

Allianz @ Arena

# “3+One” Reloaded

Analysts' Conference March 2006

Allianz 

# Agenda

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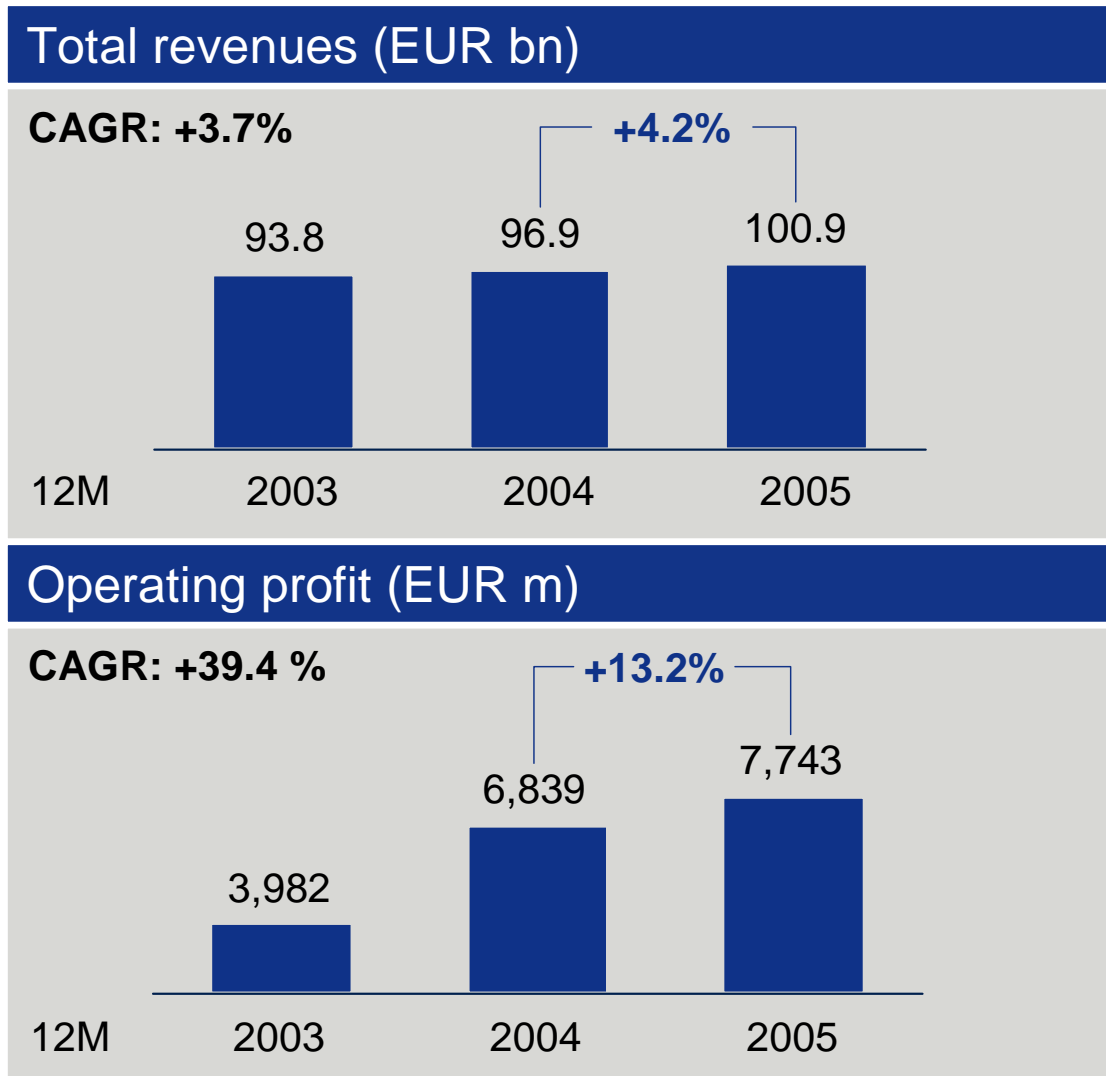
Michael Diekmann, CEO

# “3+One” Reloaded

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## Group overview (1/2): profitable growth



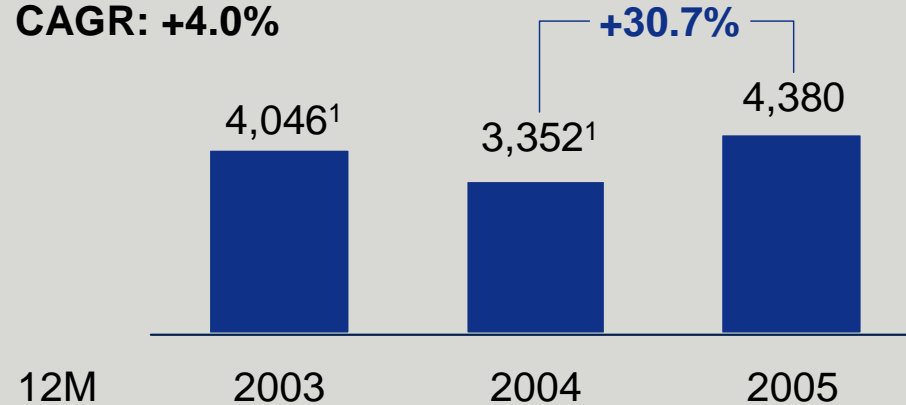
- Revenues for first time above EUR 100bn
- Life and Asset Management drove growth

- Margins further improved: operating profit grew stronger than revenues

## Group overview (2/2): profitable growth

### Net income<sup>1</sup> (EUR m)

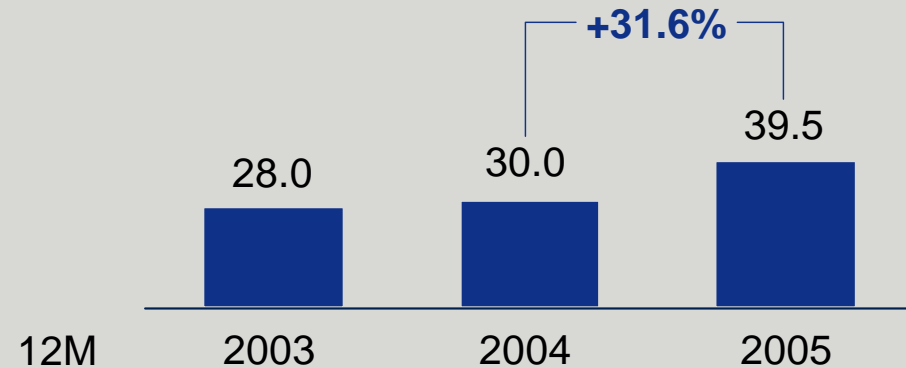
CAGR: +4.0%



- Net income has never been stronger
- RoRAC<sub>N</sub> rises from 16.5% in 2004 to 18.6% in 2005

### Shareholders' equity<sup>2</sup> (EUR bn)

CAGR: +18.8%

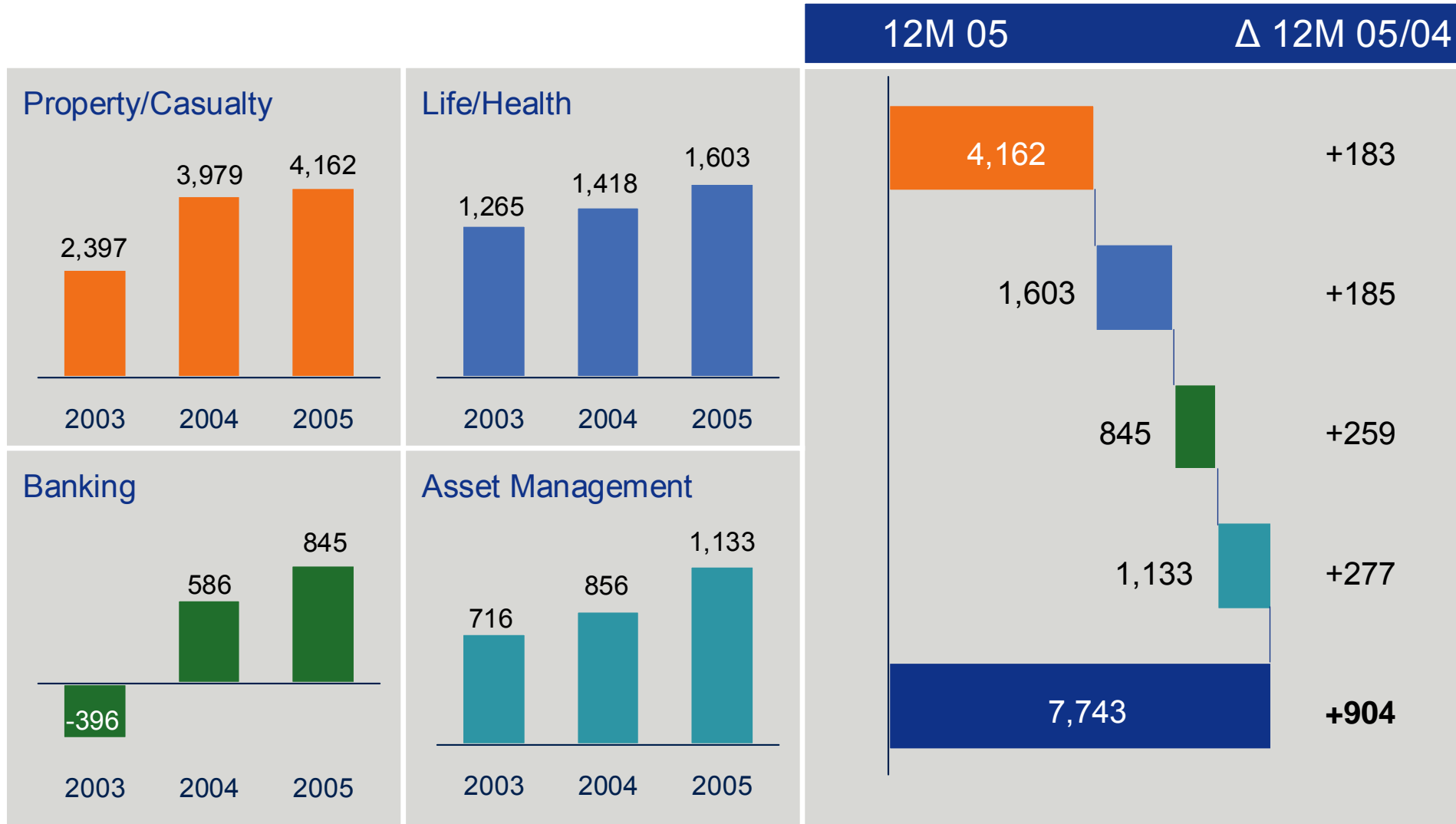


- Strong level of capitalization

1) For 2003 and 2004 net income is calculated on a pro-forma basis. 2003 and 2004 contained goodwill amortization. Goodwill is no longer amortized from 2005 onwards. 2003 and 2004 goodwill amortization net of tax

2) Excluding minority interests

# Operating profit<sup>1</sup>: all segments improved (EUR m)

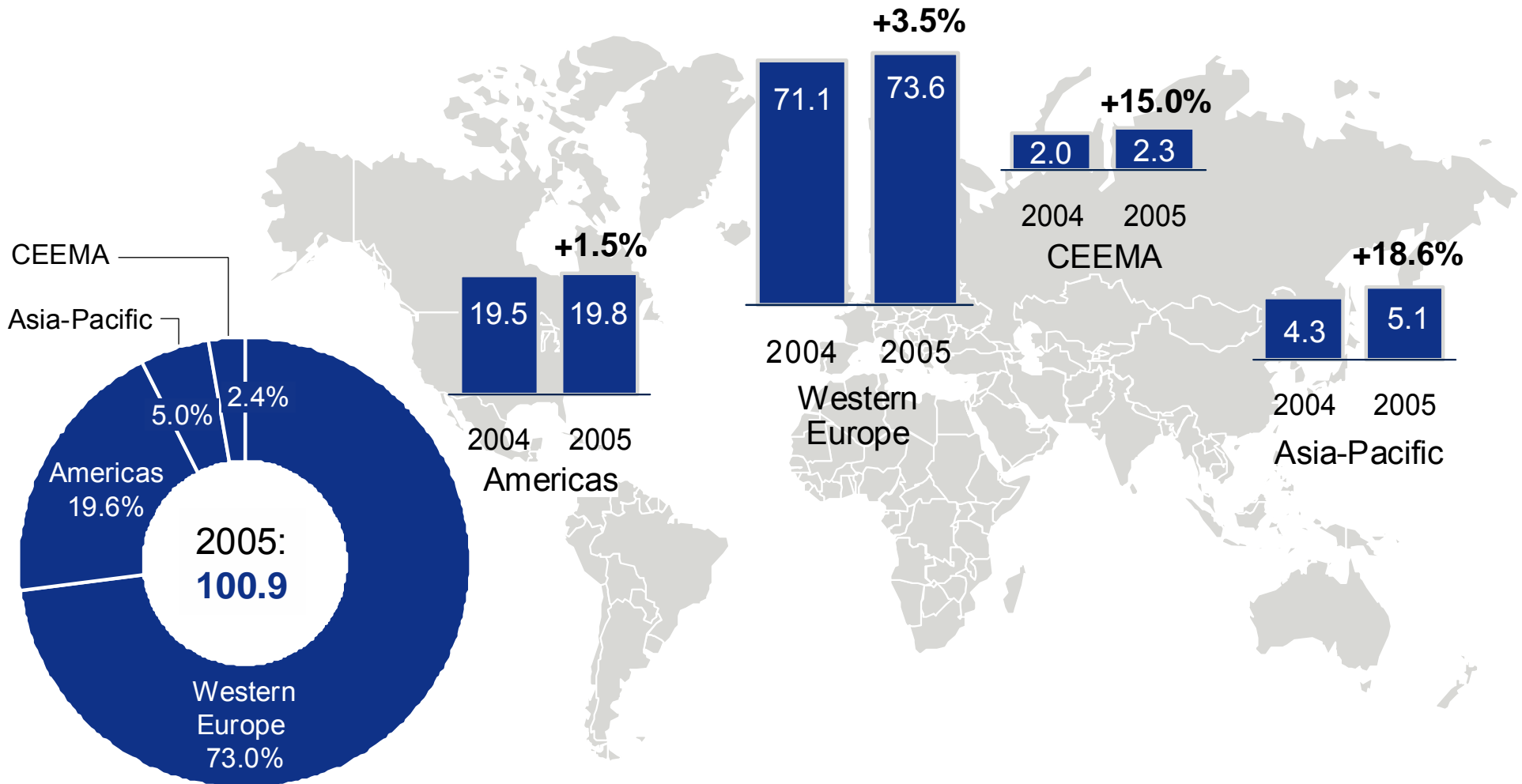


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1) Operating profit is a measure which we believe highlights the underlying profitability of our operation. For a description of how we measure operating profit and a reconciliation to profit before taxes and minorities, see section "Additional information" (page B57), segment operating profits; Intra-group dividends received by L/H companies are consolidated

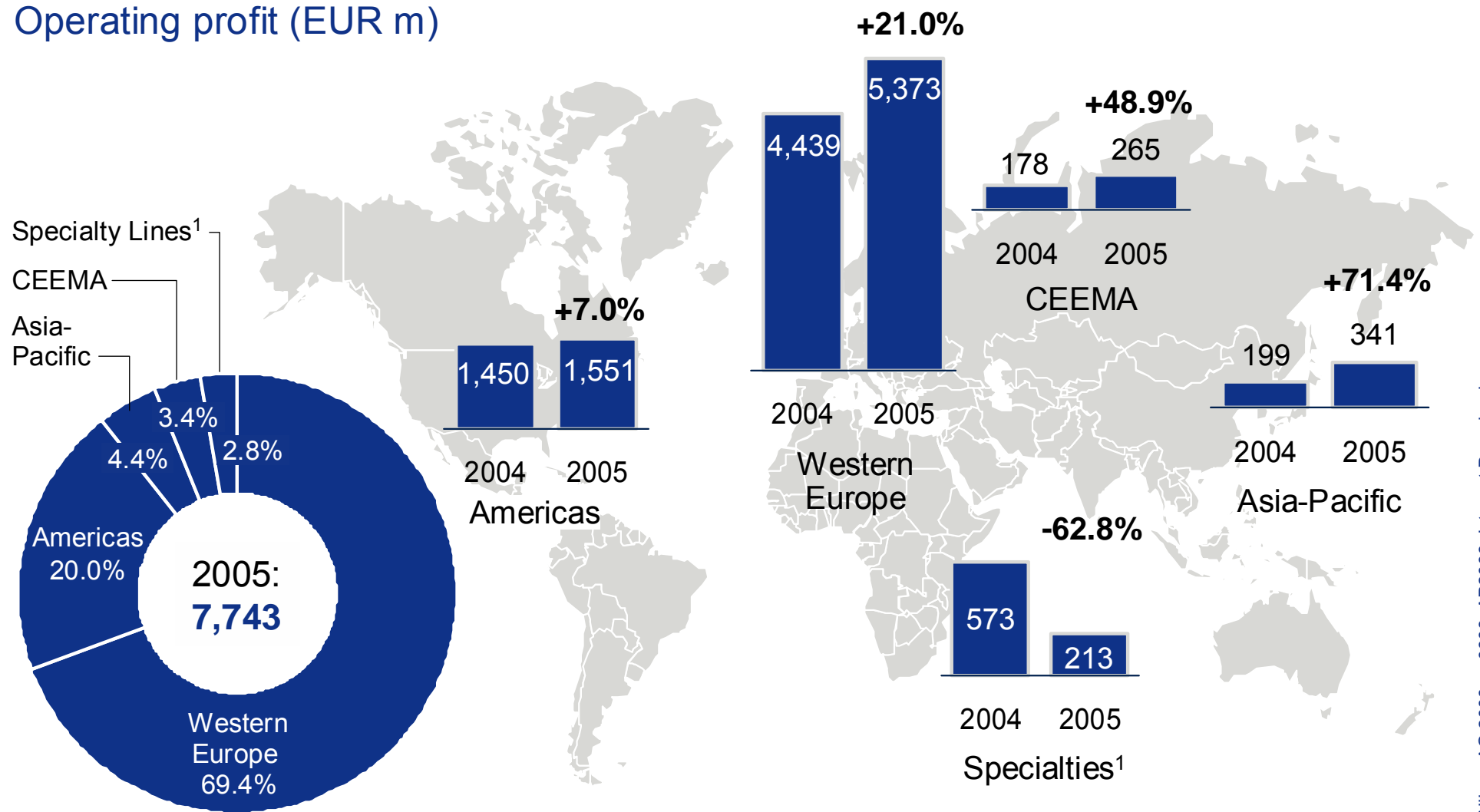
# Group revenues: strong base in European home market

Total revenues (EUR bn)



# Group operating profit: strong increases in Europe and Growth Markets

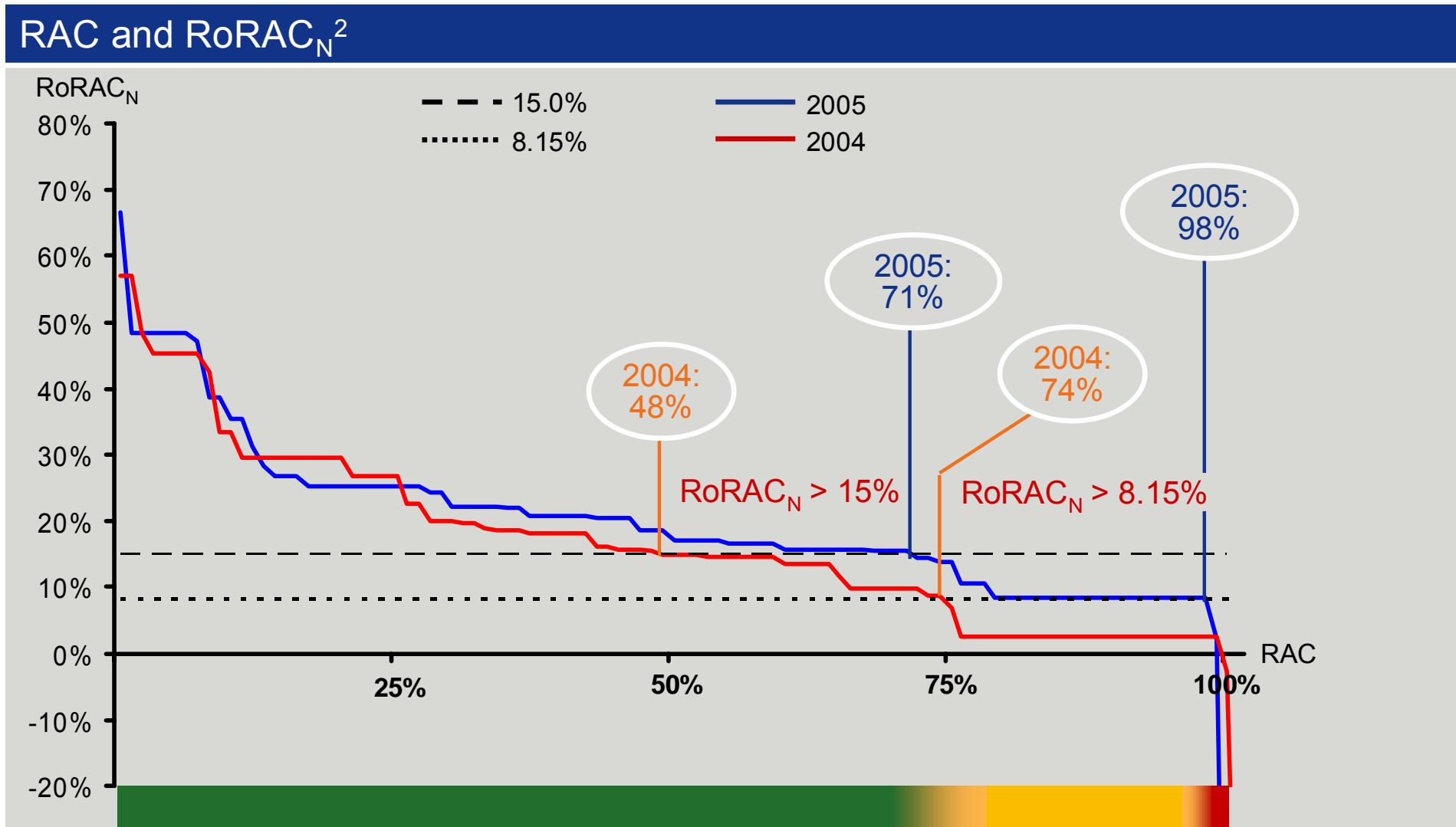
Operating profit (EUR m)



1) Includes AMA, AGR Re, Credit Insurance and Travel Insurance

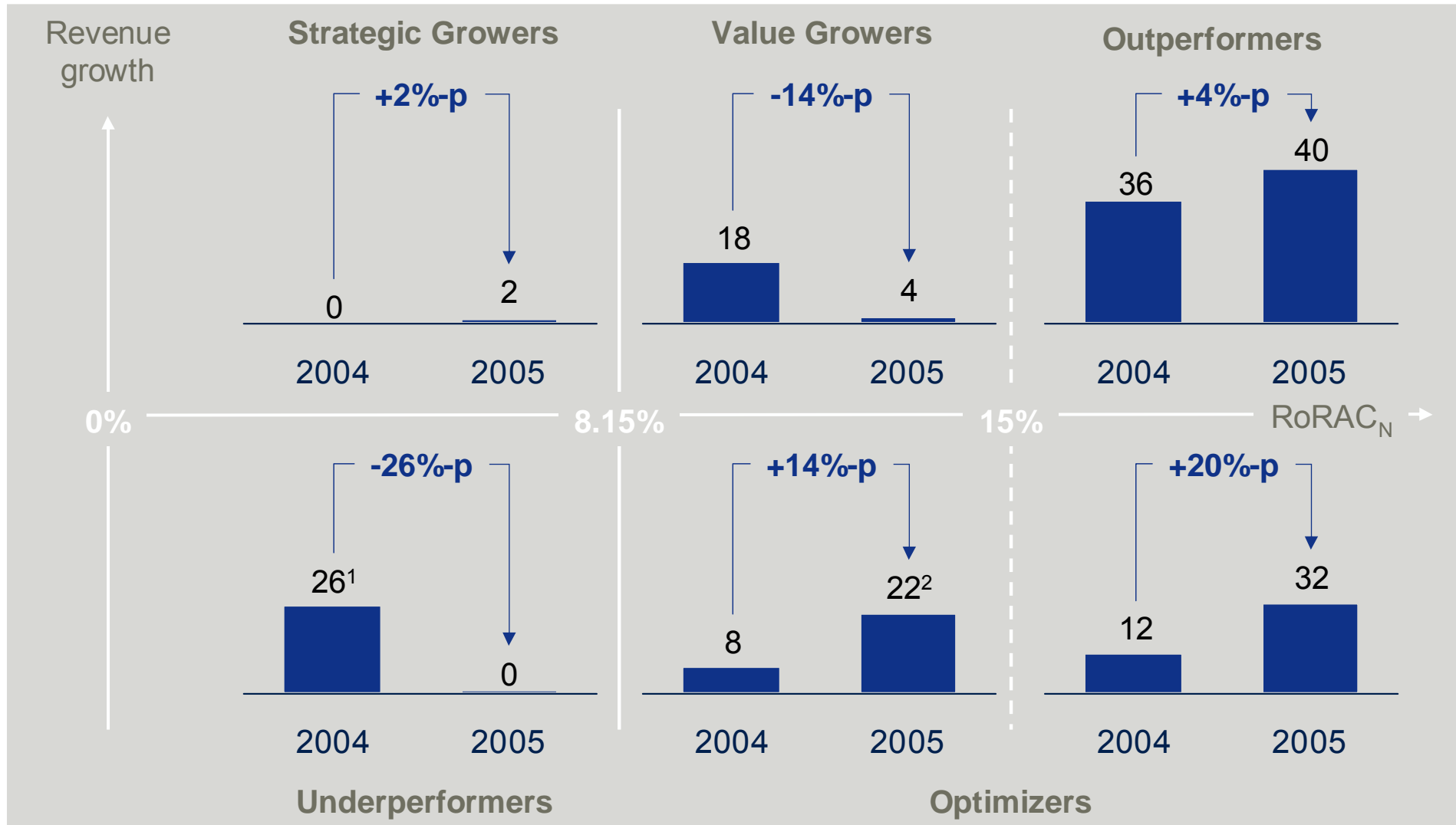


# 98% of risk-adjusted capital earn cost of capital<sup>1</sup> (12M 2005, in % of risk-adjusted capital)



1) Cost of capital for insurance and asset management operations in EU/US: 8.15%; in banking: 8.85%.  
2) RoRAC<sub>N</sub> = normalized profit after tax / risk-adjusted capital, before minorities

# 98% of risk-adjusted capital earn cost of capital (12M 2005, in % of risk-adjusted capital)



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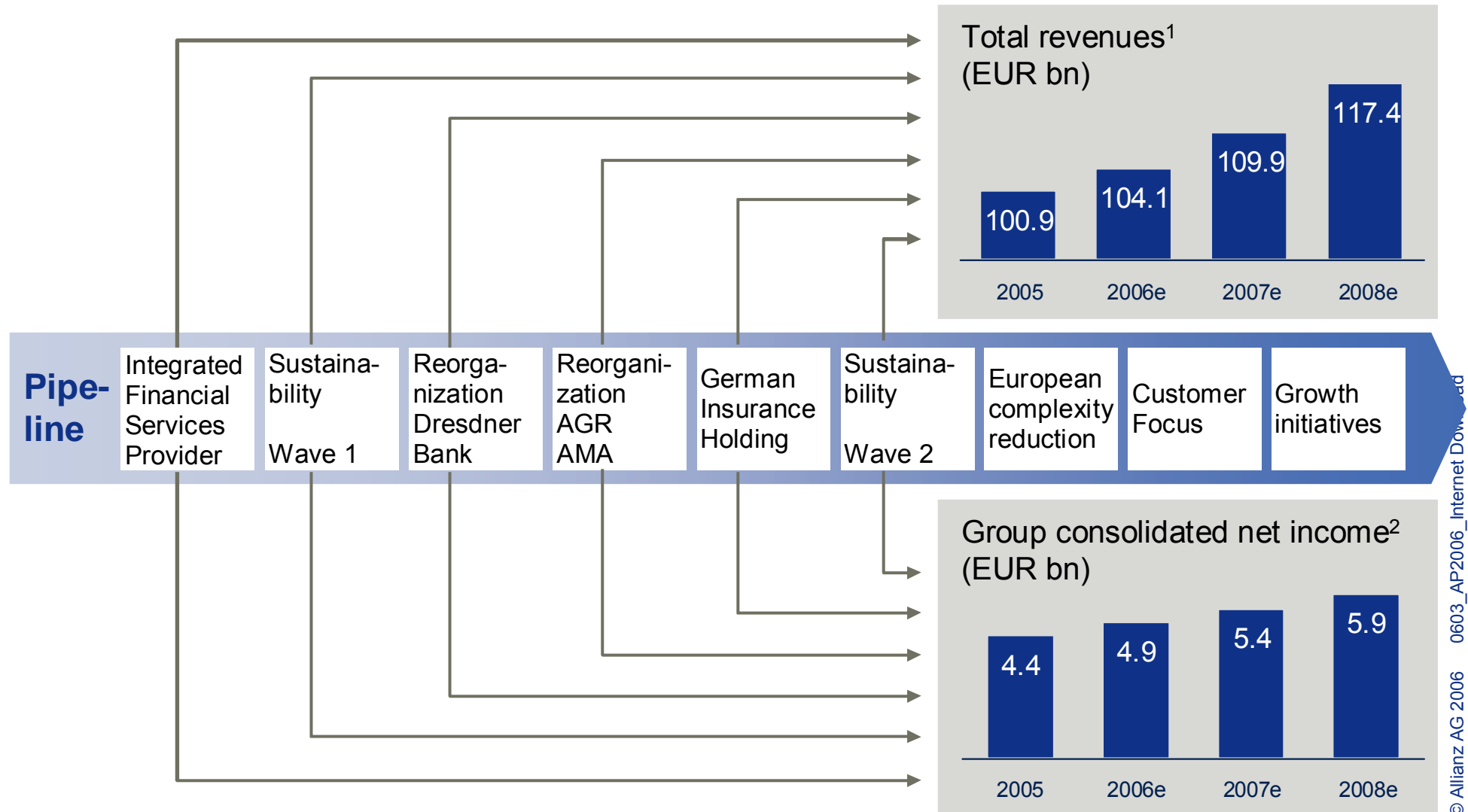
1) Thereof 22% Dresdner Bank  
2) Thereof 19% Dresdner Bank

# Significant progress of 3+One program in 2005

January 2005		Measures 2005	End of 2005
<b>1</b>	Protect and enhance capital base	Risk management  Sustainability  Customer Focus  Reorganization projects launched	
<b>2</b>	Substantially strengthen operating profitability		
<b>3</b>	Reduce complexity		
<b>+ One</b>	Increase sustainable competitiveness and shareholder value		

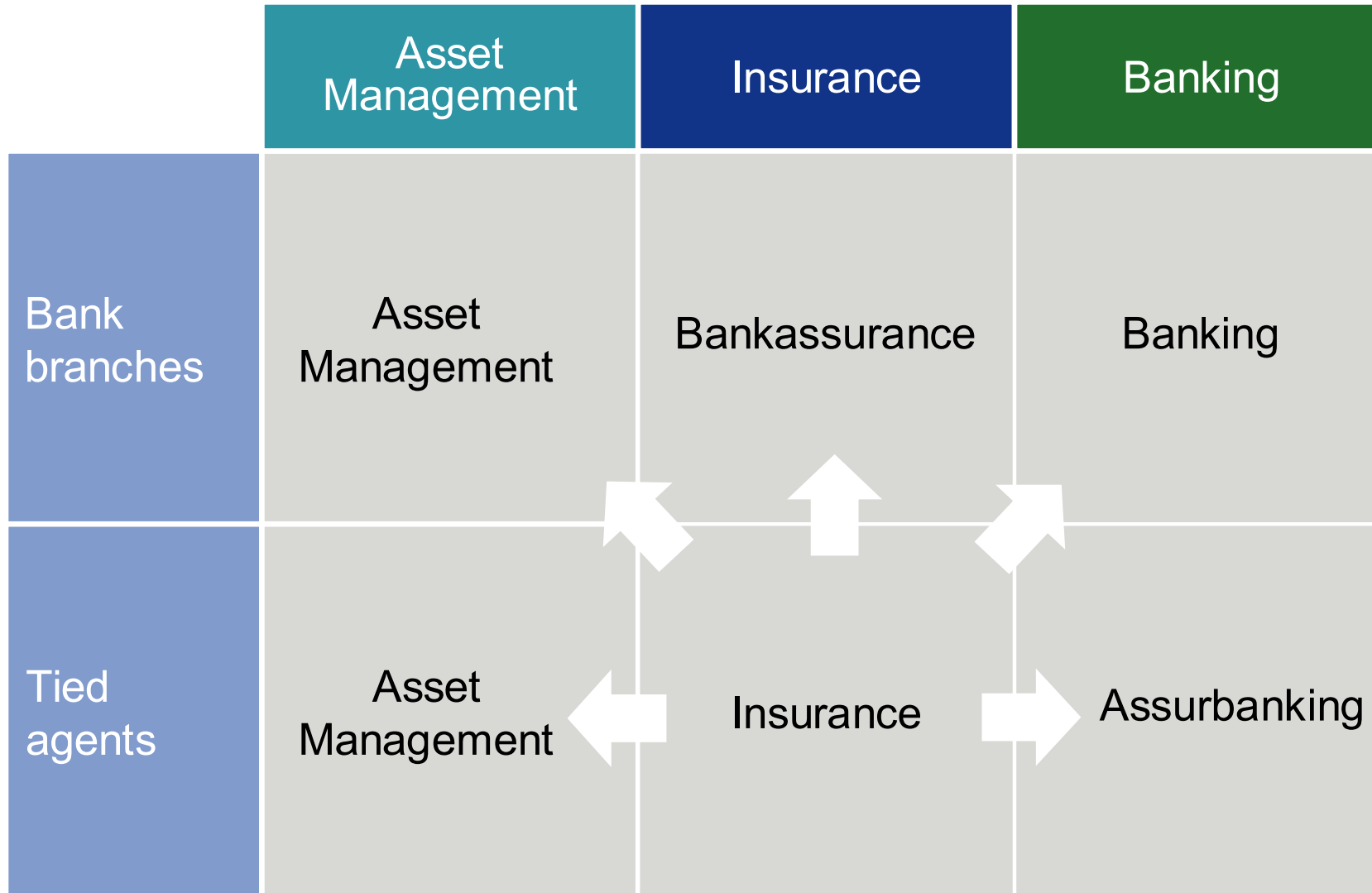
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# Pipeline to drive revenue and profit growth

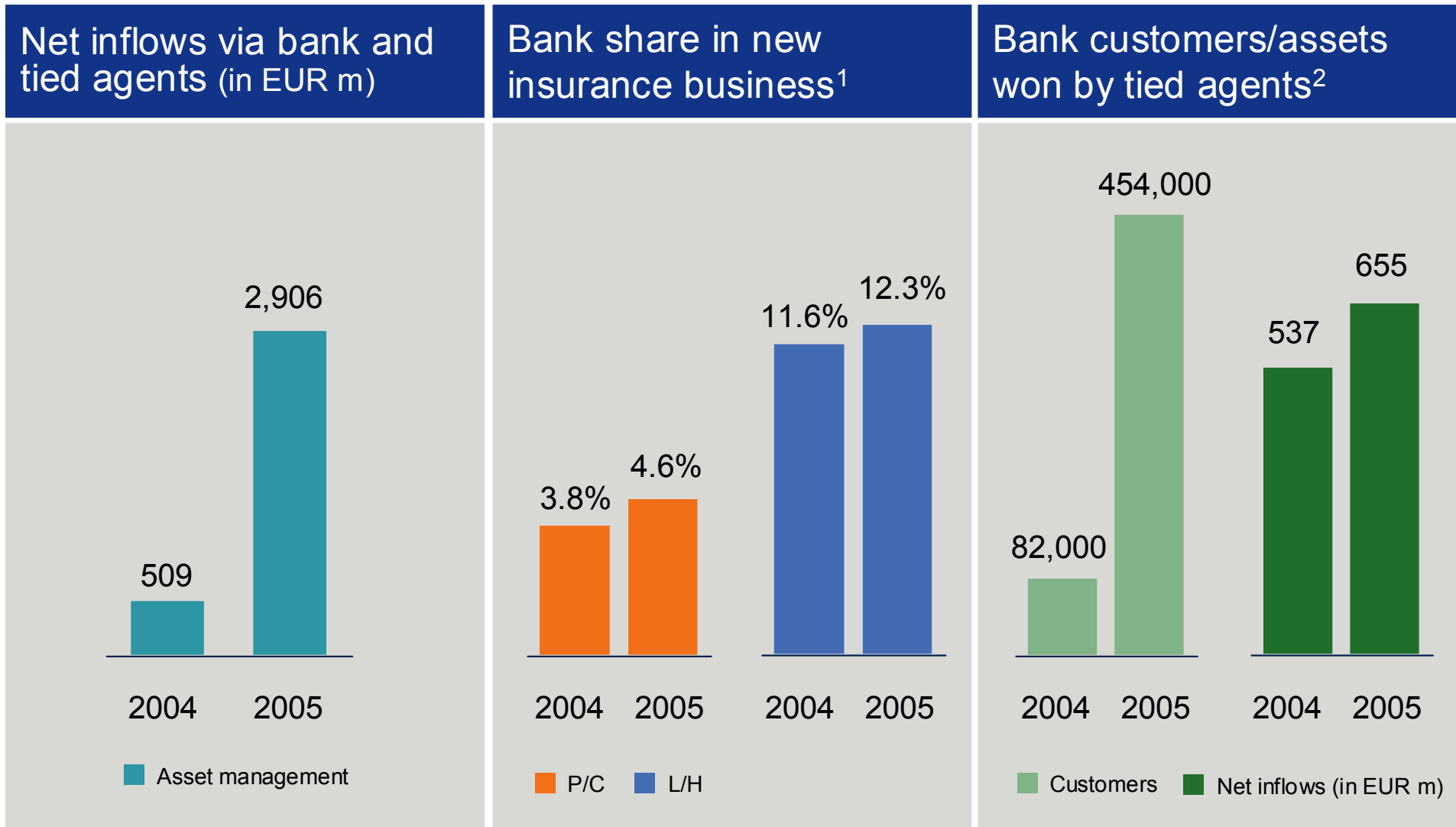


1) From 2006 onwards projected revenues according to RAS – Allianz merger documentation before consolidation between segments  
 2) From 2006 onwards projected net income according to RAS – Allianz merger documentation based on 76.3% RAS ownership

# Integrated Financial Services Provider Germany

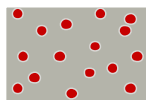
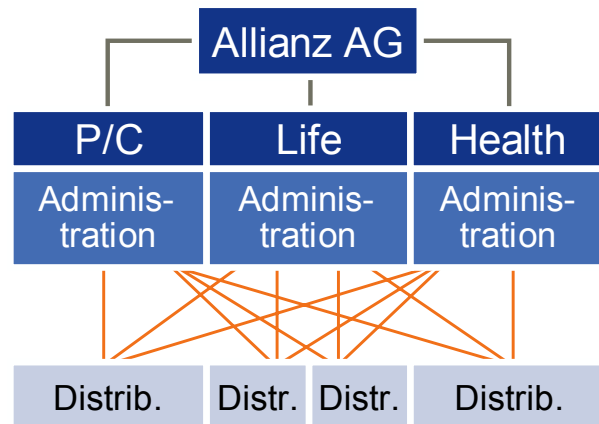


# Integrated Financial Services Provider Germany: significant progress



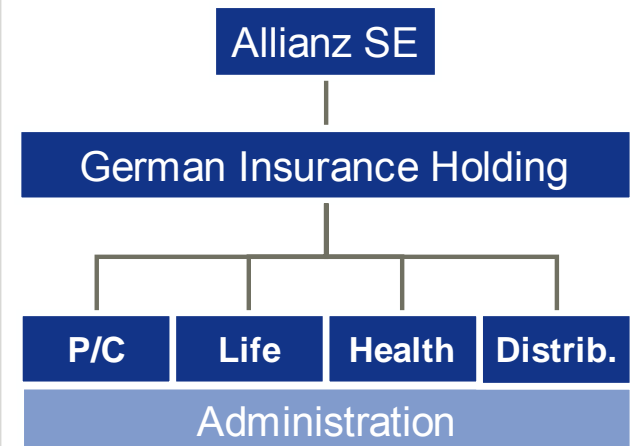
1) According to new business value  
 2) Customers accumulated, net inflows on annual basis

# German insurance: optimization initiated



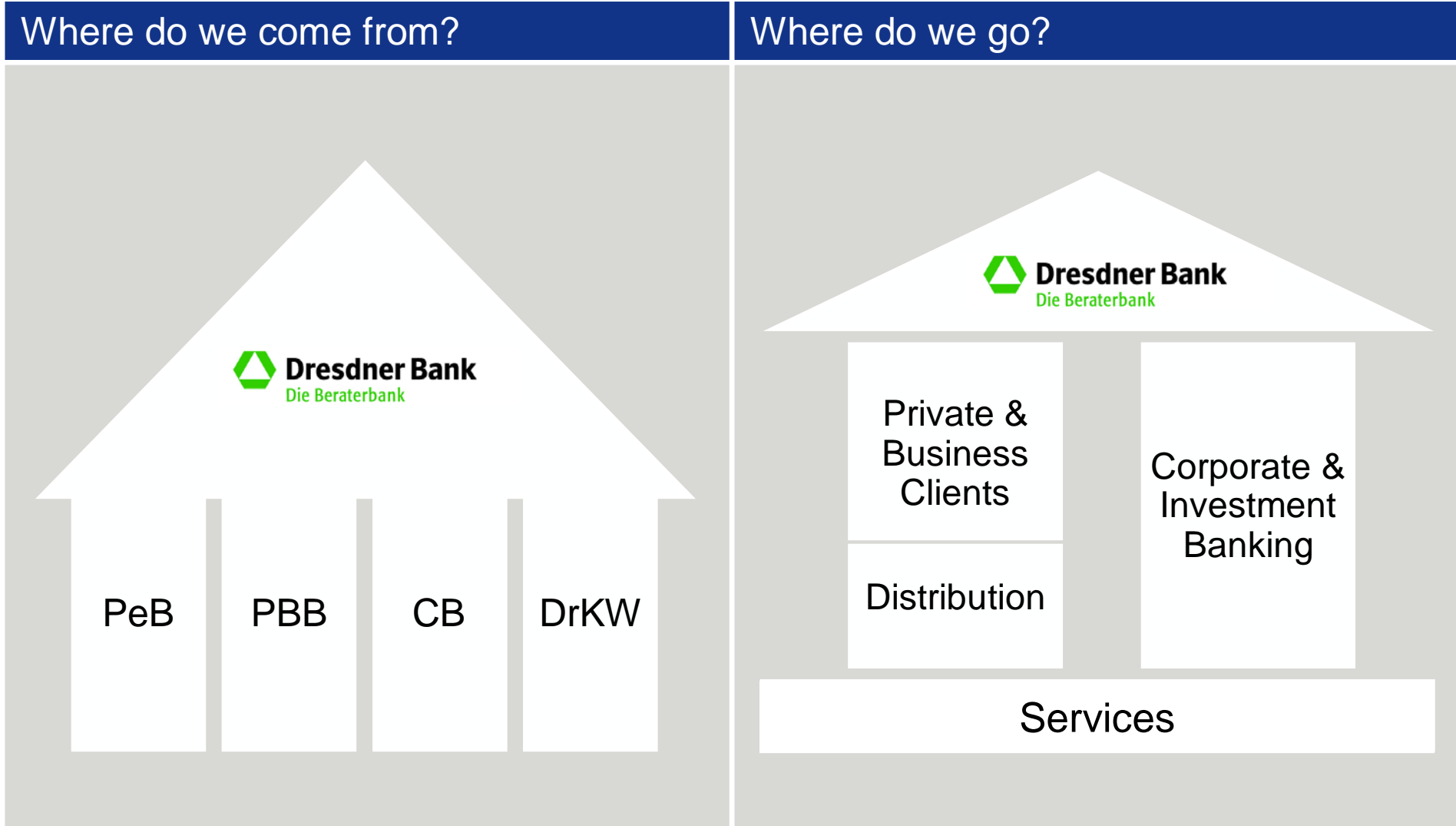
16 regional headquarters

- German Insurance Holding established
- Top management team in place
- Distribution centralized, cooperation with mutual banks prolonged
- P/C companies merged
- Internet and mid-price motor products launched
- Districts organized into 4 regions



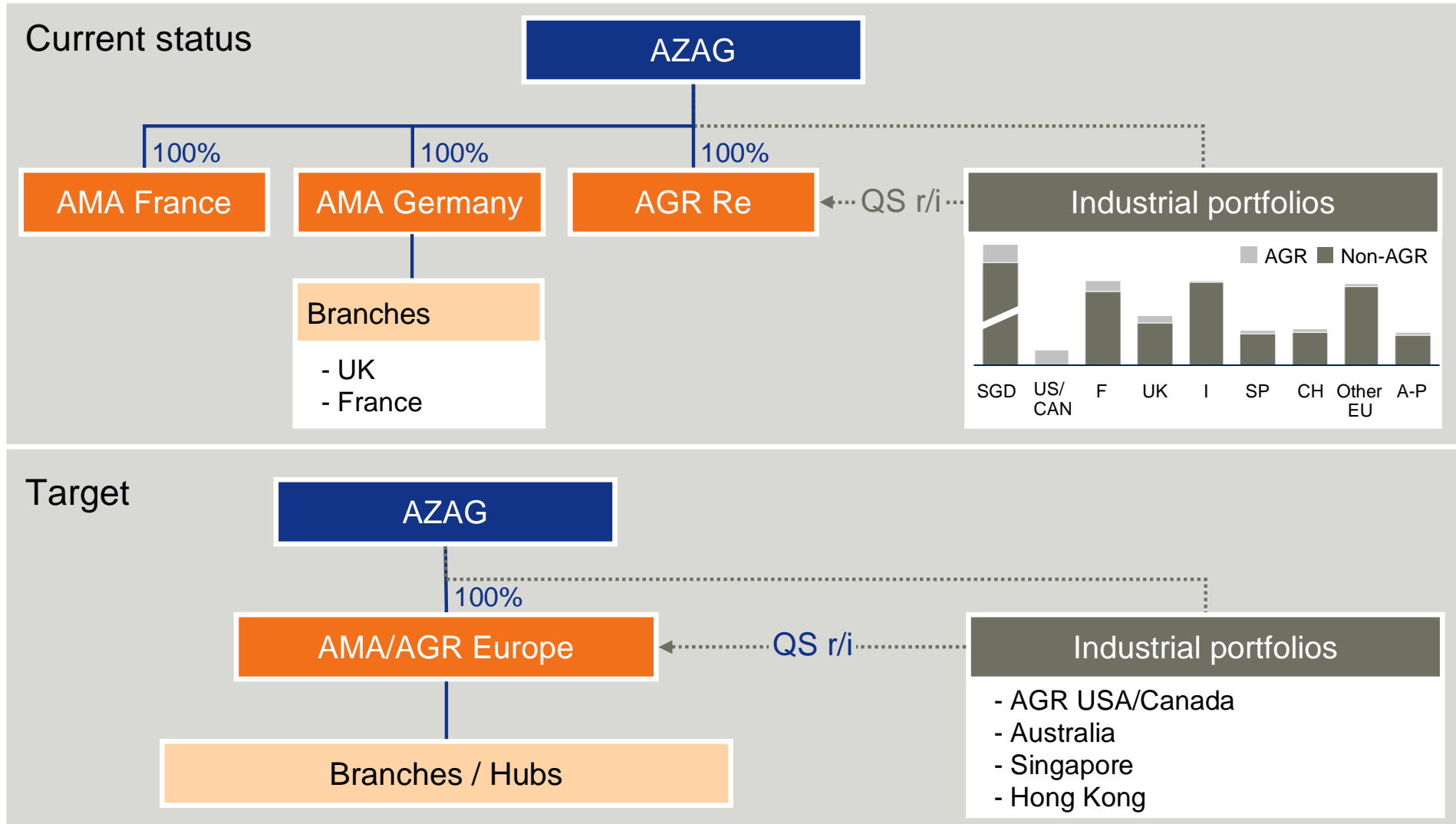
4 regions

# Reorganization Dresdner Bank





# Reorganization global corporate and specialty business




# Merger of RAS into Allianz

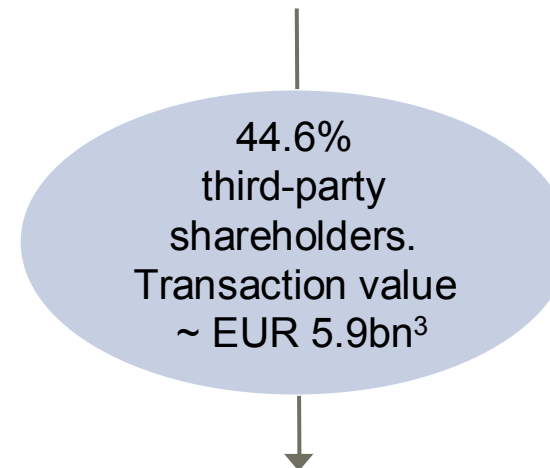
## Rationale


- Increase exposure to attractive Italian insurance market
- Streamline Allianz' group structure
- Internationalization of corporate bodies

