



# From skill to scale

Analyst conference call  
February 19, 2016

Please note: presentations based on 2015 preliminary figures

**Allianz** 

# Agenda

- A** CEO assessment and outlook Oliver Bäte
- B** Group financial results 2015 Dieter Wemmer
- C** Investments Maximilian Zimmerer

Glossary

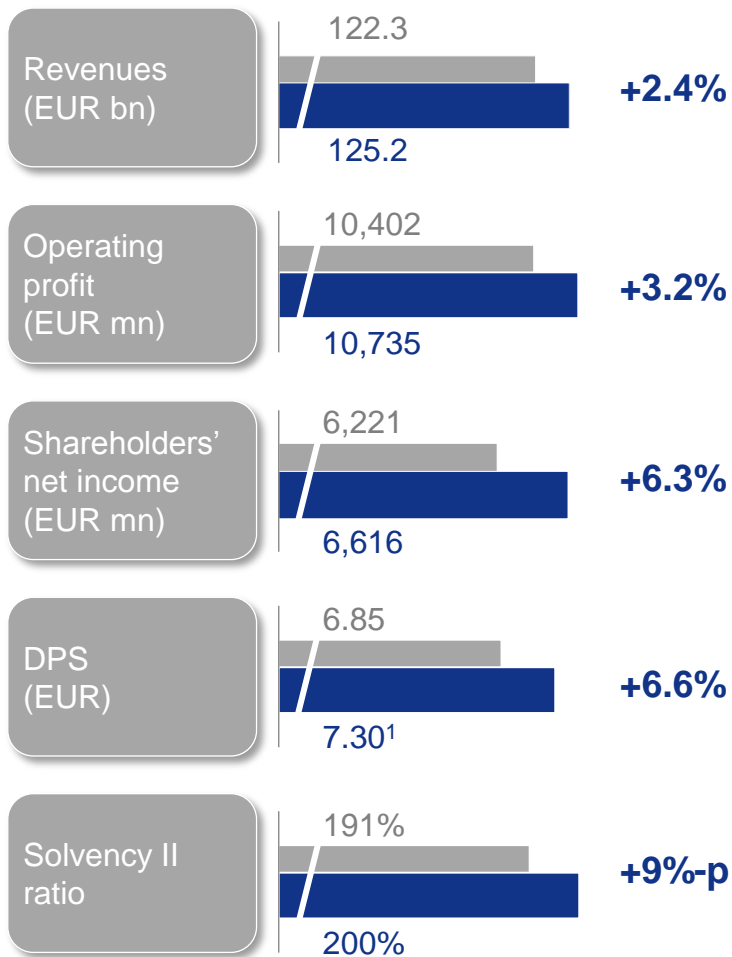
Disclaimer

# CEO assessment and outlook

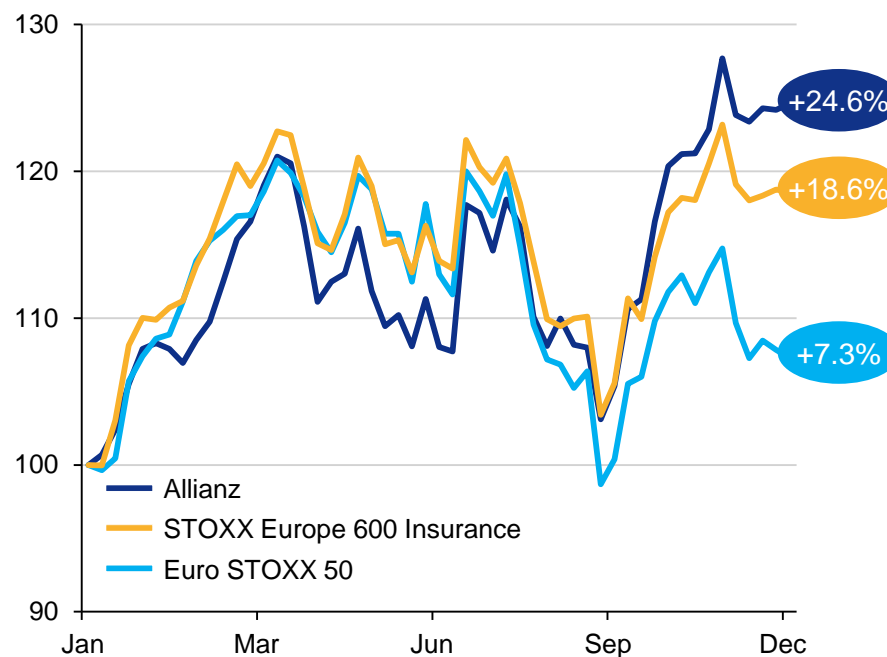
Oliver Bäte  
Chief Executive Officer

Analyst conference call  
February 19, 2016

# 2015 key figures



Total shareholder return (2015, in %)



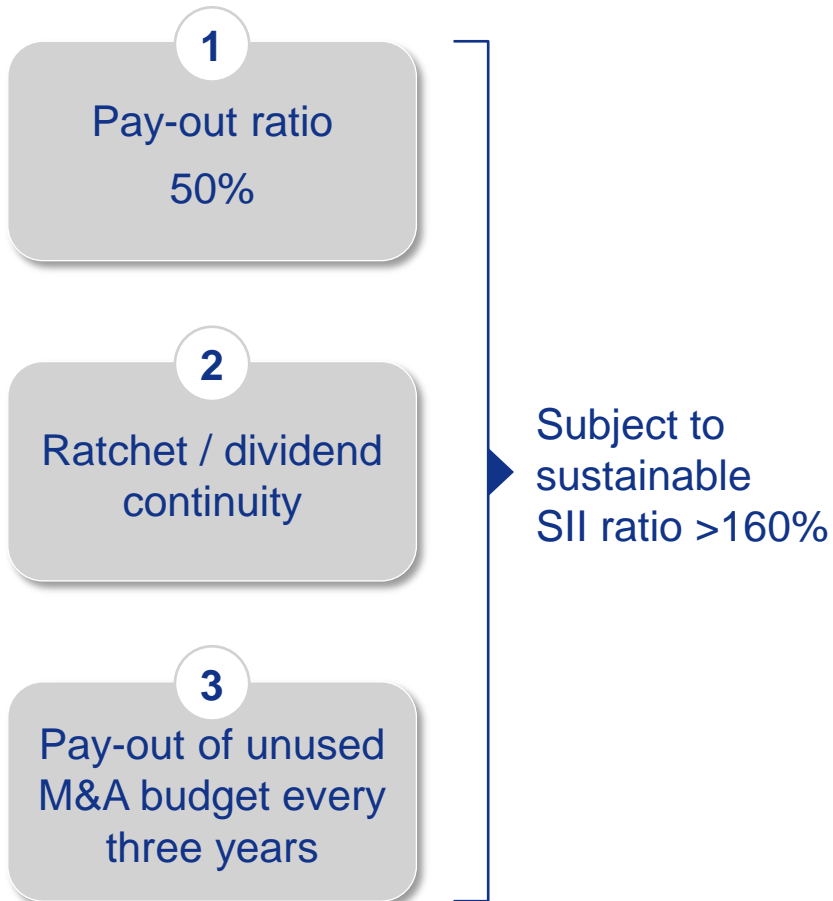
1) Proposal

■ 2014  
■ 2015

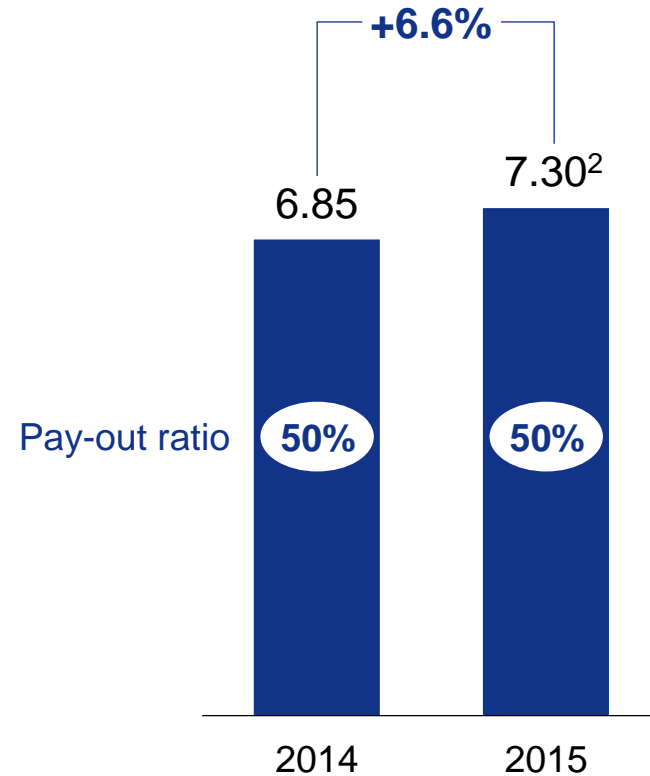
## The CEO assessment

Group	P/C	L/H	AM
<b>Revenue growth</b>			
Positive <b>+2.4%</b>	Strong <b>+6.8%</b>	Selective <b>-0.6%</b>	Strong USD <b>+1.4%</b>
<b>Operating profit</b>			
Upper end <b>+3.2%</b>	Despite headwinds <b>+4.1%</b>	Outstanding <b>+14.1%</b>	As expected <b>-11.8%</b>
<b>Return on Equity</b>			
Strong <b>12.5%</b>	At target <b>13.0%</b>	Further improvement needed <b>10.8%</b>	Remains excellent <b>15.2%</b>
<b>Comments</b>			
<ul style="list-style-type: none"> <li>▪ Solid results</li> </ul>	<ul style="list-style-type: none"> <li>▪ Robust investment result</li> <li>▪ Core Europe strong</li> <li>▪ Slow progress in LatAm</li> </ul>	<ul style="list-style-type: none"> <li>▪ Successful execution of new product strategy</li> <li>▪ Korea and other back-books being addressed</li> <li>▪ More work on interest rate sensitivity needed</li> </ul>	<ul style="list-style-type: none"> <li>▪ AllianzGI OP at new high</li> <li>▪ PIMCO net flow stabilization but profitability to be improved</li> </ul>

# Attractive dividend policy<sup>1</sup> ...



... with significant DPS growth for 2015 (EUR)

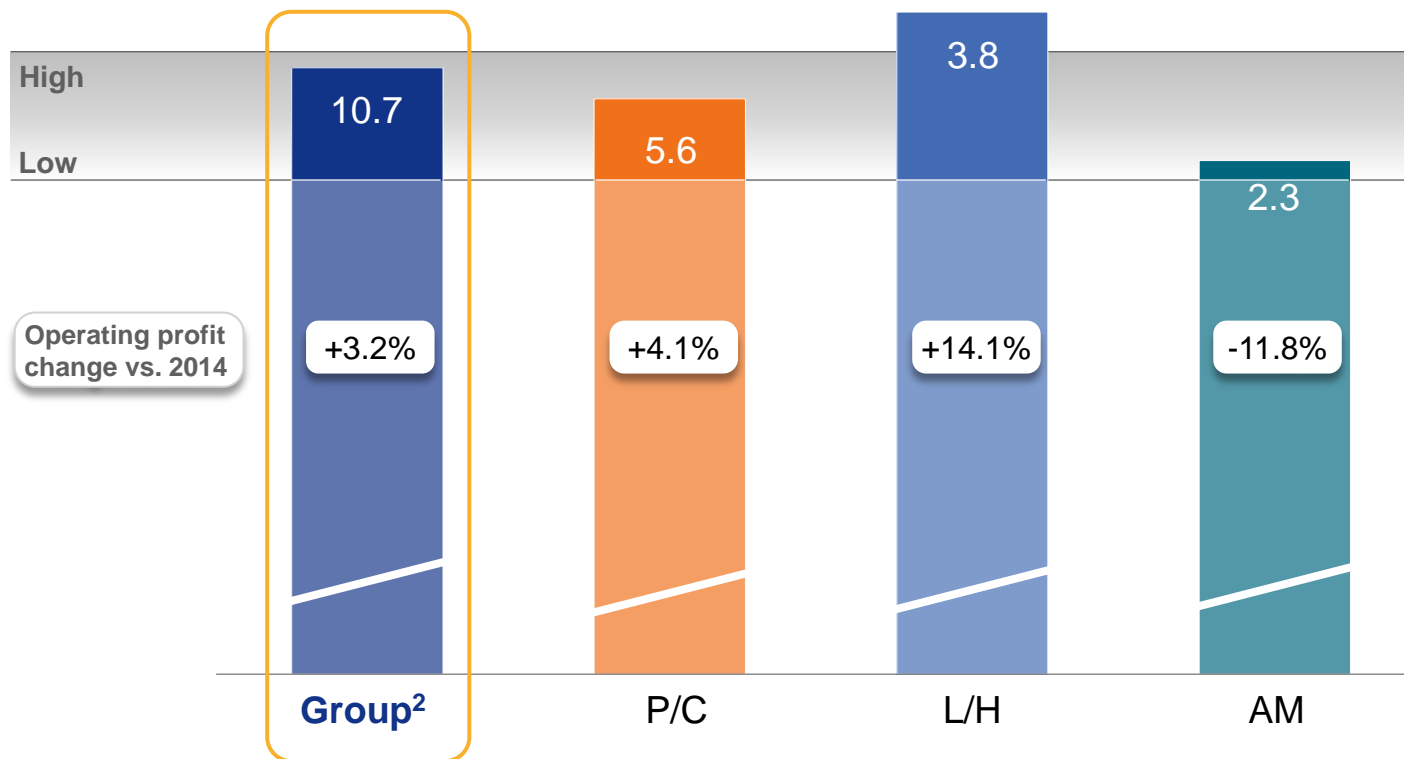


1) This dividend policy may be revised in the future. Also, the decision regarding dividend payments in any given year is subject to specific dividend proposals by the management and supervisory boards, each of which may elect to deviate from this dividend policy if appropriate under the then prevailing circumstances, as well as to the approval of the annual general meeting.

2) Proposal

# Operating profit 2015 in upper end of target range

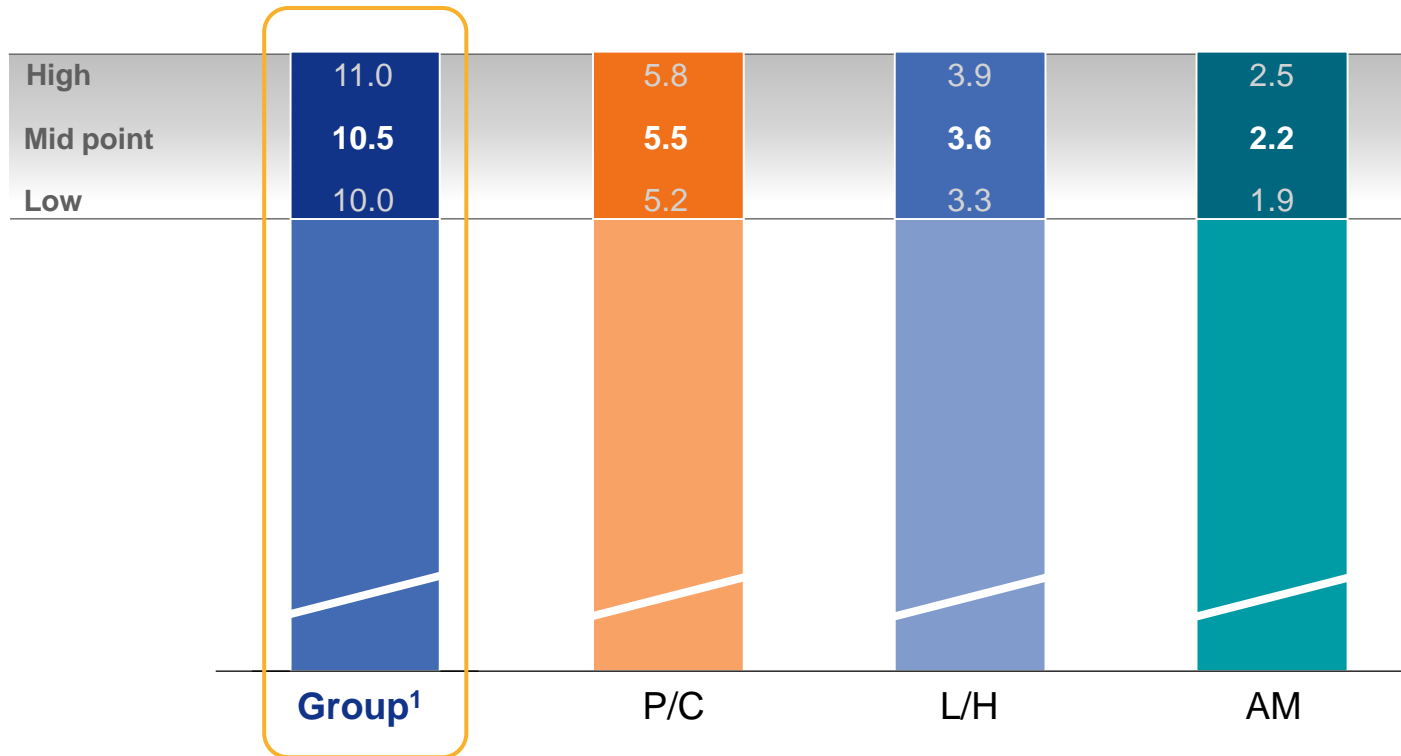
Target achievements 2015<sup>1</sup>  
(EUR bn)



1) Target range for Group operating profit EUR 10.0bn – 10.8bn  
 2) Including Corporate and Consolidation (EUR -1.0bn)

# Operating profit outlook for 2016 reflecting higher uncertainty

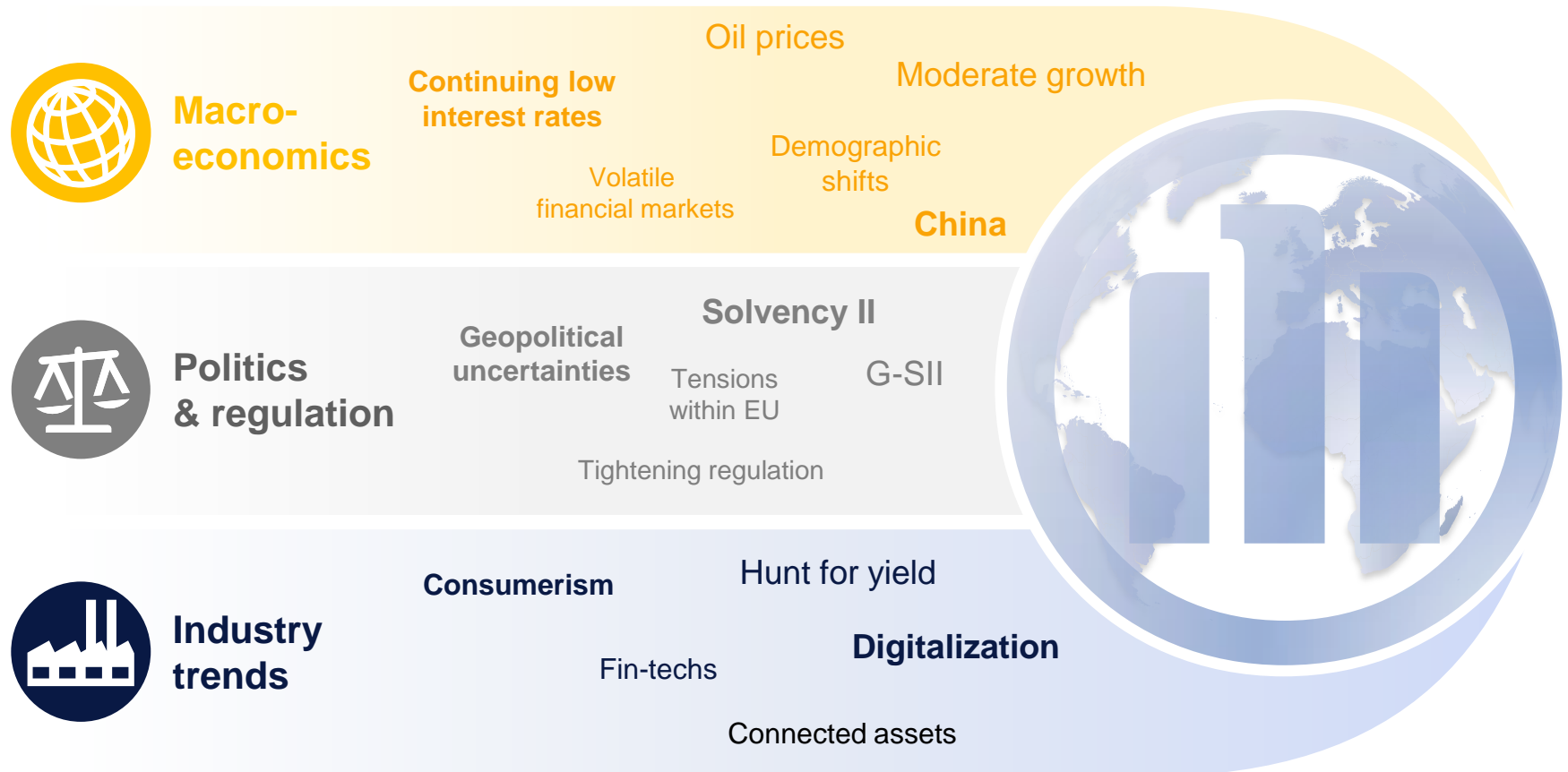
Target ranges 2016  
(EUR bn)



1) Including Corporate and Consolidation with target range EUR -0.7bn to -0.9bn  
**Disclaimer:** Impact from NatCat, financial markets and global economic development not predictable



# In light of a fast changing and challenging world ...

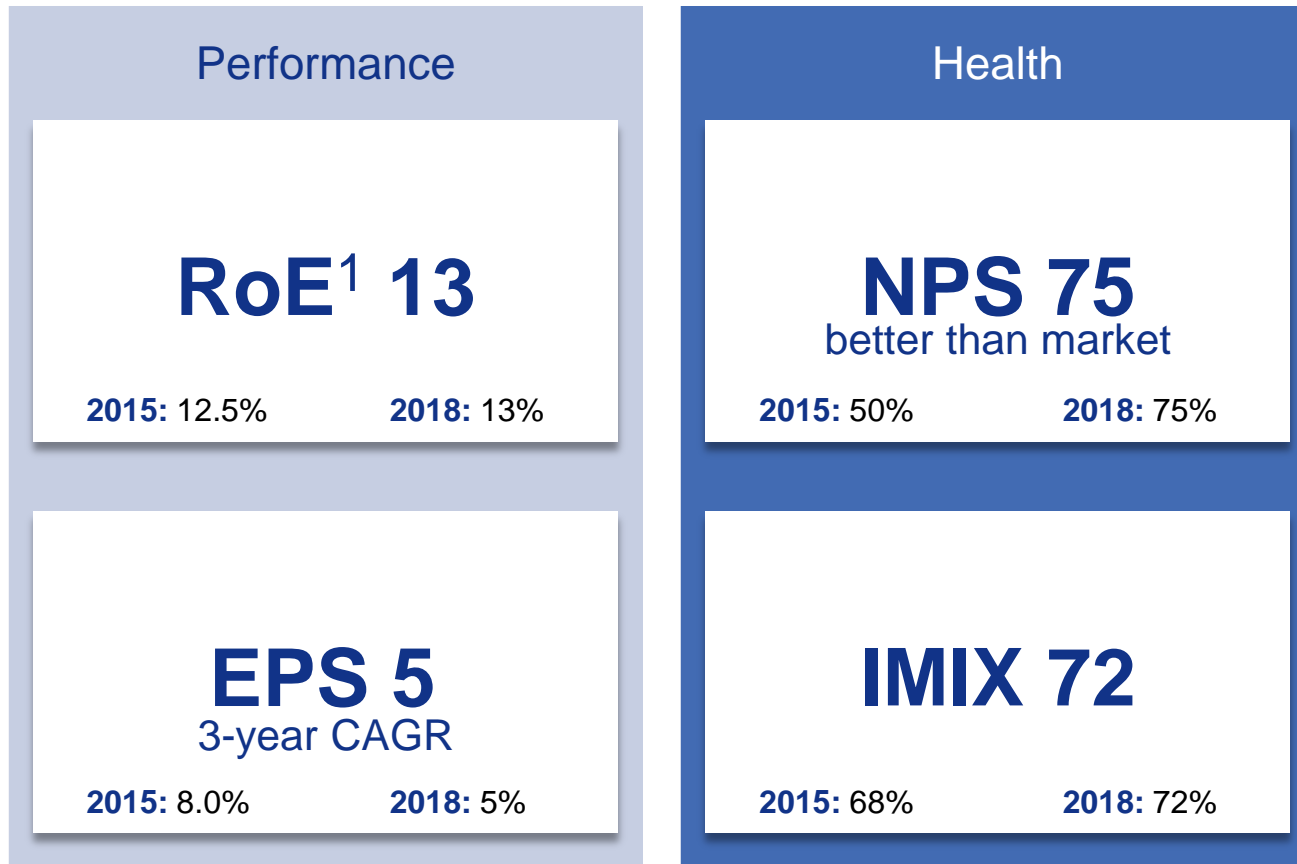


# ... Allianz continues to reinforce its strengths

<b>Scale</b> 	Global lines	<b>EUR 3.3bn OP</b> in 2015 <sup>1</sup>
	Investment management	<b>EUR 638bn</b> own AuM
	Digitalization	<b>EUR 650mn</b> investments in digital p.a.
<b>Resilience</b> 	Diversification	Three segments with <b>multibillion</b> earnings power
	Capital	<b>Strong SII ratio; S&amp;P 'AA'</b>
	Brand	<b>Top global insurance brand<sup>2</sup></b>
<b>Skills</b> 	Customer centricity	<b>NPS</b> as key steering metric with clear ambitions
	Technical excellence	<b>Low CR volatility</b> (2015: 94.6%; 5Y Ø 95.4%)
	People	<b>Inclusive Meritocracy</b> at core of Renewal Agenda

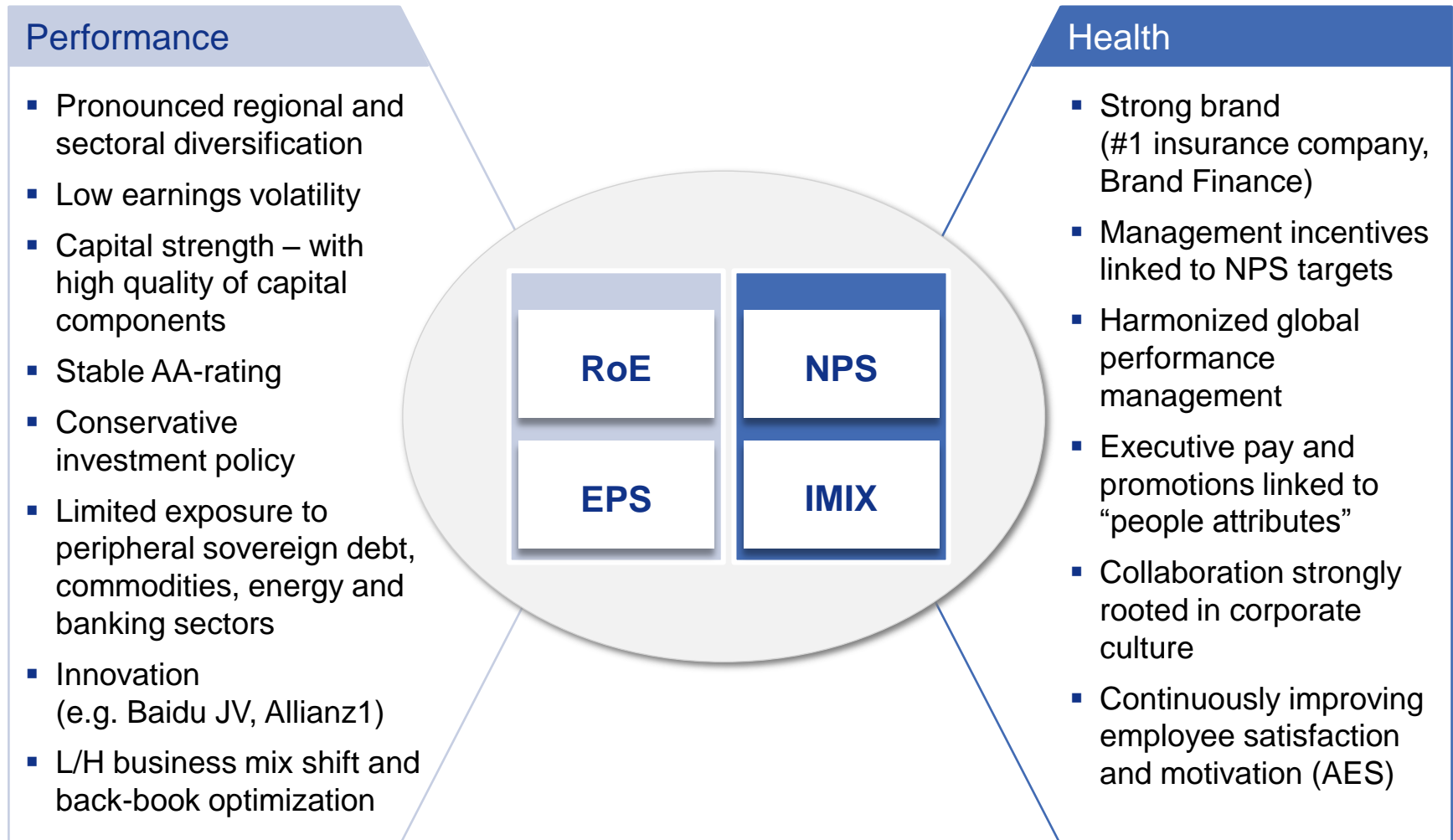
1) 2015: PIMCO EUR 1,824mn, AGI EUR 535mn, AGCS EUR 423mn, Euler Hermes EUR 400mn, AWP EUR 128mn  
 2) Brand Finance Global 500 ranking; Allianz is the only insurer to be included in the top 50 of the world's strongest brands in 2016

## Clearly defined ambitions for 2018 ...



1) Excluding unrealized gains/losses on bonds net of shadow DAC

## ... building on solid foundations



# Group financial results 2015

Dieter Wemmer  
Chief Financial Officer

Analyst conference call  
February 19, 2016

# B

Group financial  
results 2015

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

# Business highlights

## Inclusive Meritocracy

- Executive pay and promotion linked to people factors like customer satisfaction, collaboration and other leadership behaviors starting in 2016

## Growth Engines

- Allianz to establish a nationwide digital insurance company in China with internet company Baidu
- Allianz Global Investors to acquire global fixed income manager Rogge Global Partners

## True Customer Centricity

- Allianz UK claims adjusters arrive on site before storm Desmond hit in December, allowing the team to assist 95 percent of customers within two hours of making a claim
- Allianz ranks as only insurance brand in Top 50 of Brand Finance Global 500 Ranking 2016

## Technical Excellence

- Allianz Germany's motor retail insurance business is first to be certified according to a new global standard for technical price calculation, allowing for more transparent and risk-adequate pricing
- Alternative investment portfolio expands to include two onshore wind parks in New Mexico, USA

## Digital by Default

- New role of Chief Digital Officer established to foster digital transformation within Allianz Group
- Allianz1 Business, the extension of Allianz Italy's digital modular offer to small companies, has sold over 9,000 policies since launch in November 2015
- All 8,300 Allianz Germany agents are able to offer their customers advice via online-video chat since mid-2015

## Business highlights

### Comments

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- **Allianz Global Investors acquires fixed-income manager**

The acquisition of the London-based Rogge Global Partners complements Allianz Global Investors' fixed-income capability. The deal adds EUR 33bn (Dec 31, 2015) to EUR 442bn managed by Allianz Global Investors for Allianz as well as for third-party customers.

