Clement B. Booth, Member of the Board of Management of Allianz SE

The way forward

Morgan Stanley European Financials Conference
London, March 23, 2010

Allianz

Solid performance in difficult 2009 …

- ✓ Revenues up 5.2% to EUR 97.4 bn
- ✓ Operating profit at EUR 7.2 bn
- ✓ Net profit from continued operations[1] up 18.3% to EUR 4.7 bn
- ✓ Shareholders' equity up 19.2% to EUR 40.2 bn
- ✓ Solvency ratio up 7%-points to 164%
- ✓ Proposed dividend up 17.1% to EUR 4.10 per share

Most major key performance indicators improved

1) After minorities

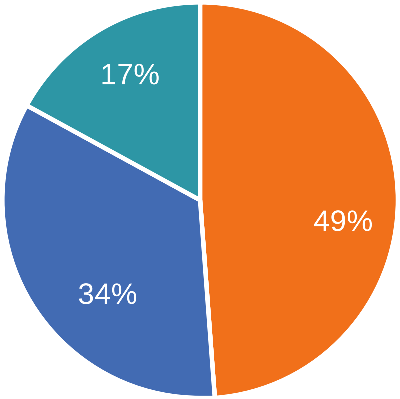
… and during the entire crisis …

1) Adjusted to current methodology; 4Q 2008 pro-forma after sale of Dresdner Bank completed; intangible assets related to Selecta fully deducted, starting in 3Q 2007

… supported by a well balanced business portfolio …

Segments[1]

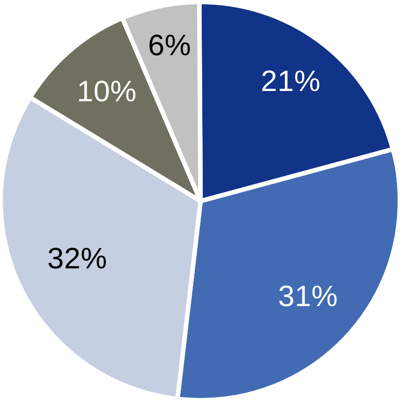
Operating profit in %



- P/C
- L/H
- AM

Regions

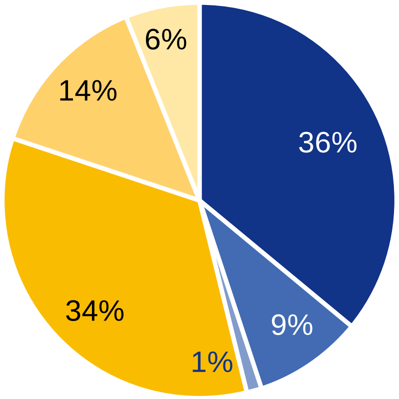
Operating profit in %



- Germany
- Western Europe
- Broker markets US, UK, AUS
- Specialty insurance
- Growth markets

Distribution

Insurance revenues in %



Proprietary
- Tied agents
- Other prop. networks
- Direct

Third party
- Brokers and independent IFA
- Bancassurance
- Other (thereof car manufacturers 2%)

1) Relation of positive parts of operating profit

… and world class operations

Excellent business positions[1]

- Leading P/C insurer globally
- Top 5 in Life business globally
- Top 5 asset manager globally
- Global top 5 insurer by market cap
- Strong rating (AA, stable outlook)[2]
- Largest global Assistance provider
- Worldwide leader in Credit Insurance
- One of the leading industrial insurers globally

