Quality!

Michael Diekmann,
Chief Executive Officer

Merrill Lynch Banking and Insurance Conference, London, October 2011

Agenda

A	**Allianz at a glance**
B	Déjà vu – lessons from the crisis
C	European Sovereign Insurance Mechanism (ESIM)
D	Outlook

Allianz at a glance

EUR **106bn** total revenues[1]

EUR **1,508bn** total AuM[2]

EUR **8.2bn** operating profit[1]

180% solvency ratio[2]

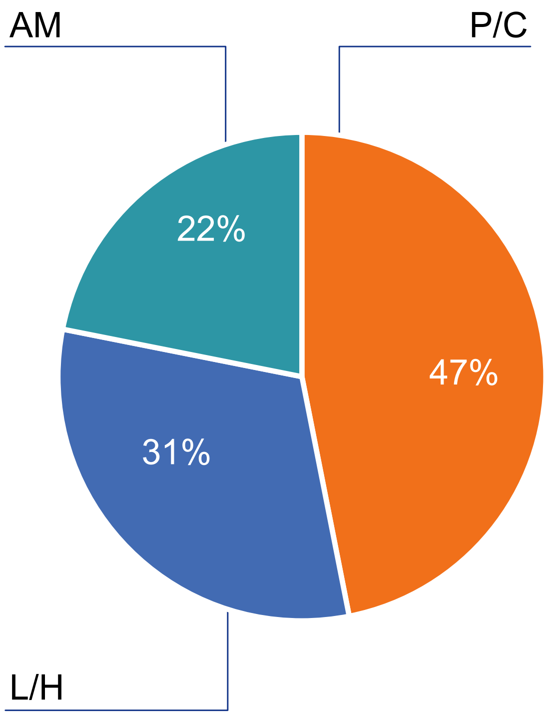
EUR **43bn** S/H equity[2]

EUR **44bn** market cap[2]

More than **76mn** customers[1]

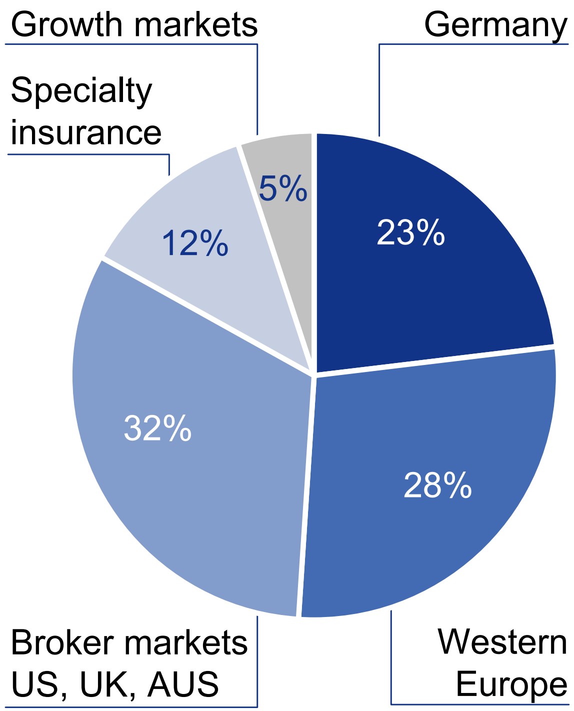
Segments[1,3]

Operating profit in %



Regions[1,3]

Operating profit in %



1) 12/2010
2) 06/2011
3) Relation of positive parts of operating profit

Market positions and brands

- Leading P/C insurer globally[1]
- 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
- Building the leading global automotive provider

Allianz

Allianz Global Investors

PIMCO

Allianz Global Assistance

EULER HERMES

Allianz Global Corporate & Specialty

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

Key developments in H1 2011[1]

H1

- Strong operating profit despite crisis, slightly below previous year due to high NatCat and negative F/X impact
- Total revenues EUR 54.5bn (-2.6%)
- Operating profit EUR 4.0bn (-1.8%)
- Net income EUR 2.0bn (-28.0%)
- Shareholders' equity EUR 42.6bn (-2.6%)

1) Percentage changes related to results of first half year 2010

Agenda

A Allianz at a glance

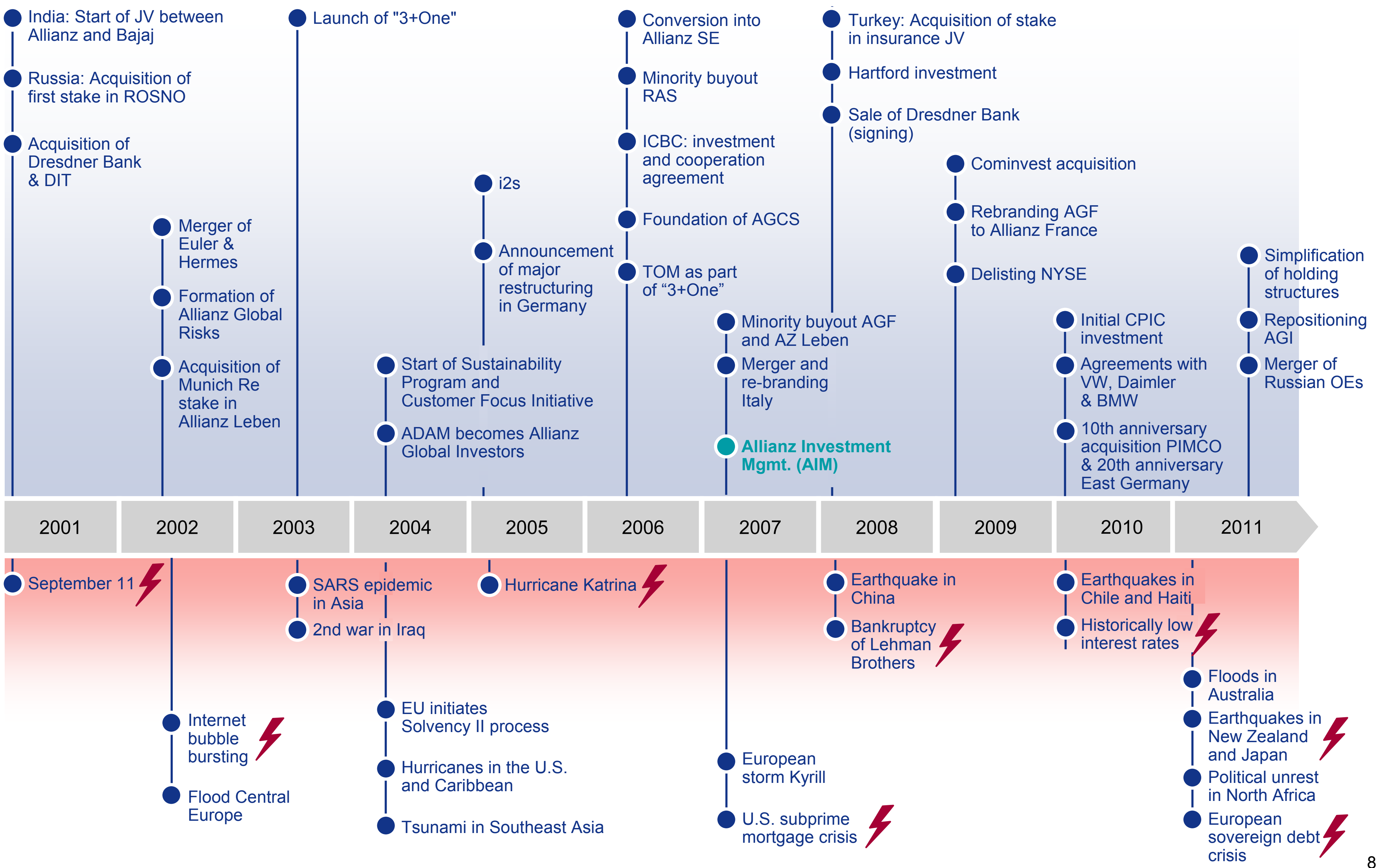
B Déjà vu – lessons from the crisis

C European Sovereign Insurance Mechanism (ESIM)

D Outlook

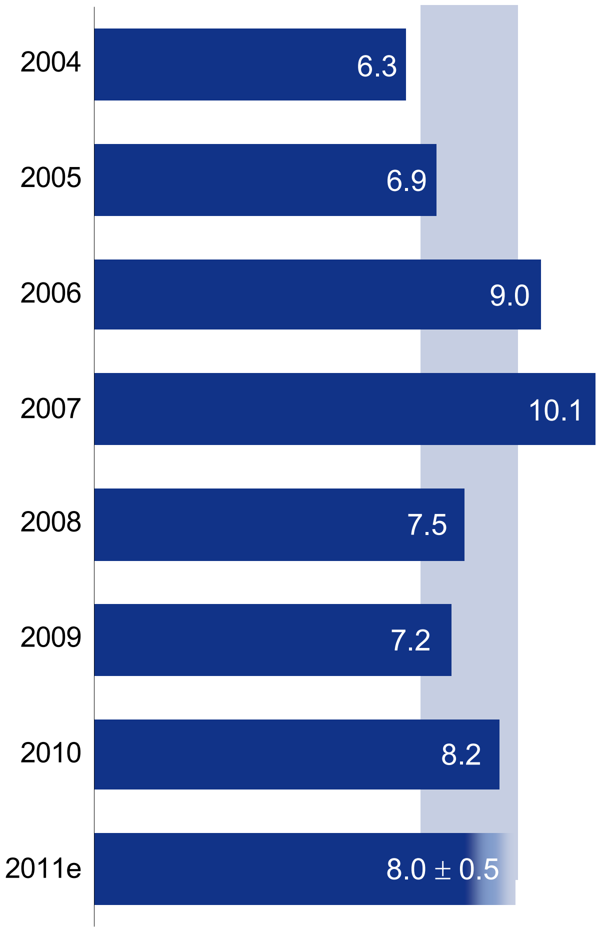
My slide shown at this conference in 2003