- **Allianz ranks most valuable insurance brand**

Allianz consolidated its position as the world's most valuable insurance brand in this year's Brand Finance Global 500 ranking. As a result of Allianz' strong premium growth, the Group's brand value increased by 8.1% from EUR 17.2bn to EUR 18.6bn (USD 20.3bn), putting Allianz at number 43 among the top 500 global brands, up from rank 44 in 2015.

- **Allianz continues to expand renewable energy investments**

Allianz further expanded its investments in renewable energy, with the investment in two onshore wind parks in New Mexico, USA, our first such investment on the American continent. Allianz also acquired a windfarm in Finland in early 2016, bringing the total renewable energy portfolio to 60 wind and 7 solar parks.

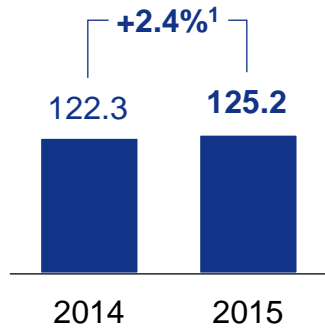
- **Digital Agency takes shape in Germany**

Allianz customers in Germany can now rate their Allianz agents online. In a pilot phase, 300 agencies had their services rated by customers with an online tool and received excellent feedback in the process. By mid-2016, all Allianz agencies in Germany will be able to connect to the rating system, which is run by an unbiased third-party service provider.

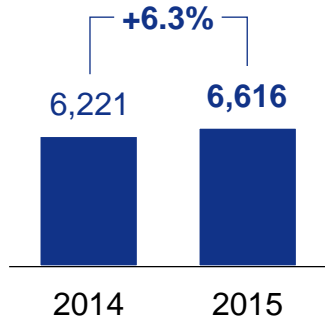


# Group: revenues and profits continue to grow ...

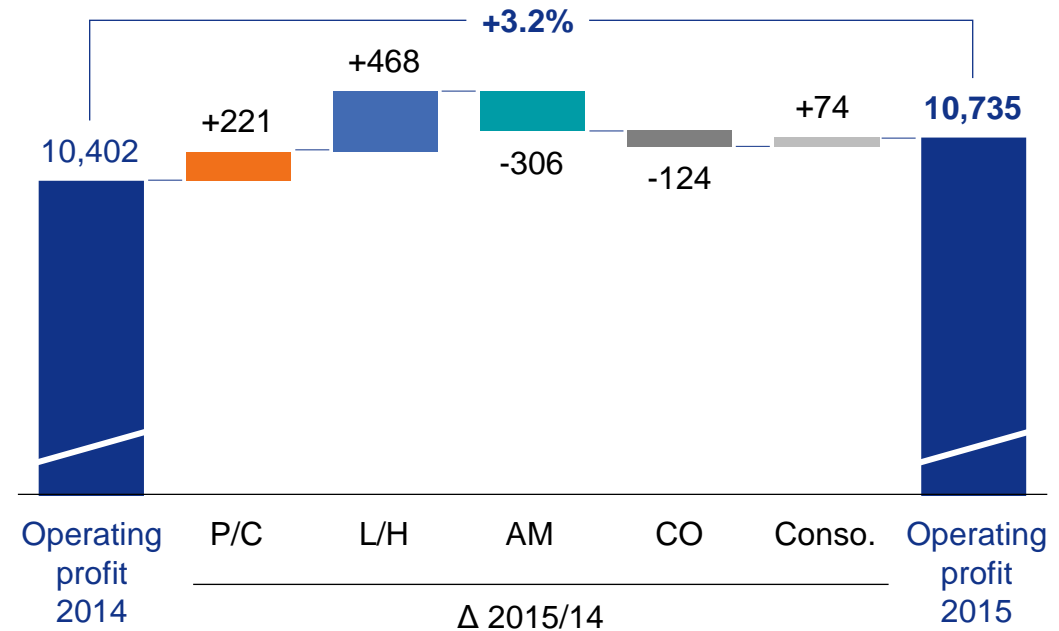
Total revenues (EUR bn)



Net income<sup>2</sup> (EUR mn)



Operating profit drivers (EUR mn)



2015	5,603	3,796	2,297	-945	-16
2014	5,382	3,327	2,603	-820	-91

1) Internal growth of -2.1%, adjusted for F/X and consolidation effects  
 2) Net income attributable to shareholders

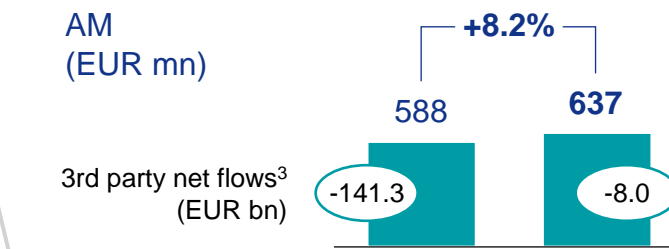
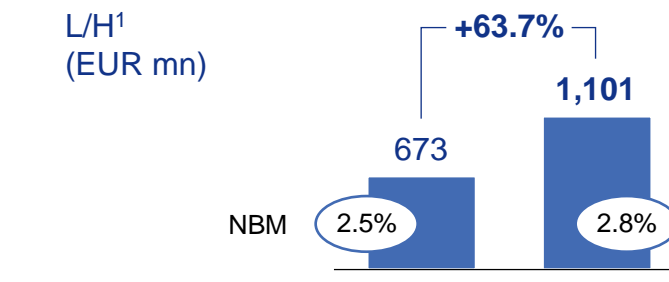
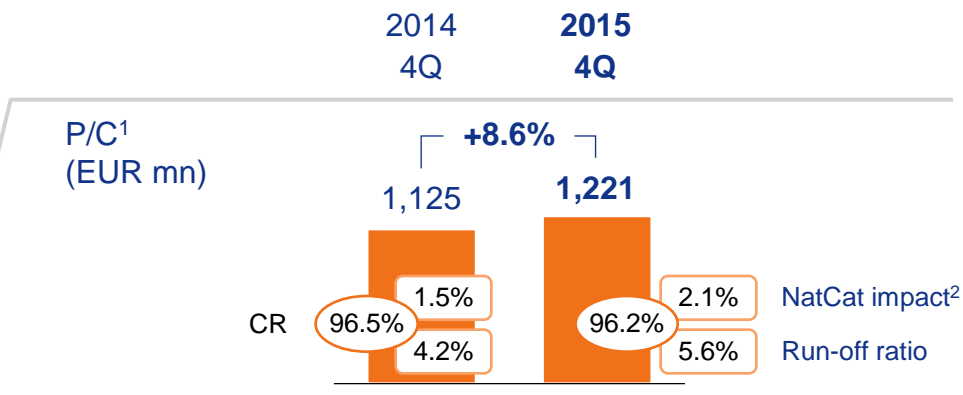
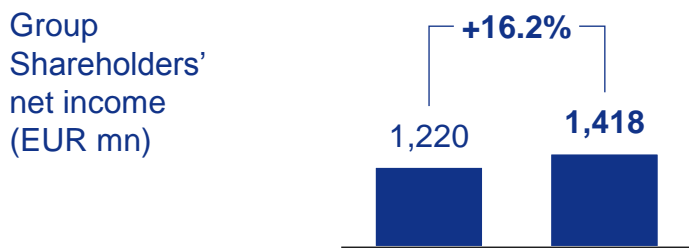
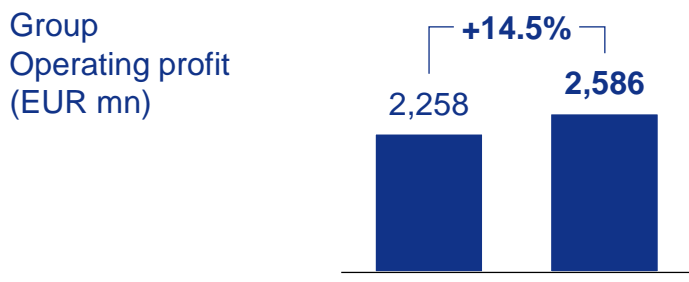
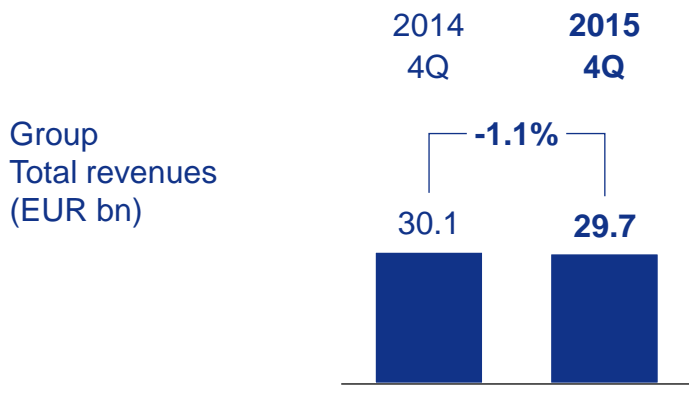
## Group: revenues and profits continue to grow ...

### Comments

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- **Revenue growth**  
Strong growth in P/C, focus on mix change in L/H and decline at PIMCO. Internal growth of minus 2.1%.
- **Operating profit – further increase**  
In the upper end of our target range.
- **P/C – good result**  
Operating profit up 4.1%.  
All profit sources contribute.
- **L/H – very strong result**  
Operating profit up 14.1%, exceeding upper end of target range despite EUR -244mn loss recognition in Korea.
- **Asset Management – as expected**  
Operating profit down 11.8% primarily caused by lower average 3rd party AuM, partly offset by strong USD and higher performance fees.
- **Corporate and Other – in line**  
Increase of operating loss driven by higher centralized pension costs.
- **Net income – strong increase**  
Increase due to improved operating and non-operating result. Effective tax rate declines 1%-p to 31%.

# ... driven by strong 4Q 2015



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

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

3) Effective 2015, 3rd party net flows contain re-invested dividends (incl. capital gains) from existing clients (EUR +9.9bn for 4Q 15). Those have been recognized as market return until 31.12.2014

## ... driven by strong 4Q 2015

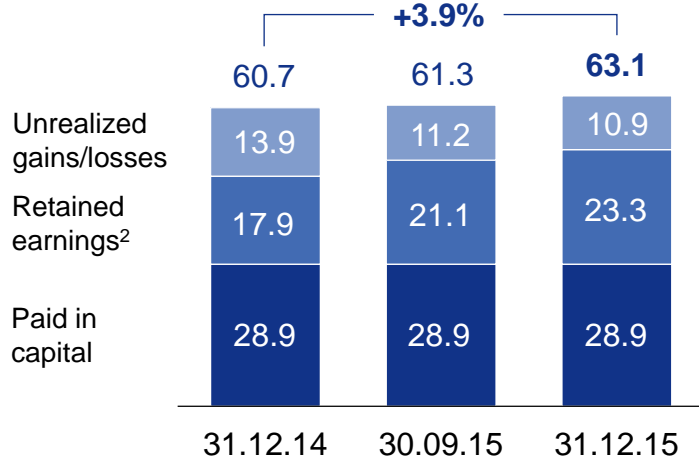
### Comments

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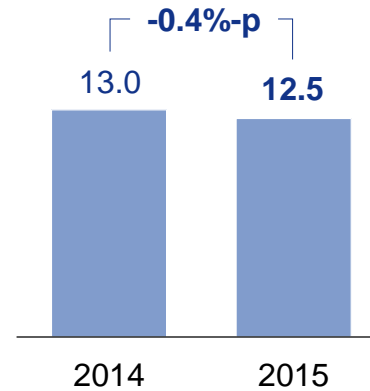
- **Revenues – slight decline**  
Internal growth of Allianz Group at -3.7%. Good growth in P/C (+2.6%) offset by selected growth of -7.3% in L/H and expected revenue decreases in AM (-5.4%) driven by PIMCO.
- **Operating profit – good result**  
Good performance of all three business segments. L/H very strong. P/C impacted by European storms and floods (EUR -163mn) and high man-made claims. Increase in AM OP driven by higher performance fees.
- **Shareholders' net income – improved**  
Increase driven by operating profit, partially offset by the impairment – in the context of steadily decreasing and persisting low interest rates – of the remaining goodwill of our L/H business in Asia Pacific (EUR 171mn).
- **P/C – higher operating profit**  
CR improves, increased NatCat and man-made losses mitigated by better run-off.
- **L/H – improving NBM**  
NBM increase mainly due to management action driven change in business mix (+0.6%-p).
- **AM – flows stabilize**  
Substantially lower 3rd party net outflows compared to 4Q 2014 and to 3Q 2015 (EUR 14.8bn), driven by higher net inflows at AllianzGI and lower net outflows at PIMCO.

# Group: dividend up 6.6%

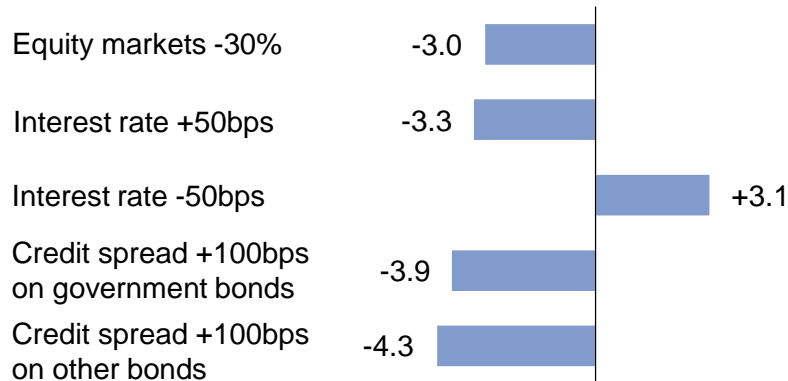
## Shareholders' equity<sup>1</sup> (EUR bn)



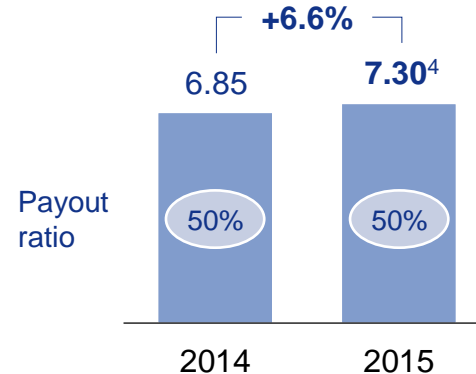
## Return on equity<sup>3</sup> (in %)



## Estimation of stress impact (EUR bn)



## Dividend per share (EUR)



1) Excluding non-controlling interests  
2) Including F/X

3) RoE excluding unrealized gains/losses on bonds net of shadow DAC  
4) Proposal

## Group: dividend up 6.6%

### Comments

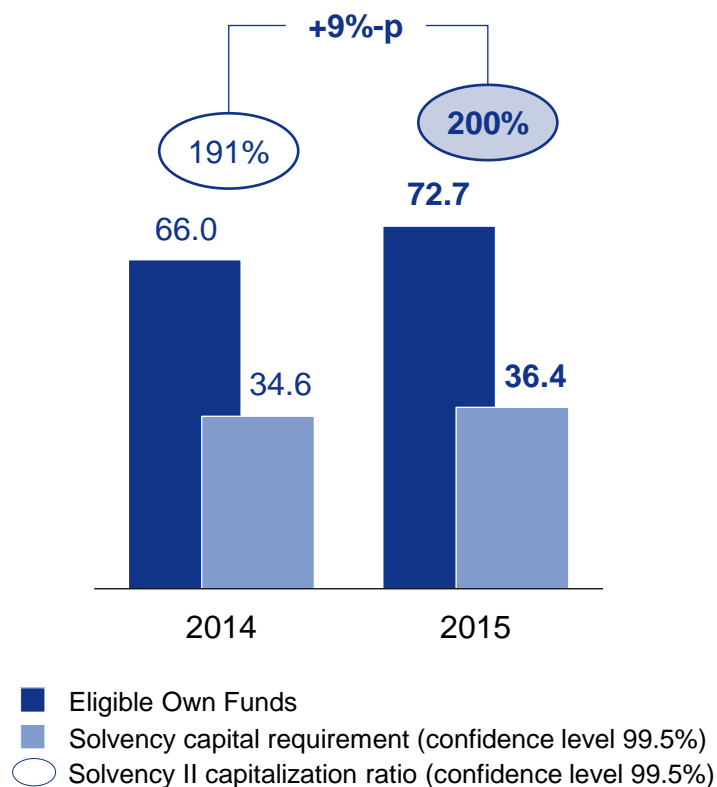
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- **Shareholders' equity at record level**  
Strong net income of EUR +6.6bn main driver for +3.9% increase. F/X effects also positive at EUR +1.1bn. Partly offset by EUR -3.1bn dividend payment as well as EUR -3.0bn lower net unrealized gains and losses.
- **RoE at good level**  
RoE for 2015 comes in at a good 12.5%, only slightly below our 13% target level for 2018. Average shareholders' equity 2015 from beginning and end of the period (excl. unrealized gains/losses on bonds net of shadow DAC) amounts to EUR 52,840mn.
- **DPS – attractive yield**  
DPS proposed to increase 6.6% to EUR 7.30. Dividend yield attractive at 4.8%<sup>1</sup>. Following our dividend policy, the payout ratio remains unchanged at 50%.

1) Based on average share price of EUR 150.75 in FY 2015 (Source: Datastream)

## Group: strong SII capitalization

### SII capitalization<sup>1</sup> (EUR bn)



1) AZ Life included in the SII capital requirement based on third country equivalence with 100% of RBC CAL in 2014 and with 150% of RBC CAL in 2015

### Estimation of stress impact<sup>2</sup>

	2014	2015
Equity markets +30%	+9%-p	<b>+9%-p</b>
Equity markets -30%	-12%-p	<b>-9%-p</b>
Interest rate +50bps SII non-parallel	+15%-p	<b>+9%-p</b>
Interest rate -50bps SII non-parallel	-21%-p	<b>-14%-p</b>
Credit spread +100bps on government bonds	-17%p	<b>-11%-p</b>
Credit spread +100bps on other bonds	-13%-p	<b>-8%-p</b>

2) Second order effects to other risk types and to own funds transferability restrictions are not considered

## Group: strong SII capitalization

### Comments

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- **SII capitalization improved**

Increase of 9%-p is driven by an increase in own funds only partly compensated for by an increase in risk capital.

- **Own funds rise by EUR 6.7bn**

Positive contributions of existing and new business as well as the issuance of a subordinated bond are partially offset by negative impacts from model changes and transferability restrictions.

- **Risk capital up by EUR 1.8bn**

Increase mainly driven by higher exposure due to business growth and model changes necessary in the context of our internal model application. These effects are partially offset by actions to reduce our sensitivity to market movements, in particular to interest rates.

- **Interest rate sensitivity improved**

Driven by management actions, e.g. duration lengthening in the L/H segment, interest rate sensitivity declines year-on-year. In 4Q 2015 we continued to do well in our core markets. However, regulatory decisions added to the liabilities durations in two markets which resulted in a slight increase of the interest rate sensitivity (3Q 2015: -12%-p).

- **1Q 2016 development**

Subsequent market developments, including lower interest rates and equity markets combined with higher bond spreads, will reduce our solvency ratio. Using market parameters end of January and excluding any management actions our SII ratio would stand at 180% - 190%, still within target range.



## P/C: internal growth strong at 2.9%

(EUR mn)

2015		Revenues	Total growth Δ p.y.	Internal growth Δ p.y.	Price effect	Volume effect
<b>Total P/C segment</b>		<b>51,597</b>	<b>+6.8%</b>	<b>+2.9%</b>	<b>+0.8%</b>	<b>+2.1%</b>
<b>Large OEs</b>	Germany	9,629	+1.0%	+1.0%		
	Italy	4,755	+13.3%	-1.6%		
	France	4,330	+1.9%	+1.8%		
<b>Global lines</b>	AGCS <sup>1</sup>	8,107	+50.4%	+1.0%		
	Allianz Worldwide Partners	3,975	+19.0%	+10.8%		
	Credit Insurance	2,241	+3.8%	-0.1%		
<b>Selected OEs</b>	United Kingdom	3,055	+13.8%	+2.6%		
	Australia	2,991	+8.3%	+4.9%		
	Spain	2,138	+6.1%	+6.1%		
	Latin America	2,086	-0.7%	+8.0%		

1) Effective 1 January 2015, FFIC was integrated into AGCS Group. Previous period figures were not adjusted. The results from the run-off portfolio included in San Francisco Reinsurance Company Corp., a former subsidiary of FFIC, have been reported within Reinsurance PC since 1 January 2015

## P/C: internal growth strong at 2.9%

### Comments

- **Strong growth**

Very good internal growth of +2.9% driven by both price (+0.8%) and volume (+2.1%). F/X +3.2% and consolidations +0.7% lead to strong total growth of +6.8%. NPE +6.1%. Retention down to 90.4% but stable if adjusted for FFIC transaction. Rate changes on renewals +1.0% (9M: +0.5%).

- **Germany – good underlying growth**

Good underlying growth of 2.8% without APR business. Motor, Media Markt Saturn and houseowner are main contributors. Price effect positive. Number of motor policies up.

- **Italy – continued strong performance**

Strong performance in a shrinking market. Unipol GPW EUR 836mn. W/o Unipol GPW -1.6%, mainly driven by motor (-2.4%). Good MidCorp growth ex Unipol of +0.9%; Genialloyd GPW +9.0% in a shrinking direct market.

- **France – growth accelerating**

Good growth with both personal and commercial lines contributing. MidCorp performance of +2.1% (excl. exceptional items) well above market.

- **AGCS – impacted by FFIC**

GPW excluding FFIC business up strongly (internal growth +4.3%). Mainly fronting business (ART).

- **AWP – excellent performance of all lines**

Double-digit growth with all businesses contributing, despite increasing competition in particular at AWC.

- **UK – ongoing pricing actions**

Growth in retail and in particular in commercial business. Re-pricing in motor continued in 4Q, leading to a positive price effect.

- **Australia – price and volume drive growth**

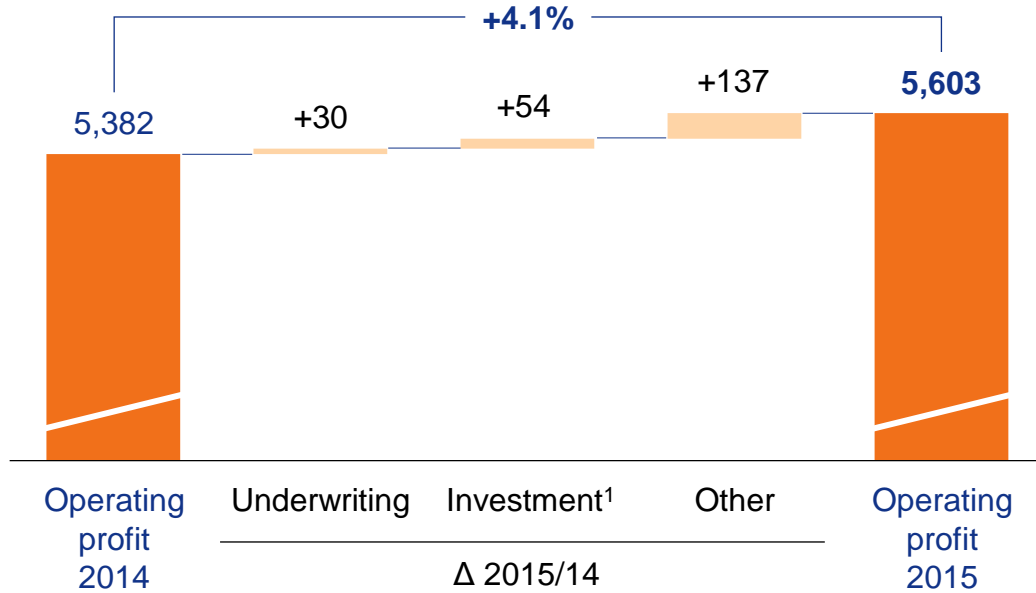
Very good internal growth, mainly retail. Price and volume effects positive.

- **Spain – growth price- and volume-driven**

Excellent growth driven by both price and volume. Baremo law anticipated to lead to hardening of motor market.

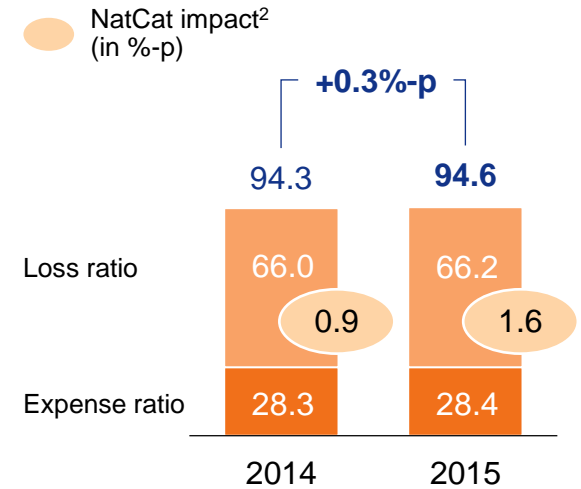
# P/C: underwriting and investment results up

Operating profit drivers (EUR mn)

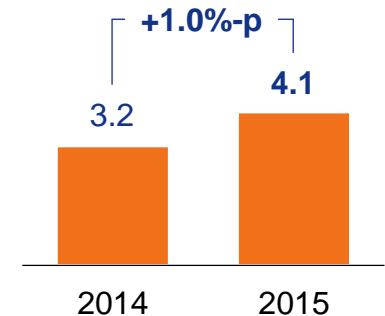


2015	2,281	3,120	202
2014	2,251	3,066	66

Combined ratio (in %)



Run-off ratio<sup>3</sup> (in %)



1) Including policyholder participation  
 2) NatCat costs (without reinstatement premiums and run-off): EUR 400mn (2014) and EUR 738mn (2015)  
 3) Positive run-off, run-off ratio calculated as run-off result in percent of net premiums earned

## P/C: underwriting and investment results up

### Comments

- **Operating profit – all profit sources contribute**

OP increase of +4.1% (EUR +221mn) helped by FFIC transaction net gain (EUR +0.1bn net of related expenses and restructuring) but also due to higher investment and underwriting results. FY OP at 102% of FY OP outlook mid-point.

- **Claims environment – NatCat and large losses higher**

NatCat losses of EUR 738mn (1.6%-p) well above rather benign last year (EUR 400mn / 0.9%-p). Absolute level of large losses also higher than last year. Group net loss related to European storms and floods in December amounts to EUR 163mn, of which UK EUR 102mn, AZ Re EUR 26mn, AGCS EUR 24mn and Ireland EUR 10mn.

- **Run-off – above last year**

Less reserve strengthening at FFIC and reserve releases across most OEs in 2015 while 2014 saw significant adverse reserve development in Russia and Brazil. 10Y average run-off 3.5%.

- **AZ Re – active management of long-tail liabilities**

In February, as part of our active management of long-tail liabilities, AZ Re signed a quota share and cooperation agreement to transfer 50% of a USD 2.2bn portfolio of US long-tail liabilities incl. asbestos and pollution reserves at nominal value to Enstar, thereby confirming the quality of our reserves and improving the claims management going forward.

- **AY LR – higher on NatCat**

AY LR increases +1.2%-p to 70.3%. NatCat is main driver. Attritional LR +0.5%-p higher on motor in UK and Italy and weather-related losses in Australia.

- **Expense ratio**

Modest increase of +0.1%-p driven by higher acquisition expenses.

## P/C: Italy and France drive OP growth (EUR mn)

2015		Operating profit	Δ p.y.	Combined ratio	Δ p.y.	NatCat impact in CR <sup>1</sup>	Δ p.y. <sup>1</sup>
<b>Total P/C segment</b>		<b>5,603</b>	<b>+4.1%</b>	<b>94.6%</b>	<b>+0.3%-p</b>	<b>1.6%-p</b>	<b>+0.7%-p</b>
<b>Large OEs</b>	Germany	1,216	-6.7%	91.9%	+0.3%-p	2.5%-p	+1.5%-p
	Italy	1,075	+15.4%	83.1%	+0.6%-p	0.0%-p	0.0%-p
	France	465	+8.6%	95.9%	-0.4%-p	1.0%-p	-1.1%-p
<b>Global lines</b>	AGCS <sup>2</sup>	423	-24.5%	102.9%	+9.8%-p	3.1%-p	+2.8%-p
	Allianz Worldwide Partners	128	+21.7%	97.4%	+0.8%-p	0.0%-p	0.0%-p
	Credit Insurance	400	-0.4%	83.2%	+4.6%-p	–	–
<b>Selected OEs</b>	United Kingdom	56	-68.4%	102.6%	+5.0%-p	4.6%-p	+3.6%-p
	Australia	307	-13.1%	96.2%	+1.6%-p	3.0%-p	+1.8%-p
	Spain	208	-18.6%	92.7%	+2.8%-p	0.0%-p	0.0%-p
	Latin America	-154	n.m. <sup>3</sup>	116.6%	+0.5%-p	0.0%-p	0.0%-p

1) Excluding reinstatement premiums and run-off

2) Effective 1 January 2015, FFIC was integrated into AGCS Group. Previous period figures were not adjusted. The results from the run-off portfolio included in San Francisco Reinsurance Company Corp., a former subsidiary of FFIC, have been reported within Reinsurance PC since 1 January 2015

3) Operating profit for Latin America decreased by EUR 6mn from EUR -147mn in 2014

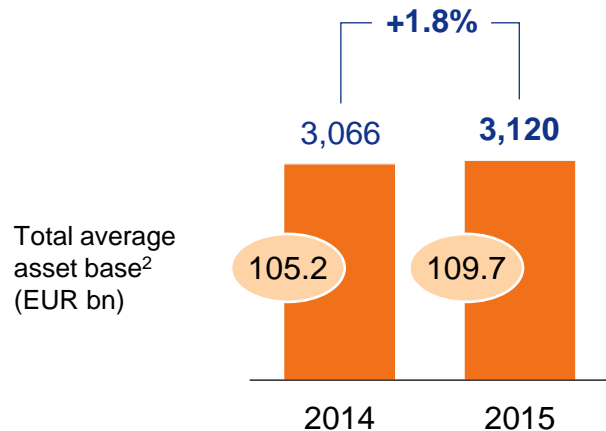
## P/C: Italy and France drive OP growth

### Comments

- **Germany – excellent CR despite NatCat**  
OP down yoy, due to higher NatCat, restructuring expenses and lower investment result. CR on excellent level. Lower large losses and a lower ER offset higher NatCat.
- **Italy – remains excellent**  
Outstanding CR despite higher attritional LR. Latter is impacted by lower average premium levels in motor as well as higher Genialloyd share, partly mitigated by higher run-off.
- **France – CR and investment result better**  
AY LR improves on lower NatCat, outweighing higher large losses. ER rises modestly due to business mix changes.
- **AGCS – impacted by FFIC CR**  
Excellent CR of 94.0% (FY 2014: 93.1%) ex FFIC despite significant large and NatCat losses. FFIC CR of 124.8% (FY 2014: 120.0%) disappointing and mainly driven by reserve strengthening in 2Q, an increased AY LR and a significantly higher ER also due to lower NPE. No material adverse reserve development in 4Q.
- **UK – significantly impacted by floods**  
AY LR strongly negatively impacted by December storms and floods (EUR -102mn), but large losses and underlying loss ratio also higher than last year.
- **Australia – higher NatCat**  
Yoy CR increase mainly driven by increased NatCat, weather-related losses and higher commissions (business mix), partially offset by higher run-off.
- **Spain – excellent; Baremo impacts 4Q**  
Excellent CR despite change in bodily injury tables in 2016 (Baremo), lower run-off and higher large losses.
- **LatAm – Argentina worsening in 4Q**  
Argentina (CR FY 127.8%; 4Q 2015 152.5%) impacted by inflation-related adverse loss development, in particular in motor. Restructuring in Brazil (CR FY: 119.7%) is ongoing. In light of macro situation, the turn-around in LatAm will take longer than originally anticipated.