## Procedure

- Voluntary cash tender offer
- EGM-RAS
- EGM-Allianz
- Negotiation on co-determination starts 28 March
- SE registration
- Exchange of RAS shares for Allianz SE shares

RAS (2005) 	
Revenues <sup>1</sup> :	16.4bn
Net profit <sup>2</sup> :	0.9bn

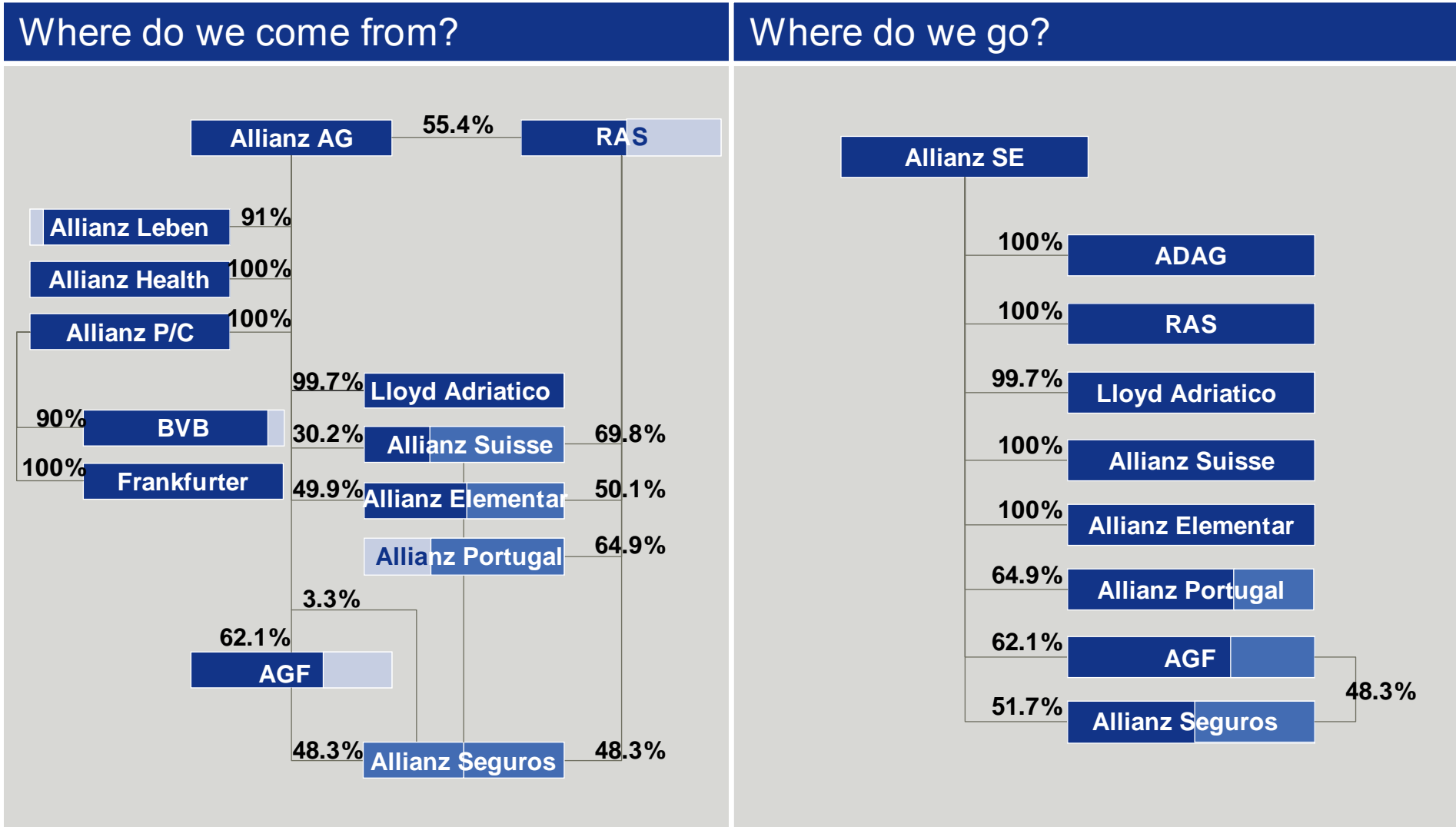


Allianz (2005) 	
Revenues:	100.9bn
Net profit <sup>2</sup> :	4.4bn

**Allianz to become first Financial Services Group with SE status**

1) Insurance premiums  
 2) Net profit plus goodwill amortization  
 3) Value linked to Allianz' share price due to partial conversion of RAS shares into Allianz shares

# Significant reduction of complexity by streamlining operations in Europe



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## ICBC: quantum leap for Chinese distribution capability



- Largest Chinese retail bank with ~22% market share<sup>1</sup>
- > 20,000 outlets
- > 100m retail customers
- > 8m corporate customers
- USD 680bn deposits



- 2.5% stake
- USD 1bn investment
- ICBC plans IPO in 2006
- Distribution cooperation in life insurance and asset management
- Preferential treatment already started with AZ (Life)

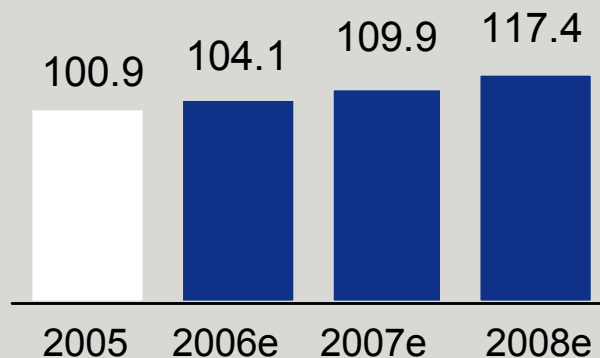
▶ ICBC – new boost to currently small presence in L/H, P/C and AM

1) June 2005, saving deposits

## Outlook: profitable growth continues

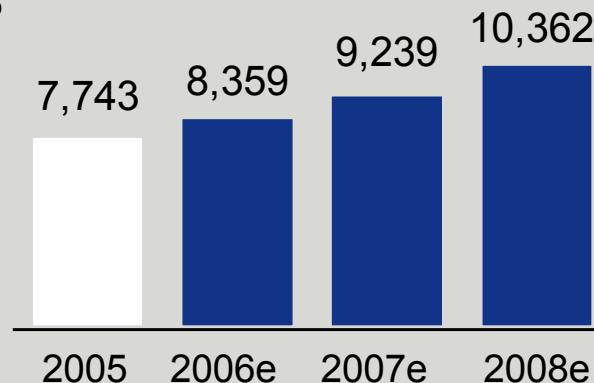
### Total revenues<sup>1</sup> (EUR bn)

CAGR: +5.1 %



### Operating profit<sup>2</sup> (EUR m)

CAGR: +10.2 %



- Expand Assurbanking in Europe
- Utilize opportunities in European pension business
- Implement growth strategy in China and India
- Expand Life and Asset Management in Russia
  
- Parallel setup of insurance and Dresdner Bank in Germany
- Significant efficiency and growth via roll out of sustainability across all segments
- Increase profit per customer and win new customers

1) From 2006 onwards projected revenues according to RAS – Allianz merger documentation before consolidation between segments

2) From 2006 onwards projected operating profit according to RAS – Allianz merger documentation based on 76.3% RAS ownership

# Outlook 2006: ambitious targets

**10% growth in operating profit and net income**

P/C	L/H	Banking	AM
<p>Combined Ratio of approx. 93%</p>	<p>Operating profit of EUR 1.7bn</p>	<p>Operating profit of EUR 1.3bn</p>	<p>More than 10% growth<sup>1</sup> in 3rd party AuM</p>

Caveats, e.g.:

- Nat Cat development unpredictable
- Capital market risks

1) Before F/X impact

Helmut Perlet, Member of the Board

# Group Financial Results 2005

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Allianz 

# We exceeded all our targets for 2005

Target: 3.3% growth

4.2% growth

P/C	L/H	Banking	Asset Managemt.
<p>Target: Combined ratio below 95%</p> <p style="text-align: right;">Combined ratio of 92.3% </p>	<p>Target: Operating profit of at least EUR 1.5bn</p> <p style="text-align: right;">Operating profit of EUR 1.6bn </p>	<p>Target: Earn cost of capital</p> <p style="text-align: right;">RoRAC 9.1% &gt; CoC </p>	<p>Target: 10% increase in operating profit</p> <p style="text-align: right;">32% increase in operating profit </p>

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# Agenda

## Group

P/C

L/H

Banking

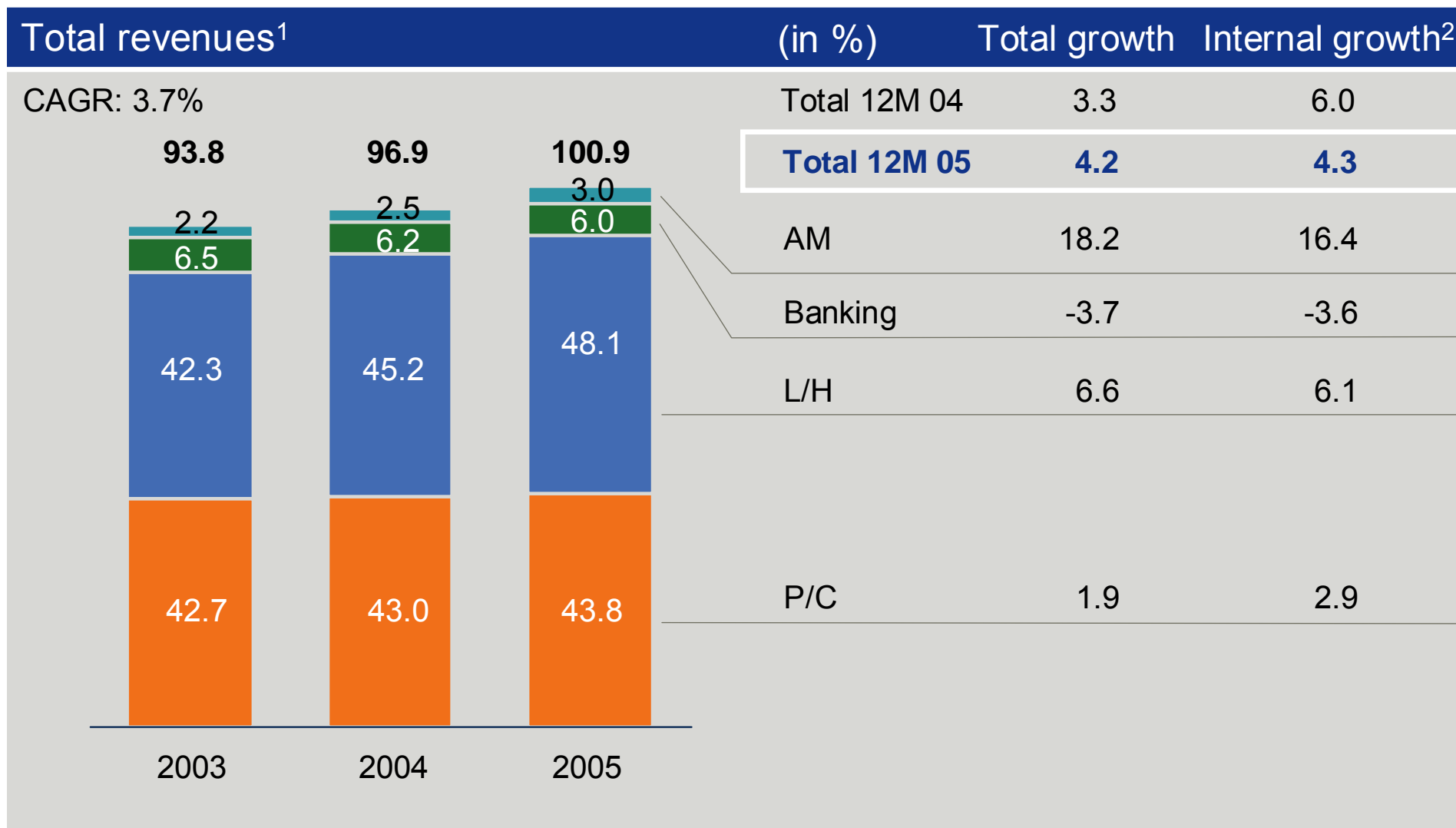
Asset Management

Summary

Appendix 1 - Key figures per quarter

Appendix 2 - Additional information

# Life and asset management drove growth (EUR bn)

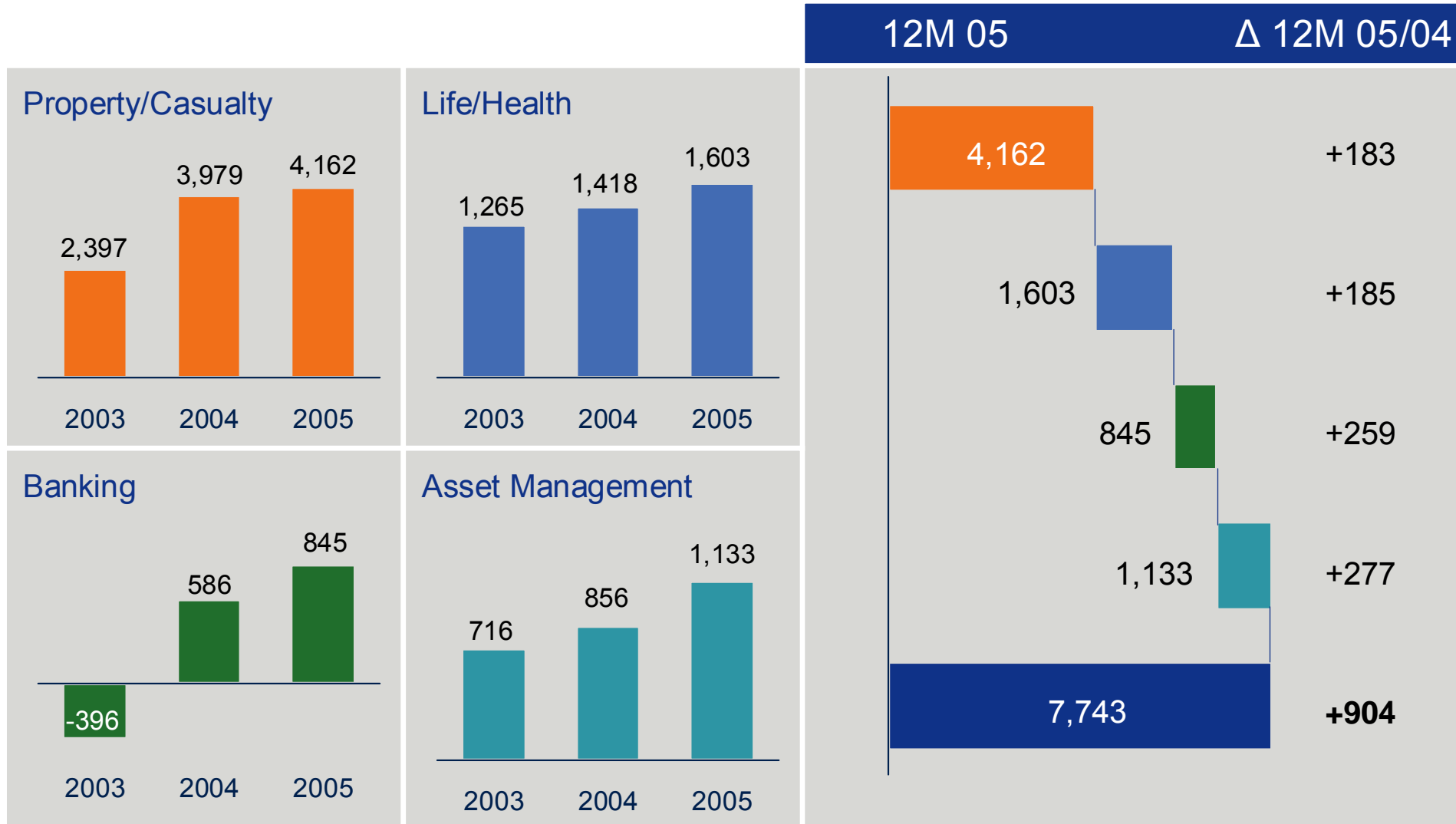


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1) All figures fully consolidated; revenues comprise gross premiums written in P/C, statutory premiums in L/H and operating revenues in Banking and Asset Management

2) Adjusted for F/X effects and consolidation effects

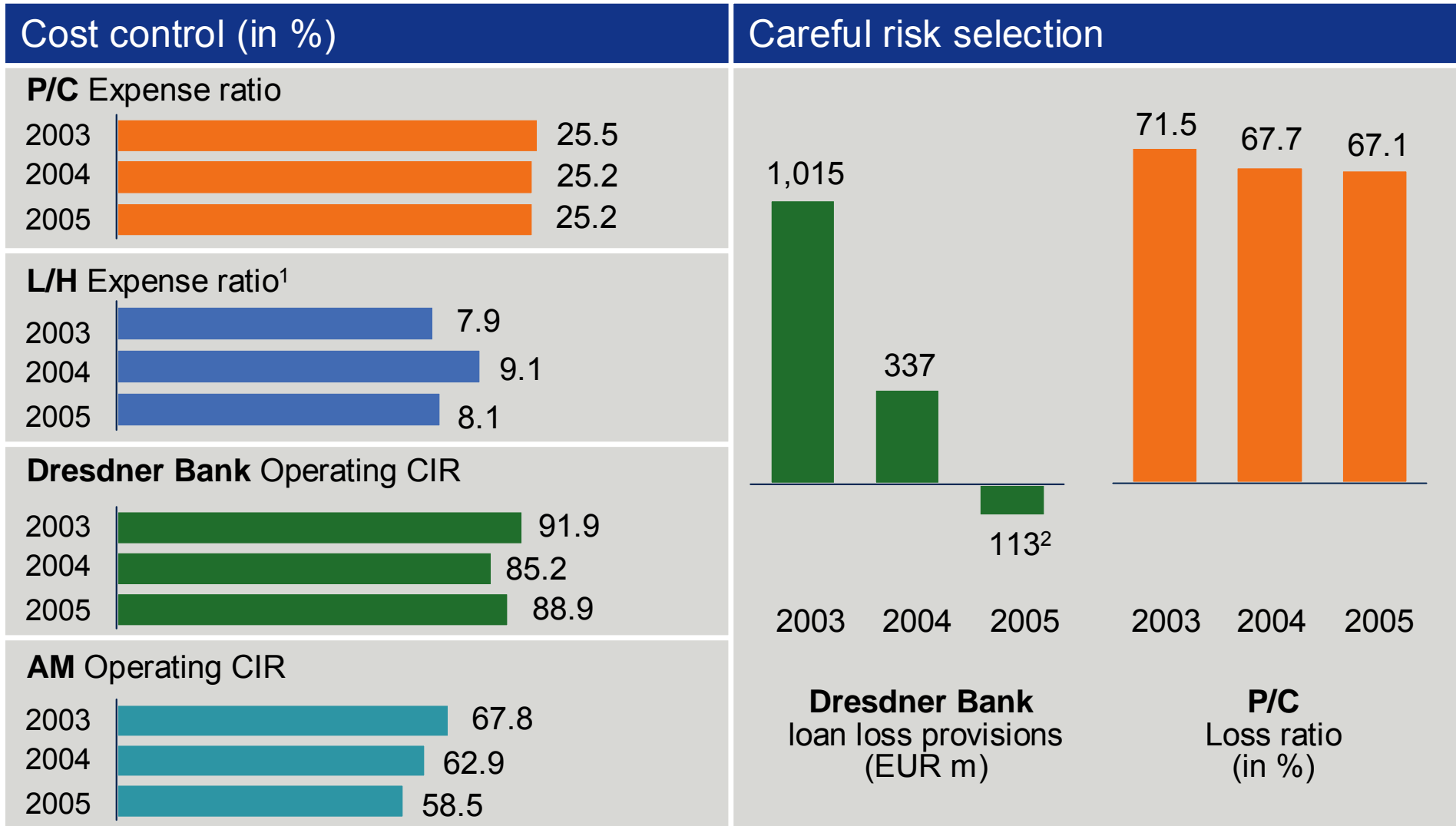
# Operating profit<sup>1</sup>: all segments improved (EUR m)



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1) Operating profit is a measure which we believe highlights the underlying profitability of our operation. For a description of how we measure operating profit and a reconciliation to profit before taxes and minorities, see section "Additional information" (page B57), segment operating profits; intra-group dividends received by L/H companies are consolidated

# Operational discipline is key



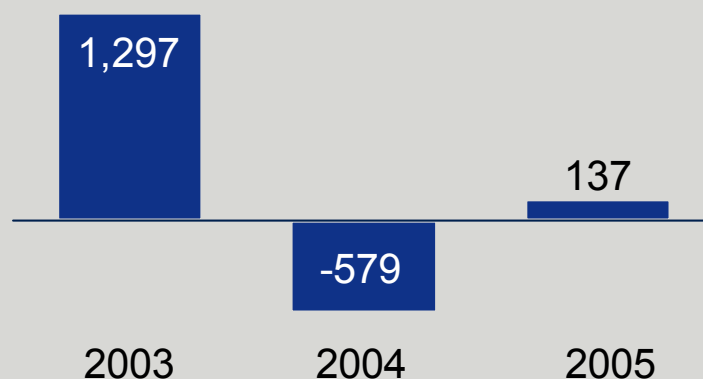
1) Expense ratio based on statutory premiums; true-up effects deteriorate 2004 ratio by 0.54%-p, beneficial effect in 2005 0.26%-p  
 2) Net release of loan loss provisions

## Non-operating result: flat harvesting... (EUR m)

### Breakdown non-operating result

	2003	2004	2005
Trading	-1,489	-49	-410
Net capital gains	8,224	2,552	2,540
Net impairments	-2,440	-1,066	-319
Other non-operat.	-2,998	-2,016	-1,674

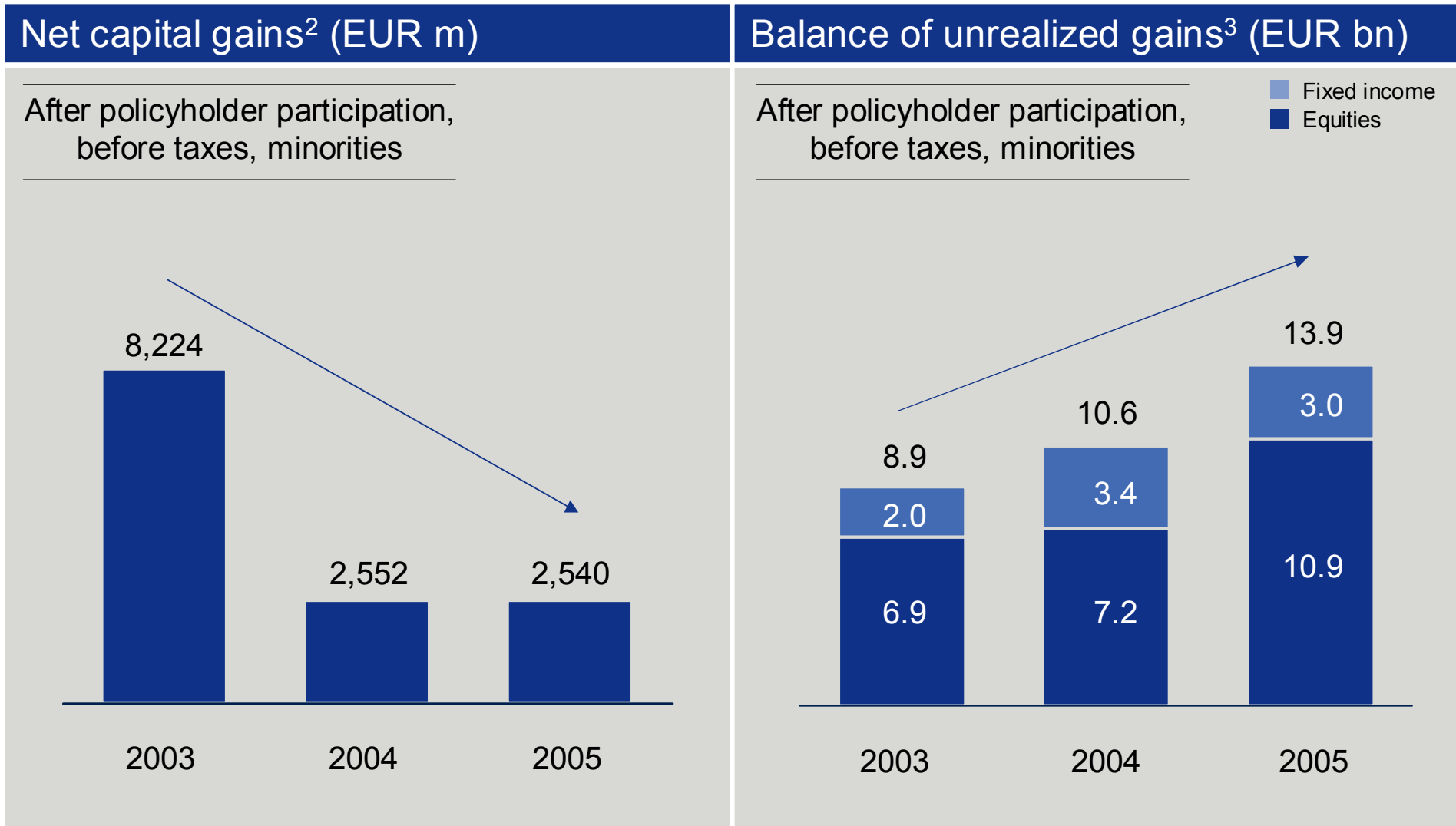
### Total non-operating



### Breakdown other non-operating

	2005	Δ05/04
Interest expenses	-834	+29
Restructuring expenses	-100	+192
Acquisition-related exp.	-713	+38
Other	-27	+83

# Non-operating result<sup>1</sup>: ...but significant increase in unrealized gains



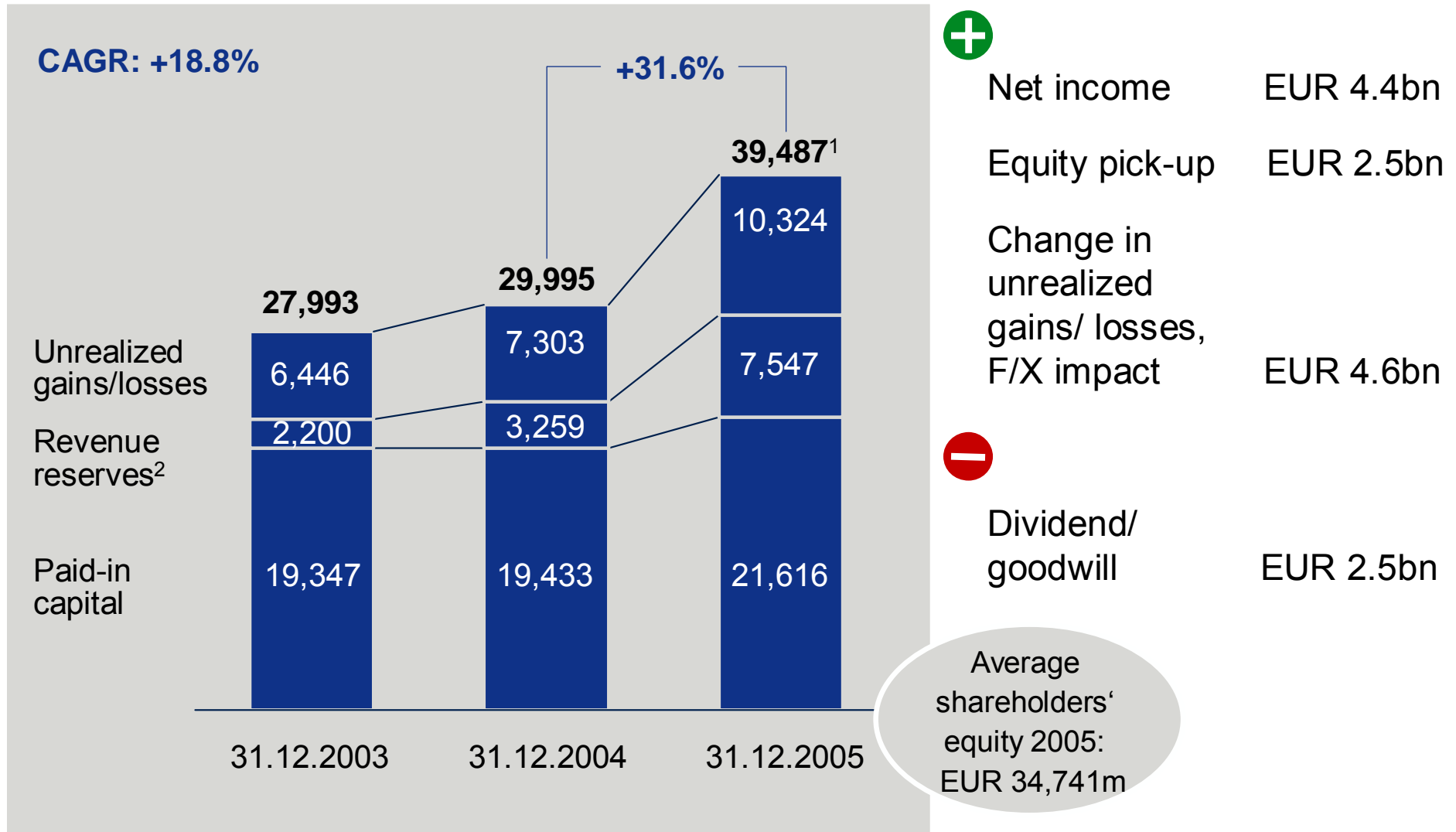
1) All figures before taxes and minorities  
 2) Includes realized gains and losses  
 3) Comprises on-balance sheet reserves (afs-securities)

## Net income: main driver operating profit (EUR m)

	2003	2004	2005	Δ 12M 05/04
<b>Operating profit</b>	<b>3,982</b>	<b>6,839</b>	<b>7,743</b>	<b>+904</b>
Non-operating result	1,297	-579	137	+716
<b>Earning before GW, taxes, minorities</b>	<b>5,279</b>	<b>6,260</b>	<b>7,880</b>	<b>+1,620</b>
Goodwill amortization	-1,413	-1,164	-	+1,164
Taxes	-249	-1,662	-2,114	-452
Minorities	-926	-1,168	-1,386	-218
<b>Net income</b>	<b>2,691</b>	<b>2,266</b>	<b>4,380</b>	<b>+2,114</b>

**Strongest net  
income ever**

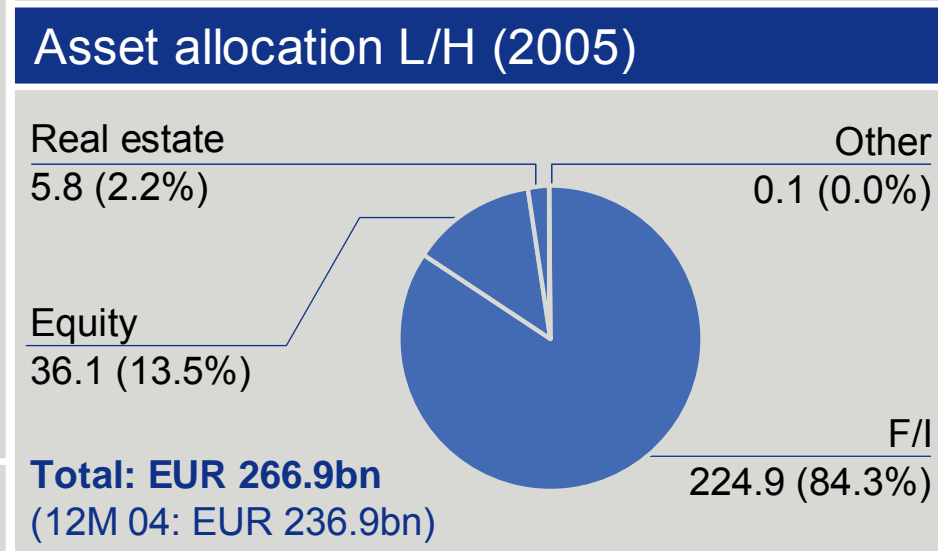
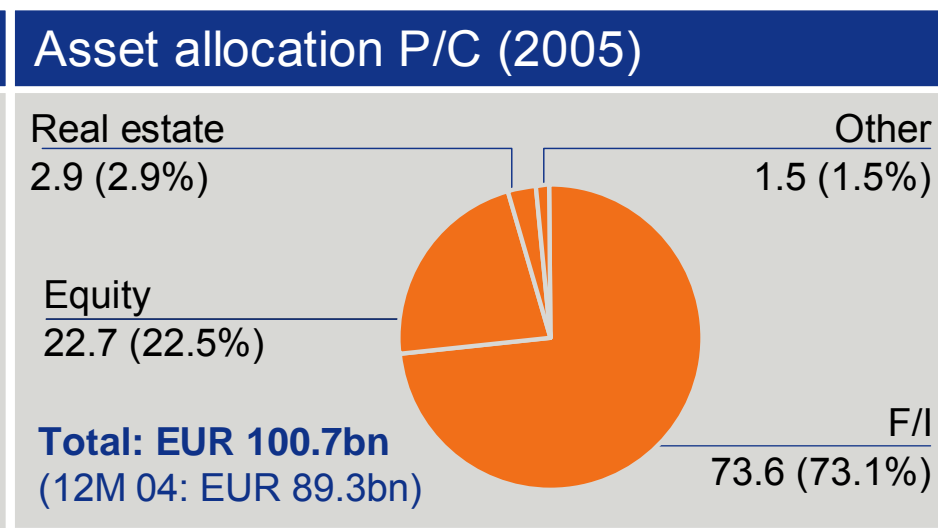
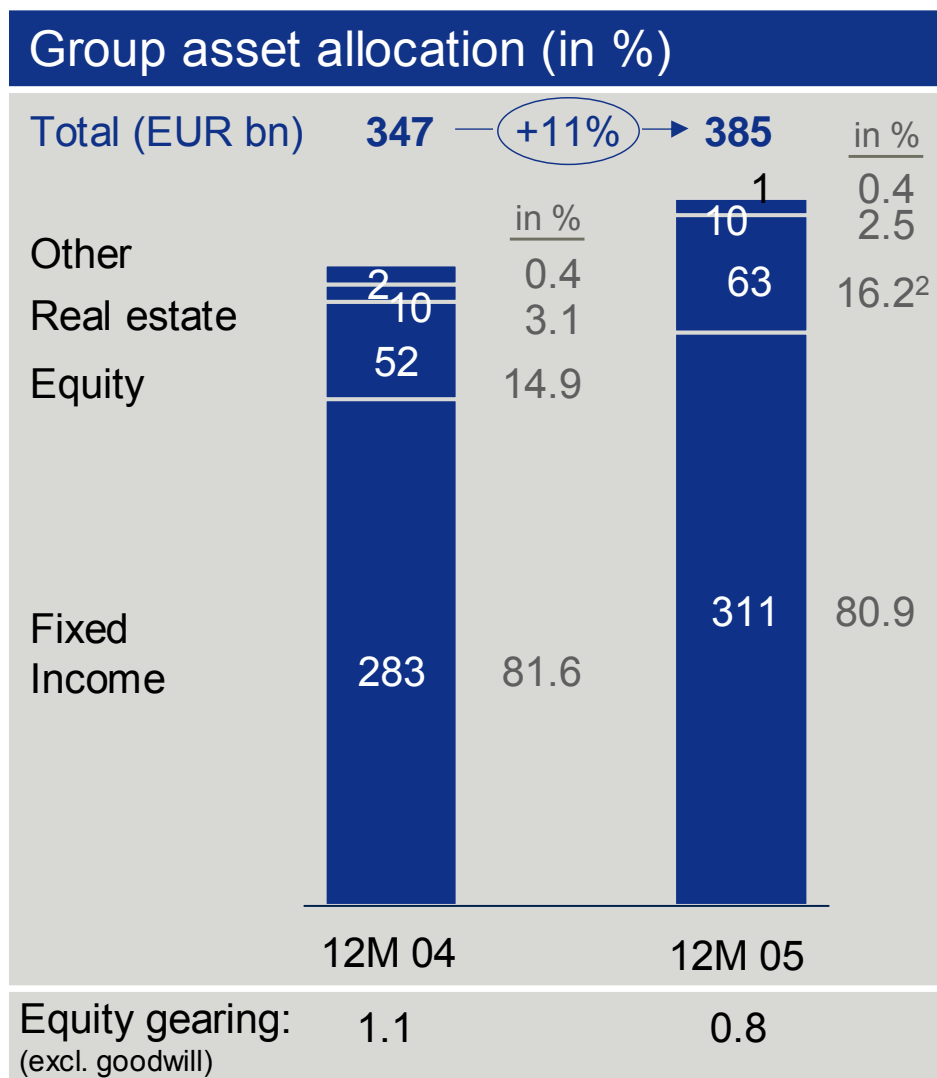
# Shareholders' equity<sup>1</sup> increased by 32% (EUR m)



1) Excluding minority interest: 01.01.2005: EUR 7,696m; 31.12.2005: EUR 7,615m  
 2) Including foreign currency translation adjustments



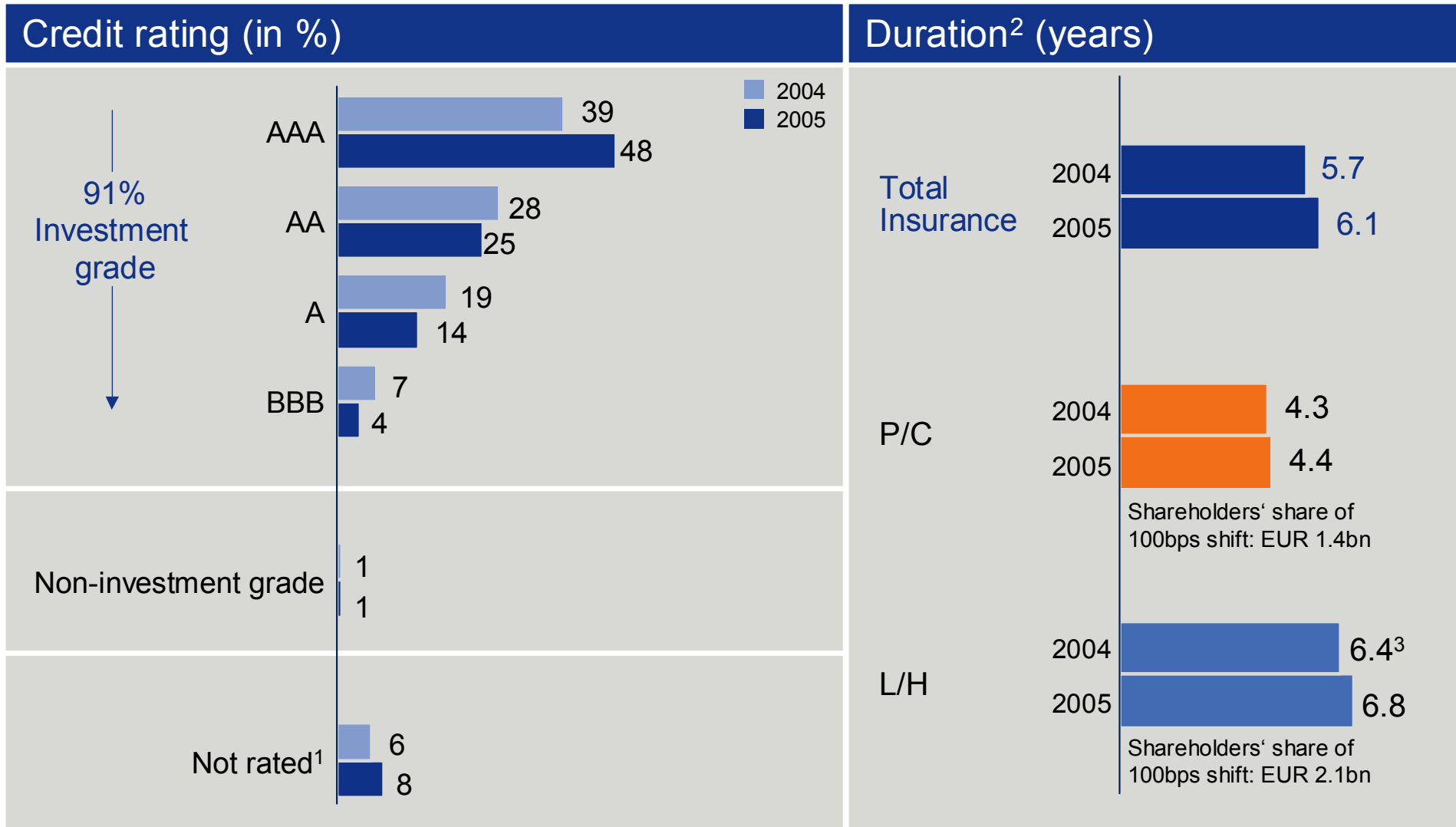
# Asset allocation<sup>1</sup>: 11% asset growth (EUR bn, in %)



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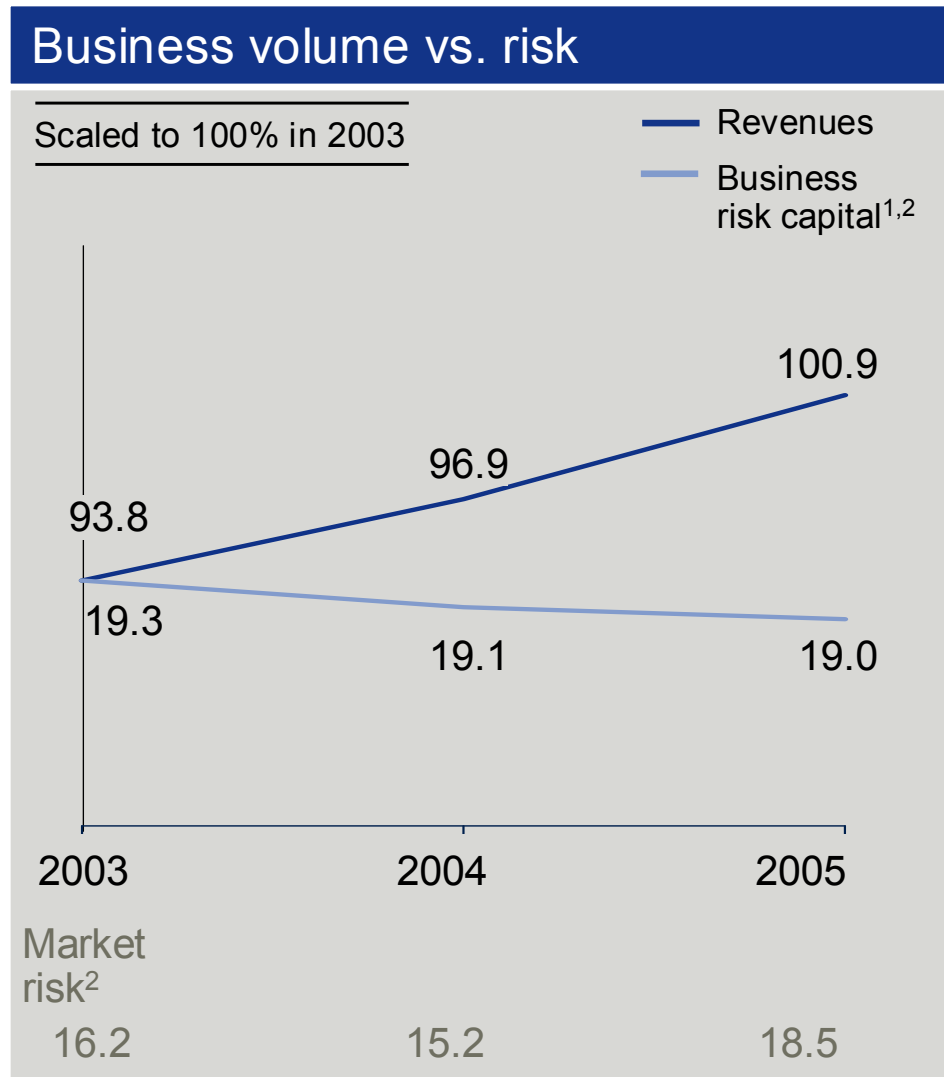
1) All figures fully consolidated; excluding trading  
2) Adjusted for equity derivatives (incl. BITES-transaction): 15.2%

# Insurance fixed-income portfolio with strong credit rating



1) Investments for which no individual rating information is available. The majority of the not rated fixed income investments consists of asset/mortgage-backed securities (e.g. Pfandbriefe) and loans to banks/customers  
 2) Includes only duration for "available for sale" investments; definition: duration is a measure of the average (cash-weighted) term-to-maturity of bonds  
 3) Duration in L/H segment impacted by reclassification of "available-for-sale" investments into "loans and receivables" compared to duration reported in 2004

