

Group financial results 1Q 2012

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Member of the Board of Management

Journalists' conference call
May 15, 2012

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Group financial
results 1Q 2012

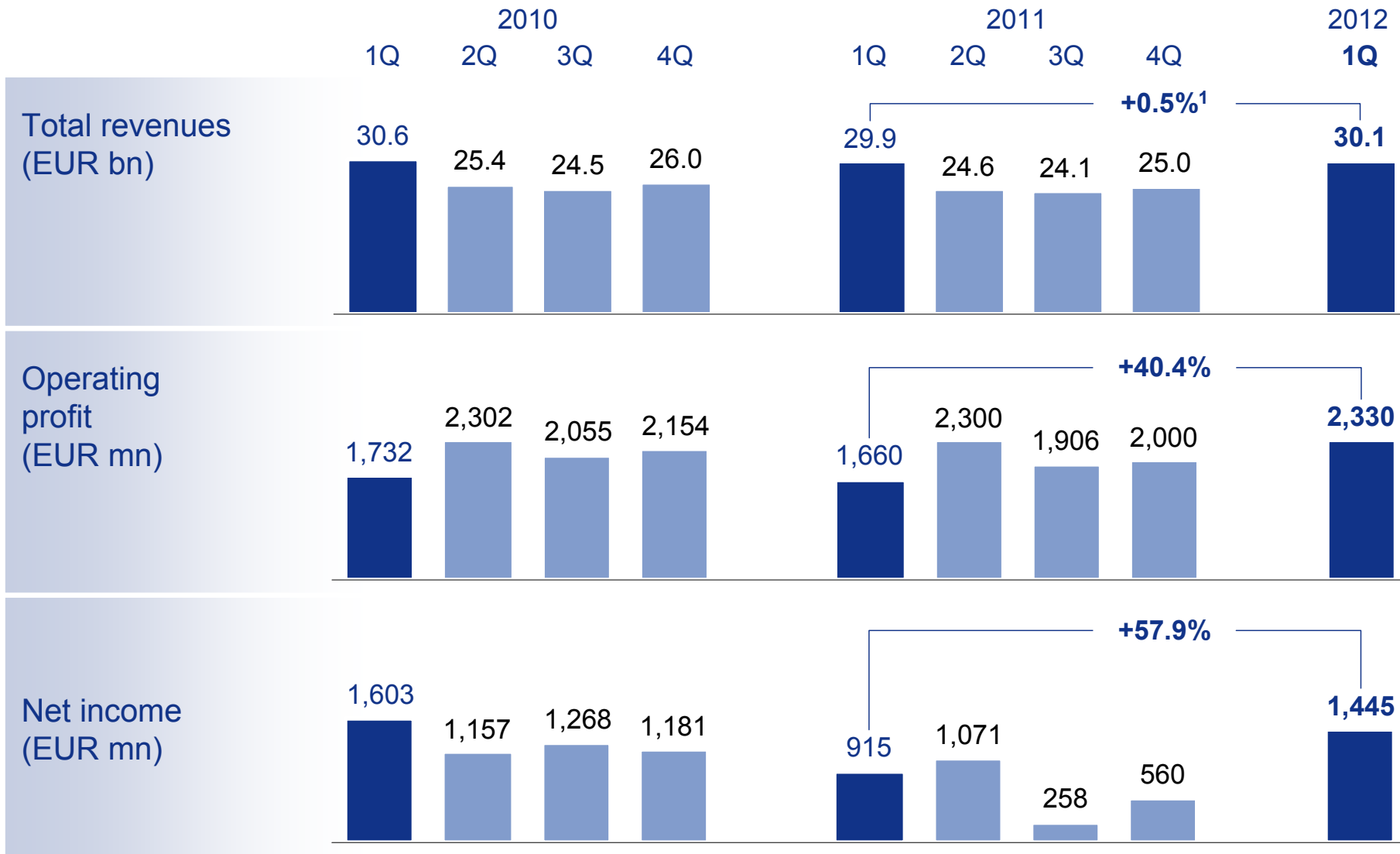
- 1** Highlights
- 2** Group
- 3** P/C
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A very good start in 2012



- Total revenues stable at EUR 30.1bn
- Operating profit increases 40 percent to EUR 2.3bn supported by lower NatCat losses
- Net income at EUR 1.4bn, up 58%
- Capital position continues to be strong and balance sheet further de-risked

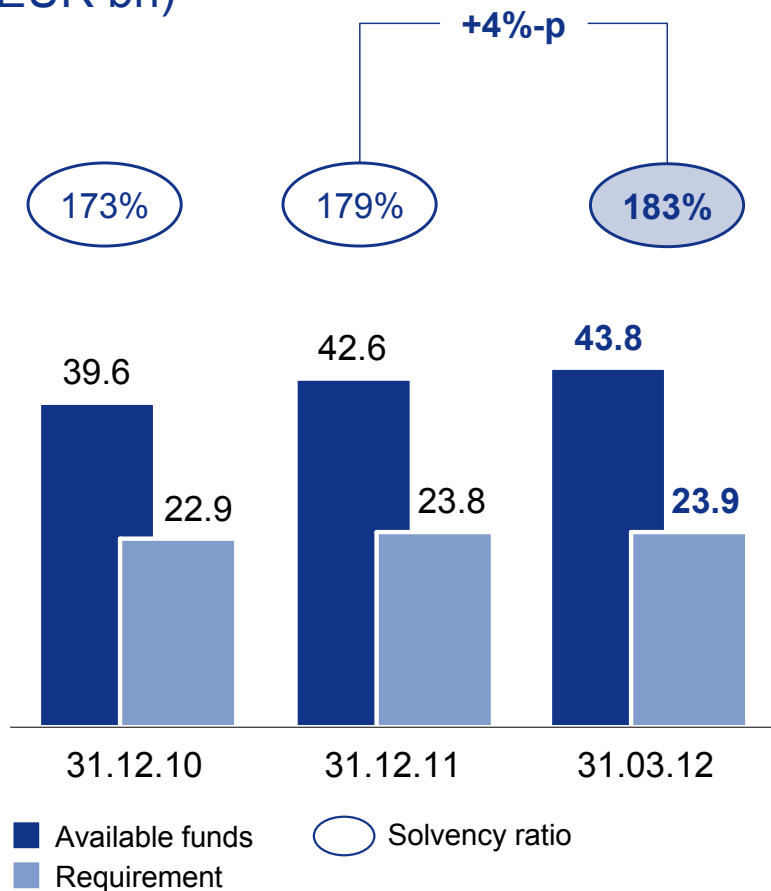
A strong quarter



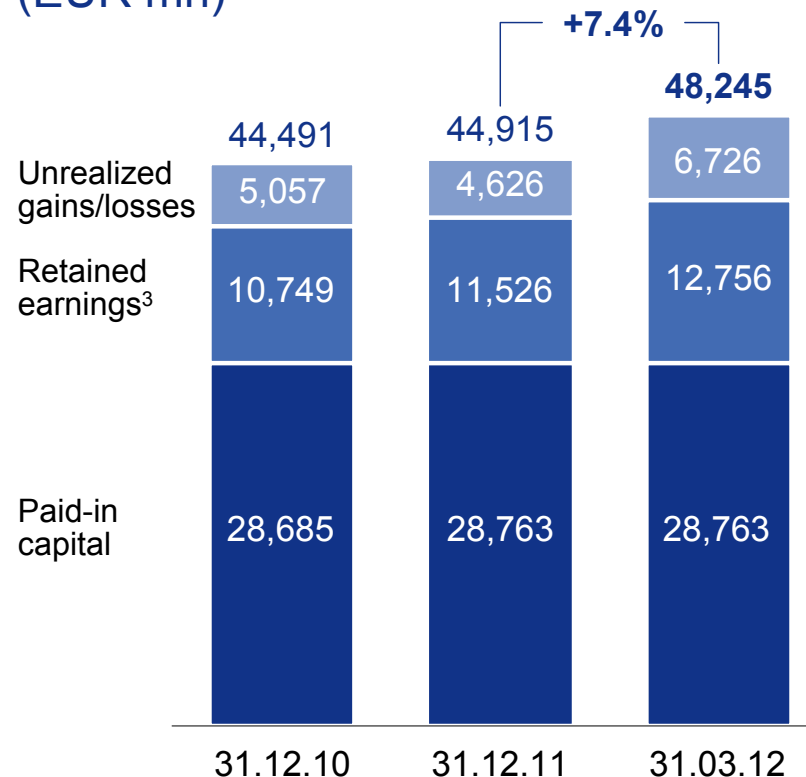
1) Internal growth -0.8%, adjusted for F/X and consolidation effects

Conglomerate solvency and shareholders' equity further strengthened

Conglomerate solvency¹
(EUR bn)



Shareholders' equity²
(EUR mn)



1) Including off-balance sheet reserves (31.12.10: EUR 2.1bn, 31.12.11: EUR 2.2bn, 31.03.12: 2.2bn) pro forma. The solvency ratio excluding off-balance sheet reserves would be 164% as of 31.12.10, 170% as of 31.12.11 and 174% as of 31.03.12.

2) Excluding non-controlling interests (31.12.10: EUR 2,071mn, 31.12.11: EUR 2,338mn, 31.03.12: EUR 2,444mn)
3) Including F/X

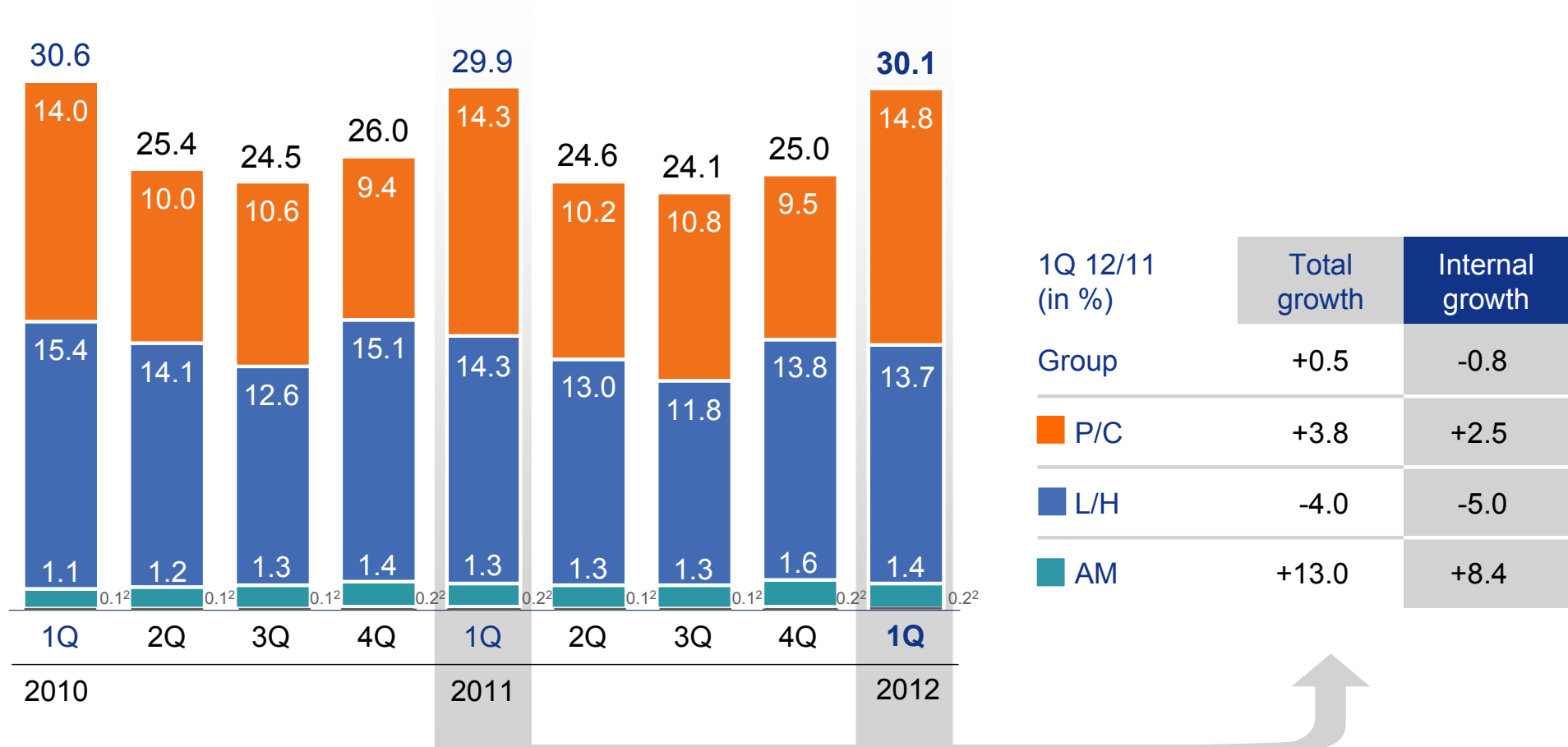
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Total revenues at EUR 30.1bn

Revenue development¹ (EUR bn)

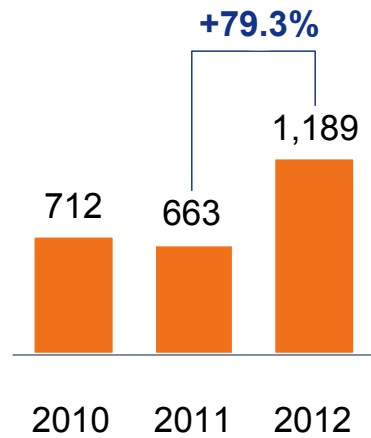


1) For a description of total revenues and internal growth please refer to the glossary.
 All segment figures are based on segment consolidated numbers; figures for the Group as a whole are based on fully consolidated numbers
 2) Represents total revenues from Banking within Corporate and Other

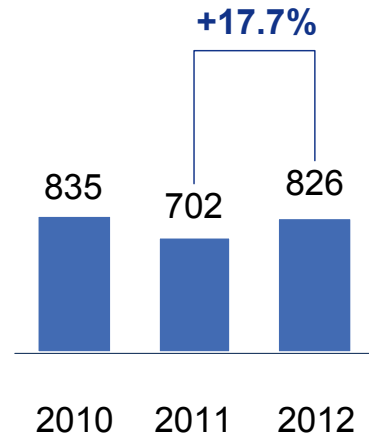
Solid operating profit

Operating profit in 1Q (EUR mn)

