2Q 2017

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Media conference call
August 4, 2017

Allianz

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6M 2017 – outstanding results with all segments contributing to success

Brexit

Ultra-low rates

Ogden

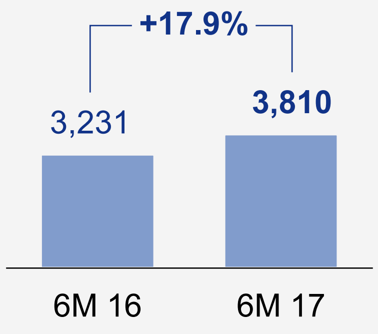
Regulation

Political tensions

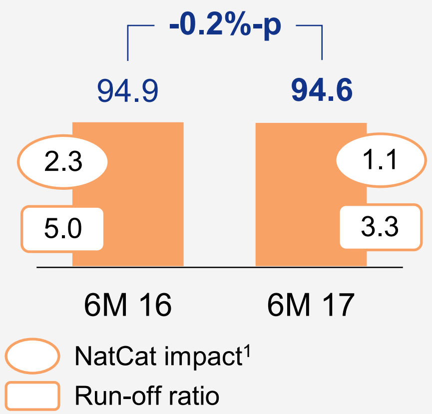
...

	Group	**Property-Casualty**	**Life/Health**	**Asset Management**
Total revenues 6M 17 (EUR bn) vs. prior year	**66.2** (+2.3%)	**29.4** (+1.8%)	**33.6** (+2.0%)	**3.1** (+10.1%)
Operating profit 6M 17 (EUR mn) vs. prior year	**5,860** (+15.7%)	**2,705** (+5.2%)	**2,282** (+22.7%)	**1,156** (+20.4%)

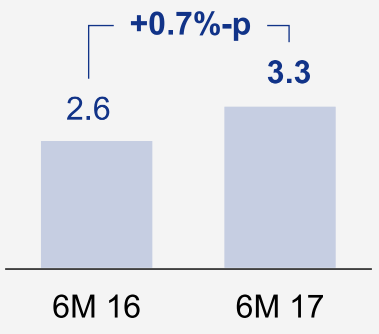
Shareholders' net income (EUR mn)



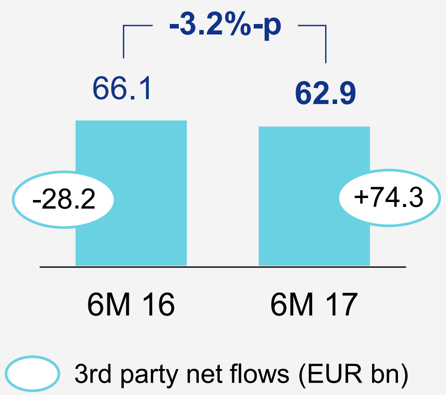
Combined ratio (in %)



New business margin (in %)



Cost-income ratio (in %)



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

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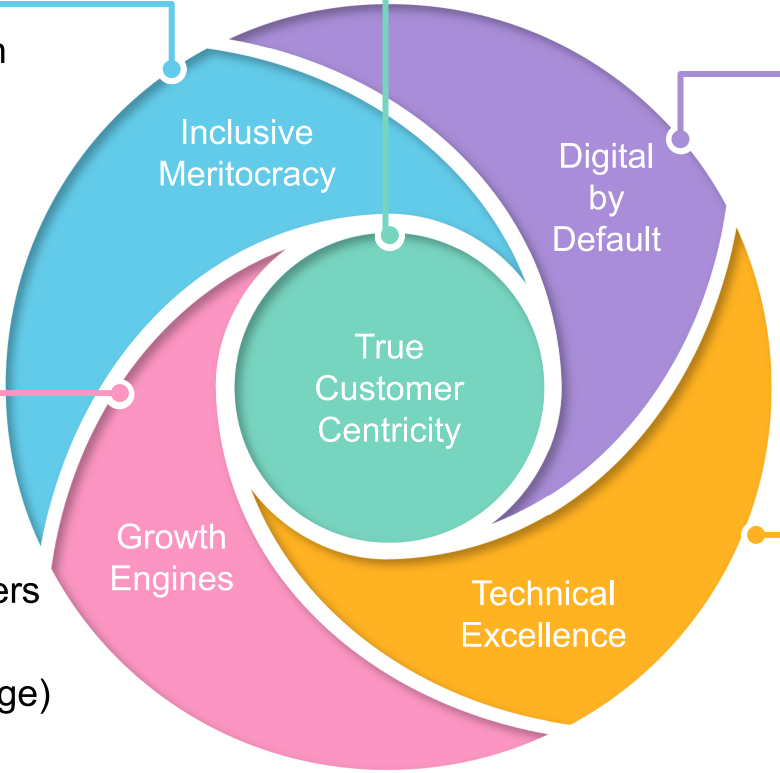
Renewal Agenda execution progressing well

Selected examples

- Customer Excellence Methodology – to further improve customer experience – rolled out for more than 100 journeys in 29 countries
- Further expansion of customer satisfaction measurements

- Cultural change further proceeding through both, local and global initiatives
- IMIX improved to 70%

- PIMCO with record third-party net inflows in 2Q and stellar fund performances[3]
- New partnerships, e.g., bancassurance in Germany and Asia and global digital partners (e.g., Lemonade)
- Joint venture with LV= signed (see next page)



- Network of digital factories up and running
- New digital assets implemented (e.g., journeys for Life onboarding[1] and Motor Claims[2], global Digital Asset Library)
- Planned productivity gains of EUR 1bn+ by 2018 under implementation – clear focus area across the group

- Improved underwriting result in P/C
- NBM well ahead of target
- OLB sale agreement signed

1) Deployed in Belgium and Spain
2) Deployed in Austria, starting in the UK
3) PIMCO third-party net inflows in 2Q at EUR 52bn

Our JV with LV= will be the UK's third largest personal insurer and leverages the trusted LV= brand

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- Financial strength
- Digital expertise
- Pricing, underwriting and claims experience
- Asset management and reinsurance expertise

Joint Venture LV= GI

- Leverages LV='s strong brand and excellent customer service with Allianz´s financial strength and digital expertise
- Offers a better customer experience by uniting the best-of-both in technology, services and pricing
- Has six million policies and gross written premiums of GBP 1.7bn

LV= LIVERPOOL VICTORIA

- Market-leading UK brand
- Award-winning customer service
- Personal insurance expertise
- Powerful direct distribution channels

- Deal structure
  - First step (4Q 2017): Allianz to acquire 49% of LV= GI for GBP 500mn and LV= to keep 51% of the joint venture
  - Second step (4Q 2019): Allianz to acquire a further 20.9% in LV= GI by 2019, lifting its total stake to 69.9%
- LV='s Life & Pension business will continue as a separate company under the LV= brand

Operating profit 6M 2017 and outlook 2017
(EUR bn)

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

	Actual/Midpoint		Range	Comments
Property-Casualty	**2.7**	5.3	5.0 – 5.6	On track for a solid year with OP projected to be in the upper half of the target range
Life/Health	**2.3**	4.0	3.7 – 4.3	On track for finishing at or above midpoint of OP outlook
Asset Management	**1.2**	2.3	2.0 – 2.6	Well on track for an OP at least at midpoint of the target range, dependent upon USD development, due to strong AuM and revenue growth at PIMCO
Corporate & Consolidation	**-0.3**	-0.8	-0.7 – -0.9	On track to reach full-year outlook (taking 1H 2017 one-offs into account)
Group	**5.9**	**10.8**	**10.3 – 11.3**	**Full-year operating profit is expected to arrive near upper end of target range**

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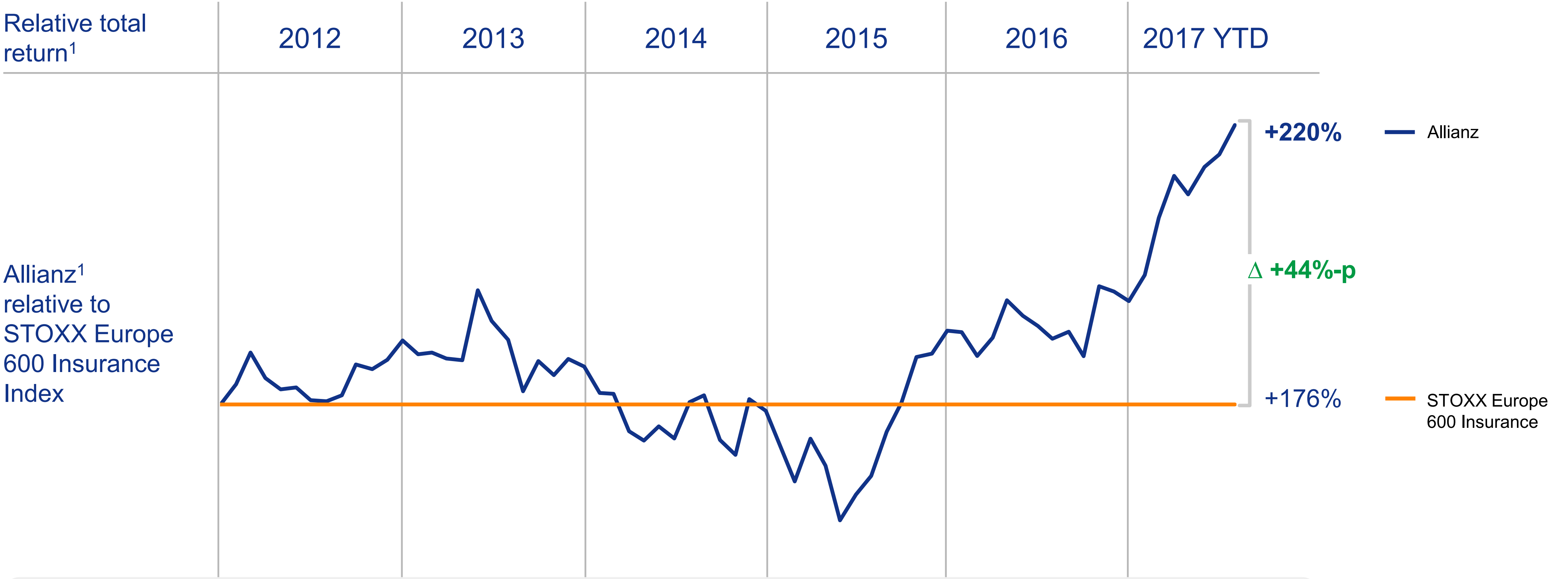
Excellent results also reflected in strong absolute and relative total return



Annual outperformance versus index	+ 10.1%-p	– 4.1%-p	– 7.0%-p	+ 12.6%-p	+ 4.7%-p	+ 27.7%-p

1) Total return
1 January 2012 – 31 July 2017; Source: Datastream

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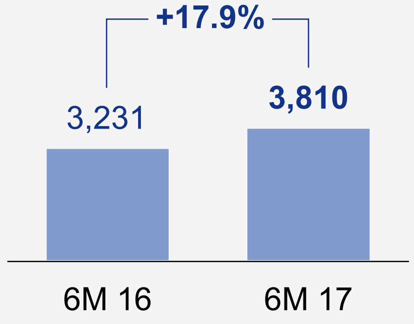
Group: outstanding 1H result in every respect

Group	Property-Casualty	Life/Health	Asset Management
Total revenues 6M 17 in EUR bn (vs. prior year in %)			
66.2 (+2.3%)	**29.4** (+1.8%)	**33.6** (+2.0%)	**3.1** (+10.1%)
Operating profit 6M 17 in EUR mn (vs. prior year in %)			
5,860 (+15.7%)	**2,705** (+5.2%)	**2,282** (+22.7%)	**1,156** (+20.4%)

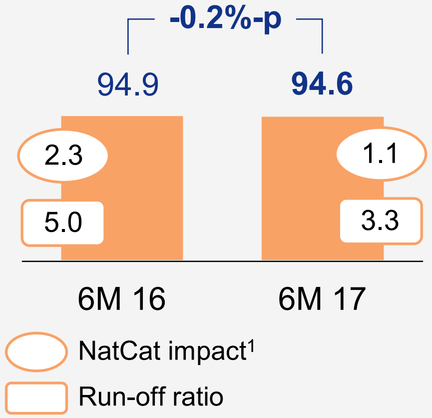
Shareholders' net income

(EUR mn)



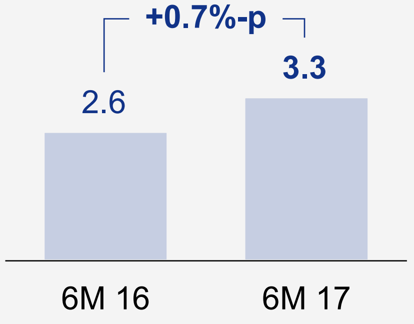
Combined ratio

(in %)