10 years of streamlining

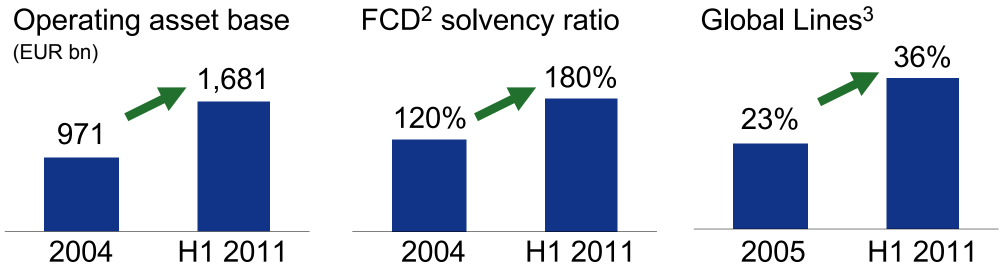


Allianz well positioned to capture upside potential

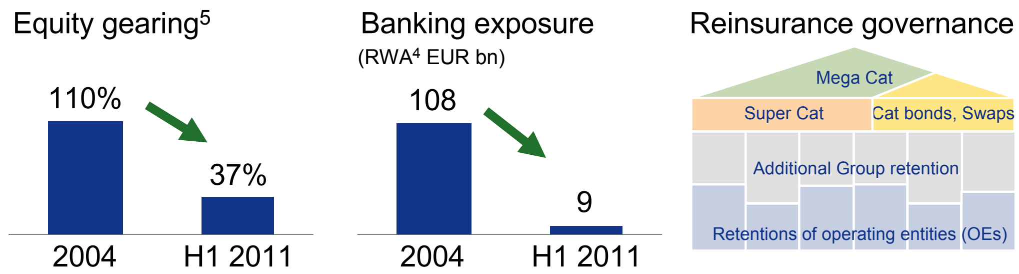
1 Stable operating profit[1] range



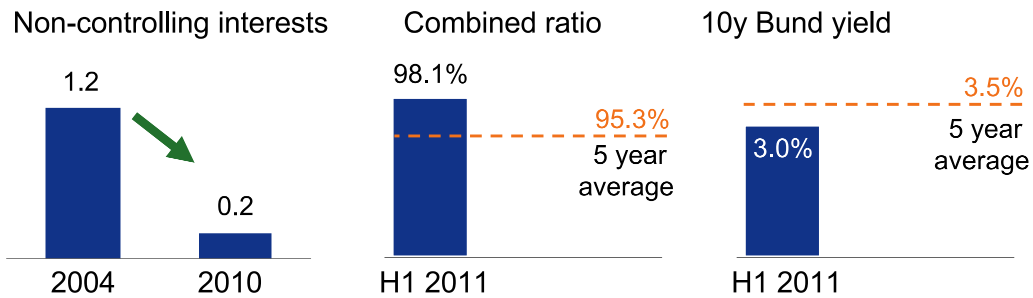
2 Better starting position …



3 … with improved risk profile …



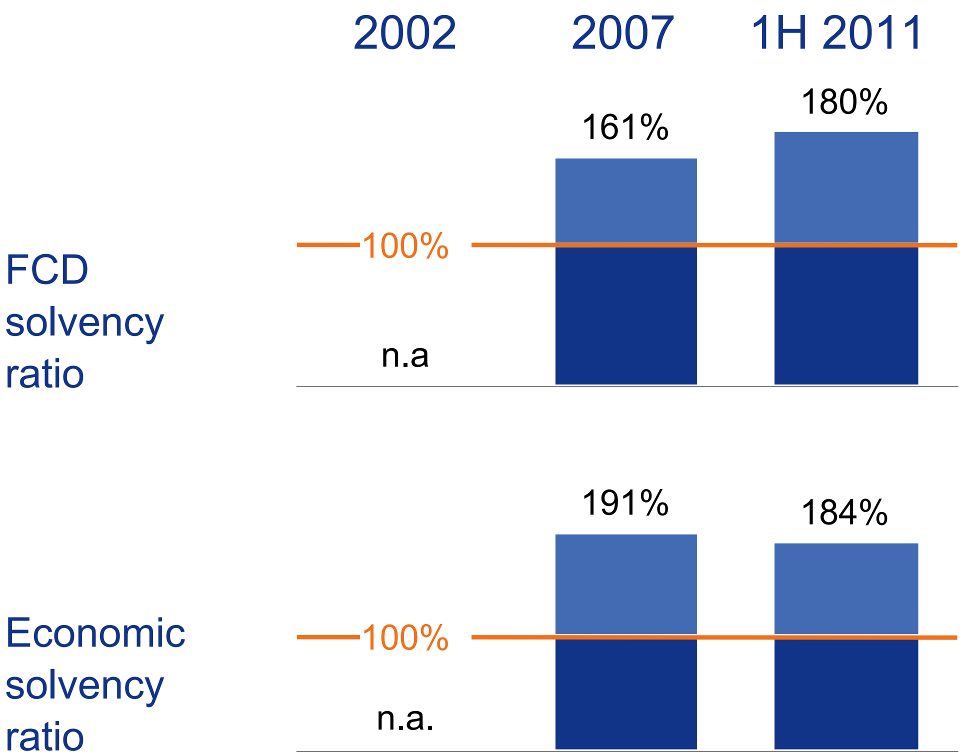
4 … and higher profit potential (EUR bn)



1) Historical reported figures excluding Banking segment in EUR bn
2) Financial Conglomerates Directive
3) Share of Global Lines in operating profit
4) Risk Weighted Assets
5) Net equity exposure after tax and policyholder participation as % of NAV

1
Strong capital

Sound regulatory/economic capital ratios …

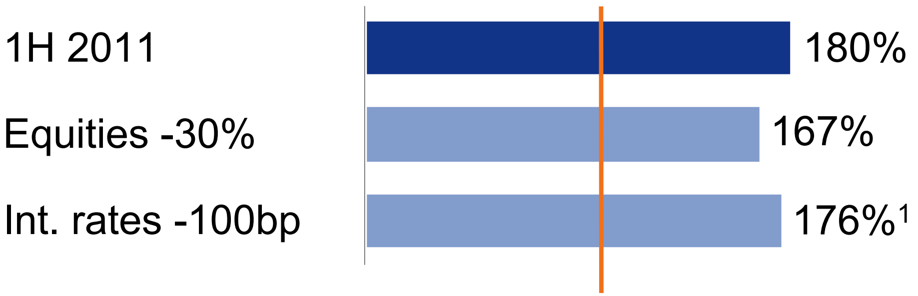


S&P rating	2002	2007	1H 2011
	AA negative	AA stable	AA stable

- Regulatory capital **ex**cluding unrealized gains on bonds, but **in**cluding impairments on Greek sovereign debt
- Economic capital based on marked-to-market sovereign bond portfolio
- Economic solvency calibrated to 3bps confidence level (Solvency II: 50bps)
- All solvency ratios after 40% net income dividend accrual
- S&P and A.M. Best ratings affirmed in September 2011

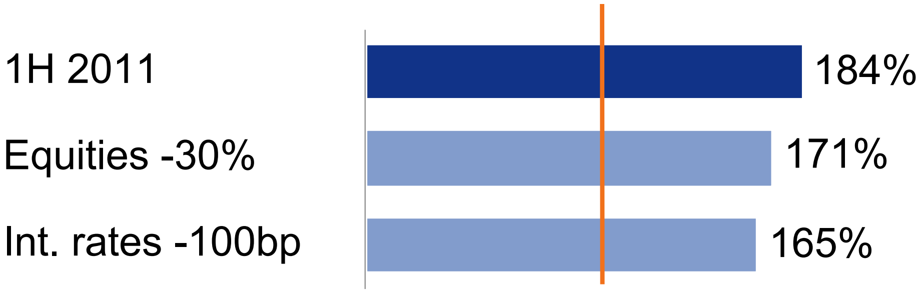
… with moderate sensitivities

FCD solvency ratio



100%

Economic solvency ratio



IFRS S/H equity (EUR bn)

- Equity gearing significantly reduced
- Regulatory solvency ratio almost immune against interest rate and spread changes
- Pro-cyclical banking segment discontinued

