Based on
Preliminary Figures

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Investment and capital management

Annual press conference
February 26, 2009

INSURANCE | ASSET MANAGEMENT | BANKING

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Financing and investment highlights 2008

2008

Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec

Financing

USD 2.0bn hybrid bond

EUR 1.5bn senior bond

EUR 0.2bn from exercise of warrants issued in 2005

Redemption/ Investments

EUR 4.5bn final repayment of bridge loans (AGF)

USD 2.5bn Hartford Investment

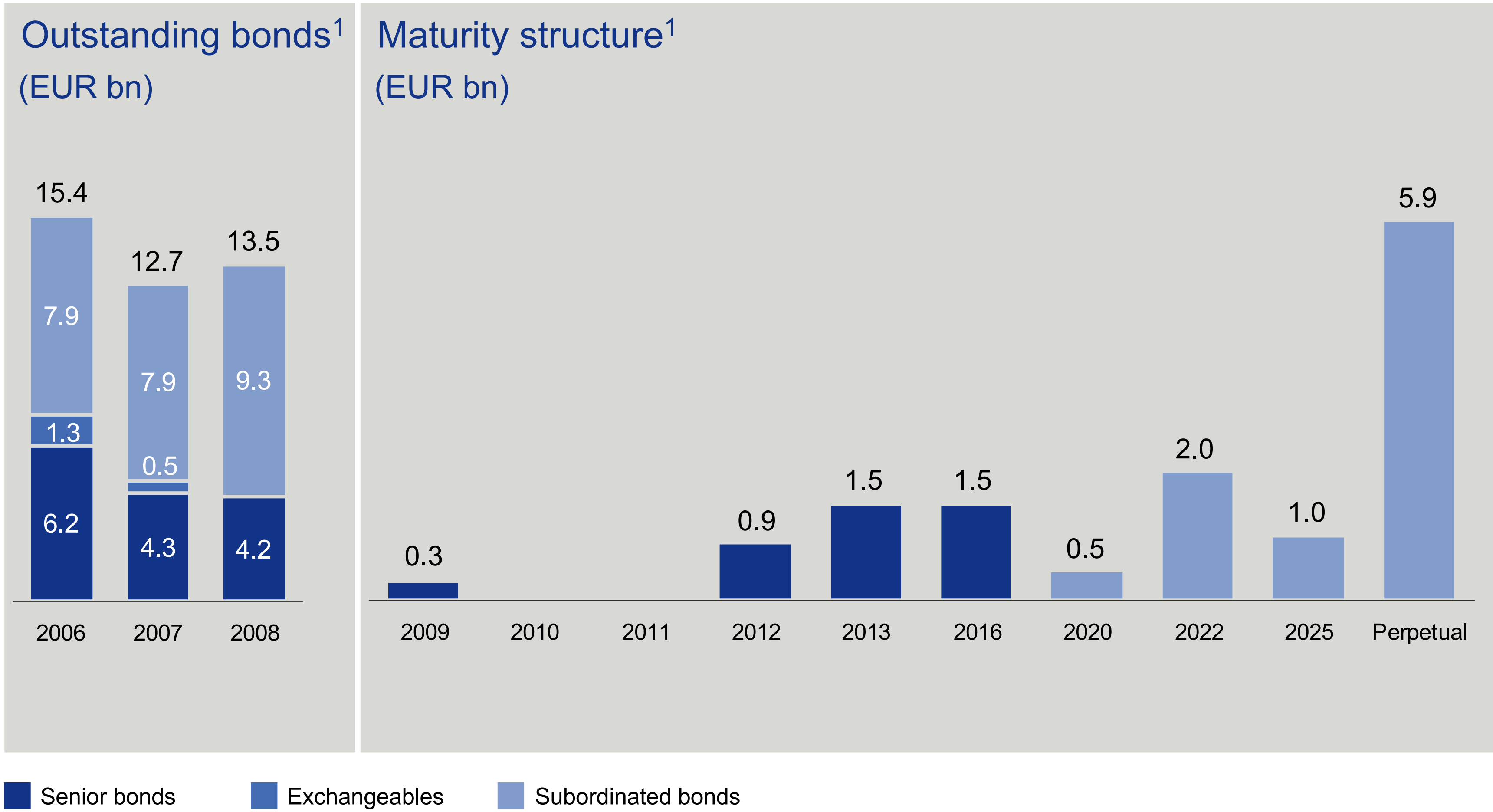
EUR 0.4bn Allianz Leben Squeeze Out