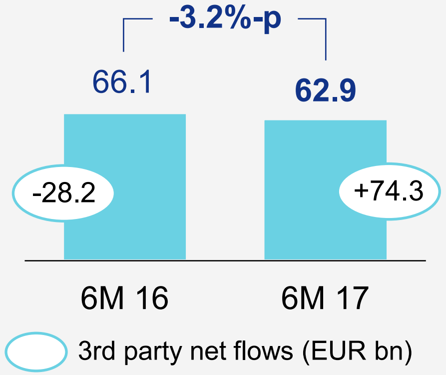
New business margin

(in %)



Cost-income ratio

(in %)



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

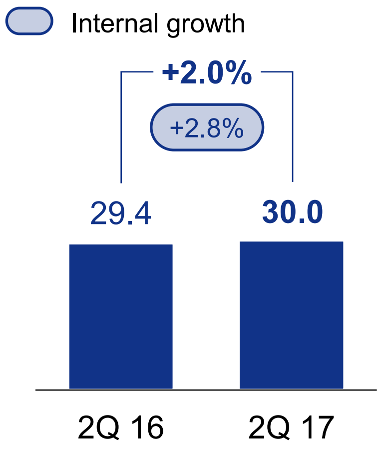
Group: outstanding 1H result in every respect

Comments

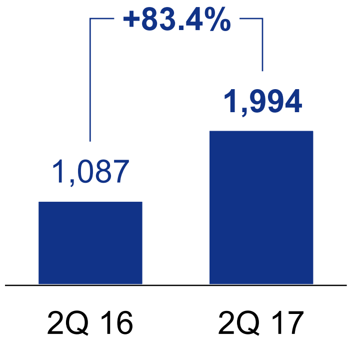
- **All business segments grow revenues**
  Excellent growth in AM (+10.1%) fueled by higher average AuM. L/H revenues up 2.0% with favorable business mix shift. P/C growth of 1.8% in line with expectations.
- **Operating profit grows double-digit**
  All segments contribute to operating profit improvement. OP at 54% of FY outlook midpoint.
- **Outlook 2017: OP near upper end of target range**
  For the full year, Allianz now expects to arrive near the upper end of its operating profit target range of 10.8 billion euros, plus or minus 500 million euros, barring unforeseen events, crises or natural catastrophes.
- **P/C – underwriting result drives strong growth**
  Operating profit at 51% of FY outlook midpoint and 5.2% above 1H 2016. Main driver is improved underwriting result.
- **L/H – OP outstanding, new business profitable**
  Operating profit at 57% of FY outlook midpoint. New business grows at 3% with share of preferred lines at 76% and NBM well ahead of target.
- **AM – EUR 74bn 3rd party net inflows**
  Inflows support revenues and operating profit. The latter is at 50% of FY outlook midpoint.
- **Shareholders' net income grows above OP**
  Net income at 55% of FY 2016 with operating profit (Δ EUR +797mn) as largest driver.
- **EPS growth at 7.7% (annualized, vs. EPS for FY 15)**
  Ahead of 5% target.
- **RoE (annualized) up 1.5%-p to 13.4%**
  Ahead of 13% target. All segments contribute.
- **Sale of Oldenburgische Landesbank**
  In 2Q Allianz agreed to sell its entire stake in OLB. We expect negative net income impact of EUR ~200mn from deconsolidation at expected closing in 2H 2017.

Group: second quarter – all segments strengthened

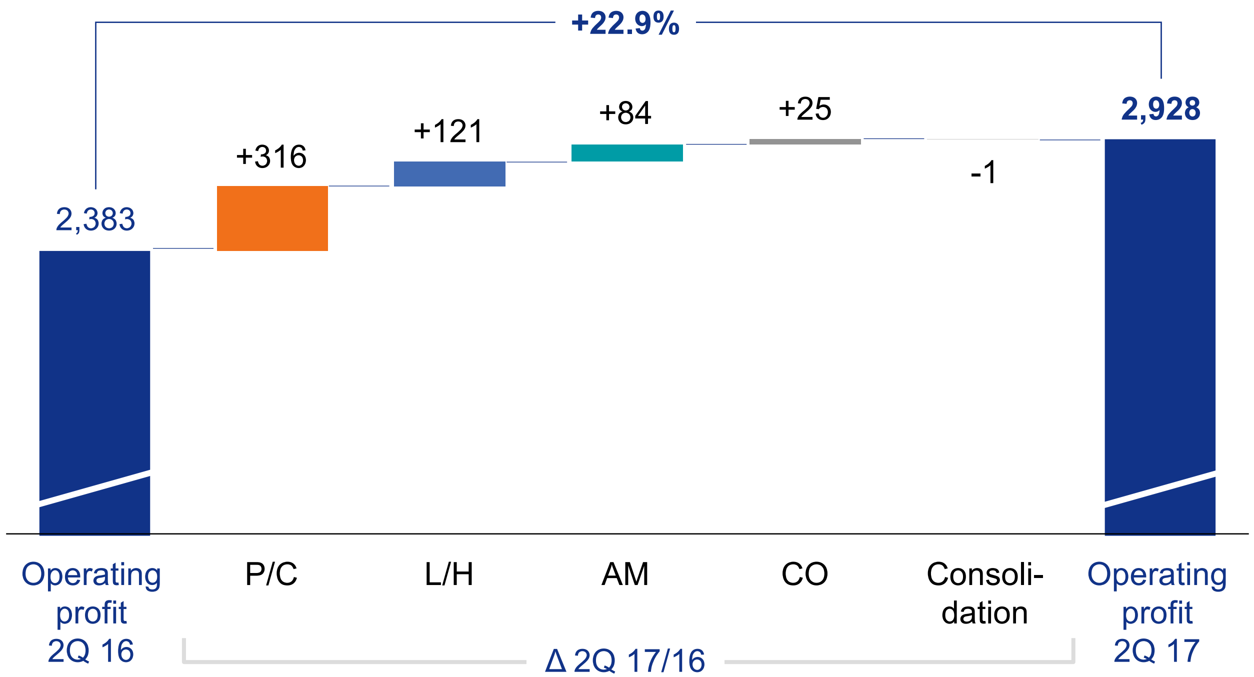
Total revenues (EUR bn)



Shareholders' net income (EUR mn)



Operating profit drivers (EUR mn)



	P/C	L/H	AM	CO	Consolidation
2Q 17	**1,446**	**1,128**	**584**	**-224**	**-5**
2Q 16	1,130	1,007	500	-249	-5

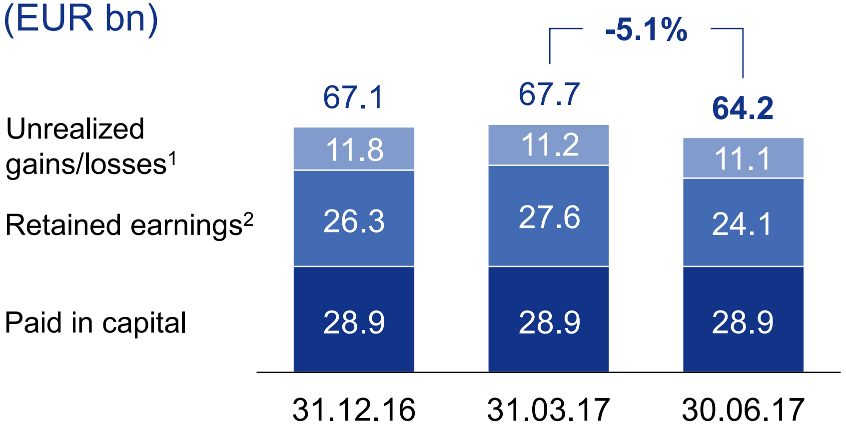
Group: second quarter – all segments strengthened

Comments

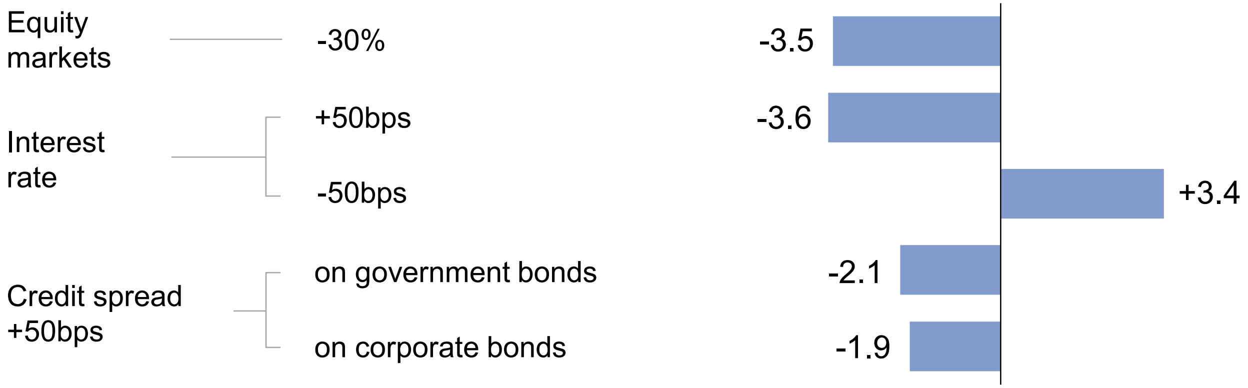
- **All segments with revenue growth**
  Dynamic revenue growth in AM (+8.1%) following higher average AuM. More premiums from preferred lines of business (+9.9%) support growth of 2.6% in L/H. Growth in P/C (+0.6%) held back by F/X, volatility and portfolio actions.
- **Operating profit at 27% of FY outlook midpoint**
  Excellent performance and higher contribution from all segments.
- **S/h net income at 29% of FY 2016 result**
  In 2Q 2016 negative impact of EUR 352mn from disposal of Korean Life business. Basic EPS grows 86% to EUR 4.45.
- **EUR 3bn share buy-back on track**
  10.5mn shares acquired by 28 July 2017 representing 2.3% of outstanding capital as per December 31, 2016.
  Total consideration EUR 1.8bn.
- **P/C – OP rises 28%**
  Operating profit growth driven by better underwriting result. AY LR improves by -5.9%-p, driven by NatCat (Δ -3.3%-p) and large and weather-related losses (Δ -0.8%-p).
  Current investment income resilient.
- **L/H – very strong performance**
  Higher contribution from technical margin (Δ EUR +70mn) and investment margin (Δ EUR +38mn), the latter increased in line with reserves. All lines of business with higher operating profit contribution. Capital-efficient products show the biggest plus (+16%).
- **AM – another excellent result**
  Strong operating profit growth of 17% due to higher average AuM, supported by EUR 82bn 3rd party net inflows over the last four quarters. CIR improves to 62.5%.

Group: SII ratio at upper end of target range

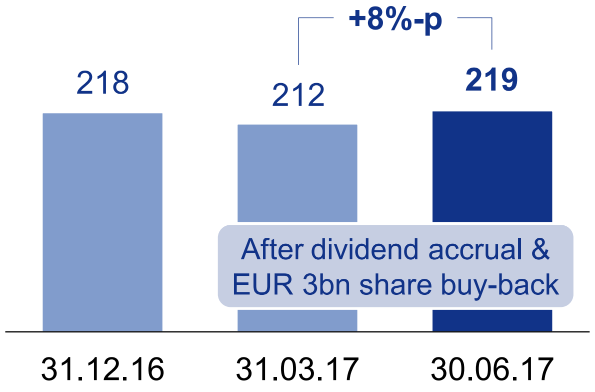
Shareholders' equity (EUR bn)



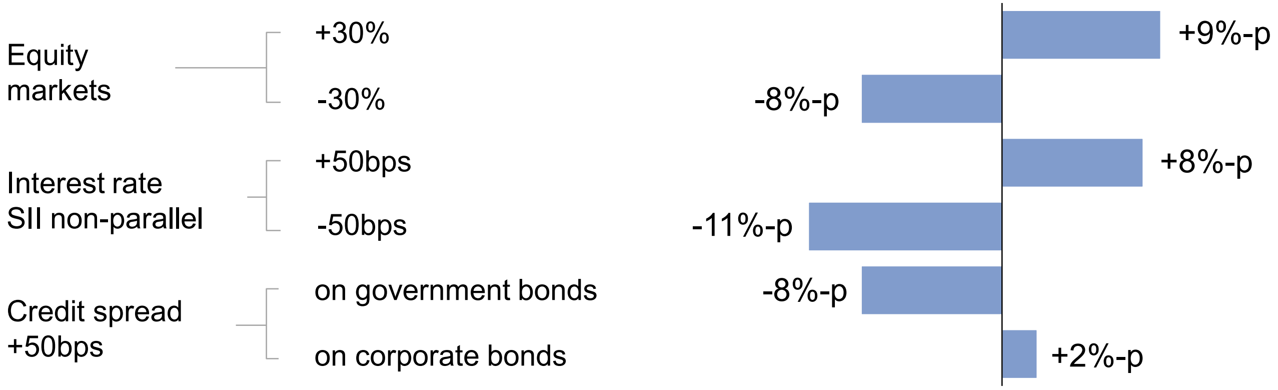
Key sensitivities (EUR bn)



SII capitalization (in %)



Key sensitivities[3]



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 3.2bn as of 31.03.17 and EUR 3.3bn as of 30.06.17

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

Group: SII ratio at upper end of target range

Comments

- **Solvency II ratio – up 8%-p, in line with sensitivities**
  Good capital generation after tax and after dividend (+~4%-p) and favorable market effects (+8%-p) were the main drivers. Latter are fully in line with the disclosed sensitivities in 1Q and reflect the 15bps increase in the EUR 20y swap rate and a ~30bps tightening of our core sovereign spreads.

