

Investor Relations Release

Munich, February 26, 2009

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Allianz Group achieved operating profit of 7.4 billion Euros in 2008

- Net income from continued business of 4 billion Euros
- Sale of Dresdner Bank completed
- Net loss of 2.4 billion Euros for the Group taking into account discontinued business
- Board of Management proposes dividend of 3.50 Euros per share for 2008

In fiscal year 2008, based on preliminary figures, the Allianz Group posted a robust operating profit and a solvency ratio remains at a high level, despite the difficult economic environment. **Revenues** of the Allianz Group fell by 5.3 percent to 92.5 billion Euros in the year 2008 from 97.7 billion Euros in the previous year. The **operating profit** of 7.4 billion Euros compared to 10.3 billion Euros in the record year 2007. **Net income** from continued business amounted to 4 billion Euros following 7.3 billion Euros in the previous year. Discontinued operations, comprising the results of Dresdner Bank, and its sale to Commerzbank, impacted Allianz Group's net income in fiscal 2008 by 6.4 billion Euros. This yields a net loss of 2.4 billion Euros for the Allianz Group in 2008.

The financial crisis also affected the core business of Allianz. While Property and Casualty insurance proved to be largely unaffected, the Life Insurance and Asset Management business saw hits on revenues and profits.

Michael Diekmann, CEO of Allianz SE: "Allianz remains solid, a financially stable partner for customers, shareholders and employees. Our result of 7.4 billion Euros deserves recognition considering the challenging environment. Our efforts in 2009 will continue to focus on operating efficiency and offering our customers products that provide security over the long term – that is our core business."

Shareholder's equity at 33.7 billion Euros at December 31, 2008 continues to provide a solid foundation even in times of crisis. The number of **Allianz customers** worldwide amounts to some 75 million (adjusted for Dresdner Bank).

The Board of Management will propose a **dividend** of 3.50 Euros per share to the Supervisory Board of Allianz SE.

Taking the sale of Dresdner Bank and the planned dividend into account, the **solvency ratio** of the Allianz Group amounted to 161 percent at year end 2008, comfortably within the target range of 150 percent to 170 percent.

The **sale of Dresdner Bank** to Commerzbank was closed on January 12, 2009 - more than half a year earlier than originally intended. The negative charge of 6.4 billion Euros in the Allianz results for fiscal year 2008 consists of operating losses of 2.1 billion Euros sustained by Dresdner Bank in the first nine months, an impairment of 1.4 billion Euros on the fair value of Dresdner bank as at September 30, 2008, together with charges of 2.7 billion Euros due to changes in the structure of the transaction and the decrease in value of our share in Commerzbank.

Business results

Property and Casualty insurance, the largest business segment for Allianz, presented a stable profile last year. Premium income increased slightly from 43.2 billion Euros to 43.4 billion Euros (adjusted for the transfer of AGF's health insurance business to the Life/Health segment). Internal growth amounted to 1.7 percent. An operating profit amounting to 5.6 billion Euros was achieved, which is a decline of approximately 10 percent compared to 2007. The combined ratio reached 95.1 percent in 2008, compared to 93.6 percent in the previous year. As a result of successful efficiency programs and despite negative price effects, the increase in the combined ratio of 1.5 percentage points remains lower than the rate of claims inflation.

"Under the prevailing market conditions, Property and Casualty insurance generated a good result and maintained a stable combined ratio. Once more this reflected the positive result of our consistent underwriting policy, price discipline and improved efficiency," explained Helmut Perlet, Chief Financial Officer of Allianz SE.

In **Life and Health insurance**, premium income for 2008 fell by 9.7 percent from 49.4 billion Euros to 45.6 billion Euros. While the demand for traditional life insurance policies increased slightly, unit-linked products and distribution through the bancassurance channel were especially heavily impacted. The operating profit decreased from the record level of 3 billion Euros in 2007 to 1.2 billion Euros in 2008. Besides a downward investment result this is also attributed to a difficult market environment in the USA.

"Although the declining investment result for life insurance does not surprise us in this volatile market environment, it was unusually high in the fourth quarter. But our operating profit of 1.2 billion Euros shows we have enough substance to accommodate the fluctuations in the market," said Helmut Perlet.