EUR 1.6bn senior bond issued in 1998

EUR 0.4bn[1] redemption of remaining 35.65% of BITES with Munich Re shares

1) Nominal value at issue

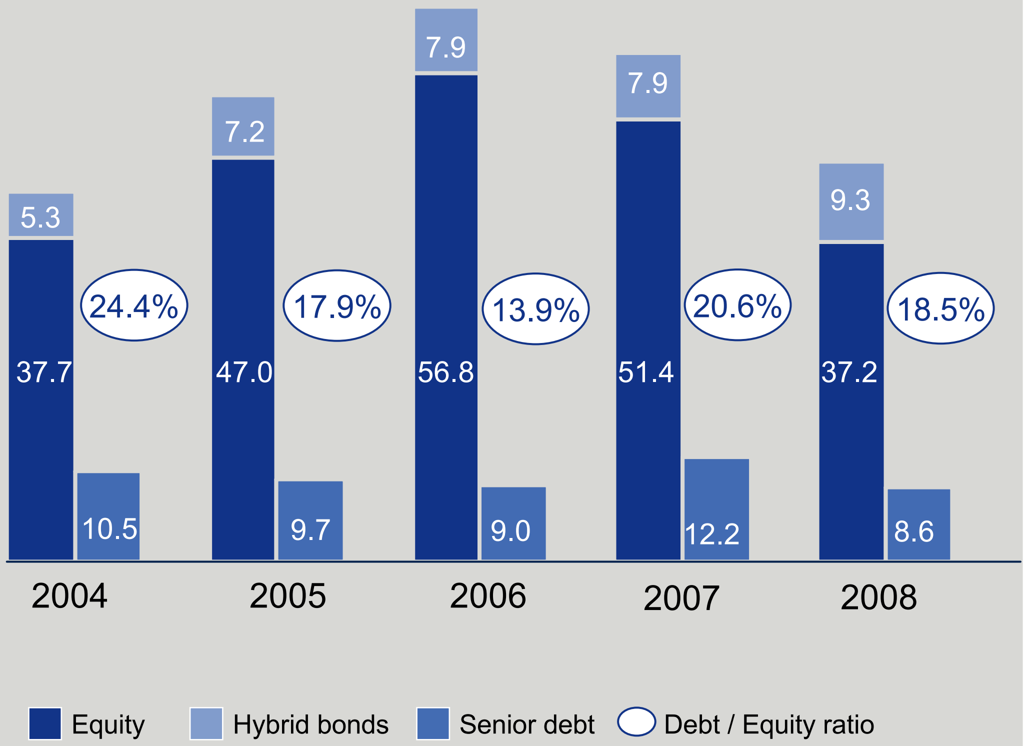
No significant near-term refinancing requirements



1) Group excluding bank subsidiaries; nominal value

Strong capital structure

Debt / Equity ratio[1]



Financial strength ratings

	End of 2007		End of 2008
S&P	AA (stable)	➡	AA (stable)
AM Best	A+ (stable)	➡	A+ (stable)
Moody's	Aa3 (stable)	➡	Aa3 (stable)

1) Group excluding bank subsidiaries; nominal value

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Continuous adjustment of the investment portfolio

