

Moving forward

Oliver Bäte
Member of the Board of Management

Morgan Stanley European
Financials Conference
London, March 19, 2013

Allianz 

1

Moving forward

- 1** 2012 results review
- 2** Strategic priorities in Europe
- 3** Summary

Highlights of the 2012 results



- Total revenues increase 2.7 percent to EUR 106.4bn
- Operating profit grows 20.8 percent to EUR 9.5bn
- Shareholders' net income doubles to EUR 5.2bn
- Solvency I ratio increases by 18%-points to 197%

Strong results despite difficult environment

EUR bn

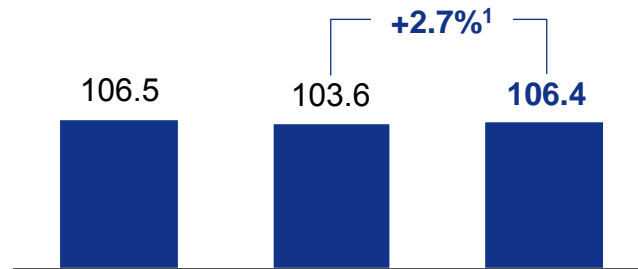
2010

2011

2012

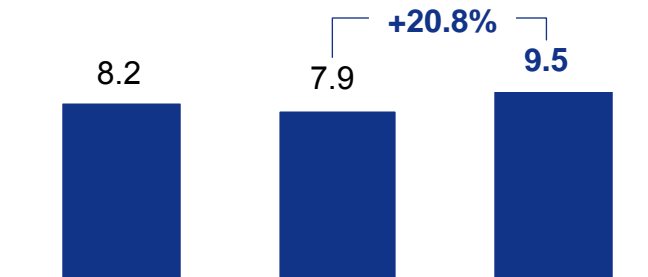
Key drivers 2012/11 development

Total revenues



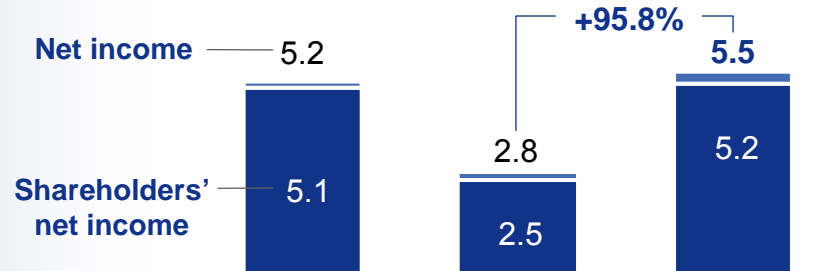
- Solid growth in Property-Casualty and excellent growth in Asset Management

Operating profit



- All operating segments contribute to strong operating profit increase

Net income



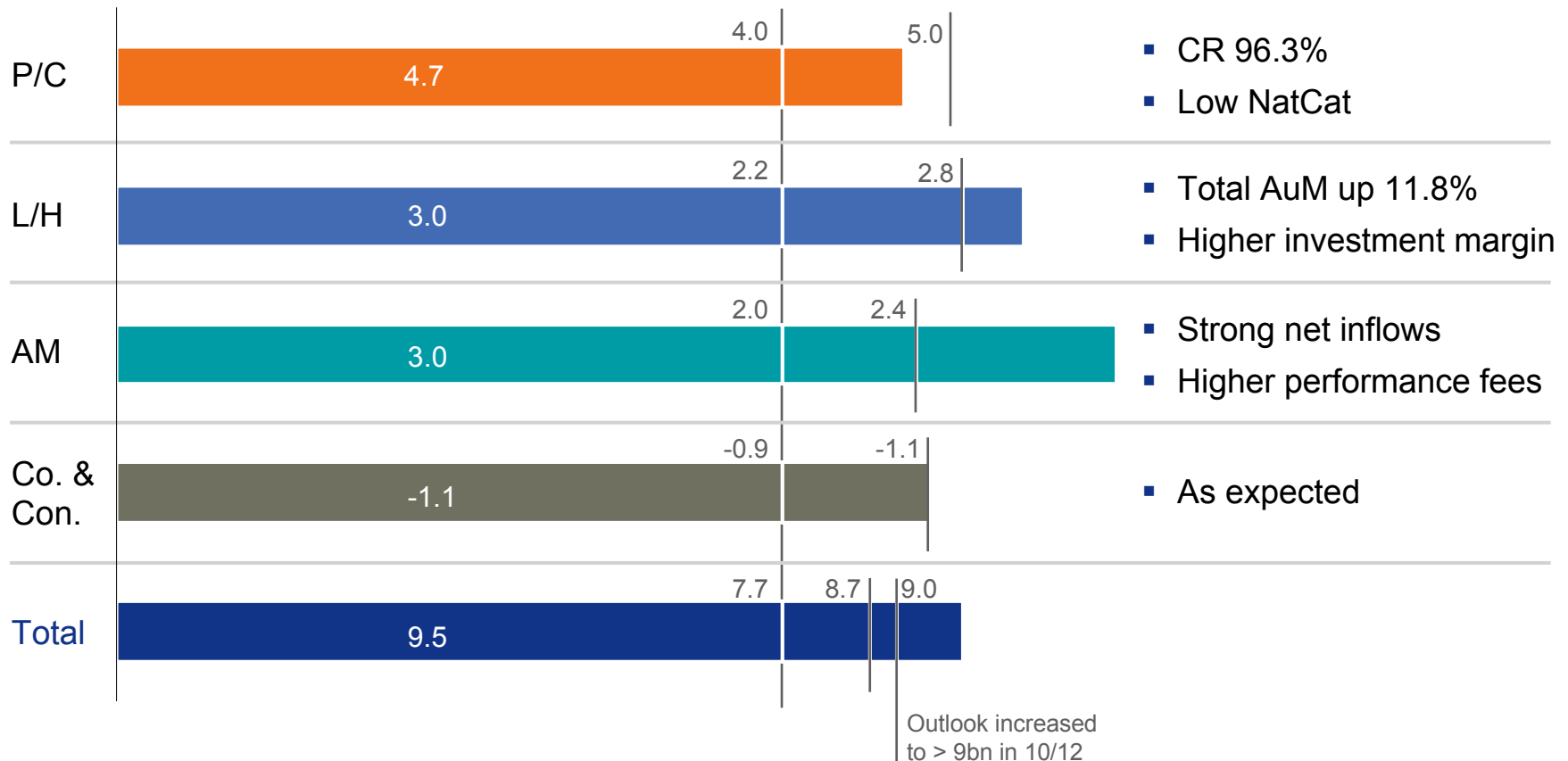
- Net income almost doubles supported by lower impairments in 2012

