

# Group financial results 1Q 2014

Dieter Wemmer  
Chief Financial Officer

Journalists' conference call  
May 14, 2014

# 1

Group financial  
results 1Q 2014

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

# Business highlights from the first quarter of 2014

## Property-Casualty

- “Allianz One” in Italy: Successful launch of modular cover with 13,000 policies sold in 1Q
- “Privatschutz” in Germany: Number of modular cover policies increases in 1Q by 170,000

## Life / Health

- Fixed-indexed annuity products by Allianz Life US more than double sales in 1Q compared to prior year
- Launch of “Allianz Global Benefits” providing multinational companies with employee benefit solutions
- “Perspektive” in Germany with continued high demand: 15,000 policies sold in 1Q

## Asset Management

- PIMCO launches its largest private fund ever with some USD 5.5bn in committed capital
- “Income and Growth Fund” by AllianzGI meets strong demand with net inflows of EUR 2.3bn in 1Q

## Investments

- Investments in real assets: acquisition and financing of shopping centers in Düsseldorf and Stuttgart
- AllianzGI infrastructure debt investments surpass EUR 2bn with funding of motorway in Belgium

## Acquisition

Agreement to acquire property & casualty business and distribution capacity in Italy from UnipolSai

## Sustainability

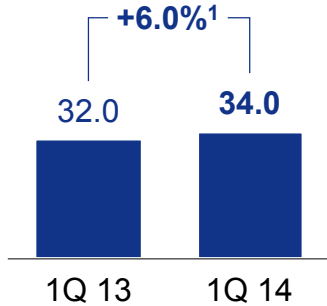
Allianz signs UN Principles for Sustainable Insurance, underwriting and risk standards across Allianz Group now incorporate environmental, social and governance criteria

## Branding

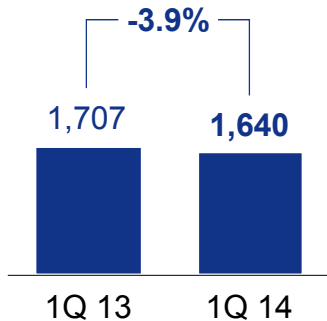
Acquisition of stake in soccer club FC Bayern München and strengthening of long-term cooperation

# 2014 starts with strong results

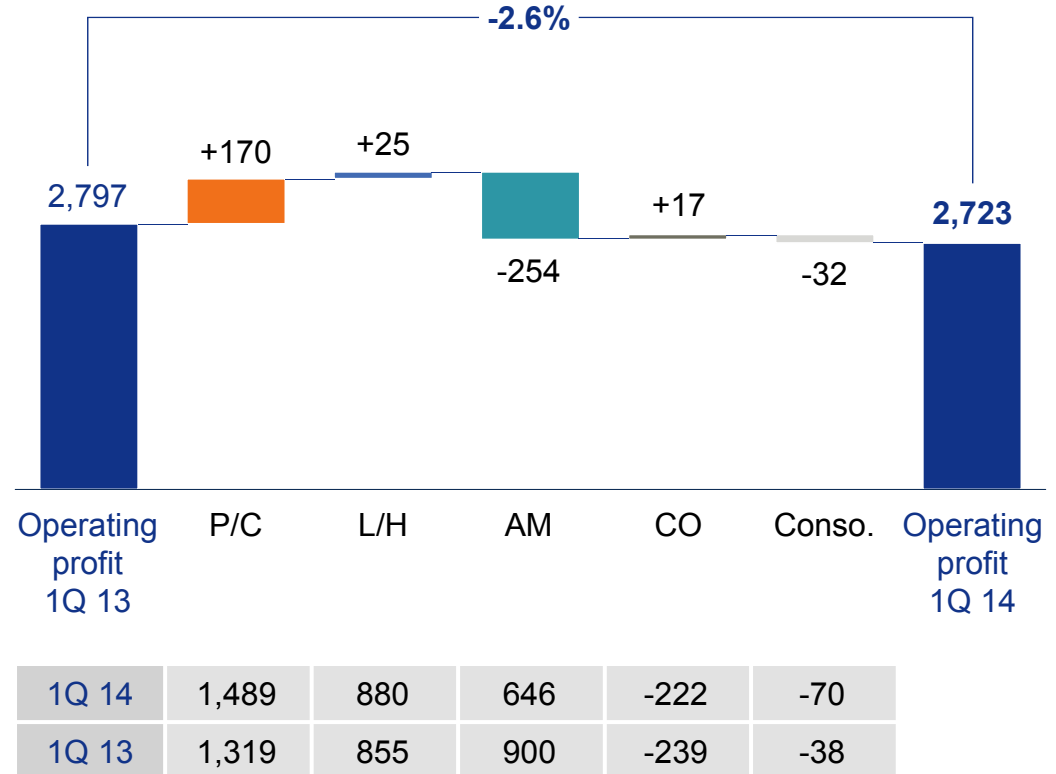
Total revenues (EUR bn)



Net income<sup>3</sup> (EUR mn)



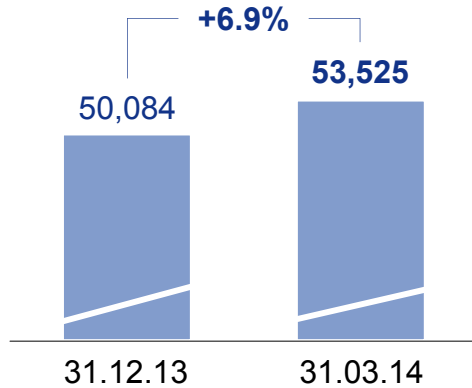
Operating profit drivers<sup>2</sup> (EUR mn)



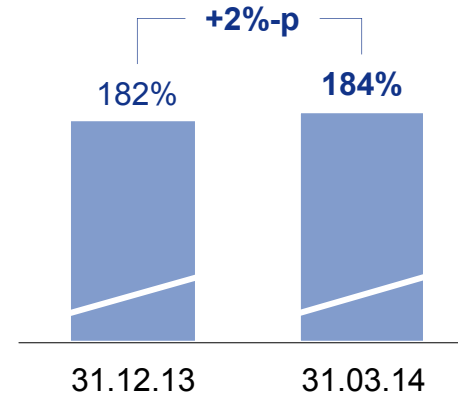
1) Internal growth of +7.4%, adjusted for F/X and consolidation effects  
 2) Effective 2014, certain entities were allocated from Asset Management to Life/Health and Banking  
 3) Net income attributable to shareholders

# Healthy “AA” capital position

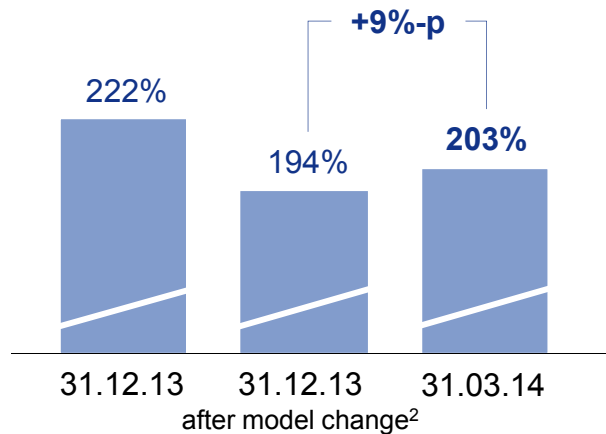
Shareholders' equity (EUR mn)



Conglomerate solvency<sup>1</sup> (%)



Economic solvency (%)



S&P capital adequacy

Allianz' rating at “AA” with “stable” outlook

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

## Internal growth of 1.9 percent (EUR mn)

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

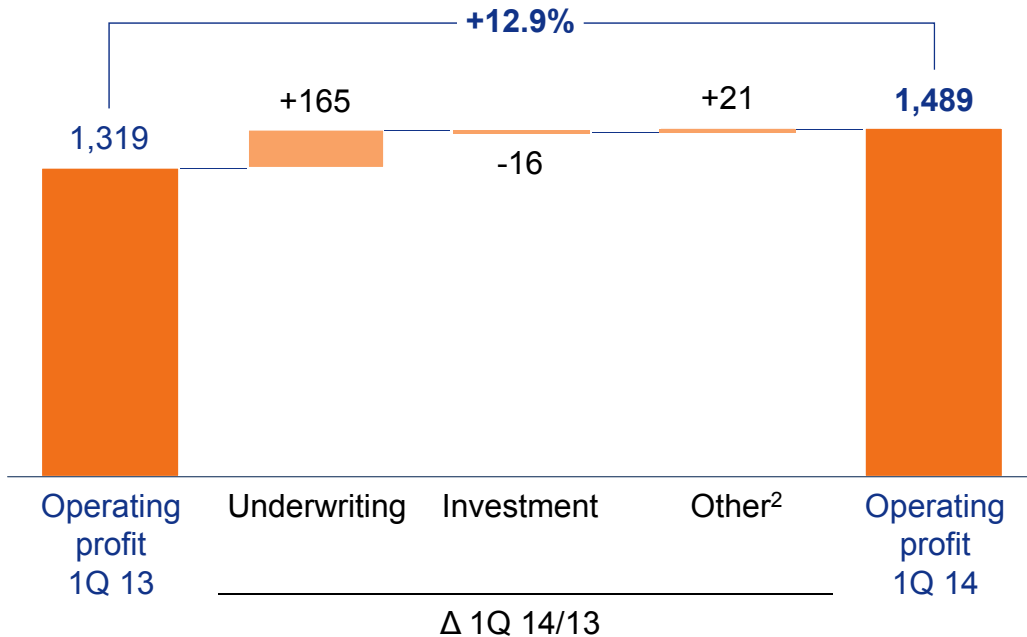
1) Adjusted for F/X and consolidation effects

2) Allianz Worldwide Partners includes the business of Allianz Global Assistance, Allianz Worldwide Care, the management holding as well as the reinsurance business of Allianz Global Automotive

