

# Group financial results 1Q 2013

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Chief Financial Officer

Journalists' conference call  
May 15, 2013

# 1

Group financial  
results 1Q 2013

- 1** Highlights
- 2** Additional information
  - a) Group
  - b) Property-Casualty
  - c) Life/Health
  - d) Asset Management
  - e) Corporate and Other
- 3** Glossary

## Group: highlights 1Q 2013

### HSBC

Signing of a 10-year life insurance distribution agreement in Continental Europe, starting with Turkey - as part of our global relationship with HSBC, incl. the recently signed agreement for eight Asian countries.

### Yapı Kredi

Acquisition<sup>1</sup> of the Non-life as well as 80% of the Life and Pension business of Yapı Kredi Bank in Turkey for a total consideration of EUR 684mn. This includes a 15-year exclusive bank distribution agreement.

### Rating

S&P raised the outlook for our AA rating to stable from negative.

### Refinancing

Allianz placed three senior unsecured bonds with a total volume of EUR 2.1bn – average weighted maturity of 19 years – reducing interest costs.

### Asset Management

PIMCO launched the Dynamic Credit Income CEF, the largest IPO since 2007.

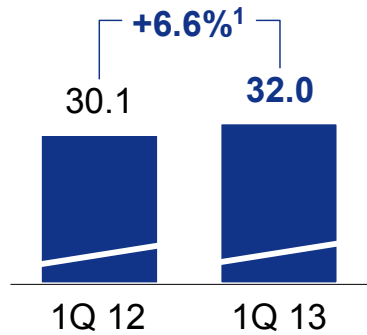
### New product

Italy launched "Progetto Reddito", a decumulation whole-life single premium unit-linked product, sold through our FA channel (revenues 1Q EUR 329mn).

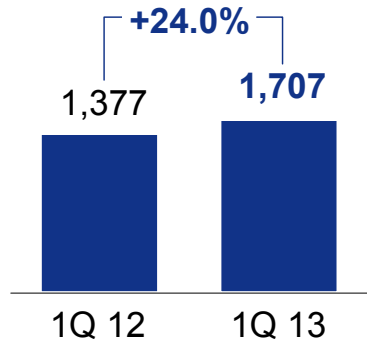
1) Subject to regulatory approval

# A strong first quarter

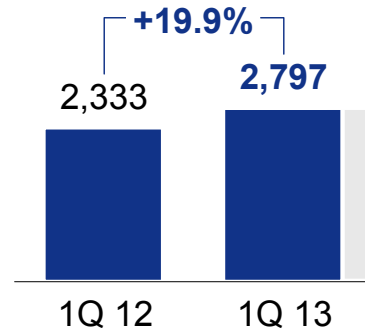
Total revenues (EUR bn)



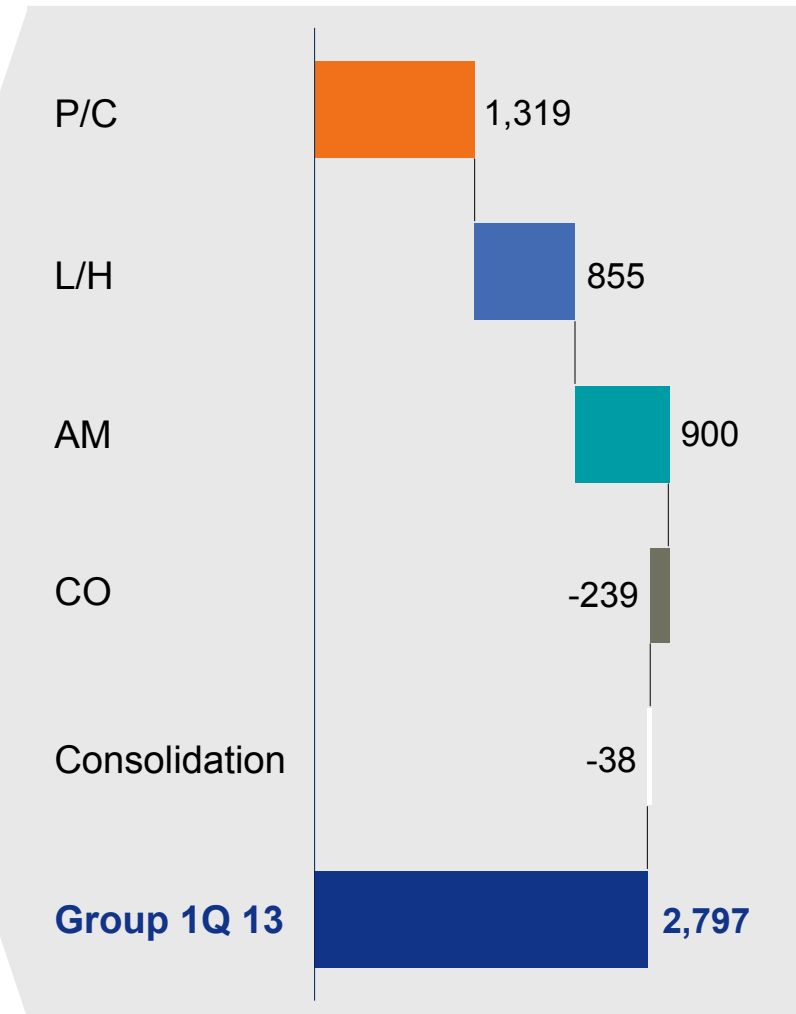
Net income<sup>2</sup> (EUR mn)



Operating profit (EUR mn)



Operating profit by segment (EUR mn)

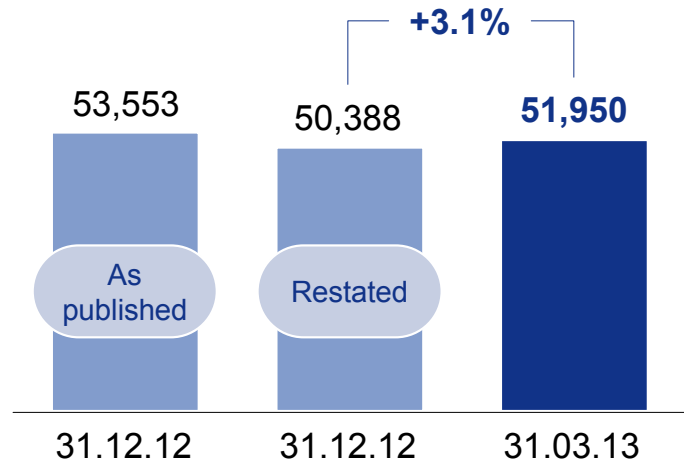


**!** Prior years figures have been restated throughout the whole presentation to reflect the retrospective application of the amended standard IAS 19 and inclusion of restructuring charges in operating profit

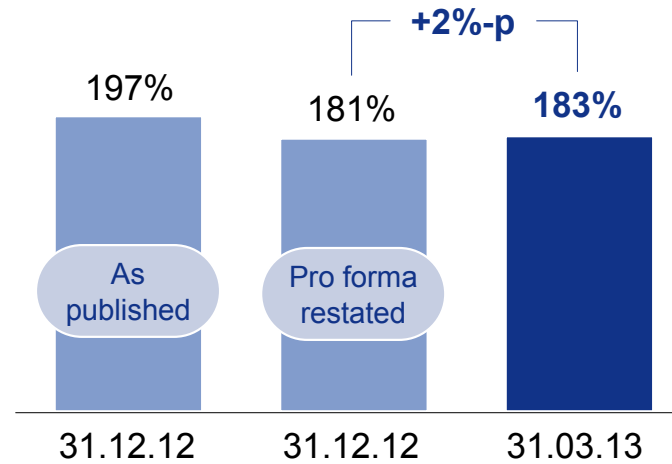
1) Internal growth of 6.1%, adjusted for F/X and consolidation effects  
 2) Net income attributable to shareholders

# Healthy capital position

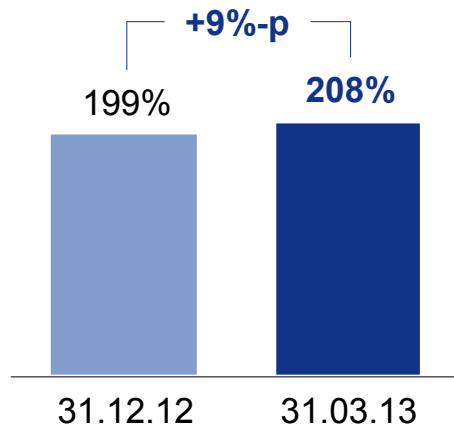
Shareholders' equity (EUR mn)



Conglomerate solvency (%)



Economic solvency (%)



S&P capital adequacy (AA)

Allianz' rating confirmed with "AA" and outlook raised to "stable" on 20.03.13

## Price increases drive top line growth (EUR mn)

1Q 2013		Revenues	Total growth	Internal growth <sup>1</sup>	Price effect	Volume effect
<b>Total P/C segment</b>		<b>15,197</b>	<b>+2.7%</b>	<b>+1.3%</b>	<b>+1.8%</b>	<b>-0.5%</b>
<b>Large OEs</b>	Germany	4,000	+2.7%	+2.7%		
	France	1,465	+28.7%	+2.0%		
	Italy	978	+2.6%	+2.6%		
<b>Global lines</b>	AGCS	1,566	-3.6%	-3.1%		
	Credit Insurance	599	+1.4%	+2.1%		
	Allianz Worldwide Partners <sup>2</sup>	720	+17.5%	+17.6%		
<b>Selected OEs</b>	Australia	685	+1.5%	+3.9%		
	Latin America <sup>3</sup>	567	+0.2%	+10.8%		
	USA	452	-31.1%	-30.6%		
	Turkey	211	+44.5%	+44.5%		

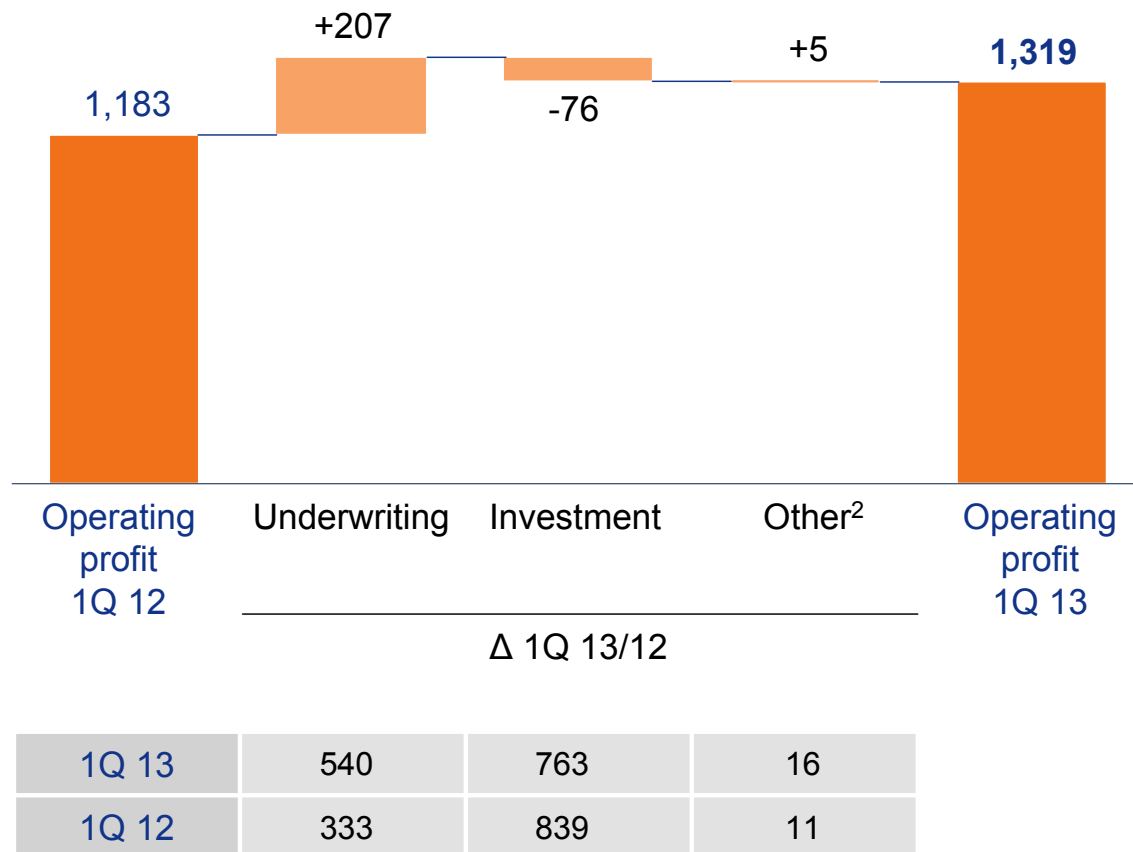
1) Adjusted for F/X and consolidation effects

2) Allianz Worldwide Partners includes the legal entities of Allianz Global Assistance and Allianz Worldwide Care as well as the reinsurance business of Allianz Global Automotive

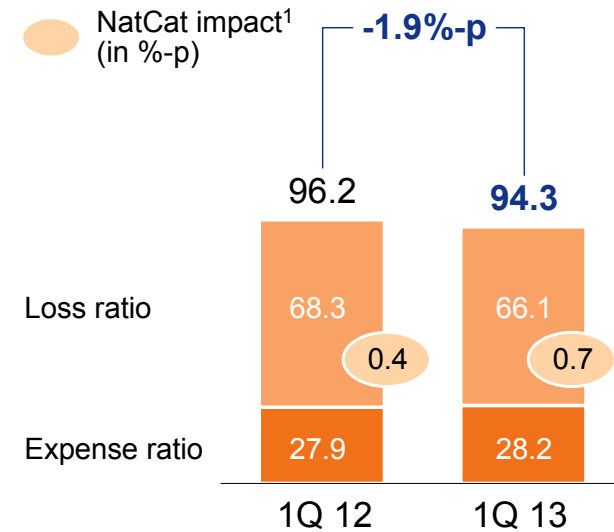
3) South America and Mexico

# Focus on underwriting bears fruit

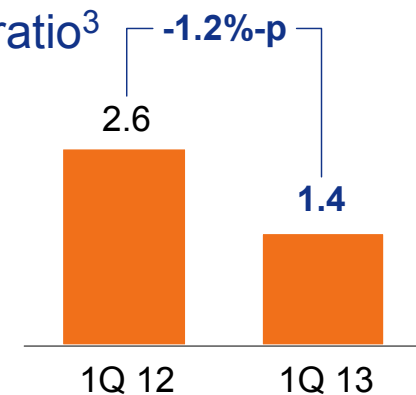
## Operating profit drivers (EUR mn)



## Combined ratio (in %)



## Run-off ratio<sup>3</sup> (in %)



1) NatCat costs (without reinstatement premiums and run-off): EUR 42mn (1Q 12) and EUR 70mn (1Q 13)  
 2) Including restructuring charges  
 3) Positive values indicate positive run-off, run-off ratio calculated as run-off result in percent of net premiums earned

## Most OEs contribute to better operating result (EUR mn)

1Q 2013		Operating profit	Δ p.y.	Combined ratio	Δ p.y.	NatCat impact in CR <sup>1</sup>	Δ p.y. <sup>1</sup>
<b>Total P/C segment</b>		<b>1,319</b>	<b>+11.5%</b>	<b>94.3%</b>	<b>-1.9%-p</b>	<b>0.7%-p</b>	<b>+0.3%-p</b>
<b>Large OEs</b>	Germany	319	+63.6%	91.4% <sup>2</sup>	-6.6%-p	0.0%-p	-0.7%-p
	France	103	+7.3%	96.5%	-2.1%-p	0.0%-p	0.0%-p
	Italy	206	+26.4%	85.6%	-6.0%-p	0.0%-p	0.0%-p
<b>Global lines</b>	AGCS	92	-21.4%	97.3%	+1.8%-p	0.3%-p	+0.3%-p
	Credit Insurance	88	-12.0%	84.9%	+8.3%-p	–	–
	Allianz Worldwide Partners <sup>3</sup>	18	-10.0%	98.2%	+0.8%-p	0.0%-p	0.0%-p
<b>Selected OEs</b>	Australia	65	-3.0%	99.5%	-0.4%-p	4.8%-p	+3.2%-p
	Latin America <sup>4</sup>	39	0.0%	97.6%	+0.1%-p	0.0%-p	0.0%-p
	USA	47	+30.6%	101.5%	-4.0%-p	0.0%-p	-2.6%-p
	Turkey	17	+467%	92.0%	-11.4%-p	0.0%-p	0.0%-p

1) Excluding reinstatement premiums

2) Includes a positive 3.5%-p one-off effect from commutation of an internal reinsurance – no impact on segment level

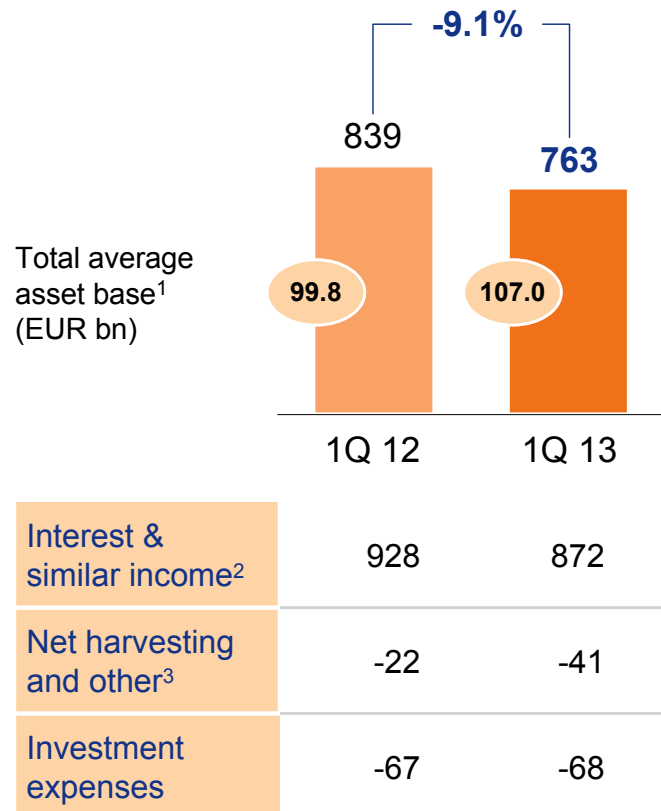
3) Allianz Worldwide Partners includes the legal entities of Allianz Global Assistance and Allianz Worldwide Care as well as the reinsurance business of Allianz Global Automotive