1) Internal growth 0.5%, adjusted for F/X and consolidation effects

Operating profit exceeds target range

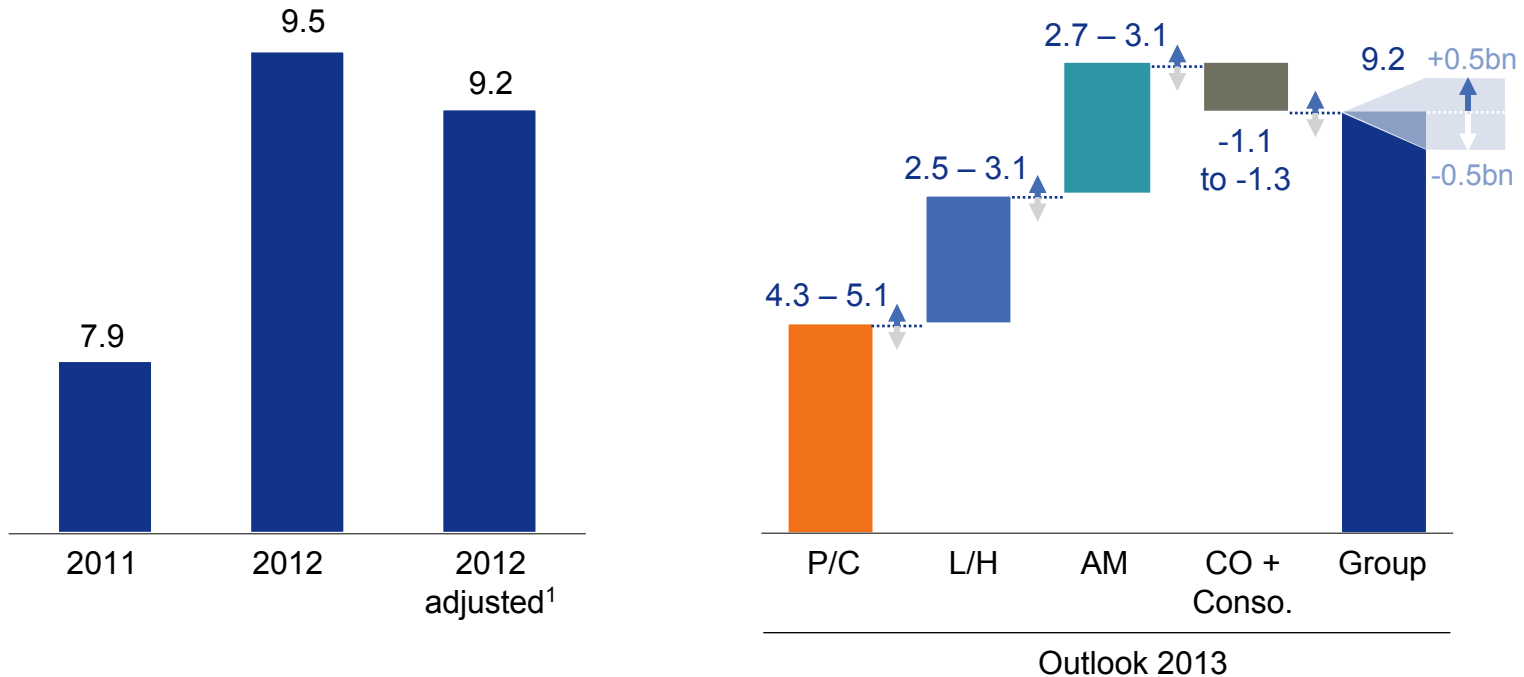
Operating profit 2012 (EUR bn)

Target range published 02/12



Operating profit outlook 2013

Operating profit (EUR bn)

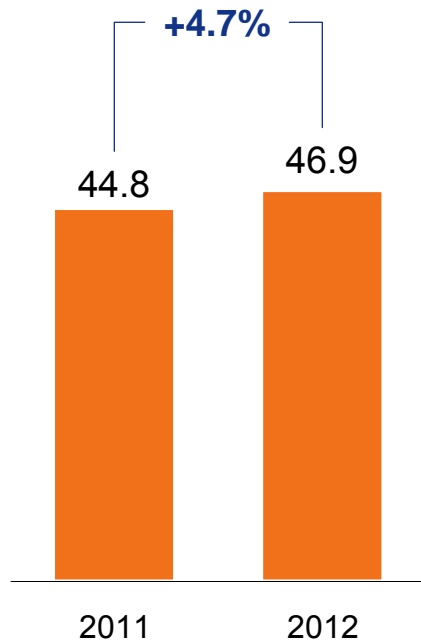


- Range of operating profit outlook reflects diversification
- **Disclaimer:** Impact from NatCat, financial markets and global economic development not predictable!

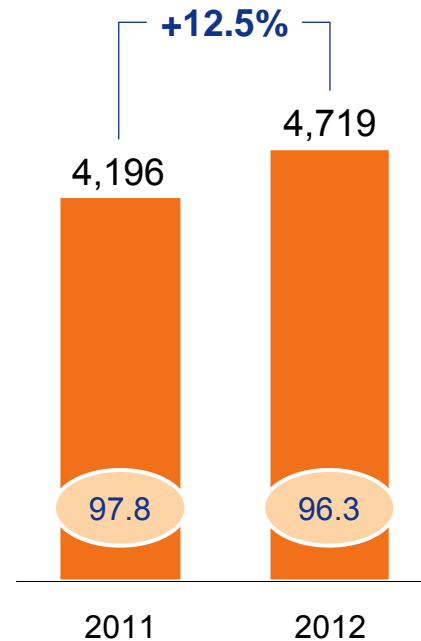
1) From 2013 onwards restructuring costs will be classified as operating

P/C – solid operating performance

Revenues
(EUR bn)



Operating profit
(EUR mn)

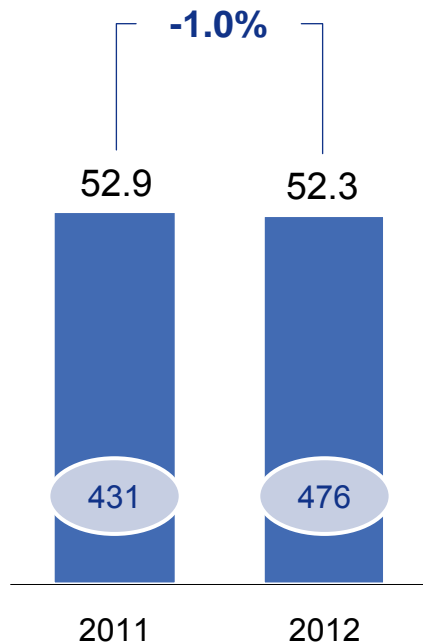


○ Combined ratio (%)

