

# Allianz – an opportunity!

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UniCredit  
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# Agenda

- A** Allianz at a glance
- B** 1H 2011
- C** Sovereign debt exposure
- D** Outlook

# Allianz at a glance

EUR **106bn** total revenues<sup>1</sup>

EUR **1,508bn** total AuM<sup>2</sup>

EUR **8.2bn** operating profit<sup>1</sup>

**180%** solvency ratio<sup>2</sup>

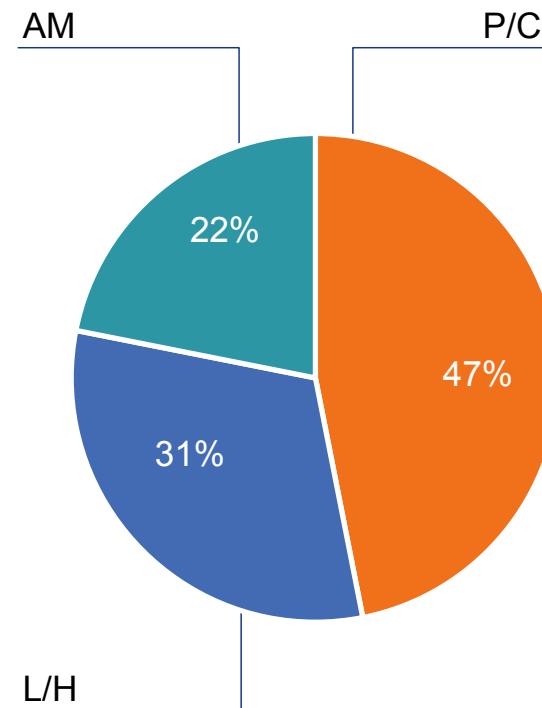
EUR **43bn** S/H equity<sup>2</sup>

EUR **44bn** market cap<sup>2</sup>

More than **76mn** customers<sup>1</sup>

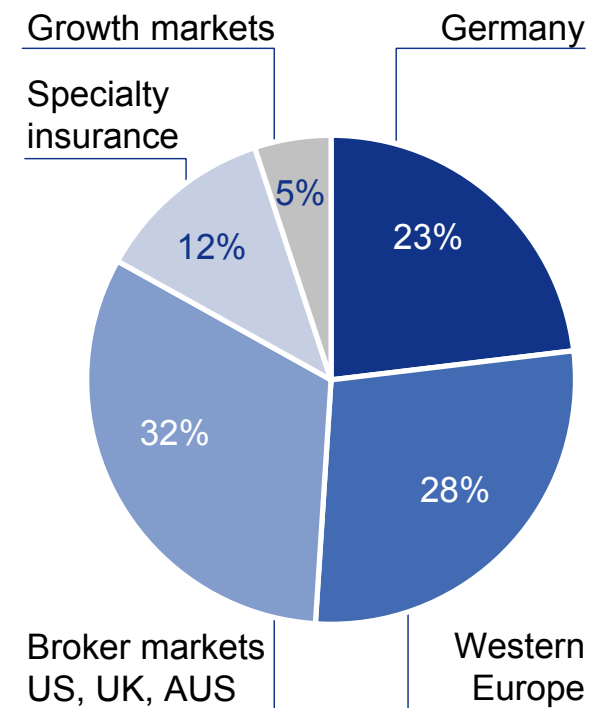
## Segments<sup>1,3</sup>

Operating profit in %



## Regions<sup>1,3</sup>

Operating profit in %



1) 12/2010

2) 06/2011

3) Relation of positive parts of operating profit

**1**

Success factor

## Strong market positions and brands

- Leading P/C insurer globally<sup>1</sup>
- Top 5 in Life business globally
- Top 5 asset manager globally
- Largest global assistance provider
- Worldwide leader in credit insurance
- One of the leading industrial insurers globally
- Building the leading global automotive provider

**Allianz** 

**Allianz** 

Global Investors

P I M C O

**Allianz** 

Global Assistance

 EULER HERMES

**Allianz** 

Global Corporate & Specialty

1) All rankings mentioned on the slide based on 2009 or 2010 data

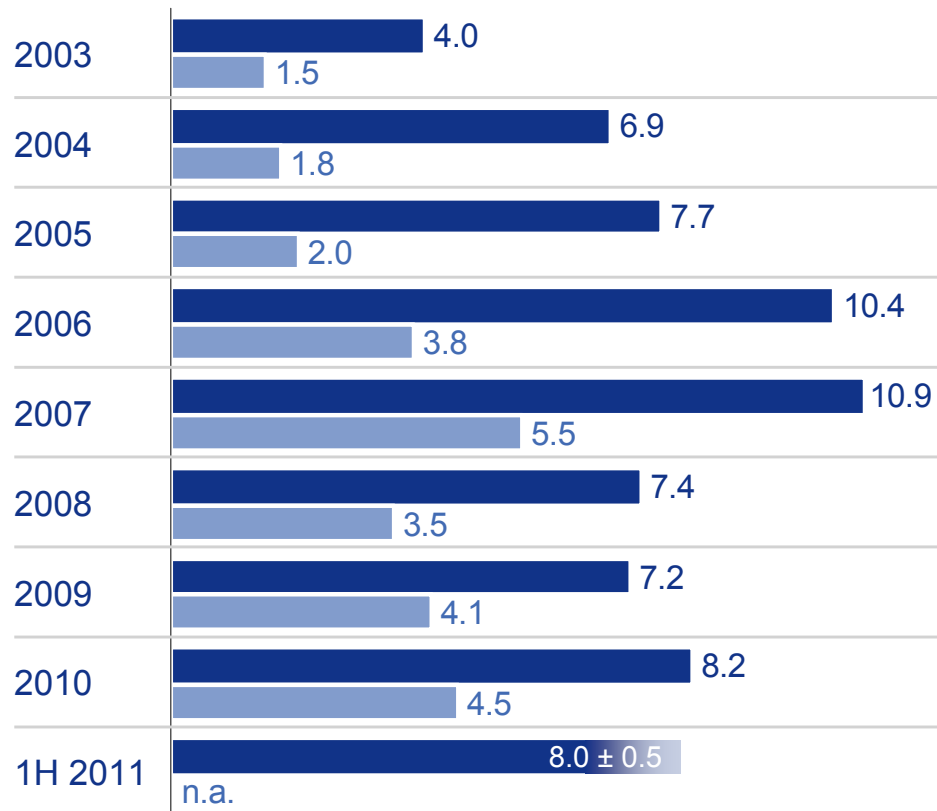
## 2

Success factor

# Balanced business portfolio

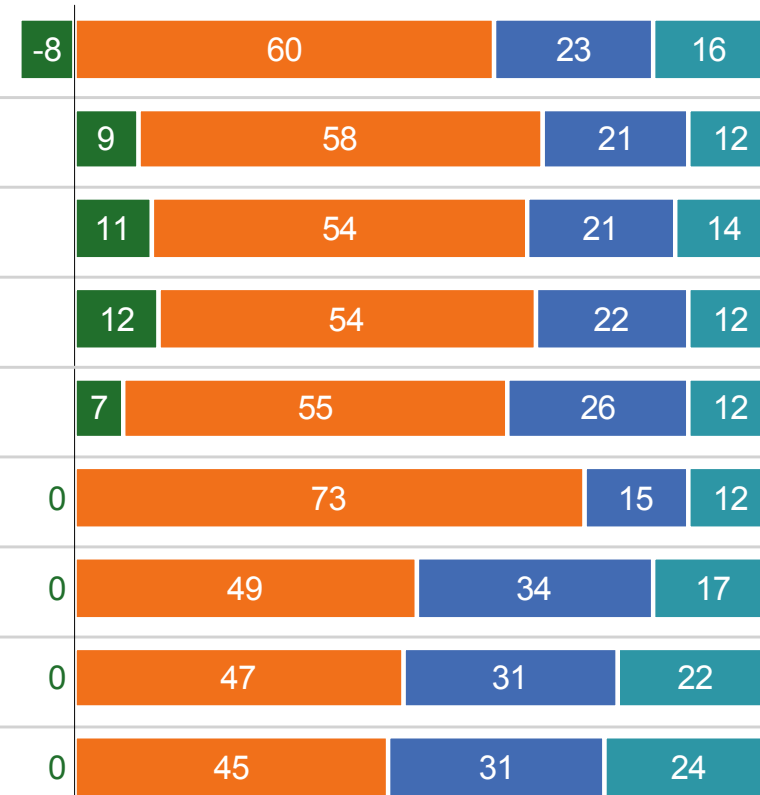
We delivered in tough environment ...

