

Jay Ralph – Member of the Board of Management

# Allianz – well positioned in retirement

Commerzbank German Investment Seminar  
New York – January 11th, 2010

INSURANCE | ASSET MANAGEMENT | BANKING



## A world class franchise

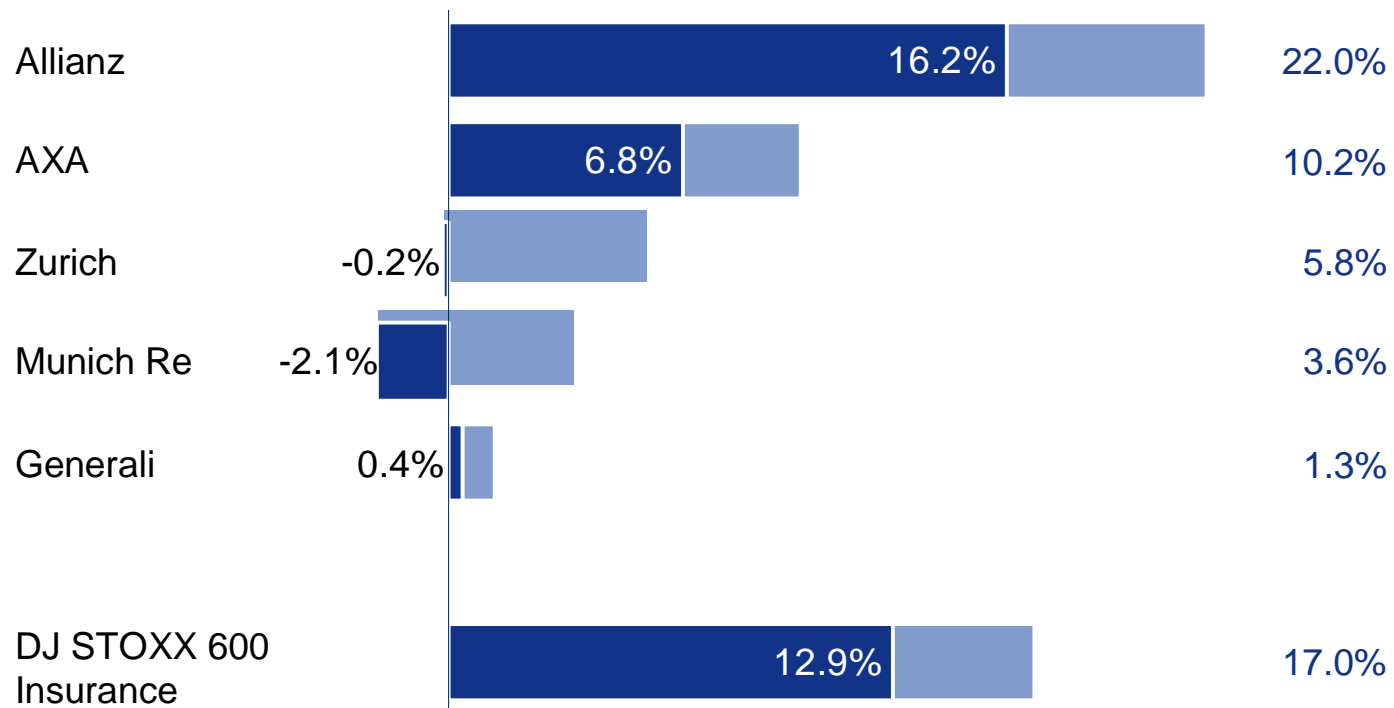
### Excellent business positions

- § Largest P/C insurer worldwide
- § No. 7 in Life business worldwide
- § Top 5 asset manager worldwide
- § Largest single fixed income fund
- § Largest global Assistance provider
- § Worldwide leader in Credit Insurance



## Allianz share performed strongly in 2009

Total return (31.12.2008 - 31.12.2009)



including turn-around cases

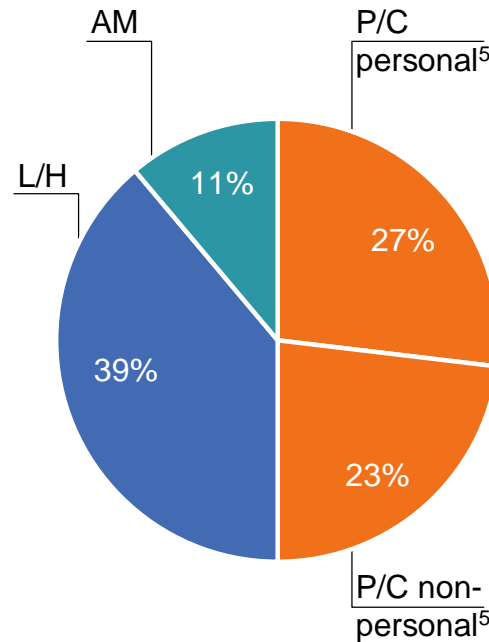
■ Share performance   ■ Dividend<sup>1</sup>

1) Theoretical value generation assuming that dividend is re-invested into underlying stock at the ex-dividend date.

