Allianz – well positioned for uncertain times!

Jay Ralph,
Member of the Board of Management

Commerzbank German
Investment Seminar
New York, January 2012
Agenda

A  Allianz – a winning business model
B  Asset Management – growing in importance
C  Allianz – well positioned for uncertain times
D  Summary
Allianz at a glance

EUR **106bn** total revenues<sup>1</sup>

EUR **1,592bn** total AuM<sup>2</sup>

EUR **8.2bn** operating profit<sup>1</sup>

179% solvency ratio<sup>2</sup>

EUR **44bn** S/H equity<sup>2</sup>

EUR **33.7bn** market cap<sup>4</sup>

More than **76mn** customers<sup>1</sup>

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**Segments**<sup>1,3</sup>
Operating profit in %

- P/C: 47%
- AM: 31%
- L/H: 22%

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**Regions**<sup>1,3</sup>
Operating profit in %

- Western Europe: 28%
- Broker markets US, UK, AUS: 32%
- Growth markets: 12%
- Specialty insurance: 12%
- Germany: 23%
### 9M: healthy operative performance in tough environment

<table>
<thead>
<tr>
<th></th>
<th>9M 2009</th>
<th>9M 2010</th>
<th>9M 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenues (EUR bn)</td>
<td>71.9</td>
<td>80.5</td>
<td>-2.4%</td>
</tr>
<tr>
<td>Operating profit (EUR mn)</td>
<td>5,084</td>
<td>6,089</td>
<td>-3.7%</td>
</tr>
<tr>
<td>Net income (EUR mn)</td>
<td>3,222</td>
<td>4,028</td>
<td>-44.3%</td>
</tr>
</tbody>
</table>
Strong market positions and brands

- Leading P/C insurer globally
- 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

1) All rankings based on 2010 data
### Balancing Business Portfolio

We delivered in tough environments …

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Profit (EUR bn)</th>
<th>DPS (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>4.0</td>
<td>1.5</td>
</tr>
<tr>
<td>2004</td>
<td>6.9</td>
<td>1.8</td>
</tr>
<tr>
<td>2005</td>
<td>7.7</td>
<td>2.0</td>
</tr>
<tr>
<td>2006</td>
<td>10.4</td>
<td>3.8</td>
</tr>
<tr>
<td>2007</td>
<td>10.9</td>
<td>5.5</td>
</tr>
<tr>
<td>2008</td>
<td>7.4</td>
<td>3.5</td>
</tr>
<tr>
<td>2009</td>
<td>7.2</td>
<td>4.1</td>
</tr>
<tr>
<td>2010</td>
<td>8.2</td>
<td>4.5</td>
</tr>
<tr>
<td>2011e</td>
<td>tba</td>
<td>8.0 ± 0.5</td>
</tr>
</tbody>
</table>

…thanks to diversification

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Profit by Business Segment in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>60</td>
</tr>
<tr>
<td>2004</td>
<td>63</td>
</tr>
<tr>
<td>2005</td>
<td>60</td>
</tr>
<tr>
<td>2006</td>
<td>62</td>
</tr>
<tr>
<td>2007</td>
<td>59</td>
</tr>
<tr>
<td>2008</td>
<td>73</td>
</tr>
<tr>
<td>2009</td>
<td>49</td>
</tr>
<tr>
<td>2010</td>
<td>47</td>
</tr>
<tr>
<td>2011e</td>
<td>45</td>
</tr>
</tbody>
</table>

1) Historical reported figures
2) Based on historical reported figures excluding Corporate & Other, Banking and consolidation

Success factor

- Balanced business portfolio
- 8.0 ± 0.5
- Operating profit
- Dividend per share
- P/C
- AM
- L/H
High-quality investment portfolio

Conservative asset allocation

- Cash / Other: EUR 7.2bn (2%)
- Real estate: EUR 8.4bn (2%)
- Equities: EUR 28.3bn (6%)
- Debt instruments: EUR 413.5bn (90%)

High-quality fixed income portfolio

- EUR 457.4bn
- Rating profile:
  - AAA: 44%
  - AA: 16%
  - A: 22%
  - BBB: 12%
  - Non-investment grade: 3%
  - Not rated: 3%

1) 9M 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
Sound regulatory/economic capital ratios with moderate sensitivities

### FCD solvency (%)

<table>
<thead>
<tr>
<th></th>
<th>9M 2011</th>
<th>Equities -30%</th>
<th>Int. rates -100bps</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>179%</td>
<td>169%</td>
<td>174%</td>
</tr>
</tbody>
</table>

- **Regulatory capital excluding** unrealized gains on bonds, but **including 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)
- **Economic solvency ratio of 186% based on Solvency II confidence level of 50bps**
- **All solvency ratios after 40% net income dividend accrual**

