

Allianz Group Fiscal Year 2013 Investments

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Member of the Board of Management
Allianz SE

Financial Press Conference
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Based on
preliminary figures

Agenda

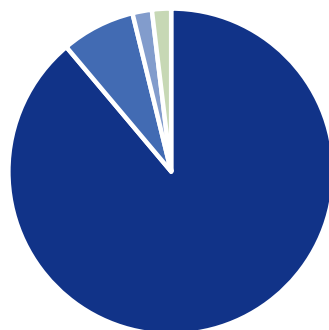
- 1 Allianz Investment Management 2013**
- 2 Portfolio information

Group investment portfolio at a glance

Asset allocation (2012)

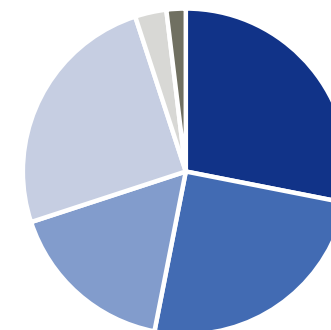
Total: EUR 536.7bn¹
(EUR 531.5bn)

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



Debt instruments by rating³

AAA	28%
AA	25%
A	17%
BBB	25%
Non-investment grade	3%
Not rated ⁴	2%

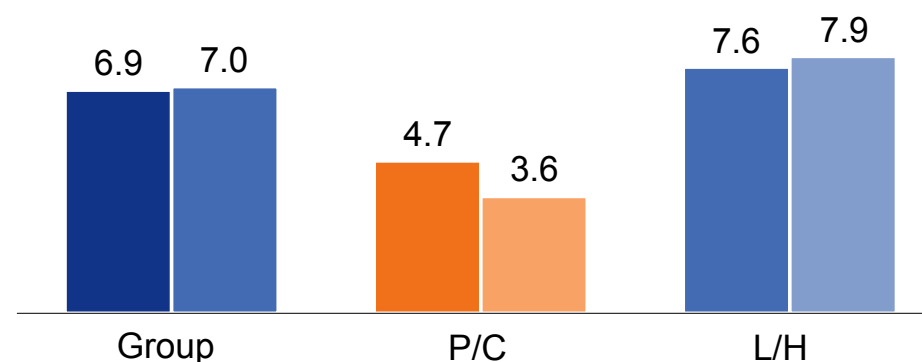


By segment (EUR bn)

	Group	P/C ⁵	L/H ⁵
Debt instruments	480.6	79.7	355.1
Equities	35.5	5.0	28.8
Real estate ²	10.8	2.9	7.6
Cash/Others	9.8	2.4	4.3
Total	536.7	90.0	395.8