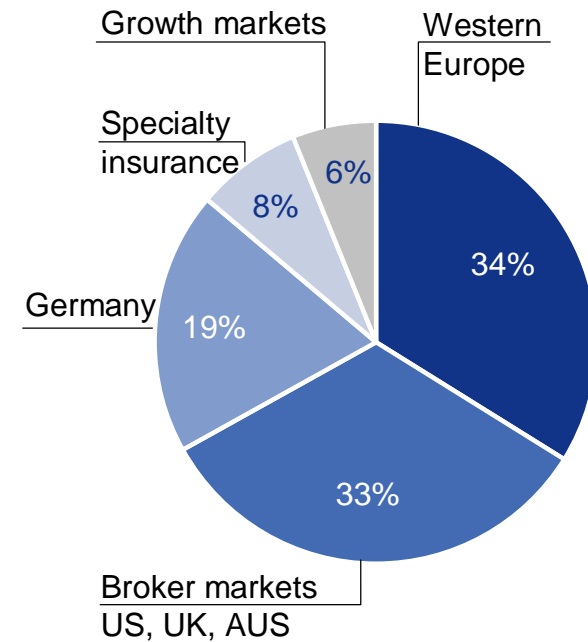
# Scale and attractive diversification

**EUR 93bn** total revenues<sup>1</sup>  
**EUR 878bn** 3rd party AuM<sup>2</sup>  
**EUR 7.4bn** operating profit<sup>1</sup>  
**164%** solvency ratio<sup>2</sup>  
**EUR 40bn** market cap<sup>3</sup>  
**76mn** customers<sup>2</sup>

**Segments<sup>2,4</sup>**  
Operating profit in %



**Regions<sup>2,4</sup>**  
Operating profit in %



1) 12/2008  
 2) 09/2009  
 3) 12/2009  
 4) Relation of positive parts of operating profit  
 5) Approximation based on assumption of same margins

## Excellent position in growth markets

2008

New Europe, Asia-Pacific (excl. Australia)  
Middle East, Africa, South America, Mexico