3) South America and Mexico

# Strong underwriting results continue

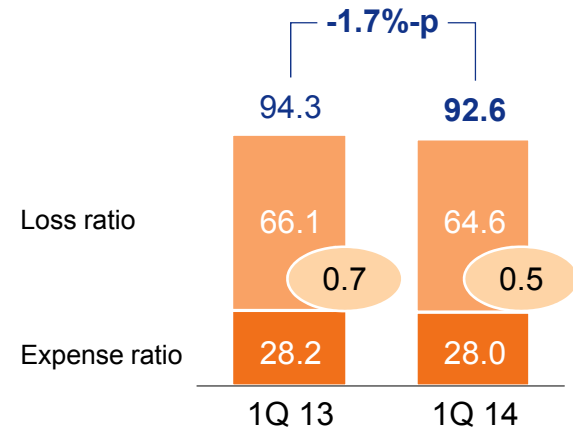
## Operating profit drivers (EUR mn)



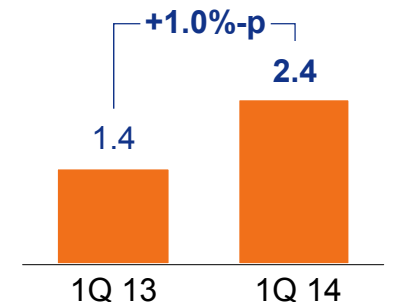
1Q 14	705	747	37
1Q 13	540	763	16

## Combined ratio (in %)

NatCat impact<sup>1</sup> (in %-p)



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



1) NatCat costs (without reinstatement premiums and run-off): EUR 70mn (1Q 2013) and EUR 54mn (1Q 2014)

2) Including restructuring charges

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

## Operating profit up 12.9 percent (EUR mn)

1Q 2014		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>1,489</b>	<b>+12.9%</b>	<b>92.6%</b>	<b>-1.7%-p</b>	<b>0.5%-p</b>	<b>-0.2%-p</b>
<b>Large OEs</b>	Germany <sup>2</sup>	330	+3.4%	90.6%	-0.8%-p	0.0%-p	0.0%-p
	France	128	+24.3%	93.6%	-2.9%-p	0.0%-p	0.0%-p
	Italy	213	+3.4%	83.7%	-1.9%-p	0.0%-p	0.0%-p
<b>Global lines</b>	AGCS	143	+55.4%	91.9%	-5.4%-p	0.1%-p	-0.2%-p
	Credit Insurance	112	+27.3%	77.8%	-7.1%-p	–	–
	Allianz Worldwide Partners <sup>3</sup>	21	+16.7%	96.7%	-1.6%-p	0.0%-p	0.0%-p
<b>Selected OEs</b>	Central and Eastern Europe	0	-100.0%	106.1%	+7.7%-p	0.0%-p	0.0%-p
	Latin America <sup>4</sup>	41	+5.1%	101.4%	+3.8%-p	0.0%-p	0.0%-p
	USA	24	-48.9%	106.9%	+5.4%-p	6.3%-p	+6.3%-p
	Turkey	23	+35.3%	96.0%	+4.0%-p	0.0%-p	0.0%-p

1) Excluding reinstatement premiums and run-off

2) Combined ratio 1Q 13 included a positive 3.5%-p one-off effect from commutation of internal reinsurance - no impact on segment level

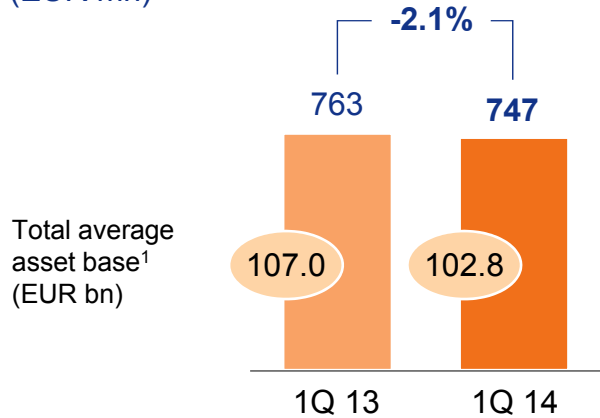
3) Allianz Worldwide Partners includes the business of Allianz Global Assistance, Allianz Worldwide Care, the management holding as well as the reinsurance business of Allianz Global Automotive

4) South America and Mexico



# Current yield on debt securities stable

## Operating investment result (EUR mn)



Interest & similar income <sup>2</sup>	872	840
Net harvesting and other <sup>3</sup>	-41	-24
Investment expenses	-68	-69

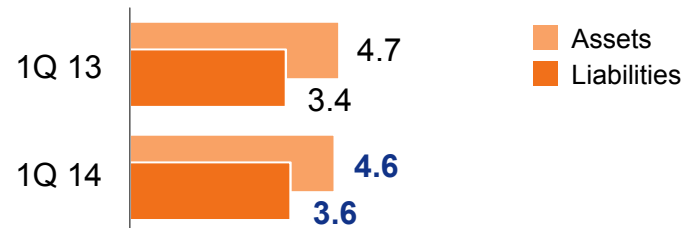
## Current yield (debt securities; in %)



## Reinvestment yield<sup>4</sup> (debt securities; in %)



## Duration<sup>5</sup>



1) Asset base includes health business France, fair value option and trading  
 2) Net of interest expenses

3) Comprises real. gains/losses, impairments (net), fair value option, trading and F/X gains and losses and policyholder participation. Thereof related to APR in Germany: 1Q 2013: EUR -7mn, 1Q 2014: EUR -32mn

4) On an annual basis

5) For the duration calculation non-parallel shift in line with Solvency II yield curves is used from 1Q 2014 onwards

## Strong revenue growth across all core markets (EUR mn)

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

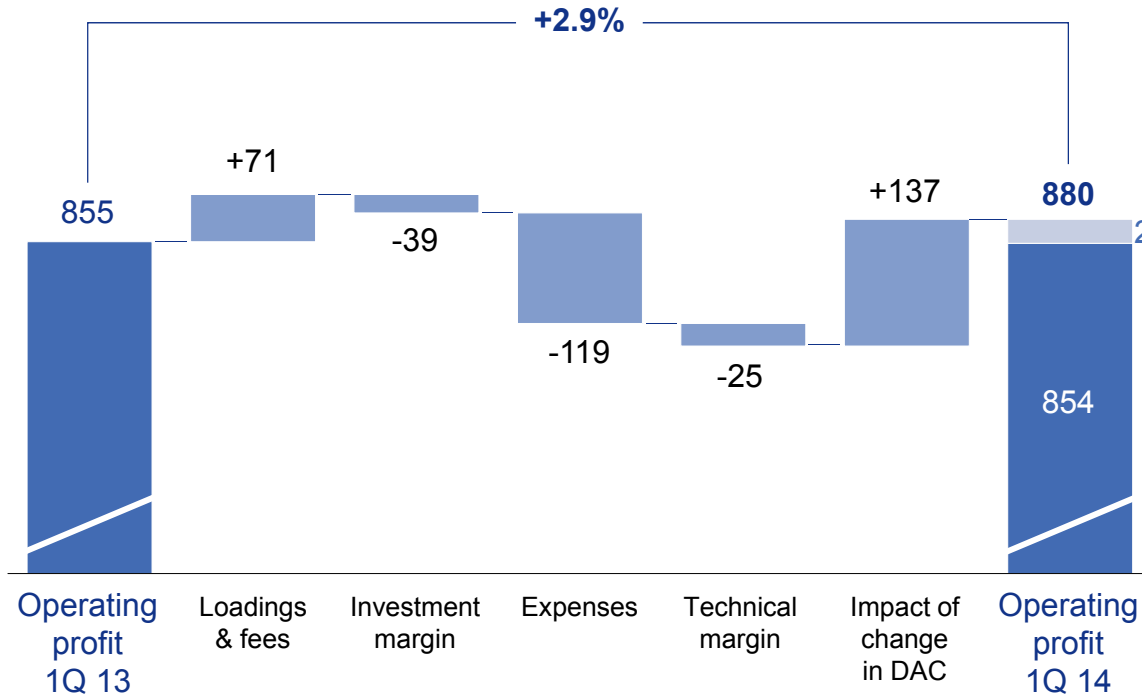
1) Adjusted for F/X and consolidation effects

2) After non-controlling interests

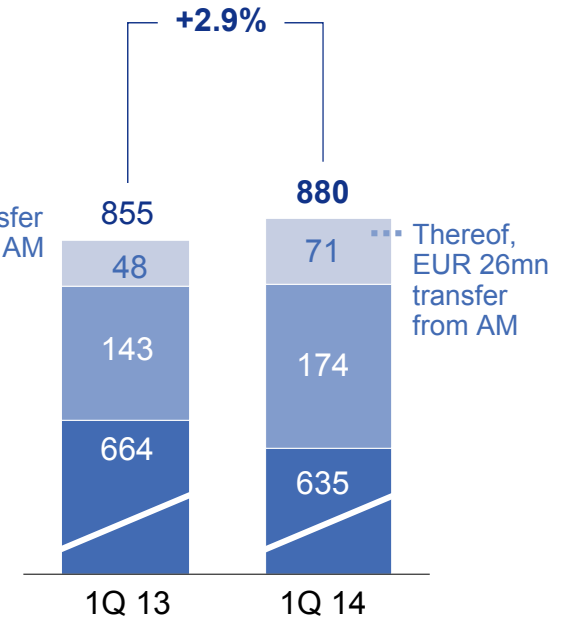
3) Revenues from investment-oriented products in Luxembourg of EUR 518mn in 1Q 2014 (EUR 266mn in 1Q 2013) are reinsured by France. For 1Q 2014, the PVNB of Luxembourg business reinsured with France is included in France (EUR 577mn) and not included in Benelux

# Operating profit stable on like for like basis (EUR mn)

## Operating profit by sources<sup>1,2</sup>



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



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

### Δ 1Q 14/13

1Q 14	1,241	671	-1,496	264	200
1Q 13	1,170	710	-1,377	289	63

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



## Value of new business up more than 50 percent (EUR mn)

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

1) After non-controlling interests

2) Effective 2014, certain entities were allocated from Asset Management to Life/Health and Banking. Impact on operating profit L/H segment EUR +26mn. Thereof: Benelux EUR +0.4mn, Spain EUR +14.8mn, and CEE EUR +9.6mn

