

# In good shape

Analysts' conference  
February 24, 2012



**Allianz** 

Please note: Presentations based on 2011 preliminary figures

**Agenda**

- |          |   |                  |
|----------|---|------------------|
| <b>A</b> | In good shape                             | Michael Diekmann |
| <b>B</b> | Group financial results 2011              | Oliver Bäte      |
| <b>C</b> | <b>Financing Investments Transactions</b> | Paul Achleitner  |

- Appendix**
- Glossary
  - Investor Relations contacts
  - Financial calendar
  - Disclaimer

# In good shape

Michael Diekmann, CEO

Analysts' conference  
February 24, 2012

**A**

In good shape

**1** 2011 – the CEO assessment

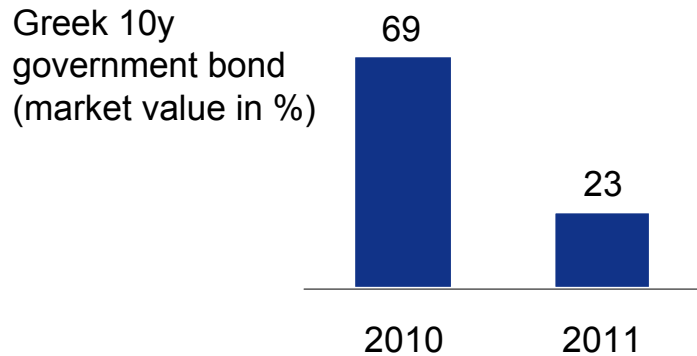
**2** Strategic priorities 2012

- Sovereign debt crisis
- Business optimization

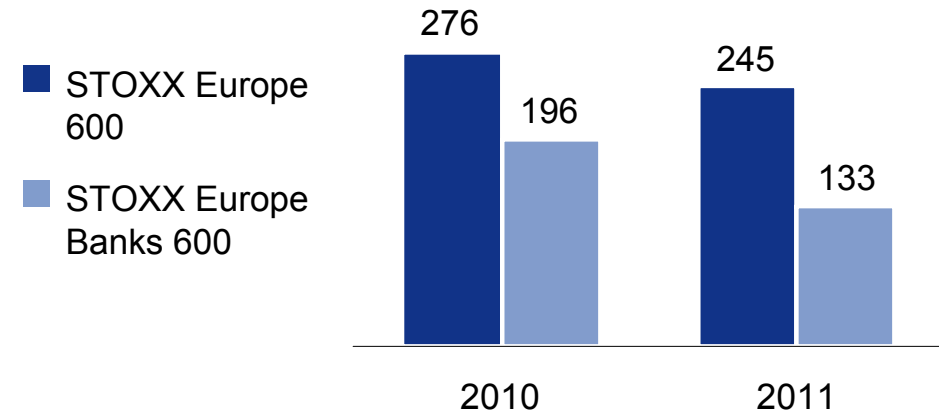
**3** Outlook

# A very difficult environment in 2011 ...

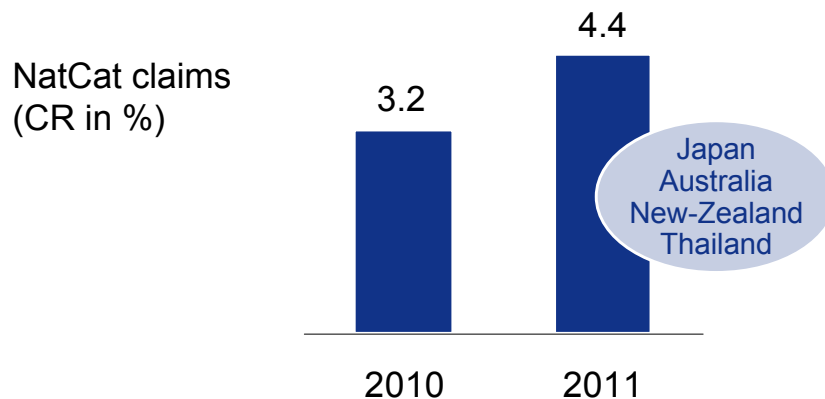
## Sovereign debt crisis



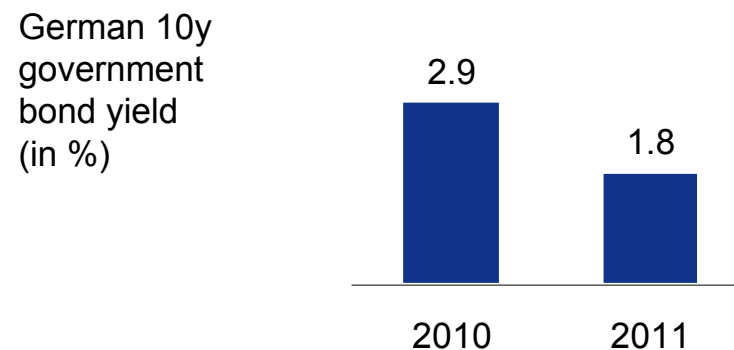
## Weak equity markets



## Severe NatCat events

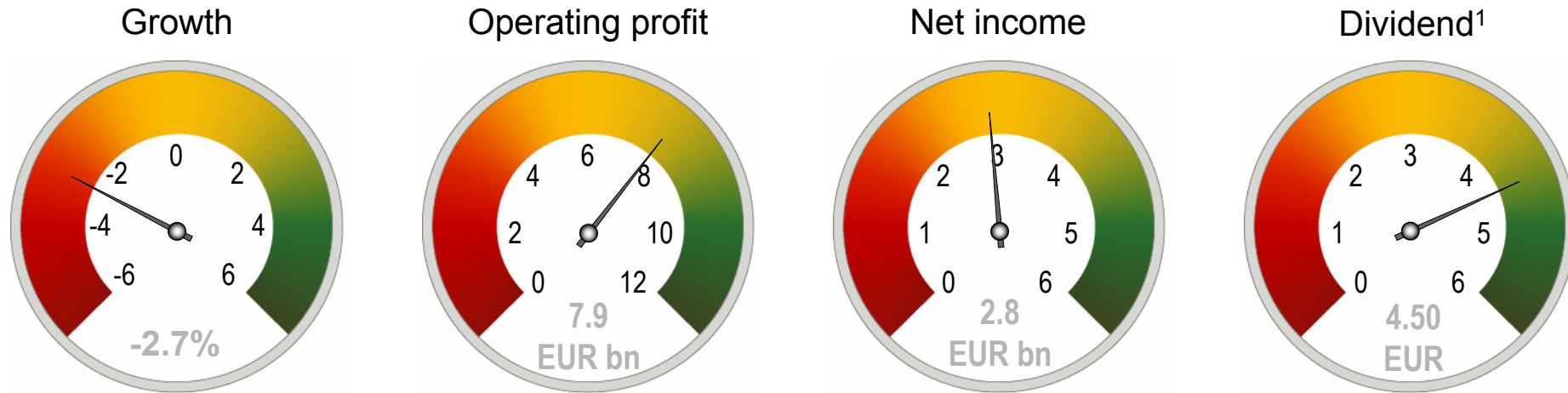


## Low risk-free interest rates

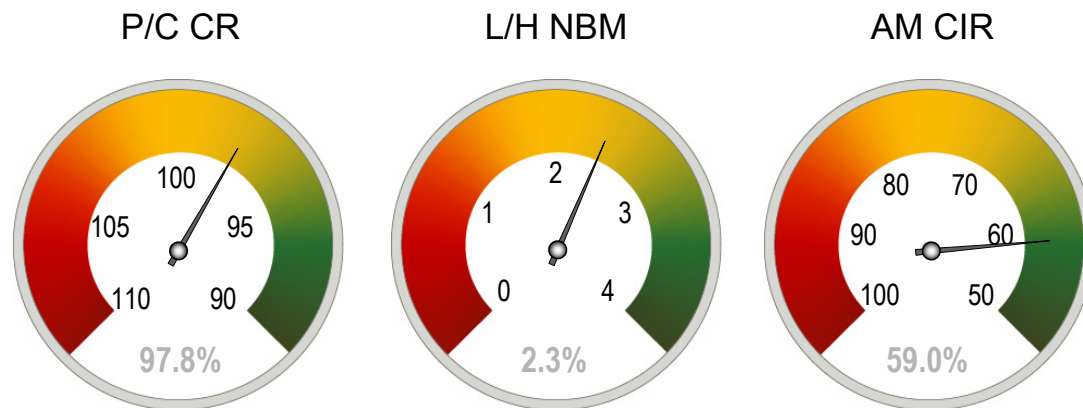


# ... mirrored on CEO KPI dashboard

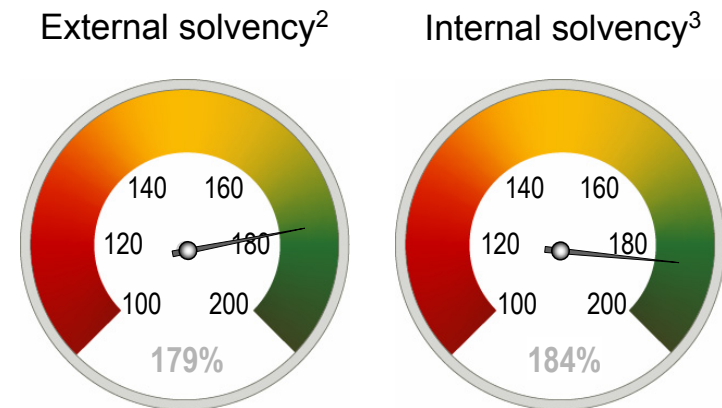
## Group



## Segments



## Capital



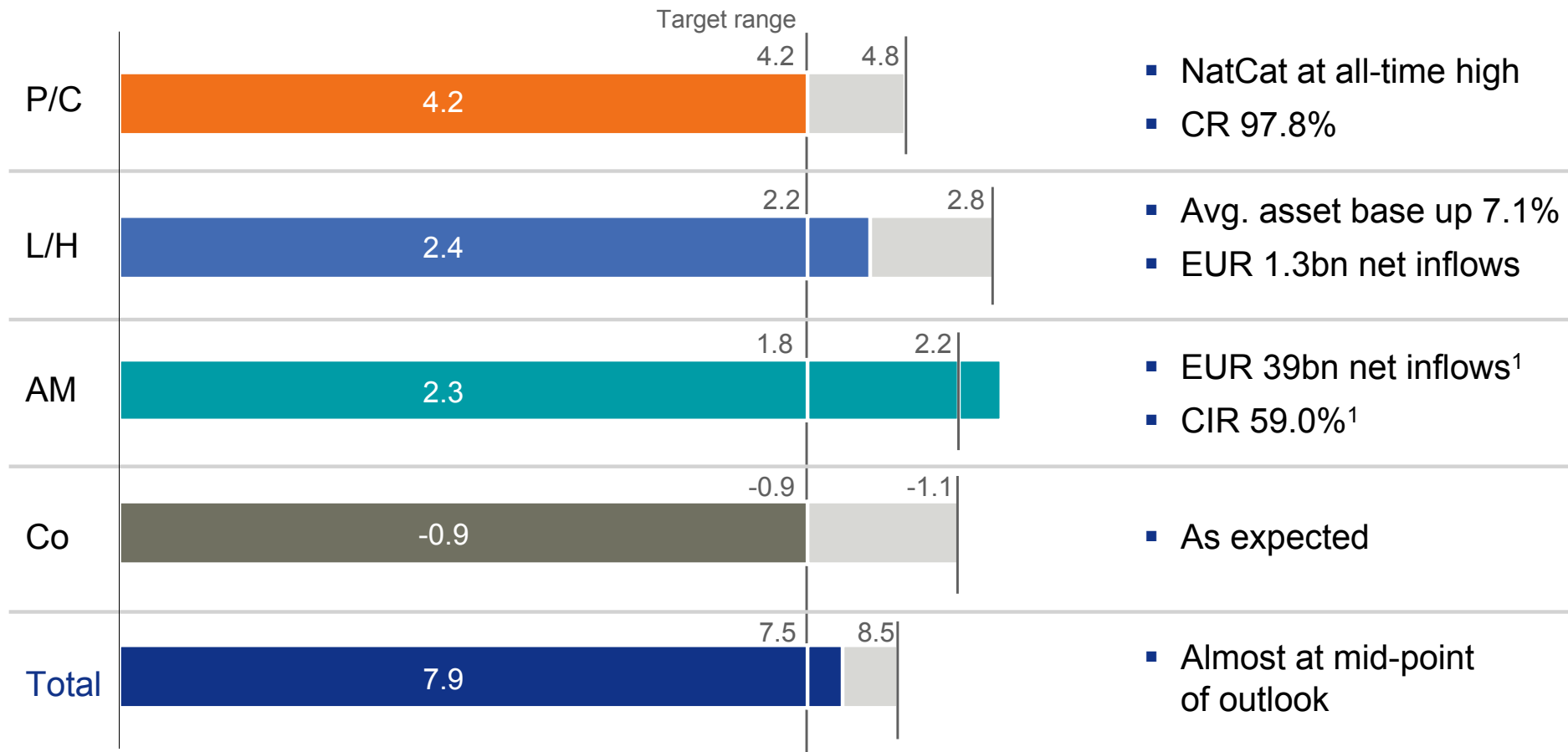
1) Proposal  
2) Financial Conglomerates Directive

3) Economic solvency, calibrated at 99.5% confidence level

## But operating profit within target range ...

### Operating profit 2011 (EUR bn)

Outlook published 02/11



1) AGI, since January 2012 AAM

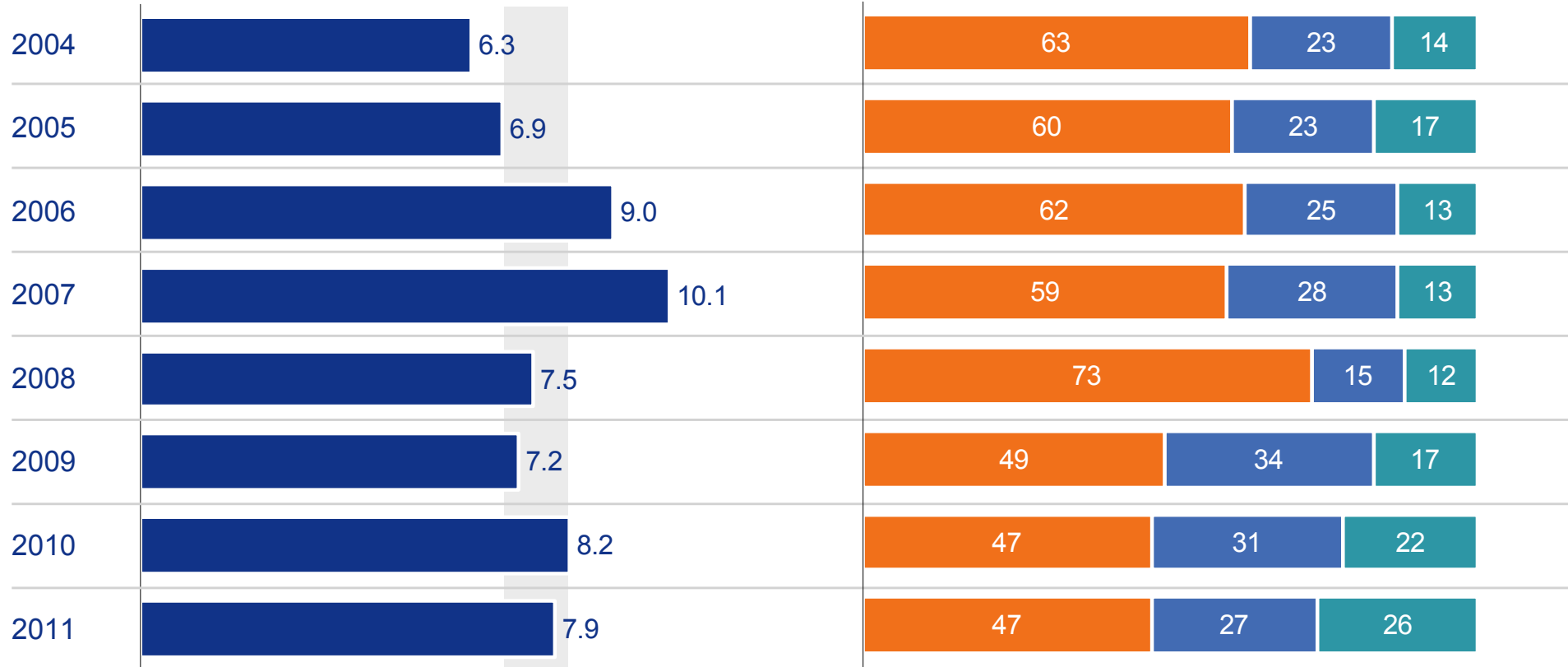
# ... confirming balanced business model ...

Stable operating profit  
in tough environment ...

... thanks to  
diversification

Operating profit<sup>1</sup>  
(EUR bn)

Operating profit by business segment<sup>2</sup>  
(in %)



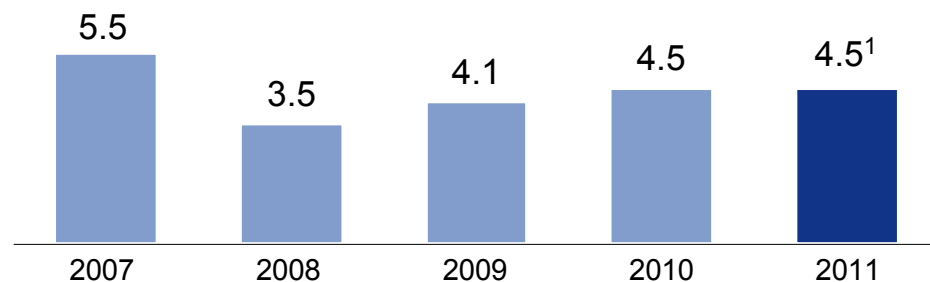
1) Historically reported figures excluding Banking segment  
 2) Based on historically reported figures excluding Corporate & Other, Banking and consolidation

■ P/C ■ L/H ■ AM



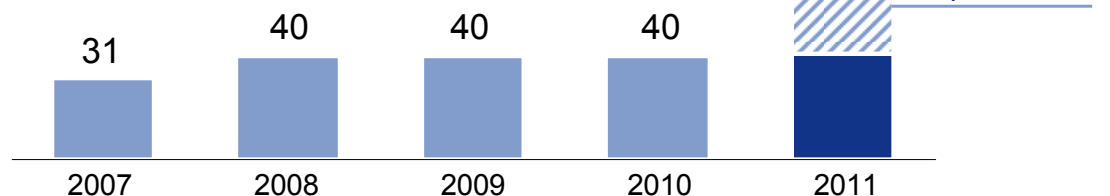
## ... enabling dividend continuity

### DPS (EUR)



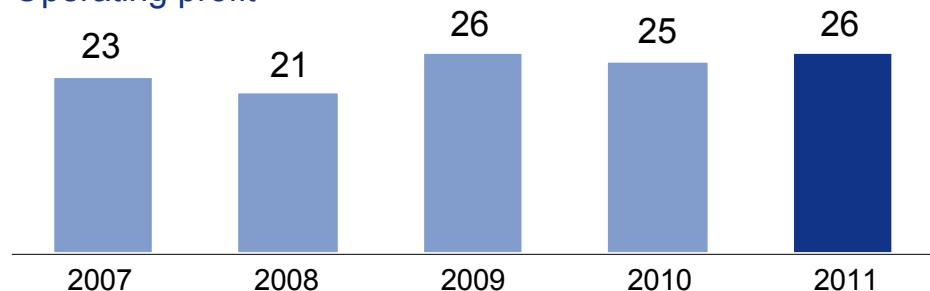
### Payout ratio (in %)²

Net income



### Payout ratio (in %)⁴

Operating profit



1) Proposal  
 2) Based on net income from continuing operations, net of non-controlling interests, as historically reported  
 3) Refers to *additional* non-operating impairments compared to 2010  
 4) Based on operating profit as historically reported

- EUR 2.0bn payout
- Attractive dividend yield of 5%
- Normal payout ratio of 40% uplifted due to additional non-cash impairments driven by financial crisis<sup>3</sup>
- Dividend supported by
  - ✓ operating profit
  - ✓ business outlook 2012
- Stable payout ratio in relation to operating profit
- Dividend policy subject to maintaining strong capital adequacy

A

In good shape

**1** 2011 – the CEO assessment

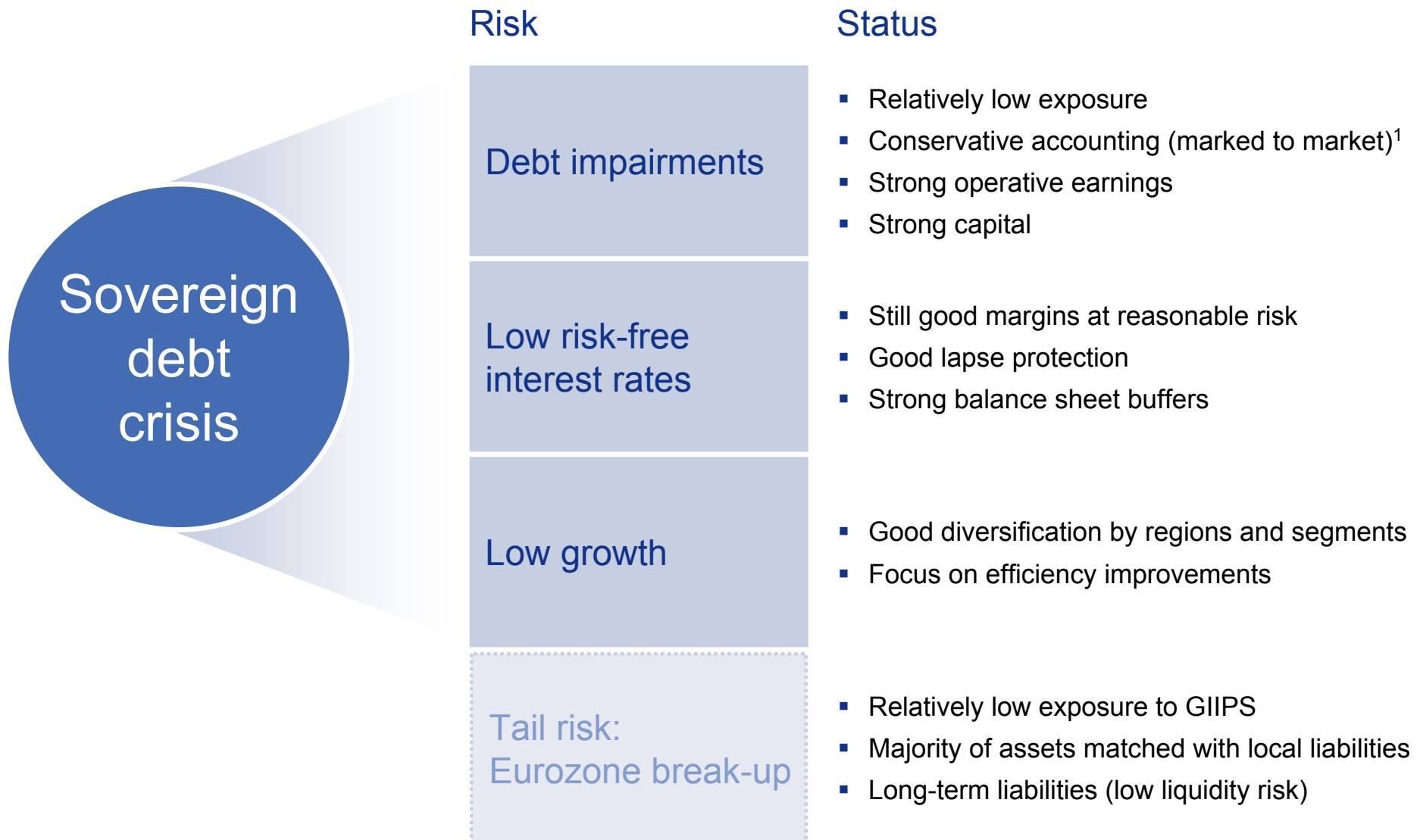
**2** **Strategic priorities 2012**

- Sovereign debt crisis
- Business optimization

**3** Outlook

Sovereign debt crisis

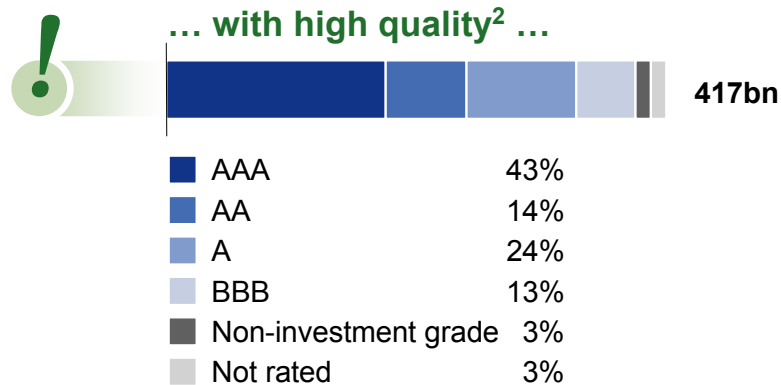
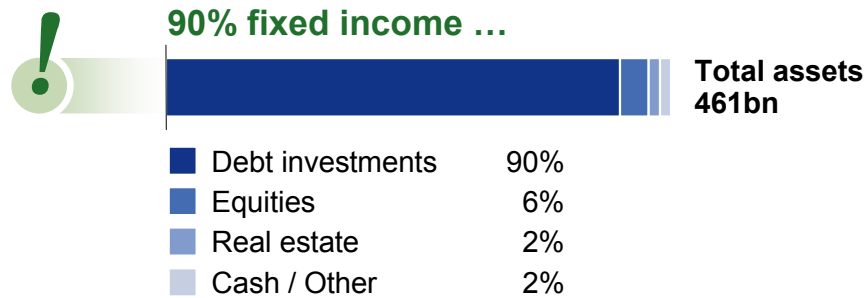
# Allianz well positioned for uncertain times



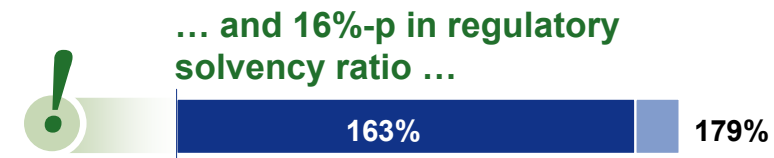
1) Majority of sovereign debt classified as available for sale

**Sovereign debt crisis** Limited investment exposure (EUR)

1. Conservative portfolio<sup>1</sup>



2. GIIPS sovereign debt exposure manageable



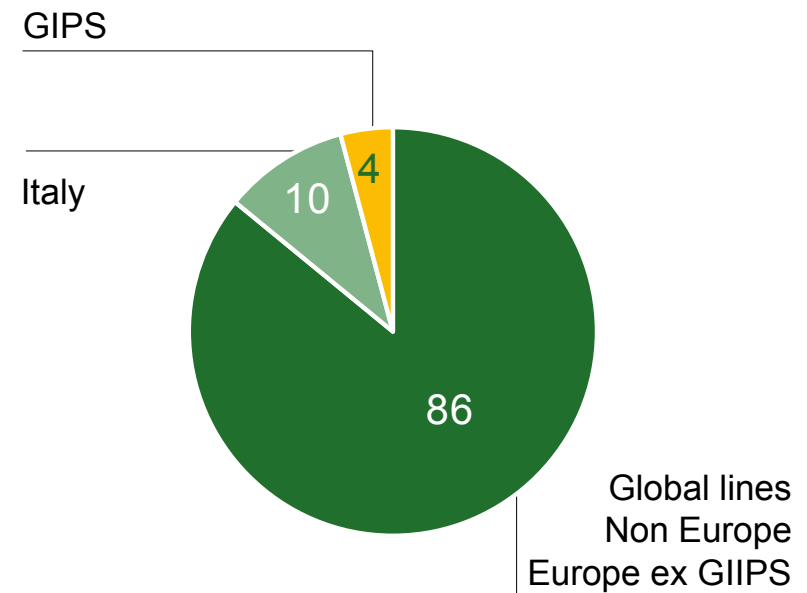
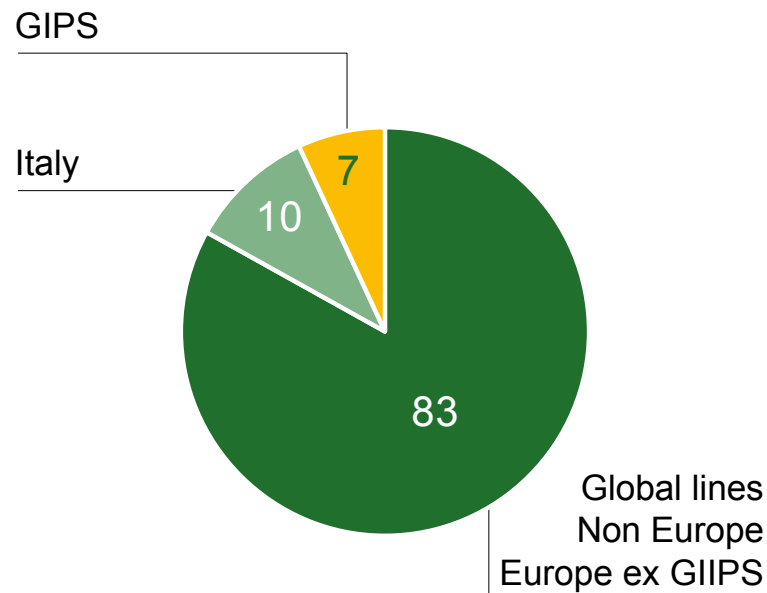
1) Portfolio discussion is based on consolidated insurance portfolios (P/C, L/H, Corporate and Other)  
 2) Rating split excluding EUR 17bn seasoned self-originated German private retail mortgage loans  
 3) Before policyholder participation  
 4) EUR 32.3bn, thereof ITA EUR 26.1bn

Sovereign debt crisis

# Low operative exposure to peripheral countries

2011: Operating profit<sup>1,2</sup>

2011: Revenues<sup>2</sup>



▶ Even break-up scenario with limited impact

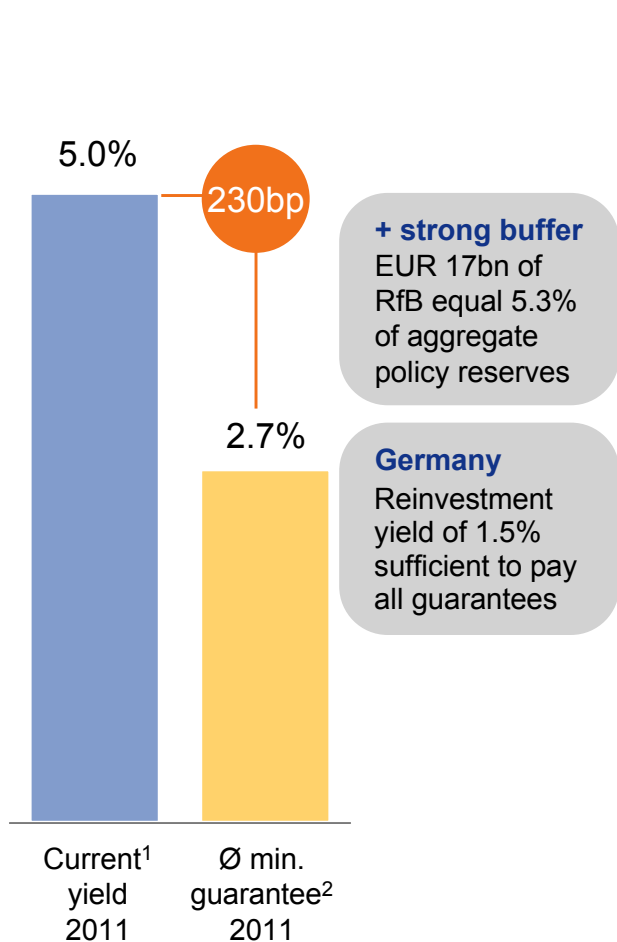
1) Excluding Holding & Treasury  
2) Figures used for the split are not consolidated on a Group basis

Sovereign debt crisis

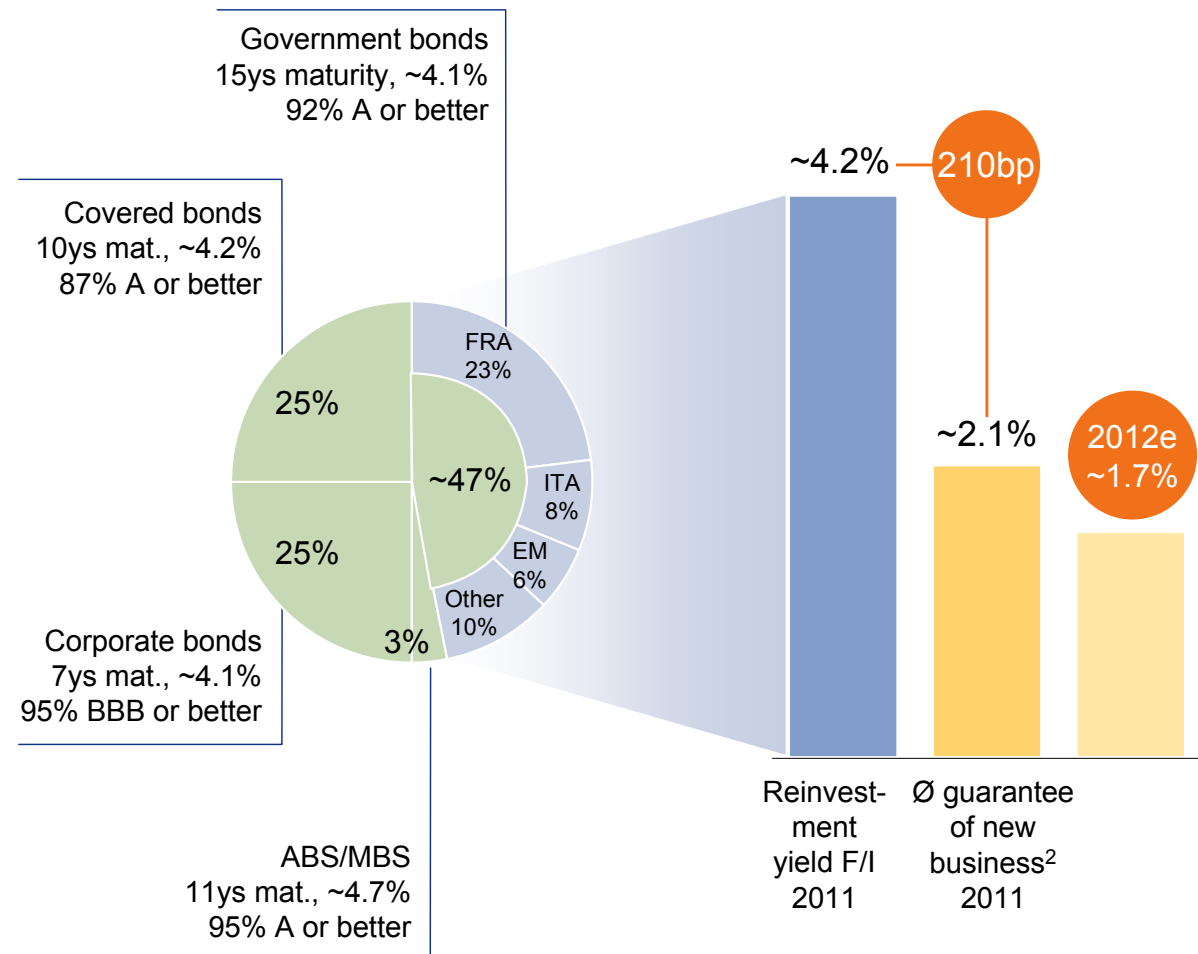
# Healthy life margins despite low-yield environment

## Business in force

(based on aggregate policy reserves)



## New business



1) Based on IFRS current interest and similar income  
 2) Weighted by aggregate policy reserves

A

In good shape

**1** 2011 – the CEO assessment

**2** **Strategic priorities 2012**

- Sovereign debt crisis
- Business optimization

**3** Outlook

**Business optimization**

# Strategic focus on business optimization

Initiative	Expenses	Growth		Claims	
		Distribution	Pricing		
Global	Automotive		✓	✓	✓
	Global lines	✓	✓	✓	✓
	Digitalization	✓	✓	✓	✓
	OE collaboration		✓		
	Reinsurance optimization				✓
	AM repositioning		✓		
Regional	Reorganization (P/C GER, US)	✓	✓	✓	✓
	Agency Future Program	✓	✓		✓
	Cross-border synergies	✓	✓		
	Bancassurance optimization	✓	✓	✓	



Business optimization

# Strong growth in Automotive

## Concept

- Acquire customers directly at point of sale
- Use cross-selling opportunities
- Create global co-operations to enhance scale and market potential

## Achievements

- Business covering 44 brands in 28 markets
- Global market leader with GPW of EUR 2bn in 2011
- 15% CAGR over last two years, CR 2011 98%

## Outlook

- New co-operations signed with Daimler in IT, BMW in UK/FR, Honda, Nissan, Suzuki in AUS
- Growth focus on Brazil, Mexico, China
- China: Co-operation with CPIC including enlargement of product range
- Medium-term outlook: GPW of EUR 2.8bn, combined ratio <98%



Business optimization

# Digitalization along the value chain

## Key digital dimensions

Analytics & products	Offers	Retail product transformation
	Data warehouse	Increase quality of data for risk and market based pricing
Interaction	Multi channel	Grow digital relationships with end customers across all distribution channels
	Customer contact	Increase frequency and quality of customer contact
Productivity	Process	Fast, standardized and automated processes
	Technology	Globally scalable IT with flexible interfaces (platform rationalization)
	Employees	Ensure up-to-date equipment and know-how

## Strategy

- Identify and design new digital business opportunities
- Intensify partnerships
- Consolidate digital / technological know-how
- Provide incubator support to OEs

Business optimization

# Asset Management repositioned ...

## Reasons for structural change

- ▶ **Client needs**  
Clients demand global solutions across asset classes and strong trusted advisor services
- ▶ **Distribution**  
Uniform sales approach no longer sufficient for success in institutional and retail distribution
- ▶ **Asset classes**  
Equity and fixed income differentiation does not reflect the abilities of the entities
- ▶ **Products**  
Spectrum distinct, but increasingly overlapping, confusing the value proposal of the distinct investment processes
- ▶ **Leadership and governance**  
Need to reflect new evolvement

Since 2012:



### Aspiration (over full cycle)

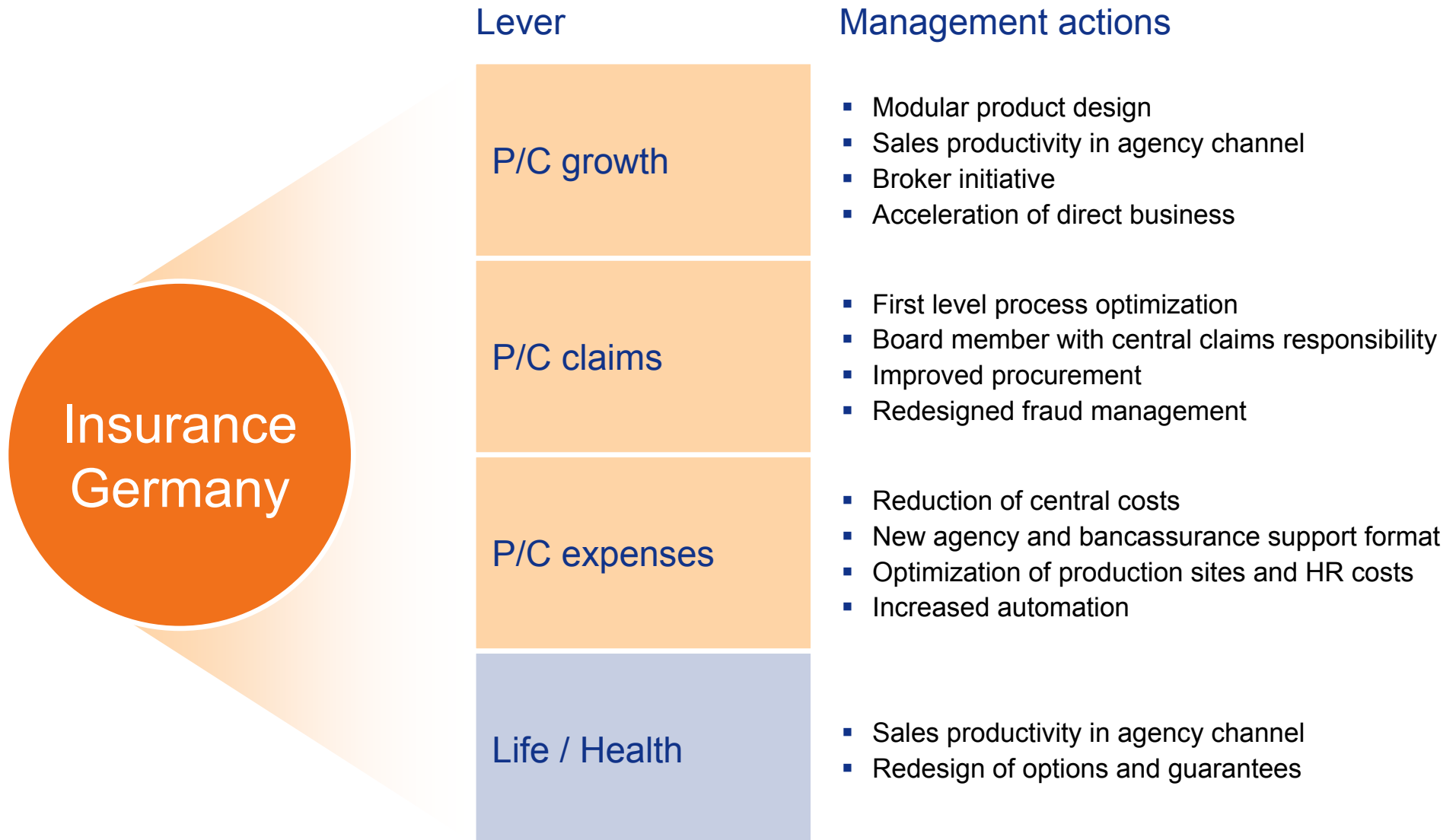
Operating profit:	5% – 10% p.a. <sup>2</sup>
Average CIR:	≤ 65%
3-year asset weighted outperformance:	≥ 70%
3rd party net inflows:	≥ 5%

▶ ... to better respond to client demands

1) Sub-segment AGI, since January 2012 AAM  
2) Operating profit growth excluding f/x impact

Business optimization

## Fine-tuning of German insurance business

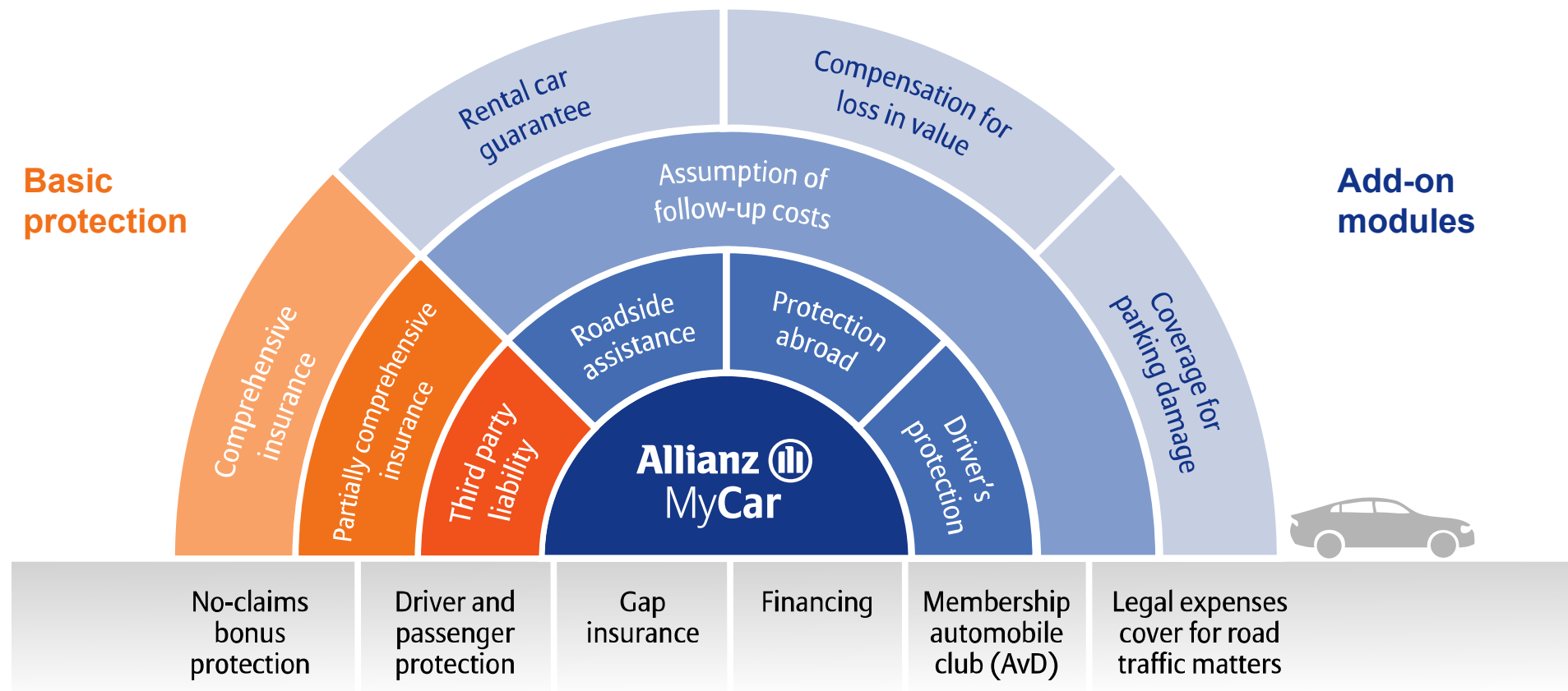


**Business optimization**

# Example: successful modular product design to meet customer needs

## “My car” product in Germany

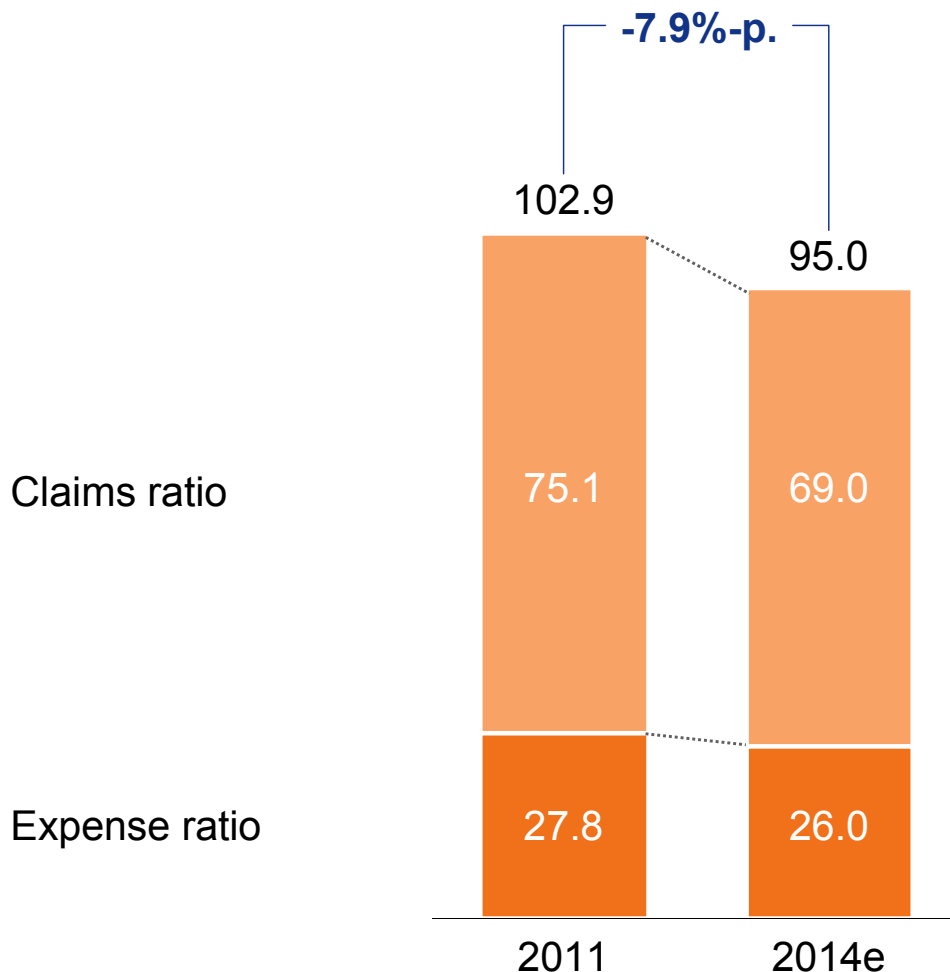
- Win-win: tailor-made product for customers, cost reduction through industrial production of modules
- Sophisticated portfolio management through differentiated pricing for every individual module
- Average new business premium per contract up 6% versus previous year
- Transfer of concept to other product families possible



Business optimization

## Significant improvement potential in German P/C ...

Combined ratio P/C Germany  
(in %)

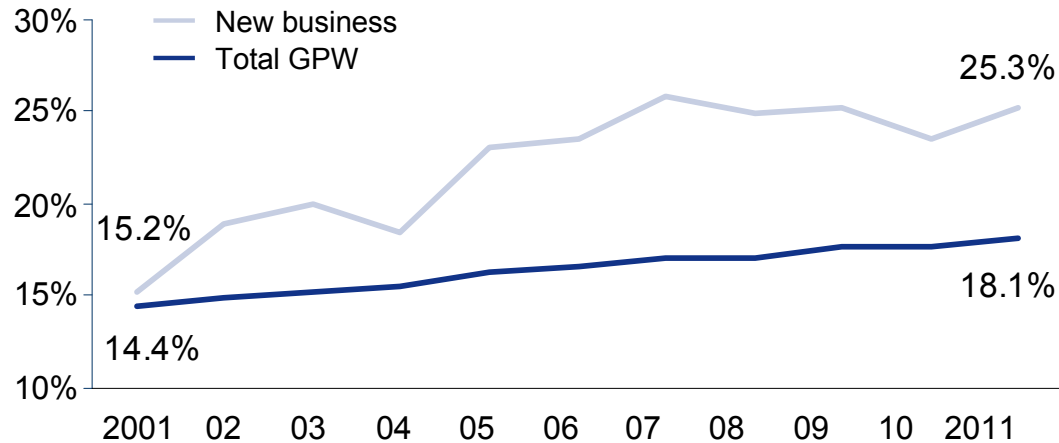


- Targets for 2014
  - GPW +5.8%
  - CR -7.9%-p.
- High single-digit price increase in motor end of 2011, impact to come in 2012
- New agency format to increase productivity up to 20%
- Largest part of improvement to come through in 2013
- Operating profit improvement potential in excess of EUR 0.5bn

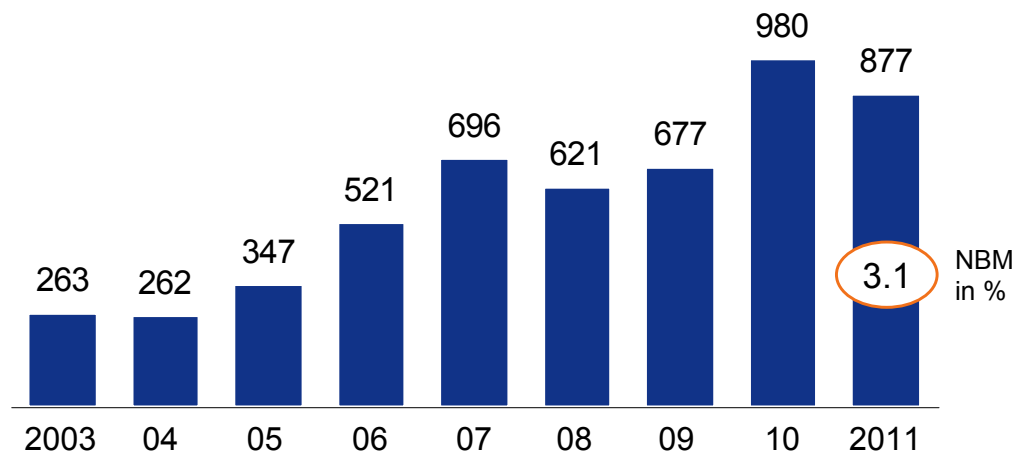
Business optimization

## ... and continuing success story in German Life

### Market share Allianz Leben



### Operating profit Allianz Leben (EUR mn)



- Undisputed #1 position in Germany
- Success factors:
  - Financial strength
  - Product innovation
  - Efficiency
- 2011 with 2nd best new business result despite sovereign debt crisis
- Significant reserves<sup>1</sup> of EUR 10.2bn or 8.0% based on policy reserves
- Over last 5 years:
  - EUR 30bn credited to policyholders
  - EUR 2bn dividends paid

1) Free RfB and terminal bonus fund (German local GAAP)

A

In good shape

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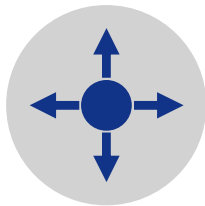
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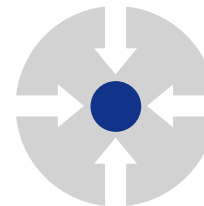


## Management focus 2012



Internal

- German P/C
- US P/C and VA
- Distribution
- Global lines
- Capital management



External

- Sovereign debt crisis
- Low interest rates
- Solvency II

## New board members



**Helga Jung**

- Responsibilities: Insurance Iberia and Latin America, M&A, Strategic Participations, Legal & Compliance
- Joined Allianz Group in 1993
- Professional experience: Head of M&A, International Finance, Corporate Finance & Controlling



**Gary Bhojwani**

- Responsibilities: Insurance USA
- Joined Allianz Group in 2004
- Professional experience: President and CEO Allianz Life, President Commercial Business FFIC, other CEO positions in the insurance industry



**Dieter Wemmer**

- Responsibilities: Insurance France, Benelux, Italy, Greece, Turkey; Global P/C
- Joined Allianz Group in 2012
- Professional experience: Global CFO, CEO/ COO General Insurance Europe, Head of Controlling, Head of M&A in the insurance industry

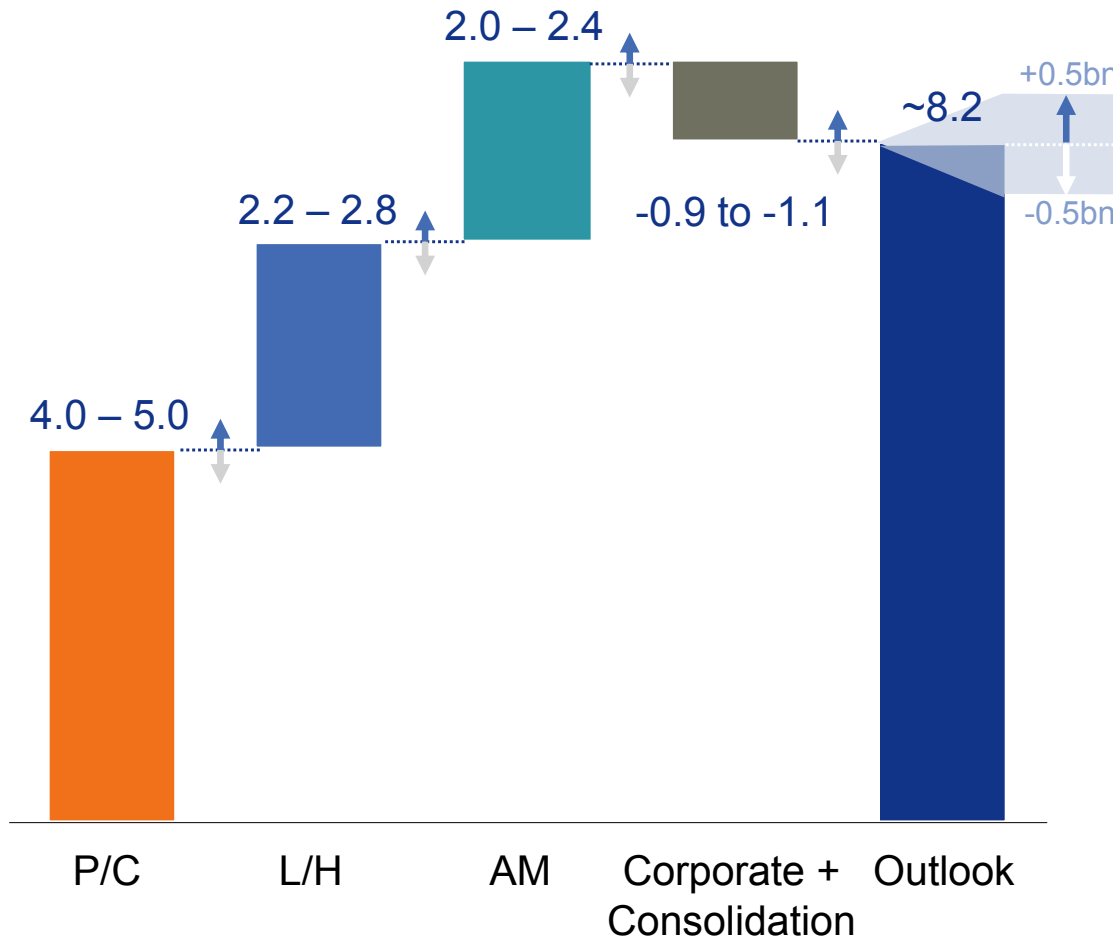


**Maximilian Zimmerer<sup>1</sup>**

- Responsibilities: Finance & Investments, Global Life
- Joined Allianz Group in 1988
- Professional experience: CEO Allianz Lebensversicherung, CEO Allianz Private Krankenversicherung, RCM US, Managing Director Allianz Asset Advisory and Management GmbH

1) Starting June 2012

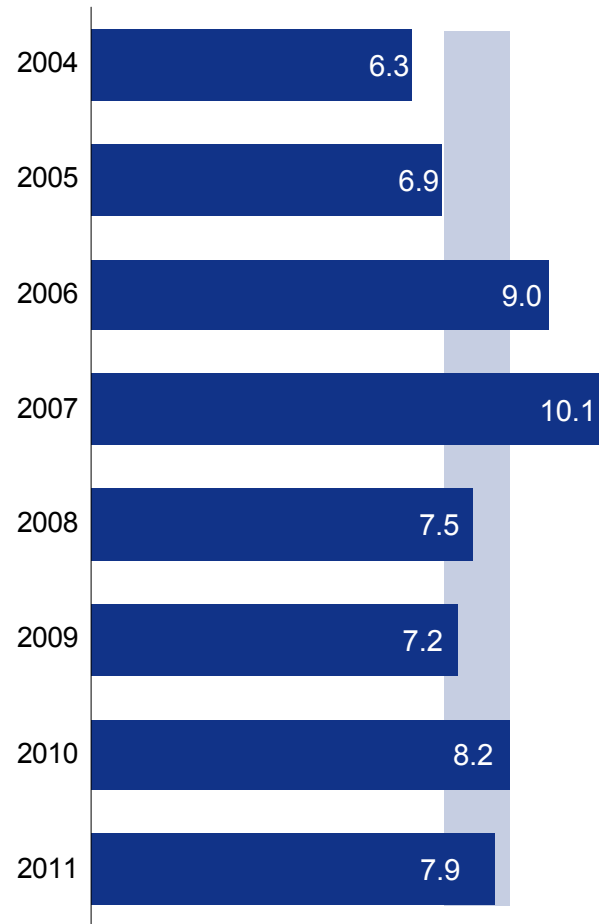
# Solid operating profit outlook 2012 ... (EUR bn)



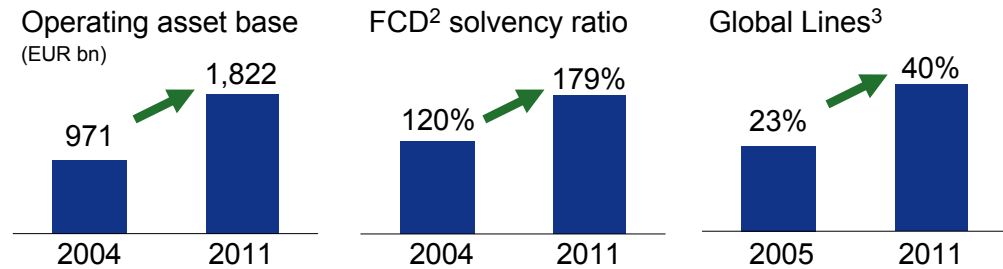
- Range of operating profit outlook reflects diversification
- **Disclaimer:** Impact from NatCat, financial markets and global economic development not predictable!