Modified duration

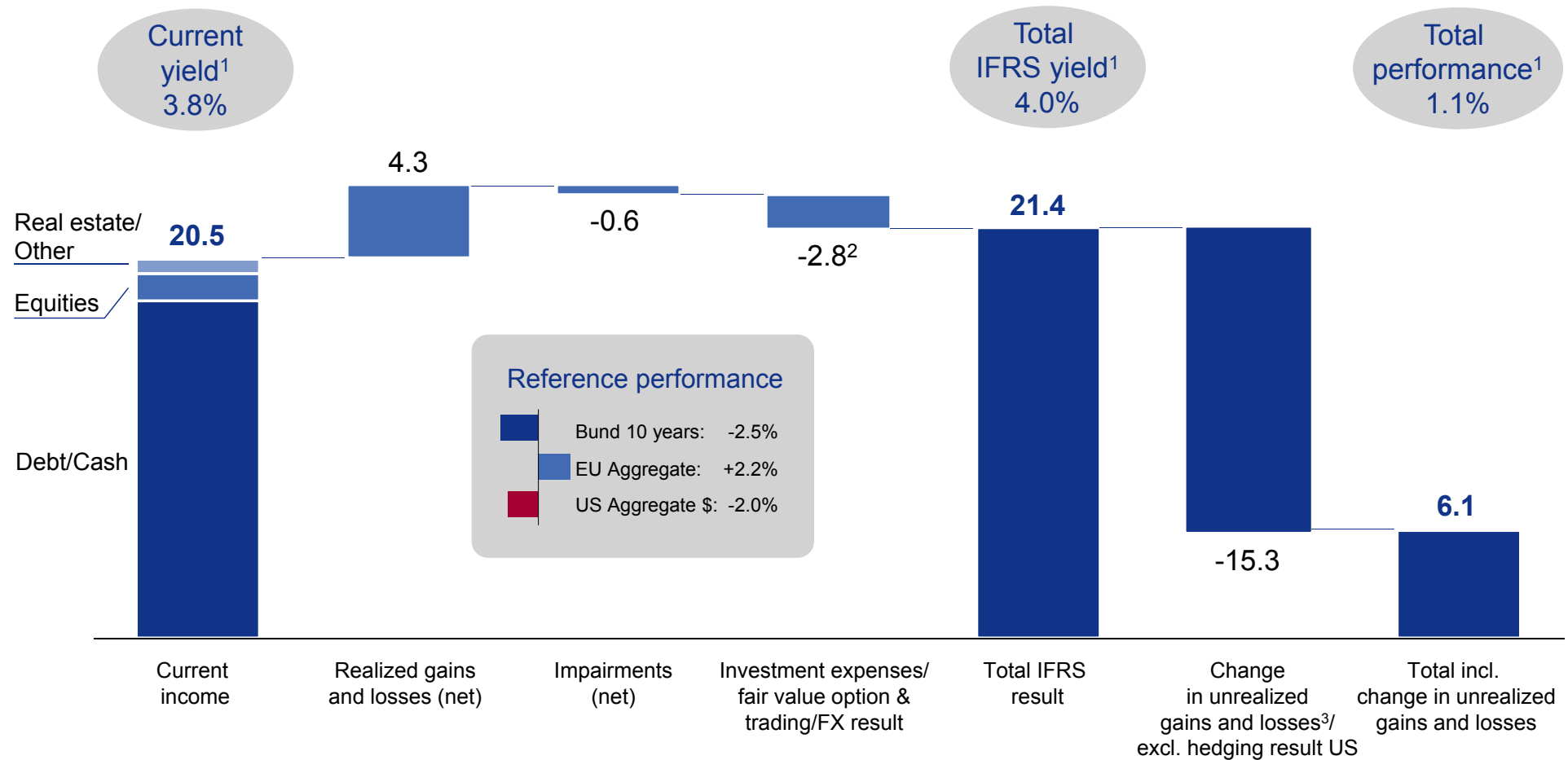
■ Assets ■ Liabilities



1) Including Banking (2013: EUR 20.5bn; 2012: EUR 20.7bn) and Asset Management (2013: EUR 3.4bn; 2012: EUR 3.3bn)
2) Excluding real estate own use and real estate held for sale

3) Excluding German private retail mortgage loans
4) Mostly mutual funds and short-term investments
5) Consolidated on Group level

Investment performance 2013 – overview (EUR bn)



- Current income yield of 3.8% reflects long portfolio duration
- Higher interest rates lead to price decrease of bonds, but also facilitate the reinvestment and financing of guarantees

1) Yield calculation is based on the average asset base (IFRS)
 2) Includes hedging result from fixed index and variable annuities fully offset in insurance P&L
 3) IFRS