3) Value new business for France increased by EUR 31mn from EUR 3mn in 1Q 2013

## Investment margin resilient

(yields are pro-rata)

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

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

2) Based on interest and similar income

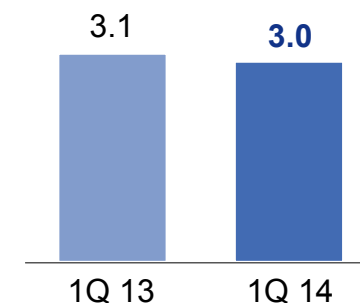
3) Includes bonus to policyholders under local statutory accounting and deferred premium refund under IFRS

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

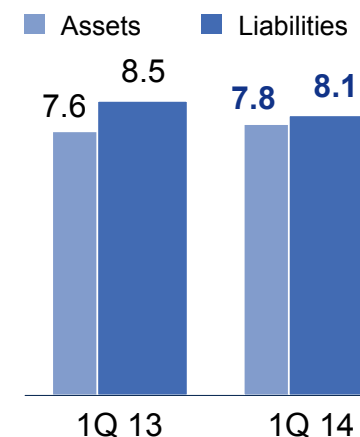
5) On an annual basis

6) For the duration calculation non-parallel shift in line with Solvency II yield curves is used from 1Q 2014 onwards

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

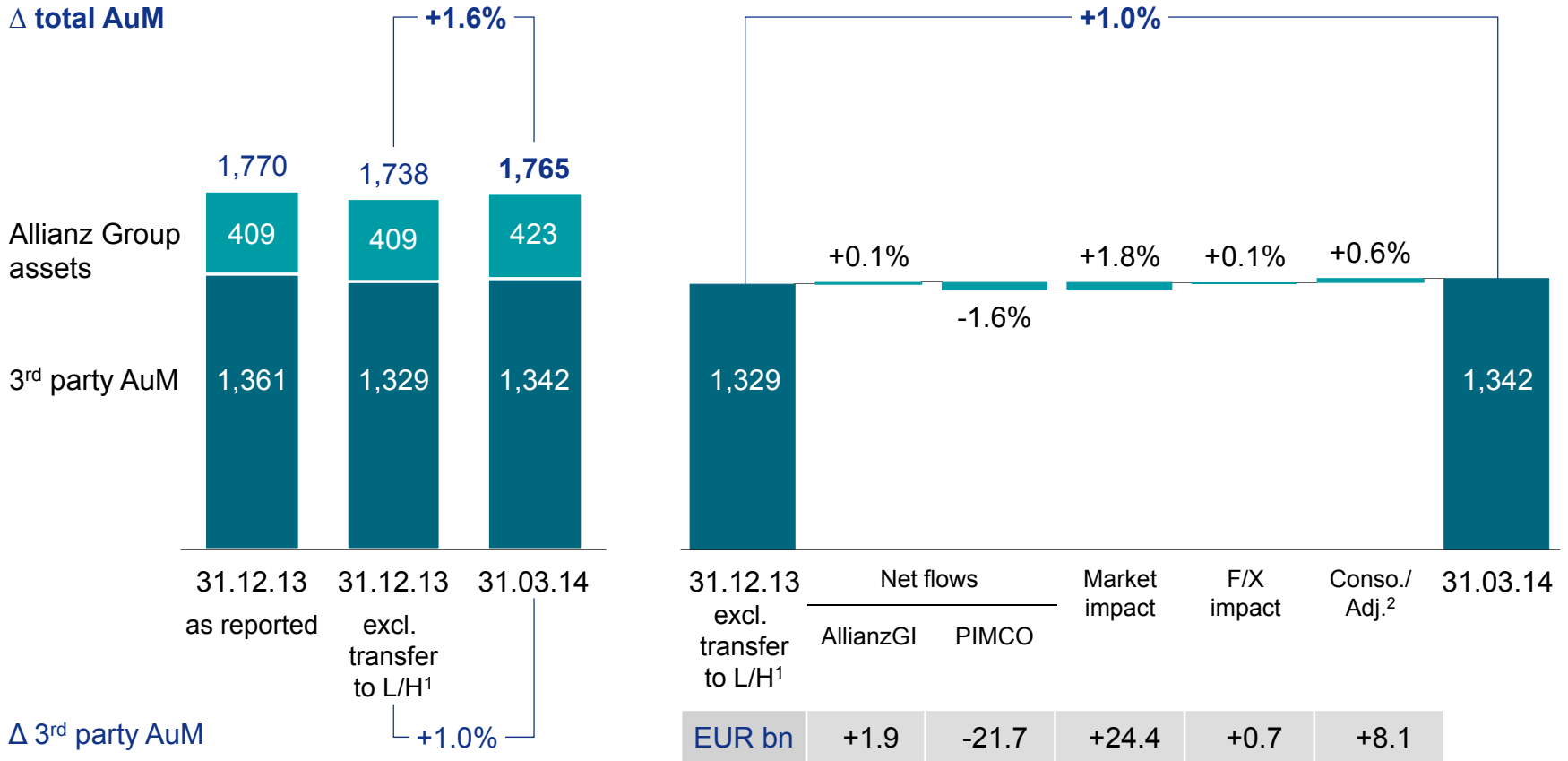


### Duration<sup>6</sup>



# Stable total assets under management (EUR bn)

## Δ total AuM

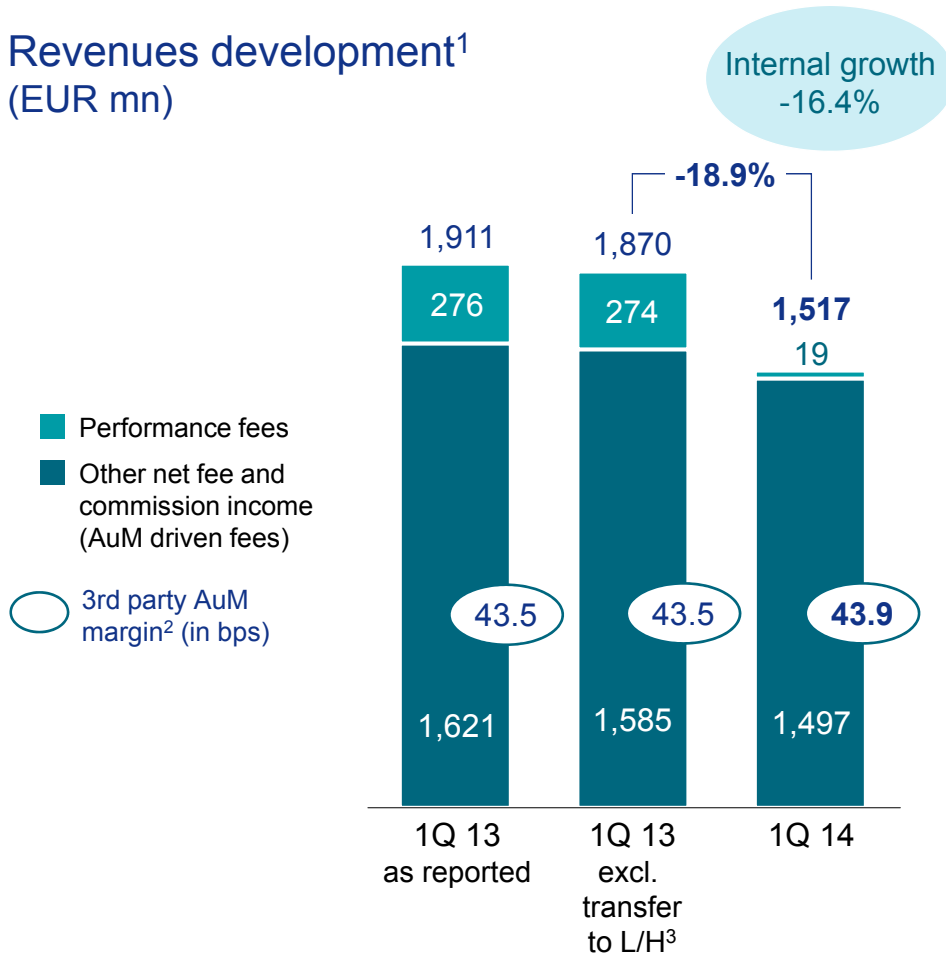


## Δ 3rd party AuM

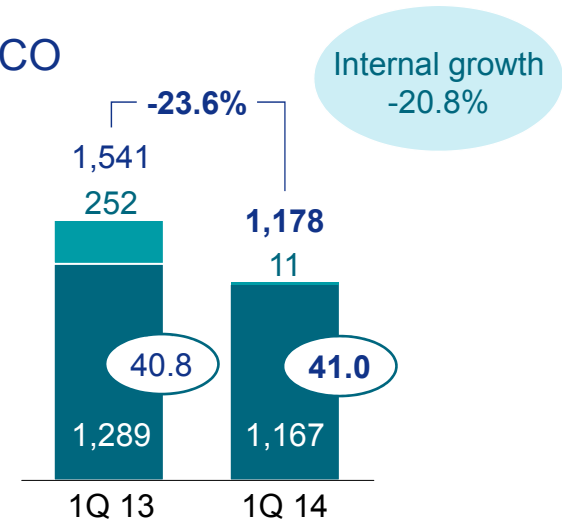
1) Effective 2014, certain entities were allocated from Asset Management to Life/Health and Banking  
 2) Mainly driven by a reporting change reflecting the inclusion of fund of fund assets of EUR +7bn at AllianzGI