# P/C: investment result slightly up

## Operating investment result<sup>1</sup> (EUR mn)



Interest & similar income <sup>3</sup>	3,525	3,529
Net harvesting and other <sup>4</sup>	-136	-73
Investment expenses	-323	-337

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

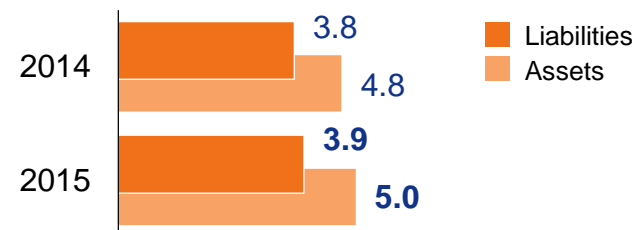
## Current yield (debt securities; in %)



## Reinvestment yield<sup>5</sup> (debt securities; in %)



## Duration<sup>6</sup>



- 5) On an annual basis
- 6) 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: investment result slightly up

### Comments

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- **Interest and similar income – stable**  
Stable current income despite difficult interest rate environment. Higher income from equities broadly offset by lower contribution from fixed income.
- **Net harvesting & other**  
Negative impact from emerging markets F/X development outweighed by higher investment income for APR policies net of PHP.
- **Reinvestment yield**  
4Q reinvestment yield of 2.4% on same level as FY 2014. FY 2015 only slightly lower at 2.2%.



## L/H: shifting away from capital intensive products (EUR mn)

2015		Revenues	Total growth Δ p.y.	Internal growth Δ p.y.	PVNBP	Δ p.y. <sup>1</sup>
<b>Total L/H segment</b>		<b>66,903</b>	<b>-0.6%</b>	<b>-4.9%</b>	<b>56,323</b>	<b>-1.5%</b>
<b>Large OEs</b>	Germany Life	17,742	-6.7%	-6.7%	14,376	-3.2%
	Italy	11,936	+5.3%	+5.3%	9,538	-10.3%
	USA	10,475	-11.5%	-26.1%	10,417	-13.1%
	France	8,053	-2.3%	-2.3%	7,269	-2.5%
<b>Selected OEs</b>	Asia Pacific	6,769	+18.1%	+5.8%	6,059	+17.8%
	Germany Health	3,257	+0.4%	+0.4%	1,287	+32.8%
	Benelux <sup>2</sup>	2,239	-11.1%	-11.1%	1,575	+25.2%
	Switzerland	1,842	+11.3%	-2.3%	1,537	+31.0%
	Spain	1,375	+9.2%	+9.2%	1,709	+44.5%
	Central and Eastern Europe	818	-4.6%	-4.7%	630	-13.4%

1) New business figures were restated by the impact of contract boundaries, removal of holding expenses and the replacement of CNHR and CReC by RM after tax to be aligned with SII balance sheet

2) Revenues from investment-oriented products in Luxembourg of EUR 389mn in 2015 (EUR 842mn in 2014) are reinsured by France. The PVNBP of Luxembourg business reinsured with France is included in France (EUR 339mn) and not included in Benelux

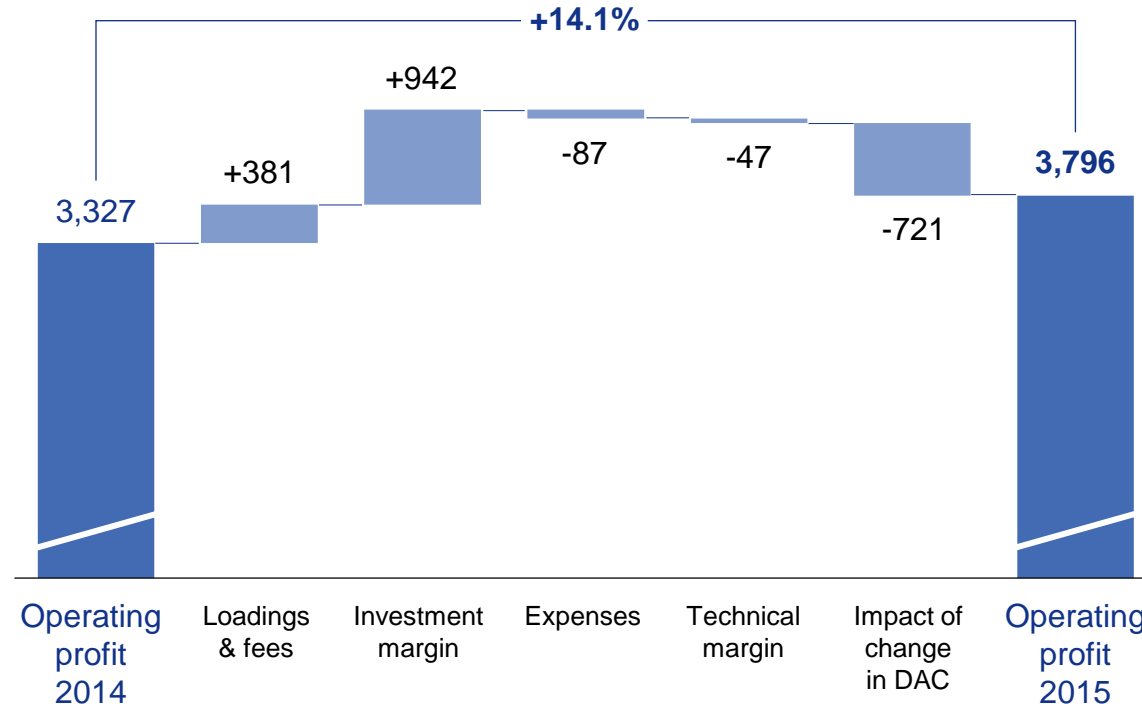
## L/H: shifting away from capital intensive products

### Comments

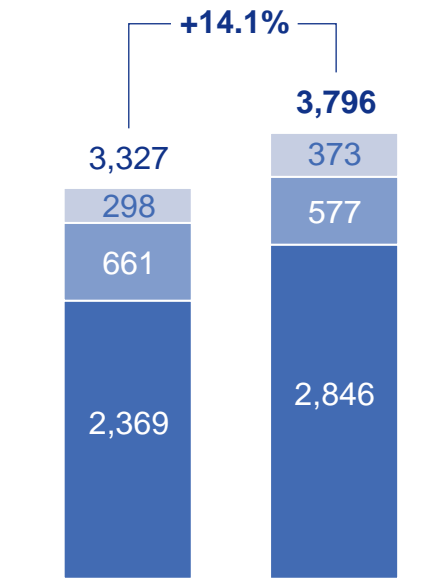
- **Targeted revenue growth**  
Reduction of premiums mainly due to less interest sensitive business especially from Germany. Offsetting impact from higher UL production in Asia Pacific, Italy and France.
- **Successful new business mix shift**  
Ongoing product management gaining traction. Share of traditional savings & annuities down 9%-p to 57%. Improved business mix and management actions lead to NBM of 2.9% in 2H 2015 vs. 1.5% in 1H 2015. Introduction of new lines of business in external reporting 1Q 2016 will provide more granular split of new business mix. According to this new metric, the share of traditional guaranteed savings & annuities would be only ~42%.
- **Net flows reflect product shift**  
Flows of EUR 10.7bn entirely driven by UL business (EUR +11.0bn). UL flows equal 2% of operating asset base.
- **GER – less traditional single premiums**  
15% less single premiums, mainly from traditional and capitalization products. 2% more regular premiums. Successful start of KomfortDynamik with 9,000 policies sold. More than 90,000 Perspektive policies account for 19% of new business (including capitalization and protection products).
- **ITA and FRA – UL share up**  
Premium growth in Italy pushed by higher UL share (+12%-p to 75%). Similar trend in France, UL share in new business up 6%-p to 25%.
- **USA – high base in 2014**  
Continuous pricing changes and base effect (2014 FIA sales extremely high) result in drop. Total sales of USD 11.8bn at second highest level in the last ten years. Healthy NBM of 3.1%.
- **Asia Pacific – encouraging growth**  
Significant internal growth in China (+24%), Taiwan (+17%) and Thailand (+7%) driven by UL. NBM Asia Pacific at 3.2%.

# L/H: operating profit up 14% (EUR mn)

Operating profit by source<sup>1,2</sup>



Operating profit by line<sup>2</sup>



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

Δ 2015/14

2015	5,667	3,915	-6,610	1,156	-332
2014	5,285	2,973	-6,522	1,203	388

1) For a description of the L/H operating profit sources please refer to the glossary  
 2) Prior year figures changed in order to reflect the roll out of profit source reporting to Malaysia

## L/H: operating profit up 14%

### Comments

- **OP up 14%**  
Increase driven by investment margin which equally benefitted from volume/business mix change, F/X and additional harvesting. In Korea EUR -244mn loss recognition on legacy books.
- **RoE L/H up 0.7%-p to 10.8%**  
Various OEs with significant improvement. Share of OEs with RoE >10% more than doubled from 29% to 65%.
- **Loadings & fees up – business mix**  
Impact from higher UL sales in Asia Pacific, Italy and France only partially offset by lower single premiums in Germany. Better result from USA due to less bonus crediting (negative loading).
- **Investment margin main profit driver**  
Various OEs contribute to significant improvement, i.e. USA (EUR +609mn, thereof EUR +286mn F/X), Germany (EUR +200mn), France (EUR +100mn) and Italy (EUR +76mn).
- **Expenses impacted by F/X**  
Acquisition expenses flat as lower FIA production and less single premium business in Germany is offset by increased production in Asia Pacific and F/X. Admin expenses slightly up mainly due to F/X; admin expense ratio stable at 0.34%.
- **Technical margin – one-off charges**  
Lower contribution from France (EUR -69mn) largely due to one-offs. Negative impact partially offset by higher risk margin in Switzerland (EUR +52mn). Decrease in Italy (EUR -29mn) driven by assumption changes.
- **Impact of change in DAC driven by USA**  
Driver is USA (EUR -611mn), mainly FIA (EUR -457mn impact) due to lower sales. Higher DAC write-down in Korea ( $\Delta$  EUR -152mn) due to loss recognition.
- **Operating profit by line of business**  
Protection & health impacted by lower result from Korea (EUR -143mn). Guaranteed savings & annuities benefit from Germany Life (EUR +204mn) and USA (EUR +161mn).

## L/H: NBM with significant improvement in 2H 2015 (EUR mn)

2015		VNB	Δ p.y. <sup>1</sup>	NBM	Δ p.y. <sup>1</sup>	Operating profit	Δ p.y.
<b>Total L/H segment</b>		<b>1,196</b>	<b>-18.5%</b>	<b>2.1%</b>	<b>-0.4%-p</b>	<b>3,796</b>	<b>+14.1%</b>
<b>Large OEs</b>	Germany Life	304	-16.8%	2.1%	-0.3%-p	1,257	+16.4%
	Italy	111	-32.2%	1.2%	-0.4%-p	268	+55.3%
	USA	318	-30.6%	3.1%	-0.8%-p	841	+28.3%
	France	35	-36.8%	0.5%	-0.3%-p	550	+20.9%
<b>Selected OEs</b>	Asia Pacific	194	+18.7%	3.2%	0.0%-p	-83	n.m. <sup>2</sup>
	Germany Health	28	-9.7%	2.2%	-1.0%-p	214	+2.4%
	Benelux	7	-79.6%	0.5%	-2.4%-p	121	-8.5%
	Switzerland	26	-19.2%	1.7%	-1.0%-p	75	-9.7%
	Spain	41	-10.6%	2.4%	-1.5%-p	196	+2.9%
	Central and Eastern Europe	32	+0.5%	5.1%	+0.7%-p	129	+8.8%

1) New business figures were restated by the impact of contract boundaries, removal of holding expenses and the replacement of CNHR and CRcC by RM after tax to be aligned with SII balance sheet

2) Operating profit for Asia Pacific decreased by EUR 187mn from EUR 104mn in 2014

## L/H: NBM with significant improvement in 2H 2015

### Comments

#### New Business

- **NBM reaches 2.9% in 2H 2015**  
Management actions reflected in improvement from 1.5% in 1H 2015 to 2.9% in 2H 2015. Business mix change with positive impact of 0.3%-p when comparing FY 2015 with previous year. Average guarantee in new traditional business down 0.2%-p to 0.8%.
- **NBM robust in 4Q 2015**  
4Q 2015 NBM at healthy level of 2.8%. NBM resilient even with lower interest rates: NBM 4Q 2015 recalculated with eoq assumptions at 2.7%.
- **VNB affected by NBM**  
VNB in 2H 2015 up 50% vs. 1H 2015 and at the same level as 2H 2014 when interest rates had been higher.
- **RoRC at 14% and close to target level**  
RoRC is up 1%-p to 14% converging to our target level of 15%. All major countries show improved profitability.

#### Operating profit

- **Germany Life – outstanding**  
Increase entirely driven by investment margin (EUR +200mn) as a result of higher realized gains. Profitability remains excellent.
- **Allianz Life USA – RoE at 10.4%**  
Improvement of OP largely due to strong performance of FIA and F/X. RoE up 2.9%-p to 10.4%. USD 515mn dividend paid.
- **France – investments and UL fees**  
Higher investment margin (EUR +100mn) and UL fees partially offset by lower technical margin.
- **Italy – investments and UL fees**  
Operating profit benefits from investment margin (EUR +76mn) and more UL fees.
- **Asia Pacific – Korea weighs on result**  
Excluding Korea operating profit at EUR +161mn.

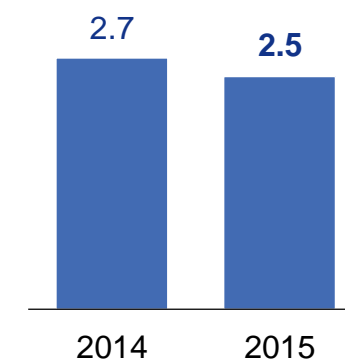
## L/H: investment margin very strong at 98bps

(yields are pro-rata)

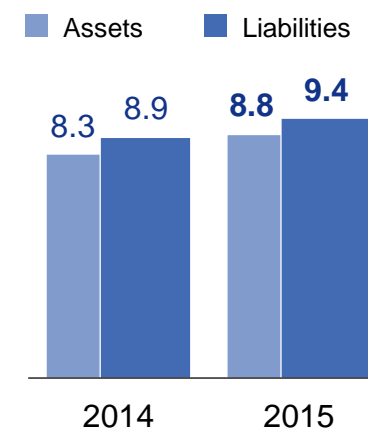
Based on Ø book value of assets <sup>1</sup>	2014	2015
Current yield <sup>2</sup>	3.9%	3.8%
<b>Based on Ø aggregate policy reserves</b>		
Current yield <sup>2</sup>	4.6%	4.6%
Net harvesting and other	0.1%	0.5%
<b>Total yield</b>	<b>4.7%</b>	<b>5.1%</b>
- Ø min. guarantee <sup>3</sup>	2.4%	2.3%
<b>Gross investment margin (in %)</b>	<b>2.3%</b>	<b>2.8%</b>
- Profit sharing under IFRS <sup>4</sup>	1.5%	1.8%
<b>Investment margin<sup>5</sup> (in %)</b>	<b>0.8%</b>	<b>1.0%</b>
Investment margin (EUR mn)	2,973	3,915
Ø book value of assets <sup>1</sup> (EUR bn)	440	484
Ø aggregate policy reserves (EUR bn)	370	400

- 1) Asset base under IFRS which excludes unit-linked, FVO and trading
- 2) Based on interest and similar income (net of interest expenses)
- 3) Based on technical interest
- 4) Includes bonus to policyholders under local statutory accounting and deferred premium refund under IFRS
- 5) Investment margin divided by the average of the current year-end and previous year-end aggregate policy reserves. Prior year figure changed in order to reflect the roll out of profit source reporting to Malaysia
- 6) On an annual basis
- 7) For the duration calculation a non-parallel shift in line with Solvency II yield curves is used. Data excludes internal pensions residing in the L/H segment

### Reinvestment yield<sup>6</sup> (debt securities; in %)



### Duration<sup>7</sup>



## L/H: investment margin very strong at 98bps

### Comments

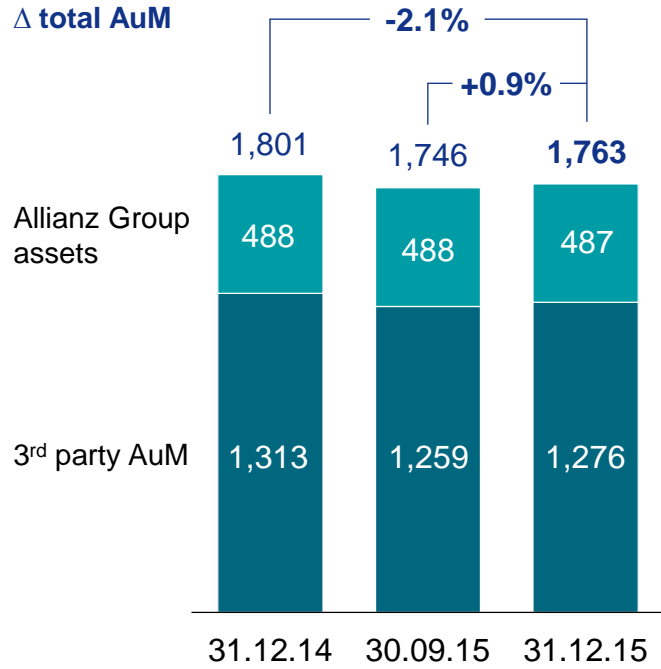
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- **Limited yield decline**  
Current yield based on aggregate policy reserves down only 9bps. Negative impact largely offset by lower average minimum guarantee (-6bps).
- **Net harvesting and other up 48bps**  
Increase driven by net capital gains (+63bps) due to extension of asset duration. Normal level of net harvesting and other ~10bps.
- **Investment margin (in %)**  
Higher total yield (+39bps) in combination with lower PHP (-2%-p) results in improvement of 18bps from 80bps to 98bps.
- **Investment margin (EUR mn)**  
8% higher reserve base and 22% better investment margin lead to a plus of 32% in absolute terms.
- **PHP ratio slightly down**  
Slightly lower PHP in Italy and France. PHP in Germany stable.
- **Reinvestment yield robust**  
2015 reinvestment yield 0.2%-p lower than previous year. 4Q 2015 reinvestment yield at 2.6%.
- **Duration gap stable**  
Our asset de-risking management actions helped to keep the duration gap stable despite negative impact from EIOPA curve update and model changes.

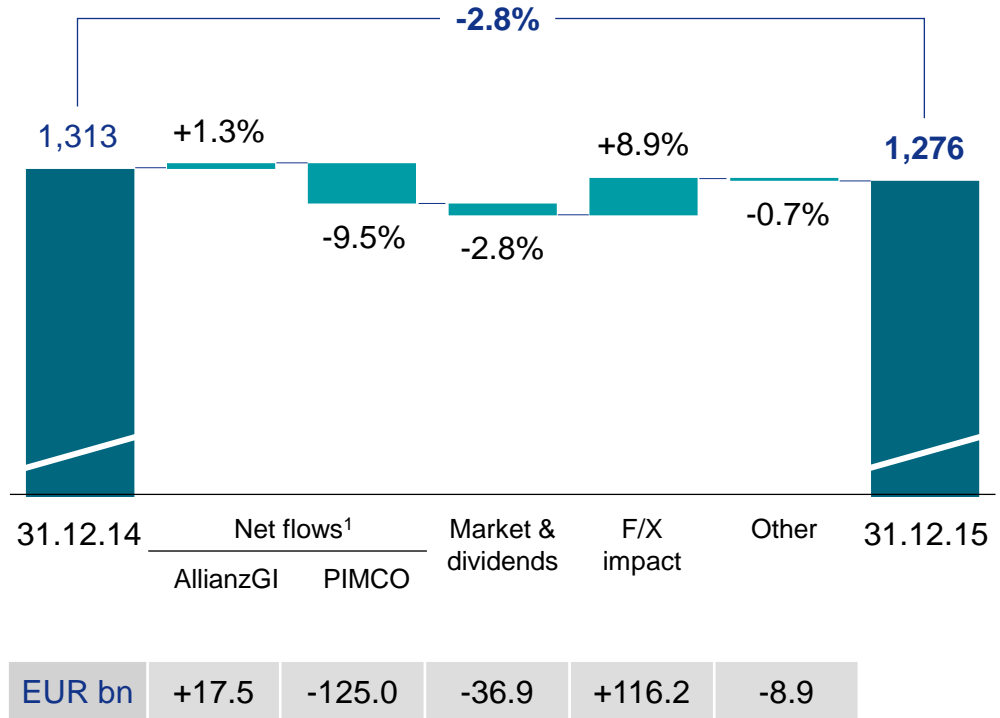


# AM: USD largely compensates for net outflows (EUR bn)

Δ total AuM



Δ 3rd party AuM



1) Effective 2015, 3rd party net flows contain re-invested dividends (incl. capital gains) from existing clients (EUR +16.6bn for PIMCO and EUR +1.8bn for AllianzGI in 2015). Those have been recognized as market return until 31.12.2014

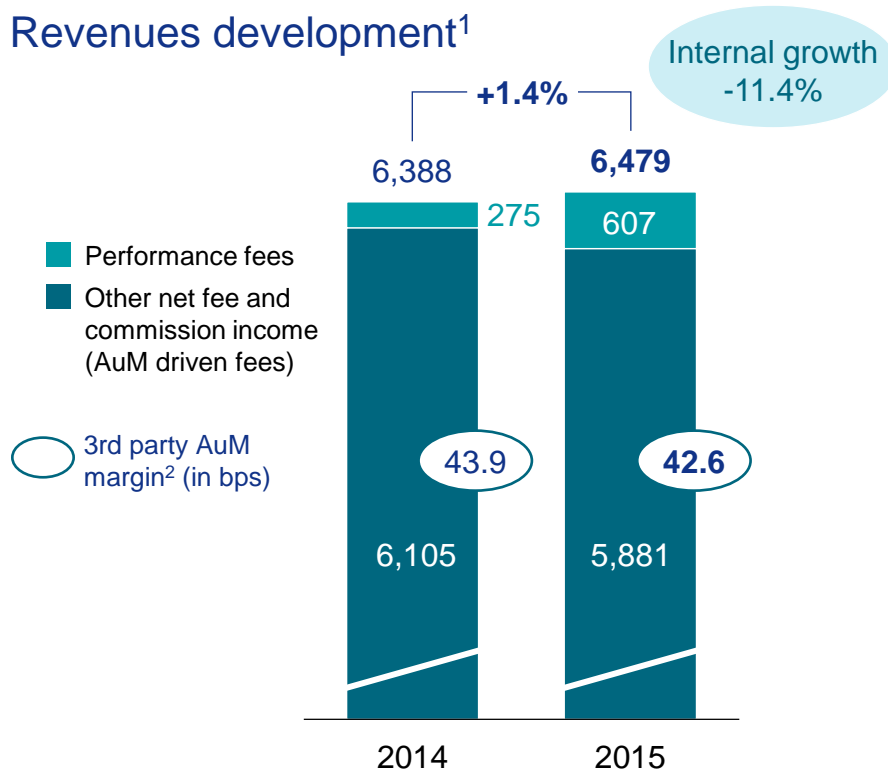
## AM: USD largely compensates for net outflows

### Comments

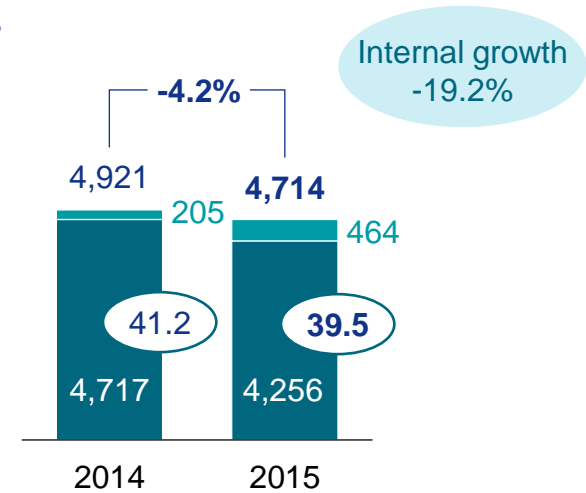
- **Segment – 3rd party AuM supported by USD**  
F/X development and strong AllianzGI net inflows almost offset PIMCO net outflows and adverse market effects.
- **PIMCO – 3rd party AuM down 6%**  
Decrease from EUR 1,053bn end of 2014 to EUR 987bn end of 2015 driven by net outflows and market effects.
- **AllianzGI – strong 3rd party AuM, up 11%**  
Strong organic growth via 3rd party net inflows, the 12th consecutive quarter. Net inflows are the main driver for significant 3rd party AuM increase from EUR 260bn end of 2014 to EUR 289bn end of 2015. F/X and market effects also contribute positively.
- **PIMCO – several strategies with net inflows**  
3rd party net inflows in various strategies like Income, Investment Grade Credit, Research Affiliates Equity, etc.  
3rd party net outflows (EUR 125.0bn) significantly reduced vs. 2014. Continued decline of quarterly net outflows in the course of 2015. 3rd party net outflows in 4Q 2015 (EUR 11.4bn) below 3Q 2015 (EUR 16.0bn). Outflows predominantly in the U.S., in line with industry trend for actively managed mutual funds.
- **AllianzGI – outstanding net inflows**  
Record level of 3rd party net inflows (EUR 17.5bn). Inflows stem predominantly from multi-asset products and from Europe. 3rd party net inflows in 4Q 2015 amount to EUR 3.4bn (3Q 2015: EUR 1.3bn).

# AM: strong performance drives fees (EUR mn)

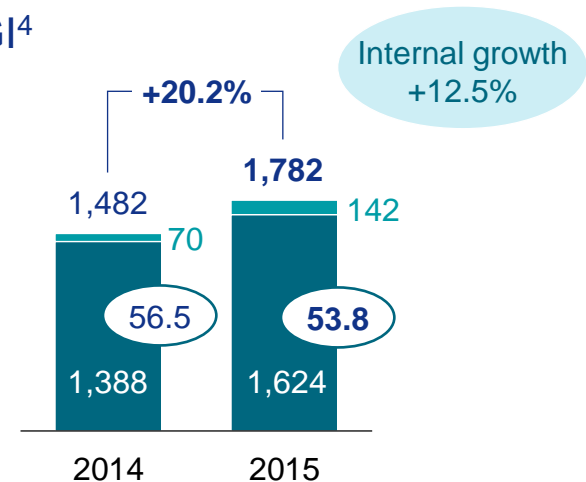
## Revenues development<sup>1</sup>



## PIMCO<sup>3</sup>



## AllianzGI<sup>4</sup>



1) "Other" AM revenues of EUR 8mn (2014) and EUR -8mn (2015) are not shown in the chart  
 2) Excluding performance fees and other income, 12 months  
 3) "Other" PIMCO revenues of EUR -1mn (2014) and EUR -6mn (2015) are not shown in the chart  
 4) "Other" AllianzGI revenues of EUR 24mn (2014) and EUR 16mn (2015) are not shown in the chart

## AM: strong performance drives fees

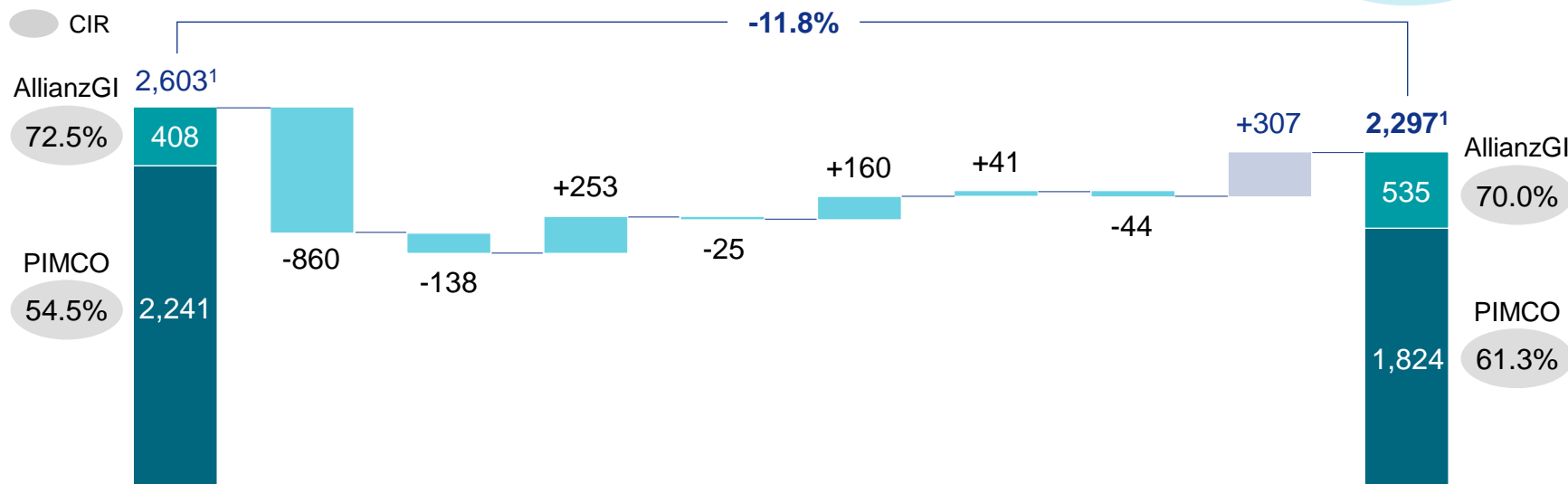
### Comments

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- **Segment – higher operating revenues**  
F/X and high level of performance fees more than compensate for impact from lower average 3rd party AuM and lower margins.
- **PIMCO – performance fees more than doubled**  
Strong performance fees and positive F/X mitigate decrease of operating revenues. AuM driven revenues down due to lower average 3rd party AuM and a lower 3rd party AuM margin.
- **AllianzGI – significantly higher revenues**  
Rising average 3rd party AuM, twice as high performance fees and favorable F/X drive revenue growth.
- **PIMCO – business mix impacts 3rd party AuM margin**  
Lower share of mutual fund business drives decrease vs. 2014.
- **AllianzGI – lower 3rd party AuM margin**  
Reduction vs. 2014 driven by technical effects (e.g. adjustments in reporting of unit-linked products) and structural business changes (e.g. change of fee models).

