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Allianz Group 2004:

- **Operating profit up nearly 70%**
- **Net income of EUR 2.2 billion**
- **Stronger capital base and better quality of earnings**

2004 was a year of profitable growth for Allianz. There was a significant increase in the operating profit, which rose by EUR 2.8 billion (68.6%) to EUR 6.9 billion. Total revenues increased by EUR 3.1 billion (3.3%) to EUR 96.9 billion; adjusted for consolidation and currency effects the increase was 6.0%. All four business segments contributed to the strong performance. Moreover, the Allianz Group achieved its goal of 15% return on risk-adjusted capital. “Allianz has regained its status as a company with a solid capital base and sound earnings”, said Michael Diekmann, CEO Allianz AG. “We now wish to set the bar even higher: In 2005 we want to see a further increase in group earnings.”

Earnings before taxes and minority interests were EUR 5.2 billion (2003: EUR 2.9 billion). The balance of net capital gains, including non-operating trading income, and impairments on investments decreased by EUR 1.6 billion to EUR 1.3 billion in 2004. Taxes and minority interests rose significantly: the tax charge was EUR 1.7 billion (2003: EUR 0.1 billion), while minority interests increased to EUR 1.3 billion (2003: EUR 0.8 billion). Net income was up 16.4%, from almost EUR 1.9 billion in 2003 to EUR 2.2 billion in 2004, thanks to the strong operating profit. As a result, the capital base is now even stronger: Shareholders’ equity increased by EUR 2.2 billion to EUR 30.8 billion.

In **Property & Casualty**, the combined ratio was lowered by a further 4.1 percentage points to 92.9%, due to a tightly disciplined price and underwriting policy and strict cost control. Premium income rose by 0.8% to EUR 43.8 billion, reflecting internal growth of 2.1% (adjusted for consolidation and currency effects). The operating profit was up 63.3%, from EUR 2.4 billion to EUR 4.0 billion. However, net income fell from EUR 4.7 billion to EUR 3.3 billion due to non-operating items as, for example, less capital gains were realized compared with 2003. As a result significantly less profit from the disposal of investments was realized compared with the previous year. “In Property & Casualty, the positive trend, particularly the substantially lower combined ratio, shows we are definitely on track in concentrating on operating profitability and tight risk management”, said Helmut Perlet, Allianz AG board member responsible for controlling and accounting. “Let’s not forget that 2004 was a year of major natural catastrophes for the insurance industry, with large-scale damages reaching record levels.”

Life & Health enjoyed strong growth and an improved operating profit. Total statutory premiums rose to EUR 45.2 billion, an increase of 6.8% (10.0% after adjustment for currency effects and consolidation), largely due to profitable growth of 43.6% at American subsidiary Allianz Life. Another key factor was the strong new business growth in Germany, due primarily to the new German retirement income act ("Alterseinkünftegesetz"). As a result Allianz Leben sold a record high of approximately 1.2 million insurance policies in 2004. The operating profit increased by 12.1% to EUR 1.4 billion (2003: EUR 1.3 billion). Net income rose by EUR 770 million to EUR 808 million (the figure for the previous year was dragged down by goodwill amortizations in South Korea and especially by tax changes in Germany).

In **Banking**, which is almost exclusively represented by Dresdner Bank, the upturn in 2003 continued in the 2004 business year: Restructuring of the segment continued, earnings were stabilized, efficiency improved, and risks reduced. During the last 24 months Dresdner Bank has slashed its administrative expenses by more than EUR 1.7 billion to EUR 5.3 billion (2003: EUR 5.7 billion; 2002: EUR 7.1 billion). The net loan loss provisions were only EUR 337 million, and adjustments for credit risks were reduced by two-thirds compared to the previous year.

Thanks to the aforementioned cuts in administrative expenses and the lower net loan loss provisions, Dresdner Bank's operating profit increased significantly from a EUR 482 million loss in 2003 to an operating profit of EUR 599 million. Despite restructuring costs of EUR 290 million, Dresdner Bank’s net income after restructuring costs was EUR 142 million, compared with a loss of EUR 1.305 billion the previous year. “Dresdner Bank has more than achieved its goals for 2004. It is back on track to profitability”, said Helmut Perlet.

In **Asset Management**, the trend towards profitable growth continued. Another good performance in the fixed income business led to strong net inflows of EUR 31 billion. Particularly in the US as well as in Germany the Allianz Group has powerful market positions. More than 70% of the third party assets came from the US, more than 15% from Germany. In spite of the negative effects of exchange rate movements of EUR 31 billion, third party assets rose by EUR 20 billion (3.5%) to EUR 585 billion. Moreover, due to strict cost management and improved efficiency, the cost-income ratio fell considerably, from 67.2% to 62.9%. The operating profit increased - for the third time in a row - by EUR 123 million to EUR 856 million. After deduction of acquisition-related expenses, taxes, and minority interests, Asset Management posted a lower than expected loss of EUR 152 million, compared with a loss of EUR 270 million the previous year.

For the first time, Allianz is publishing the **remuneration** packages for all members of the board of management. This is in response to growing public interest, and following the recommendation of the German Corporate Governance Codex.

