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The spoken word prevails.

Ladies and gentlemen,

I would like to welcome you to our Financial Press Conference 2009.

The dramatic developments on the financial markets shaped the year 2008.

No financial services provider was left unaffected by this development, including ourselves.

However, considering the environment I have to say: we fared comparatively well: Allianz stands solid – we are a financially stable partner for customers, shareholders and employees.

Today I would like to

- speak about the result for 2008 and the dividend;
- about the sale of Dresdner Bank,
- about the effects of the financial crisis as well as
- speak about the focus of Allianz for 2009.

Result and Dividend

I would like to begin with the results.

Compared to the record year 2007, I can not be satisfied with our results for 2008. However, considering the market developments and the competition, we can point to:

- The 2008 operating profit of 7.4 billion euros is one of the best in the insurance sector worldwide. That also goes for our net income of 4 billion euros in this sector.
- We were able to further the Dresdner Bank participation in the consolidation of the German banking sector.
- Negative charges of 6.4 billion euros from this transaction are turning our operating profit into a loss.
- All the same, our capital base and solvency remain strong and solid.

This is consistent with our dividend recommendation.

The Allianz SE Board of Management has recommended a dividend of 3.50 euros per share to the supervisory board. That is two euros less than for the record year of 2007. This recommendation for a reduced dividend will protect the strength of our financial base. The payout ratio has increased to 40 percent (up from 31 percent in the previous year) – making it the fourth year in a row there has been an increase.

Allianz is and remains one of the most robust companies in the industry. This is demonstrated by our position compared to the market capitalization of other global financial service providers. A comparison of our solvency ratio of 161 percent is additional proof.

Why is this ratio so important?

One of the biggest concerns in the capital market is the dilution of ownership due to a capital increase for regulatory reasons. A solvency ratio of 161 percent shows that there is enough buffer not to have to raise capital, even in a negative capital market situation under stress scenarios.

In 2009 we will continue to do everything in our power to preserve this stability in the interest of our customers, shareholders and employees.

Sale of Dresdner Bank

This brings me to Dresdner Bank.

In the past we always pointed out the positive reasons why we bought Dresdner Bank.

Today we have to concede that we did not manage to achieve our ambition of creating an "Allianz" company with Dresdner Bank. However, I think that was not only because of us alone, but was mostly a result of the very difficult market conditions since mid 2007, which escalated dramatically with the bankruptcy of Lehman Brothers in the fall of 2008.

At Dresdner Bank, we had managed to recover from the consequences of the financial crisis in 2002 and 2003 and were on a positive track until mid 2007. The sale of the investment bank or making the institution a part of a new more efficient combination, which was often a matter of discussion, lacked not only the essential prerequisites, but also most importantly, potential partners.

This changed fundamentally at the end of 2007. The beginning of the financial crisis, but also the willingness of Deutsche Post to enter into discussions about a consolidation which would include Postbank

animated the industry. At the 2008 Annual General Meeting we stated that we wanted to make Dresdner Bank a part of these considerations. The beginning financial crisis accelerated the dynamics and actually made it possible for us to hold substantial talks with several institutions.

You know the outcome: On August 31, 2008 Commerzbank bought Dresdner Bank and the transaction was completed on January 12, 2009.

In light of the current volatile and insecure market environment, we are convinced that with the sale of Dresdner Bank to Commerzbank, we have found a long-term sustainable solution for everyone involved.

Of course, we also question ourselves critically about the loss in value caused by the worsening of results and the timing of the transaction. But we hold that the development of the Dresdner Bank was going according to plan until the crisis broke out. When the current financial crisis picked up momentum beginning mid 2007, the massive losses in value began to affect all banks – Dresdner Bank was not an isolated phenomenon. We credit ourselves for a quick reaction and timely closing of a transaction with a clear industry rationale behind it.

The connections which grew during these seven years will not be fully severed now. Today every third Dresdner Bank customer has at least one Allianz product. We will continue our sales cooperation with the Commerzbank. The new bank with its eleven million customers is forging into a new dimension, and through this cooperation we have secured a stable and promising sales channel for all our products for the long term.

In this context, there are always questions about OLB. I would like to address them briefly.

Parallel to the sale of insurance products through bank outlets, we also developed the distribution of bank and asset management products through our agencies. For various reasons, Commerzbank was not interested in a comprehensive cooperation for assurbanking. That is why we purchased OLB - in order to be able to continue to give our agencies the opportunity to supply their customers with standardized bank products like an Allianz current account or an Allianz loan.

The OLB gives us the necessary legal and technical infrastructure and meets our and our shareholders' expectations regarding the risk profile for the new Allianz Banking. We expect that the transfer of Allianz customers from Dresdner Bank to the Allianz subsidiary of OLB will be completed as planned by the end of March.

Now let me briefly discuss the financial crisis and its meaning for Allianz.

The financial crisis and its effects

In order to cope with the financial crisis, we believe it is critical to stimulate the monetary cycle by strengthening the banks essential to the economy. In the end, only the banks are appropriately able to fund business organizations. It would be too much for the state.

There will have to be considerable regulatory efforts to include subsectors of the financial markets that have not been regulated until now.

The European Central Bank and the International Monetary Fund will have to rely on the firm support of the economically strong countries in order to stabilize the financially weaker states in the future.

In our assessment of the situation, we assume a negative development of the world economy which will recover again by the end of 2009 or the beginning of 2010, thanks to the massive economic stimulus packages. How sustainable this recovery will be depends on how the US economy reacts and on the development of energy and oil prices.

On the interest rates side, we assume, after an additional scenario of rate reductions in 2009, somewhat higher money market rates and a medium-term money market interest rate of one percent to two percent above inflation. All decision-makers are aware of the risk of too cheap liquidity and a "Japanese scenario".

