

1Q 2016

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Chief Financial Officer

Media conference call
May 11, 2016

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Group financial
results 1Q 2016

1 Highlights

2 Glossary

Status quo and ambitions for 2018

1Q 16	2018		1Q 16	2018
32.5% ¹	5% ¹	EPS Growth	Businesses with NPS above market	50% ⁴ / 75%
15.7% ²	13%	RoE Allianz Group	SII interest rate sensitivity	12%-p / <11%-p
93.3%	94%	P/C CR	PIMCO CIR	64.1% / 60%
52% ^{2,3}	100%	L/H OEs with RoE ≥10%	IMIX	68% ⁴ / 72%
2.5%	3.0%	L/H NBM	Share of new digital retail products (P/C)	<10% ⁴ / ~100%

1) 1Q 16: Growth rate of annualized EPS in 1Q 16 vs. EPS for FY 2015; Ambition for 2018: 3-year CAGR. Annualized figures are not a forecast for full year numbers

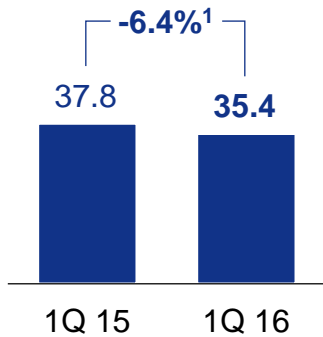
2) RoE for 1Q 16 annualized. Annualized figures are not a forecast for full year numbers

3) Weighted by equity (total equity excluding unrealized gains/losses on bonds (net of shadow DAC) and deducting goodwill)

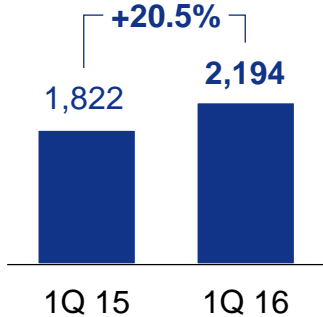
4) Based on latest available data

Group: good start into the year

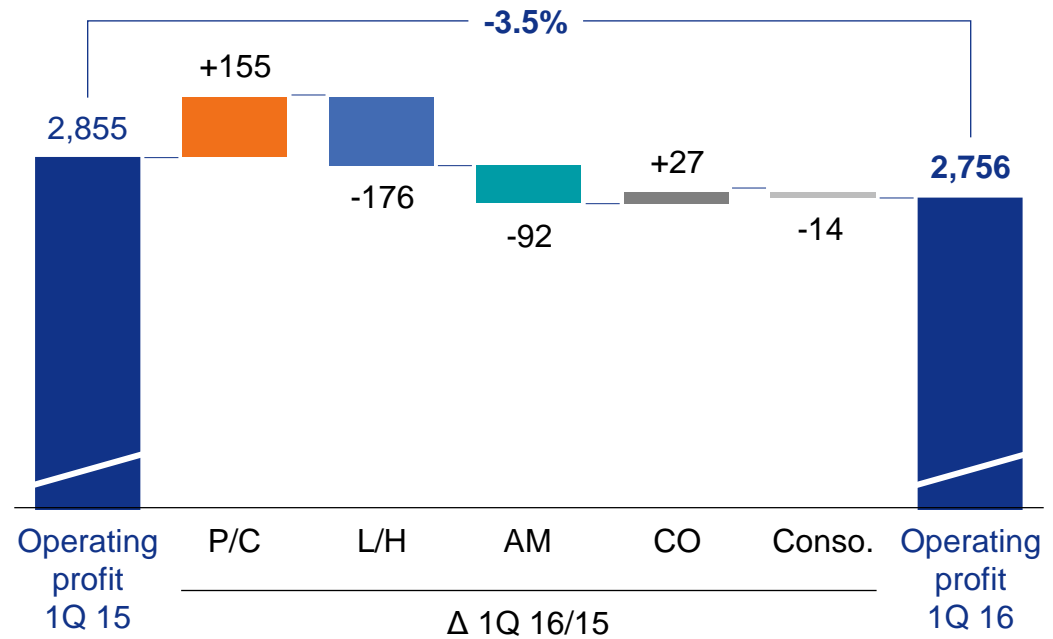
Total revenues (EUR bn)



Shareholders' net income (EUR mn)



Operating profit drivers (EUR mn)

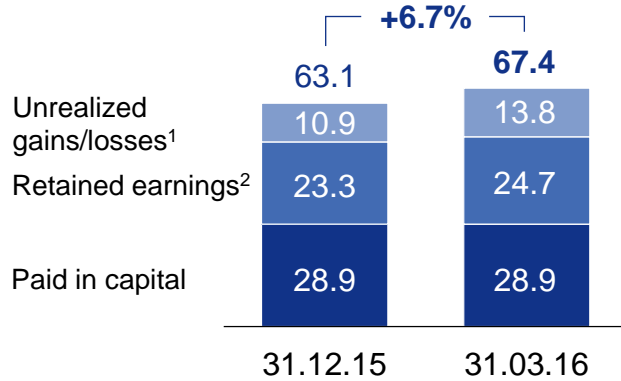


1Q 16	1,439	927	463	-74	0
1Q 15	1,285	1,104	555	-101	13

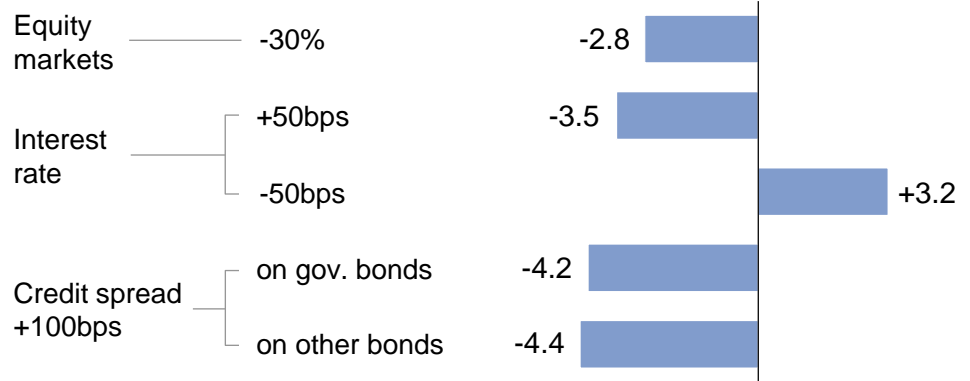
1) Internal growth of -4.9%, adjusted for F/X and consolidation effects

Group: shareholders' equity up 6.7%

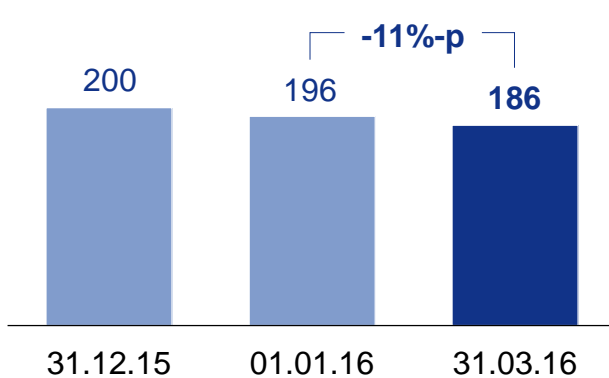
Shareholders' equity (EUR bn)



