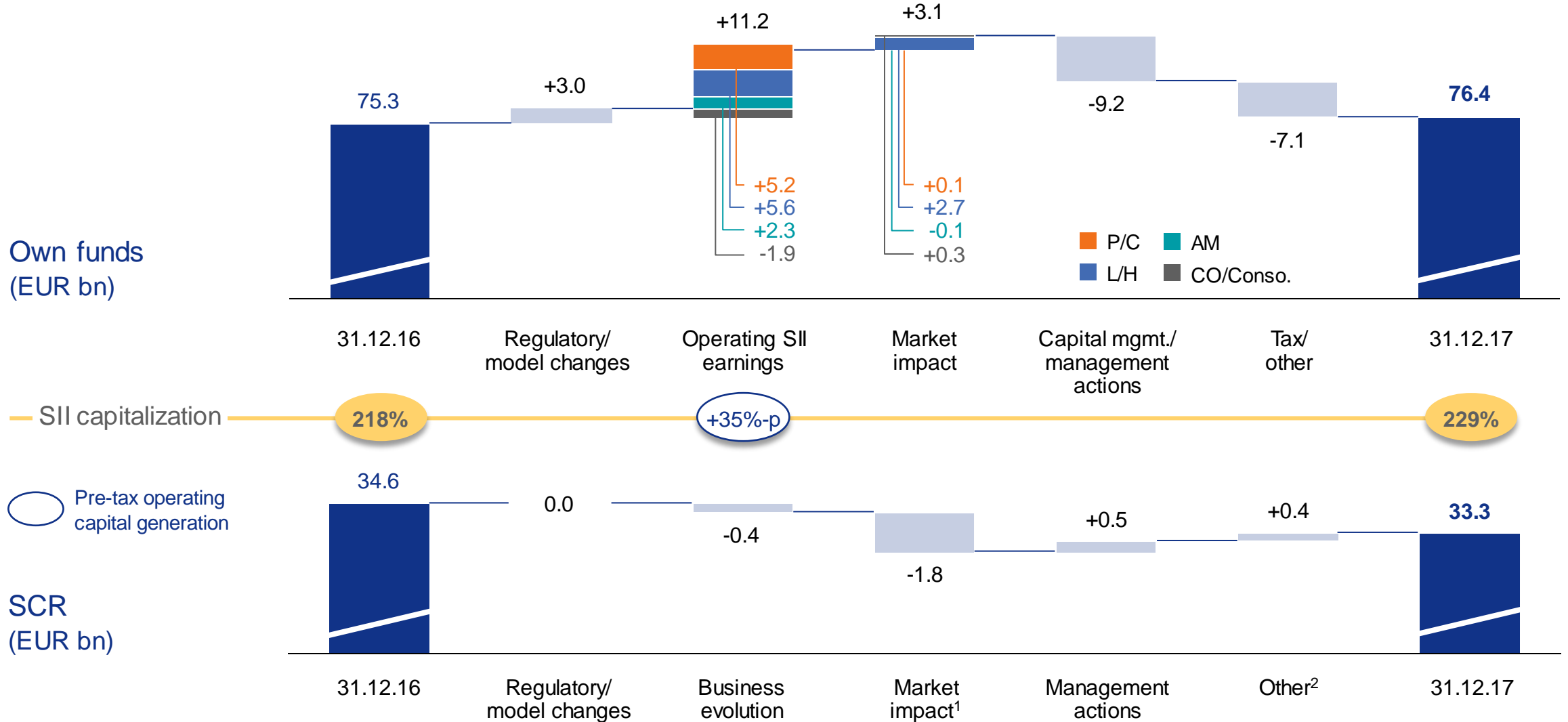
Limited changes to FY 2016. Our interest rate sensitivity remains at target level.

- **SII ratio – above upper end of target range**

YTD, the SII ratio increases 11%-p. The major drivers are a strong pre-tax and pre-dividend operating capital generation of +35%-p, partially offset by capital management & management actions, mainly EUR 5bn of share buy-backs, EUR 3.4bn dividend accrual, LV= and the 2017 share of the Euler Hermes minorities buy-out. Model changes over the year, including negative interest rate modelling, had a positive effect of +9%-p. Favorable markets (+24%-p) as well as taxes & other broadly offset each other.

In 4Q, the SII ratio increases 2%-p. Strong capital generation of +9%-p – before taxes and dividend – and the positive effects of model changes (+10%-p) were largely offset by the EUR 2bn share buy-back, normal dividend accrual, the Euler Hermes / LV= deal and taxes.

Group: excellent capital generation



1) Including cross effects and policyholder participation
 2) Other effects on SCR include diversification effects and third country equivalence

Group: excellent capital generation



Comments

- **Strong capital generation**

SII capital generation – net of tax and dividend – amounts to ~+15%-p in 2017 (2016: ~+11%-p) and ~+4% in 4Q.

We anticipate annual SII capital generation net of tax and dividend to stay above 10%-p going forward.

- **Own funds – strong SII earnings drive own funds**

YTD, own funds increase by EUR 1.1bn. Strong operating SII earnings of EUR 11.2bn are the main driver. These exceed the operating IFRS results mainly driven by the L/H segment, predominantly due to an excellent VNB contribution.

Own funds are reduced by capital management & management actions to the tune of EUR 9.2bn, mainly share buy-backs, dividend accrual and Euler Hermes / LV=. Model changes and favorable markets as well as taxes & other broadly offset each other.

- **SCR – market effects main driver**

SCR decrease EUR 1.3bn YTD, mainly driven by positive market effects. Model changes had basically nil impact, as their effects largely offset each other during the year.

Business evolution shows a positive contribution, as L/H in-force release exceeds new business capital requirements, demonstrating the success of our focus on capital-efficient products.

- **Anticipated model changes in 1Q**

Changes related to the third-country equivalence treatment of AZ Life as well as the reduction in the UFR curve are expected to have an adverse effect on our SII ratio to the tune of -4%-p in 1Q 2018. We currently anticipate that the US tax reform could have a further negative impact on our SII ratio of ~-3%-p in 2Q 2018.

During 1H 2018, we anticipate the closing of the sale of our traditional life insurance portfolio in Taiwan. In addition our stake in OLB was sold beginning 2018. The combined effect of these transactions and the increased stake in Euler Hermes on our SII ratio is expected to be broadly neutral.

P/C: price and volume contribute to growth in line with expectations

EUR mn		Revenues			YTD rate change on renewals	
		2017	Total growth Δ p.y.	Internal growth Δ p.y.	2017	Momentum
Total P/C segment		52,262	+1.4%	+2.3%	+1.6%	–
Large OEs	Germany	10,074	+1.7%	+1.7%	+2.2%	stable
	Italy	4,512	-1.3%	-1.3%	-1.2%	positive
	France	4,420	+1.4%	+1.4%	+0.9%	stable
Global lines	AGCS	7,406	-2.5%	-0.6%	+0.1%	positive
	Allianz Partners	4,608	+10.1%	+10.8%	+1.9%	stable
	Credit Insurance	2,202	+0.1%	+0.9%	-0.6%	stable
Selected OEs	Australia	3,209	+3.5%	+2.0%	+2.6%	positive
	United Kingdom	2,496	-4.9%	+2.1%	+3.9%	positive
	Spain	2,376	+4.4%	+4.4%	+4.3%	positive
	Latin America	2,130	+12.1%	+13.3%	n.a.	n.a.
	CEE	1,939	+5.6%	+4.6%	n.a.	n.a.
	Turkey	1,222	-27.9%	-11.2%	n.a.	n.a.

P/C: price and volume contribute to growth in line with expectations



Comments

- **Good internal growth in line with plan**

Internal growth of +2.3% in line with plan, broadly equally split between price and volume. AP, Germany and Brazil particularly strong, more than offsetting declines in Turkey and Italy. F/X -1.3% (mainly Turkey, UK and AGCS) and consolidations +0.4% lead to +1.4% total growth.

12M rate change on renewals +1.6% vs. 1.5% for 9M 2017 and +1.4% for 12M 2016.

- **Germany – price-driven growth**

Good growth due to motor and property. Motor GPW +8.4% in 4Q.

- **Italy – motor premium decline bottoming-out**

Non-motor growth of +3.3% strong, but more than offset by average premium contraction in MTPL. 4Q 17 first quarter with positive internal growth (+0.3%) since 2013, led by Genialloyd and CreditRas as well as a strong recovery of motor new business and MidCorp in SpA.

- **France – good growth driven by motor**

Motor (+4.4%) and personal property (+2.9%) with continued good performance.

- **AGCS – similar drivers as for 9M**

Base effect from discontinued US crop business and re-underwriting (marine).

- **AP – excellent double-digit growth**

Travel business of AP P/C main growth driver.

- **Australia – growth largely price-driven**

Property main growth driver while motor largely flat.

- **UK – price-driven growth**

Commercial motor and Petplan with very good growth. Household impacted by underwriting actions.

- **Spain – price and volume positive**

Personal and commercial both with good growth. Motor GPW +4.2%.

- **LatAm – balanced recovery**

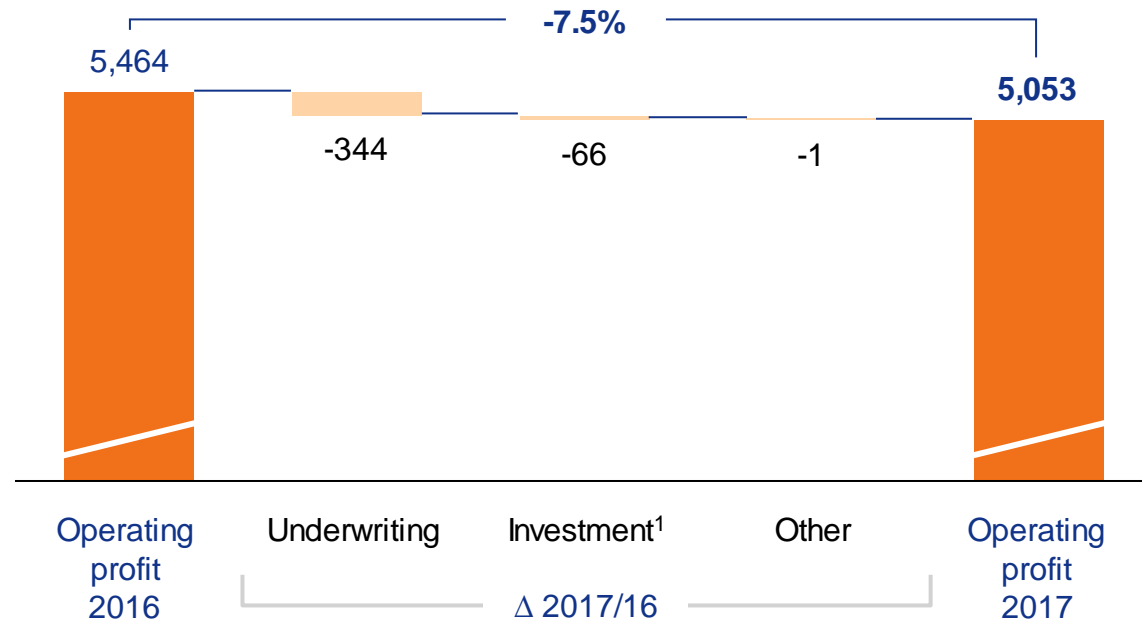
Recovery in Brazil ongoing (internal growth +16.8%), mainly price-driven. In a high-inflationary environment, Argentina (IG +6.8%) on right track but impacted by re-underwriting initiatives.

- **Turkey – impacted by price ceiling**

Price ceiling-driven MTPL reduction could not be fully compensated for by growth in other lines.

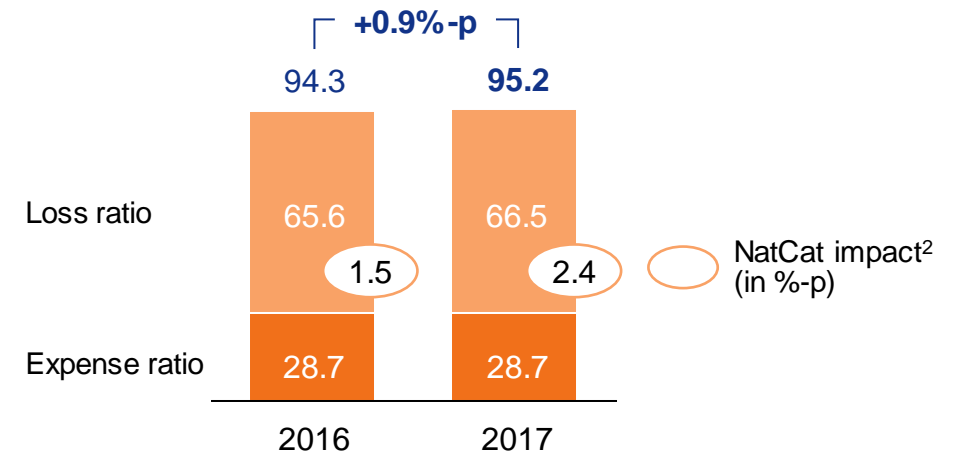
P/C: good underlying development – on track for 94% CR

Operating profit drivers (EUR mn)

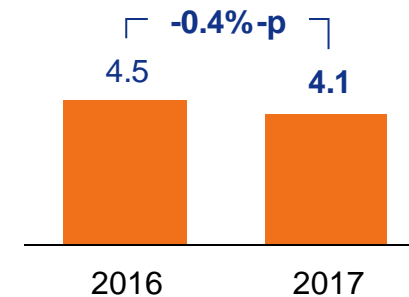


2017	2,011	2,905	138
2016	2,354	2,971	139

Combined ratio (in %)



Run-off ratio (in %)



1) Including policyholder participation
 2) NatCat costs (without reinstatement premiums and run-off)

P/C: good underlying development – on track for 94% CR



Comments

- **Operating profit – within target range**

OP negatively impacted by NatCat, weather and large losses which all exceed their prior year levels and multi-year averages. The Ogden rate change impacted the segment OP by EUR ~-125mn. Investment result only modestly down, as higher income from equities largely offsets lower income from debt.

- **NatCat & weather – 1.3%-p higher than last year**

NatCat EUR 1,111mn/2.4% well above benign prior year (EUR 689mn/1.5%) and above 10Y average of 2.1%. Storms Europe (EUR ~400mn), US/Caribbean (EUR ~390mn) and wildfires California (EUR ~120mn) were the major events. Weather losses (ex NatCat) at 1.4%-p also elevated this quarter and +0.5%-p above FY 2016.

- **Run-off – 0.4%-p less than last year**

At 4.1%, well below 4.5% in 2016 but modestly above 10Y average of 3.8%.

- **Loss ratio – attritional LR improves**

Attritional LR improves -0.4%-p despite increases in large losses and weather. Calendar year LR increases +0.9%-p as strong attritional LR improvement is more than offset by higher NatCat and weather losses as well as less run-off.

- **Expense ratio – stable**

Strong growth in high-commission travel business at AP and discontinuation of crop business at AGCS is offset by improvements in LatAm, especially in Brazil. ER expected to decline in 2018 supporting our 94% CR target.

- **4Q – NatCat overshadows improved attritional LR**

ER improves by -0.7%-p vs. 4Q last year. Attritional LR better by -0.4%-p, despite +1.3%-p higher weather-related losses. This good development is more than offset by higher NatCat losses (Δ +1.6%-p) leading to an +0.5%-p CR increase.

	4Q 2016	4Q 2017	Δ
Attritional LR	68.0%	67.6%	-0.4%-p
NatCat	1.2%	2.8%	+1.6%-p
Run-off	-4.9%	-4.9%	-
ER	29.7%	29.0%	-0.7%-p
CR	94.0%	94.5%	+0.5%-p
Underwriting result	639	575	-9.9%
Investment result	749	699	-6.7%
Other	61	35	-42.4%
OP	1,448	1,309	-9.6%

P/C: widespread improvements overshadowed by NatCat losses

EUR mn		Operating profit		Combined ratio		NatCat impact on CR ¹	
		2017	Δ p.y.	2017	Δ p.y.	2017	Δ p.y.
Total P/C segment		5,053	-7.5%	95.2%	+0.9%-p	2.4%-p	+0.9%-p
Large OEs	Germany	919	-20.2%	95.3%	+2.6%-p	3.1%-p	+1.1%-p
	Italy	1,109	+17.8%	80.8%	-4.0%-p	0.0%-p	0.0%-p
	France	446	+5.3%	95.7%	-0.6%-p	1.8%-p	0.0%-p
Global lines	AGCS	156	-59.3%	105.2%	+3.7%-p	7.5%-p	+2.8%-p
	Allianz Partners	174	+16.7%	98.0%	+0.1%-p	0.1%-p	+0.1%-p
	Credit Insurance	369	+0.6%	83.3%	+0.3%-p	—	—
Selected OEs	Australia	342	-4.2%	93.9%	+0.3%-p	4.1%-p	+1.0%-p
	United Kingdom	72	-53.6%	100.4%	+4.4%-p	0.1%-p	-0.3%-p
	Spain	206	+13.8%	91.4%	-1.5%-p	0.2%-p	+0.2%-p
	Latin America	82	n.m. ²	104.5%	-5.6%-p	0.0%-p	0.0%-p
	CEE	197	+13.5%	91.7%	-1.2%-p	0.0%-p	0.0%-p
	Turkey	134	+6.7%	100.1%	+1.2%-p	0.0%-p	0.0%-p

1) NatCat costs (without reinstatement premiums and run-off)

2) Operating profit for Latin America increased by EUR 156mn from EUR -75mn in FY 2016

P/C: widespread improvements overshadowed by NatCat losses

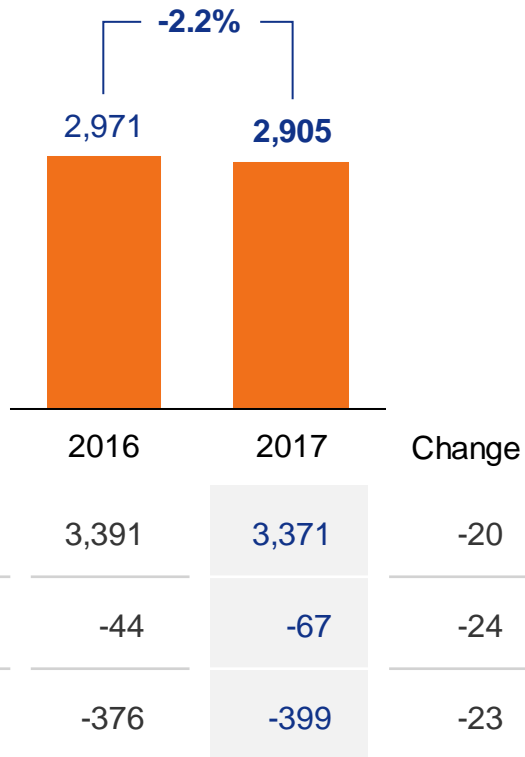


Comments

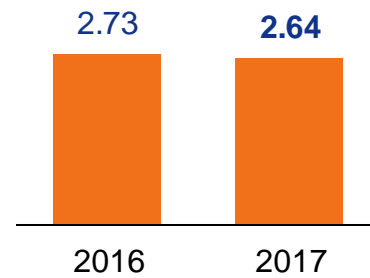
- **Germany – attritional LR flat on very good level**
CR adversely impacted by higher NatCat and weather-related losses as well as lower run-off.
- **Italy – further underlying improvement**
CR on outstanding level driven by higher run-off and better underlying LR. Weather-related losses higher.
- **France – better despite higher weather**
Better AY LR – despite higher weather-related losses – and lower ER more than offset less run-off.
- **AGCS – attritional LR strongly improved**
LR increases ($\Delta +1.3\%$ -p) as better attritional LR is more than offset by higher NatCat and lower run-off. ER up ($\Delta +2.4\%$ -p) mainly due to discontinued US crop business.
- **AP – top-line growth drives higher bottom-line**
Business growth drives higher fee income.
- **Australia – CR largely flat but higher quality**
AY LR improves -2.0% -p, driven by better attritional LR. Expense ratio also better ($\Delta -0.4\%$ -p) but positive effects on CR offset by lower run-off ratio.
- **UK – one-off effects**
CR negatively impacted by Ogden effect and higher large losses (mainly 3Q). ER improves -0.4% -p. Investment result also lower. OP negatively impacted by the Ogden rate change by EUR ~ -55 mn.
- **Spain – very strong performance continues**
Lower attritional LR main driver of further CR improvement as management initiatives show desired effects. NatCat and large losses slightly up.
- **LatAm – very strong OP turn-around**
OP Brazil EUR $+4$ mn (Δ EUR $+100$ mn). A 8.8% -p CR improvement was the main driver, coupled with good top-line growth. Argentina with excellent OP of EUR $+46$ mn (Δ EUR $+40$ mn). Investment result higher and CR (107.6%) also improved ($\Delta -2.6\%$ -p).
- **CEE – excellent results**
Improved AY LR and lower ER only partly offset by lower run-off.
- **Turkey – OP increases**
Modest increase in CR more than offset by higher investment result.