Allianz

PIMCO

Allianz Global Investors

MONDIAL ASSISTANCE

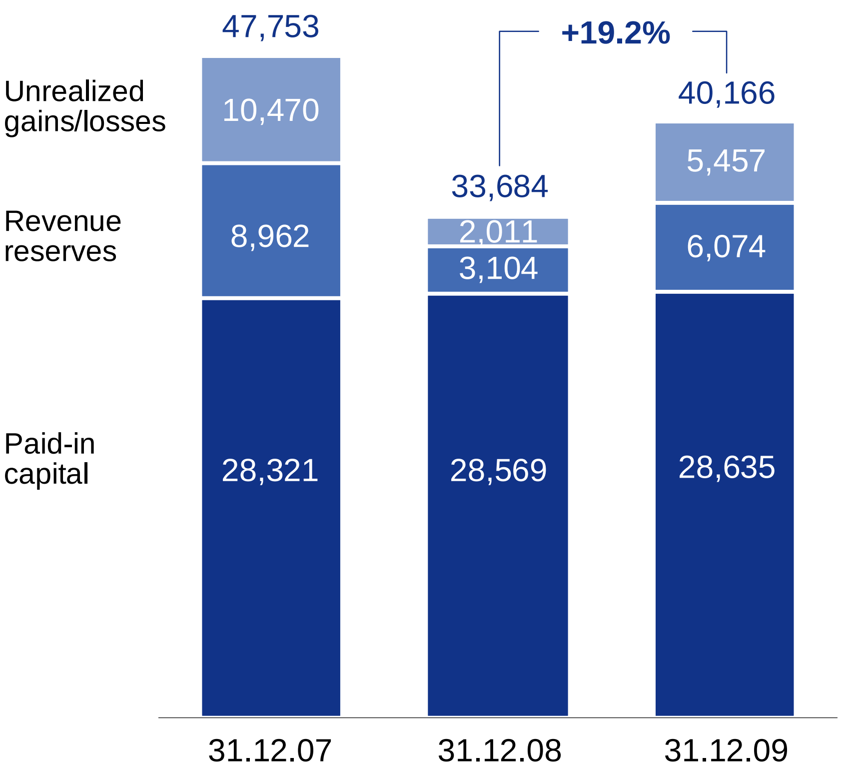
EULER HERMES Kreditversicherung

Allianz Global Corporate & Specialty

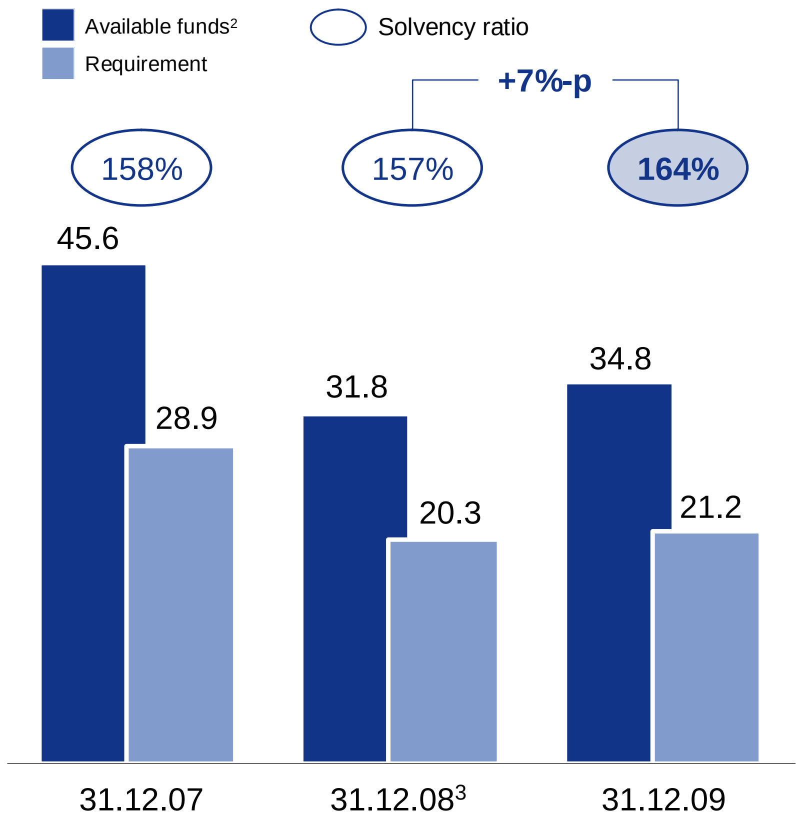
1) Based on 2008 and estimated 2009 data
2) According to S&P

Strong capitalization

Shareholders' equity[1]
(EUR mn)