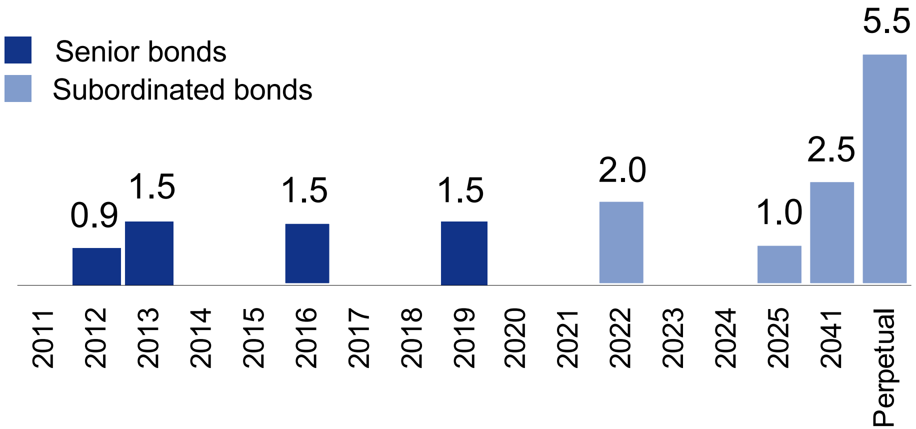
1) Lower FCD capital driven by change in DAC write-off (shadow DAC) and negative impact from reserve discounting

Allianz

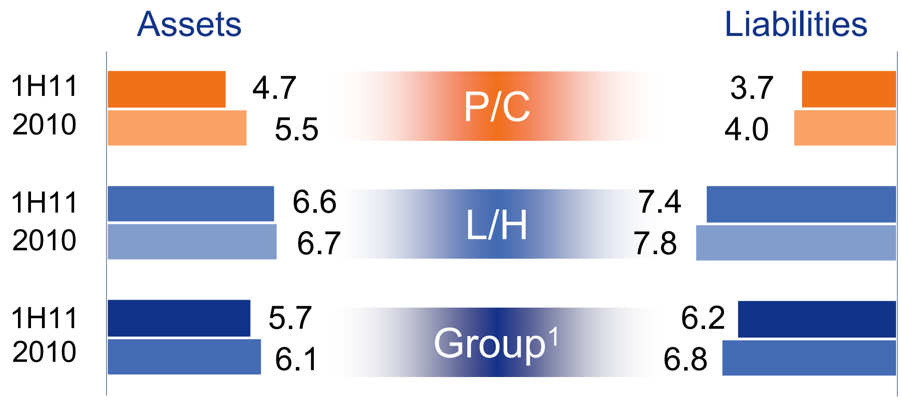
1 Strong capital

Sound liquidity

Maturity structure
(EUR bn)



Duration[3] (years)



- Mid term financing completed[1]
  - 2011 issuance covers maturities until 2015
  - Attractive conditions and intelligent timing
  - Allianz CoCo structure offers additional protection
- Sensible maturity profile
- Useful diversification between instruments
- Over ~EUR 250bn group assets eligible as collateral with central banks[2]
- Closely matched ALM structure
- Stable liabilities with long duration profile
- Limited interest rate sensitivity of operating earnings[4]
- Stable surrender ratios in L/H

1) Excluding opportunistic transactions
2) Amount may vary depending on prevailing regulatory conditions
3) Modified duration to allow for asset overhang
4) ~ EUR -200mn impact of 100bps lower yield across all asset classes during first 12 months (excluding fair value changes)

Balanced portfolio stabilizes operating profit

We delivered …

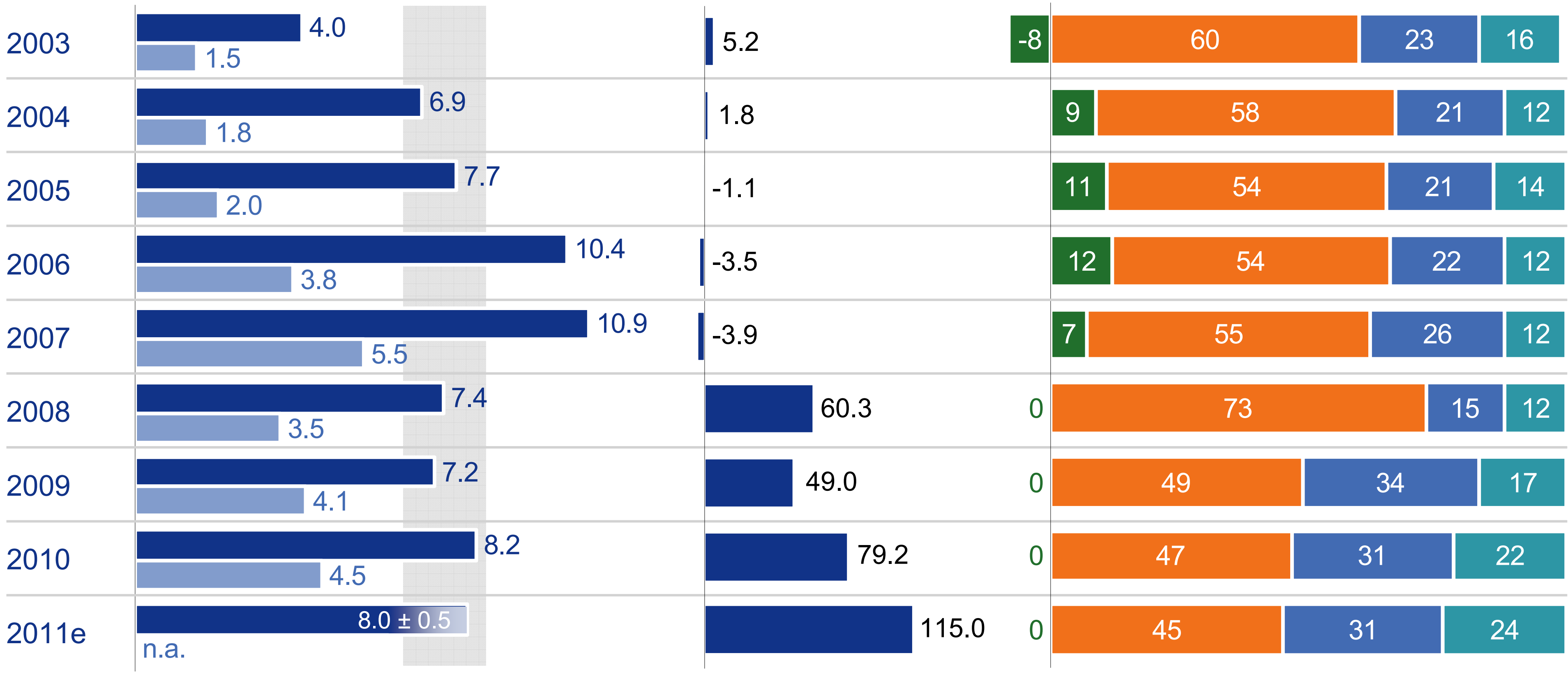
… in tough environment

… thanks to diversification

Operating profit[1] (EUR bn) and DPS (EUR)

iBoxx EUR overall asset swap spread in bp

OP by business segment in %[2]