Operating profit<sup>1</sup> (EUR bn) and DPS (EUR)



... thanks to diversification

Operating profit by business segment in %<sup>2</sup>



1) Historical reported figures  
 2) Based on historical reported figures excluding Corporate segment and consolidation

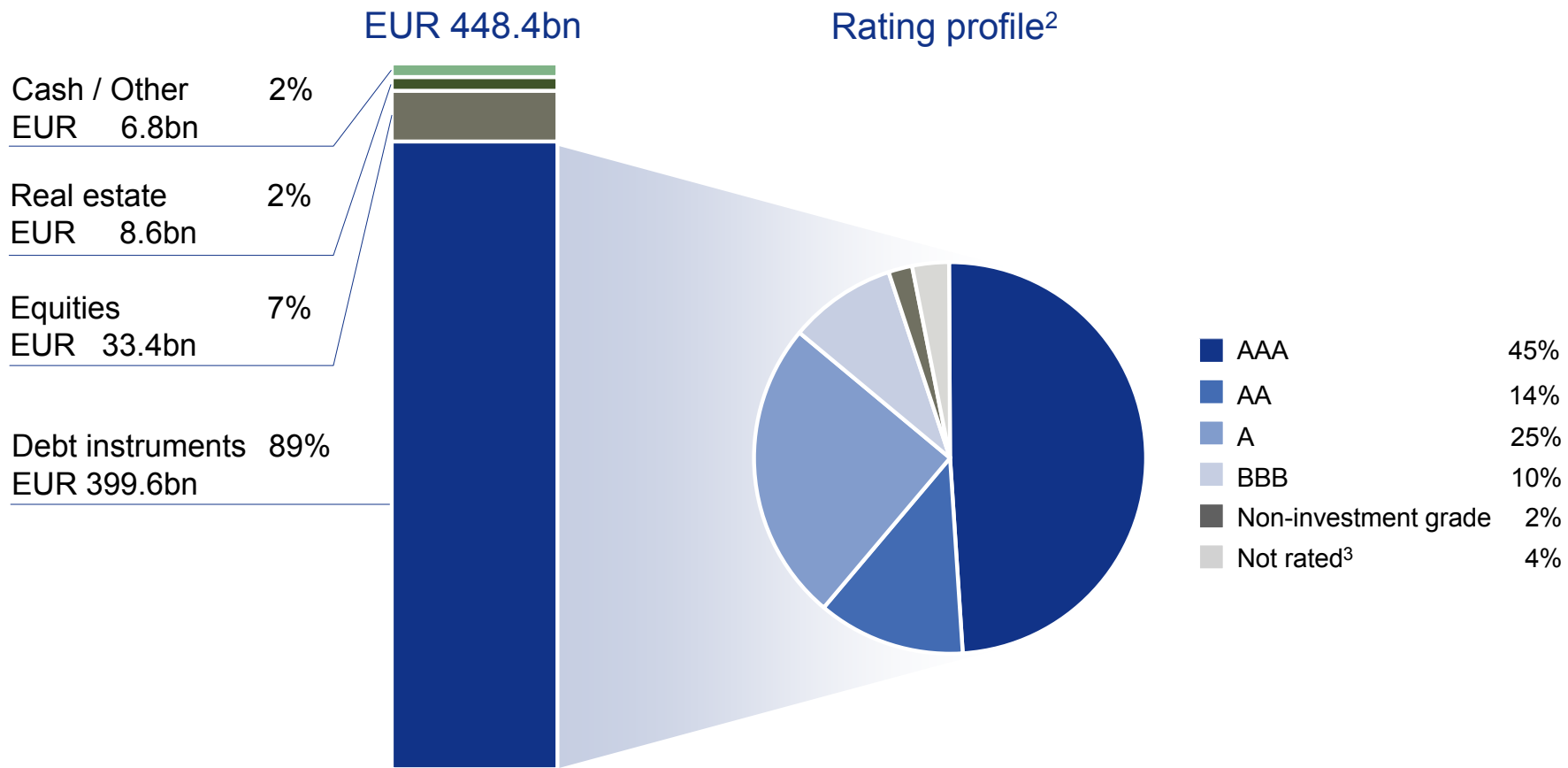
■ Operating profit  
 ■ Dividend per share

■ Bank ■ L/H  
 ■ P/C ■ AM

**3** High-quality investment portfolio  
Success factor

Conservative asset allocation<sup>1</sup>

High-quality fixed income portfolio



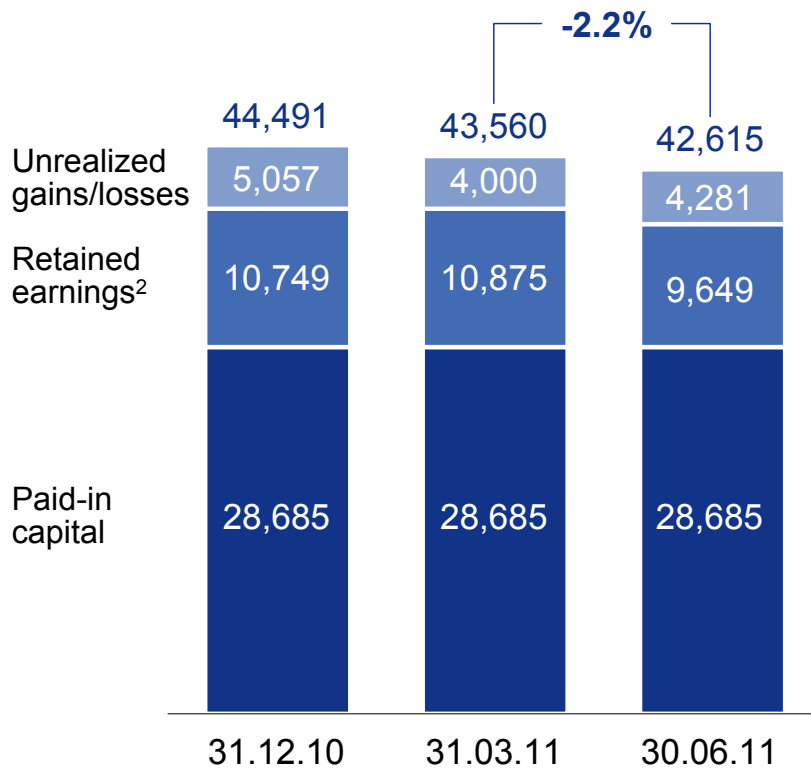
1) 1H 2011, based on consolidated insurance portfolios (P/C, L/H), Corporate and other  
 2) Excluding self-originated German private retail mortgage loans  
 3) Mostly policyholder loans and registered debentures, all of investment grade quality

