

# Building momentum

Oliver Bäte,  
Chief Financial Officer

Deutsche Bank German &  
Austrian Corporate Conference,  
Frankfurt, 19 May 2011

# Key figures at a glance<sup>1</sup>

EUR **106.5bn** total revenues

EUR **1,492bn** AuM<sup>2</sup>

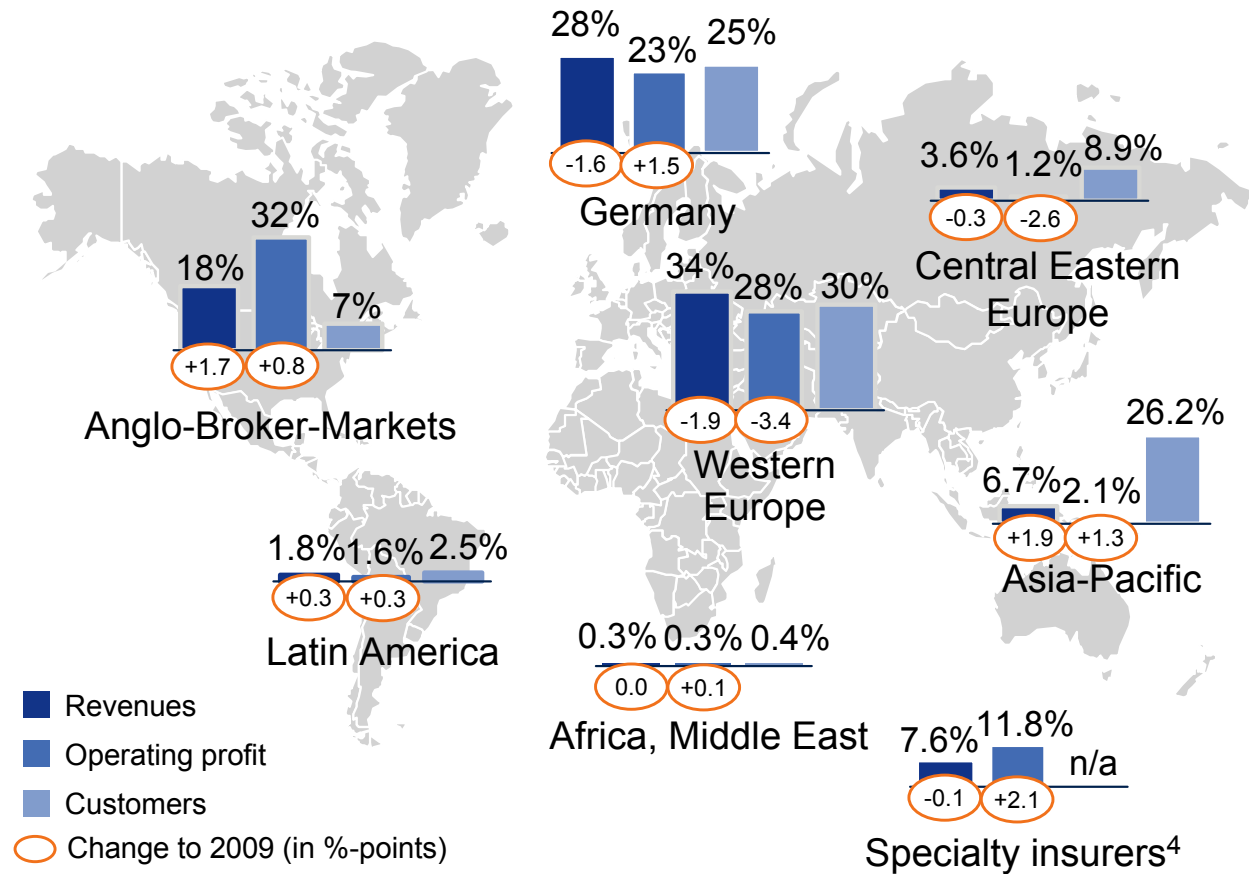
EUR **8.2bn** operating profit

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

EUR **45bn** market cap<sup>2</sup>

More than **76mn** customers

## Split of revenues, operating profit and customers<sup>3</sup>



1) Figures as per 12M 2010  
 2) 31/03/2011

3) Customer figures including non-consolidated companies  
 4) Allianz Global Corporate & Specialty, Euler Hermes, Mondial Assistance, ART

**1** Success factor

## Skills, scale and brand provide ...

- 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

**Allianz** 

**Allianz** 

Global Investors

P I M C O

 **MONDIAL**  
ASSISTANCE

 **EULER HERMES**

Allianz Global Corporate & Specialty

## ... increasing access to business opportunities ...

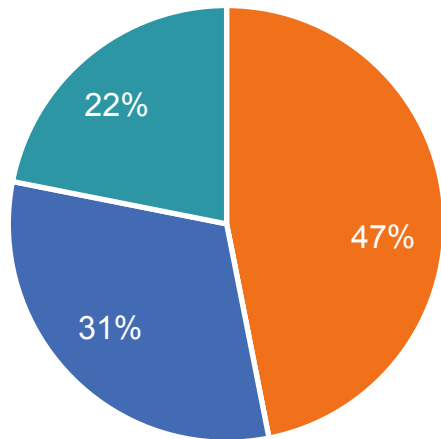
1) All rankings mentioned on the slide based on 2009 or 2010 data

**2** Success factor

... based on a well diversified business

Segments<sup>1</sup>

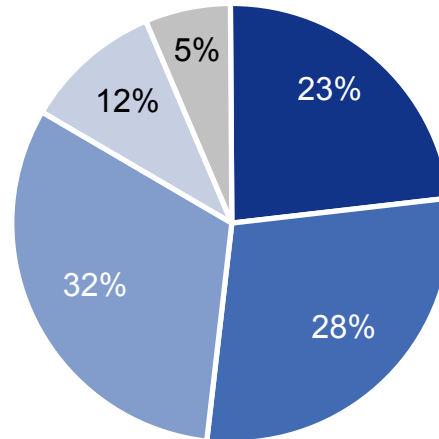
Operating profit in %



- P/C
- L/H
- AM

Regions<sup>1</sup>

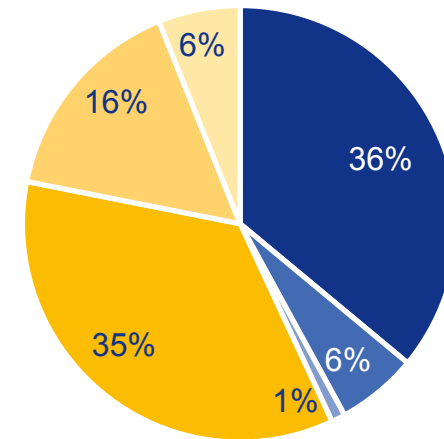
Operating profit in %



- Germany
- Western Europe
- Broker markets US, UK, AUS
- Specialty insurance
- Growth markets

Distribution

Insurance revenues in %



- Tied agents
- Other prop. networks
- Direct
- Brokers and IFAs
- Bancassurance
- Other (thereof car manufacturers 2%)

