

Group financial results 2Q 2014

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Group financial
results 2Q 2014

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 - a) Group
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 - d) Asset Management
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Business highlights from the second quarter of 2014

Property-Casualty

- France: “Tarif Express Auto” launched end of April leading to more than 100,000 quotes
- Germany: Number of policies of modular offer “Privatschutz” increased by 170,000 in 2Q
- Italy: Modular cover “Allianz1” meets high demand in 2Q - 30,000 policies sold
- Italy: Fast Quote Non-Motor launched in April leading to 240,000 quotes and 6,000 policies sold

Life / Health

- USA: Fixed-indexed annuity products by Allianz Life US triple sales in 2Q vs prior year to USD 3.8bn
- Germany: “Perspektive” most successful product launch ever in Germany - share of retail business via agents rose to 27 percent in 2Q
- France: New unit linked product “vie génération” launched on July 1st

Asset Management

- AllianzGI records highest quarterly third party net inflows of the company’s history with EUR 3.2bn in 2Q, leading to total third party net inflows of EUR 5.1bn in first half of 2014

Investments

- Investments in real assets: Acquisition of a shopping center in Italy (Genova) and one wind park; in total, 44 wind parks and 7 solar parks in Allianz portfolio

Transactions

- Successful closing of first part of acquisition of property-casualty portfolio of UnipolSai; 725 agencies transferred to Allianz Italy
- First cross-border merger of operating entities within Allianz Group completed in Belgium / Netherlands

Branding

- Signing of long-term naming rights for new home stadium of Austrian football club SK Rapid; Allianz family of stadiums now include stadiums in London, Munich, Nice, Sao Paulo, Sydney and Vienna

Business highlights from the second quarter of 2014

Comments

- **Allianz France – P/C**

Launch of the new simplified online tool “Tarif Express Auto” for customers to get a quick quote for a motor insurance with only five questions to be answered.

- **Allianz Germany – P/C**

Strong demand for modular offer “PrivatSchutz” continues in second quarter. Since launch in May 2013 almost 800,000 policies sold.

- **Allianz Italy – P/C**

Non-motor modular offer “Allianz1” rolled out in more than 1,400 agencies. In total, more than 44,000 policies sold with premiums of more than EUR 10mn.

- **Allianz US – Life**

Successful sales of fixed-indexed annuities continue in second quarter with sales of USD 3.8bn after USD 2.8bn in first quarter.

- **Allianz France – Life**

Allianz France first French insurance company launching a unit-linked product as required by French law from December 2013.

- **Transactions**

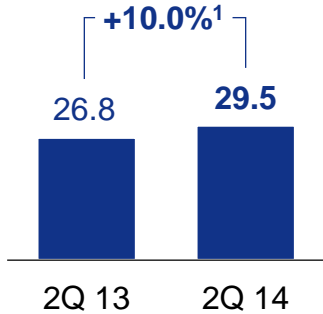
On March 15th, Allianz signed an agreement with UnipolSai for the acquisition of part of the P/C business. As per June 30, closing of first part of agreement: 725 agencies have been transferred to Allianz Italy for a consideration of EUR 200mn.

- **Transactions**

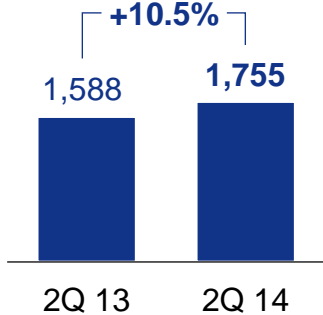
Merger of Allianz P/C companies in Belgium and the Netherlands.

Group: double-digit revenue and profit growth

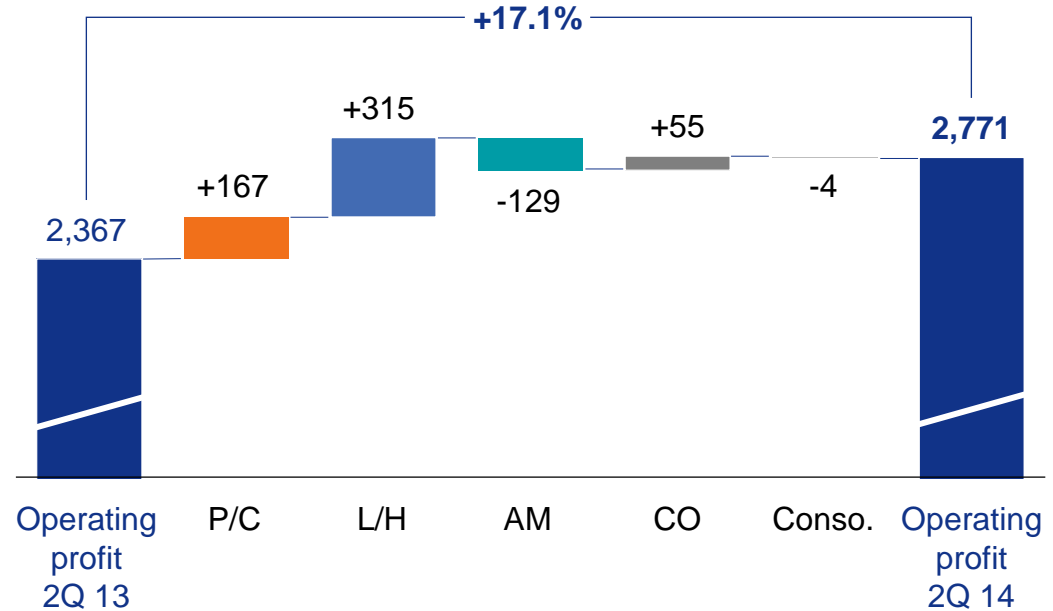
Total revenues (EUR bn)



Net income³ (EUR mn)



Operating profit drivers² (EUR mn)



2Q 14	1,346	984	675	-219	-15
2Q 13	1,179	669	804	-274	-11

1) Internal growth of +11.5%, 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

Group: double-digit revenue and profit growth

Comments

- **Growth**

Internal growth of 11.5% driven by strong growth in L/H (+20.9%). 1H 2014 highest half-year revenues ever.

- **Operating profit**

17.1% increase despite negative F/X impact of EUR -44mn in 2Q 2014.

- **P/C**

Operating profit increases by 14.2%, driven by strong underwriting result.

- **L/H**

Highest operating result ever, mainly driven by improved investment result.

- **Asset Management**

Operating profit down compared to 2Q 2013, but up 4.5% compared to 1Q 2014, driven by higher AuM and increasing performance fees.

- **Shareholders' net income**

Increase driven by higher operating profit, which more than compensated the reduction of realized gains/losses in the non-operating result. First half 2014 result at EUR 3.4bn.

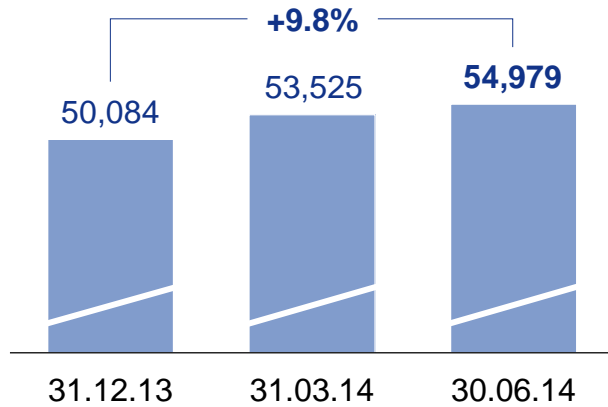
- **Outlook 2014¹**

Full year outlook EUR 10bn, plus/minus EUR 500mn. First half 2014 operating profit EUR 5.5bn, already 55% of our mid-point achieved. We expect the upper end of the target range to be in reach.

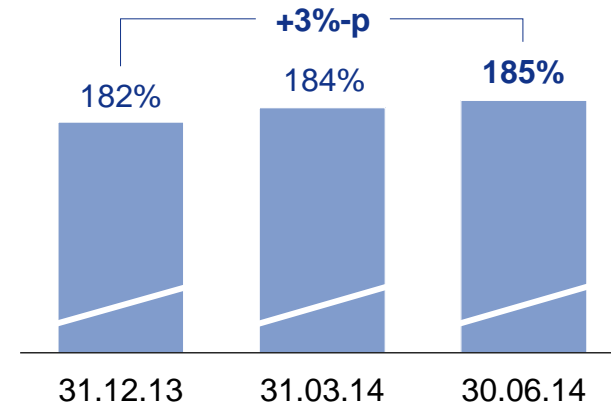
1) Impact from NatCat, financial markets and global economic development not predictable

Group: shareholders' equity reaching EUR 55bn for the first time

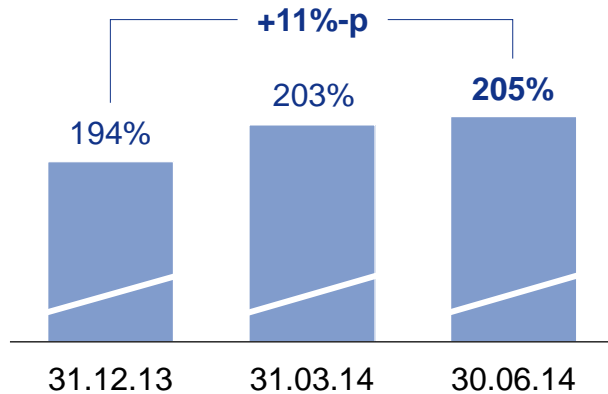
Shareholders' equity (EUR mn)



Conglomerate solvency¹ (%)



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

Group: shareholders' equity reaching EUR 55bn for the first time

Comments

- **Shareholders' equity**
Dividend payment of EUR 2.4bn and higher actuarial losses for defined benefit pension plans (EUR -0.3bn) more than compensated by net income (EUR 1.8bn), positive F/X effects (EUR 0.2bn) and higher unrealized gains (EUR 2.2bn).
- **Total assets**
Growth of EUR 43.2bn vs year end, mainly driven by the investment portfolio, up EUR 36.1bn to EUR 572.9bn.
- **Conglomerate solvency**
Basically unchanged. Higher available funds to a large extent offset by increased required funds mainly due to the strong growth in the L/H segment.
- **Economic solvency**
Slight increase of ratio driven by higher available funds mainly due to increase of shareholders' equity, only partially offset by rising capital requirements driven by higher equity markets and lower yields.
- **Solvency II**
Stable model calibration compared to 1Q 2014 still including sovereign credit risk (capital impact EUR +2.3bn/-15%-p). Significant uncertainties remain until go-live in 2016, in particular with respect to sovereign risk treatment.
- **Dividend**
40% of shareholders' net income has been accrued for dividend.

P/C: internal growth of 2.6 percent (EUR mn)

2Q 2014		Revenues	Total growth Δ p.y.	Internal growth ¹ Δ p.y.	Price effect	Volume effect
Total P/C segment		10,846	+0.9%	+2.6%	-0.4%	+3.0%
Large OEs	Germany	1,785	+7.0%	+6.0%		
	France	903	+1.0%	+1.0%		
	Italy	1,011	-2.2%	-2.2%		
Global lines	AGCS	1,264	+2.2%	+3.8%		
	Credit Insurance	530	-1.7%	-0.6%		
	Allianz Worldwide Partners ²	689	+7.7%	+7.0%		
Selected OEs	Central and Eastern Europe	555	-4.6%	+0.9%		
	Latin America ³	524	-16.8%	-1.3%		
	USA	496	-4.6%	+0.4%		
	Turkey	257	+14.2%	-11.1%		

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

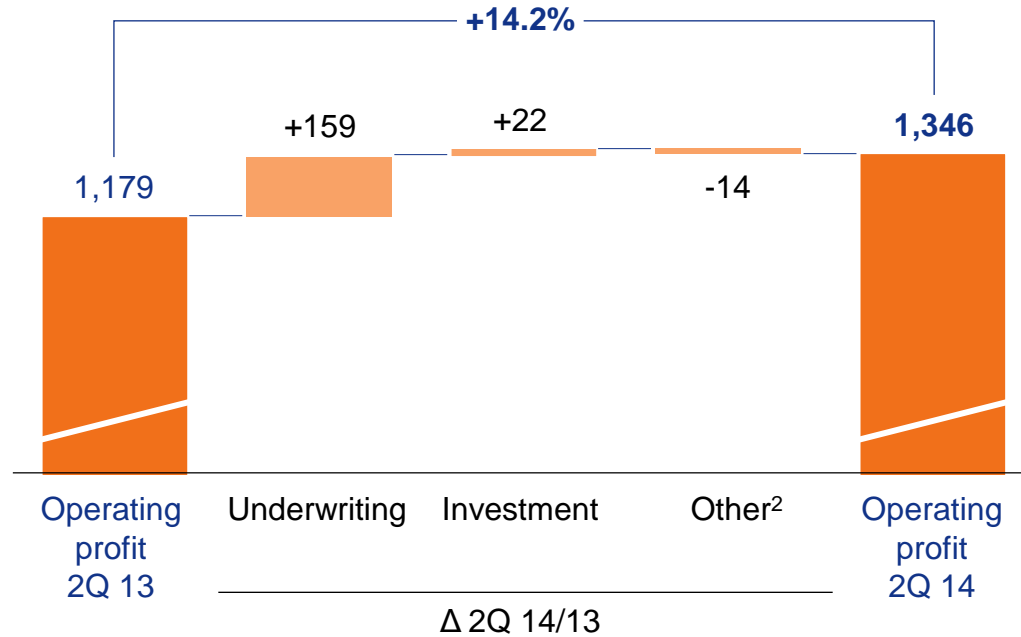
P/C: internal growth of 2.6 percent

Comments

- **P/C growth**
Total growth at 0.9%. Adjusted for F/X (-2.6%) and Yapı Kredi (+0.9%), internal growth amounts to 2.6%. Total GPW growth of 2.8% in core Continental European markets DE, IT, FR, ES. Retention rises 1.8%-p to 91.4%.
- **Germany**
Internal growth of 6.0% driven by motor and commercial non-motor. Price (+1.9%) and volume (+4.1%) effects positive.
- **France**
Continued positive rate changes on renewals for 6M (+1.4%).
- **Italy**
Good performance in a softening market. Stable non-motor performance more than offset by a decline in motor (-3.4%). Direct business continues with strong growth. Motor GPW (market) down 6.4% at 3M stage.
- **AWP**
Continued strong growth mainly driven by Allianz Global Assistance and Allianz Worldwide Care.
- **CEE**
Top-line development negatively impacted by F/X.
- **LatAm**
Strongly unfavorable F/X impact, exacerbated by negative top-line effect from stabilization phase of a new IT platform in Brazil.
- **USA**
Renewals price change continues to be positive at 3.5%.
- **Turkey**
Development driven by softening motor market.

P/C: underwriting result drives profit growth

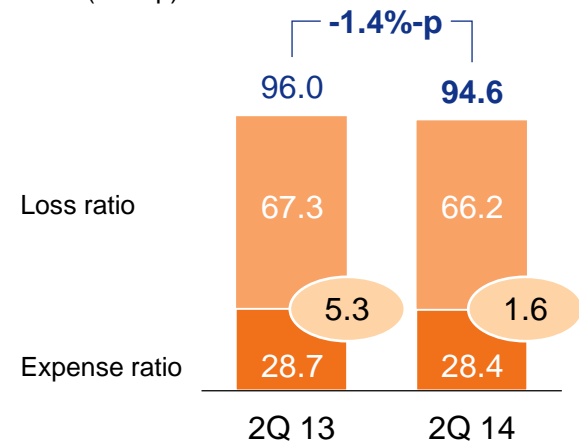
Operating profit drivers (EUR mn)



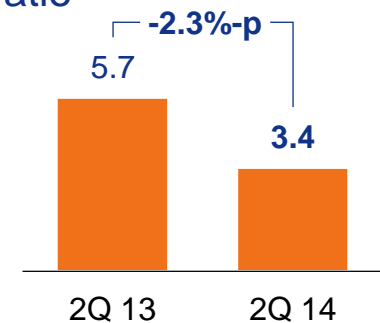
2Q 14	516	806	24
2Q 13	357	784	38

Combined ratio (in %)

NatCat impact¹ (in %-p)



Run-off ratio³ (in %)



1) NatCat costs (without reinstatement premiums and run-off): EUR 549mn (2Q 13) and EUR 172mn (2Q 14)
 2) Including restructuring charges
 3) Positive run-off, run-off ratio calculated as run-off result in percent of net premiums earned

P/C: underwriting result drives profit growth

Comments

- **Operating profit**
14.2% operating profit growth driven by high-quality underwriting result.
- **Claims environment**
NatCat losses of EUR 172mn (1.6%-p) below last year's very high level of EUR 549mn (5.3%-p). Large claims impact 1.1%-p worse.
- **Run-off**
Run-off below last year's level but slightly above our expected long-term range of 2-3%. Continuing healthy reserve releases, partially offset by reserve strengthening in USA, Russia and Brazil.
- **Accident year loss ratio**
Down 3.4%-p to 69.6% due to lower NatCat. Excluding large losses, attritional AY loss ratio ex NatCat improves by 0.8%-p.
- **Expense ratio**
Slight reduction due to Germany and overall higher premium base.

P/C: operating profit up 14 percent (EUR mn)

2Q 2014		Operating profit	Δ p.y.	Combined ratio	Δ p.y.	NatCat impact in CR ¹	Δ p.y. ¹
Total P/C segment		1,346	+14.2%	94.6%	-1.4%-p	1.6%-p	-3.7%-p
Large OEs	Germany	324	n.m. ²	92.0%	-18.6%-p	3.7%-p	-13.1%-p
	France	107	-10.8%	97.0%	+0.7%-p	6.7%-p	+3.0%-p
	Italy	246	-23.6%	82.8%	+6.4%-p	0.0%-p	0.0%-p
Global lines	AGCS	102	+18.6%	97.4%	-0.7%-p	0.2%-p	-8.3%-p
	Credit Insurance	124	+6.9%	75.0%	-2.8%-p	–	–
	Allianz Worldwide Partners ³	28	+16.7%	96.5%	-0.5%-p	0.0%-p	0.0%-p
Selected OEs	Central and Eastern Europe	-52	n.m. ⁴	116.0%	+13.9%-p	0.0%-p	-1.1%-p
	Latin America ⁵	4	-88.2%	104.4%	+5.7%-p	0.0%-p	0.0%-p
	USA	-33	n.m. ⁶	121.2%	+21.0%-p	1.3%-p	+1.3%-p
	Turkey	16	+23.1%	101.2%	+4.4%-p	0.0%-p	0.0%-p

1) Excluding reinstatement premiums and run-off

2) Operating profit improved by EUR 377mn from EUR -53mn in 2Q 13

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) Operating profit decreased by EUR 75mn from EUR 23mn in 2Q 13

5) South America and Mexico

6) Operating profit decreased by EUR 89mn from EUR 56mn in 2Q 13

P/C: operating profit up 14 percent

Comments

- **Strong segment result**
1.4%-p CR reduction mainly driven by lower NatCat losses (-3.7%-p). This was partly offset by a lower run-off (+2.3%-p) and higher large losses (+1.1%-p).
- **Germany**
Lower NatCat losses are the main reason for the CR decline. Attritional loss ratio also better due to continued positive rate changes on renewals (6M: +2.2%). Expense ratio improves by 2.4%-p due to management action, top-line growth and business mix.
- **France**
AY loss ratio continues to improve (-2.0%-p) due to favorable large and attritional claims and despite higher NatCat. CR increases slightly due to lower run-off and higher expense ratio.
- **Italy**
CR increase driven by lower run-off and a higher expense ratio. AY loss ratio even below prior year's level. Continued low frequency and severity.
- **AGCS**
CR declines y.o.y as a +0.7%-p higher accident year claims ratio is more than offset by a lower expense ratio from change in business mix. AY loss ratio increase driven by higher large losses. NatCat impact lower.
- **CEE**
Development predominantly related to motor portfolio in Russia. Claims costs impacted by increasing frequency of litigation.
- **LatAm**
Deterioration driven by health business in Brazil.
- **USA**
Y.o.y. deterioration impacted by weather-related claims, large losses and prior year development.