Schematic risk profile

2004
2005

2006
2007

2008

Strategy implementation

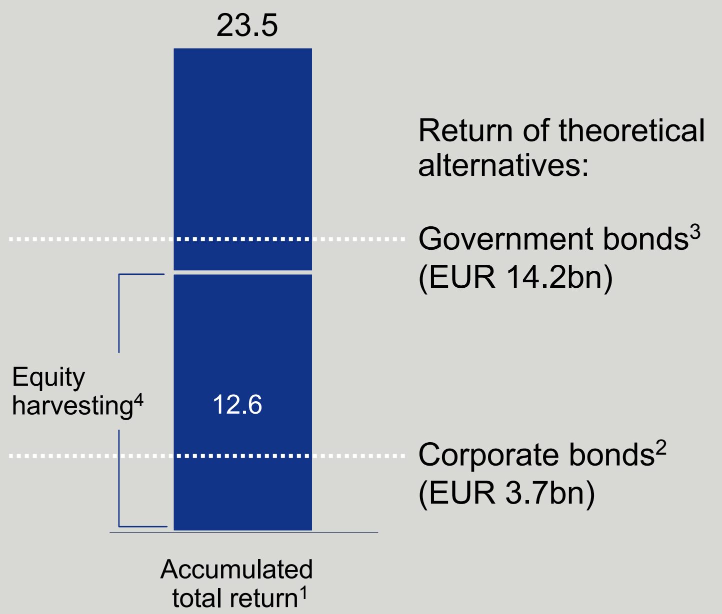
- High quality fixed income portfolios to match cash flow requirements
- Low exposure to corporate credit and other spread products
- Equity gearing towards the upper end of the industry
- Investment guidelines resulting in practically no exposure to subprime, structured products or hedge funds

- Substantial reduction of equity gearing via disposals and hedges
- Successful divestment of real estate portfolios

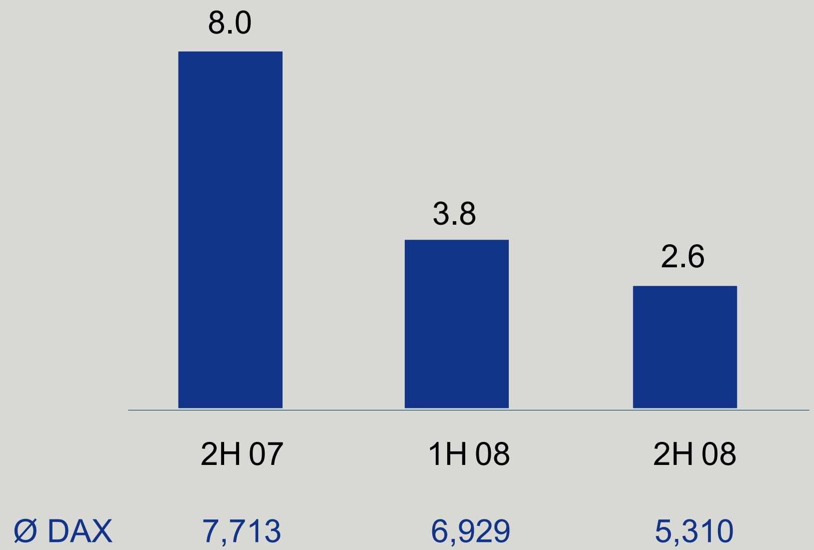
- Portfolio well positioned to benefit from current market dislocations

Successful management of equity exposure
(not including tax benefits)

Example: Allianz Group 2004 – 2008 (EUR bn)
(underlying Ø equity investments of EUR 59bn)



Example: German insurance (ADAG)
(Equity divestments June 30, 2007 – December 31, 2008)



- Equity return significantly better than investment in corporate or government bonds
- Almost EUR 15bn divestments at Ø DAX level of >7,000

1) Period: 01.01.2004 – 31.12.2008. Total return = current income + net realized gains / losses – net impairments + Δ unrealized gains / losses on equity investments
2) Total return assuming an investment the size of the equity portfolio in each year into a broad European corporate bond index
3) Total return assuming an investment the size of the equity portfolio in each year into a broad European treasury bond index
4) Harvesting = net realized gains / losses – net impairments