# AM: operating profit in line with expectations

## Operating profit drivers (EUR mn)



Operating profit 2014	Revenues				Expenses			F/X effect	Operating profit 2015
	Volume <sup>2</sup>	Margin <sup>2</sup>	Performance fees	Other	Personnel	Non-personnel	Re-structuring		
F/X impact	+774	+79	+9	-344	-211	0		CIR	
2015	5,881 <sup>2</sup>	607	-8	-2,556	-1,585	-41		64.5%	
2014	6,105 <sup>2</sup>	275	8	-2,372	-1,415	3		59.2%	

1) Including operating loss from other entities of EUR -46mn in 2014 and EUR -62mn in 2015  
 2) 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

## AM: operating profit in line with expectations

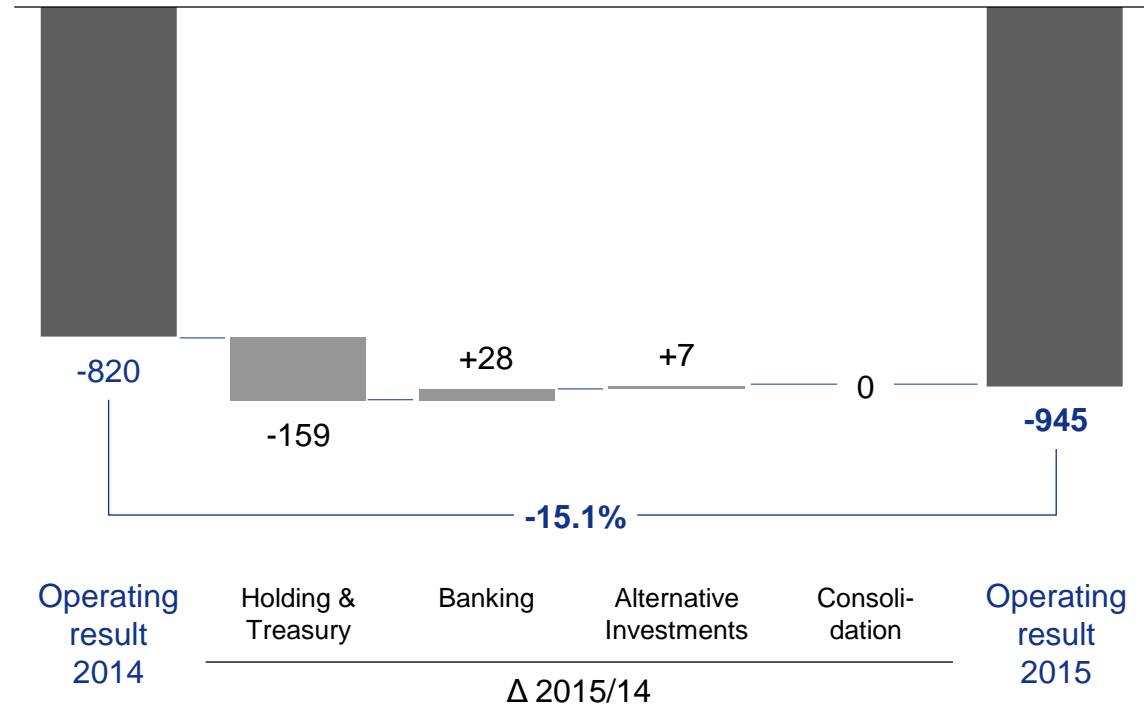
### Comments

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- **Segment – OP within target range**  
Excellent business result of AllianzGI, significantly increased performance fees and positive impact from F/X. Reduction of segment OP driven by lower average 3rd party AuM and, consequently, lower AuM driven revenues.
- **PIMCO – OP close to EUR 2bn**  
Strong performance fees (+127% vs. 2014) partially compensate for decreasing AuM driven fees (-10%). Operating expenses up 8%, but down 9% on F/X adjusted basis. CIR increase compared with 2014 mainly caused by lower AuM driven revenues and by retention program (net impact 2015: EUR 132mn). Impact from retention program to decline by roughly two thirds in 2016. CIR 4Q 2015: 60.2%.
- **AllianzGI – OP on record level**  
OP up by almost one third to EUR 535mn despite EUR 41mn restructuring expenses. CIR for FY 2015 (70.0%) and 4Q 2015 (67.8%) on the best annual/quarterly level since implementation of new structure in 2012. FY 2015 CIR at 67.6% excluding restructuring expenses.

# CO: operating result at target (EUR mn)

## Operating loss development and components



2015	-1,076	94	37	0
2014	-917	66	30	0

## CO: operating result at target

### Comments

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- **Operating profit – as expected**  
Result well within target range (EUR -0.8 to -1.0bn).
- **Holding & Treasury – higher loss**  
Mainly driven by higher centralized pension costs.
- **Banking – further improvement**  
Lower administrative expenses and higher net fee result more than compensate for restructuring costs and higher loan loss provisions.



## Group: shareholders' net income up 6.3 percent (EUR mn)

	2014	2015	Change
Operating profit	10,402	10,735	+333
Non-operating items	-1,554	-539	+1,015
Realized gains/losses (net)	812	1,211	+399
Impairments (net)	-197	-268	-72
Income from fin. assets and liabilities carried at fair value (net)	-303	-219	+84
Interest expenses from external debt	-846	-849	-3
Fully consolidated private equity inv. (net)	-23	-60	-37
Acquisition-related expenses	7	12	+4
Amortization of intangible assets	-104	-304	-199
Reclassification of tax benefits	-901	-62	+839
Income before taxes	8,848	10,196	+1,348
Income taxes	-2,245	-3,209	-964
Net income	6,603	6,987	+384
Non-controlling interests	381	371	-10
Shareholders' net income	6,221	6,616	+394
Effective tax rate	32% <sup>1</sup>	31%	-1%-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

## Group: shareholders' net income up 6.3 percent

### Comments

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- **Non-operating items improved**

Positive development driven by higher realized gains, overcompensating increased net impairments. Increase in amortization of intangible assets mainly driven by the impairment of the remaining goodwill for our L/H business in Asia Pacific (EUR 171mn).

- **Tax – slight improvement**

On a comparable basis the tax rate 2015 improves by 1%-p to 31%. In 2014 a favorable court decision initiated by Allianz Leben led to a reduction of the underlying tax ratio of 34% by 9%-p of which 7%-p were allocated to the policyholders and 2%-p remained with the shareholders.

# Status quo 2015 and ambitions for 2018

2015	2018		2015	2018
8.0%	5%	3-year EPS CAGR	Businesses with NPS above market	50% 75%
12.5%	13%	RoE Allianz Group	SII interest rate sensitivity	14%-p < 11%-p
94.6%	94%	P/C CR	PIMCO CIR	61.3% 60%
65%	100%	L/H OEs with RoE ≥10%	IMIX	68% 72%
2.1%	3.0%	L/H NBM	Share of new digital retail products (P/C)	< 10% ~100%

# Status quo 2015 and ambitions for 2018

## Comments

- **Follow-up of targets given at CMD**  
KPIs introduced at CMD Nov 2015.  
Follow-up of progress on quarterly basis.
- **RoE Allianz Group**  
Represents net income attributable to shareholders divided by the average shareholders' equity excluding unrealized gains/losses on bonds (net of shadow DAC) at begin of the period and at end of the period.
- **RoE L/H OEs**  
Represents net income divided by the average total equity excluding unrealized gains/losses on bonds (net of shadow DAC) and excluding goodwill at begin of the period and at end of the period.
- **L/H OEs with RoE  $\geq 10\%$**   
Weighted by equity (total equity excluding unrealized gains/losses on bonds (net of shadow DAC) and excluding goodwill).
- **New business margin**  
Value of new business divided by present value of new business premiums.
- **Net promoter score (NPS)**  
NPS is based on the question: "On a scale 0-10, how likely is it that you would recommend our company to a friend or colleague?" To calculate the NPS we deduct the % of detractors (scale 0-6) from the % of promoters (scale 9 and 10).
- **SII interest rate sensitivity**  
Interest rate -50bps based on SII anchored non-parallel shift of the yield curve in line with EIOPA specifications.
- **The Inclusive Meritocracy Index (IMIX)**  
IMIX measures the progress of the organization on its way towards Inclusive Meritocracy. The internal index encompasses 10 items around leadership, performance and corporate culture.
- **Share of new digital retail products**  
New digital products means conveniently available online at each step of the customer journey, i.e. fast quote, easily purchasable online, online serviced (incl. policy correspondence, policy admin, claims). In scope is P/C retail and SME, all channels. The share of products is weighted by topline.

## Financial reporting from 1Q 2016 onwards

	1Q	2Q	3Q	4Q
Earnings release incl. financial supplement	✓	✓	✓	✓
Analyst Presentation	✓	✓	✓	✓
Interim / Annual Report		✓		✓

▶ Following the change in the EU Transparency Directive, Allianz adjusts its reporting

# B

Group financial  
results 2015

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

## Group: key figures<sup>1</sup>

(EUR mn)

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	4Q 2015	Delta 4Q 15/14	12M 2014	12M 2015	Delta 12M 15/14
<b>Total revenues (EUR bn)</b>	<b>34.0</b>	<b>29.5</b>	<b>28.8</b>	<b>30.1</b>	<b>37.8</b>	<b>30.2</b>	<b>27.5</b>	<b>29.7</b>	<b>-0.3</b>	<b>122.3</b>	<b>125.2</b>	<b>+2.9</b>
<i>Property-Casualty</i>	15.2	10.8	11.3	11.0	17.3	11.8	11.5	10.9	-0.1	48.3	51.6	+3.3
<i>Life/Health</i>	17.2	17.0	15.9	17.4	18.8	16.7	14.3	17.0	-0.3	67.3	66.9	-0.4
<i>Asset Management</i>	1.5	1.6	1.6	1.6	1.6	1.5	1.6	1.7	+0.1	6.4	6.5	+0.1
<i>Corporate and Other</i>	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.2	0.0	0.6	0.6	0.0
<i>Consolidation</i>	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	-0.3	-0.4	0.0
<b>Operating profit</b>	<b>2,723</b>	<b>2,770</b>	<b>2,650</b>	<b>2,258</b>	<b>2,855</b>	<b>2,842</b>	<b>2,452</b>	<b>2,586</b>	<b>+328</b>	<b>10,402</b>	<b>10,735</b>	<b>+333</b>
<i>Property-Casualty</i>	1,489	1,345	1,422	1,125	1,285	1,745	1,352	1,221	+96	5,382	5,603	+221
<i>Life/Health</i>	880	985	790	673	1,104	853	738	1,101	+428	3,327	3,796	+468
<i>Asset Management</i>	646	676	694	588	555	505	600	637	+48	2,603	2,297	-306
<i>Corporate and Other</i>	-222	-219	-248	-131	-101	-230	-246	-368	-237	-820	-945	-124
<i>Consolidation</i>	-69	-16	-9	3	13	-32	8	-5	-8	-91	-16	+74
Non-operating items	-117	-37	-331	-1,069	-61	137	-293	-322	+747	-1,554	-539	+1,015
Income before taxes	2,607	2,733	2,319	1,189	2,794	2,979	2,159	2,264	+1,074	8,848	10,196	+1,348
Income taxes	-867	-875	-632	128	-858	-867	-720	-765	-893	-2,245	-3,209	-964
<b>Net income</b>	<b>1,740</b>	<b>1,858</b>	<b>1,687</b>	<b>1,318</b>	<b>1,937</b>	<b>2,112</b>	<b>1,440</b>	<b>1,499</b>	<b>+181</b>	<b>6,603</b>	<b>6,987</b>	<b>+384</b>
Non-controlling interests	100	103	81	98	115	94	81	81	-17	381	371	-10
<b>Shareholders' net income</b>	<b>1,640</b>	<b>1,755</b>	<b>1,606</b>	<b>1,220</b>	<b>1,822</b>	<b>2,018</b>	<b>1,359</b>	<b>1,418</b>	<b>+198</b>	<b>6,221</b>	<b>6,616</b>	<b>+394</b>
Group financial assets <sup>2</sup> (EUR bn)	556.0	572.8	595.8	612.0	662.0	630.1	629.0	636.4	+24.4	612.0	636.4	+24.4

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

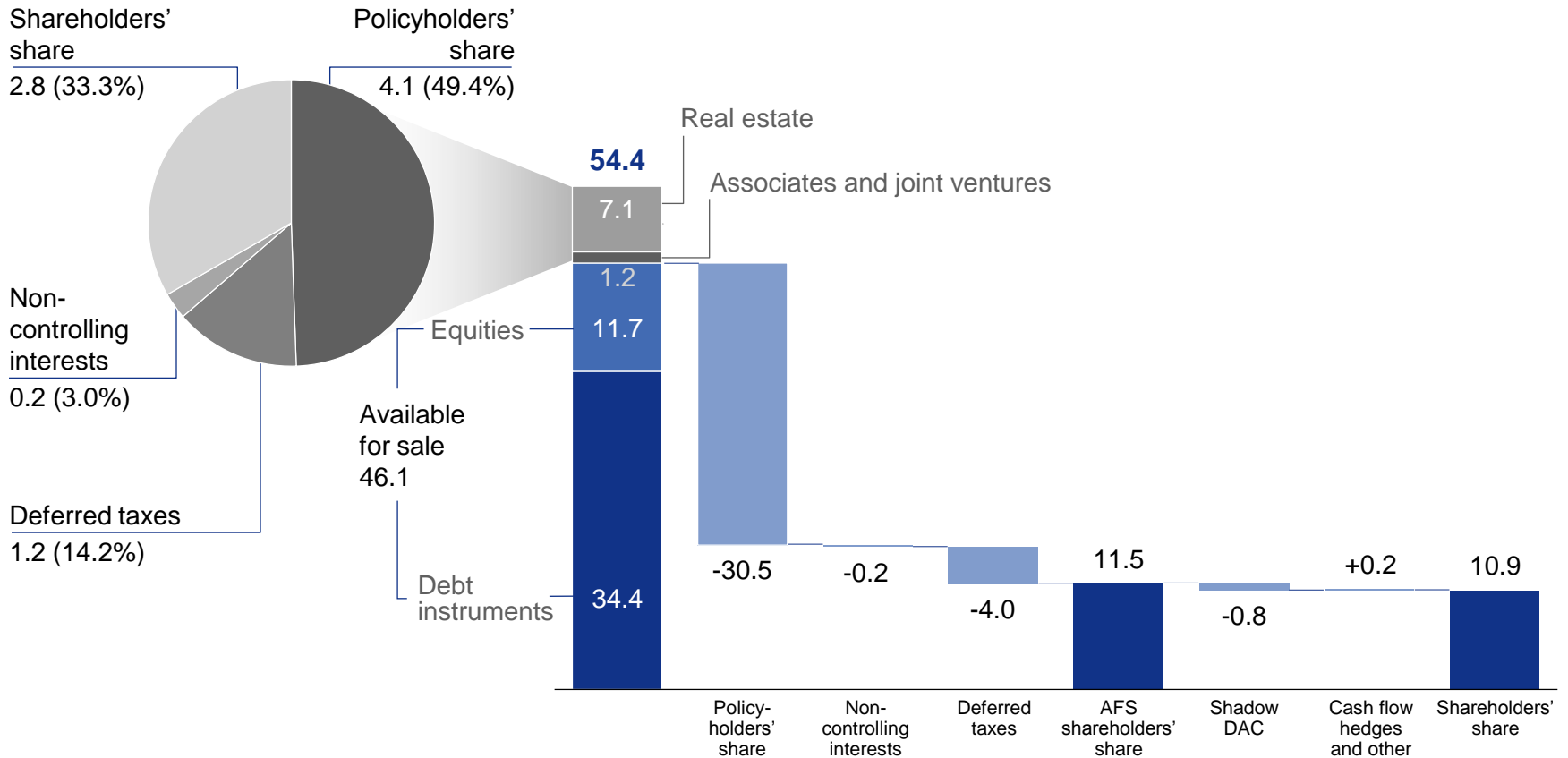
2) Including financial assets carried at fair value through income, cash and cash pool assets net of liabilities from securities lending, derivatives and liabilities from cash pooling

# Group: revaluation reserve (EUR bn)

Off-balance sheet

Revaluation  
reserve

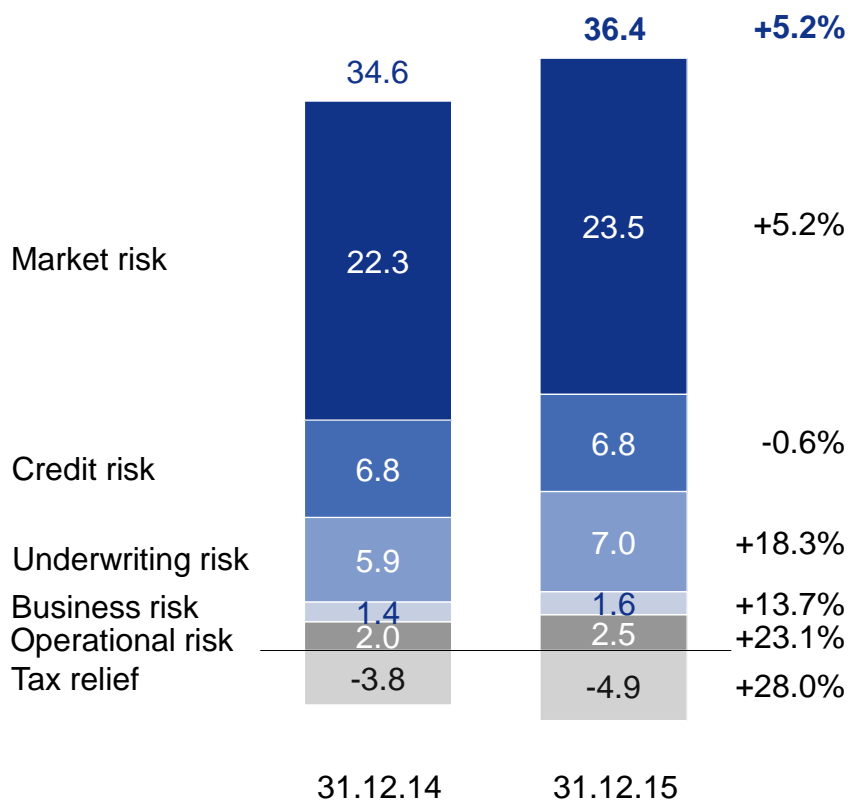
On-balance sheet



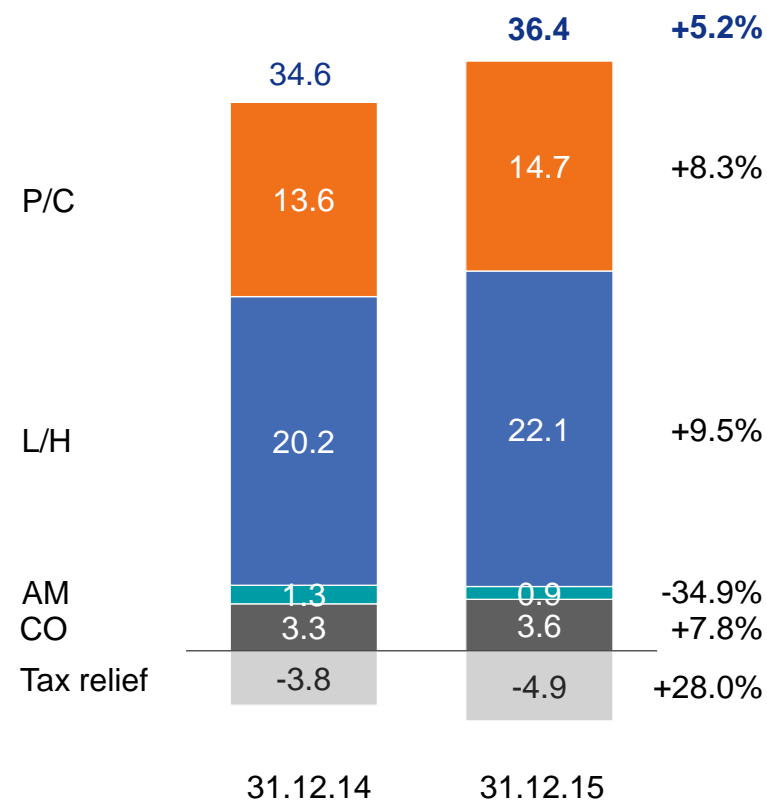


# Group: risk capital breakdown<sup>1,2</sup> (EUR bn)

Risk capital by risk categories



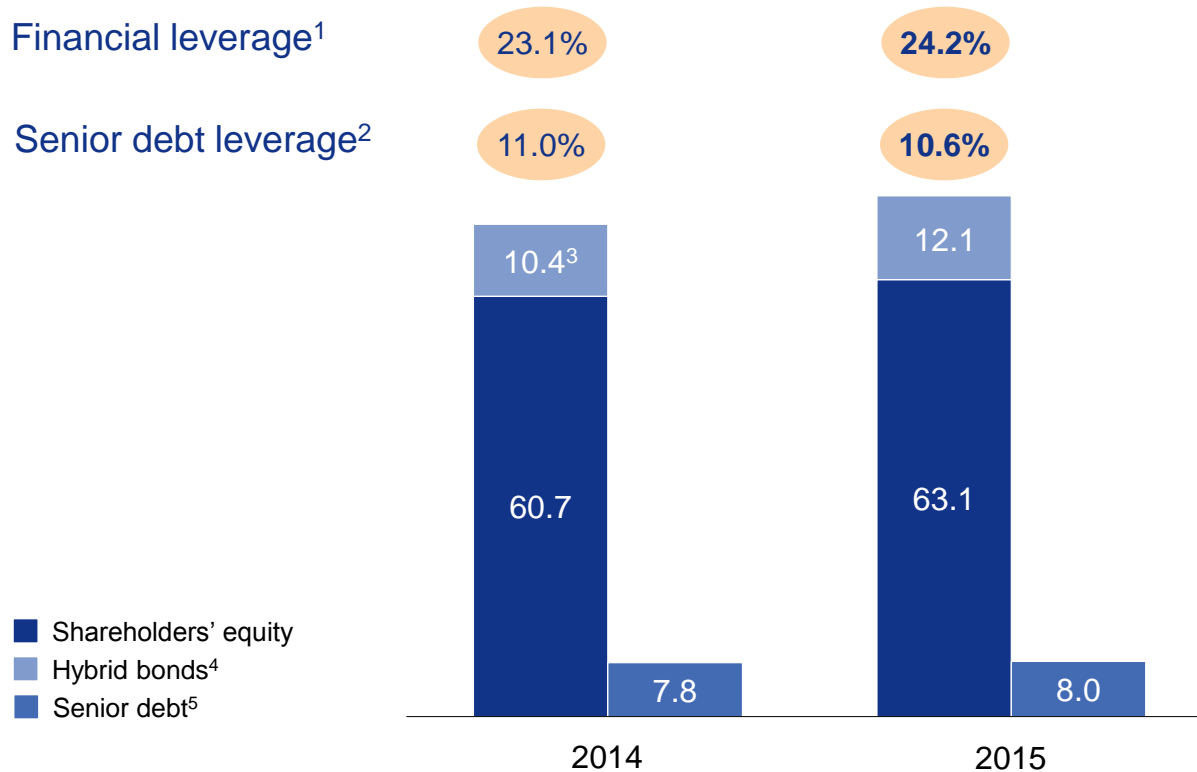
Risk capital by segments



1) Before non-controlling interests, Group diversified, at 99.5% confidence level

2) AZ Life included based on third country equivalence with 100% of RBC CAL in 31.12.14 and based on third country equivalence with 150% of RBC CAL in 31.12.15

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

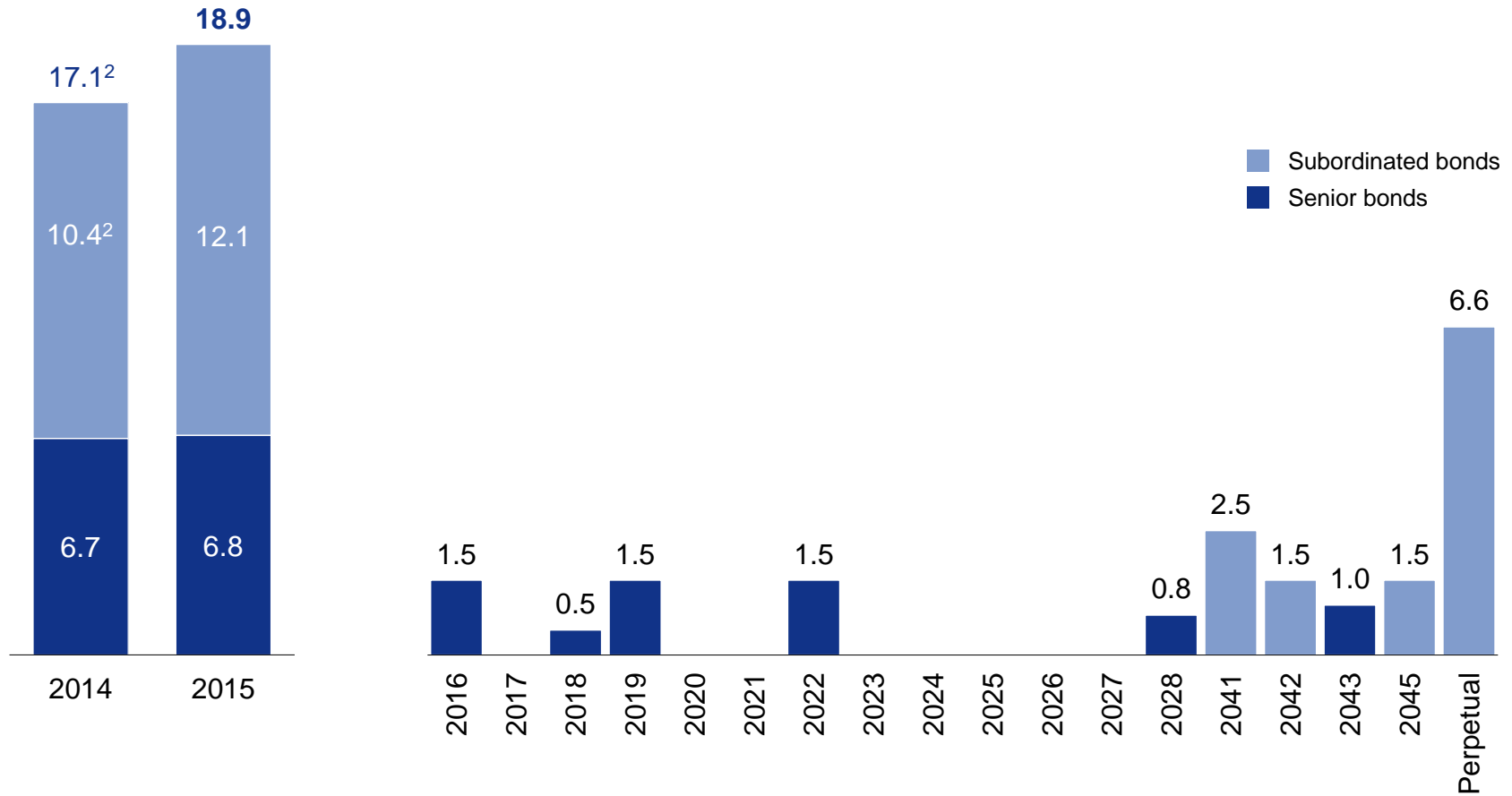


1) Calculated as senior debt and hybrid bonds divided by the sum of senior debt, hybrid bonds and shareholders' equity  
 2) Calculated as senior debt divided by the sum of hybrid bonds and shareholders' equity  
 3) Excludes a EUR 1.0bn subordinated bond redeemed effective January 13, 2015 and a EUR 0.4bn subordinated bond redeemed effective June 10, 2015  
 4) Subordinated liabilities excluding bank subsidiaries; nominal value  
 5) Certificated liabilities excluding bank subsidiaries; nominal value

# Group: maturity profile of external bonds (EUR bn)

Outstanding bonds<sup>1</sup>

Maturity structure<sup>1</sup>



1) Group excluding bank subsidiaries; nominal value

2) Excludes a EUR 1.0bn subordinated redeemed effective January 13, 2015 and a EUR 0.4bn subordinated bond redeemed effective June 10, 2015

## Group: asset allocation (EUR bn)

	Property-Casualty		Life/Health		Asset Management		Corporate and Other		Consolidation		Group	
	31.12.14	31.12.15	31.12.14	31.12.15	31.12.14	31.12.15	31.12.14	31.12.15	31.12.14	31.12.15	31.12.14	31.12.15
Cash and cash pool assets net of cash collaterals <sup>1</sup>	5.6	5.0	8.0	7.7	2.3	1.8	-4.1	-2.9	-0.8	-0.5	11.1	11.2
Equities <sup>2</sup>	6.3	6.7	32.2	36.0	0.0	0.0	2.7	2.9	0.0	0.0	41.2	45.7
Debt securities	72.4	74.8	331.8	343.8	0.1	0.2	28.4	31.7	0.0	0.0	432.7	450.5
Loans and advances	15.0	13.8	91.4	95.1	0.1	0.1	17.5	15.6	-6.9	-7.0	117.1	117.6
Other <sup>3</sup>	9.5	9.2	10.4	10.8	0.0	0.0	0.3	0.3	-7.7	-7.0	12.5	13.3
<b>Investment portfolio</b>	<b>108.8</b>	<b>109.6</b>	<b>473.8</b>	<b>493.5</b>	<b>2.5</b>	<b>2.1</b>	<b>44.9</b>	<b>47.6</b>	<b>-15.4</b>	<b>-14.5</b>	<b>614.6</b>	<b>638.3</b>
Financial assets and liabilities designated at fair value <sup>4</sup>	0.1	0.1	3.2	4.4	0.0	0.0	0.3	0.4	0.0	0.0	3.7	5.0
Financial assets and liabilities held for trading <sup>4</sup>	0.4	0.5	-6.2	-6.8	0.0	0.0	-0.5	-0.6	0.0	0.0	-6.3	-6.9
<b>Group/segment financial assets</b>	<b>109.2</b>	<b>110.1</b>	<b>470.8</b>	<b>491.1</b>	<b>2.6</b>	<b>2.2</b>	<b>44.7</b>	<b>47.5</b>	<b>-15.4</b>	<b>-14.5</b>	<b>612.0</b>	<b>636.4</b>
Equities AFS	5.6	5.9	29.5	32.5	0.0	0.0	2.1	2.2	0.0	0.0	37.2	40.6
Equities associated ent./joint ventures	0.7	0.8	2.8	3.5	0.0	0.0	0.6	0.7	0.0	0.0	4.1	5.1
<b>Equities</b>	<b>6.3</b>	<b>6.7</b>	<b>32.2</b>	<b>36.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2.7</b>	<b>2.9</b>	<b>0.0</b>	<b>0.0</b>	<b>41.2</b>	<b>45.7</b>
Affiliated enterprises	8.9	8.9	0.2	0.2	0.0	0.0	77.2	92.4	-86.3	-101.4	0.0	0.0
<b>Investment portfolio incl. affiliated enterprises</b>	<b>117.7</b>	<b>118.4</b>	<b>474.0</b>	<b>493.7</b>	<b>2.5</b>	<b>2.1</b>	<b>122.1</b>	<b>140.0</b>	<b>-101.7</b>	<b>-115.9</b>	<b>614.6</b>	<b>638.3</b>
Real estate held for investment	3.1	3.0	8.0	8.6	0.0	0.0	0.3	0.3	0.0	0.0	11.3	12.0
Funds under reins. contr. assumed	6.4	6.2	2.4	2.1	0.0	0.0	0.0	0.0	-7.7	-7.0	1.2	1.3
<b>Other</b>	<b>9.5</b>	<b>9.2</b>	<b>10.4</b>	<b>10.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.3</b>	<b>0.3</b>	<b>-7.7</b>	<b>-7.0</b>	<b>12.5</b>	<b>13.3</b>

1) Net of liabilities from securities lending and including liabilities from cash pooling

2) Equities incl. associated enterprises/joint ventures, excl. affiliated enterprises

3) Other incl. real estate held for investment and funds held by others under reinsurance contracts assumed

4) Net of liabilities

## Group: investment result (EUR mn)

	Property-Casualty		Life/Health		Asset Management		Corporate and Other		Consolidation		Group	
	12M 2014	12M 2015	12M 2014	12M 2015	12M 2014	12M 2015	12M 2014	12M 2015	12M 2014	12M 2015	12M 2014	12M 2015
<b>Operating investment result</b>												
Interest and similar income <sup>1</sup>	3,525	3,529	17,200	18,223	-3	-5	303	337	3	-50	21,028	22,033
Inc. fr. fin. assets and liab. carried at FV <sup>2</sup>	-200	-173	-3,268	-3,321	2	0	-90	-208	22	9	-3,534	-3,693
Realized gains/losses (net)	186	252	3,204	6,459	0	0	0	0	-184	15	3,205	6,726
Impairments of investments (net)	-20	-59	-677	-1,199	0	0	0	0	0	0	-697	-1,258
F/X result	206	147	1,901	1,271	3	-8	123	194	0	0	2,234	1,604
Investment expenses	-323	-337	-903	-1,013	0	0	-77	-85	342	340	-961	-1,094
<b>Subtotal</b>	<b>3,373</b>	<b>3,360</b>	<b>17,457</b>	<b>20,421</b>	<b>2</b>	<b>-13</b>	<b>259</b>	<b>237</b>	<b>183</b>	<b>314</b>	<b>21,274</b>	<b>24,319</b>
<b>Non-operating investment result</b>												
Inc. fr. fin. assets and liab. carried at FV	-114	-99	-131	-51	0	0	-33	-58	-25	-10	-303	-219
Realized gains/losses (net)	463	746	183	298	4	0	184	337	-22	-170	812	1,211
Impairments of investments (net)	-168	-223	-21	-18	0	0	-7	-27	0	0	-197	-268
<b>Subtotal</b>	<b>180</b>	<b>424</b>	<b>31</b>	<b>228</b>	<b>4</b>	<b>0</b>	<b>144</b>	<b>252</b>	<b>-47</b>	<b>-181</b>	<b>312</b>	<b>724</b>
<b>Total investment income (net)</b>	<b>3,553</b>	<b>3,784</b>	<b>17,488</b>	<b>20,649</b>	<b>5</b>	<b>-13</b>	<b>403</b>	<b>490</b>	<b>136</b>	<b>133</b>	<b>21,586</b>	<b>25,042</b>
<i>Investment return in % of avg. investm.<sup>3</sup></i>	3.4%	3.5%	4.0%	4.3%	n/m	n/m	0.9%	1.1%	n/m	n/m	3.8%	4.0%
Movements in unrealized gains/losses on equities	201	192	855	434	0	0	523	34	n/m	n/m	1,579	660
<i>Total investment return in % of avg. inv.<sup>3</sup></i>	3.6%	3.6%	4.2%	4.4%	n/m	n/m	2.2%	1.1%	n/m	n/m	4.0%	4.1%