# More business with less risk (EUR bn)

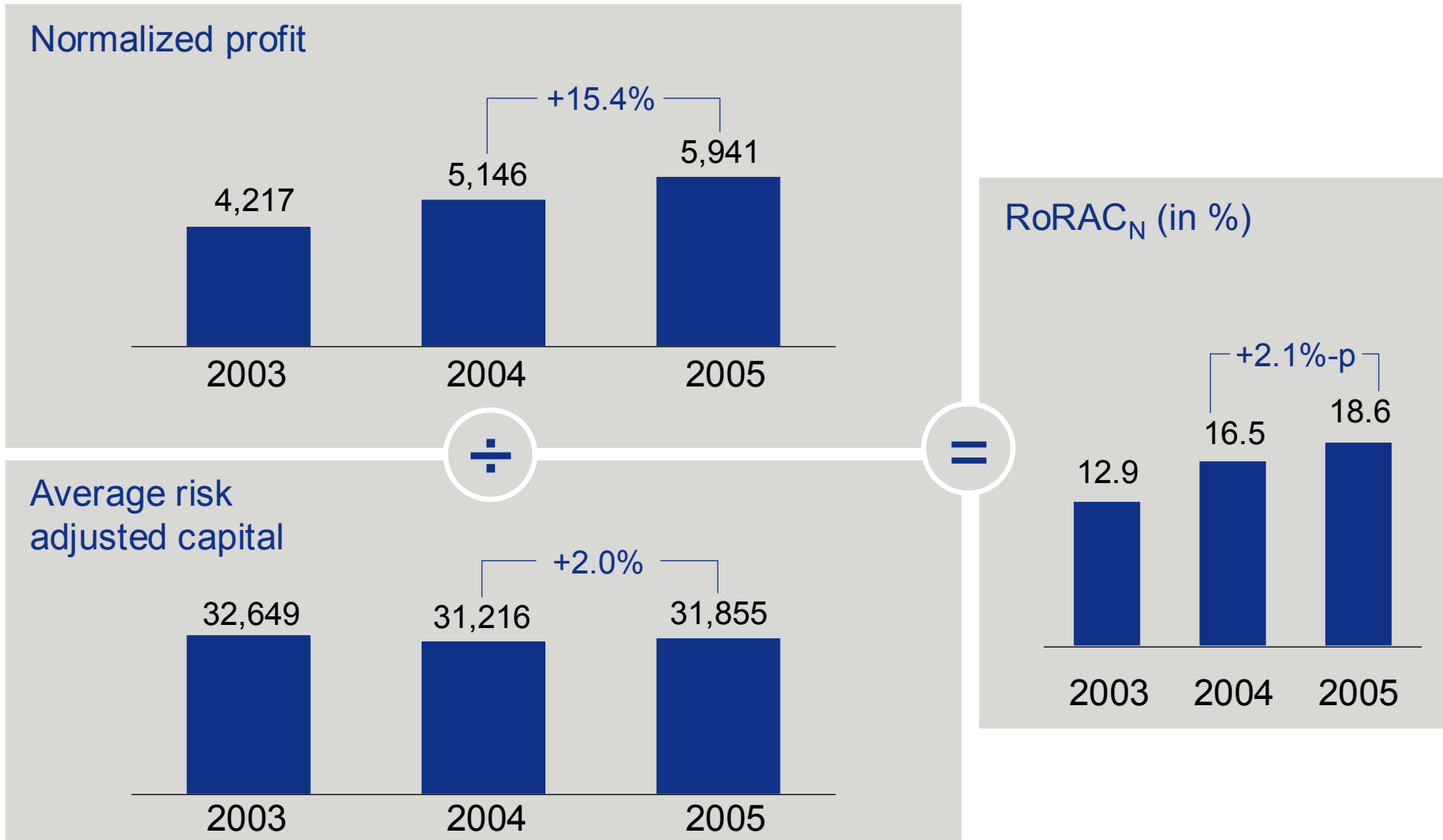


- Successful risk management: Risk profile actively managed, optimized diversification
- Successful de-risking allowed to take on more business
- Return on the risk taken has continuously improved

1) Risk capital contains following risk components: credit/counterparty, premium, reserve, life actuarial, business risk (exkl. market risk)

2) Before minorities

# RoRAC<sub>N</sub><sup>1</sup> further improved to 18.6% (EUR m)



1) All figures after minorities; RAC is determined in a stochastic model after Group diversification, normalized profit includes corporate effects; normalized return on risk-adjusted capital = Normalized profit after tax/risk-adjusted capital, after minorities

# Agenda

Group

**P/C**

L/H

Banking

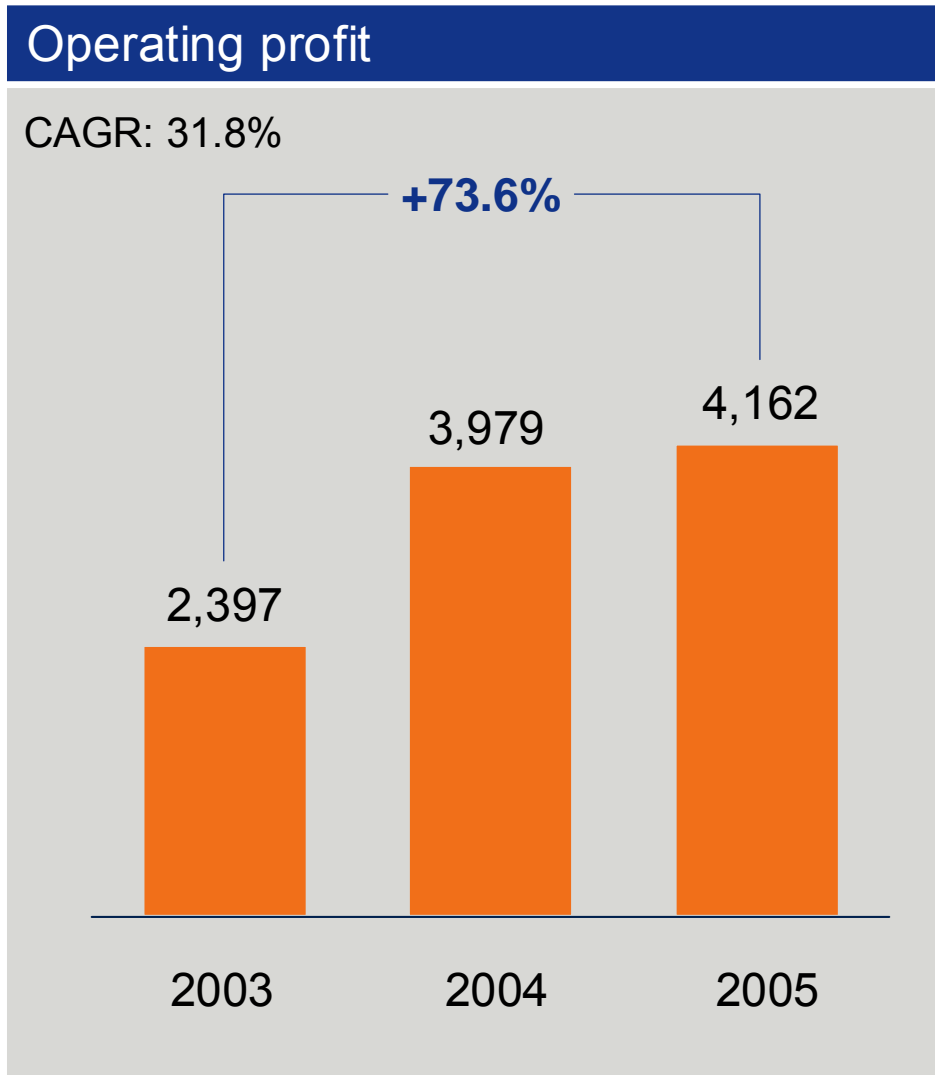
Asset Management

Summary

Appendix 1 - Key figures per quarter

Appendix 2 - Additional information

## P/C overview: robust underwriting profitability (EUR m)

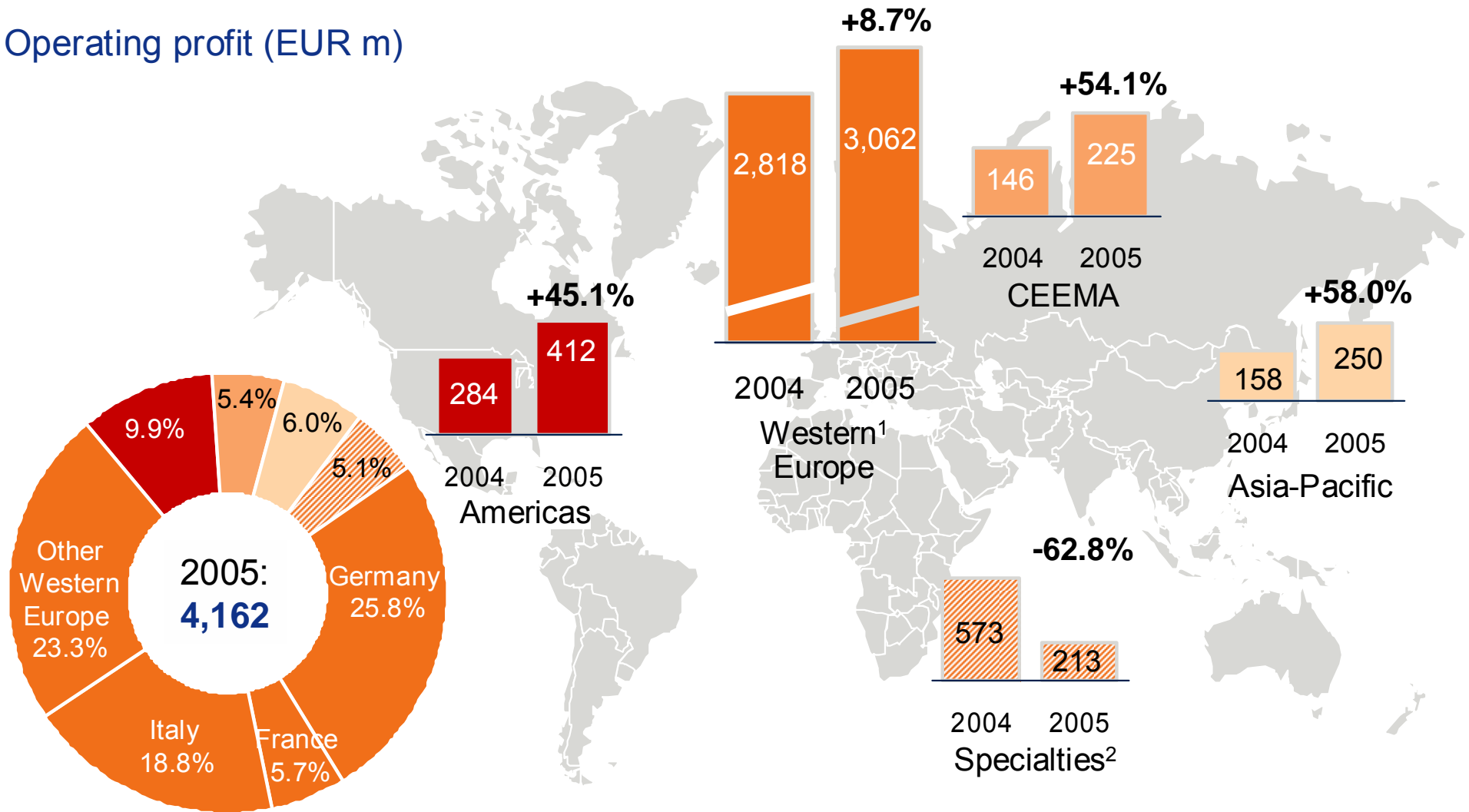


- 2.7% premium growth<sup>1</sup> despite more competitive markets and continued focus on profitability
- Underwriting and cost discipline paid off in sustained strong combined ratio of 92.3% despite EUR 1.1bn impact from Nat Cat

1) Internal growth: adjusted for F/X effects and consolidation effects

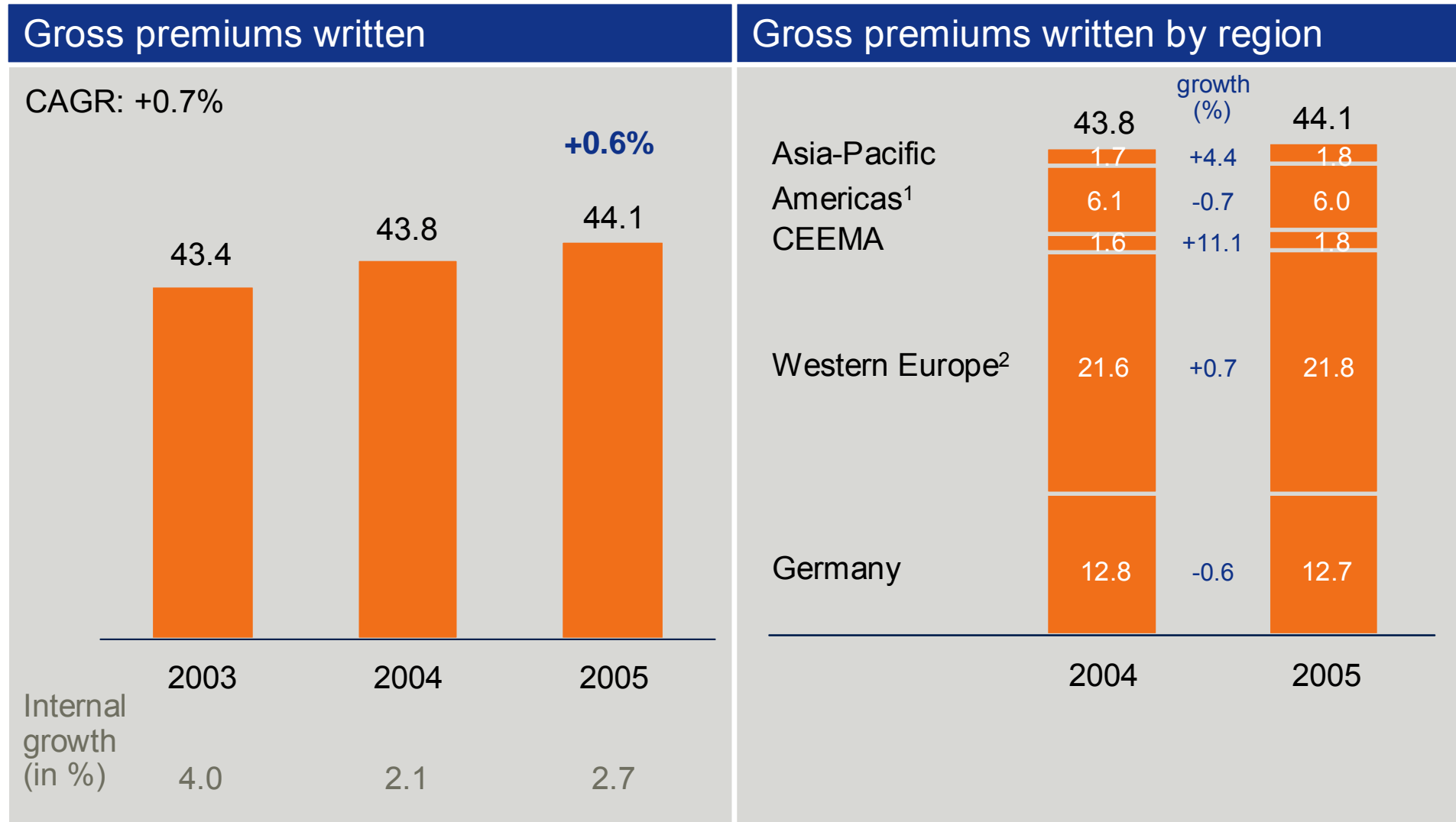
# P/C: Europe dominated operating profit contribution, but growth countries caught up

Operating profit (EUR m)



1) Includes Egypt, Ivory Coast and Lebanon: impact 2004: EUR 9m, 2005: EUR 8m and "Consolidations": impact 2004: EUR -64m, 2005: EUR -158m  
 2) Includes AMA, AGR Re, Credit insurance and Travel insurance

# P/C: controlled growth (EUR bn)



1) P/C Canada deconsolidated in second half 2004: internal growth 6.7%  
 2) Excluding Germany



# P/C: we manage the cycle (in %)

Combined ratio	12M 03	12M 04	12M 05
SGD (German P/C Group)	93.0	88.2	87.9
AGF <sup>1</sup>	102.8	98.5	98.0
RAS Group Italy	96.9	95.7	95.3
Lloyd Adriatico	84.8	75.9	76.8
Allianz Cornhill	95.6	92.3	93.4
Allianz Spain	95.5	90.9	90.8
Allianz Suisse ex. ART	99.1	96.7	93.0
Allianz Australia	95.6	97.1	91.9
Fireman's Fund	99.4	95.5	93.7
Credit insurance	82.0	69.0	66.5
Allianz Global Risks <sup>2</sup>	93.8	92.9	98.5
AMA	87.3	93.6	148.5
Allianz AG <sup>3</sup>	100.2	87.1	88.5

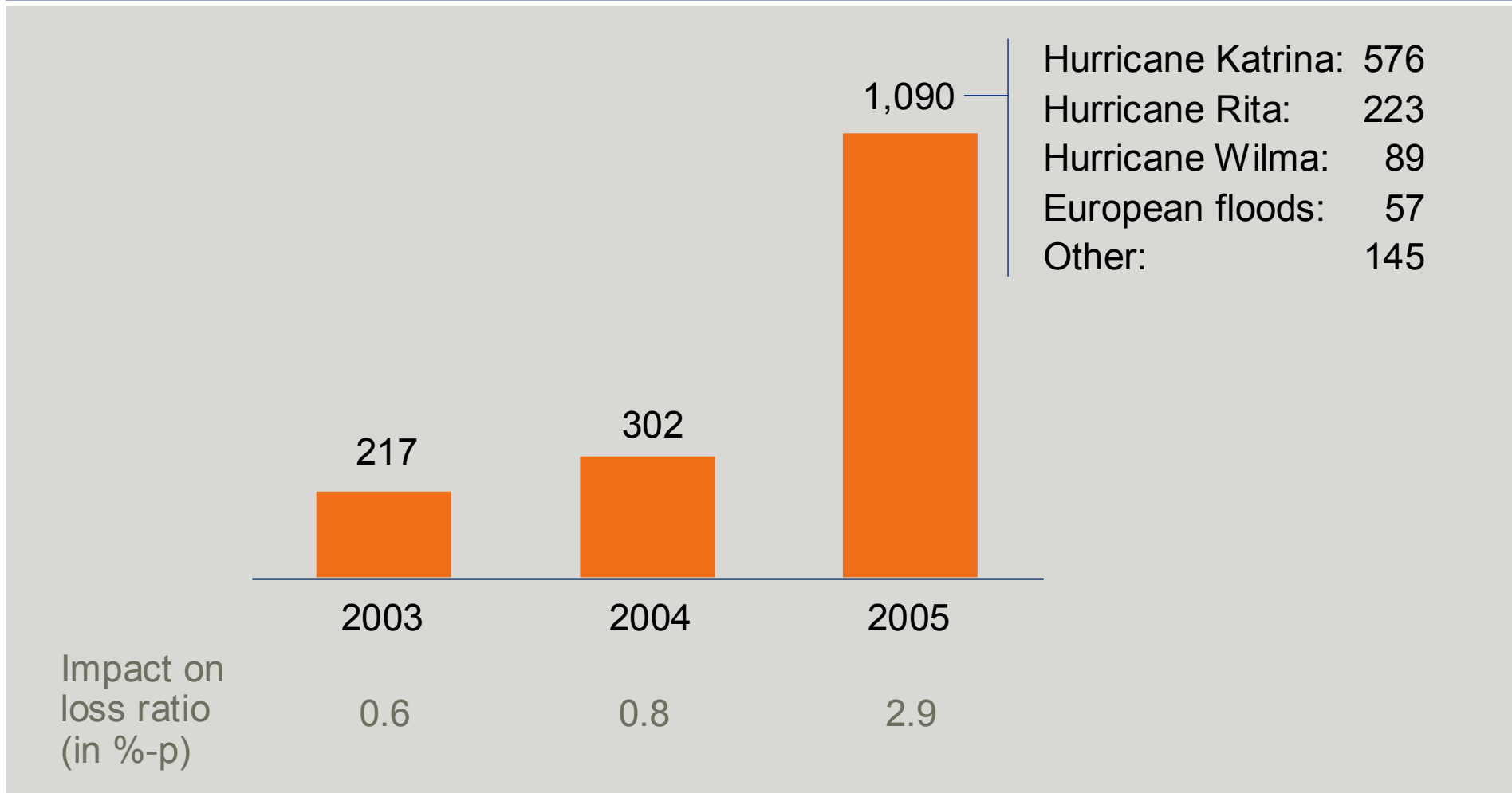


1) Non-Life excluding health business  
 2) AGR virtual business unit (incl. industrial business not ceded to AGR Re)  
 3) Excluding L/H reinsurance and head office costs

# P/C: 2005 Nat Cat impacted loss ratio by 2.9%-p...

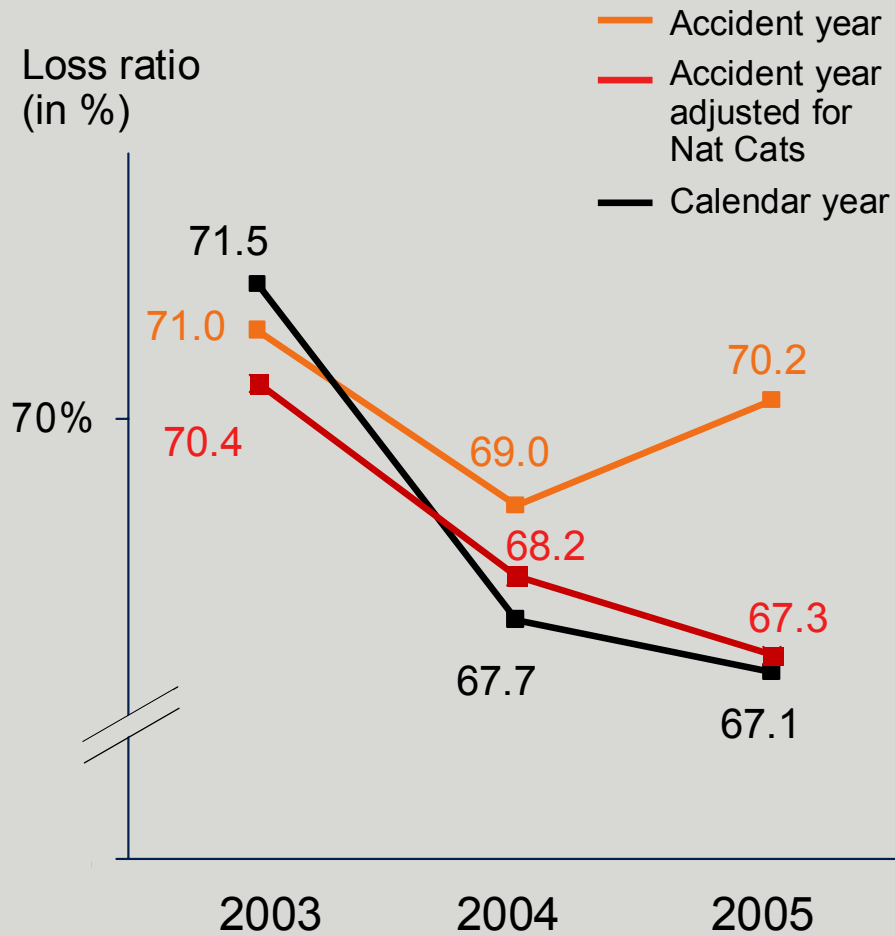
**Approximation**

## Net losses before taxes and minorities (EUR m)

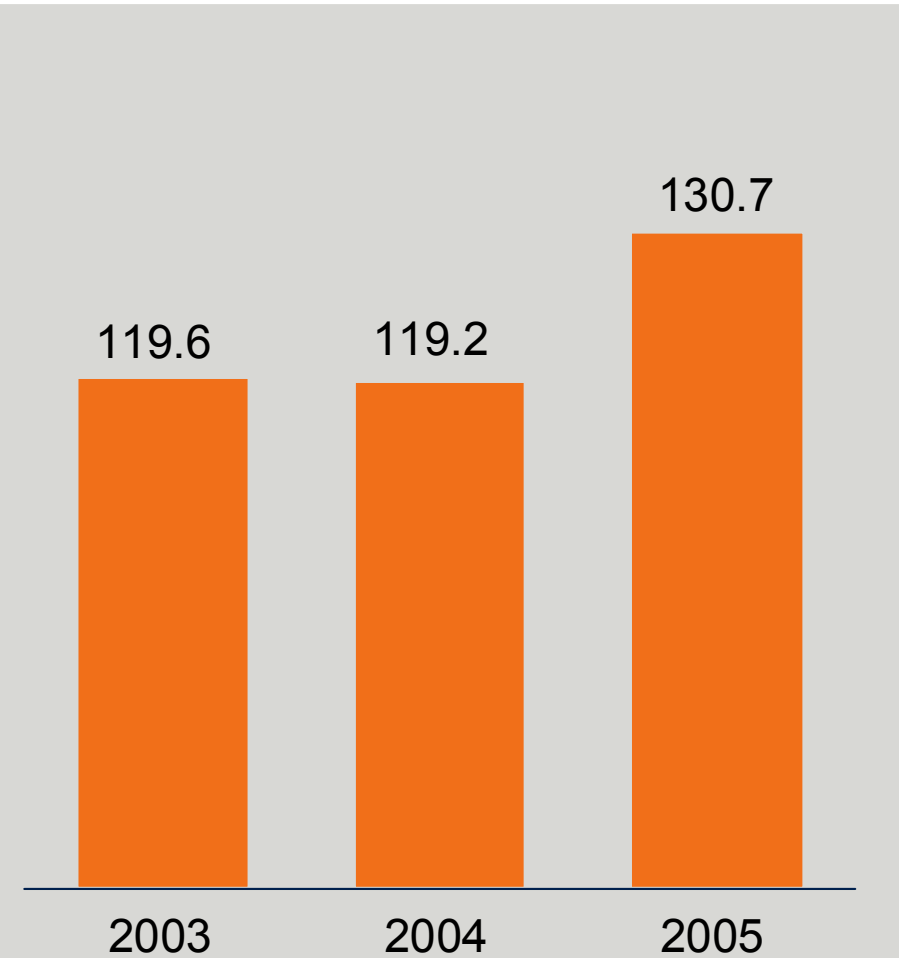


# P/C: ...but accident year loss ratio up only 1.2%-p

Loss ratio: calendar vs. accident

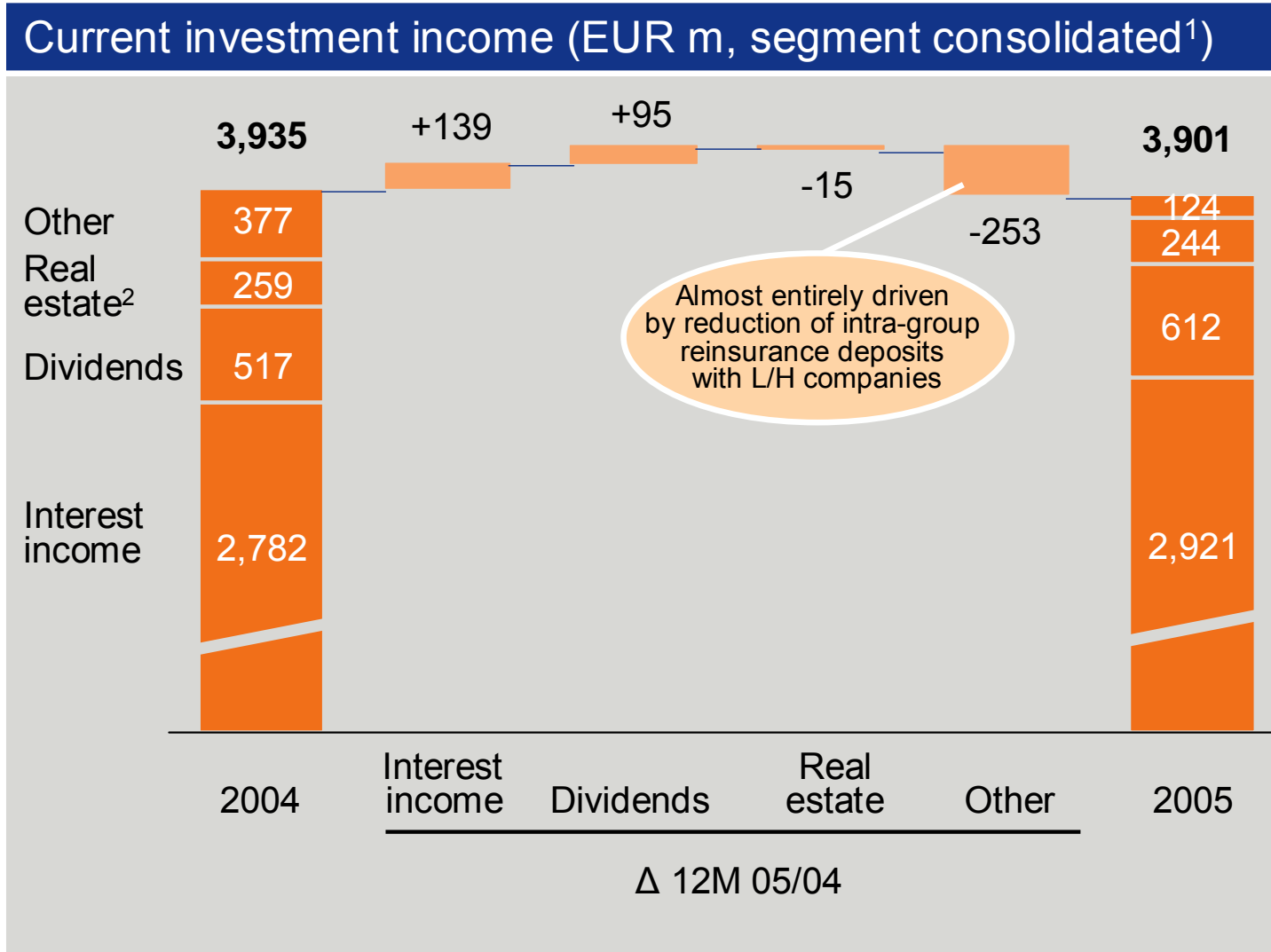


Reserve ratio (loss reserves in % of NPE)



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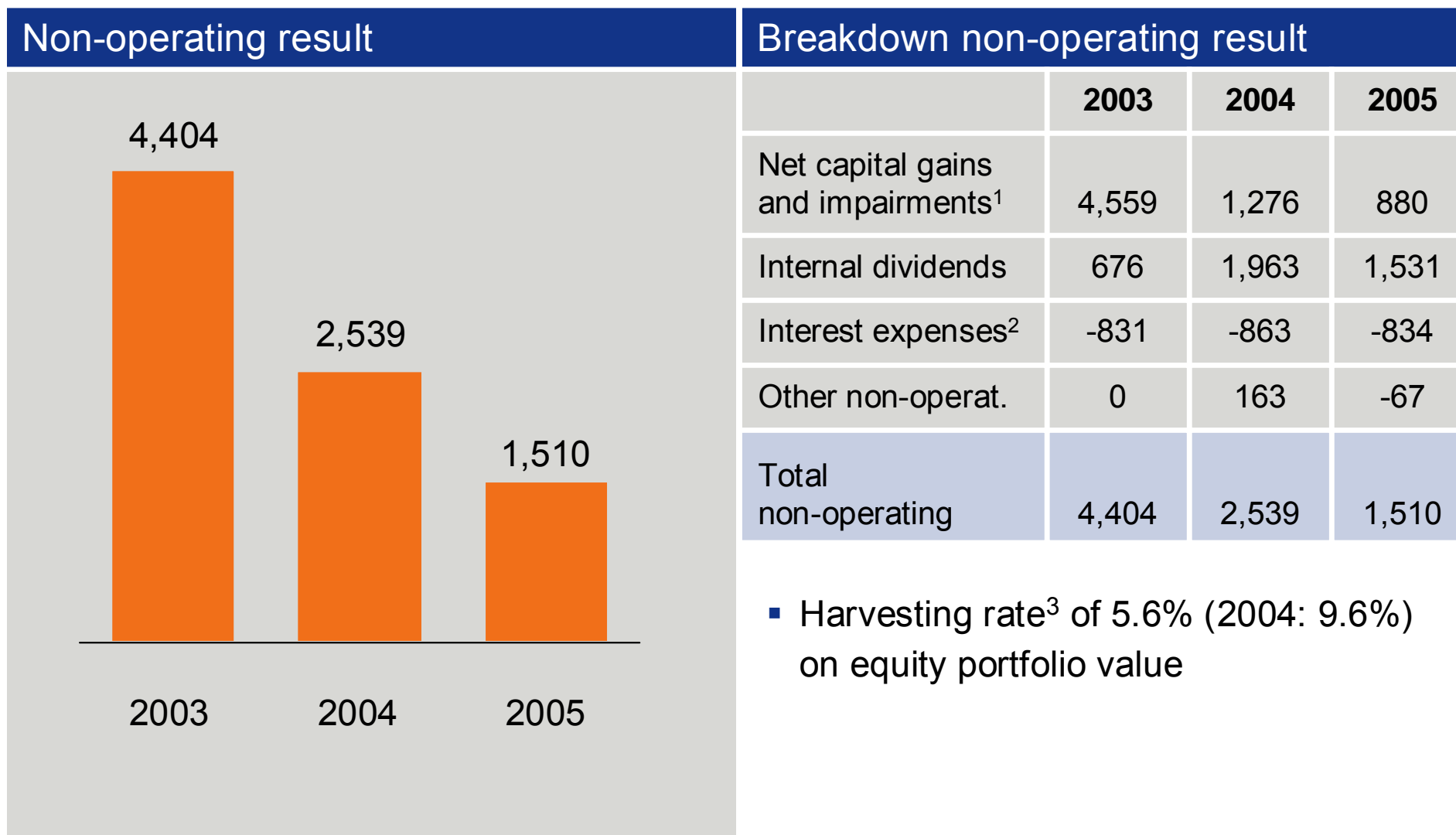
# P/C: current investment income flat



- Current yield:
  - F/I: 4.1% (-0.1%-p)
  - Equity: 3.1% (+0.1%-p)
- AuM growth:
  - F/I: +10.2% (+4.7%-p)
  - Equity: +36.6% (2004: -8.0%)
- Current investment income in % of NPE: 10.3% (unchanged)

1) Definition corresponds to operating profit P/L  
 2) Includes scheduled depreciation on real estate assets

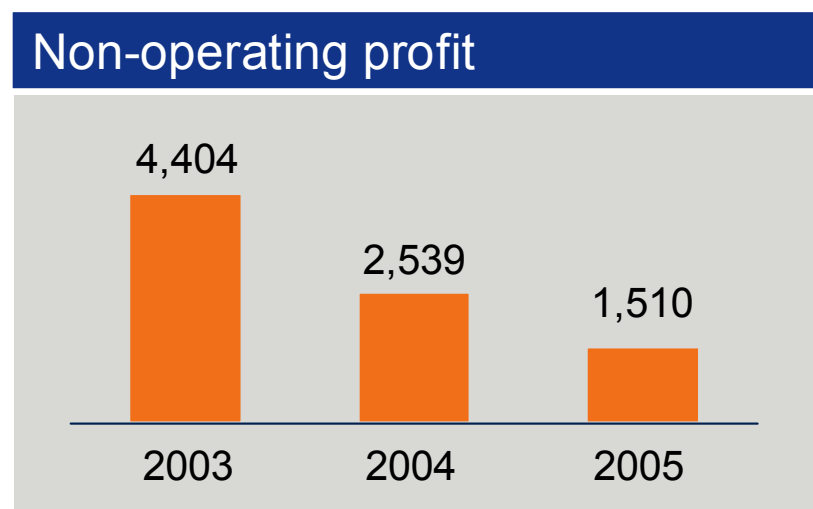
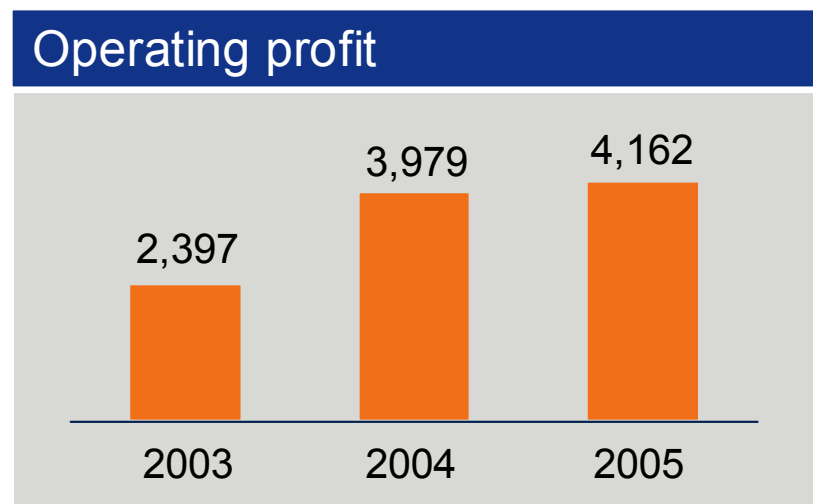
# P/C: lower harvesting (EUR m)



- Harvesting rate<sup>3</sup> of 5.6% (2004: 9.6%) on equity portfolio value

1) Includes trading income (2005: EUR -426m, 2004: EUR -49m, 2003: EUR -1,490m) 2) On external debt  
 3) Definition "harvesting rate" = (realized gains + fair value adj. - realized losses - write-downs) ÷ average investments at book values (excl. trading), before policyholder participation (calculation: 2005: EUR 1,083m/ EUR 19,454m, 2004: EUR 1,654m/ EUR 17,164m)

## P/C: operating profit drove result (EUR m)



	2003	2004	2005
Earn.b/tax, min., GW	6,801	6,518	5,672
Goodwill amort.	-383	-381	-
Taxes	-756	-1,520	-1,126
Minorities	-451	-1,151	-997
Net income	5,211	3,466	3,549
Pro-forma <sup>1</sup>	5,594	3,847	3,549

1) Pro-forma calculation adjusts stated net income for goodwill amortization. Net income contained goodwill amortization (net of tax) in 2003 of EUR 383m and in 2004 of EUR 381m

# Agenda

Group

P/C

**L/H**

Banking

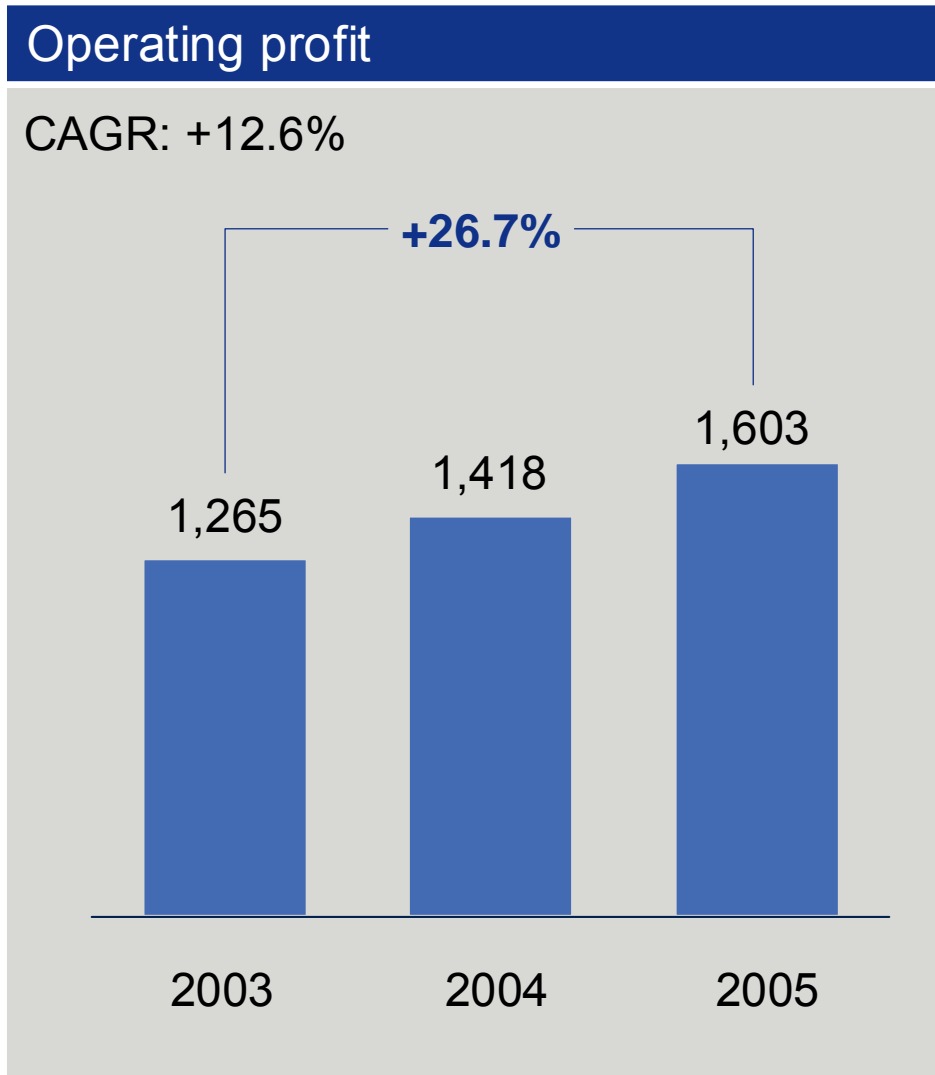
Asset Management

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## L/H overview: operating profit exceeded target (EUR m)



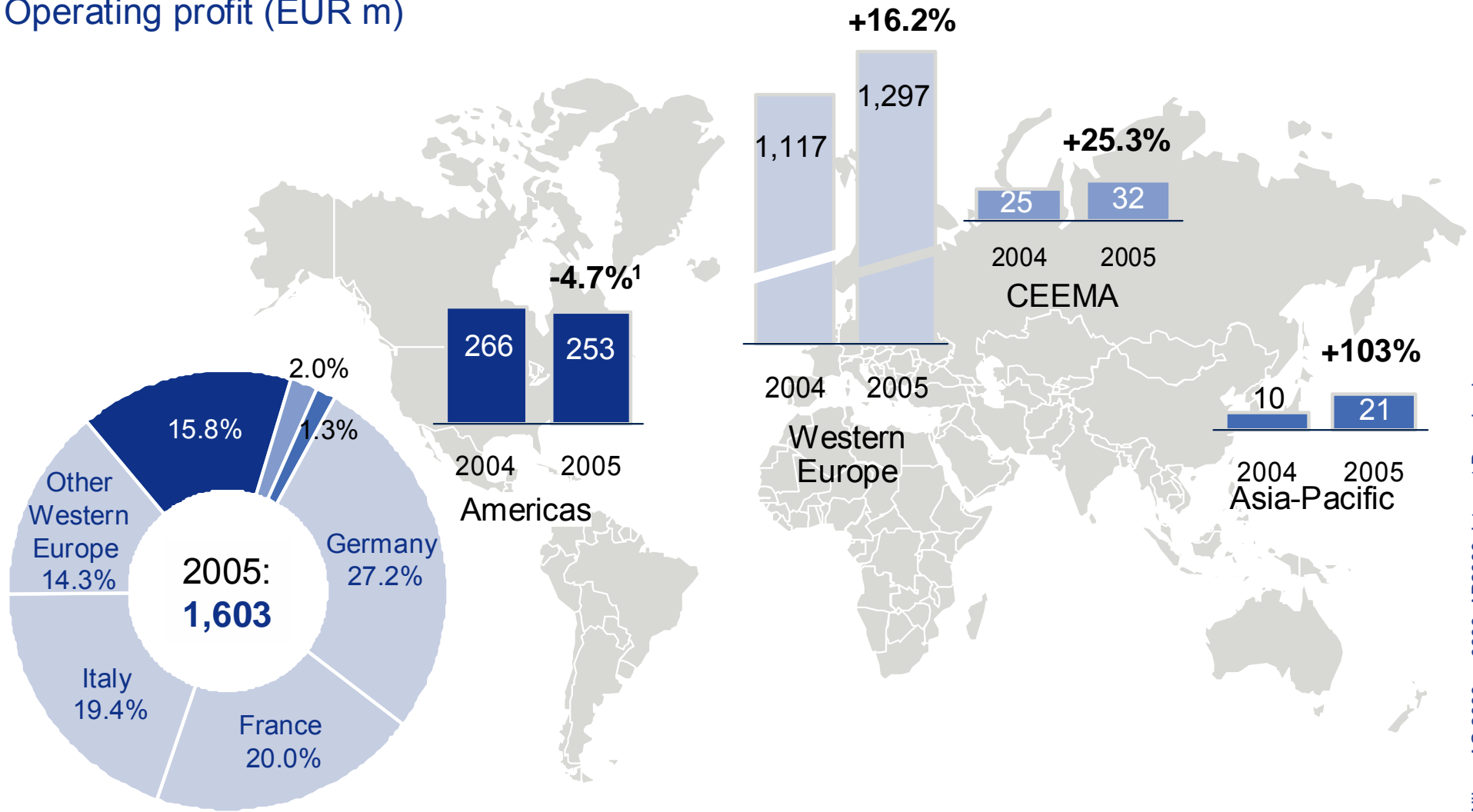
- Another year of strong growth<sup>1</sup> (+6%)
- Growth even more profitable than 2004: new business margin up 5%
- Operating profit EUR ~100m above target
- EEV up 14%