# 4

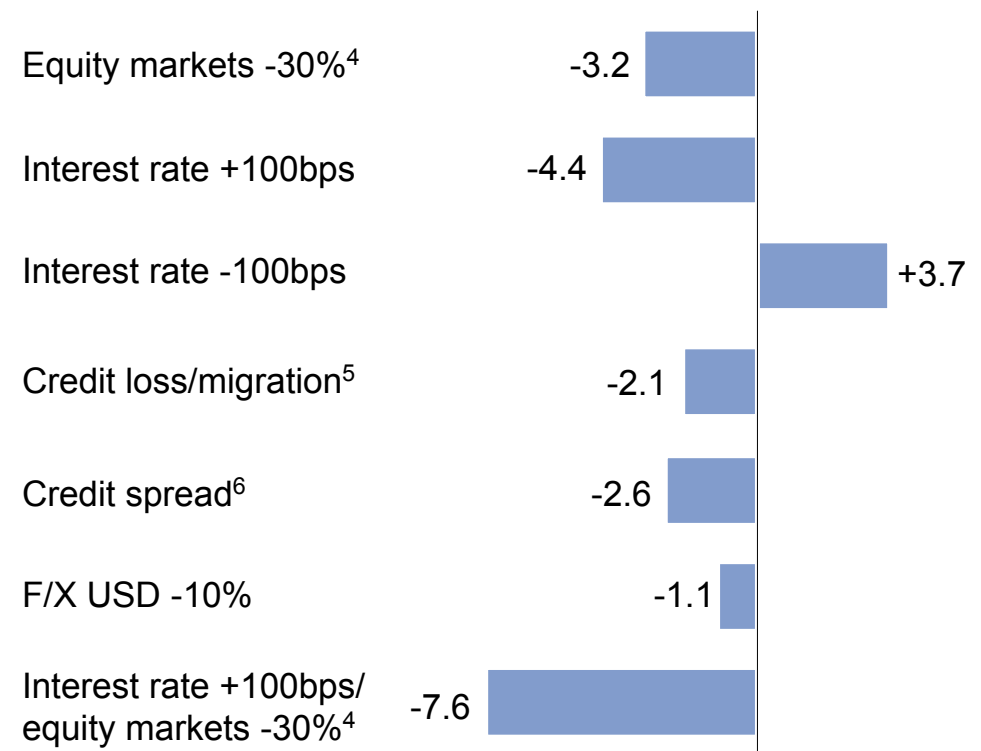
Success factor

## Strong capital position (1)

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



Estimation of stress impact on IFRS equity<sup>3</sup> (EUR bn)



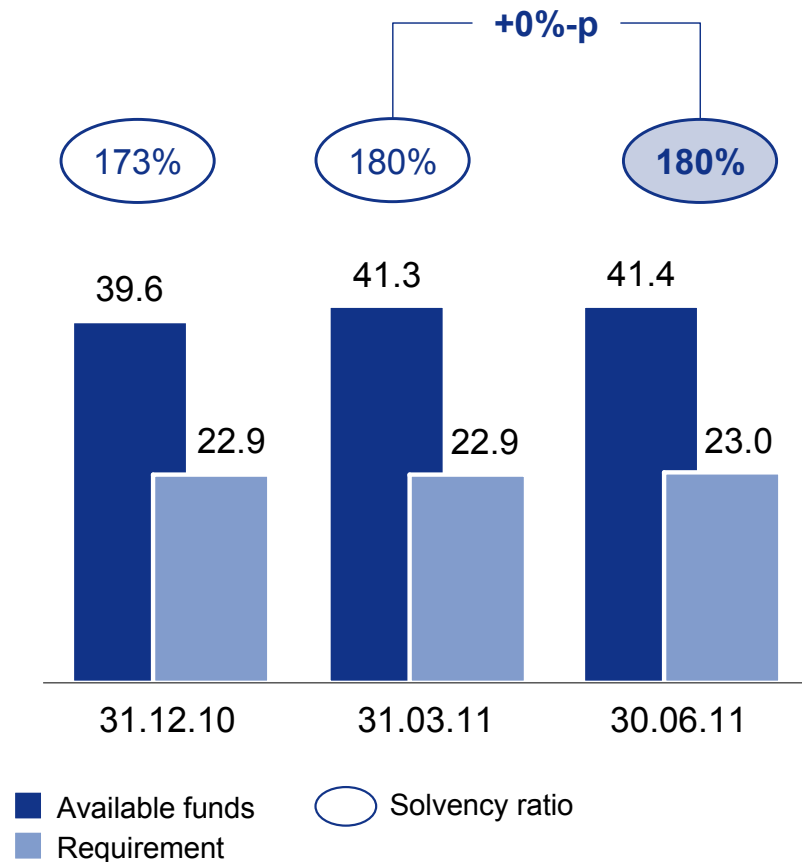
1) Excluding non-controlling interests (31.12.10: EUR 2,071mn, 31.03.11: EUR 2,055mn, 30.06.11: EUR 2,074mn)  
 2) Including F/X  
 3) After non-controlling interests, policyholder participation and tax  
 4) Including derivatives

5) Credit loss/migration (Corporate and ABS portfolio): scenario based on probabilities of default as in 1932, migrations adjusted to mimic recession and assumed recovery rate of 30%  
 6) Credit spread: 100bps increase in the credit spreads across all rating classes (Corporate and ABS bond portfolio)

# 4 Strong capital position (2)

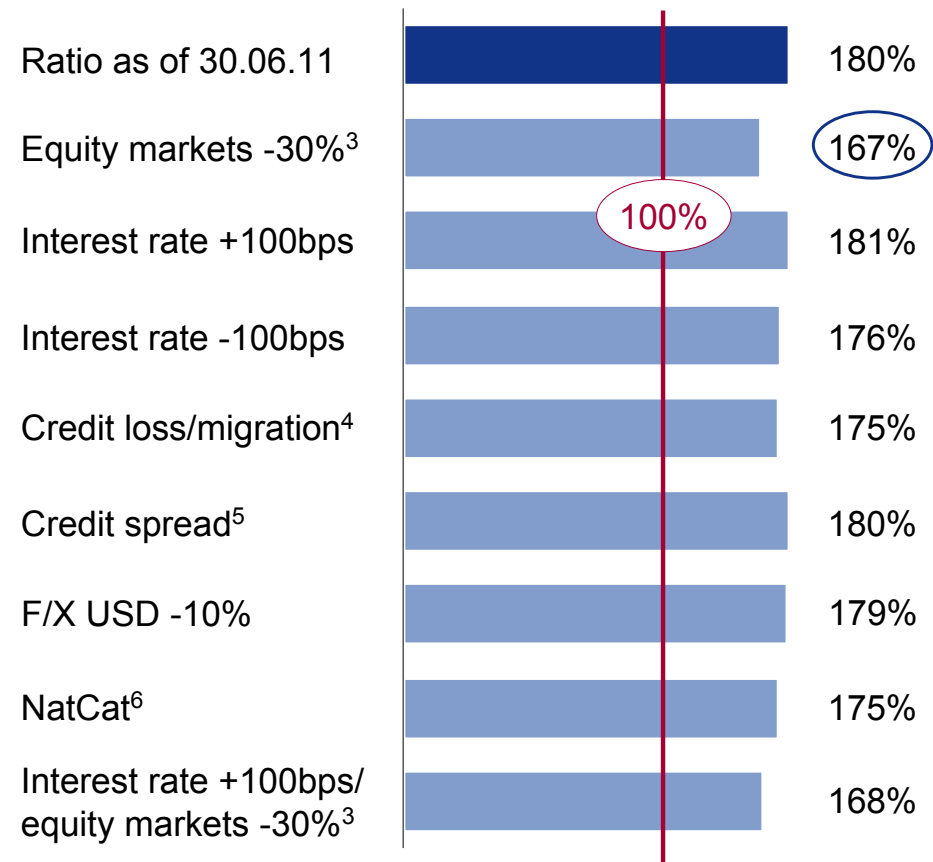
Success factor

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



1) Including off-balance sheet reserves (31.12.10: EUR 2.1bn, 31.03.11: EUR 2.1bn, 30.06.2011: 2.1bn) pro forma. The solvency ratio excluding off-balance sheet reserves would be 164% as of 31.12.10, 171% as of 31.03.11 and 171% as of 30.06.11  
 2) After non-controlling interests, policyholder participation and tax  
 3) Including derivatives