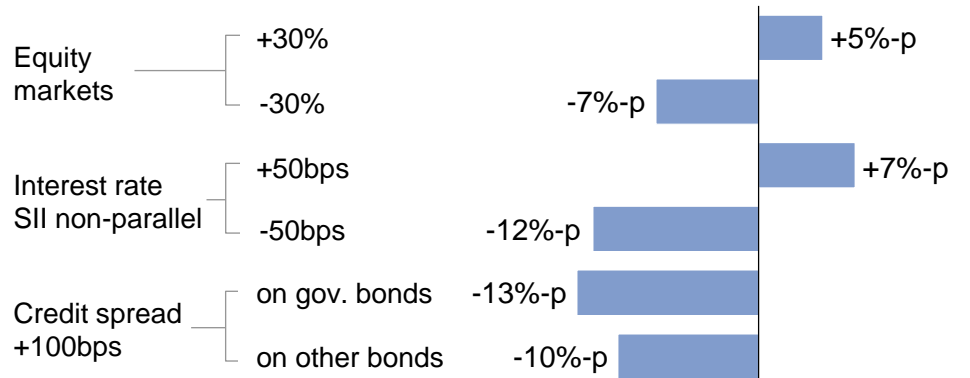
Key sensitivities (EUR bn)



SII capitalization³ (in %)



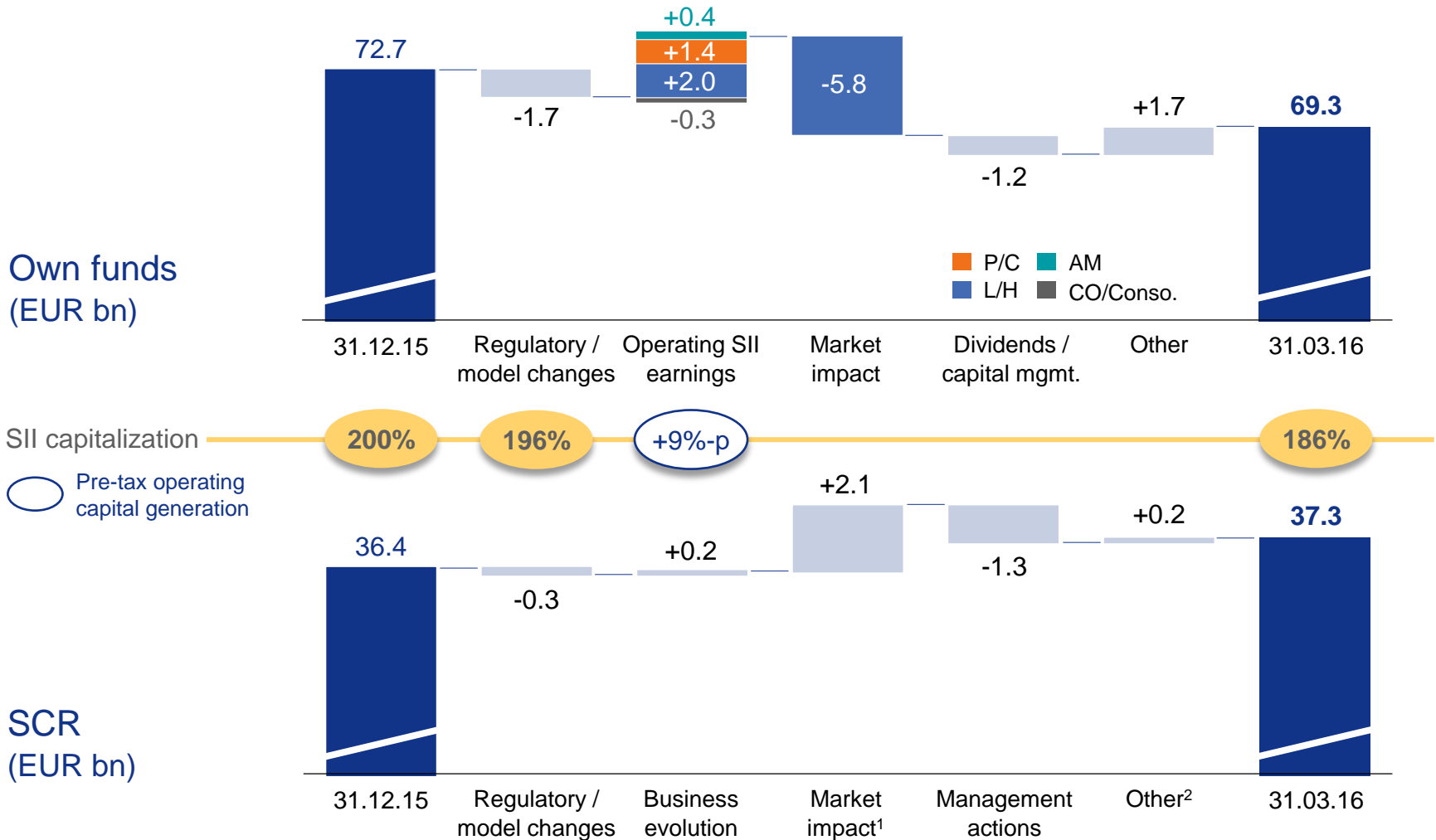
Key sensitivities⁴



1) Off-balance sheet unrealized gains on real estate, associates and joint ventures attributable to the shareholders amount to EUR 2.8bn as of 31.12.15 and EUR 2.7bn as of 31.03.16
 2) Including F/X

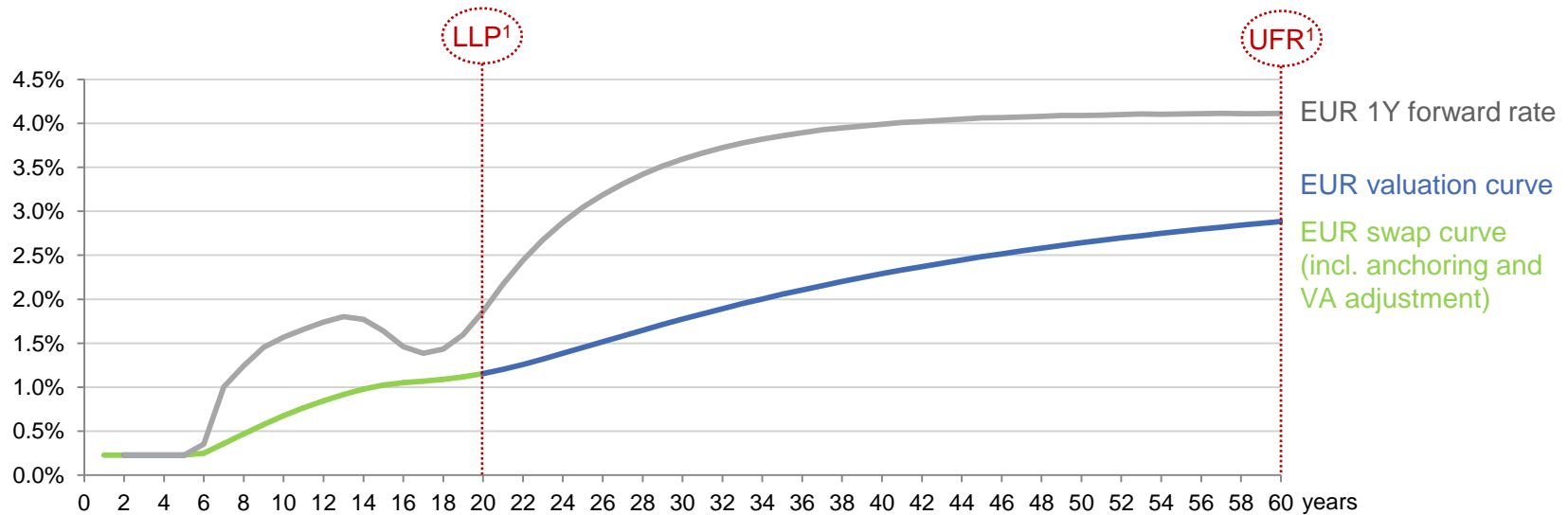
3) Changed regulatory tax treatment of German life sector reduces year-end SII ratio from 200% to 196% on January 1, 2016
 4) Second order effects to other risk types and to own funds transferability restrictions are not considered

Group: strong pre-tax operating capital generation



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

SII rules: long-term valuation rate well below UFR



Example (as per March 31, 2016):

$$\text{Valuation rate year 20} = 1.03\% - 0.10\% + 0.22\% = 1.15\%$$

[EUR swap year 20]

[credit risk adjustment]

[volatility adjustment]

$$\text{Valuation rate year 21} = \frac{20}{21} \times 1.15\% + \frac{1}{21} \times 2.2\% = 1.20\%$$

[= valuation rate year 20]

[= 1 year forward rate year 21]

The UFR fixes the long-term 1 year forward rates. The long-term valuation rate is well below the anchor level. The lower & flatter the swap curve is around 20y, the lower the valuation rates!

