

Building momentum

Clement Booth,
Member of the Board of Management

London
March 31, 2011

Allianz 

Key figures at a glance¹

EUR **106.5bn** total revenues

EUR **1,518bn** AuM

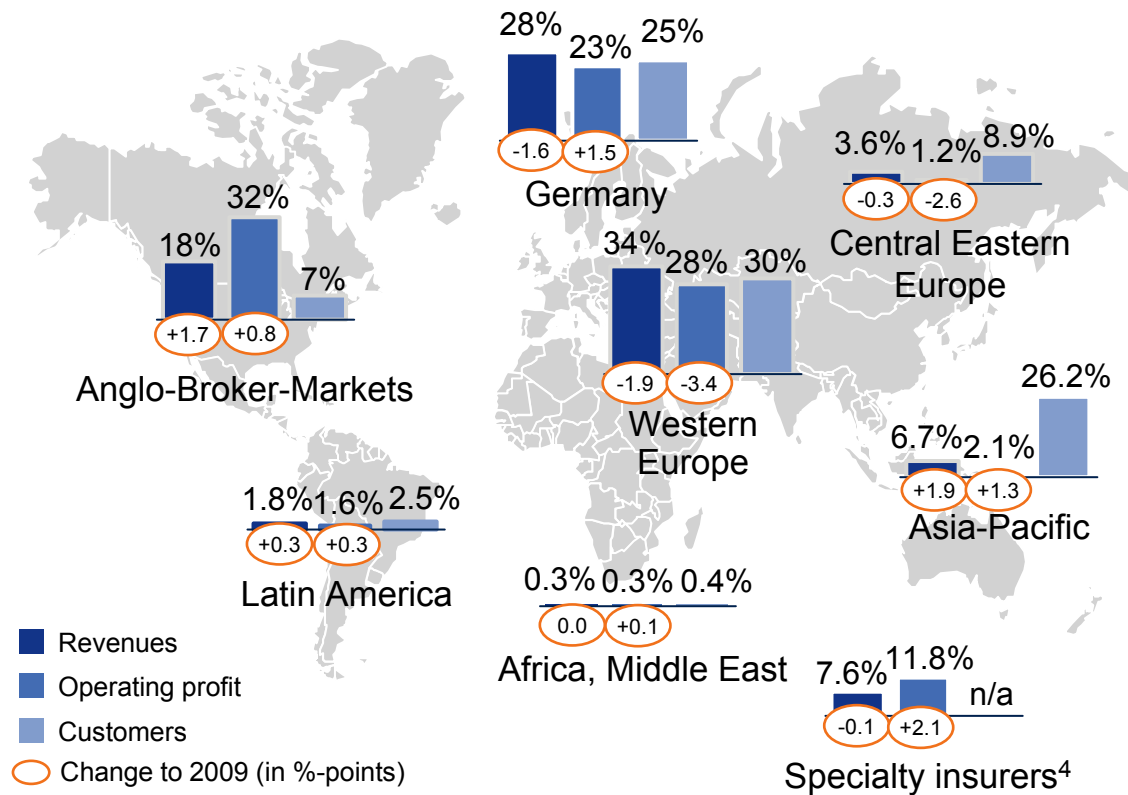
EUR **8.2bn** operating profit

173% FCD solvency ratio

EUR **40bn** market cap²

More than **77mn** customers

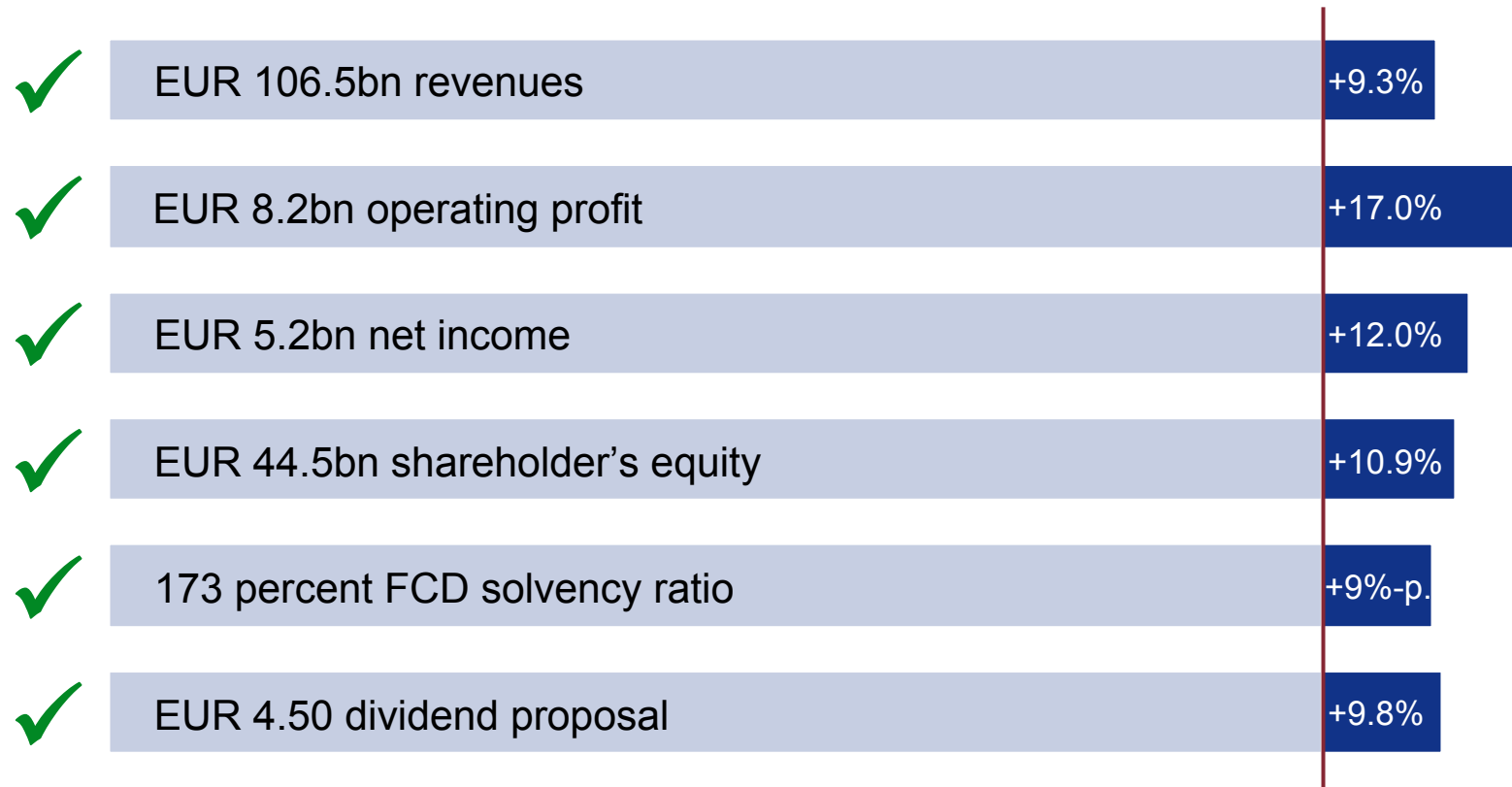
Split of revenues, operating profit and customers³