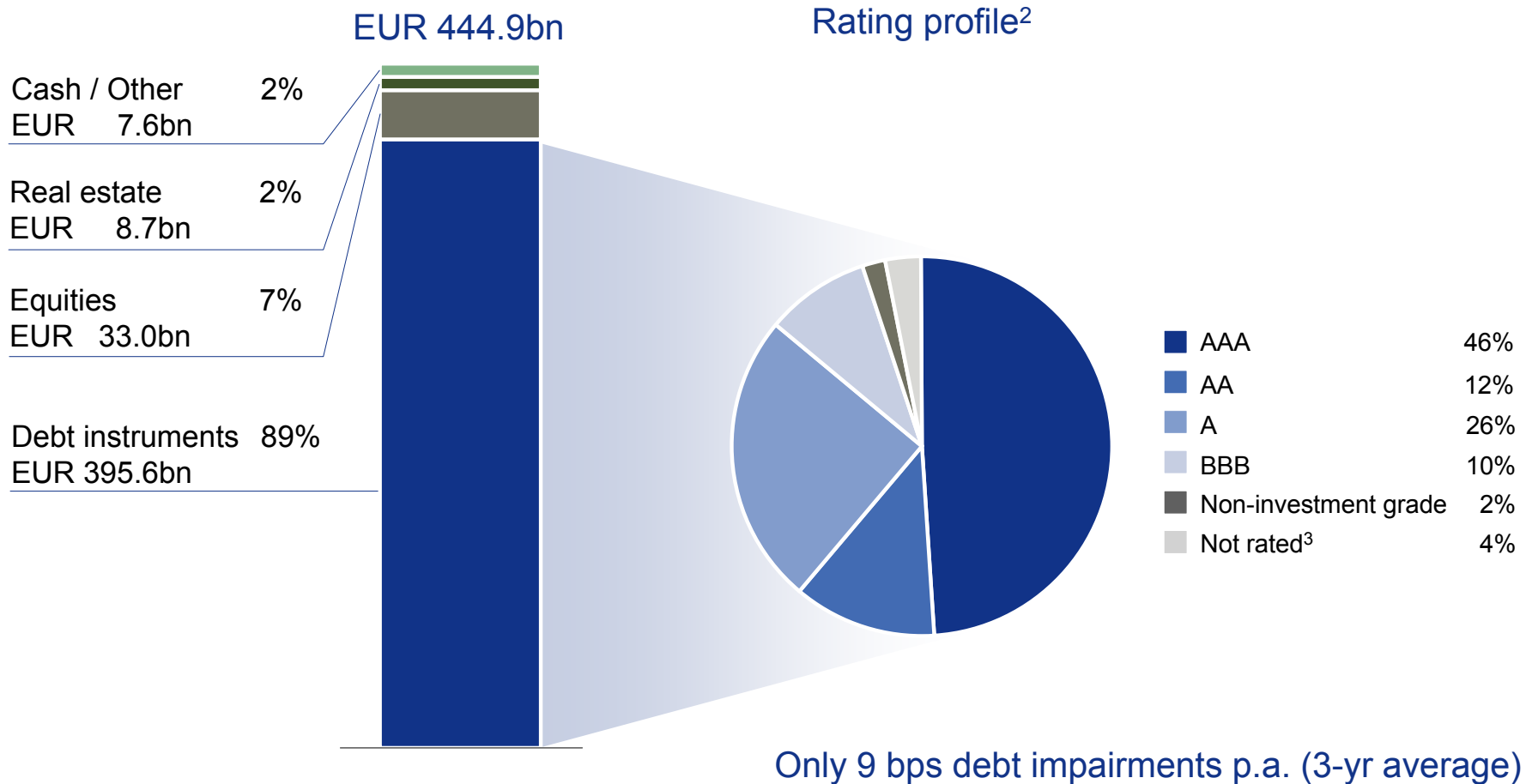
1) Relation of positive parts of 2010 operating profit

**3** Success factor

# ... backed by a high-quality investment portfolio

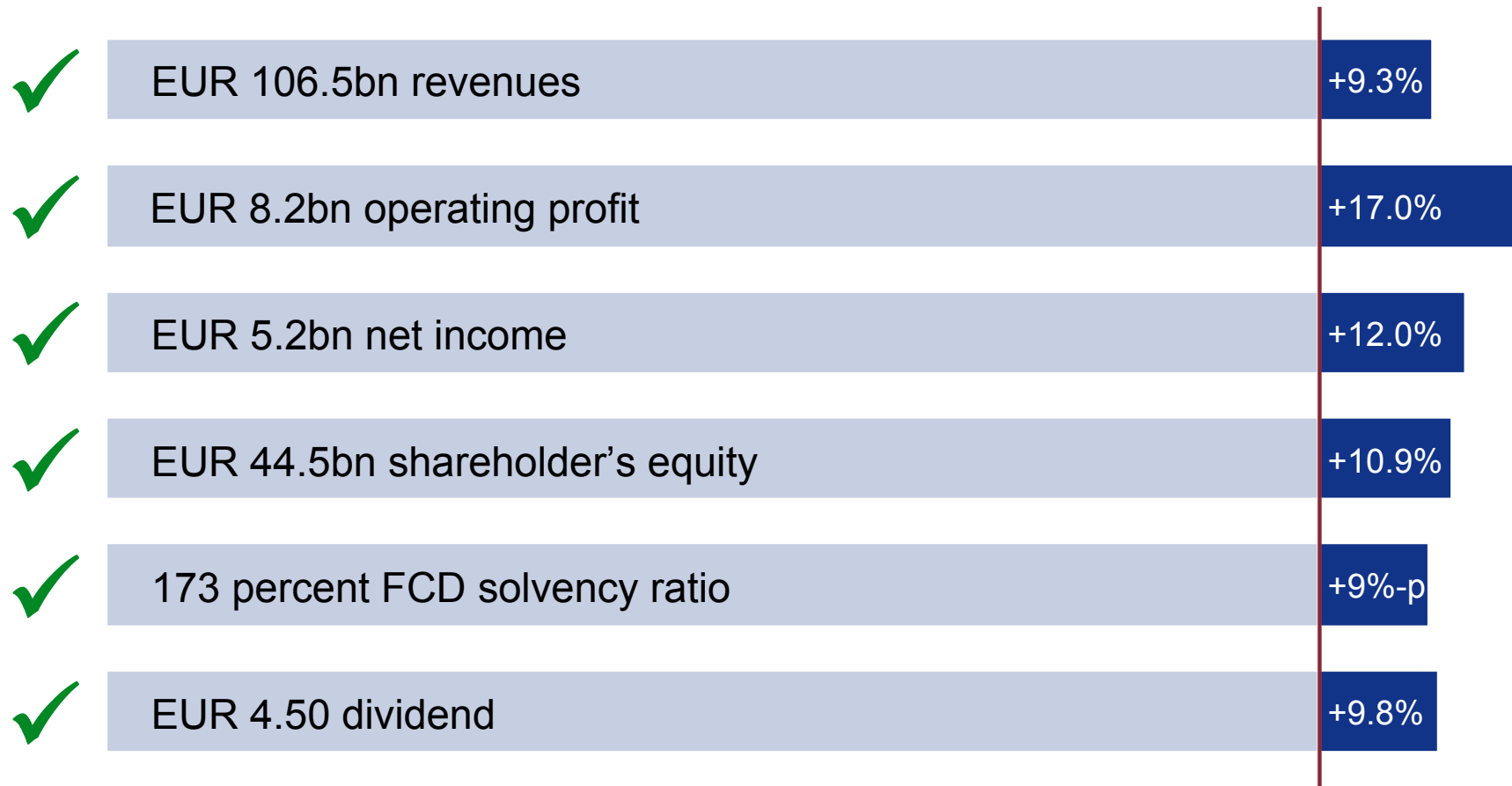
Conservative asset allocation<sup>1</sup>