  These favorable movements were offset by changes in transferability restrictions, F/X and one-off effects. At 219%, the SII ratio is at the upper end of our 180%-220% target range.

  There is no impact from the ongoing EUR 3bn share buy-back on our SII ratio as it was already fully deducted in 1Q.

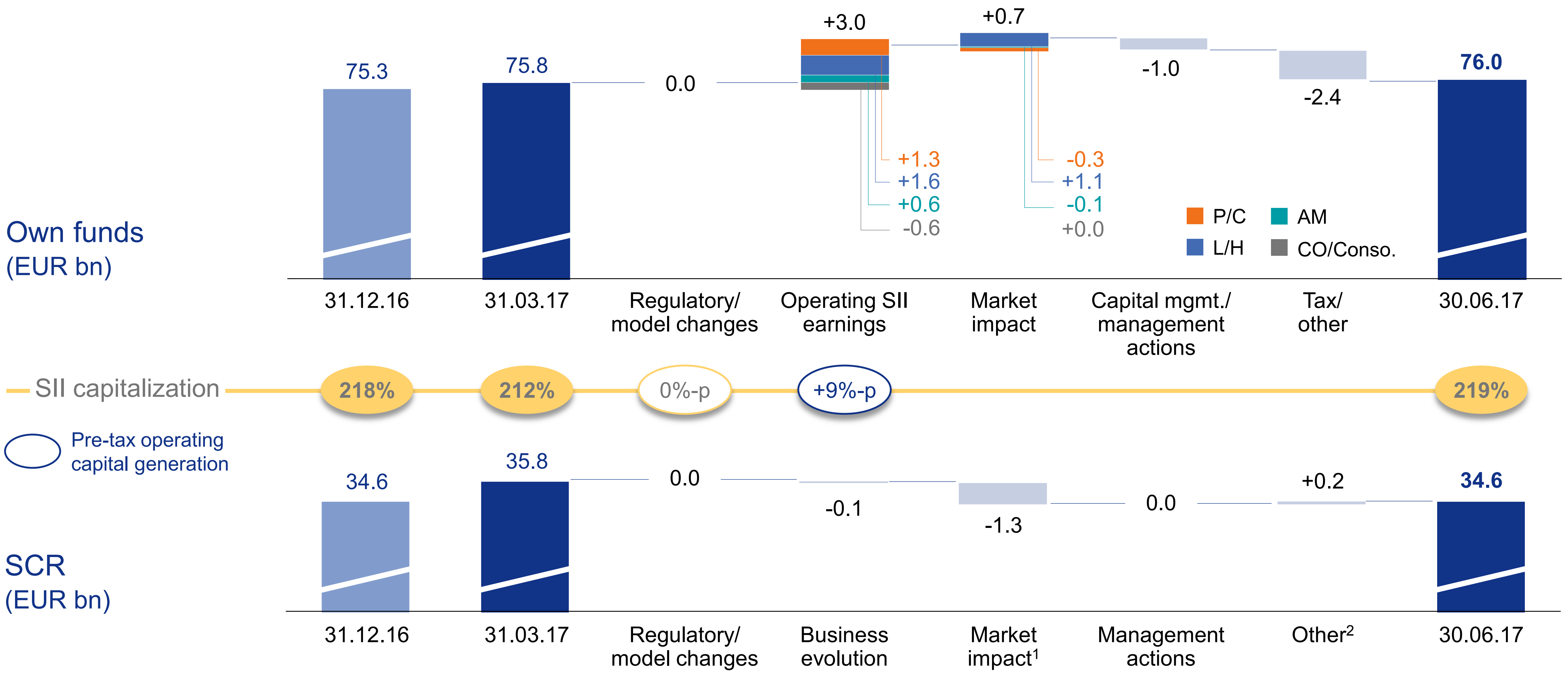
- **Shareholders' equity – down 5.1%**
  In 2Q 2017, shareholders' equity decreases by EUR -3.5bn. The positive impact from net income (EUR +2.0bn) was overcompensated by the dividend payment in May 2017 (EUR -3.4bn), the share buy-back program (EUR -1.0bn) and negative F/X effects (EUR -1.0bn).
  Book value per share EUR 144.

- **No substantial changes to our sensitivities**
  Equity: slightly more symmetric profile than in 1Q and mildly stronger downward shock.
  Latter is largely attributable to market movements.

  Interest rates: sensitivity for IR -50bps slightly lower than in 1Q and close to 2018 target of < -11%-p.

  Spreads: unchanged to 1Q.

Group: market drives risk reduction



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

Group: market drives risk reduction

Comments

- **Higher SII ratio driven by lower SCR**
  Own funds were broadly stable in 2Q while risk capital reduced by EUR 1.2bn, leading to a 8%-p increase in the SII ratio to 219%.
- **Own funds**
  Strong operating SII earnings and positive market effects (interest rates, credit spreads) were largely offset by taxes (EUR -1.6bn), negative F/X (EUR -1.0bn, included in 'market impact') and change in transferability restrictions (EUR -0.5bn, included in 'tax/other').
- **Risk capital – down on market effects**
  Favorable interest rate and spread movements are the main reasons for the risk capital reduction. Lower equity volatility contributes positively as well.
- **Operating SII earnings – on same level as 1Q**
  Strong SII earnings of 9%-p before tax and before dividend accrual or ~4%-p after tax and after dividend.
  P/C and AM earnings are close to their IFRS results. Excellent contribution again from L/H SII earnings including VNB.
- **Capital management**
  Accrual of 50% of EUR 2.0bn s/h net income.
- **Tax/other**
  Tax burden of EUR 1.6bn on normal level, as EUR -1.0bn F/X market impact not subject to taxation.

P/C: AWP leads growth

EUR mn		Revenues: 2Q 17	Revenues: Total growth Δ p.y.	Revenues: Internal growth Δ p.y.	YTD rate change on renewals: 6M 17	YTD rate change on renewals: Momentum
Total P/C segment		**11,685**	+0.6%	**+0.5%**	**+1.6%**	–
Large OEs	Germany	1,836	+1.4%	+1.4%	+2.5%	stable
	Italy	1,139	-0.7%	-0.7%	-1.4%	stable
	France	968	+2.2%	+2.2%	+0.7%	stable
Global lines	AGCS	1,606	-10.4%	-11.2%	+0.2%	stable
	Allianz Worldwide Partners	1,078	+21.3%	+19.9%	+1.9%	stable
	Credit Insurance	537	+0.9%	+1.6%	-0.7%	stable
Selected OEs	Australia	825	+6.9%	+2.4%	+1.8%	positive
	United Kingdom	650	-7.1%	+1.5%	+3.3%	positive
	Spain	589	+7.0%	+7.0%	+3.8%	positive
	Latin America	527	+6.5%	+2.7%	n.m.	–
	Turkey	292	-34.7%	-21.4%	n.a.	–

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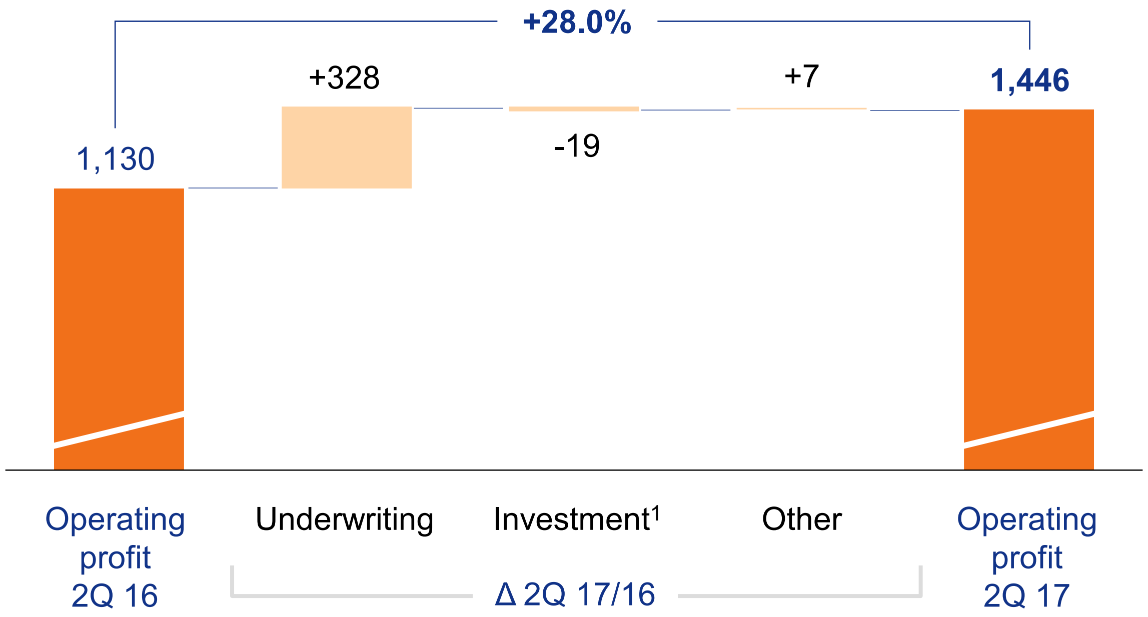
P/C: AWP leads growth

Comments

- **AWP, Spain, Germany main growth drivers**
  Internal growth of +0.5%. Good growth in most entities largely offset by AGCS and Turkey with combined negative effect on internal growth of -2.5%-p. Good price impact of +1.0%, offset by -0.4% volume effect. F/X -0.5% and consolidations +0.6% lead to total growth of 0.6%. NPE +2.9%. Retention +0.9%-p to 92.2%. 6M rate change on renewals +1.6% vs. +1.4% for FY 2016.
- **Germany – good growth**
  Price-driven growth in motor and commercial.
- **Italy – volume effect positive in 2Q**
  Overall growth still negative but significantly less than in 1Q (-3.1%). Genialloyd grows +6.9%.
- **France – accelerating in 2Q**
  Growth in personal (+2.0%), mainly motor and commercial (+2.6%).
- **AGCS – profitability-focused underwriting**
  Impacted by seasonality, continued re-underwriting initiatives and discontinued US crop business.
- **AWP – excellent growth**
  Travel portfolio at AWP P/C remains growth driver. Good new business growth at AWP P/C and L/H.
- **Australia – broad-based growth continues**
  Strong performance in motor and commercial property. Price and volume positive.
- **UK – price effect partially offset by volume**
  Premium increases in motor following Ogden partly offset by underwriting actions in household and by exit from direct channel.
- **LatAm – return to growth in Brazil solidifies**
  Brazil (internal growth +4.5%) with third consecutive quarter of internal growth, basically entirely driven by motor, benefiting from well received new tariff and first signs of economic recovery.
- **Turkey – impacted by MTPL price ceiling**
  Internal growth -21.4%. Impact of price ceiling, introduced by regulator on April 12, results in significantly lower MTPL premiums and could not be compensated by good growth in other lines of business.