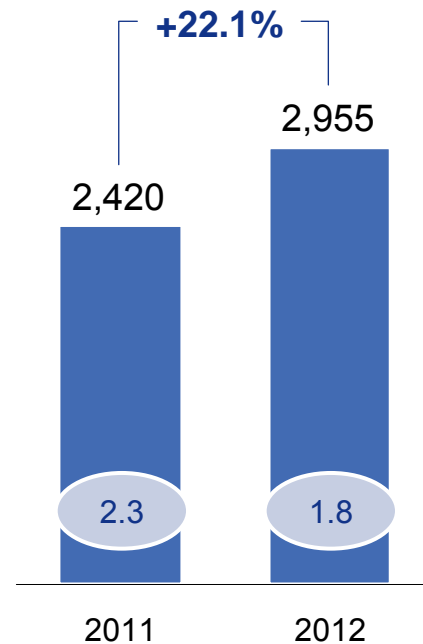
- Revenue growth due to both positive price and volume effects
- Strong increase in operating profit driven by underwriting result
- Combined ratio down by 1.5%-points with significant improvements in Germany, Italy and Reinsurance
- NatCat with 1.7%-points combined ratio impact below normalized level

L/H – strong performance in challenging environment

Revenues
(EUR bn)



Operating profit
(EUR mn)



- Selective growth with focus on margins
- Operating profit substantially improved due to rebound of investment margin
- New business margin solid at 1.8%
- Operating asset base up 10%, operating investment income up 20%

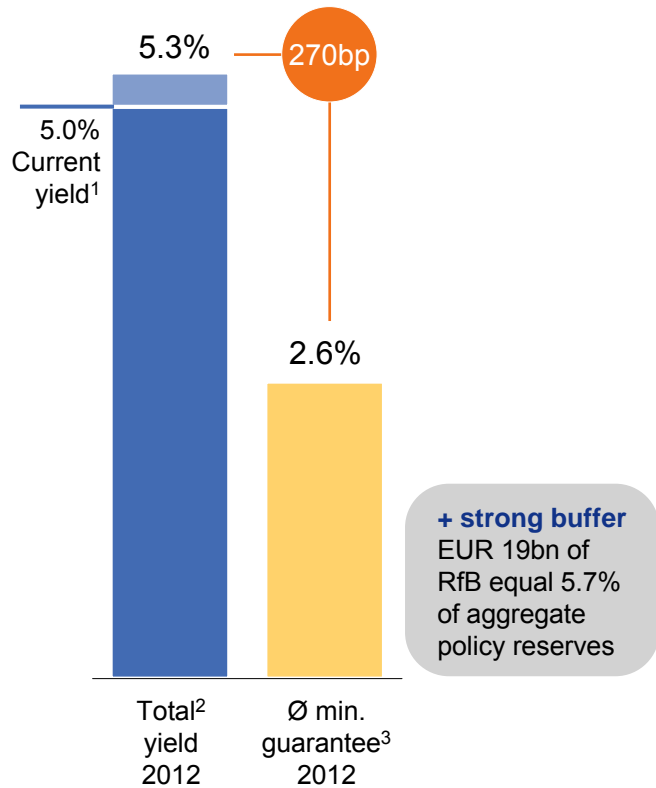
Operating asset base (EUR bn)

New business margin (%)

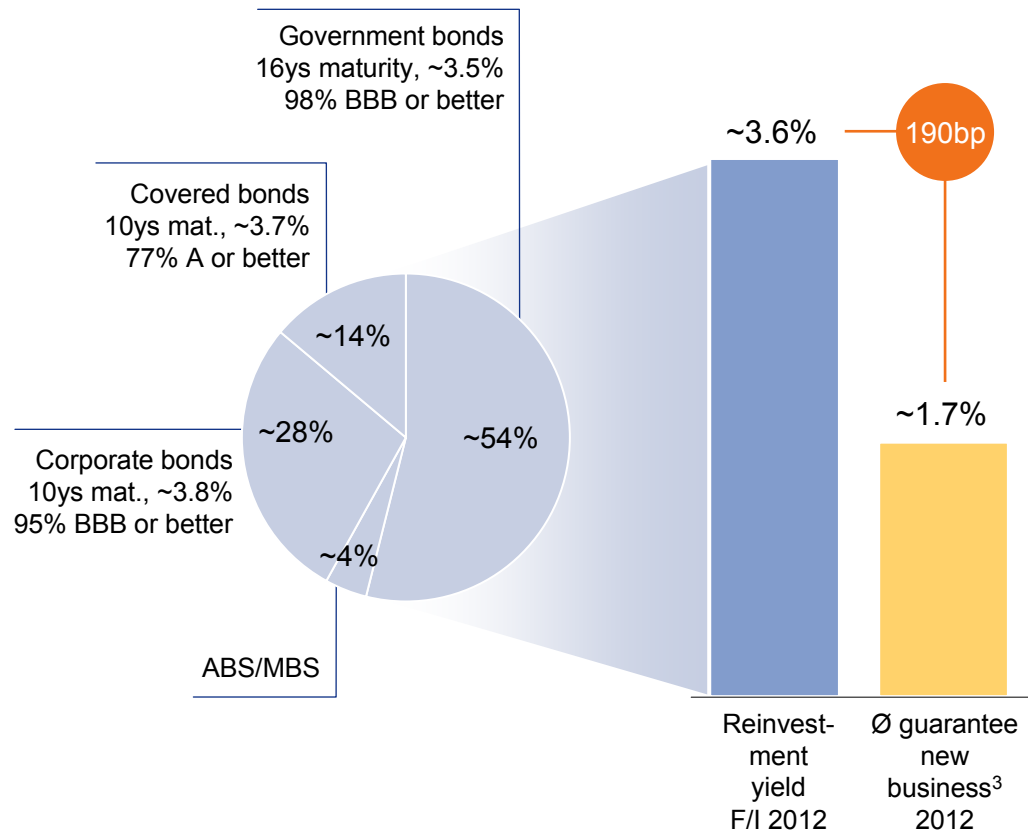
L/H – resilient margins and strong buffers

Business in force

(based on Ø aggregate policy reserves)