P/C: resilient performance and increasing reinvestment yield in 4Q

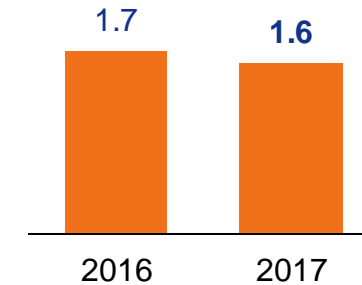
Operating investment result¹
(EUR mn)



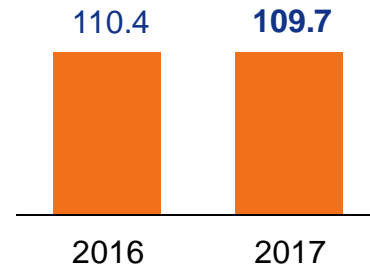
Current yield
(debt securities; in %)



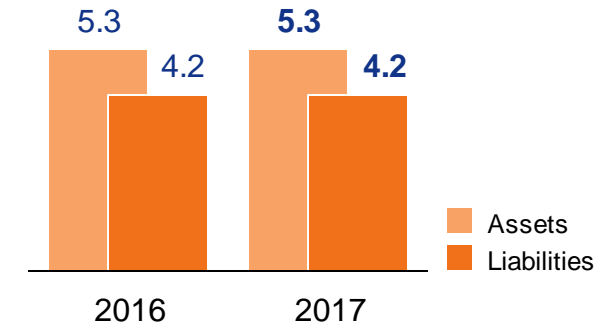
Economic reinvestment yield
(debt securities; in %)



Total average asset base⁴
(EUR bn)



Duration⁵



1) Including policyholder participation
 2) Net of interest expenses
 3) Other comprises fair value option, trading and F/X gains and losses, as well as policyholder participation

4) Asset base includes health business France, fair value option and trading
 5) For the duration calculation a non-parallel shift in line with Solvency II yield curves is used. Data excludes internal pensions residing in the P/C segment

P/C: resilient performance and increasing reinvestment yield in 4Q

Comments

- **Interest & similar income**

Net interest result remains resilient as higher income on equities largely compensates lower income on debt. Average asset base also impacted by capital upstreaming. Current yield decline of 9bps in line with market environment.

- **Net harvesting & other**

Mainly lower F/X result net of hedges.

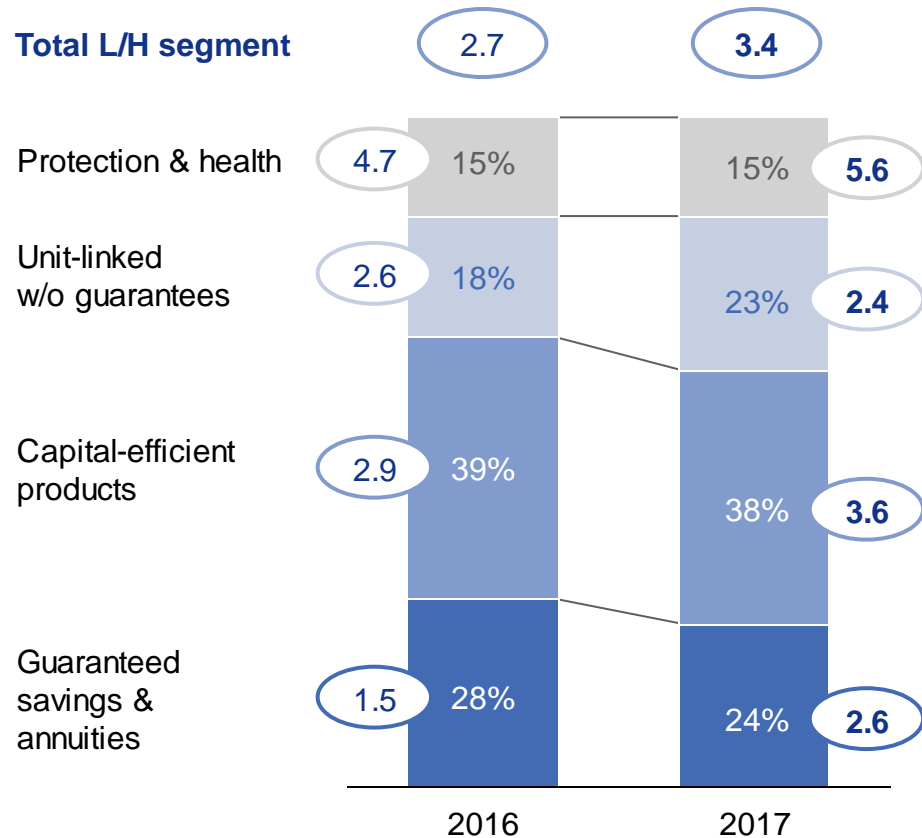
- **Economic reinvestment yield**

4Q 2017 reinvestment yield of 1.9% the highest quarterly level YTD.

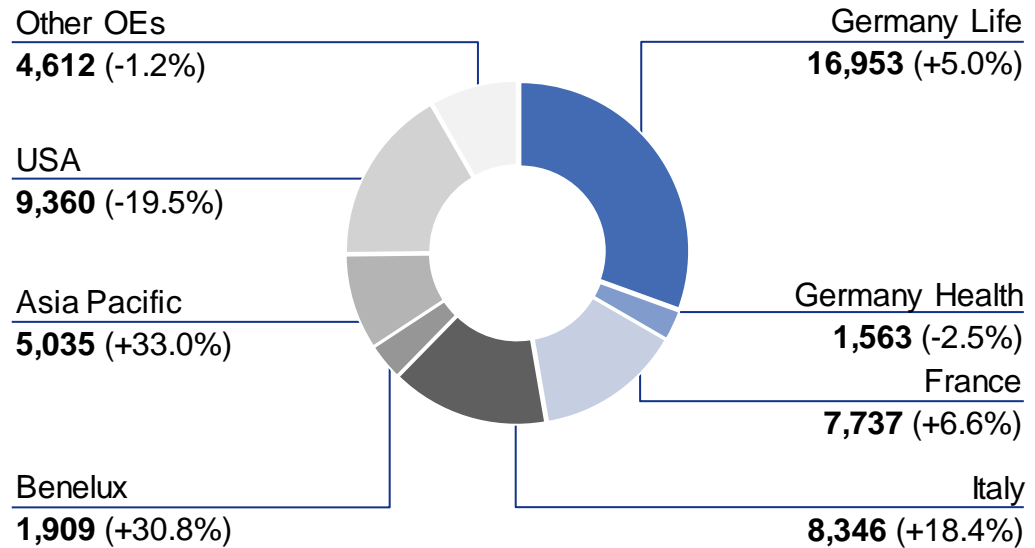
L/H: 4% new business growth with NBM 3.4%

PVNBP share by line

○ NBM (in %)



PVNBP by OE (EUR mn)



EUR mn	2016	2017	Δ p.y.
PVNBP	53,591	55,515	+3.6%
Single premium	32,204	34,263	+6.4%
Recurring premium	4,454	4,671	+4.9%
APE	7,674	8,097	+5.5%

L/H: 4% new business growth with NBM 3.4%



Comments

PVNB by line

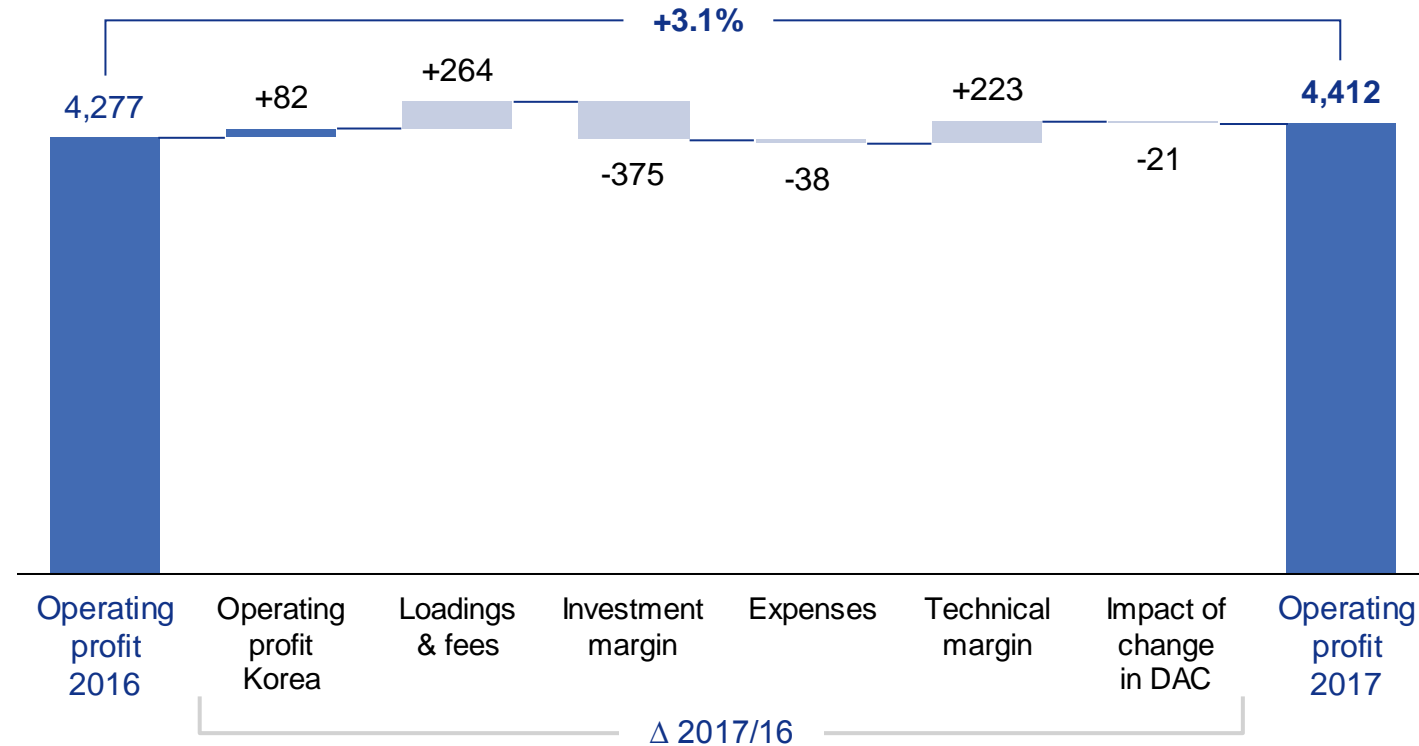
- **New business growth of 4%**
With NBM at target level, focus is on profitable growth. Strong demand for our preferred lines (+9%). UL sales in Italy and Asia up by EUR 1.3bn each. Capital-efficient products in Germany Life increase by EUR 1.4bn in volume.
- **NBM above target level of 3.0%**
Management actions during 2016 and 2017 contribute to NBM improvement. Three business lines show significantly better NBMs. Strong progress in guaranteed savings & annuities with NBM up +1.1%-p to 2.6%. RoRC of UL products well above 15%.
- **Steadily moving closer to target business mix**
Share of preferred lines of business up 4%-p to 76%; target share of 80% in reach.
- **Net flows keep strong momentum**
Net flows EUR 10.1bn, up 65% (excl. Korea).
Net flows foremost into preferred lines of business.

PVNB by OE

- **Germany Life – preferred lines grow 15%**
Highlight is group business where >80% of existing contracts have been converted to capital-efficient products.
- **USA – hybrid VA production up 43%**
Overall drop due to FIA sales campaign 2016 and F/X. Allianz Life retains top rank in the FIA space and moves from #9 to #6 in VA business (as of 3Q 17).
- **France – improved business mix**
All lines of business with much better NBM.
- **Italy – share of preferred lines up to 89%**
Capital-efficient products show highest plus with +92% in PVNB. UL business up 26%.
- **Asia Pacific – 33% growth with 4.5% NBM**
UL business (+57%) main driver for business volume. Share of preferred lines of business up 6%-p to 77%.

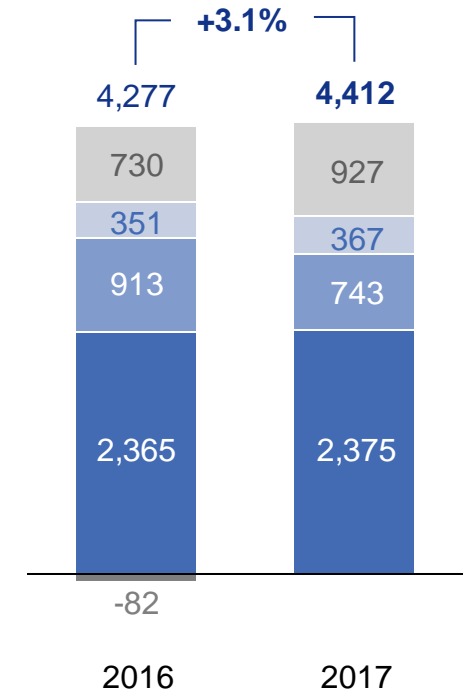
L/H: operating profit of EUR 4.4bn above target range (EUR mn)

Operating profit by source



2017	0	5,989	4,112	-6,860	1,238	-68
2016	-82	5,726	4,487	-6,821	1,015	-47

Operating profit by line



- Protection & health
- Unit-linked w/o guarantees
- Capital-efficient products
- Guaranteed savings & annuities
- Operating profit Korea

L/H: operating profit of EUR 4.4bn above target range



Comments

- **OP at 110% of FY target range midpoint**
Operating profit at excellent level supported by strong investment margin, better technical margin and higher UL fees.
- **L/H RoE up 1.4%-p to 12.1%**
Share of OEs with RoE \geq 10% at 78%.
- **Loadings & fees up 5%**
Higher contribution from reserves (Δ EUR +117mn) and premiums (Δ EUR +78mn; volume increase in Asia). In addition increase of UL fees (Δ EUR +69mn), mainly driven by Italy.
- **Investment margin strong at 97bps**
Prior year investment margin very high at 109bps. Decrease due to lower result from net harvesting and other, down by 29bps to 52bps.
- **Technical margin significantly improved**
Recovery in USA (Δ EUR +181mn) impacted by reserve release vs. prior year reserve increase (refinement of methodology). Better contribution from France (Δ EUR +74mn), mainly as a result of a better combined ratio in health.

Operating profit by line

- **Protection & health up 27%**
Higher contribution from France (Δ EUR +71mn), USA (Δ EUR +70mn) and Asia (Δ EUR +31mn).
- **UL increases 5%**
Result of higher AuM and performance fees in Italy.
- **Capital-efficient products driven by USA**
Swing in hedging result (positive to negative) and unlocking. Total operating profit L/H USA strong at EUR 1.0bn.
- **Guaranteed savings & annuities**
Profitability remains at good level.

L/H: VNB up 30 percent

EUR mn		Value of new business		New business margin		Operating profit	
		2017	Δ p.y.	2017	Δ p.y.	2017	Δ p.y.
Total L/H segment		1,882	+29.9%	3.4%	+0.7%-p	4,412	+3.1%
Large OEs	Germany Life	639	+17.8%	3.8%	+0.4%-p	1,155	-8.3%
	USA	323	+18.0%	3.4%	+1.1%-p	1,049	-2.9%
	Italy	184	+41.3%	2.2%	+0.4%-p	243	-4.1%
	France	146	+147.1%	1.9%	+1.1%-p	664	+1.2%
Selected OEs	Asia Pacific	227	+28.5%	4.5%	-0.2%-p	192	+129.0%
	Spain	63	+6.1%	5.4%	+1.1%-p	277	+22.3%
	Germany Health	54	+57.6%	3.5%	+1.3%-p	210	+23.1%
	Turkey	53	+0.9%	6.4%	-0.8%-p	73	+3.0%
	Benelux	44	+144.6%	2.3%	+1.1%-p	133	+7.9%
	CEE	35	+6.5%	6.4%	+0.4%-p	147	+18.2%
	Switzerland	30	+291.9%	3.4%	+2.7%-p	88	+8.1%

L/H: VNB up 30 percent



Comments

New business

- **Successful new business management**
Outstanding NBM and VNB show that our products are value creating even in a very low interest rate environment.
- **NBM above target level of 3.0%**
Main drivers for improvement are more benign economic conditions (+0.2%-p), better business mix (+0.1%-p), introduction of new model for calculation of technical provision in Germany Life and change in non-economic assumptions. Significant improvement across almost all entities. 4Q 2017 NBM at 3.6%.
- **VNB at highest level in 10 years**
81% of VNB stem from preferred lines of business. VNB multiplier in the range of 3.0 - 3.5 (conversion to undiscounted operating profit).
- **Asia Pacific #3 contributor to VNB**
VNB growth across the board. Five largest OEs show a VNB increase of 29%.

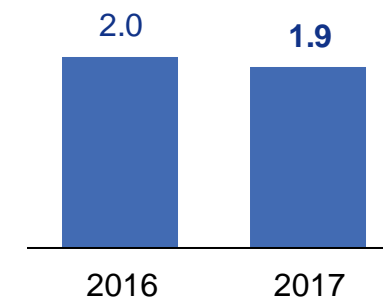
Operating profit

- **France – progress of protection & health business**
Better combined ratio in health business offsets lower investment margin (prior year real estate sale).
- **USA – again above EUR 1bn**
Stable in USD. Lower result from FIA largely offset by VA and protection.
- **Germany Life – solid contribution**
Investment margin remains strong, slight decrease due to ALM optimization in 2016. RoE very good at 18.0%.
- **Germany Health – investment margin**
Better equity result drives investment margin (Δ EUR +30mn).
- **Asia Pacific – improvement across most OEs**
Prior year figures include 1Q result from Korea. Adjusted for this operating profit is up 16%.
- **Spain – better investment margin**
Investment margin benefits from ALM optimization.

