

Group financial results 3Q 2015

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Chief Financial Officer

Press conference call
November 6, 2015

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Group financial
results 3Q 2015

- 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 third quarter of 2015

Property-Casualty

- Premiums generated via direct sales channels increased 19 percent to EUR 1.3 billion in the first nine months of the year compared to the year-earlier period
- Italy: Allianz1, the modular offer for retail customers, is Allianz Italy's most innovative and successful product with more than 200,000 policies sold since launch in April 2014

Life/Health

- Germany: Newly launched "KomfortDynamik" with promising start. It is the next new life product after "Perspektive", the most successful launch ever for Allianz Leben with more than 150,000 policies sold to date
- Belgium and Luxembourg: New life insurance products drive 28.5 percent growth in premiums in third quarter

Asset Management

- AllianzGI's risk-optimized Advanced Fixed Income strategy suite passed the EUR 40 billion threshold in assets under management
- PIMCO's income strategy receives continued net inflows. PIMCO is now managing more than USD 50 billion in this strategy

Digitalization

- Germany: Full sales process for term life insurance available online since July
- Spain: 500,000 of 3.6 million customers are now fully serviced via digital channels
- Allianz and Panasonic enter partnership to provide Smart Home solutions starting in Germany in November, including Panasonic's home monitoring system with home protection services from Allianz Global Assistance

Growth markets

- Kenyan authorities give Allianz green light to launch operations in the country

Alternative investments

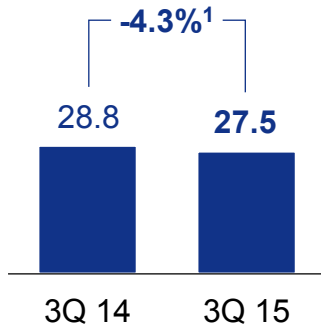
- Allianz invests in Tank&Rast, Germany's leading owner and concessionaire of a network of motorway service areas
- Allianz receives license to own and construct Thames Tideway Tunnel, London's new 25km long sewerage tunnel as the leader of an international consortium of investors
- Allianz invests EUR 900 million in Irish shopping centers

Brand value

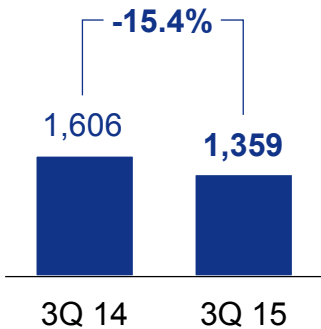
- Allianz brand value increases by 10 percent to USD 8.5 billion according to Interbrand's annual 'Best Global Brands' ranking

Solid underlying numbers across all segments

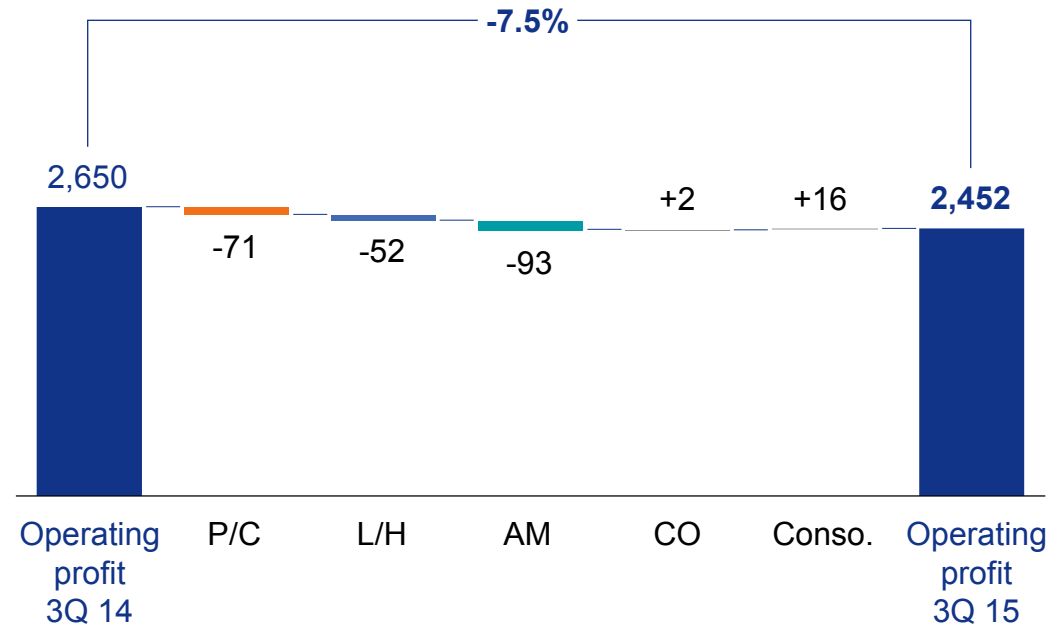
Total revenues (EUR bn)



Net income² (EUR mn)



Operating profit drivers (EUR mn)

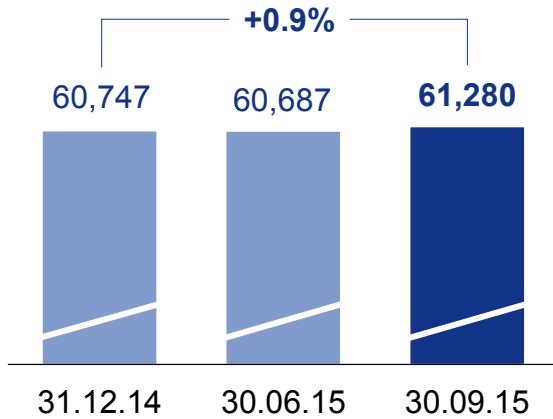


3Q 15	1,352	738	600	-246	8
3Q 14	1,422	790	694	-248	-9

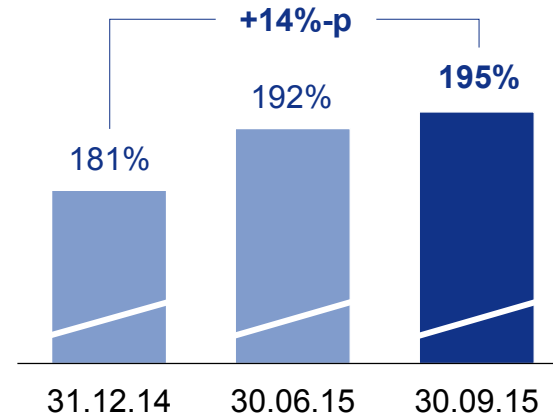
1) Internal growth of -7.2%, adjusted for F/X and consolidation effects
 2) Net income attributable to shareholders

Strong capital position

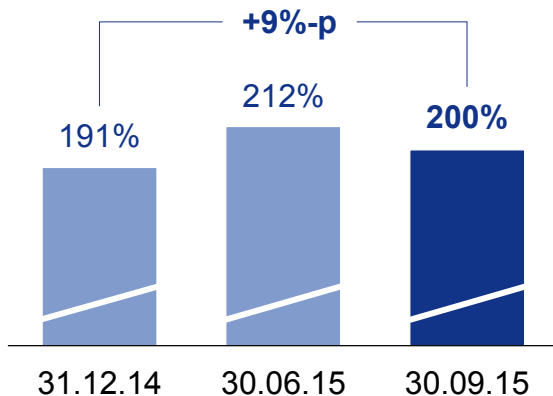
Shareholders' equity (EUR mn)



Conglomerate solvency¹ (in %)



Solvency II capitalization (in %)



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

Internal growth reflects active portfolio management (EUR mn)

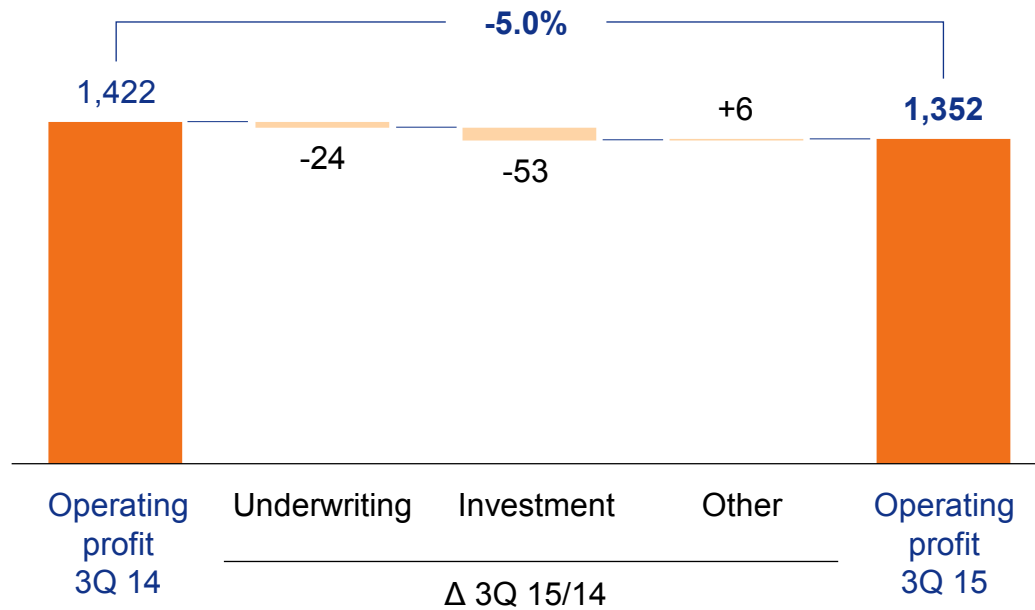
3Q 2015		Revenues	Total growth Δ p.y.	Internal growth Δ p.y.	Price effect	Volume effect
Total P/C segment¹		11,521	+2.4%	+0.4%	+0.6%	-0.2%
Large OEs	Germany	1,951	-1.4%	-0.6%		
	Italy	1,003	+7.5%	-1.7%		
	France	981	+1.9%	+1.9%		
Global lines	AGCS ²	1,990	+45.9%	-8.4%		
	Allianz Worldwide Partners ¹	778	+18.7%	+12.1%		
	Credit Insurance	526	-0.7%	-4.2%		
Selected OEs	Australia	802	+0.4%	+4.2%		
	United Kingdom	761	+10.4%	-0.2%		
	Latin America	507	-12.7%	+2.4%		
	Spain	469	+7.3%	+7.3%		

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) 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

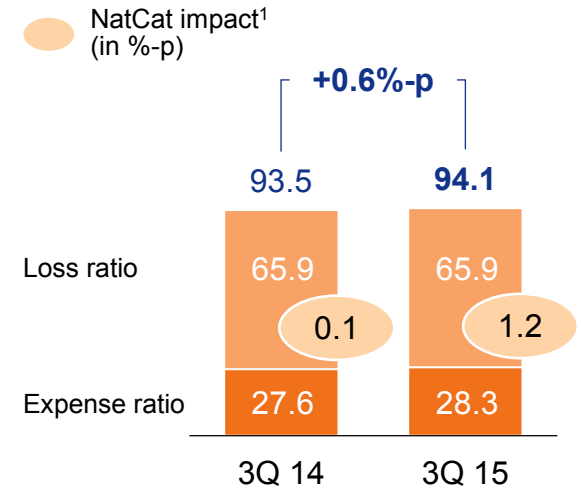
Healthy OP despite higher NatCat, large losses and F/X volatility

Operating profit drivers (EUR mn)

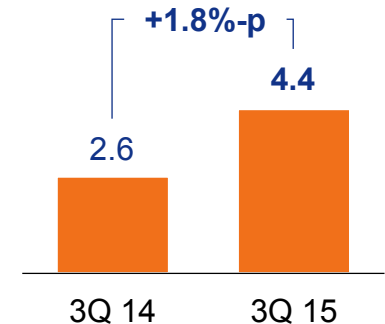


	Underwriting	Investment	Other
3Q 15	627	717	7
3Q 14	650	770	2

Combined ratio (in %)



Run-off ratio² (in %)



1) NatCat costs (without reinstatement premiums and run-off): EUR 7mn (3Q 14) and EUR 144mn (3Q 15)
 2) Positive run-off, run-off ratio calculated as run-off result in percent of net premiums earned

Italy and Spain with strong OP growth (EUR mn)

3Q 2015		Operating profit	Δ p.y.	Combined ratio	Δ p.y.	NatCat impact in CR ¹	Δ p.y. ¹
Total P/C segment²		1,352	-5.0%	94.1%	+0.6%-p	1.2%-p	+1.2%-p
Large OEs	Germany	265	-24.2%	92.6%	+2.2%-p	3.5%-p	+3.4%-p
	Italy	305	+11.2%	80.1%	+1.7%-p	0.0%-p	0.0%-p
	France	102	-27.9%	97.9%	+5.8%-p	0.0%-p	+0.4%-p
Global lines	AGCS ³	88	-49.1%	98.6%	+8.9%-p	-0.6%-p	-1.1%-p
	Allianz Worldwide Partners ²	41	+44.2%	97.3%	+0.2%-p	0.0%-p	0.0%-p
	Credit Insurance	75	+6.3%	88.3%	+8.2%-p	–	–
Selected OEs	Australia	71	-15.9%	95.4%	-1.4%-p	-0.2%-p	-0.2%-p
	United Kingdom	49	-26.4%	97.6%	+2.9%-p	0.0%-p	0.0%-p
	Latin America	-70	n.m. ⁴	124.7%	+11.5%-p	0.0%-p	0.0%-p
	Spain	91	+30.5%	84.9%	-4.0%-p	0.0%-p	0.0%-p

