Agenda

1. Allianz Investment Management 2013
2. Portfolio information
Group investment portfolio at a glance

Asset allocation (2012)

- **Debt instruments**: 89% (90%)
- **Equities**: 7% (6%)
- **Real estate**: 2% (2%)
- **Cash/Other**: 2% (2%)

Total: EUR 536.7bn\(^1\) (EUR 531.5bn)

Debt instruments by rating\(^3\)

- **AAA**: 28%
- **AA**: 25%
- **A**: 17%
- **BBB**: 25%
- **Non-investment grade**: 3%
- **Not rated\(^4\)**: 2%

By segment (EUR bn)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Group</th>
<th>P/C(^5)</th>
<th>L/H(^5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt instruments</td>
<td>480.6</td>
<td>79.7</td>
<td>355.1</td>
</tr>
<tr>
<td>Equities</td>
<td>35.5</td>
<td>5.0</td>
<td>28.8</td>
</tr>
<tr>
<td>Real estate(^2)</td>
<td>10.8</td>
<td>2.9</td>
<td>7.6</td>
</tr>
<tr>
<td>Cash/Others</td>
<td>9.8</td>
<td>2.4</td>
<td>4.3</td>
</tr>
<tr>
<td>Total</td>
<td>536.7</td>
<td>90.0</td>
<td>395.8</td>
</tr>
</tbody>
</table>

Modified duration

- **Group**: 6.9 (Assets) 7.0 (Liabilities)
- **P/C**: 4.7 (Assets) 3.6 (Liabilities)
- **L/H**: 7.6 (Assets) 7.9 (Liabilities)

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1) Including Banking (2013: EUR 20.5bn; 2012: EUR 20.7bn) and Asset Management (2013: EUR 3.4bn; 2012: EUR 3.3bn)
2) Excluding real estate own use and real estate held for sale
3) Excluding German private retail mortgage loans
4) Mostly mutual funds and short-term investments
5) Consolidated on Group level
## Investment performance 2013 – overview (EUR bn)

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current income yield¹</td>
<td>3.8%</td>
</tr>
<tr>
<td>Total IFRS yield¹</td>
<td>4.0%</td>
</tr>
<tr>
<td>Total performance¹</td>
<td>1.1%</td>
</tr>
<tr>
<td>Real estate/Other</td>
<td>20.5</td>
</tr>
<tr>
<td>Equities</td>
<td></td>
</tr>
<tr>
<td>Impairments (net)</td>
<td>-0.6</td>
</tr>
<tr>
<td>Total IFRS result</td>
<td>21.4</td>
</tr>
<tr>
<td>Change in unrealized gains and losses³ excl. hedging result US</td>
<td>-15.3</td>
</tr>
<tr>
<td>Total incl. change in unrealized gains and losses</td>
<td>6.1</td>
</tr>
</tbody>
</table>

### Current income yield of 3.8% reflects long portfolio duration

### Higher interest rates lead to price decrease of bonds, but also facilitate the reinvestment and financing of guarantees

1) Yield calculation is based on the average asset base (IFRS)
2) Includes hedging result from fixed index and variable annuities fully offset in insurance P&L
3) IFRS
## Portfolio measures 2013
Active increase of real assets and further diversification of fixed income

<table>
<thead>
<tr>
<th>Selected portfolio measures</th>
<th>Active changes in 2013(^1) (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Increase in real assets</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Equity:</strong> active increase of traded equity</td>
<td>+6.1bn</td>
</tr>
<tr>
<td><strong>Real estate, infrastructure and renewables:</strong></td>
<td>+2.7bn</td>
</tr>
<tr>
<td>expansion continues</td>
<td></td>
</tr>
<tr>
<td><strong>Fixed income diversification</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Alternative debt:</strong> dedicated teams enable systematic portfolio expansion</td>
<td>+3.3bn</td>
</tr>
<tr>
<td><strong>Corporates:</strong> further reduction of financial sector</td>
<td>-3.6bn financial</td>
</tr>
<tr>
<td></td>
<td>+8.3bn non-financial</td>
</tr>
<tr>
<td><strong>Treasuries:</strong> further diversification of individual OE portfolios</td>
<td>-3.0bn domestic</td>
</tr>
<tr>
<td></td>
<td>+9.3bn non-domestic</td>
</tr>
<tr>
<td></td>
<td>(thereof +2.8bn emerging markets)</td>
</tr>
</tbody>
</table>

1) Based on portfolio transactions without market movements
## Overview direct financing – debt and equity