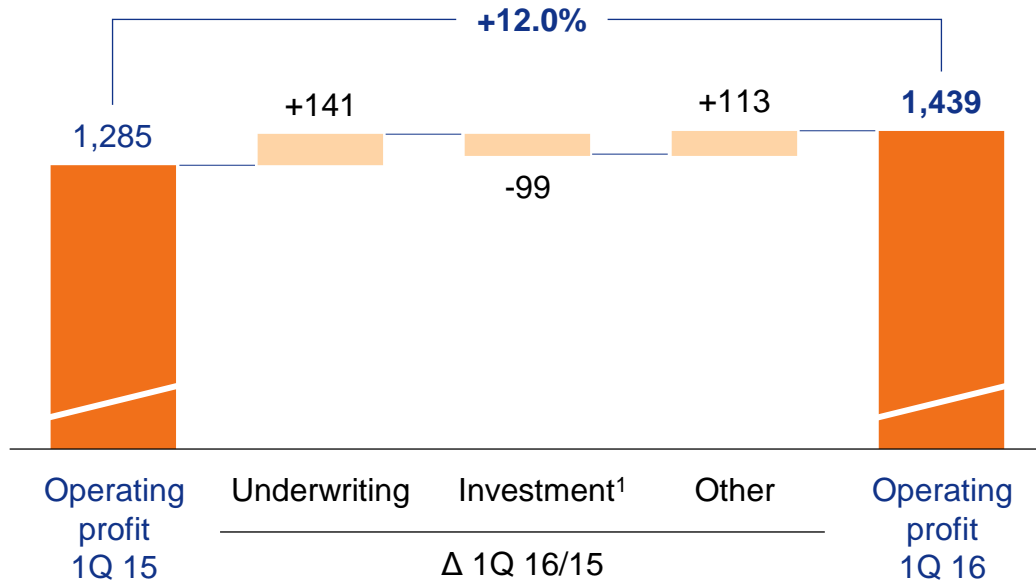
1) LLP = Last Liquid Point; UFR = Ultimate Forward Rate
 2) Linear approximation. Exact formula: ${}^{21}\sqrt{1.0115^{20} * 1.022} - 1$

P/C: price and volume drive internal growth of 2.7% (EUR mn)

1Q 2016		Revenues	Total growth Δ p.y.	Internal growth Δ p.y.	Price effect	Volume effect
Total P/C segment		17,245	-0.5%	+2.7%	+1.0%	+1.7%
Large OEs	Germany	4,331	+2.6%	+2.6%		
	France	1,477	-3.5%	+1.0%		
	Italy	1,120	-4.6%	-4.6%		
Global lines	AGCS	2,454	+3.0%	+10.2%		
	Allianz Worldwide Partners	1,591	-0.6%	-4.2%		
	Credit Insurance	643	-1.3%	-0.6%		
Selected OEs	United Kingdom	710	-5.0%	-1.5%		
	Spain	699	+6.7%	+6.7%		
	Australia	658	-4.0%	+2.5%		
	Latin America	389	-24.7%	+4.1%		

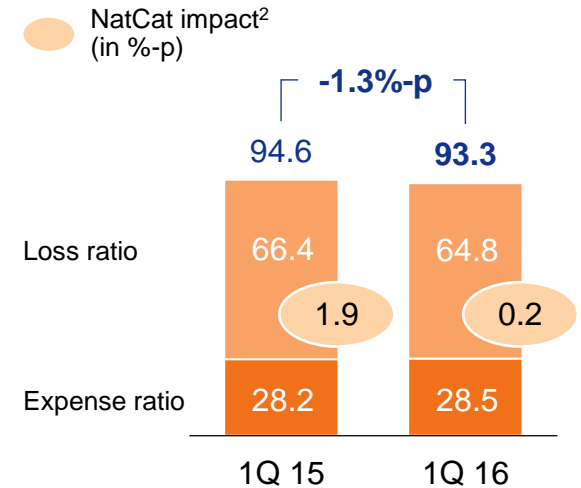
P/C: strong increase in underwriting result

Operating profit drivers (EUR mn)

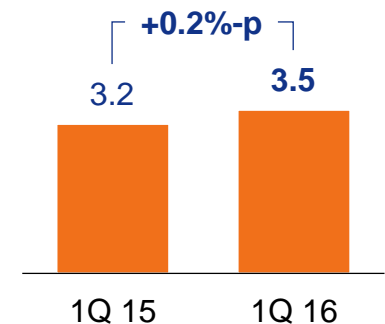


1Q 16	696	707	37
1Q 15	555	806	-76

Combined ratio (in %)



Run-off ratio (in %)



1) Including policyholder participation

2) NatCat costs (without reinstatement premiums and run-off): EUR 222mn (1Q 15) and EUR 21mn (1Q 16)

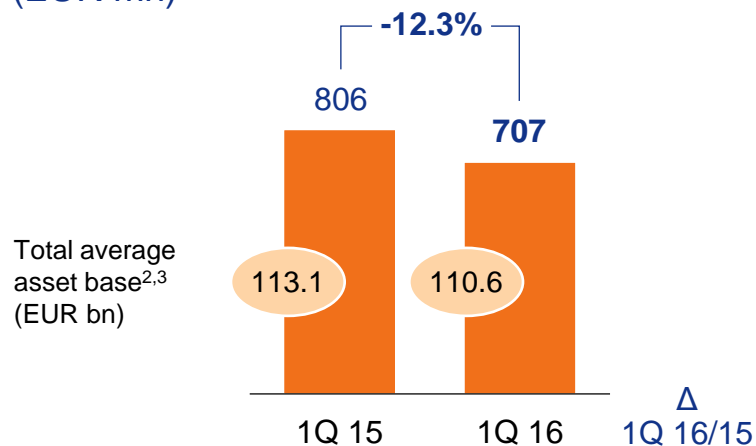
P/C: flagship OEs with excellent combined ratios (EUR mn)

1Q 2016		Operating profit	Δ p.y.	Combined ratio	Δ p.y.	NatCat impact in CR	Δ p.y.
Total P/C segment		1,439	+12.0%	93.3%	-1.3%-p	0.2%-p	-1.7%-p
Large OEs	Germany	352	+61.6%	89.0%	-9.0%-p	0.0%-p	-7.3%-p
	France	114	-1.2%	95.3%	+0.5%-p	0.0%-p	0.0%-p
	Italy	226	-8.9%	85.7%	+2.3%-p	0.0%-p	0.0%-p
Global lines	AGCS	152	+236.7%	95.5%	-4.1%-p	1.9%-p	+0.1%-p
	Allianz Worldwide Partners	9	-72.2%	101.2%	+3.9%-p	0.0%-p	0.0%-p
	Credit Insurance	87	-25.7%	83.6%	+5.2%-p	–	–
Selected OEs	United Kingdom	47	+15.1%	95.6%	-2.1%-p	0.0%-p	0.0%-p
	Spain	52	-8.1%	92.0%	+0.5%-p	0.0%-p	0.0%-p
	Australia	46	+45.1%	101.0%	-2.0%-p	0.0%-p	-3.6%-p
	Latin America	-14	n.m. ¹	111.0%	+5.0%-p	0.0%-p	0.0%-p

1) Operating profit for Latin America decreased by EUR 20mn from EUR 6mn in 1Q 15

