

Michael Diekmann, CEO

# Allianz Group: financial results for the second quarter 2008

Journalists' Conference Call  
August 7, 2008

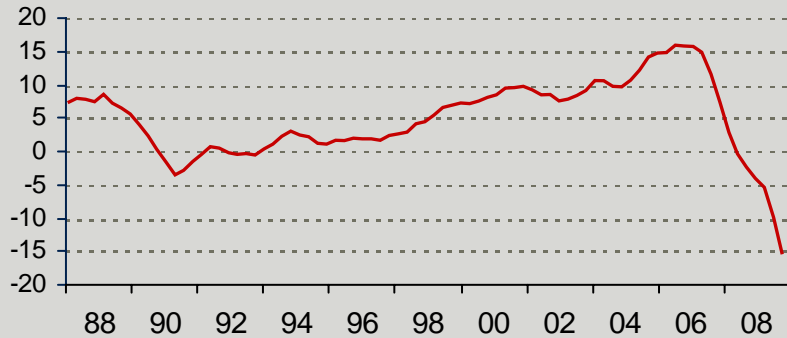
INSURANCE | ASSET MANAGEMENT | BANKING



# Challenging economic conditions...

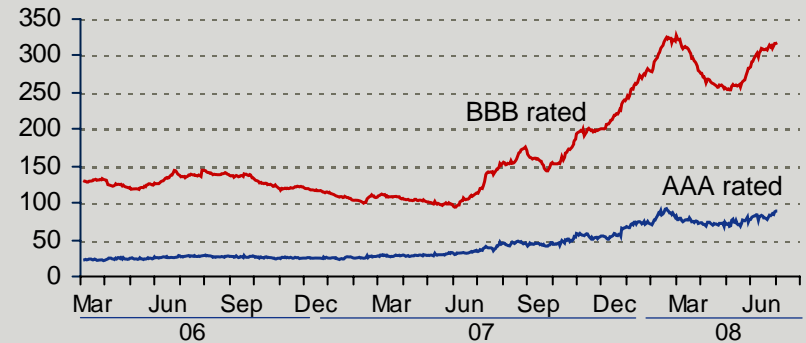
## Real estate markets

US house prices (S&P Case-Shiller), y-o-y



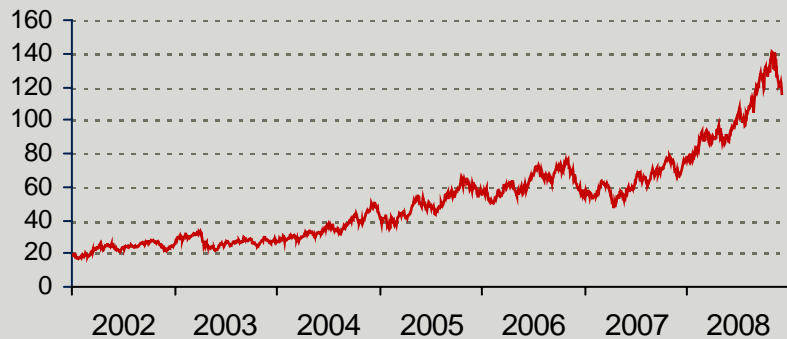
## Financial crisis: risk premiums

EMU Corporate spreads (bps)



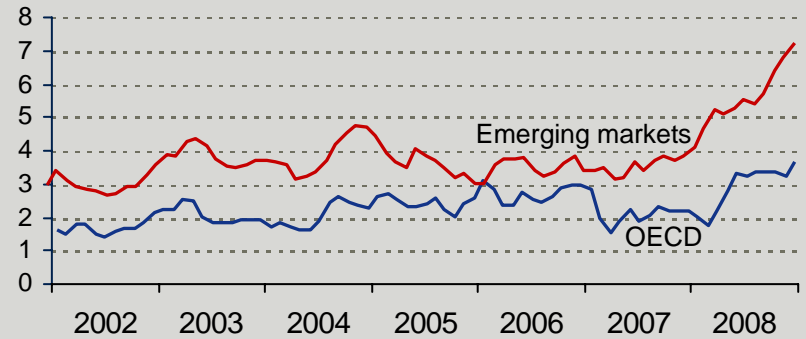
## Oil price (Brent)