The concrete effects of the current financial crisis on insurance companies under the scenarios sketched can be described as follows:

First of all, the capital investments of the European insurers are generally invested in securities with good credit ratings and are broadly diversified. However, a long-lasting low interest rate scenario and a deep recession would lead to pressure on the share of profits, capitalization and profitability of the life insurers.

The growth perspectives for life insurance depend on the disposable income of the customers, the investment opportunities offered by the banking system and the development of the guaranteed minimum return.

Finally, there are property insurance segments that are directly affected by the recession, for example, transportation, industrial and credit insurance and to a smaller extent, automotive insurance.

Our business model serves us well in this difficult environment:

We can take credit for making ourselves more weatherproof on the investment and risk side after the crisis in 2002. A few examples:

1. We made our investment portfolio safer and dismantled accumulation risks.
2. We centralized our investment process and became considerably quicker to react.
3. We have considerably strengthened our risk management.
4. We have directed our focus towards a strong and secure capital base.

This means, we can provide our customers with the most important thing about our business, which is security – the most important element in such an economic environment.

Our strategy has always been in keeping with long-term trends. And it is essential to face two pressing problems: financial protection against the ageing of the global population and protection against the economic risks, for us as well as for newly developing countries. More than ever, consumers and investors need safe, conservative, guaranteed products, which they only can get from a truly stable provider.

We also did our homework on the operations side.

Last year at the Financial Press Conference we described how we used the 3+One program between 2003 and 2007 to create the

framework, so that today Allianz is in a solid position even in the midst of a global financial crisis. Our focus was and is:

1. Strengthening our capital base and stability in crisis
 2. Reduction of complexity of structures and processes and
 3. Sustainable improvement of our operating profitability
- in order to strengthen our long-term competitiveness.

What we achieved can best be illustrated by the following positions:

1. Worldwide, we are number 1 in property and casualty insurance, number 8 in the life insurance business and number 2 in asset management.
2. We are among the top 5 suppliers in 27 individual markets.
3. In the insurance sector, only one company worldwide, China Life, is valued higher than we are according to market capitalization.

In the future, our strategy will continue to focus on the following four points in order to continue generating sustainable and profitable customer growth:

1. We offer our customers high quality solutions for risk management (property and casualty) and for long term financial investments (life and asset management).

Although we will offer simple banking products to our insurance customers in Germany and some other markets, Banking is not a core business segment anymore - it is a product line.

2. We conduct our business globally.
3. We continue to stand for high solvency and a solid capital base as well as
4. for operative excellence.

All of this is intended to lead us to one goal:

We want our customers to personally recommend Allianz and our products so that we can grow in a sustainable and profitable manner.

For that reason my work in 2009 will focus on:

- Keeping Allianz financially stable and
- Making customer value the absolute focus of our work in all group companies.

Generally speaking, for many customers, recession means the loss of individual social security. For that reason, our special attention will be given to the growth areas that can provide our customers with long term security: specifically, old age provision products, products for protection in case of accidents, illness or for health care, for active help and support (assistance) and to preserve financial assets. All capital markets products, options and guarantees will be appraised, adjusted and quantified in transparency, in the interest of customers and a sound risk management .

For our key activities in 2009 this means:

- For distribution: Investments in good advice for our customers and improved support for our sales operations
- Operational Excellence: Maintain absolute underwriting discipline in this difficult market cycle for Property and Casualty insurance. For Life Insurance, adjustment of our new product offerings, especially for variable annuities in the USA and Japan
- For investments: maintain the high quality of our investment portfolio
- Target Operating Model: Continue our group initiatives to improve efficiency, reduce complexity and promote the transfer of knowledge.

Enthusiastic working groups, improved processes, new training modules, stringent target setting and special attention to developing a

high performance culture are behind this work – an efficient and effective company at the service of our customers.

Shareholders and employees ask if globalization is still an opportunity or a risk for them and Allianz. We continue to see the fact that we have positioned ourselves globally as an opportunity; in order to extract true value added, we have introduced our target operating model.

This model will provide Allianz and its shareholders and employees with competitive advantages, whether the crisis leads to protectionism for national markets or whether globalization continues.

Ladies and gentlemen, our vision is to make every employee and every agent an ambassador for Allianz. In order to be that, they must have the technical and organizational tools to participate in shaping the company and to fill the role of an "ambassador". Our customers should experience the security of our products, our Allianz service, the friendliness of the people at Allianz and their competence and integrity. Our goal is to achieve that, as a result, our customers recommend us to friends and acquaintances who trust the judgment and experience of those recommending us.

This makes it necessary to be in a constant dialog with our sales partners and our employees about which quality standards we can promise to our customers, and which we ourselves pledge to maintain. We will examine every product to make sure that it makes sense for our customer as well as for the company and its owners.

We do not want to make any promises we can not keep. But we do want to keep every promise that we make. This is in alignment with our old slogan: "A promise is a promise".

If, at the end of my elaborations, you are expecting an outlook for the current year, I am afraid I will have to disappoint you.

One of the lessons learnt from the financial crisis is that in these times, a prognosis for growth and returns is impossible. For that reason, all we can do is concentrate on our core business and pledge ourselves to one principle:

We will cultivate the partnership with our customers to strengthen our customer relationships.

At the same time, this principle will serve the interests of our shareholders and our employees in the best possible way.

The coming year – and the following years – hold challenges for this company, for our employees and the Board of Management. First and foremost, we see them as opportunities that we want to take advantage of; leveraging our strengths, our professionalism, our integrity and our focus on the long term and on security.

Thank you very much for your attention.