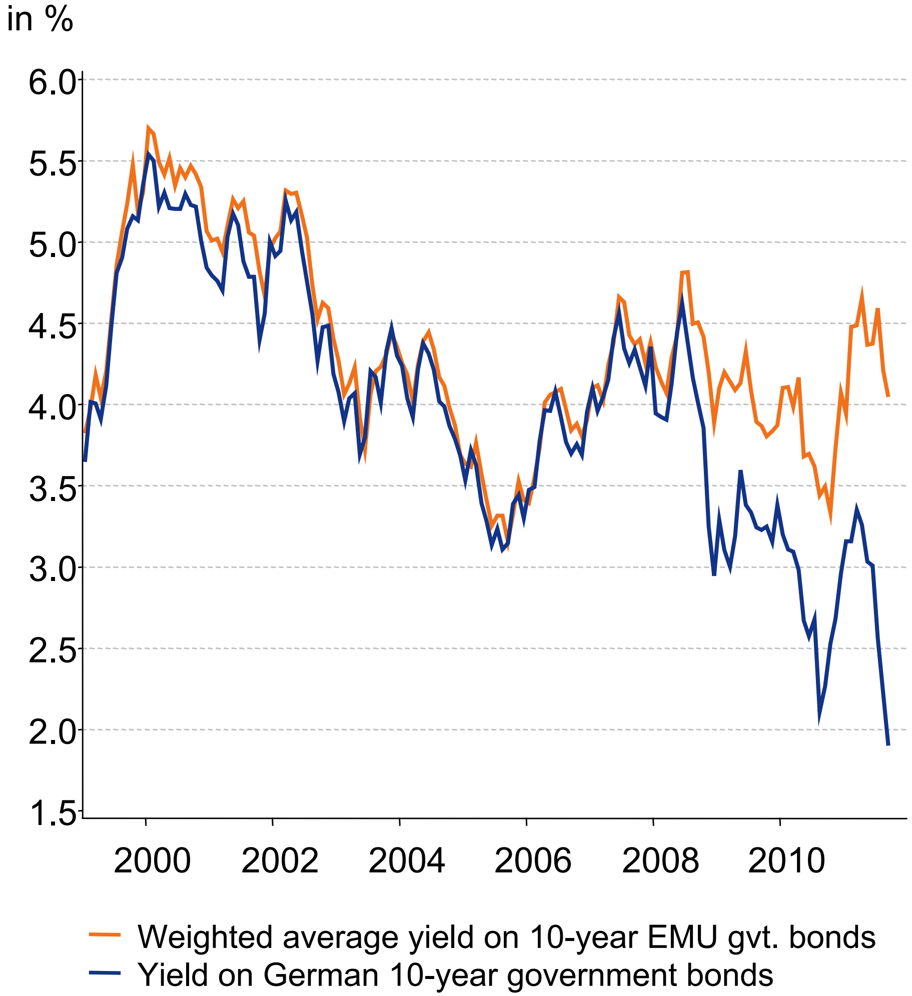
Operating profit
Dividend per share

Bank
L/H
P/C
AM

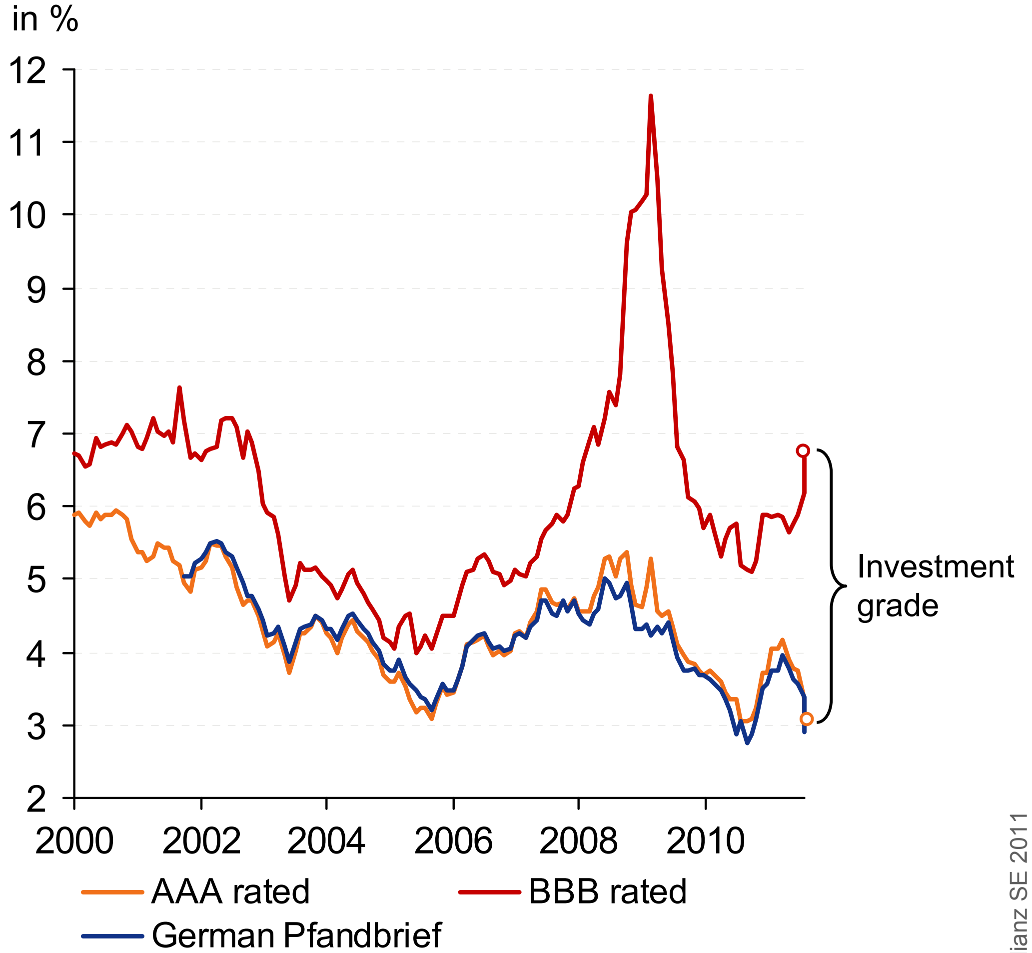
1) Historical reported figures
2) Based on historical reported figures excl. Corporate segment and Conso. 2011: H1

Fixed income investment landscape: more than just German Bunds …

EMU: Government bond yields



EMU: 7-10 year corporate bond yields

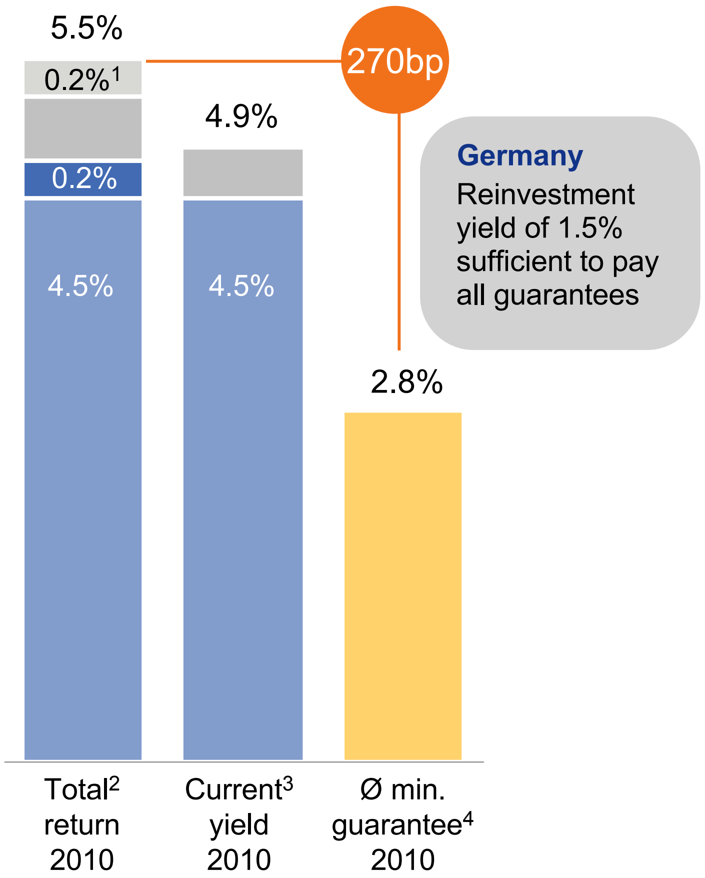


Sources: Bloomberg, EcoWin

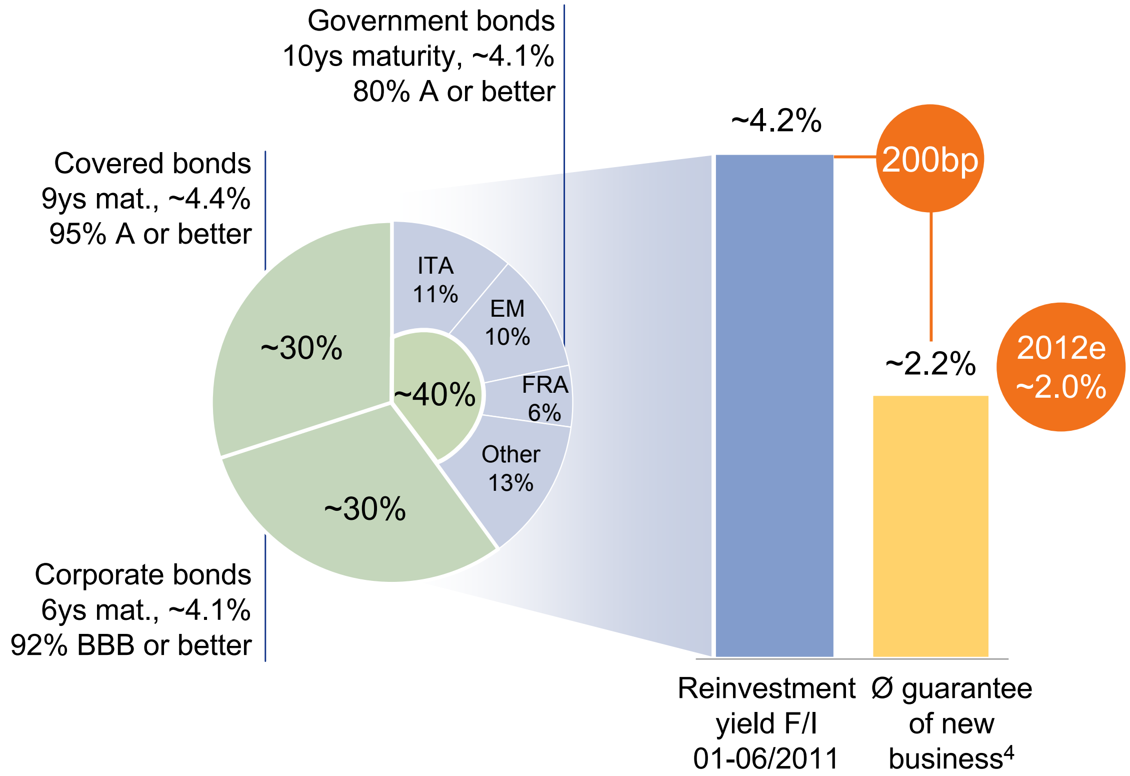
2 Sustainable profitability

… resulting in positive L/H margins despite low interest rates

Business in force



New business



- Based on aggregate policy reserves
- Based on book value of assets
- Based on aggregate policy reserves
- Harvesting and other
- Underwriting and expenses