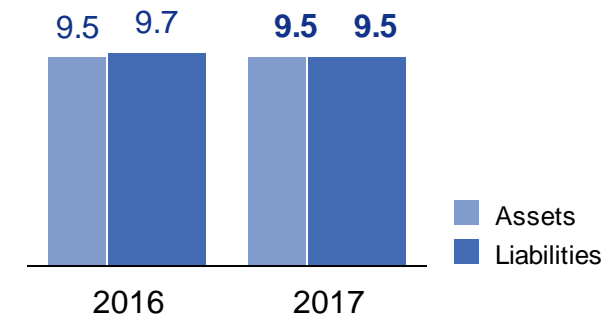
L/H: investment margin strong at 97bps

(Yields are pro-rata)	Investment margin	
	2016 ¹	2017
Based on Ø book value of assets² (EUR bn)	499	521
Current yield	3.5%	3.4%
Based on Ø aggregate policy reserves (EUR bn)	412	425
Current yield	4.3%	4.2%
Net harvesting and other ³	0.8%	0.5%
Total yield	5.1%	4.7%
- Ø min. guarantee ⁴	2.1%	2.1%
Gross investment margin (in %)	3.0%	2.6%
- Profit sharing under IFRS ⁵	1.9%	1.7%
Investment margin (in %)	1.1%	1.0%
Investment margin (EUR mn)	4,487	4,112

Economic reinvestment yield (debt securities; in %)



Duration⁶



- 1) Prior year figures are presented excluding the effects from the Korean life business
- 2) Asset base under IFRS which excludes unit-linked, FVO and trading
- 3) Other comprises fair value option, trading and F/X gains and losses, as well as investment expenses
- 4) Based on technical interest
- 5) Includes bonus to policyholders under local statutory accounting and deferred premium refund under IFRS
- 6) For the duration calculation a non-parallel shift in line with SII yield curves is used. Data excludes internal pensions residing in the L/H segment

L/H: investment margin strong at 97bps

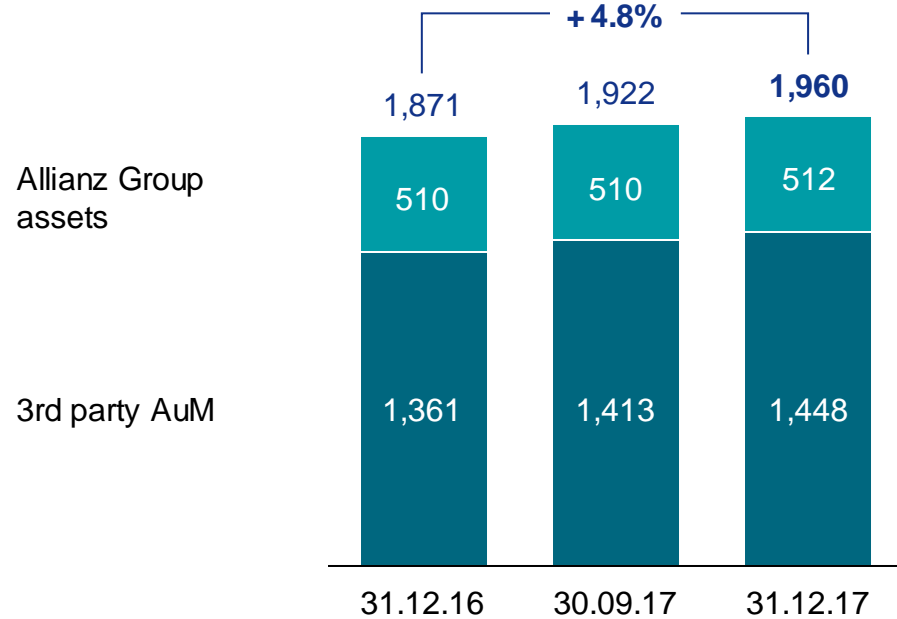


Comments

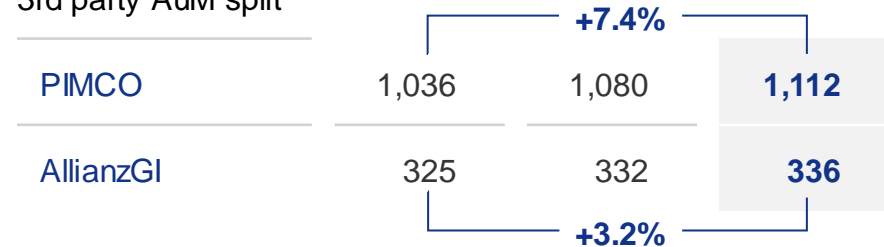
- **Yield decline mitigated**
Current yield based on aggregate policy reserves down by 11bps. Impact largely offset by lower average minimum guarantee (-7bps).
- **Net harvesting and other – less net realized gains**
Result from net harvesting and other at 52bps equals drop of 29bps vs. the year before (81bps).
Main reason is lower contribution of net realized gains (Δ -35bps).
- **Unrealized gains > EUR 65bn**
High level of unrealized gains: EUR 48bn on debt securities and loans, EUR 12bn for equities, EUR 5bn for real estate (held for investment) and EUR 2bn for other.
- **Investment margin (in %) – 97bps**
Normal full-year level for 2018 expected at approx. 90-95bps.
- **Investment margin (EUR mn) – above EUR 4bn**
Support from higher reserve base (+3%).
- **PHP stable**
PHP in line with previous year level at 79%.
- **Economic reinvestment yield**
Reinvestment yield in 4Q 2017 at 2.1%.
- **Duration optimized**
Asset duration stable due to management action offsetting impact from higher rates. Liability duration reduced due to market movements.

AM: EUR 150bn 3rd party net inflows (EUR bn)

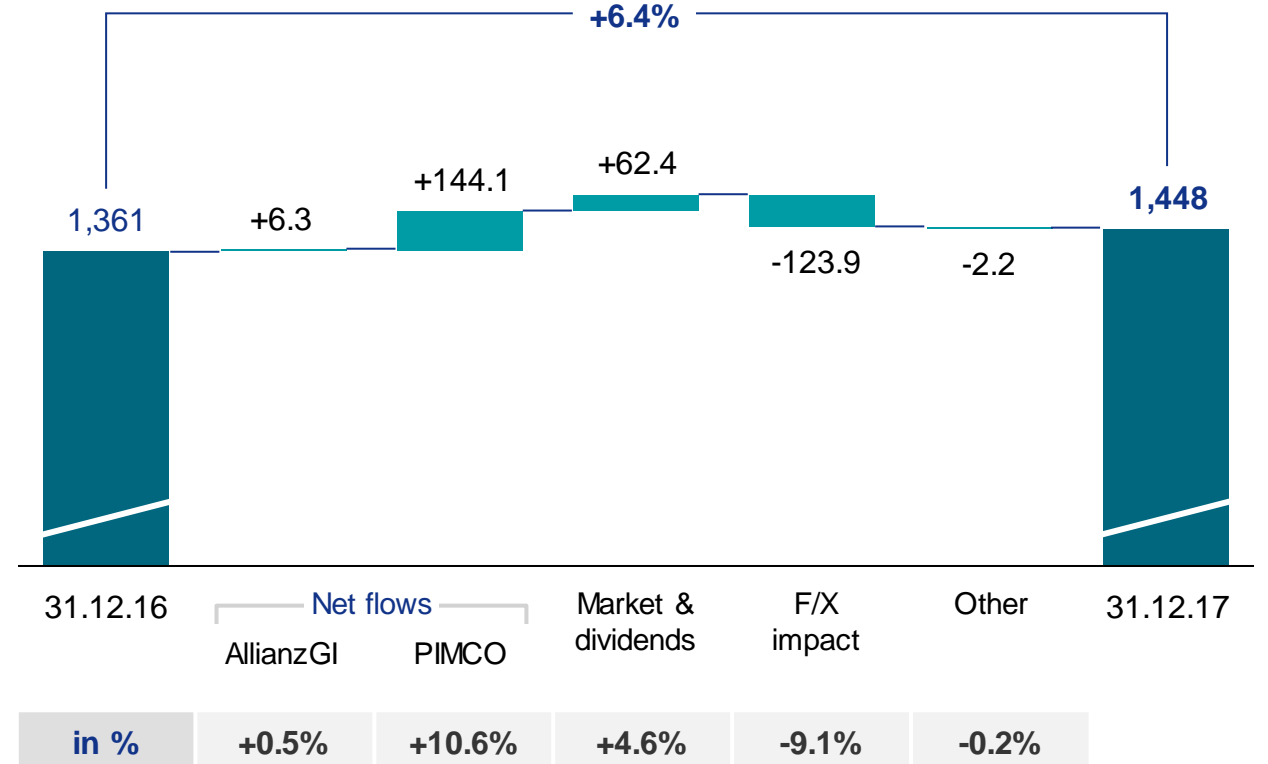
Total assets under management



3rd party AuM split



3rd party assets under management development



AM: EUR 150bn 3rd party net inflows

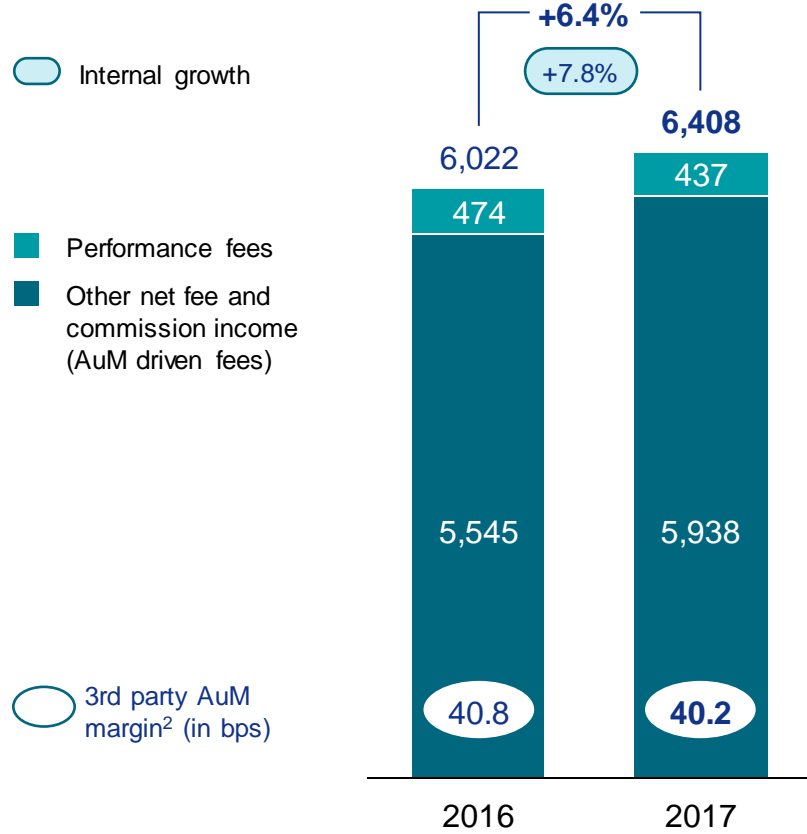


Comments

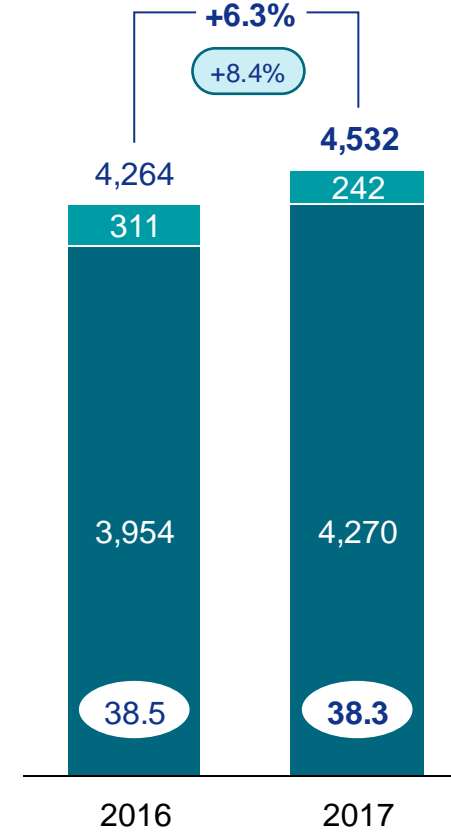
- **3rd party AuM segment – up 15% excluding F/X**
Nominal growth +6% / EUR +87bn, driven by EUR 150bn 3rd party net inflows (thereof EUR 45bn in 4Q 2017) and by favorable markets, more than offsetting significantly negative F/X impact of EUR -124bn. 3rd party net inflows and total AuM at highest level ever.
- **3rd party AuM PIMCO – up 18% excluding F/X**
EUR 144bn 3rd party net inflows, EUR 41bn market effects and EUR -111bn F/X impact result in nominal increase of 7% / EUR 76bn.
- **3rd party AuM AllianzGI – up 7% excluding F/X**
EUR 21bn market impact, EUR 6bn 3rd party net inflows and EUR -13bn F/X impact are major drivers of nominal 3rd party AuM increase of 3% / EUR 10bn.
Net deconsolidation impact of AllianzGI Korea EUR -4bn.
- **Net inflows PIMCO: EUR 144bn, EUR 43bn in 4Q**
Strong 3rd party net inflows, driven by strategies like Income, Long Duration, Enhanced Cash and Investment Grade Credit. US Income Fund contributes ~22% of 3rd party net inflows in FY 2017.
- **Investment performance PIMCO – outstanding**
95% of 3rd party AuM outperform benchmarks on a trailing 3-year basis before fees (3Q 2017: 93%).
- **Net inflows AllianzGI: EUR 6bn, EUR 2bn in 4Q**
3rd party net inflows in multi asset, fixed income and alternatives business more than compensate for 3rd party net outflows in equities.
- **Investment performance AllianzGI – all-time high**
75% outperforming 3rd party AuM, exceeding all previous levels.

AM: net inflows drive revenue growth (EUR mn)

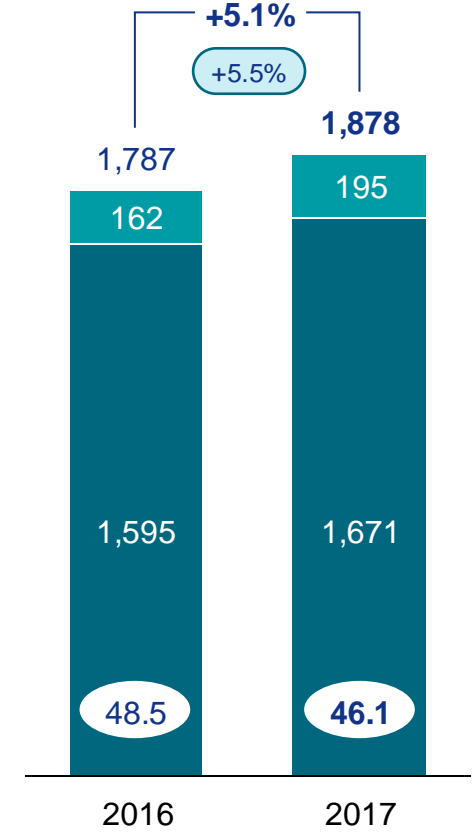
Revenues development¹



PIMCO³



AllianzGI⁴



1) Other operating revenues in the AM segment of EUR 3mn in 2016 and EUR 33mn in 2017 are not shown in the chart
 2) Excluding performance fees and other income

3) Other operating revenues at PIMCO of EUR -1mn in 2016 and EUR 20mn in 2017 are not shown in the chart
 4) Other operating revenues at AllianzGI of EUR 29mn in 2016 and EUR 12mn in 2017 are not shown in the chart

AM: net inflows drive revenue growth

Comments

- **Revenues up 8% (internal growth)**

AuM driven fees up 7% (+9% excluding F/X) particularly due to higher average 3rd party AuM (+9%).

Performance fees FY 2017 decrease (Δ EUR -37mn) driven by less carried interest at PIMCO due to phasing out of one large fund. AllianzGI performance fees at highest level ever.

Performance fees 4Q 2017 at EUR 218mn (= 50% of performance fees FY 2017).

- **Margin PIMCO – stable**

3rd party AuM margin nearly unchanged; quarterly margins stable (4Q 16 and 4Q 17: 38.4bps).

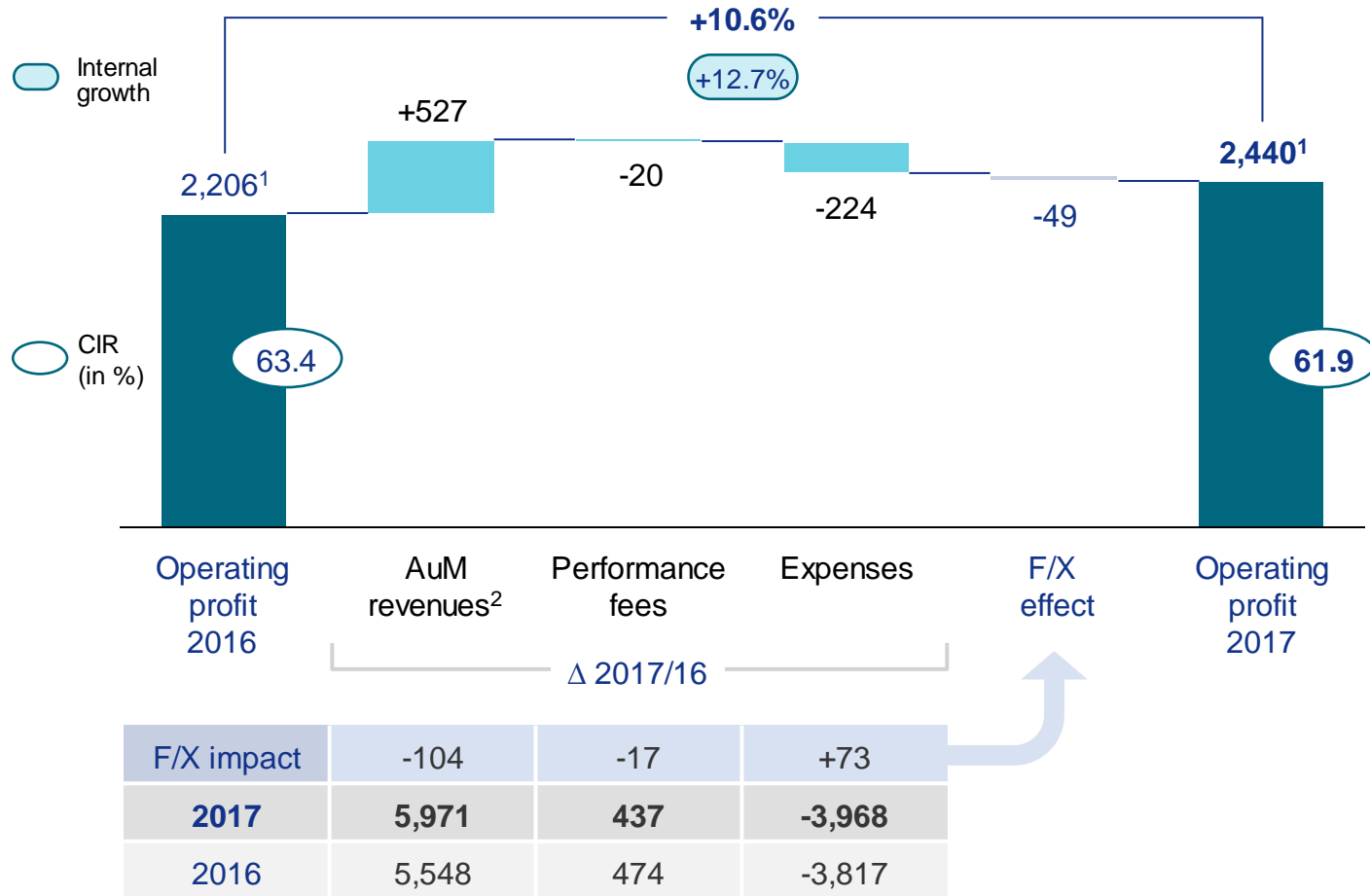
- **Margin AllianzGI – impacted by business mix**

FY margin down 2.4bps driven by M&A (first time consolidation of Rogge Global Partners end of May 2016), by business mix and by several smaller technical effects. Excluding M&A and technical effects underlying margin decreases by 0.4bps. Volume growth more than compensates for margin decline.