1) Figures as per 12M 2010
 2) 31/12/2010

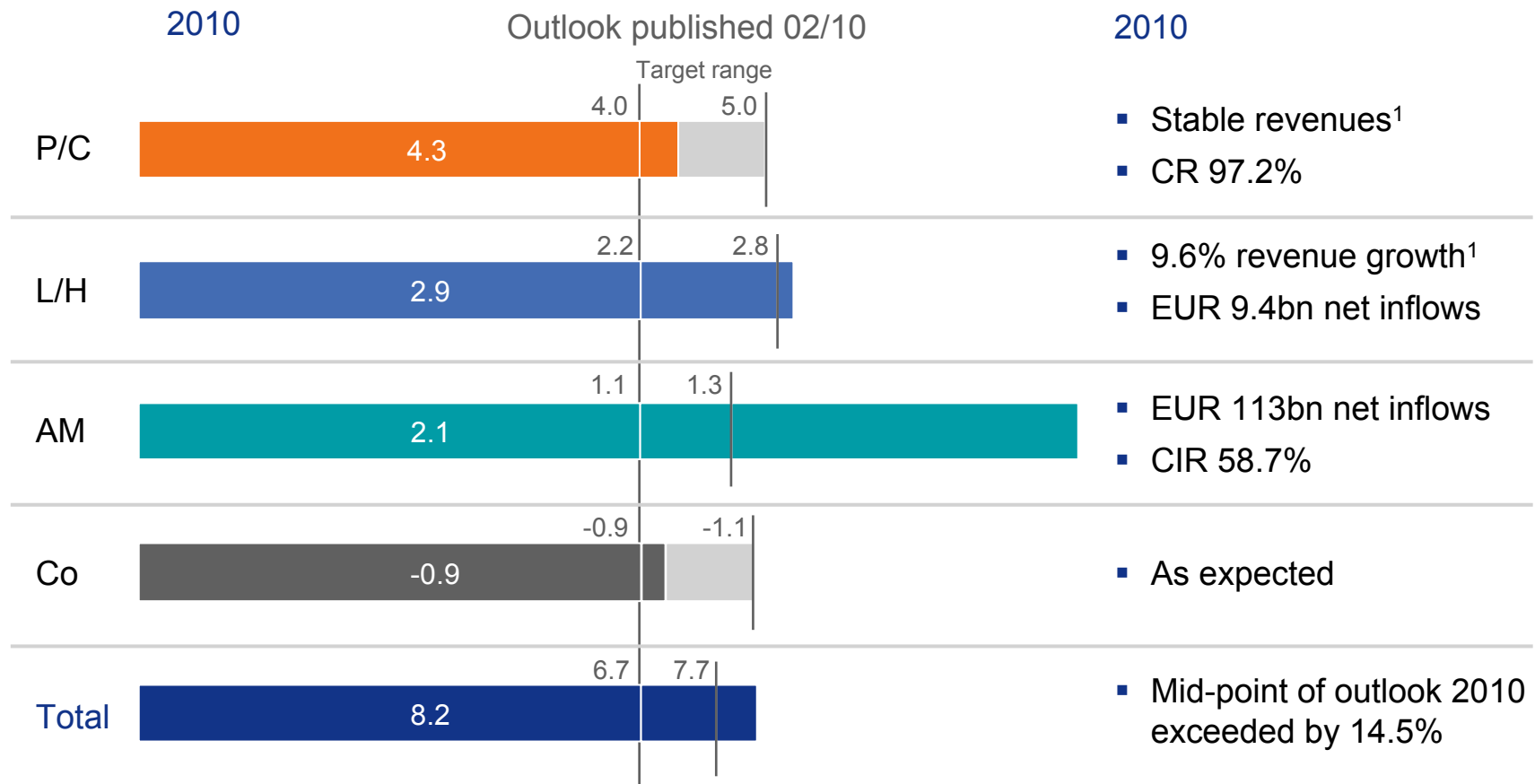
3) Customer figures including non-consolidated companies
 4) Allianz Global Corporate & Specialty, Euler Hermes, Mondial Assistance, ART

Strong performance in 2010 ...



... exceeding outlook

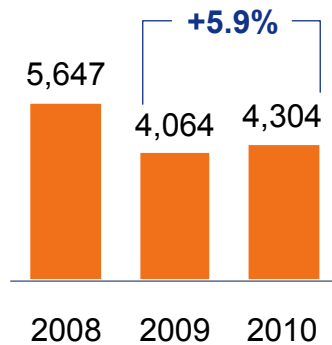
Operating profit (EUR bn)



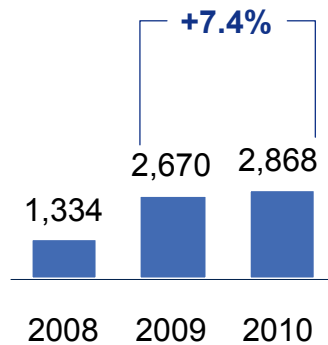
1) Internal growth

All segments improve – operating profit at EUR 8.2bn (EUR mn)

