Moving forward

Max Zimmerer
Member of the Board of Management

Goldman Sachs
European Financials Conference
Brussels, June 2013
1 Allianz at a glance
2 1Q 2013 results review
3 Strategic priorities
4 Outlook and summary
Allianz at a glance

- **EUR 106bn** total revenues
- **EUR 1,934bn** total AuM
- **EUR 9.3bn** operating profit
- **208%** economic solvency ratio
- **183%** regulatory solvency ratio
- **EUR 52.0bn** S/H equity
- **EUR 53.6bn** market cap
- About **79mn** (direct) and **250mn** (indirect) customers

### Segments
- **Segements**
- Operating profit in %
- **AM**: 28%
- **P/C**: 44%
- **L/H**: 28%

### Regions
- **Regions**
- Operating profit in %
- **Emerging markets**: 28%
- **Specialty insurance**: 9%
- **Germany**: 24%
- **Broker markets US, UK, AUS**: 31%
- **Western Europe**: 30%
1. Allianz at a glance

Strong market positions and brands<sup>1</sup>

- Leading P/C insurer globally
- 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

<sup>1</sup> All rankings based on 2012 data
1. Allianz at a glance

Resilient and well diversified business model

Stable operating profit in volatile environment …

Operating profit (EUR bn)\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011(^3)</th>
<th>2012(^3)</th>
<th>2013e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit</td>
<td>6.3</td>
<td>6.9</td>
<td>9.0</td>
<td>10.1</td>
<td>7.5</td>
<td>7.2</td>
<td>8.2</td>
<td>7.8</td>
<td>9.3</td>
<td>9.2 +/- 0.5</td>
</tr>
</tbody>
</table>

… thanks to diversification

Operating profit by business segment (%)\(^2\)

<table>
<thead>
<tr>
<th>Year</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011(^3)</th>
<th>2012(^3)</th>
<th>Q1 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>AM</td>
<td>14</td>
<td>17</td>
<td>13</td>
<td>13</td>
<td>12</td>
<td>17</td>
<td>22</td>
<td>26</td>
<td>28</td>
<td>29</td>
</tr>
<tr>
<td>L/H</td>
<td>23</td>
<td>23</td>
<td>25</td>
<td>28</td>
<td>15</td>
<td>34</td>
<td>31</td>
<td>27</td>
<td>28</td>
<td>28</td>
</tr>
<tr>
<td>P/C</td>
<td>63</td>
<td>60</td>
<td>62</td>
<td>59</td>
<td>73</td>
<td>49</td>
<td>47</td>
<td>47</td>
<td>44</td>
<td>43</td>
</tr>
</tbody>
</table>

1) Historically reported figures excluding Banking segment
2) Based on historically reported figures excluding Corporate & Other, Banking and Consolidation
3) 2011 and 2012 including adjustments for restructuring charges and IAS 19 restatement

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Allianz at a glance
1Q 2013 results review
Strategic priorities
Outlook and summary
Highlights of 1Q 2013 results

- Total revenues increase 6.6 percent to EUR 32.0bn
- Operating profit grows 19.9 percent to EUR 2,797mn
- Shareholders’ net income up 24.0 percent to EUR 1,707mn
- Strong capital position and balance sheet

Outlook¹:
Confirmation of operating profit outlook of EUR 9.2bn +/- 0.5bn

¹) Impact from NatCat, financial markets and global economic development not predictable
2. 1Q 2013 results review

A strong first quarter

Total revenues (EUR bn)

- 1Q 12: 30.1
- 1Q 13: 32.0

Increase: +6.6%\(^1\)

Operating profit by segment (EUR mn)

- P/C: 1,319
- L/H: 855
- AM: 900
- CO: -239
- Consolidation: -38
- Group 1Q 13: 2,797

Net income\(^2\) (EUR mn)

- 1Q 12: 1,377
- 1Q 13: 1,707

Increase: +24.0%

Prior years figures have been restated throughout the whole presentation to reflect the retrospective application of the amended standard IAS 19 and inclusion of restructuring charges in operating profit

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1) Internal growth of 6.1%, adjusted for F/X and consolidation effects
2) Net income attributable to shareholders
P/C – strong operating performance

- Revenue growth due to positive price but slightly negative volume effects
- Strong increase in operating profit driven by underwriting result
- Combined ratio down by 1.9%-points with significant improvements in the accident year loss ratio
- NatCat with 0.7%-points combined ratio impact below normalized level

<table>
<thead>
<tr>
<th>Revenues (EUR bn)</th>
<th>Operating profit (EUR mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q 2012</td>
<td>1Q 2013</td>
</tr>
<tr>
<td>14.8</td>
<td>15.2</td>
</tr>
<tr>
<td>+2.7%</td>
<td>+11.5%</td>
</tr>
<tr>
<td>1,183</td>
<td>1,319</td>
</tr>
<tr>
<td>96.2</td>
<td>94.3</td>
</tr>
</tbody>
</table>

Combined ratio (%)
2. 1Q 2013 results review

L/H – strong performance in challenging environment

- Growth driven by unit-linked business, accounting for 90% of increase in revenues
- Operating profit improved despite lower capital gains
- New business margin solid at 1.8%
- Operating asset base up 9%