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 Group/segment financial assets

# B

Group financial  
results 2015

- 1 Highlights
- 2 **Additional information**
  - a) Group
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## P/C: key figures<sup>1</sup> (EUR mn)

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	4Q 2015	Delta 4Q 15/14	12M 2014	12M 2015	Delta 12M 15/14
<b>Gross premiums written (EUR bn)</b>	<b>15.2</b>	<b>10.8</b>	<b>11.3</b>	<b>11.0</b>	<b>17.3</b>	<b>11.8</b>	<b>11.5</b>	<b>10.9</b>	<b>-0.1</b>	<b>48.3</b>	<b>51.6</b>	<b>+3.3</b>
<b>Operating profit</b>	<b>1,489</b>	<b>1,345</b>	<b>1,422</b>	<b>1,125</b>	<b>1,285</b>	<b>1,745</b>	<b>1,352</b>	<b>1,221</b>	<b>+96</b>	<b>5,382</b>	<b>5,603</b>	<b>+221</b>
<i>Underwriting result</i>	704	516	650	380	555	694	627	405	+25	2,251	2,281	+30
<i>Investment result<sup>2</sup></i>	748	805	770	743	799	840	717	764	+21	3,066	3,120	+54
<i>Other</i>	38	24	2	2	-69	212	7	52	+50	66	202	+137
Non-operating items	-576	85	86	-1	0	130	45	6	+7	-406	181	+587
Income before taxes	913	1,430	1,509	1,124	1,284	1,876	1,396	1,227	+103	4,976	5,784	+808
Income taxes	-268	-461	-426	-373	-362	-532	-378	-388	-15	-1,528	-1,660	-132
<b>Net income</b>	<b>645</b>	<b>969</b>	<b>1,083</b>	<b>751</b>	<b>922</b>	<b>1,344</b>	<b>1,019</b>	<b>839</b>	<b>+88</b>	<b>3,448</b>	<b>4,124</b>	<b>+676</b>
Non-controlling interests	44	42	31	42	52	37	27	27	-16	159	143	-16
<b>Shareholders' net income</b>	<b>601</b>	<b>928</b>	<b>1,051</b>	<b>709</b>	<b>870</b>	<b>1,306</b>	<b>991</b>	<b>813</b>	<b>+104</b>	<b>3,290</b>	<b>3,981</b>	<b>+691</b>
<b>Combined ratio (in %)</b>	<b>92.6</b>	<b>94.6</b>	<b>93.5</b>	<b>96.5</b>	<b>94.6</b>	<b>93.5</b>	<b>94.1</b>	<b>96.2</b>	<b>-0.2%-p</b>	<b>94.3</b>	<b>94.6</b>	<b>+0.3%-p</b>
<i>Loss ratio</i>	64.6	66.2	65.9	67.1	66.4	65.7	65.9	66.7	-0.5%-p	66.0	66.2	+0.2%-p
<i>Expense ratio</i>	28.0	28.4	27.6	29.3	28.2	27.8	28.3	29.6	+0.2%-p	28.3	28.4	+0.1%-p
Segment financial assets <sup>3</sup> (EUR bn)	104.6	104.2	106.6	109.2	116.5	111.3	110.0	110.1	+0.8	109.2	110.1	+0.8

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

2) Including policyholder participation

3) 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

## P/C: portfolio split 12M 2015<sup>1</sup>

Combined ratio	< 95%	> 95% <100%	> 100%
<b>Key contributors</b>	<p><b>Germany</b></p> <ul style="list-style-type: none"> <li>Good internal growth of 1.0% combined with a 91.9% CR benefitting from positive price momentum and a favorable large loss and expense development. NatCat losses above py.</li> </ul> <p><b>Spain</b></p> <ul style="list-style-type: none"> <li>With 6.1% strong internal growth outgrowing the market at a CR of 92.7% supported by higher volumes and a hardening of rates.</li> </ul> <p><b>AGCS excl. FFIC<sup>2</sup></b></p> <ul style="list-style-type: none"> <li>Despite a number of high-severity man-made events CR excellent at 94.0% supported by run-off. Internal growth strong at 4.3% volume-driven.</li> </ul>	<p><b>France</b></p> <ul style="list-style-type: none"> <li>Solid CR of 95.9% combined with a good internal growth of 1.8% driven by a positive sales momentum in both our retail and commercial lines.</li> </ul> <p><b>Australia</b></p> <ul style="list-style-type: none"> <li>CR of 96.2% affected by severe losses from NatCat and weather-related events, partly mitigated by significant run-off. Strong internal growth amounting to 4.9% driven by both positive volume and price effects.</li> </ul> <p><b>AWP</b></p> <ul style="list-style-type: none"> <li>Our B2B2C business continues to record an excellent internal growth of 10.8% at a CR of 97.4%.</li> </ul>	<p><b>UK</b></p> <ul style="list-style-type: none"> <li>Significant increase in NatCat losses (4.6% in 2015 after 1.0% in 2014) drove CR to 102.6%. UK share of segment GPW 5.9%.</li> </ul> <p><b>Brazil</b></p> <ul style="list-style-type: none"> <li>CR of 119.7% with the economic downturn hampering the overall progress of our turn-around program.</li> </ul> <p><b>Argentina</b></p> <ul style="list-style-type: none"> <li>CR of 127.8% driven by reserve strengthening for our motor portfolio and inflation.</li> </ul>
<b>Share of GPW</b>	62%	23%	16%
<b>Ø internal growth</b>	2.3%	5.3%	2.6%

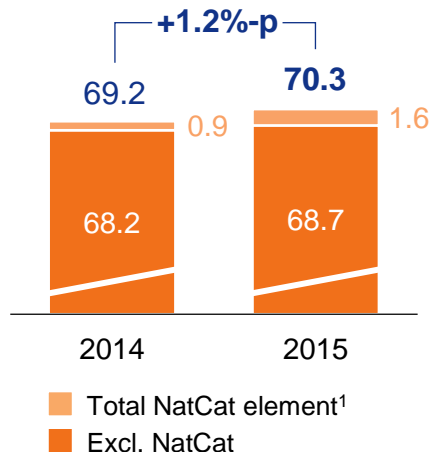
1) Analysis based on OEs as reported. Exception LatAm where analysis is based on individual country performance and Reinsurance PC which is based on Group external business only for calculation of internal growth. Excludes consolidation effects

2) Effective 1 January 2015, FFIC was integrated into AGCS Group. Previous period figures were not adjusted. The results from the run-off portfolio included in San Francisco Reinsurance Company Corp., a former subsidiary of FFIC, have been reported within Reinsurance PC since 1 January 2015

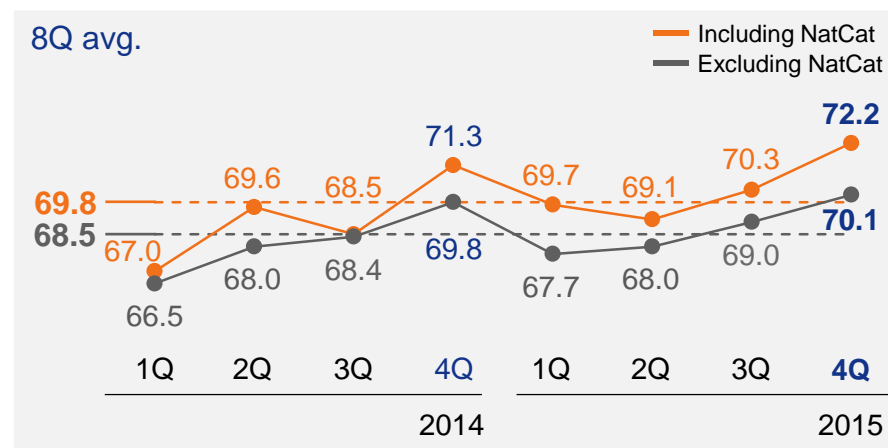


# P/C: loss ratio and run-off (in %)

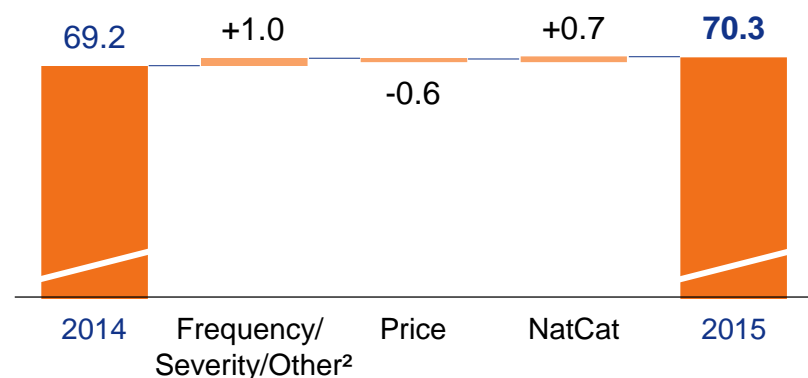
## Accident year loss ratio



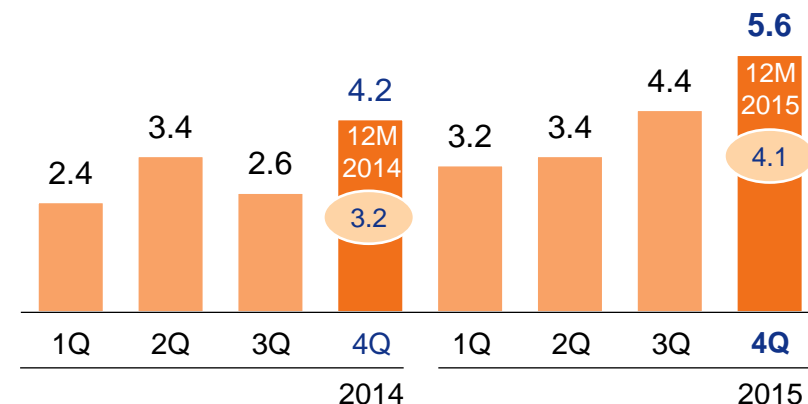
## 8-quarter overview accident year loss ratio



## Development 12M 15/14 (in %-p)



## Run-off ratio<sup>3</sup> (8Q-average: 3.7%)

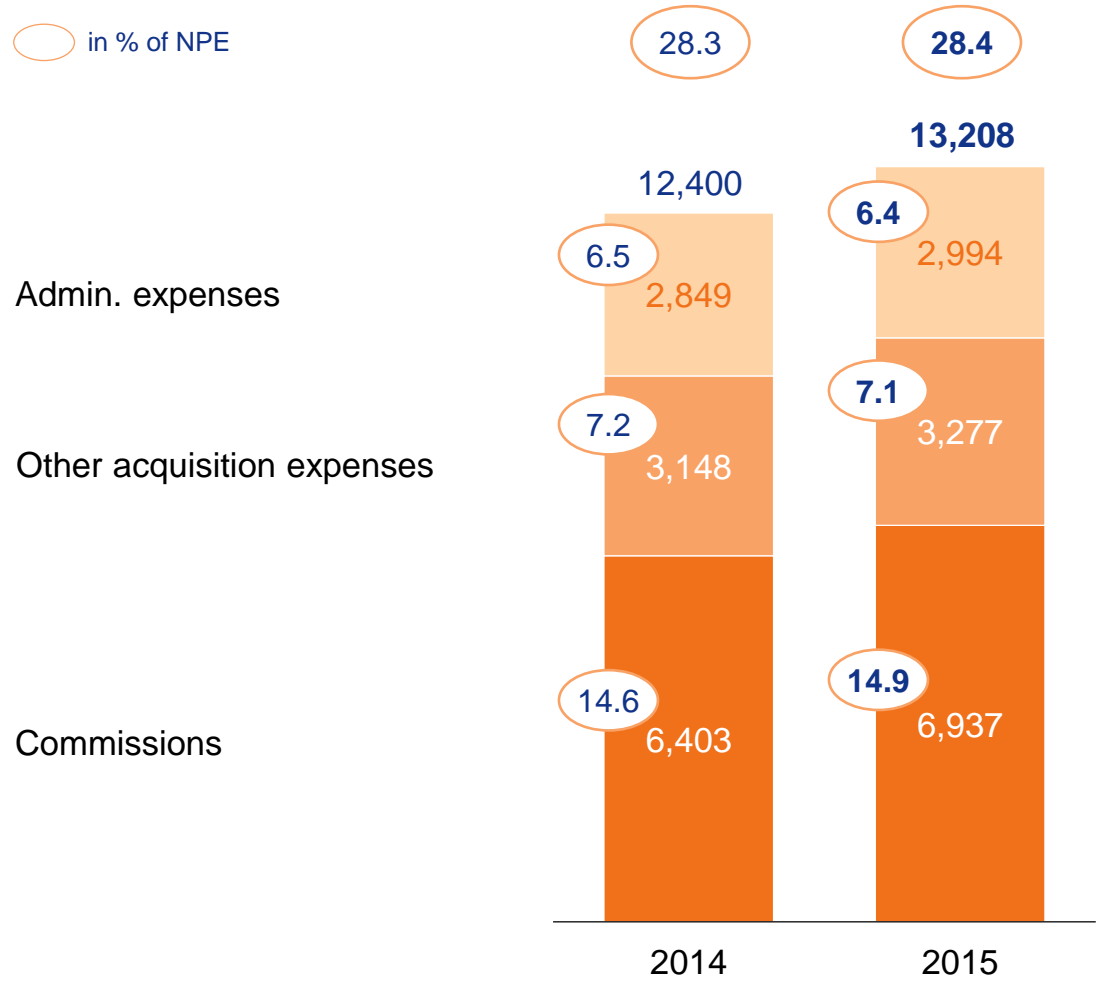


1) NatCat costs (without reinstatement premiums and run-off): EUR 400mn (2014) and EUR 738mn (2015)

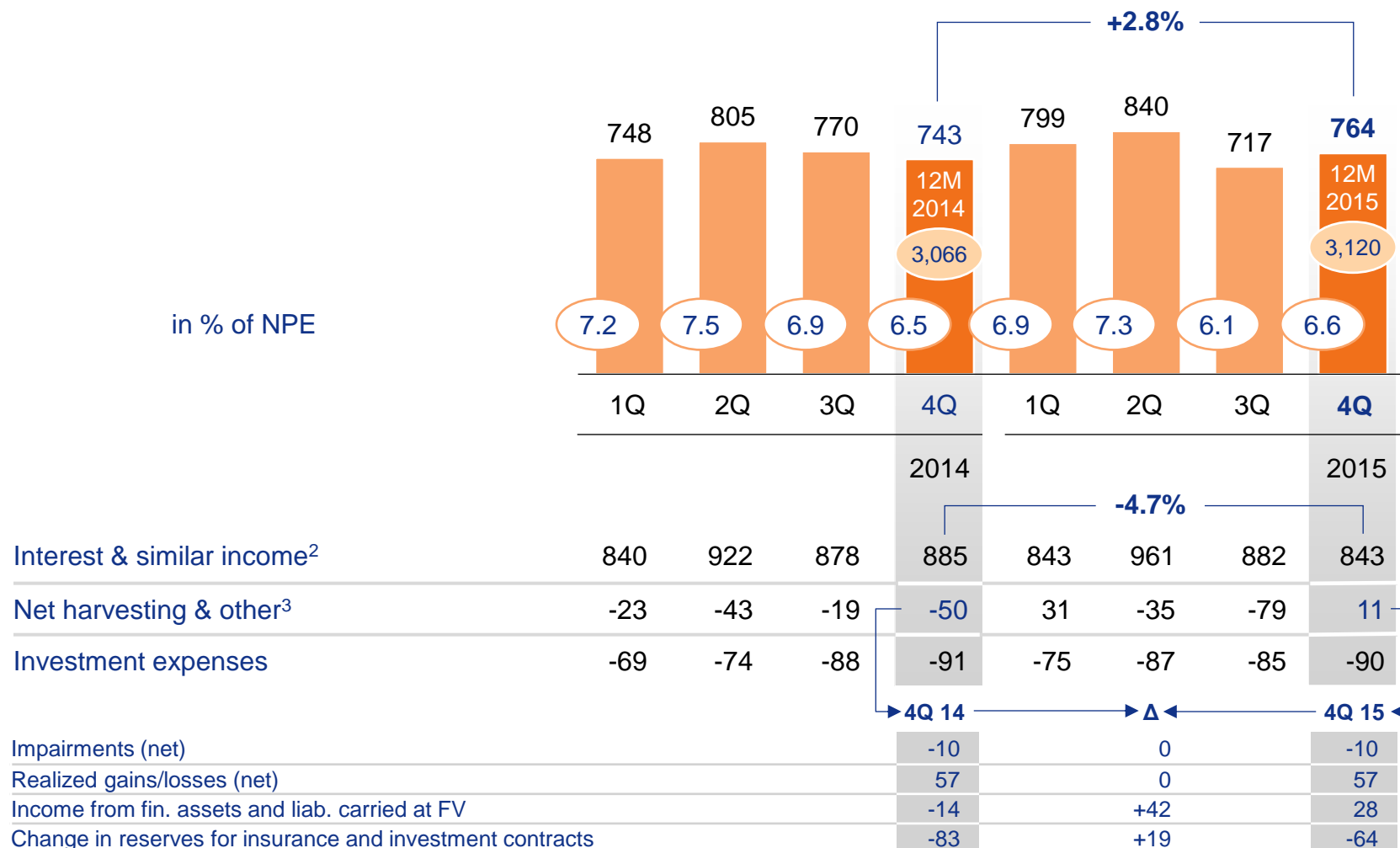
2) Including large claims, reinsurance, credit insurance

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

# P/C: expense ratio (EUR mn)



# P/C: operating investment result<sup>1</sup> (EUR mn)



1) Including policyholder participation

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

## P/C: price effects on renewals

### Pricing overview for selected operating entities<sup>1</sup> (in %)

Selected OEs	Actual rate change on renewals and momentum	Assessment/trends of rate change on renewals
Germany	+1.6%	<ul style="list-style-type: none"> <li>Motor with nearly stable rate increases</li> <li>Non-motor with premium adjustments in property business, legal protection and commercial liability</li> </ul>
Austria	+1.6%	<ul style="list-style-type: none"> <li>Motor: price stabilization at point-of-sale; consumer price index at low level in 2015 and 2016; introduction of new index (KVLPI) should lead to higher indexation</li> <li>Non-motor: still weak market situation; price index at low level</li> </ul>
Italy	-0.7%	<ul style="list-style-type: none"> <li>Motor still in a soft phase, strong competitiveness and persistent premium decrease</li> <li>Non-motor retail trend driven by indexation and premium adjustments. Market remains soft</li> </ul>
France	+1.3%	<ul style="list-style-type: none"> <li>Retail motor pricing trend remains stable</li> <li>All other lines' pricing trends are softer</li> </ul>
Spain	+3.7%	<ul style="list-style-type: none"> <li>Tariff increases motor, esp. in retail</li> <li>Non-motor repricing driven by health and to smaller extent in property</li> </ul>
UK	+3.3%	<ul style="list-style-type: none"> <li>Continuing price increases in retail motor above claims inflation</li> <li>Commercial rates remain almost flat</li> <li>Unclear whether December weather events will drive property rates higher in 2016</li> </ul>
Australia	-0.2%	<ul style="list-style-type: none"> <li>Market soft with pressure on commercial lines, esp. property, casualty, construction and fleet motor.</li> <li>Retail with small increases in motor comprehensive; larger increases in New South Wales Compulsory Third Party business.</li> </ul>
Credit Insurance	-2.3%	<ul style="list-style-type: none"> <li>Renewal rate evolution is still negative globally but is already reversing in emerging markets</li> <li>Rates are under strong pressure in Western Europe and the USA due to the high profitability of the portfolio and low claims frequency in these markets</li> </ul>
AGCS <sup>2</sup>	+0.1%	<ul style="list-style-type: none"> <li>Rate increases mainly in FFIC FL &amp; MidCorp, partly offset by decreases mainly in liability &amp; aviation</li> <li>Generally soft market conditions driven by abundant capacity in large parts of the business</li> <li>Increased rate pressure as low yield environment is compensated by more aggressive underwriting</li> </ul>
<b>12M 2015<sup>3</sup></b>	<b>+1.0%</b>	

1) Estimates based on 12M 2015 survey as communicated by our operating entities; coverage of P/C segment 74%

2) AGCS excluding ART; incl. FFIC

3) Total actual rate change on YTD renewals also including Ireland

# B

Group financial  
results 2015

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

## L/H: key figures<sup>1</sup> (EUR mn)

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	4Q 2015	Delta 4Q 15/14	12M 2014	12M 2015	Delta 12M 15/14
<b>Statutory premiums (EUR bn)</b>	<b>17.2</b>	<b>17.0</b>	<b>15.9</b>	<b>17.4</b>	<b>18.8</b>	<b>16.7</b>	<b>14.3</b>	<b>17.0</b>	<b>-0.3</b>	<b>67.3</b>	<b>66.9</b>	<b>-0.4</b>
<b>Operating profit</b>	<b>880</b>	<b>985</b>	<b>790</b>	<b>673</b>	<b>1,104</b>	<b>853</b>	<b>738</b>	<b>1,101</b>	<b>+428</b>	<b>3,327</b>	<b>3,796</b>	<b>+468</b>
<i>Loadings &amp; fees</i>	1,272	1,287	1,320	1,407	1,441	1,411	1,334	1,481	+74	5,285	5,667	+381
<i>Investment margin</i>	670	922	701	680	1,002	834	904	1,175	+495	2,973	3,915	+942
<i>Expenses</i>	-1,522	-1,657	-1,586	-1,757	-1,659	-1,624	-1,522	-1,804	-47	-6,522	-6,610	-87
<i>Technical margin</i>	270	269	318	346	301	295	277	282	-64	1,203	1,156	-47
<i>Impact of change in DAC</i>	189	163	39	-2	19	-63	-255	-33	-31	388	-332	-721
Non-operating items	4	54	-15	-55	-39	81	34	-83	-27	-12	-6	+6
Income before taxes	884	1,039	776	617	1,065	935	771	1,019	+401	3,316	3,790	+474
Income taxes	-255	-308	-245	-188	-326	-273	-224	-346	-157	-996	-1,169	-173
<b>Net income</b>	<b>629</b>	<b>731</b>	<b>530</b>	<b>429</b>	<b>739</b>	<b>662</b>	<b>547</b>	<b>673</b>	<b>+244</b>	<b>2,320</b>	<b>2,621</b>	<b>+301</b>
Non-controlling interests	31	32	24	35	40	37	30	35	+1	122	143	+21
<b>Shareholders' net income</b>	<b>598</b>	<b>699</b>	<b>507</b>	<b>394</b>	<b>699</b>	<b>624</b>	<b>517</b>	<b>638</b>	<b>+243</b>	<b>2,198</b>	<b>2,478</b>	<b>+280</b>
<b>Margin on reserves (in bps)</b>	<b>73</b>	<b>79</b>	<b>61</b>	<b>50</b>	<b>77</b>	<b>58</b>	<b>52</b>	<b>76</b>	<b>+26</b>	<b>65</b>	<b>67</b>	<b>+2</b>
Segment financial assets <sup>2</sup> (EUR bn)	422.7	438.5	456.4	470.8	510.4	483.6	484.8	491.1	+20.2	470.8	491.1	+20.2
Unit-linked investments (EUR bn)	82.9	86.9	90.8	94.6	106.2	104.9	100.7	105.9	+11.3	94.6	105.9	+11.3
Operating asset base <sup>3</sup> (EUR bn)	509.6	529.8	551.8	571.0	622.7	594.1	590.8	602.5	+31.6	571.0	602.5	+31.6

1) In 4Q 14 the French International Health business was reclassified 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 Malaysia

2) Including 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

3) 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

# L/H: operating profit details<sup>1</sup>

(EUR mn)

	L/H segment <sup>2</sup>			Guaranteed savings & annuities		Protection & health		Unit-linked w/o guarantees	
	12M 2014	12M 2015	Delta 12M 15/14	12M 2014	12M 2015	12M 2014	12M 2015	12M 2014	12M 2015
<b>Loadings &amp; fees</b>	<b>5,285</b>	<b>5,667</b>	<b>+381</b>	<b>3,091</b>	<b>3,187</b>	<b>1,525</b>	<b>1,683</b>	<b>668</b>	<b>797</b>
Loadings from premiums	3,566	3,751	+185	1,868	1,885	1,440	1,582	258	284
as % of statutory premiums	5.3%	5.6%	+0.3%-p	3.9%	4.3%	16.0%	16.3%	2.5%	2.2%
Loadings from reserves	1,091	1,143	+52	958	976	86	100	47	66
as % of avg. reserves <sup>3,4</sup>	0.24%	0.23%	-0.01%-p	0.24%	0.23%	0.25%	0.28%	0.14%	0.17%
Unit-linked management fees	628	772	+144	266	326	0	0	363	446
as % of avg. unit-linked reserves <sup>4,5</sup>	0.56%	0.64%	+0.08%-p	0.48%	0.54%	N/A	N/A	0.70%	0.80%
<b>Investment margin</b>	<b>2,973</b>	<b>3,915</b>	<b>+942</b>	<b>2,876</b>	<b>3,794</b>	<b>43</b>	<b>62</b>	<b>54</b>	<b>60</b>
Investment margin net of PHP	2,973	3,915	+942	2,876	3,794	43	62	54	60
as % of avg. aggregate policy reserves <sup>4</sup>	0.80%	0.98%	+0.18%-p	0.86%	1.04%	0.12%	0.17%	19.20%	11.08%
<b>Expenses</b>	<b>-6,522</b>	<b>-6,610</b>	<b>-87</b>	<b>-4,426</b>	<b>-4,190</b>	<b>-1,570</b>	<b>-1,730</b>	<b>-526</b>	<b>-690</b>
Acquisition expenses and commissions	-4,912	-4,915	-3	-3,336	-3,113	-1,194	-1,276	-382	-526
as % of PVNBP	-8.1%	-8.1%	-0.1%-p	-7.7%	-7.9%	-19.8%	-19.7%	-3.3%	-3.6%
Admin and other expenses	-1,610	-1,695	-84	-1,091	-1,077	-376	-454	-144	-164
as % of avg. reserves <sup>3,4</sup>	-0.35%	-0.34%	+0.01%-p	-0.28%	-0.25%	-1.10%	-1.25%	-0.44%	-0.41%
<b>Technical margin</b>	<b>1,203</b>	<b>1,156</b>	<b>-47</b>	<b>532</b>	<b>425</b>	<b>587</b>	<b>621</b>	<b>84</b>	<b>109</b>
<b>Operating profit before change in DAC</b>	<b>2,939</b>	<b>4,128</b>	<b>+1,189</b>	<b>2,073</b>	<b>3,216</b>	<b>585</b>	<b>636</b>	<b>281</b>	<b>276</b>
<b>Impact of change in DAC<sup>6</sup></b>	<b>388</b>	<b>-332</b>	<b>-721</b>	<b>296</b>	<b>-371</b>	<b>75</b>	<b>-59</b>	<b>18</b>	<b>97</b>
Capitalization of DAC	1,904	1,741	-163	1,414	1,144	374	372	116	224
Amortization, unlocking and true-up of DAC	-1,516	-2,073	-558	-1,119	-1,515	-299	-431	-98	-128
<b>Operating profit</b>	<b>3,327</b>	<b>3,796</b>	<b>+468</b>	<b>2,369</b>	<b>2,846</b>	<b>661</b>	<b>577</b>	<b>298</b>	<b>373</b>
Statutory premiums	67,331	66,903	-429	48,077	44,176	9,007	9,681	10,248	13,046
Avg. unit-linked reserves	87,814	100,218	+12,404	55,048	60,677	0	0	32,766	39,542
Avg. aggregate policy reserves	370,490	400,057	+29,568	336,026	363,128	34,181	36,390	283	539
Avg. reserves <sup>3</sup>	458,304	500,276	+41,972	391,074	423,804	34,181	36,390	33,049	40,081
PVNBP <sup>7</sup>	60,933	60,614	-318	43,475	39,379	6,042	6,488	11,416	14,747

1) Prior year figures changed in order to reflect the roll out of profit source reporting to Malaysia. In 4Q 14 the French International Health business was reclassified from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014

2) Profit sources are based on 20 in scope OEs with a coverage of 96.5% revenues. Operating profit from OEs that are not in scope is included in "Investment margin"

3) Aggregate policy reserves + unit-linked reserves

4) Yields are pro-rata

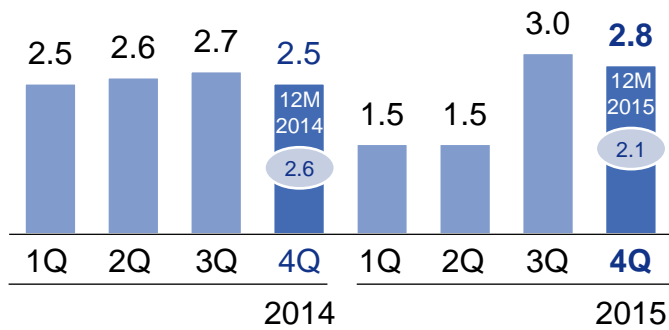
5) Calculation based on only unit-linked fees on unit-linked reserves

6) 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

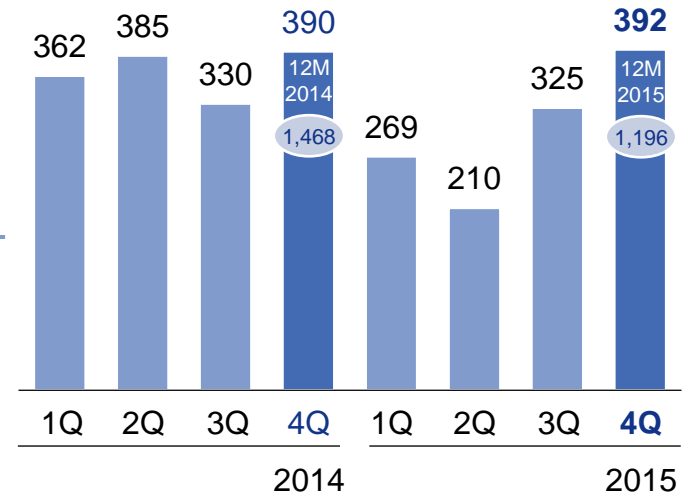
7) PVNBP is before non-controlling interests