4) Mexico and South America



# Operating investment result impacted by de-risking and low interest rates

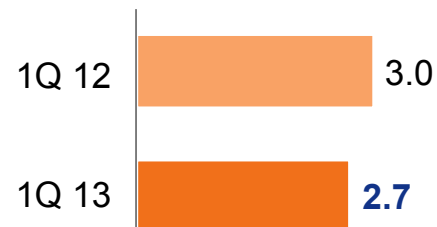
## Investment result (EUR mn)



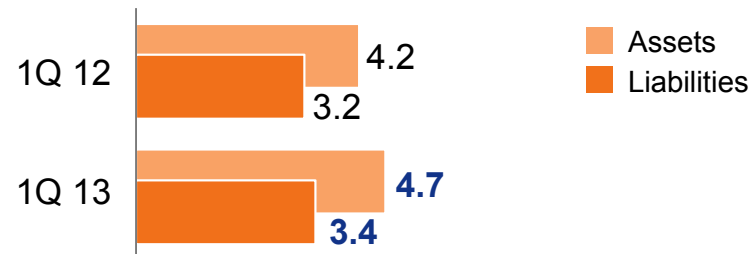
## Current yield (debt securities; in %)



## Reinvestment yield<sup>4</sup> (debt securities; in %)



## Duration



1) Asset base includes health business France, fair value option and trading

2) Net of interest expenses

3) Comprises real. gains/losses, impairments (net), fair value option, trading and F/X gains and losses and policyholder participation. Thereof related to UBR in Germany: 1Q 2012: EUR -19mn, 1Q 2013: EUR -7mn

4) On an annual basis

## Unit-linked business drives growth (EUR mn)

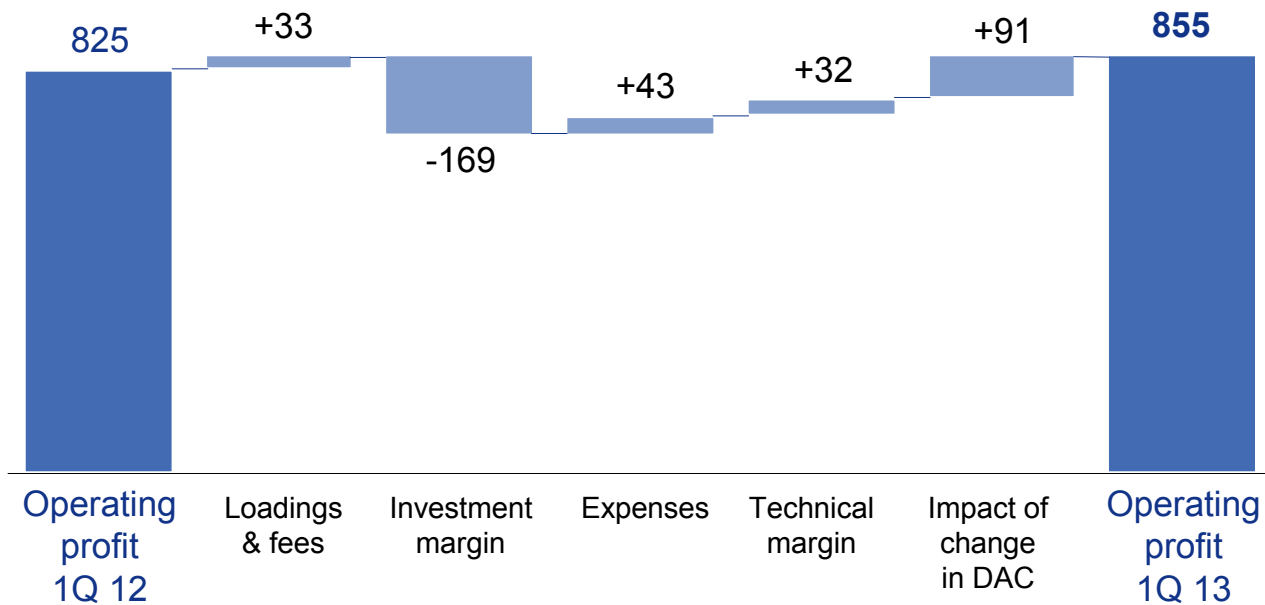
1Q 2013		Revenues	Total growth Δ p.y.	Internal growth <sup>1</sup> Δ p.y.	PVNB <sup>P</sup>	Δ p.y.
<b>Total L/H segment</b>		<b>14,837</b>	<b>+8.3%</b>	<b>+8.5%</b>	<b>13,224</b>	<b>+15.2%</b>
<b>Large OEs</b>	Germany Life	4,466	+13.4%	+13.4%	4,099	+17.3%
	France	2,268	+12.4%	+12.4%	2,559	+54.2%
	Italy	2,095	+65.4%	+65.4%	1,532	+64.4%
	USA	1,562	-22.8%	-22.2%	1,602	-19.7%
<b>Selected OEs</b>	Asia-Pacific	1,300	+11.7%	+11.4%	1,197	+9.6%
	Switzerland	917	-11.0%	-9.4%	555	-32.6%
	Germany Health	831	+1.6%	+1.6%	486	+20.0%
	Benelux <sup>2</sup>	689	+53.8%	+53.8%	443	+73.0%
	Spain	313	+25.2%	+25.2%	257	+25.4%
	CEE	257	-39.4%	-39.4%	256	-36.0%

1) Adjusted for F/X and consolidation effects

2) Revenues from investment-oriented products in Luxembourg of EUR 266mn (EUR 80mn in 1Q 12) are reinsured by France

# Operating profit improves from already high level (EUR mn)

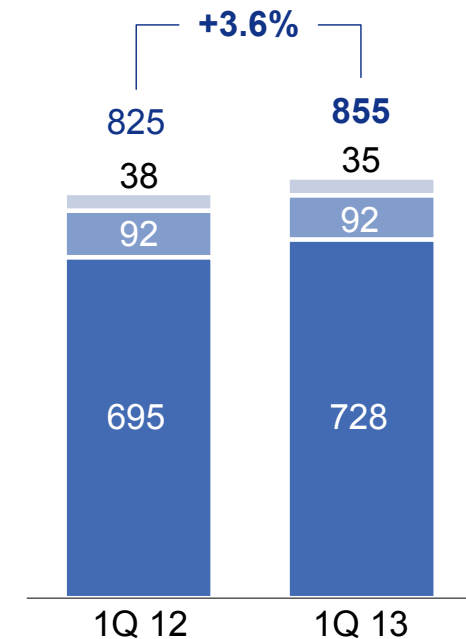
## Operating profit by sources<sup>1</sup>



Δ 1Q 13/12

1Q 13	1,113	743	-1,325	273	51
1Q 12	1,080	912	-1,368	241	-40

## Operating profit by line



- Unit linked w/o guarantee
- Protection & health
- Guaranteed savings & annuities

1) For a description of the L/H operating profit sources please refer to the glossary

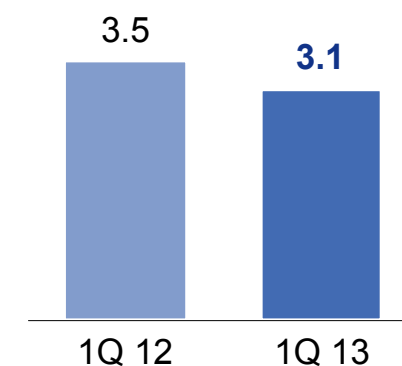
## Higher volumes drive value of new business (EUR mn)

1Q 2013		Operating profit	Δ p.y.	VNB	Δ p.y.	NBM	Δ p.y.
<b>Total L/H segment</b>		<b>855</b>	<b>+3.6%</b>	<b>238</b>	<b>+6.7%</b>	<b>1.8%</b>	<b>-0.1%-p</b>
<b>Large OEs</b>	Germany Life	344	+42.1%	122	+4.3%	3.0%	-0.3%-p
	France	115	+35.3%	3	-86.4%	0.1%	-1.3%-p
	Italy	81	+11.0%	25	+78.6%	1.6%	+0.1%-p
	USA	101	-39.2%	24	+60.0%	1.5%	+0.7%-p
<b>Selected OEs</b>	Asia-Pacific	63	-25.9%	30	-9.1%	2.5%	-0.5%-p
	Switzerland	20	0.0%	7	+250.0%	1.2%	+0.9%-p
	Germany Health	31	-27.9%	11	+37.5%	2.2%	+0.1%-p
	Benelux	26	-7.1%	10	+100.0%	2.2%	+0.2%-p
	Spain	33	+6.5%	7	-36.4%	2.8%	-2.7%-p
	CEE	19	0.0%	15	+25.0%	5.8%	+2.7%-p

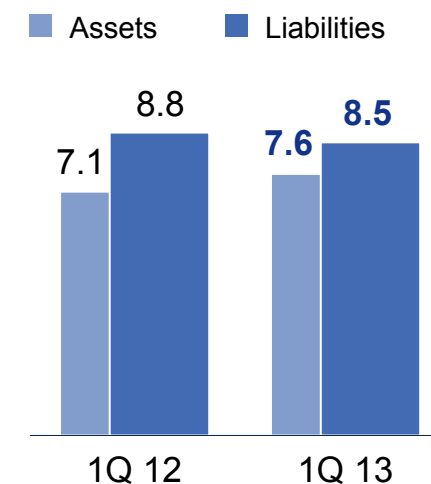
## Investment margin at healthy level

	(yields are pro-rata)	
	1Q 12	1Q 13
<b>Based on Ø book value of assets<sup>1</sup></b>		
Current yield <sup>2</sup>	1.1%	1.0%
<b>Based on Ø aggregate policy reserves</b>		
Current yield <sup>2</sup>	1.2%	1.2%
Net harvesting and other	0.2%	0.1%
<b>Total yield</b>	<b>1.4%</b>	<b>1.3%</b>
- Ø min. guarantee for one quarter	0.7%	0.6%
<b>Gross margin</b>	<b>0.8%</b>	<b>0.7%</b>
- Profit sharing under IFRS <sup>3</sup>	0.5%	0.5%
<b>Margin</b>	<b>0.3%</b>	<b>0.2%</b>
Investment margin (EUR mn)	912	743
Ø book value of assets <sup>1</sup> (EUR bn)	368	403
Ø aggregate policy reserves (EUR bn)	331	344

### Reinvestment yield<sup>4</sup> (debt securities; in %)



### Duration



1) Asset base under IFRS which excludes unit-linked, FVO and trading

2) Based on interest and similar income

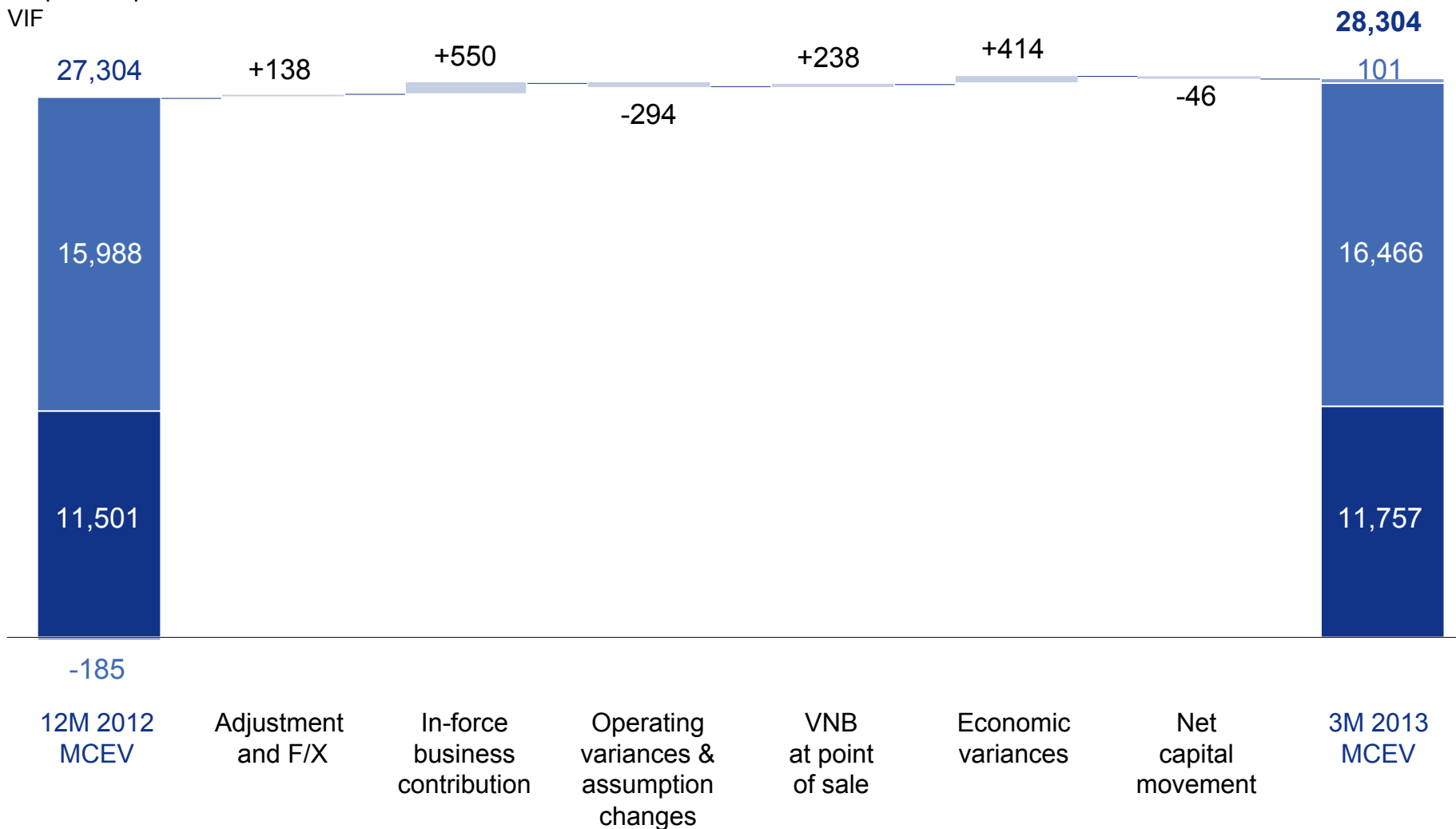
3) Includes bonus to policyholders under local statutory accounting and deferred premium refund under IFRS

4) On an annual basis

# Stable MCEV

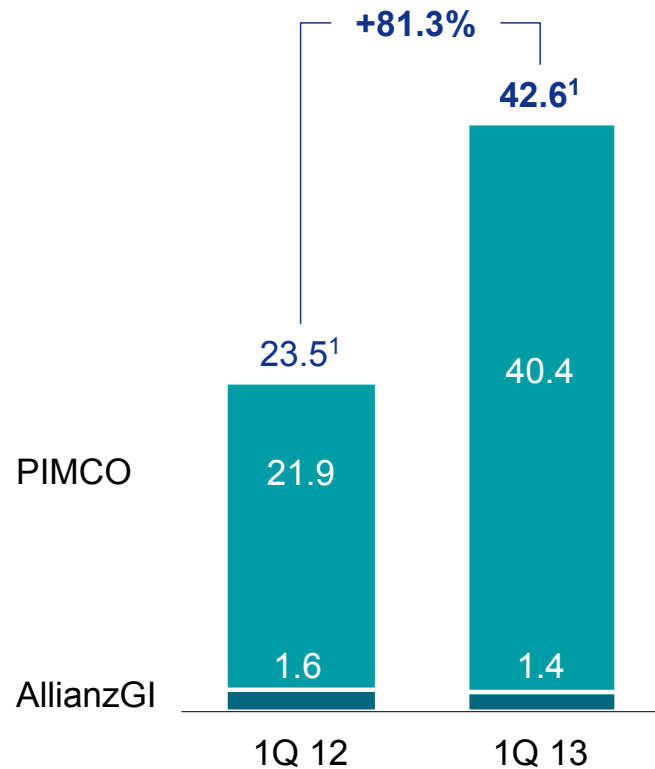
(EUR mn, after non-controlling interests)