1) Excluding reinstatement premiums and run-off

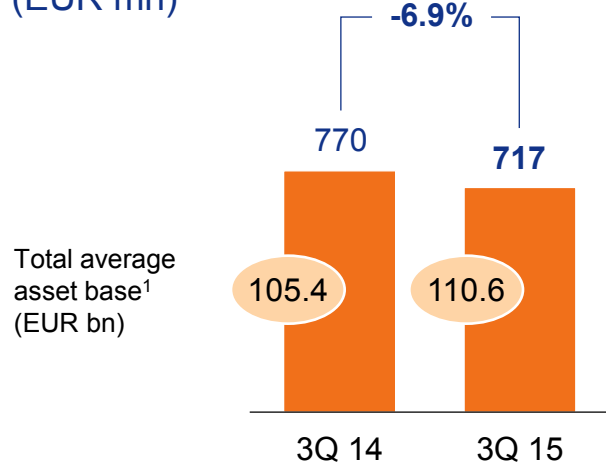
2) In 4Q 14 the French International Health business was reclassified from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014

3) 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

4) Operating profit for Latin America decreased by EUR 33mn from EUR -38mn in 3Q 14

Operating investment result impacted by lower F/X result

Operating investment result (EUR mn)



Interest & similar income ²	878	882
Net harvesting and other ³	-19	-79
Investment expenses	-88	-85

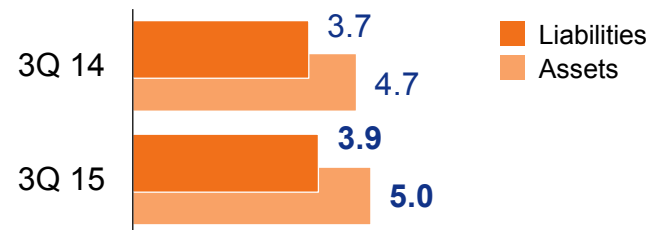
Current yield (debt securities; in %)



Reinvestment yield⁴ (debt securities; in %)



Duration⁵



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

4) On an annual basis
 5) For the duration calculation a non-parallel shift in line with Solvency II yield curves is used. Data excludes internal pensions residing in the P/C segment

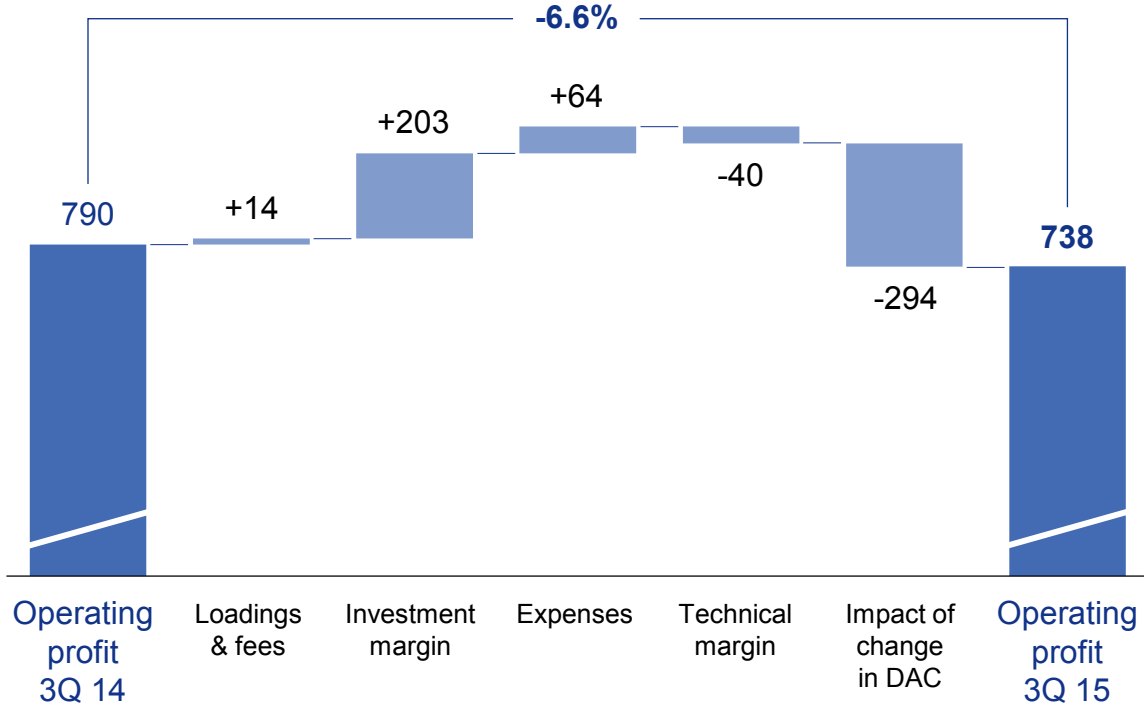
Continuing shift away from capital intensive products (EUR mn)

3Q 2015		Revenues	Total growth Δ p.y.	Internal growth Δ p.y.	PVNB ¹	Δ p.y.
Total L/H segment²		14,313	-9.7%	-12.2%	10,970	-10.3%
Large OEs	Germany Life	3,426	-20.2%	-20.2%	2,597	-16.0%
	USA	2,434	-16.1%	-29.6%	2,378	-21.5%
	Italy	2,286	-18.0%	-18.0%	1,502	-22.5%
	France ²	1,884	-4.6%	+3.3%	1,428	+2.8%
Selected OEs	Asia-Pacific	1,735	+10.1%	+2.4%	1,491	+1.9%
	Germany Health	819	+0.3%	+0.3%	282	+24.3%
	Benelux ³	473	+28.5%	+28.5%	354	+54.7%
	Spain	237	+26.0%	+26.0%	237	+35.0%
	Switzerland	215	+6.8%	-5.4%	158	+17.4%
	Central and Eastern Europe ⁴	193	-0.9%	-1.1%	149	-3.2%

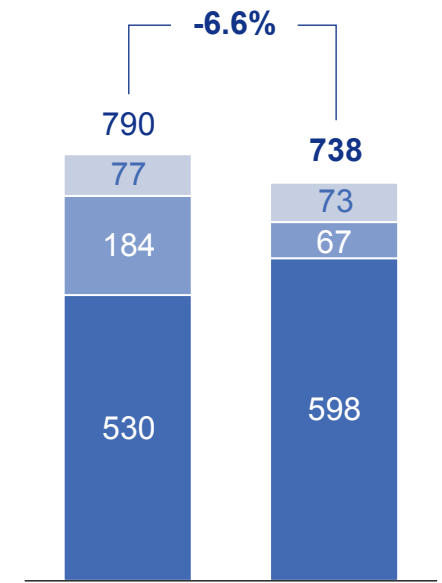
- 1) New business figures were restated by the impact of contract boundaries, removal of holding expenses and the replacement of CNHR and CReC by RM after tax to be aligned with SII balance sheet
- 2) In 4Q 14 the French International Health business was reclassified from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014
- 3) Revenues from investment-oriented products in Luxembourg of EUR 37mn in 3Q 15 (EUR 65mn in 3Q 14) are reinsured by France. For 3Q 15, the PVNB of Luxembourg business reinsured with France is included in France (EUR 11mn) and not included in Benelux
- 4) From 3Q 15 onwards Central and Eastern Europe is reported excluding Russia. Previous period figures were adjusted accordingly

Operating profit in line with expectations (EUR mn)

Operating profit by source^{1,2}



Operating profit by line²



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

Δ 3Q 15/14

3Q 15	1,334	904	-1,522	277	-255
3Q 14	1,320	701	-1,586	318	39

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

NBM at 3.0%

(EUR mn)

3Q 2015		VNB ¹	Δ p.y.	NBM ¹	Δ p.y.	Operating profit	Δ p.y.
Total L/H segment²		325	-1.6%	3.0%	+0.3%-p	738	-6.6%
Large OEs	Germany Life	75	+0.9%	2.9%	+0.5%-p	328	+50.3%
	USA	91	-15.4%	3.8%	+0.3%-p	143	-9.2%
	Italy	32	+7.4%	2.1%	+0.6%-p	29	-37.6%
	France ²	23	+43.2%	1.6%	+0.5%-p	130	-7.2%
Selected OEs	Asia-Pacific	50	+6.7%	3.4%	+0.1%-p	-117	n.m. ⁴
	Germany Health	8	+10.9%	2.7%	-0.3%-p	33	-45.9%
	Benelux	4	-26.3%	1.2%	-1.3%-p	24	-4.0%
	Spain	11	+30.9%	4.8%	-0.1%-p	51	+7.2%
	Switzerland	2	-48.0%	1.4%	-1.8%-p	20	+0.6%
	Central and Eastern Europe ³	7	-7.3%	4.7%	-0.2%-p	32	+15.0%

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) 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) From 3Q 15 onwards Central and Eastern Europe is reported excluding Russia. Previous period figures were adjusted accordingly

4) Operating profit for Asia-Pacific decreased by EUR 145mn from EUR 28mn in 3Q 14

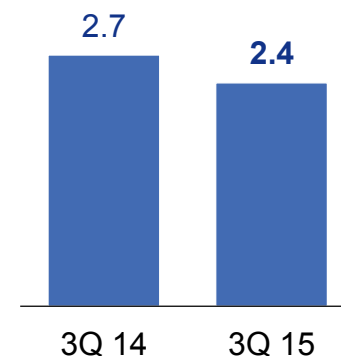
Investment margin remains strong at 22bps

(yields are pro-rata)

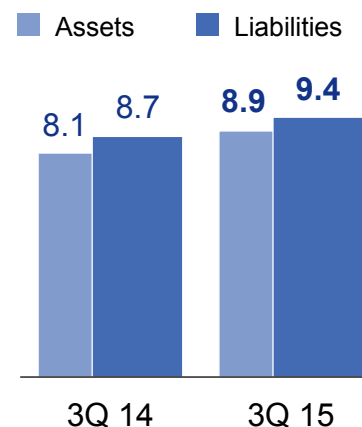
Based on Ø book value of assets ¹	3Q 14	3Q 15
Current yield ²	0.9%	0.9%
Based on Ø aggregate policy reserves		
Current yield ²	1.1%	1.1%
Net harvesting and other	0.1%	-0.2%
Total yield	1.2%	0.9%
- Ø min. guarantee ³	0.6%	0.6%
Gross investment margin (in %)	0.6%	0.3%
- Profit sharing under IFRS ⁴	0.4%	0.1%
Investment margin⁵ (in %)	0.2%	0.2%
Investment margin (EUR mn)	701	904
Ø book value of assets ¹ (EUR bn)	449	486
Ø aggregate policy reserves (EUR bn)	374	406

- 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 quarter-end and previous quarter-end aggregate policy reserves
- 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 yield⁶ (debt securities; in %)

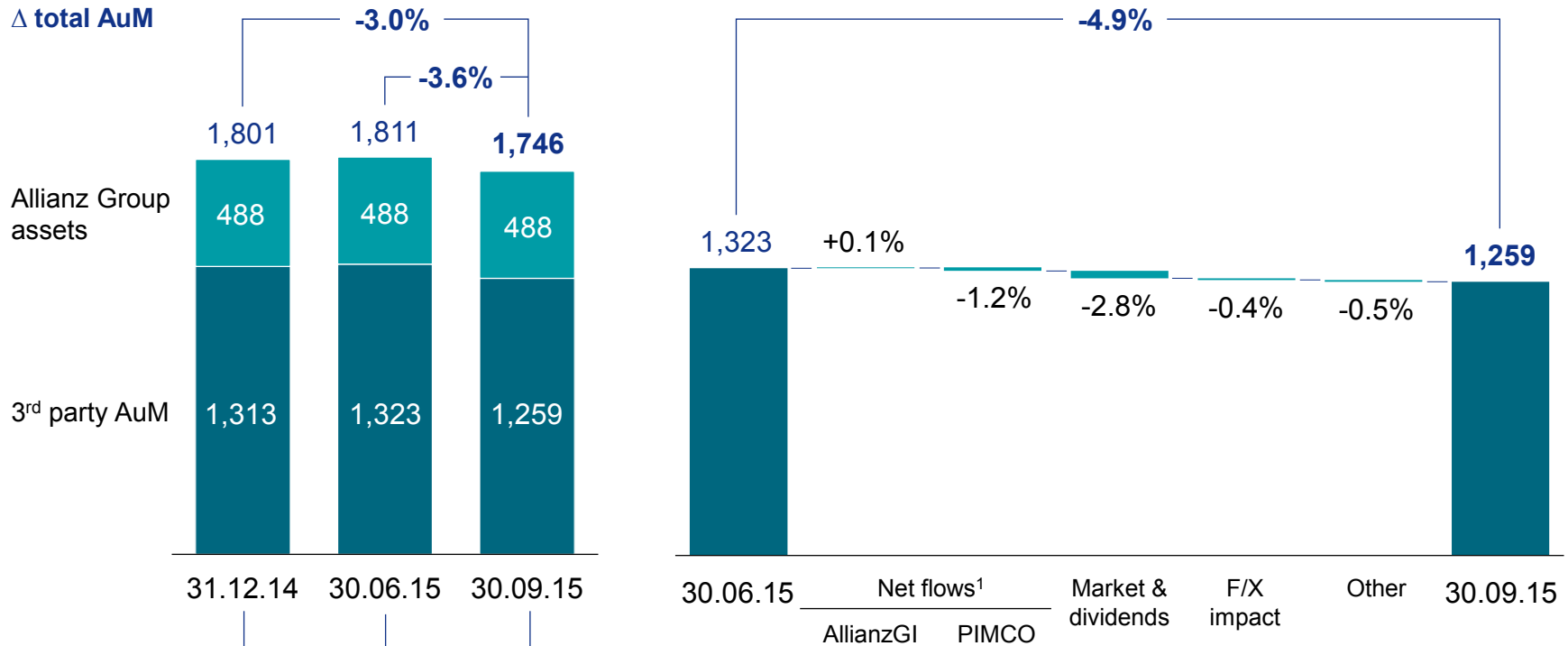


Duration⁷



AuM impacted by financial markets (EUR bn)