P/C: interest & similar income only slightly lower

Operating investment result^{1,2} (EUR mn)

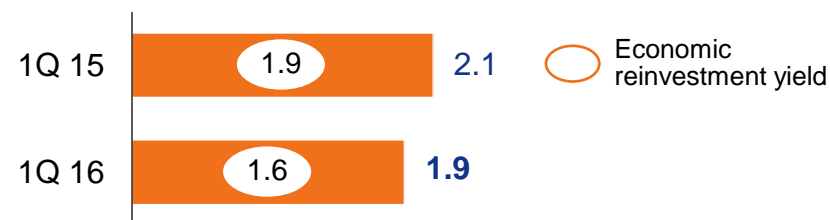


	1Q 15	1Q 16	Δ 1Q 16/15
Interest & similar income ⁴	857	824	-32
Net harvesting and other ⁵	31	-29	-60
Investment expenses	-81	-88	-7

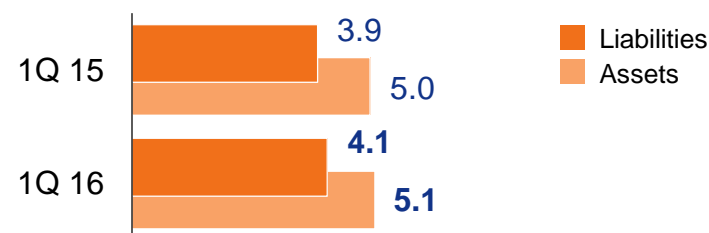
Current yield (debt securities; in %)



Reinvestment yield⁶ (debt securities; in %)



Duration⁷



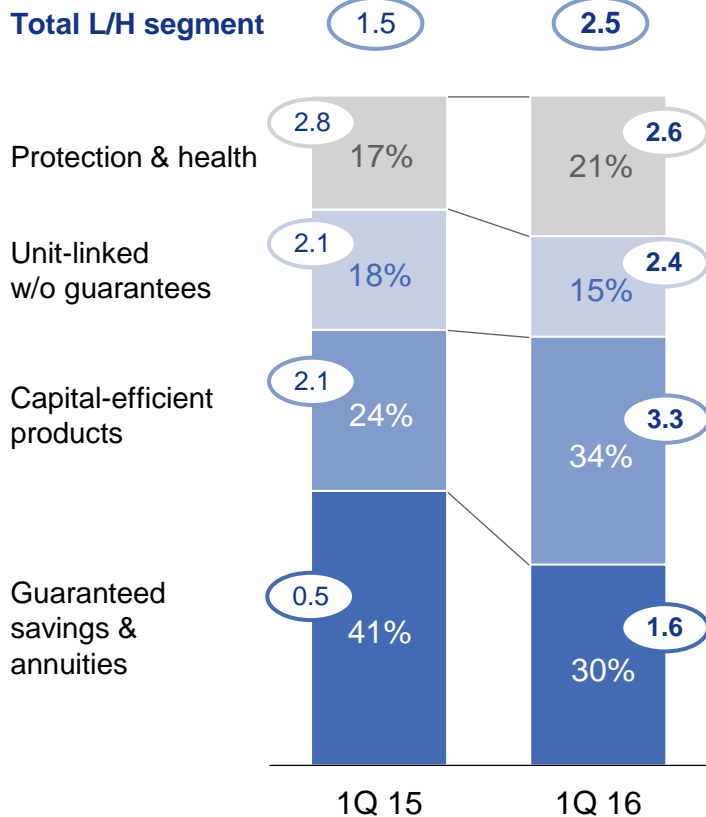
1) Including policyholder participation
 2) Effective 2016, fixed assets of renewable energy investments are disclosed as investments. Prior year figures have been restated accordingly
 3) Asset base includes health business France, fair value option and trading
 4) Net of interest expenses

5) Comprises real. gains/losses, impairments (net), fair value option, trading and F/X gains and losses and policyholder participation
 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 P/C segment

L/H: successful execution of new business strategy

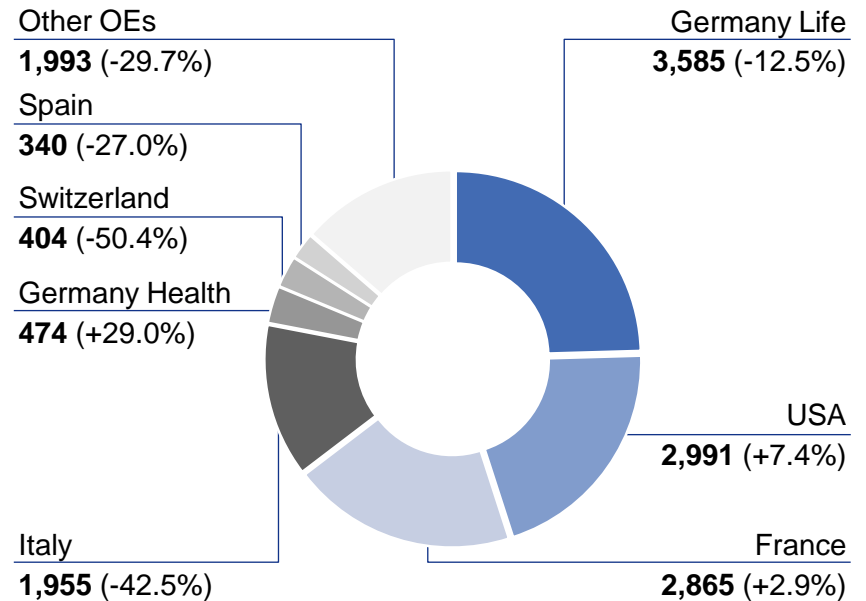
PVNB share by line¹

○ NBM (in %)



PVNB by OE

Operating entity
PVNB in EUR mn (Δ p.y.)



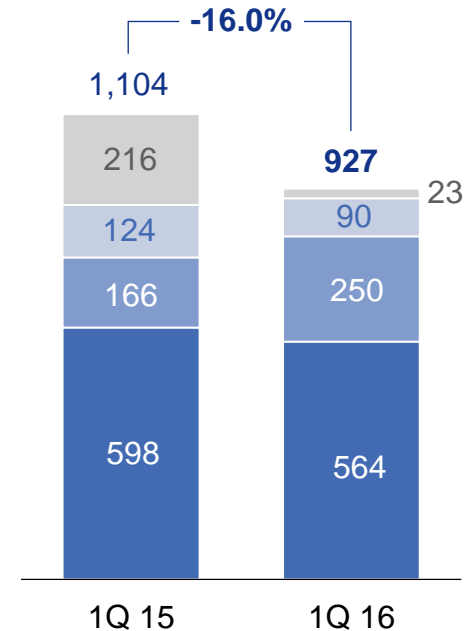
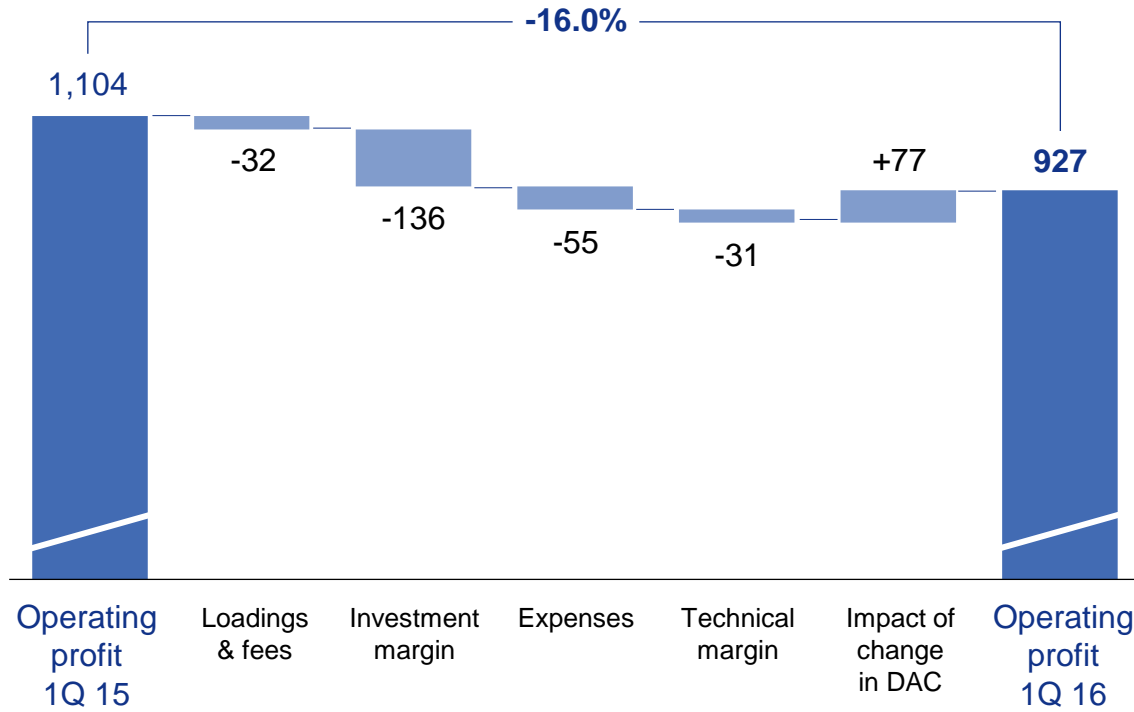
EUR mn	1Q 15	1Q 16	Δ p.y.
PVNB	17,545	14,606	-16.8%
Single premium	9,825	7,715	-21.5%
Recurring premium	2,380	2,503	+5.2%
APE	3,362	3,275	-2.6%