High-quality fixed income portfolio



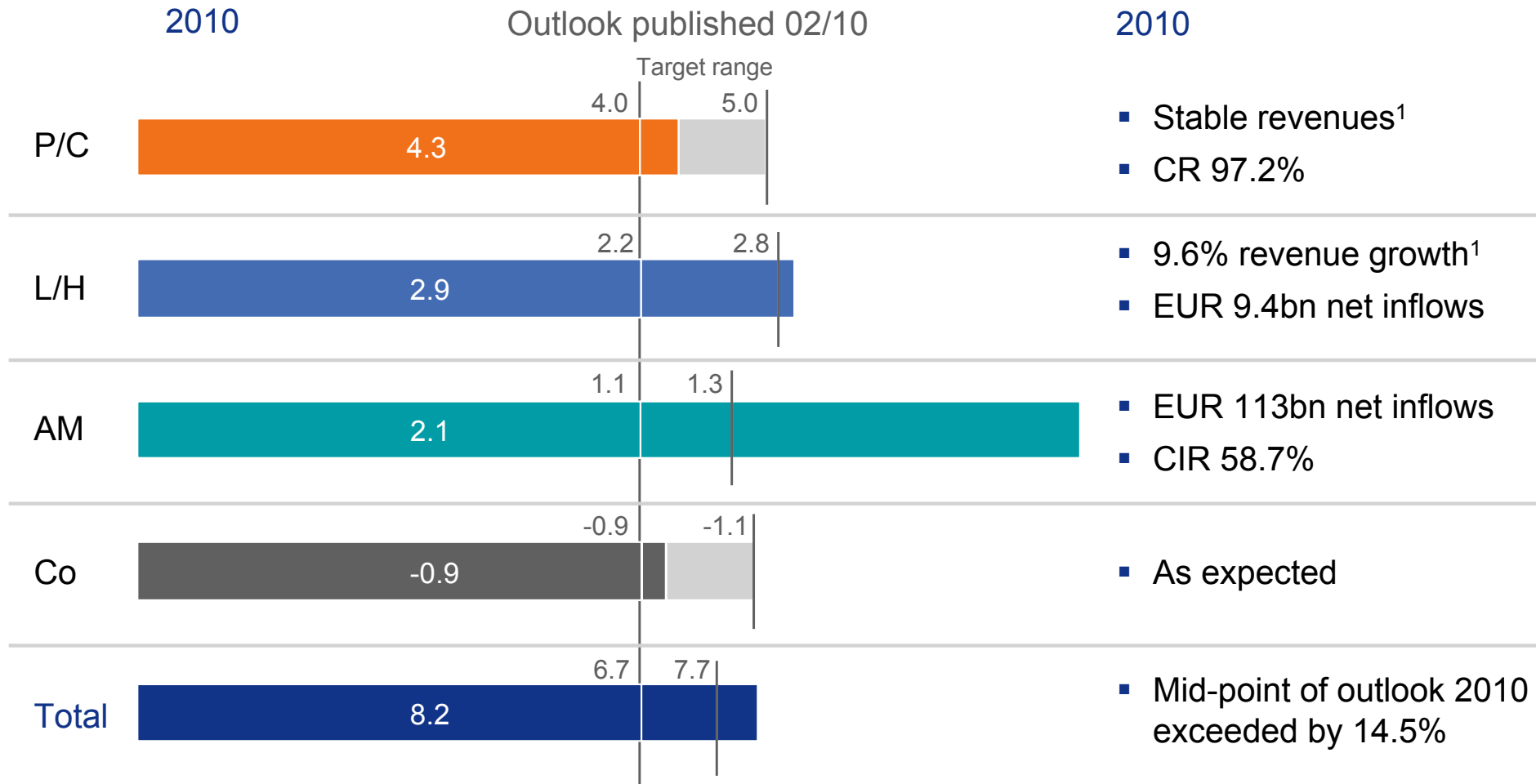
1) Based on consolidated insurance portfolios (P/C, L/H), Corporate and other  
 2) Excluding self-originated German private retail mortgage loans  
 3) Mostly policyholder loans, registered debentures all of investment grade quality

## Strong performance in 2010 ...



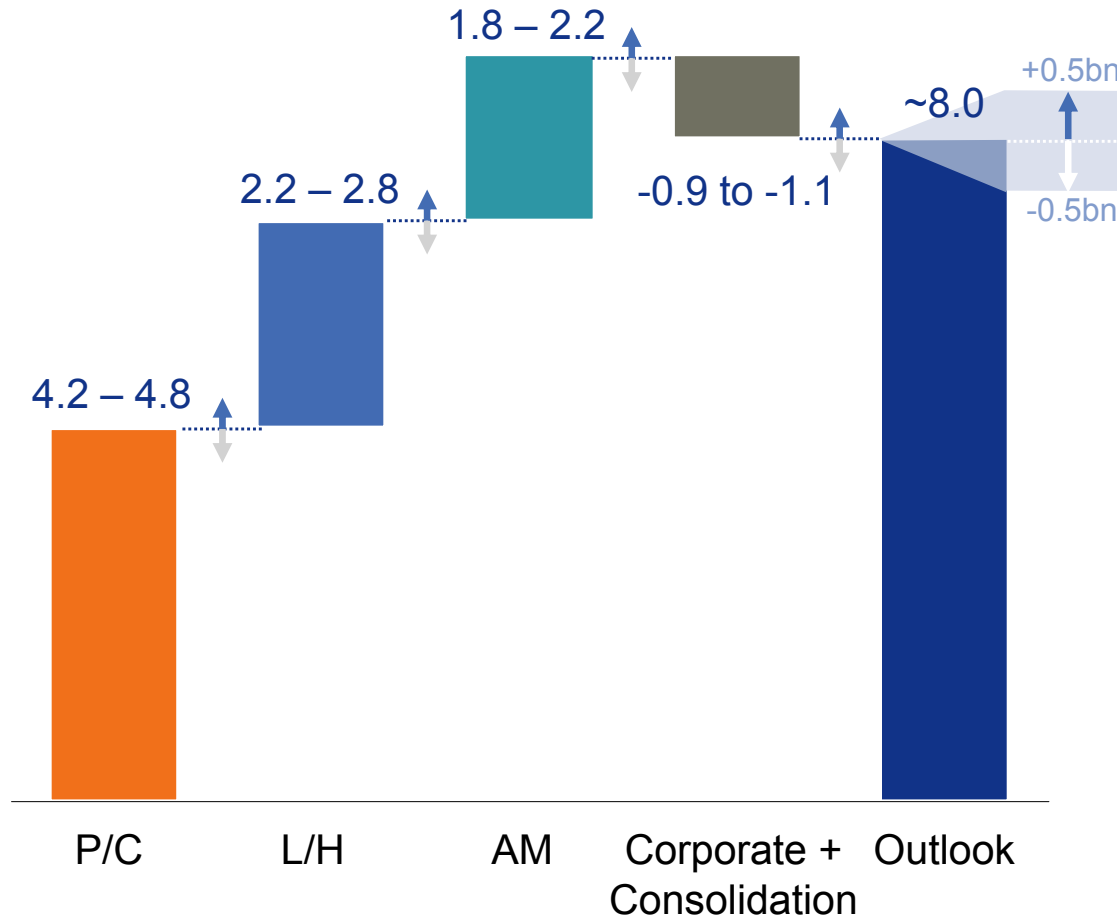
# ... exceeding outlook

## Operating profit (EUR bn)



1) Internal growth

# Outlook 2011: solid operating profit (EUR bn)



- Range of operating profit outlook reflects diversification
- **Disclaimer:** Impact from NatCat, financial markets and global economic development not predictable!