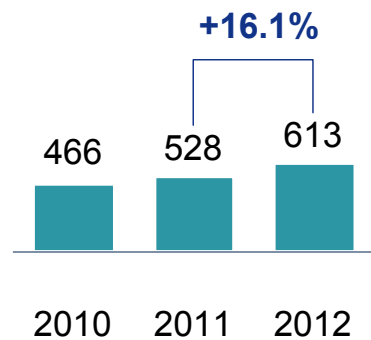
Property/Casualty



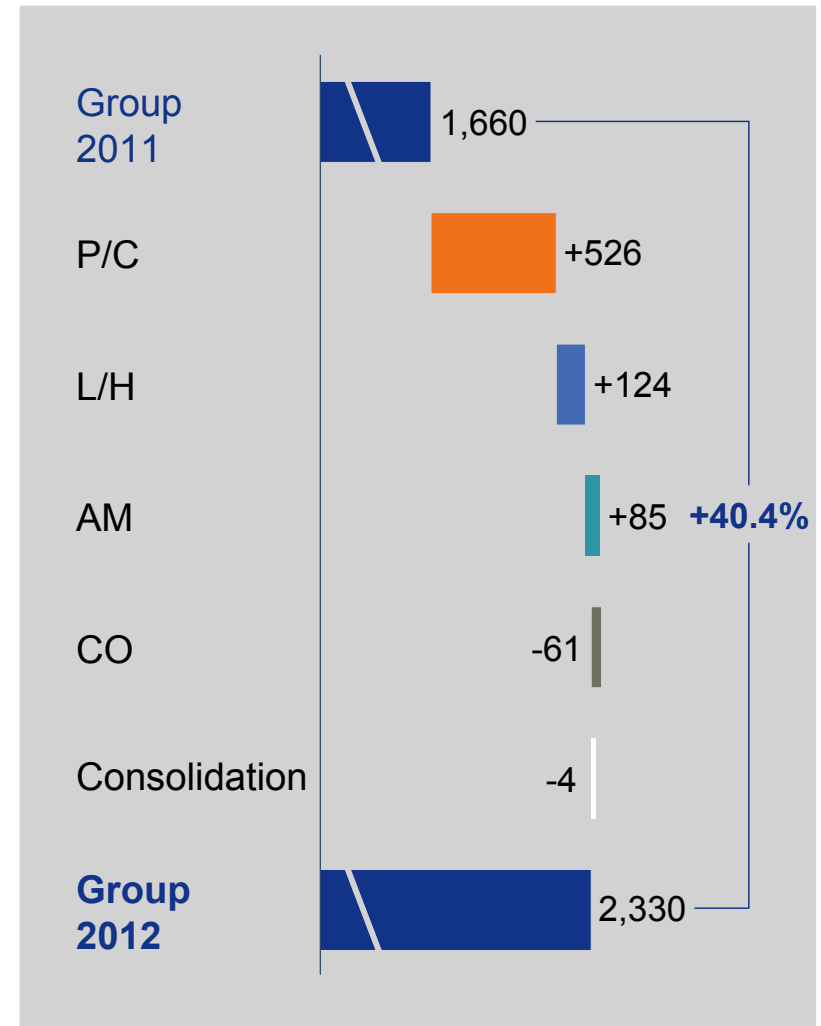
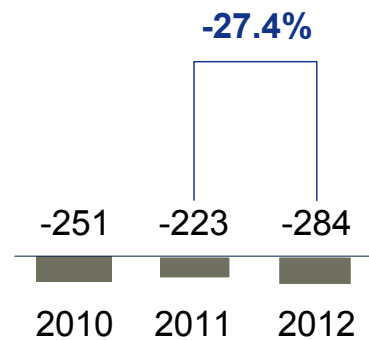
Life/Health



Asset Management



Corporate and Other



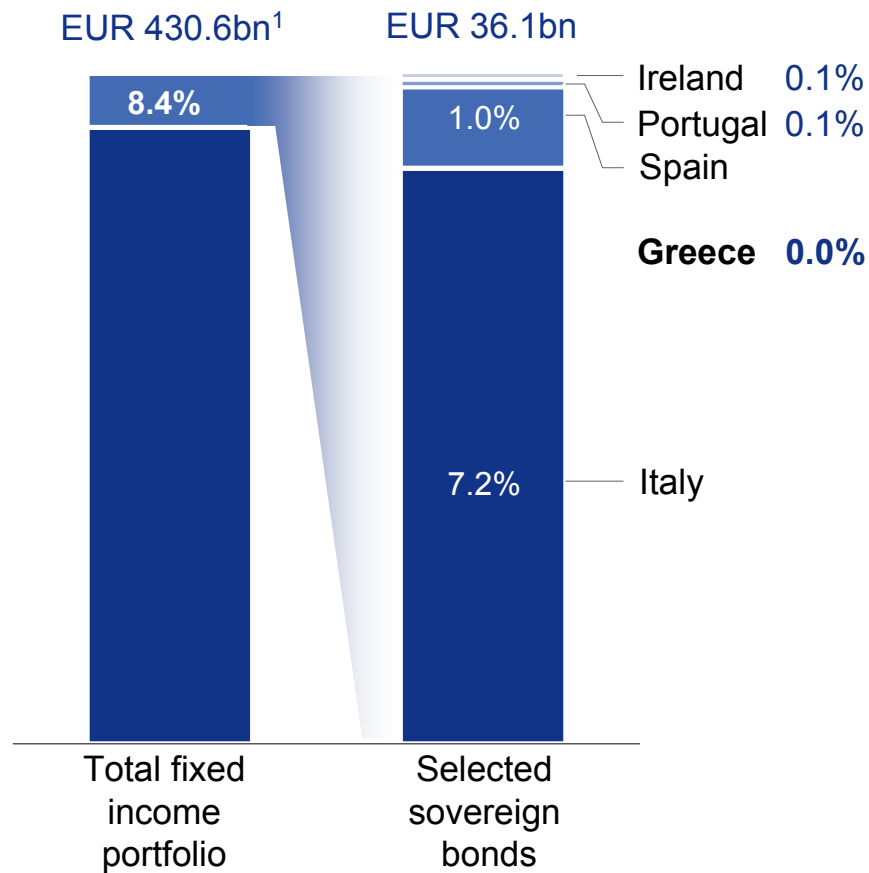
Non-operating items (EUR mn)

	1Q 10	1Q 11	1Q 12	Δ 12/11		1Q 11	1Q 12
Realized gains/losses and impairments of investments (net)	711	303	-7	-310	Realized gains/losses	386	116
Interest expense from external debt	-222	-225	-259	-34	- Equities	216	109
Fully consolidated private equity inv. (net)	-37	-19	-6	+13	- Debt securities	112	-13
Restructuring charges	-47	-2	-7	-5	- Real estate and other	58	20
Acquisition-related expenses	-198	-101	-12	+89	Impairments (net)	-83	-123
Other non-operating	66	-118	203	+321	- Equities	-66	-125
Thereof: Amortization of intangible assets	-17	-22	-25	-3	- Debt securities	-6	4
Income from fin. assets and liab. carried at FV	83	-96	228	+324	- Real estate and other	-11	-2
Reclassification of tax benefits	-14	-12	-7	+5	Total	303	-7
Non-operating items	259	-174	-95	+79			
						31.12.11	31.03.12
					Balance of unrealized gains/losses in equities ¹	2.2bn	2.7bn
					Balance of unrealized gains/losses in fixed income ¹	4.0bn	5.8bn

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)

	31.03.2012	
	gross	net ²
Greece ³	-18	-8
Ireland	-11	-7
Portugal	-94	-58
Spain	-238	-52
Sub-total	-361	-125
Italy	-800	-116
Total	-1,161	-241

1) As of 31.03.2012; 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 31.03.2012 balance sheet figures reflected in accumulated other comprehensive income
 3) After exchange

Net income development (EUR mn)

	1Q 10	1Q 11	1Q 12	Δ 12/11
Operating profit	1,732	1,660	2,330	+670
Non-operating items	259	-174	-95	+79
Income before taxes	1,991	1,486	2,235	+749
Income taxes	-388	-571	-790	-219
Net income	1,603	915	1,445	+530
Non-controlling interests	38	58	74	+16
Net income attributable to shareholders	1,565	857	1,371	+514
Effective tax rate	19%	38%	35%	

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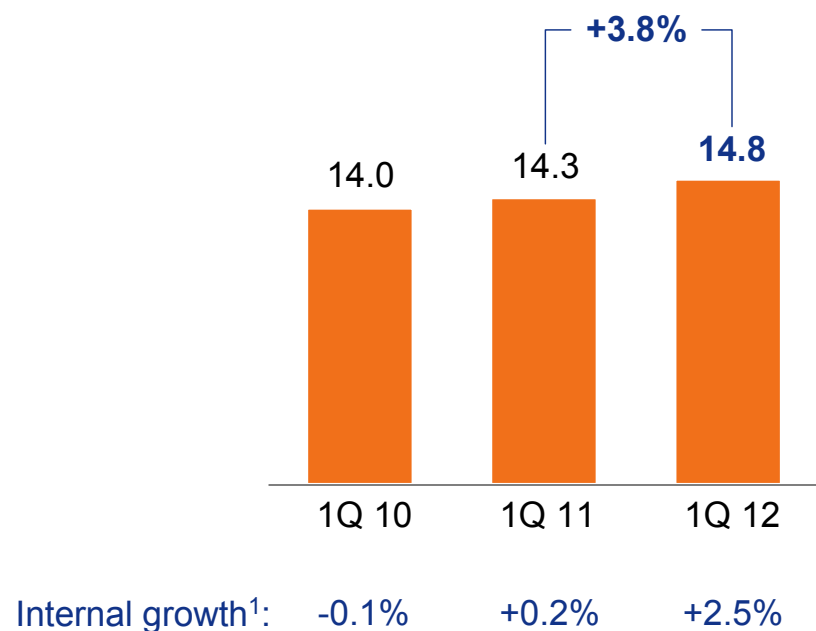
P/C: Solid operating performance



- Revenue growth of 3.8 percent to EUR 14.8bn, reflecting both positive price and volume effects
- Operating profit increases 79.3 percent to EUR 1.2bn supported by lower NatCat losses
- Combined ratio at 96.2 percent with 0.4%-p NatCat and 2.6%-p favorable run-off

Positive revenue momentum continues

Revenue development (EUR bn)



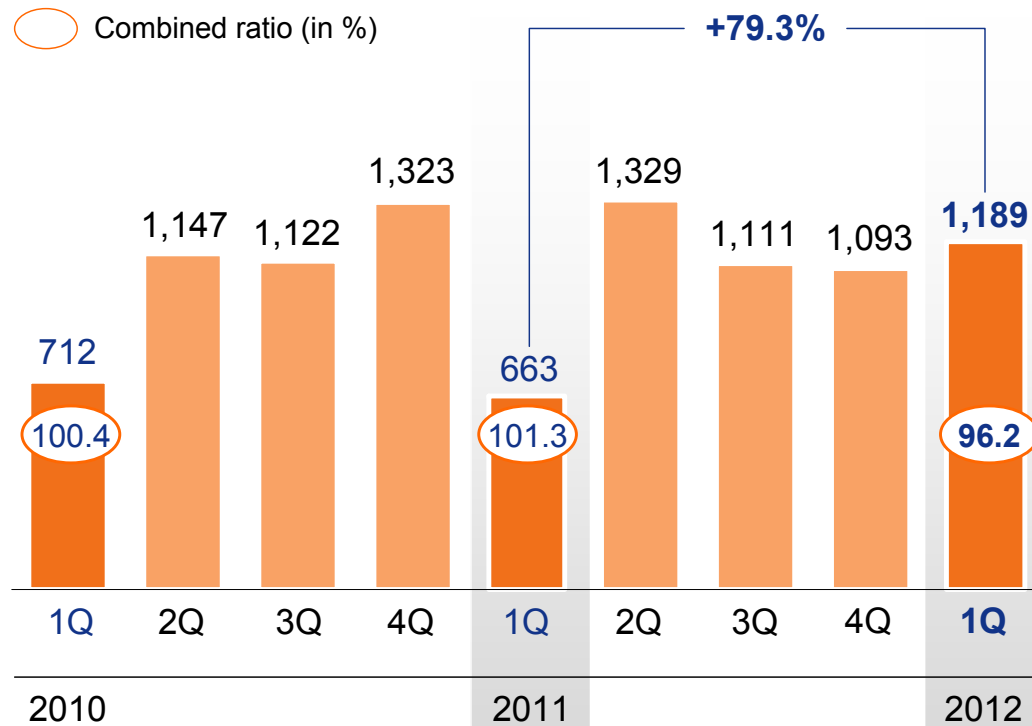
Internal growth in 1Q 12 due to the combined effect of higher prices (+1.2%) and higher volume (+1.3%)

Revenues of sel. OEs (EUR mn)		1Q 10	1Q 11	1Q 12	Δ12/11 ¹
German Speaking Countries	Germany	3,900	3,864	3,893	+0.8%
	Switzerland	864	913	976	+0.2%
Western & Southern Europe	France	1,146	1,138	1,138	+0.0%
	Italy	945	939	953	+1.5%
Iberia & Latin America	Spain	637	631	607	-3.8%
	South America	333	497	514	+3.4%
Global Insurance Lines & Anglo Markets	Reinsurance	1,648	1,450	1,490	+2.8%
	AGCS	1,381	1,431	1,624	+13.5%
	UK	463	519	568	+6.7%
	Credit Insurance	512	535	591	+10.5%
	Australia	440	542	675	+13.1%
Growth Markets	CEE	782	774	710	-4.5%
	Asia-Pacific	122	132	152	+9.8%
USA	USA	638	606	656	+3.8%

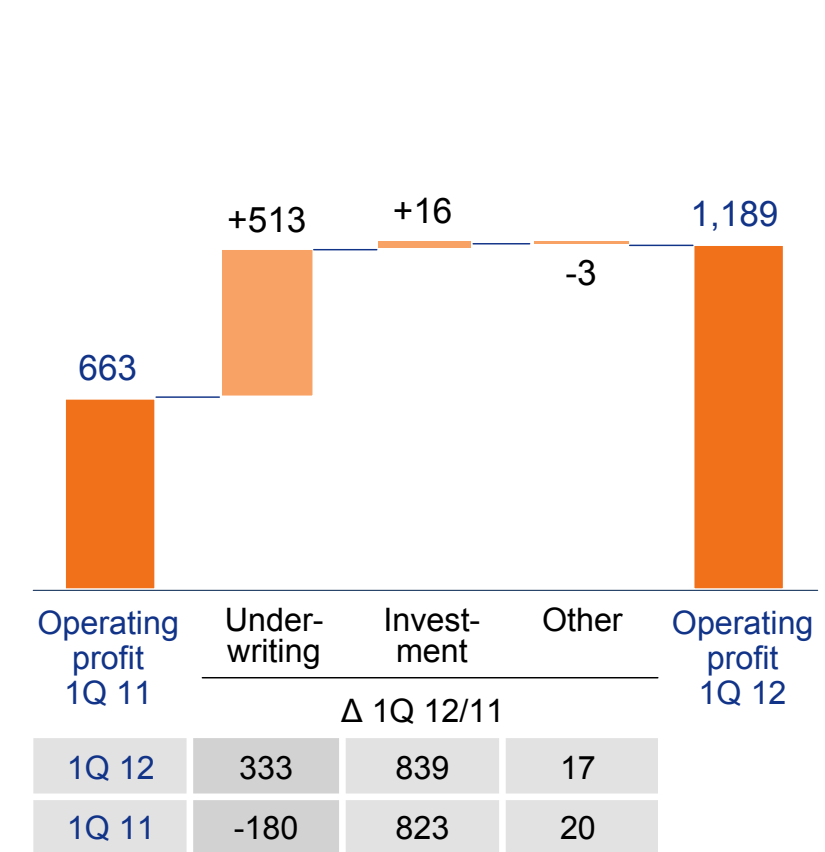
1) Changes refer to internal growth (adjusted for F/X and consolidation effects)

Operating profit benefits from low NatCat losses

Operating profit (EUR mn)