Δ total AuM



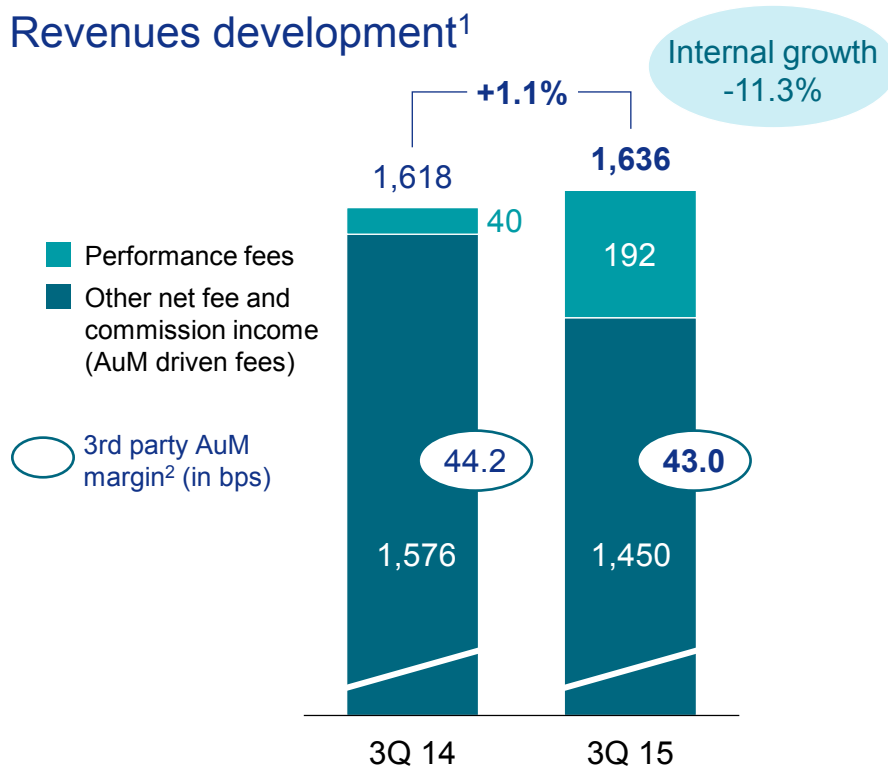
Δ 3rd party AuM

EUR bn	+1.3	-16.0	-37.3	-5.9	-6.3
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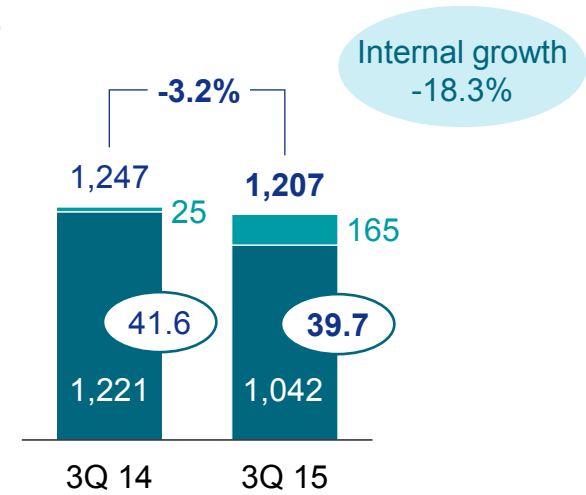
1) Effective 2015, 3rd party net flows contain re-invested dividends (incl. capital gains) from existing clients (EUR +3.9bn for PIMCO and EUR +0.2bn for AllianzGI in 3Q 15). Those have been recognized as market return until 31.12.14

Strong performance fees (EUR mn)

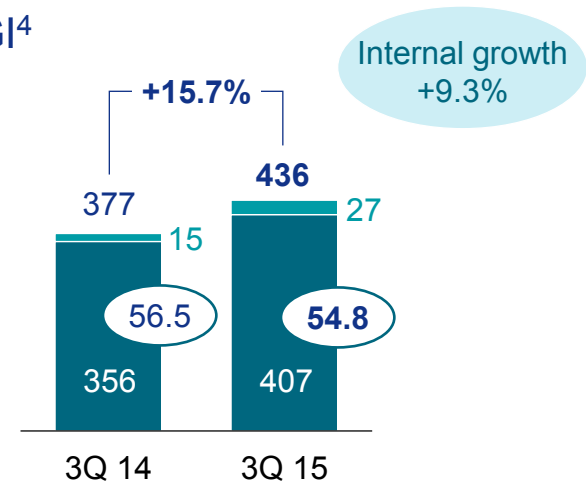
Revenues development¹



PIMCO³



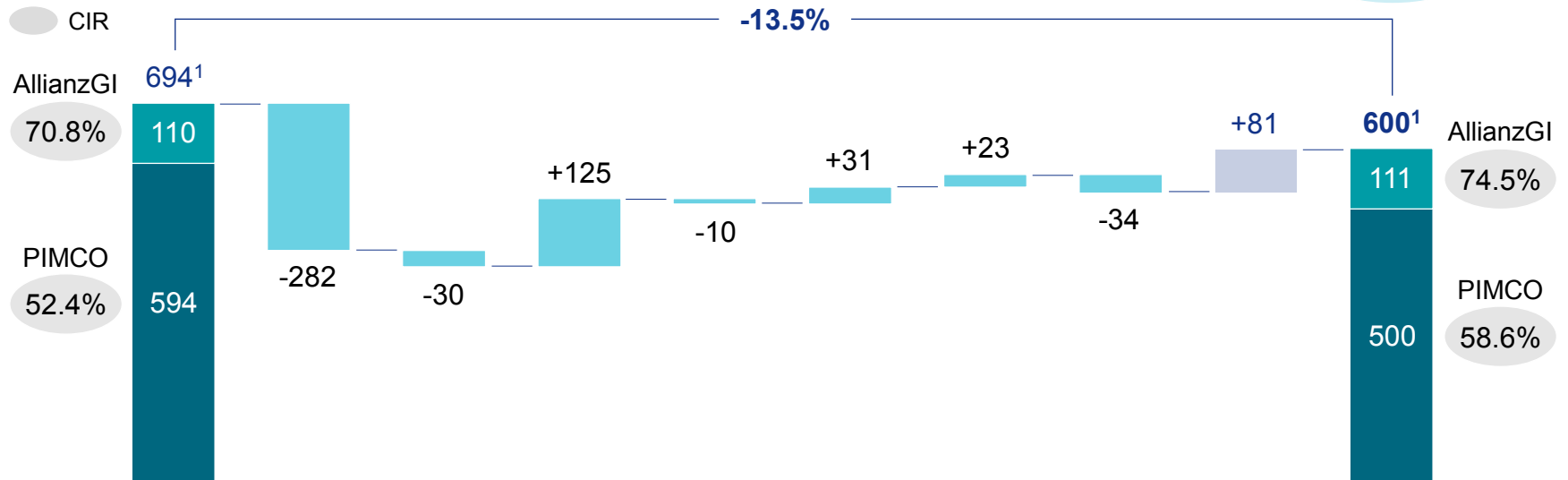
AllianzGI⁴



1) "Other" revenues of EUR 1mn (3Q 14) and EUR -6mn (3Q 15) are not shown in the chart
 2) Excluding performance fees and other income, 3 months
 3) "Other" PIMCO revenues of EUR 0mn (3Q 14) and EUR -1mn (3Q 15) are not shown in the chart
 4) "Other" AllianzGI revenues of EUR 6mn (3Q 14) and EUR 1mn (3Q 15) are not shown in the chart

Performance fees support operating profit

Operating profit drivers (EUR mn)

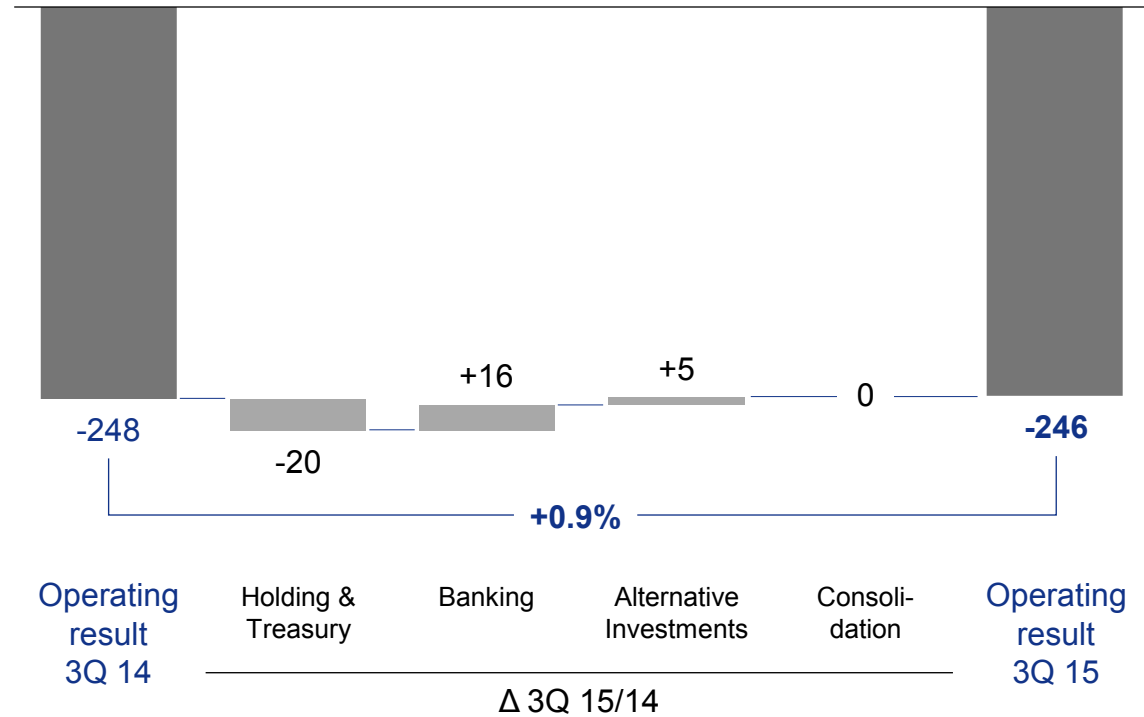


F/X impact	Revenues				Expenses			F/X effect	Operating profit 3Q 15
	Volume ²	Margin ²	Performance fees	Other	Personnel	Non-personnel	Re-structuring		
	+185	+27	+2	-84	-48	0		CIR	
3Q 15	1,450 ²	192	-6	-635	-367	-34		63.3%	
3Q 14	1,576 ²	40	1	-582	-342	0		57.1%	

1) Including operating loss from other entities of EUR -10mn in 3Q 14 and EUR -11mn in 3Q 15
 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

Operating result in line with expectations (EUR mn)

Operating loss development and components



3Q 15	-287	28	14	0
3Q 14	-267	11	8	0

Shareholders' net income down 15 percent (EUR mn)

	3Q 14	3Q 15	Change
Operating profit	2,650	2,452	-198
Non-operating items	-331	-293	+39
Realized gains/losses (net)	184	150	-34
Impairments (net)	-50	-155	-105
Income from fin. assets and liabilities carried at fair value (net)	-54	-12	+42
Interest expenses from external debt	-212	-212	0
Fully consolidated private equity inv. (net)	-11	-13	-2
Acquisition-related expenses	0	1	+1
Amortization of intangible assets	-29	-31	-1
Reclassification of tax benefits	-158	-21	+137
Income before taxes	2,319	2,159	-160
Income taxes	-632	-720	-88
Net income	1,687	1,440	-247
Non-controlling interests	81	81	0
Shareholders' net income	1,606	1,359	-247
Effective tax rate	27%	33%	+6%-p

9M 2015 and Outlook



- Total revenues at EUR 95.5bn (+3.5%)
- Operating profit of EUR 8,149mn (+0.1%)
- Shareholders' net income of EUR 5,198mn (+3.9%)
- Strong capital position and balance sheet

Outlook¹:

Operating profit outlook EUR 10.4bn, +/- 0.4bn

Allianz expects operating profit for 2015 in the upper end of the target range

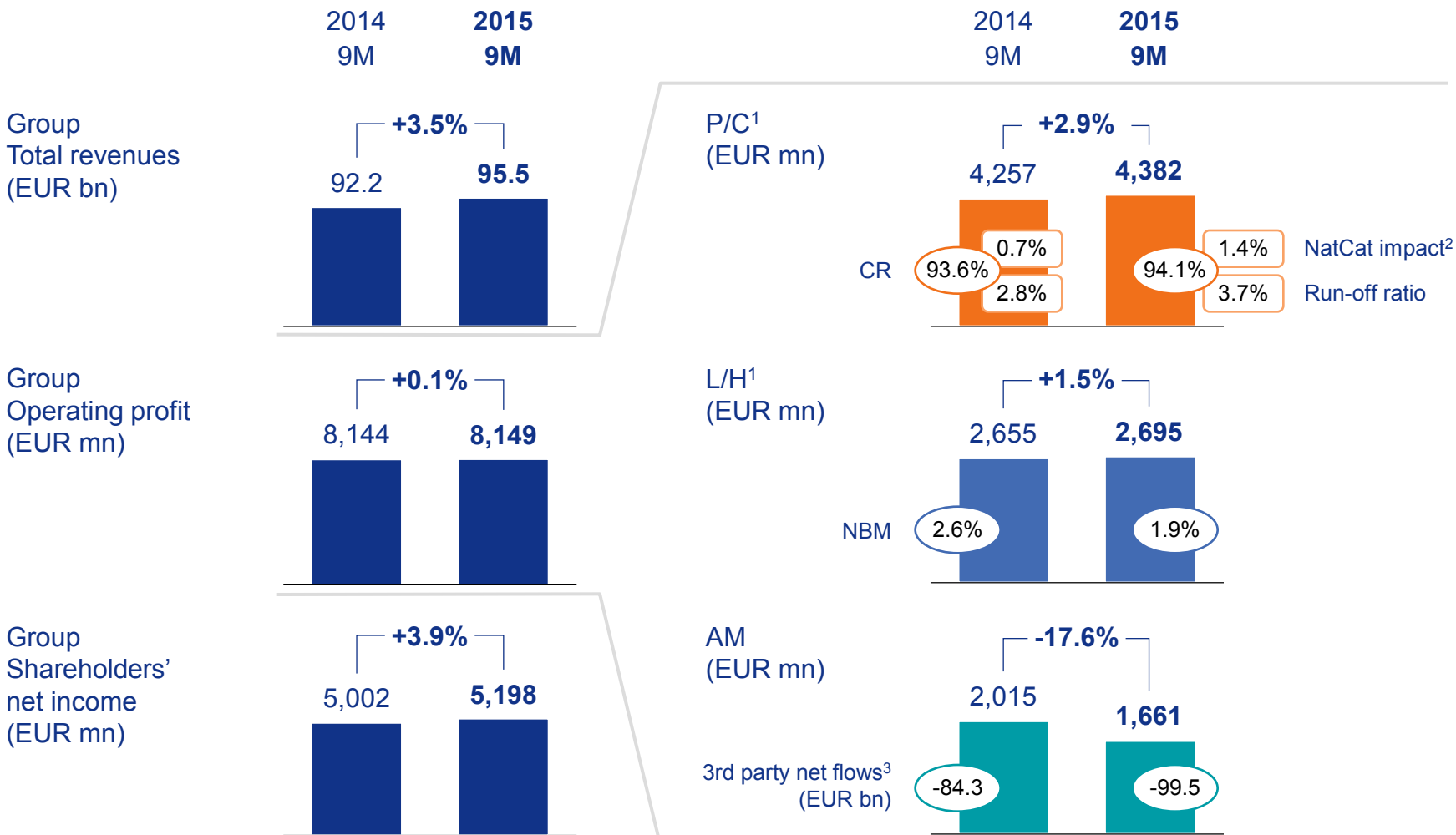
1) Impact from NatCat, financial markets and global economic development not predictable

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Financial highlights 9M 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 +8.5bn for 9M 15).

Those have been recognized as market return until 31.12.14

Group: key figures¹

(EUR mn)

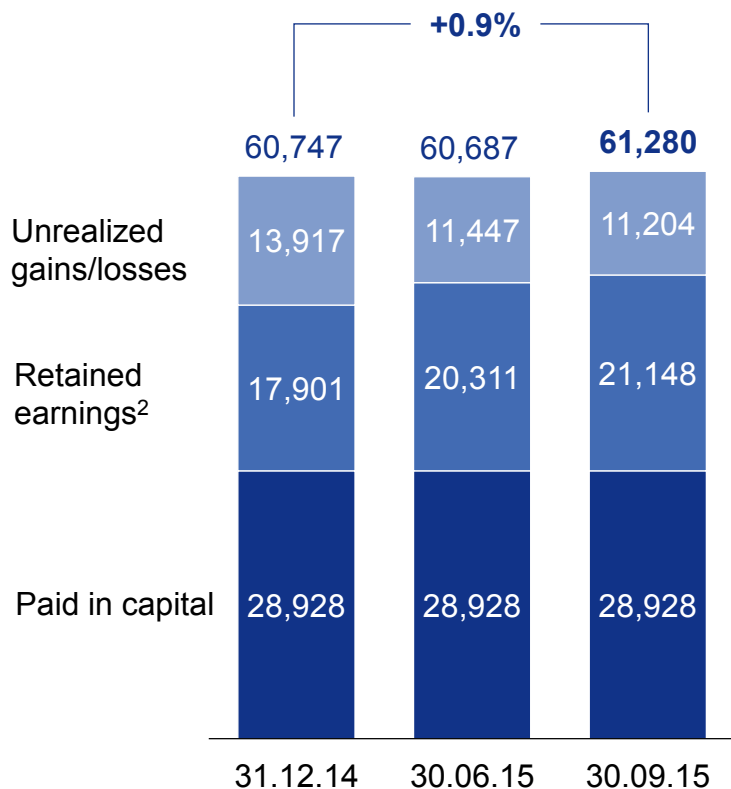
	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	Delta 3Q 15/14	9M 2014	9M 2015	Delta 9M 15/14
Total revenues (EUR bn)	34.0	29.5	28.8	30.1	37.8	30.2	27.5	-1.3	92.2	95.5	+3.3
<i>Property-Casualty</i>	15.2	10.8	11.3	11.0	17.3	11.8	11.5	+0.3	37.3	40.7	+3.4
<i>Life / Health</i>	17.2	17.0	15.9	17.4	18.8	16.7	14.3	-1.5	50.0	49.9	-0.1
<i>Asset Management</i>	1.5	1.6	1.6	1.6	1.6	1.5	1.6	0.0	4.7	4.8	0.0
<i>Corporate and Other</i>	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.0	0.4	0.4	0.0
<i>Consolidation</i>	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	-0.2	-0.3	0.0
Operating profit	2,723	2,770	2,650	2,258	2,855	2,842	2,452	-198	8,144	8,149	+6
<i>Property-Casualty</i>	1,489	1,345	1,422	1,125	1,285	1,745	1,352	-71	4,257	4,382	+125
<i>Life / Health</i>	880	985	790	673	1,104	853	738	-52	2,655	2,695	+40
<i>Asset Management</i>	646	676	694	588	555	505	600	-93	2,015	1,661	-355
<i>Corporate and Other</i>	-222	-219	-248	-131	-101	-230	-246	+2	-689	-577	+113
<i>Consolidation</i>	-69	-16	-9	3	13	-32	8	+16	-94	-11	+82
Non-operating items	-117	-37	-331	-1,069	-61	137	-293	+39	-485	-217	+269
Income before taxes	2,607	2,733	2,319	1,189	2,794	2,979	2,159	-160	7,658	7,932	+274
Income taxes	-867	-875	-632	128	-858	-867	-720	-88	-2,373	-2,444	-71
Net income	1,740	1,858	1,687	1,318	1,937	2,112	1,440	-247	5,285	5,488	+203
Non-controlling interests	100	103	81	98	115	94	81	0	283	290	+6
Shareholders' net income	1,640	1,755	1,606	1,220	1,822	2,018	1,359	-247	5,002	5,198	+197
Group financial assets ² (EUR bn)	556.0	572.8	595.8	612.0	662.0	630.1	629.0	+33.1	595.8	629.0	+33.1

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

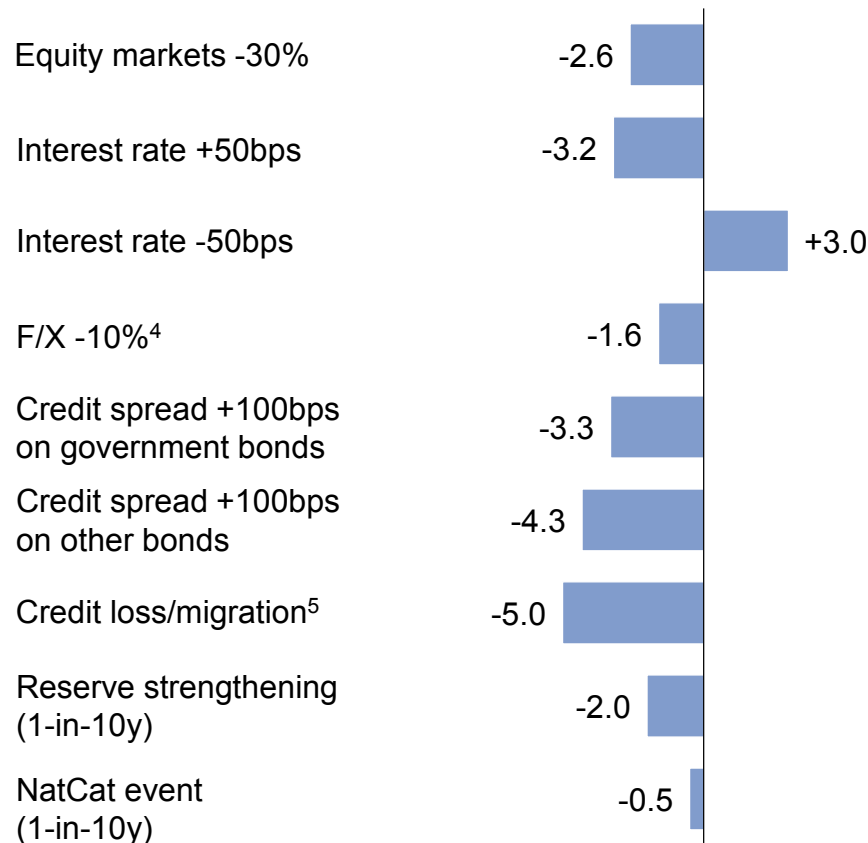
2) Group own assets including financial assets carried at fair value through income, cash and cash pool assets net of liabilities from securities lending, derivatives and liabilities from cash pooling

Group: shareholders' equity and stress tests

Shareholders' equity¹ (EUR mn)



Estimation of stress impact³ (EUR bn)

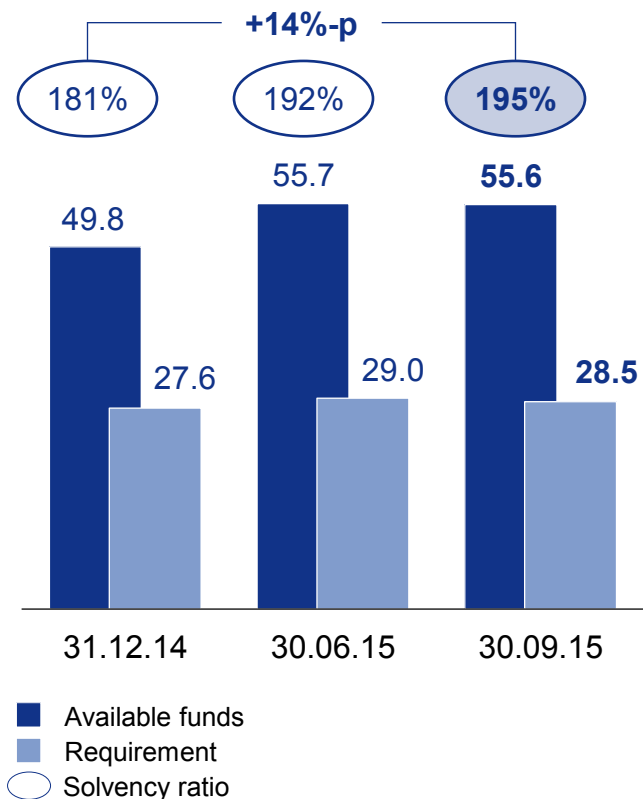


1) Excluding non-controlling interests
 (31.12.14: EUR 2,955mn; 30.06.15: EUR 2,824mn; 30.09.15: EUR 2,846mn)
 2) Including F/X
 3) After non-controlling interests, policyholder participation, tax and shadow DAC