- Free surplus
- Required capital
- VIF

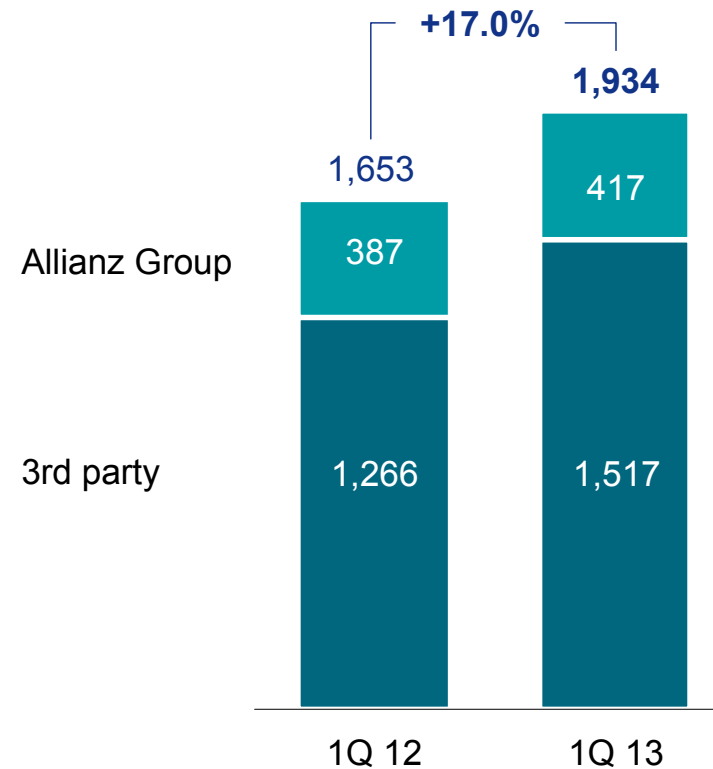


# Strong net inflows drive AuM to all time high

3rd party net flows (EUR bn)

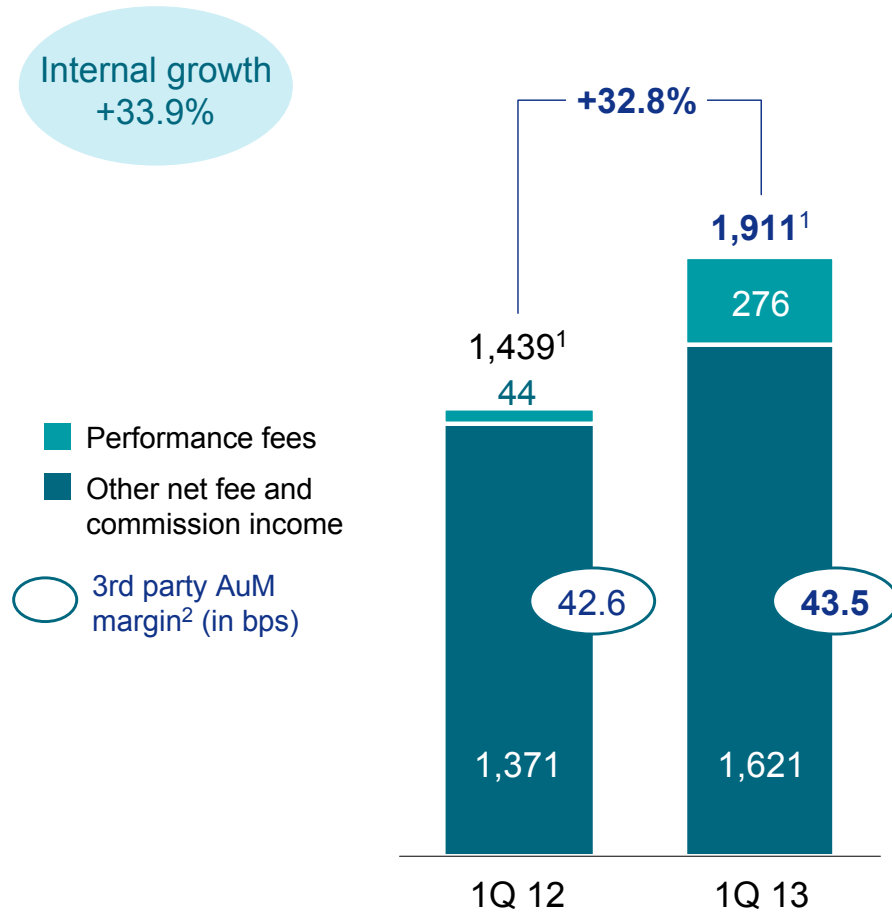


Assets under management (EUR bn)

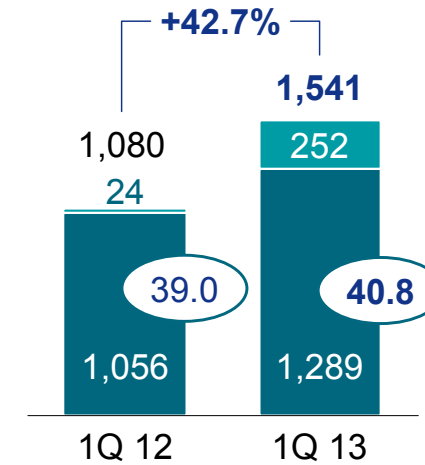


1) "Other" net flows of EUR 0.0bn (1Q 12) and EUR 0.8bn (1Q 13) are not shown in chart

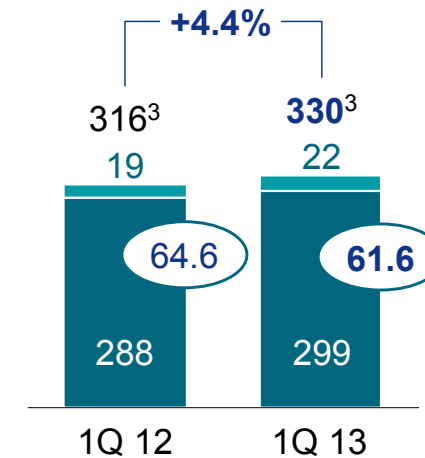
# Revenues up by one third (EUR mn)



## PIMCO



## AllianzGI

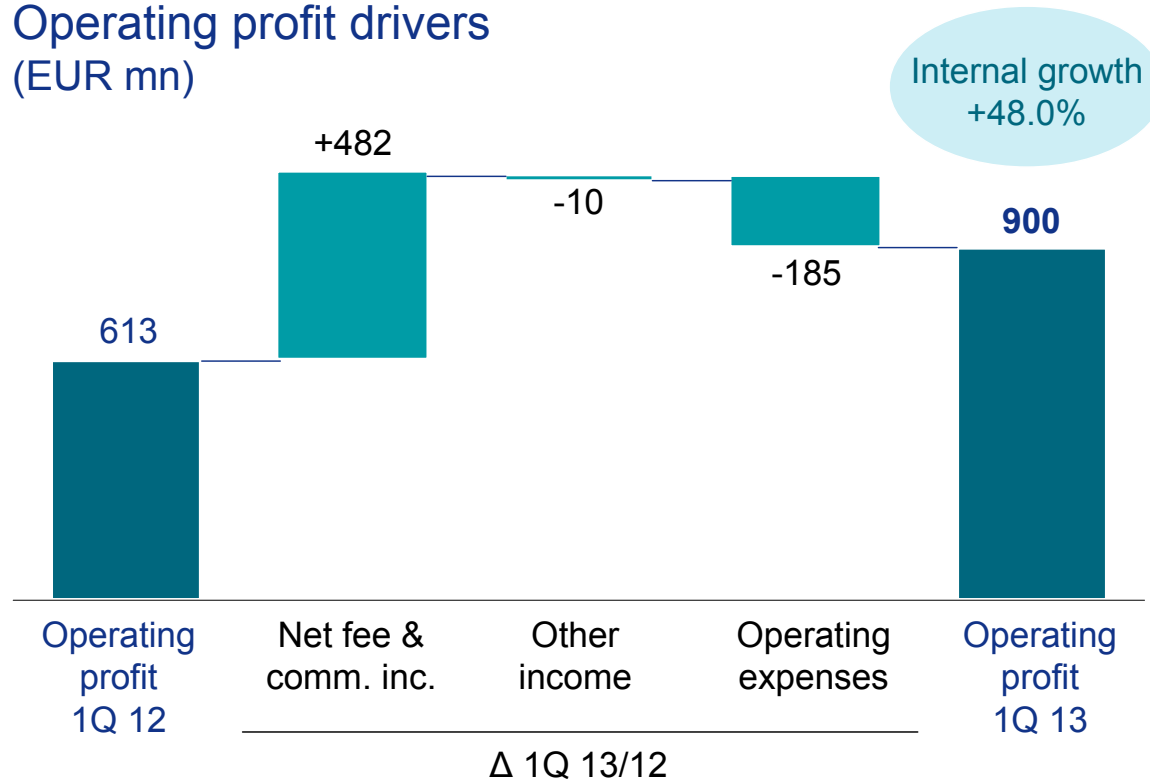


1) "Other" revenues of EUR 24mn (1Q 12) and EUR 14mn (1Q 13) are not shown in chart  
 2) Excluding performance fees and other income, 3 months  
 3) "Other" AllianzGI revenues of EUR 9mn for each of the quarters are not shown in chart



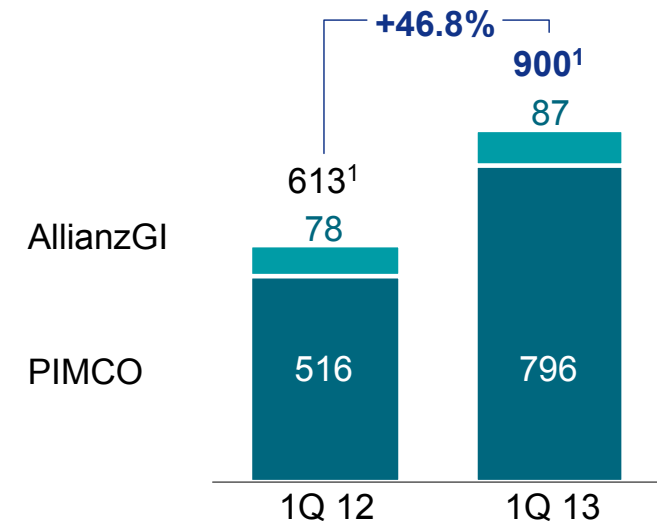
# Operating profit almost 50 percent up

Operating profit drivers  
(EUR mn)



	1Q 13	1Q 12
Net fee & comm. inc.	1,897	1,415
Other income	14	24
Operating expenses	-1,011	-826

Operating profit development  
(EUR mn)



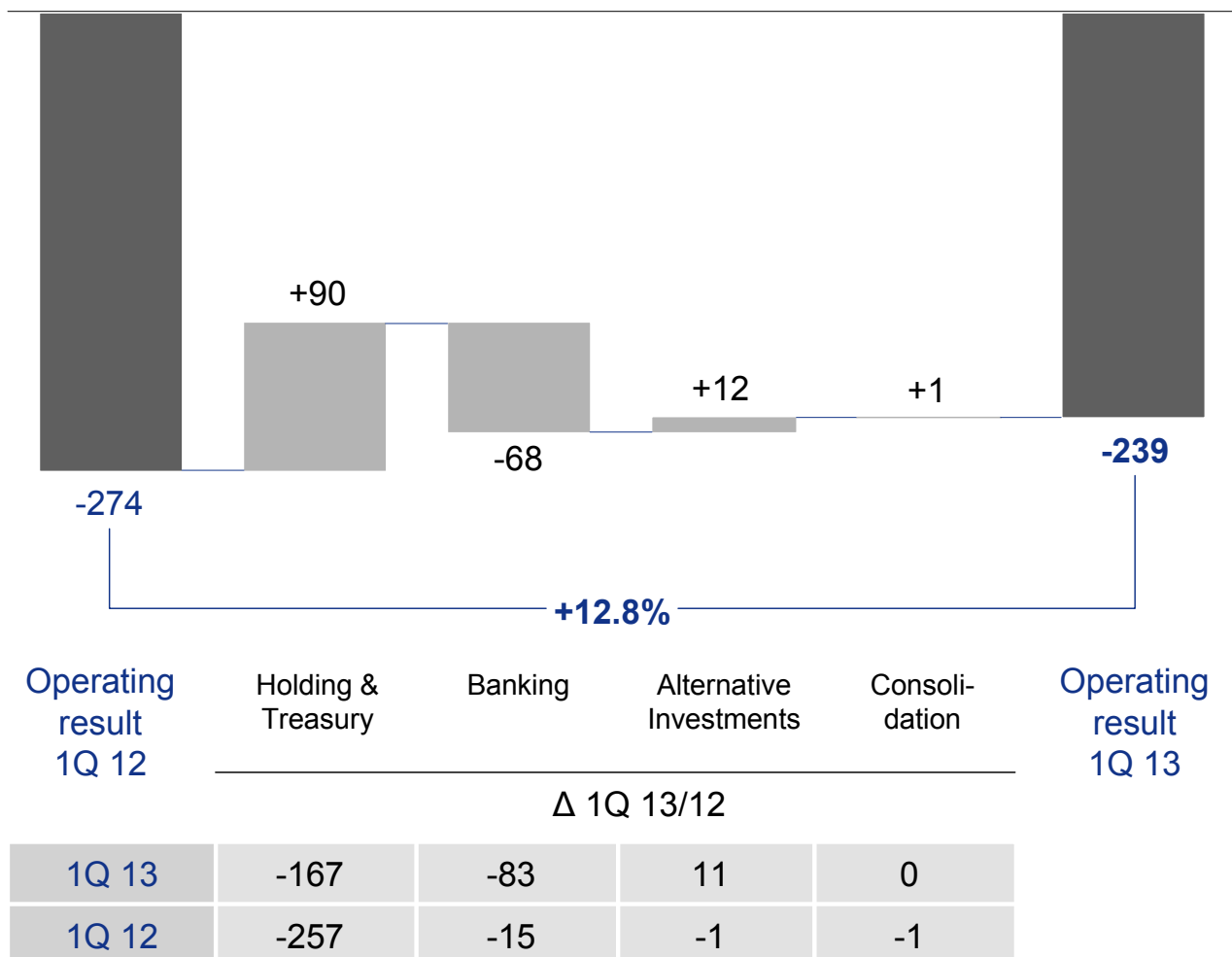
Cost-income ratio (in %)

	1Q 13	1Q 12
AllianzGI	75.3	73.7
PIMCO	52.2	48.4
<b>Total</b>	<b>57.4</b>	<b>52.9</b>

1) Including operating profit from other entities of EUR 19mn (1Q 12) and EUR 17mn (1Q 13), which is not shown in chart. For further information, please refer to Additional information

# Operating loss decreases by EUR 35mn (EUR mn)


## Operating loss development and components



## Shareholders' net income up 24 percent (EUR mn)

	1Q 12	1Q 13	Change
Operating profit	2,333	2,797	+464
Non-operating items	-88	-119	-31
Realized gains/losses	116	267	+151
Impairments (net)	-123	-71	+52
Income from fin. assets and liabilities carried at fair value	228	-4	-232
Interest expense from external debt	-259	-241	+18
Fully consolidated private equity inv. (net)	-6	-4	+2
Acquisition-related expenses	-12	-25	-13
Amortization of intangible assets	-25	-41	-16
Reclassification of tax benefits	-7	0	+7
Income before taxes	2,245	2,678	+433
Income taxes	-794	-877	-83
Net income	1,451	1,801	+350
Non-controlling interests	74	94	+20
Shareholders' net income	1,377	1,707	+330
Effective tax rate	35%	33%	-2%-p

## Summary 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% to EUR 1,707mn
- Strong capital position and balance sheet

### Outlook<sup>1</sup>:

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

1) Impact from NatCat, financial markets and global economic development not predictable

# 2

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# 2a

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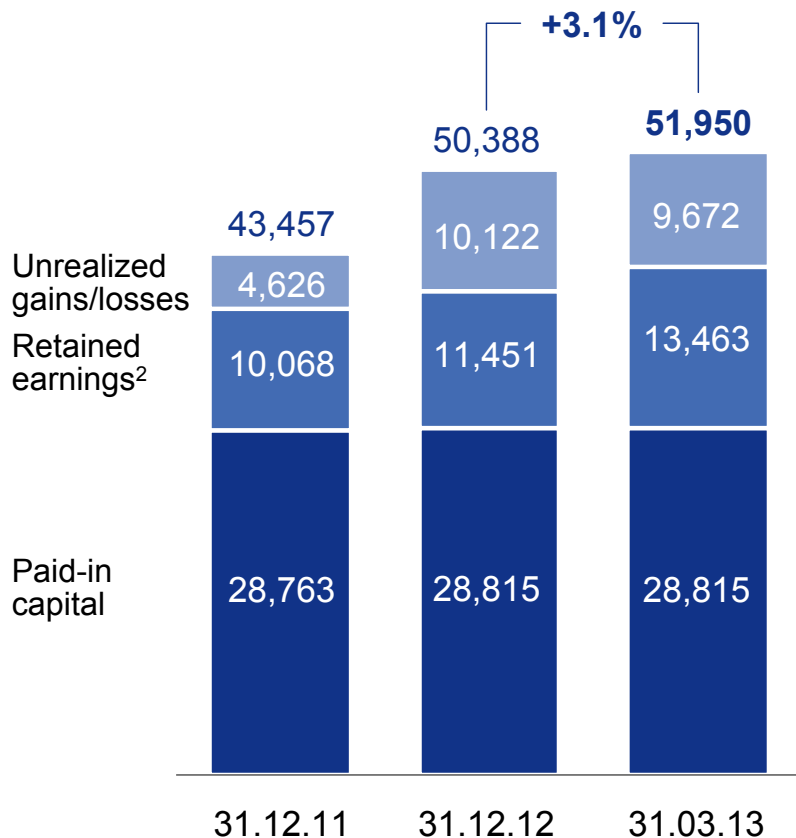
## Group: key figures (EUR mn)