§ EUR 12.4bn GPW (stat.)<sup>1</sup>

§ EUR 0.6bn operating profit<sup>1</sup>

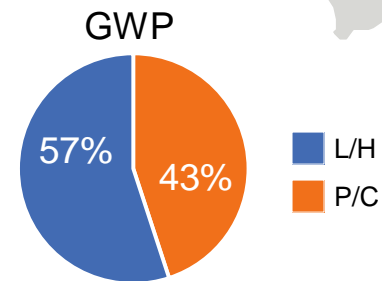
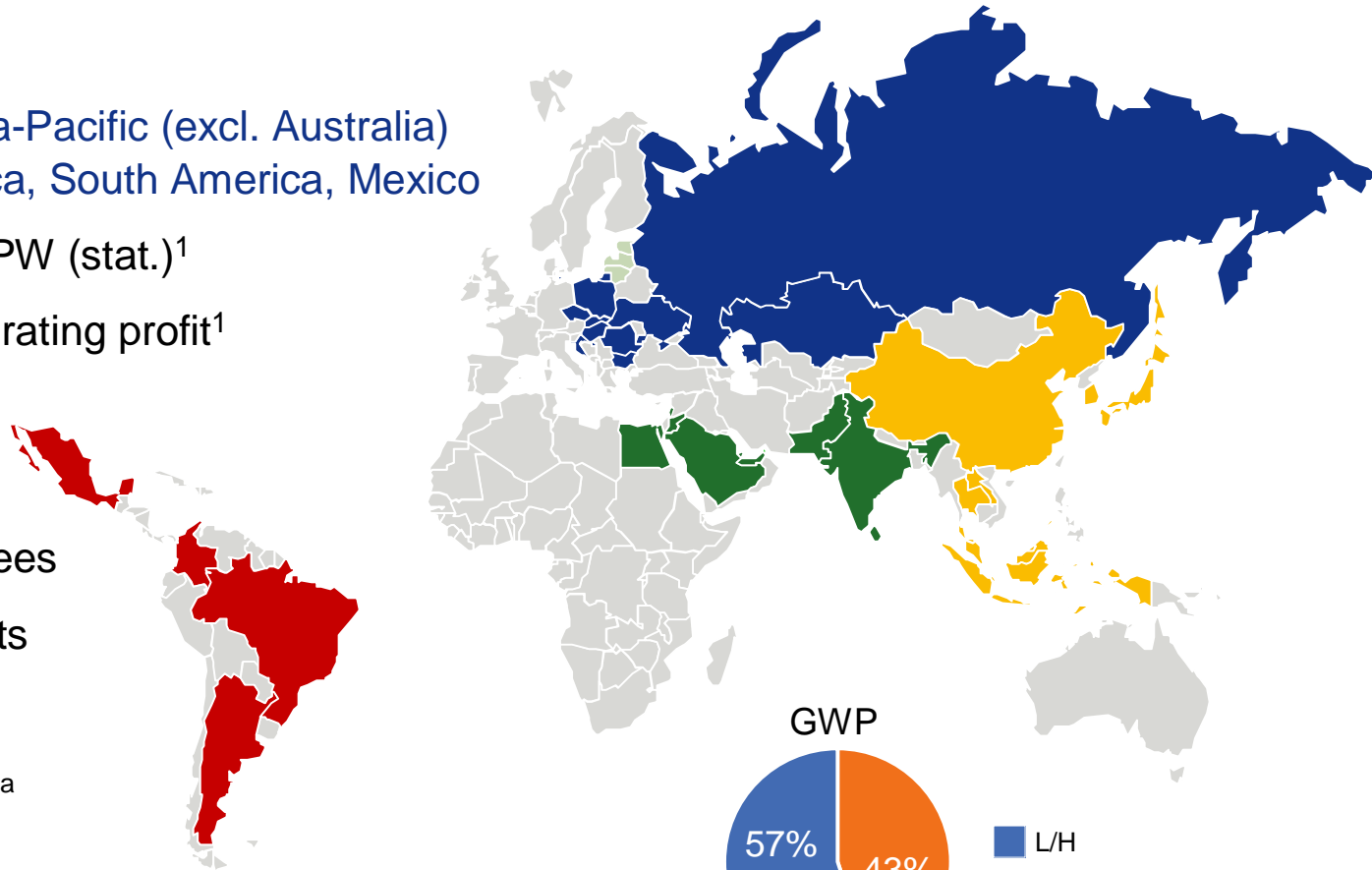
§ 36 markets

§ 28mn clients<sup>2</sup>

§ 50,000 employees

§ >320,000 agents

- Middle East /North Africa
- Asia-Pacific
- New Europe + Russia
- South America, Mexico