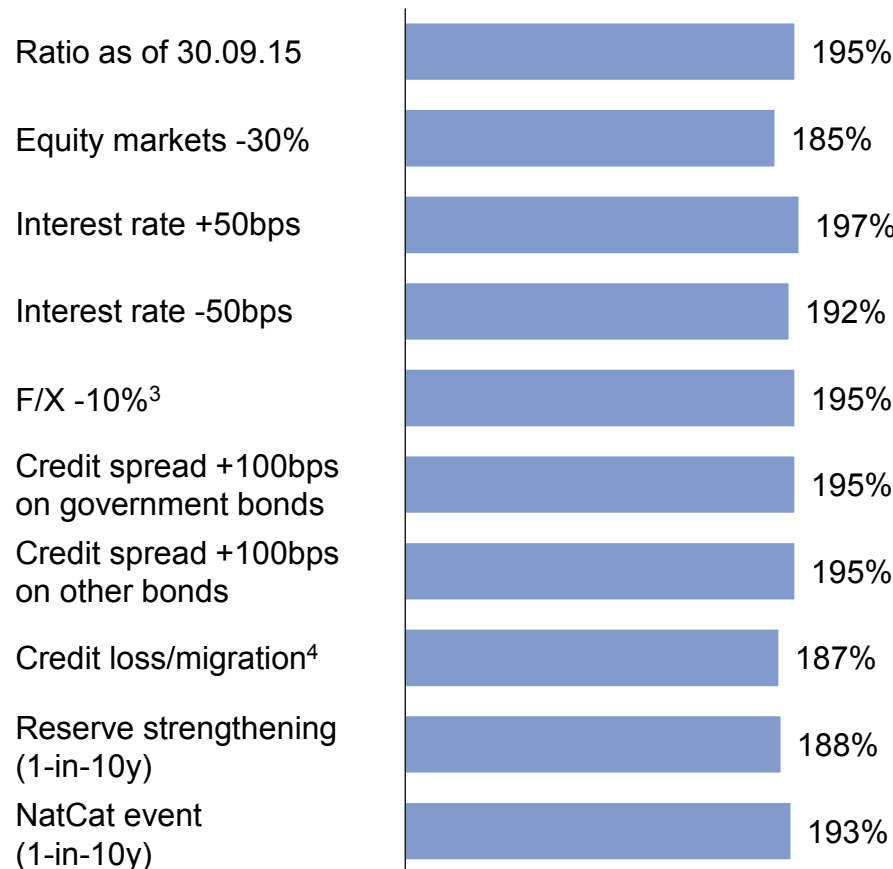
4) Weakening all currencies against EUR
 5) Credit loss/migration: scenario based on probabilities of default in 1932, migrations adjusted to mimic recession and assumed recovery rate of 30%

Group: conglomerate solvency ratio and stress tests

Conglomerate solvency¹ (EUR bn)



Estimation of stress impact^{1,2}



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: 31.12.14: EUR 2.3bn, 30.06.15: EUR 2.4bn and 30.09.15: EUR 2.4bn. The solvency ratio excluding off-balance sheet reserves would be 172% for 31.12.14, 184% for 30.06.15 and 187% for 30.09.15

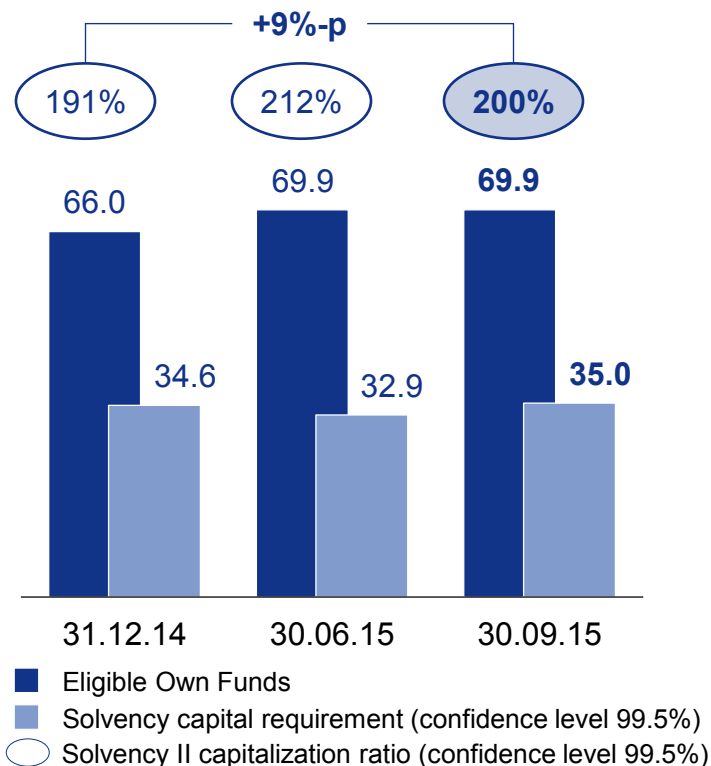
2) After non-controlling interests, policyholder participation, tax and shadow DAC

3) Weakening all currencies against EUR

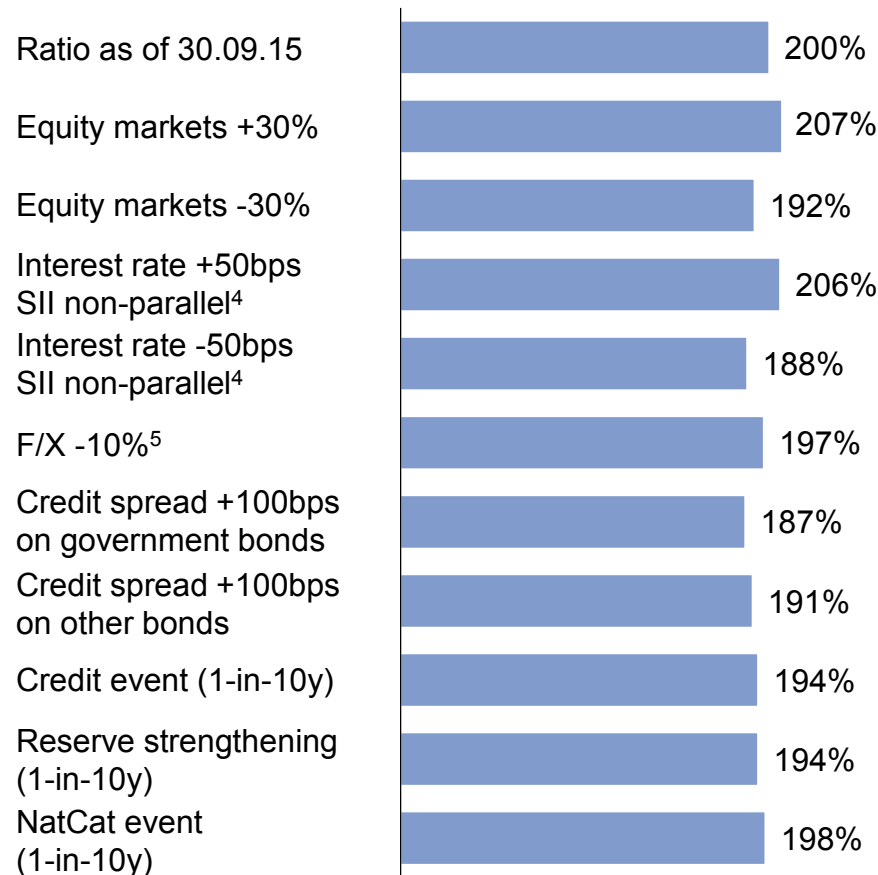
4) Corporate credit loss/migration: scenario based on probabilities of default in 1932, migrations adjusted to mimic recession and assumed recovery rate of 30%

Group: Solvency II capitalization and stress tests

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



Estimation of stress impact³



1) AZ Life included in the SII capital requirement based on third country equivalence with 100% of RBC CAL in 31.12.14 and in 30.06.15, and with 150% of RBC CAL in 30.09.15
 2) Eligible Own Funds include anchoring in line with EIOPA approach
 3) Estimated Solvency II capitalization ratio changes in case of stress scenarios (stress applied on both Eligible Own Funds and Solvency capital requirement). Second order effects to other risk types and to own funds transferability restrictions are not considered

4) IR stresses based on non-parallel shifts of the interest rate curve in line with anchoring based on the EIOPA approach
 5) Weakening all currencies against EUR

Group: asset allocation (EUR bn)

		Property-Casualty		Life/Health		Asset Management		Corporate and Other		Consolidation		Group	
		30.09.14	30.09.15	30.09.14	30.09.15	30.09.14	30.09.15	30.09.14	30.09.15	30.09.14	30.09.15	30.09.14	30.09.15
Investments	<i>Equities¹</i>	6.1	6.3	31.1	34.2	0.0	0.0	2.5	2.7	0.0	0.0	39.7	43.3
	<i>Debt securities</i>	71.6	74.4	317.9	343.4	0.1	0.2	29.6	31.0	0.0	0.0	419.2	449.0
	<i>Cash and cash pool assets²</i>	5.3	5.6	7.4	6.9	2.7	2.2	-4.6	-3.3	-1.6	-1.0	9.3	10.4
	<i>Other³</i>	7.9	9.7	10.5	10.5	0.0	0.0	0.3	0.3	-6.5	-7.4	12.3	13.1
	Total Investments	91.0	96.0	367.0	395.0	2.8	2.4	27.7	30.6	-8.0	-8.4	480.5	515.8
Loans and advances	Debt securities	15.1	13.4	91.1	92.1	0.1	0.1	17.9	15.9	-7.5	-6.5	116.8	115.0
Investments & loans		106.1	109.4	458.1	487.2	2.9	2.5	45.7	46.6	-15.5	-14.9	597.3	630.8
Financial assets and liabilities designated at fair value ⁴		0.1	0.1	3.7	4.1	0.0	0.0	0.2	0.5	0.0	0.0	4.1	4.7
Financial assets and liabilities held for trading ⁴		0.4	0.4	-5.4	-6.4	0.0	0.0	-0.5	-0.5	0.0	0.0	-5.5	-6.4
Group financial assets		106.6	110.0	456.4	484.8	2.9	2.5	45.4	46.6	-15.5	-14.9	595.8	629.0
Equities AFS		5.5	5.5	29.1	31.0	0.0	0.0	1.9	2.0	0.0	0.0	36.5	38.5
Equities associated ent. / joint ventures		0.6	0.8	2.1	3.2	0.0	0.0	0.5	0.7	0.0	0.0	3.2	4.7
Equities		6.1	6.3	31.1	34.2	0.0	0.0	2.5	2.7	0.0	0.0	39.7	43.3
Affiliated enterprises		8.9	9.0	0.1	0.2	0.0	0.0	77.1	76.7	-86.1	-85.9	0.0	0.0
Investments & loans incl. affiliated enterprises		115.0	118.4	458.2	487.4	2.9	2.5	122.8	123.3	-101.6	-100.8	597.3	630.8
Real estate held for investment		3.0	3.2	7.9	8.2	0.0	0.0	0.3	0.3	0.0	0.0	11.2	11.8
Funds under reins. contr. assumed		4.9	6.4	2.6	2.3	0.0	0.0	0.0	0.0	-6.5	-7.4	1.1	1.3
Other		7.9	9.7	10.5	10.5	0.0	0.0	0.3	0.3	-6.5	-7.4	12.3	13.1

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

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

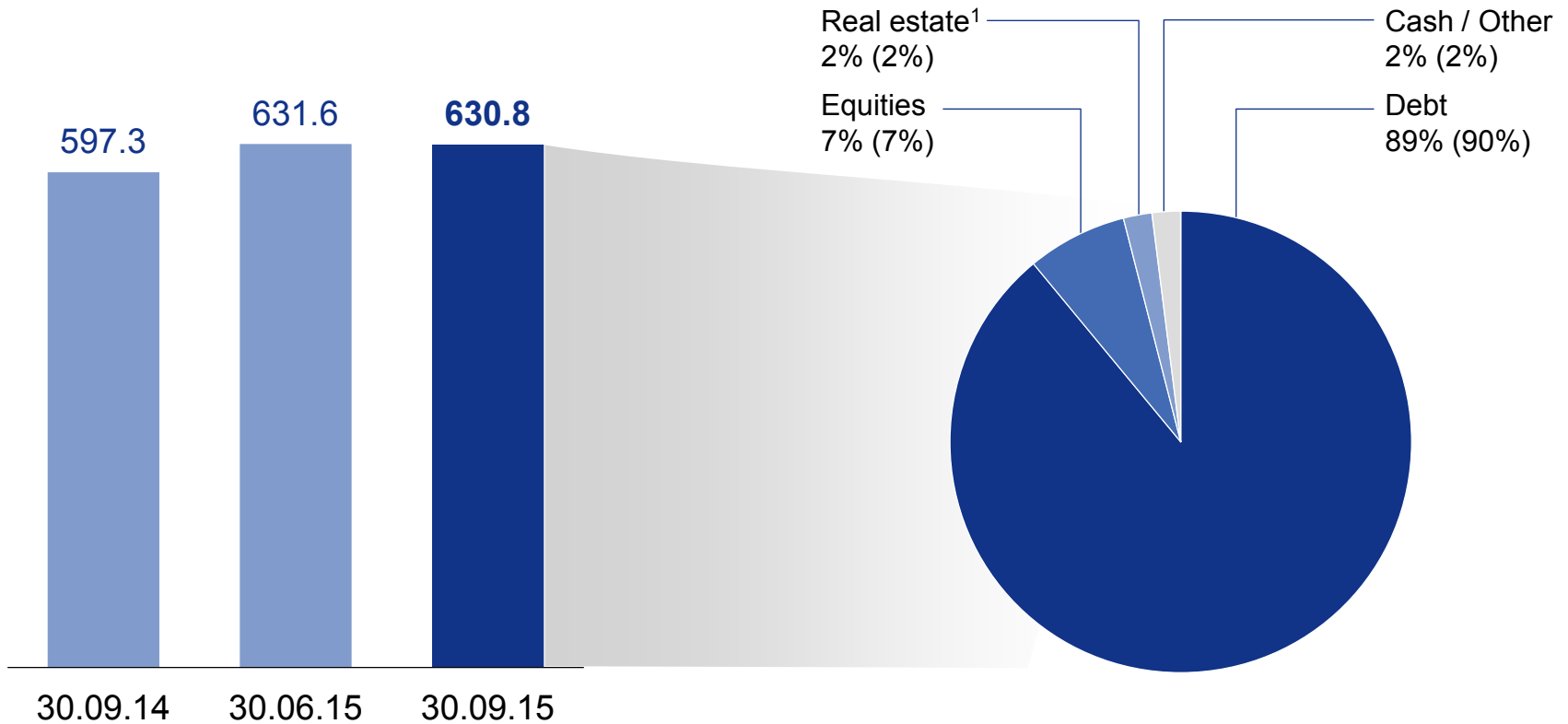
3) Other incl. real estate held for investment and funds held by others under reinsurance contracts assumed

