

# Allianz Capital Markets Day

Making a difference

Italy, France, Spain, Portugal,  
Turkey, Latin America

Milan, July 18, 2012



Allianz 

# Agenda

<b>A</b>	Welcome / making a difference	Oliver Bäte
<b>B</b>	Transforming the rules of the game	George Sartorel
<b>C</b>	A changing value proposition in Life	Giacomo Campora
<b>D</b>	Genialloyd – go for growth	Leonardo Felician
<b>E</b>	Telematics – introducing pay per use	Anthony J. Bradshaw
<b>F</b>	What the market could see	Jacques Richier
<b>G</b>	What the market could not see	Jürgen Gerke
<b>H</b>	Turkey – a European growth market	Alexander Ankel
<b>I</b>	IberoLatam region – leverage best practice	Vicente Tardío Iván de la Sota
<b>J</b>	Underwriting excellence	Anthony J. Bradshaw

Disclaimer

Investor Relations contacts

Making a  
difference

Oliver Bäte  
CFO Allianz Group

Milan, July 18, 2012

# Capital Markets Day

Allianz 

# Agenda

- A** Introduction
- B** Excursion – sovereign debt crisis



# Allianz at a glance

EUR **104bn** total revenues<sup>1</sup>

EUR **1,653bn** total AuM<sup>2</sup>

EUR **7.9bn** operating profit<sup>1</sup>

**202%** economic solvency ratio<sup>2</sup>

EUR **48.2bn** S/H equity<sup>2</sup>

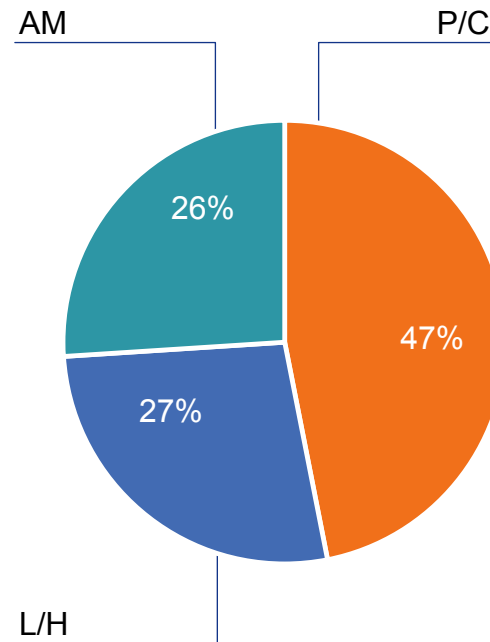
EUR **36.0bn** market cap<sup>3</sup>

More than **78mn** customers<sup>1</sup>

Approx. **6%**<sup>4</sup> dividend yield

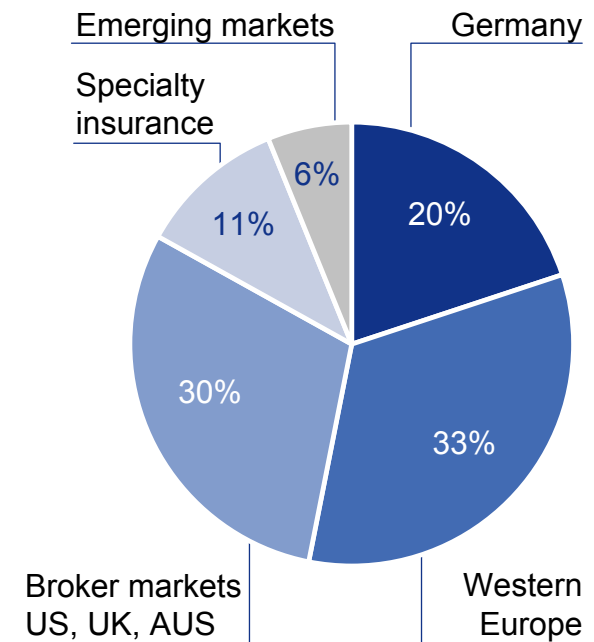
## Segments<sup>1,5</sup>

Operating profit in %



## Regions<sup>1,5</sup>

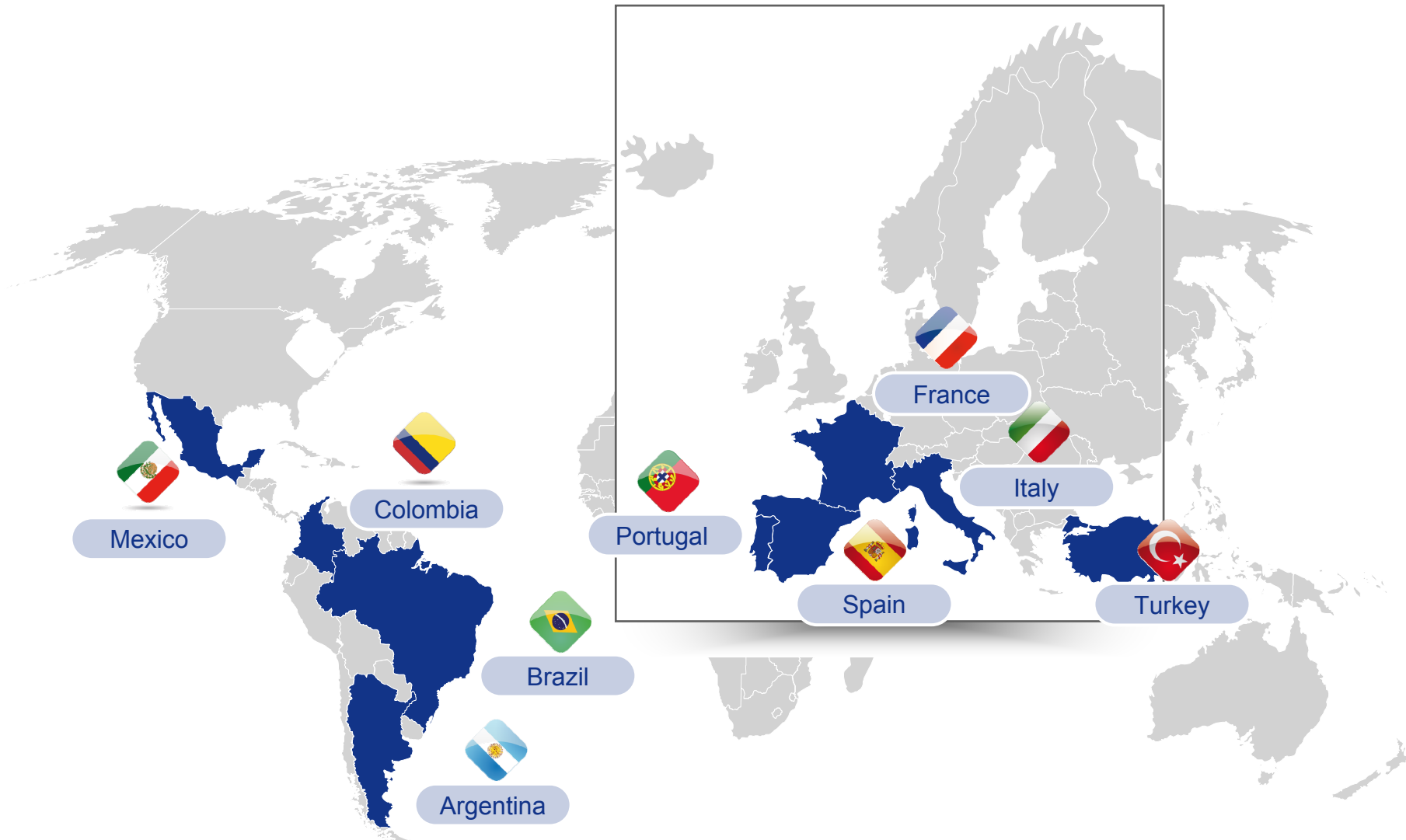
Operating profit in %



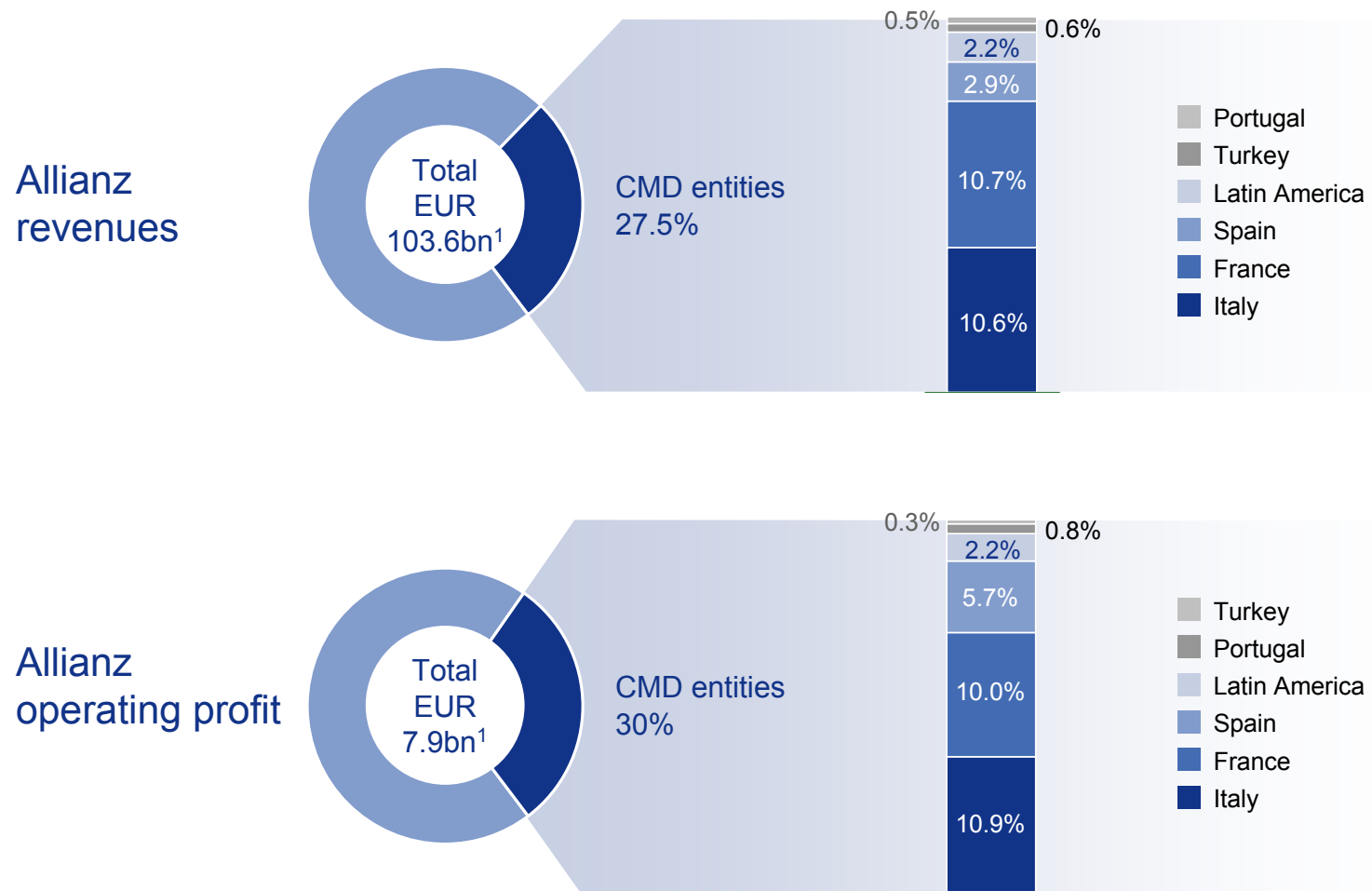
1) 12/2011  
2) 03/2012  
3) 06/2012

4) As per 06/2012, based on dividend for fiscal 2011; no forecast  
5) Relation of business segments excluding Corporate & Other and consolidation

# Capital Markets Day Milan – today's universe

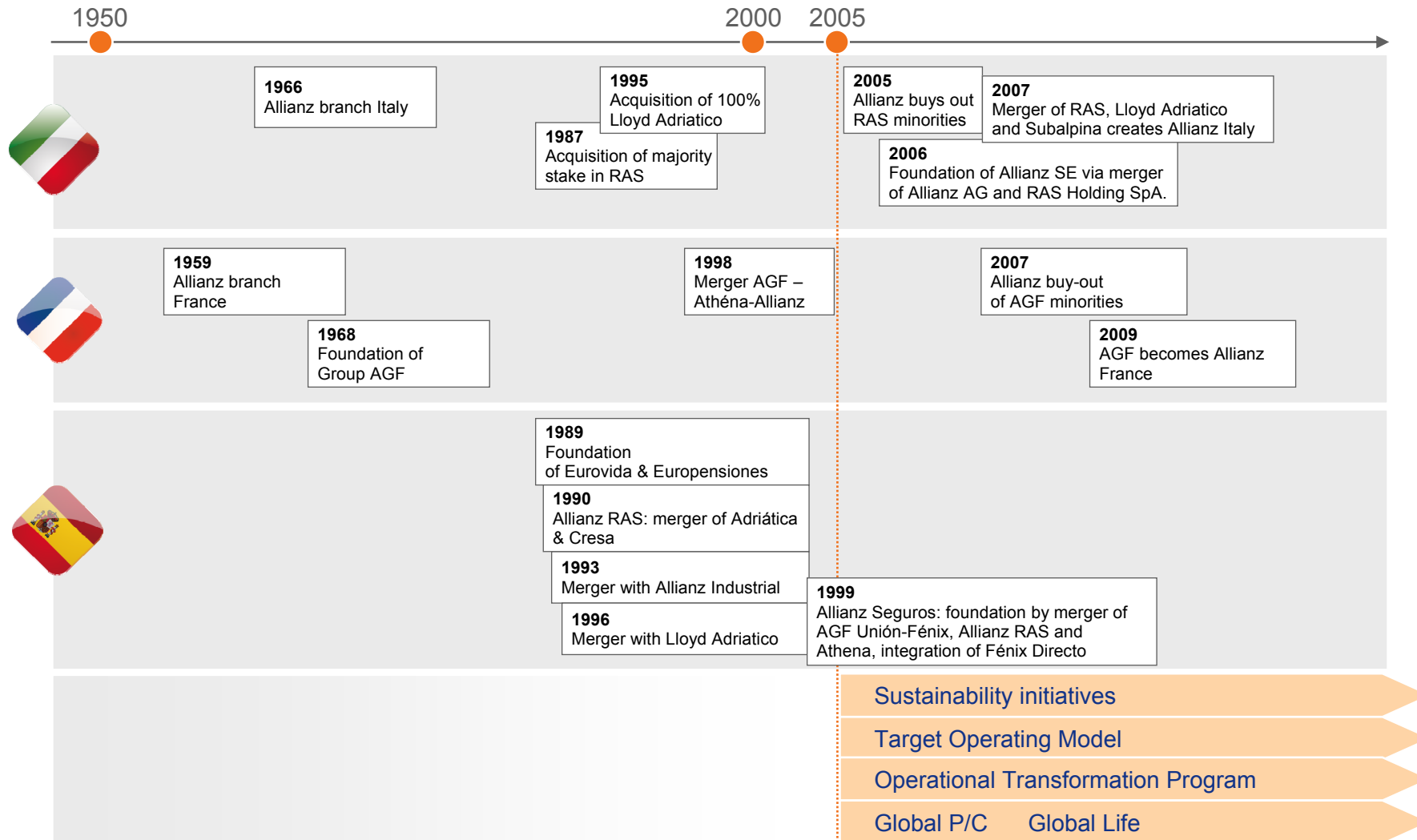


# One third of Allianz covered



1) 2011

# Continuing evolution of franchise ...



## ... with demanding ambitions for the future

	Strategic focus	Mid-term outlook:	Growth	Operating profit
Italy	<ul style="list-style-type: none"> <li>▪ New integrated go-to-market strategy</li> <li>▪ Capital-light and advice-driven life business</li> </ul>			
France	<ul style="list-style-type: none"> <li>▪ Profitable growth in selected business lines</li> <li>▪ Customer-centricity, simplification, digitalization</li> </ul>			
Spain	<ul style="list-style-type: none"> <li>▪ Continue outperformance in growth and efficiency</li> <li>▪ Exploit growth opportunities in life</li> </ul>			
Portugal	<ul style="list-style-type: none"> <li>▪ Leverage competitive advantages of Spanish business model</li> <li>▪ Consequent de-risking strategy</li> </ul>			
Latin America	<ul style="list-style-type: none"> <li>▪ Continue implementation of Spanish business model</li> <li>▪ Exploit growth opportunities</li> </ul>			
Turkey	<ul style="list-style-type: none"> <li>▪ Exploit growth opportunities</li> <li>▪ Build scalable life and pension distribution</li> </ul>			

## Our agenda today

Country / region	Speaker	Position
Italy	George Sartorel Giacomo Campora Leonardo Felician	CEO Allianz Italy CEO Allianz Bank Italy CEO Genialloyd
France	Jacques Richier Jürgen Gerke	CEO Allianz France CFO Allianz France
Latin America	Vicente Tardío	Regional CEO Iberia and Latin America
Spain	Iván de la Sota	CEO Allianz Seguros (Spain)
Turkey	Alexander Ankel	CEO Allianz Turkey
Telematics	Anthony J. Bradshaw	Chairman Allianz Telematics SpA
Underwriting excellence		Head of Global P/C Allianz SE



# Agenda

- A** Introduction
- B** Excursion – sovereign debt crisis

**1**  
Well prepared

# Resilient and well diversified business model

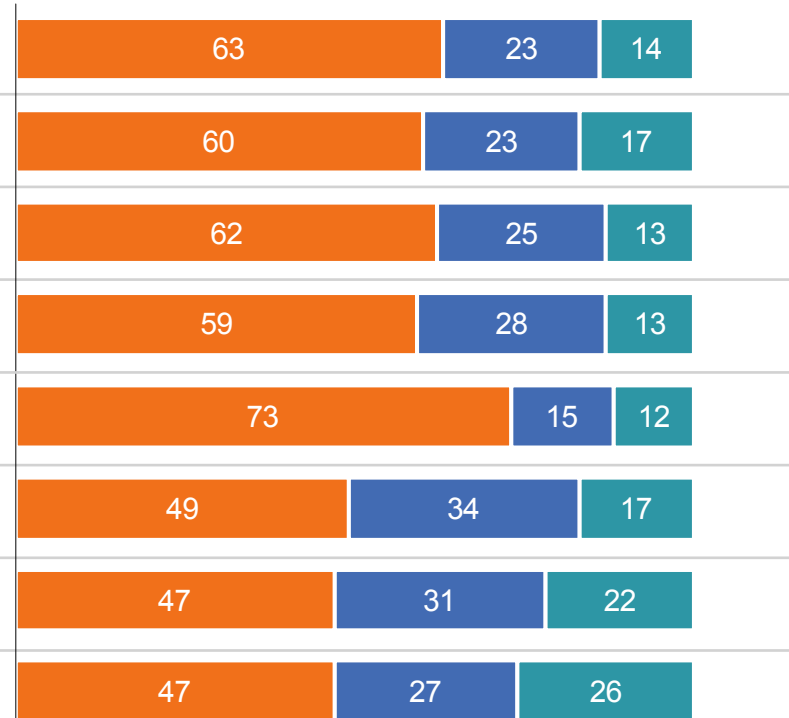
Stable operating profit  
in tough environment ...

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



... thanks to  
diversification

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



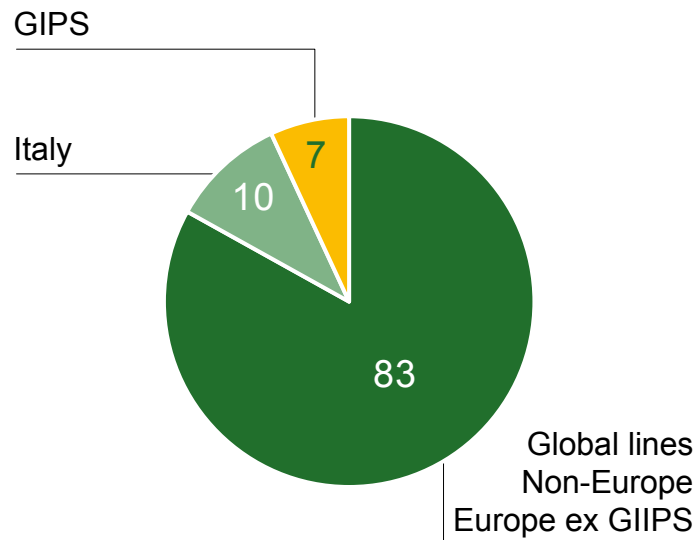
1) Historically reported figures excluding Banking segment  
2) Based on historically reported figures excluding Corporate & Other, Banking and consolidation

■ P/C   ■ L/H   ■ AM

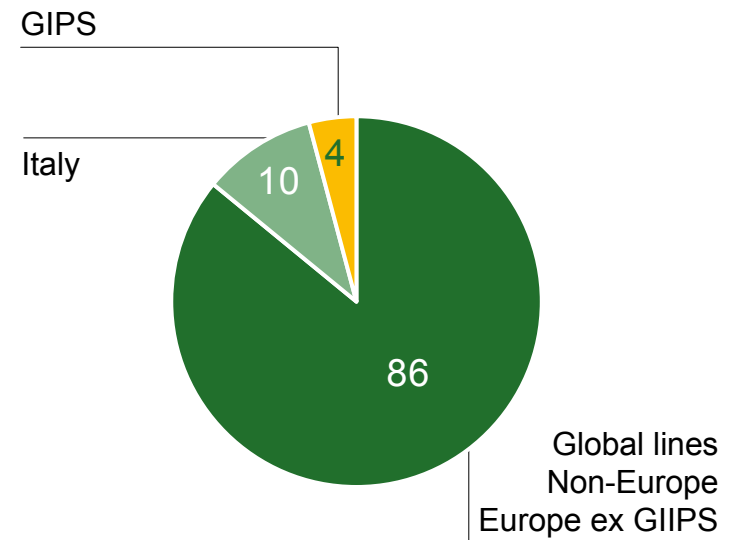
**2**  
Well prepared

## Low operating profit share in peripheral countries

Operating profit<sup>1,2</sup> (%)



Revenues<sup>2</sup> (%)



1) Excluding Holding & Treasury

2) 2011, figures used for the split are not consolidated on a Group basis

**3**

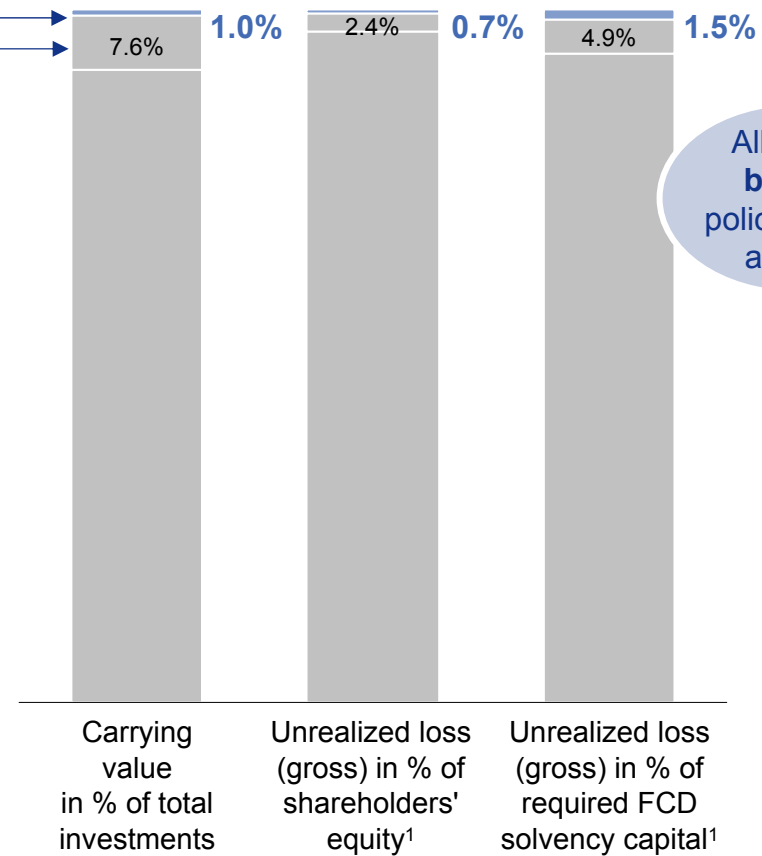
Well prepared

## Limited exposure to peripheral sovereign debt

Absolute exposure  
(EUR mn)

3M 2012	Carrying value	Unrealized loss (gross)
Ireland	176	-11
Portugal	278	-94
Greece	70	-18
Spain	4,390	-238
<b>Sub-total</b>	<b>4,914</b>	<b>-361</b>
Italy	31,179	-800
<b>Total</b>	<b>36,093</b>	<b>-1,161</b>

Relative exposure



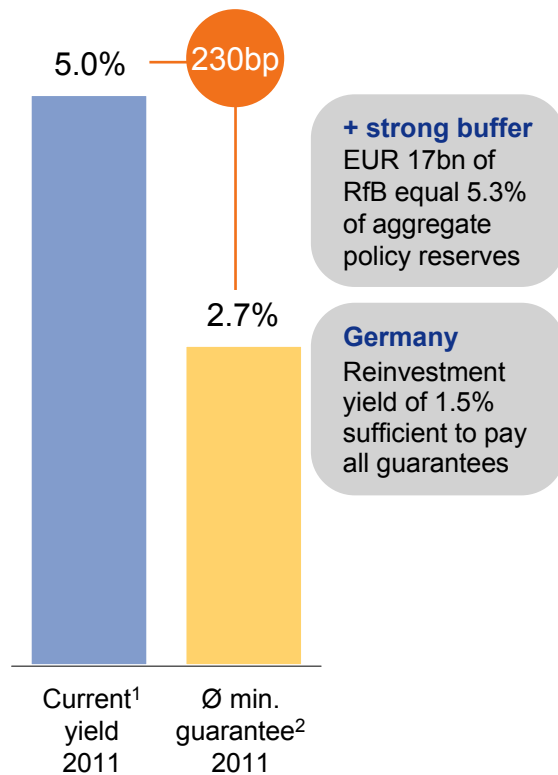
1) Ratios slightly overstated, because net unrealized losses are already deducted from shareholders' equity

**4**  
Well prepared

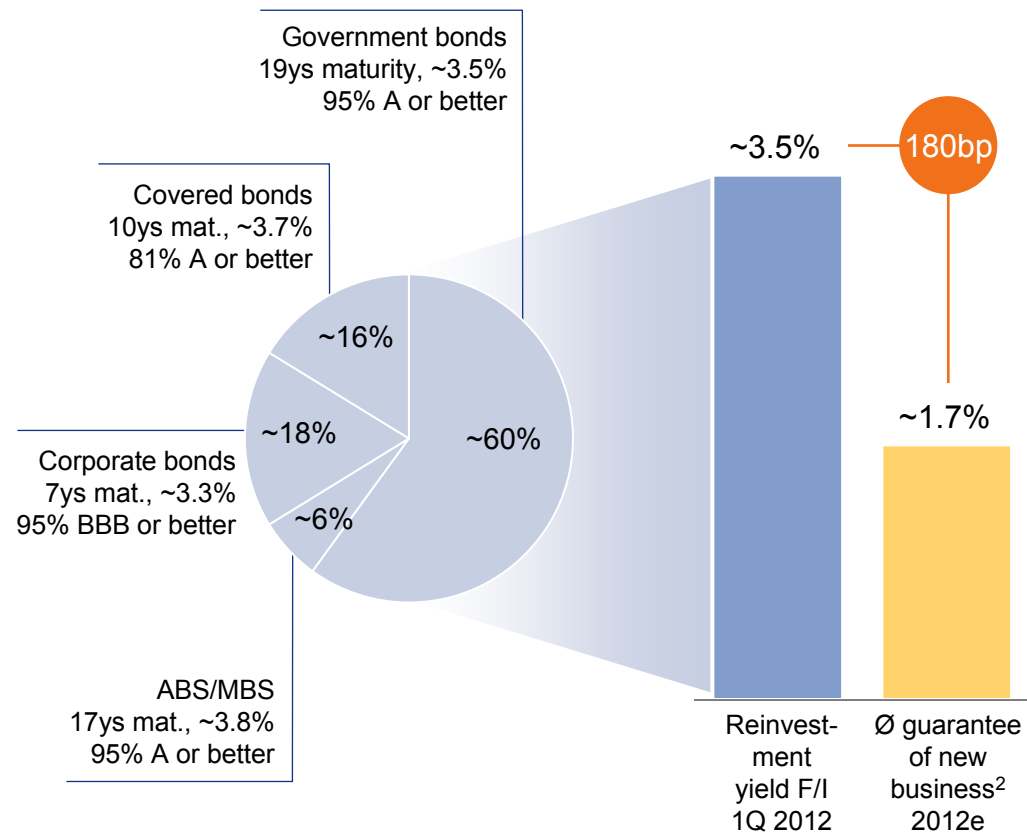
# Strong buffers and resilient margins in L/H (1)

## 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

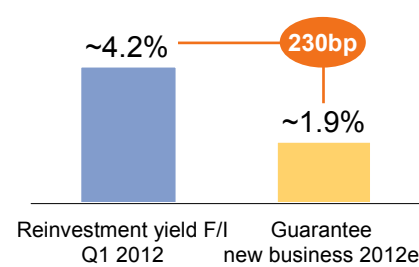
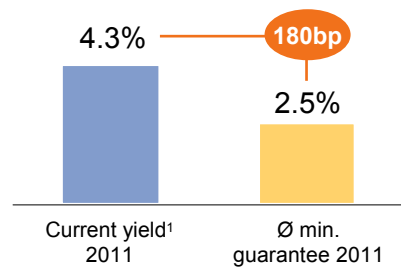
**4**  
Well prepared

## Strong buffers and resilient margins in L/H (2)

### Business in force (based on aggregate policy reserves)

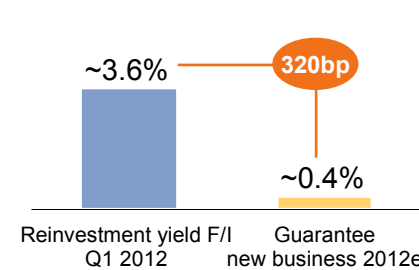
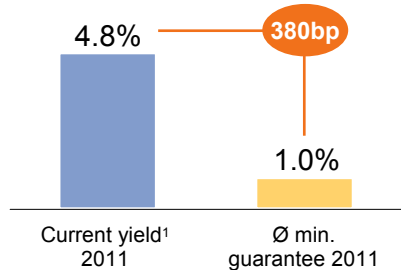
### New business

#### Italy (Life)



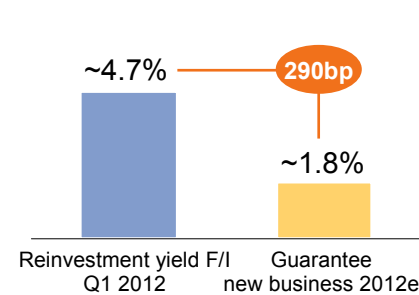
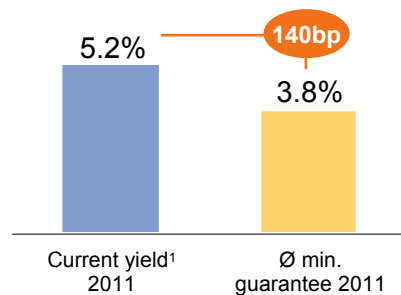
- APR<sup>2</sup>: EUR 26.5bn
- Good asset/liability duration match
- Lapse ratio during crisis rather stable

#### France (L/H)



- APR<sup>2</sup>: EUR 50.6bn
- Guarantee for most new policies 0%
- Positive guarantees mainly from top-ups of old policies

#### Spain (Life)



- APR<sup>2</sup>: EUR 5.6bn
- Underwriting and expense result: 155bp (2011)
- More than half of portfolio without guaranteed surrender values

1) Based on IFRS current interest and similar income  
2) Aggregate policy reserves as of 31.12.2011

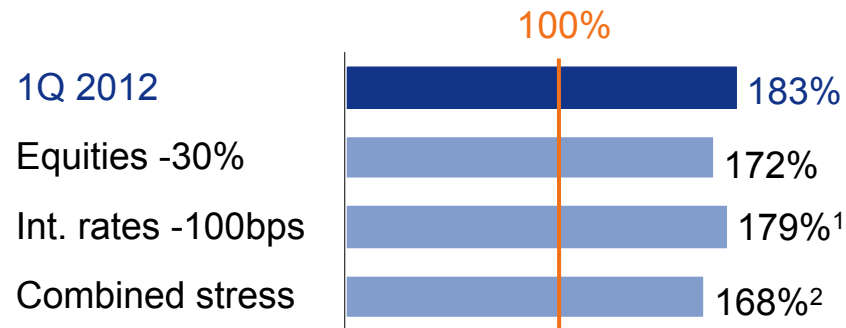


5

Well prepared

## Strong and resilient solvency

### FCD solvency (in %)



### Economic solvency (in %)



- Regulatory capital **ex**cluding unrealized gains on bonds, but **in**cluding impairments on sovereign debt
- Economic capital based on marked-to-market sovereign bond portfolio
- Economic solvency ratio of 202% based on Solvency II confidence level of 50bps
- All solvency ratios after 40% net income dividend accrual
- Resilient even under combined shock of interest rates and equities

### S&P rating

AA (outlook negative)

1) Lower FCD capital driven by change in DAC write-off (shadow DAC) and negative impact from reserve discounting.

2) Contemporary shock of interest rates -100bps and equities -30%

6

Well prepared

## Continuing de-risking

### Key levers

### Examples

#### Peripheral exposure

- Concentrate sovereign exposures in domestic carriers
- In domestic carriers reduce exposure in the P/C segment
- Where locked policyholder capital available, use spreads to close duration gap (Allianz Leben)

#### Exposure to financials

- Reduction of sub-bond banking exposures
- Unicredit and Commerzbank de-risked
- Reduction of un-collateralized banking exposure in cash-pool

#### Interest rate and spread sensitivity

- Selective duration management measures
- Enhanced life product design and inforce management approach
- Liquidity monitoring and buffer enhancements for lapse risk

#### Cash returns and tail risk

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

## To sum it up

- 1** Resilient and well diversified business model
- 2** Low operating profit share in peripheral countries
- 3** Limited exposure to peripheral sovereign debt
- 4** Strong buffers and resilient margins in life
- 5** Strong and resilient solvency
- 6** Continuing de-risking



Making a difference



And now ...



... making a difference

Transforming the  
rules of the game

George Sartorel  
CEO Allianz Italy

Milan, July 18, 2012

# Capital Markets Day

Allianz 

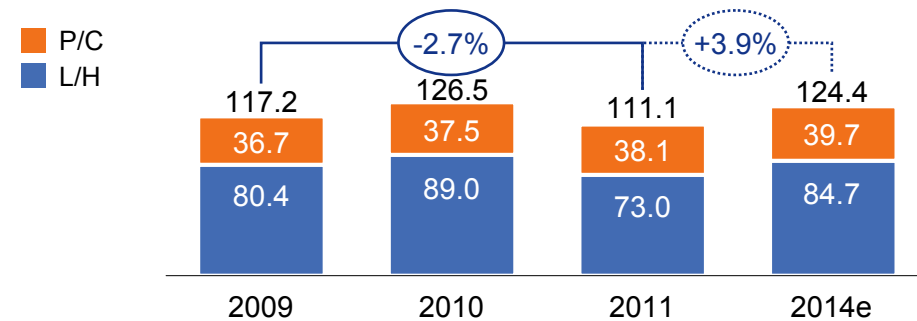
## Italy at a glance

### Key data 2011

- Population: 61mn
- GDP (EUR): 1,580bn
- GDP/capita (EUR): 26,065
- Inflation: 2.8%
- Insurance penetration:
  - P/C: 2.4%
  - L/H: 4.6%
- Country rating (S&P): BBB+

### Market size and growth (CAGR)

(Stat.) GPW, EUR bn

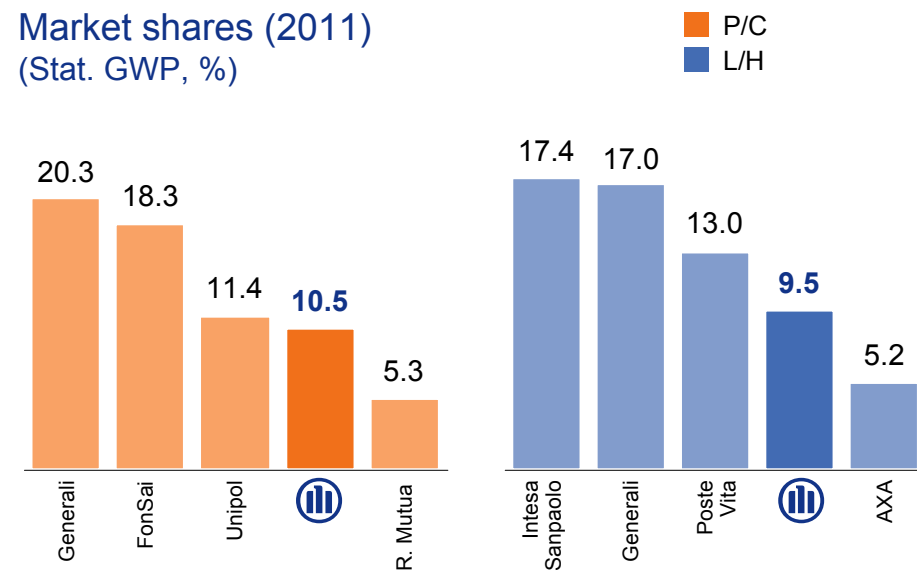


### Market specifics

- P/C mature market, dominated by agents (82%), currently price hardening in motor while non-motor suffers from low penetration and recessionary environment
- L/H with strong presence of banks (50%) and post office (13%)
- P/C market highly concentrated (first 3 players have 50% market share)
- Government approved in 2012 so-called “liberalization package” containing several new regulations (bodily injury, anti-fraud, etc.) regarding P/C as an attempt to reduce claims costs and consequently MTPL tariffs

### Market shares (2011)

(Stat. GWP, %)

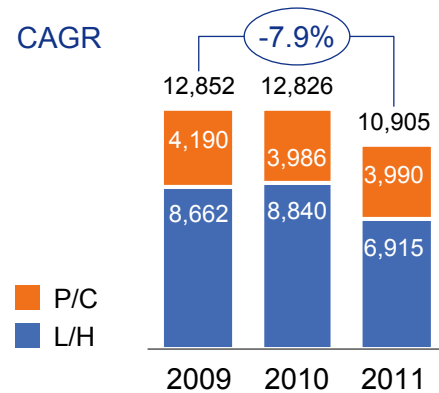


Source: P/C-ANIA +Zurich, Euler-Hermes, Allianz Global Ass.; Life-ANIA with cross border co.s w/o Mediolanum Freedom product; 2014e: Allianz analysis on Prometeia forecast

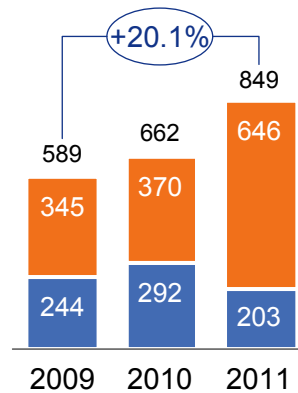


# Allianz in Italy (1)

Revenues (EUR mn)



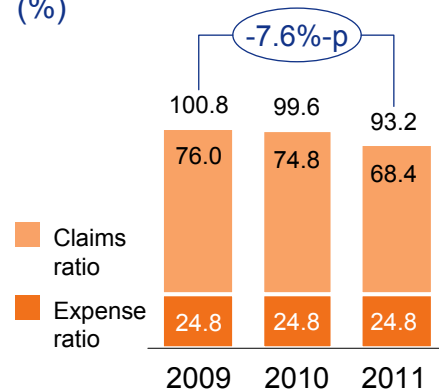
Operating profit (EUR mn)



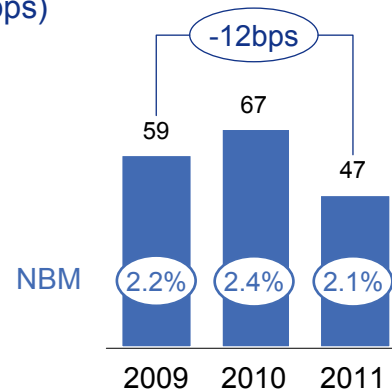
Highlights

- ~ 6 million customers
- Multi-channel distribution
- ~2,200 agents with a large secondary sales-force (~14,000 salesmen) – primary distribution channel in P/C
- ~1,500 financial advisors – best in class advisory skills, technology and products
- ~1,500 bank branches – historical relationship with Unicredit in L/H
- A direct company (Genialloyd) focused on motor business
- ~ 5,000 employees
- Rating A+/negative
- Local regulatory solvency ratio 154% (31/12/2011)

Combined ratio (%)



Margin on reserves<sup>1</sup> (bps)

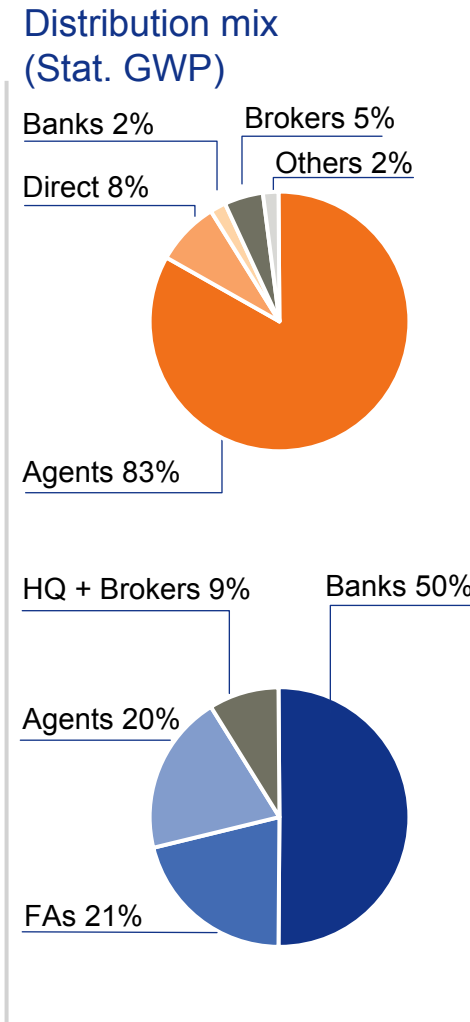
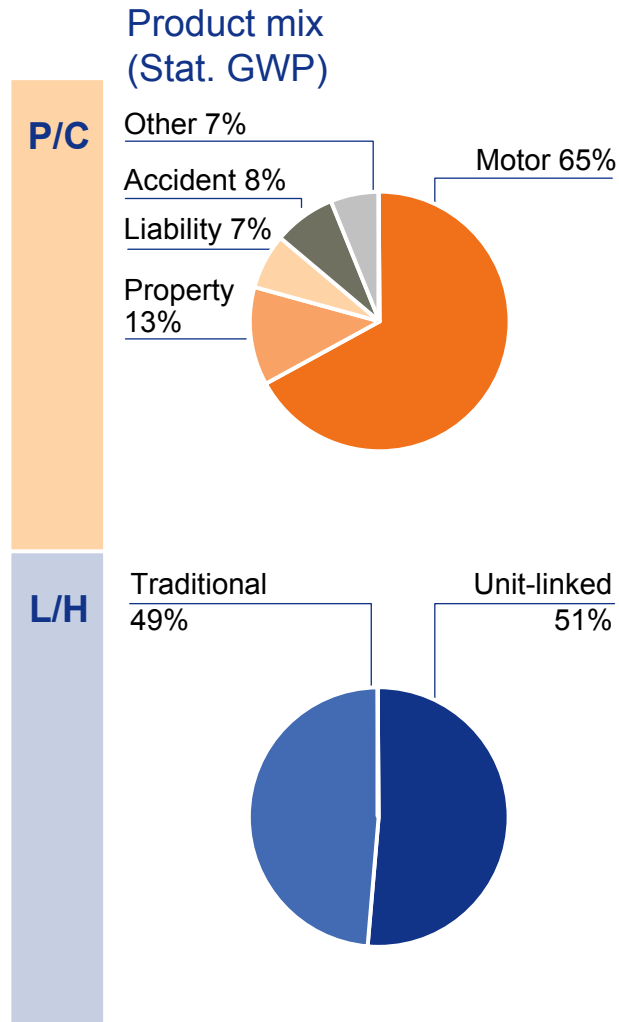


Legal setup

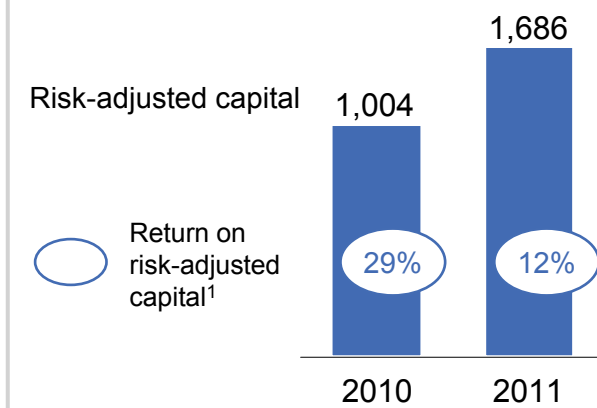
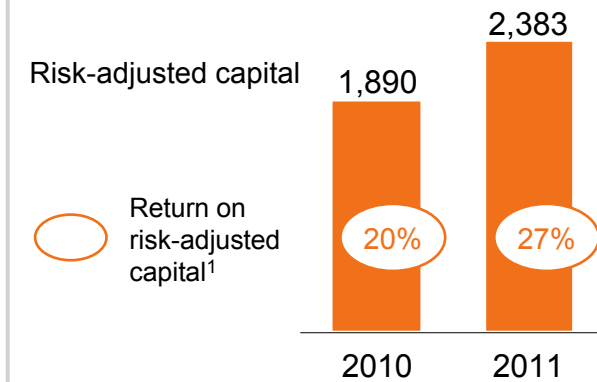
- 1966 Market entry of Allianz in Italy
- 1987 Acquisition of majority stake in RAS
- 1995 Acquisition of Lloyd Adriatico
- 2005 RAS minority buyout
- 2007 Merger of RAS, Lloyd Adriatico and Allianz Subalpina into Allianz S.p.A.

1) Operating profit / average reserves (net)

# Allianz in Italy (2) 2011



## Profitability

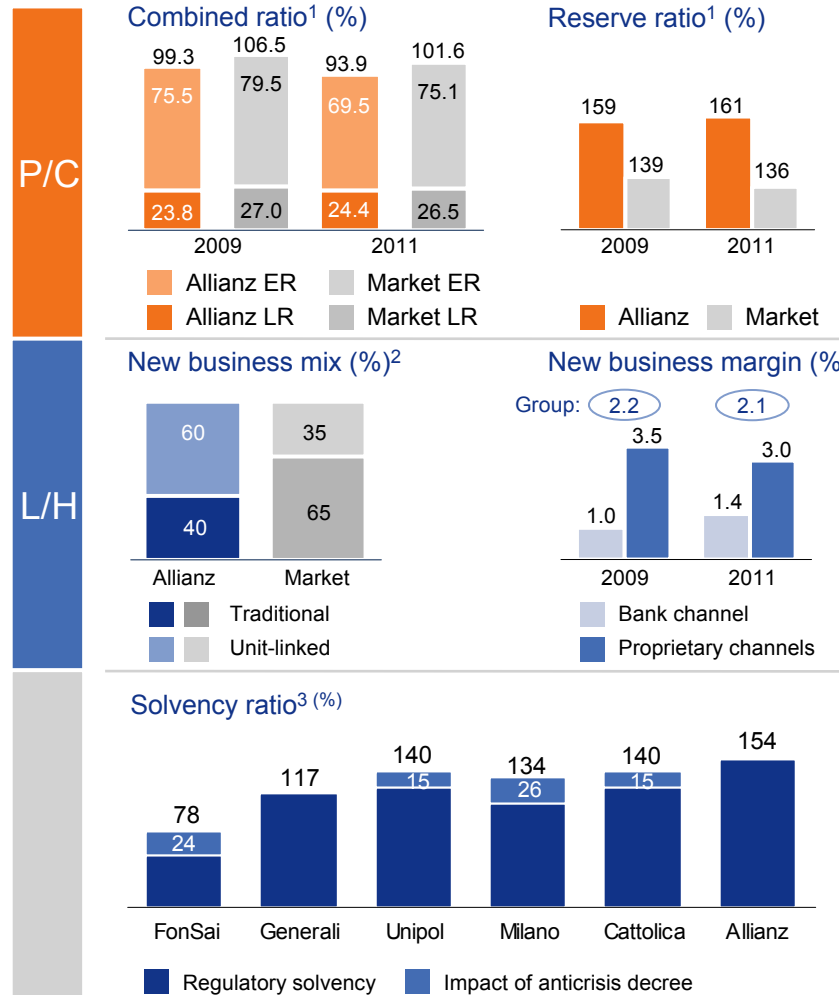


1) Operating profit as % of RAC eop

# Agenda

- 1 High performance company**
- 2 Market challenges
- 3 Go-to-market strategy
- 4 New distribution model
- 5 Innovation
- 6 Outlook

# A high performance company ...



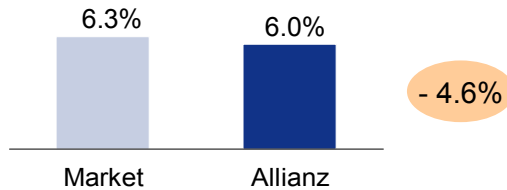
- Growing in a very difficult market (Allianz 1Q12 GWP +1.5% vs. flat market)
- Constantly better CR than peer group (Allianz 1Q12: 91.6%)
- Strongest claims reserves in the market
- Consequent cycle management anticipating profitability trends in the market (e.g. motor TPL)
- Resilient life profitability due to strong proprietary networks
- Good lapse protection
- Increasing share of capital light products
- Conservative and liquid investment portfolio
- Very strong capital adequacy<sup>3</sup> without making use of Italian anti-crisis decree
- Flight to quality as attractive value proposition in both L/H and P/C
- Ability to benefit from sector consolidation

1) CR and reserve ratio according to Italian local accounting principles to ensure comparability  
 2) 5 year average 2007-2011; Source: ANIA, individual new business including cross border; Allianz excluding Antoniana Veneta Popolare Vita (AVPV)  
 3) Regulatory solvency as of 31.12.2011

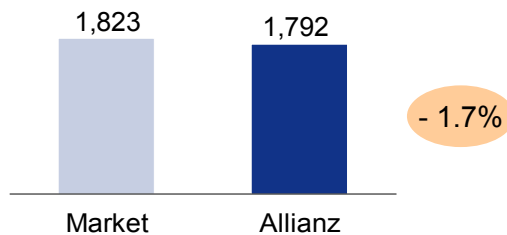
## ... with superior claims performance ...

### ... in claims key indicators ...<sup>1</sup>

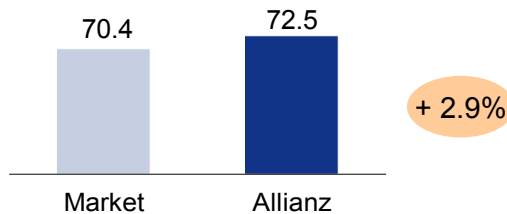
Frequency (%)



Average cost (EUR)



Speed of settlement (%)

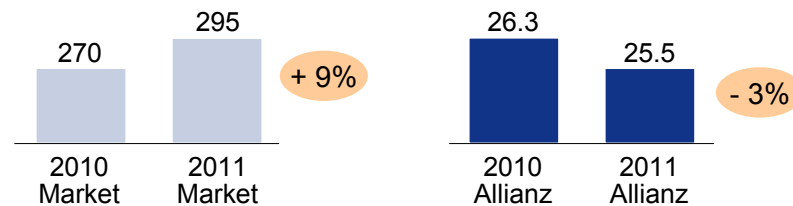


### ... in quality of service<sup>2</sup> ...

**Net Promoter Score: > 40%**

### ... in future sustainable business<sup>3</sup> ...

# of motor open litigation (x 1,000)



### ... and in the efficiency<sup>3</sup>

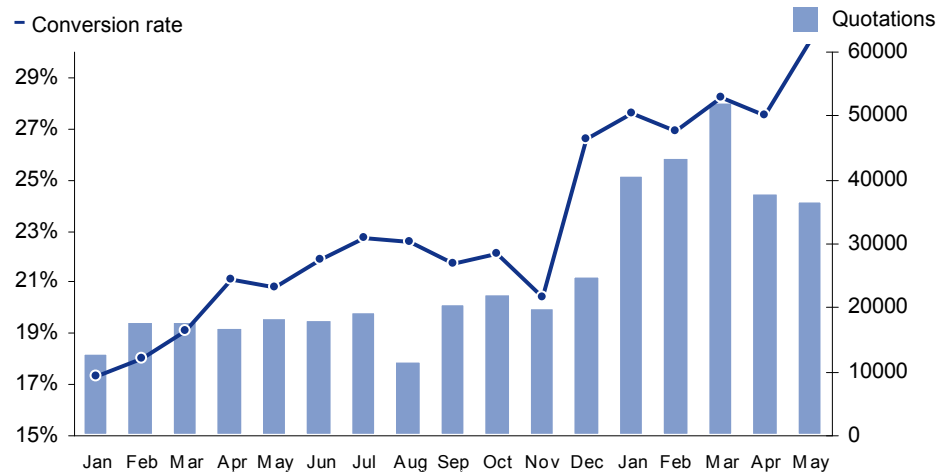
ISVAP penalties related to motor claims (2011; EUR)

Fondiarria Sai	5,635,929
Generali	5,067,205
Groupama	3,798,116
Unipol	3,242,709
Zurich	2,038,671
Cattolica	1,389,051
...	
<b>Allianz</b>	<b>397,153</b>

1) Source: ANIA, statistica rapida (4Q 2011)  
 2) Customer focus survey, 2011  
 3) Source: ISVAP, 2011

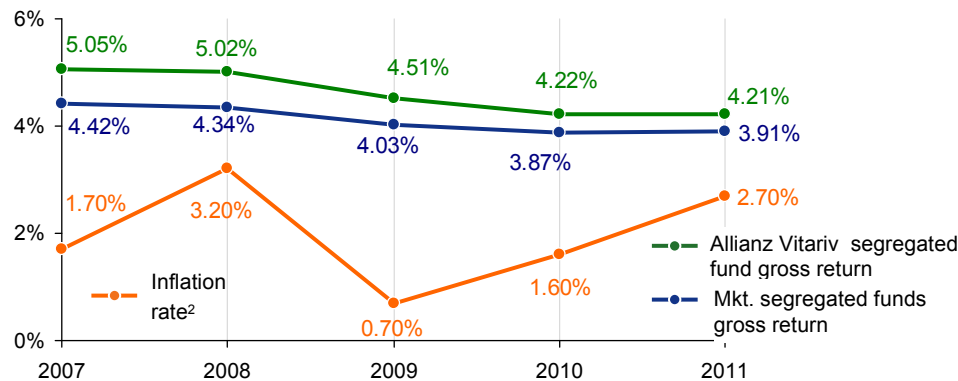
## ... attractive for customers and salesforce

### MTPL – conversion rate<sup>1</sup> 2011/2012



- + Ability to adapt tariff structure multiple times p.a. (e.g. 6 x in 2011)
- + Highly competitive new business tariffs (Allianz 1Q12 MTPL new business EUR 76mn + 32%yoy)
- + Successful steering of effective pricing towards technical pricing
- + Improved retention ratio

### Life – segregated fund performance



- + Long-term relationship with clients
- + Quality products with strong performance
- + Advisory-driven sales process
- + Strong Allianz capital position
- + Good result in agent channel at 1Q12 (GWP: +8.6% vs. -8.5% market)

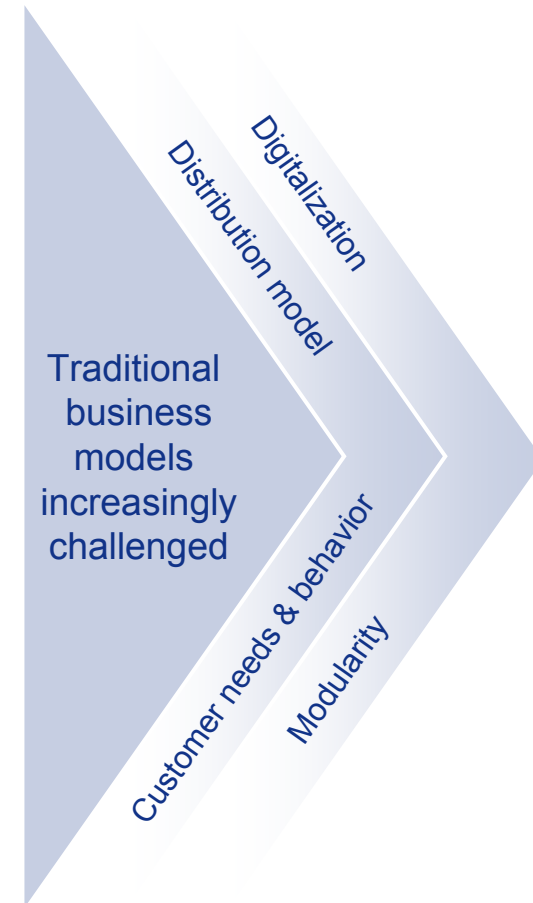
1) Allianz RAS and Allianz Subalpina  
 2) Istat

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## A promising market with substantial challenges ...