# Revenues down mainly due to exceptionally high performance fees in 2013

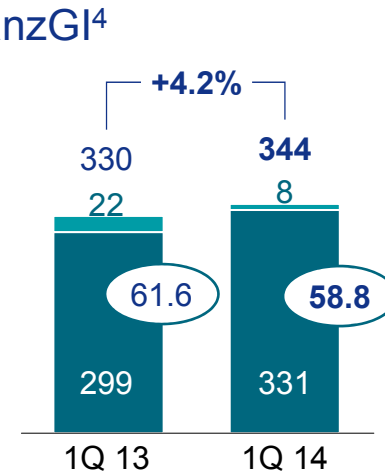
Revenues development<sup>1</sup>  
(EUR mn)



PIMCO



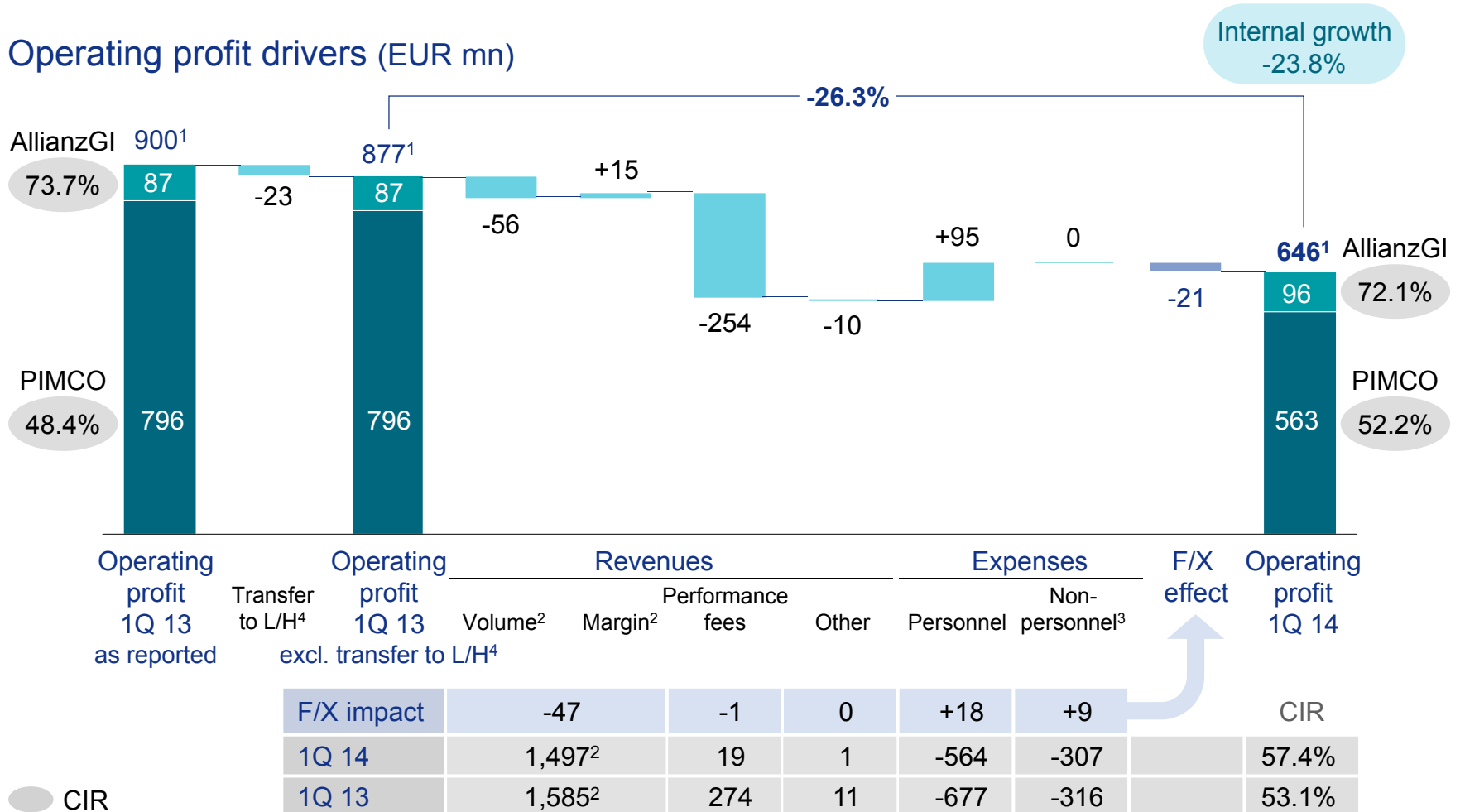
AllianzGI<sup>4</sup>



1) "Other" revenues of EUR 14mn for AM, excl. transfer to L/H EUR 11mn (1Q 2013) and EUR 1mn (1Q 2014) are not shown in the chart  
 2) Excluding performance fees and other income, 3 months  
 3) Effective 2014, certain entities were allocated from Asset Management to Life/Health and Banking  
 4) "Other" AllianzGI revenues of EUR 9mn (1Q 2013) and EUR 5mn (1Q 2014) are not shown in the chart

# Lower revenues affect operating profit development

## Operating profit drivers (EUR mn)

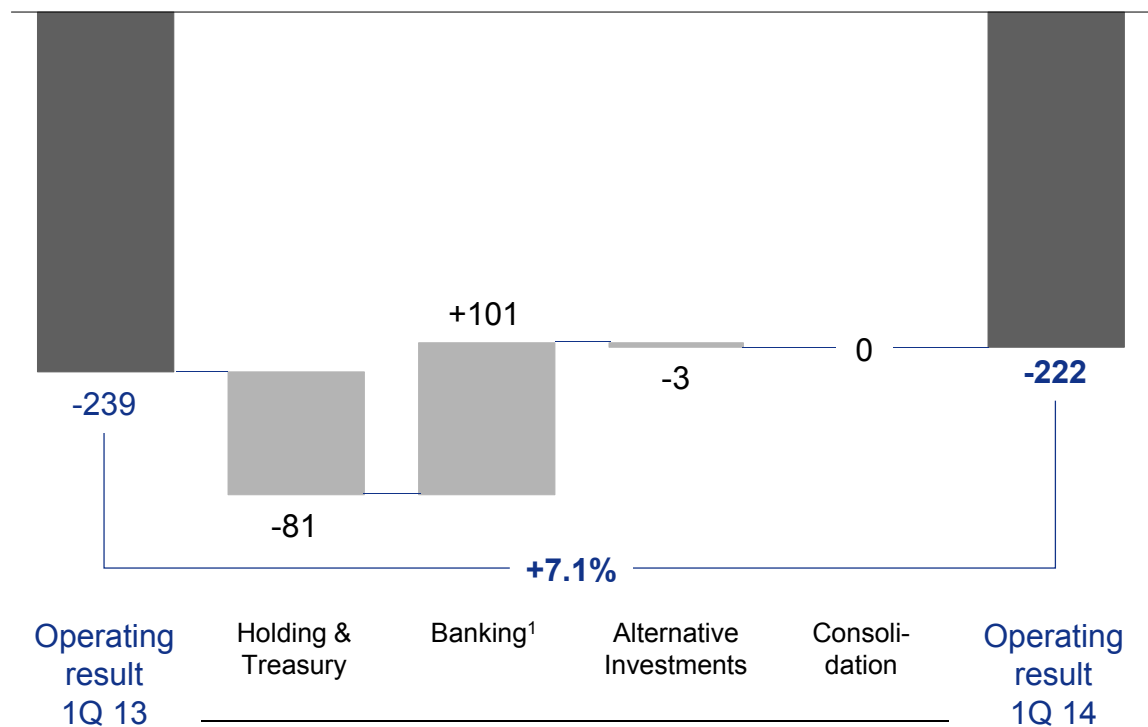


1) Including operating profit/loss from other entities of EUR 17mn (1Q 2013), excl. transfer to L/H EUR -6mn (1Q 2013) and EUR -13mn (1Q 2014), which is not shown in the chart  
 2) Calculation based on currency adjusted average AZ AuM / AZ AuM driven margins and based on currency adjusted average third party AuM / third party AuM driven margins  
 3) Including restructuring expenses  
 4) Effective 2014, certain entities were allocated from Asset Management to Life/Health and Banking



# Operating result improved EUR 17mn (EUR mn)

## Operating loss development and components




	Δ 1Q 14/13				
	Holding & Treasury	Banking <sup>1</sup>	Alternative Investments	Consolidation	
1Q 14	-248	18	8	0	
1Q 13	-167	-83	11	0	

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

## Shareholders' net income of EUR 1.6bn (EUR mn)

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

## Summary of first quarter results

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

### Outlook<sup>1</sup>:

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

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

# 2a

Group financial  
results 1Q 2014

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

# Key figures<sup>1</sup>

## (EUR mn)

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

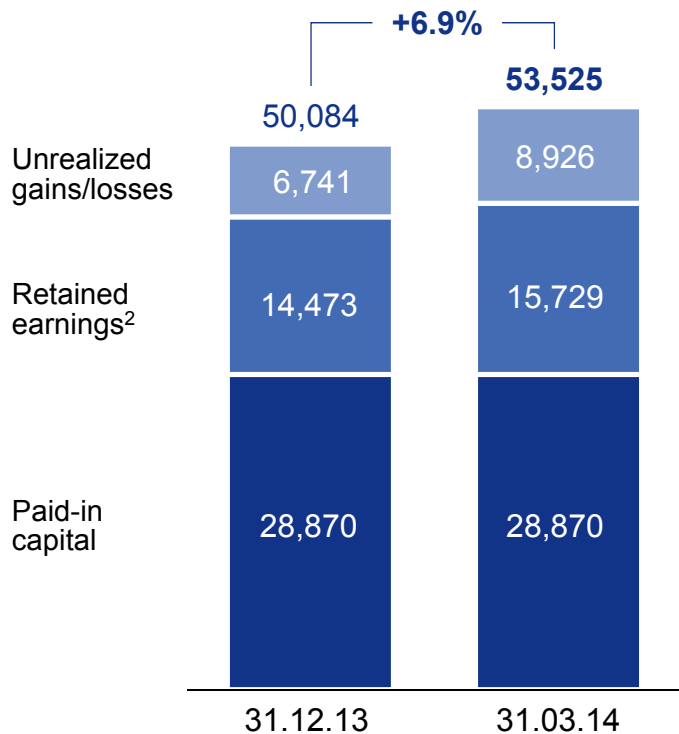
1) Effective 2014, certain entities were allocated from Asset Management to Life/Health and Banking