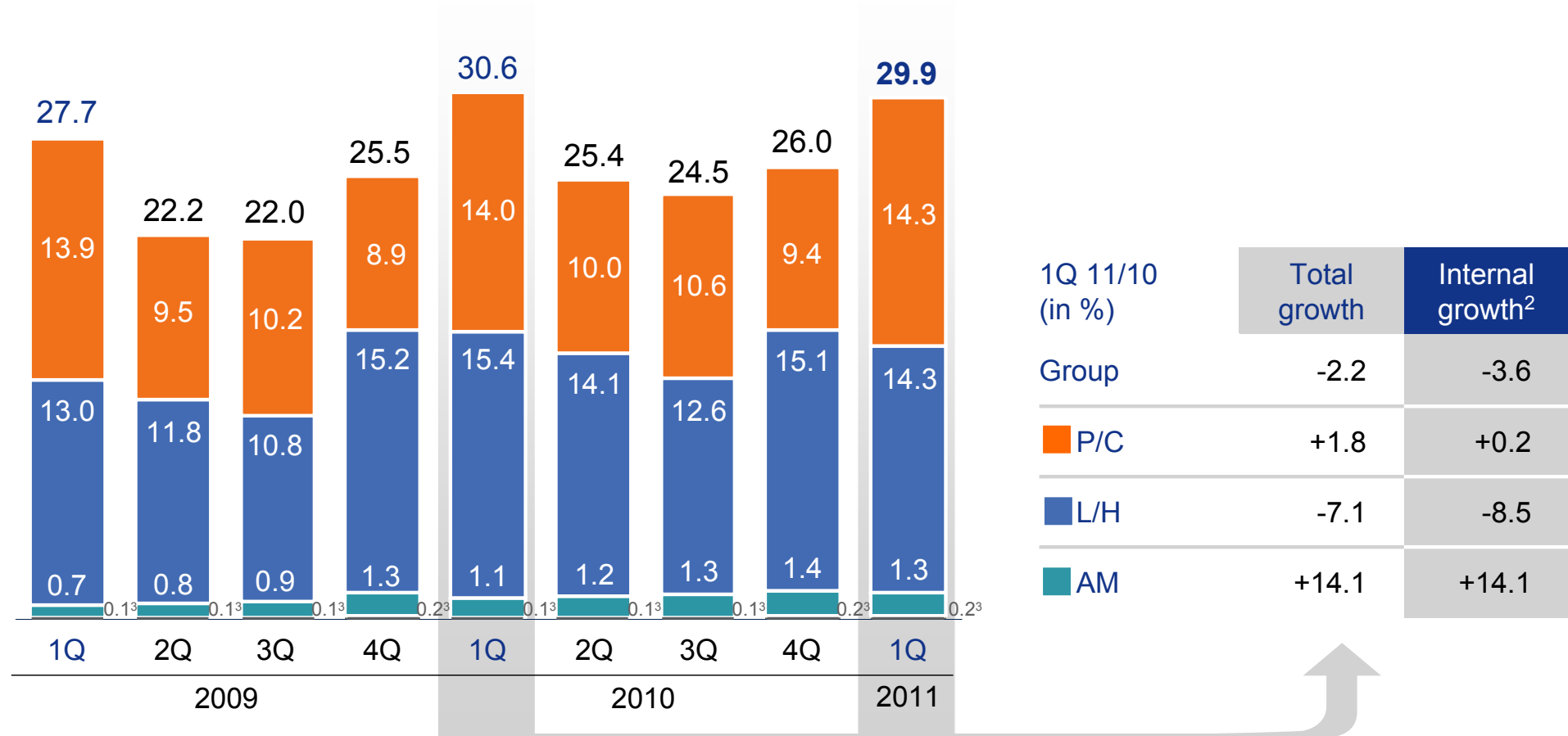
## Allianz 1Q 2011



- Total revenues on a high level at EUR 29.9bn
- Operating profit at EUR 1.7bn, despite severe NatCat losses
- Net income at EUR 915mn, due to lower non-operating result and temporarily higher tax rate
- Capital position continues to be strong

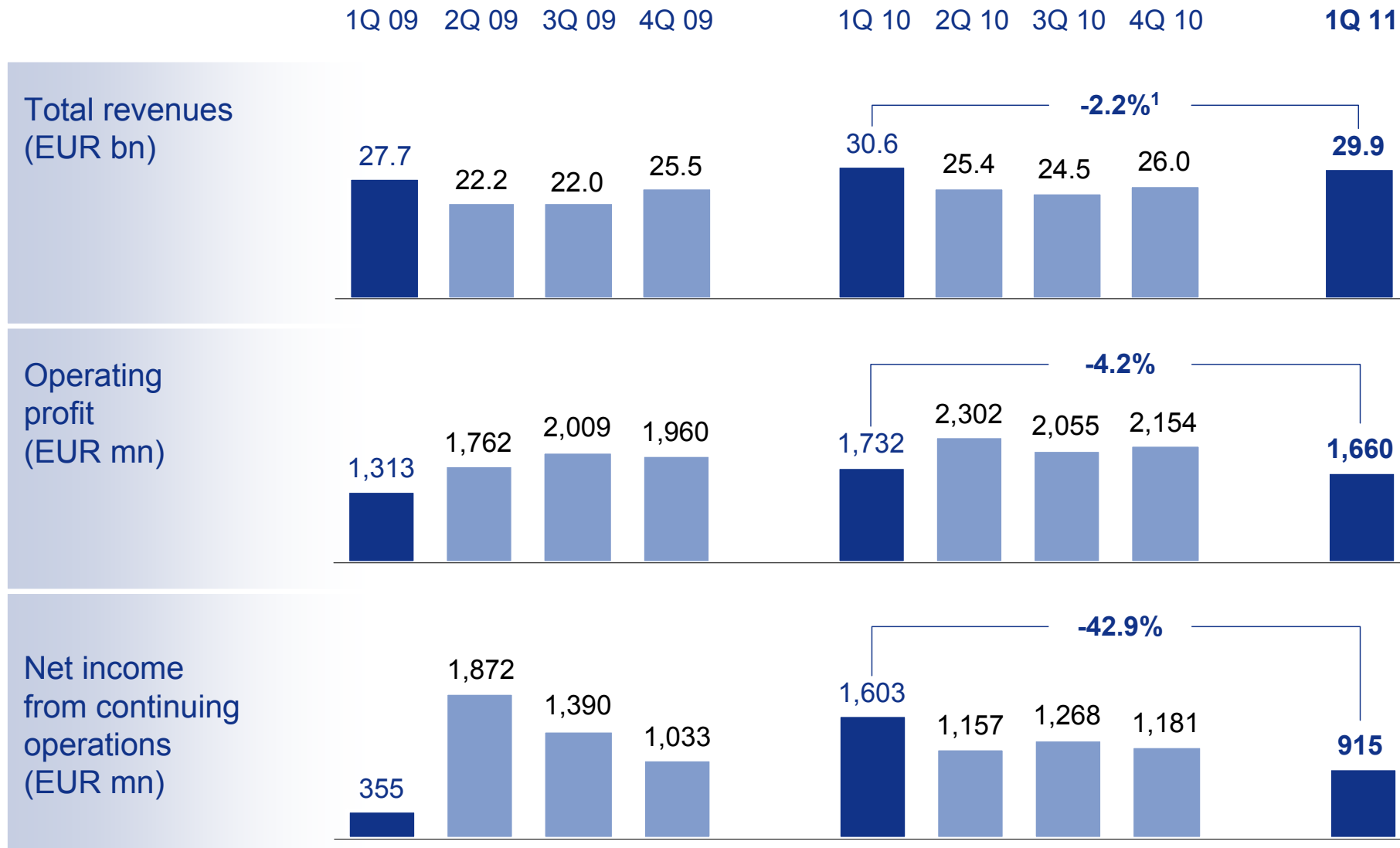
# Total revenues at EUR 29.9bn

## Total revenues<sup>1</sup> (EUR bn)



1) Total revenues comprise statutory gross premiums written in P/C and L/H, operating revenues in AM and total revenues in Corporate and Other (Banking). All segment figures are based on segment consolidated numbers; figures for the Group as a whole are based on fully consolidated numbers.  
 2) Adjusted for F/X and consolidation effects. Total and internal growth on segment level is based on segment consolidated data. Total and internal growth for total revenues are based on fully consolidated figures.  
 3) Represents Banking total revenues (for every quarter), internal growth is +20.8% in 1Q 2011