<table>
<thead>
<tr>
<th></th>
<th>1Q 12</th>
<th>1Q 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues (EUR bn)</td>
<td>13.7</td>
<td>14.8</td>
</tr>
<tr>
<td>Operating profit (EUR mn)</td>
<td>825</td>
<td>855</td>
</tr>
<tr>
<td>Operating asset base (EUR bn)</td>
<td>444</td>
<td>485</td>
</tr>
<tr>
<td>New business margin (%)</td>
<td>1.9</td>
<td>1.8</td>
</tr>
</tbody>
</table>
AM – another excellent quarter

- Leap in revenues based on PIMCO’s higher performance fees, higher AuM and higher margins
- Strong 3rd party net inflows of EUR 42.6bn
- Excellent cost-income ratio of 52.9%
- Share of outperforming assets at outstanding 95% (PIMCO) / 66% (AllianzGI) over 5ys
- Performance fees substantially above medium-term average

<table>
<thead>
<tr>
<th>AuM (EUR bn)</th>
<th>Operating profit (EUR mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,653</td>
<td>1,934</td>
</tr>
<tr>
<td>+17.0%</td>
<td>+46.8%</td>
</tr>
<tr>
<td>23.5</td>
<td>42.6</td>
</tr>
<tr>
<td>613</td>
<td>900</td>
</tr>
<tr>
<td>57.4</td>
<td>52.9</td>
</tr>
</tbody>
</table>

3rd party net inflows (EUR bn) | Cost-income ratio (%)
3 Moving forward

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4 Outlook and summary
3. Strategic priorities

3+One – simple, but effective

2003 - 2011

- Restoration of capital base
- Restructuring and reorganization
- Global know-how sharing
- Minority buy-outs
- Discontinuation of Banking
- Harmonization of business models
- Centralized investment management

2012 ff

- De-risking
- Balanced dividend policy
- Solid funding
- Continuing optimization
- Preserving L/H profit
- Restructuring FFIC
- Closure Allianz Bank Germany
- BeNeLux integration
- Reduction of legal entities
- Platform conversion
- Co-operations in growth markets
- Allianz Worldwide Partners
- Distribution enhancement
- Selective M&A
3. Strategic priorities

Resilience in shock scenarios
Management action 2012

Reduced asset/liability mismatch
Asset duration extended by one year

Economic solvency ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>1Q 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>191%</td>
<td>199%</td>
<td>208%</td>
</tr>
</tbody>
</table>

Spanish government bonds
Exposure\(^3\) halved to EUR 2.6bn in 2012

Reduced financial cluster risks
Exposure\(^1\) in strategic stakes reduced by more than EUR 2bn\(^2\) in 2012

Conglomerate solvency ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>1Q 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>179%</td>
<td>197%</td>
<td>183%</td>
</tr>
</tbody>
</table>

Italian government bonds
Exposure\(^3\) reduced by EUR 3.3bn in H2 2012

Reduced banking debt
Eurozone bank debt\(^3\) reduced by EUR 2.1bn in 2012

S&P capital adequacy (AA)

<table>
<thead>
<tr>
<th>Year</th>
<th>deficit</th>
<th>surplus</th>
<th>surplus</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1Q 13</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Lower minimum guarantees
Ø guarantee for new Life business lowered by ~40bp to 1.7%

1) Delta based on fair values as per 31.12.11
2) Includes divestments and hedging
3) Based on amortized cost
4) The pro forma figure - already reflecting new IAS 19 - is 181%
Conservative asset allocation

- **Cash / other**: EUR 9.0bn (2%)
- **Real estate**: EUR 9.8bn (2%)
- **Equities**: EUR 30.5bn (6%)
- **Debt instruments**: EUR 468.7bn (90%)

**Equity portfolio**
- Consumer: 21%
- Other financials: 15%
- Basic materials: 9%
- Banking: 7%
- Energy: 6%
- Industrial: 5%
- Funds and other: 37%

**Fixed income portfolio**
- Government: 37%
- Covered: 23%
- Corporate: 31%
- **thereof Banking**: 8%
- **ABS / MBS**: 4%
- Other: 5%

1) 1Q 2013, based on consolidated insurance portfolios (P/C, L/H), Corporate and Other, does not include Banking operations
2) Including diversified investment funds (EUR 2.7bn); private and unlisted equity (EUR 6.2bn)
3) Including U.S. agency MBS investments (EUR 3.7bn)
4) Including 3% seasoned self-originated German private retail mortgage loans; 1% short-term deposits at banks

- Well diversified
- Banking stakes reduced and partly hedged
- Net equity exposure after hedging, policyholders and tax of EUR 9.9bn.
- 95% high quality with investment grade rating
- Banking debt accounts for 8%; thereof 83% senior, 13% lower tier 2
- GIPS sovereign debt below 1%
- 77% held by L/H
Further reduction of selected sovereign exposure

Exposure in selected sovereigns
Amortized cost (EUR bn)