Portfolio measures 2013

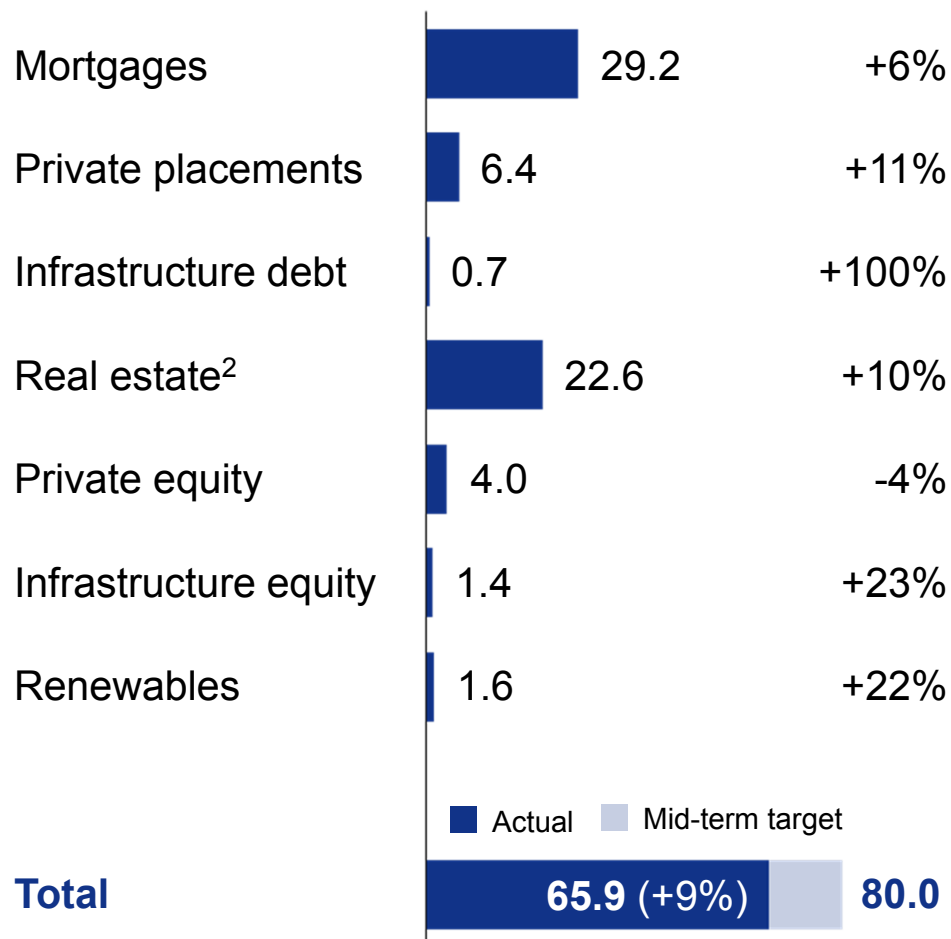
Active increase of real assets and further diversification of fixed income

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

1) Based on portfolio transactions without market movements

Overview direct financing – debt and equity

Current volume¹ (vs. 2012)
EUR bn



Investment examples

Slovakia’s R1 and Marseille L2 motorways:

- Long-maturity senior bonds, matching our asset-liability cashflows

Skyper:

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

Net4Gas (gas transport network):

- Gas transmission within Czech Rep. and transit from Russia to rest of Europe
- Around 45bn m³ of gas transported annually across 3,600km of pipelines

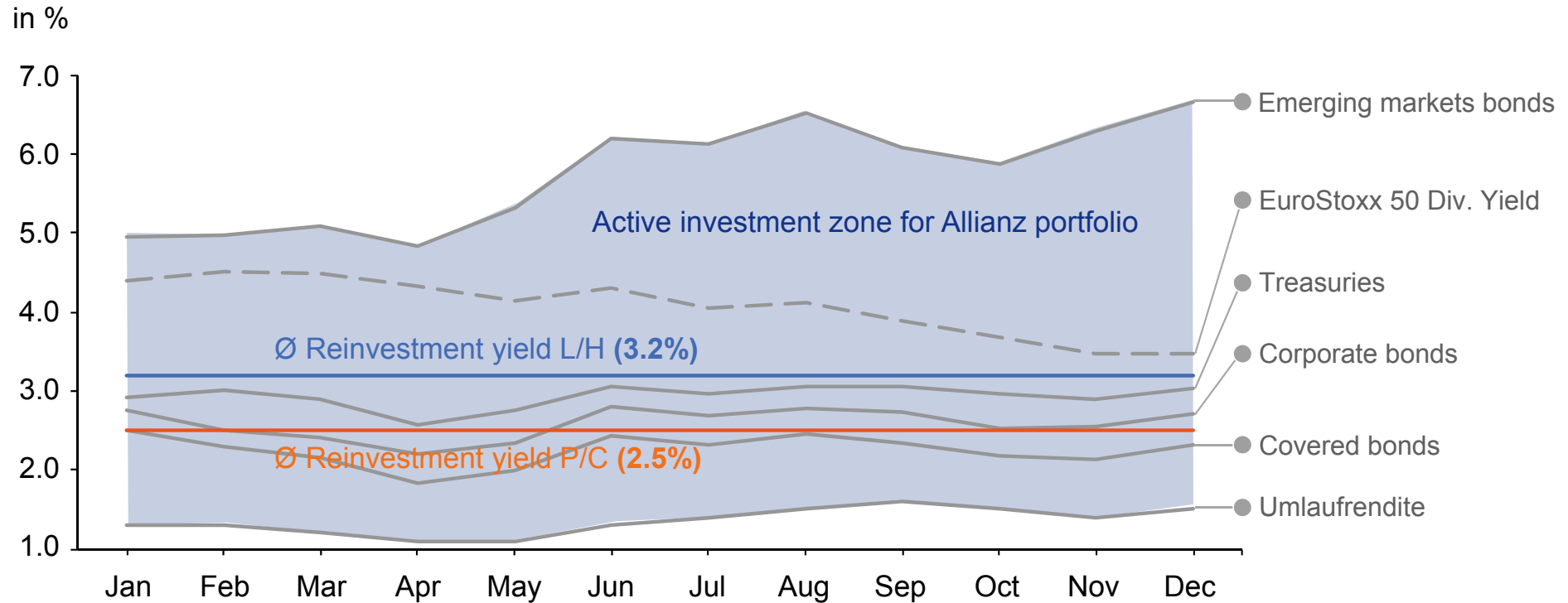
Power generation capacity of Allianz’s 43 wind and 7 solar parks:

- Capability of supplying over half a million European households (>1,000MW, or >1GW)
- With the acquisition of the 72MW Maevaara project, the Swedish wind park market was entered in 2013

1) Including Banking segment mortgages (2012: EUR 4.8bn; 2013: EUR 5.1bn). Total for 2012 restated to EUR 60.6bn including Banking segment

2) Including EUR 19.3bn fully consolidated real estate assets and EUR 3.3bn other real estate assets (including EUR 2.3bn joint ventures and associated enterprises and EUR 1.3bn available-for-sale investments; excluding EUR 0.3bn minorities)

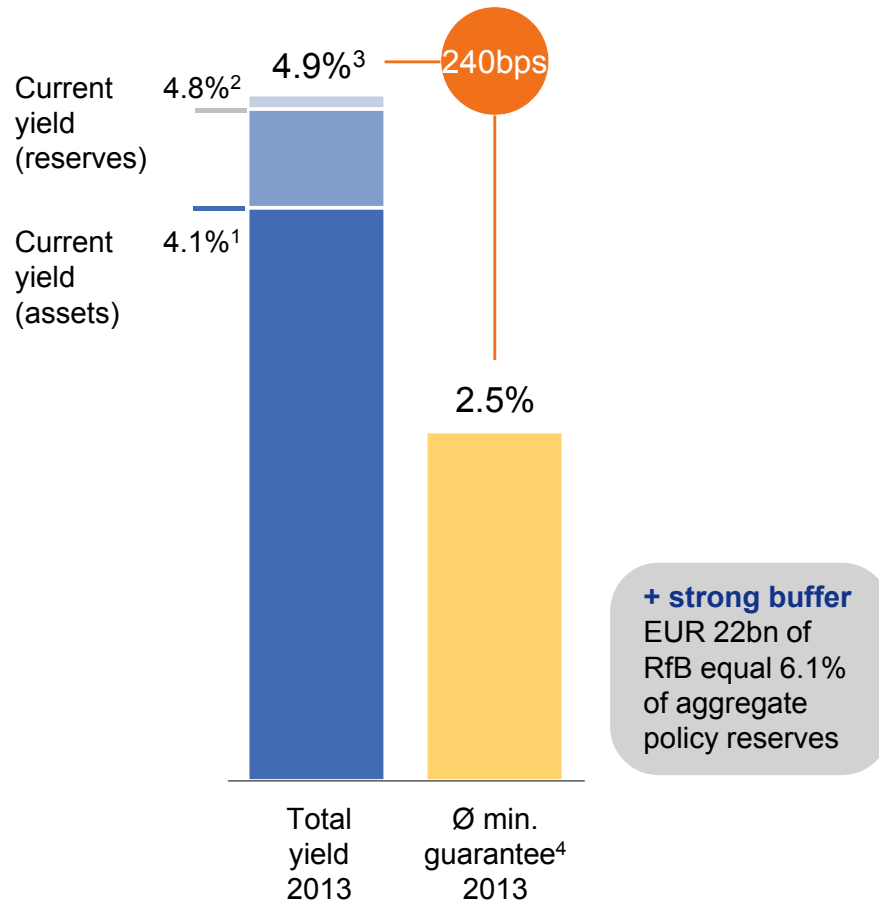
New investment yields in line with conservative investment strategy