# ... and well positioned for mid-term development

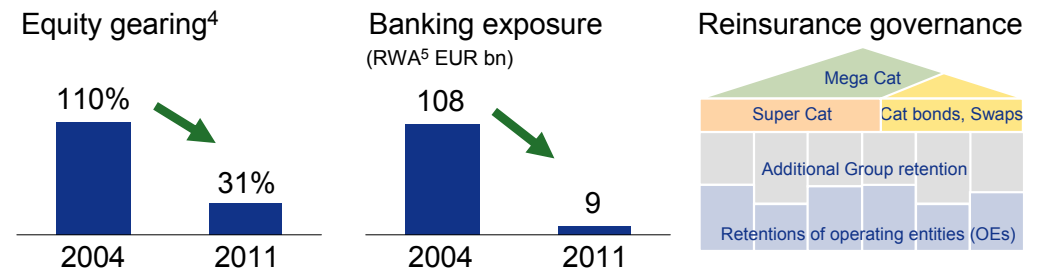
## 1 Stable operating profit<sup>1</sup> range



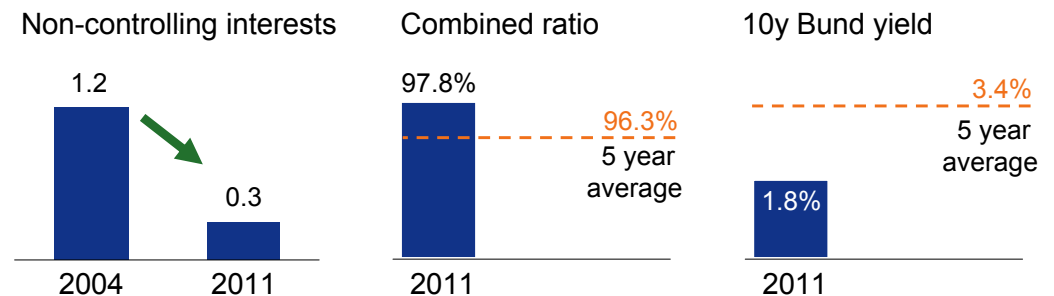
## 2 Better starting position ...



## 3 ... with improved risk profile ...



## 4 ... and higher profit potential (EUR bn)



1) Historically reported figures excluding Banking segment in EUR bn  
 2) Financial Conglomerates Directive  
 3) Share of Global Lines in operating profit

4) Net equity exposure after tax and policyholder participation as % of NAV  
 5) Risk Weighted Assets

## Summary: in good shape

- ➔ Resilient operating profit in difficult 2011
- ➔ EUR 4.50 dividend with 5% yield
- ➔ EUR 7.7 – 8.7bn operating profit 2012e
- ➔ Well positioned for positive mid-term development
- ➔ Even European tail risk manageable



# Group financial results 2011

Oliver Bäte,  
Member of the Board of Management

Analysts' conference  
February 24, 2012

# B

Group financial  
results 2011

- 1** Highlights
- 2** Group
- 3** P/C
- 4** L/H
- 5** Asset Management
- 6** Summary
- 7** Additional information
- 8** Additional information – 4Q results

## Highlights of 2011 financial results

### Severe external shocks ...

Sovereign debt and banking crisis

Record low interest rates and high market volatility

NatCat losses near all time high for insurance industry

### ... but resilient performance

Revenues of EUR 103.6bn: P/C on track, L/H reflecting margin discipline and AM growing strongly

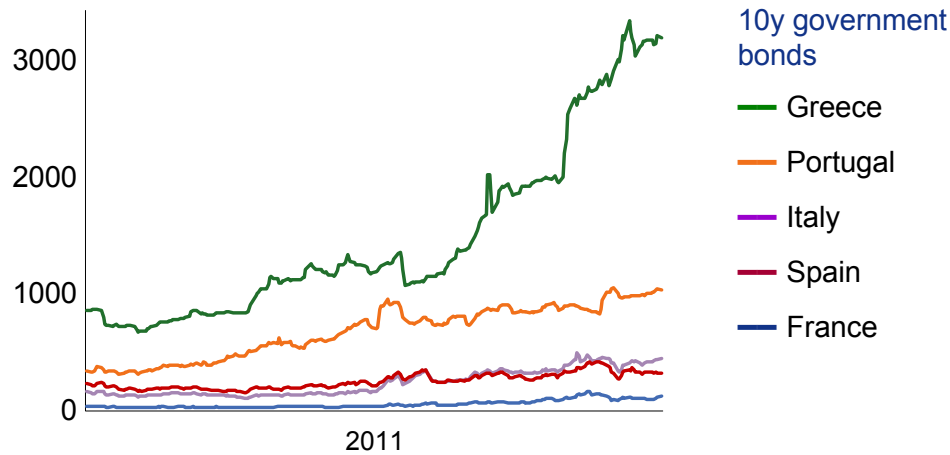
Operating profit strong at EUR 7.9bn, especially in light of strict impairment policy

Resilient capital position and dividend power, despite high impairments

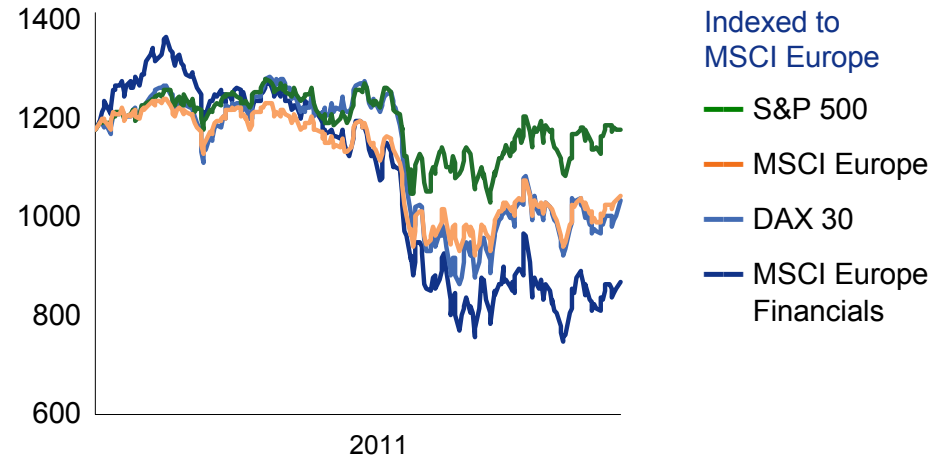


# 2011 was another year of serious shocks

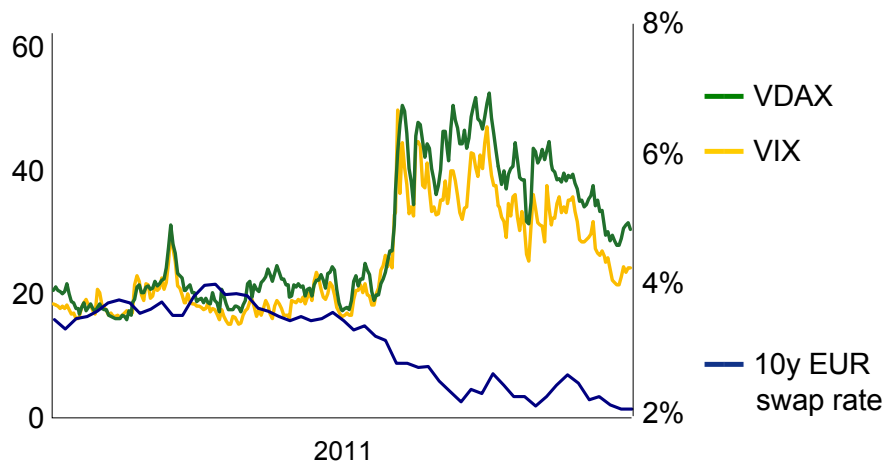
Credit spreads development (bps)<sup>1</sup>



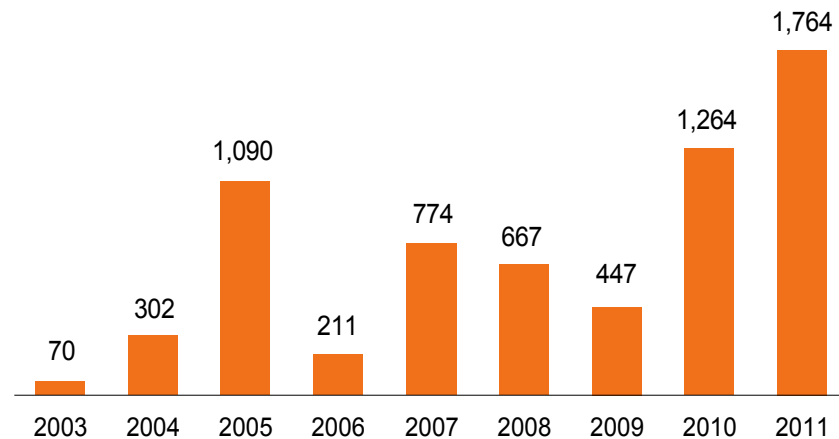
Equity markets development



Volatility indexes and Euro swap rate

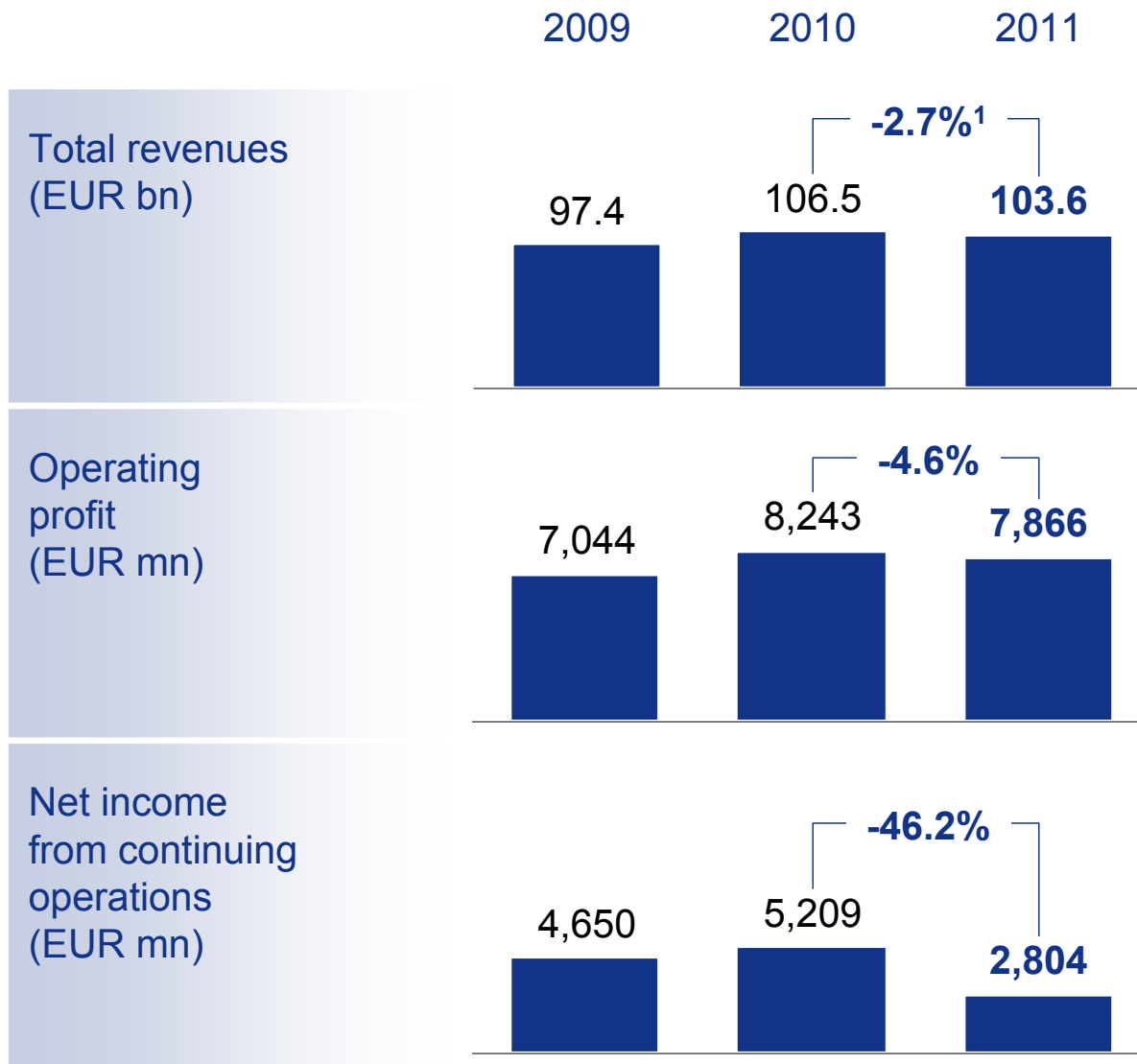


Allianz NatCat losses (EUR mn)



1) Based on 10-year German government bond

# Key financial results



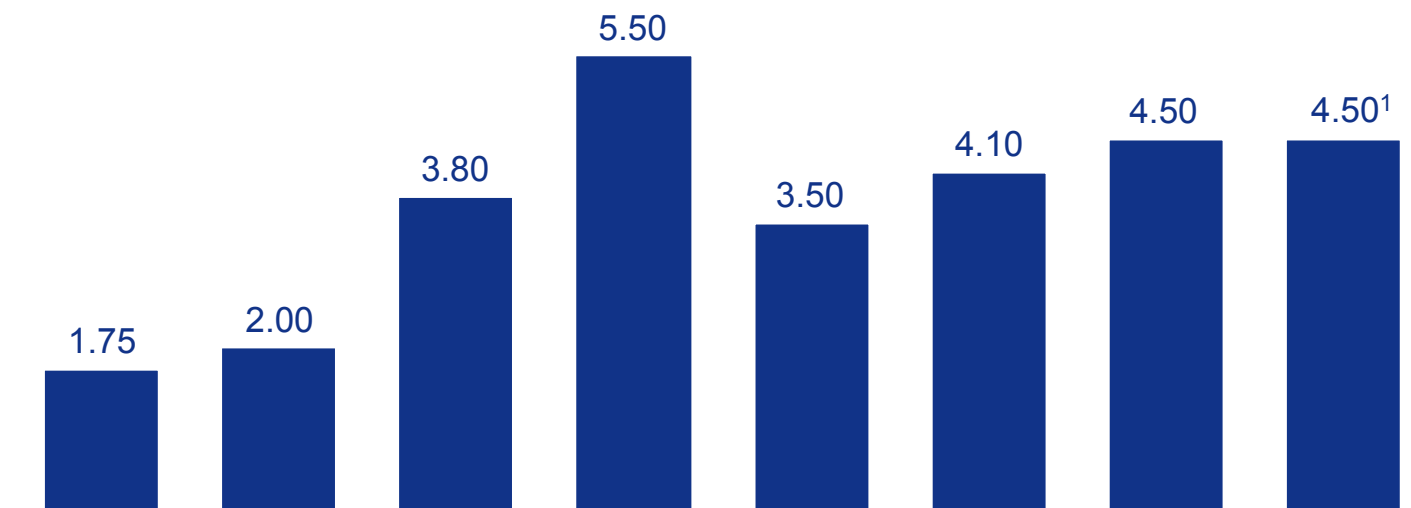
## Key drivers

- Margin focus and lower bancassurance sales in L/H
- Record NatCat claims
- Impairments
- Impairments, including Greek government bonds and financials

1) Internal growth -2.1%, adjusted for F/X effects and consolidation effects

## Dividend proposal reflects resilient balance sheet

### Dividend per share (EUR)



EUR mn	2004 <sup>2</sup>	2005 <sup>2</sup>	2006 <sup>2</sup>	2007 <sup>2</sup>	2008 <sup>2</sup>	2009	2010	2011
Dividend	674	811	1,642	2,472	1,580	1,850	2,032	2,049 <sup>1</sup>
Net income <sup>3</sup>	2,199	4,380	7,021	7,966	3,967	4,602	5,053	2,545
Operating profit	6,856	7,743	10,386	10,915	7,433	7,044	8,243	7,866
Payout ratio <sup>3</sup>	31%	19%	23%	31%	40%	40%	40%	81% <sup>1</sup>

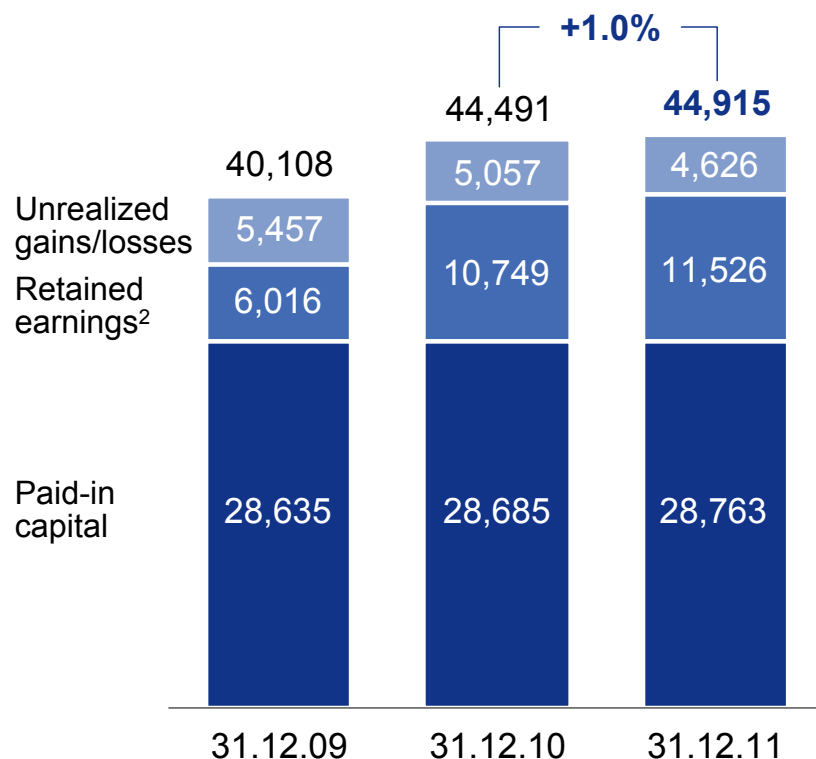
1) Proposal

2) Based on historically reported numbers

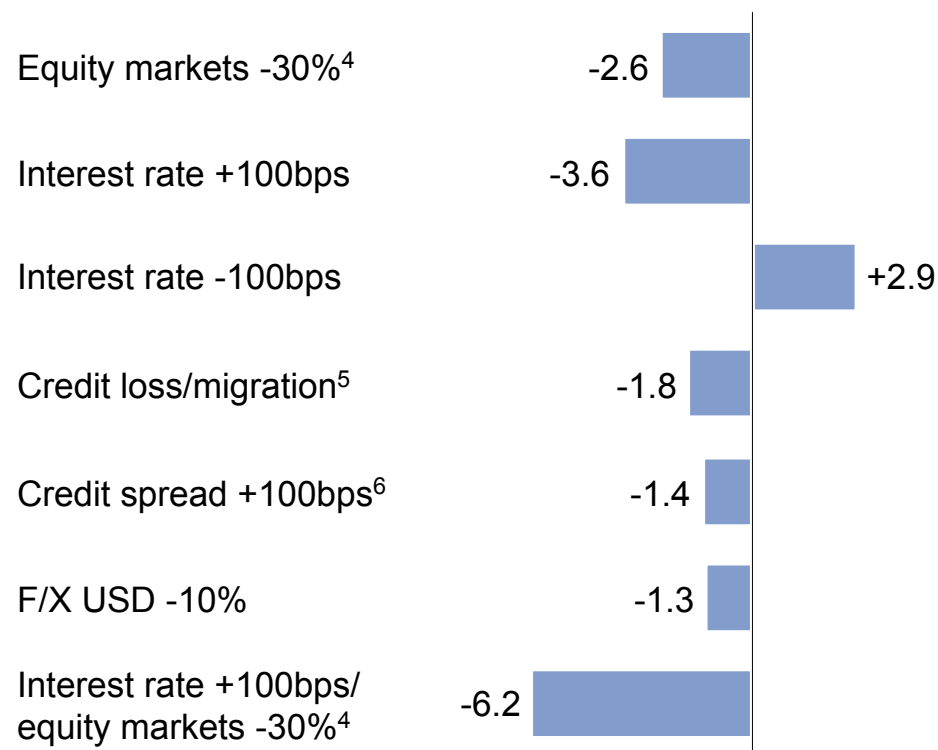
3) Net income from continuing operations, net of non-controlling interests

# Shareholders' equity is shock resistant

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



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

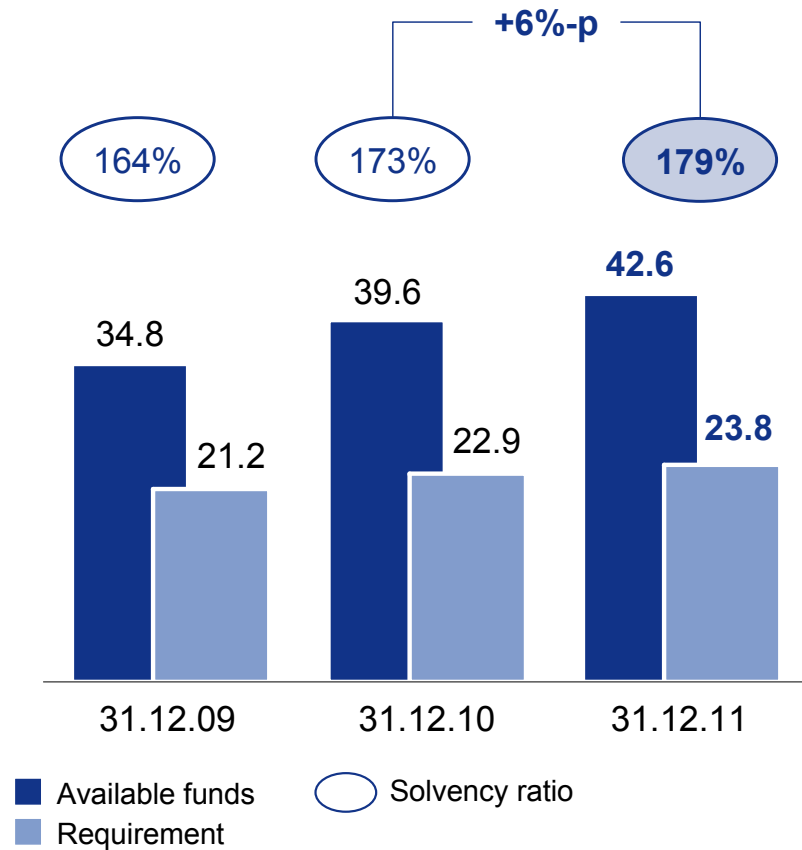


1) Excluding non-controlling interests  
(31.12.09: EUR 2,121mn, 31.12.10: EUR 2,071mn, 31.12.11: EUR 2,338mn)  
2) Including F/X  
3) After non-controlling interests, policyholder participation, tax and shadow DAC  
4) Including derivatives

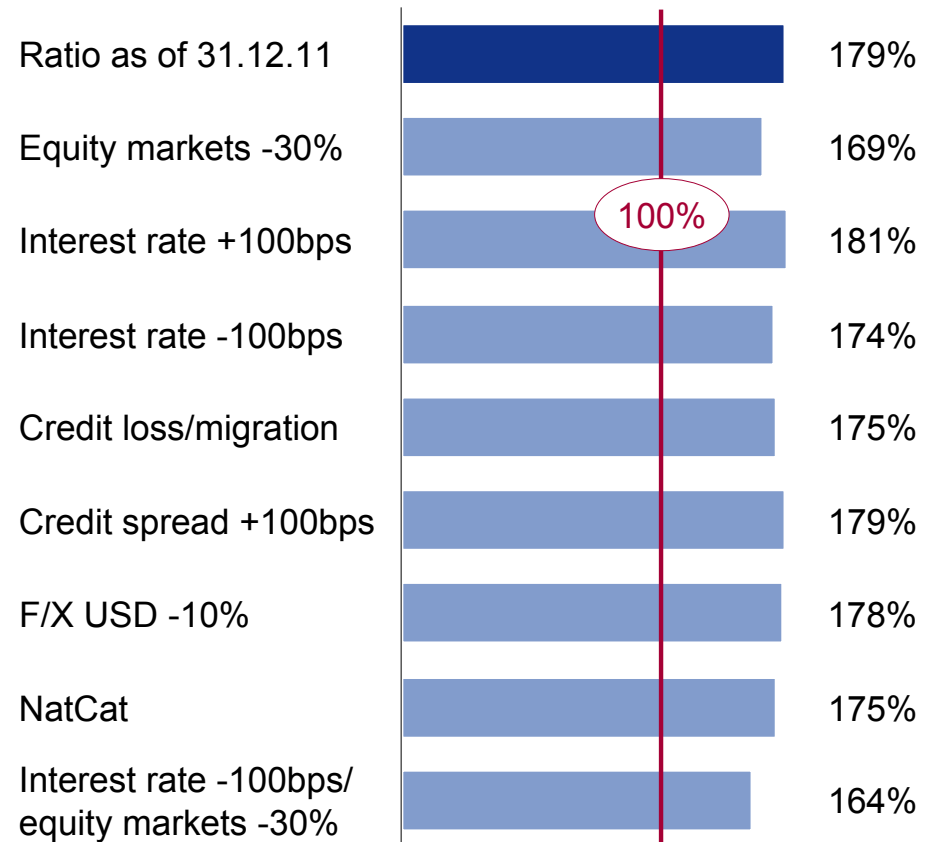
5) Credit loss/migration (corporate and ABS portfolio): scenario based on probabilities of default as in 1932, migrations adjusted to mimic recession and assumed recovery rate of 30%, migration restricted to AFS portfolio  
6) Credit spread stress on AFS corporate and ABS portfolio

# Conglomerate solvency remains strong

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



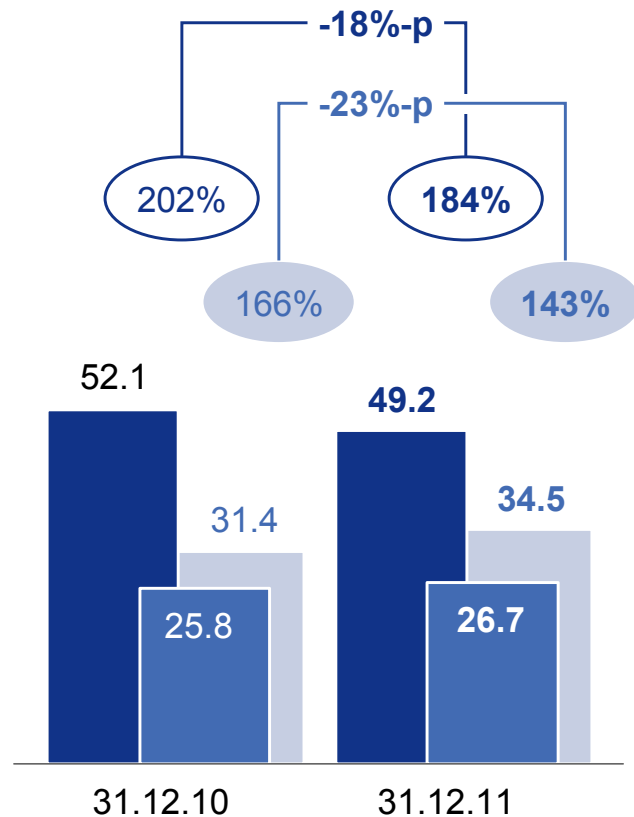
Estimation of stress impact<sup>1</sup>



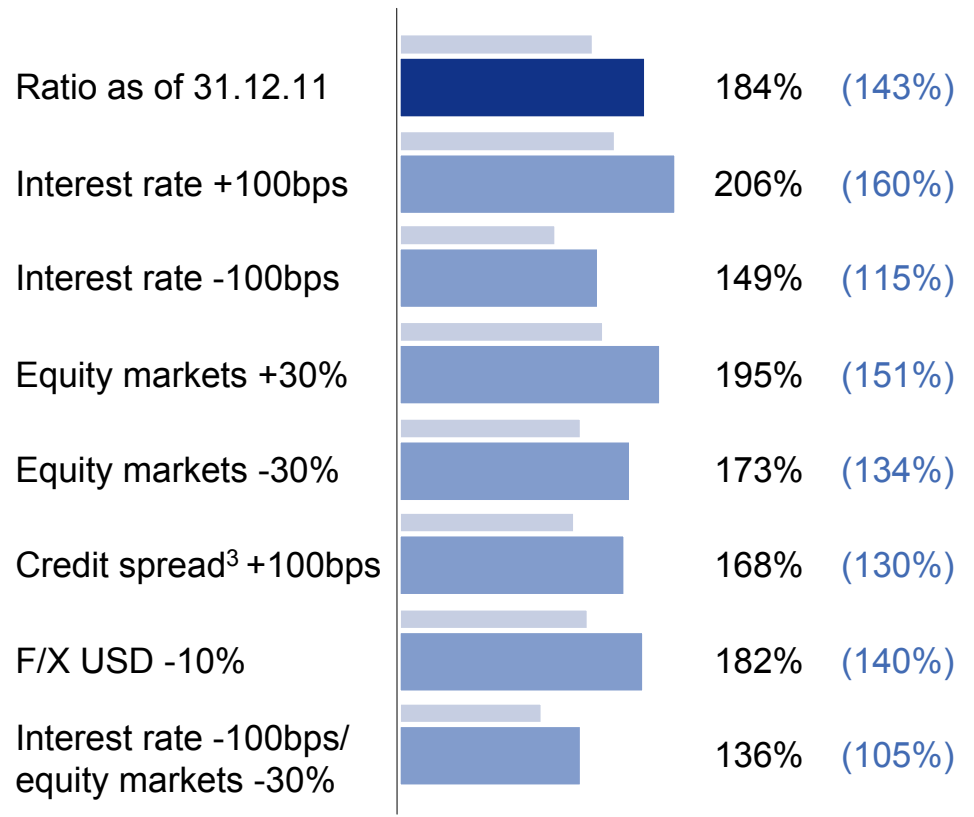
1) Including off-balance sheet reserves (31.12.09: EUR 2.0bn, 31.12.10: EUR 2.1bn, 31.12.11: 2.2bn) pro forma.  
The solvency ratio excluding off-balance sheet reserves would be 155% as of 31.12.09, 164% as of 31.12.10 and 170% as of 31.12.11.  
Includes the proposed dividend of EUR 4.50 per share. For more details please refer to the glossary

# Solid economic solvency at Solvency II calibration

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



## Estimation of stress impact<sup>2</sup>



- Available funds
- Requirement (confidence level 99.5%)
- Requirement (confidence level 99.97%)
- Economic solvency ratio (confidence level 99.5%)
- Economic solvency ratio (confidence level 99.97%)

1) Available funds reflect yield curves and liquidity premium for valuation purposes in line with the current proposal of the EIOPA for L/H segment  
 2) Estimated solvency ratio changes in case of stress scenarios (stress applied on both risk bearing funds and risk capital)  
 3) Credit spread stress on corporate/ABS bonds; not included are AAA collateralized bonds which are predominantly covered or agency sponsored bonds

## Further strengthening our capital position

### Key levers

### Examples

Further de-risking of peripheral counterparty and sovereign exposures

- Reduction of direct and indirect banking exposures
- Liquidity monitoring and buffer enhancements
- Selected further reductions in holdings, especially non-domestic

De-risking of net exposure to financials

- Commerzbank exposure de-risked
- Further de-risking of other net exposures across asset classes

Optimize interest rate and spread sensitivity

- Selective duration management measures
- Enhanced life product design and inforce management approach

Focus investments on businesses with stronger cash returns and lower tail risk

- Closure of life unit in Japan
- Enhanced P/C and AM growth initiatives
- Further reduce exposure to mis-priced markets (e.g. high value of O&G, high NatCat exposures)

# B

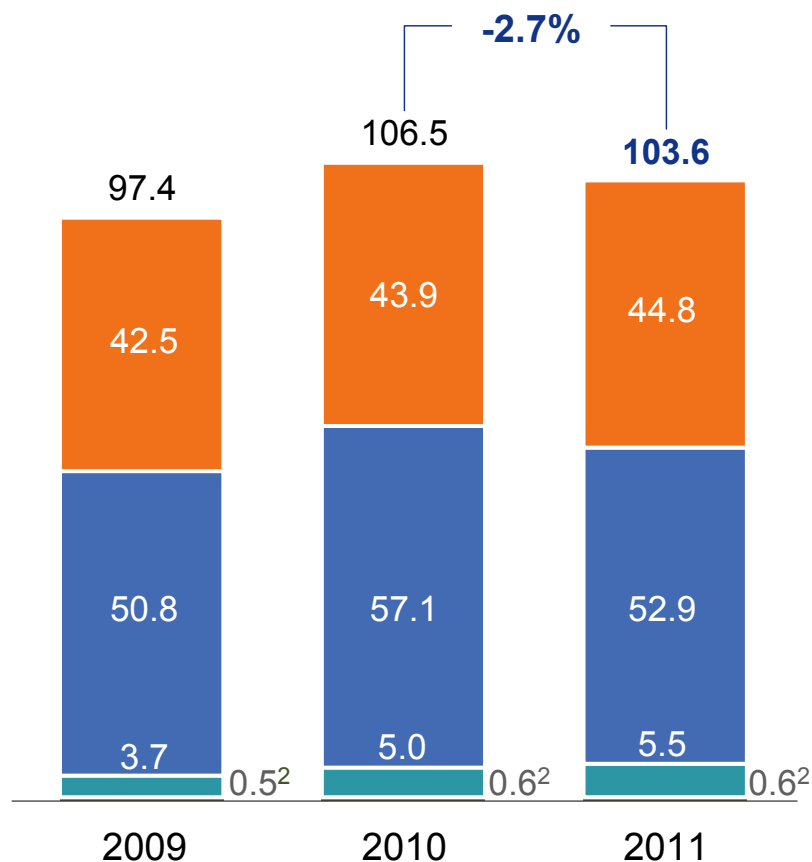
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# L/H reflects margin focus and lower bancassurance sales

Total revenues<sup>1</sup> (EUR bn)



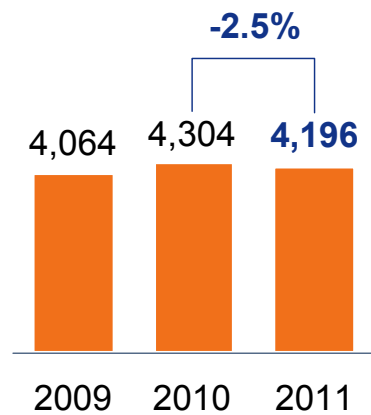
2011 (in %)	Total growth	Internal growth
Group	-2.7	-2.1
P/C	+2.0	+2.3
L/H	-7.4	-6.9
AM	+10.3	+14.6

1) For a description of total revenues and internal growth please refer to the glossary  
 All segment figures are based on segment consolidated numbers; figures for the Group as a whole are based on fully consolidated numbers  
 2) Represents total revenues from Banking within Corporate and Other

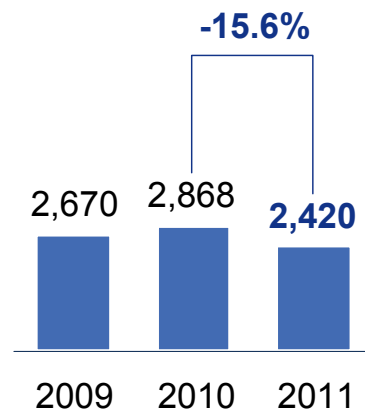
# Strong results despite NatCats and impairments

## Operating profit (EUR mn)

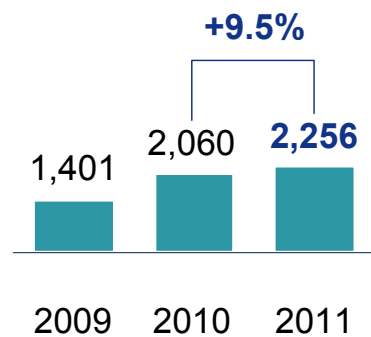
### Property/Casualty



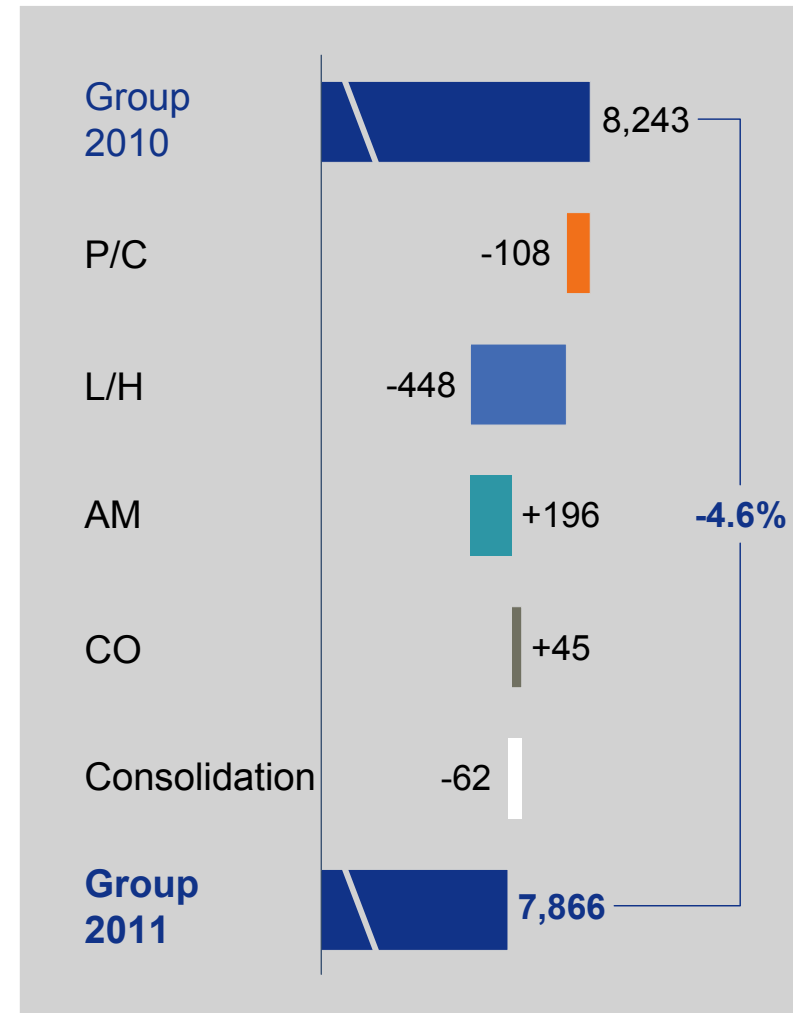
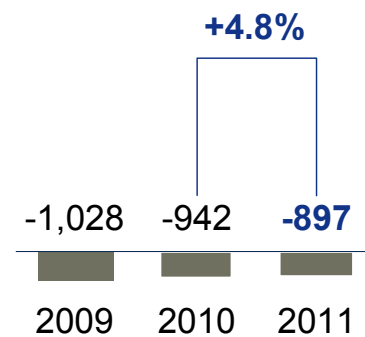
### Life/Health



### Asset Management



### Corporate and Other



## Non-operating items (EUR mn)

	2009	2010	2011	Δ 11/10
Realized gains/losses and impairments of investments (net)	623	1,079	<b>-716</b>	-1,795
Interest expense from external debt	-905	-889	<b>-973</b>	-84
Fully consolidated private equity inv. (net)	-232	-102	<b>-35</b>	+67
Restructuring charges	-183	-263	<b>-167</b>	+96
Acquisition-related expenses	-406	-440	<b>-209</b>	+231
Other non-operating	23	-384	<b>-892</b>	-508
Thereof: Amortization of intangible assets	-125	-327	<b>-449</b>	-122
Income from fin. assets and liab. carried at FV	148	-57	<b>-443</b>	-386
Reclassification of tax benefits	-774	-71	<b>-28</b>	+43
<b>Non-operating items</b>	<b>-1,854</b>	<b>-1,070</b>	<b>-3,020</b>	<b>-1,950</b>

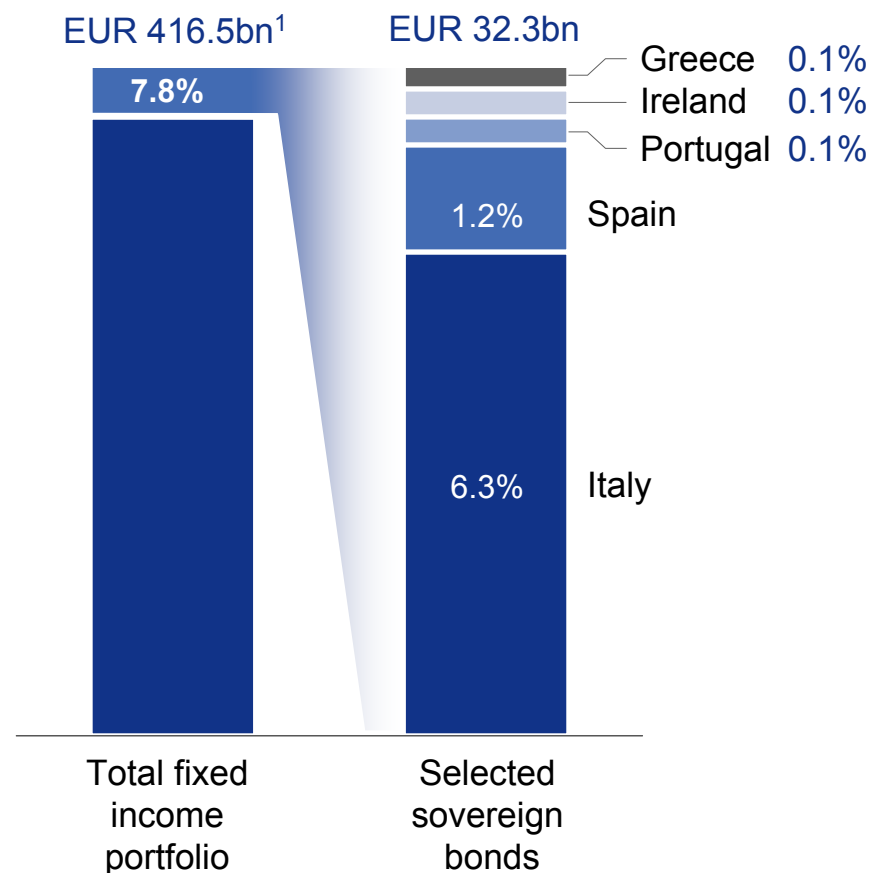
	2010	2011
<b>Realized gains/losses</b>	<b>1,539</b>	<b>1,215</b>
- Equities	1,342	607
- Debt securities	87	416
- Real estate and other	110	192
<b>Impairments (net)</b>	<b>-460</b>	<b>-1,931</b>
- Equities	-303	-1,240
- Debt securities	-96	-646
- Real estate and other	-61	-45
<b>Total</b>	<b>1,079</b>	<b>-716</b>

	31.12.10	31.12.11
Balance of unrealized gains/losses in equities <sup>1</sup>	3.3bn	2.2bn
Balance of unrealized gains/losses in fixed income <sup>1</sup>	2.6bn	4.0bn

1) On-balance sheet unrealized gains and losses, after taxes, non-controlling interests and policyholder participation before shadow DAC

## Exposure to selected sovereigns

### Percent of total fixed income portfolio



### Unrealized gains/losses (EUR mn)

	31.12.2011		31.01.2012 <sup>3</sup>	
	gross	net <sup>2</sup>	gross	net
Greece <sup>4</sup>	0	0	-9	-7
Ireland	-50	-14	-28	-7
Portugal	-205	-103	-236	-121
Spain	-237	-55	-126	-24
<b>Sub-total</b>	<b>-492</b>	<b>-172</b>	<b>-399</b>	<b>-159</b>
Italy	-3,221	-573	-1,980	-330
<b>Total</b>	<b>-3,713</b>	<b>-745</b>	<b>-2,379</b>	<b>-489</b>

- 1) As of 31.12.2011; portfolio discussion is based on consolidated insurance portfolios (P/C, L/H, Corporate and Other, does not include Banking operations)
- 2) After policyholder participation and taxes; based on 31.12.2011 balance sheet figures reflected in accumulated other comprehensive income
- 3) Estimated update on 31.01.2012 is based on portfolio as of 31.12.2011
- 4) After impairments

## Net income development (EUR mn)

	2009	2010	<b>2011</b>	Δ 11/10
Operating profit	7,044	8,243	<b>7,866</b>	-377
Non-operating items	-1,854	-1,070	<b>-3,020</b>	-1,950
Income before taxes	5,190	7,173	<b>4,846</b>	-2,327
Income taxes	-540	-1,964	<b>-2,042</b>	-78
Net income from continuing operations	4,650	5,209	<b>2,804</b>	-2,405
Discontinued operations	-395	0	<b>0</b>	0
Net income	4,255	5,209	<b>2,804</b>	-2,405
Non-controlling interests	48	156	<b>259</b>	+103
Net income attributable to shareholders	4,207	5,053	<b>2,545</b>	-2,508
Effective tax rate	10%	27%	<b>42%</b>	