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

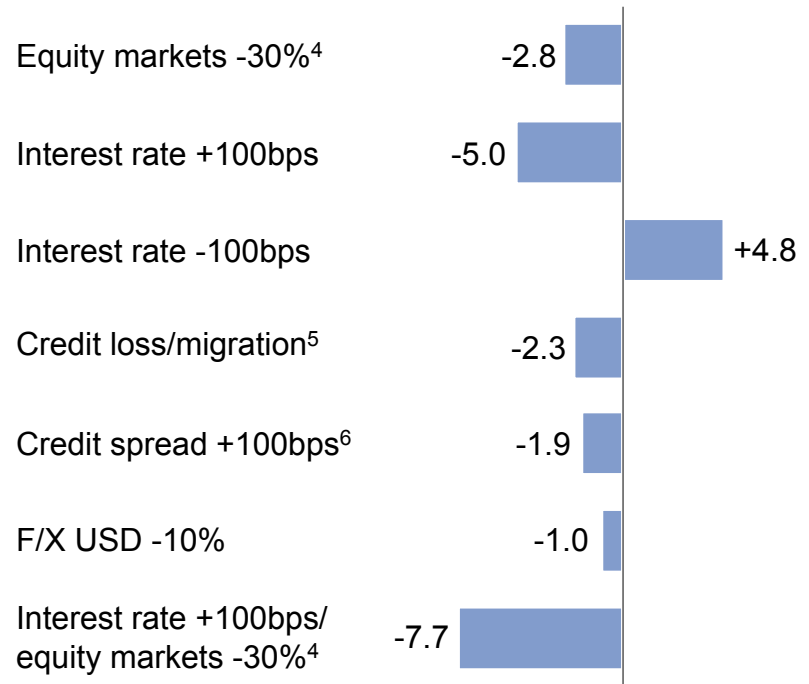
3) Prior year figures have been restated to reflect the retrospective application of the amended standard IFRS 10

# Shareholders' equity and stress tests

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



## Estimation of stress impact<sup>3</sup> (EUR bn)

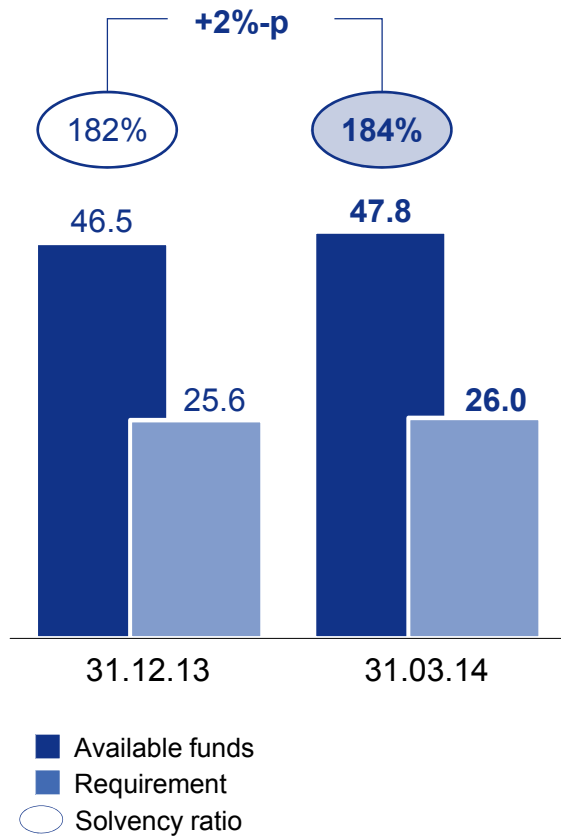


1) Excluding non-controlling interests  
(31.12.13: EUR 2,765mn, 31.03.14: EUR 2,835mn)  
2) Including F/X  
3) After non-controlling interests, policyholder participation, tax and shadow DAC  
4) Including derivatives

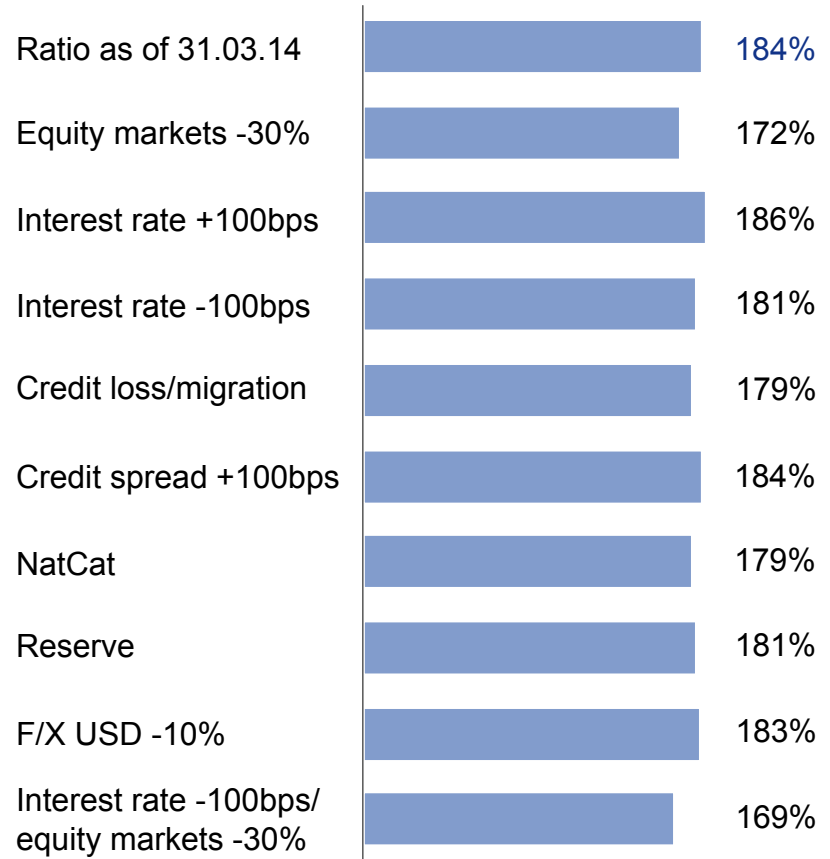
5) Credit loss/migration (on corporate and ABS bonds):  
scenario based on probabilities of default as in 1932,  
migrations adjusted to mimic recession and assumed  
recovery rate of 30%  
6) Credit spread stress on corporate and ABS portfolio

# Conglomerate solvency ratio and stress tests

## Conglomerate solvency<sup>1</sup> (EUR bn)



## Estimation of stress impact<sup>1</sup>



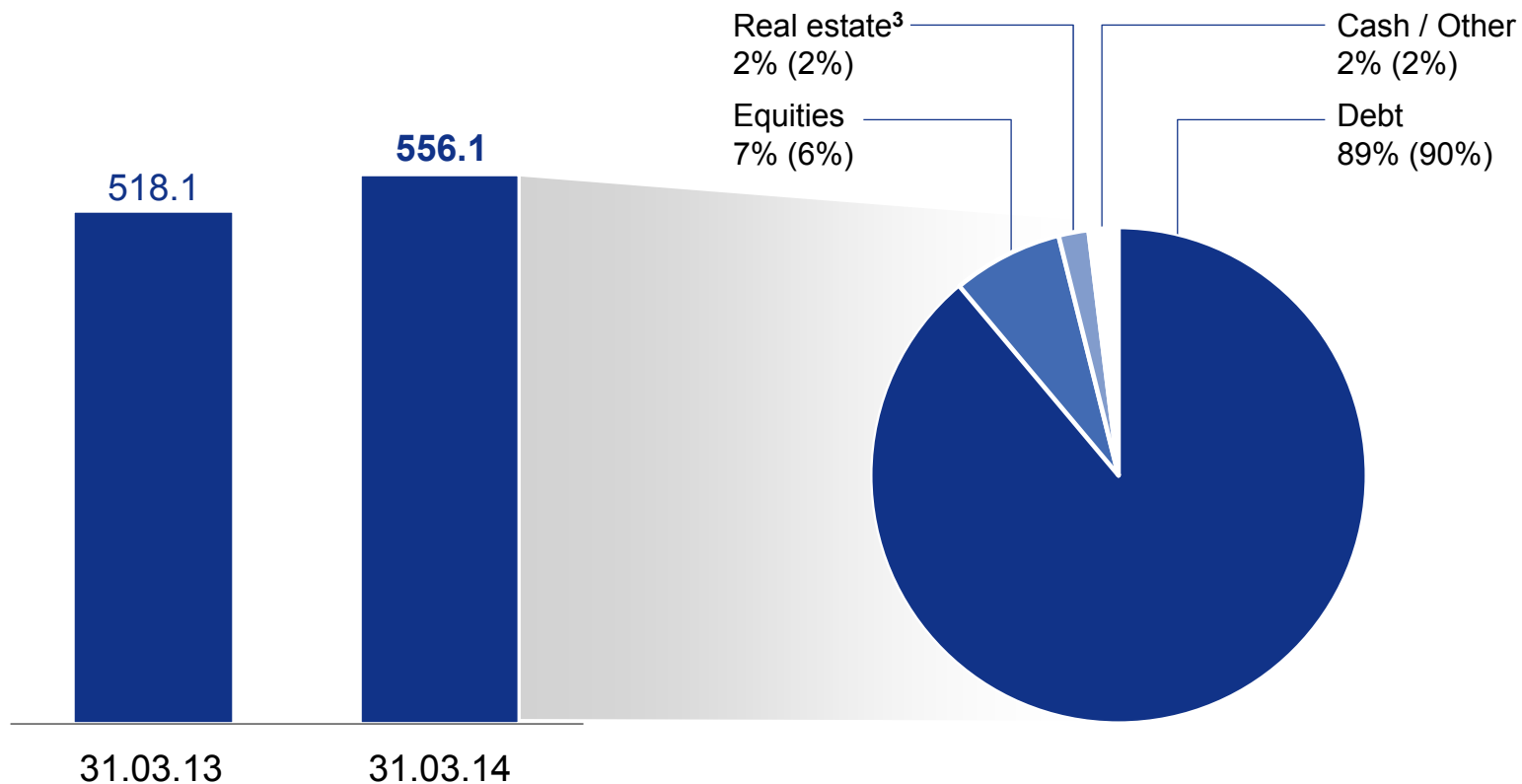
1) Off-balance sheet reserves are accepted as eligible capital only upon request. Allianz SE has not submitted an application so far. Off-balance sheet reserves amounted to: 31.12.13: EUR 2.3bn, 31.03.14: EUR 2.3bn. The solvency ratio excluding off-balance sheet reserves would be 173% for 31.12.13 and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