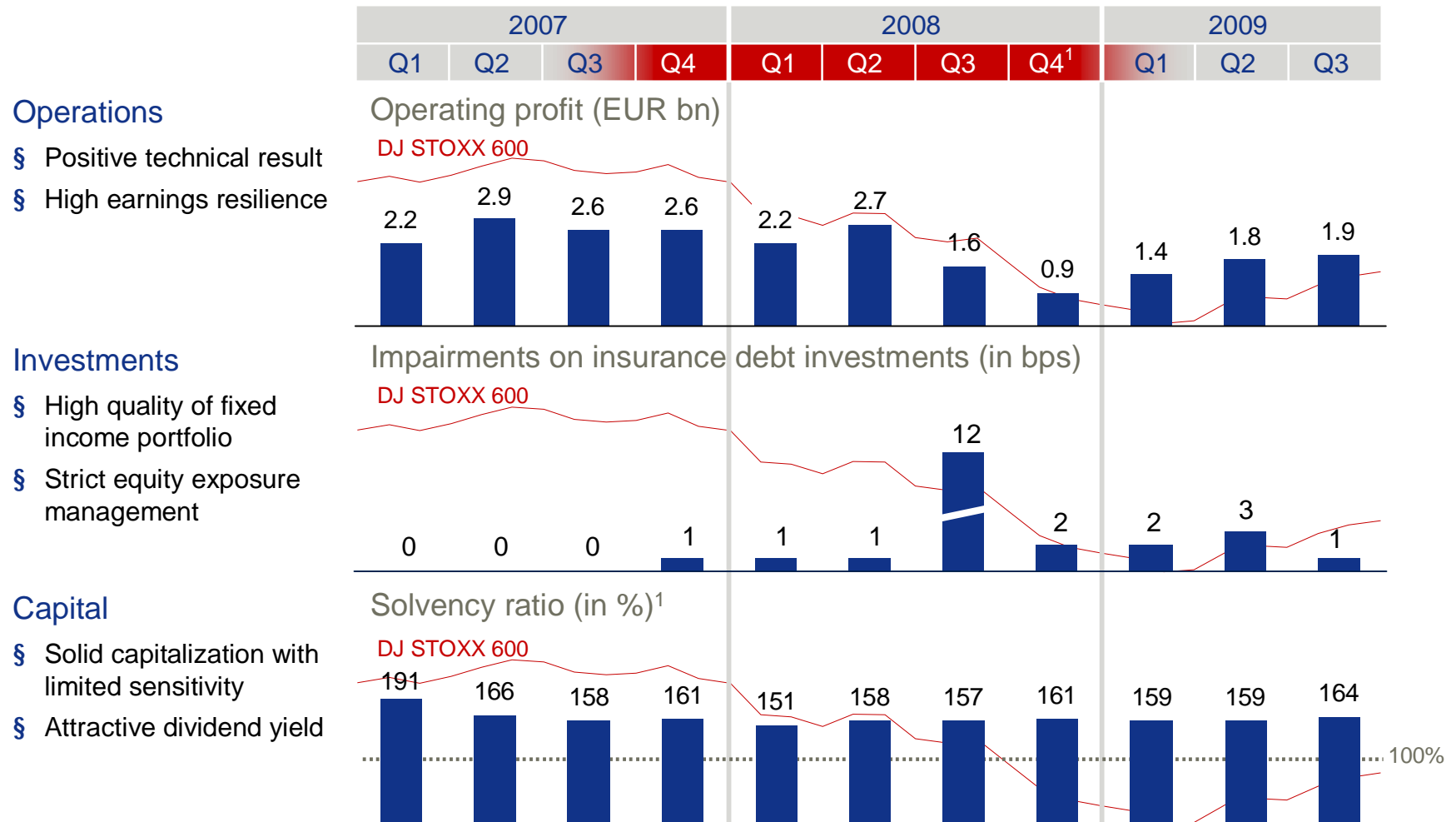
1) incl. non-consolidated companies (Thailand, India)

2) Insurance clients only

## Clear and proven strategy

Operations	<ul style="list-style-type: none"><li>u Long-term savings (L/H, AM)</li><li>u Risk management (P/C)</li><li>u Well diversified by regions, customer groups and distribution channels</li></ul>
Investments	<ul style="list-style-type: none"><li>u Asset allocation determined by liability structure</li><li>u Conservative investment policy</li></ul>
Capital	<ul style="list-style-type: none"><li>u Strong capitalization</li><li>u Transparent capital management with clearly defined targets and attractive dividend policy</li><li>u Very selective M&amp;A</li></ul>