P/C: ongoing optimization of P/C portfolio drives underwriting result¹ (6M 2014)

Combined ratio	< 95%	> 95% <100%	> 100%
Key contributors	<p>Germany</p> <ul style="list-style-type: none"> Excellent 1H CR of 91.3% (101.1%). Attritional LR improves further. Above-average internal growth of 3.3%. ER of 25.6% below FY 2014 target of 26.0% <p>Italy</p> <ul style="list-style-type: none"> Continued outstanding performance. AY LR improves further despite a soft market <p>AGCS</p> <ul style="list-style-type: none"> AY LR decreases strongly, mainly driven by lower NatCat. Internal growth strong at +3.1% 	<p>UK</p> <ul style="list-style-type: none"> Strong profitable internal growth in a difficult market (+9.7%) <p>France</p> <ul style="list-style-type: none"> 1H CR of 95.3% is the best since we acquired 58% of AGF in 1998. AY and CY CRs continue to decline <p>AWP</p> <ul style="list-style-type: none"> Strong internal growth of 8.0%. Global Assistance and Worldwide Care are the main drivers 	<p>FFIC</p> <ul style="list-style-type: none"> FY target of <100% CR out of reach. Management is developing accelerated improvement plan <p>Russia</p> <ul style="list-style-type: none"> Impacted by market issues. Material reduction of branch network has already started <p>Brazil</p> <ul style="list-style-type: none"> Weak performance driven by IT platform issues. Detailed action plan initiated, gradual improvement expected
Share of GPW	63%	30%	7%
Ø internal growth	2.5%	4.6%	-6.4%

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

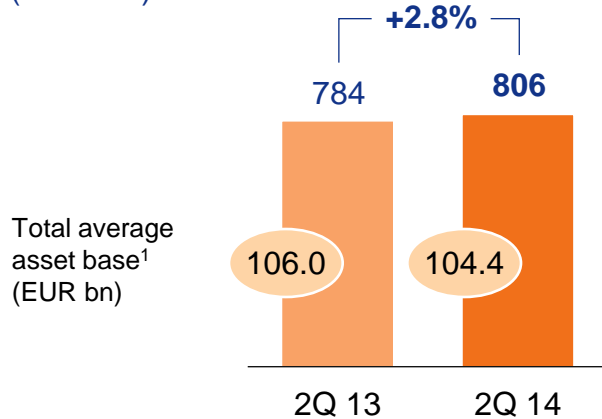
P/C: ongoing optimization of P/C portfolio drives underwriting result (6M 2014)

Comments

- **OEs with CRs below 95%**
Weighted average CR of 88%
- **OEs with CRs between 95 and 100%**
Weighted average CR of 97%
- **OEs with CRs > 100%**
Weighted average CR of 117%

P/C: operating investment result holding up well

Operating investment result (EUR mn)



Interest & similar income ²	925	923
Net harvesting and other ³	-64	-42
Investment expenses	-77	-75

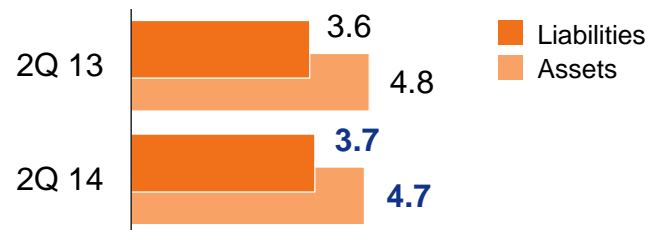
Current yield (debt securities; in %)



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. Thereof related to APR in Germany: 2Q 13: EUR -38mn, 2Q 14: EUR -36mn

4) On an annual basis

5) For the duration calculation non-parallel shift in line with Solvency II yield curves is used from 1Q 14 onwards

P/C: operating investment result holding up well

Comments

- **Operating investment result**
Up 2.8% vs 2Q 2013. This increase is mainly driven by a swing in the F/X result net of hedging.
- **Interest & similar income**
Overall flat vs 2Q 2013. Higher income on equities offsets lower interest income on debt.
- **Reinvestment yield**
Annualized 2Q reinvestment yield of 2.5% up vs 2.3% in 2Q 2013 but below 2.6% in 1Q 2014. Development mainly driven by market movements.

L/H: strong profitable growth (EUR mn)

2Q 2014		Revenues	Total growth Δ p.y.	Internal growth ¹ Δ p.y.	PVNB ²	Δ p.y.
Total L/H segment		16,961	+20.1%	+20.9%	15,518	+39.8%
Large OEs	Germany Life	4,447	+21.0%	+21.0%	3,093	+39.8%
	France	2,076	-2.9%	-2.9%	2,272	-1.4%
	Italy	3,069	+17.1%	+17.1%	3,848	+101.8%
	USA	3,352	+87.5%	+96.9%	3,342	+86.0%
Selected OEs	Asia-Pacific	1,328	-1.3%	+5.3%	1,177	-1.9%
	Switzerland	275	+9.1%	+8.3%	204	-22.4%
	Germany Health	813	-2.3%	-2.3%	220	+31.0%
	Benelux ³	570	-15.8%	-15.8%	437	+12.3%
	Spain	289	-26.3%	-26.8%	305	-17.1%
	Central and Eastern Europe	247	+29.3%	+34.0%	222	+31.4%

1) Adjusted for F/X and consolidation effects

2) After non-controlling interests

3) Revenues from investment-oriented products in Luxembourg of EUR 113mn in 2Q 14 (EUR 217mn in 2Q 13) are reinsured by France. For 2Q 14, the PVNB of Luxembourg business reinsured with France is included in France (EUR 79mn) and not included in Benelux

L/H: strong profitable growth

Comments

▪ Revenues

Strong growth in core markets like the USA (EUR +1.6bn), Germany (EUR +0.8bn) and Italy (EUR +0.4bn), resulting in EUR 4.3bn net inflows.

▪ New business

Impressive increase with a solid NBM. Active product management is paying off. Well diversified portfolio stabilizes new business value creation. Innovative products, i.e. hybrid products like “Perspektive”, gaining traction. Average minimum guarantees are managed actively down (1.0% in 2Q 2014) to ensure sustained profitability.

▪ USA

Almost doubling PVNBP (+86%) with a healthy NBM of 3.8%, continuing the positive momentum built up since end of last year. An innovative index strategy, well executed distribution initiatives, as well as positive trends in the fixed annuity market in the USA helped the growth recorded in fixed-indexed annuity products.

▪ Germany

Revenue growth due to higher single premiums. Success of “Perspektive” continues with a share of 15% in PVNBP. Non-traditional products account for more than 50% of PVNBP in 1H 2014.

▪ Italy

PVNBP doubles largely due to renewal of group pension plans with PVNBP of EUR 1.4bn.

▪ Spain

Decrease driven by a one-off effect in 2Q 2013 (group pension plan).

▪ Central and Eastern Europe

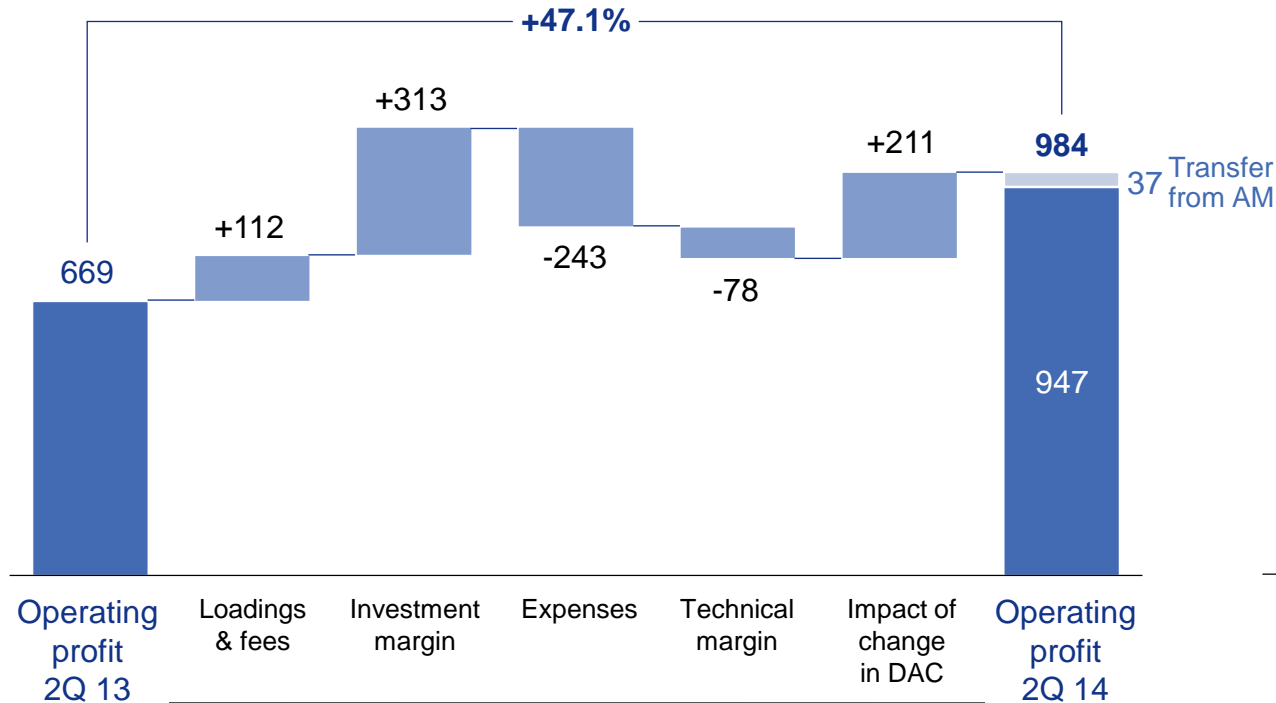
Internal growth driven by Czech Republic (+100%), Poland (+76%) and Hungary (+45%).

▪ Asia-Pacific

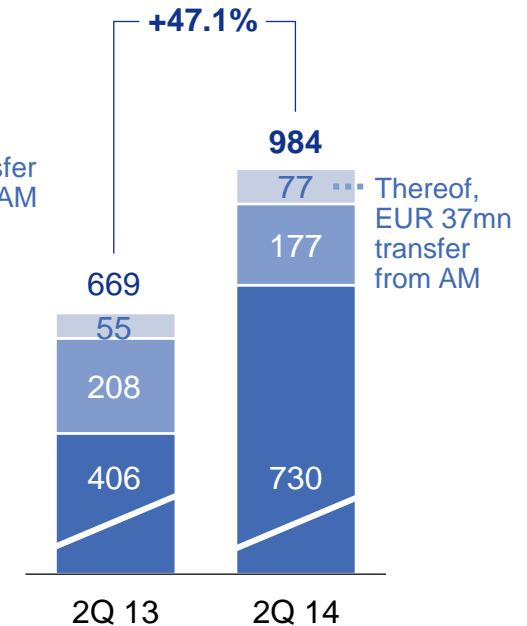
Internal growth due to Korea (+24%) and Malaysia (+30%). NBM at 3.2%.

L/H: operating profit at record level (EUR mn)

Operating profit by sources^{1,2}



Operating profit by line²



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

	Δ 2Q 14/13				
2Q 14	1,257	920	-1,630	266	171
2Q 13	1,145	607	-1,387	344	-40

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 2Q 14 is EUR 37mn. 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

L/H: operating profit at record level

Comments

▪ **Operating profit**

At record level despite absorbing substantial new business growth.

One third of the improvement is due to negative one-offs in the previous year. One third is due to positive one-offs this year:

- Germany: EUR 60mn due to strong result from net harvesting and other.
- USA: EUR 60mn positive impact from hedging result and favorable market conditions.

The remainder includes EUR 46mn from transfer of AM entities and Yapı Kredi.

With 1H 2014 operating profit of EUR 1.9bn already 62% of EUR 3bn full-year target mid-point achieved.

▪ **Loadings & fees**

Increase mainly due to higher reserves, strong sales and consolidation of AM entities.

▪ **Investment margin**

Margin increase to 25bps due to higher net harvesting and other in Germany. Reserve base up 4.8%.

▪ **Expenses**

Increase mainly due to higher acquisition expenses (EUR 193mn) following strong sales growth in USA, largely offset by DAC capitalization.

▪ **Technical margin**

Drop mainly driven by German life reform. The increase in mandatory PHP from 75% to 90% triggered a EUR 40mn lower technical margin (including catch-up effect for 1Q 14). Negative impact is offset by lower PHP in investment margin. On top positive one-off of EUR 20mn in 2Q 2013 due to Unisex reserve release (GER).

▪ **Impact of change in DAC**

Increase driven by higher capitalization (EUR 151mn) following strong new business in USA and lower amortization of US VA business that had a large amount of amortization last year due to rising interest rates in 2Q 2013.

L/H: value of new business doubles (EUR mn)

2Q 2014		VNB ¹	Δ p.y.	NBM ¹	Δ p.y.	Operating profit	Δ p.y.
Total L/H segment²		380	+100.0%	2.4%	+0.7%-p	984	+47.1%
Large OEs	Germany Life	76	+18.8%	2.4%	-0.5%-p	320	+97.5%
	France	38	n.m. ³	1.7%	+1.6%-p	93	-24.4%
	Italy	61	+96.8%	1.6%	0.0%-p	78	+5.4%
	USA	126	+207.3%	3.8%	+1.5%-p	203	+103.0%
Selected OEs	Asia-Pacific	37	+32.1%	3.2%	+0.8%-p	47	+20.5%
	Switzerland	6	+20.0%	2.9%	+0.9%-p	21	0%
	Germany Health	8	+100.0%	3.7%	+1.4%-p	52	-1.9%
	Benelux ²	12	+20.0%	2.8%	+0.2%-p	35	+6.1%
	Spain ²	13	+85.7%	4.1%	+2.2%-p	46	+35.3%
	Central and Eastern Europe ²	12	0.0%	5.2%	-1.6%-p	37	+60.9%

1) After non-controlling interests

2) Effective 2014, certain entities were allocated from Asset Management to Life/Health and Banking.
Impact on operating profit L/H segment in 2Q 14 is EUR +37mn. Thereof: Spain EUR +15mn, and CEE EUR +21mn

3) Value new business for France increased by EUR 37mn from EUR 1mn in 2Q 13

L/H: value of new business doubles

Comments

New Business

- **VNB**
At record level. New product generation allowing good NBM despite difficult market environment. Increase in NBM attributed to change in economic assumptions (+0.5%-p) and business mix (+0.2%-p).
- **USA**
NBM up due to higher interest rates, change in business mix and products. NBM FIA at 3.8% and NBM VA at 3.3%.
- **France**
NBM up 1.6%-p due to improved profitability of protection & health business.
- **Italy**
Doubling of VNB entirely volume driven.
- **Asia-Pacific**
NBM at healthy level. Strong improvement in Taiwan (NBM up 1.0%-p to 2.6%). Indonesia with NBM of 4.8% and 12% internal revenue growth.

Operating profit

- **Germany Life**
Increase driven by higher investment margin (EUR +205mn). A swing in q.o.q. one-offs drove result from net harvesting and other by 50bps. A lower PHP (-6%-p) also helped.
- **USA**
Increase driven by higher investment margin and change in DAC. Improved investment margin due to higher asset base and hedging gains. Change in DAC reflects strong FIA production and lower amortization in VA. In 2Q 2013 VA DAC amortization increased due to higher interest rates.
- **France**
Drop mainly due to higher expenses, i.e. IT costs.

L/H: investment margin at 25bps

(yields are pro-rata)

Based on Ø book value of assets ¹	2Q 13	2Q 14
Current yield ²	1.1%	1.0%
Based on Ø aggregate policy reserves		
Current yield ²	1.3%	1.2%
Net harvesting and other	-0.1%	0.1%
Total yield	1.2%	1.3%
- Ø min. guarantee for one quarter	0.6%	0.6%
Gross investment margin (in %)	0.5%	0.7%
- Profit sharing under IFRS ³	0.4%	0.5%
Investment margin⁴ (in %)	0.2%	0.3%
Investment margin (EUR mn)	607	920
Ø book value of assets ¹ (EUR bn)	402	431
Ø aggregate policy reserves (EUR bn)	348	364

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

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

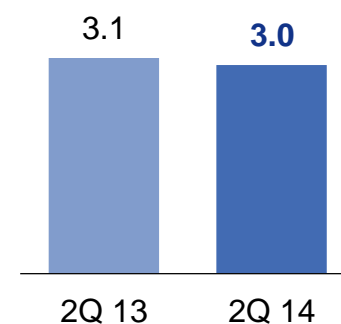
3) Includes bonus to policyholders under local statutory accounting and deferred premium refund under IFRS

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

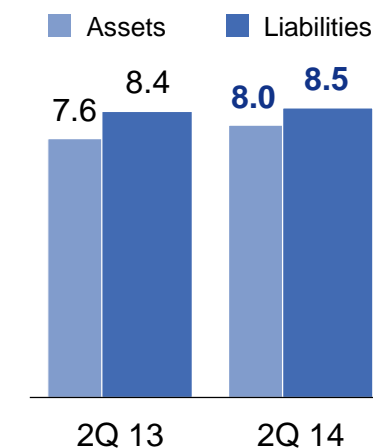
5) On an annual basis

6) For the duration calculation non-parallel shift in line with Solvency II yield curves is used from 1Q 14 onwards

Reinvestment yield⁵ (debt securities; in %)



Duration⁶



L/H: investment margin at 25bps

Comments

- **Investment margin**

Investment margin of 25bps including 2bps positive one-offs.

1H 2014 investment margin with 44bps well on track to reach 75bps ambition for full-year 2014.

- **Current yield on reserves**

Current yield holds up well with a decrease of only 3bps. Negative impact offset by lower average minimum guarantee (3bps).

- **Net harvesting and other**

Improved by 20bps to 0.12% due to a better result from F/X, duration management and net harvesting. Current level significantly above normal level.

- **Policyholder participation**

Lower PHP (4%-p) helped to improve investment margin as well. Profit sharing managed on annual basis, quarterly volatility with limited relevance.

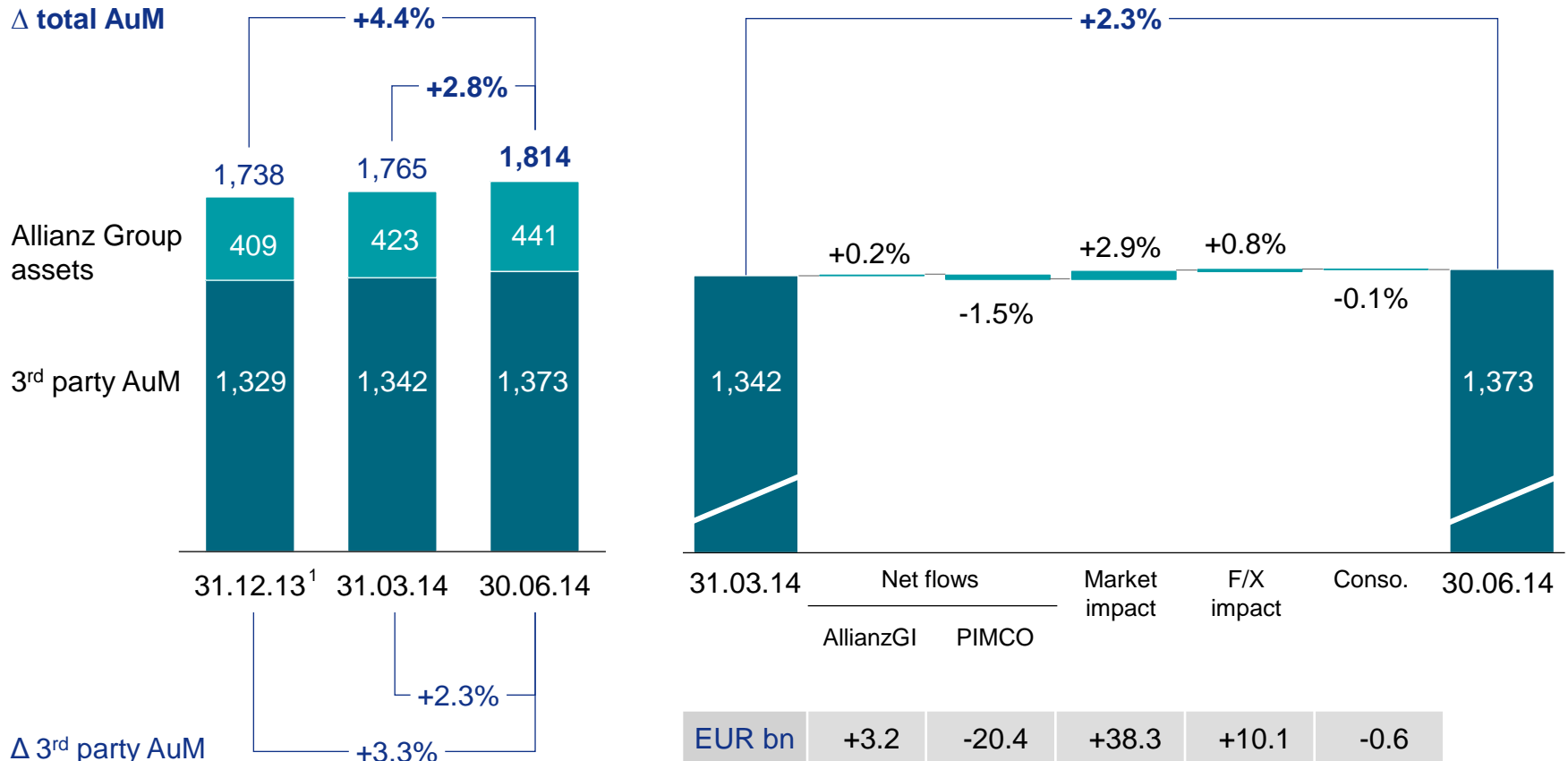
- **Average aggregate policy reserves**

Up 4.8% - helped by inflows of EUR 15.2bn over the last four quarters. In 2Q 2014 net inflows of EUR 4.3bn due to strong new business and lower lapses.

- **Reinvestment yield**

Unchanged versus 1Q 2014.