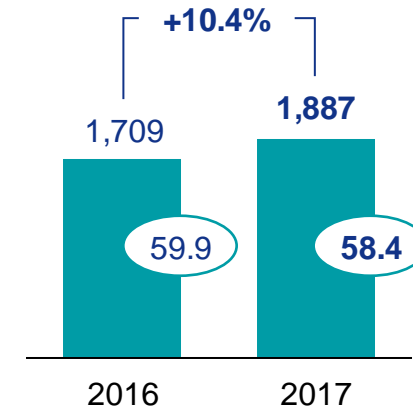
3rd party AuM margin in 4Q 2017 (46.2bps) approximately at FY level (46.1bps).

AM: OP at 106% of outlook midpoint (EUR mn)

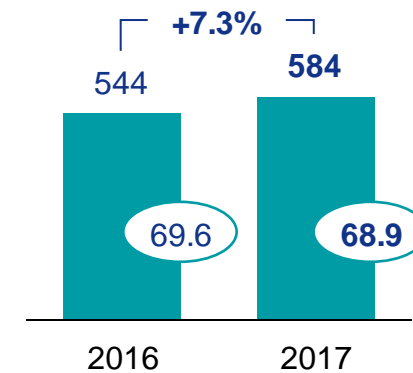
Operating profit drivers



PIMCO



AllianzGI



1) Including operating loss from other entities of EUR -47mn in 2016 and EUR -31mn in 2017
 2) Including other operating revenues

AM: OP at 106% of outlook midpoint

Comments

- **Segment – OP at 106% of outlook midpoint**

Net inflows, higher average AuM and higher revenues result in nominal operating profit growth of 11% (13% excluding F/X). CIR improves 1.5%-p because personnel and non-personnel expenses grow less than revenues.

Operating profit 4Q 2017 (EUR 697mn) 8% above 4Q 2016 (EUR 642mn), primarily due to higher AuM driven revenues and higher AllianzGI performance fees. F/X adjusted quarterly operating profit increases 16%.

	4Q 2016	4Q 2017	Δ
Operating revenues (EUR mn)	1,656	1,750	+6%
Operating profit (EUR mn)	642	697	+8%
3rd party net flows (EUR bn)	+2	+45	+43
3rd party AuM margin (bps)	40.4	40.3	-0.1bps
CIR (%)	61.2%	60.2%	-1.0%-p

- **PIMCO – strong OP**

Operating profit up 10% (+13% excluding F/X) supported by EUR 144bn 3rd party net inflows and higher average AuM.

EUR 546mn operating profit in 4Q 2017, the highest quarterly level since 3Q 2014.

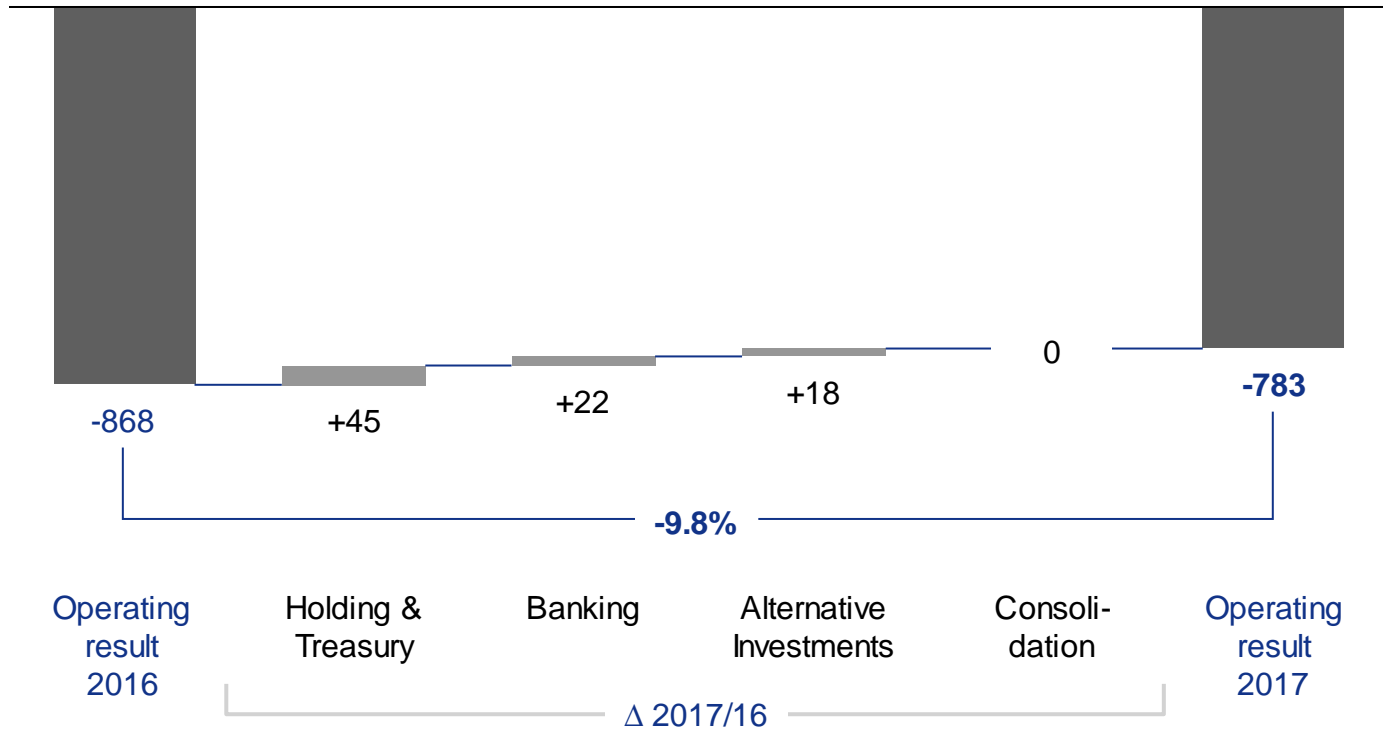
CIR better than 2018 target level of 60%.

- **AllianzGI – annual OP on record level**

Operating profit 4Q 2017 (EUR 157mn) 16% above 4Q 2016 (EUR 136mn), driven by strong AuM driven revenues and performance fees.

CO: improving (EUR mn)

Operating loss development and components



2017	-936	96	57	0
2016	-981	74	39	0

CO: improving

Comments

- **Holding & Treasury with good improvement**
Main driver is higher net interest result. For the last time we recognized a positive impact related to the cost allocation scheme for the pension provisions between the German subsidiaries and Allianz SE (EUR 148mn in 1Q 2017).
- **Banking driven by higher revenues and lower net loan loss provisions**
Operating profit contribution from OLB was EUR 51 mn.

Group: shareholders' net income at EUR 6.8 billion

EUR mn	2016	2017	Change
Operating profit	11,056	11,097	+41
Non-operating items	-643	-949	-306
Realized gains/losses (net)	1,503	1,033	-470
Impairments (net)	-681	-504	+177
Income from financial assets and liabilities carried at fair value (net)	11	-1	-12
Interest expenses from external debt	-858	-838	+20
Acquisition-related expenses	2	7	+5
Restructuring charges	-166	-450	-284
Amortization of intangible assets	-135	-135	0
Change in reserves for insurance and investment contracts (net)	0	-61	-61
Reclassifications	-319	0	+319
Income before taxes	10,413	10,148	-265
Income taxes	-3,085	-2,941	+144
Net income	7,329	7,207	-122
Non-controlling interests	-367	-404	-37
Shareholders' net income	6,962	6,803	-158
Effective tax rate	30%	29%	-1%-p

Group: shareholders' net income at EUR 6.8 billion



Comments

- **S/h net income driven by non-operating result**
Shareholders' net income impacted by lower non-operating result (Δ EUR -306mn), partially offset by better operating profit and more favorable tax ratio.
- **Non-operating result- less net realized gains**
Less net realized gains (Δ EUR -470mn) due to less net realized gains on equities (Δ EUR -214mn) and debt securities (Δ EUR -225mn).
- **Impairments (net) affected by disposals**
Main impact from OLB disposal reflected in line item impairments (net). Prior year result affected by sale of Korean life business (EUR -210mn).
- **Restructuring charges**
Higher investments in productivity and efficiency (restructuring charges Δ EUR -284mn), mainly Allianz Technology, AGCS and Germany P/C.
- **Neutral result from reclassification**
Prior year result affected by sale of Korean life business.
- **Tax rate at good level**
In 2017 negative impact from US tax reform offset by tax free income and exceptional tax benefits. Nominal US corporate tax rate lowered from 35% to 21% and tax base widened from 2018 onwards. As a result positive net income impact from US tax reform estimated at EUR 0.3bn. Hence, Allianz Group tax rate for 2018 expected between 26%-28%.
- **Deals previously announced, but not yet closed**
In 4Q 2017 Allianz agreed to sell parts of its life insurance portfolio in Taiwan. Negative net income impact of EUR ~0.2bn expected in 2018. Positive net income impact of EUR ~0.1bn in 2018 expected from increased stake in Euler Hermes.

Outlook 2018 – operating profit (EUR bn)

Disclaimer:
Impact from NatCat, financial markets and global economic development not predictable!

	P/C	L/H	AM	Corp/Cons	Group
High	5.7	4.5	2.7	-0.8	11.6
Midpoint	5.4	4.2	2.4	-0.9	11.1
Low	5.1	3.9	2.1	-1.0	10.6
Midpoint 2017	5.3	4.0	2.3	-0.8	10.8
Actual 2017	5.1	4.4	2.4	-0.8	11.1

+3%

Outlook 2018 – status quo of 3-year ambitions

2017	2018			2017	2018
2.3% ¹	5% ¹	EPS Growth	Businesses with NPS above market	60% ³	75%
11.8% ²	13%	RoE Allianz Group	SII interest rate sensitivity	11%-p	<11%-p
95.2%	94%	P/C CR	PIMCO CIR	58.4%	60%
78% ²	100%	L/H OEs with RoE ≥10%	IMIX	72% ³	72%
3.4%	3.0%	L/H NBM	Share of newly launched digital products	78% ⁴	~100%

1) CAGR of EPS versus EPS for FY 2015

2) For more details on the RoE calculation please refer to the glossary

3) Based on latest available data

4) Average of isolated quarterly figures

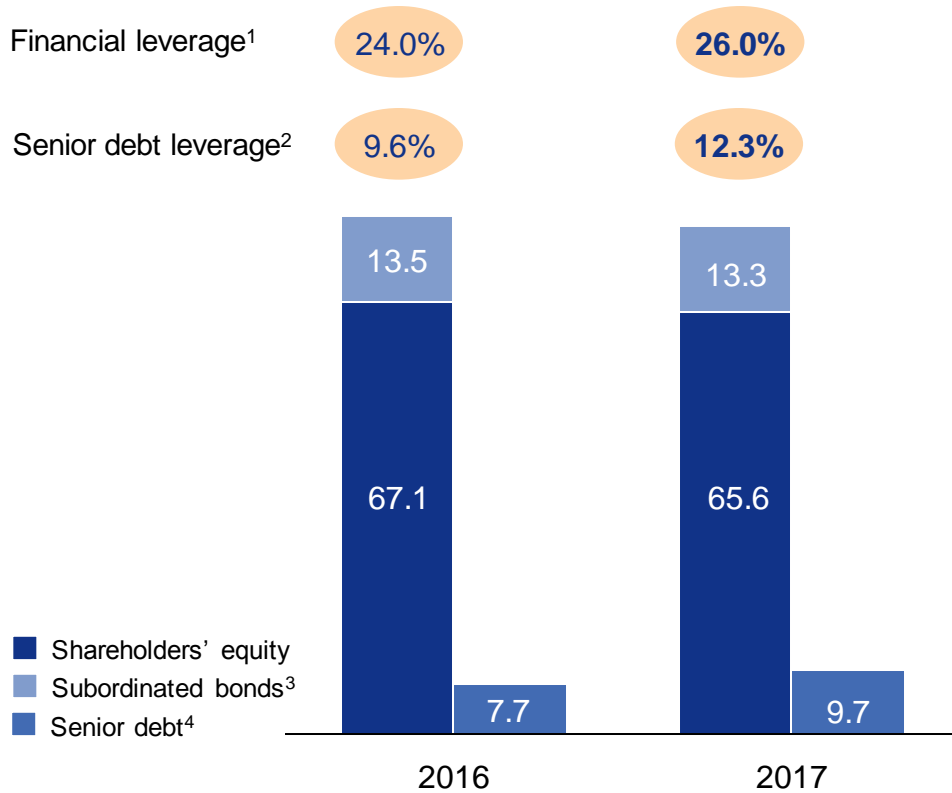
B

Group financial
results 2017

- 1 Highlights
- 2 **Additional information**

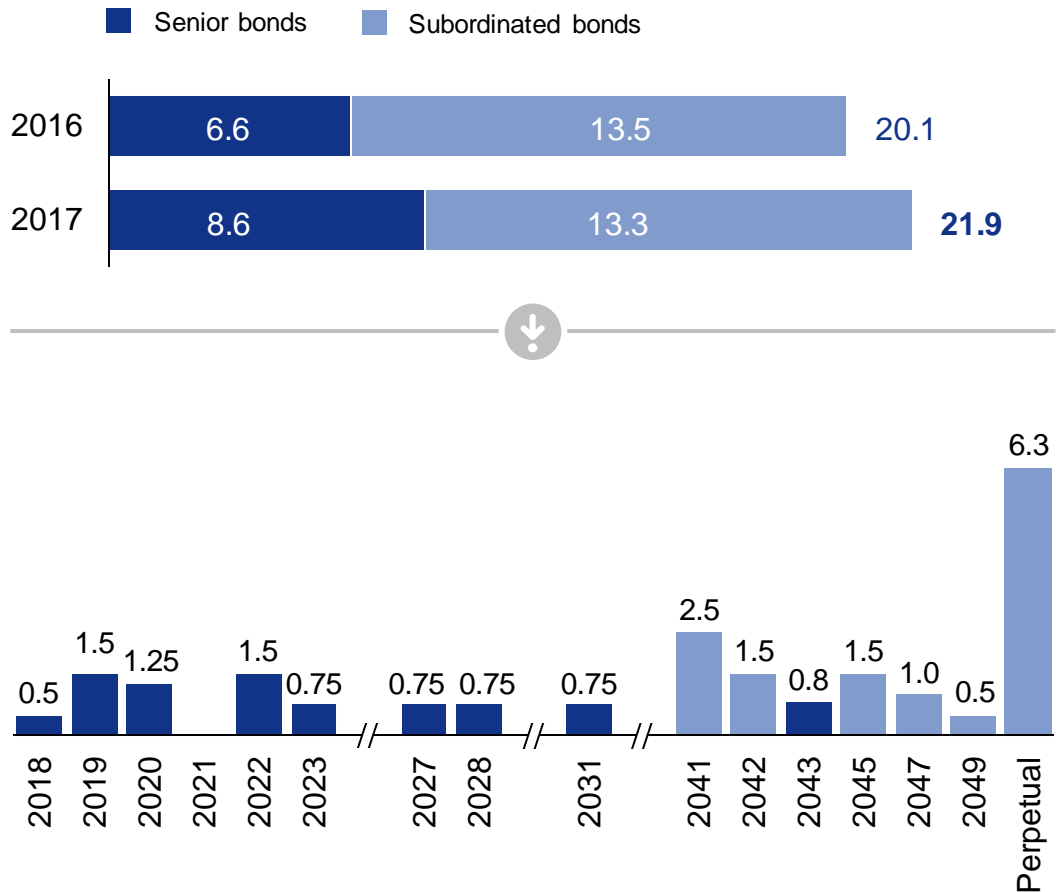
Group: financial leverage well in AA-range (EUR bn)

Leverage ratios

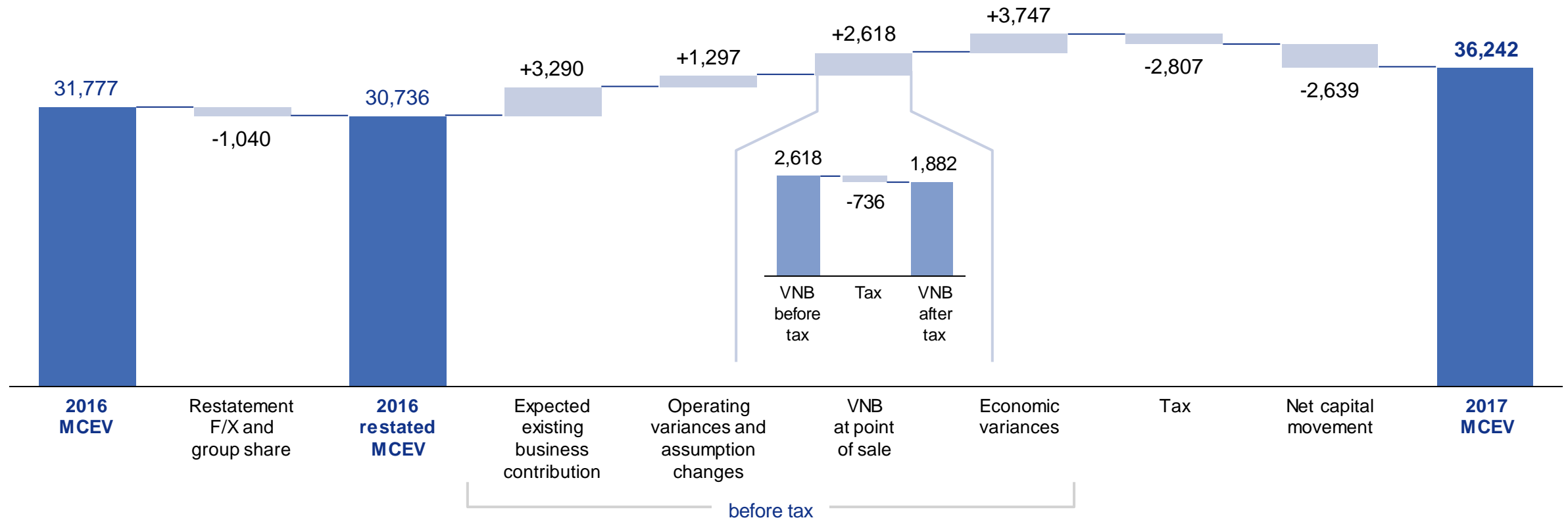


1) Senior debt and subordinated bonds divided by the sum of senior debt, subordinated bonds and shareholders' equity
 2) Senior debt divided by the sum of subordinated bonds and shareholders' equity
 3) Subordinated liabilities excluding bank subsidiaries; nominal value
 4) Certificated liabilities excluding bank subsidiaries; nominal value