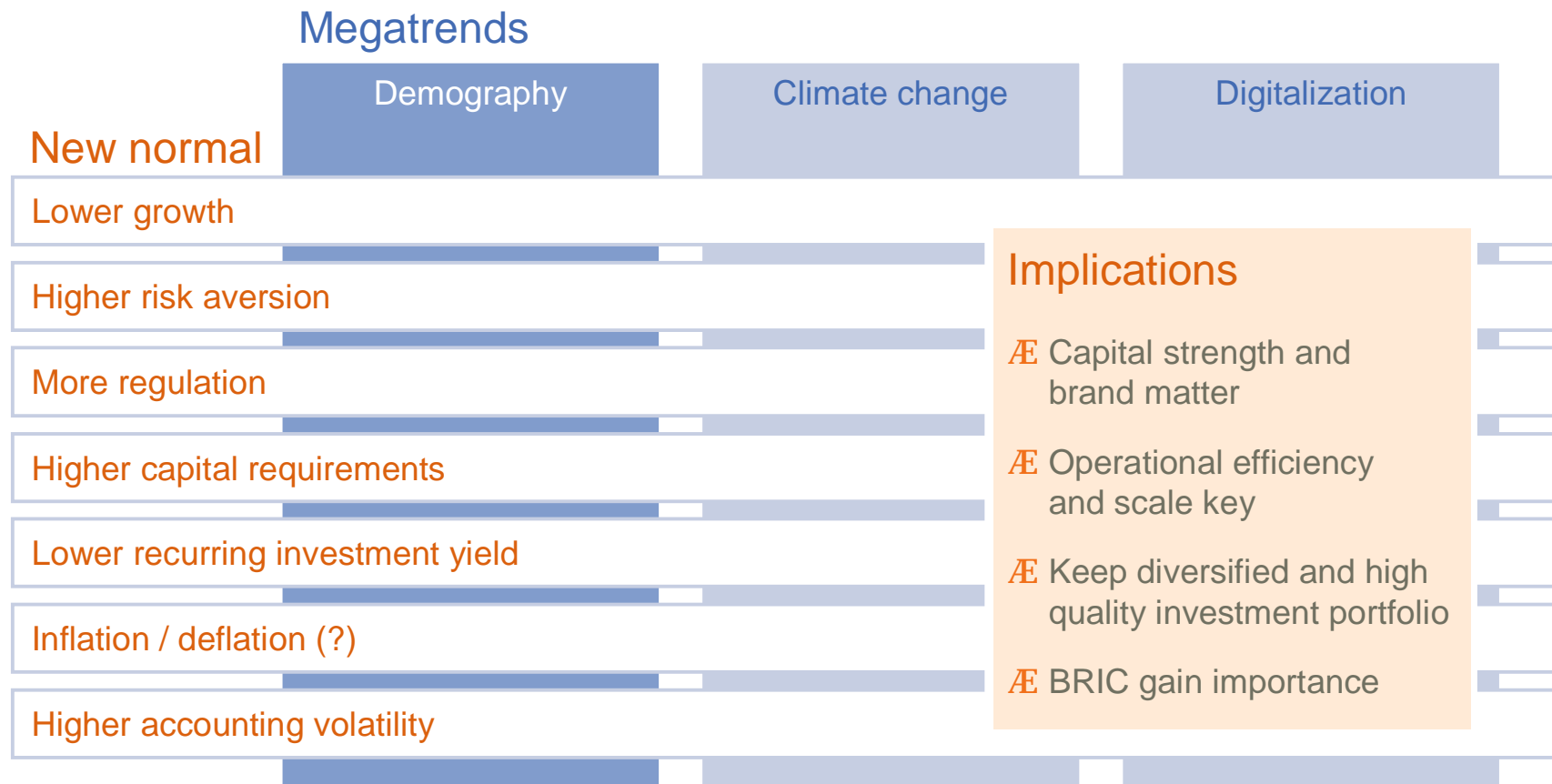
# Strong downside protection proven in the crisis



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1) Q4 2008 pro-forma after sale of Dresdner Bank completed

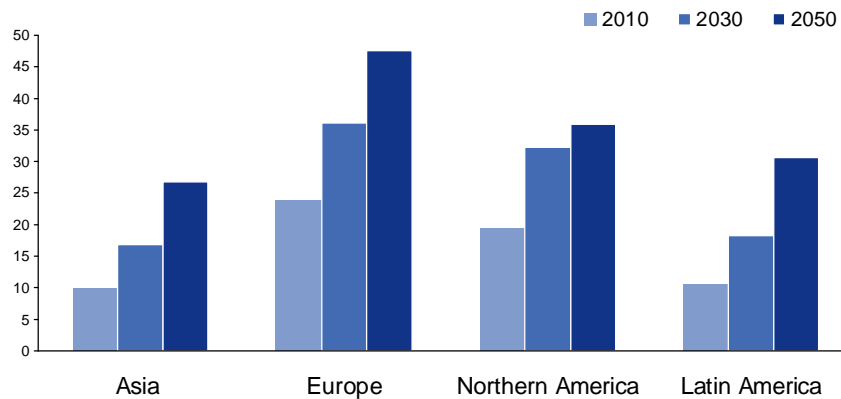
# Industry has to prepare for the “new normal” – but megatrends remain





# Demographic effects amplified by financial market performance

Old-age dependency ratios<sup>1</sup>, 2010 - 2050 (in %)