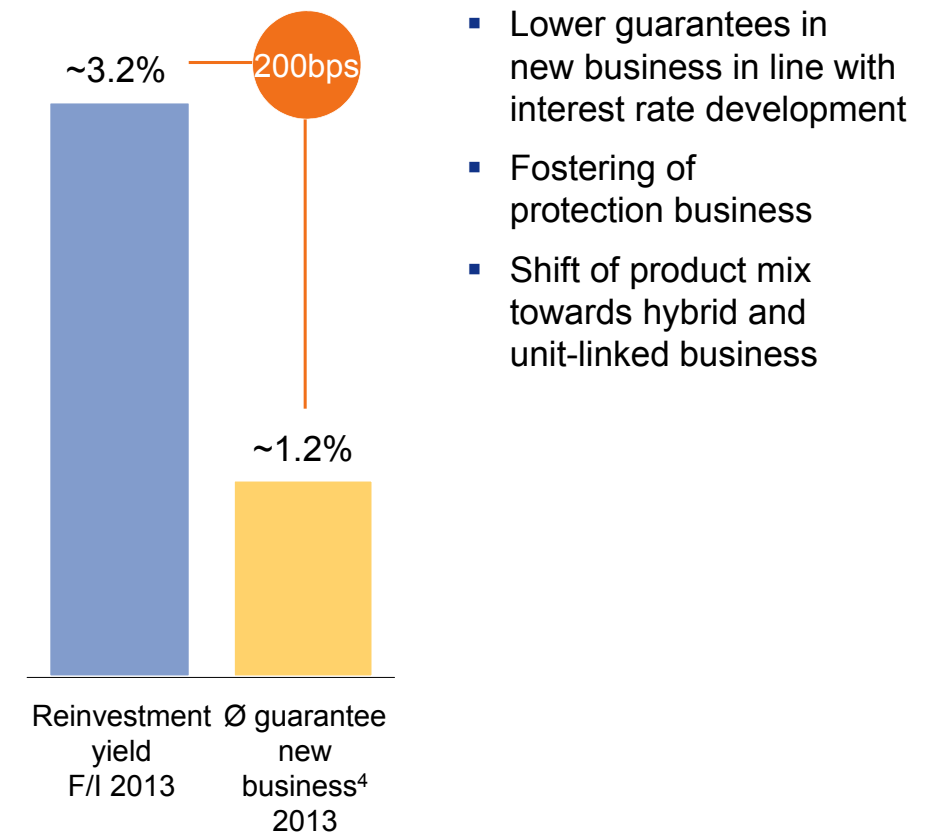
- Professional, long-term-oriented fixed income asset management (PIMCO, AllianzGI) assures attractive yields

Strong buffers and resilient margins in L/H

Business in force



New business



1) IFRS current interest and similar income (net of interest expenses) relative to average asset base (IFRS) which excludes unit-linked, FVO and trading
 2) IFRS current interest and similar income (net of interest expenses) relative to average aggregate policy reserves

3) IFRS current interest and similar income (net of interest expenses) + net harvesting and other (operating) relative to average aggregate policy reserves
 4) Weighted by aggregate policy reserves

Underlying trends 2013 and Allianz' strategic response

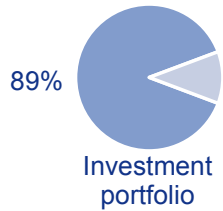


- Rates increase driven by US
- Strong stock market performance
- Euro debt crisis less immediate, but underlying structural issues remain
- High volatility in emerging markets, suffering from capital outflows



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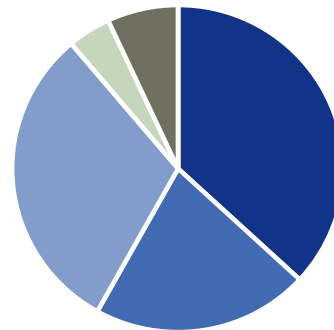


High quality fixed income portfolio

By type of issuer

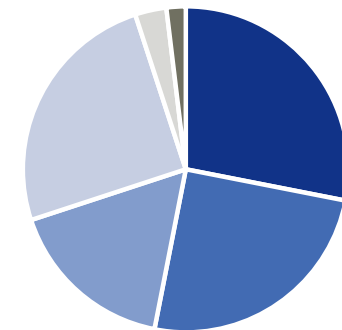
Government	37%
Covered	21%
Corporate	31%
<i>thereof Banking</i>	7%
ABS/MBS ¹	4%
Other ²	7%