<table>
<thead>
<tr>
<th>Current volume(^1) (vs. 2012)</th>
<th>Investment examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR bn</td>
<td></td>
</tr>
<tr>
<td>Mortgages</td>
<td>29.2</td>
</tr>
<tr>
<td>Private placements</td>
<td>6.4</td>
</tr>
<tr>
<td>Infrastructure debt</td>
<td>0.7</td>
</tr>
<tr>
<td>Real estate(^2)</td>
<td>22.6</td>
</tr>
<tr>
<td>Private equity</td>
<td>4.0</td>
</tr>
<tr>
<td>Infrastructure equity</td>
<td>1.4</td>
</tr>
<tr>
<td>Renewables</td>
<td>1.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>65.9 (+9%)</strong></td>
</tr>
</tbody>
</table>

### Investment examples

**Slovakia’s R1 and Marseille L2 motorways:**
- Long-maturity senior bonds, matching our asset-liability cashflows

**Skyper:**
- Office tower complex in excellent location in Frankfurt’s banking district
- Tenant base diversified and of strong credit (e.g., Deutsche Bundesbank)

**Net4Gas (gas transport network):**
- Gas transmission within Czech Rep. and transit from Russia to rest of Europe
- Around 45bn m\(^3\) of gas transported annually across 3,600km of pipelines

**Power generation capacity of Allianz’s 43 wind and 7 solar parks:**
- Capability of supplying over half a million European households (>1,000MW, or >1GW)
- With the acquisition of the 72MW Maevaara project, the Swedish wind park market was entered in 2013

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1) Including Banking segment mortgages (2012: EUR 4.8bn; 2013: EUR 5.1bn). Total for 2012 restated to EUR 60.6bn including Banking segment
2) Including EUR 19.3bn fully consolidated real estate assets and EUR 3.3bn other real estate assets (including EUR 2.3bn joint ventures and associated enterprises and EUR 1.3bn available-for-sale investments; excluding EUR 0.3bn minorities)
New investment yields in line with conservative investment strategy

- Professional, long-term-oriented fixed income asset management (PIMCO, AllianzGI) assures attractive yields

<table>
<thead>
<tr>
<th>Date</th>
<th>Reinvestment yield L/H (3.2%)</th>
<th>Reinvestment yield P/C (2.5%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Feb</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Mar</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Apr</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>May</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Jun</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Jul</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Aug</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Sep</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Oct</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Nov</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Dec</td>
<td>2.0</td>
<td>2.0</td>
</tr>
</tbody>
</table>

Active investment zone for Allianz portfolio
Strong buffers and resilient margins in L/H

Business in force

- Current yield (reserves): 4.8%
- Current yield (assets): 4.1%
- Total yield 2013: 4.9%
- Ø min. guarantee 2013: 2.5%
- + strong buffer: EUR 22bn of RfB equal 6.1% of aggregate policy reserves

New business

- Reinvestment yield F/I 2013: ~3.2%
- Ø guarantee new business 2013: ~1.2%
- 240bps
- 200bps

- Lower guarantees in new business in line with interest rate development
- Fostering of protection business
- Shift of product mix towards hybrid and unit-linked business

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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
Underlying trends 2013 and Allianz' strategic response

<table>
<thead>
<tr>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rates increase driven by US</td>
<td>Economic recovery ongoing – expected global GDP growth above 3%; tapering ongoing</td>
<td>Manage duration in light of rates environment; invest in real assets</td>
</tr>
<tr>
<td>Strong stock market performance</td>
<td>Tighter spreads in credit markets. Potential for additional margin in direct financing</td>
<td>Expansion of direct financing</td>
</tr>
<tr>
<td>Euro debt crisis less immediate, but underlying structural issues remain</td>
<td>Emerging markets: long-term growth story intact but heterogeneous picture</td>
<td>Differentiation and diversification key</td>
</tr>
<tr>
<td>High volatility in emerging markets, suffering from capital outflows</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Agenda

1  Allianz Investment Management 2013
2  Portfolio information
High quality fixed income portfolio

By type of issuer

- Government: 37%
- Covered: 21%
- Corporate: 31%
- Banking: 7%
- ABS/MBS: 4%
- Other: 7%

Total EUR 480.6bn

By rating

- AAA: 28%
- AA: 25%
- A: 17%
- BBB: 25%
- Non-investment grade: 3%
- Not rated: 2%

By segment (EUR bn)

- L/H: 74%
- P/C: 17%
- Corporate and other: 9%
- Asset Management: 0%

Net AFS unrealized gains/losses (EUR bn)

- 2012: EUR 10.3bn
- 2013: EUR 5.4bn

Footnotes:

1) Including U.S. agency MBS investments (EUR 2.5bn)
2) Including 5% seasoned self-originated German private retail mortgage loans; 1% short-term deposits at banks
3) Excluding seasoned self-originated German private retail mortgage loans
4) Mostly mutual funds and short-term investments
5) On-balance unrealized gains/losses after tax, non-controlling interests, policyholders and before shadow DAC
Government bond allocation concentrated in EMU core countries

By region

- Germany: 16%
- Italy: 16%
- France: 19%
- Spain: 2%
- UK: 1%
- Rest of Europe: 19%
- USA: 5%
- Rest of World: 14%
- Supranational: 8%

By rating

- AAA: 26%
- AA: 39%
- A: 7%
- BBB: 25%
- Non-investment grade: 1%
- Not rated: 2%

By segment (EUR bn)

- L/H: 74%
- P/C: 17%
- Corporate and other: 8%
- Asset Management: 1%

Net AFS unrealized gains/losses (EUR bn)

- 2012: 4.2
- 2013: 2.1

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

<table>
<thead>
<tr>
<th>Group</th>
<th>Book Value</th>
<th>% of F/I thereof domestic</th>
<th>L/H</th>
<th>% of F/I (L/H) thereof domestic</th>
<th>P/C</th>
<th>% of F/I (P/C) thereof domestic</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>33.9</td>
<td>7.1%</td>
<td>18.7</td>
<td></td>
<td>27.1</td>
<td>7.7%</td>
</tr>
<tr>
<td>Germany</td>
<td>29.1</td>
<td>6.1%</td>
<td>25.3</td>
<td></td>
<td>19.1</td>
<td>5.4%</td>
</tr>
<tr>
<td>Italy</td>
<td>28.8</td>
<td>6.0%</td>
<td>18.1</td>
<td></td>
<td>24.6</td>
<td>6.9%</td>
</tr>
<tr>
<td>Supranational</td>
<td>15.3</td>
<td>3.2%</td>
<td>0.0</td>
<td></td>
<td>12.1</td>
<td>3.4%</td>
</tr>
<tr>
<td>USA</td>
<td>8.5</td>
<td>1.8%</td>
<td>6.9</td>
<td></td>
<td>5.1</td>
<td>1.4%</td>
</tr>
<tr>
<td>Belgium</td>
<td>6.6</td>
<td>1.4%</td>
<td>3.4</td>
<td></td>
<td>5.2</td>
<td>1.5%</td>
</tr>
<tr>
<td>South Korea</td>
<td>6.4</td>
<td>1.3%</td>
<td>6.3</td>
<td></td>
<td>6.4</td>
<td>1.8%</td>
</tr>
<tr>
<td>Austria</td>
<td>6.1</td>
<td>1.3%</td>
<td>0.4</td>
<td></td>
<td>4.8</td>
<td>1.4%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>5.3</td>
<td>1.1%</td>
<td>5.2</td>
<td></td>
<td>4.1</td>
<td>1.2%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>3.6</td>
<td>0.7%</td>
<td>0.2</td>
<td></td>
<td>1.9</td>
<td>0.5%</td>
</tr>
<tr>
<td>Spain</td>
<td>3.0</td>
<td>0.6%</td>
<td>2.4</td>
<td></td>
<td>2.6</td>
<td>0.7%</td>
</tr>
<tr>
<td>Poland</td>
<td>2.5</td>
<td>0.5%</td>
<td>0.5</td>
<td></td>
<td>1.8</td>
<td>0.5%</td>
</tr>
<tr>
<td>Australia</td>
<td>2.3</td>
<td>0.5%</td>
<td>2.1</td>
<td></td>
<td>0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Brazil</td>
<td>1.7</td>
<td>0.4%</td>
<td>0.5</td>
<td></td>
<td>1.1</td>
<td>0.3%</td>
</tr>
<tr>
<td>Mexico</td>
<td>1.6</td>
<td>0.3%</td>
<td>0.3</td>
<td></td>
<td>1.4</td>
<td>0.4%</td>
</tr>
<tr>
<td>Thailand</td>
<td>1.5</td>
<td>0.3%</td>
<td>1.2</td>
<td></td>
<td>1.5</td>
<td>0.4%</td>
</tr>
<tr>
<td>Slovakia</td>
<td>1.5</td>
<td>0.3%</td>
<td>0.8</td>
<td></td>
<td>1.0</td>
<td>0.3%</td>
</tr>
<tr>
<td>Portugal</td>
<td>0.2</td>
<td>0.0%</td>
<td>0.2</td>
<td></td>
<td>0.1</td>
<td>0.0%</td>
</tr>
<tr>
<td>Ireland</td>
<td>0.0</td>
<td>0.0%</td>
<td>0.0</td>
<td></td>
<td>0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Greece</td>
<td>0.0</td>
<td>0.0%</td>
<td>0.0</td>
<td></td>
<td>0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Other</td>
<td>21.7</td>
<td>4.5%</td>
<td>n.a.</td>
<td></td>
<td>13.2</td>
<td>3.7%</td>
</tr>
<tr>
<td>Total 2013</td>
<td>179.6</td>
<td>37.4%</td>
<td>n.a.</td>
<td></td>
<td>133.1</td>
<td>37.5%</td>
</tr>
<tr>
<td>Total 2012</td>
<td>177.4</td>
<td>36.9%</td>
<td>n.a.</td>
<td></td>
<td>131.5</td>
<td>37.0%</td>
</tr>
</tbody>
</table>
Allianz Group – Fiscal Year 2013