1) Internal growth: adjusted for F/X effects and consolidation effects



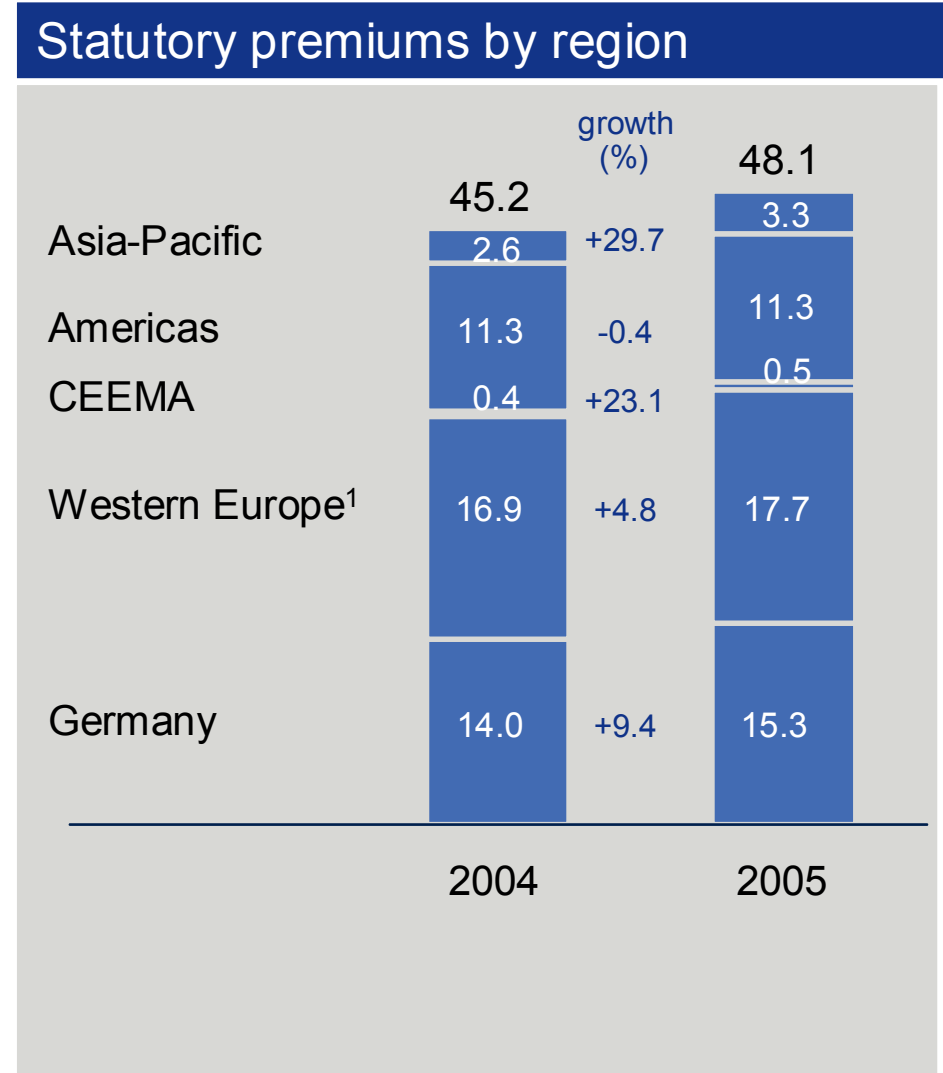
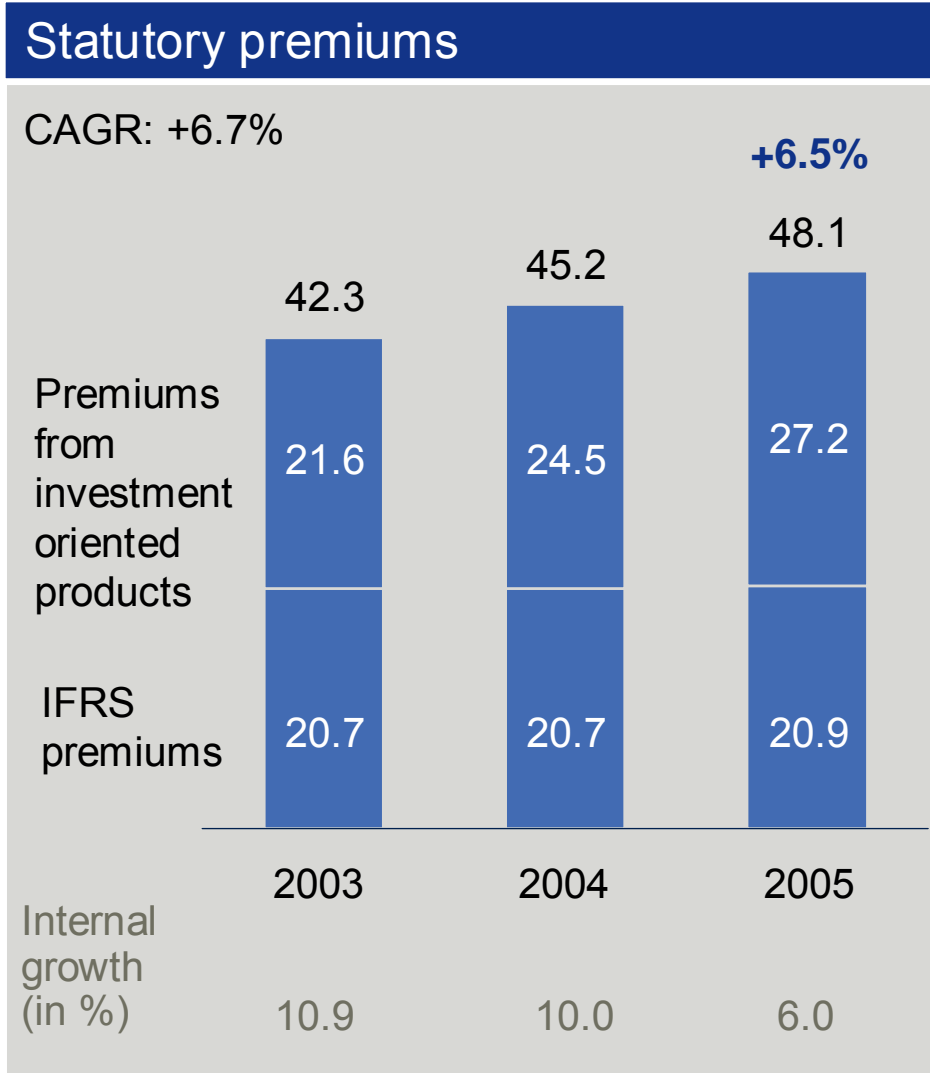
# L/H operating profit: Europe drives profit growth

Operating profit (EUR m)



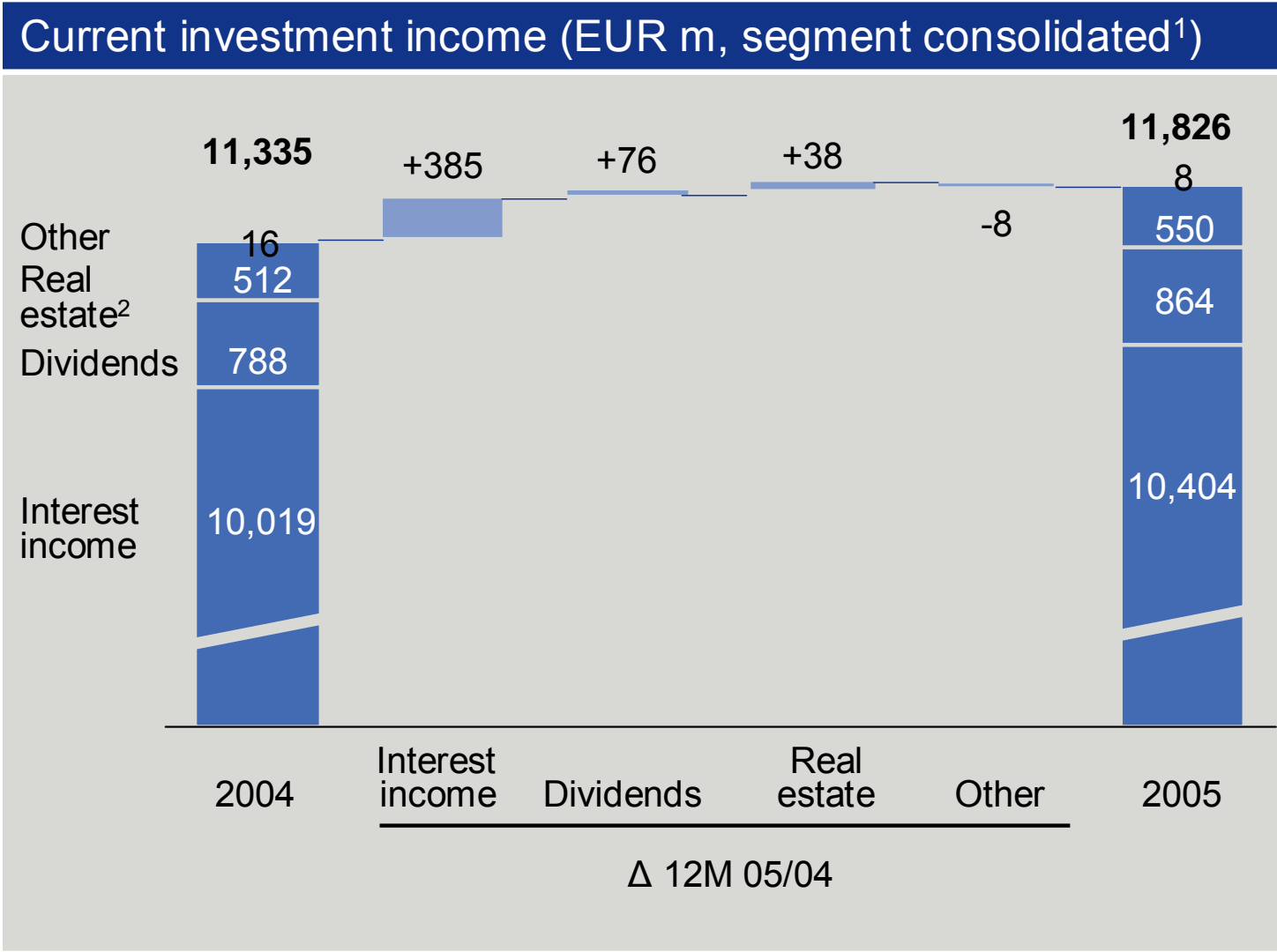
1) AZ-Life operating profit 2004 benefited EUR 43m from novation; adjusted operating profit growth 2005 vs 2004: +13.5%

# L/H: strong growth (EUR bn)



1) Excluding Germany

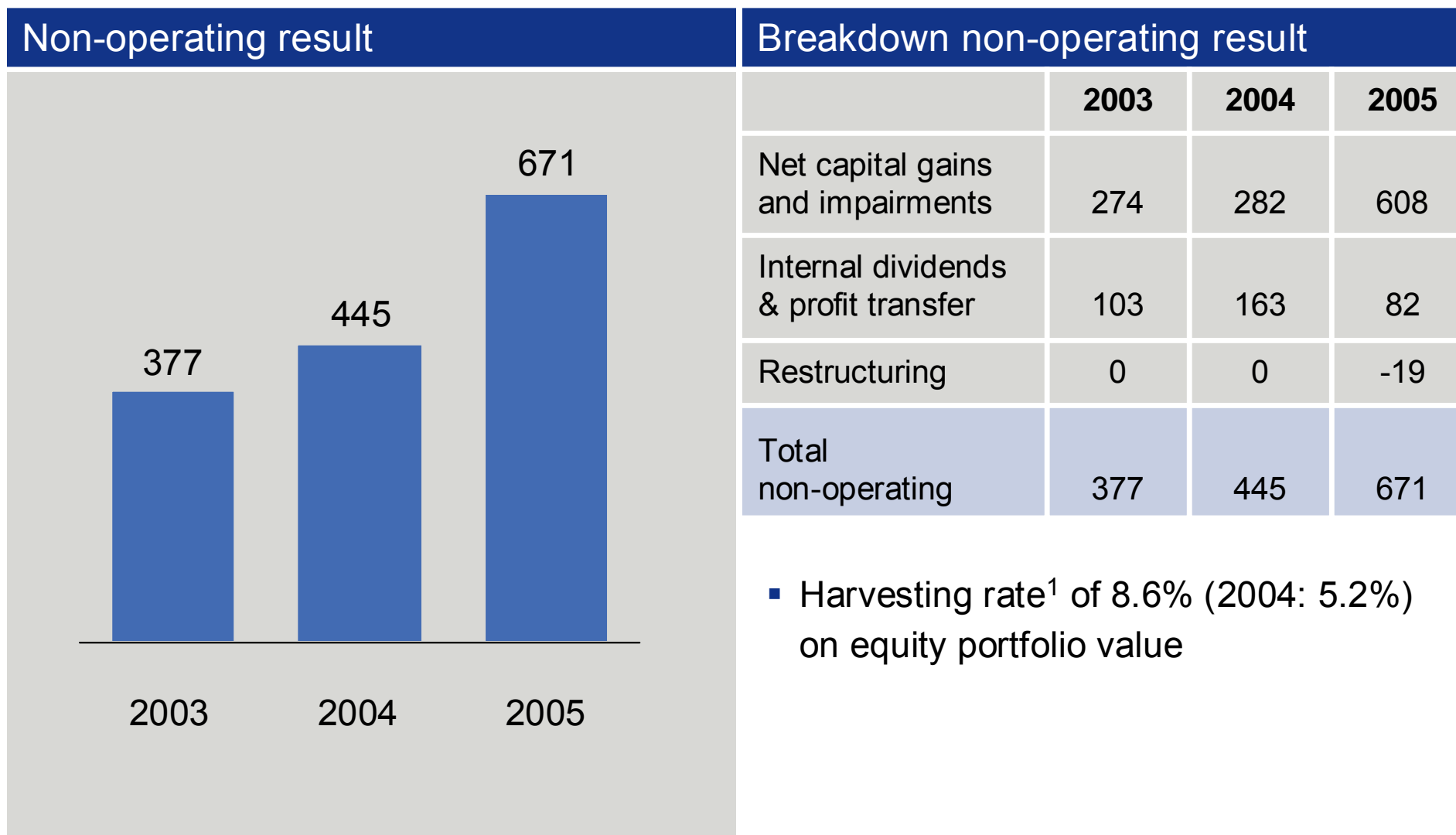
# L/H: higher volume raised current investment income



- Current yield:
  - F/I: 4.7% (-0.2%-p)
  - Equity: 2.7% (-0.2%-p)
- AuM growth:
  - F/I: +9.8% (+0.7%-p)
  - Equity: +29.5% (+21.3%-p)

1) Definition corresponds to operating profit P/L  
 2) Excludes scheduled depreciation on real estate assets

## L/H: strong capital markets used for higher realizations (EUR m)



- Harvesting rate<sup>1</sup> of 8.6% (2004: 5.2%) on equity portfolio value

1) Definition "harvesting rate" = (realized gains + fair value adj. - realized losses - write-downs) ÷ average investments at book values (excl. trading), before policyholder participation (calculation: 2005: EUR 2,748m/ EUR 31,906m, 2004: EUR 1,400m/ EUR 26,740m)

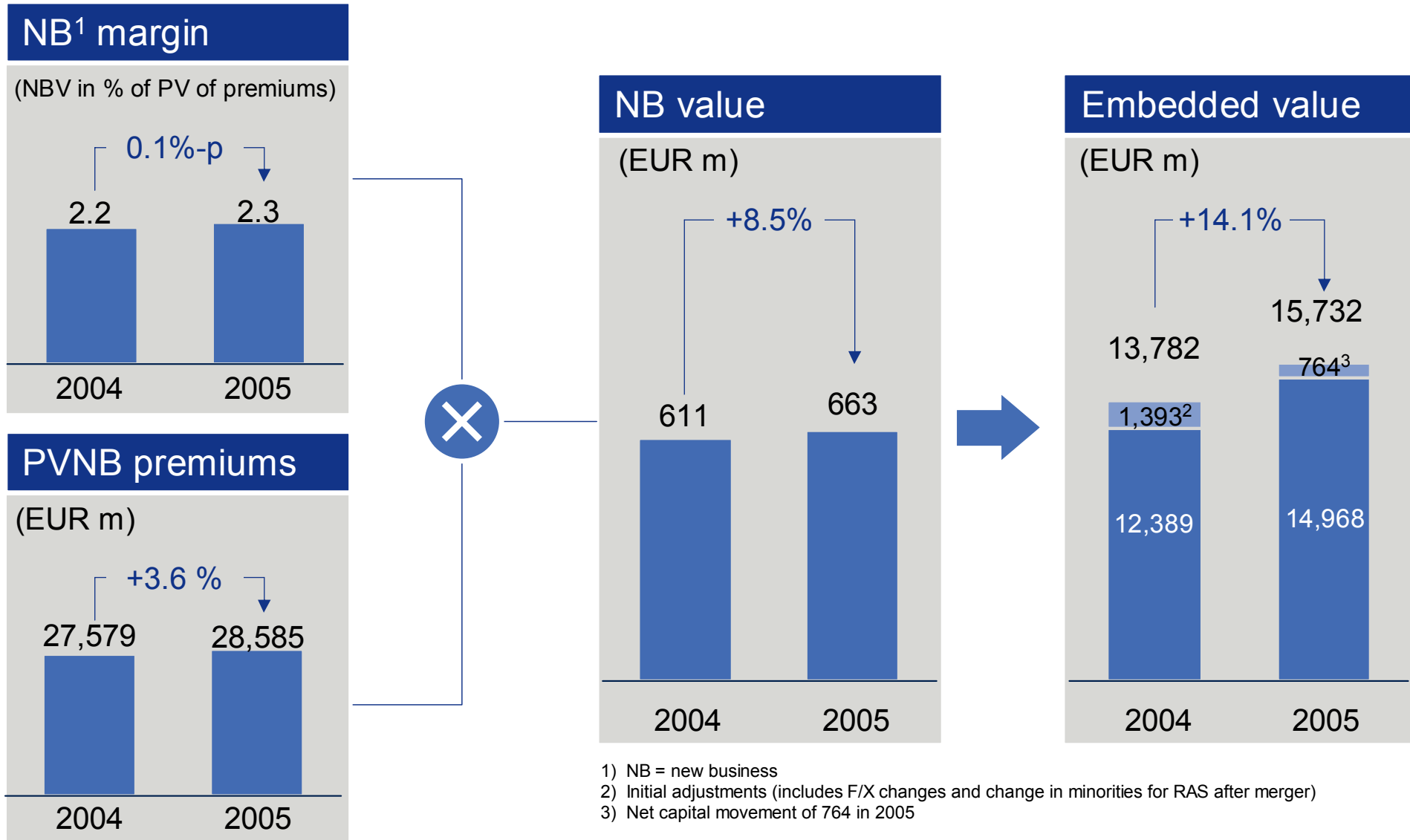
# L/H: net income up 31% (EUR m)



	2003	2004	2005
Earnings b/ tax minorities, GW	1,642	1,863	2,274
Goodwill amort.	-398	-159	-
Taxes	-639	-469	-463
Minorities	-386	-368	-462
<b>Net income</b>	<b>219</b>	<b>867</b>	<b>1,349</b>
<b>Pro-forma<sup>1</sup></b>	<b>617</b>	<b>1,026</b>	<b>1,349</b>

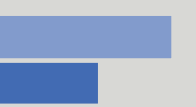
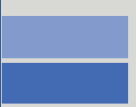



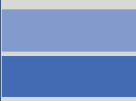






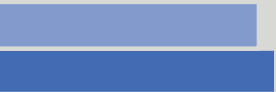
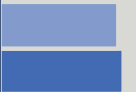
1) Pro-forma calculation adjusts stated net income for goodwill amortization. Net income contained goodwill amortization (net of tax) in 2003 of EUR 398m and in 2004 of EUR 159m

# L/H: significant improvement in all EEV-measures



## L/H: new business value key indicators by country (EUR m)

■ 2004  
■ 2005

Value of new business	NB margin (in %) <sup>4</sup>	Comments
Germany <sup>1</sup> 	 2.4 2.4	<ul style="list-style-type: none"> <li>Exceptionally high volumes in 2004 in connection with the 'last call'</li> </ul>
France 	 1.6 2.8	<ul style="list-style-type: none"> <li>Margin increased significantly due to continuous cost reduction</li> <li>Higher sales volume in unit linked</li> </ul>
Italy 	 2.6 2.6	<ul style="list-style-type: none"> <li>Significant increase of traditional business in RAS and unit linked in Lloyd</li> <li>Higher interest in RAS increases the value of NB for AZ shareholders</li> </ul>
Other Europe <sup>2</sup> 	 3.4 3.9	<ul style="list-style-type: none"> <li>Increased sales volumes at high margins in Eastern Europe and increase in margin in several Western European countries</li> </ul>
USA 	 2.3 1.9	<ul style="list-style-type: none"> <li>Continued high margins in fixed business</li> <li>Sales volume at prior year level but below plan for variable annuities, with margin around zero due to increase in RAC and greenfield expenses</li> </ul>
Asia-Pacific 	 -0.1 2.6	<ul style="list-style-type: none"> <li>Main contribution from Korea, where shift towards variable products led to strong margin improvement</li> </ul>
Other <sup>3</sup> 0 -24		
Total 	 2.2 2.3	<ul style="list-style-type: none"> <li>Overall increase in volume and margin led to an increase of the value of new business</li> </ul>

1) Includes Allianz Lebensversicherungs-AG, subsidiaries are included at-equity

2) Including OEs in Western Europe other than Germany, Italy and France as well as Eastern European countries

3) Including holding expenses

4) New business value in % of present value of new business premiums

# Agenda

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## **Banking**

Asset Management

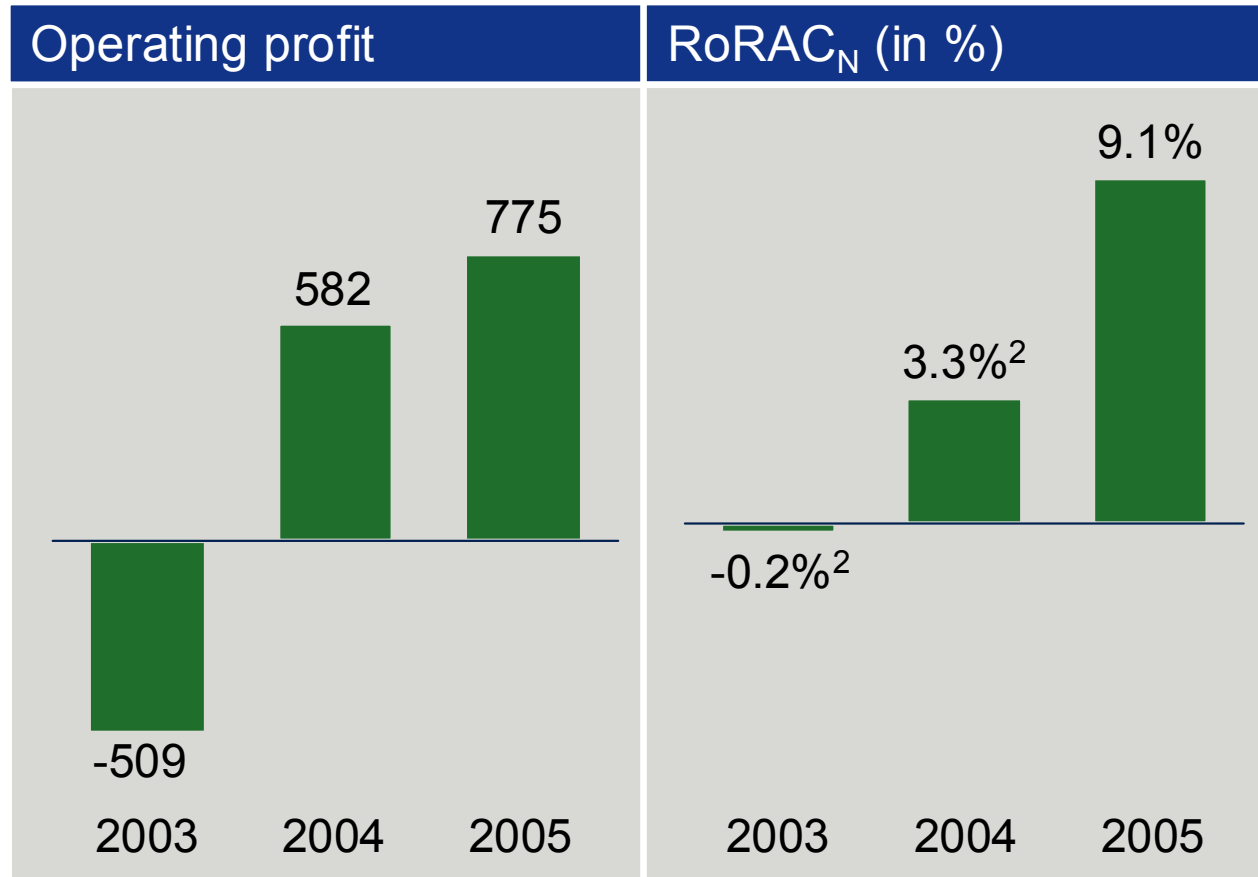
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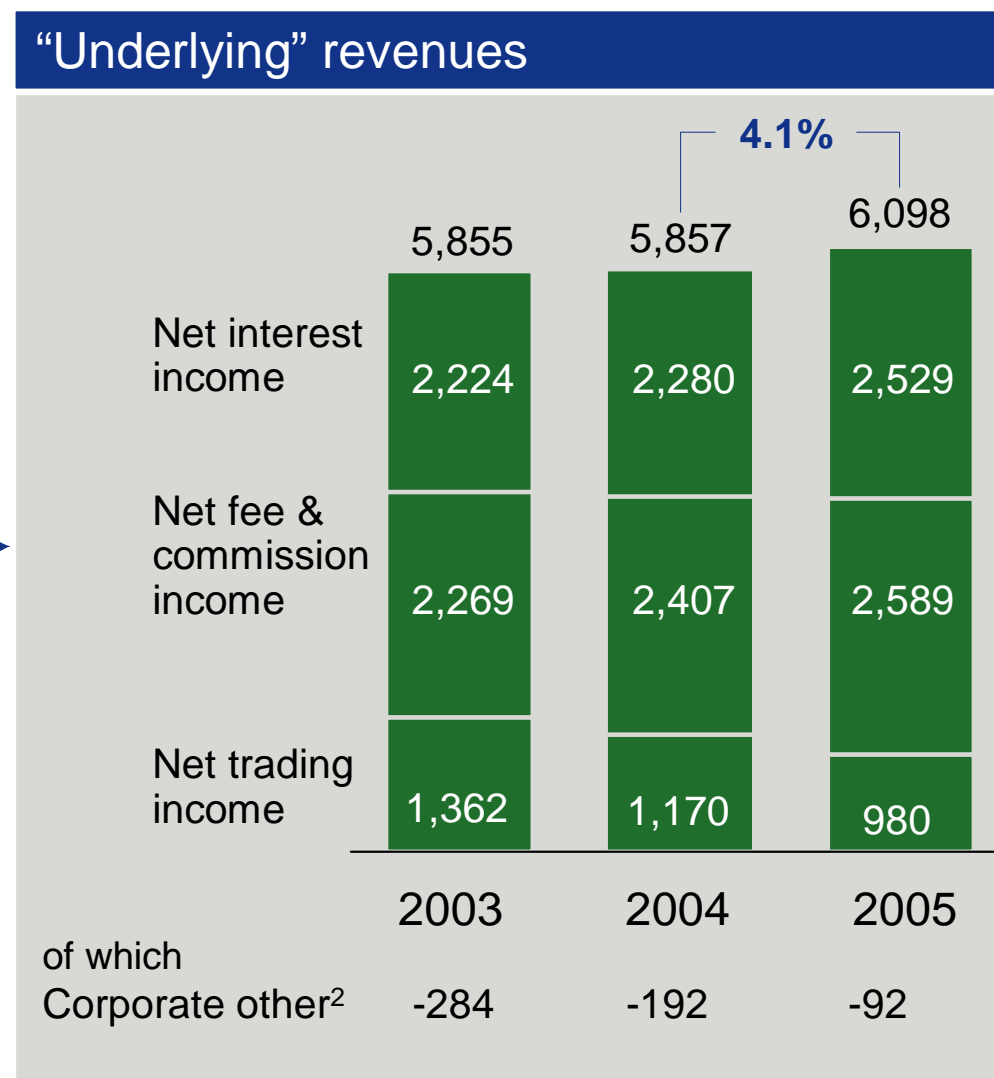
# Dresdner Bank<sup>1</sup> overview: cost of capital earned (EUR m)



- RoRAC<sub>N</sub> surpassed goal of 8.85%
- Continued operating profit improvement:
  - Revenues from ongoing business growing
  - Reduction in admin. expenses leveled out
  - Favourable loan loss development
  - EUR 1bn net income

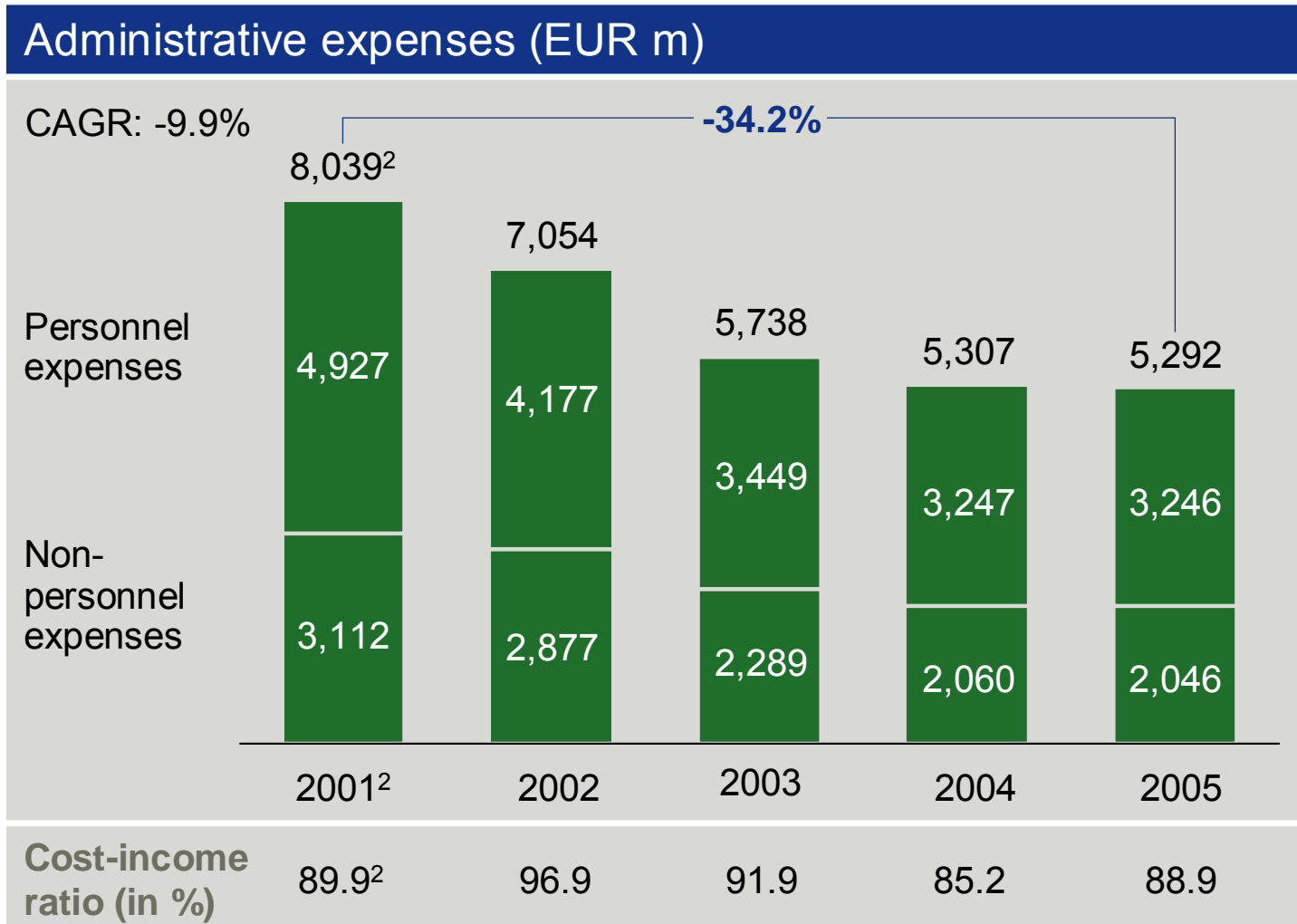
1) Dresdner Bank contribution to Allianz' Banking segment  
 2) Not adjusted for restatements (IFRS) and methodological changes

# Dresdner Bank<sup>1</sup>: “underlying” revenues up 4.1% (EUR m)



1) Dresdner Bank contribution to Allianz' Banking segment  
 2) Includes corporate investments, corporate items and corporate functions (excluding IAS39)

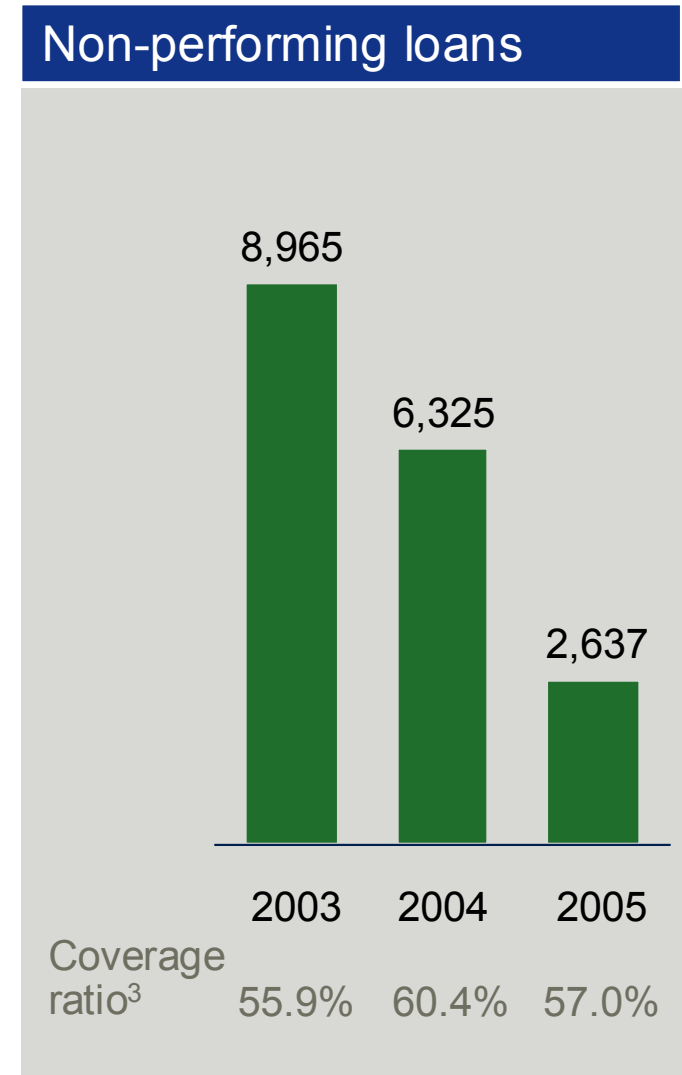
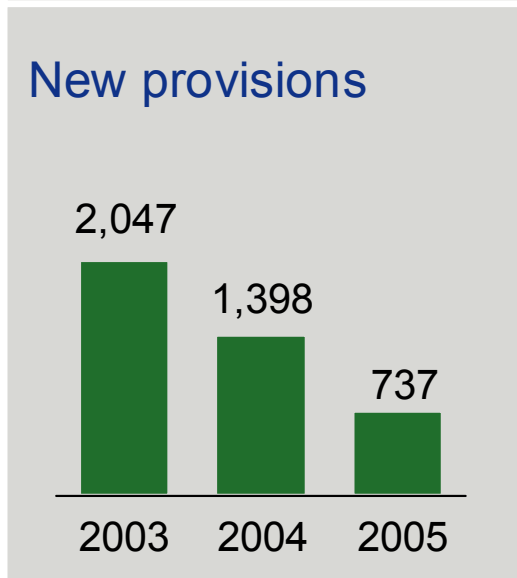
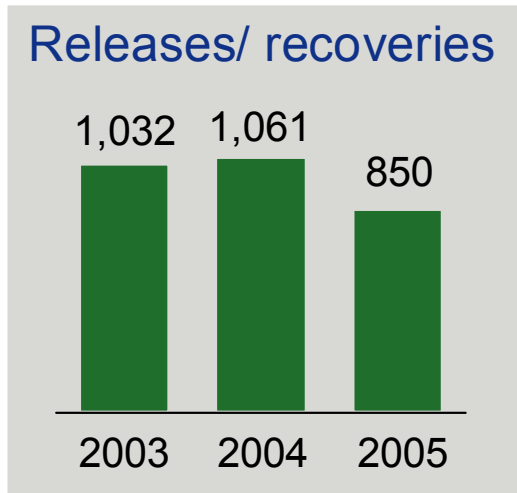
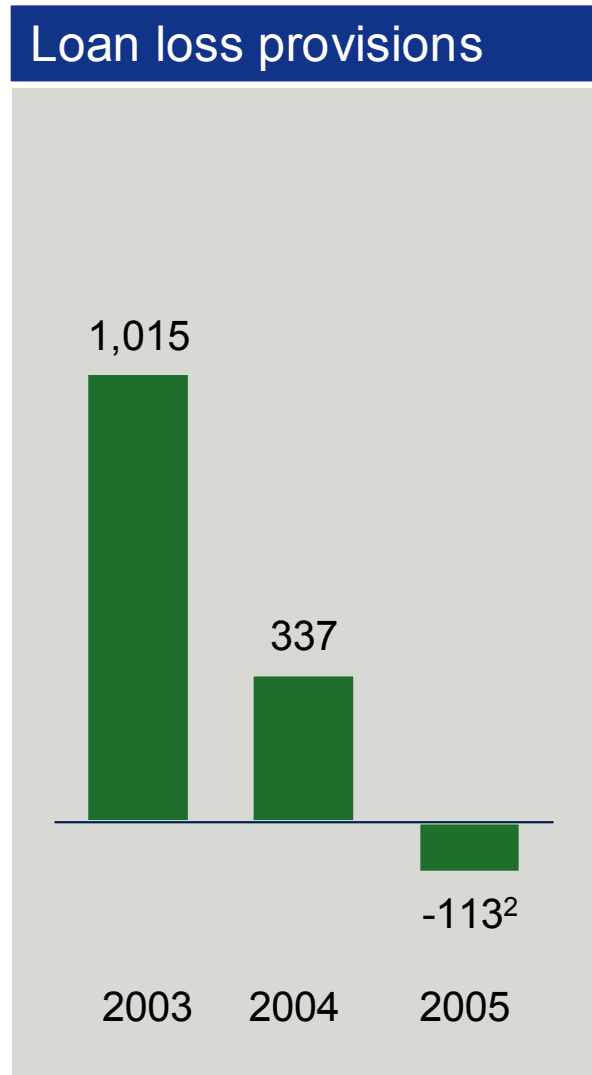
# Dresdner Bank<sup>1</sup>: expense savings leveled out



1) Dresdner Bank contribution to Allianz' Banking segment

2) Dresdner Bank standalone (excluding Asset Management business), figures not restated (IFRS)

# Dresdner Bank<sup>1</sup>: portfolio quality improved (EUR m)



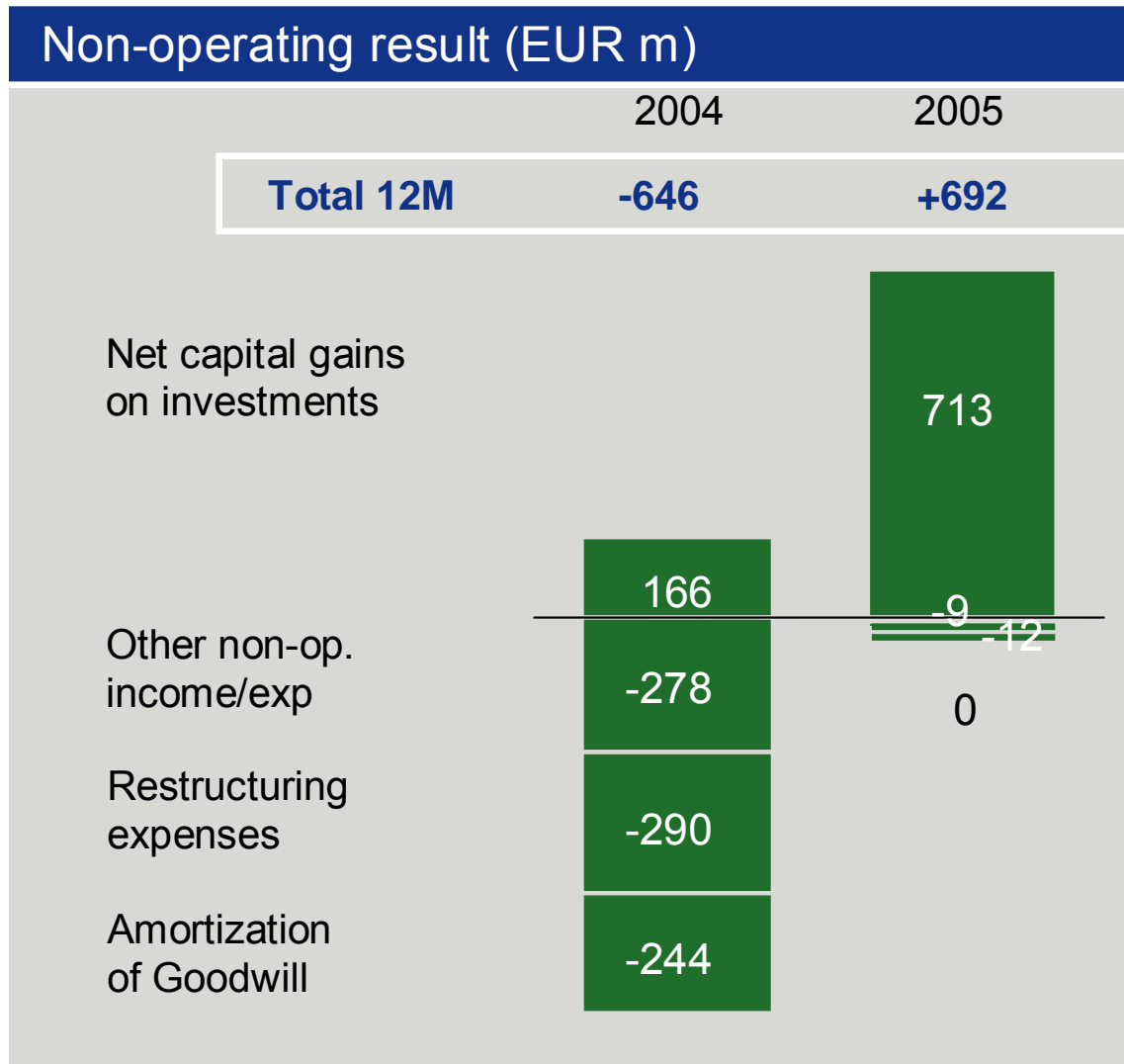
1) Dresdner Bank contribution to Allianz' Banking segment  
 2) Release of loan loss provisions  
 3) Coverage ratio = total loan loss provisions / total risk elements

# Dresdner Bank<sup>1</sup>: excellent improvement in PeB (Operating profit, EUR m)

PeB	PBB	Corp. Banking	DrKW
CAGR: n.m.	CAGR: +26.7%	CAGR: +14.1%	CAGR: -18.9%
<p>Operating profit (EUR m): 2003: -85, 2004: 61, 2005: 210</p>	<p>Operating profit (EUR m): 2003: 274, 2004: 325, 2005: 440</p>	<p>Operating profit (EUR m): 2003: 423, 2004: 480, 2005: 551</p>	<p>Operating profit (EUR m): 2003: 310, 2004: 218, 2005: 204</p>
CIR (%)	68.2 65.0 58.5	48.1 47.2 44.9	87.6 89.4 91.7
Revenue growth (in %)			
LLP / avg. RWA (bps)	66 71 45	46 24 7	-13 0 -7

1) Dresdner Bank contribution to Allianz' Banking segment

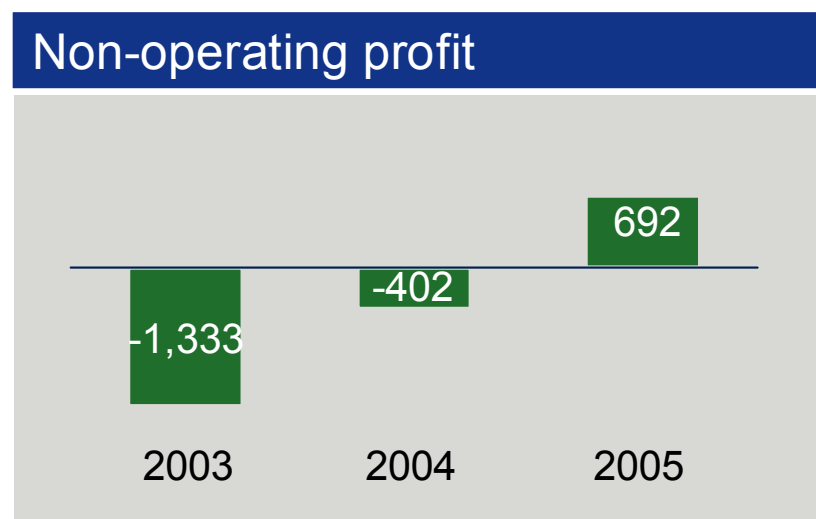
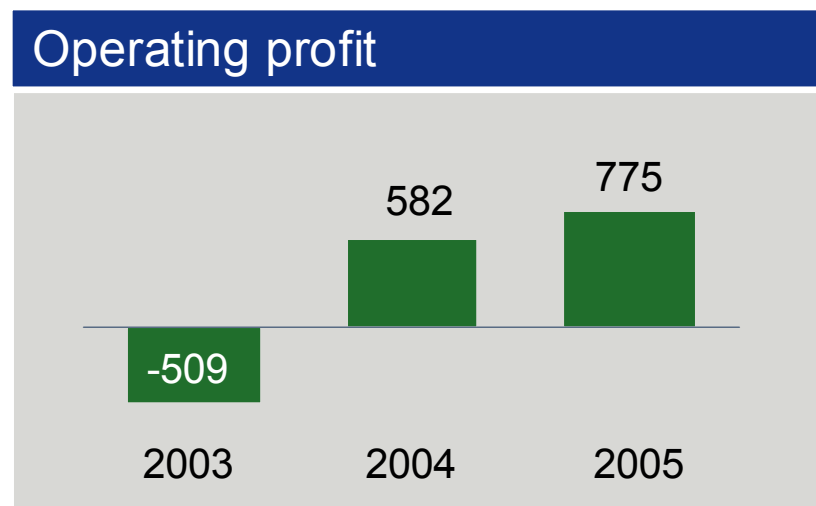
# Dresdner Bank<sup>1</sup>: non-operating result driven by capital gains



- Non-operating result driven by transactions
  - Munich Re (1Q)
  - Bilfinger Berger (2Q)
  - Real estate related (4Q)
  - Partial sale of Eurohypo (4Q)
- No material impact from restructuring and other

1) Dresdner Bank contribution to Allianz' Banking segment

# Dresdner Bank<sup>1</sup>: net income up EUR 0.6bn<sup>2</sup> (EUR m)



	2003	2004	2005
Earn.b/tax, min., GW	-1,842	180	1,467
Goodwill amort.	-270	-244	-
Taxes	1,075	+288	-382
Minorities	-5	-60	-82
<b>Net income</b>	<b>-1,042</b>	<b>164</b>	<b>1,003</b>
<b>Pro-forma<sup>2</sup></b>	<b>-772</b>	<b>408</b>	<b>1,003</b>

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1) Dresdner Bank contribution to Allianz' Banking segment

2) Pro-forma calculation adjusts stated net income for goodwill amortization. Net income contained goodwill amortization (net of tax) in 2003 of EUR 270m and in 2004 of EUR 244m

# Dresdner Bank<sup>1</sup>: ca. EUR 800m “underlying” operating profit (EUR m)

Pro-forma calculation  
- Approximative -

			Comments
Operating profit Operating divisions (PeB, PBB, DrKW, CB)	1,400	120	12M 2005 LLP included in operating divisions
Unallocated expenses Dresdner Bank	400		
Adjusted loan loss provisions	200	300	Assumed (c.p.) long-run LLP
<b>Underlying operating profit</b>	<b>800</b>		

- Assumptions:
- IAS39-effect = 0
  - IRU-revenues = 0

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1) Dresdner Bank contribution to Allianz' Banking segment