AM: assets under management are up in 2014 (EUR bn)



1) Adjusted for certain entities allocated from Asset Management to Life/Health and Banking effective 2014

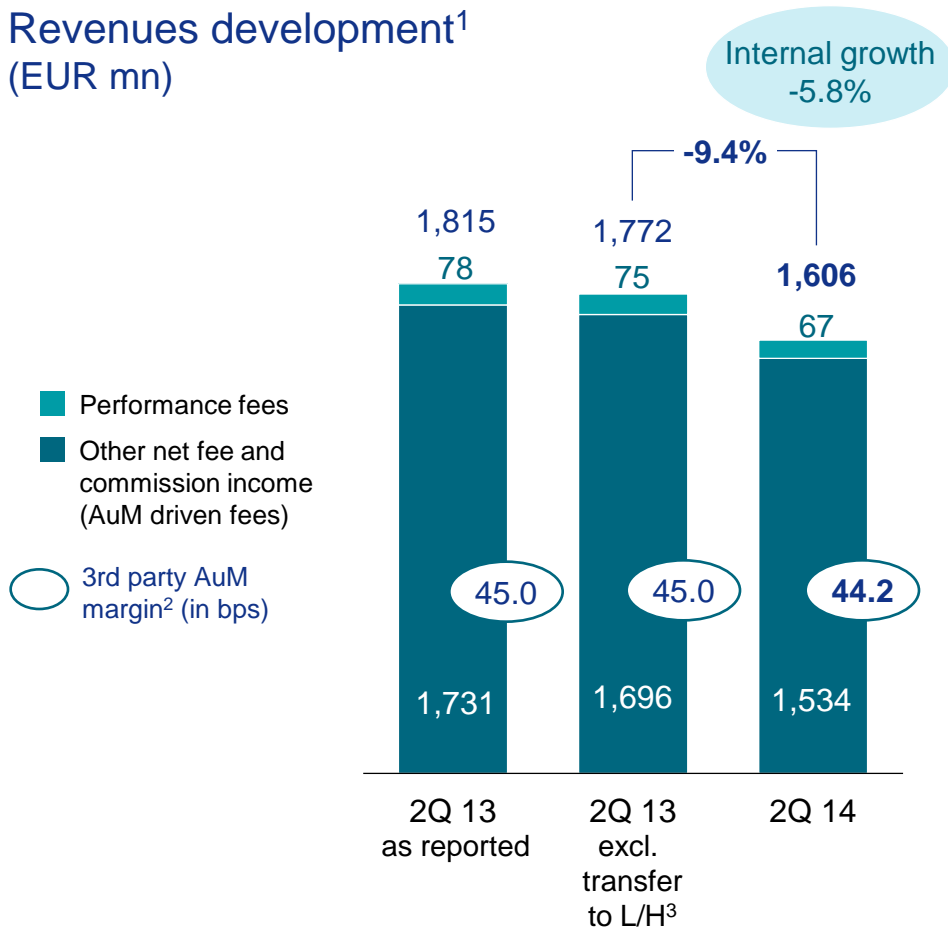
AM: assets under management are up in 2014

Comments

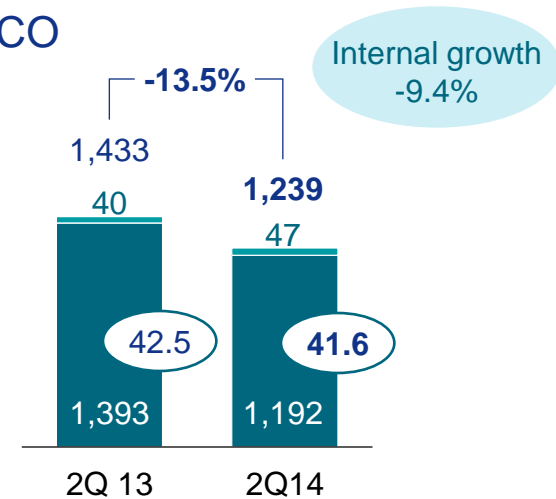
- **Segment AuM**
 3rd party AuM exceed level of two previous quarters, now back at level of 3Q 2013 (excluding 3rd party AuM worth EUR ~30bn transferred mainly to L/H segment).
- **PIMCO AuM**
 3rd party AuM at EUR 1.135tn, up by 1.7% in 2Q 2014. Market impact (+2.7%) and F/X development (+0.8%) more than compensate net outflows (-1.8%). Share of non-traditional products further increases to 68% (2Q 2013: 64%; 1Q 2014: 67%).
- **AllianzGI AuM**
 Strong growth of 3rd party AuM to EUR 238bn (+5.2%) driven by net inflows (+1.4%), positive market return (+3.5%) and favorable F/X impact (+0.4%).
- **PIMCO investment performance**
 83% of 3rd party AuM outperformed their benchmark on a trailing 12-month basis and 89% on a 3-year basis (before fees).
- **PIMCO net flows**
 3rd party net outflows reduced compared with the three previous quarters: -29% vs 3Q 2013, -43% vs 4Q 2013 and -6% vs 1Q 2014. ~75% of outflows in 2Q 2014 stem from traditional products.
- **AllianzGI net flows**
 3rd party net inflows at AllianzGI at highest quarterly level ever, driven by multi-asset strategies in Europe and by income, growth and certain high yield strategies in the U.S.

AM: revenues trailing 2013 and better than first quarter 2014

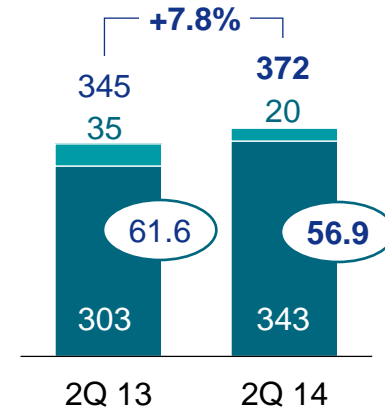
Revenues development¹
(EUR mn)



PIMCO



AllianzGI⁴



1) "Other" revenues of EUR 6mn (2Q 13), excl. transfer to L/H EUR 1mn (2Q 13) and EUR 5mn (2Q 14) 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 7mn (2Q 13) and EUR 9mn (2Q 14) are not shown in the chart

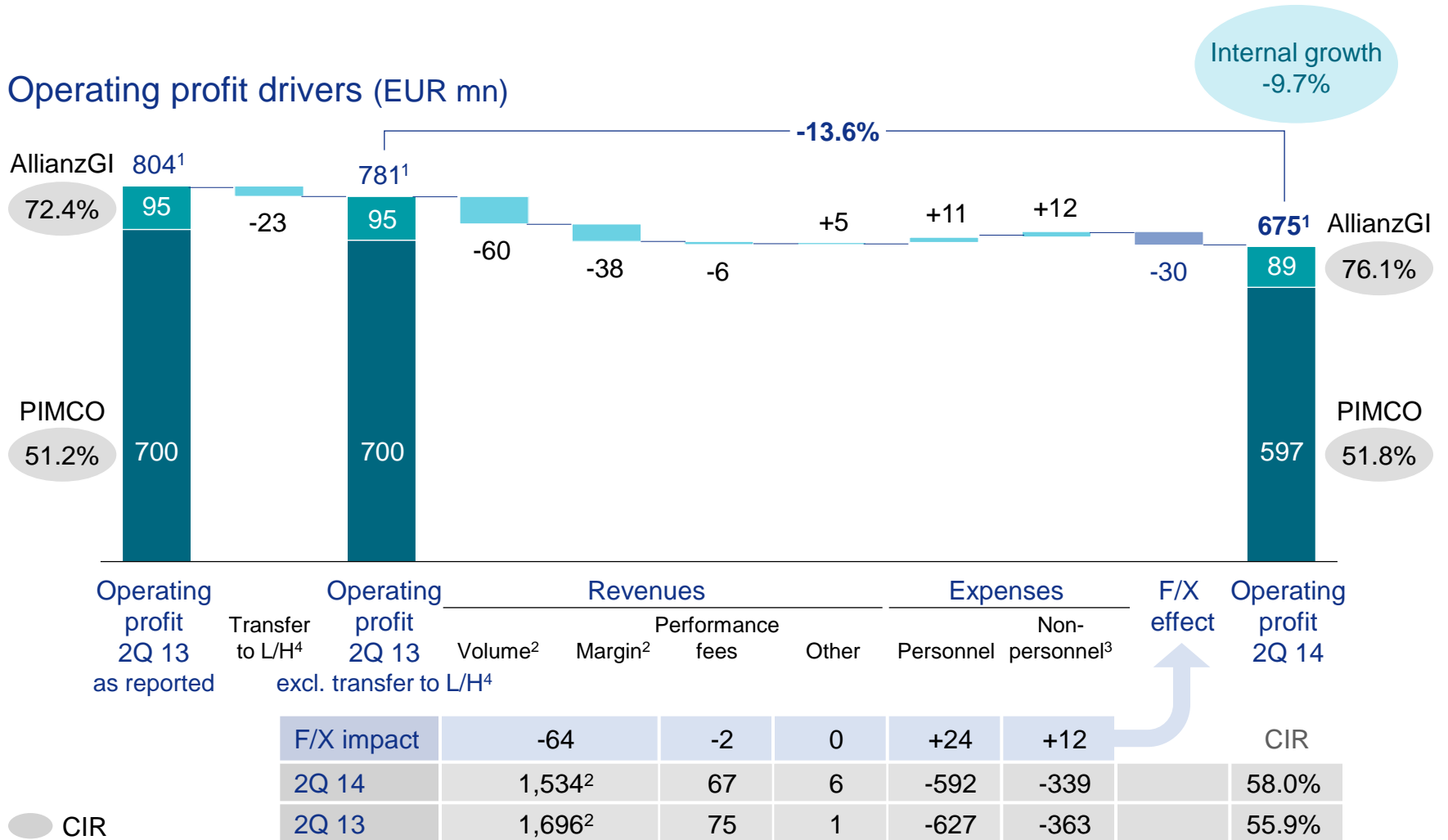
AM: revenues trailing 2013 and better than first quarter 2014

Comments

- **Segment revenues**
AuM driven revenues down 9.6% mainly due to lower average AuM, but also due to F/X. Operating revenues up 5.9% vs 1Q 2014.
- **Performance fees**
PIMCO performance fees increased by 18%, underlining increased alpha. Reduced level at AllianzGI leads to an overall decrease of 11%.
- **PIMCO 3rd party AuM margin**
Margin up vs 1Q 2014 (+0.6bps). Reduction of 0.9bps vs 2Q 2013 mainly due to net outflows in retail business.
- **AllianzGI 3rd party AuM margin**
Impacted by inclusion of fund of fund AuM in the asset base and fund transfer from PIMCO to AllianzGI. Adjusted for these technical impacts margin is overall stable.
- **12 months rolling 3rd party AuM margin**
 - AAM: 44.8bps (2Q 2013: 43.8bps)
 - PIMCO: 42.0bps (2Q 2013: 41.3bps)
 - AllianzGI: 60.3bps (2Q 2013: 60.7bps)

AM: operating profit at target

Operating profit drivers (EUR mn)



● CIR

1) Including operating profit/loss from other entities of EUR 9mn (2Q 13), excl. transfer to L/H EUR -14mn (2Q 13) and EUR -11mn (2Q 14), 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

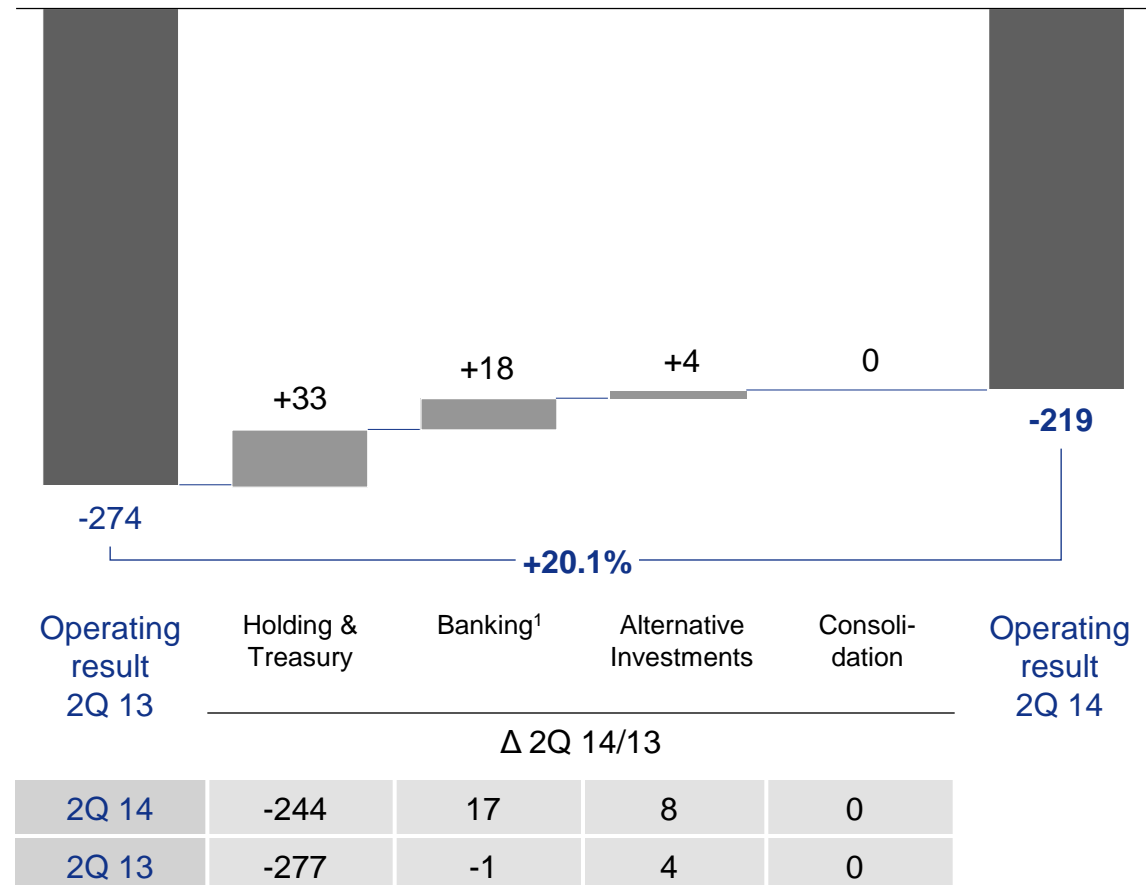
AM: operating profit at target

Comments

- **Segment operating profit**
Operating profit 4.5% higher than in 1Q 2014. Operating profit 1H 2014: 49% of mid-point of FY 2014 target range achieved.
- **PIMCO operating profit**
Decrease caused mainly by lower average 3rd party AuM and – to a smaller extent – adverse F/X impact. Variable personnel expenses reduced by 17%.
- **AllianzGI operating profit**
At triple-digit level excluding tax-related one-off expenses of EUR 23mn.
- **AAM Corporate operating profit**
Operating loss reduced by EUR 3mn to EUR 11mn mainly due to gains from seed money valuation and lower personnel expenses.
- **PIMCO CIR**
CIR improved vis-à-vis 1Q 2014 (-0.4%-p), because personnel expenses grew less than revenues.
- **AllianzGI CIR**
CIR excluding one-off expenses at 69.9%.

CO: operating result significantly better (EUR mn)

Operating loss development and components



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

CO: operating result significantly better

Comments

- **Holding & Treasury**

Lower operating loss due to lower administrative expenses and higher investment income, driven by increased average asset base.

- **Banking**

Improvement mainly due to the discontinuation of Allianz Bank in Germany which caused an operating loss in 2Q 2013.

Group: shareholders' net income of EUR 1.8bn (EUR mn)

	2Q 13	2Q 14	Change
Operating profit	2,367	2,771	+404
Non-operating items	132	-39	-171
Realized gains/losses	458	243	-215
Impairments (net)	-64	-23	+41
Income from fin. assets and liabilities carried at fair value	7	-33	-40
Interest expenses from external debt	-233	-207	+26
Fully consolidated private equity inv. (net)	-4	0	+4
Acquisition-related expenses	-16	2	+18
Amortization of intangible assets	-16	-21	-5
Income before taxes	2,499	2,732	+233
Income taxes	-824	-874	-50
Net income	1,675	1,858	+183
Non-controlling interests	87	103	+16
Shareholders' net income	1,588	1,755	+167
Effective tax rate	33%	32%	-1%-p

Group: shareholders' net income of EUR 1.8bn

Comments

- **Non-operating items**
Negative development mainly driven by lower realized gains/losses partially offset by less impairments, reduced external financing costs and a positive swing of acquisition related expenses.
- **Interest expenses from external debt**
Down due to (re-)financing activities. Average quarterly interest rate declined from 1.3% to 1.2%. Additionally, average external debt decreased from EUR 18.2bn to EUR 17.7bn.
- **Tax**
Tax rate shows small improvement and remains within expected range.
- **Shareholders' net income**
Increase of 10.5% driven by better operating result.

Summary



- Total revenues at EUR 29.5bn (+10.0%)
- Operating profit of EUR 2,771mn (+17.1%)
- Shareholders' net income of EUR 1,755mn (+10.5%)
- Strong capital and balance sheet growth

2a

Group financial
results 2Q 2014

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

Group: key figures¹ (EUR mn)

	1Q 2013	2Q 2013	3Q 2013	4Q 2013	1Q 2014	2Q 2014	Delta 2Q 14/13	6M 2013	6M 2014	Delta 6M 14/13
Total revenues (EUR bn)	32.0	26.8	25.1	26.8	34.0	29.5	+2.7	58.8	63.4	+4.6
- Property-Casualty	15.2	10.8	10.7	10.0	15.2	10.8	+0.0	26.0	26.1	+0.1
- Life / Health	14.8	14.1	12.7	15.1	17.2	17.0	+2.9	29.0	34.1	+5.1
- Asset Management	1.9	1.8	1.7	1.7	1.5	1.6	-0.2	3.7	3.1	-0.6
- Corporate and Other	0.1	0.1	0.1	0.1	0.1	0.1	+0.0	0.3	0.3	+0.0
- Consolidation	0.0	-0.1	0.0	-0.2	-0.1	-0.1	+0.0	-0.1	-0.2	-0.1
Operating profit	2,797	2,367	2,519	2,383	2,723	2,771	+404	5,164	5,494	+330
- Property-Casualty	1,319	1,179	1,236	1,534	1,489	1,346	+167	2,498	2,835	+337
- Life / Health	855	669	769	416	880	984	+315	1,524	1,864	+340
- Asset Management	900	804	754	703	646	675	-129	1,704	1,321	-383
- Corporate and Other	-239	-274	-230	-261	-222	-219	+55	-513	-441	+72
- Consolidation	-38	-11	-10	-9	-70	-15	-4	-49	-85	-36
Non-operating items	-119	132	-242	-193	-116	-39	-171	13	-155	-168
Income before taxes	2,678	2,499	2,277	2,190	2,607	2,732	+233	5,177	5,339	+162
Income taxes	-877	-824	-746	-853	-867	-874	-50	-1,701	-1,741	-40
Net income	1,801	1,675	1,531	1,337	1,740	1,858	+183	3,476	3,598	+122
Non-controlling interests	94	87	86	81	100	103	+16	181	203	+22
Shareholders' net income	1,707	1,588	1,445	1,256	1,640	1,755	+167	3,295	3,395	+100
Group financial assets ^{2,3} (EUR bn)	542.1	528.8	532.5	537.5	556.0	572.8	+44.0	528.8	572.8	+44.0

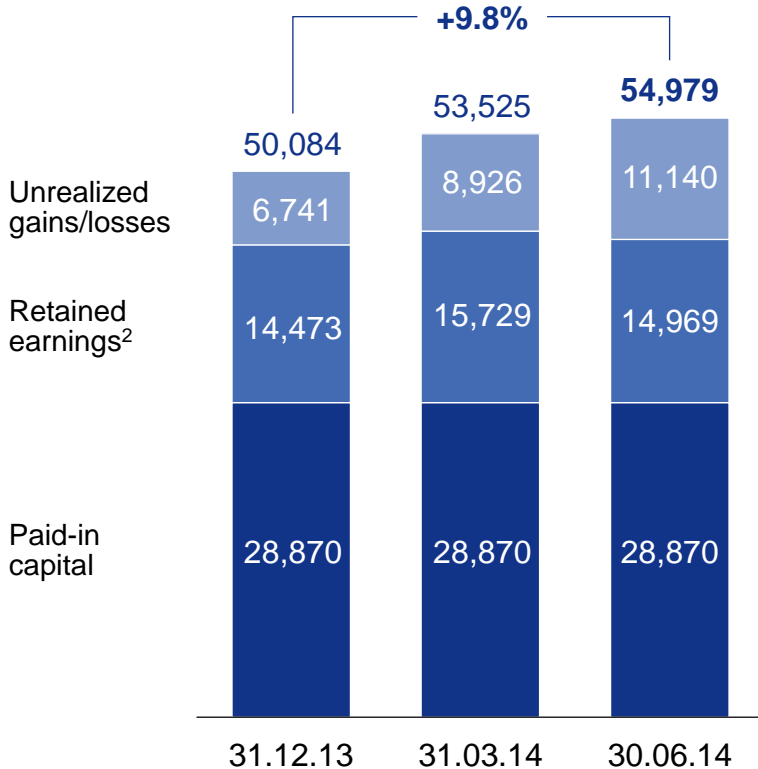
1) Effective 2014, certain entities were allocated from Asset Management to Life/Health and Banking

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

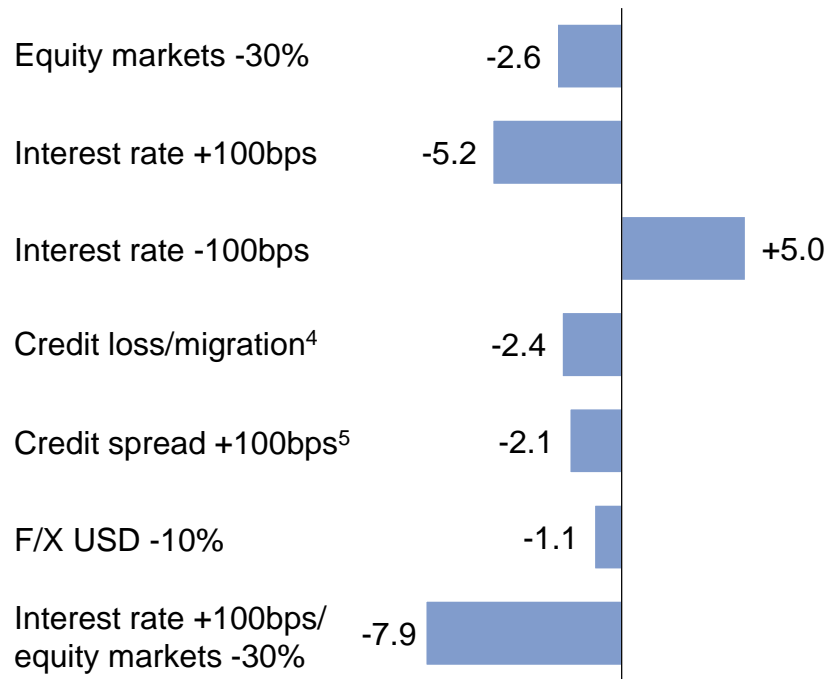
3) Prior year figures have been restated to reflect the retrospective application of the amended standard IFRS 10

Group: shareholders' equity and stress tests

Shareholders' equity¹ (EUR mn)



Estimation of stress impact³ (EUR bn)