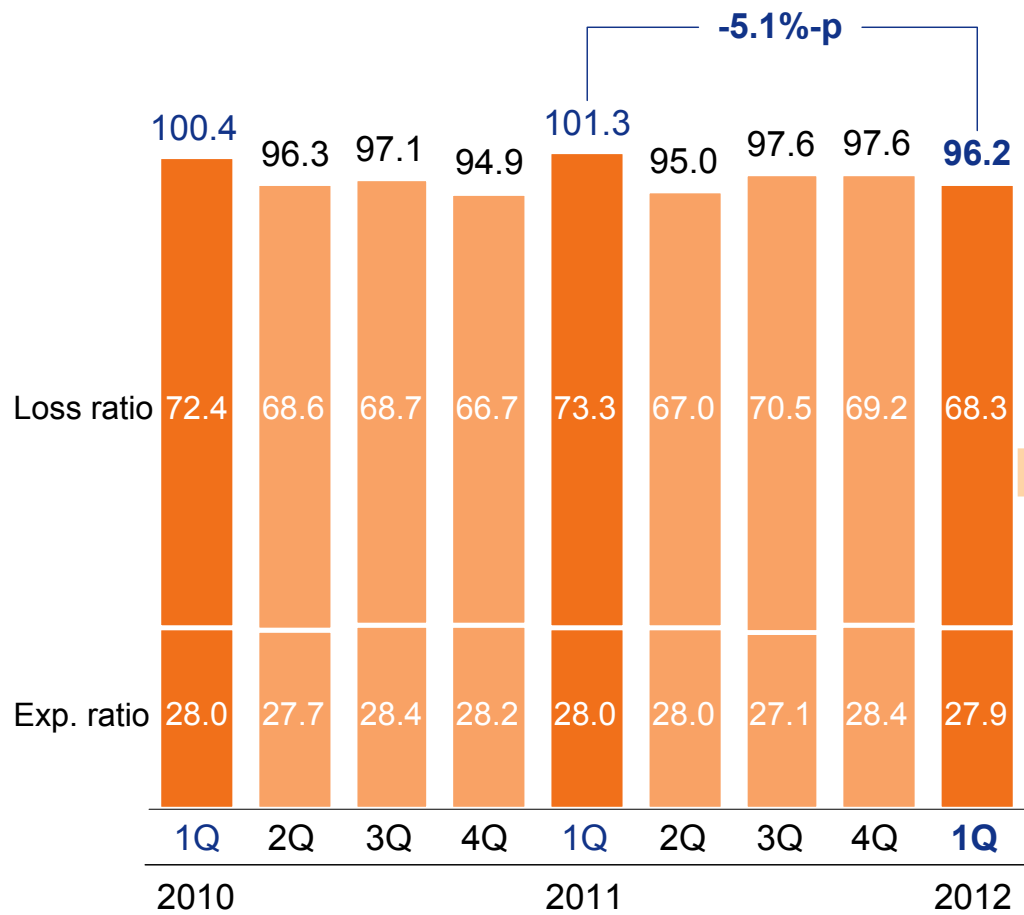


Operating profit drivers (EUR mn)



Combined ratio of 96.2 percent

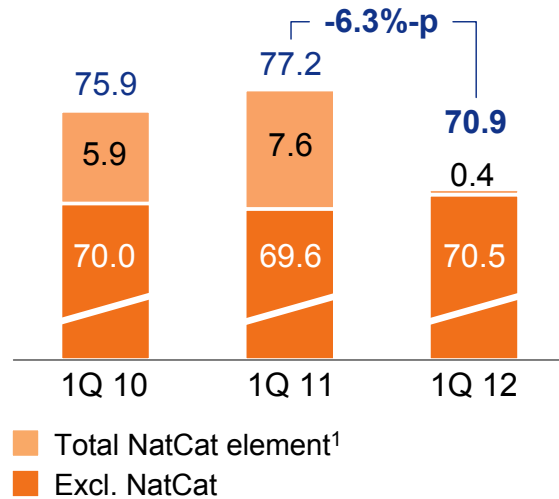
(in %)



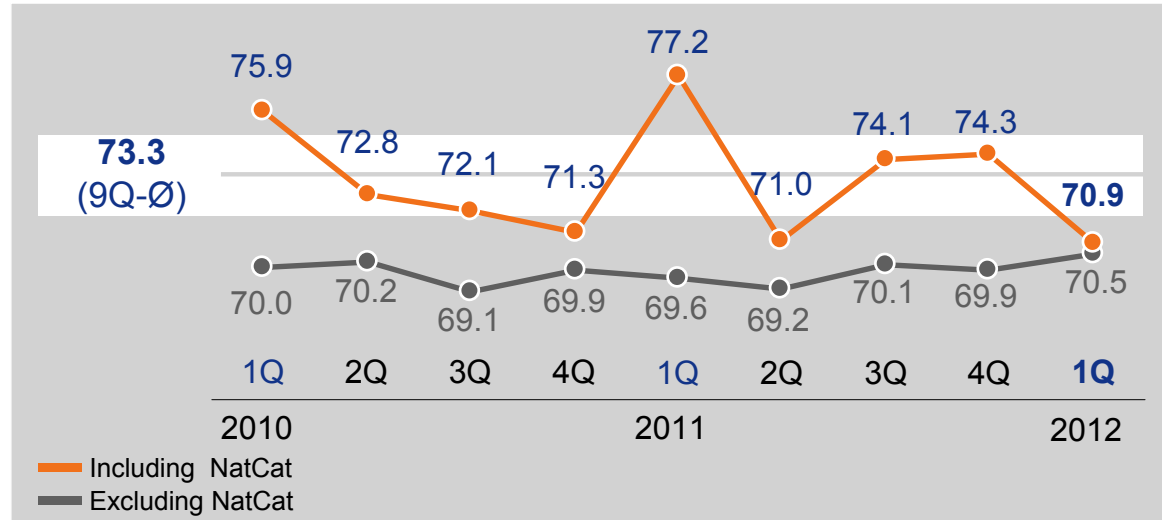
Combined ratio (sel. OEs)		1Q 10	1Q 11	1Q 12
German Speaking Countries	Germany	99.8	98.5	98.0
	Switzerland	95.8	93.6	93.4
Western & Southern Europe	France	106.8	97.7	98.6
	Italy	101.2	97.9	91.6
Iberia & Latin America	Spain	89.3	88.7	89.4
	South America	98.0	96.5	98.8
Global Insurance Lines & Anglo Markets	Reinsurance	108.8	142.5	95.7
	AGCS	92.3	103.2	95.6
	UK	96.5	97.1	97.3
	Credit Insurance	91.7	77.6	76.9
	Australia	110.3	109.5	99.9
	CEE	96.0	95.6	96.0
Growth Markets	Asia-Pacific	91.3	88.2	90.2
USA	USA	106.7	102.5	105.7

Accident year loss ratio at 70.9 percent (in %)

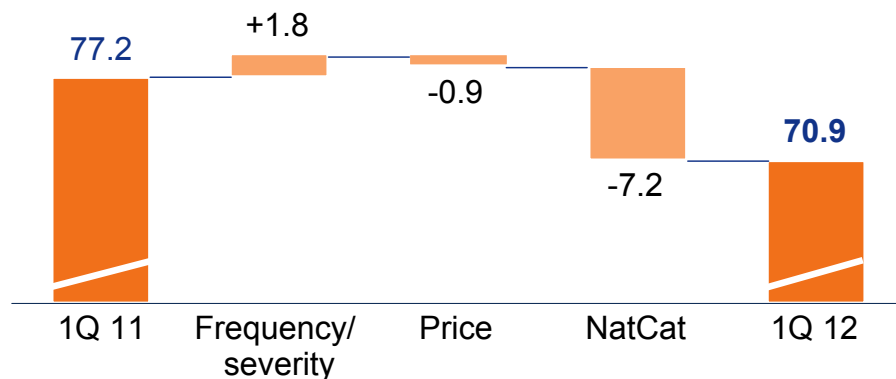
Accident year loss ratio



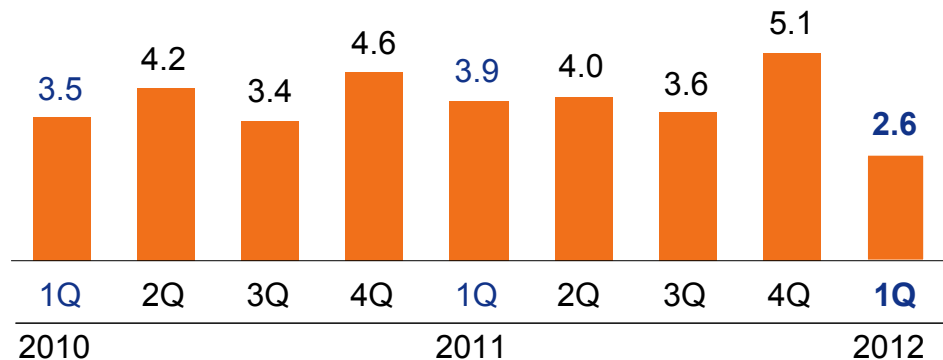
9-quarter overview accident year loss ratio



Development 1Q 2012/2011

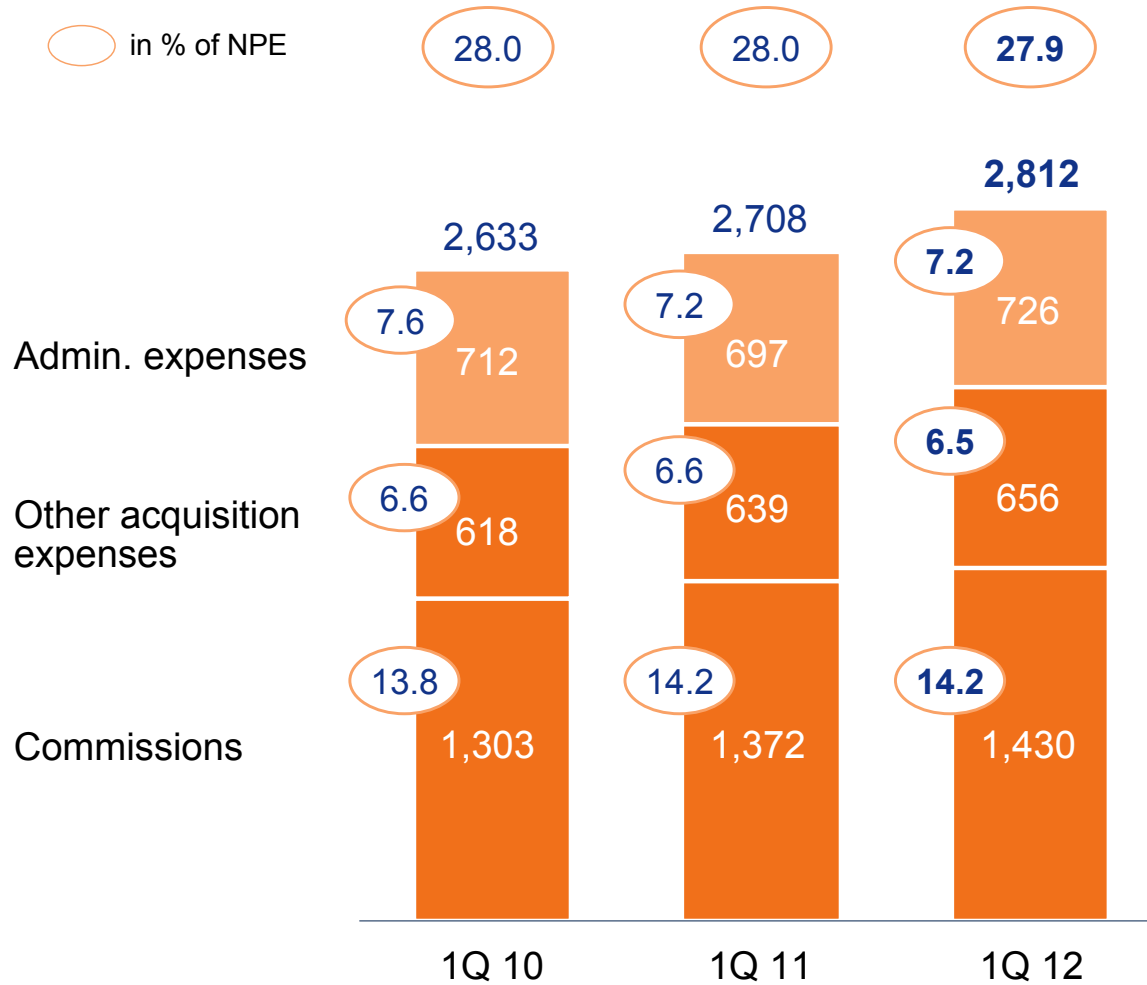


Run-off ratio²



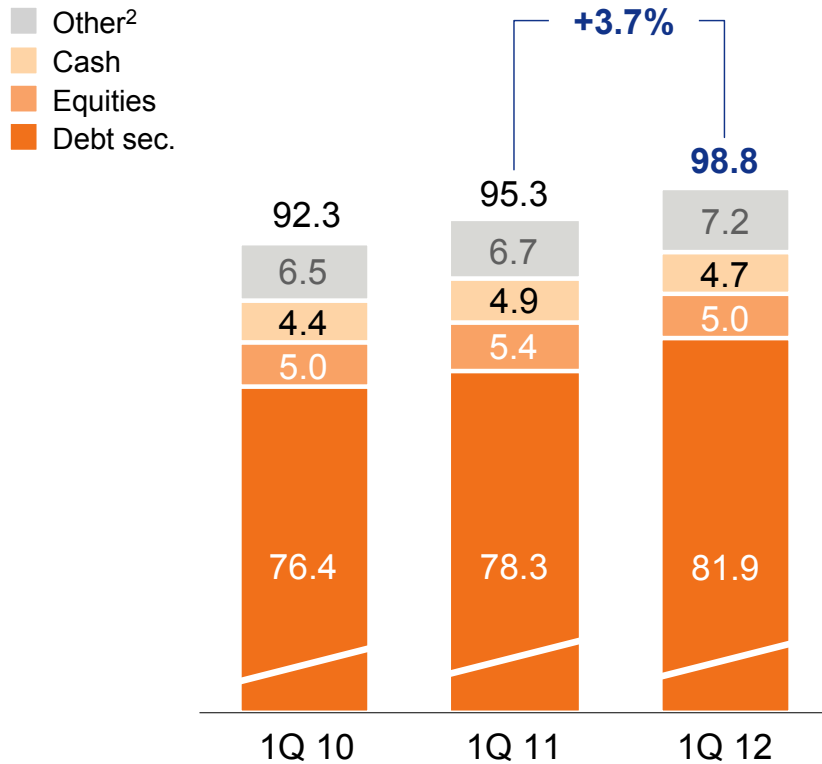
1) NatCat costs (without reinstatement premiums): EUR 0.6bn (1Q 10), EUR 0.7bn (1Q 11) and EUR 42mn (1Q 12)
 2) Positive values indicate positive run-off; run-off ratio is calculated as run-off result in percent of net premiums earned

Expense ratio stable (EUR mn)