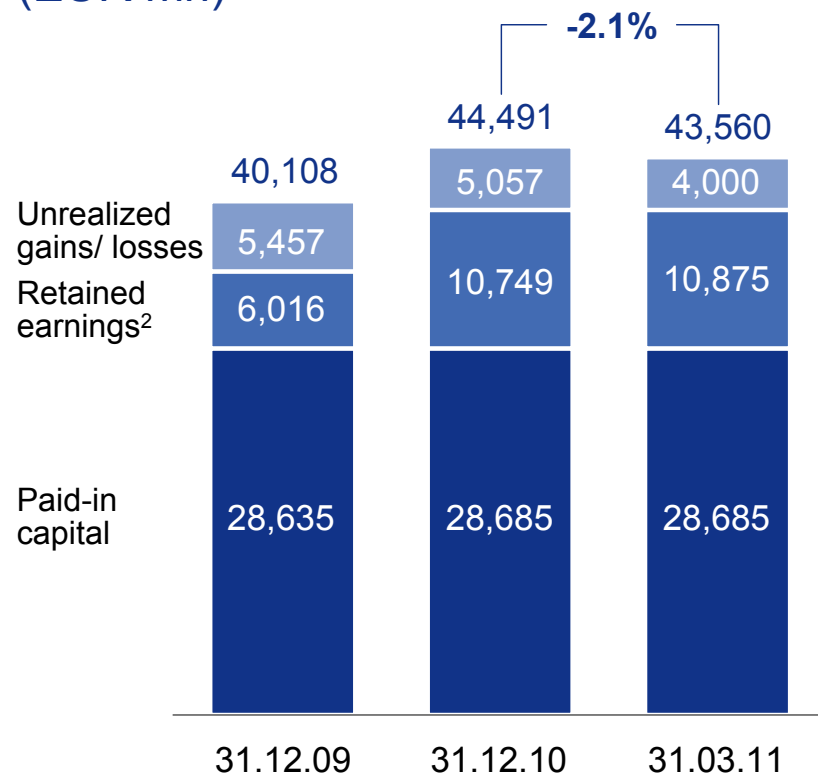
# Quarterly results overview



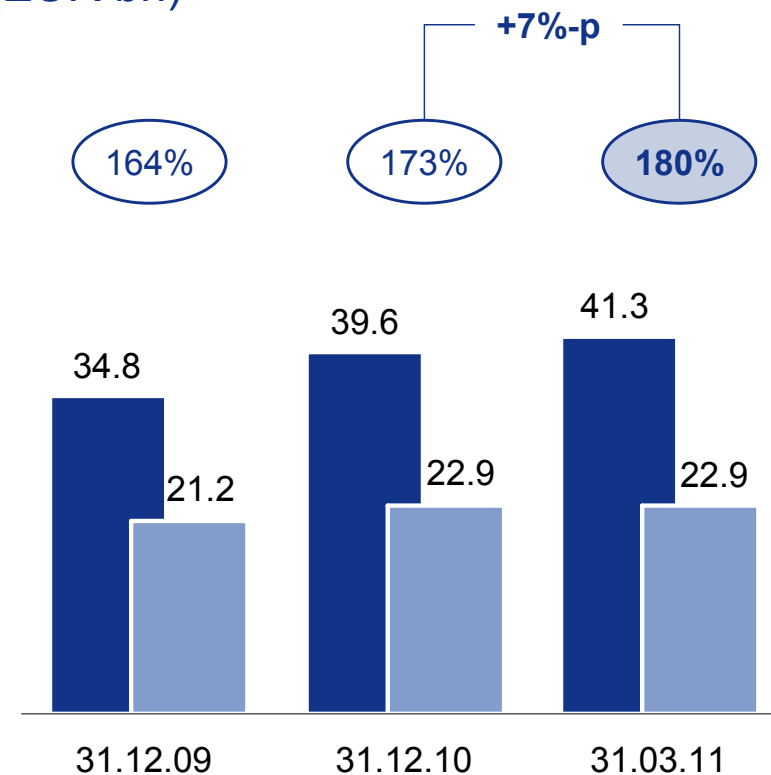
1) Internal growth -3.6%, adjusted for F/X effects and consolidation effects

# Capital position continues to be strong

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



Conglomerate solvency<sup>3</sup>  
(EUR bn)



■ Available funds    ○ Solvency ratio  
■ Requirement

1) Excluding non-controlling interests (31.12.09: EUR 2,121mn, 31.12.10: EUR 2,071mn, 31.03.11: EUR 2,055mn)

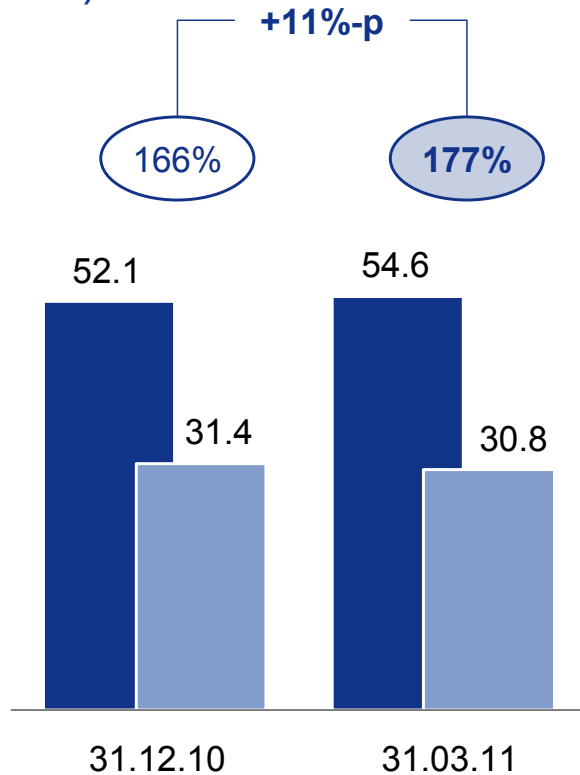
2) Including F/X

3) Including off-balance sheet reserves (31.12.09: EUR 2.0bn, 31.12.10: EUR 2.1bn, 31.03.11: EUR 2.1bn) pro forma.