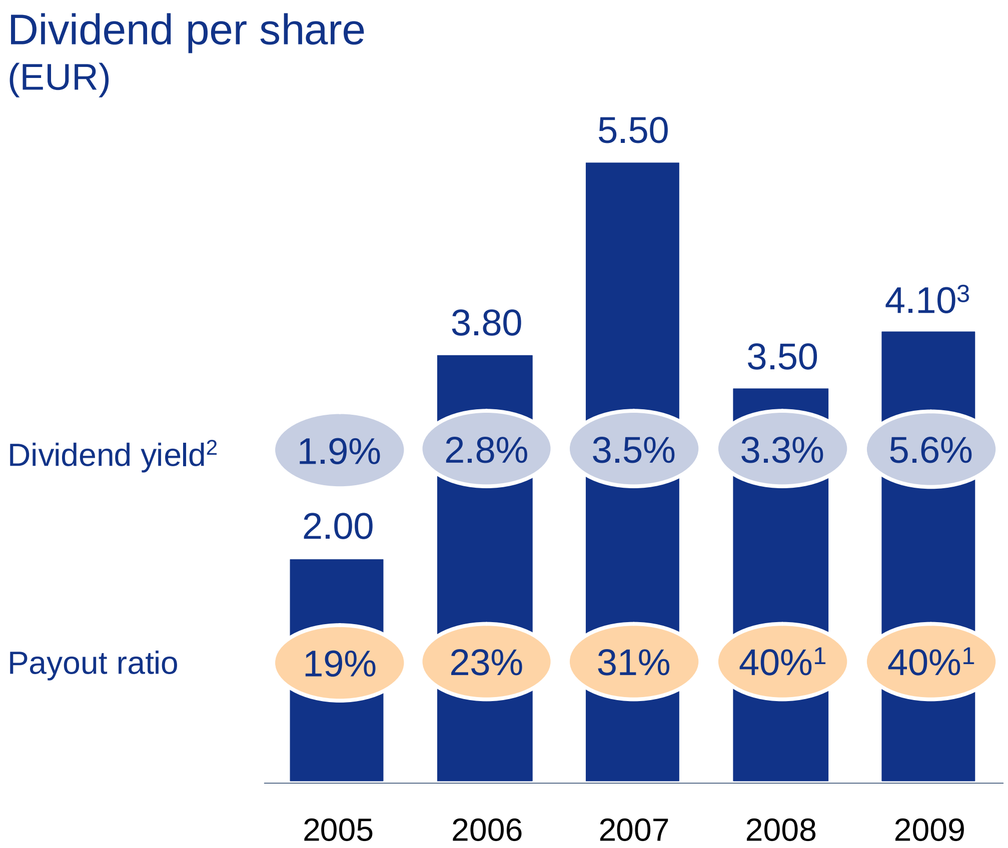


Conglomerate solvency
(EUR bn)



1) Excluding minority interests (31.12.07: EUR 3,628mn, 31.12.08: EUR 3,564mn, 31.12.09: EUR 2,121mn)
2) Intangible assets in relation to fully consolidated private equity investments have been fully deducted from our available funds for the first time. The solvency ratio restated for private equity investments would be 161% (2007), 161% (2008), 168% (2009)
3) Pro-forma after sale of Dresdner Bank completed

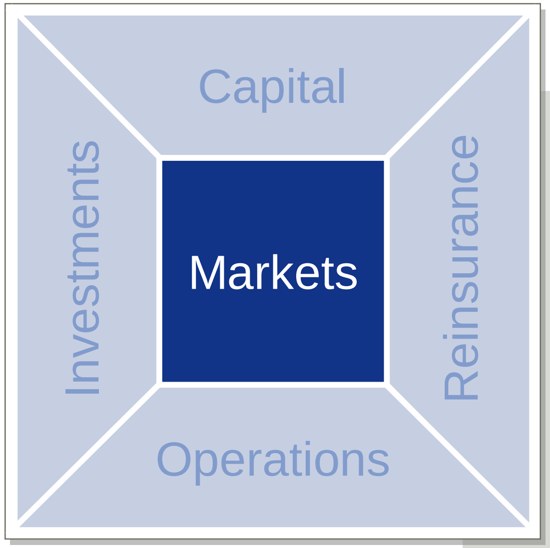
Attractive dividend policy



- Balance between payout and solvency
- Target solvency range 150 - 170%
- Current dividend yield ~5%

1) Based on net income from continued operations, net of minorities
2) Based on average share price
3) Proposal

Building blocks of Allianz strategy … (1/5)



Regions

- Europe + South America
- Germany Austria Suisse
- NAFTA
- Growth-markets
- Broker-markets[1]

Global lines

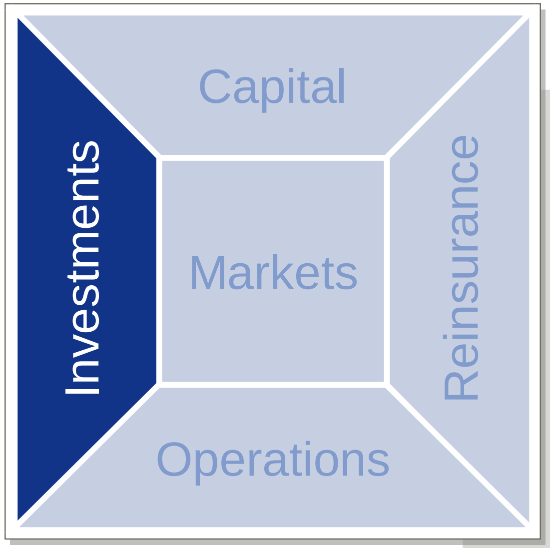
- AGCS[2]
- Asset Management
- Credit
- Assistance + Worldwide Care
- Automotive