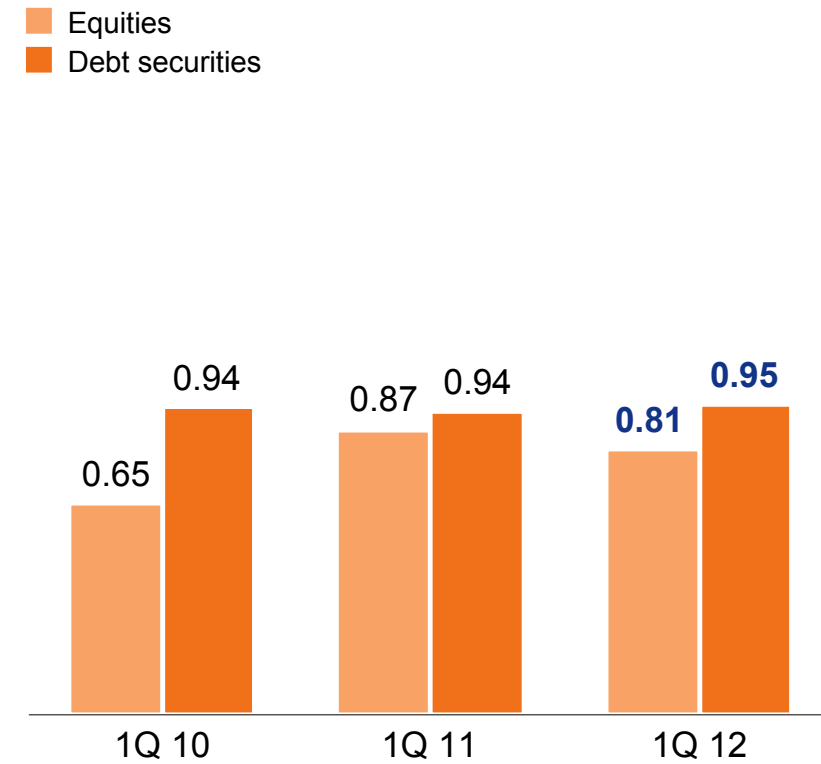


Average investment portfolio at EUR 98.8bn

Average asset base¹
(EUR bn)



Current yield
(in %)

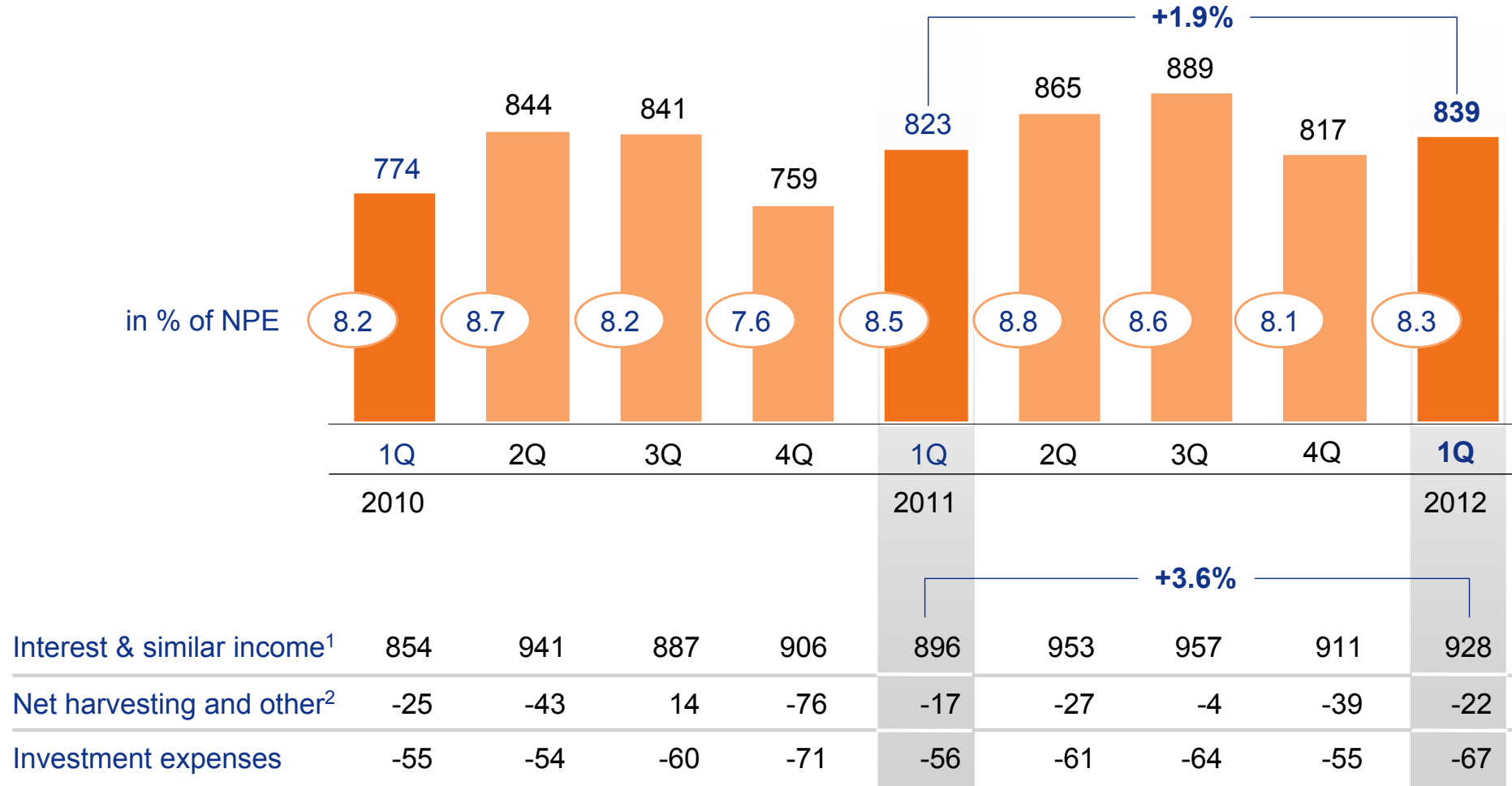


1) Asset base includes health business France and now liabilities from cash pooling, excludes fair value option and trading

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

Operating investment income stable

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: 1Q 12: EUR -19mn, 1Q 11: EUR -25mn, 1Q 10: EUR 15mn

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L/H: Strong operating performance



- Revenues at EUR 13.7bn, down 4.0 percent

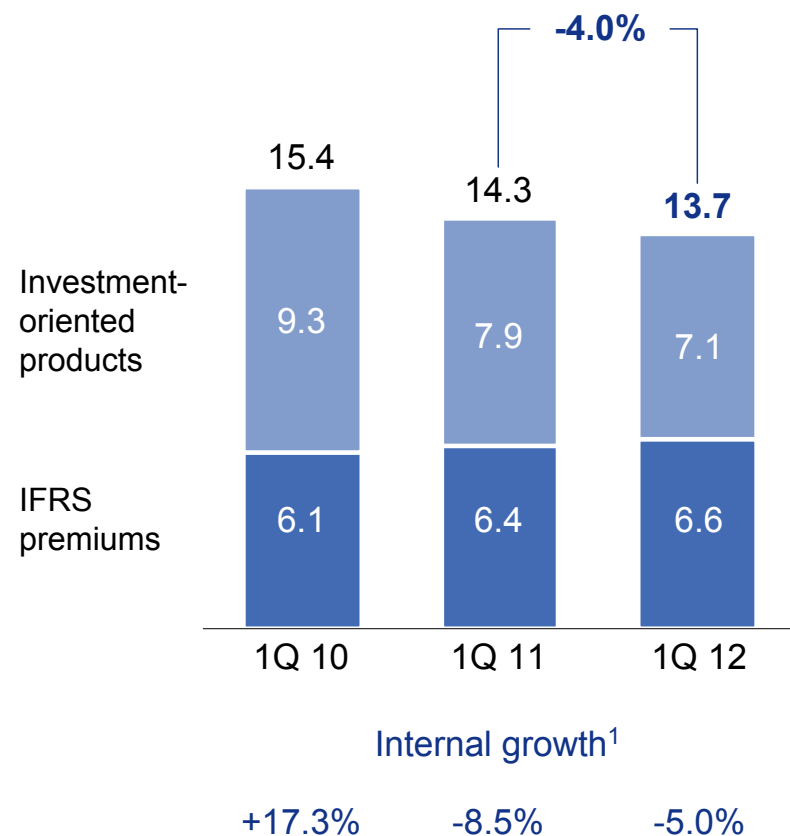
- Operating asset base at EUR 444.3bn

- Operating profit at EUR 0.8bn, up 18 percent

- Value of new business at EUR 0.2bn, and new business margin at 1.9 percent

Revenues at EUR 13.7bn

Revenue development (EUR bn)



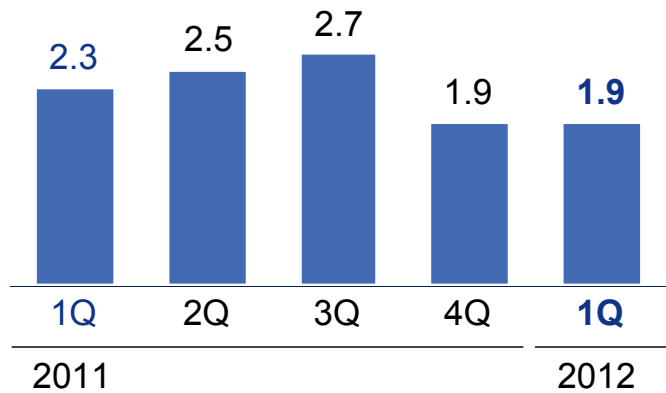
Revenues of sel. OEs (EUR mn)		1Q 10	1Q 11	1Q 12	Δ12/11 ¹
German Speaking Countries	Germany Life	3,919	3,919	3,940	+0.5%
	Germany Health	803	798	818	+2.5%
	Switzerland	806	927	1,030	+4.3%
Western & Southern Europe	France	2,471	1,958	2,018	+4.3%
	Italy	2,840	1,998	1,267	-36.6%
	Benelux	339	421	448	+6.4%
Iberia & Latin America	Spain	198	256	250	-2.7%
Growth Markets	Asia-Pacific	1,625	1,412	1,164	-20.3%
	CEE	333	283	424	+57.6%
USA	USA	1,651	1,939	2,023	-0.1%

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

Value of new business at EUR 223mn

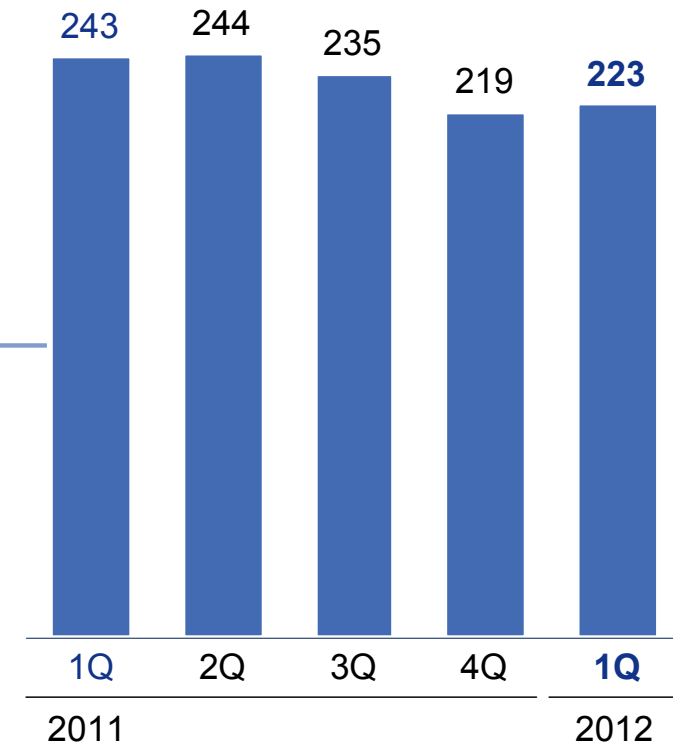
New business margin^{1,2}

(VNB in % of PV of NB premiums)



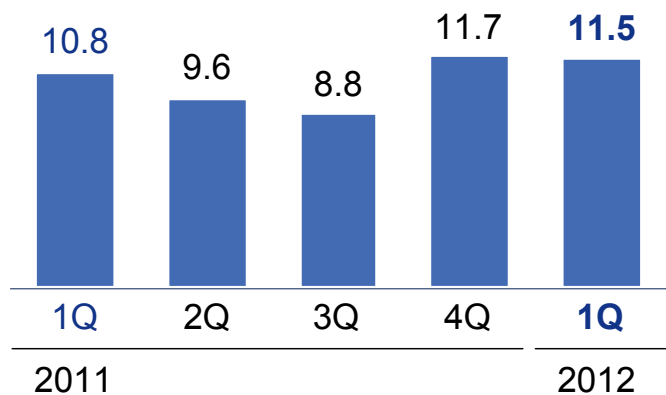
Value of new business^{1,2}

(EUR mn)



PV of NB premiums^{1,2}

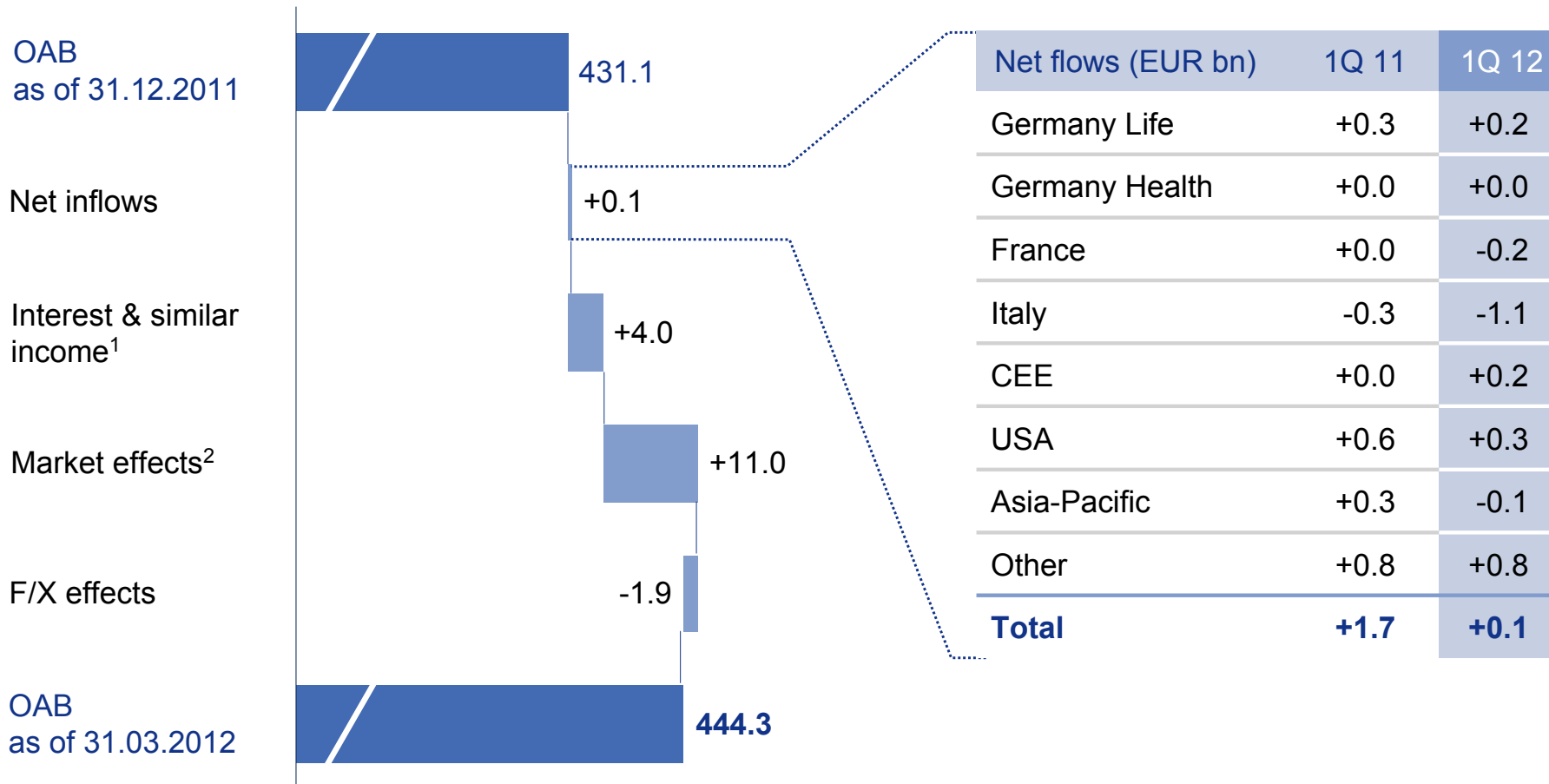
(EUR bn)