### Economic solvency (%)

<table>
<thead>
<tr>
<th></th>
<th>9M 2011</th>
<th>Equities -30%</th>
<th>Int. rates -100bps</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>143%</td>
<td>133%</td>
<td>117%</td>
</tr>
</tbody>
</table>

### S&P rating

- **AA watch negative**

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

A  Allianz – a winning business model
B  Asset Management – growing in importance
C  Allianz – well positioned for uncertain times
D  Summary
Allianz Asset Management (AAM) has evolved from a “family of boutiques” into two strong, successful managers …

AllianzGI total AuM EUR 753bn

Allianz Asset Management total AuM EUR 1,566bn

… to better respond to client demands
… and creating one of the leading asset management franchises worldwide

**Highlights**

**Size**
One of the world’s largest active asset managers

**Global presence**
Strong presence in all major markets worldwide

**Products & solutions**
Complete range of products and styles

**Performance history**
90% outperforming assets under management

**Brands**
PIMCO, Allianz Global Investors

**Profitability**
Contributing 24% to Allianz Group’s oper. profit

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1. Figures in the diagrams – as on following slides – related to former AGI only
2. 3-year outperformance
3. Net income attributable to shareholders
4. Based on business segments, excluding Corporate & Other and consolidation
Our aspiration for the future: continuing excellence in all dimensions

Achievements 2001 – 2010 (in %)

- Operating profit growth: Ø 23%
- Average CIR: Ø 64.3%
- 3-year asset weighted outperformance: Ø 79%
- 3rd party net inflows: Ø 7.0%

AAM aspiration (over full cycle)

- 5% – 10% p.a.¹
- ≤ 65%
- ≥ 70%
- ≥ 5%

¹ Operating profit growth excluding f/x impact
² Only 1 year below 70% (2008)
Agenda

A  Allianz – a winning business model
B  Asset Management – growing in importance
C  Allianz – well positioned for uncertain times
D  Summary
Allianz well positioned for uncertain times …

<table>
<thead>
<tr>
<th>Uncertain times</th>
<th>Allianz well positioned</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assessment</strong></td>
<td><strong>Rationale</strong></td>
</tr>
</tbody>
</table>
| Insurance market| ð Potential industry consolidation  
ð PC market hardening  
ô Changing lapse dynamics |
| Macro environment| ð Low economic growth leads to moderate premium growth  
ô Tax and regulatory concerns  
ð Increased demand for pension products |
| Debt securities | ð Low interest rate environment  
ô Wide sovereign spreads and potential further haircuts  
ô Risk of credit downgrades |
| Equities        | ð High volatility  
ô Banking sector critical |

**Positioning**
- Strong capital position
- Disciplined underwriting
- Broad product portfolio
- Effective cost control
- Global positioning in non-EUR “safe haven”
- Excellent position in retirement due to strong life and asset management positions
- Growing asset base
- Low exposure to peripheral sovereign bonds
- High quality fixed income portfolio
- Modest equity exposure
- Strong position in alternative investments
- Sizeable banking holdings due to bank distribution model in selected markets
… even for (unlikely!) breakup scenario …

Things that matter:

- Regional asset/liability matching
- Strong capitalization
- No liquidity issues – long-duration liabilities
- Strong underlying operating earnings and cash flows
- Good regional diversification in non-Euro countries (both in operational and in investment terms)
- Majority of Euro business in the stronger Euro countries
- Mark-to-market of assets and reasonable impairments

Operating profit¹

<table>
<thead>
<tr>
<th>Region</th>
<th>9M 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global lines</td>
<td>37</td>
</tr>
<tr>
<td>Non-Europe</td>
<td>10</td>
</tr>
<tr>
<td>Europe ex GIIPS</td>
<td>35</td>
</tr>
<tr>
<td>Italy</td>
<td>10</td>
</tr>
<tr>
<td>GIPS</td>
<td>7</td>
</tr>
</tbody>
</table>

¹ Excluding Holding & Treasury
... with low remaining exposure to peripheral sovereign bonds ...

<table>
<thead>
<tr>
<th>EUR mn 9M 2011</th>
<th>Carrying value</th>
<th>Unrealized loss (gross)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ireland</td>
<td>486</td>
<td>-45</td>
</tr>
<tr>
<td>Portugal</td>
<td>629</td>
<td>-206</td>
</tr>
<tr>
<td>Greece</td>
<td>497</td>
<td>0</td>
</tr>
<tr>
<td>Spain</td>
<td>5,034</td>
<td>-202</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>6,646</strong></td>
<td><strong>-453</strong></td>
</tr>
<tr>
<td>Italy</td>
<td>25,608</td>
<td>-2,228</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>32,254</strong></td>
<td><strong>-2,681</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Relative exposure(^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
</tr>
<tr>
<td>100%</td>
</tr>
<tr>
<td>100%</td>
</tr>
</tbody>
</table>

- **Carrying value in % of total investments**: 1.5%, 1.0%, 1.9%
- **Unrealized loss (gross) in % of shareholders’ equity\(^3\)**: 7.1%, 6.2%, 11.5%
- **Unrealized loss (gross) in % of required FCD solvency cap.\(^3\)**: All ratios before php\(^2\) and tax!