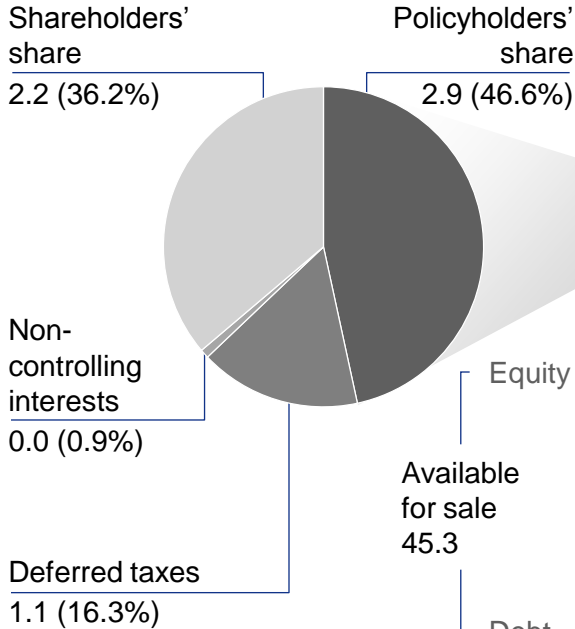


1) Excluding non-controlling interests
 (31.12.13: EUR 2,765mn, 31.03.14: EUR 2,835mn, 30.06.14: EUR 2,833mn)
 2) Including F/X
 3) After non-controlling interests, policyholder participation, tax and shadow DAC

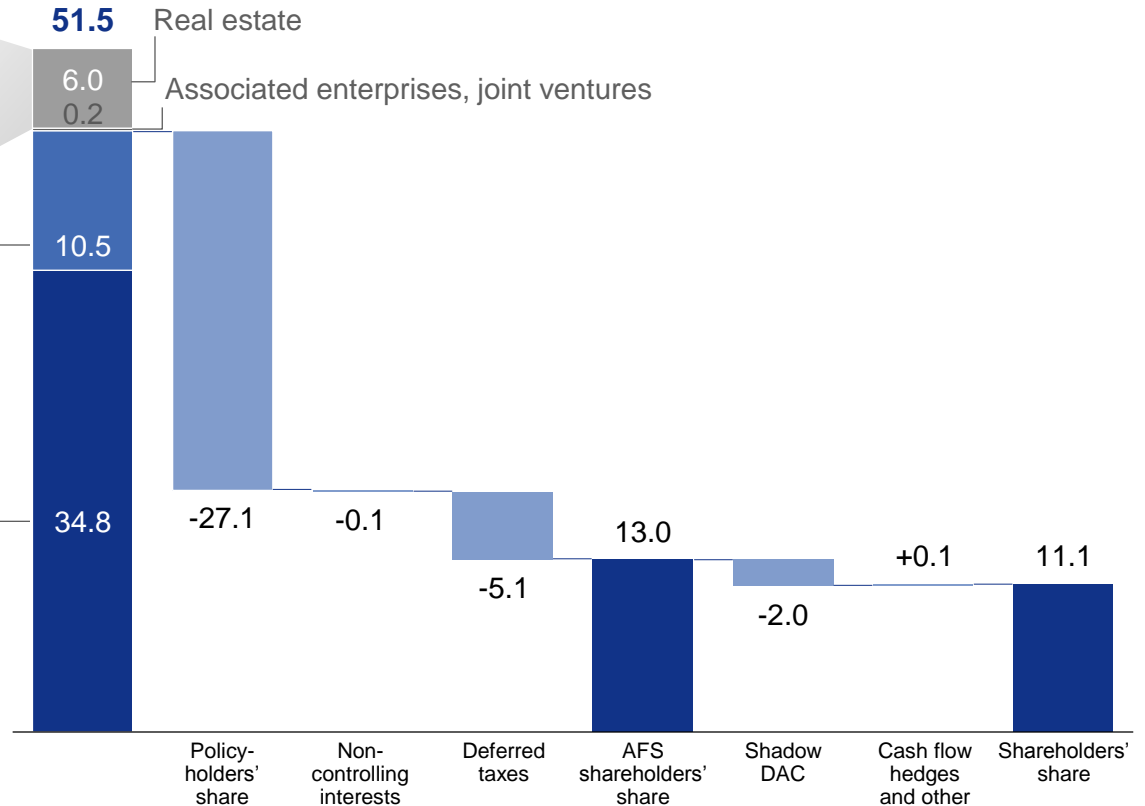
4) Corporate credit loss/migration: scenario based on probabilities of default in 1932, migrations adjusted to mimic recession and assumed recovery rate of 30%
 5) Credit spread stress on AFS corporate / ABS bond portfolio

Group: revaluation reserve (EUR bn)

Off-balance sheet

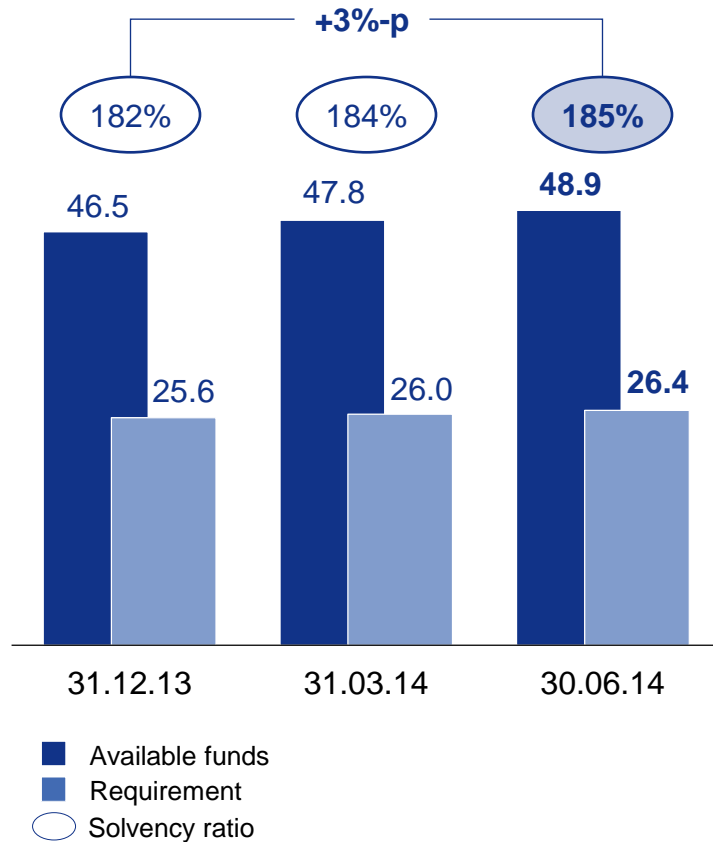


Revaluation reserve

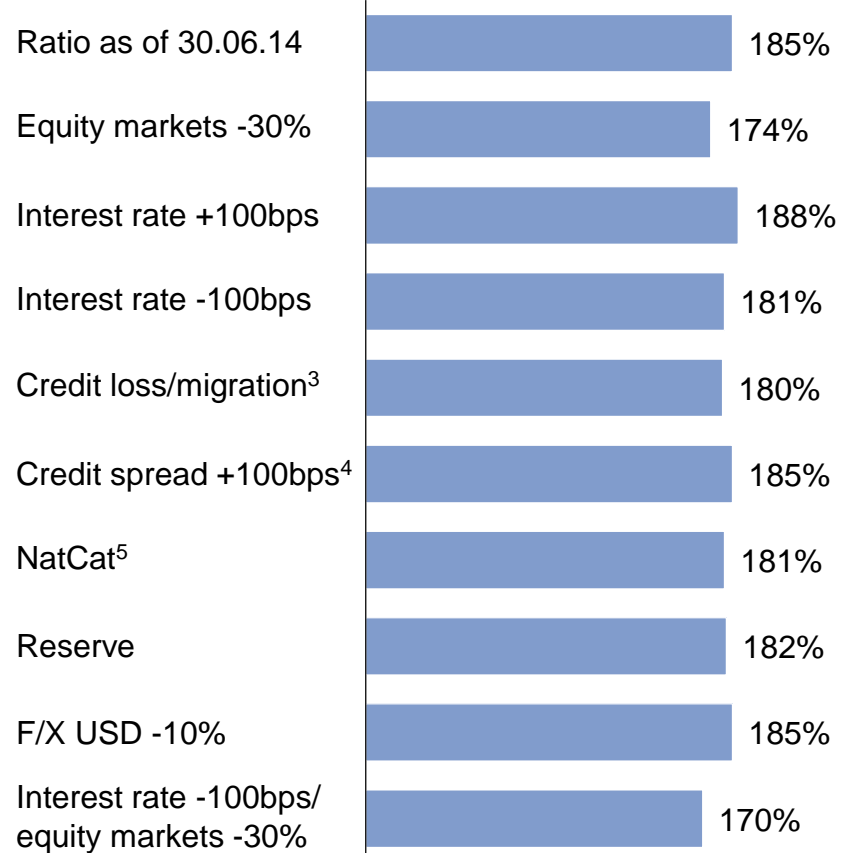


Group: conglomerate solvency ratio and stress tests

Conglomerate solvency¹ (EUR bn)



Estimation of stress impact^{1,2}

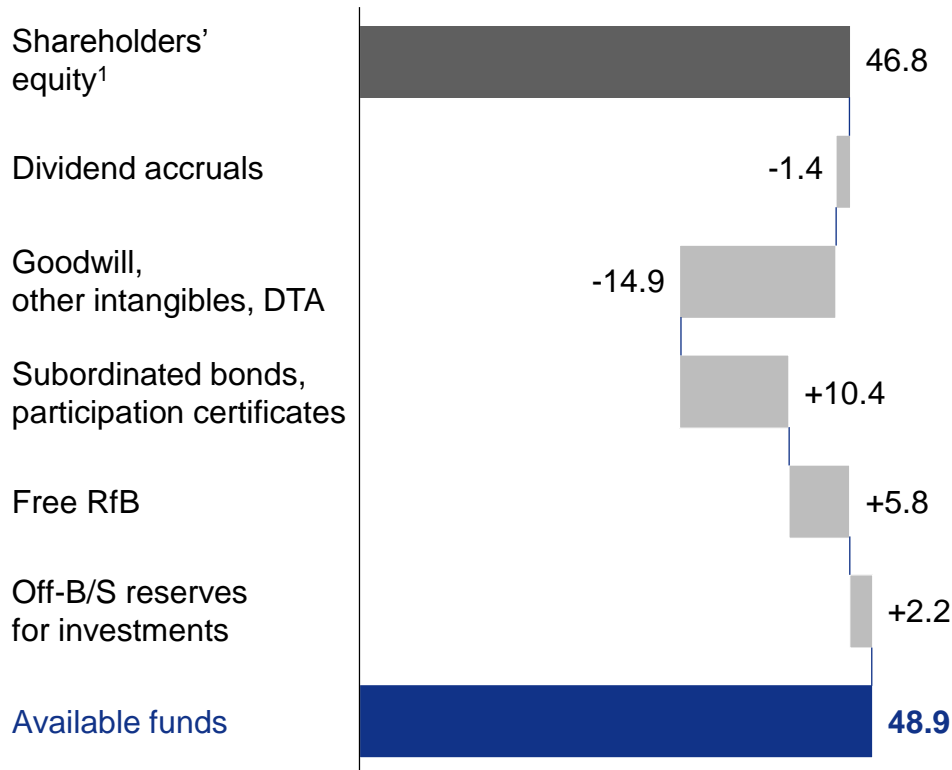


1) Off-balance sheet reserves are accepted as eligible capital only upon request. Allianz SE has not submitted an application so far. Off-balance sheet reserves amounted to: 31.12.13: EUR 2.3bn, 31.03.14: EUR 2.3bn and 30.06.14: EUR 2.2bn. The solvency ratio excluding off-balance sheet reserves would be 173% for 31.12.13, 175% for 31.03.14 and 177% for 30.06.14
 2) After non-controlling interests, policyholder participation, tax and shadow DAC

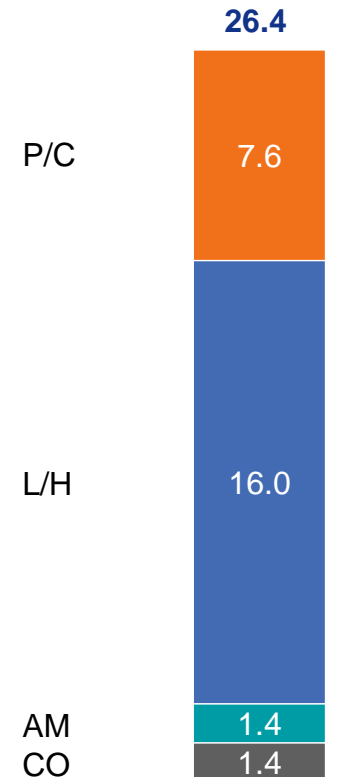
3) Corporate credit loss/migration: scenario based on probabilities of default in 1932, migrations adjusted to mimic recession and assumed recovery rate of 30%
 4) Credit spread stress on AFS corporate / ABS bond portfolio
 5) Loss due to catastrophe events, both natural and man-made, leading to claims of EUR 1.6bn. Applies to P/C business only

Group: conglomerate solvency details as of 30.06.14 (EUR bn)

Available funds



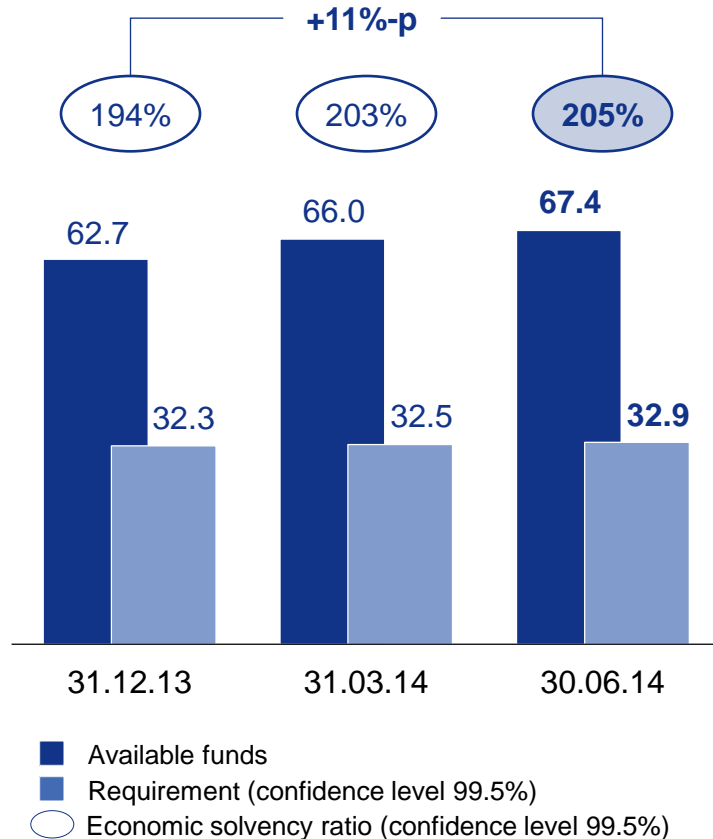
Required capital



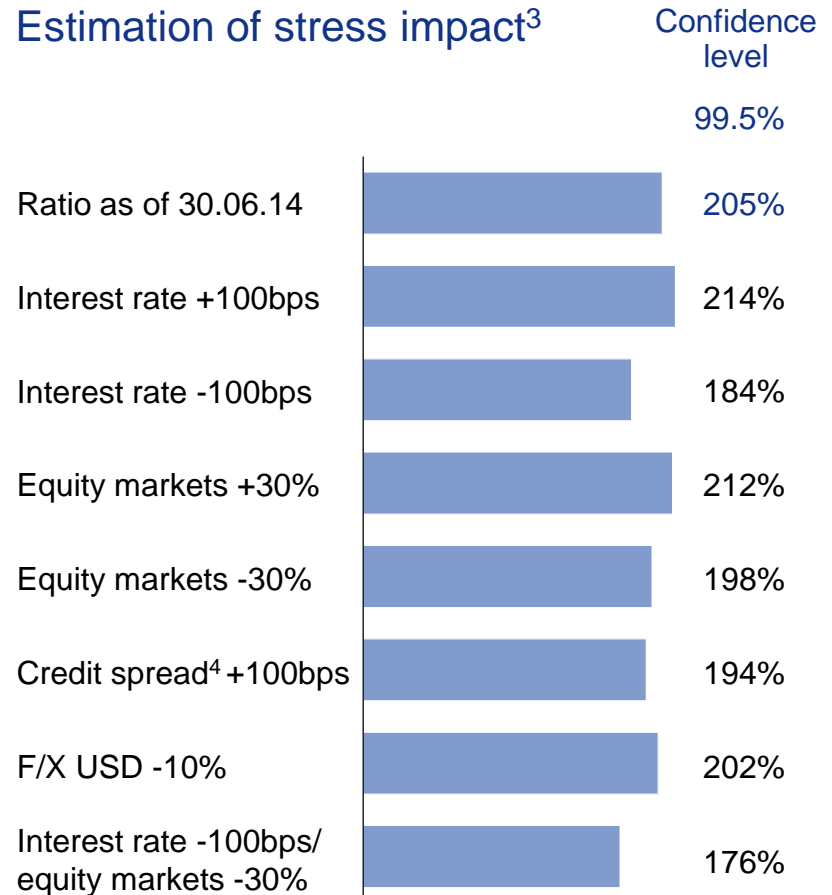
1) Adjusted for unrealized gains/losses on available-for-sale bonds (negative effect of EUR -8.2bn)

Group: economic solvency ratio and stress tests

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



Estimation of stress impact³



1) Including sovereign credit risk and pension risk
 2) Available funds include anchoring in line with EIOPA approach
 3) Estimated solvency ratio changes in case of stress scenarios (stress applied on both available funds and requirement)
 4) Credit spread stress on corporate/ABS bonds; not included are AAA collateralized bonds which are predominantly covered or agency sponsored bonds

Group: asset allocation¹

(EUR bn)

		Property-Casualty		Life / Health		Asset Management		Corporate and Other		Consolidation		Group	
		30.06.13	30.06.14	30.06.13	30.06.14	30.06.13	30.06.14	30.06.13	30.06.14	30.06.13	30.06.14	30.06.13	30.06.14
Investments	<i>Equities²</i>	4.5	6.0	24.8	30.4	0.0	0.0	1.3	1.9	0.0	0.0	30.6	38.3
	<i>Debt securities</i>	68.9	69.5	265.4	300.6	1.1	0.1	22.5	27.9	0.0	0.0	357.9	398.1
	<i>Cash and cash pool assets³</i>	5.0	5.0	7.1	8.7	2.5	2.1	-1.4	-4.7	-2.3	-1.0	10.9	10.1
	<i>Other⁴</i>	7.9	7.9	9.2	10.1	0.0	0.0	0.2	0.3	-6.5	-6.3	10.8	12.0
	Total Investments	86.3	88.4	306.5	349.8	3.6	2.2	22.6	25.4	-8.8	-7.3	410.2	458.5
Loans and advances	Debt securities	16.4	15.3	92.1	89.3	0.4	0.1	17.9	17.0	-8.3	-7.3	118.5	114.4
Investments & loans		102.7	103.7	398.6	439.1	4.0	2.3	40.5	42.4	-17.1	-14.6	528.7	572.9
Financial assets and liabilities designated at fair value ⁵		0.2	0.1	3.5	3.7	0.5	0.1	0.0	0.4	0.0	0.0	4.2	4.3
Financial assets and liabilities held for trading ⁵		0.3	0.4	-4.0	-4.4	0.1	0.0	-0.5	-0.4	0.0	0.0	-4.1	-4.4
Group financial assets		103.2	104.2	398.1	438.4	4.6	2.4	40.0	42.4	-17.1	-14.6	528.8	572.8
Equities AFS		3.5	5.4	23.0	28.4	0.0	0.0	0.7	1.3	0.0	0.0	27.2	35.1
Equities associated ent. / joint ventures		1.0	0.6	1.8	2.0	0.0	0.0	0.6	0.6	0.0	0.0	3.4	3.2
Equities		4.5	6.0	24.8	30.4	0.0	0.0	1.3	1.9	0.0	0.0	30.6	38.3
Affiliated enterprises		8.8	8.9	0.8	0.1	0.0	0.0	74.5	77.0	-84.1	-86.0	0.0	0.0
Investments & loans incl. affiliated enterprises		111.5	112.6	399.4	439.2	4.0	2.3	115.0	119.4	-101.2	-100.6	528.7	572.9
Real estate held for investment		2.8	3.0	6.9	7.6	0.0	0.0	0.2	0.3	0.0	0.0	9.9	10.9
Funds under reins. contr. assumed		5.1	4.9	2.3	2.5	0.0	0.0	0.0	0.0	-6.5	-6.3	0.9	1.1
Other		7.9	7.9	9.2	10.1	0.0	0.0	0.2	0.3	-6.5	-6.3	10.8	12.0

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

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

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

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

5) Net of liabilities

Group: investment result (EUR mn)