# L/H: key new business metrics<sup>1</sup>

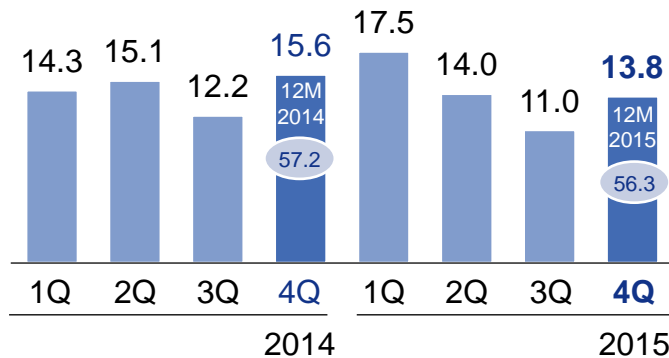
**New business margin**  
(VNB in % of PV of NB premiums)



**Value of new business**  
(EUR mn)



**PV of NB premiums**  
(EUR bn)



1) After non-controlling interests, including internal reinsurance. All values using F/X rates as of valuation date. New business figures were restated by the impact of contract boundaries, removal of holding expenses and the replacement of CNHR and CReC by RM after tax to be aligned with SII balance sheet



## L/H: new business profitability by OE (1/2)<sup>1,2</sup> (EUR mn)

		Value of new business		New business margin (in %)		Present value of new business premiums			Recurring premium		Single premium		Internal rate of return <sup>3</sup> (in %)		Payback period (yrs) <sup>3</sup>	
		12M 2014	12M 2015	12M 2014	12M 2015	12M 2014	12M 2015	Delta 12M 15/14 <sup>4</sup>	12M 2014	12M 2015	12M 2014	12M 2015	4Q 2014	4Q 2015	4Q 2014	4Q 2015
<b>Total L/H segment</b>		<b>1,468</b>	<b>1,196</b>	<b>2.6</b>	<b>2.1</b>	<b>57,178</b>	<b>56,323</b>	<b>-5.1%</b>	<b>2,785</b>	<b>3,061</b>	<b>36,128</b>	<b>35,945</b>	<b>13.0</b>	<b>12.8</b>	<b>6.2</b>	<b>5.6</b>
<b>Large OEs</b>	Germany Life <sup>5</sup>	365	304	2.5	2.1	14,850	14,376	-3.2%	546	605	7,550	6,060	16.1	15.3	6.1	6.8
	Italy	163	111	1.5	1.2	10,638	9,538	-9.4%	597	518	6,933	7,167	14.6	11.1	5.5	5.5
	USA	458	318	3.8	3.1	11,981	10,417	-24.1%	89	149	11,479	9,834	12.3	13.6	5.8	5.4
	France	55	35	0.7	0.5	7,455	7,269	-2.5%	307	88	4,757	6,649	6.7	7.2	10.7	9.9
<b>Selected OEs</b>	Asia Pacific	164	194	3.2	3.2	5,145	6,059	+9.6%	610	651	2,627	3,125	16.4	15.8	5.1	5.0
	Germany Health	31	28	3.2	2.2	969	1,287	+32.8%	74	79	0	11	n.m.	n.m.	n.m.	n.m.
	Benelux	36	7	2.9	0.5	1,258	1,575	+25.2%	44	60	1,028	1,376	6.4	5.0	12.2	15.0
	Switzerland	32	26	2.7	1.7	1,173	1,537	+15.8%	53	71	363	349	10.4	10.0	8.3	9.2
	Spain	46	41	3.9	2.4	1,183	1,709	+44.5%	51	122	771	796	10.8	12.2	7.3	6.9
	CEE	32	32	4.4	5.1	728	630	-13.7%	144	327	196	131	14.6	15.7	4.7	3.3

- 1) After non-controlling interests, including internal reinsurance. All values using F/X rates as of valuation date. New business figures were restated by the impact of contract boundaries, removal of holding expenses and the replacement of CNHR and CRcC by RM after tax to be aligned with SII balance sheet
- 2) In 4Q 14 the French International Health business was reclassified from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014
- 3) Both IRR and payback period are real world metrics, using an expected over-return on certain assets and capturing risks in the discount rate
- 4) Internal growth (adjusted for F/X and consolidation effects)
- 5) Single premium for Germany Life does not include Parkdepot business (2014: EUR 7.5mn, 2015: EUR 6.0mn)

## L/H: new business profitability by OE (2/2)<sup>1,2,3</sup>

		Value of new business (EUR mn)								New business margin (in %)							
		1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	4Q 2015	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	4Q 2015
<b>Total L/H segment</b>		<b>362</b>	<b>385</b>	<b>330</b>	<b>390</b>	<b>269</b>	<b>210</b>	<b>325</b>	<b>392</b>	<b>2.5</b>	<b>2.6</b>	<b>2.7</b>	<b>2.5</b>	<b>1.5</b>	<b>1.5</b>	<b>3.0</b>	<b>2.8</b>
<b>Large OEs</b>	Germany Life	88	74	74	128	73	30	75	126	2.6	2.4	2.4	2.5	1.8	0.9	2.9	2.8
	Italy	30	53	30	50	17	29	32	33	1.5	1.3	1.5	2.0	0.5	1.0	2.1	1.8
	USA	115	142	108	93	65	64	91	97	4.6	4.3	3.6	3.0	2.4	2.6	3.8	3.5
	France	15	15	16	9	-17	4	23	25	0.5	1.0	1.2	0.6	-0.6	0.3	1.6	1.6
<b>Selected OEs</b>	Asia Pacific	33	37	47	46	53	53	50	39	2.8	3.2	3.2	3.5	3.3	3.0	3.4	3.2
	Germany Health	10	8	7	7	9	4	8	8	3.8	3.5	3.0	2.5	2.3	1.2	2.7	2.6
	Benelux	15	9	6	6	4	-5	4	4	3.9	2.5	2.6	2.3	0.8	-1.0	1.2	1.3
	Switzerland	16	6	4	6	16	3	2	4	2.4	2.7	3.2	3.2	2.0	1.4	1.4	1.1
	Spain	14	13	9	10	14	-1	11	17	4.6	4.2	5.0	2.6	3.0	-0.2	4.8	3.7
	CEE	8	8	8	8	9	8	7	8	4.2	3.9	4.9	4.8	4.9	5.2	4.7	5.6

1) After non-controlling interests, including internal reinsurance. All values using F/X rates as of valuation date. New business figures were restated by the impact of contract boundaries, removal of holding expenses and the replacement of CNHR and CReC by RM after tax to be aligned with SII balance sheet

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

3) Based on beginning of quarter economic assumptions. For the USA we use point of sale assumptions

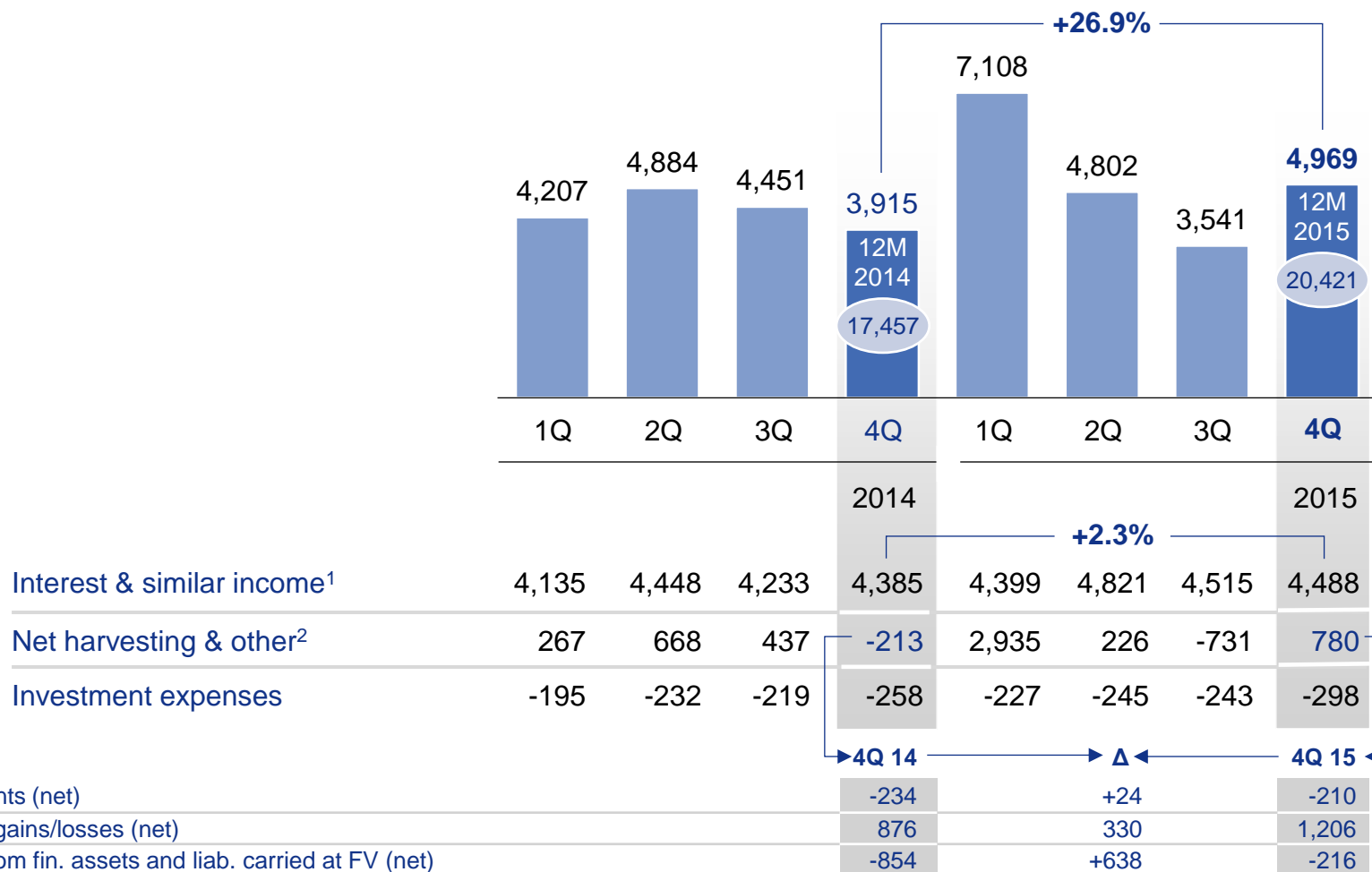
## L/H: value of new business sensitivity analysis<sup>1,2</sup> (EUR mn)

		Base case <sup>3</sup>	Economic factors					Non economic factors			
			Drop in equity value by 20%	Risk free assumptions <sup>4</sup>		Volatilities		-10% expense	Death risk +15% mortality	Longevity risk -20% mortality	-10% lapse
				-50bps	+50bps	+25% swaption	+25% equity				
<b>Large OEs</b>	Germany Life <sup>5</sup>	304	-77	-65	39	4	15	9	-3	-20	35
	USA	318	-4	3	-4	-4	8	10	0	-14	1
	Italy	111	-23	-4	-1	-7	7	10	-7	0	10
	France	35	-28	-51	31	-2	3	21	-12	0	64
<b>Selected OEs</b>	Asia Pacific	194	-8	-23	27	-7	5	15	-22	-1	25
	Germany Health	28	1	2	0	-2	5	3	-4	7	3
	Benelux	7	-4	-4	3	-2	2	3	-1	-1	1
	Spain	41	0	-3	1	-6	6	3	-7	-1	9
	Switzerland	26	-6	-11	8	-1	-2	8	-2	-4	-1
	CEE	32	0	-1	1	-1	1	4	-2	0	4
	<b>Total<sup>1</sup></b>	<b>1,196</b>	<b>-151</b>	<b>-155</b>	<b>104</b>	<b>-28</b>	<b>51</b>	<b>89</b>	<b>-71</b>	<b>-34</b>	<b>158</b>

Worsening economic conditions increase sensitivity to low interest rates

- 1) After non-controlling interests
- 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) Sensitivity analysis for new business in 2015 is assessed relative to the VNB calculated using parameters as of 31.12.15
- 4) The ultimate forward rate for yield curve extrapolation is unchanged for interest sensitivities
- 5) Including holding expenses and internal reinsurance

## L/H: operating investment result (EUR mn)

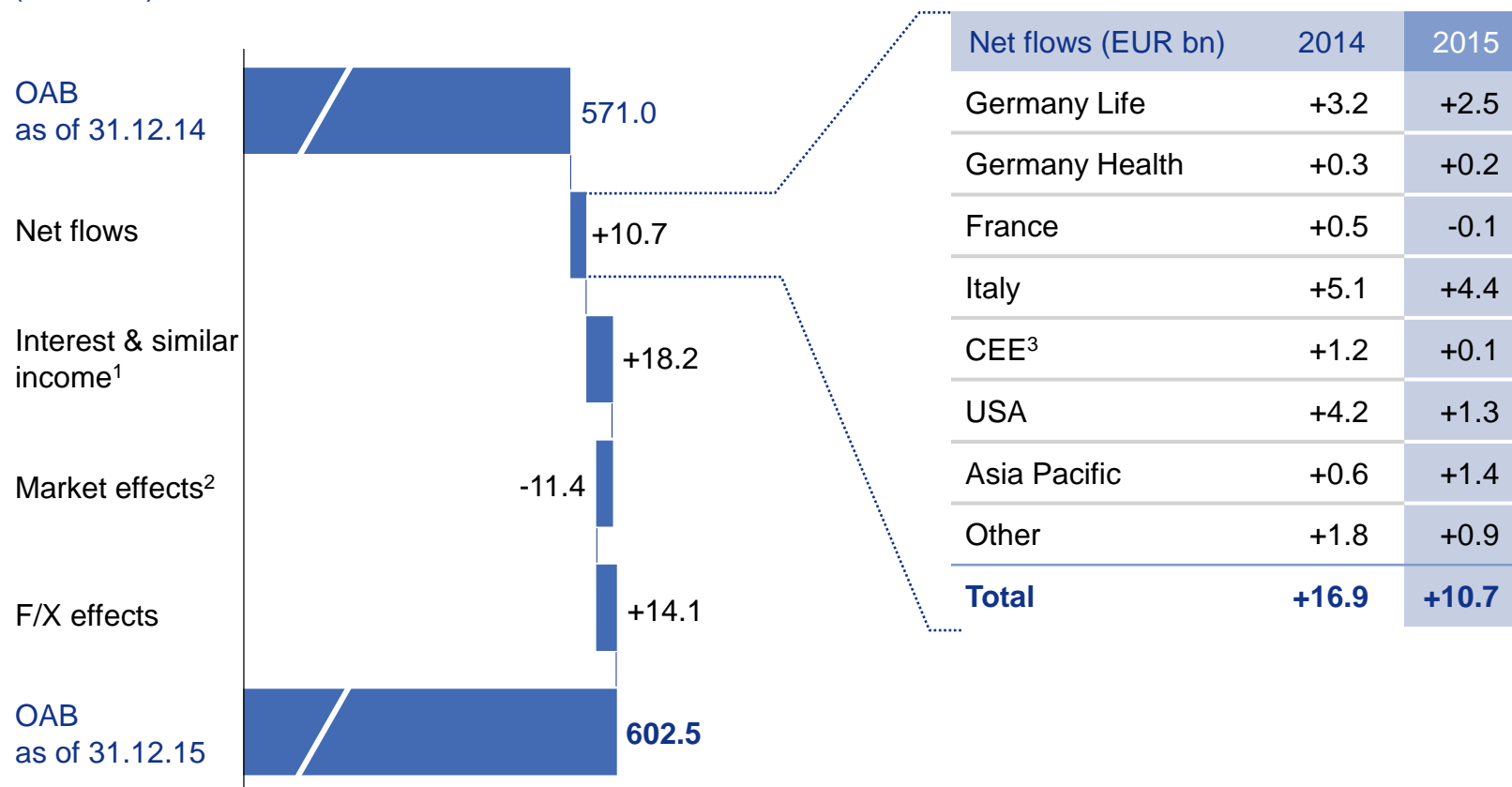


1) Net of interest expenses

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

## L/H: operating asset base

### Operating asset base (EUR bn)

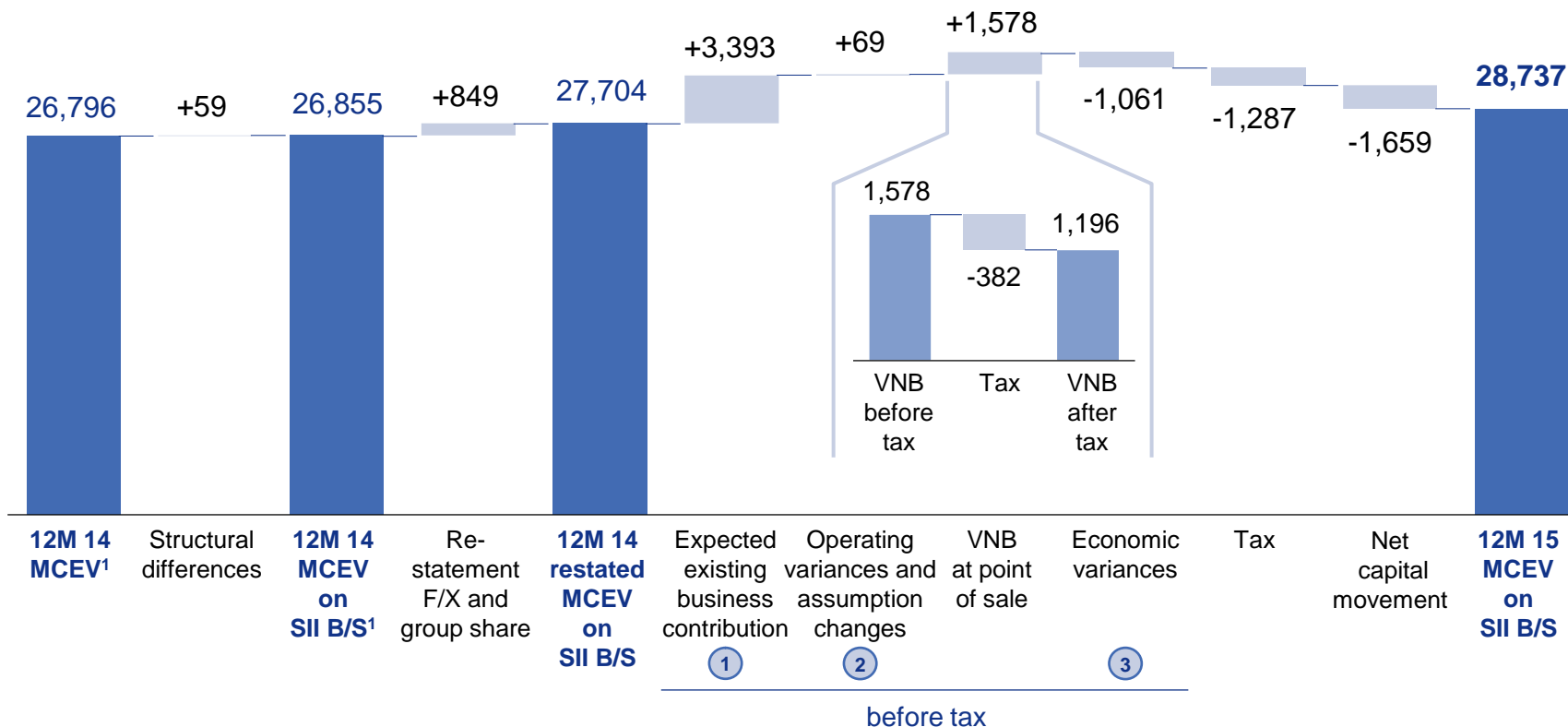


1) Net of interest expenses

2) Includes changes in other assets and liabilities of EUR +2.4bn

3) From 3Q 15 onwards Central and Eastern Europe is reported excluding Russia. Previous period figures were not adjusted

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



MCEV on SII balance sheet represents shareholders' equity in the L/H segment

1) Impact of the use of full EIOPA specifications to determine the yield curves for Korea (EUR -810mn) and Switzerland (EUR -234mn), has been already considered in the starting value as part of the alignment to SII

## L/H: MCEV based on SII balance sheet development highlights (EUR mn, after non-controlling interests)

### 1 Expected existing business contribution

3,393

Projected release from risk free profits and expected over-return earned in the year

### 2 Operating variances and assumption changes

69  
thereof-627  
696Non-economic assumption updates from German speaking countries, France and Korea  
Positive operating and experience variances from Switzerland, Germany and France

### 3 Economic variances

(EUR mn) Estimates based on sensitivities and other approximations	German speaking countries	Western & Southern Europe incl. MENA	Iberia & Latin America	CEE	Asia Pacific	USA	Others	Total <sup>1</sup>
<b>Economic variances</b>	<b>1,748</b>	<b>958</b>	<b>-57</b>	<b>52</b>	<b>-484</b>	<b>-3,274</b>	<b>-4</b>	<b>-1,061</b>
Driven by changes in interest rate	486	236	-98	8	-281	31	-11	371
Driven by changes in equity value	938	57	-1	8	-9	-76	0	916
Driven by changes in credit spreads and other	324	665	42	36	-195	-3,228	7	-2,348

1) Total includes reinsurance

## L/H: embedded value<sup>1,2</sup> overview (EUR mn)

		Embedded value	VNB	NBM	MCEV
Large OEs	Germany Life	6,283 7,680	365 304	2.5% 2.1%	
	USA	6,049 5,332	458 318	3.8% 3.1%	
	Italy	1,828 2,610	163 111	1.5% 1.2%	
	France	5,377 5,816	55 35	0.7% 0.5%	
Selected OEs	Asia Pacific	225 -369	164 194	3.2% 3.2%	
	Germany Health	1,605 1,586	31 28	3.2% 2.2%	
	Benelux	1,424 1,437	36 7	2.9% 0.5%	
	Spain	640 797	46 41	3.9% 2.4%	
	Switzerland	1,455 1,563	32 26	2.7% 1.7%	
	CEE	692 777	32 32	4.4% 5.1%	
	<b>Total<sup>3</sup></b>	<b>26,855 28,737</b>	<b>1,468 1,196</b>	<b>2.6% 2.1%</b>	

■ 2014  
■ 2015

- MCEV increased by EUR 1.8bn to EUR 28.7bn.
- The biggest driver of the increase is the existing business contribution from the over-returns during the period of EUR 3,393mn and the contribution from new business of EUR 1,578mn. Positive market movements across Europe with higher interest rates were offset by higher spreads in US (EUR -1,061mn).

### VNB

- NBM down by 50 bps mainly driven by the extreme market conditions on the first half of the year.
- Changes in strategy and product features that improved profitability in most regions, helped together with the slight recovery of the markets in the second part of the year. Increase in CEE and stable margins in Asia due to the growth towards more profitable products in both regions.

1) After non-controlling interests. Impact of the use of full EIOPA specifications to determine the yield curves for Korea (EUR -810mn) and Switzerland (EUR -234mn), has been already considered in the starting value as part of the alignment to SII

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) Including internal reinsurance



## L/H: MCEV based on SII balance sheet sensitivity analysis (EUR mn, after non-controlling interests)

		Base case	Drop in equity value by 20%	Economic factors				Non economic factors			
				Risk free assumptions		Volatilities		-10% expense	Death risk +15% mortality	Longevity risk -20% mortality	-10% lapse
				-50bps	+50bps	+25% swaption	+25% equity				
<b>Large OEs</b>	Germany Life	7,680	-1,267	-1,173	973	576	-180	75	-18	-683	130
	USA	5,332	-20	102	-197	-321	-638	247	-37	-906	-122
	Italy	2,610	-261	-201	174	-90	-25	90	-40	-56	55
	France	5,816	-439	-251	91	-107	-398	518	-120	-741	15
<b>Selected OEs</b>	Asia Pacific	-369	-81	-417	330	-111	-8	107	-140	-151	-1
	Germany Health	1,586	-90	28	-101	-236	59	73	-32	57	41
	Benelux	1,437	-89	-68	54	-23	-12	66	-20	-15	-10
	Spain	797	-35	2	-10	-26	-4	34	-66	-224	67
	Switzerland	1,563	-55	-246	193	21	-45	98	-33	-192	-70
	CEE	777	6	-9	-4	-9	-1	24	-14	-1	21
	<b>Total<sup>1</sup></b>	<b>28,737</b>	<b>-2,357</b>	<b>-2,389</b>	<b>1,463</b>	<b>-340</b>	<b>-1,255</b>	<b>1,355</b>	<b>-566</b>	<b>-2,933</b>	<b>172</b>

1) Including internal reinsurance

## L/H: consistent economic assumptions are applied for EV across Allianz Group

Key parameters (in %)	EUR		USD		CHF		KRW	
	2014	2015	2014	2015	2014	2015	2014	2015
<b>Risk free rates</b> (1 year zero-coupon rate based on swap rate)	0.2	0.1	0.5	0.5	0.1	0.1	2.1	1.7
<b>Risk free rates</b> (10 year zero-coupon rate based on swap rate)	0.8	1.0	2.3	2.0	0.6	0.5	2.7	2.3
<b>Risk free rates</b> (20 year zero-coupon rate based on swap rate)	1.4	1.5	2.7	2.5	1.2	1.0	2.9	2.5
<b>100% illiquidity premium<sup>1</sup></b>	13bps	25bps	50bps	75bps	4bps	10bps	5bps	0bps
<b>Swaption implied volatility<sup>2</sup></b>	32.5	34.5	22.3	22.9	48.5	71.3	15.1	16.6
<b>Equity option implied volatility<sup>3</sup></b> (10 year equity option at the money)	21.8	24.8	23.6	26.5	17.9	16.7	20.6	16.7
<b>Equity option implied volatility - DAX</b> (10 year equity option at the money)	21.2	22.2						
<b>Equity option implied volatility - CAC</b> (10 year equity option at the money)	19.4	21.9						

Economic assumptions are based on observable market data as of 31.12.15<sup>4</sup>

- 1) Volatility adjustment of 65% is applied to our traditional participating and other businesses including US fixed and fixed indexed annuities. 0% volatility adjustment is applied to unit-linked, including variable annuity business
- 2) For EUR and USD: option on 20 year swaps with 10 year-term at the money; for CHF and KRW: option on 10 year swaps with 10 year-term at the money
- 3) The index for the equity options are for EUR: EuroStoxx, USD: S&P500, CHF: SMI and KRW: KOSPI
- 4) Yield curve extrapolation in line with EIOPA methodology

# B

Group financial  
results 2015

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

## AM: AAM key figures (1/2)

(EUR mn)

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	4Q 2015	Delta 4Q 15/14	12M 2014	12M 2015	Delta 12M 15/14
<b>Operating revenues</b>	1,517	1,607	1,618	1,646	1,573	1,548	1,636	1,722	+77	6,388	6,479	+92
<b>Performance fees</b>	19	67	40	149	59	52	192	303	+154	275	607	+331
<b>Operating profit</b>	646	676	694	588	555	505	600	637	+48	2,603	2,297	-306
Non-operating items	-14	-3	2	0	-27	0	-2	-3	-3	-15	-31	-16
Income before taxes	631	673	696	588	528	505	599	634	+46	2,588	2,266	-322
Income taxes	-225	-254	-258	-230	-199	-176	-225	-217	+13	-967	-817	+151
<b>Net income</b>	406	419	438	358	329	329	374	417	+59	1,621	1,449	-172
Non-controlling interests	22	23	22	19	17	16	20	19	+1	86	71	-14
<b>Shareholders' net income</b>	385	396	415	340	312	314	355	397	+58	1,535	1,378	-157
<b>Cost-income ratio (in %)</b>	57.4	57.9	57.1	64.3	64.7	67.4	63.3	63.0	-1.2%-p	59.2	64.5	+5.3%-p
<b>3rd party AuM (EUR bn)</b>	1,342	1,373	1,411	1,313	1,408	1,323	1,259	1,276	-37	1,313	1,276	-37
Allianz AuM (EUR bn)	423	441	461	488	525	488	488	487	-1	488	487	-1
Total AuM (EUR bn)	1,765	1,814	1,872	1,801	1,933	1,811	1,746	1,763	-38	1,801	1,763	-38
<b>3rd party net flows<sup>1</sup> (EUR bn)</b>	-19.8	-17.2	-47.4	-141.3	-62.1	-22.5	-14.8	-8.0	+133.3	-225.6	-107.5	+118.1
Net flows in 3rd party AuM eop (in %)	-1.5	-1.3	-3.5	-10.0	-4.7	-1.6	-1.1	-0.6	+9.4%-p	-17.0	-8.2	+8.8%-p

1) Effective 2015, 3rd party net flows contain re-invested dividends (incl. capital gains) from existing clients (EUR +18.4bn in 2015). Those have been recognized as market return until 31.12.2014.

## AM: AAM key figures (2/2)

(EUR mn)

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	4Q 2015	Delta 4Q 15/14	12M 2014	12M 2015	Delta 12M 15/14
<b>PIMCO</b>												
<b>Operating profit</b>	<b>563</b>	<b>597</b>	<b>594</b>	<b>488</b>	<b>428</b>	<b>396</b>	<b>500</b>	<b>501</b>	<b>+13</b>	<b>2,241</b>	<b>1,824</b>	<b>-417</b>
Performance fees	11	46	25	122	26	24	165	249	+127	205	464	+259
Cost-income ratio (in %)	52.2	51.8	52.4	61.2	62.5	64.3	58.6	60.2	-1.0%-p	54.5	61.3	+6.8%-p
3rd party AuM (EUR bn)	1,116	1,135	1,162	1,053	1,114	1,032	985	987	-66	1,053	987	-66
3rd party net flows <sup>1</sup> (EUR bn)	-21.7	-20.4	-49.2	-144.8	-68.3	-29.3	-16.0	-11.4	+133.4	-236.1	-125.0	+111.1
3-yr. outperformance (in %)	88	89	93	88	87	84	70	69	-19%-p	88	69	-19%-p
<b>AllianzGI</b>												
<b>Operating profit</b>	<b>96</b>	<b>89</b>	<b>110</b>	<b>113</b>	<b>135</b>	<b>139</b>	<b>111</b>	<b>150</b>	<b>+37</b>	<b>408</b>	<b>535</b>	<b>+127</b>
Performance fees	8	20	15	27	33	28	27	54	+28	70	142	+72
Cost-income ratio (in %)	72.1	76.1	70.8	70.9	68.9	68.7	74.5	67.8	-3.0%-p	72.5	70.0	-2.5%-p
3rd party AuM (EUR bn)	226	238	248	260	294	292	274	289	+29	260	289	+29
3rd party net flows <sup>1</sup> (EUR bn)	2.0	3.2	1.8	3.5	6.2	6.7	1.3	3.4	-0.2	10.4	17.5	+7.1
3-yr. outperformance (in %)	53	51	58	55	58	64	62	70	+14%-p	55	70	+14%-p

1) Effective 2015, 3rd party net flows contain re-invested dividends (incl. capital gains) from existing clients (EUR +16.6bn for PIMCO and EUR +1.8bn for AllianzGI in 2015). Those have been recognized as market return until 31.12.2014.

## AM: splits of 3rd party AuM<sup>1</sup> (EUR bn)

	AAM		PIMCO		AllianzGI	
	31.12.14	31.12.15	31.12.14	31.12.15	31.12.14	31.12.15
<b>Regions<sup>2</sup></b>						
America	788	715	709	639	79	76
Europe	383	417	227	225	157	192
Asia Pacific	142	144	117	123	24	22
<b>Investment vehicles<sup>3</sup></b>						
Mutual funds	778	744	584	533	194	210
Separate accounts	535	532	469	453	66	79
<b>Asset classes<sup>4</sup></b>						
Fixed income	1,110	944	1,053	886	57	58
Equity	203	151	0	24	203	127
Multi-Assets	n.a.	134	n.a.	40	n.a.	93
Other	n.a.	47	n.a.	36	n.a.	11

1) Comprises 3rd party AuM managed by AAM

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

3) Effective 2015, the split of AuM into clients has been replaced by a split into investment vehicles. Mutual funds pool the money of several individual investors into one account. At separate accounts, the money of a single investor is directly managed in a separate dedicated account.