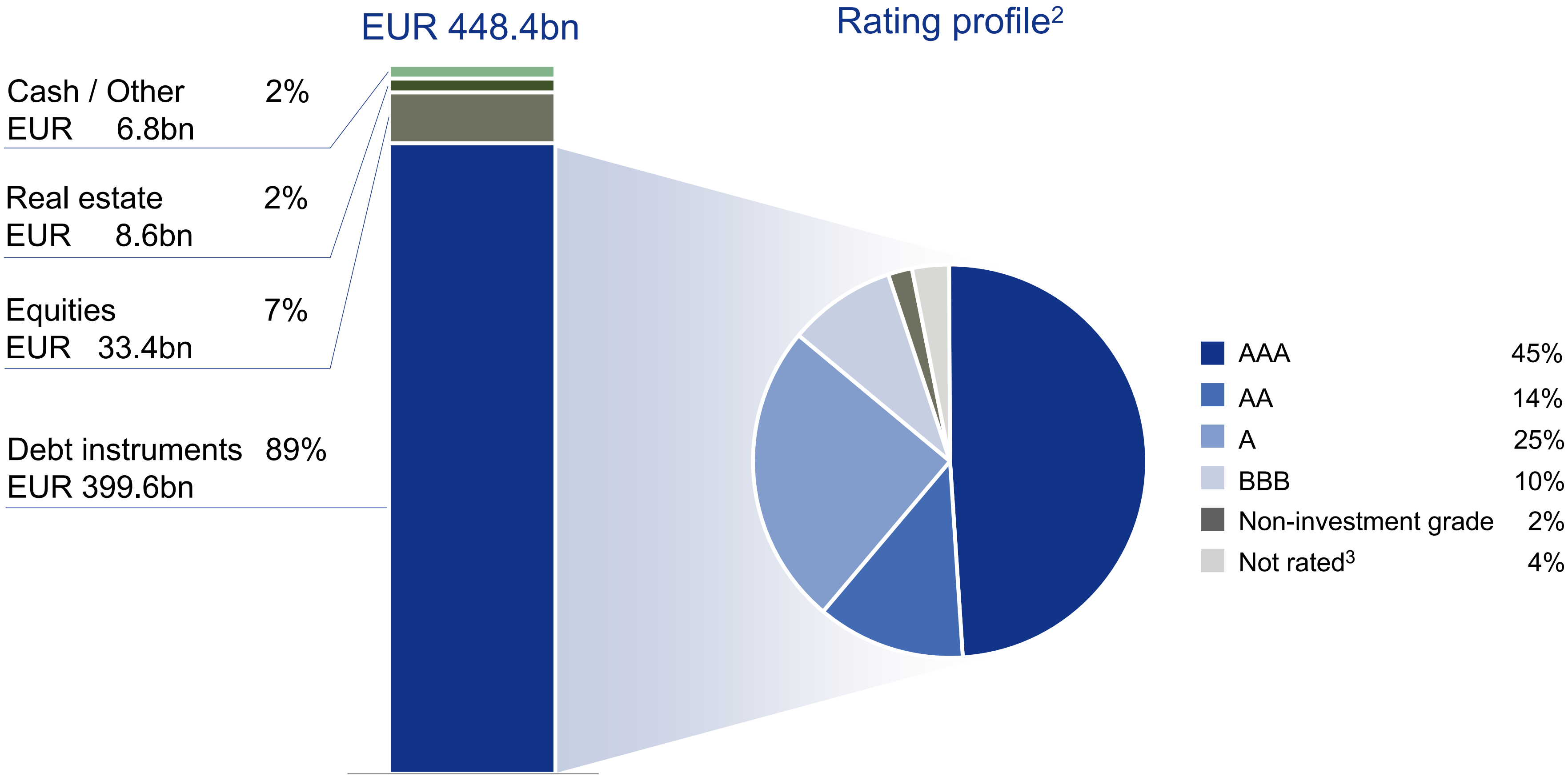
1) Net of php; in stress scenario higher shareholder share possible
2) Based on IFRS investment + underwriting result
3) Based on IFRS current interest and similar income
4) Weighted by aggregate policy reserves

2
Sustainable profitability

High-quality investment portfolio

Conservative asset allocation[1]

High-quality fixed income portfolio



1) H1 2011, 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 and registered debentures, all of investment grade quality

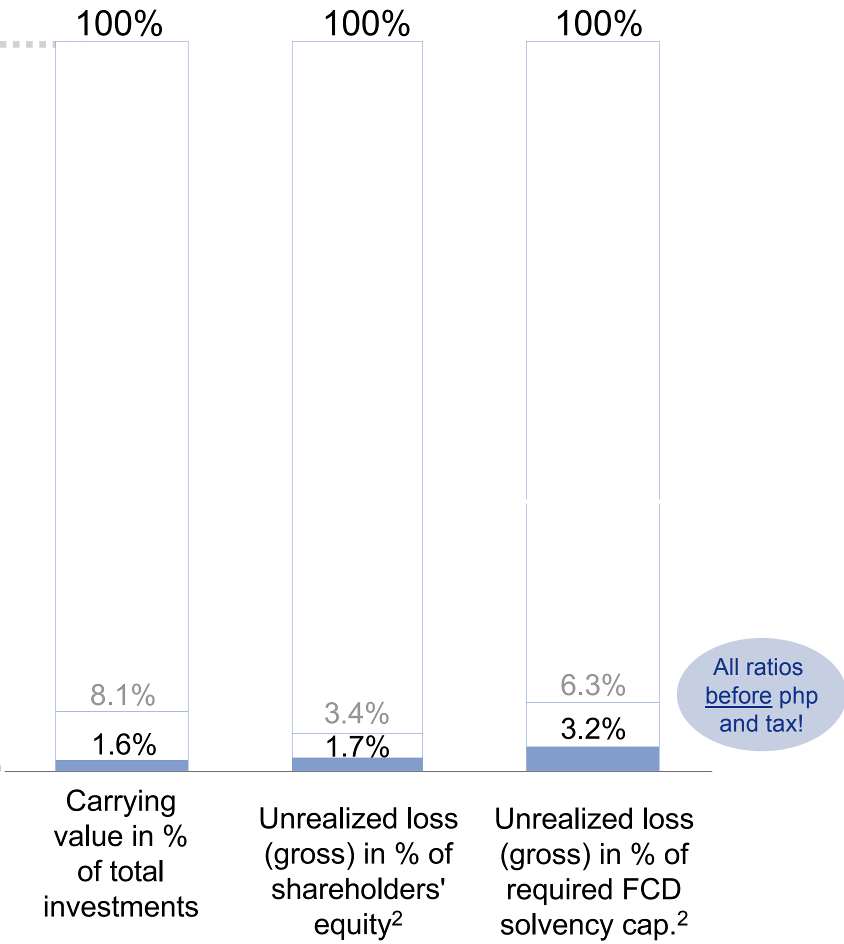
2
Sustainable profitability

Limited exposure to peripheral sovereign debt

Absolute exposure

EUR mn 1H 2011	Carrying value	Unrealized loss (gross)
Ireland	646	-195
Portugal	780	-245
Greece	782	-6
Spain	5,077	-280
Sub-total	7,285	-726
Italy	29,157	-718
Total	36,442	-1,444

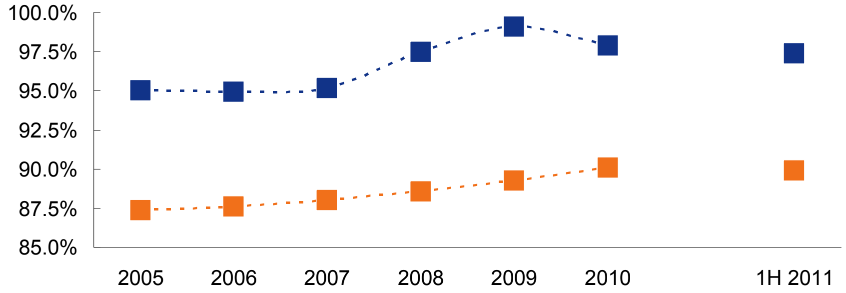
Relative exposure[1]



1) Light grey ratios refer to total exposure (peripherals plus Italy)
2) Ratios slightly overstated, because net unrealized losses are already deducted from S/H equity