Total
EUR 480.6bn



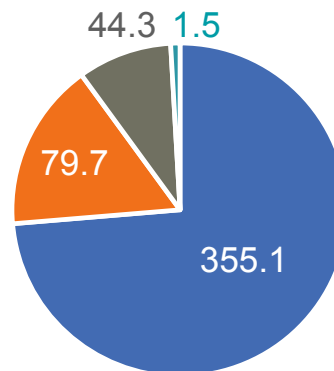
By rating³

AAA	28%
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Non-investment grade	3%
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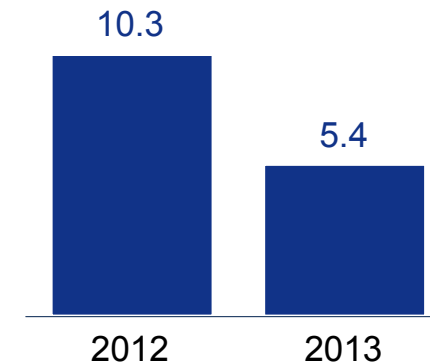


By segment (EUR bn)

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

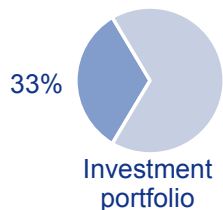


Net AFS unrealized gains/ losses (EUR bn)⁵



1) Including U.S. agency MBS investments (EUR 2.5bn)
 2) Including 5% seasoned self-originated German private retail mortgage loans; 1% short-term deposits at banks
 3) Excluding seasoned self-originated German private retail mortgage loans

4) Mostly mutual funds and short-term investments
 5) On-balance unrealized gains/ losses after tax, non-controlling interests, policyholders and before shadow DAC

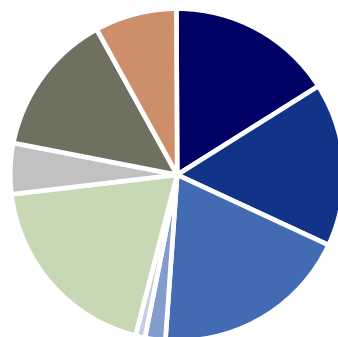


Government bond allocation concentrated in EMU core countries

By region

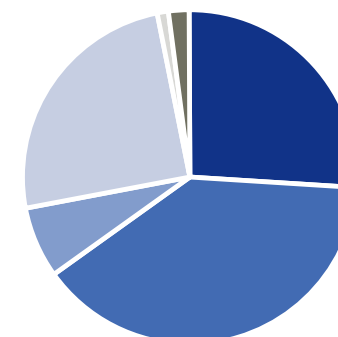
Germany	16%
Italy	16%
France	19%
Spain	2%
UK	1%
Rest of Europe	19%
USA	5%
Rest of World	14%
Supranational	8%

Total
EUR 179.6bn¹



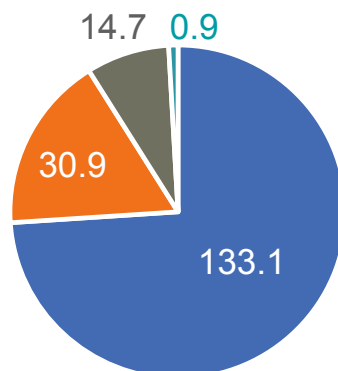
By rating

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

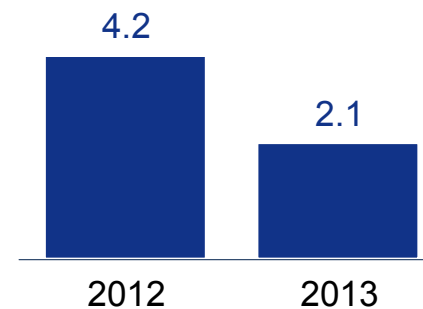


By segment (EUR bn)

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



Net AFS unrealized gains/ losses (EUR bn)²

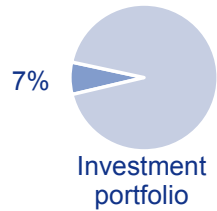


1) Government and government related (excl. U.S. agency MBS)

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

Details sovereigns (EUR bn)