Outstanding bonds and maturity structure



L/H: MCEV based on SII balance sheet¹ (EUR mn)



1) After non-controlling interests

AM: splits of 3rd party AuM

EUR bn		AAM		PIMCO		AllianzGI	
		31.12.16	31.12.17	31.12.16	31.12.17	31.12.16	31.12.17
Regions¹	America	753	773	669	692	84	82
	Europe	446	508	228	274	219	234
	Asia Pacific	162	166	139	146	23	20
Investment vehicles	Mutual funds	786	859	572	630	214	229
	Separate accounts	575	588	464	482	111	107
Asset classes	Fixed income	1,027	1,106	935	1,013	92	93
	Equity	140	136	23	24	117	112
	Multi-Assets	137	148	36	34	101	114
	Other	57	58	42	41	15	17

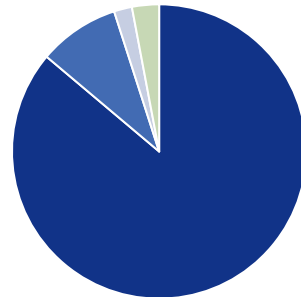
1) Based on the location of the asset management company

High quality investment portfolio

Asset allocation

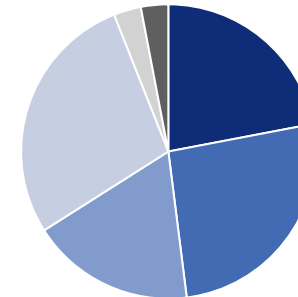
Total: EUR 664.4bn
(2016: EUR 653.1bn)

Debt instruments	87% (88%)
Equities	9% (8%)
Real estate ¹	2% (2%)
Cash/Other	3% (2%)



Debt instruments by rating²

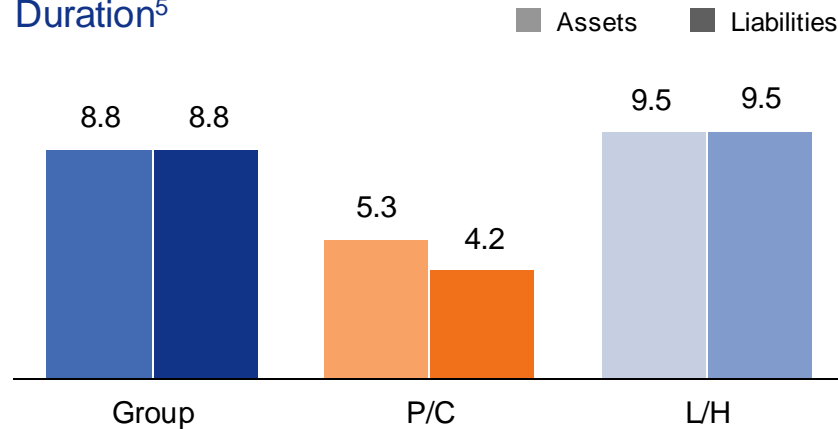
AAA	21%
AA	25%
A	19%
BBB	29%
Non-investment grade	3%
Not rated ³	3%



By segment (EUR bn)

	Group	P/C ⁴	L/H ⁴
Debt instruments	576.1	84.2	453.6
Equities	60.2	9.0	48.1
Real estate ¹	11.4	2.8	8.3
Cash/Other	16.7	4.0	8.2
Total	664.4	100.0	518.2

Duration⁵



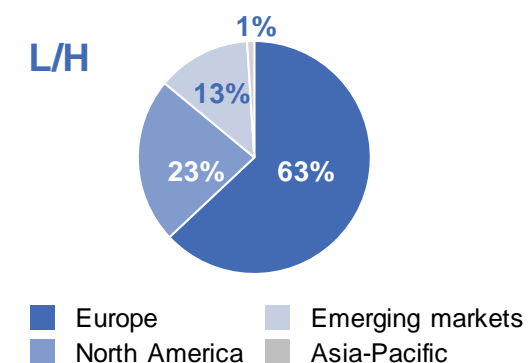
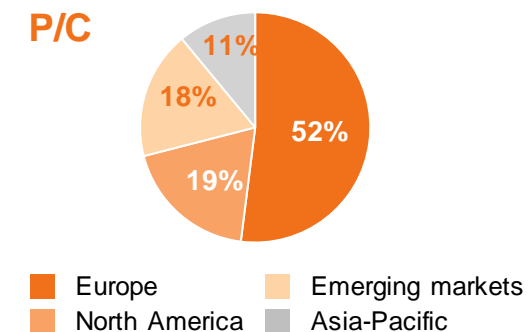
1) Excluding real estate held for own use and real estate held for sale
 2) Excluding seasoned self-originated private retail loans
 3) Mostly mutual funds and short-term investments
 4) Consolidated on Group level

5) For the duration calculation a non-parallel shift in line with SII yield curves is used. Internal pensions are included in Group data, while they are excluded in P/C and L/H segments.

Economic reinvestment yields 2017

		New F/ investments	Yield	Maturity in years
P/C	Government bonds ¹	52%	1.7%	9
	Covered ²	16%	1.6%	7
	Corporates	33%	1.6%	8
	Total F/I 2017	100%	1.6%	9
L/H	Government bonds ¹	52%	1.6%	18
	Covered ²	19%	2.3%	12
	Corporates	29%	2.3%	14
	Total F/I 2017	100%	1.9%	16
In EUR bn		New investments	Current Yield	
Group	Real Assets	8.6	~4%	

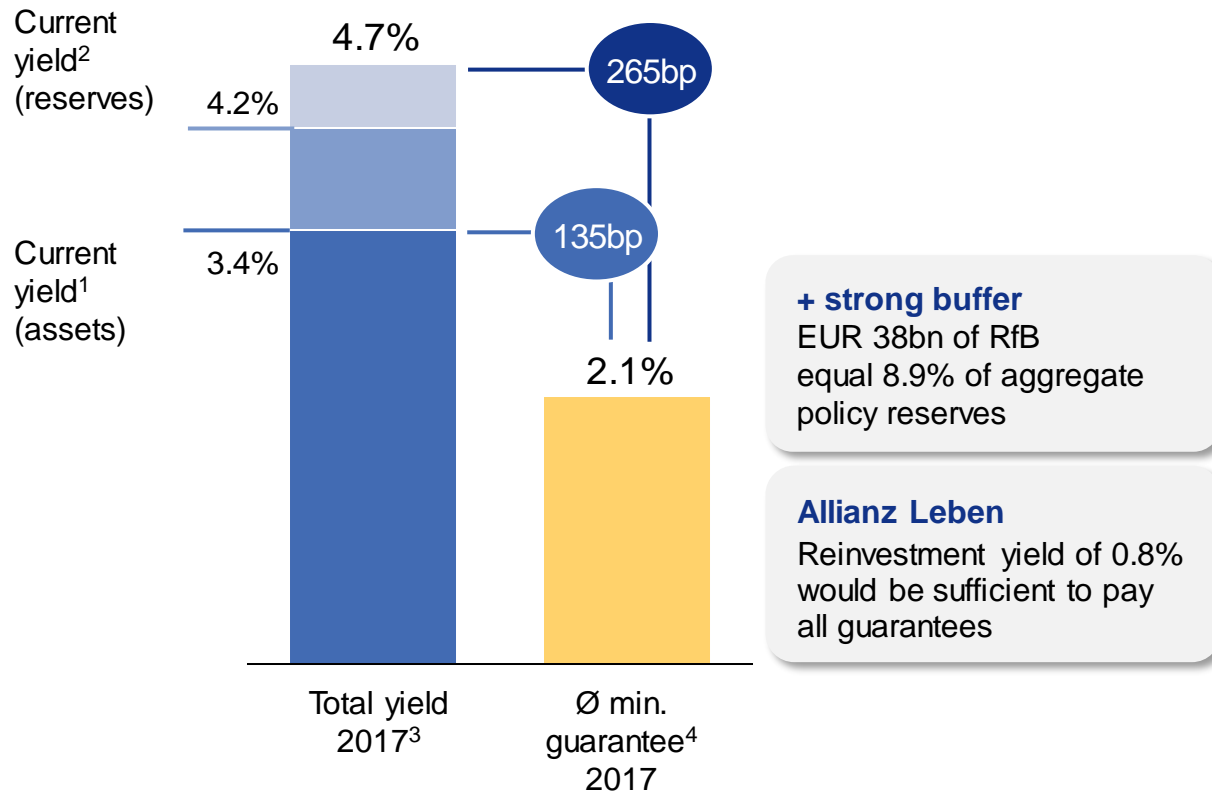
Regional allocation



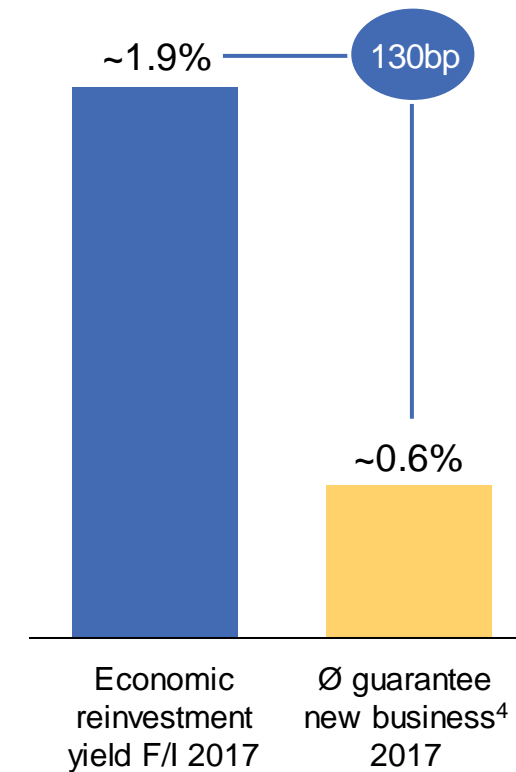
1) Treasuries and government related
2) Including ABS/MBS

Resilient margins in L/H

Business in force

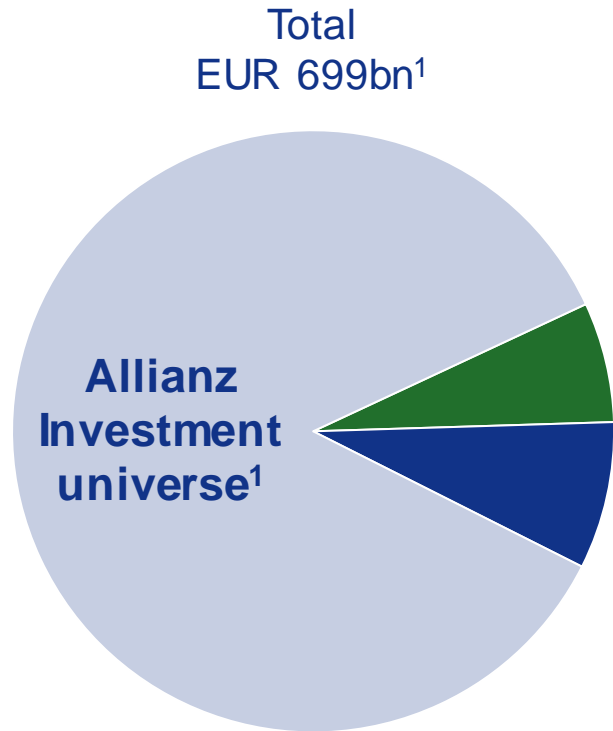


New business

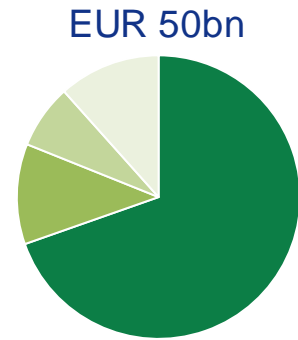


1) IFRS current interest and similar income (net of interest expenses) relative to average asset base (IFRS) which excludes unit-linked, FVO and trading.
 2) IFRS current interest and similar income (net of interest expenses) relative to average aggregate policy reserves.
 3) IFRS current interest and similar income (net of interest expenses) + net harvesting and other (operating) relative to average aggregate policy reserves.
 4) Weighted by aggregate policy reserves

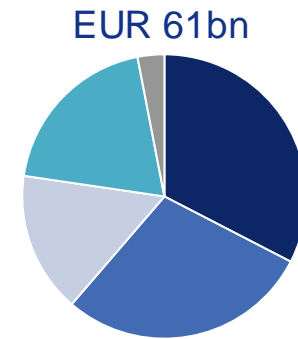
Alternative asset quota of 16%



Alternative equity
7%



Alternative debt
9%



Alternative investment portfolio 2017: EUR 111bn

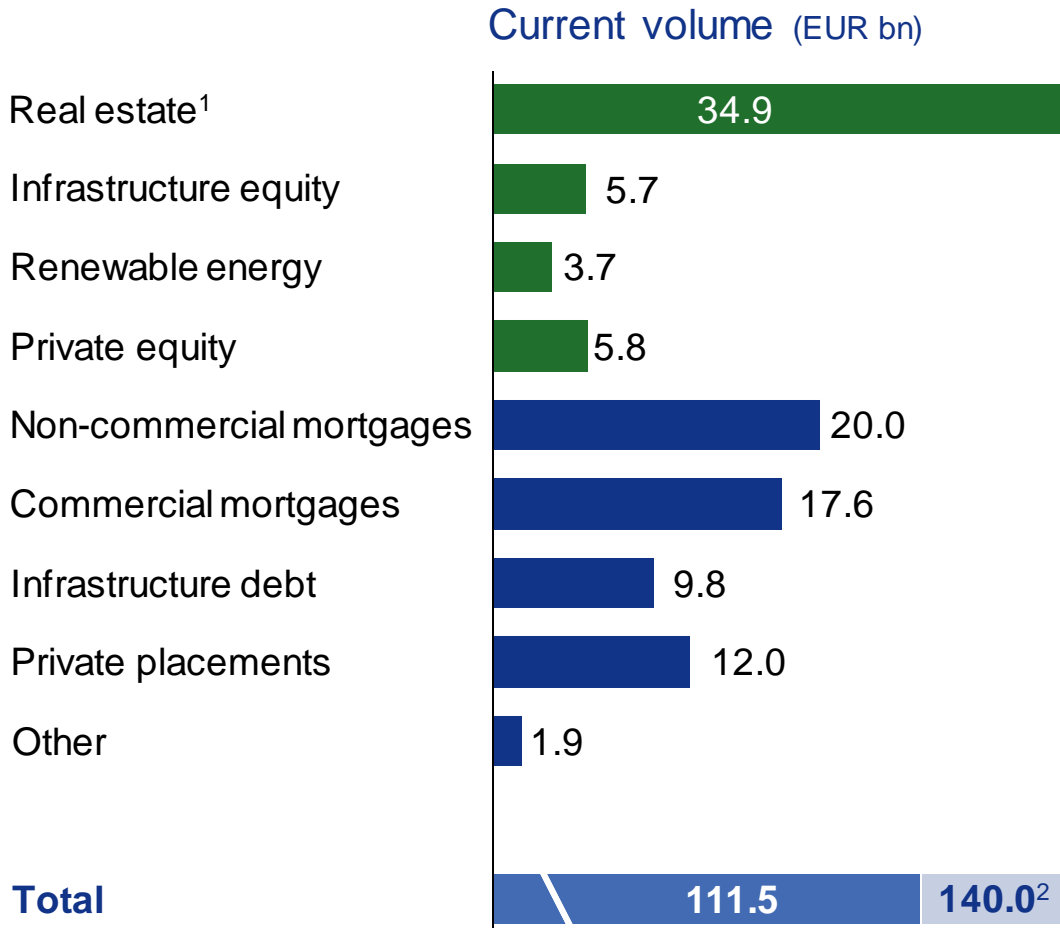
Mid-term target: EUR 140bn

Alternative equity	Avg. expected return
Real estate	4-6%
Infrastructure equity	5-8%
Renewable energy	4-6%
Private equity	10-12%

Alternative debt	Avg. expected return
Non-commercial mortgages	1-2%
Commercial mortgages	1.5-2.5%
Infrastructure debt	2.5-4%
Private placements	1.5-3.5%
Other	6-8%

1) Based on economic view. Compared to accounting view it reflects a volume increase due to switch from book to market values and changed asset scope (e.g. including FVO, trading and real estate own-use)

Alternative assets grew by 11%; diversification increased



Investment examples

China Outlet Mall Fund

- Expand investment footprint in China by USD 225mn
- Core-plus real estate fund focusing on premier outlet malls



Autostrade per l'Italia

- EUR 580mn in largest Italian toll road network
- The network covering more than 50% of the country's motorways



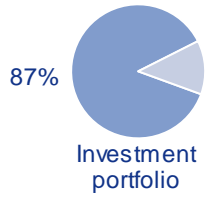
Elenia

- EUR 840mn in Finland's second largest electricity distribution system operator
- and ninth largest district heating network



1) Market value of real estate assets including EUR 23.7bn directly held real estate assets (e.g. held for investment, held for own use) and EUR 11.3bn indirectly held real estate assets (e.g., associates and joint ventures, available-for-sale investments). Net of minorities (EUR 0.3bn)

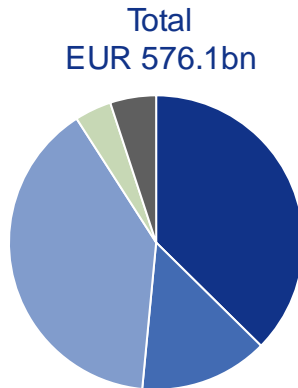
2) Mid-term target



High quality fixed income portfolio

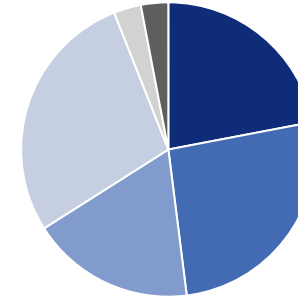
By type of issuer

Government	37%
Covered	14%
Corporate	39%
<i>thereof Banking</i>	5%
ABS/MBS ¹	4%
Other ²	5%



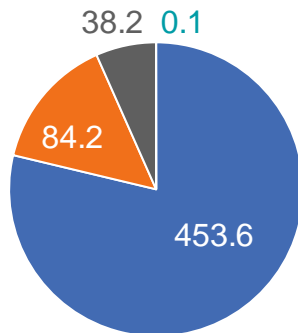
By rating³

AAA	21%
AA	25%
A	19%
BBB	29%
Non-investment grade	3%
Not rated ⁴	3%



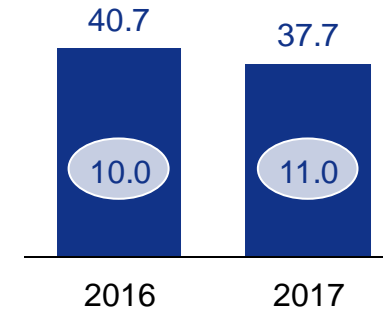
By segment (EUR bn)

L/H	79%
P/C	15%
Corporate and other	7%
Asset Management	0%



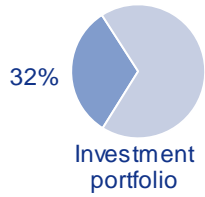
AFS unrealized gains/losses (EUR bn)

Gross unrealized gains/losses
Net unrealized gains/losses ⁵



1) Including U.S. agency MBS investments (EUR 5.2bn)
 2) Including seasoned self-originated private retail loans and short-term deposits at banks
 3) Excluding seasoned self-originated private retail loans