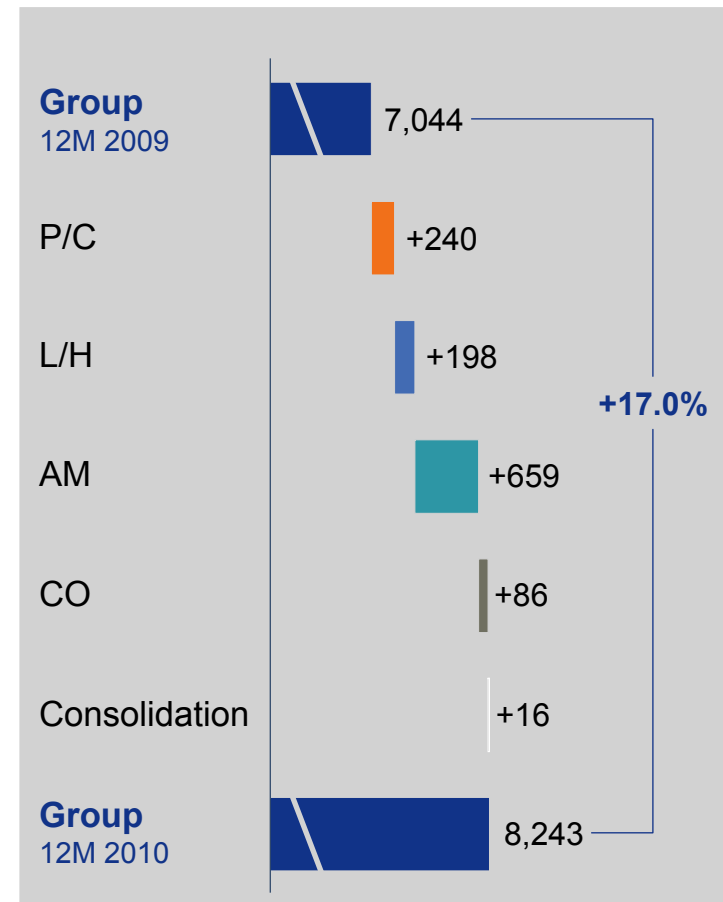
Property/Casualty



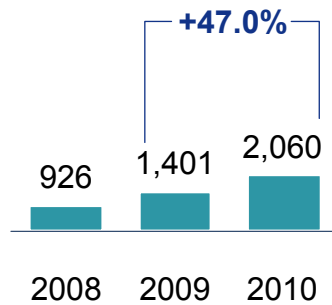
Life/Health



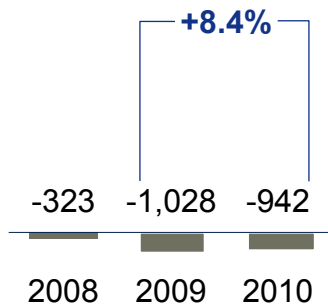
Δ 12M 10/09



Asset Management



Corporate and Other

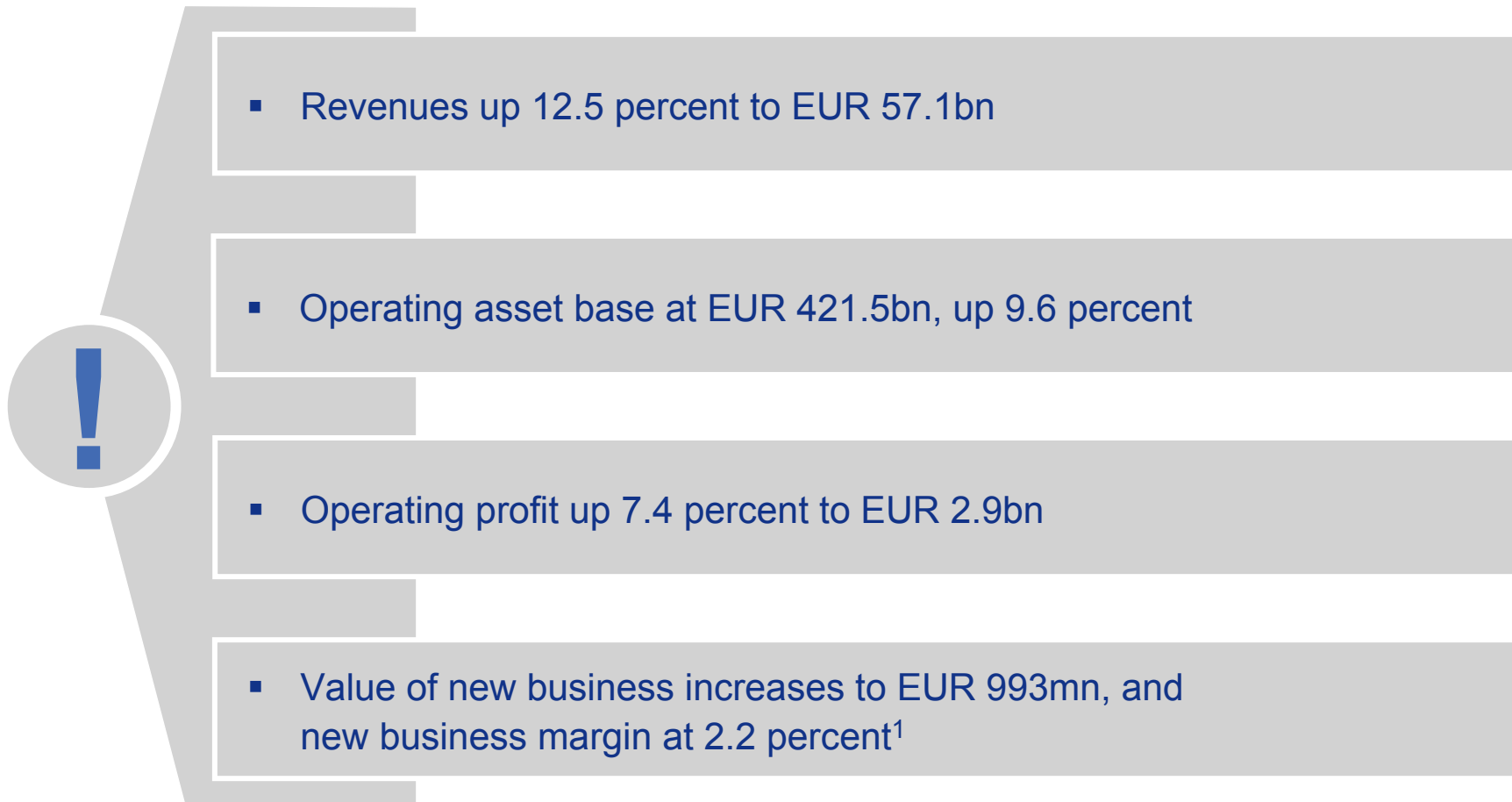


P/C: robust performance in difficult environment



- Revenues at EUR 43.9bn, up 3.2 percent
- Operating profit up 5.9 percent to EUR 4.3bn
- Combined ratio at 97.2 percent
- NatCat above normal with 3.2 percentage points and run-off with 3.9 percentage points

L/H: strong result in low interest rate environment

- 
- Revenues up 12.5 percent to EUR 57.1bn
 - Operating asset base at EUR 421.5bn, up 9.6 percent
 - Operating profit up 7.4 percent to EUR 2.9bn
 - Value of new business increases to EUR 993mn, and new business margin at 2.2 percent¹

1) Adjusted for illiquidity premium, EIOPA yield curve extrapolation and change of cost of capital charge

Asset Management: another record year



- Total Assets under Management now exceed EUR 1,500bn
- 3rd party net inflows at record EUR 113bn
- Outstanding operating profit of EUR 2.1bn
- Contribution to group net income increases from 11.7 percent to 18.2 percent

1 Success factor

Skills, scale and brand provide ...

- Leading P/C insurer globally¹
- Top 5 in Life business globally
- Top 5 asset manager globally
- Largest global assistance provider
- Worldwide leader in credit insurance
- One of the leading industrial insurers globally

Allianz 

Allianz 
Global Investors

P I M C O

 **MONDIAL**
ASSISTANCE

 **EULER HERMES**

Allianz Global Corporate & Specialty

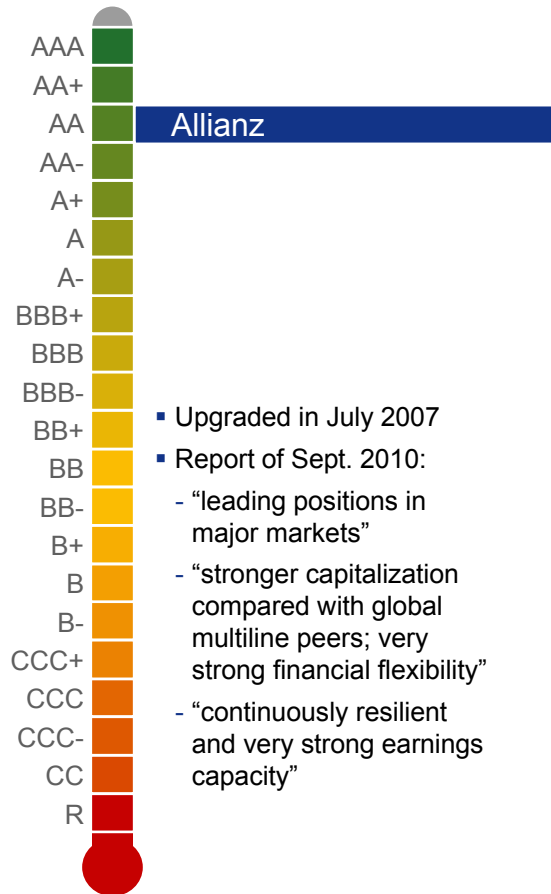
... increasing access to business opportunities ...

1) All rankings mentioned on the slide based on 2009 or 2010 data

2 Success factor

... supported by excellent ratings

S&P



Moody's



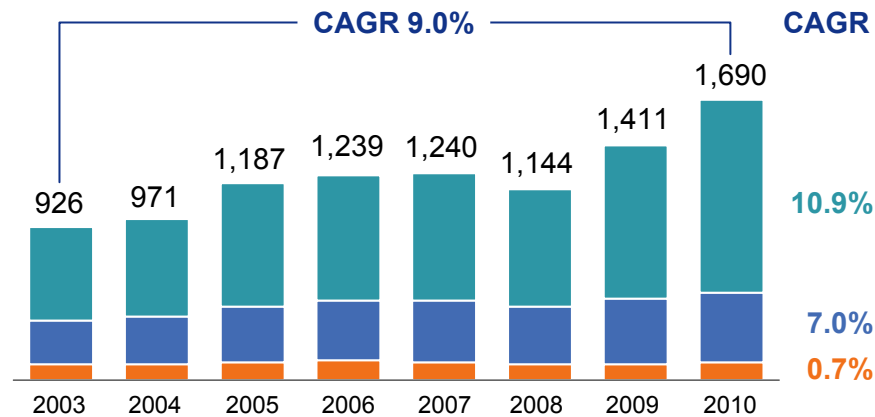
A.M. Best



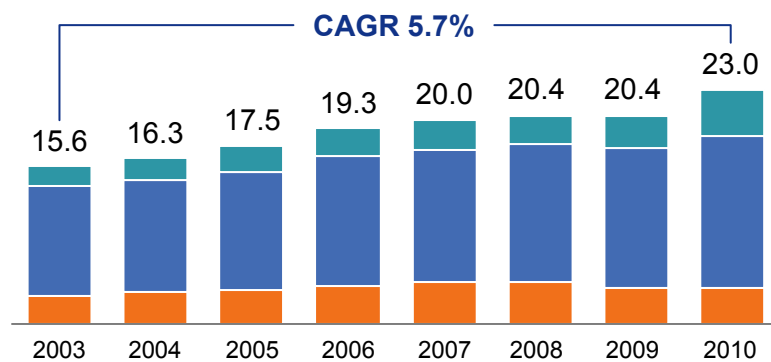
3 Success factor

... leading to growth in operating asset base

Operating asset base¹ (EUR bn)



Interest and similar income plus AM fee and commission income² (EUR bn)



Why to expect continuing growth?

P/C	<ul style="list-style-type: none"> Strong position in many markets and Global Lines Powerful captive distribution Cycle in many markets at turning point
L/H	<ul style="list-style-type: none"> Strong position in EU and US pension business Strong position in Growth Markets Competitive advantage for corporate pension business: global know-how, service, assistance and health products
AM	<ul style="list-style-type: none"> Unique position in fixed income Potential revival for equities

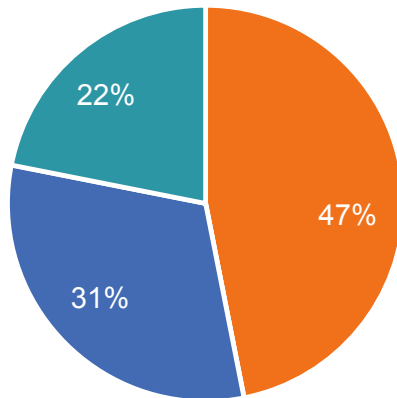
1) Investments for P/C and L/H incl. unit-linked assets; third party assets for AM
 2) AM: excluding performance fees; L/H: before policyholder participation