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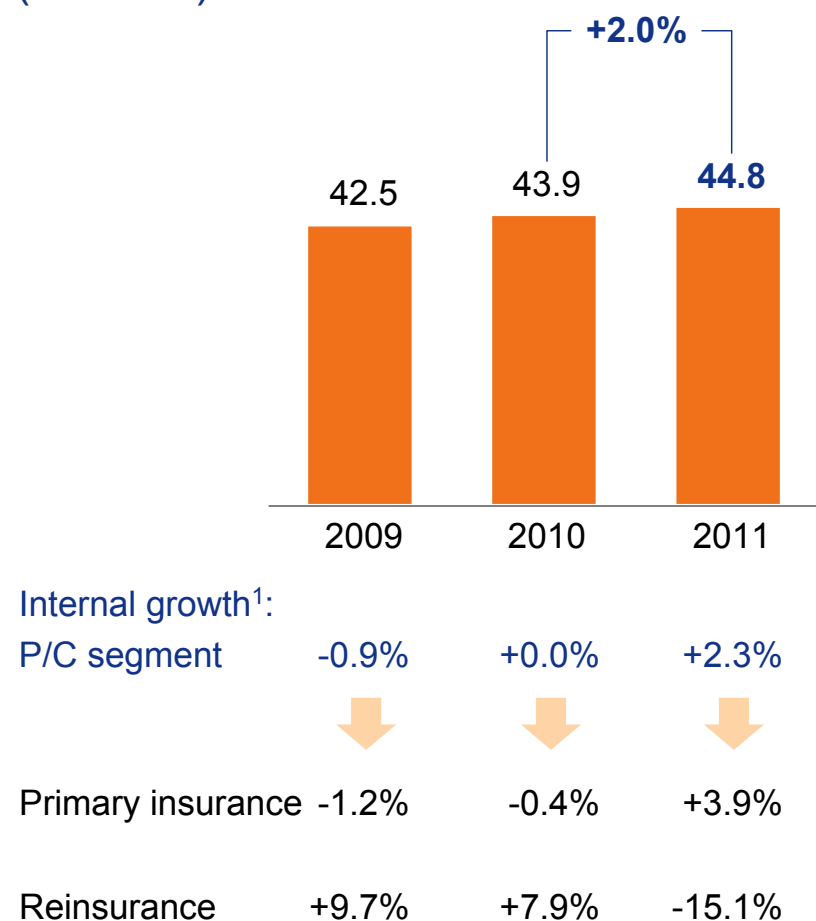
## Strong performance despite NatCat claims at all time high



- Primary insurance portfolio with growth from both prices and volumes of 4 percent, reinsurance down by 15 percent, overall portfolio growth at 2 percent
- Operating profit at EUR 4.2bn. Continued positive development in underlying accident year losses, despite weaknesses in Germany and the US
- NatCat claims at all time high of EUR 1.8bn and 4.4 combined ratio points
- Improved operating investment result benefits from growing asset base

## Revenues at EUR 44.8bn, up 2 percent

### Revenues (EUR bn)



Revenues of sel. OEs <sup>2</sup> (EUR mn)		2009	2010	2011	Δ11/10 <sup>1</sup>
German Speaking Countries	Germany	9,235	9,013	8,979	+0.1%
	Switzerland	1,309	1,389	1,436	+0.2%
Europe incl. South America	France	3,368	3,300	3,313	+0.4%
	Italy	4,190	3,986	3,990	+0.1%
	Spain	2,101	2,011	2,011	+0.3%
	South America	1,151	1,563	1,846	+19.8%
Global Insurance Lines & Anglo Markets	Reinsurance	3,719	4,014	3,409	-15.1%
	AGCS	4,256	4,530	4,918	+6.2%
	UK	1,783	1,939	2,111	+10.1%
	Credit Insurance	1,672	1,767	1,902	+7.6%
	Australia	1,607	2,161	2,508	+8.1%
Growth Markets	CEE	2,615	2,629	2,563	-1.2%
	Asia-Pacific	472	486	486	+10.9%
NAFTA Markets	USA	3,521	3,350	3,415	+9.8%

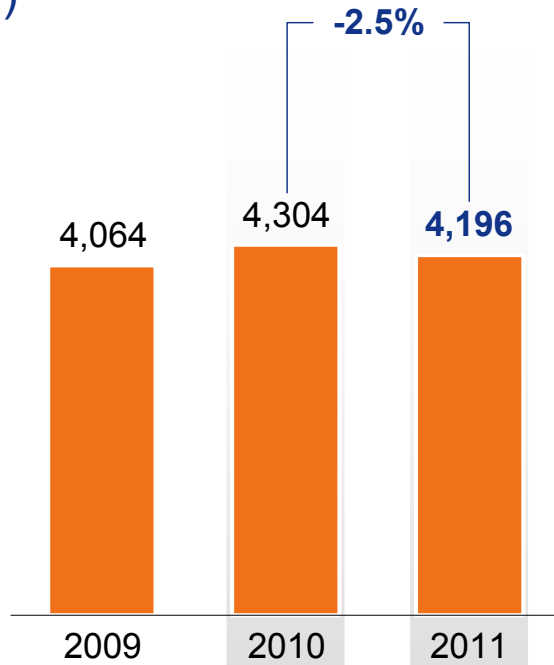
1) Changes refer to internal growth (adjusted for F/X and consolidation effects)

2) Remarks concerning the operating entities' revenues can be found in the appendix



# Strong operating profit of EUR 4.2bn

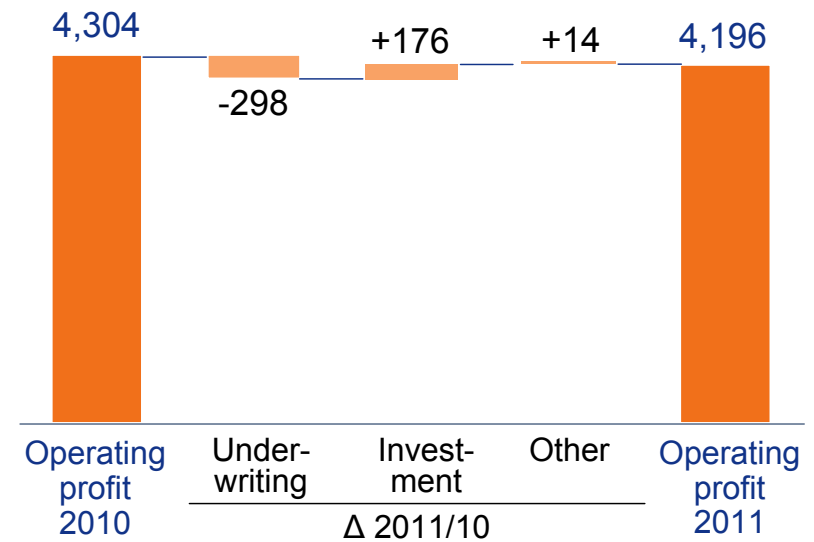
Operating profit (EUR mn)



Impact from delta to NatCat budget



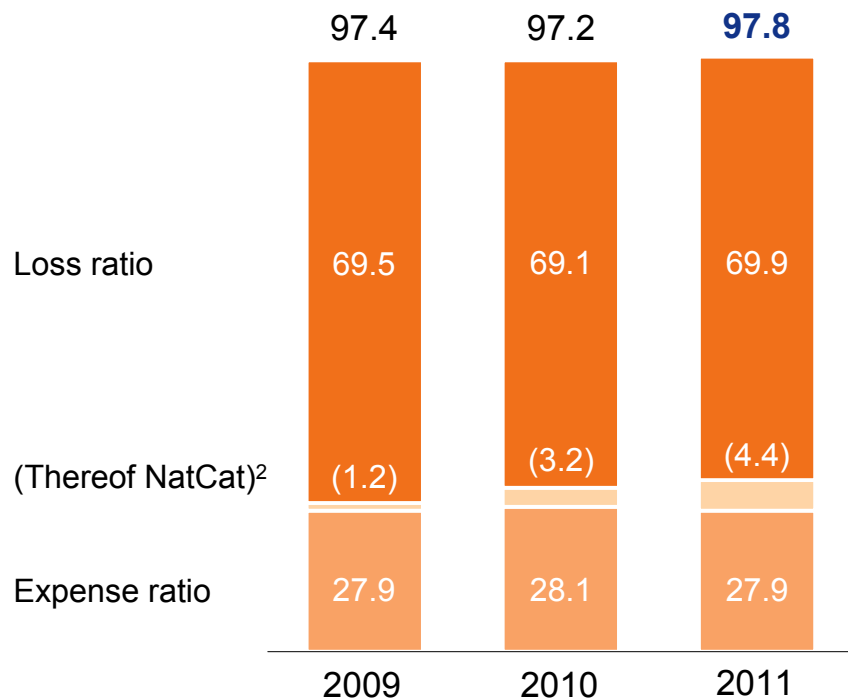
Operating profit drivers (EUR mn)



	Underwriting	Investment	Other
2011	701	3,394	101
2010	999	3,218	87

# Resilient portfolio withstands NatCat losses

## Combined ratio (in %)



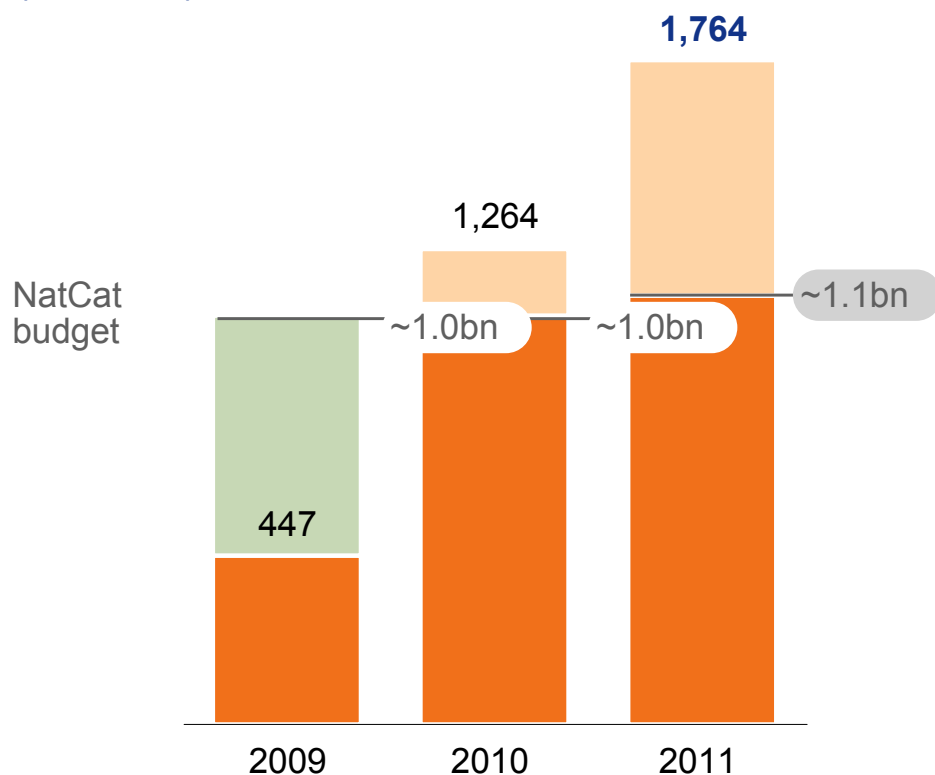
Combined ratio (sel. OEs)		2009	2010	2011	NatCat impact in 2011 <sup>1</sup>
German Speaking Countries	Germany	98.7	100.8	102.9	3.9%-p
	Switzerland	93.5	94.6	95.4	3.3%-p
Europe incl. South America	France	106.8	102.7	97.9	
	Italy	100.8	99.6	93.2	
	Spain	89.7	90.3	87.9	
	South America	98.4	96.7	96.7	
	Reinsurance	92.3	93.2	108.2	27.0%-p
Global Insurance Lines & Anglo Markets	AGCS	87.4	93.1	92.9	11.4%-p
	UK	92.9	96.0	95.7	
	Credit Insurance	110.4	71.7	74.0	
	Australia	94.8	96.1	97.6	4.2%-p
	CEE	92.9	102.0	96.6	
Growth Markets	Asia-Pacific	93.1	91.2	93.8	
	NAFTA Markets	USA	99.8	102.4	115.5

1) Without reinstatement premiums

2) Without run-off

# NatCat loss development

## NatCat losses (EUR mn)



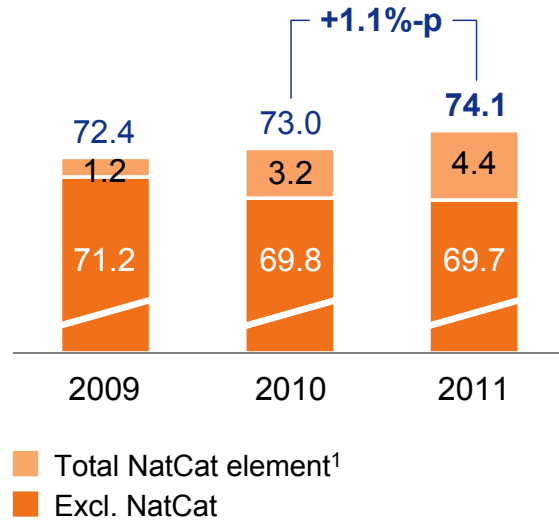
## Key events in 2011

	OEs (net)	AZ Re	Total
EQ & Tsunami Japan	66	223	289
Flood Thailand	96	200	296
EQ Christchurch/NZL	51	233	284
Storms Germany <sup>1</sup>	297	63	360
Australian events <sup>2</sup>	118	108	226
Storms US <sup>3</sup>	199	1	200
Switzerland events	47	-	47
Others	44	18	62
<b>Total</b>	<b>918</b>	<b>846</b>	<b>1,764</b>

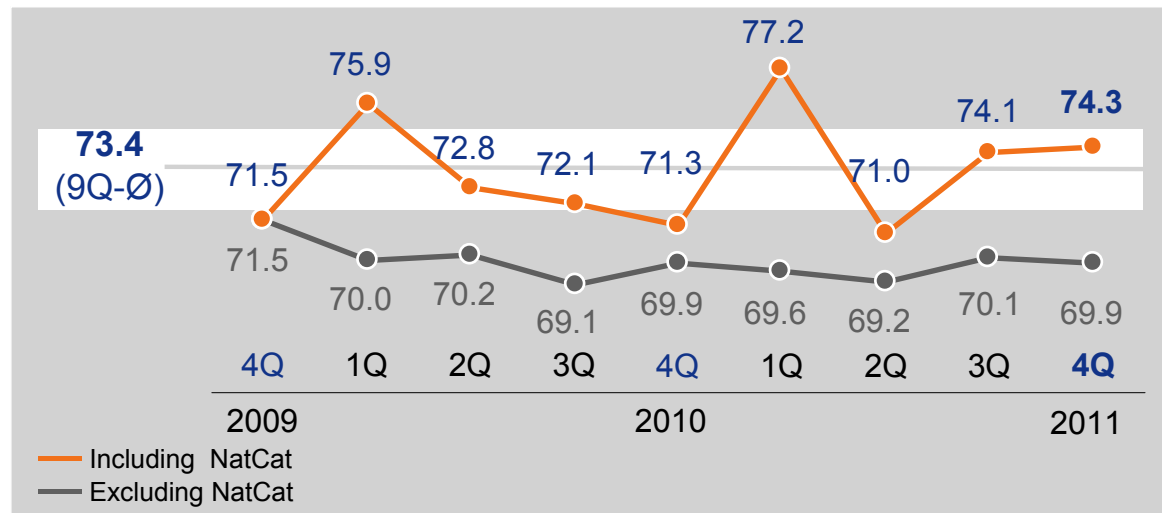
1) Thunderstorms Balthazar, Gunnar, Leon, Meikel, Achim, Bert, Frank and windstorm Joachim  
 2) Floods Queensland/Toowoomba/Victoria, Cyclone Yasi, Melbourne storms/floods, Australia hail  
 3) Hurricane Irene, storm Lee, winterstorm Heartland, tornado series (Southern and Central US)

# Continued positive trend in underlying a.y. loss ratio (in %)

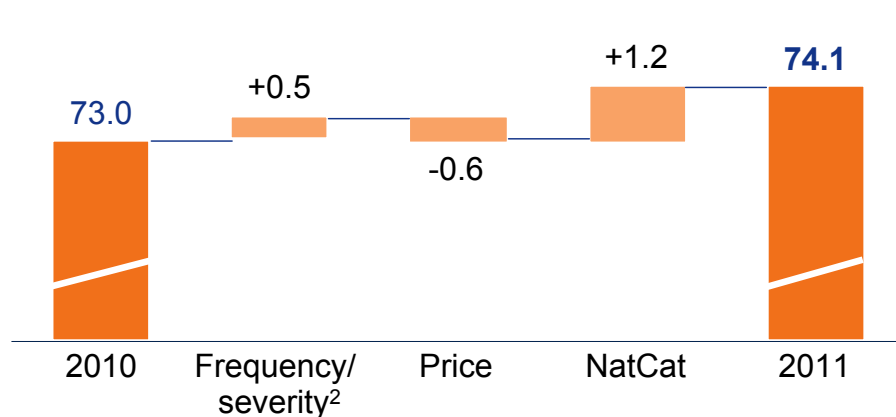
Accident year loss ratio



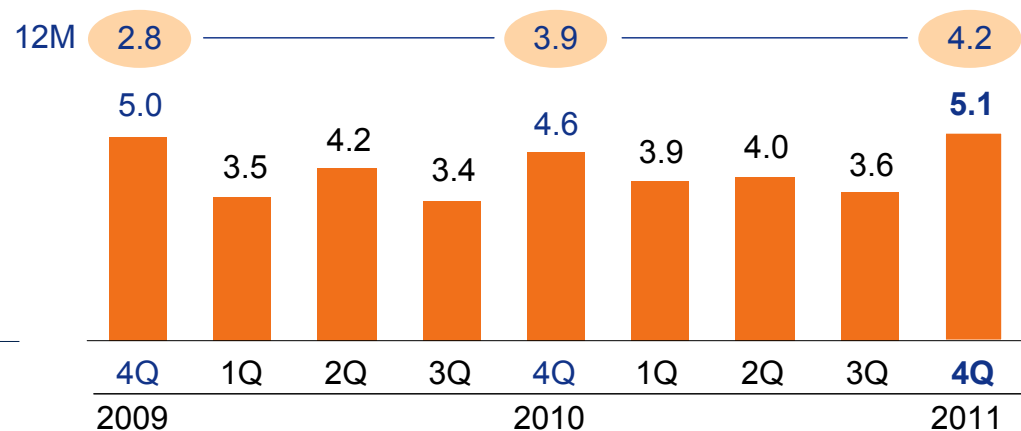
9-quarter overview accident year loss ratio



Development 12M 2011/2010

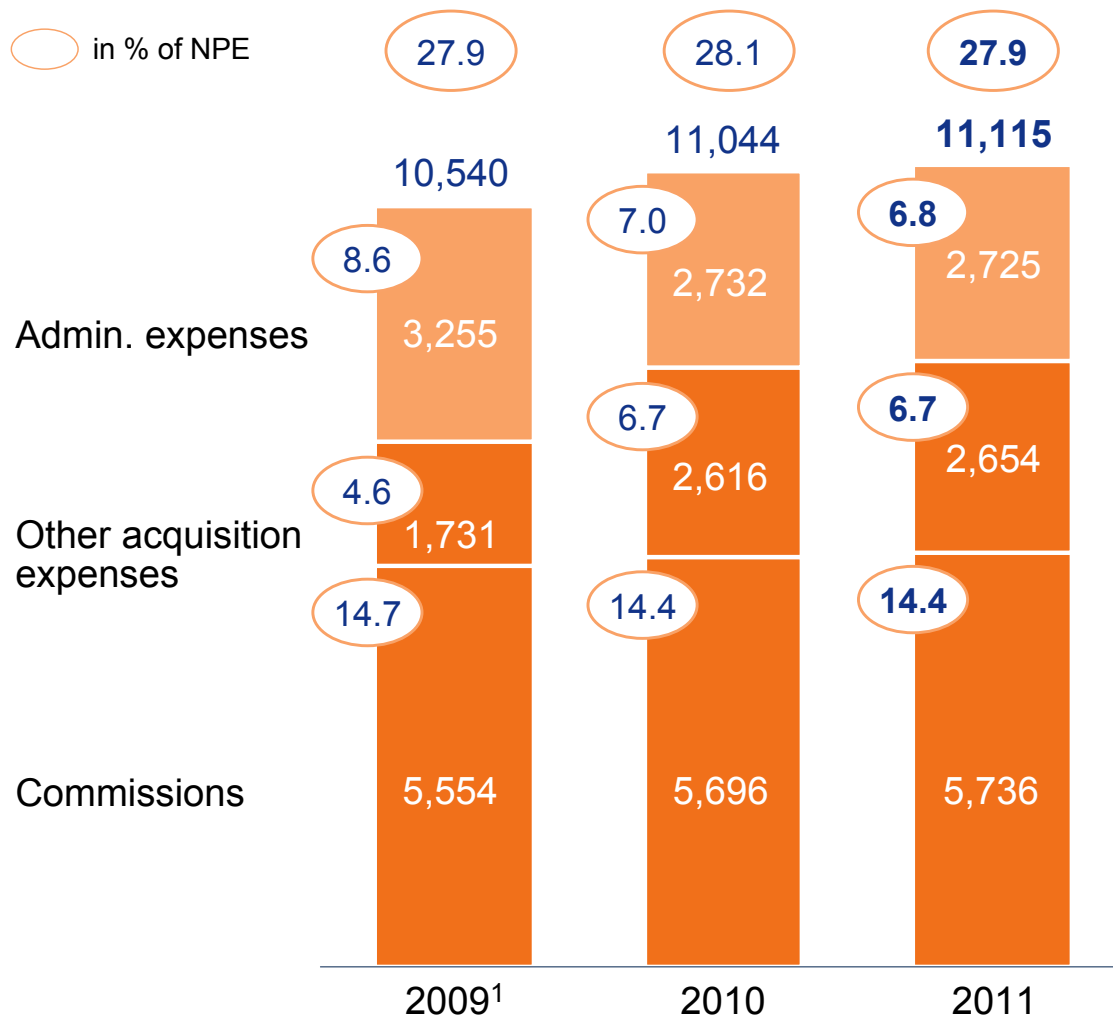


Run-off ratio<sup>3</sup>



1) NatCat costs (without reinstatement premiums): EUR 0.4bn (2009), EUR 1.3bn (2010) and EUR 1.8bn (2011)  
 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

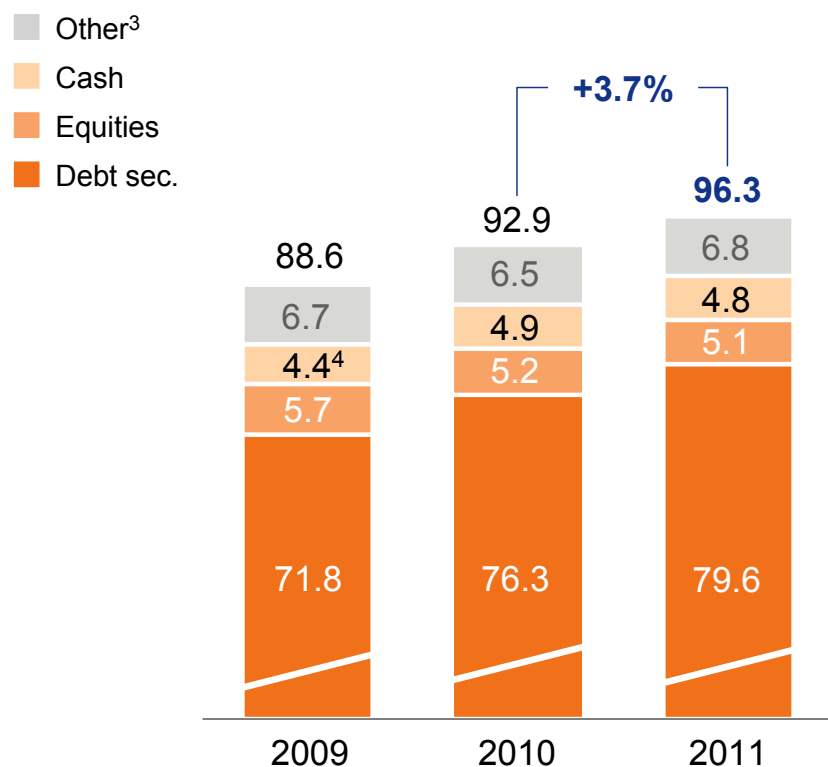
# Expense ratio stable (EUR mn)



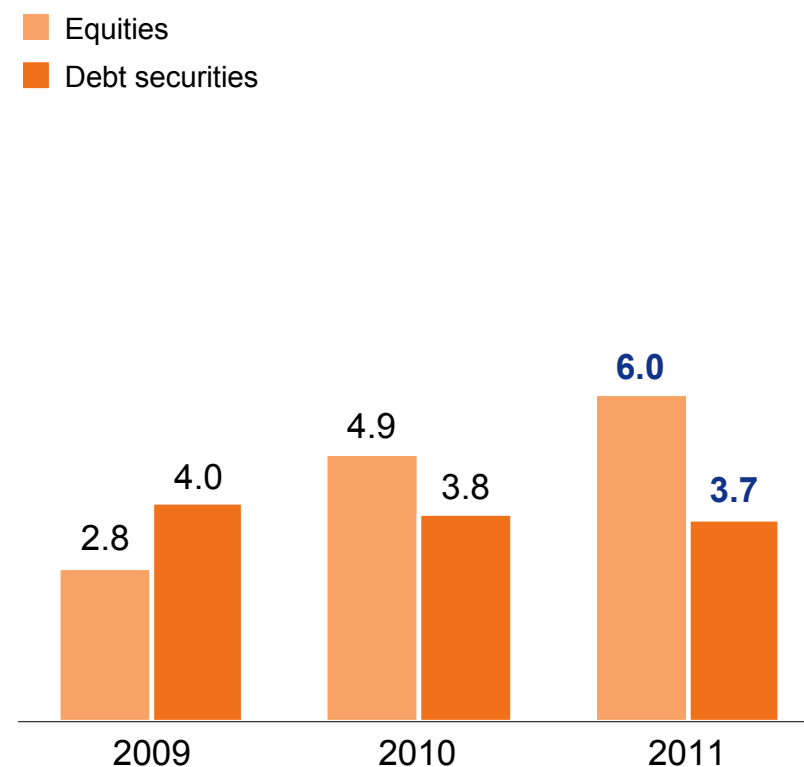
1) Allocation of expenses has been refined in 2010. Prior years have not been adjusted

# Investment portfolio reaches EUR 96bn

Average asset base<sup>1,2</sup>  
(EUR bn)



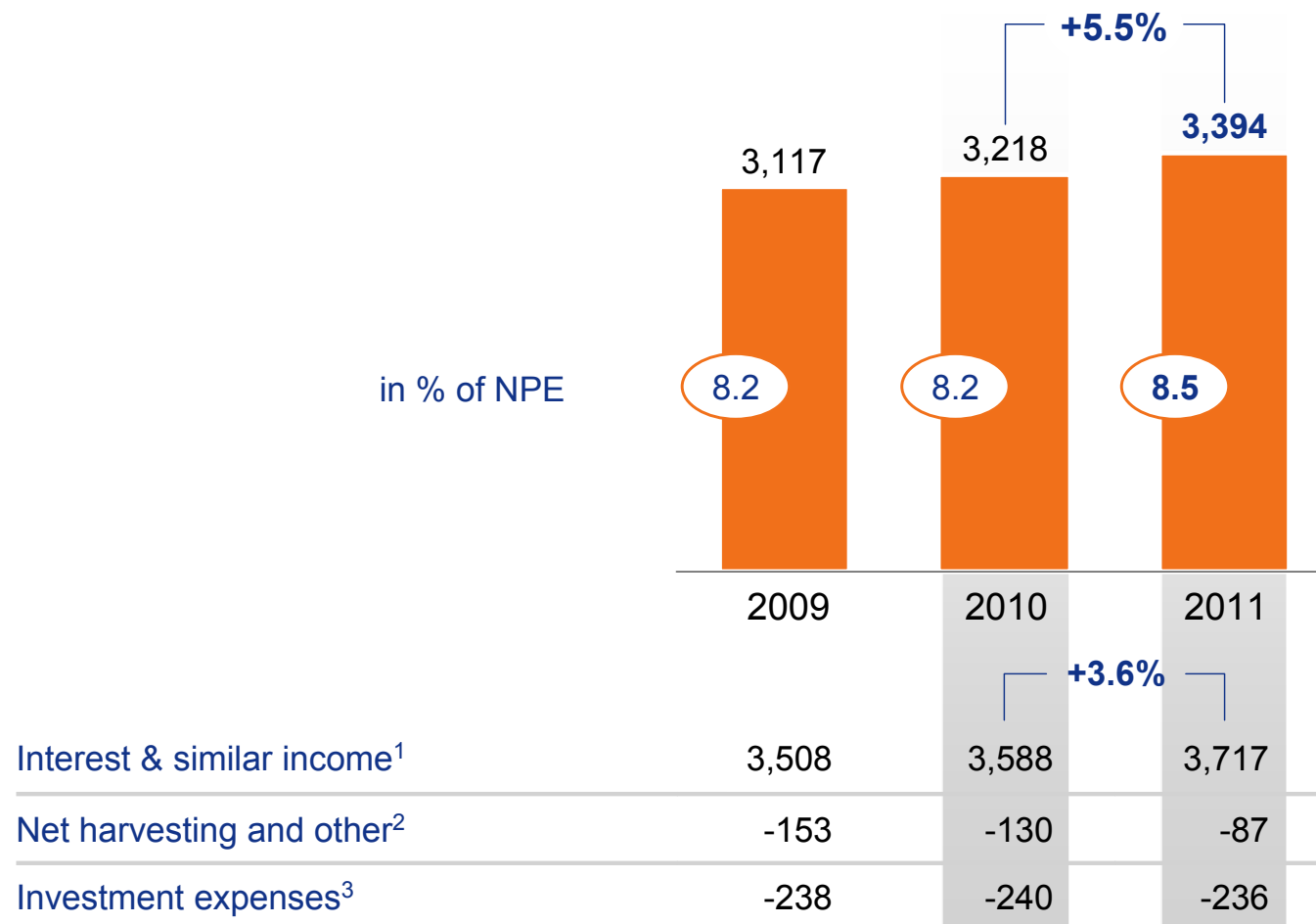
Current yield  
(in %)



1) Asset base includes health business France  
 2) Asset base excludes fair value option and trading  
 3) Real estate investments and funds held by others under reinsurance contracts assumed  
 4) Cash restated due to cash pool merger in France (2009: EUR 1.5bn)

## Further increase of 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 and policyholder participation  
Thereof related to UBR: 2011: EUR -92mn, 2010: EUR -38mn, 2009: EUR -74mn

3) Comprises management expenses and expenses from real estate

## Positive price development in 2011

### Pricing overview for selected operating entities (in %)

Selected OEs		Price impact on YTD renewals <sup>1</sup>	Nominal tariff increase for 2011 <sup>2</sup>	Expert assessment of the market and outlook 2012
German Speaking Countries	Germany	+0.3	+ 1.3	<ul style="list-style-type: none"> <li>Motor retail prices in the market clearly picked up</li> <li>Soft market in commercial continuing</li> </ul>
	Austria	+ 1.6	+ 0.3	<ul style="list-style-type: none"> <li>Motor retail prices seem to have reached bottom</li> <li>Non-motor market (retail &amp; commercial) remains soft</li> </ul>
Europe incl. South America	Italy	+ 3.7	+ 4.4	<ul style="list-style-type: none"> <li>Price increases in motor flattening out</li> <li>Aggressive competition in non-motor continuing</li> </ul>
	France	+ 3.5	+ 6.7	<ul style="list-style-type: none"> <li>Market prices increasing in retail lines, esp. non-motor</li> <li>Strong competition from banks, mutuals and aggregators continuing, disciplining effect of financial crisis expected</li> <li>First signs of hardening commercial lines</li> </ul>
	Spain	+ 2.4	0.0	<ul style="list-style-type: none"> <li>Market remains soft in all lines with no improvement in sight</li> </ul>
NAFTA	USA	+ 2.0	+ 3.9	<ul style="list-style-type: none"> <li>Motor retail rates stabilizing</li> <li>Competitive pressure in non-motor retail continues</li> <li>First signs of hardening in commercial lines</li> </ul>
Anglo-Broker Markets	UK	+ 3.0	+ 4.7	<ul style="list-style-type: none"> <li>Hardening of motor market flattening out</li> <li>Competitive pressure in non-motor retail continues</li> <li>First signs of stabilization/hardening in commercial lines</li> </ul>
	Australia	+ 2.0	+ 4.2	<ul style="list-style-type: none"> <li>Motor market largely stable</li> <li>Strong price increases in non-motor driven by NatCat</li> </ul>
<b>2011</b>		<b>+ 1.5</b>	<b>+ 3.0</b>	<b>Retail rates stabilizing in most markets, with first indications of hardening rates in commercial lines</b>

- Credit Insurance: average rate decrease in 2011 -4.9%
- AGCS: rate changes different by country and line of business, on average -0.2%

1) Total price impact on renewals including Credit Insurance (excluding Credit Insurance 12M 2011: +2.0%)

Total includes also Ireland (+4.1%, for which no tariff increase is available)

2) Average tariff increase on new business, without discount change



## Enhancing the P/C franchise

### Key levers

### Examples

<p>Drive profitable growth</p>	<ul style="list-style-type: none"> <li>▪ Global lines, esp. AGCS, Credit, Travel/Assistance, Global Automotive</li> <li>▪ South America, Asia-Pacific</li> <li>▪ Selective, bolt-on acquisitions in target markets</li> </ul>
<p>Improve reinsurance effectiveness</p>	<ul style="list-style-type: none"> <li>▪ Review third-party business, esp. NatCat</li> <li>▪ Optimize internal retentions and structures</li> <li>▪ Group retro program: include top perils and add cover for selected tail risks</li> </ul>
<p>Accelerated pricing and cleaning actions in soft markets</p>	<ul style="list-style-type: none"> <li>▪ New business tariff increases of approximately 2.5% in 2012</li> <li>▪ Motor Germany: 4 - 5 percent effective increases for 2012 in-force book</li> <li>▪ Commercial lines: Italy, France and especially USA</li> </ul>
<p>Enhance claims execution</p>	<ul style="list-style-type: none"> <li>▪ Germany: optimizing claims processes</li> <li>▪ Italy: fraud, bodily injury</li> <li>▪ France: processes and supply chain management</li> <li>▪ Anti-fraud program</li> </ul>
<p>Further enhance productivity, especially distribution and back offices</p>	<ul style="list-style-type: none"> <li>▪ Agency productivity program and growth in Direct</li> <li>▪ Restructuring USA</li> <li>▪ Digitalization</li> </ul>

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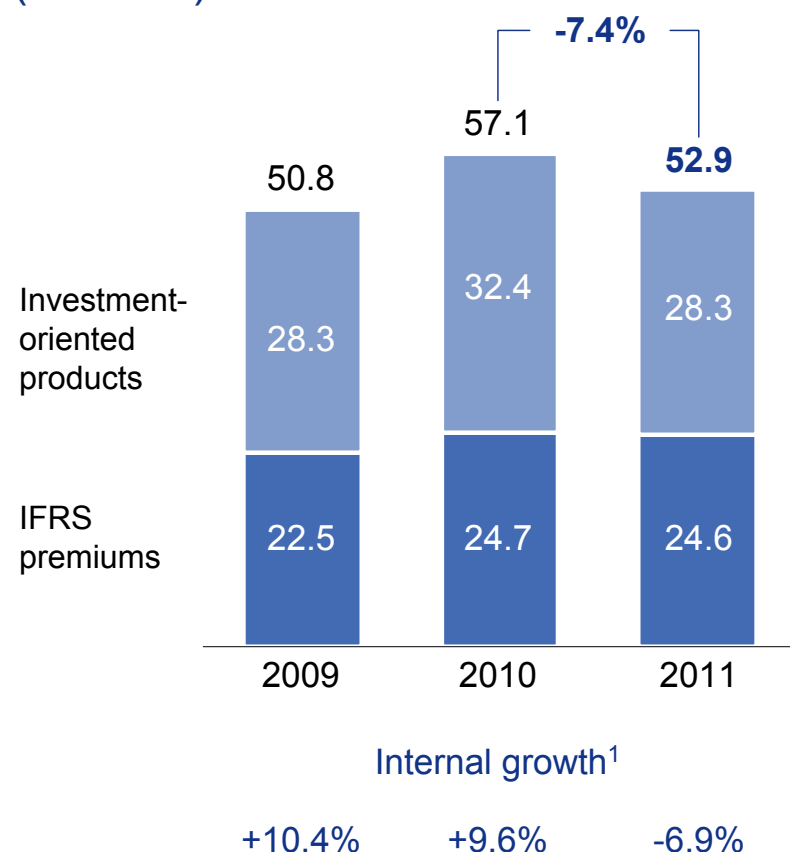
## Resilient performance in challenging environment



- Positive net flows and growing asset base, supported by stable revenues from core products with sound new business margins
- Margin discipline and lower bancassurance sales reduce revenues by 7.4 percent
- New business margin increased to 2.3 percent
- Resilient operating profit of EUR 2.4bn despite significant impairments, especially on financials and Greek sovereign bonds
- MCEV at year-end reflecting high sensitivity to government spreads, volatilities and low rates

## Revenues reflect margin discipline and lower bancassurance sales

### Revenues (EUR bn)

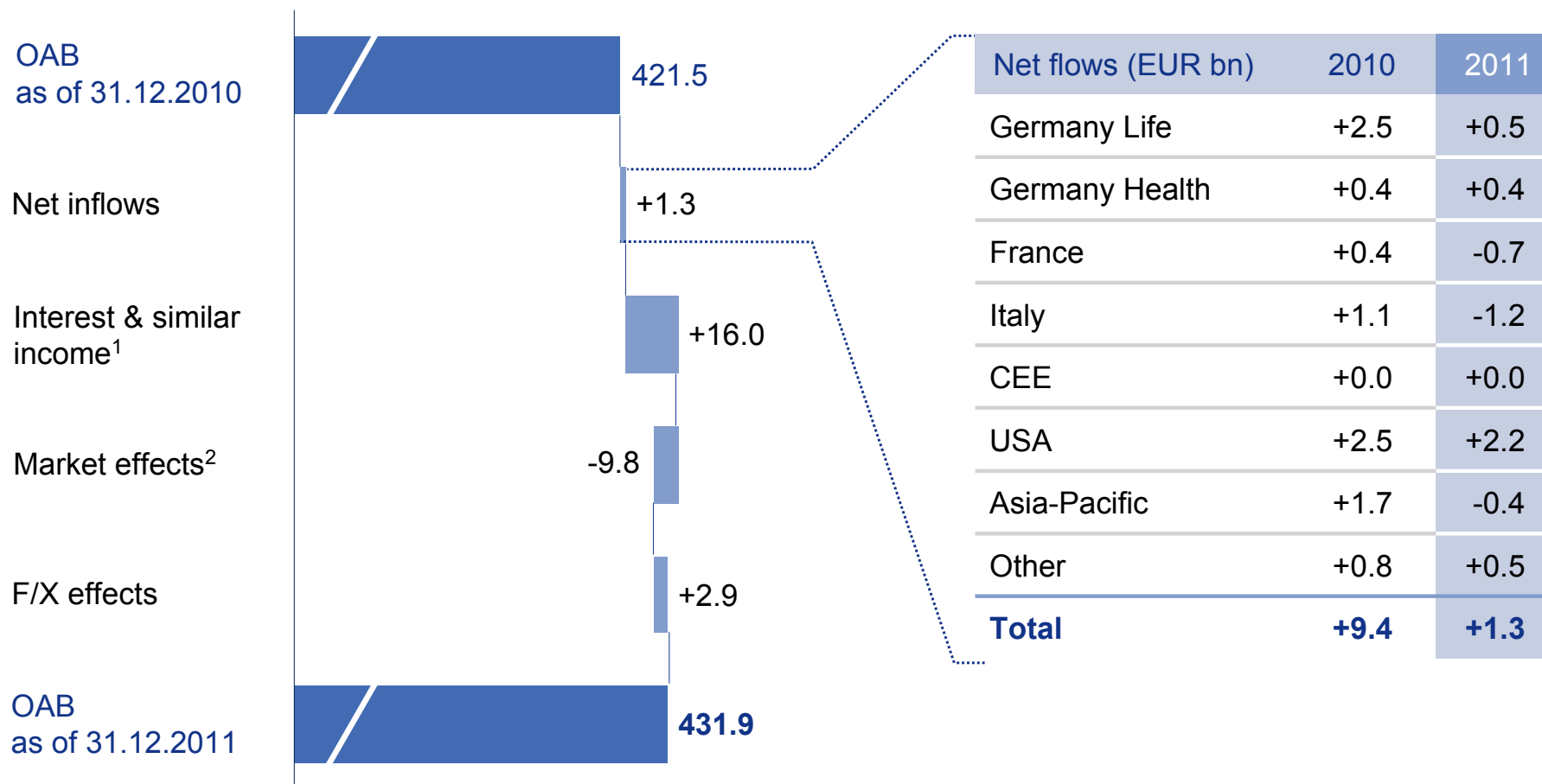


Revenues of sel. OEs <sup>2</sup> (EUR mn)		2009	2010	2011	Δ11/10 <sup>1</sup>
German Speaking Countries	Germany Life	15,049	15,961	15,673	-1.8%
	Germany Health	3,176	3,209	3,204	-0.2%
	Switzerland	1,364	1,502	1,707	+3.3%
Europe incl. South America	France	7,299	8,014	7,705	-5.9%
	Italy	8,664	8,841	6,915	-22.6%
	Benelux	1,188	1,475	1,592	+7.9%
	Spain	948	926	965	+4.2%
Growth Markets	Asia-Pacific	4,197	6,487	4,970	-23.7%
	CEE	1,032	1,057	1,113	+6.1%
NAFTA Markets	USA	6,507	8,155	7,786	+0.5%

1) Changes refer to internal growth (adjusted for F/X and consolidation effects)  
 2) Remarks concerning the operating entities' revenues can be found in the appendix

# Assets grow to EUR 432bn with positive net flows

## Operating asset base (EUR bn)

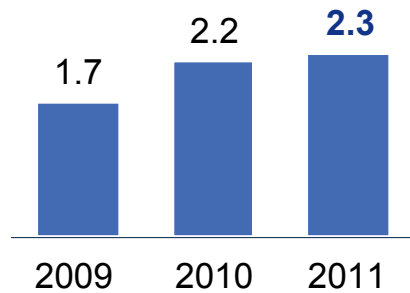


1) Net of interest expenses

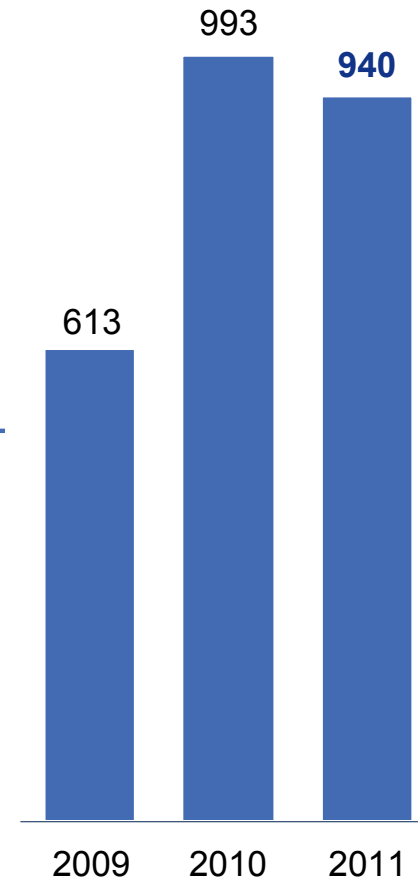
2) Includes changes in other assets and liabilities of EUR 2.8bn

# New business margin improves to 2.3 percent

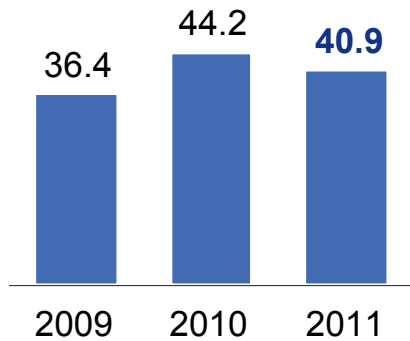
**New business margin<sup>1,2</sup>**  
(VNB in % of PV of NB premiums)



**Value of new business<sup>1,2</sup>**  
(EUR mn)



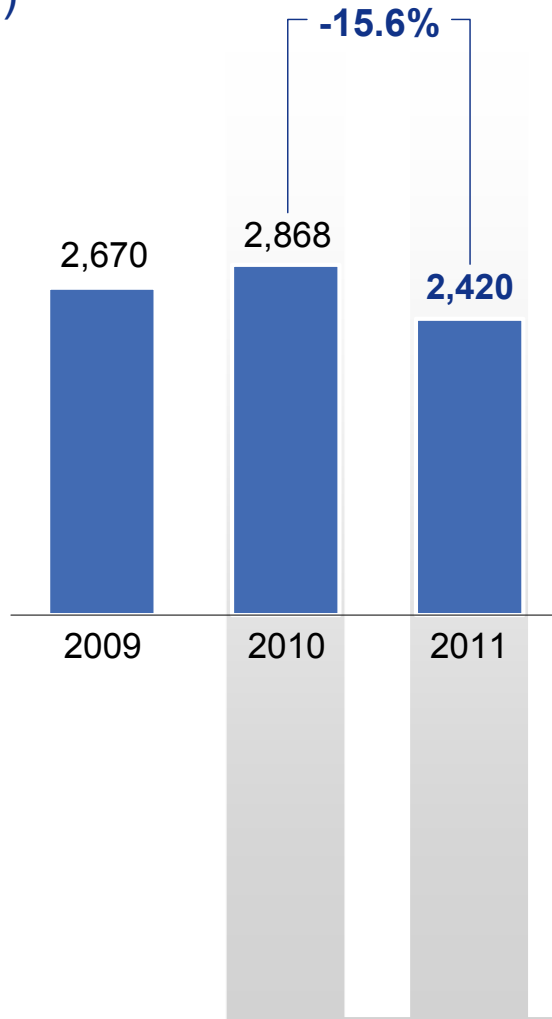
**PV of NB premiums<sup>1,2</sup>**  
(EUR bn)



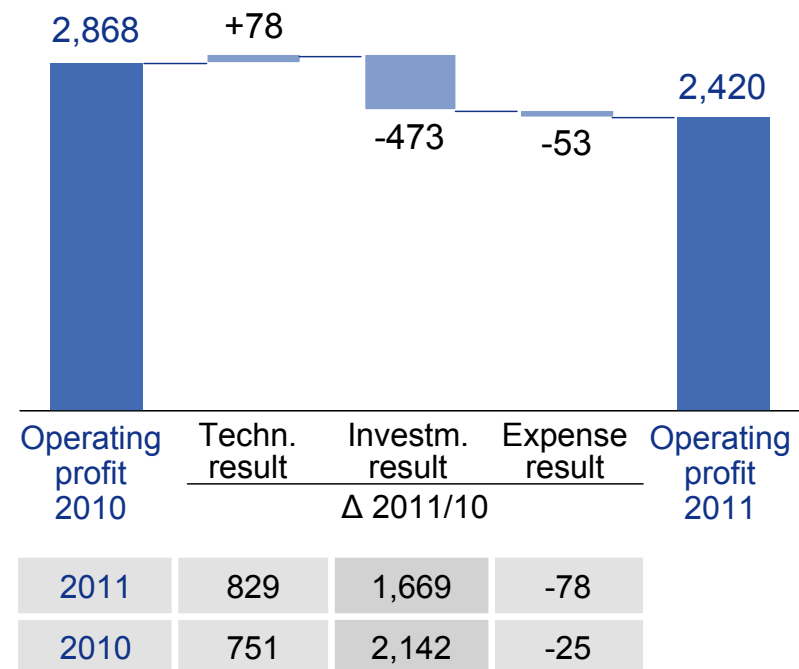
1) After non-controlling interests, including holding expenses and internal reinsurance. VNB and NBM include illiquidity premium, EIOPA yield curve extrapolation and updated cost of capital charge for 2010 and 2011. All values using F/X rates as of each valuation date  
 2) Sum of quarters, based on beginning of quarter economic assumptions

# Operating profit solid despite high impairments

Operating profit  
(EUR mn)



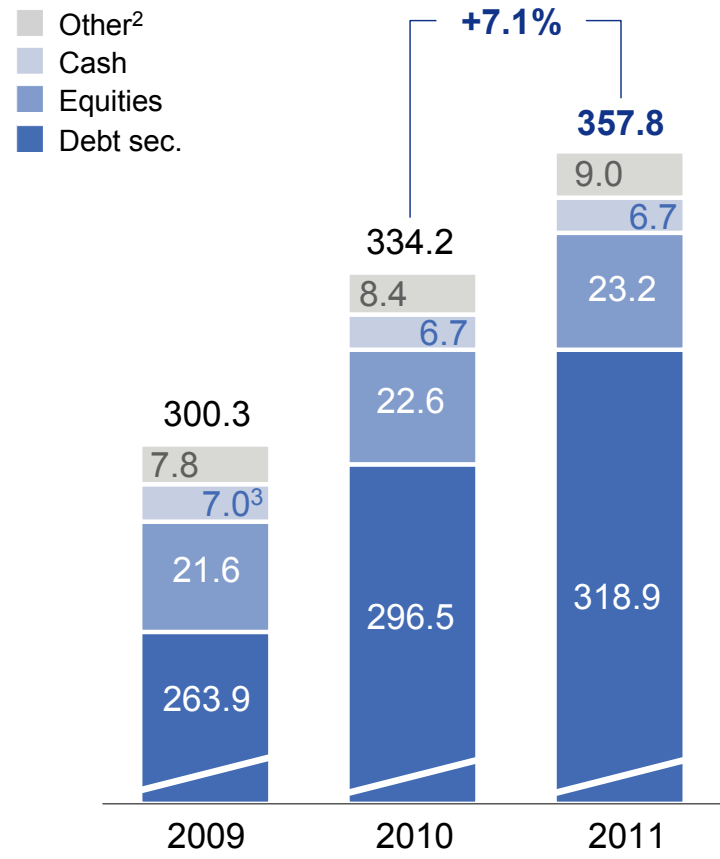
Operating profit drivers<sup>1</sup>  
(EUR mn)



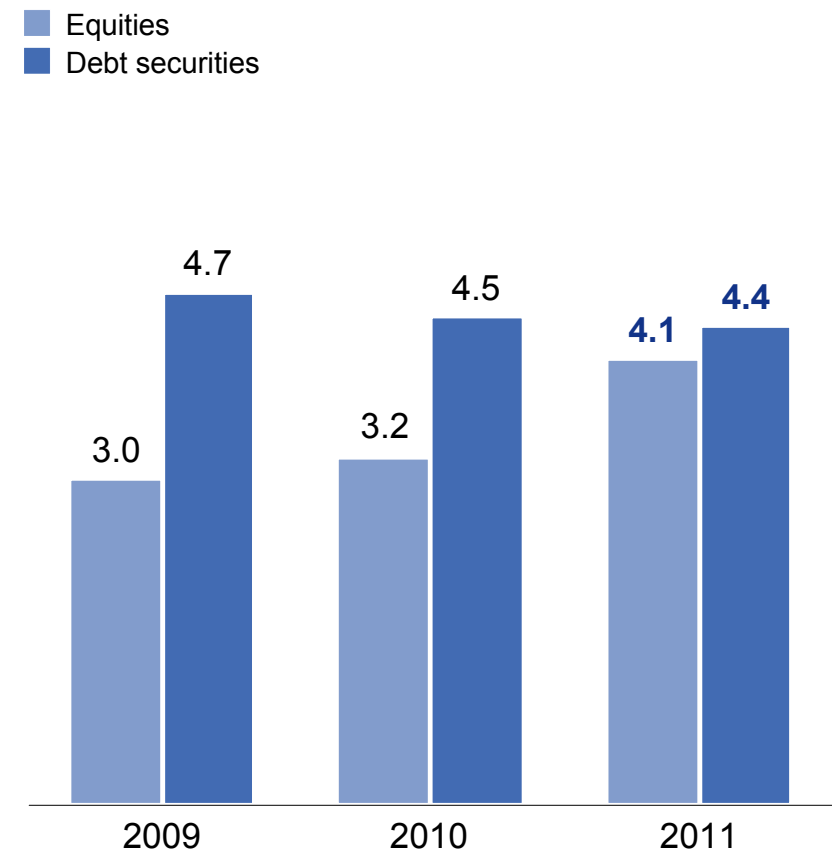
1) For a description of the Life/Health operating profit drivers please refer to the glossary

# Average asset base increases by 7.1 percent

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



Current yield (in %)