Key factors		AZ view: present & near term future
Domestic economy		<ul style="list-style-type: none"> <li>Negative economic outlook for 2012 and 2013</li> <li>Decreasing new car registrations</li> <li>Strong decline of new mortgage applications</li> </ul>
Household savings		<ul style="list-style-type: none"> <li>Saving propensity remains at high level, although in decline</li> </ul>
Interest rates		<ul style="list-style-type: none"> <li>Italian government bond spread volatile</li> <li>High deposit rates offered by banks</li> <li>Traditional life business challenged</li> </ul>
Equity market		<ul style="list-style-type: none"> <li>Volatility with negative impact on managed savings segment</li> <li>Opportunity for advice-driven and structured life products</li> </ul>
Competition		<ul style="list-style-type: none"> <li>Market concentration likely to increase</li> <li>Allianz set to grow above market in P/C segment</li> </ul>
Regulation		<ul style="list-style-type: none"> <li>Increasing customer transparency and price comparison</li> <li>Medium-term uncertainty on consequences of Monti law</li> </ul>
Technology		<ul style="list-style-type: none"> <li>Digitalization increasingly disrupting status quo</li> <li>New opportunities across the whole value chain</li> </ul>
Distribution		<ul style="list-style-type: none"> <li>Agents under pressure</li> <li>Multi-mandate increasing, Direct growing fast</li> </ul>



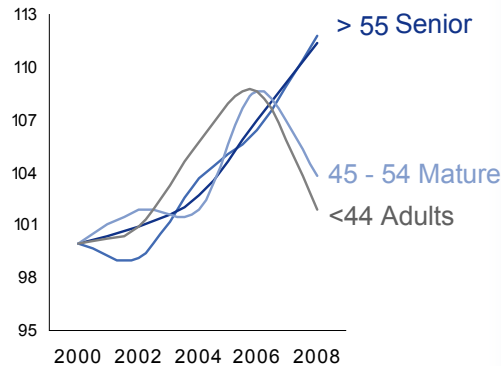


## ... where customer behaviour is changing ...

Less developed insurance culture, but also weaker welfare state

- Low penetration of insurance products outside of mandatory MTPL
- State welfare is further retreating due to austerity driven measures

Disposable income by age group (base 100 index)<sup>1</sup>



### Consequences

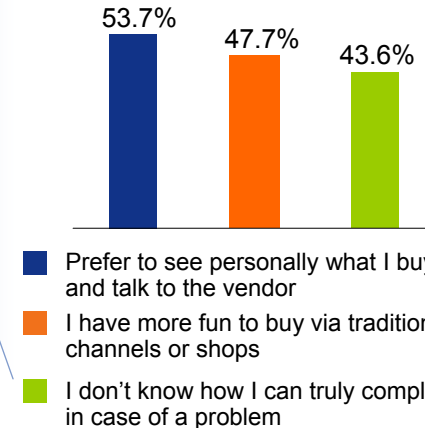
- Greater need of Italian families to cover **most critical risks**
- Growing demand for differentiated protection cover ranging **from basic protection to fully tailored solutions**
- Pressure on insurers to **optimize pricing strategy**

Internet usage rising, but hybrid customer cannot fully satisfy all needs



*"I buy little via the internet because ..."*<sup>2</sup>

Agree or strongly agree with statement (% of internet population, 2011)



## ... and more of them have become hybrid

1) Istat 2010, Banca d'Italia, Italian household statistics 2010  
 2) Group elaboration on Audiweb view data 2/2012 – including apps

## Allianz' strategic response

### Key building blocks in place

- Multi-access / cross-channel customer acquisition
- Modular offer / product architecture
- Dynamic market based pricing
- Telematics – “Anywhere / Anytime”

- Leading pricing, underwriting processes and competencies
- Best-in-market claims operations
- Back to basics in life insurance



- “One Allianz” network based on new partnership model
- Digital agency
- Multi access / cross channel integration

- Digitalization of the business model
- The Allianz “Smart Spend” culture

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# Multi-access customer entry

Da oggi con Allianz la quotazione RC Auto è veloce come un sms.

**Manda un sms al 393 800 3000 e scopri quanto puoi risparmiare con Allianz.**

Invia un sms con targa e data di nascita del proprietario dell'auto (es: AB123CD gg.mm.aaaa) e scopri quanto puoi risparmiare. Ti basteranno pochi secondi per ricevere una quotazione a un prezzo tra i più competitivi sul mercato\*, con tutta la qualità di Allianz. Vieni in agenzia per partecipare al concorso, puoi vincere un iPad 2 a settimana.

**Puoi chiedere la tua quotazione anche su [www.allianz.it](http://www.allianz.it)**

Il numero di cellulare sarà utilizzato da Allianz per un solo invio di sms relativo a la quotazione. Dichiaro che il bene di proprietà dell'auto, senza essere aggredito, è in vendita e disponibile per autoverifica ad uso privato. La quotazione comprende: RC, Auto - Infortuni, Furto e Assecurata.

\*Fonte: Quotazioni - L'Espresso, 10 novembre 2011.

## Example: FastQuote (MTPL)

Simple cost efficient process to attract new clients via SMS / WEB

> 500,000 requests in 12 weeks

**Next step:**  
Extend FastQuote to other retail lines



# Digital agency as key enabler

“Plug & Play” version 2011 (MTPL)

From ...



in just 48h installed and fully operational

... to



Already 800 agents active!

Full version 2013

## Pre-sales & sales



- WEB / SMS lead generation
- Mobility
- Family advisor approach
- Modular products

## Service



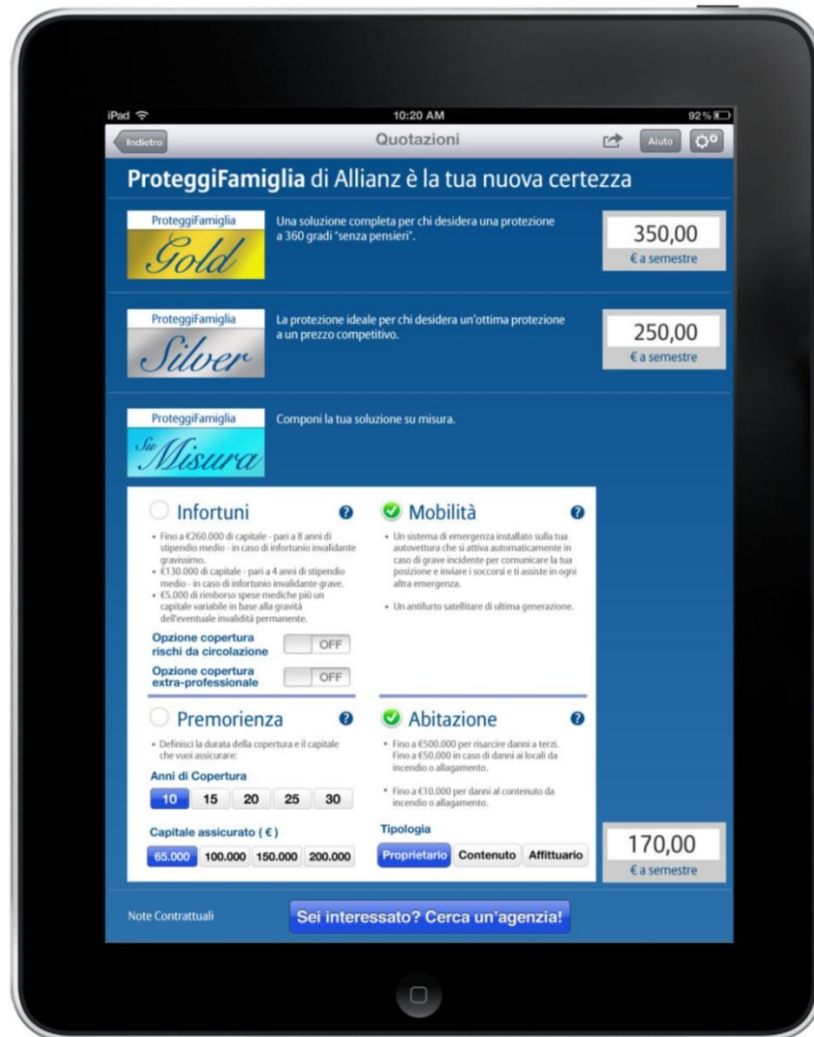
- Lean process
- Digital signature
- Renewal management

## Back office



- Paperless
- Common IT backbone
- Sales academy

## Modular products – successful launch of ProteggiFamiglia



- First modular product architecture launched in 2011 (“ProteggiFamiglia1.0”) with ~50.000 policies sold in 2011
- 2012 campaign (“ProteggiFamiglia 2.0”) launched in March, with over 20.000 new policies already sold
- 150 sales managers fully trained and 120 top agents trained in needs-based selling
- Supported by iPad need-based selling tool
- Fully tracked in salesforce.com
- Target 2012: 100.000 policies

## Our new go-to-market strategy

### Multi-access

#### Be where the customer is

- Direct  
(price competitiveness and convenience)
- SMS / Apps / WEB  
(speed, instant response)
- Agents / FA  
(consultancy and advice)
- Telematics  
(“Anywhere / Anytime”)



### Digital platform

#### Move customers across channels

- Lead generation platform
- Right channel for customer need  
(self-service → advice)
- Increase number of solutions sold to customers

### Modular product architecture

#### Mass customization with standardized components

- “Offer” focus vs. “Product” focus
- “Modular” add-ons for as little as EUR 10 per month
- Cross-LOB – “P/C and Life” approach

... with a digital platform for cross-channel development of customer value



# Agenda

- 1 High performance company
- 2 Market challenges
- 3 Go-to-market strategy
- 4 New distribution model**
- 5 Innovation
- 6 Outlook

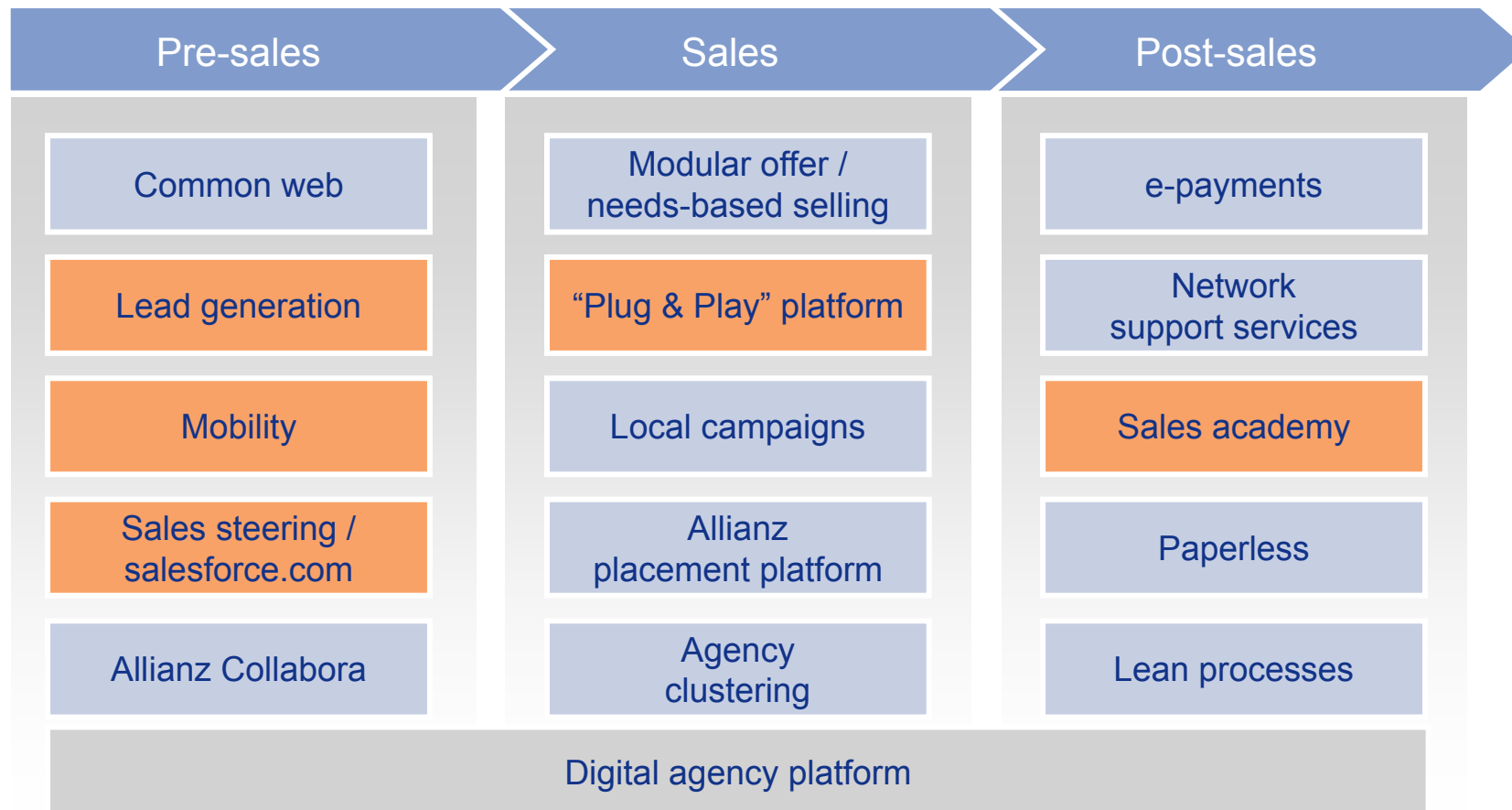


## “One Allianz” network ...



... by 2013 – with a national communication initiative

# Transforming Allianz Italy's distribution model ...

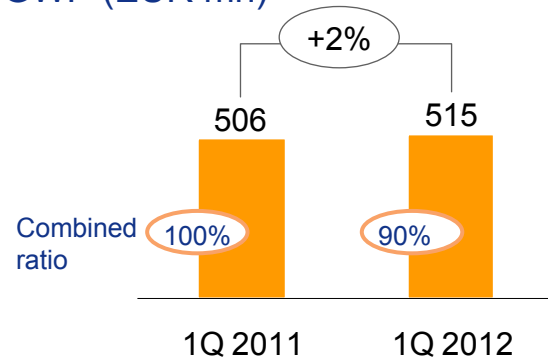


▶ Digital enables the value chain transformation of a traditional agency

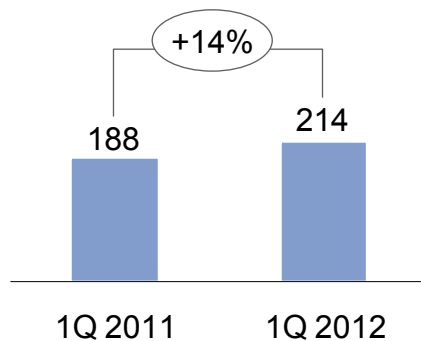
- Pilot running
- Work in progress

... with an innovative agent partnership model at its heart

P/C retail – agent partner  
GWP (EUR mn)



Life – agent partner  
GWP (EUR mn)



### Appealing benefits

- Improved portfolio persistency
- Better risk profile and reduced pricing leakage
- Growing new business through
  - lead generation
  - new sales tools and products
- Improved secondary sales force steering, productivity and recruitment
- Enhanced process efficiency – lean and paperless

# Agenda


- 1 High performance company
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- 6 Outlook

## Telematics – Allianz by your side “Anywhere / Anytime” ...

### New way to compete

- Better risk selection
- Smarter pricing
- Consumption based, pay per use
- Appealing customer interface (monthly billing)
- New products with add-on services
- Increasing ancillary profits

We already sell a variety of products via the traditional channel

 > 70,000 units sold



SestoSenso  
(service product)

SestoSensoKM  
(PPU<sup>1</sup> for low mileage  
customers)

In contatto  
(fleet  
telematics)

... with a new B2C initiative for 2013

1) PPU = pay per use

# Agenda

- 1 High performance company
- 2 Market challenges
- 3 Go-to-market strategy
- 4 New distribution model
- 5 Innovation
- 6 Outlook**

## Ambition 2014

- ▶ Leverage competitive advantage for growth
  - P/C growth above GDP / above market
  - Maintain leading CR position vs. competitors
  - Continue to leverage scale and “Digital” for cost leadership
  - Invest in human capital and competencies
  
- ▶ Life focus on proprietary channels
  - Back to basics
  - Protect and enhance NBM
  
- ▶ Maintain leading solvency position

# A changing value proposition in Life

Giacomo Campora  
CEO Allianz Bank Italy,  
General manager Allianz Italy

Milan, July 18, 2012

# Capital Markets Day

Allianz 

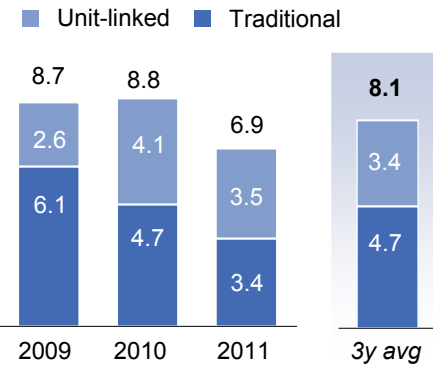


# Agenda

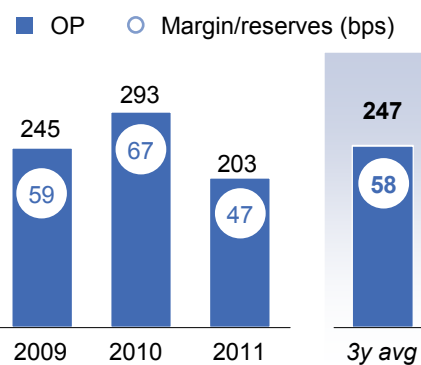
- 1** Allianz' positioning in the Italian life market
- 2** Financial advisors
- 3** Agents
- 4** Bancassurance
- 5** Outlook and key take-aways

# Allianz' Italian life business<sup>1</sup>

Stat. GWP by LoB  
(EUR bn)

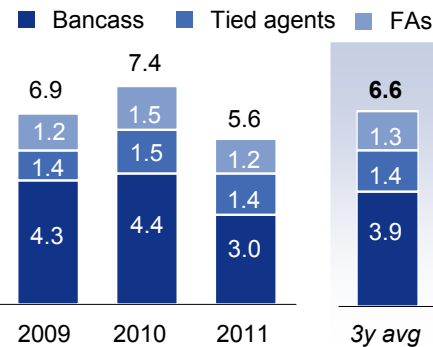


Operating profit & margin/reserves  
(EUR mn)

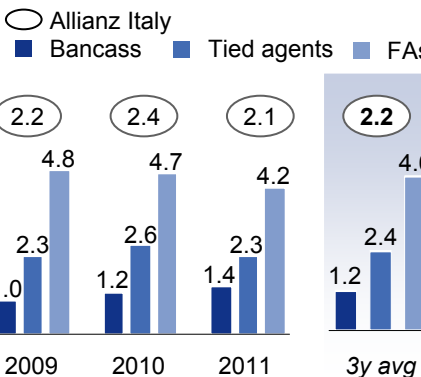


- Top 5 player by GWP in the Italian life market
- 3rd largest reserves with resilient profitability
- Well diversified mix of business between traditional and unit-linked products

New business by channel  
(EUR bn)

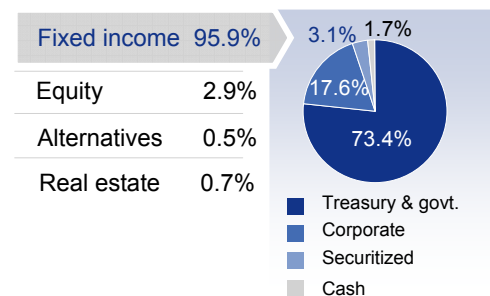


NBM by channel (%)

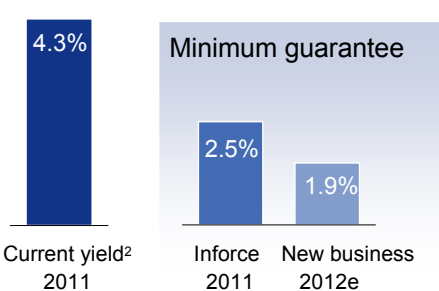


- Advice-driven proprietary sales force
- Selling own and manufactured products
- Resilient new business margins

Investment portfolio EUR 26bn



Traditional business

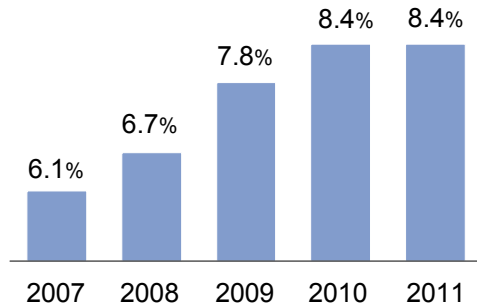


- Conservative and liquid investment portfolio
- Sound spread over minimum guarantee
- Low guarantee on new business

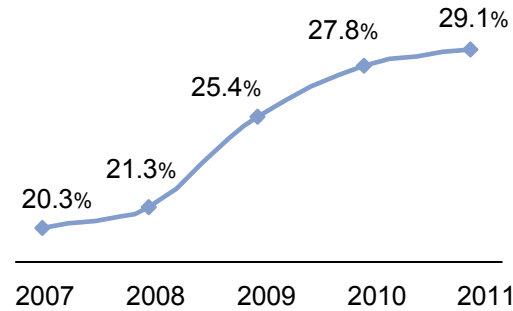
1) Allianz Group excluding AVPV 2) IFRS current investment and similar income on avg. aggregated policy reserves

# Macro economic environment

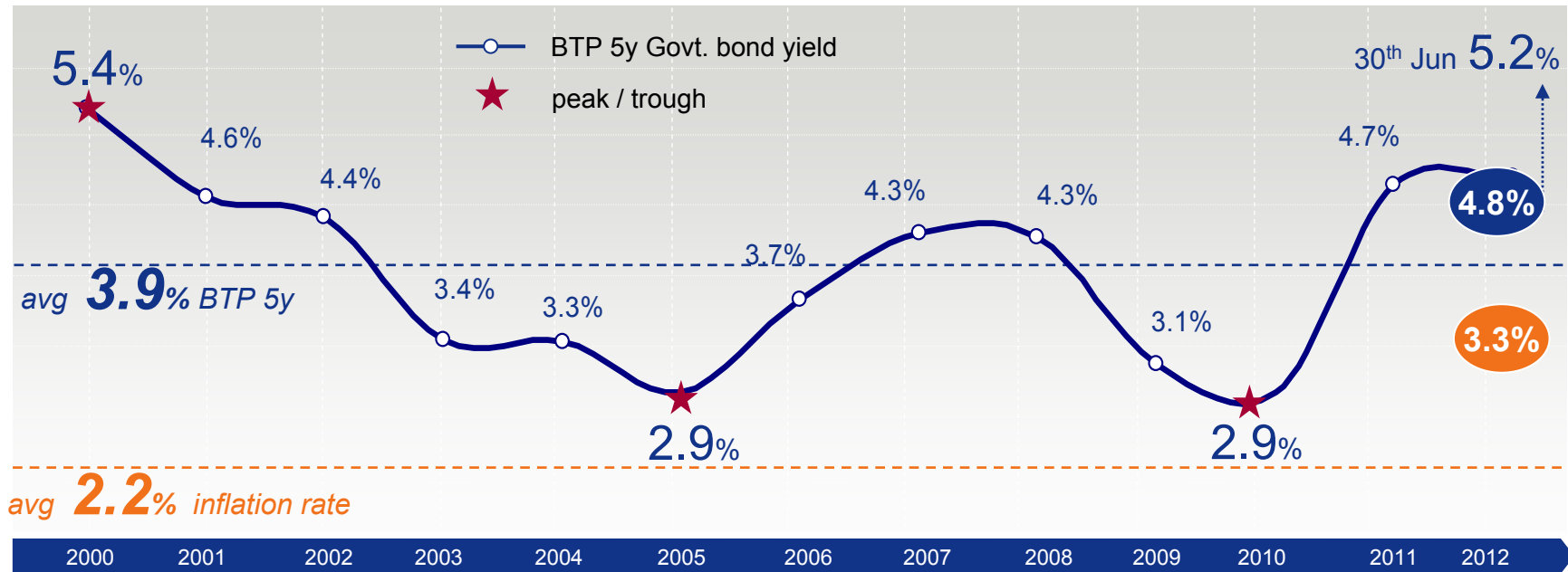
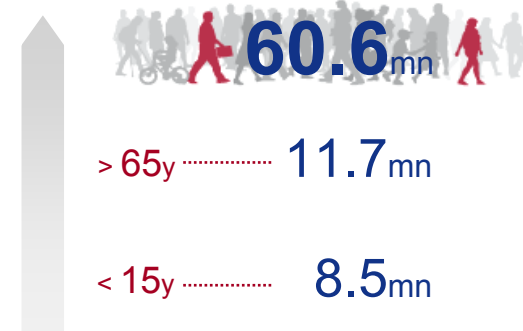
Unemployment rate



Youth unemployment rate



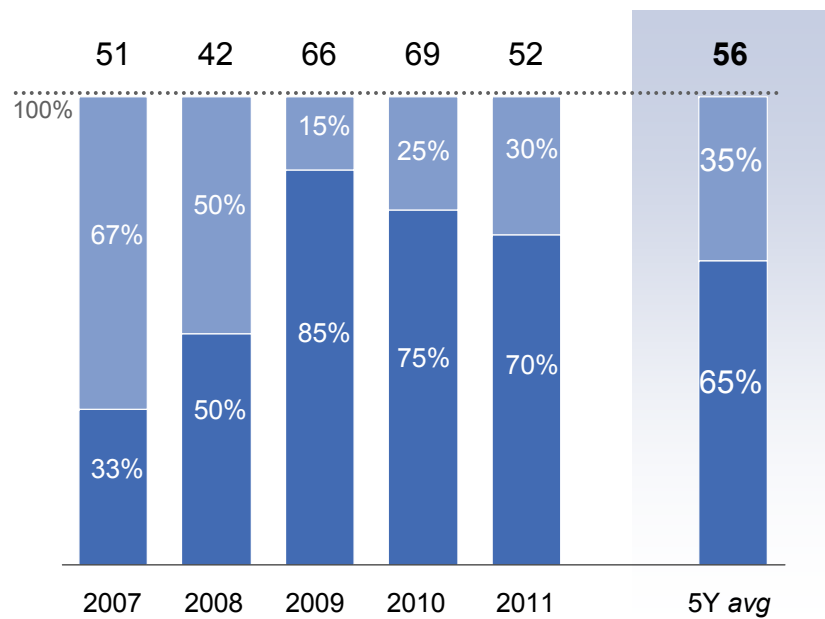
Population



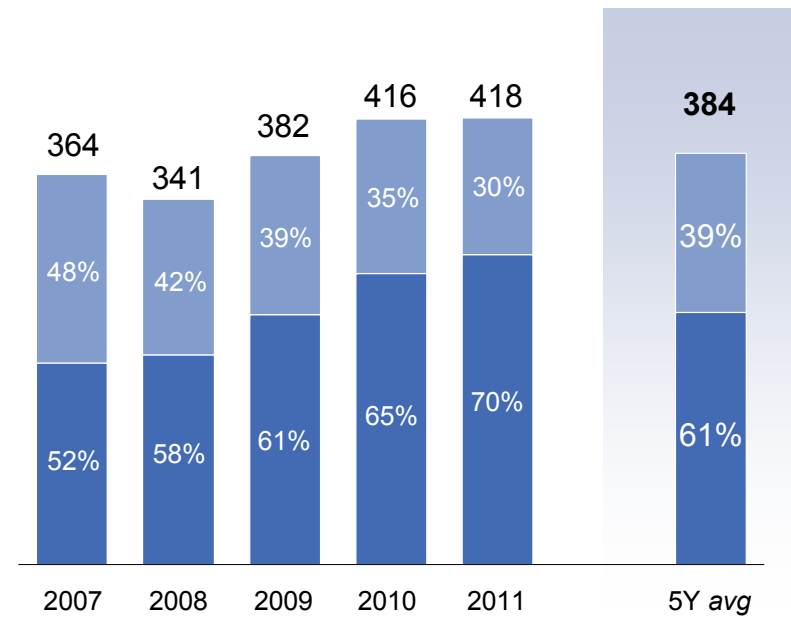
# Customers appear looking for safe harbours ...

## Italian life market

New business by LoB (EUR bn)



Reserves by LoB (EUR bn)



- Unit-linked
- Traditional

Source: Ania, individual new business including cross border. 2011: adjusted new business figures not including top-up premiums consistent with previous years. Reserves including cross-border group business and provisions for amounts to be paid.

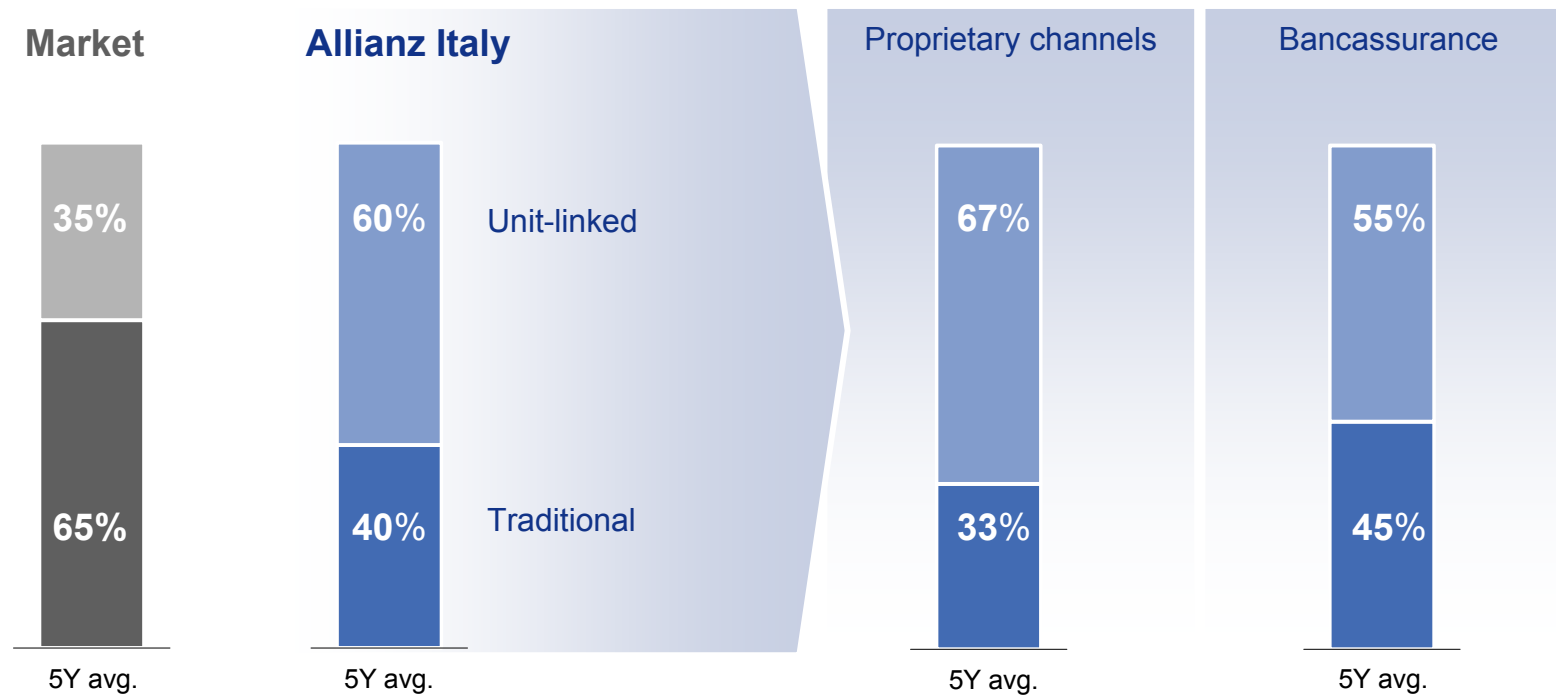
... but what they really need is advice!

Allianz' advice-driven strategy leads to clear results

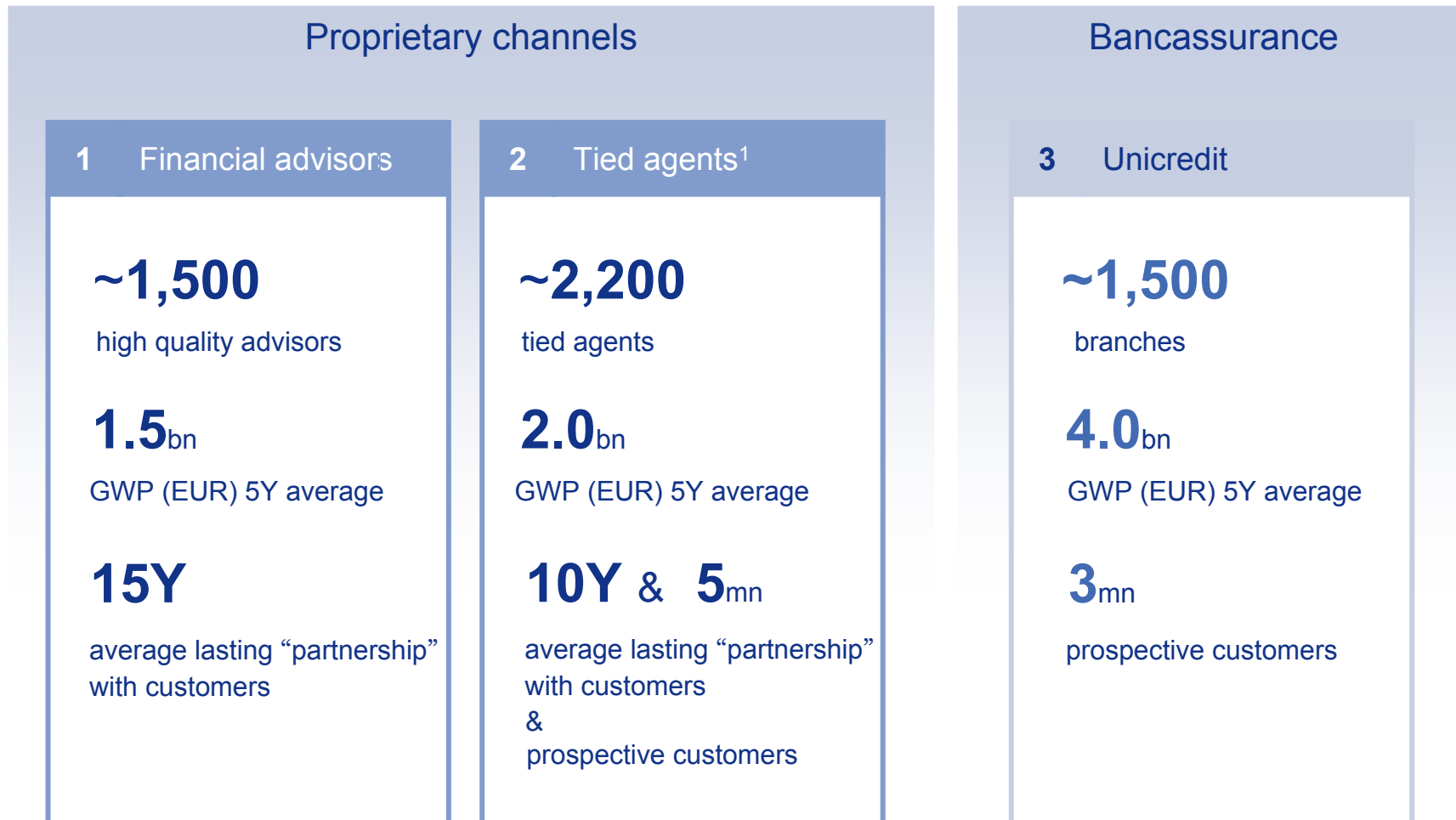


- Innovative products with strong performance
- Qualified advice driven sales force
- Strong global brand and experience in asset management

New business by LoB



## Our approach to the market – 3 pillars for Allianz’ business model

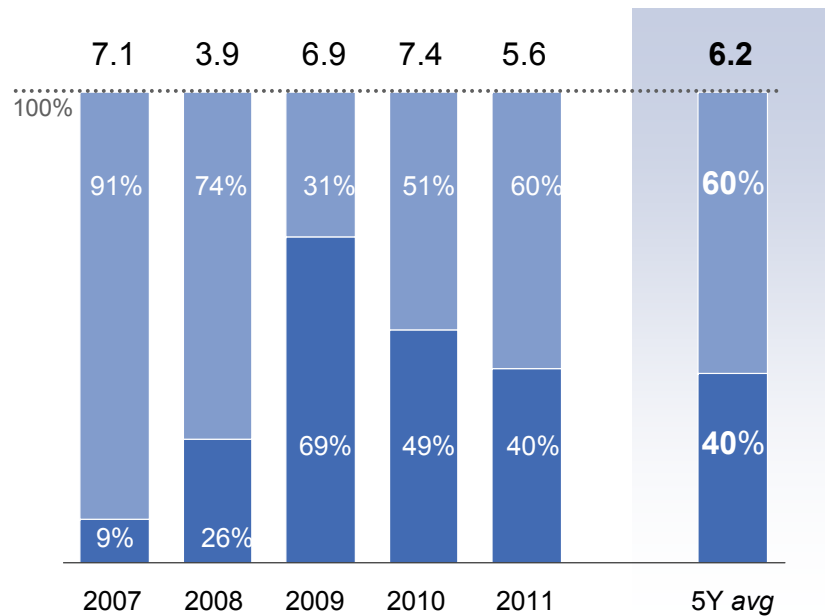


1) Tied agents including headquarter

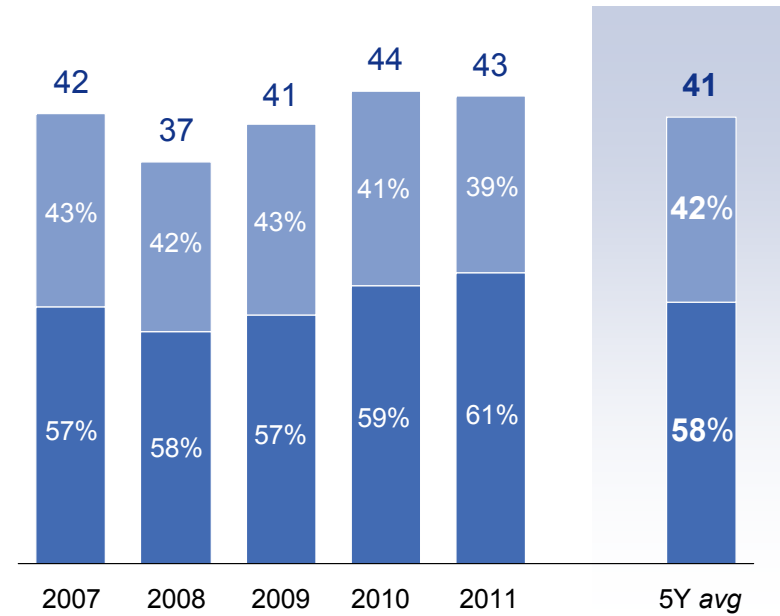
# Our strategic focus – convergence of Life and Asset Management ...

## Allianz Italy

New business by LoB (EUR bn)<sup>1</sup>



Reserves by LoB (EUR bn)<sup>2</sup>



■ Unit-linked  
■ Traditional

... makes us the 3<sup>rd</sup> player in the Italian market<sup>3</sup>

1) Allianz Italy excluding AVPV  
2) Reserves figures including group business  
3) Ranking based on reserves as of 12/2011

# Agenda

- 1 Allianz' positioning in the Italian life market
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# Successful business model – leveraging Allianz Global Lines ...



*... and excellent third parties*

**BLACKROCK**

 **CARMIGNAC**  
GESTION

  
FRANKLIN TEMPLETON  
INVESTMENTS

**J.P.Morgan**  
Asset Management

Morgan Stanley

 **PICTET**  
1805

 **Schroders**

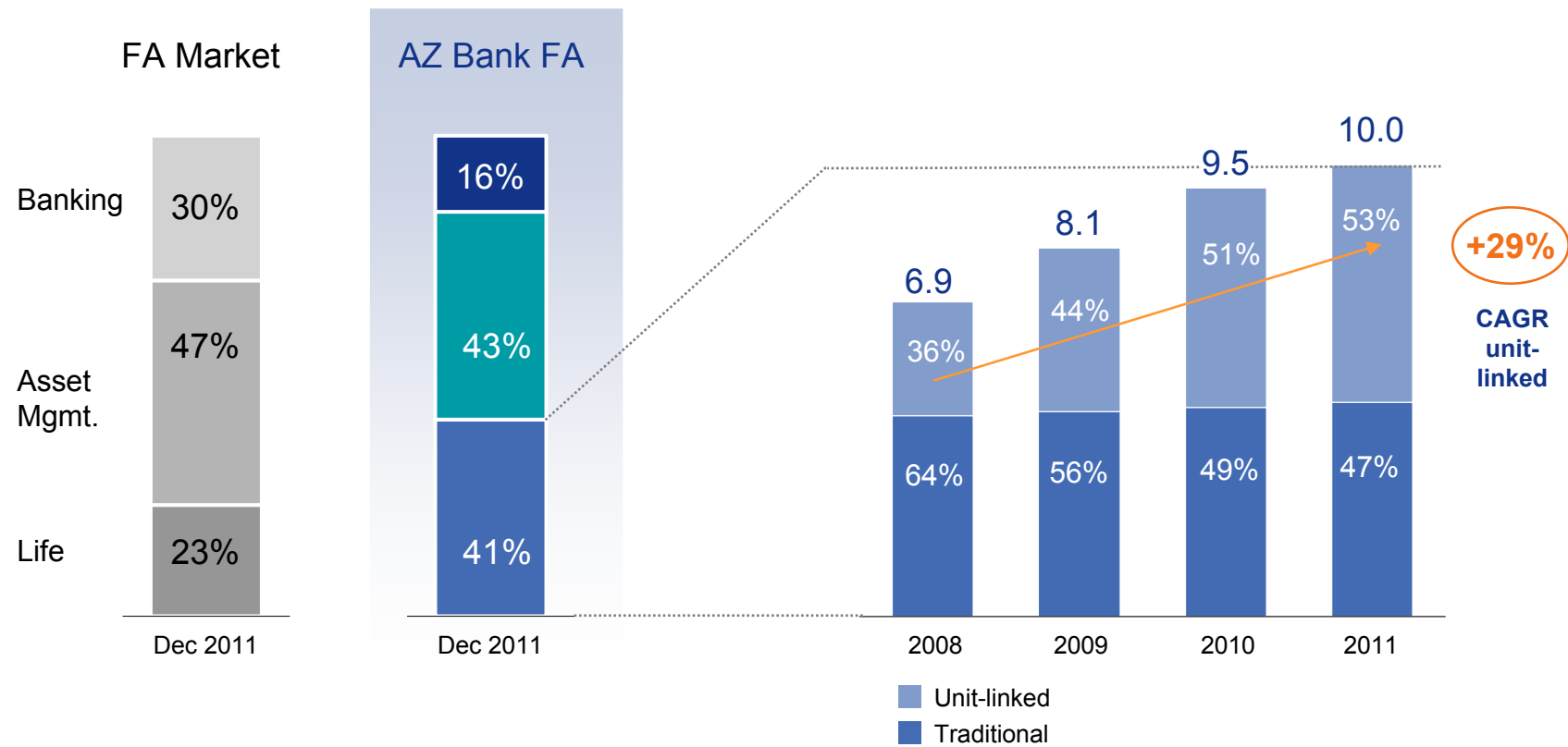
**SWISS & GLOBAL**

# Financial advisors fit perfectly with Allianz' strategy

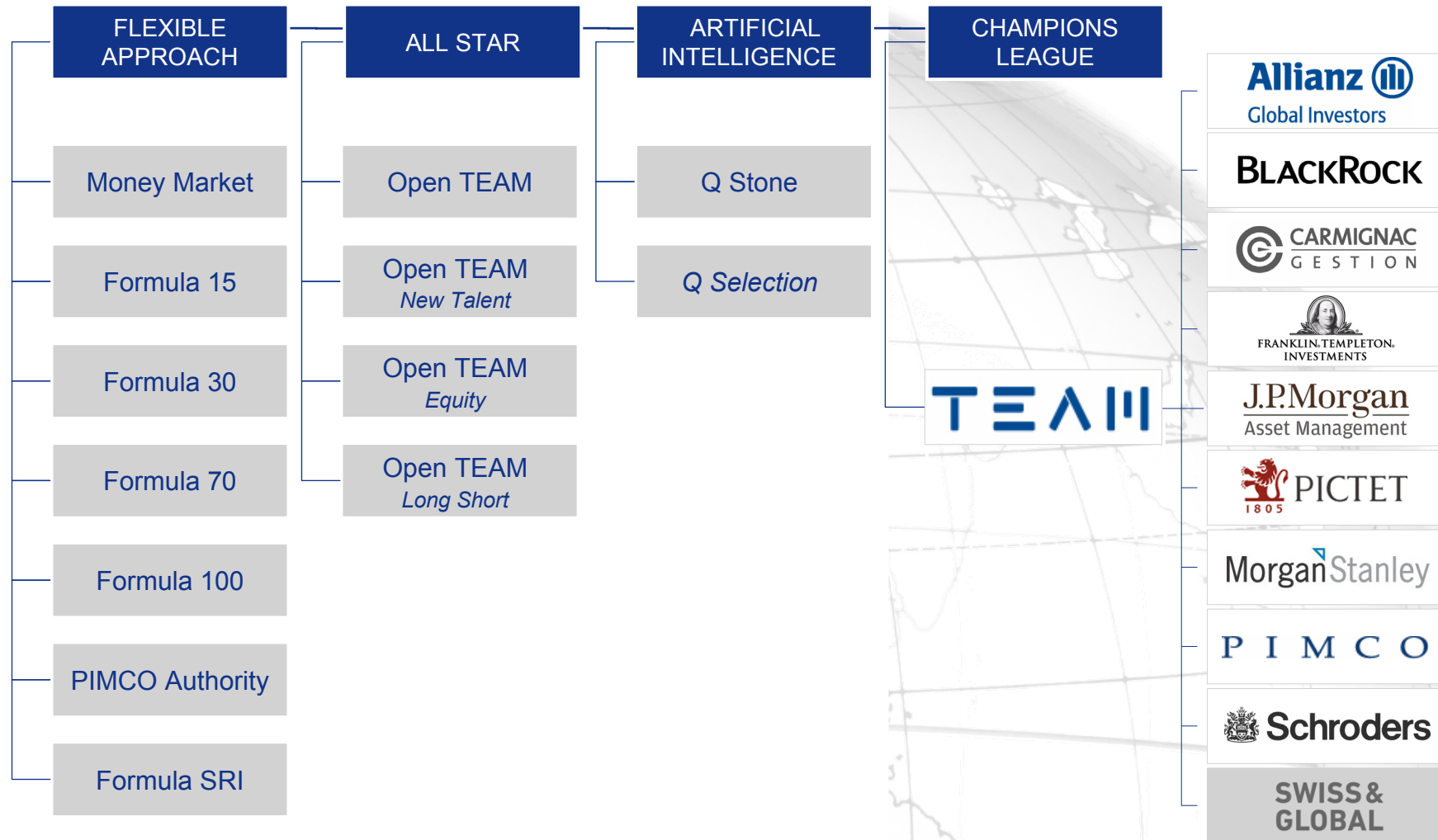
## Allianz Italy vs. market

Excellent mix of AuM ...  
(EUR bn)

... with strong growth in non-guaranteed business



# One unit-linked product platform – freedom of choice for clients ...



# TEAM ... with few, simple rules, the same for every TEAM

Competition

Performance

Open platform

Closed system

Clear rules



*... on a level playing field*

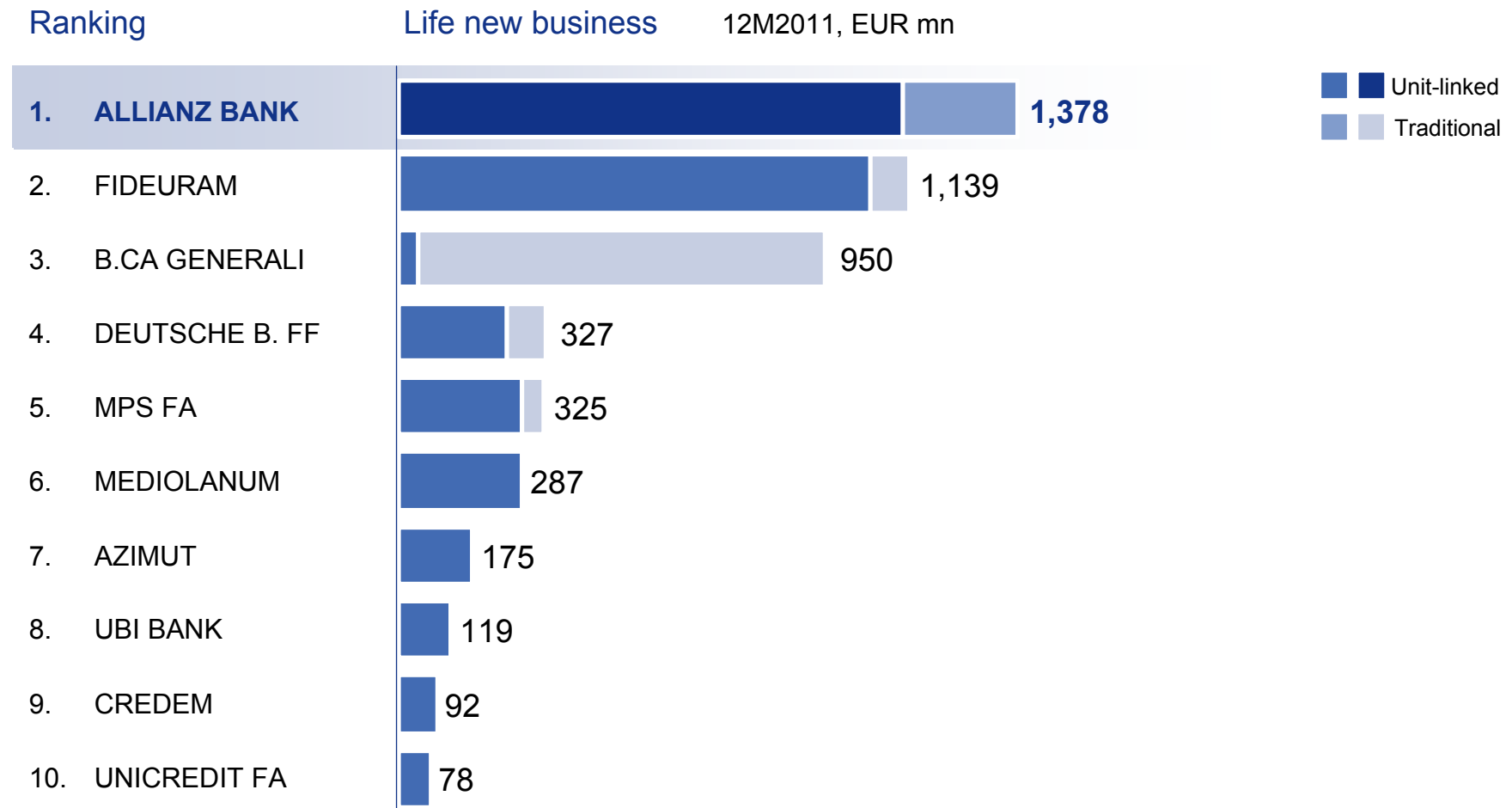
# TEAM excellent performance in volatile markets ...

AuM ranking		AuM 4/2012	Ytd	Performance cumulated since launch <sup>1</sup>	Yearly avg.
	<b>TEAM</b>	<b>1,860mn</b>	<b>3.05%</b>	<b>14.95%</b>	<b>4.54%</b>
1	PIMCO	654	1.91%	20.60%	6.06%
2	MORGAN STANLEY	263	6.54%	18.84%	5.57%
3	CARMIGNAC	209	5.83%	14.87%	4.45%
4	BLACKROCK	183	3.87%	14.55%	4.36%
5	SCHRODER	169	0.61%	11.20%	3.39%
6	PICTET	119	2.02%	10.57%	3.21%
7	ALLIANZ GLOBAL INV	91	1.00%	6.57%	2.06%
8	TEMPLETON	69	1.93%	2.05%	3.35%
9	JP MORGAN	55	3.79%	5.73%	1.77%
10	SWISS & GLOBAL	50	0.66%	3.65%	1.13%



# ... is key to our successful sales of non-traditional products

## FA market





News. Videos. Email. Ideas. Clients.



A top notch ecosystem for a “wow experience”.  
Speed, security, simplicity in a great design!

# All in one

## Expert information



### News

Easier to read than a newspaper

Fresh news on corporate, markets, products, operations issues and clients' initiatives can be read everyday in a magazine-like format.

A revolutionary navigation system: intuitive flipping through contents, slideshows and videos. A new way to quickly search favourite subjects, swipe through different sections and news.

### Videos

Make a hit

Watch brand new, short videos on latest news, interviews with money managers, insights with the experts. Share best practice. Inspire and be inspired.

### Selling ideas

Conversation starters

The best ideas of our advisors, a support in the dialogue with the clients: videos, documents, tools to share during a visit.

From products to services, just a touch away.



