

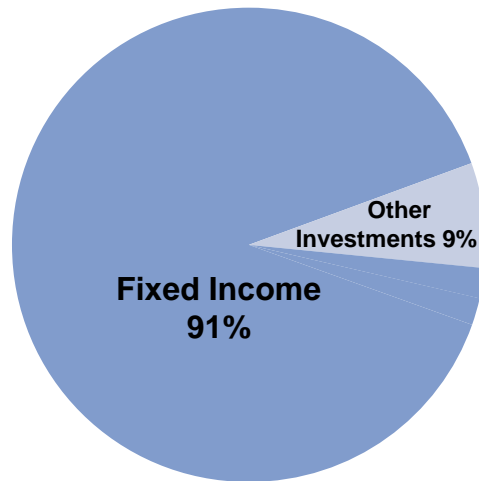
OECD GG SD Forum Session 2: How to attract long-term finance?

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Institutional investors are generally interested in low-carbon technologies

Investment Portfolio of Allianz
(507.5 bn EUR, 2012¹)



- 42 solar and wind parks
- Carbon project investments (REDD² and energy efficiency)
- Gas grid operator in Czech Republic, gas transmission lines in Norway

1) Analyst presentation, www.allianz.com (2013), 2) REDD: Reducing Emission from Deforestation and Forest Degradation

Long-term investments fit our long-term obligations, but...

- Worldwide energy demand continues growing
- Within a low-interest environment, RE¹ and infrastructure investments constitute attractive investment opportunities
- Institutional investors (such as insurers and pension funds) have long-term liabilities due to life and pension contracts



- RE¹ and infrastructure assets fit these obligations, since they provide



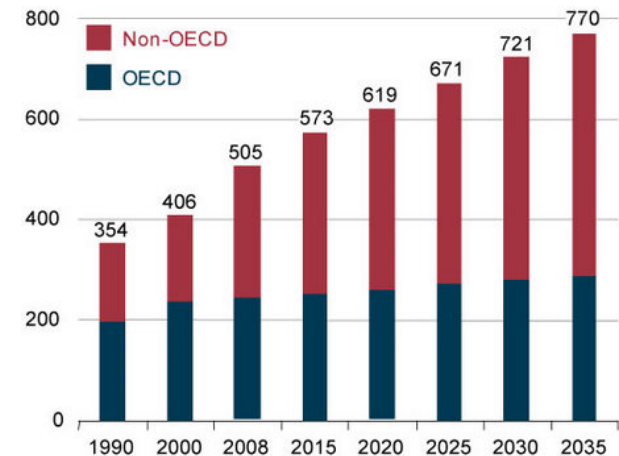
Relatively stable and predictable cash flows / revenues

Low correlation to capital market ups and downs

Diversification of investment portfolio

Relatively inelastic demand (energy constitutes as an essential societal good)

Figure 1. World energy consumption, 1990-2035 (quadrillion Btu)



Source: U.S. Energy Information Administration

1) RE: Renewable energies

...we need reliable conditions, to move further in this direction



- Reliable regulatory framework
- Familiar financial instruments, e. g. (covered) bonds or funds
- Sufficient supply and scale of projects, matching our requirements
- Costs of carbon risks reflected within investment portfolio
- Reviving of carbon price



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