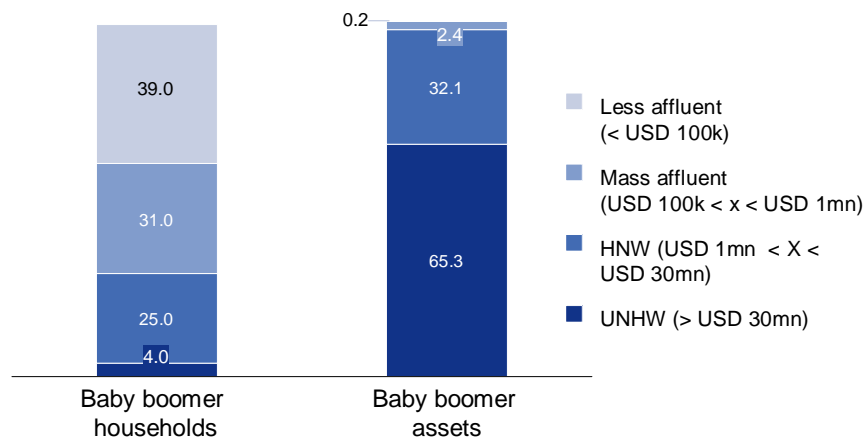
## Demographic issues

- § Longevity rising
- § Rapidly aging societies globally
- § Self-caring population decreasing

## Allianz benefitting via

- § Global presence
- § Strong distribution
- § Attractive product range (life, asset, assistance)

US: Wealth distribution of baby boomer generation (in %)



## Implication for Allianz

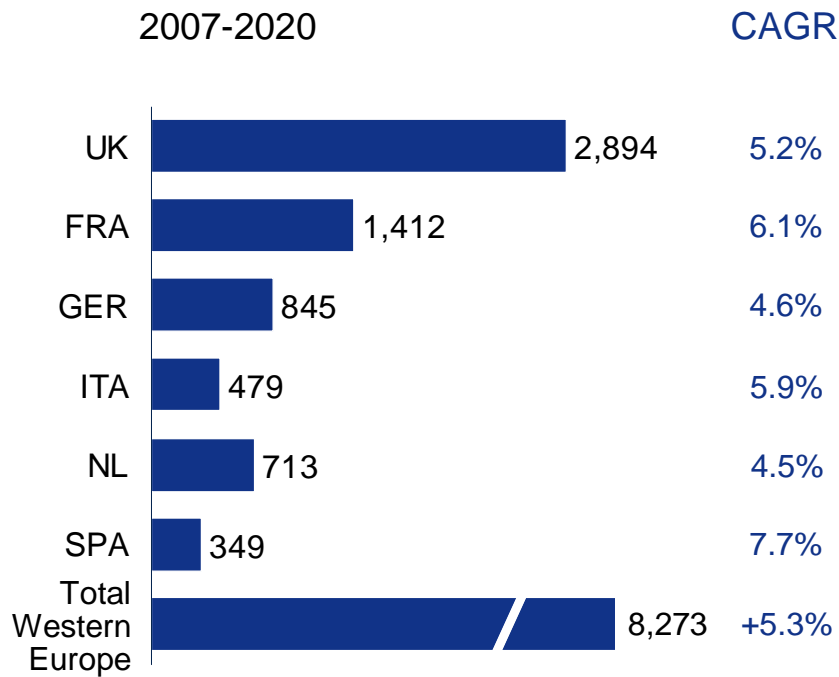
- § Product innovation
- § Solution provider
- § Segmented distribution

Source: Survey of Consumer Finances 2007, 2009; Allianz Global Investors calculations

1) Population aged 65 and older to population aged 15 to 64

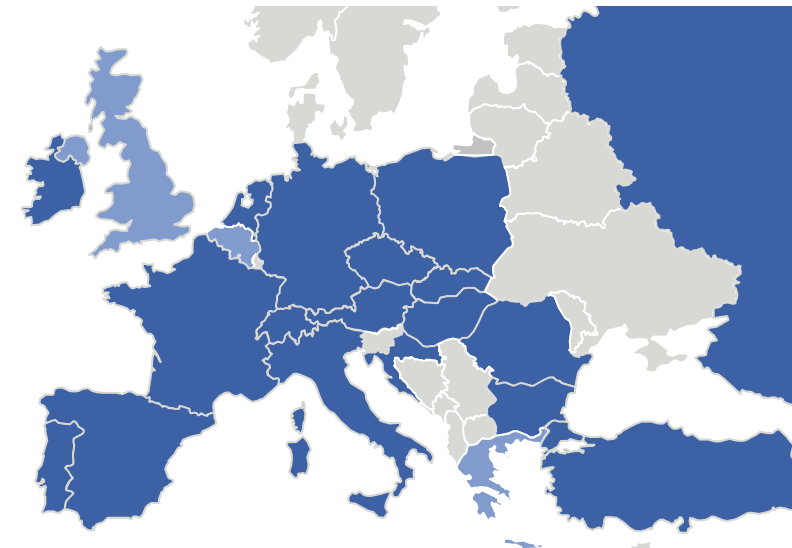
# Uniquely positioned for European pension opportunity ...

