

Allianz Group Fiscal Year 2014

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Based on
preliminary figures

Allianz 

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Allianz Group
Fiscal Year 2014

- 1** **Highlights**
- 2** Additional information
 - a) Group
 - b) Property-Casualty
 - c) Life/Health
 - d) Asset Management
 - e) Corporate and Other
- 3** Glossary

Business highlights 2014

Customer Growth

- Customer base grows by 2 million to 85 million

P/C Non-Motor Retail

- Germany: Number of modular cover policies “PrivatSchutz” increases by 650,000 to more than 1.1 million
- Germany: More than 250,000 policies sold of device repair cost insurance “PlusSchutz” since launch
- Italy: More than 100,000 policies of modular cover “Allianz1” sold since launch in 1Q
- United Kingdom: Allianz UK surpasses mark of 1 million insured animals through “PetPlan”

Life/Health

- Germany: “Perspektive” most successful product launch ever with 73,700 policies sold in 2014
- Italy: “Progetto Reddito” again created high demand with almost EUR 1bn in GPW
- US: Sales in Fixed-indexed annuity products by Allianz Life more than doubled to USD 12.8bn

Asset Management

- PIMCO: New investment leadership team empowered and modern management structure implemented
- Allianz Global Investors: Operating profit 2014 exceeds EUR 400mn mark for the first time and posts eighth consecutive quarter with net inflows

Investments

- Renewable energy portfolio exceeds EUR 2bn and now comprises 48 wind and 7 solar parks
- Allianz invests in UK rolling stock company Porterbrook
- Mid-term target for real asset-based financing raised to EUR 110bn from EUR 80bn

Transactions

- Acquisition of property & casualty business and distribution capacity in Italy from UnipolSai
- Acquisition of Australian property & casualty insurer Territory Insurance Office TIO
- Sale of Fireman’s Fund retail insurance business to US insurer ACE

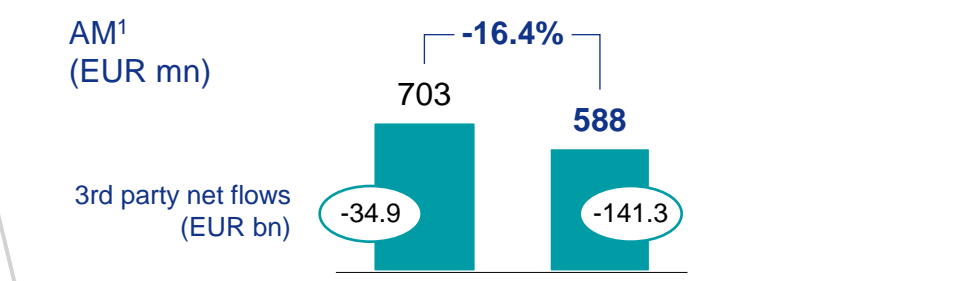
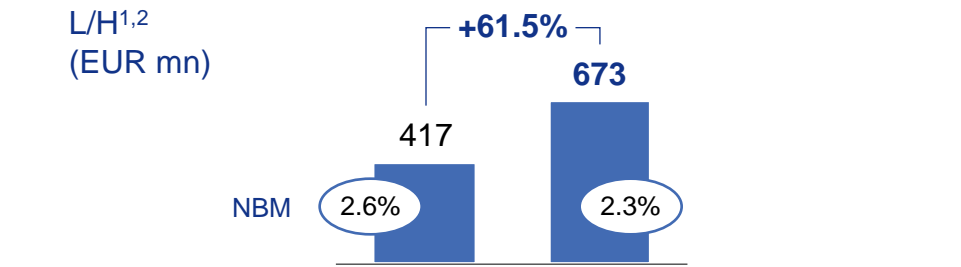
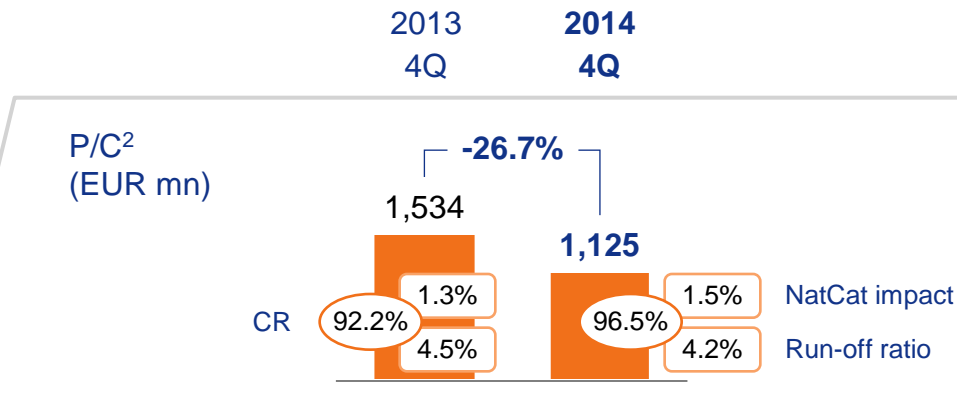
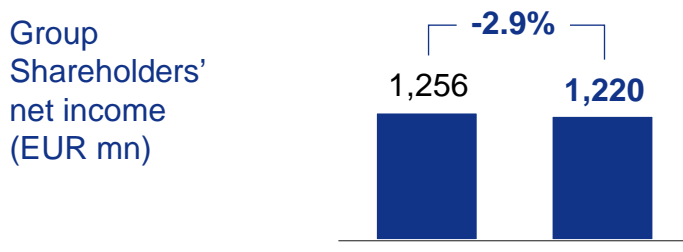
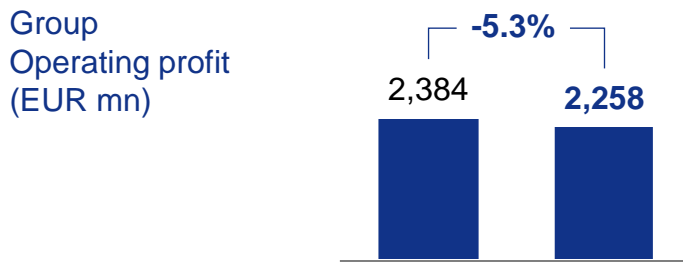
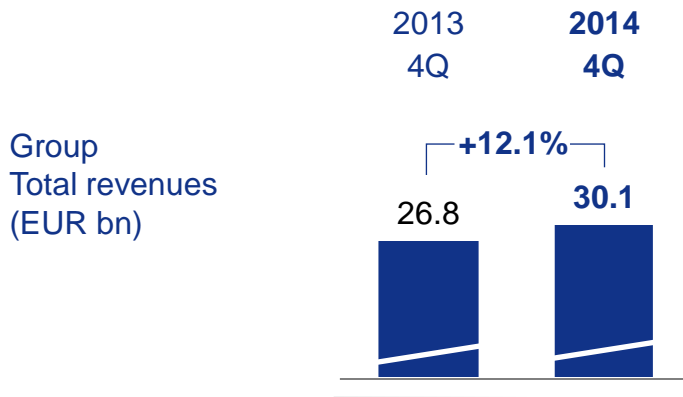
Sustainability

- Allianz signs UN Principles for Sustainable Insurance; underwriting and risk standards across Allianz Group now incorporate environmental, social and governance criteria

Branding

- Acquisition of stake in soccer club FC Bayern München and strengthening of long-term cooperation
- Acquisition of long-term naming rights for new stadium of Austrian soccer club SK Rapid Wien
- Allianz brand value rises 15 percent to USD 7.7bn compared to previous year according to Interbrand

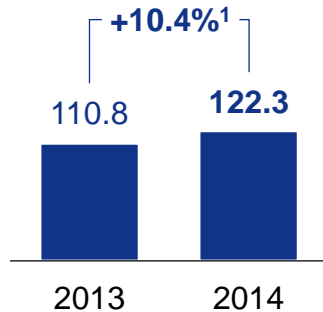
Financial highlights 4Q 2014



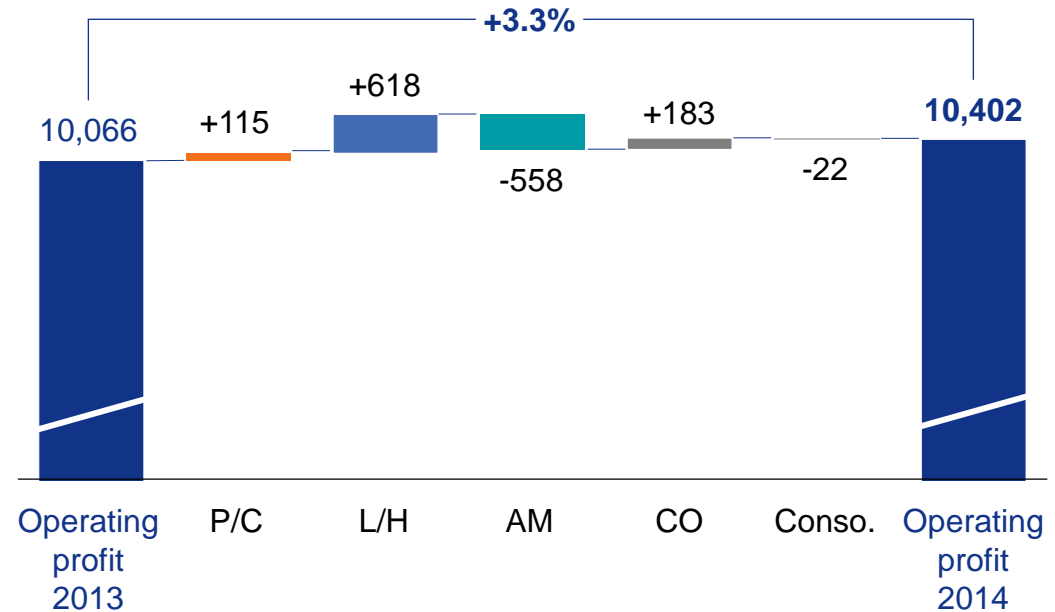
1) Effective 2014, certain entities were allocated from Asset Management to Life/Health and Banking
 2) In 4Q 14 the French International Health business was transferred from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014

Revenues and profits continue to grow

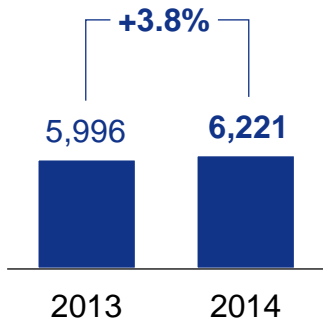
Total revenues (EUR bn)



Operating profit drivers² (EUR mn)



Net income³ (EUR mn)

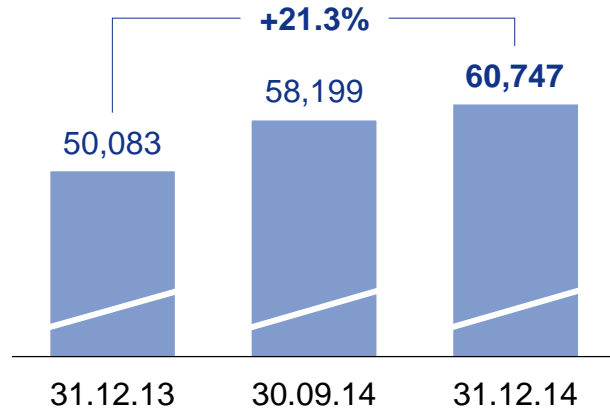


2014	5,382	3,327	2,603	-820	-91
2013	5,267	2,709	3,161	-1,004	-68

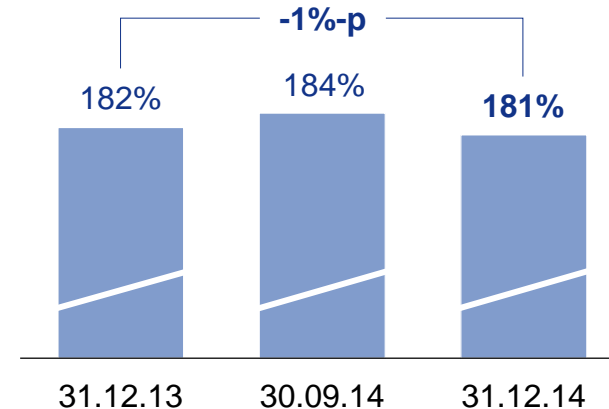
- 1) Internal growth of 10.6%, adjusted for F/X and consolidation effects
- 2) Effective 2014, certain entities were allocated from Asset Management to Life/Health and Banking. In 4Q 14 the French International Health business was transferred from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014
- 3) Net income attributable to shareholders

Shareholders' equity at new high

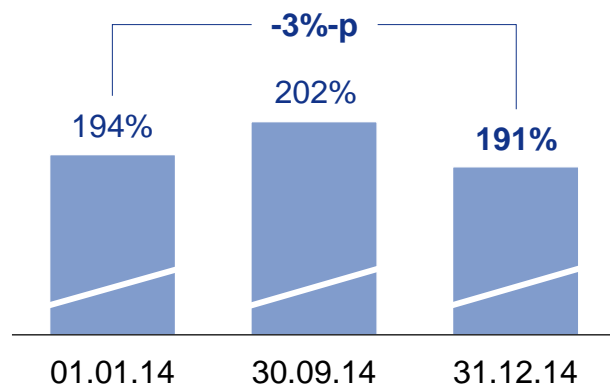
Shareholders' equity (EUR mn)



Conglomerate solvency^{1,2} (%)



Solvency II capitalization^{2,3} (%)



S&P capital adequacy

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

1) Includes off-balance sheet reserves. For details, please refer to the "Additional information" section
 2) Hybrid capital has been adjusted by EUR 1.4bn as of 30 September 2014 and 0.4bn as of 31 December 2014 due to potential calls in 2015. Excluding this adjustment, the conglomerate solvency ratio would be 182% and the solvency II capitalization 192% as of 31 December 2014
 3) Figures as of 01.01.14 and 30.09.14 shown as published in analysts' presentation since 1Q 14, reflecting the best estimate of SII rules based on the understanding as of beginning of 2014. Published figure as of 31.12.13 was 222%.