	1Q 2011	2Q 2011	3Q 2011	4Q 2011	1Q 2012	2Q 2012	3Q 2012	4Q 2012	1Q 2013	Delta 1Q 13/12	3M 2011	3M 2012	3M 2013
<b>Total revenues (EUR bn)</b>	<b>29.9</b>	<b>24.6</b>	<b>24.1</b>	<b>25.0</b>	<b>30.1</b>	<b>25.2</b>	<b>25.2</b>	<b>25.9</b>	<b>32.0</b>	<b>+1.9</b>	<b>29.9</b>	<b>30.1</b>	<b>32.0</b>
- Property-Casualty	14.3	10.2	10.8	9.5	14.8	10.7	11.4	10.0	15.2	0.0	14.3	14.8	15.2
- Life/Health	14.3	13.0	11.8	13.8	13.7	12.9	11.9	13.9	14.8	1.0	14.3	13.7	14.8
- Asset Management	1.3	1.3	1.3	1.6	1.4	1.5	1.8	2.0	1.9	1.0	1.3	1.4	1.9
- Corporate and Other	0.2	0.1	0.1	0.2	0.2	0.1	0.1	0.2	0.1	0.0	0.2	0.2	0.1
- Consolidation	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0
<b>Operating profit</b>	<b>1,646</b>	<b>2,286</b>	<b>1,895</b>	<b>1,937</b>	<b>2,333</b>	<b>2,226</b>	<b>2,506</b>	<b>2,272</b>	<b>2,797</b>	<b>+464</b>	<b>1,646</b>	<b>2,333</b>	<b>2,797</b>
- Property-Casualty	656	1,292	1,094	1,054	1,183	1,026	1,130	1,275	1,319	136	656	1,183	1,319
- Life/Health	702	678	520	502	825	818	815	485	855	30	702	825	855
- Asset Management	529	527	533	655	613	575	848	917	900	287	529	613	900
- Corporate and Other	-231	-180	-223	-235	-274	-180	-261	-399	-239	35	-231	-274	-239
- Consolidation	-10	-31	-29	-39	-14	-13	-26	-6	-38	-24	-10	-14	-38
Non-operating items	-172	-649	-1,245	-787	-88	-151	-336	-43	-119	-31	-172	-88	-119
Income b/ tax	1,474	1,637	650	1,150	2,245	2,075	2,170	2,229	2,678	+433	1,474	2,245	2,678
Income taxes	-567	-551	-389	-551	-794	-755	-743	-869	-877	-83	-567	-794	-877
<b>Net income</b>	<b>907</b>	<b>1,086</b>	<b>261</b>	<b>599</b>	<b>1,451</b>	<b>1,320</b>	<b>1,427</b>	<b>1,360</b>	<b>1,801</b>	<b>+350</b>	<b>907</b>	<b>1,451</b>	<b>1,801</b>
<i>Net income attributable to:</i>													
Non-controlling interests	59	71	63	69	74	86	94	73	94	+20	59	74	94
Shareholders	848	1,015	198	530	1,377	1,234	1,333	1,287	1,707	+330	848	1,377	1,707
<b>Group financial assets<sup>1</sup> (EUR bn)</b>	<b>470.2</b>	<b>473.3</b>	<b>480.5</b>	<b>485.4</b>	<b>502.0</b>	<b>507.7</b>	<b>525.1</b>	<b>533.4</b>	<b>542.2</b>	<b>+40.2</b>	<b>470.2</b>	<b>502.0</b>	<b>542.2</b>

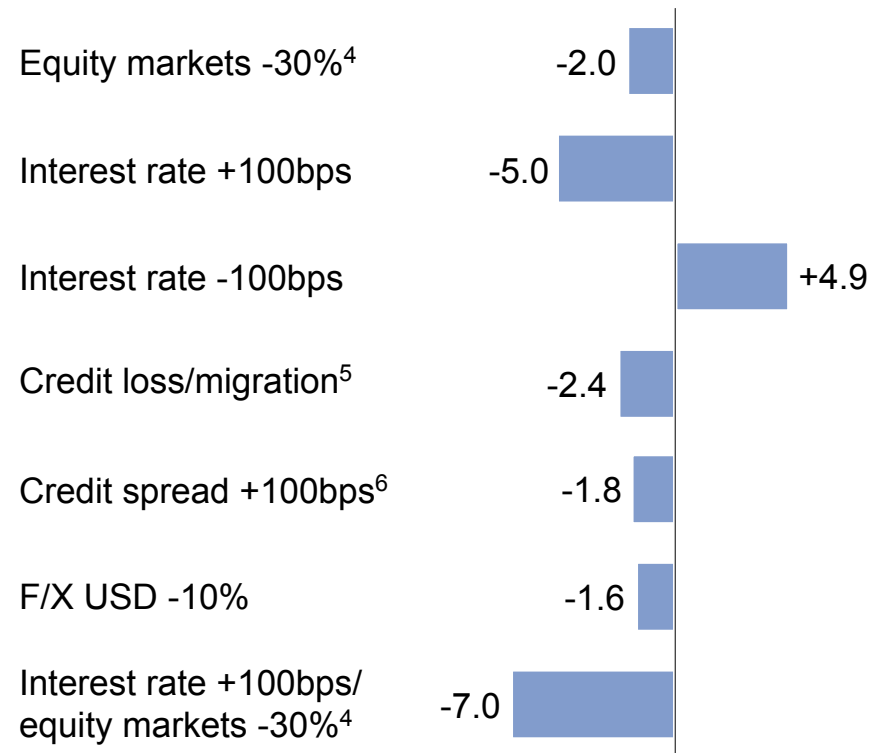
1) Group own assets including financial assets carried at fair value through income, cash and cash pool assets net of liabilities from securities lending, derivatives and liabilities from cash pooling

# Group: shareholders' equity and stress tests

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



Estimation of stress impact<sup>3</sup> (EUR bn)



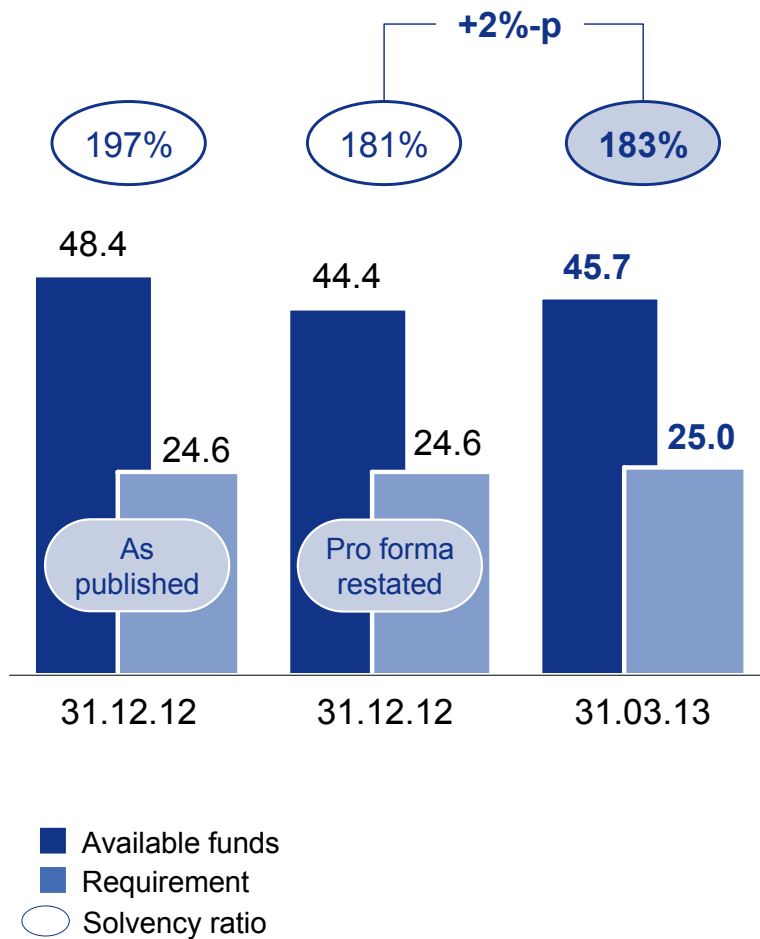
1) Figures adjusted following IAS 19 changes. Excluding non-controlling interests (31.12.11: EUR 2,290mn, 31.12.12: EUR 2,575mn, 31.03.13: EUR 2,671mn)  
 2) Including F/X  
 3) After non-controlling interests, policyholder participation, tax and shadow DAC  
 4) Including derivatives

5) Credit loss/migration (corporate and ABS portfolio): scenario based on probabilities of default as in 1932, migrations adjusted to mimic recession and assumed recovery rate of 30%  
 6) Credit spread stress on corporate and ABS portfolio

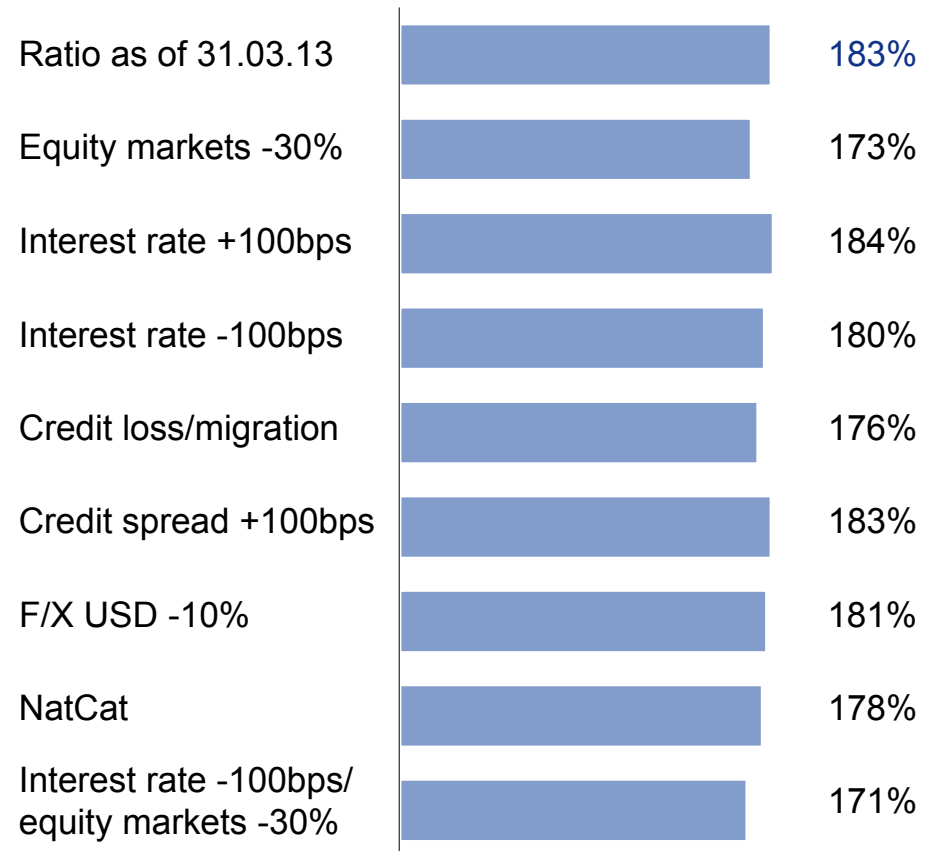


# Group: conglomerate solvency ratio and stress tests

## Conglomerate solvency<sup>1</sup> (EUR bn)



## Estimation of stress impact<sup>1</sup>



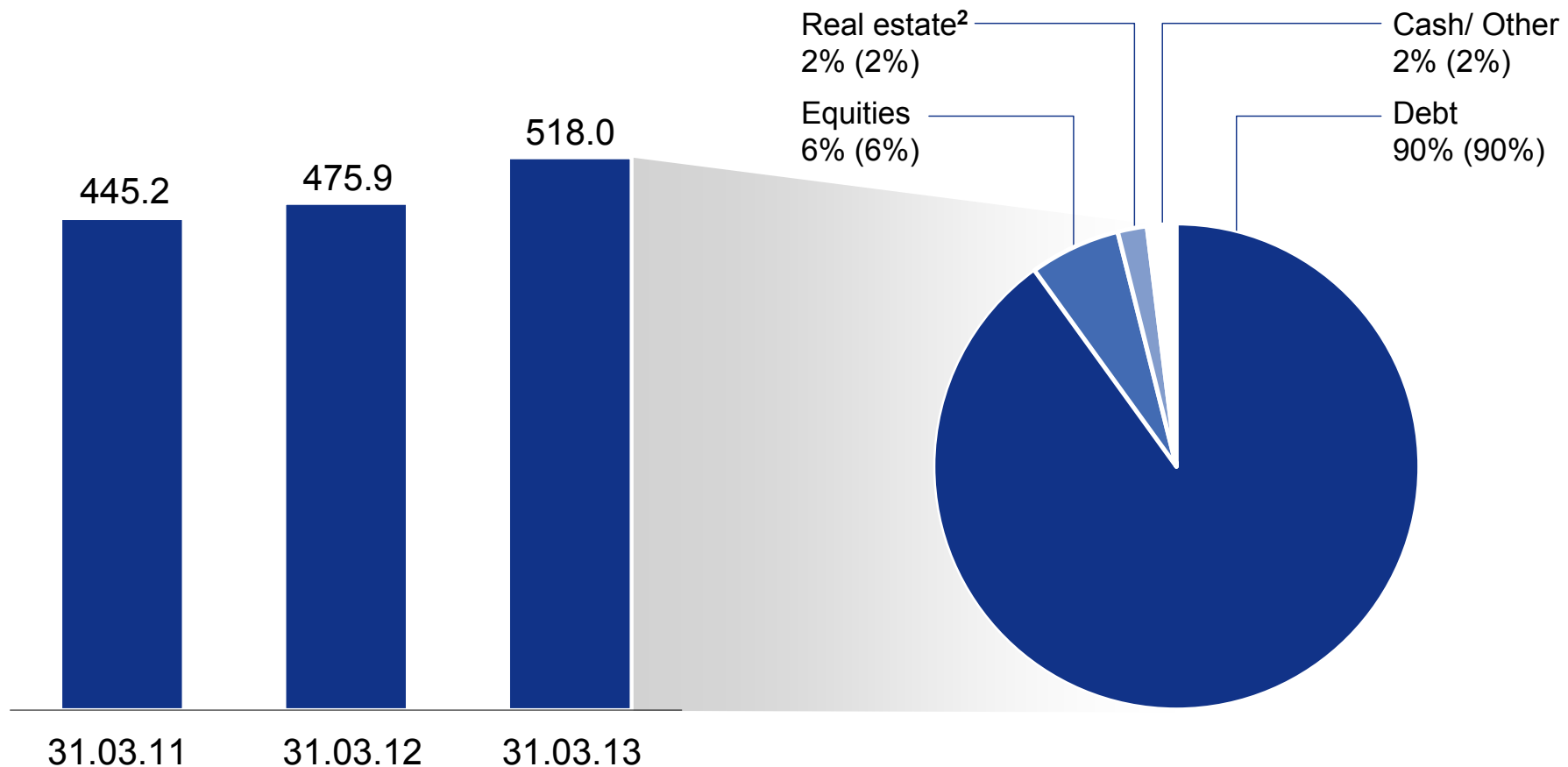
1) Including off-balance sheet reserves: 31.12.12: EUR 2.2bn (based on published figure), 31.12.12: 2.2bn (based on pro forma restated figure), 31.03.13: EUR 2.2bn. The solvency ratio excluding off-balance sheet reserves would be 188% (based on published figure) for 31.12.12, 171% (based on pro forma restated figure) for 31.12.12 and 174% for 31.03.13

# Group: overview investment portfolio (EUR bn)

Group investments and loans<sup>1</sup>

as of 31.03.13 (31.03.12)

Total EUR 518.0bn (EUR 475.9bn)



1) Portfolio discussion is based on consolidated insurance portfolios (P/C, L/H, Corporate and Other, does not include Banking operations, excluding unit-linked)

2) Excluding real estate own use and real estate held for sale

# 2b

Group financial  
results 1Q 2013

- 1** Highlights
- 2** Additional information
  - a) Group
  - b) Property-Casualty**
  - c) Life/Health
  - d) Asset Management
  - e) Corporate and Other
- 3** Glossary

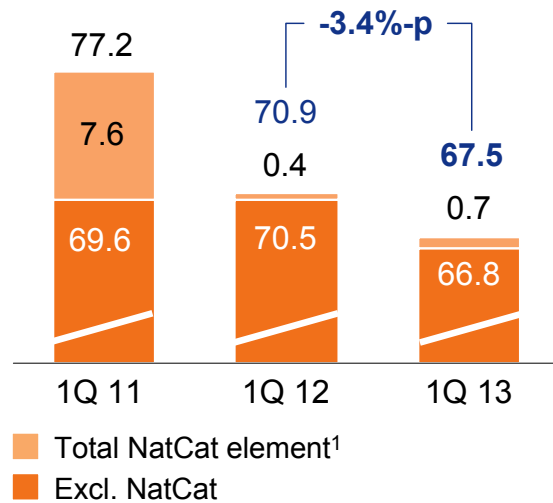
## P/C: key figures (EUR mn)