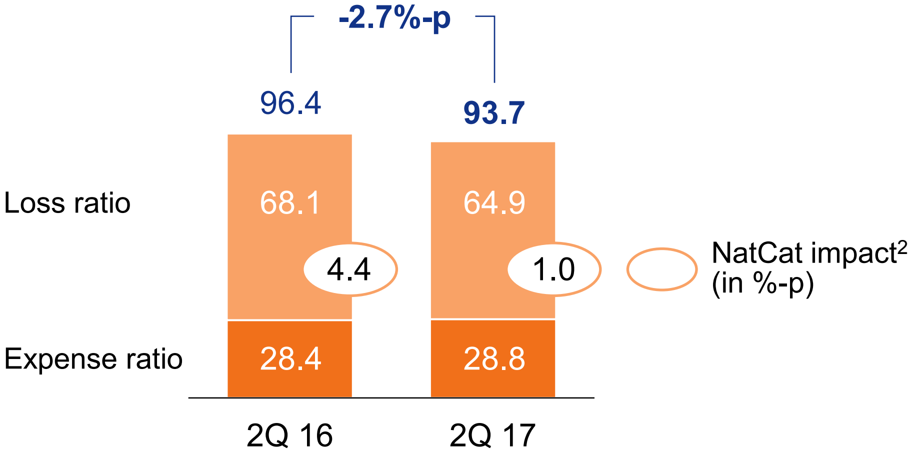
P/C: underwriting result drives strong operating profit growth

Operating profit drivers (EUR mn)

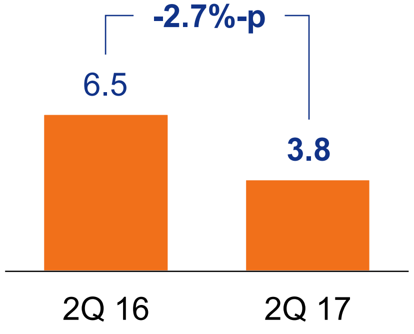


2Q 17	**678**	**747**	**21**
2Q 16	350	766	14

Combined ratio (in %)



Run-off ratio (in %)



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

P/C: underwriting result drives strong operating profit growth

Comments

- **Operating profit – on excellent level**
  Strong OP increase entirely driven by better underwriting result. Share of GPW with CR >100% only 3% (Δ -25%-p vs. 2Q 2016). Investment result resilient.
  1H operating profit of EUR 2.7bn at 51% of FY outlook midpoint.
- **NatCat – 3.3%-p better than last year**
  NatCat losses of EUR 124mn/1.0%-p below elevated prior year (EUR 501mn/4.4%-p).
  10-year average at 2.3%.
- **Run-off – slightly below 10-year average**
  Run-off of 3.8% well below 2Q 2016 level of 6.5% and also slightly less than 10-year average of 4.0%.
  1H run-off ratio of 3.3% also slightly below 10-year average of 3.5%.
- **Loss ratio – strong improvement in AY LR**
  AY LR improves by -5.9%-p. This is driven by lower NatCat and a better attritional LR (Δ -2.6%-p).
  Large and weather-related losses improve -0.8%-p, suggesting an improvement of the AY LR excluding volatile items (underlying LR) of -1.8%-p.
- **Expense ratio – slightly up**
  Strong growth in high-commission travel business at AWP and discontinuation of crop business at AGCS.

P/C: broad-based performance across segment

EUR mn		Operating profit 2Q 17	Operating profit Δ p.y.	Combined ratio 2Q 17	Combined ratio Δ p.y.	NatCat impact on CR[1] 2Q 17	NatCat impact on CR[1] Δ p.y.
Total P/C segment		**1,446**	+28.0%	**93.7%**	-2.7%-p	**1.0%-p**	-3.3%-p
Large OEs	Germany	241	+57.9%	94.9%	-4.7%-p	4.7%-p	-3.4%-p
	Italy	240	+8.9%	85.0%	-1.2%-p	0.0%-p	0.0%-p
	France	112	+108.2%	96.1%	-5.6%-p	0.0%-p	-7.4%-p
Global lines	AGCS	116	n.m.[2]	97.4%	-13.0%-p	0.1%-p	-14.8%-p
	Allianz Worldwide Partners	47	+4.7%	97.7%	+1.6%-p	0.0%-p	0.0%-p
	Credit Insurance	94	-3.4%	80.3%	-2.9%-p	–	–
Selected OEs	Australia	121	+33.9%	86.9%	-5.0%-p	0.4%-p	+0.4%-p
	United Kingdom	32	-15.5%	95.6%	-1.0%-p	0.0%-p	0.0%-p
	Spain	44	-15.2%	92.9%	+2.0%-p	0.0%-p	0.0%-p
	Latin America	22	n.m.[3]	104.3%	-5.1%-p	0.0%-p	0.0%-p
	Turkey	35	+7.0%	99.6%	+1.6%-p	0.0%-p	0.0%-p

1) NatCat costs (without reinstatement premiums and run-off)
2) Operating profit for AGCS increased by EUR 111mn from EUR 5mn in 2Q 16
3) Operating profit in Latin America increased by EUR 31mn from EUR -9mn in 2Q 16

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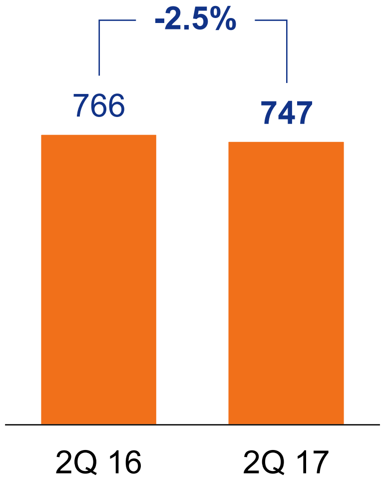
P/C: broad-based performance across segment

Comments

- **Germany – strong CR improvement**
  CR significantly better due to lower NatCat and large losses, partly offset by run-off result and slightly higher expense ratio.
- **Italy – CR improves from already excellent level**
  LR (Δ -2.3%-p) improves on lower AY LR (better MTPL severity, property frequency and GTPL), partly offset by lower run-off ratio.
  Expense ratio up +1.1%-p.
- **France – CR improves mainly on lower NatCat**
  Lower NatCat but also a better underlying LR more than offset lower run-off. OP more than doubles.
- **AGCS – strong improvement**
  AY LR better due to lower NatCat and large losses but underlying LR improves as well. Run-off less favorable. ER higher (Δ +2.2%-p) due to lower NPE and discontinued US crop business.
- **AWP – AY LR improves -1.0%-p**
  Lower AY LR more than offset by lower run-off and higher ER. Latter is due to strong growth in higher commission business.
- **Australia – excellent CR**
  AY LR improves -4.3%-p driven by lower weather-related losses. Partly offset by higher ER.
- **UK – strong underlying CR improvement**
  Strong improvement in AY LR (Δ -3.1%-p) and lower expense ratio partly offset by lower run-off.
- **Spain – good underlying performance**
  AY LR improvement (Δ -1.5%-p) more than offset by lower run-off and slightly higher expense ratio.
- **LatAm – returns to positive OP**
  Brazil close to break-even (Δ OP EUR +8mn) as CR improves by -5.8%-p to 107.9%. Better AY LR and ER partly offset by lower run-off.
  OP in Argentina increases EUR +15mn to EUR 13mn, mainly driven by higher investment result. CR better on improved run-off result and lower expense ratio.

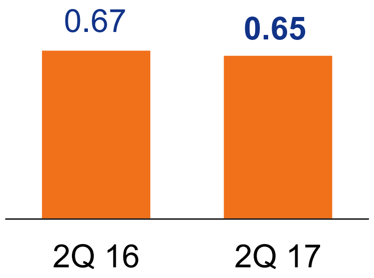
P/C: current income broadly stable

Operating investment result[1]
(EUR mn)

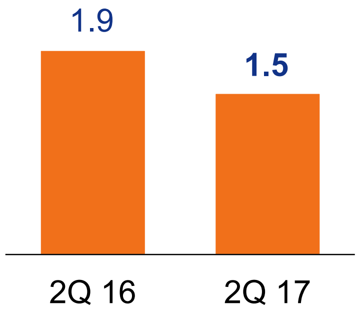


	2Q 16	2Q 17	Change
Interest & similar income[2]	864	880	+16
Net harvesting and other[3]	-10	-43	-32
Investment expenses	-87	-91	-4

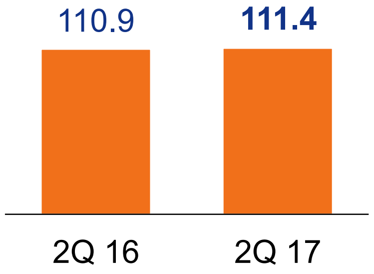
Current yield
(debt securities; in %)



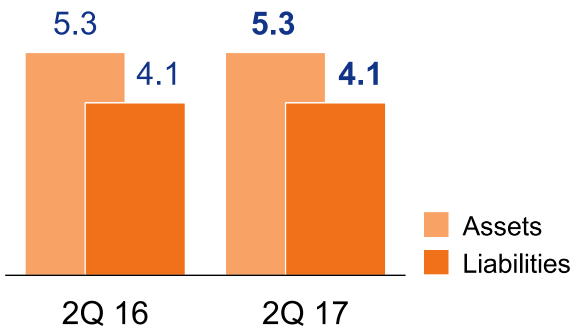
Economic reinvestment yield
(debt securities; in %)



Total average asset base[4]
(EUR bn)



Duration[5]



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: current income broadly stable

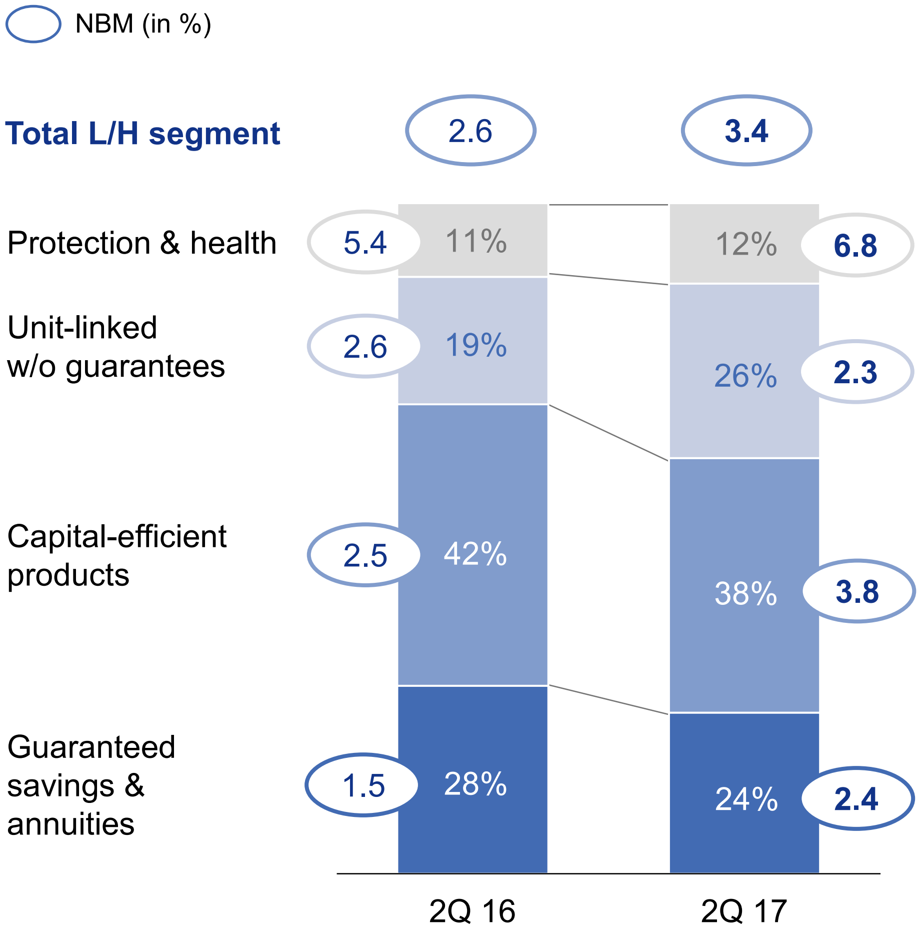
Comments

- **Interest & similar income**
  Resilient performance as higher income on equities compensates lower income on debt. Current yield decline of 2bps in line with market developments.
- **Net harvesting & other**
  F/X result net of hedges lower than last year mainly due to emerging market F/X development.
- **Economic reinvestment yield**
  Down 9bps compared to 1Q mainly due to lower yield on non-government securities.
  Compared to 2Q 2016, 35bps decline in reinvestment yield mainly attributable to lower yield on emerging market debt.

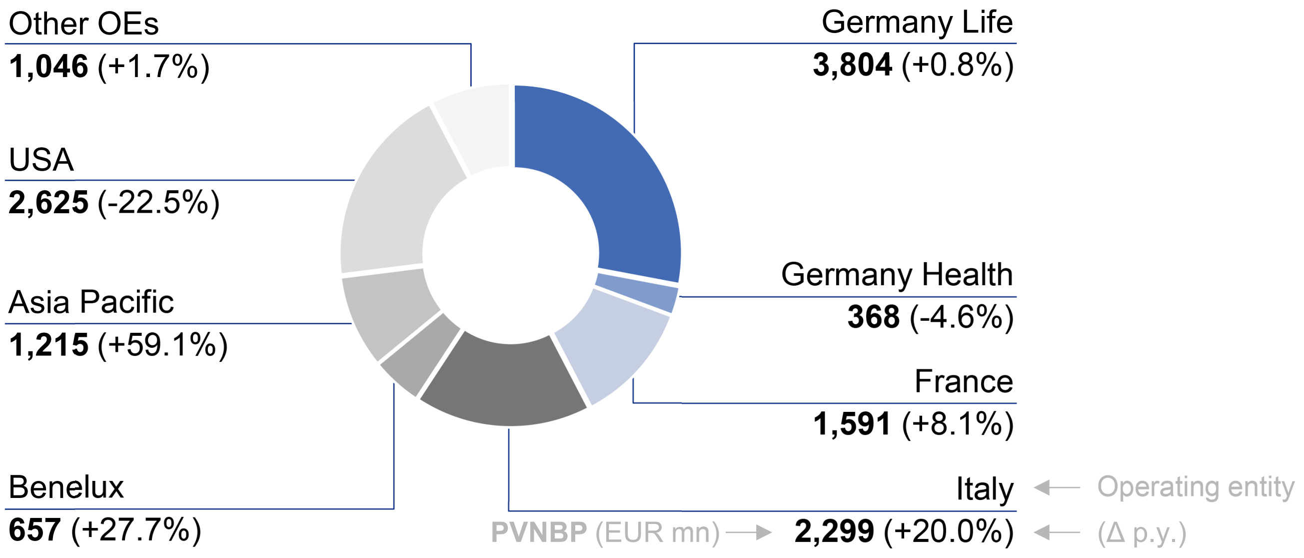
Allianz

L/H: NBM ahead of target

PVNBP share by line



PVNBP by OE (EUR mn)



EUR mn	2Q 16	2Q 17	Δ p.y.
PVNBP	13,240	**13,606**	+2.8%
Single premium	8,796	9,205	+4.6%
Recurring premium	643	707	+9.9%
APE	1,523	**1,628**	+6.9%

L/H: NBM ahead of target

Comments

PVNBP by line

- **NBM well ahead of 3.0% target**
  Management actions during 2016 and 2017 contribute to NBM improvement. NBM at highest quarterly level since introduction of MCEV in 2008. 6M 2017 NBM at 3.3%.
- **Share of preferred lines of business at 76%**
  Successful new business management reflected in business mix. Italy, USA, Spain, Taiwan, Benelux with share of preferred lines > 80%.
- **Growth modus for the 4th consecutive quarter**
  Growth in preferred lines (+8%) is more than sufficient to compensate for drop in traditional products (-12%). UL w/o guarantees shows strongest growth (+40%).
- **Net flows picking up**
  Net flows at EUR 2.8bn, up 51% versus 1Q 2017. Net flows foremost into preferred lines of business.