Equity portfolio

By region

- Germany 15%
- Eurozone ex Germany 26%
- Europe ex Eurozone 17%
- NAFTA 12%
- Rest of World 10%
- Multinational2 20%

Total
EUR 35.5bn1

By industry

- Banking 8%
- Other Financials 13%
- Consumer 22%
- Basic materials 8%
- Utilities 2%
- Industrial 6%
- Energy 6%
- Funds and other3 35%

By segment (EUR bn)

- L/H 81%
- P/C 14%
- Corporate and other 5%
- Asset Management 0%

Net AFS unrealized gains/losses (EUR bn)4

- 2012: 2.4
- 2013: 2.4

1) Incl. non-equity retail funds (EUR 0.2bn), excl. equities designated at fair value through income (EUR 2.7bn)
2) Incl. private equity LP funds (EUR 3.6bn) and mutual stock funds (EUR 2.7bn)
3) Diversified investment funds (EUR 3.1bn); private and unlisted equity (EUR 5.8bn)
4) On-balance unrealized gains/losses after tax, non-controlling interests and policyholders, and before shadow DAC
Real estate portfolio (incl. own use, market value)

By region

- France: 32%
- Germany: 29%
- Switzerland: 15%
- Italy: 7%
- Spain: 3%
- Rest of Eurozone: 6%
- USA: 1%
- Rest of World: 7%

By sectors

- Office: 62%
- Residential: 19%
- Retail: 15%
- Other/mixed: 4%

By segment (EUR bn)

- L/H: 62%
- P/C: 34%
- Corporate and other: 4%
- Asset Management: 0%

Net unrealized gains/losses (EUR bn)

- Own use: 2.2 (2012) vs. 2.3 (2013)
- 3rd party use: 1.6 (2012) vs. 1.7 (2013)

Footnotes:

1) Based on carrying value, 3rd party use only
2) Market value of fully consolidated real estate assets including real estate own use (EUR 3.6bn) and minorities (EUR 0.3bn)
3) Off-balance unrealized gains/losses after tax, non-controlling interests, policy holders and before shadow DAC, based on external and internal real estate valuations.
Excursus Solvency II – standard model
Allianz applies internal model

<table>
<thead>
<tr>
<th>Capital charges</th>
<th>Solvency II framework</th>
<th>Economic implications</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Government bonds</strong></td>
<td>0% for EU member states</td>
<td>▪ Sovereign debt crisis not reflected</td>
</tr>
</tbody>
</table>
| **Corporate bonds and loans** (AAA rating, 1 - 10 yrs. duration) | 0.9% - 7.0% | ▪ Loans treated like bonds  
▪ Equal treatment of all industry sectors  
▪ More limited financing possibilities, esp. for banks  
▪ Increased pressure to shorten liability duration |
| **Covered bonds** (AAA rating, 1 - 10 yrs. duration) | 0.7% - 6.0% | ▪ Charges too high compared to corporate bonds  
▪ Reduced refinancing possibilities for banks |
| **“Securitization”** (AAA rating, Type 1, 1 - 10 yrs. duration) | 4.3% - 43% | ▪ Very high charges for Type 1  
▪ Type 2 charges: 2.9 times as high (up to 100%)  
▪ Role of insurance industry as equity investor becomes less important  
▪ Shrinking yields for privately financed pension savings |
| **Equities** | 39% - 49% | ▪ In combination with IFRS 9, high charges drive insurance sector more and more out of this asset class  
▪ Attractiveness of real estate investments decreases  
▪ Less inflation protection in private pension savings |
| **Real estate** | 25% | ▪ Proposed charges calibrated to UK market (traditionally high volatility – unlike many markets in continental Europe) |

1) As in “Draft Delegated Acts Solvency II” (Jan 2014). Before diversification, not taking into account interest rate risk. Equities without participations
2) Includes also other institutions like the European Central Bank or multilateral development banks
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.

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