Group financial results 1Q 2015

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Analyst conference call
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Allianz

1

Group financial results 1Q 2015

1 **Highlights**

2 Additional information

a) Group

b) Property-Casualty

c) Life/Health

d) Asset Management

e) Corporate and Other

3 Glossary

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Business highlights from the first quarter of 2015

Property-Casualty	▪ France/Digitalization: We started to use drones for claims assessment for commercial customers in February 2015 ▪ Germany: Wind storms “Niklas/Mike” cause 140,000 claims – Allianz to cover damages of about EUR 150mn ▪ Italy: Bancassurance-JV with UniCredit relaunched – over 15,000 motor insurance policies sold in 1Q
Life/Health	▪ Germany/Digitalization: 32,000 customers are filing medical claims through “Allianz RechnungsApp”; with more than 11,000 registrations in 1Q, App experienced highest quarterly increase since launch in 2012 ▪ Italy: Revenue share of unit-linked products without guarantee increases to 70 percent in 1Q (from 52 percent in 1Q 2014), also driven by the new life product “Challenge Plus” generating GPW of EUR 330mn
Asset Management	▪ PIMCO again achieves outstanding investment outperformance with 87 percent of third party AuM outperforming their benchmark on a 3-year basis ▪ AllianzGI: Quarterly third party net inflows reach new high of EUR 6.2bn; 9th consecutive quarter with net inflows
Investments	▪ Allianz invests in Colchester Garrison facilities, one of the largest garrisons in the UK
Transactions	▪ USA: FFIC commercial insurance sold under Allianz brand beginning 2015; closing of sale of personal insurance business to ACE (April 1)
Sustainability	▪ Microinsurance: Surpassed threshold of 50 million customers in 1Q. Annual premiums reach mark of EUR 100mn in FY 2014 ▪ USA: Allianz Life awarded as a “Fortune 100 Best Companies to Work For” for the 4th consecutive year
125th Anniversary	▪ Allianz foundations for environment and culture receive additional capital of EUR 12.5mn in total ▪ Allianz awards 125 student scholarships to European School of Management and Technology (ESMT)

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Business highlights from the first quarter of 2015

Comments

- **Italy: Successful bancassurance-JV continues**
  Allianz SpA and Unicredito SpA relaunched 50/50 bancassurance joint venture with a motor insurance product and have enlarged portfolio with general property-casualty insurance and life products.
- **Allianz Deutschland goes digital**
  'Allianz Rechnungs-App' customers can now submit medical bills or prescriptions by sending a photo via smartphone or tablet.
- **USA: New setup of P/C business implemented**
  Sale of Fireman's Fund personal insurance business to ACE closed on April 1, 2015. Gain on sale of EUR ~0.3bn net of further restructuring expenses to be booked in 2Q. Integration of FFIC commercial lines into AGCS commences as planned.
- **USA: AZ Life again employer of choice**
  Fortune magazine highlights Allianz Life's working conditions and focus on career development opportunities, making the company also the No. 1 place to work for in Minnesota.
- **Allianz uses 125 year anniversary to give back to society**
  Public dialogs and events across the world serve as platform to share knowledge on megatrends demographic and climate change.

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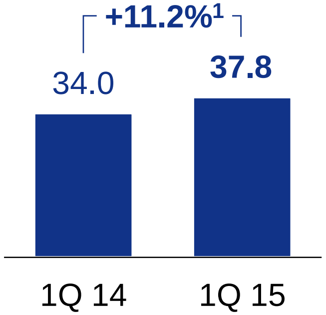
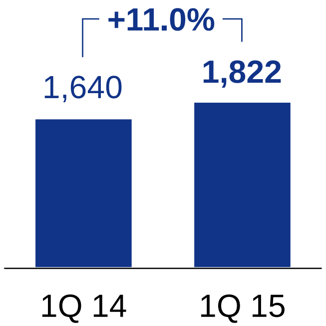
Group: good start into the year

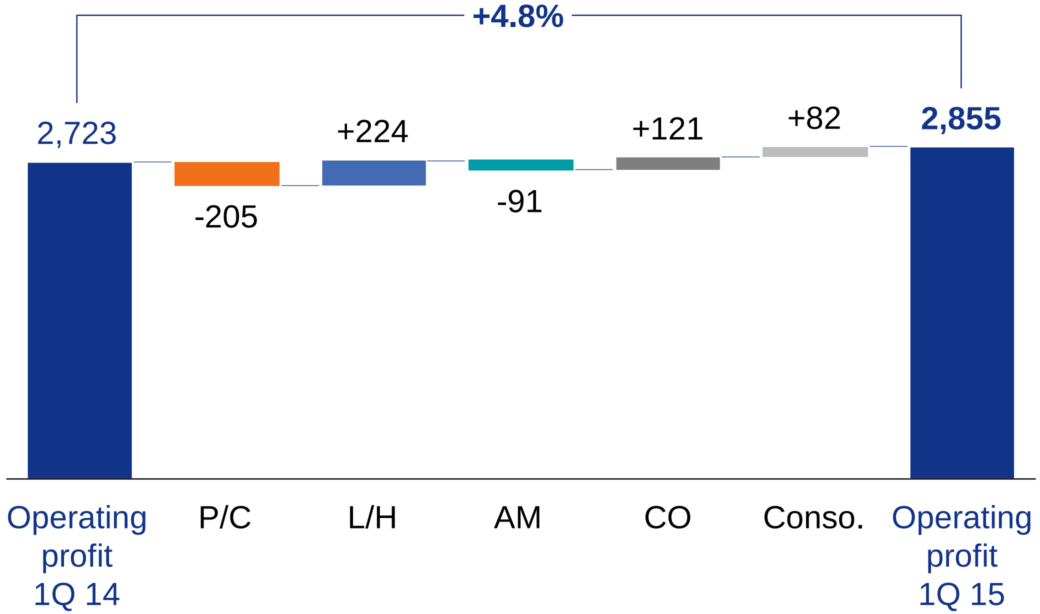
Total revenues (EUR bn)



Net income[2] (EUR mn)



Operating profit drivers (EUR mn)



	P/C	L/H	AM	CO	Conso.
1Q 15	1,285	1,104	555	-101	13
1Q 14	1,489	880	646	-222	-69

1) Internal growth of 3.7%, adjusted for F/X and consolidation effects
2) Net income attributable to shareholders

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Group: good start into the year

Comments

- **Strong revenue growth**
  Internal growth of 3.7% driven by both P/C (+3.5%) and L/H (+5.3%). The latter deliberately dampened by product actions to protect profitability.
- **P/C – decline due to higher NatCat**
  Operating profit down 13.7%, driven by higher NatCat and FFIC restructuring expenses.
- **L/H – supported by favorable market development**
  Highest operating result ever, driven by improved investment result, reflecting market appreciation in all asset classes.
- **AM – in line**
  Operating profit down 14.0%, in line with run-rate of target range. Very strong result of AllianzGI.
- **Shareholders' net income – good start**
  Double-digit increase predominantly driven by strong operating profit.
- **Outlook 2015 confirmed**
  Full year outlook of EUR 10.4bn plus/minus EUR 400mn confirmed. First quarter 2015 operating profit represents 27% of full-year outlook mid-point.

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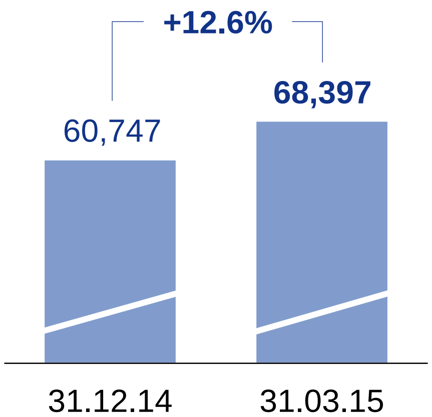
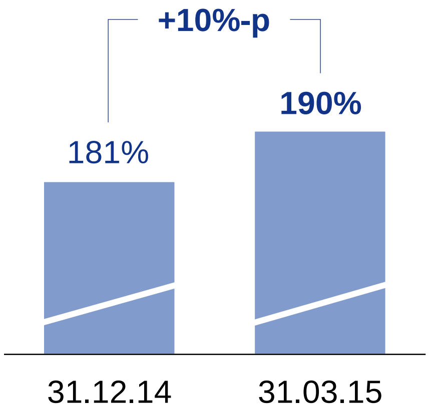
Group: SII ratio stable due to management actions

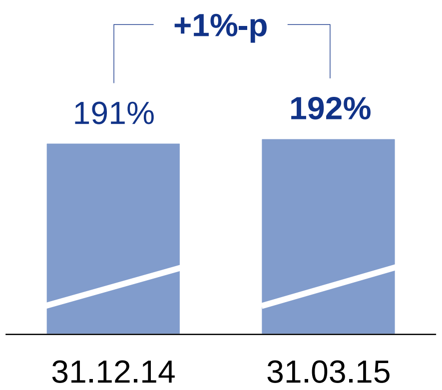
Shareholders' equity (EUR mn)



Conglomerate solvency[1,2] (%)



Solvency II capitalization[2] (%)



S&P capital adequacy

Allianz' rating at "AA" with "stable" outlook

1) Includes off-balance sheet reserves. For details, please refer to the "Additional information" section
2) Hybrid capital has been adjusted by EUR 0.4bn as of 31.12.14 and 31.03.15 for an upcoming redemption in June 2015, for which a call notice was published in April 2015. Excluding this adjustment, the conglomerate solvency ratio would be 192% and the solvency II capitalization 193% as of 31.03.15

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Group: SII ratio stable due to management actions

Comments

- **Shareholders' equity at record high**
  Net income (EUR 1.8bn), positive F/X effects (EUR 1.8bn) and higher net unrealized gains (EUR 4.3bn) by far overcompensate higher actuarial losses for defined benefit pension plans (EUR -0.4bn).

- **Conglomerate solvency up**
  Ratio driven by higher shareholders' equity excluding unrealized gains on bonds. Recently issued hybrid debt added EUR 1.5bn to available funds.

- **Comfortable Solvency II ratio**
  Rising capital requirements from lower yields offset by higher available funds and management actions. Negligible impact from higher interest rate volatility.

- **Attractive dividend policy**
  50% of shareholders' net income has been accrued for dividend.

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P/C: continued strong internal growth of 3.5 percent
(EUR mn)

1Q 2015		Revenues	Total growth Δ p.y.	Internal growth Δ p.y.	Price effect	Volume effect
Total P/C segment[1]		**17,339**	**+13.9%**	**+3.5%**	**+0.7%**	**+2.8%**
Large OEs	Germany	4,219	+3.2%	+2.6%		
	France	1,530	+6.1%	+1.0%		
	Italy	1,174	+22.2%	-0.3%		
Global lines	AGCS[2]	2,382	+50.0%	+5.5%		
	Allianz Worldwide Partners[1]	1,601	+103.9%	+8.3%		
	Credit Insurance	652	+6.4%	+1.8%		
Selected OEs	United Kingdom	747	+17.1%	+5.1%		
	Australia	686	+19.4%	+9.2%		
	Central and Eastern Europe	569	-20.1%	-14.5%		
	Latin America	517	+29.6%	+26.6%		

1) In 4Q 14 the French International Health business was transferred from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014
2) Effective 1 January 2015 FFIC was integrated into AGCS. Previous period figures were not adjusted. The results from the run-off portfolio included in San Francisco Reinsurance Company Corp., a former subsidiary of FFIC, are reported within Reinsurance PC since 1 January 2015

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P/C: continued strong internal growth of 3.5 percent

Comments

- **Revenues – excellent growth**
  Excellent growth of 13.9% with strong internal growth of 3.5%, despite Russian and FFIC repositioning. Unipol and French Health transfer add 5.3%, F/X 4.7%.
- **Germany – price and volume positive**
  Good internal growth of 2.6%. Motor retail and commercial main contributors.
- **France – balanced growth**
  Personal and commercial lines with higher premiums following price increases. Excellent growth in mid-corp of 4.0%.
- **Italy – strong performance in weak market**
  Motor increases 0.5% yoy (w/o Unipol) while non-motor is down 1.7%. Genialloyd grows 13.1% against a shrinking direct market. Unipol contributed EUR 216mn GPW to the top-line.
- **AGCS – including FFIC business**
  GPW include FFIC personal business (EUR ~170mn) for this quarter only as well as commercial business. Strong internal growth volume driven.
- **AWP – strong growth continues**
  Continued strong diversified growth driven by all lines of business.
- **UK – continued profitable growth**
  Double-digit growth in retail, in particular retail broker motor but also continued strong growth in direct motor, pet and legal protection. Positive price and volume effects.
- **Australia – growth across all channels**
  Growth driven by motor and property lines of business. Price and volume effects positive.
- **CEE – Russian restructuring on track**
  Internal growth ex Russia +1.9%. Internal growth Russia -48.6% due to downscaling of Russian retail business as planned. Total GPW in Russia EUR 81mn in 1Q.
- **Latin America – Brazil recovering**
  Brazil showing strong recovery with internal growth of +19.9%. Motor and other personal lines drive growth. Internal growth ex Brazil 33.0%.

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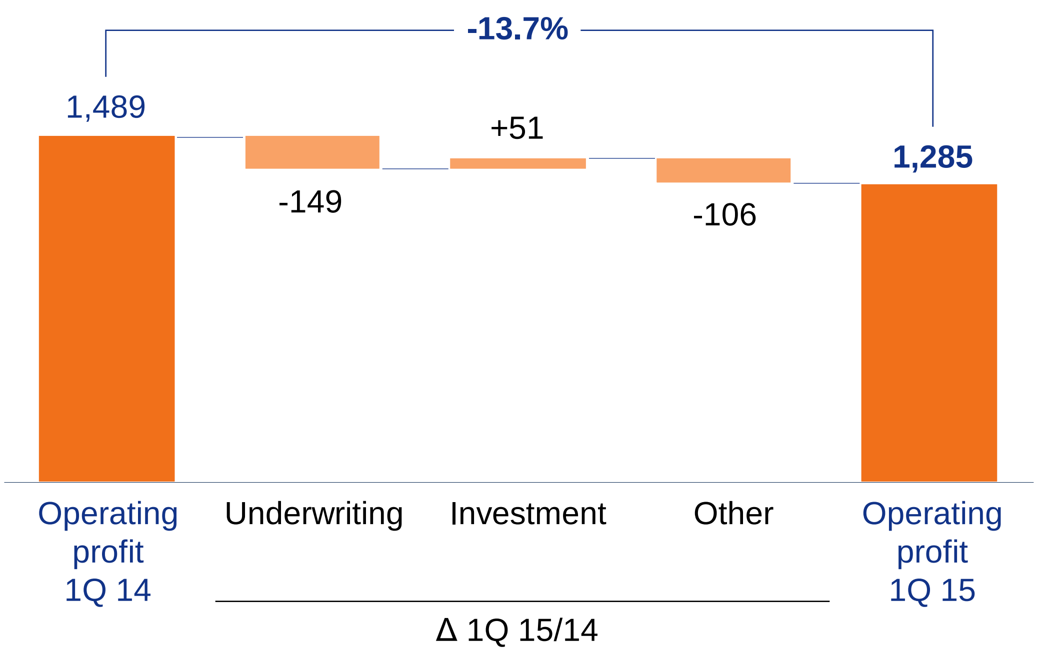
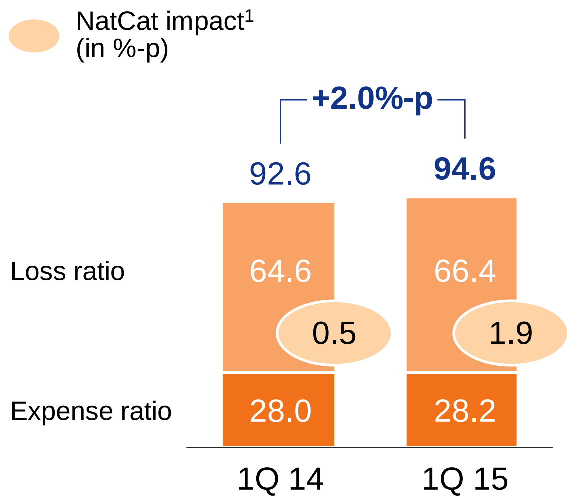
P/C: operating profit down on higher NatCat and FFIC restructuring expenses

Operating profit drivers (EUR mn)

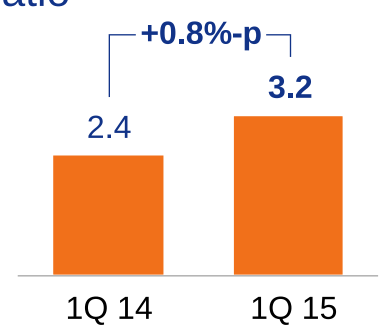


	Underwriting	Investment	Other
1Q 15	555	799	-69
1Q 14	704	748	38

Combined ratio (in %)



Run-off ratio[2] (in %)



1) NatCat costs (without reinstatement premiums and run-off): EUR 54mn (1Q 14) and EUR 222mn (1Q 15)
2) Positive run-off, run-off ratio calculated as run-off result in percent of net premiums earned

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P/C: operating profit down on higher NatCat and FFIC restructuring expenses

Comments

- **Solid operating profit**
  Operating result negatively impacted year-on-year by NatCat increase and FFIC restructuring expenses to the tune of EUR 0.1bn. Latter will be more than offset by booking of EUR ~0.3bn gain on sale of FFIC personal insurance business to ACE net of further restructuring expenses in 2Q. Investment income contribution increases due to swing of net harvesting & other. This was driven by higher F/X result net of hedging.
- **Claims environment**
  NatCat losses of EUR 222mn (1.9%-p) substantially higher than last year (EUR 54mn / 0.5%-p). Total NatCat and weather-related losses essentially in line with expectations. Large claims impact broadly unchanged.
- **Run-off – at healthy level**
  Run-off above last year's level and above our medium-term expectation of 2-3%. Reserve releases across most OEs.
- **AY loss ratio – driven by NatCat**
  AY loss ratio increases 2.6%-p to 69.7%. Higher NatCat is main contributor (+1.4%-p). Attritional LR is up to 67.7% due to business mix changes, higher motor severity in Italy and normalization of exceptionally good MOD frequency and severity in Turkey in 1Q 2014. However, 1Q improved relative to FY 2014 attritional LR of 68.2% and 4Q 2014 level of 69.8%. This reflects the progress of our turn-around programs in Russia and Brazil.
- **Expense ratio**
  Increase largely driven by business mix changes.

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P/C: good underwriting result as NatCat normalizes

1Q 2015		Operating profit	Δ p.y.	Combined ratio	Δ p.y.	NatCat impact in CR[1]	Δ p.y.[1]
Total P/C segment		**1,285**	-13.7%	**94.6%**	+2.0%-p	**1.9%-p**	+1.4%-p
Large OEs	Germany	218	-34.1%	98.0%	+7.4%-p	7.3%-p	+7.3%-p
	France	116	-9.5%	94.7%	+1.1%-p	0.0%-p	0.0%-p
	Italy	248	+16.5%	83.5%	-0.3%-p	0.0%-p	0.0%-p
Global lines	AGCS[2]	45	-68.4%	99.6%	+7.7%-p	1.9%-p	+1.7%-p
	Allianz Worldwide Partners[3]	34	+61.5%	97.3%	+0.6%-p	0.0%-p	0.0%-p
	Credit Insurance	117	+4.2%	78.4%	+0.6%-p	–	–
Selected OEs	United Kingdom	40	+35.7%	97.7%	-2.0%-p	0.0%-p	-4.9%-p
	Australia	32	-37.2%	103.0%	+3.3%-p	3.6%-p	+3.6%-p
	Central and Eastern Europe	33	n.m.[4]	98.3%	-7.8%-p	0.1%-p	+0.1%-p
	Latin America	6	-85.1%	106.0%	+4.6%-p	0.0%-p	0.0%-p

1) Excluding reinstatement premiums and run-off
2) Effective 1 January 2015 FFIC was integrated into AGCS. Previous period figures were not adjusted. The results from the run-off portfolio included in San Francisco Reinsurance Company Corp., a former subsidiary of FFIC, are reported within Reinsurance PC since 1 January 2015
3) In 4Q 14 the French International Health business was transferred from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014
4) Operating profit increased by EUR 33mn from EUR 0mn in 1Q 14

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P/C: good underwriting result as NatCat normalizes

Comments

- **Germany – attritional LR better**
  Attritional LR improves further due to price strength and lower attritional frequency. CR impacted by NatCat. ER 0.4%-p better given almost constant expenses and higher premiums.
- **France – good underlying performance**
  AY LR better despite higher large claims. CR below 95%, despite lower run-off and higher ER, impacted by IT projects and timing differences.
- **Italy – strong profit growth**
  CR remains at outstanding level including Unipol transaction, helped by high run-off. AY LR increases due to lower average premium, higher severity and strong growth in direct in motor.
- **AGCS – integration on track**
  Stand-alone AGCS CR 92.4%. AY LR increases 0.9%-p due to higher large losses.
- **Credit insurance**
  Modest increase in CR due to higher AY LR and lower run-off ratio. Positive F/X effect increases investment result.
- **UK – strong CR improvement**
  AY LR improves 2.2%-p, driven by lower NatCat. Run-off lower, negatively impacting the CY CR by 0.8%-p. ER 0.6%-p better.
- **Australia – impacted by NatCat**
  CR driven by NatCat, attritional LR slightly better. Expense ratio increase driven by higher commissions.
- **CEE – significant improvement**
  Downscaling of Russian retail business leads to significant improvement of CR and OP. OP Russia at EUR -3mn.
- **Latin America – driven by Brazil**
  OP decline largely driven by Brazil:
  EUR -8mn OP in Brazil in 1Q 2015 is well below prior year's level of EUR 21mn. However, this quarter is already significantly better than 4Q 2014 operating loss of EUR 149mn. Turn-around program on track.