4) Net of liabilities

Group: overview investment portfolio

Group investments and loans
(EUR bn)

Asset allocation as of 30.09.15 (30.09.14)



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

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P/C: key figures¹

(EUR mn)

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	Delta 3Q 15/14	9M 2014	9M 2015	Delta 9M 15/14
Gross premiums written (EUR bn)	15.2	10.8	11.3	11.0	17.3	11.8	11.5	+0.3	37.3	40.7	+3.4
Operating profit	1,489	1,345	1,422	1,125	1,285	1,745	1,352	-71	4,257	4,382	+125
<i>Underwriting result</i>	704	516	650	380	555	694	627	-24	1,871	1,876	+5
<i>Investment result</i>	748	805	770	743	799	840	717	-53	2,323	2,356	+33
<i>Other</i>	38	24	2	2	-69	212	7	+6	64	150	+87
Non-operating items	-576	85	86	-1	0	130	45	-42	-405	175	+580
Income before taxes	913	1,430	1,509	1,124	1,284	1,876	1,396	-112	3,852	4,556	+704
Income taxes	-268	-461	-426	-373	-362	-532	-378	+49	-1,155	-1,272	-117
Net income	645	969	1,083	751	922	1,344	1,019	-64	2,697	3,285	+587
Non-controlling interests	44	42	31	42	52	37	27	-4	117	117	+0
Shareholders' net income	601	928	1,051	709	870	1,306	991	-60	2,581	3,168	+587
Combined ratio (in %)	92.6	94.6	93.5	96.5	94.6	93.5	94.1	+0.6%-p	93.6	94.1	+0.5%-p
<i>Loss ratio</i>	64.6	66.2	65.9	67.1	66.4	65.7	65.9	0.0%-p	65.6	66.0	+0.4%-p
<i>Expense ratio</i>	28.0	28.4	27.6	29.3	28.2	27.8	28.3	+0.6%-p	28.0	28.1	+0.1%-p
Segment financial assets ² (EUR bn)	104.6	104.2	106.6	109.2	116.5	111.3	110.0	+3.4	106.6	110.0	+3.4

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) 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

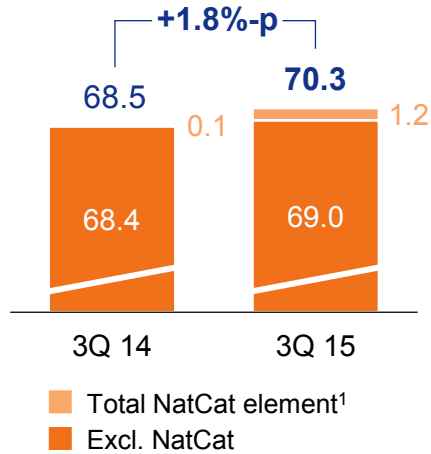
P/C: portfolio split 9M 2015¹

Combined ratio	< 95%	> 95% <100%	> 100%
Key contributors	<p>Spain</p> <ul style="list-style-type: none"> With 5.8% strong internal growth outgrowing the market at a CR of 89.1% supported by a hardening of rates and higher volumes. Attritional LR improved vs. py. <p>Germany</p> <ul style="list-style-type: none"> Good internal growth of 0.9% combined with a 92.2% CR benefitting from positive price momentum and a favorable large loss and expense development. Despite higher NatCat losses vs. py. <p>AGCS excl. FFIC²</p> <ul style="list-style-type: none"> Excellent CR of 92.5% supported by run-off and despite a number of larger man-made events. 	<p>France</p> <ul style="list-style-type: none"> Solid CR of 96.0% combined with a good internal growth of 1.3% driven by a positive sales momentum in our retail lines. <p>AWP</p> <ul style="list-style-type: none"> Our B2B2C business continues to record an excellent internal growth of 10.2% at a CR of 97.2%. <p>Australia</p> <ul style="list-style-type: none"> CR of 97.9% affected by severe NatCat losses in 1H, partly mitigated by significant run-off after reserve review in May. Strong internal growth of 4.7% driven by both positive volume and price effects. 	<p>FFIC²</p> <ul style="list-style-type: none"> CR unsatisfactory at 125.7% affected by extraordinary effects incl. EUR -0.1bn 2Q reserve strengthening and 1Q NatCat losses. Integration of commercial business into AGCS on track. <p>Argentina</p> <ul style="list-style-type: none"> CR of 118.9% driven by a reserve strengthening for our motor portfolio in 3Q. <p>Brazil</p> <ul style="list-style-type: none"> CR of 118.3% with the economic downturn hampering the overall progress of our turn-around program.
Share of GPW	62%	30%	8%
Ø internal growth	+2.2%	+5.4%	-2.1%

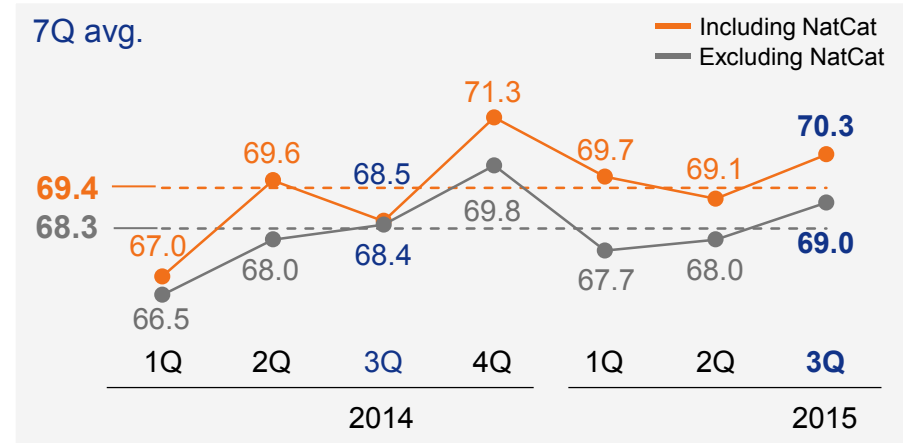
- 1) Analysis based on OEs as reported. Exception LatAm where analysis is based on individual country performance and Reinsurance PC which is based on Group external business only for calculation of internal growth. Excludes consolidation effects
- 2) Effective 1 January 2015, FFIC was integrated into 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 %)

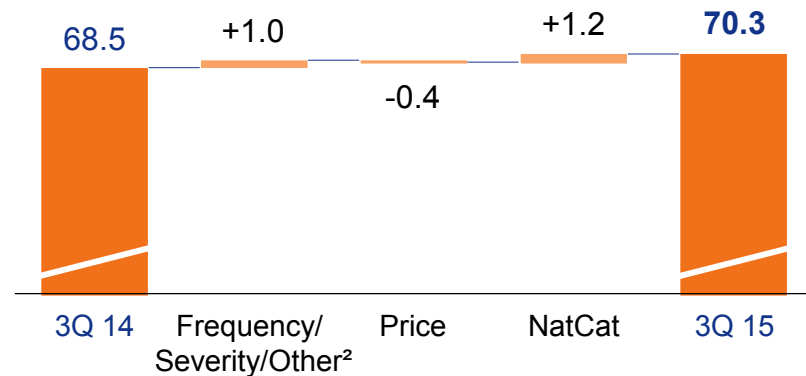
Accident year loss ratio



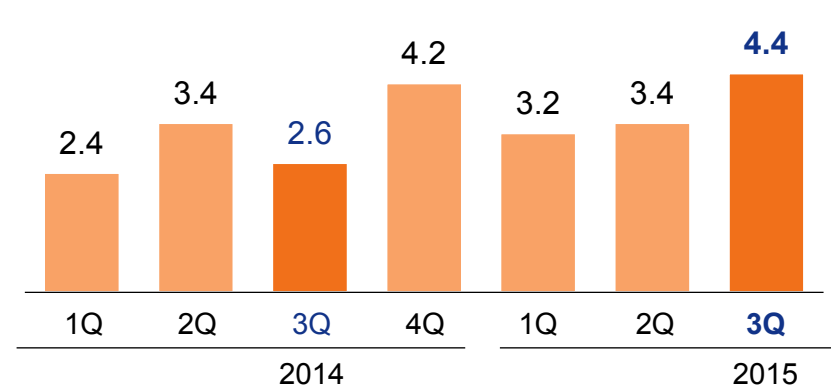
7-quarter overview accident year loss ratio



Development 3Q 15/14 (in %-p)



Run-off ratio³ (7Q-average: 3.4%)

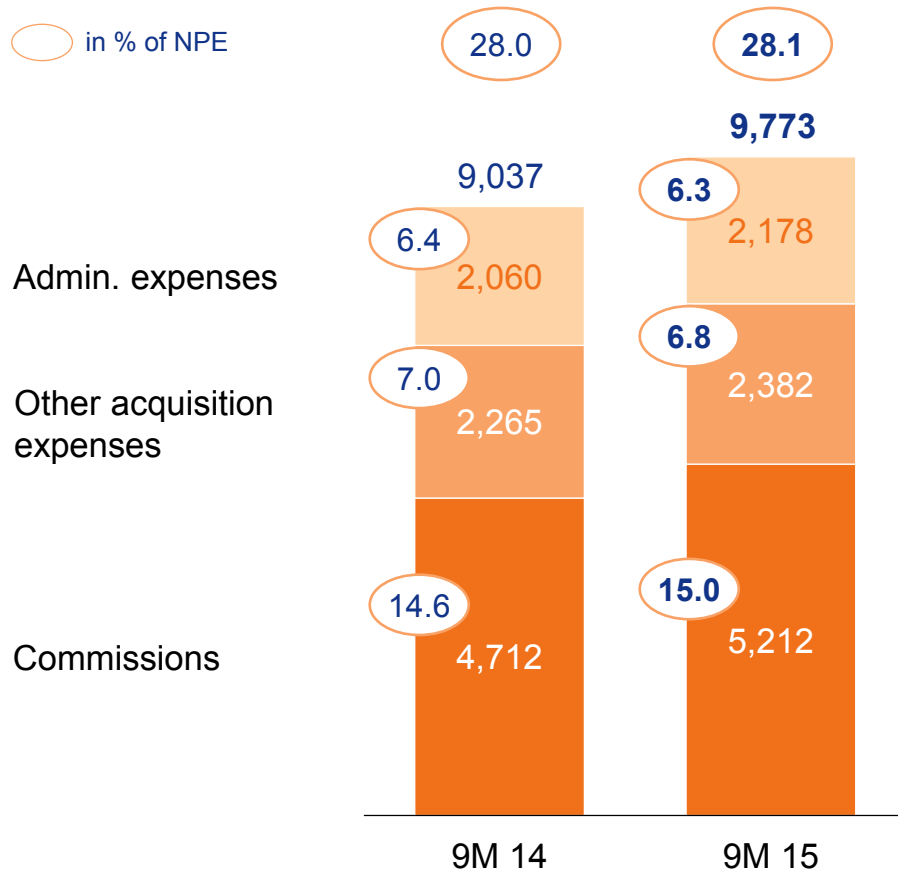


1) NatCat costs (without reinstatement premiums and run-off): EUR 7mn (3Q 14) and EUR 144mn (3Q 15)