Asset Management had to battle with extremely difficult and unpredictable capital market developments during 2008, which became even more pronounced during the course of the fourth quarter. The operating profit decreased by 32 percent to 926 million Euros in 2008 compared with 1.4 billion Euros in the previous year. This development is mainly attributed to the reduced market value of assets under management and respectively lower net fee and commission income as well as to investments in distribution.

Assets under management for third parties increased by 14 billion Euros for fixed income business in 2008, while falling back by 70 billion Euros in equities. The decline in equity business is due to lower market valuations and the global trend to reduce equity investments. Overall, assets under

management for third parties amounted to 703 billion Euros at the end of the year, compared with 765 billion Euros in the previous year.

Outlook

“The difficult conditions in the capital markets will continue throughout 2009. We are in the midst of the toughest economic downturn for decades. Reliable profit forecasts for 2009 are not possible in this environment,” commented Michael Diekmann.

Allianz Group - Preliminary key figures 4th quarter and fiscal year 2008

		4Q 2007	4Q 2008	Δ	12M 2007	12M 2008	Δ	
Total revenues	€ bn	25.6	23.0	-10.1%	97.7	92.5	-5.3%	
Operating result	€ mn	2,598	956	-63.2%	10,313	7,433	-27.9%	
- Property-Casualty	€ mn	1,651	1,238	-25.0%	6,299	5,649	-10.3%	
- Life/Health	€ mn	614	-304	-	2,995	1,206	-59.7%	
- Banking*	€ mn	4	-25	-	32	-31	-	
- Asset Management	€ mn	392	218	-44.4%	1,359	926	-31.9%	
- Corporate	€ mn	-59	-63	6.8%	-325	-188	-42.2%	
- Consolidation	€ mn	-4	-108	2600.0%	-47	-129	174.5%	
Income / loss before income taxes & minority interests	€ mn	1,830	-187	-	10,563	5,473	-48.2%	
Income taxes	€ mn	-507	42	-	-2,572	-1,287	-50.0%	
Minority interests in earnings	€ mn	-71	-38	-46.5%	-675	-219	-67.6%	
Net income / loss from continuing operations	€ mn	1,252	-183	-	7,316	3,967	-45.8%	
- Property-Casualty	€ mn	906	665	-26.6%	5,174	4,335	-16.2%	
- Life/Health	€ mn	396	-545	-	1,991	327	-83.6%	
- Banking*	€ mn	-10	-42	320.0%	55	-114	-	
- Asset Management	€ mn	123	129	4.9%	498	379	-23.9%	
- Corporate	€ mn	-76	-409	438.2%	-158	-725	358.9%	
- Consolidation	€ mn	-87	19	-	-244	-235	-3.7%	
Net income / loss from discontinued operations	€ mn	-587	-2,928	398.8%	650	-6,411	-	
Net income / loss	€ mn	665	-3,111	-	7,966	-2,444	-	
Basic earnings per share	€	1.48	-6.92	-	18.00	-5.43	-	
- from continuing operations	€	2.79	-0.41	-	16.53	8.81	-46.7%	
- from discontinued operations	€	-1.31	-6.51	396.9%	1.47	-14.24	-	
Diluted earnings per share	€	1.38	-6.96	-	17.71	-5.47	-	
- from continuing operations	€	2.68	-0.47	-	16.26	8.59	-47.2%	
- from discontinued operations	€	-1.30	-6.49	399.2%	1.45	-14.06	-	
Dividend per share	€	-	-	-	5.50	3.50	-36.4%	
Ratios:								
- Property-Casualty	Combined ratio	%	90.9%	95.8%	4.9% -p	93.6%	95.1%	1.5% -p
- Life/Health	Statutory expense ratio	%	10.0%	8.1%	-1.9% -p	9.4%	9.7%	0.3% -p
- Banking*	Cost-income ratio	%	93.4%	110.9%	17.5% -p	94.1%	100.4%	6.3% -p
- Asset Management	Cost-income ratio	%	55.4%	69.9%	14.5% -p	58.3%	67.9%	9.6% -p
					12/31/07	12/31/08	Δ	
Shareholders' equity**	€ bn	-	-	-	47.8	33.7	-29.5%	
Third-party assets under management	€ bn	-	-	-	765	703	-8.0%	

* Continuing operations (without Dresdner Bank)

** Excluding minority interests

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 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

The company assumes no obligation to update any information contained herein.