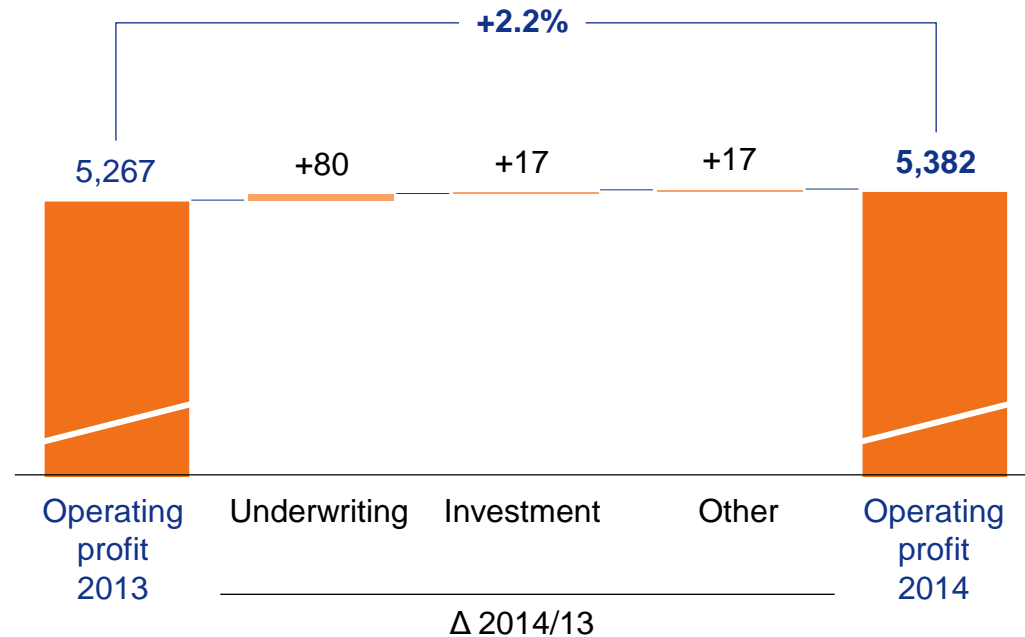
Strong internal growth (EUR mn)

2014		Revenues	Total growth Δ p.y.	Internal growth Δ p.y.	Price effect	Volume effect
Total P/C segment		48,322	+3.7%	+3.0%	0.0%	+3.0%
Large OEs	Germany	9,532	+2.9%	+2.6%		
	France	4,248	+1.8%	+0.7%		
	Italy	4,196	+4.1%	-1.2%		
Global lines	AGCS	5,389	+7.8%	+8.1%		
	Allianz Worldwide Partners	3,341	+33.3%	+9.9%		
	Credit Insurance	2,158	+3.2%	+2.7%		
Selected OEs	United Kingdom	2,684	+18.0%	+12.0%		
	Central and Eastern Europe	2,227	-10.1%	-5.2%		
	Latin America ¹	2,101	-10.6%	+2.3%		
	USA	1,958	-4.9%	-4.6%		

1) South America and Mexico

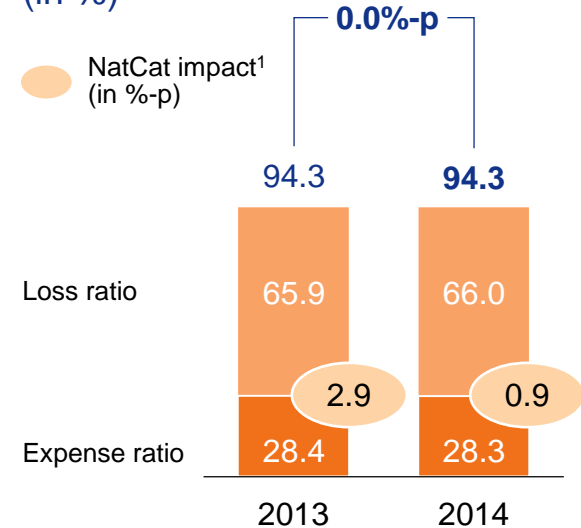
Underwriting result up, investment result stable

Operating profit drivers (EUR mn)

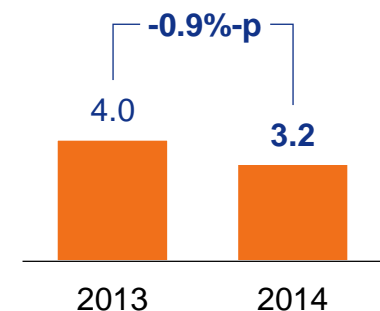


	2014	2013
Underwriting	2,251	2,170
Investment	3,066	3,049
Other	66	48

Combined ratio (in %)



Run-off ratio² (in %)



1) NatCat costs (without reinstatement premiums and run-off): EUR 1,218mn (2013) and EUR 400mn (2014)

2) Positive run-off, run-off ratio calculated as run-off result in percent of net premiums earned

Germany and AGCS drive operating profit growth

2014		Operating profit	Δ p.y.	Combined ratio	Δ p.y.	NatCat impact in CR ¹	Δ p.y. ¹
Total P/C segment		5,382	+2.2%	94.3%	0.0%-p	0.9%-p	-2.0%-p
Large OEs	Germany	1,303	+97.2%	91.5%	-8.0%-p	1.0%-p	-7.6%-p
	France	428	+6.6%	96.3%	-1.3%-p	2.1%-p	+0.9%-p
	Italy	932	-17.3%	82.5%	+4.3%-p	0.0%-p	0.0%-p
Global lines	AGCS	560	+30.8%	93.1%	-1.9%-p	0.4%-p	-2.1%-p
	Allianz Worldwide Partners ²	105	+3.0%	96.6%	-0.1%-p	0.0%-p	0.0%-p
	Credit Insurance	401	-1.4%	78.6%	-0.8%-p	–	–
Selected OEs	United Kingdom	178	-11.1%	97.6%	+1.6%-p	1.0%-p	+1.0%-p
	Central and Eastern Europe	-27	n.m. ⁴	106.8%	+7.3%-p	0.0%-p	-0.2%-p
	Latin America ³	-147	n.m. ⁵	116.1%	+17.9%-p	0.0%-p	0.0%-p
	USA	-151	n.m. ⁶	120.0%	+16.4%-p	1.6%-p	+1.6%-p

1) Excluding reinstatement premiums and run-off

2) In 4Q 14 an operating profit for the French International Health business of EUR 24mn was transferred from L/H France to Allianz Worldwide Partners effective 1 January 2014

3) South America and Mexico

4) Operating profit decreased by EUR 153mn from EUR 127mn in 2013

5) Operating profit decreased by EUR 280mn from EUR 133mn in 2013

6) Operating profit decreased by EUR 305mn from EUR 154mn in 2013

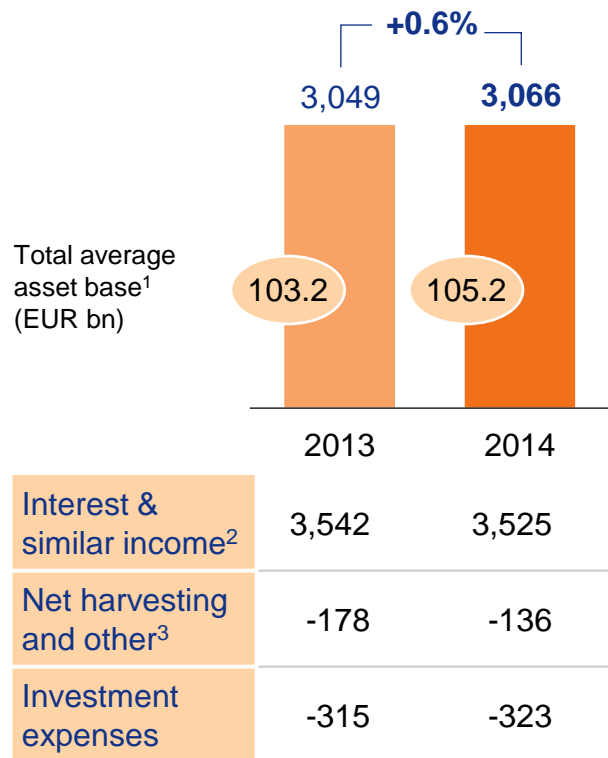
High-quality portfolio; FFIC, Russia and Brazil being addressed¹

Combined ratio	< 95%	> 95% <100%	> 100%
Key contributors (12M 2014)	<p>Germany</p> <ul style="list-style-type: none"> CR of 91.5% well ahead of 95% FY 2014 target. Attritional loss ratio significantly reduced. Price increases ongoing. <p>Italy</p> <ul style="list-style-type: none"> CR 82.5%. Continued outstanding performance. Declining average motor premium and strong 'Direct' growth lead to modest AY LR increase. ER negatively impacted by Unipol transaction. <p>Spain</p> <ul style="list-style-type: none"> CR 89.9% while we continue to gain market share. Strong top-line growth in motor and non-motor. 	<p>UK</p> <ul style="list-style-type: none"> CR 97.6%. Strong internal growth of 12.0%. Motor pricing bottoming out. <p>France</p> <ul style="list-style-type: none"> CR of 96.3%. Strong improvement in the AY LR as price increases feed through and attritional frequency improves. <p>AWP</p> <ul style="list-style-type: none"> CR 96.6%. Strong internal growth of 9.9%. Global Assistance and Worldwide Care are the main drivers. 	<p>FFIC</p> <ul style="list-style-type: none"> CR 120.0%. Sale of personal lines business announced. USD 1.5bn of premiums to be transferred to AGCS US as of 1/1/2015. <p>Russia</p> <ul style="list-style-type: none"> CR 141.6%. Downscaling of retail operations well advanced. Future focus on corporate business. <p>Brazil</p> <ul style="list-style-type: none"> CR 125.5%. Combination of IT platform issues, negative reserve run-off and other balance sheet clean-up drive result. Comprehensive turn-around program initiated.
Share of GPW	64%	27%	9%
Ø internal growth	3.9%	7.3%	-7.8%

1) Analysis based on OEs as reported. Exception LatAm where analysis is based on individual country performances. Excludes consolidation effects

Interest & similar income holding up well

Operating investment result (EUR mn)



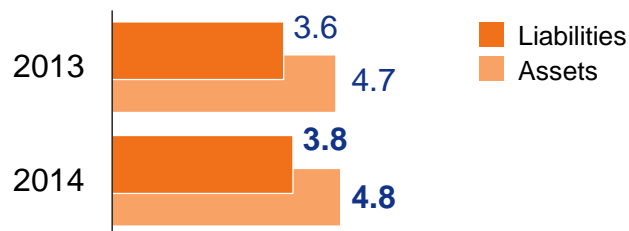
Current yield (debt securities; in %)



Reinvestment yield⁴ (debt securities; in %)



Duration⁵



1) Asset base includes health business France, fair value option and trading
 2) Net of interest expenses
 3) Comprises real. gains/losses, impairments (net), fair value option, trading and F/X gains and losses and policyholder participation

4) On an annual basis

5) For the duration calculation a non-parallel shift in line with Solvency II yield curves is used from 1Q 14 onwards. Data excludes internal pensions residing in the P/C segment

Strong growth with improved business mix (EUR mn)

2014		Revenues	Total growth Δ p.y.	Internal growth Δ p.y.	PVNBP ²	Δ p.y.
Total L/H segment¹		67,331	+18.6%	+19.5%	57,272	+26.3%
Large OEs	Germany Life	19,014	+11.8%	+11.8%	14,850	+18.8%
	USA	11,840	+61.8%	+61.6%	11,981	+64.6%
	Italy	11,332	+34.4%	+34.4%	10,038	+66.6%
	France ¹	8,241	-3.2%	+3.2%	7,914	-5.4%
Selected OEs	Asia-Pacific	5,732	+12.6%	+15.0%	5,145	+14.9%
	Germany Health	3,245	-0.6%	-0.6%	969	-5.4%
	Benelux ³	2,518	+8.3%	+8.3%	1,576	+14.7%
	Switzerland	1,655	+3.3%	+2.3%	1,173	+7.3%
	Spain	1,259	+2.9%	+2.0%	1,195	+4.7%
	Central and Eastern Europe	909	-0.5%	+2.2%	735	-9.8%

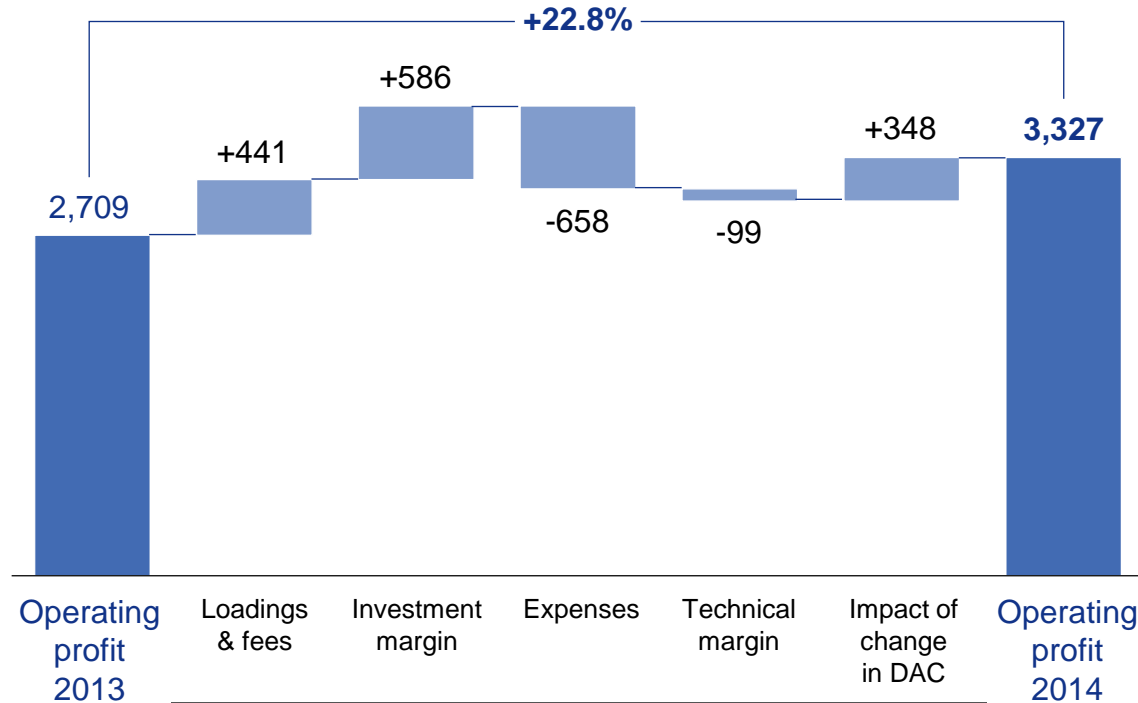
1) In 4Q 14 the French International Health business was transferred from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014

2) After non-controlling interests

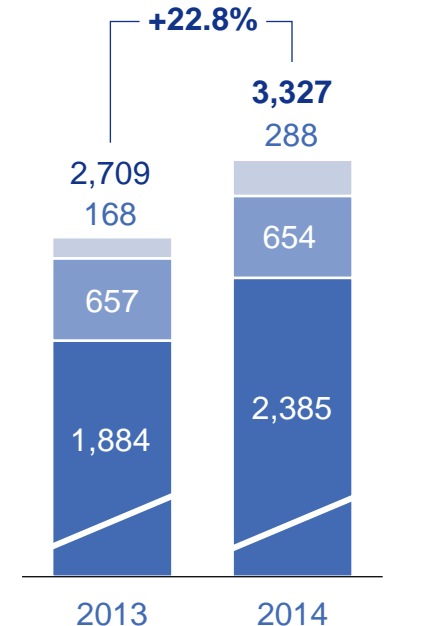
3) Revenues from investment-oriented products in Luxembourg of EUR 842mn in 2014 (EUR 789mn in 2013) are reinsured by France. For 2014, the PVNBP of Luxembourg business reinsured with France is included in France (EUR 850mn) and not included in Benelux

Operating profit at upper end of target range (EUR mn)

Operating profit by sources^{1,2}



Operating profit by line²



- Unit linked w/o guarantee
- Protection & health
- Guaranteed savings & annuities

	Δ 2014/13				
2014	5,151	2,972	-6,410	1,190	425
2013	4,709	2,386	-5,752	1,289	77

1) For a description of the L/H operating profit sources please refer to the glossary
 2) Effective 2014, certain entities were allocated from Asset Management to Life/Health and Banking with impact on operating profit 2014 of EUR 113mn for L/H (part of unit linked w/o guarantee). In 4Q 14 an operating profit for the French International Health business of EUR 24mn was transferred from L/H France to Allianz Worldwide Partners effective 1 January 2014. In addition, prior year figures changed in order to reflect the roll-out of profit source reporting to some Asian companies and the lines of business split in Germany

Value of new business up by 45 percent (EUR mn)

2014		VNB ¹	Δ p.y.	NBM ¹	Δ p.y.	Operating profit	Δ p.y.
Total L/H segment^{2,3}		1,378	+44.7%	2.4%	+0.3%-p	3,327	+22.8%
Large OEs	Germany Life	371	+4.8%	2.5%	-0.3%-p	1,079	+25.3%
	USA	406	+85.6%	3.4%	+0.4%-p	656	+34.7%
	Italy	176	+75.9%	1.7%	+0.1%-p	173	-19.9%
	France ³	88	+70.7%	1.1%	+0.5%-p	455	+8.2%
Selected OEs	Asia-Pacific	164	+54.3%	3.2%	+0.8%-p	104	+189.5%
	Germany Health	32	+13.0%	3.3%	+0.5%-p	209	+3.5%
	Benelux ²	49	+31.9%	3.1%	+0.4%-p	132	+48.7%
	Switzerland	34	+65.3%	2.9%	+1.0%-p	83	+7.1%
	Spain ²	46	+38.7%	3.9%	+0.9%-p	191	+48.2%
	Central and Eastern Europe ²	44	-15.9%	6.0%	-0.4%-p	119	+52.6%