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

Asset base increases to EUR 444bn

Operating asset base (EUR bn)

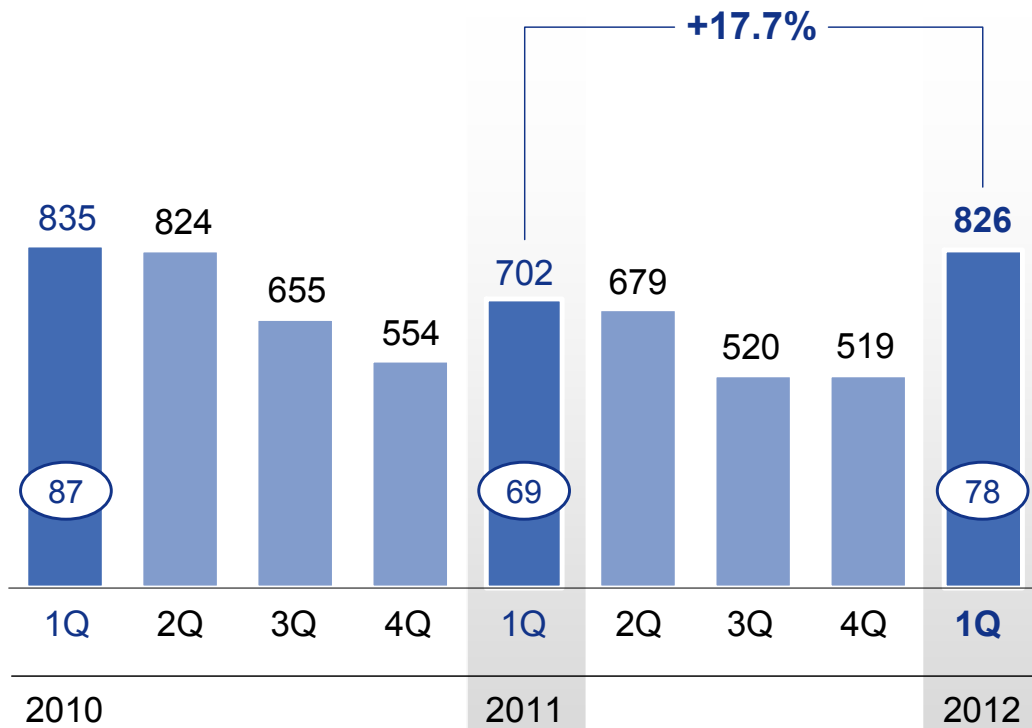


1) Net of interest expenses

2) Includes changes in other assets and liabilities of EUR 3.5bn

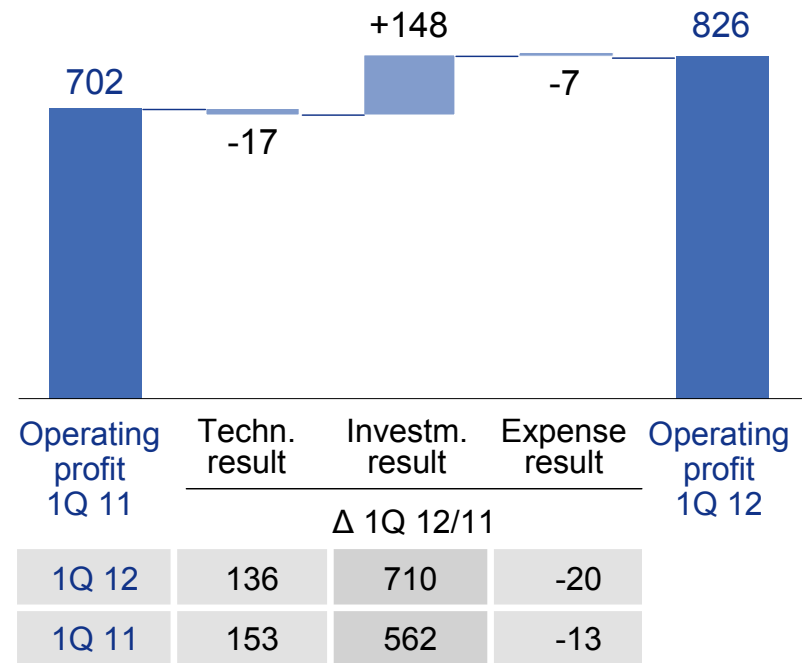
Operating profit at EUR 826mn

Operating profit (EUR mn)



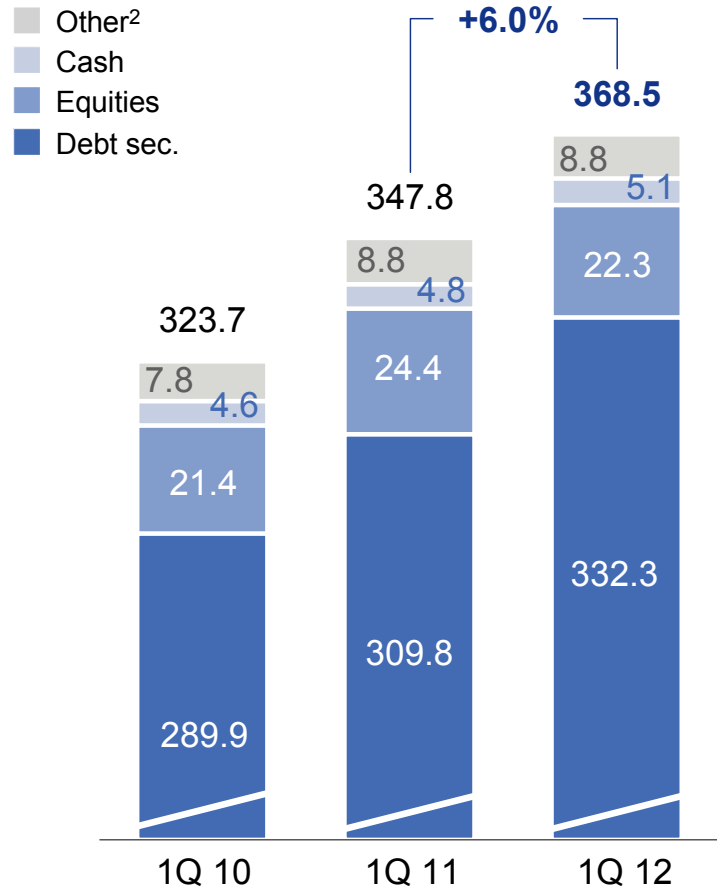
xx Margin on reserves (in bps)

Operating profit drivers (EUR mn)

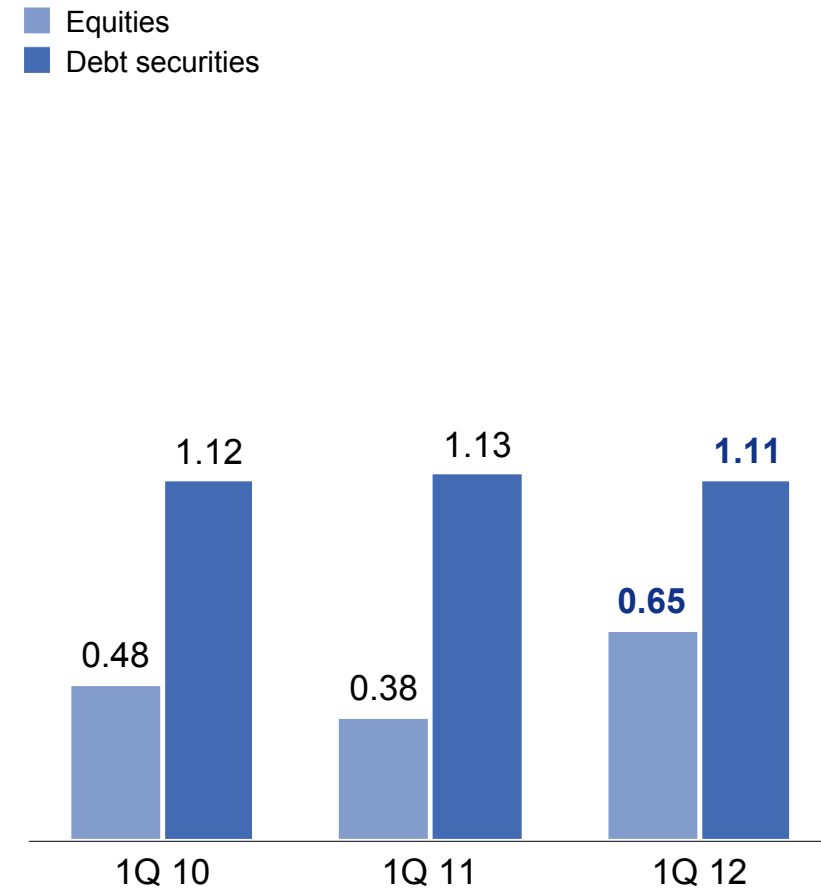


Average asset base grows further

Average asset base (EUR bn)¹



Current yield (in %)

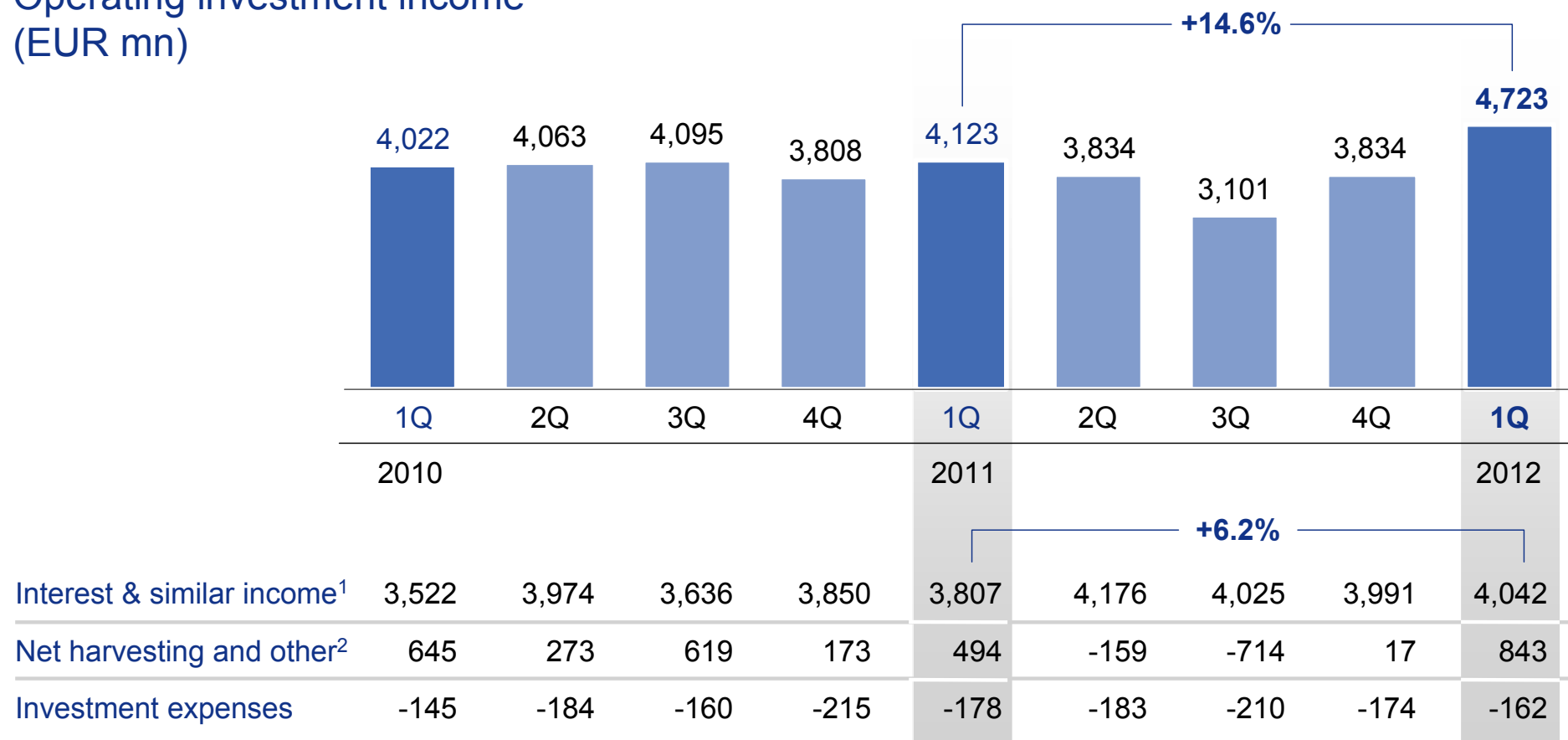


1) Asset base excludes unit linked, FVO and trading and now includes liabilities from cash pooling. Operating asset base includes FVO, trading, unit linked (excludes derivatives MVLO)

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

Net harvesting drives 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

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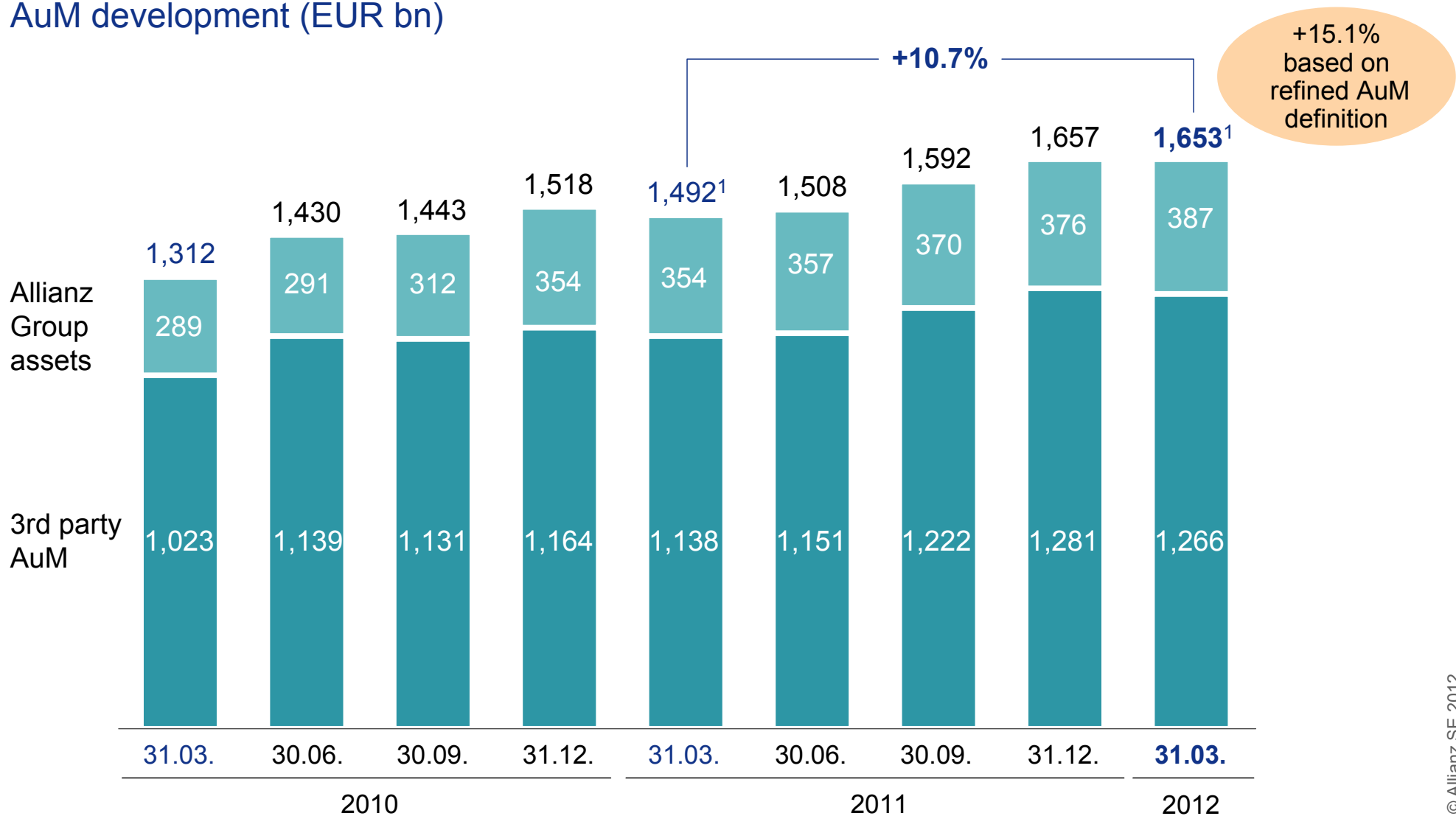
AM: Outstanding performance continues in 2012