	1Q 2011	2Q 2011	3Q 2011	4Q 2011	1Q 2012	2Q 2012	3Q 2012	4Q 2012	1Q 2013	Delta 1Q 13/12	3M 2011	3M 2012	3M 2013
<b>Gross premiums written</b> (EUR bn)	<b>14.3</b>	<b>10.2</b>	<b>10.8</b>	<b>9.5</b>	<b>14.8</b>	<b>10.7</b>	<b>11.4</b>	<b>10.0</b>	<b>15.2</b>	<b>+0.4</b>	<b>14.3</b>	<b>14.8</b>	<b>15.2</b>
<b>Operating profit</b>	<b>656</b>	<b>1,292</b>	<b>1,094</b>	<b>1,054</b>	<b>1,183</b>	<b>1,026</b>	<b>1,130</b>	<b>1,275</b>	<b>1,319</b>	<b>+136</b>	<b>656</b>	<b>1,183</b>	<b>1,319</b>
<i>Underwriting result</i>	-186	443	190	278	333	210	319	580	540	+207	-186	333	540
<i>Investment result</i>	823	865	889	817	839	861	795	734	763	-76	823	839	763
<i>Other</i>	19	-16	15	-41	11	-45	16	-39	16	+5	19	11	16
Non-operating items	174	25	-287	36	-19	141	31	175	128	+147	174	-19	128
Income b/ tax	830	1,317	807	1,090	1,164	1,167	1,161	1,450	1,447	+283	830	1,164	1,447
Income taxes	-278	-368	-297	-267	-328	-368	-365	-376	-430	-102	-278	-328	-430
<b>Net income</b>	<b>552</b>	<b>949</b>	<b>510</b>	<b>823</b>	<b>836</b>	<b>799</b>	<b>796</b>	<b>1,074</b>	<b>1,017</b>	<b>+181</b>	<b>552</b>	<b>836</b>	<b>1,017</b>
<i>Net income attributable to:</i>													
Non-controlling interests	39	60	39	39	40	49	50	40	43	+3	39	40	43
Shareholders	513	889	471	784	796	750	746	1,034	974	+178	513	796	974
<b>Combined ratio</b> (in %)	<b>101.3</b>	<b>95.1</b>	<b>97.6</b>	<b>97.2</b>	<b>96.2</b>	<b>97.5</b>	<b>96.5</b>	<b>94.7</b>	<b>94.3</b>	<b>-1.9%-p</b>	<b>101.3</b>	<b>96.2</b>	<b>94.3</b>
<i>Loss ratio</i>	73.3	67.0	70.5	69.2	68.3	69.4	69.2	66.4	66.1	-2.2%-p	73.3	68.3	66.1
<i>Expense ratio</i>	28.0	28.1	27.1	28.0	27.9	28.1	27.3	28.3	28.2	+0.3%-p	28.0	27.9	28.2
Segment financial assets <sup>1</sup> (EUR bn)	98.1	97.2	99.0	98.2	101.4	101.8	105.1	105.3	108.7	+7.3	98.1	101.4	108.7

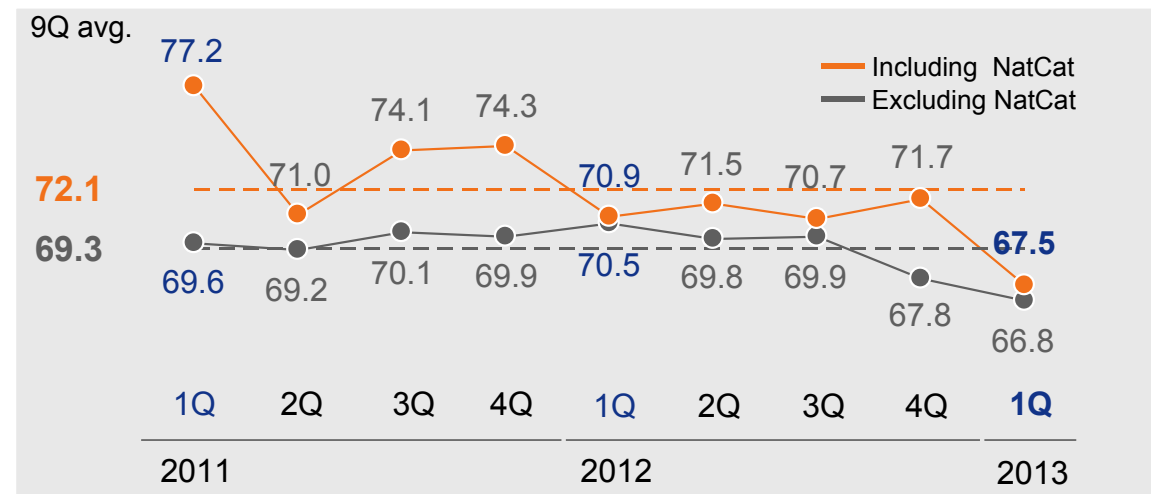
1) Segment own assets including financial assets carried at fair value through income, cash and cash pool assets net of liabilities from securities lending, derivatives and liabilities from cash pooling

# P/C: loss ratio and run-off (in %)

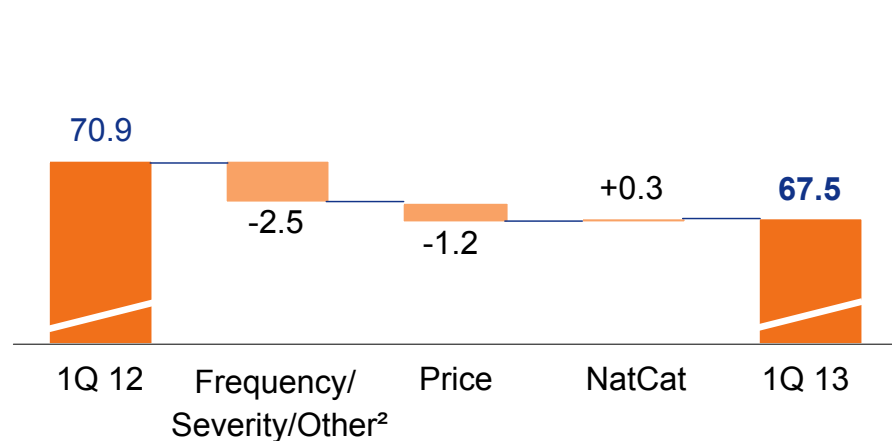
## Accident year loss ratio



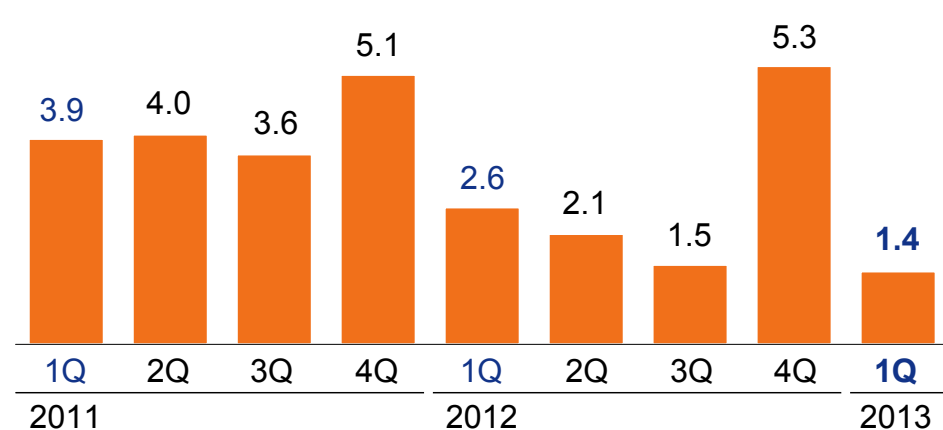
## 9-quarter overview accident year loss ratio



## Development 1Q 13/12

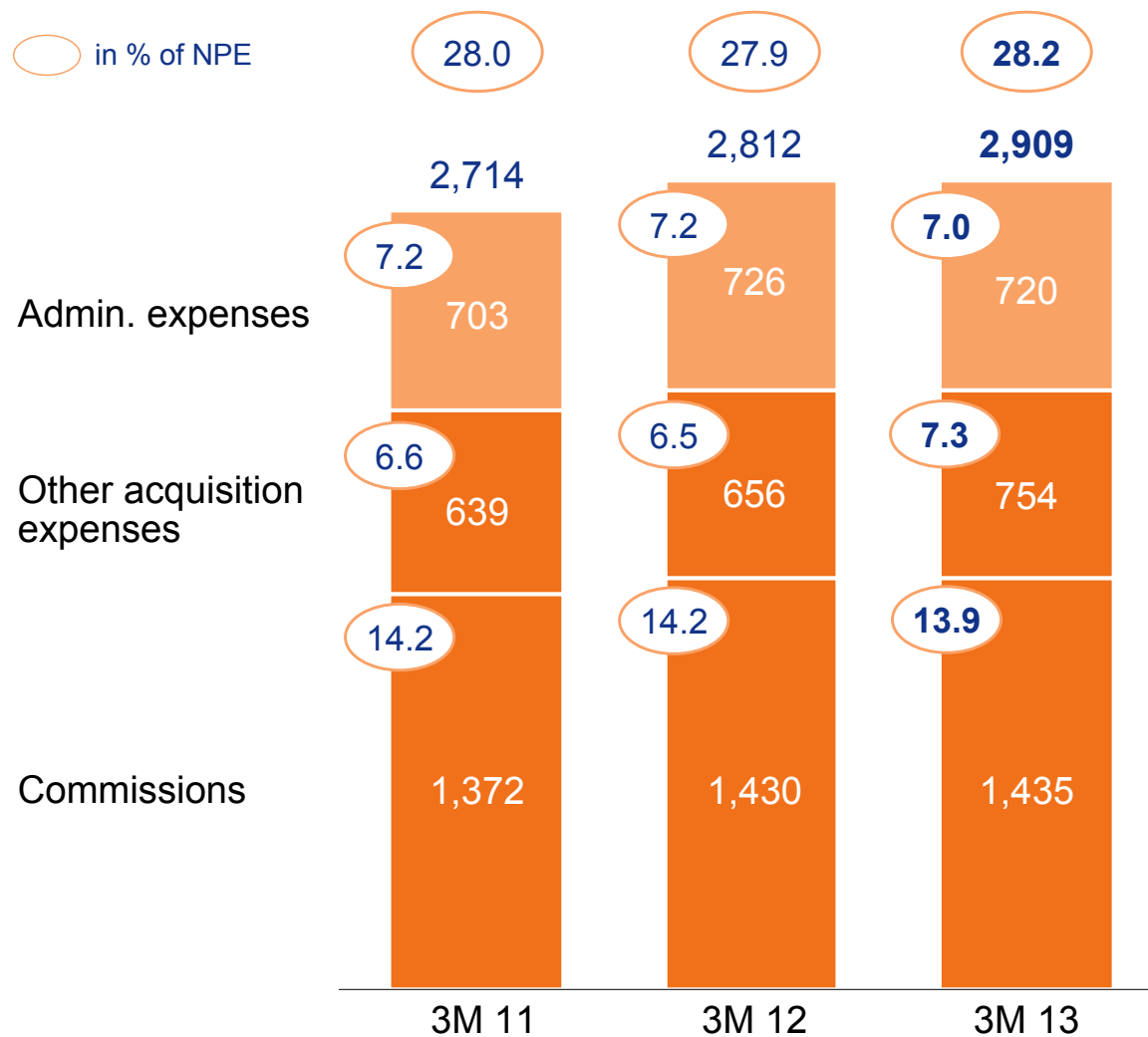


## Run-off ratio<sup>3</sup>



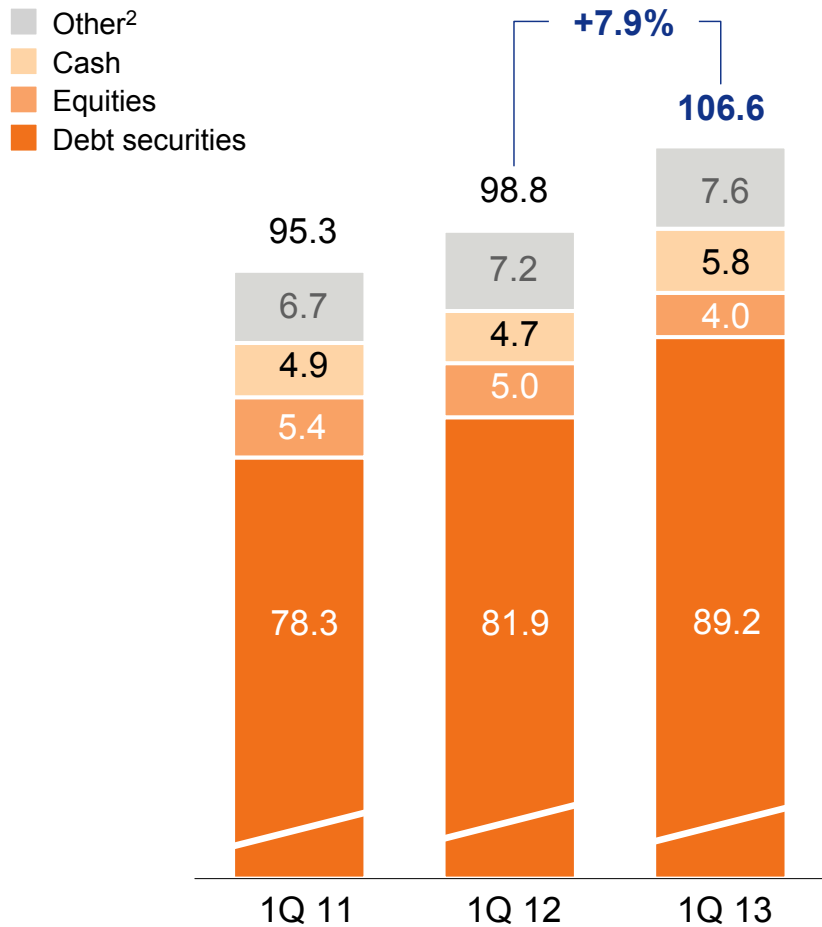
1) NatCat costs (without reinstatement premiums): EUR 0.7bn (1Q 11), EUR 42mn (1Q 12) and EUR 70mn (1Q 13)  
 2) Including large claims, reinsurance, Credit Insurance  
 3) Positive values indicate positive run-off; run-off ratio is calculated as run-off result in percent of net premiums earned

## P/C: expense ratio (EUR mn)

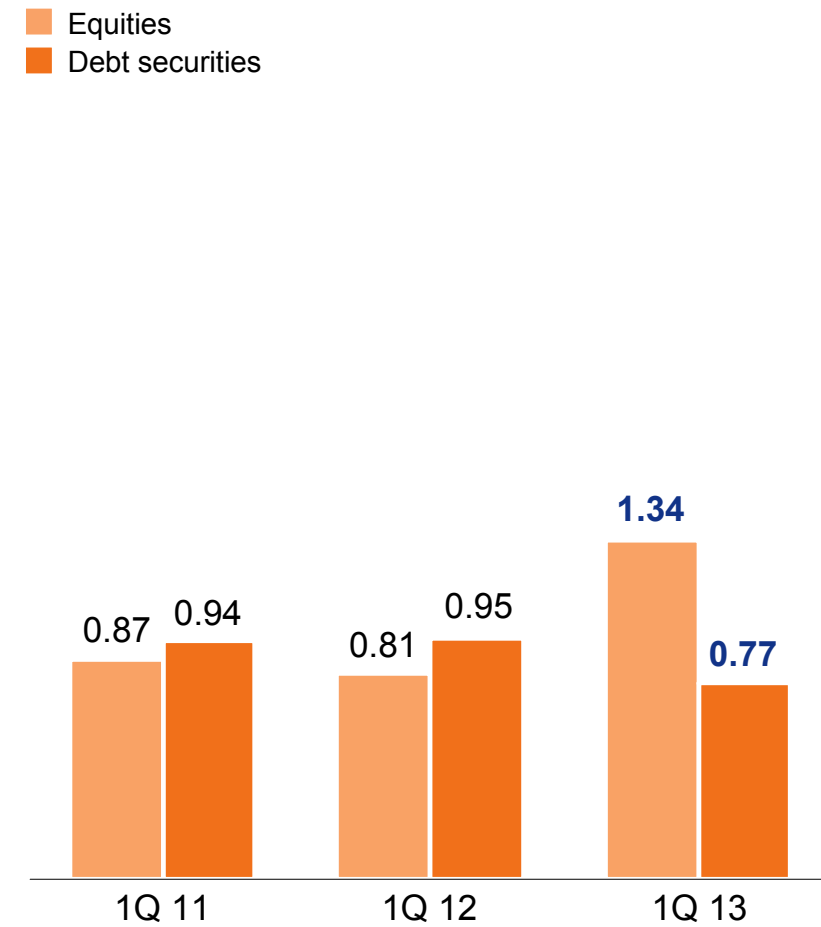


# P/C: average asset base and yields

Average asset base<sup>1</sup> (EUR bn)



