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## **Allianz and Banco Popular strengthen their strategic partnership**

- § New joint venture Allianz Popular will bundle various existing joint ventures**
- § Cooperation expanded to asset management**
- § Allianz with majority stake in Allianz Popular**
- § Long-term exclusive distribution agreement for life insurance, pension plans, asset management as well as property and casualty insurance**

Allianz SE and Banco Popular form a joint venture to strengthen the existing partnership and to unite all existing joint ventures under one roof. With the company called Allianz Popular the two partners also expand their cooperation to asset management. Both companies will contribute their interests in the various subsidiaries that currently distribute through the network of Banco Popular life insurance (Eurovida S.A., Compañía de Seguros y Reaseguros) pension plans (Europensiones SA EGFP) and investment funds (Popular Gestión SGIIC SA). The new platform will manage assets worth around 11 billion euros (as of end 2010), and will allow Banco Popular to become the partner of one of the largest insurance companies and asset managers in the world.

Allianz and Banco Popular will intensify cooperation in the field of insurance, pensions and asset management in Spain. Distribution will be on an exclusive basis for an initial term of 15 years. As a result the new company will receive access to a broad clientele of 6.3 million customers.

Allianz will own 60 percent of Allianz Popular with the remainder being held by the Spanish partner. The total value of the businesses involved is 1,058 million euros not including the potential value upside from future cash earn-out payments.

Commenting on this deal, Angel Ron, Chairman of Banco Popular said: "It has been a privilege being associated with Allianz and this is a new step forward. This new joint venture will position Banco Popular at the forefront of the long term savings industry in Spain."

"Following our successful cooperation for more than 20 years with Banco Popular, the joint venture will strengthen the distribution of our products in this core market in the future. Therefore Allianz will consolidate its position as one of the leading insurance companies in Spain", said Vicente Tardio, Chairman and CEO of Allianz Seguros in Spain. "Furthermore the Allianz Popular customers benefit in multiple ways: by the professional banking products and the wide distribution network of Banco Popular as well as by our experience in life insurance, pension plans, asset management, property and casualty insurance."

The transaction is subject to regulatory approvals.

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.

**No duty to update**

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