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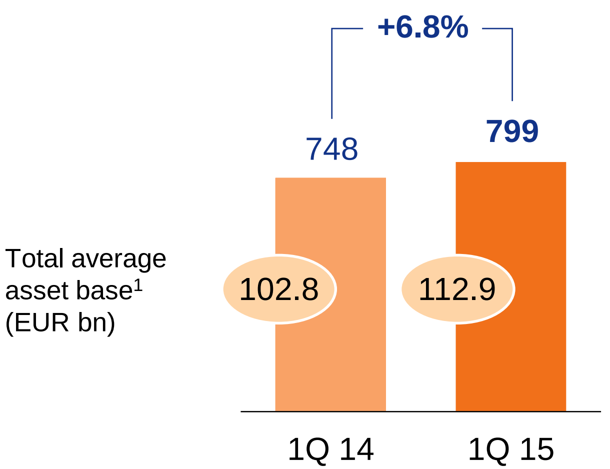
P/C: higher equity allocation supports current income

Operating investment result (EUR mn)

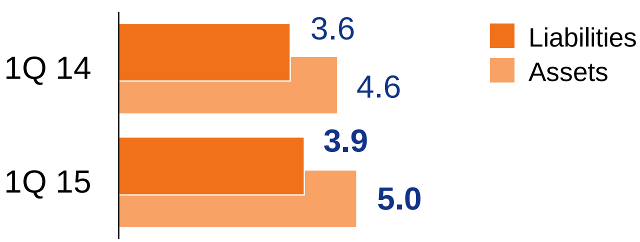


	1Q 14	1Q 15
Interest & similar income[2]	840	843
Net harvesting and other[3]	-23	+31
Investment expenses	-69	-75

Current yield (debt securities; in %)

Reinvestment yield[4] (debt securities; in %)

Duration[5]



1) Asset base includes health business France, fair value option and trading
2) Net of interest expenses
3) Comprises real. gains/losses, impairments (net), fair value option, trading and F/X gains and losses and policyholder participation
4) On an annual basis
5) For the duration calculation a non-parallel shift in line with Solvency II yield curves is used from 1Q 14 onwards. Data excludes internal pensions residing in the P/C segment

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P/C: higher equity allocation supports current income

Comments

- **Operating investment result up**
  Increase in operating investment result is mainly driven by a swing of the net harvesting & other result, due to a higher F/X result net of hedging.
- **Interest & similar income stable**
  Higher income on equities offsets lower interest income on debt, which is driven by lower yields and is only partly offset by higher volume. Higher income on equities in line with increased equity exposure.

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L/H: product management results in selective growth
(EUR mn)

1Q 2015		Revenues	Total growth Δ p.y.	Internal growth Δ p.y.	PVNBP[2]	Δ p.y.
Total L/H segment[1]		**18,822**	**+9.7%**	**+5.3%**	**17,545**	**+23.1%**
Large OEs	Germany Life	4,788	-3.8%	-3.8%	4,094	+18.8%
	USA	2,699	+5.6%	-13.3%	2,786	+10.6%
	Italy	3,706	+56.4%	+56.4%	3,399	+74.2%
	France[1]	2,140	-13.5%	-8.1%	2,783	-7.8%
Selected OEs	Asia-Pacific	1,703	+27.2%	+8.7%	1,620	+38.5%
	Switzerland	1,107	+16.4%	+2.1%	814	+26.5%
	Germany Health	814	+0.7%	+0.7%	368	+45.2%
	Benelux[3]	787	-27.4%	-27.4%	425	+8.1%
	Spain	403	+14.3%	+14.3%	466	+49.7%
	Central and Eastern Europe	232	-1.7%	+0.2%	181	-2.3%

1) In 4Q 14 the French International Health business was transferred from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014
2) New business figures were restated by the impact of contract boundaries, removal of holding expenses and the replacement of CNHR and CReC by RM after tax to be aligned with MVBS according to Solvency II
3) Revenues from investment-oriented products in Luxembourg of EUR 263mn in 1Q 15 (EUR 518mn in 1Q 14) are reinsured by France. For 1Q 15, the PVNBP of Luxembourg business reinsured with France is included in France (EUR 249mn) and not included in Benelux

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L/H: product management results in selective growth

Comments

- **Italy and F/X drive revenues**
  Italian UL business (EUR +1.4bn) and F/X (EUR +0.9bn) more than offset declining volumes in German Life, France, Benelux and USA. Growth of PVNBP adjusted for F/X at 14.2%.
- **Active product management**
  UL w/o guarantee up from 16% to 22% in new business. Strong momentum also for hybrid products, see comment on Germany. More product actions underway to counter dropping yields, i.e. in USA, France, Italy and Asia.
- **Flight to quality continues**
  Net flows of EUR 4.3bn remain at strong level, more than 50% is from UL business. Share of broker and bank channels in new business stable at ~55%.
- **USA – ongoing re-pricing**
  Several re-pricing actions ensure strong FIA NBM of 2.8%. Drop in FIA revenues by 17% (USD) in line with expectations. More re-pricing for both FIA and VA in 2Q.
- **Germany – guarantees reduced**
  New savings business:
  - Share of alternative guarantees at 40%.
  - Single premiums sold with reduced guarantees and bonus dependent on current capital market environment (total credited rate currently 1.05%-1.55%) in the first four years.
- **Italy – strong share of UL business**
  New business in UL w/o guarantee grows by 98% with solid NBM of 1.8%. Share of UL w/o guarantees in revenues at 70% versus 52% in 1Q 2014. Re-pricing of traditional business underway.

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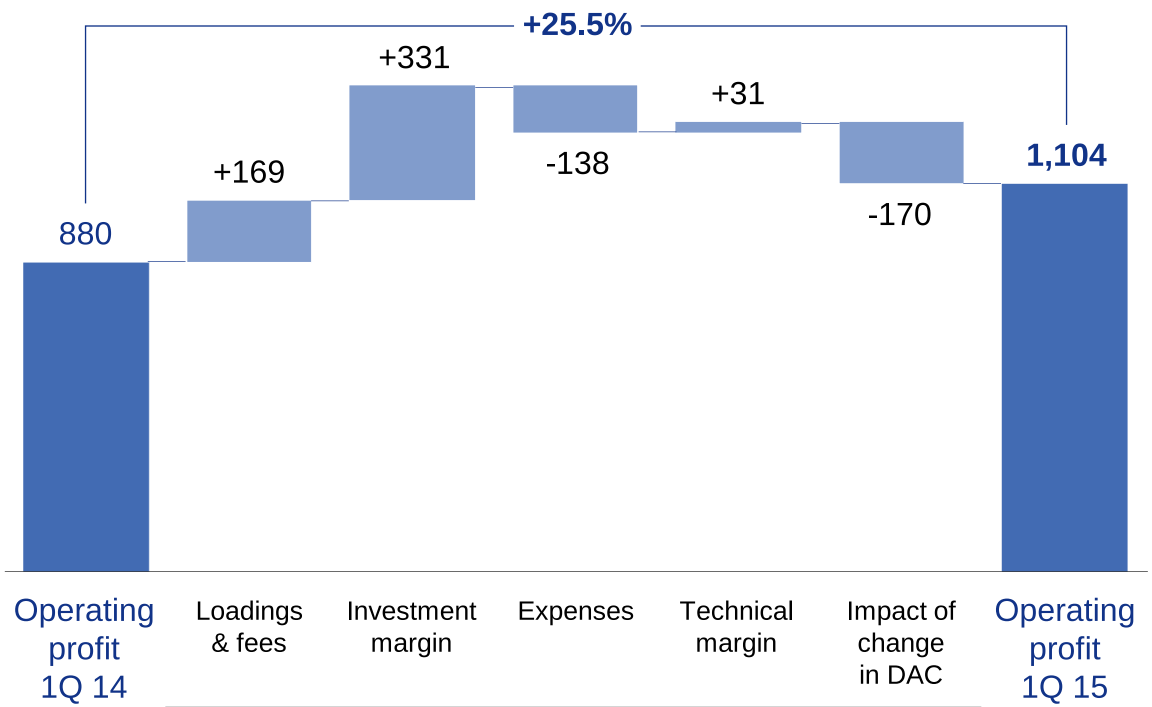
L/H: operating profit strong at EUR 1.1bn
(EUR mn)

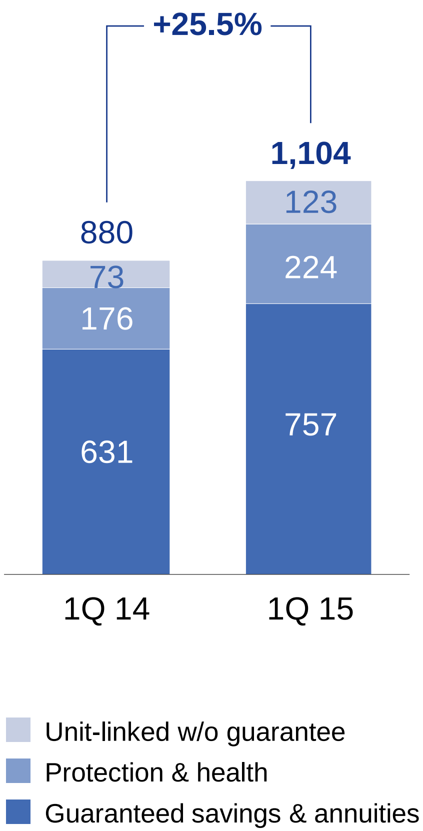
Operating profit by sources[1,2]



Δ 1Q 15/14

1Q 15	1,441	1,002	-1,659	301	19
1Q 14	1,272	670	-1,522	270	189

Operating profit by line[2]



1) For a description of the L/H operating profit sources please refer to the glossary
2) In 4Q 14 the French International Health business was transferred from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014. Prior year figures changed in order to reflect the roll out of profit source reporting to Malaysia

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L/H: operating profit strong at EUR 1.1bn

Comments

- **Operating profit at record level**
  Operating profit up due to better investment margin and higher reserve base. Based on a normalized investment margin operating profit would have been EUR ~200mn lower.
- **Loadings and fees up - new business mix**
  Shift in new business growth from USA to Germany and Asia plus higher watermark fees in Italy result in higher loadings and fee income.
- **Investment margin up**
  Increase of 49.6% due to improvement of investment margin by 7bps and a 11.0% higher average reserve base. Investment margin improved EUR 164mn in Germany (e.g. positive fair value changes) and EUR 154mn in the USA (mainly F/X and FIA higher asset base).
- **Expenses in line with production**
  Expense increase in line with higher production and F/X development. Overall improvement of new business acquisition expense ratio by 1.0%-p to 6.6% of PVNBP.
- **Technical margin slightly improved**
  Increased margins in Switzerland and German Health.
- **Impact of change in DAC driven by USA**
  Decrease as a combined result of lower FIA production and lower VA DAC amortization in prior year.
- **All lines with improved operating profit**
  UL w/o guarantees shows highest increase (+68.5%) driven by high watermark fees.

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L/H: value of new business affected by low yields
(EUR mn)

1Q 2015		VNB[1]	Δ p.y.	NBM[1]	Δ p.y.	Operating profit	Δ p.y.
Total L/H segment[2]		**269**	-25.7%	**1.5%**	-1.0%-p	**1,104**	+25.5%
Large OEs	Germany Life	73	-17.1%	1.8%	-0.8%-p	423	+53.8%
	USA	65	-43.0%	2.4%	-2.2%-p	163	-3.5%
	Italy	17	-43.2%	0.5%	-1.0%-p	83	+74.3%
	France[2]	-17	n.m.[3]	-0.6%	-1.1%-p	135	-6.9%
Selected OEs	Asia-Pacific	53	+59.5%	3.3%	+0.4%-p	60	+18.3%
	Switzerland	16	+3.8%	2.0%	-0.4%-p	17	-16.9%
	Germany Health	9	-10.7%	2.3%	-1.5%-p	53	+123.0%
	Benelux	4	-76.6%	0.8%	-3.0%-p	38	+19.4%
	Spain	14	-2.7%	3.0%	-1.6%-p	46	-3.4%
	Central and Eastern Europe	9	+14.8%	4.9%	+0.7%-p	38	+41.3%

1) New business figures were restated by the impact of contract boundaries, removal of holding expenses and the replacement of CNHR and CReC by RM after tax to be aligned with MVBS according to Solvency II
2) In 4Q 14 the French International Health business was transferred from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014
3) VNB decreased by EUR 32mn from EUR 15mn in 1Q 14

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L/H: value of new business affected by low yields

Comments

New Business

- **VNB suffers from low yield environment**
  Growth of PVNBP (+23.1%) not sufficient to compensate for NBM erosion (-1.0%-p). Product actions partially offset impact from lower interest rates. Various product initiatives underway to stabilize and improve margins.
- **Business in Europe/USA mostly affected**
  Most OEs across Europe and USA show a decline in VNB driven by lower NBM as a consequence of lower rates. In France group protection weighed on the NBM – pricing and underwriting review launched.
- **Asia-Pac and Turkey defy negative trend**
  VNB in Asia-Pacific (+59.5%) benefits from growing UL business. VNB in Turkey is up (+95.0%) due to strong sales of risk products with higher profitability. NBM Turkey up +0.9%-p to 4.9% with VNB accounting for 5% of total VNB.

Operating profit

- **German Life – jump in investment margin**
  Increase entirely driven by investment margin (EUR +164mn) - mainly due to positive fair value changes (i.e. equity derivatives) and harvesting (i.e. equities and bonds).
- **Italy – high watermark fees**
  Strong improvement of loadings and fees (EUR +39mn) due to high watermark fees against the background of strong equity markets.
- **German Health – balanced improvement**
  Increase due to investment margin (EUR +16mn) and technical result (EUR +12mn).
- **Asia-Pac – various countries improve**
  Increase of operating profit in most countries, e.g. Taiwan, China, Thailand.

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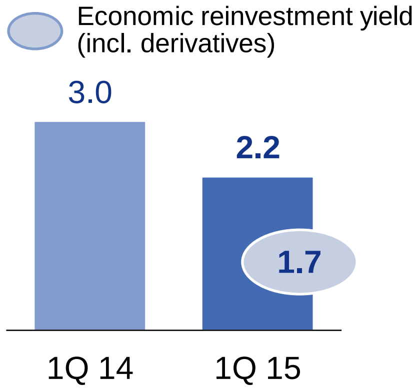
L/H: investment margin driven by market appreciation

(yields are pro-rata)

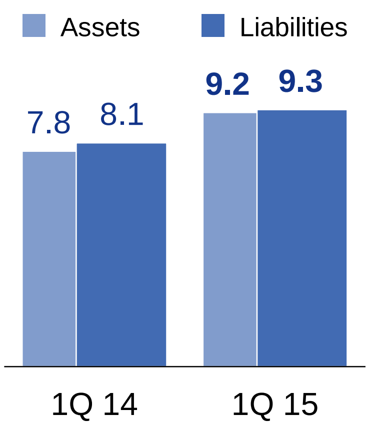
Based on Ø book value of assets[1]	1Q 14	1Q 15
Current yield[2]	1.0%	0.9%
Based on Ø aggregate policy reserves		
Current yield[2]	1.2%	1.1%
Net harvesting and other	0.0%	0.7%
Total yield	**1.2%**	**1.8%**
- Ø min. guarantee[3]	0.6%	0.6%
Gross investment margin (in %)	**0.6%**	**1.2%**
- Profit sharing under IFRS[4]	0.4%	1.0%
Investment margin[5] (in %)	**0.2%**	**0.3%**
Investment margin (EUR mn)	670	1,002
Ø book value of assets[1] (EUR bn)	414	494
Ø aggregate policy reserves (EUR bn)	357	397

Reinvestment yield[6]

(debt securities; in %)



Duration[7]



1) Asset base under IFRS which excludes unit-linked, FVO and trading
2) Based on interest and similar income (net of interest expenses)
3) Based on technical interest
4) Includes bonus to policyholders under local statutory accounting and deferred premium refund under IFRS
5) Investment margin divided by the average of the current quarter-end and previous quarter-end aggregate policy reserves
6) On an annual basis
7) For the duration calculation a non-parallel shift in line with Solvency II yield curves is used from 1Q 14 onwards. Data excludes internal pensions residing in the L/H segment

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L/H: investment margin driven by market appreciation

Comments

- **Current yield and guarantees drop**
  Current yield based on aggregate policy reserves decreases by 5bps. Negative impact largely offset by lower average minimum guarantee (-3bps).
- **Positive fair value changes**
  Jump in net harvesting & other from 0.02% to 0.68% mainly due to positive fair value changes (i.e. equity derivatives) and harvesting (i.e. equities and bonds).
- **Leverage effect from asset base**
  Better investment margin (+7bps to 25bps), leveraged by higher average aggregate policy reserves (+11.0%), leads to improvement of investment margin by 49.6%.
- **Good start into the year**
  Assuming a normalized level of the investment margin for the remaining quarters the quarterly operating profit would be EUR ~200mn lower.
- **PHP driven by harvesting**
  Increased harvesting offset by sharp increase of PHP (EUR +2.6bn). Total PHP 1.7%-p higher than prior year.
- **Reserves grow double-digit**
  Average policy reserves increase 11.0% due to strong net inflows and F/X effects. Assets to reserves ratio increases from 1.16% to 1.25%.
- **Reinvestment yield under pressure**
  1Q 2015 reinvestment yield reflects low yield environment.
- **Duration gap substantially reduced**
  Asset duration increased from 8.3 in 4Q 2014 to 9.2. Higher asset duration mainly driven by active duration extension in Germany (+0.7), France (+0.4), Italy (+0.9), and Switzerland (+0.4). Duration gap narrowed from 0.6 in 4Q 2014 to 0.1 with positive implications on required capital.

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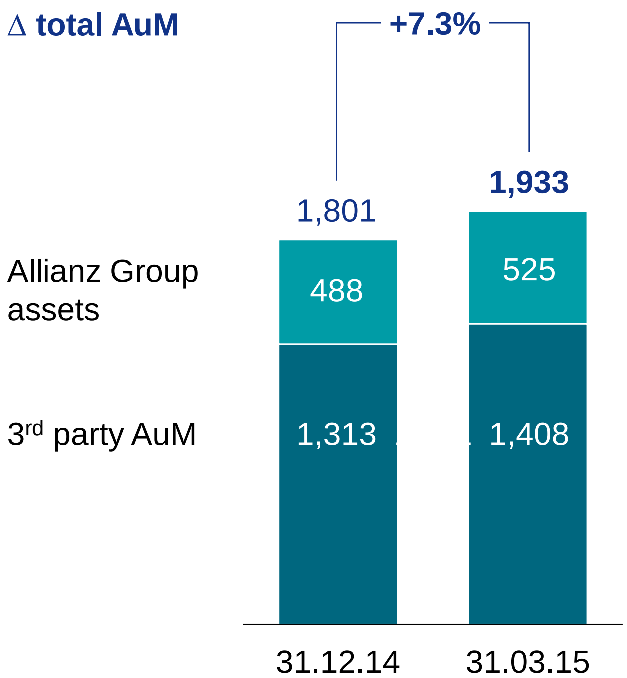
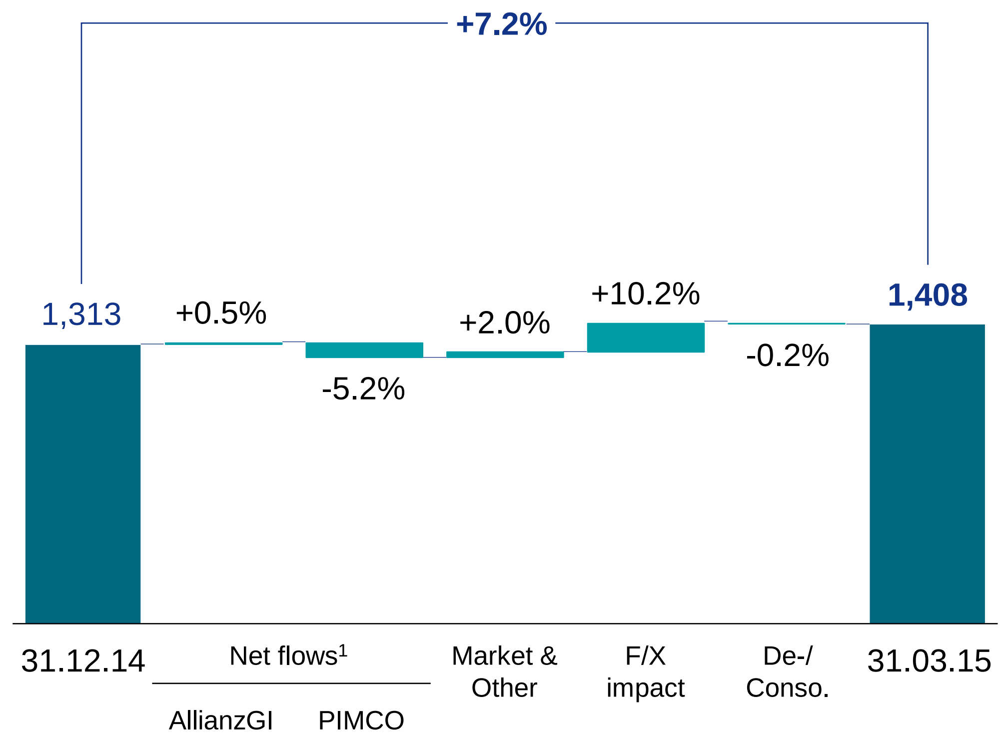
AM: 3rd party assets under management up 7 percent
(EUR bn)





EUR bn	+6.2	-68.3	+25.7	+134.2	-2.5

1) Effective 2015, 3rd party net flows contain re-invested dividends (incl. capital gains) from existing clients (EUR +2.1bn for PIMCO and EUR +0.2bn for AllianzGI in 1Q 15). Those have been recognized as market return until 31.12.14

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AM: 3rd party assets under management up 7 percent

Comments

- **Segment – strong increase of 3rd party AuM**
  Significant F/X impact, market effects and net inflows at AllianzGI more than compensate for net outflows at PIMCO.
- **PIMCO – 3rd party AuM up 6%**
  Development due to substantial USD strengthening. Share of non-traditional products further increases to 75% from 73% end of 2014.
- **AllianzGI – 3rd party AuM at all-time-high**
  Increase by 13% to the highest level since implementation of new structure in 2012, driven by market effects, F/X and highest 3rd party net inflows ever.
- **PIMCO – strong investment performance**
  87% of 3rd party AuM outperformed their benchmarks on a trailing 3-year basis before fees.
  US Total Return Fund Institutional Class Shares: net after fee return of 2.22% in three months period and 3.56% in six months period ending March 31, 2015, in both periods outperforming the benchmark.
- **PIMCO – net outflows more than halved**
  3rd party net outflows for the quarter less than half the volume of 4Q 2014. Monthly outflows continue to decline, trend confirmed in April. 1Q 2015 inflows predominantly in non-traditional strategies. Outflows mainly in the US and from traditional bond products.
- **AllianzGI – net inflows at record level**
  9th consecutive quarter with 3rd party net inflows, highest quarterly level since implementation of new structure in 2012.