## Conglomerate solvency ratio<sup>2</sup> Target range: 150% – 170%



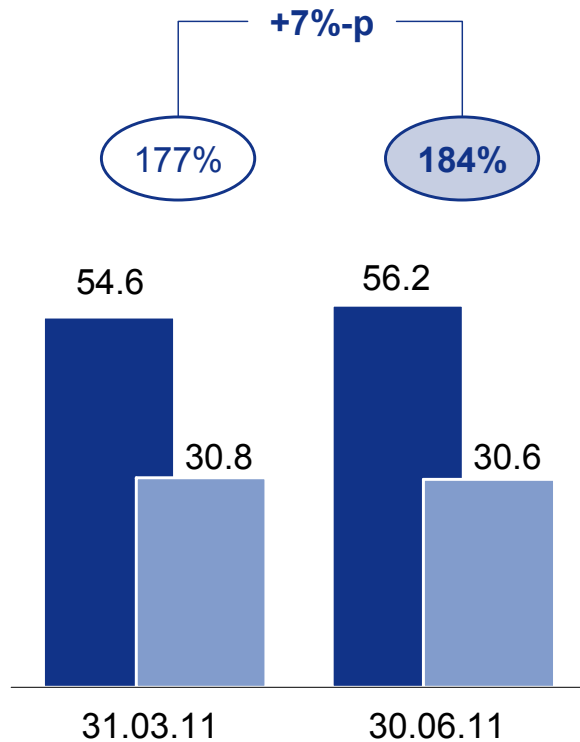
4) Corporate credit loss/ migration: scenario based on probabilities of default as in 1932, migrations adjusted to mimic recession and assumed recovery rate of 30%  
 5) Credit spread: 100bps increase in the credit spreads across all rating classes (Corporate and ABS bond portfolio)  
 6) NatCat: loss due to Cat events, both natural and man-made, leading to claims of EUR 1.5bn. Applies to P/C business only



# 4 Strong capital position (3)

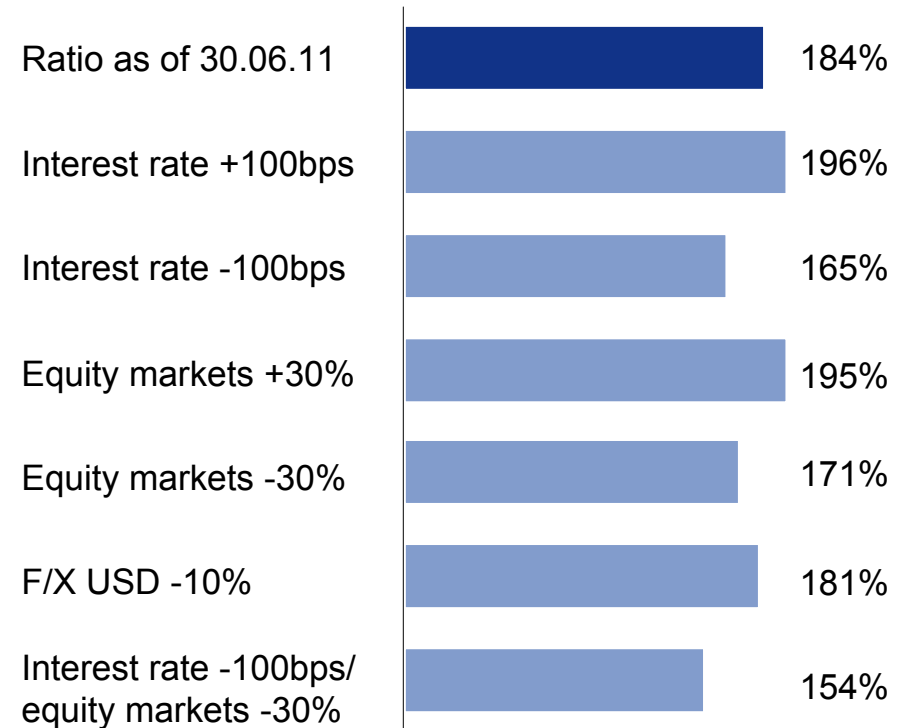
Success factor

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



■ Risk bearing funds     ○ Economic solvency ratio  
■ Risk capital

## Stress impact<sup>2</sup>



1) Internal risk capital is calculated at 99.97% confidence level. At the local OE-level we are capitalizing at 99.93% confidence level. Risk bearing funds reflect yield curves and liquidity premium for valuation purposes in line with the current proposal of the European Insurance and Occupational Pensions Authority ("EIOPA") for L/H segment. Before non-controlling interests

2) Estimated solvency ratio changes in case of stress scenarios (stress applied on both risk bearing funds and risk capital)

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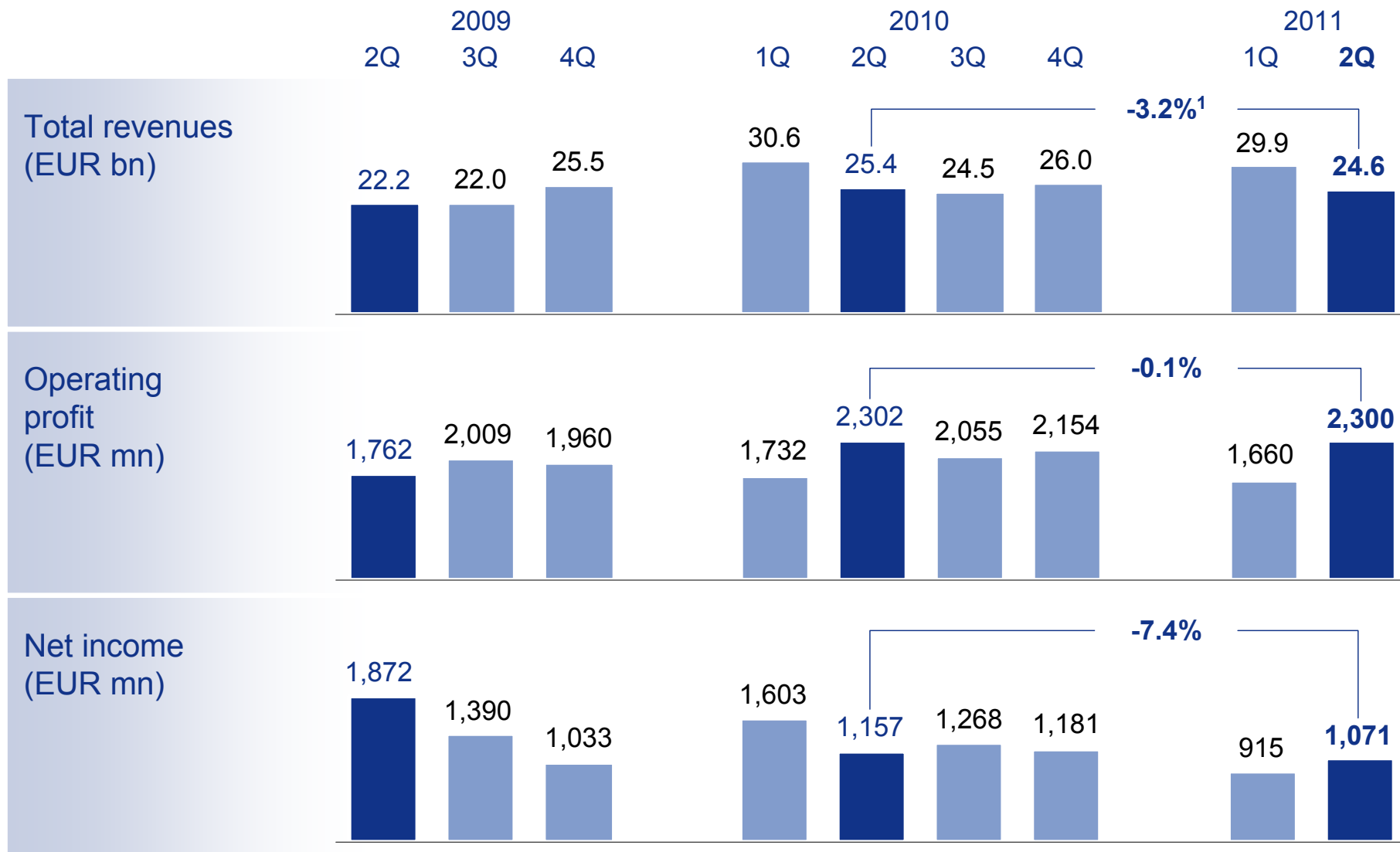
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## Key developments in 1H 2011