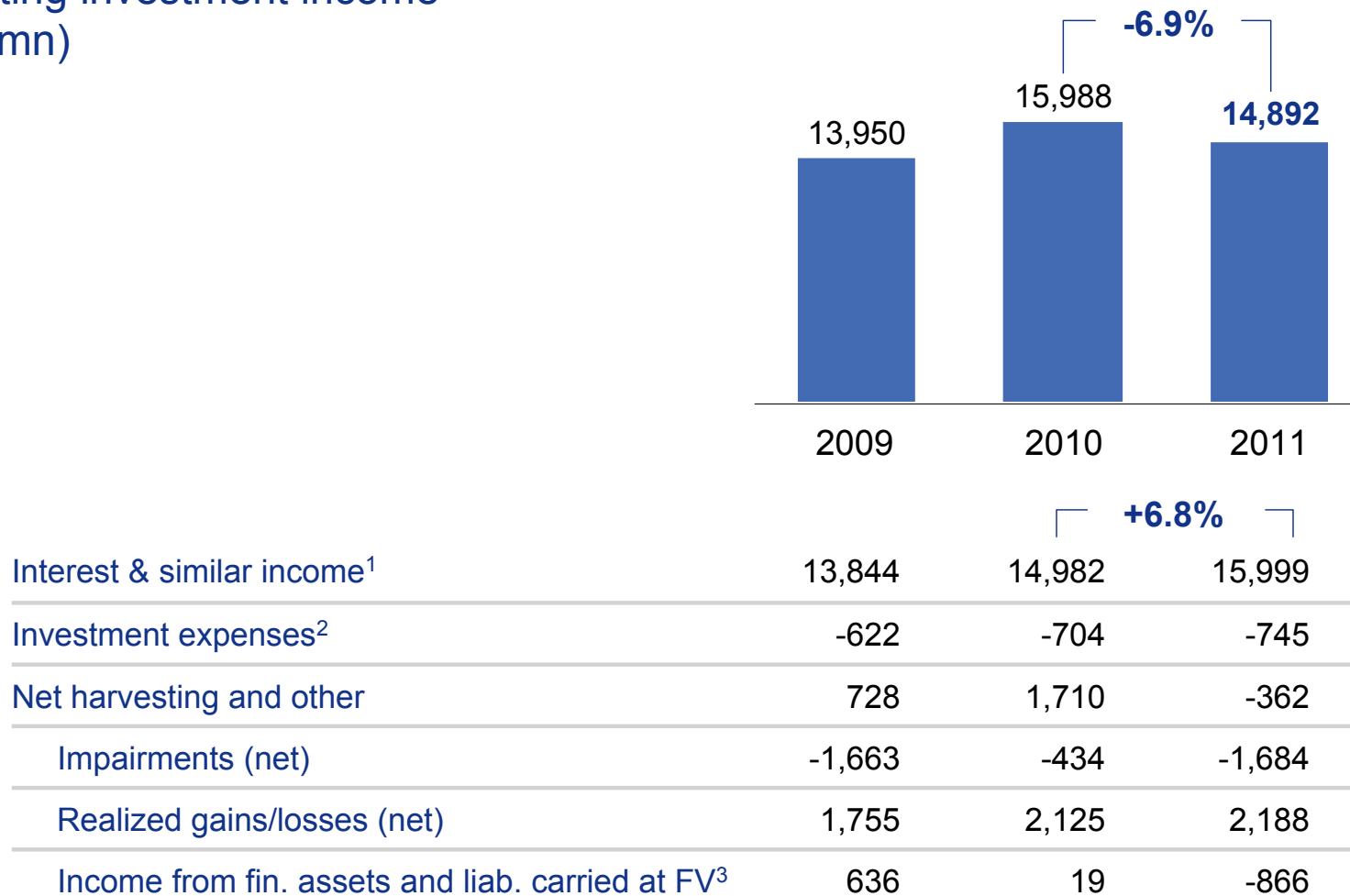


1) Asset base excludes unit linked, FVO and trading. Operating asset base includes FVO, trading, unit linked (excludes derivatives MVLO)  
 2) Real estate investments and funds held by others under reinsurance contracts assumed  
 3) Cash restated due to cash pool merger in France (2009: EUR 1.5bn)



## Markets weigh on operating investment income

Operating investment income  
(EUR mn)

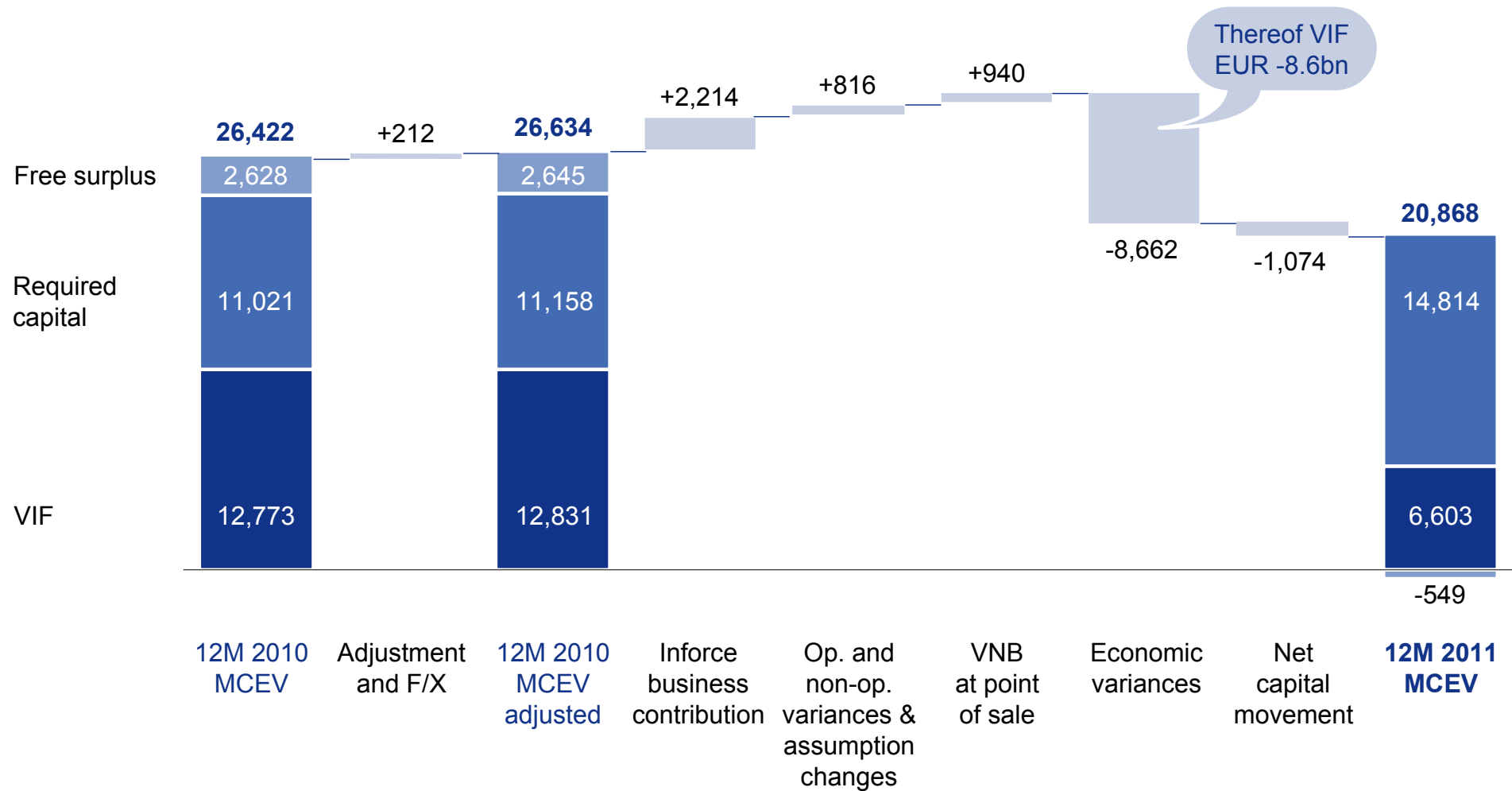


1) Net of interest expenses

2) Comprises management expenses and expenses from real estate

3) Comprises fair value option, trading and F/X gains and losses

# MCEV development (EUR mn, after non-controlling interests)



## Enhancing the L/H franchise

### Key levers

Protect and enhance new business value

### Examples

- Proactive and prompt re-pricing of products to enhance risk result
- Focus on recurring premiums and underwriting profits
- Incentivize sales based more on net inflows
- Exit unprofitable lines
- Recycling of AM benefits into Life products

Efficient management of in-force book

- Dynamic crediting rate adjustments
- Maintain flat admin. expense base despite growing AuM
- Management of lapse movements and liquidity

Protecting capital base via ALM effectiveness

- Optimize duration management
- De-risk equity exposure
- Focus sovereign risk in domestic units

# B

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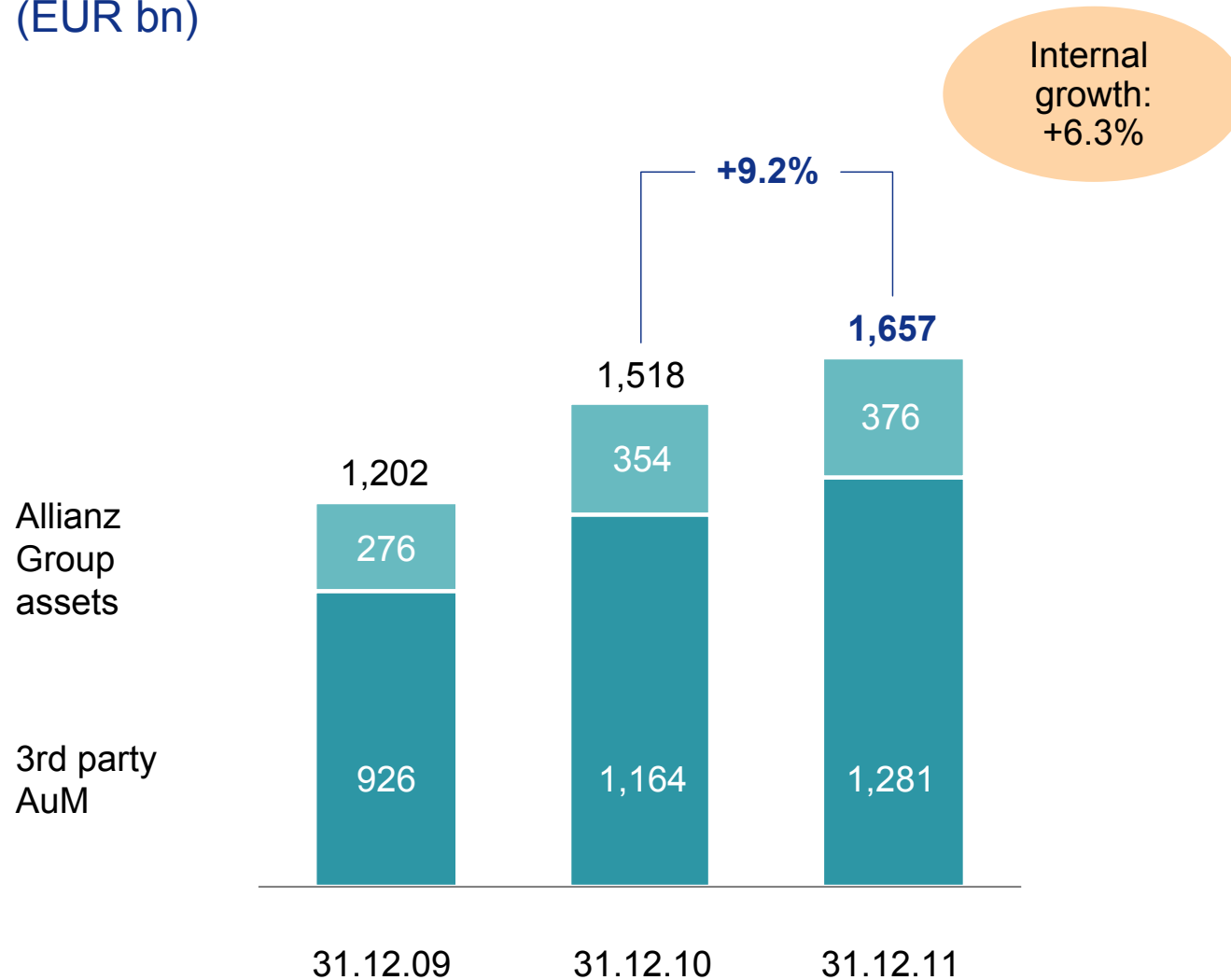
## Another excellent year, despite headwinds



- Continued organic growth of Assets under Management in 2011 of 9.2% to EUR 1.7 trillion, despite challenging capital markets and more volatile net flows
- Operating profit at EUR 2.3bn and net income of EUR 1.3bn reach new records, reinforcing Asset Management's contribution to Allianz' earnings power
- Outstanding investment outperformance at 3-year level of 90 percent of AuM, and cost-income ratio of 59 percent

# Total managed assets increase to EUR 1.7 trillion

## Assets under Management (EUR bn)



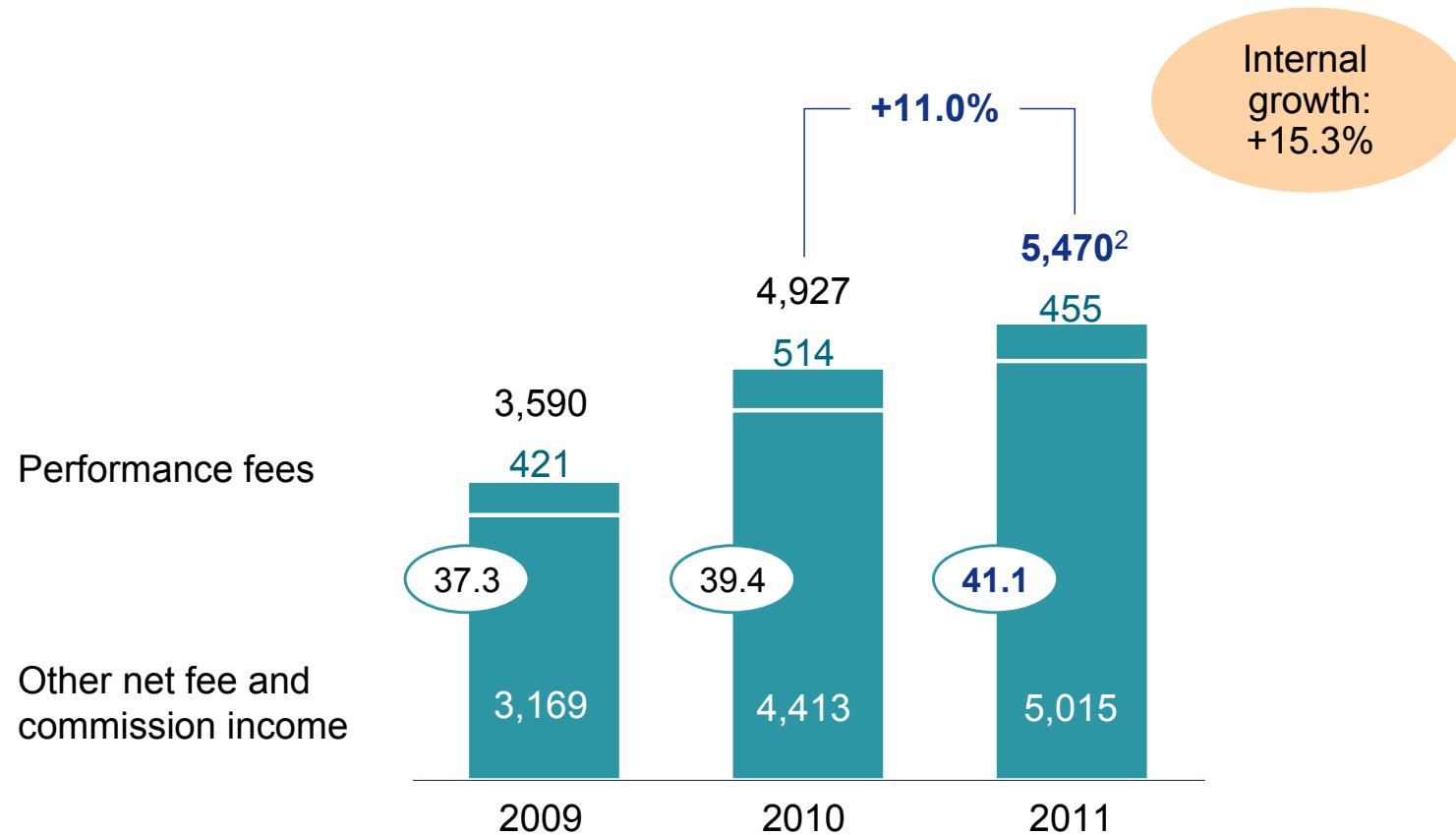
## 3rd party net inflows of EUR 39bn

AGI<sup>1</sup> 3rd party net flow development (EUR bn)



1) Since January 2012: AAM (Allianz Asset Management)

# Net fee and commission income up 11 percent (EUR mn)



3rd party AuM driven margin<sup>1</sup> (in bps)

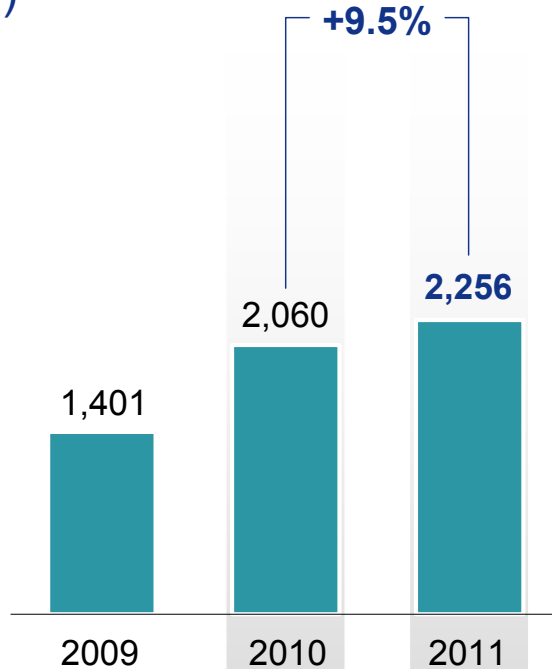
1) Excluding performance fees, 12-months rolling

2) Net fee and commission income includes F/X effect of EUR -215mn



# Operating profit grows to EUR 2.3bn

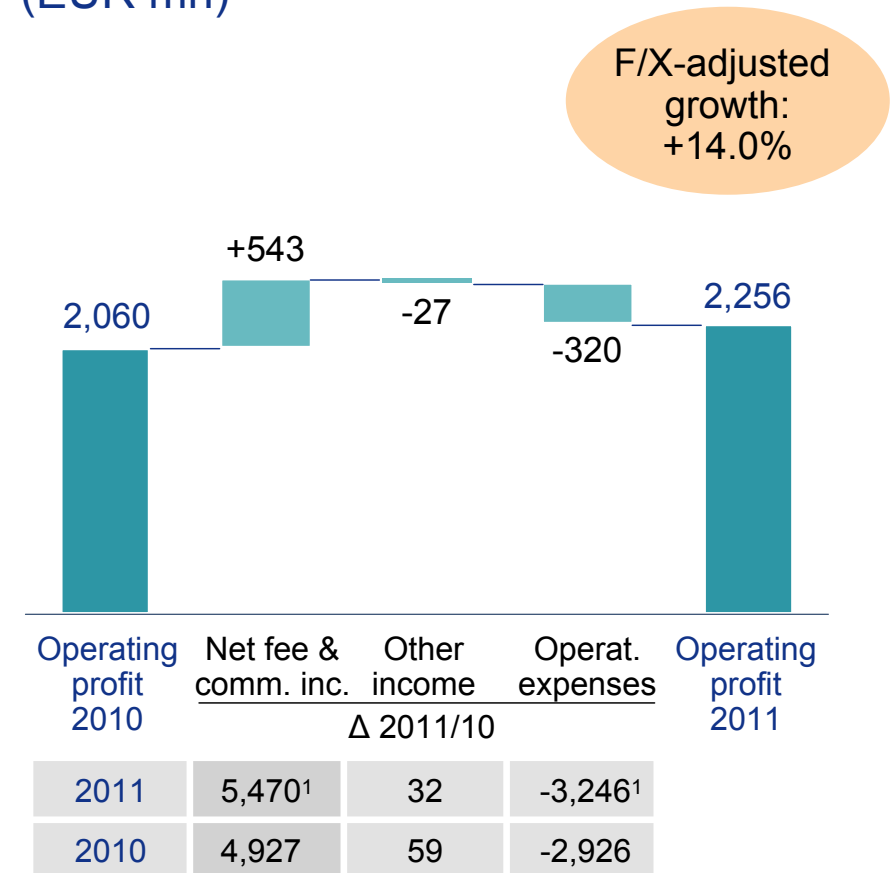
Operating profit (EUR mn)



Cost-income ratio (in %)



Operating profit drivers (EUR mn)



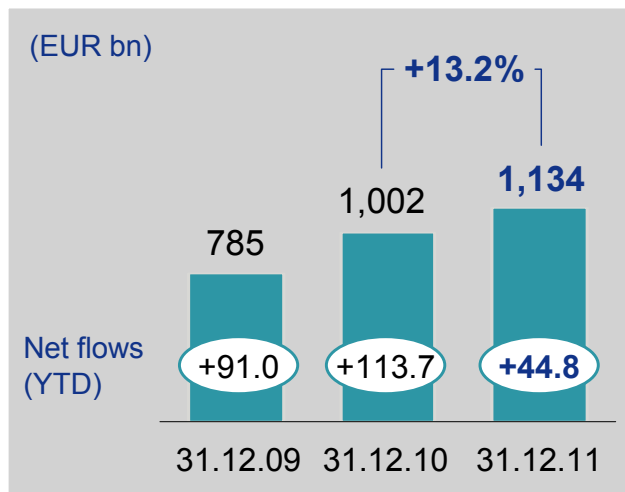
Operating profit 2010	Net fee & comm. inc. Δ 2011/10	Other income Δ 2011/10	Operat. expenses Δ 2011/10	Operating profit 2011
2011	5,470 <sup>1</sup>	32	-3,246 <sup>1</sup>	
2010	4,927	59	-2,926	

1) Net fee and commission income includes F/X effect of EUR -215mn; operating expenses include F/X effect of EUR +121mn

# Strong performance of fixed income

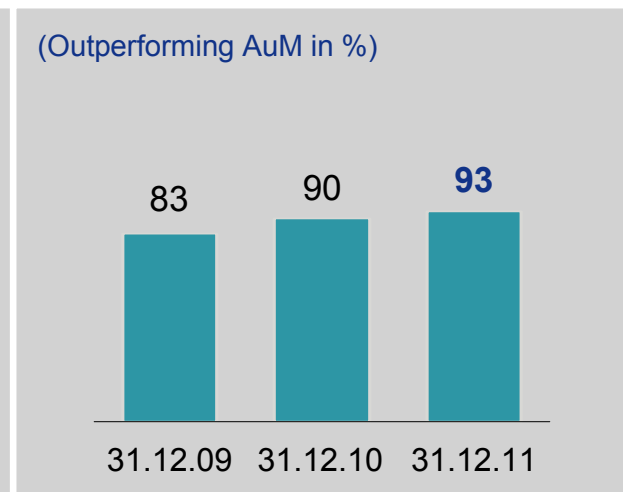
## Fixed income

### 3rd party AuM



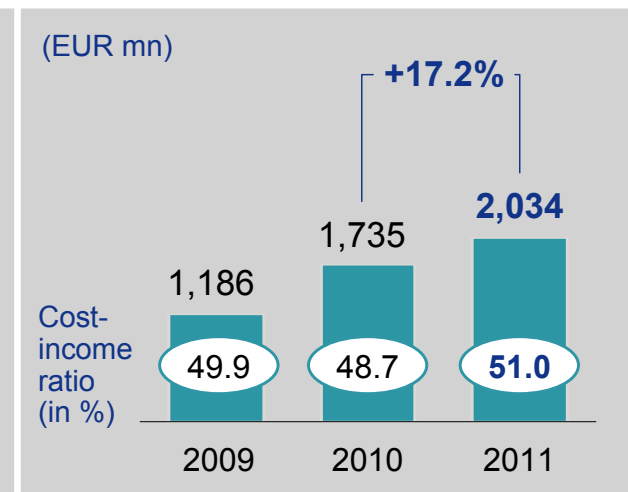
- Net inflows driven by retail and institutional clients
- In 4Q 11 3rd party fixed income net outflows of EUR -5.5bn in difficult capital markets
- Internal growth of 3rd party AuM amounts to 9.5%
- Average fixed income 3rd party AuM increased by 10% vs. 2010

### 3-year-outperformance



- Outstanding investment performance vs. benchmark

### Operating profit

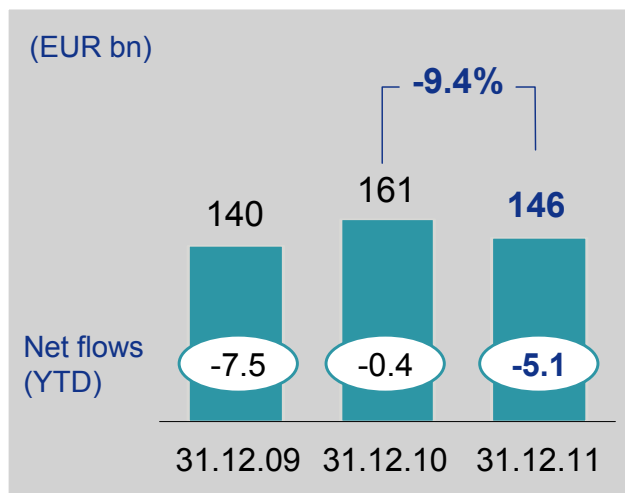


- Strong performance fees in 2011 (EUR 356mn), but slightly below previous year
- Ongoing investments in infrastructure and new businesses
- CIR remains at excellent level

# Stable profitability in challenging environment

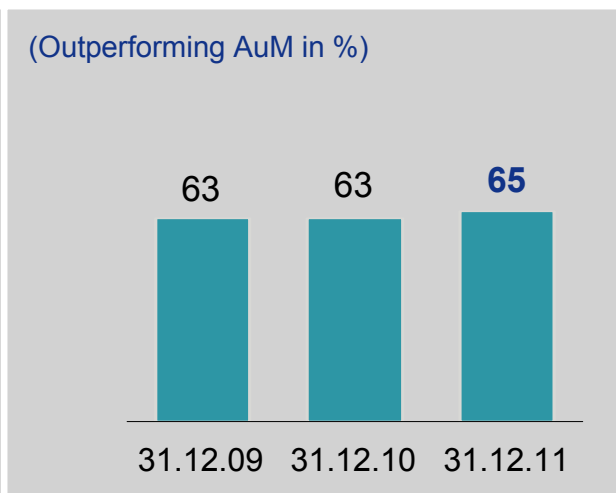
## Equity

### 3rd party AuM



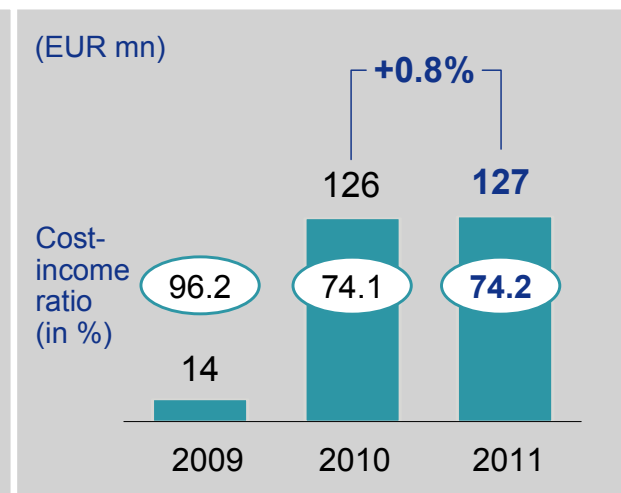
- In 4Q 11 EUR +0.3bn equity net inflows
- 3rd party AuM burdened by negative market effect of EUR -11bn in 2011 along with volatile equity markets
- Average 3rd party equity AuM up by 2% compared to 2010

### 3-year-outperformance



- Improved investment performance of 65%

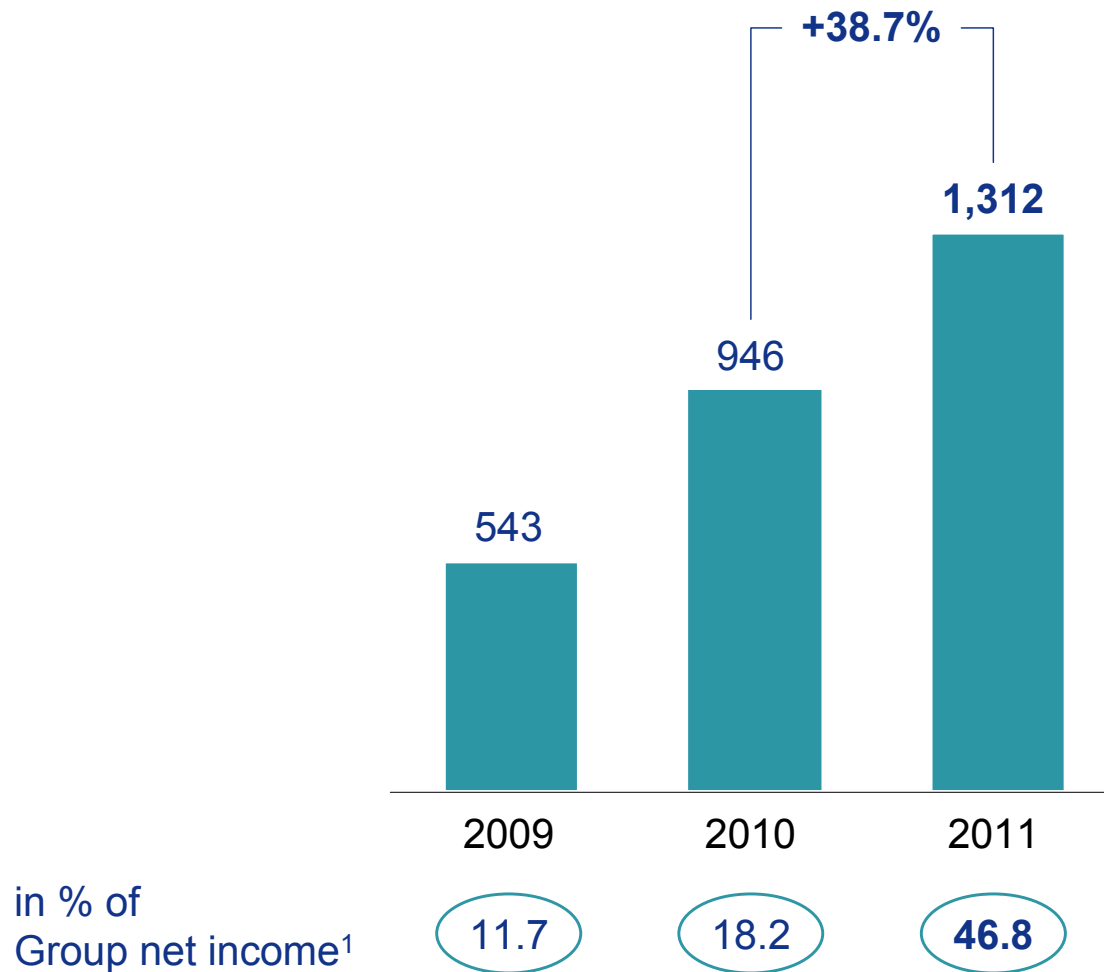
### Operating profit



- Driven by average AuM

## Strong growth in net income contribution

Net income (EUR mn)



1) From continuing operations

## Fortify foundations for continued success

### Key levers

### Examples

Investment performance

- Positioned investment portfolios to cope with low yield environment and market uncertainty

Expense management

- Strict cost containment to assure best-in-class cost-income ratios

PIMCO as a global provider of investment solutions

- Aligned distribution globally to facilitate continued asset diversification, leveraging the entire value chain

Allianz Global Investors as one global firm

- Aligned structure under one global management to assure sustainable growth and efficiency

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## Summary

### 2011 with serious shocks for the industry

- Sovereign debt and banking crisis
- Record low interest rates and high market volatility
- NatCat losses near all time high for insurance industry

### Allianz with resilient performance

- Profitable growth focus
- Resilient operating earnings power
- Strong capital position

### Strong profit distribution

- **Proposed dividend at EUR 4.50**
- **Payout at 81 percent of IFRS net income**

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## Result by segments overview (EUR mn)

	P/C		L/H		AM		CO		Consolidation		Total	
	12M 2010	12M 2011	12M 2010	12M 2011	12M 2010	12M 2011	12M 2010	12M 2011	12M 2010	12M 2011	12M 2010	12M 2011
<b>Total revenues (EUR bn)</b>	<b>43.9</b>	<b>44.8</b>	<b>57.1</b>	<b>52.9</b>	<b>5.0</b>	<b>5.5</b>	<b>0.6</b>	<b>0.6</b>	<b>-0.1</b>	<b>-0.2</b>	<b>106.5</b>	<b>103.6</b>
<b>Operating profit</b>	<b>4,304</b>	<b>4,196</b>	<b>2,868</b>	<b>2,420</b>	<b>2,060</b>	<b>2,256</b>	<b>-942</b>	<b>-897</b>	<b>-47</b>	<b>-109</b>	<b>8,243</b>	<b>7,866</b>
Non-operating items	16	-179	-85	-488	-455	-257	-718	-2,158	172	62	-1,070	-3,020
<b>Income b/ tax</b>	<b>4,320</b>	<b>4,017</b>	<b>2,783</b>	<b>1,932</b>	<b>1,605</b>	<b>1,999</b>	<b>-1,660</b>	<b>-3,055</b>	<b>125</b>	<b>-47</b>	<b>7,173</b>	<b>4,846</b>
Income taxes	-1,216	-1,205	-934	-734	-659	-687	775	554	70	30	-1,964	-2,042
<b>Net income from continuing operations</b>	<b>3,104</b>	<b>2,812</b>	<b>1,849</b>	<b>1,198</b>	<b>946</b>	<b>1,312</b>	<b>-885</b>	<b>-2,501</b>	<b>195</b>	<b>-17</b>	<b>5,209</b>	<b>2,804</b>
Net income from discontinued operations	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net income</b>	<b>3,104</b>	<b>2,812</b>	<b>1,849</b>	<b>1,198</b>	<b>946</b>	<b>1,312</b>	<b>-885</b>	<b>-2,501</b>	<b>195</b>	<b>-17</b>	<b>5,209</b>	<b>2,804</b>
<i>Net income attributable to:</i>												
Non-controlling interests	161	174	72	74	0	18	-77	-7	0	0	156	259
Shareholders	2,943	2,638	1,777	1,124	946	1,294	-808	-2,494	195	-17	5,053	2,545

## Key figures (EUR mn)

	4Q 2009	1Q 2010	2Q 2010	3Q 2010	4Q 2010	1Q 2011	2Q 2011	3Q 2011	4Q 2011	Delta 4Q 11/10	12M 2009	12M 2010	12M 2011
<b>Total revenues (EUR bn)</b>	<b>25.5</b>	<b>30.6</b>	<b>25.4</b>	<b>24.5</b>	<b>26.0</b>	<b>29.9</b>	<b>24.6</b>	<b>24.1</b>	<b>25.0</b>	<b>-1.0</b>	<b>97.4</b>	<b>106.5</b>	<b>103.6</b>
<b>Operating profit</b>	<b>1,960</b>	<b>1,732</b>	<b>2,302</b>	<b>2,055</b>	<b>2,154</b>	<b>1,660</b>	<b>2,300</b>	<b>1,906</b>	<b>2,000</b>	<b>-154</b>	<b>7,044</b>	<b>8,243</b>	<b>7,866</b>
Non-operating items	-1,336	259	-597	-123	-609	-174	-686	-1,262	-898	-289	-1,854	-1,070	-3,020
Income b/ tax	624	1,991	1,705	1,932	1,545	1,486	1,614	644	1,102	-443	5,190	7,173	4,846
Income taxes	409	-388	-548	-664	-364	-571	-543	-386	-542	-178	-540	-1,964	-2,042
<b>Net inc. from cont. ops.</b>	<b>1,033</b>	<b>1,603</b>	<b>1,157</b>	<b>1,268</b>	<b>1,181</b>	<b>915</b>	<b>1,071</b>	<b>258</b>	<b>560</b>	<b>-621</b>	<b>4,650</b>	<b>5,209</b>	<b>2,804</b>
Net inc. from discount. ops.	0	0	0	0	0	0	0	0	0	+0	-395	0	0
<b>Net income</b>	<b>1,033</b>	<b>1,603</b>	<b>1,157</b>	<b>1,268</b>	<b>1,181</b>	<b>915</b>	<b>1,071</b>	<b>258</b>	<b>560</b>	<b>-621</b>	<b>4,255</b>	<b>5,209</b>	<b>2,804</b>
<i>Net income attributable to:</i>													
Non-controlling interests	14	38	68	4	46	58	71	62	68	+22	48	156	259
Shareholders	1,019	1,565	1,089	1,264	1,135	857	1,000	196	492	-643	4,207	5,053	2,545
<b>Group financial assets<sup>1</sup> (EUR bn)</b>	<b>438.8</b>	<b>456.4</b>	<b>467.8</b>	<b>471.4</b>	<b>470.3</b>	<b>470.4</b>	<b>473.4</b>	<b>480.6</b>	<b>485.6</b>	<b>+15.3</b>	<b>438.8</b>	<b>470.3</b>	<b>485.6</b>

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

## Key figures (EUR mn)

	4Q 2009	1Q 2010	2Q 2010	3Q 2010	4Q 2010	1Q 2011	2Q 2011	3Q 2011	4Q 2011	Delta 4Q 11/10	12M 2009	12M 2010	12M 2011
<b>Gross premiums written (EUR bn)</b>	<b>8.9</b>	<b>14.0</b>	<b>10.0</b>	<b>10.6</b>	<b>9.4</b>	<b>14.3</b>	<b>10.2</b>	<b>10.8</b>	<b>9.5</b>	<b>+0.1</b>	<b>42.5</b>	<b>43.9</b>	<b>44.8</b>
<b>Operating profit</b>	<b>1,169</b>	<b>712</b>	<b>1,147</b>	<b>1,122</b>	<b>1,323</b>	<b>663</b>	<b>1,329</b>	<b>1,111</b>	<b>1,093</b>	<b>-230</b>	<b>4,064</b>	<b>4,304</b>	<b>4,196</b>
Non-operating items	32	149	-7	113	-239	173	-9	-300	-43	+196	78	16	-179
Income b/ tax	1,201	861	1,140	1,235	1,084	836	1,320	811	1,050	-34	4,142	4,320	4,017
Income taxes	-404	-270	-303	-363	-280	-279	-368	-298	-260	+20	-1,363	-1,216	-1,205
<b>Net income</b>	<b>797</b>	<b>591</b>	<b>837</b>	<b>872</b>	<b>804</b>	<b>557</b>	<b>952</b>	<b>513</b>	<b>790</b>	<b>-14</b>	<b>2,779</b>	<b>3,104</b>	<b>2,812</b>
<i>Net income attributable to:</i>													
Non-controlling interests	17	31	51	51	28	38	60	38	38	+10	55	161	174
Shareholders	780	560	786	821	776	519	892	475	752	-24	2,724	2,943	2,638
<b>Combined ratio (in %)</b>	<b>95.3</b>	<b>100.4</b>	<b>96.3</b>	<b>97.1</b>	<b>94.9</b>	<b>101.3</b>	<b>95.0</b>	<b>97.6</b>	<b>97.6</b>	<b>+2.7%-p</b>	<b>97.4</b>	<b>97.2</b>	<b>97.8</b>
Segment financial assets <sup>1</sup> (EUR bn)	92.2	96.5	96.7	96.3	97.3	99.0	98.5	100.3	98.3	+1.0	92.2	97.3	98.3

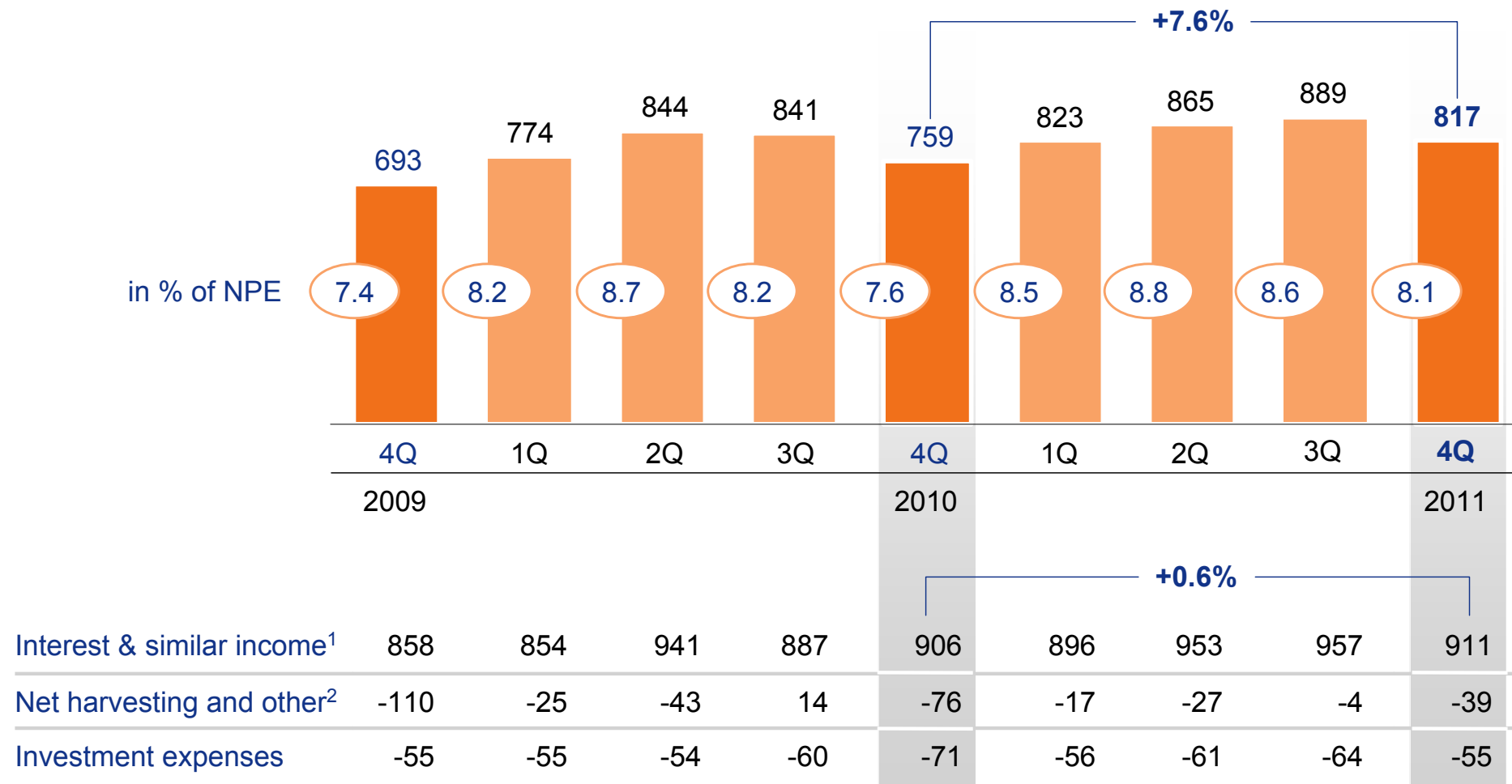
1) Segment own assets (incl. financial assets carried at fair value through income).  
Including cash and cash pool assets net of liabilities from securities lending and derivatives

## Remarks concerning the operating entities' revenues

Germany	Transfer of China Branch to Asia-Pacific (impact 2010: EUR 39mn)
Switzerland	Sale of Phénix and Alba (impact 2009: EUR 114mn, 2010: EUR 121mn)
Spain	Industrial commercial business transferred to AGCS in 2010 (impact 2009: EUR 131mn, 2010: EUR 6mn)
Reinsurance	A large proportion of reinsurance is from internal business
AGCS	In 2009, US marine business portfolios, in 2010 Japan business, Spain industrial commercial business and in 2011 Hongkong/Singapore business were transferred to AGCS (impact 2009: EUR 238mn, 2010: EUR 68mn, 2011: EUR 33mn)
Asia-Pacific	In 2010, Japan business transferred to AGCS, in 2011 Hongkong/Singapore business transferred to AGCS and China Branch transferred from AZ Sach (impact 2009: EUR 144mn, 2010: EUR 47mn)
USA	In 2009, marine business transfer to AGCS (impact 2009: EUR 42mn, 2010: EUR 39mn)

## Operating investment income remains on a high level

### 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: 4Q 2011: EUR -31mn, 4Q 2010: EUR -41mn, 4Q 2009: EUR -44mn

## Key figures (EUR mn)

	4Q 2009	1Q 2010	2Q 2010	3Q 2010	4Q 2010	1Q 2011	2Q 2011	3Q 2011	4Q 2011	Delta 4Q 11/10	12M 2009	12M 2010	12M 2011
<b>Statutory premiums (EUR bn)</b>	<b>15.2</b>	<b>15.4</b>	<b>14.1</b>	<b>12.6</b>	<b>15.1</b>	<b>14.3</b>	<b>13.0</b>	<b>11.8</b>	<b>13.8</b>	<b>-1.3</b>	50.8	57.1	52.9
<b>Operating profit</b>	<b>469</b>	<b>835</b>	<b>824</b>	<b>655</b>	<b>554</b>	<b>702</b>	<b>679</b>	<b>520</b>	<b>519</b>	<b>-35</b>	<b>2,670</b>	<b>2,868</b>	<b>2,420</b>
Non-operating items	-23	-35	23	-4	-69	-4	-329	-88	-67	+2	-57	-85	-488
Income b/ tax	446	800	847	651	485	698	350	432	452	-33	2,613	2,783	1,932
Income taxes	-71	-224	-287	-206	-217	-216	-136	-197	-185	+32	-656	-934	-734
<b>Net income</b>	<b>375</b>	<b>576</b>	<b>560</b>	<b>445</b>	<b>268</b>	<b>482</b>	<b>214</b>	<b>235</b>	<b>267</b>	<b>-1</b>	<b>1,957</b>	<b>1,849</b>	<b>1,198</b>
<i>Net income attributable to:</i>													
Non-controlling interests	16	21	19	9	23	21	11	21	21	-2	48	72	74
Shareholders	359	555	541	436	245	461	203	214	246	+1	1,909	1,777	1,124
<b>Margin on reserves<sup>1</sup> (in bps)</b>	<b>51.0</b>	<b>87.0</b>	<b>83.0</b>	<b>65.0</b>	<b>54.0</b>	<b>69.0</b>	<b>66.0</b>	<b>50.0</b>	<b>50.0</b>	<b>-4.0</b>	<b>74.0</b>	<b>73.0</b>	<b>58.0</b>
Segment financial assets <sup>2</sup> (EUR bn)	324.2	339.1	349.3	352.9	352.8	350.5	354.4	362.0	364.9	+12.1	324.2	352.8	364.9
Unit-linked investments (EUR bn)	57.0	60.1	61.0	61.7	64.8	64.8	64.8	61.2	63.5	-1.3	57.0	64.8	63.5
Operating asset base <sup>3</sup> (EUR bn)	384.5	402.9	413.7	417.9	421.5	419.1	423.0	426.7	431.9	+10.4	384.5	421.5	431.9

1) Margin on reserves = IFRS operating profit (annualized) divided by average IFRS net reserves

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 and derivatives

3) Grossed up for insurance liabilities which are netted within the trading book (market value liability option).

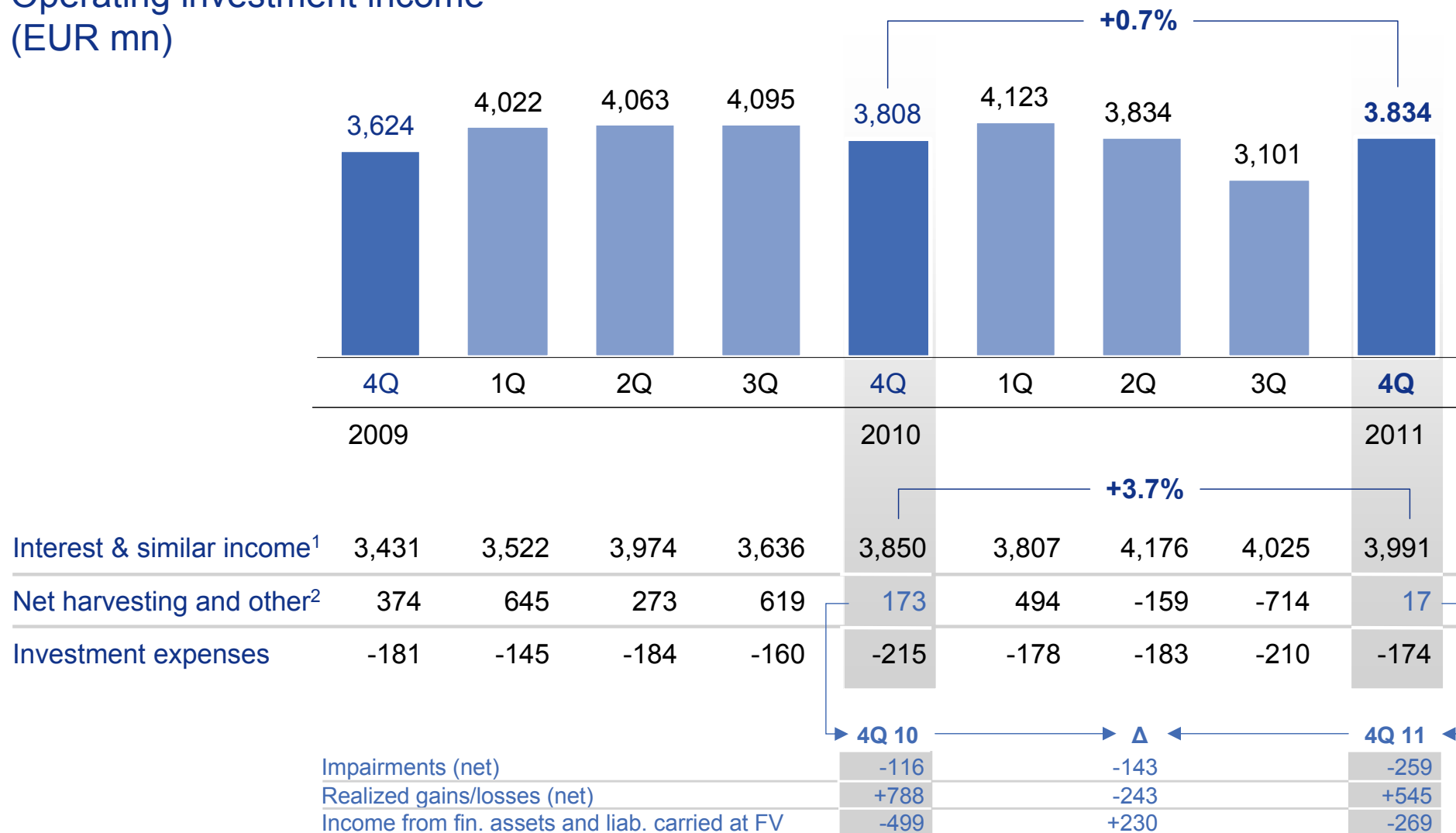
Including cash and cash pool assets net of liabilities from securities lending and derivatives

## Remarks concerning the operating entities' revenues

Switzerland	Sale of Phénix Vie (impact 2009: EUR 31mn, 2010: EUR 30mn)
France	Business written by Allianz Global Life (AGL) in France was transferred from AGL to Allianz France in 1Q 2011 (impact 2010: EUR 176mn)
Italy	Business written by Allianz Global Life (AGL) in Italy was transferred from AGL to Allianz Italy in 1Q 2011 (impact 2010: EUR 90mn)

## Impairments weigh on 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



## Operating investment income – details (EUR mn)

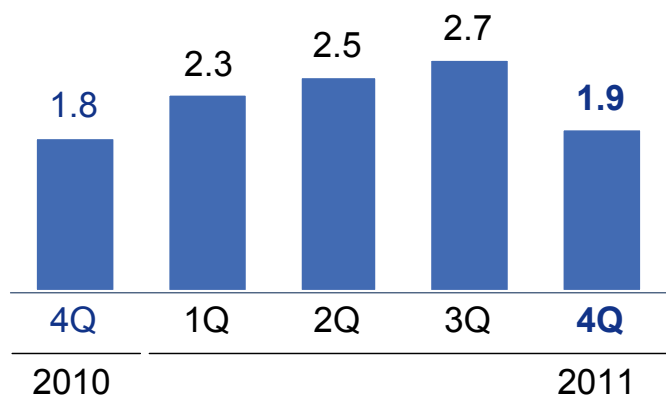
	4Q 2009	1Q 2010	2Q 2010	3Q 2010	4Q 2010	1Q 2011	2Q 2011	3Q 2011	4Q 2011
Interest & similar income <sup>1</sup>	3,431	3,522	3,974	3,636	3,850	3,807	4,176	4,025	3,991
Investment expenses	-181	-145	-184	-160	-215	-178	-183	-210	-174
Net harvesting and other	374	645	273	619	173	494	-159	-714	17
Realized gains/losses	401	538	212	587	788	718	335	590	545
Impairments (net)	-88	-39	-184	-95	-116	-62	-384	-979	-259
Fair value option	83	241	91	184	65	60	31	-197	22
Trading	-122	-420	-300	493	-773	236	20	-370	-592
F/X result	100	325	454	-550	209	-458	-161	242	301
<b>Operating investment income</b>	<b>3,624</b>	<b>4,022</b>	<b>4,063</b>	<b>4,095</b>	<b>3,808</b>	<b>4,123</b>	<b>3,834</b>	<b>3,101</b>	<b>3,834</b>

1) Net of interest expenses

## Stable new business margin

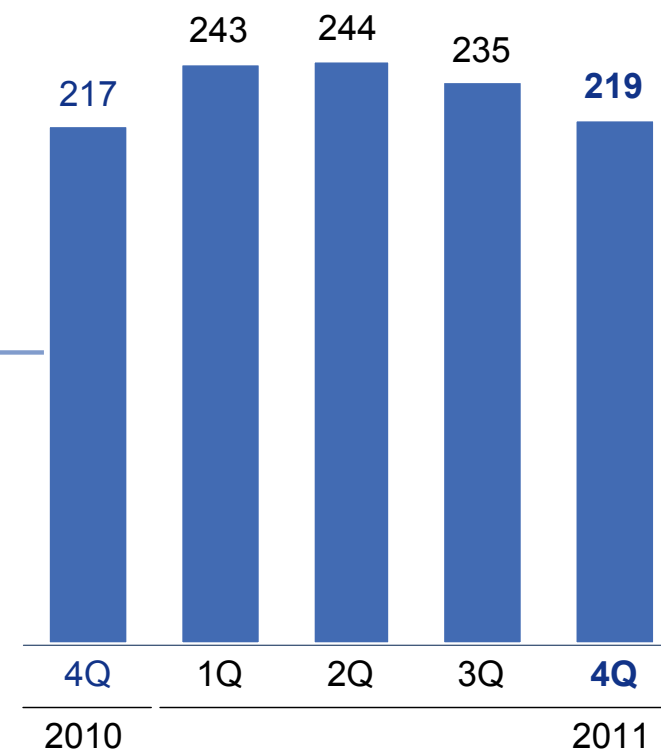
### New business margin<sup>1,2</sup>

(VNB in % of PV of NB premiums)



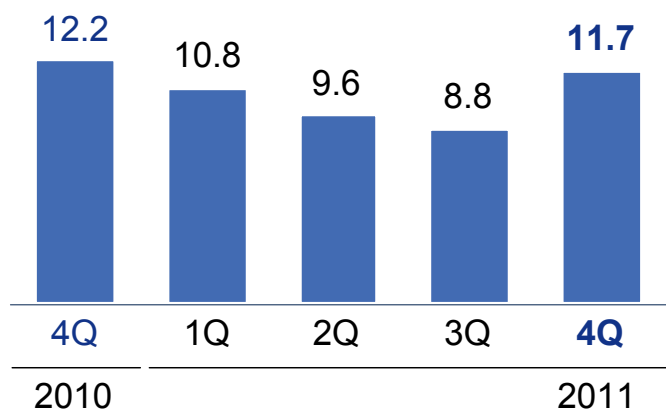
### Value of new business<sup>1,2</sup>

(EUR mn)



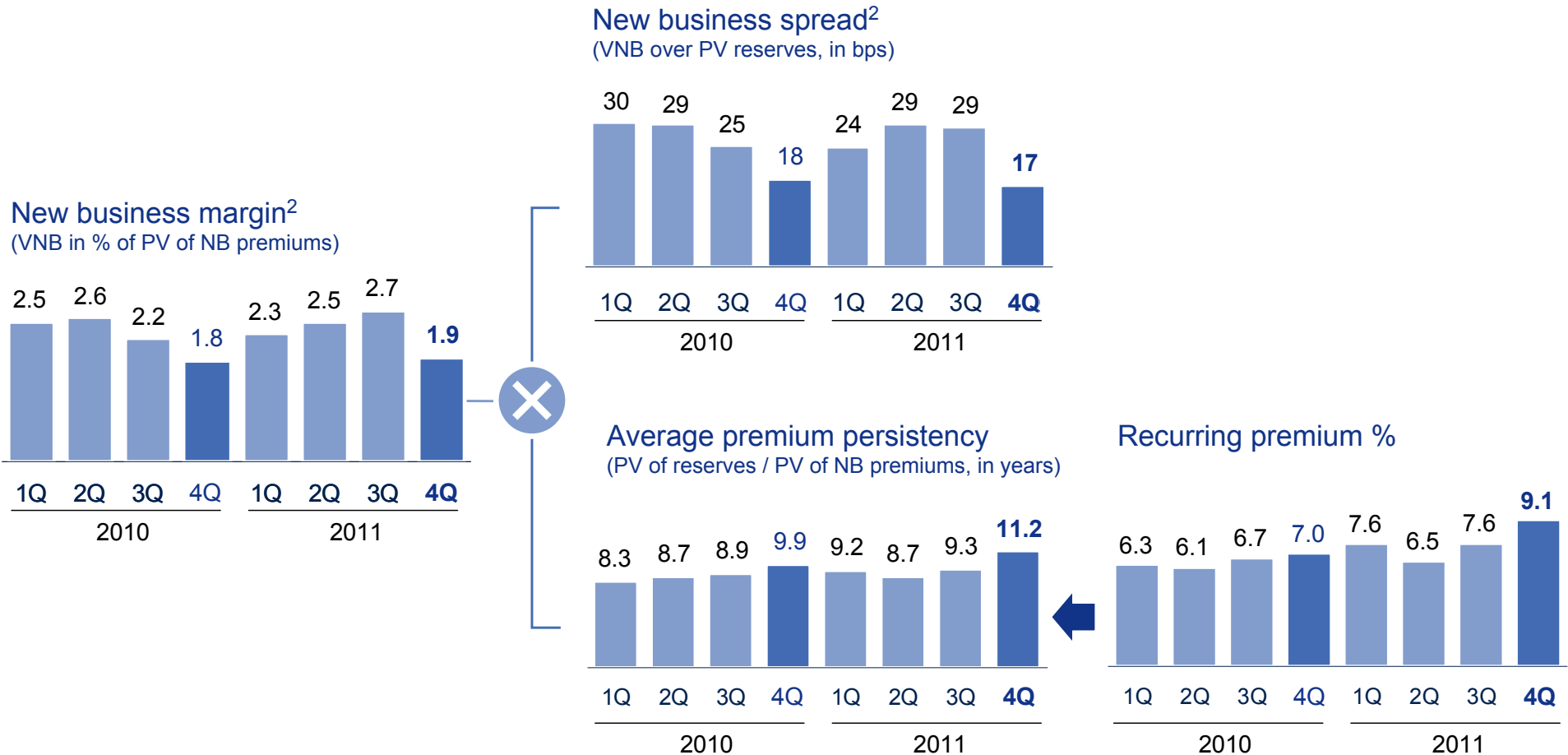
### PV of NB premiums<sup>1,2</sup>

(EUR bn)



1) After non-controlling interests, including holding expenses and internal reinsurance. VNB and NBM include illiquidity premium, EIOPA yield curve extrapolation and updated cost of capital charge for all periods. All values using F/X rates as of each valuation date  
 2) Based on beginning of quarter economic assumptions. 1Q, 2Q and 3Q 2011 have been restated to include Mexico

# New business development<sup>1</sup> 2011



▶ Both margin and spread came down significantly in 4Q, while premium persistency increased due to a higher share of recurring premium production, especially in Germany.