1) After non-controlling interests

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

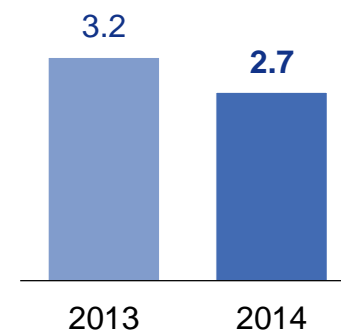
Impact on operating profit L/H segment in 2014 is EUR 113mn. Thereof: Spain EUR 61mn and CEE EUR 45mn

3) In 4Q 14 an operating profit for the French International Health business of EUR 24mn was transferred from L/H France to Allianz Worldwide Partners effective 1 January 2014

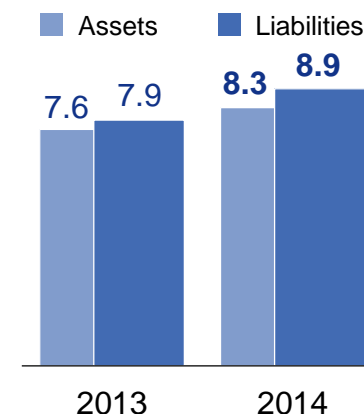
Strong investment margin of 80bps

Based on Ø book value of assets ¹	2013	2014
Current yield ²	4.1%	3.9%
Based on Ø aggregate policy reserves		
Current yield ²	4.8%	4.6%
Net harvesting and other	0.1%	0.1%
Total yield	4.9%	4.7%
- Ø min. guarantee	2.5%	2.4%
Gross investment margin (in %)	2.4%	2.3%
- Profit sharing under IFRS ³	1.7%	1.5%
Investment margin⁴ (in %)	0.7%	0.8%
Investment margin (EUR mn)	2,386	2,972
Ø book value of assets ¹ (EUR bn)	403	440
Ø aggregate policy reserves (EUR bn)	348	370

Reinvestment yield (debt securities; in %)



Duration⁵



1) Asset base under IFRS which excludes unit-linked, FVO and trading

2) Based on interest and similar income (net of interest expenses)

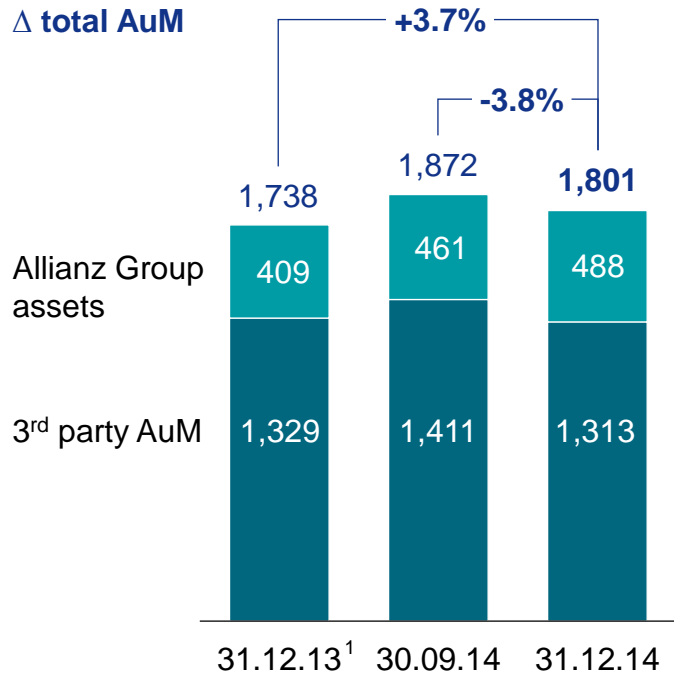
3) Includes bonus to policyholders under local statutory accounting and deferred premium refund under IFRS

4) Investment margin divided by the average of the current year-end and previous year-end aggregate policy reserves

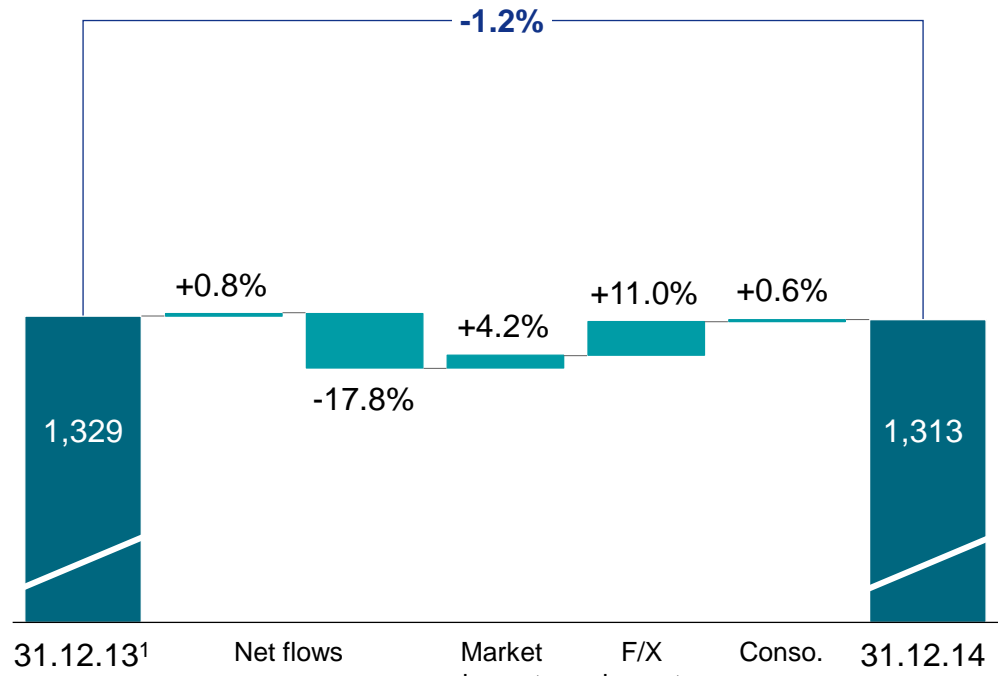
5) For the duration calculation a non-parallel shift in line with Solvency II yield curves is used from 1Q 14 onwards. Data excludes internal pensions residing in the L/H segment

3rd party net outflows offset by market effects and F/X (EUR bn)

Δ total AuM



Δ 3rd party AuM

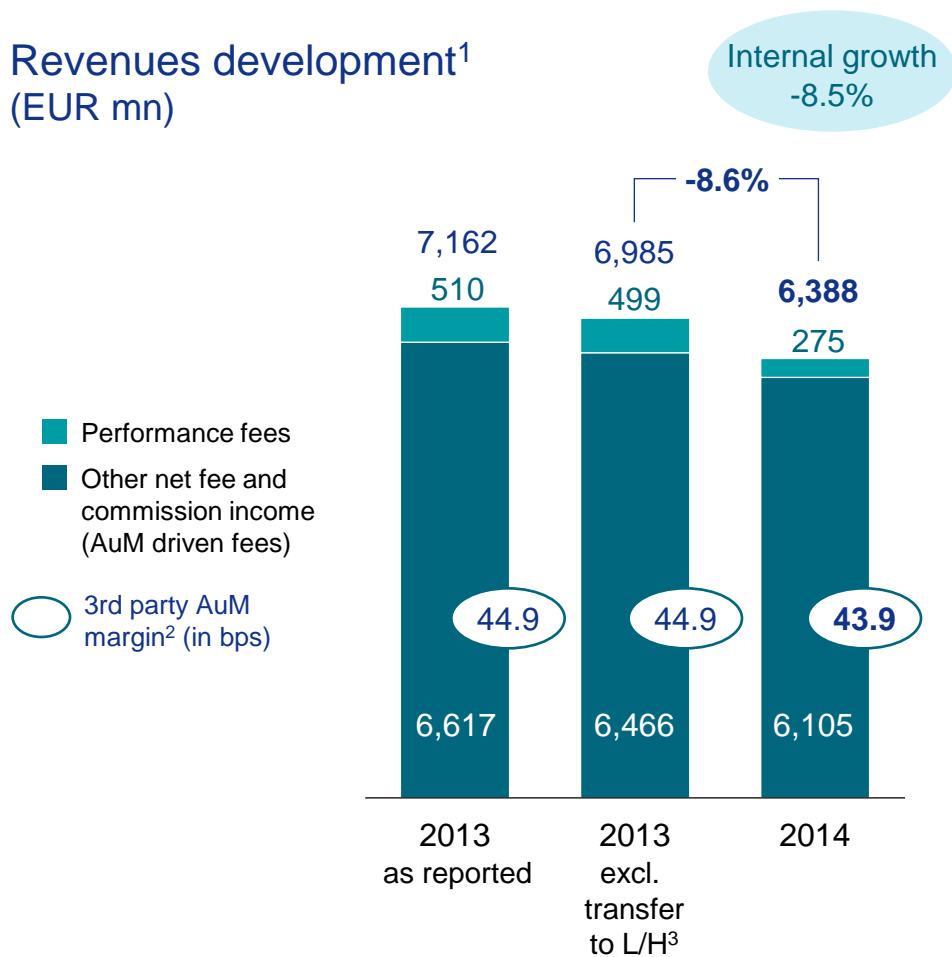


EUR bn	+10.4	-236.1	+55.5	+146.1	+8.1
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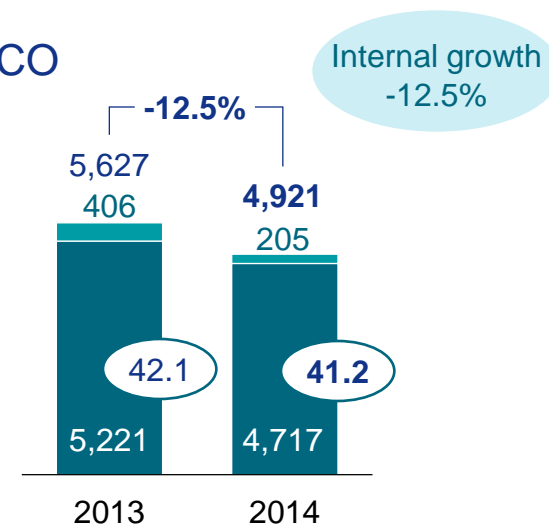
1) Adjusted for certain entities allocated from Asset Management to Life/Health and Banking effective 2014

Revenues decline 8.6 percent

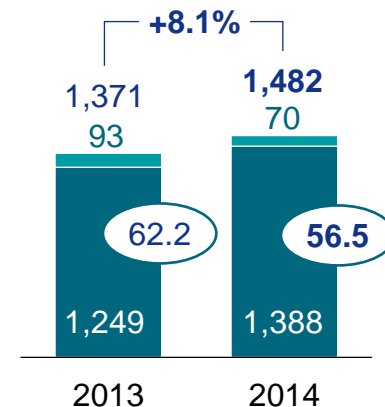
Revenues development¹ (EUR mn)



PIMCO



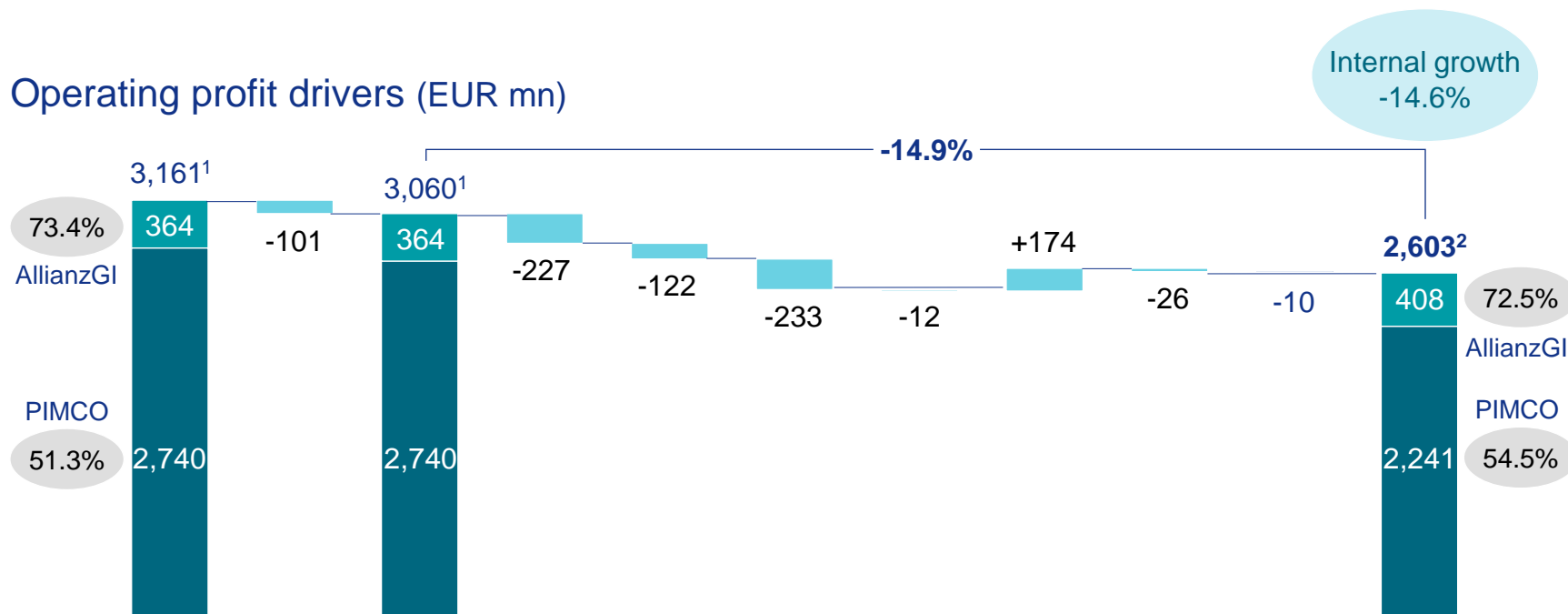
AllianzGI⁴



1) "Other" revenues of EUR 35mn (2013), excl. transfer to L/H EUR 20mn (2013) and EUR 8mn (2014) are not shown in the chart
 2) Excluding performance fees and other income, 12 months
 3) Effective 2014, certain entities were allocated from Asset Management to Life/Health and Banking
 4) "Other" AllianzGI revenues of EUR 29mn (2013) and EUR 24mn (2014) are not shown in the chart

Operating profit in line with expectations

Operating profit drivers (EUR mn)



Operating profit 2013 as reported Operating profit 2013 excl. transfer to L/H³ Revenues Expenses F/X effect Operating profit 2014