1) For a description of the L/H lines of business please refer to the glossary

L/H: operating profit on track (EUR mn)

Operating profit by source¹

Operating profit by line¹



	Δ 1Q 16/15				
1Q 16	1,409	865	-1,714	270	97
1Q 15	1,441	1,002	-1,659	301	19

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

1) For a description of the L/H operating profit sources and lines of business please refer to the glossary

L/H: VNB up 37%

(EUR mn)

1Q 2016		VNB	Δ p.y.	NBM	Δ p.y.	Operating profit	Δ p.y.
Total L/H segment		367	+36.7%	2.5%	+1.0%-p	927	-16.0%
Large OEs	Germany Life	110	+49.8%	3.1%	+1.3%-p	340	-19.7%
	USA	105	+59.7%	3.5%	+1.1%-p	150	-8.2%
	Italy	37	+121.2%	1.9%	+1.4%-p	77	-7.1%
	France	-2	n.m. ¹	-0.1%	+0.6%-p	161	+19.4%
Selected OEs	Asia Pacific	44	-16.4%	4.1%	+0.9%-p	-28	n.m. ²
	Switzerland	1	-95.2%	0.2%	-1.8%-p	21	+20.9%
	Germany Health	11	+24.1%	2.2%	-0.1%-p	22	-59.3%
	Benelux	5	+39.4%	1.5%	+0.7%-p	32	-15.2%
	Spain	18	+32.1%	5.4%	+2.4%-p	48	+2.9%
	Turkey	15	+11.5%	7.7%	+2.8%-p	23	+128.5%

1) Value of new business in France increased by EUR 16mn from EUR -17mn in 1Q 15

2) Operating profit for Asia Pacific decreased by EUR 82mn from EUR 54mn in 1Q 15

L/H: investment margin strong at 21bps¹

	(yields are pro-rata)	
	1Q 15	1Q 16
Based on Ø book value of assets²		
Current yield ³	0.9%	0.9%
Based on Ø aggregate policy reserves		
Current yield ³	1.1%	1.1%
Net harvesting and other	0.7%	0.2%
Total yield	1.8%	1.3%
- Ø min. guarantee ⁴	0.6%	0.6%
Gross investment margin (in %)	1.2%	0.8%
- Profit sharing under IFRS ⁵	1.0%	0.5%
Investment margin (in %)	0.3%	0.2%
Investment margin (EUR mn)	1,002	865
Ø book value of assets ² (EUR bn)	495	502
Ø aggregate policy reserves (EUR bn)	397	413

1) Effective 2016, fixed assets of renewable energy investments are disclosed as investments.

Prior year figures have been restated accordingly

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

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

4) Based on technical interest

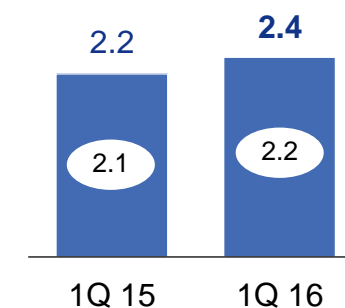
5) Includes bonus to policyholders under local statutory accounting and deferred premium refund under IFRS

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

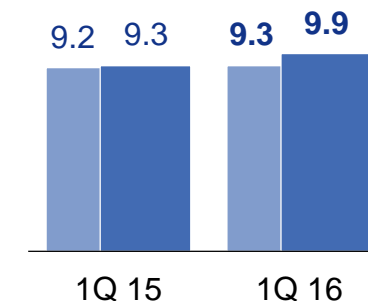
Reinvestment yield⁶ (debt securities; in %)