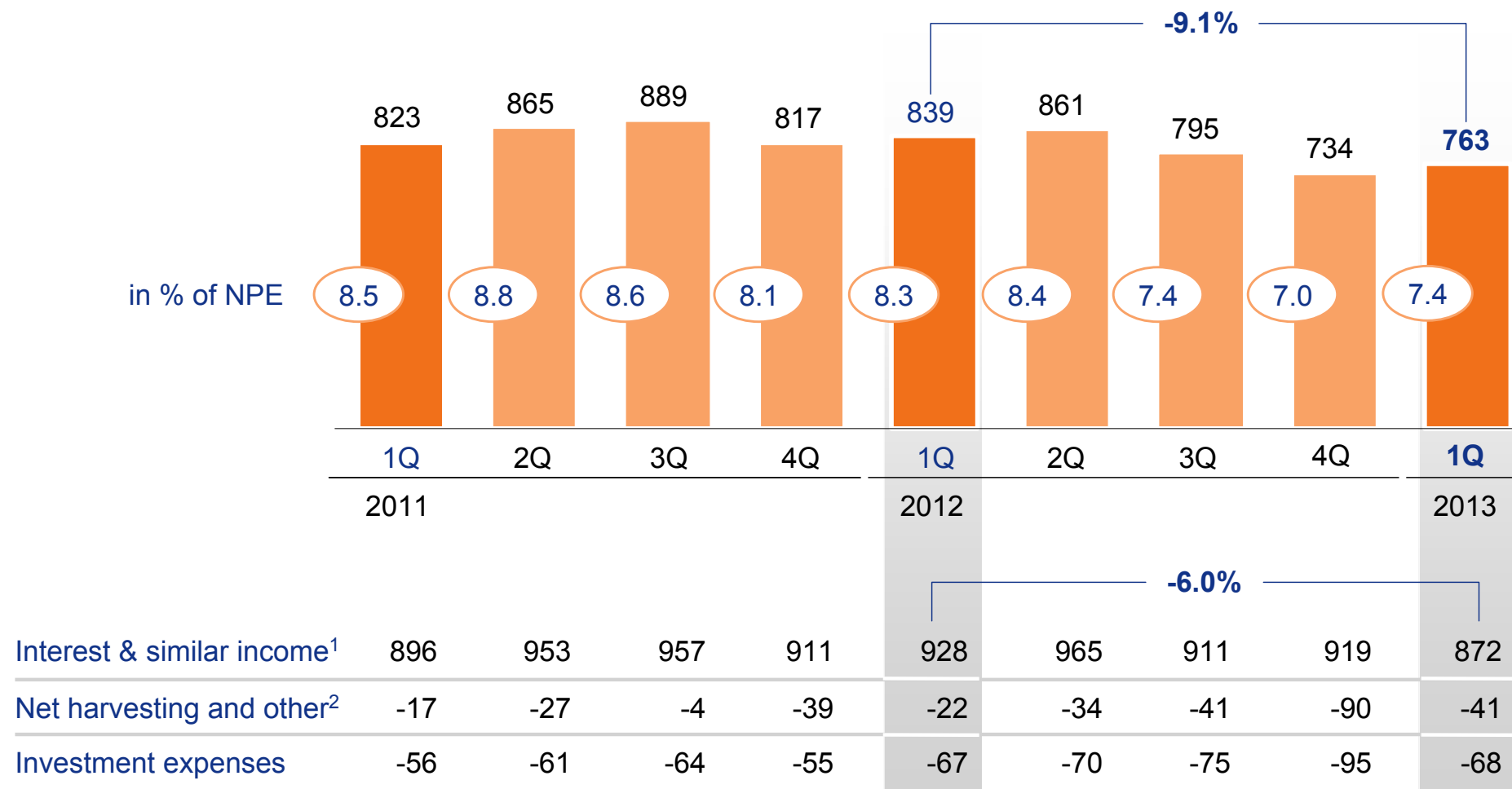
Current yield (in %)



1) Asset base includes health business France and liabilities from cash pooling, excludes fair value option and trading

2) Real estate investments and funds held by others under reinsurance contracts assumed

## P/C: operating investment income (EUR mn)



1) Net of interest expenses

2) Comprises real. gains/losses, impairments (net), fair value option, trading and F/X gains and losses and policyholder participation.  
Thereof related to UBR in Germany: 1Q 11: EUR -25mn, 1Q 12: EUR -19mn, 1Q 13: EUR -7mn



# 2c

Group financial  
results 1Q 2013

- 1 Highlights
- 2 Additional information
  - a) Group
  - b) Property-Casualty
  - c) Life/Health**
  - d) Asset Management
  - e) Corporate and Other
- 3 Glossary

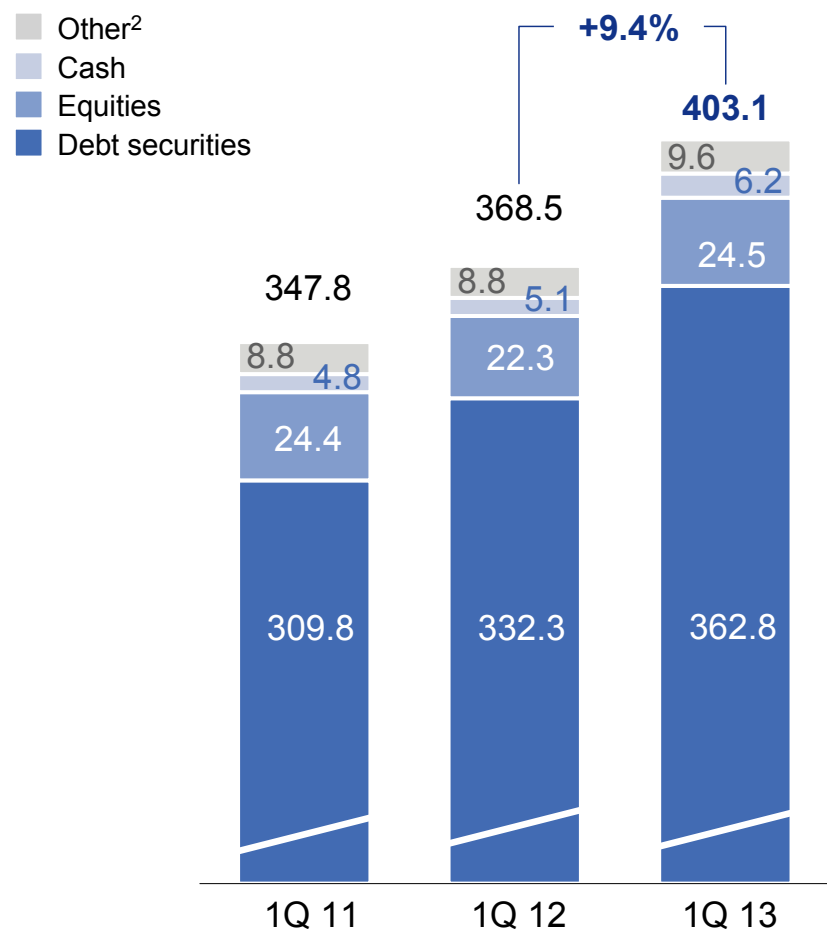
## L/H: key figures (EUR mn)

	1Q 2011	2Q 2011	3Q 2011	4Q 2011	1Q 2012	2Q 2012	3Q 2012	4Q 2012	1Q 2013	Delta 1Q 13/12	3M 2011	3M 2012	3M 2013
<b>Statutory premiums</b> (EUR bn)	<b>14.3</b>	<b>13.0</b>	<b>11.8</b>	<b>13.8</b>	<b>13.7</b>	<b>12.9</b>	<b>11.9</b>	<b>13.9</b>	<b>14.8</b>	<b>+1.1</b>	14.3	13.7	14.8
<b>Operating profit</b>	<b>702</b>	<b>678</b>	<b>520</b>	<b>502</b>	<b>825</b>	<b>818</b>	<b>815</b>	<b>485</b>	<b>855</b>	<b>+30</b>	<b>702</b>	<b>825</b>	<b>855</b>
Non-operating items	-4	-328	-88	-47	30	-29	-28	119	40	+10	-4	30	40
Income b/ tax	698	350	432	455	855	789	787	604	895	+40	698	855	895
Income taxes	-215	-136	-198	-186	-230	-282	-248	-241	-267	-37	-215	-230	-267
<b>Net income</b>	<b>483</b>	<b>214</b>	<b>234</b>	<b>269</b>	<b>625</b>	<b>507</b>	<b>539</b>	<b>363</b>	<b>628</b>	<b>+3</b>	<b>483</b>	<b>625</b>	<b>628</b>
<i>Net income attributable to:</i>													
Non-controlling interests	21	11	21	21	22	21	26	15	23	+1	21	22	23
Shareholders	462	203	213	248	603	486	513	348	605	+2	462	603	605
<b>Margin on reserves</b> <sup>1</sup> (in bps)	<b>69</b>	<b>66</b>	<b>50</b>	<b>48</b>	<b>77</b>	<b>75</b>	<b>73</b>	<b>43</b>	<b>74</b>	<b>-3</b>	<b>69</b>	<b>77</b>	<b>74</b>
Segment financial assets <sup>2</sup> (EUR bn)	348.5	352.4	358.4	364.0	373.6	381.1	393.5	401.1	405.4	+31.8	348.5	373.6	405.4
Unit-linked investments (EUR bn)	64.8	64.8	61.2	63.5	66.8	67.4	70.3	71.2	75.2	+8.4	64.8	66.8	75.2
Operating asset base <sup>3</sup> (EUR bn)	417.1	421.0	423.1	431.1	444.3	452.4	467.9	475.9	484.8	+40.5	417.1	444.3	484.8

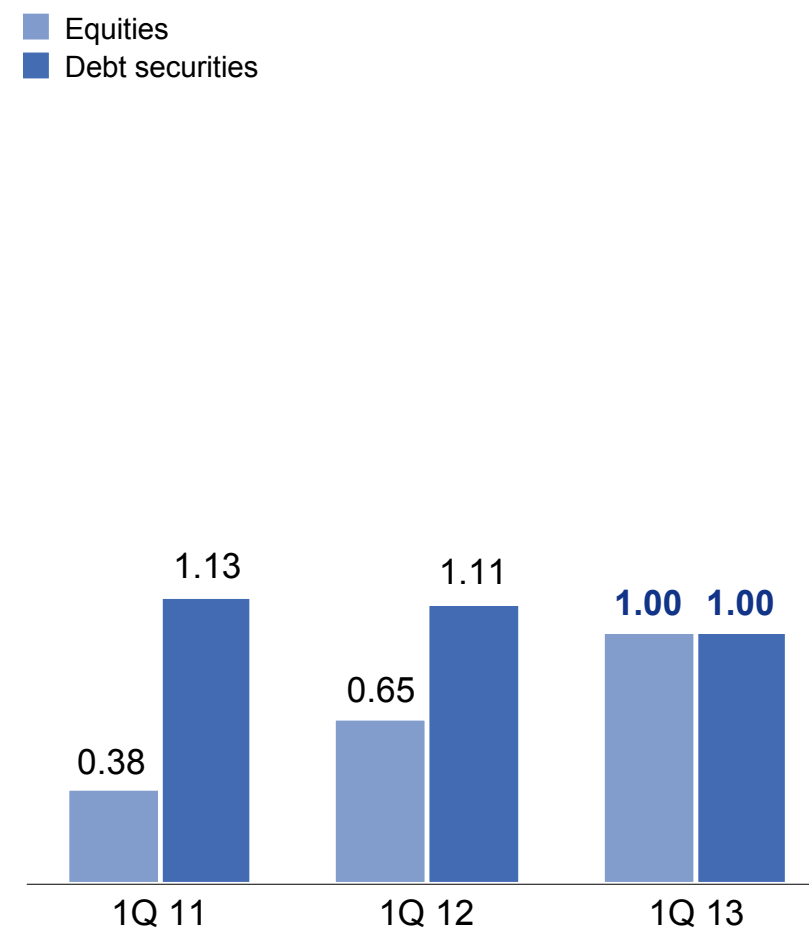
- 1) Represents operating profit divided by the average of current quarter end and prior quarter end net reserves, whereby net reserves equal reserves for loss and loss adjustment expenses, reserves for insurance and investment contracts and financial liabilities for unit-linked contracts less reinsurance assets
- 2) Segment own assets (incl. financial assets carried at fair value through income)  
Including cash and cash pool assets net of liabilities from securities lending, derivatives and liabilities from cash pooling
- 3) Grossed up for insurance liabilities which are netted within the trading book (market value liability option)  
Including cash and cash pool assets net of liabilities from securities lending and derivatives

# L/H: average asset base and yields

Average asset base<sup>1</sup> (EUR bn)



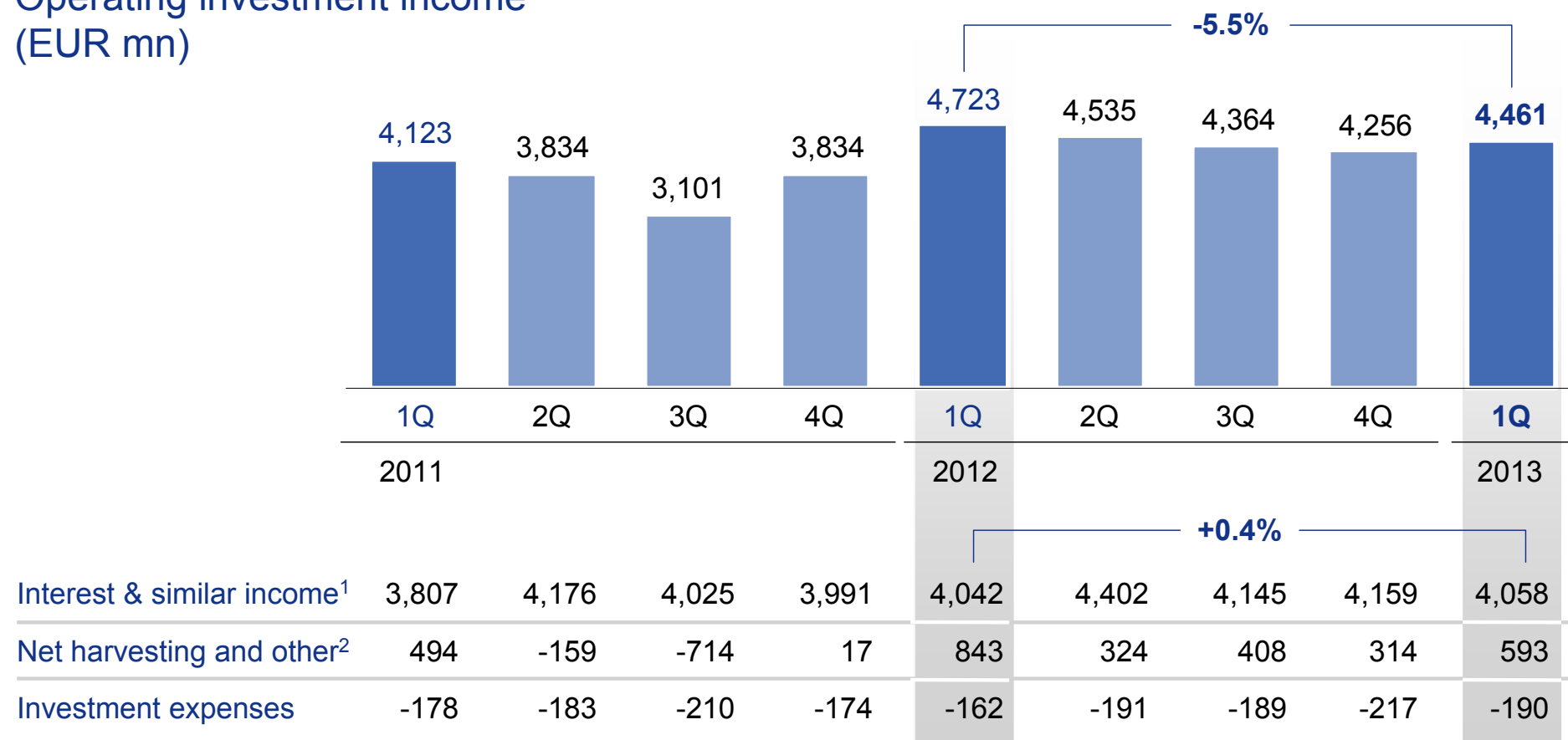
Current yield (in %)



1) Average asset base includes liabilities from cash pooling. Operating asset base includes FVO, trading, unit-linked (excludes derivatives MVLO)  
 2) Real estate investments and funds held by others under reinsurance contracts assumed

## L/H: operating investment income

### Operating investment income (EUR mn)



1) Net of interest expenses

2) Comprises realized gains/losses, impairments (net), fair value option, trading and F/X gains and losses

# 2d

Group financial  
results 1Q 2013

- 1** Highlights
- 2** Additional information
  - a) Group
  - b) Property-Casualty
  - c) Life/Health
  - d) Asset Management**
  - e) Corporate and Other
- 3** Glossary

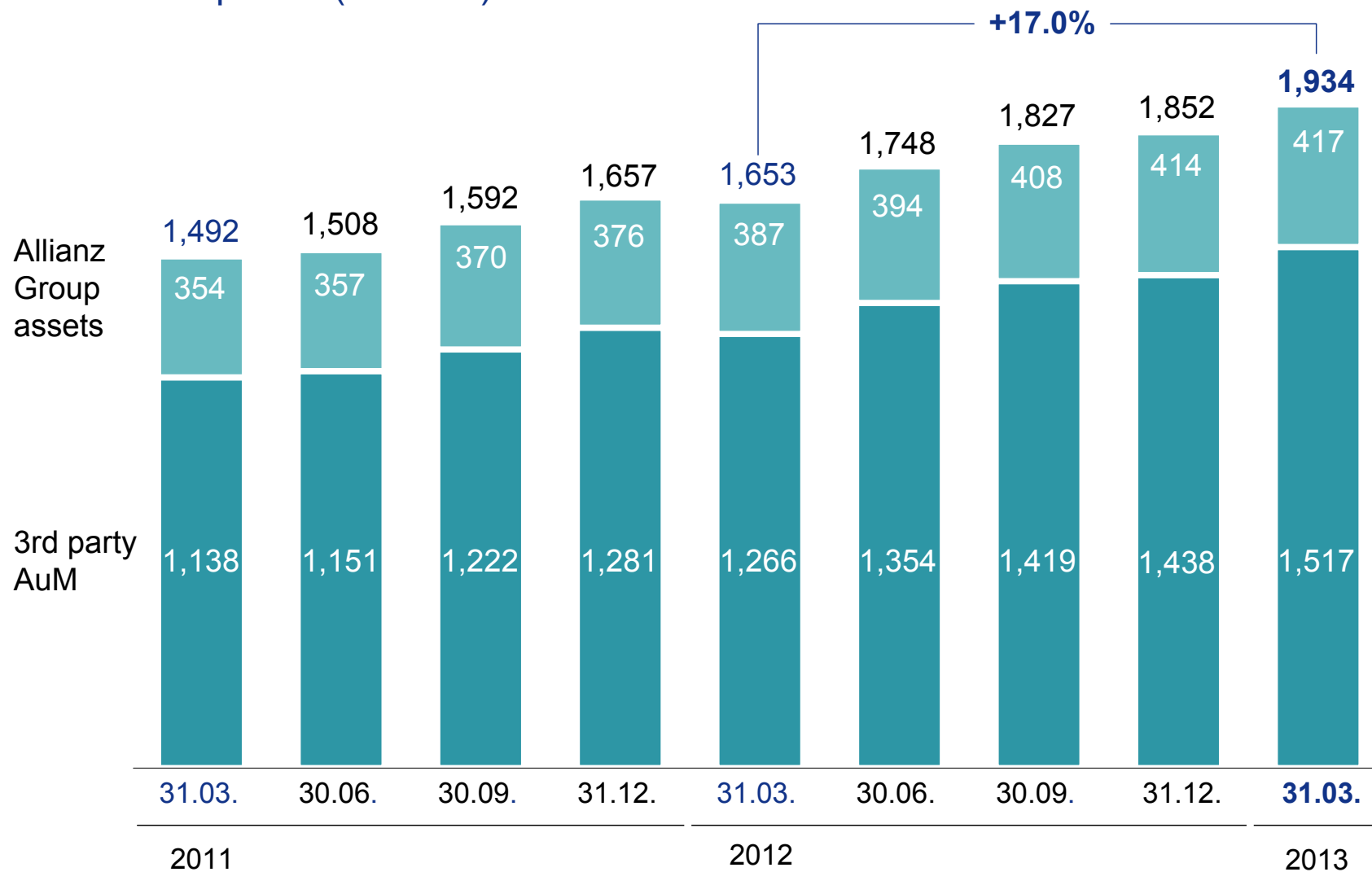
## AM: key figures (EUR mn)