Transfer to L/H³ Volume⁴ Performance Margin⁴ fees Other Personnel Non-personnel⁵

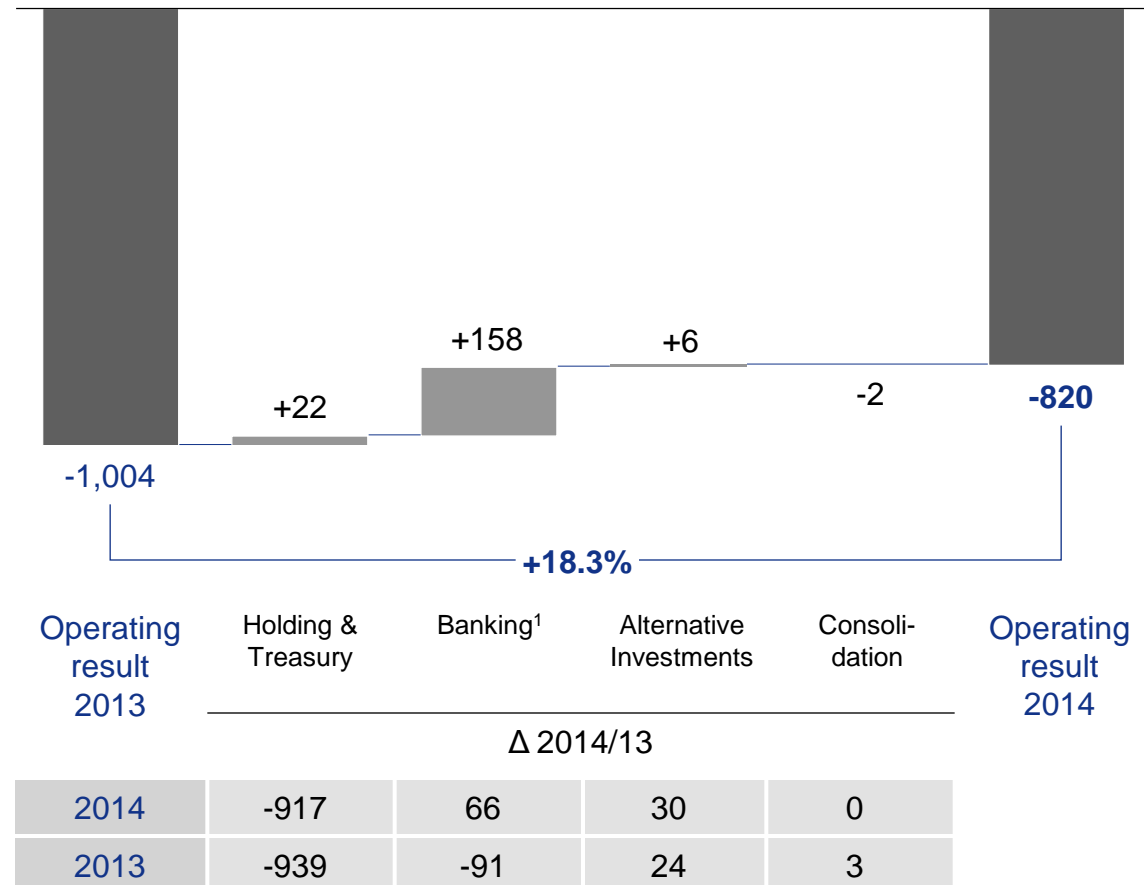
F/X impact	-12	9	-1	-1	-5	CIR
2014	6,105 ⁴	275	8	-2,372	-1,412	59.2%
2013	6,466 ⁴	499	20	-2,544	-1,380	56.2%

● CIR

- 1) Including operating profit/loss from other entities of EUR 57mn (as reported in 2013) and EUR -44mn (2013 considering transfer to L/H in 2014)
- 2) Including operating loss of EUR -46mn from other entities
- 3) Effective 2014, certain entities were allocated from Asset Management to Life/Health and Banking
- 4) Calculation based on currency adjusted average Allianz AuM / Allianz AuM driven margins and based on currency adjusted average third party AuM / third party AuM driven margins
- 5) Including restructuring expenses

Improved operating result (EUR mn)

Operating loss development and components



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

Shareholders' net income up 3.8 percent (EUR mn)

	2013	2014	Change
Operating profit	10,066	10,402	+336
Non-operating items	-423	-1,554	-1,131
Realized gains/losses	952	812	-141
Impairments (net)	-313	-197	+116
Income from fin. assets and liabilities carried at fair value	23	-303	-326
Interest expenses from external debt	-901	-846	+55
Fully consolidated private equity inv. (net)	-15	-23	-8
Acquisition-related expenses	-34	7	+42
Amortization of intangible assets	-136	-104	+31
Reclassification of tax benefits	0	-901	-901
Income before taxes	9,643	8,848	-795
Income taxes	-3,300	-2,245	+1,055
Net income	6,343	6,603	+260
Non-controlling interests	-347	-381	-34
Shareholders' net income	5,996	6,221	+225
Shareholders' effective tax rate	34%	32% ¹	-2%-p

1) Calculated shareholders' effective tax rate based on income taxes w/o tax benefits for prior years allocated to policyholders resulting from favorable Federal Fiscal Court decision

Summary



- Total revenues at EUR 122.3bn (+10.4%)
- Operating profit of EUR 10.4bn (+3.3%)
- Shareholders' net income of EUR 6.2bn (+3.8%)
- Strong capital and balance sheet position

2a

Allianz Group
Fiscal Year 2014

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Key figures^{1,2} (EUR mn)

	1Q 2013	2Q 2013	3Q 2013	4Q 2013	1Q 2014	2Q 2014	3Q 2014	4Q 2014	Delta 4Q 14/13	12M 2013	12M 2014	Delta 12M 14/13
Total revenues (EUR bn)	32.0	26.8	25.1	26.8	34.0	29.5	28.8	30.1	+3.2	110.8	122.3	+11.5
- Property-Casualty	15.2	10.8	10.7	10.0	15.2	10.8	11.3	11.0	+1.0	46.6	48.3	+1.7
- Life / Health	14.8	14.1	12.7	15.1	17.2	17.0	15.9	17.4	+2.2	56.8	67.3	+10.5
- Asset Management	1.9	1.8	1.7	1.7	1.5	1.6	1.6	1.6	-0.1	7.2	6.4	-0.8
- Corporate and Other	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	+0.0	0.6	0.6	+0.0
- Consolidation	0.0	-0.1	0.0	-0.2	-0.1	-0.1	-0.1	-0.1	+0.1	-0.3	-0.3	-0.0
Operating profit	2,796	2,367	2,518	2,384	2,723	2,770	2,650	2,258	-125	10,066	10,402	+336
- Property-Casualty	1,319	1,179	1,235	1,534	1,489	1,345	1,422	1,125	-409	5,267	5,382	+115
- Life / Health	854	670	769	417	880	985	790	673	+256	2,709	3,327	+618
- Asset Management	900	803	755	703	646	676	694	588	-115	3,161	2,603	-558
- Corporate and Other	-239	-274	-229	-261	-222	-219	-248	-131	+130	-1,004	-820	+183
- Consolidation	-38	-11	-11	-9	-69	-16	-9	3	+12	-68	-91	-22
Non-operating items	-119	132	-242	-194	-117	-37	-331	-1,069	-875	-423	-1,554	-1,131
Income before taxes	2,678	2,499	2,277	2,190	2,607	2,733	2,319	1,189	-1,000	9,643	8,848	-795
Income taxes	-877	-824	-746	-853	-867	-875	-632	128	+981	-3,300	-2,245	+1,055
Net income	1,801	1,676	1,530	1,337	1,740	1,858	1,687	1,318	-19	6,343	6,603	+260
Non-controlling interests	94	87	85	81	100	103	81	98	+17	347	381	+34
Shareholders' net income	1,707	1,588	1,445	1,256	1,640	1,755	1,606	1,220	-36	5,996	6,221	+225
Group financial assets ^{3,4} (EUR bn)	542.1	528.8	532.5	537.5	556.0	572.8	595.8	612.0	+74.5	537.5	612.0	+74.5

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

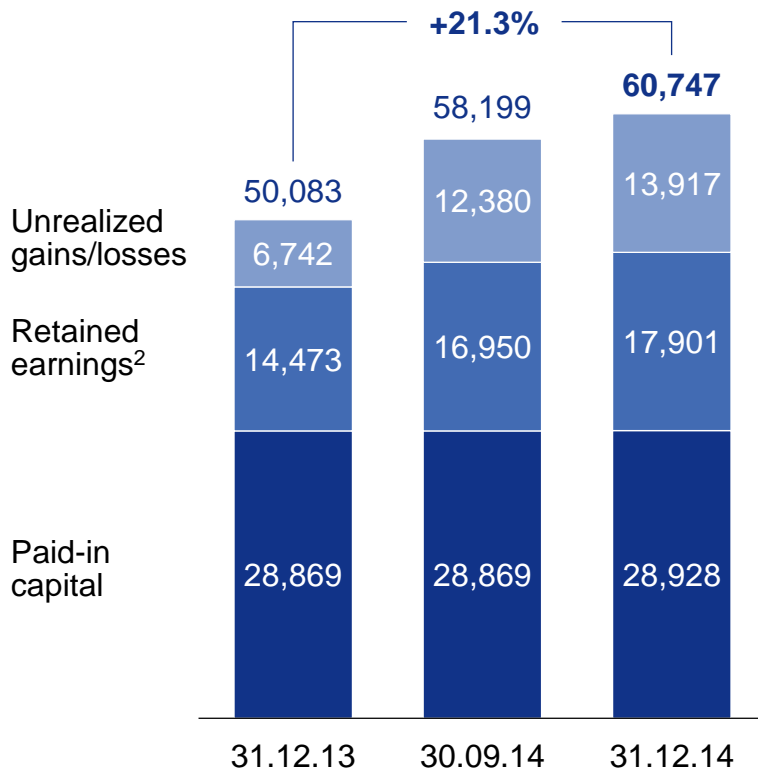
2) In 4Q 14 the French International Health business was transferred from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014

3) Group own assets including financial assets carried at fair value through income, cash and cash pool assets net of liabilities from securities lending, derivatives and liabilities from cash pooling

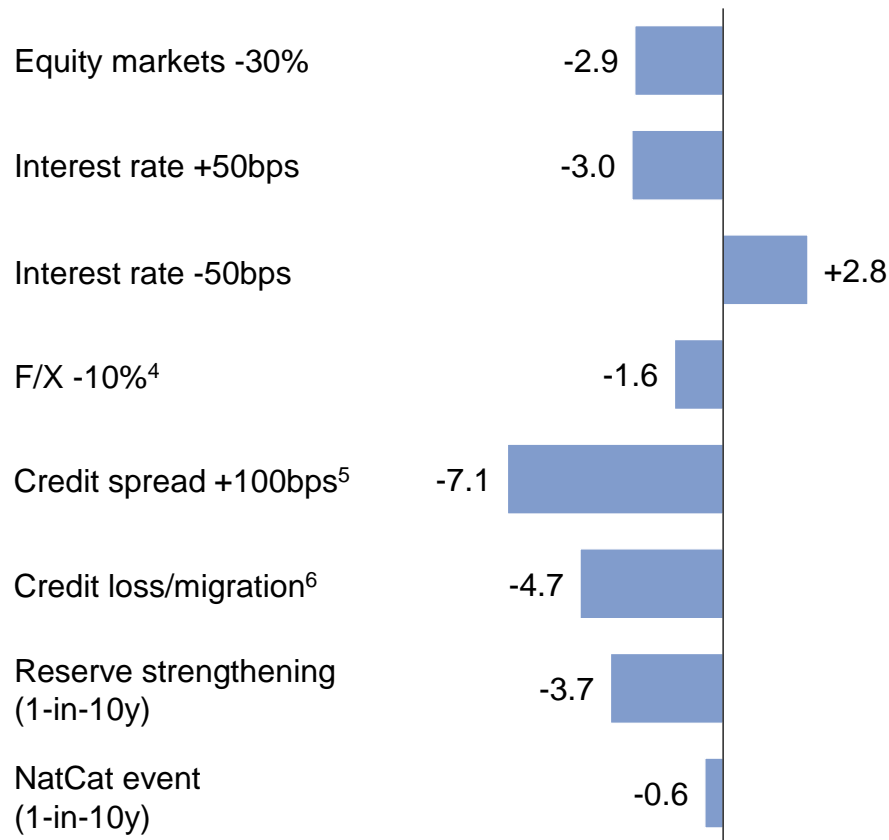
4) Prior year figures have been restated to reflect the retrospective application of the amended standard IFRS 10

Shareholders' equity and stress tests

Shareholders' equity¹ (EUR mn)



Estimation of stress impact³ (EUR bn)

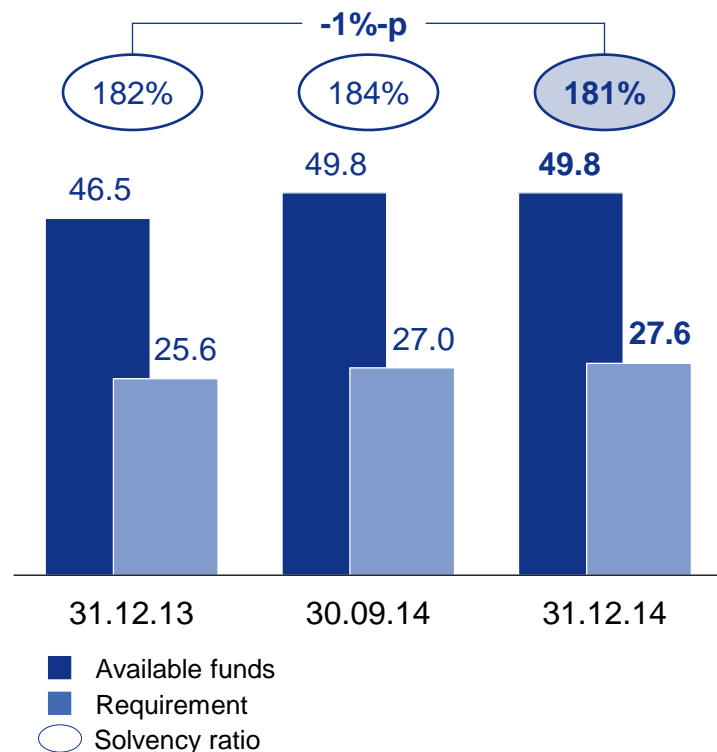


1) Excluding non-controlling interests
(31.12.13: EUR 2,765mn, 30.09.14: EUR 2,890mn, 31.12.14: EUR 2,955mn)
2) Including F/X
3) After non-controlling interests, policyholder participation, tax and shadow DAC

4) Weakening all currencies against EUR
5) Credit spread stress on total debt portfolio
6) Credit loss/migration: scenario based on probabilities of default in 1932, migrations adjusted to mimic recession and assumed recovery rate of 30%

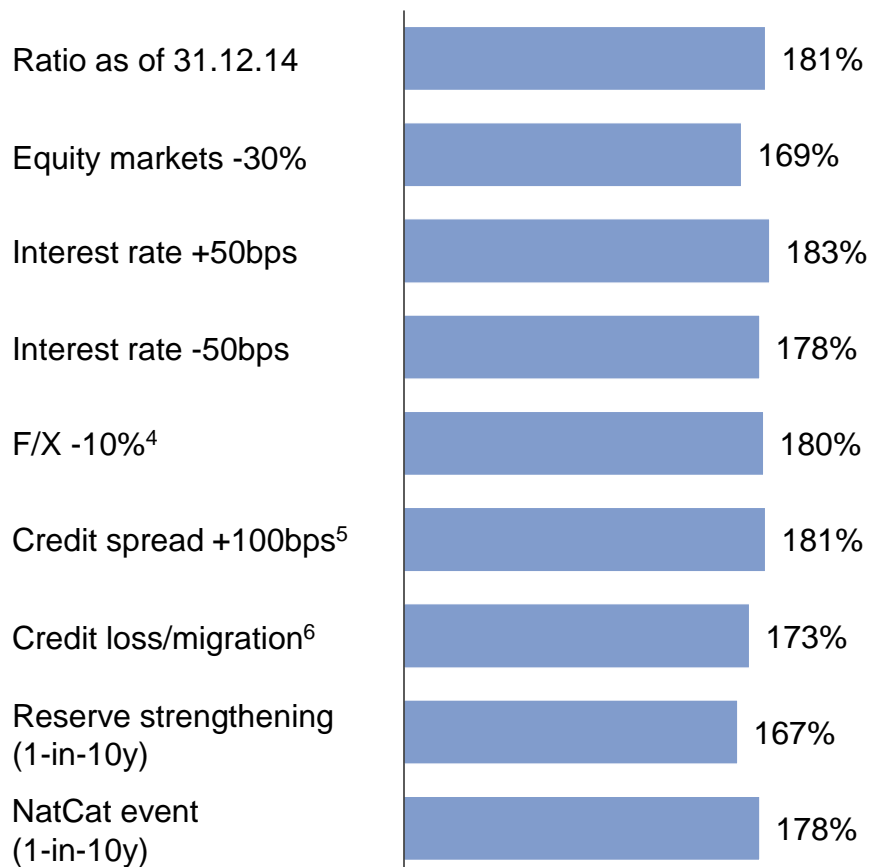
Conglomerate solvency ratio and stress tests

Conglomerate solvency^{1,2} (EUR bn)