	Property-Casualty		Life / Health		Asset Management		Corporate and Other		Consolidation		Group	
	2Q 2013	2Q 2014	2Q 2013	2Q 2014	2Q 2013	2Q 2014	2Q 2013	2Q 2014	2Q 2013	2Q 2014	2Q 2013	2Q 2014
Operating investment result												
Interest and similar income ¹	925	923	4,348	4,448	4	-1	49	81	-15	-14	5,311	5,437
Inc. fr. fin. assets and liab. carried at FV ²	10	-15	-157	-228	0	3	-87	12	4	1	-230	-227
Realized gains/losses (net)	15	29	718	754	0	0	0	0	0	0	733	783
Impairments of investments (net)	-7	-1	-132	-50	0	0	0	0	21	0	-118	-51
F/X result	-45	17	-530	192	0	1	97	-3	0	0	-478	207
Investment expenses	-77	-75	-193	-232	0	0	-20	-18	73	93	-217	-232
Subtotal	821	878	4,054	4,884	4	3	39	72	83	80	5,001	5,917
Non-operating investment result												
Inc. fr. fin. assets and liab. carried at FV	23	-3	-5	-25	0	0	-9	-2	-2	-3	7	-33
Realized gains/losses (net)	229	114	24	90	0	-1	206	39	-1	1	458	243
Impairments of investments (net)	-35	-20	-6	-2	0	0	-23	-1	0	0	-64	-23
Subtotal	217	91	13	63	0	-1	174	36	-3	-2	401	187
Net investment income												
Net investment income	1,038	969	4,067	4,947	4	2	213	108	80	78	5,402	6,104
<i>Investment return in % of avg. investm.³</i>	<i>1.0%</i>	<i>0.9%</i>	<i>1.0%</i>	<i>1.1%</i>	<i>n/m</i>	<i>n/m</i>	<i>0.5%</i>	<i>0.3%</i>	<i>n/m</i>	<i>n/m</i>	<i>1.0%</i>	<i>1.1%</i>
Movements in unrealized gains/losses on equities	-185	61	-696	456	0	0	-119	-36	n/m	n/m	-1,000	481
<i>Total investment return in % of avg. inv.³</i>	<i>0.8%</i>	<i>1.0%</i>	<i>0.8%</i>	<i>1.3%</i>	<i>n/m</i>	<i>n/m</i>	<i>0.2%</i>	<i>0.2%</i>	<i>n/m</i>	<i>n/m</i>	<i>0.8%</i>	<i>1.2%</i>

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

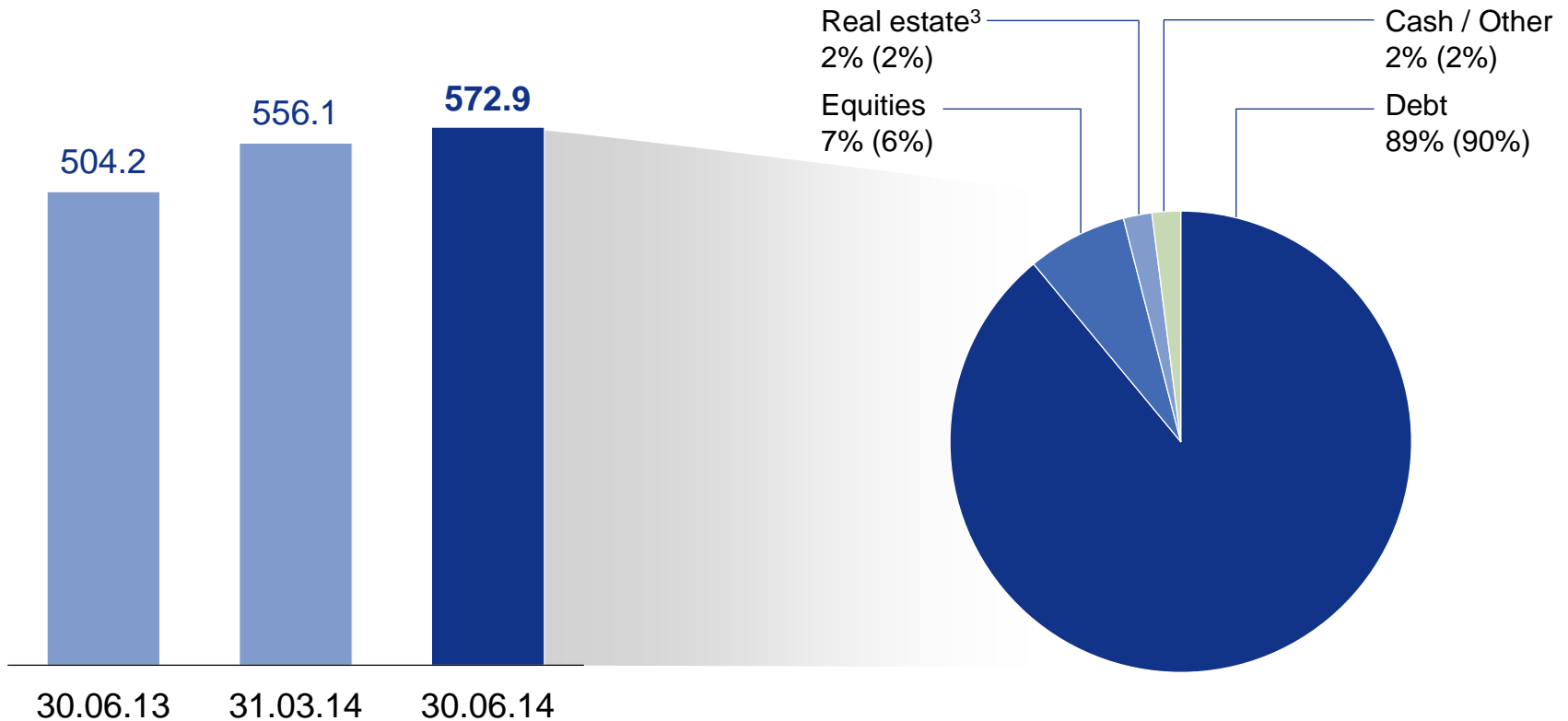
2) Contains income from financial assets/liabilities carried at fair value and operating trading result excluding F/X result

3) Investment return calculation is based on total assets

Group: overview investment portfolio

Group investments and loans^{1,2}
(EUR bn)

Asset allocation as of 30.06.14 (30.06.13)



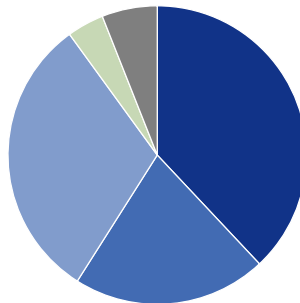
1) Starting 4Q 13 portfolio discussion is based on investments of insurance segments, Banking operations and Asset Management (excluding unit-linked)
 2) Prior year figures have been restated to reflect the retrospective application of the amended standard IFRS 10
 3) Excluding real estate own use and real estate held for sale

Group: fixed income portfolio (30.06.14)

By type of issuer

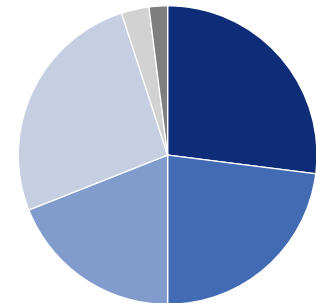
Government	38%
Covered	21%
Corporate	31%
<i>thereof Banking</i>	6%
ABS/MBS ¹	4%
Other ²	6%

Total
EUR 512.5bn



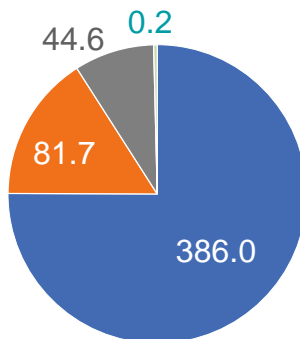
By rating³

AAA	27%
AA	23%
A	19%
BBB	26%
Non-investment grade	3%
Not rated ⁴	2%

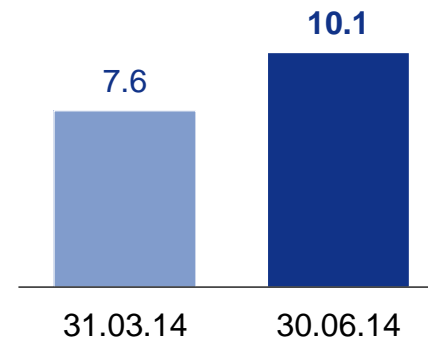


By segment (EUR bn)

L/H	75%
P/C	16%
Corporate and Other	9%
Asset Management	0%



Net AFS unrealized gains/losses (EUR bn)⁵



1) Including U.S. agency MBS investments (EUR 3.0bn)
 2) Including 5% seasoned self-originated German private retail mortgage loans; 1% short-term deposits at banks
 3) Excluding seasoned self-originated German private retail mortgage loans

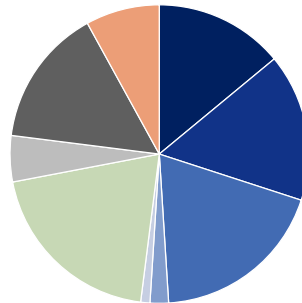
4) Mostly mutual funds and short-term investments
 5) On-balance unrealized gains/ losses after tax, non-controlling interests, policyholders and before shadow DAC

Group: fixed income portfolio – Government and government related (30.06.14)

By region

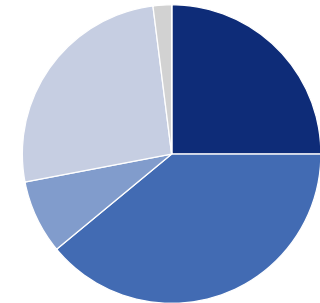
Germany	14%
Italy	16%
France	19%
Spain	2%
UK	1%
Rest of Europe	20%
USA	5%
Rest of World	15%
Supranational	8%

Total
EUR 193.9bn¹



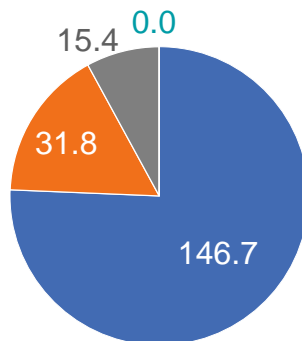
By rating

AAA	25%
AA	39%
A	8%
BBB	26%
Non-investment grade	2%
Not rated	0%

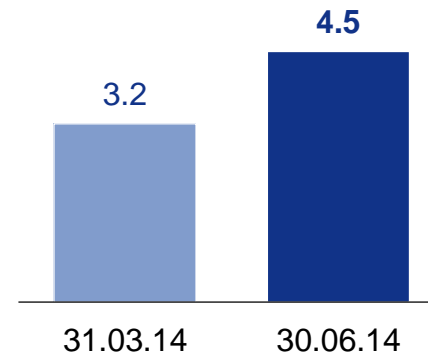


By segment (EUR bn)

L/H	76%
P/C	16%
Corporate and Other	8%
Asset Management	0%



Net AFS unrealized gains/losses (EUR bn)²



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

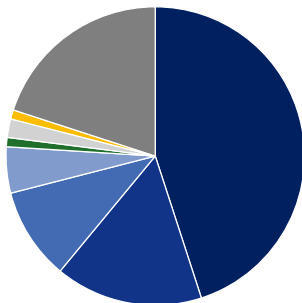
2) On-balance unrealized gains/losses after tax, non-controlling interests, policyholders and before shadow DAC

Group: fixed income portfolio – Covered bonds (30.06.14)

By country

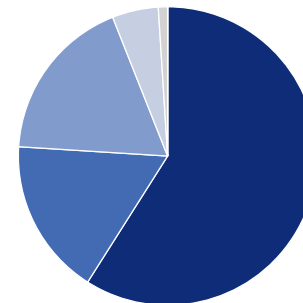
Germany	45%
France	16%
Spain	10%
UK	5%
Ireland	1%
Switzerland	2%
Sweden	1%
Rest of World	20%

Total
EUR 106.1bn



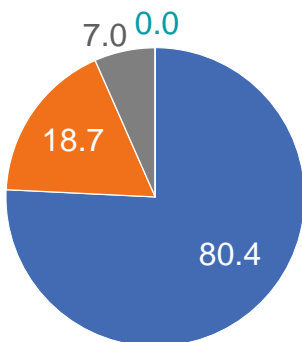
By rating

AAA	59%
AA	17%
A	18%
BBB	5%
Non-investment grade	1%
Not rated	0%

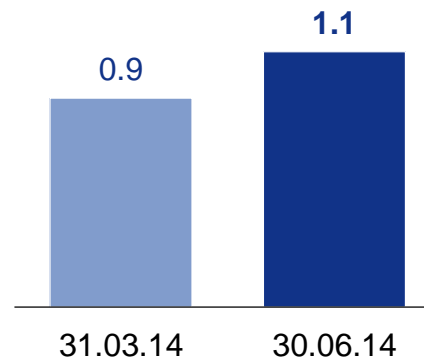


By segment (EUR bn)

L/H	76%
P/C	18%
Corporate and Other	6%
Asset Management	0%



Net AFS unrealized gains/losses (EUR bn)¹



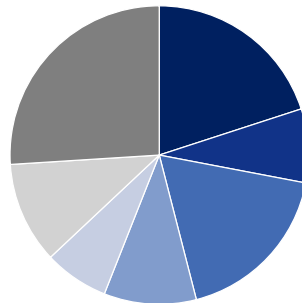
1) On-balance unrealized gains/losses after tax, non-controlling interests, policyholders and before shadow DAC

Group: fixed income portfolio – Corporate (30.06.14)

By sector

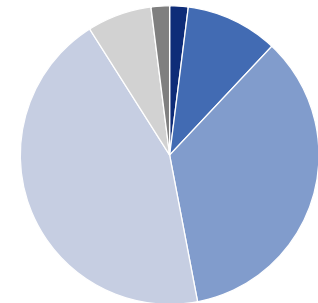
Banking	20%
Other financials	8%
Consumer	18%
Communication	10%
Industrial	7%
Utility	11%
Other	26%

Total
EUR 161.7bn



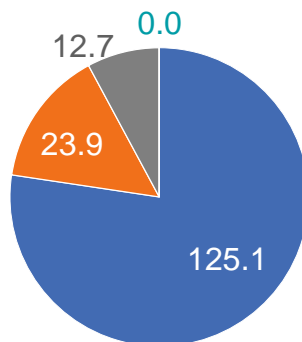
By rating

AAA	2%
AA	10%
A	35%
BBB	44%
Non-investment grade	7%
Not rated ¹	2%

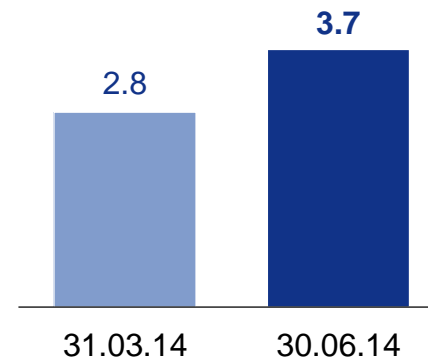


By segment (EUR bn)

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



Net AFS unrealized gains/losses (EUR bn)²



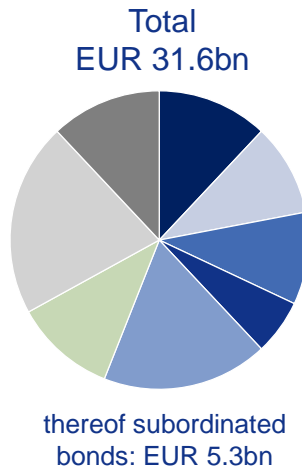
1) Including Eurozone loans/bonds (1%)

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

Group: fixed income portfolio – Banks (30.06.14)

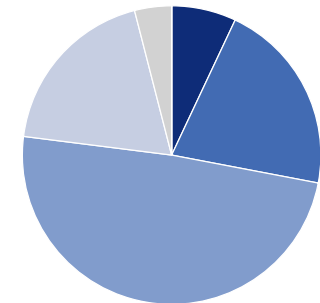
By country

Germany	12%
UK	10%
France	10%
Italy	6%
Rest Eurozone ¹	18%
Europe ex Eurozone	11%
USA	21%
Rest of World	12%



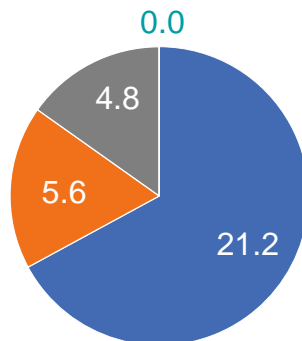
By rating

AAA	7%
AA	21%
A	49%
BBB	19%
Non-investment grade	4%
Not rated	0%

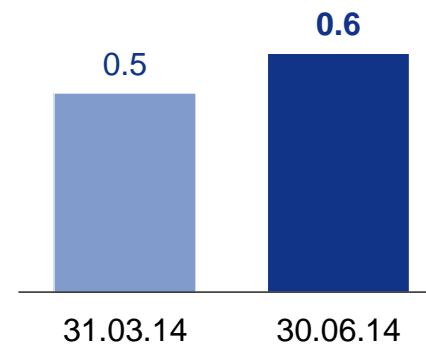


By segment (EUR bn)

L/H	67%
P/C	18%
Corporate and Other	15%
Asset Management	0%



Net AFS unrealized gains/losses (EUR bn)²



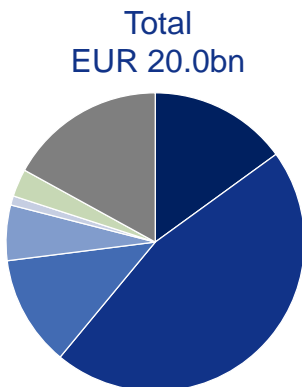
1) Including Spain (2%)

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

Group: fixed income portfolio – ABS/MBS (30.06.14)

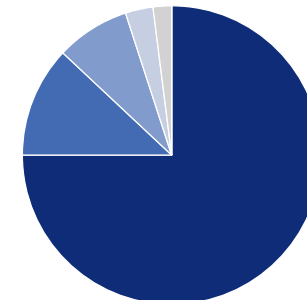
By type of category

U.S. Agency	15%
CMBS	46%
RMBS	12%
CMO/CDO	6%
Credit Card	1%
Auto	3%
Other	17%



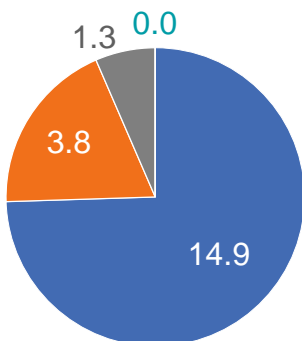
By rating

AAA	75%
AA	12%
A	8%
BBB	3%
Non-investment grade	2%
Not rated	0%

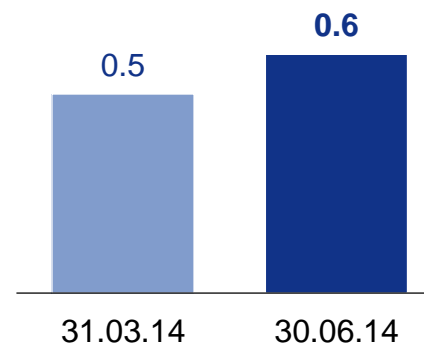


By segment (EUR bn)

L/H	75%
P/C	19%
Corporate and Other	6%
Asset Management	0%



Net AFS unrealized gains/losses (EUR bn)¹



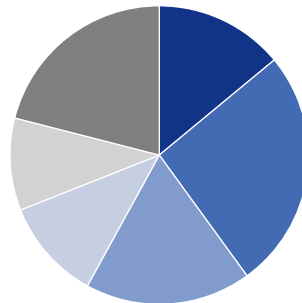
1) On-balance unrealized gains/losses after tax, non-controlling interests, policyholders and before shadow DAC

Group: equity portfolio (30.06.14)

By region

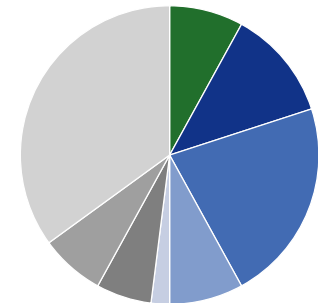
Germany	14%
Eurozone ex Germany	26%
Europe ex Eurozone	18%
NAFTA	11%
Rest of World	10%
Multinational ²	21%

Total
EUR 38.3bn¹



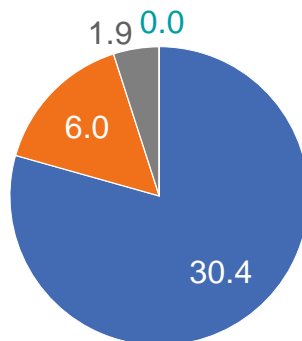
By industry

Banking	8%
Other Financials	12%
Consumer	22%
Basic materials	8%
Utilities	2%
Industrial	6%
Energy	7%
Funds and Other ³	35%

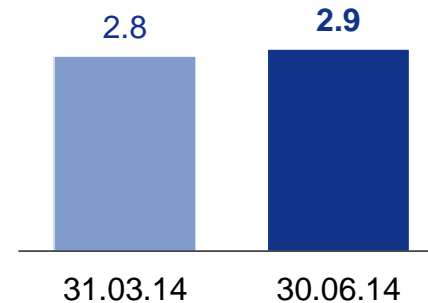


By segment (EUR bn)

L/H	79%
P/C	16%
Corporate and Other	5%
Asset Management	0%



Net AFS unrealized gains/losses (EUR bn)⁴



1) Incl. non-equity retail funds (EUR 0.1bn), excl. equities designated at fair value through income (EUR 1.9bn)

2) Incl. private equity funds (EUR 4.5bn) and mutual stock funds (EUR 3.0bn)

3) Diversified investment funds (EUR 3.2bn); private and unlisted equity (EUR 6.4bn)

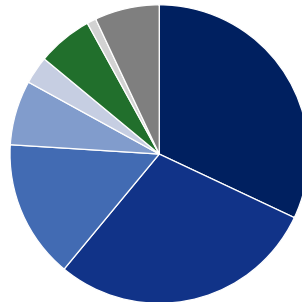
4) On-balance unrealized gains/losses after tax, non-controlling interests, policyholders and before shadow DAC

Group: real estate portfolio¹

By region

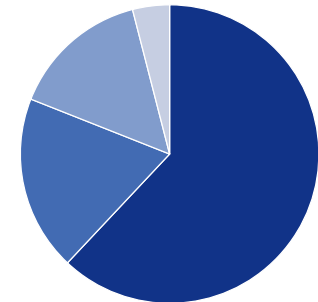
France	32%
Germany	29%
Switzerland	15%
Italy	7%
Spain	3%
Rest of Eurozone	6%
USA	1%
Rest of World	7%