○ Economic reinvestment yield

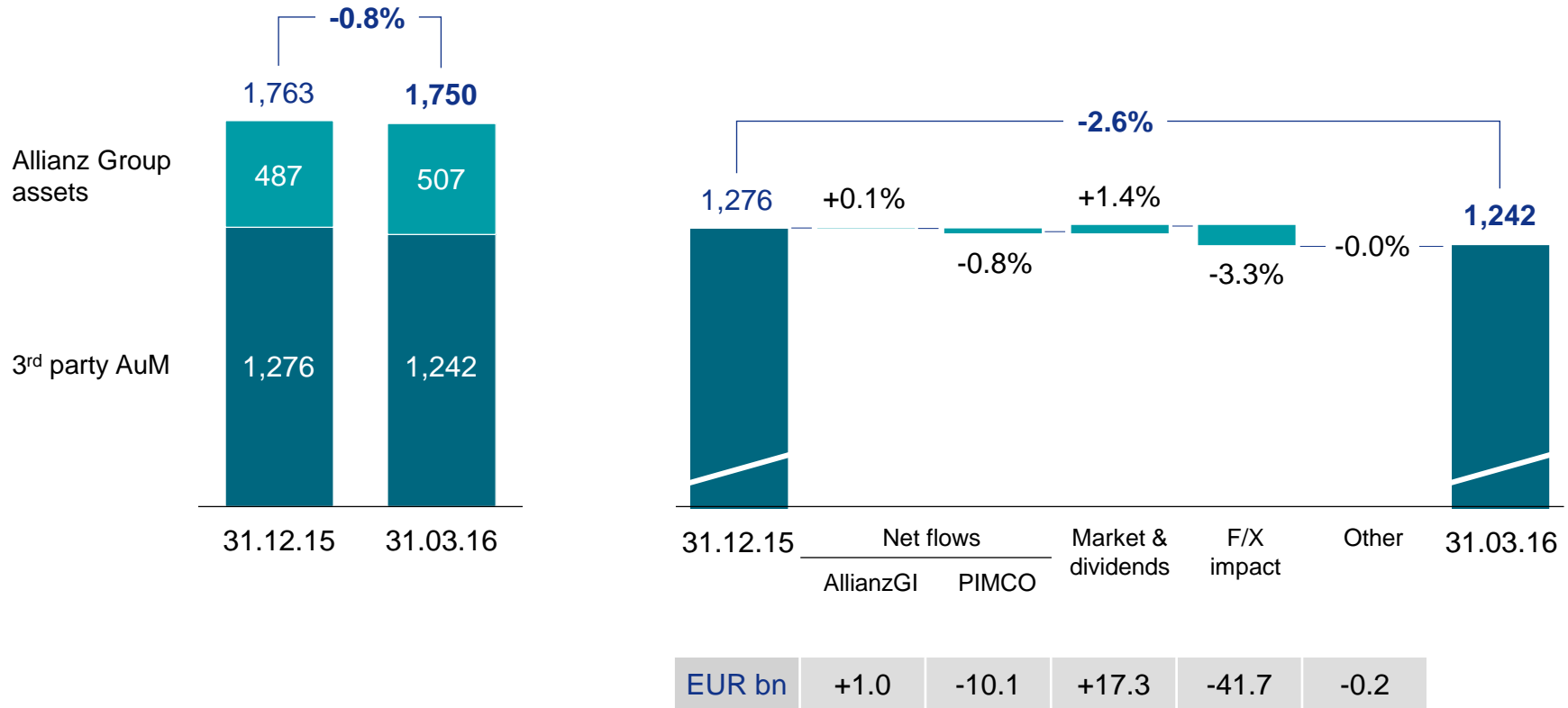


Duration⁷

■ Assets ■ Liabilities

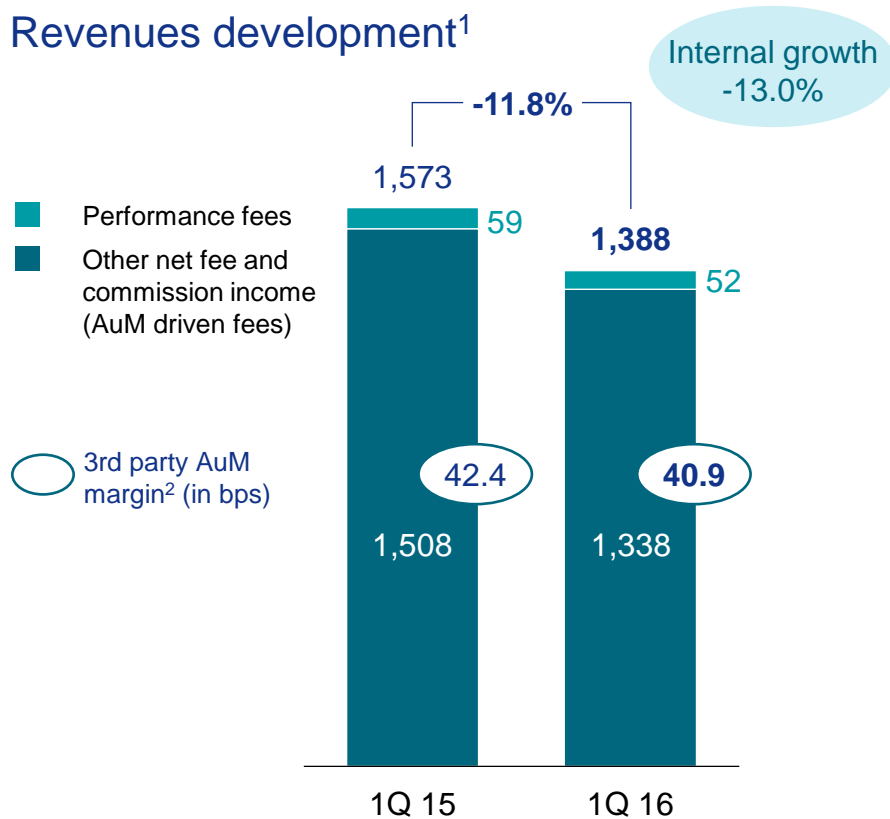


AM: 3rd party net flows stabilized; F/X drives AuM (EUR bn)

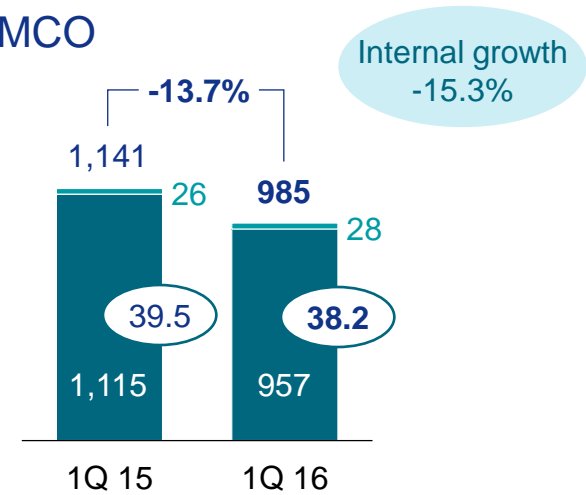


AM: lower average 3rd party AuM impact revenues (EUR mn)

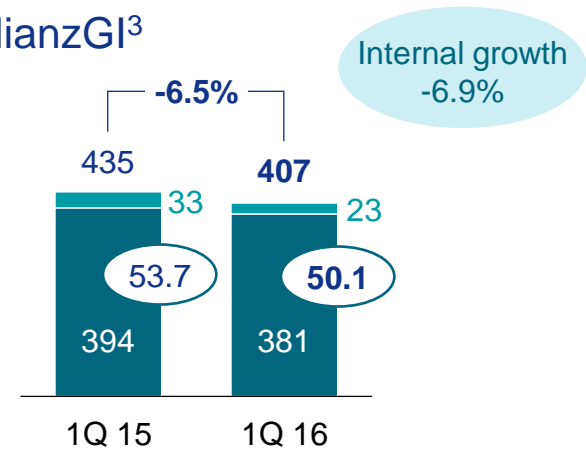
Revenues development¹



PIMCO



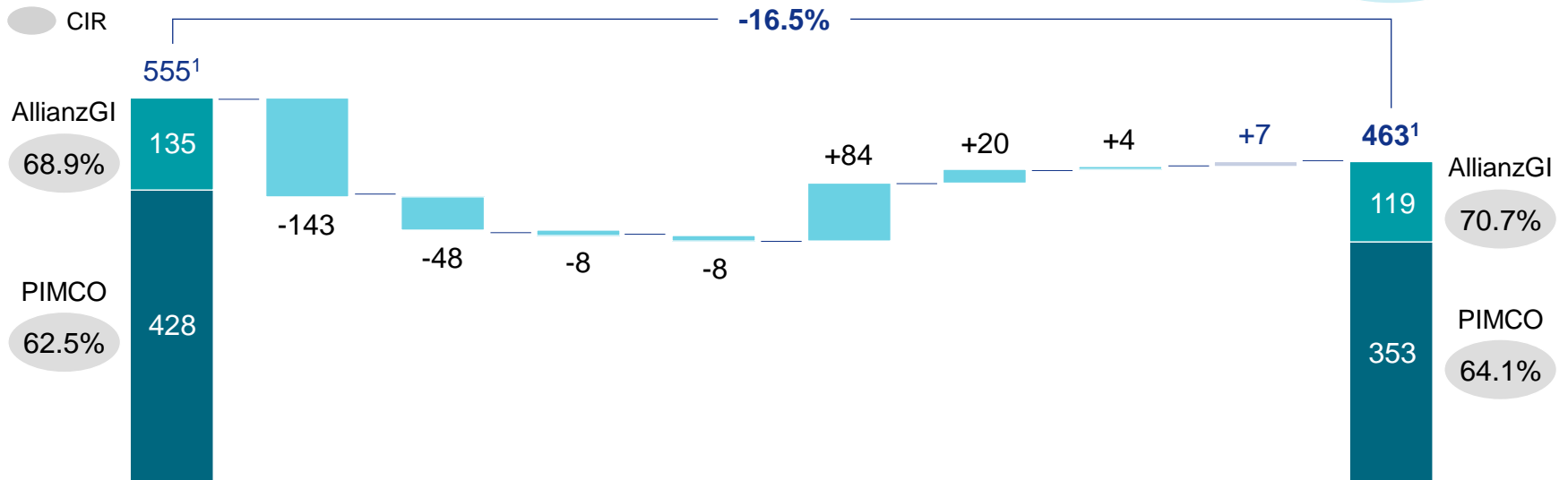
AllianzGI³



1) "Other" AM revenues of EUR 5mn in 1Q 15 and EUR -2mn in 1Q 16 are not shown in the chart
 2) Excluding performance fees and other income, 3 months
 3) "Other" AllianzGI revenues of EUR 8mn in 1Q 15 and EUR 2mn in 1Q 16 are not shown in the chart