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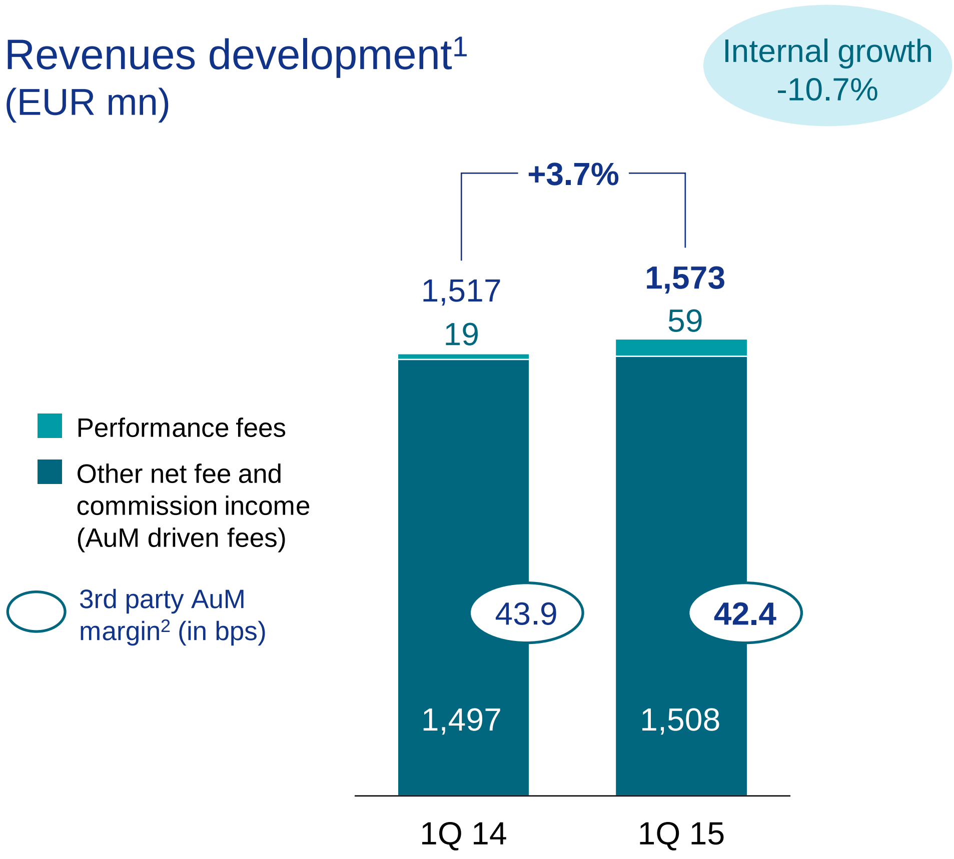
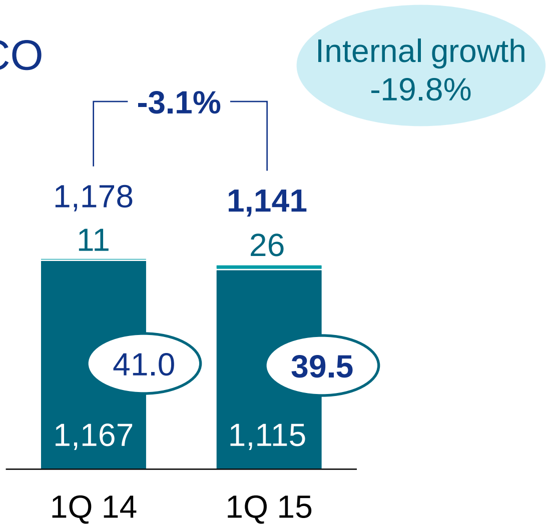
AM: revenues up, driven by AllianzGI and F/X

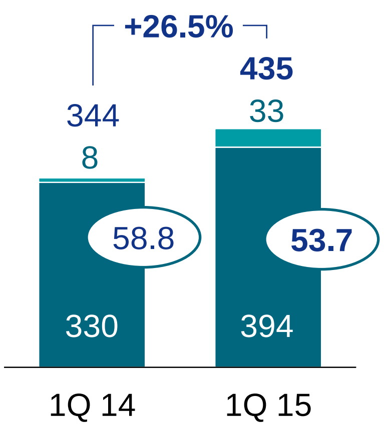
Revenues development[1] (EUR mn)



PIMCO



AllianzGI[3]



1) "Other" revenues of EUR 1mn (1Q 14) and EUR 5mn (1Q 15) are not shown in the chart
2) Excluding performance fees and other income, 3 months
3) "Other" AllianzGI revenues of EUR 5mn (1Q 14) and EUR 8mn (1Q 15) are not shown in the chart

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AM: revenues up, driven by AllianzGI and F/X

Comments

- **Strong F/X impact on revenues**
  Significantly positive F/X impact due to development of USD from 1.37 USD/EUR in 1Q 2014 to 1.13 USD/EUR in 1Q 2015.
- **PIMCO AuM driven revenues decline**
  Decline due to lower average 3rd party AuM and slightly lower 3rd party AuM margin. Decrease mitigated by strong USD.
- **AllianzGI AuM driven revenues up**
  Higher average 3rd party AuM and positive F/X more than compensate for lower 3rd party AuM margin.
- **PIMCO performance fees double**
  Increase driven by hedge funds.
- **AllianzGI performance fees quadruple**
  Driven by improved outperformance and higher AuM level.
- **PIMCO margin driven by business mix**
  Lower share of mutual fund business leads to decrease of 3rd party AuM margin versus 1Q 2014. Adjusted for number of fee days margin stable compared to 4Q 2014.
- **AllianzGI 3rd party AuM margin down**
  Decrease versus 1Q 2014 driven by technical effects (e.g. adjustments in reporting of fund of fund and unit-linked products) and structural business changes (e.g. change of fee models). Margin nearly stable compared to 4Q 2014.

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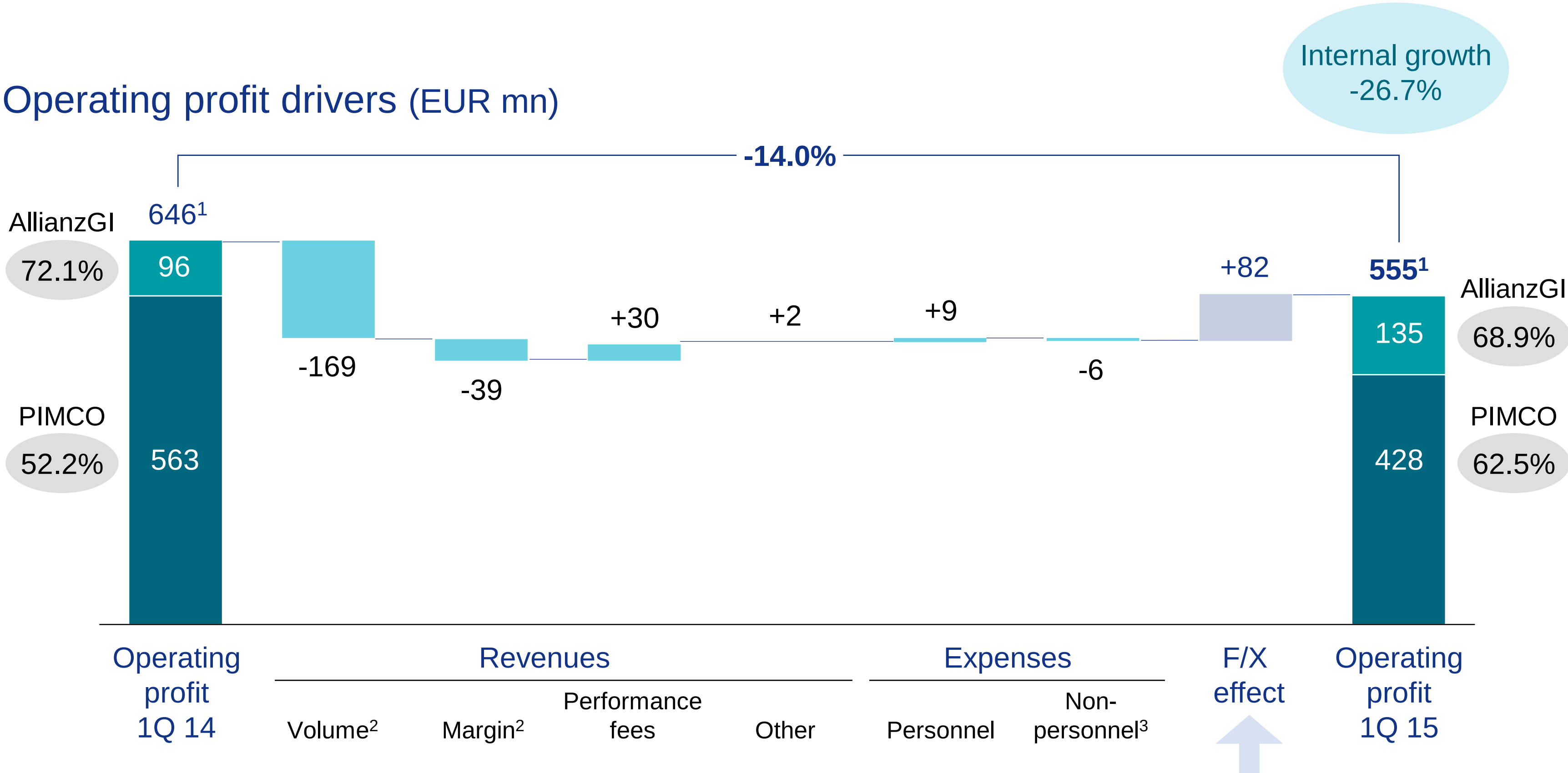
AM: operating profit in line with expectations

Operating profit drivers (EUR mn)



F/X impact	+219	+10	+3	-95	-55		CIR
1Q 15	1,508[2]	59	5	-649	-368		64.7%
1Q 14	1,497[2]	19	1	-564	-307		57.4%

CIR

1) Including operating loss from other entities of EUR -13mn in 1Q 14 and EUR -8mn in 1Q 15
2) Calculation based on currency adjusted average Allianz AuM / Allianz AuM driven margins and based on currency adjusted average third party AuM / third party AuM driven margins
3) Including restructuring expenses

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AM: operating profit in line with expectations

Comments

- **Segment OP in line with target**
  EUR 555mn operating profit in line with run-rate of full-year target of EUR 2.2 - 2.8bn. Bulk of performance fees expected in fourth quarter.
- **PIMCO operating profit as expected**
  Lower average AuM reduce revenues and OP. Operating expenses up 16% due to USD development. Excluding F/X impact, operating expenses decline by 4% and personnel expenses by 8% – despite the recently introduced deferred cash retention program.
- **AllianzGI operating profit very strong**
  Highest quarterly result since implementation of new structure in January 2012, driven by favorable market environment, F/X, high 3rd party net inflows and significantly increased performance fees.
- **PIMCO CIR deteriorates**
  PIMCO CIR up 10.3%-p due to the loss of scale (on F/X adjusted basis) following 3rd party net outflows in the past and due to special expenses associated with the leadership changes (e.g. EUR -35mn F/X adjusted deferred cash retention program, higher marketing costs) as well as business-driven special expenses/ investments, which were only partly offset by lower profit sharing and lower AuM related expenses.
  CIR FY 2015 is expected to benefit from increased level of performance fees in particular in 4Q 2015.
- **AllianzGI CIR strongly improved**
  Lowest level since implementation of new structure in 2012. CIR improves 3.2%-p versus 1Q 2014 and 2.0%-p versus 4Q 2014.

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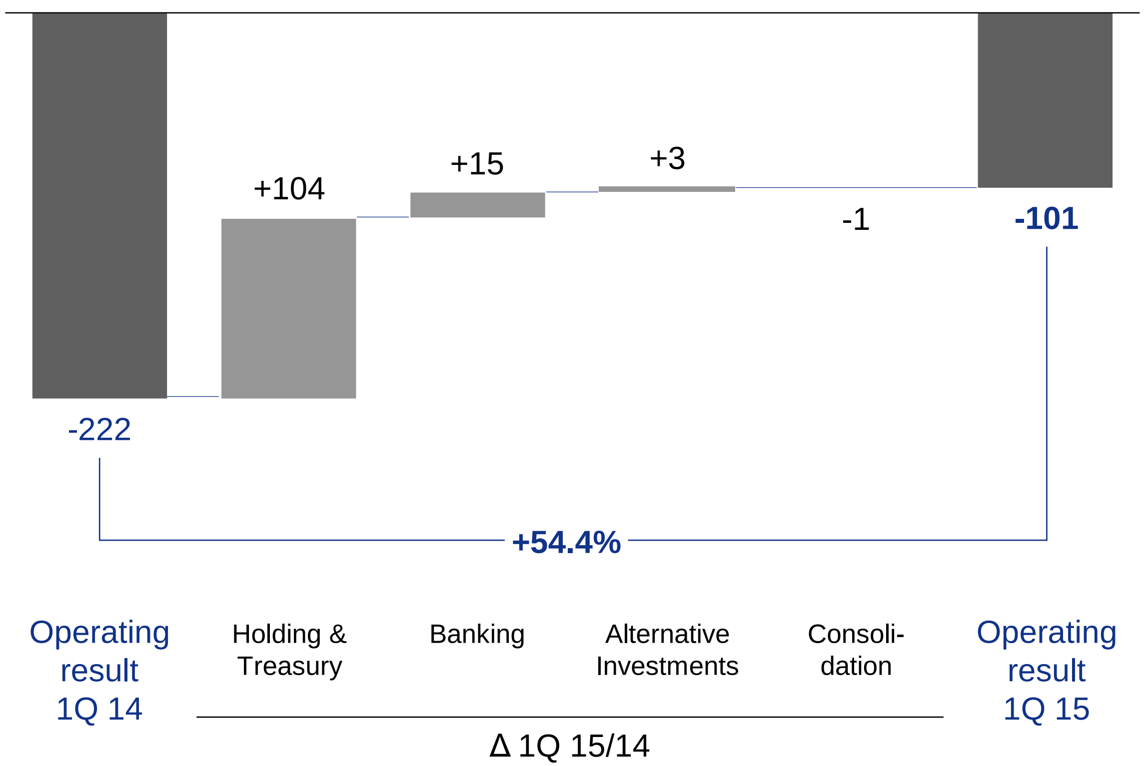
CO: operating result significantly improved
(EUR mn)

Operating loss development and components



1Q 15	-143	32	10	0
1Q 14	-248	18	8	0

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CO: operating result significantly improved

Comments

- **Holding & Treasury – lower loss**
  Positive impact related to the adapted cost allocation scheme for the pension provisions between the German subsidiaries and Allianz SE more than compensates negative effect from lower discount rates. EUR 0.1bn impact in 2015 anticipated to occur again in 2016 and 2017.
- **Banking – further improvement**
  Mainly due to better net fee and commission income in Italy.

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Group: shareholders' net income up 11 percent
(EUR mn)

	1Q 14	1Q 15	Change
Operating profit	2,723	**2,855**	+132
Non-operating items	-117	**-61**	+56
Realized gains/losses	126	**318**	+192
Impairments (net)	-66	**-20**	+46
Income from fin. assets and liabilities carried at fair value	-70	**-124**	-55
Interest expenses from external debt	-205	**-212**	-8
Fully consolidated private equity inv. (net)	-5	**2**	+7
Acquisition-related expenses	5	**7**	+2
Amortization of intangible assets	-20	**-28**	-8
One-off effects from pension revaluation	117	**0**	-117
Reclassification of tax benefits	0	**-5**	-5
Income before taxes	2,607	**2,794**	+187
Income taxes	-867	**-858**	+9
Net income	1,740	**1,937**	+197
Non-controlling interests	100	**115**	+15
Shareholders' net income	1,640	**1,822**	+181
Effective tax rate	33%	**31%**	-3%-p

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Group: shareholders' net income up 11 percent

Comments

- **Non-operating items improved**
  Positive development driven by higher realized gains/losses and lower impairments.
- **Tax rate slightly better than expected**
  Tax rate helped by shift in the regional composition of results.
- **Shareholders' net income up**
  Increase of 11.0% driven by both better operating and non-operating result, further supported by lower tax burden.

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Summary

- Total revenues at EUR 37.8bn (+11.2%)
- Operating profit of EUR 2,855mn (+4.8%)
- Shareholders' net income of EUR 1,822mn (+11.0%)
- Strong capital and balance sheet

Outlook[1]:

Confirmation of operating profit outlook of

EUR 10.4bn
+/- 0.4bn

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

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2a

Group financial results 1Q 2015

1 Highlights

2 **Additional information**

a) Group

b) Property-Casualty

c) Life/Health

d) Asset Management

e) Corporate and Other

3 Glossary

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Group: key figures[1]
(EUR mn)

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	Delta 1Q 15/14
Total revenues (EUR bn)	**34.0**	**29.5**	**28.8**	**30.1**	**37.8**	**+3.8**
Property-Casualty	*15.2*	*10.8*	*11.3*	*11.0*	*17.3*	*+2.1*
Life / Health	*17.2*	*17.0*	*15.9*	*17.4*	*18.8*	*+1.7*
Asset Management	*1.5*	*1.6*	*1.6*	*1.6*	*1.6*	*+0.1*
Corporate and Other	*0.1*	*0.1*	*0.1*	*0.2*	*0.1*	*0.0*
Consolidation	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*-0.1*	*0.0*
Operating profit	**2,723**	**2,770**	**2,650**	**2,258**	**2,855**	**+132**
Property-Casualty	*1,489*	*1,345*	*1,422*	*1,125*	*1,285*	*-205*
Life / Health	*880*	*985*	*790*	*673*	*1,104*	*+224*
Asset Management	*646*	*676*	*694*	*588*	*555*	*-91*
Corporate and Other	*-222*	*-219*	*-248*	*-131*	*-101*	*+121*
Consolidation	*-69*	*-16*	*-9*	*3*	*13*	*+82*
Non-operating items	-117	-37	-331	-1,069	-61	+56
Income before taxes	2,607	2,733	2,319	1,189	2,794	+187
Income taxes	-867	-875	-632	128	-858	+9
Net income	**1,740**	**1,858**	**1,687**	**1,318**	**1,937**	**+197**
Non-controlling interests	100	103	81	98	115	+15
Shareholders' net income	**1,640**	**1,755**	**1,606**	**1,220**	**1,822**	**+181**
Group financial assets[2] (EUR bn)	556.0	572.8	595.8	612.0	662.0	+106.0

1) In 4Q 14 the French International Health business was transferred from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014
2) Group own assets including financial assets carried at fair value through income, cash and cash pool assets net of liabilities from securities lending, derivatives and liabilities from cash pooling