4) Effective 2015, the split of AuM into asset classes has been enhanced with two additional asset classes for a more granular breakdown. Multi-Assets is a combination of several different asset classes. Other comprises money market instruments with short maturity as well as alternative investments. Therefore, 2015 and 2014 figures are not comparable.

# B

Group financial  
results 2015

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

## CO: key figures (EUR mn)

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	4Q 2015	Delta 4Q 15/14	12M 2014	12M 2015	Delta 12M 15/14
<b>Total revenues (Banking)</b>	<b>139</b>	<b>132</b>	<b>135</b>	<b>151</b>	<b>140</b>	<b>131</b>	<b>146</b>	<b>160</b>	<b>+9</b>	<b>556</b>	<b>577</b>	<b>+21</b>
<b>Operating profit</b>	<b>-222</b>	<b>-219</b>	<b>-248</b>	<b>-131</b>	<b>-101</b>	<b>-230</b>	<b>-246</b>	<b>-368</b>	<b>-237</b>	<b>-820</b>	<b>-945</b>	<b>-124</b>
<i>  Holding &amp; Treasury</i>	<i>-248</i>	<i>-245</i>	<i>-267</i>	<i>-157</i>	<i>-143</i>	<i>-264</i>	<i>-287</i>	<i>-382</i>	<i>-225</i>	<i>-917</i>	<i>-1,076</i>	<i>-159</i>
<i>  Banking</i>	<i>18</i>	<i>17</i>	<i>11</i>	<i>21</i>	<i>32</i>	<i>26</i>	<i>28</i>	<i>9</i>	<i>-11</i>	<i>66</i>	<i>94</i>	<i>+28</i>
<i>  Alternative Investments</i>	<i>8</i>	<i>8</i>	<i>8</i>	<i>6</i>	<i>10</i>	<i>8</i>	<i>14</i>	<i>5</i>	<i>-1</i>	<i>30</i>	<i>37</i>	<i>+7</i>
<i>  Consolidation</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>Non-operating items</b>	<b>472</b>	<b>-177</b>	<b>-211</b>	<b>-276</b>	<b>27</b>	<b>-89</b>	<b>-195</b>	<b>-175</b>	<b>+101</b>	<b>-192</b>	<b>-432</b>	<b>-240</b>
<i>  Holding &amp; Treasury</i>	<i>484</i>	<i>-177</i>	<i>-194</i>	<i>-271</i>	<i>23</i>	<i>-82</i>	<i>-170</i>	<i>-217</i>	<i>+53</i>	<i>-157</i>	<i>-447</i>	<i>-290</i>
<i>  Banking</i>	<i>-1</i>	<i>4</i>	<i>3</i>	<i>5</i>	<i>6</i>	<i>5</i>	<i>0</i>	<i>0</i>	<i>-6</i>	<i>11</i>	<i>11</i>	<i>0</i>
<i>  Alternative Investments</i>	<i>-11</i>	<i>-5</i>	<i>-19</i>	<i>-11</i>	<i>-2</i>	<i>-11</i>	<i>-25</i>	<i>42</i>	<i>+53</i>	<i>-46</i>	<i>4</i>	<i>+50</i>
<i>  Consolidation</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Income before taxes	249	-397	-458	-407	-74	-318	-440	-544	-136	-1,013	-1,377	-364
Income taxes	-118	148	147	179	25	113	86	149	-30	356	374	+18
<b>Net income</b>	<b>131</b>	<b>-249</b>	<b>-311</b>	<b>-228</b>	<b>-49</b>	<b>-205</b>	<b>-354</b>	<b>-394</b>	<b>-166</b>	<b>-657</b>	<b>-1,003</b>	<b>-346</b>
Non-controlling interests	4	6	3	2	6	4	4	1	-2	15	14	-1
<b>Shareholders' net income</b>	<b>127</b>	<b>-255</b>	<b>-315</b>	<b>-231</b>	<b>-55</b>	<b>-209</b>	<b>-358</b>	<b>-395</b>	<b>-164</b>	<b>-673</b>	<b>-1,017</b>	<b>-345</b>
<b>Cost-income ratio Banking (in %)</b>	<b>80.7</b>	<b>75.8</b>	<b>86.6</b>	<b>76.8</b>	<b>71.7</b>	<b>67.0</b>	<b>71.5</b>	<b>81.1</b>	<b>+4.3%-p</b>	<b>79.9</b>	<b>73.2</b>	<b>-6.7%-p</b>
RWA <sup>1</sup> Banking (EUR bn)	8.9	8.9	9.0	8.9	8.9	8.6	8.6	8.5	-0.4	8.9	8.5	-0.4

1) RWA data is preliminary; based on Basel approach



# Investments

Maximilian Zimmerer  
Member of the Board of Management  
Allianz SE

Analyst conference call  
February 19, 2016

C

Investments

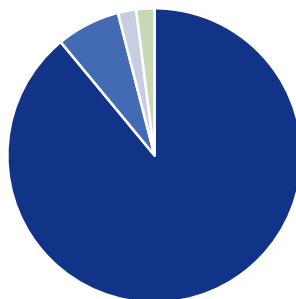
- 1 Allianz Investment Management 2015**
- 2 Portfolio information

# High quality investment portfolio

## Asset allocation

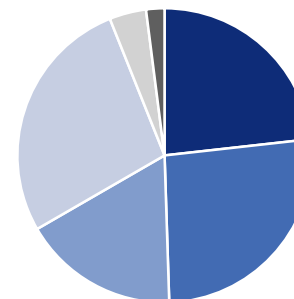
Total: EUR 638.3bn  
(2014: EUR 614.6bn)

Debt instruments	89%	(89%)
Equities	7%	(7%)
Real estate <sup>1</sup>	2%	(2%)
Cash/Other	2%	(2%)



## Debt instruments by rating<sup>2</sup>

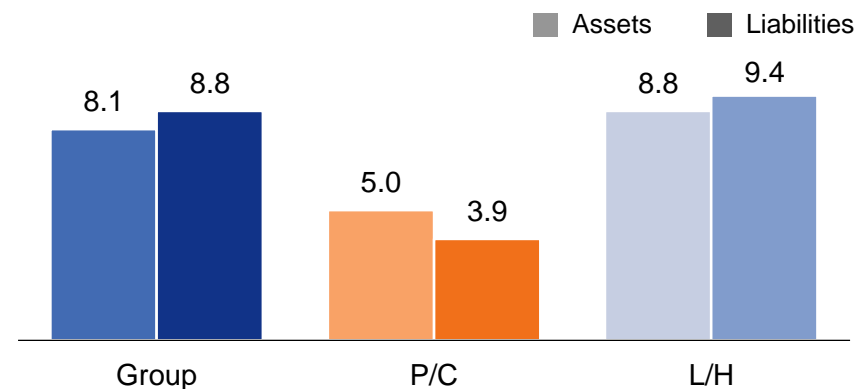
AAA	23%
AA	26%
A	17%
BBB	27%
Non-investment grade	4%
Not rated <sup>3</sup>	2%



## By segment (EUR bn)

	Group	P/C <sup>4</sup>	L/H <sup>4</sup>
Debt instruments	568.1	85.6	435.1
Equities	45.7	6.7	36.0
Real estate <sup>1</sup>	12.0	2.9	8.7
Cash/Others	12.5	3.6	6.0
<b>Total</b>	<b>638.3</b>	<b>98.8</b>	<b>485.9</b>

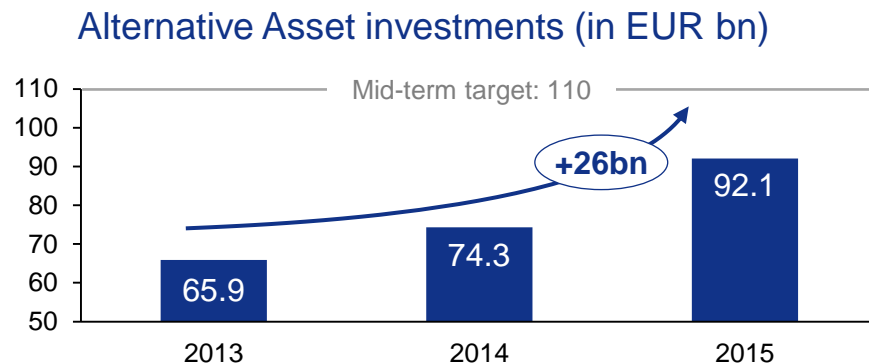
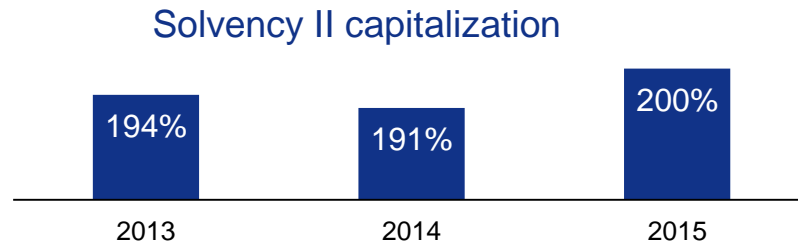
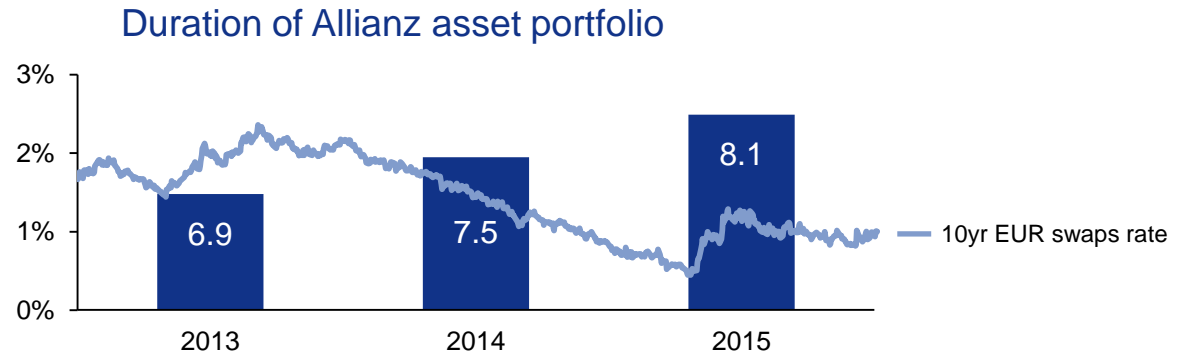
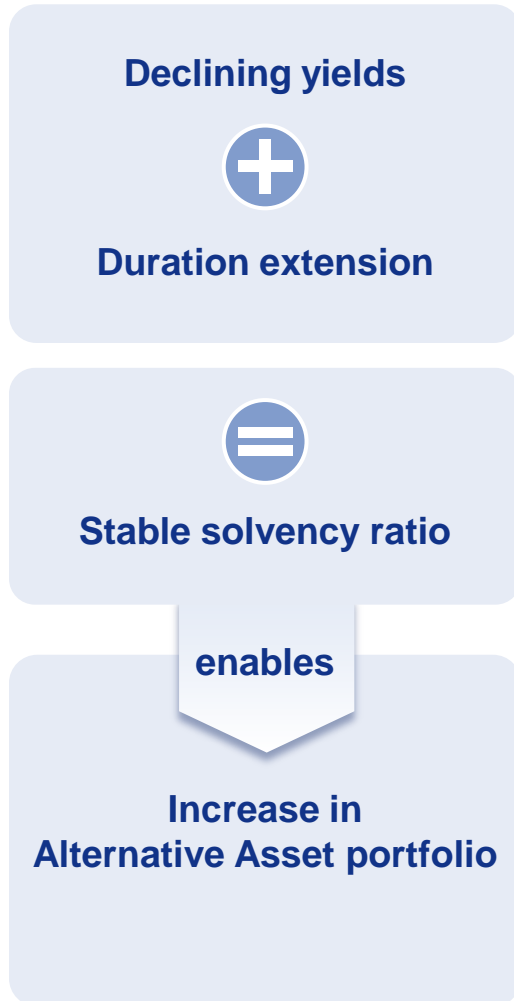
## Duration<sup>5</sup>



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

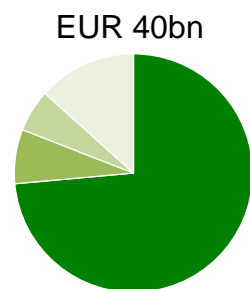
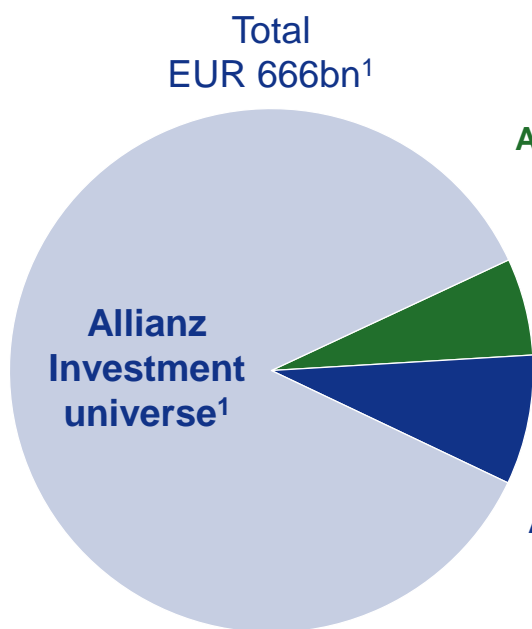
5) For the duration calculation a non-parallel shift in line with Solvency II yield curves is used. Data includes internal pensions for Group, while excluding internal pensions residing in P/C and L/H segments

# Increased capital efficiency enables Allianz to increase its investments in alternative assets

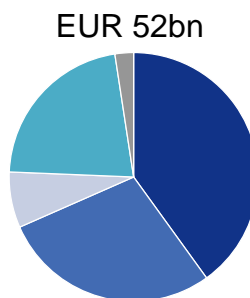


# Alternative asset quota currently at 14% – up from 11% in 2014

Alternative investment portfolio 2015: EUR 92 bn  
 Mid-term target: EUR 110 bn



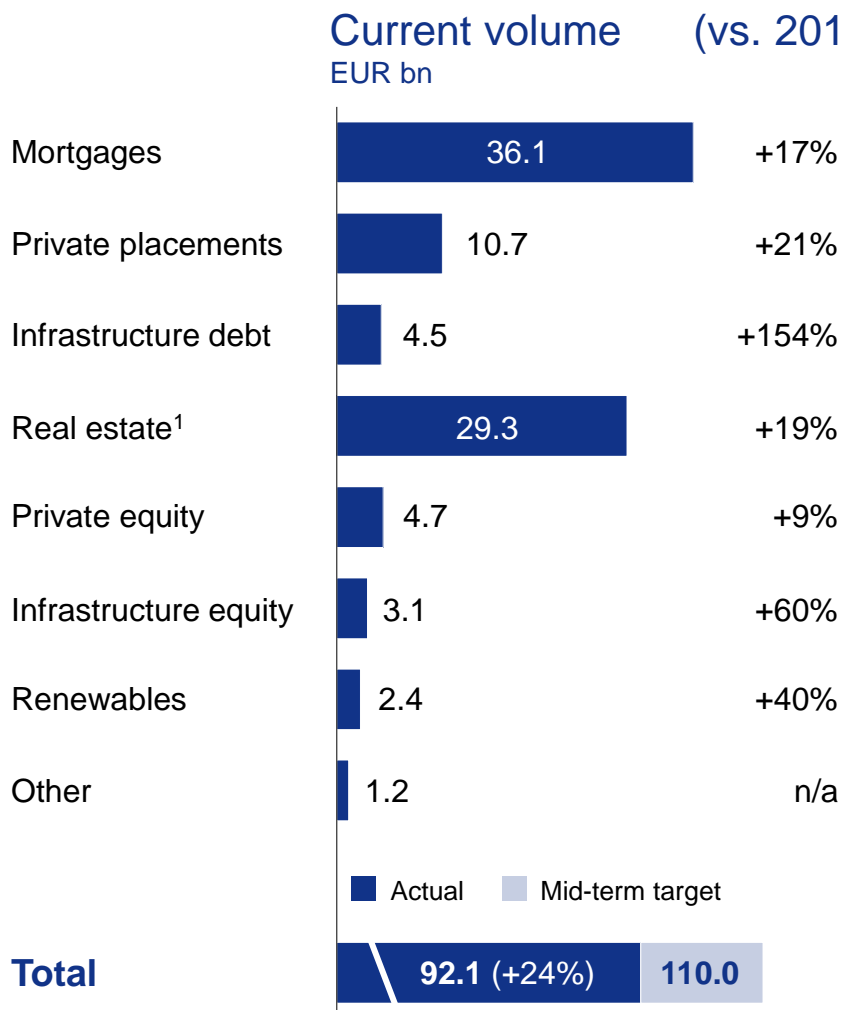
Alternative equity	Avg. expected return
Real estate	4-6%
Infrastructure equity	5-8%
Renewable energy	5-6%
Private equity	10-12%



Alternative debt	Avg. expected return
Non-commercial mortgages	1.5-2%
Commercial mortgages	1.5-2%
Infrastructure debt	3%
Private placements	2-4%
Other	6-8%

1) Based on economic view. Compared to accounting view it reflects a volume increase due to switch from book to market values (real estate and loan exposure) and changed asset scope (e.g. including FVO, trading, real estate own-use and alternative assets). Also changes in classification are made related to economically focused investment management

# Strong growth of 24% and increased diversification within alternative assets



## Investment examples

### Shopping Center Dublin

- EUR 900mn investment in real estate portfolio close to Dublin. It includes *Dundrum Town Centre*, Ireland's pre-eminent shopping and leisure destination with ca. 18 million visitors p.a.

### Tank & Rast

- Germany's largest and leading owner and concessionaire of a network of motorway service areas providing essential services to 500 million visitors each year.



### Wind energy USA

- Onshore windfarms located in New Mexico as attractive opportunity for diversifying Allianz' US investment portfolio

1) Market value of real estate assets including EUR 22.5bn directly held real estate assets (e.g. held for investment, held for own use) and EUR 6.9bn indirectly held real estate assets (e.g. associates and joint ventures, available-for-sale investments)

# Superior investment management within peer group

IFRS investment performance p.a.<sup>1</sup> amongst core peers 2007 - 2014



■ Core peers average (Generali, AXA, Zurich)  
 ■ Allianz

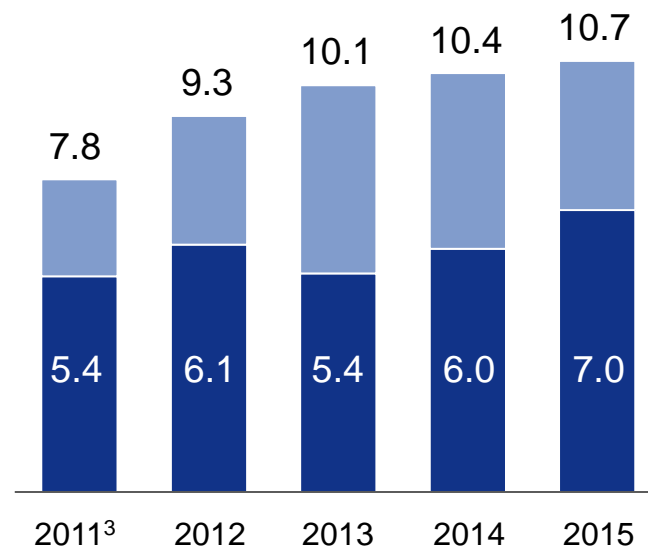
Allianz with **high credit quality** and low expected loss compared to peers

Current yield of Allianz **above all core peers**

Professional **in-house asset management** with continuous outperformance

Strict focus on **diversification**: best diversified sovereign portfolio vs core peers

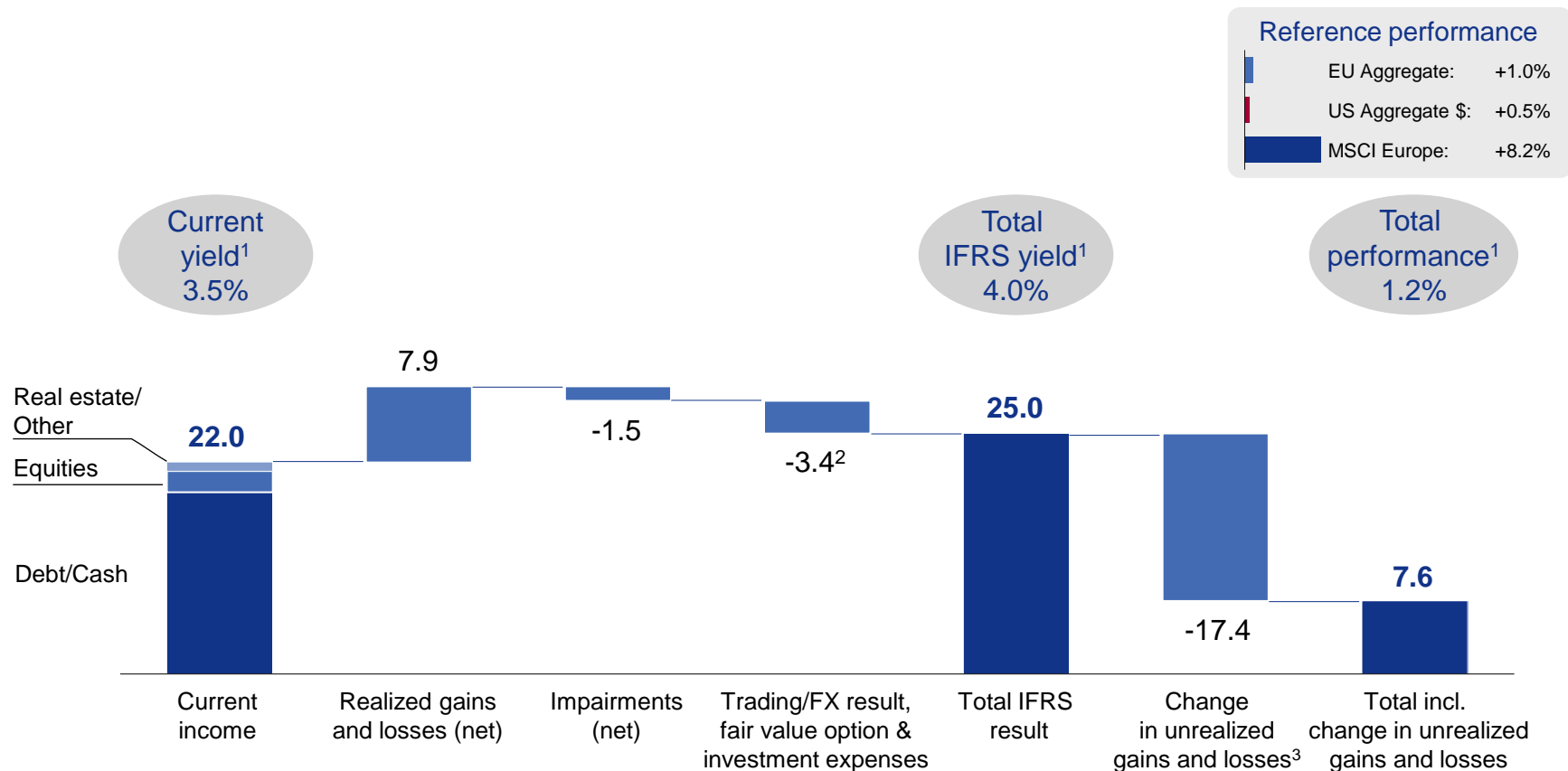
Allianz Group operating profit and thereof investment result<sup>2</sup> (EUR bn)



■ Operating profit  
 ■ Investment result

1) IFRS investment performance per annum: including current income, realized gains and losses (net), impairments (net), trading/FX result, fair value option, investment expenses, and change in unrealized gains and losses  
 2) Investment result: insurance business only (P/C and L/H)  
 3) L/H investment margin in 2011 is restated for the new reporting format of operating profit sources introduced in 2012

# 4% total IFRS yield provides strong basis for distribution to stakeholders



- Current income yield of 3.5% reflects long portfolio duration
- Unrealized gains negatively affected by increases in rates and spreads by end of 2015

1) Yield calculation is based on the average asset base (IFRS)

2) Includes hedging result from fixed index and variable annuities fully offset in insurance P&L

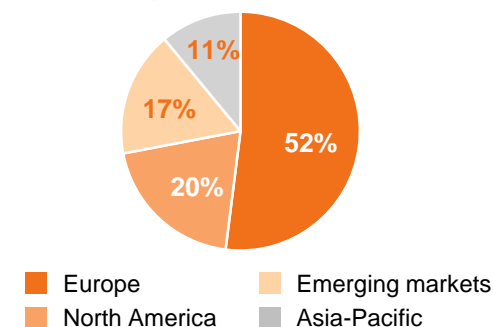
3) Includes AFS equity and debt, held-to-maturity investments, loans and advances to banks and customers acc. to IFRS, as well as an offsetting position to hedging result from fixed index and variable annuities. Not included FX-effect on US insurance companies



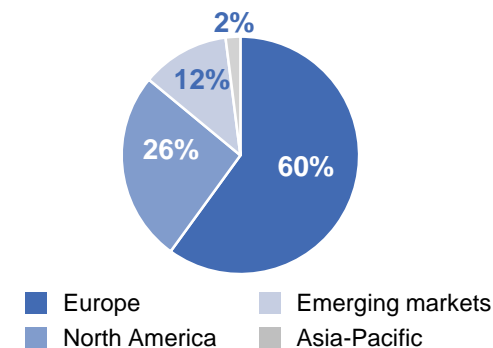
## New investment yields 2015

P/C	New F/I investments	Yield	Maturity (in years)
Government <sup>1</sup>	52%	2.4%	8
Covered	16%	1.3%	8
Corporate	29%	2.3%	9
ABS/MBS	3%	3.4%	5 <sup>2</sup>
<b>Total F/I 2015</b>	<b>100%</b>	<b>2.2%</b>	<b>8</b>

Regional allocation



L/H	New F/I investments	Yield	Maturity (in years)
Government	49%	2.3%	17
Covered	16%	2.3%	12
Corporate	32%	2.8%	13
ABS/MBS	4%	3.4%	8 <sup>2</sup>
<b>Total F/I 2015</b>	<b>100%</b>	<b>2.5%</b>	<b>15</b>

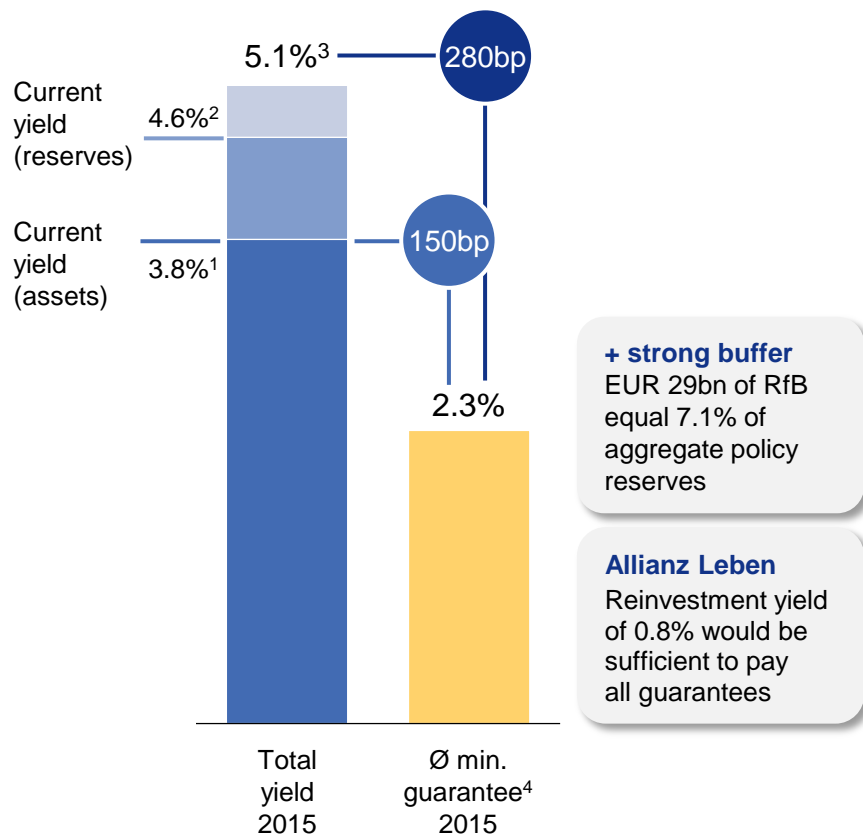


Group	New investments (in EUR bn)	Current Yield
Real assets	6.8	~4%

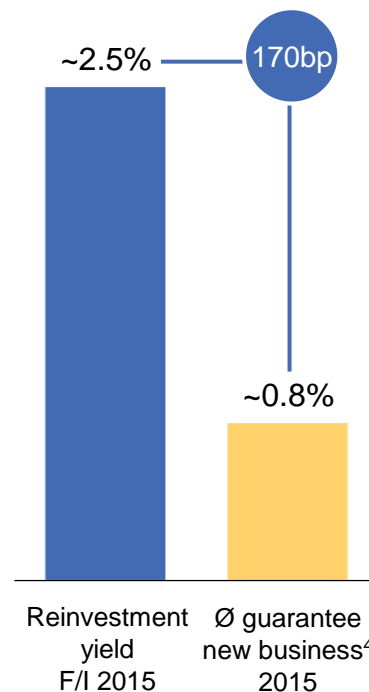
1) Treasuries and government related  
 2) Based on time to expected maturity

# Strong buffers and resilient margins in L/H

## Business in force



## New business

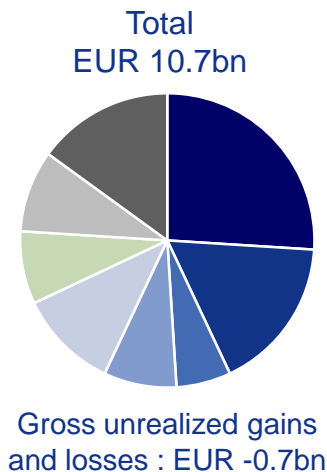


1) IFRS current interest and similar income (net of interest expenses) relative to average asset base (IFRS) which excludes unit-linked, FVO and trading  
 2) IFRS current interest and similar income (net of interest expenses) relative to average aggregate policy reserves  
 3) IFRS current interest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

# Exposure to Oil and Gas sector – 2% of investment portfolio

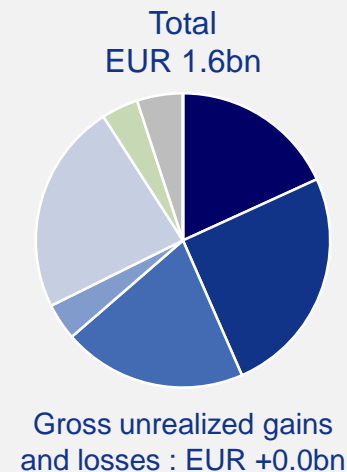
## Fixed income by region

USA	26%
UK	17%
France	6%
Italy	8%
Rest of Eurozone	11%
Rest of Europe	8%
Asia-Pacific	9%
Rest of World	15%



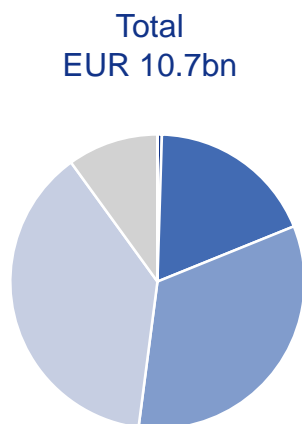
## Equity by region

USA	18%
UK	25%
France	20%
Italy	4%
Rest of Eurozone	23%
Rest of Europe	4%
Asia-Pacific	5%
Rest of World	0%