# Overview investment portfolio (EUR bn)

Group investments and loans<sup>1,2</sup>

as of 31.03.14 (31.03.13)

Total EUR 556.1bn (EUR 518.1bn)



1) Starting 4Q 2013 portfolio discussion is based on investments of insurance segments, Banking operations and Asset Management (excluding unit-linked)

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

3) Excluding real estate own use and real estate held for sale



# 2b

Group financial  
results 1Q 2014

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

## Key figures (EUR mn)

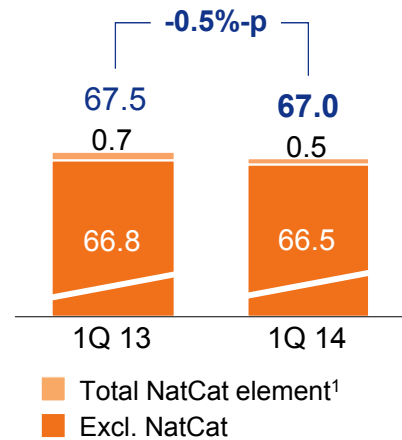
	1Q 2013	2Q 2013	3Q 2013	4Q 2013	1Q 2014	Delta 1Q 14/13
<b>Gross premiums written</b> (EUR bn)	<b>15.2</b>	<b>10.8</b>	<b>10.7</b>	<b>10.0</b>	<b>15.2</b>	<b>+0.0</b>
<b>Operating profit</b>	<b>1,319</b>	<b>1,179</b>	<b>1,236</b>	<b>1,534</b>	<b>1,489</b>	<b>+170</b>
<i>Underwriting result</i>	540	357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

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

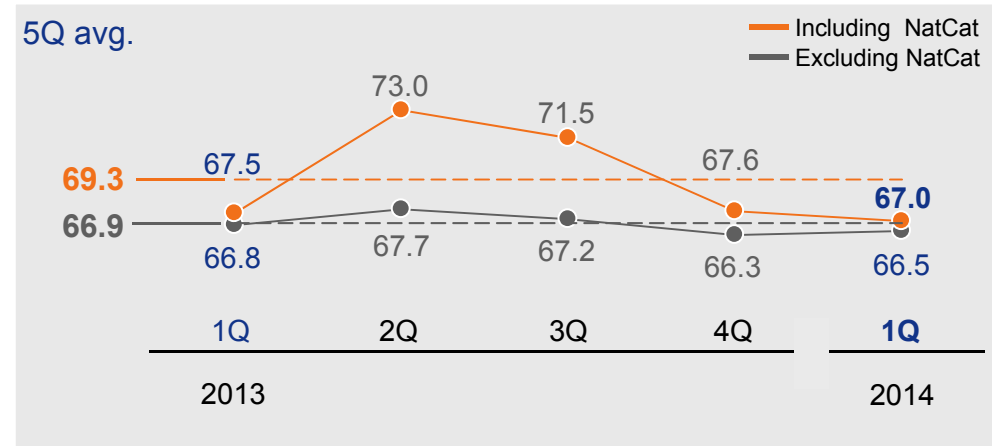
2) Prior year figures have been restated to reflect the retrospective application of the amended standard IFRS 10

# Loss ratio and run-off (in %)

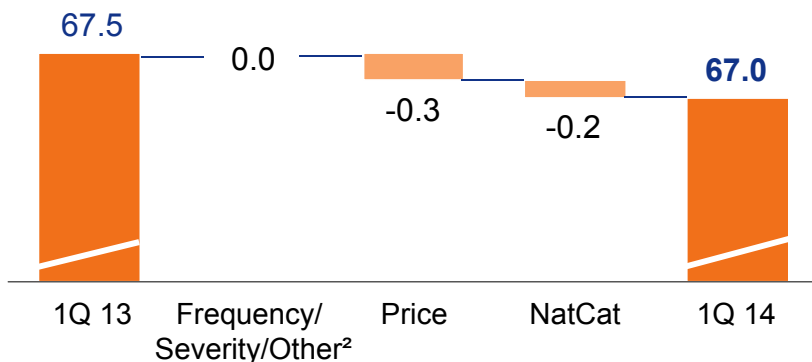
## Accident year loss ratio



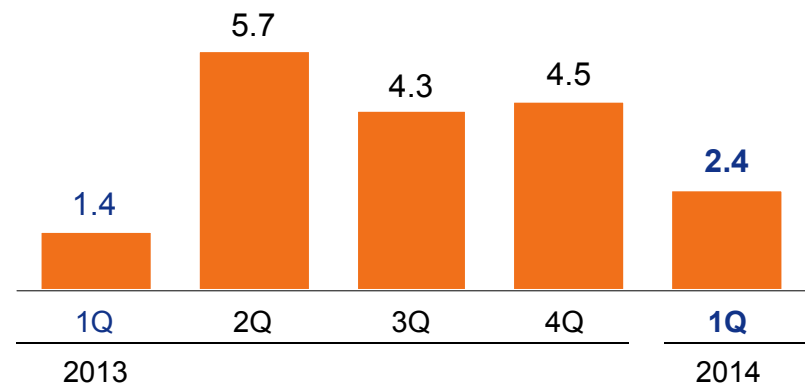
## 5-quarter overview accident year loss ratio



## Development 1Q 14/13



## Run-off ratio<sup>3</sup> (5Q-average: 3.7%)

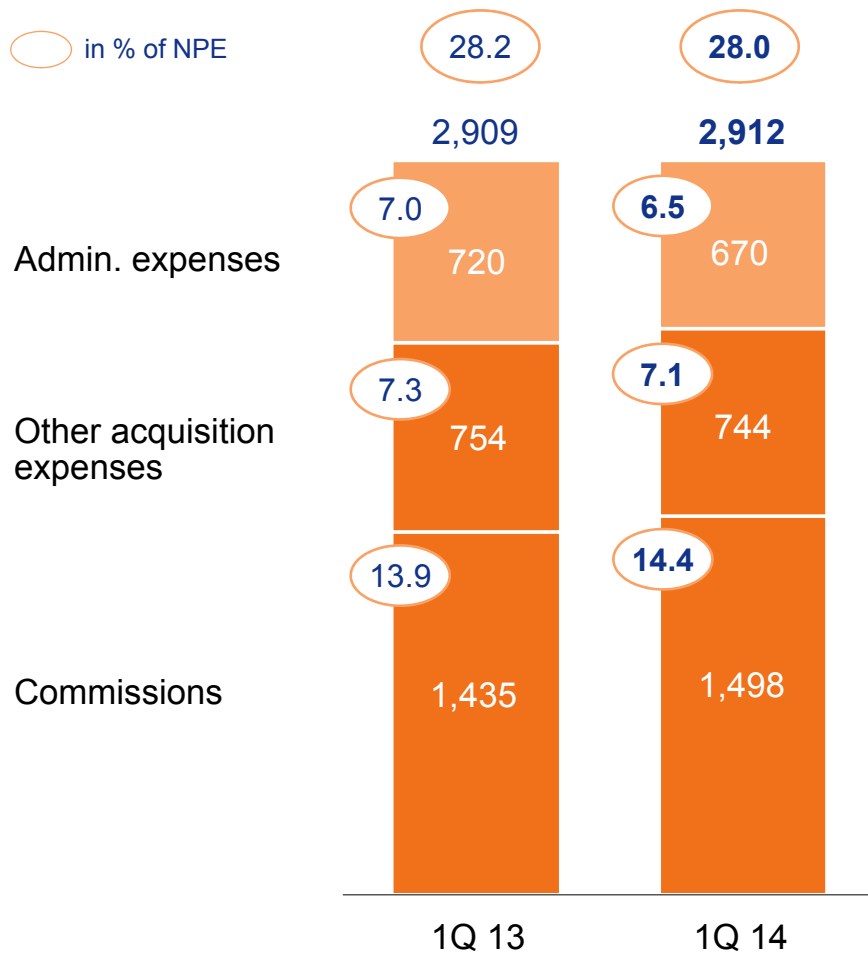


1) NatCat costs (without reinstatement premiums): EUR 70mn (1Q 2013) and EUR 54mn (1Q 2014)

2) Including large claims, reinsurance, credit insurance

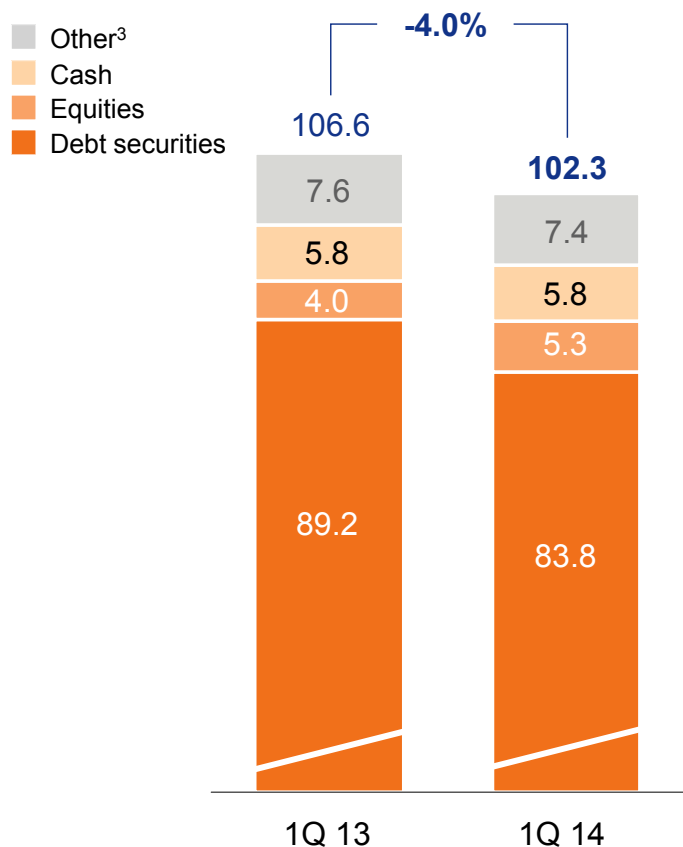
3) Positive values indicate positive run-off; run-off ratio is calculated as run-off result in percent of net premiums earned