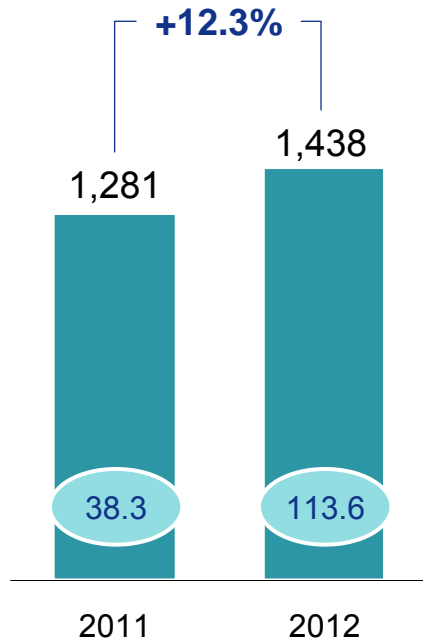
New business



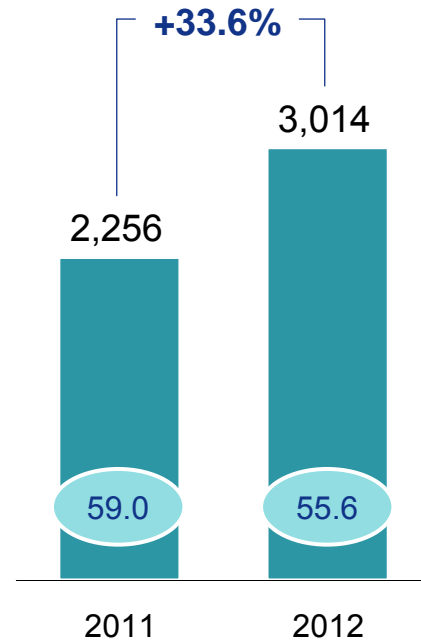
1) Based on IFRS current interest and similar income (net of interest expenses)
 2) Based on IFRS current interest and similar income (net of interest expenses) + net harvesting and other (operating)
 3) Weighted by aggregate policy reserves

AM – another excellent year

3rd party AuM
(EUR bn)



Operating profit
(EUR mn)



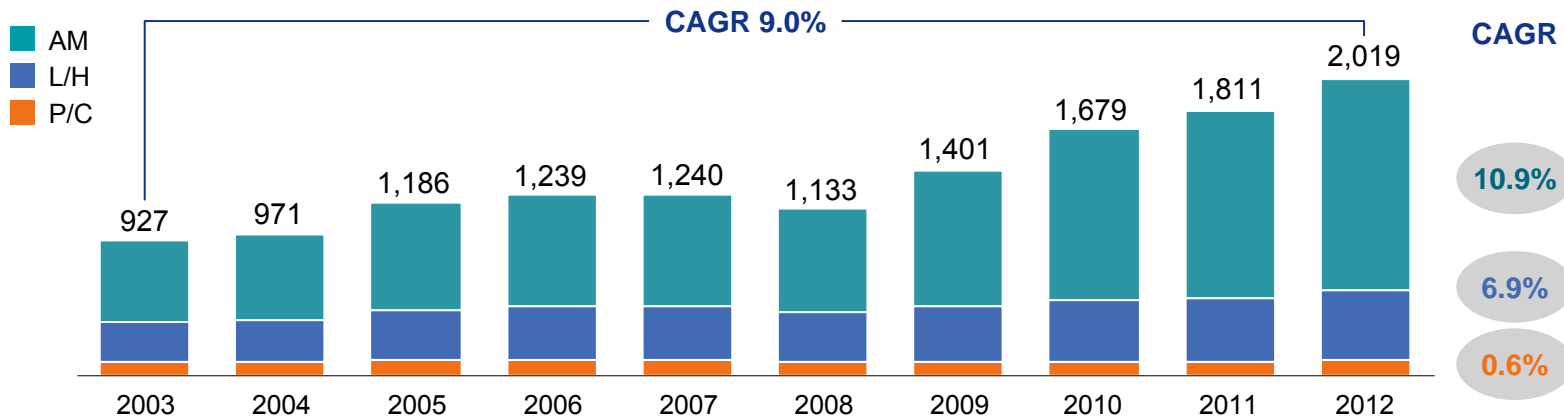
3rd party net inflows (EUR bn)

Cost-income ratio (%)

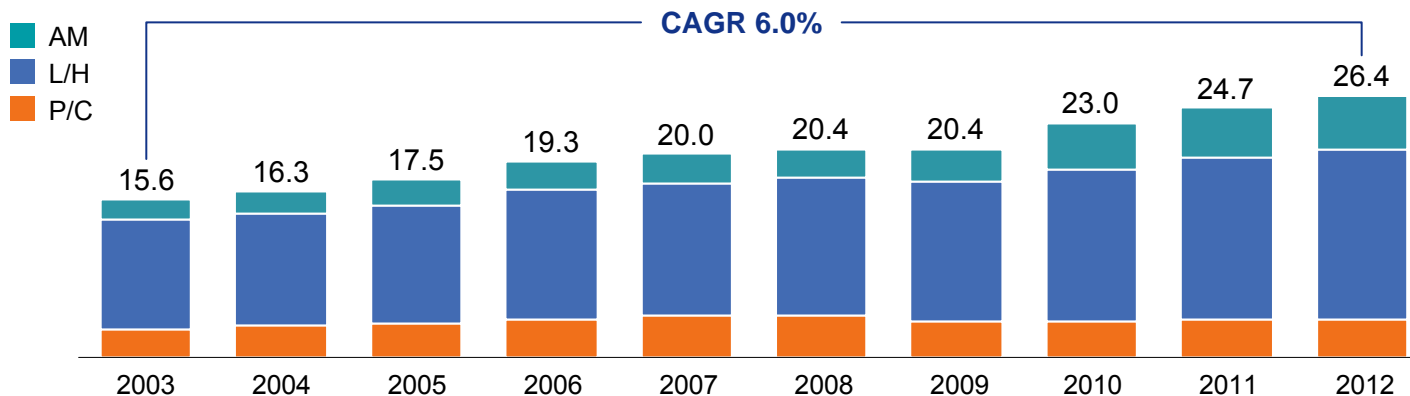
- Growing AuM drive revenues and profitability
- Operating profit on an all-time high and 2nd highest in the Group
- Strong 3rd party net inflows of EUR 113.6bn
- Excellent cost-income ratio of 55.6%
- Share of outperforming assets at outstanding 96% (PIMCO) / 62% (AllianzGI)
- Performance fees substantially above medium-term average

Investments – growth in operating asset base mitigates declining yields

Operating asset base¹ (EUR bn)