- Hybrid capital has been adjusted by EUR 1.4bn as of 30 September 2014 and EUR 0.4bn as of 31 December 2014 due to potential calls in 2015. Excluding this adjustment, the conglomerate solvency ratio would be 190% as of 30 September 2014 and 182% as of 31 December 2014
- Off-balance sheet reserves are accepted as eligible capital only upon request. Allianz SE has not submitted an application so far. Off-balance sheet reserves amounted to: 31.12.13: EUR 2.3bn, 30.09.14: EUR 2.2bn and 31.12.14: EUR 2.3bn. The solvency ratio excluding off-balance sheet reserves would be 173% for 31.12.13 and additionally, adjusted for the potential calls of hybrid capital in 2015, 176% for 30.09.14 and 172% for 31.12.14

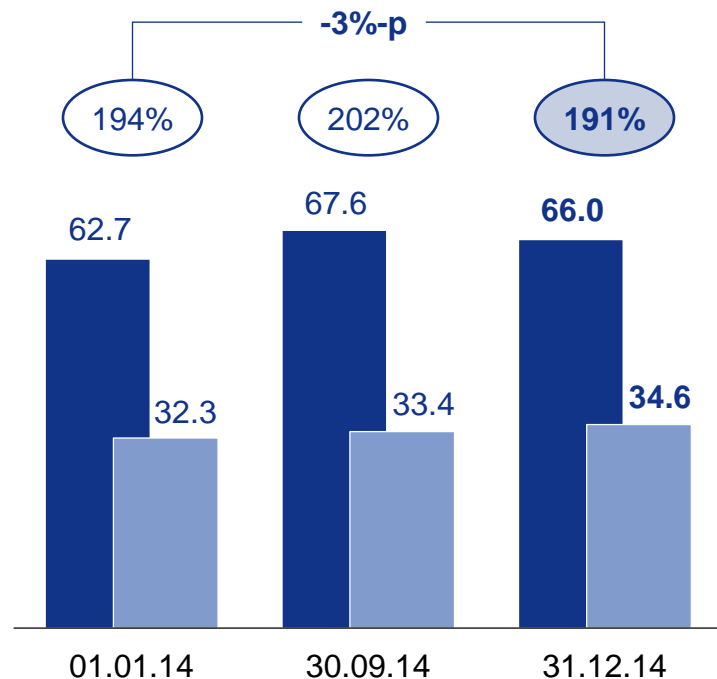
Estimation of stress impact^{1,2,3}



- After non-controlling interests, policyholder participation, tax and shadow DAC
- Weakening all currencies against EUR
- Credit spread stress on total bond portfolio
- Corporate credit loss/migration: scenario based on probabilities of default in 1932, migrations adjusted to mimic recession and assumed recovery rate of 30%

Solvency II capitalization and stress tests

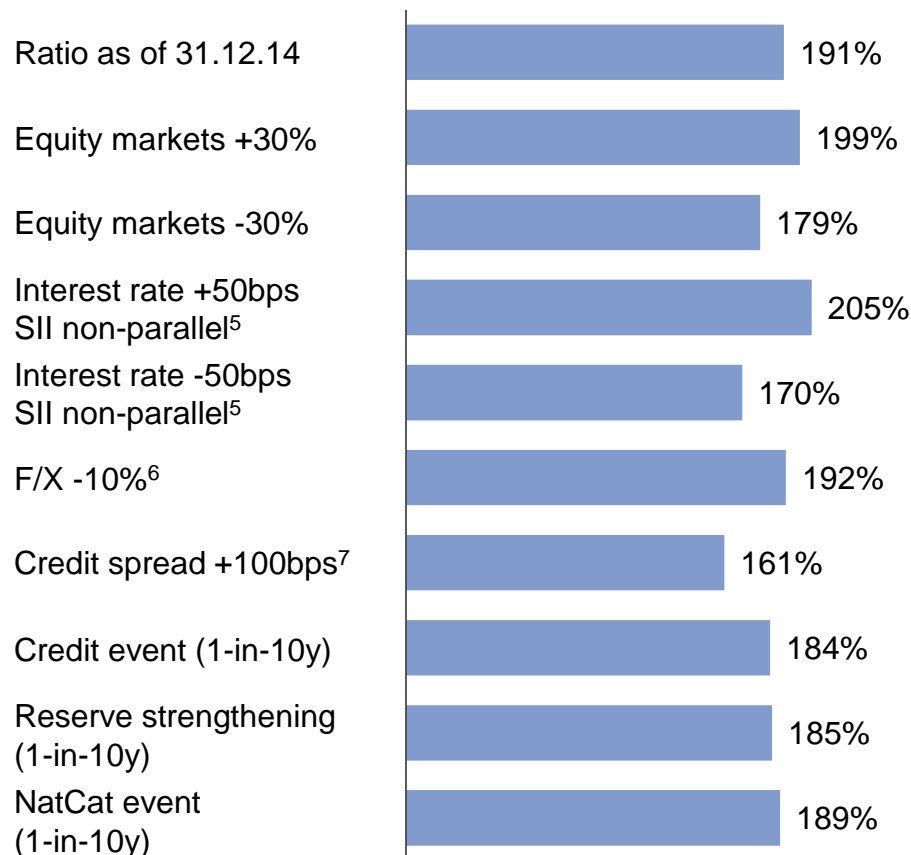
SII capitalization^{1,2,3} (EUR bn)



- Available funds
- Requirement (confidence level 99.5%)
- Solvency II capitalization (confidence level 99.5%)

- 1) Figures as of 01.01.14 and 30.09.14 shown as published in AP since 1Q 14, reflecting the best estimate of SII rules based on the understanding as of beginning of 2014. Published figure as of 31.12.13 was 222%. Including sovereign credit risk based on the domestic light approach. AZ Life included based on third country equivalence with 100% of RBC as of 31.12.14
- 2) Hybrid capital has been adjusted by EUR 1.4bn as of 30 September 2014 and EUR 0.4bn as of 31 December 2014 due to potential calls in 2015. Excluding this adjustment, the solvency II capitalization would be 207% as of 30 September 2014 and 192% as of 31 December 2014

Estimation of stress impact⁴

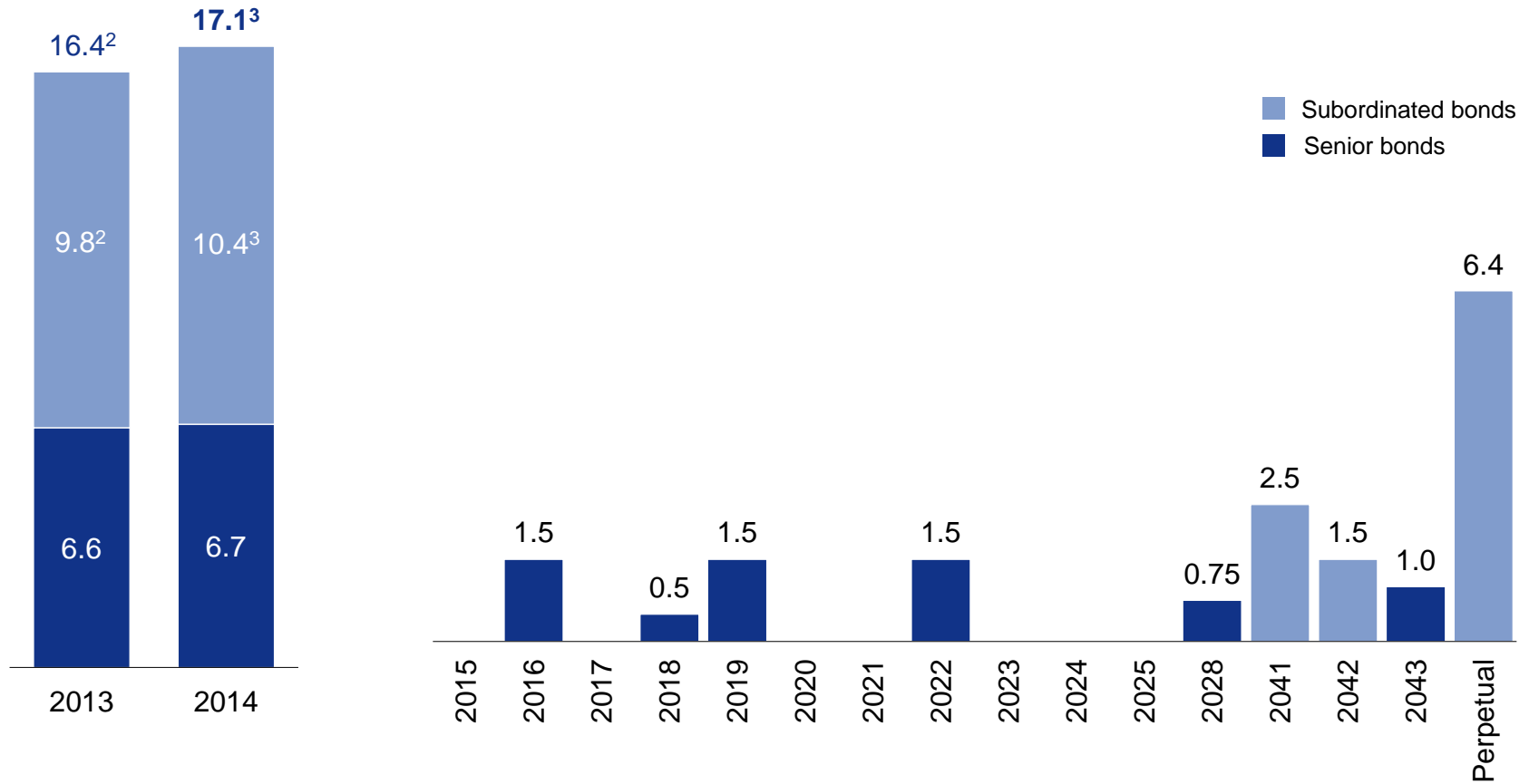


- 3) Available funds include anchoring in line with EIOPA approach
- 4) Estimated solvency ratio changes in case of stress scenarios (stress applied on both available funds and requirement)
- 5) IR stresses based on non-parallel shifts of the interest rate curve in line with anchoring based on the EIOPA approach
- 6) Weakening all currencies against EUR
- 7) Credit spread stress on total bond portfolio

Maturity profile of external bonds (EUR bn)

Outstanding bonds¹

Maturity structure¹



1) Group excluding bank subsidiaries; nominal value

2) Excludes a EUR 1.5bn subordinated bond redeemed effective January 15, 2014

3) Excludes a EUR 1.0bn subordinated bond redeemed effective January 13, 2015 and a EUR 0.4bn subordinated bond potentially to be called in 2015

Investment result

(EUR mn)

	Property-Casualty		Life / Health		Asset Management		Corporate and Other		Consolidation		Group	
	12M 2013	12M 2014	12M 2013	12M 2014	12M 2013	12M 2014	12M 2013	12M 2014	12M 2013	12M 2014	12M 2013	12M 2014
Operating investment result												
Interest and similar income ¹	3,542	3,525	16,687	17,200	12	-3	280	303	-24	3	20,497	21,028
Inc. fr. fin. assets and liab. carried at FV ²	17	-200	-455	-3,268	12	2	78	-90	-14	22	-362	-3,534
Realized gains/losses (net)	70	186	3,294	3,204	0	0	0	0	-30	-184	3,334	3,205
Impairments of investments (net)	-11	-20	-331	-677	0	0	0	0	44	0	-298	-697
F/X result	-92	206	-1,376	1,901	0	3	-37	123	0	0	-1,506	2,234
Investment expenses	-315	-323	-839	-903	0	0	-82	-77	332	342	-905	-961
Subtotal	3,210	3,373	16,979	17,457	25	2	238	259	309	183	20,761	21,274
Non-operating investment result												
Inc. fr. fin. assets and liab. carried at FV	25	-114	27	-131	0	0	-46	-33	17	-25	23	-303
Realized gains/losses (net)	520	463	88	183	2	4	346	184	-4	-22	952	812
Impairments of investments (net)	-217	-168	-17	-21	0	0	-80	-7	0	0	-313	-197
Subtotal	328	180	99	31	2	4	220	144	13	-47	662	312
Net investment income	3,539	3,553	17,078	17,488	27	5	458	403	322	136	21,423	21,586
<i>Investment return in % of avg. investm.³</i>	3.4%	3.4%	4.2%	4.0%	n/m	n/m	1.1%	0.9%	n/m	n/m	4.0%	3.8%
Movements in unrealized gains/losses on equities	217	201	714	855	1	0	9	523	n/m	n/m	941	1,579
<i>Total investment return in % of avg. inv.³</i>	3.6%	3.6%	4.4%	4.2%	n/m	n/m	1.1%	2.2%	n/m	n/m	4.2%	4.0%

1) Net of interest expenses, excluding interest expenses from external debt

2) Contains income from financial assets/liabilities carried at fair value and operating trading result excluding F/X result

3) Investment return calculation is based on total assets

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Allianz Group
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- 3** Glossary

Key figures¹ (EUR mn)

	1Q 2013	2Q 2013	3Q 2013	4Q 2013	1Q 2014	2Q 2014	3Q 2014	4Q 2014	Delta 4Q 14/13	12M 2013	12M 2014	Delta 12M 14/13
Gross premiums written (EUR bn)	15.2	10.8	10.7	10.0	15.2	10.8	11.3	11.0	+1.0	46.6	48.3	+1.7
Operating profit	1,319	1,179	1,235	1,534	1,489	1,345	1,422	1,125	-409	5,267	5,382	+115
<i>Underwriting result</i>	541	355	501	773	704	516	650	380	-393	2,170	2,251	+80
<i>Investment result</i>	762	786	718	783	748	805	770	743	-40	3,049	3,066	+17
<i>Other</i>	16	38	16	-22	38	24	2	2	+24	48	66	+17
Non-operating items	128	212	-74	31	-576	85	86	-1	-32	296	-406	-702
Income before taxes	1,447	1,391	1,161	1,565	913	1,430	1,509	1,124	-441	5,563	4,976	-587
Income taxes	-430	-390	-365	-562	-268	-461	-426	-373	+189	-1,746	-1,528	+219
Net income	1,017	1,001	796	1,003	645	969	1,083	751	-252	3,817	3,448	-369
Non-controlling interests	43	44	36	44	44	42	31	42	-2	167	159	-9
Shareholders' net income	974	956	761	959	601	928	1,051	709	-250	3,650	3,290	-360
Combined ratio (in %)	94.3	96.0	94.8	92.2	92.6	94.6	93.5	96.5	+4.2%-p	94.3	94.3	+0.0%-p
<i>Loss ratio</i>	66.1	67.3	67.2	63.1	64.6	66.2	65.9	67.1	+4.0%-p	65.9	66.0	+0.1%-p
<i>Expense ratio</i>	28.2	28.7	27.6	29.1	28.0	28.4	27.6	29.3	+0.2%-p	28.4	28.3	-0.1%-p
Segment financial assets ^{2,3} (EUR bn)	108.7	103.2	102.8	101.1	104.6	104.2	106.6	109.2	+8.2	101.1	109.2	+8.2

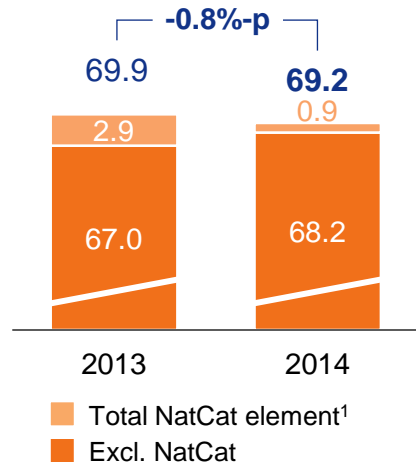
1) In 4Q 14 the French International Health business was transferred from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014

2) Segment own assets including financial assets carried at fair value through income, cash and cash pool assets net of liabilities from securities lending, derivatives and liabilities from cash pooling