# Expense ratio (EUR mn)

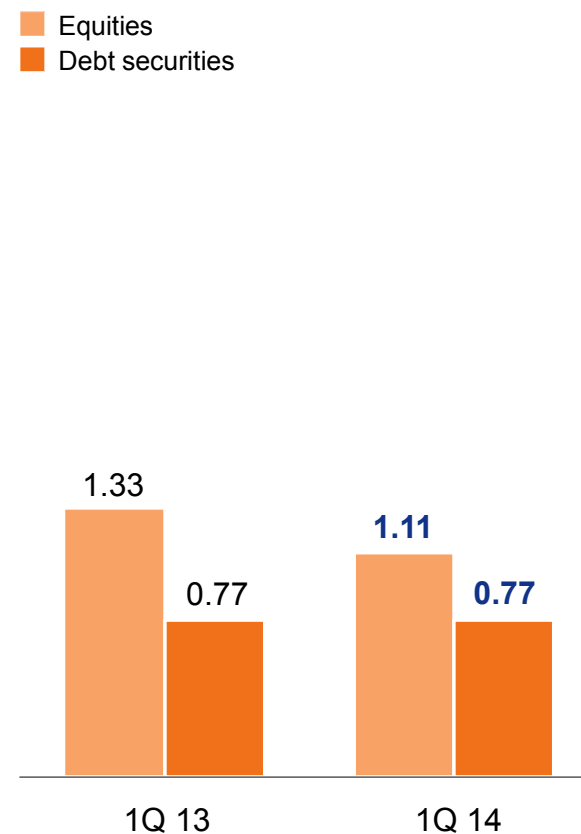


# Average asset base and yields

Average asset base<sup>1</sup> (EUR bn)



Current yield<sup>2</sup> (in %)



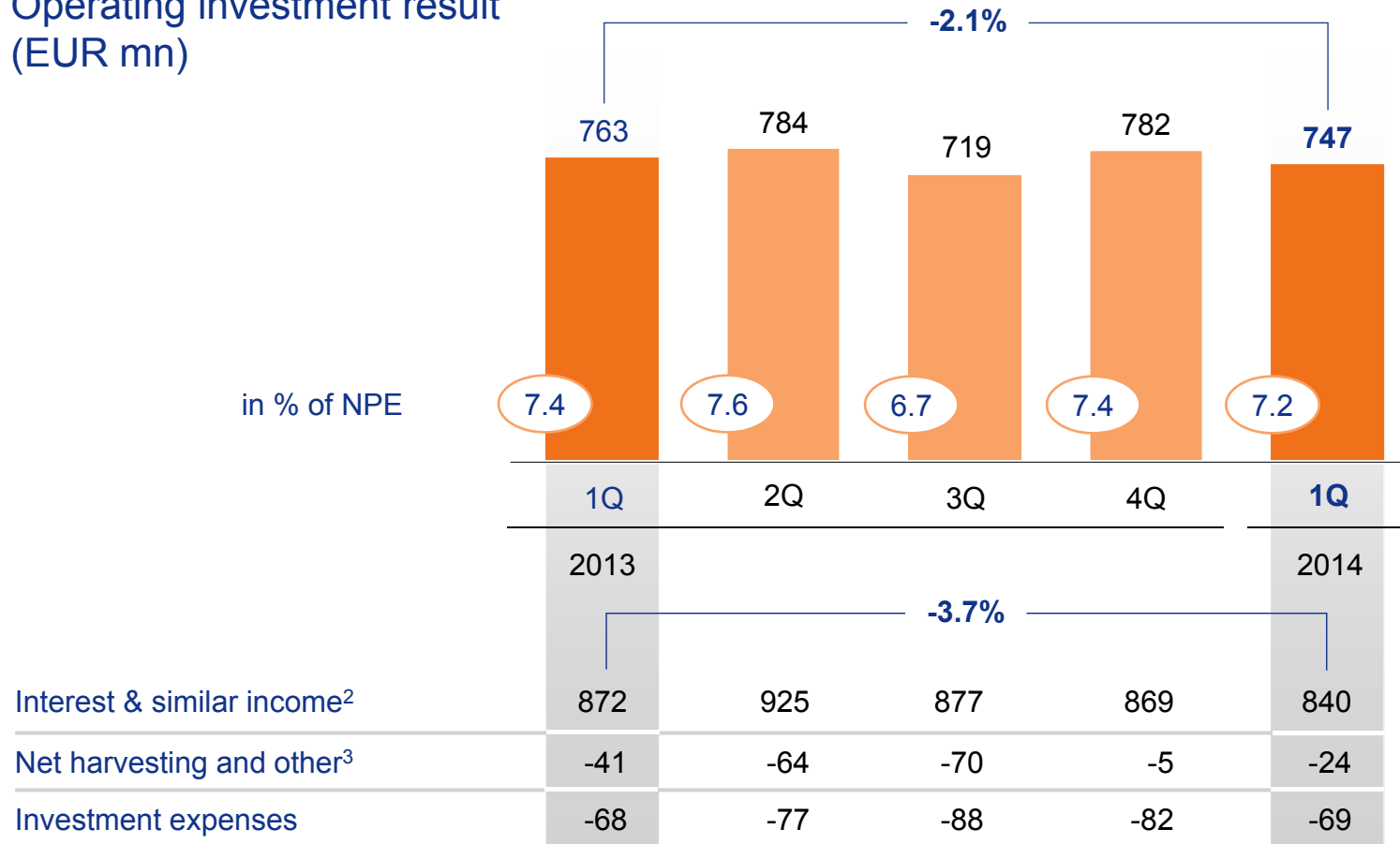
1) Average asset base includes health business France and liabilities from cash pooling, excludes fair value option and trading

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

3) Real estate investments and funds held by others under reinsurance contracts assumed

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

## Operating investment result (EUR mn)



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

2) Net of interest expenses

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

Thereof related to APR in Germany: 1Q 2013: EUR -7mn, 1Q 2014: EUR -32mn

# 2c

Group financial  
results 1Q 2014

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

## Key figures<sup>1</sup> (EUR mn)

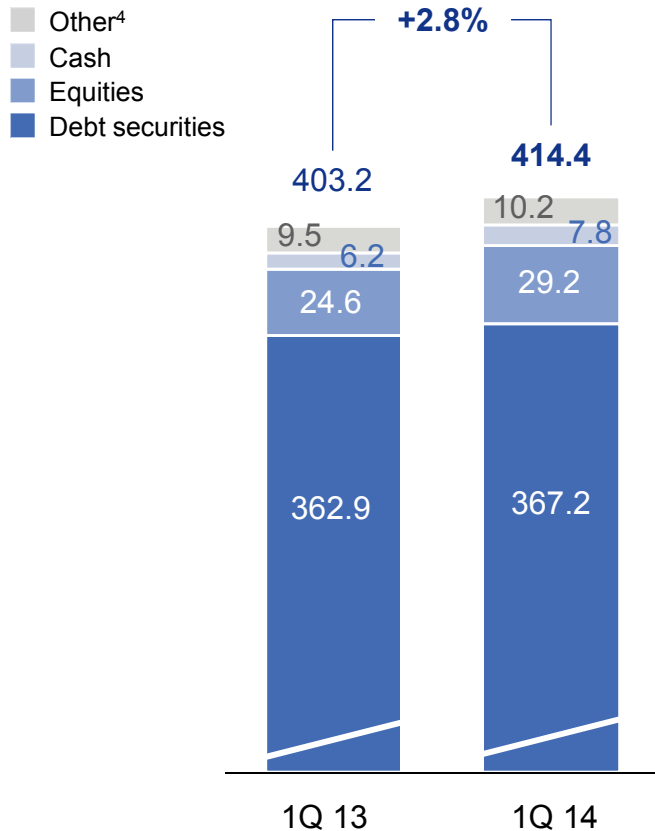
	1Q 2013	2Q 2013	3Q 2013	4Q 2013	1Q 2014	Delta 1Q 14/13
<b>Statutory premiums</b> (EUR bn)	<b>14.8</b>	<b>14.1</b>	<b>12.7</b>	<b>15.1</b>	<b>17.2</b>	<b>+2.4</b>
<b>Operating profit</b>	<b>855</b>	<b>669</b>	<b>769</b>	<b>416</b>	<b>880</b>	<b>+25</b>
Non-operating items	40	11	26	7	4	-36
Income b/ tax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