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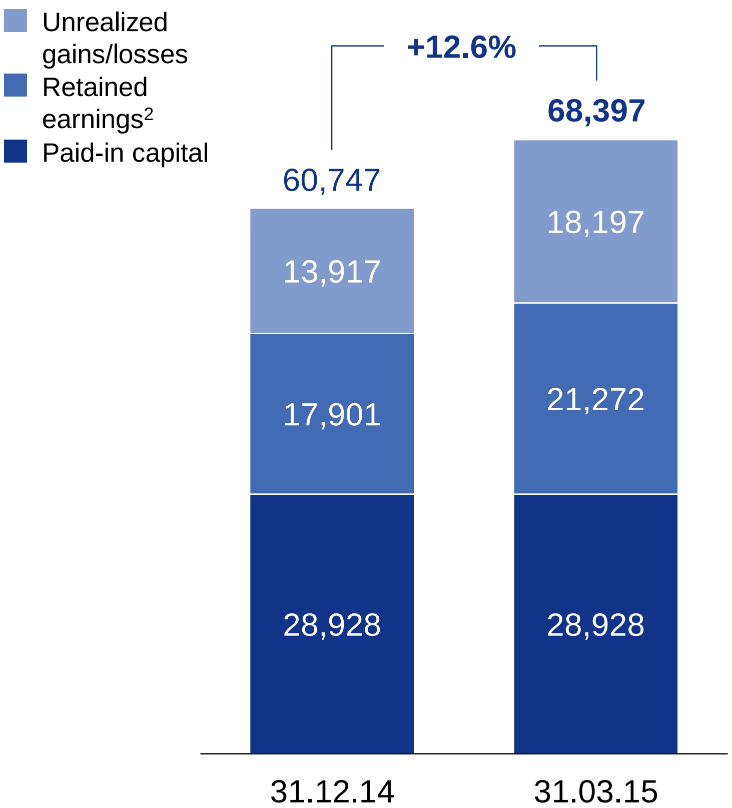
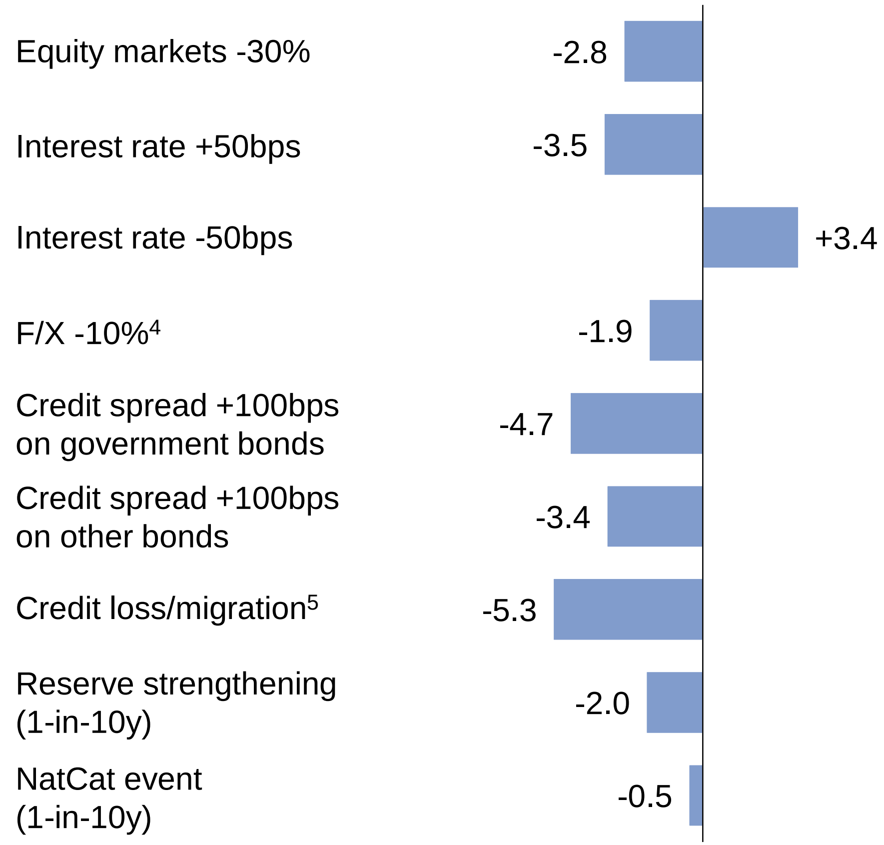
Group: shareholders' equity and stress tests

Shareholders' equity[1] (EUR mn)



Estimation of stress impact[3] (EUR bn)



1) Excluding non-controlling interests (31.12.14: EUR 2,955mn; 31.03.15: EUR 3,103mn)
2) Including F/X
3) After non-controlling interests, policyholder participation, tax and shadow DAC

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

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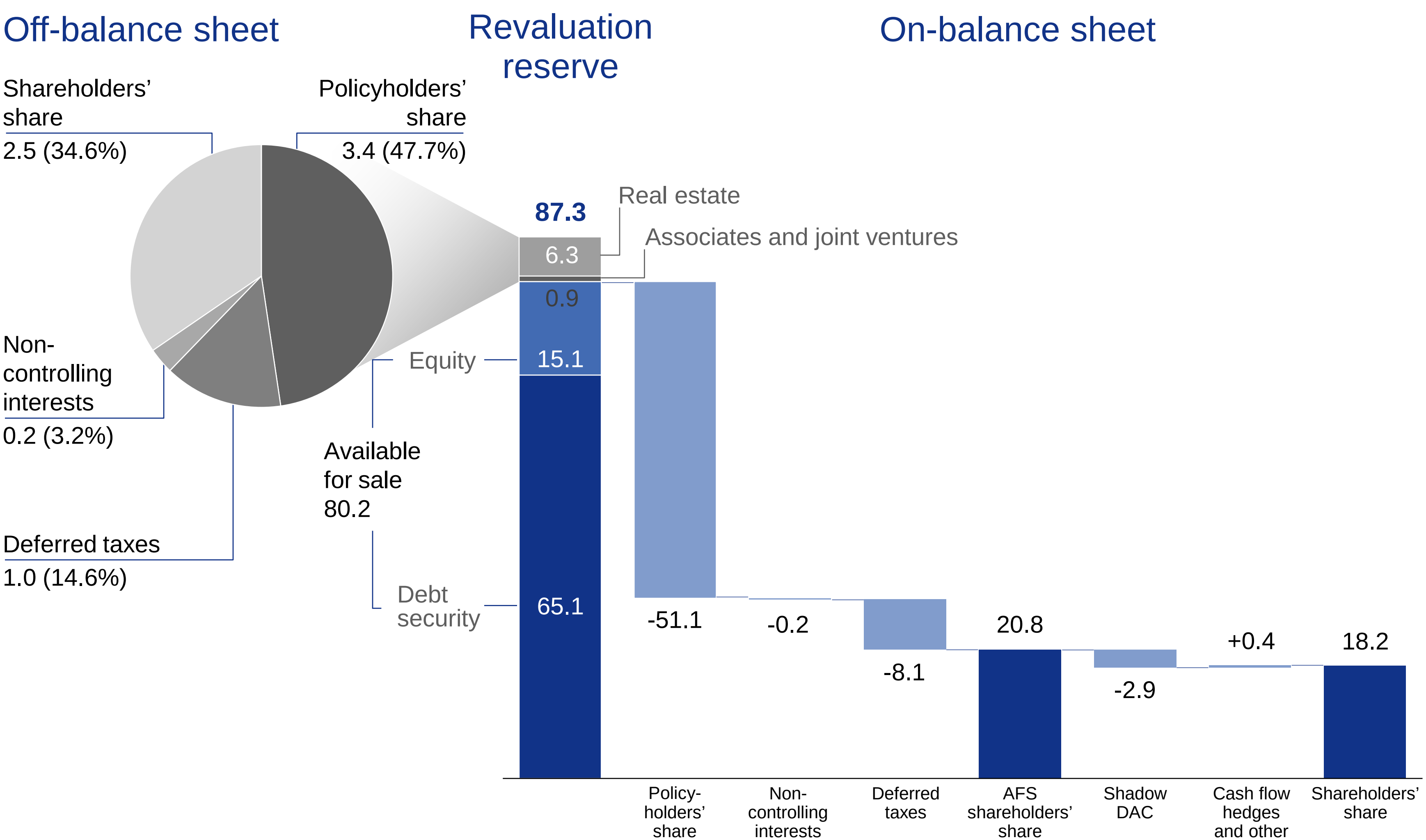
Group: revaluation reserve
(EUR bn)



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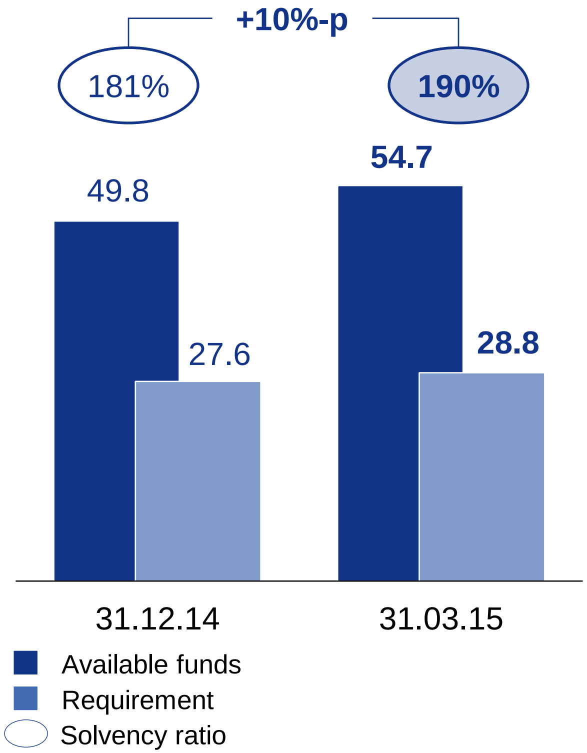
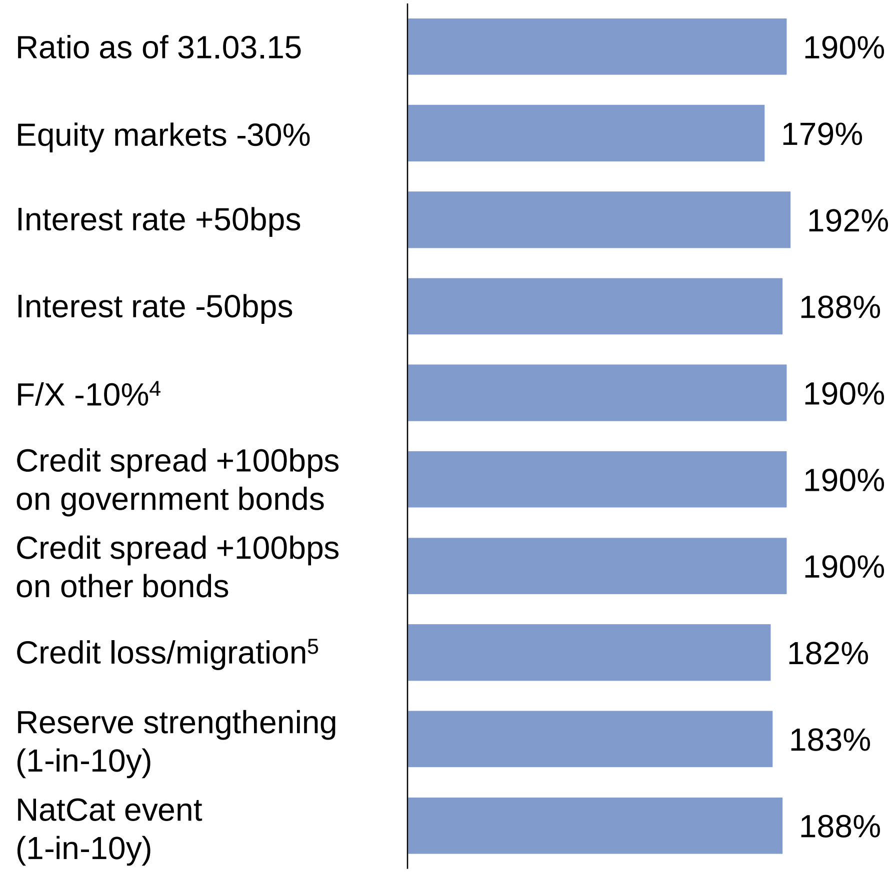
Group: conglomerate solvency ratio and stress tests

Conglomerate solvency[1,2] (EUR bn)



Estimation of stress impact[1,2,3]



1) Hybrid capital has been adjusted by EUR 0.4bn as of 31.12.14 and 31.03.15 for an upcoming redemption in June 2015, for which a call notice was published in April 2015. Excluding this adjustment, the conglomerate solvency ratio would be 182% as of 31.12.14 and 192% as of 31.03.15
2) Off-balance sheet reserves are accepted as eligible capital only upon request. Allianz SE has not submitted an application so far. Off-balance sheet reserves amounted to: 31.12.14: EUR 2.3bn and 31.03.15: EUR 2.4bn. The solvency ratio excluding off-balance sheet reserves and adjusted for an upcoming redemption of hybrid capital would be 172% for 31.12.14 and 182% for 31.03.15
3) After non-controlling interests, policyholder participation, tax and shadow DAC
4) Weakening all currencies against EUR
5) Corporate credit loss/migration: scenario based on probabilities of default in 1932, migrations adjusted to mimic recession and assumed recovery rate of 30%

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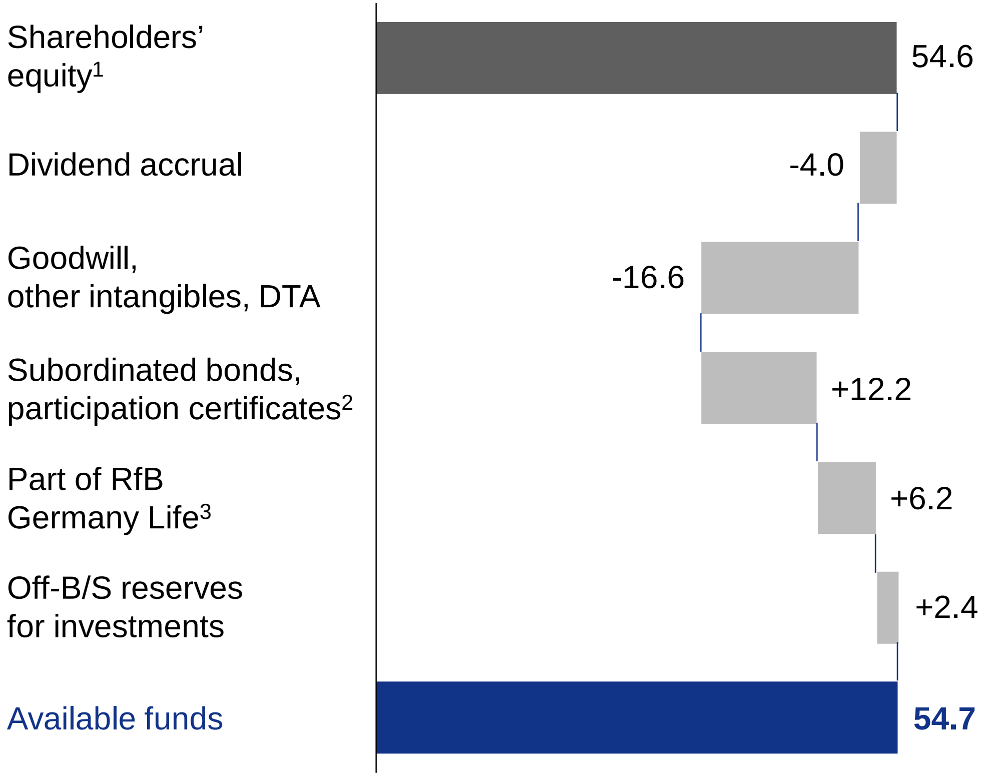
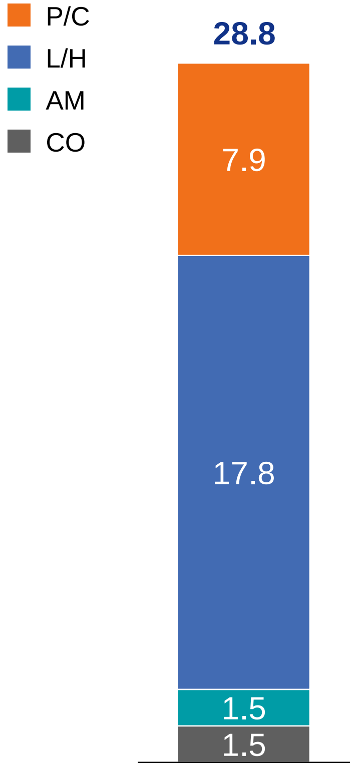
Group: conglomerate solvency details as of 31.03.15
(EUR bn)

Available funds



Required capital



1) Adjusted for unrealized gains/losses on available-for-sale bonds (negative effect of EUR 13.8bn)
2) Hybrid capital has been adjusted by EUR 0.4bn for an upcoming redemption in June 2015, for which a call notice was published in April 2015
3) Part of the RfB of Germany Life, which counts as FCD available funds

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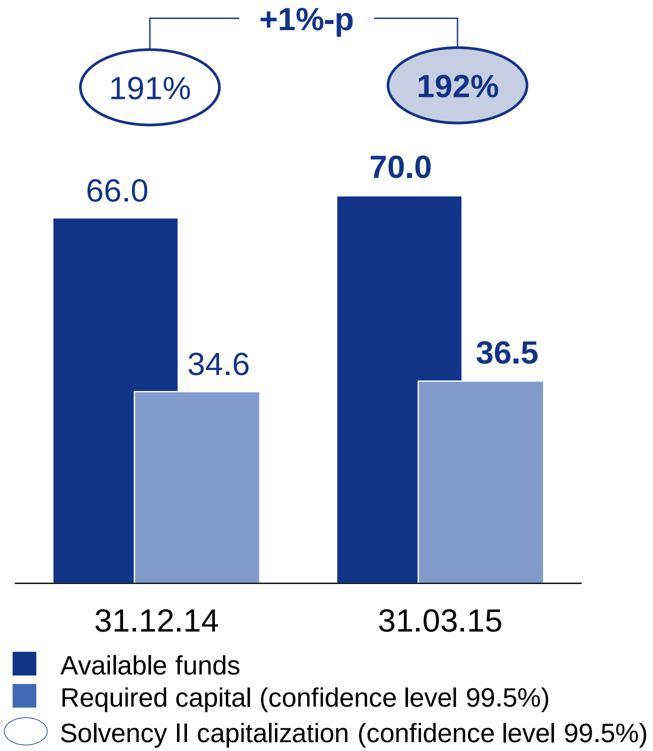
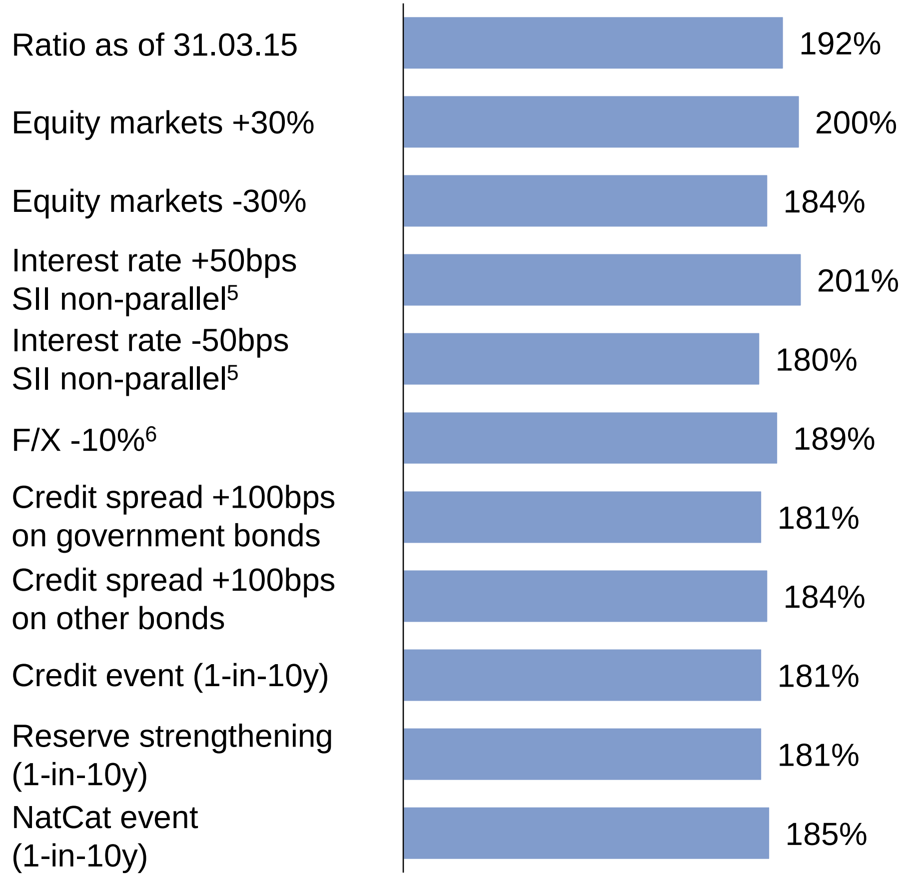
Group: Solvency II capitalization and stress tests

SII capitalization[1,2,3] (EUR bn)



Estimation of stress impact[4]



1) Including sovereign credit risk based on the domestic light approach. AZ Life included based on third country equivalence with 100% of RBC CAL
2) Hybrid capital has been adjusted by EUR 0.4bn as of 31.12.14 and 31.03.15 for an upcoming redemption in June 2015, for which a call notice was published in April 2015. Excluding this adjustment, the solvency II capitalization would be 192% as of 31.12.14 and 193% as of 31.03.15
3) Available funds include anchoring in line with EIOPA approach

4) Estimated solvency ratio changes in case of stress scenarios (stress applied on both available funds and requirement)
5) IR stresses based on non-parallel shifts of the interest rate curve in line with anchoring based on the EIOPA approach
6) Weakening all currencies against EUR

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Group: asset allocation
(EUR bn)