	1Q 2011	2Q 2011	3Q 2011	4Q 2011	1Q 2012	2Q 2012	3Q 2012	4Q 2012	1Q 2013	Delta 1Q 13/12	3M 2011	3M 2012	3M 2013
<b>Operating revenues</b>	<b>1,273</b>	<b>1,303</b>	<b>1,326</b>	<b>1,600</b>	<b>1,439</b>	<b>1,497</b>	<b>1,845</b>	<b>2,005</b>	<b>1,911</b>	<b>+472</b>	<b>1,273</b>	<b>1,439</b>	<b>1,911</b>
<b>Operating profit</b>	<b>529</b>	<b>527</b>	<b>533</b>	<b>655</b>	<b>613</b>	<b>575</b>	<b>848</b>	<b>917</b>	<b>900</b>	<b>+287</b>	<b>529</b>	<b>613</b>	<b>900</b>
Non-operating items	-99	-46	-50	-50	-22	-21	-51	-20	-31	-9	-99	-22	-31
Income b/ tax	430	481	483	605	591	554	797	897	869	+278	430	591	869
Income taxes	-120	-193	-149	-225	-212	-209	-275	-333	-301	-89	-120	-212	-301
<b>Net income</b>	<b>310</b>	<b>288</b>	<b>334</b>	<b>380</b>	<b>379</b>	<b>345</b>	<b>522</b>	<b>564</b>	<b>568</b>	<b>+189</b>	<b>310</b>	<b>379</b>	<b>568</b>
<i>Net income attributable to:</i>													
Non-controlling interests	3	4	5	6	11	10	15	15	26	+15	3	11	26
Shareholders	307	284	329	374	368	335	507	549	542	+174	307	368	542
<b>Cost-income ratio (in %)</b>	<b>58.4</b>	<b>59.6</b>	<b>59.8</b>	<b>59.1</b>	<b>57.4</b>	<b>61.6</b>	<b>54.0</b>	<b>54.3</b>	<b>52.9</b>	<b>-4.5%-p</b>	<b>58.4</b>	<b>57.4</b>	<b>52.9</b>
<b>3rd party AuM<sup>1</sup> (EUR bn)</b>	<b>1,138.5</b>	<b>1,150.9</b>	<b>1,222.3</b>	<b>1,281.3</b>	<b>1,266.4</b>	<b>1,354.0</b>	<b>1,419.3</b>	<b>1,438.4</b>	<b>1,517.1</b>	<b>+250.7</b>	<b>1,138.5</b>	<b>1,266.4</b>	<b>1,517.1</b>

1) 3rd party Assets under Management are end of period values

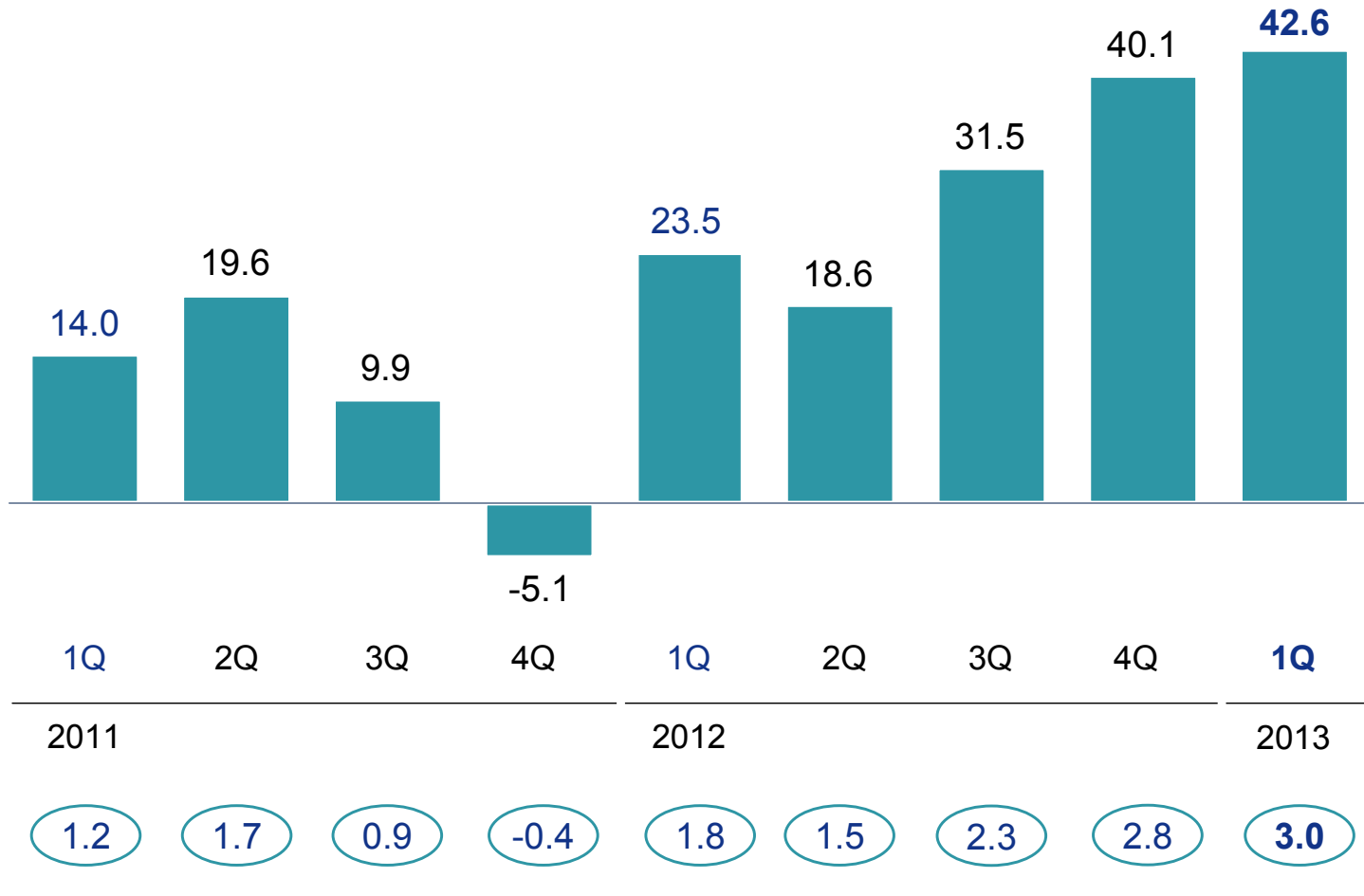
# AM: assets under management

AuM development (EUR bn)



# AM: net flows

## 3rd party net flow development (EUR bn)



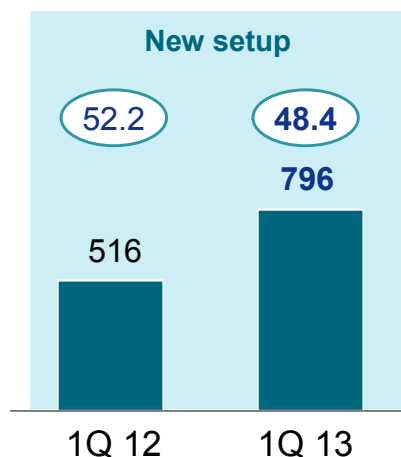


# AM: operating profit

## Operating profit development (EUR mn)

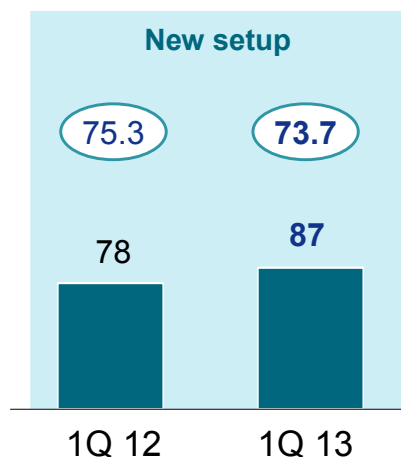
### PIMCO

Cost-income ratio (in %)



### AllianzGI

Cost-income ratio (in %)



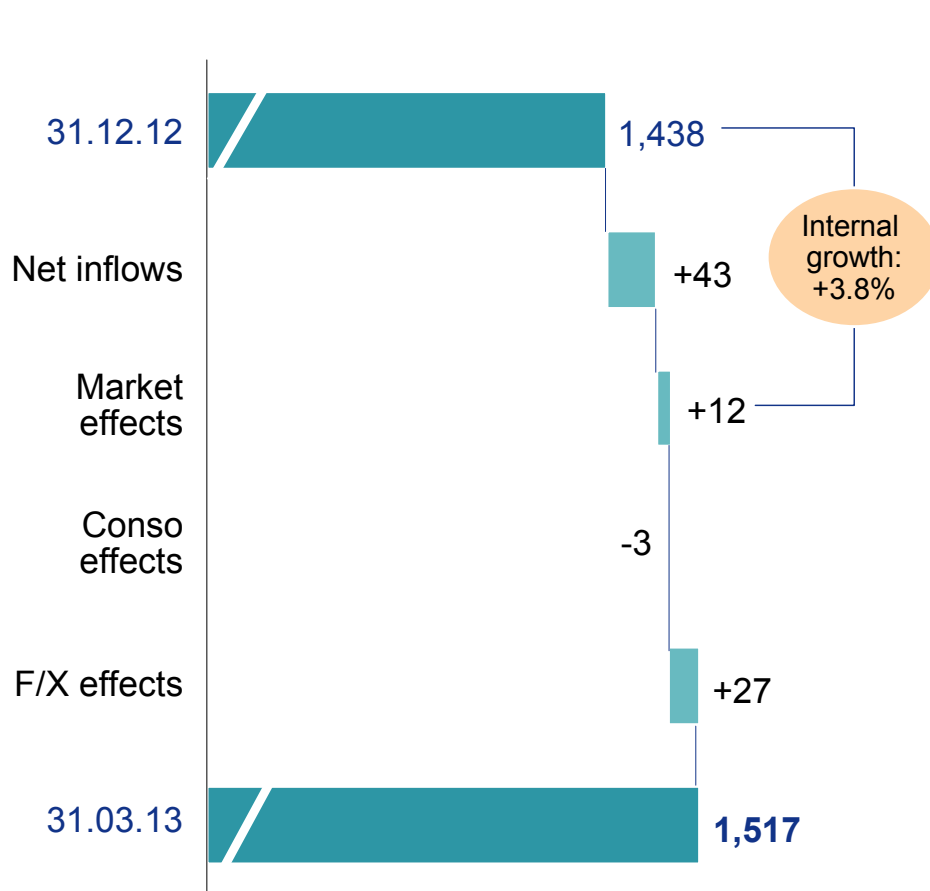
3 <sup>rd</sup> party AuM (EUR bn)	31.03.12	31.03.13
PIMCO	1,066	1,301
AllianzGI	173	190
Other	27	26
Total 3 <sup>rd</sup> party AuM	1,266	1,517

3-yr outperformance (in %)	31.03.12	31.03.13
PIMCO	96	95
AllianzGI	62	66

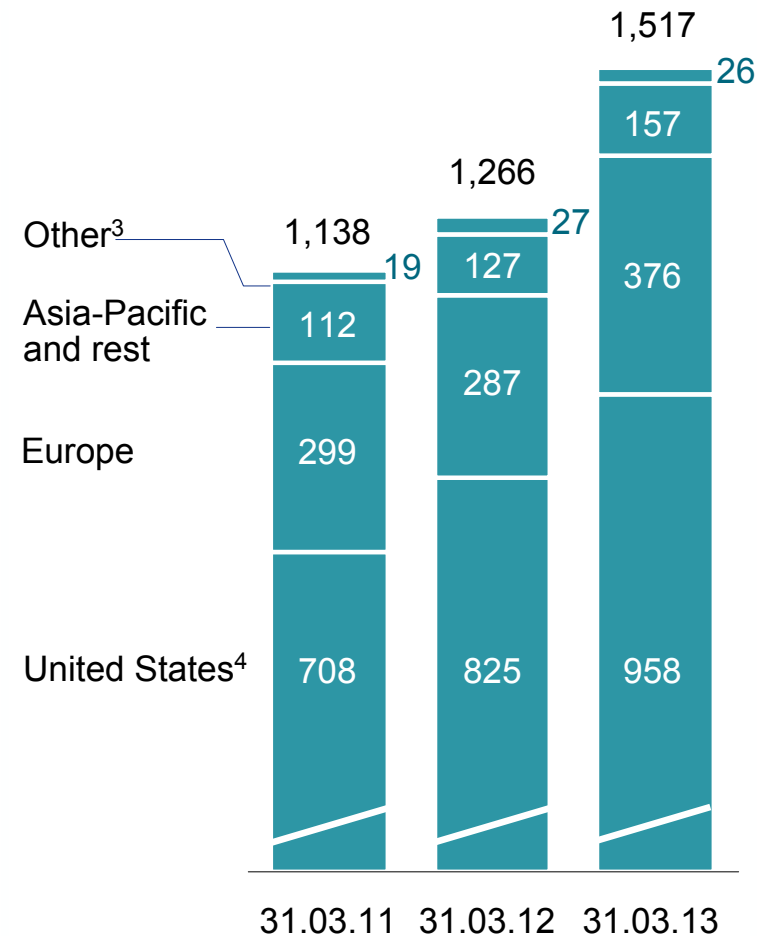
3 <sup>rd</sup> party net flows (EUR bn)	1Q 12	1Q 13
PIMCO	21.9	40.4
AllianzGI	1.6	1.4
Other	0.0	0.8
Total 3 <sup>rd</sup> party net flows	23.5	42.6

# AM: 3rd party AuM<sup>1</sup> (EUR bn)

## AuM development



## AuM regional breakdown<sup>2</sup>

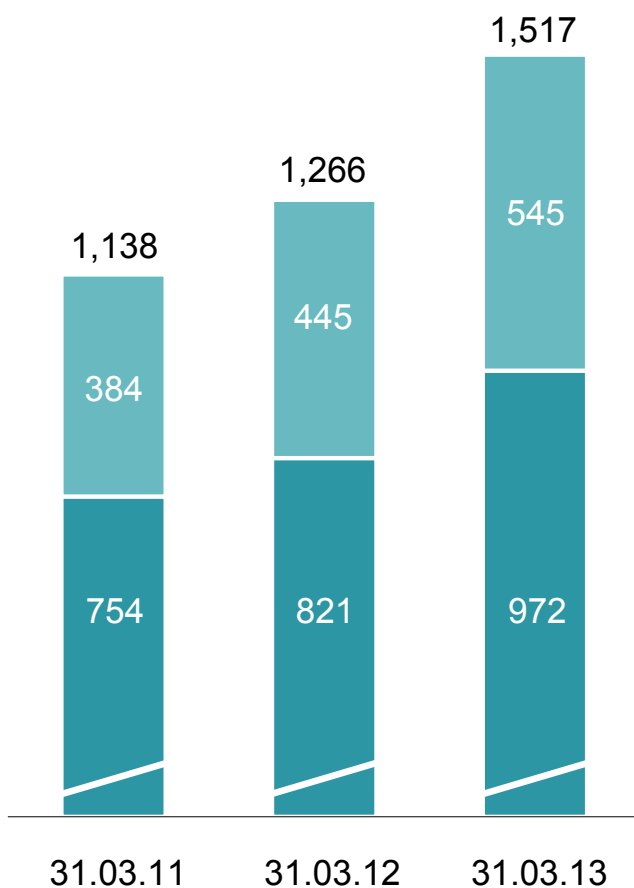


1) Comprises 3rd party AuM managed by AAM and other Allianz Group companies  
 2) Based on the origination of the assets by the asset management company  
 3) Consists of 3rd party assets managed by other Allianz Group companies, no regional breakdown  
 4) 3rd party AuM in US-Dollar: 1,005bn, 1,098bn and 1,230bn as of 31.03.11, 31.03.12 and 31.03.13, respectively