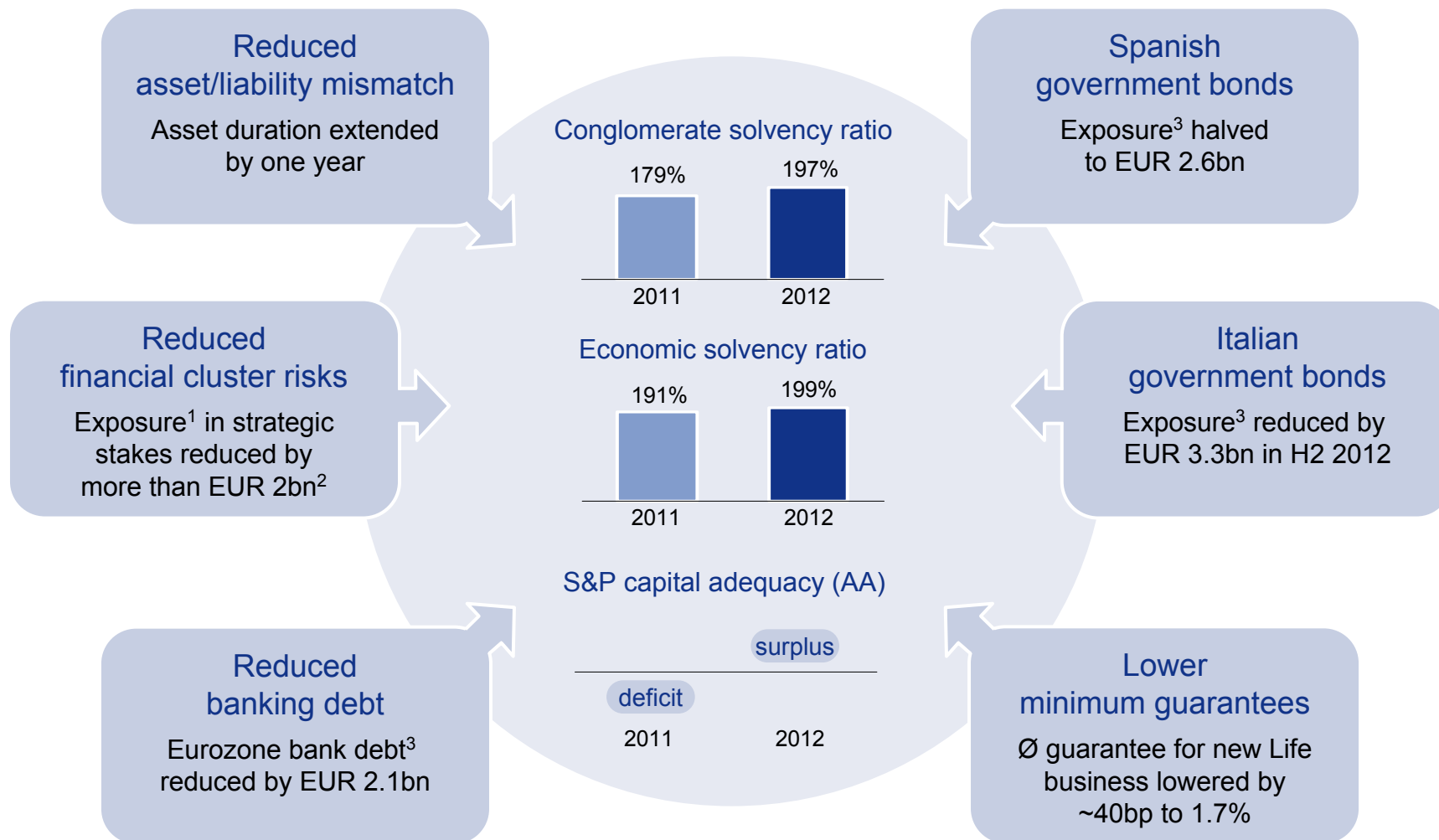


Interest and similar income plus AM fee and commission income² (EUR bn)



1) Investments for P/C and L/H incl. unit-linked assets; 3rd party assets for AM
 2) AM: excluding performance fees; L/H: before policyholder participation

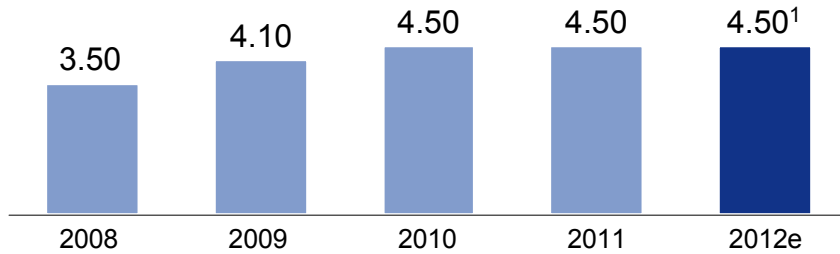
Capitalization – strong and resilient



1) Delta based on fair values as per 31.12.11
 2) Includes divestments and hedging
 3) Based on amortized cost

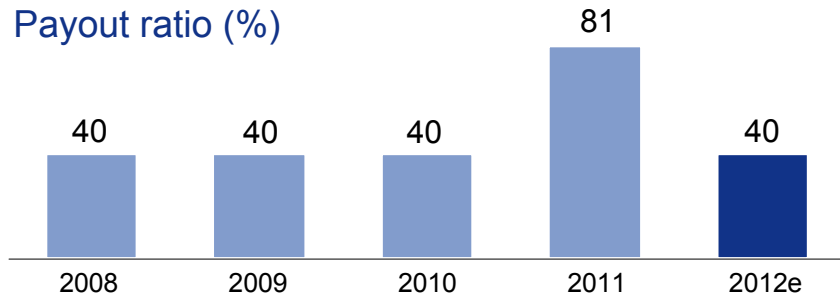
Dividend – balanced capital management

DPS (EUR)

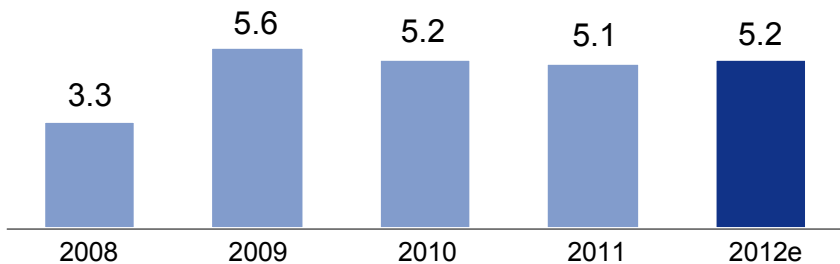


- Attractive dividend yield for investors
- Healthy capital adequacy in volatile market environment

Payout ratio (%)