4) Mostly mutual funds and short-term investments
 5) On-balance sheet unrealized gains/losses after tax, non-controlling interests, policyholders and before shadow DAC

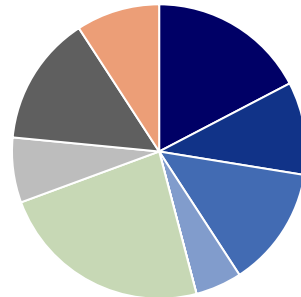


Government bond allocation concentrated in EMU core countries

By region

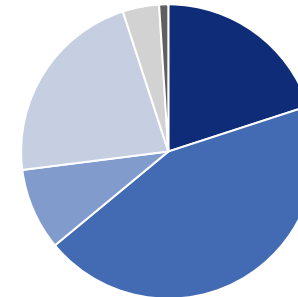
France	17%
Italy	10%
Germany	13%
Spain	5%
Rest of Europe	23%
USA	7%
Rest of World	14%
Supranational	9%

Total
EUR 213.6bn¹



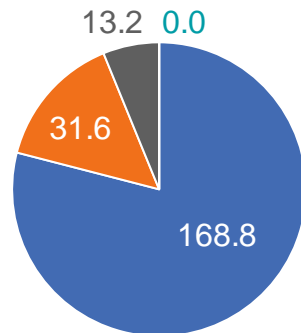
By rating

AAA	20%
AA	44%
A	9%
BBB	22%
Non-investment grade	4%
Not rated	1%



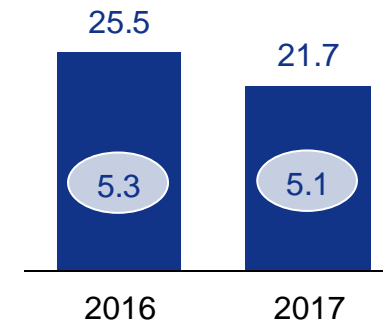
By segment (EUR bn)

L/H	79%
P/C	15%
Corporate and other	6%
Asset Management	0%



AFS unrealized gains/losses (EUR bn)

Gross unrealized gains/losses
Net unrealized gains/losses ²

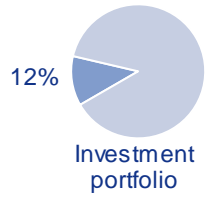


1) Government and government related (excl. U.S. agency MBS)

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

Details sovereigns (EUR bn)

	Group		L/H		P/C	
	BV	% of FI Group	BV	% of FI L/H	BV	% of FI P/C
France	37.2	6.5%	31.1	6.9%	3.7	4.4%
Germany	27.5	4.8%	21.6	4.8%	2.6	3.0%
Italy	22.4	3.9%	18.2	4.0%	2.8	3.3%
Supranational	20.0	3.5%	17.7	3.9%	1.4	1.7%
USA	16.0	2.8%	12.8	2.8%	2.8	3.3%
Belgium	12.1	2.1%	10.1	2.2%	1.1	1.3%
Spain	11.0	1.9%	9.1	2.0%	1.2	1.5%
Austria	8.6	1.5%	7.7	1.7%	0.5	0.6%
Switzerland	5.6	1.0%	4.4	1.0%	1.3	1.5%
Thailand	3.7	0.6%	3.7	0.8%	0.1	0.1%
Netherlands	3.4	0.6%	2.4	0.5%	0.5	0.5%
Australia	3.4	0.6%	0.0	0.0%	3.4	4.0%
Ireland	2.9	0.5%	2.4	0.5%	0.3	0.3%
Mexico	2.2	0.4%	1.9	0.4%	0.2	0.3%
Poland	2.1	0.4%	1.3	0.3%	0.7	0.8%
Finland	2.0	0.3%	1.5	0.3%	0.2	0.2%
Slovakia	1.8	0.3%	1.5	0.3%	0.2	0.3%
Indonesia	1.7	0.3%	1.5	0.3%	0.2	0.2%
Canada	1.7	0.3%	0.7	0.2%	0.7	0.9%
Czech Republic	1.7	0.3%	1.4	0.3%	0.3	0.3%
Portugal	0.3	0.0%	0.1	0.0%	0.1	0.2%
Greece	0.0	0.0%	0.0	0.0%	0.0	0.0%
Other	26.4	4.6%	17.7	3.9%	7.3	8.7%
Total 2017	213.6	37.1%	168.8	37.2%	31.6	37.5%
Total 2016	213.6	37.0%	166.7	36.9%	33.2	38.6%

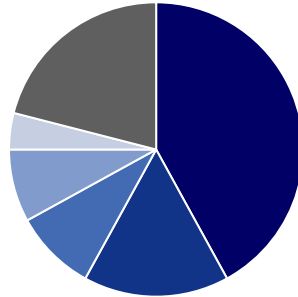


Fixed income portfolio: covered bonds

By country

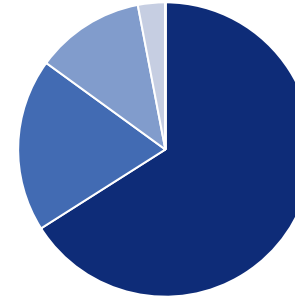
Germany	42%
France	16%
Spain	9%
Italy	8%
UK	4%
Rest of World	21%

Total
EUR 83.0bn



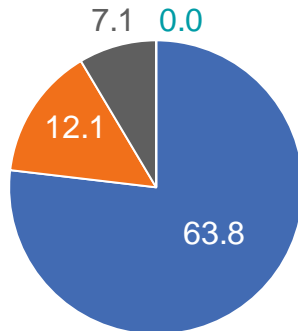
By rating

AAA	66%
AA	19%
A	12%
BBB	3%
Non-investment grade	0%
Not rated	0%



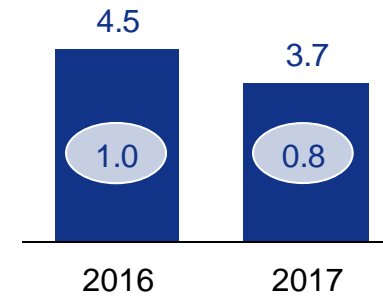
By segment (EUR bn)

L/H	77%
P/C	15%
Corporate and other	9%
Asset Management	0%

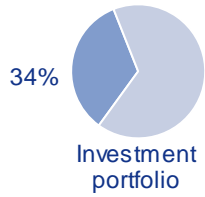


AFS unrealized gains/losses (EUR bn)

Gross unrealized gains/losses
Net unrealized gains/losses ¹



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

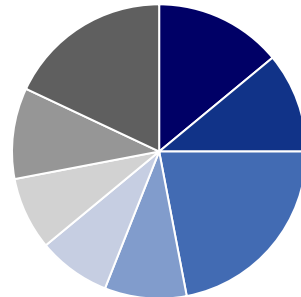


Fixed income portfolio: corporates

By sector

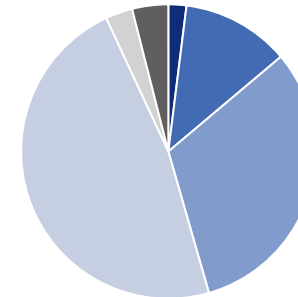
Banking ¹	14%
Other financials	11%
Consumer	22%
Communication	9%
Energy	8%
Industrial	8%
Utility	10%
Other	18%

Total
EUR 226.2bn



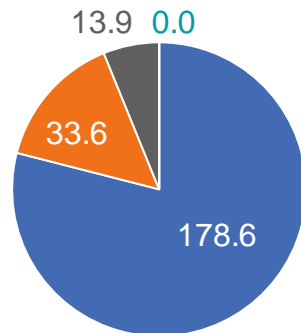
By rating

AAA	2%
AA	12%
A	32%
BBB	48%
Non-investment grade	3%
Not rated ²	4%



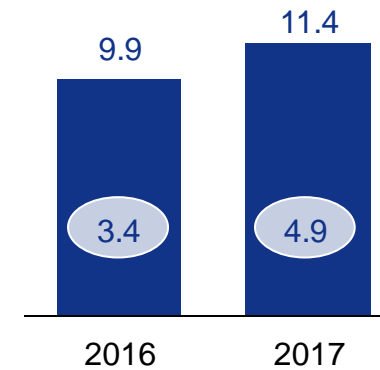
By segment (EUR bn)

L/H	79%
P/C	15%
Corporate and other	6%
Asset Management	0%

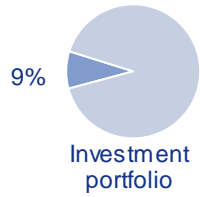


AFS unrealized gains/losses (EUR bn)

Gross unrealized gains/losses	
Net unrealized gains/losses ³	



1) Including EUR 3.0bn subordinated bonds (thereof EUR 0.3bn Tier 1)
 2) Including Eurozone loans/ bonds (2%)
 3) On-balance sheet unrealized gains/losses after tax, non-controlling interests and policyholders, and before shadow DAC

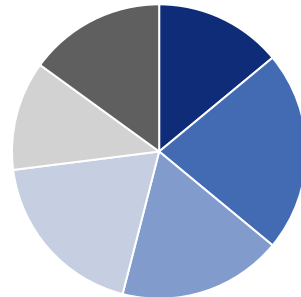


Equity portfolio

By region

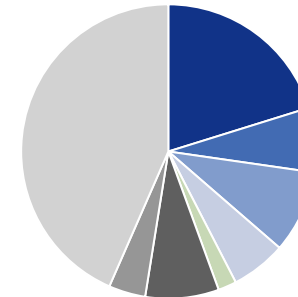
Germany	14%
Eurozone ex Germany	20%
Europe ex Eurozone	18%
NAFTA	18%
Rest of World	16%
Multinational ²	13%

Total
EUR 60.2bn¹



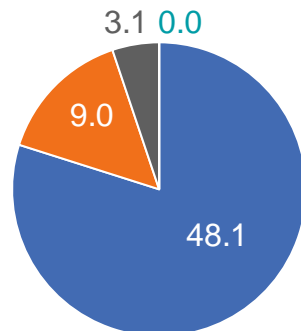
By industry

Consumer	20%
Banking	7%
Other Financials	9%
Basic materials	6%
Utilities	2%
Industrial	8%
Energy	4%
Funds and other ³	43%



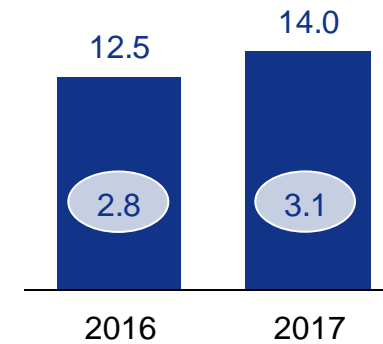
By segment (EUR bn)

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

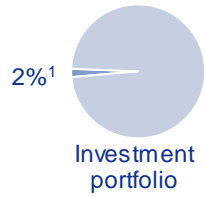


AFS unrealized gains/losses (EUR bn)

Gross unrealized gains/losses
Net unrealized gains/losses ⁴



1) Excl. equities designated at fair value through income (EUR 2.5bn)
 2) Incl. private equity limited partnership funds (EUR 4.3bn) and mutual stock funds (EUR 3.2bn)
 3) Diversified investment funds (EUR 3.5bn); private and unlisted equity (EUR 10.3bn)
 4) On-balance sheet unrealized gains/losses after tax, non-controlling interests and policyholders, and before shadow DAC

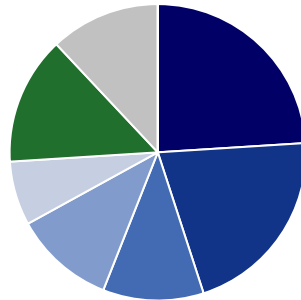


Real estate portfolio (incl. own use, market value)

By region

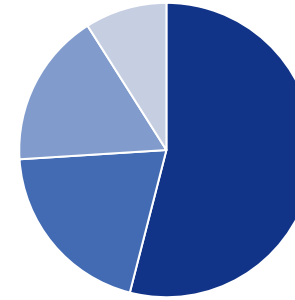
Germany	24%
France	21%
Switzerland	11%
USA	11%
Italy	7%
Rest of Eurozone	14%
Rest of World	12%

Total
EUR 34.9bn²



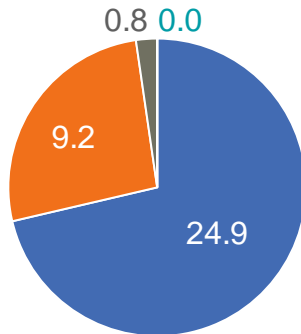
By sectors

Office	54%
Retail	20%
Residential	17%
Other/mixed	9%



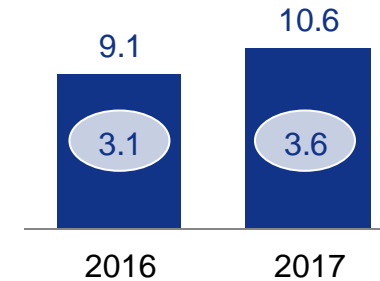
By segment (EUR bn)

L/H	71%
P/C	26%
Corporate and other	2%
Asset Management	0%



Unrealized gains/losses (EUR bn)

Gross unrealized gains/losses
Net unrealized gains/losses ³



1) Based on carrying value, 3rd party use only

2) Market value of real estate assets including EUR 23.7bn directly held real estate assets (e.g. held for investment, held for own use) and EUR 11.3bn indirectly held real estate assets (e.g., associates and joint ventures, available-for-sale investments). Net of minorities (EUR 0.3bn). Associates and joint ventures as well as available-for-sale indirectly held real estate investments are also part of the equity portfolio and fixed income portfolio

3) Unrealized gains/losses after tax, non-controlling interests, policy holders and before shadow DAC, based on external and internal real estate valuations

Investments

Günther Thallinger
Member of the Board of Management
Allianz SE

Munich, February 16, 2018

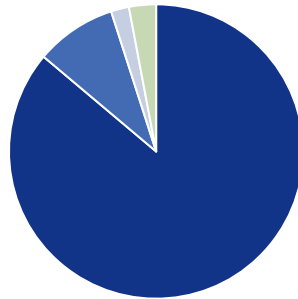


High quality investment portfolio

Asset allocation

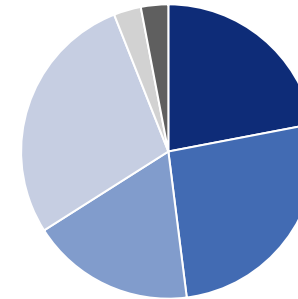
Total: EUR 664.4bn
(2016: EUR 653.1bn)

Debt instruments	87% (88%)
Equities	9% (8%)
Real estate ¹	2% (2%)
Cash/Other	3% (2%)



Debt instruments by rating²

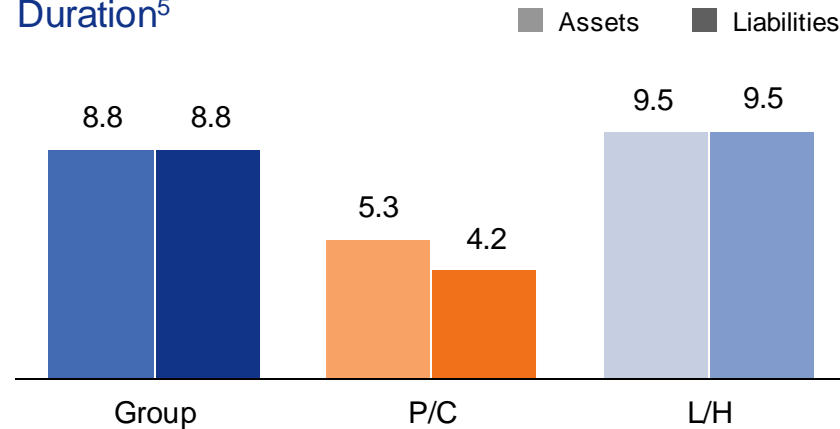
AAA	21%
AA	25%
A	19%
BBB	29%
Non-investment grade	3%
Not rated ³	3%



By segment (EUR bn)

	Group	P/C ⁴	L/H ⁴
Debt instruments	576.1	84.2	453.6
Equities	60.2	9.0	48.1
Real estate ¹	11.4	2.8	8.3
Cash/Other	16.7	4.0	8.2
Total	664.4	100.0	518.2

Duration⁵



1) Excluding real estate held for own use and real estate held for sale
 2) Excluding seasoned self-originated private retail loans
 3) Mostly mutual funds and short-term investments
 4) Consolidated on Group level

5) For the duration calculation a non-parallel shift in line with SII yield curves is used. Internal pensions are included in Group data, while they are excluded in P/C and L/H segments.