4 Success factor

... based on a well diversified business

Segments¹

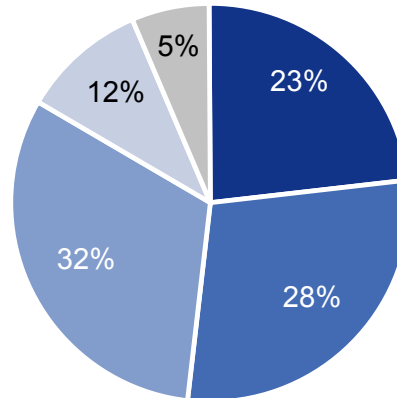
Operating profit in %



- P/C
- L/H
- AM

Regions¹

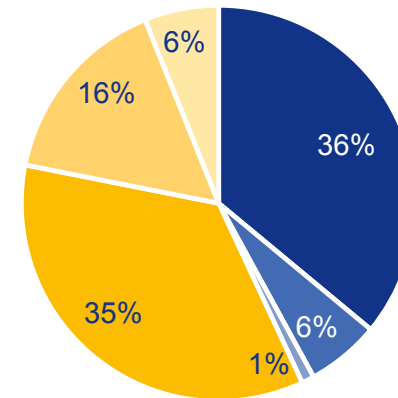
Operating profit in %



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

Distribution

Insurance revenues in %



- Tied agents
- Other prop. networks
- Direct
- Brokers and IFAs
- Bancassurance
- Other (thereof car manufacturers 2%)

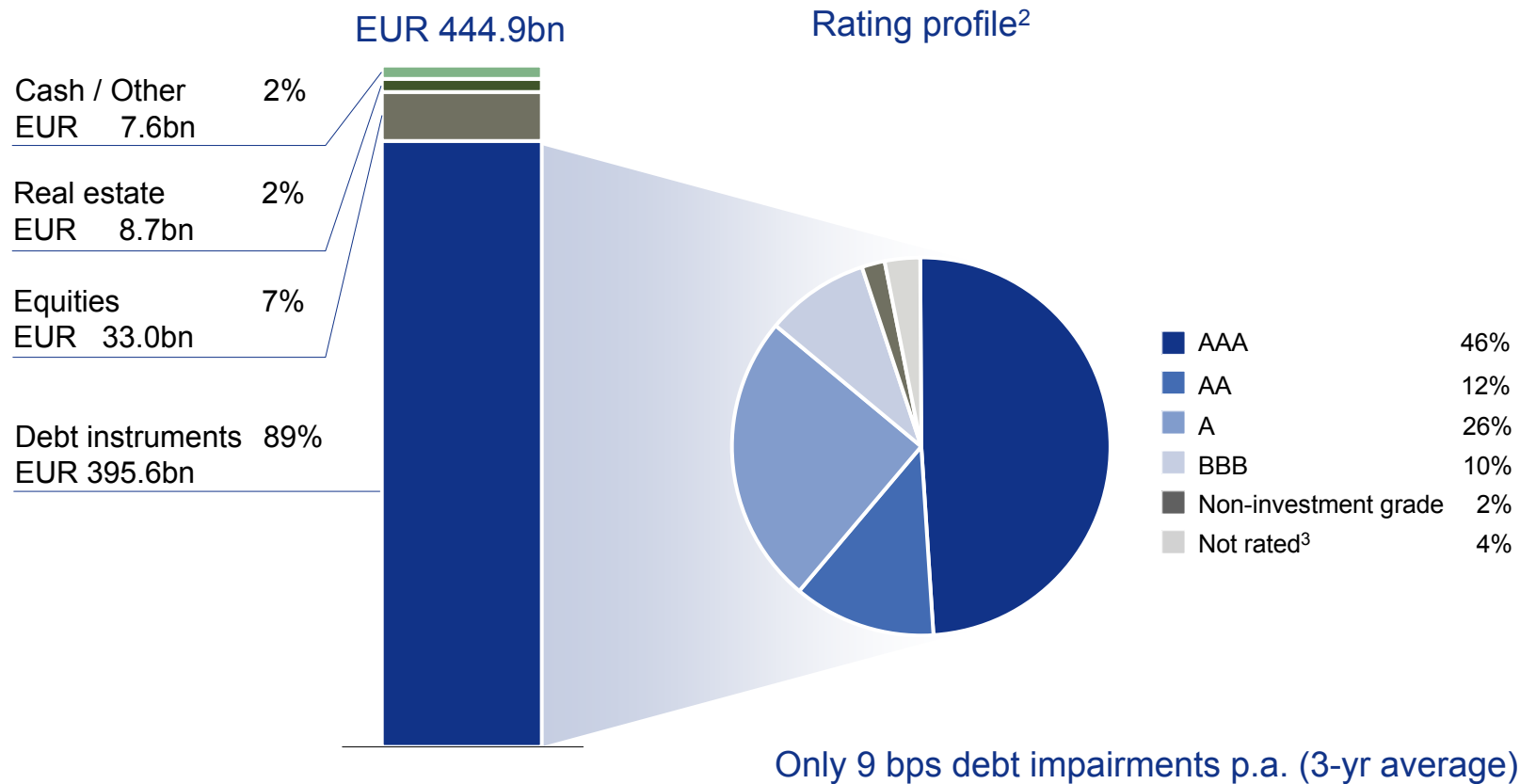
1) Relation of positive parts of 2010 operating profit

5 Success factor

... backed by a high-quality investment portfolio

Conservative asset allocation¹

High-quality fixed income portfolio

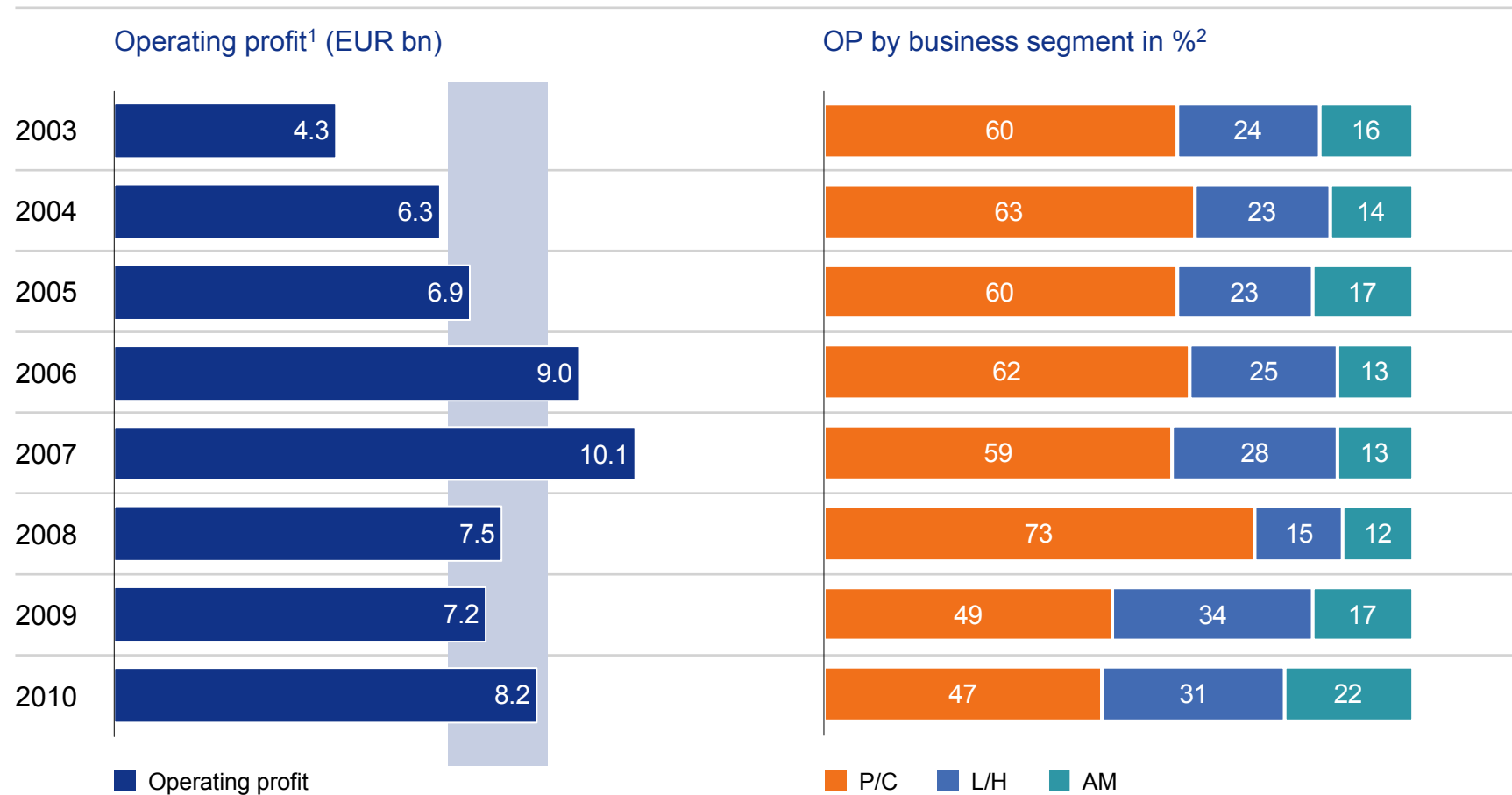


1) Based on consolidated insurance portfolios (P/C, L/H), Corporate and other
 2) Excluding self-originated German private retail mortgage loans
 3) Mostly policyholder loans, registered debentures all of investment grade quality

Combination of success factors provide stable operating profit range ...