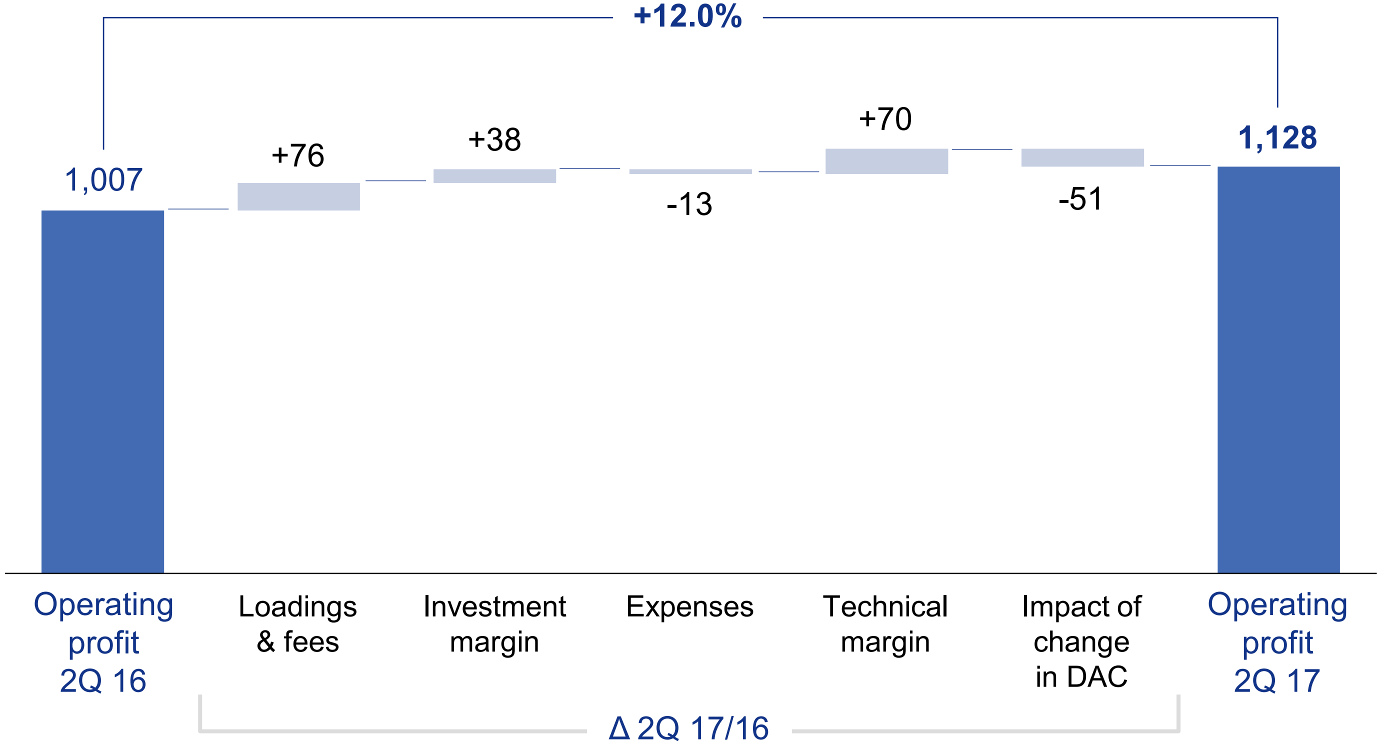
PVNBP by OE

- **Germany Life – all business lines with NBM ≥ 3.0%**
  Higher production of preferred lines (+10%) compensates for decline in traditional products (-14%).
- **USA – 19% growth versus 1Q 2017**
  Drop due to FIA sales campaign in 2016. Compared to 1Q 17 FIA production up by EUR +0.3bn.
- **Italy – UL share at 79%**
  UL up 25%, traditional products down 11%. Capital-efficient products grow by 97% lifting its share in new business to 7%.
- **Benelux – all lines with NBM improvement**
  Management action reflected in strong NBM improvement (+1.1%-p). UL grows by 48%.
- **Asia Pacific – recovery of UL business in Taiwan**
  UL business (Δ EUR +0.5bn) main driver with strong recovery in Taiwan.

Allianz

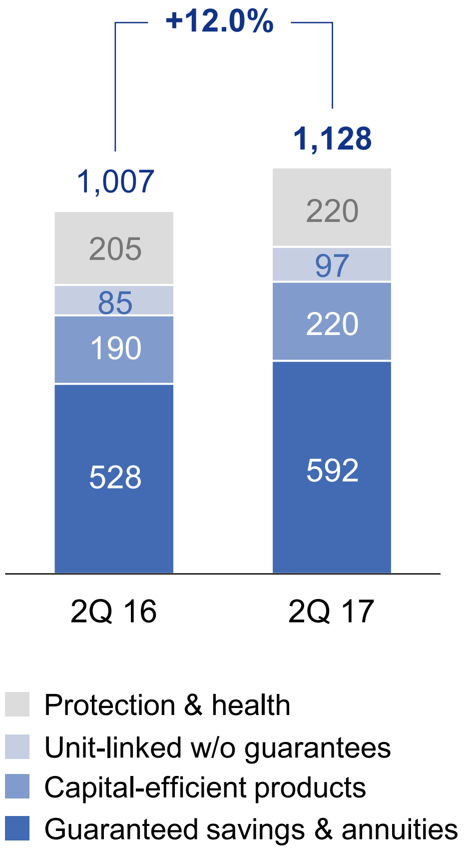
L/H: excellent operating profit at EUR 1.1 billion
(EUR mn)

Operating profit by source



	Loadings & fees	Investment margin	Expenses	Technical margin	Impact of change in DAC
2Q 17	**1,445**	**1,035**	**-1,671**	**283**	**36**
2Q 16	1,369	997	-1,658	213	87

Operating profit by line



L/H: excellent operating profit at EUR 1.1 billion

Comments

- **1H OP at 57% of FY target range midpoint**
  1H 2017 operating profit of EUR 2.3bn at excellent level.
- **L/H RoE 6M (annualized) up 5.6%-p to 13.3%**
  Share of OEs with RoE ≥ 10% up 43%-p to 77%. RoEs of Germany Life (18.7%), USA (14.8%), France (13.0%), Germany Health (14.3%) and Spain (25.1%) well above 10%. Italy (7.9%) still below 10%, but on track to reach target which would increase share close to 90%.
- **Loadings & fees up 6%**
  In line with increased revenues in Asia Pacific (Δ EUR +0.4bn) and reserve growth in USA (+8%). In addition higher UL fees in Italy.
- **Investment margin up 4%**
  Increase entirely due to growth in reserves (+4%). Investment margin stable at 24bps.
- **Technical margin recovers**
  Prior year result affected by one-off charges. Improved contribution from France (Δ EUR +67mn) and USA (Δ EUR +34mn).
- **Expenses almost stable**
  Acquisition expense ratio improves as expenses grow less than new business. Admin expense ratio stable.
- **Impact of change in DAC driven by USA**
  Driven by lower capitalization (Δ EUR -57mn) as a function of sales decline in USA.
- **All business lines show higher operating profits**
  All lines improve by at least 7% with capital-efficient products showing the biggest progress (+16%).

Allianz

L/H: VNB up 38 percent on successful business mix shift

EUR mn		Value of new business 2Q 17	Value of new business Δ p.y.	New business margin 2Q 17	New business margin Δ p.y.	Operating profit 2Q 17	Operating profit Δ p.y.
Total L/H segment		**469**	+37.6%	**3.4%**	+0.9%-p	**1,128**	+12.0%
Large OEs	Germany Life	153	+44.9%	4.0%	+1.2%-p	286	+9.4%
	USA	94	+19.4%	3.6%	+1.3%-p	262	+14.2%
	Italy	53	+49.2%	2.3%	+0.5%-p	55	-32.7%
	France	25	+59.8%	1.5%	+0.5%-p	156	+5.8%
Selected OEs	Asia Pacific	53	+36.0%	4.4%	-0.7%-p	65	+36.9%
	Spain	20	+23.8%	6.7%	+1.6%-p	91	+87.2%
	Turkey	13	-6.7%	6.3%	-1.1%-p	18	+13.7%
	Benelux	13	+177.6%	2.0%	+1.1%-p	34	-13.5%
	Germany Health	12	+73.9%	3.4%	+1.5%-p	55	+43.5%
	Switzerland	5	n.m.[1]	3.1%	+2.6%-p	23	+10.2%

1) Value of new business in Switzerland increased by EUR 4mn from EUR 1mn in 2Q 16

L/H: VNB up 38 percent on successful business mix shift

Comments

New business

- **Successful new business management**
  Outstanding NBM and VNB prove that our products are value creating even in a very low interest rate environment.
- **6M 2017 VNB at 64% of FY 2016 level**
  2Q VNB up 3% vs. 1Q which was the highest quarterly level since MCEV introduction in 2008. 82% of VNB stem from preferred lines of business.
- **2nd consecutive quarter with NBM ≥ 3.0%**
  Main drivers for improvement are better business mix (+0.2%-p), more benign economic conditions (+0.2%-p) and introduction of refined model for calculation of technical provision in Germany Life (+0.3%-p). Calculated with end-of-quarter assumptions 2Q 2017 NBM at 3.6%.
- **Most OEs with improved NBM contribution**
  Higher NBM in almost all regions. Example for successful repricing and business mix change is Belgium (Δ 3.2%-p improvement to 3.0%).

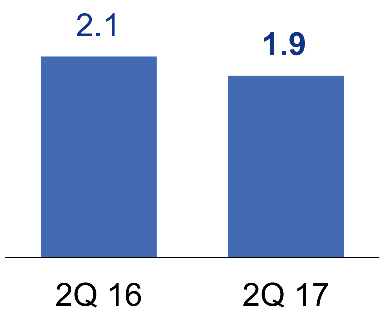
Operating profit

- **USA – profitability with further progress**
  Increase largely driven by better result from VA business supported by lower hedging costs (Δ EUR -19mn).
- **Germany Life – profitability excellent again**
- **Italy – investment margin and higher UL fees**
  Lower investment margin (Δ EUR -37mn) due to impairments and F/X, partially compensated by higher UL management fees (Δ EUR +12mn).
- **Spain – better investment margin**
  Investment margin benefits from ALM optimization.
- **Germany Health – normalization**
  Equity impairments in 2Q 2016.
- **Asia Pacific – 5th largest profit contributor**
  Better results across major OEs, i.e. Thailand, Indonesia, China and Taiwan.