Total
EUR 19.3bn²



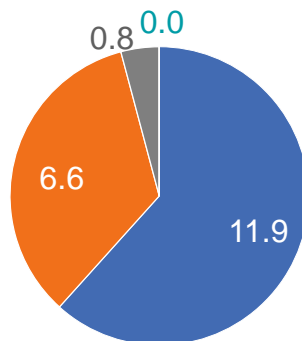
By sectors

Office	62%
Residential	19%
Retail	15%
Other/mixed	4%

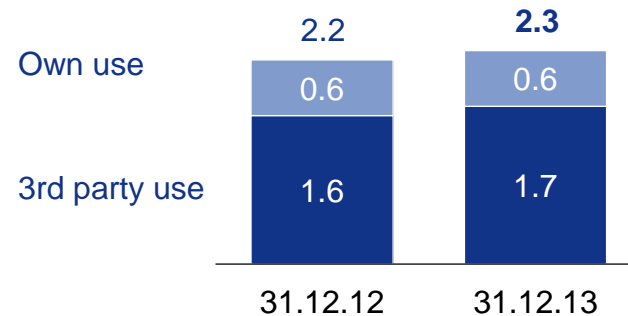


By segment (EUR bn)

L/H	62%
P/C	34%
Corporate and Other	4%
Asset Management	0%



Net unrealized gains/losses (EUR bn)³



1) Based on market values as of 31.12.13

2) Market value of fully consolidated real estate assets including real estate own use (EUR 3.6bn) and minorities (EUR 0.3bn)

3) Off-balance unrealized gains/losses after tax, non-controlling interests, policyholders and before shadow DAC, based on external and internal real estate valuations

2b

Group financial
results 2Q 2014

- 1 Highlights
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 - a) Group
 - b) Property-Casualty
 - c) Life/Health
 - d) Asset Management
 - e) Corporate and Other
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P/C: key figures (EUR mn)

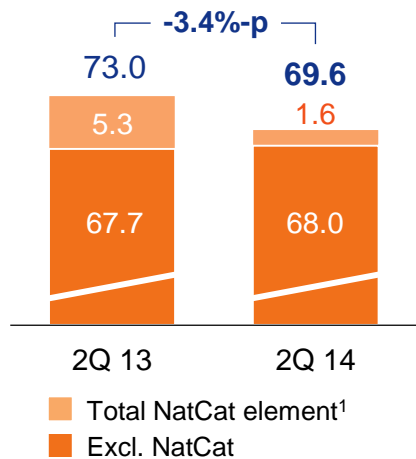
	1Q 2013	2Q 2013	3Q 2013	4Q 2013	1Q 2014	2Q 2014	Delta 2Q 14/13	6M 2013	6M 2014	Delta 6M 14/13
Gross premiums written (EUR bn)	15.2	10.8	10.7	10.0	15.2	10.8	+0.0	26.0	26.1	+0.1
Operating profit	1,319	1,179	1,236	1,534	1,489	1,346	+167	2,498	2,835	+337
<i>Underwriting result</i>	540	357	501	772	705	516	+159	897	1,221	+324
<i>Investment result</i>	763	784	719	782	747	806	+22	1,547	1,553	+6
<i>Other</i>	16	38	16	-20	37	24	-14	54	61	+7
Non-operating items	128	212	-75	31	-576	84	-128	340	-492	-832
Income before taxes	1,447	1,391	1,161	1,565	913	1,430	+39	2,838	2,343	-495
Income taxes	-430	-390	-365	-561	-268	-461	-71	-820	-729	+91
Net income	1,017	1,001	796	1,004	645	969	-32	2,018	1,614	-404
Non-controlling interests	43	45	35	45	44	41	-4	88	85	-3
Shareholders' net income	974	956	761	959	601	928	-28	1,930	1,529	-401
Combined ratio (in %)	94.3	96.0	94.8	92.2	92.6	94.6	-1.4%-p	95.1	93.6	-1.5%-p
<i>Loss ratio</i>	66.1	67.3	67.2	63.1	64.6	66.2	-1.1%-p	66.7	65.4	-1.3%-p
<i>Expense ratio</i>	28.2	28.7	27.6	29.1	28.0	28.4	-0.3%-p	28.4	28.2	-0.2%-p
Segment financial assets ^{1,2} (EUR bn)	108.7	103.2	102.8	101.1	104.6	104.2	+1.0	103.2	104.2	+1.0

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

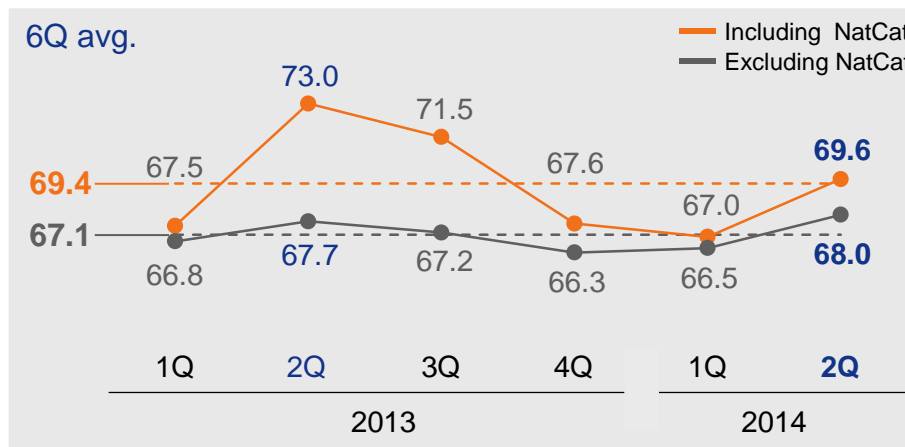
2) Prior year figures have been restated to reflect the retrospective application of the amended standard IFRS 10

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

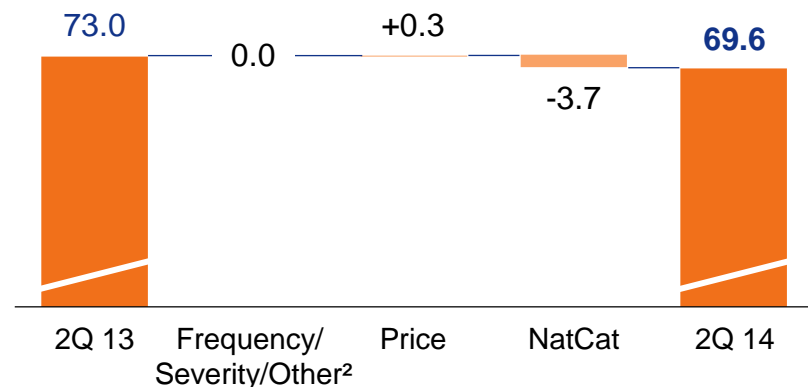
Accident year loss ratio



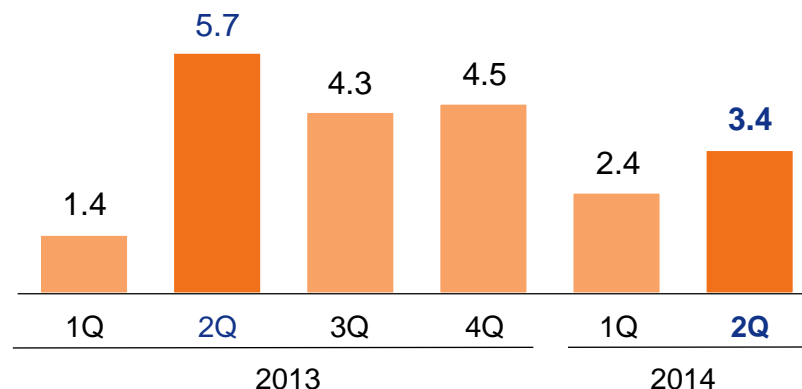
6-quarter overview accident year loss ratio



Development 2Q 14/13



Run-off ratio³ (6Q-average: 3.6%)

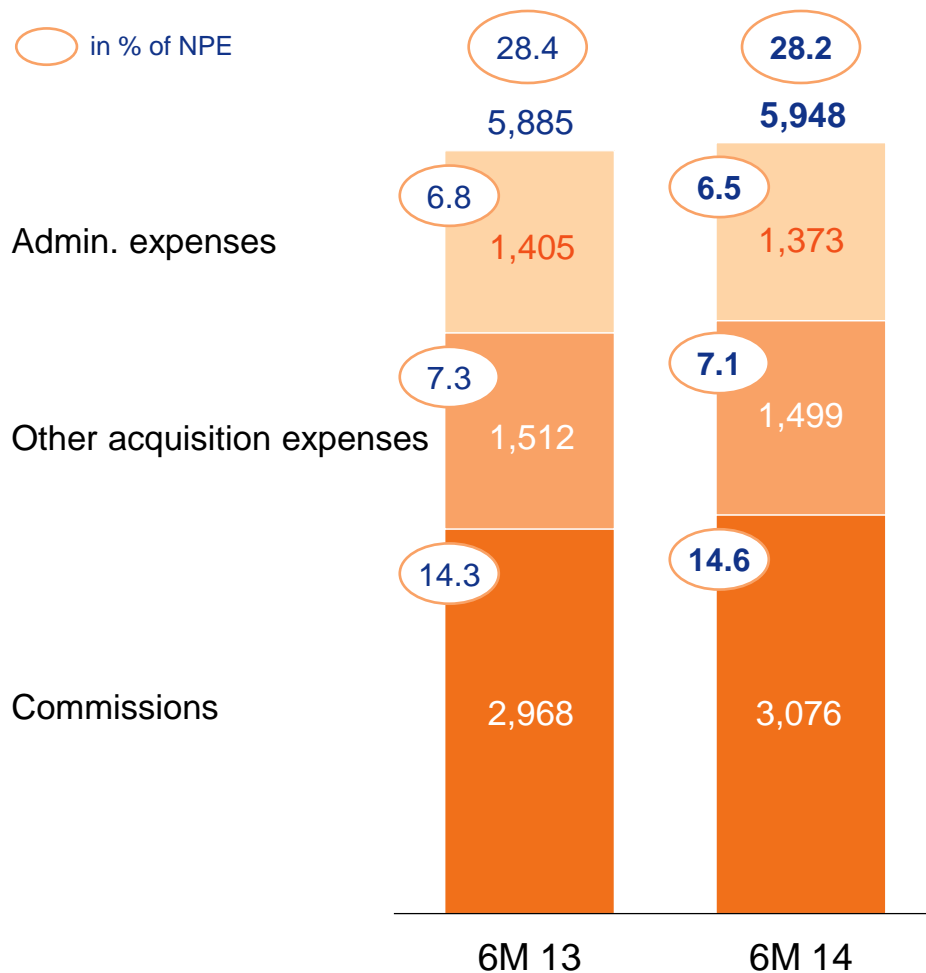


1) NatCat costs (without reinstatement premiums): EUR 549mn (2Q 13) and EUR 172mn (2Q 14)

2) Including large claims, reinsurance, credit insurance

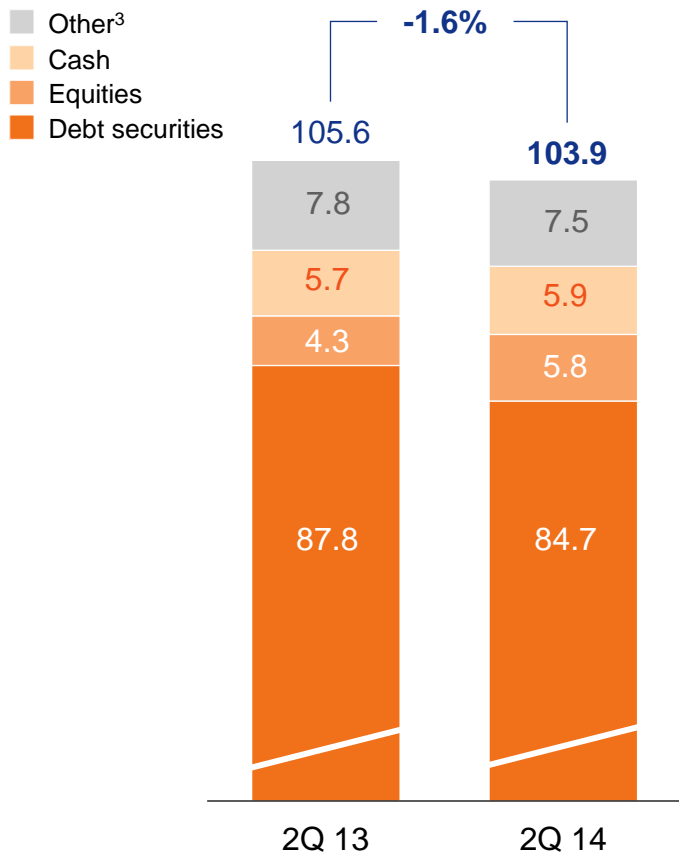
3) Positive values indicate positive run-off; run-off ratio is calculated as run-off result in percent of net premiums earned

P/C: expense ratio (EUR mn)

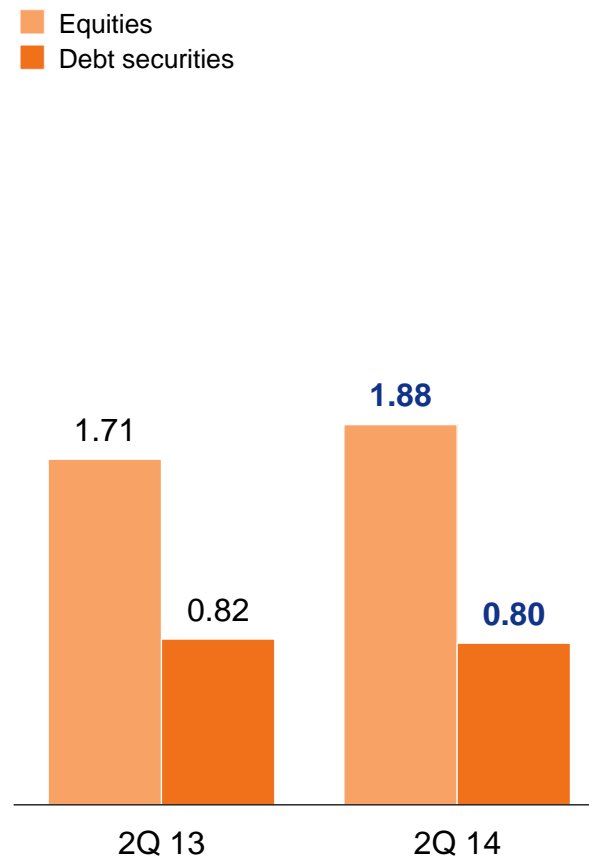


P/C: average asset base and yields

Average asset base¹ (EUR bn)

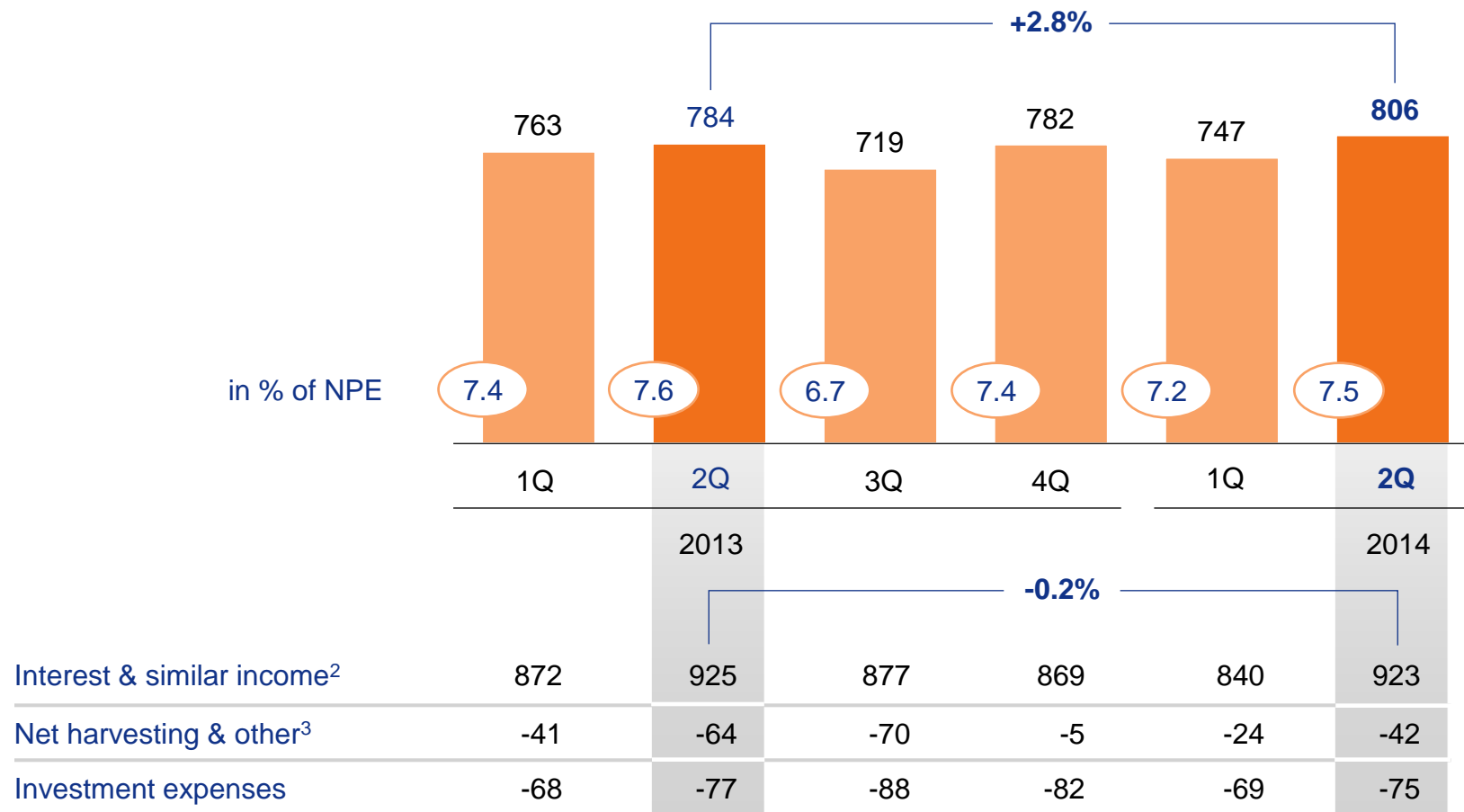


Current yield² (in %)



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

P/C: operating investment result¹ (EUR mn)













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

2) Net of interest expenses

3) Comprises realized gains/losses, impairments (net), fair value option, trading and F/X gains and losses and policyholder participation. Thereof related to APR in Germany: 2Q 13: EUR -38mn, 2Q 14: EUR -36mn

P/C: price effects on renewals

Pricing overview for selected operating entities¹ (in %)

Selected OEs	Actual rate change on renewals and momentum	Assessment/trends of rate change on renewals
Germany	2.2% 	<ul style="list-style-type: none"> ▪ Quite stable rate change until the end of 2014, still driven by motor, commercial property and liability ▪ Overall in 2015 still ongoing hardening market, in motor with flattening rate increases. In commercial property and liability with a beginning market stabilization and higher price rates
Austria	1.6% 	<ul style="list-style-type: none"> ▪ Motor: price increases at point of sale; slight price increase in the market, however, first indications for being a temporary effect only ▪ Non-Motor: price increases at point of sale; market still soft with no sign of immediate improvement
Italy	-2.0% 	<ul style="list-style-type: none"> ▪ Motor still in a soft phase, strong competition to retain portfolio and acquire new business ▪ Recession and strong competition keep non-motor commercial soft
France	1.4% 	<ul style="list-style-type: none"> ▪ Retail motor pricing trend remains stable ▪ However, all other lines' pricing trends are softer
Spain	1.7% 	<ul style="list-style-type: none"> ▪ Economic downturn, strong competition and client price sensitivity keep market soft ▪ Motor retail tariff rising moderately according to the frequency trend
USA ²	3.5% 	<ul style="list-style-type: none"> ▪ Continued rate increases across all commercial lines, but at a tapering pace ▪ Retail rates increasing subject to continuing regulatory support ▪ Price change outpacing claims inflation in commercial and retail lines
UK	2.0% 	<ul style="list-style-type: none"> ▪ Rates in Commercial are coming under pressure ▪ Soft motor rates have continued in this quarter, though indications that some segments may be turning
Australia	0.0% 	<ul style="list-style-type: none"> ▪ Market softened with pressure on rates; favourable profitability led to increased competition in all lines ▪ Significant impact of rate reductions in commercial products (property, casualty, construction, fleet) ▪ Downward pressure on rates on retail in motor, bodily injury and householders
Credit Insurance	-0.1% 	<ul style="list-style-type: none"> ▪ Competitive pressure is intensifying, namely in growth markets and on large programs ▪ Nevertheless, rates have increased in Southern Europe to improve the pricing / risk adequacy
AGCS ³	-0.3% 	<ul style="list-style-type: none"> ▪ Generally soft markets driven by abundant capacity ▪ Strong competition with competitors compensating low yield with aggressive underwriting ▪ Largest rate increases in marine, most significant decreases in energy and aviation
6M 2014⁴	1.1%	

1) Estimates based on 6M 2014 survey as communicated by our operating entities; coverage of P/C segment 74%

2) From 3M 2014 onwards including crop business

3) AGCS excluding ART

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

2c

Group financial
results 2Q 2014

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L/H: key figures¹ (EUR mn)