We delivered ...

... thanks to diversification

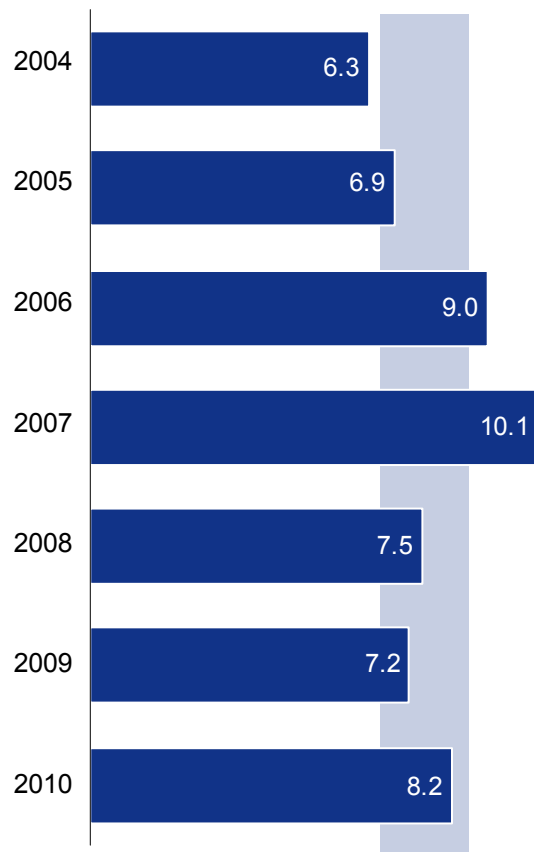


1) Historical reported figures excluding Banking segment

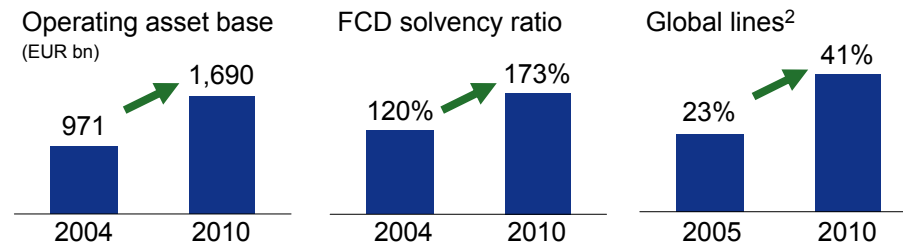
2) Based on historical reported figures excluding Banking segment, relation of positive parts of operating profit

... with significantly improved potential

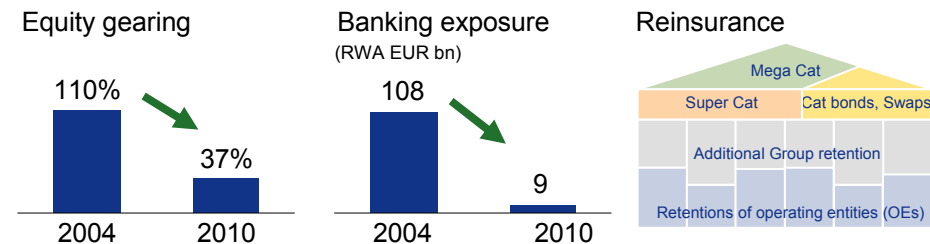
1 Stable operating profit¹ range



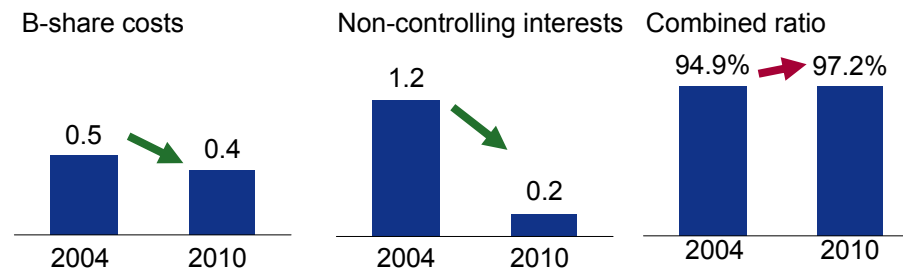
2 Better starting position ...



3 ... with improved risk profile ...



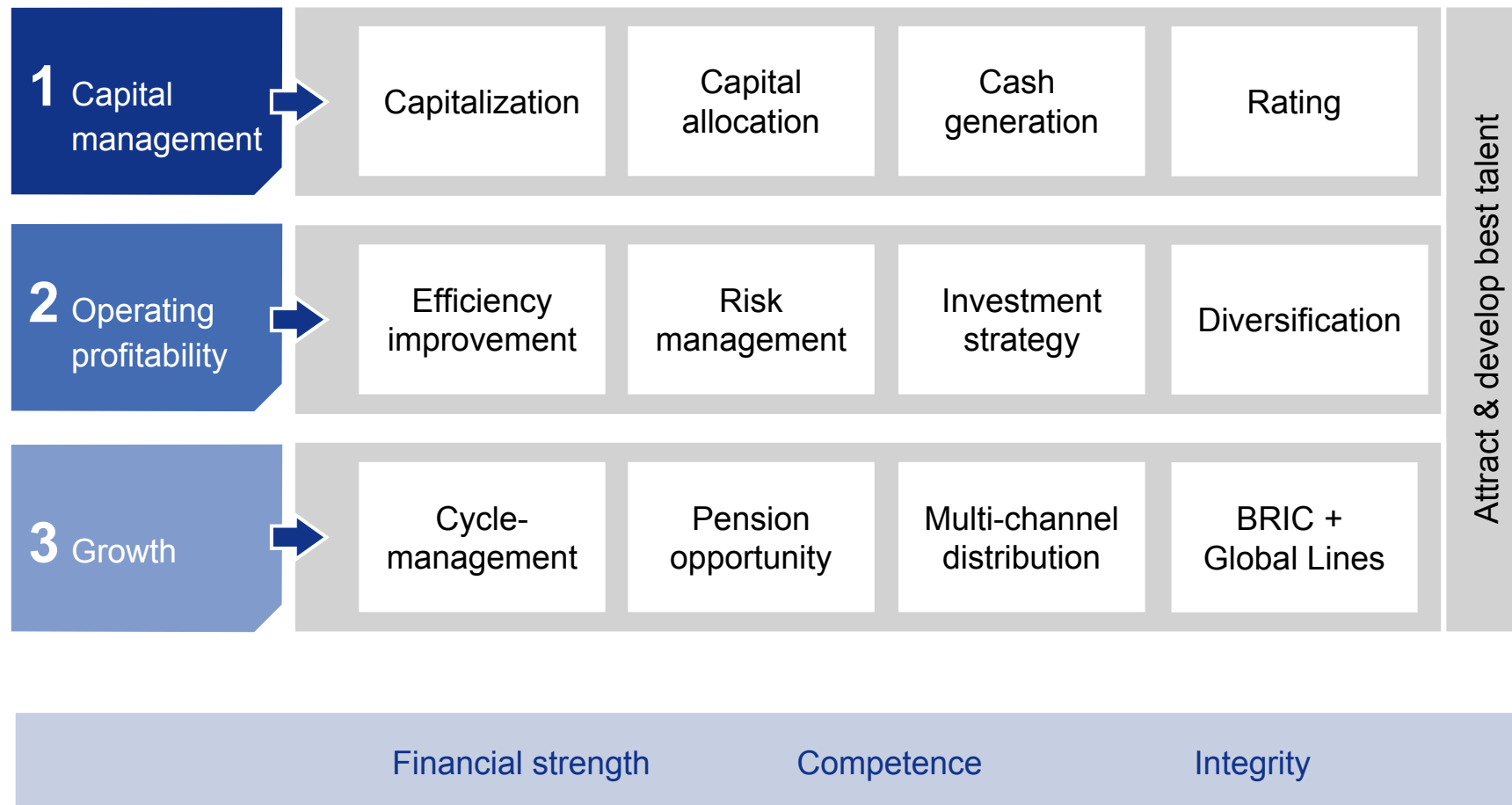
4 ... and higher profit potential (EUR bn)