1) After non-controlling interests. Includes holding expenses and internal reinsurance  
 2) 1Q, 2Q and 3Q 2011 have been restated to include Mexico

## New business<sup>1</sup>

(EUR mn)

Region	Value of new business		New business margin		Present value of new business premium			Recurring premium		Single premium	
	12M 2010	12M 2011	12M 2010	12M 2011	12M 2010	12M 2011	$\Delta$ % <sup>2</sup>	12M 2010	12M 2011	12M 2010	12M 2011
<b>German Speaking Countries</b>	<b>403</b>	<b>424</b>	<b>2.8%</b>	<b>2.9%</b>	<b>14,188</b>	<b>14,731</b>	<b>+3.1%</b>	<b>700</b>	<b>813</b>	<b>5,856</b>	<b>5,410</b>
<i>Germany Life<sup>3</sup></i>	362	378	3.0%	3.1%	11,997	12,292	+2.4%	560	657	5,372	4,875
<b>Europe</b>	<b>316</b>	<b>232</b>	<b>2.2%</b>	<b>1.9%</b>	<b>14,159</b>	<b>12,054</b>	<b>-14.9%</b>	<b>493</b>	<b>474</b>	<b>10,493</b>	<b>8,767</b>
<i>France</i>	107	72	1.7%	1.3%	6,266	5,343	-14.7%	167	140	4,636	3,975
<i>Italy</i>	142	97	2.4%	2.1%	5,925	4,670	-21.2%	178	207	4,886	3,671
<b>Growth Market</b>	<b>192</b>	<b>182</b>	<b>2.4%</b>	<b>2.9%</b>	<b>7,859</b>	<b>6,193</b>	<b>-21.3%</b>	<b>794</b>	<b>764</b>	<b>4,636</b>	<b>3,322</b>
<i>Asia-Pacific</i>	126	113	1.9%	2.4%	6,452	4,752	-26.8%	675	611	3,861	2,606
<i>CEEMA</i>	60	64	5.3%	5.4%	1,142	1,187	+6.5%	119	152	510	462
<b>USA</b>	<b>158</b>	<b>175</b>	<b>2.0%</b>	<b>2.3%</b>	<b>7,991</b>	<b>7,748</b>	<b>+0.6%</b>	<b>22</b>	<b>28</b>	<b>7,793</b>	<b>7,508</b>
<b>Total<sup>4</sup></b>	<b>993</b>	<b>940</b>	<b>2.2%</b>	<b>2.3%</b>	<b>44,198</b>	<b>40,884</b>	<b>-7.1%</b>	<b>2,010</b>	<b>2,097</b>	<b>28,777</b>	<b>25,074</b>

- 1) After non-controlling interests, including holding expenses and internal reinsurance. VNB and NBM include illiquidity premium, EIOPA yield curve extrapolation and updated cost of capital charge for all periods. All values using F/X rates as of valuation date
- 2) Internal growth (adjusted for F/X and consolidation effects)
- 3) The single premium for Germany Life does not include Parkdepot business (12M 2010: EUR 1,155mn, 12M 2011 EUR 1,210mn)
- 4) Total includes holding expenses and internal reinsurance. Mexico included in 2011

## New business<sup>1</sup> quarterly values (EUR mn)

	1Q 2011		2Q 2011		3Q 2011		4Q 2011		12M 2011 <sup>2</sup>	
	VNB	NBM	VNB	NBM	VNB	NBM	VNB	NBM	VNB	NBM
<b>German Speaking Countries</b>	<b>86</b>	<b>2.2%</b>	<b>96</b>	<b>3.4%</b>	<b>109</b>	<b>3.9%</b>	<b>133</b>	<b>2.6%</b>	<b>424</b>	<b>2.9%</b>
<i>thereof: Germany Life</i>	69	2.3%	86	3.6%	99	4.2%	125	2.7%	378	3.1%
<b>Europe</b>	<b>68</b>	<b>2.1%</b>	<b>66</b>	<b>2.2%</b>	<b>56</b>	<b>2.2%</b>	<b>42</b>	<b>1.3%</b>	<b>232</b>	<b>1.9%</b>
<i>thereof: France</i>	20	1.4%	18	1.4%	21	1.7%	13	0.9%	72	1.3%
<i>thereof: Italy</i>	31	2.3%	30	2.6%	20	2.1%	16	1.3%	97	2.1%
<b>Growth Markets</b>	<b>47</b>	<b>2.7%</b>	<b>49</b>	<b>3.0%</b>	<b>41</b>	<b>2.8%</b>	<b>44</b>	<b>3.2%</b>	<b>182</b>	<b>2.9%</b>
<i>thereof: Asia-Pacific</i>	31	2.3%	31	2.5%	25	2.2%	27	2.6%	113	2.4%
<i>thereof: CEEMA</i>	15	4.5%	16	4.5%	15	6.2%	18	7.2%	64	5.4%
<b>USA</b>	<b>55</b>	<b>3.0%</b>	<b>47</b>	<b>2.3%</b>	<b>43</b>	<b>2.2%</b>	<b>31</b>	<b>1.6%</b>	<b>175</b>	<b>2.3%</b>
<b>Total<sup>3</sup></b>	<b>243</b>	<b>2.3%</b>	<b>244</b>	<b>2.5%</b>	<b>235</b>	<b>2.7%</b>	<b>219</b>	<b>1.9%</b>	<b>940</b>	<b>2.3%</b>

1) After non-controlling interests, adjusted for illiquidity premium, EIOPA yield curve extrapolation and change of cost of capital charge

2) Sum of quarterly values

3) Total includes holding expenses and internal reinsurance. Mexico included from 1Q 2011 onwards. The 1Q, 2Q and 3Q 2011 have been restated to include Mexico

## Embedded value overview (EUR mn)

Embedded value <sup>1</sup>		VNB <sup>1</sup>	NBM <sup>1</sup>	
<b>German Speaking Countries</b>		<b>11,337</b>	<b>403</b>	<b>2.8%</b>
		<b>9,516</b>	<b>424</b>	<b>2.9%</b>
<i>thereof: Germany Life</i>		7,975	362	3.0%
		6,132	378	3.1%
<b>Europe</b>		<b>9,232</b>	<b>316</b>	<b>2.2%</b>
		<b>6,271</b>	<b>232</b>	<b>1.9%</b>
<i>thereof: France</i>		4,603	107	1.7%
		3,903	72	1.3%
<i>thereof: Italy</i>		2,762	142	2.4%
		1,262	97	2.1%
<b>Growth Markets</b>		<b>1,804</b>	<b>192</b>	<b>2.4%</b>
		<b>1,363</b>	<b>182</b>	<b>2.9%</b>
<i>thereof: Asia-Pacific</i>		913	126	1.9%
		453	113	2.4%
<i>thereof: CEEMA</i>		851	60	5.3%
		837	64	5.4%
<b>USA</b>		4,427	158	2.0%
		4,093	175	2.3%
<b>Total<sup>2</sup></b>		<b>26,422</b>	<b>993</b>	<b>2.2%</b>
		<b>20,868</b>	<b>940</b>	<b>2.3%</b>

■ 2010  
■ 2011

### MCEV

- MCEV decreased by EUR 5.6bn to EUR 20.9bn after net capital movement of EUR -1.1bn
- Main drivers of the decrease were the economic variances from lower interest rate, lower market value of equities and higher volatility

### VNB

- NBM increased slightly, VNB decreased by EUR 53mn
- Positive business mix impact from Germany Life and USA were offset by the negative impact from lower interest rates, higher volatility and decrease in volume from France and Italy

1) After non-controlling interests, adjusted for illiquidity premium, EIOPA yield curve extrapolation and change of cost of capital charge

2) Total includes holding expenses, internal reinsurance and Mexico

# Embedded value<sup>1</sup> sensitivity analysis

(EUR mn)

	Base case	Drop in equity value by 10%	Economic factors				Non economic factors			
			risk free <sup>2</sup> assumptions		volatilities		-10% expense	-5% mortality		-10% lapse
			-100bp	+100bp	+25% swaption	+25% equity		death risk	longevity risk	
<b>German Speaking Countries</b>	<b>9,516</b>	<b>-550</b>	<b>-5,437</b>	<b>2,880</b>	<b>-1,356</b>	<b>-703</b>	<b>295</b>	<b>23</b>	<b>-322</b>	<b>-26</b>
<i>thereof: Germany Life</i>	6,132	-415	-4,998	2,369	-1,261	-637	242	16	-308	13
<b>Europe</b>	<b>6,271</b>	<b>-352</b>	<b>-726</b>	<b>386</b>	<b>-314</b>	<b>-203</b>	<b>214</b>	<b>59</b>	<b>-84</b>	<b>77</b>
<i>thereof: France</i>	3,903	-212	-239	48	-118	-167	111	31	-54	48
<i>thereof: Italy</i>	1,262	-72	-191	145	-151	-8	39	5	-4	-18
<b>Growth Markets</b>	<b>1,363</b>	<b>-33</b>	<b>-688</b>	<b>461</b>	<b>-82</b>	<b>-39</b>	<b>96</b>	<b>119</b>	<b>-28</b>	<b>39</b>
<i>thereof: Asia-Pacific</i>	453	-30	-646	437	-66	-37	67	105	-28	18
<i>thereof: CEEMA</i>	837	-3	-41	24	-16	-1	29	14	0	20
<b>USA</b>	<b>4,093</b>	<b>-89</b>	<b>-521</b>	<b>242</b>	<b>-112</b>	<b>-304</b>	<b>94</b>	<b>8</b>	<b>-60</b>	<b>-103</b>
<b>Total<sup>3</sup></b>	<b>20,868</b>	<b>-1,024</b>	<b>-7,378</b>	<b>3,974</b>	<b>-1,864</b>	<b>-1,248</b>	<b>703</b>	<b>213</b>	<b>-510</b>	<b>-3</b>

1) After non-controlling interests, adjusted for illiquidity premium, EIOPA yield curve extrapolation and change of cost of capital charge

2) The ultimate forward rate for yield curve extrapolation is unchanged for interest sensitivities

3) Total includes holding expenses, internal reinsurance and Mexico

## Value of new business<sup>1</sup> sensitivity analysis (EUR mn)

	Base case <sup>2</sup>	Economic factors					Non economic factors			
		Drop in equity value by 10%	risk free <sup>3</sup> assumptions		volatilities		-10% expense	-5% mortality		-10% lapse
			-100bp	+100bp	+25% swaption	+25% equity		death risk	longevity risk	
<b>German Speaking Countries</b>	<b>273</b>	<b>-1</b>	<b>-499</b>	<b>184</b>	<b>-118</b>	<b>-62</b>	<b>40</b>	<b>4</b>	<b>-21</b>	<b>44</b>
<i>thereof: Germany Life</i>	242	0	-482	169	-115	-59	37	3	-21	42
<b>Europe</b>	<b>160</b>	<b>-10</b>	<b>-33</b>	<b>13</b>	<b>-8</b>	<b>-1</b>	<b>11</b>	<b>5</b>	<b>0</b>	<b>12</b>
<i>thereof: France</i>	46	0	4	-3	1	0	1	1	0	0
<i>thereof: Italy</i>	78	-4	-8	4	-6	0	5	2	0	6
<b>Growth Markets</b>	<b>158</b>	<b>-1</b>	<b>-6</b>	<b>-1</b>	<b>-2</b>	<b>0</b>	<b>14</b>	<b>8</b>	<b>-1</b>	<b>19</b>
<i>thereof: Asia-Pacific</i>	95	-1	-7	1	0	0	9	6	-1	14
<i>thereof: CEEMA</i>	60	0	1	-2	-2	0	5	2	0	6
<b>USA</b>	<b>-4</b>	<b>-26</b>	<b>-92</b>	<b>56</b>	<b>-10</b>	<b>-27</b>	<b>9</b>	<b>0</b>	<b>-4</b>	<b>-6</b>
<b>Total<sup>4</sup></b>	<b>508</b>	<b>-37</b>	<b>-635</b>	<b>249</b>	<b>-137</b>	<b>-90</b>	<b>76</b>	<b>17</b>	<b>-24</b>	<b>71</b>

1) After non-controlling interests, adjusted for illiquidity premium, EIOPA yield curve extrapolation and change of cost of capital charge

2) Sensitivity analysis for new business in 2011 is assessed relative to the VNB calculated using assumptions as of 31.12.11

3) The ultimate forward rate for yield curve extrapolation is unchanged for interest sensitivities

4) Total includes holding expenses, internal reinsurance and Mexico



## Consistent economic assumptions are applied for MCEV across Allianz Group

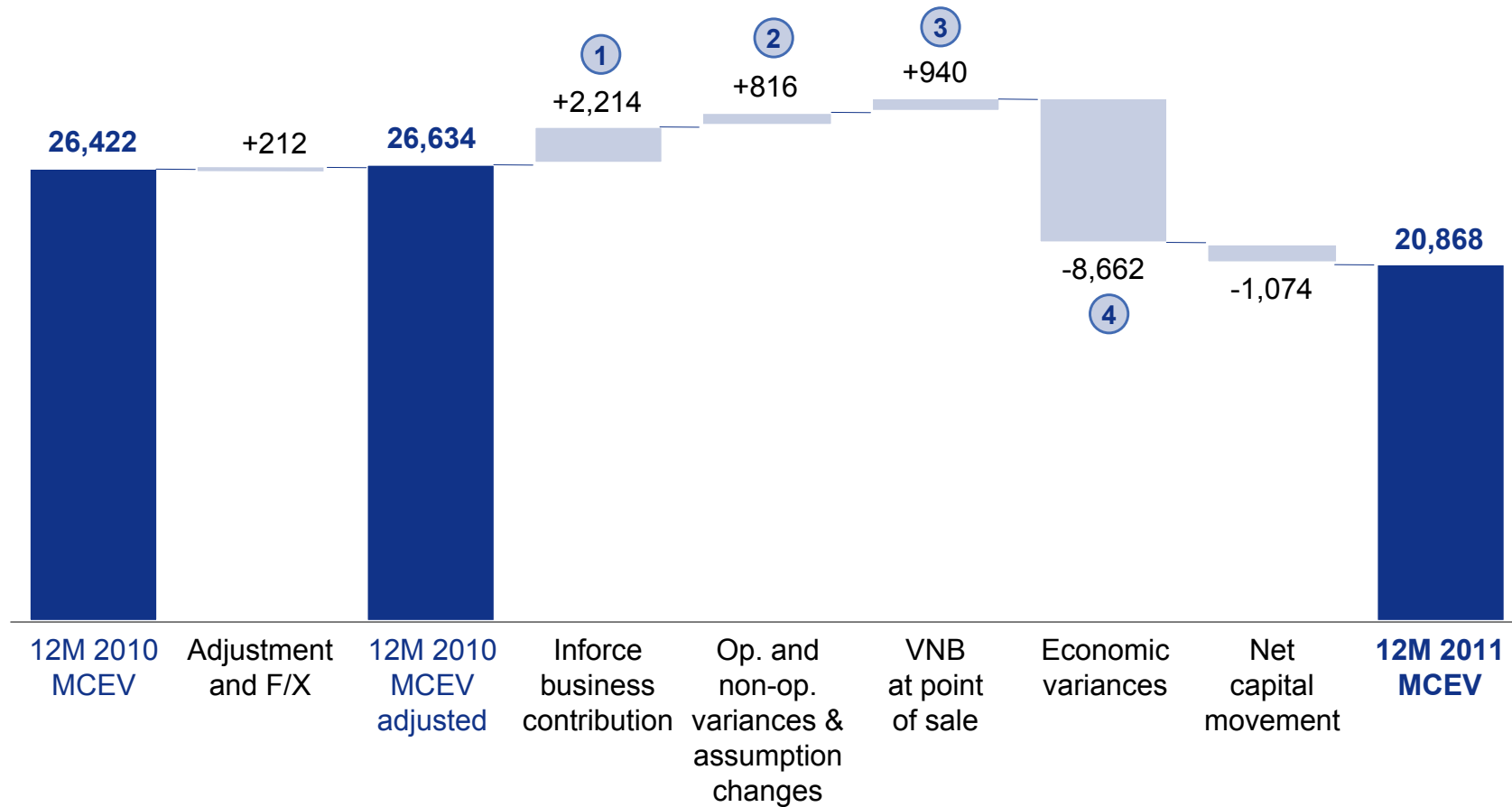
Key parameters (in %)	EUR		USD		CHF		KRW	
	2010	2011	2010	2011	2010	2011	2010	2011
<b>Risk free rates</b> (1 year zero-coupon rate based on swap rate)	1.1	1.4	0.5	0.9	0.2	0.3	2.4	3.4
<b>Risk free rates</b> (10 year zero-coupon rate based on swap rate)	3.4	2.4	3.6	2.1	2.2	1.3	4.5	3.8
<b>Risk free rates</b> (20 year zero-coupon rate based on swap rate)	3.9	2.7	4.4	2.6	2.6	1.7	4.8	4.3
<b>100% illiquidity premium<sup>1</sup></b>	59 bps	118 bps	64 bps	103 bps	7 bps	24 bps	0 bps	0 bps
<b>Swaption implied volatility<sup>2</sup></b>	18.2	28.6	16.3	28.4	31.0	45.3	12.8	13.8
<b>Equity option implied volatility<sup>3</sup></b> (10 year equity option at the money)	27.3	27.9	27.4	31.0	21.0	22.1	22.7	24.7
<b>Equity option implied volatility - DAX</b> (10 year equity option at the money)	26.4	27.1						
<b>Equity option implied volatility - CAC</b> (10 year equity option at the money)	26.5	26.7						

**Economic assumptions are based on observable market data as of 31.12.11<sup>4</sup>**

- 1) 75% of the base illiquidity premium is applied to our traditional participating and other businesses including US fixed and fixed index annuities. 0% illiquidity premium is applied to unit-linked, including variable annuity business
- 2) For EUR and USD: option on 20 year swaps with 10 year-term at the money; for CHF and KRW: option on 10 year swaps with 10 year-term at the money
- 3) The indexes for the equity options are for EUR: EuroStoxx, USD: S&P500, CHF: SPI and KRW: KOSPI
- 4) Yield curve extrapolation in line with EIOPA methodology

# MCEV development (1/2)

(EUR mn, after non-controlling interests)



## MCEV development (2/2)

(EUR mn, after non-controlling interests)

①	2,214	=	195	Risk free return on Net Asset Value
			741	Expected over-returns earned in the year on Net Asset Value, mainly from US spreads
			755	Projected unwinding of VIF at the risk free rate
			523	VIF increase from higher asset base due to expected over-return
<hr/>				
②	816	=	-98	Variances from crediting, mortality and morbidity, and one-off cost on NAV
			914	Experience variances, other operating variances and assumption changes for lapse, renewal and expenses including model changes impacting VIF
<hr/>				
③	940	=	-613	New business cash strain
			1,553	Value of future new business profits

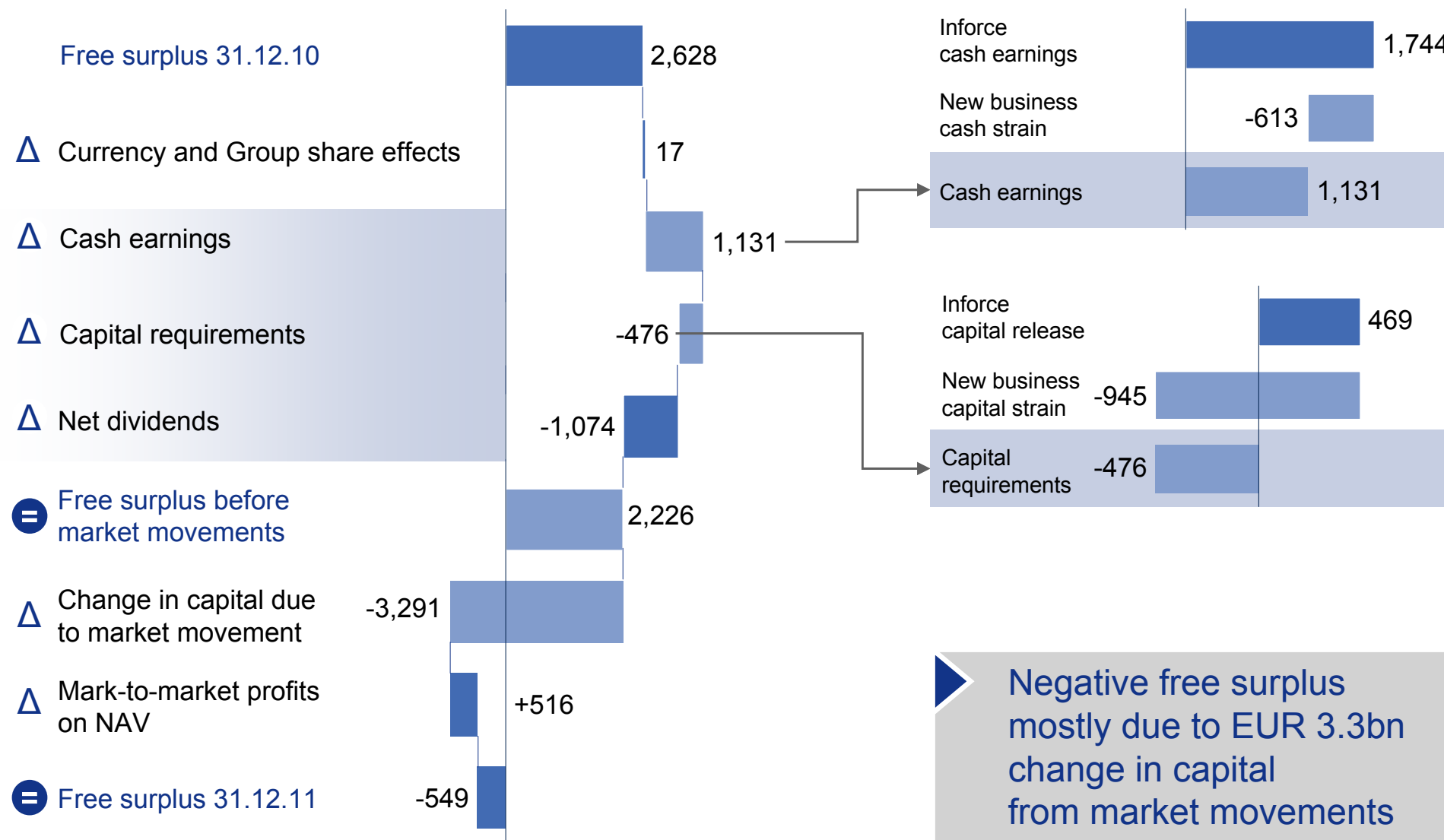
④	(EUR mn)	German Sp. Countries	Europe <sup>1</sup>	Growth Markets	USA <sup>2</sup>	Total <sup>3</sup>
	<b>Economic variances</b>	<b>-3,200</b>	<b>-3,335</b>	<b>-567</b>	<b>-1,581</b>	<b>-8,662</b>
	Driven by changes in interest rate	-1,641	-2,243	-478	-969	-5,311
	Driven by changes in equity value	-969	-768	-61	-251	-2,049
	Driven by changes in volatilities	-591	-323	-28	-361	-1,302

1) Includes EUR -933mn effect of increased spread on Italian government bonds in changes in interest rate

2) Includes EUR -801mn effect of widening credit spreads in the US in changes in interest rate

3) Total includes holding expenses, internal reinsurance and Mexico

# Free surplus<sup>1</sup> movement (EUR mn)



1) After non-controlling interests. Figures reported without rounding

## L/H: definition of regional splits for MCEV reporting

German Speaking Countries	Allianz Leben AG, life subsidiaries are included at equity
	German Health business: “Allianz Private Krankenversicherungs AG”
	Life operations in Switzerland and Austria
Europe	Life operation in France including partnerships
	Italian and Irish life subsidiaries of Italy
	Life operations in Spain, Belgium, Netherlands, Portugal, Greece and Turkey
Growth Markets	Central and Eastern European life operations in Slovakia, Czech Republic, Poland, Hungary, Croatia, Bulgaria and Romania. North Africa life operations in Egypt
	Consolidated life operations in Asia-Pacific: Korea, Taiwan, Thailand, China, Indonesia, Malaysia and Japan, non-consolidated operation in India not included
	Allianz Global Life
USA	Allianz Life USA
Holding adjustments	Holding adjustments contain holding expenses and internal life reinsurance. Also, Mexico is included in the holding adjustments for year 2011

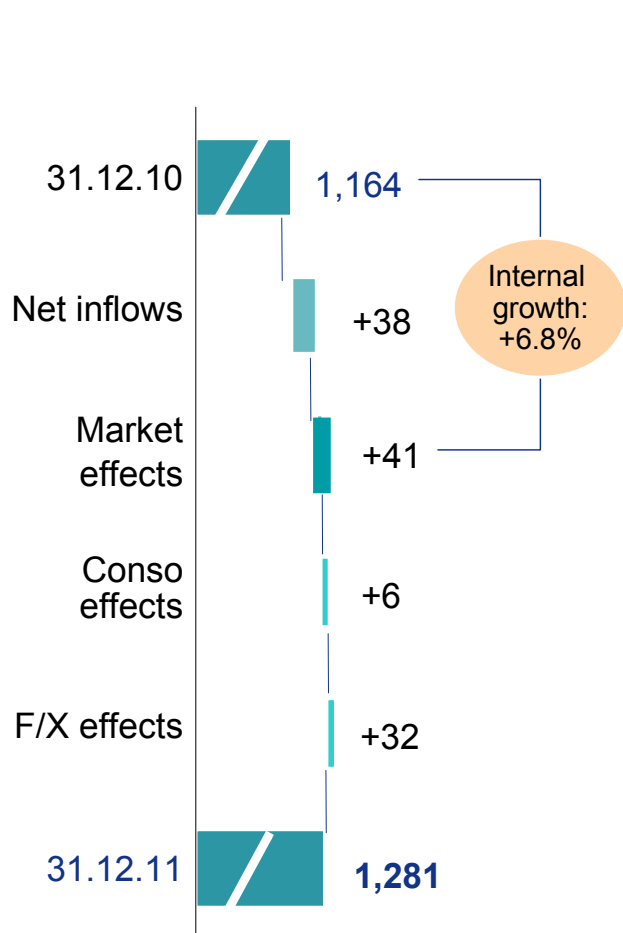
## Key figures (EUR mn)

	4Q 2009	1Q 2010	2Q 2010	3Q 2010	4Q 2010	1Q 2011	2Q 2011	3Q 2011	4Q 2011	Delta 4Q 11/10	12M 2009	12M 2010	12M 2011
<b>Operating revenues</b>	<b>1,294</b>	<b>1,116</b>	<b>1,188</b>	<b>1,256</b>	<b>1,426</b>	<b>1,273</b>	<b>1,303</b>	<b>1,326</b>	<b>1,600</b>	<b>+174</b>	<b>3,689</b>	<b>4,986</b>	<b>5,502</b>
<b>Operating profit</b>	<b>576</b>	<b>466</b>	<b>516</b>	<b>521</b>	<b>557</b>	<b>528</b>	<b>528</b>	<b>537</b>	<b>663</b>	<b>+106</b>	<b>1,401</b>	<b>2,060</b>	<b>2,256</b>
Non-operating items	-254	-207	-128	-60	-60	-99	-47	-54	-57	+3	-499	-455	-257
Income b/ tax	322	259	388	461	497	429	481	483	606	+109	902	1,605	1,999
Income taxes	-128	-116	-158	-180	-205	-120	-192	-150	-225	-20	-359	-659	-687
<b>Net income</b>	<b>194</b>	<b>143</b>	<b>230</b>	<b>281</b>	<b>292</b>	<b>309</b>	<b>289</b>	<b>333</b>	<b>381</b>	<b>+89</b>	<b>543</b>	<b>946</b>	<b>1,312</b>
<i>Net income attributable to:</i>													
Non-controlling interests	2	-6	3	2	1	3	4	5	6	+5	5	0	18
Shareholders	192	149	227	279	291	306	285	328	375	+84	538	946	1,294
<b>Cost-income ratio (in %)</b>	<b>55.5</b>	<b>58.2</b>	<b>56.6</b>	<b>58.5</b>	<b>60.9</b>	<b>58.5</b>	<b>59.5</b>	<b>59.5</b>	<b>58.6</b>	<b>-2.3%-p</b>	<b>62.0</b>	<b>58.7</b>	<b>59.0</b>
<b>3rd party AuM<sup>1</sup> (EUR bn)</b>	<b>925.7</b>	<b>1,022.7</b>	<b>1,138.5</b>	<b>1,130.9</b>	<b>1,164.0</b>	<b>1,138.5</b>	<b>1,150.9</b>	<b>1,222.3</b>	<b>1,281.3</b>	<b>+117.3</b>	<b>925.7</b>	<b>1,164.0</b>	<b>1,281.3</b>

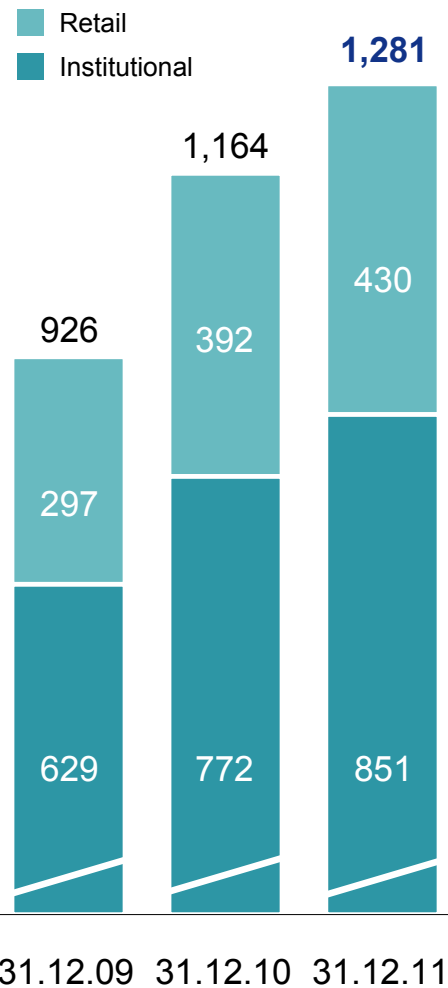
1) 3rd party Assets under Management are end of period values

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

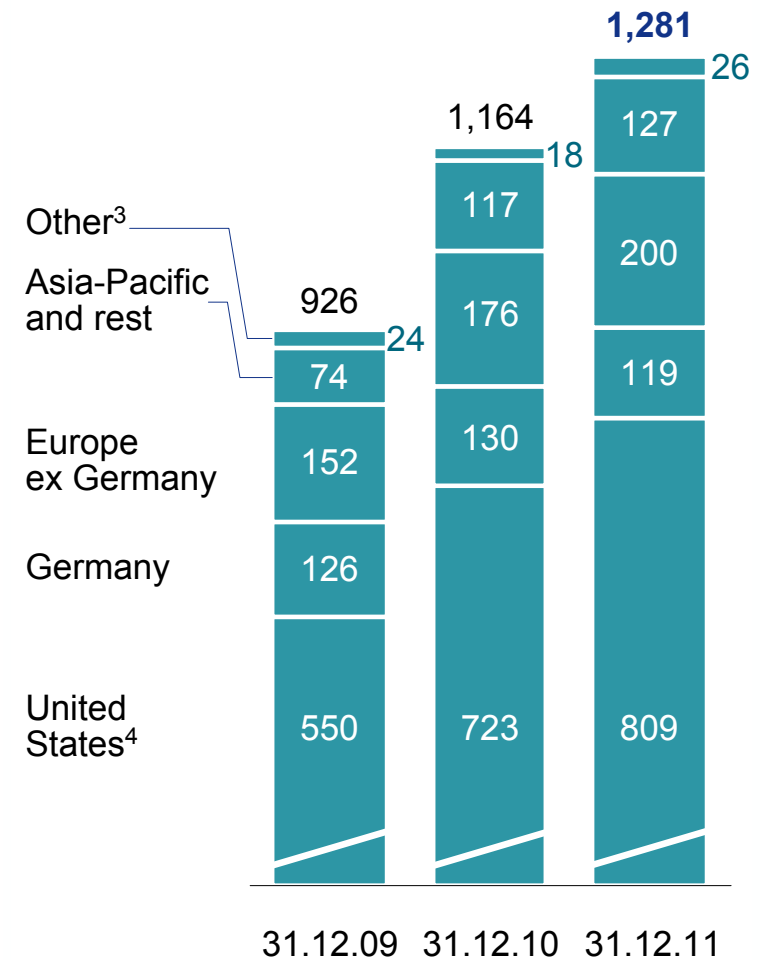
## AuM development



## AuM client mix



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



1) Comprises 3rd party AuM managed by AGI 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: 789bn, 969bn and 1,051bn as of 31.12.09, 31.12.10 and 31.12.11, respectively

## Key figures (EUR mn)

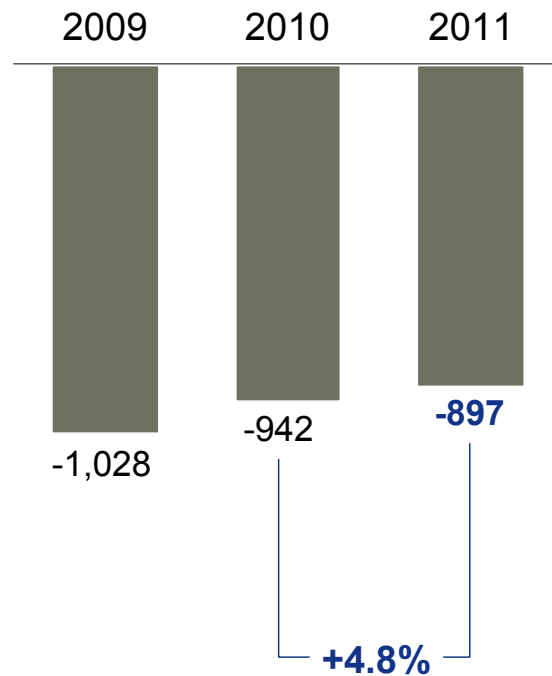
	4Q 2009	1Q 2010	2Q 2010	3Q 2010	4Q 2010	1Q 2011	2Q 2011	3Q 2011	4Q 2011	Delta 4Q 11/10	12M 2009	12M 2010	12M 2011
<b>Total revenues (Banking)</b>	<b>157</b>	<b>128</b>	<b>138</b>	<b>146</b>	<b>175</b>	<b>151</b>	<b>137</b>	<b>129</b>	<b>150</b>	<b>-25</b>	<b>517</b>	<b>587</b>	<b>567</b>
<b>Operating profit</b>													
Holding & Treasury	-217	-226	-138	-237	-262	-221	-170	-234	-199	+63	-849	-863	-824
Banking	-26	-23	-15	-24	-2	2	-24	-9	-37	-35	-165	-64	-68
Alternative Investments	7	-2	-2	-9	-2	-4	-11	9	1	+3	-13	-15	-5
<i>Consolidation</i>	0	0	0	0	0	0	0	1	-1	-1	-1	0	0
<b>Corporate and Other operating profit</b>	<b>-236</b>	<b>-251</b>	<b>-155</b>	<b>-270</b>	<b>-266</b>	<b>-223</b>	<b>-205</b>	<b>-233</b>	<b>-236</b>	<b>+30</b>	<b>-1,028</b>	<b>-942</b>	<b>-897</b>
<b>Non-operating items</b>													
Holding & Treasury	-235	245	-466	-55	-120	-245	-287	-861	-608	-488	-390	-396	-2,001
Banking	-78	6	-32	-8	-96	0	8	-3	-119	-23	-87	-130	-114
Alternative Investments	-83	-70	-31	-222	-5	-37	-25	-30	-1	+4	-383	-328	-93
<i>Consolidation</i>	0	85	16	19	16	21	1	24	4	-12	185	136	50
<b>Corporate and Other non-operating items</b>	<b>-396</b>	<b>266</b>	<b>-513</b>	<b>-266</b>	<b>-205</b>	<b>-261</b>	<b>-303</b>	<b>-870</b>	<b>-724</b>	<b>-519</b>	<b>-675</b>	<b>-718</b>	<b>-2,158</b>
Income b/taxes	-632	15	-668	-536	-471	-484	-508	-1,103	-960	-489	-1,703	-1,660	-3,055
Income taxes	272	209	197	82	287	32	145	271	106	-181	1,063	775	554
<b>Net inc. from cont. ops.</b>	<b>-360</b>	<b>224</b>	<b>-471</b>	<b>-454</b>	<b>-184</b>	<b>-452</b>	<b>-363</b>	<b>-832</b>	<b>-854</b>	<b>-670</b>	<b>-640</b>	<b>-885</b>	<b>-2,501</b>
Net inc. from disc. ops.	0	0	0	0	0	0	0	0	0	+0	-395	0	0
<b>Net income</b>	<b>-360</b>	<b>224</b>	<b>-471</b>	<b>-454</b>	<b>-184</b>	<b>-452</b>	<b>-363</b>	<b>-832</b>	<b>-854</b>	<b>-670</b>	<b>-1,035</b>	<b>-885</b>	<b>-2,501</b>
<i>Net income attributable to:</i>													
Non-controlling interests	-21	-8	-5	-58	-6	-4	-4	-2	3	+9	-60	-77	-7
Shareholders	-339	232	-466	-396	-178	-448	-359	-830	-857	-679	-975	-808	-2,494
<b>Cost-income ratio Banking (in %)</b>	<b>105.0</b>	<b>107.8</b>	<b>103.7</b>	<b>104.1</b>	<b>92.6</b>	<b>88.2</b>	<b>93.4</b>	<b>96.9</b>	<b>85.4</b>	<b>-7.2%-p</b>	<b>122.5</b>	<b>101.4</b>	<b>90.7</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>

1) Risk weighted assets are end of period values. RWA based on Basel II approach

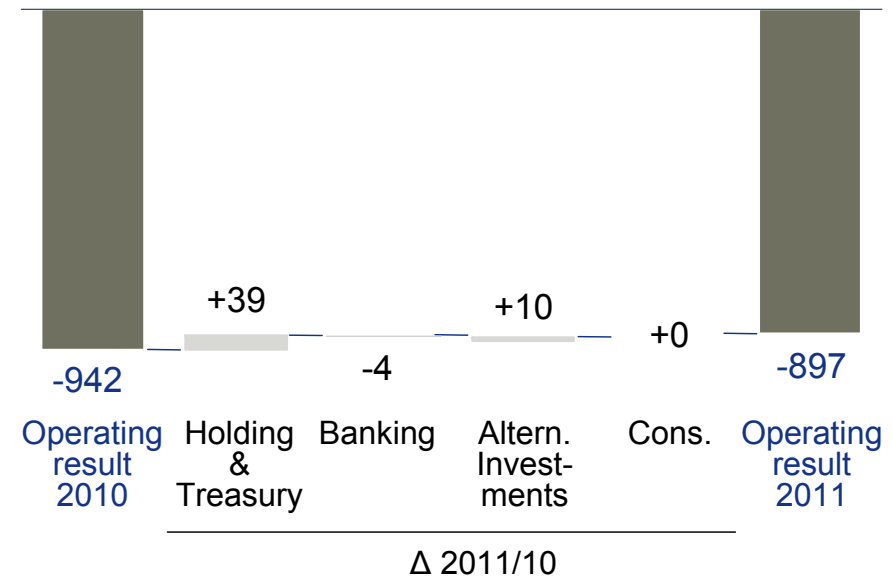


## Corporate and Other results improved

Operating loss  
(EUR mn)



Operating loss development  
(EUR mn)

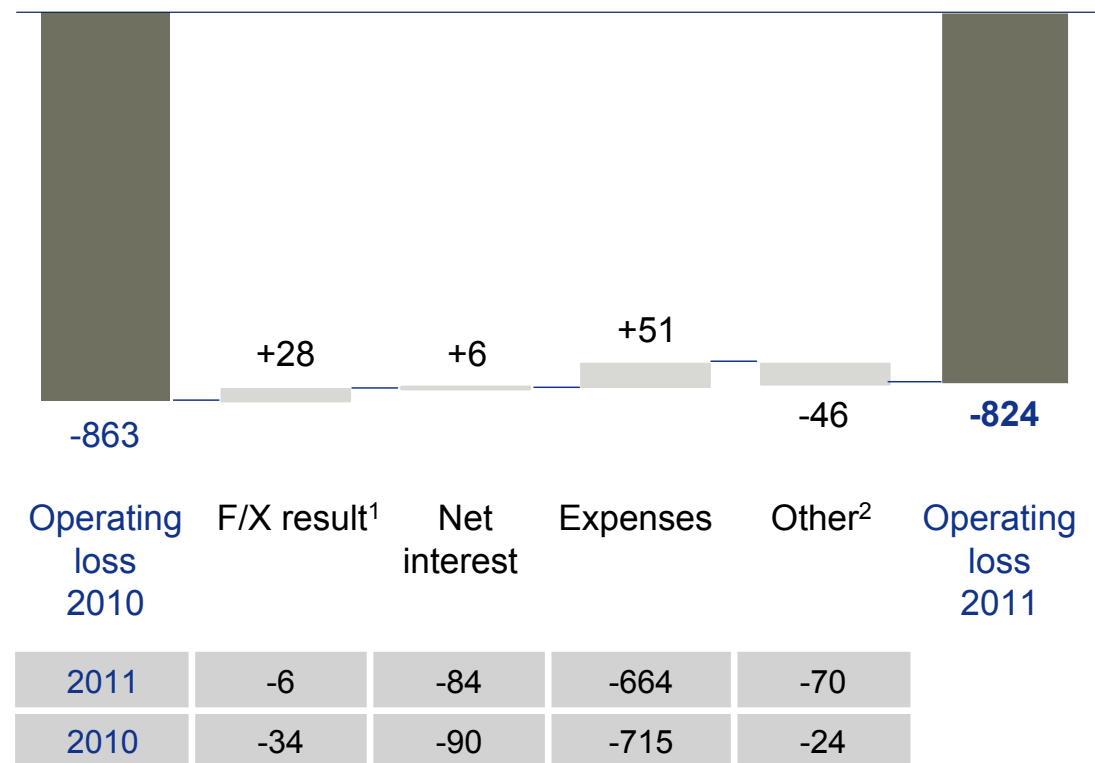


2011	-824	-68	-5	0
2010	-863	-64	-15	0

# Holding & Treasury

(EUR mn)

## Holding & Treasury operating loss drivers

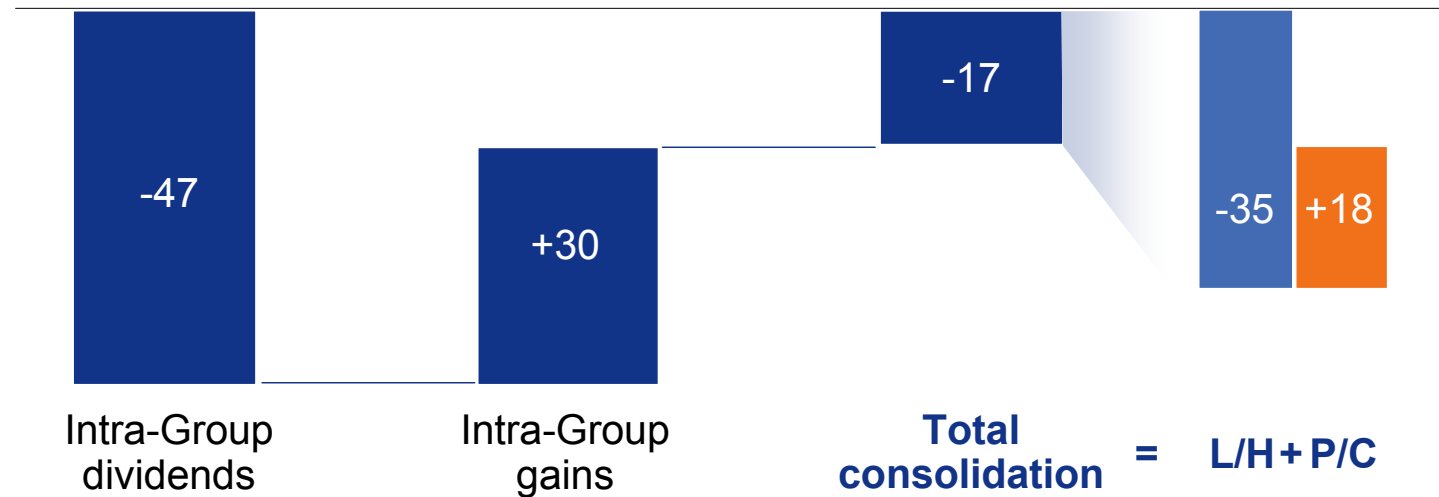


1) Including F/X derivatives hedging the foreign currency effects

2) Movement in 'other' includes net fee result EUR -51mn, income from financial assets & liabilities carried at fair value (excl. F/X result) EUR +4mn and EUR +1mn other income

# Breakdown of profit consolidation (EUR mn)

Net income 2011



# Asset allocation

(EUR bn)

	P/C		L/H		AM		Corporate and Other		Consolidation		Group <sup>1</sup>	
	31.12.10	31.12.11	31.12.10	31.12.11	31.12.10	31.12.11	31.12.10	31.12.11	31.12.10	31.12.11	31.12.10	31.12.11
<b>Balance sheet items</b>												
Investments												
<i>Equities</i> <sup>2</sup>	5.4	4.9	24.4	22.1	0.1	0.0	3.3	1.9	0.0	0.0	33.2	28.9
<i>Debt sec.</i> <sup>3</sup>	60.4	63.2	212.8	229.6	1.1	1.0	17.3	18.1	0.0	0.0	291.6	311.9
<i>Cash and cash pool assets</i> <sup>4</sup>	5.3	4.2	7.4	6.0	1.0	1.6	1.6	2.3	-7.1	-5.7	8.2	8.4
<i>Other</i> <sup>5</sup>	6.7	7.1	8.8	9.0	0.0	0.0	0.2	0.2	-5.9	-6.5	9.8	9.8
Sum	77.8	79.4	253.4	266.7	2.2	2.6	22.4	22.5	-13.0	-12.2	342.8	359.0
Loans and advances												
<i>Debt sec.</i> <sup>3</sup>	17.7	17.8	97.4	98.0	0.4	1.5	16.4	17.7	-9.2	-10.3	122.7	124.7
<b>Investments &amp; loans</b>	<b>95.5</b>	<b>97.2</b>	<b>350.8</b>	<b>364.7</b>	<b>2.6</b>	<b>4.1</b>	<b>38.8</b>	<b>40.2</b>	<b>-22.2</b>	<b>-22.5</b>	<b>465.5</b>	<b>483.7</b>
Financial assets and liabilities designated at fair value <sup>6</sup>	1.5	0.9	5.5	4.3	0.7	0.7	0.1	0.1	0.0	0.0	7.8	6.0
Financial assets and liabilities held for trading <sup>6</sup>	0.3	0.2	-3.5	-4.1	0.0	0.0	0.2	-0.3	0.0	0.1	-3.0	-4.1
<b>Group financial assets</b>	<b>97.3</b>	<b>98.3</b>	<b>352.8</b>	<b>364.9</b>	<b>3.3</b>	<b>4.8</b>	<b>39.1</b>	<b>40.0</b>	<b>-22.2</b>	<b>-22.4</b>	<b>470.3</b>	<b>485.6</b>
<i>Equities AFS</i>	4.6	4.0	23.2	20.8	0.1	0.0	2.8	1.4	0.0	0.0	30.7	26.2
<i>Equities associated ent. / joint ventures</i>	0.8	0.9	1.2	1.3	0.0	0.0	0.5	0.5	0.0	0.0	2.5	2.7
Equities	5.4	4.9	24.4	22.1	0.1	0.0	3.3	1.9	0.0	0.0	33.2	28.9
<i>Affiliated enterprises</i>	10.3	9.1	1.6	1.4	0.0	0.0	69.2	73.4	-81.1	-83.9	0.0	0.0
Investments & loans incl. affiliated ent.	105.8	106.3	352.4	366.1	2.6	4.1	108.0	113.6	-103.3	-106.4	465.5	483.7
<i>Real estate held for investment</i>	2.4	2.2	6.1	6.2	0.0	0.0	0.2	0.2	0.0	0.0	8.7	8.6
<i>Funds under reins. contr. assumed</i>	4.3	4.9	2.7	2.8	0.0	0.0	0.0	0.0	-5.9	-6.5	1.1	1.2
Other	6.7	7.1	8.8	9.0	0.0	0.0	0.2	0.2	-5.9	-6.5	9.8	9.8