1H

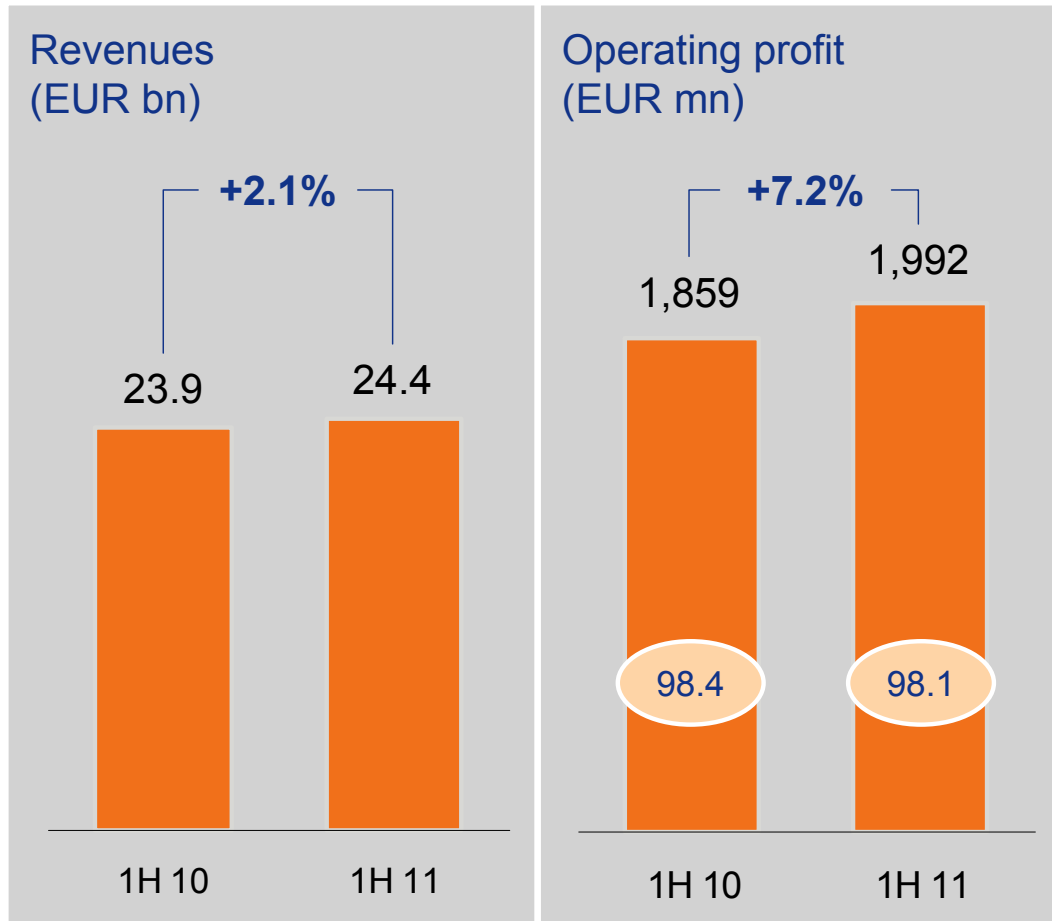
- Strong operating profit despite crisis, slightly below previous year due to high NatCat and negative F/X impact
- Total revenues EUR 54.5bn (-2.6%)
- Operating profit EUR 4.0bn (-1.8%)
- Net income EUR 2.0bn (-28.0%)
- Shareholders' equity EUR 42.6bn (-4.2%)