1) Historical reported figures excluding Banking segment
 2) Share of global lines in operating profit

Our strategic priorities going forward

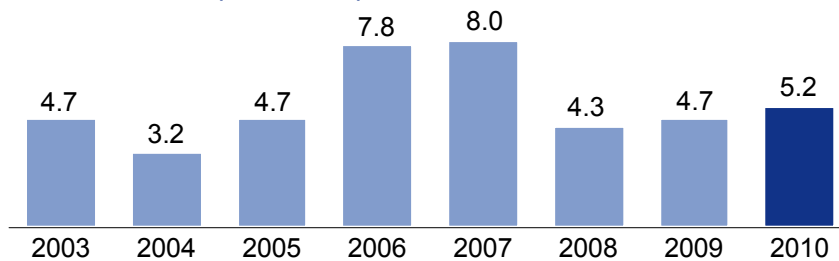
Priorities



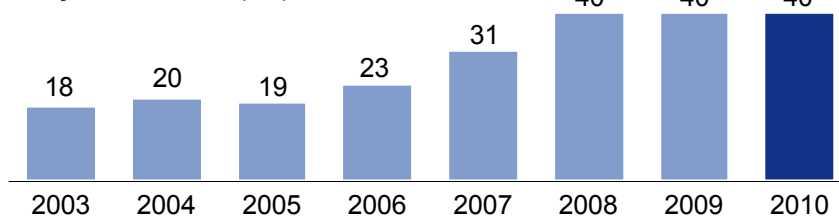
1 Capital

Attractive dividend while maintaining capital strength

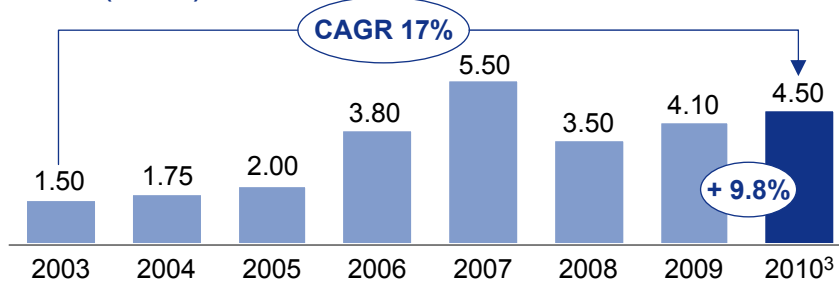
Net income (EUR bn)¹



Pay-out ratio (%)²



DPS (EUR)



Balanced capital allocation

Prudent pay-out ratio of 40% allows attractive dividend yield *and* maintaining capital strength in light of ...

- ... uncertain Solvency II transitional rules and final regulation
- ... higher market volatility
- ... possible economic set-back and low interest rate scenario
- ... profitable growth
- ... higher rating capital requirements

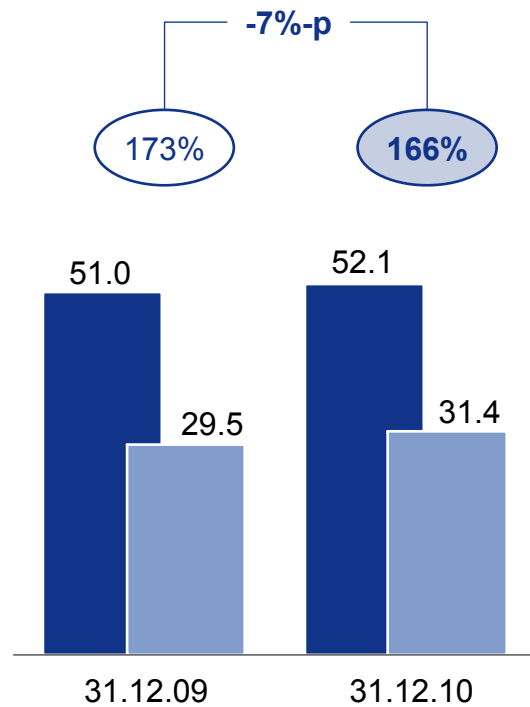
No intention to build excess capital

1) Net income from continuing operations
 2) Based on historical reported figures for net income from continuing operations adjusted for goodwill amortization
 3) Proposal

1 Capital

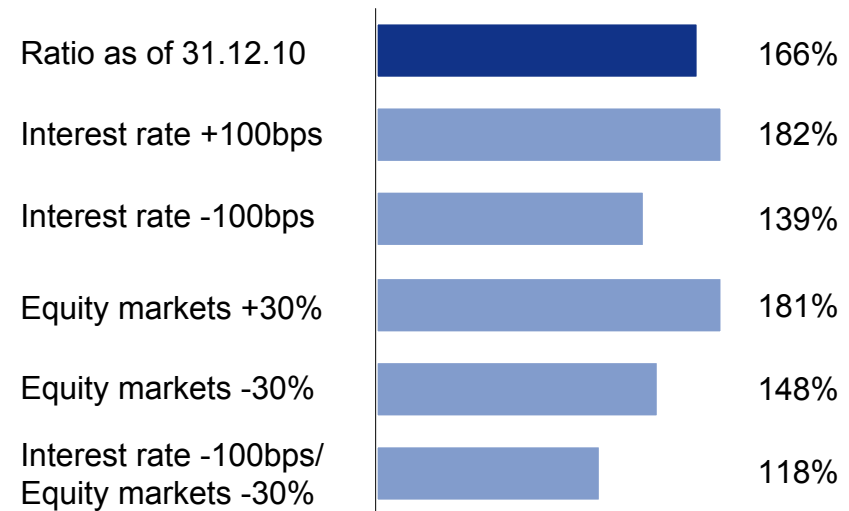
Economic solvency at 166%

Economic solvency¹
(EUR bn)



■ Risk bearing funds ○ Economic solvency ratio
■ Risk capital

Estimated impact²



1) Internal risk capital is recalculated based on the new internal risk capital framework. Available capital is also adjusted to reflect our new methodology used to determine the yield curves for valuation purposes in line with the current proposal of the European Insurance and Occupational Pensions Authority ("EIOPA") for L/H segment. At 99.97% confidence level. At the local OE-level we are capitalizing at 99.93% confidence level. Before non-controlling interests

2) Estimated solvency ratio changes in case of stress scenarios (stress applied on both risk bearing funds and risk capital)

2 Profitability Business model simplification – example Iberian P/C platform

	Allianz Spain	Market
Δ GPW ¹	-0.1%	-2.9%
ER ²	20.5%	22.2%
CR ²	90.3%	94.7%

Superior business model

- ➔ Focused
- ➔ Digitalized
- ➔ Superior customer service


Spanish business model

Portugal ³



Colombia



Brazil



Argentina



Mexico



Improvement since 2007

GPW growth ⁴⁾	Δ ER	Δ $\frac{\text{Customer}}{\text{FTE}}$	Δ $\frac{\text{Policies}}{\text{FTE}}$
+1.3%	-1.9%-p	+17%	+31%

- Growth, profitability, efficiency > market

+9.1%	-7.2%-p	+56%	+67%
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- Growth, efficiency > market (CR at market level)

+17.9%	-4.9%-p	+42%	+34%
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- Growth, efficiency > market (CR at market level)