- Thereof domestic

- Spanish sovereign exposure reduced by more than 50%
- Italian sovereign exposure **actively increased** in first half of 2012 with high spreads
  - benefiting from spread tightening with an **EUR 4.1bn increase**
  - in **unrealized gains/losses** as of 1Q 2013 compared to year-end 2011
Strong buffers and resilient margins in L/H

Business in force

- Optimize asset liability management
- Shift from crediting rate to terminal bonus

New business

- Improving the technical margin
- Guarantees lowered by ~40bps
- Fostering protection business
- Shifting the product mix towards unit linked business

**Total yield 2012**: 5.0%
**Ø min. guarantee 2012**: 4.4%
**Current yield**: 5.3%
**270bp**

**Reinvestment yield F/I 2012**: ~1.7%
**1Q 13 3.1%**
**190bp**

**Reinvestment Ø guarantee new business 2012**: ~3.6%
**1Q 13 ~1.6%**

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1) IFRS current interest and similar income (net of interest expenses) relative to average asset base (IFRS) which excludes unit-linked, FVO and trading
2) IFRS current interest and similar income (net of interest expenses) relative to average aggregate policy reserves
3) IFRS current interest and similar income (net of interest expenses) + net harvesting and other (operating) relative to average aggregate policy reserves
4) Weighted by aggregate policy reserves
Initiatives in key entities (1)

**Germany (Life)**

- **2011**
  - **Current yield** 2011: 5.0%
  - **Ø min. guarantee 2011**: 3.2%
- **2012**
  - **Current yield** 2012: 5.0%
  - **Ø min. guarantee 2012**: 3.1%

- **Investment strategy**: continue reducing duration mismatch with duration +1 (+0.5+0.5) program
- **Product design**: consistent risk mitigation to address the guaranteed structure and level, prepare to launch new products
- **Sales initiatives**: focus on risk products and products without interest rate guarantees

- **New business guarantee at 1.75%
- F/I reinvestment yield 2012: ~3.4%

**USA (Life)**

- **2011**
  - **Current yield** 2011: 5.4%
  - **Ø min. guarantee 2011**: 1.4%
- **2012**
  - **Current yield** 2012: 5.3%
  - **Ø min. guarantee 2012**: 1.3%

- **FIA product repricing in 2012/2013 by lowering minimum guarantee to 0.25%, lowering commissions, reduction of bonus and roll-ups**
- **VA new business repricing in 2012/2013 by reduction of roll-ups, pay outs and increase of rider fees. NBM 1Q 2013 at 2.0%**
- **Active in-force management for FIA via annual cap adjustments and VA via rider fee level**

- **New business guarantee at ~0.7%
- F/I reinvestment yield 2012: ~3.6%

---

1) Based on IFRS current interest and similar income (net of interest expenses) as percentage of average aggregate policy reserves
3. Strategic priorities

2 Operating profitability

Initiatives in key entities (2)

Italy (Life)

2011

Current yield 2011: 4.3%

Ø min. guarantee 2011: 2.5%

2012

Current yield 2012: 4.3%

Ø min. guarantee 2012: 2.5%

- Guarantees for most new policies to be set to 0% in 2013
- F/I reinvestment yield 2012: ~4.1%

- Increasing unit-linked premiums following recovery of banking channel and launch of new product (whole-life single premium, sold through FA channel)
- Extend new unit-linked product to all distribution channels
- Launch of 0% guarantee traditional products

France (Life)

2011

Current yield 2011: 4.8%

Ø min. guarantee 2011: 1.0%

2012

Current yield 2012: 4.6%

Ø min. guarantee 2012: 0.7%

- Guarantee for most new policies 0%
- F/I reinvestment yield 2012: ~3.6%

- Long term guarantee already reduced to 0% for many years
- Increasing share of unit-linked contracts through revised commissions, promotional campaigns and reactivation of tax-free transfers to unit-linked
- Decrease of crediting rates for less profitable products
- Focus on risk products

1) Based on IFRS current interest and similar income (net of interest expenses) as percentage of average aggregate policy reserves
4. Outlook and summary

Well on track to meet outlook

Operating profit (EUR bn)

<table>
<thead>
<tr>
<th></th>
<th>1Q 2013</th>
<th>Outlook¹ published 02/13</th>
<th>1Q 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>P/C</td>
<td>28%²</td>
<td>1.3</td>
<td>4.3 – 5.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L/H</td>
<td>31%²</td>
<td>0.9</td>
<td>2.5 – 3.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AM</td>
<td>31%²</td>
<td>0.9</td>
<td>2.7 – 3.1</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>CO</td>
<td>23%²,³</td>
<td>-0.3</td>
<td>-1.1 – -1.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>30%²</td>
<td>2.8</td>
<td>9.2 +/- 0.5</td>
</tr>
</tbody>
</table>

- Benign NatCat
- CR 94.3%
- Revenue growth 8.3%
- Robust investment margin
- Total net inflows of EUR 43bn
- CIR 52.9%
- Please mind the seasonality of the business and our disclaimer⁴!

¹) For FY 2013
²) As % of target range mid-point
³) Corporate and consolidation
⁴) Disclaimer: impact from NatCat, financial markets and global economic development not predictable!
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
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