2 Sustainable profitability

Crisis deserves attention, but don't overlook the positive operative trend

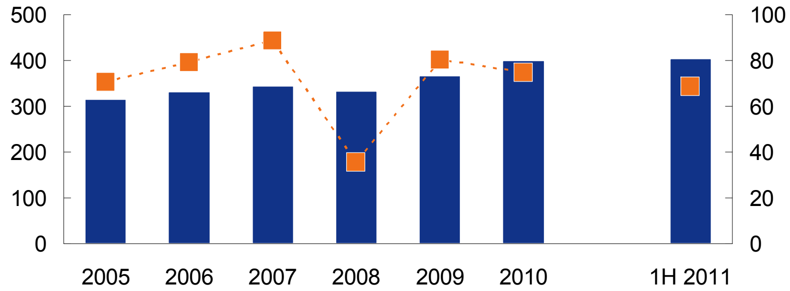


Property/Casualty

- Strong accident year profitability
- Higher retention of profitable business
- Sound pricing momentum
- Disciplined cycle management

■ AY CR ex NatCat

■ Net retention

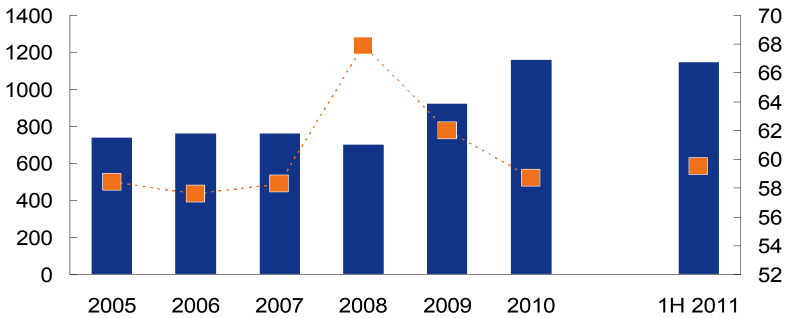


Life /Health

- Consistent reserve growth
- Solid margins[1]
- Attractively diversified business mix

■ Technical reserves (EUR bn) - lhs

■ OP margin[1] (bps) - rhs

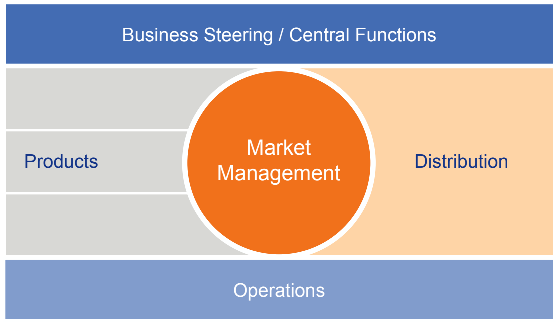


Asset Management

- Strong growth momentum
- Consistent realization of economies of scale
- Solid outperformance

■ 3rd p. AuM (EUR bn) - lhs

■ CIR (bps) - rhs



Corporate

- Target Operating Model implemented
- Improving operational leverage
- Progressive globalization of scalable businesses

1) Operating profit over average technical reserves

3
Manageable complexity

Continuing optimization of strategic portfolio

Divested and discontinued operations

Last 12 months

- Banking Hungary
- Banking Poland
- Alba (Switzerland)
- Phenix (Switzerland)
- Kazakhstan
- Life Japan[1]

Structural improvements

Last 12 months

- Russia (streamlining)
- Asset Management (repositioning)
- Streamlining of holding structures

Ongoing

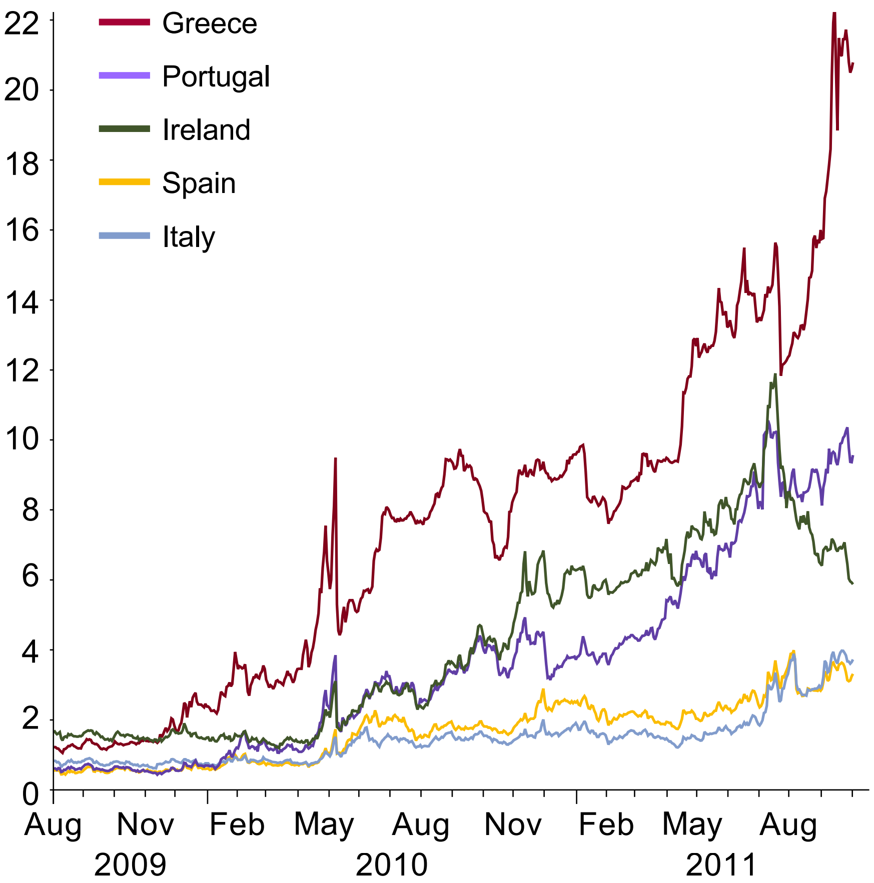
- AGCS (portfolio consolidation)
- Latin America (back-office integration)
- FFIC (IT)
- Germany (P/C)

1) Discontinuation of new business beginning January 2012

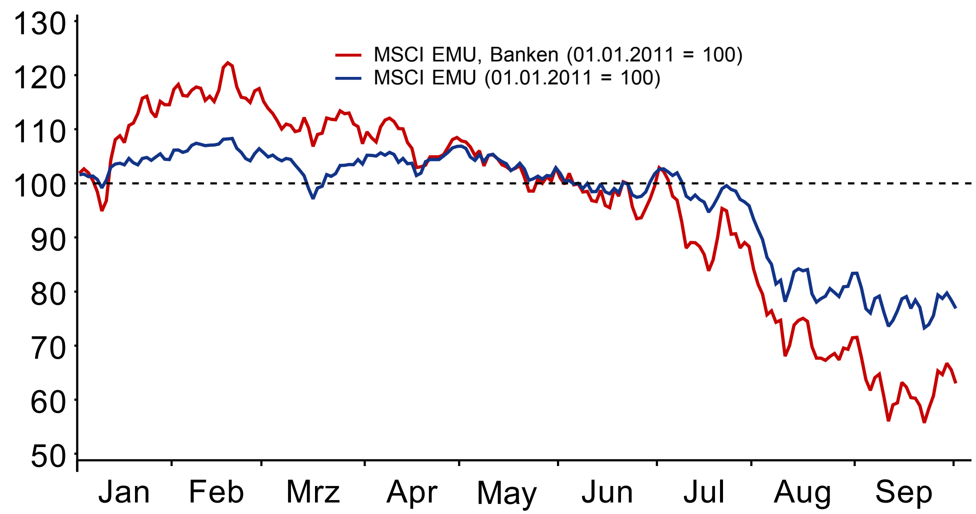
Agenda

European sovereign debt crisis: high uncertainty and growing downside risks

Government bond spreads over 10yr
(German government bonds, % points)



Outsized downward pressure on bank shares



- Risk premiums reach record highs
- Rising tension in the interbank market
- Stock market crash
- Pace of economic growth in the Euro area expected to decelerate

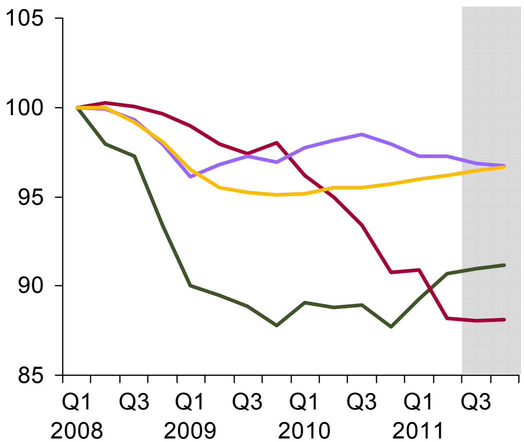
Source: EcoWin

Allianz

Signs of stabilization in the Eurozone periphery

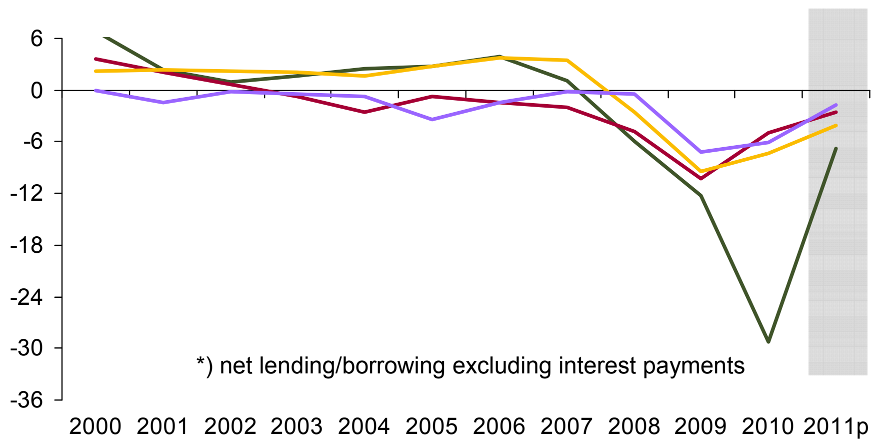
Economic stabilization in EMU periphery?