- Assets under Management grow 10.7 percent to EUR 1,653bn
- 3rd party net inflows of EUR 23.5bn
- Operating profit up 16.1 percent to EUR 0.6bn
- New structure for Allianz Asset Management (AAM) with PIMCO and AllianzGI implemented successfully

Total Assets under Management grow 10.7 percent

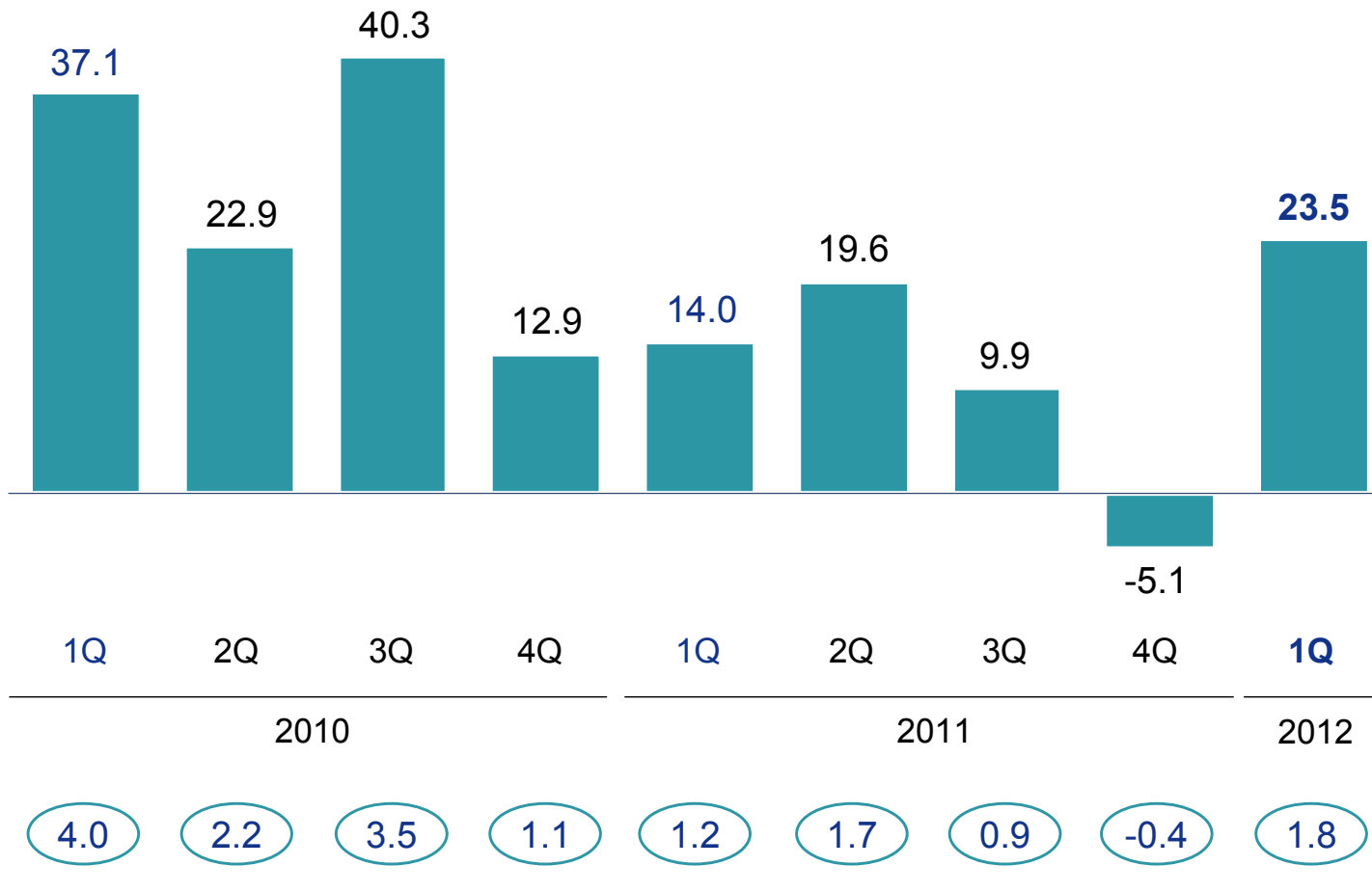
AuM development (EUR bn)



1) As of 31.03.2011 AuM included assets under administration of EUR 57bn, which are no longer part of the refined AuM definition effective 01.01.2012

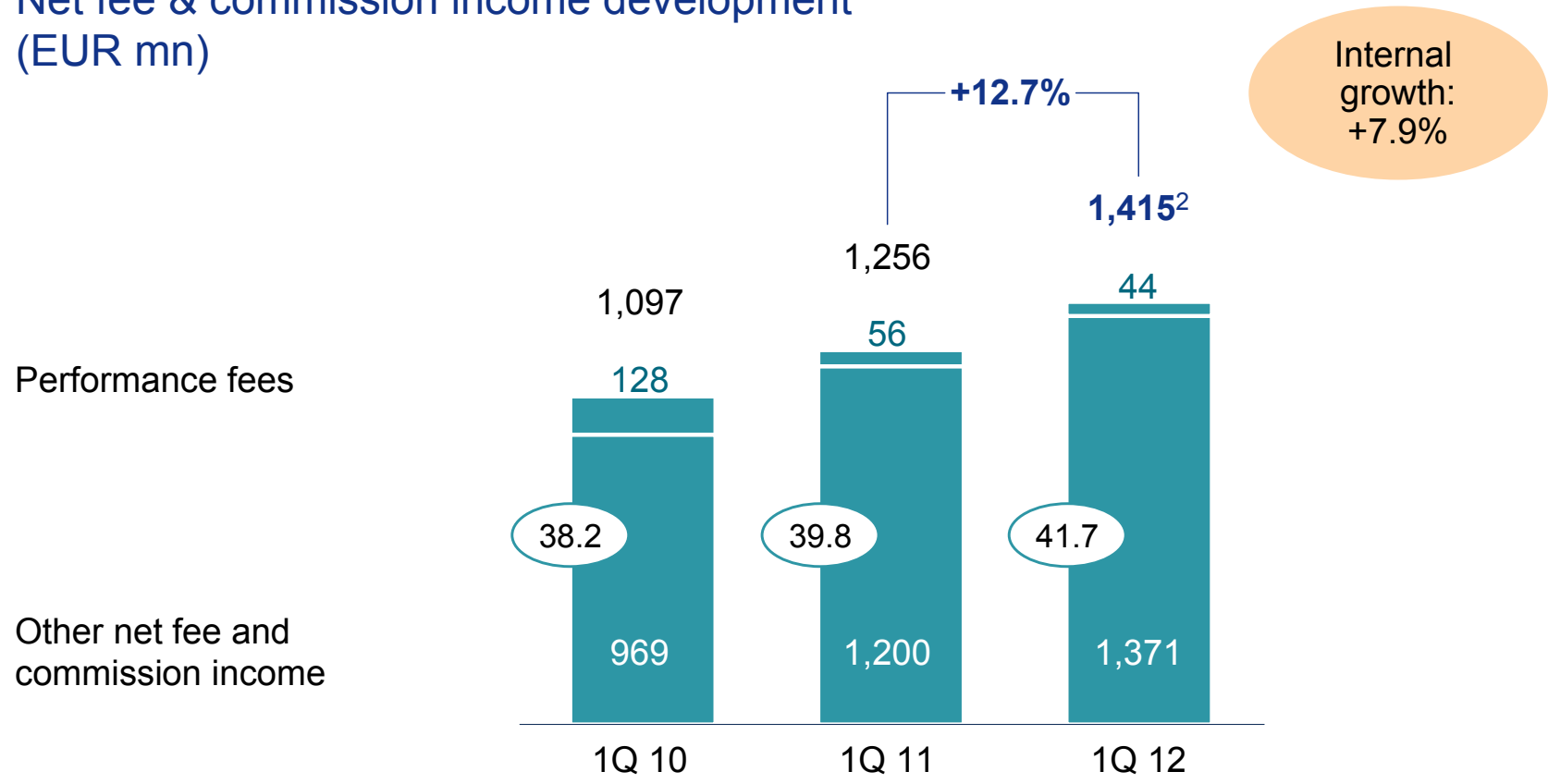
3rd party net inflows of almost EUR 24bn

3rd party net flow development (EUR bn)



Net fee and commission income up to EUR 1.4bn

Net fee & commission income development (EUR mn)

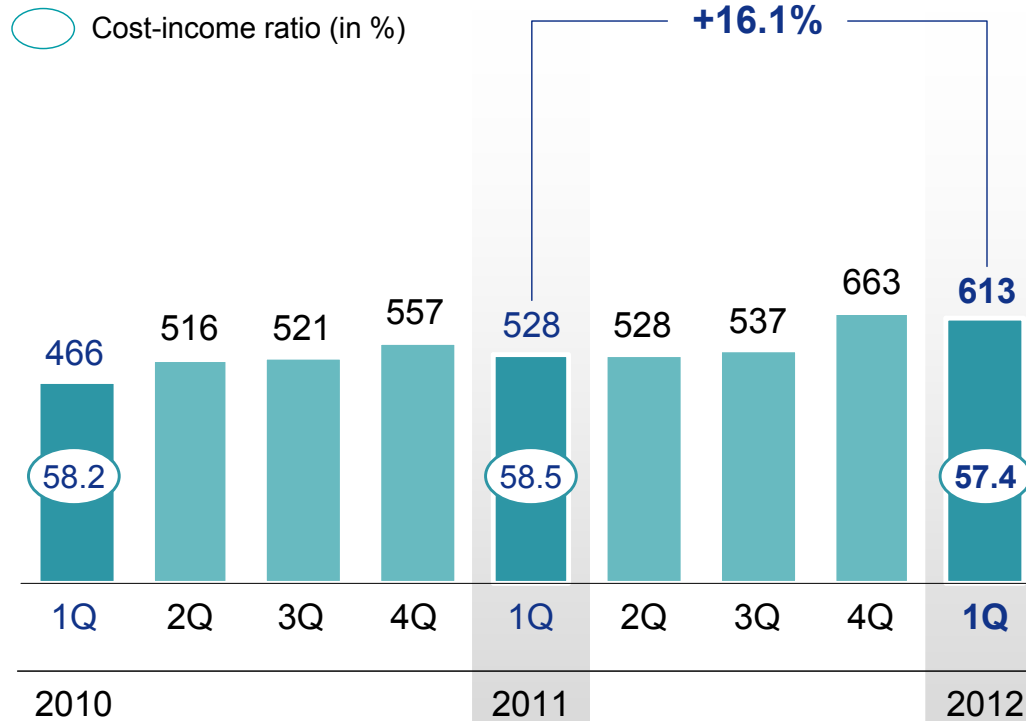


○ AAM 3rd party AuM driven margin¹ (in bps)

1) Excluding performance fees, 12-months rolling
 2) Net fee and commission income includes F/X effect of EUR 49mn

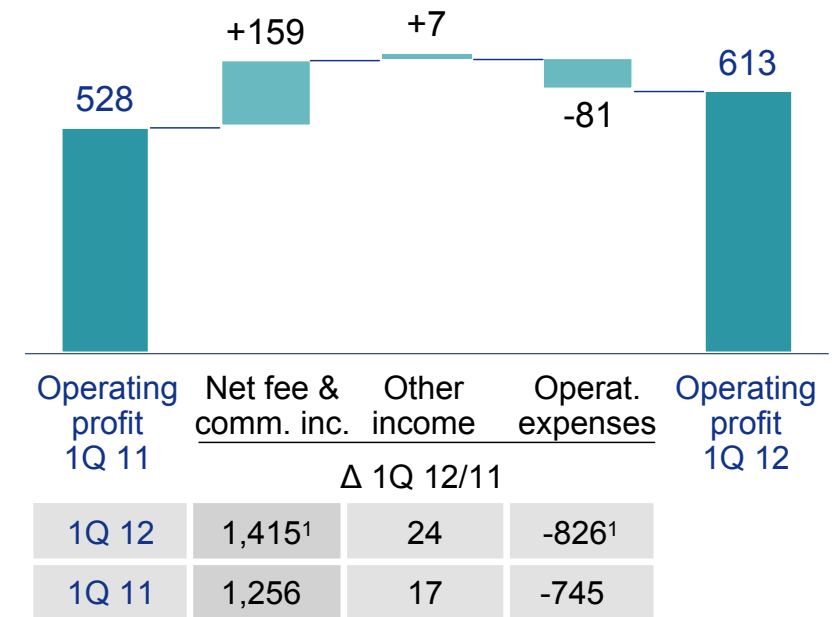
Operating profit increases to EUR 613mn

Operating profit (EUR mn)



Operating profit drivers (EUR mn)

Internal growth: +10.3%

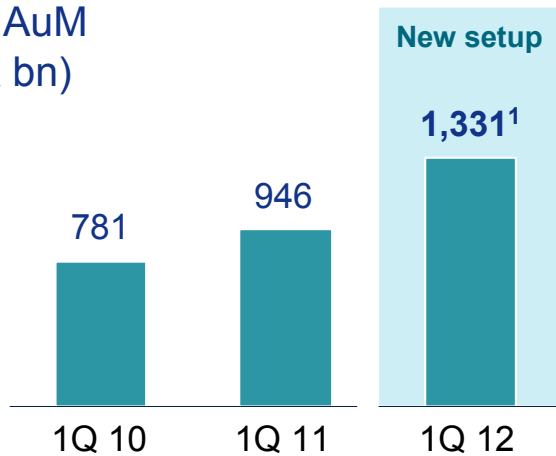


1) Net fee and commission income includes F/X effect of EUR 49mn; operating expenses include F/X effect of EUR -28mn