The solvency ratio excluding off-balance sheet reserves would be 155% as of 31.12.09, 164% as of 31.12.10 and 171% as of 31.03.11

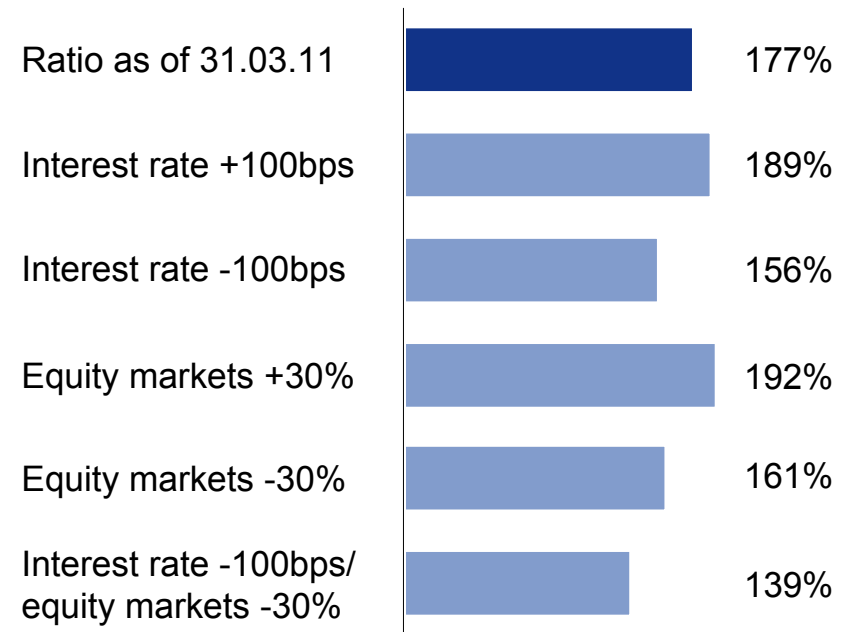
# Economic solvency at 177%

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



■ Risk bearing funds    ○ Economic solvency ratio  
■ Risk capital

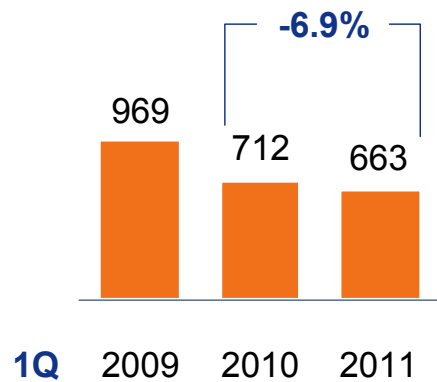
Estimated impact<sup>2</sup>



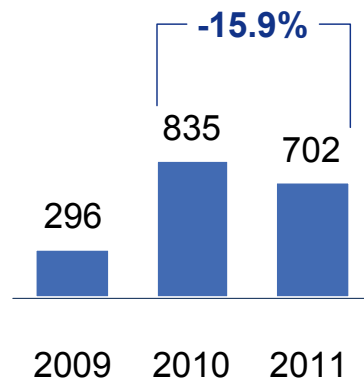
1) Internal risk capital is calculated at 99.97% confidence level. At the local OE-level we are capitalizing at 99.93% confidence level. Risk bearing funds reflect yield curves and liquidity premium for valuation purposes in line with the current proposal of the European Insurance and Occupational Pensions 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)