GDP, index Q1 2008 = 100



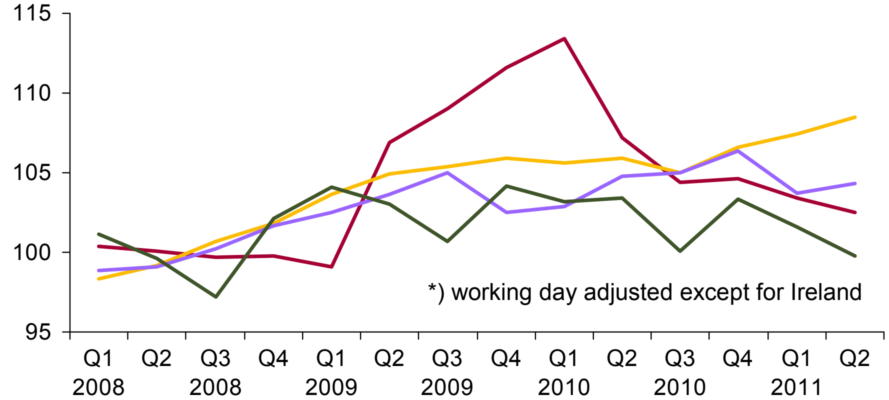
	2010	2011p
Greece	-4.4	*-5.3*
Ireland	-0.4	*2.1*
Portugal	1.3	*-1.4*
Spain	-0.1	*1.0*

Decreasing primary deficits reflect consolidation progress, primary balance*, as % of GDP



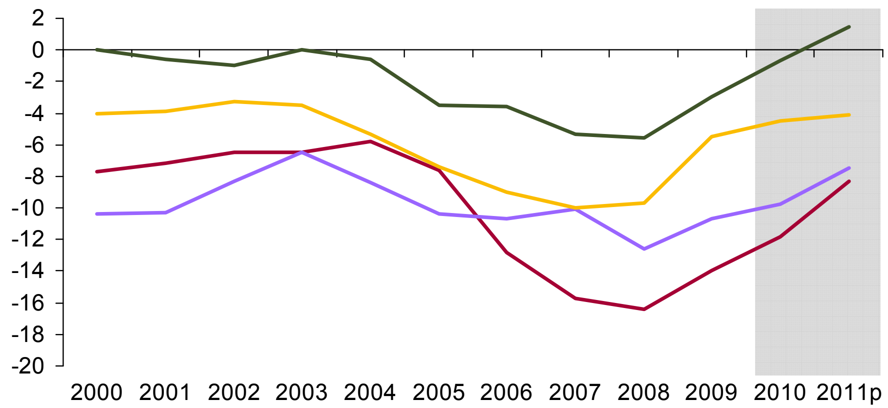
Lower labor costs in Portugal, Greece and Ireland

Total nominal hourly labor costs, index 2008=100



Shrinking current account deficits

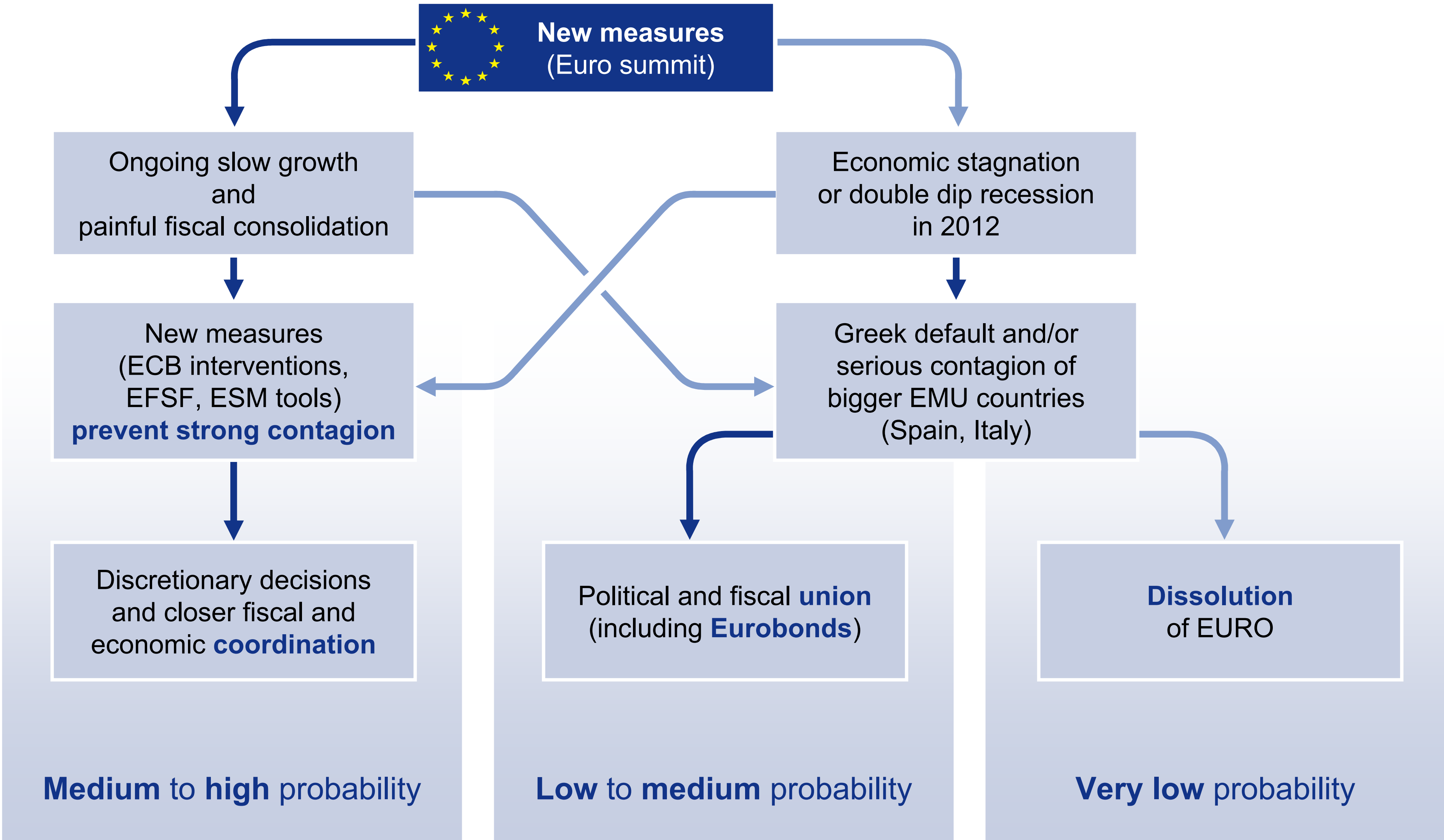
% of GDP



Ireland — Spain — Greece — Portugal

Sources: Eurostat, EU Commission. 2011: own estimates.