	1Q 2013	2Q 2013	3Q 2013	4Q 2013	1Q 2014	2Q 2014	Delta 2Q 14/13	6M 2013	6M 2014	Delta 6M 14/13
Statutory premiums (EUR bn)	14.8	14.1	12.7	15.1	17.2	17.0	+2.9	29.0	34.1	+5.1
Operating profit	855	669	769	416	880	984	+315	1,524	1,864	+340
Non-operating items	40	11	26	7	4	54	+43	51	58	+7
Income before taxes	895	680	795	423	884	1,038	+358	1,575	1,922	+347
Income taxes	-267	-206	-233	-146	-255	-307	-101	-473	-562	-89
Net income	628	474	562	277	629	731	+257	1,102	1,360	+258
Non-controlling interests	23	20	24	13	31	32	+12	43	63	+20
Shareholders' net income	605	454	538	264	598	699	+245	1,059	1,297	+238
Margin on reserves² (in bps)	74	58	66	35	73	79	+21	66	76	+10
Segment financial assets ^{3,4} (EUR bn)	405.3	398.1	401.0	405.4	422.7	438.4	+40.3	398.1	438.4	+40.3
Unit-linked investments (EUR bn)	75.2	75.4	78.7	81.1	82.9	86.9	+11.5	75.4	86.9	+11.5
Operating asset base ^{4,5} (EUR bn)	484.7	477.5	483.6	490.7	509.6	529.8	+52.3	477.5	529.8	+52.3
<i>Loadings & fees</i>	1,170	1,145	1,160	1,236	1,241	1,257	+112	2,315	2,498	+183
<i>Investment margin</i>	710	607	536	533	671	920	+313	1,317	1,591	+274
<i>Expenses</i>	-1,377	-1,387	-1,330	-1,658	-1,496	-1,630	-243	-2,764	-3,126	-362
<i>Technical margin</i>	289	344	361	294	264	266	-78	633	530	-103
Operating profit before change in DAC	792	709	727	405	680	814	+105	1,502	1,494	-8

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

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

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

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

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

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

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

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

L/H: operating profit details^{1,2} (EUR mn)

	L/H segment ³			Guaranteed savings & annuities		Protection & health		Unit-linked w/o guarantee	
	2Q 2013	2Q 2014	Δ	2Q 2013	2Q 2014	2Q 2013	2Q 2014	2Q 2013	2Q 2014
Loadings & fees	1,145	1,257	+112	668	701	360	400	117	155
Loadings from premiums	788	833	+45	395	401	345	381	49	52
as % of GPW	5.58%	4.91%	-0.67-%p	4.34%	3.35%	15.40%	16.00%	1.75%	1.98%
Loadings from reserves	239	268	+29	216	237	15	20	8	11
as % of avg. reserves ^{4,5}	0.06%	0.06%	+0.00-%p	0.06%	0.06%	0.05%	0.06%	0.03%	0.03%
Unit-linked management fees	117	156	+39	56	63	0	0	61	93
as % of avg. unit-linked reserves ^{5,6}	0.16%	0.14%	-0.02-%p	0.12%	0.12%	NA	NA	0.22%	0.17%
Investment margin	607	920	+313	576	856	27	47	4	17
Investment margin net of PHP	607	920	+313	576	856	27	47	4	17
as % of avg. aggregate policy reserves ⁵	0.17%	0.25%	+0.08-%p	0.18%	0.26%	0.08%	0.14%	1.60%	7.03%
Expenses	-1,387	-1,630	-243	-893	-1,103	-386	-410	-108	-116
Acquisition expenses and commissions	-1,025	-1,218	-193	-652	-821	-288	-313	-85	-85
as % of PVNBP	-8.65%	-7.35%	+1.30-%p	-9.18%	-7.03%	-14.95%	-15.81%	-3.01%	-2.88%
Admin and other expenses	-362	-410	-48	-241	-282	-98	-97	-23	-31
as % of avg. reserves ^{4,5}	-0.09%	-0.09%	+0.00-%p	-0.07%	-0.07%	-0.31%	-0.29%	-0.08%	-0.10%
Technical margin	344	266	-78	152	128	166	123	27	14
Operating profit before change in DAC	709	814	+105	503	582	166	161	40	71
Impact of change in DAC ⁷	-40	171	+211	-96	149	42	16	14	6
Capitalization of DAC	413	564	+151	248	406	129	126	35	32
Amortization, unlocking and true-up of DAC	-452	-393	+59	-344	-258	-88	-110	-21	-26
Operating profit	669	984	+315	406	730	208	177	55	77
GPW	14,125	16,961	+2,836	9,102	11,976	2,239	2,379	2,784	2,606
avg. unit-linked reserves	75,292	84,882	+9,590	47,741	53,597	0	0	27,551	31,285
avg. aggregate policy reserves	347,688	364,415	+16,727	315,602	330,627	31,828	33,547	257	241
avg. reserves ⁴	422,980	449,298	+26,318	363,344	384,225	31,828	33,547	27,809	31,526
PVNBP ⁸	11,849	16,588	+4,739	7,098	11,671	1,929	1,978	2,822	2,939

1) Figures do not add up due to roundings

2) 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

3) Profit sources are based on in scope OEs with a coverage of 96.7% revenues. Operating profit from OEs that are not in scope is included in "Investment margin"

4) Aggregate policy reserves + unit-linked reserves

5) Yields are pro-rata

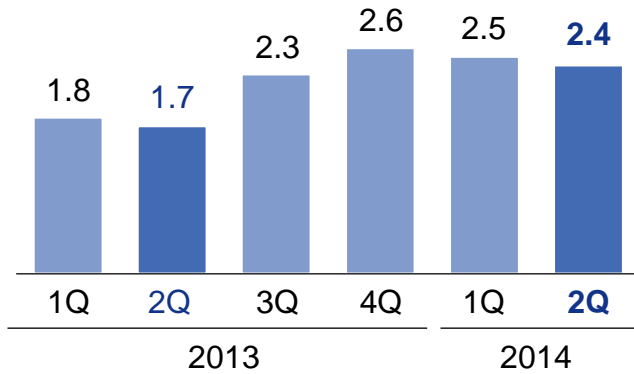
6) Calculation based on only unit-linked fees on unit-linked reserves

7) 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

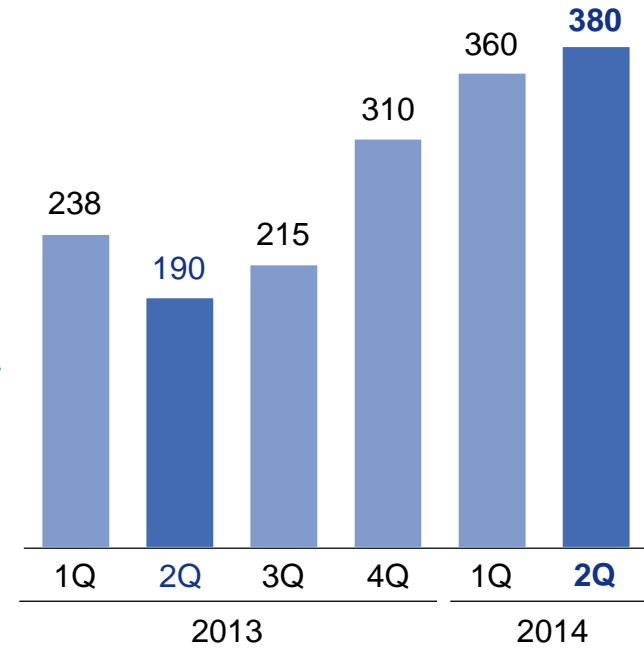
8) PVNBP is before non-controlling interests

L/H: key metrics

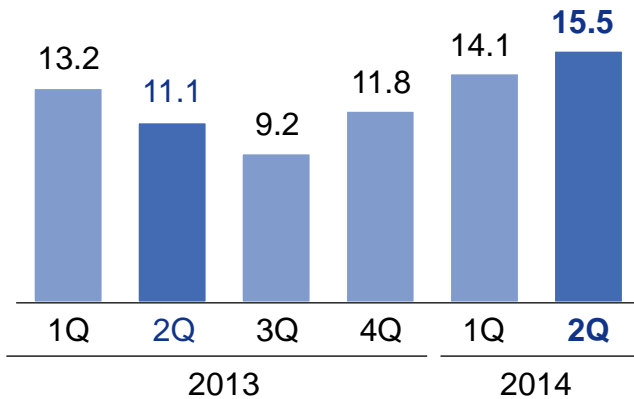
New business margin¹
(VNB in % of PV of NB premiums)



Value of new business¹
(EUR mn)



PV of NB premiums¹
(EUR bn)



1) After non-controlling interests, including holding expenses and internal reinsurance. All values using F/X rates as of valuation date

L/H: value of new business¹

(EUR mn)

	Value of new business		New business margin		Present value of new business premium			Recurring premium		Single premium	
	2Q 2013	2Q 2014	2Q 2013	2Q 2014	2Q 2013	2Q 2014	Δ % ²	2Q 2013	2Q 2014	2Q 2013	2Q 2014
German Speaking Countries	74	90	2.8%	2.5%	2,677	3,568	+33.1%	108	137	1,246	1,815
<i>Germany Life³</i>	64	76	2.9%	2.4%	2,213	3,093	+39.8%	80	107	1,160	1,725
Western & Southern Europe	44	119	0.9%	1.8%	4,655	6,762	+42.7%	151	512	3,116	3,218
<i>France</i>	1	38	0.1%	1.7%	2,304	2,272	-1.4%	98	60	1,062	1,062
<i>Italy</i>	31	61	1.6%	1.6%	1,907	3,848	+101.7%	36	398	1,743	1,796
Iberia & Latin America	13	17	2.7%	4.0%	497	428	-13.1%	28	21	324	254
Growth Markets	44	50	3.0%	3.5%	1,472	1,417	+0.7%	184	181	682	668
<i>Asia-Pacific</i>	28	37	2.4%	3.2%	1,200	1,177	+3.2%	144	137	597	595
<i>CEEMA</i>	14	13	6.6%	5.3%	211	240	+16.7%	40	44	25	73
USA	41	126	2.3%	3.8%	1,797	3,342	+95.9%	13	16	1,676	3,211
Total⁴	190	380	1.7%	2.4%	11,099	15,518	+40.8%	484	866	7,044	9,166

1) After non-controlling interests, including holding expenses and internal reinsurance. All values using F/X rates as of valuation date

2) Internal growth (adjusted for F/X and consolidation effects)

3) Single premium for Germany Life does not include Parkdepot business (2Q 13: EUR 290mn, 2Q 14: EUR 492mn)

4) Including holding expenses and internal reinsurance

L/H: new business profitability by region

	Value of new business (EUR mn) ^{1,2}				New business margin (in %) ^{1,2}					Capital return 2Q 14 (in %) ³		
	2Q 2013	3Q 2013	4Q 2013	1Q 2014	2Q 2014	2Q 2013	3Q 2013	4Q 2013	1Q 2014	2Q 2014	IRR	Payback period (yrs)
German Speaking Countries	74	87	105	117	90	2.8%	2.8%	2.7%	2.7%	2.5%	17.8%	5.2
Western & Southern Europe	44	47	72	92	119	0.9%	1.6%	1.8%	1.7%	1.8%	9.5%	9.2
Iberia & Latin America	13	13	18	20	17	2.7%	4.2%	4.2%	4.7%	4.0%	10.1%	8.7
Growth Markets	44	32	43	46	50	3.0%	2.8%	3.2%	3.3%	3.5%	14.5%	5.6
USA	41	62	92	102	126	2.3%	3.8%	4.1%	4.1%	3.8%	12.2%	5.5
Total⁴	190	215	310	360	380	1.7%	2.3%	2.6%	2.5%	2.4%	11.4%	7.1

1) After non-controlling interests, including holding expenses and internal reinsurance. All values using F/X rates as of valuation date

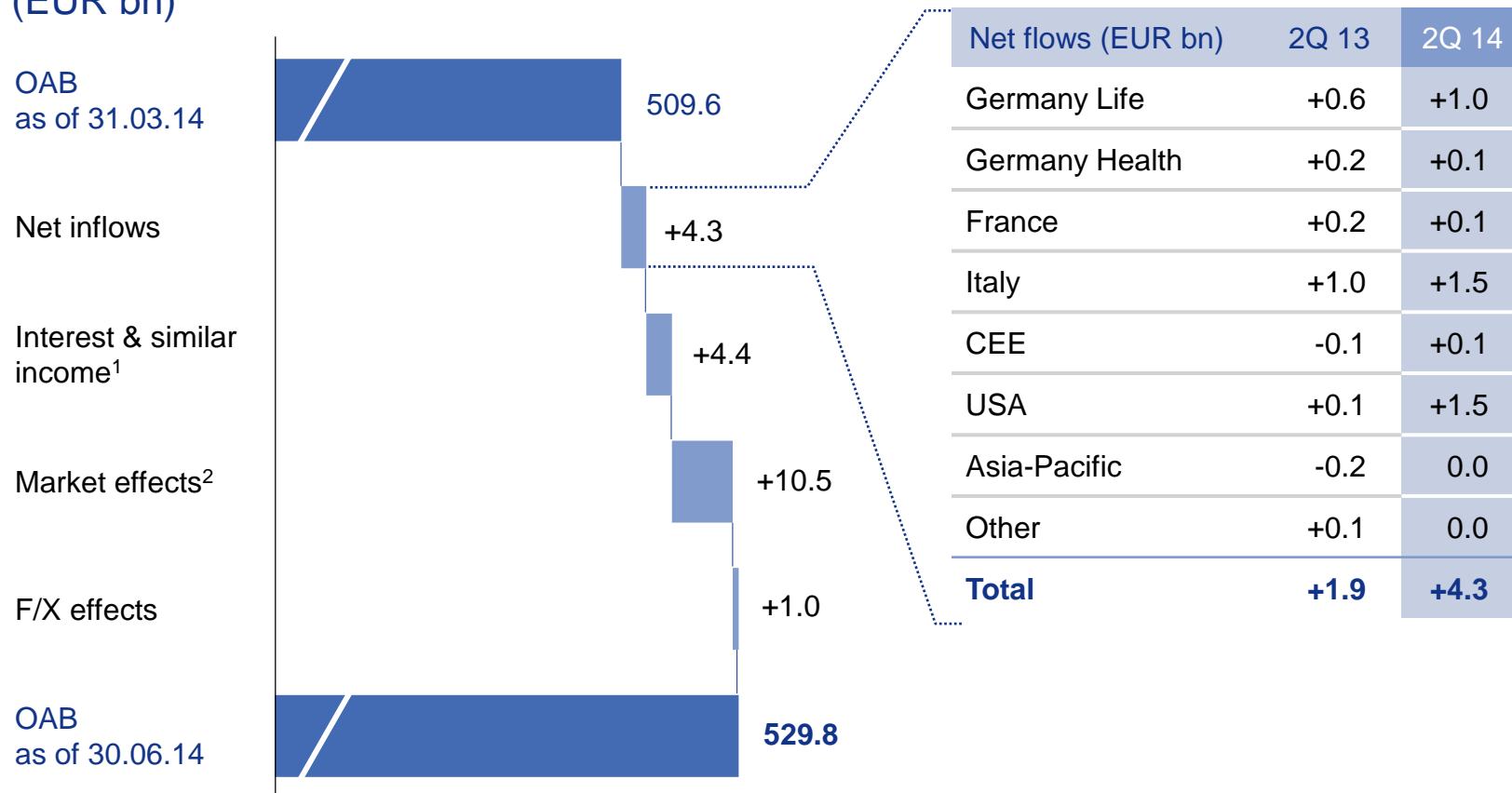
2) Based on beginning of quarter economic assumptions. For the USA we use point of sale assumptions

3) Both IRR and payback period are real world metrics, using an expected over-return on certain assets and capturing risks in the discount rate

4) Including holding expenses and internal reinsurance

L/H: operating asset base

Operating asset base (EUR bn)

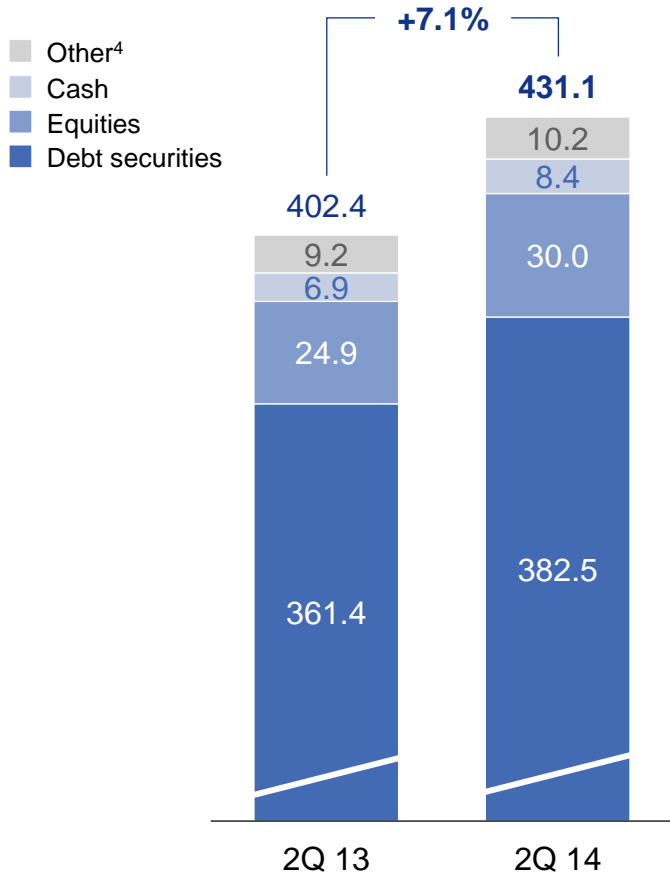


1) Net of interest expenses

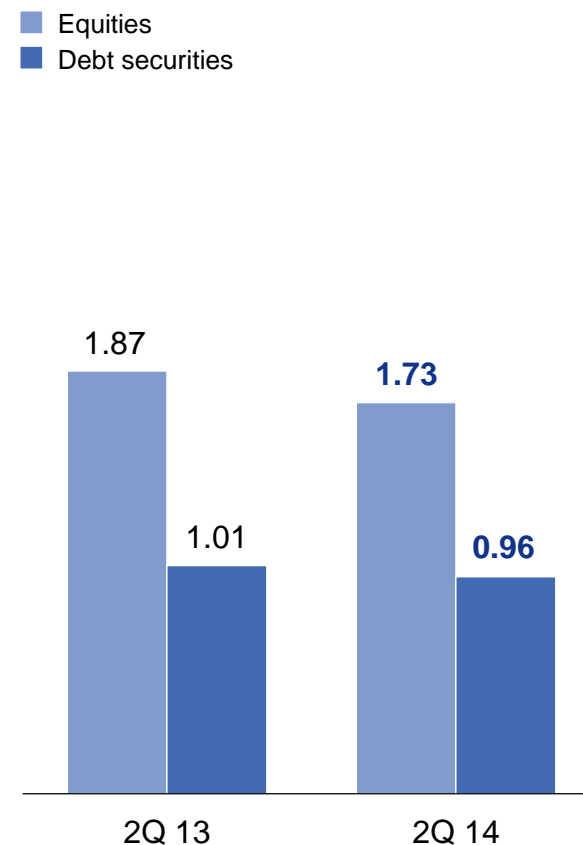
2) Includes changes in other assets and liabilities of EUR -0.4bn

L/H: average asset base and yields

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

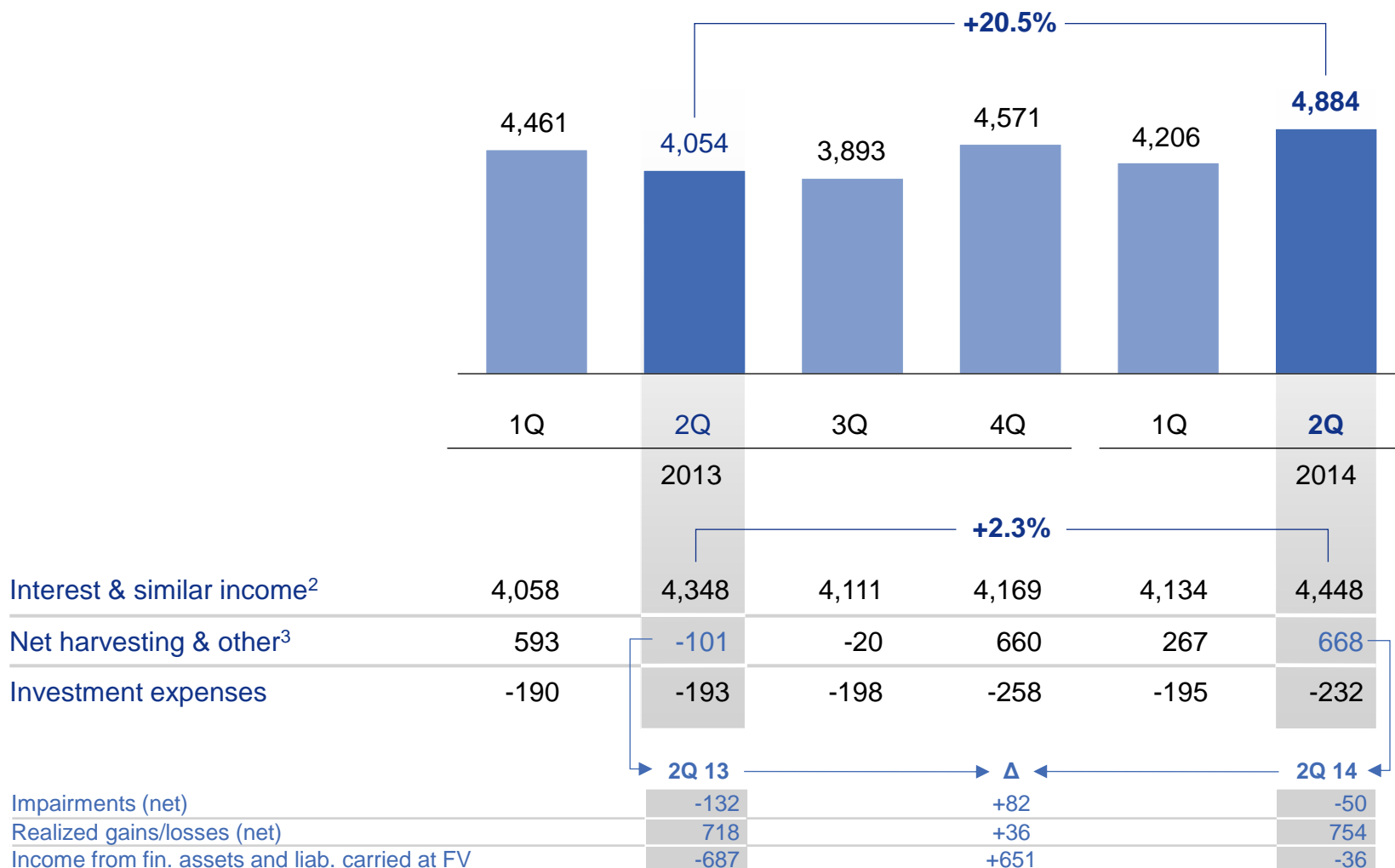


Current yield² (in %)