# 1Q 11: operating profit at EUR 1.7bn (EUR mn)

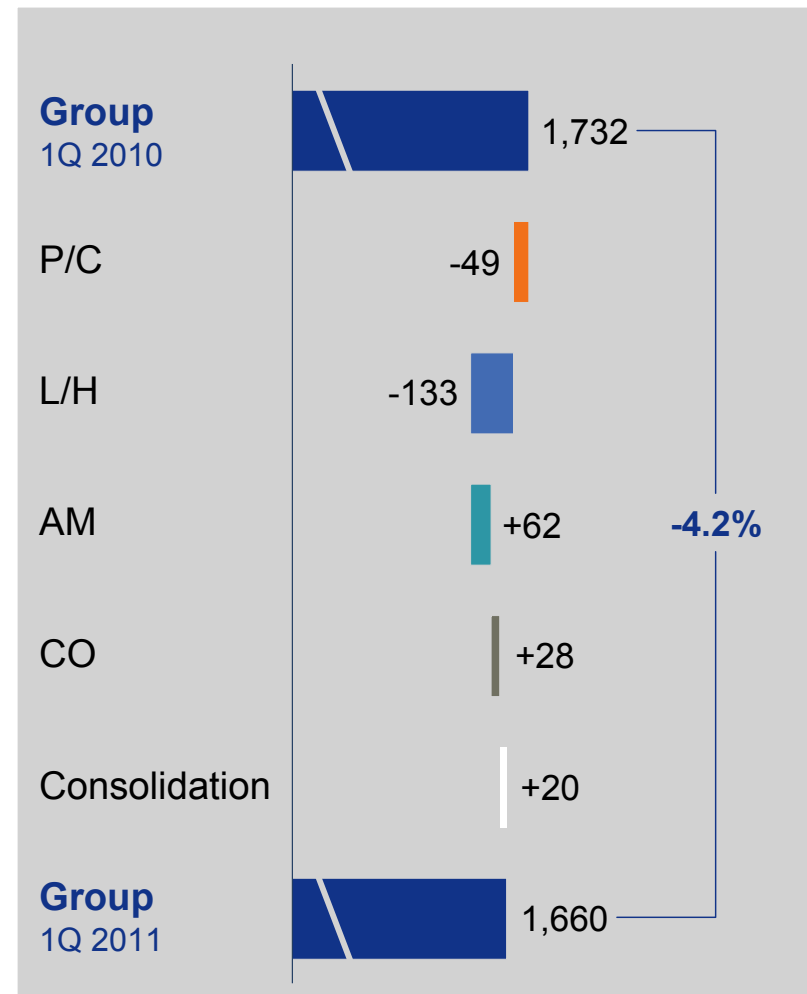
Property/Casualty



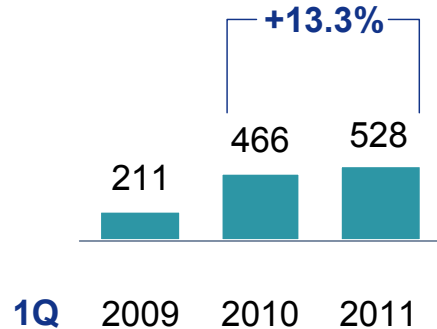
Life/Health



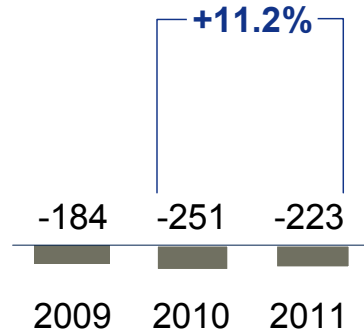
Δ 1Q 11/10



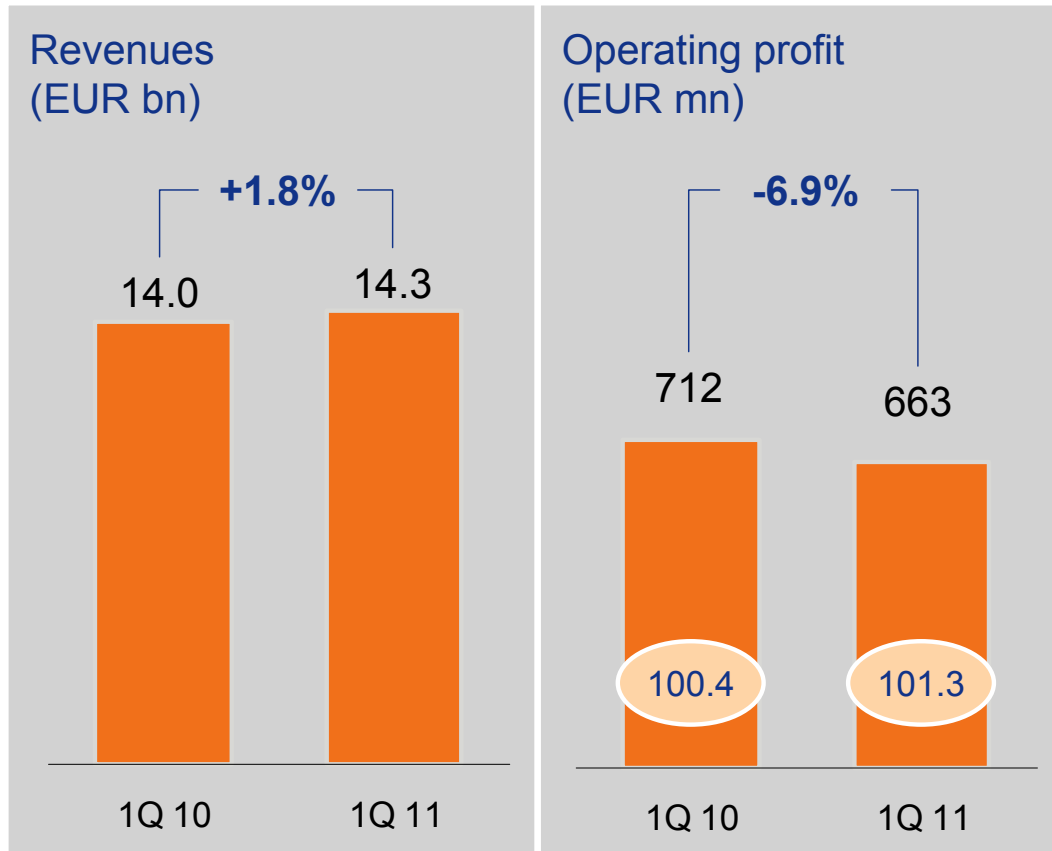
Asset Management



Corporate and Other



## P/C 1Q 2011: exceptionally high NatCat claims



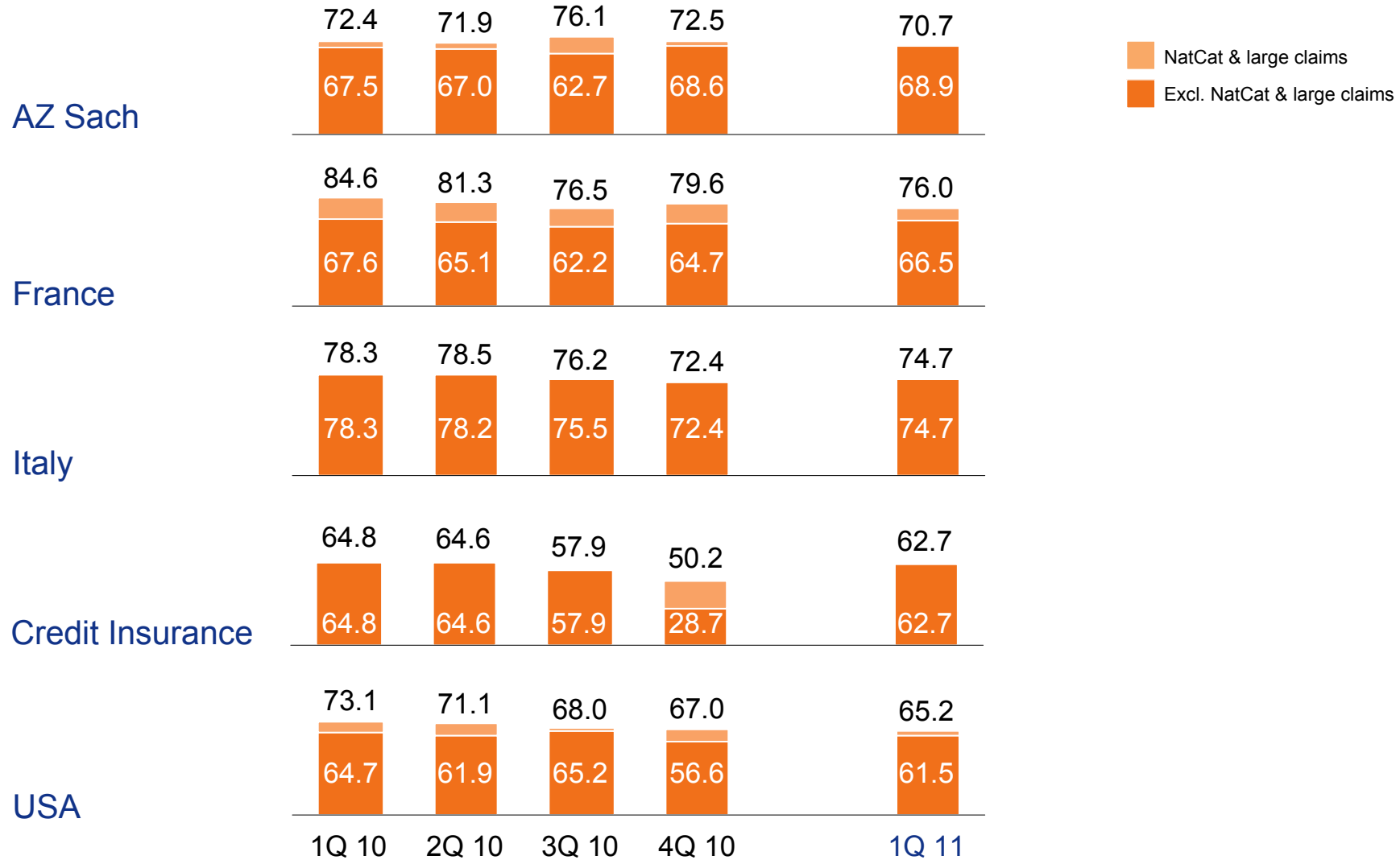
● Combined ratio in %

### Comments

- Growth focused on profitable markets and segments
- Operating profit lower mainly due to high NatCat of EUR 737mn (7.6%-p CR), EUR 182mn more than 1Q 10 year
- Accident year loss ratio excluding NatCat stabilizing below 70%
- Operating investment income grows, driven by higher asset base
- Positive price effect of 0.8% on our renewed business (+1.4% excluding Credit Insurance)