Dividend yield (%)²



1) Proposal

2) Based on average share price of fiscal year (2012: EUR 87.23)

2

Moving forward

- 1 2012 Group results review
- 2 Strategic priorities in Europe**
- 3 Summary

Quick facts of the Europe¹ business division

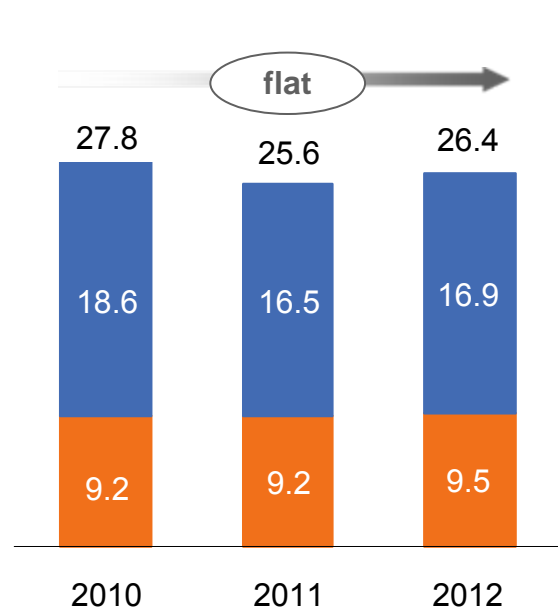


- Business division (BD) Western & Southern Europe is composed of 7 countries as well as Africa
- Substantial contribution to Group performance for both top- and bottom-line

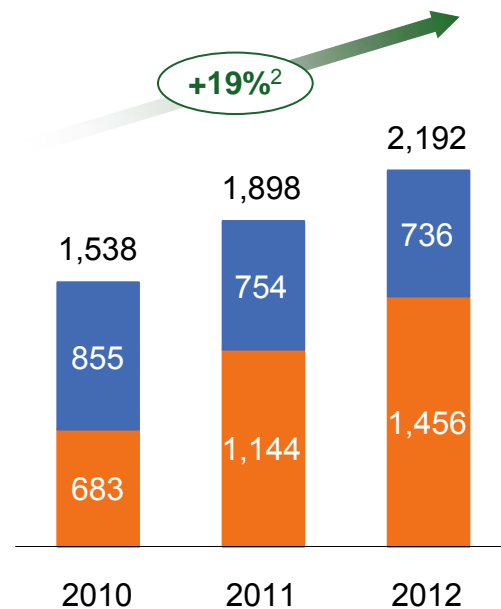
1) Full name of the business division is Western & Southern Europe (incl. Africa). All following numbers on the business division cover these 7 countries and Africa

BD Europe¹ delivered exceptional profitability development during recent years

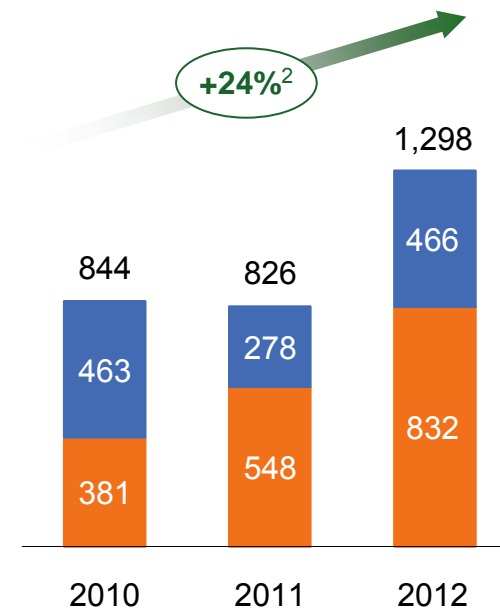
GPW (EUR bn)



OP (EUR mn)



Net income (EUR mn)



In % of Group P/C & L/H



▶ Contributed ~ 1/4 of the Group's top-line and profits from the insurance segments

1) Full name of the business division is Western & Southern Europe (incl. Africa). Numbers on the business division include Africa and refer to insurance business only
2) CAGR

Our strategic priorities for 2013-2015

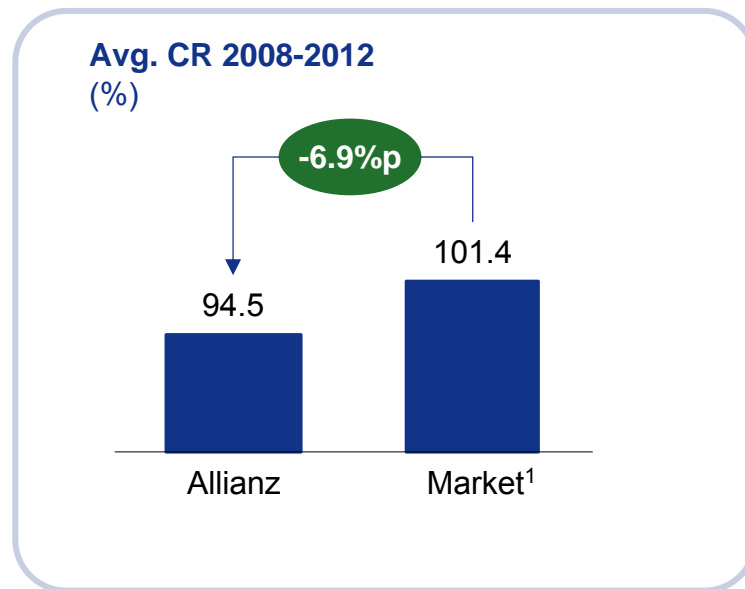
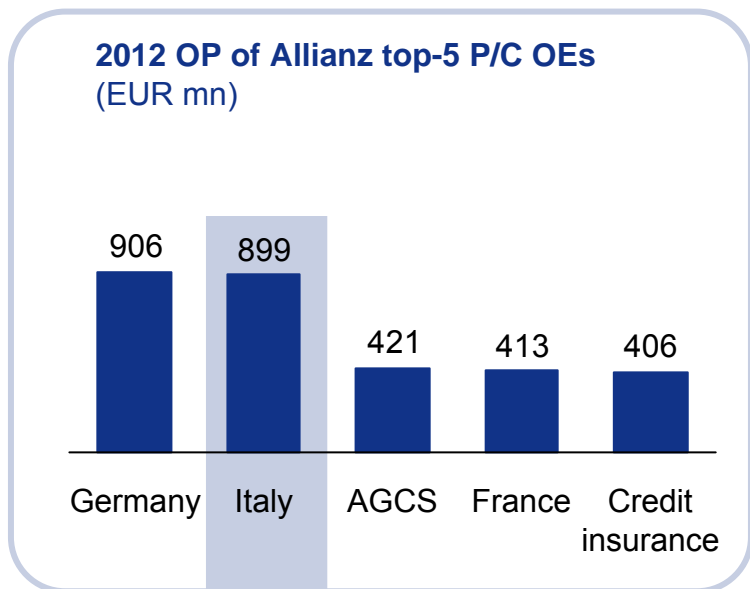