- 1) Comprising assets and liabilities from continuing operations only
- 2) Equities incl. associated enterprises/joint ventures, excl. affiliated enterprises
- 3) Debt securities (EUR 311.9bn) and loans and advances (EUR 124.7bn) show Group fixed income (EUR 436.6bn). Fixed income for insurance segments (P/C, L/H, CO and Other) amounts to EUR 416.5bn

- 4) Net of liabilities from securities lending
- 5) Other incl. real estate held for investment and funds held by others under reinsurance contracts assumed
- 6) Net of liabilities

## Average AuM P/C and L/H: basis for yield calculation (EUR bn)

Balance sheet items	P/C			L/H		
	31.12.10	31.12.11	Average	31.12.10	31.12.11	Average
Investments						
<i>Equities</i> <sup>1</sup>	5.4	4.9	5.1	24.4	22.1	23.2
<i>Debt sec.</i>	60.4	63.2	61.8	212.8	229.6	221.2
<i>Cash and cash pool assets</i> <sup>2</sup>	5.3	4.2	4.8	7.4	6.0	6.7
<i>Other</i> <sup>3</sup>	6.7	7.1	6.8	8.8	9.0	9.0
Sum	77.8	79.4	78.5	253.4	266.7	260.1
Loans & advances Debt sec.	17.7	17.8	17.8	97.4	98.0	97.7
<b>Investments &amp; loans</b>	<b>95.5</b>	<b>97.2</b>	<b>96.3</b>	<b>350.8</b>	<b>364.7</b>	<b>357.8</b>
<i>Equities AFS</i>	4.6	4.0	4.3	23.2	20.8	22.0
<i>Equities assoc. ent. / joint ven.</i>	0.8	0.9	0.8	1.2	1.3	1.2
Equities	5.4	4.9	5.1	24.4	22.1	23.2
<i>Affiliated ent.</i>	10.3	9.1	9.7	1.6	1.4	1.5
Investments & loans incl. aff. ent.	105.8	106.3	106.0	352.4	366.1	359.3
<i>Real estate</i>	2.4	2.2	2.3	6.1	6.2	6.2
<i>Funds under reins. contr. assumed</i>	4.3	4.9	4.5	2.7	2.8	2.8
Other	6.7	7.1	6.8	8.8	9.0	9.0

1) Equities including associated enterprises/joint ventures, excl. affiliated enterprises

2) Net of liabilities from securities lending

3) Other including real estate held for investment and funds held by others under reinsurance contracts assumed

# Investment result

(EUR mn)

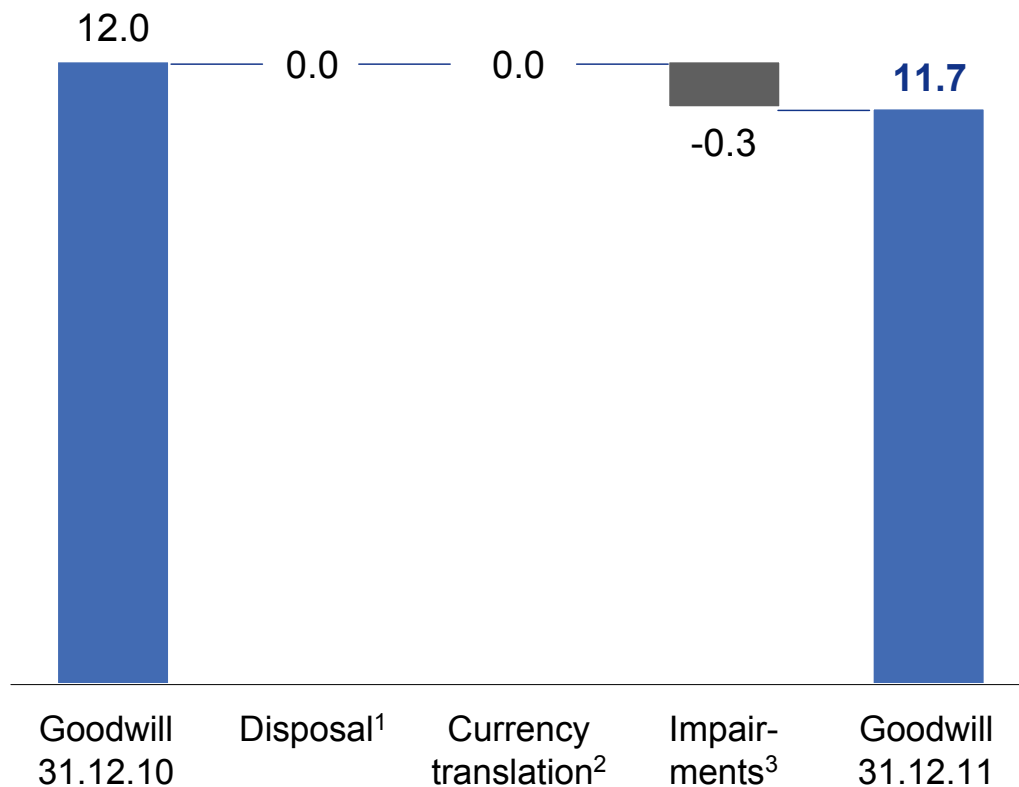
	P/C		L/H		AM		Corporate and Other		Consolidation		Group <sup>1</sup>	
	12M 2010	12M 2011	12M 2010	12M 2011	12M 2010	12M 2011	12M 2010	12M 2011	12M 2010	12M 2011	12M 2010	12M 2011
<b>Operating investment result</b>												
Interest and similar income <sup>2</sup>	3,588	3,717	14,982	15,999	21	22	264	292	51	-46	18,906	19,984
Inc. fr. fin. assets and liab. carried at FV <sup>3</sup>	36	23	-419	-791	16	-6	27	-4	6	-4	-334	-782
Realized gains/losses (net)	42	21	2,125	2,188	0	0	0	0	2	11	2,169	2,220
Impairments of investments (net)	-9	-46	-434	-1,684	0	0	0	0	59	0	-384	-1,730
F/X result	-18	25	438	-75	3	-5	-68	-7	-2	0	353	-62
Investment expenses	-240	-236	-704	-745	0	0	-97	-100	214	229	-827	-852
<b>Subtotal</b>	<b>3,399</b>	<b>3,504</b>	<b>15,988</b>	<b>14,892</b>	<b>40</b>	<b>11</b>	<b>126</b>	<b>181</b>	<b>330</b>	<b>190</b>	<b>19,883</b>	<b>18,778</b>
<b>Non-operating investment result</b>												
Inc. fr. fin. assets and liab. carried at FV	-64	-52	-40	-24	0	0	51	-426	-4	59	-57	-443
Realized gains/ losses (net)	605	562	36	3	35	6	788	500	75	144	1,539	1,215
Impairments of investments (net)	-191	-452	-47	-291	-1	-4	-221	-1,005	0	-179	-460	-1,931
<b>Subtotal</b>	<b>350</b>	<b>58</b>	<b>-51</b>	<b>-312</b>	<b>34</b>	<b>2</b>	<b>618</b>	<b>-931</b>	<b>71</b>	<b>24</b>	<b>1,022</b>	<b>-1,159</b>
<b>Net investment income</b>	<b>3,749</b>	<b>3,562</b>	<b>15,937</b>	<b>14,580</b>	<b>74</b>	<b>13</b>	<b>744</b>	<b>-750</b>	<b>401</b>	<b>214</b>	<b>20,905</b>	<b>17,619</b>
<i>Investment return in % of avg. investm.</i>	4.0%	3.6%	4.7%	4.1%	n/m	n/m	1.9%	-1.9%	n/m	n/m	4.6%	3.7%
Movements in unrealized gains/losses on equities	136	-262	1,697	-2,255	3	-3	-1,158	-793	n/m	n/m	678	-3,313
<i>Total investment return in % of avg. inv.</i>	4.1%	3.4%	5.2%	3.4%	n/m	n/m	-1.0%	-3.9%	n/m	n/m	4.7%	3.0%

1) Comprising result from continuing operations only

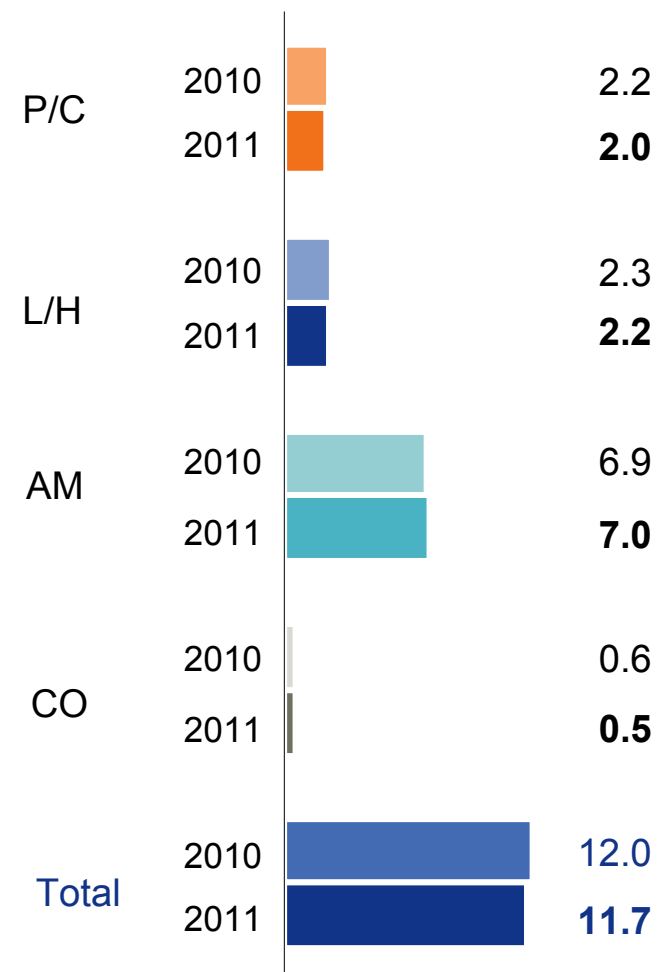
2) Net of interest expenses, excluding interest expenses from external debt

3) Contains inc. from financial assets/ liabilities carried at fair value and oper. trading result excl. F/X result

# Goodwill (EUR bn)



## Goodwill per segment



1) Loss of control in manroland AG (EUR -28mn) due to opening of insolvency proceedings in 4Q 2011

2) Changes in currency translation of EUR 67mn

3) Impairments of goodwill at cash generating units L/H Asia-Pacific & Middle East (EUR -149mn), Banking Germany (EUR -95mn) and PC NAFTA Markets (EUR -94mn)

## Shareholders' equity

(EUR mn)

	Paid-in capital	Retained earnings	Foreign currency translation adjustments	Unrealized gains and losses (net)	Shareholders' equity	Non-controlling interests	Total equity
Balance as of 31.12.09 (restated)	28,635	9,642	-3,626	5,457	40,108	2,121	42,229
Total comprehensive income		5,294	1,297	-400	6,191	169	6,360
Paid-in capital	50				50		50
Treasury shares		-24			-24		-24
Transactions between equity holders		26	-10		16	-91	-75
Dividends paid		-1,850			-1,850	-128	-1,978
<b>Balance as of 31.12.10</b>	<b>28,685</b>	<b>13,088</b>	<b>-2,339</b>	<b>5,057</b>	<b>44,491</b>	<b>2,071</b>	<b>46,562</b>
Balance as of 31.12.10	28,685	13,088	-2,339	5,057	44,491	2,071	46,562
Total comprehensive income		2,505	343	-431	2,417	307	2,724
Paid-in capital	78				78		78
Treasury shares		14			14		14
Transactions between equity holders		-53		0	-53	126	73
Dividends paid		-2,032			-2,032	-166	-2,198
<b>Balance as of 31.12.11</b>	<b>28,763</b>	<b>13,522</b>	<b>-1,996</b>	<b>4,626</b>	<b>44,915</b>	<b>2,338</b>	<b>47,253</b>



## Shareholder value not accounted for in IFRS equity (EUR mn)

	12M 10 <sup>1</sup>	12M 11 <sup>1</sup>
<b>Value of inforce in EV</b>	<b>12,773</b>	<b>6,602</b>
<i>Adjusted for<sup>2</sup>:</i>		
IFRS DAC / VOBA	-14,974	-15,024
Difference in life- and unallocated profit sharing reserves	11,598	14,868
Shareholder value of unrealized capital gains included in PVFP	-4,862	-6,698
Net amount of asset valuation differences	1,162	1,778
Differences in tax treatment and other adjustments	2,831	151
<b>Additional value not accounted for in IFRS equity</b>	<b>8,528</b>	<b>1,677</b>

1) Positive contribution represents additional value not fully accounted for in IFRS equity.  
Negative contribution represents value already accounted for in IFRS equity. Figures without rounding

2) Excluding goodwill

## Comprehensive income (EUR mn)

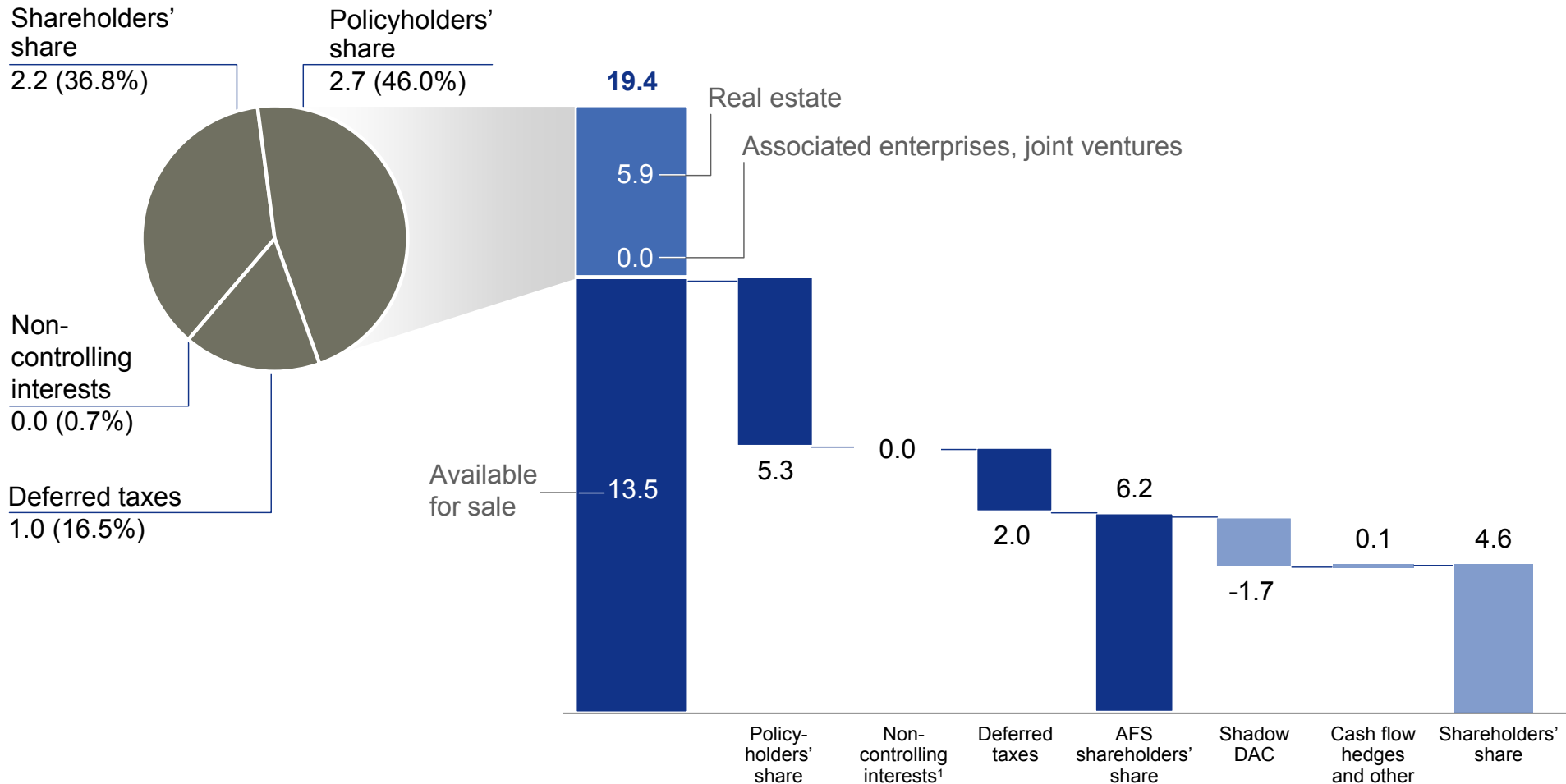
	12M 09	12M 10	12M 11
Net income (after tax, before non-controlling interests)	4,255	5,209	2,804
CTA	394	1,338	348
Reclassification to net income	516	-9	4
Changes arising during the year	-122	1,347	344
Available-for-sale investments	3,489	-428	-473
Reclassification to net income	-753	-1,353	623
Changes arising during the year	4,242	925	-1,096
Cash flow hedges	-16	9	-5
Reclassification to net income	-5	-2	-1
Changes arising during the year	-11	11	-4
Share of other comprehensive income of associates	32	39	46
Reclassification to net income	6	-2	0
Changes arising during the year	26	41	46
Miscellaneous	-87	193	4
Reclassification to net income	0	-1	0
Changes arising during the year	-87	194	4
<b>Total other comprehensive income</b>	<b>3,812</b>	<b>1,151</b>	<b>-80</b>
<b>Total comprehensive income: attributable to:</b>	<b>8,067</b>	<b>6,360</b>	<b>2,724</b>
Non-controlling interests	79	169	307
<b>Total comprehensive income - Shareholders -</b>	<b>7,988</b>	<b>6,191</b>	<b>2,417</b>

# Revaluation reserve of EUR 19.4bn (EUR bn)

Off balance sheet

Revaluation  
reserve

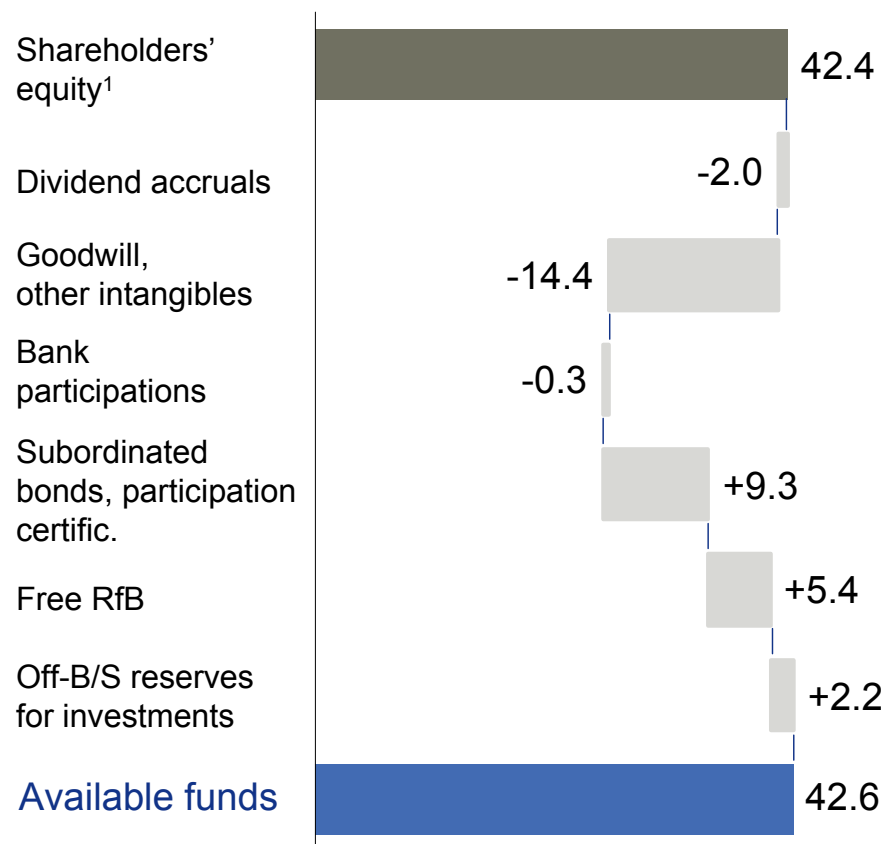
On balance sheet



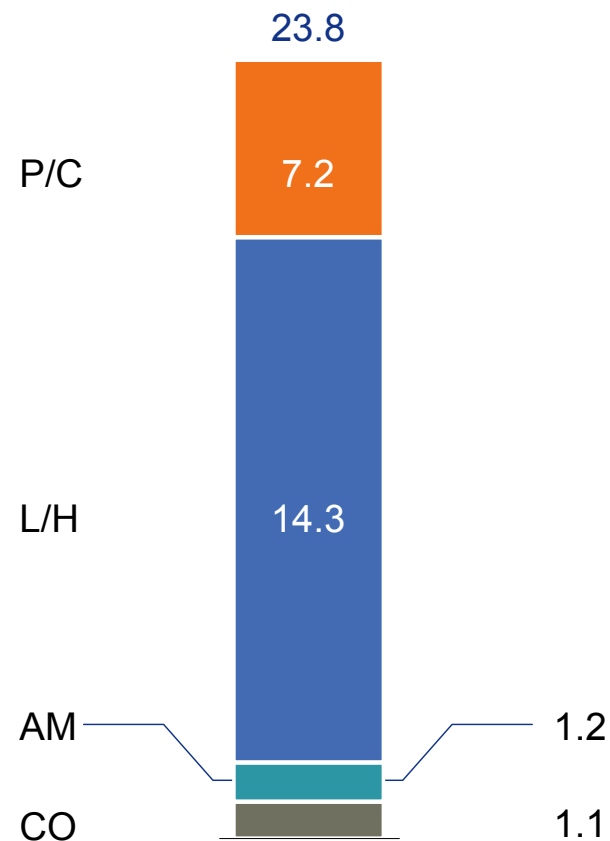
1) Non-controlling interests in revaluation reserve amounts to EUR -24mn

# Conglomerate solvency: details as of 31.12.11 (EUR bn)

## Available funds



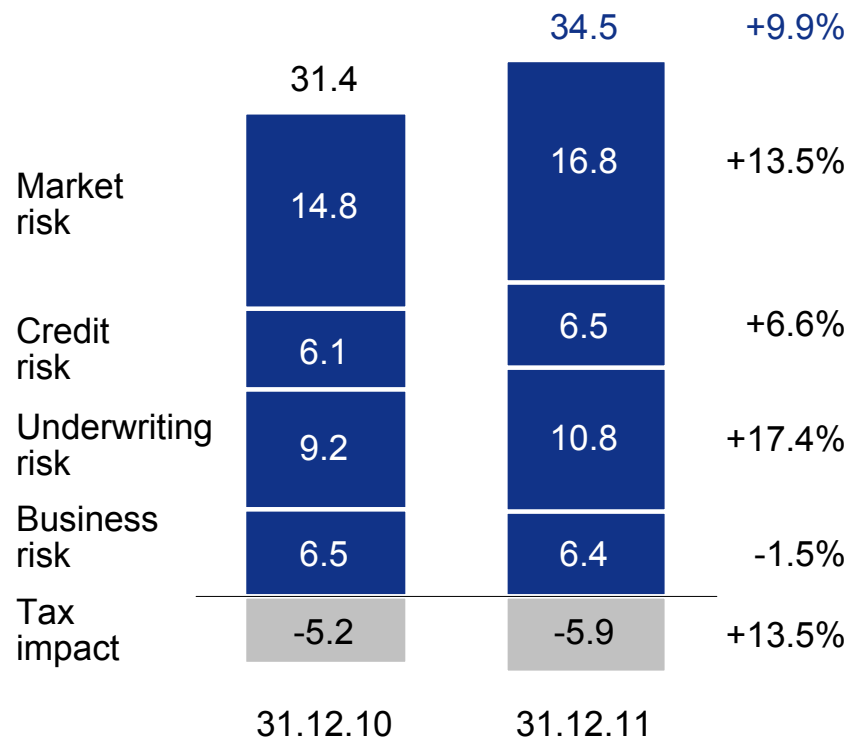
## Required capital



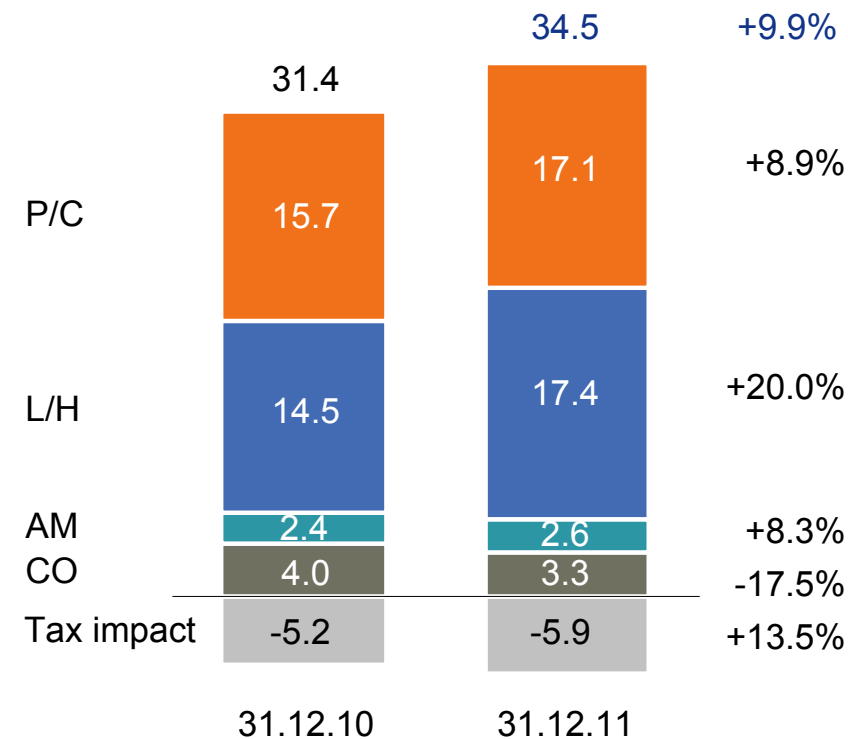
1) Adjusted for unrealized gains/ losses on available-for-sale bonds (negative effect of EUR -2.4bn)

# Risk capital<sup>1</sup> breakdown (EUR bn)

## Risk capital by risk categories



## Risk capital by segments

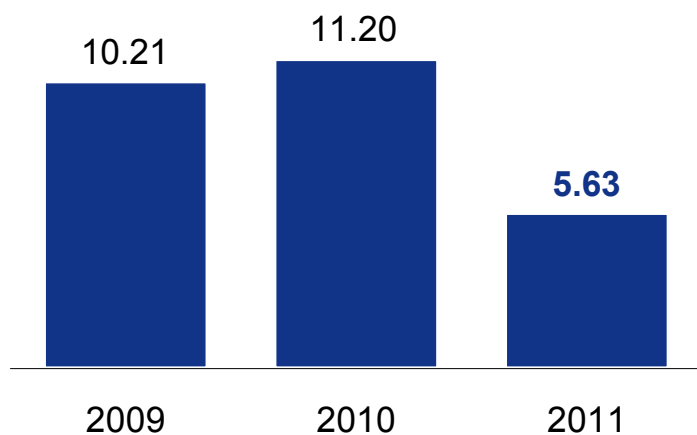


1) Before non-controlling interests, Group diversified, at 99.97% confidence level

## Earnings per share (EUR)

### Basic EPS

From continuing operations



From discontinued operations

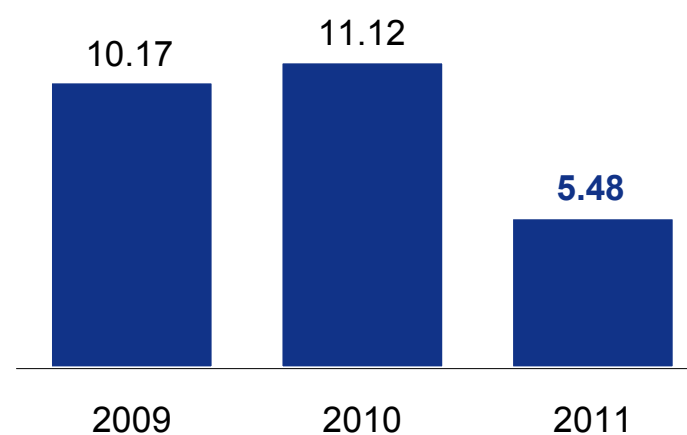
-0.88	0.0	0.0
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Total basic EPS

9.33	11.20	5.63
------	-------	------

### Diluted EPS

From continuing operations



From discontinued operations

-0.87	0.0	0.0
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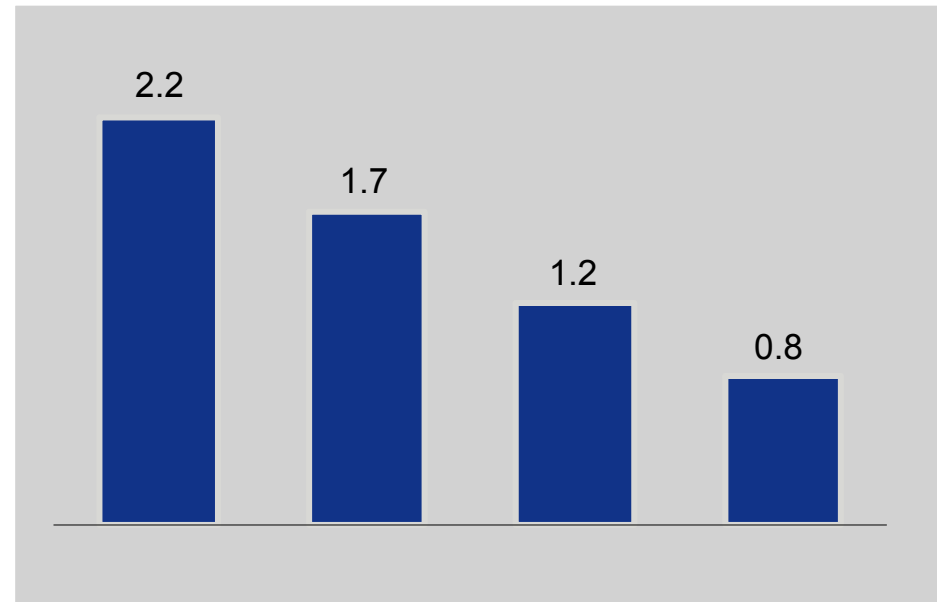
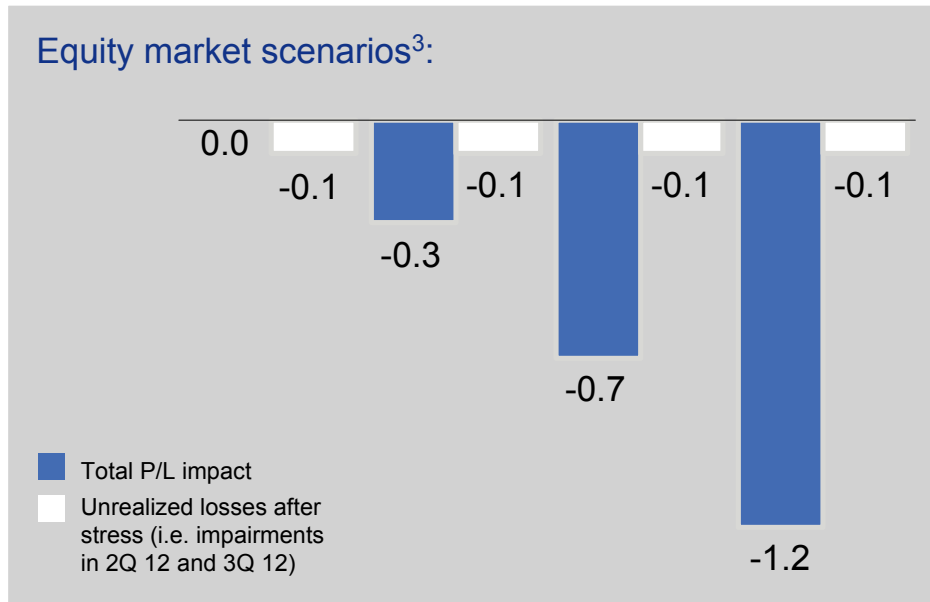
Total diluted EPS

9.30	11.12	5.48
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# Equity market scenarios<sup>1)</sup> (as of 31.12.11, EUR bn)

Expected total P/L impact<sup>2</sup> ...

... and resulting unrealized gains / losses on AFS equity securities in shareholders' equity<sup>2</sup>



thereof:  
oper. profit  
impact



Estimated  
impact on FCD  
solvency ratio<sup>4)</sup>

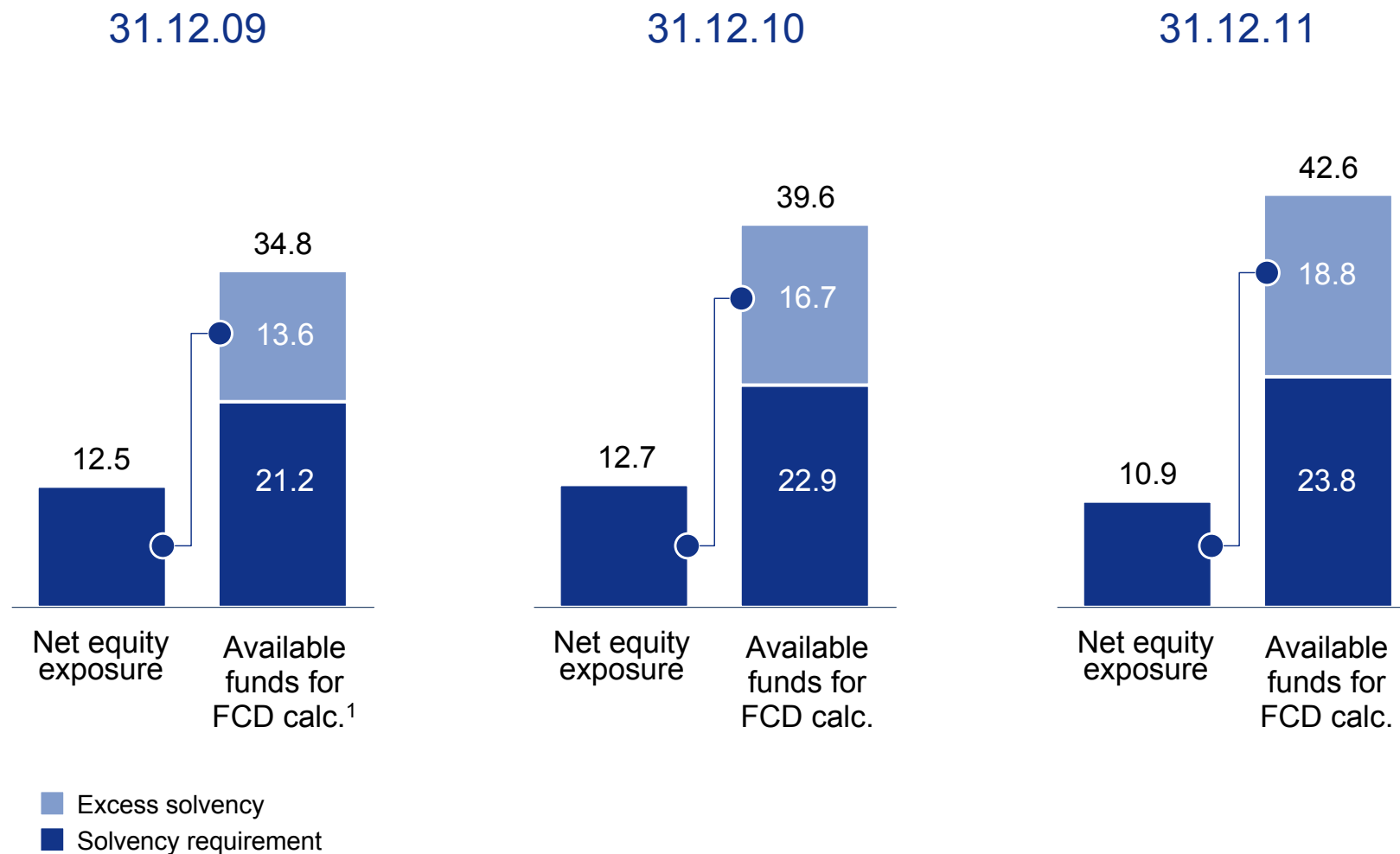


DOW JONES  
STOXX 600



1) Based on the assumption that every position in the portfolio is hit by the same decrease  
 2) Expected total P/L impact and unrealized gains/losses after policyholder participation, taxes, non-controlling interests  
 3) Scenarios based on DJ Stoxx 600 as of 31.12.11  
 4) Before impact of dividend accrual

# Net equity exposure and solvency (EUR bn)



1) Pro-forma after sale of Dresdner Bank completed

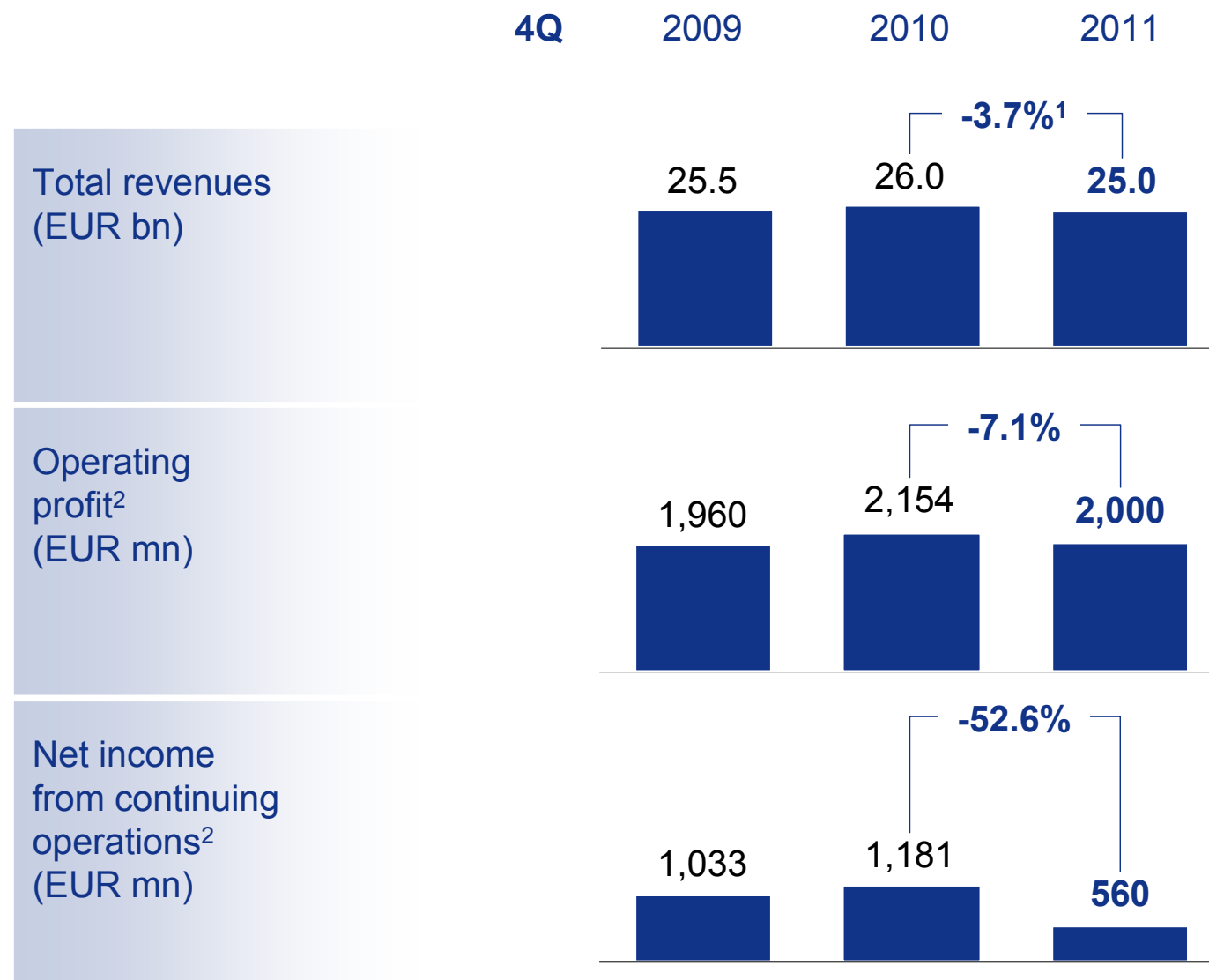


# B

## Group financial results 2011

- 1 Highlights
- 2 Group
- 3 P/C
- 4 L/H
- 5 Asset Management
- 6 Summary
- 7 Additional information
- 8 Additional information – 4Q results**

## 4Q: results overview

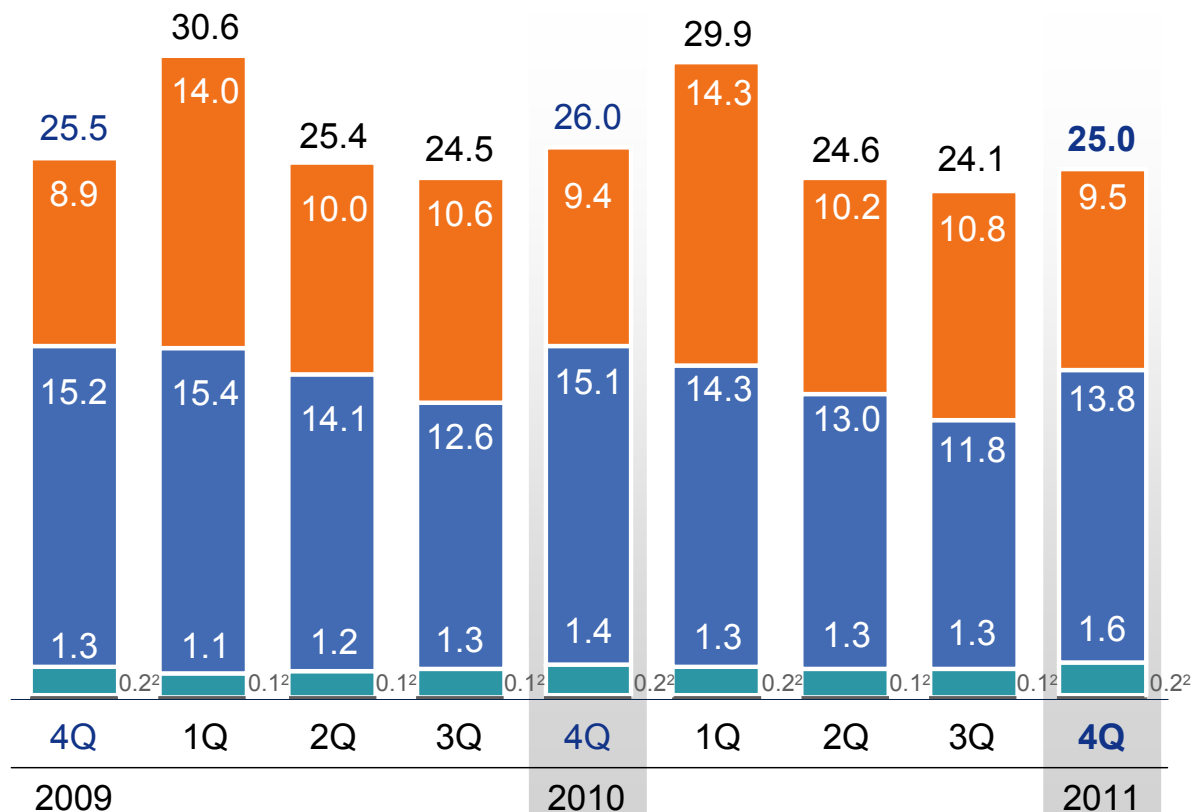


1) Internal growth -3.8% adjusted for F/X effects and consolidation effects

2) Operating profit and net income from continuing operations retrospectively adjusted for accounting policy change at AZ Life (USA), operating profit effect 4Q 09: EUR -88mn, net income from continuing operations effect 4Q 09: EUR -57mn

# 4Q: revenues (EUR bn)

## Total revenues<sup>1</sup>



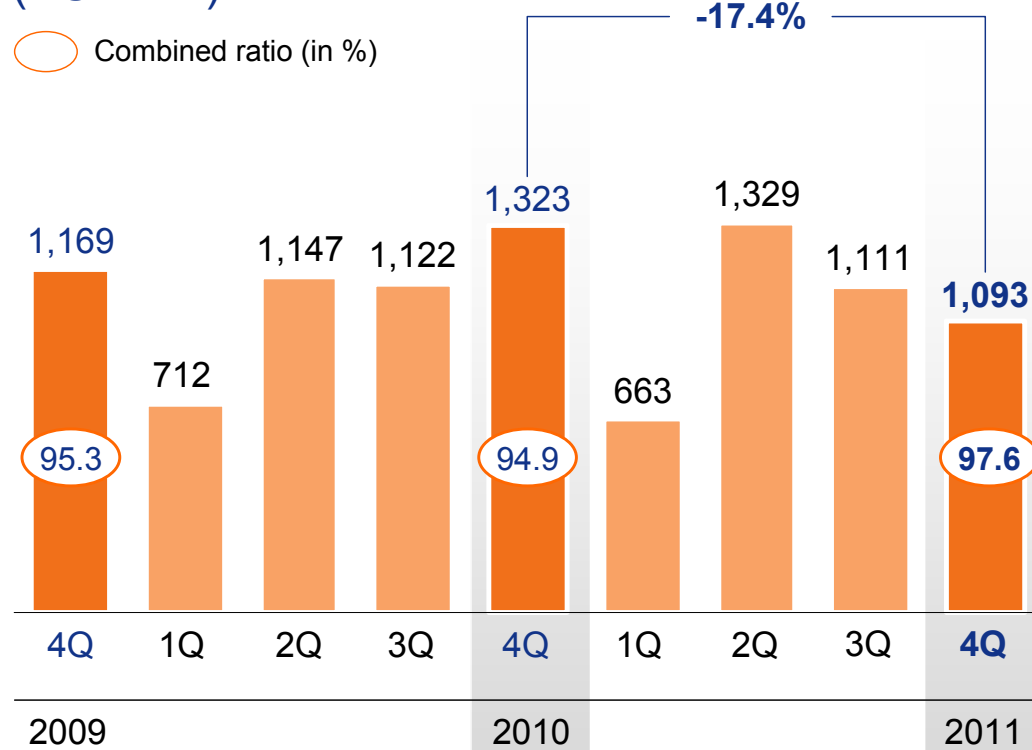
4Q 11 (in %)	Total growth	Internal growth
Group	-3.7	-3.8
<span style="color: orange;">■</span> P/C	+1.6	+1.6
<span style="color: blue;">■</span> L/H	-8.3	-8.4
<span style="color: teal;">■</span> AM	+12.2	+10.3

1) For a description of total revenues and internal growth please refer to the glossary  
 All segment figures are based on segment consolidated numbers; figures for the Group as a whole are based on fully consolidated numbers  
 2) Represents total revenues from Banking within Corporate and Other

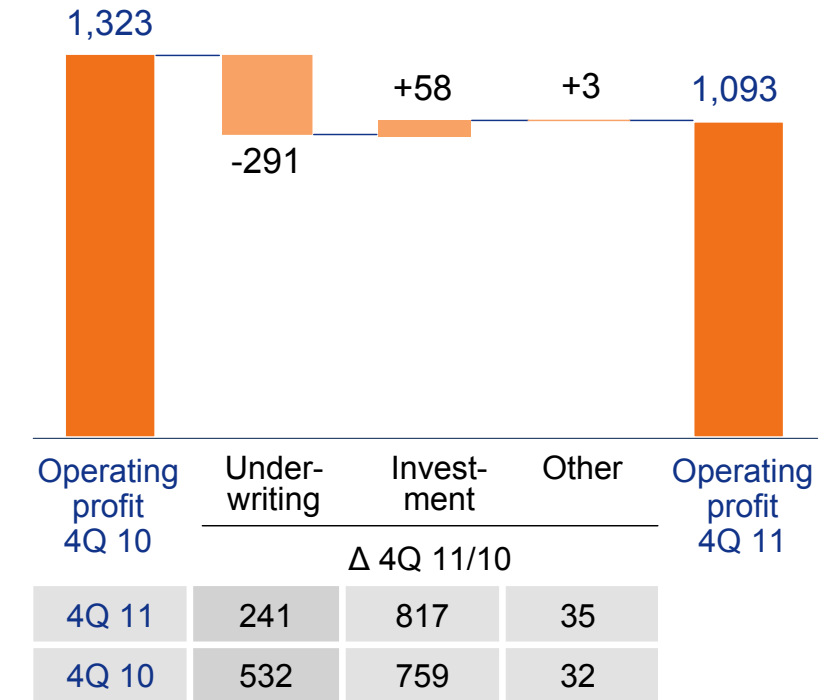
## 4Q: operating profit at EUR 1.1bn

### Operating profit (EUR mn)

○ Combined ratio (in %)

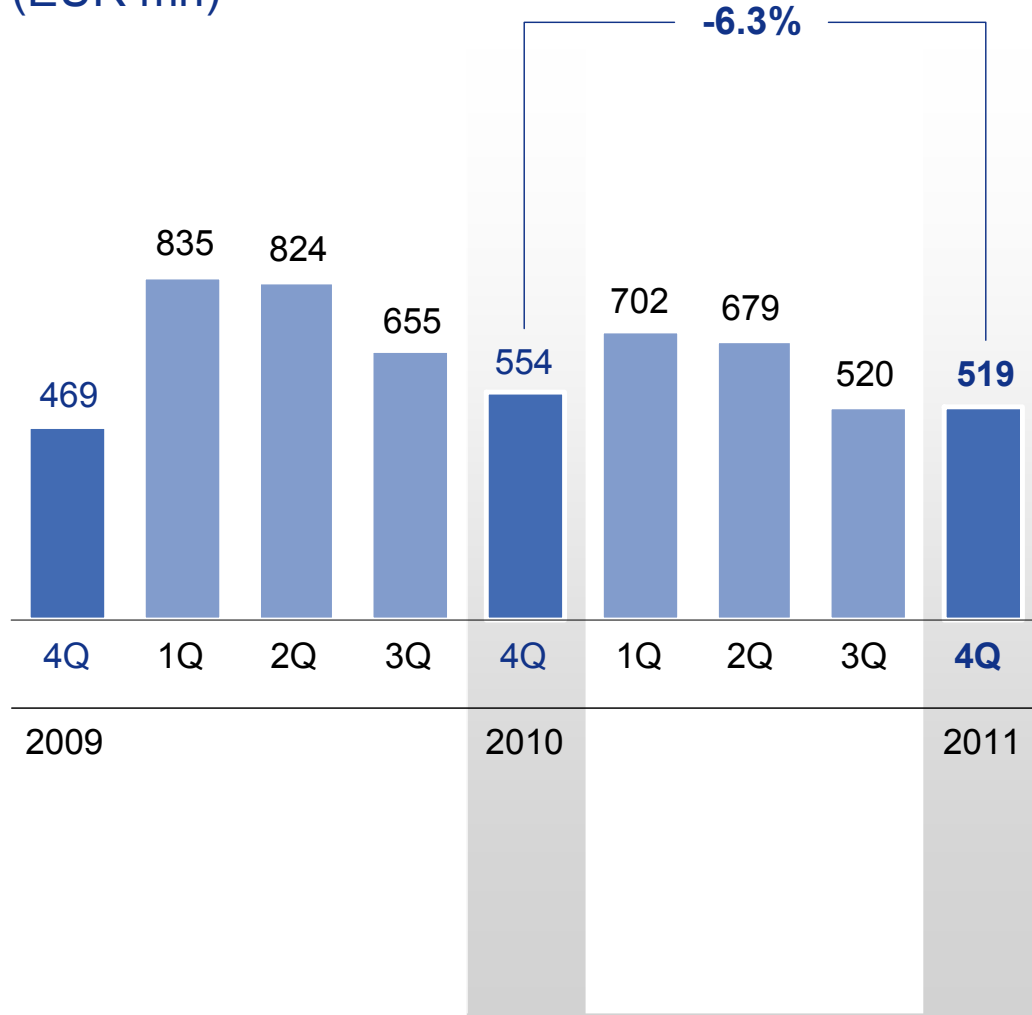


### Operating profit drivers (EUR mn)

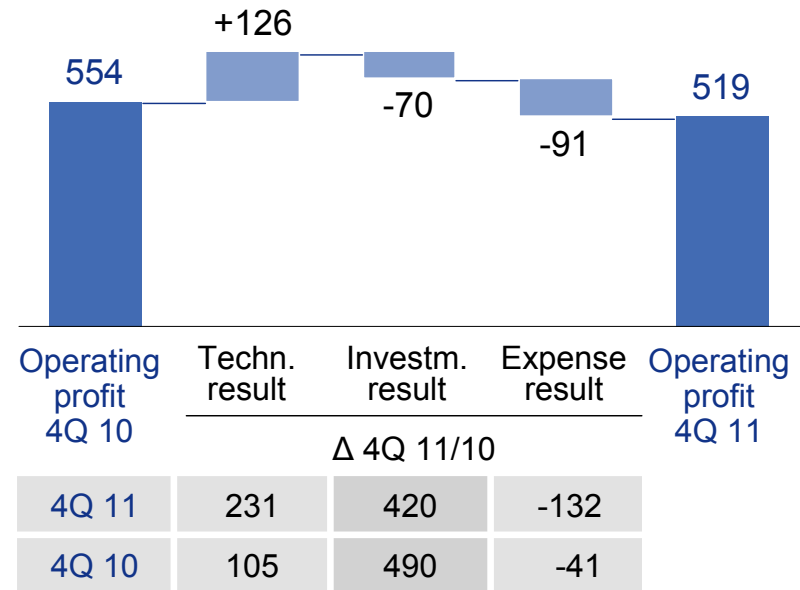


## 4Q: operating profit at EUR 519mn

Operating profit  
(EUR mn)