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

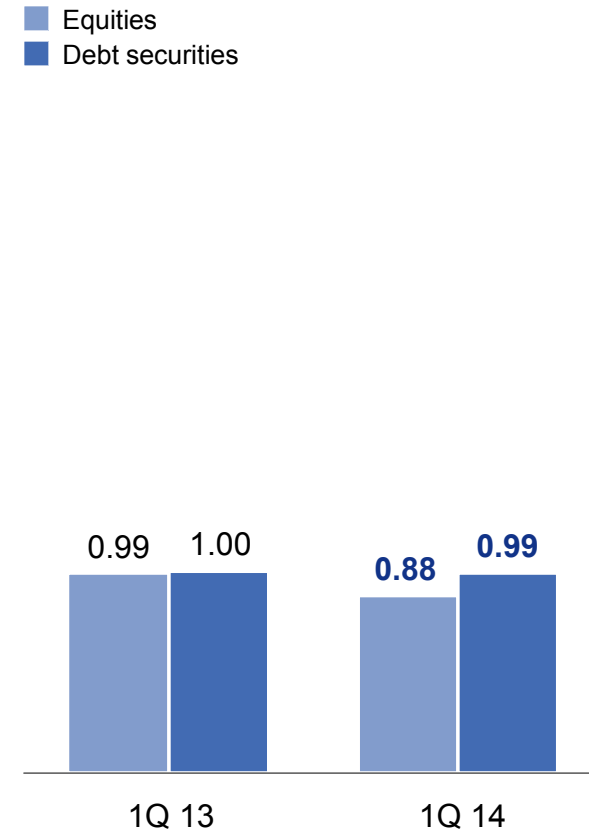


# Average asset base and yields

Average asset base<sup>1,2,3</sup> (EUR bn)



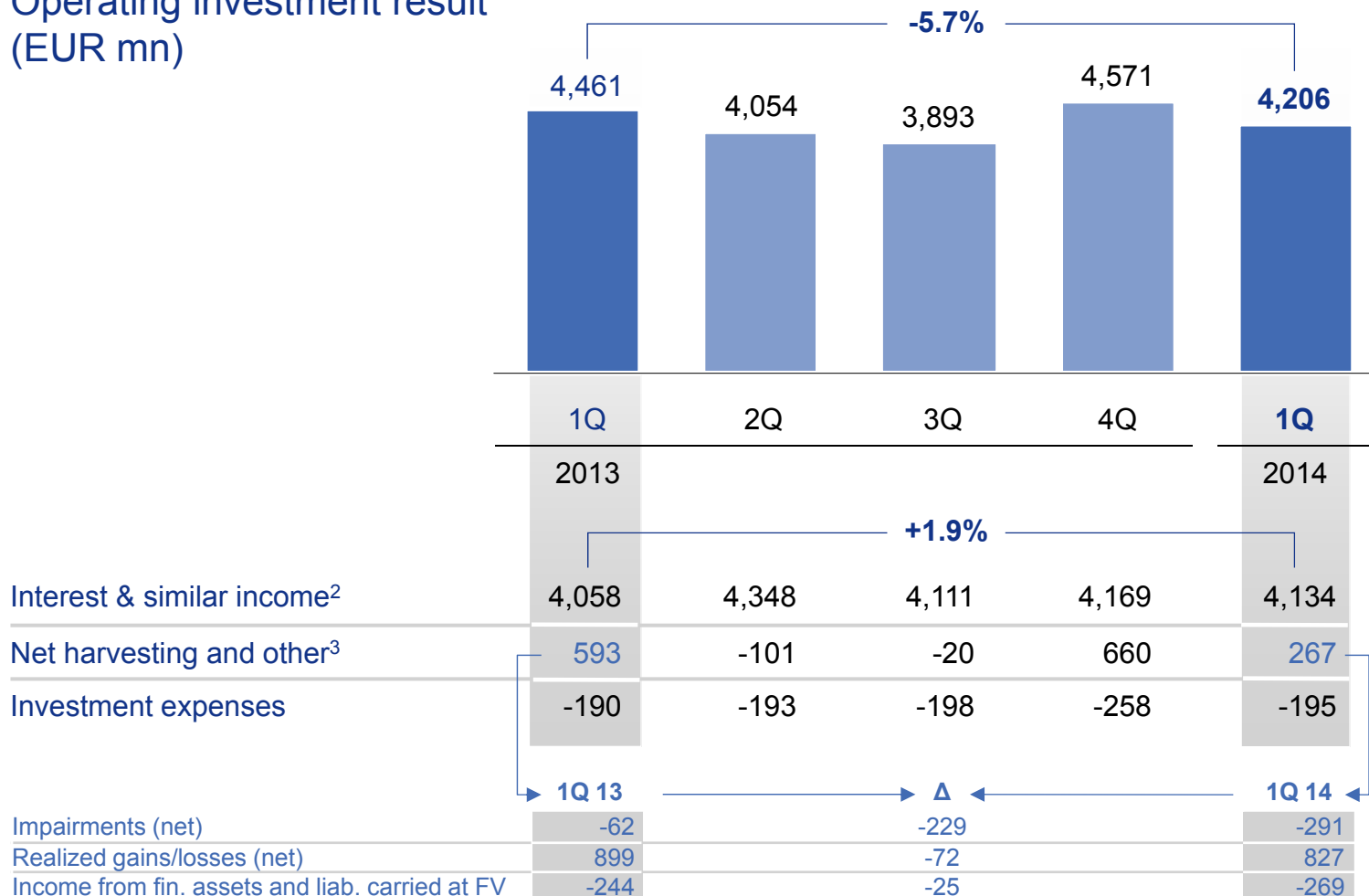
Current yield<sup>2</sup> (in %)



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

# Operating investment result<sup>1</sup>

Operating investment result  
(EUR mn)



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

2) Net of interest expenses

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

# 2d

Group financial  
results 1Q 2014

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

## AAM key figures<sup>1</sup> (1/2)

(EUR mn)

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

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

2) Assets under Management are end of period values

## AAM key figures (2/2)

(EUR mn)

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

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

## Splits of 3rd party AuM<sup>1</sup>

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

1) Comprises 3rd party AuM managed by AAM

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

3) Classification is driven by vehicle types

**2e**

Group financial  
results 1Q 2014

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

# Key figures<sup>1</sup>

(EUR mn)

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

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

2) RWA data is preliminary; based on Basel approach



# 3

Group financial  
results 1Q 2014

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

# Glossary (1)

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

## Glossary (2)

<b>Goodwill</b>	Difference between a subsidiary's purchase price and the relevant proportion of its net assets valued at the current value of all assets and liabilities at the time of acquisition.
<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>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>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>L/H</b>	Life and health insurance
<b>L/H operating profit sources</b>	<p>The objective of the Life/Health operating profit sources analysis is to explain movements in IFRS results by analyzing underlying drivers of performance on a L/H segment consolidated basis.</p> <p><b>Loadings &amp; fees:</b> Includes premium and reserve based fees, unit-linked management fees and policyholder participation on expenses.</p> <p><b>Investment margin:</b> Is defined as IFRS investment income net of expenses less interest credited to IFRS reserves less policyholder participation.</p> <p><b>Expenses:</b> Includes commissions, acquisition expenses and administration expenses</p> <p><b>Technical margin:</b> Comprises risk result (risk premiums less benefits in excess of reserves less policyholder participation), lapse result (surrender charges and commission claw-backs) and reinsurance result.</p> <p><b>Impact of change in DAC:</b> Includes effects of change in DAC, URR and VOBA and is the net impact of deferral and amortization of acquisition costs and front-end loadings on operating profit .</p>

## Glossary (3)

<b>Loss frequency</b>	Number of accident year claims reported divided by number of risks in-force
<b>Loss ratio</b>	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.).
<b>Loss severity</b>	Average claim size (accident year gross claims reported divided by number of claims reported)
<b>MCEV</b>	Market consistent embedded value is a measure of the consolidated value of shareholders' interest in a life portfolio. The Market Consistent Embedded Value is defined as Net asset value (NAV) <ul style="list-style-type: none"> <li>+ Present value of future profits</li> <li>- Time value of financial options and guarantees (O&amp;G)</li> <li>- Frictional cost of required capital</li> <li>- Cost of residual non-hedgeable risk (CNHR)</li> </ul>
<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>NBM</b>	New business margin: Value of new business divided by present value of new business premiums
<b>Non-controlling interests</b>	Represent the proportion of equity of affiliated enterprises not owned by Group companies.
<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.
<b>OE</b>	Operating entity

## Glossary (4)

<b>Operating profit</b>	Earnings from ordinary activities before income taxes and minority interests in earnings, excluding, as applicable for each respective segment, all or some of the following items: Income from financial assets and liabilities carried at fair value (net), realized gains/ losses (net), impairments on investments (net), interest expense from external debt, amortization of intangible assets, acquisition-related expenses and income from fully consolidated private equity investments (net) as this represents income from industrial holdings outside the scope of operating business.
<b>P/C</b>	Property and casualty insurance
<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>Reinsurance</b>	Where an insurer transfers part of the risk which he has assumed to another insurer.
<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>SE</b>	Societas Europaea: European stock company
<b>Shadow DAC</b>	Shadow accounting is applied in order to include the effect of unrealized gains or losses from the debt or equity securities classified as available for sale in the measurement of Deferred Acquisition Costs in the same way as it is done for realized gains or losses. Due to virtual (shadow) realization of unrealized gains or losses Deferred Acquisition Costs are adjusted with corresponding charges or credits recognized directly to shareholders' equity
<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

## Glossary (5)

### Statutory premiums

Represent gross premiums written from sales of life insurance policies, as well as gross receipts from sales of unit-linked and other investment-oriented products, in accordance with the statutory accounting practices applicable in the insurer's home jurisdiction

### Stress tests

Conglomerate solvency ratio stress tests are based on the following scenarios

- **Credit loss / migration:** scenario based on probabilities of default in 1932, migrations adjusted to mimic recession and assumed recovery rate of 30%
- **Credit spread:** 100bps increase of credit spreads across all rating classes
- **NatCat:** loss due to NatCat events, both natural and man-made, leading to annual claims of EUR 1.6bn. Applies to P/C business only

### Total revenues

Represent the sum of P/C segment's gross premiums written, L/H segment's statutory premiums, operating revenues in Asset Management and total revenues in Corporate and Other (Banking)

### Unrealized gains and losses (net) (as part of shareholders' equity)

Include primarily unrealized gains and losses from available-for-sale investments net of tax and policyholder participation

### VNB

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

### 3-year-outperformance AM

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

# Disclaimer

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

## Forward-looking statements

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

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

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

## No duty to update

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.