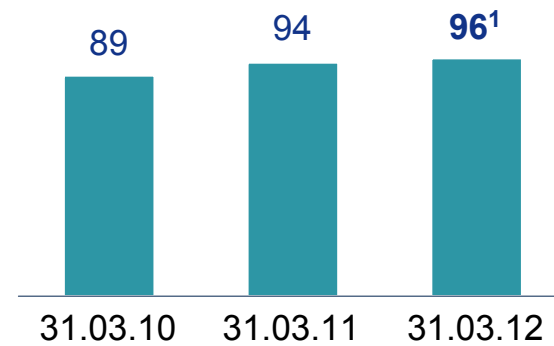
PIMCO with continued strong overall performance

PIMCO business development

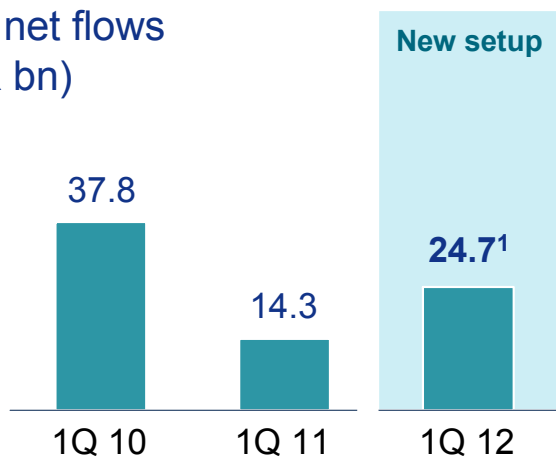
Total AuM
(EUR bn)



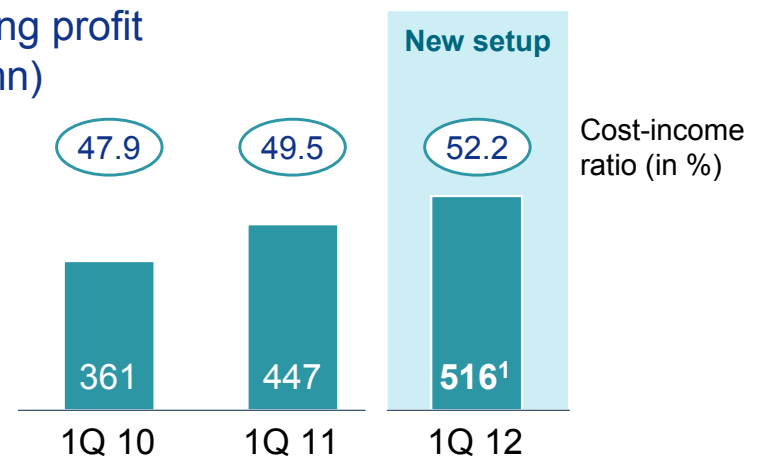
3-year-outperformance²
(in %)



Total net flows
(EUR bn)



Operating profit
(EUR mn)



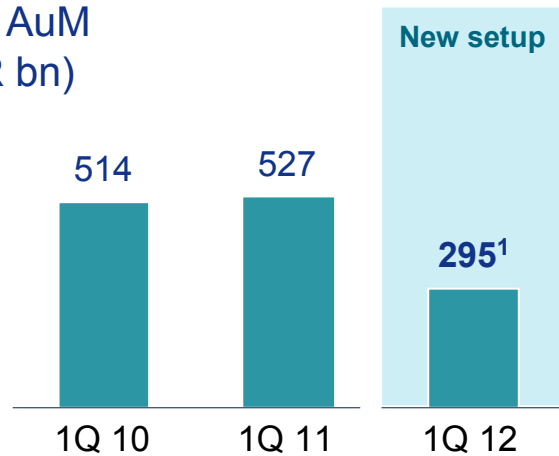
1) Reflects dissolution of integrated model with AllianzGI, prior years figures not adjusted

2) Enhanced methodology applied for all quarters

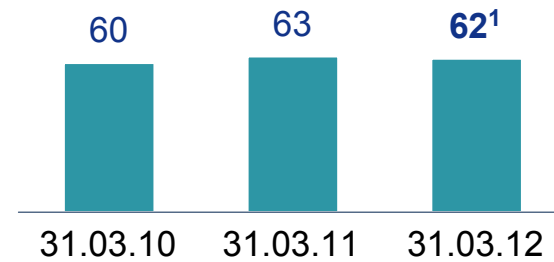
AllianzGI with operating profit of EUR 78mn

AllianzGI business development

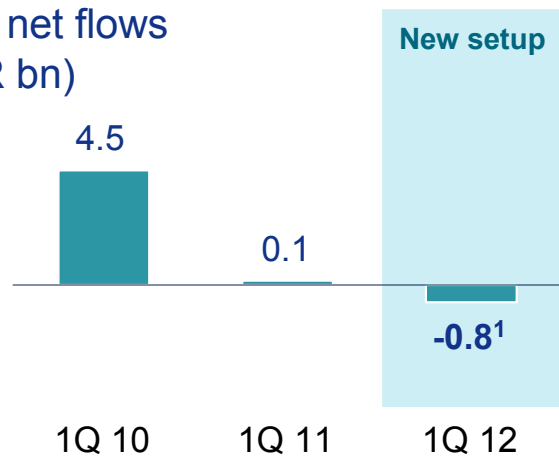
Total AuM
(EUR bn)



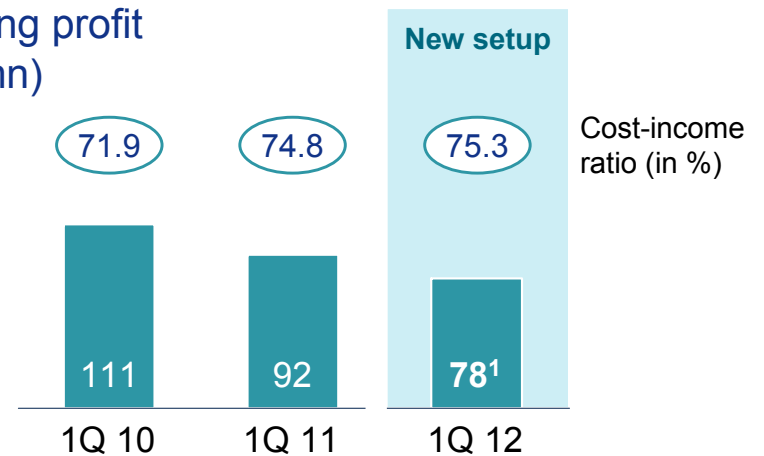
3-year-outperformance²
(in %)



Total net flows
(EUR bn)



Operating profit
(EUR mn)



1) Reflects dissolution of integrated model with PIMCO and enhanced cost allocation for corporate services and steering functions, prior years figures not adjusted

2) Enhanced methodology applied for all quarters

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A very good start in 2012



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- Operating profit increases 40 percent to EUR 2.3bn supported by lower NatCat losses
- Net income at EUR 1.4bn, up 58%
- Capital position continues to be strong and balance sheet further de-risked

On track to reach our operating profit outlook¹ of EUR 8.2bn +/- EUR 0.5bn

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

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Group: Result by segments overview (EUR mn)

	P/C		L/H		AM		CO		Consolidation		Total	
	1Q 11	1Q 12	1Q 11	1Q 12	1Q 11	1Q 12	1Q 11	1Q 12	1Q 11	1Q 12	1Q 11	1Q 12
Total revenues (EUR bn)	14.3	14.8	14.3	13.7	1.3	1.4	0.2	0.2	-0.2	0.0	29.9	30.1
Operating profit	663	1,189	702	826	528	613	-223	-284	-10	-14	1,660	2,330
Non-operating items	173	-25	-4	29	-99	-22	-261	-71	17	-6	-174	-95
Income b/ tax	836	1,164	698	855	429	591	-484	-355	7	-20	1,486	2,235
Income taxes	-279	-328	-216	-229	-120	-212	32	-28	12	7	-571	-790
Net income	557	836	482	626	309	379	-452	-383	19	-13	915	1,445
<i>Net income attributable to:</i>												
Non-controlling interests	38	39	21	23	3	11	-4	1	0	0	58	74
Shareholders	519	797	461	603	306	368	-448	-384	19	-13	857	1,371

Group: Key figures (EUR mn)

	1Q 2010	2Q 2010	3Q 2010	4Q 2010	1Q 2011	2Q 2011	3Q 2011	4Q 2011	1Q 2012	Delta 1Q 12/11
Total revenues (EUR bn)	30.6	25.4	24.5	26.0	29.9	24.6	24.1	25.0	30.1	+0.2
Operating profit	1,732	2,302	2,055	2,154	1,660	2,300	1,906	2,000	2,330	+670
Non-operating items	259	-597	-123	-609	-174	-686	-1,262	-898	-95	+79
Income b/ tax	1,991	1,705	1,932	1,545	1,486	1,614	644	1,102	2,235	+749
Income taxes	-388	-548	-664	-364	-571	-543	-386	-542	-790	-219
Net income	1,603	1,157	1,268	1,181	915	1,071	258	560	1,445	+530
<i>Net income attributable to:</i>										
Non-controlling interests	38	68	4	46	58	71	62	68	74	+16
Shareholders	1,565	1,089	1,264	1,135	857	1,000	196	492	1,371	+514
Group financial assets¹ (EUR bn)	456.1	467.4	471.1	470.1	470.2	473.3	480.5	485.4	502.0	+31.8

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 and including now liabilities from cash pooling

P/C: Key figures (EUR mn)

	1Q 2010	2Q 2010	3Q 2010	4Q 2010	1Q 2011	2Q 2011	3Q 2011	4Q 2011	1Q 2012	Delta 1Q 12/11
Gross premiums written (EUR bn)	14.0	10.0	10.6	9.4	14.3	10.2	10.8	9.5	14.8	+0.5
Operating profit	712	1,147	1,122	1,323	663	1,329	1,111	1,093	1,189	+526
Non-operating items	149	-7	113	-239	173	-9	-300	-43	-25	-198
Income b/ tax	861	1,140	1,235	1,084	836	1,320	811	1,050	1,164	+328
Income taxes	-270	-303	-363	-280	-279	-368	-298	-260	-328	-49
Net income	591	837	872	804	557	952	513	790	836	+279
<i>Net income attributable to:</i>										
Non-controlling interests	31	51	51	28	38	60	38	38	39	+1
Shareholders	560	786	821	776	519	892	475	752	797	+278
Combined ratio (in %)	100.4	96.3	97.1	94.9	101.3	95.0	97.6	97.6	96.2	-5.1%-p
Segment financial assets ¹ (EUR bn)	96.4	96.5	96.2	96.1	98.1	97.2	99.0	98.2	101.4	+3.3

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 and including now liabilities from cash pooling

L/H: Key figures (EUR mn)

	1Q 2010	2Q 2010	3Q 2010	4Q 2010	1Q 2011	2Q 2011	3Q 2011	4Q 2011	1Q 2012	Delta 1Q 12/11
Statutory premiums (EUR bn)	15.4	14.1	12.6	15.1	14.3	13.0	11.8	13.8	13.7	-0.6
Operating profit	835	824	655	554	702	679	520	519	826	+124
Non-operating items	-35	23	-4	-69	-4	-329	-88	-67	29	+33
Income b/ tax	800	847	651	485	698	350	432	452	855	+157
Income taxes	-224	-287	-206	-217	-216	-136	-197	-185	-229	-13
Net income	576	560	445	268	482	214	235	267	626	+144
<i>Net income attributable to:</i>										
Non-controlling interests	21	19	9	23	21	11	21	21	23	+2
Shareholders	555	541	436	245	461	203	214	246	603	+142
Margin on reserves¹ (in bps)	87.0	83.0	65.0	54.0	69.0	66.0	50.0	50.0	78.0	+9.0
Segment financial assets ² (EUR bn)	338.0	348.3	351.6	350.6	348.5	352.4	358.4	364.0	373.6	+25.1
Unit-linked investments (EUR bn)	60.1	61.0	61.7	64.8	64.8	64.8	61.2	63.5	66.8	+2.0
Operating asset base ³ (EUR bn)	401.7	412.7	416.6	419.3	417.1	421.0	423.1	431.1	444.3	+27.2

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 and including now liabilities from cash pooling

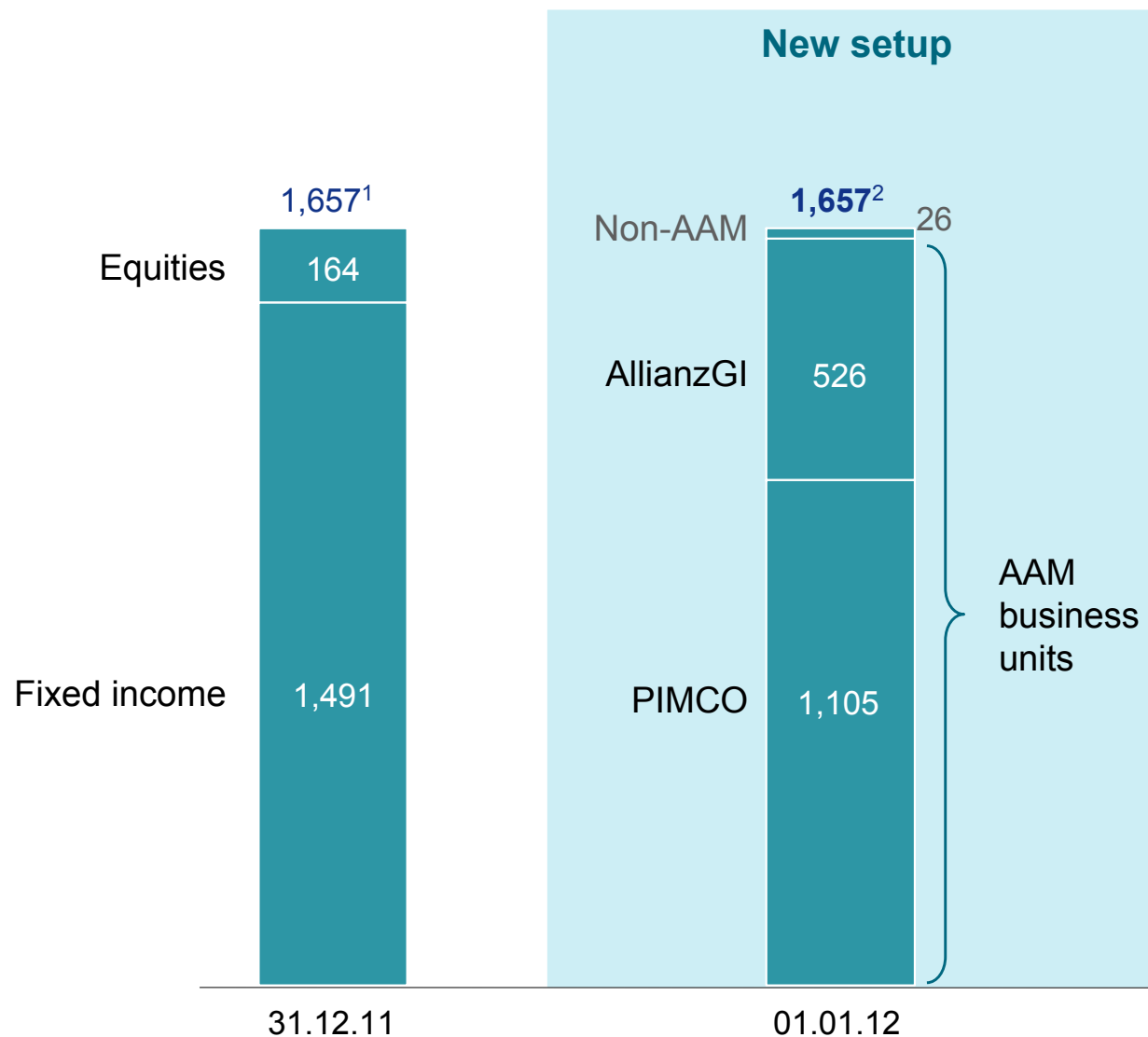
3) Grossed up for insurance liabilities which are netted within the trading book (market value liability option). Including cash and cash pool assets net of liabilities from securities lending and derivatives