The Allianz board of management and supervisory board will recommend to the annual general meeting on May 4 an increase in the **dividend** from EUR 1.50 per share to EUR 1.75 per share.

Outlook: During 2005 (the current business year) the Allianz Group will put even greater emphasis on profitable and sustainable growth. Total revenues are expected to increase in line with 2004. Some lines of business are expected to further improve operating profitability while others should maintain current levels. In Property & Casualty Allianz aims to maintain a combined ratio of below 95%. In Life and Health, the target is an operating profit of at least EUR 1.5 billion. In 2005, Dresdner Bank should earn the cost of capital of 8.85%. In Asset Management, the objective is a 10%

increase in operating profit, and positive net income. All targets are based on the assumption that profitability is not impacted by natural catastrophes or unfavorable capital markets.

Allianz Group - Key figures

Euro m		2004	2003	Δ		4Q 2004	4Q 2003	Δ	
Total revenues (Euro bn)		**96.9**	**93.8**	**3.3%**		**24.3**	**22.8**	**6.7%**	
Total insurance premiums (Euro bn)		88.2	85.0	3.8%		22.1	20.7	6.8%	
Operating profit[1)]		**6,856**	**4,066**	**68.6%**		**1,759**	**894**	**96.8%**	
- Property/Casualty		3,979	2,437	63.3%		1,081	553	95.5%	
- Life/Health		1,418	1,265	12.1%		370	383	-3.4%	
- Banking		603	-369	-		30	-247	-	
of which Dresdner Bank		599	-482	-		57	-259	-	
- Asset Management		856	733	16.8%		278	205	35.6%	
Profit before goodwill amortization, taxes and minorities		**6,347**	**4,274**	**48.5%**		**1,496**	**2,715**	**-44.9%**	
Goodwill amortization		-1,164	-1,413	-17.6%		-279	-518	-46.1%	
Taxes		-1,727	-146	1082.9%		-486	-799	-39.2%	
Minorities		-1,257	-825	52.4%		-360	-240	50.0%	
Net income		**2,199**	**1,890**	**16.4%**		**371**	**1,158**	**-68.0%**	
- Property/Casualty		3,325	4,681	-29.0%		1,078	3,216	-66.5%	
- Life/Health		808	38	2026.3%		300	-284	-	
- Banking		104	-1,279	-		-228	-848	-73.1%	
of which Dresdner Bank		142	-1,305	-		-218	-894	-75.6%	
- Asset Management		-152	-270	-43.7%		39	-44	-	
Earnings per share (Euro)		**6.01**	**5.59**	**7.5%**		**1.0**	**3.4**	**-69.3%**	
Dividend per share (Euro)		**1.75**	**1.50**	**16.7%**		**-**	**-**	**-**	
Ratios:									
- Property/Casualty:	Combined ratio	92.9%	97.0%	-4.1%	-p	92.3%	97.5%	-5.2%	-p
- Life/Health:	Operating Cost-income ratio[2)]	95.5%	95.8%	-0.3%	-p	96.2%	95.4%	0.8%	-p
- Dresdner Bank:	Operating Cost-Income ratio	85.0%	91.5%	-6.5%	-p	91.6%	97.6%	-6.0%	-p
- Asset Management:	Cost-income ratio	62.9%	67.2%	-4.3%	-p	56.8%	64.3%	-7.5%	-p
Euro bn		**31.12.2004**	**31.12.2003**	**Δ**		**30.09.2004**	**30.09.2003**	**Δ**	
Shareholders' equity		**30.8**	**28.6**	**7.8%**		**29.8**	**26.3**	**13.1%**	
Assets under Management		**1,078**	**996**	**8.2%**		**1,070**	**1,016.0**	**5.3%**	
thereof third-party AuM		**585**	**565**	**3.5%**		**592**	**571.0**	**3.7%**	

1) Operating profit is a measure which we believe highlights the underlying profitability of our operation. For a description on how we measure operating profit and a reconcilation to profit before taxes and minorities, see analysts' presentation 'Group financial results 2004', section 'Additional information' (page 44). The document is available to download at www.allianz.com/investor-relations.

2) Operating Cost-income ratio = (benefits + expenses) / (net premiums earned + current investment income). For a detailed definition see analysts' presentation, Appendix/Glossary, page G7.

- You will find this notice together with the **annual report 2004** on the Internet at www.allianz.com/annualreport.
- The annual report will be available in **hardcopy** as from mid-April.
- The **financial press conference** will take place today at 10 a.m. CET and will be broadcast live via the Internet on www.allianz.com/financialpc. There you find the respective presentation and other relevant documents.
- We would like to remind you that we are holding an **analysts' conference** on 18 March 2005. It will also be broadcast live via the Internet. The conference will begin at 11 a.m. CET. The pdf file of the analysts' presentation will be available in the Internet for download as of 10 a.m. at www.allianz.com/investor-relations.

These assessments are, as always, subject to the disclaimer provided below.

Cautionary note regarding forward-looking statements

Certain of the statements contained herein may be 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-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 involve risks and uncertainties described from time to time in Allianz AG'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.