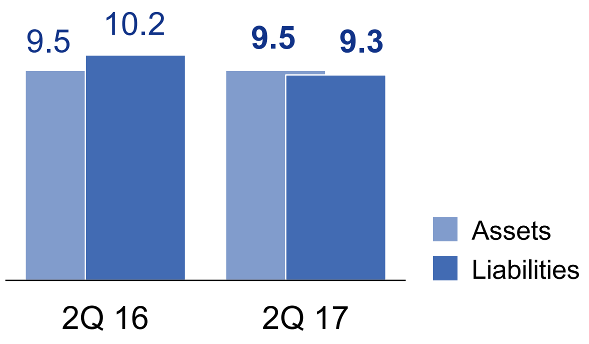
L/H: EUR 1 billion investment margin, up 4 percent in line with reserves

	Investment margin	
(Yields are pro-rata)	**2Q 16**	**2Q 17**
Based on Ø book value of assets[1] (EUR bn)	**507**	**516**
Current yield	0.9%	0.9%
Based on Ø aggregate policy reserves (EUR bn)	**407**	**424**
Current yield	**1.1%**	**1.1%**
Net harvesting and other[2]	0.0%	0.0%
Total yield	**1.1%**	**1.1%**
- Ø min. guarantee[3]	0.5%	0.5%
Gross investment margin (in %)	**0.6%**	**0.6%**
- Profit sharing under IFRS[4]	0.4%	0.3%
Investment margin (in %)	**0.2%**	**0.2%**
Investment margin (EUR mn)	997	1,035

Economic reinvestment yield
(debt securities; in %)



Duration[5]



1) Asset base under IFRS which excludes unit-linked, FVO and trading
2) Other comprises fair value option, trading and F/X gains and losses, as well as investment expenses
3) Based on technical interest
4) Includes bonus to policyholders under local statutory accounting and deferred premium refund under IFRS
5) 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

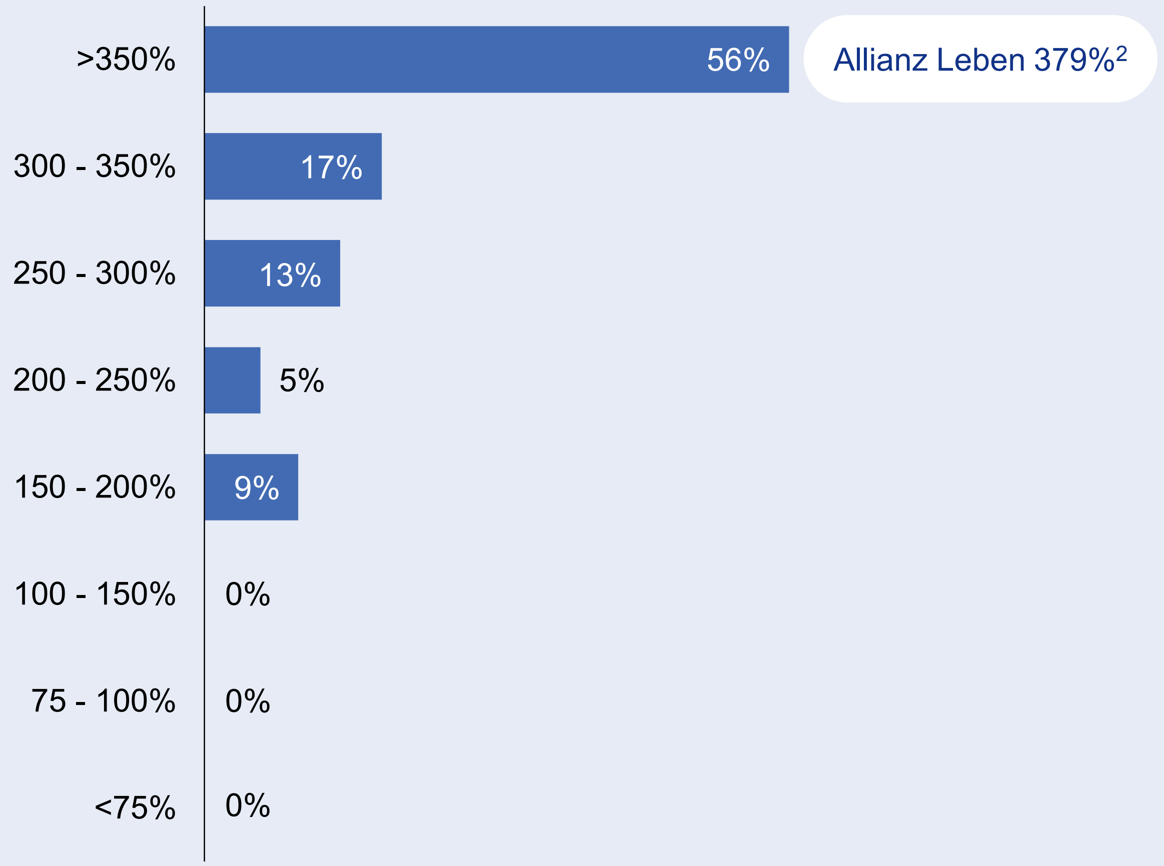
L/H: EUR 1 billion investment margin, up 4 percent in line with reserves

Comments

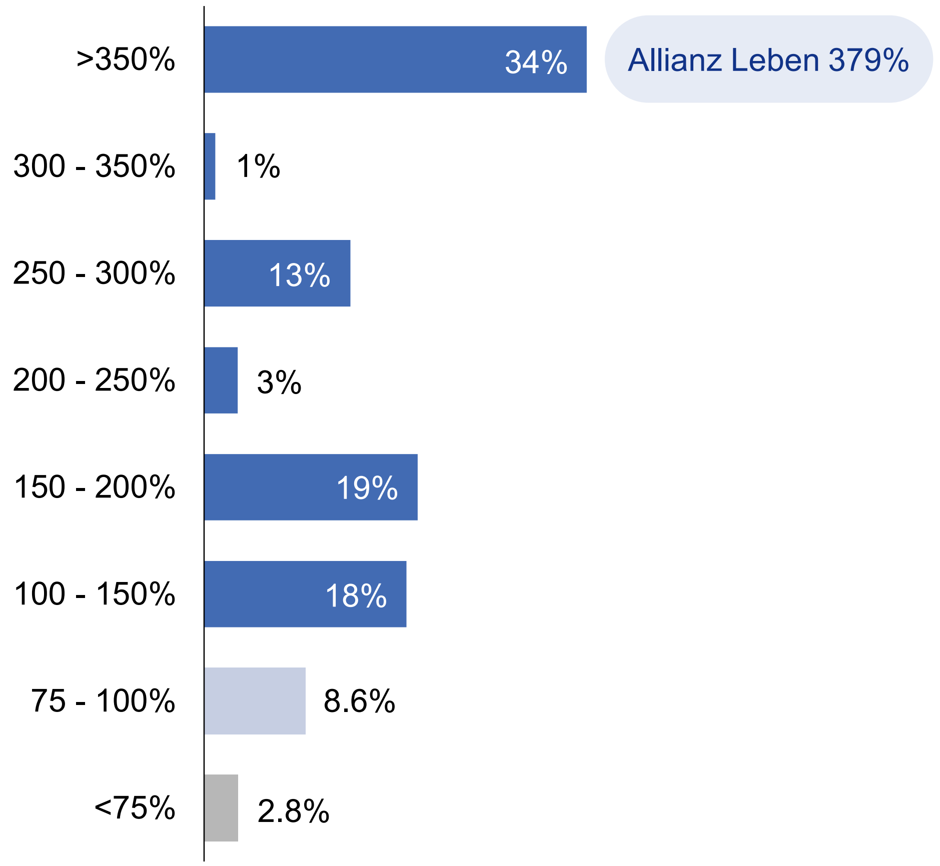
- **Yield decline mitigated**
  Current yield based on aggregate policy reserves declines 1bp only, supported by higher dividend income. Impact more than offset by lower average minimum guarantee (-2bps).
- **Net harvesting and other – less net realized gains**
  Contribution of net realized gains slightly down by 1bp. Net harvesting and other at 0bps and lower than the year before (4bps).
- **Unrealized gains > EUR 60bn**
  Level of unrealized gains remains significant: EUR 47bn on debt securities and loans, EUR 11bn for equities, EUR 4bn for real estate (held for investment) and EUR 2bn for others.
- **Investment margin (in %) – on track**
  Investment margin strong at 24bps (unchanged).
  1H 2017 investment margin at 49bps.
  Normal full-year level approx. 95bps.
- **Investment margin (EUR mn) – above EUR 1bn**
  Growth of 4% driven by higher reserve base (+4%).
- **PHP slightly down**
  PHP declines by 1.0%-p to 77.5%.
- **Economic reinvestment yield**
  Reinvestment yield stable versus 1Q 2017.
- **Duration gap narrowed**
  Asset duration stable due to management action offsetting impact from higher rates. Liability duration reduced due to market movements and the disposal of our Korean Life business.

L/H: SFCRs confirm resilience of German Life industry

Reported Solvency II ratios and market share[1]



Solvency II ratio w/o transitionals and market share[1]



1) Total aggregate policy reserves (local GAAP) EUR 838bn
Source: MPSS Datenbank

2) With transitional Solvency ratio of Allianz Leben would have been 660%
Source: GDV

L/H: SFCRs confirm resilience of German Life industry

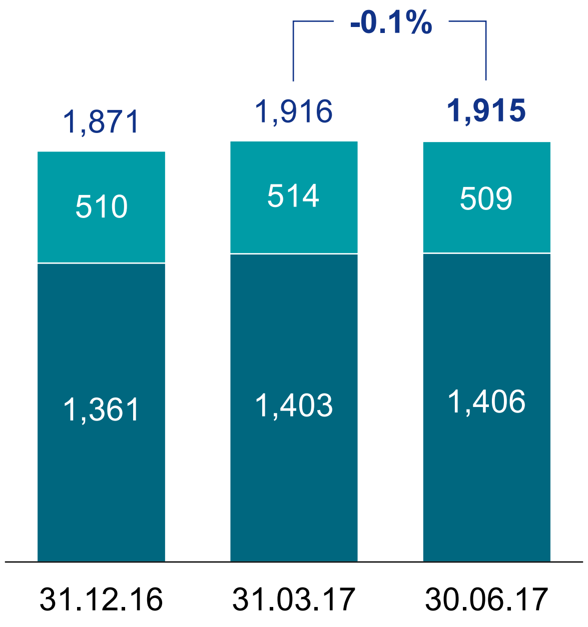
Comments

- **Transitional measures**
  Transitional measures allow insurers to smooth the full implementation of Solvency II on their in-force books. The transitional measure on technical provisions allows to bridge the gap from current Solvency I technical provisions to a full Solvency II valuation. The benefit from transitionals runs off linearly over a period of 16 years.
- **Reported Solvency II ratio of all insurers > 100%**
  Without transitionals only 2.8% of reserves with Solvency II ratio below 75%.
- **Allianz Leben reported Solvency II ratio at 379%**
  With transitional measures Allianz Leben Solvency ratio would have been 660%.
- **10 largest insurers**
  10 largest insurers cover 59% of total technical reserves. Their average reported Solvency II ratio is 351%, average Solvency II ratio without transitional measures is 286%.

Allianz

AM: EUR 55 billion 3rd party net inflows – best quarterly level ever
(EUR bn)