Strategic rationale
- Focus
- Balanced portfolio

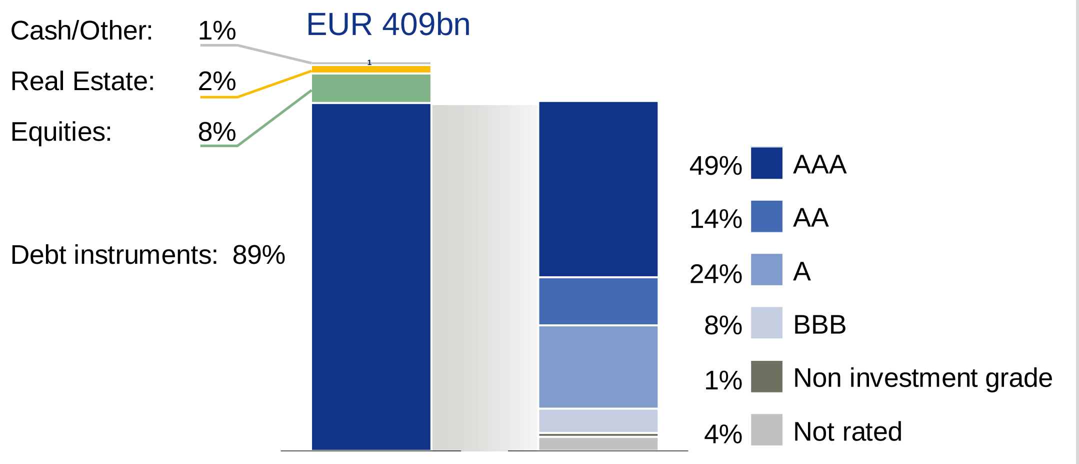
Implication
- Diversification

1) UK, Australia, Ireland
2) Allianz Global Corporate & Specialty

Building blocks of Allianz strategy … (2/5)



Investment portfolio[1]



Strategic rationale

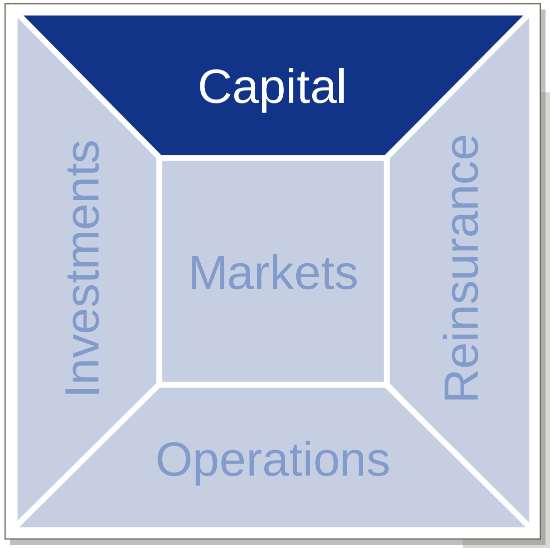
- Comprehensive strategic and tactical asset allocation

Implication

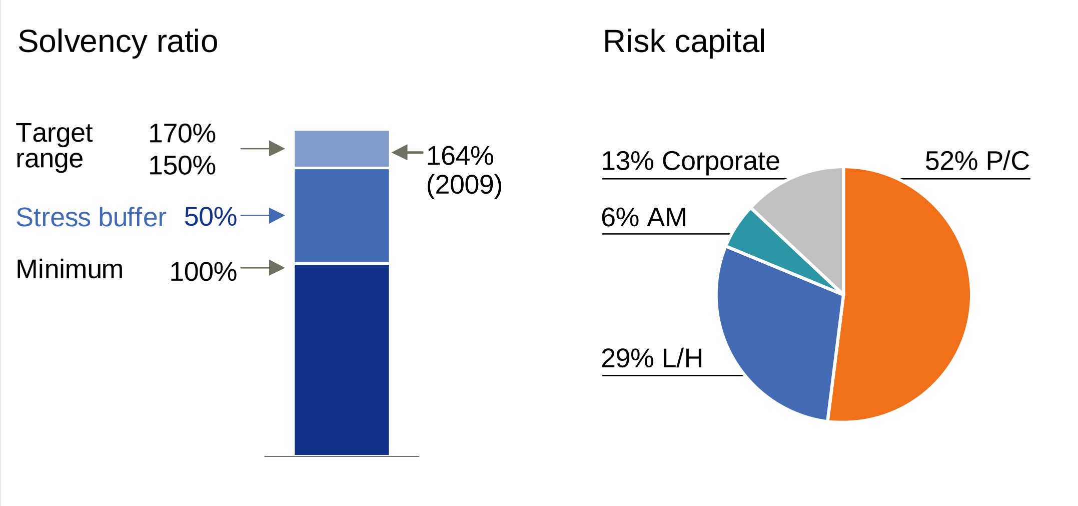
- Asset allocation determined by liability structure
- Conservative asset selection
- Transparency and time-to-market