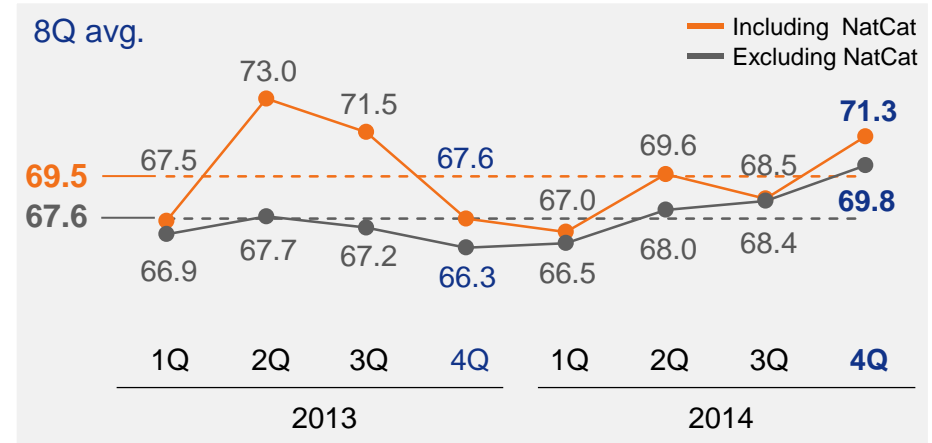
3) Prior year figures have been restated to reflect the retrospective application of the amended standard IFRS 10

Loss ratio and run-off (in %)

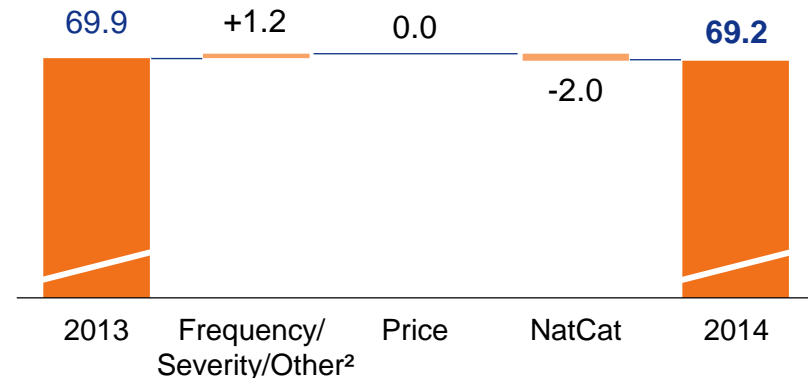
Accident year loss ratio



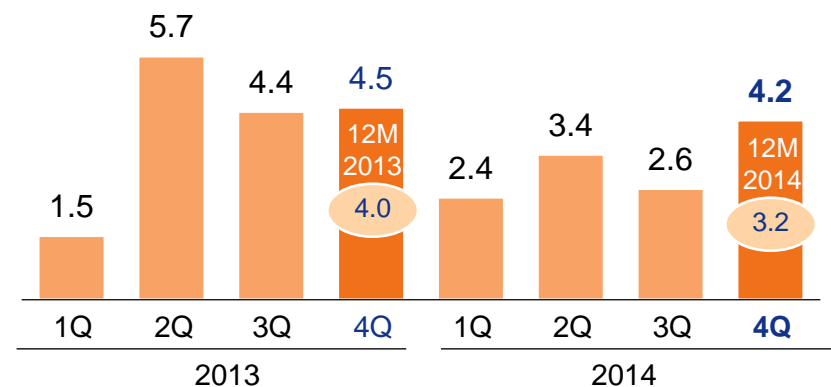
8-quarter overview accident year loss ratio



Development 12M 14/13



Run-off ratio³ (8Q-average: 3.6%)

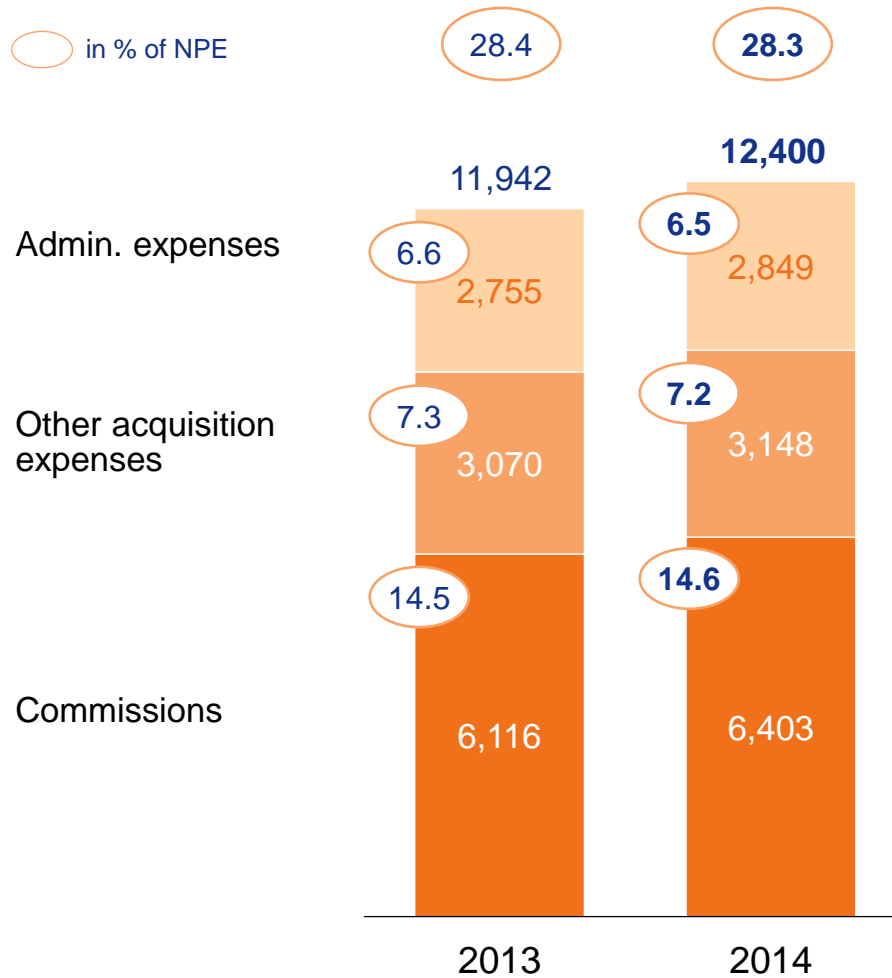


1) NatCat costs (without reinstatement premiums): EUR 1.2bn (2013) and EUR 0.4bn (2014)

2) Including large claims, reinsurance, credit insurance

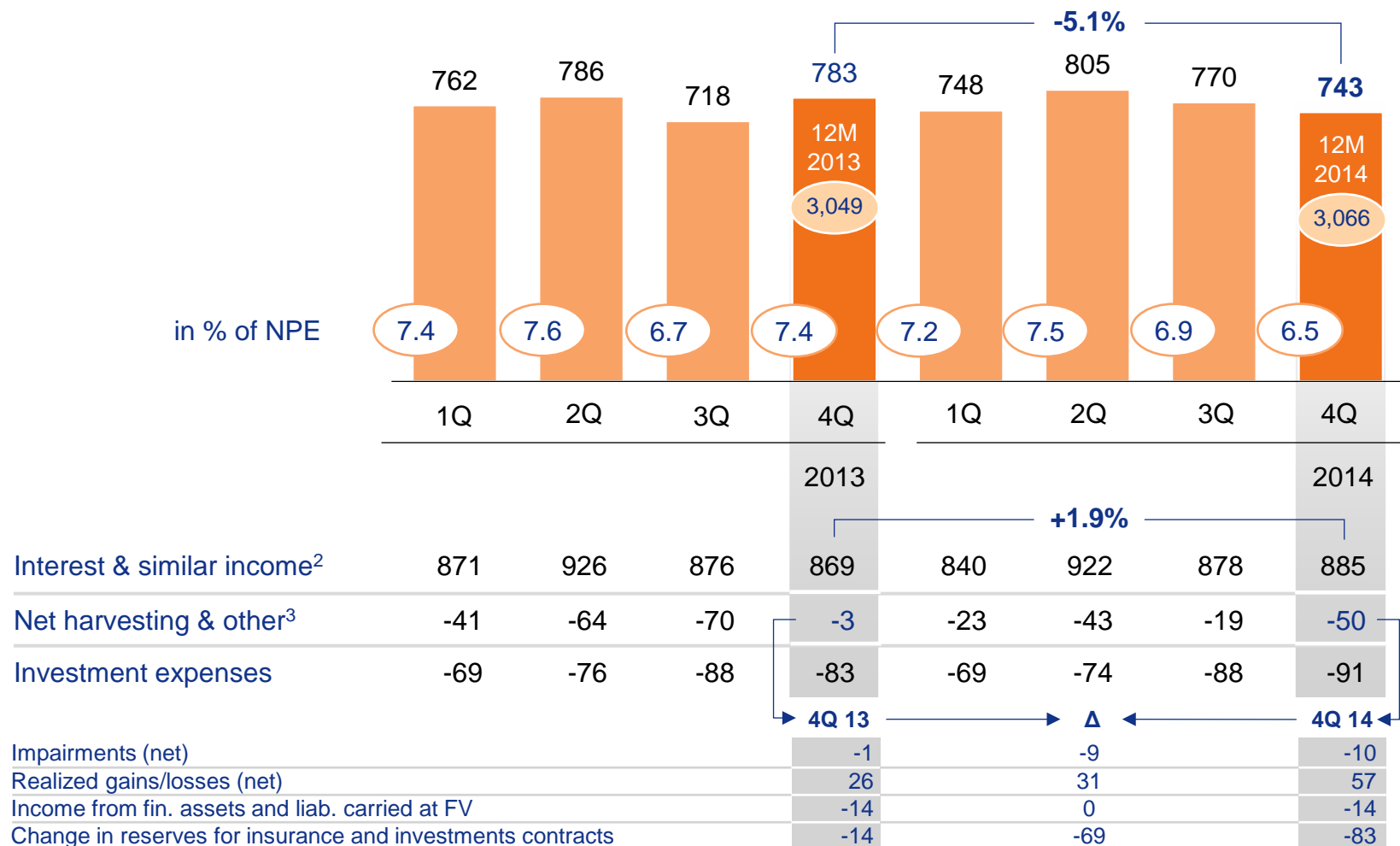
3) Positive values indicate positive run-off; run-off ratio is calculated as run-off result in percent of net premiums earned

Expense ratio (EUR mn)



Operating investment result¹

(EUR mn)



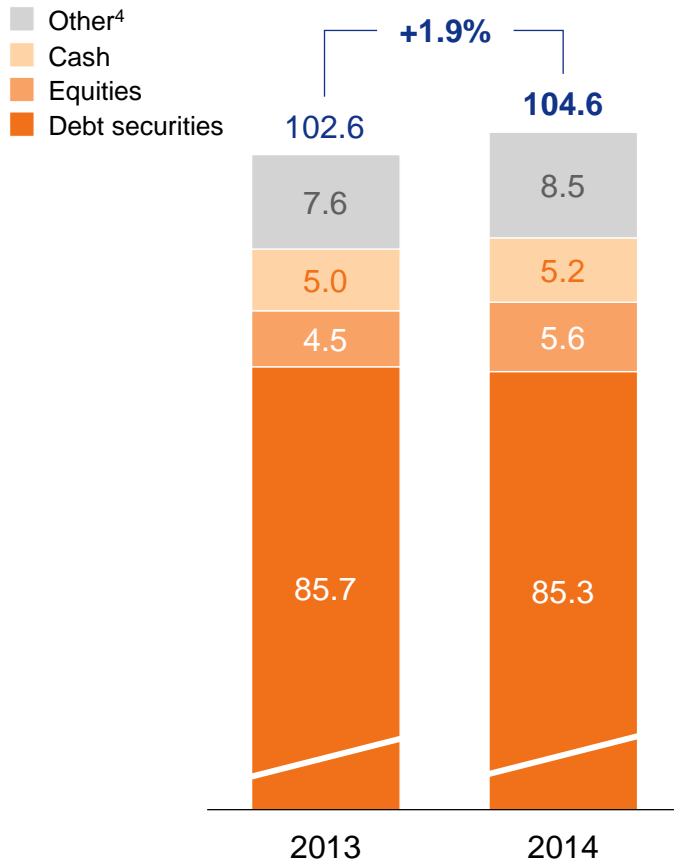
1) Prior year figures have been restated to reflect the retrospective application of the amended standard IFRS 10

2) Net of interest expenses

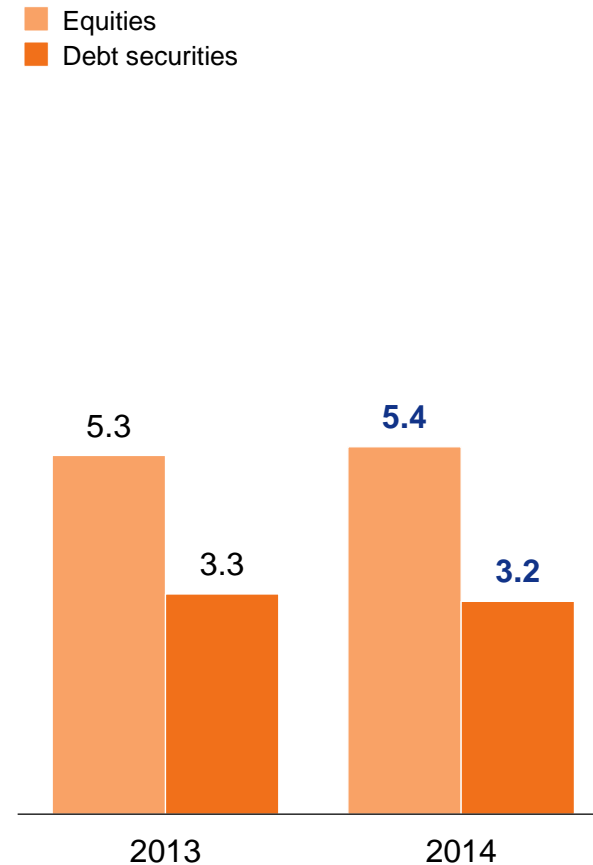
3) Comprises realized gains/losses, impairments (net), fair value option, trading and F/X gains and losses and policyholder participation.

Average asset base and yields

Average asset base^{1,2,3} (EUR bn)



Current yield^{2,3} (in %)



1) Average asset base includes health business France and liabilities from cash pooling, excludes fair value option and trading
 2) In 4Q 14 the French International Health business was transferred from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014
 3) Prior year figures have been restated to reflect the retrospective application of the amended standard IFRS 10
 4) Real estate investments and funds held by others under reinsurance contracts assumed

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Allianz Group
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- 3 Glossary

Key figures¹ (EUR mn)

	1Q 2013	2Q 2013	3Q 2013	4Q 2013	1Q 2014	2Q 2014	3Q 2014	4Q 2014	Delta 4Q 14/13	12M 2013	12M 2014	Delta 12M 14/13
Statutory premiums (EUR bn)	14.8	14.1	12.7	15.1	17.2	17.0	15.9	17.4	+2.2	56.8	67.3	+10.5
Operating profit	854	670	769	417	880	985	790	673	+256	2,709	3,327	+618
Non-operating items	41	10	27	6	4	54	-15	-55	-61	83	-12	-95
Income before taxes	895	680	795	423	884	1,039	776	617	+195	2,793	3,316	+523
Income taxes	-267	-206	-233	-146	-255	-308	-245	-188	-43	-852	-996	-144
Net income	628	474	562	277	629	731	530	429	+152	1,941	2,320	+379
Non-controlling interests	23	20	23	14	31	32	24	35	+21	80	122	+41
Shareholders' net income	605	453	539	263	598	699	507	394	+131	1,861	2,198	+338
Margin on reserves² (in bps)	74	58	66	35	73	79	61	50	+15	58	65	+7
Segment financial assets ^{3,4} (EUR bn)	405.3	398.1	401.0	405.4	422.7	438.5	456.4	470.8	+65.4	405.4	470.8	+65.4
Unit-linked investments (EUR bn)	75.2	75.4	78.7	81.1	82.9	86.9	90.8	94.6	+13.5	81.1	94.6	+13.5
Operating asset base ^{4,5} (EUR bn)	484.7	477.5	483.6	490.7	509.6	529.8	551.8	571.0	+80.3	490.7	571.0	+80.3
<i>Loadings & fees</i>	<i>1,169</i>	<i>1,145</i>	<i>1,160</i>	<i>1,236</i>	<i>1,241</i>	<i>1,257</i>	<i>1,285</i>	<i>1,368</i>	<i>+133</i>	<i>4,709</i>	<i>5,151</i>	<i>+441</i>
<i>Investment margin</i>	<i>710</i>	<i>607</i>	<i>536</i>	<i>533</i>	<i>671</i>	<i>920</i>	<i>701</i>	<i>680</i>	<i>+147</i>	<i>2,386</i>	<i>2,972</i>	<i>+586</i>
<i>Expenses</i>	<i>-1,377</i>	<i>-1,387</i>	<i>-1,330</i>	<i>-1,658</i>	<i>-1,496</i>	<i>-1,628</i>	<i>-1,558</i>	<i>-1,727</i>	<i>-69</i>	<i>-5,752</i>	<i>-6,410</i>	<i>-658</i>
<i>Technical margin</i>	<i>289</i>	<i>344</i>	<i>361</i>	<i>294</i>	<i>264</i>	<i>266</i>	<i>314</i>	<i>346</i>	<i>+51</i>	<i>1,289</i>	<i>1,190</i>	<i>-99</i>
Operating profit before change in DAC	791	709	727	405	680	814	742	667	+262	2,632	2,903	+271

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

In 4Q 14 the French International Health business was transferred from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014.