# Quarterly results overview



1) Internal growth -0.9%, adjusted for F/X and consolidation effects

## P/C 1H 2011: operating profit up 7%

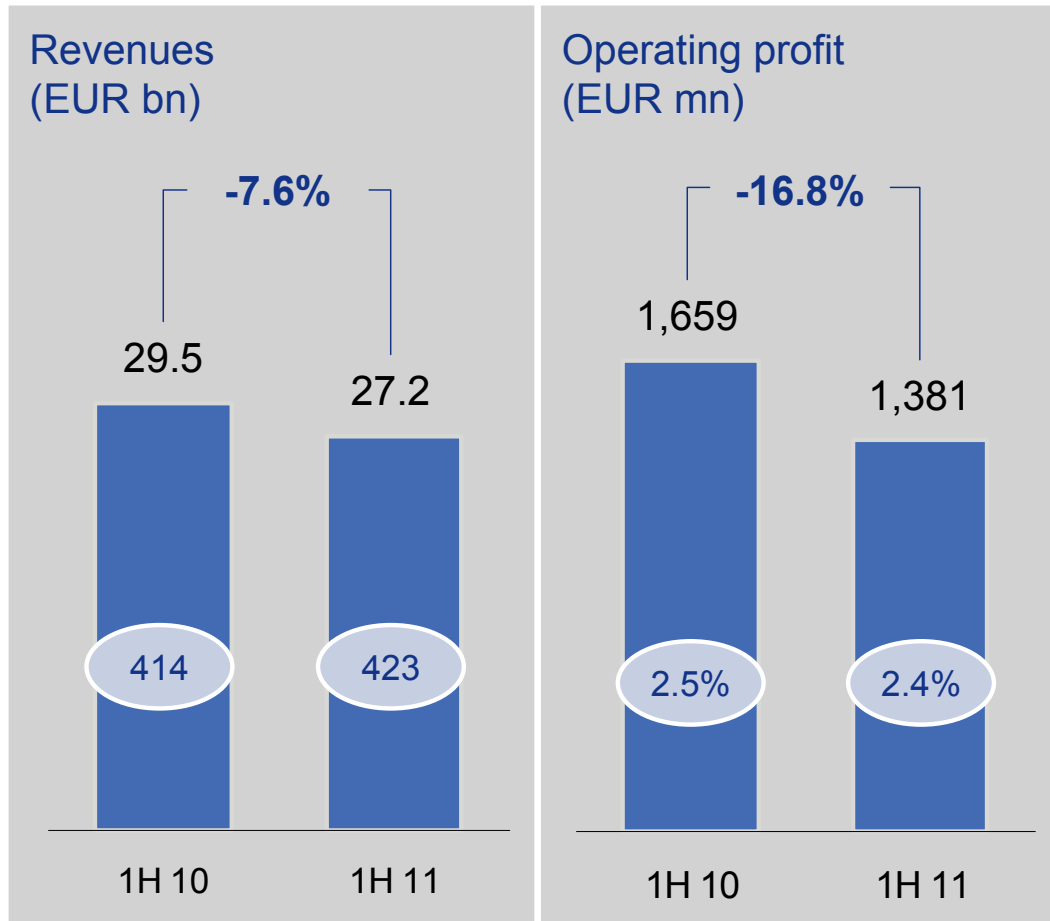


 Combined ratio in %

### Comments

- Growth driven by positive volume and price effects
- Operating profit up due to improvement in France, Italy, credit insurance and AGCS
- NatCat still at high level (EUR 910mn / 4.7%-p CR)
- Accident year loss ratio excluding NatCat steadily improving (<70%)
- Operating investment income grew, driven by higher asset base
- Positive price effect of 1.0% on our renewed business (+1.5% excluding credit insurance)

# L/H 1H 2011: operating profit suffered from impairments

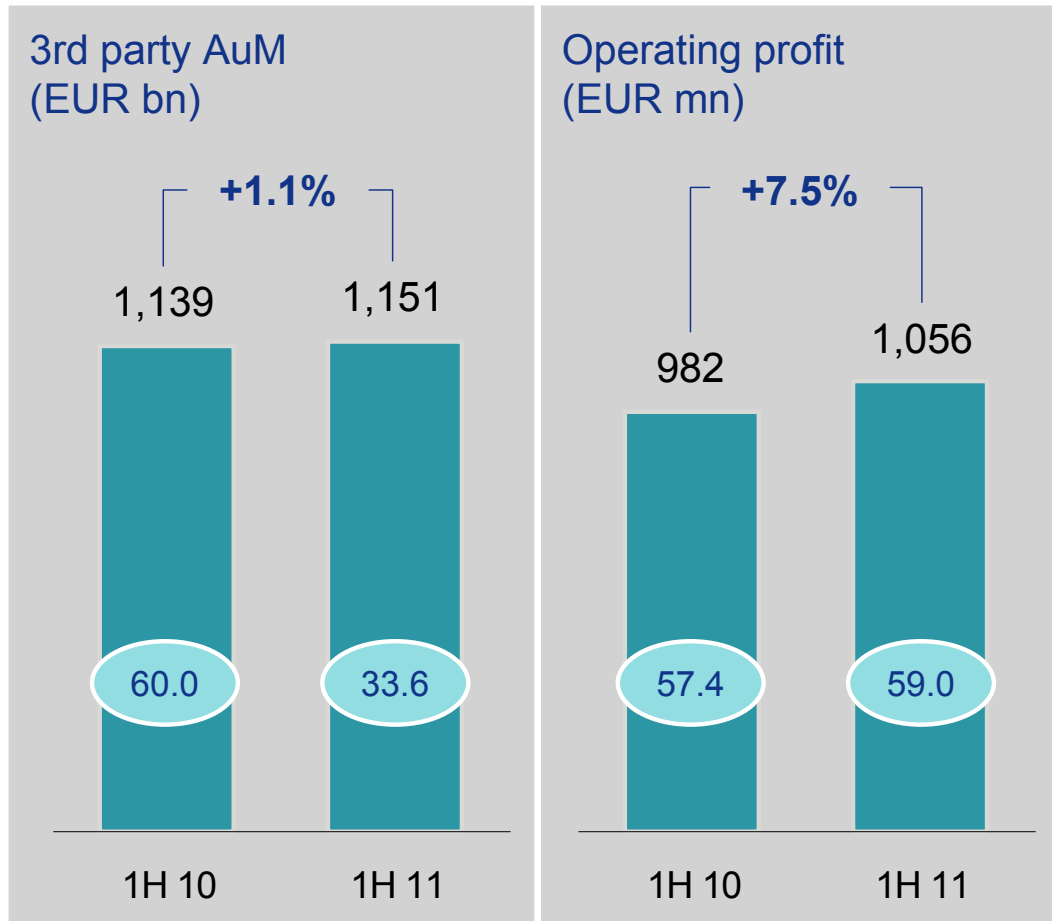


Operating asset base (EUR bn)
  New business margin

## Comments

- Revenue development impacted by positive one-offs in 1H 10
- Operating asset base up 2%, net inflows EUR 2.1bn
- Stable value creation from new business (NBM 2.4%)
- Operating profit suffered from impairments on Greek sovereign bonds (EUR 76mn)

# AM 1H 2011: strong contribution to Group performance



Net inflows (EUR bn)

Cost-income ratio in %

## Comments

- Growing AuM drive revenues and operating profit
- Total AuM internal growth of 11.1%
- Strong net inflows despite difficult market environment
- Share of outperforming assets further increased to outstanding 94% (fixed income) and 65% (equities)
- Shift to higher margin products increases AuM driven margin to 40.3bps from 39.1bps

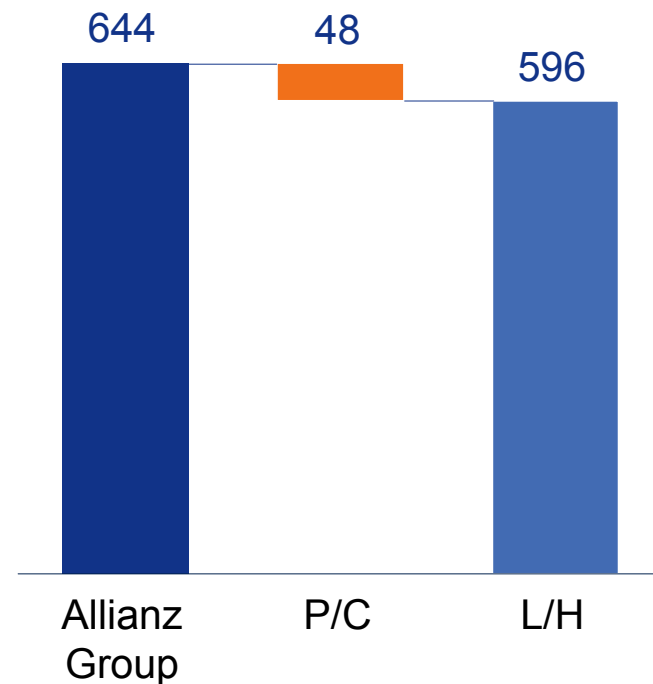
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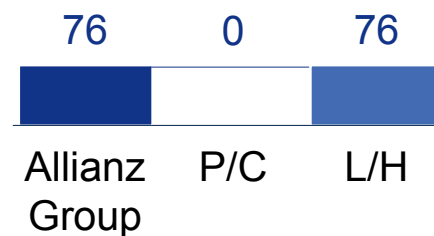