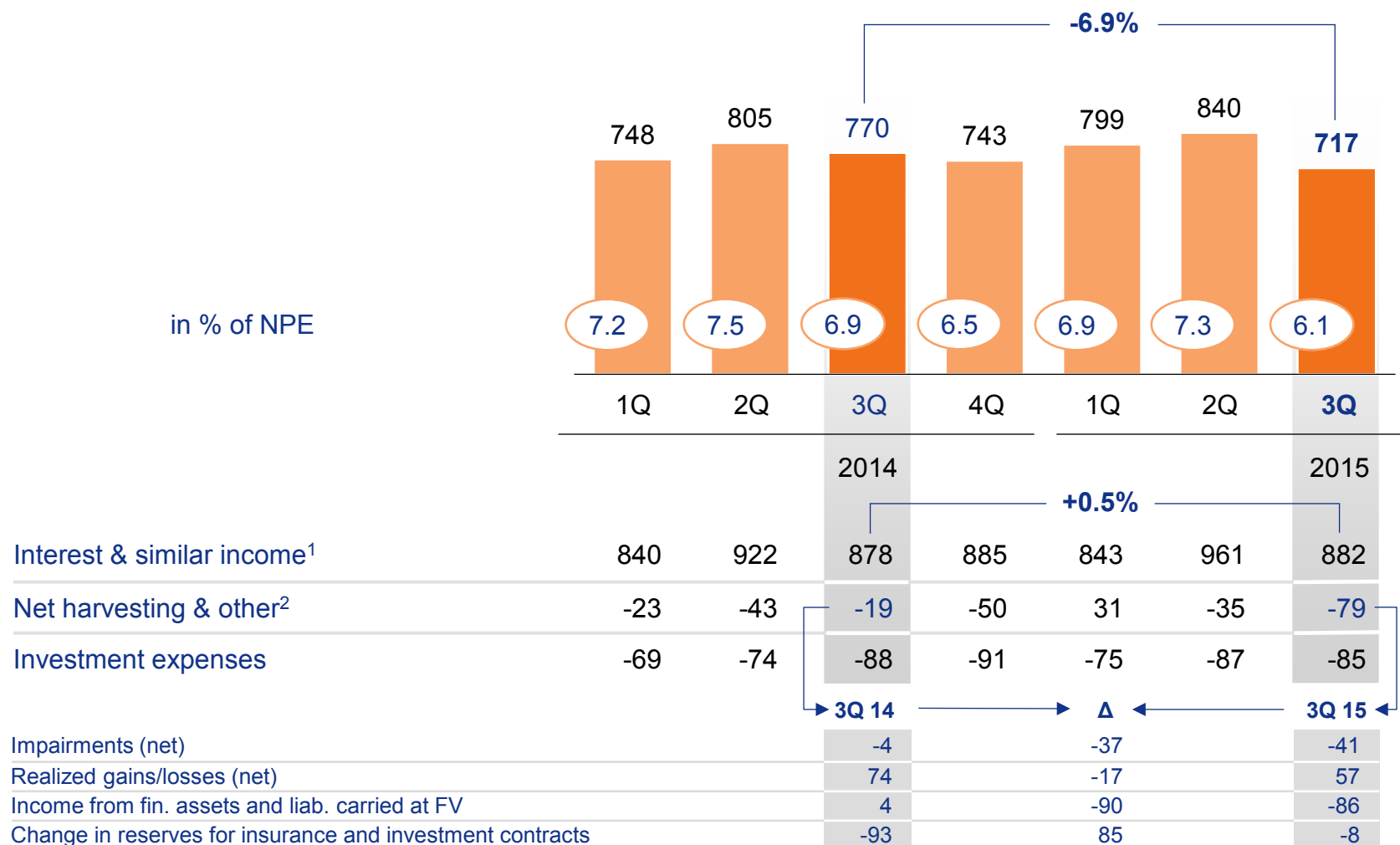
2) Including large claims, reinsurance, credit insurance

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 (EUR mn)



1) Net of interest expenses

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

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L/H: key figures¹ (EUR mn)

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	Delta 3Q 15/14	9M 2014	9M 2015	Delta 9M 15/14
Statutory premiums (EUR bn)	17.2	17.0	15.9	17.4	18.8	16.7	14.3	-1.5	50.0	49.9	-0.1
Operating profit	880	985	790	673	1,104	853	738	-52	2,655	2,695	+40
<i>Loadings & fees</i>	1,272	1,287	1,320	1,407	1,441	1,411	1,334	+14	3,878	4,186	+307
<i>Investment margin</i>	670	922	701	680	1,002	834	904	+203	2,293	2,740	+447
<i>Expenses</i>	-1,522	-1,657	-1,586	-1,757	-1,659	-1,624	-1,522	+64	-4,765	-4,806	-41
<i>Technical margin</i>	270	269	318	346	301	295	277	-40	857	874	+17
<i>Impact of change in DAC</i>	189	163	39	-2	19	-63	-255	-294	391	-299	-690
Non-operating items	4	54	-15	-55	-39	81	34	+48	44	76	+33
Income before taxes	884	1,039	776	617	1,065	935	771	-4	2,698	2,771	+73
Income taxes	-255	-308	-245	-188	-326	-273	-224	+21	-808	-823	-16
Net income	629	731	530	429	739	662	547	+17	1,891	1,948	+57
Non-controlling interests	31	32	24	35	40	37	30	+6	87	107	+21
Shareholders' net income	598	699	507	394	699	624	517	+11	1,804	1,840	+37
Margin on reserves (in bps)	73	79	61	50	77	58	52	-9	70	64	-6
Segment financial assets ² (EUR bn)	422.7	438.5	456.4	470.8	510.4	483.6	484.8	+28.5	456.4	484.8	+28.5
Unit-linked investments (EUR bn)	82.9	86.9	90.8	94.6	106.2	104.9	100.7	+9.9	90.8	100.7	+9.9
Operating asset base ³ (EUR bn)	509.6	529.8	551.8	571.0	622.7	594.1	590.8	+38.9	551.8	590.8	+38.9

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) 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

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 details¹

(EUR mn)

	L/H segment ²			Guaranteed savings & annuities		Protection & health		Unit-linked w/o guarantee	
	3Q 2014	3Q 2015	Delta 3Q 15/14	3Q 2014	3Q 2015	3Q 2014	3Q 2015	3Q 2014	3Q 2015
Loadings & fees	1,320	1,334	+14	753	751	398	405	169	179
Loadings from premiums	888	874	-14	444	431	376	378	68	65
as % of statutory premiums	5.6%	6.1%	+0.5%-p	4.2%	4.7%	15.6%	16.0%	2.5%	2.3%
Loadings from reserves	272	280	+8	237	236	22	27	12	17
as % of avg. reserves ^{3,4}	0.06%	0.05%	0.00%-p	0.06%	0.05%	0.07%	0.07%	0.04%	0.04%
Unit-linked management fees	160	181	+20	71	84	0	0	89	97
as % of avg. unit-linked reserves ^{4,5}	0.14%	0.14%	0.00%-p	0.13%	0.14%	N/A	N/A	0.17%	0.15%
Investment margin	701	904	+203	679	887	9	2	13	15
Investment margin net of PHP	701	904	+203	679	887	9	2	13	15
as % of avg. aggregate policy reserves ⁴	0.19%	0.22%	+0.03%-p	0.20%	0.24%	0.03%	0.01%	4.79%	5.57%
Expenses	-1,586	-1,522	+64	-1,050	-945	-402	-414	-135	-163
Acquisition expenses and commissions	-1,193	-1,150	+43	-782	-716	-310	-311	-101	-123
as % of PVNBP	-9.0%	-9.7%	-0.7%-p	-8.7%	-9.5%	-25.3%	-26.7%	-3.3%	-4.0%
Admin and other expenses	-393	-373	+21	-269	-229	-91	-103	-34	-40
as % of avg. reserves ^{3,4}	-0.09%	-0.07%	+0.01%-p	-0.07%	-0.05%	-0.27%	-0.28%	-0.10%	-0.10%
Technical margin	318	277	-40	131	84	165	167	22	27
Operating profit before change in DAC	752	993	+242	512	776	170	161	70	57
Impact of change in DAC⁶	39	-255	-294	18	-178	14	-94	7	16
Capitalization of DAC	466	405	-61	337	262	95	86	34	57
Amortization, unlocking and true-up of DAC	-427	-660	-233	-319	-440	-81	-180	-27	-41
Operating profit	790	738	-52	530	598	184	67	77	73
Statutory premiums	15,853	14,313	-1,540	10,672	9,129	2,416	2,362	2,766	2,822
Avg. unit-linked reserves	88,843	102,813	+13,970	55,427	61,144	0	0	33,416	41,669
Avg. aggregate policy reserves	373,529	406,482	+32,953	338,870	369,309	34,385	36,902	274	271
Avg. reserves ³	462,372	509,295	+46,923	394,297	430,453	34,385	36,902	33,689	41,940
PVNBP ⁷	13,189	11,827	-1,362	8,932	7,572	1,226	1,162	3,031	3,093

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 96.6% 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

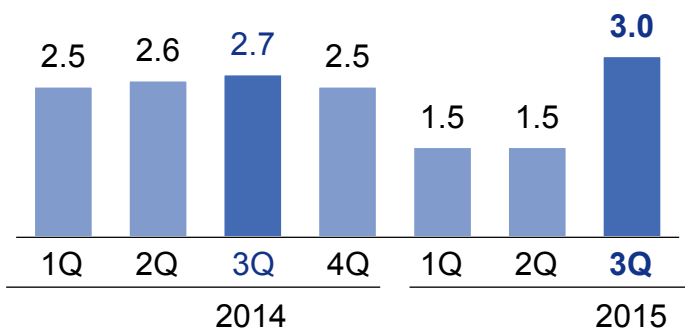
5) Calculation based on only unit-linked fees on unit-linked reserves

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

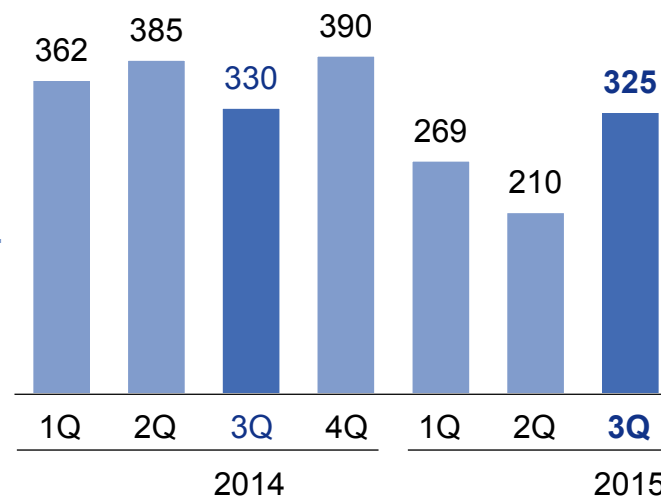
7) PVNBP is before non-controlling interests

L/H: key new business metrics¹

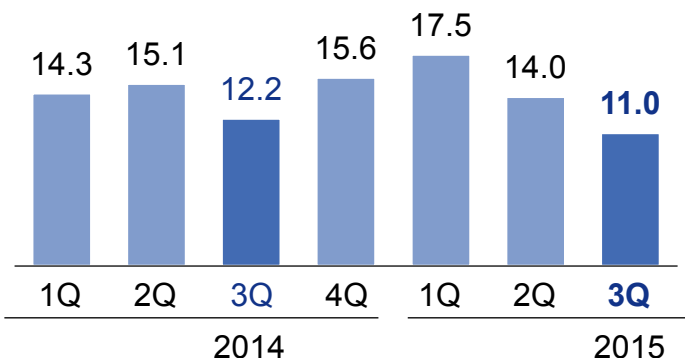
New business margin
(VNB in % of PV of NB premiums)



Value of new business
(EUR mn)



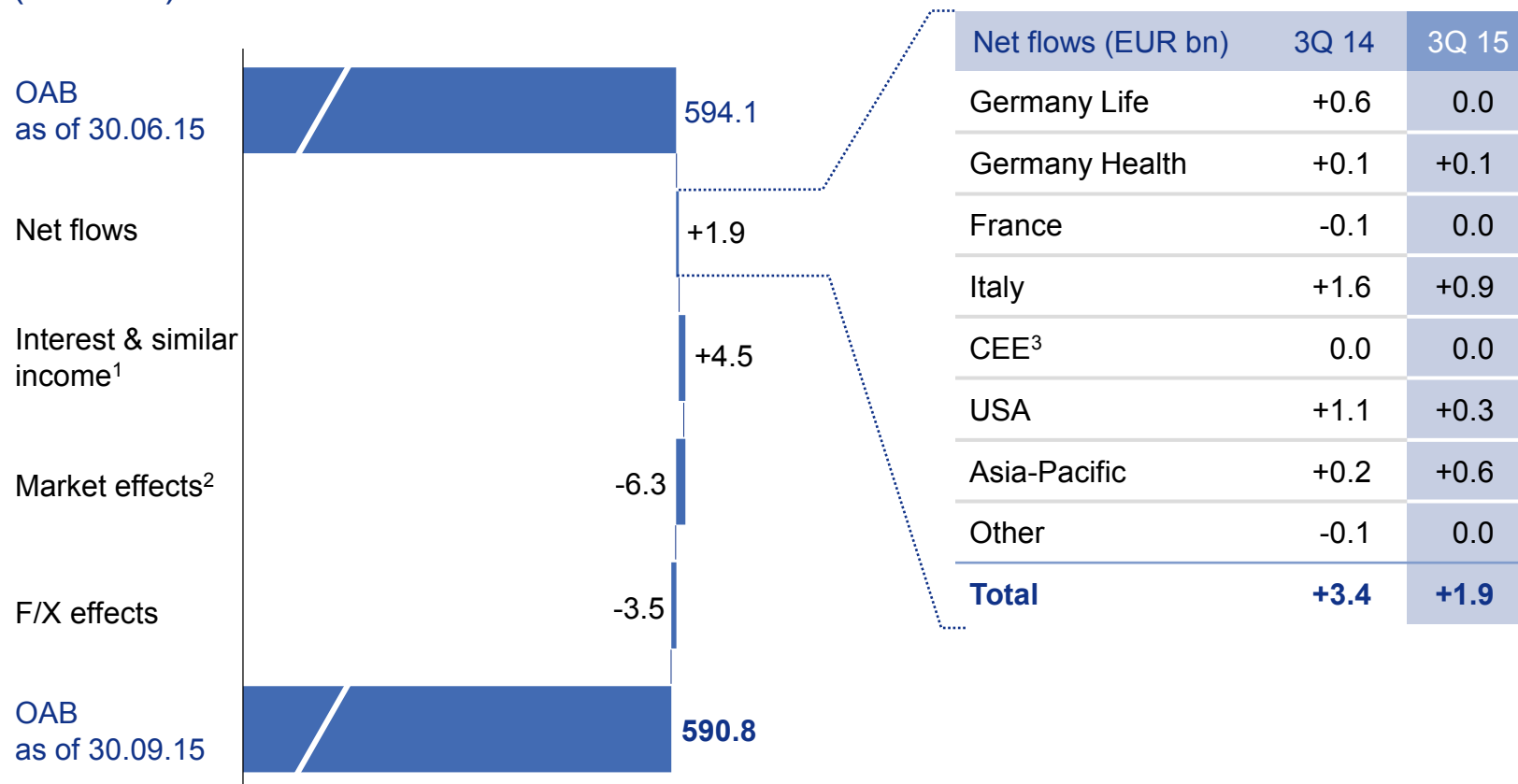
PV of NB premiums
(EUR bn)