Operating profit drivers<sup>1</sup>  
(EUR mn)

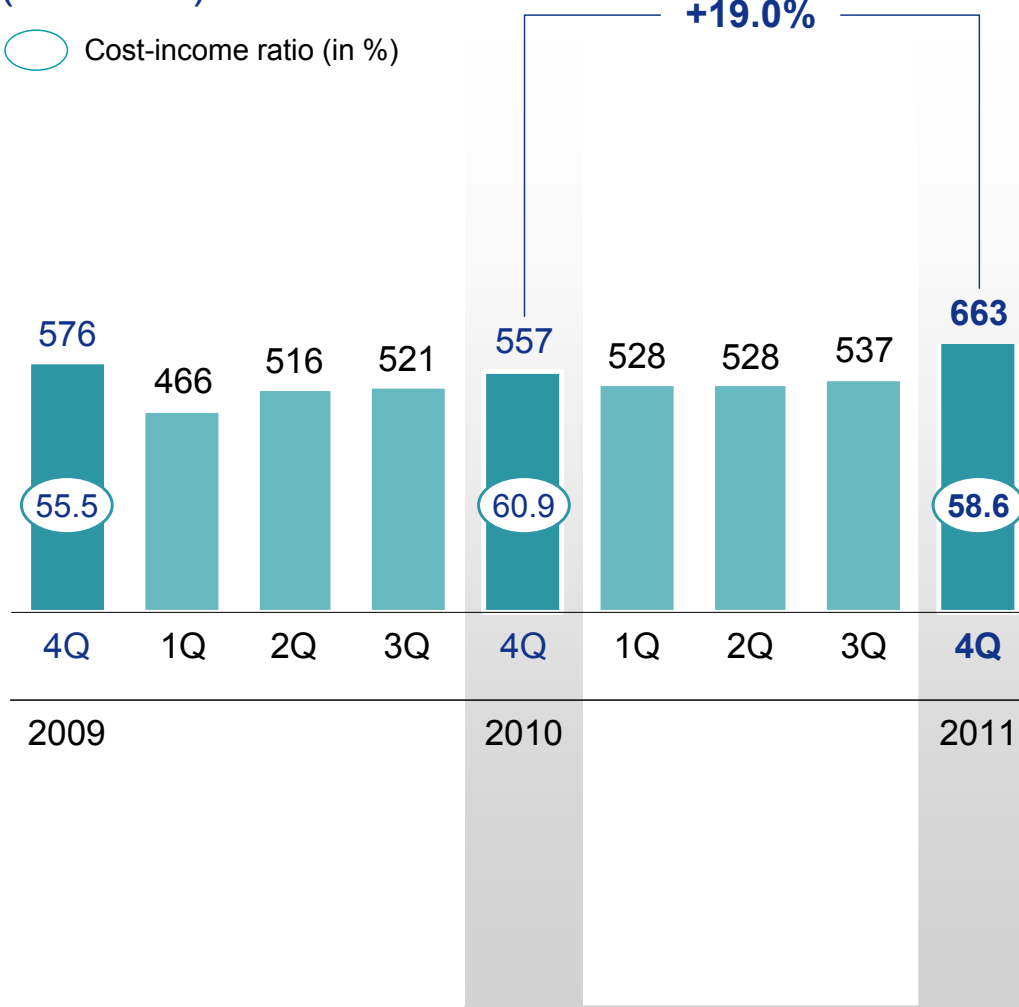


1) For a description of the L/H operating profit drivers please refer to the glossary

# 4Q: operating profit up 19 percent

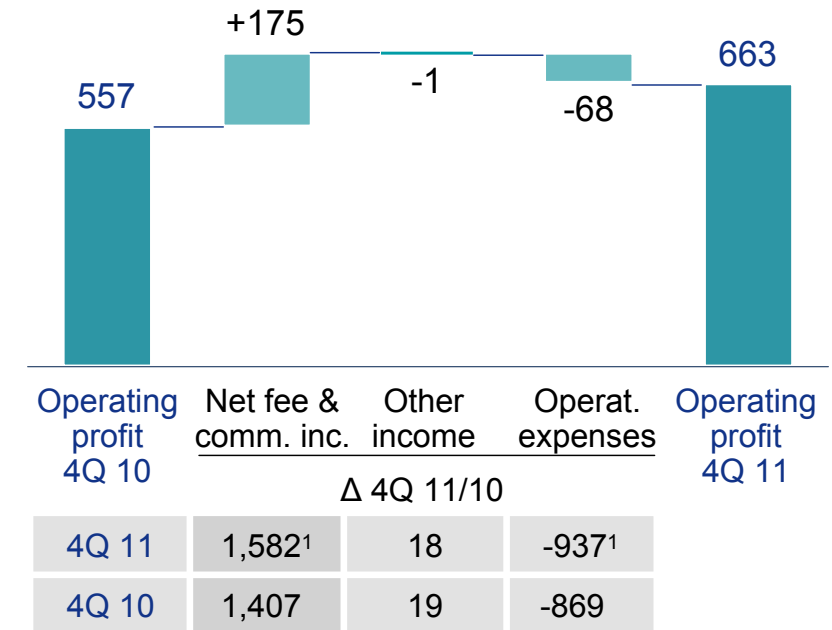
## Operating profit (EUR mn)

○ Cost-income ratio (in %)



## Operating profit drivers (EUR mn)

F/X-adjusted growth: +18.3%



1) Net fee and commission income includes F/X effect of EUR +9mn; operating expenses include F/X effect of EUR -6mn

# Financing Investments Transactions

Paul Achleitner,  
Member of the Board of Management

Analysts' conference  
February 24, 2012

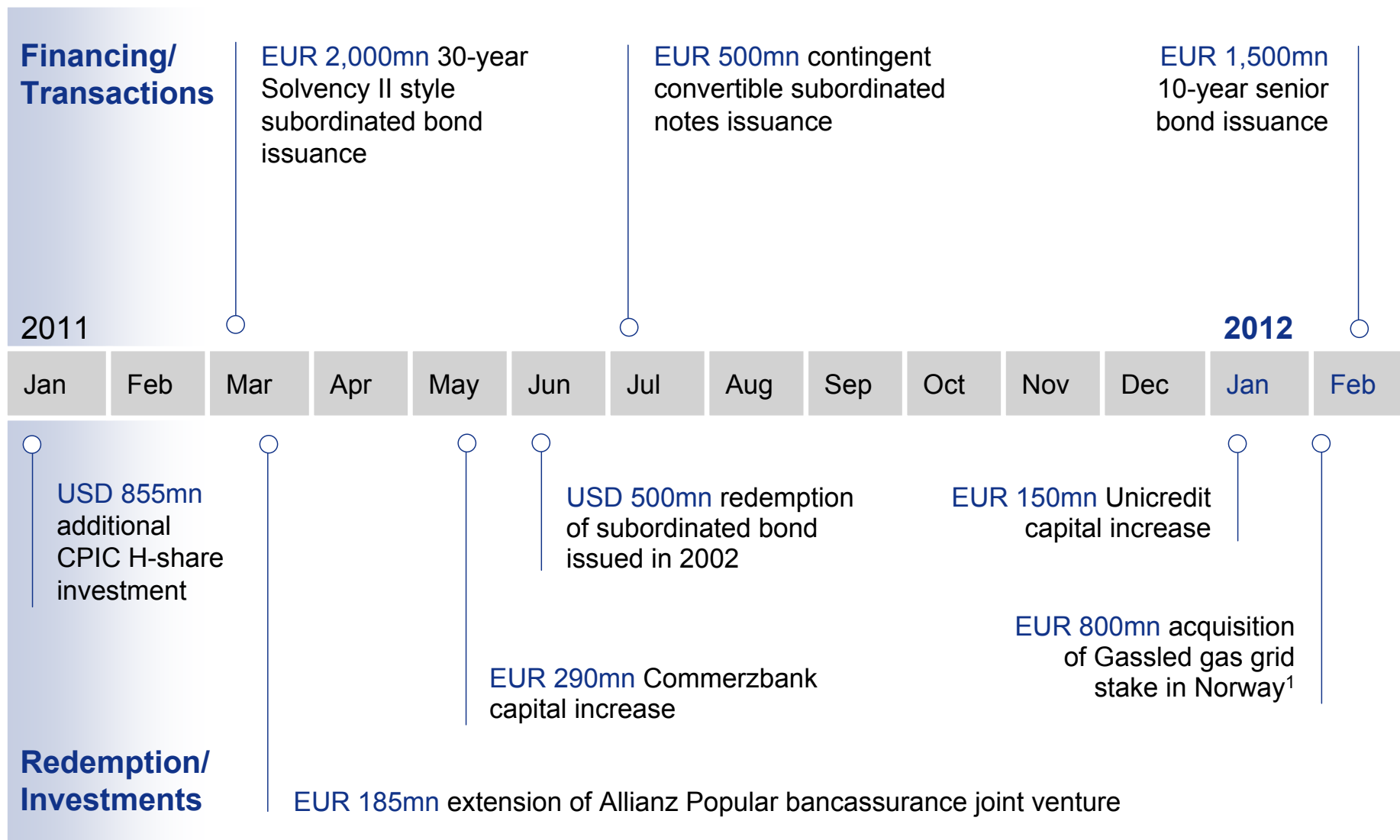
# C

F inancing  
I nvestments  
T ransactions

- 1** Financing & transactions
- 2** Investment result and allocation
- 3** Outlook
- 4** Additional information

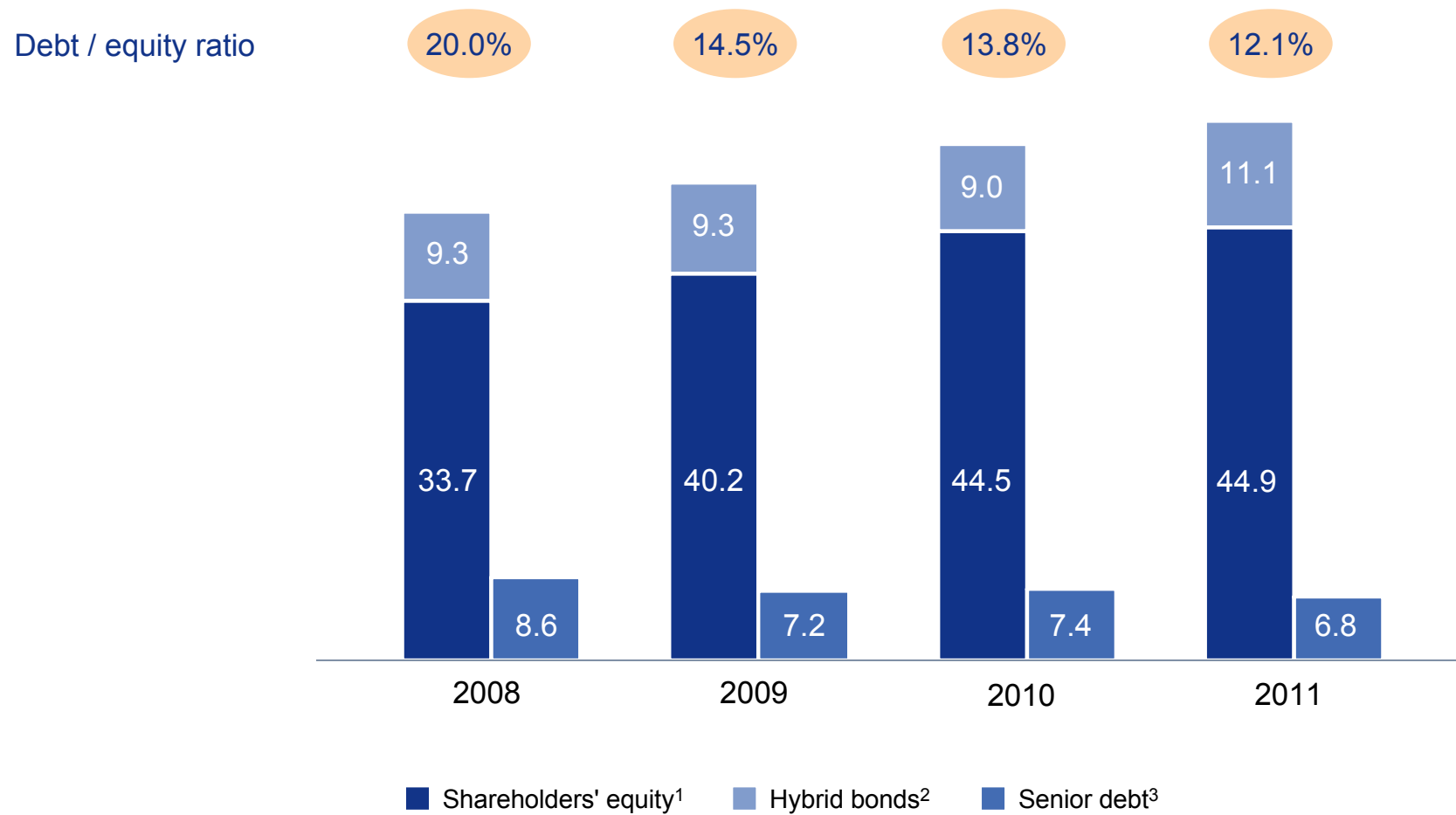


# Highlights 2011/2012



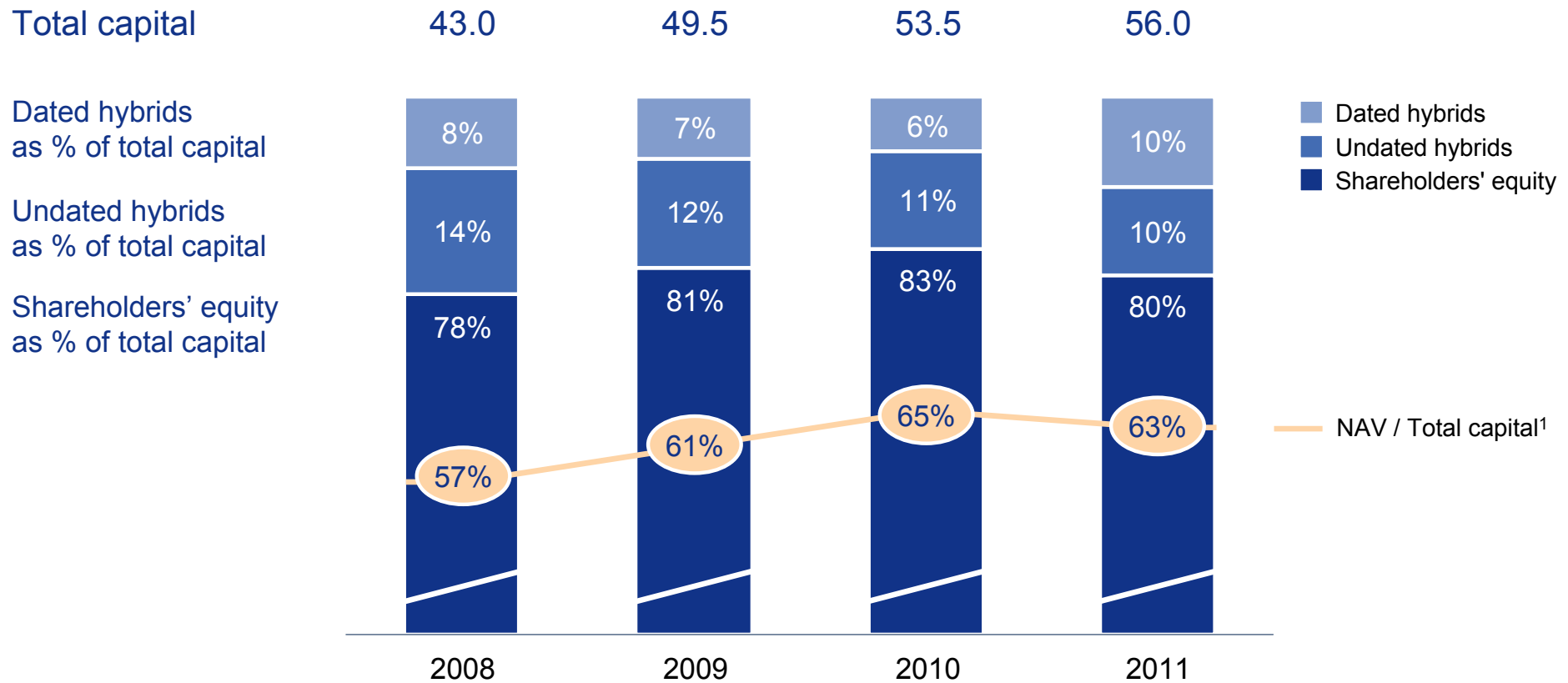
1) Announced June 2011

# Capital structure (EUR bn)



1) As historically reported  
 2) Subordinated liabilities excluding bank subsidiaries; nominal value  
 3) Certificated liabilities excluding bank subsidiaries; nominal value

# Quality of capital (EUR bn)

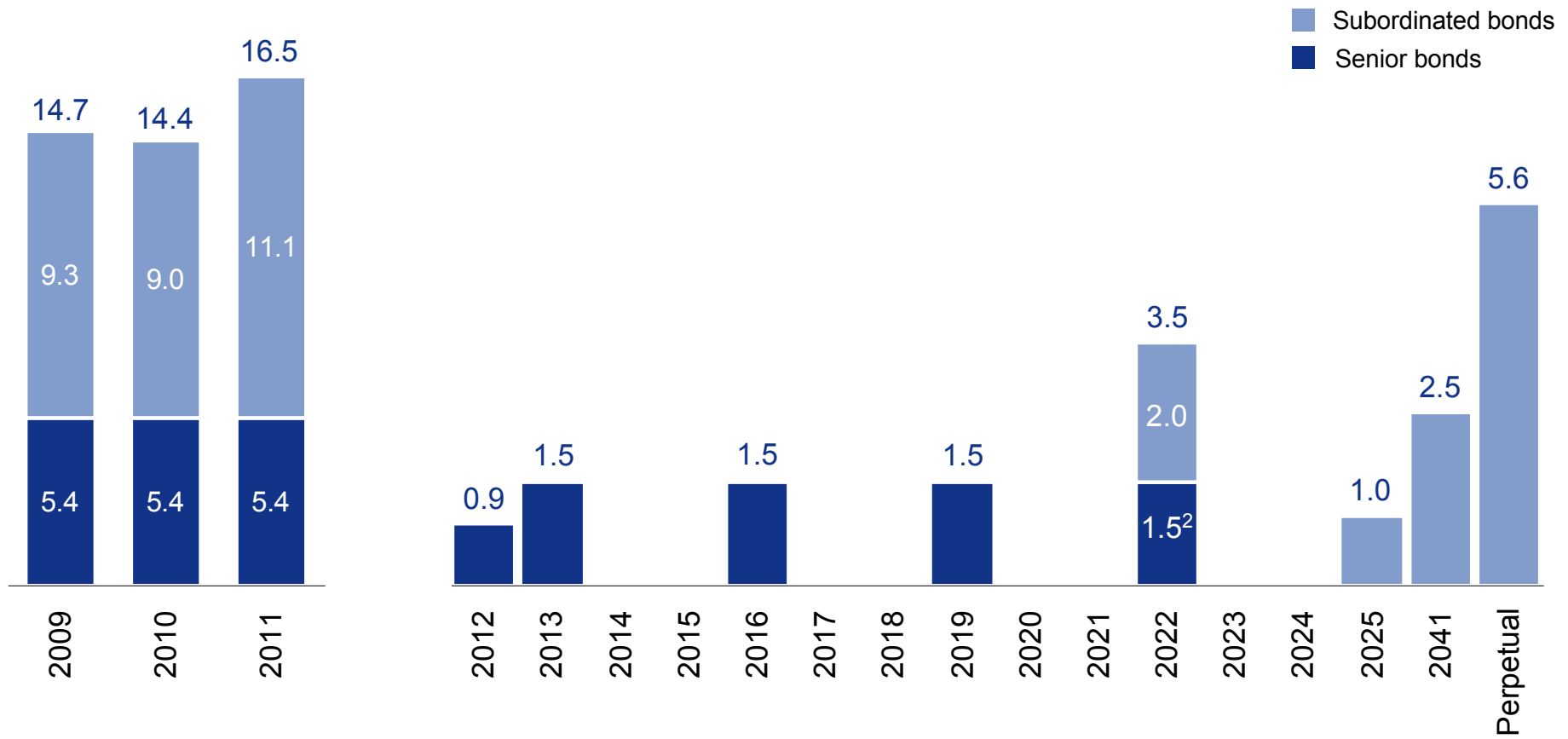


1) NAV: shareholders' equity + shareholders' share of off-balance sheet reserves - goodwill

# Maturity profile of external bonds (EUR bn)

Outstanding bonds<sup>1</sup>

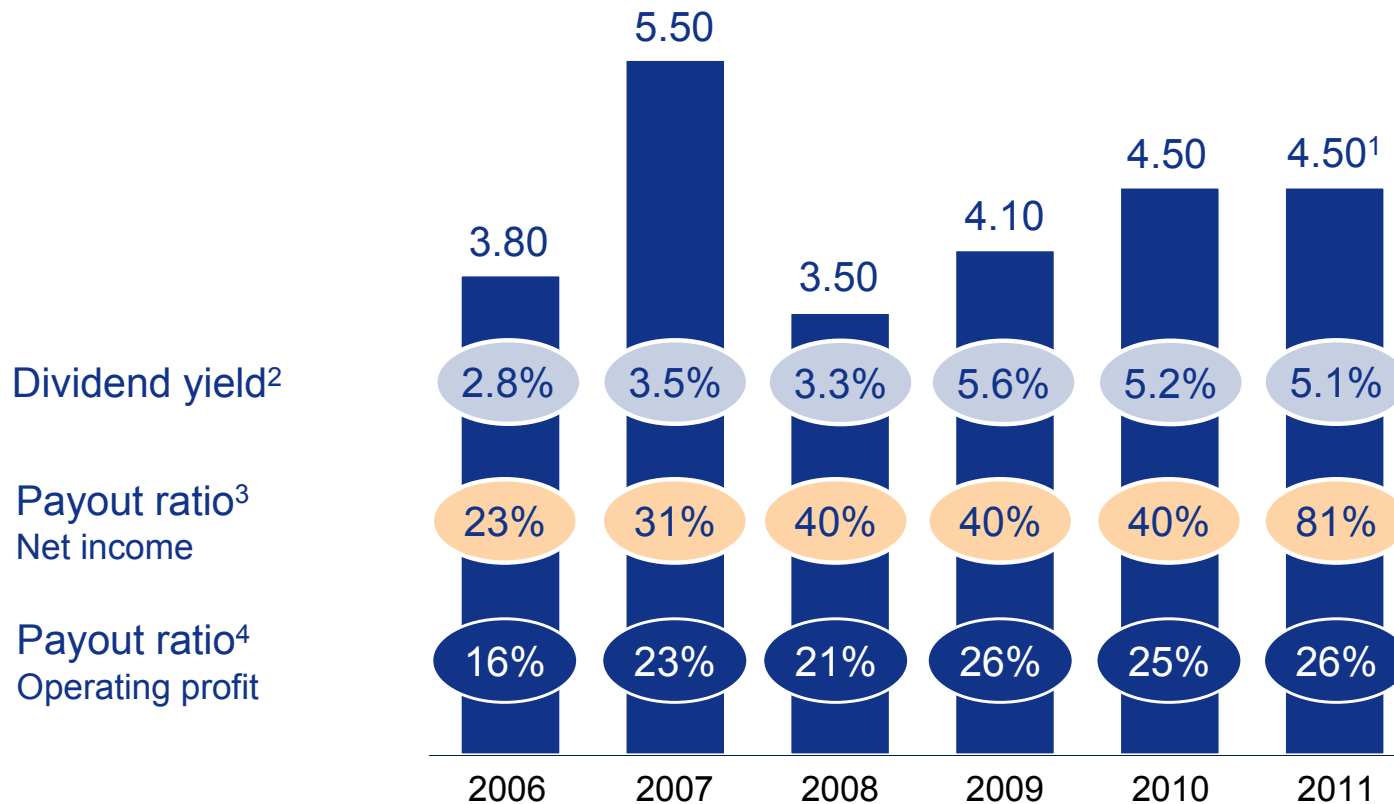
Maturity structure<sup>1</sup>



1) Group excluding bank subsidiaries; nominal value  
2) Senior bond issued effective February 14, 2012

## Attractive dividend policy

Dividend per share  
(EUR)



- 1) Proposal
- 2) Based on average share price of fiscal year
- 3) Based on net income from continuing operations, net of non-controlling interests; as historically reported
- 4) Based on operating profit as historically reported

# C

F inancing  
I nvestments  
T ransactions

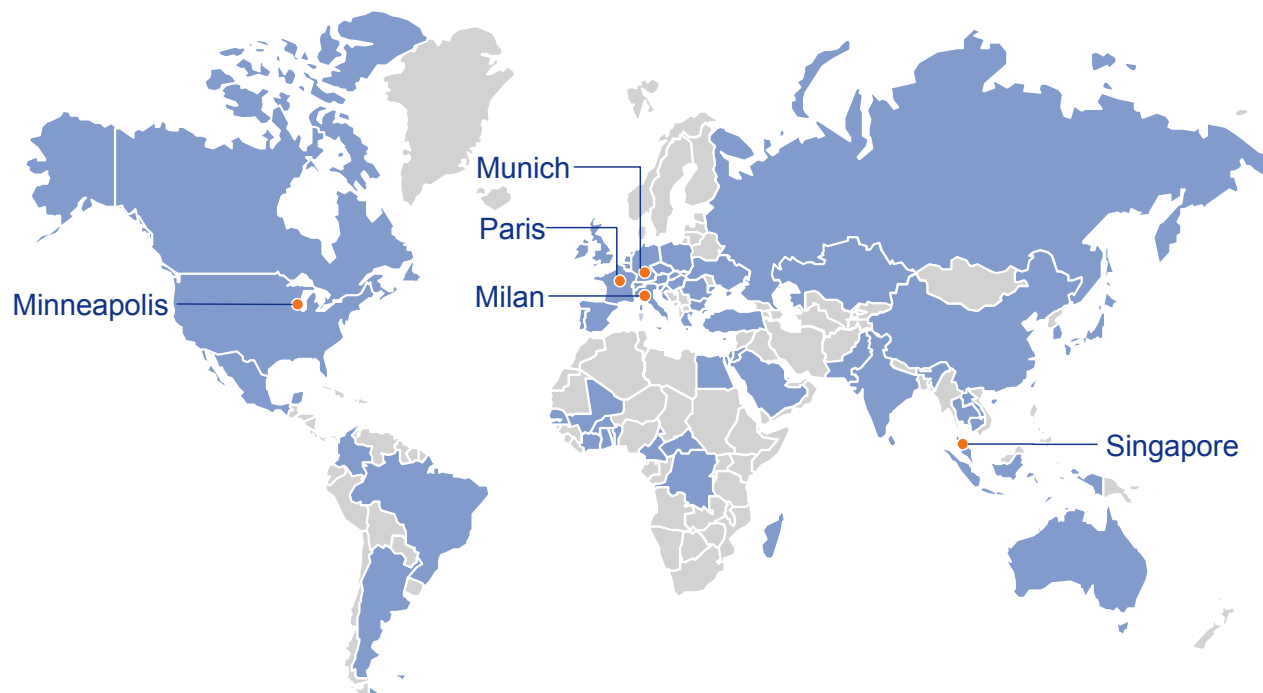
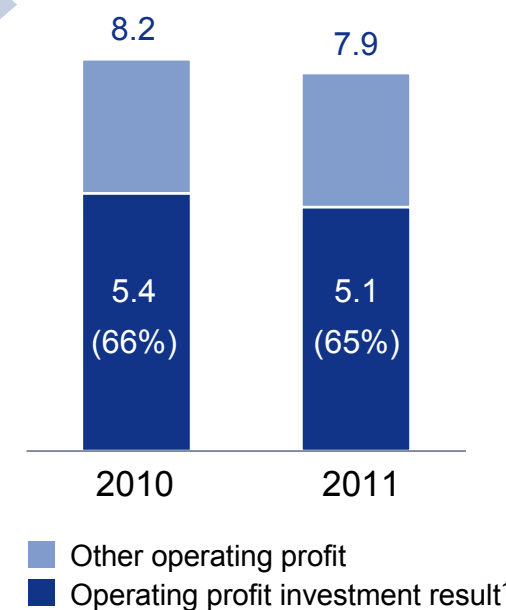
- 1 Financing & transactions
- 2 Investment result and allocation**
- 3 Outlook
- 4 Additional information

# AIM ensured strong contribution of investment result to operating profit

## Allianz Investment Management

Objective	Facts
Contributes to capital efficiency by maximizing risk adjusted investment return within a standardized process	<ul style="list-style-type: none"> <li>▪ Covering EUR 461bn (445bn in 2010) insurance assets</li> <li>▪ 5 regional hubs</li> <li>▪ 300 employees</li> </ul>

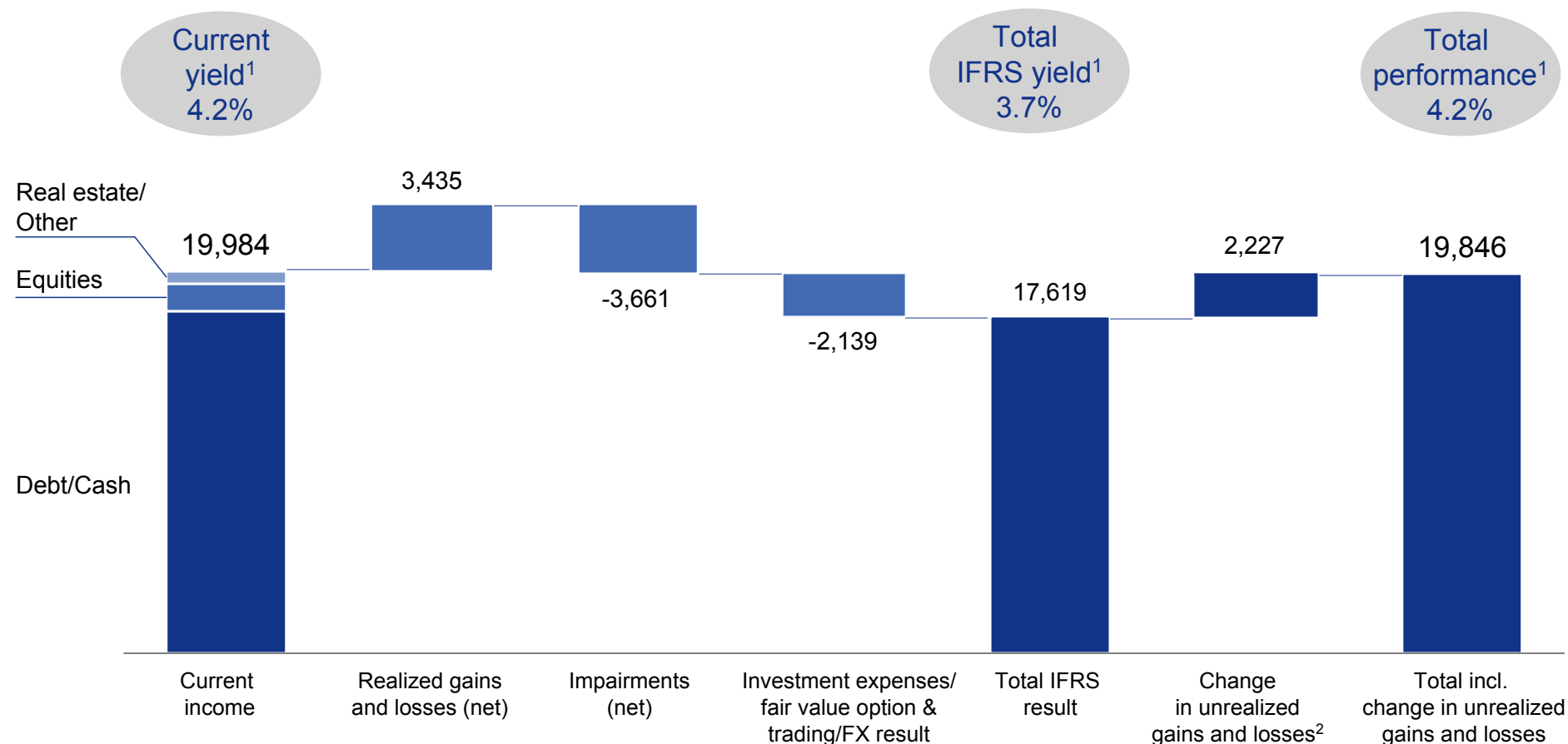
Operating profit (EUR bn)



1) Insurance business only (P/C + L/H)

# Investment performance 2011 – overview

(EUR mn)



- Current income dominated by debt; current income yield stable with 4.2%
- Realized gains (net) on equities (~2/3) and also on debt securities (~1/3)
- Impairments mainly on equity (~2/3) and Greek government bonds (~1/3)

1) Yield calculation is based on the average asset base at carrying value

2) Includes AFS equity and debt, held-to-maturity investments as well as loans and advances to banks and customers



## New investment yields 2011

L/H

	new F/I investments (in %)	Yield	Maturity (in years)
Government <sup>1</sup>	47%	4.1%	14.6
Covered	25%	4.2%	9.7
Corporate	25%	4.1%	7.3
ABS/MBS	3%	4.7%	10.9
<b>Total F/I 2011</b>	<b>100%</b>	<b>4.2%</b>	<b>11.4</b>

### Top countries

FR	47%
IT	17%
EM	12%
DE	7%

P/C

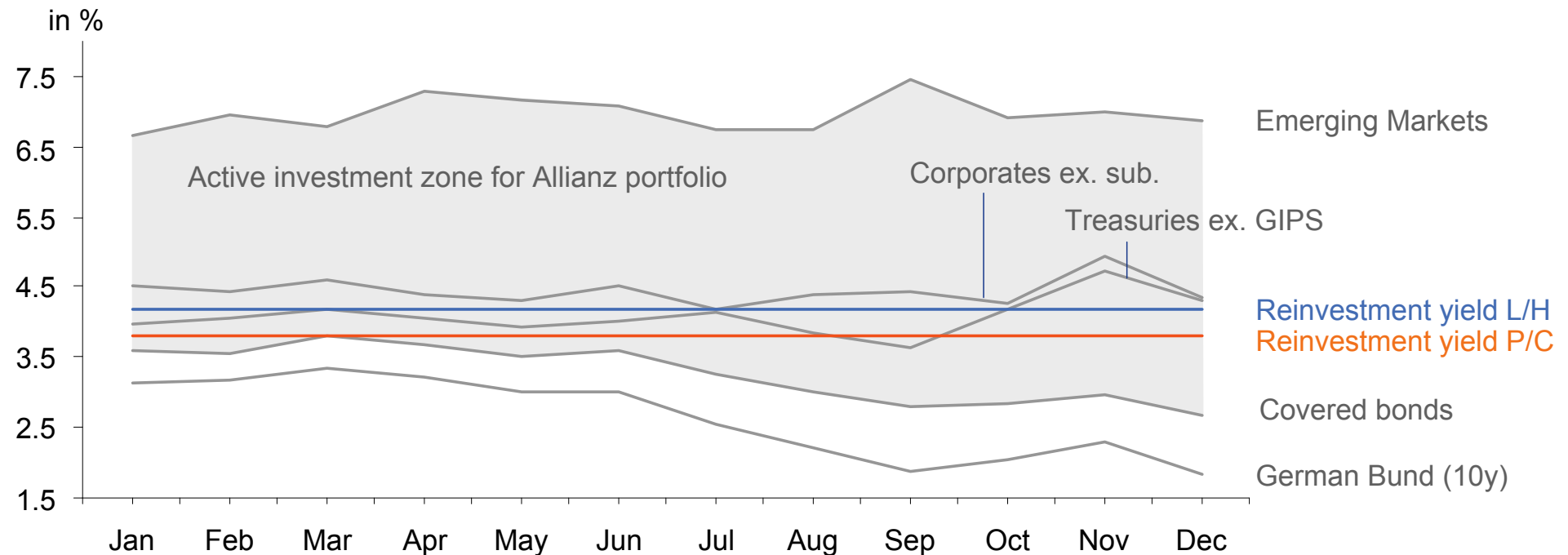
	new F/I investments (in %)	Yield	Maturity (in years)
Government <sup>1</sup>	45%	3.6%	7.2
Covered	25%	3.9%	6.0
Corporate	21%	3.6%	4.5
ABS/MBS	9%	4.7%	15.2
<b>Total F/I 2011</b>	<b>100%</b>	<b>3.8%</b>	<b>7.0</b>

### Top countries

FR	33%
EM	15%
DE	10%
IT	9%

1) Treasuries and government related

## New investment yields in line with conservative investment strategy

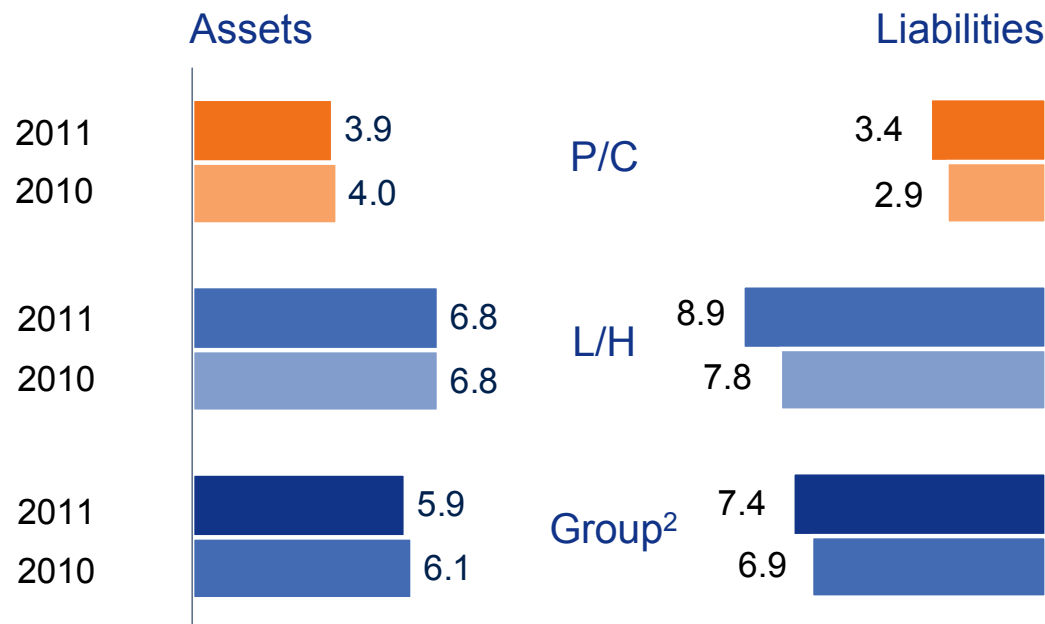


- First class, long-term-oriented fixed income asset management (PIMCO, AGI) assures attractive future yields
- High quality new investments, no new subordinated bonds (financial sector), no non-domestic investments in GIPS, sustainable risk profile
- Rating development (2008-2011) of fixed income portfolio in line with broad European market<sup>1</sup>

1) Based on probabilities of default of portfolio compared to Barclays Euro Aggregate index

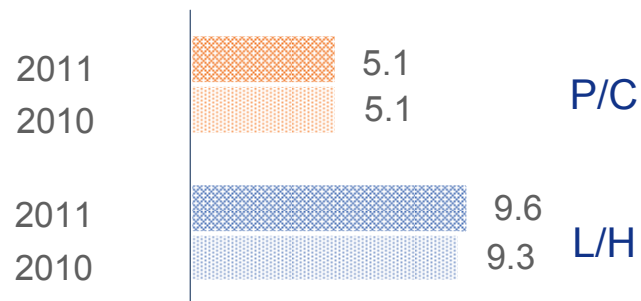
# Increased spreads – a challenge for duration management

## Duration<sup>1</sup>



- Swap rates decreased (-100 bps) → liability duration increased
- Portfolio rates stable → asset duration stable
- ➔ Duration gap increased by yield development in 2011

## Maturity<sup>3</sup>



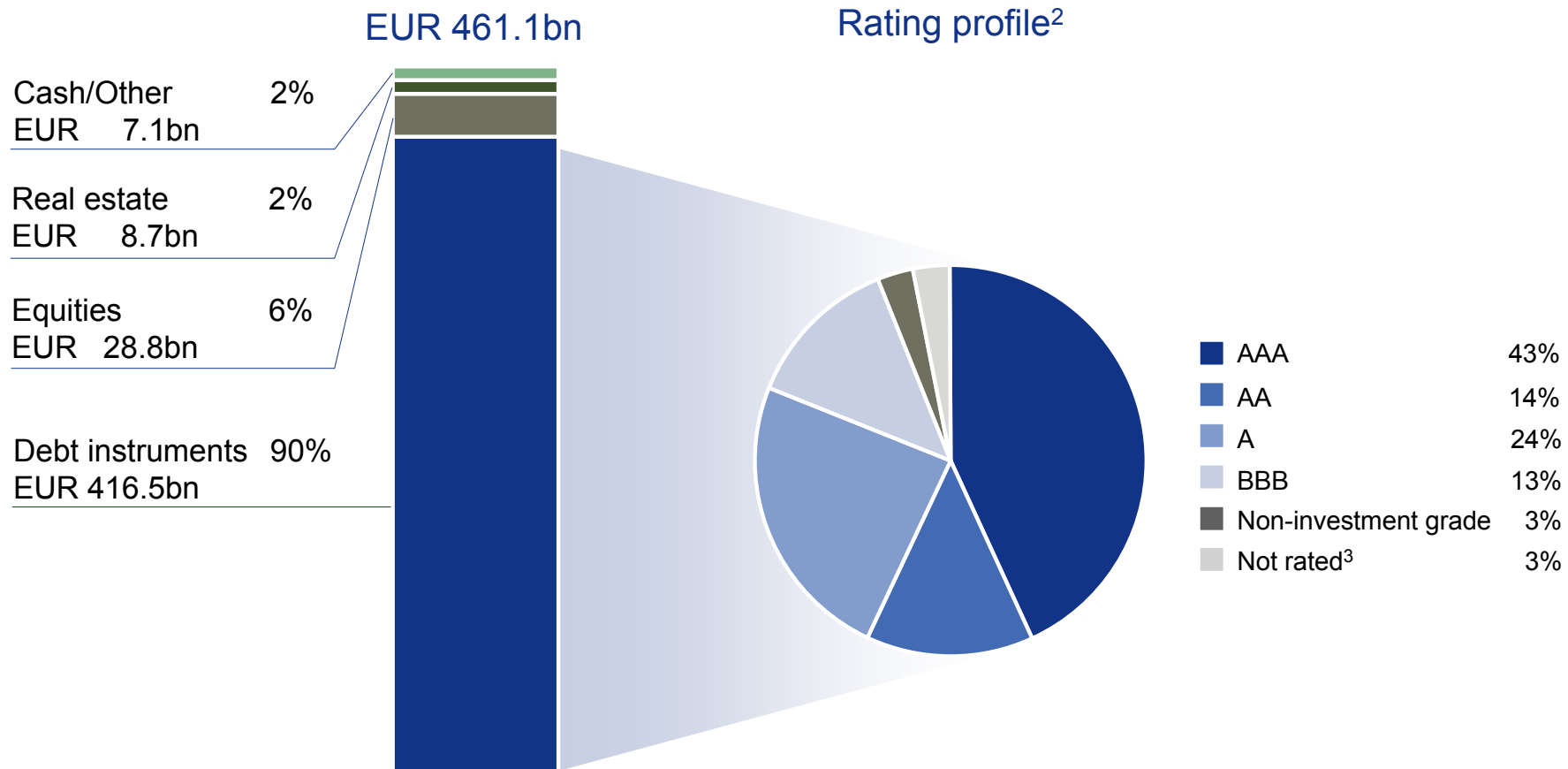
- Average time to maturity of all fixed income assets in the portfolio
- Indicates the yearly turnover rate and the new investment rate

1) Duration figures based on internal model (effective duration)  
 2) Including corporate segment  
 3) Debt, cash and other (in years)

# High quality investment portfolio

Conservative asset allocation<sup>1</sup>

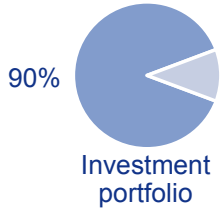
High quality fixed income portfolio



1) Portfolio discussion is based on consolidated insurance portfolios (P/C, L/H, Corporate and Other; excl. unit-linked)

2) Excluding seasoned self-originated German private retail mortgage loans

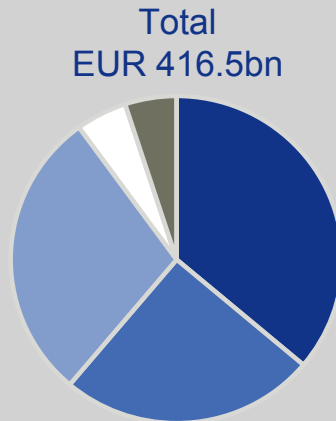
3) Mostly mortgage loans, policyholder loans, registered debentures all of investment grade quality



# High quality fixed income portfolio

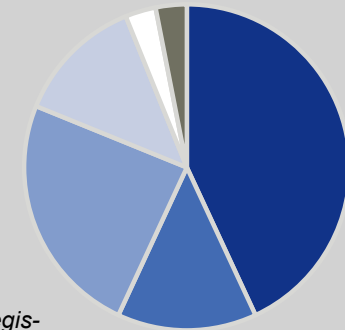
## By type of issuer

Government	36%
Covered	25%
Corporate	29%
<i>thereof Banking</i>	9%
ABS/MBS <sup>1</sup>	5%
Other <sup>2</sup>	5%



## By rating<sup>3</sup>

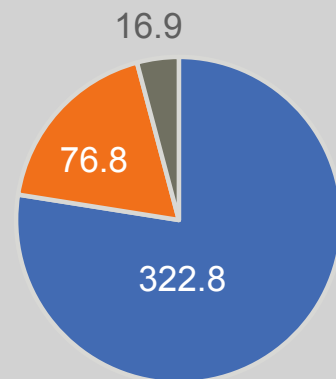
AAA	43%
AA	14%
A	24%
BBB	13%
Non-investment grade	3%
Not rated*	3%



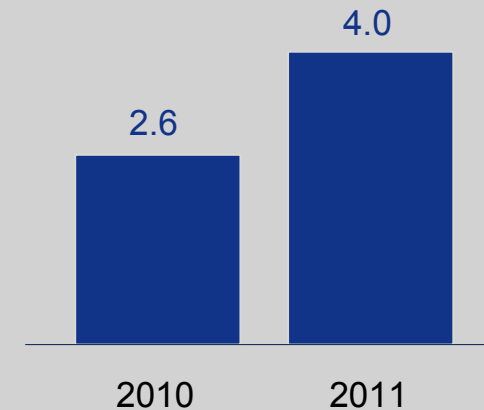
\*) mostly mortgage loans, policyholder loans, registered debentures, all of investment grade quality

## By segment (EUR bn)

L/H	78%
P/C	18%
Corporate and Other	4%



## Net AFS unrealized gains/losses (EUR bn)<sup>4</sup>

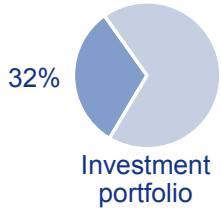


1) Including US agency backed investments (EUR 5.2bn)

2) Including 4% 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) On-balance unrealized gains/losses after tax, non-controlling interests, policyholders and before shadow DAC

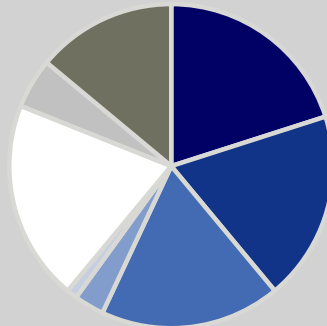


## Government bond allocation concentrated in EMU core countries

### By region

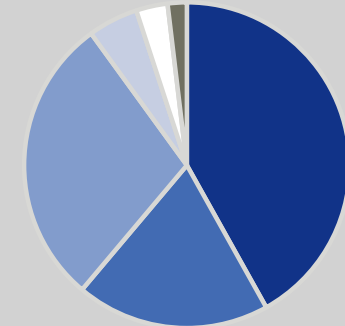
Germany	20%
France	19%
Italy	18%
Spain	3%
UK	1%
Rest of Europe	20%
USA	5%
Rest of World	14%

Total  
EUR 147.9bn<sup>1</sup>



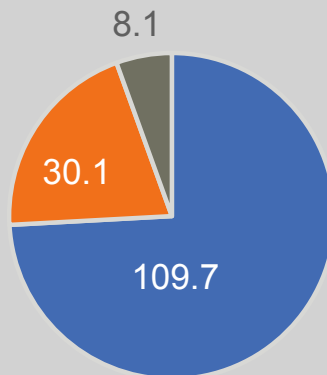
### By rating

AAA	42%
AA	19%
A	29%
BBB	5%
Non-investment grade	3%
Not rated	2%

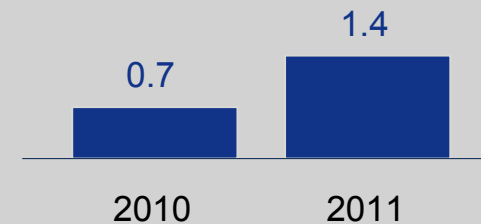


### By segment (EUR bn)

L/H	74%
P/C	20%
Corporate and Other	6%



### Net AFS unrealized gains/losses (EUR bn)<sup>2</sup>

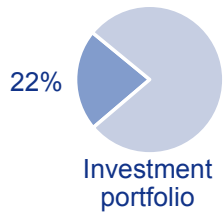


1) Government and government related (excl. US agency MBS)

2) On-balance unrealized gains/losses after tax, non-controlling interests and policyholders and before shadow DAC

## Details sovereigns (EUR bn)

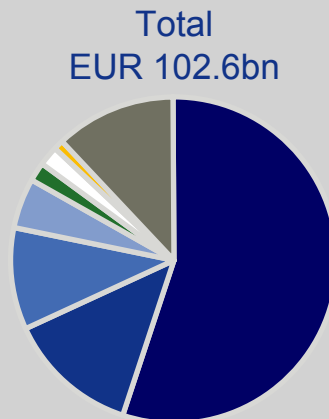
	Group			L/H			P/C		
	Book Value	% of F/I	thereof domestic	Book Value	% of F/I (L/H)	thereof domestic	Book Value	% of F/I (P/C)	thereof domestic
Germany	29.1	7.0%	25.2	20.7	6.4%	18.5	4.8	6.2%	3.0
France	27.6	6.6%	18.2	22.0	6.8%	15.3	4.3	5.6%	2.9
Italy	26.1	6.3%	19.5	22.3	6.9%	16.4	3.7	4.8%	3.1
USA	8.4	2.0%	6.0	4.9	1.5%	4.2	2.5	3.3%	1.8
Switzerland	6.0	1.4%	5.9	4.6	1.4%	4.5	1.4	1.8%	1.4
Belgium	5.9	1.4%	2.2	4.6	1.4%	1.9	0.9	1.2%	0.2
South Korea	5.7	1.4%	5.6	5.7	1.8%	5.6	0.0	0.0%	0.0
Spain	4.9	1.2%	3.1	3.8	1.2%	2.1	1.1	1.4%	1.0
Austria	4.1	1.0%	0.3	3.2	1.0%	0.2	0.7	0.9%	0.1
Netherlands	2.9	0.7%	0.3	1.6	0.5%	0.2	0.8	1.1%	0.1
Australia	2.4	0.6%	2.2	0.0	0.0%	0.0	2.3	3.0%	2.2
UK	2.1	0.5%	1.4	0.2	0.1%	0.0	1.8	2.4%	1.4
Poland	1.7	0.4%	0.4	1.3	0.4%	0.1	0.4	0.5%	0.3
Mexico	1.5	0.4%	0.3	1.3	0.4%	0.2	0.2	0.3%	0.1
Thailand	1.4	0.3%	1.2	1.4	0.4%	1.2	0.0	0.0%	0.0
Brazil	1.4	0.3%	0.4	0.9	0.3%	0.0	0.5	0.6%	0.4
Canada	1.2	0.3%	0.0	0.6	0.2%	0.0	0.6	0.7%	0.0
Portugal	0.5	0.1%	0.2	0.3	0.1%	0.1	0.2	0.3%	0.1
Ireland	0.4	0.1%	0.2	0.3	0.1%	0.0	0.1	0.2%	0.1
Greece	0.3	0.1%	0.1	0.2	0.1%	0.0	0.1	0.1%	0.0
Other	14.3	3.4%	n.a.	9.8	3.0%	n.a.	3.7	4.8%	n.a.
<b>Total 2011</b>	<b>147.9</b>	<b>35.5%</b>	<b>n.a.</b>	<b>109.7</b>	<b>34.0%</b>	<b>n.a.</b>	<b>30.1</b>	<b>39.2%</b>	<b>n.a.</b>
<b>Total 2010</b>	<b>142.3</b>	<b>36.0%</b>	<b>n.a.</b>	<b>104.0</b>	<b>34.1%</b>	<b>n.a.</b>	<b>29.4</b>	<b>39.7%</b>	<b>n.a.</b>