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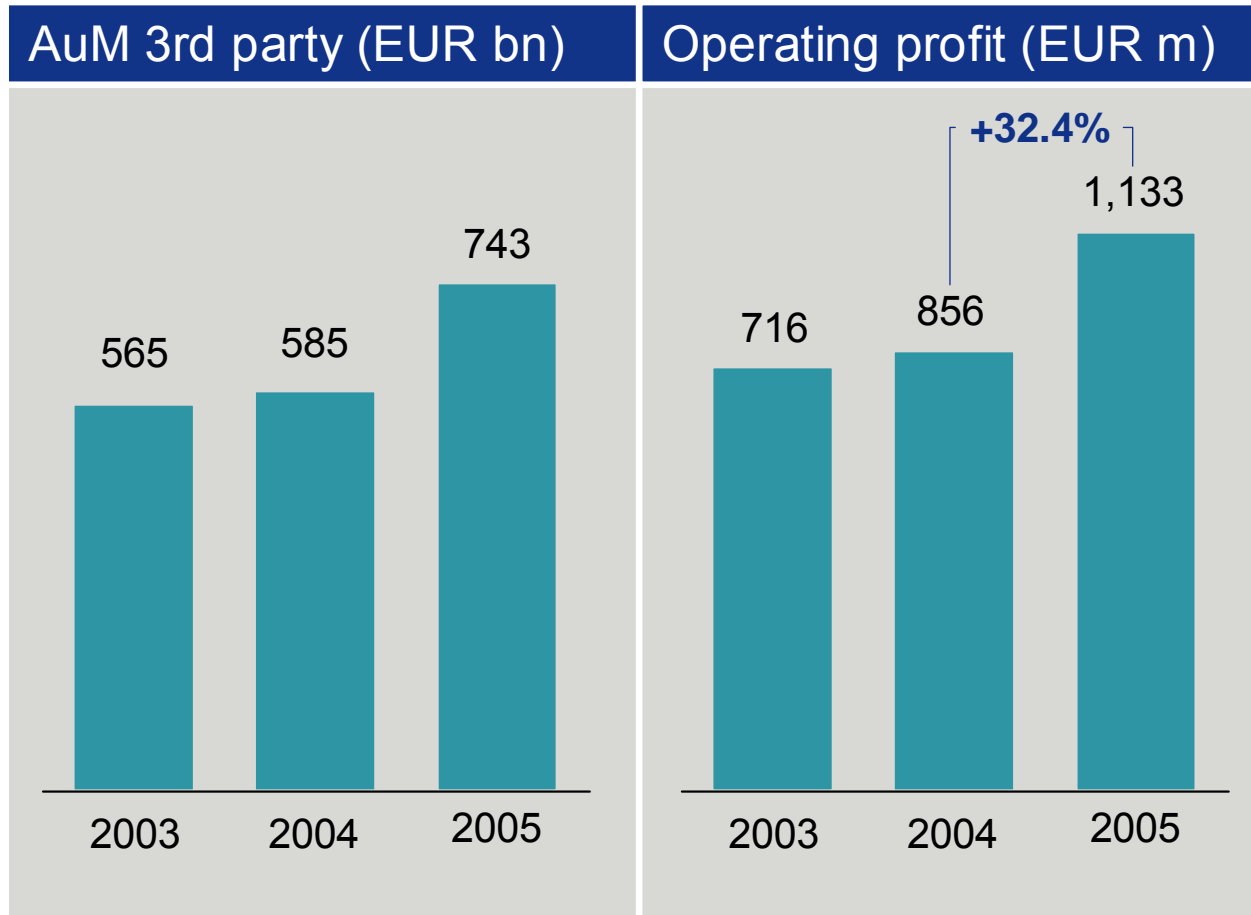
**Asset Management**

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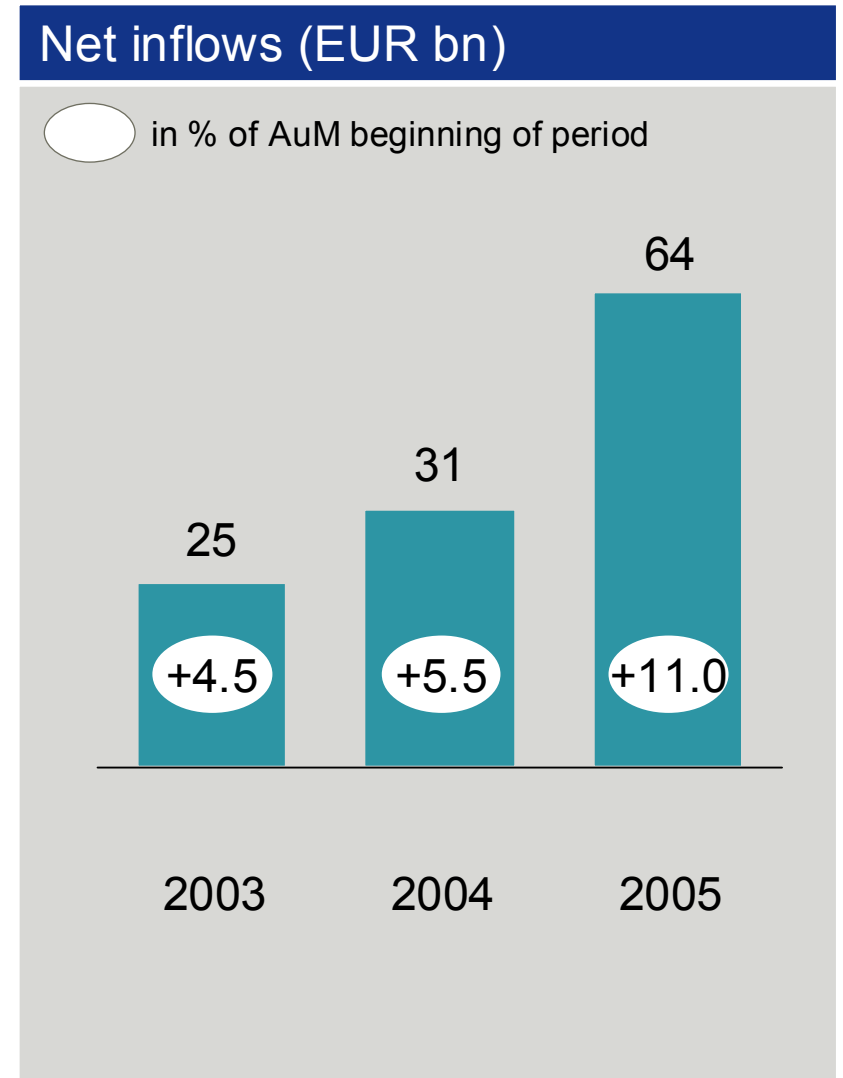
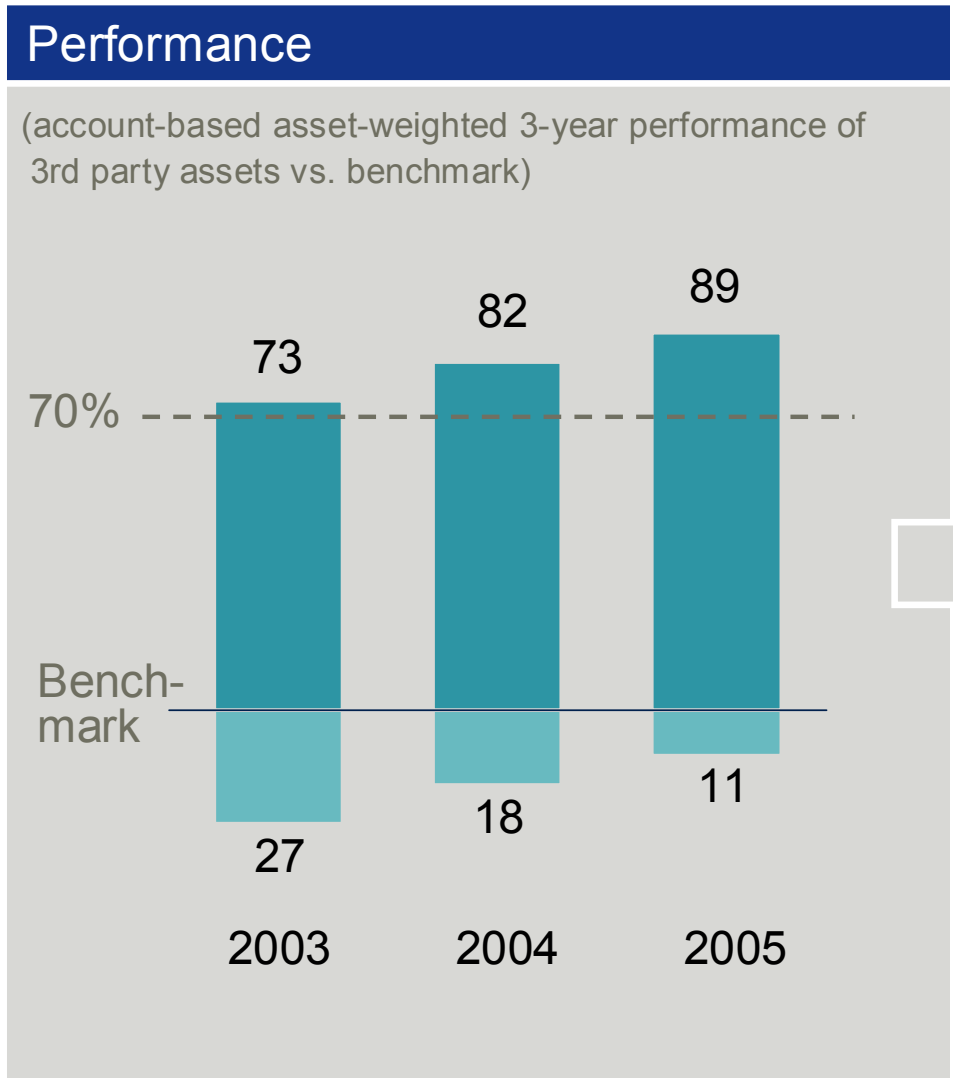
Appendix 2 - Additional information

# Asset Management: the “growth story”



- Goal clearly surpassed: operating profit up 32%
- Powerful fixed income business model and distribution capabilities leveraged world-wide:
  - EUR +64bn net inflows
  - AuM +27%
  - Economies of scale: CIR down to record 58.5%
  - Performance fees more than doubled

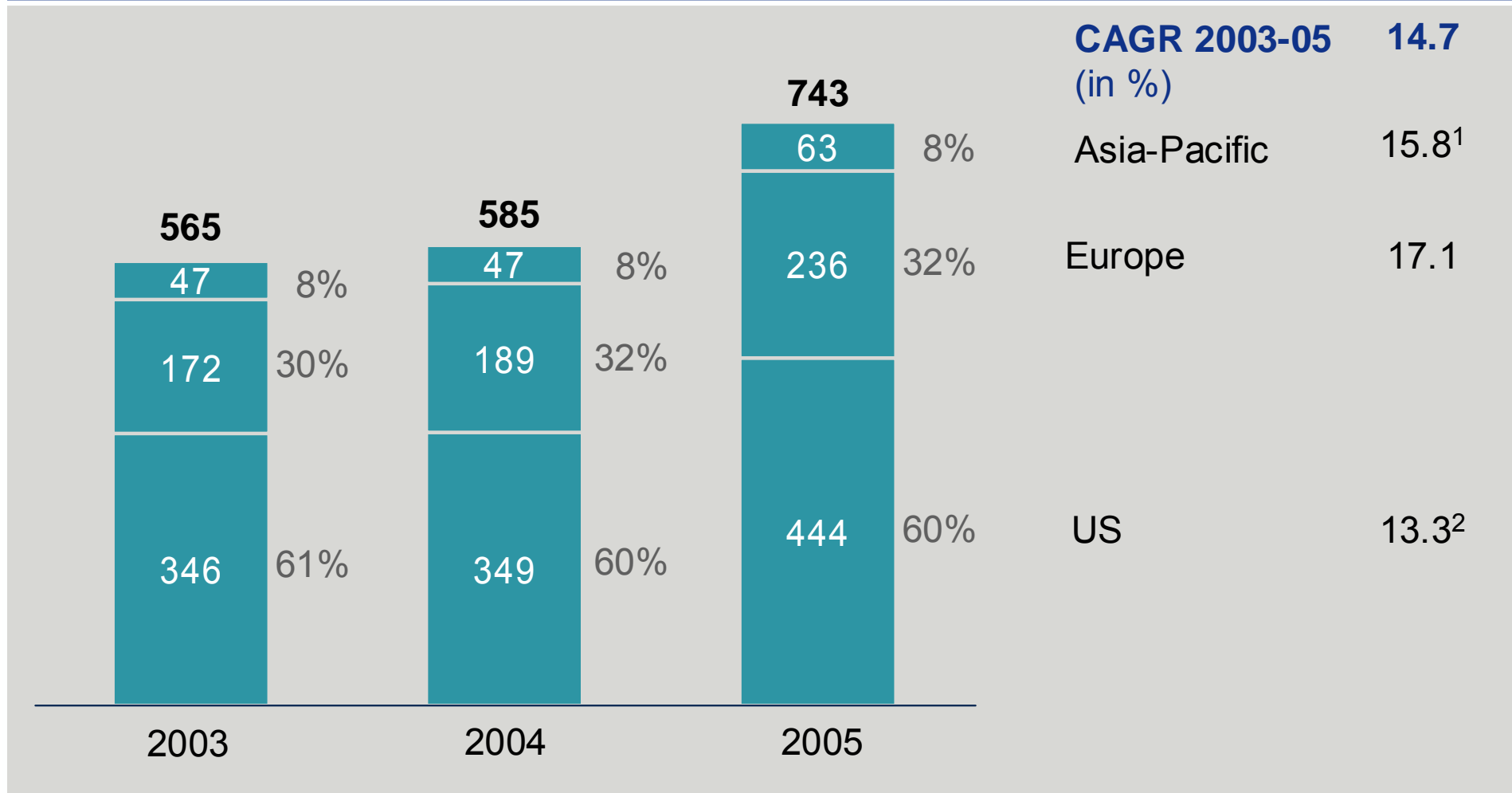
# Asset Management: strong performance attracts new business



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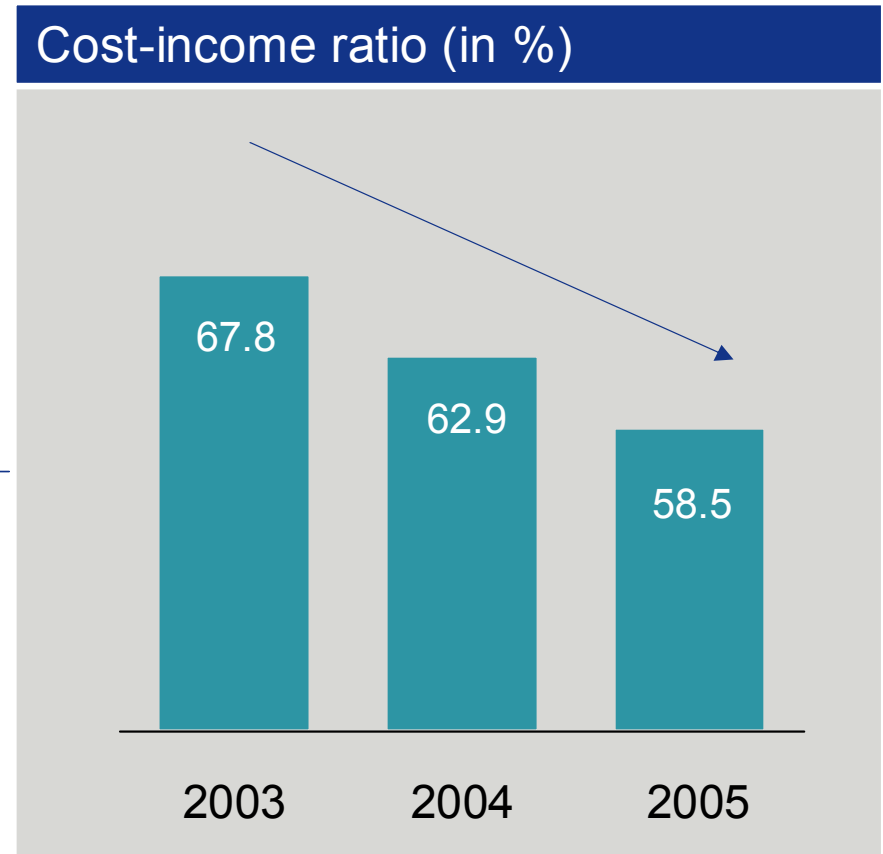
# Asset Management: strong growth across all regions

3rd party AuM by region (EUR bn)



1) Adjusted for dissolution of joint venture with Meiji Dresdner (2004: EUR 11.7bn AuM): CAGR 33.6%  
 2) Burdened by adverse currency effect resulting from weak USD

# Asset Management: operational excellence (EUR m)



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## Summary

- All targets exceeded
- Results again significantly improved across all segments
  - 92.3% combined ratio underpins ongoing and sustainable profitability in P/C
  - Life and Asset Management with strong, profitable growth
  - Dresdner Bank earned cost of capital
- Excellent capital base gives leeway for future growth

## Reporting changes effective 1Q 06

- Consolidation column will be minimized as intra-group dividends are eliminated at receiving segments
- (Full) combined ratio will include most of “other income/expenses”
- Separation of operative P/C business and corporate activities through introduction of corporate segment
- New P/L-format will allow for direct reconciliation of KPIs as well as consistent definition/ labelling across all documents
- Operating profit methodology refined to better reflect business mechanics, in particular for L/H

▶ Significantly increased transparency, greater ease of projection



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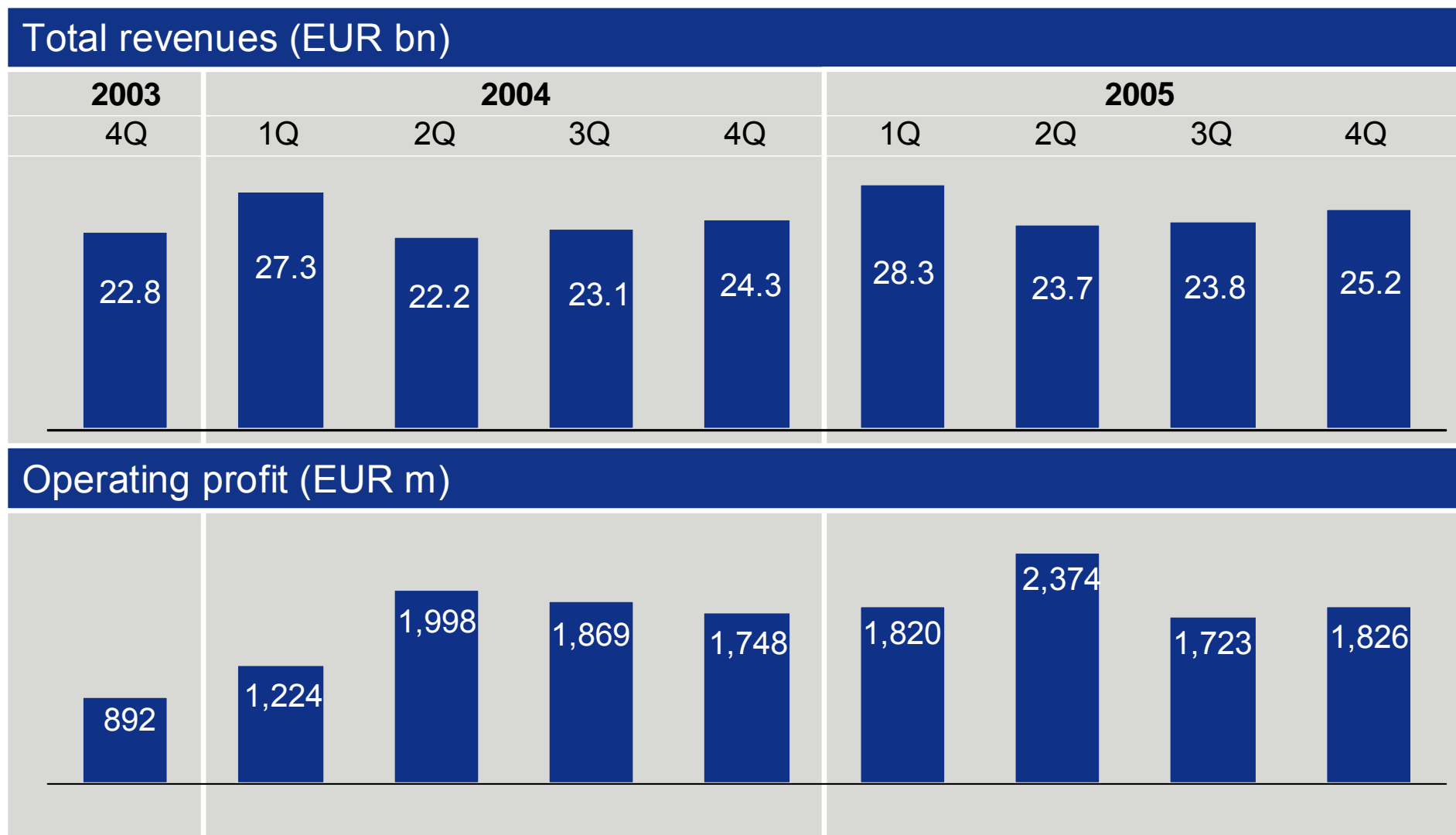
Asset Management

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**Appendix 1 - Key figures per quarter**

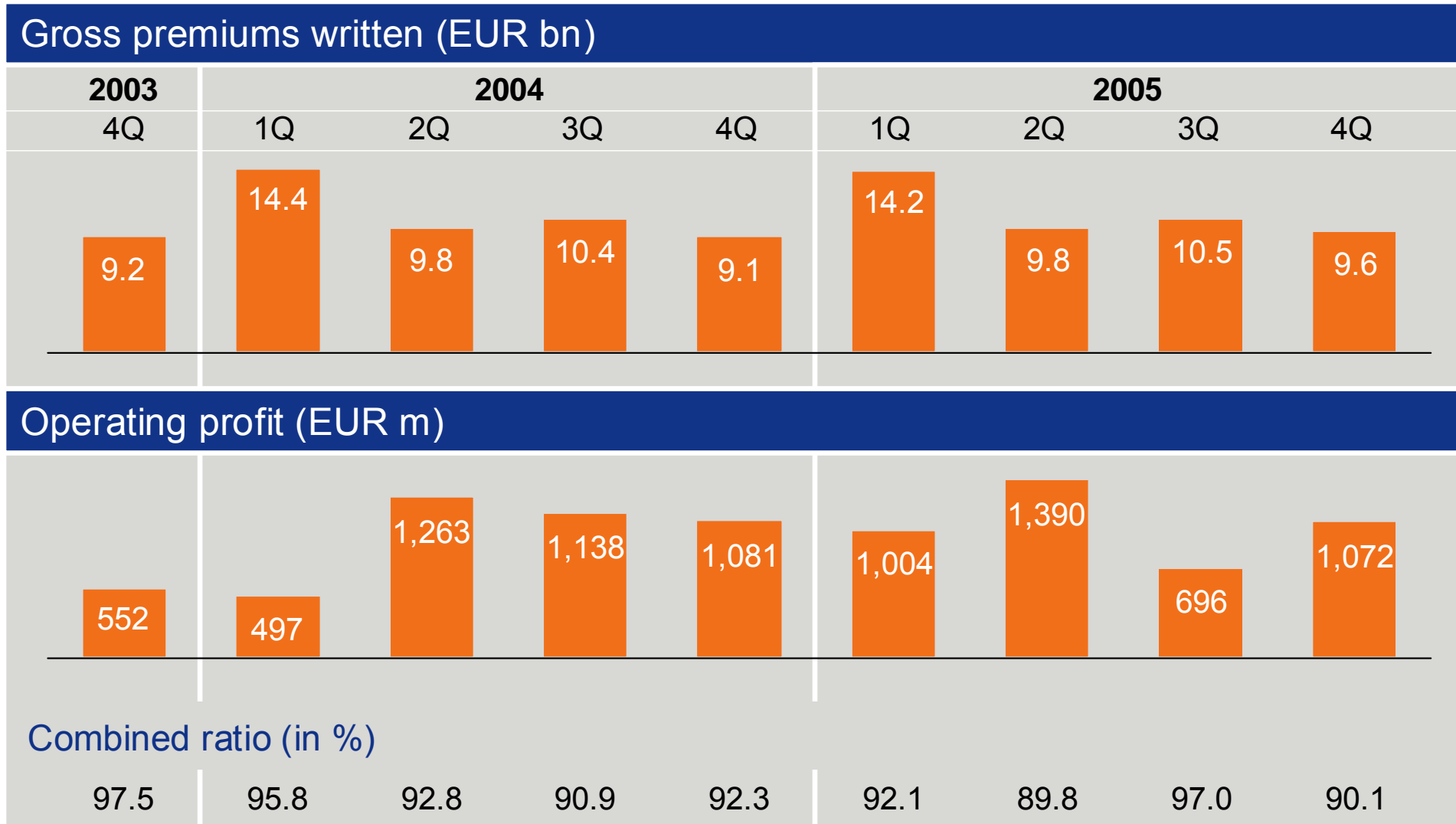
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## Group: key indicators – quarterly development

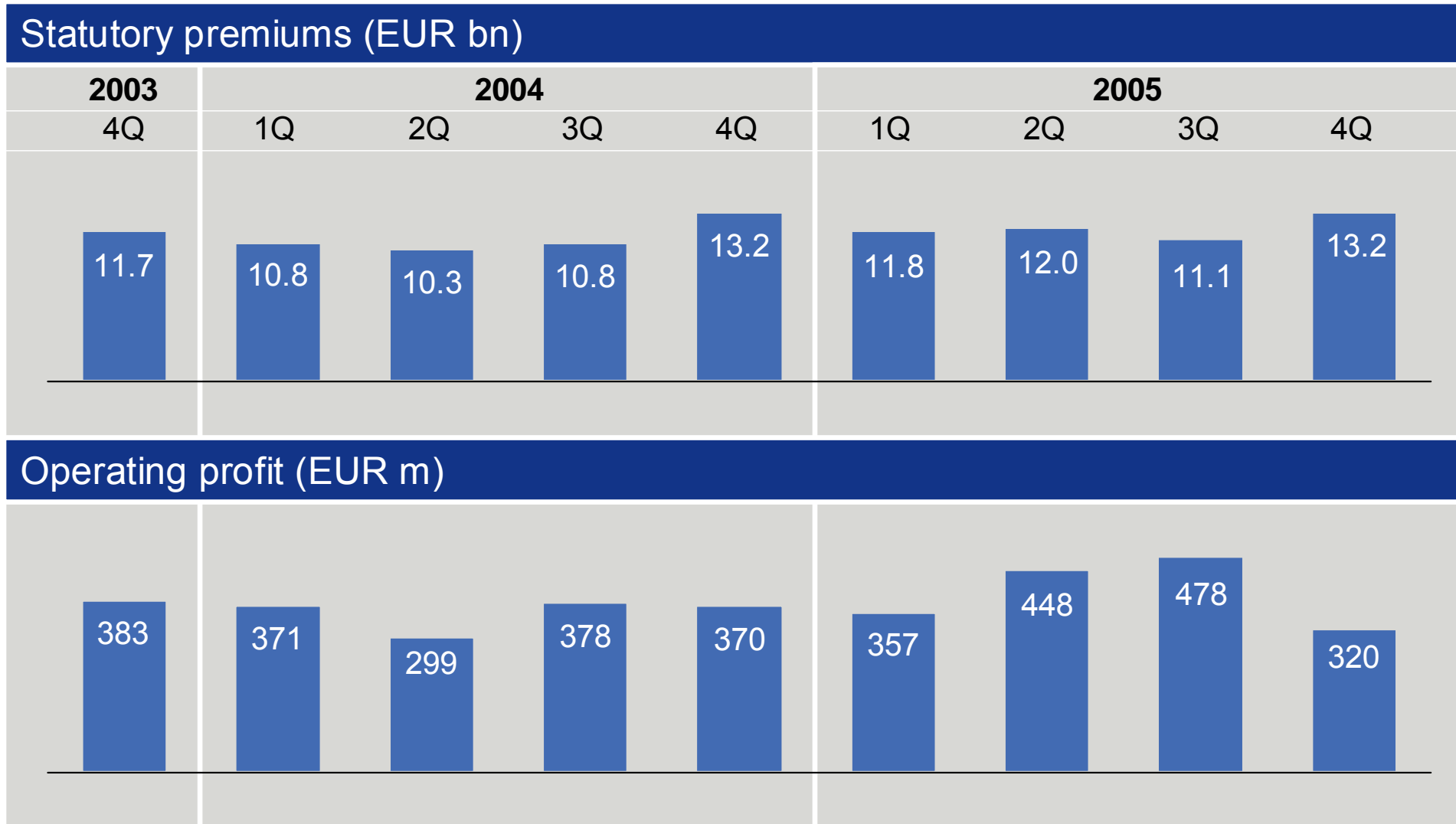


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## P/C: key indicators – quarterly development

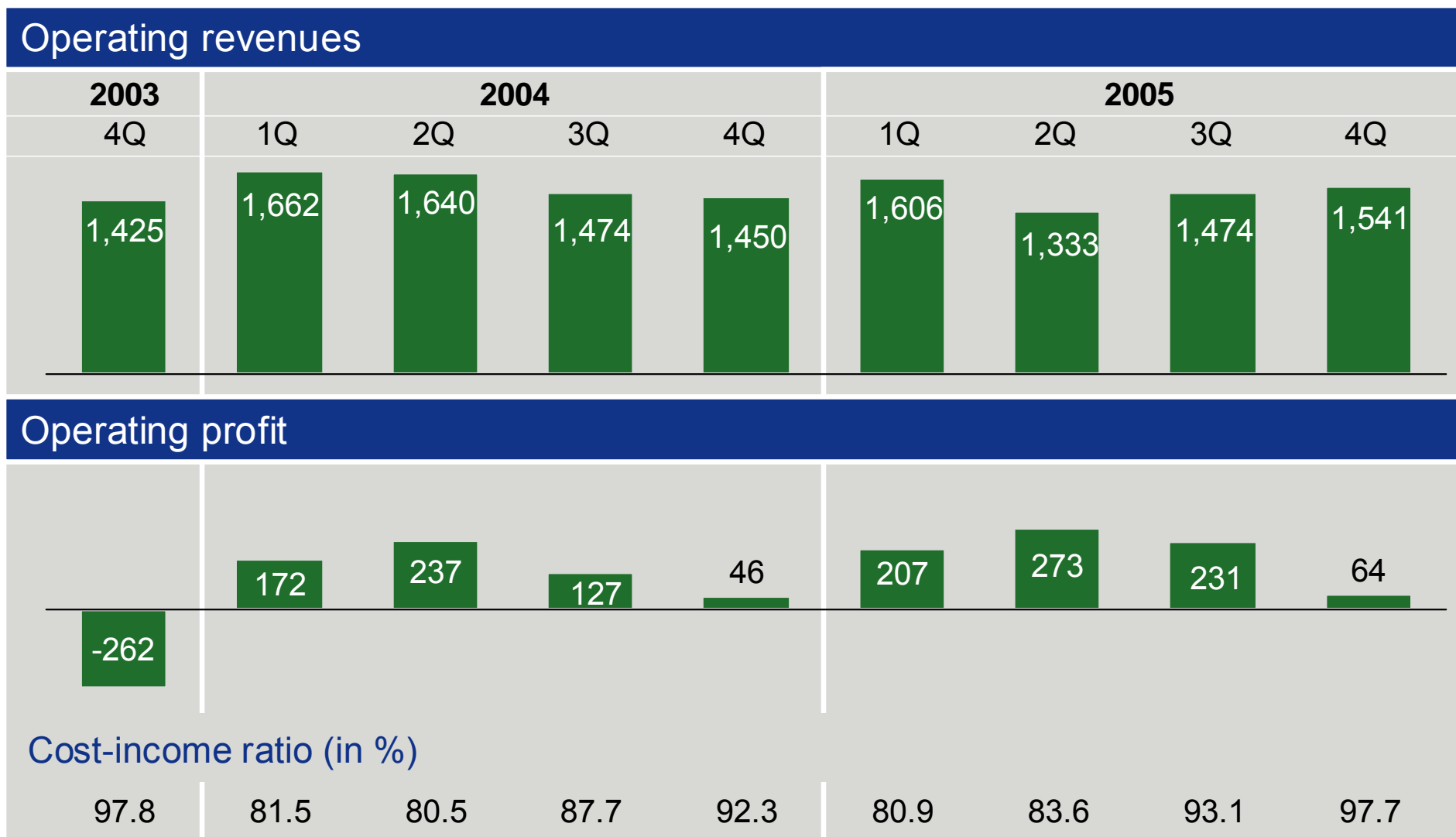


## L/H: key indicators – quarterly development



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# Dresdner Bank<sup>1</sup>: key indicators – quarterly development (EUR m)



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1) Dresdner Bank contribution to Allianz' Banking segment

# Asset Management: key indicators – quarterly development (EUR m)



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## Group: result by segments overview (EUR m)

	P/C		L/H <sup>1</sup>		Banking		AM		Consolidation		Total	
	12M 04	12M 05	12M 04	12M 05	12M 04	12M 05	12M 04	12M 05	12M 04	12M 05	12M 04	12M 05
<b>Total revenues</b> (EUR bn)	<b>43.8</b>	<b>44.1</b>	<b>45.2</b>	<b>48.1</b>	<b>6.5</b>	<b>6.2</b>	<b>2.3</b>	<b>2.7</b>	<b>0.8</b>	<b>0.2</b>	<b>96.9</b>	<b>100.9</b>
<b>Operating profit<sup>2</sup></b>	<b>3,979</b>	<b>4,162</b>	<b>1,418</b>	<b>1,603</b>	<b>586</b>	<b>845</b>	<b>856</b>	<b>1,133</b>	<b>0</b>	<b>0</b>	<b>6,839</b>	<b>7,743</b>
Trading income	-49	-426	0	0	0	0	0	0	0	16	-49	-410
Net capital gains	1,878	1,340	331	671	604	930	0	0	-261	-401	2,552	2,540
Net impairments	-553	-34	-49	-63	-455	-222	0	0	-9	0	-1,066	-319
Other non-operating <sup>3</sup>	1,263	630	163	63	-558	-16	-751	-713	-2,133	-1,638	-2,016	-1,674
<b>Profit b/ tax, min.,GW</b>	<b>6,518</b>	<b>5,672</b>	<b>1,863</b>	<b>2,274</b>	<b>177</b>	<b>1,537</b>	<b>105</b>	<b>420</b>	<b>-2,403</b>	<b>-2,023</b>	<b>6,260</b>	<b>7,880</b>
Goodwill amort.	-381	0	-159	0	-244	0	-380	0	0	0	-1,164	0
Taxes	-1,520	-1,126	-469	-463	294	-396	52	-132	-19	3	-1,662	-2,114
Minorities	-1,151	-997	-368	-462	-101	-102	-52	-51	504	226	-1,168	-1,386
<b>Net income</b>	<b>3,466</b>	<b>3,549</b>	<b>867</b>	<b>1,349</b>	<b>126</b>	<b>1,039</b>	<b>-275</b>	<b>237</b>	<b>-1,918</b>	<b>-1,794</b>	<b>2,266</b>	<b>4,380</b>

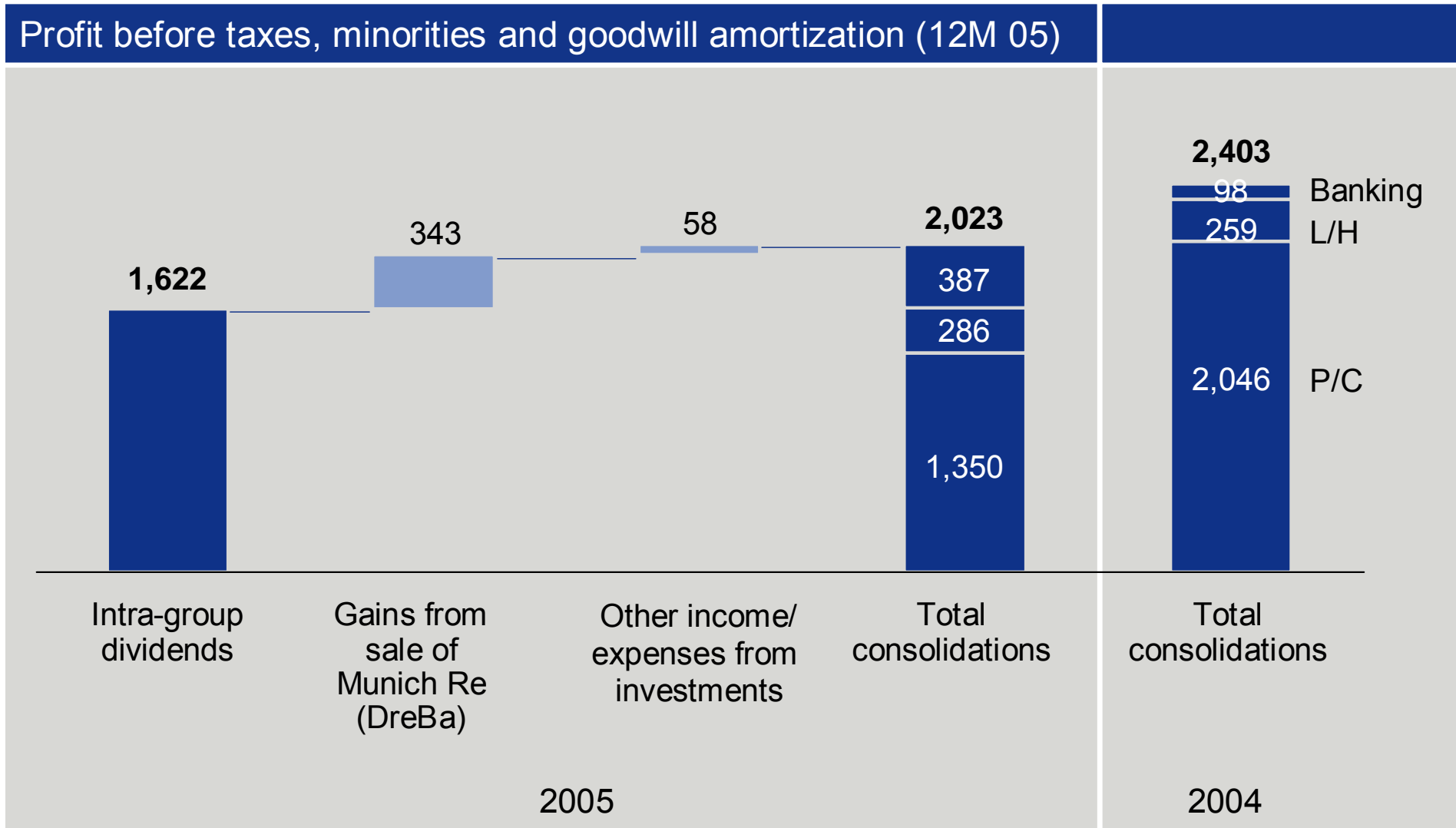
1) After gains/losses attributable to policyholders 2) Operating profit: intra-group dividends received by L/H companies are consolidated

3) E.g. intra-group dividends (EUR 1,622m) and interest for Holding finance (EUR 834m)

We evaluate the results of our property-casualty, life/health insurance, banking and asset management segments using a financial performance measure we refer to as "operating profit". We define our segment operating profit as earnings from ordinary activities before taxation, excluding, as applicable for each respective segment, either all or some of the following items: net capital gains and impairments on investments, net trading income, intra-Allianz Group dividends and profit transfer, interest expense on external debt, restructuring charges, other non-operating income/(expense), acquisition-related expenses and amortization of goodwill. While these excluded items are significant components in understanding and assessing our consolidated financial performance, we believe that the presentation of operating results enhances the understanding and comparability of the performance of our operating segments by highlighting net income attributable to ongoing segment operations and the underlying profitability of our businesses. For example, we believe that trends in the underlying profitability of our segments can be more clearly identified without the fluctuating effects of the realized capital gains and losses or impairments on investment securities, as these are largely dependent on market cycles or issuer specific events over which we have little or no control, and can and do vary, sometimes materially, across periods. Further, the timing of sales that would result in such gains or losses is largely at our discretion. Operating profit is not a substitute for earnings from ordinary activities before taxation or net income as determined in accordance with IFRS. Our definition of operating profit may differ from similar measures used by other companies, and may change over time.



# Group: breakdown of profit consolidations (EUR m)



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## Group: key figures per quarter (EUR m)

	2003	2004				2005				Delta
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	4Q 05/04
<b>Total revenues<sup>1</sup></b> (EUR bn)	<b>22.8</b>	<b>27.3</b>	<b>22.2</b>	<b>23.1</b>	<b>24.3</b>	<b>28.3</b>	<b>23.7</b>	<b>23.8</b>	<b>25.2</b>	<b>0.9</b>
<b>Operating profit</b>	<b>892</b>	<b>1,224</b>	<b>1,998</b>	<b>1,869</b>	<b>1,748</b>	<b>1,820</b>	<b>2,374</b>	<b>1,723</b>	<b>1,826</b>	<b>78</b>
Trading income	-119	-34	-1	-1	-13	-2	-159	-108	-141	-128
Net capital gains	4,608	1,137	818	364	233	911	449	496	684	451
Net impairments	-636	-77	-561	-369	-59	-95	-96	-25	-103	-44
Other non-operating	-1,355	-393	-618	-377	-628	-368	-423	-428	-455	173
<b>Profit b/ tax, min.,GW</b>	<b>3,390</b>	<b>1,857</b>	<b>1,636</b>	<b>1,486</b>	<b>1,281</b>	<b>2,266</b>	<b>2,145</b>	<b>1,658</b>	<b>1,811</b>	<b>530</b>
Goodwill amortization	-518	-294	-294	-297	-279	0	0	0	0	279
Taxes	-714	-377	-366	-497	-422	-596	-415	-530	-573	-151
Minorities	-316	-333	-327	-224	-284	-346	-340	-334	-366	-82
<b>Net income</b>	<b>1,842</b>	<b>853</b>	<b>649</b>	<b>468</b>	<b>296</b>	<b>1,324</b>	<b>1,390</b>	<b>794</b>	<b>872</b>	<b>576</b>
AuM <sup>2</sup> (EUR bn)	392	418	421	431	441	462	471	468	468	27

1) Fully consolidated; total revenues = total premiums from insurance business + (net interest income + net fee and commission income + trading income) from Banking and Asset Management

2) Group own assets (incl. trading), fully consolidated (at book value)

## P/C: key figures and ratios per quarter (EUR m)

	2003 4Q	2004				2005				Delta 4Q 05/04
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
<b>Total revenues</b> (EUR bn)	<b>9.2</b>	<b>14.4</b>	<b>9.8</b>	<b>10.4</b>	<b>9.1</b>	<b>14.2</b>	<b>9.8</b>	<b>10.5</b>	<b>9.6</b>	<b>0.5</b>
<b>Operating profit<sup>1</sup></b>	<b>552</b>	<b>497</b>	<b>1,263</b>	<b>1,138</b>	<b>1,081</b>	<b>1,004</b>	<b>1,390</b>	<b>696</b>	<b>1,072</b>	<b>-9</b>
Trading income	-119	-34	-1	-1	-13	-2	-159	-108	-157	-144
Net capital gains	4,567	934	494	87	363	576	212	279	273	-90
Net impairments	-434	-94	-240	-201	-18	-22	-22	17	-7	11
Other non-operating	143	-106	700	25	644	-108	647	-18	109	-535
<b>Profit b/ tax, min.,GW</b>	<b>4,709</b>	<b>1,197</b>	<b>2,216</b>	<b>1,048</b>	<b>2,057</b>	<b>1,448</b>	<b>2,068</b>	<b>866</b>	<b>1,290</b>	<b>-767</b>
Goodwill amortization	-93	-95	-96	-96	-94	0	0	0	0	94
Taxes	-722	-216	-401	-452	-451	-407	-225	-277	-217	234
Minorities	-168	-189	-404	-132	-426	-193	-350	-181	-273	153
<b>Net income</b>	<b>3,726</b>	<b>697</b>	<b>1,315</b>	<b>368</b>	<b>1,086</b>	<b>848</b>	<b>1,493</b>	<b>408</b>	<b>800</b>	<b>-286</b>
Combined ratio (%)	97.5	95.8	92.8	90.9	92.3	92.1	89.8	97.0	90.1	-2.2%-p
AuM <sup>2</sup> (EUR bn)	89	91	89	91	89	96	98	102	101	+12

1) Operating profit: intra-group dividends received by L/H companies are consolidated

2) Group own assets (incl. trading), fully consolidated (at book value)

## P/C: RoRAC<sub>N</sub> of major OEs (EUR m, in %, 2005)

RoRAC (before minorities)	Risk adjusted capital <sup>1</sup>	RoRAC <sub>N</sub>
SGD	4,086	25.2%
Fireman's Fund	2,824	15.8%
RAS Group	2,101	17.1%
AGF France	2,095	16.7%
AZAG Re	1,693	22.0%
Credit Insurance	1,410	21.4%
AZ Cornhill	1,080	27.2%
AGR Re	798	10.2%
AZ Australia	756	23.3%
AZ Seguros, Spain	587	28.3%
AMA	571	-34.9%
AZ Suisse	545	23.0%
Lloyd Adriatico	532	41.9%
Allianz Netherland	378	31.2%
AZ Austria	329	20.4%
ART	242	16.0%

1) Risk adjusted capital is maximum of internal risk capital (determined in a stochastic process) and local solvency.  
For some smaller operating entities risk capital is based on S&P model.

## L/H: key figures and ratios per quarter (EUR m)

	2003	2004				2005				Delta
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	4Q 05/04
<b>Total revenues (EUR bn)</b>	<b>11.7</b>	<b>10.8</b>	<b>10.3</b>	<b>10.8</b>	<b>13.2</b>	<b>11.8</b>	<b>12.0</b>	<b>11.1</b>	<b>13.2</b>	<b>0.0</b>
<b>Operating profit</b>	<b>383</b>	<b>371</b>	<b>299</b>	<b>378</b>	<b>370</b>	<b>357</b>	<b>448</b>	<b>478</b>	<b>320</b>	<b>-50</b>
Net capital gains	204	163	120	140	-92	238	81	191	161	253
Net impairments	18	68	-78	-98	59	-21	-50	-8	16	-43
Other non-operating	55	10	55	2	96	11	57	2	-7	-103
<b>Profit b/ tax, min.,GW</b>	<b>660</b>	<b>612</b>	<b>396</b>	<b>422</b>	<b>433</b>	<b>585</b>	<b>536</b>	<b>663</b>	<b>490</b>	<b>57</b>
Goodwill amortization	-267	-40	-39	-40	-40	0	0	0	0	40
Taxes	-495	-181	-75	-186	-27	-96	-39	-147	-181	-154
Minorities	-131	-94	-118	-71	-85	-125	-129	-140	-68	17
<b>Net income</b>	<b>-233</b>	<b>297</b>	<b>164</b>	<b>125</b>	<b>281</b>	<b>364</b>	<b>368</b>	<b>376</b>	<b>241</b>	<b>-40</b>
Statutory exp. ratio (%)	7.9	9.2	9.2	10.1	7.9	6.6	8.2	8.5	9.2	-1.3%-p
AuM <sup>1</sup> (EUR bn)	216	223	227	230	237	242	256	258	264	+27

1) Group own assets (incl. trading), fully consolidated (at book value)

## L/H: RoRAC<sub>N</sub> of major OEs (EUR m, in %, 2005)

RoRAC (before minorities)	Risk adjusted capital <sup>1</sup>	RoRAC <sub>N</sub>
AGF France	2,263	20.8%
AZ Life	1,901	15.4%
AZ Leben	972	35.4%
RAS Group	924	18.4%
AZ Korea	822	11.0%
AGF Belgium	616	8.4%
AZ Suisse	503	12.4%
AZ-Seguros, Spain	188	20.0%
Lloyd Adriatico Group	178	23.6%
Allianz PKV	166	39.0%

1) Risk adjusted capital is maximum of internal risk capital (determined in a stochastic process) and local solvency.  
For some smaller operating entities risk capital is based on S&P model.