Conservative investment portfolio[1]

Interest Bearing Securities

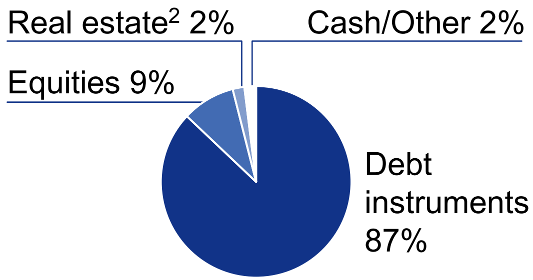
- 99% of the bond portfolio Investment-Grade
- Government bonds mainly in G7 countries
- Low exposure in
  - ✓ CEE countries
  - ✓ lower ranking bank titles
  - ✓ structured products

Equities

- Equity exposure reduced to 9%
- Bank exposure hedged to a large extent
- Widely diversified portfolio

Group investments and loans

Total EUR 365bn



Real Estate

- Focus on Western Europe: DE, F, CH, B
- Reduced portfolio by more than 25% in boom phase since 2004
- 2008: Global real estate platform established

Private Equity

- Successful cycle management, sustainable commitment
- Well balanced relationship between direct and indirect investments
- Expansion in renewable energies, solar and infrastructure

1) All information per December 31, 2008
2) Excluding real estate own use and real estate held for sale

Macro view scenarios

Short-term

Upside: "Flash in the pan"

- Positive impact of fiscal measures
- Successful quantitative easing
- No deflation tendency
- Return of risk appetite
  - Spread-tightening
  - Rising government bonds yields
  - Recovering stock markets

Downside: "Black hole"

- Intensifying financial crisis
- Continuously shrinking GDP
- Rising unemployment
- Decreasing risk appetite
  - Further declining equities
  - Further declining government bond yields
- Increasing political risks

Medium-term

"1930"

- Severe economic depression
- Very high unemployment
- Strong price deflation

"Japan"

- Economic stagnation
- Lasting deflation
- Increasing state role

"Yes we Keynes"

- Lasting economic recovery
- Massive Keynes programs
- Successful policy coordination

"Argentina"

- Reflationary recovery
- Instable governments
- Uncontrolled hyperinflation

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Diversification as the most effective strategy in uncertain times

	Comments	"1930" Depression	"Japan" Deflation	"Yes we Keynes" Reflation	"Argentina" (Hyper-)Inflation
Equities	▪ Valuation not extremely cheap	🔴	🟡	🟢	🟡
Long-dated Govies	▪ Deflation priced in and supply issue	🟡	🟡	🔴	🔴
Short-dated Govies	▪ Reinvestment risk	🔴	🔴	🟢	🟢
Inflation linked	▪ Little inflation priced in	🔴	🔴	🟢	🟢
High grade credit	▪ Extraordinary high defaults priced in premiums	🟢	🟡	🟢	🔴
Private equity	▪ Operational control	🔴	🟡	🟢	🟡
Infrastructure / PPP	▪ Selectively attractive	🟢	🟢	🟢	🟡
Real estate	▪ Indexed income, vacancy risk	🔴	🔴	🟢	🟢
Natural resources & commodities ex-gold	▪ Cyclical weakness in demand ▪ Emerging markets growth story	🔴	🟡	🟢	🟢
Gold & gold mines	▪ Impact of central banks' gold reserves	🟡	🟡	🔴	🟢
Cash	▪ Providing flexibility	🟢	🟢	🟡	🔴

In summary – well positioned to weather the storm

1. Strong capital position
2. No short-term refinancing requirements
3. Well-diversified investment portfolio
4. Solid underlying operating performance
5. Attractive positioning in core markets
6. Relative competitive strength

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No duty to update

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