AM: Key figures (EUR mn)

	1Q 2010	2Q 2010	3Q 2010	4Q 2010	1Q 2011	2Q 2011	3Q 2011	4Q 2011	1Q 2012	Delta 1Q 12/11
Operating revenues	1,116	1,188	1,256	1,426	1,273	1,303	1,326	1,600	1,439	+166
Operating profit	466	516	521	557	528	528	537	663	613	+85
Non-operating items	-207	-128	-60	-60	-99	-47	-54	-57	-22	+77
Income b/ tax	259	388	461	497	429	481	483	606	591	+162
Income taxes	-116	-158	-180	-205	-120	-192	-150	-225	-212	-92
Net income	143	230	281	292	309	289	333	381	379	+70
<i>Net income attributable to:</i>										
Non-controlling interests	-6	3	2	1	3	4	5	6	11	+8
Shareholders	149	227	279	291	306	285	328	375	368	+62
Cost-income ratio (in %)	58.2	56.6	58.5	60.9	58.5	59.5	59.5	58.6	57.4	-1.1%-p
3rd party AuM¹ (EUR bn)	1,022.7	1,138.5	1,130.9	1,164.0	1,138.5	1,150.9	1,222.3	1,281.3	1,266.4	+127.9

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

Transition – Total AuM (EUR bn)



1) Includes also EUR 2.0bn "other" assets

2) Before AuM adjustments: reclassifications of total AuM of EUR -56bn and asset transfer from AllianzGI to PIMCO of approx. EUR 220bn

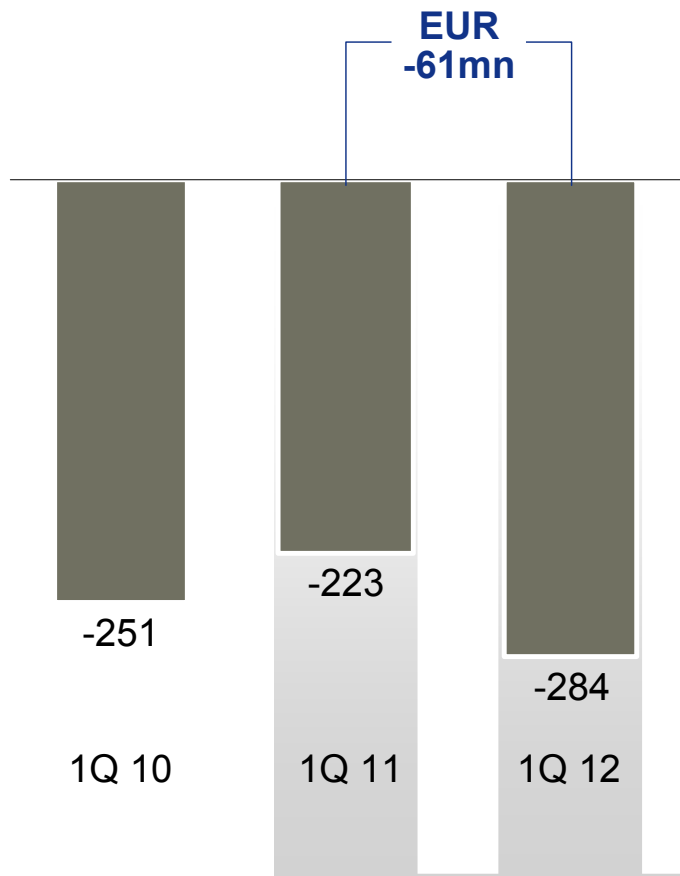
CO: Key figures (EUR mn)

	1Q 2010	2Q 2010	3Q 2010	4Q 2010	1Q 2011	2Q 2011	3Q 2011	4Q 2011	1Q 2012	Delta 1Q 12/11
Total revenues (Banking)	128	138	146	175	151	137	129	150	155	+4
Operating profit										
Holding & Treasury	-226	-138	-237	-262	-221	-170	-234	-199	-267	-46
Banking	-23	-15	-24	-2	2	-24	-9	-37	-15	-17
Alternative Investments	-2	-2	-9	-2	-4	-11	9	1	-1	+3
<i>Consolidation</i>	0	0	0	0	0	0	1	-1	-1	-1
Corporate and Other operating profit	-251	-155	-270	-266	-223	-205	-233	-236	-284	-61
Non-operating items										
Holding & Treasury	245	-466	-55	-120	-245	-287	-861	-608	-60	+185
Banking	6	-32	-8	-96	0	8	-3	-119	0	+0
Alternative Investments	-70	-31	-222	-5	-37	-25	-30	-1	-11	+26
<i>Consolidation</i>	85	16	19	16	21	1	24	4	0	-21
Corporate and Other non-operating items	266	-513	-266	-205	-261	-303	-870	-724	-71	+190
Income b/taxes	15	-668	-536	-471	-484	-508	-1,103	-960	-355	+129
Income taxes	209	197	82	287	32	145	271	106	-28	-60
Net income	224	-471	-454	-184	-452	-363	-832	-854	-383	+69
<i>Net income attributable to:</i>										
Non-controlling interests	-8	-5	-58	-6	-4	-4	-2	3	1	+5
Shareholders	232	-466	-396	-178	-448	-359	-830	-857	-384	+64
Cost-income ratio Banking (in %)	107.8	103.7	104.1	92.6	88.2	93.4	96.9	85.4	80.1	-8.1%-p
RWA¹ Banking (EUR bn)	9	9	9	9	9	9	9	9	9	+0

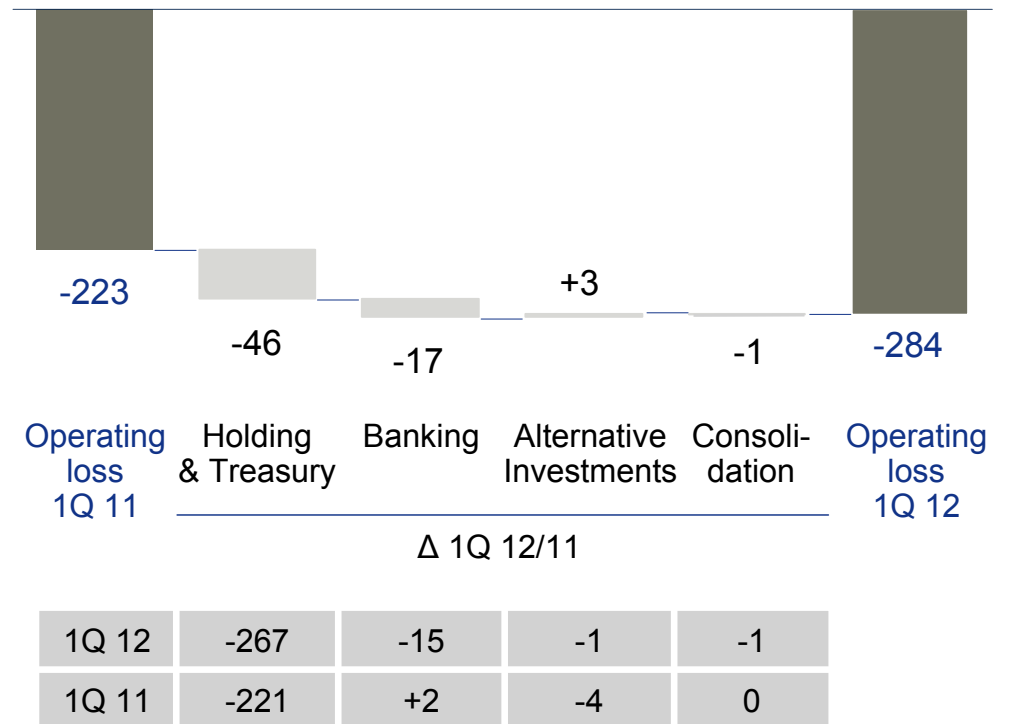
1) Risk weighted assets are end of period values. RWA based on Basel II approach

Corporate and Other (EUR mn)

Operating loss development



Operating loss components

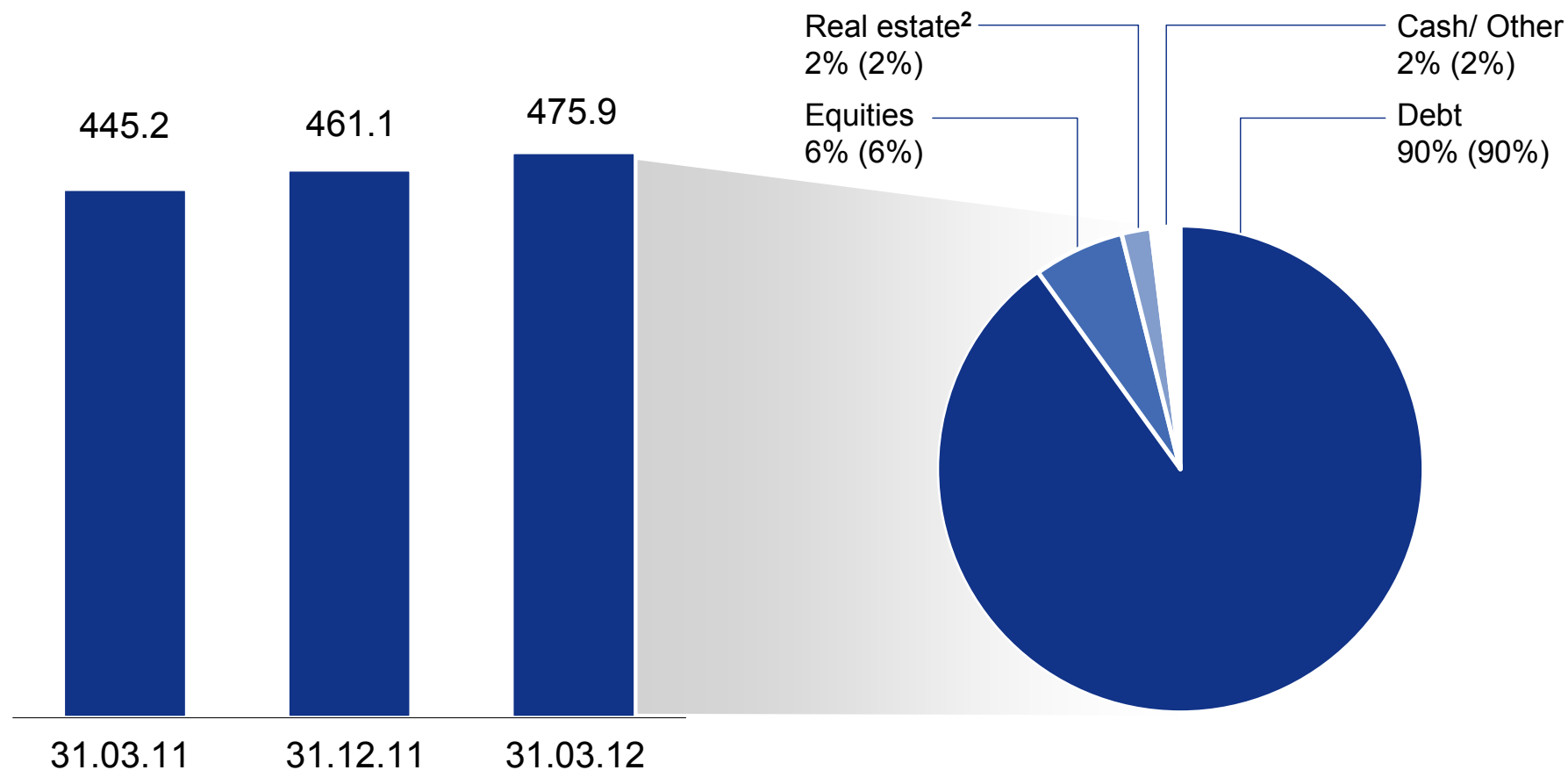


Overview investment portfolio (EUR bn)

Group investments and loans¹

as of 31.03.12 (31.12.11)

Total EUR 475.9bn (EUR 461.1bn)



1) Portfolio discussion is based on consolidated insurance portfolios (P/C, L/H, Corporate and Other)

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

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Group financial
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Glossary (1)

AAM	Allianz Asset Management (former AGI)
AGCS	Allianz Global Corporate & Specialty
AGI	Allianz Global Investors
AM	Asset Management – since January 2012: AAM (Allianz Asset Management)
AuM	Assets under Management: The total of all investments, valued at current market value, which the Group has under management with responsibility for maintaining and improving their performance. In addition to the Group's own investments, they include investments managed on behalf of third parties
Bp	Basis point = 0.01%
CEE	Central and Eastern Europe
Combined ratio	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)
Cost-income ratio (CIR)	Represents operating expenses divided by operating revenues
Current yield	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 from securities lending; yield on debt securities including cash components
DAC	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
Fair value	The amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction
FCD	Financial conglomerates directive: European regulation for the supervision of financial conglomerates and financial groups involved in cross-sectoral business operations

Glossary (2)

Goodwill	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
Gross/Net	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
IFRS	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)
Internal growth	Enhances the understanding of our total revenue performance by excluding the effects of foreign currency translation as well as acquisitions and disposals
L/H	Life and health insurance
Loss ratio	Claims and insurance benefits incurred (net) divided by net premiums earned (net).
NBM	New business margin: Value of new business divided by present value of new business premiums
Non-controlling interests	Represent the proportion of equity of affiliated enterprises not owned by Group companies
OAB	Operating asset base: Operating asset base represents all operating investment assets within 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
OE	Operating entity

Glossary (3)

Operating profit

We evaluate the results of our Property-Casualty, Life/Health, Asset Management and Corporate and Other segments using a financial performance measure we refer to herein as “operating profit”. We define our segment operating profit as income before income taxes and non-controlling interests in earnings, excluding, as applicable for each respective segment, all or some of the following items: Non-operating income from financial assets and liabilities carried at fair value through income (net), non-operating realized gains/losses (net), income from fully consolidated private equity investments (net), interest expenses from external debt, non-operating impairments of investments (net), acquisition-related expenses, amortization of intangible assets, non-operating restructuring charges and reclassification of tax benefits. While these excluded items are significant components in understanding and assessing our consolidated financial performance, we believe that the presentation of operating results enhances the understanding and comparability of the performance of our segments by highlighting net income attributable to ongoing segment operations and the underlying profitability of our businesses. For example, we believe that trends in the underlying profitability of our segments can be more clearly identified without the fluctuating effects of the realized gains/losses or impairments of investments, as these are largely dependent on market cycles or issuer specific events over which we have little or no control, and can and do vary, sometimes materially, across periods. Further, the timing of sales that would result in such gains or losses is largely at our discretion. Operating profit is not a substitute for income before income taxes and non-controlling interests in earnings or net income as determined in accordance with International Financial Reporting Standards (or “IFRS”). Our definition of operating profit may differ from similar measures used by other companies, and may change over time.

PIMCO

Pacific Investment Management Company Group

P/C

Property and casualty insurance

Shadow DAC

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.

VNB

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

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

The company assumes no obligation to update any information contained herein.