# Greek sovereign bond portfolio impaired to market values 30.6.2011 (EUR mn)

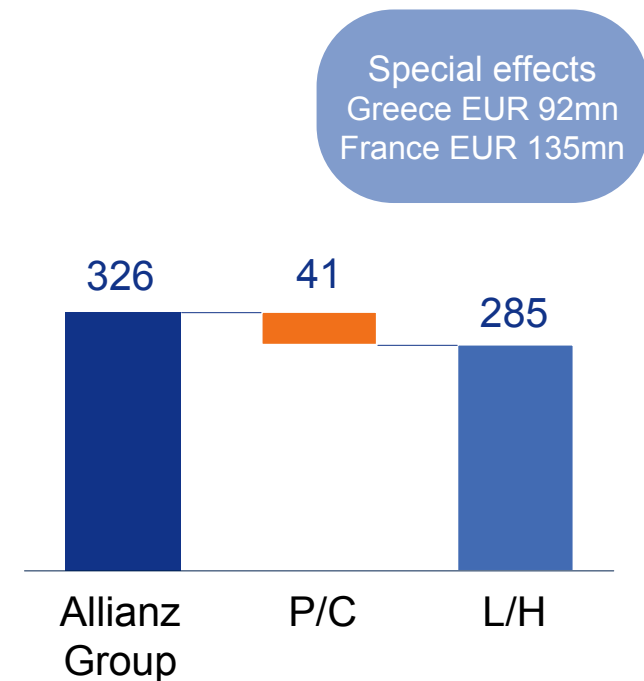
Gross impairments on sovereign bonds



Operating profit effect from impairments (a/php<sup>1</sup>)



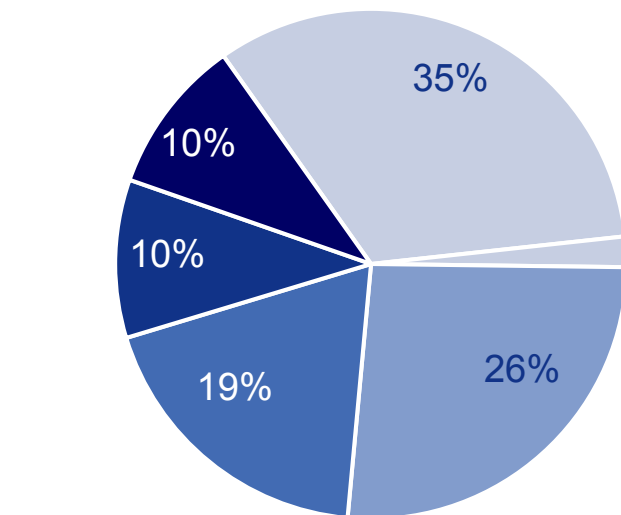
Net income effect from impairments (a/php<sup>1</sup>, a/tax, b/min)



1) After policyholder participation

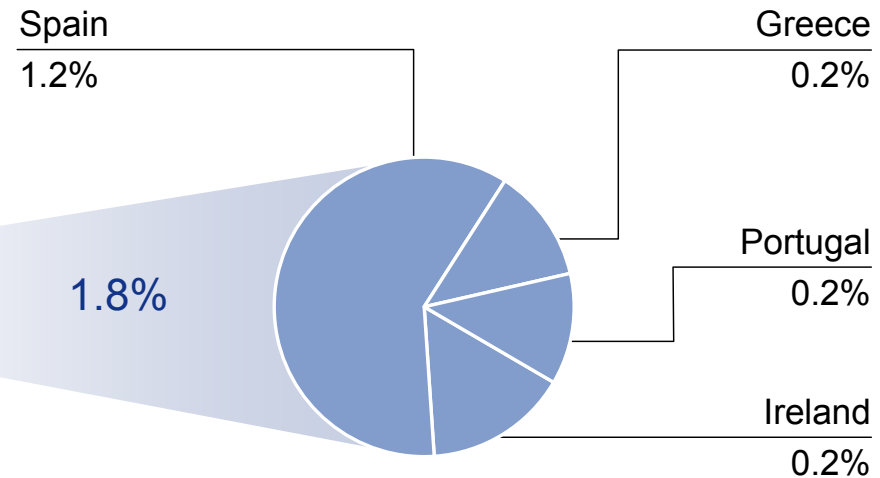
# Remaining exposure to peripheral sovereign bonds marked-to-market ...

Total fixed income portfolio<sup>1</sup>  
100% = EUR 399.6bn



- Government
- Covered bonds
- Corporate
- Banks
- Other

## Government bonds



## Gross exposure (EUR mn)

	Carrying value	Unrealized loss (gross)	Unrealized loss (net) <sup>2</sup>
Spain	5,077	-280	-72
Greece <sup>3</sup>	782	-6	-4
Ireland	646	-195	-58
Portugal	780	-245	-102
<b>Total</b>	<b>7,285</b>	<b>-726</b>	<b>-236</b>

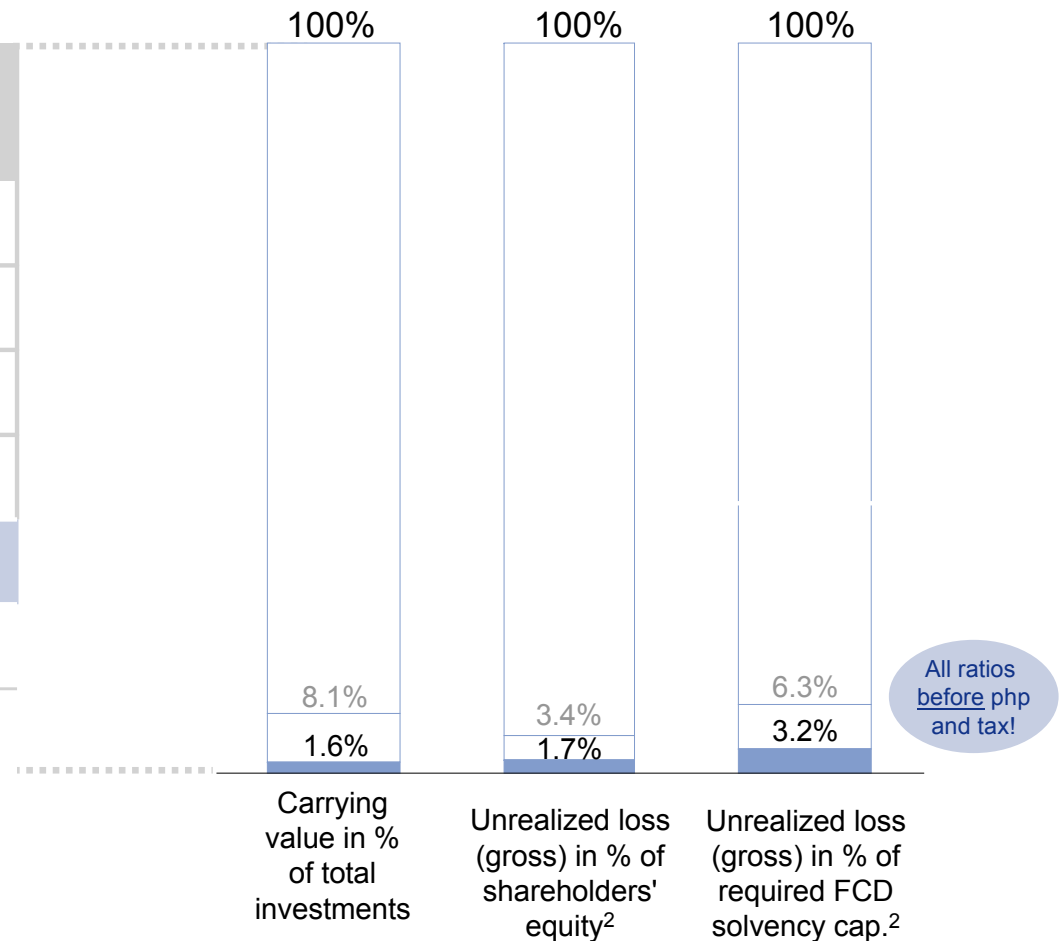
1) As of June 30, 2011, portfolio discussion is based on consolidated insurance portfolios (P/C, L/H, Corporate and Other, does not include Banking operations)  
 2) After policyholder participation and taxes; based on June 30, 2011 balance sheet figures reflected in accumulated other comprehensive income  
 3) After impairments