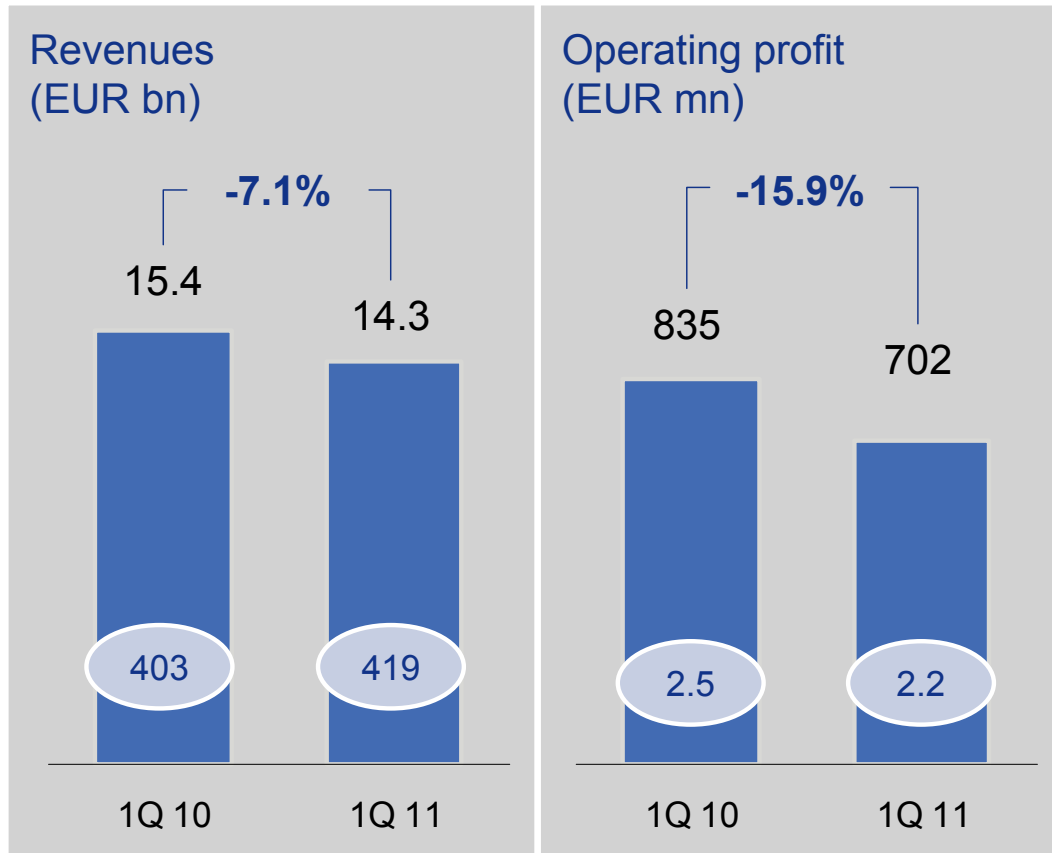
## Positive trend in core markets

### Development of accident year loss ratio (in %)





# L/H 1Q 2011: operating profit at high end of pro-rata annual target range

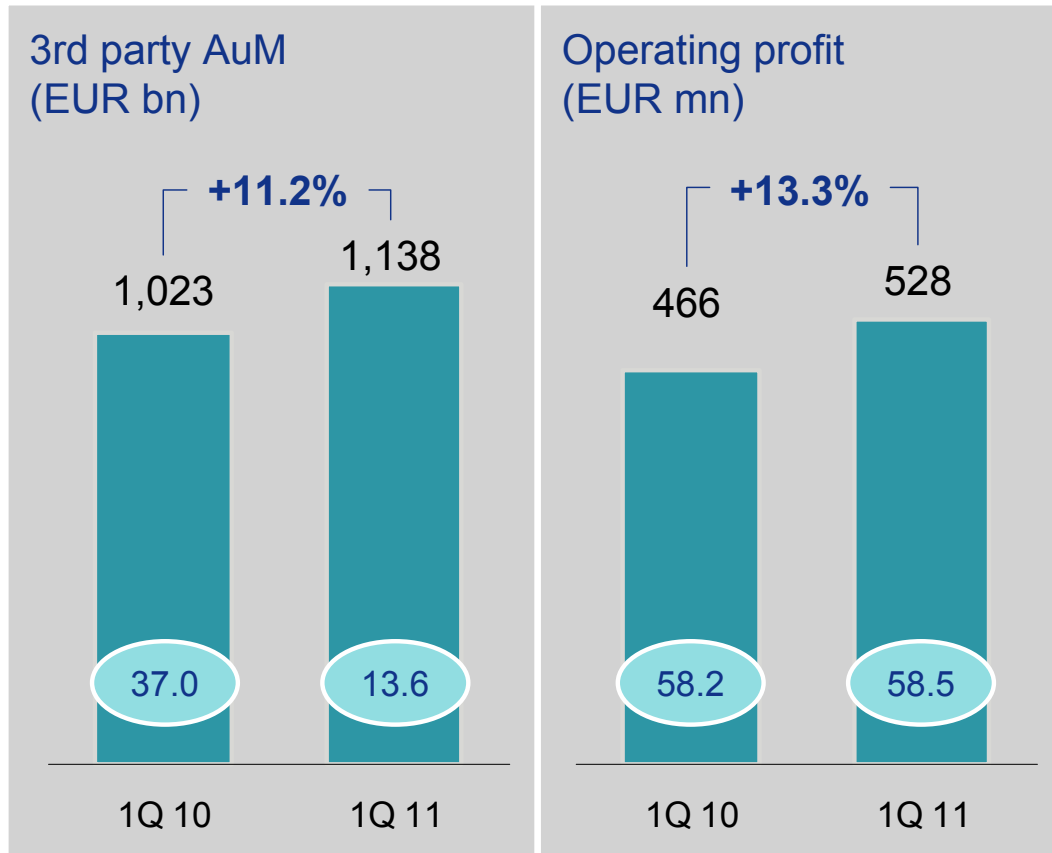


## Comments

- Revenue development impacted by positive one-offs in 1Q 10
- Operating asset base up 4%, net inflows EUR 6.7bn
- New business margin significantly improved compared to 4Q 10 (1.8%)

Operating asset base (EUR bn)
  New business margin in %

# AM 1Q 2011: strong contribution to Group performance



Net inflows (EUR bn)

Cost-income ratio in %

## Comments

- Growing AuM drive revenues and profitability
- Strong net inflows despite difficult market environment
- Share of outperforming assets further increased to outstanding 92% (fixed income) and 68% (equities)
- Shift to higher margin products increases AuM driven margin to 39.8bps from 38.2bps

## Summary 1Q 2011



- Total revenues on a high level at EUR 29.9bn
- Operating profit at EUR 1.7bn, despite very high NatCat losses
- Net income at EUR 915mn, due to lower non-operating result and temporarily higher income taxes
- Capital position continues to be strong

**Outlook<sup>1</sup>:**  
on track

## Challenges going forward

### Global deleveraging

- Capital availability
- Capital costs



Banks and sovereigns with significant (re-)financing challenges

### Financial market regulation

- Basel III, Solvency II, SiFis



Regulatory initiatives mean increasing costs for customers

### Sovereign debt problem

- EU/EMU (liquidity vs. solvency problem)
- USA (e.g., QE2, individual federal states)



Any sovereign restructuring will also require a systemic solution for banks

### Political unrest

- North Africa
- Developing countries



Current global economic recovery at risk

### Mid-term risk of inflation

- Boom in raw materials and precious metals
- EU inflation and US monetary policy



Inflation scenarios

### NatCat events

- Australia, New Zealand, Japan



Increasing number of large-scale NatCat events and discussion about future of nuclear energy

## Elevator pitch

- ➔ Strong capital base
- ➔ Resilient and well diversified business model
- ➔ Growing operating asset base
- ➔ High-quality investment portfolio
- ➔ Attractive dividend yield
- ➔ EUR 7.5bn – 8.5bn operating profit expected in 2011



# Appendix

## Investor Relations contacts

<p><b>Oliver Schmidt</b>  +49 89 3800-3963</p> <p>Head of Investor Relations E-mail: <a href="mailto:oliver.schmidt@allianz.com">oliver.schmidt@allianz.com</a></p>	<p><b>Peter Hardy</b>  +49 89 3800-18180</p> <p>E-mail: <a href="mailto:peter.hardy@allianz.com">peter.hardy@allianz.com</a></p>
<p><b>Holger Klotz</b>  +49 89 3800-18124</p> <p>E-mail: <a href="mailto:holger.klotz@allianz.com">holger.klotz@allianz.com</a></p>	<p><b>Reinhard Lahusen</b>  +49 89 3800-17224</p> <p>E-mail: <a href="mailto:reinhard.lahusen@allianz.com">reinhard.lahusen@allianz.com</a></p>
<p><b>Christian Lamprecht</b>  +49 89 3800-3892</p> <p>E-mail: <a href="mailto:christian.lamprecht@allianz.com">christian.lamprecht@allianz.com</a></p>	<p><b>Stephanie Aldag</b>  +49 89 3800-17975</p> <p>IR Events E-mail: <a href="mailto:stephanie.aldag@allianz.com">stephanie.aldag@allianz.com</a></p>
<p><b>Investor Relations</b>  +49 89 3800-3899</p> <p>E-mail: <a href="mailto:investor.relations@allianz.com">investor.relations@allianz.com</a></p>	<p><b>Internet</b></p> <p>(English): <a href="http://www.allianz.com/investor-relations">www.allianz.com/investor-relations</a>            (German): <a href="http://www.allianz.com/ir">www.allianz.com/ir</a></p>

## Financial calendar

July 21, 2011	Capital Markets Day, New York
August 5, 2011	2nd quarter results 2011
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

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).



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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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