		Property-Casualty		Life / Health		Asset Management		Corporate and Other		Consolidation		Group	
		31.03.14	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15
Investments	*Equities* [1]	*5.6*	*7.1*	*29.5*	*37.3*	*0.0*	*0.0*	*1.9*	*2.9*	*0.0*	*0.0*	*37.1*	*47.4*
	Debt securities	*68.4*	*77.5*	*284.8*	*366.0*	*0.1*	*0.1*	*28.1*	*31.5*	*0.0*	*0.0*	*381.3*	*475.1*
	Cash and cash pool assets [2]	*6.8*	*6.7*	*8.0*	*7.1*	*1.8*	*1.7*	*-5.8*	*-4.0*	*-1.1*	*-0.9*	*9.8*	*10.7*
	Other [3]	*7.2*	*9.9*	*10.2*	*10.5*	*0.0*	*0.0*	*0.3*	*0.3*	*-5.9*	*-7.6*	*11.9*	*13.1*
	Total Investments	**88.0**	**101.2**	**332.6**	**421.0**	**1.9**	**1.8**	**24.4**	**30.8**	**-7.0**	**-8.5**	**440.1**	**546.3**
Loans and advances	Debt securities	16.1	14.8	90.4	92.5	0.1	0.1	17.3	17.8	-7.9	-6.8	116.0	118.4
Investments & loans		**104.2**	**116.0**	**423.0**	**513.5**	**2.1**	**1.9**	**41.8**	**48.6**	**-14.9**	**-15.3**	**556.1**	**664.7**
Financial assets and liabilities designated at fair value [4]		0.1	0.1	3.6	3.6	0.1	0.0	0.1	0.4	0.0	0.0	4.0	4.1
Financial assets and liabilities held for trading [4]		0.3	0.4	-4.0	-6.7	0.0	0.0	-0.4	-0.4	0.0	0.0	-4.0	-6.8
Group financial assets		**104.6**	**116.5**	**422.7**	**510.4**	**2.2**	**2.0**	**41.5**	**48.5**	**-14.9**	**-15.3**	**556.0**	**662.0**
Equities AFS		5.0	6.4	27.5	34.4	0.0	0.0	1.4	2.2	0.0	0.0	33.8	43.0
Equities associated ent. / joint ventures		0.6	0.7	2.1	3.0	0.0	0.0	0.5	0.7	0.0	0.0	3.2	4.4
Equities		**5.6**	**7.1**	**29.5**	**37.3**	**0.0**	**0.0**	**1.9**	**2.9**	**0.0**	**0.0**	**37.1**	**47.4**
Affiliated enterprises		8.9	8.9	0.4	0.2	0.0	0.0	76.5	76.3	-85.9	-85.4	0.0	0.0
Investments & loans incl. affiliated enterprises		**113.1**	**124.9**	**423.4**	**513.7**	**2.1**	**1.9**	**118.3**	**124.9**	**-100.8**	**-100.7**	**556.1**	**664.7**
Real estate held for investment		2.9	3.3	7.7	8.3	0.0	0.0	0.3	0.3	0.0	0.0	10.9	11.9
Funds under reins. contr. assumed		4.3	6.6	2.5	2.2	0.0	0.0	0.0	0.0	-5.9	-7.6	1.0	1.2
Other		**7.2**	**9.9**	**10.2**	**10.5**	**0.0**	**0.0**	**0.3**	**0.3**	**-5.9**	**-7.6**	**11.9**	**13.1**

1) Equities incl. associated enterprises / joint ventures, excl. affiliated enterprises
2) Net of liabilities from securities lending and including liabilities from cash pooling
3) Other incl. real estate held for investment and funds held by others under reinsurance contracts assumed
4) Net of liabilities

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Group: investment result
(EUR mn)

	Property-Casualty		Life / Health		Asset Management		Corporate and Other		Consolidation		Group	
	1Q 2014	1Q 2015	1Q 2014	1Q 2015	1Q 2014	1Q 2015	1Q 2014	1Q 2015	1Q 2014	1Q 2015	1Q 2014	1Q 2015
Operating investment result												
Interest and similar income[1]	840	843	4,135	4,399	0	-1	64	63	3	-4	5,041	5,301
Inc. fr. fin. assets and liab. carried at FV[2]	1	-158	-347	-1,652	-1	4	7	-153	3	21	-336	-1,937
Realized gains/losses (net)	26	80	827	2,438	0	0	0	0	-73	1	780	2,519
Impairments of investments (net)	-5	-2	-291	-87	0	0	0	0	0	0	-296	-89
F/X result	13	220	78	2,236	-1	1	-5	163	0	0	86	2,621
Investment expenses	-69	-75	-195	-227	0	0	-15	-18	81	82	-199	-238
Subtotal	**807**	**908**	**4,207**	**7,108**	**-2**	**4**	**50**	**55**	**15**	**101**	**5,077**	**8,176**
Non-operating investment result												
Inc. fr. fin. assets and liab. carried at FV	-59	-18	0	-50	0	0	-6	-40	-4	-17	-70	-124
Realized gains/losses (net)	83	228	26	36	0	0	18	55	0	0	126	318
Impairments of investments (net)	-57	-17	-5	-2	0	0	-3	0	0	0	-66	-20
Subtotal	**-33**	**193**	**20**	**-17**	**0**	**0**	**8**	**15**	**-4**	**-17**	**-9**	**174**
Net investment income	**774**	**1,101**	**4,226**	**7,091**	**-2**	**4**	**59**	**70**	**11**	**84**	**5,068**	**8,350**
Investment return in % of avg. investm.[3]	*0.8%*	*1.0%*	*1.0%*	*1.4%*	*n/m*	*n/m*	*0.1%*	*0.2%*	*n/m*	*n/m*	*0.9%*	*1.3%*
Movements in unrealized gains/losses on equities	183	647	133	3,249	0	0	176	156	n/m	n/m	492	4,052
Total investment return in % of avg. inv.[3]	*0.9%*	*1.5%*	*1.1%*	*2.1%*	*n/m*	*n/m*	*0.6%*	*0.5%*	*n/m*	*n/m*	*1.0%*	*1.9%*

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

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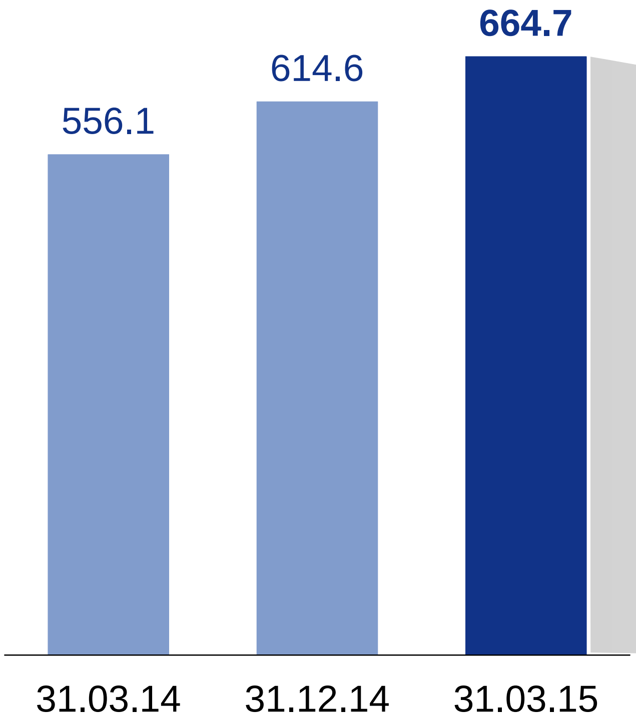
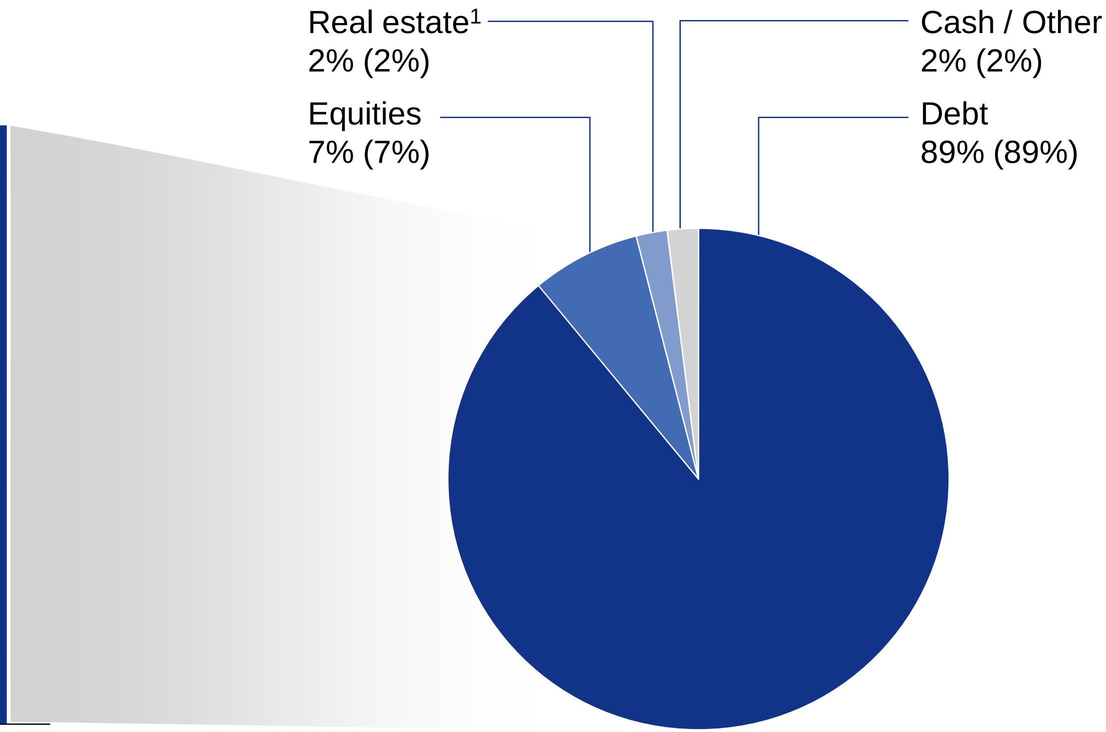
Group: overview investment portfolio

Group investments and loans (EUR bn)



Asset allocation as of 31.03.15 (31.03.14)



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

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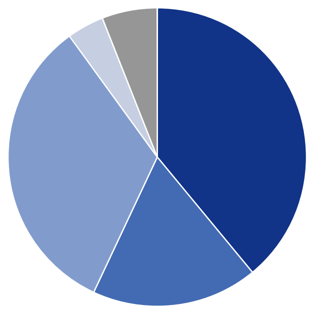
Group: fixed income portfolio (31.03.15)

By type of issuer

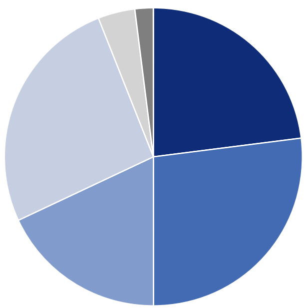
Total
EUR 593.5bn

Government	39%
Covered	18%
Corporate	33%
thereof Banking	*6%*
ABS/MBS[1]	4%
Other[2]	6%



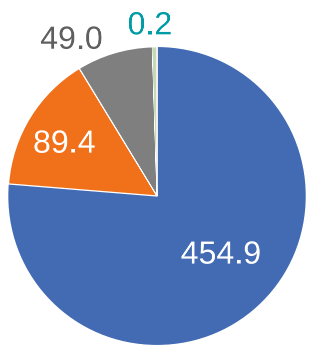
By rating[3]

AAA	23%
AA	27%
A	18%
BBB	26%
Non-investment grade	4%
Not rated[4]	2%



By segment (EUR bn)

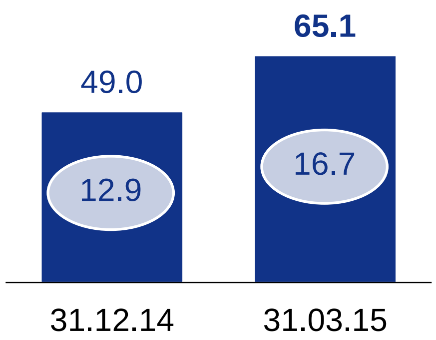
L/H	77%
P/C	15%
Corporate and Other	8%
Asset Management	0%



AFS unrealized gains/losses (EUR bn)

Gross unrealized gains/losses

Net unrealized gains/losses[5]



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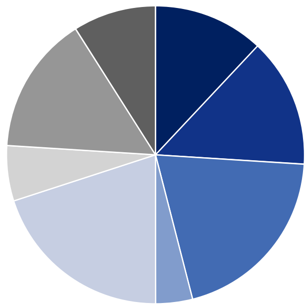
1) Including U.S. agency MBS investments (EUR 4.1bn)
2) Including seasoned self-originated private retail loans and short-term deposits at banks
3) Excluding seasoned self-originated private retail loans
4) Mostly mutual funds and short-term investments
5) On-balance sheet unrealized gains/ losses after tax, non-controlling interests, policyholders and before shadow DAC

Group: fixed income portfolio – Government and government related (31.03.15)

By region

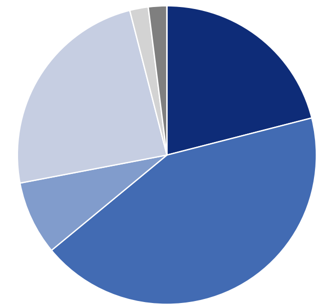
Total
EUR 232.5bn[1]

Germany	12%
Italy	14%
France	20%
Spain	4%
Rest of Europe	20%
USA	6%
Rest of World	15%
Supranational	9%



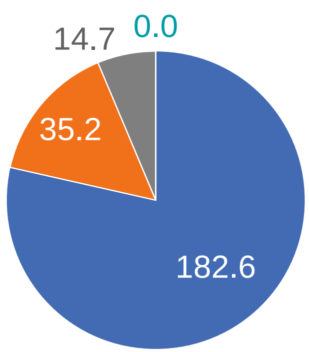
By rating

AAA	21%
AA	43%
A	8%
BBB	24%
Non-investment grade	2%
Not rated	2%



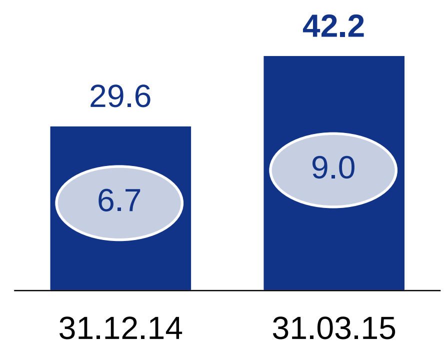
By segment (EUR bn)

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



AFS unrealized gains/losses (EUR bn)

Gross unrealized gains/losses
Net unrealized gains/losses[2]



1) Government and government related (excl. U.S. agency MBS)
2) On-balance sheet unrealized gains/losses after tax, non-controlling interests, policyholders and before shadow DAC

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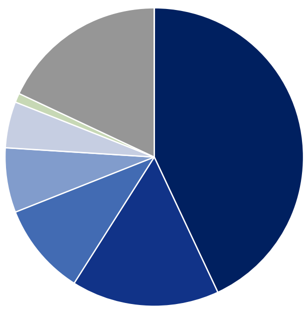
Group: fixed income portfolio – Covered bonds (31.03.15)

By country

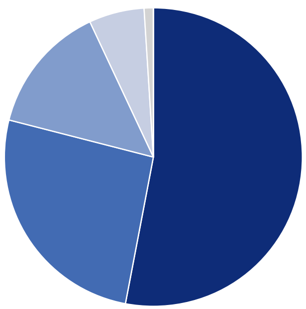
Germany	43%
France	16%
Spain	10%
Italy	7%
UK	5%
Ireland	1%
Rest of World	18%

Total
EUR 106.9bn



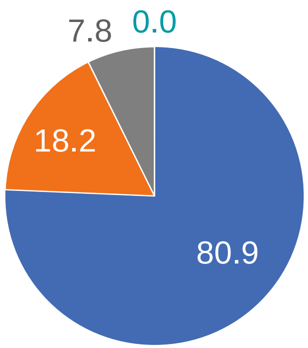
By rating

AAA	53%
AA	26%
A	14%
BBB	6%
Non-investment grade	1%
Not rated	0%



By segment (EUR bn)

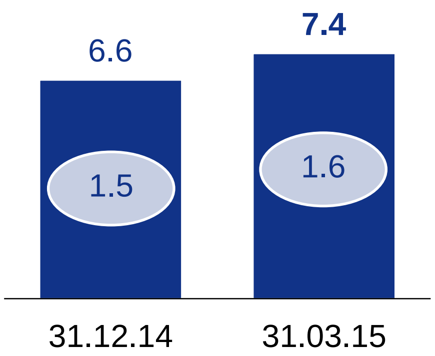
L/H	76%
P/C	17%
Corporate and Other	7%
Asset Management	0%



AFS unrealized gains/losses (EUR bn)

Gross unrealized gains/losses

Net unrealized gains/losses[1]



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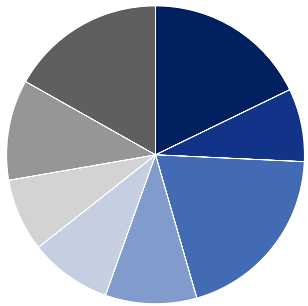
1) On-balance sheet unrealized gains/losses after tax, non-controlling interests, policyholders and before shadow DAC

Group: fixed income portfolio – Corporate (31.03.15)

By sector

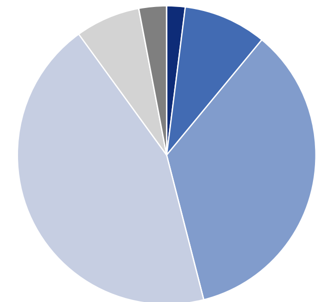
Total
EUR 194.7bn

Banking	18%
Other financials	8%
Consumer	20%
Communication	10%
Energy	9%
Industrial	8%
Utility	11%
Other	17%



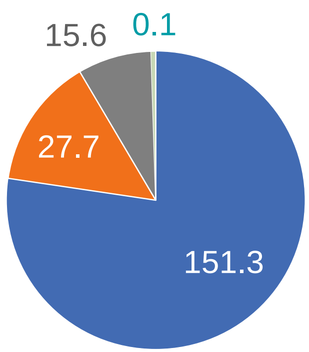
By rating

AAA	2%
AA	9%
A	35%
BBB	44%
Non-investment grade	7%
Not rated[1]	3%



By segment (EUR bn)

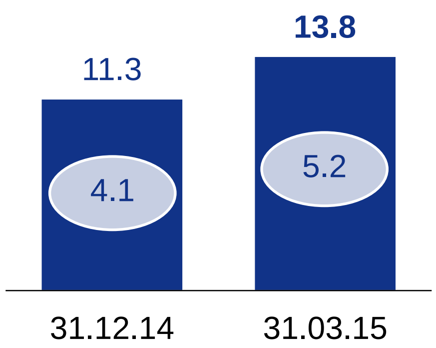
L/H	78%
P/C	14%
Corporate and Other	8%
Asset Management	0%



AFS unrealized gains/losses (EUR bn)

Gross unrealized gains/losses

Net unrealized gains/losses[2]



1) Including Eurozone loans/bonds (1%)
2) On-balance sheet unrealized gains/losses after tax, non-controlling interests, policyholders and before shadow DAC

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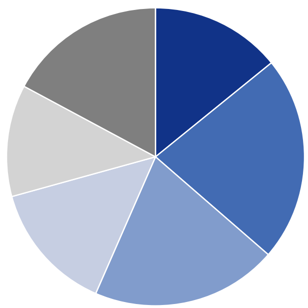
Group: equity portfolio (31.03.15)

By region

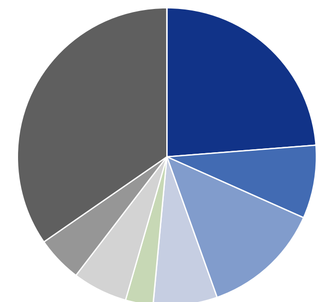
Germany	14%
Eurozone ex Germany	22%
Europe ex Eurozone	20%
NAFTA	14%
Rest of World	12%
Multinational[2]	17%

Total
EUR 47.4bn[1]



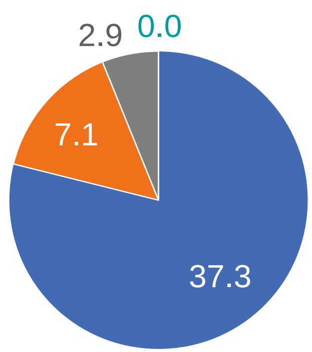
By industry

Consumer	24%
Banking	8%
Other Financials	13%
Basic materials	7%
Utilities	3%
Industrial	6%
Energy	5%
Funds and Other[3]	35%



By segment (EUR bn)

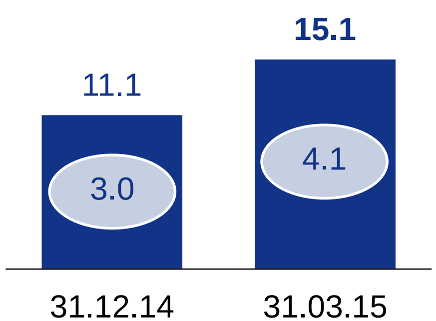
L/H	79%
P/C	15%
Corporate and Other	6%
Asset Management	0%



AFS unrealized gains/losses (EUR bn)

Gross unrealized gains/losses

Net unrealized gains/losses[4]



1) Incl. non-equity retail funds (EUR 0.1bn), excl. equities designated at fair value through income (EUR 2.0bn)
2) Incl. private equity funds (EUR 4.2bn) and mutual stock funds (EUR 3.3bn)
3) Diversified investment funds (EUR 3.6bn); private and unlisted equity (EUR 7.2bn)
4) On-balance sheet unrealized gains/losses after tax, non-controlling interests, policyholders and before shadow DAC

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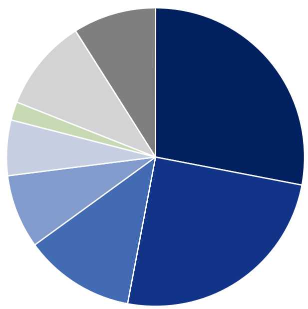
Group: real estate portfolio[1]

By region

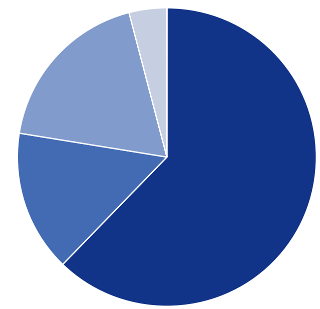
Total
EUR 24.7bn[2,3]

France	28%
Germany	25%
Switzerland	12%
Italy	8%
USA	6%
Poland	2%
Rest of Eurozone	10%
Rest of World	9%



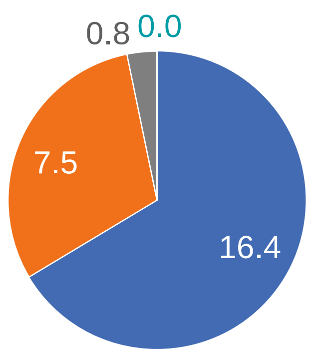
By sectors

Office	61%
Residential	15%
Retail	18%
Other/mixed	6%



By segment (EUR bn)