	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
France	33.9	7.1%	18.7	27.1	7.7%	15.7	4.6	5.7%	2.8
Germany	29.1	6.1%	25.3	19.1	5.4%	16.8	4.2	5.3%	3.0
Italy	28.8	6.0%	18.1	24.6	6.9%	15.1	3.4	4.3%	2.5
Supranational	15.3	3.2%	0.0	12.1	3.4%	0.0	1.9	2.3%	0.0
USA	8.5	1.8%	6.9	5.1	1.4%	4.8	2.5	3.1%	2.1
Belgium	6.6	1.4%	3.4	5.2	1.5%	2.9	0.8	1.0%	0.5
South Korea	6.4	1.3%	6.3	6.4	1.8%	6.3	0.0	0.0%	0.0
Austria	6.1	1.3%	0.4	4.8	1.4%	0.3	0.7	0.9%	0.1
Switzerland	5.3	1.1%	5.2	4.1	1.2%	4.1	1.2	1.5%	1.1
Netherlands	3.6	0.7%	0.2	1.9	0.5%	0.1	0.8	1.0%	0.1
Spain	3.0	0.6%	2.4	2.6	0.7%	2.1	0.4	0.5%	0.2
Poland	2.5	0.5%	0.5	1.8	0.5%	0.1	0.6	0.8%	0.4
Australia	2.3	0.5%	2.1	0.0	0.0%	0.0	2.2	2.8%	2.1
Brazil	1.7	0.4%	0.5	1.1	0.3%	0.0	0.6	0.8%	0.5
Mexico	1.6	0.3%	0.3	1.4	0.4%	0.2	0.2	0.3%	0.1
Thailand	1.5	0.3%	1.2	1.5	0.4%	1.2	0.0	0.1%	0.0
Slovakia	1.5	0.3%	0.8	1.0	0.3%	0.6	0.4	0.5%	0.2
Portugal	0.2	0.0%	0.2	0.1	0.0%	0.0	0.1	0.1%	0.0
Ireland	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0
Greece	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0
Other	21.7	4.5%	n.a.	13.2	3.7%	n.a.	6.3	7.8%	n.a.
Total 2013	179.6	37.4%	n.a.	133.1	37.5%	n.a.	30.9	38.8%	n.a.
Total 2012	177.4	36.9%	n.a.	131.5	37.0%	n.a.	32.7	39.4%	n.a.

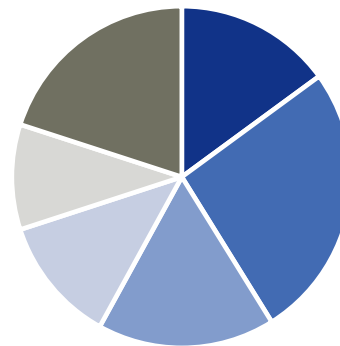


Equity portfolio

By region

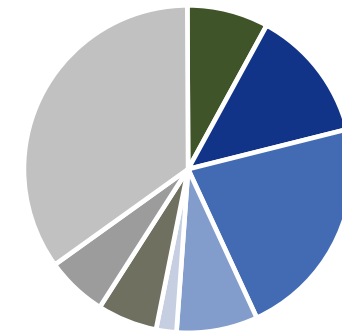
Germany	15%
Eurozone ex Germany	26%
Europe ex Eurozone	17%
NAFTA	12%
Rest of World	10%
Multinational ²	20%

Total
EUR 35.5bn¹



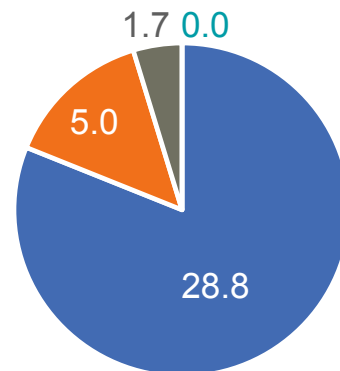
By industry

Banking	8%
Other Financials	13%
Consumer	22%
Basic materials	8%
Utilities	2%
Industrial	6%
Energy	6%
Funds and other ³	35%

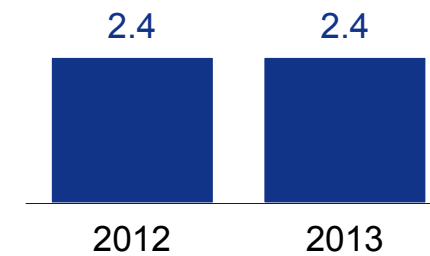


By segment (EUR bn)

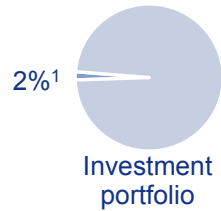
L/H	81%
P/C	14%
Corporate and other	5%
Asset Management	0%