High quality investment portfolio – ESG

ESG approach

All assets

- ✓ ESG Scoring for listed assets
- ✓ ESG case by case evaluation for non-listed assets
- ✓ No investments in controversial weapons and coal-based business models¹
- ✓ Certification for new real estate

Portfolio enhanced:

Engagement and exclusions/
divestment

All asset managers

- ✓ PRI Signatories or have/commit to ESG policy
- ✓ ESG as integral part of selection process
- ✓ Regular monitoring

Approach enforced:

Disclosure and reporting,
review

Selected investments

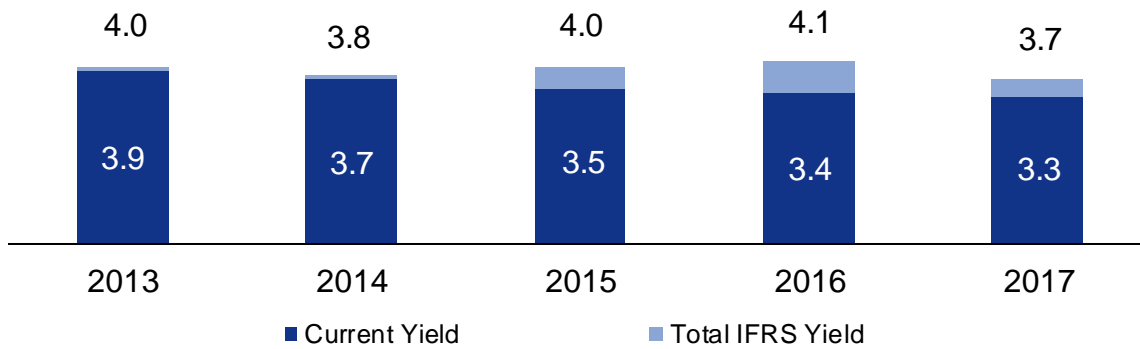
- ✓ Renewable energy EUR 5.6bn
- ✓ Green bonds EUR 2.5bn
- ✓ Certified green buildings EUR 8.8bn
- ✓ Debt financing of certified green buildings EUR 2.6bn

EUR 20bn

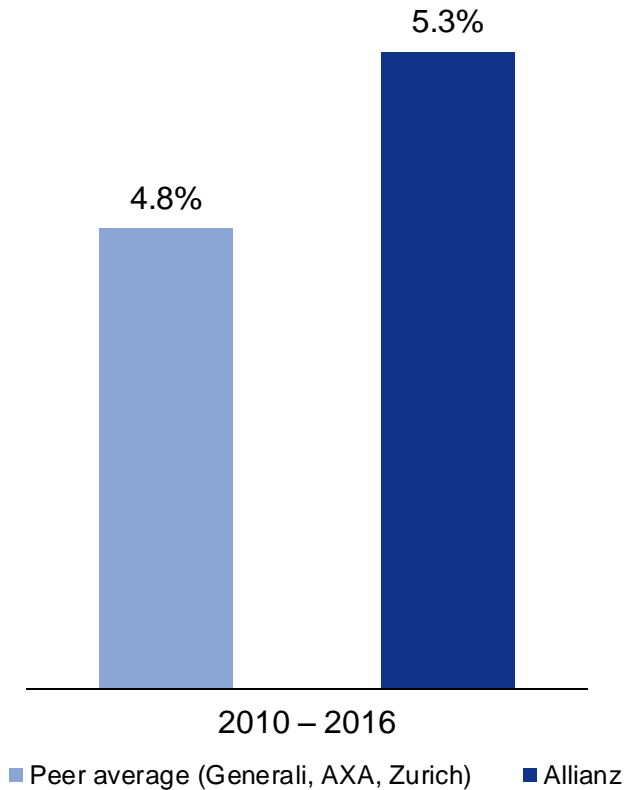
1) Companies generating over 30% of their revenue from coal mining; companies generating over 30% of their energy from coal, derived from 2°C target

Strong investment result

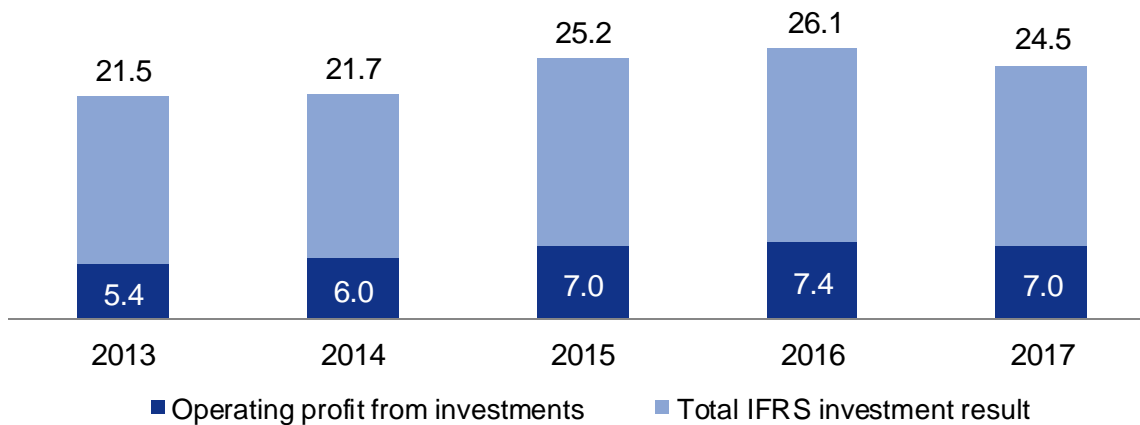
Current and Total IFRS Yield (%)¹



Total investment performance p.a.² amongst peers 2010 - 2016



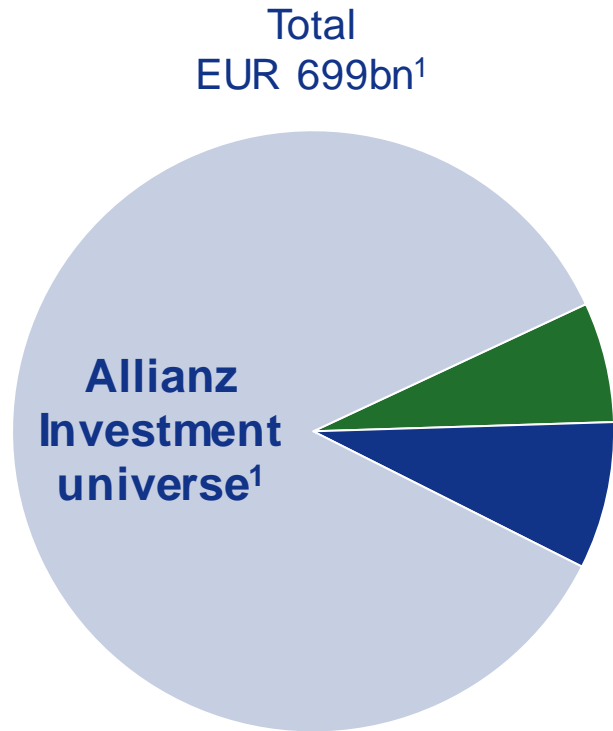
Investment result (bn EUR)¹



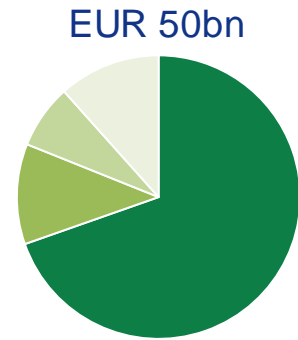
1) Figures may differ from figures published in prior years due to restatements; no adjustments for acquisitions and disposals. Operating profit from investments: insurance business only (P/C and L/H)

2) IFRS investment performance per annum: including current income, realized gains and losses (net), impairments (net), trading/FX result, fair value option, investment expenses, and change in unrealized gains and losses

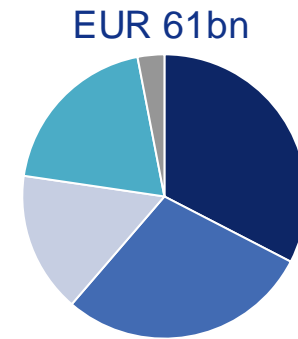
Alternative asset quota of 16%



Alternative equity
7%



Alternative debt
9%



Alternative investment portfolio 2017: EUR 111bn

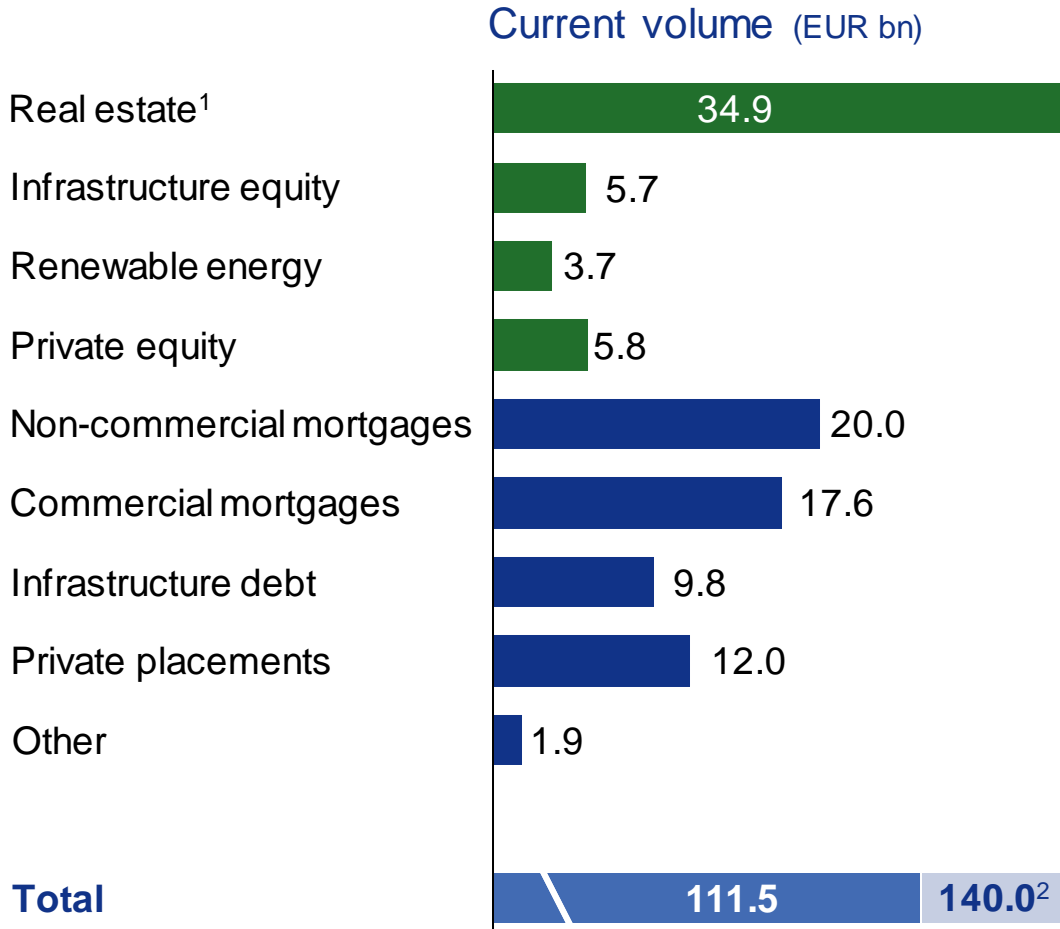
Mid-term target: EUR 140bn

Alternative equity	Avg. expected return
Real estate	4-6%
Infrastructure equity	5-8%
Renewable energy	4-6%
Private equity	10-12%

Alternative debt	Avg. expected return
Non-commercial mortgages	1-2%
Commercial mortgages	1.5-2.5%
Infrastructure debt	2.5-4%
Private placements	1.5-3.5%
Other	6-8%

1) Based on economic view. Compared to accounting view it reflects a volume increase due to switch from book to market values and changed asset scope (e.g. including FVO, trading and real estate own-use)

Alternative assets grew by 11%; diversification increased



Investment examples

China Outlet Mall Fund

- Expand investment footprint in China by USD 225mn
- Core-plus real estate fund focusing on premier outlet malls



Autostrade per l'Italia

- EUR 580mn in largest Italian toll road network
- The network covering more than 50% of the country's motorways



Elenia

- EUR 840mn in Finland's second largest electricity distribution system operator
- and ninth largest district heating network



1) Market value of real estate assets including EUR 23.7bn directly held real estate assets (e.g. held for investment, held for own use) and EUR 11.3bn indirectly held real estate assets (e.g., associates and joint ventures, available-for-sale investments). Net of minorities (EUR 0.3bn)

2) Mid-term target

Continuous expansion of investment expertise

Allianz Investment Management (AIM)

Asset class incubation:

- Corporate Loans
(→ now integrated with AllianzGI)
- Private Placement
(→ AllianzGI)
- Aviation Finance
(→ PIMCO)
- Infrastructure Debt
(together with AllianzGI)
- Commercial Real Estate Lending
(together with PIMCO)

Increased portfolio diversification

Allianz Real Estate (ARE)

- Equity and debt investments in real estate
- EUR 53bn AuM (EUR 37bn equity, EUR 16bn debt)
- 450 employees in 17 offices

Global Real Estate manager

Allianz Capital Partners (ACP)

- Infrastructure, Private Equity, Renewables
- EUR 23bn AuM
- 120 employees in 4 offices
- Integrated with AllianzGI

Selected global Alternative Equity expertise

▶ ... also to offer more expertise to third-parties.

Global partnering to open new markets

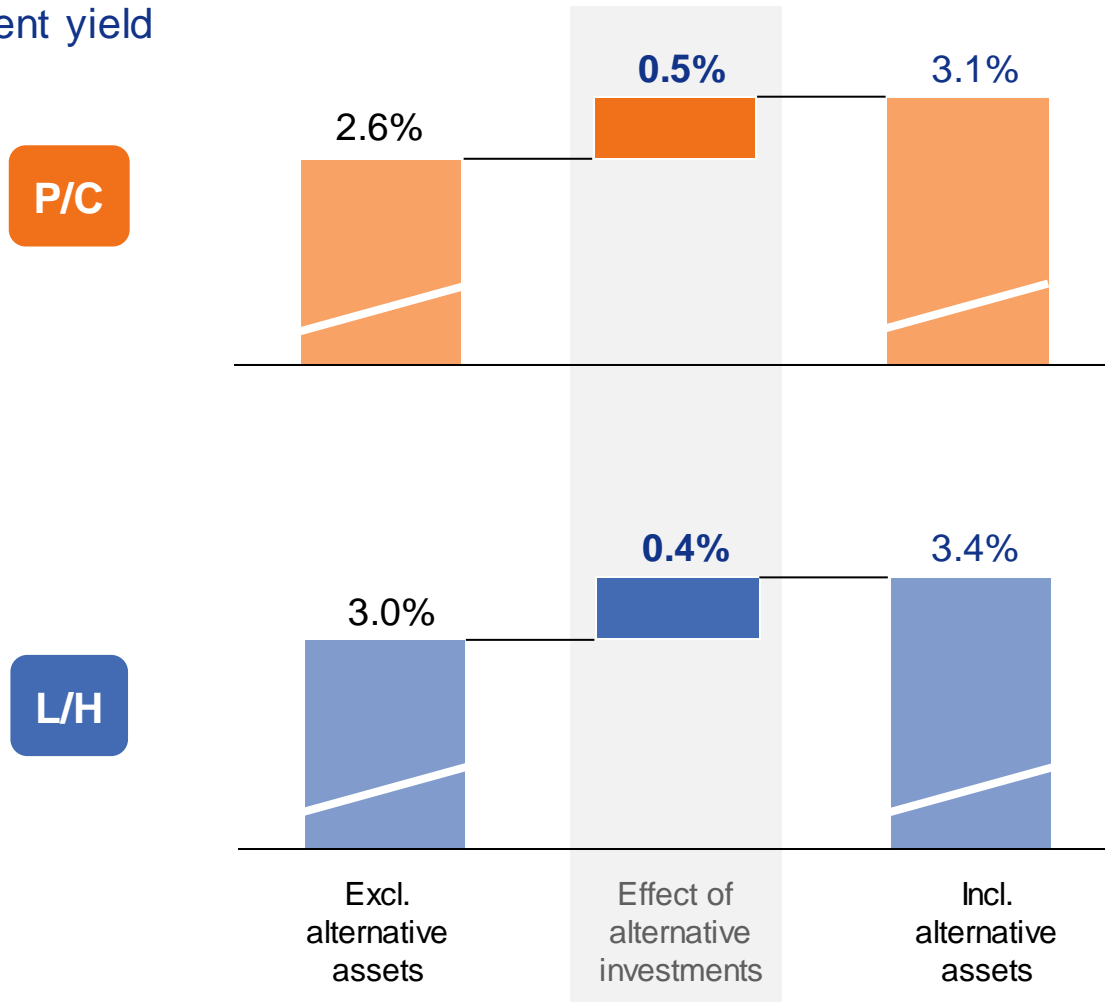
Examples

<p>Infrastructure Debt Emerging Markets</p>	<p>IFC MANAGED CO-LENDING PORTFOLIO PROGRAM</p> <ul style="list-style-type: none"> ▪ USD 500mn co-lending program to build globally diversified portfolio of infrastructure loans ▪ Innovative blended finance solution to mobilize long term capital for emerging markets infrastructure projects
<p>Renewables Indonesia</p>	<p>MINI HYDRO POWER PLANT FUNDING</p> <ul style="list-style-type: none"> ▪ Building a EUR 10mn portfolio of Mini Hydro Power Plant projects focusing on plants with capacity up to 10MW in Java and Sumatera, fund managed by PT Mandiri Manajemen Investasi ▪ Supporting renewable energy power generation in Indonesia
<p>Real Estate India</p>	<p>OFFICE SEGMENT CLOSED-END FUND</p> <ul style="list-style-type: none"> ▪ 50% of a EUR 440mn investment fund managed by Shapoorji, targeting six tier I cities in India ▪ Leveraging on structural trends within the region with focus on develop-to-core, forward purchases and stabilized/stabilizing assets

▶ ... and driving blended finance.

Alternative investments are driving performance

Current yield



Δ current income (EUR)¹

+0.5bn

+1.9bn

1) Before policyholder participation

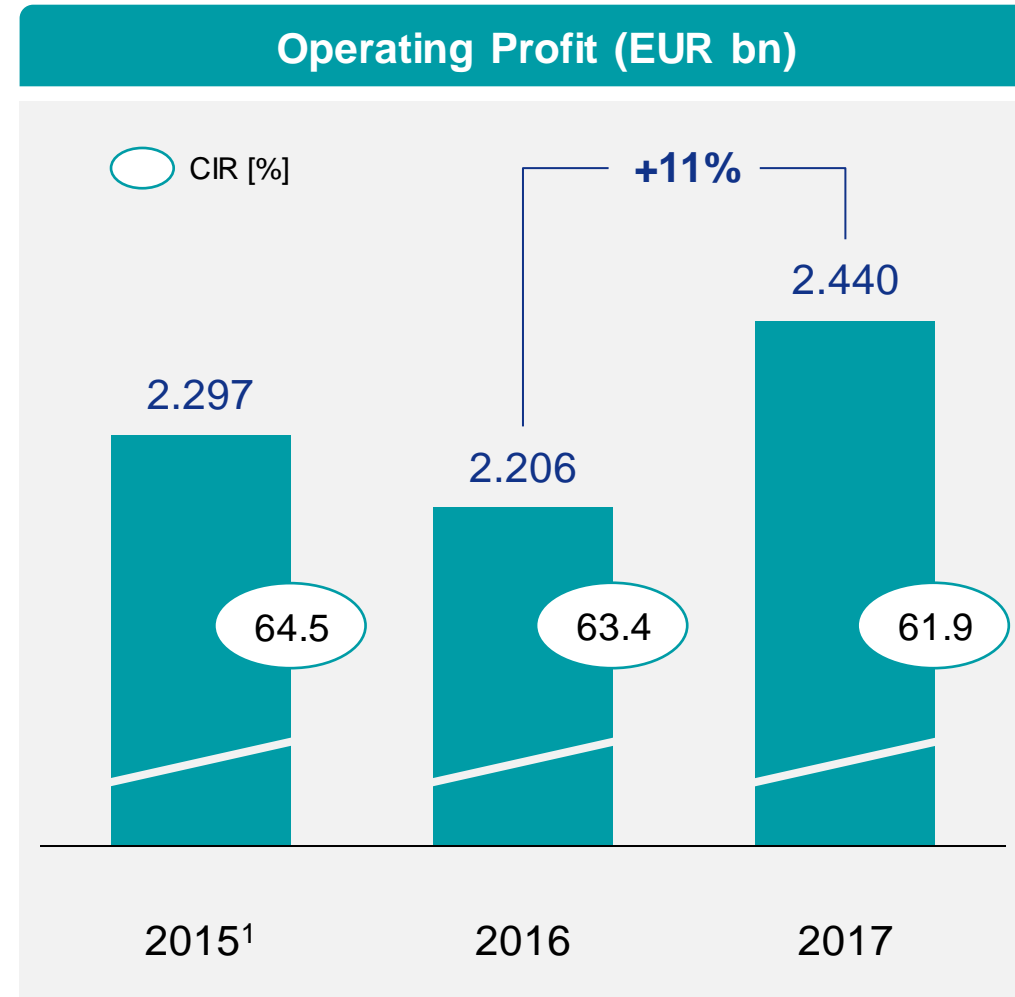
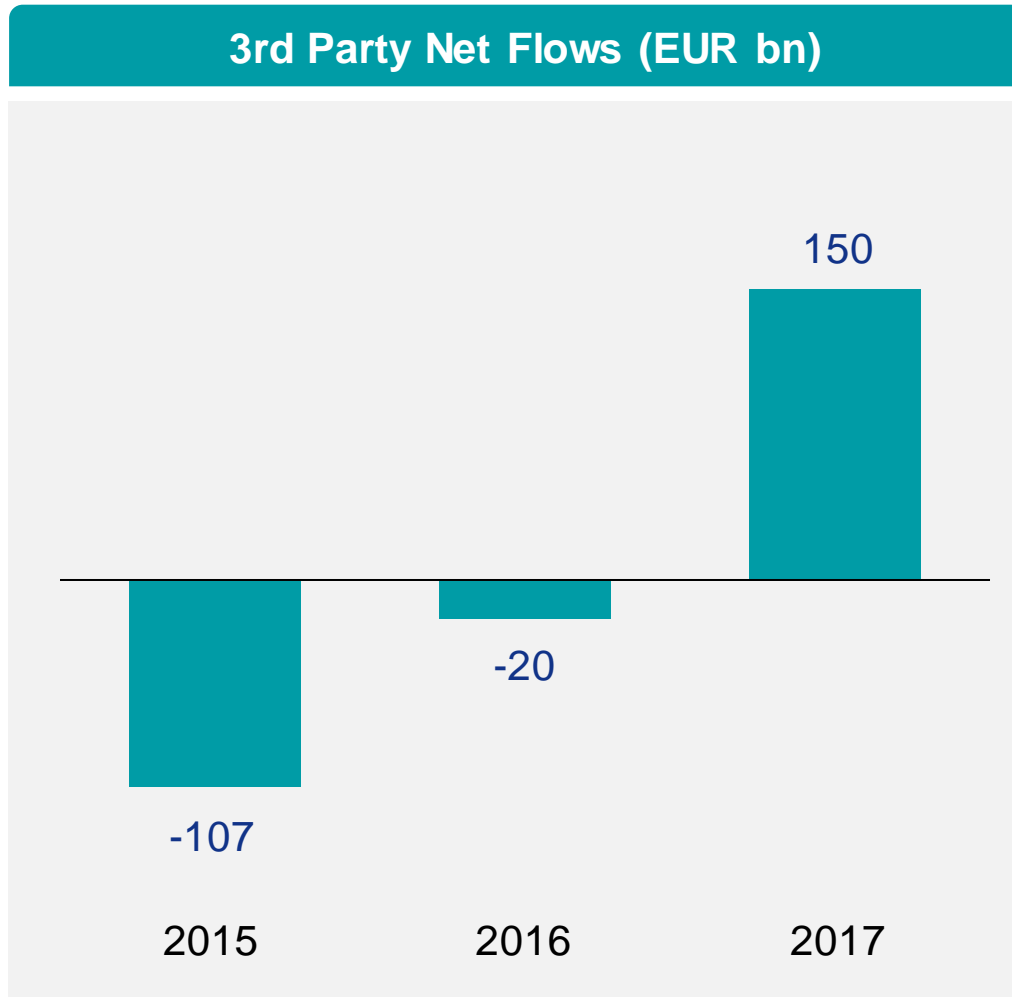
Allianz Asset Management