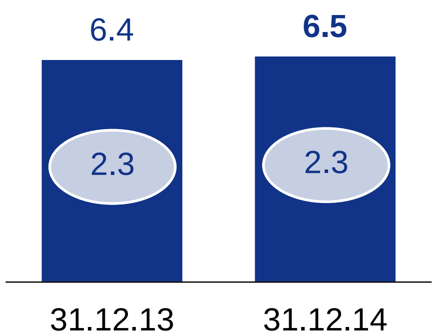
L/H	66%
P/C	30%
Corporate and Other	3%
Asset Management	0%



Unrealized gains/losses (EUR bn)[3]

Gross unrealized gains/losses

Net unrealized gains/losses[4]



1) Based on market values as of 31.12.14
2) Market value of real estate assets including EUR 20.1bn directly held real estate assets (e.g. held for investment, held for own use) and EUR 4.6bn indirectly held real estate assets (e.g. associates and joint ventures, available-for-sale investments)
3) Associates and joint ventures as well as available-for-sale indirectly held real estate investments are also part of the equity portfolio and fixed income portfolio
4) Unrealized gains/losses after tax, non-controlling interests, policyholders and before shadow DAC, based on external and internal real estate valuations

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2b

Group financial results 1Q 2015

1 Highlights

2 **Additional information**

a) Group

b) Property-Casualty

c) Life/Health

d) Asset Management

e) Corporate and Other

3 Glossary

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P/C: key figures[1]
(EUR mn)

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	Delta 1Q 15/14
Gross premiums written (EUR bn)	**15.2**	**10.8**	**11.3**	**11.0**	**17.3**	**+2.1**
Operating profit	**1,489**	**1,345**	**1,422**	**1,125**	**1,285**	**-205**
Underwriting result	*704*	*516*	*650*	*380*	*555*	*-149*
Investment result	*748*	*805*	*770*	*743*	*799*	*+51*
Other	*38*	*24*	*2*	*2*	*-69*	*-106*
Non-operating items	-576	85	86	-1	0	+576
Income before taxes	913	1,430	1,509	1,124	1,284	+371
Income taxes	-268	-461	-426	-373	-362	-94
Net income	**645**	**969**	**1,083**	**751**	**922**	**+277**
Non-controlling interests	44	42	31	42	52	+8
Shareholders' net income	**601**	**928**	**1,051**	**709**	**870**	**+269**
Combined ratio (in %)	**92.6**	**94.6**	**93.5**	**96.5**	**94.6**	**+2.0%-p**
Loss ratio	*64.6*	*66.2*	*65.9*	*67.1*	*66.4*	*+1.8%-p*
Expense ratio	*28.0*	*28.4*	*27.6*	*29.3*	*28.2*	*+0.2%-p*
Segment financial assets[2] (EUR bn)	104.6	104.2	106.6	109.2	116.5	+11.9

1) In 4Q 14 the French International Health business was transferred from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014
2) Segment own assets including financial assets carried at fair value through income, cash and cash pool assets net of liabilities from securities lending, derivatives and liabilities from cash pooling

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P/C: portfolio split[1]

Combined ratio	< 95%	> 95% <100%	> 100%
Key contributors (3M 2015)	Italy ▪ CR 83.5%. Ongoing excellent performance in a softening market. Declining average motor premium and strong 'Direct' growth lead to modest AY LR increase. Unipol adds EUR 216mn to top-line. France ▪ CR 94.7%. Growing profitably both in retail and commercial lines as AY LR improves despite higher large losses. Spain ▪ Outgrowing the market at a CR of 91.6% supported by a hardening of rates and higher volumes.	UK ▪ CR 97.7%. Strong internal growth of 5.1% and improved ER. AY LR better due to lower NatCat impact. Germany ▪ CR 98.0%. Strong growth contribution from both price and volume. CR affected by March storms Niklas/Mike. AGCS[2] ▪ CR of 99.6% including both retail and commercial FFIC business. Integration of commercial business and restructuring on track. AGCS stand-alone CR at 92.4%.	Turkey ▪ CR 101.0% driven by a deterioration in MOD pricing as well as a higher share of retail health with stronger seasonality. Russia ▪ CR of 110.8% is 28.8%-p lower than prior year driven by both, a lower loss and expense ratio. Downscaling of retail business in progress. Brazil ▪ CR of 111.7% is better than budgeted as turn-around program in Health progresses faster than planned. Motor portfolio back on growth track.
Share of GPW	36%	55%	9%
Ø internal growth	2.7%	4.9%	-0.8%

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

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

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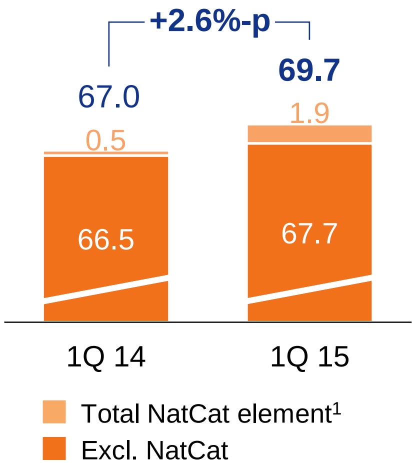
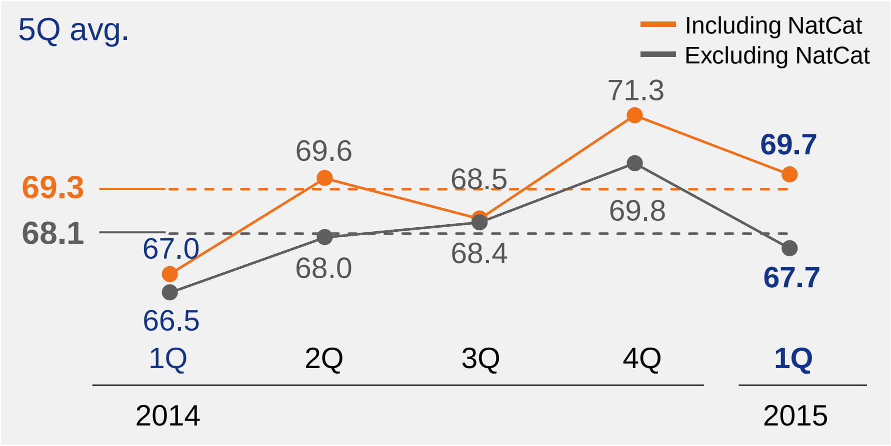
P/C: loss ratio and run-off
(in %)

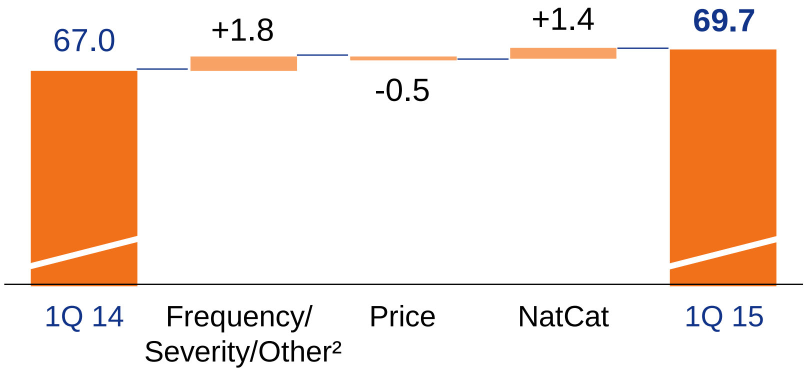
Accident year loss ratio



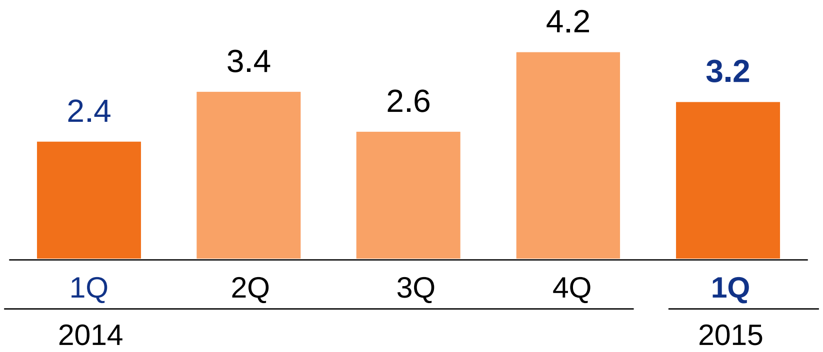
5-quarter overview accident year loss ratio



Development 1Q 15/14 (in %-p)



Run-off ratio[3] (5Q-average: 3.2%)



1) NatCat costs (without reinstatement premiums): EUR 54mn (1Q 14) and EUR 222mn (1Q 15)
2) Including large claims, reinsurance, credit insurance
3) Positive values indicate positive run-off; run-off ratio is calculated as run-off result in percent of net premiums earned

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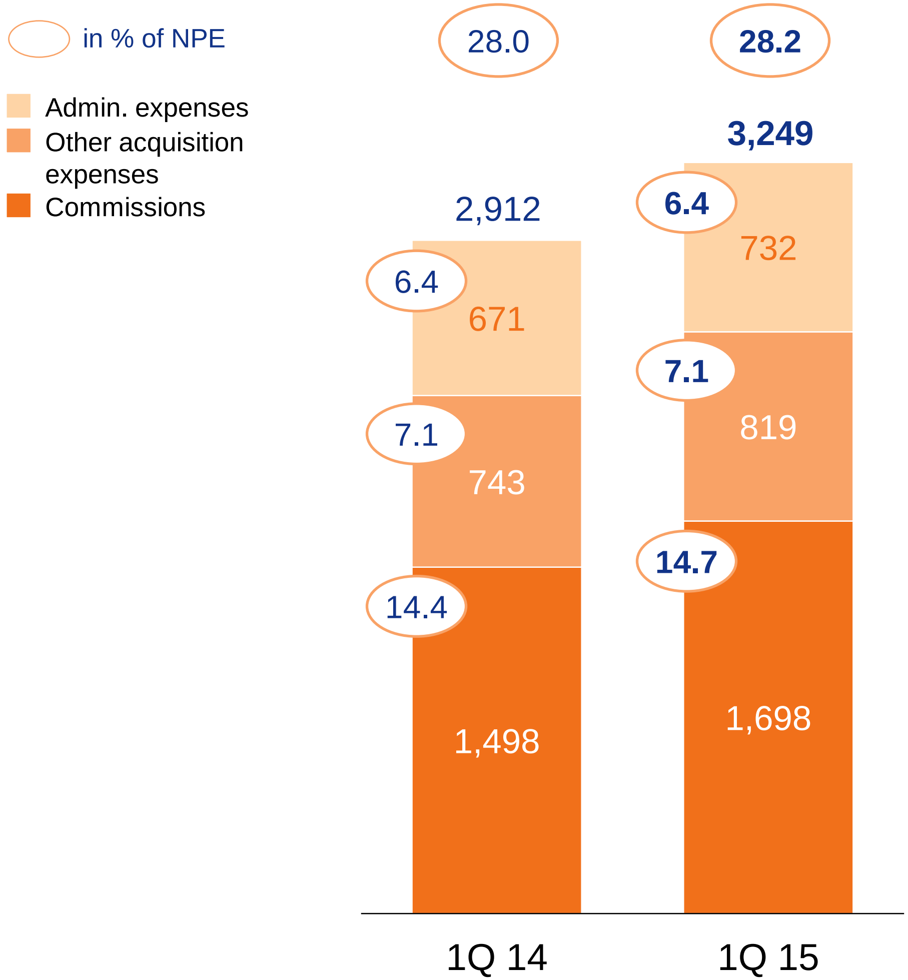
P/C: expense ratio
(EUR mn)



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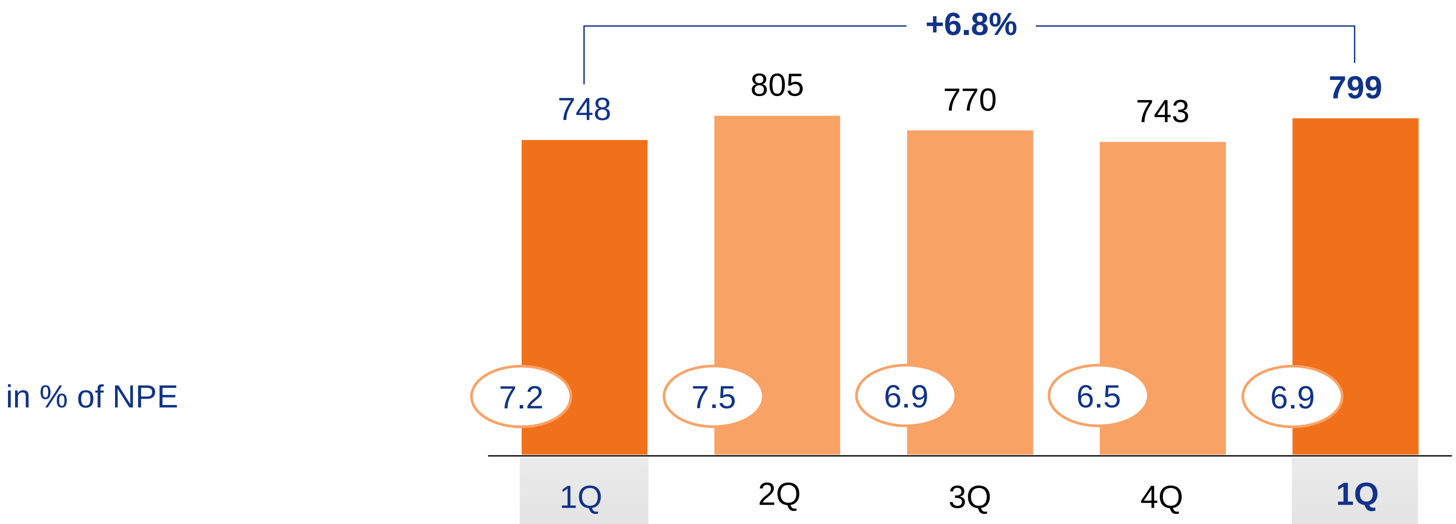
P/C: operating investment result
(EUR mn)



	2014				2015
	1Q	2Q	3Q	4Q	1Q
			+0.3%		
Interest & similar income[1]	840	922	878	885	843
Net harvesting & other[2]	-23	-43	-19	-50	31
Investment expenses	-69	-74	-88	-91	-75

	1Q 14	Δ	1Q 15
Impairments (net)	-5	+3	-2
Realized gains/losses (net)	26	+54	80
Income from fin. assets and liab. carried at FV	14	+48	62
Change in reserves for insurance and investment contracts	-59	-50	-109

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

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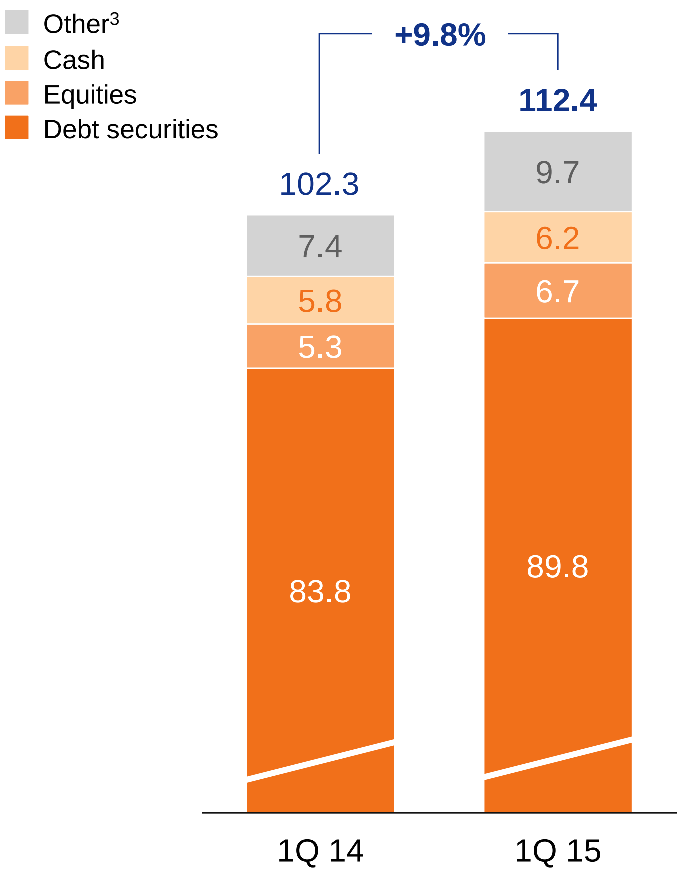
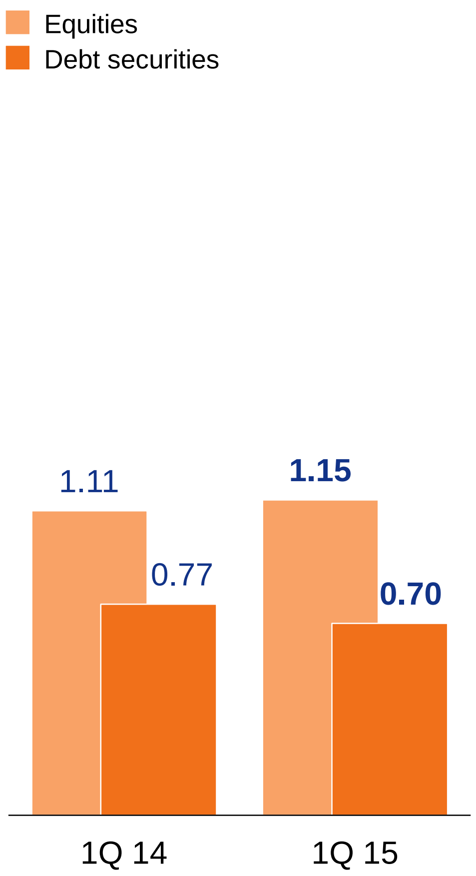
P/C: average asset base and yields

Average asset base[1,2] (EUR bn)



Current yield[2] (in %)



1) Average asset base includes health business France and liabilities from cash pooling, excludes fair value option and trading
2) In 4Q 14 the French International Health business was transferred from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014
3) Real estate investments and funds held by others under reinsurance contracts assumed

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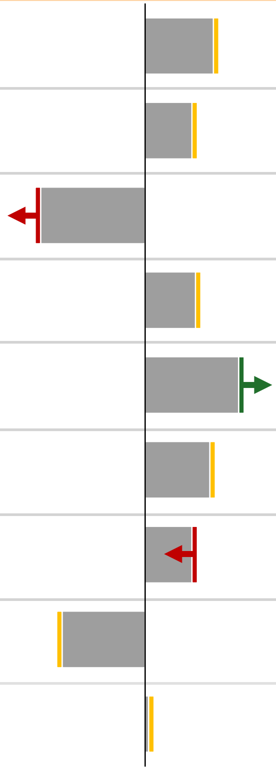
P/C: price effects on renewals

Pricing overview for selected operating entities[1] (in %)

Selected OEs	Actual rate change on renewals and momentum	Assessment/trends of rate change on renewals
Germany	+1.9%	▪ Motor: Ongoing hard market expected with stable but flattening rate increases ▪ Stable prices and hardening trend in unprofitable segments of commercial lines ▪ Ongoing price increases in private lines especially for building insurance and legal protection
Austria	+1.3%	▪ Price stabilization in Motor at point of sale, while market situation in Non-Motor weak ▪ Consumer price index at low level
Italy	-2.9%	▪ Motor still in a soft phase, strong competitiveness and persistent premium decrease ▪ Non-motor retail trend driven by indexation and premium adjustments. Market remains soft
France	+1.4%	▪ Retail motor pricing trend remains stable ▪ But all other lines pricing trends are softer
Spain	+2.6%	▪ Market starting to harden. OE tariffs developing accordingly
UK	+1.8%	▪ Rates in commercial remain under continued pressure given the strong results being achieved particularly in property lines of business ▪ Private motor rates in the market are relatively flat, although we are achieving some rate strength
Australia	+1.3%	▪ Soft market with pressure on rates across most commercial lines ▪ Downward pressure on rates in retail persisted for 12 months. In 1Q rates appear to be stabilizing ▪ Other negative rate effects partly offset by workers' compensation
Credit Insurance	-2.3%	▪ Average rates evolution is negative due to the low level of claims frequency and the competitive market environment
AGCS[2]	+0.1%	▪ Rate increases in commercial lines (FFIC) and marine, offset by energy, aviation and engineering ▪ Generally soft market conditions driven by abundant capacity in large parts of the business ▪ Strong competition with competitors that compensate low yield with aggressive underwriting
3M 2015[3]	**+0.8%**	



1) Estimates based on 3M 2015 survey as communicated by our operating entities; coverage of P/C segment 71%
2) AGCS excluding ART; incl. FFIC
3) Total actual rate change on YTD renewals also including Ireland

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Group financial results 1Q 2015

1 Highlights

2 **Additional information**

a) Group

b) Property-Casualty

c) Life/Health

d) Asset Management

e) Corporate and Other

3 Glossary

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L/H: key figures[1]
(EUR mn)

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	Delta 1Q 15/14
Statutory premiums (EUR bn)	**17.2**	**17.0**	**15.9**	**17.4**	**18.8**	**+1.7**
Operating profit	**880**	**985**	**790**	**673**	**1,104**	**+224**
Non-operating items	4	54	-15	-55	-39	-43
Income before taxes	884	1,039	776	617	1,065	+181
Income taxes	-255	-308	-245	-188	-326	-71
Net income	**629**	**731**	**530**	**429**	**739**	**+110**
Non-controlling interests	31	32	24	35	40	+10
Shareholders' net income	**598**	**699**	**507**	**394**	**699**	**+100**
Margin on reserves (in bps)	**73**	**79**	**61**	**50**	**77**	**+5**
Segment financial assets[2] (EUR bn)	422.7	438.5	456.4	470.8	510.4	+87.8
Unit-linked investments (EUR bn)	82.9	86.9	90.8	94.6	106.2	+23.3
Operating asset base[3] (EUR bn)	509.6	529.8	551.8	571.0	622.7	+113.1
Loadings & fees	*1,272*	*1,287*	*1,320*	*1,407*	*1,441*	*+169*
Investment margin	*670*	*922*	*701*	*680*	*1,002*	*+331*
Expenses	*-1,522*	*-1,657*	*-1,586*	*-1,757*	*-1,659*	*-138*
Technical margin	*270*	*269*	*318*	*346*	*301*	*+31*
Operating profit before change in DAC	**690**	**822**	**752**	**675**	**1,084**	**+394**