... and low

### Absolute exposure

EUR mn 1H 2011	Carrying value	Unrealized loss (gross)
Ireland	646	-195
Portugal	780	-245
Greece	782	-6
Spain	5,077	-280
<b>Sub-total</b>	<b>7,285</b>	<b>-726</b>
Italy	29,157	-718
<b>Total</b>	<b>36,442</b>	<b>-1,444</b>

### Relative exposure<sup>1</sup>



1) Light grey ratios refer to total exposure (peripherals plus Italy)

2) Ratios slightly overstated, because net unrealized losses are already deducted from S/H equity

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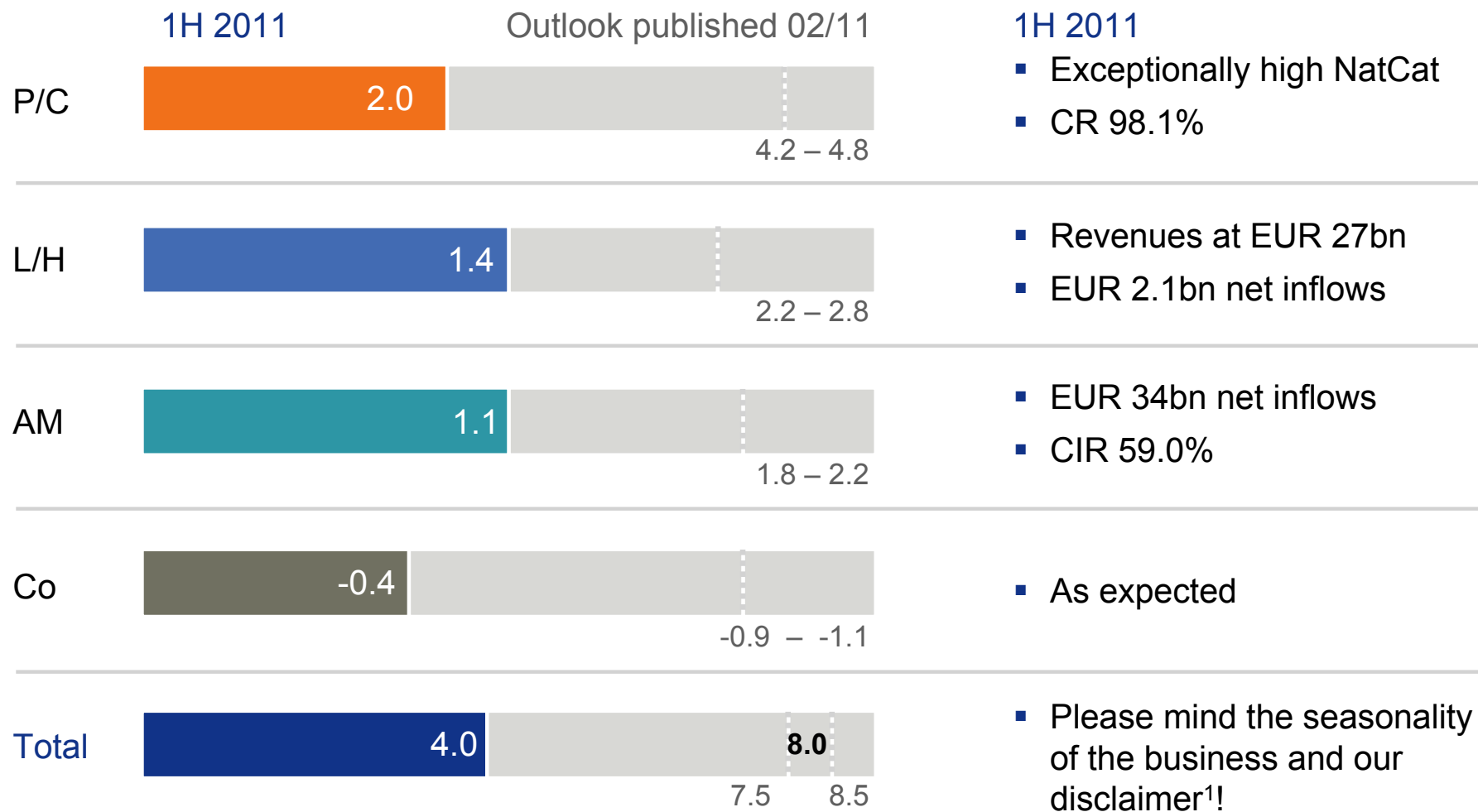
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# Our strategy for the next five years: keep proven business model – just get better ...

	Dimension	Main levers		Mid-term trend
<b>1</b>	Capital efficiency	External	Solvency II, rating, market volatility	
		Internal	Discipline, cash flow, dividends, risk management	
<b>2</b>	Profitability	External	Cycle, interest rates, growth, competition, NatCat	
		Internal	Structures, processes, products, channels	
<b>3</b>	Complexity	External	Transaction opportunities	
		Internal	Disposals, streamlining, Global Lines	
<b>+One</b>	Growth	External	GDP, demography, emerging markets	
		Internal	Distribution, Global Lines, self-retention	

# EUR 7.5 – 8.5bn operating profit expected in 2011

## Operating profit (EUR bn)



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

## Summary: Allianz well positioned

- ➔ Strong capital base
- ➔ Resilient and well diversified business model
- ➔ High-quality investment portfolio
- ➔ Balanced growth opportunities
- ➔ EUR 7.5bn – 8.5bn operating profit expected in 2011



# Appendix



# Investor Relations contacts

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## Financial calendar

November 11, 2011	3rd quarter results 2011
February 23, 2012	Financial press conference for the 2011 fiscal year
February 24, 2012	Analysts' conference for the 2011 fiscal year
March 23, 2012	Annual Report 2011
May 9, 2012	Annual General Meeting
May 15, 2012	Interim Report 1st quarter 2012
August 3, 2012	Interim Report 2nd quarter 2012
November 9, 2012	Interim Report 3rd quarter 2012

The German Securities Trading Act ("Wertpapierhandelsgesetz") obliges issuers to announce immediately any information which may have a substantial price impact, irrespective of the communicated schedules. Therefore we cannot exclude that we have to announce key figures of quarterly and fiscal year results ahead of the dates mentioned above. As we can never rule out changes of dates, we recommend checking them on the Internet at [www.allianz.com/financialcalendar](http://www.allianz.com/financialcalendar).

# Disclaimer

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

## Cautionary Note Regarding Forward-Looking Statements

The statements contained herein may include statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by reason of context, the words "may", "will", "should", "expects", "plans", "intends", "anticipates", "believes", "estimates", "predicts", "potential", or "continue" and similar expressions identify forward-looking statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) general economic conditions, including in particular economic conditions in the Allianz Group's core business and core markets, (ii) performance of financial markets, including emerging markets, and including market volatility, liquidity and credit events (iii) the frequency and severity of insured loss events, including from natural catastrophes and including the development of loss expenses, (iv) mortality and morbidity levels and trends, (v) persistency

levels, (vi) the extent of credit defaults, (vii) interest rate levels, (viii) currency exchange rates including the Euro/U.S. Dollar exchange rate, (ix) changing levels of competition, (x) changes in laws and regulations, including monetary convergence and the European Monetary Union, (xi) changes in the policies of central banks and/ or foreign governments, (xii) the impact of acquisitions, including related integration issues, (xiii) reorganization measures, and (xiv) general competitive factors, in each case on a local, regional, national and/ or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences. The company assumes no obligation to update any forward-looking statement.

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