## All in one

Expert advice and analysis



## Portfolio overview

- Client asset portfolios at a glance: change views by asset allocation, risk analysis, product type
- Interactive charts and tables
- Details and transactions on each single contract
- Alerts and notifications on portfolio and personal data

## Risk analysis

- Portfolios by risk grade review
- View of the client's risk profile
- Risk contribution by single product
- Data show with highest transparency

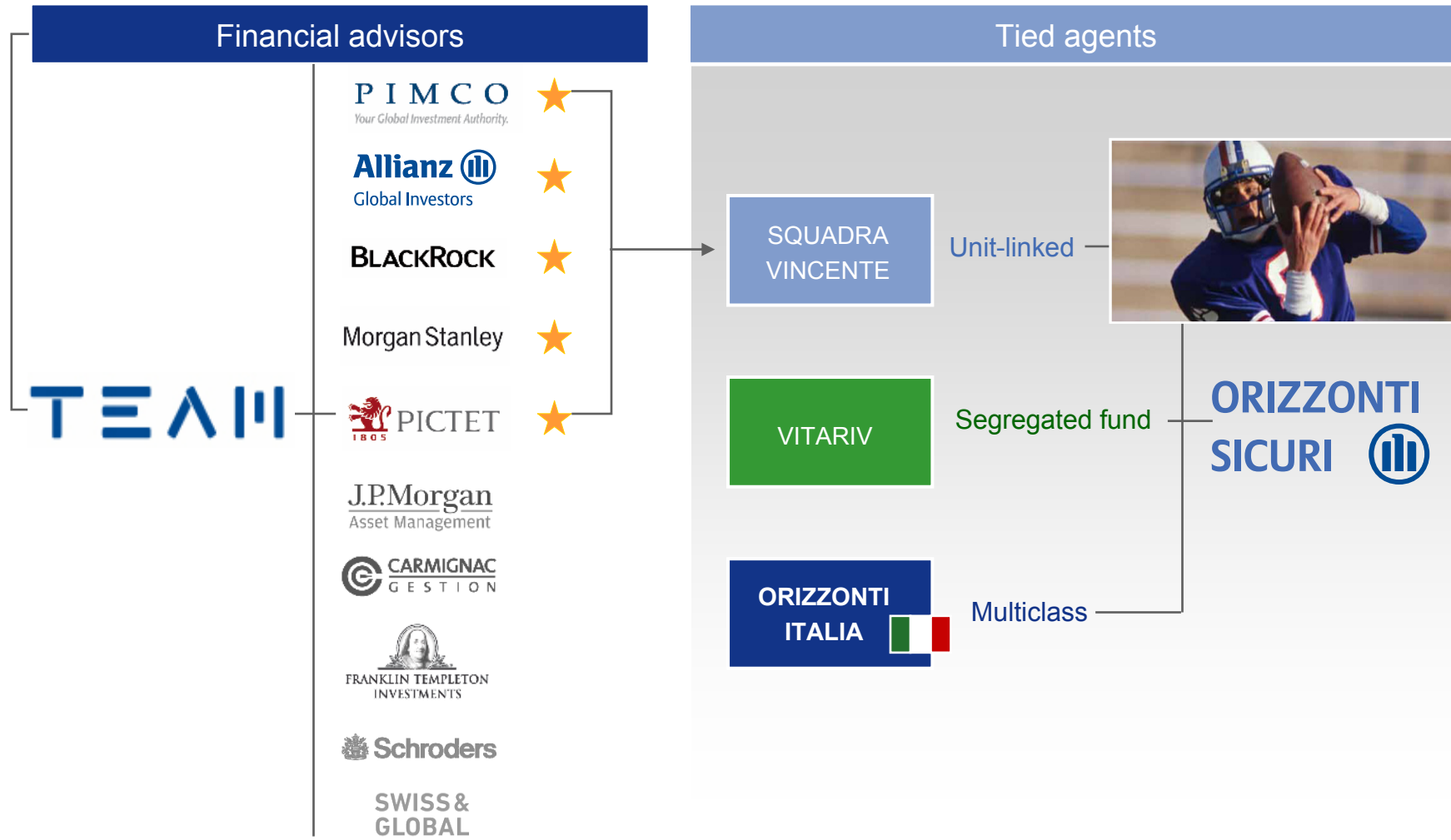
## Portfolio comparison

- Portfolio comparison between two dates
- Focus on asset type variation in time
- Losses/gains details and returns

# Agenda

- 1 Allianz' positioning in the Italian life market
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# Tied agents – leveraging the FA experience

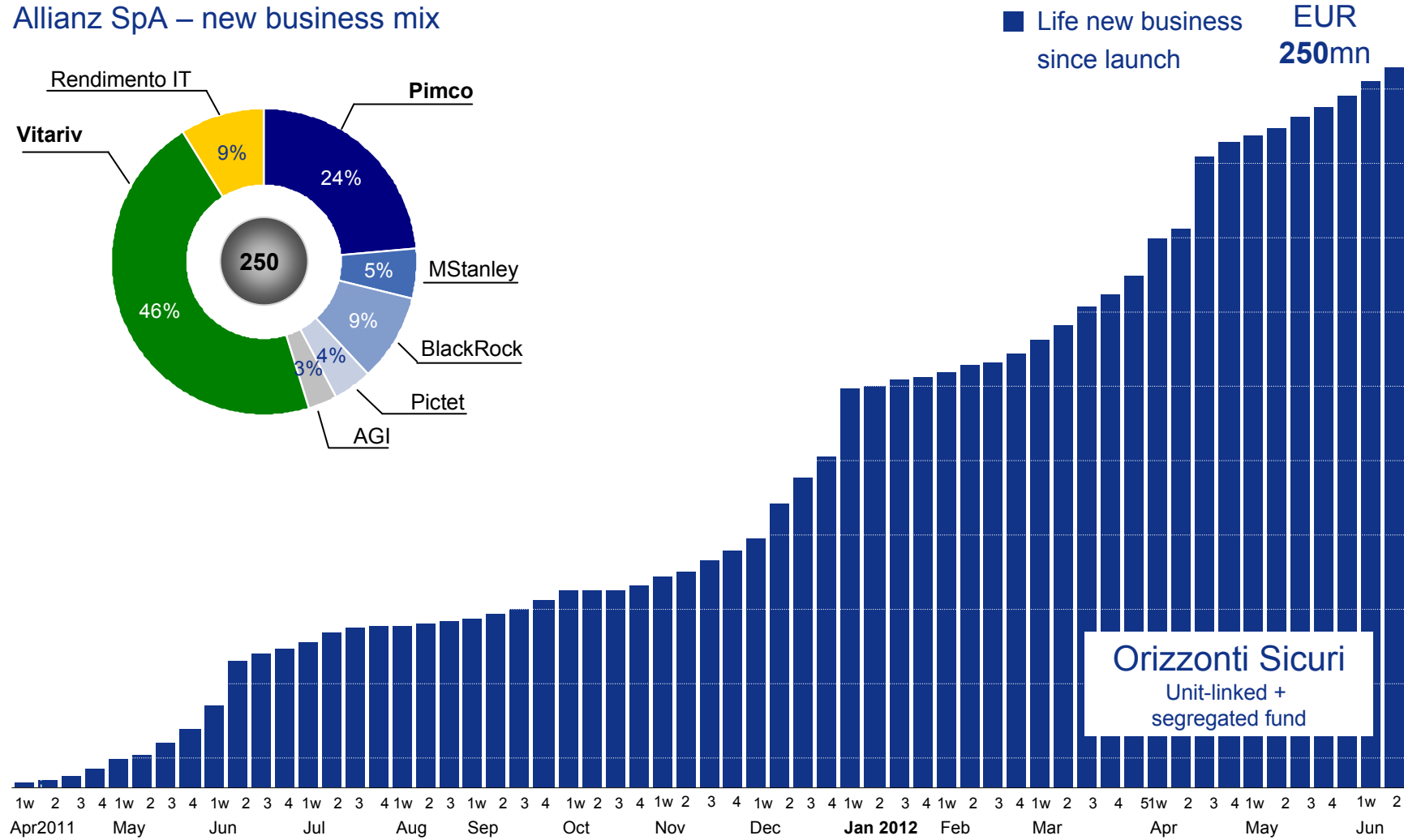
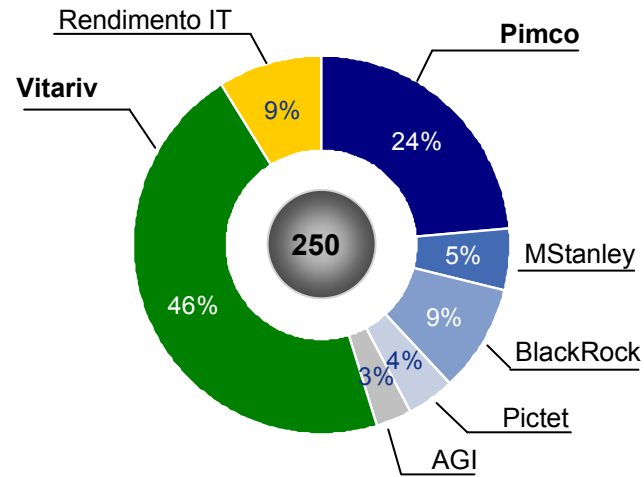


One platform to manage risk –  
flexible asset allocation, no need to lapse



# Substantial business potential in the agent channel to be unlocked

Allianz SpA – new business mix

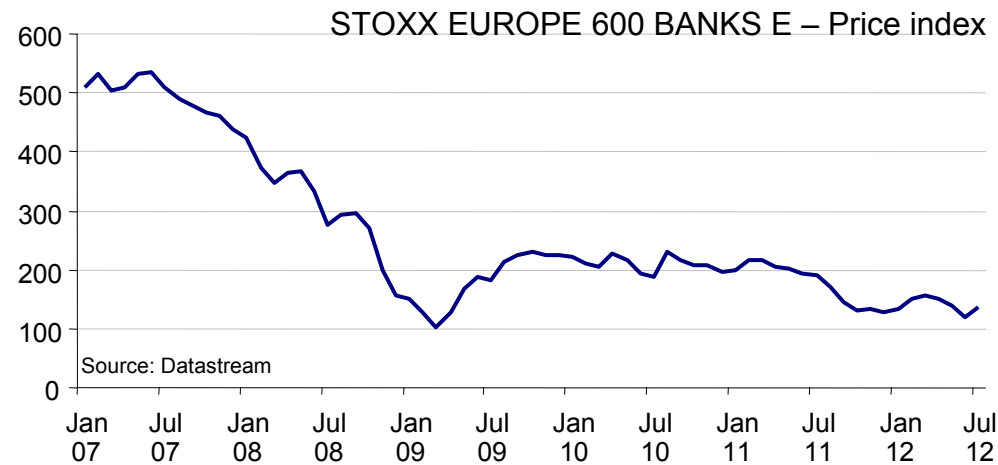


# Agenda

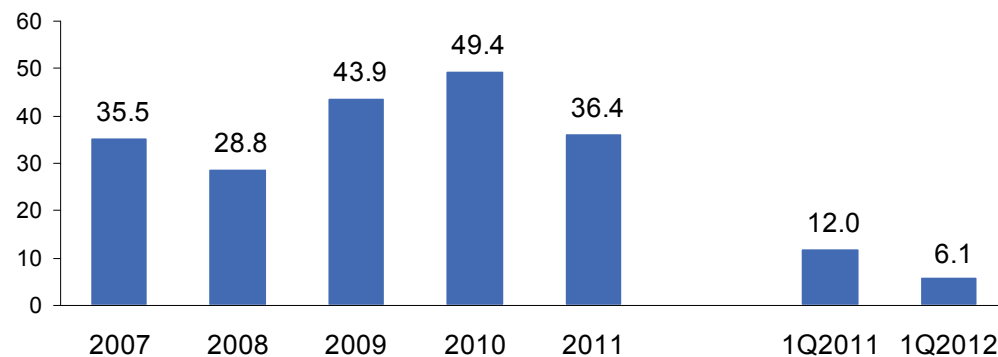
- 1 Allianz' positioning in the Italian life market
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- 4 **Bancassurance**
- 5 Outlook and key take-aways

# Banks under pressure focusing on capital issues

## Performance of bank shares



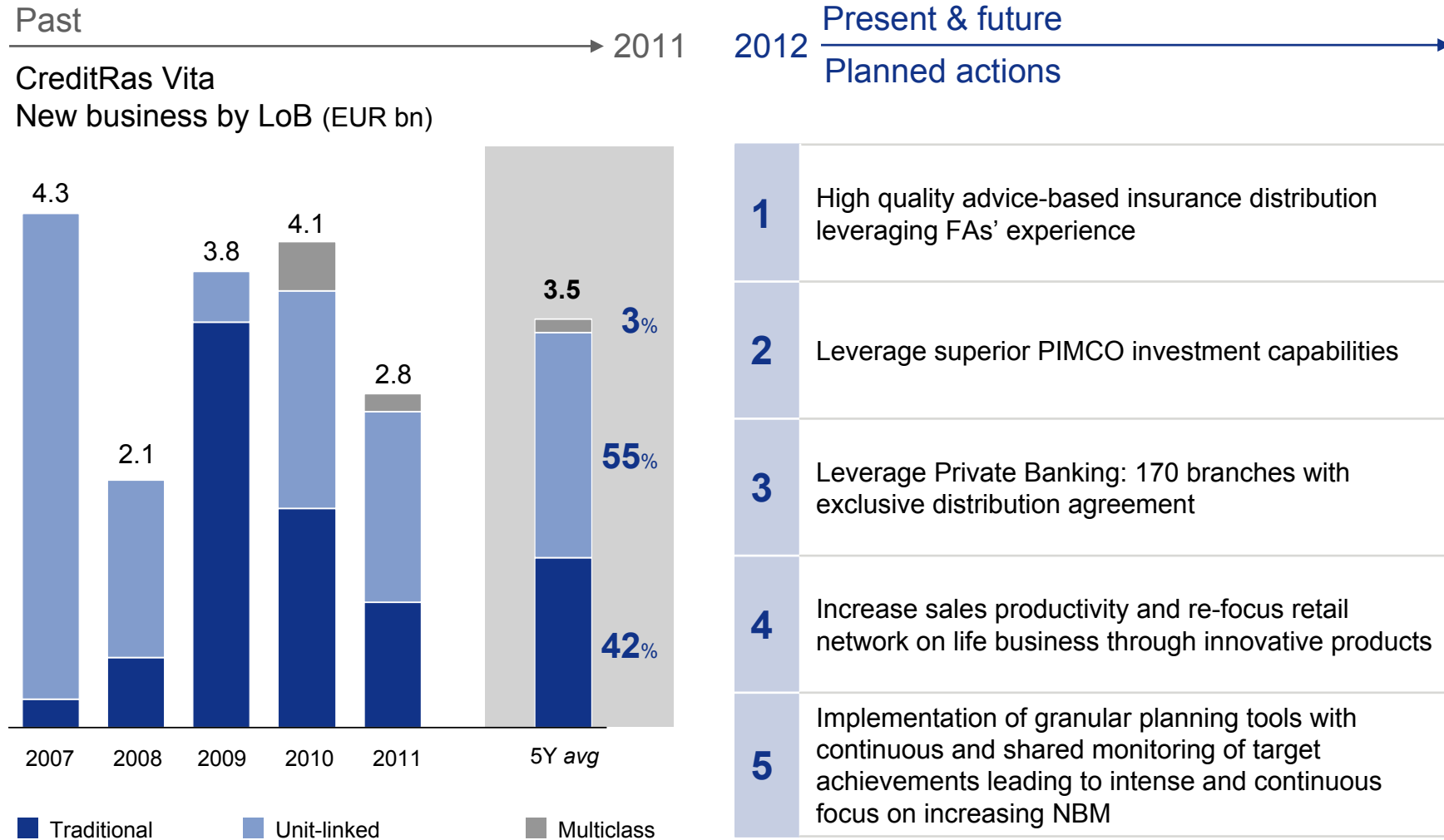
## Bancassurance market – new business (EUR bn)



Source: ANIA

- Sovereign debt crisis puts pressure on capitalization of banks
- +
- High deposit rates offered by Italian banks detract new business from life insurance
- +
- Opportunity for banks to increase the interest margin exploiting a growing spread between investment returns and cost of funding
- =
- Bancassurance top line set to remain highly volatile

# Action plan to leverage our bancassurance channel



▶ Future development of bancassurance in P/C non-motor business



## Agenda

- 1 Allianz' positioning in the Italian life market
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## Outlook and key take-aways

- ▶ Allianz 3rd largest Italian life insurer by AuM
- ▶ Higher share of unit-linked business than Italian market
- ▶ Well positioned multi-channel distribution model
- ▶ Successful migration from traditional to unit-linked
  - ... supported by innovative products
  - ... with outstanding performance
  - ... sold by highly qualified agents and financial advisors

Genialloyd –  
go for growth

Leonardo Felician  
CEO Genialloyd

Milan, July 18, 2012

# Capital Markets Day

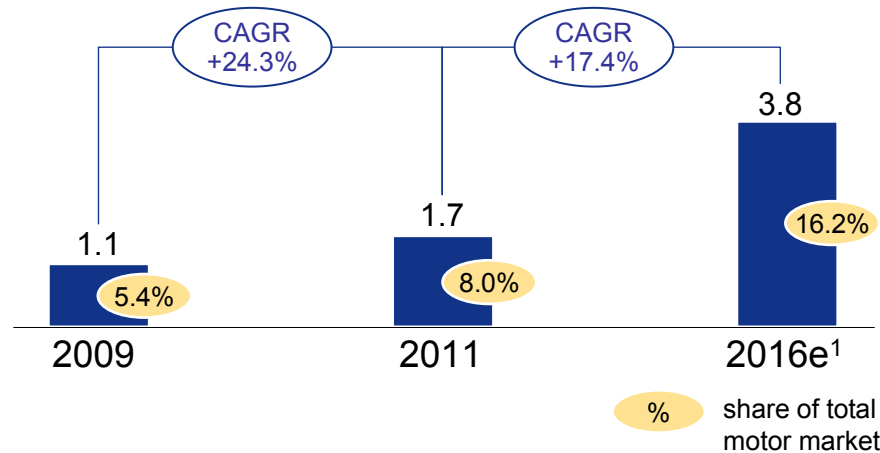
Allianz 

# Agenda

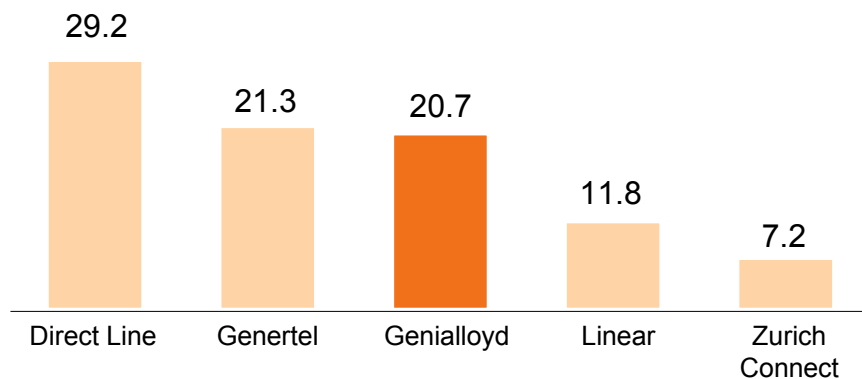
- 1 Direct – a growing market**
- 2 Genialloyd top performer
- 3 Investments in innovation
- 4 Integral part of Allianz' multi-access strategy
- 5 Outlook and key take-aways

## Italy – "Direct" grows fast in motor ...

Direct market evolution  
(GWP) (EUR bn)



Direct market shares 2011  
(GWP) (%)



### Key drivers of growth:

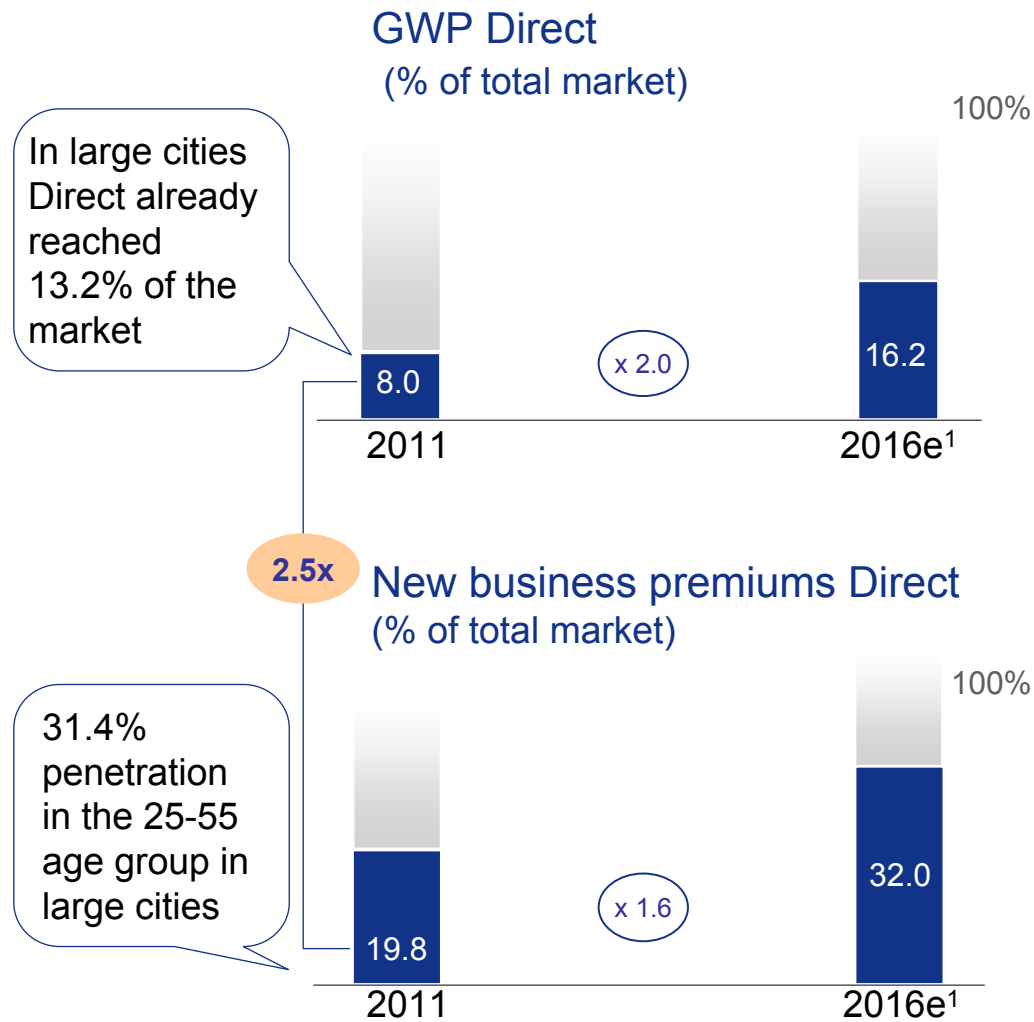
- Price sensitivity of consumers
- Consumers buying on-line
- Price hardening of MTPL market
- Growing importance of aggregators

### Market characteristics:

- Concentrated market. First 3 players writing >70% of direct GWP
- Genialloyd already #3 (out of 8) with strong profitable top-line growth

Source: Genialloyd analysis on ANIA data (sum of direct companies excluding FiloDiretto); total motor market: Ania +Zurich Insurance PLC  
1) 2016 based on Genialloyd forecast

## ... and is increasingly dominating new business



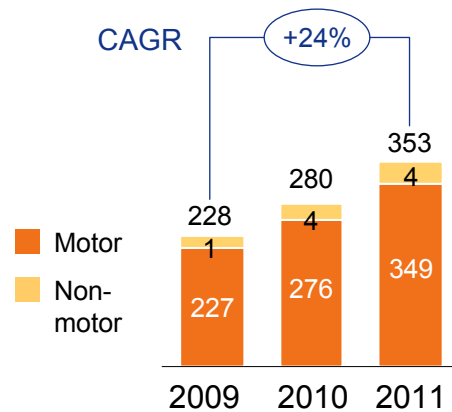
Source: Genialloyd analysis on ANIA data (sum of direct companies excluding FiloDiretto);  
 1) 2016 based on Genialloyd forecast

## Agenda

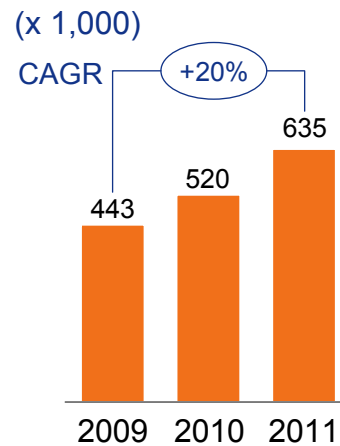
- 1 Direct – a growing market
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# Genialloyd KPIs (EUR mn)

## Revenues



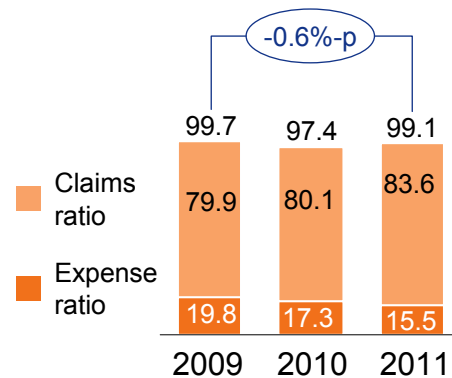
## Customers



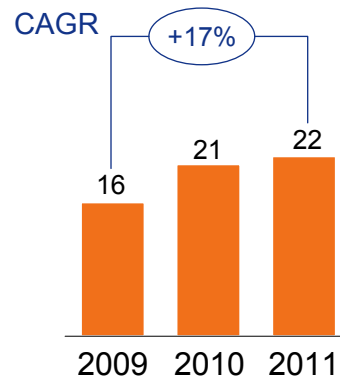
## Highlights

- Leading direct insurer in Italy
- Growth in line with direct market (Allianz 1Q12 GWP: +24%)
- Combined ratio consistently below market (Allianz 1Q12 CR: 92.5%)
- Highest customer satisfaction metrics in the Italian market
- Over 12,000,000 quotations in 2011
- Channel mix:
  - 92% internet / phone
  - 8% motor plug & play platform
- Lowest expense ratio in the Italian P/C market (Italian GAAP)
- Largest direct operation of Allianz group
- 357 employees at May 2012
- Local regulatory solvency ratio 159% (31/12/2011)

## AY Combined ratio<sup>1</sup> (%)



## Operating profit<sup>2</sup>



## Legal setup

- 1996 incorporation of Lloyd1885
- 2002 Lloyd1885 becomes Genialloyd

1) CR 2011: ~2% due to large losses and hail  
2) Excluding run-off



## Genialloyd DNA

### Customer passion

Enhance customer relationship:

- Ability to reach customers via social media: Facebook fan page, Twitter, LinkedIn, YouTube
- More than 1mn emails per year (service, communication, cross-selling, promotional offer, info on new products)
- 93% emails answered within 48h

Always ask for customer feedback:

- Quick and easy surveys on the net
- Customer-driven product design

50% of new clients brought in by word of mouth



### Efficiency

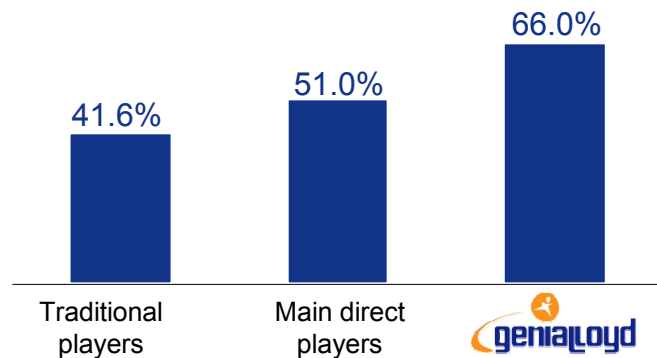
- Leveraging synergies with Allianz (HR, finance, administration)
- Workflow driven company with high degree of automatization
- Call centers outsourcing strategy to improve scalability

### Skills

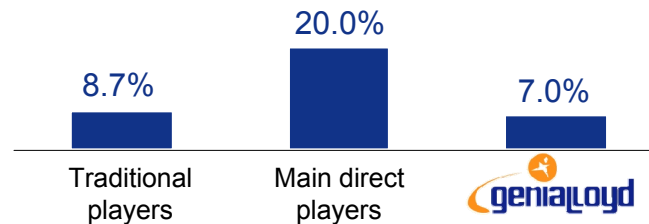
- Excellence in pricing & underwriting
  - Ability to adjust tariffs structure multiple times p.a. (13 x in 2011)
  - Customized tariffs by segment
- Large use of national data banks
  - Extensive U/W controls
  - Super FastQuote
- Marketing capabilities: online, offline, one-to-one

## Genialloyd customers

Word of mouth intention<sup>1</sup>



Churn intention<sup>1</sup>



## Genialloyd top ranked for customer satisfaction

- NPS
  - 53% new business,
  - 60% renewals
- 10 years in a row: BICSI<sup>3</sup> Customer Satisfaction award
- 3 Milano Finanza innovation awards
- 1 Insurance marketing award
- 1 Allianz i2S award

## Genialloyd first in social media<sup>2</sup>

Rank	Company	Score/100	Facebook	Twitter	Youtube
1	Genialloyd	66.25	X	X	X
2	Direct Line	46.25	X	X	X
3	Sara	28.75	X	X	X
4	Linear	20.00	X		X
5	AXA	16.25		X	X
6	Cattolica	11.25	X	X	
7	Genertel	8.75	X		
8	Zurich Italia	5.00	X		

1) Customer experience survey, Accenture, January 2012




2) As of January 2012. Observatory on 100 enterprises about communication via social media in Italy, Università Cattolica

3) Barometro Italiano Customer satisfaction index

## Agenda

- 1 Direct – a growing market
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## Investments in innovation to foster growth ...

	Investments	Examples
<p>... in technology</p> 	Customer interface	<ul style="list-style-type: none"> <li>▪ Increase web site usability: +7.6% visits, +30.6% quotes</li> </ul>
	Apps for mobile	<ul style="list-style-type: none"> <li>▪ Introduction of “one tap” contract signature (3Q12)</li> </ul>
	Social media	<ul style="list-style-type: none"> <li>▪ FastQuote integrated in Facebook (FB)</li> <li>▪ Customer care (including claims) on FB and Twitter</li> </ul>
<p>... in business processes</p> 	One-to-one marketing	<ul style="list-style-type: none"> <li>▪ Evolve towards a one-to-one outbound relationship via phone and App (from email)</li> <li>▪ One-to-one customized tariffs</li> </ul>
	Digitalization	<ul style="list-style-type: none"> <li>▪ More than 60% of contracts are already paperless - target: 90%</li> <li>▪ New system for automatic client documents recognition (ICR<sup>1</sup>)</li> </ul>
<p>... in new products</p> 	Motor	<ul style="list-style-type: none"> <li>▪ Real time tariff optimization</li> </ul>
	Household	<ul style="list-style-type: none"> <li>▪ Fast quote and product modularization</li> </ul>
	Term Life	<ul style="list-style-type: none"> <li>▪ Experience in place - to be scaled up</li> </ul>
<p>... in antifraud detection</p>	Enhance antifraud techniques	<ul style="list-style-type: none"> <li>▪ Fraud prevention improved: up 3 x in 1H12 vs. previous year</li> </ul>

... with focus on marketing, communication, clients process

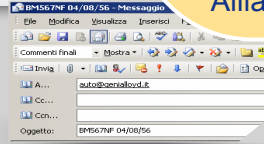
1) Intelligent Character Reader

## Agenda

- 1 Direct – a growing market
- 2 Genialloyd top performer
- 3 Investments in innovation
- 4 **Integral part of Allianz' multi-access strategy**
- 5 Outlook and key take-aways

# Genialloyd – multi-access & cross-channel

## Multi-access for customers

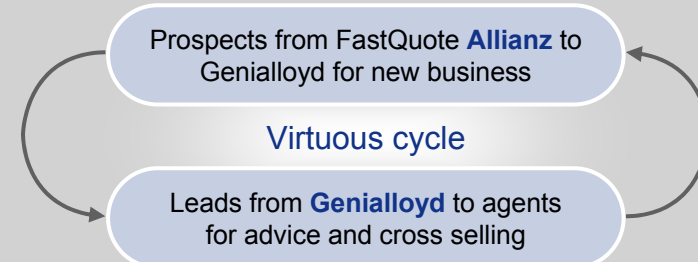


- Fast quote in use since 2009
- 57% of 2011 quotes fulfilled; 55,000 policies
- Experience leveraged by Allianz



## Cross-channel

Proactively manage leads across channels to increase conversion rates and up-selling/cross-selling



Virtuous cycle

## Leverage other channels

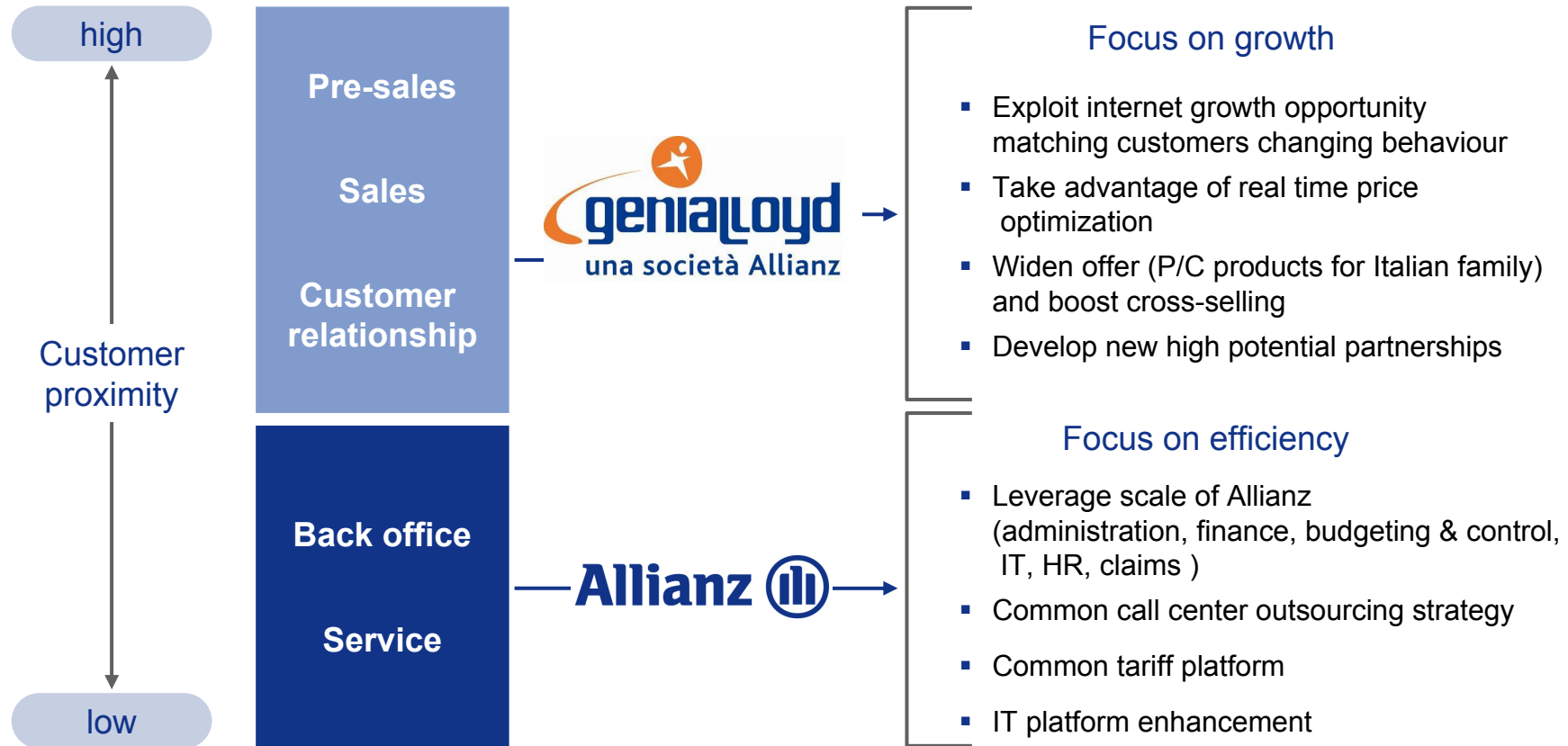
Motor “plug & play” platform for sales via other channels (partnerships, affinity groups, small banks, car dealers)



In just 48 hours installed and fully operational



# Integration and operational leverage



## Agenda

- 1 Direct – a growing market
- 2 Genialloyd top performer
- 3 Investments in innovation
- 4 Integral part of Allianz' multi-access strategy
- 5 Outlook and key take-aways**



## Outlook and key take-aways

- ▶ Genialloyd is the 3rd largest Italian direct insurer
- ▶ Genialloyd is an integral part of Allianz' multi-access strategy
- ▶ Our ambition is to double in size and increase market share in the medium term
- ▶ We will continue invest for growth while maintaining profitability
- ▶ Exploiting synergies with Allianz to maintain cost leadership

# Telematics – introducing pay per use

Anthony J. Bradshaw  
Chairman Allianz Telematics SpA,  
General manager Allianz Italy

Milan, July 18, 2012

# Capital Markets Day

Allianz 

# Agenda

- 1 Telematics and motor insurance**
- 2 The story so far
- 3 Our experience
- 4 Outlook and key take-aways

## Game changer or hype?

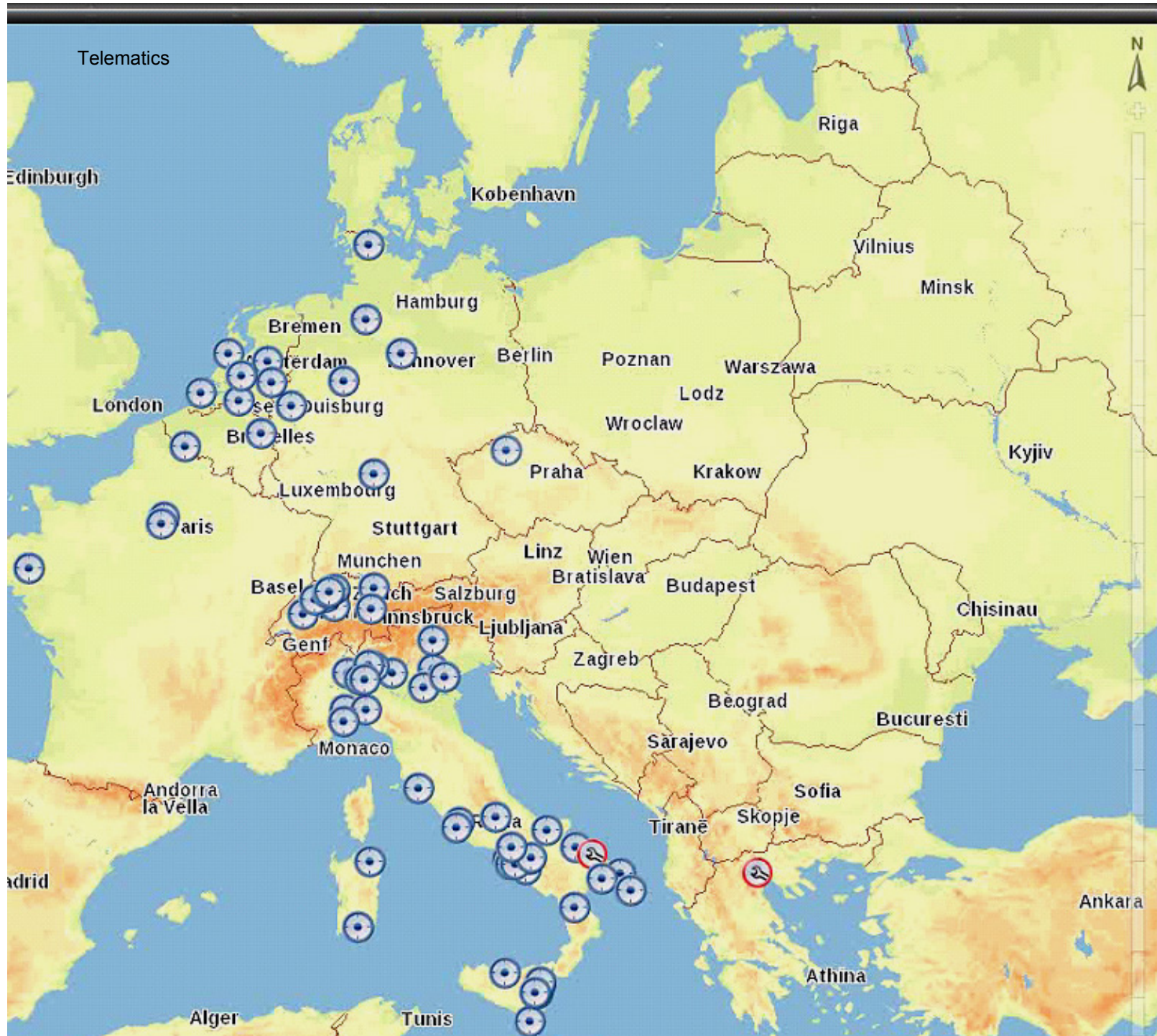
Imagine a world ...

- with no date/policy anniversaries
- with no NCD<sup>1</sup> system
- of real protection and not just financial indemnity
- where insurance is ancillary
- where social media is a distribution channel
- where you can do this ...

**Welcome!**

1) NCD = no claims discount





Time	Plate
11:38:36	7U1XXXX
11:38:35	DT2XXXX
11:38:34	BTRXXXX
11:38:33	BSSXXXX
11:38:32	EC7XXXX
11:38:31	LE5XXXX
11:38:30	LU XXXX
11:38:29	DD6XXXX
11:38:29	DS1XXXX
11:38:28	BPVXXXX
11:38:27	ED5XXXX
11:38:26	BTSXXXX
11:38:25	NIKXXXX
11:38:25	DR7XXXX
11:38:24	06BXXXX
11:38:23	DZ8XXXX
11:38:22	EK0XXXX
11:38:21	BNNXXXX
11:38:20	AG XXXX
11:38:19	EH1XXXX
11:38:18	BZFXXXX
11:38:17	BW9XXXX
11:38:16	DK7XXXX
11:38:15	DT6XXXX

# Agenda

- 1 Telematics and motor insurance
- 2 The story so far**
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## Telematics usage to pick-up speed

ILLUSTRATIVE



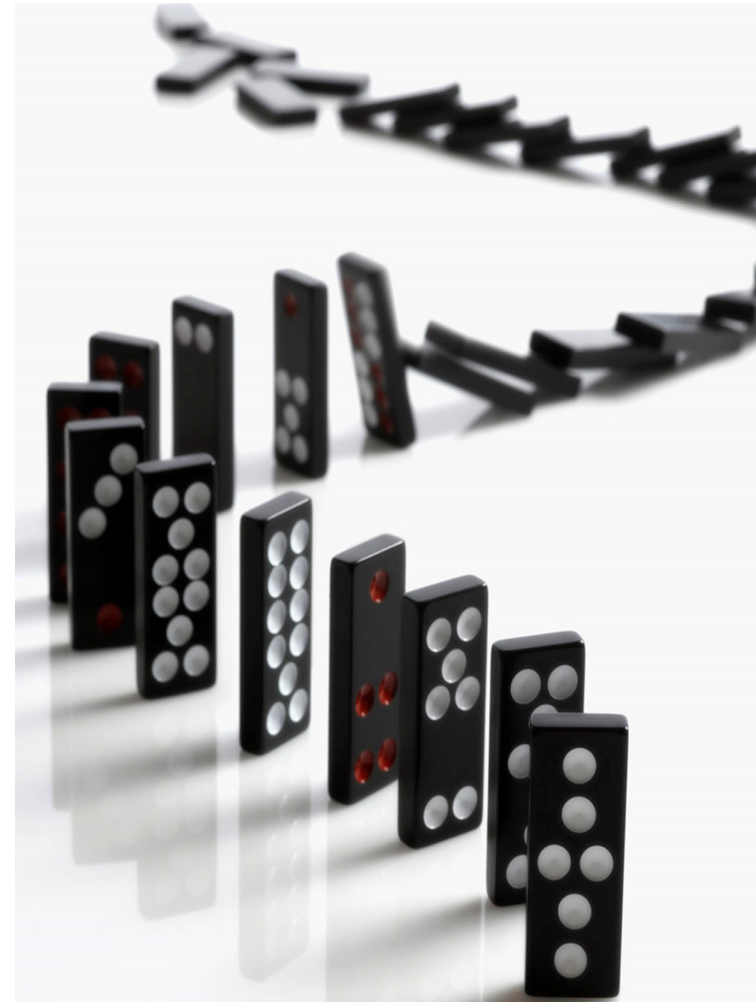
Worldwide:

- More than 40 competitors
- More than 50 PPU offers
- More than three million vehicles equipped



## The story so far

- Retrofitted boxes that cost a lot to install, high data transmission cost
  - limited addressable market
  - network to manage
  - but this is the model with 1-2 million vehicles already in Europe
- Fast evolution to lower-cost boxes, low data transmission costs
  - increase in size of addressable market
  - cross-subsidies to exploit
  - additional revenue streams
- Cheap boxes self installed
- Standard equipment for OEMs<sup>1</sup>



1) Original equipment manufacturer

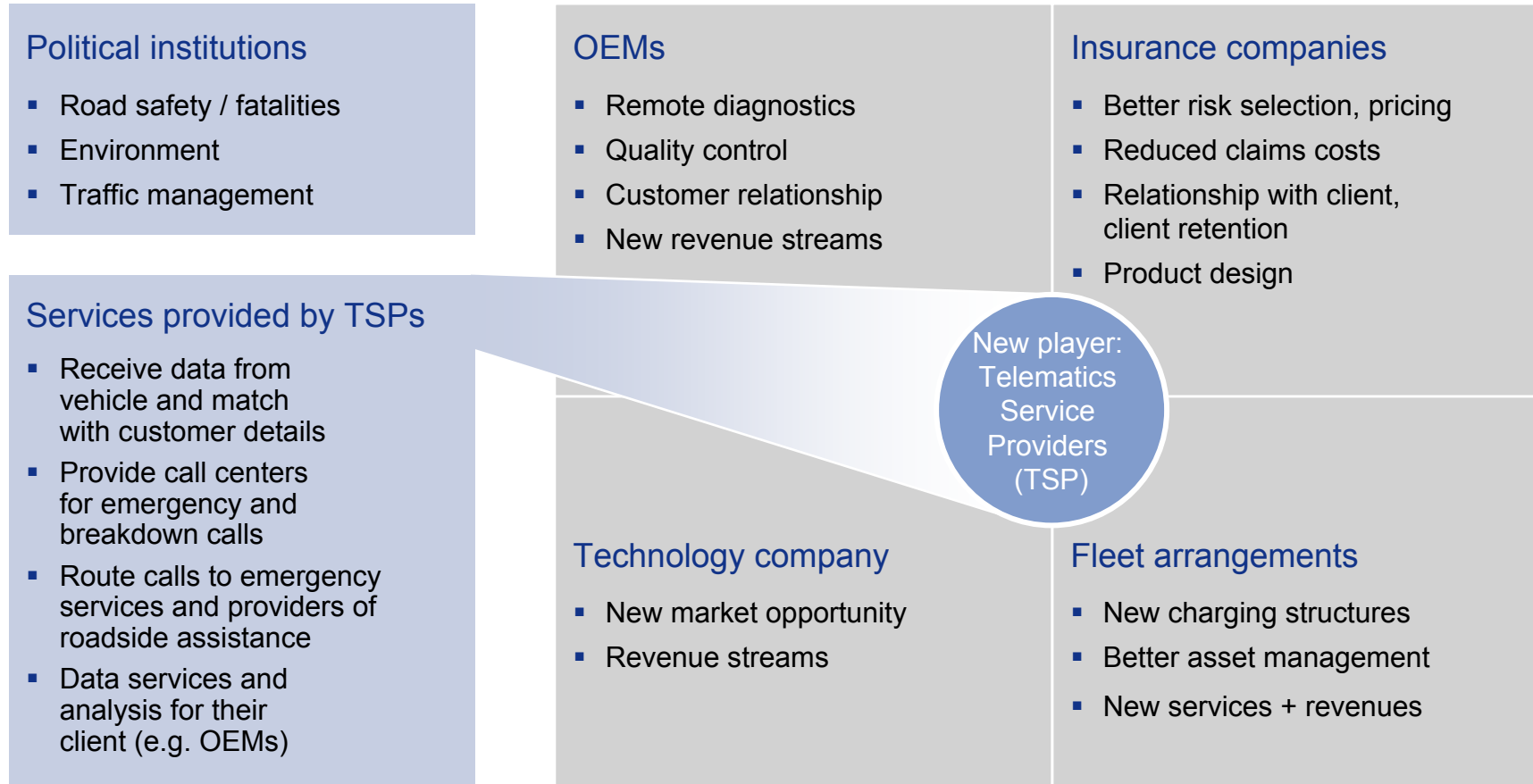


# Agenda

- 1 Telematics and motor insurance
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# Issues identified 7 years ago ...

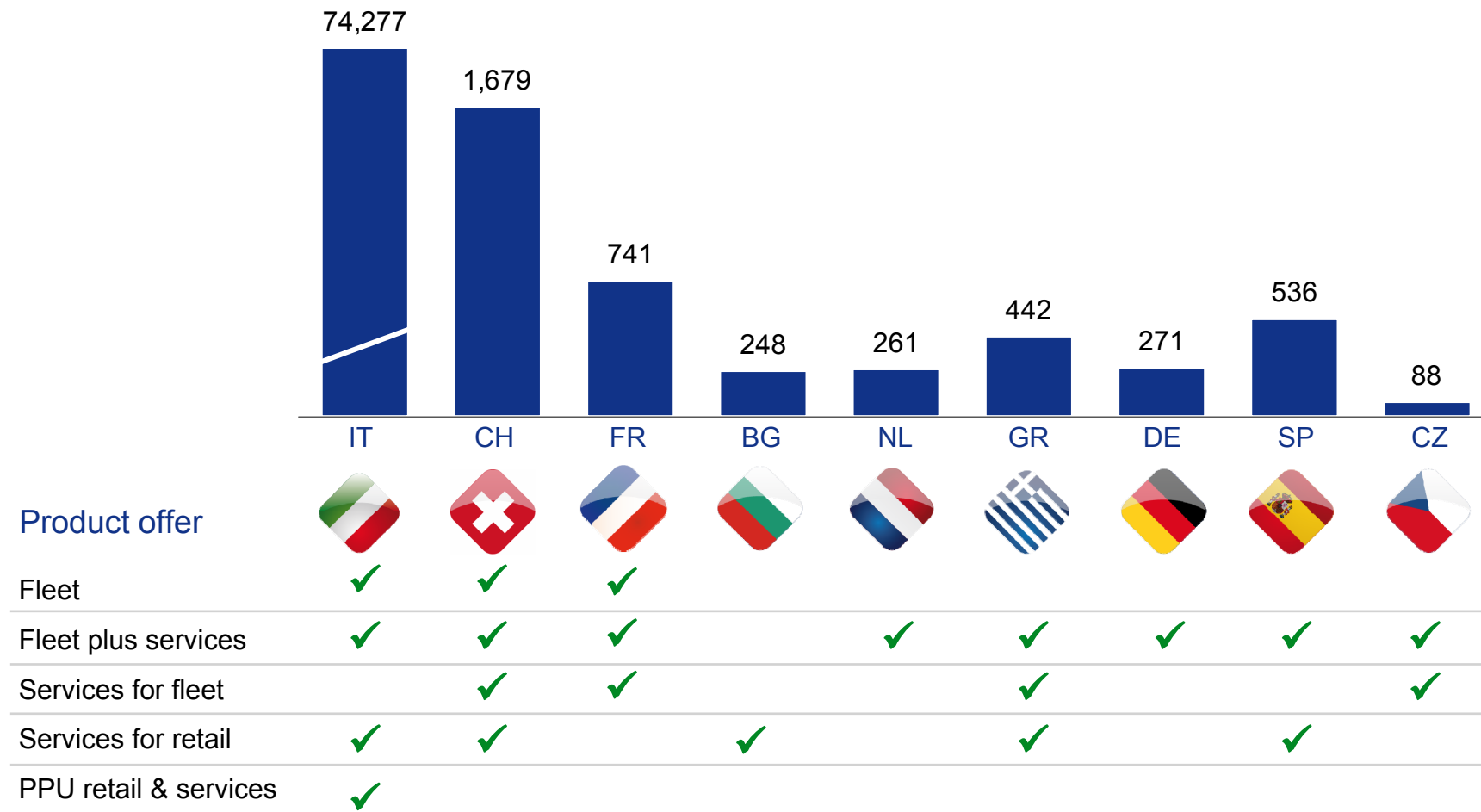
MAY 2005



... led us to develop a unique underwriting strategy

## Increasing our Telematics reach selectively across the Allianz footprint

Over 78,000 units activated in 9 countries (as of June 30, 2012)



# Our experience

Country

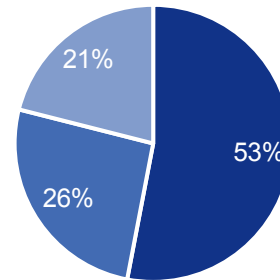
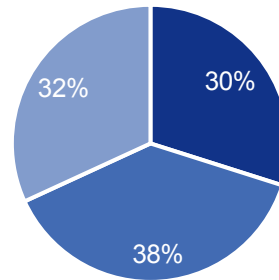
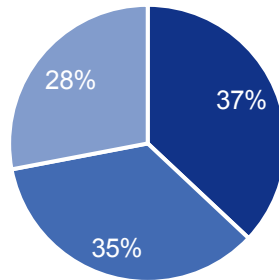
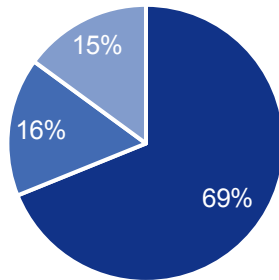
**A**

**B**

**C**

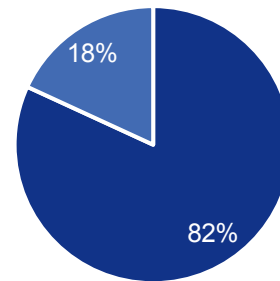
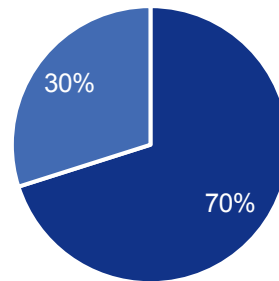
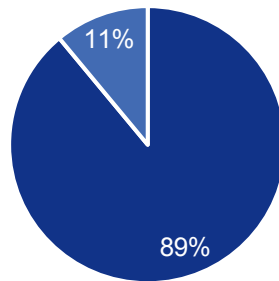
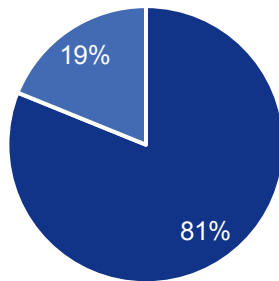
**D**

Type of road



- Motorway
- Country
- City

Time of usage



- Day
- Night

# Our experience

Country

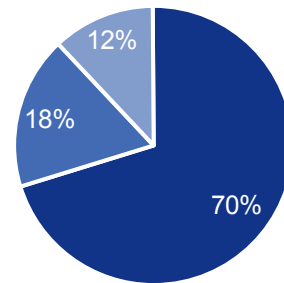
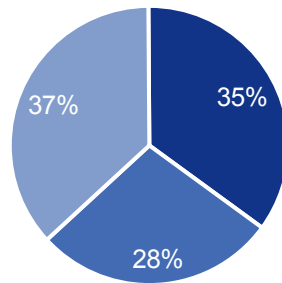
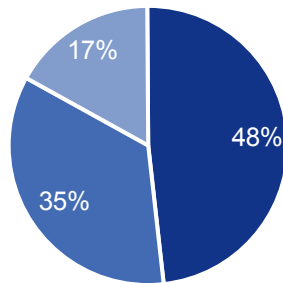
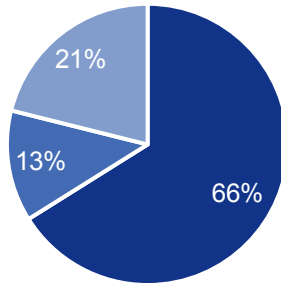
**E**

**F**

**G**

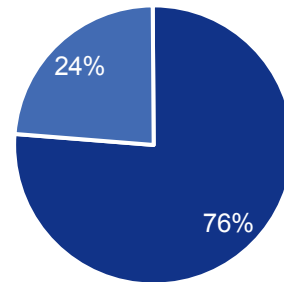
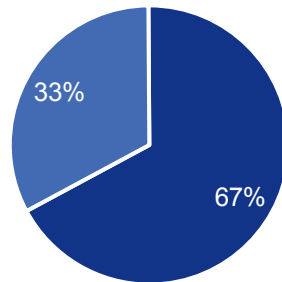
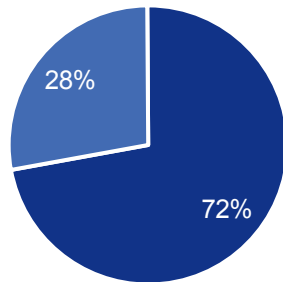
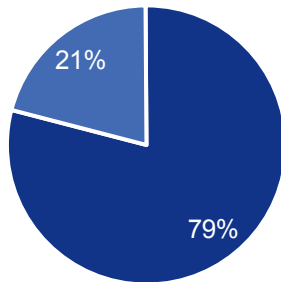
**H**

Type of road



- Motorway
- Country
- City

Time of usage



- Day
- Night

## Our experience



3 (maybe 4) people alive today because of the product

1.1 billion kilometers driven by customers (6mn per day)