Total assets under management



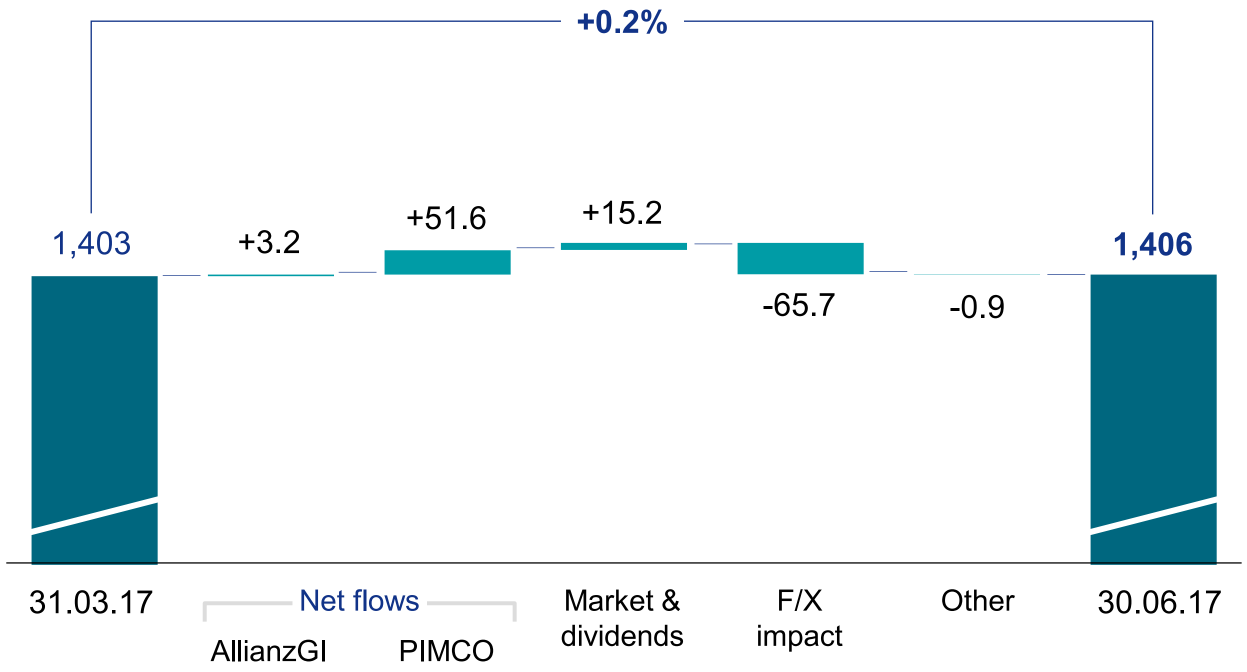
3rd party AuM split

+0.5%

PIMCO	1,036	1,063	**1,069**
AllianzGI	325	339	**337**

-0.6%

3rd party assets under management development

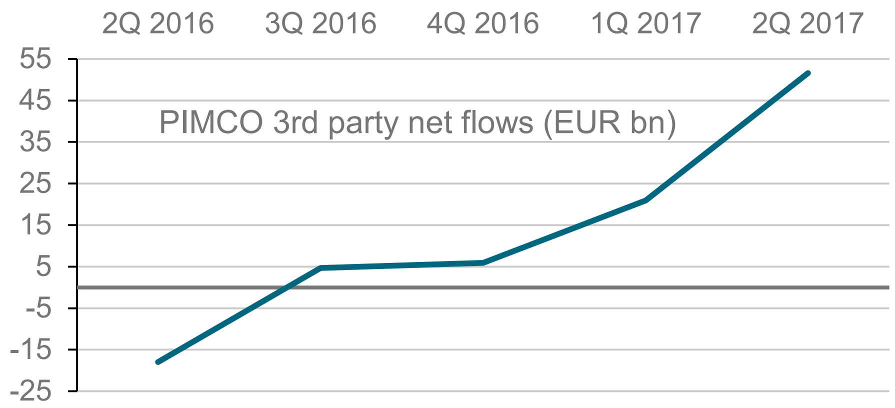


in %	+0.2%	+3.7%	+1.1%	-4.7%	-0.1%

AM: EUR 55 billion 3rd party net inflows – best quarterly level ever

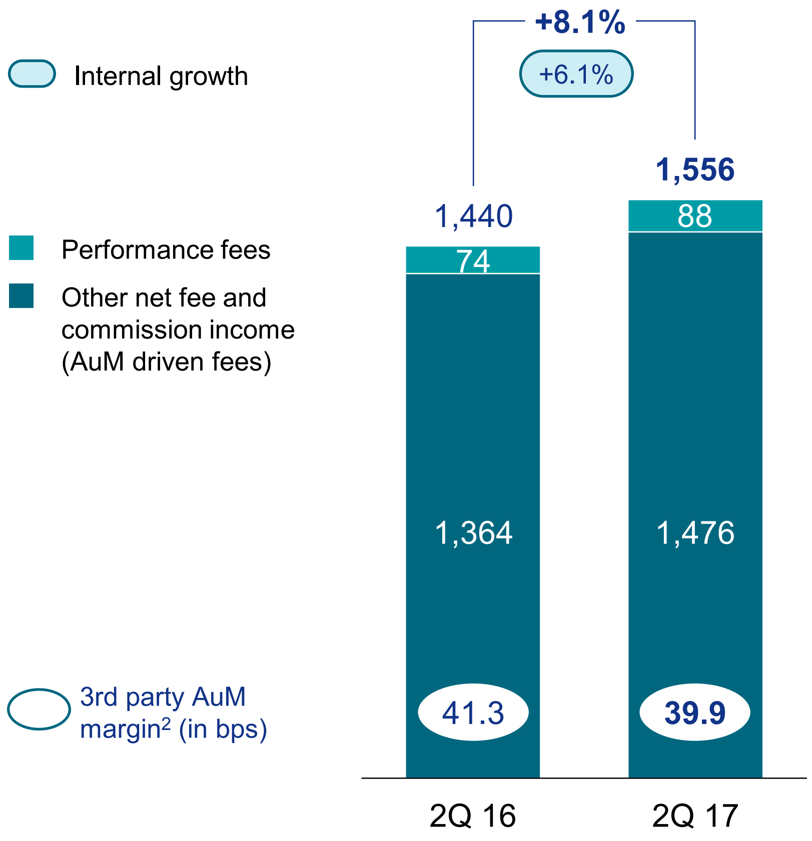
Comments

- **3rd party AuM AllianzGI – close to record level**
  3rd party net inflows, positive markets, but negative F/X impact result in slightly lower 3rd party AuM compared with 1Q 2017 (Δ EUR -2bn / -0.6%), which was the highest level since new setup in 2012.
- **3rd party AuM PIMCO – up 0.5%**
  EUR 52bn 3rd party net inflows and positive market effects, but negative F/X impact in particular due to weaker USD. Share of non-traditional strategies in 3rd party AuM: 82% (80% end of 1Q 2017).
- **Net inflows segment: EUR 55bn**
  Best quarterly 3rd party net flows ever.
- **Net inflows AllianzGI: EUR 3bn**
  3rd party net inflows in multi asset, fixed income and alternatives business more than compensate for 3rd party net outflows in equities. Allianz has agreed to sell AllianzGI Korea. Excluding the impact from AllianzGI Korea, 3rd party net inflows of AllianzGI amount to EUR 4bn.
- **Net inflows PIMCO: EUR 52bn**
  Trend of 3rd party net inflows further accelerates, covering strategies like Income, Long Duration, Investment Credit, Enhanced Cash.
  Inflows supported by one mandate amounting to EUR 19bn. Excellent investment performance: 91% of 3rd party AuM outperform benchmarks on a trailing 3-year basis before fees.
  Income and Total Return Fund with positive alpha across 3-month, 1-, 3- and 5-year periods.

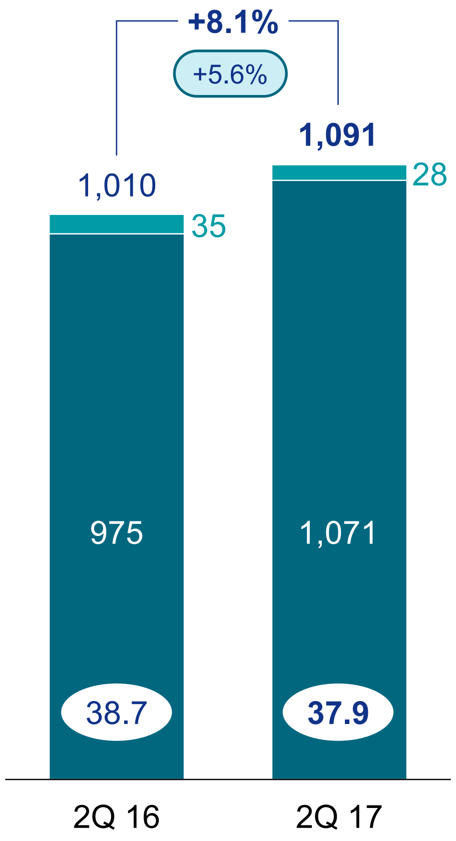


AM: revenues up 8 percent
(EUR mn)

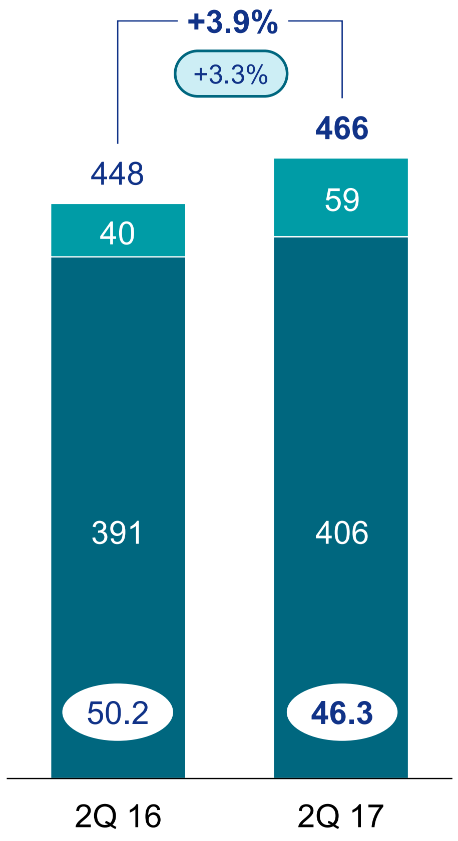
Revenues development[1]



PIMCO[3]



AllianzGI[4]



1) Other operating revenues in the AM segment of EUR 1mn in 2Q 16 and EUR -8mn in 2Q 17 are not shown in the chart
2) Excluding performance fees and other income
3) Other operating revenues at PIMCO of EUR 0mn in 2Q 16 and EUR -8mn in 2Q 17 are not shown in the chart
4) Other operating revenues at AllianzGI of EUR 18mn in 2Q 16 and EUR 0mn in 2Q 17 are not shown in the chart

AM: revenues up 8 percent

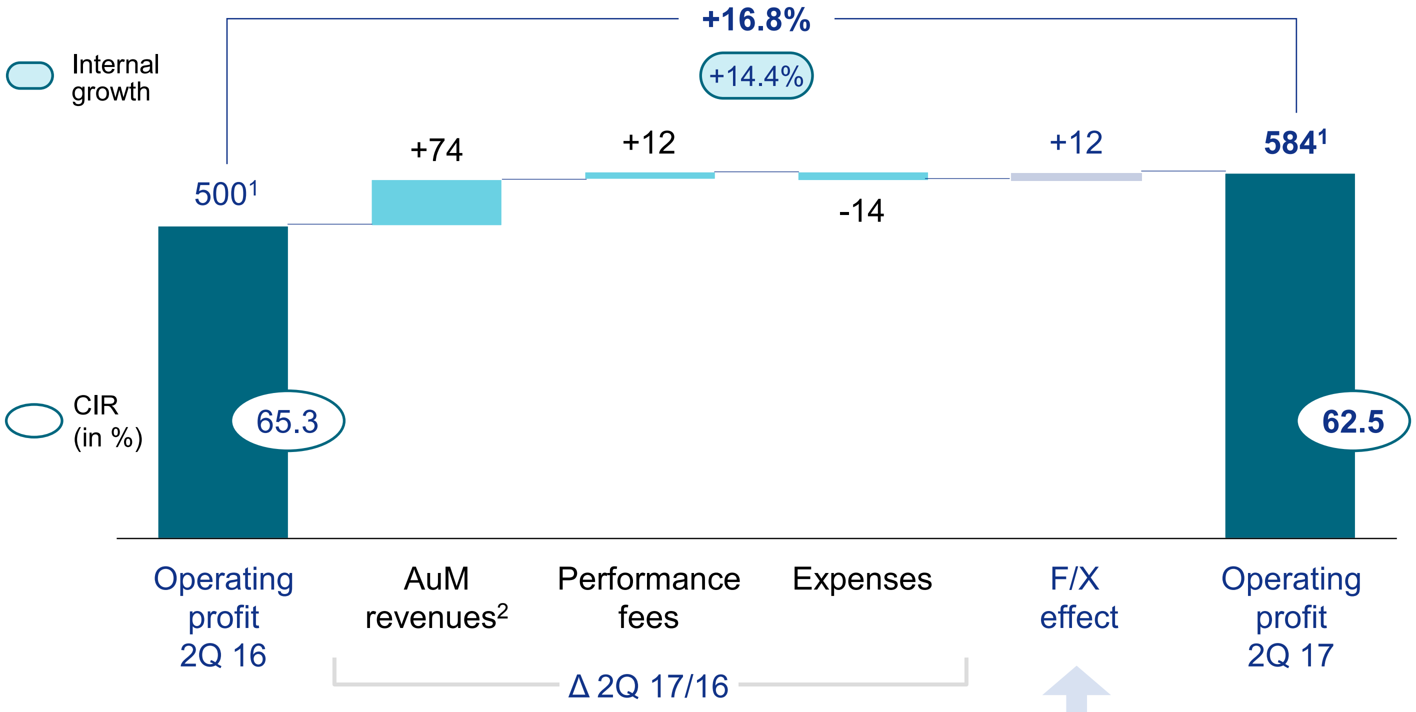
Comments

- **Revenues segment – up 8%**
  EUR 82bn net inflows over the last four quarters contribute to higher average 3rd party AuM (+12% versus 2Q 2016), resulting in higher AuM driven fees (Δ EUR +112mn/+8%). Performance fees support increase (Δ EUR +13mn/+18%).
- **Margin PIMCO – impacted by mix**
  Margin slightly lower than in 2Q 2016 (Δ -0.7bps) and 1Q 2017 (Δ -0.5bps). Decrease due to structure of net inflows in 2Q 2017.
- **Margin AllianzGI – up versus 1Q 2017**
  Margin increases 1.0bps vis-à-vis 1Q 2017 supported by fee day effect. Margin at 47.3bps excluding the impact of AllianzGI Korea (closing of the sale expected for 2H 2017).
  Decrease versus 2Q 2016 by 3.9bps mainly due to business mix of Rogge Global Partners (fixed income strategies / institutional clients), which impacted 2Q 2016 margin only pro-rata temporis (consolidation of Rogge end of May 2016).