## Expected increase in pension AuM (EUR bn)



## Allianz positioning

- § Strong market position in all major continental European countries
- § Well diversified product portfolio: traditional, unit-linked, mutual funds



- Top 4 in at least one segment (GPW)
- Top 7 in at least one segment (GPW)
- Small/no presence

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Source: AGI International Pension Studies

## ... and retirement needs of Americans through asset management and retirement products

### US retirement challenges

- § Strain on private households assets due to 17% fall in asset value in 2008
- § Suitability of 60/30/10 accumulation model questioned by financial crisis
- § Baby-boomer retirement gaining traction
- § Roll over of lump-sum pensions payouts



### Products need to address decumulation issues:

- § asset protection
- § longevity risk
- § inflation protection
- § flexible payouts
- § inheritance

### Allianz positioning

- § Well positioned in accumulation AND decumulation business
- § World-class asset management (AGI + PIMCO) AND top rated annuity provider (AZ Life) AND leading assistance company (Mondial)

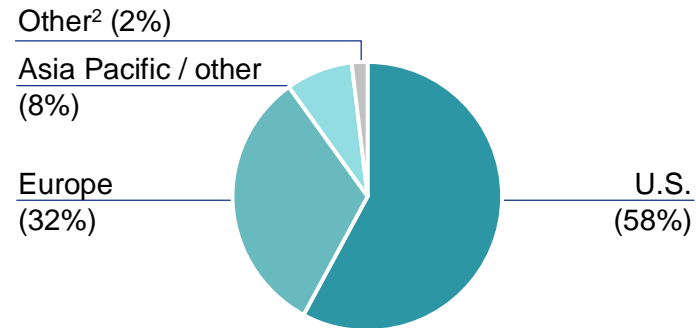


Strengthen Allianz's U.S. brand association with retirement

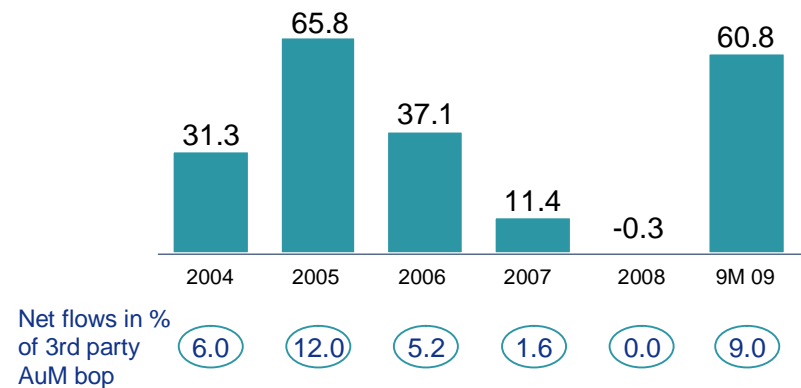
## AGI: World-class asset management

- § Allianz Global Investors (AGI) one of the top 3 asset managers worldwide<sup>1</sup>
- § EUR 878bn 3rd party AuM end of 3Q09
- § Strong net inflows: EUR 61bn in 9M09
- § Favorable efficiency: CIR 65.6% in 9M09
- § Convincing performance: 77% outperforming AuM (3Q09)
- § Strong weight of the U.S.: 58% of Allianz's 3rd party AuM

Regional split of 3rd party AuM  
(as of September 30, 2009)



AGI 3rd party net flow development (EUR bn)