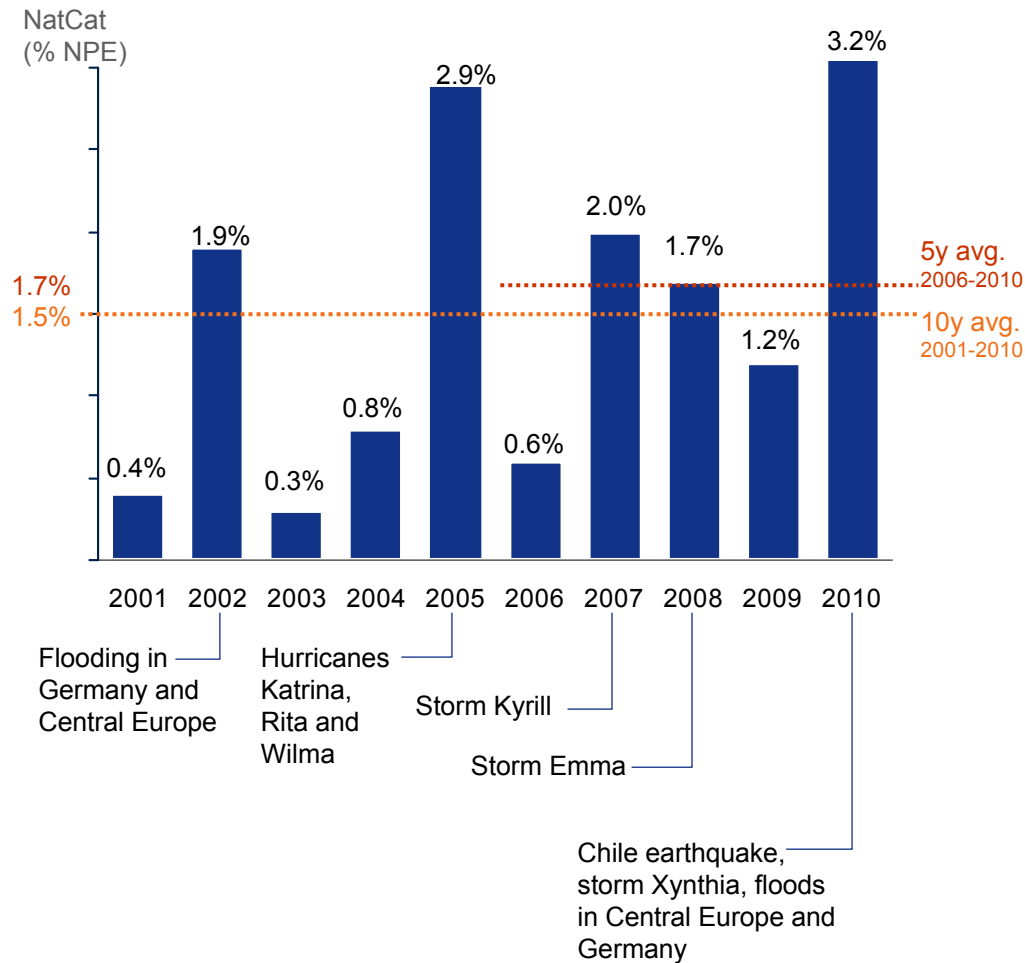
+29.5%	+0.3%-p	+10%	+19%
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- Growth, profitability, efficiency > market

= 9% of total P/C GPW⁵

1) CAGR 2008-2010; internal growth for Allianz Spain (adjusted for AGCS transfer in 2010); market growth based on Allianz business mix
 2) Source: ICEA; Allianz data 12M 2010 and market data based on 9M 2010 actual, as full year market data not available yet
 3) Status of platform implementation
 4) CAGR 2007-2010, FX adjusted
 5) Spain, Portugal, Colombia, Brazil and Argentina, excluding Mexico

2 Profitability NatCat risks and capital well managed



- NatCat loss experience generally in line with expectations
- Pooling and Group management of NatCat risk provides diversification benefits
- Central steering of nat cat exposure and Group retention
- Reinsurance programs tailored to risk appetite
- Large events covered by SuperCat¹, MegaCat¹ and cat bonds
- Improved operating profit due to higher retention

1) Global NatCat reinsurance programs covering events up to EUR 2,600mn → capital protection effect.

3 Growth

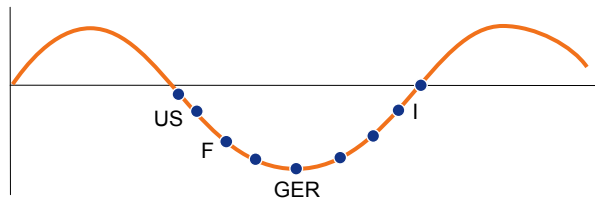
Disciplined cycle management with potential in our core markets

Pricing cycle: distinctive strategies required

Key focus on 4 P/C markets

Σ GPW = EUR 19.6bn Σ OP = EUR 1.4bn
GER, F, I, US GER, F, I, US

Motor



Momentum



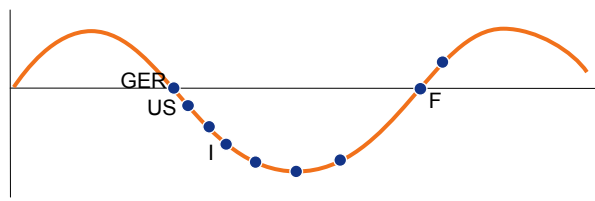
Germany

- Motor turnaround initiated
- Comprehensive web strategy
- Automotive gaining traction
- New claims systems in place

Turnaround stage



Non-Motor

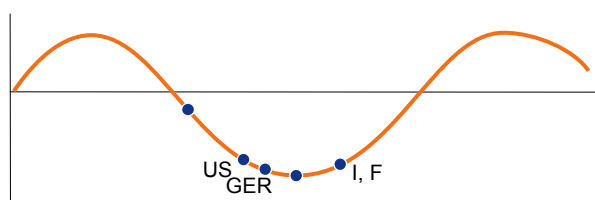


Italy

- Substantial price increases in motor
- Leverage hard market for growth in direct
- Further cleaning of commercial lines
- Reorganization successfully completed

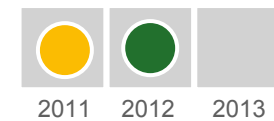


Mid-Corp.



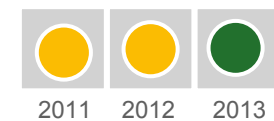
France

- Price increases ahead of competition
- Commercial lines (re)underwriting
- Reorganization to be completed in 2011
- Multi-distribution initiatives



US

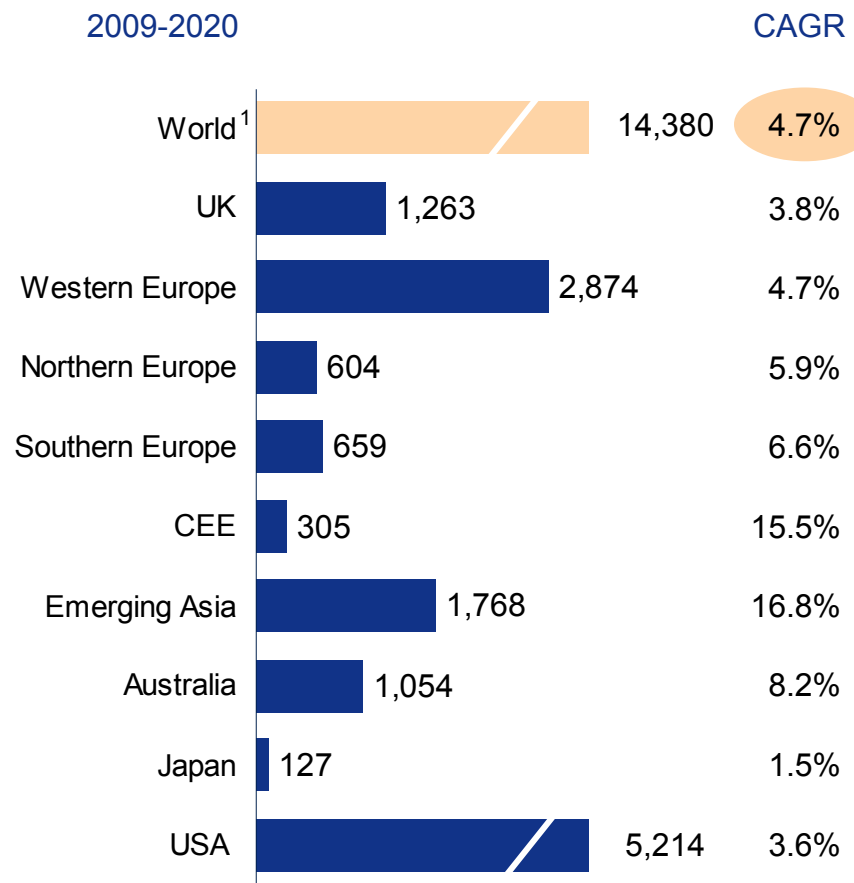
- Differentiated pricing actions
- Portfolio cleaning and selective (re)underwriting
- Upgrade of IT and administrative platform
- Access to broader distribution