1) Light grey ratios refer to total exposure (peripherals plus Italy)
2) Policyholder participation
3) Ratios slightly overstated, because net unrealized losses are already deducted from S/H equity
...and positive L/H margins despite low interest rates

Business in force
(based on aggregate policy reserves)

<table>
<thead>
<tr>
<th>Total(^1) return 2010</th>
<th>Current(^2) yield 2010</th>
<th>Ø min. guarantee(^3) 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.5%</td>
<td>4.9%</td>
<td>2.8%</td>
</tr>
</tbody>
</table>

**Germany**
Reinvestment yield of 1.5% sufficient to pay all guarantees

New business

- **Government bonds**
  - 11y maturity, ~4.0%
  - 95% A or better

- **Covered bonds**
  - 10y maturity, ~4.1%
  - 95% A or better

- **Corporate bonds**
  - 7y maturity, ~4.2%
  - 93% BBB or better

- **ABS/MBS**
  - 11y maturity, ~4.5%
  - 98% A or better

<table>
<thead>
<tr>
<th>Reinvestment yield F/I 01-09/2011</th>
<th>Ø guarantee of new business(^3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>~4.1%</td>
<td>190bp ~4.1%</td>
</tr>
<tr>
<td>~25%</td>
<td>2012e ~2.0%</td>
</tr>
</tbody>
</table>

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1) Based on IFRS investment + underwriting result
2) Based on IFRS current interest and similar income
3) Weighted by aggregate policy reserves
A  Allianz – a winning business model
B  Asset Management – growing in importance
C  Allianz – well positioned for uncertain times
D  Summary
### EUR 7.5 – 8.5bn operating profit expected in 2011

#### Operating profit (EUR bn)

<table>
<thead>
<tr>
<th></th>
<th>9M 2011</th>
<th>Outlook published 02/11</th>
<th>9M 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>P/C</td>
<td>3.1</td>
<td>4.2 – 4.8</td>
<td>3.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Exceptionally high NatCat</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>CR 97.9%</td>
</tr>
<tr>
<td>L/H</td>
<td>1.9</td>
<td>2.2 – 2.8</td>
<td>1.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Revenues at EUR 35bn</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>EUR 2.5bn net inflows</td>
</tr>
<tr>
<td>AM</td>
<td>1.6</td>
<td>1.8 – 2.2</td>
<td>1.6</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>EUR 45bn net inflows</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>CIR 59.2%</td>
</tr>
<tr>
<td>Co</td>
<td>-0.7</td>
<td>-0.9 – -1.1</td>
<td>-0.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>As expected</td>
</tr>
<tr>
<td>Total</td>
<td>5.9</td>
<td>8.0</td>
<td>5.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Please mind the seasonality of the business and our disclaimer!</td>
</tr>
</tbody>
</table>

1) Disclaimer: Impact from NatCat, financial markets and global economic development not predictable!
Summary: Allianz well positioned for uncertain times

<table>
<thead>
<tr>
<th></th>
<th>Strong market positions and brands</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Resilient and well diversified business model</td>
</tr>
<tr>
<td>3</td>
<td>High-quality investment portfolio</td>
</tr>
<tr>
<td>4</td>
<td>Strong capital base</td>
</tr>
<tr>
<td>5</td>
<td>Eurozone exposure well managed</td>
</tr>
<tr>
<td>6</td>
<td>Operating profit outlook unchanged</td>
</tr>
</tbody>
</table>

Well positioned for uncertain times

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Appendix
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## Financial calendar

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 23, 2012</td>
<td>Financial press conference for the 2011 fiscal year</td>
</tr>
<tr>
<td>February 24, 2012</td>
<td>Analysts’ conference for the 2011 fiscal year</td>
</tr>
<tr>
<td>May 9, 2012</td>
<td>Annual General Meeting</td>
</tr>
<tr>
<td>May 15, 2012</td>
<td>Interim Report 1st quarter 2012</td>
</tr>
<tr>
<td>August 3, 2012</td>
<td>Interim Report 2nd quarter 2012</td>
</tr>
<tr>
<td>November 9, 2012</td>
<td>Interim Report 3rd quarter 2012</td>
</tr>
</tbody>
</table>

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.
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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.

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