Eurozone scenarios: gradual fiscal integration or radical change



Leaving the EU is not the answer

Legal view

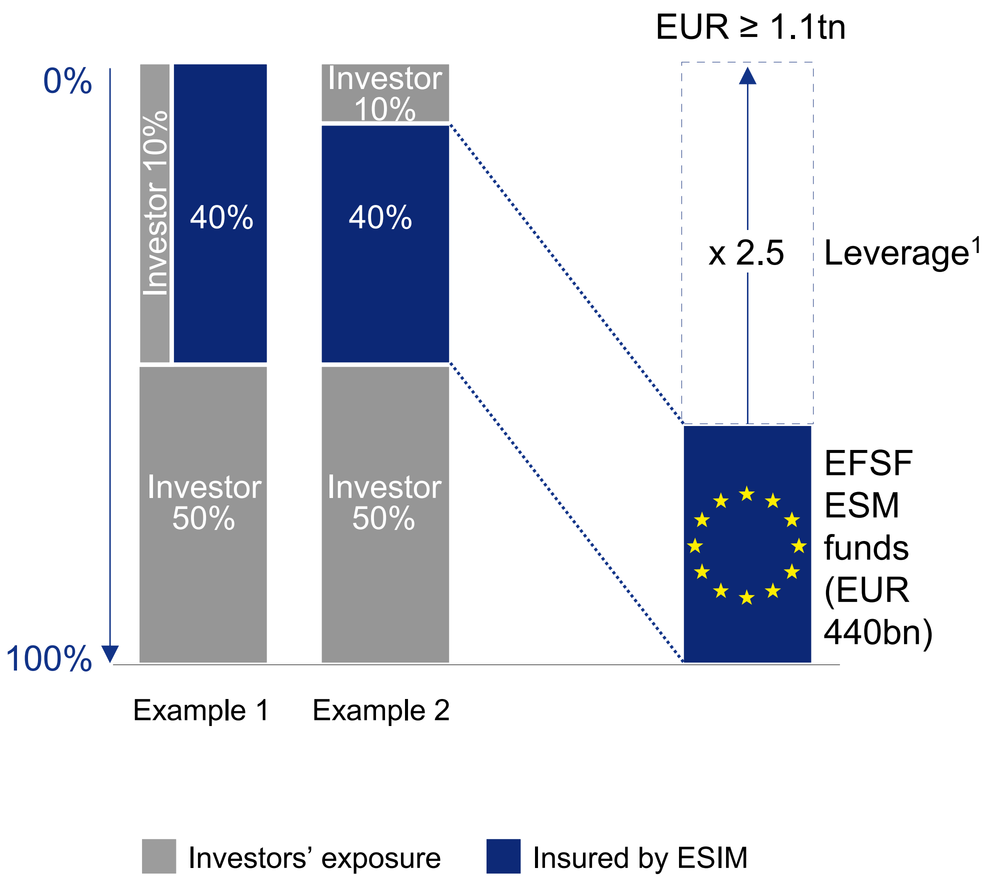
Country leaves	Euro only	Euro and EU
Expulsion	✗	✗
Secession	✗	extremely arduous, theoretical option only[1]

Economic view

Likely impact on peripheral country leaving the EU	Positive	Negative
Extreme pressure on banking system		✗
Extremely high funding costs		✗
High tariffs for export in EU		✗
Discontinuation of EU transfers		✗
Devaluation of currency	✓ export	✗ import

1) Unanimous consent of all 27 member states required, including the leaving country itself

Our proposal: the European Sovereign Insurance Mechanism (ESIM)



EFSF (and subsequently ESM) acts as sovereign bond insurer for new funding and exchange offers

Advantages

- Committed funds leveraged up to 3.7 times[1]
- Total coverage up to EUR 2.9tn[2]
- Extension of program does not reduce available funds
- Terms tailored to specific debtor situations
- Selected allocation of funds (contrarian to Eurobonds)
- (Re)enforcement of restructuring targets via pricing and allocation
- Pricing determined by ESIM (not CDS)
- Necessary support of banks still possible
- Feasible within existing legal framework: quick implementation possible
- Solution of Greek's solvency problem via **voluntary** exchange of existing bonds into insured bonds above current market values but significantly below par

1) Lower coverage for selected countries increases leverage, e.g. to 3.7 with 40% coverage for Greece, Portugal and Ireland and 25% for Italy and Spain
2) Current guarantees given to EFSF leveraged via ESIM = EUR 780bn x 3.7 = EUR 2.9tn

Agenda

Our strategic priorities

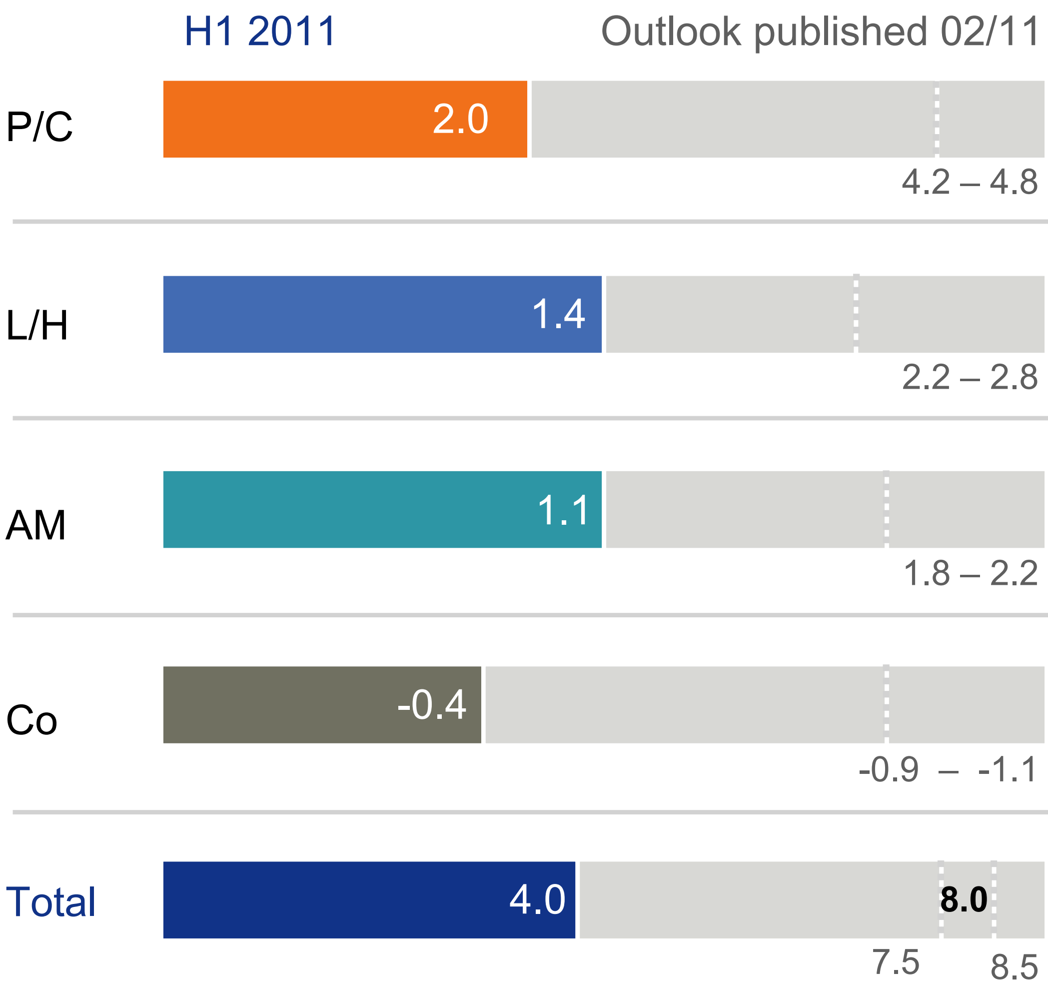
Priorities

Priorities					
Capital management	Capitalization	Capital allocation	Cash generation	Rating	Attract & develop best talent
Operating profitability	Efficiency improvement	Risk management	Investment strategy	Diversification	
Growth	Cycle-management	Pension opportunity	Multi-channel distribution	BRIC + Global Lines	

Financial strength   Competence   Integrity

EUR 7.5 – 8.5 bn operating profit expected in 2011

Operating profit (EUR bn)



H1 2011

- Exceptionally high NatCat
- CR 98.1%

- Revenues at EUR 27bn
- EUR 2.1bn net inflows

- EUR 34bn net inflows
- CIR 59.0%

- As expected

- Please mind the seasonality of the business and our disclaimer[1]!

1) Disclaimer: Impact from NatCat, financial markets and global economic development not predictable!

Recent stock performance driven by technicalities

Relative performance Allianz versus STOXX Europe 600 Insurance

Source: Thomson Reuters Datastream

Summary: Allianz well positioned

- Strong market positions and brands
- Resilient and well diversified business model
- High-quality investment portfolio
- Strong capital base
- EUR 7.5bn – 8.5bn operating profit expected in 2011

Well positioned for the "New Normal"

Appendix

Investor Relations contacts

Oliver Schmidt
Head of Investor Relations

Phone +49 89 3800-3963
oliver.schmidt@allianz.com

Peter Hardy

Phone +49 89 3800-18180
peter.hardy@allianz.com

Holger Klotz

Phone +49 89 3800-18124
holger.klotz@allianz.com

Reinhard Lahusen

Phone +49 89 3800-17224
reinhard.lahusen@allianz.com

Christian Lamprecht

Phone +49 89 3800-3892
christian.lamprecht@allianz.com

Stephanie Aldag
IR Events

Phone +49 89 3800-17975
stephanie.aldag@allianz.com

Investor Relations

Fax +49 89 3800-3899
investor.relations@allianz.com

Internet

(English): www.allianz.com/investor-relations
(German): www.allianz.com/ir

Financial calendar

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
May 15, 2012	Interim Report 1st quarter 2012
August 3, 2012	Interim Report 2nd quarter 2012
November 9, 2012	Interim Report 3rd quarter 2012

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. 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.