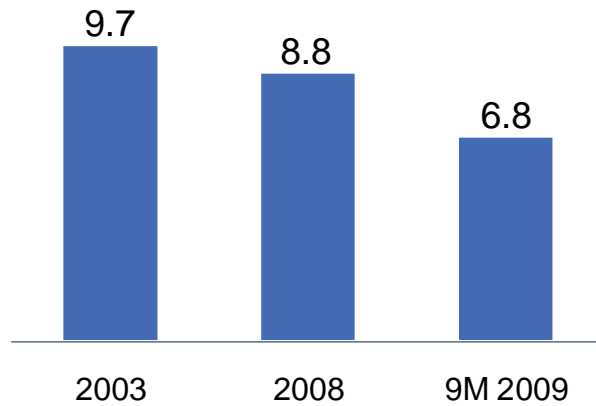


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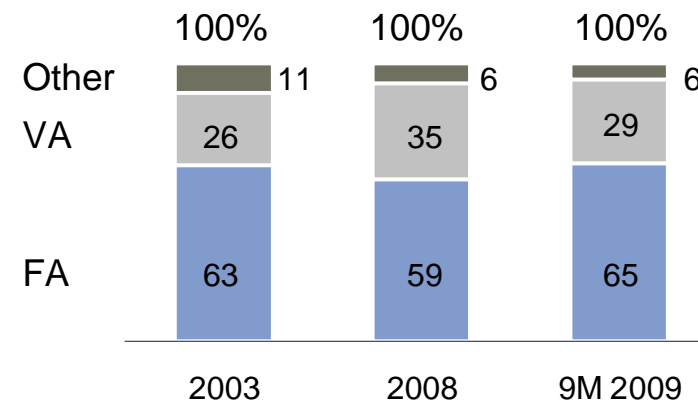
1) Top 3 active asset manager in terms of 3rd party AuM  
2) Consists of 3rd party assets managed by other Allianz Group companies; not a regional breakdown

## AZ Life: A committed player in the US market...

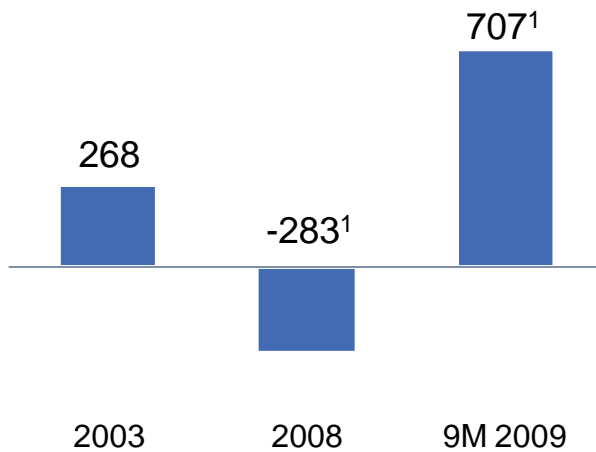
Sales (USD bn)



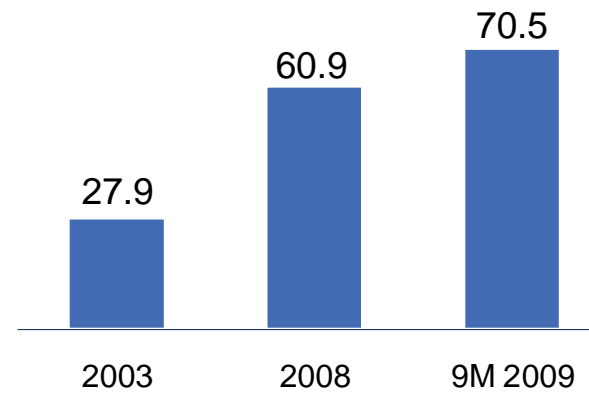
Sales split (%)



Operating profit (USD mn)



AuM<sup>2</sup> (USD bn)



1) Influenced by accounting volatility

2) Average AuM

## ...well prepared to take advantage of the pension opportunity

### Pension opportunity

- § #1 FIA and #21 VA provider in the U.S.<sup>1</sup>
- § Strong brand, capital and rating (S&P AA - stable outlook)
- § AuM CAGR 17% (2003-2008)
- § VA NBM > 0%; small legacy book gives full strategic flexibility in case of insufficient industry profit outlook
- § Focus on accumulation and decumulation products
- § ~ 100 FMO's provide stable platform to expand distribution
- § Best-in-class suitability procedures
- § Intensified cooperation with AGI (PIMCO)

1) Q3 sales ranking according to Morningstar 2010 / AnnuitySpecs.com

# Assistance services complete our comprehensive retirement solutions for ageing customers

## Mondial Assistance



- § Allianz Group<sup>1</sup> is the world's largest provider of assistance services
- § Transformation of insurance payment into customer solution
- § Bundled products with superior growth potential
- § Example of assistance services
  1. Roadside assistance
  2. Daily healthcare assistance
  3. Tele-assistance
  4. Short term services (property; child care etc.)
  5. Reinsertion services for accident victims

1) Mondial Assistance is 100% owned by Allianz

## Key take-aways

- ➔ Significant scale and diversification advantages
- ➔ Resilient and proven business model
- ➔ Conservative investment portfolio
- ➔ Strong capital base with limited sensitivity
- ➔ Transparent and tight capital management
- ➔ Attractive underlying profitability
- ➔ Well positioned for the global retirement opportunity



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