AM: operating profit on track

Operating profit drivers (EUR mn)

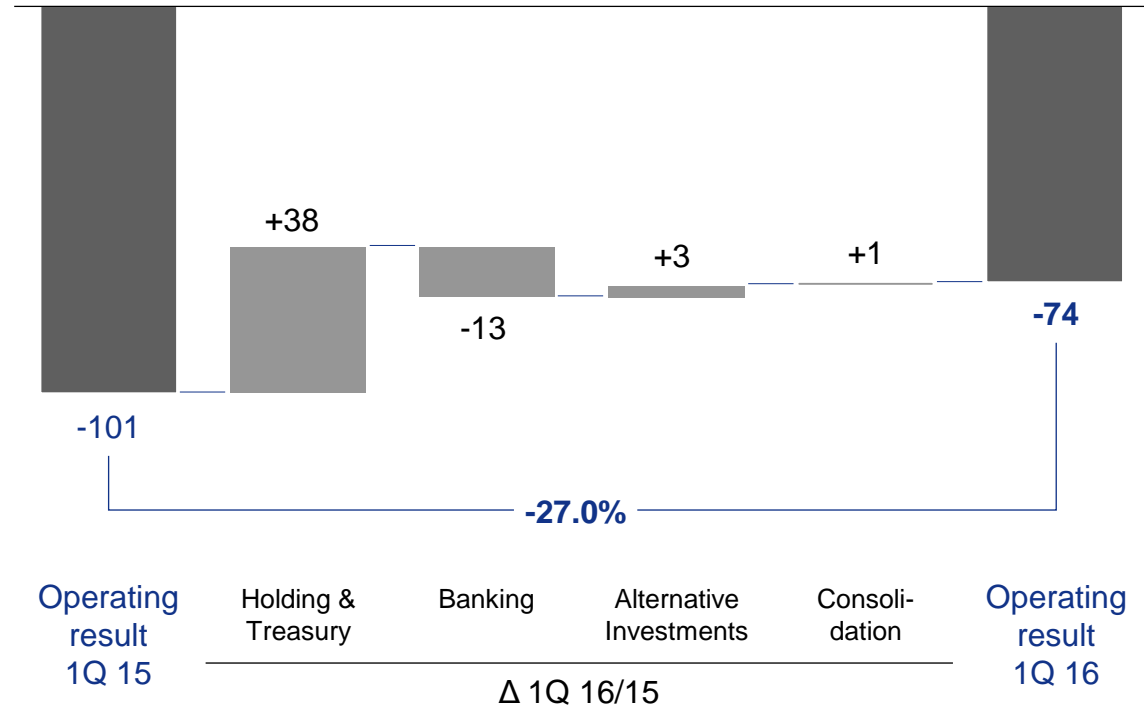


Operating profit 1Q 15	Revenues				Expenses			F/X effect	Operating profit 1Q 16
	Volume ²	Margin ²	Performance fees	Other	Personnel	Non-personnel	Re-structuring		
	+20	+1	0	-9	-5	0		CIR	
1Q 16	1,338 ²	52	-2	-574	-354	4		66.6%	
1Q 15	1,508 ²	59	5	-649	-368	0		64.7%	

1) Including operating loss from other entities of EUR -8mn in 1Q 15 and EUR -9mn in 1Q 16
 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

CO: good operating result (EUR mn)

Operating loss development and components



	Holding & Treasury	Banking	Alternative Investments	Consolidation
1Q 16	-106	19	13	0
1Q 15	-143	32	10	0

Group: shareholders' net income up 20.5%

(EUR mn)

	1Q 15	1Q 16	Change
Operating profit	2,855	2,756	-100
Non-operating items	-61	278	+339
Realized gains/losses (net)	318	568	+249
Impairments (net)	-20	-61	-42
Income from fin. assets and liabilities carried at fair value (net)	-124	44	+168
Interest expenses from external debt	-212	-207	+5
Fully consolidated private equity inv. (net)	2	0	-2
Acquisition-related expenses	7	0	-7
Amortization of intangible assets	-28	-29	-2
Reclassification of tax benefits	-5	-35	-31
Income before taxes	2,794	3,034	+240
Income taxes	-858	-740	+118
Net income	1,937	2,294	+358
Non-controlling interests	115	100	-15
Shareholders' net income	1,822	2,194	+373
Effective tax rate	31%	24%	-6%-p

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1 Highlights

2 Glossary

Glossary (1)

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
APE	Annual premium equivalent: A measure to normalize single premiums to the recurring premiums. It is calculated as sum of recurring premiums and 10% of single premiums.
APR	Accident insurance with premium refund: Special form of accident insurance (in German: “Unfallversicherung mit garantierter Beitragsrückzahlung” (UBR)) where the policyholder, in addition to insurance coverage for accidents (accident insurance), has a guaranteed claim to refund from premiums on the agreed maturity date or in the event of death (endowment insurance).
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>
AWP	Allianz Worldwide Partners
AY LR	Accident year loss ratio – please refer to “LR” (loss ratio)
AZ	Allianz
Bps	Basis points = 0.01%

Glossary (2)

CEE	Central and Eastern Europe excluding Russia and Ukraine
CIR	Cost-income ratio: Operating expenses divided by operating revenues
CO	Corporate and Other – CO segment
CR	Combined ratio: Represents the total of acquisition and administrative expenses (net), excluding one-off effects from pension revaluation, and claims and insurance benefits incurred (net) divided by premiums earned (net).
Current yield	Represents interest and similar income divided by average asset base at book value (excluding income from financial assets and liabilities carried at fair value); current yield on debt securities adjusted for interest expenses; current 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.
Economic reinvestment yield	The economic reinvestment yields reflects the reinvestment yield including F/X hedging costs for non-domestic hard currency F/X bonds as well as expected F/X losses on non-domestic emerging markets bonds in local currencies. The yield is presented on an annual basis.
EIOPA	European Insurance and Occupational Pensions Authority
EPS	Earnings per share: Ratio calculated by dividing the net income for the year attributable to shareholders by the weighted average number of shares outstanding (basic EPS). In order to calculate diluted earnings per share, the number of common shares outstanding and the net income for the year attributable to shareholders are adjusted by the effects of potentially dilutive common shares which could still be exercised. Potentially dilutive common shares arise in connection with share-based compensation plans (diluted EPS).
ER	Expense ratio: Acquisition and administrative expenses (net), excluding one-off effect from pension revaluation, divided by premiums earned (net).
F/X	Foreign exchange rate
FFIC	Fireman's Fund Insurance Company

Glossary (3)