Jacqueline Hunt
Member of the Board of Management
Allianz SE

Munich, February 16, 2018

D

Significant turnaround in flows and operating profit increase



1) As reported

PIMCO highlights 2017

P I M C O

Leadership

Strong leadership team established

Business

Client-centric, customized investment solutions, broad range of products

Performance

Outstanding 3Y investment outperformance of 95%¹

1) Asset-weighted, as of December 2017

AllianzGI highlights 2017



Strategy

**„Active 2.0“
strategy
successfully
executed**

Business

**Top player
in Alternatives
business,
strengthened
capabilities
through ACP¹**

Performance

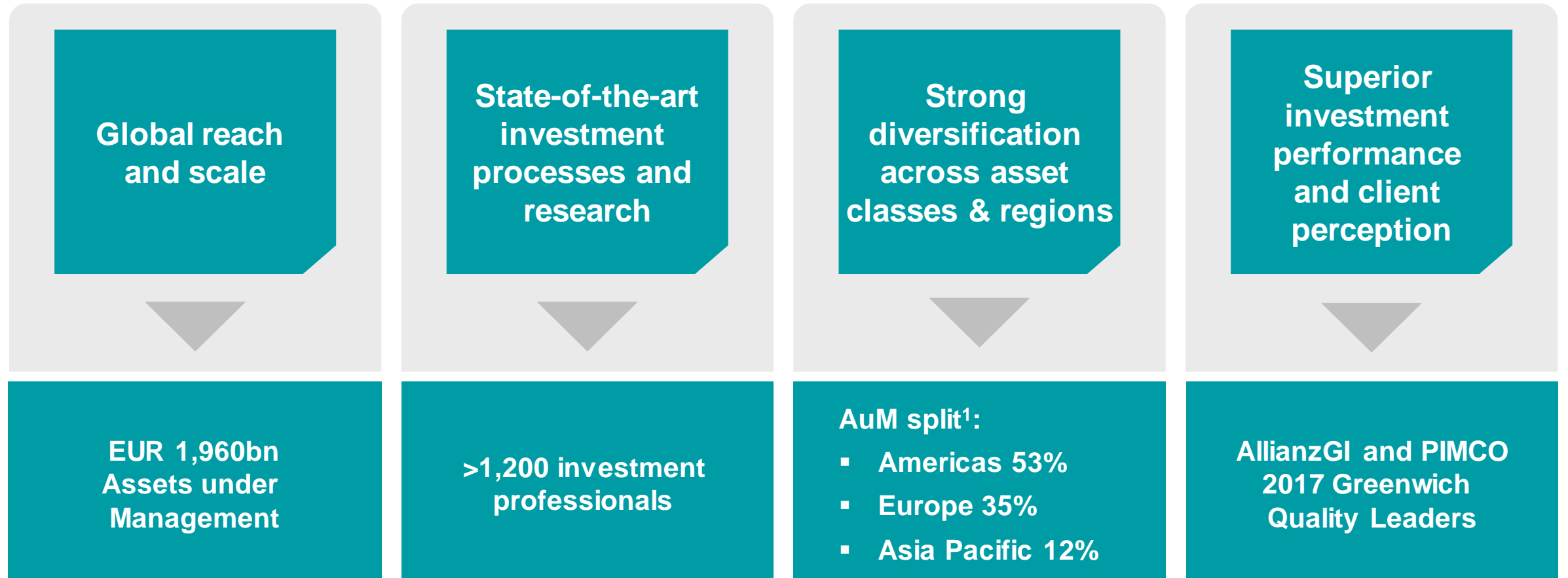
**Very strong
3Y investment
outperformance
of 75%²**

1) Allianz Capital Partners
2) Asset-weighted, as of December 2017

Positive outlook due to attractive value proposition for clients

Disclaimer:

Future results heavily depend on future market developments



1) Production view

Glossary

Annual Media Conference
Munich, February 16, 2018

Glossary (1)

AFS	Available-for-sale: Non-derivative financial assets 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	(The business segment) Asset Management
AP	Allianz Partners
APE	Annual premium equivalent: A measure to normalize single premiums to the recurring premiums. It is calculated as sum of recurring premiums and 10% of single premiums of the respective period.
APR	Accident insurance with premium refund: Special form of accident insurance where the policyholder, in addition to insurance coverage for accidents, has a guaranteed claim to refund of premiums at the agreed maturity date or in the event of death.
Attritional LR	Accident year losses less claims arising from natural catastrophes as per our Group definition (please refer to “NatCat”) divided by premiums earned (net).
AuM	<p>Assets under management are assets or securities portfolios, valued at current market value, for which Allianz Asset Management companies provide discretionary investment management decisions and have the portfolio management responsibility. They are managed on behalf of third parties as well as on behalf of the Allianz Group.</p> <p>Net flows: Net flows represent the sum of new client assets, additional contributions from existing clients, including dividend reinvestment, withdrawals of assets from, and termination of, client accounts and distributions to investors.</p> <p>Market & dividends: Market & dividends represents current income earned on and changes in fair value of securities held in client accounts. It also includes dividends from net investment income and from net realized capital gains to investors of open-ended mutual funds and of closed-end funds.</p>
AY LR	Accident year loss ratio – please refer to “LR” (loss ratio).
AZ	Allianz

Glossary (2)

Bps	Basis points. 1 Basis point = 0.01%.
CEE	Central and Eastern Europe excluding Russia and Ukraine
CIR	Cost-income ratio: Operating expenses divided by operating revenues
CO	(The business segment) Corporate and Other
CR	Combined ratio: Represents the total of acquisition and administrative expenses (net), excluding one-off effects from pension revaluation, and claims and insurance benefits incurred (net) divided by premiums earned (net).
Current yield	Represents interest and similar income divided by average asset base at book value.
DAC	Deferred acquisition costs: Expenses of an insurance company which are incurred in connection with the acquisition of new insurance policies or the renewal of existing policies and activated in the balance sheet. They include commissions paid, underwriting expenses and policy issuance costs.
Economic reinvestment yield	The economic reinvestment yields reflects the reinvestment yield including F/X hedging costs for non-domestic hard currency F/X bonds as well as expected F/X losses on non-domestic emerging markets bonds in local currencies. The yield is presented on an annual basis.
EIOPA	European Insurance and Occupational Pensions Authority
EPS	Earnings per share: Ratio calculated by dividing the net income for the year attributable to shareholders by the weighted average number of shares outstanding (basic EPS). In order to calculate diluted earnings per share, the number of common shares outstanding and the net income for the year attributable to shareholders are adjusted by the effects of potentially dilutive common shares which could still be exercised. Potentially dilutive common shares arise in connection with share-based compensation plans (diluted EPS).
ER	Expense ratio: Represents acquisition and administrative expenses (net), excluding one-off effects from pension revaluation, divided by premiums earned (net).
F/X	Foreign exchange rate

Glossary (3)

FIA	Fixed-index annuity: Annuity contract whereby the policyholder can elect to be credited based on movements in equity or bond market indices with protection of principal.
FV	Fair value: The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
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.
Goodwill	Difference between the cost of acquisition and the fair value of the net assets acquired.
Government bonds	Government bonds include government and government agency bonds.
GPW	Gross premiums written – please refer to “Premiums written/earned” as well as “Gross/Net”.
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 have already been deducted.
Harvesting	Includes realized gains/losses (net) and impairments of investments (net).
Held for sale	A non-current asset is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. On the date a non-current asset meets the criteria as held for sale, it is measured at the lower of its carrying amount and fair value less costs to sell.
IFRS	International Financial Reporting Standards. Since 2002, the designation IFRS applies to the overall framework of all standards approved by the International Accounting Standards Board. Already approved standards will continue to be cited as International Accounting Standards (IAS).
IMIX	The Inclusive Meritocracy Index (IMIX) measures the progress of the organization on its way towards Inclusive Meritocracy. The internal index is subsuming 10 Allianz Engagement Survey (AES) items around leadership, performance and corporate culture.
Internal growth	Total revenue performance excluding the effects of foreign currency translation as well as of acquisitions and disposals.
KPI	Key performance indicator

Glossary (4)

L/H

(The business segment) Life and Health insurance

L/H lines of business

Guaranteed savings & annuities: Guaranteed savings and annuities are life insurance products that always relate to the length of human life. These products offer life and / or death coverage of the insured in the form of single or multiple payments to a beneficiary and may include financial and non-financial guarantees.

Capital-efficient products: Products that use the general account and provide significantly reduced market risk either by full asset-liability matching of the guarantee or by significantly limiting the guarantee. This includes hybrids investing in a separate account (unit-linked) and the general account. Capital-efficient products also have a guaranteed surrender value with limited risk, e.g. due to the implementation of exact asset-liability matching or the inclusion of a market value adjustment.

Protection & health: Protection and health insurance covers different risks which are linked to events affecting the physical or mental integrity of a person.

Unit-linked without guarantees: Conventional unit-linked products are those where all of the benefits provided by a contract are directly linked to the value of assets contained in an internal or external fund held by the insurance undertakings as a separate account. The investment risk is borne by the policyholder rather than the insurer.

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 Life/Health business segment consolidated basis.

Loadings & fees: Includes premium and reserve based fees, unit-linked management fees and policyholder participation in expenses if any.

Investment margin: Is defined as IFRS investment income net of expenses less interest credited to IFRS reserves and policyholder participation in the investment result.

Expenses: Includes commissions, acquisition and administration expenses.

Technical margin: Comprises risk result (risk premiums less benefits in excess of reserves), lapse result (surrender charges and commission clawbacks) and reinsurance result, all net of policyholder participation if any.

Impact of change in DAC: Includes effects of change in DAC and URR. It represents the net impact of deferral and amortization of both acquisition costs and front-end loadings on operating profit.

Glossary (5)

LatAm	Latin America: South America and Mexico
LoB	Line of business
LR	Loss ratio: Represents claims and insurance benefits incurred (net) divided by premiums earned (net). The calendar year (c.y.) loss ratio includes the results of the prior year(s) reserve development in addition to the accident year (a.y.) loss ratio.
MCEV	Market consistent embedded value: A measure of the consolidated value of shareholders' interests in the covered business. It is defined as the excess of market value of assets over market value of liabilities as of valuation date. Therefore, MCEV excludes any item that is not considered shareholder interest such as the Going Concern Reserve and Surplus Fund.
NatCat	Accumulation of claims that are all related to the same natural or weather/atmospheric event during a certain period of time and where the estimated gross loss for the Allianz Group exceeds EUR 20mn.
NBM	New business margin: Performance indicator to measure the profitability of new business in the business segment Life/Health. It is calculated as value of new business divided by present value of new business premiums.
Non-controlling interests	Those parts of the equity of affiliates which are not owned by companies of the Allianz Group.
NPE	Net premiums earned – please refer to “Premiums written/earned” as well as “Gross/Net”.
NPS	Net promoter score: A measurement of customers' willingness to recommend Allianz. Top-down NPS is measured regularly according to global cross industry standards and allows benchmarking against competitors in the respective markets.
OE	Operating entity
Ogden rate	Discount (Ogden) rate is used by British courts to calculate the discounted values of future losses in bodily injury claims paid out as lump-sum payments. It largely impacts motor, but also liability lines. Being set at 2.5% in 2001, the Lord Chancellor decreased the Ogden rate to -0.75% on 27th of February, 2017 – a much steeper reduction than was predicted by the industry earlier this year.

Glossary (6)

OP	Operating profit: Earnings from ordinary activities before income taxes and non-controlling interests in earnings, excluding, as applicable for each respective business segment, all or some of the following items: income from financial assets and liabilities carried at fair value through income (net), realized gains/losses (net), impairments of investments (net), interest expenses from external debt, amortization of intangible assets, acquisition-related expenses, restructuring charges and profit/loss of substantial subsidiaries held for sale, but not yet sold.
Own funds	Regulatory solvency capital eligible for covering the regulatory solvency capital requirement
P/C	(The business segment) Property and Casualty insurance
PHP	Policyholder participation
PIMCO	Pacific Investment Management Company Group
Pre-tax operating capital generation	Represents the movement of SII capitalization attributable to the change in own funds from operating SII earnings and the change in SCR from business evolution after regulatory and model changes, but excluding market impact, dividends, capital management activities, taxes as well as other factors.
Premiums written/earned (IFRS)	Premiums written represent all premium revenues in the respective year. Premiums earned represent that part of the premiums written used to provide insurance coverage in that year. In the case of life insurance products that are interest sensitive (e.g. universal life products) or where the policyholder carries the investment risk (e.g. variable annuities), only the 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: The present value of future premiums on new business written during the period discounted at reference rate. It includes the present value of projected new regular premiums plus the total amount of single premiums received.
Reinsurance	An insurance company transfers a part of its assumed insurance risk to a reinsurance company.
Retained earnings	In addition to the reserve required by law in the financial statements of the Group parent company, this item consists mainly of the undistributed profits of Group entities and amounts transferred from consolidated net income.

Glossary (7)

RfB	Reserves for premium refunds (“Rückstellungen für Beitragsrückerstattung”): Part of the surplus that is to be distributed to policyholders in the future. These reserves are established based on statutory, contractual or company by-law obligations, or at the insurer’s discretion.
RoE	<p>Return on equity Group: Represents net income attributable to shareholders divided by the average shareholders’ equity excluding unrealized gains/losses on bonds (net of shadow accounting) at the beginning and the end of the period.</p> <p>Return on equity P/C OE: Represents net income divided by the average total equity excluding unrealized gains/losses on bonds (net of shadow accounting) deducting goodwill and deducting participations in affiliates not already consolidated in this OE, at the beginning and the end of the period.</p> <p>Return on equity L/H OE: Represents net income divided by the average total equity excluding unrealized gains/losses on bonds (net of shadow accounting) and deducting goodwill at the beginning and the end of the period.</p>
RoRC	Return on risk capital
Run-off ratio	The run-off ratio is calculated as run-off result (result from reserve developments for prior (accident) years in P/C business) in percent of premiums earned (net).
SII	Solvency II
SII capitalization	Ratio indicating the capital adequacy of a company comparing own funds to SCR.
SCR	Solvency capital requirement
SE	Societas Europaea: European stock company
SFCR	Solvency and financial condition report
Share of newly launched digital products	Newly launched digital products are conveniently available via digital means at key steps of the customer journey for end-customer or intermediary. A product will be considered digital once four digital features comprising a large part of the customer experience (quote, purchase, policy administration and claims) are implemented. In scope is retail as well as small and medium-sized entities, all channels, for Property-Casualty, Life and Health. The share of products is weighted by revenues.

Glossary (8)

Statutory premiums	Represents gross premiums written from sales of life and health 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.
Total equity	Represents the sum of shareholders' equity and non-controlling interests.
Total revenues	Represents the sum of P/C gross premiums written, L/H statutory premiums, operating revenues in AM and total revenues in CO (Banking).
UFR	Ultimate forward rate: The estimate of the ultimate forward rate is defined in line with the EIOPA methodology and guidelines. An extrapolation is needed past last available market data points. The UFR is determined for each currency using macroeconomic methods, the most important factors being long-term expected inflation and real interest rates. Although the UFR is subject to revision, it should be stable and only change when there are fundamental changes to long-term expectations.
UL	Unit-linked – please refer to “L/H lines of business”.
Unrealized gains/losses (net) (as part of shareholders' equity)	Include unrealized gains and losses primarily from available-for-sale investments net of taxes and policyholder participation.
URR	Unearned revenue reserves: The unearned revenue reserves contain premium components other than expense charges that refer to future periods, which are reserved and released over the lifetime of the corresponding contracts.
VA	Variable annuities: The benefits payable under this type of life insurance depend primarily on the performance of the investments in a mutual fund. The policyholder shares equally in the profits or losses of the underlying investments. In addition, the contracts can include separate guarantees, such as guaranteed death, withdrawal, accumulation or income benefits.
VNB	Value of new business: The additional value for shareholders created through the activity of writing new business. It is defined as present value of future profits after acquisition expenses overrun or underrun, minus time value of financial options and guarantees, minus risk margin, all determined at issue date.

Disclaimer

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

Forward-looking statements

The statements contained herein may include prospects, statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those expressed or implied in such forward-looking statements.

Such deviations may arise due to, without limitation, (i) changes of the general economic conditions and competitive situation, particularly in the Allianz Group's core business and core markets, (ii) performance of financial markets (particularly market volatility, liquidity and credit events), (iii) frequency and severity of insured loss events, including from natural catastrophes, and the development of loss expenses, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) particularly in the banking business, the

extent of credit defaults, (vii) interest rate levels, (viii) currency exchange rates including the EUR/USD exchange rate, (ix) changes in laws and regulations, including tax regulations, (x) the impact of acquisitions, including related integration issues, and reorganization measures, and (xi) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

No duty to update

The company assumes no obligation to update any information or forward-looking statement contained herein, save for any information required to be disclosed by law.