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 2Q 14 is EUR 1.4bn
 4) Real estate investments and funds held by others under reinsurance contracts assumed

L/H: operating investment result¹



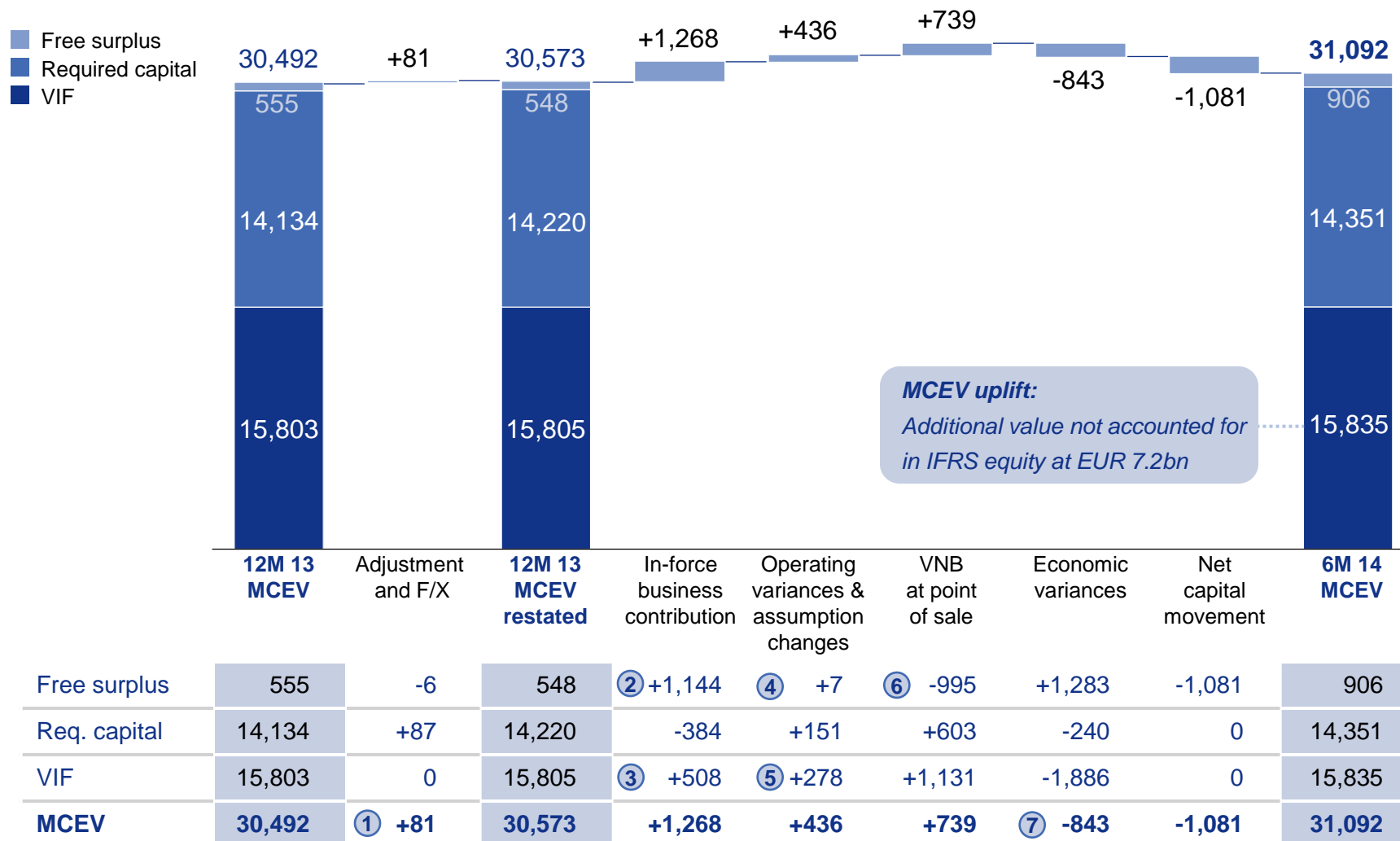
1) Prior year figures have been restated to reflect the retrospective application of the amended standard IFRS 10

2) Net of interest expenses

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

L/H: MCEV development (1/2)

(EUR mn, after non-controlling interests)



L/H: MCEV development (2/2)

(EUR mn, after non-controlling interests)

①	+81		Mainly F/X changes from USA, Asia-Pacific and Switzerland								
②	+1,144	=	<table border="0"> <tr> <td>+231</td> <td>Projected release of risk free profits from VIF in the reporting period</td> </tr> <tr> <td>+384</td> <td>Projected release of in-force required capital</td> </tr> <tr> <td>+67</td> <td>Projected risk free return on net asset value</td> </tr> <tr> <td>+461</td> <td>Expected over-returns earned in the year, mainly from US and Italian spreads</td> </tr> </table>	+231	Projected release of risk free profits from VIF in the reporting period	+384	Projected release of in-force required capital	+67	Projected risk free return on net asset value	+461	Expected over-returns earned in the year, mainly from US and Italian spreads
+231	Projected release of risk free profits from VIF in the reporting period										
+384	Projected release of in-force required capital										
+67	Projected risk free return on net asset value										
+461	Expected over-returns earned in the year, mainly from US and Italian spreads										
③	+508	=	<table border="0"> <tr> <td>-231</td> <td>Projected release of risk free profits from VIF in the reporting period</td> </tr> <tr> <td>+341</td> <td>Projected unwinding of VIF at the risk free rate and release of options and guarantees</td> </tr> <tr> <td>+399</td> <td>VIF increase from higher asset base due to expected over-return, mainly US, Germany and France</td> </tr> </table>	-231	Projected release of risk free profits from VIF in the reporting period	+341	Projected unwinding of VIF at the risk free rate and release of options and guarantees	+399	VIF increase from higher asset base due to expected over-return, mainly US, Germany and France		
-231	Projected release of risk free profits from VIF in the reporting period										
+341	Projected unwinding of VIF at the risk free rate and release of options and guarantees										
+399	VIF increase from higher asset base due to expected over-return, mainly US, Germany and France										
④	+7		Small positive impact from positive experience variance in Germany Life and lower required capital in France, partly offset by an increase in required capital in US								
⑤	+278	=	<table border="0"> <tr> <td>-665</td> <td>Assumption changes and experience variances</td> </tr> <tr> <td>+943</td> <td>Other operating variances, mostly Germany and France</td> </tr> </table>	-665	Assumption changes and experience variances	+943	Other operating variances, mostly Germany and France				
-665	Assumption changes and experience variances										
+943	Other operating variances, mostly Germany and France										
⑥	-995	=	<table border="0"> <tr> <td>-603</td> <td>New business capital strain</td> </tr> <tr> <td>-392</td> <td>New business cash strain</td> </tr> </table>	-603	New business capital strain	-392	New business cash strain				
-603	New business capital strain										
-392	New business cash strain										

⑦	(EUR mn) Estimates based on sensitivities	German speaking countries	Western & Southern Europe ¹	Iberia & Latin America ²	Growth markets	USA ³	Total ⁴
	Economic variances	-1,046	-83	197	-125	194	-843
	Driven by changes in interest rate	-1,220	-30	185	-127	-318	-1,503
	Driven by changes in equity value	130	0	8	0	462	613
	Driven by changes in volatilities	43	-53	4	2	50	46

- 1) Includes EUR 159mn effect of reduced spread on Italian government bonds in changes in interest rate
2) Includes EUR 146mn effect of reduced spread on Spanish government bonds in changes in interest rate
3) Includes EUR 30mn effect of decreased credit spreads in the US in changes in interest rate
4) Total includes holding expenses and reinsurance

2d

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AM: AAM key figures¹ (1/2)

(EUR mn)

	1Q 2013	2Q 2013	3Q 2013	4Q 2013	1Q 2014	2Q 2014	Delta 2Q 14/13	6M 2013	6M 2014	Delta 6M 14/13
Operating revenues	1,870	1,772	1,661	1,682	1,517	1,606	-166	3,642	3,123	-519
Performance fees	274	75	41	109	19	67	-8	349	86	-263
Operating profit	877	781	731	671	646	675	-106	1,658	1,321	-337
Non-operating items	-28	-18	-2	6	-14	-3	+15	-46	-17	+29
Income before taxes	849	763	729	677	632	672	-91	1,612	1,304	-308
Income taxes	-296	-288	-263	-312	-226	-253	+35	-584	-479	+105
Net income	553	475	466	365	406	419	-56	1,028	825	-203
Non-controlling interests	21	18	17	16	21	24	+6	39	45	+6
Shareholders' net income	532	457	449	349	385	395	-62	989	780	-209
Cost-income ratio (in %)	53.1	55.9	56.0	60.1	57.4	58.0	+2.1%-p	54.5	57.7	+3.2%-p
3rd party AuM² (EUR bn)	1,491	1,427	1,374	1,329	1,342	1,373	-54	1,427	1,373	-54
Allianz AuM² (EUR bn)	417	407	407	409	423	441	+34	407	441	+34
Total AuM² (EUR bn)	1,908	1,834	1,781	1,738	1,765	1,814	-20	1,834	1,814	-20
3rd party net flows (EUR bn)	41.8	6.0	-27.5	-35.4	-19.8	-17.2	-23.2	47.8	-37.0	-84.8
Net flows in 3rd party AuM eop (in %)	3.0	0.4	-1.9	-2.6	-1.5	-1.3	-1.7%-p	3.4	-2.8	-6.2%-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 page

2) Assets under Management are end of period values

AM: AAM key figures (2/2)

(EUR mn)

	1Q 2013	2Q 2013	3Q 2013	4Q 2013	1Q 2014	2Q 2014	Delta 2Q 14/13	6M 2013	6M 2014	Delta 6M 14/13
PIMCO										
Operating profit	796	700	645	599	563	597	-103	1,496	1,160	-336
Performance fees	252	40	25	89	11	47	+7	292	58	-234
Cost-income ratio (in %)	48.4	51.2	51.3	54.9	52.2	51.8	+0.6%-p	49.7	52.0	+2.3%-p
3rd party AuM ¹ (EUR bn)	1,301	1,238	1,178	1,114	1,116	1,135	-103	1,238	1,135	-103
3rd party net flows (EUR bn)	40.4	4.3	-28.8	-35.6	-21.7	-20.4	-24.7	44.7	-42.1	-86.8
3-yr. outperformance (in %)	95	94	93	90	88	89	-5%-p	94	89	-5%-p
AllianzGI										
Operating profit	87	95	99	83	96	89	-6	182	185	+3
Performance fees	22	35	16	20	8	20	-15	57	28	-29
Cost-income ratio (in %)	73.7	72.4	71.0	76.6	72.1	76.1	+3.7%-p	73.0	74.2	+1.2%-p
3rd party AuM ¹ (EUR bn)	190	189	196	215	226	238	+49	189	238	+49
3rd party net flows (EUR bn)	1.4	1.7	1.3	0.2	1.9	3.2	+1.5	3.1	5.1	+2.0
3-yr. outperformance (in %)	66	59	53	55	53	51	-8%-p	59	51	-8%-p

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

AM: splits of 3rd party AuM¹

	AAM		PIMCO		AllianzGI	
	30.06.13	30.06.14	30.06.13	30.06.14	30.06.13	30.06.14
Regions (in %)²						
America	63.6	62.1	68.5	68.8	31.3	30.3
Europe	26.1	28.1	21.2	21.2	58.1	61.1
Asia-Pacific	10.3	9.8	10.3	10.0	10.6	8.6
Clients (in %)³						
Institutional	64	64	65	67	59	50
Retail	36	36	35	33	41	50
Products (in %)⁴						
Fixed Income	89	86	100	100	17	21
Equity	11	14	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

4) Based on legal entity view

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Corporate and Other: key figures¹

(EUR mn)

	1Q 2013	2Q 2013	3Q 2013	4Q 2013	1Q 2014	2Q 2014	Delta 2Q 14/13	6M 2013	6M 2014	Delta 6M 14/13
Total revenues (Banking)	148	132	132	139	139	132	+0	280	271	-9
Operating profit										
<i> Holding & Treasury</i>	-167	-277	-239	-256	-248	-244	+33	-444	-492	-48
<i> Banking</i>	-83	-1	4	-11	18	17	+18	-84	35	+119
<i> Alternative Investments</i>	11	4	5	4	8	8	+4	15	16	+1
<i> Consolidation</i>	0	0	0	2	0	0	+0	0	0	+0
Corporate and Other operating profit	-239	-274	-230	-261	-222	-219	+55	-513	-441	+72
Non-operating items										
<i> Holding & Treasury</i>	-251	-67	-202	-221	484	-177	-110	-318	307	+625
<i> Banking</i>	3	4	11	4	-2	5	+1	7	3	-4
<i> Alternative Investments</i>	-54	-6	-5	-47	-11	-5	+1	-60	-16	+44
<i> Consolidation</i>	27	0	0	-2	0	0	+0	27	0	-27
Corporate and Other non-operating items	-275	-69	-196	-266	471	-177	-108	-344	294	+638
Income before taxes	-514	-343	-426	-527	249	-396	-53	-857	-147	+710
Income taxes	117	66	119	174	-118	148	+82	183	30	-153
Net income	-397	-277	-307	-353	131	-248	+29	-674	-117	+557
Non-controlling interests	2	0	4	1	4	6	+6	2	10	+8
Shareholders' net income	-399	-277	-311	-354	127	-254	+23	-676	-127	+549
Cost-income ratio Banking (in %)	146.6	89.6	83.2	80.0	80.3	75.8	-13.8%-p	119.5	78.1	-41.4%-p
RWA ² Banking (EUR bn)	9	9	9	9	9	9	+0	9	9	+0

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

2) RWA data is preliminary; based on Basel approach

3

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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
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	Assets under Management: The total of all investments, valued at current market value, which the Group has under management with responsibility for their performance. In addition to the Group’s own investments, AuM include investments managed on behalf of third parties.
Bps	Basis point = 0.01%
CEE	Central and Eastern Europe
CEIOPS	Committee of European Insurance and Occupational Pensions Supervisors; as of January 1, 2011, CEIOPS has been replaced by the European Insurance and Occupational Pensions Authority (EIOPA).
Combined ratio (CR)	Sum of loss ratio and expense ratio, represents the total of acquisition and administrative expenses (net) and claims and insurance benefits incurred (net) divided by premiums earned (net).

Glossary (2)

Collateralized debt obligation (CDO)	Collateralized debt obligation (CDO) is a type of structured security backed by a pool of bonds, loans and other assets. CDOs usually do not specialize in any one type of debt but are often non-mortgage loans or bonds.
Collateralized mortgage obligation (CMO)	Collateralized mortgage obligation (CMO) is a type of mortgage-backed security where the cash flows are often pooled and structured into many classes of securities with different maturities and payment schedules.
Commercial mortgage-backed securities (CMBS)	Commercial mortgage-backed security (CMBS) is a type of mortgage backed security that is secured by the underlying pool of loans on commercial properties.
Cost-income ratio (CIR)	Represents operating expenses divided by operating revenues.
Covered bonds	Debt securities covered by a pool of mortgage loans or by public-sector loans with investors having a preferential claim in case of a default.
Current yield	Interest and similar income/ average asset base at book value (excluding income from financial assets and liabilities carried at fair value); current yield on debt securities adjusted for interest expenses; yield on debt securities including cash components.
DAC	Deferred acquisition costs: Commissions, underwriting expenses and policy issuance costs, which vary with and are primarily related to the acquisition and renewal of insurance contracts. These acquisition costs are deferred, to the extent that they are recoverable, and are subject to recoverability testing at the end of each accounting period.
EIOPA	European Insurance and Occupational Pensions Authority (also see CEIOPS)
Equity exposure	The equity exposure is the part of investments invested in equity securities.
Equity gearing	Equity exposure (attributable to shareholders) divided by net asset value excluding goodwill.
Expense ratio (ER)	Acquisition and administrative expenses (net) divided by premiums earned (net).
Fair value (FV)	The amount for which an asset could be or is exchanged between knowledgeable, willing parties in an arm's length transaction.

Glossary (3)

FCD	Financial conglomerates directive: European regulation for the supervision of financial conglomerates and financial groups involved in cross-sectoral business operations.
Financial assets carried at fair value through income	Financial assets carried at fair value through income include debt and equity securities as well as other financial instruments (essentially derivatives, loans and precious metal holdings) which have been acquired solely for sale. They are recorded in the balance sheet at fair value.
Financial liabilities carried at fair value through income	Financial liabilities carried at fair value through income include primarily negative market values from derivatives and short selling of securities. Derivatives shown as financial liabilities carried at fair value through income are valued the same way as financial assets carried at fair value through income.
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 net gains and losses include dividends and interest of the financial instruments. A financial instrument may only be designated at inception as held at fair value through income and cannot be subsequently changed.
F/X	Foreign exchange
Goodwill	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.
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).

Glossary (4)

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.
L/H	Life and health insurance
L/H operating profit sources	<p>The objective of the Life/Health operating profit sources analysis is to explain movements in IFRS results by analyzing underlying drivers of performance on a L/H segment consolidated basis.</p> <p>Loadings & fees: Includes premium and reserve based fees, unit-linked management fees and policyholder participation on expenses.</p> <p>Investment margin: Is defined as IFRS investment income net of expenses less interest credited to IFRS reserves less policyholder participation.</p> <p>Expenses: Includes commissions, acquisition expenses and administration expenses.</p> <p>Technical margin: Comprises risk result (risk premiums less benefits in excess of reserves less policyholder participation), lapse result (surrender charges and commission claw-backs) and reinsurance result.</p> <p>Impact of change in DAC: Includes effects of change in DAC, URR and VOBA and is the net impact of deferral and amortization of acquisition costs and front-end loadings on operating profit.</p>
Loss frequency	Number of accident year claims reported divided by number of risks in-force.
Loss ratio	<p>Claims and insurance benefits incurred (net) divided by premiums earned (net).</p> <p>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.).</p>
Loss severity	Average claim size (accident year gross claims reported divided by number of claims reported)
MBS	Mortgage-backed securities: Securities backed by mortgage loans.

Glossary (5)

MCEV	<p>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)</p> <ul style="list-style-type: none"> + Present value of future profits - Time value of financial options and guarantees (O&G) - Frictional cost of required capital - Cost of residual non-hedgeable risk (CNHR)
Modified duration	Is a measure for the interest rate sensitivity of the portfolio.
MoR	Represents annualized operating profit (loss) divided by the average of (a) current quarter-end and prior quarter-end net reserves and (b) current quarter-end and prior year-end net reserves, where net reserves equal reserves for loss and loss adjustment expenses, reserves for insurance and investment contracts and financial liabilities for unit-linked contracts less reinsurance assets.
MVLO	Market value liability option
NatCat	Accumulation of claims that are all related to the same natural or weather/atmospheric event during a certain period of time and where AZ Group's estimated gross loss exceeds EUR 20mn if one country is affected (respectively EUR 50mn if more than one country is affected); or if event is of international media interest.
NBM	New business margin: Value of new business divided by present value of new business premiums.
Non-controlling interests	Represent the proportion of equity of affiliated enterprises not owned by Group companies.
NPE	Net premiums earned
OAB	Operating asset base: Represents all operating investment assets within the L/H segment. This includes investments & loans, financial assets and liabilities carried at fair value as well as unit-linked investments. Market value liability option is excluded.
OE	Operating entity

Glossary (6)

Operating profit	Earnings from ordinary activities before income taxes and non-controlling interests in earnings, excluding, as applicable for each respective segment, all or some of the following items: Income from financial assets and liabilities carried at fair value (net), realized gains/ losses (net), impairments on investments (net), interest expenses from external debt, amortization of intangible assets, acquisition-related expenses and income from fully consolidated private equity investments (net) as this represents income from industrial holdings outside the scope of operating business.
P/C	Property and casualty insurance
PIMCO	Pacific Investment Management Company Group
Premiums written/ earned (IFRS)	Premiums written represent all premium revenues in the year under review. Premiums earned represent that part of the premiums written used to provide insurance coverage in that year. In the case of life insurance products where the policyholder carries the investment risk (e.g. variable annuities), only that part of the premiums used to cover the risk insured and costs involved is treated as premium income.
PVNB	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.
Reinsurance	Where an insurer transfers part of the risk which he has assumed to another insurer.
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.
Residential mortgage-backed securities (RMBS)	Debt instruments that are backed by portfolios of mortgages on residential rather than commercial real estate.
Retained earnings	Retained earnings comprise the net income of the current year, not yet distributed earnings of prior years and treasury shares as well as any amounts directly recognized in equity according to IFRS such as consolidation differences from minority buyouts.
Risk capital	Minimum capital required to ensure solvency over the course of one year with a certain probability which is also linked to our rating ambition.

Glossary (7)

Risk-weighted assets (RWA)	All assets of a bank multiplied by the respective risk-weight according to the degree of risk of each type of asset.
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
Shadow DAC	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.
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 equity	Represents the sum of shareholders' equity and non-controlling interests.
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.
URR	The unearned revenue reserve contains premium components that refer to future periods, which are reserved and released over the lifetime of the corresponding contracts.

Glossary (8)

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.
VOBA	Value of the business acquired. It refers to the present value of future profits associated with a block of business purchased.
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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