15 minutes from notification to recovery of stolen vehicle

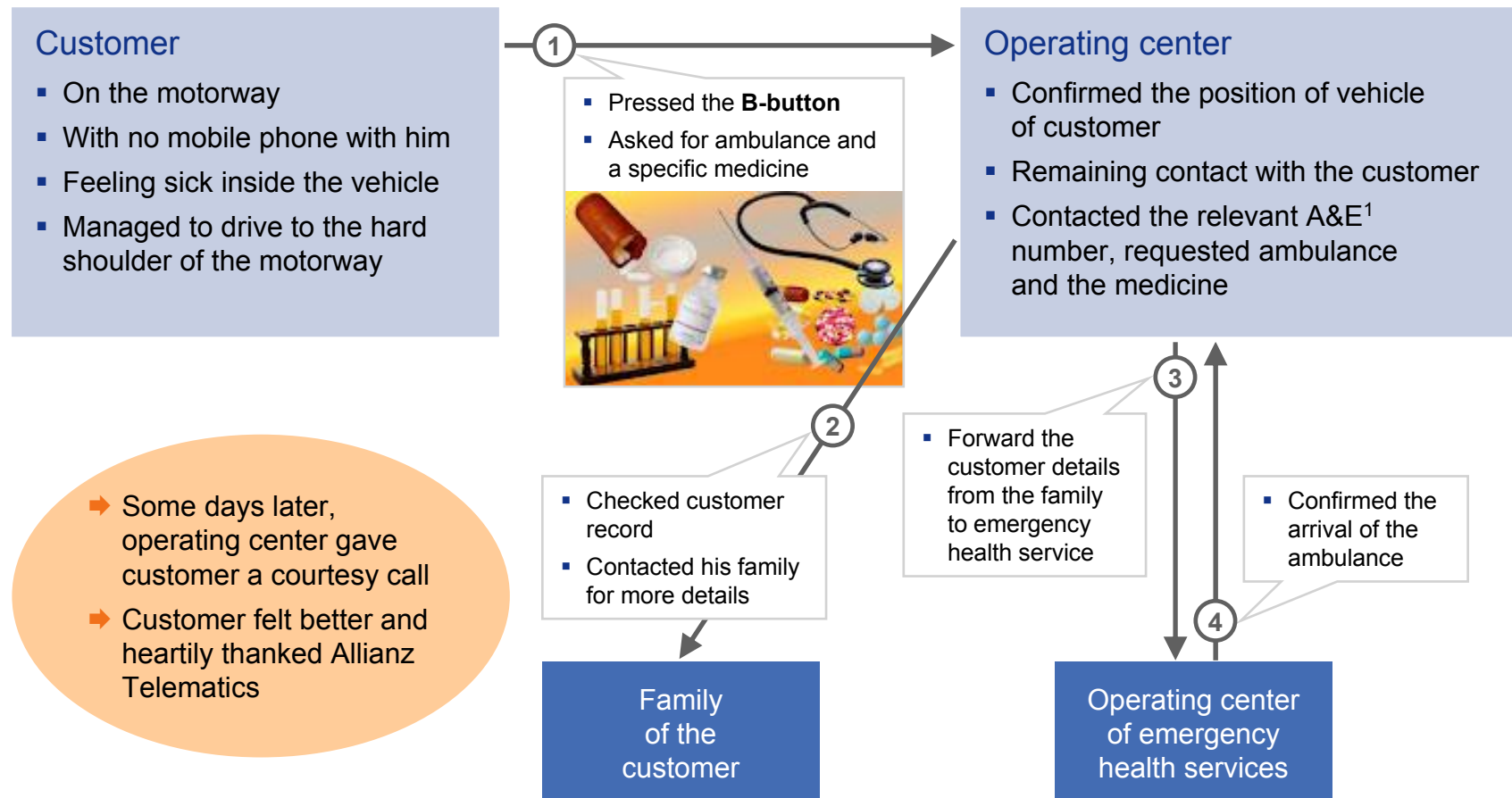
15%-points improvement in CR

43% improvement in lapse rate

83% improvement in cross-selling ratio

# Our experience – customer stories (1/3)

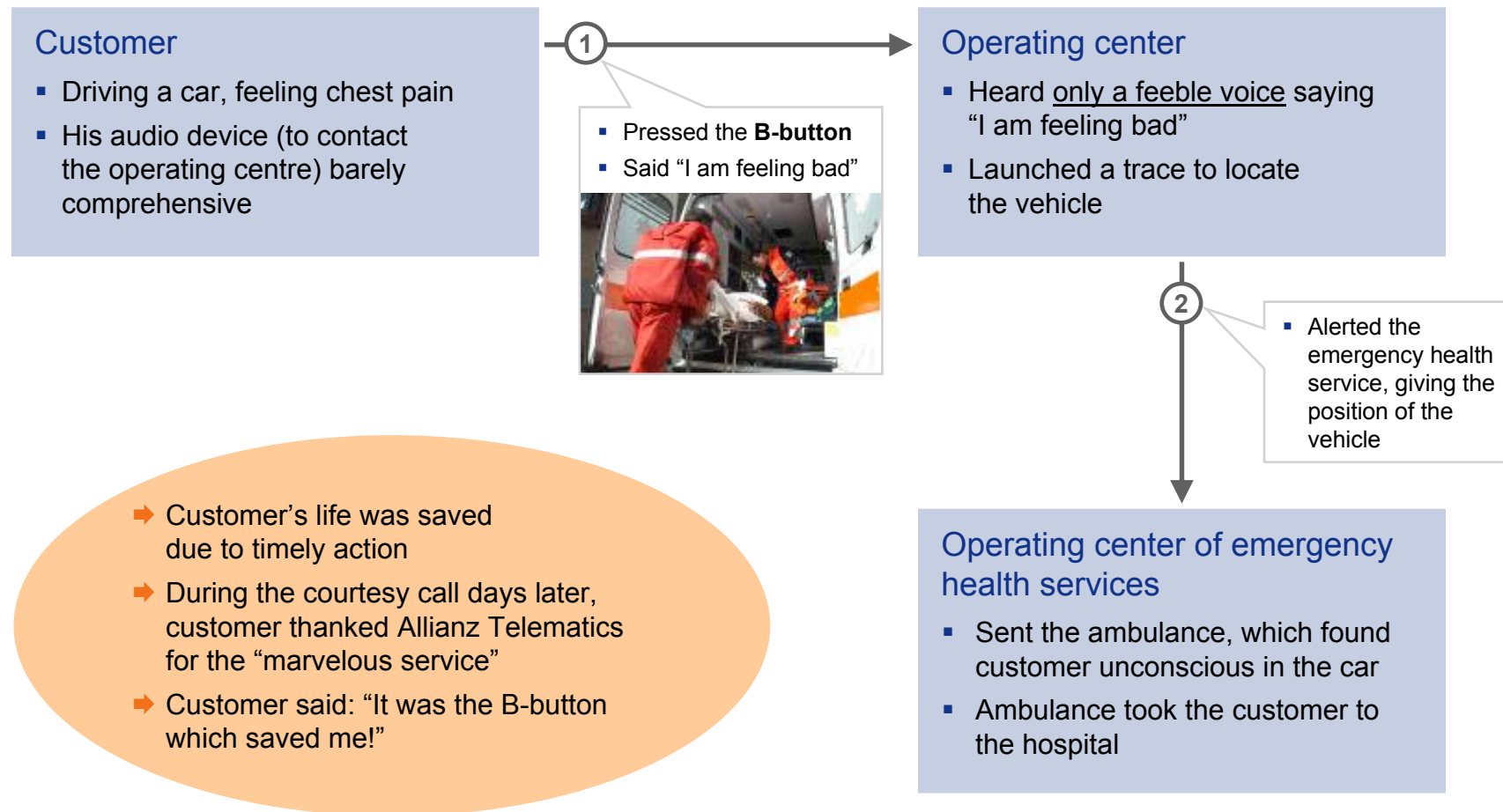
B-Call: Motorway, June 23, 2012



1) A&E = accident and emergency

## Our experience – customer stories (2/3)

B-Call: Bra-Cuneo, January 9, 2011



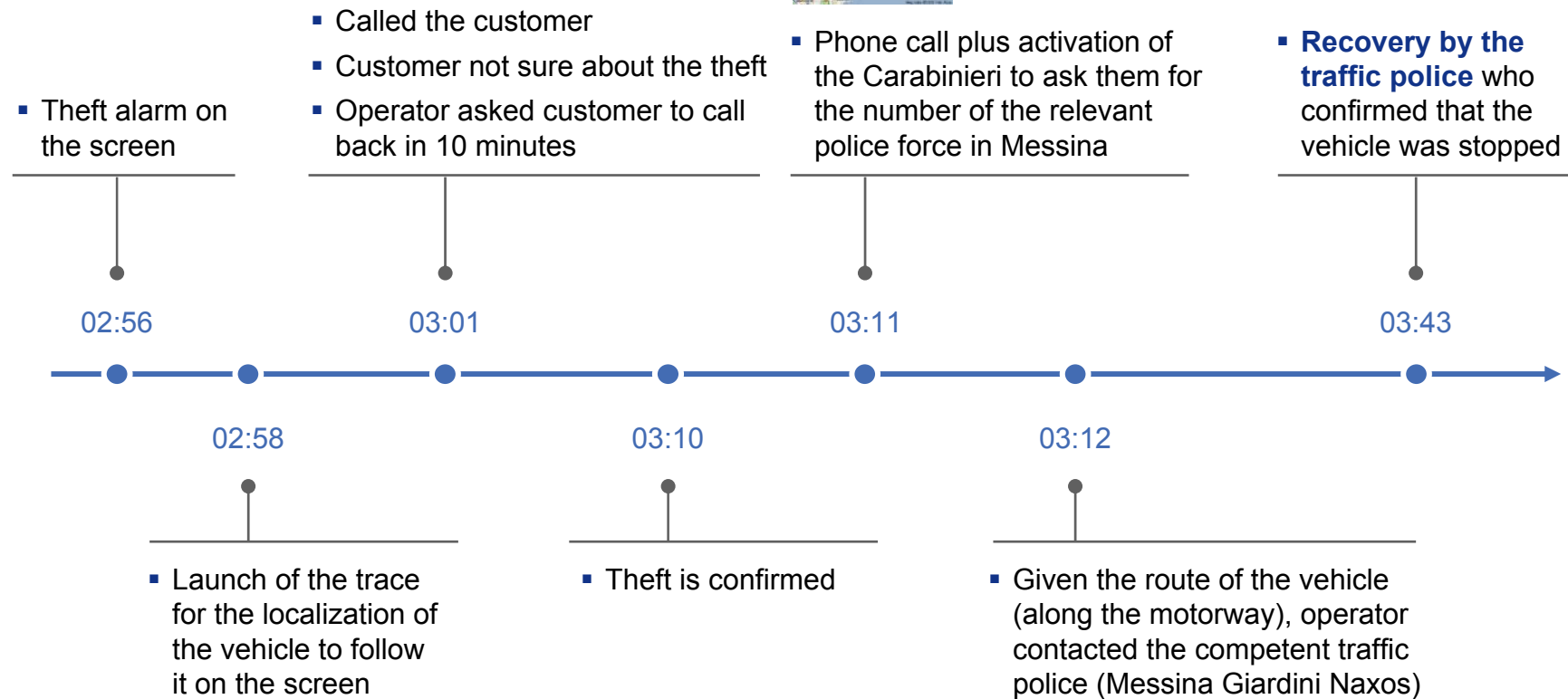


## Our experience – customer stories (3/3)

Theft: Giardini di Naxos – Messina, April 7, 2011



→ Car recovery in less than 1 hour



# Agenda

- 1 Telematics and motor insurance
- 2 The story so far
- 3 Our experience
- 4 **Outlook and key take-aways**

## Outlook and key take-aways



- ▶ Allianz has an unique underwriting strategy
- ▶ Proof of concept in Italy - ready for fast deployment in the Group when markets take up
- ▶ European legislation – all new cars pre-fitted with e-call from 2015 on
- ▶ Allianz with unique proposition for OEMs
- ▶ Essence is not price competition, but convenience and value competition

# What the market could see

Allianz France in the French market

Jacques Richier  
CEO Allianz France

Milan, July 18, 2012

# Capital Markets Day



Allianz   
ASSUREUR OFFICIEL

Allianz 

# The French insurance market at a glance

## Key data 2011

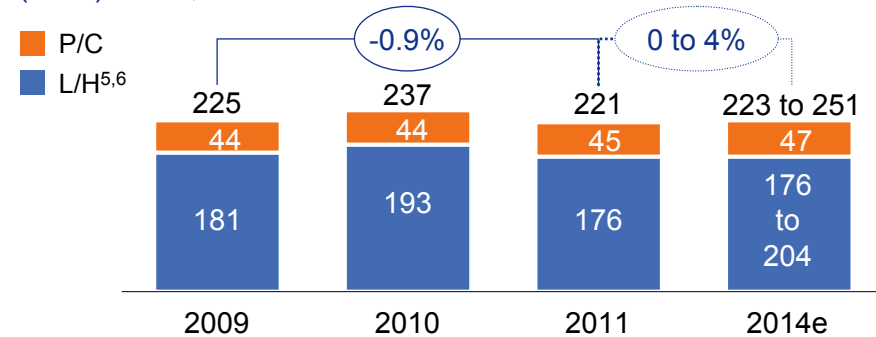
- Population<sup>1</sup>: 65.4mn
- GDP (EUR): 1,997bn
- GDP/capita (EUR): 30,600
- GDP CAGR (2006-2011): +1.75%
- Inflation<sup>2</sup>: +2%
- Insurance penetration<sup>3</sup>: P/C 3.1% L/H 7.4%
- Country rating (S&P): AA+

## Market specifics

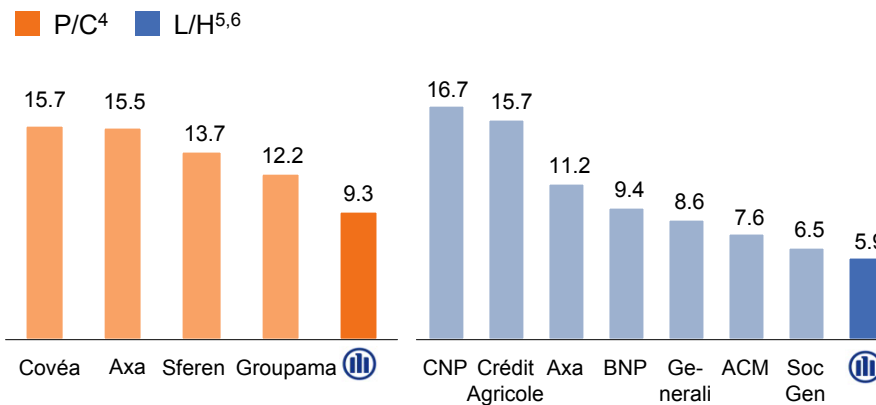
- Highly competitive market
- 2/3 of motor market dominated by mutuals and banks
- 2/3 of individual health market dominated by mutuals
- 2/3 of individual life market dominated by banks
- Multiple networks beyond tied agents (salaried salesforce, brokers, banks)
- Low share of internet in distribution channels
- Mid-term market evolution uncertain (tax, social reforms)
- Low interest rates challenge life market attractiveness

1) As of January 2012  
 2) April 2012 (last twelve months)  
 3) As of end of 2010; defined as insurance GWP/GDP

## Market size and growth (CAGR) (Stat.) GWP, EUR bn



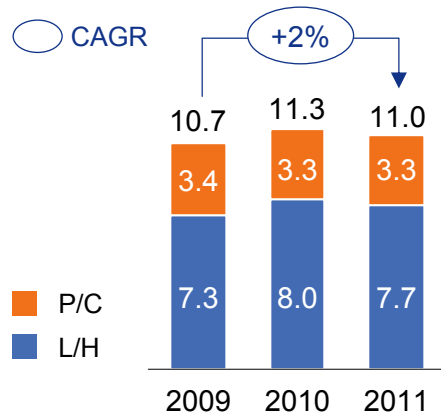
## Market shares in % (2010)



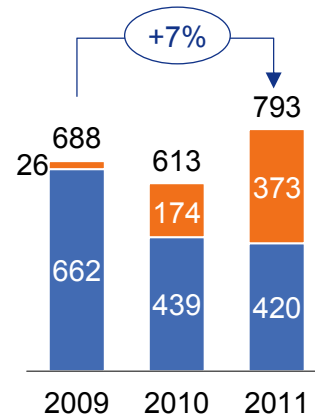
4) Excl. large risks (Axa, Covéa, AGCS). Incl. impact of Gan Eurocourtage acquisition  
 5) L/H 2010 GWP excludes employee savings  
 6) Health GWP excludes inward reinsurance and includes outward reinsurance

# Allianz France (1/2)

Revenues (EUR bn)



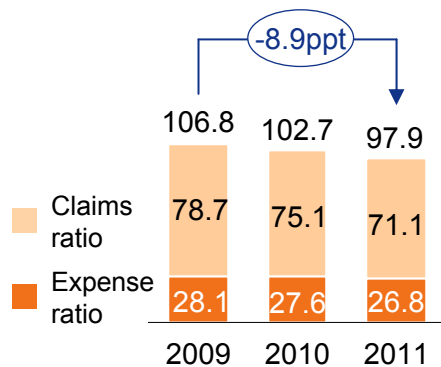
Operating profit (EUR mn)



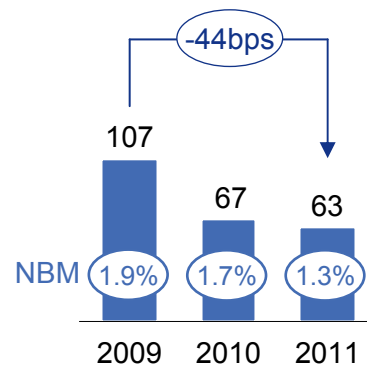
Highlights

- > 5mn clients (~4.5mn retail, ~500,000 commercial)
- ~11,000 employees
- > 5 differentiated networks including 1,962 tied agents, 2,218 financial advisors, 326 health advisors, ~1,200 partner brokers
- Solvency I ratios<sup>1</sup> (31/03/2012)
  - Allianz Vie: 240%
  - Allianz IARD: 379%

Combined ratio (%)



Margin on reserves (bps)



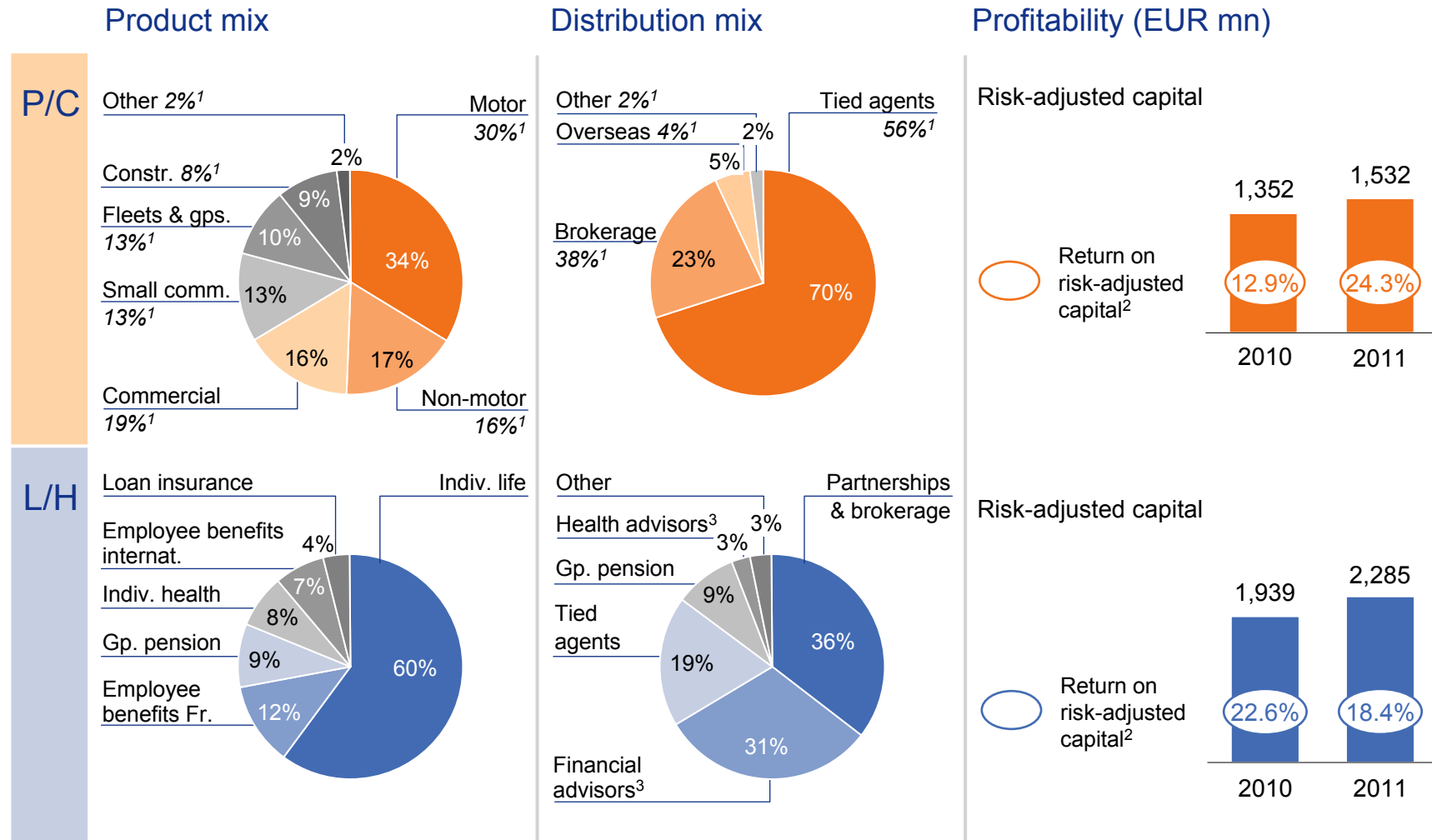
Legal setup

- In 2007 AGF 100% subsidiary of Allianz
- Allianz France organizational structure considerably simplified in the past 3 years: number of legal entities cut by 44%
- OPCVM project<sup>2</sup>: drastic reduction of investment SPVs (2009, still ongoing)
- Disposal of W Finance<sup>3</sup> / Coparc (2011)
- Pending closing of the acquisition of Gan Eurocourtage (Q4 2012)

1) Local regulatory solvency ratios  
 2) Project referring to mutual funds  
 3) W Finance = name of the legal entity

# Allianz France (2/2)

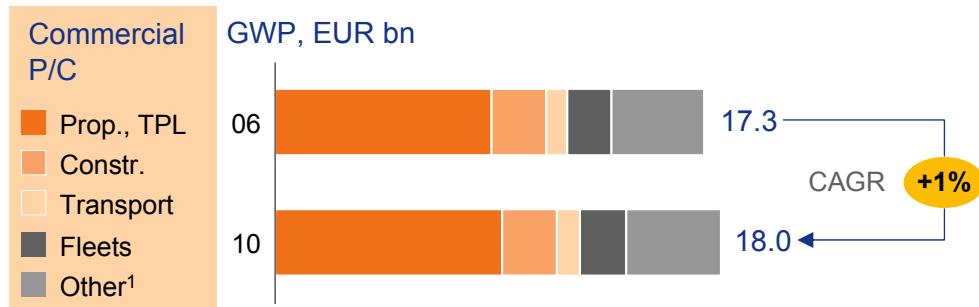
## 2011



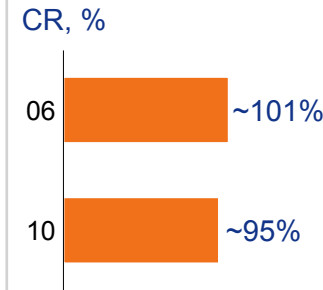
1) Estimated distribution and product mix after integration of Gan Eurocourtage  
 2) Operating profit as % of RAC eop  
 3) Salaried salesforce

# Commercial markets – overall positive dynamics

## Market size and growth



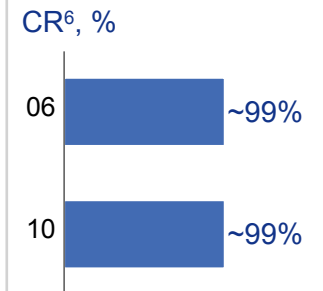
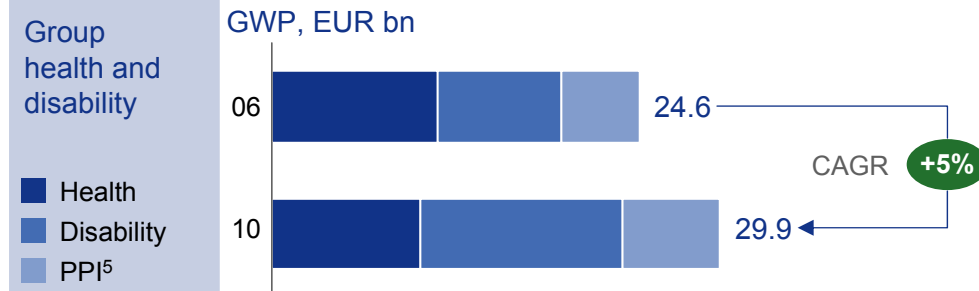
## Market profitability<sup>2</sup>



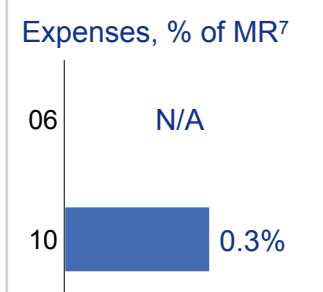
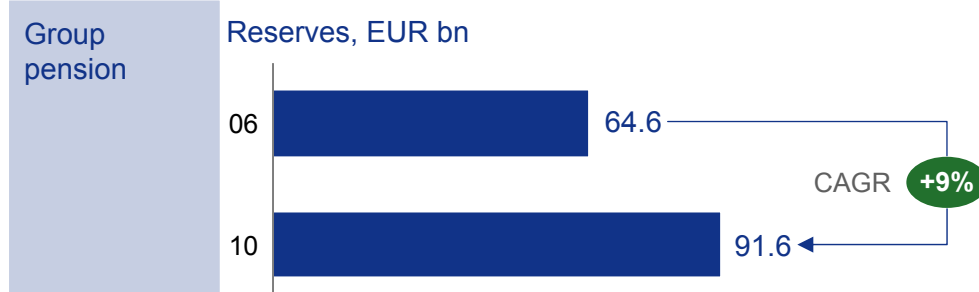
## Top 5 players

2010 Ranking & market share<sup>3</sup> (% of market GWP)

1. AXA	17%	↑
2. Allianz + GEC <sup>4</sup>	12%	↑
2. Groupama	12%	↓
3. Covea	10%	↑
4. SMABTP	6%	→



1. AXA	16%	→
2. Malakoff	11%	↑
3. AG2r-LM	8%	↑
4. Pro BTP	7%	→
5. Allianz	6%	→



1. AXA	16%	↓
2. Allianz	16%	→
3. Groupama	14%	→
4. AG2r-LM	11%	→
5. CNP	10%	→

1) Other: credit, caution, natural disasters and sundry financial losses  
 2) CRs in French GAAP  
 3) Agriculture included  
 4) Market share based on a pro-forma calculation

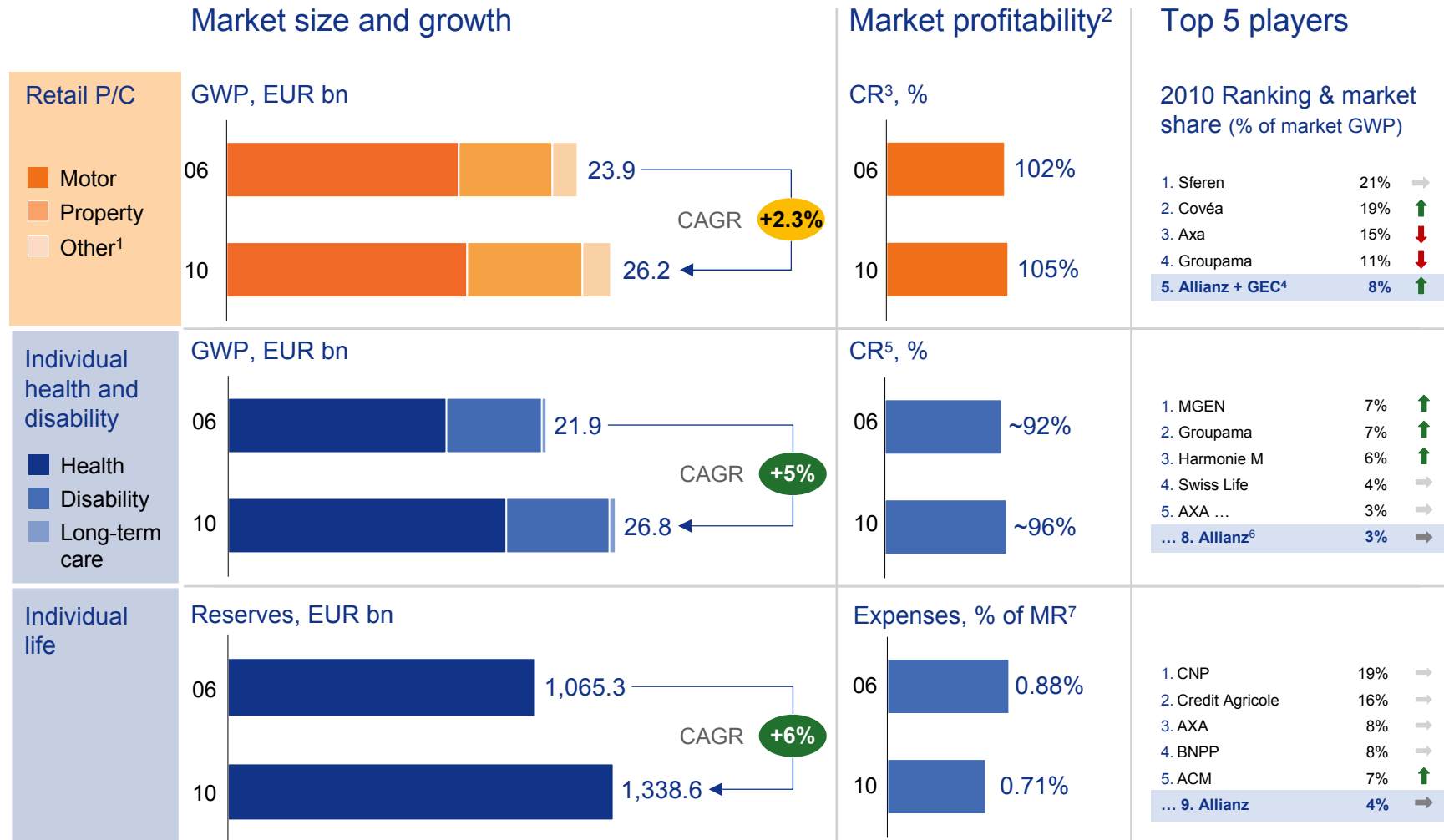
5) Payment protection insurance  
 6) Health and disability only (excl. PPI)  
 7) Mathematical reserves



## Our strategy in commercial lines – catching up and leveraging strong historical position

	Strategy	Levers
Commercial P/C	Re-boost through distributors' trust and more straightforward operating model	<ul style="list-style-type: none"> <li>Re-develop brokerage</li> <li>Develop SME market and risk appetite in mid-corp</li> </ul>
Group health & disability	Reposition through distributors' trust and more straightforward operating model	<ul style="list-style-type: none"> <li>Brokerage strategy: segment brokers and differentiate value proposition</li> <li>Improve underwriting capabilities (reactivity, modularity, expert solutions)</li> <li>Delegate 100% of health administration and claims to third party administrators</li> </ul>
Group pension	Develop by leveraging our critical size	<ul style="list-style-type: none"> <li>Reinforce R&amp;D and technical expertise</li> <li>Leverage existing business with SMEs to cross-sell</li> </ul>
Professionals	Target professionals as a stand-alone segment	<ul style="list-style-type: none"> <li>Develop specific standardized commercial approach for professionals</li> <li>Focus health advisors on professionals</li> </ul>

# Retail markets – competitive landscape with different business models

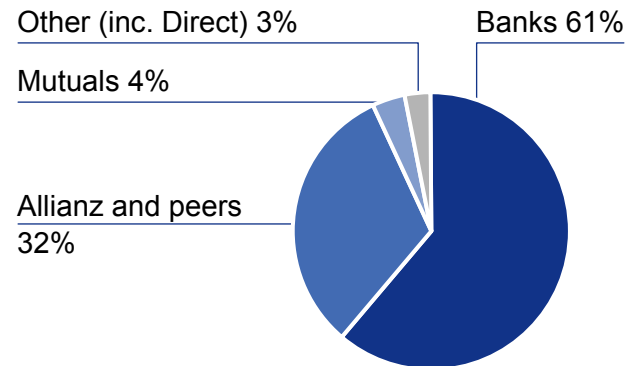


1) Other: legal protection, third party liability and assistance  
 2) CRs in French GAAP  
 3) CR on motor and property only  
 4) Market share based on a pro-forma calculation

5) Health and disability only (excl. PPI)  
 6) Individual health only (excl. disability)  
 7) Mathematical reserves

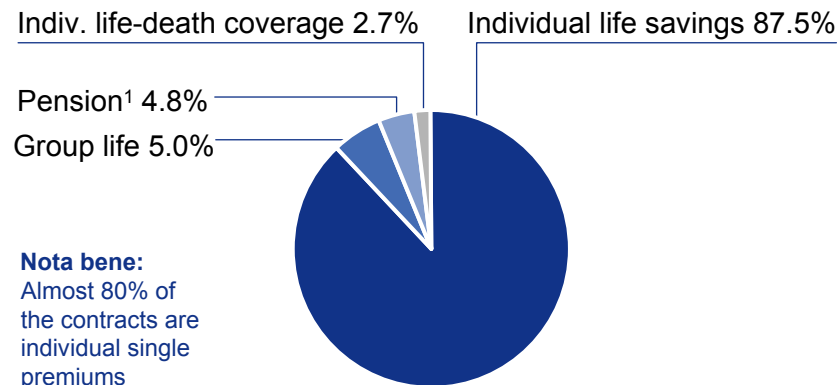
## French life market – significant constraints with impact on growth potential and market position for Allianz

Life market per sales channel (2011, % GWP)



- In a market dominated by bancassurance, Allianz has to focus on specific customer segments
- Continuous margin pressure due to bancassurers' lower cost base
- Due to Basle III, the share of bancassurers should be lower in 2012

Life market share per line of business (2011e, % GWP)



- Life products in France are used as a tax-supported investment vehicle to build wealth through a series of single premiums
- Pension business represents around 6% of the GWP
- Regular saving in France is done through repayment of real estate loans

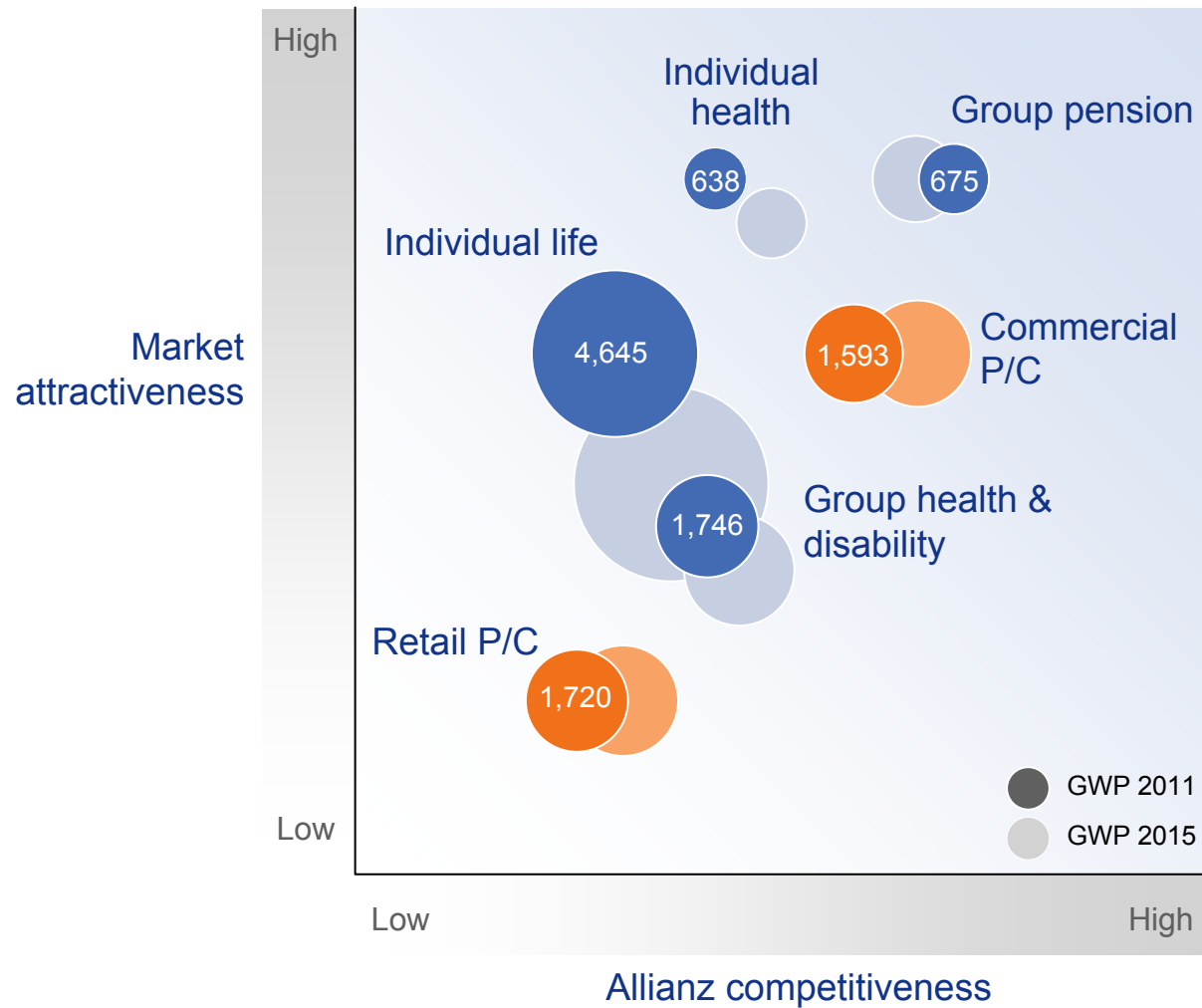
**In life, only 1/3 of the market left for insurers mainly focused on single premiums savings products**

1) Individual and group pension: 2/3 of the contracts are group pension health and disability only (excl. PPI); FFSA figures

## Our strategy in retail markets – defending in P/C while nurturing opportunities in L/H

	Strategy	Levers
Retail P/C	Attack on the internet & defend on captive retail	<ul style="list-style-type: none"> <li>▪ Gear-up direct P/C (Allsecur)</li> <li>▪ Enhance customer-focused multi-distribution strategy</li> <li>▪ Differentiate tied agents and commissions</li> <li>▪ Modularize products, including smart pricing</li> </ul>
Individual health & disability	Enlarge footprint	<ul style="list-style-type: none"> <li>▪ Gear-up direct health (Allsecur)</li> <li>▪ Develop disability and long term care as key markets</li> <li>▪ Develop service offers (AGA, Santéclair)</li> </ul>
Individual life (savings)	Focus growth on up-market segments while containing costs	<ul style="list-style-type: none"> <li>▪ Target affluents &amp; HNWI (increase average premium)</li> <li>▪ Leverage Allianz Bank as pillar of the patrimonial setup (managed accounts)</li> <li>▪ Increase profitability of current offer with more UL</li> <li>▪ Develop inforce management approach to extract more value from discontinued products</li> <li>▪ Reduce number of bank partnerships</li> </ul>

# Where we expect to be in 2015<sup>1</sup>



1) Figures in EUR mn

## In the French market, Allianz faces challenges yet strong competitive advantages to leverage

### Our challenges

- Further adapt to uncertain, low growth market conditions
- Life profitability due to unfavorable market development, tax uncertainty and competing banking savings offers
- Integrate Gan Eurocourtage's portfolio in two years to deliver value
- Anticipate market concentration in health
- Digitalization and renewal of IT architecture

### Our assets

- ✓ Financial and technical strength with adequate solvency margin and substantially de-risked balance sheet
- ✓ New organization, more efficient to better serve our clients while reducing costs
- ✓ New brand well recognized and trusted on the French market
- ✓ Strong human capital with a high level of qualification and technical expertise
- ✓ Differentiated networks benefiting from a common sales methodology

# What the market could not see

Inside Allianz France's transformation

Jürgen Gerke  
CFO Allianz France

Milan, July 18, 2012

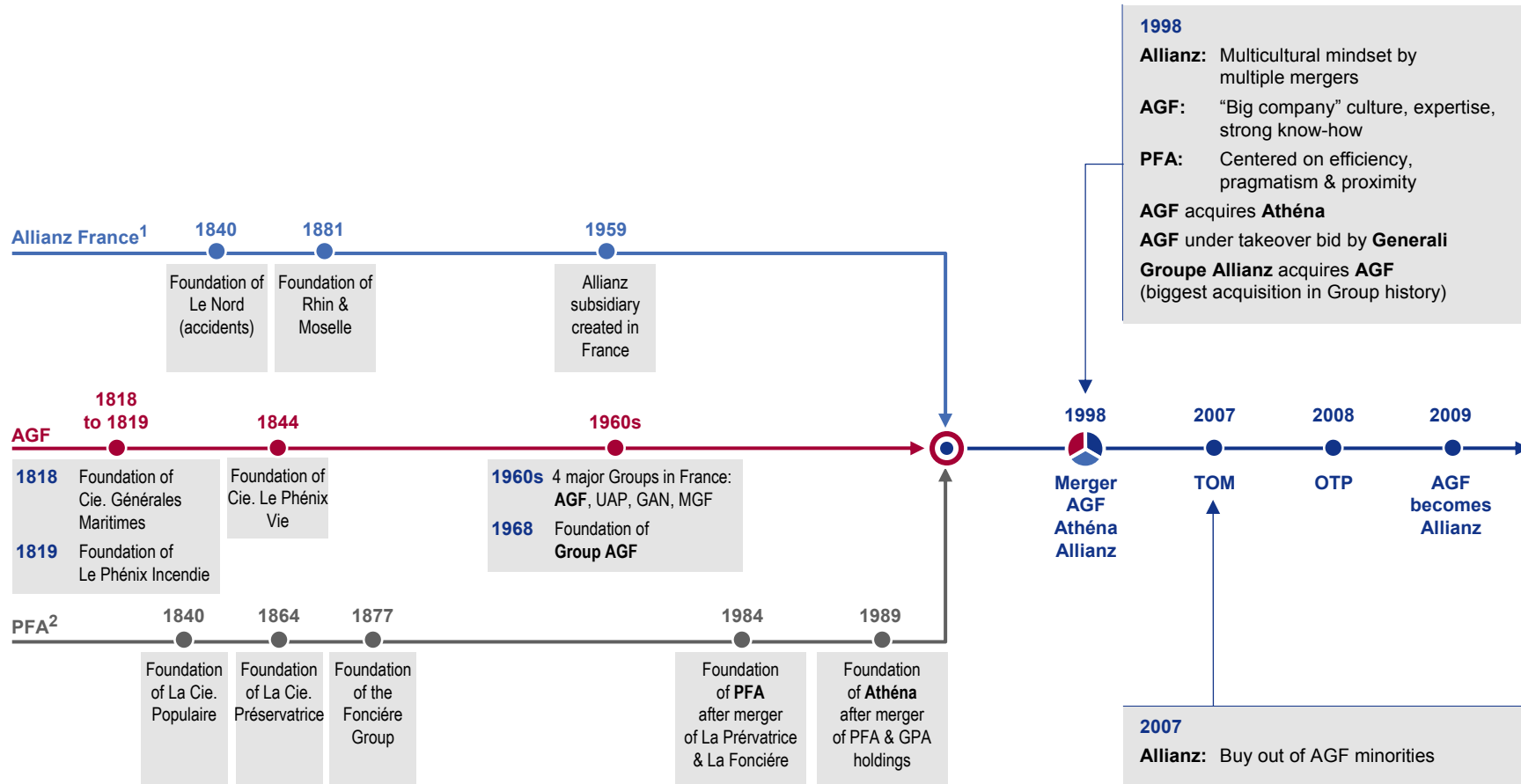
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ASSUREUR OFFICIEL

Allianz 

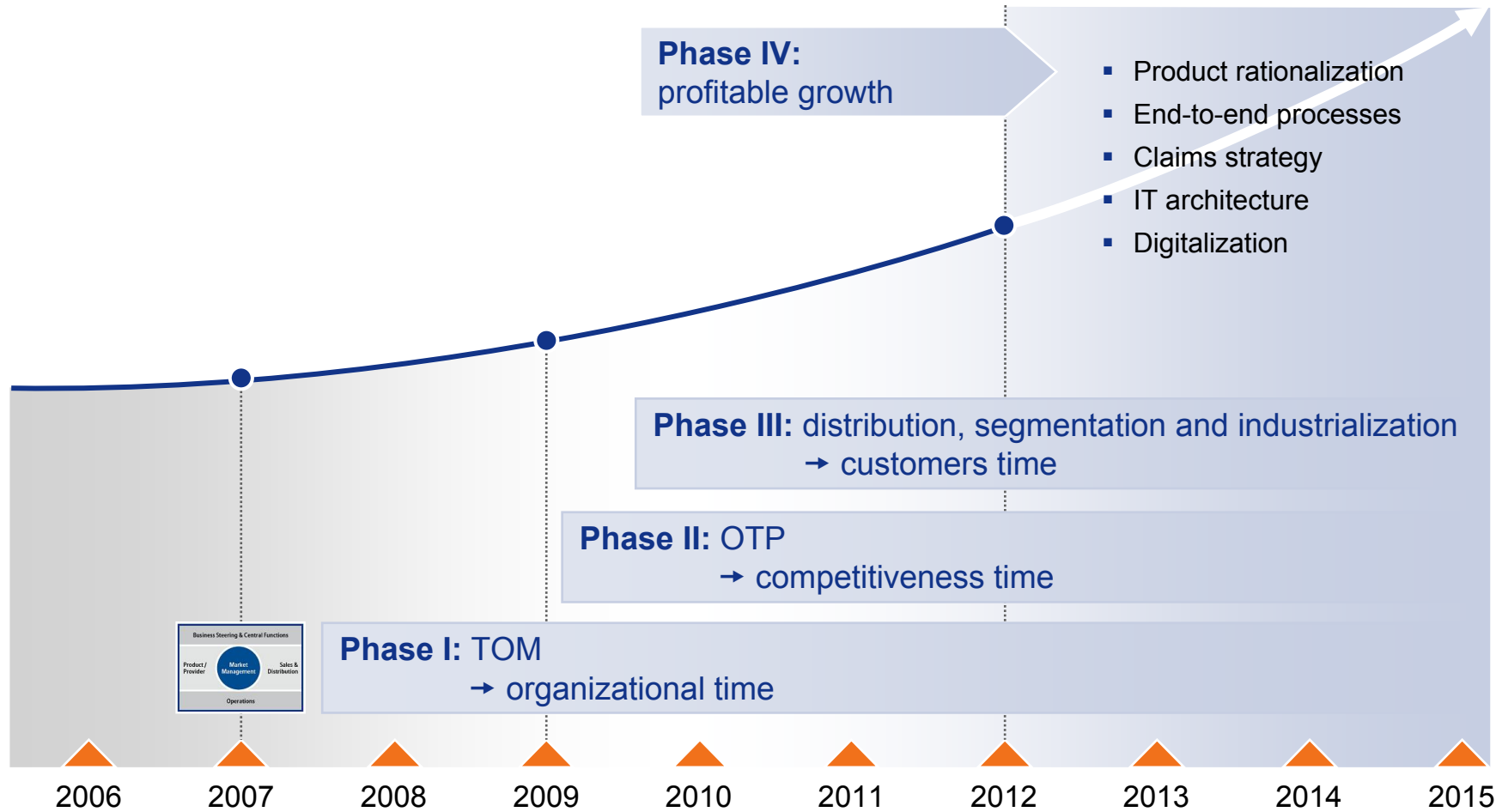
# Allianz France – the long way from a traditional company to a modern value generator



1) Le Nord, l'Europe, le Monde, la Protectrice, la Fortune, la Vigilance, la Rurale, le Recours, Elvia, Rhin et Moselle and Allianz France  
 2) Various companies: PFA (Prévatrice Foncière d'Assurance), Athéna and GPA  
 Source: Allianz France



# Making a difference in competitive, mature French market through several transformation phases

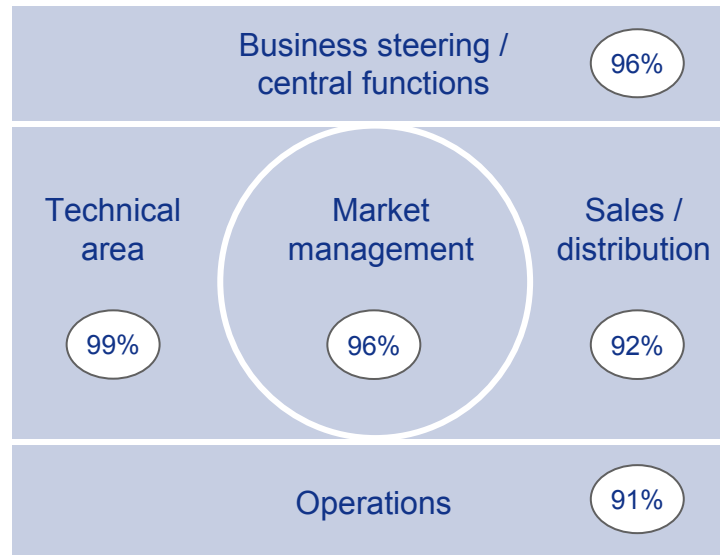


# Transformation phase I / organizational time – working hard to catch up with competition

From an AGF organization based on LoBs in 2006 ...