- Maintain operating profit stability
- Reduce complexity across business entities
- Ensure profitable growth across segments
- Enhance sustainability in daily business

Maintain resilient operating profit in P/C Italy, despite difficult market conditions

▶ Allianz Italy now 2nd largest P/C profit contributor within Allianz Group

▶ P/C Italy's combined ratio significantly better than market



Strategic priorities

- Grow in direct channel
- Promote innovation
- Secure customer satisfaction

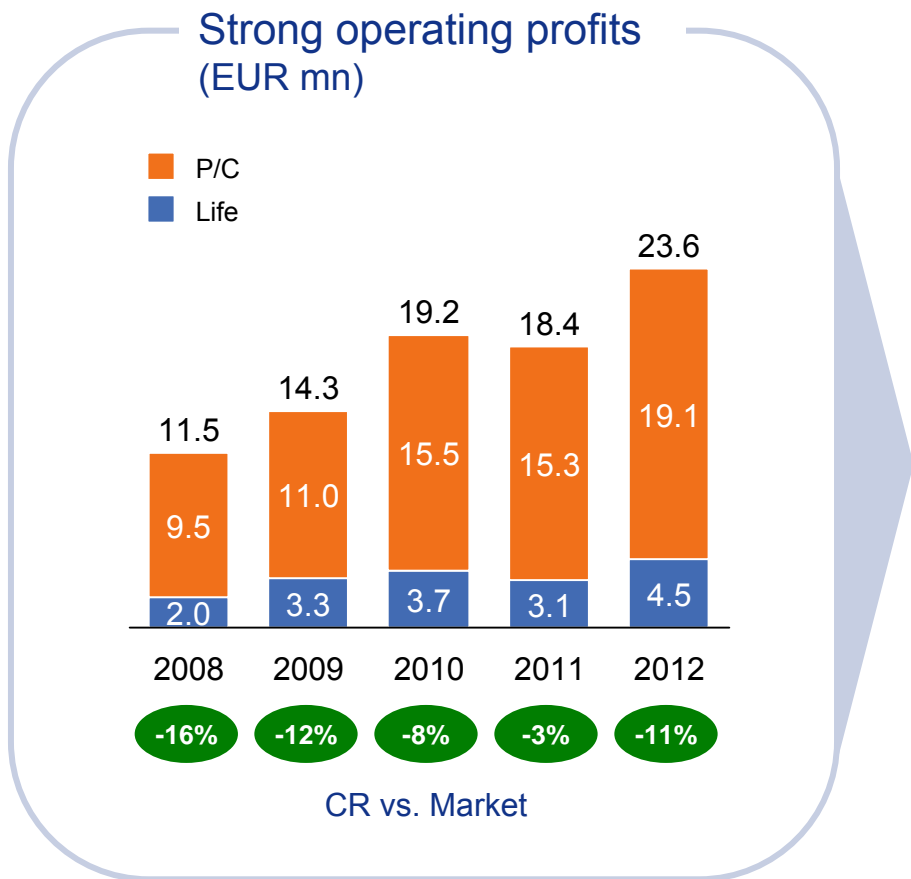
Achievement so far

Genialloyd² with 20% growth in top-line, with high cost competitiveness
 SMS-based FastQuote application generated 51k new customers
 88% of customers highly satisfied

1) Based on regulator data for 2008-2011 and own best estimate as of 9M 2012

2) Direct business Italy

Excellent operating profitability of Allianz Greece despite crisis



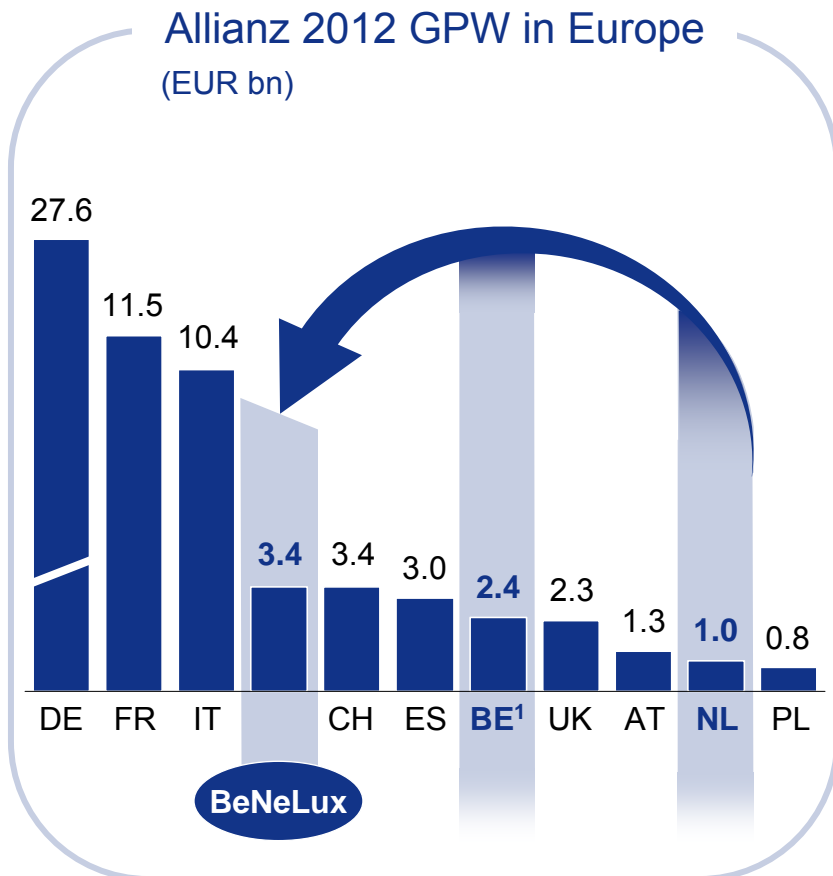
Allianz Greece highly competitive

- Strong operating profitability in 2012
 - Combined ratio 82.4% - one of the best in Allianz Group
 - Returns well above cost of capital

- Fully de-risked investment portfolio
 - Highly rated core EU and supra-national assets
 - Sold remaining GGBs in 2012

- Strong brand and customer satisfaction:
 - 3rd strongest brand in Greek market
 - Market leading NPS

Achieve leading productivity levels through Benelux integration



Benefits:

- Streamlined governance: joint management functions
- Shared expertise: e.g. Dutch claims management, Belgian Life operations, central functions
- Shared investments: new IT and pricing tools
- Synergies: e.g. joint operating systems and integrated central functions

1) Including Luxembourg

Superior growth in Turkey ...