1) In 4Q 14 the French International Health business was transferred from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014. Prior year figures changed in order to reflect the roll out of profit source reporting to Malaysia
2) Segment own assets (incl. financial assets carried at fair value through income). Including cash and cash pool assets net of liabilities from securities lending, derivatives and liabilities from cash pooling
3) Grossed up for insurance liabilities which are netted within the trading book (market value liability option). Including cash and cash pool assets net of liabilities from securities lending and derivatives

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L/H: operating profit details[1] (EUR mn)

	L/H segment[2]			Guaranteed savings & annuities		Protection & health		Unit-linked w/o guarantee	
	1Q 2014	1Q 2015	Delta 1Q 15/14	1Q 2014	1Q 2015	1Q 2014	1Q 2015	1Q 2014	1Q 2015
Loadings & fees	**1,272**	**1,441**	**+169**	**744**	**811**	**372**	**411**	**155**	**219**
Loadings from premiums	858	951	+93	446	490	353	386	60	75
as % of statutory premiums	5.0%	5.1%	+0.1%-p	3.5%	3.9%	15.0%	15.2%	2.9%	2.1%
Loadings from reserves	266	284	+18	237	243	19	25	10	16
as % of avg. reserves[3,4]	0.06%	0.06%	0.00%-p	0.06%	0.06%	0.06%	0.07%	0.03%	0.04%
Unit-linked management fees	148	206	+58	62	78	0	0	85	128
as % of avg. unit-linked reserves[4,5]	0.14%	0.17%	+0.03%-p	0.12%	0.13%	N/A	N/A	0.18%	0.25%
Investment margin	**670**	**1,002**	**+331**	**636**	**915**	**26**	**70**	**9**	**17**
Investment margin net of PHP	670	1,002	+331	636	915	26	70	9	17
as % of avg. aggregate policy reserves[4]	0.19%	0.25%	+0.07%-p	0.20%	0.25%	0.08%	0.19%	3.36%	5.85%
Expenses	**-1,522**	**-1,659**	**-138**	**-1,019**	**-1,060**	**-383**	**-422**	**-119**	**-177**
Acquisition expenses and commissions	-1,151	-1,249	-98	-771	-797	-293	-316	-88	-136
as % of PVNBP	-7.6%	-6.6%	+1.0%-p	-7.4%	-6.7%	-12.9%	-11.5%	-3.7%	-3.2%
Admin and other expenses	-370	-410	-40	-248	-263	-90	-105	-32	-42
as % of avg. reserves[3,4]	-0.08%	-0.08%	0.00%-p	-0.07%	-0.06%	-0.27%	-0.29%	-0.11%	-0.11%
Technical margin	**270**	**301**	**+31**	**110**	**117**	**138**	**156**	**22**	**28**
Operating profit before change in DAC	**690**	**1,084**	**+394**	**471**	**782**	**153**	**216**	**67**	**86**
Impact of change in DAC[6]	**189**	**19**	**-170**	**160**	**-25**	**23**	**8**	**6**	**36**
Capitalization of DAC	446	457	+11	340	296	77	100	29	61
Amortization, unlocking and true-up of DAC	-257	-438	-181	-180	-321	-54	-92	-23	-25
Operating profit	**880**	**1,104**	**+224**	**631**	**757**	**176**	**224**	**73**	**123**
Statutory premiums	17,163	18,822	+1,659	12,772	12,695	2,352	2,536	2,040	3,591
Avg. unit-linked reserves	81,967	100,363	+18,396	52,060	61,791	0	0	29,908	38,572
Avg. aggregate policy reserves	357,344	396,505	+39,161	323,849	360,059	33,237	36,159	258	288
Avg. reserves[3]	439,312	496,869	+57,557	375,909	421,850	33,237	36,159	30,166	38,860
PVNBP[7]	15,100	18,974	+3,874	10,480	11,981	2,277	2,745	2,344	4,248

1) Prior year figures changed in order to reflect the roll out of profit source reporting to Malaysia. In 4Q 14 the French International Health business was transferred from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014
2) Profit sources are based on in scope OEs with a coverage of 97.8% revenues. Operating profit from OEs that are not in scope is included in "Investment margin"
3) Aggregate policy reserves + unit-linked reserves
4) Yields are pro-rata
5) Calculation based on only unit-linked fees on unit-linked reserves
6) Impact of change in DAC includes effects of change in DAC, URR and VOBA and is the net impact of deferral and amortization of acquisition costs and front-end loadings on operating profit
7) PVNBP is before non-controlling interests

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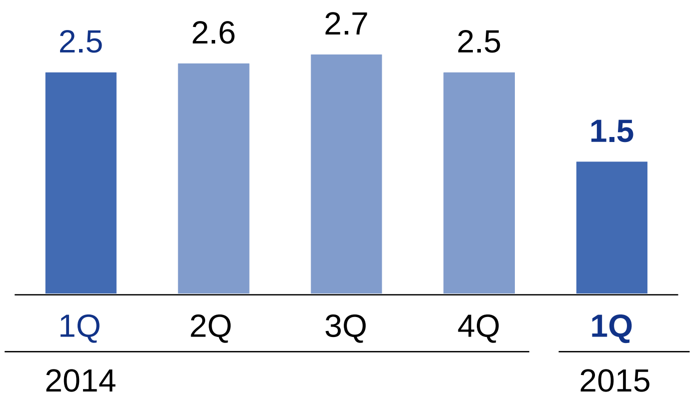
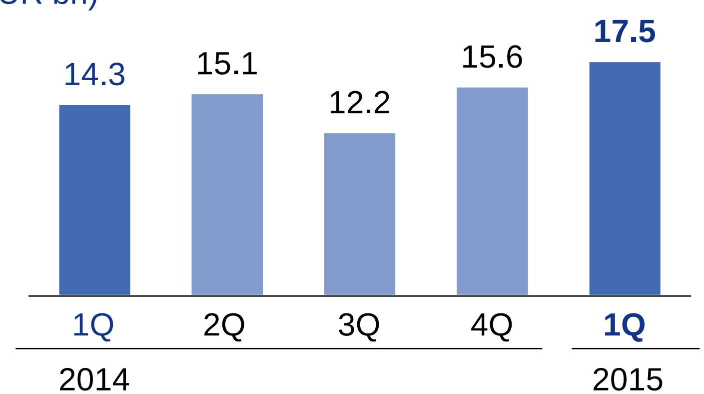
L/H: key new business metrics

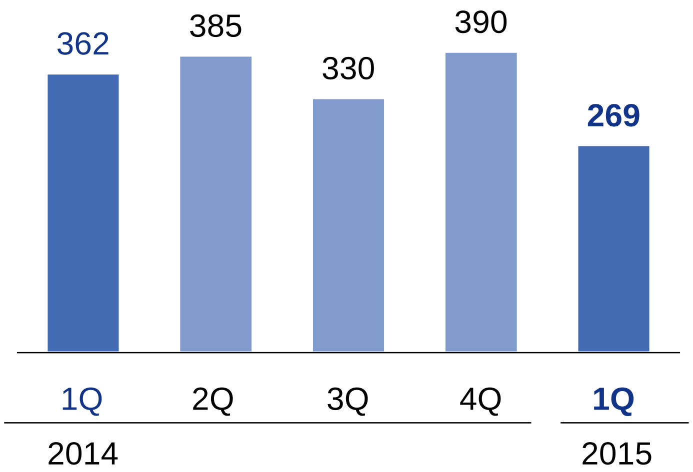
New business margin[1]
(VNB in % of PV of NB premiums)



PV of NB premiums[1]
(EUR bn)



Value of new business[1]
(EUR mn)



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

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L/H: new business profitability by region (1/2)[1,2]
(EUR mn)

	Value of new business		New business margin (in %)		Present value of new business premium			Recurring premium		Single premium		Internal rate of return[3] (in %)		Payback period (yrs)[3]	
	1Q 2014	1Q 2015	1Q 2014	1Q 2015	1Q 2014	1Q 2015	Delta 1Q 15/14[4]	1Q 2014	1Q 2015	1Q 2014	1Q 2015	1Q 2014	1Q 2015	1Q 2014	1Q 2015
German speaking countries	**114**	**98**	**2.6%**	**1.8%**	**4,393**	**5,347**	**+18.8%**	**164**	**219**	**2,204**	**2,103**	**18.1%**	**14.6%**	**5.2**	**6.6**
Germany Life[5]	*88*	*73*	*2.6%*	*1.8%*	*3,447*	*4,094*	*+18.8%*	*114*	*158*	*1,994*	*1,880*	*18.4%*	*14.7%*	*5.1*	*6.7*
Western & Southern Europe	**67**	**18**	**1.2%**	**0.3%**	**5,544**	**6,917**	**+39.1%**	**276**	**1,766**	**3,382**	**3,908**	**11.0%**	**7.6%**	**6.9**	**7.4**
France	*15*	*-17*	*0.5%*	*-0.6%*	*3,018*	*2,783*	*-3.1%*	*128*	*1,449*	*1,501*	*1,182*	*9.4%*	*3.6%*	*8.3*	*12.4*
Italy	*30*	*17*	*1.5%*	*0.5%*	*1,951*	*3,399*	*+84.9%*	*97*	*212*	*1,485*	*2,312*	*14.0%*	*12.6%*	*5.1*	*5.8*
Iberia & Latin America	**20**	**19**	**4.8%**	**3.1%**	**423**	**603**	**+65.0%**	**20**	**53**	**244**	**303**	**13.1%**	**16.0%**	**6.6**	**5.7**
Growth markets	**42**	**63**	**3.0%**	**3.5%**	**1,377**	**1,830**	**+10.8%**	**183**	**385**	**664**	**871**	**15.3%**	**15.0%**	**5.3**	**5.3**
Asia-Pacific	*33*	*53*	*2.8%*	*3.3%*	*1,170*	*1,620*	*+12.8%*	*138*	*177*	*610*	*825*	*14.5%*	*14.6%*	*5.6*	*5.6*
CEE	*8*	*9*	*4.2%*	*4.9%*	*185*	*181*	*-4.1%*	*38*	*199*	*53*	*46*	*21.3%*	*21.3%*	*3.6*	*2.3*
USA	**115**	**65**	**4.6%**	**2.4%**	**2,519**	**2,786**	**-13.8%**	**13**	**39**	**2,416**	**2,641**	**13.9%**	**12.0%**	**5.4**	**7.1**
Total	**362**	**269**	**2.5%**	**1.5%**	**14,256**	**17,545**	**+19.2%**	**656**	**2,490**	**8,910**	**9,826**	**12.9%**	**11.3%**	**6.2**	**6.5**

1) After non-controlling interests, including internal reinsurance. All values using F/X rates as of valuation date. New business figures were restated by the impact of contract boundaries, removal of holding expenses and the replacement of CNHR and CReC by RM after tax to be aligned with MVBS according to Solvency II
2) In 4Q 14 the French International Health business was transferred from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014
3) Both IRR and payback period are real world metrics, using an expected over-return on certain assets and capturing risks in the discount rate
4) Internal growth (adjusted for F/X and consolidation effects)
5) Single premium for Germany Life does not include Parkdepot business (1Q 14: EUR 542mn, 1Q 15: EUR 397mn)

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L/H: new business profitability by region (2/2)[1,2,3]

	Value of new business (EUR mn)					New business margin (in %)				
	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015
German speaking countries	**114**	**89**	**86**	**142**	**98**	**2.6**	**2.5**	**2.5**	**2.5**	**1.8**
Germany Life	*88*	*74*	*74*	*128*	*73*	*2.6*	*2.4*	*2.4*	*2.5*	*1.8*
Western & Southern Europe	**67**	**87**	**64**	**78**	**18**	**1.2**	**1.4**	**1.7**	**1.7**	**0.3**
France	*15*	*15*	*16*	*9*	*-17*	*0.5*	*1.0*	*1.2*	*0.6*	*-0.6*
Italy	*30*	*53*	*30*	*50*	*17*	*1.5*	*1.3*	*1.5*	*2.0*	*0.5*
Iberia & Latin America	**20**	**17**	**13**	**16**	**19**	**4.8**	**4.0**	**4.7**	**3.1**	**3.1**
Growth markets	**42**	**47**	**56**	**56**	**63**	**3.0**	**3.3**	**3.4**	**3.7**	**3.5**
Asia-Pacific	*33*	*37*	*47*	*46*	*53*	*2.8*	*3.2*	*3.2*	*3.5*	*3.3*
CEE	*8*	*8*	*8*	*8*	*9*	*4.2*	*3.9*	*5.0*	*4.8*	*4.9*
USA	**115**	**142**	**108**	**93**	**65**	**4.6**	**4.3**	**3.6**	**3.0**	**2.4**
Total	**362**	**385**	**330**	**390**	**269**	**2.5**	**2.6**	**2.7**	**2.5**	**1.5**

1) After non-controlling interests, including internal reinsurance. All values using F/X rates as of valuation date. New business figures were restated by the impact of contract boundaries, removal of holding expenses and the replacement of CNHR and CReC by RM after tax to be aligned with MVBS according to Solvency II
2) In 4Q 14 the French International Health business was transferred from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014
3) Based on beginning of quarter economic assumptions. For the USA we use point of sale assumptions

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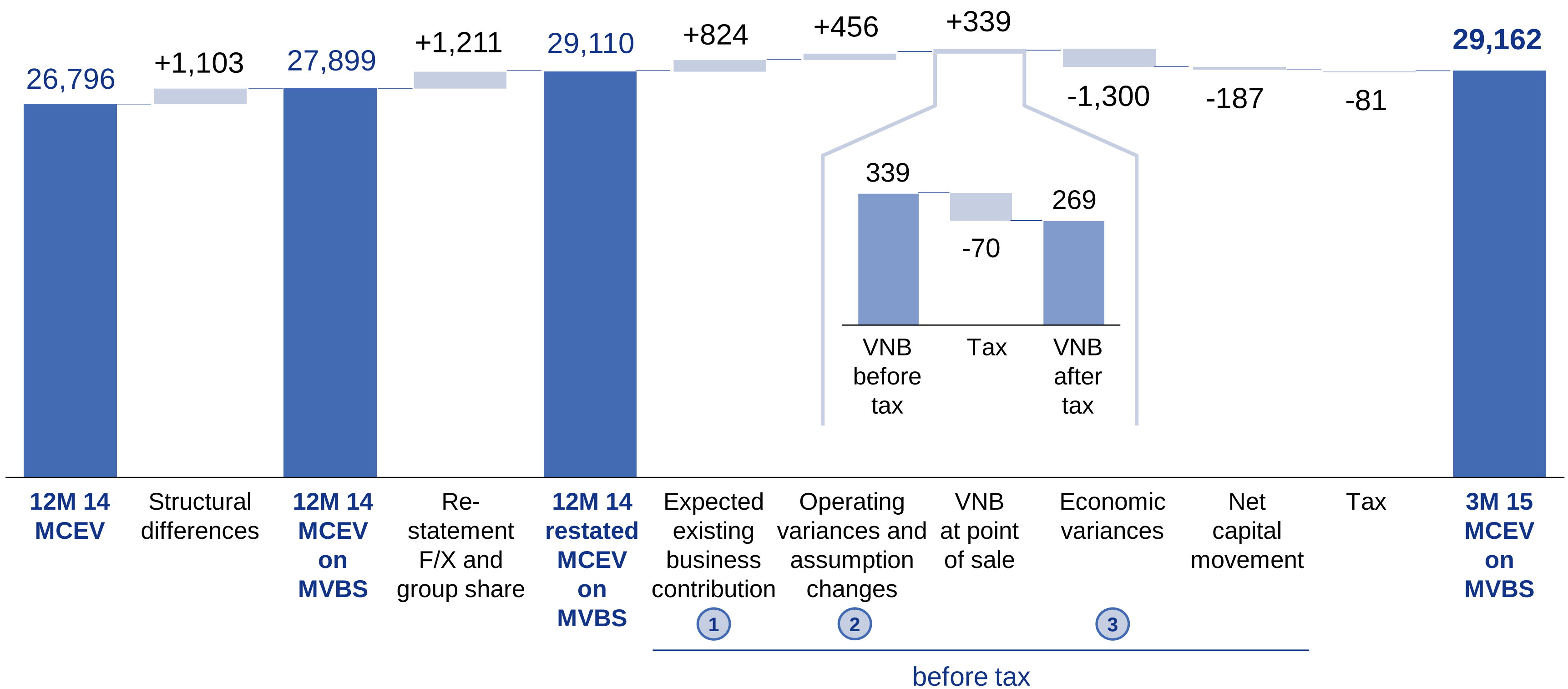
L/H: MCEV on MVBS
(EUR mn)



MCEV on MVBS represents shareholders' equity in the L/H segment on a SII basis

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L/H: MCEV on MVBS development highlights
(EUR mn, after non-controlling interests)

1	+824	=	+470	Projected release from risk free profits and expected over-return earned in the year
			+354	Projected unwinding of inforce at the risk free rate and release of options and guarantees
2	+456	=	-386	Experience variance mostly from AZ Life due to FIA business
			-55	Assumption updates mainly from France
			+615	Other operating variance due model true-up in France and Italy due to changes in crediting strategy
			+329	Other non-operating variance from Germany Life

3

(EUR mn) Estimates based on sensitivities	German speaking countries[1]	Western & Southern Europe[2,3]	Iberia & Latin America	Growth markets	USA	Total[4]
Economic variances	**-710**	**-549**	**-19**	**-132**	**61**	**-1,300**
Driven by changes in interest rate	-2,028	1,141	-19	-329	70	-1,305
Driven by changes in equity value	489	-1,514	0	359	1	-667
Driven by changes in volatilities	717	-233	0	-47	-10	447

1) Includes EUR -1,426mn effect of interest rate on AZ Leben
2) Includes EUR 185mn effect of reduced spread on Italian government bonds in changes in interest rate
3) Includes EUR -1,585mn effect of equity movement on AZ France
4) Including internal reinsurance

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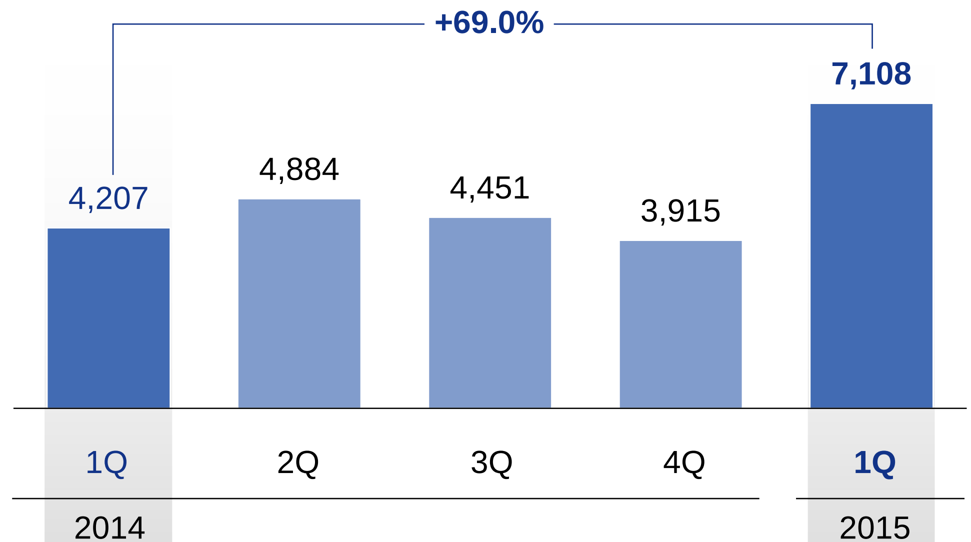
L/H: operating investment result
(EUR mn)



+6.4%

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015
Interest & similar income[1]	4,135	4,448	4,233	4,385	4,399
Net harvesting & other[2]	267	668	437	-213	2,935
Investment expenses	-195	-232	-219	-258	-227

	1Q 14	Δ	1Q 15
Impairments (net)	-291	+204	-87
Realized gains/losses (net)	827	+1,611	2,438
Income from fin. assets and liab. carried at FV	-268	+853	585

1) Net of interest expenses
2) Comprises realized gains/losses, impairments (net), fair value option, trading and F/X gains and losses