... to a 95% TOM compliant<sup>1</sup> structure in 2011

4 business promoters



TOM compliance rate

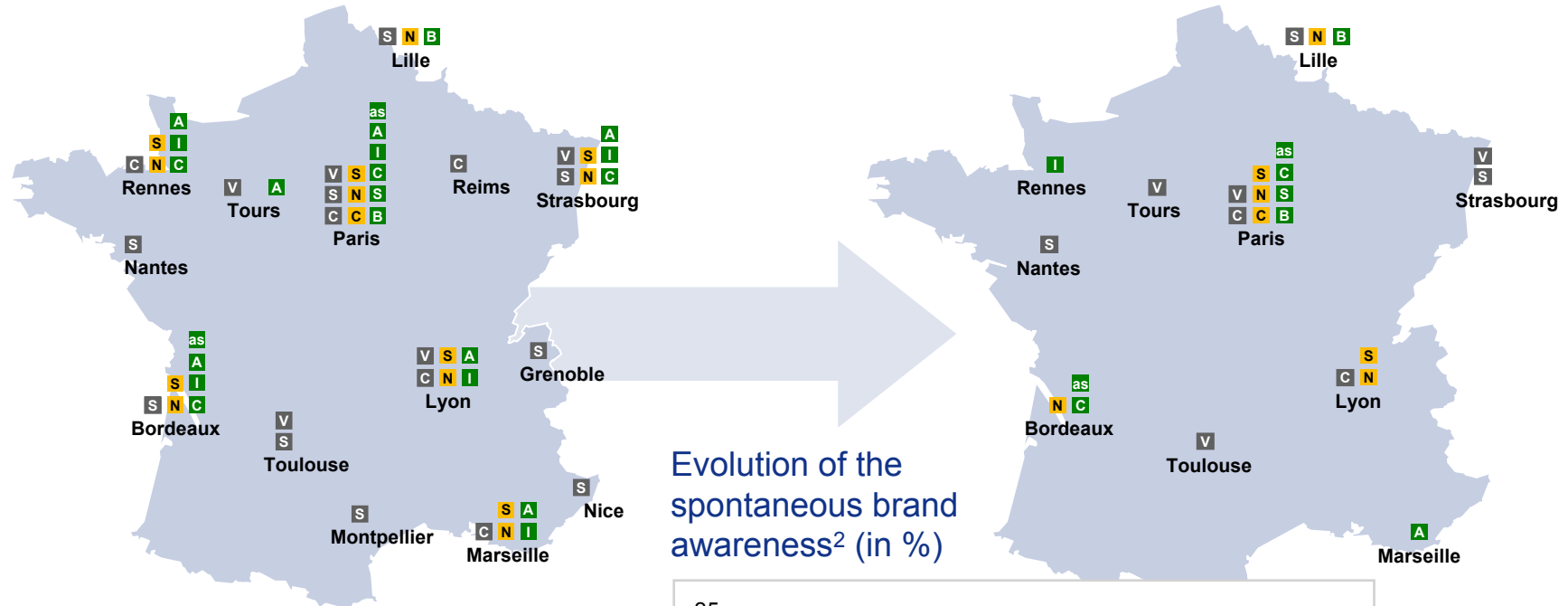
<b>Commercial P/C</b>  M. Hörr	<b>Group health &amp; disability</b>  L. Doublet
<b>Individual health &amp; medical issues</b>  S. Coriat	<b>Group pension &amp; employee savings</b>  D. Etard S. Coriat

1) TOM score as of September 2011  
Source: H4 – Group operations

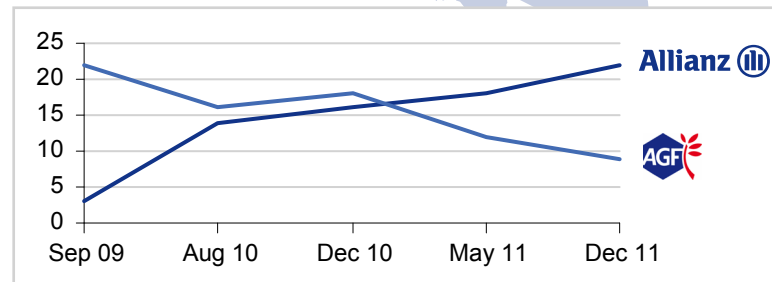
# Transformation phase II / competitiveness time – OTP and Allianz rebranding

From January 2008 ...  
55 activities in 14 sites

... to December 2011:  
25 activities centralized in 10 specialized centers<sup>1</sup>



Evolution of the spontaneous brand awareness<sup>2</sup> (in %)



Operations units' main activities :

- A** Motor claims
- I** Non-motor claims
- C** BI claims
- S** Specialty claims
- B** Brokerage claims
- as** Motor specialties claims
- S** P/C standard
- N** P/C non-standard
- C** Construction
- S** Individual health
- V** Individual life
- C** Group life & health

1) Source: Allianz France  
2) End of the year Millward Brown results for 2009 and 2010

# Transformation phase III / customers time – starting block for economic recovery

## Top programs

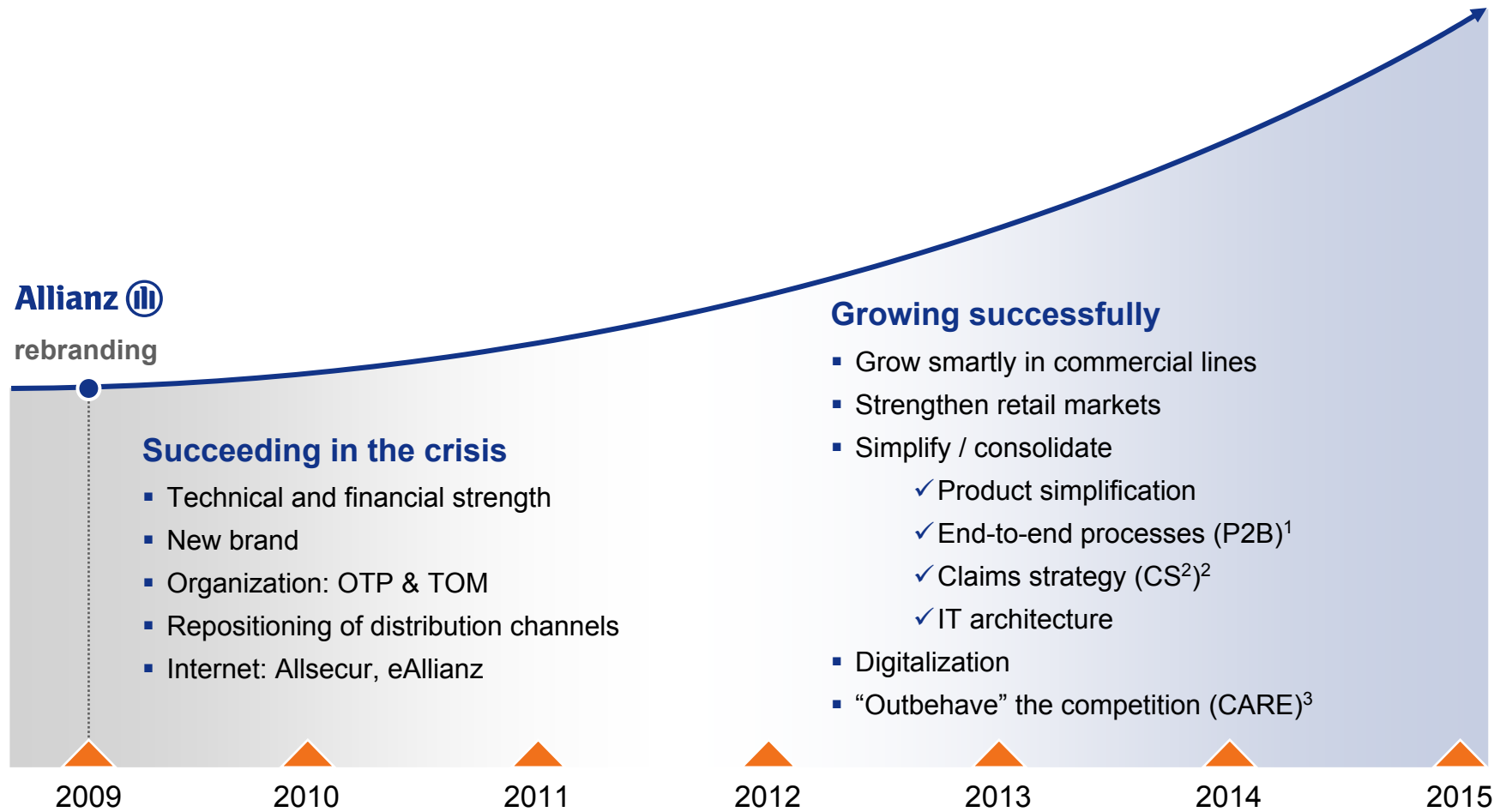
- Grow commercial lines
  - Commercial P/C
  - Group health and disability
  - Group pension
  - Pros
  
- Grow retail markets
  - Individual health, disability and LTC<sup>1</sup>
  - Captive retail<sup>2</sup>
  - “No frills” customers
  
- Digitalization

## Customer segmentation and multi-channel approach



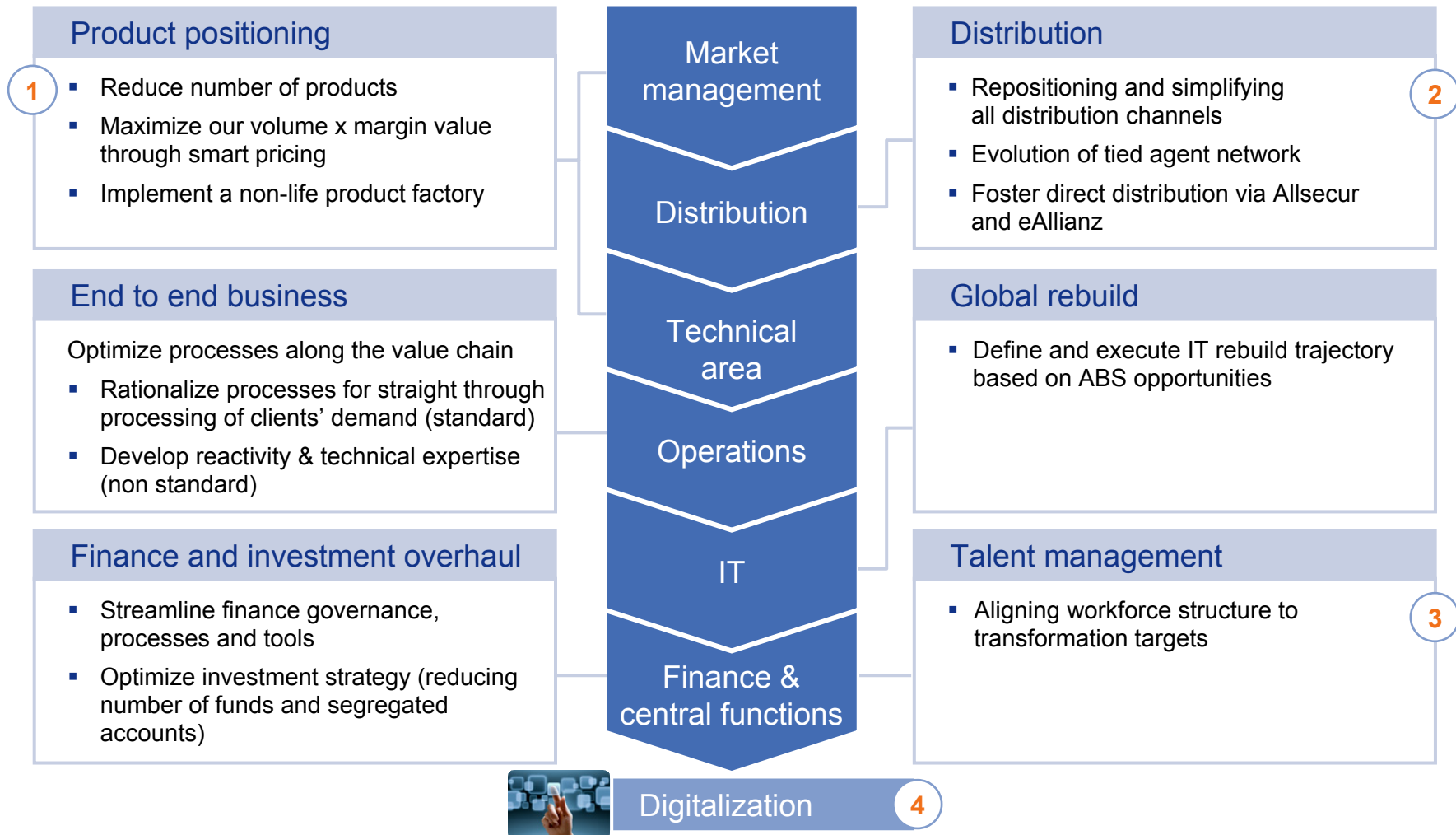
1) Long-term care  
 2) Proprietary networks: agents, salaried networks, Allsecur, eAllianz

# Transformation phase IV / profitable growth – from “succeeding in the crisis” to “growing successfully”



1) P2B: process de bout en bout = end to end process  
 2) CS<sup>2</sup>: claims solutions for customer services  
 3) CARE: collaborative, accountable, role model, efficient

# The precondition: consolidate & simplify – various enablers along the value chain



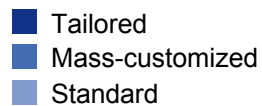
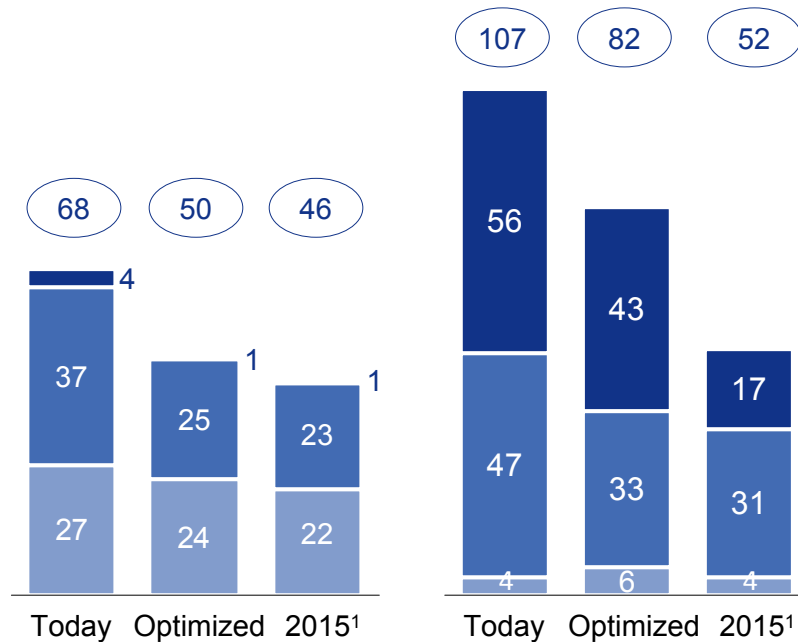
# 1 Product positioning – streamlining of product range and product simplification

Rationalization of our product range

# of products:

Retail & affluent

Commercial



New offers targeting client-, sales- & operations-friendly products

Multi-distribution

- Same product through all channels

Compliant with the sales process

- Reflecting client needs

Modular architecture

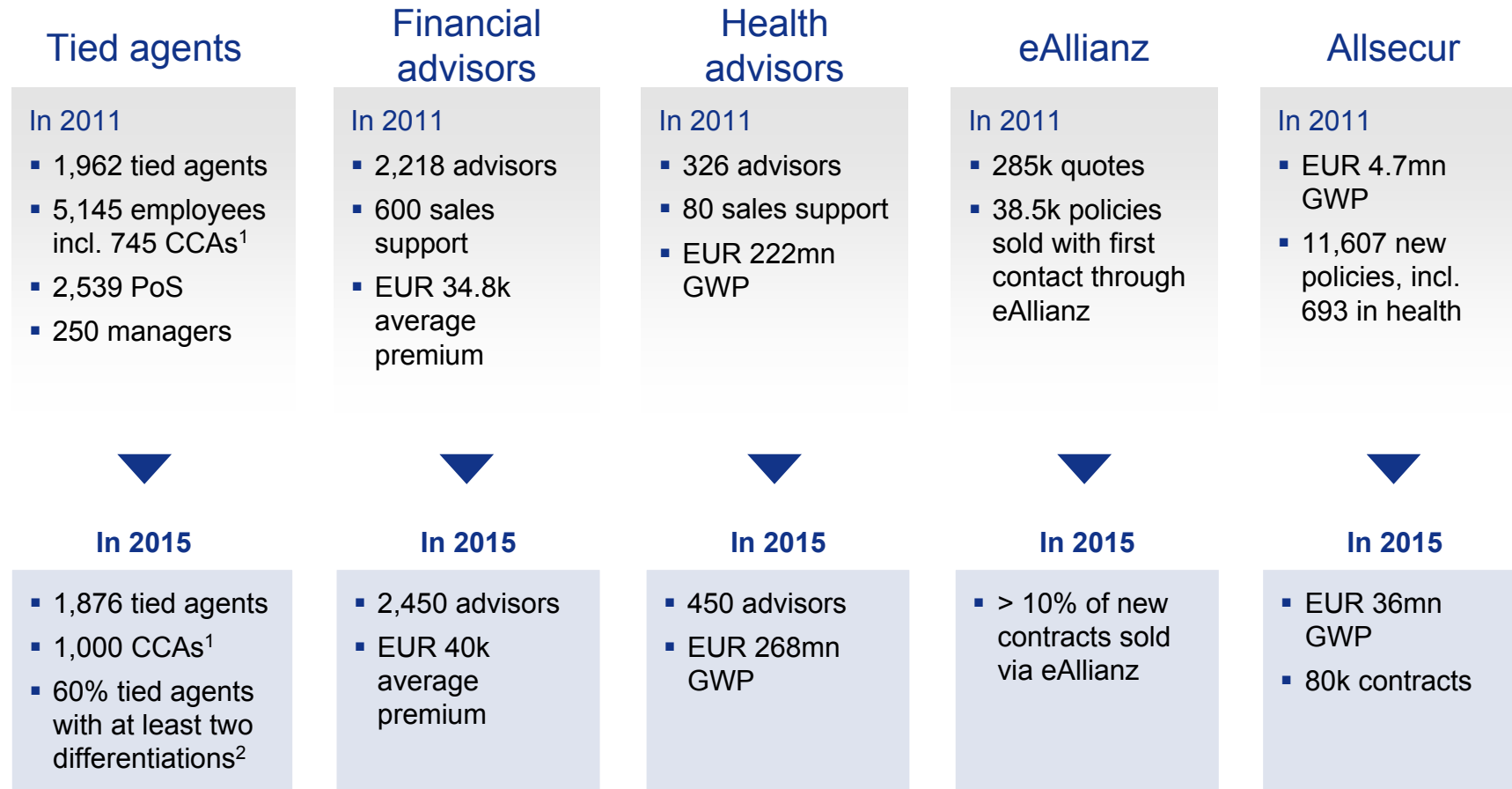
- Structurally profitable entry offer
- Progressively extendable to a full coverage offer
- Not comparable in terms of price

Product design principles

- A common standardized and automated product template
- Three types of pricing & underwriting, depending on insured risk complexity:
  - standard
  - mass-customized
  - tailored

1) Greenfield approach without historical / run-off constraints

## 2 Distribution – repositioning and simplifying of proprietary networks



1) CCA = collaborateur commercial d'agence = salespeople in agencies  
 2) Agents differentiation: commercial, pro, mass market, affluent



### 3 Talent management – aligning workforce structure to transformation targets

Key topics			KPIs					
			2010	2011	2015e <sup>1</sup>			
Administrative staff	Steering	Use of regular fluctuation and retirement assistance programs	7,040 <sup>2</sup>	6,543	6,190	Total number of admin FTEs		
	Skills	Transfer of key skills to areas like P/C expert underwriting				Average age admin FTEs (years)	46.6	48
	Location	Geographical transformation across France				Admin + commercial FTEs in province (%)	52	56
Commercial staff	Steering	Increased retention and reduced turnover rates	3,588 <sup>2</sup>	3,347	3,450	Total number of com. FTEs (000s)		
	Silver liner program	Seniors' retention beyond minimum retirement age				Average age com. FTEs (years)	41.8	42
	Training	Develop common sales methodology (S'Energy)				Women at the top (%)	24	30
Diversity	Performance	Equal treatment for male/female employees						

1) Expectations for 2015 not considering the Gan Eurocourtage transaction  
 2) Excluding W Finance: ~65 administratives and ~130 commercials

## 4 Digitalization – structuring the business model’s evolution

		Key topics	KPIs	
			2011	2015e <sup>1</sup>
5 lighthouse projects	Online sales	Multi-channel strategy including online sales	Total number of visits (000s) <sup>2</sup>	
	Self-care	Online policy management	7,075	10,441
	Digital claims	Online and mobile claims management	Contract sold, sale initiated from online (000s)	
	Digital customer data	Data collection enabling a comprehensive customer vision	38.4	89.1
	Digital customer correspondence	Dematerialization	Share of new business online (%)	
6 enabler projects	Product efficiency	Product simplification and rationalization	5.9	>10
	Front facing workstream	Web strategy (corporate and networks)	Online self-care acts / transactions (000s)	
	BI platform	Consolidation of information platform	478	1,482
	Internet platform / one web	Internet platform rebuild	Share of clients emails collected on proprietary networks (%)	
	Digital distribution	Optimization of distribution networks’ digital visibility	26	41
	Digital culture	Use of new technologies within Allianz	Share of mobile numbers known (%)	
			40	75
			Share of digitalized documents (%)	
			0	25

1) Expectations for 2015 not considering the Gan Eurocourtage transaction

2) Number of visits on www.eallianz.fr, www.allsecur.fr and on aggregators where eAllianz and Allsecur are present

# Solid financial performance facilitates external growth – Gan Eurocourtage transaction

## Key facts

- AZ France acquired the P/C brokerage related activities (excluding transport business) of Gan Eurocourtage, a subsidiary of Groupama
- Structured as an asset deal
- Transferred portfolio: ~EUR 800mn in revenues, total assets of ~EUR 1.9bn; ~600 people will be joining Allianz
- Signing of the deal in June 2012, closing expected for 4Q12

Grow commercial lines ...	... and brokerage business	Grow retail markets
Allianz becomes #2 in commercial P/C (vs. #4 currently)	Allianz: key player on the French brokerage market	Reinforcing our position on the retail market: #5
Market share: from 9% to 12%	Allianz co-leader on the P/C brokerage market: ~20% market share	Market share: from 7% to 8%
Additional revenues: ~EUR 390mn	One of the largest brokerage platforms in France: ~2,500 brokers	Additional revenues: ~EUR 440mn
Allianz total revenues in commercial lines: ~EUR 2bn		Allianz total revenues in retail: ~EUR 2.1bn

- A good timing for a good opportunity
- Perfect strategic fit: acquisition of cash generating P/C business

## Allianz France – key take-aways



- ▶ Success achieved via significant transformation efforts throughout the entire company
- ▶ Strong competitive advantages, fostering sustainable value creation in selected business lines, ready for external growth

▶ Allianz France – a great company in great shape

Turkey –  
a European  
growth market

Alexander Ankel  
CEO Allianz Turkey

Milan, July 18, 2012

# Capital Markets Day

Allianz 

# Turkey at a glance

## Key data 2011

- Population: 77mn
- GDP (EUR): 597bn
- GDP/capita (EUR): 7,800
- Inflation: 6.5%
- Insurance penetration<sup>1</sup>: P/C&H 1.1% Life 0.2%
- Country rating (S&P): BBB-
- FX rate: EUR 1 = TRY 2.34<sup>2</sup>

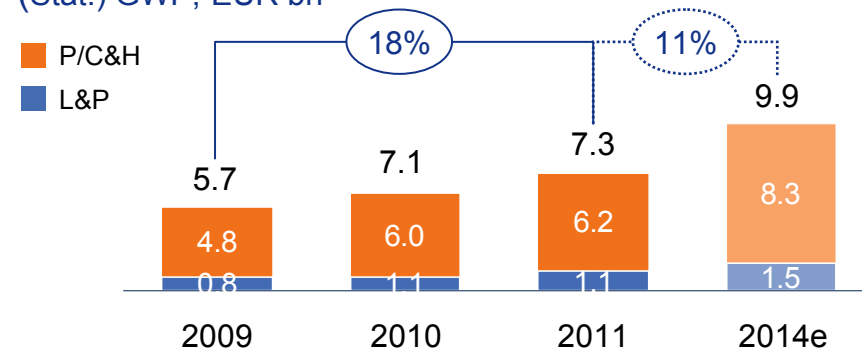
## Market specifics

- Semi-regulated insurance market
- Property/casualty & health (P/C&H) market composition: motor 46%, fire 15%, health 14%, casualty 10%, engineering 6%, others 9%
- Distribution: agency (67%), bank (14%), broker (11%), direct (8%)
- Fragmented market with ~40 players in P/C&H; life & pension (L&P) market dominated by captives of banks<sup>4</sup>
- Continuous soft market conditions with signs of hardening since mid-2011, especially in motor

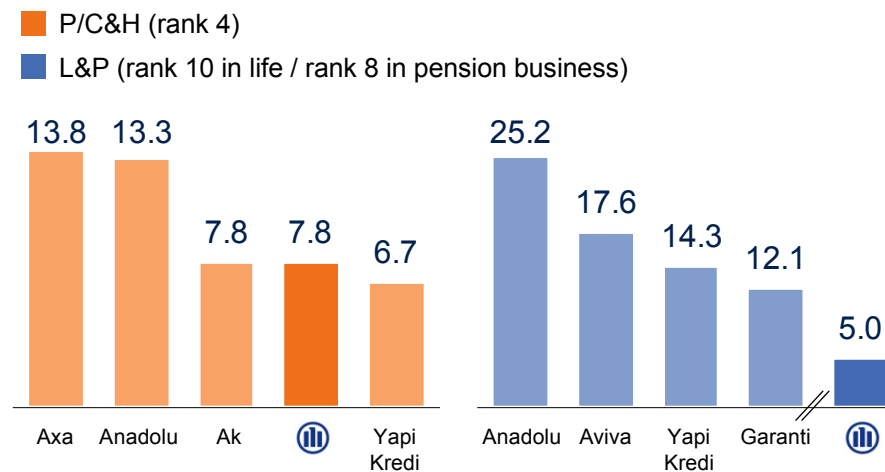
1) Insurance gross written premiums divided by gross domestic product  
 2) FX rate as an average for 2011

## Market size and growth (CAGR<sup>3</sup>)

(Stat.) GWP, EUR bn



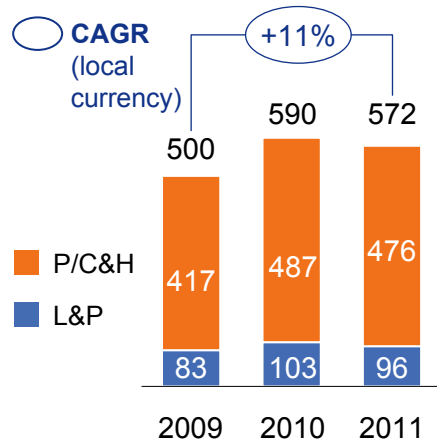
## Market shares in % (2011)



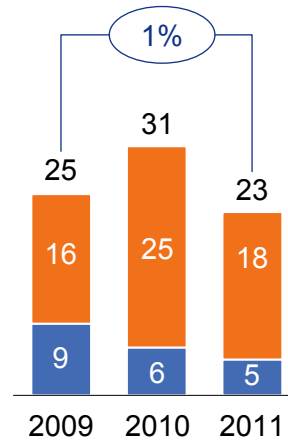
3) CAGR in local currency  
 4) Insurance companies owned by banks

# Allianz in Turkey (1) (EUR mn)

## Revenues



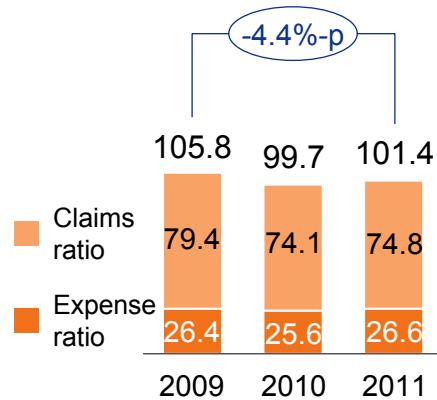
## Operating profit



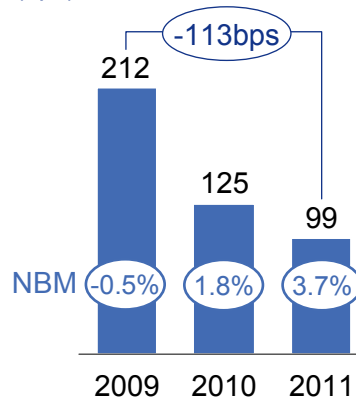
## Highlights

- Over 1.25 million customers
- ~1,200 agents
- Co-operation with 440 car dealers
- 620 employees
- Collaboration with HSBC, ING Bank and other banks
- Local regulatory solvency ratios 138% in P/C&H and 238% in L&P
- Customer loyalty leader in terms of net promoter score

## Combined ratio (%)



## Margin on reserves<sup>1</sup> (bps)



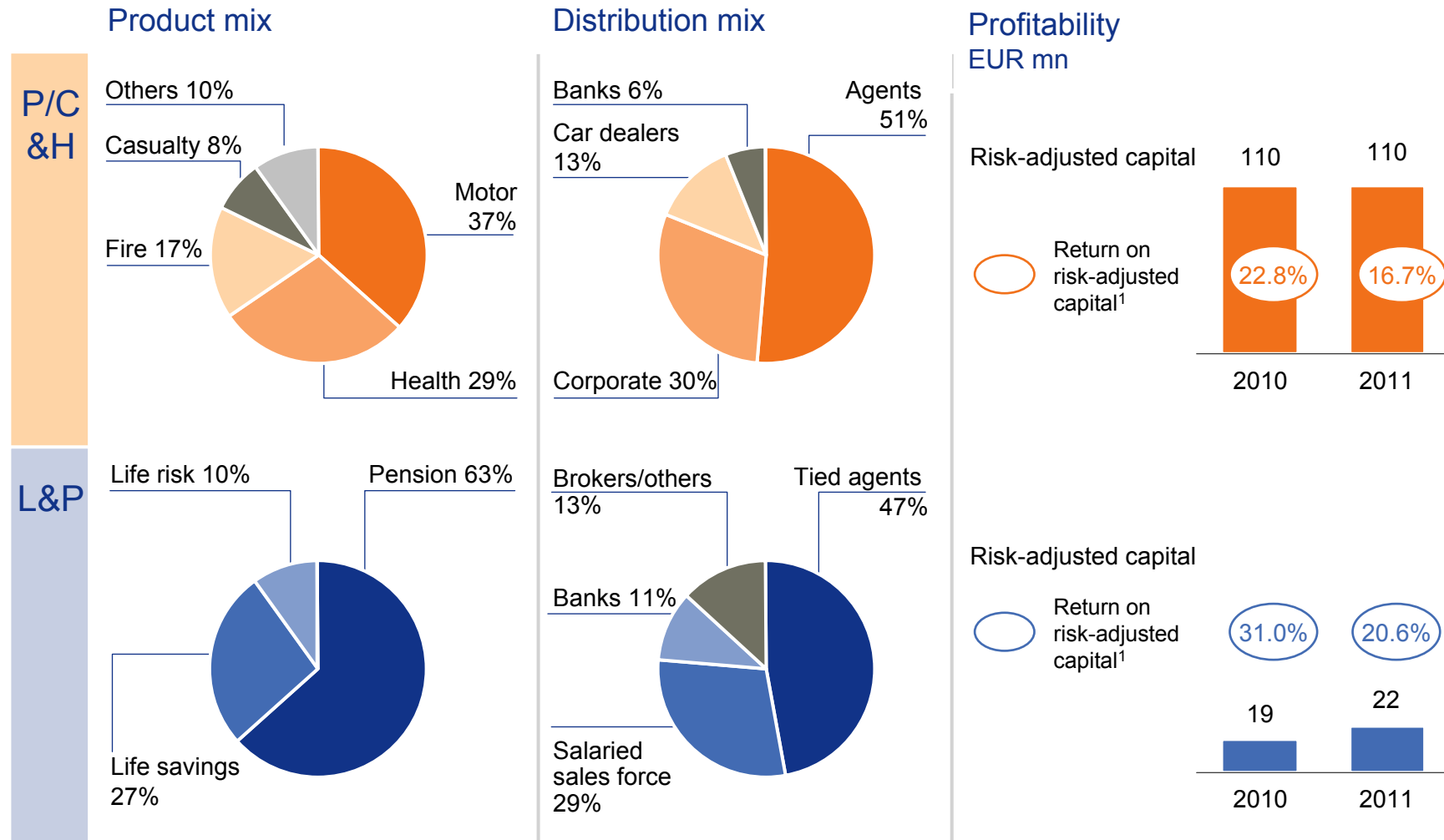
## Legal setup

- Market entry: 1998; majority control: 2008
- Ownership P/C&H: 88% Allianz
- Ownership L&P: 84% Allianz

1) Operating profit / average reserves (net)

# Allianz in Turkey (2)

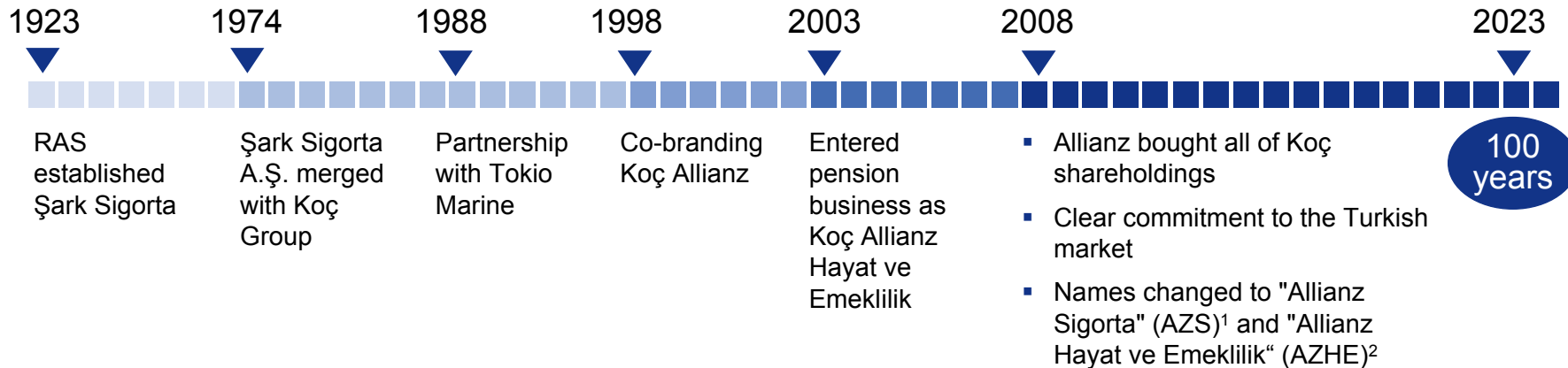
## 2011



1) Operating profit as % of RAC eop



## Allianz in Turkey – a well-established brand with a long tradition in the domestic insurance industry



### Today

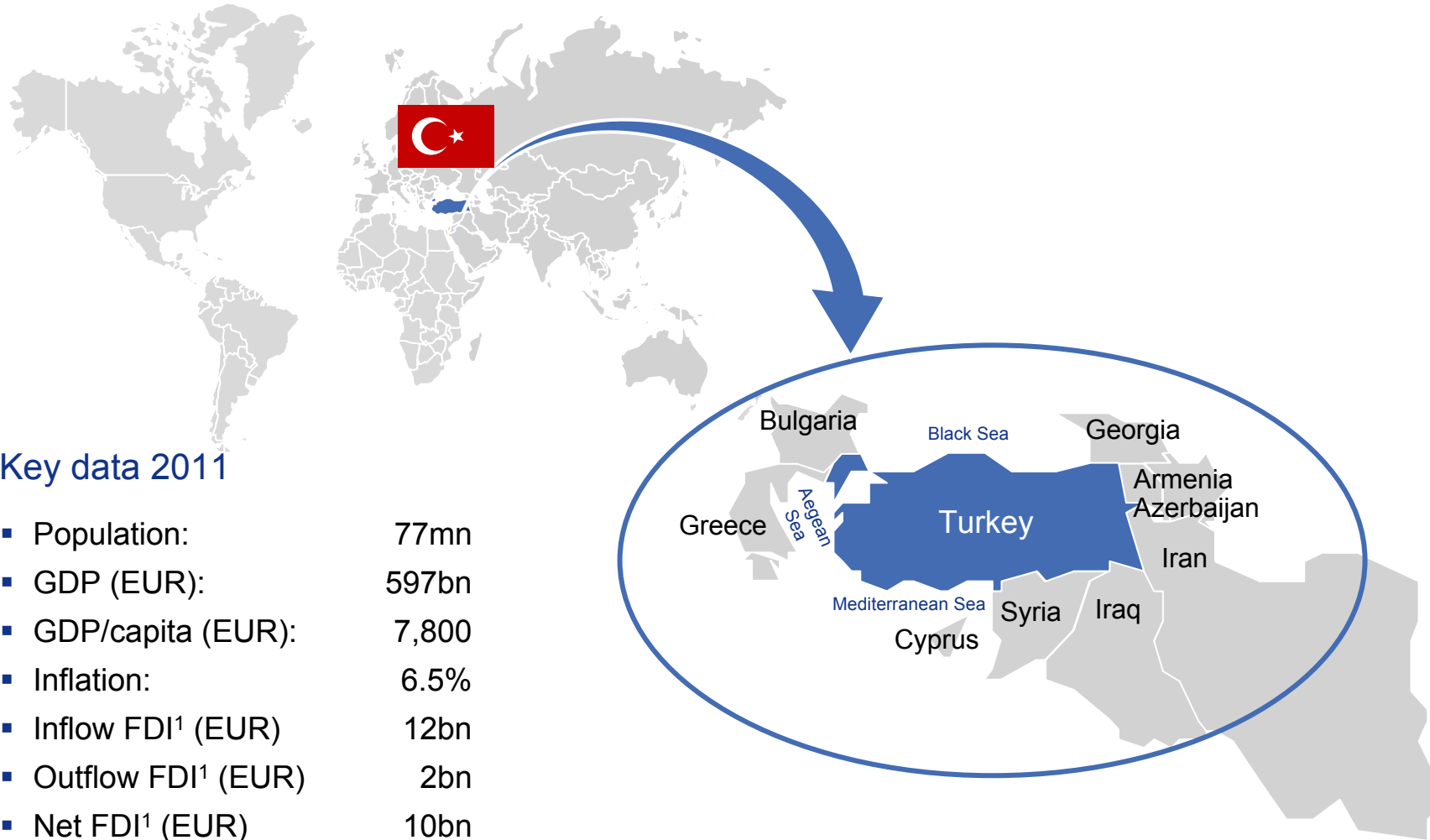


- Headquartered in Istanbul
- 11 regional offices nationwide
- 620 employees
- Customer loyalty leader in top down NPS<sup>3</sup> survey

Corporate structure	AZS	AZHE
Allianz SE	84%	86%
Allianz Sigorta A.Ş	-	2%
Tokio Marine Nichido	10%	11%
Others	6%	1%

1) P/C&H business  
 2) L&P business  
 3) NPS = net promoter score

## Turkey – strategically placed between Europe and Asia



1) FDI = foreign direct investments

# Turkish – stereotype or source of creative entrepreneurial talent?

Mention Turkey, you think of ...



... Istanbul – a city on two continents

... Mediterranean beaches, sun and sea



... doner kebab

... “Gastarbeiter” – guest workers



It is also a source of entrepreneurial talent



**Muhtar Kent**

Chairman of the Board and CEO  
The Coca-Cola company



**Hikmet Ersek**

President, CEO and Director  
The Western Union Company



**Mesut Özil**

Soccer player, Real Madrid and  
German national team  
Nominated for Golden Ball Award  
in 2010 FIFA World Cup

With 28 billionaires, Istanbul is ranked 4th in the world for highest number of billionaires<sup>1</sup>

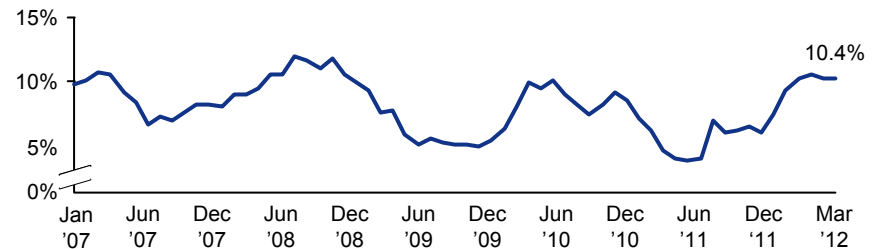
1) As at March 2010, behind New York, Moscow and London

# Turkish economy – strong growth expected in the medium term, interest rates and inflation remain high, but declining

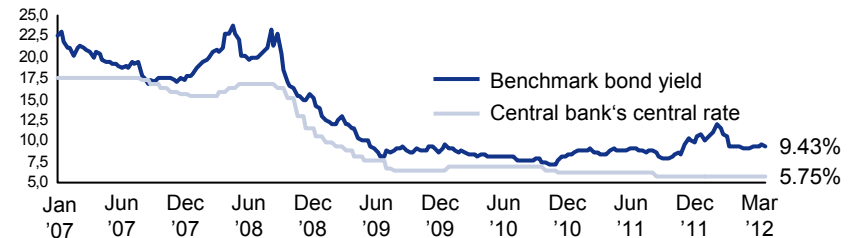
## Our actions in a high inflation environment

- Inflation linked tariff adjustments for relevant products, especially motor
- Strict procurement management
- Network cost management (spare parts, labour costs etc.)
- Overhead cost controls
- Medical inflation-based pricing in health
- Transformed from fixed to variable compensation model in distribution

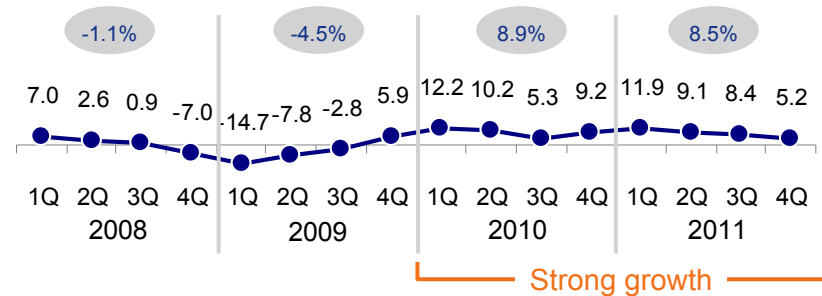
Inflation rate



Nominal interest rate



GDP growth



## Our strategic initiatives – ensuring profitability and reasonable growth

**1**

Profitable growth  
in non-life

**2**

Health profitability  
and sustainability

**3**

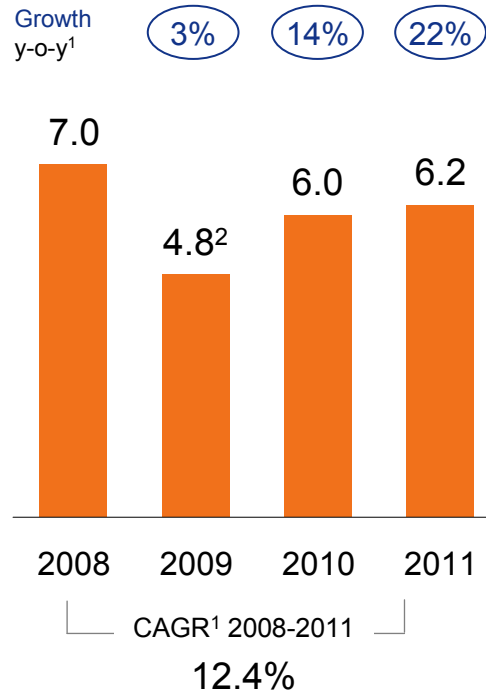
Life and pension  
expansion

**4**

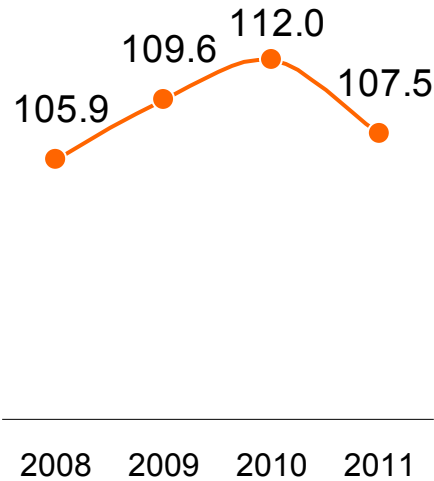
Cost  
competitiveness

# 1 P/C and health – market is experiencing strong growth, however at the expense of underwriting results

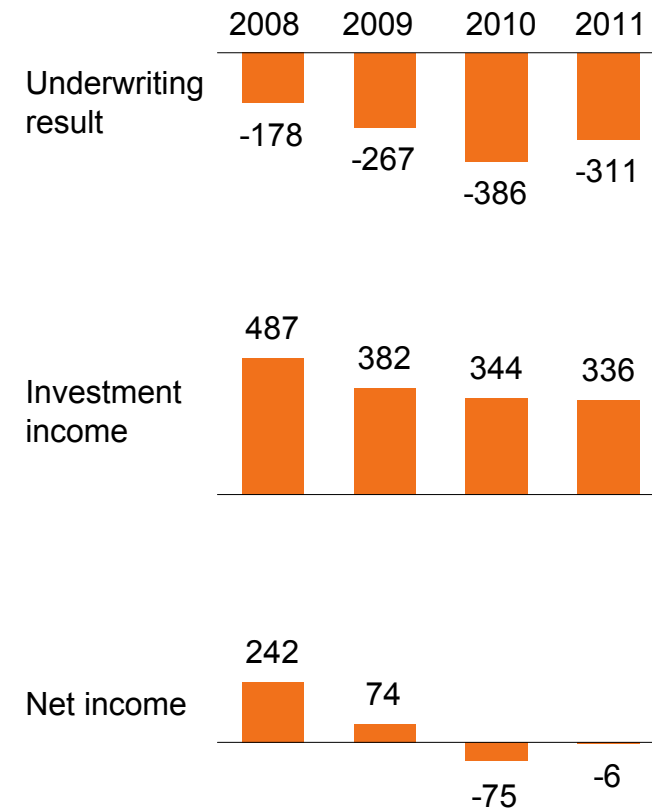
Market GWP (EUR bn)



Market CR (%)



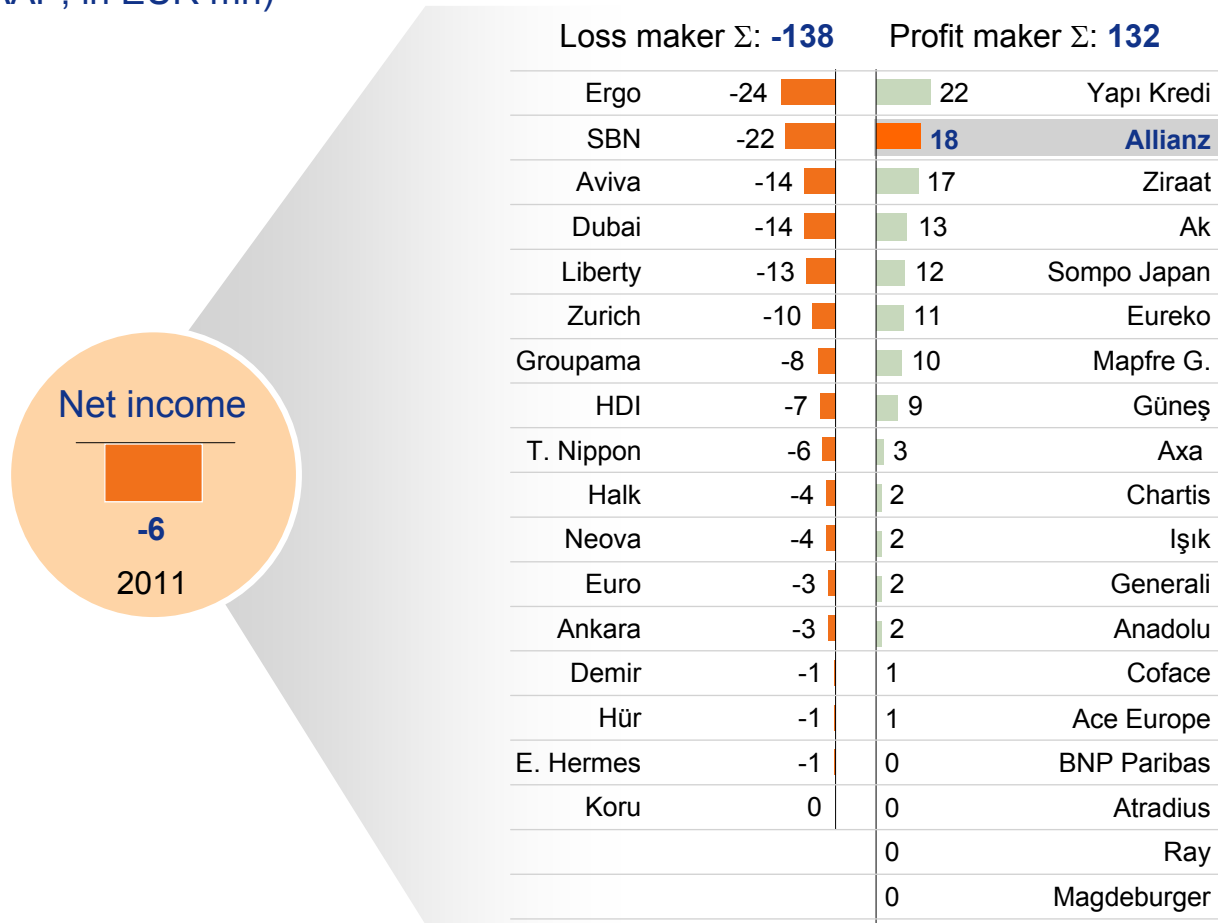
Market profitability (EUR mn)



1) Growth / CAGR in local currency  
 2) Decrease 2009 versus 2008 driven by FX development

**1** Allianz maintains profit focus, peers' market share focus deteriorates market profitability

Total P/C&H market  
(local GAAP, in EUR mn)

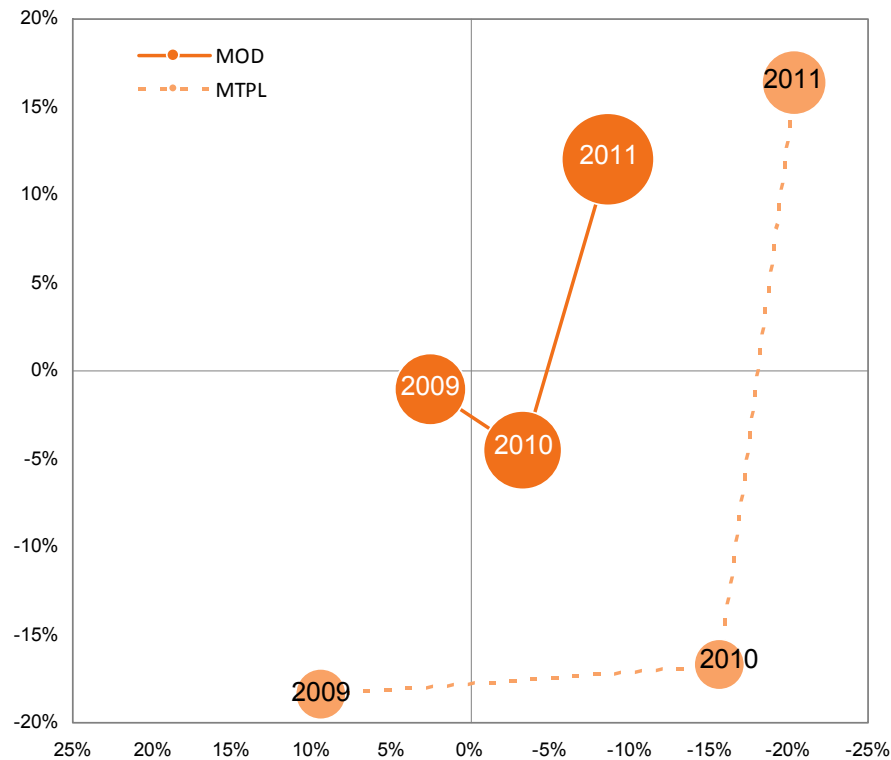


# 1 Profitable growth in non-life – further exploit e.g. motor growth ...

Motor profitability back on track

Focus in 2012 is profitable growth

Allianz growth vs. market



Allianz loss ratio vs. market

Based on local accounting standards (statutory). Loss ratios are net loss ratios  
Source: association of insurance and reinsurance companies of Turkey

## Key actions

Continuously review and consolidate motor tariffs

Tighten underwriting rules and filters

Recruit profitable non-exclusive agencies

	2009	2010	2011
Non-exclusive agency #	160	248	421

Protect profitable exclusive agencies with inheritance and loyalty program

	2009	2010	2011
Exclusive agency #	764	773	767

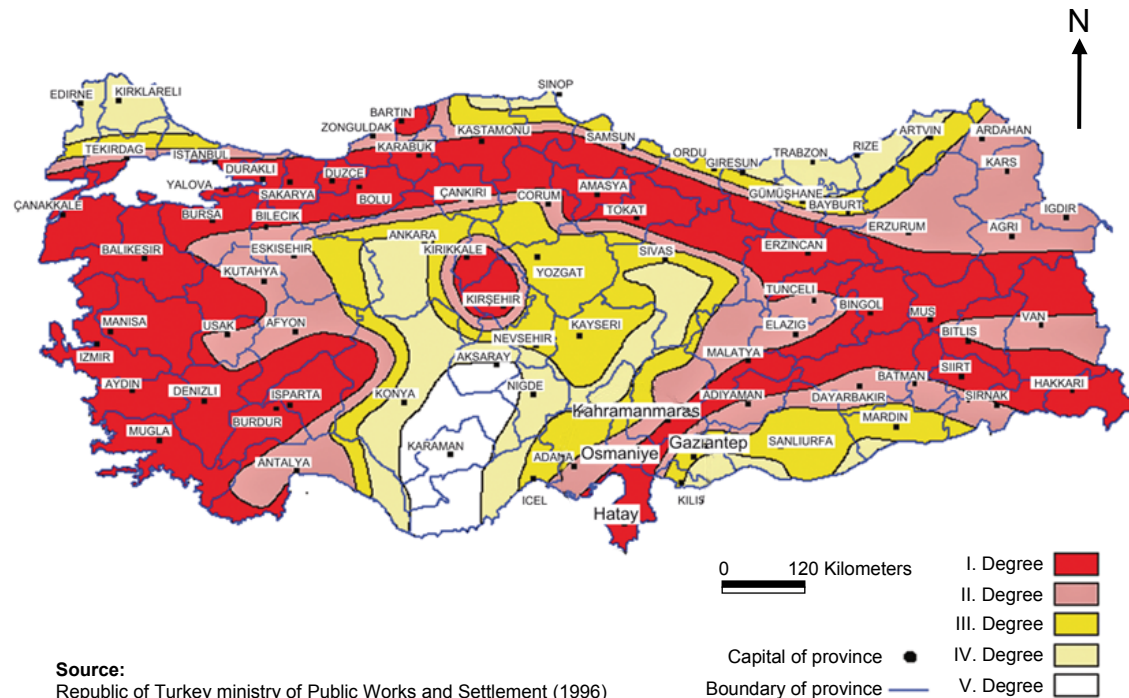
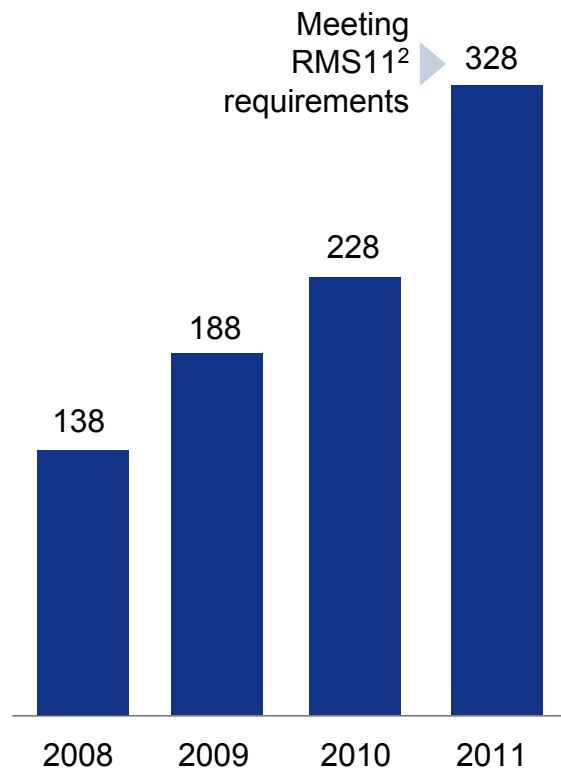
Expand branded MOD to new car brands, introduce new products to improve retention

	2009	2010	2011
Car dealers #	353	406	440



1 ... while protecting our profitability via constantly stepping up reinsurance protection in earth quake risks

Excess of loss reinsurance protection on retained amount<sup>1</sup> (EUR mn)



Source: Republic of Turkey ministry of Public Works and Settlement (1996) "Analysis of Earthquake Zones with Geographical Information System", prepared by B. Özmen, M. Nurlu and H. Güler (1997)

1) Reinsurance protection refers to the excess of loss reinsurance program that Allianz purchases for its net retention. Net retention is the amount after recoveries from proportional treaties and facultative reinsurance  
 2) RMS = Risk Management Solutions = company providing models for perils such as natural catastrophes, terrorism etc.