FIA	Fixed index annuity: Annuity contract whereby the policyholder is credited based on movements in stated equity or bond market indices with protection of principal.
FV	Fair value: The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
FVO	Fair value option: Financial assets and liabilities designated at fair value through income are measured at fair value with changes in fair value recorded in the consolidated income statement. The recognized income (net) includes dividends and interest income of the financial instruments. A financial instrument may only be designated at fair value through income at inception and cannot be subsequently changed.
Goodwill	Difference between the cost of acquisition and the fair value of the net assets acquired.
Government bonds	Government bonds include government and government agency bonds.
GPW	Gross premiums written – please refer to “Premiums written/earned” as well as “Gross/Net”
Gross/Net	In insurance terminology the terms “gross” and “net” mean before and after consideration of reinsurance ceded, respectively. In investment terminology the term “net” is used where the relevant expenses (e.g. depreciations and losses on the disposal of assets) have already been deducted.
Harvesting rate	$\frac{\text{Realized gains and losses (net) + impairments on investments (net)}}{\text{average investments and loans at book value (excluding income from financial assets/liabilities carried at fair value)}}$
IFRS	International Financial Reporting Standards. Since 2002, the designation IFRS applies to the overall framework of all standards approved by the International Accounting Standards Board. Already approved standards will continue to be cited as International Accounting Standards (IAS).
IMIX	The Inclusive Meritocracy Index (IMIX) measures the progress of the organization on its way towards Inclusive Meritocracy. The internal index is subsuming 10 Allianz Engagement Survey (AES) items around leadership, performance and corporate culture.
Internal growth	Enhances the understanding of our total revenue performance by excluding the effects of foreign currency translation as well as of acquisitions and disposals.
KPI	Key performance indicator

Glossary (4)

L/H	Life and health insurance – L/H segment
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>Capital-efficient products: Products that use the general account and provide significantly reduced market risk either by full asset-liability matching of the guarantee or by significantly limiting the guarantee and hybrids investing in a separate account (unit-linked) and the general account. Capital-efficient products also have a guaranteed surrender value with limited risk, e.g. due to the implementation of exact asset-liability matching or the inclusion of a market value adjustment.</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 guarantees: Conventional unit-linked products are those where all of the benefits provided by a contract are directly linked to the value of assets contained in an internal or external fund held by the insurance undertakings. Performance is linked to a separate account and the investment risk is borne by the policyholder rather than the insurer.</p>
L/H OEs with RoE $\geq 10\%$	Weighted by equity (total equity excluding unrealized gains/losses on bonds (net of shadow DAC) and deducting goodwill) – please also refer to Return on equity (RoE).
L/H operating profit sources	<p>The objective of the Life/Health operating profit sources analysis is to explain movements in IFRS results by analyzing underlying drivers of performance on a L/H segment consolidated basis.</p> <p>Loadings & fees: Includes premium and reserve based fees, unit-linked management fees and policyholder participation on expenses.</p> <p>Investment margin: Is defined as IFRS investment income net of expenses less interest credited to IFRS reserves less policyholder participation.</p> <p>Expenses: Includes commissions, acquisition and administration expenses.</p> <p>Technical margin: Comprises risk result (risk premiums less benefits in excess of reserves less policyholder participation), lapse result (surrender charges and commission clawbacks) and reinsurance result.</p> <p>Impact of change in DAC: Includes effects of change in DAC, URR and value of new business acquired. It is the net impact of deferral and amortization of acquisition costs and front-end loadings on operating profit.</p>

Glossary (5)

LatAm	Latin America: South America and Mexico
LoB	Line of business
LR	Loss ratio: Claims and insurance benefits incurred (net) divided by premiums earned (net). Loss ratio calendar year (c.y.) includes the results of the prior year reserve development in contrast to the loss ratio accident year (a.y.).
MCEV	Market consistent embedded value: A measure of the consolidated value of shareholders' interests in the covered business. It is defined as the excess of market value of assets over market value of liabilities as of valuation date. Therefore, MCEV excludes any item that is not considered shareholder interest such as the Going Concern Reserve and Surplus Fund.
NatCat	Accumulation of claims that are all related to the same natural or weather / atmospheric event during a certain period of time and where AZ Group's estimated gross loss exceeds EUR 20mn if one country is affected (or EUR 50mn if more than one country is affected); or if event is of international media interest.
NBM	New business margin: Performance indicator to measure the profitability of new business in Life/Health. It is calculated as value of new business divided by present value of new business premiums.
Non-controlling interests	Parts of the equity of affiliates which are not owned by companies of the Allianz Group.
NPE	Net premiums earned – please refer to “Premiums written/earned” as well as “Gross/Net”
NPS	Net promoter score: A measurement of customers' willingness to recommend Allianz. Top-down NPS is measured regularly according to global cross industry standards and allows benchmarking against competitors in the respective markets.
OE	Operating entity

Glossary (6)

OP	Operating profit: Earnings from ordinary activities before income taxes and non-controlling interests in earnings, excluding, as applicable for each respective segment, all or some of the following items: Income from financial assets and liabilities carried at fair value (net), realized gains/losses (net), impairments on investments (net), interest expenses from external debt, amortization of intangible assets, acquisition-related expenses, one-off effects from pension revaluation and income from fully consolidated private equity investments (net) as this represents income from industrial holdings outside the scope of operating business.
Own funds	Regulatory solvency capital eligible for covering the regulatory solvency capital requirement.
P/C	Property and casualty insurance – P/C segment
PHP	Policyholder participation
PIMCO	Pacific Investment Management Company Group
Premiums written/earned (IFRS)	Premiums written represent all premium revenues in the respective year. Premiums earned represent that part of the premiums written used to provide insurance coverage in that year. In the case of life insurance products where the policyholder carries the investment risk (e.g variable annuities), only the part of the premiums used to cover the risk insured and costs involved is treated as premium income.
PVNB	Present value of new business premiums: The present value of future premiums on new business written during the period discounted at reference rate. It includes the present value of projected new regular premiums plus the total amount of single premiums received.
Reinsurance	An insurance company transfers part of its insurance risk assumed to another insurance company.
Retained earnings	In addition to the reserve required by law in the financial statements of the Group parent company, this item consists mainly of the undistributed profits of Group entities and amounts transferred from consolidated net income.
RfB	Reserves for premium refunds (“Rückstellung für Beitragsrückerstattung”): That part of the surplus to 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.

Glossary (7)

RoE	<p>Return on equity Group: Represents net income attributable to shareholders divided by the average shareholders' equity excluding unrealized gains/losses on bonds (net of shadow DAC) at the beginning and at the end of the period.</p> <p>Return on equity L/H OE: Represents net income divided by the average total equity excluding unrealized gains/losses on bonds (net of shadow DAC) and deducting goodwill at begin of the period and at end of the period.</p>
RoRC	Return on risk capital
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.
SII	Solvency II
SII capitalization	Ratio indicating the capital adequacy of a company comparing own funds to SCR
SCR	Solvency capital requirement
SE	Societas Europaea: European stock company
Share of new digital retail products	New digital products are conveniently available online at each step of the customer journey, i.e. fast quote, easily purchasable online, online serviced (incl. policy correspondence, policy admin, claims). In scope is P/C retail and small and medium-sized entities, all channels. The share of products is weighted by revenues.
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 equity	Represents the sum of shareholders' equity and non-controlling interests.
Total revenues	Represent the sum of P/C gross premiums written, L/H statutory premiums, operating revenues in AM and total revenues in CO (Banking).

Glossary (8)

UFR	Ultimate forward rate: The estimate of the ultimate forward rate is defined in line with the EIOPA methodology and guidelines. An extrapolation is needed past last available market data points. The UFR is determined for each currency using macro-economic methods, the most important factors being long-term expected inflation and real interest rates. Although the UFR is subject to revision, it should be stable and only change when there are fundamental changes to long-term expectations.
UL	Unit-linked – please refer to “L/H lines of business”
Unrealized gains/losses (net) (as part of shareholders’ equity)	Include primarily unrealized gains and losses from available-for-sale investments net of tax and policyholder participation.
URR	Unearned revenue reserve: The unearned revenue reserve contains premium components referring to future periods, which are reserved and released over the lifetime of the corresponding contracts.
VA	Variable annuity: The benefits payable under this type of life insurance depend primarily on the performance of the investments in a mutual fund. The policyholder shares equally in the profits or losses of the underlying investments.
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 after acquisition expense overrun or underrun, minus time value of financial option and guarantees, minus risk margin, all determined at issue date.

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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