1) Consolidated insurance portfolios (P/C, L/H, Corporate and Other) excluding Banking, real estate own use and real estate held for sale

Building blocks of Allianz strategy … (3/5)



Capital management



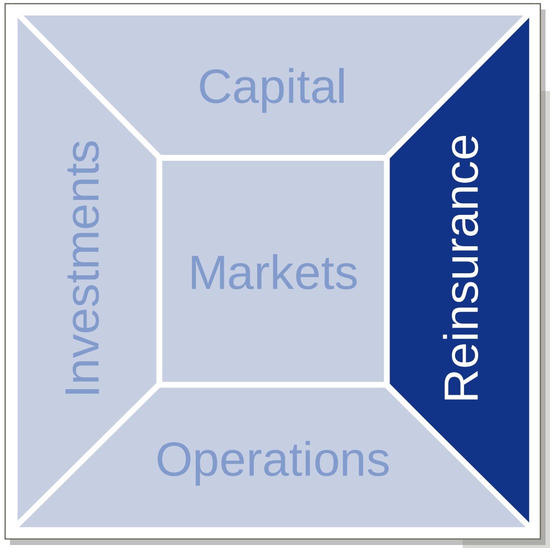
Strategic rationale

- Strong capitalization
- Transparent capital management
- Attractive dividend policy

Implication

- Capital allocation focused on cash generation
- Selective M&A, focused on expense synergies in attractive markets, distribution and growth markets
- Potential recalibration following Solvency II

Building blocks of Allianz strategy … (4/5)

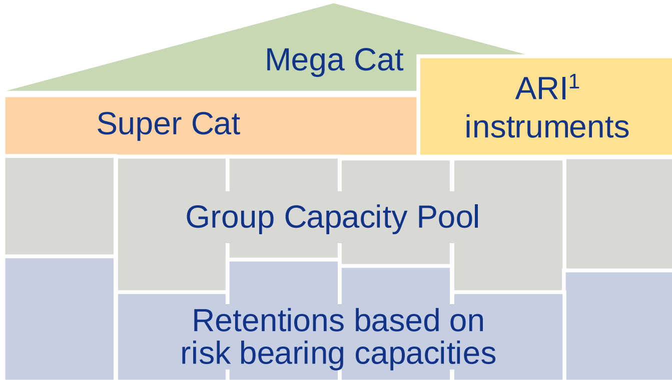


External reinsurance

- Mega Cat
- Super Cat
- Cat bonds, swaps

Internal reinsurance

- Allianz Re
- OE retention



Strategic rationale

- Efficient risk management
- Efficient capital management
- Efficient cost structures
- Retention management

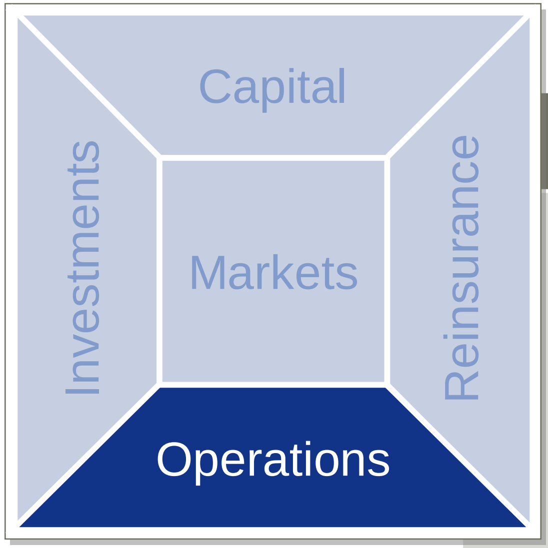
Implication

- Centralized management
- Pooling concept
- Focus on XL protection
- Counterparty control

Premium retention already reached approx. EUR 1.8bn

1) Advanced risk intermediation

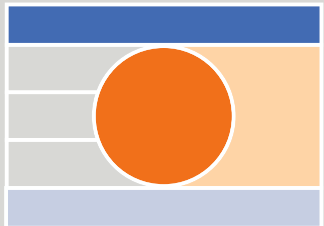
Building blocks of Allianz strategy … (5/5)



Central functions

- IT frames
- Application management
- Shared services

Target operating model (TOM)



Global initiatives

- Sustainability
- Operational Trans-formation Program
- Customer Focus
- Corporate and Social Responsibility
- Workforce planning