# AM: 3rd party AuM<sup>1</sup> (EUR bn)

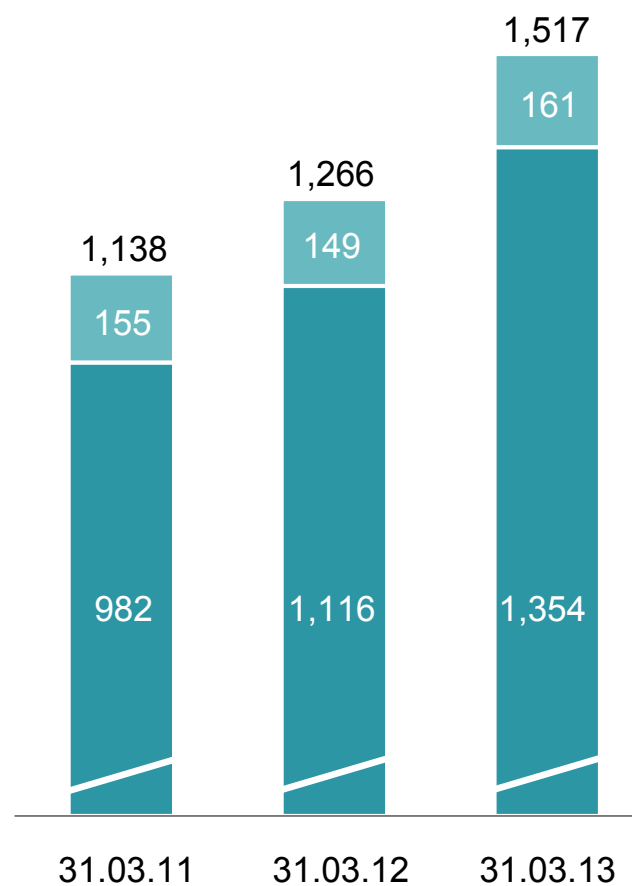
## AuM class mix<sup>2</sup>

- Retail
- Institutional



## AuM product mix<sup>3</sup>

- Equity
- Fixed Income



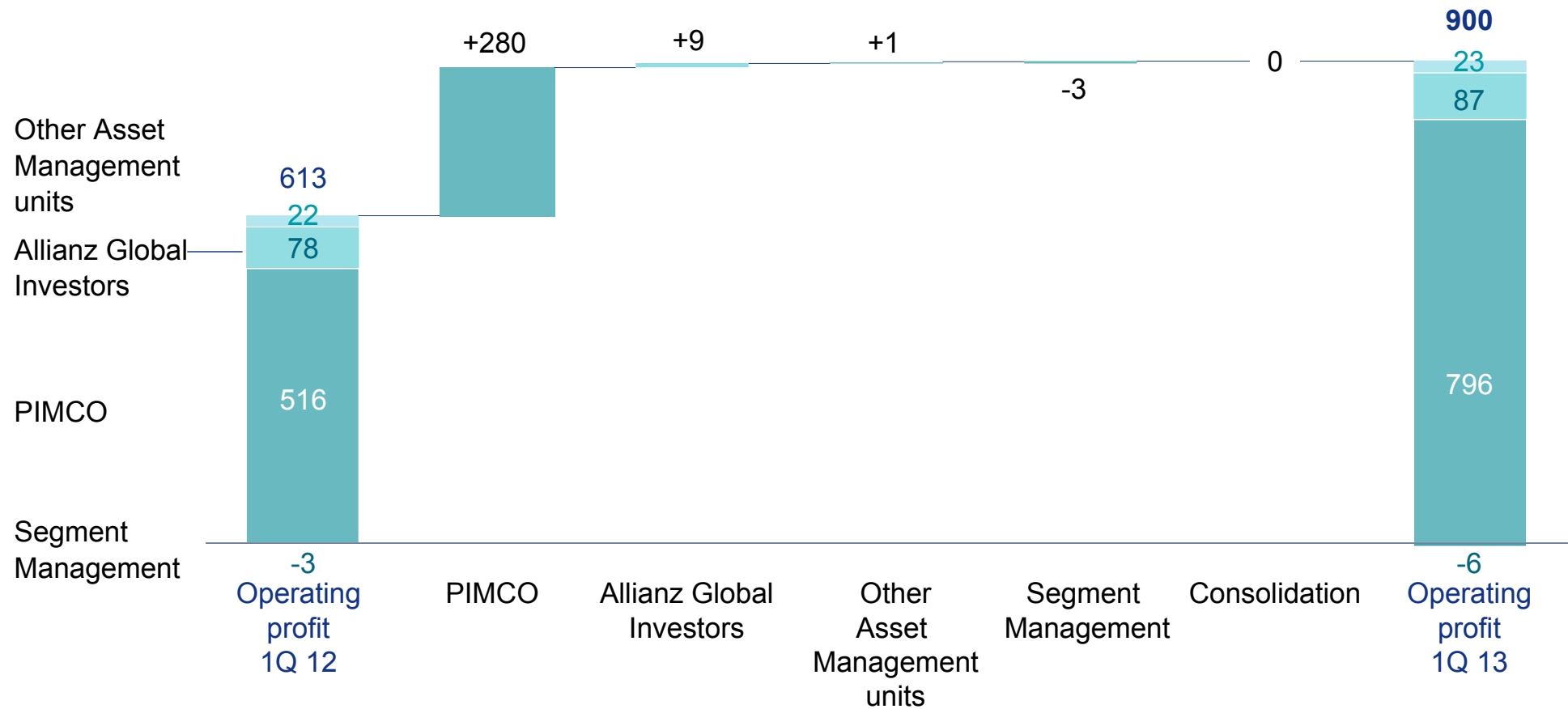
1) Comprises 3rd party AuM managed by AAM and other Allianz Group companies

2) Classification is driven by vehicle types

3) Includes also EUR 1bn, EUR 1bn and EUR 2bn “other” assets as of 31.03.11, 31.03.12 and 31.03.13, respectively

# AM: reconciliation Asset Management

## Operating profit development (EUR mn)



2e

Group financial  
results 1Q 2013

- 1 Highlights
- 2 Additional information
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  - c) Life/Health
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  - e) Corporate and Other**
- 3 Glossary

## Corporate and Other: key figures (EUR mn)

	1Q 2011	2Q 2011	3Q 2011	4Q 2011	1Q 2012	2Q 2012	3Q 2012	4Q 2012	1Q 2013	Delta 1Q 13/12	3M 2011	3M 2012	3M 2013
<b>Total revenues (Banking)</b>	<b>151</b>	<b>137</b>	<b>129</b>	<b>150</b>	<b>155</b>	<b>141</b>	<b>142</b>	<b>152</b>	<b>148</b>	<b>-7</b>	<b>151</b>	<b>155</b>	<b>148</b>
<b>Operating profit</b>													
Holding & Treasury	-229	-143	-225	-191	-257	-173	-264	-407	-167	+90	-229	-257	-167
Banking	2	-26	-9	-43	-15	-21	0	2	-83	-68	2	-15	-83
Alternative Investments	-4	-11	10	0	-1	13	3	7	11	+12	-4	-1	11
<i>Consolidation</i>	0	0	1	-1	-1	1	0	-1	0	+1	0	-1	0
<b>Corporate and Other operating profit</b>	<b>-231</b>	<b>-180</b>	<b>-223</b>	<b>-235</b>	<b>-274</b>	<b>-180</b>	<b>-261</b>	<b>-399</b>	<b>-239</b>	<b>+35</b>	<b>-231</b>	<b>-274</b>	<b>-239</b>
<b>Non-operating items</b>													
Holding & Treasury	-245	-287	-861	-609	-61	-201	-215	-555	-251	-190	-245	-61	-251
Banking	0	11	-3	-114	0	13	-3	1	3	+3	0	0	3
Alternative Investments	-37	-25	-30	-1	-11	-1	-98	-2	-54	-43	-37	-11	-54
<i>Consolidation</i>	22	-1	24	5	1	-1	0	86	27	+26	22	1	27
<b>Corporate and Other non-operating items</b>	<b>-260</b>	<b>-302</b>	<b>-870</b>	<b>-719</b>	<b>-71</b>	<b>-190</b>	<b>-316</b>	<b>-470</b>	<b>-275</b>	<b>-204</b>	<b>-260</b>	<b>-71</b>	<b>-275</b>
Income b/taxes	-491	-482	-1,093	-954	-345	-370	-577	-869	-514	-169	-491	-345	-514
Income taxes	34	138	267	104	-31	104	140	94	117	+148	34	-31	117
<b>Net income</b>	<b>-457</b>	<b>-344</b>	<b>-826</b>	<b>-850</b>	<b>-376</b>	<b>-266</b>	<b>-437</b>	<b>-775</b>	<b>-397</b>	<b>-21</b>	<b>-457</b>	<b>-376</b>	<b>-397</b>
<i>Net income attributable to:</i>													
Non-controlling interests	-4	-4	-2	3	1	6	3	3	2	+1	-4	1	2
Shareholders	-453	-340	-824	-853	-377	-272	-440	-778	-399	-22	-453	-377	-399
<b>Cost-income ratio Banking (in %)</b>	<b>88.2</b>	<b>93.4</b>	<b>96.9</b>	<b>85.4</b>	<b>80.1</b>	<b>85.0</b>	<b>91.0</b>	<b>92.1</b>	<b>146.6</b>	<b>+66.5%-p</b>	<b>88.2</b>	<b>80.1</b>	<b>146.6</b>
<b>RWA<sup>1</sup> Banking (EUR bn)</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>+0</b>	<b>9</b>	<b>9</b>	<b>9</b>

# 3

Group financial  
results 1Q 2013

- 1 Highlights
- 2 Additional information
  - a) Group
  - b) Property-Casualty
  - c) Life/Health
  - d) Asset Management
  - e) Corporate and Other
- 3 Glossary**

## Glossary (1)

<b>AAM</b>	Allianz Asset Management (former AGI)
<b>AGCS</b>	Allianz Global Corporate & Specialty
<b>AGI</b>	Allianz Global Investors (AllianzGI)
<b>AM</b>	Asset Management – AM segment
<b>AuM</b>	Assets under Management: The total of all investments, valued at current market value, which the Group has under management with responsibility for their performance. In addition to the Group's own investments, AuM include investments managed on behalf of third parties.
<b>Bps</b>	Basis point = 0.01%
<b>CEE</b>	Central and Eastern Europe
<b>Combined ratio (CR)</b>	Sum of loss ratio and expense ratio, represents the total of acquisition and administrative expenses (net) and claims and insurance benefits incurred (net) divided by premiums earned (net).
<b>Cost-income ratio (CIR)</b>	Represents operating expenses divided by operating revenues.
<b>Current yield</b>	Interest and similar income/ average asset base at book value (excluding income from financial assets and liabilities carried at fair value); current yield on debt securities adjusted for interest expenses; yield on debt securities including cash components.
<b>DAC</b>	Deferred acquisition costs: Commissions, underwriting expenses and policy issuance costs, which vary with and are primarily related to the acquisition and renewal of insurance contracts. These acquisition costs are deferred, to the extent that they are recoverable, and are subject to recoverability testing at the end of each accounting period.
<b>Fair value (FV)</b>	The amount for which an asset could be or is exchanged between knowledgeable, willing parties in an arm's length transaction.



## Glossary (2)

<b>Goodwill</b>	Difference between a subsidiary's purchase price and the relevant proportion of its net assets valued at the current value of all assets and liabilities at the time of acquisition.
<b>Government bonds</b>	Government bonds include government and government agency bonds.
<b>Gross/Net</b>	In insurance terminology the terms "gross" and "net" mean before and after consideration of reinsurance ceded, respectively. In investment terminology the term "net" is used where the relevant expenses (e.g. depreciations and losses on the disposal of assets) have already been deducted.
<b>IFRS</b>	International Financial Reporting Standards. Since 2002, the designation of IFRS applies to the overall framework of all standards approved by the International Accounting Standards Board. Standards already approved before will continue to be cited as International Accounting Standards (IAS).
<b>Internal growth</b>	Enhances the understanding of our total revenue performance by excluding the effects of foreign currency translation as well as of acquisitions and disposals.
<b>L/H</b>	Life and health insurance
<b>L/H operating profit sources</b>	<p>The objective of the Life/Health operating profit sources analysis is to explain movements in IFRS results by analyzing underlying drivers of performance on a L/H segment consolidated basis.</p> <p><b>Loadings &amp; fees:</b> Includes premium and reserve based fees, unit-linked management fees and policyholder participation on expenses.</p> <p><b>Investment margin:</b> Is defined as IFRS investment income net of expenses less interest credited to IFRS reserves less policyholder participation.</p> <p><b>Expenses:</b> Includes commissions, acquisition expenses and administration expenses</p> <p><b>Technical margin:</b> Comprises risk result (risk premiums less benefits in excess of reserves less policyholder participation), lapse result (surrender charges and commission claw-backs) and reinsurance result.</p> <p><b>Impact of change in DAC:</b> Includes effects of change in DAC, URR and VOBA and is the net impact of deferral and amortization of acquisition costs and front-end loadings on operating profit .</p>

## Glossary (3)

<b>Loss frequency</b>	Number of accident year claims reported divided by number of risks in-force
<b>Loss ratio</b>	Claims and insurance benefits incurred (net) divided by premiums earned (net). Loss ratio calendar year (c.y.) includes the results of the prior year reserve development in contrast to the loss ratio accident year (a.y.).
<b>Loss severity</b>	Average claim size (accident year gross claims reported divided by number of claims reported)
<b>MCEV</b>	Market consistent embedded value is a measure of the consolidated value of shareholders' interest in a life portfolio. The Market Consistent Embedded Value is defined as Net asset value (NAV) <ul style="list-style-type: none"> <li>+ Present value of future profits</li> <li>- Time value of financial options and guarantees (O&amp;G)</li> <li>- Frictional cost of required capital</li> <li>- Cost of residual non-hedgeable risk (CNHR)</li> </ul>
<b>NatCat</b>	Accumulation of claims that are all related to the same natural or weather/atmospheric event during a certain period of time and where AZ Group's estimated gross loss exceeds EUR 20mn if one country is affected (respectively EUR 50mn if more than one country is affected); or if event is of international media interest.
<b>NBM</b>	New business margin: Value of new business divided by present value of new business premiums
<b>Non-controlling interests</b>	Represent the proportion of equity of affiliated enterprises not owned by Group companies.
<b>OAB</b>	Operating asset base: Represents all operating investment assets within the L/H segment. This includes investments & loans, financial assets and liabilities carried at fair value as well as unit-linked investments. Market value liability option is excluded.
<b>OE</b>	Operating entity

## Glossary (4)

<b>Operating profit</b>	Earnings from ordinary activities before income taxes and minority interests in earnings, excluding, as applicable for each respective segment, all or some of the following items: Income from financial assets and liabilities held for trading (net), realized gains/ losses (net), impairments of investments (net), interest expense from external debt, amortization of intangible assets, acquisition-related expenses and restructuring charges, income from fully consolidated private equity investments (net) as this represents income from industrial holdings outside the scope of operating business.
<b>P/C</b>	Property and casualty insurance
<b>PIMCO</b>	Pacific Investment Management Company Group
<b>Premiums written/ earned (IFRS)</b>	Premiums written represent all premium revenues in the year under review. Premiums earned represent that part of the premiums written used to provide insurance coverage in that year. In the case of life insurance products where the policyholder carries the investment risk (e.g. variable annuities), only that part of the premiums used to cover the risk insured and costs involved is treated as premium income.
<b>Reinsurance</b>	Where an insurer transfers part of the risk which he has assumed to another insurer.
<b>Required capital</b>	The market value of assets attributed to the covered business over and above that required to back liabilities for covered business whose distribution to shareholders is restricted.
<b>SE</b>	Societas Europaea: European stock company
<b>Shadow DAC</b>	Shadow accounting is applied in order to include the effect of unrealized gains or losses from the debt or equity securities classified as available for sale in the measurement of Deferred Acquisition Costs in the same way as it is done for realized gains or losses. Due to virtual (shadow) realization of unrealized gains or losses Deferred Acquisition Costs are adjusted with corresponding charges or credits recognized directly to shareholders' equity
<b>Solvency ratio</b>	Ratio indicating the capital adequacy of a company comparing eligible funds to required capital
<b>Sovereign bonds</b>	Sovereign bonds include government and government agency bonds

## Glossary (5)

<b>Statutory premiums</b>	Represent gross premiums written from sales of life insurance policies, as well as gross receipts from sales of unit-linked and other investment-oriented products, in accordance with the statutory accounting practices applicable in the insurer's home jurisdiction
<b>Stress tests</b>	<p>Conglomerate solvency ratio stress tests are based on the following scenarios</p> <ul style="list-style-type: none"> <li>- <b>Credit loss / migration:</b> scenario based on probabilities of default in 1932, migrations adjusted to mimic recession and assumed recovery rate of 30%</li> <li>- <b>Credit spread:</b> 100bps increase in the credit spreads across all rating classes</li> <li>- <b>New business:</b> new non-recurring business volume increases by 50% which leads to an additional reserve requirement</li> <li>- <b>NatCat:</b> loss due to NatCat events, both natural and man-made, leading to claims of EUR 1.7bn. Applies to P/C business only</li> </ul>
<b>Total revenues</b>	Represent the sum of P/C segment's gross premiums written, L/H segment's statutory premiums, operating revenues in Asset Management and total revenues in Corporate and Other (Banking)
<b>Unrealized gains and losses</b> (net) (as part of shareholders' equity)	Include primarily unrealized gains and losses from available-for-sale investments net of tax and policyholder participation
<b>VNB</b>	Value of new business: The additional value to shareholder created through the activity of writing new business. It is defined as present value of future profits (PVFP) after acquisition expenses minus the cost of option and guarantees (O&G), minus the cost of residual non-hedgeable risk (CNHR), minus the frictional cost of holding required capital, all determined at issue date
<b>3-year-outperformance AM</b>	Allianz Asset Management account-based, asset-weighted three-year investment performance of third-party assets versus the primary target including all accounts managed by portfolio managers of Allianz Asset Management. For some retail funds the net of fee performance is compared to the median performance of the corresponding Morningstar peer group (first and second quartile mean outperformance). For all other retail funds and for all institutional accounts, the gross of fee performance (revaluated based on closing prices) is compared to the respective benchmark based on different metrics.

# 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**

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