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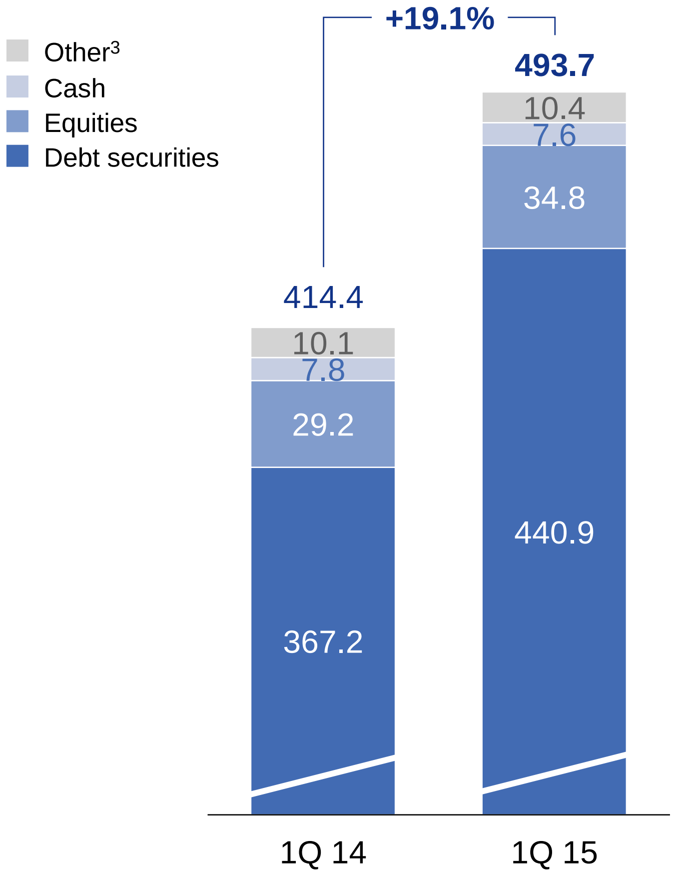
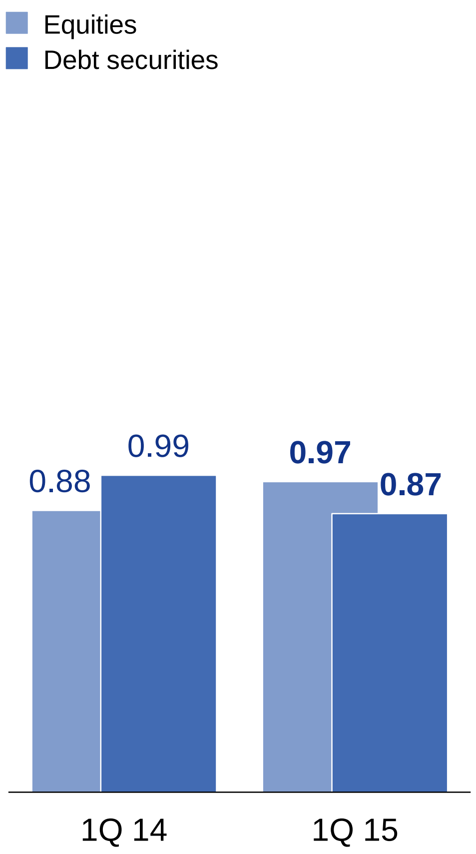
L/H: average asset base and yields

Average asset base[1,2] (EUR bn)



Current yield[2] (in %)



1) Average asset base includes liabilities from cash pooling, excludes fair value option, trading, unit-linked assets
2) In 4Q 14 the French International Health business was transferred from L/H France to Allianz Worldwide Partners (P/C) effective 1 January 2014
3) Real estate investments and funds held by others under reinsurance contracts assumed

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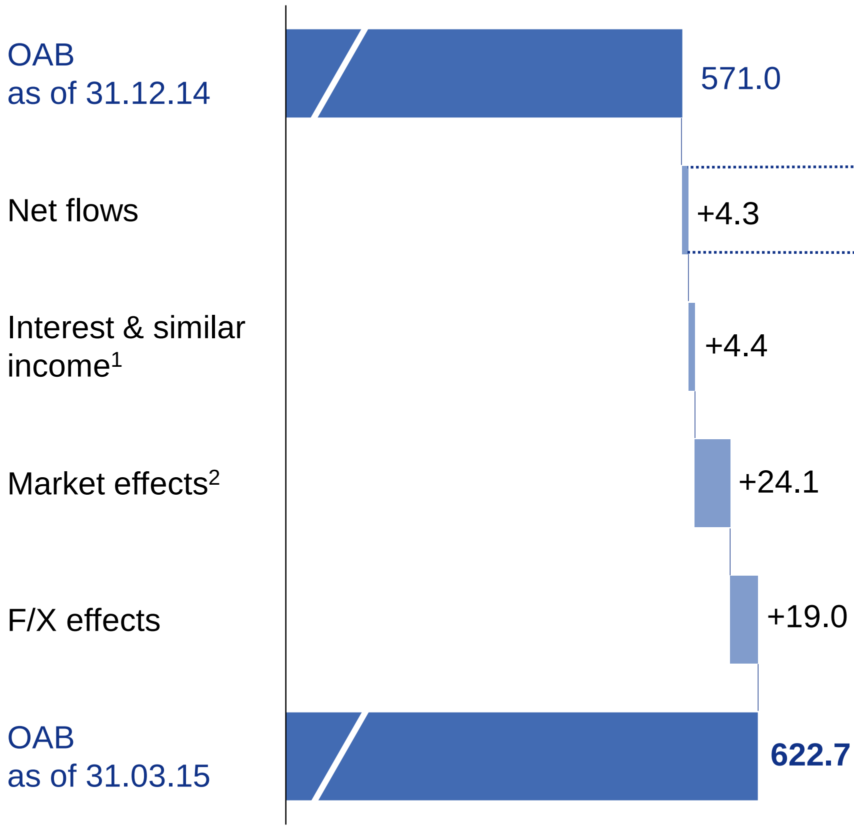
L/H: operating asset base

Operating asset base (EUR bn)



Net flows (EUR bn)	1Q 14	1Q 15
Germany Life	+0.9	+0.8
Germany Health	0.0	0.0
France	+0.5	+0.2
Italy	+0.7	+1.5
CEE	+1.1[3]	0.0
USA	+0.7	+0.5
Asia-Pacific	+0.1	+0.3
Other	+1.7[3]	+1.0
Total	**+5.6**	**+4.3**

1) Net of interest expenses
2) Includes changes in other assets and liabilities of EUR +2.1bn
3) Figures contain first time inclusion of certain entities transferred from Asset Management segment (total effect for 1Q 14: EUR +1.9bn)

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Group financial results 1Q 2015

1 Highlights

2 **Additional information**

- a) Group
- b) Property-Casualty
- c) Life/Health
- d) Asset Management
- e) Corporate and Other

3 Glossary

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AM: AAM key figures (1/2)
(EUR mn)

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	Delta 1Q 15/14
Operating revenues	**1,517**	**1,607**	**1,618**	**1,646**	**1,573**	**+56**
Performance fees	**19**	**67**	**40**	**149**	**59**	**+40**
Operating profit	**646**	**676**	**694**	**588**	**555**	**-91**
Non-operating items	-14	-3	2	0	-27	-13
Income before taxes	631	673	696	588	528	-103
Income taxes	-225	-254	-258	-230	-199	+26
Net income	**406**	**419**	**438**	**358**	**329**	**-77**
Non-controlling interests	22	23	22	19	17	-5
Shareholders' net income	**385**	**396**	**415**	**340**	**312**	**-72**
Cost-income ratio (in %)	**57.4**	**57.9**	**57.1**	**64.3**	**64.7**	**+7.3%-p**
3rd party AuM (EUR bn)	**1,342**	**1,373**	**1,411**	**1,313**	**1,408**	**+66**
Allianz AuM (EUR bn)	423	441	461	488	525	+102
Total AuM (EUR bn)	1,765	1,814	1,872	1,801	1,933	+168
3rd party net flows[1] (EUR bn)	**-19.8**	**-17.2**	**-47.4**	**-141.3**	**-62.1**	**-42.4**
Net flows in 3rd party AuM eop (in %)	-1.5	-1.3	-3.5	-10.0	-4.7	-3.2%-p

1) Effective 2015, 3rd party net flows contain re-invested dividends (incl. capital gains) from existing clients (EUR +2.3bn in 1Q 15). Those have been recognized as market return until 31.12.14

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AM: AAM key figures (2/2)
(EUR mn)

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	Delta 1Q 15/14
PIMCO						
Operating profit	**563**	**597**	**594**	**488**	**428**	**-135**
Performance fees	11	46	25	122	26	+15
Cost-income ratio (in %)	52.2	51.8	52.4	61.2	62.5	+10.3%-p
3rd party AuM (EUR bn)	1,116	1,135	1,162	1,053	1,114	-2
3rd party net flows[1] (EUR bn)	-21.7	-20.4	-49.2	-144.8	-68.3	-46.6
3-yr. outperformance (in %)	88	89	93	88	87	-1%-p
AllianzGI						
Operating profit	**96**	**89**	**110**	**113**	**135**	**+39**
Performance fees	8	20	15	27	33	+25
Cost-income ratio (in %)	72.1	76.1	70.8	70.9	68.9	-3.2%-p
3rd party AuM (EUR bn)	226	238	248	260	294	+68
3rd party net flows[1] (EUR bn)	2.0	3.2	1.8	3.5	6.2	+4.2
3-yr. outperformance (in %)	53	51	58	55	58	+5%-p

1) Effective 2015, 3rd party net flows contain re-invested dividends (incl. capital gains) from existing clients (EUR +2.1bn for PIMCO and EUR +0.2bn for AllianzGI in 1Q 15). Those have been recognized as market return until 31.12.14

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AM: splits of 3rd party AuM[1]
(EUR bn)

	AAM		PIMCO		AllianzGI	
	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15
Regions[2]						
America	839	837	772	748	67	89
Europe	372	423	233	241	139	182
Asia-Pacific	131	148	111	126	20	22
Investment vehicles[3]						
Mutual funds	827	833	660	615	167	218
Separate accounts	516	575	456	499	60	76
Asset classes[4]						
Fixed income	1,164	1,031	1,116	972	48	59
Equity	178	156	0	21	178	134
Multi-Assets	N/A	154	N/A	61	N/A	92
Other	N/A	67	N/A	59	N/A	8

1) Comprises 3rd party AuM managed by AAM
2) Based on the origination of the assets by the asset management company
3) Effective 2015, the split of AuM into clients has been replaced by a split into investment vehicles. Mutual funds pool the money of several individual investors into one account. At separate accounts, the money of a single investor is directly managed in a separate dedicated account
4) Effective 2015, the split of AuM into asset classes has been enhanced with two additional asset classes for a more granular breakdown. Multi-Assets is a combination of several different asset classes. Other comprises money market instruments with short maturity as well as alternative investments. Therefore, 2015 and 2014 figures are not comparable

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Group financial results 1Q 2015

1 Highlights

2 **Additional information**

a) Group

b) Property-Casualty

c) Life/Health

d) Asset Management

e) Corporate and Other

3 Glossary

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CO: key figures
(EUR mn)

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	Delta 1Q 15/14
Total revenues (Banking)	**139**	**132**	**135**	**151**	**140**	**+1**
Operating profit	**-222**	**-219**	**-248**	**-131**	**-101**	**+121**
Holding & Treasury	*-248*	*-245*	*-267*	*-157*	*-143*	*+104*
Banking	*18*	*17*	*11*	*21*	*32*	*+15*
Alternative Investments	*8*	*8*	*8*	*6*	*10*	*+3*
Consolidation	*0*	*0*	*0*	*0*	*0*	*-1*
Non-operating items	**472**	**-177**	**-211**	**-276**	**27**	**-445**
Holding & Treasury	*484*	*-177*	*-194*	*-271*	*23*	*-461*
Banking	*-1*	*4*	*3*	*5*	*6*	*+7*
Alternative Investments	*-11*	*-5*	*-19*	*-11*	*-2*	*+9*
Consolidation	*0*	*0*	*0*	*0*	*0*	*+1*
Income before taxes	249	-397	-458	-407	-74	-324
Income taxes	-118	148	147	179	25	+143
Net income	**131**	**-249**	**-311**	**-228**	**-49**	**-180**
Non-controlling interests	4	6	3	2	6	+2
Shareholders' net income	**127**	**-255**	**-315**	**-231**	**-55**	**-182**
Cost-income ratio Banking (in %)	**80.7**	**75.8**	**86.6**	**76.8**	**71.7**	**-9.0%-p**
RWA[1] Banking (EUR bn)	8.9	8.9	9.0	8.9	8.9	0.0

1) RWA data is preliminary; based on Basel approach

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3

Group financial results 1Q 2015

1 Highlights

2 Additional information

a) Group

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d) Asset Management

e) Corporate and Other

3 **Glossary**

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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
AuM	Assets under management are assets or securities portfolios, valued at current market value, for which Allianz Asset Management companies provide discretionary investment management decisions and have the portfolio management responsibility. They are managed on behalf of third parties as well as on behalf of the Allianz Group. **Net flows:** Net flows represent the sum of new client assets, additional contributions from existing clients including dividend reinvestment, withdrawals of assets from, and termination of, client accounts and distributions to investors. **Market and other:** Market impact represents current income earned on, and changes in fair value of, securities held in client accounts as well as dividends from net investment income and from net realized capital gains to investors of open ended mutual funds and of closed end funds.
AuM splits by asset classes	**Multi-assets:** A combination of several asset classes (e.g. bonds, stocks, cash and real property) used as an investment. Multi-assets class investments increase the diversification of an overall portfolio by distributing investments throughout several asset classes. **Other:** Composed of other asset classes than equity, fixed income and multi-assets, e.g. money markets, commodities, real estate investment trusts, infrastructure investments, private equity investments, hedge funds.

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Glossary (2)

AuM splits by investment vehicle	**Mutual funds:** Investment vehicles (in the US, investment companies, subject to the US code; in Germany, vehicles subject to the "Standard-Anlagerichtlinien des Fonds" Investmentgesetz) where the money of several individual investors is pooled into one account to be managed by the asset manager, e.g. open-end funds, closed-end funds. **Separate accounts:** Investment vehicles where the money of a single investor is directly managed by the asset manager in a separate dedicated account (e.g. public or private institutions, high net worth individuals, corporates)
Bps	Basis point = 0.01%
CEE	Central and Eastern Europe
CNHR	Cost of residual non-hedgeable risk: The allowance made in the MCEV for non-hedgeable risks. This allowance should include the impact of non-hedgeable non-financial risks and non-hedgeable financial risks.
CO	Corporate and Other
Combined ratio (CR)	Represents the total of acquisition and administrative expenses (net), excluding one-off effect from pension revaluation, and claims and insurance benefits incurred (net) divided by premiums earned (net).
Cost-income ratio (CIR)	Operating expenses divided by operating revenues
Covered bonds	Debt securities covered by a pool of mortgage loans or by public-sector loans with investors having a preferential claim in case of a default
CReC	Frictional cost of required capital: The allowance made in the MCEV for the frictional costs of required capital. Frictional costs should reflect the taxation and investment costs on the assets backing required capital. Further, frictional costs may be due to any sharing of investment income on required capital with policyholders.
Current yield	Represents interest and similar income divided by average asset base at book value (excluding income from financial assets and liabilities carried at fair value); current yield on debt securities adjusted for interest expenses; yield on debt securities including cash components.
DAC	Deferred acquisition costs: Expenses of an insurance company which are incurred in connection with the acquisition of new insurance policies or the renewal of existing policies. These typically include commissions paid and the costs of processing proposals.

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Glossary (3)

EIOPA	European Insurance and Occupational Pensions Authority
Expense ratio (ER)	Acquisition and administrative expenses (net) divided by premiums earned (net)
F/X	Foreign exchange
Fair value (FV)	The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
FCD	Financial conglomerates directive: European regulation for the supervision of financial conglomerates and financial groups involved in cross-sectoral business operations.
Financial assets carried at fair value through income	Financial assets carried at fair value through income include financial assets held for trading and financial assets designated at fair value through income.
Financial liabilities carried at fair value through income	Financial liabilities carried at fair value through income include financial liabilities held for trading and financial liabilities designated 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.
Goodwill	Difference between the cost of acquisition and the fair value of the net assets acquired
Government bonds	Government bonds include government and government agency bonds.
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	(Realized gains and losses (net) + impairments on investments (net))/ 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).

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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
IRR	Internal rate of return: The discount rate which gives a zero value of new business under real-world projections after allowing for any acquisition expense overrun or underrun
L/H	Life and health insurance
L/H lines of business	**Guaranteed savings & annuities:** Guaranteed savings and annuities are life insurance obligations that always relate to the length of human life. Life obligations may be related to guarantees offering life and/or death coverage of the insured in the form of single or multiple payments to a beneficiary. **Protection & health:** Protection and health insurance covers different risks which are linked to events affecting the physical or mental integrity of a person. **Unit-linked without guarantee:** Conventional unit-linked products are those where all of the benefits provided by a contract are directly linked to the value of assets contained in an internal or external fund held by the insurance undertakings. Performance is linked to a separate account and the investment risk is borne by the policyholder rather than the insurer.
L/H operating profit sources	The objective of the Life/Health operating profit sources analysis is to explain movements in IFRS results by analyzing underlying drivers of performance on a L/H segment consolidated basis. **Loadings & fees:** Includes premium and reserve based fees, unit-linked management fees and policyholder participation on expenses **Investment margin:** Is defined as IFRS investment income net of expenses less interest credited to IFRS reserves less policyholder participation **Expenses:** Includes commissions, acquisition expenses and administration expenses **Technical margin:** Comprises risk result (risk premiums less benefits in excess of reserves less policyholder participation), lapse result (surrender charges and commission claw-backs) and reinsurance result **Impact of change in DAC:** Includes effects of change in DAC, URR and VOBA and is the net impact of deferral and amortization of acquisition costs and front-end loadings on operating profit
Latin America	South America and Mexico
Loss frequency	Number of accident year claims reported divided by number of risks in-force

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Glossary (5)

Loss ratio (LR)	Claims and insurance benefits incurred (net) divided by premiums earned (net). Loss ratio calendar year (c.y.) includes the results of the prior year reserve development in contrast to the loss ratio accident year (a.y.).
Loss severity	Average claim size (accident year gross claims reported divided by number of claims reported)
MBS	Mortgage-backed securities: Securities backed by mortgage loans
MCEV	Market consistent embedded value is a measure of the consolidated value of shareholders' interests in the covered business. It is defined as: Net asset value (NAV) – Present value of future profits (PVFP) – Time value of options and guarantees (O&G) – Cost of residual non-hedgeable risk (CNHR) – Frictional cost of required capital (CReC)
MCEV on MVBS	Represents market consistent embedded value using a market value balance sheet approach based on Solvency II definitions
MoR	Margin on reserves: Represents annualized operating profit (loss) divided by the average of (a) current quarter-end and prior quarter-end net reserves and (b) current quarter-end and prior year-end net reserves, where net reserves equal reserves for loss and loss adjustment expenses, reserves for insurance and investment contracts and financial liabilities for unit-linked contracts less reinsurance assets
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.
NAV	Net asset value: Capital not backing local statutory liabilities, valued at market value
NBM	New business margin: Value of new business divided by present value of new business premiums
Non-controlling interests	Those parts of the equity of affiliates which are not owned by companies of the Allianz Group.

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Glossary (6)

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
Operating profit (OP)	Earnings from ordinary activities before income taxes and non-controlling interests in earnings, excluding, as applicable for each respective segment, all or some of the following items: Income from financial assets and liabilities carried at fair value (net), realized gains/ losses (net), impairments on investments (net), interest expenses from external debt, amortization of intangible assets, acquisition-related expenses and income from fully consolidated private equity investments (net) as this represents income from industrial holdings outside the scope of operating business
P/C	Property and casualty insurance
Payback period	Payback period is the period from the point of sale of new business to the first point in time when the undiscounted sum of distributable earnings, under real world assumptions, is positive.
PIMCO	Pacific Investment Management Company Group
Premiums written/ earned (IFRS)	Premiums written represent all premium revenues in the year under review. Premiums earned represent that part of the premiums written used to provide insurance coverage in that year. In the case of life insurance products where the policyholder carries the investment risk (e.g. variable annuities), only that part of the premiums used to cover the risk insured and costs involved is treated as premium income.
PVFP	Present value of future profits: Future (statutory) shareholder profits after tax projected to emerge from operations and assets backing liabilities, including value of unrealized gains on assets backing policy reserves
PVNBP	Present value of new business premiums: Present value of projected new regular premiums, discounted with risk-free rates, plus the total amount of single premiums received
Reinsurance	An insurance company transfers part of its insurance risk assumed to another insurance company.
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

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Glossary (7)

Retained earnings	In addition to the reserve required by law in the financial statements of the Group parent company, this item consists mainly of the undistributed profits of Group entities and amounts transferred from consolidated net income.
RfB	Reserves for premium refunds (in German: “Rückstellung für Beitragsrückerstattung”): That part of the surplus which will be distributed to policyholders in the future. This refund of premiums is made on the basis of statutory, contractual, or company by-law obligations, or voluntary undertaking.
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
RM	Risk margin: A component of the technical provisions (TP) under Solvency II and represents the additional amount on top of the fair value of liabilities (best estimate liabilities) that insurance and reinsurance obligations are expected to require in order to take over and meet the insurance and reinsurance obligations related to non-hedgeable risks.
RoE	Return on equity: Represents net income attributable to shareholders divided by the average shareholders’ equity beginning of the period and end of the period
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.
RWA	Risk-weighted assets: All assets of a bank multiplied by the respective risk-weight according to the degree of risk of each type of asset
SE	Societas Europaea: European stock company
Solvency ratio	Ratio indicating the capital adequacy of a company comparing eligible funds to required capital
Sovereign bonds	Sovereign bonds include government and government agency bonds.
Statutory premiums	Represent gross premiums written from sales of life insurance policies, as well as gross receipts from sales of unit-linked and other investment-oriented products, in accordance with the statutory accounting practices applicable in the insurer’s home jurisdiction
Total equity	Represents the sum of shareholders’ equity and non-controlling interests

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Glossary (8)

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.
VIF	Value of in-force: Present value of future profits from in-force business (PVFP) minus the time value of financial options and guarantees (O&G) granted to policyholders, minus the cost of residual non-hedgeable risk (CNHR), minus the frictional cost of holding required capital (CReC)
VNB	Value of new business: The additional value to shareholder created through the activity of writing new business. It is defined as present value of future profits (PVFP) after acquisition expense overrun or underrun, minus the time value of financial option and guarantees (O&G), minus the cost of residual non-hedgeable risk (CNHR), minus the frictional cost of holding required capital (CReC), all determined at issue date.
VOBA	Value of the business acquired: It refers to the present value of future profits (PVFP) 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.

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