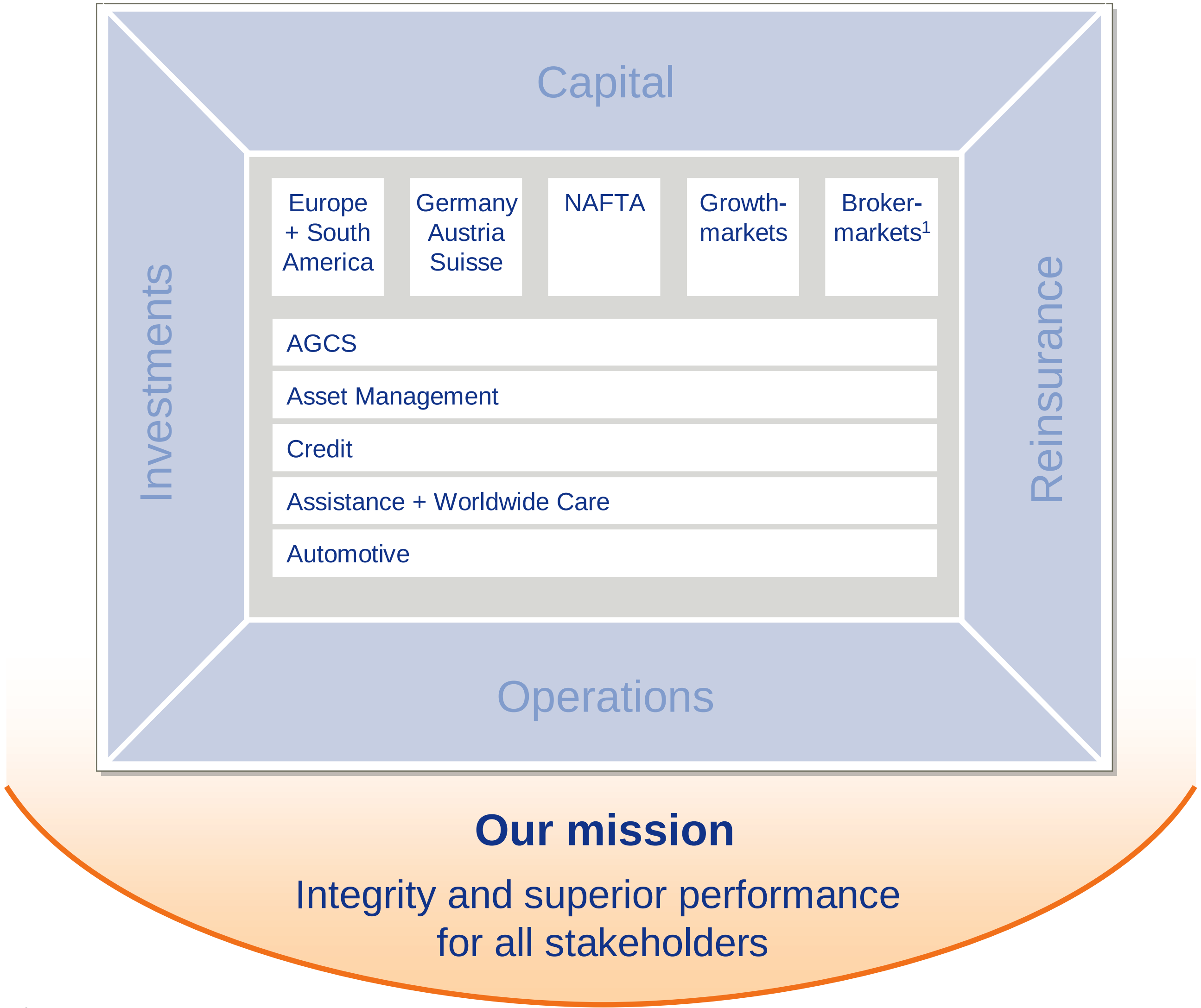
Strategic rationale

- Scale advantage
- Service quality

Implication

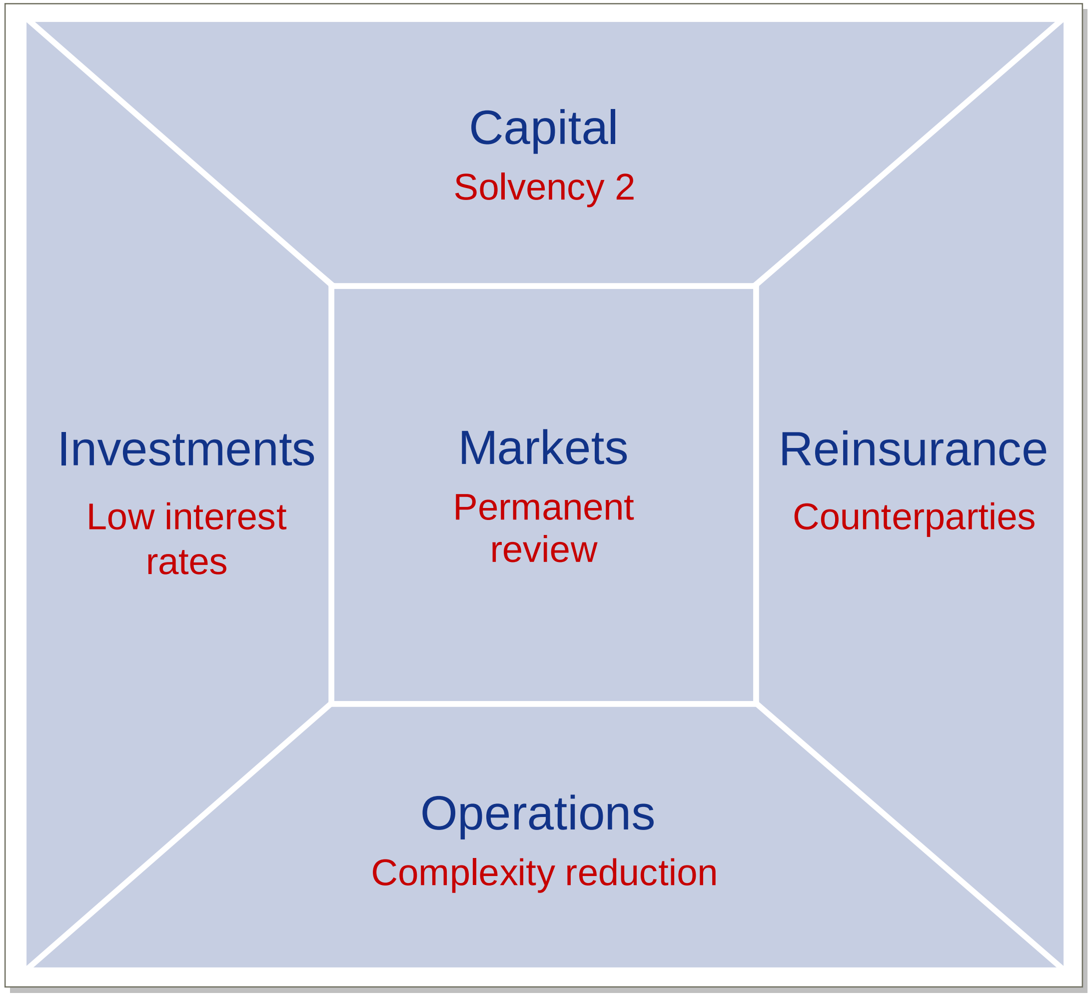
- Harmonization
- Simplification
- Converging IT-architecture

… supporting a clear mission



1) UK, Australia, Ireland

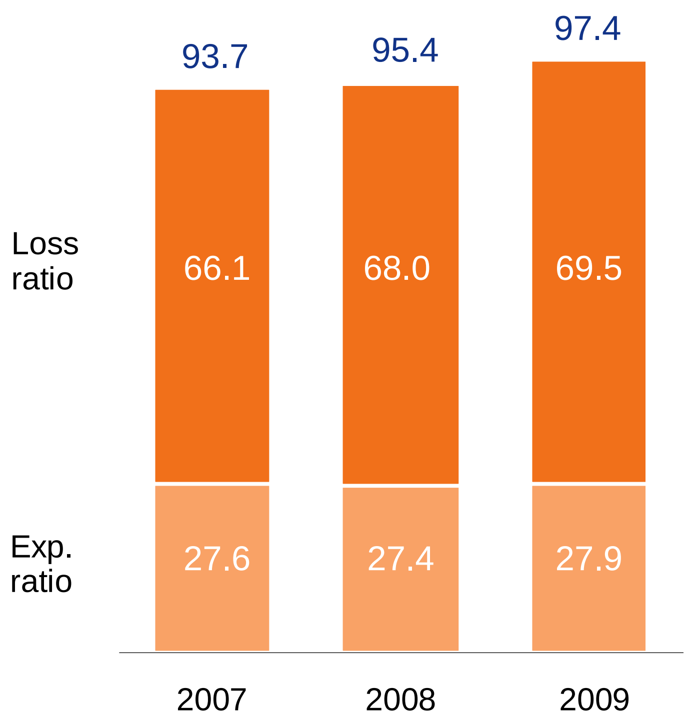
Going forward: Top global priorities (1/2)



Going forward: Top global priorities (2/2)
Underwriting quality

	Combined ratio in %	2007	2008	2009
German Speaking Countries	Germany[1,2]	92.5	95.5	98.7
	Switzerland	93.7	93.1	93.5
Europe I	Italy	94.8	96.9	100.8
	Spain	91.5	90.6	89.7
	South America	99.0	98.5	98.4
Europe II	France	97.3	97.5	106.8
	Credit Insurance	76.6	104.8	110.4
Growth Markets	New Europe	94.3	92.9	92.9
	Asia-Pacific	98.6	96.9	93.1
Anglo-Broker Markets	USA	91.2	101.3	99.8
	UK	98.8	95.1	92.9
	Australia	95.7	97.5	94.8
	AGCS	96.4	90.1	87.2