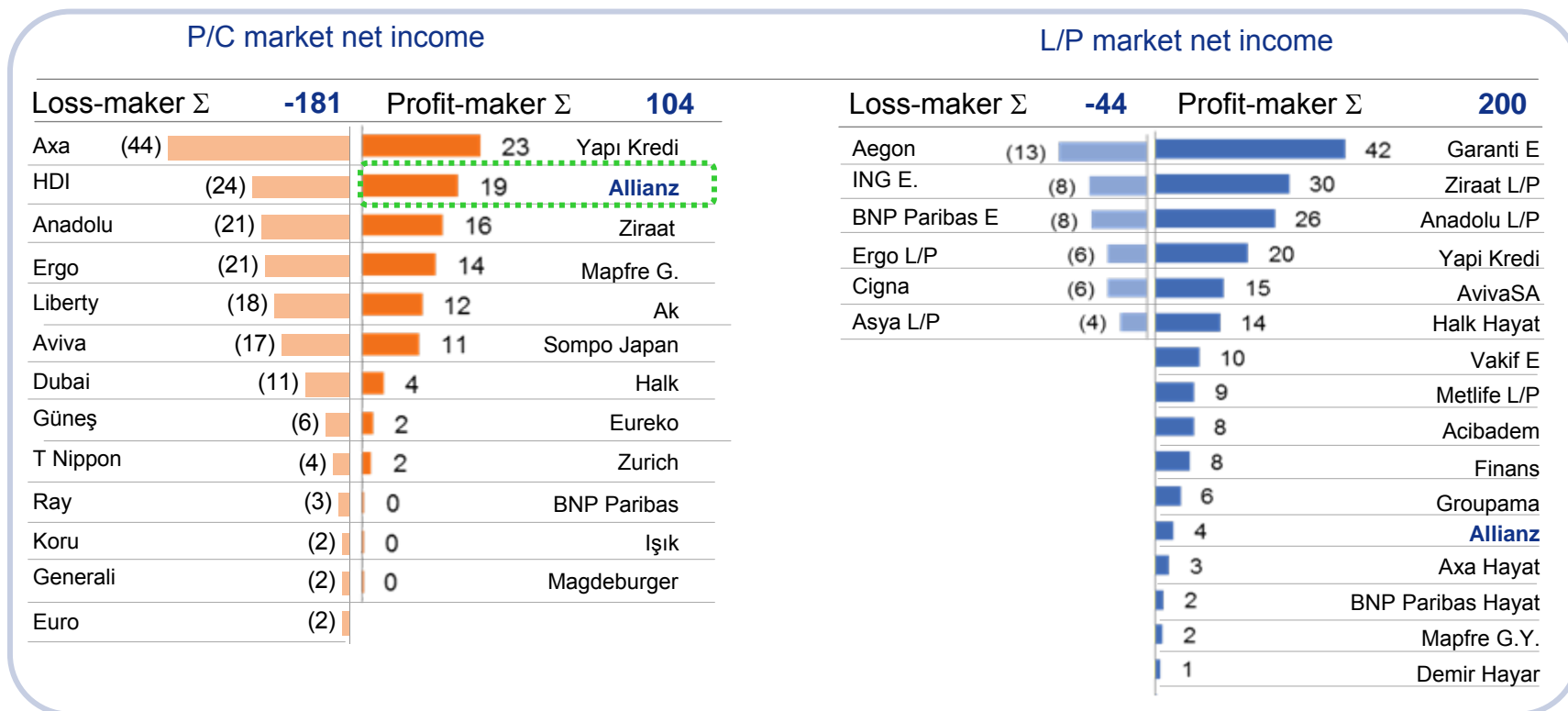


Allianz Turkey picking up momentum

- Turkey is a high growth market, with double digit GPW growth (above GDP)
- Allianz growth significantly higher than the market in 2012
 - Prior to 2012 Allianz focused on profit protection, by intentionally not participating in irrationally low pricing
 - Starting from 2012 Allianz Turkey outperformed market growth, driven by all lines, particularly Motor

1) Including Life, P/C and Health

... combined with outstanding profit, especially in P/C
(9M 2012, EUR mn)



Allianz Turkey's competitive advantages in P/C

- Best-in-class U/W capabilities with high level of Straight-Through-Processing
- State-of-the-art claims handling capabilities
- High customer satisfaction: rank 1 in Net Promoter Score for 4 consecutive years

Strategic priorities for enhancing sustainable success

Strategic relevance:
 ✓✓ Highly relevant
 ✓ Relevant
 (✓) Currently limited

Value impact						
		France	Italy	Benelux	Turkey	Greece
L/H margins and profitable growth		✓✓	✓✓	✓✓	✓	✓✓
"Digital company"	Growth	✓✓	✓	✓	✓	✓
	Productivity	–	✓	–	–	–
Multi access (new agency model)		✓	✓	–	(✓)	(✓)
Commercial/midcorp		✓✓	✓✓	✓	✓	(✓)
Net Promoter Score		Reach "loyalty leader" or "above market" in all segments				
Allianz Engagement Survey		Further improve in all OEs, across locations and functions				

3

Moving forward

- 1 2012 Group results review
- 2 Strategic priorities in Europe
- 3 Summary**

Summary – moving forward

Proven and well diversified business model

Strong balance sheet

Attractive dividend yield

Continuing optimization

EUR 8.7 - 9.7bn operating profit 2013e

Resilient performance in Europe despite headwinds



Disclaimer

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

Forward-looking statements

The statements contained herein may include prospects, statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those expressed or implied in such forward-looking statements.

Such deviations may arise due to, without limitation, (i) changes of the general economic conditions and competitive situation, particularly in the Allianz Group's core business and core markets, (ii) performance of financial markets (particularly market volatility, liquidity and credit events) (iii) frequency and severity of insured loss events, including from natural catastrophes, and the development of loss expenses, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) particularly in the banking business, the

extent of credit defaults, (vii) interest rate levels, (viii) currency exchange rates including the Euro/U.S. Dollar exchange rate, (ix) changes in laws and regulations, including tax regulations, (x) the impact of acquisitions, including related integration issues, and reorganization measures, and (xi) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

No duty to update

The company assumes no obligation to update any information or forward-looking statement contained herein, save for any information required to be disclosed by law.