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

EUR 1,592bn total AuM

EUR 8.2bn operating profit

179% solvency ratio

EUR 44bn S/H equity

EUR 33.7bn market cap

More than 76mn customers

Segments
Operating profit in %

Regions
Operating profit in %

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

Growth markets
Specialty insurance
Broker markets
Western Europe

Germany 28%
US, UK, AUS 32%
Western Europe 5%
Growth markets 12%
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><strong>Total revenues (EUR bn)</strong></td>
<td>71.9</td>
<td>80.5</td>
<td>78.5</td>
</tr>
<tr>
<td><strong>Operating profit (EUR mn)</strong></td>
<td>5,084</td>
<td>6,089</td>
<td>5,866</td>
</tr>
<tr>
<td><strong>Net income (EUR mn)</strong></td>
<td>3,222</td>
<td>4,028</td>
<td>2,244</td>
</tr>
</tbody>
</table>

**Changes**
- Total revenues: -2.4%
- Operating profit: -3.7%
- Net income: -44.3%
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
### Balanced business portfolio

We delivered in tough environments …

... thanks to diversification

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating profit¹ (EUR bn) and DPS (EUR)</th>
<th>Operating profit by business segment in %²</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>4.0</td>
<td>60</td>
</tr>
<tr>
<td>2004</td>
<td>6.9</td>
<td>63</td>
</tr>
<tr>
<td>2005</td>
<td>7.7</td>
<td>60</td>
</tr>
<tr>
<td>2006</td>
<td>10.4</td>
<td>62</td>
</tr>
<tr>
<td>2007</td>
<td>10.9</td>
<td>59</td>
</tr>
<tr>
<td>2008</td>
<td>7.4</td>
<td>73</td>
</tr>
<tr>
<td>2009</td>
<td>7.2</td>
<td>49</td>
</tr>
<tr>
<td>2010</td>
<td>8.2</td>
<td>47</td>
</tr>
<tr>
<td>2011e</td>
<td>tba</td>
<td>45</td>
</tr>
</tbody>
</table>

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

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We delivered in tough environments … thanks to diversification.

**Operating profit**

- **2003**: 4.0 EUR bn
- **2004**: 6.9 EUR bn
- **2005**: 7.7 EUR bn
- **2006**: 10.4 EUR bn
- **2007**: 10.9 EUR bn
- **2008**: 7.4 EUR bn
- **2009**: 7.2 EUR bn
- **2010**: 8.2 EUR bn
- **2011e**: tba (8.0 ± 0.5)

**Operating profit by business segment in %**

- **2003**: P/C 60, AM 24, L/H 16
- **2004**: P/C 63, AM 23, L/H 14
- **2005**: P/C 60, AM 23, L/H 17
- **2006**: P/C 62, AM 25, L/H 13
- **2007**: P/C 59, AM 28, L/H 13
- **2008**: P/C 73, AM 15, L/H 12
- **2009**: P/C 49, AM 34, L/H 17
- **2010**: P/C 47, AM 31, L/H 22
- **2011e**: P/C 45, AM 31, L/H 24

**Notes**

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

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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

- 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 (%)**

- **9M 2011**: 179%
- **Equities -30%**: 169%
- **Int. rates -100bps**: 174%

**Economic solvency (%)**

- **9M 2011**: 143%
- **Equities -30%**: 133%
- **Int. rates -100bps**: 117%

- **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**

**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

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Allianz Asset Management (AAM) has evolved from a “family of boutiques” into two strong, successful managers …

2001 (EUR bn)

Family of boutiques

- PIMCO 273
- AGF AM 56
- RAS AM 25
- Other 33
- NFJ 2
- DRCM 74
- dit & dbi 210
- OpCap/PEA 52
- NACM 29

AllianzGI
total AuM EUR 753bn

Today

AAM Division

Executive Committee

PIMCO

Global Investors

Allianz Asset Management
total AuM EUR 1,566bn

Certain shared services

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

Highlights\(^1\)

**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\(^2\)

**Brands**
PIMCO, Allianz Global Investors

**Profitability**
Contributing 24%\(^4\) 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%² ✓  
- 3rd party net inflows: Ø 7.0% ✓

AAM aspiration (over full cycle)

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

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¹ Operating profit growth excluding f/x impact
² Only 1 year below 70% (2008)
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### 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>
<tr>
<td>Insurance market</td>
<td>ì Potential industry consolidation&lt;br&gt; ì PC market hardening&lt;br&gt; ó Changing lapse dynamics</td>
</tr>
<tr>
<td>Macroeconomy</td>
<td>ó Low economic growth leads to moderate premium growth&lt;br&gt; ó Tax and regulatory concerns&lt;br&gt; í Increased demand for pension products</td>
</tr>
<tr>
<td>Debt securities</td>
<td>ó Low interest rate environment&lt;br&gt; ó Wide sovereign spreads and potential further haircuts&lt;br&gt; ó Risk of credit downgrades</td>
</tr>
<tr>
<td>Equities</td>
<td>ó High volatility&lt;br&gt; ó Banking sector critical</td>
</tr>
</tbody>
</table>
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

- Global lines: 37
- Non-Europe: 10
- Europe ex GIIPS: 35
- Italy: 10
- GIIPS: 7

9M 2011

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>100%</th>
<th>100%</th>
<th>100%</th>
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</thead>
<tbody>
<tr>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

- **Carrying value in % of total investments**
- **Unrealized loss (gross) in % of shareholders' equity**
- **Unrealized loss (gross) in % of required FCD solvency cap.**

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)

- Total return 2010: 5.5%
- Current yield 2010: 4.9%
- Ø min. guarantee 2010: 2.8%

**New business**

- Government bonds 11ys maturity, ~4.0% 89% A or better
- Covered bonds 10ys mat., ~4.1% 95% A or better
- Corporate bonds 7ys mat., ~4.2% 93% BBB or better
- ABS/MBS 11ys mat., ~4.5% 98% A or better

- Reinvestment yield F/I 01-09/2011: ~4.1%
- Ø guarantee of new business: ~2.2%
- 2012e: ~2.0%

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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
Summary

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## 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>75% of mid-point target range</td>
<td>4.2 – 4.8</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L/H</td>
<td>1.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2.2 – 2.8</td>
</tr>
<tr>
<td>AM</td>
<td>1.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1.8 – 2.2</td>
</tr>
<tr>
<td>Co</td>
<td>-0.7</td>
<td></td>
<td>-0.9 – -1.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>5.9</td>
<td></td>
<td>8.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>7.5 – 8.5</td>
</tr>
</tbody>
</table>

- **P/C**: Exceptionally high NatCat
- **CR 97.9%**
- **L/H**: Revenues at EUR 35bn
- **EUR 2.5bn net inflows**
- **AM**: EUR 45bn net inflows
- **CIR 59.2%**
- **Co**: As expected
- **Total**: Please mind the seasonality of the business and our disclaimer

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

1. Strong market positions and brands
2. Resilient and well diversified business model
3. High-quality investment portfolio
4. Strong capital base
5. Eurozone exposure well managed
6. Operating profit outlook unchanged
Appendix
### Investor Relations contacts

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Phone Number</th>
<th>Email</th>
</tr>
</thead>
<tbody>
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</tr>
</tbody>
</table>

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- (German): www.allianz.com/ir
## 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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