Prior year figures changed in order to reflect the roll out of profit source reporting to some Asian companies and the lines of business split in Germany

2) Represents annualized operating profit (loss) divided by the average of (a) current quarter-end and prior quarter-end net reserves and (b) current quarter-end and prior year-end net reserves, whereby net reserves equal reserves for loss and loss adjustment expenses, reserves for insurance and investment contracts and financial liabilities for unit-linked contracts less reinsurance assets

3) Segment own assets (incl. financial assets carried at fair value through income).

Including cash and cash pool assets net of liabilities from securities lending, derivatives and liabilities from cash pooling

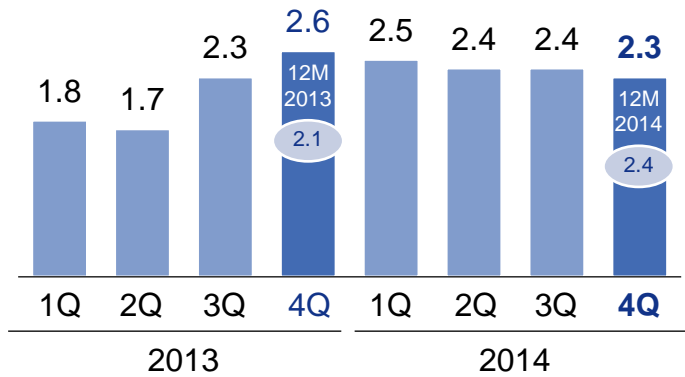
4) Prior year figures have been restated to reflect the retrospective application of the amended standard IFRS 10

5) Grossed up for insurance liabilities which are netted within the trading book (market value liability option).

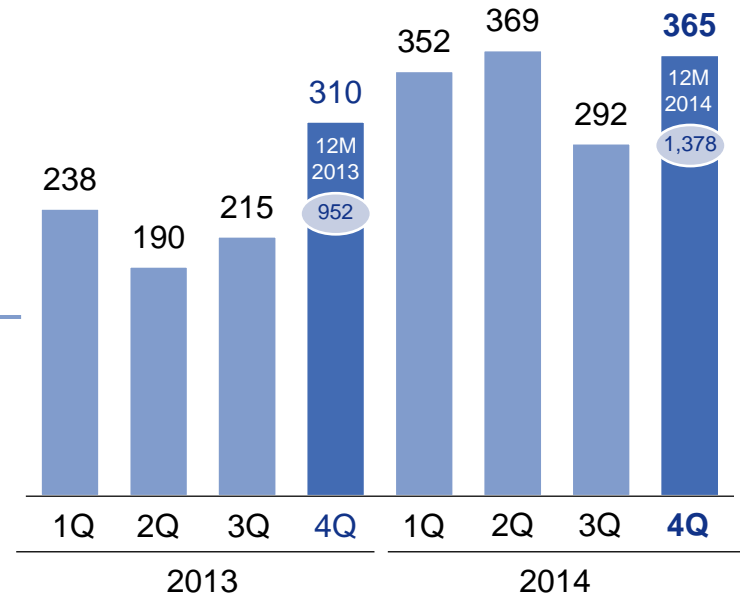
Including cash and cash pool assets net of liabilities from securities lending and derivatives

Key new business metrics

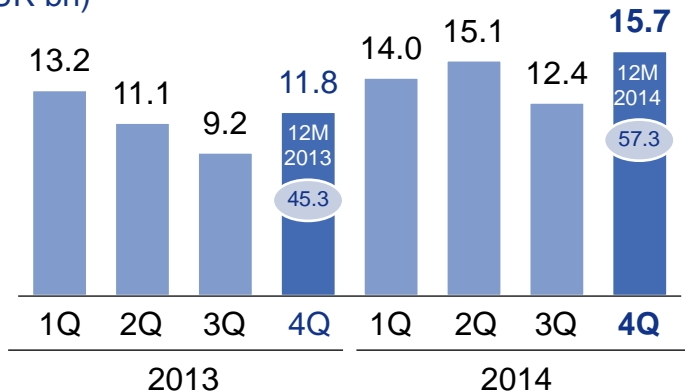
New business margin^{1,2}
(VNB in % of PV of NB premiums)



Value of new business^{1,2}
(EUR mn)



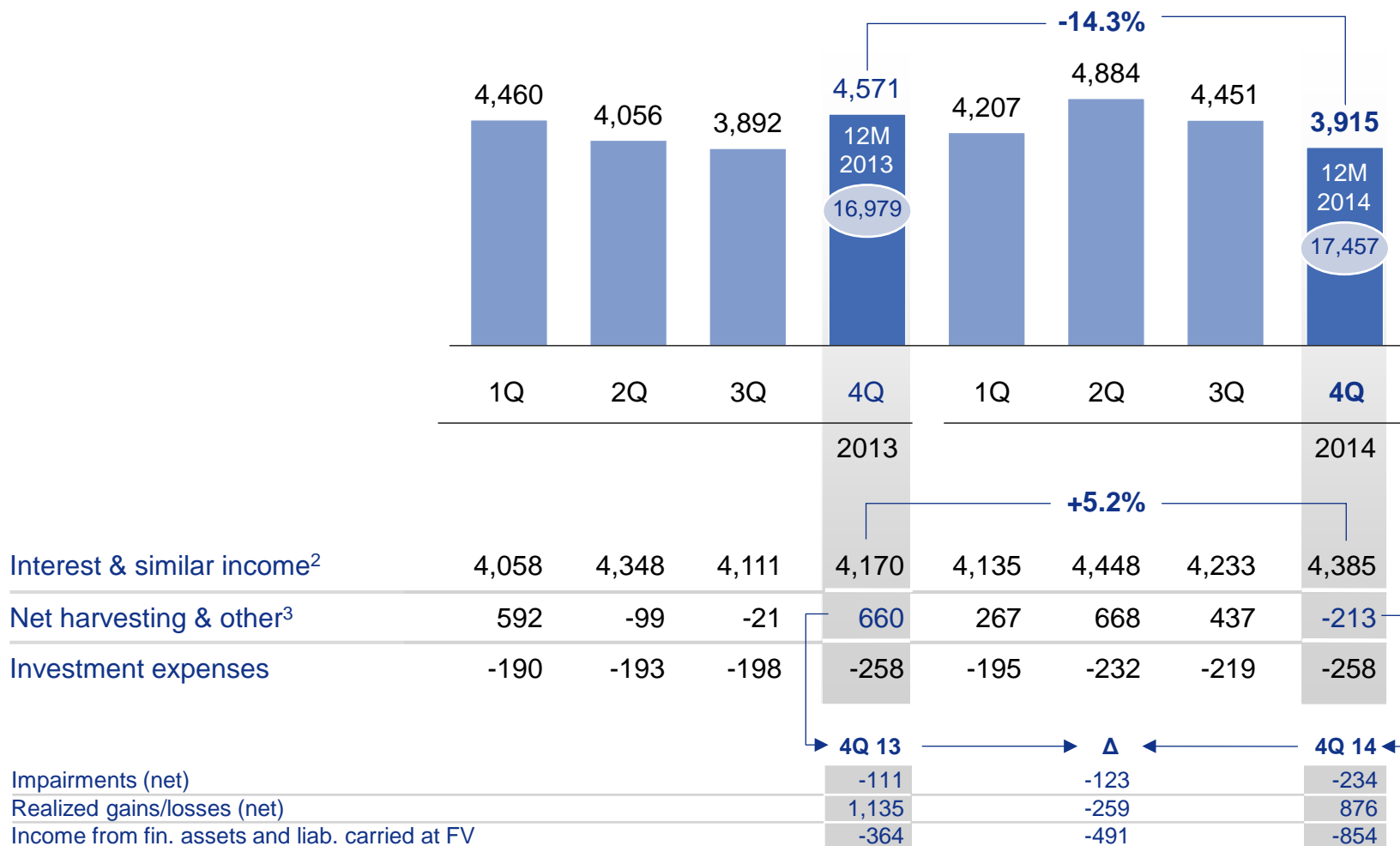
PV of NB premiums^{1,2}
(EUR bn)



1) After non-controlling interests, including holding expenses and internal reinsurance. All values using F/X rates as of valuation date
 2) In 4Q 14 the French International Health business was transferred from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014. Quarterly figures for 2014 have been restated accordingly

Operating investment result¹

(EUR mn)



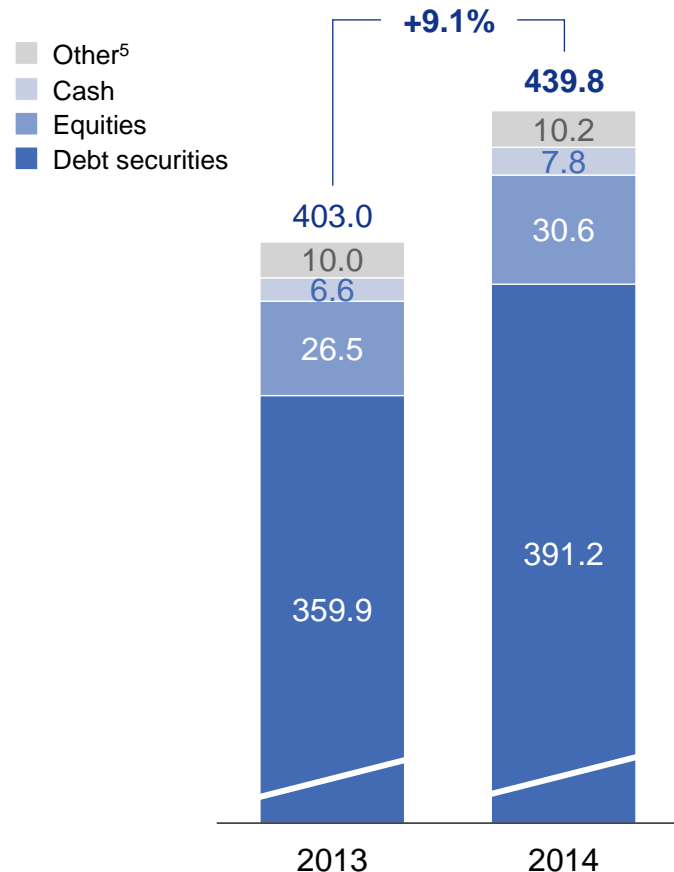
1) Prior year figures have been restated to reflect the retrospective application of the amended standard IFRS 10

2) Net of interest expenses

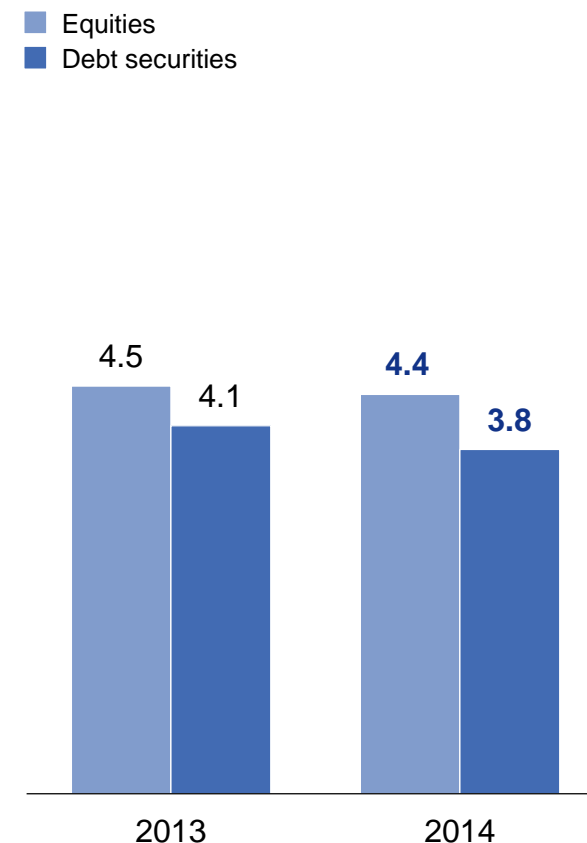
3) Comprises realized gains/losses, impairments (net), fair value option, trading and F/X gains and losses

Average asset base and yields

Average asset base^{1,2,3,4} (EUR bn)



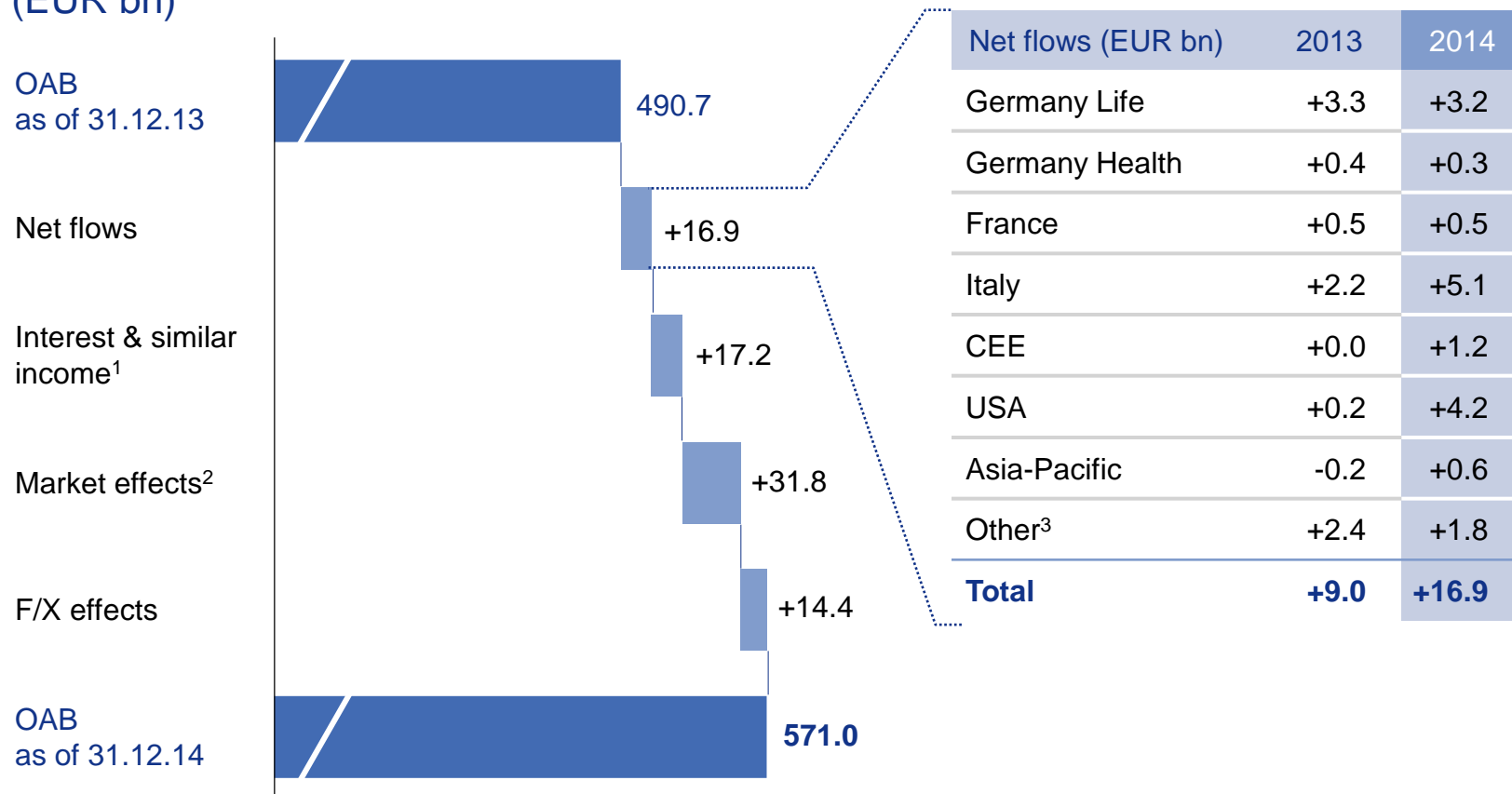
Current yield^{2,3,4} (in %)