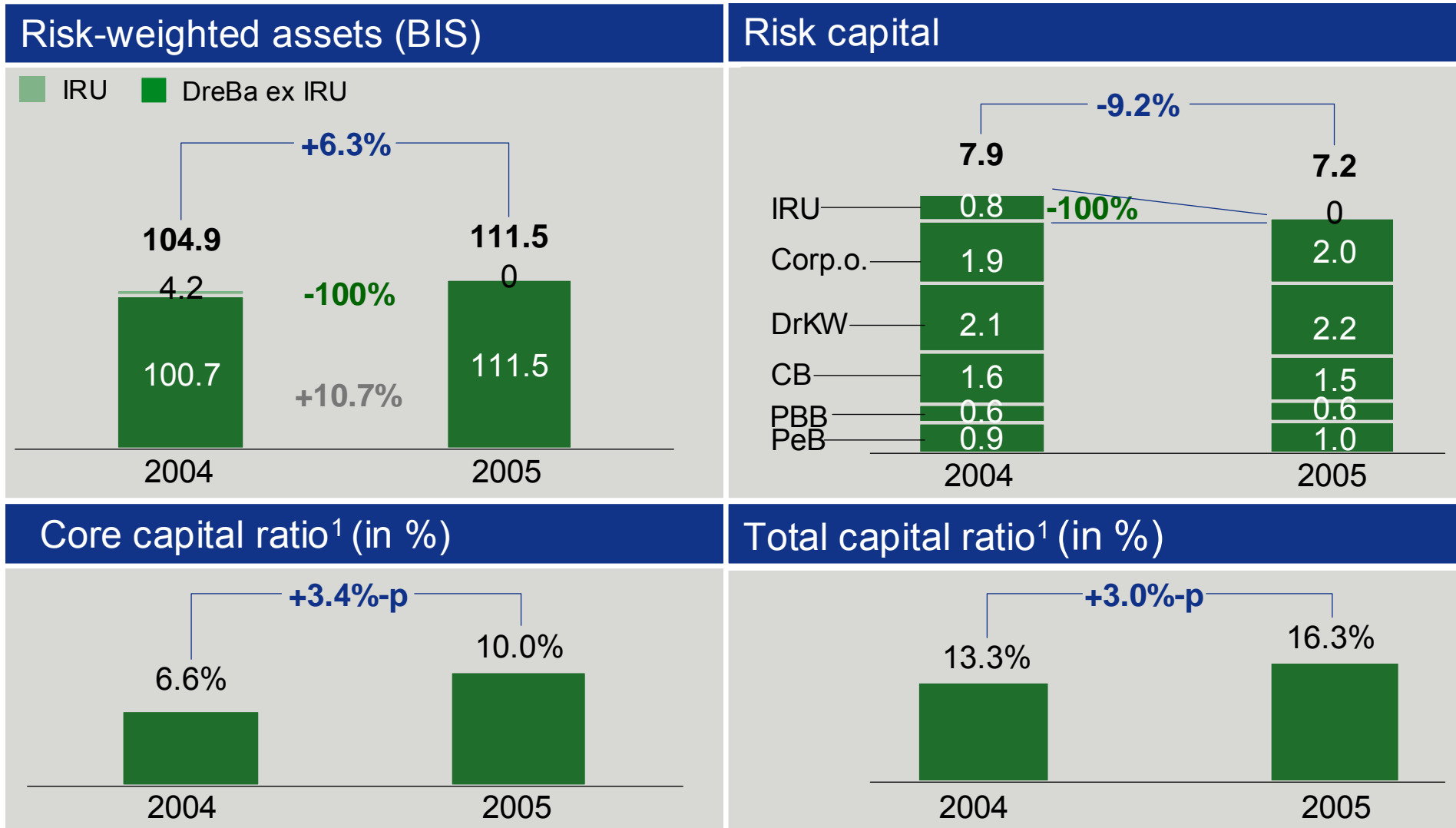
## Dresdner Bank<sup>1</sup>: key figures and ratios per quarter (EUR m)

	2003	2004				2005				Delta
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	4Q 05/04
Net interest income	726	515	583	655	514	533	538	517	640	126
Net fee and commission inc	564	708	581	569	602	647	663	599	701	99
Net trading income	135	439	476	250	334	426	132	358	200	-134
<b>Operating revenues</b>	<b>1,425</b>	<b>1,662</b>	<b>1,640</b>	<b>1,474</b>	<b>1,450</b>	<b>1,606</b>	<b>1,333</b>	<b>1,474</b>	<b>1,541</b>	<b>91</b>
Administrative expenses	-1,394	-1,355	-1,321	-1,293	-1,338	-1,299	-1,114	-1,373	-1,506	-168
Net loan loss provisions	-293	-135	-82	-54	-66	-100	54	130	29	95
<b>Operating Profit</b>	<b>-262</b>	<b>172</b>	<b>237</b>	<b>127</b>	<b>46</b>	<b>207</b>	<b>273</b>	<b>231</b>	<b>64</b>	<b>18</b>
Other non-oper. inc/exp.	-324	14	-77	-119	-96	50	18	-25	-52	44
Net capt. gains & imp on inv.	61	32	52	77	5	404	142	-4	171	166
Restructuring charges	-558	-12	-104	-11	-163	0	-5	-5	-2	161
Amortization on Goodwill	-73	-67	-62	-65	-50	0	0	0	0	50
<b>Earnings from ordinary act.</b>	<b>-1156</b>	<b>139</b>	<b>46</b>	<b>9</b>	<b>-258</b>	<b>661</b>	<b>428</b>	<b>197</b>	<b>181</b>	<b>439</b>
Taxes	456	10	96	129	53	-70	-159	-65	-88	-141
Minority interest	-17	-20	-18	-18	-4	-20	-21	-19	-22	-18
<b>Net income</b>	<b>-717</b>	<b>129</b>	<b>124</b>	<b>120</b>	<b>-209</b>	<b>571</b>	<b>248</b>	<b>113</b>	<b>71</b>	<b>280</b>
RWA <sup>2</sup>	111.7	108.1	106.8	104.9	104.8	105.6	108.6 <sup>2</sup>	111.3	111.5	6.7
Operating CIR (in %)	97.8	81.5	80.5	87.7	92.3	80.9	83.6	93.1	97.7	5.4%-p

1) Dresdner Bank contribution to Allianz Banking segment

2) In 2Q 05 RWA methodology changed from local GAAP to IFRS with increase of EUR 2.1bn

# Dresdner Bank: RWA, risk capital and capital ratios (EUR bn)



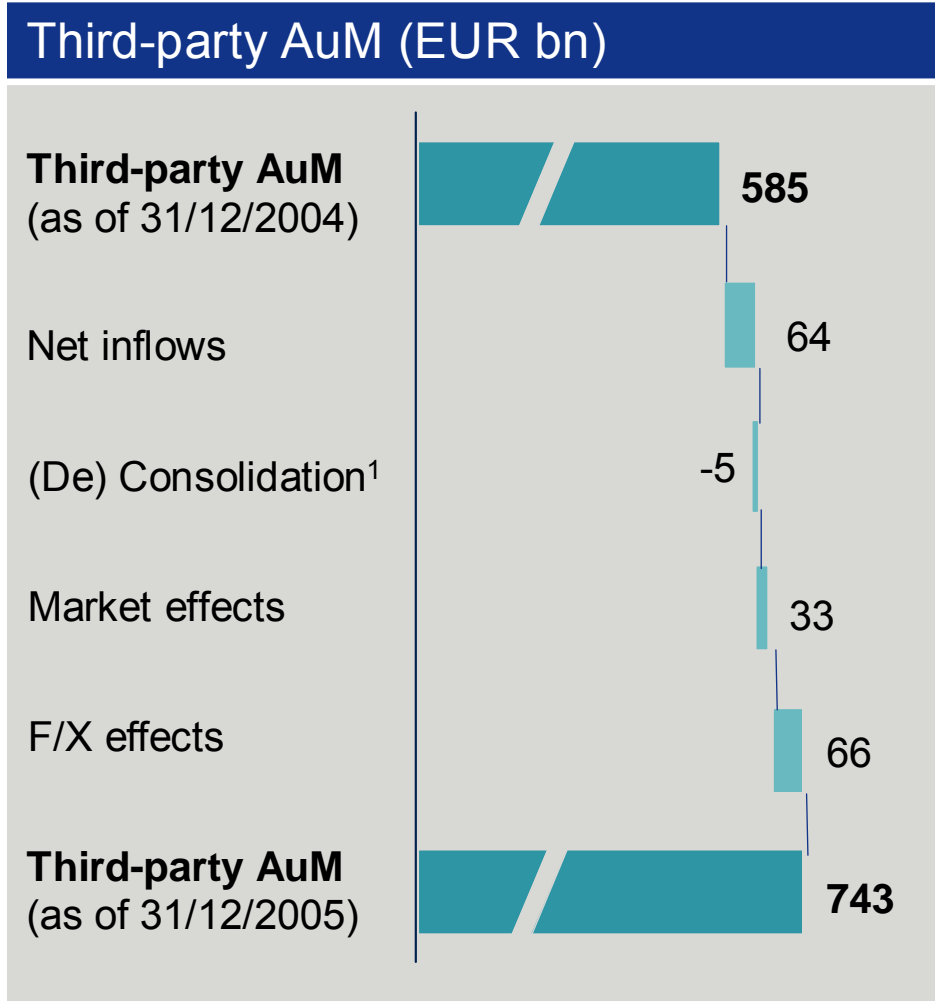
1) Capital ratios according to BIS standard (2004 based on HGB capital)



## Asset Management: key figures and ratios per quarter (EUR m)

	2003 4Q	2004				2005				Delta 4Q 05/04
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
Operating revenues	576	544	556	564	644	591	634	708	800	156
Operating expenses	-369	-364	-375	-347	-366	-360	-379	-409	-452	-86
<b>Operating profit</b>	<b>207</b>	<b>180</b>	<b>181</b>	<b>217</b>	<b>278</b>	<b>231</b>	<b>255</b>	<b>299</b>	<b>348</b>	<b>70</b>
Goodwill amortization & other acqu.-related exp.	-291	-296	-276	-270	-289	-166	-177	-213	-157	132
Taxes	17	23	10	9	10	-24	7	-34	-81	-91
Minorities	-21	-13	-14	-13	-12	-13	-9	-12	-17	-5
<b>Net income</b>	<b>-88</b>	<b>-106</b>	<b>-99</b>	<b>-57</b>	<b>-13</b>	<b>28</b>	<b>76</b>	<b>40</b>	<b>93</b>	<b>106</b>
Cost-income ratio (in %)	64.1	66.9	67.5	61.5	56.7	60.9	59.8	57.8	56.5	-0,2%-p
Third-party AuM (EUR bn)	565	598	599	592	585	624	688	711	743	158

# Asset Management: EUR 64bn net inflows



## Client and asset mix

Third-party AuM (as of 31/12/2005 = EUR 743bn)

	Retail	Institutional	Σ
Equity	11%	10%	<b>20%</b>
Fixed income	28%	51%	<b>79%</b>
Other	1%	0%	<b>1%</b>
<b>Σ</b>	<b>40%</b>	<b>60%</b>	<b>100%</b>

1) Sale of Cadence Capital Management, effective in 3Q 2005

# Group asset allocation<sup>1</sup>: breakdown per segment (EUR bn)

		P/C		L/H		Banking		Asset Mgmt.		Consolid.		Group	
Balance sheet items		2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
Assoc. enterprise/ Joint ventures		48.4	47.8	5.5	3.8	3.0	0.7	0.0	0.0	-51.2	-50.2	5.8	2.1
Investments	Real Est.	3.5	2.9	5.6	5.8	1.5	0.9	0.0	0.0	0.0	0.0	10.6	9.6
	Equity	15.6	21.6	24.9	32.3	3.7	3.1	0.1	0.1	0.0	0.0	44.2	57.1
	Fixed Inc.	54.5	60.6	124.3	140.6	12.6	12.6	0.5	0.7	0.0	0.0	191.9	214.6
	Other	7.6	3.2	0.1	0.1	0.0	0.0	0.0	0.0	-6.1	-1.8	1.6	1.6
	Sum	81.2	88.4	154.9	178.8	17.7	16.6	0.5	0.8	-6.1	-1.8	248.3	282.9
Loans and advances <sup>1</sup>	Fixed Inc.	13.3	13.1	85.5	84.1	0.0	0.0	0.0	0.0	-8.9	-8.6	89.9	88.6
	Other	0.3	0.1	0.0	0.0	0.0	0.0	0.0	0.0	-0.3	-0.1	0.0	0.0
	Sum	13.6	13.2	85.5	84.1	0.0	0.0	0.0	0.0	-9.2	-8.7	89.9	88.6
Fin. assets designated FV through P/L <sup>2</sup>	Equity	0.2	0.3	1.5	3.1	0.0	0.0	0.0	0.1	0.0	0.0	1.7	3.5
	Fixed Inc.	0.3	1.3	1.4	7.1	1.3	2.1	0.0	0.2	0.0	0.0	3.0	10.7
	Sum	0.5	1.6	2.9	10.2	1.3	2.1	0.0	0.3	0.0	0.0	4.7	14.2
Financial assets and liabilities held for trading <sup>2,3</sup>	Equity	0.0	0.0	0.3	0.0	17.5	27.8	0.1	0.0	0.0	0.0	17.9	27.8
	Fixed Inc.	0.3	0.4	1.4	0.3	154.3	111.7	0.0	0.0	0.0	0.0	156.0	112.4
	Other	0.0	0.2	-1.5	-2.8	-80.0	-57.3	0.0	0.0	-0.1	-0.6	-81.6	-60.5
	Sum	0.3	0.6	0.2	-2.5	91.8	82.2	0.1	0.0	-0.1	-0.6	92.3	79.7
<b>TOTAL Investments</b>		<b>144.0</b>	<b>151.6</b>	<b>249.0</b>	<b>274.4</b>	<b>113.8</b>	<b>101.6</b>	<b>0.6</b>	<b>1.1</b>	<b>-66.6</b>	<b>-61.3</b>	<b>441.0</b>	<b>467.5</b>

### Breakdown: Associated enterprises/ joint ventures

Segment consolidated	48.4	47.8	5.5	3.8	3.0	0.7	0.0	0.0
Fully consolidated	1.1	0.8	1.7	0.7	2.9	0.6	0.0	0.0

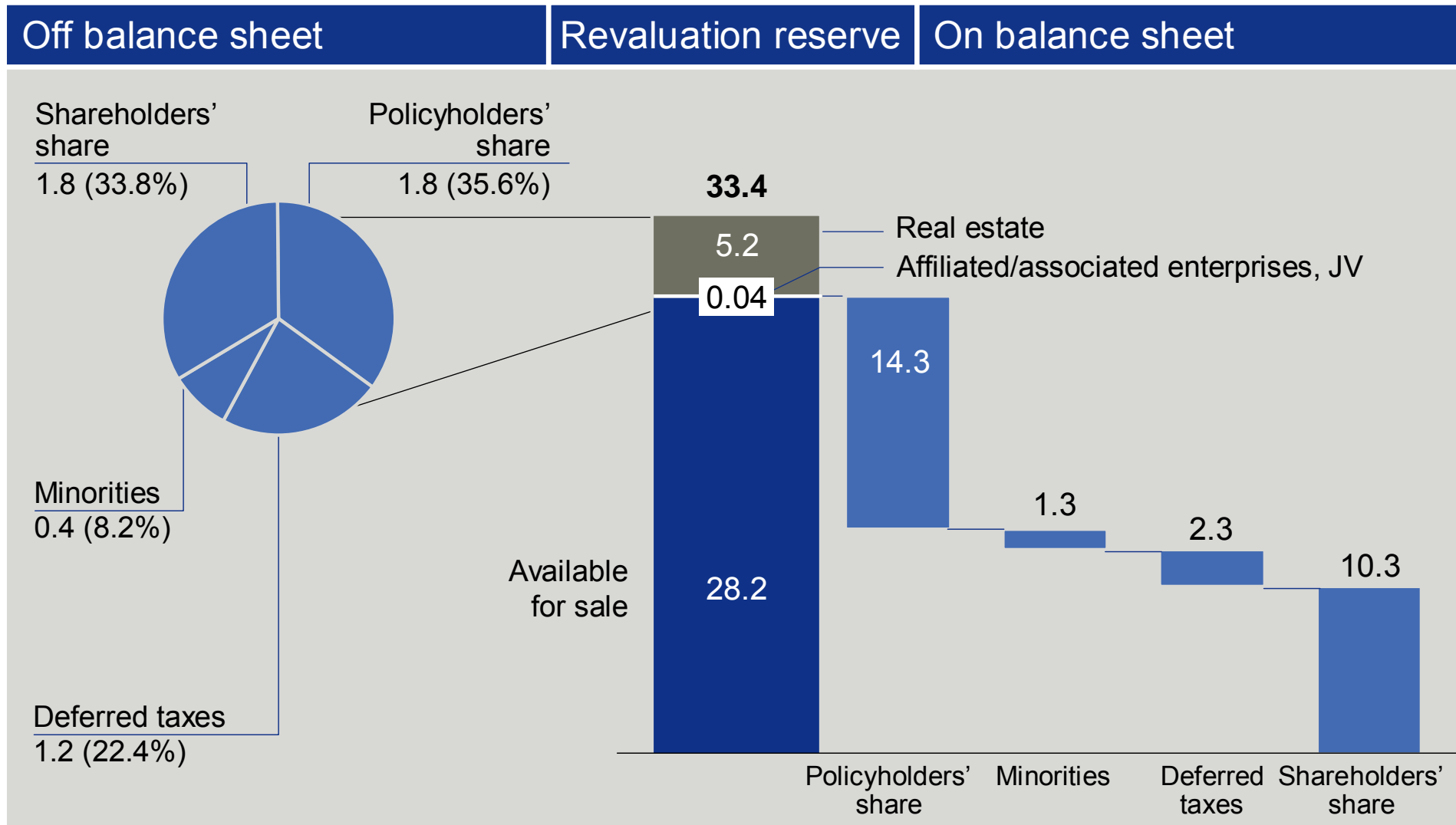
- 1) Group own assets 2) Excl. loans and advances of Banking and Asset Management segment (2005: EUR 249.7bn; 2004: EUR 287.5bn)  
3) Equals balance sheet item 'Financials assets carried at fair value through income'; excl. financial assets for unit linked contracts (2005: EUR 54.6bn; 2004: EUR 41.4bn) in L/H segment 4) Net of financial liabilities held for trading

## Investment result<sup>1</sup>: breakdown per segment (EUR m)

	P/C		L/H		Banking		Asset Mgmt.		Consolid.		Group	
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
Current investment income	3,935	3,901	11,335	11,825	795	911	7	15	-1,023	-709	15,049	15,943
Realized gains/losses	2,249	1,622	2,031	2,823	604	930	18	6	-264	-377	4,638	5,004
Impairments	-661	-51	-264	167	-455	-222	0	0	11	0	-1,369	-106
<i>thereof:</i> <i>Fair value option</i>	-4	103	22	364	0	0	0	0	0	0	18	467
Expenses	-834	-488	-483	-477	0	-1	-8	0	278	174	-1,047	-792
<b>Subtotal</b>	<b>4,689</b>	<b>4,984</b>	<b>12,619</b>	<b>14,338</b>	<b>944</b>	<b>1,618</b>	<b>17</b>	<b>21</b>	<b>-998</b>	<b>-912</b>	<b>17,271</b>	<b>20,049</b>
Trading income	-47	-422	117	-326	1,494	1,164	13	11	2	14	1,579	441
<b>Net investment income</b>	<b>4,642</b>	<b>4,562</b>	<b>12,736</b>	<b>14,012</b>	<b>2,438</b>	<b>2,782</b>	<b>30</b>	<b>32</b>	<b>-996</b>	<b>-898</b>	<b>18,850</b>	<b>20,490</b>

1) Figures before policyholder participation

# Revaluation reserve of EUR 33.4bn (EUR bn)



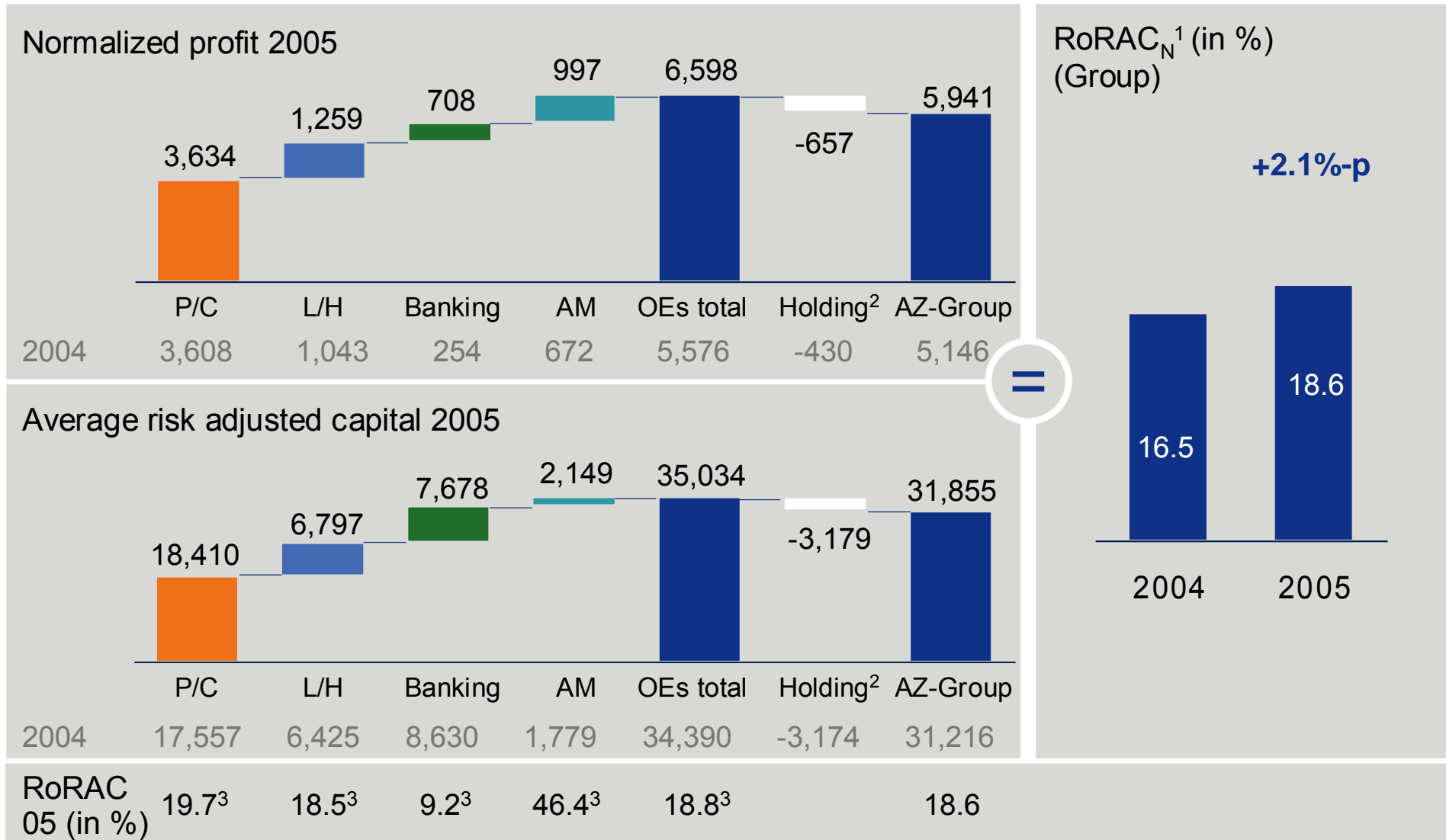
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# Reconciliation of P/C and L/H ratios (EUR m)

P/C		L/H	
<p><b>Loss ratio</b></p> <p><b>8.1 Insurance benefits (net)</b> (EUR m)</p> <p>26,871    26,208</p> <p>1,004    689</p> <p>25,867    25,519</p> <p>- Change in aggregate policy and other reserves</p> <p>- Expenses for premium refund</p> <p>- Losses incurred</p> <p>12M 04    12M 05</p>	<p><b>Expense ratio</b></p> <p><b>12.1 Acquisition costs &amp; administrative expenses</b> (EUR m)</p> <p>10,734    11,325</p> <p>1,104    1,760</p> <p>9,630    9,565</p> <p>- Expenses for management of investments</p> <p>- Expenses for service agreements</p> <p>- Underwriting costs</p> <p>12M 04    12M 05</p>	<p><b>Expense ratio (statutory)</b></p> <p><b>12.1 Acquisition costs &amp; administrative expenses</b> (EUR m)</p> <p>4,533    4,432</p> <p>628    648</p> <p>3,905    3,784</p> <p>- Expenses for service agreem.</p> <p>- Expenses for management of investments</p> <p>- Underwriting costs</p> <p>12M 04    12M 05</p>	
<p><b>1.1 Net premiums earned (EUR m):</b> 38,193    38,017</p> <p>÷</p>	<p><b>1.1 Net premiums earned (EUR m):</b> 38,193    38,017</p> <p>÷</p>	<p><b>1.1 Net premiums earned (EUR m):</b> 18,596    19,730</p> <p><b>Premiums from inv. oriented products (EUR m):</b> 24,435    27,165</p> <p>+</p>	
<p><b>Loss ratio:</b> 67.7%    67.1%</p> <p>=</p>	<p><b>Expense ratio:</b> 25.2%    25.2%</p> <p>=</p>	<p><b>Statutory exp. ratio:</b> 9.1%    8.1%</p> <p>=</p>	

1) P/L line item

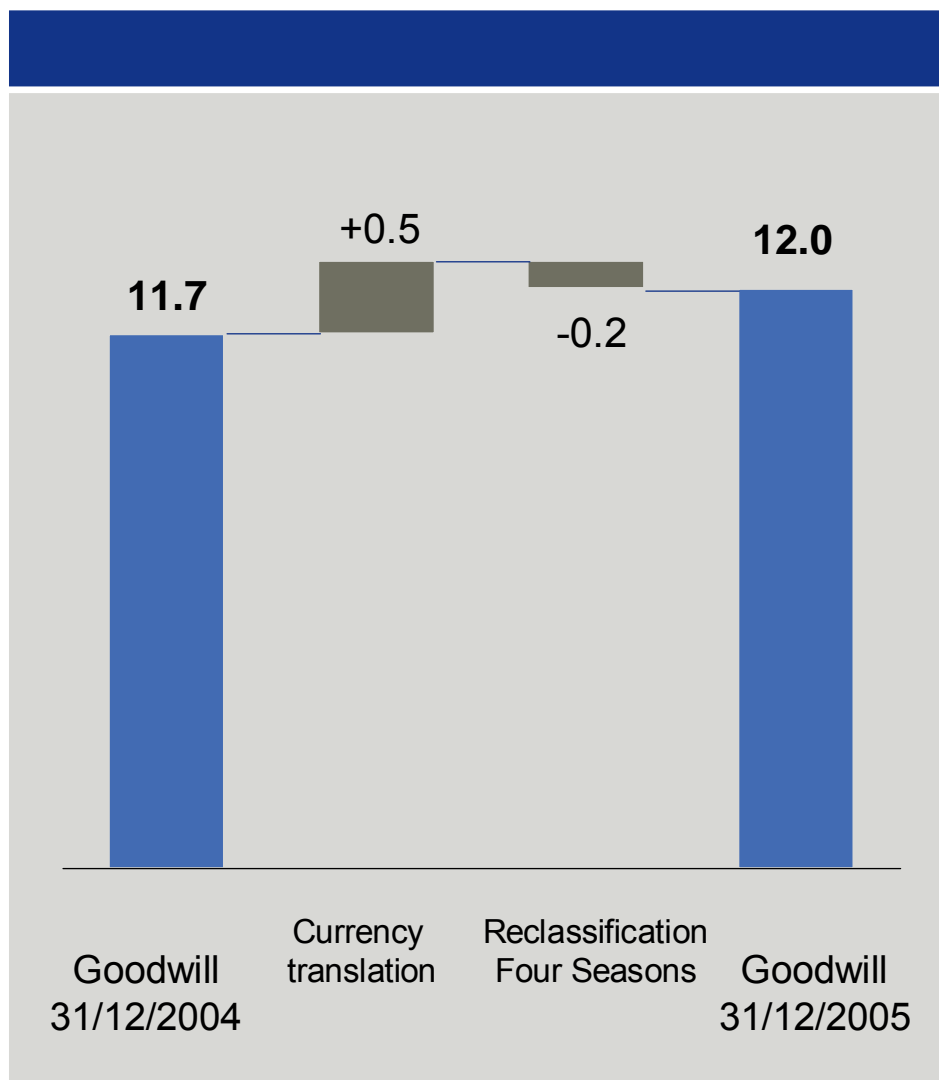
# RoRAC<sub>N</sub> well improved (EUR m, a/ minorities)



1) RAC is determined in a stochastic model after Group diversification, normalized profit includes corporate effects  
 2) Includes corporate effects and diversification 3) Normalized return on risk-adjusted capital (operating units) = Normalized profit after tax/risk-adjusted capital, after minorities. Risk-adjusted capital is maximum of risk capital (internal model) and local solvency

# Goodwill

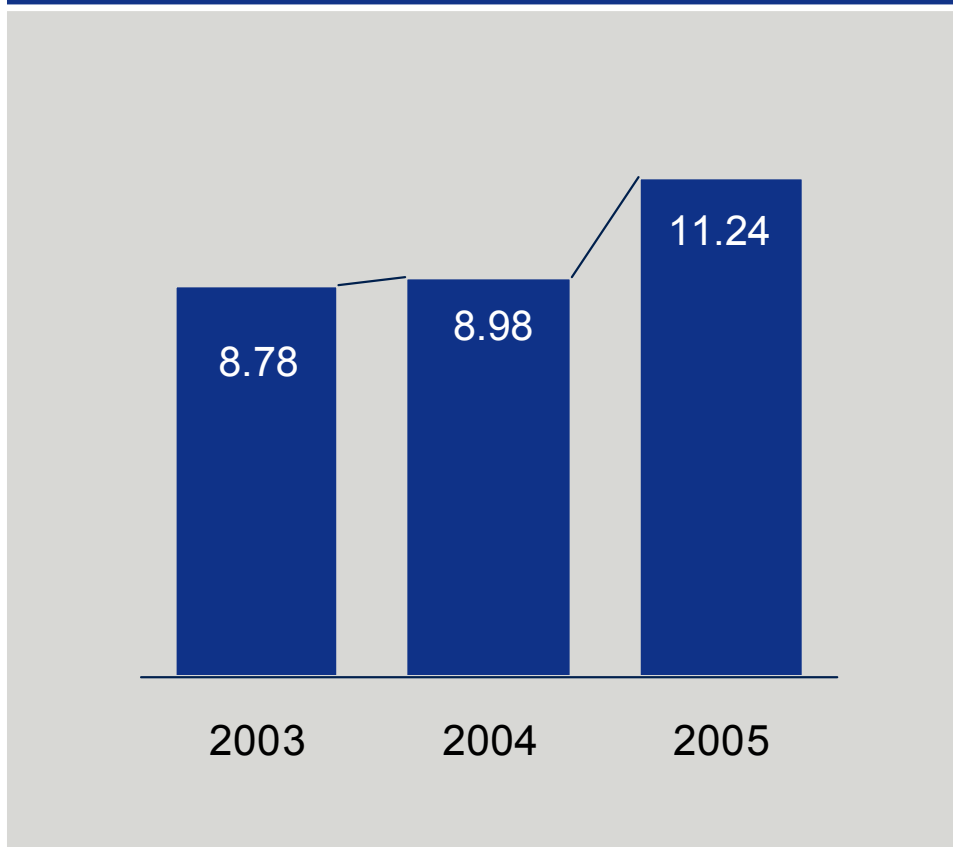
(EUR bn)



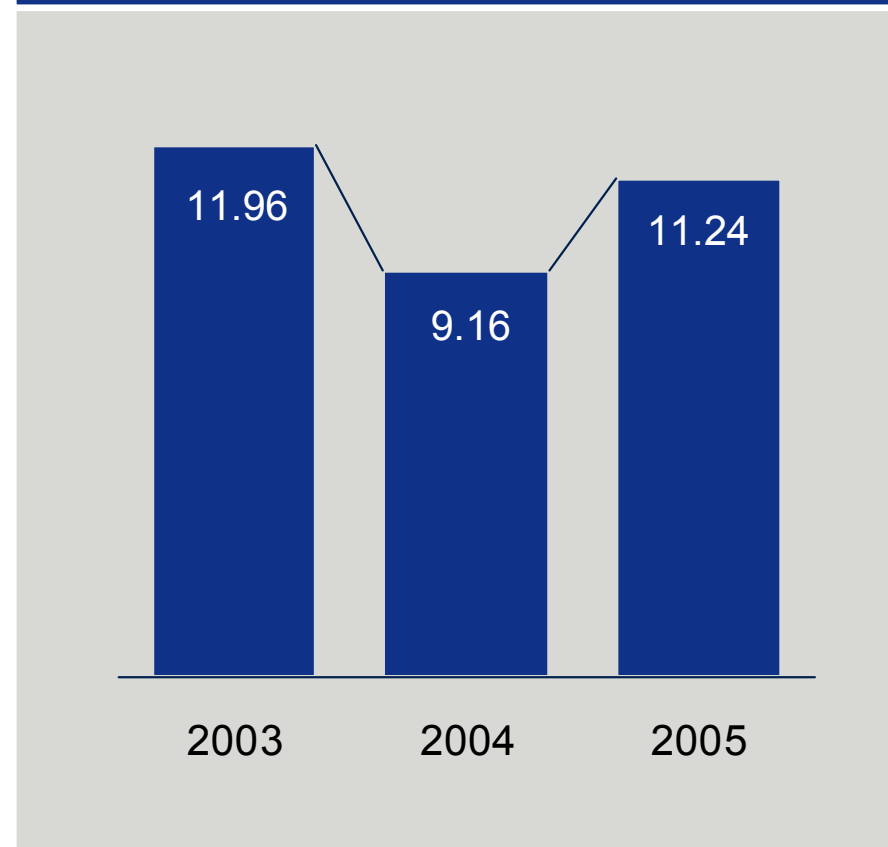


# Increase in EPS (EUR)

EPS<sub>A</sub><sup>1</sup> – as originally reported



EPS<sub>A</sub><sup>1</sup> – based on IFRS 2005



1) EPS before goodwill amortization. 2003 and 2004 calculated on pro-forma basis (goodwill amortization net of tax)

## Accounting changes: effect on net income 2003-2004 (EUR m)

	2003	2004	Jan 1, 2005
<b>Net income before 2005 IFRS-changes</b>	<b>1,890</b>	<b>2,199</b>	
IAS 39 – Change impairment policy	902	215	2,273 <sup>1</sup>
IAS 39 – Fair value option	13	-6	
IFRS 4	6	-19	
IFRS 2 (Effect fair value valuation on B-Units)	-120	-123	
<b>Net income (stated)</b>	<b>2,691</b>	<b>2,266</b>	
Goodwill depreciation	1,413	1,164	
Tax impact from goodwill depreciation	-58	-78	
<b>Pro forma net income</b>	<b>4,046</b>	<b>3,352</b>	

1) Net unrealized gains / losses

## Accounting changes: effect on shareholders' equity 2003-2004 (EUR m)

	2003	2004
<b>Sh. equity before 2005 IFRS-changes</b>	<b>28,592</b>	<b>30,828</b>
IAS 39 – Loans + Receivables	-436	-543
IAS 39 – Fair value option	-23	-33
IFRS 4	9	-8
IFRS 2 (Effect fair value valuation on B-Units)	-149	-249
<b>Shareholders' equity (stated)</b>	<b>27,993</b>	<b>29,995</b>

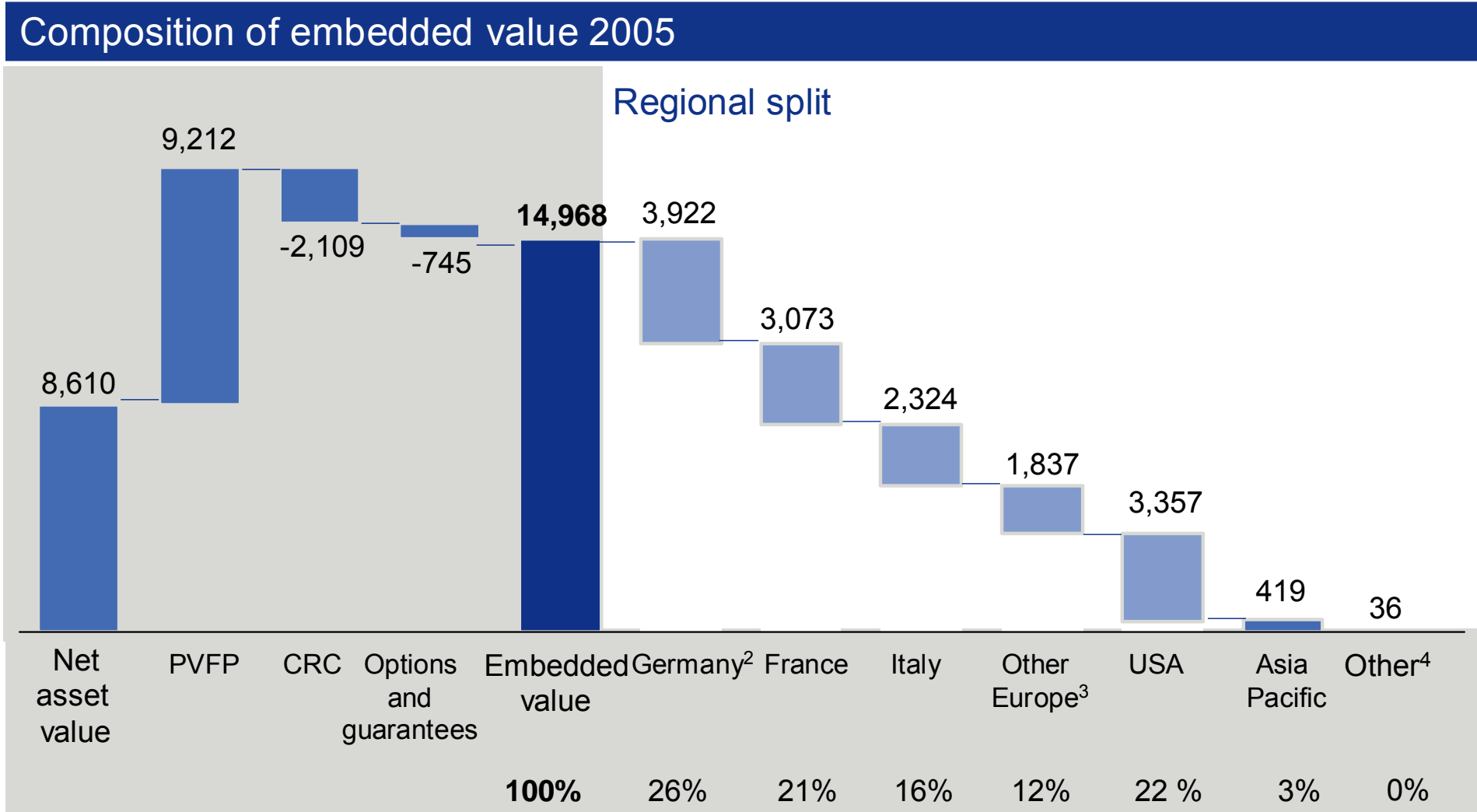
## Segment overview after separating holding activities (EUR m)

12M 05	P/C		L/H	Banking	Asset	Consolidation	Group
	Insurance	Holding activities <sup>1</sup>					
<b>Operating profit</b>	<b>5,351</b>	<b>-1,282</b>	<b>1,687</b>	<b>845</b>	<b>1,142</b>	<b>0</b>	<b>7,743</b>
Trading income	24	-441	0	0	0	7	-410
Net capital gains	1,483	103	671	930	0	-647	2,540
Net impairments	59	-93	-63	-222	0	0	-319
Other non-operating	-135	-623	-17	-18	-713	-168	-1,674
<b>Profit b/ tax, min.,GW</b>	<b>6,782</b>	<b>-2,336</b>	<b>2,278</b>	<b>1,535</b>	<b>429</b>	<b>-808</b>	<b>7,880</b>
Goodwill	0	0	0	0	0	0	0
Taxes	-1,938	845	-496	-396	-133	4	-2,114
Minorities	-827	-11	-424	-102	-52	30	-1,386
<b>Net income</b>	<b>4,017</b>	<b>-1,502</b>	<b>1,358</b>	<b>1,037</b>	<b>244</b>	<b>-774</b>	<b>4,380</b>
Net income as stated	3,549	0	1,349	1,039	237	-1,794	4,380
Change in net income due to pro forma Holding activities	468	-1,502	9	-2	7	1,020	0

1) Dividends are already eliminated in receiving segment (except for L/H)

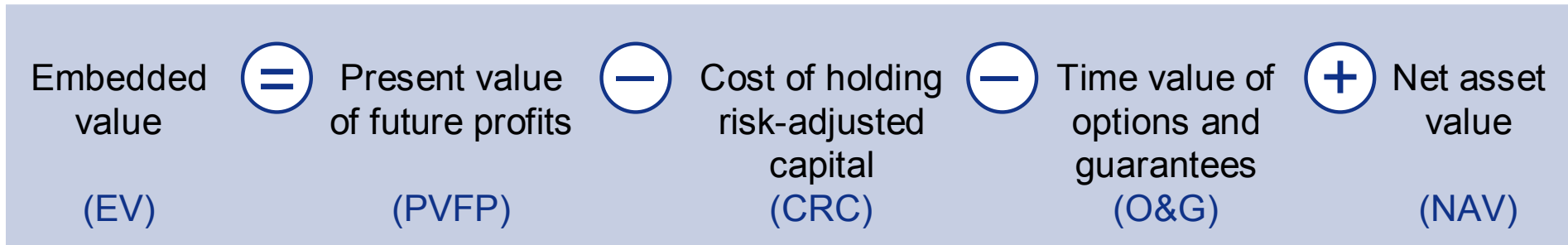
# Embedded value of Allianz' life operations

# Composition of embedded value<sup>1</sup> (EUR m)



1) All figures shown throughout this presentation are after minorities  
 2) Includes Allianz Lebensversicherungs-AG, subsidiaries are included at-equity  
 3) Including OEs in Western Europe other than Germany, Italy and France as well as Eastern European countries  
 4) Including AZAG-Re, holding cost and Egypt

## EEV: methodology



- Covered business is life and riders to life contracts
- Look-through profits arising from internal asset management and service agreements in respect of covered business are not included in embedded value
- New business is valued at the point-of-sale on closing assumptions
- Non-economic assumptions are based on company experience and industry standards. No productivity gains are included. Holding costs are included.
- Economic assumptions are based on current market data. Assumptions for risk-free rates, reinvestment rates and RDR are kept on a constant level throughout the projection
- Foreign currencies are translated using year-end F/X rates
- Bonus rates are projected in line with management's long-term plans

## EEV: consistent valuation parameters are applied across Allianz Group

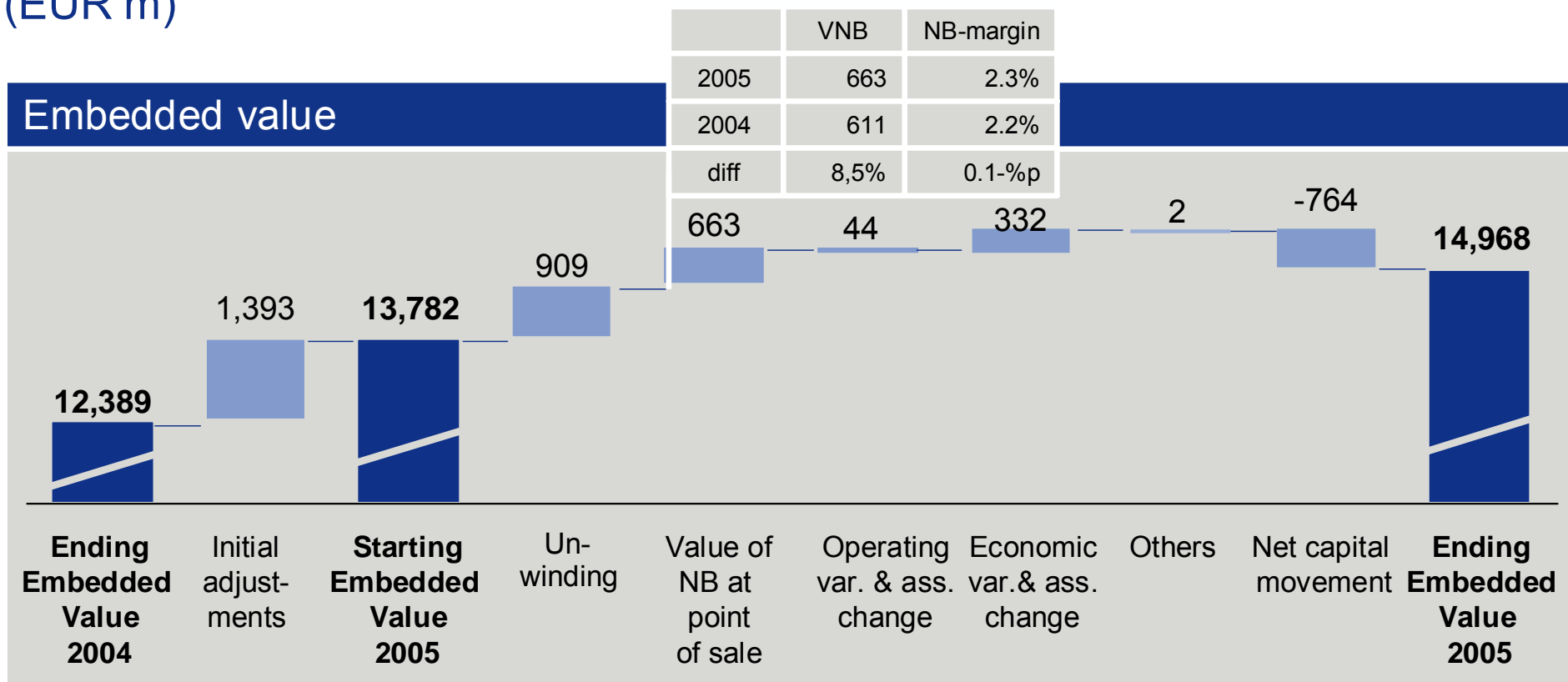
Key parameters	Specification 2005 (2004)	
Risk free rate for reinvestments (local 10-year government zero-coupon bond)	EUR 3.40% (3.60%)	CHF 2.20% (2.35%)
	USD 4.70% <sup>1</sup> (4.30%)	KRW 5.70% (5.90%)
Equity risk premium	350 bp	
Real estate risk premium	0.2 x 10-year bond rate <sup>2</sup>	
Tax rate in line with local tax regime	D 40% (40%)	CH 22% (25%)
	F 34% (35%)	KR 27% (27%)
	I 38% (38%)	USA 35% (35%)
Risk discount rates	CAPM approach: Underlying segment $\beta = 0.9$ , risk free rate based on 10 year government bond, 3.5% equity risk premium	
	EUR 6.55% (6.75%)	CHF 5.35% (5.50%)
	USD 7.85% (7.45%)	KRW 8.85% (7.05%)