## Fixed income portfolio – covered bonds

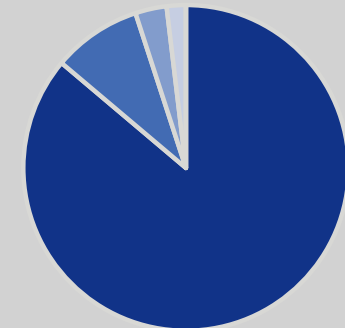
### By country

Germany	55%
France	13%
Spain	10%
UK	5%
Ireland	2%
Switzerland	2%
Sweden	1%
Rest of World	12%



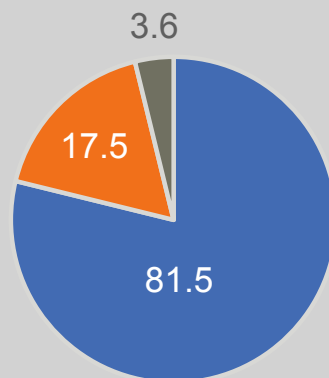
### By rating

AAA	86%
AA	9%
A	3%
BBB	2%
Non-investment grade	0%
Not rated	0%

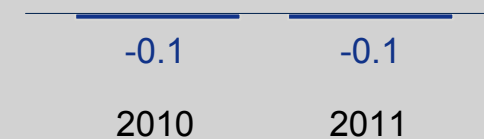


### By segment (EUR bn)

L/H	79%
P/C	17%
Corporate and Other	4%

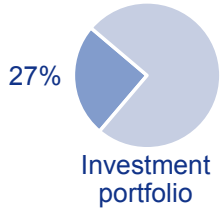


### Net AFS unrealized gains/losses (EUR bn)<sup>1</sup>



1) On-balance unrealized gains/losses after tax, non-controlling interests and policyholders and before shadow DAC



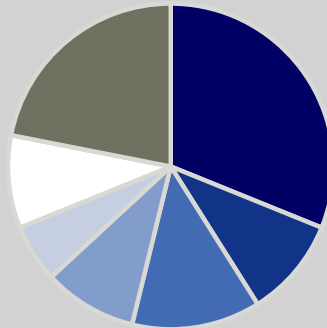


## Fixed income portfolio – corporate

### By sector

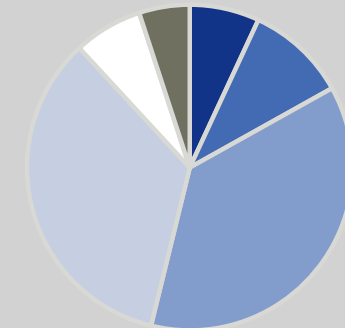
Banking	31%
Other financials	10%
Consumer	13%
Communication	9%
Industrial	6%
Utility	9%
Other	22%

Total  
EUR 122.8bn



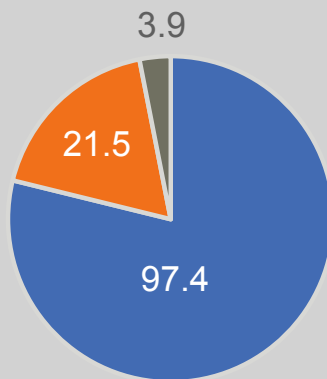
### By rating

AAA	7%
AA	10%
A	37%
BBB	34%
Non-investment grade	7%
Not rated <sup>1</sup>	5%

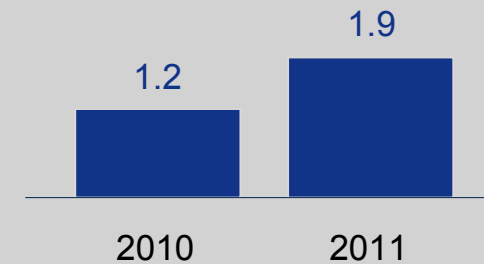


### By segment (EUR bn)

L/H	79%
P/C	18%
Corporate and Other	3%

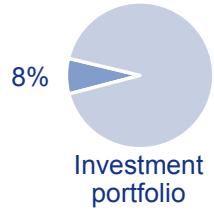


### Net AFS unrealized gains/losses (EUR bn)<sup>2</sup>



1) Including Eurozone loans/bonds (1%), US corporate mortgages (3%)

2) On-balance unrealized gains/losses after tax, non-controlling interests and policyholders and before shadow DAC

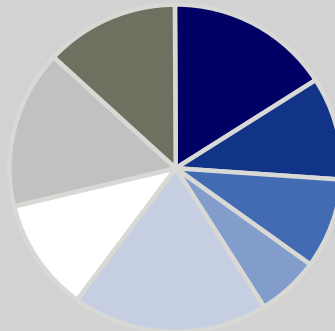


## Fixed income portfolio – banks

### By country

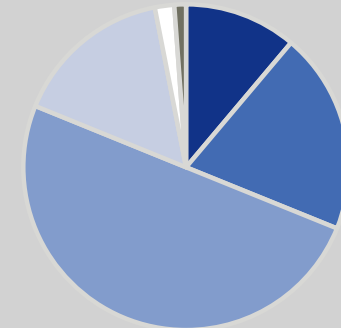
Germany	16%
UK	10%
France	9%
Italy	6%
Rest Eurozone	19%
Europe ex Eurozone	11%
USA	16%
Rest of World	13%

Total  
EUR 38.0bn



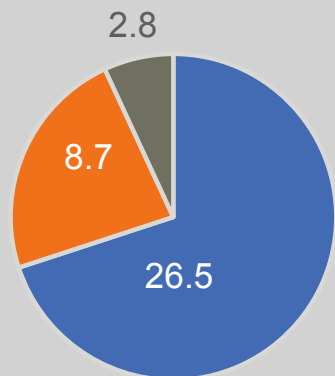
### By rating

AAA	11%
AA	20%
A	50%
BBB	16%
Non-investment grade	2%
Not rated	1%

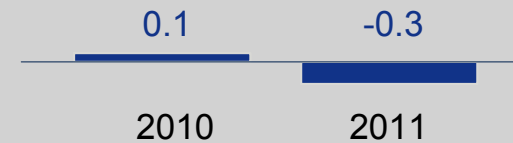


### By segment (EUR bn)

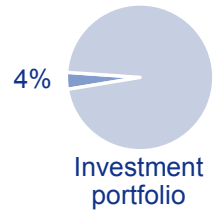
L/H	70%
P/C	23%
Corporate and Other	7%



### Net AFS unrealized gains/losses (EUR bn)<sup>1</sup>



1) On-balance unrealized gains/losses after tax, non-controlling interests and policyholders and before shadow DAC

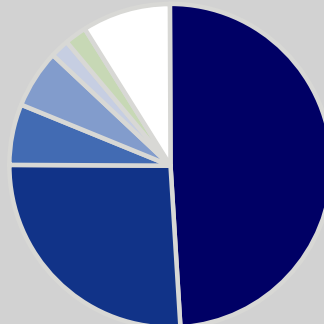


## Fixed income portfolio – ABS

### By type of category

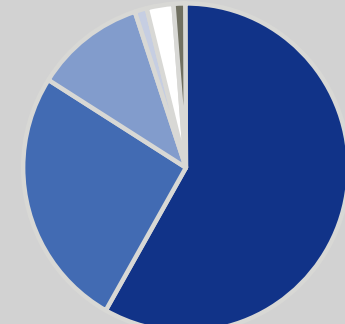
CMBS	49%
US Agency	26%
RMBS	6%
CMO/CDO	6%
Credit Card	2%
Auto	2%
Other	9%

Total  
EUR 19.9bn



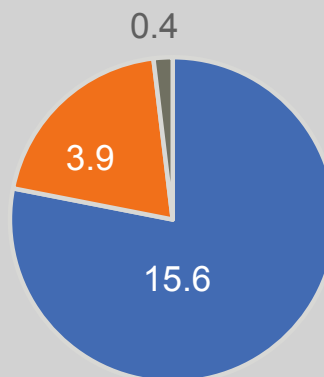
### By rating

AAA	58%
AA	26%
A	11%
BBB	1%
Non-investment grade	3%
Not rated	1%

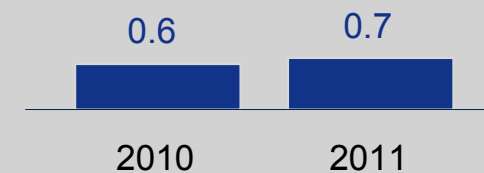


### By segment (EUR bn)

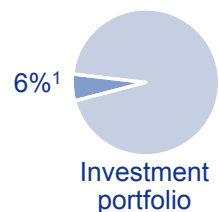
L/H	78%
P/C	20%
Corporate and Other	2%



### Net AFS unrealized gains/losses (EUR bn)<sup>1</sup>

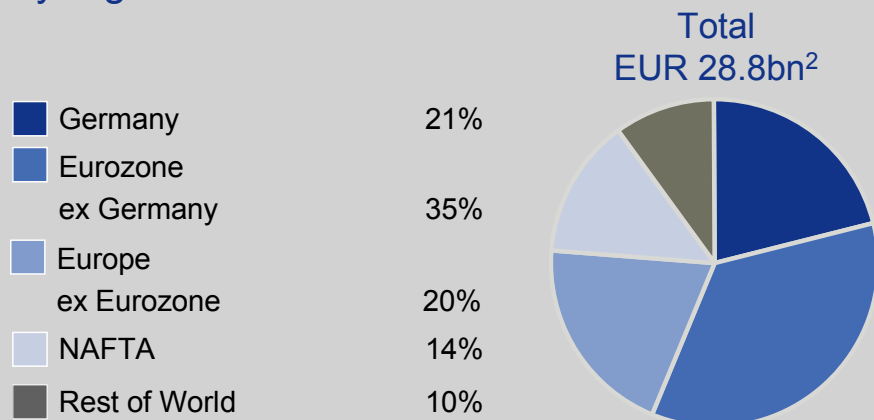


1) On-balance unrealized gains/losses after tax, non-controlling interests and policyholders and before shadow DAC

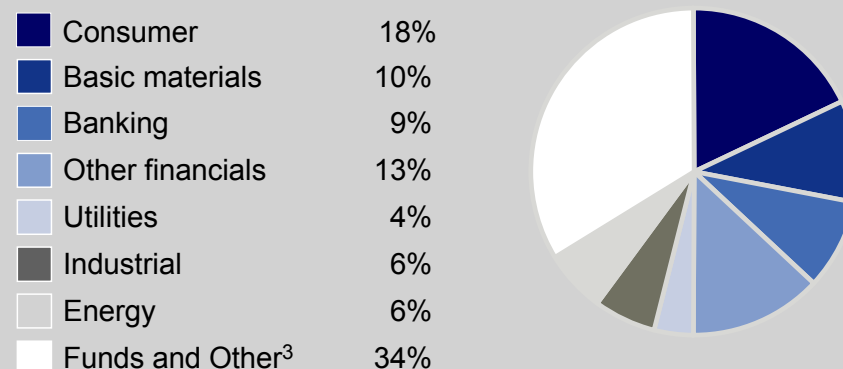


## Equity portfolio

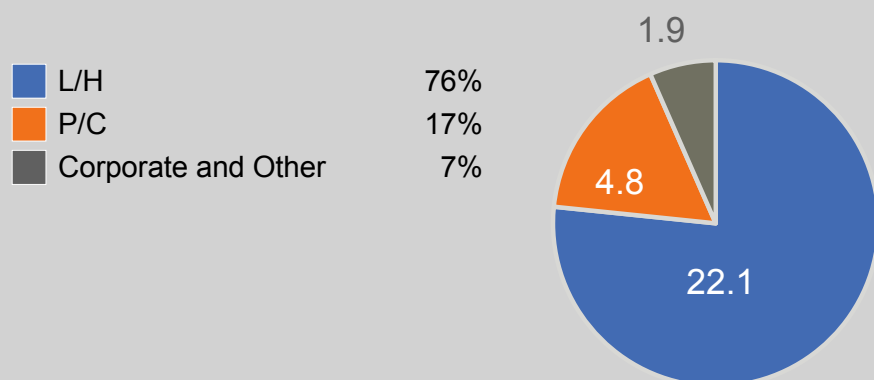
### By region



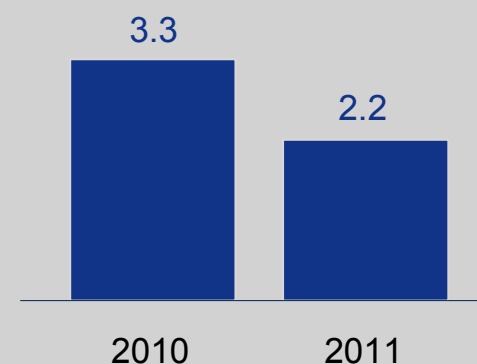
### By industry



### By segment (EUR bn)



### Net AFS unrealized gains/losses (EUR bn)<sup>4</sup>

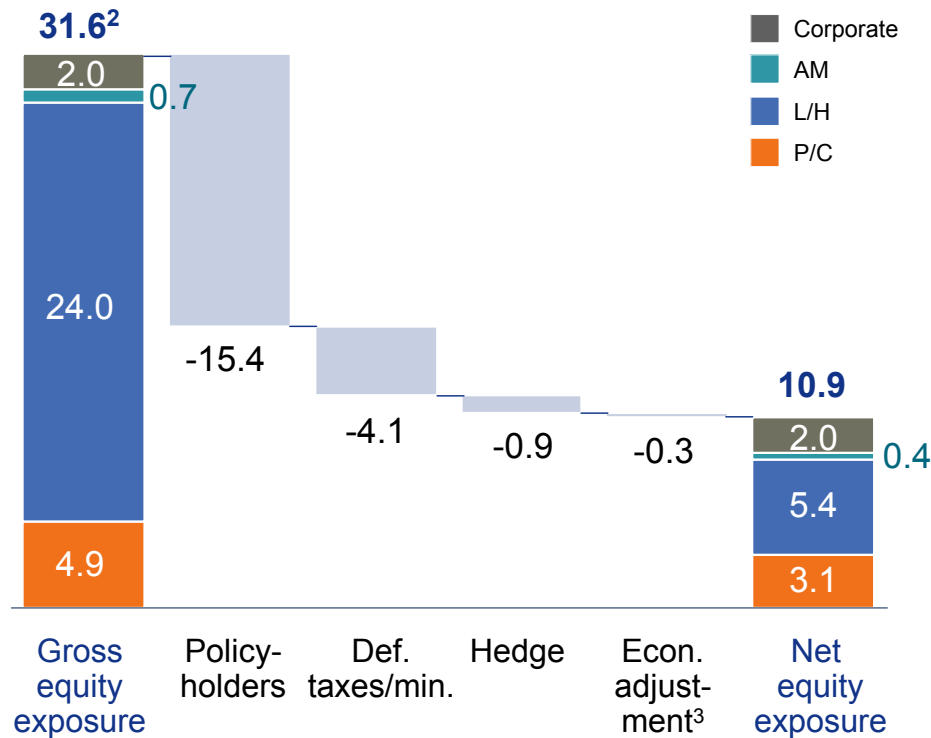


1) Before hedges; equity quota after hedges 6%  
 2) Incl. non-equity retail funds (EUR 0.6bn), excl. equities designated at fair value through income (EUR 2.1bn)

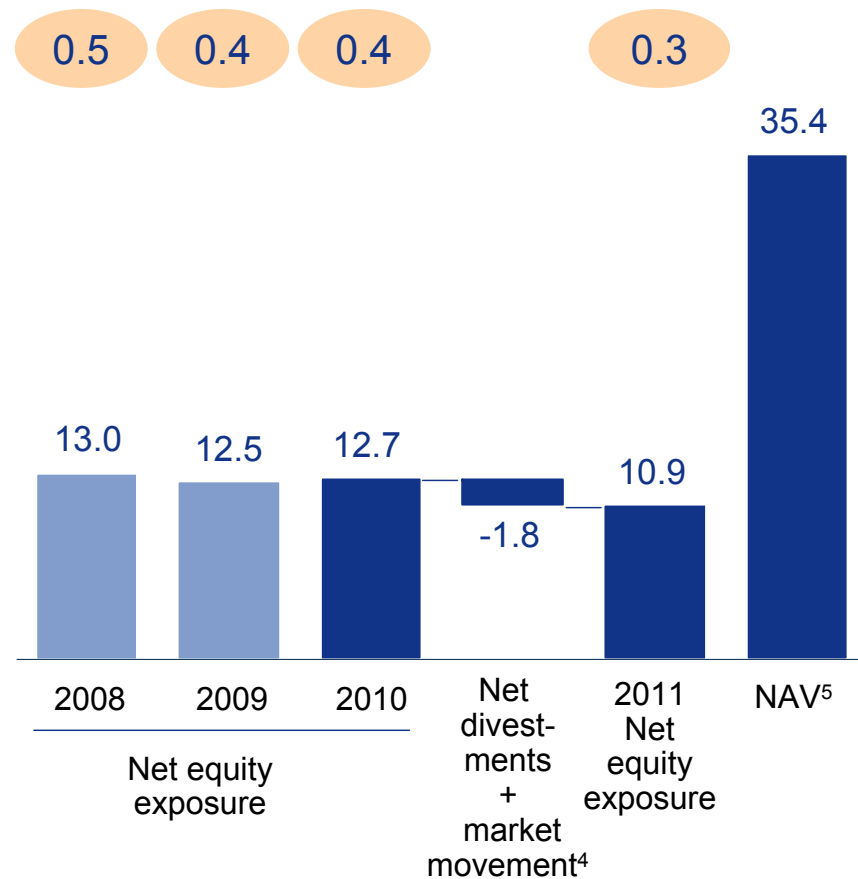
3) Diversified investment funds (EUR 2.1bn); private and unlisted equity (EUR 5.1bn)  
 4) On-balance unrealized gains/losses after tax, non-controlling interests and policyholders and before shadow DAC

# Group equity gearing<sup>1</sup> (EUR bn)

## Reconciliation of net equity exposure (as of 31/12/2011)



## Equity gearing



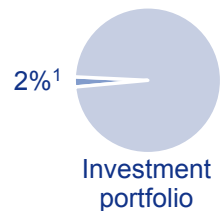
1) Group figures, including Asset Management and Banking

2) Equity investments held available-for-sale and designated at fair value (EUR 2.6bn); associated enterprises, non consolidated affiliated enterprises and JVs

3) Adjustment for non-equity retail funds as well as insurance participations accounted for as associated enterprises, non-consolidated affiliated enterprises and JVs

4) Including new adjustment for non-equity retail funds and insurance participations

5) Shareholders' equity + shareholders' share of off-balance sheet reserves excluding goodwill



## Alternative investments

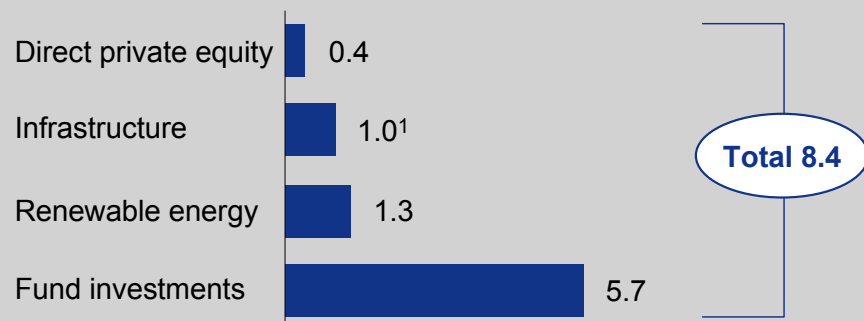
### Renewables

- Further increased investment volume of renewable energies by various **solar and windparks**
- Wind energy investments strengthened in **France and Germany**, photovoltaic park investments conducted in **Italy and France**
- Continuing build-up of portfolio to be executed in newly established **pan-European structure** comprising various Allianz entities in Germany, France and Italy

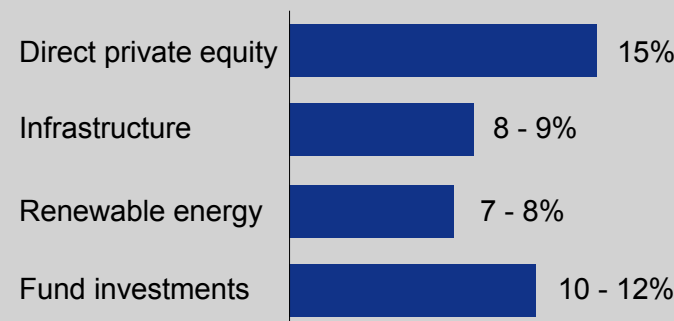
### Infrastructure

- Portfolio significantly increased to EUR 1bn by acquisition of the Norwegian gas transportation grid stake **Gassled**
- **Investment team** drives expansion of Allianz' portfolio, eyeing on core assets with a low-risk profile and long-term, stable and inflation-linked cash flows
- Major target sectors remain **power and gas grids, rail** and **other transportation infrastructure**

### Assets under Management (4Q 2011, in EUR bn)



### Target IRR (in %)



1) Including Gassled stake

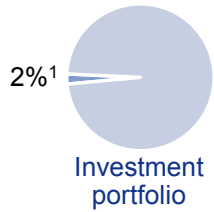
# Gassled transaction

## Example for infrastructure investments

	Total stake (6.4% <sup>1</sup> )	Statoil stake (24.1% <sup>1</sup> )	Pipeline system
General	<ul style="list-style-type: none"> <li>World's largest offshore gas transportation system (ca. 8,000 km; consists of rich and dry gas pipelines, as well as related platforms and terminals)</li> <li>Connects the offshore gas fields on the Norwegian continental shelf with receiving terminals in Continental Europe and the UK</li> <li>License runs until 2028</li> </ul>		
Region	Norway	Norway	
Economic figures	Transaction value: NOK 4.6bn (~EUR 0.6bn)	Transaction total value: NOK 17.4bn (~EUR 2.2bn) (Allianz equity share: EUR 0.2 bn)	
Ownership	Allianz	Consortium of Allianz, ADIA and CPPIB	
Investment highlights	<ul style="list-style-type: none"> <li>Strategic asset of vital importance to ensure continuity of gas supply to Europe</li> <li>Regulated asset with inflation protected returns</li> <li>Limited risk profile underpinned by “ship or pay” contracts</li> </ul>		

© Allianz SE 2012

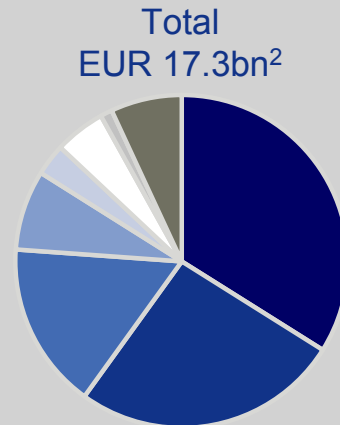
1) Direct and indirect participation



# Real estate portfolio

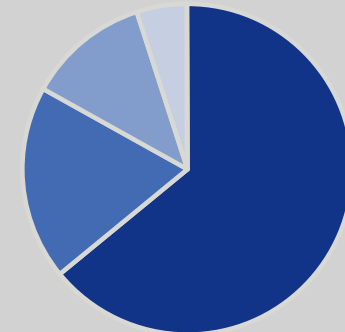
## By region

France	34%
Germany	26%
Switzerland	16%
Italy	8%
Spain	3%
Rest of Eurozone	5%
USA	1%
Rest of World	7%



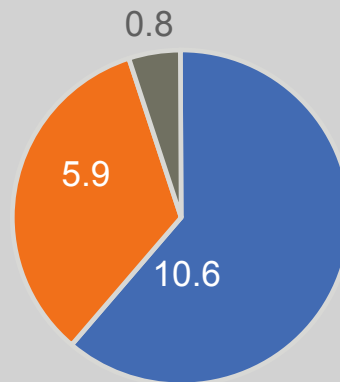
## By sector

Office	64%
Residential	19%
Retail	12%
Other/mixed	5%



## By segment (EUR bn)

L/H	61%
P/C	34%
Corporate and Other	5%



## Net unrealized gains/losses (EUR bn)<sup>3</sup>

	2010	2011
Own use	0.6	0.6
3rd party use	1.5	1.5
<b>Total</b>	<b>2.1</b>	<b>2.1</b>

1) Based on carrying value, 3rd party use only

2) Market value of fully consolidated real estate assets including real estate own use (EUR 4.1bn) and minorities (EUR 0.3bn)

3) Off-balance unrealized gains/losses after tax, non-controlling interests, policyholders and before shadow DAC, based on external and internal real estate valuations



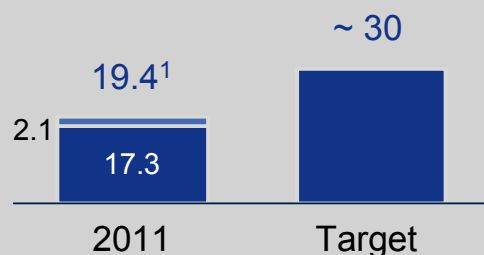
# Allianz Real Estate (ARE): active portfolio management

## Real estate exposure:

Total

Other real estate

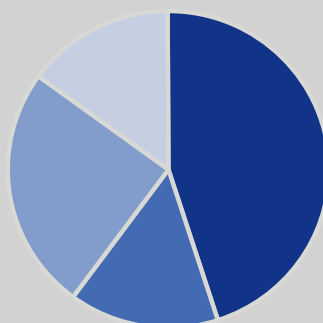
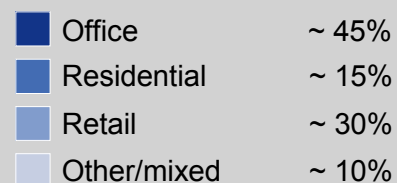
Fully consolidated real estate assets



## ARE Assets under Management (EUR bn)

## Real estate investment strategy

### Target sector allocation



### Target returns

5 - 6% Income return  
1 - 3% Capital growth

In 2011 more than EUR 1.5bn new investments ...

Major investments	Market/city	Sector
Prologis Europe	Europe	Logistics
Archstone	USA	Residential
Brahms Quartier	Germany	Office
Forum Seine	France	Office
Friedrichstraße 200	Germany	Office
Front de Seine	France	Office
PGRESS	USA	Mixed
Skyline Plaza	Germany	Retail

... but also approx. EUR 1bn divestments of non-strategic assets

Divestments	Market/city	Sector
Small lines, secondary locations	Mainly in France, Germany	Residential, office
Logistic portfolio	USA	Logistics

1) Contains EUR 17.3bn fully consolidated real estate assets and EUR 2.1bn other real estate assets (including EUR 0.9bn joint ventures and associated enterprises, EUR 1.5bn available-for-sale investments with open commitments and excluding EUR 0.3bn minorities).

# Real estate opportunity – expansion of debt business in Europe

## The market opportunity

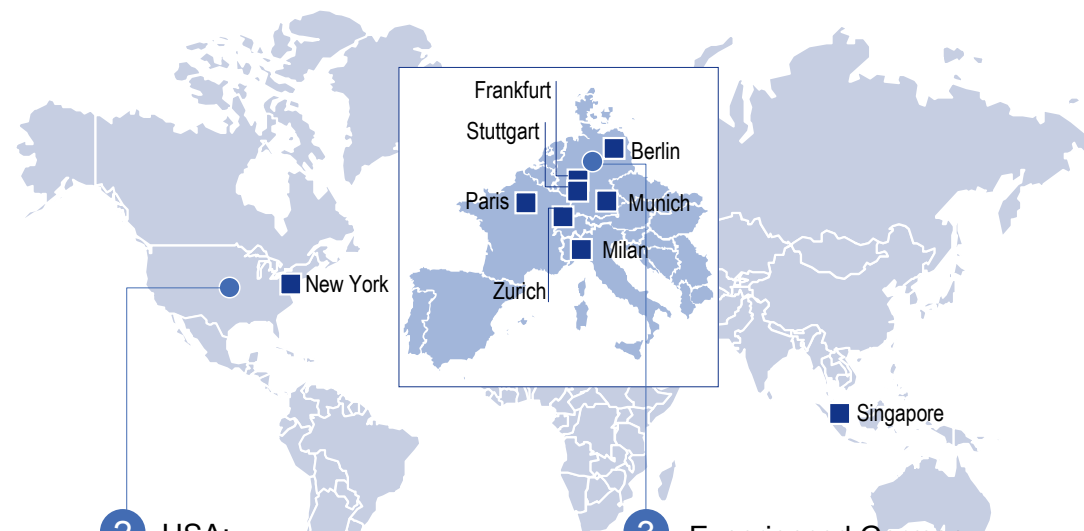
- Significant commercial real estate debt volumes to mature in the next years
- Banks partly retrench from new property lending (Basel III, liquidity issues, ...)
- Portfolios of performing commercial mortgage loans on the market
- Attractive credit spreads, including low risk transactions

## Landmark transaction in Europe in 2011

Transaction	Market/City	Sector
Deutsche Bank towers	Germany/Frankfurt	Office

## Allianz is well positioned

- 1 Sound real estate expertise locally available (Hubs in FR, GER, IT, CH, A/P, US) ■ Allianz Real Estate offices



- 2 USA:
- Experienced US platform with a high quality debt portfolio of around ~USD 6.1bn
  - USD 1bn new investments in 2011
- 3 Experienced German retail mortgage platform of around ~EUR 12.6bn









▶ Leveraging existing mortgage debt and real estate experience in Allianz

# C

F inancing  
I nvestments  
T ransactions

- 1 Financing & transactions
- 2 Investment result and allocation
- 3 Outlook**
- 4 Additional information

## Major portfolio actions in 2011 and expectation for 2012

	2011		2012	
	Portfolio action	Assessment	Portfolio action	Implications
Debt securities		<ul style="list-style-type: none"> <li>Non-domestic Italian government bonds have been reduced in time</li> <li>Corporate bonds clearly outperformed on high spreads and limited peripheral exposure</li> <li>Government bonds underperformed on peripheral concerns</li> <li>Long duration paid off</li> </ul>		<ul style="list-style-type: none"> <li>Invest in direct lending</li> <li>Increase High Yield and selected corporates</li> <li>Management of financials, particularly by reducing subordinated exposure through redemptions</li> <li>Retain Emerging Markets for yield and solvency</li> </ul>
Equities		<ul style="list-style-type: none"> <li>Benefited from initial equity rally</li> <li>Maximum underweight</li> <li>Very bad year for equities</li> </ul>		<ul style="list-style-type: none"> <li>Equity valuations do not reflect risk to earnings</li> <li>Disappointing earnings season and Greek resolution might mark an entry moment</li> </ul>
Real estate		<ul style="list-style-type: none"> <li>Continuing rebalancing of portfolio keeping focus on high quality investments</li> </ul>		<ul style="list-style-type: none"> <li>Selective and opportunistic investments</li> <li>Allows for inflation adjustment</li> </ul>
Alternatives		<ul style="list-style-type: none"> <li>Successful investments in selective assets</li> </ul>		<ul style="list-style-type: none"> <li>Continue strategic increase in alternative investments (infrastructure and distressed opportunities)</li> </ul>

## Key topics 2011 and expected topics for 2012

2011

2012

- Asset allocation further optimized with respect to **Solvency II** boundaries
- Low interest rate environment taken into consideration by **intensive asset duration management**
- **Euro debt crisis:**
  - rebalancing of sovereign exposure
  - pushing for insurance mechanism in EFSF/ESM framework



- Close monitoring of **financial exposure** (equity and corporates)
- Continued **tight management of currency** exposure
- Increase exposure to **real assets** (directly financing economy instead of indirectly via banks)
- Seize **special situations/direct lending**

# C

F inancing  
I nvestments  
T ransactions

- 1 Financing & transactions
- 2 Investment result and allocation
- 3 Outlook
- 4 **Additional information**

## Details covered bonds (EUR bn)

		Group	L/H	P/C
<b>Germany</b>	<b>total</b>	<b>56.0</b>	<b>47.4</b>	<b>6.5</b>
	AAA	54.5	46.6	5.8
	AA	1.0	0.6	0.4
	A	0.2	0.1	0.1
	≤ BBB/not rated	0.3	0.1	0.2
<b>France</b>	<b>Total</b>	<b>13.7</b>	<b>10.6</b>	<b>2.9</b>
	AAA	11.8	9.2	2.5
	AA	1.9	1.4	0.4
	A	0.0	0.0	0.0
	≤ BBB/not rated	0.0	0.0	0.0
<b>Spain</b>	<b>total</b>	<b>9.8</b>	<b>7.7</b>	<b>2.0</b>
	AAA	5.3	3.9	1.4
	AA	1.5	1.3	0.2
	A	2.1	1.8	0.2
	≤ BBB/not rated	0.9	0.7	0.2
<b>Other</b>	<b>total</b>	<b>23.1</b>	<b>15.8</b>	<b>6.1</b>
	AAA	17.0	11.6	4.6
	AA	4.5	3.1	1.0
	A	0.5	0.3	0.2
	≤ BBB/not rated	1.1	0.8	0.3
<b>Total 2011</b>		<b>102.6</b>	<b>81.5</b>	<b>17.5</b>
<b>Total 2010</b>		<b>98.5</b>	<b>79.3</b>	<b>16.3</b>

## Details bank exposure – subordinated debt (EUR bn)

		Group	L/H	P/C
USA	<b>total sub</b>	<b>2.1</b>	<b>1.7</b>	<b>0.4</b>
	LT2	1.9	1.6	0.3
	UT2	0.0	0.0	0.0
	T1	0.2	0.1	0.1
	other	0.0	0.0	0.0
Germany	<b>total sub</b>	<b>1.7</b>	<b>0.4</b>	<b>0.1</b>
	LT2	0.9	0.3	0.1
	UT2	0.0	0.0	0.0
	T1	0.7	0.0	0.0
	other	0.1	0.1	0.0
UK	<b>total sub</b>	<b>1.3</b>	<b>1.0</b>	<b>0.3</b>
	LT2	1.2	0.9	0.3
	UT2	0.1	0.1	0.0
	T1	0.0	0.0	0.0
	other	0.0	0.0	0.0
France	<b>total sub</b>	<b>0.7</b>	<b>0.5</b>	<b>0.1</b>
	LT2	0.6	0.4	0.1
	UT2	0.0	0.0	0.0
	T1	0.1	0.1	0.0
	other	0.0	0.0	0.0
Italy	<b>total sub</b>	<b>0.5</b>	<b>0.3</b>	<b>0.2</b>
	LT2	0.4	0.3	0.1
	UT2	0.0	0.0	0.0
	T1	0.1	0.0	0.1
	other	0.0	0.0	0.0
Other	<b>total sub</b>	<b>2.1</b>	<b>1.9</b>	<b>0.2</b>
	LT2	1.6	1.4	0.2
	UT2	0.2	0.2	0.0
	T1	0.2	0.2	0.0
	other	0.1	0.1	0.0
Total 2011	<b>total sub</b>	<b>8.4</b>	<b>5.8</b>	<b>1.3</b>
	LT2	6.6	4.9	1.1
	UT2	0.3	0.3	0.0
	T1	1.3	0.4	0.2
	other	0.2	0.2	0.0
<b>Total 2010</b>	<b>total sub</b>	<b>10.6</b>	<b>7.5</b>	<b>1.7</b>



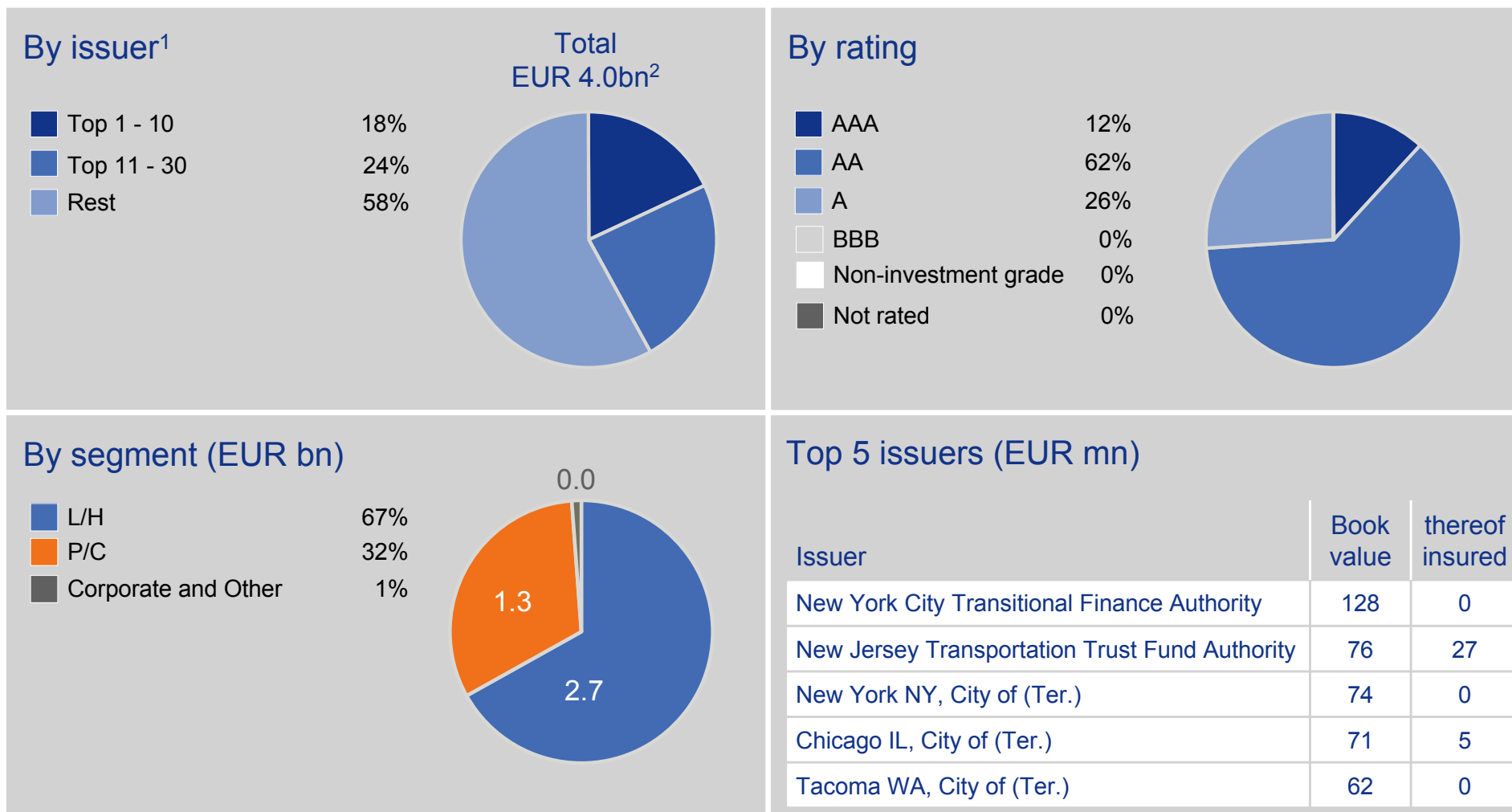
## Details CMBS, RMBS and structured credit exposure (EUR bn)

		CMBS	RMBS	Structured credit <sup>1</sup>
<b>USA</b>	<b>total</b>	<b>9.3</b>	<b>0.0</b>	<b>0.5</b>
	AAA	7.1	0.0	0.0
	AA	0.5	0.0	0.0
	A	1.6	0.0	0.0
	≤ BBB/not rated	0.1	0.0	0.5
<b>Netherlands</b>	<b>Total</b>	<b>0.0</b>	<b>0.6</b>	<b>0.1</b>
	AAA	0.0	0.5	0.1
	AA	0.0	0.0	0.0
	A	0.0	0.1	0.0
	≤ BBB/not rated	0.0	0.0	0.0
<b>Ireland / Spain / UK</b>	<b>Total</b>	<b>0.1</b>	<b>0.4</b>	<b>0.1</b>
	AAA	0.0	0.2	0.1
	AA	0.1	0.1	0.0
	A	0.0	0.1	0.0
	≤ BBB/not rated	0.0	0.0	0.0
<b>Rest of Europe</b>	<b>total</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>
	AAA	0.0	0.2	0.1
	AA	0.0	0.0	0.0
	A	0.1	0.0	0.1
	≤ BBB/not rated	0.0	0.0	0.0
<b>Other</b>	<b>total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.4</b>
	AAA	0.0	0.0	0.2
	AA	0.0	0.0	0.0
	A	0.0	0.0	0.1
	≤ BBB/not rated	0.0	0.0	0.1
<b>Total 2011<sup>2</sup></b>		<b>9.5</b>	<b>1.2</b>	<b>1.3</b>
<b>Total 2010</b>		<b>8.5</b>	<b>1.6</b>	<b>1.8</b>

1) 100% senior tranche

2) Country allocation based on asset pool, previously based on issuer

# Fixed income: US municipal bonds



Well diversified issuer structure, portfolio managed by PIMCO

1) Total number of issuers approx. 300  
 2) Thereof insured EUR 0.6bn

## Excursus Solvency II: impact on financing of banks and corporates

	Capital charges <sup>1</sup>	Solvency II framework	Economic implications
Government bonds	0% for EU member states <sup>2</sup>	<ul style="list-style-type: none"> <li>▪ Sovereign crisis not reflected</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sovereigns become preferred asset class</li> </ul>
Corporate bonds and loans (AAA rating, 1 - 10 yrs duration)	0.9% - 7.15%	<ul style="list-style-type: none"> <li>▪ Loans treated like bonds</li> <li>▪ Equal treatment of all industry sectors</li> </ul>	<ul style="list-style-type: none"> <li>▪ More limited financing possibilities, esp. for banks</li> <li>▪ Increased pressure to shorten liability duration</li> </ul>
Covered bonds (AAA rating, 1 - 10 yrs duration)	0.7% - 6.0%	<ul style="list-style-type: none"> <li>▪ Charges too high compared to corporate bonds</li> </ul>	<ul style="list-style-type: none"> <li>▪ Reduced refinancing possibilities for banks</li> </ul>
“Repacked Loans” (ABS/MBS) (AAA rating, 1 - 6 yrs dur.)	7% - 42%	<ul style="list-style-type: none"> <li>▪ Very high charges</li> </ul>	
Equities	39% - 49%	<ul style="list-style-type: none"> <li>▪ In combination with IFRS 9, high charges drive insurance sector more and more out of this asset class</li> </ul>	<ul style="list-style-type: none"> <li>▪ Role of insurance industry as equity investor becomes less important</li> <li>▪ Shrinking yields for privately financed pension savings</li> </ul>
Real estate	25%	<ul style="list-style-type: none"> <li>▪ Proposed charges calibrated to UK market (traditionally high volatility – unlike many markets in continental Europe)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Attractiveness of real estate investments decreases</li> <li>▪ Less inflation protection in private pension savings</li> </ul>

1) As in “Draft Implementing Measures Solvency II” (Oct 2011). 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

# Appendix

Analysts' conference  
February 24, 2012

# Glossary (1)

<b>ABS</b>	Asset-backed securities: Structured bonds or notes collateralized by a pool of assets such as loans, bonds or mortgages. As characteristics of the collaterals vary considerably (with regard to asset class, quality, maturity, etc.), so do asset-backed securities
<b>AFS</b>	Available-for-sale: Securities which have been acquired neither for sale in the near term nor to be held to maturity. Available-for-sale investments are shown at fair value on the balance sheet
<b>AGCS</b>	Allianz Global Corporate & Specialty
<b>AGI</b>	Allianz Global Investors, since January 2012: AAM (Allianz Asset Management)
<b>AIM</b>	Allianz Investment Management
<b>AM</b>	Asset management
<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>CAGR</b>	Compound annual growth rate is the year-over-year growth rate over a multi-year period
<b>CEE</b>	Central and Eastern Europe
<b>CEIOPS</b>	Committee of European Insurance and Occupational Pensions Supervisors; as of January 1, 2011, CEIOPS has been replaced by the European Insurance and Occupational Pensions Authority (EIOPA)
<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>Collateralized debt obligation (CDO)</b>	Collateralized debt obligation (CDO) is a type of structured security backed by a pool of bonds, loans and other assets. CDOs usually do not specialise in any one type of debt but are often non-mortgage loans or bonds

## Glossary (2)

<b>Collateralized mortgage obligation (CMO)</b>	Collateralized mortgage obligation (CMO) is a type of mortgage-backed security where the cash flows are often pooled and structured into many classes of securities with different maturities and payment schedules.
<b>Commercial mortgage-backed securities (CMBS)</b>	Commercial mortgage-backed security (CMBS) is a type of mortgage backed security that is secured by the underlying pool of loans on commercial properties.
<b>Cost-income ratio (CIR)</b>	Represents operating expenses divided by operating revenues
<b>Covered bonds</b>	Debt securities covered by a pool of mortgage loans or by public-sector loans with investors having a preferential claim in case of a default
<b>CTA</b>	Currency Translation Adjustment
<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>Duration</b>	Duration is a measure of the average (cash-weighted) term-to-maturity of bonds
<b>Earnings per share (EPS) (basic/diluted)</b>	Ratio calculated by dividing the consolidated profit or loss for the year by the average number of shares outstanding. For calculating diluted earnings per share, the number of shares and the profit or loss are adjusted by the dilutive effects of any rights to subscribe for shares which have been or still can be exercised. Subscription rights arise in connection with issues of convertible bonds or share options
<b>Economic variances</b>	The impact of market changes and asset performance above the level expected in prior year
<b>EIOPA</b>	European Insurance and Occupational Pensions Authority (also see CEIOPS)

## Glossary (3)

<b>Equity exposure</b>	The equity exposure is the part of investments invested in equity securities
<b>Equity gearing</b>	Equity exposure (attributable to shareholders) divided by net asset value excluding goodwill
<b>Expense ratio (ER)</b>	Acquisition and administrative expenses (net) divided by premiums earned (net)
<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
<b>FCD</b>	Financial conglomerates directive: European regulation for the supervision of financial conglomerates and financial groups involved in cross-sectoral business operations
<b>F/I</b>	Fixed income securities
<b>Financial assets carried at fair value through income</b>	Financial assets carried at fair value through income include debt and equity securities as well as other financial instruments (essentially derivatives, loans and precious metal holdings) which have been acquired solely for sale. They are recorded in the balance sheet at fair value
<b>Financial liabilities carried at fair value through income</b>	Financial liabilities carried at fair value through income include primarily negative market values from derivatives and short selling of securities. Derivatives shown as financial liabilities carried at fair value through income are valued the same way as financial assets carried at fair value through income
<b>Free surplus</b>	The market value of any assets allocated to, but not required to support, the in-force business covered by the MCEV methodology
<b>FVO</b>	Fair value option: Financial assets and liabilities designated at fair value through income are measured at fair value with changes in fair value recorded in the consolidated income statement. The recognized net gains and losses include dividends and interest of the financial instruments. A financial instrument may only be designated at inception as held at fair value through income and cannot be subsequently changed
<b>F/X</b>	Foreign exchange
<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

## Glossary (4)

<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>Harvesting rate</b>	$(\text{Realized gains and losses (net)} + \text{impairments on investments (net)}) / \text{average investments and loans at book value (excluding income from financial assets/ liabilities carried at fair value)}$
<b>Hybrid bonds</b>	Securities that combine characteristics of bonds and equities such as long or unlimited time to maturity or conditional interest payments (fixed or flexible); creditors have a subordinated rank compared to owners of e.g. senior bonds
<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>Inforce business contribution</b>	The expected profit based on prior year assumptions
<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 drivers</b>	<p>The objective of the Life/Health operating profit driver analysis is to explain movements in IFRS results by analyzing underlying drivers on a L/H segment consolidated basis</p> <p><b>Technical result:</b> Technical result comprises risk result (difference between total risk premiums and benefits in excess of reserves net of policyholder participation), lapse result (sum of “surrender charges” assessed and “commission claw-backs” minus deferred acquisition cost written off on lapsed policies net of policyholder participation) and reinsurance result</p> <p><b>Investment result:</b> Investment result is defined as the difference between IFRS investment income net of expenses and interest credited to IFRS reserves plus policyholder dividends if any</p> <p><b>Expense result:</b> Expense result is the difference between expense charges assessed to policyholders and actual expenses minus regular changes in deferred acquisition costs net</p>



## Glossary (5)

<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>MBS</b>	Mortgage-backed securities: Securities backed by mortgage loans
<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>Mega Cat</b>	The Mega Cat program reinsures the top natural peril scenarios of Allianz Group up to return periods of more than 1,000 years
<b>MVLO</b>	Market value liability option
<b>NAV</b>	Net asset value
<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>NPE</b>	Net premiums earned
<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

## Glossary (6)

<b>OE</b>	Operating entity
<b>Operating and non-operating variance and assumption changes</b>	Consist of numerous non-economic changes such as the impact of changes in lapse and expense assumptions or the variance of actual crediting rates from modeled strategy
<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>Payout ratio</b>	Represents the fraction of net income after non-controlling interests that is paid to its shareholders in dividends
<b>Performance AM</b>	AllianzGI account-based, asset-weighted 3-year investment performance of third-party assets vs. benchmark including all accounts managed by equity and fixed income managers of AllianzGI. For some retail equity funds the net of fee performance is compared to the median performance of an appropriate peer group (Morningstar or Lipper; 1st and 2nd quartile mean out-performance). For all other retail funds and for all institutional accounts performance is calculated gross of fees using closing prices (revaluated) where appropriate and compared to the benchmark of each individual fund or account. Other than under GIPS (Global Investment Performance Standards), the performance of closed funds/ accounts is not included in the analysis. Accounts at AllianzGI Investments Europe, Zurich Branch and Joint-Venture GTJA China and in parts WRAP accounts are not considered.
<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

## Glossary (7)

<b>PVNB</b>	Present value of new business premiums: Present value of projected new regular premiums, discounted with risk-free rates, plus the total amount of single premiums received
<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>Residential mortgage-backed securities (RMBS)</b>	Debt instruments that are backed by portfolios of mortgages on residential rather than commercial real estate
<b>Retained earnings</b>	Retained earnings comprise the net income of the current year, not yet distributed earnings of prior years and treasury shares as well as any amounts directly recognized in equity according to IFRS such as consolidation differences from minority buyouts
<b>RfB</b>	Reserve for premium refunds: The part of the operating surplus which will be distributed to policyholders in the future. This refund of premiums is made on the basis of statutory, contractual, or company bylaw obligations, or voluntary undertaking
<b>Risk capital</b>	Minimum capital required to ensure solvency over the course of one year with a certain probability which is also linked to our rating ambition
<b>Risk-weighted assets (RWA)</b>	All assets of a bank multiplied by the respective risk-weight according to the degree of risk of each type of asset
<b>Run-off ratio</b>	Run-off ratio is calculated as run-off result (result from reserve releases in P/C business) in percent of net premiums earned
<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

## Glossary (8)

<b>Solvency ratio</b>	Ratio indicating the capital adequacy of a company comparing eligible funds to required capital
<b>Solvency II</b>	Updated solvency regulation which is planned to become fully effective in 2013
<b>Sovereign bonds</b>	Sovereign bonds include government and government agency bonds
<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>Stress tests are based on the following scenarios</p> <ul style="list-style-type: none"> <li>- Credit loss/migration: scenario based on probabilities of default in 1932, migrations adjusted to mimic recession and assumed recovery rate of 30%</li> <li>- Credit spread: 100bps increase in the credit spreads across all rating classes</li> <li>- New business: new non-recurring business volume increases by 50% which leads to an additional reserve requirement</li> <li>- NatCat: loss due to NatCat events, both natural and man-made, leading to claims of EUR 1.5bn. Applies to P/C business only</li> </ul>
<b>Super Cat</b>	The Super Cat program covers medium-sized natural catastrophe events up to return periods of 250 years by pooling the potential losses of the Allianz entities
<b>Total equity</b>	Represents the sum of shareholders' equity and non-controlling interests
<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

## Glossary (9)

<b>VA</b>	Variable annuities: Insurance contract whereby a policyholder invests in a portfolio of securities and usually combines the savings component with a certain kind of a benefit guarantee
<b>VIF</b>	Value of inforce: Present value of future profits from in-force business (PVFP) minus the time value of financial options and guarantees (O&G) granted to policyholders, minus the cost of residual non-hedgeable risk (CNHR), minus the frictional cost of holding required capital (CReC)
<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>VOBA</b>	Value of the Business Acquired. It refers to the present value of future profits associated with a block of business purchased. It is booked as an intangible asset in the balance sheet.

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## Financial calendar

March 23, 2012	Annual Report 2011
May 9, 2012	Annual General Meeting
May 15, 2012	1st quarter results 2012
August 3, 2012	2nd quarter results 2012
November 9, 2012	3rd quarter results 2012
February 21, 2013	Financial results 2012
March 15, 2013	Annual Report 2012
May 7, 2013	Annual General Meeting

The German Securities Trading Act ("Wertpapierhandelsgesetz") obliges issuers to announce immediately any information which may have a substantial price impact, irrespective of the communicated schedules. Therefore we cannot exclude that we have to announce key figures of quarterly and fiscal year results ahead of the dates mentioned above. As we can never rule out changes of dates, we recommend checking them on the Internet at [www.allianz.com/financialcalendar](http://www.allianz.com/financialcalendar).

# Disclaimer

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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