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: operating asset base

Operating asset base (EUR bn)



1) Net of interest expenses

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

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

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AM: AAM key figures (1/2)

(EUR mn)

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	Delta 3Q 15/14	9M 2014	9M 2015	Delta 9M 15/14
Operating revenues	1,517	1,607	1,618	1,646	1,573	1,548	1,636	+18	4,742	4,757	+15
Performance fees	19	67	40	149	59	52	192	+152	126	304	+177
Operating profit	646	676	694	588	555	505	600	-93	2,015	1,661	-355
Non-operating items	-14	-3	2	0	-27	0	-2	-4	-15	-28	-13
Income before taxes	631	673	696	588	528	505	599	-97	2,000	1,632	-368
Income taxes	-225	-254	-258	-230	-199	-176	-225	+34	-738	-600	+138
Net income	406	419	438	358	329	329	374	-63	1,263	1,033	-230
Non-controlling interests	22	23	22	19	17	16	20	-3	67	52	-15
Shareholders' net income	385	396	415	340	312	314	355	-61	1,196	981	-215
Cost-income ratio (in %)	57.4	57.9	57.1	64.3	64.7	67.4	63.3	+6.2%-p	57.5	65.1	+7.6%-p
3rd party AuM (EUR bn)	1,342	1,373	1,411	1,313	1,408	1,323	1,259	-152	1,411	1,259	-152
Allianz AuM (EUR bn)	423	441	461	488	525	488	488	+27	461	488	+27
Total AuM (EUR bn)	1,765	1,814	1,872	1,801	1,933	1,811	1,746	-125	1,872	1,746	-125
3rd party net flows¹ (EUR bn)	-19.8	-17.2	-47.4	-141.3	-62.1	-22.5	-14.8	+32.6	-84.3	-99.5	-15.1
Net flows in 3rd party AuM eop (in %)	-1.5	-1.3	-3.5	-10.0	-4.7	-1.6	-1.1	+2.3%-p	-6.3	-7.6	-1.2%-p

1) Effective 2015, 3rd party net flows contain re-invested dividends (incl. capital gains) from existing clients (EUR +4.1bn in 3Q 15). Those have been recognized as market return until 31.12.14

AM: AAM key figures (2/2)

(EUR mn)

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	Delta 3Q 15/14	9M 2014	9M 2015	Delta 9M 15/14
PIMCO											
Operating profit	563	597	594	488	428	396	500	-94	1,754	1,323	-430
Performance fees	11	46	25	122	26	24	165	+140	83	215	+132
Cost-income ratio (in %)	52.2	51.8	52.4	61.2	62.5	64.3	58.6	+6.2%-p	52.1	61.7	+9.6%-p
3rd party AuM (EUR bn)	1,116	1,135	1,162	1,053	1,114	1,032	985	-178	1,162	985	-178
3rd party net flows ¹ (EUR bn)	-21.7	-20.4	-49.2	-144.8	-68.3	-29.3	-16.0	+33.1	-91.3	-113.6	-22.4
3-yr. outperformance (in %)	88	89	93	88	87	84	70	-23%-p	93	70	-23%-p
AllianzGI											
Operating profit	96	89	110	113	135	139	111	+1	295	385	+90
Performance fees	8	20	15	27	33	28	27	+12	43	88	+44
Cost-income ratio (in %)	72.1	76.1	70.8	70.9	68.9	68.7	74.5	+3.6%-p	73.0	70.7	-2.3%-p
3rd party AuM (EUR bn)	226	238	248	260	294	292	274	+26	248	274	+26
3rd party net flows ¹ (EUR bn)	2.0	3.2	1.8	3.5	6.2	6.7	1.3	-0.5	6.9	14.2	+7.2
3-yr. outperformance (in %)	53	51	58	55	58	64	62	+4%-p	58	62	+4%-p

1) Effective 2015, 3rd party net flows contain re-invested dividends (incl. capital gains) from existing clients (EUR +3.9bn for PIMCO and EUR +0.2bn for AllianzGI in 3Q 15). Those have been recognized as market return until 31.12.14

AM: splits of 3rd party AuM¹ (EUR bn)

	AAM		PIMCO		AllianzGI	
	30.09.14	30.09.15	30.09.14	30.09.15	30.09.14	30.09.15
Regions²						
America	878	719	802	643	76	76
Europe	390	405	241	226	150	178
Asia-Pacific	143	135	120	115	23	19
Investment vehicles³						
Mutual funds	862	738	677	540	185	198
Separate accounts	549	521	486	445	63	76
Asset classes⁴						
Fixed income	1,216	936	1,162	880	54	56
Equity	195	141	0	23	195	119
Multi-Assets	n.a.	134	n.a.	45	n.a.	89
Other	n.a.	47	n.a.	37	n.a.	10

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

2e

Group financial
results 3Q 2015

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CO: key figures (EUR mn)

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	Delta 3Q 15/14	9M 2014	9M 2015	Delta 9M 15/14
Total revenues (Banking)	139	132	135	151	140	131	146	+11	405	416	+11
Operating profit	-222	-219	-248	-131	-101	-230	-246	+2	-689	-577	+113
<i> Holding & Treasury</i>	-248	-245	-267	-157	-143	-264	-287	-20	-760	-694	+66
<i> Banking</i>	18	17	11	21	32	26	28	+16	46	85	+40
<i> Alternative Investments</i>	8	8	8	6	10	8	14	+5	24	32	+8
<i> Consolidation</i>	0	0	0	0	0	0	0	0	0	0	0
Non-operating items	472	-177	-211	-276	27	-89	-195	+16	84	-256	-340
<i> Holding & Treasury</i>	484	-177	-194	-271	23	-82	-170	+24	113	-230	-343
<i> Banking</i>	-1	4	3	5	6	5	0	-2	6	11	+6
<i> Alternative Investments</i>	-11	-5	-19	-11	-2	-11	-25	-6	-35	-38	-3
<i> Consolidation</i>	0	0	0	0	0	0	0	0	0	0	0
Income before taxes	249	-397	-458	-407	-74	-318	-440	+18	-606	-833	-227
Income taxes	-118	148	147	179	25	113	86	-61	177	225	+48
Net income	131	-249	-311	-228	-49	-205	-354	-43	-429	-609	-180
Non-controlling interests	4	6	3	2	6	4	4	+1	13	14	+1
Shareholders' net income	127	-255	-315	-231	-55	-209	-358	-44	-442	-622	-181
Cost-income ratio Banking (in %)	80.7	75.8	86.6	76.8	71.7	67.0	71.5	-15.1%-p	81.1	70.2	-10.9%-p
RWA ¹ Banking (EUR bn)	8.9	8.9	9.0	8.9	8.9	8.6	8.6	-0.4	9.0	8.6	-0.4

1) RWA data is preliminary; based on Basel approach

3

Group financial
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- 3** **Glossary**

Glossary (1)

AAM	Allianz Asset Management, mainly the holding company of PIMCO and AllianzGI
ABS	Asset-backed securities: Structured bonds or notes collateralized by a pool of assets such as loans, bonds or mortgages. As characteristics of the collaterals vary considerably (with regard to asset class, quality, maturity, etc.), so do asset-backed securities.
AFS	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.
AGCS	Allianz Global Corporate & Specialty
AllianzGI	Allianz Global Investors
AM	Asset Management – AM segment
AuM	<p>Assets under management are assets or securities portfolios, valued at current market value, for which Allianz Asset Management companies provide discretionary investment management decisions and have the portfolio management responsibility. They are managed on behalf of third parties as well as on behalf of the Allianz Group.</p> <p>Net flows: Net flows represent the sum of new client assets, additional contributions from existing clients, including dividend reinvestment, withdrawals of assets from, and termination of, client accounts and distributions to investors.</p> <p>Market and dividends: 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>
AuM splits by asset classes	<p>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.</p> <p>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.</p>

Glossary (2)

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%

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

Current yield

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.

DAC

Deferred acquisition costs: Expenses of an insurance company which are incurred in connection with the acquisition of new insurance policies or the renewal of existing policies. These typically include commissions paid and the costs of processing proposals.

Fair value (FV)

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.

FCD

Financial conglomerates directive: European regulation for the supervision of financial conglomerates and financial groups involved in cross-sectoral business operations.

Glossary (3)

Government bonds	Government bonds include government and government agency bonds.
Gross/Net	In insurance terminology the terms “gross” and “net” mean before and after consideration of reinsurance ceded, respectively. In investment terminology the term “net” is used where the relevant expenses (e.g. depreciations and losses on the disposal of assets) have already been deducted.
Harvesting rate	$(\text{Realized gains and losses (net)} + \text{impairments on investments (net)}) / \text{average investments and loans at book value (excluding income from financial assets/ liabilities carried at fair value)}$
IFRS	International Financial Reporting Standards: Since 2002, the designation of IFRS applies to the overall framework of all standards approved by the International Accounting Standards Board. Standards already approved before will continue to be cited as International Accounting Standards (IAS).
Internal growth	Enhances the understanding of our total revenue performance by excluding the effects of foreign currency translation as well as of acquisitions and disposals
IRR	Internal rate of return: The discount rate which gives a zero value of new business under real-world projections after allowing for any acquisition expense overrun or underrun
L/H	Life and health insurance
L/H lines of business	<p>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.</p> <p>Protection & health: Protection and health insurance covers different risks which are linked to events affecting the physical or mental integrity of a person.</p> <p>Unit-linked without guarantee: 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.</p>

Glossary (5)

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

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.).

NatCat

Accumulation of claims that are all related to the same natural or weather/atmospheric event during a certain period of time and where AZ Group's estimated gross loss exceeds EUR 20mn if one country is affected (respectively EUR 50mn if more than one country is affected); or if event is of international media interest.

NBM

New business margin: Value of new business divided by present value of new business premiums

Non-controlling interests

Those parts of the equity of affiliates which are not owned by companies of the Allianz Group

OAB

Operating asset base: Represents all operating investment assets within the L/H segment. This includes investments & loans, financial assets and liabilities carried at fair value as well as unit-linked investments. Market value liability option is excluded.

Glossary (6)

OE	Operating entity
Operating profit (OP)	Earnings from ordinary activities before income taxes and non-controlling interests in earnings, excluding, as applicable for each respective segment, all or some of the following items: Income from financial assets and liabilities carried at fair value (net), realized gains/ losses (net), impairments on investments (net), interest expenses from external debt, amortization of intangible assets, acquisition-related expenses and income from fully consolidated private equity investments (net) as this represents income from industrial holdings outside the scope of operating business
P/C	Property and casualty insurance
PIMCO	Pacific Investment Management Company Group
Premiums written/ earned (IFRS)	Premiums written represent all premium revenues in the year under review. Premiums earned represent that part of the premiums written used to provide insurance coverage in that year. In the case of life insurance products where the policyholder carries the investment risk (e.g. variable annuities), only that part of the premiums used to cover the risk insured and costs involved is treated as premium income.
PVFP	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
PVNBP	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
Retained earnings	In addition to the reserve required by law in the financial statements of the Group parent company, this item consists mainly of the undistributed profits of Group entities and amounts transferred from consolidated net income.
Return on equity (RoE)	<p>RoE Group: Represents net income attributable to shareholders divided by the average shareholders' equity beginning of the period and end of the period</p> <p>RoE OE/Segment: Represents net income divided by the average equity excluding unrealized gains/losses on bonds (net of Shadow DAC) beginning of the period and end of the period</p>

Glossary (7)

RfB	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.
Required capital	The market value of assets attributed to the covered business over and above that required to back liabilities for covered business whose distribution to shareholders is restricted
Run-off ratio	Run-off ratio is calculated as run-off result (result from reserve releases in P/C business) in percent of net premiums earned.
SE	Societas Europaea: European stock company
Solvency ratio	Ratio indicating the capital adequacy of a company comparing eligible funds to required capital
Sovereign bonds	Sovereign bonds include government and government agency bonds.
Statutory premiums	Represent gross premiums written from sales of life insurance policies, as well as gross receipts from sales of unit-linked and other investment-oriented products, in accordance with the statutory accounting practices applicable in the insurer’s home jurisdiction
Total revenues	Represent the sum of P/C segment’s gross premiums written, L/H segment’s statutory premiums, operating revenues in Asset Management and total revenues in Corporate and Other (Banking)
Unrealized gains and losses (net) (as part of shareholders’ equity)	Include primarily unrealized gains and losses from available-for-sale investments net of tax and policyholder participation
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 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.
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.

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