 Economic assumptions are based on year end observable market data

1) Corresponds to a bond equivalent yield rate of 4.64%  
 2) Except US: real estate risk premium 3.9%



# EEV: movement analysis (EUR m)



### Initial adjustments

- Changes in Allianz interest created an increase in EV (EUR +540m) mainly due to higher interest in RAS
- Changes in F/X rates, mainly for USD led to an increase in EV (EUR + 421m)
- Allowance for profits of internal re-insurance for first time (EUR +115m)
- Various improvements in modeling led to an increase of EV of EUR 317m

### New Business Value

- Overall volume of new business has increased in 2005 (despite exceptionally high sales volumes last year relating to last call in Germany)
- Shift in product mix to more profitable business and cost reductions in various regions lead to an overall increase in the margin of NB

### Variances and assumption changes

- Economic assumptions changes and positive investment variance in Germany
- High equity market performance in France
- Increase in interest rates in Korea

# L/H: embedded value key indicators by country (EUR m)

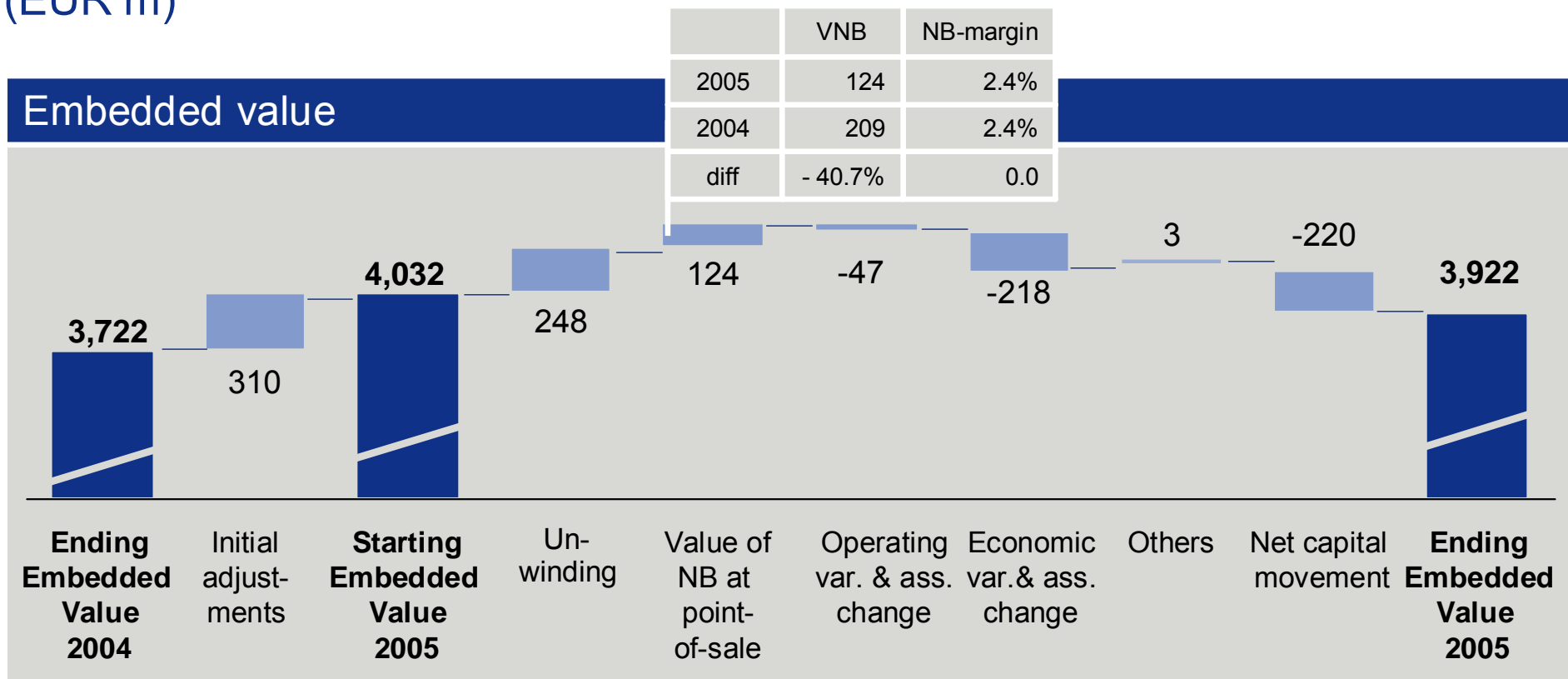
2004  
2005

Embedded value			Value of O&G <sup>4</sup>	Comments
Germany <sup>1</sup>	NAV	PVFP-CRC-O&G		
	1.265	2.457	3,722	190
	1.364	2.559	3,922	208
France	1.721	1.005	2,726	51
	1.890	1.183	3,073	38
Italy	928	684	1,612	33
	1.287	1.037	2,324	29
Other Europe <sup>2</sup>	772	568	1,341	47
	1.106	731	1,837	139
USA	1.705	952	2,657	185
	2.102	1.255	3,357	284
Asia-Pacific	-524	953	429	28
	-370	788	419	48
Other <sup>3</sup>	-100	2	-98	0
	-37	73	36	0
Total	7.346	5.043	12,389	534
	8.610	6.358	14,968	745

1) Allianz Lebensversicherungs-AG, subsidiaries are included at equity  
 2) Including OEs in Western Europe other than Germany, Italy and France as well as Eastern European countries  
 3) Including AZAG-Re, holding cost and Egypt,  
 4) Value of options & guarantees = Deterministic PVFP – Mean stochastic PVFP

# EEV – Germany<sup>1</sup>

(EUR m)



**Initial adjustments**

- Initial adjustments contain various model improvements resulting in increase in EV.
- Business of separate accounts is now covered in the EV calculations

**New Business Value**

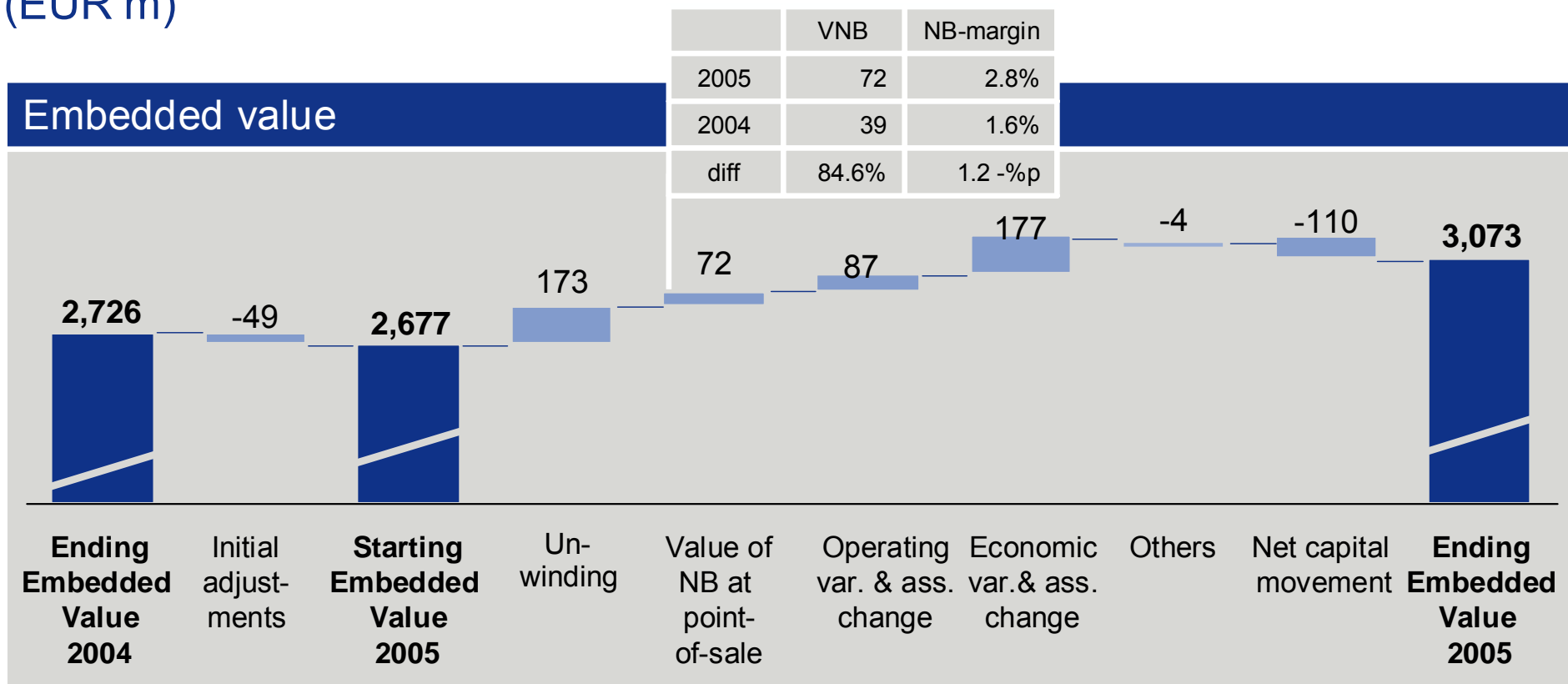
- Exceptionally high volumes in 2004 in connection with the 'last call'
- More single premium business written in 2005

**Variances and assumption changes**

- Positive asset performance variance within the year
- Offset by impact of lower future return assumptions due to the drop in interest rates (10yr government rate 3.6% in 2004 / 3.4% in 2005)

1) Allianz Lebensversicherungs-AG, subsidiaries are included at equity

# EEV - France (EUR m)



### Initial adjustments

- Initial adjustments for France are mainly related to a small decrease of Allianz' interest in AGF (EUR -46m)

### New Business Value

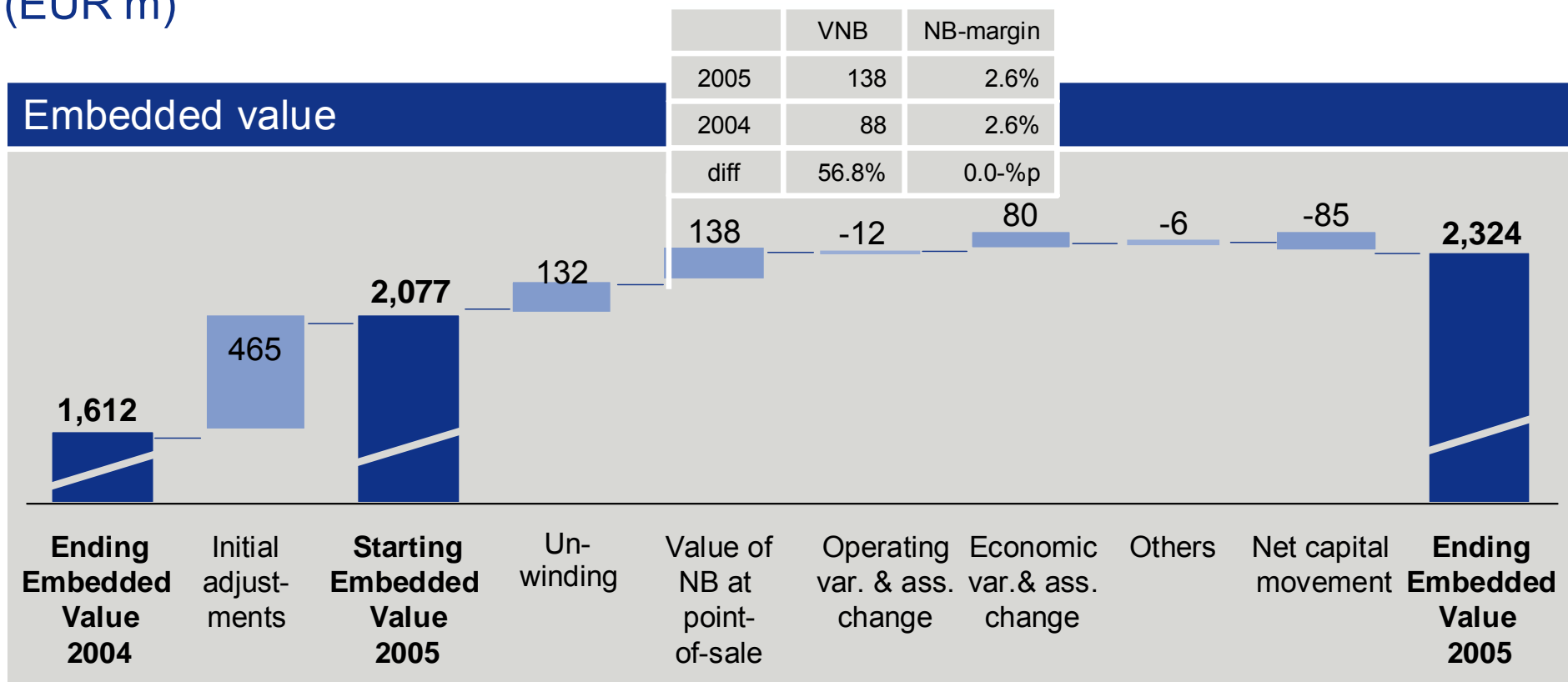
- The value of NB increased significantly
- A change in business mix towards more profitable unit linked business and effect of continuous cost reductions led to significantly higher NB margins

### Variations and assumption changes

- High equity performance in the French market led to an increase in unrealized capital gains on equity
- The sale of Gecina led to high investment profit and favorable tax impact
- Cost reductions increased EV

# EEV – Italy<sup>1</sup>

(EUR m)



### Initial adjustments

- Mainly related to the effect of higher interest in RAS due to the merger. Allianz holdings at year end were 76% up from 55% in 2004. This created an increase in EV of EUR 465 m

### New Business Value

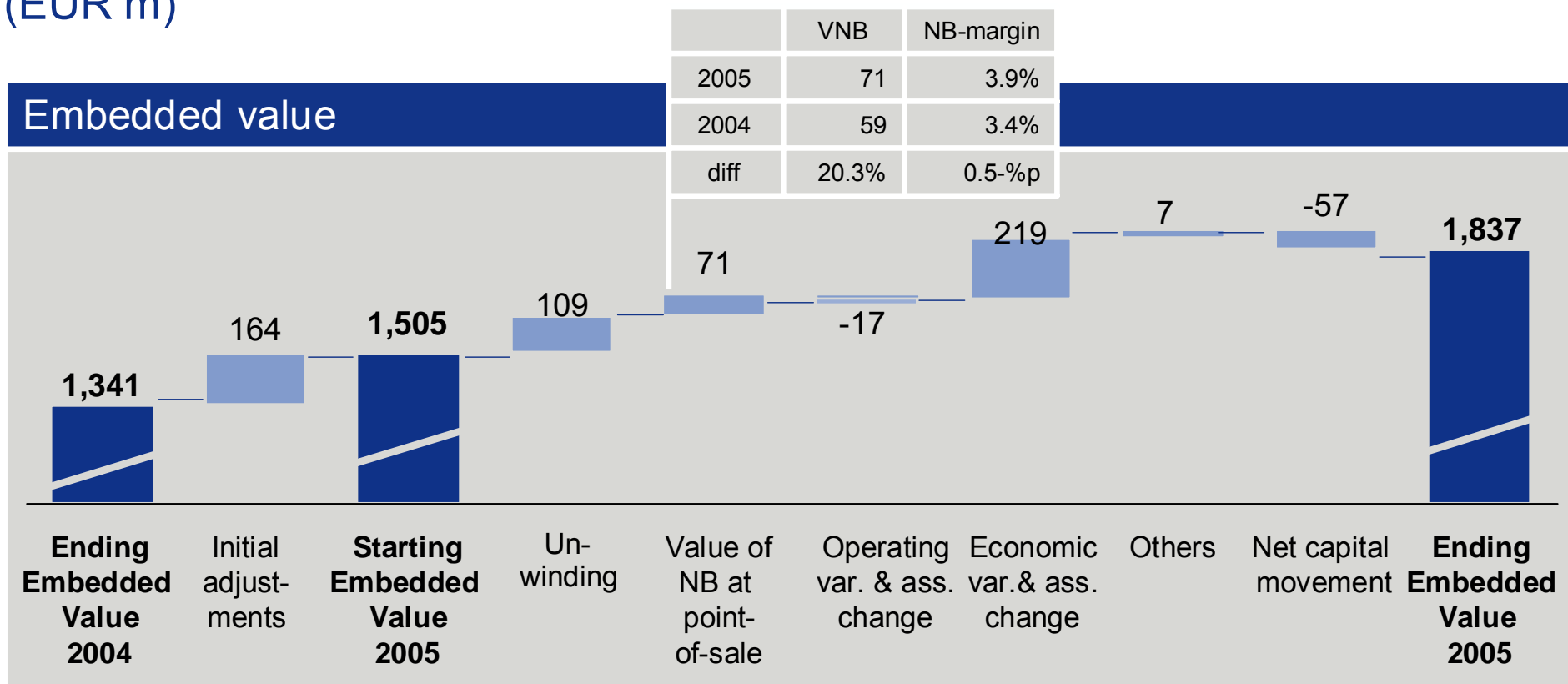
- Value of new business increased due to higher sales volume in unit linked for Lloyd and traditional business for RAS
- The increase of Allianz interest in RAS also increased the value of new business

### Variances and assumption changes

- Favorable equity performance created a positive investment variance in RAS
- Overall effect of variances and assumption changes for the Italian entities is low

1) Includes RAS L/H and Lloyd Adriatico L/H

# EEV - other Europe<sup>1</sup> (EUR m)



### Initial adjustments

- As a consequence of the RAS merger, Allianz' holdings in other European entities increased which caused a positive impact of EUR 120 m

### New Business Value

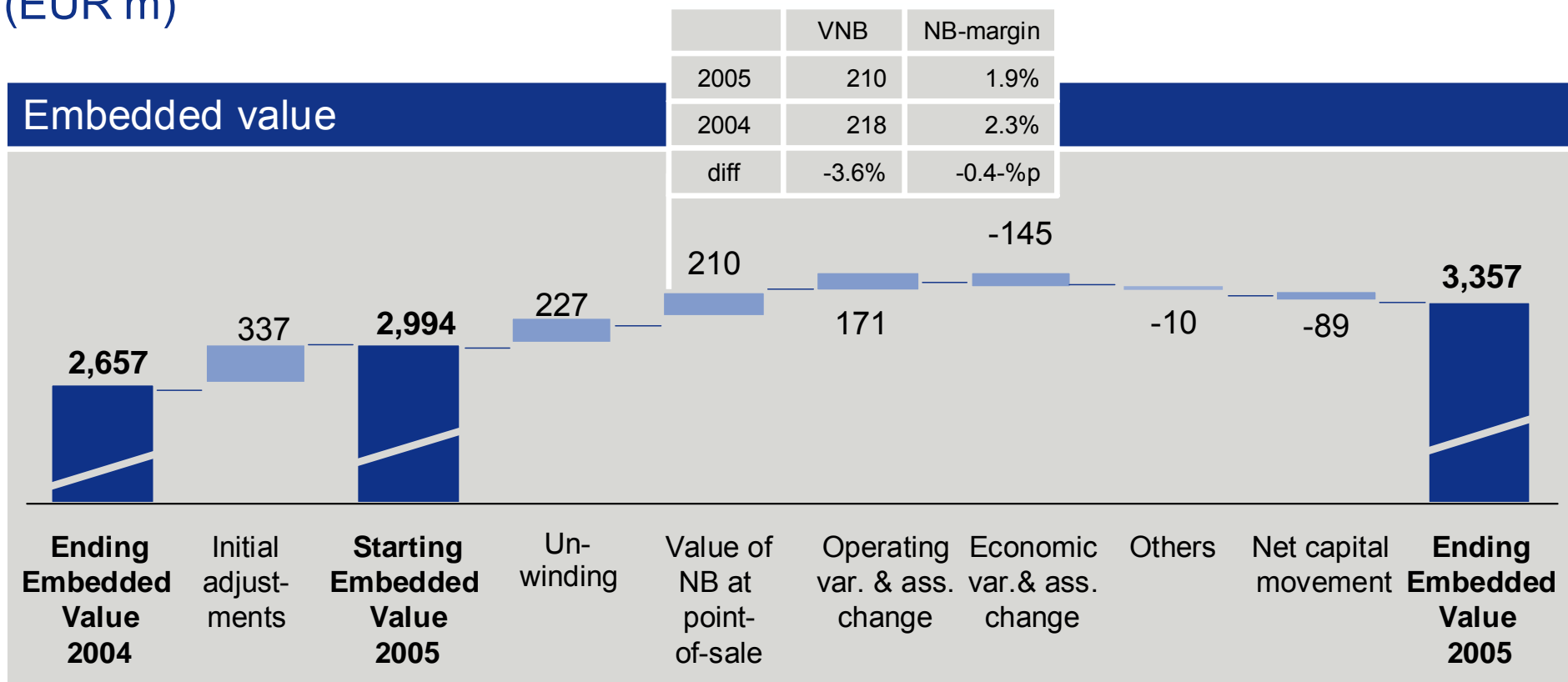
- Higher margins particularly in Austria due to shift to profitable unit linked business
- Continuous increase of sales volumes at high margins in Eastern Europe

### Variations and assumption changes

- Favorable asset performance in several entities led to positive economic variance and assumption changes. This offset the slightly negative impact of lower return assumptions

1) Including OEs in Western Europe other than Germany, Italy and France as well as Eastern European countries

# EEV - US (EUR m)



### Initial adjustments

- An increase of USD against the Euro led to an increase in EV of EUR 415 m
- This effect is partly offset by a change of EV due to improved modeling of the business
- Increase in risk-adjusted capital for variable annuities

### New Business Value

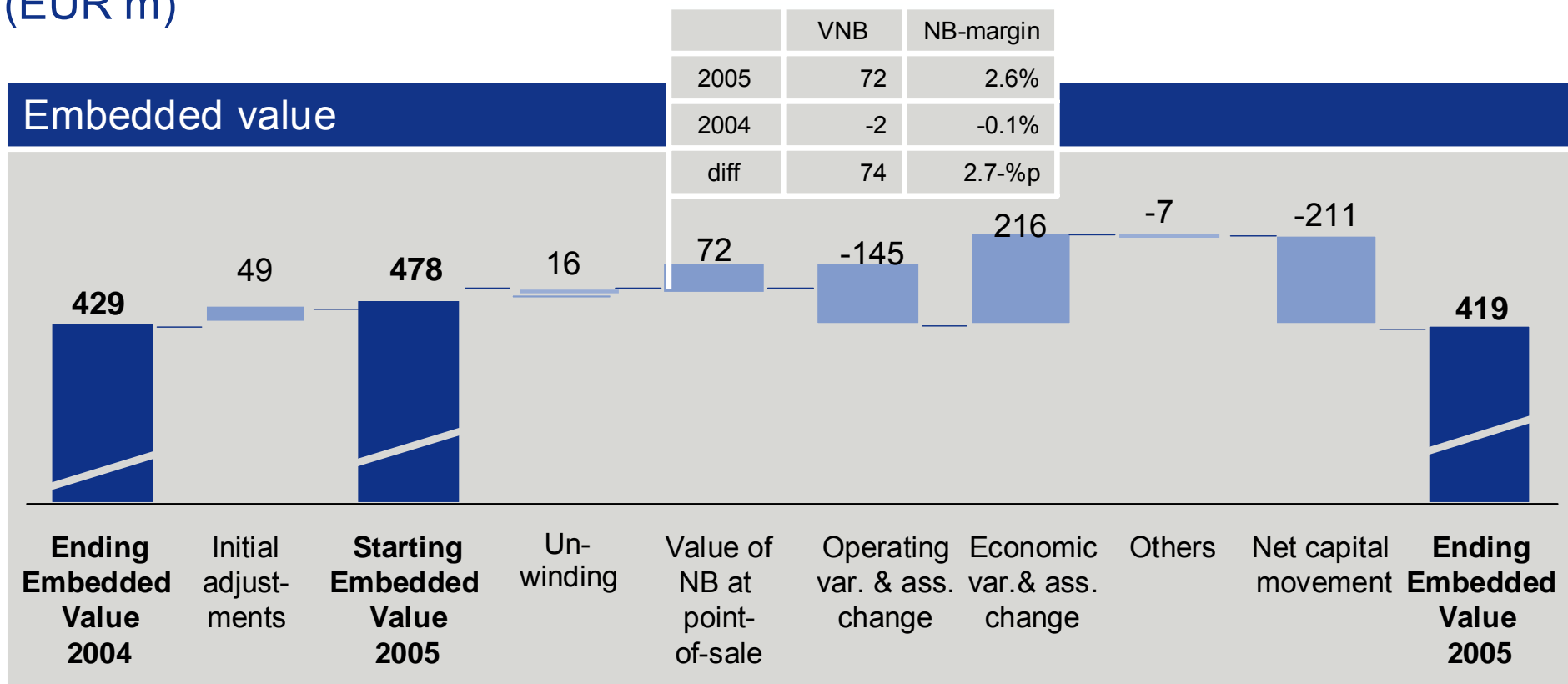
- Continued high margins in fixed business
- Sales volume at prior year level but below plan for variable annuities, with margin around zero due to increase in RAC and greenfield expenses

### Variances and assumption changes

- Impact of unfavorable economic variances and assumption changes is offset by positive impact of operat. variance and assumption changes
- Enhanced spreads in fixed annuity increased the value of this business

# EEV - Asia

(EUR m)



### Initial adjustments

- Initial adjustments reflect model change in Korea

### New Business Value

- Main reason for the rise in new business value is from Korea, where shift towards variable products and closing of unprofitable health business led to strong margins improvement and a NB value of EUR 49 m
- The other significant operation is Taiwan selling short term universal life products and US denominated saving funds at a NB value of EUR 22 m

### Variances and assumption changes

- In Korea 10yr government rates went up by 180bp to 5.7% which led to a highly positive impact on EV due to increased future return assumption. This offset the impact of lower interest rates in Taiwan.
- Morbidity assumption changes and higher persistency in old products in Korea reduced the EV



## EEV: sensitivity analysis of embedded value (EUR m)

Embedded value								
	Base case	Economic factors				Non economic factors		
		-100 bp in risk-free assumption	-100 bp in equity yield	+100 bp in risk discount rate	Using statutory solvency capital	+10% expenses	+10% mortality	+25% lapse
Germany <sup>1</sup>	3,922	-1,090	-200	-318	422	-34	-93	-162
France	3,073	-52	-81	-168	0	-73	-42	-74
Italy	2,324	-46	-35	-92	0	-30	-17	-18
Other Europe <sup>2</sup>	1,837	-523	-104	-137	139	-86	-83	-48
USA	3,357	9	-72	-191	267	-53	-55	-63
Asia-Pacific	419	-504	-25	-28	153	-35	-109	23
Other <sup>3</sup>	36	5	0	-8	3	-11	-2	-7
<b>Total</b>	<b>14,968</b>	<b>-2,201</b>	<b>-518</b>	<b>-941</b>	<b>983</b>	<b>-322</b>	<b>-401</b>	<b>-349</b>

1) Allianz Lebensversicherungs-AG, subsidiaries are included at equity

2) Including OEs in Western Europe other than Germany, Italy and France as well as Eastern European countries

3) No sensitivities calculated for AZAG-Re

## EEV: the Allianz embedded value framework for life business

Embedded value (EV)	Net asset value (NAV) + Present value of future profits (PVFP) – Cost of risk-adjusted capital (CRC) – Time value of options & guarantees
Net asset value (NAV)	Capital not backing liabilities, valued at market value
Risk-adjusted capital (RAC)	Capital tied into life business (maximum of internal risk capital and required solvency margin)
Free surplus	Net asset value (NAV) – risk-adjusted capital (RAC)
Present value of future profits (PVFP)	Future local statutory shareholder profits discounted at risk discount rate (RDR); includes value of unrealized gains on assets backing policy reserves
Cost of risk-adjusted capital (CRC)	Future differences between risk discount rate and expected return on risk-adjusted capital, discounted at risk discount rate (RDR)
Risk discount rate (RDR)	CAPM based; risk free rate based on local 10 year government bond; underlying segment beta = 0.9; equity risk premium 3.5%
Value of new business (VNB)	Present value of future profits (PVFP) – Cost of risk-adjusted capital (CRC) – Time value of options & guarantees, all determined at issue date
New business margin (NBM)	Value of new business divided by present value of new business premiums
Present value of new business premiums (PVNBP)	Present value of projected new regular premiums, discounted at risk discount rate, plus the total amount of single premiums received

## EEV: Review of embedded value methodology

“Tillinghast has reviewed the methodology and assumptions used to determine the 2005 embedded value results for the Allianz Group. Our review covered the embedded value as at 31 December 2005, the value of 2005 new business, the analysis of movement in embedded value over 2005 and the sensitivities on the embedded value and new business value.

Tillinghast has concluded that the methodology and assumptions used comply with the EEV Principles. In particular:

- The methodology makes allowance for the aggregate risks in the covered business through:
  - the incorporation of risk margins in the discount rates applied to best estimate projections of after-tax statutory profits in determining the PVFP,
  - the deduction of the cost of risk-based capital relating to the business, and
  - the stochastic allowance for the cost of financial options and guarantees;
- The operating assumptions have been set with appropriate regard to past, current and expected future experience;
- The economic assumptions used are internally consistent and consistent with observable, reliable market data; and
- For participating business, the assumed bonus rates, and the allocation of profit between policyholders and shareholders, are consistent with the projection assumptions, established company practice and local market practice.

The methodology and assumptions also comply with the EEV Guidance (noting the disclosed exception concerning look-through profits arising from internal asset management and service agreements).

Tillinghast has also performed limited high-level checks on the results of the calculations and has confirmed that any issues discovered do not have a material impact on the disclosed embedded values and new business values. Tillinghast has not, however, performed detailed checks on the models and processes involved.

In arriving at these conclusions, Tillinghast has relied on data and information provided by Allianz.”

Paul Achleitner, Member of the Board

# FIT for Profitable Growth

Analysts' Conference  
March 2006

Allianz 

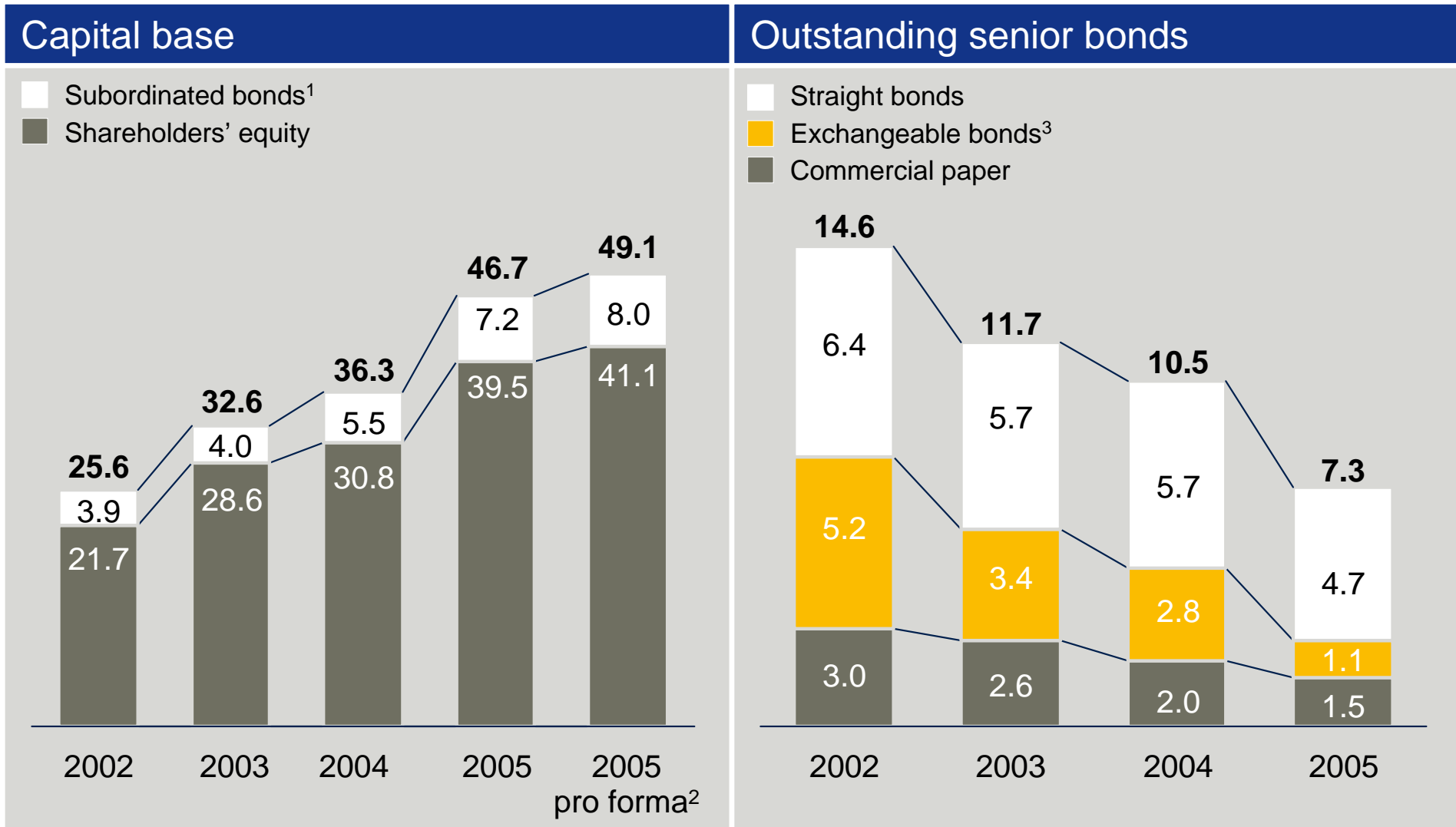
# FIT for Profitable Growth

**F**inancing

**I**nvestments

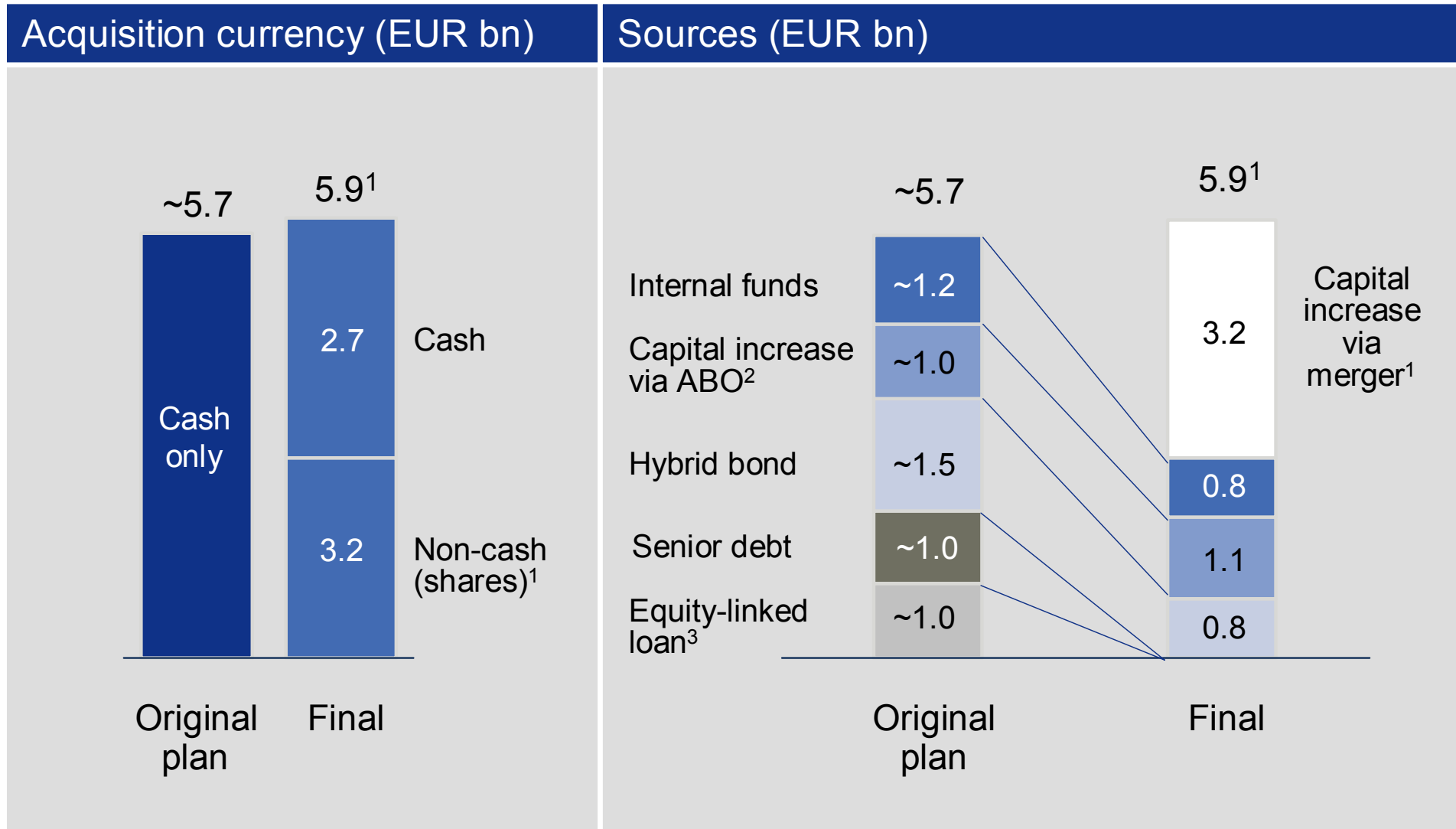
**T**ransactions

# Capital structure enhanced (EUR bn)



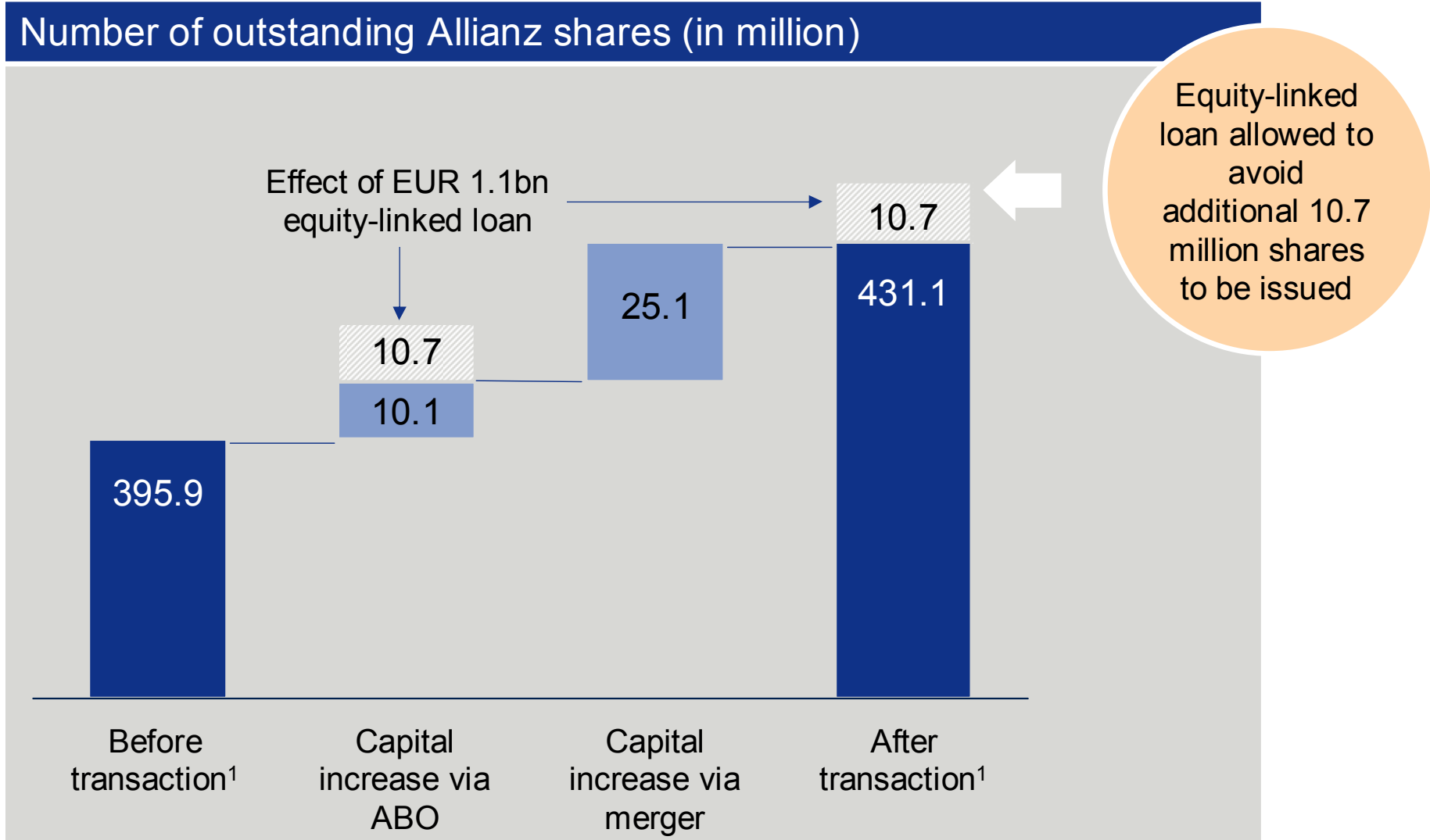
1) Including AGF subordinated bonds  
 2) Including EUR 800m hybrid bond and after effect of RAS merger  
 3) Excluding BITES

# Flexible financing structure allowed to adapt to high equity take-up due to increased Allianz share price ...



1) Dependent on Allianz share price  
 2) Accelerated bookbuilt offering  
 3) Equity-linked loan will be repaid in cash

# ... and thereby reduced potential dilution



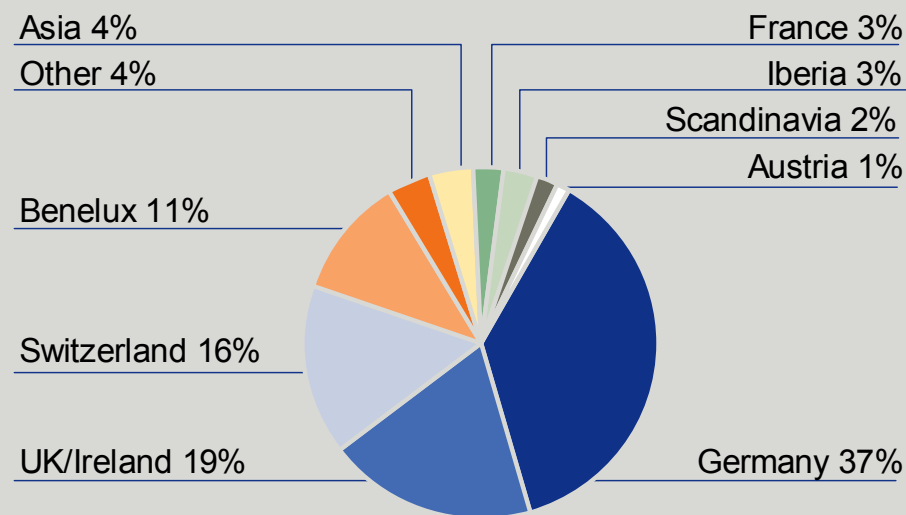
1) Including 9.0m shares registered in the commercial register after the end of the financial year 2005 and 1.1m shares offered to employees in Oct. 2005



# Hybrid bond provided access to new investor base

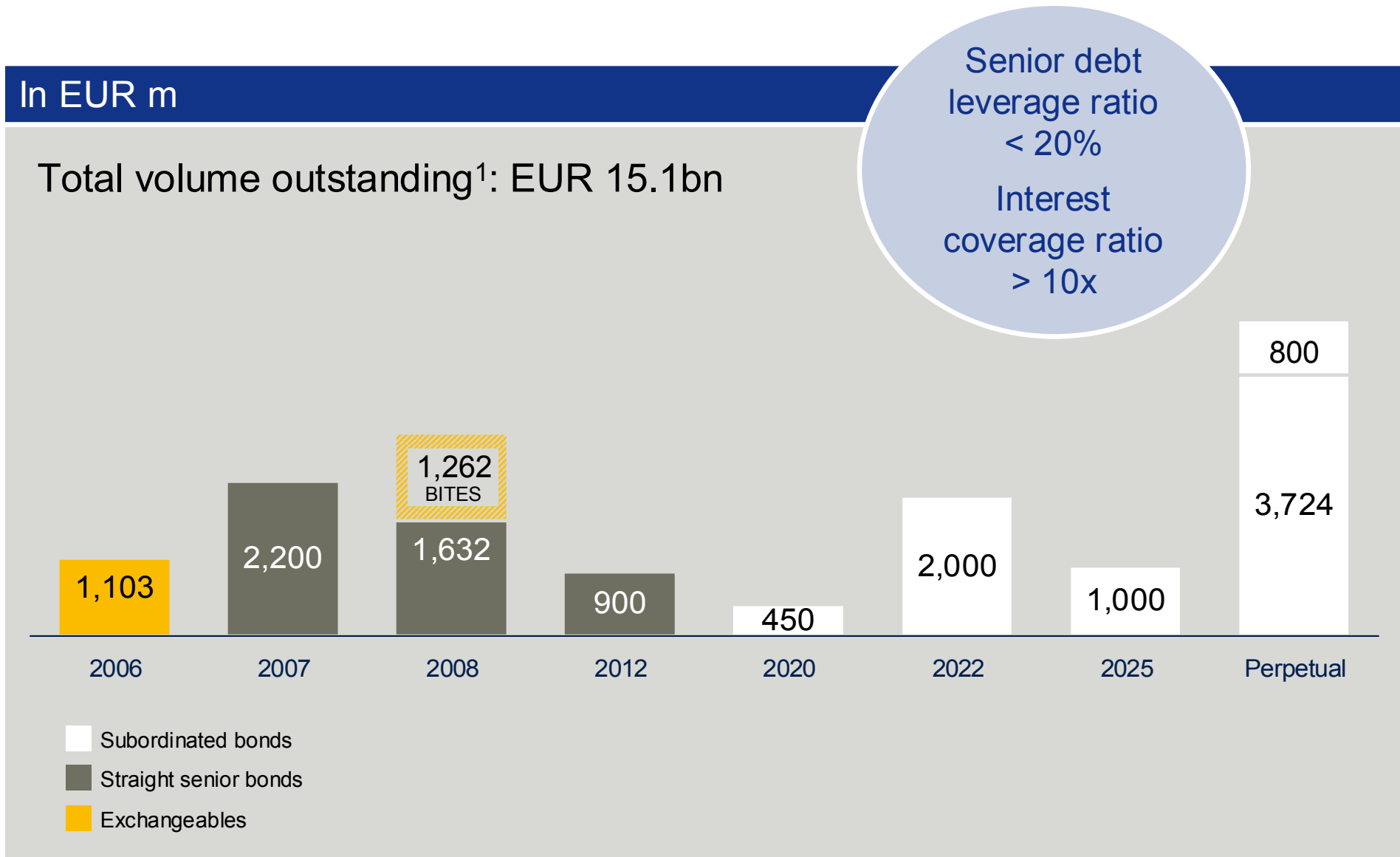
Transaction summary <sup>1</sup>		Transaction highlights	
<b>Description:</b>	Undated subordinated fixed rate callable bonds	<ul style="list-style-type: none"> <li>First retail bond addressing European private investors</li> <li>D-Basket treatment from Moody's, full equity credit by Standard &amp; Poor's and treatment as regulatory capital by BaFin</li> </ul>	
<b>Issuer:</b>	Allianz Finance B.V. II		
<b>Guarantor:</b>	Allianz Aktiengesellschaft		
<b>Ratings:</b>	"A2" (Moody's) "A-" (Standard & Poor's)		
<b>Pricing date:</b>	February 28, 2006		
<b>Payment date:</b>	March 3, 2006		
<b>Amount:</b>	EUR 800m		
<b>Coupon:</b>	5.375 %		
<b>Issue price:</b>	100%		
<b>Maturity:</b>	Perpetual non call 5 years		
<b>Regular call features:</b>	March 3, 2011 and annually thereafter		
<b>Listing:</b>	Frankfurt, Euronext		