## 2 Health profitability – accelerate new business in retail health

Customer	<ul style="list-style-type: none"><li>▪ Focus on gaining new customers in desirable segments (young clients, lower middle class clients)</li><li>▪ Active churn management to improve retention</li></ul>
Distribution	<ul style="list-style-type: none"><li>▪ Expand health agency network</li><li>▪ Increasing sales productivity</li></ul>
Product & pricing	<ul style="list-style-type: none"><li>▪ Strict portfolio management rules and pricing approach</li><li>▪ Modular product platform with network selection</li><li>▪ Launch supplementary product (filling social security gaps)</li></ul>
Operations	<ul style="list-style-type: none"><li>▪ Continuous monitoring of rising medical costs</li><li>▪ Implementation of cost control initiatives and further automation</li><li>▪ Service enrichment especially during hospital admissions</li></ul>

Life and pension –  
**3** good progress in our core initiatives

2010 - 2011	Focus in 2012
<p>Distribution</p>	<ul style="list-style-type: none"> <li>▪ Build agencies focused on selling L&amp;P with variable compensation</li> <li>▪ Over 100 agencies created</li> </ul>
<p>Compensation</p>	<ul style="list-style-type: none"> <li>▪ Revised commission structure (higher variable)</li> <li>▪ Introduced monthly and annual incentives</li> </ul>
<p>Product</p>	<ul style="list-style-type: none"> <li>▪ Introduced new product range (life stages)</li> <li>▪ Partner with Allianz Global Assistance (AGA) to enrich product value proposition</li> <li>▪ Appointed new asset manager (fund performance)</li> </ul>
<p>Operations</p>	<ul style="list-style-type: none"> <li>▪ Web-based sales applications for policy issuance</li> <li>▪ Enhanced sales reporting and management tools</li> <li>▪ Support distribution with calls to VIP customers (after-sales service)</li> </ul>

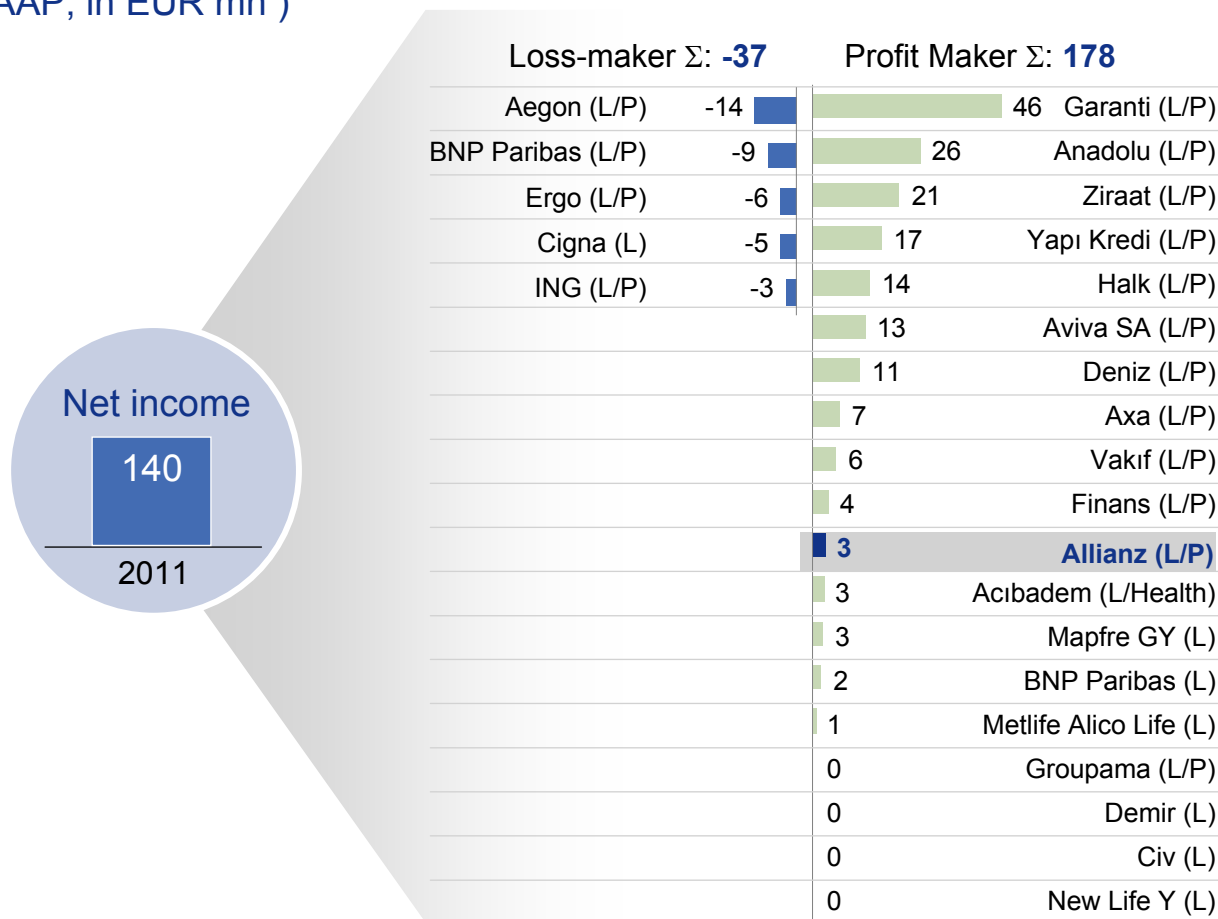
Focus in 2012

- Further recruitment of agencies
- Increase sales productivity
- Further system enhancement
- Explore exclusive bancassurance partnership

# L&P business of Allianz profitable, but still sub-scale

3

Total L&P market  
(local GAAP, in EUR mn )



## Cost competitiveness – 4 initiatives on automation and digitalization ...

Retail underwriting automation project	Improve STP <sup>1</sup> and service level <sup>2</sup>	STP <sup>1</sup> level	Motor	2010 67%	2012e 86%
			Fire	91%	97%
	Service level <sup>2</sup>	Motor	54%	73%	
		Fire	NA	89%	
	Implement BRE <sup>3</sup>	<ul style="list-style-type: none"> <li>Data entry screen enhancement</li> <li>BRE<sup>3</sup> &amp; BPM<sup>4</sup> implementation</li> <li>E-documentation, e-distribution, e-archiving</li> </ul>			
Claims automation and digitalization	Remote online inspection	72% of network integrated			
	Agency claims support system	Online claims submission system (P/C)			
	Digital claims	<ul style="list-style-type: none"> <li>Paperless</li> <li>Process automation</li> <li>System enhancement</li> </ul>			
	Fraud management	<ul style="list-style-type: none"> <li>Database integration</li> <li>Automated detection</li> <li>Field audit</li> </ul>			

↑ Productivity

↑ Controls

↑ Flexibility, adaptability to market movements

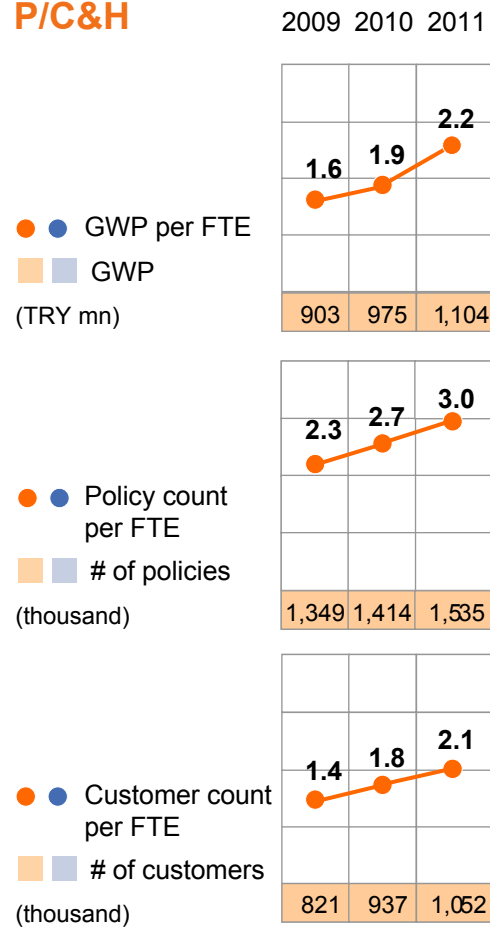
1) STP = straight through processing  
 2) Service level = customer request can be completely answered/finalized during a telephone call

3) BRE = business rule engine  
 4) BPM = business process management

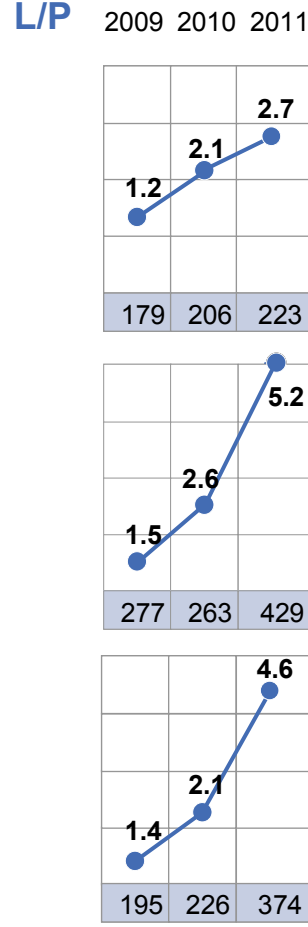
... lead to clear improvements of our productivity  
**4** and expense ratios

Productivity KPIs are improving

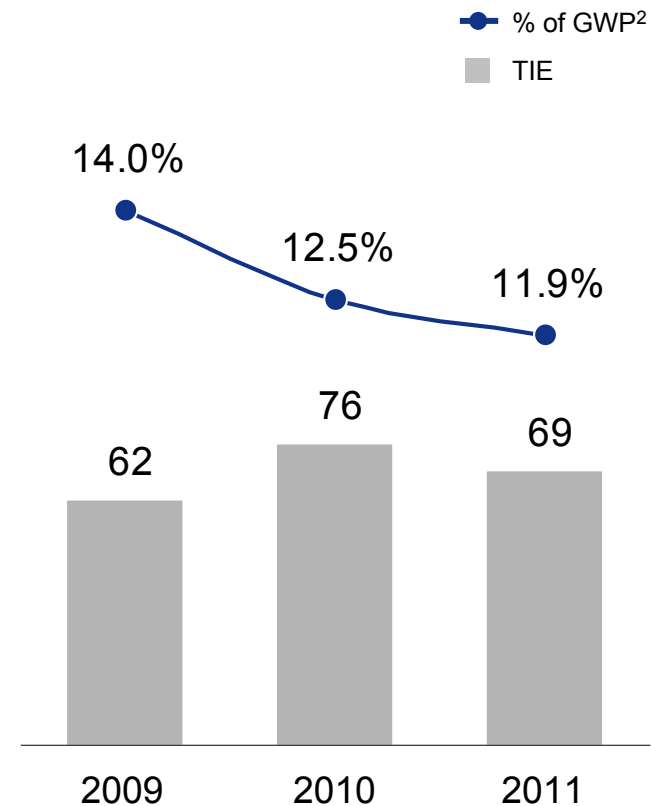
**P/C&H**



**L/P**



Total internal expenses (TIE)<sup>1</sup>, EUR mn



1) TIE = gross administration costs (without reinsurance effects) + gross acquisitions costs before commissions + gross loss adjustment expenses  
 2) TIE as % of GWP in local currency

## In summary, Turkey is an attractive growth market, Allianz is well positioned

### Market

#### 1 Strong GDP growth

GDP growth	2011	2012	2013	2014
	8.5%	2.5% <sup>1</sup>	5.5% <sup>1</sup>	5.5% <sup>1</sup>

#### 2 Market is fragmented and is at an early stage of consolidation

Number of insurers	Non-Life	40
	Life	25

#### 3 High industry growth potential in the medium term

CAGR 2010-2015	Non-Life	16% <sup>2</sup>
	Life	14% <sup>2</sup>

#### 4 Low insurance penetration rates

Penetration as % of GDP 2010	Non-Life	1.1% <sup>2</sup>
	Life	0.2% <sup>2</sup>

- 1) EIU forecast  
 2) BMI / BMI forecast  
 3) CR in local GAAP; CR shown on slide 3 based on IFRS data  
 4) NPS = net promoter score

### Allianz Turkey

#### 1 Strong capitalization and healthy solvency ratios

Solvency ratio, P/C&H (local GAAP)	Allianz	2009	2010	2011
		151%	149%	138%

#### 2 Strong reserves position relative to most peers

Reserve ratio (local GAAP)	Allianz	2009	2010	2011
		46.8%	45.6%	40.2%
	Market	39.2%	42.4%	38.8%

#### 3 Strategic emphasis on writing profitable business Lowest CR amongst peers

CR (local GAAP <sup>3</sup> )	Allianz	2009	2010	2011
		107.4%	102.2%	99.2%
	Market	109.6%	112.0%	107.5%

#### 4 Strongly expanded distribution force in the past 3 years Main channel is agency but also strong in corporate and car dealers channels

Distribution force		2009	2010	2011
		Agencies	924	1,021
	Car dealer	353	406	440

#### 5 Reduced cost base

Total internal expenses as % of GWP	Allianz	2009	2010	2011
		14.0%	12.5%	11.9%

#### 6 Established reputation and brand name No. 1 in NPS<sup>4</sup>

No. 1 in NPS <sup>4</sup>	Allianz	2009	2010	2011
		37.5%	29.2%	47.0%
	Market	24.7%	19.9%	27.9%

# IberoLatam region – leverage best practice

Vicente Tardío  
Regional CEO Iberia  
and Latin America

Iván de la Sota  
CEO Allianz Seguros (Spain)

Milan, July 18, 2012

# Capital Markets Day

Allianz 



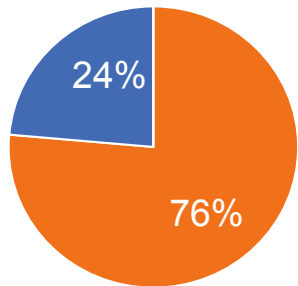
# Agenda

- 1** IberoLatam region
- 2** Allianz Spain – the road to success
- 3** Allianz Portugal –  
business model implementation example
- 4** Allianz in Latin America

# Where do we stand?

## 2011

- EUR 5.8bn (stat.) GWP
- EUR 689mn operating profit
- EUR 470mn net income
- 6 countries
- More than 5,000 employees
- 6mn customers out of 450mn total population



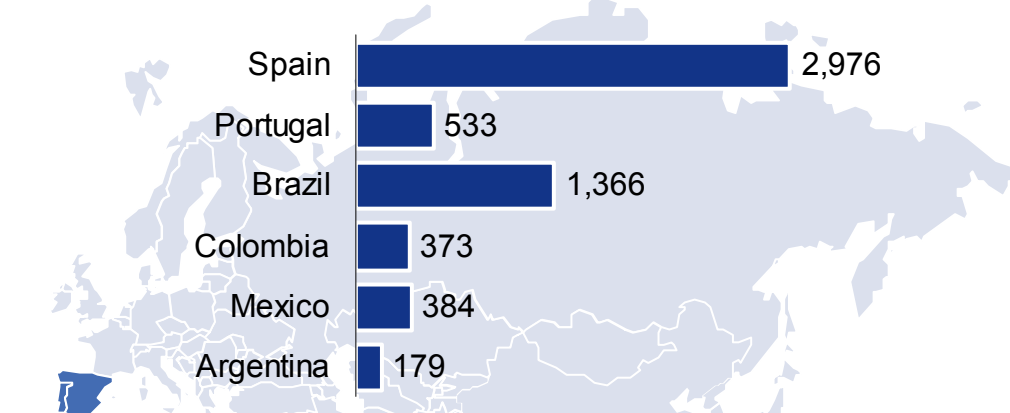
(Stat.) GWP:

Non-life: EUR 4.4bn

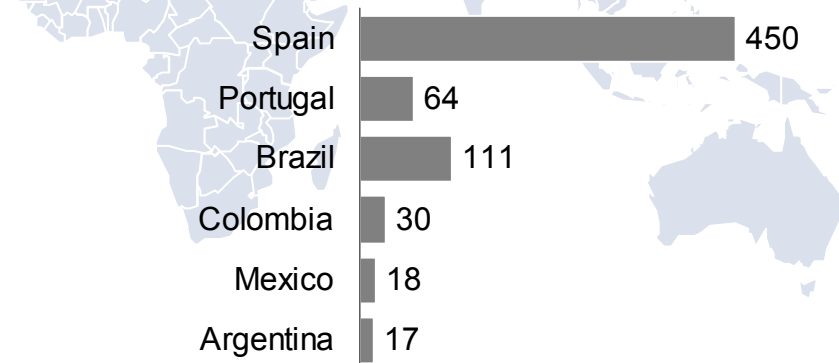
Life: EUR 1.4bn



## (Stat.) GWP (EUR mn)



## Operating profit (EUR mn)



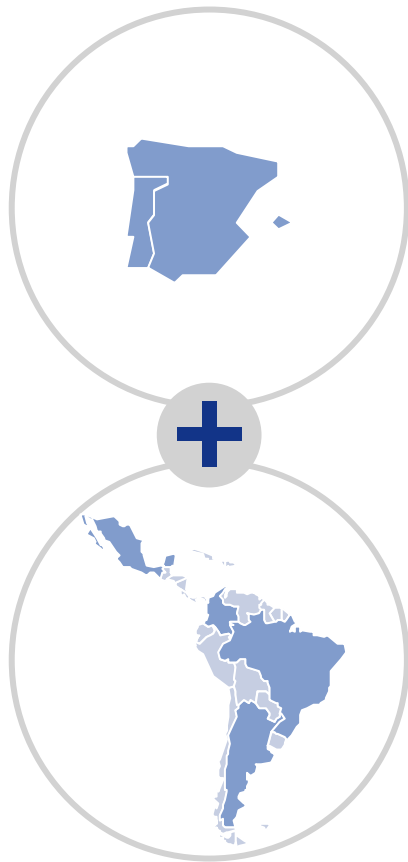
## IberoLatam region

Representing 6.0% GWP and 10.4% operating profit of Allianz Group insurance business

2011 (EUR mn)	Allianz Group	IberoLatam region	Share in Group results
<b>(Stat.) GWP</b>			
Non-life	44,772	4,434	9.9%
Life	52,863	1,377	2.6%
<b>Total</b>	<b>97,635</b>	<b>5,811</b>	<b>6.0%</b>
<b>Operating profit</b>			
Non-life	4,196	532	12.7%
Life	2,420	157	6.5%
<b>Total</b>	<b>6,616</b>	<b>689</b>	<b>10.4%</b>
<b>Combined ratio (%)</b>			<b>Δ to Group</b>
Claims ratio	69.9%	67.0%	-2.9%-p
Expense ratio	27.9%	24.5%	-3.4%-p
<b>Combined ratio</b>	<b>97.8%</b>	<b>91.5%</b>	<b>-6.3%-p</b>

## A global strategy

Focus on profitability and growth outperforming the market, through a common business model



### Iberia:

- Outperform the market in terms of growth and profitability in a shrinking market
- Focus on life growth opportunity considering lack of confidence in banks
- Priority on profitability, customer retention, capital protection in competitive markets

### Latin America:

- Lever on the Spanish IT platform as growth driver for premiums and profitability
- Full transformation to the new regional business model
- Outperform the market in terms of growth
- Focus on retail leveraging the emerging middle class
- Cost discipline during periods of growth

## IberoLatam project

### Roll-out of the Spanish business model and IT platform in the region

Regional  
governance

- Spain provides a superior business model for retail, SME and corporate
- An excellent IT platform allows to shape the business model of the OEs, integrating the region
- The full IT platform implementation represents a technological leap for the OEs
- Significant efficiency improvements in most strategic lines of business
- Leverage on regional synergies
- Leadership based on local organizations
- Business model set up is performed with the support of Allianz Spain employees' know how

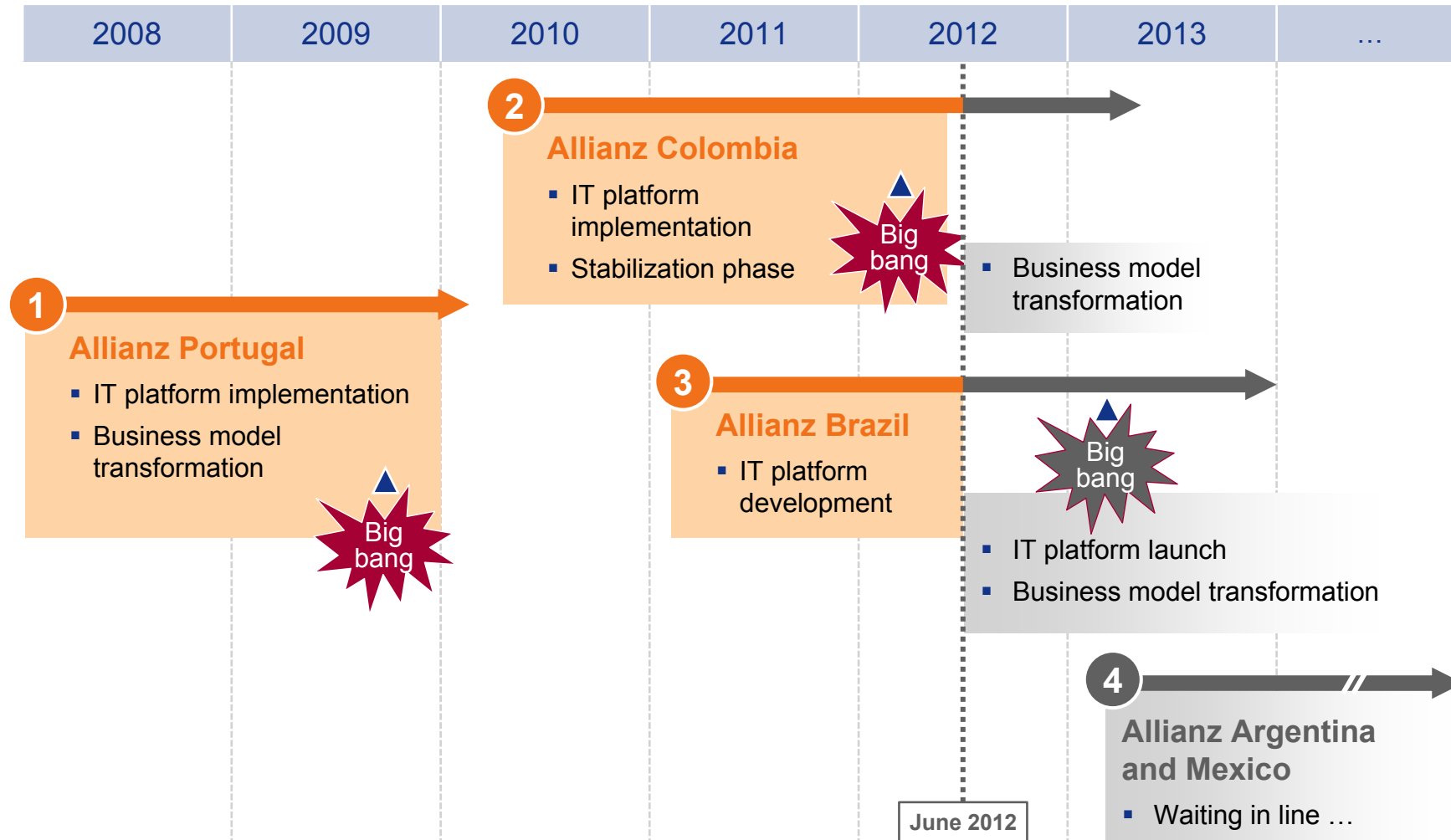
## Spanish business model



Key points

- Make it simple
- Operational harmonization
- From an ex-ante control to an ex-post one
- Legal and market specifications

# IberoLatam project timeline



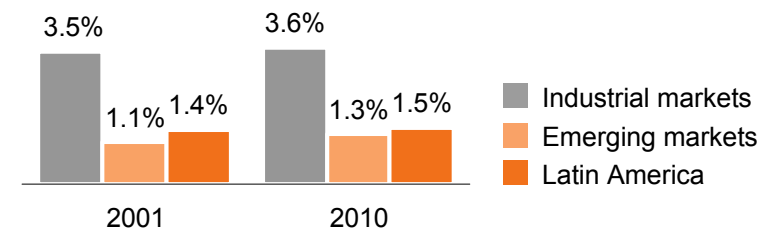
## Latin America, a key emerging market

### Getting opportunities in selected countries

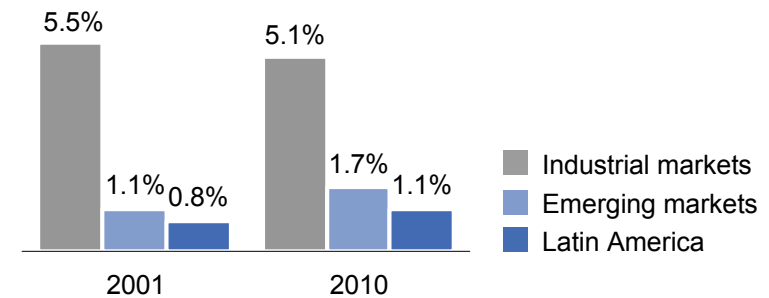
- Latin America's premiums have grown robustly by 6.9% last decade, compared to growth of 1.3% in industrialized economies
- A sound economic environment and favorable regulatory changes have driven insurance premium growth
- Recent concerns about US economic growth and the Eurozone debt crisis highlight the resilience of Latin America's market
- Although insurance premiums have shown notable growth, insurance penetration is still low

### Insurance penetration in % of GDP

#### Non-life



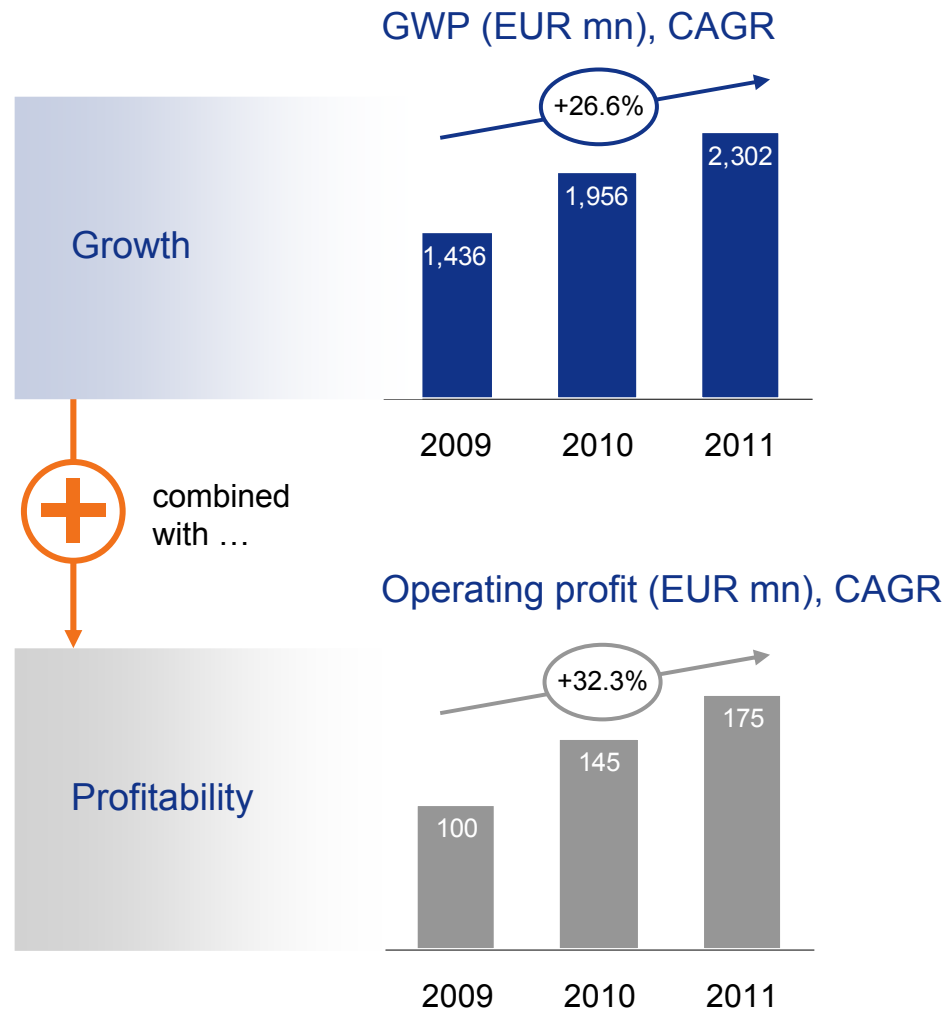
#### Life





# Allianz – growing in Latin America

- Sustainable growth at a high rate
- Profitable companies in emerging markets
- Local leadership with a global strategy
- Outperforming the market in terms of growth and profitability



## IberoLatam region – key take-aways

- ▶ Further deploy of the successful Spanish business model within the region
- ▶ Strong regional organization leveraging on synergies
- ▶ Continuous focus on efficiency to ensure profitability
- ▶ Increase market shares while outperforming the competitors

# Agenda

- 1 IberoLatam region
- 2 **Allianz Spain – the road to success**
- 3 Allianz Portugal –  
business model implementation example
- 4 Allianz in Latin America

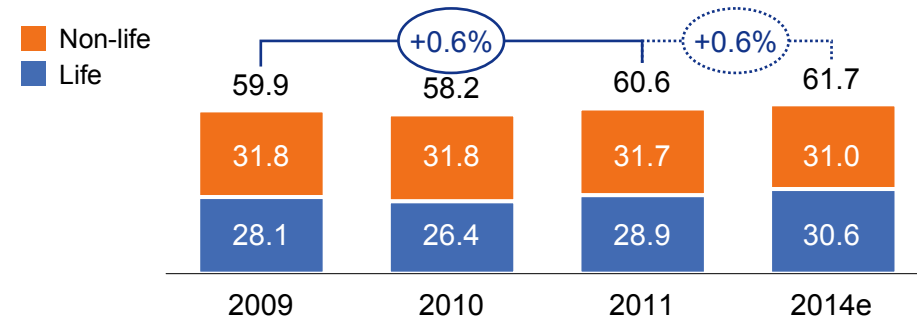
# Spain at a glance

## Key data 2011

- Population: 46.2mn
- GDP (EUR): 1,081bn
- GDP/capita (EUR): 23,400
- Inflation: 2.4%
- Insurance penetration:
  - Non-life: 2.9%
  - Life: 2.7%
- Country rating (S&P): BBB+

## Market size and growth (CAGR)

(Stat.) GPW, EUR bn



## Market specifics

### Non-life:

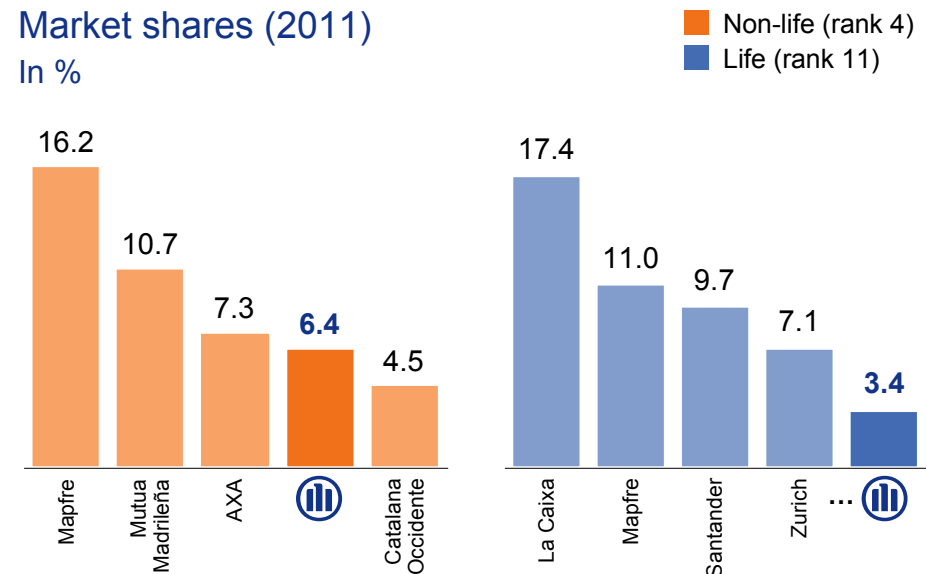
- No immediate growth potential, but still showing good profitability

### Life:

- Opportunity for insurance companies due to lack of confidence in banks
- Pension reform, ageing of population, and growing risk aversion, combined with likely lower sales ability by bank networks

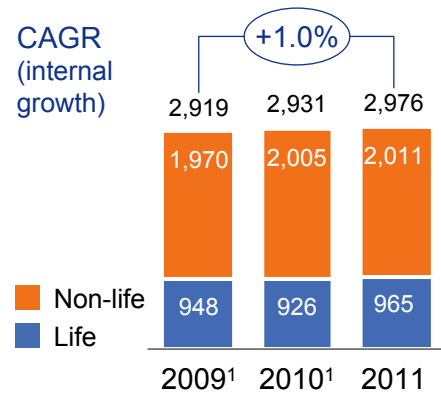
## Market shares (2011)

In %

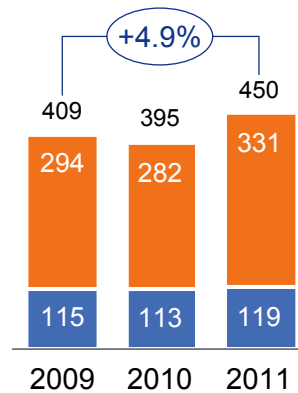


# Allianz in Spain (1)

## Revenues (EUR mn)



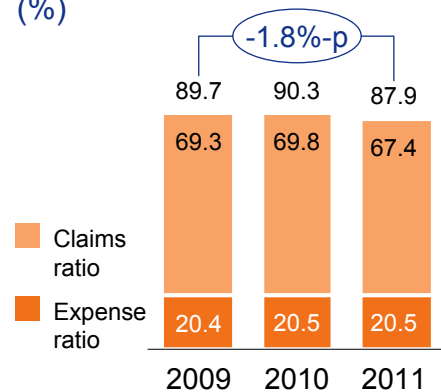
## Operating profit (EUR mn)



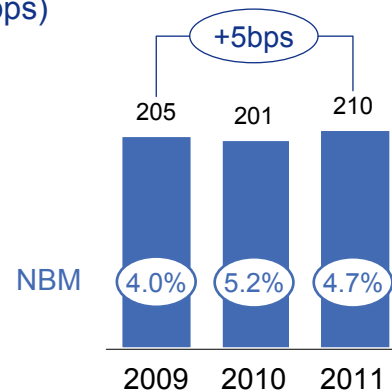
## Highlights

- Total number of Allianz customers 3.9mn
- 7,459 agents, 4,432 brokers
- Bankassurance – Banco Popular 442mn (P/C+L/H), representing 15% of Allianz in Spain GWP
- Local regulatory solvency ratio Allianz Spain 145%

## Combined ratio (%)



## Margin on reserves (bps)

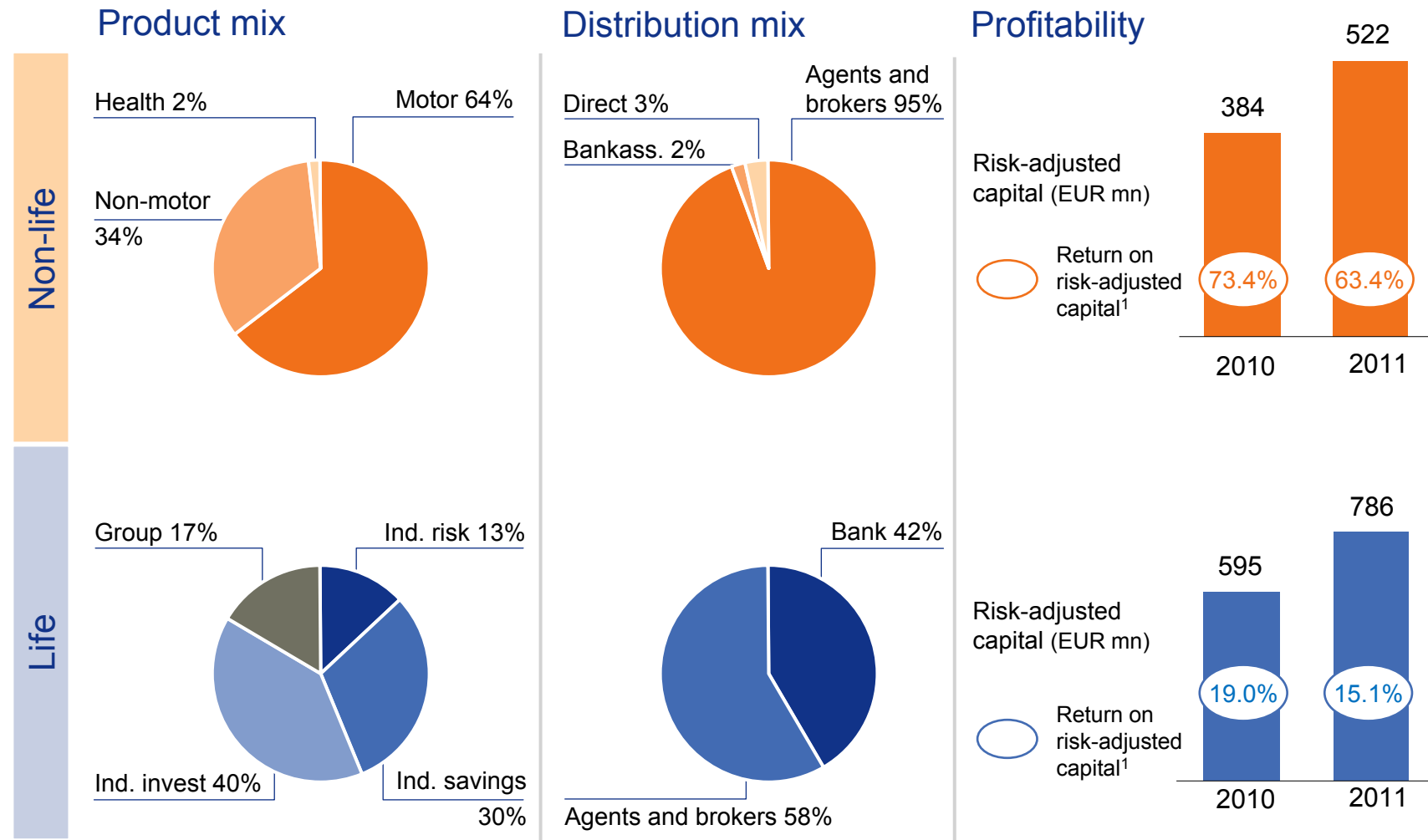


## Legal setup

- Market entry: Allianz Seguros is a result of several mergers. The oldest company is Lucero S.A. de Seguros (1918)
- Allianz Seguros: 99% Allianz Group

1) Excluding AGCS

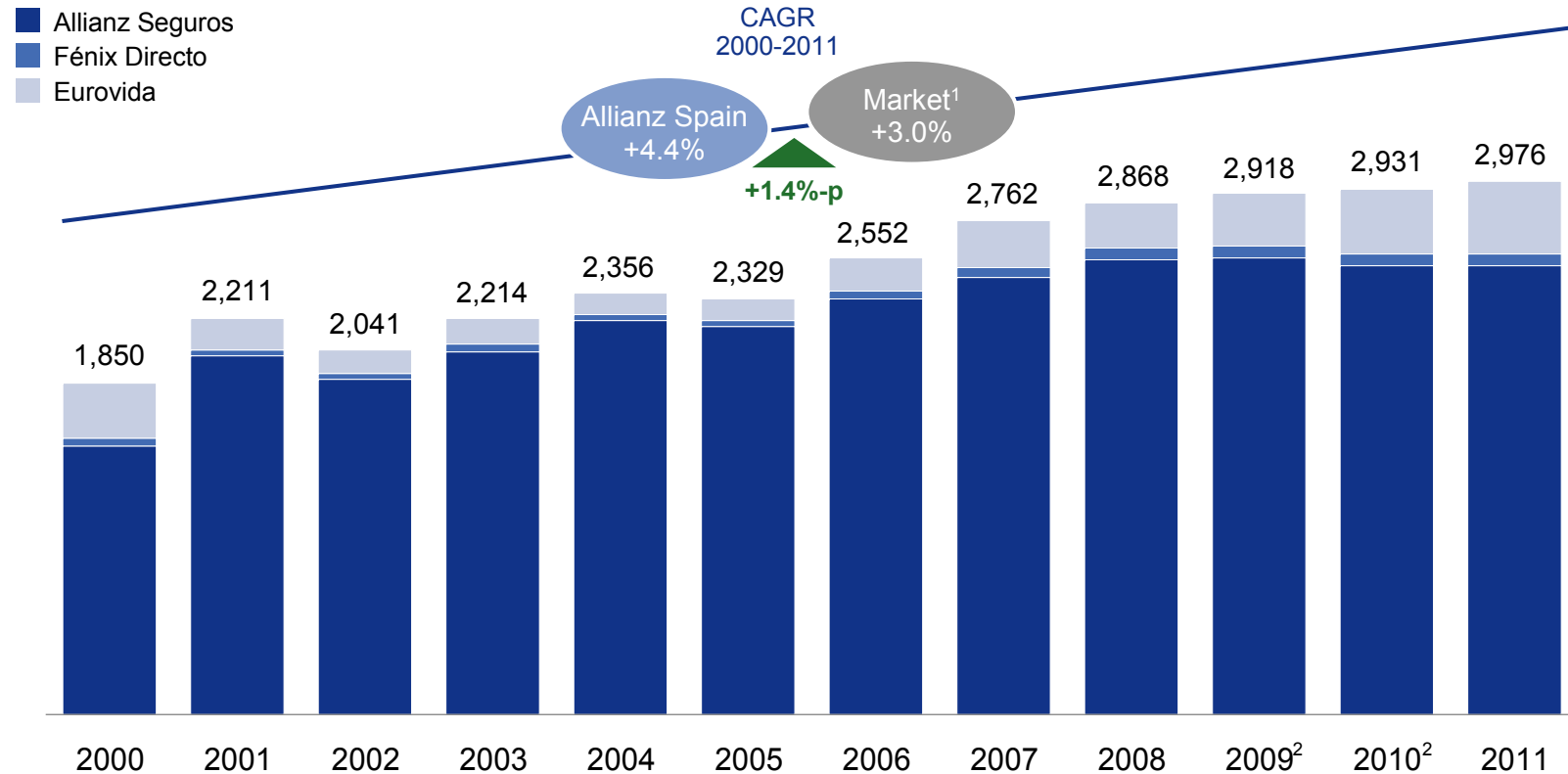
# Allianz in Spain (2) 2011



1) Operating profit as % of RAC eop

# Allianz Spain has a longstanding track record in outperforming the market in terms of growth

(Stat.) GWP (EUR mn)



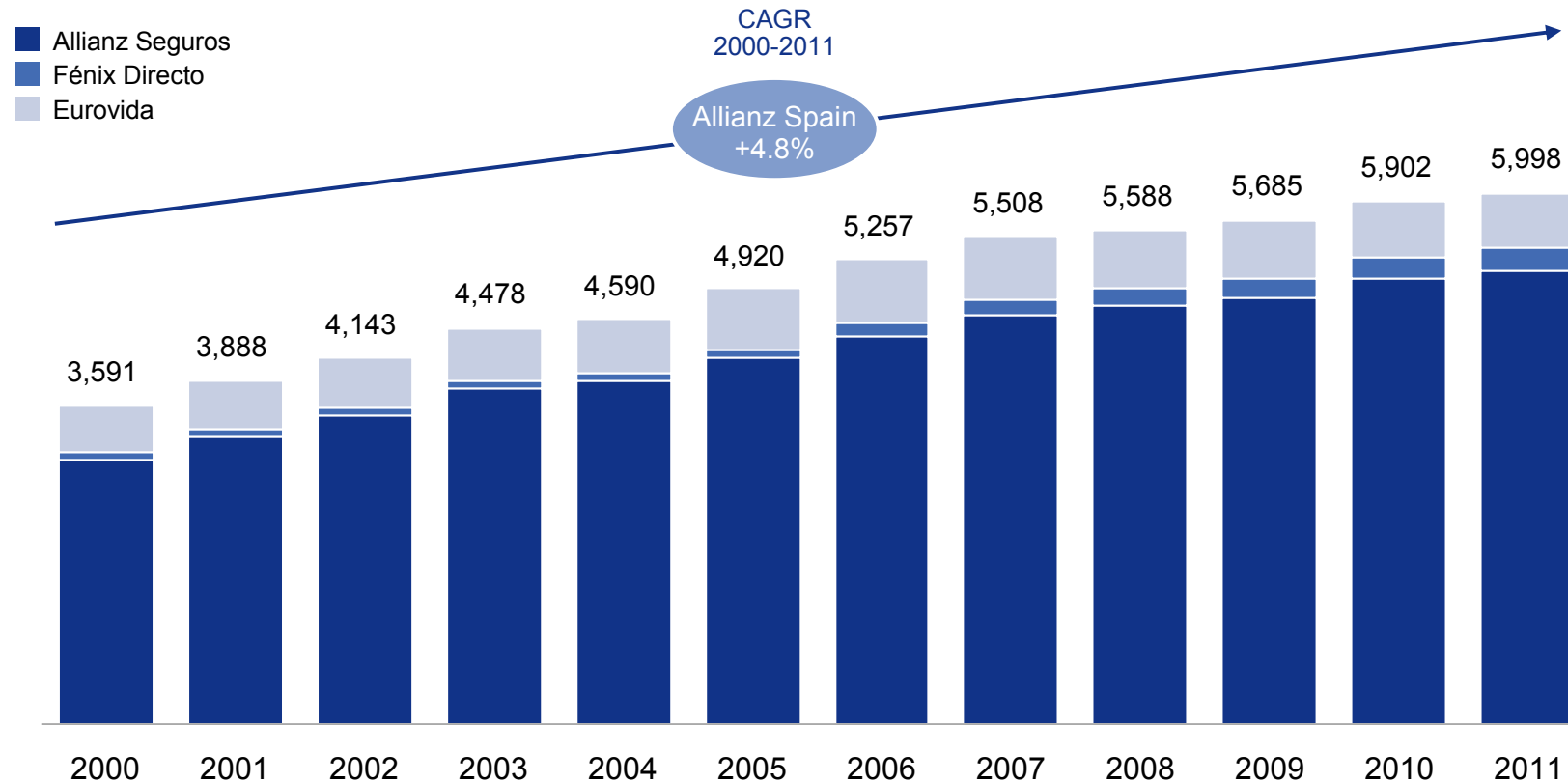
(Stat.) GWP (EUR mn)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 <sup>2</sup>	2010 <sup>2</sup>	2011	CAGR 2000-2011
<b>Non-life</b>	1,084	1,278	1,490	1,602	1,680	1,782	1,923	2,025	2,025	1,971	2,005	2,011	<b>5.8%</b>
<b>Life</b>	766	933	551	611	676	547	629	738	844	947	926	965	<b>2.1%</b>

1) Market with mix Allianz  
2) Excluding AGCS

When the market is contracting, Allianz Spain has managed to increase the sales activity

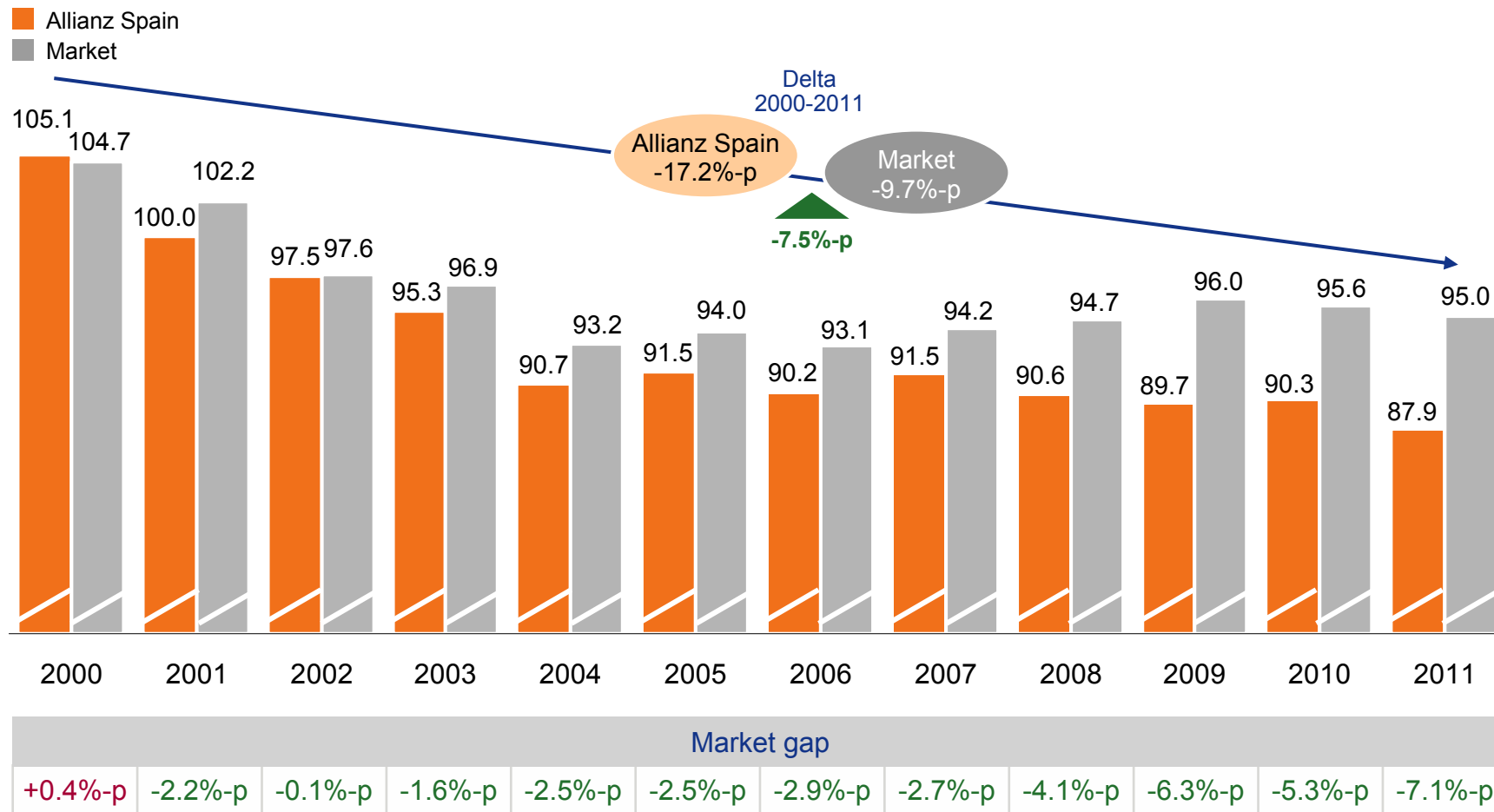
Policies (thousands)





# Improving the combined ratio over time

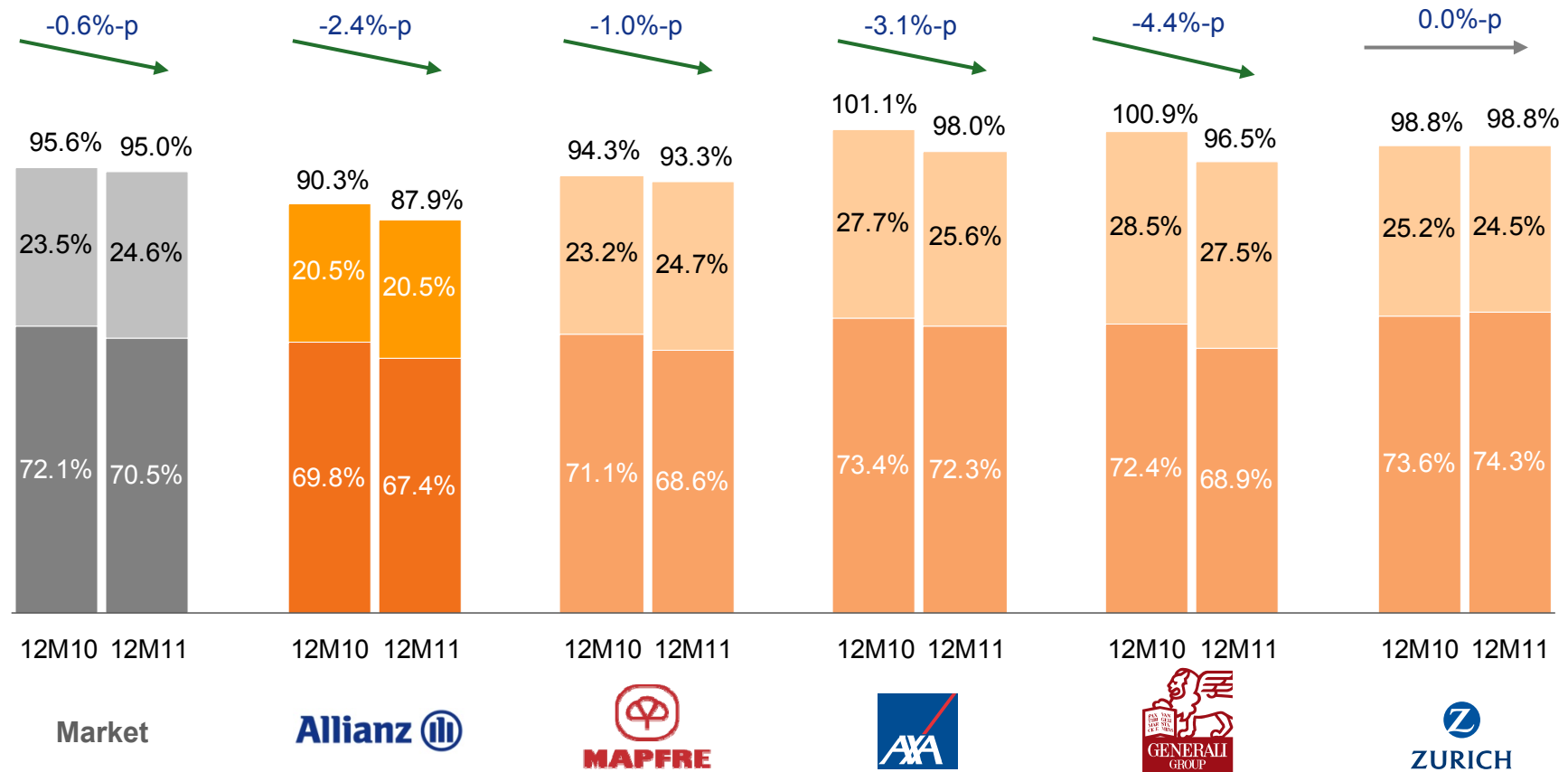
## Combined ratio (%)



© Allianz SE 2012

# Best in class in expenses, outperforming the market and peers

Combined ratio 2011 (%)

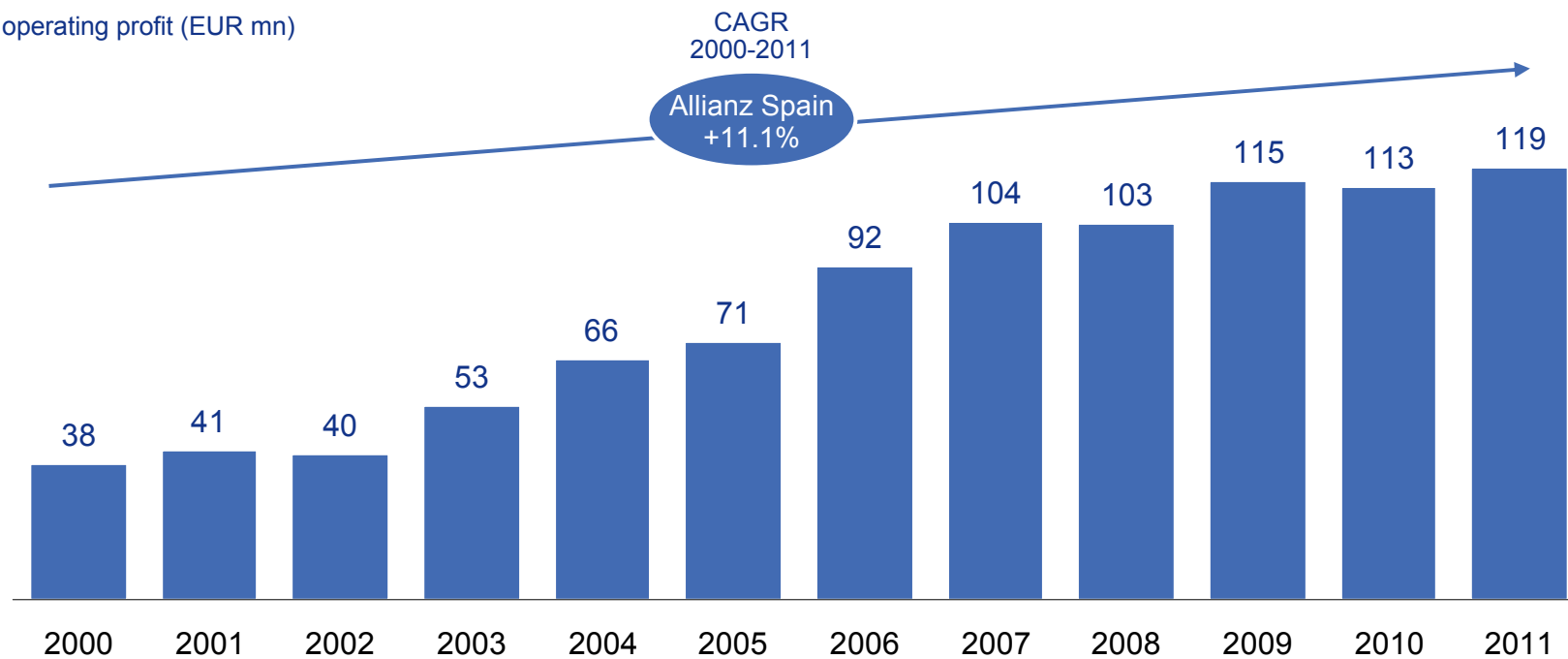


Source: Market data: ICEA; Allianz: Group IFRS; peers: DGS, ACES; Mapfre: ER recalculated with full operating expenses

## Life business – solid underlying performance

### Life operating profit

■ Life operating profit (EUR mn)



### Margin on mathematical reserves (excluding claims reserves)

<b>Allianz</b>	1.3%	1.2%	1.1%	1.4%	1.6%	1.6%	2.0%	2.1%	2.1%	2.2%	2.1%	2.1%
<b>Market</b>	0.6%	0.9%	0.6%	0.7%	0.8%	0.8%	0.7%	0.9%	1.0%	1.2%	1.3%	1.3%
<b>Gap</b>	+0.7%-p	+0.3%-p	+0.5%-p	+0.7%-p	+0.8%-p	+0.8%-p	+1.3%-p	+1.2%-p	+1.1%-p	+1.0%-p	+0.8%-p	+0.9%-p

# Success factors of Allianz Spain business model

**Low expense ratio**

**Competitive prices**



**Profitable growth**

# Consistent focus on reducing product complexity

1

**Hogar v1**

Estándar Mediator Datos Básicos Tarificar

Sucursal/Agente/Colaborador

**DATOS**

Póliza a Reemplazar: [ ]  
 NIF/CIF/NIE: [ ] Dispone de NIF/CIF/NIE [v]  
 Fecha de Inicio: 07/06/2012 Fecha Término: 01/06/2013

**DESCRIPCIÓN DEL RIESGO**

Tipo: Piso en alto [v]  
 Uso: Habitual [v]  
 Año Construcción: 1990  
 Sup. Construida (m²): 120  
 Código Postal: 38022 Población: BARCELONA [v]

3

**Hogar v1**

Datos Básicos Tarificar Proyecto Archivar Emitir Proyecto ampliado

Sucursal/Agente/Colaborador

**DATOS GENERALES**

Tomador del Seguro  
 NIF/CIF/NIE: [XXXXXXXXXX] Dispone de NIF/CIF/NIE [v]  
 Propietario distinto del Tomador

**DESCRIPCIÓN DEL RIESGO**

Lugar: [ ] Tipo Vía: [v] Nombre: Tarragona Núm: 109 Resto: [ ]  
 Domicilio: Calle [v]  
 Municipio: BARCELONA - 08022

**Forma de Cobro**

Forma de Pago: Anual [v] Primer Recibo: Bancario [v] Sucesivos: Bancario [v]

**Datos Bancarios**

Código Cuenta Cliente: Entidad: 0000 Oficina: 0000 DC: 00 Número: 0000000000

Issuing a policy in just a few clicks!