Net AFS unrealized gains/ losses (EUR bn)⁴



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

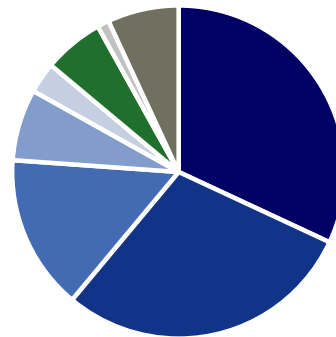


Real estate portfolio (incl. own use, market value)

By region

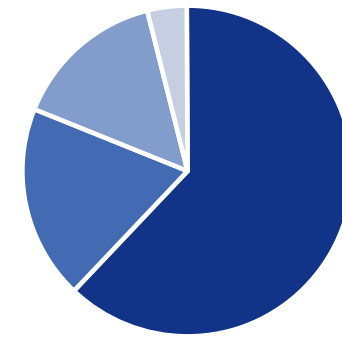
France	32%
Germany	29%
Switzerland	15%
Italy	7%
Spain	3%
Rest of Eurozone	6%
USA	1%
Rest of World	7%

Total
EUR 19.3bn²



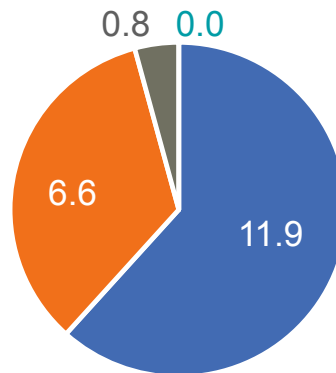
By sectors

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



By segment (EUR bn)

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



Net unrealized gains/ losses (EUR bn)³



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

2) Market value of fully consolidated real estate assets including real estate own use (EUR 3.6bn) and minorities (EUR 0.3bn)

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

Excursus Solvency II – standard model

Allianz applies internal model

	Capital charges ¹	Solvency II framework	Economic implications
Government bonds	0% for EU member states ²	<ul style="list-style-type: none"> ▪ Sovereign debt crisis not reflected 	<ul style="list-style-type: none"> ▪ Sovereigns become preferred asset class
Corporate bonds and loans (AAA rating, 1 - 10 yrs. duration)	0.9% - 7.0%	<ul style="list-style-type: none"> ▪ Loans treated like bonds ▪ Equal treatment of all industry sectors 	<ul style="list-style-type: none"> ▪ More limited financing possibilities, esp. for banks ▪ Increased pressure to shorten liability duration
Covered bonds (AAA rating, 1 - 10 yrs. duration)	0.7% - 6.0%	<ul style="list-style-type: none"> ▪ Charges too high compared to corporate bonds 	<ul style="list-style-type: none"> ▪ Reduced refinancing possibilities for banks
“Securitization” (AAA rating, Type 1, 1 - 10 yrs. duration)	4.3% - 43%	<ul style="list-style-type: none"> ▪ Very high charges for Type 1 ▪ Type 2 charges: 2.9 times as high (up to 100%) 	
Equities	39% - 49%	<ul style="list-style-type: none"> ▪ In combination with IFRS 9, high charges drive insurance sector more and more out of this asset class 	<ul style="list-style-type: none"> ▪ Role of insurance industry as equity investor becomes less important ▪ Shrinking yields for privately financed pension savings
Real estate	25%	<ul style="list-style-type: none"> ▪ Proposed charges calibrated to UK market (traditionally high volatility – unlike many markets in continental Europe) 	<ul style="list-style-type: none"> ▪ Attractiveness of real estate investments decreases ▪ Less inflation protection in private pension savings

1) As in “Draft Delegated Acts Solvency II” (Jan 2014). Before diversification, not taking into account interest rate risk. Equities without participations

2) Includes also other institutions like the European Central Bank or multilateral development banks

Disclaimer

These assessments are, as always, subject to the disclaimer provided below.

Forward-looking statements

The statements contained herein may include prospects, statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those expressed or implied in such forward-looking statements.

Such deviations may arise due to, without limitation, (i) changes of the general economic conditions and competitive situation, particularly in the Allianz Group's core business and core markets, (ii) performance of financial markets (particularly market volatility, liquidity and credit events) (iii) frequency and severity of insured loss events, including from natural catastrophes, and the development of loss expenses, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) particularly in the banking business, the

extent of credit defaults, (vii) interest rate levels, (viii) currency exchange rates including the Euro/U.S. Dollar exchange rate, (ix) changes in laws and regulations, including tax regulations, (x) the impact of acquisitions, including related integration issues, and reorganization measures, and (xi) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

No duty to update

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