USD/barrel



## Inflation (consumer prices)

Change over previous year



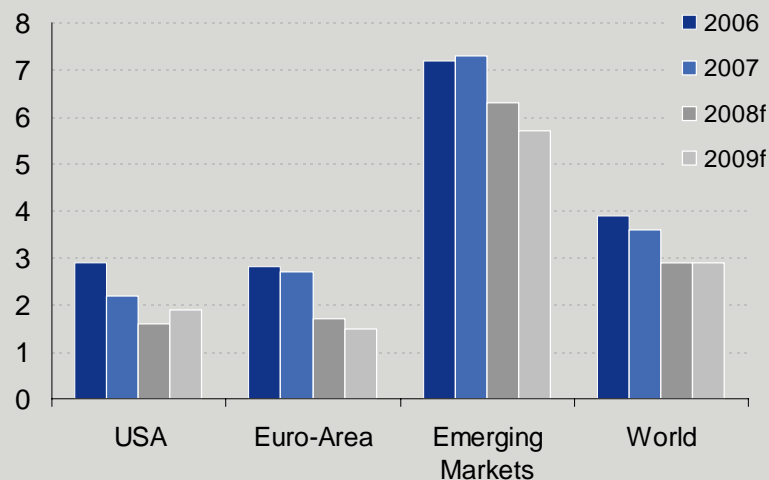
Source: Reuters ECOWin

## ...have left their marks on Allianz...

Revenues	Overall not satisfactory, but sound underwriting discipline remains top priority; i.e. shortfall was partially conscious decision, partially due to the financial markets crisis
Investments	Influenced by the financial markets crisis, but sensitivity to stock market volatility further reduced and fixed-income portfolio of high quality
Property/ Casualty	Property/Casualty (biggest profit driver) hardly affected. In first HY 08 revenues and profit at target level, despite unexpectedly persistent „soft“ markets
Life/ Health	Life generally resilient, but financial markets crisis affects unit-linked life business
Asset Management	Overall, hardly affected: Equity business slows down, but significant growth in fixed income business
Banking	Dresdner Kleinwort suffers severely from weak markets, recording a slump in net dealing income. Private & Corporate Clients hardly affected
Summary	<ul style="list-style-type: none"> <li>▪ Yes, the financial markets crisis has left its marks on Allianz.</li> <li>▪ Yet, a monthly average operating profit of more than EUR 650mn in these markets reflects a robust business model.</li> </ul>

## ...but world economy continues to grow moderately

### GDP growth (real, in %)



### Due to

- more stable economic fundamentals in emerging markets
- ongoing economic integration (Central and Eastern Europe, Asia)
- expansive monetary policy (US, Japan and many emerging market countries)
- prospects for a downward correction of commodity prices

## ...and Allianz is in a good position

- Operating profit: EUR 2.1bn in the second quarter achieved
  - Capital base: shareholders' equity above EUR 40bn, solvency ratio 145%
- ⇒ solid figures despite one year of financial crisis

### Healthy business fundamentals

- **Operations:** operating profit in P/C, L/H and AM resilient in tough environment. Further efficiency improvements based on new operating model and consistent implementation of best practices
  - **Positioning:** strong in the emerging markets (Eastern Europe and Asia) and growth topics such as aging society (expansion of assistance services, Global Life Unit established, variable annuities launched in Europe und Japan)
- ⇒ Allianz is in shape for challenging markets

## Outlook

- Further deteriorating markets also affect Allianz, although our underlying fundamentals remain healthy.
- We expect this difficult market environment to continue to 2009, therefore 2006 long-term operating profit growth target of 10% CAGR until 2009 cannot be maintained.
- Due to expected market conditions, accurate earnings predictions especially for Banking are not feasible. But underlying operating profitability in Insurance and Asset Management is stable enough to generate a run rate before Banking of EUR 9bn plus in 2008 and 2009.
- Main caveats: NatCat claims and capital market risks unpredictable<sup>1</sup>

1) Statements are, as always, subject to our Forward Looking Statement disclaimer on page 7

## 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, (iii) the frequency and severity of insured loss events, (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 / US 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 matters discussed herein may also be affected by risks and uncertainties described from time to time in Allianz SE's filings with the U.S. Securities and Exchange Commission. The company assumes no obligation to update any forward-looking statement.

### **No duty to update**

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