2

**Hogar v1**

Datos Básicos Tarificar Proyecto Archivar Emitir Proyecto ampliado

Sucursal/Agente/Colaborador

**DATOS DEL RECIBO**

Idioma proyecto PDF: Español [v]

€	Anual	Sucesivos	Semestral	Sucesivos	Cuatrim.	Sucesivos
Prima Neta	297,70 €	302,68 €	150,31 €	154,99 €	98,53 €	103,33 €
Impuestos	39,74 €	40,40 €	29,16 €	15,86 €	24,82 €	11,66 €
<b>Prima Total</b>	<b>337,44 €</b>	<b>343,08 €</b>	<b>179,47 €</b>	<b>170,85 €</b>	<b>123,35 €</b>	<b>114,99 €</b>

06/2013

- One product per LoB
- Bundled products
- Systematic migration of portfolio
- All policies automatically issued



# We know the business on a daily basis

**ESTADÍSTICAS**

Tipo: Estadísticas Diarias | Estadística: 11 - Dia Emisiones

**CRITERIOS DE SELECCIÓN**

Opción: Agrupación Ramos | F. Mes: | F. día: | Filtro ramo: 0

**ESTRUCTURA COMERCIAL**

Compañía: Allianz España | DC: 0 | DT: 0 | Zona: 0 | Suc: 0

**RESULTADOS**

Excel

**KPI's to monitor all sales targets on a daily basis**

11 - Dia Emisiones

Seleccione Una Opción

10 - Dia Numero Polizas

11 - Dia Emisiones

12 - Dia Pendiente

13 - Dia Siniestros

14 - Dia Pte+fac-cob-dev

15 - Dia Pac-allianz

16 - Dia Cierre Siniest.

17 - Dia Cie Siniest.ut

18 - Dia Emis.vida Anual

19 - D Reinversion Vto.

21 - Dia Emis.neta Pagos

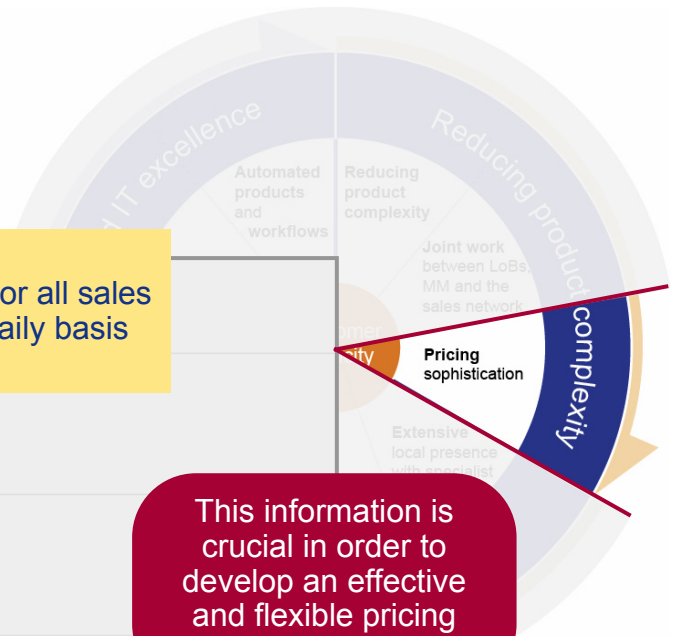
30 - Dia Sdad.valores

DIA EMISIONES AGRUPACIONES RAMOS	EMIS. NETA MES ANT.	PRODUCCION NETA MES	CARTERA NETA MES	EMISION NETA	CREC.EMIS. % S/A.A.	AL MES, % CUMPLIMENT	PLAN ANUAL	PRODUCCION MES A.A.
VEH.COMERCIAL	51.901.706	964.823	13.678.942	66.545.471	-0,97	103,21	171.402.985	4.364.024
TURISMOS	187.559.637	4.593.590	53.741.767	245.894.993	9,16	107,15	727.035.697	22.341.759
MOTOS	15.800.252	288.621	6.190.091	22.278.963	-3,95	100,09	82.832.376	1.994.093
FLOTAS	152.000.760	341.372	4.656.122	156.998.255	1,86	108,51	224.799.040	3.355.561
<b>TOTAL AUTOMOVILES</b>	<b>407.262.355</b>	<b>6.188.405</b>	<b>78.266.922</b>	<b>491.717.682</b>	<b>4,67</b>	<b>105,71</b>	<b>1.206.070.098</b>	<b>32.055.436</b>
ACCID.INDIVIDUAL	1.820.515	10.001	580.081	2.410.597	-7,91	103,03	6.402.769	46.405
HOGAR	42.182.182	482.731	12.212.848	54.877.761	5,05	98,87	160.835.	
COMUNIDADES	10.922.657	205.858	2.868.003	13.996.518	11,83	97,24	40.483.	
COMERCIO	17.308.650	394.887	5.000.679	22.704.217	4,90	102,01	64.013.	
SALUD	15.726.238	222.256	1.412.677	17.361.171	10,58	105,96	27.622.	
<b>TOTAL OTROS PARTIC</b>	<b>87.960.242</b>	<b>1.315.734</b>	<b>22.074.288</b>	<b>111.350.264</b>	<b>6,33</b>	<b>100,33</b>	<b>299.357.</b>	

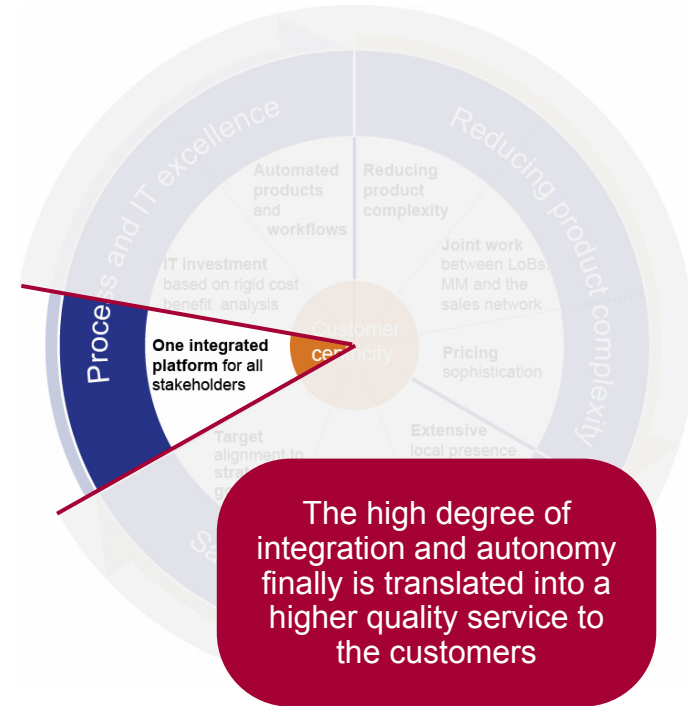
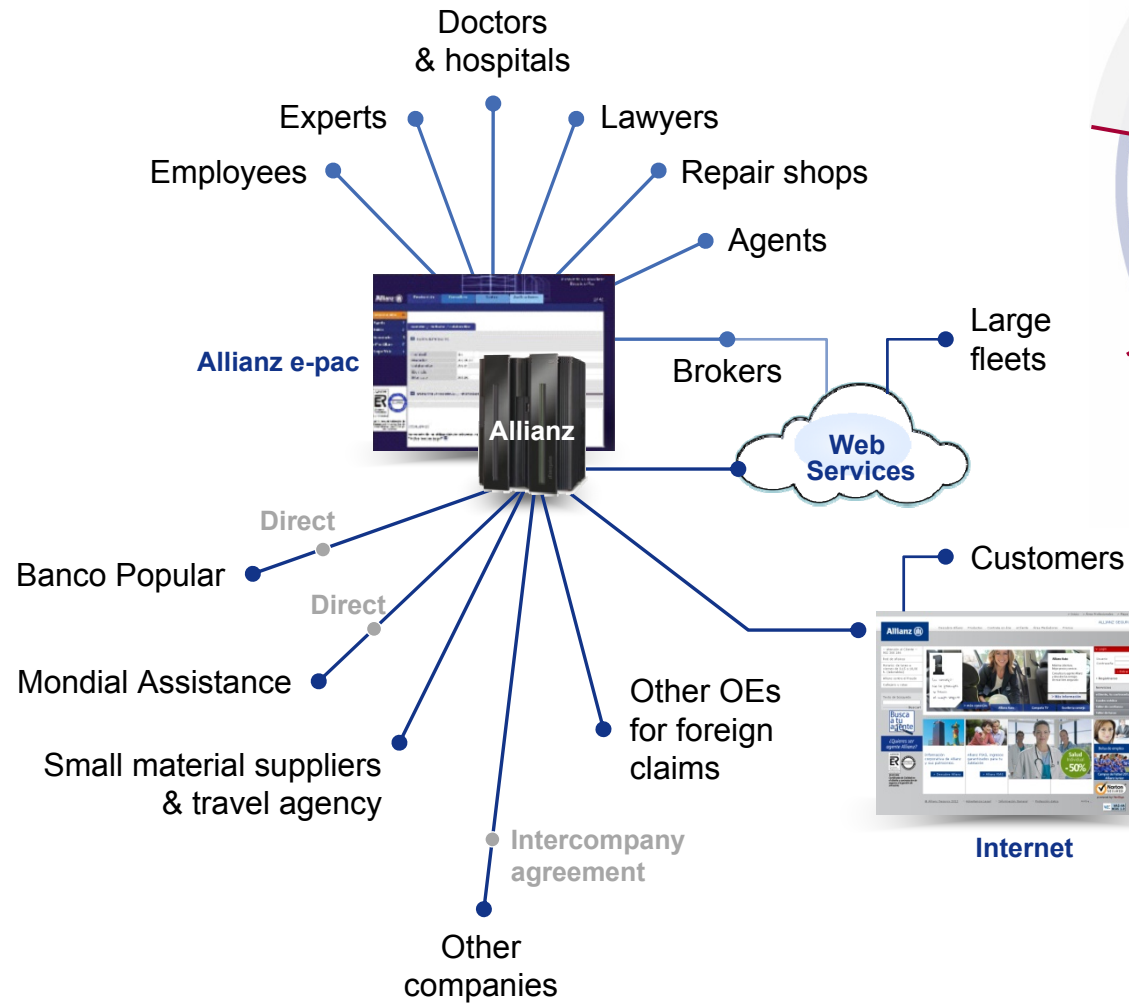
Continuous monitoring about how the market is behaving per LoB, controlling the volume of issued policies

This information is crucial in order to develop an effective and flexible pricing strategy

Agents can monitor their own portfolio through e-Pac



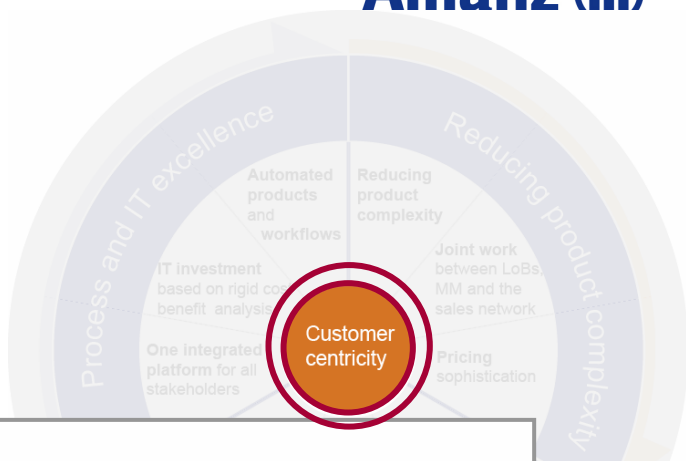
# All stakeholders integrated in the same IT platform



Integrated stakeholders	
Employees	2,500
Mediators	11,400
Repair shops	3,010
Experts	490
Lawyers	319
Doctors	90

# Continuous customer data enrichment

In one single view, the agent knows all data related to the customer



**Visión Global Cliente**

**DATOS CLIENTE**

<b>Nombre:</b>	XXXX XXXXX	<b>NIF:</b>	XXXX XXXXX	<b>Situación:</b>	Activo
<b>Dirección:</b>	CL FERNAN CABALLERO, 3-BODE...	<b>C.Postal:</b>	11500	<b>Municipio:</b>	EL PUERTO DE SA...
<b>Correo:</b>		<b>Teléfono:</b>	XXXX XXXXX	<b>Teléfono 2:</b>	XXXX
<b>Valor Cliente (escala de 1 a 10):</b>	10				

**RELACIÓN POLIZAS**

Bloq.	Poliza	Aplic.	Ramo	Ant.	Riesgo	Fecha Efecto	Fecha Anulacion	Lst. Rec.	Lst. Stros.	Ficha Gest.
	14266234	0	2014		C RESIDENCIAL GUADALETE	31/01/2001				
	16068145	0	2016		C HIJUELA TIO PRIETO,S/	05/09/2002				
	18940466	0	2016		P MARITIMO PTO. SHERRY,	21/02/2005				
	23207305	0	2044		POL SALINAS DE LEVANTE NA	04/03/2008				
	76882488	0	1268		XXX HONDA JAZZ 1.2I D	16/05/2010				

Indicadores | F.Gest.Cliente | Op.diarias | Hist. Pólizas | Campañas | Inicio

Customer value is a helpful information to steer agents actions

Policies, invoices, claims and all the operations done with the customer can be checked out



## Keeping up with new technologies



Paperless

**Ensure digital communication with customers**



Mobility

**New functionalities for tablets and smartphones**



Web

**Enhance customer platform area**

## Allianz Spain – key take-aways

- ▶ Allianz Spain has been able to consistently beat the market in terms of growth and profitability
- ▶ Expense excellence and competitive prices are prerequisites in a highly competitive market
- ▶ The business model is composed by the principles of product simplicity, sales oriented organization and process and IT excellence
- ▶ Customer focus and efficiency can be pursued at the same time
- ▶ Continuous development of the business model with innovative solutions
- ▶ The business model integration in other countries has proven to be successful

# Agenda

- 1 IberoLatam region
- 2 Allianz Spain: the road to success
- 3 **Allianz Portugal –  
business model implementation example**
- 4 Allianz in Latin America

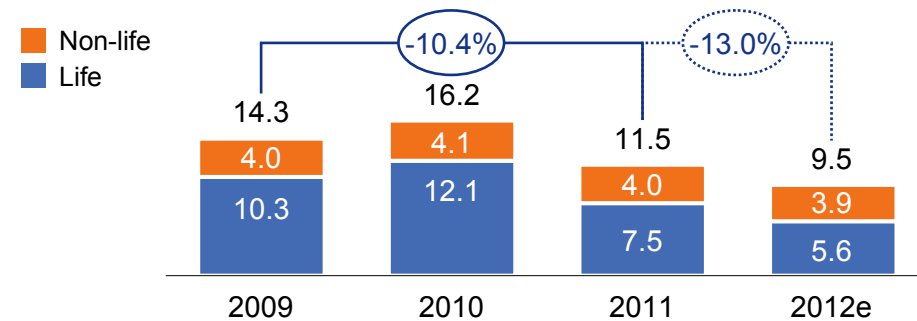
# Allianz Portugal at a glance

## Key data 2011

- Population: 10.6mn
- GDP (EUR): 171bn
- GDP/capita (EUR): 16,100
- Inflation: 3.6%
- Insurance penetration:  
P/C: 2.4%                      L/H: 4.4%
- Country rating: BB

## Market size and growth (CAGR)

(Stat.) GPW, EUR bn



## Market specifics

### Non-life:

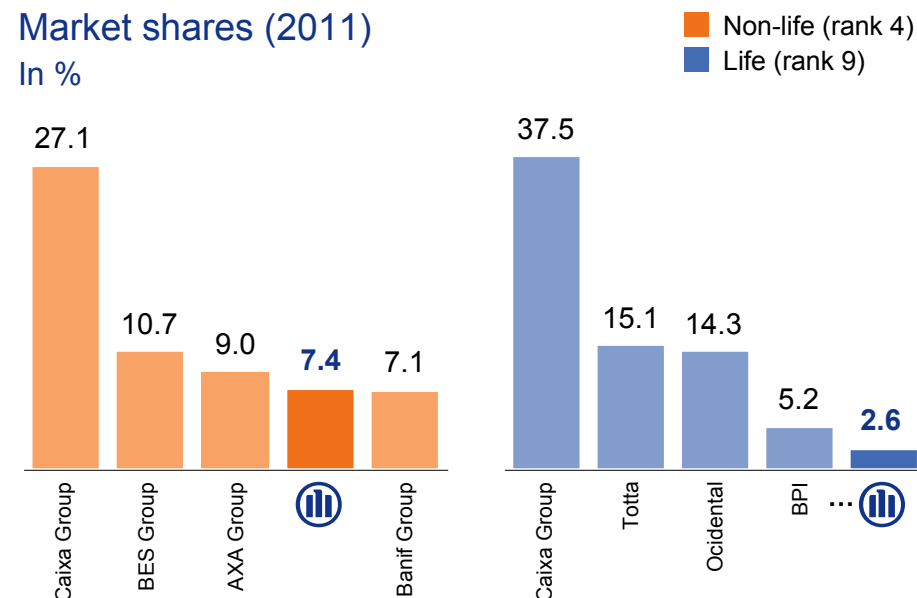
- Shrinking market due to economic crisis and reduction of private and public consumption

### Life:

- Life risk business severely affected by credit crises
- Life business still strongly depending on bankassurance players

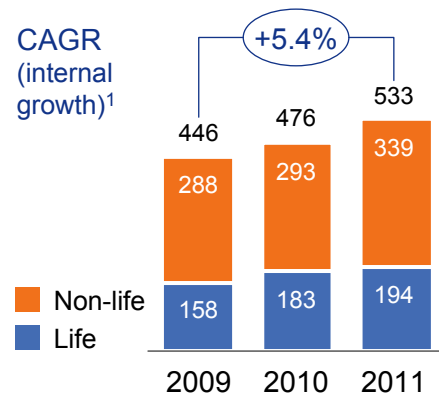
## Market shares (2011)

In %

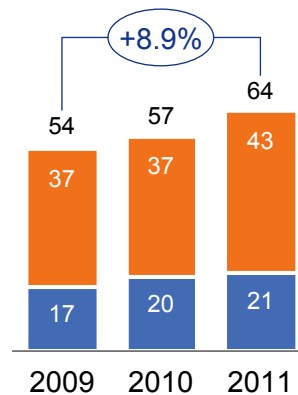


# Allianz Portugal (1)

## Revenues (EUR mn)



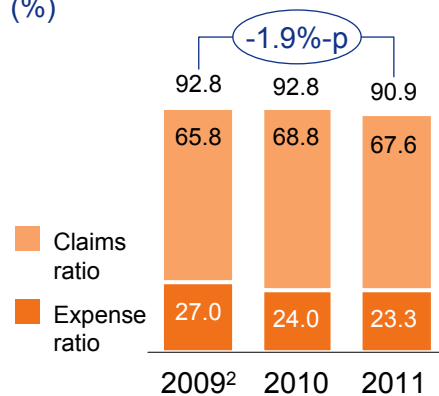
## Operating profit (EUR mn)



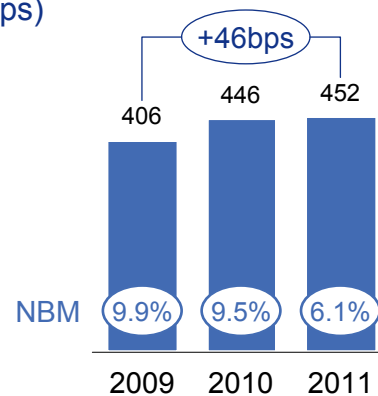
## Highlights

- Number of Allianz clients 831,781
- Number of agents and brokers 4,111
- Bankassurance – BPI GWP of EUR 135mn, representing 27% of Allianz Portugal GWP
- Local regulatory solvency ratio Allianz Portugal 184%

## Combined ratio (%)



## Margin on reserves (bps)



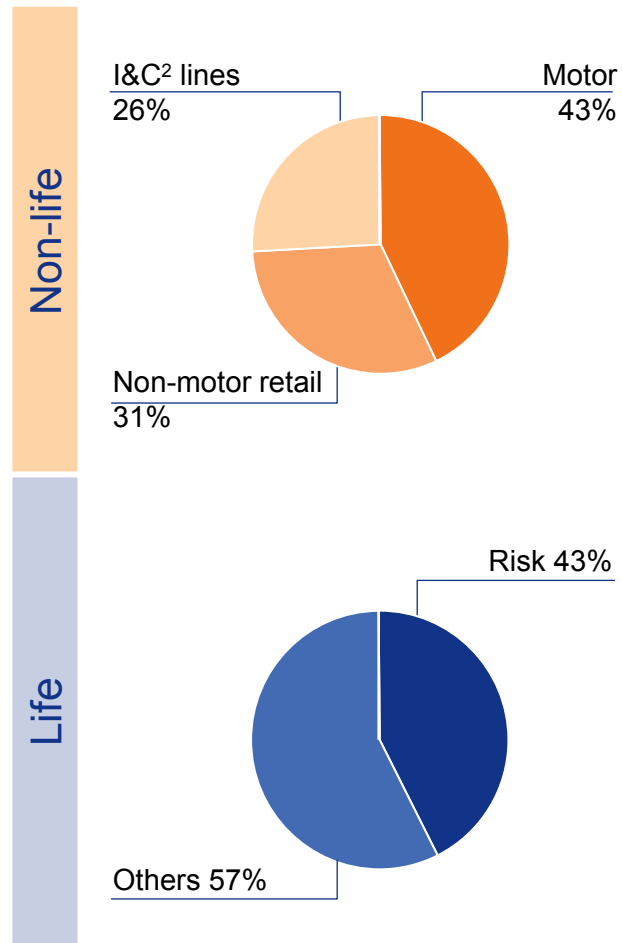
## Legal setup

- Market entry: Allianz Portugal since 1999 after the merger between:
  - SPS – Sociedade Portuguesa de Seguros founded in 1900
  - Portugal Previdente – Companhia de Seguros, S.A. founded in 1907
  - Allianz Portugal:
    - 65% Allianz Group
    - 35% BPI

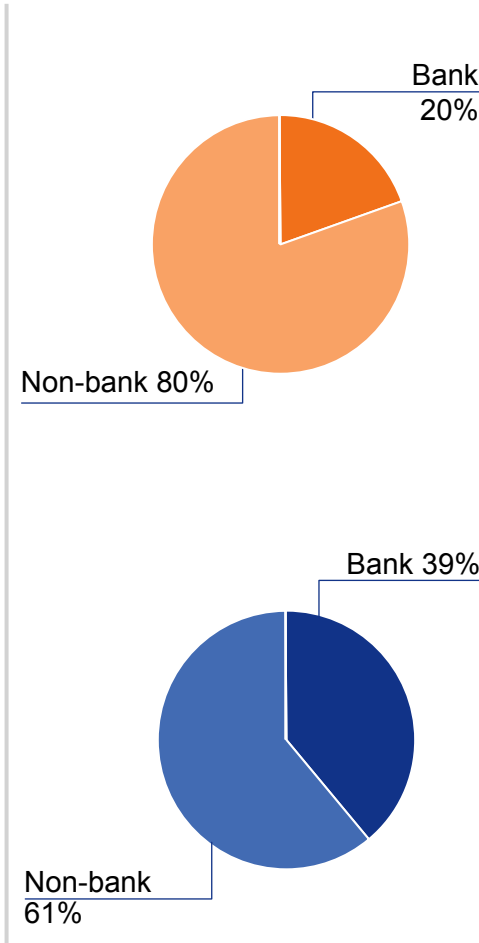
1) Internal growth excluding installments effect 2011  
 2) CoR including extraordinary costs of the Iberian project

# Allianz Portugal (2) 2011

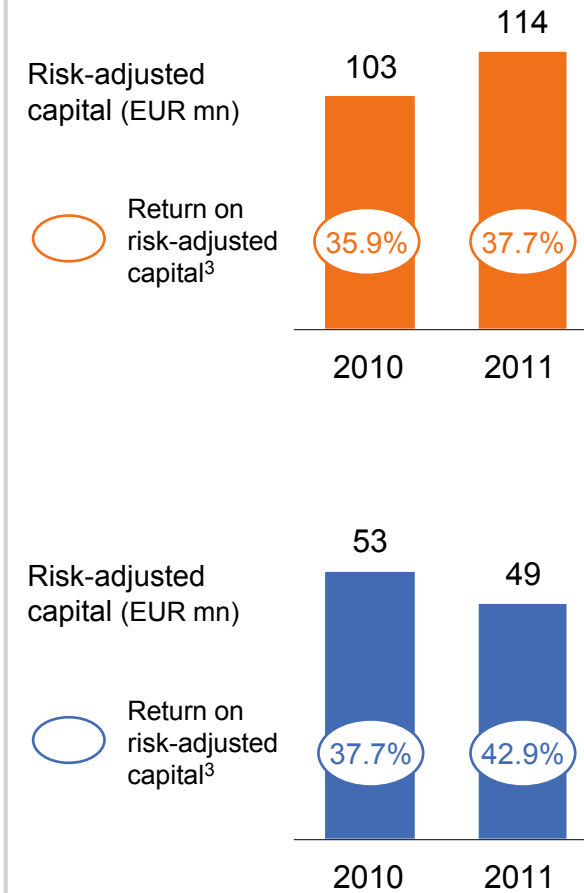
## Product mix<sup>1</sup>



## Distribution mix



## Profitability

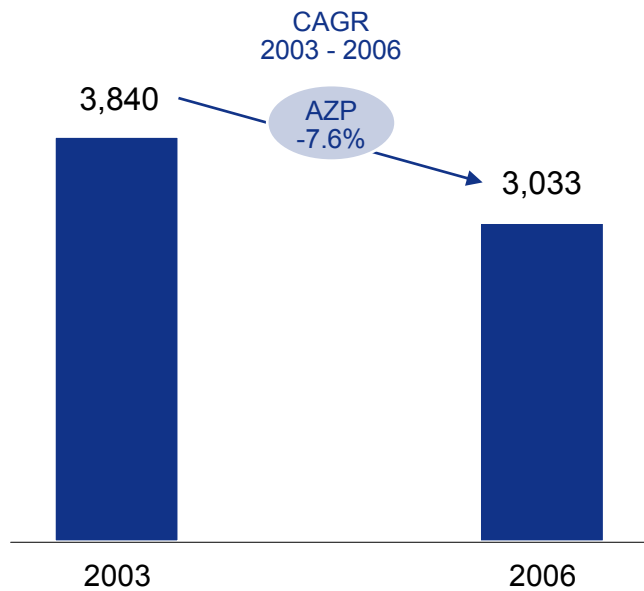


1) 2011 P/C product mix without installments  
 2) Industrial and commercial lines  
 3) Operating profit as % of RAC eop

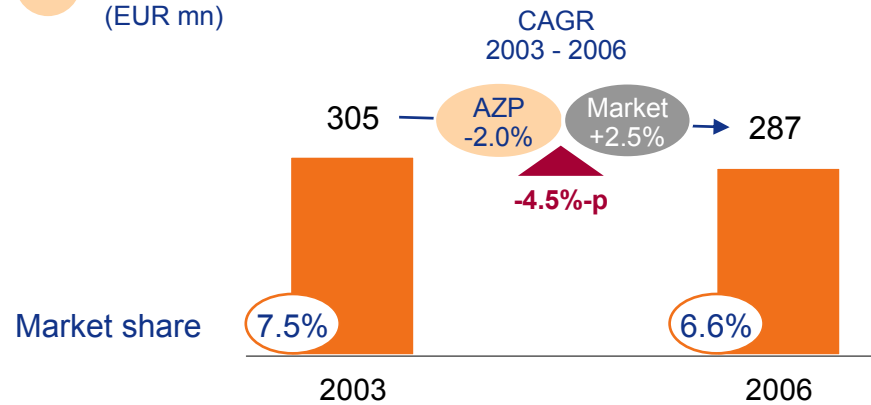
# Allianz Portugal – business model implementation example

Starting position in 2006  
 Consolidated tendency –  
 loosing track with the market

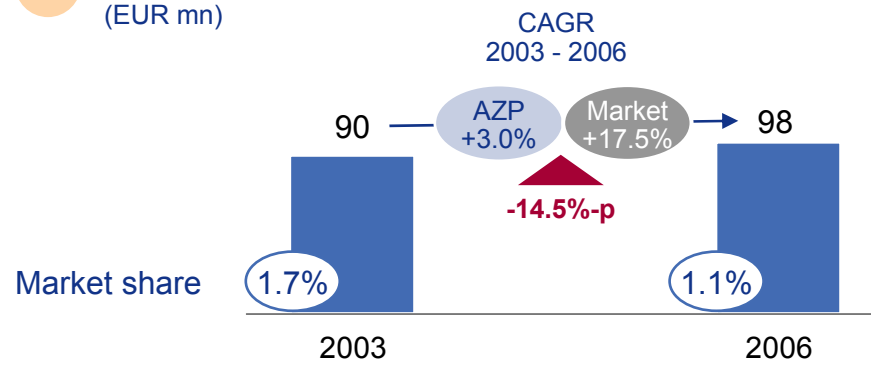
**Active agents/brokers**



**Non-life GPW (EUR mn)**



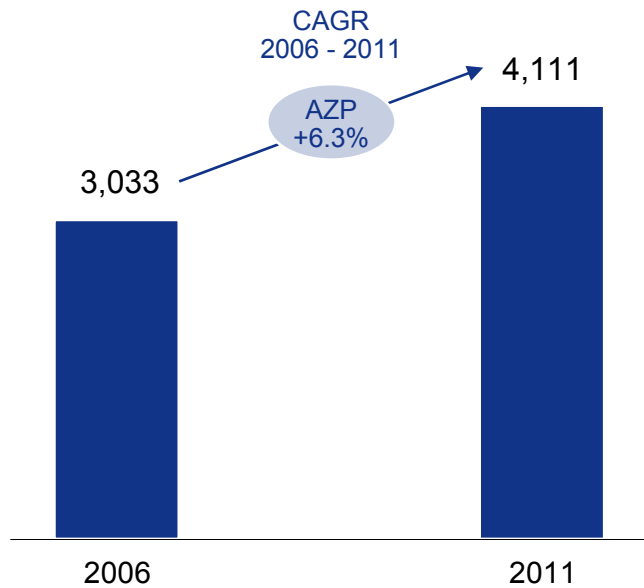
**Life (stat.) GPW (EUR mn)**



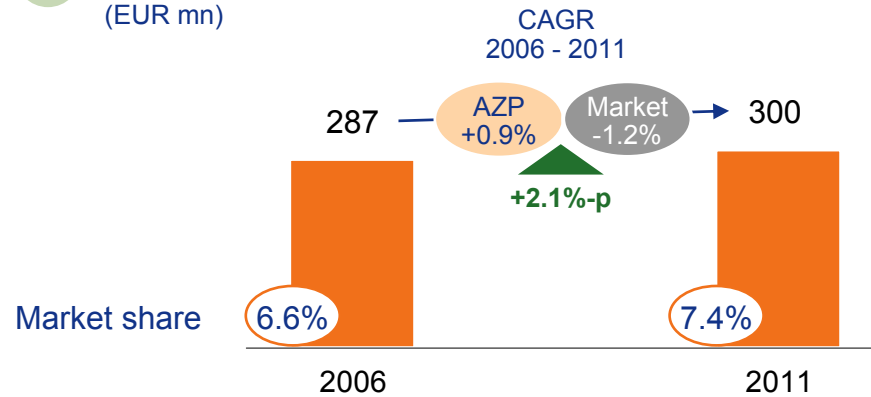
# Allianz Portugal – business model implementation example

The new Business model gives Allianz Portugal a sustainable competitive advantage

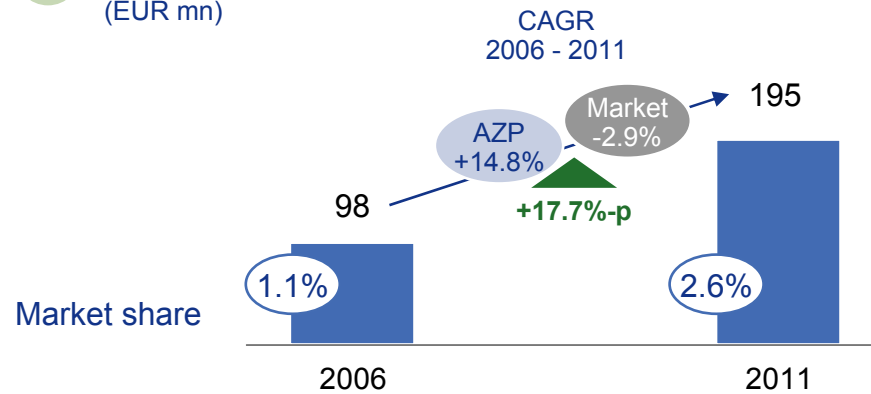
✓ Active agents/brokers



✓ Non-life GPW<sup>1</sup> (EUR mn)



✓ Life (stat.) GPW<sup>1</sup> (EUR mn)

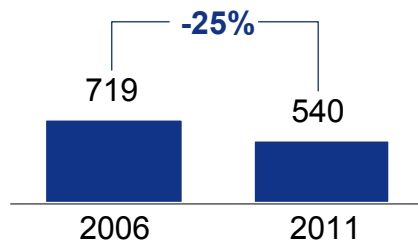


1) Local GAAP figures, previous years 2011 exclude installments

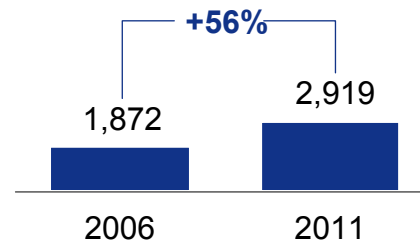


# Allianz Portugal – business model implementation example

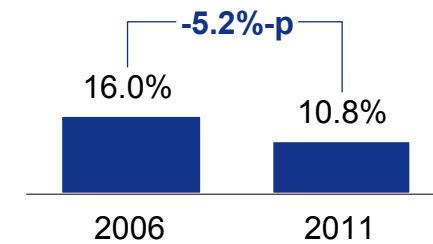
FTEs



Policies / FTEs

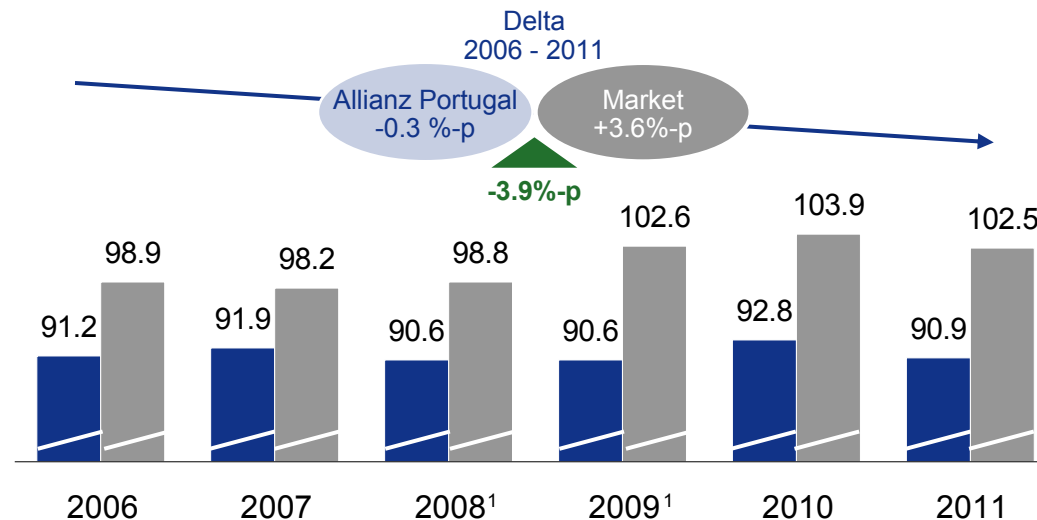


Overhead expenses / GWP



Combined ratio (%)

■ Allianz Portugal  
■ Market



Market gap	-7.7%-p	-6.3%-p	-8.2%-p	-12.0%-p	-11.1%-p	-11.6%-p
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1) Allianz combined ratio adjusted for the extraordinary costs of the Iberian project

## Allianz Portugal – key take-aways

Implementation approach:

- One unique platform
- Product simplicity
- Big bang

It is proven that the model can be transferred to other OEs

Project requires efforts like a cross country merger

Full top management involvement is required

Avoid resistance

Sales people and agents become promoters

Communication and training is crucial to a successful Big bang

Necessity to establish a regional IT action plan

# Agenda

- 1 IberoLatam region
- 2 Allianz Spain – the road to success
- 3 Allianz Portugal –  
business model implementation example
- 4 **Allianz in Latin America**

# Brazil at a glance

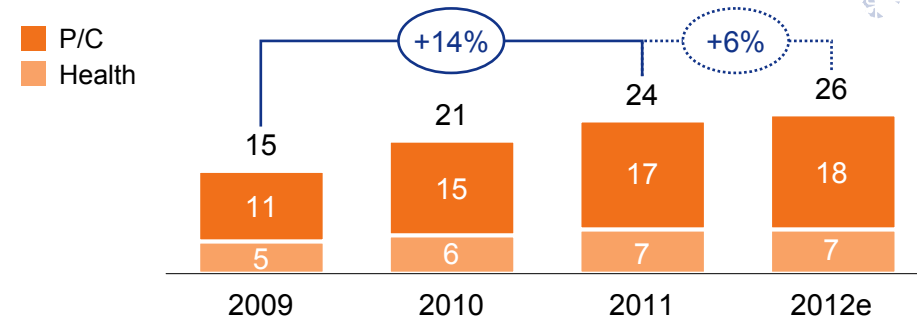


## Key data 2011

- Population: 192mn
- GDP (EUR): 1,780bn
- GDP/capita (EUR): 9,270
- Inflation: 6.5%
- Insurance penetration:
  - P/C: 0.9%
  - Health: 0.4%
- Country rating (S&P): A-

## Market size and growth (CAGR)

(Stat.) GPW, EUR bn (growth in local currency)

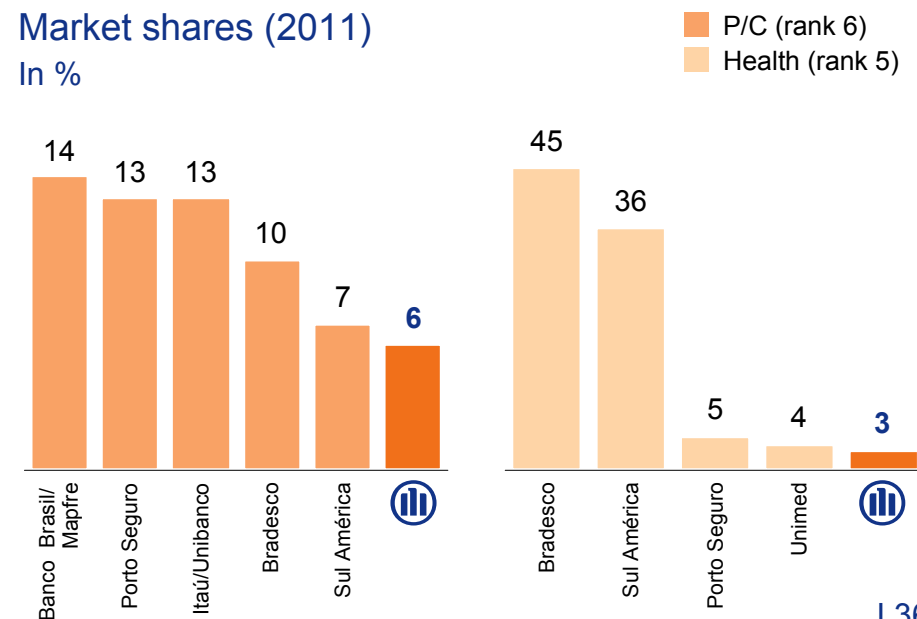


## Market specifics

- Continuously growing market
- Motor insurance almost 40% of Non-life market
- Distribution mostly through brokers. First direct players/aggregators setting up business operations
- Decreasing interest rates and claims inflation expected to push price increases in 2012

## Market shares (2011)

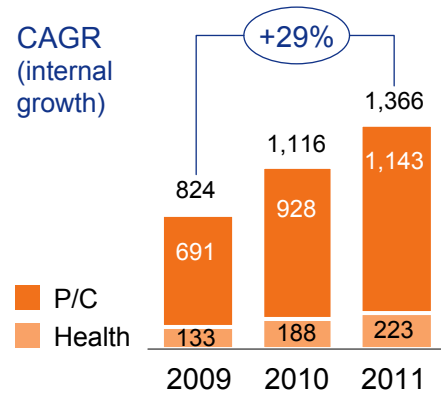
In %



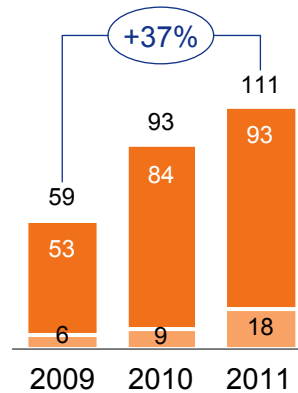


# Allianz in Brazil (1)

## Revenues (EUR mn)



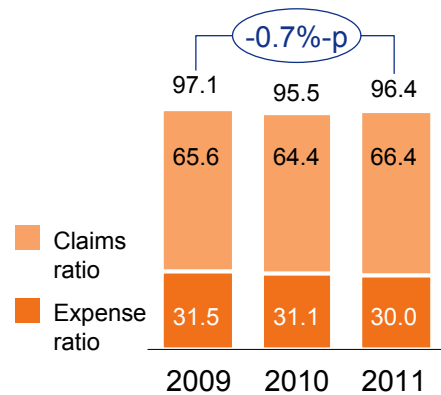
## Operating profit (EUR mn)



## Highlights

- Number of Allianz clients: 984,840
- Number of brokers: 13,402
- Local regulatory solvency ratio 128% (P/C) and 119% (Health)

## Combined ratio (%)

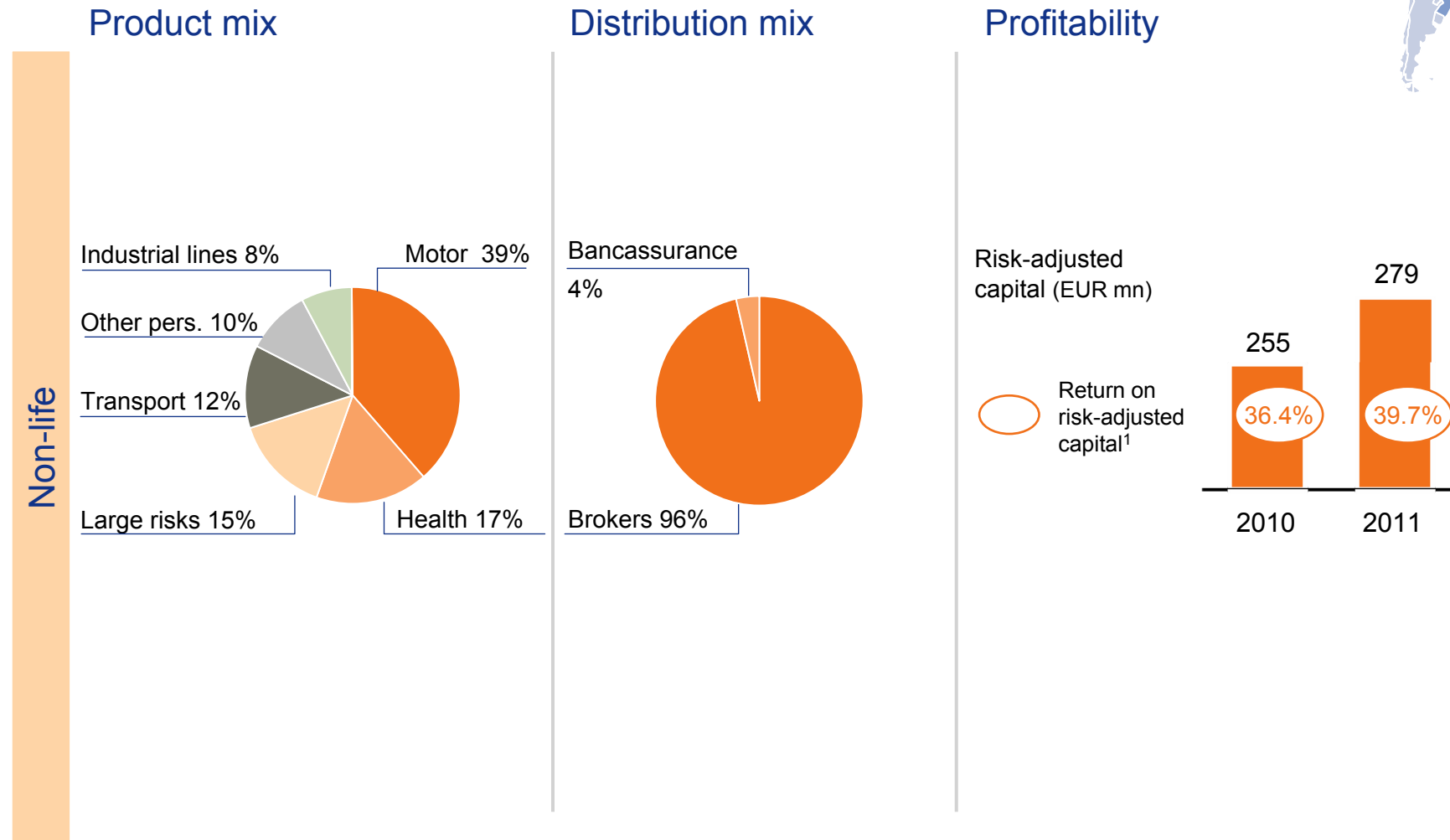


## Strategic topics

- IberoLatam IT platform and business model implementation during 2013
- Strategic growth plan
- Ensure technical profitability to maintain claims ratio
- Increase productivity



## Allianz in Brazil (2)



1) Operating profit as % of RAC eop

# Colombia at a glance

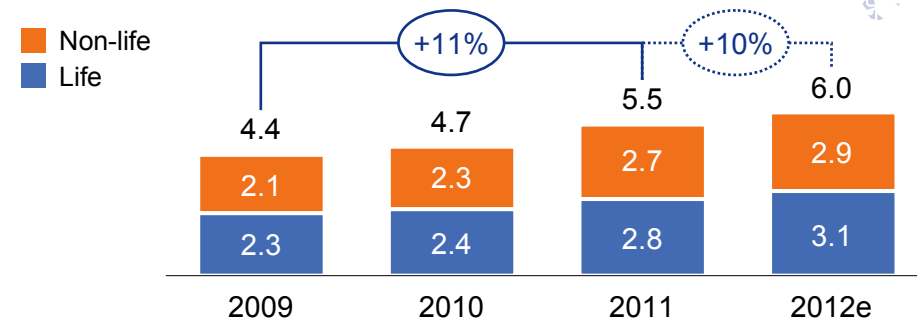


## Key data 2011

- Population: 46mn
- GDP (EUR): 255bn
- GDP/capita (EUR): 5,528
- Inflation: 3.7%
- Insurance penetration: 2.3%
- Country rating (S&P): BBB+

## Market size and growth (CAGR)

(Stat.) GPW, EUR bn (growth in local currency)

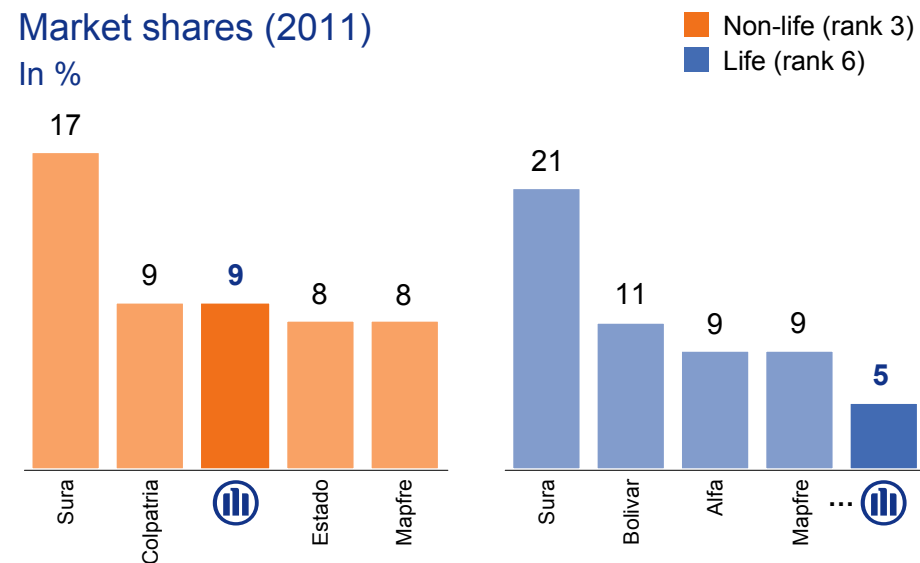


## Market specifics

- Non-life is 41% of the total market and motor is the biggest line of business
- 24 competitors in Non-life and 19 in life
- P/C distribution dominated by a few big brokers
- Main distribution channels in life market are multi-agents and bankassurance

## Market shares (2011)

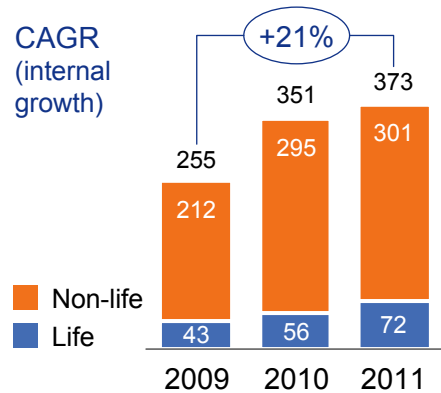
In %



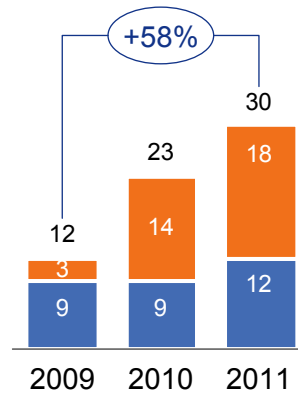


# Allianz in Colombia (1)

Revenues (EUR mn)



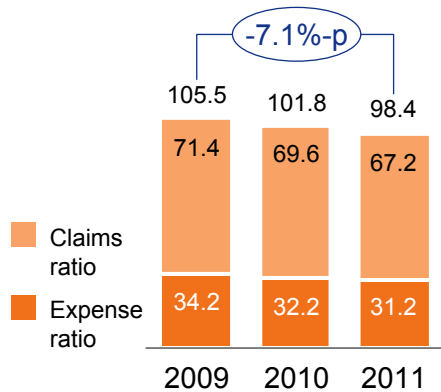
Operating profit (EUR mn)



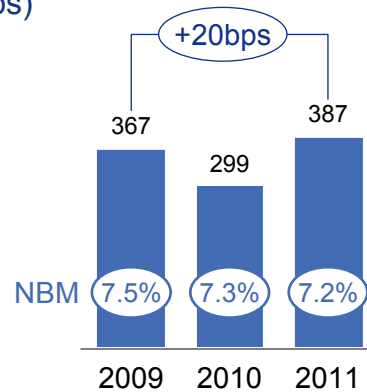
Highlights

- Number of Allianz clients: 451,321
- Number of agents: 2,487
- Local regulatory solvency 176% Non-life and 136% L/H

Combined ratio (%)



Margin on reserves (bps)



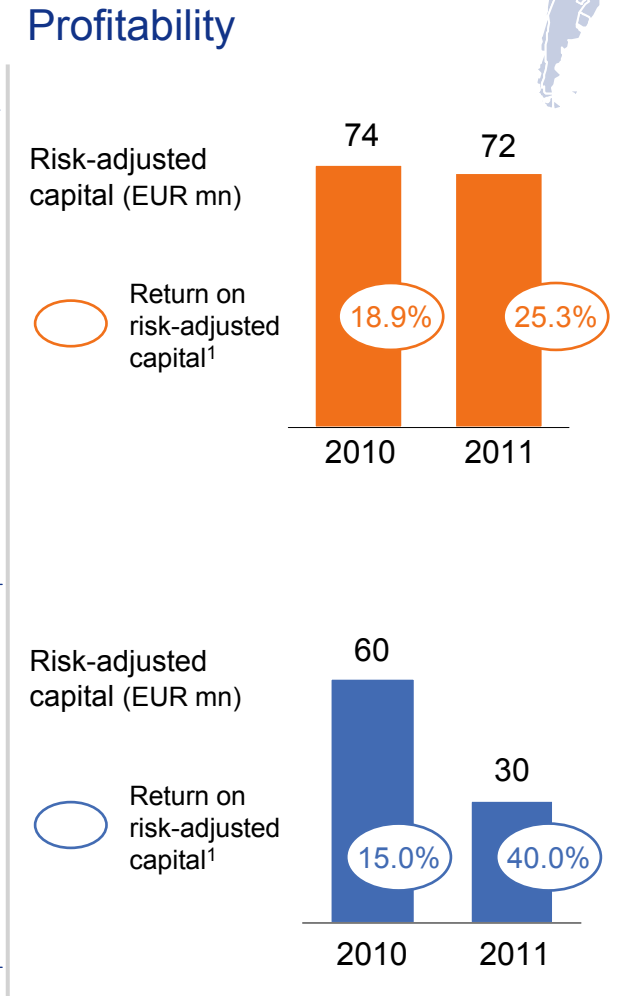
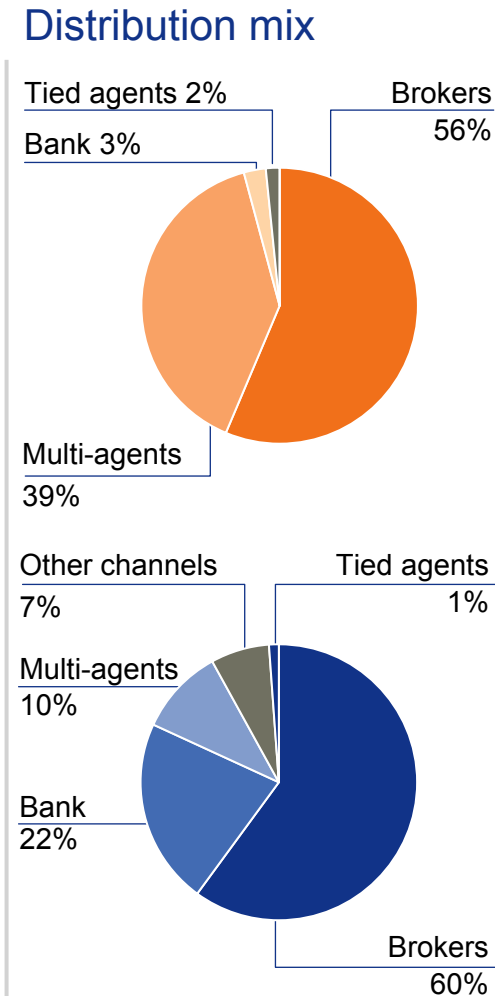
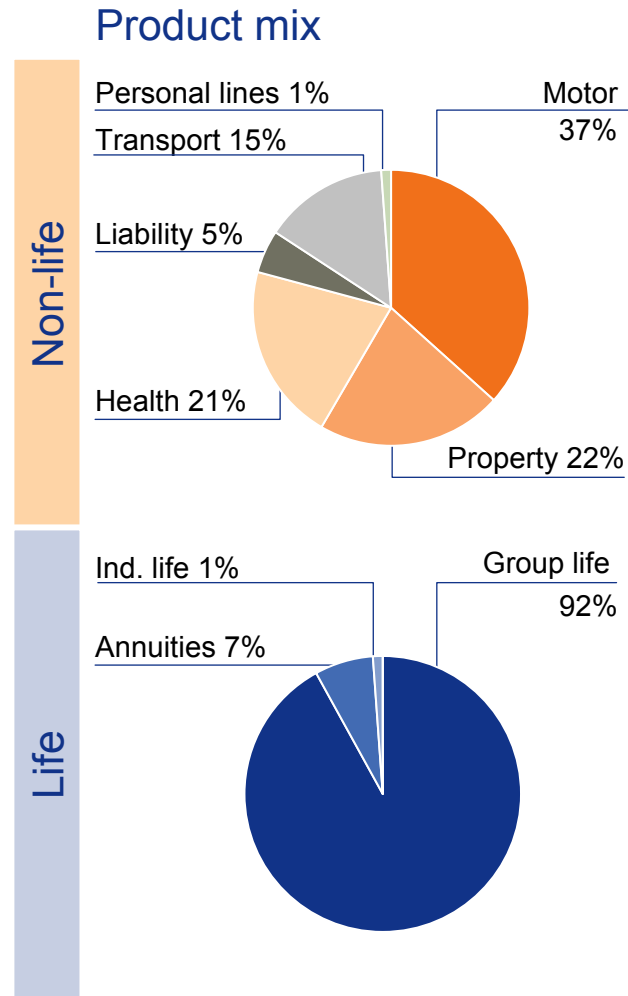
Strategic topics