Combined ratio in %



We are mainly growing in regions with low combined ratios

1) Excluding Allianz Re
2) Net change of reserves related to savings component of UBR business now included in claims (claims reduction of EUR 49mn for 2009 included in 2009). Prior periods have not been retrospectively adjusted

Allianz

Industry and investors have to prepare for the New Normal

	2010	2011	2012
	Moderate recovery of world economy	Need for fiscal consolidation	Return to “normal” inflation rates

New Normal

- Continued globalization but lower growth
- Higher risk aversion
- More regulation and consumer protection
- Lower recurring investment yield
- Higher market and accounting volatility
- Higher private savings

What matters?

Æ Capital strength

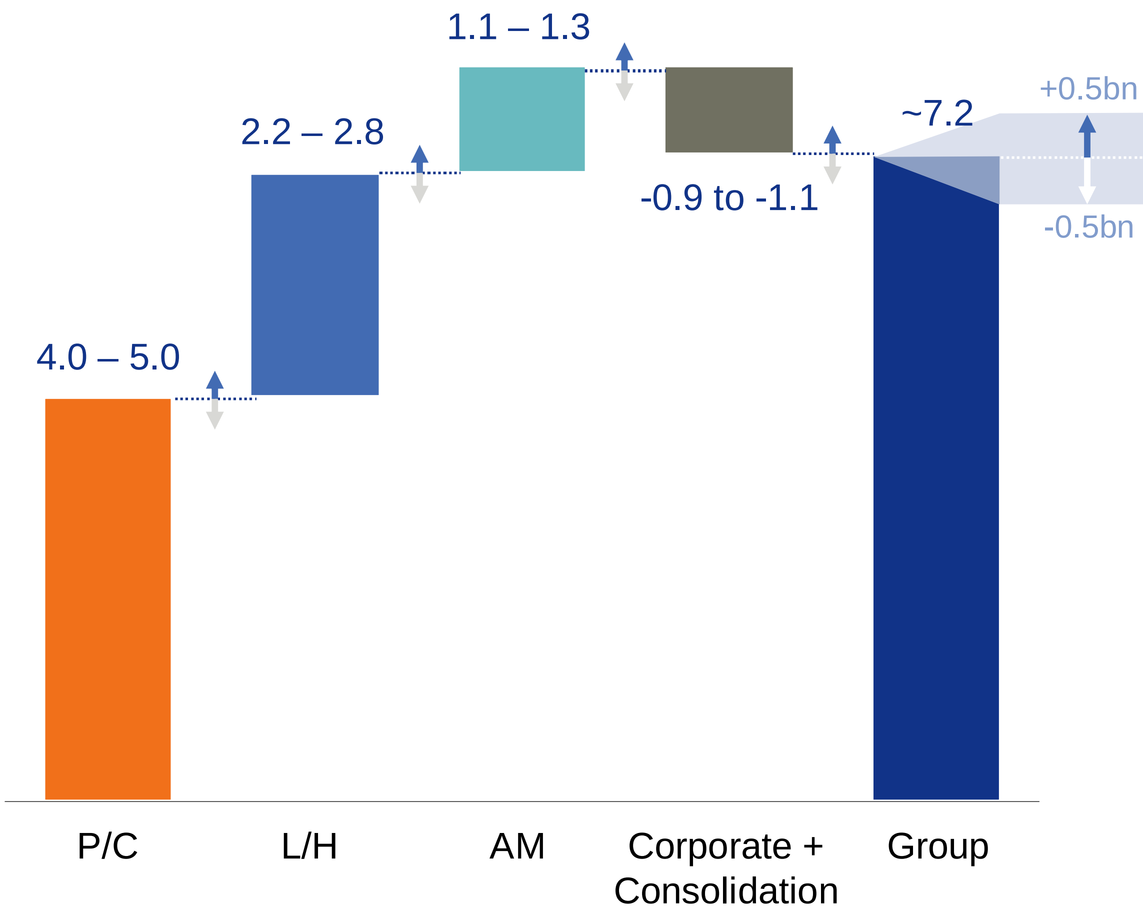
Æ Diversified and high quality investment portfolio

Æ Operational efficiency and complexity reduction

Æ Client centricity

Æ Global positioning

Outlook 2010: Solid operating profit
(EUR bn)



- 2009 operating profit supported by positive market developments
- Still, similar operating profit level aspired in 2010
- Deviation range of Group result reflects diversification
- **Disclaimer**:
  Impact from NatCat, financial markets and global economic development not predictable!

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
- Strong underwriting focus
- Well positioned for the New Normal

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