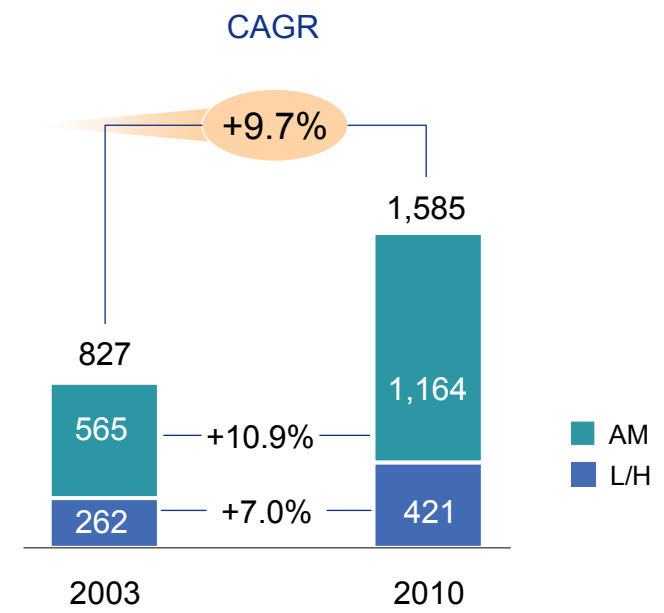
3 Growth

Excellent position to further benefit from pension opportunity

Expected increase in pension AuM (EUR bn)



Allianz AuM² L/H + AM (EUR bn)

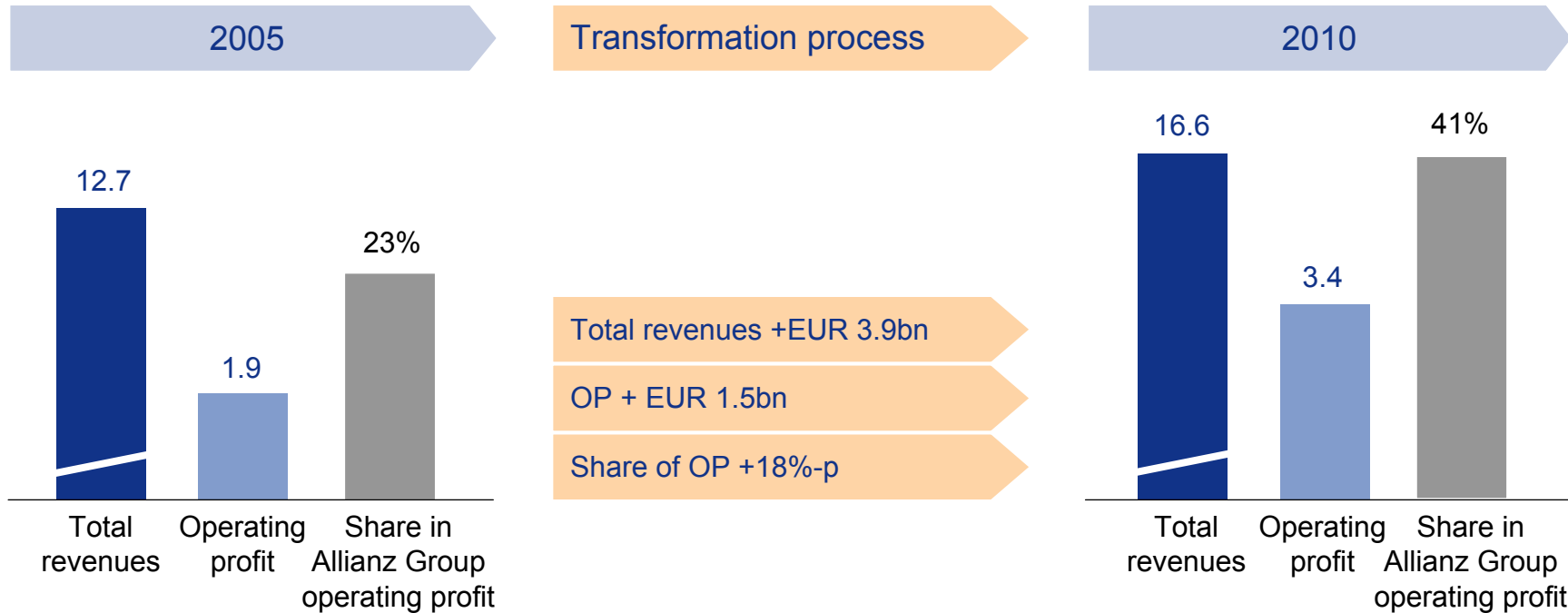


- Strong market position in all major continental European countries and the US
- Strong brand and rating
- Well diversified product portfolio

1) Including others
 2) Investments for L/H incl. unit-linked assets; third party assets for AM
 Source: AGI, International Pensions

3 Growth

Global business lines grow by 6% p.a.
EUR bn

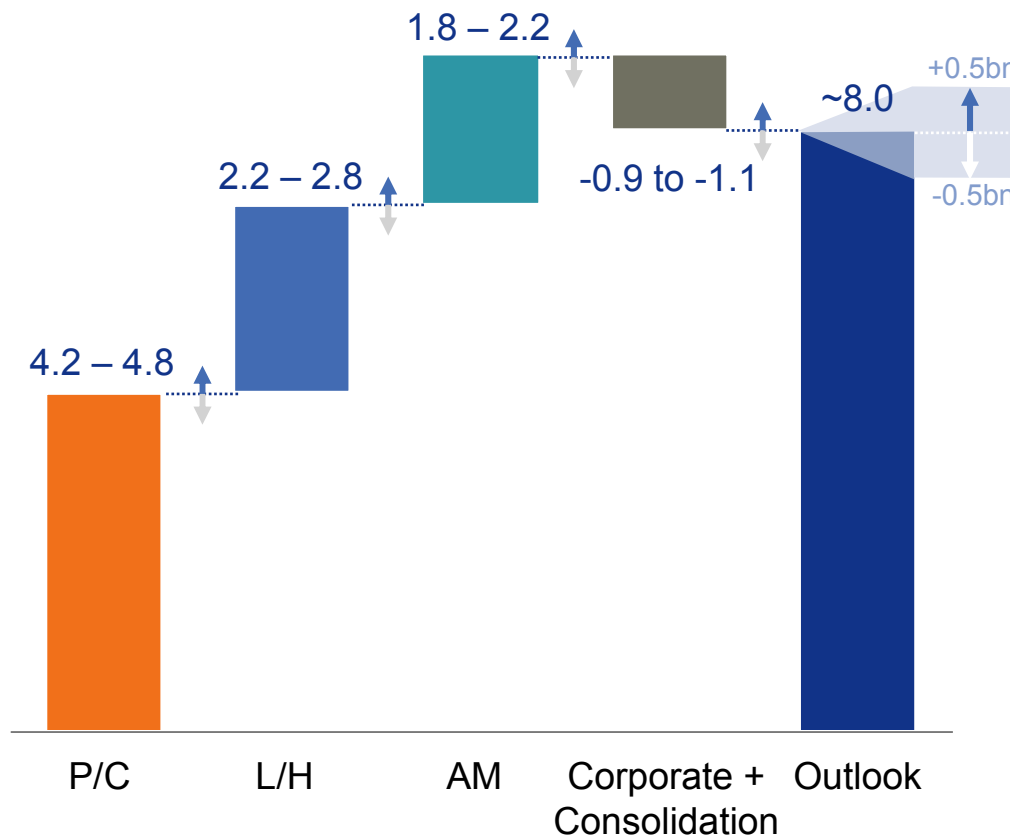


Global business lines:

Allianz Re (P/C, L/H), AGCS (P/C), Allianz Global Investors (AM), Euler Hermes (P/C), Mondial (P/C), Allianz Worldwide Care (Health), Global Life (Life), Automotive (P/C), Global Broker Initiative (P/C, L/H), AIM, Shared Services

► Mid-term aspiration: continue to increase contribution to Allianz results

Outlook: solid operating profit in 2011 (EUR bn)



- Range of operating profit outlook reflects diversification
- **Disclaimer:** Impact from NatCat, financial markets and global economic development not predictable!

Elevator pitch

- ➔ Strong capital base
- ➔ Resilient and well diversified business model
- ➔ Growing operating asset base
- ➔ High-quality investment portfolio
- ➔ Attractive dividend yield
- ➔ EUR 7.5bn – 8.5bn operating profit expected in 2011



Appendix

Investor Relations contacts

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Financial calendar

May 4, 2011	Annual General Meeting
May 12, 2011	1st quarter results 2011
August 5, 2011	2nd quarter results 2011
November 11, 2011	3rd quarter results 2011
February 23, 2012	Financial press conference for the 2011 fiscal year
February 24, 2012	Analysts' conference for the 2011 fiscal year
March 23, 2012	Annual Report 2011
May 9, 2012	Annual General Meeting

The German Securities Trading Act ("Wertpapierhandelsgesetz") obliges issuers to announce immediately any information which may have a substantial price impact, irrespective of the communicated schedules. Therefore we cannot exclude that we have to announce key figures of quarterly and fiscal year results ahead of the dates mentioned above. As we can never rule out changes of dates, we recommend checking them on the Internet at www.allianz.com/financialcalendar.

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.

No duty to update

The company assumes no obligation to update any information contained herein.