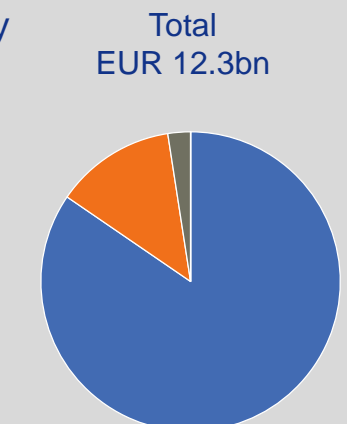
## Fixed income by rating

AAA	0%
AA	18%
A	33%
BBB	38%
Non-investment grade	10%
Not rated	0%



## Fixed income and equity by segment (EUR bn)

L/H	84%
P/C	13%
Corporate and other	2%
Asset Management	0%



## Underlying trends 2015/16 and Allianz' strategic response

### Trends and market environment

Geopolitical tensions continue to drive **volatility**

Slowing growth in China puts pressure on global financial markets

Weak Euro and cheap oil price support European growth prospects while being negative for some emerging markets

Globally low yield levels despite diverging monetary policies

### Investment strategy

**Distinguish between temporary fluctuations and long-term developments**

**Differentiation and active portfolio management is key**

**Diversification via high quality alternative asset portfolio**

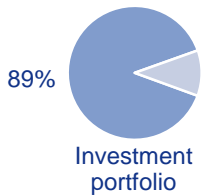
**Manage duration and products in light of rates environment**

# C

## Investments

- 1 Allianz Investment Management 2014
- 2 Portfolio information**

C. Investments

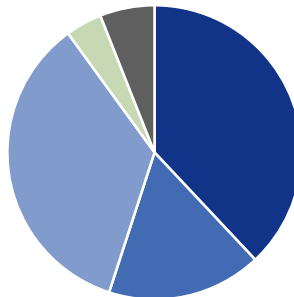


# High quality fixed income portfolio

## By type of issuer

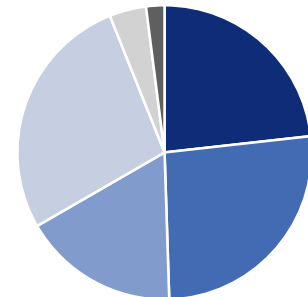
Government	38%
Covered	17%
Corporate	35%
<i>thereof Banking</i>	6%
ABS/MBS <sup>1</sup>	4%
Other <sup>2</sup>	6%

Total  
EUR 568.1bn



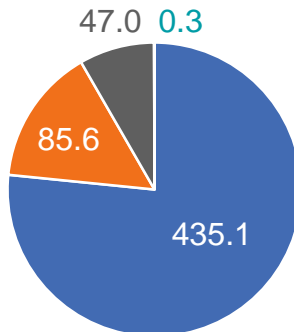
## By rating<sup>3</sup>

AAA	23%
AA	26%
A	17%
BBB	27%
Non-investment grade	4%
Not rated <sup>4</sup>	2%

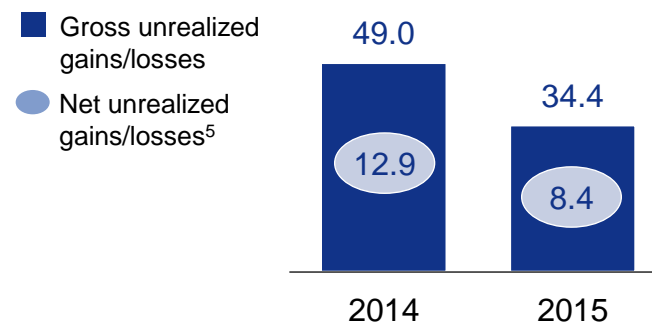


## By segment (EUR bn)

L/H	77%
P/C	15%
Corporate and other	8%
Asset Management	0%



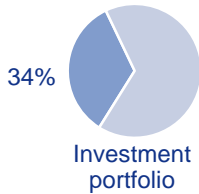
## AFS unrealized gains/losses (EUR bn)



1) Including U.S. agency MBS investments (EUR 3.9bn)  
 2) Including seasoned self-originated private retail loans and short-term deposits at banks  
 3) Excluding seasoned self-originated private retail loans

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

C. Investments

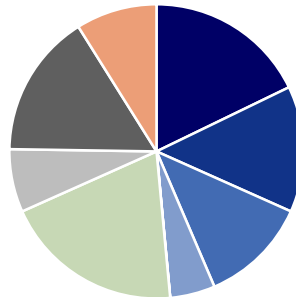


# Government bond allocation concentrated in EMU core countries

## By region

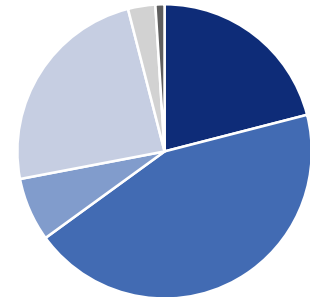
France	18%
Italy	14%
Germany	12%
Spain	5%
Rest of Europe	20%
USA	7%
Rest of World	16%
Supranational	9%

Total  
EUR 217.5bn<sup>1</sup>



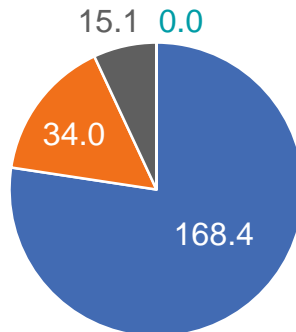
## By rating

AAA	21%
AA	44%
A	7%
BBB	24%
Non-investment grade	3%
Not rated	1%

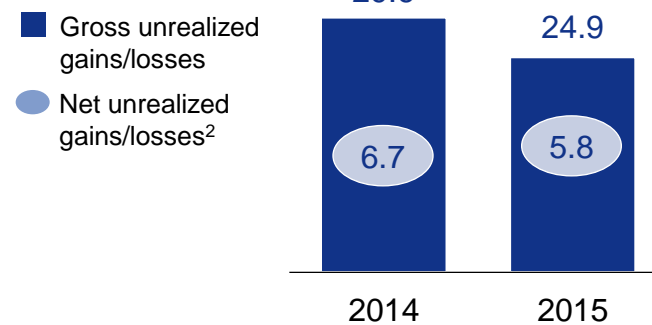


## By segment (EUR bn)

L/H	77%
P/C	16%
Corporate and other	7%
Asset Management	0%



## AFS unrealized gains/losses (EUR bn)



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

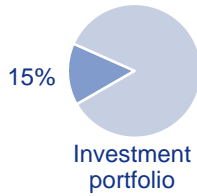
2) On-balance sheet unrealized gains/losses after tax, non-controlling interests and policyholders, and before shadow DAC

## Details sovereigns (EUR bn)

	Group			L/H			P/C		
	Book value	% of F/I	thereof domestic	Book value	% of F/I (L/H)	thereof domestic	Book value	% of F/I (P/C)	thereof domestic
France	39.2	6.9%	19.5	32.7	7.5%	17.0	4.3	5.1%	2.4
Italy	29.3	5.2%	16.4	24.9	5.7%	14.0	3.5	4.0%	2.3
Germany	26.4	4.6%	23.5	19.8	4.5%	18.0	3.0	3.5%	2.0
Supranational	19.6	3.4%	0.0	16.2	3.7%	0.0	1.8	2.1%	0.0
USA	15.2	2.7%	13.3	10.9	2.5%	10.3	3.7	4.3%	3.0
Spain	9.9	1.7%	3.0	7.6	1.8%	2.7	1.1	1.3%	0.3
South Korea	9.2	1.6%	8.7	9.0	2.1%	8.7	0.1	0.1%	0.0
Belgium	9.0	1.6%	3.9	7.4	1.7%	3.4	0.9	1.1%	0.5
Austria	7.5	1.3%	0.4	6.4	1.5%	0.3	0.6	0.7%	0.1
Switzerland	6.3	1.1%	6.2	4.9	1.1%	4.9	1.3	1.6%	1.3
Netherlands	4.0	0.7%	0.3	2.5	0.6%	0.2	0.7	0.8%	0.1
Australia	3.2	0.6%	3.0	0.0	0.0%	0.0	3.2	3.7%	3.0
Mexiko	3.1	0.5%	0.4	2.6	0.6%	0.0	0.5	0.5%	0.1
Thailand	2.8	0.5%	2.2	2.7	0.6%	2.2	0.1	0.1%	0.0
Poland	2.4	0.4%	0.6	1.6	0.4%	0.2	0.7	0.8%	0.4
Malaysia	1.8	0.3%	1.1	1.2	0.3%	0.6	0.6	0.7%	0.5
Finland	1.8	0.3%	0.0	1.2	0.3%	0.0	0.3	0.3%	0.0
Ireland	1.4	0.2%	0.1	0.9	0.2%	0.0	0.3	0.3%	0.1
Russia	0.4	0.1%	0.2	0.3	0.1%	0.1	0.1	0.1%	0.0
Portugal	0.2	0.0%	0.2	0.0	0.0%	0.0	0.1	0.2%	0.1
Greece	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0
Ukraine	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0
Other	25.0	4.4%	n.a.	15.5	3.6%	n.a.	7.3	8.5%	n.a.
<b>Total 2015</b>	<b>217.5</b>	<b>38.3%</b>	<b>n.a.</b>	<b>168.4</b>	<b>38.7%</b>	<b>n.a.</b>	<b>34.0</b>	<b>39.7%</b>	<b>n.a.</b>
<b>Total 2014</b>	<b>209.3</b>	<b>38.1%</b>	<b>n.a.</b>	<b>161.8</b>	<b>38.6%</b>	<b>n.a.</b>	<b>32.3</b>	<b>38.3%</b>	<b>n.a.</b>



C. Investments

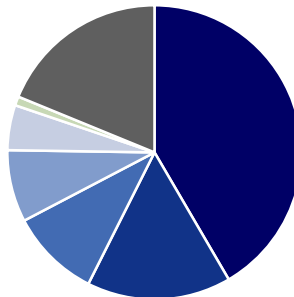


# Fixed income portfolio: covered bonds

## By country

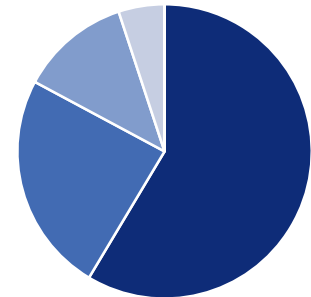
Germany	42%
France	16%
Spain	10%
Italy	8%
UK	5%
Ireland	1%
Rest of World	19%

Total EUR 98.7bn



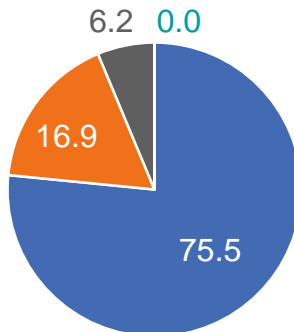
## By rating

AAA	58%
AA	24%
A	12%
BBB	5%
Non-investment grade	0%
Not rated	0%

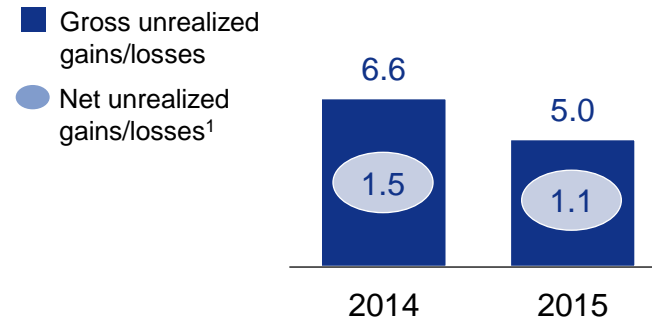


## By segment (EUR bn)

L/H	77%
P/C	17%
Corporate and other	6%
Asset Management	0%

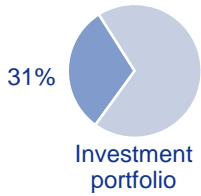


## AFS unrealized gains/losses (EUR bn)



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

C. Investments

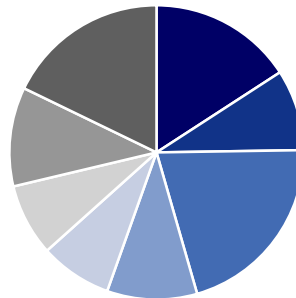


# Fixed income portfolio: corporates

## By sector

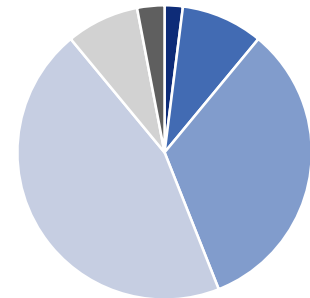
Banking <sup>1</sup>	16%
Other financials	9%
Consumer	21%
Communication	10%
Energy	8%
Industrial	8%
Utility	11%
Other	18%

Total  
EUR 196.2bn



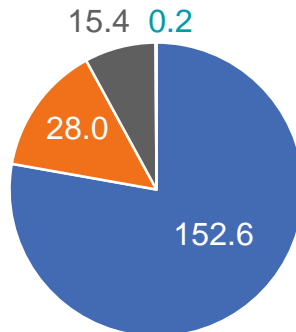
## By rating

AAA	2%
AA	9%
A	33%
BBB	45%
Non-investment grade	8%
Not rated <sup>2</sup>	3%

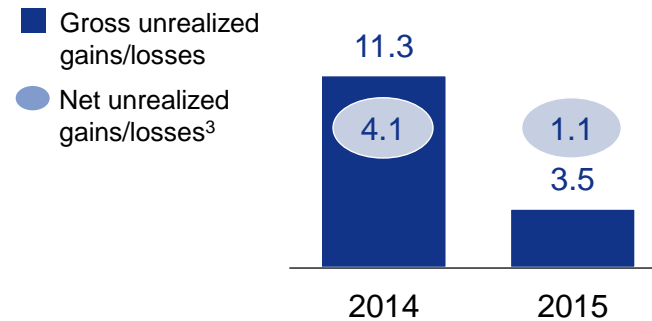


## By segment (EUR bn)

L/H	78%
P/C	14%
Corporate and other	8%
Asset Management	0%



## AFS unrealized gains/losses (EUR bn)

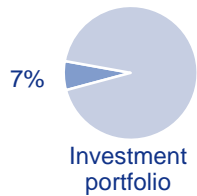


1) Including EUR 4.6bn subordinated bonds (thereof EUR 0.3bn Tier 1)

2) Including Eurozone loans/ bonds (1%)

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

C. Investments

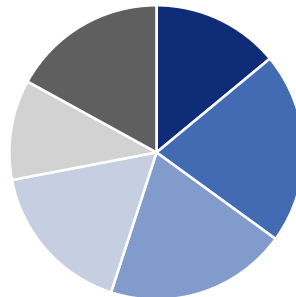


# Equity portfolio

## By region

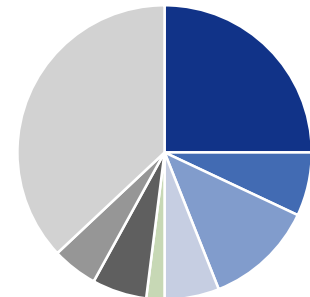
Germany	14%
Eurozone ex Germany	21%
Europe ex Eurozone	20%
NAFTA	17%
Rest of World	11%
Multinational <sup>2</sup>	17%

Total  
EUR 45.7bn<sup>1</sup>



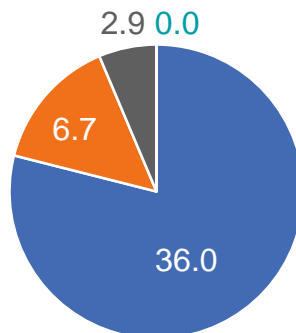
## By industry

Consumer	25%
Banking	7%
Other Financials	12%
Basic materials	6%
Utilities	2%
Industrial	6%
Energy	5%
Funds and other <sup>3</sup>	37%

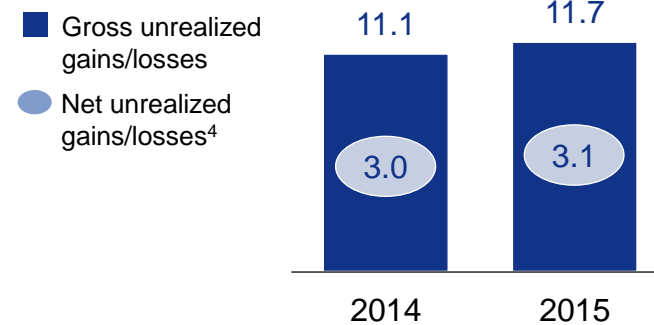


## By segment (EUR bn)

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



## AFS unrealized gains/losses (EUR bn)



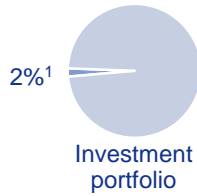
1) Incl. non-equity retail funds (EUR 0.0bn), excl. equities designated at fair value through income (EUR 2.4bn)

2) Incl. private equity limited partnership funds (EUR 4.3bn) and mutual stock funds (EUR 2.8bn)

3) Diversified investment funds (EUR 3.0bn); private and unlisted equity (EUR 7.2bn)

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

### C. Investments

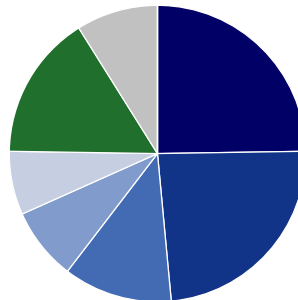


## Real estate portfolio (market value)

### By region

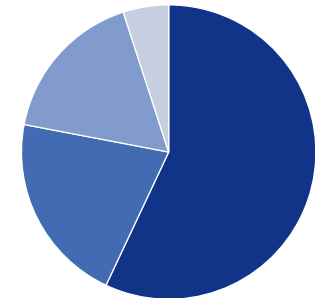
France	25%
Germany	24%
Switzerland	12%
USA	8%
Italy	7%
Rest of Eurozone	16%
Rest of World	9%

Total  
EUR 29.3bn<sup>2,3</sup>



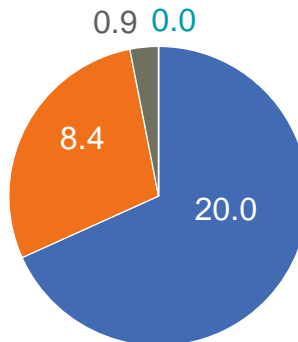
### By sectors

Office	57%
Retail	21%
Residential	17%
Other/mixed	5%

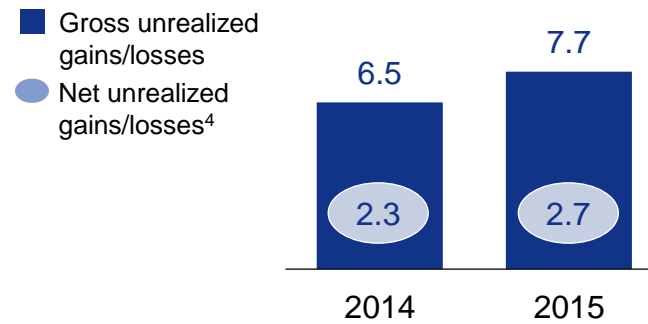


### By segment (EUR bn)

L/H	68%
P/C	29%
Corporate and other	3%
Asset management	0%



### Unrealized gains/ losses (EUR bn)



1) Based on carrying value, 3<sup>rd</sup> party use only

2) Market value of real estate assets including EUR 22.5bn directly held real estate assets (e.g., held for investment, held for own use) and EUR 6.9bn indirectly held real estate assets (e.g., associates and joint ventures, available-for-sale investments)

3) Associates and joint ventures as well as available-for-sale indirectly held real estate investments are also part of the equity portfolio and fixed income portfolio

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

# Glossary

Analyst conference call  
February 19, 2016

# Glossary (1)

<b>AAM</b>	Allianz Asset Management, mainly the holding company of PIMCO and AllianzGI
<b>ABS</b>	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.
<b>AFS</b>	Available-for-sale: Securities which have been acquired neither for sale in the near term nor to be held to maturity. Available-for-sale investments are shown at fair value on the balance sheet.
<b>AGCS</b>	Allianz Global Corporate & Specialty
<b>AllianzGI</b>	Allianz Global Investors
<b>AM</b>	Asset Management – AM segment
<b>APR</b> (accident insurance with premium refund)	Special form of accident insurance (in German: “Unfallversicherung mit garantierter Beitragsrückzahlung” (UBR)) where the policyholder, in addition to insurance coverage for accidents (accident insurance), has a guaranteed claim to refund from premiums on the agreed maturity date or in the event of death (endowment insurance).
<b>AuM</b>	<p>Assets under management are assets or securities portfolios, valued at current market value, for which Allianz Asset Management companies provide discretionary investment management decisions and have the portfolio management responsibility. They are managed on behalf of third parties as well as on behalf of the Allianz Group.</p> <p><b>Net flows:</b> Net flows represent the sum of new client assets, additional contributions from existing clients, including dividend reinvestment, withdrawals of assets from, and termination of, client accounts and distributions to investors.</p> <p><b>Market and dividends:</b> Market and dividends represents current income earned on, and changes in fair value of, securities held in client accounts. It also includes dividends from net investment income and from net realized capital gains to investors of open ended mutual funds and of closed end funds.</p>

## Glossary (2)

### AuM splits by asset classes

**Multi-assets:** A combination of several asset classes (e.g. bonds, stocks, cash and real property) used as an investment. Multi-assets class investments increase the diversification of an overall portfolio by distributing investments throughout several asset classes.

**Other:** Composed of other asset classes than equity, fixed income and multi-assets, e.g. money markets, commodities, real estate investment trusts, infrastructure investments, private equity investments, hedge funds.

### AuM splits by investment vehicle

**Mutual funds:** Investment vehicles (in the US, investment companies, subject to the US code; in Germany, vehicles subject to the "Standard-Anlagerichtlinien des Fonds" Investmentgesetz) where the money of several individual investors is pooled into one account to be managed by the asset manager, e.g. open-end funds, closed-end funds.

**Separate accounts:** Investment vehicles where the money of a single investor is directly managed by the asset manager in a separate dedicated account (e.g. public or private institutions, high net worth individuals, corporates)

### Bps

Basis point = 0.01%

### Businesses for NPS

Operating entities at segment level (Life, Health, P/C), unweighted, excluding Global Lines, Russia and USA P/C for monoliners second level segment considered (e.g. UK personal, commercial)

### CEE

Central and Eastern Europe. From 3Q 15 onwards CEE is reported excluding Russia and Ukraine.

### CNHR

Cost of residual non-hedgeable risk: The allowance made in the MCEV for non-hedgeable risks. This allowance should include the impact of non-hedgeable non-financial risks and non-hedgeable financial risks.

### CO

Corporate and Other

### Combined ratio (CR)

Represents the total of acquisition and administrative expenses (net), excluding one-off effect from pension revaluation, and claims and insurance benefits incurred (net) divided by premiums earned (net).

### Cost-income ratio (CIR)

Operating expenses divided by operating revenues

### Covered bonds

Debt securities covered by a pool of mortgage loans or by public-sector loans with investors having a preferential claim in case of a default

## Glossary (3)

<b>CReC</b>	Frictional cost of required capital: The allowance made in the MCEV for the frictional costs of required capital. Frictional costs should reflect the taxation and investment costs on the assets backing required capital. Further, frictional costs may be due to any sharing of investment income on required capital with policyholders.
<b>Current yield</b>	Represents interest and similar income divided by 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.
<b>DAC</b>	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. These typically include commissions paid and the costs of processing proposals.
<b>Earnings per share (EPS)</b>	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).
<b>EIOPA</b>	European Insurance and Occupational Pensions Authority
<b>Expense ratio (ER)</b>	Acquisition and administrative expenses (net) divided by premiums earned (net)
<b>F/X</b>	Foreign exchange
<b>Fair value (FV)</b>	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.
<b>FCD</b>	Financial conglomerates directive: European regulation for the supervision of financial conglomerates and financial groups involved in cross-sectoral business operations.
<b>Financial assets carried at fair value through income</b>	Financial assets carried at fair value through income include financial assets held for trading and financial assets designated at fair value through income.
<b>Financial liabilities carried at fair value through income</b>	Financial liabilities carried at fair value through income include financial liabilities held for trading and financial liabilities designated at fair value through income.



## Glossary (4)

<b>Fixed index annuity (FIA)</b>	Annuity contract whereby the policyholder is credited based on movements in stated equity or bond market indices with protection of principal
<b>FVO</b>	Fair value option: Financial assets and liabilities designated at fair value through income are measured at fair value with changes in fair value recorded in the consolidated income statement. The recognized net gains and losses include dividends and interest of the financial instruments. A financial instrument may only be designated at inception as held at fair value through income and cannot be subsequently changed.
<b>Goodwill</b>	Difference between the cost of acquisition and the fair value of the net assets acquired
<b>Government bonds</b>	Government bonds include government and government agency bonds.
<b>Gross/Net</b>	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.
<b>Harvesting rate</b>	$(\text{Realized gains and losses (net)} + \text{impairments on investments (net)}) / \text{average investments and loans at book value (excluding income from financial assets/ liabilities carried at fair value)}$
<b>IFRS</b>	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).
<b>Inclusive Meritocracy Index (IMIX)</b>	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
<b>Internal growth</b>	Enhances the understanding of our total revenue performance by excluding the effects of foreign currency translation as well as of acquisitions and disposals
<b>IRR</b>	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
<b>L/H</b>	Life and health insurance

## Glossary (5)

### L/H lines of business

**Guaranteed savings & annuities:** Guaranteed savings and annuities are life insurance obligations that always relate to the length of human life. Life obligations may be related to guarantees offering life and/or death coverage of the insured in the form of single or multiple payments to a beneficiary.

**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. Performance is linked to a separate account and 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 L/H segment consolidated basis.

**Loadings & fees:** Includes premium and reserve based fees, unit-linked management fees and policyholder participation on expenses

**Investment margin:** Is defined as IFRS investment income net of expenses less interest credited to IFRS reserves less policyholder participation

**Expenses:** Includes commissions, acquisition expenses and administration expenses

**Technical margin:** Comprises risk result (risk premiums less benefits in excess of reserves less policyholder participation), lapse result (surrender charges and commission claw-backs) and reinsurance result

**Impact of change in DAC:** Includes effects of change in DAC, URR and VOBA and is the net impact of deferral and amortization of acquisition costs and front-end loadings on operating profit

### Latin America

South America and Mexico

### Loss frequency

Number of accident year claims reported divided by number of risks in-force

### Loss ratio (LR)

Claims and insurance benefits incurred (net) divided by premiums earned (net). Loss ratio calendar year (c.y.) includes the results of the prior year reserve development in contrast to the loss ratio accident year (a.y.).

### Loss severity

Average claim size (accident year gross claims reported divided by number of claims reported)

### MBS

Mortgage-backed securities: Securities backed by mortgage loans

## Glossary (6)

<b>MCEV</b>	<p>Market consistent embedded value is a measure of the consolidated value of shareholders' interests in the covered business. It is defined as:</p> <p>Net asset value (NAV)</p> <ul style="list-style-type: none"> <li>– Present value of future profits (PVFP)</li> <li>– Time value of options and guarantees (O&amp;G)</li> <li>– Cost of residual non-hedgeable risk (CNHR)</li> <li>– Frictional cost of required capital (CReC)</li> </ul>
<b>MCEV on SII balance sheet</b>	Represents market consistent embedded value based on SII balance sheet
<b>MoR</b>	Margin on reserves: 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, where 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
<b>NatCat</b>	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
<b>NAV</b>	Net asset value: Capital not backing local statutory liabilities, valued at market value
<b>NBM</b>	New business margin: Value of new business divided by present value of new business premiums
<b>Non-controlling interests</b>	Those parts of the equity of affiliates which are not owned by companies of the Allianz Group
<b>NPE</b>	Net premiums earned
<b>Net promoter score (NPS)</b>	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.
<b>OAB</b>	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.

## Glossary (7)

<b>OE</b>	Operating entity
<b>Operating profit (OP)</b>	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
<b>P/C</b>	Property and casualty insurance
<b>PHP</b>	Policyholder participation
<b>PIMCO</b>	Pacific Investment Management Company Group
<b>Premiums written/earned (IFRS)</b>	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.
<b>PVFP</b>	Present value of future profits: Future (statutory) shareholder profits after tax projected to emerge from operations and assets backing liabilities, including value of unrealized gains on assets backing policy reserves
<b>PVNBP</b>	Present value of new business premiums: Present value of projected new regular premiums, discounted with risk-free rates, plus the total amount of single premiums received
<b>Reinsurance</b>	An insurance company transfers part of its insurance risk assumed to another insurance company.
<b>Required capital</b>	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
<b>Retained earnings</b>	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 (8)

<b>Return on equity (RoE)</b>	<p><b>RoE Group:</b> Represents net income attributable to shareholders divided by the average shareholders' equity excluding unrealized gains/losses on bonds (net of shadow DAC) at begin of the period and at end of the period.</p> <p><b>RoE L/H OE:</b> Represents net income divided by the average total equity excluding unrealized gains/losses on bonds (net of Shadow DAC) and excluding goodwill at begin of the period and at end of the period.</p>
<b>RfB</b>	Reserves for premium refunds (in German: "Rückstellung für Beitragsrückerstattung"): That part of the surplus which will be distributed to policyholders in the future. This refund of premiums is made on the basis of statutory, contractual, or company by-law obligations, or voluntary undertaking.
<b>Risk capital</b>	Minimum capital required to ensure solvency over the course of one year with a certain probability which is also linked to our rating ambition
<b>RM</b>	Risk margin: A component of the technical provisions (TP) under Solvency II and represents the additional amount on top of the fair value of liabilities (best estimate liabilities) that insurance and reinsurance obligations are expected to require in order to take over and meet the insurance and reinsurance obligations related to non-hedgeable risks.
<b>Run-off ratio</b>	Run-off ratio is calculated as run-off result (result from reserve releases in P/C business) in percent of net premiums earned.
<b>RWA</b>	Risk-weighted assets: All assets of a bank multiplied by the respective risk-weight according to the degree of risk of each type of asset
<b>SE</b>	Societas Europaea: European stock company
<b>Solvency ratio</b>	Ratio indicating the capital adequacy of a company comparing eligible funds to required capital
<b>Sovereign bonds</b>	Sovereign bonds include government and government agency bonds.
<b>Statutory premiums</b>	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
<b>TIO</b>	Territory Insurance Office

## Glossary (9)

<b>Total equity</b>	Represents the sum of shareholders' equity and non-controlling interests
<b>Total revenues</b>	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)
<b>Unrealized gains and losses</b> (net) (as part of shareholders' equity)	Include primarily unrealized gains and losses from available-for-sale investments net of tax and policyholder participation
<b>URR</b>	The unearned revenue reserve contains premium components that refer to future periods, which are reserved and released over the lifetime of the corresponding contracts.
<b>Variable annuity</b> (VA)	Annuity contract whose value fluctuates based on performance of an underlying investment portfolio of funds; benefit payouts will vary based on account value of the contract.
<b>VIF</b>	Value of in-force: Present value of future profits from in-force business (PVFP) minus the time value of financial options and guarantees (O&G) granted to policyholders, minus the cost of residual non-hedgeable risk (CNHR), minus the frictional cost of holding required capital (CReC)
<b>VNB</b>	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 expense overrun or underrun, minus the time value of financial option and guarantees (O&G), minus the cost of residual non-hedgeable risk (CNHR), minus the frictional cost of holding required capital (CReC), all determined at issue date.
<b>VOBA</b>	Value of the business acquired: It refers to the present value of future profits (PVFP) associated with a block of business purchased.
<b>3-year-outperformance AM</b>	Three-year rolling investment performance reflects the mandate-based and volume-weighted three-year investment success of all third-party assets that are managed by AAM's portfolio-management units. For separate accounts and mutual funds the investment success (valued on the basis of the closing prices) is compared with the investment success prior to cost deduction of the respective benchmark, based on various metrics. For some mutual funds, the investment success, reduced by fees, is compared with the investment success of the median of the respective Morningstar peer group (a position in the first and second quartile is equivalent to outperformance).

# 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**

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