Allianz

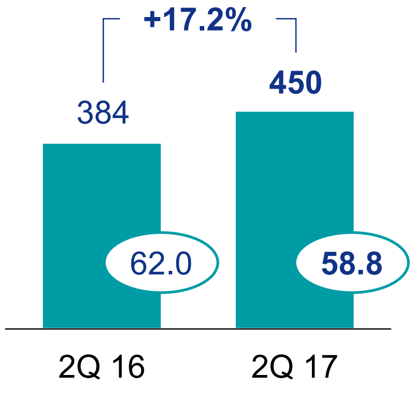
AM: strong operating profit, driven by PIMCO
(EUR mn)

Operating profit drivers

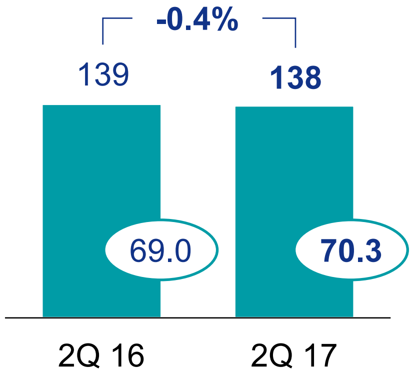


F/X impact	+29	+2	-19
2Q 17	**1,468**	**88**	**-972**
2Q 16	1,365	74	-940

PIMCO



AllianzGI



1) Including operating loss from other entities of EUR -23mn in 2Q 16 and EUR -4mn in 2Q 17
2) Including other operating revenues

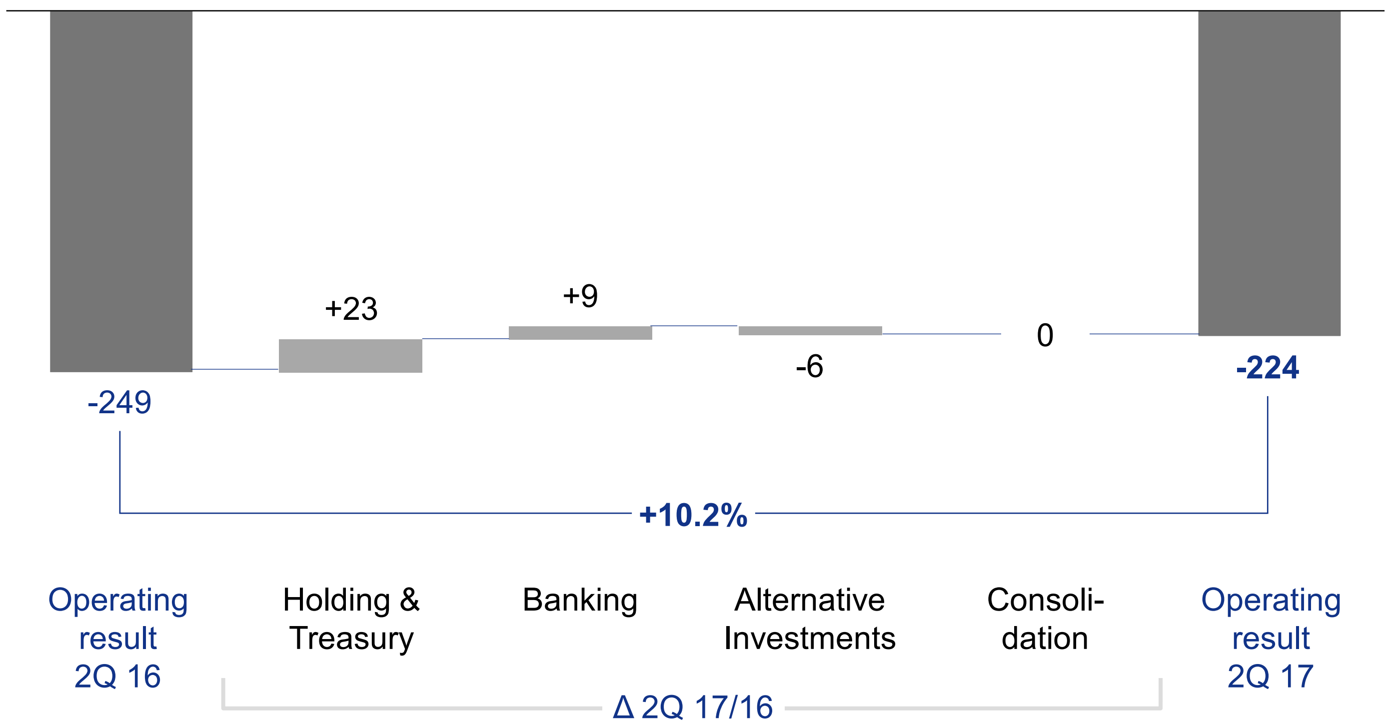
AM: strong operating profit, driven by PIMCO

Comments

- **Segment – OP rises 17%**
  Significant improvement versus 2Q 2016 following higher average 3rd party AuM. OP even better than strong result in 1Q 2017 (Δ EUR +12mn/+2%).
  50% of FY 2017 outlook midpoint achieved in 1H 2017.
  CIR 2Q 2017 better by 2.8%-p particularly due to higher AuM driven fees.
- **PIMCO – OP up 17%**
  Strong increase due to higher revenues.
  F/X adjusted operating expenses stable despite business growth.
  CIR improves by 3.2%-p; current level of 58.8% better than 2018 target level of 60%.
- **AllianzGI – OP stable on a high level**
  Good operating profit which increased excluding a one-off benefit in 2Q 2016.
  CIR up 1.3%-p due to integration of acquired entities (e.g. Rogge, Sound Harbor Partners) and IT-related investments.

CO: improving
(EUR mn)

Operating loss development and components



2Q 17	**-255**	**26**	**5**	**0**
2Q 16	-278	17	11	0

CO: improving

Comments

- **Holding & Treasury with good improvement**
  Driver is better net interest result (Δ EUR +38mn) mainly due to increase in dividends received and higher interest income from third-party loans.
- **Banking benefits from better result in Germany**
  Result from German Banking improves by EUR 7mn to EUR 11mn as a function of lower non-personnel expenses and lower net LLP. Also higher contribution from Italy (Δ EUR +4mn) mainly due to higher net fee and commission income and lower net LLP.

Allianz

Group: shareholders' net income at EUR 2.0 billion

EUR mn	2Q 16	2Q 17	Change
Operating profit	2,383	2,928	+545
Non-operating items	**-608**	**-43**	**+565**
Realized gains/losses (net)	267	337	+70
Impairments (net)	-383	-59	+323
Income from financial assets and liabilities carried at fair value (net)	28	25	-3
Interest expenses from external debt	-211	-208	+3
Acquisition-related expenses	0	5	+5
Restructuring charges	-78	-115	-36
Amortization of intangible assets	-28	-34	-5
Change in reserves for insurance and investment contracts (net)	0	6	+6
Reclassifications	-202	0	+202
Income before taxes	**1,775**	**2,886**	**+1,110**
Income taxes	-594	-793	-199
Net income	**1,182**	**2,093**	**+911**
Non-controlling interests	-95	-99	-4
Shareholders' net income	**1,087**	**1,994**	**+907**
Effective tax rate	33%	27%	-6%-p

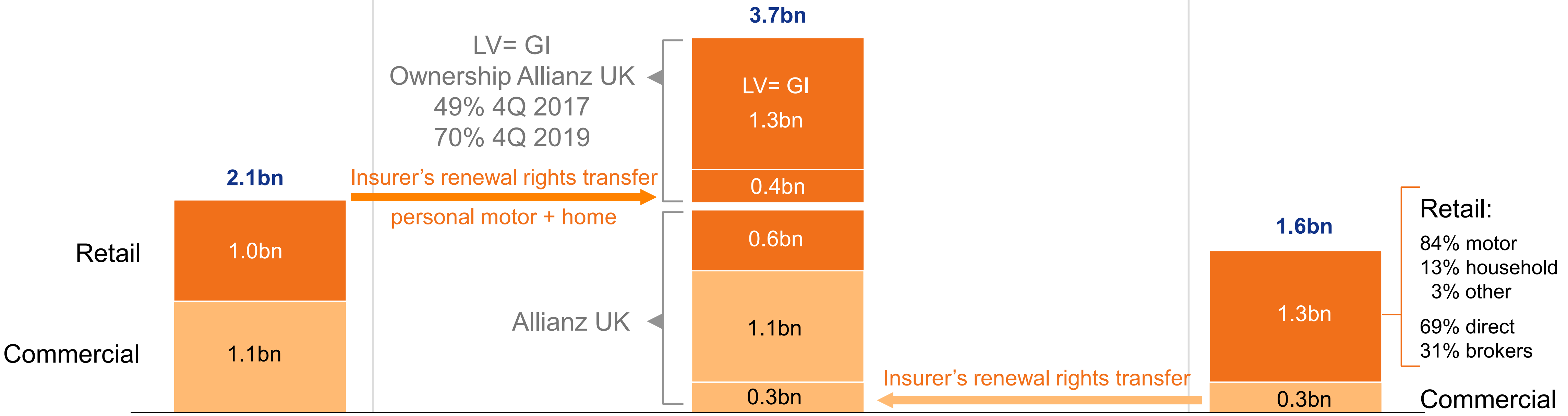
Group: shareholders' net income at EUR 2.0 billion

Comments

- **Shareholders´ net income up 83%**
  Shareholders' net income at 29% of FY 2016 result. Prior year result impacted by disposal of Korean Life business (EUR -352mn).
- **Broad-based net income support**
  Improvement stems from operating profit (Δ EUR +0.5bn), non-operating items (Δ EUR +0.6bn) and a lower tax ratio (Δ -6%-p).
- **Change of non-operating items driven by Korea**
  Improvement largely driven by disposal of the Korean Life business in the prior year (Δ EUR +451mn) and lower impairments (Δ EUR +115mn excl. Korea).
- **Restructuring charges**
  Restructuring charges driven by "Smart Prices & Costs Program" of Allianz Technology and "Ziel-Bild 2020" initiative of Allianz Germany.
- **Tax rate slightly below normal level**
  Tax rate supported by tax-free capital gains and positive impact from DTA-recognition. These two items account for ~2%-p improvement in the tax ratio.

Allianz and Liverpool Victoria (LV=) to create UK's 3rd largest P/C company

Allianz UK Key figures 2016	Allianz UK and LV= to create 3rd largest P/C company[1]	LV= General Insurance Key figures 2016
Market position[2] # 5 in general insurance market CR 96.1%[3]	**Market position[2]** # 3 in general insurance market # 3 in retail market # 4 in commercial market	**Market position[2]** # 10 in general insurance market CR 94.1%[3]
Statutory premiums (GBP)	2016 pro-forma statutory premiums (GBP)	Statutory premiums (GBP)



1) Subject to regulatory approval
2) Market position based on internal data
3) Retail and commercial, adjusted for Ogden

Allianz

Allianz and Liverpool Victoria (LV=) to create UK's 3rd largest P/C company

Comments

Rationale

- **Leading market position …**
  Creates 3rd largest insurer in the UK
- **… with strong track record**
  Strong and consistent profit delivery of LV= GI
- **Strength in key retail distribution channel …**
  Critical mass in important direct channel
- **… supported by attractive brand**
  Buy-in into #1 brand in terms of value and quality
- **Complementary strengths …**
  Leveraging LV='s strong brand and excellent customer service with Allianz's financial strength and digital expertise
- **… offer further cooperation**
  Potential for wider cooperation, e.g. reinsurance, asset management, technical excellence

Deal structure

- Fixed price of GBP 1,020mn for 100%.
  Implied PE 2018e at ~11 times[1]
- Price paid includes capitalization of LV= GI to target level of 130% SII ratio
- **1st step – 4Q 2017**
  - Allianz acquires 49% stake in LV= GI for GBP 500mn
  - Allianz acquires LV=GI insurer's renewal rights in commercial business. LV= GI acquires Allianz UK insurer's renewal rights in personal home and personal motor.
- **2nd step – 4Q 2019**
  LV= to sell additional 20.9% of shares in LV= GI to Allianz UK for GBP 213mn; Allianz UK to own 69.9%
- **Put option for remaining stake**
  LV= with option to sell remaining stake to Allianz

1) Assuming net income excluding one-off expenses

Allianz

Status quo and ambitions for 2018

6M 17	2018			6M 17	2018
7.7%[1]	5%[1]	EPS Growth	Businesses with NPS above market	55%[3]	75%
13.4%[2]	13%	RoE Allianz Group	SII interest rate sensitivity	11%-p	<11%-p
94.6%	94%	P/C CR	PIMCO CIR	59.4%	60%
77%[2]	100%	L/H OEs with RoE ≥10%	IMIX	70%[3]	72%
3.3%	3.0%	L/H NBM	Share of newly launched digital products	85%[4]	~100%

1) CAGR of (annualized) EPS versus EPS for FY 2015. Annualized figures are not a forecast for full-year numbers
2) For more details on the RoE calculation please refer to the glossary
3) Based on latest available data
4) Refers to 1Q 2017

3

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
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	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. **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. **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.
AWP	Allianz Worldwide Partners
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	**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.
	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.
	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.
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.

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