1) Average asset base includes liabilities from cash pooling, excludes fair value option, trading, unit-linked assets
 2) Prior year figures have been restated to reflect the retrospective application of the amended standard IFRS 10
 3) Effective 2014, certain entities were allocated from Asset Management to Life/Health and Banking. The impact on the average asset base in 12M 14 is EUR 0.7bn
 4) In 4Q 14 the French International Health business was transferred from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014
 5) Real estate investments and funds held by others under reinsurance contracts assumed

Operating asset base

Operating asset base (EUR bn)



1) Net of interest expenses

2) Includes changes in other assets and liabilities of EUR 0.0bn

3) 2013 contains first time inclusion of Yapi Kredi; 2014 figures contain first time inclusion of certain entities transferred from Asset Management segment

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AAM key figures¹ (1/2)

(EUR mn)

	1Q 2013	2Q 2013	3Q 2013	4Q 2013	1Q 2014	2Q 2014	3Q 2014	4Q 2014	Delta 4Q 14/13	12M 2013	12M 2014	Delta 12M 14/13
Operating revenues	1,870	1,772	1,661	1,682	1,517	1,607	1,618	1,646	-36	6,985	6,388	-597
Performance fees	273	75	41	110	19	67	40	149	+39	499	275	-224
Operating profit	877	781	731	671	646	676	694	588	-83	3,060	2,603	-457
Non-operating items	-28	-18	-2	6	-14	-3	2	0	-6	-42	-15	+27
Income before taxes	849	763	729	678	631	673	696	588	-90	3,018	2,588	-430
Income taxes	-296	-288	-263	-312	-225	-254	-258	-230	+82	-1,160	-967	+192
Net income	552	475	466	365	406	419	438	358	-7	1,858	1,621	-237
Non-controlling interests	21	18	17	16	22	23	22	19	+3	72	86	+14
Shareholders' net income	532	457	449	349	385	396	415	340	-10	1,786	1,535	-251
Cost-income ratio (in %)	53.1	55.9	56.0	60.1	57.4	57.9	57.1	64.3	+4.2%-p	56.2	59.2	+3.1%-p
3rd party AuM² (EUR bn)	1,491	1,427	1,374	1,329	1,342	1,373	1,411	1,313	-16	1,329	1,313	-16
Allianz AuM ² (EUR bn)	417	407	407	409	423	441	461	488	+79	409	488	+79
Total AuM ² (EUR bn)	1,908	1,834	1,781	1,738	1,765	1,814	1,872	1,801	+63	1,738	1,801	+63
3rd party net flows (EUR bn)	41.8	6.0	-27.5	-35.5	-19.8	-17.2	-47.4	-141.3	-105.8	-15.1	-225.6	-210.5
Net flows in 3rd party AuM eop (in %)	3.0	0.4	-1.9	-2.6	-1.5	-1.3	-3.5	-10.0	-7.4%-p	-1.1	-17.0	-15.9%-p

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

2) Assets under Management are end of period values

AAM key figures (2/2)

(EUR mn)

	1Q 2013	2Q 2013	3Q 2013	4Q 2013	1Q 2014	2Q 2014	3Q 2014	4Q 2014	Delta 4Q 14/13	12M 2013	12M 2014	Delta 12M 14/13
PIMCO												
Operating profit	796	700	645	599	563	597	594	488	-111	2,740	2,241	-498
Performance fees	252	40	25	89	11	46	25	122	+33	406	205	-201
Cost-income ratio (in %)	48.4	51.2	51.3	54.9	52.2	51.8	52.4	61.2	+6.4%-p	51.3	54.5	+3.1%-p
3rd party AuM ¹ (EUR bn)	1,301	1,238	1,178	1,114	1,116	1,135	1,162	1,053	-61	1,114	1,053	-61
3rd party net flows (EUR bn)	40.4	4.3	-28.8	-35.6	-21.7	-20.4	-49.2	-144.8	-109.2	-19.7	-236.1	-216.4
3-yr. outperformance (in %)	95	94	93	90	88	89	93	88	-2%-p	90	88	-2%-p
AllianzGI												
Operating profit	87	95	99	83	96	89	110	113	+30	364	408	+44
Performance fees	22	35	16	20	8	20	15	27	+7	93	70	-23
Cost-income ratio (in %)	73.7	72.4	71.0	76.6	72.1	76.1	70.8	70.9	-5.7%-p	73.4	72.5	-1.0%-p
3rd party AuM ¹ (EUR bn)	190	189	196	215	226	238	248	260	+45	215	260	+45
3rd party net flows (EUR bn)	1.4	1.7	1.3	0.1	2.0	3.2	1.8	3.5	+3.4	4.6	10.4	+5.9
3-yr. outperformance (in %)	66	59	53	55	53	51	58	55	+0%-p	55	55	+0%-p

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

Splits of 3rd party AuM¹

	AAM		PIMCO		AllianzGI	
	31.12.13	31.12.14	31.12.13	31.12.14	31.12.13	31.12.14
Regions (in %)²						
America	62.9	60.0	69.3	67.3	30.1	30.5
Europe	27.0	29.2	20.6	21.5	60.4	60.3
Asia-Pacific	10.1	10.8	10.2	11.2	9.4	9.3
Clients (in %)³						
Institutional	64	64	66	68	52	50
Retail	36	36	34	32	48	50
Products (in %)⁴						
Fixed income	87	85	100	100	22	22
Equity	13	15	0	0	78	78

1) Comprises 3rd party AuM managed by AAM

2) Based on the origination of the assets by the asset management company

3) Classification is driven by vehicle types

4) Based on legal entity view

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Allianz Group
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 - e) **Corporate and Other**
- 3 Glossary

Key figures¹

(EUR mn)

	1Q 2013	2Q 2013	3Q 2013	4Q 2013	1Q 2014	2Q 2014	3Q 2014	4Q 2014	Delta 4Q 14/13	12M 2013	12M 2014	Delta 12M 14/13
Total revenues (Banking)	148	133	131	138	139	132	135	151	+12	551	556	+5
Operating profit												
<i> Holding & Treasury</i>	-167	-277	-238	-257	-248	-245	-267	-157	+99	-939	-917	+22
<i> Banking</i>	-83	-1	4	-12	18	17	11	21	+33	-91	66	+158
<i> Alternative Investments</i>	11	4	5	4	8	8	8	6	+1	24	30	+6
<i> Consolidation</i>	0	0	0	3	0	0	0	0	-3	3	0	-2
Corporate and Other operating profit	-239	-274	-229	-261	-222	-219	-248	-131	+130	-1,004	-820	+183
Non-operating items												
<i> Holding & Treasury</i>	-250	-68	-203	-220	484	-177	-194	-271	-51	-741	-157	+584
<i> Banking</i>	3	4	11	4	-1	4	3	5	+1	22	11	-11
<i> Alternative Investments</i>	-54	-6	-4	-47	-11	-5	-19	-11	+36	-112	-46	+66
<i> Consolidation</i>	27	0	0	-3	0	0	0	0	+3	25	0	-25
Corporate and Other non-operating items	-274	-70	-196	-265	472	-177	-211	-276	-11	-806	-192	+614
Income before taxes	-514	-344	-426	-527	249	-397	-458	-407	+120	-1,810	-1,013	+797
Income taxes	117	66	119	174	-118	148	147	179	+5	476	356	-120
Net income	-397	-278	-307	-353	131	-249	-311	-228	+124	-1,334	-657	+677
Non-controlling interests	2	0	4	1	4	6	3	2	+1	7	15	+9
Shareholders' net income	-399	-278	-311	-354	127	-255	-315	-231	+123	-1,341	-673	+668
Cost-income ratio Banking (in %)	146.4	89.7	83.3	80.0	80.7	75.8	86.6	76.8	-3.2%-p	100.9	79.9	-21.0%-p
RWA ² Banking (EUR bn)	9	9	9	9	9	9	9	9	-0	9	9	-0

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

2) RWA data is preliminary; based on Basel approach

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Allianz Group
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- 3** **Glossary**

Glossary (1)

AAM	Allianz Asset Management, mainly the holding company of PIMCO and AllianzGI
ABS	Asset-backed securities: Structured bonds or notes collateralized by a pool of assets such as loans, bonds or mortgages. As characteristics of the collaterals vary considerably (with regard to asset class, quality, maturity, etc.), so do asset-backed securities.
AGCS	Allianz Global Corporate & Specialty
AllianzGI	Allianz Global Investors
AuM	Assets under Management: The total of all investments, valued at current market value, which the Group has under management with responsibility for their performance. In addition to the Group's own investments, AuM include investments managed on behalf of third parties.
Bps	Basis point = 0.01%
CEE	Central and Eastern Europe
Combined ratio (CR)	Sum of loss ratio and expense ratio, represents the total of acquisition and administrative expenses (net) and claims and insurance benefits incurred (net) divided by premiums earned (net).
Cost-income ratio (CIR)	Represents operating expenses divided by operating revenues.
Current yield	Interest and similar income/ average asset base at book value (excluding income from financial assets and liabilities carried at fair value); current yield on debt securities adjusted for interest expenses; yield on debt securities including cash components.
DAC	Deferred acquisition costs: Commissions, underwriting expenses and policy issuance costs, which vary with and are primarily related to the acquisition and renewal of insurance contracts. These acquisition costs are deferred, to the extent that they are recoverable, and are subject to recoverability testing at the end of each accounting period.
Fair value (FV)	The amount for which an asset could be or is exchanged between knowledgeable, willing parties in an arm's length transaction.

Glossary (2)

FCD	Financial conglomerates directive: European regulation for the supervision of financial conglomerates and financial groups involved in cross-sectoral business operations.
F/X	Foreign exchange
Government bonds	Government bonds include government and government agency bonds.
Gross/Net	In insurance terminology the terms “gross” and “net” mean before and after consideration of reinsurance ceded, respectively. In investment terminology the term “net” is used where the relevant expenses (e.g. depreciations and losses on the disposal of assets) have already been deducted.
IFRS	International Financial Reporting Standards. Since 2002, the designation of IFRS applies to the overall framework of all standards approved by the International Accounting Standards Board. Standards already approved before will continue to be cited as International Accounting Standards (IAS).
Internal growth	Enhances the understanding of our total revenue performance by excluding the effects of foreign currency translation as well as of acquisitions and disposals.
IRR	Internal rate of return: The discount rate which gives a zero value of new business under real-world projections after allowing for any acquisition expense overrun or underrun.
L/H operating profit sources	<p>The objective of the Life/Health operating profit sources analysis is to explain movements in IFRS results by analyzing underlying drivers of performance on a L/H segment consolidated basis.</p> <p>Loadings & fees: Includes premium and reserve based fees, unit-linked management fees and policyholder participation on expenses.</p> <p>Investment margin: Is defined as IFRS investment income net of expenses less interest credited to IFRS reserves less policyholder participation.</p> <p>Expenses: Includes commissions, acquisition expenses and administration expenses.</p> <p>Technical margin: Comprises risk result (risk premiums less benefits in excess of reserves less policyholder participation), lapse result (surrender charges and commission claw-backs) and reinsurance result.</p> <p>Impact of change in DAC: Includes effects of change in DAC, URR and VOBA and is the net impact of deferral and amortization of acquisition costs and front-end loadings on operating profit.</p>

Glossary (3)

Loss frequency	Number of accident year claims reported divided by number of risks in-force.
Loss ratio	Claims and insurance benefits incurred (net) divided by premiums earned (net). Loss ratio calendar year (c.y.) includes the results of the prior year reserve development in contrast to the loss ratio accident year (a.y.).
MCEV	Market consistent embedded value is a measure of the consolidated value of shareholders' interest in a life portfolio. The Market Consistent Embedded Value is defined as Net asset value (NAV) <ul style="list-style-type: none"> + Present value of future profits - Time value of financial options and guarantees (O&G) - Frictional cost of required capital - Cost of residual non-hedgeable risk (CNHR)
NatCat	Accumulation of claims that are all related to the same natural or weather/atmospheric event during a certain period of time and where AZ Group's estimated gross loss exceeds EUR 20mn if one country is affected (respectively EUR 50mn if more than one country is affected); or if event is of international media interest.
NBM	New business margin: Value of new business divided by present value of new business premiums.
Non-controlling interests	Represent the proportion of equity of affiliated enterprises not owned by Group companies.
OAB	Operating asset base: Represents all operating investment assets within the L/H segment. This includes investments & loans, financial assets and liabilities carried at fair value as well as unit-linked investments. Market value liability option is excluded.
OE	Operating entity

Glossary (4)

Operating profit	Earnings from ordinary activities before income taxes and non-controlling interests in earnings, excluding, as applicable for each respective segment, all or some of the following items: Income from financial assets and liabilities carried at fair value (net), realized gains/ losses (net), impairments on investments (net), interest expenses from external debt, amortization of intangible assets, acquisition-related expenses and income from fully consolidated private equity investments (net) as this represents income from industrial holdings outside the scope of operating business.
P/C	Property and casualty insurance
PIMCO	Pacific Investment Management Company Group
Premiums written/ earned (IFRS)	Premiums written represent all premium revenues in the year under review. Premiums earned represent that part of the premiums written used to provide insurance coverage in that year. In the case of life insurance products where the policyholder carries the investment risk (e.g. variable annuities), only that part of the premiums used to cover the risk insured and costs involved is treated as premium income.
Required capital	The market value of assets attributed to the covered business over and above that required to back liabilities for covered business whose distribution to shareholders is restricted.
RoRC	Return on Risk Capital: Measures the expected profit from new business relative to its projected risk capital with real-world economic assumptions until run-off.
SE	Societas Europaea: European stock company
Solvency ratio	Ratio indicating the capital adequacy of a company comparing eligible funds to required capital.
Sovereign bonds	Sovereign bonds include government and government agency bonds.
Statutory premiums	Represent gross premiums written from sales of life insurance policies, as well as gross receipts from sales of unit-linked and other investment-oriented products, in accordance with the statutory accounting practices applicable in the insurer's home jurisdiction.
Total revenues	Represent the sum of P/C segment's gross premiums written, L/H segment's statutory premiums, operating revenues in Asset Management and total revenues in Corporate and Other (Banking).
Unrealized gains and losses (net) (as part of shareholders' equity)	Include primarily unrealized gains and losses from available-for-sale investments net of tax and policyholder participation.

Glossary (5)

VNB

Value of new business: The additional value to shareholder created through the activity of writing new business. It is defined as present value of future profits (PVFP) after acquisition expenses minus the cost of option and guarantees (O&G), minus the cost of residual non-hedgeable risk (CNHR), minus the frictional cost of holding required capital, all determined at issue date.

3-year-outperformance AM

The investment performance is based on Allianz Asset Management account-based, asset-weighted three-year investment performance of third-party assets versus the primary target including all accounts managed by portfolio managers of Allianz Asset Management. For some retail funds, the net of fee performance is compared to the median performance of the corresponding Morningstar peer group (first and second quartile mean outperformance). For all other retail funds and for all institutional accounts, the gross of fee performance (revaluated based on closing prices) is compared to the respective benchmark based on different metrics.

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 Euro/U.S. Dollar 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

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