- Complete transformation to the new business model
- Significant increase of productivity
- Aggressive expansion of the retail distribution network





# Allianz in Colombia (2)



1) Operating profit as % of RAC eop

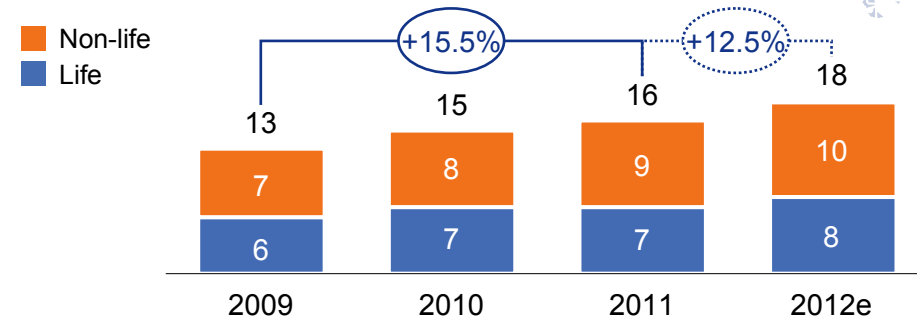
# Mexico at a glance

## Key data 2011

- Population: 112mn
- GDP (EUR): 816bn
- GDP/capita (EUR): 7,285
- Inflation: 3.8%
- Insurance penetration:  
Non-life: 2.3%                      Life: 0.9%
- Country rating (S&P): A-

## Market size and growth (CAGR)

(Stat.) GPW, EUR bn (growth in local currency)

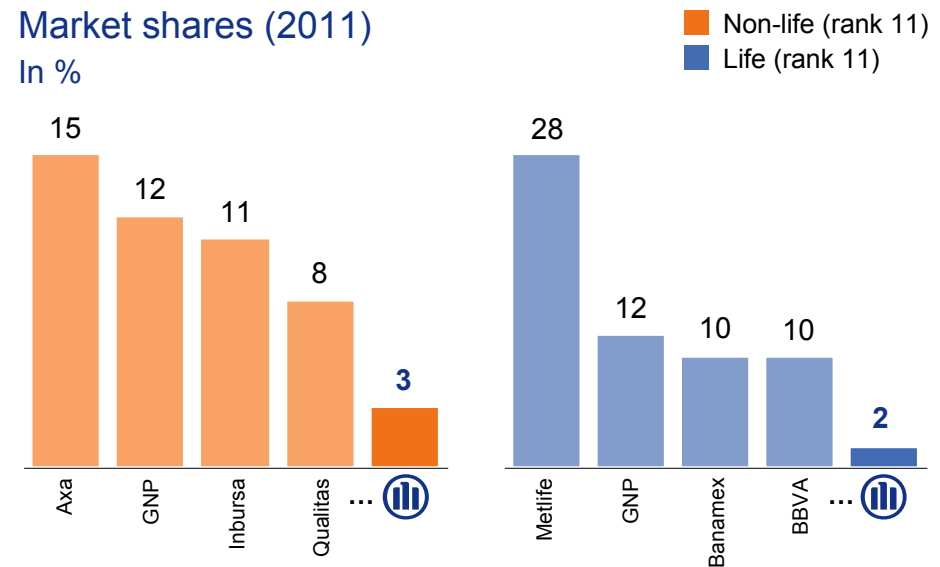


## Market specifics

- The insurance sector is the 2nd largest in Latin America
- Concentrated market with top 5 players sharing 50% of the market
- Brokers and tied agents still the main distribution channels, however banks are gaining importance

## Market shares (2011)

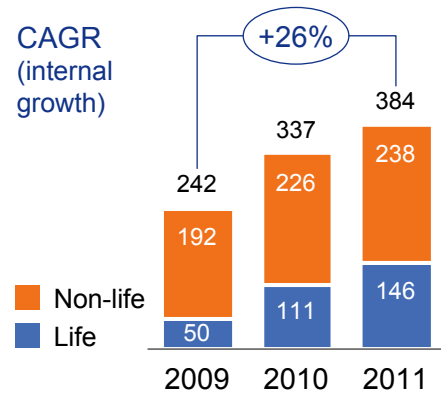
In %



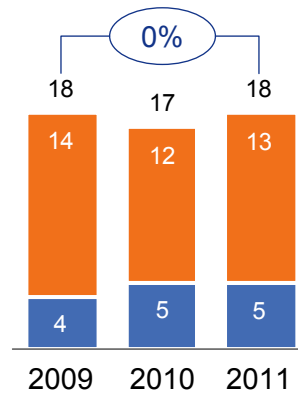


# Allianz in Mexico (1)

## Revenues (EUR mn)



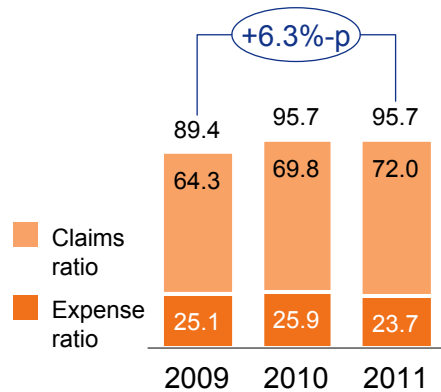
## Operating profit (EUR mn)



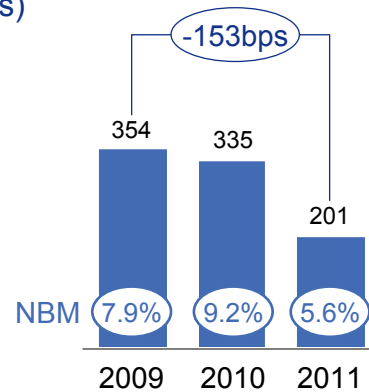
## Highlights

- Strong growth driven by all LoBs
- 600,000 clients with 379 employees as of year-end 2011
- Local regulatory solvency ratio 183% per 2011

## Combined ratio (%)



## Margin on reserves (bps)

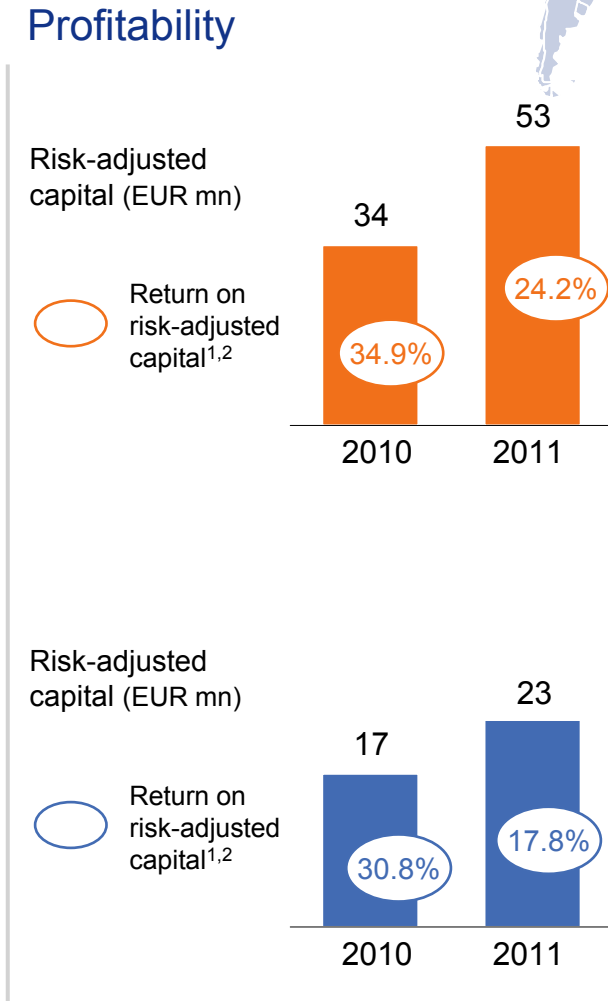
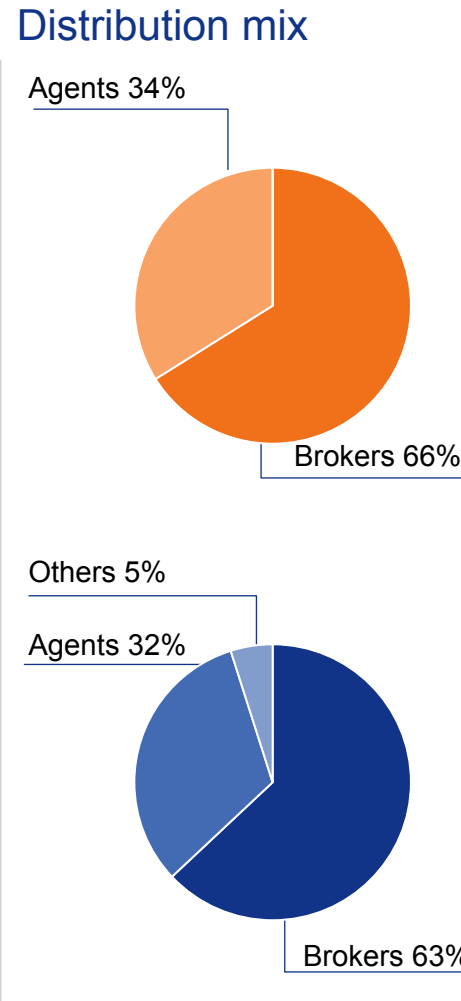
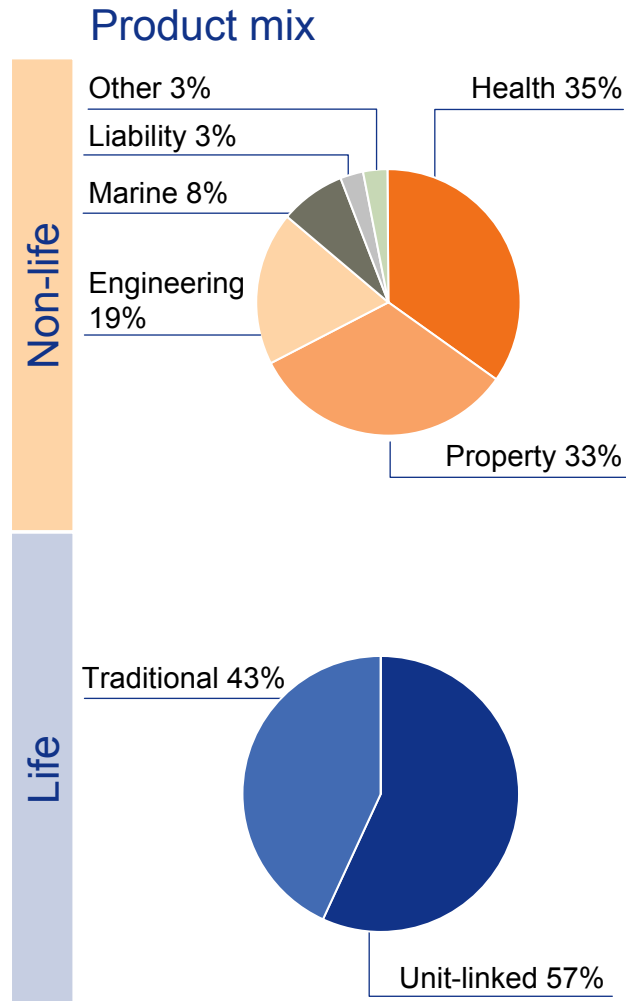


## Strategic topics

- Process standardization and simplification based on convergence to the regional business model
- Enhance current individual and middle market products
- Analyze the possibility of market entry in motor



## Allianz in Mexico (2)



1) Operating profit as % of RAC eop  
 2) Change in RAC methodology in 2011

# Argentina at a glance

## Key data 2011

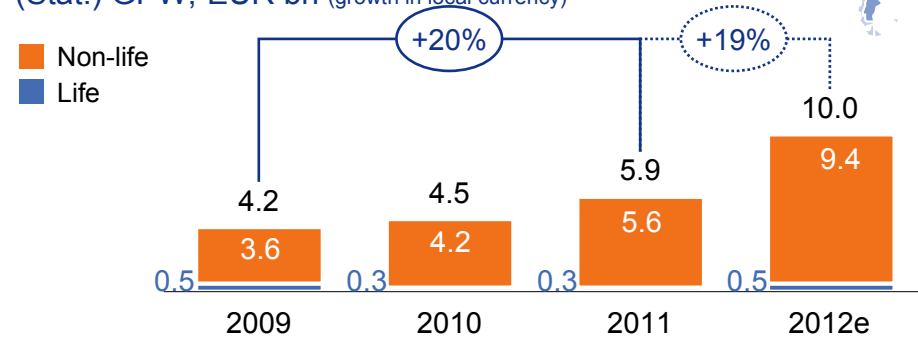
- Population: 41mn
- GDP (EUR): 313bn
- GDP/capita (EUR): 7,624
- Inflation: 25%
- Insurance penetration:  
Non-life: 2.9%      Life: 0.4%
- Country rating (S&P): B

## Market specifics

- More than 150 insurance companies
- New reinsurance legislation, creating local reinsurance market
- Compulsory repatriation of investments abroad
- Motor insurance expected to grow as automobile production and sales continue expanding
- Nacion (state company) aggressively entering into all lines of business

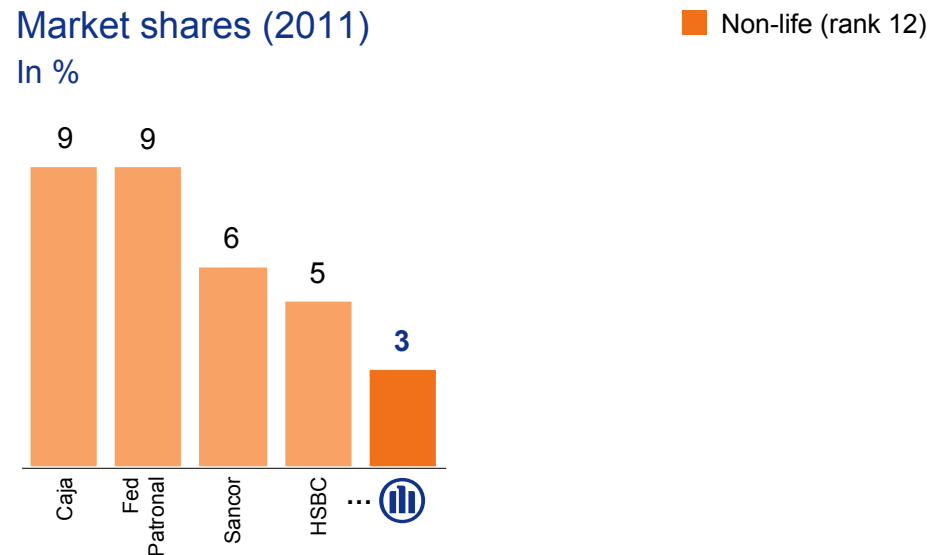
## Market size and growth (CAGR)

(Stat.) GPW, EUR bn (growth in local currency)



## Market shares (2011)

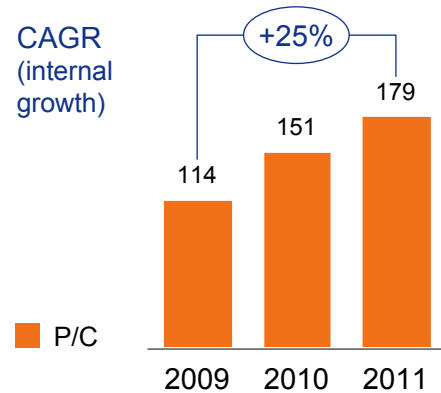
In %



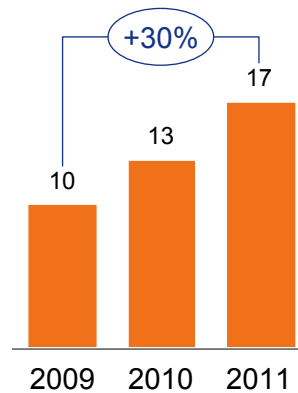


# Allianz in Argentina (1)

Revenues (EUR mn)



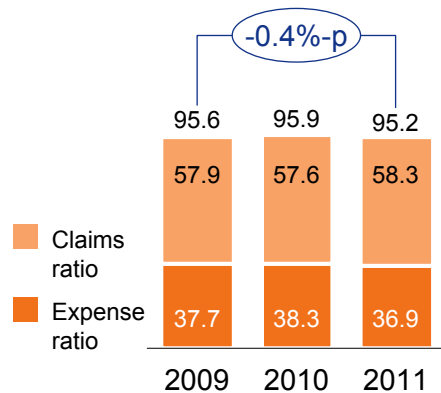
Operating profit (EUR mn)



## Highlights

- Balanced portfolio mix
- Best profitability in the market in the last 5 years
- Number of Allianz clients: 185,854
- Number of agents: 3,177
- Local regulatory solvency ratio 145% per 2011

Combined ratio (%)

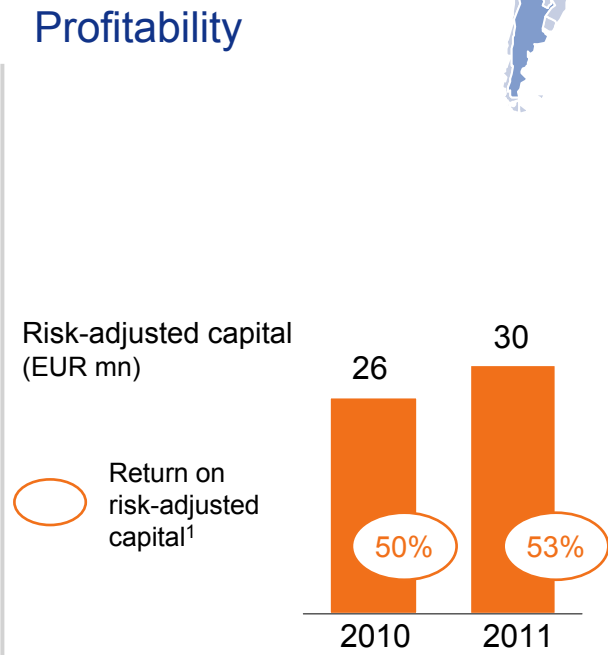
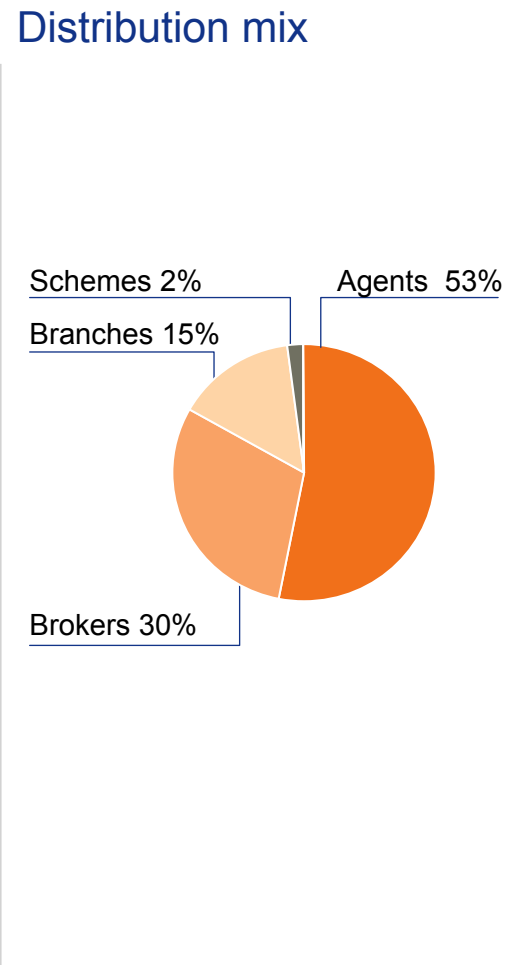
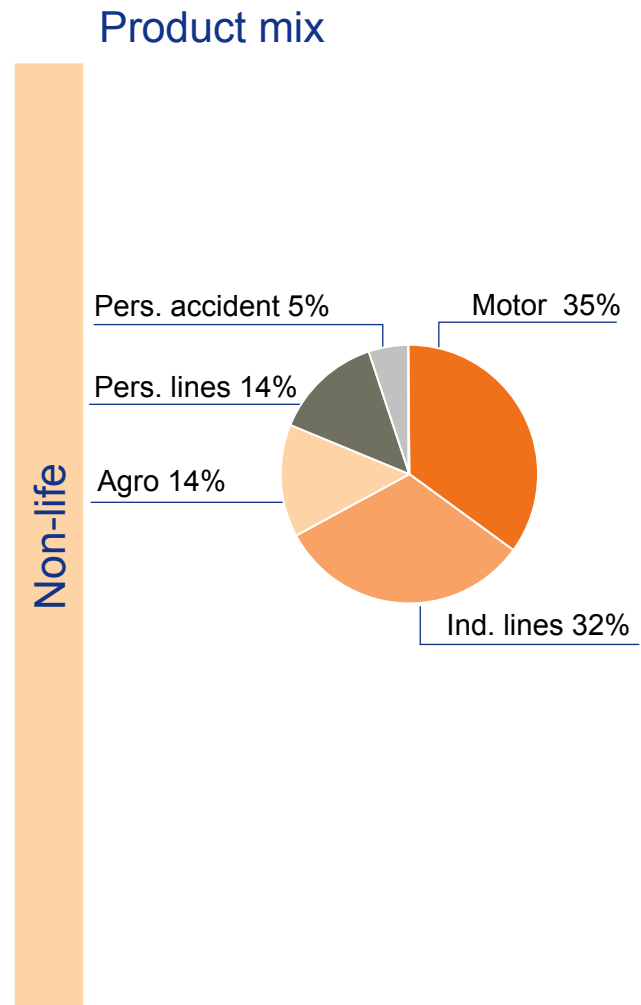


## Strategic topics

- Simplification of business model based on product, process and system standardization
- Agents strategy: expand the channel through combined strategies based on new agents and higher penetration in portfolios
- Set up a reinsurance company in July 2012



# Allianz in Argentina (2)



1) Operating profit as % of RAC eop

Underwriting  
excellence

Anthony J. Bradshaw  
Head of Global P/C  
Allianz SE

Milan, July 18, 2012

# Capital Markets Day

Allianz 



# Agenda

- 1** Introduction to Global P/C
- 2** Some recent examples
- 3** What's coming up ...
- 4** Conclusion and key take-aways

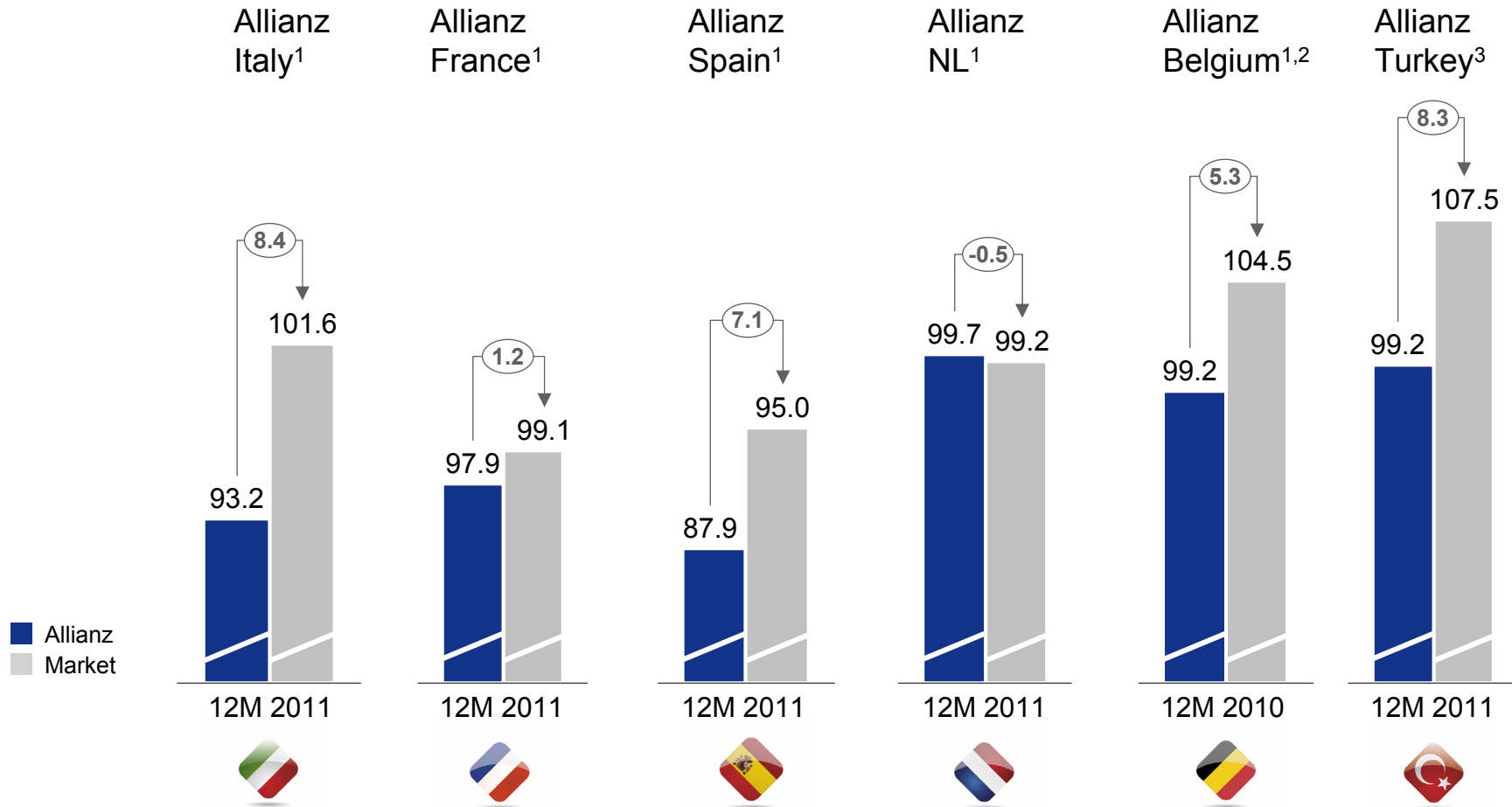
## Introduction to Global P/C



- Launched 1 Sep 2011 as a direct follow-on of Sustainability and other strategic initiatives
- Strengthen governance of P/C activities (e.g. implementation of Group Underwriting Committee) and give P/C topics a “natural” home
- Support OEs and attack improvement areas
- Drive value creation and build competitive advantage via world-class technical management

## Several outperforming Allianz OEs with strong technical focus and Global P/C support

Total P/C, CR (%), 2011



1) Market CRs according to local GAAP  
 2) Both OE and market figures are from 2010  
 3) Both figures from local GAAP accounting standards

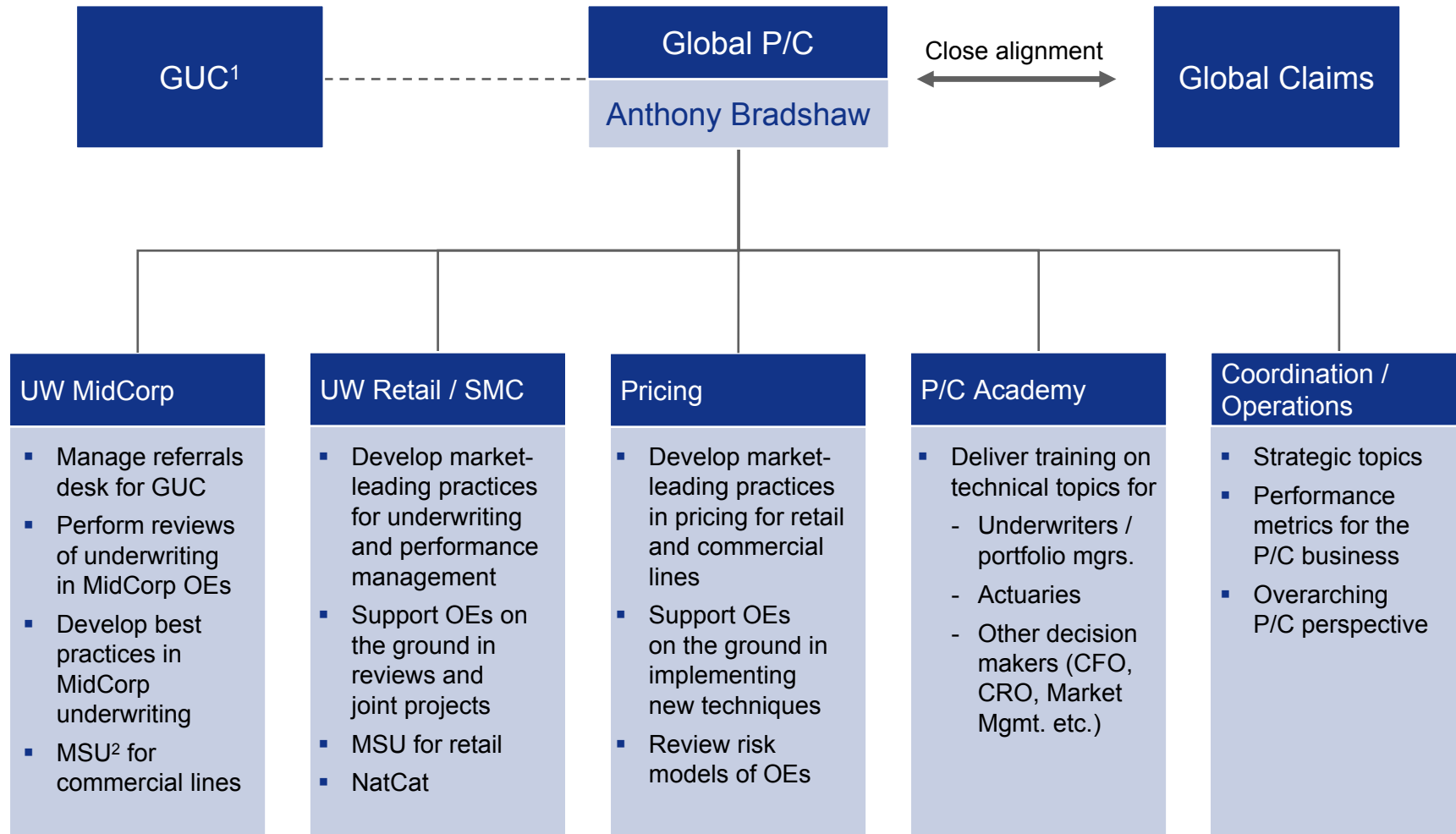
## Some OEs have already developed comprehensive UW excellence

UK Commercial combined ratios 2003 – 2011 (%)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	GPW CAGR 2005/10 (%)
Allianz	94.1	90.5	91.4	92.4	98.3	86.9	89.3	95.1	95.5	+3.6
AXA	106.4	102.6	102.5	101.4	101.4	99.0	100.3	96.0	107.0	-6.2
Aviva	98.6	97.0	93.9	95.8	106.0	99.0	98.0	96.0	105.0	-8.0
RSA	100.2	103.9	95.5	97.4	97.6	97.6	96.0	101.1	100.0	-4.0
Zurich	99.0	93.0	92.0	117.4	104.8	95.7	95.0	99.7	99.0 <sup>1</sup>	-8.4

 We are recognized as a profitable, stable and consistent player in the market

# Global P/C – key to leverage strength of Allianz’ P/C franchise



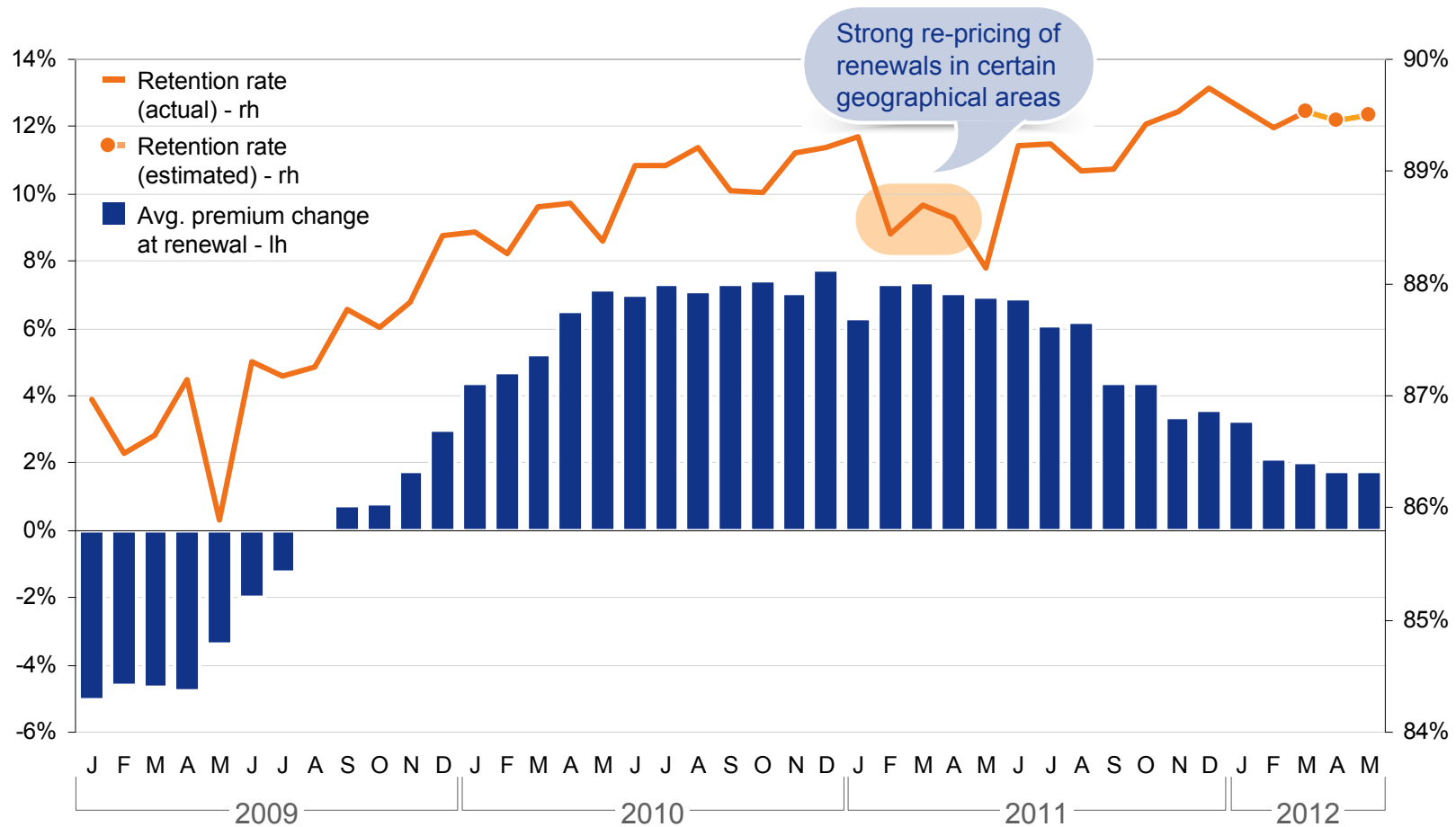
1) GUC = Global Underwriting Committee  
 2) MSU = Minimum Standards of Underwriting

# Agenda

- 1 Introduction to Global P/C
- 2 Some recent examples**
- 3 What's coming up ...
- 4 Conclusion and key take-aways

# Profit or margin? Leading edge pricing techniques can sometimes give both

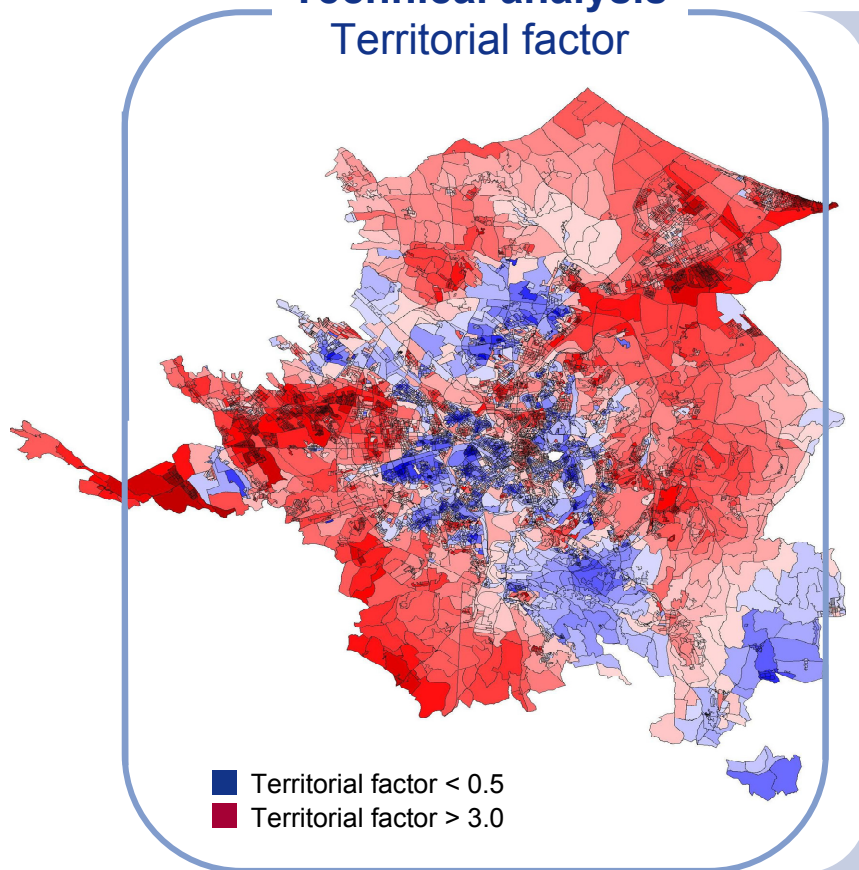
Allianz OE: MTPL private cars (in %)



## Most sophisticated Allianz OEs sometimes have “much more in reserve”

Allianz OE: personal lines example

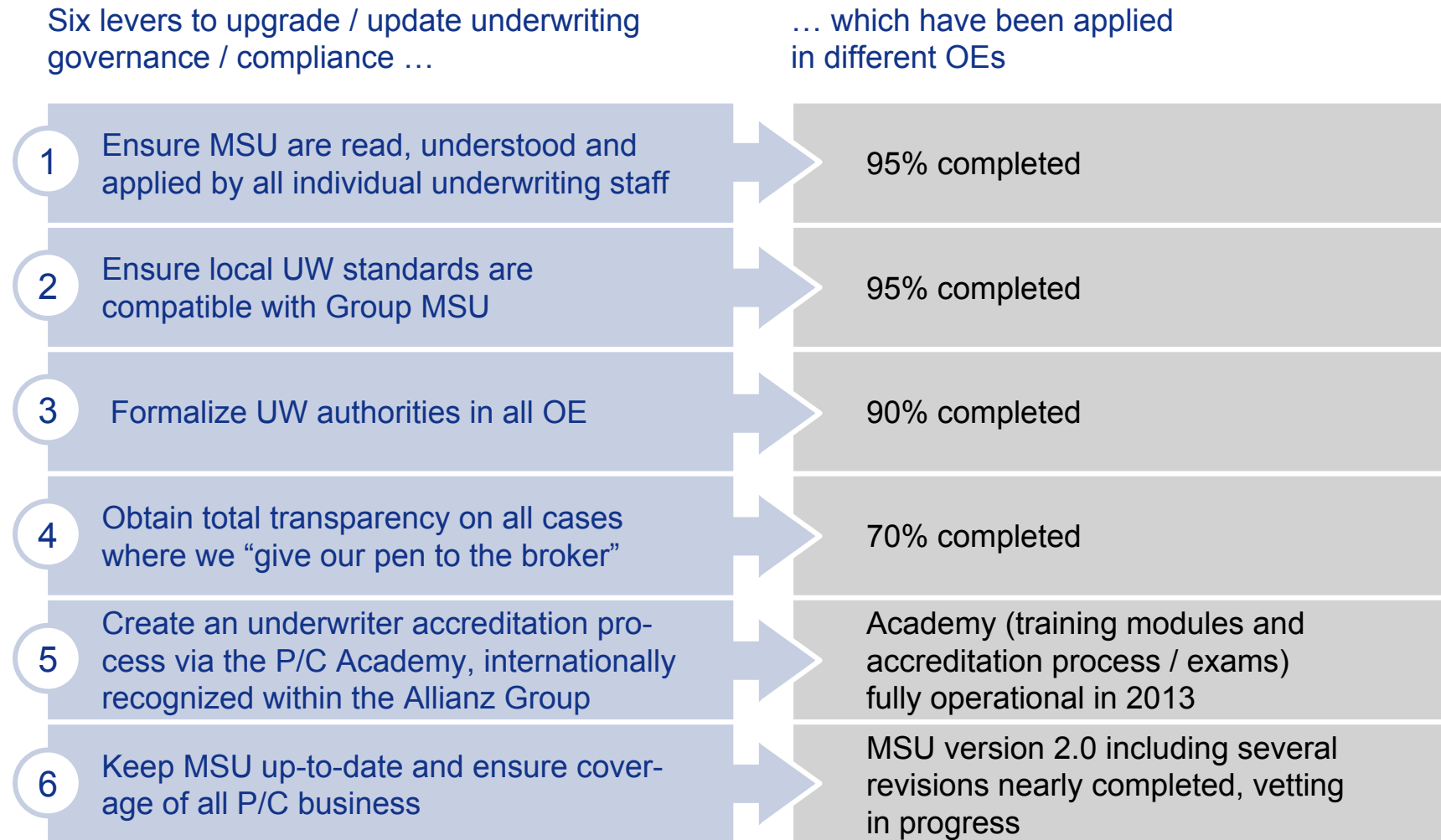
### Technical analysis Territorial factor



- Pricing and segmentation is better than peers ...
- ... but price spread of factor 6 still to be exploited
- New business and portfolio steering can take different forms:
  - Pricing
  - Selection criteria
  - Promotional / marketing activities
- OE carefully monitors its peers in order to stay ahead of competition



## MidCorp support: moving Allianz to the next level



## Strategic pricing and underwriting under varying trading conditions

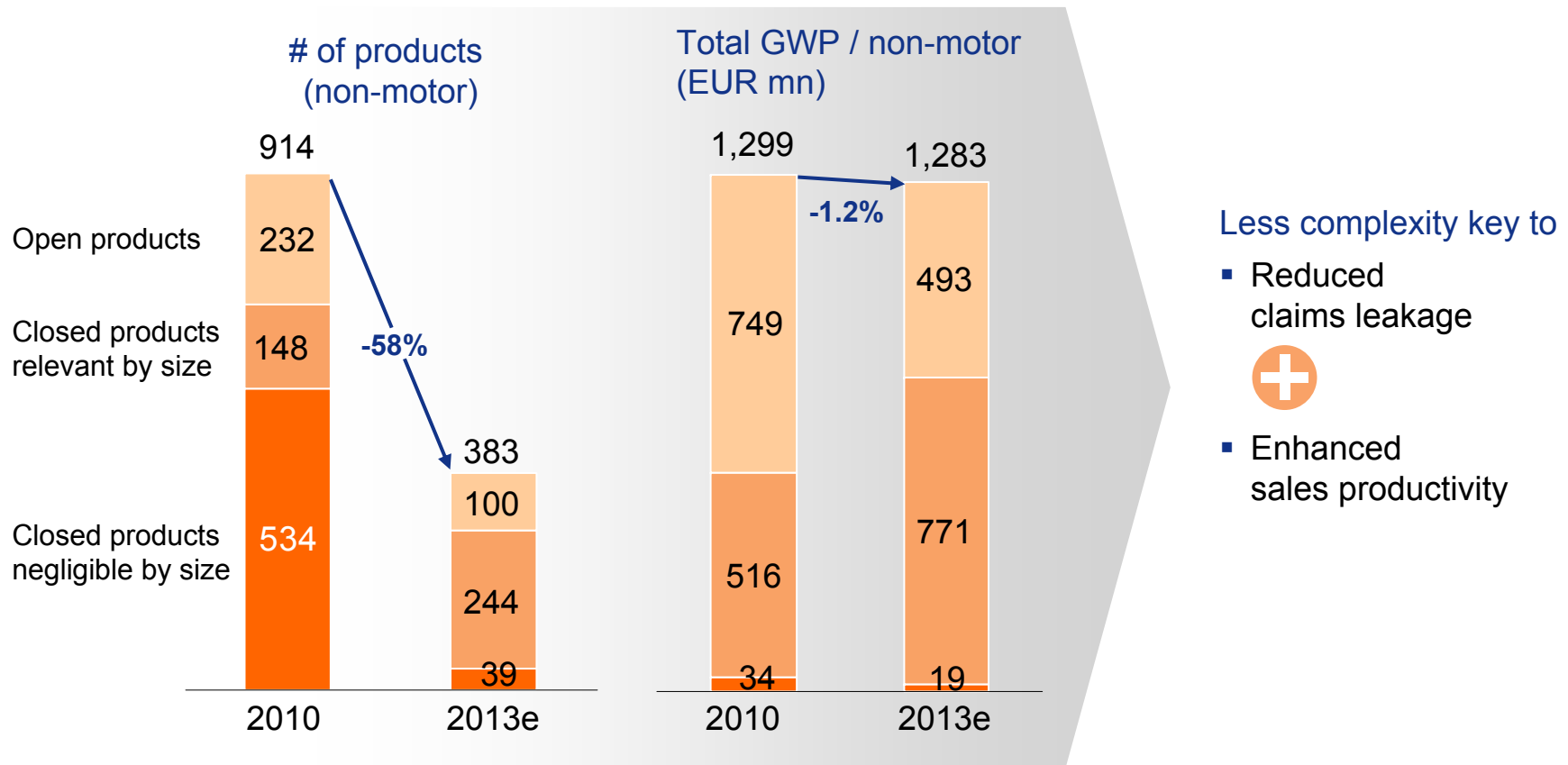
As trading conditions vary, Global P/C supports OEs in the strategic positioning with respect to pricing and underwriting

Allianz OE example (motor retail)

$\Delta$ policies x 1,000	$\Delta$ premiums EUR mn	$\Delta$ UW result EUR mn	
-10	+62	+68	
0	+40	+41	Improvement in customer count, GPW and profit vs. base case
+7	+13	+10	
+9	+5	+1	
+15	-17	-26	
+28	-69	-85	

# Reducing complexity – enhancing sales productivity

## Allianz OE example



▶ ... to be replicated across OEs of our P/C universe

# Agenda

- 1 Introduction to Global P/C
- 2 Some recent examples
- 3 What's coming up ...**
- 4 Conclusion and key take-aways

# Understanding performance as business is being written

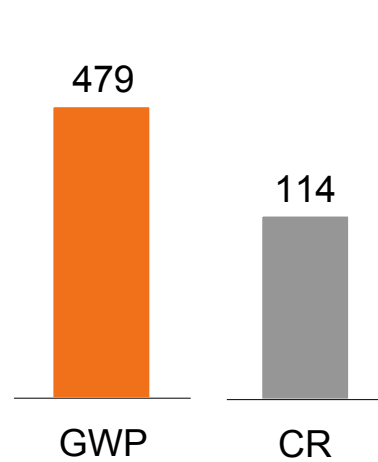
OE EXAMPLE

Month	Average premium (1)	Projected LR By UW month (2)	% Discount (3)	Discount Leakage (4)	Tariff Leakage (5)	Total Leakage (6)=(4)+(5)
January 2010	428.4	79.1%	-8.2%	-3.8%	-8.7%	-12.5%
February 2010	424.4	79.1%	-8.3%	-3.9%	-8.7%	-12.6%
March 2010	418.7	78.7%	-8.2%	-3.7%	-8.7%	-12.4%
April 2010	415.3	77.0%	-7.1%	-3.2%	-8.1%	-11.3%
May 2010	416.3	75.8%	-7.0%	-3.0%	-7.5%	-10.6%
June 2010	416.1	75.4%	-7.3%	-3.0%	-7.4%	-10.4%
July 2010	424.8	70.4%	-7.0%	-2.4%	-4.6%	-7.0%
August 2010	421.3	70.1%	-7.3%	-2.3%	-4.4%	-6.7%
September 2010	435.9	68.4%	-7.4%	-2.2%	-3.5%	-5.7%
October 2010	443.2	68.7%	-7.5%	-2.3%	-3.4%	-5.7%
November 2010	453.3	68.8%	-7.2%	-2.2%	-3.6%	-5.8%
December 2010	481.4	67.7%	-8.0%	-2.2%	-3.1%	-5.3%
<b>Total 2010</b>	<b>430.8</b>	<b>73.4%</b>	<b>-7.5%</b>	<b>-2.9%</b>	<b>-6.0%</b>	<b>-8.9%</b>
January 2011	452.2	66.1%	-7.6%	-1.9%	-2.8%	-4.7%
February 2011	453.8	64.3%	-7.8%	-1.7%	-2.2%	-3.9%
March 2011	449.6	64.4%	-7.7%	-1.8%	-2.3%	-4.1%
April 2011	445.0	63.8%	-7.0%	-1.6%	-2.4%	-4.0%
May 2011	446.3	63.3%	-7.0%	-1.5%	-2.3%	-3.7%
June 2011	448.9	63.0%	-7.1%	-1.4%	-2.3%	-3.7%
July 2011	454.5	63.9%	-6.3%	-1.4%	-2.7%	-4.0%
August 2011	450.0	63.5%	-6.4%	-1.3%	-2.5%	-3.8%
September 2011	457.8	63.3%	-6.4%	-1.3%	-2.4%	-3.7%
October 2011	463.1	63.5%	-6.6%	-1.4%	-2.3%	-3.6%
November 2011	473.1	64.2%	-6.4%	-1.4%	-2.4%	-3.8%
December 2011	498.4	63.0%	-7.1%	-1.4%	-2.1%	-3.5%
<b>Total 2011</b>	<b>457.5</b>	<b>63.8%</b>	<b>-7.0%</b>	<b>-1.5%</b>	<b>-2.4%</b>	<b>-3.9%</b>
January 2012	469.7	63.3%	-6.5%	-1.3%	-2.2%	-3.5%
February 2012	466.7	63.4%	-6.5%	-1.3%	-2.3%	-3.5%
March 2012	461.9	64.0%	-6.2%	-1.2%	-2.6%	-3.8%
April 2012	462.7	63.4%	-5.7%	-1.1%	-2.5%	-3.7%
May 2012	464.9	63.7%	-5.6%	-1.1%	-2.7%	-3.8%
<b>Total 2012</b>	<b>465.0</b>	<b>63.6%</b>	<b>-6.0%</b>	<b>-1.2%</b>	<b>-2.5%</b>	<b>-3.7%</b>

## Several areas remain to be improved – attractive performance dividends to be captured

SMC Property Building  
Allianz OE example

12M 2011, EUR mn, %

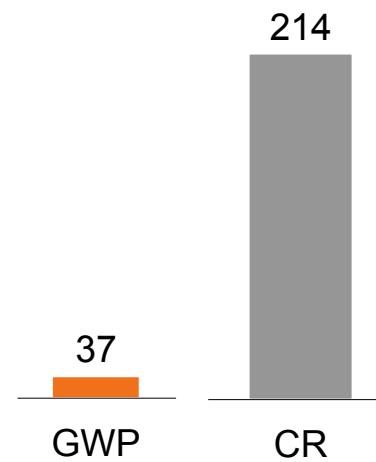


UW loss  
EUR mn

-67

Professional Liability  
Allianz OE example

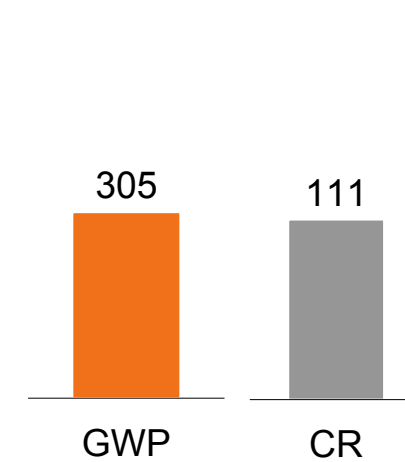
12M 2011, EUR mn, %



-42

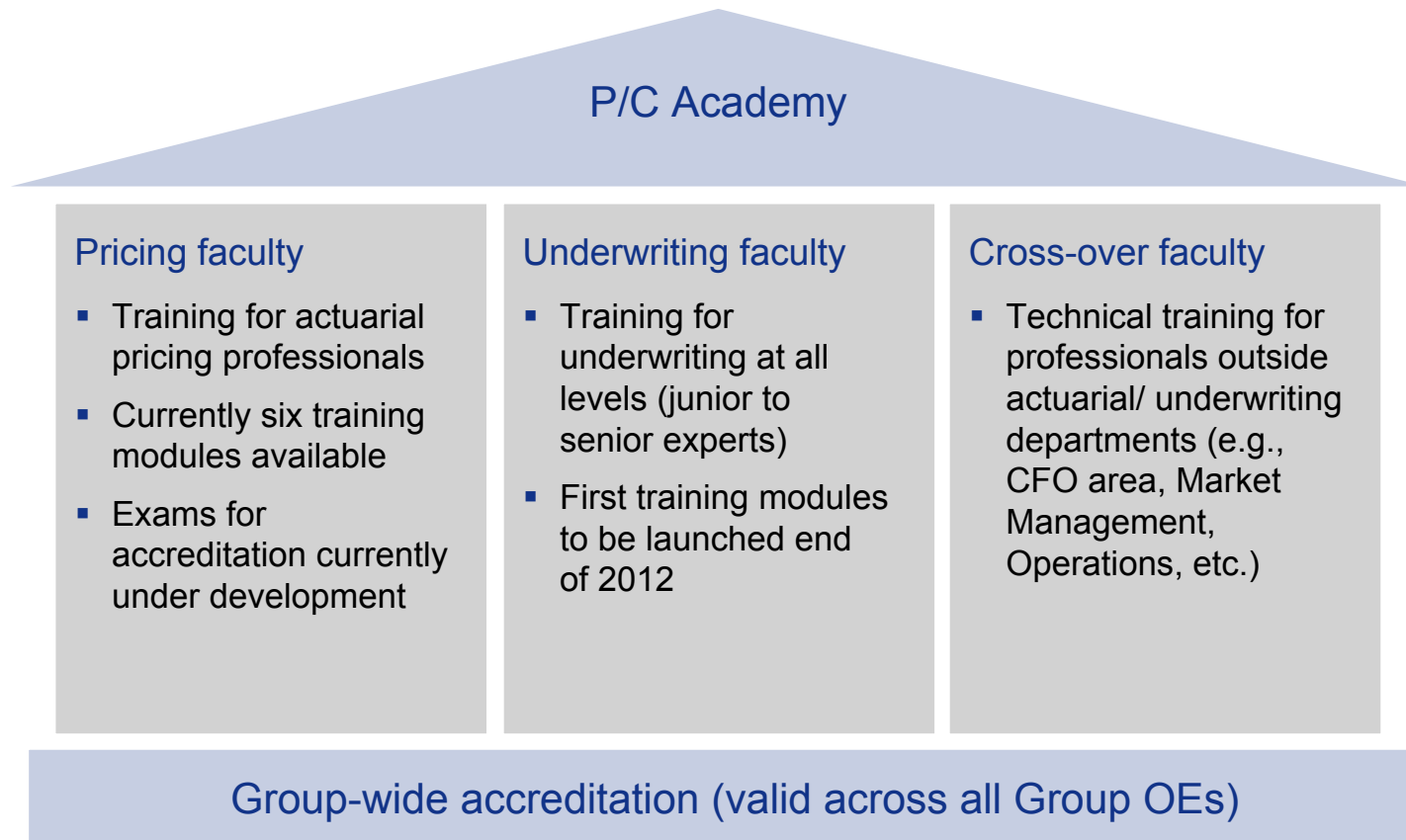
Retail Property  
Allianz OE example

12M 2011, EUR mn, %



-34

## P/C Academy: standardized training and group-wide accreditation in three faculties



# Agenda

- 1 Introduction to Global P/C
- 2 Some recent examples
- 3 What's coming up ...
- 4 **Conclusion and key take-aways**



## Conclusion and key take-aways



- ▶ Excellence in the technical management of P/C insurance is a key value driver
- ▶ Allianz Global P/C's key focus is to accelerate the transition from "knowing" to "doing" – create enduring competitive advantage
- ▶ The work continues as the potential performance dividend remains high
- ▶ Attention will remain on the tools, techniques and most of all the people

# 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.

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