## Geographic allocation



1) Details in comprehensive prospectus, see [www.allianz.com](http://www.allianz.com)

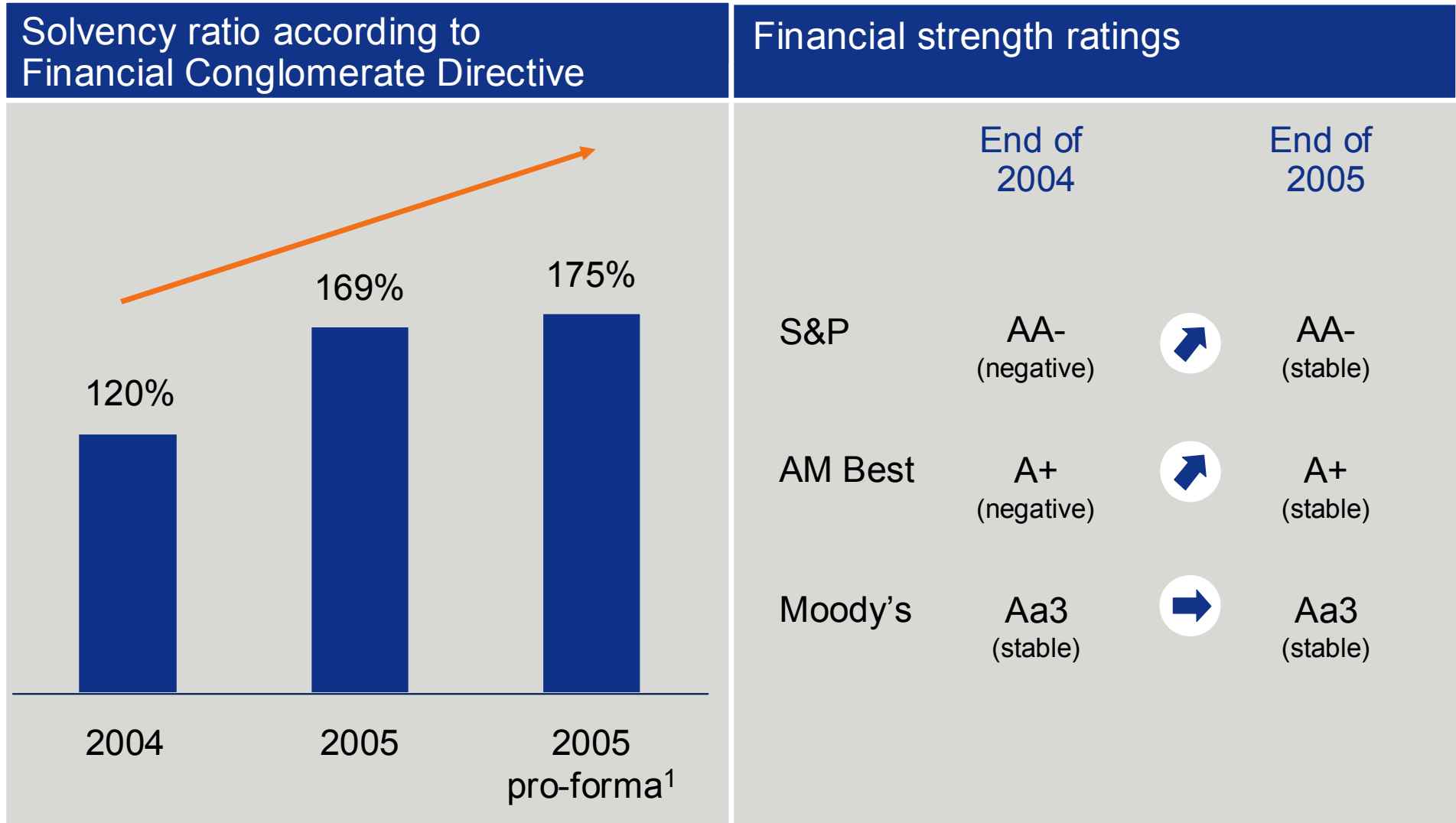
# Balanced maturity structure of issued bonds



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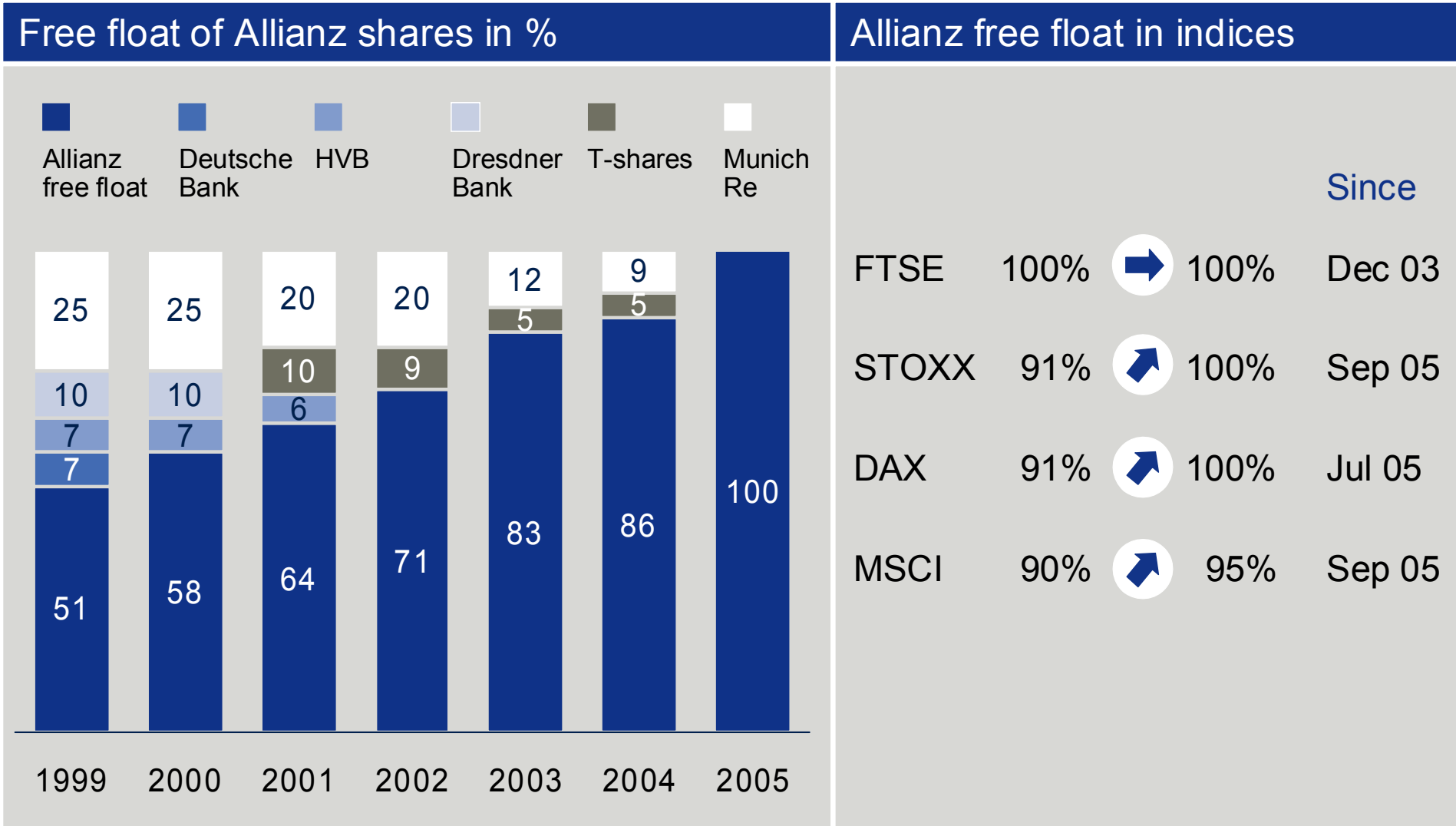
1) Group excluding bank subsidiaries

# Further enhanced solvency ratio and ratings



1) Including EUR 800m hybrid bond and after effect of RAS merger

# 100% free float achieved



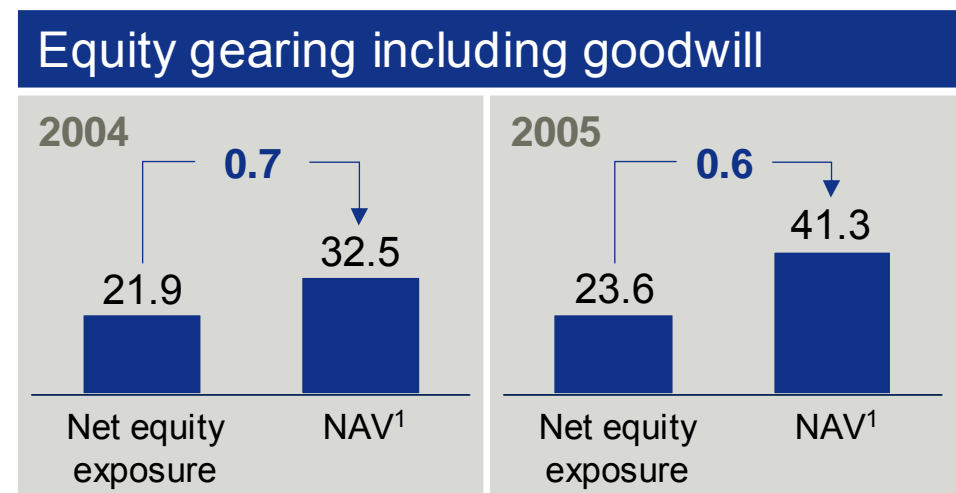
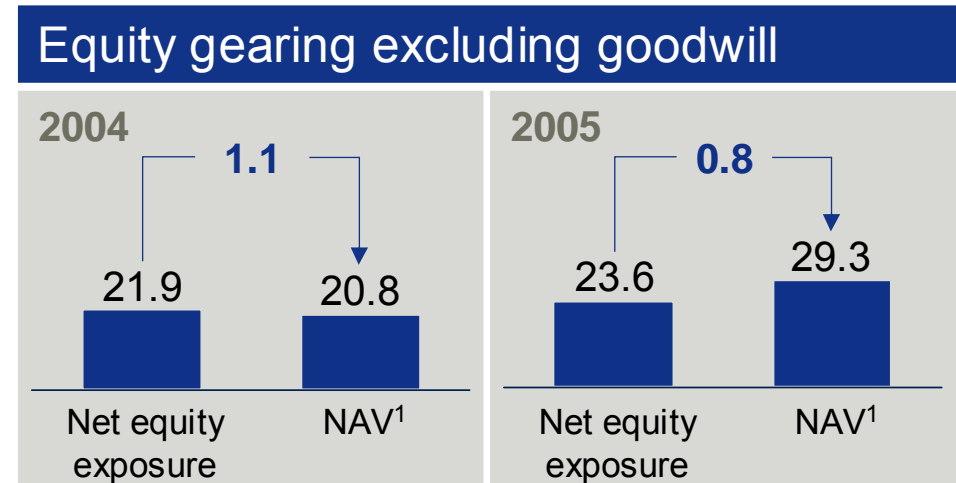
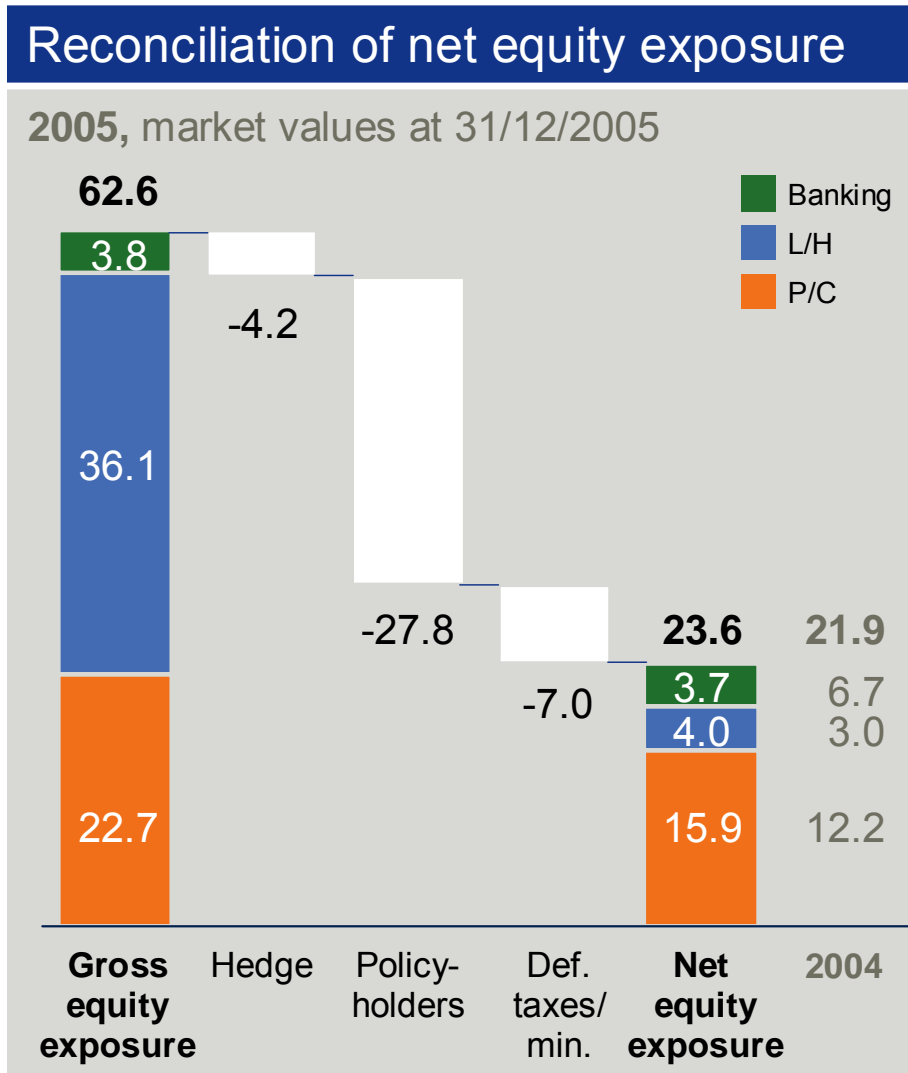
## FIT for Profitable Growth

**F**inancing

**I**nvestments

**T**ransactions

# Equity gearing within target range (EUR bn)

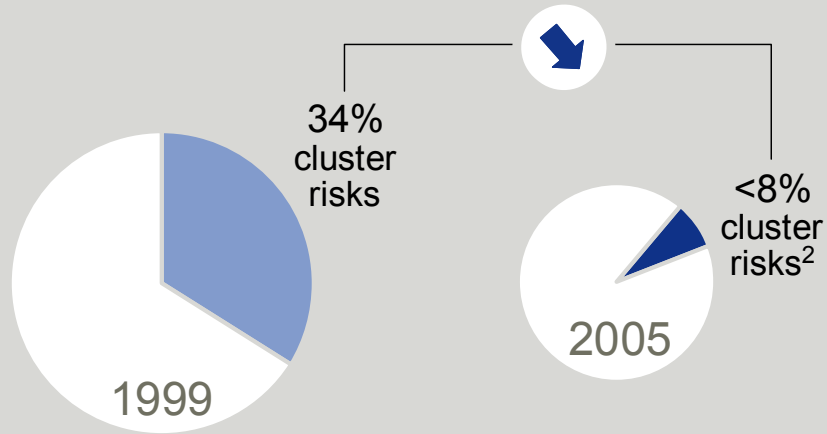


▶ RAS transaction is equity gearing neutral

1) Shareholders' equity + shareholders' share of off-balance sheet reserves.  
12M 2005: 39.5bn + 1.8bn; 12M 2004: 30.8bn + 1.7bn (historic, before effects of retrospective application of IAS 39 in 2005)

# Enhanced investment portfolio

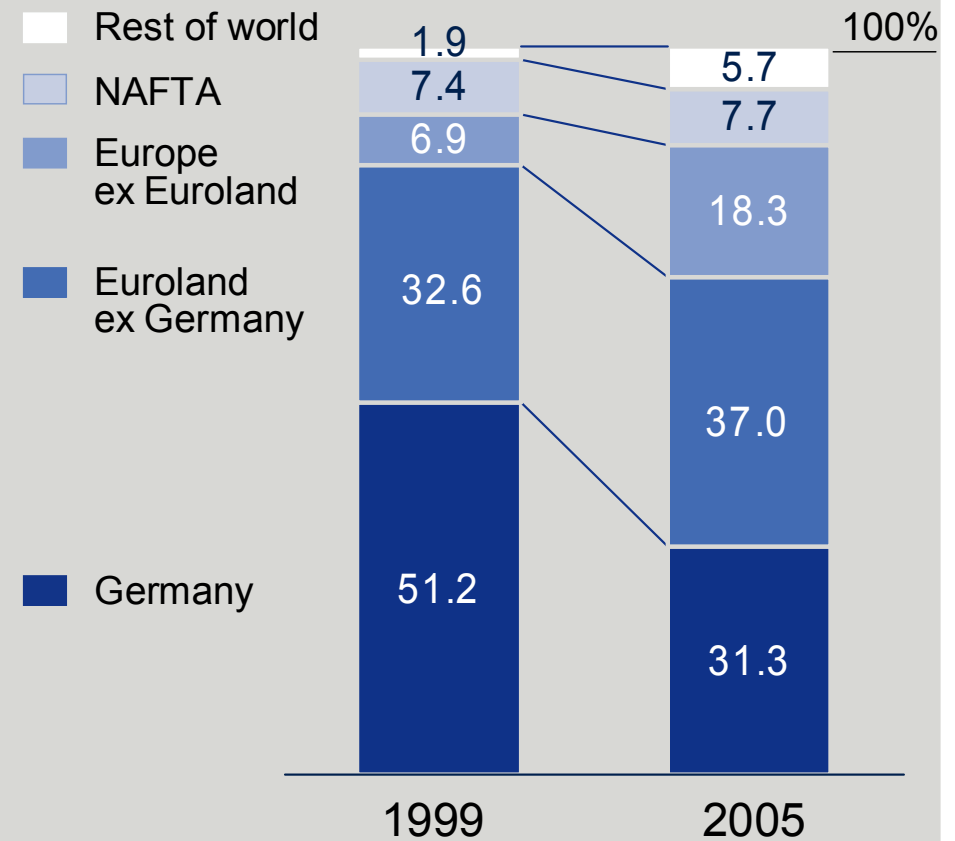
## Cluster risks reduced<sup>1</sup> (market values in EUR m)



## Top 5 cluster risks

Rank	Company	1999	Company	2005
1	Munich Re	11,136	Munich Re	2,573
2	HypoVereinsbank	4,932	Schering	1,231
3	BASF	3,646	Linde	906
4	Deutsche Bank	2,870	Beiersdorf	642
5	VEBA	2,697	Heidelberger Druck	340

## Investment portfolio diversified (assets under management by region, in %)



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1) Based on all non-strategic and non-real-estate stakes with market value ≥ EUR 50m and stake ≥ 5% as of 31/12/1999 and 31/12/2005

2) Excluding BITES

## FIT for Profitable Growth

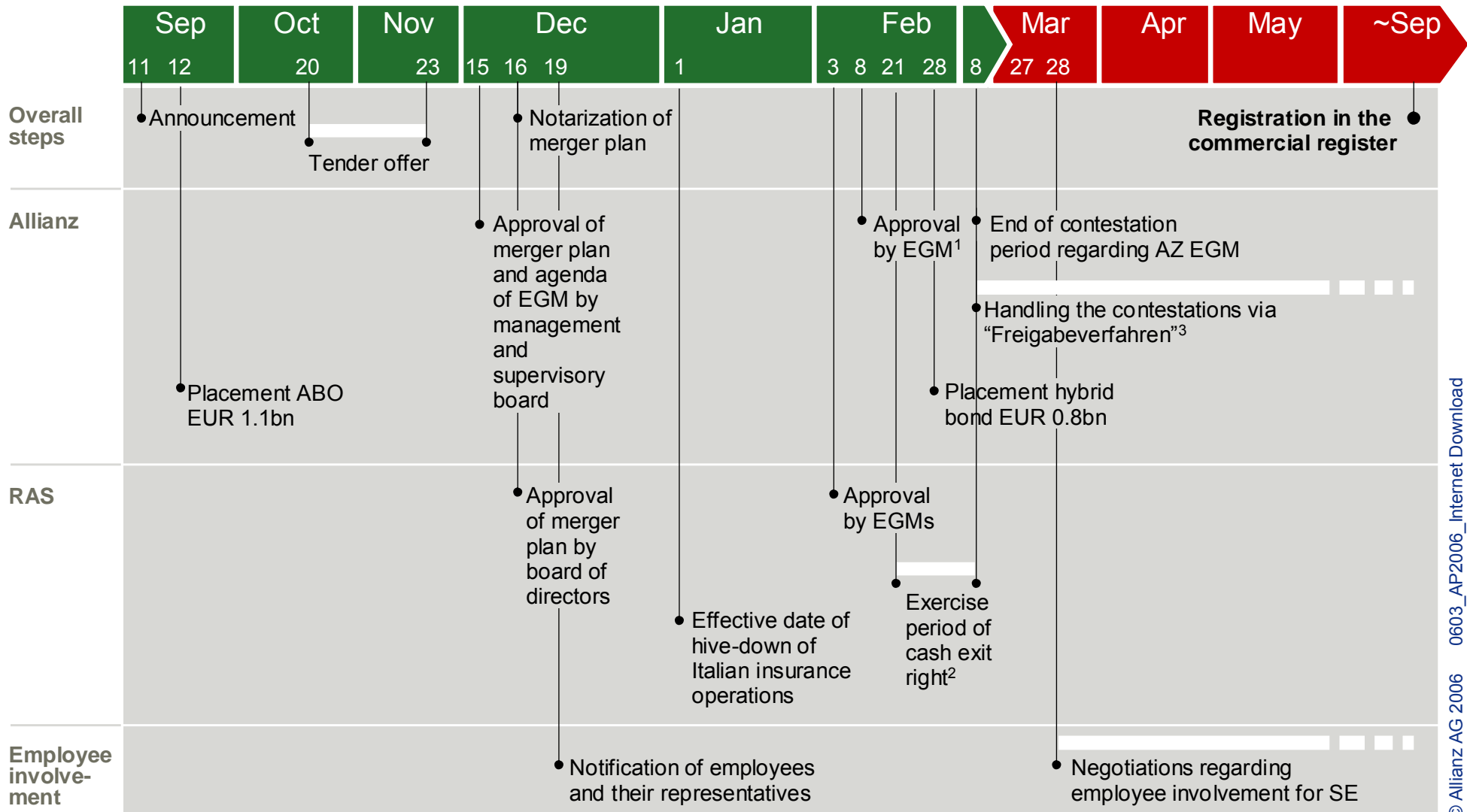
**F**inancing

**I**nvestments

**T**ransactions



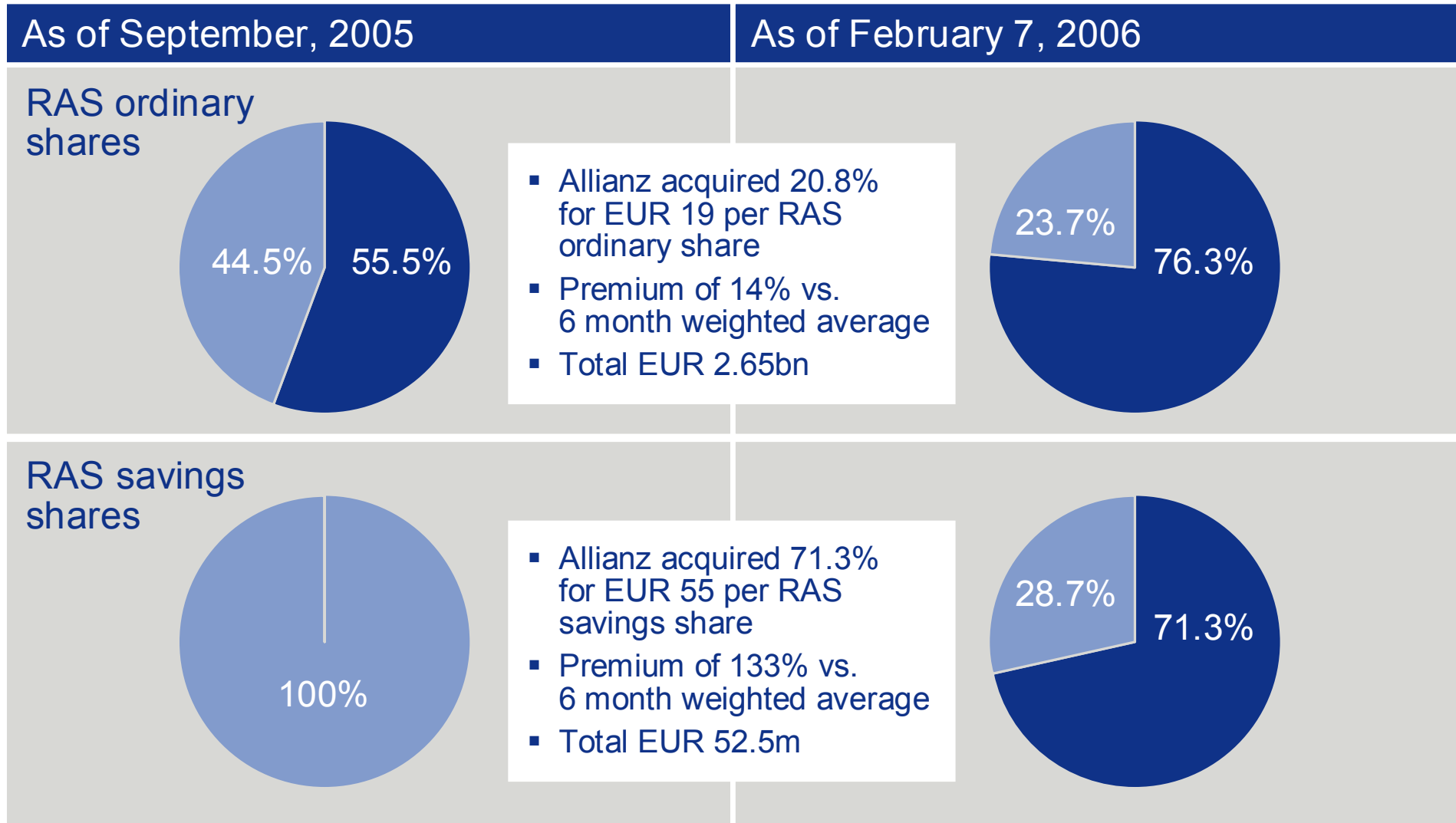
# Many important steps in RAS transaction successfully accomplished



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1) However, effect of merger still subject to contestation actions  
 2) No RAS shareholder (ordinary respective savings shares) tendered shares due to cash exit right  
 3) Accelerated approval process for the registration of the merger in the commercial register

# Voluntary cash tender offer and additional cash acquisitions successfully completed



■ Minorities   ■ Holdings by Allianz

# RAS transaction yields strong benefits in all aspects of 3+One program

Results of the transaction	
<p><b>1</b> Protect and enhance capital base</p>	<ul style="list-style-type: none"> <li>Minority interests in RAS replaced with core capital</li> <li>Positive impact on solvency</li> </ul>
<p><b>2</b> Substantially strengthen operating profitability</p>	<ul style="list-style-type: none"> <li>Allianz shareholders now fully benefit from profitable growth of RAS</li> <li>Provides platform for rationalization of Italian operations</li> </ul>
<p><b>3</b> Reduce complexity</p>	<ul style="list-style-type: none"> <li>Allows enhanced European corporate governance structure</li> <li>Gives opportunity to streamline European insurance operations</li> </ul>
<p><b>+ One</b> Increase sustainable competitiveness and shareholder value</p>	<ul style="list-style-type: none"> <li>23% share price performance since announcement<sup>1</sup></li> <li>Reasonable premium (7%) paid vs. 6 month average</li> </ul>

1) Based on closing price on March 13, 2006

Joachim Faber, Member of the Board

# Allianz Global Investors Performance. Growth. Profitability.

Analysts' Conference  
March 2006

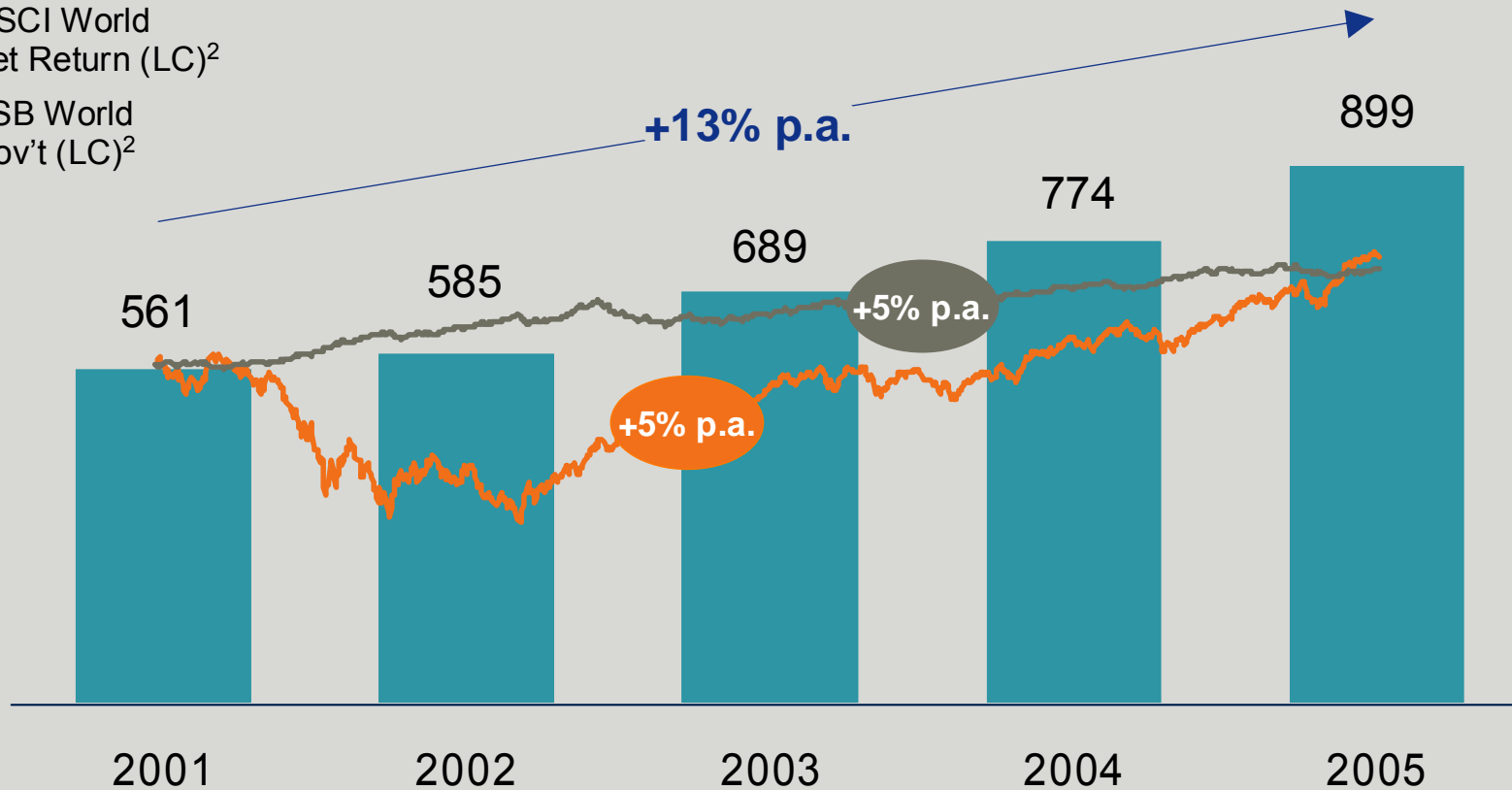
**Allianz** 

# Consistent AuM growth 8% p.a. on top of market yield

## Development of Allianz Global Investors' third-party AuM<sup>1</sup> vs. market indices

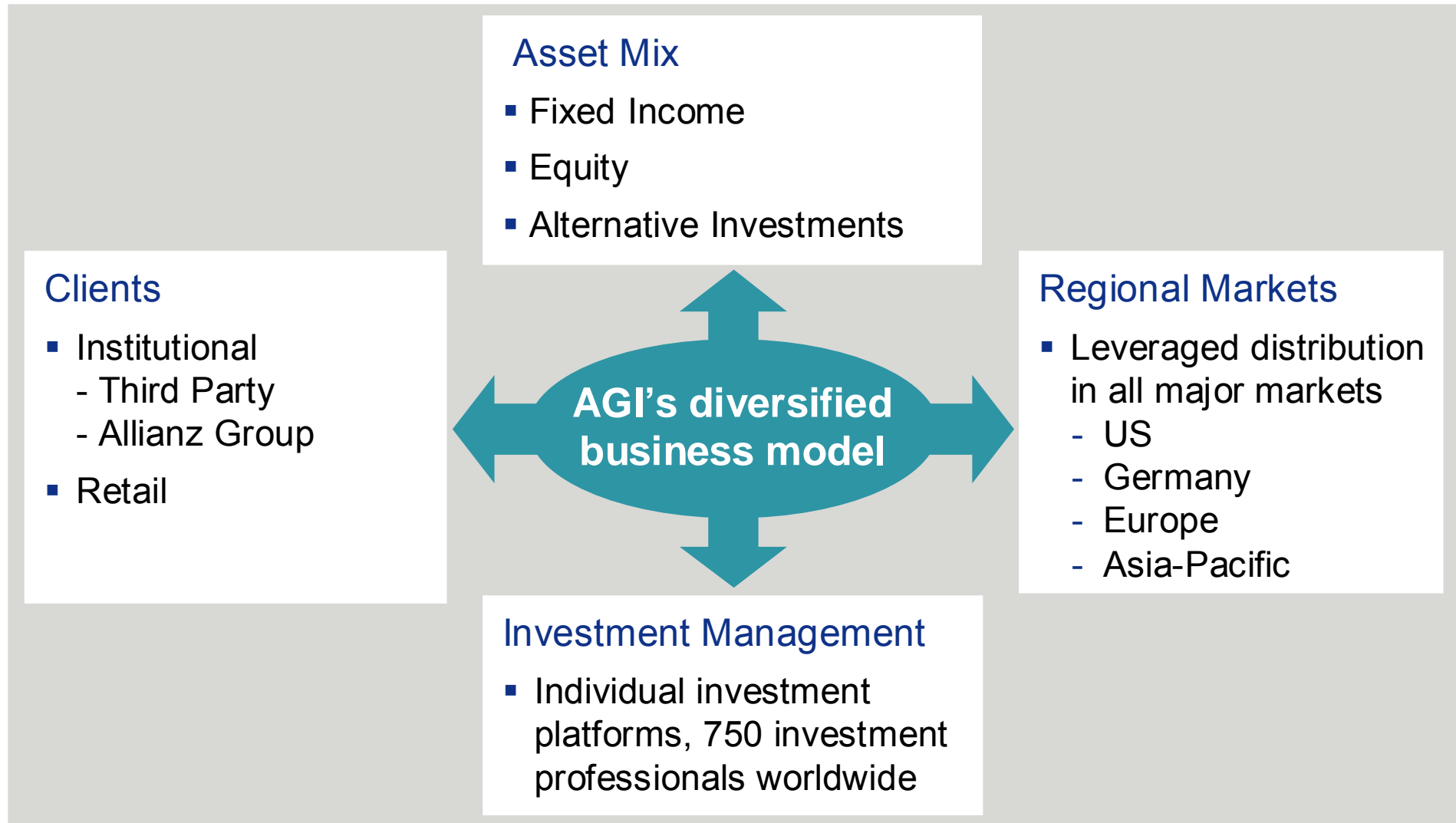
EUR bn

- MSCI World Net Return (LC)<sup>2</sup>
- SSB World Gov't (LC)<sup>2</sup>



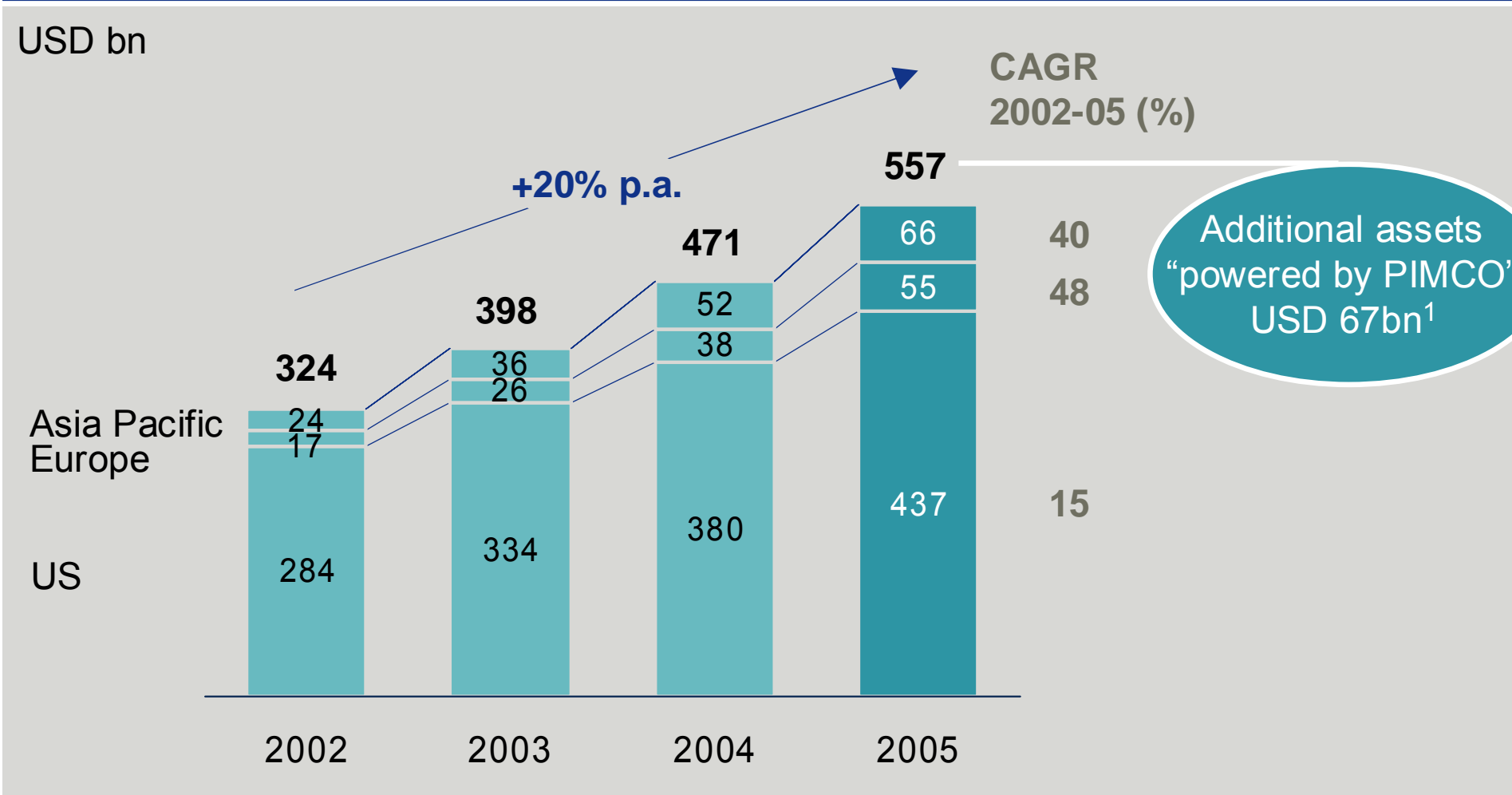
1) Currency adjusted, based on 2001 spot FX rate USD/EUR 0.8852  
 2) Local currency

## Key success factor a well-diversified business model



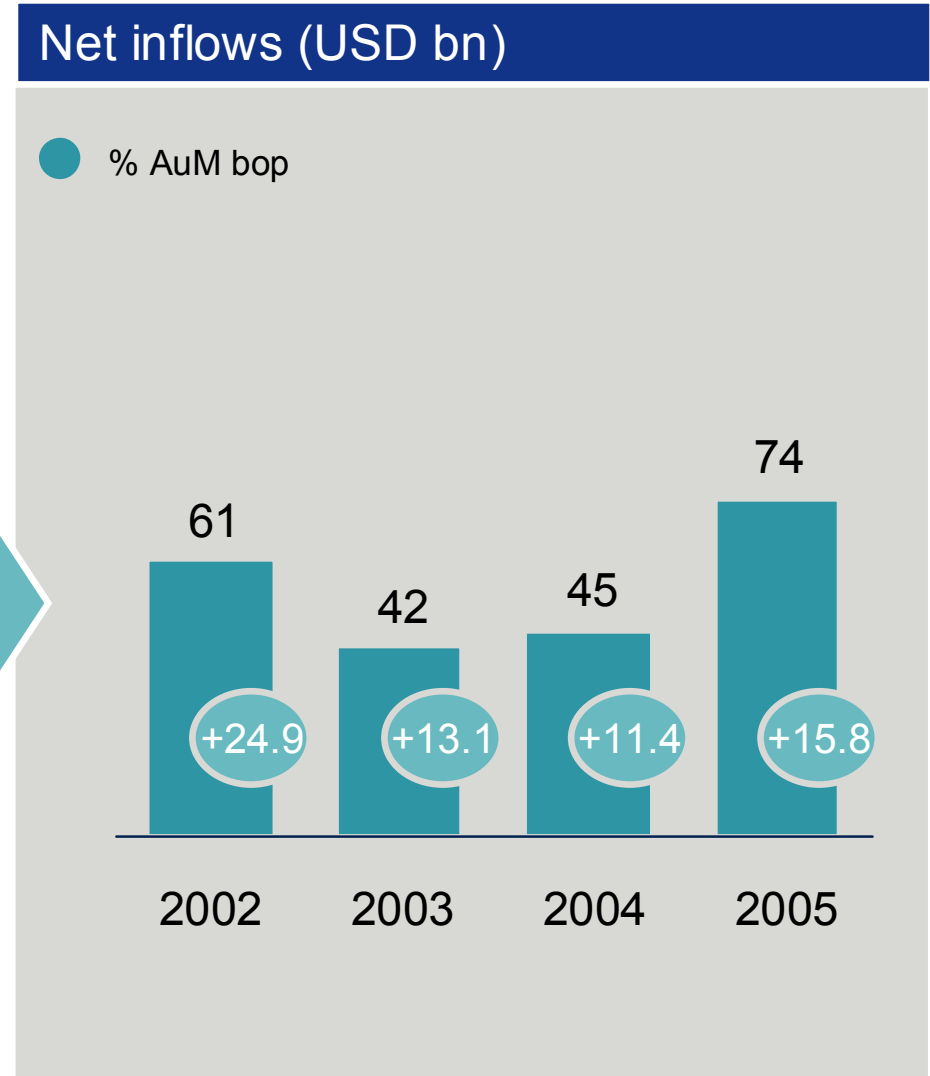
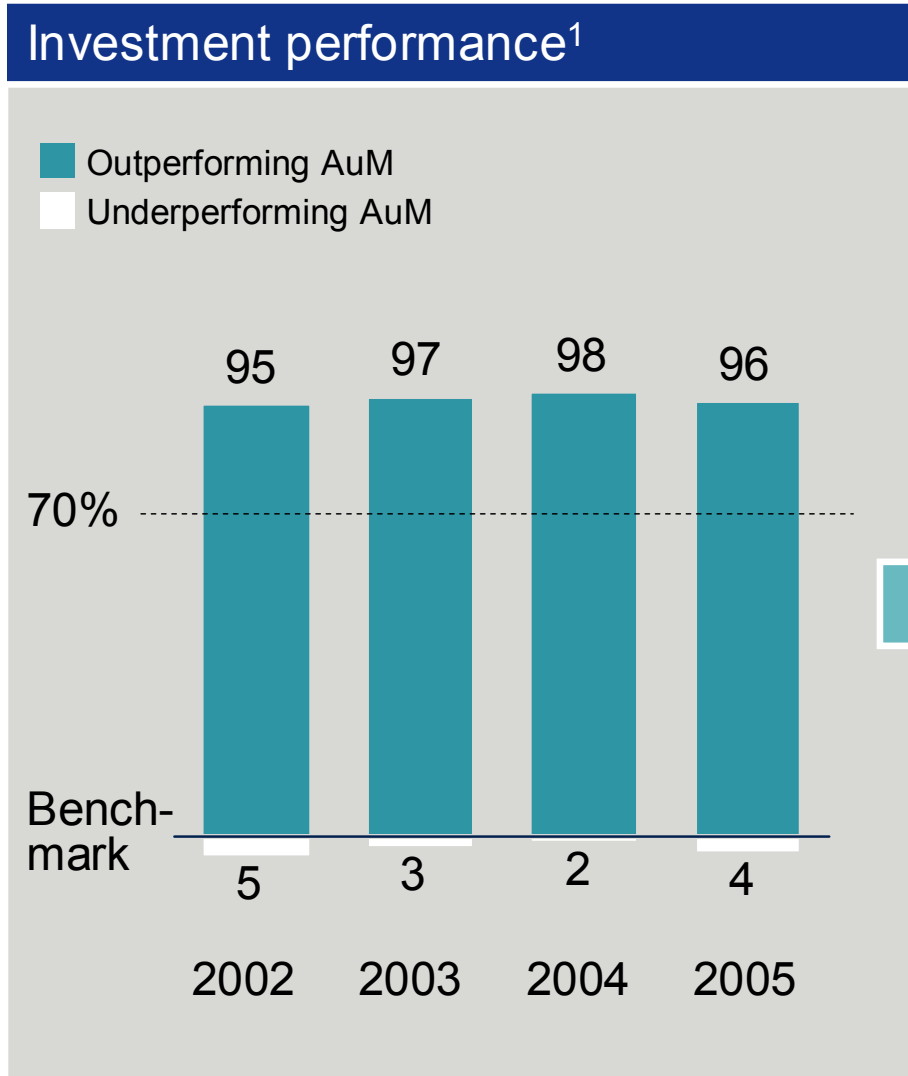
# PIMCO at the heart of Allianz Global Investors' growth story

## PIMCO AuM development by region



1) Third party fixed income clients in Germany

# PIMCO's success caused by consistent outstanding investment performance

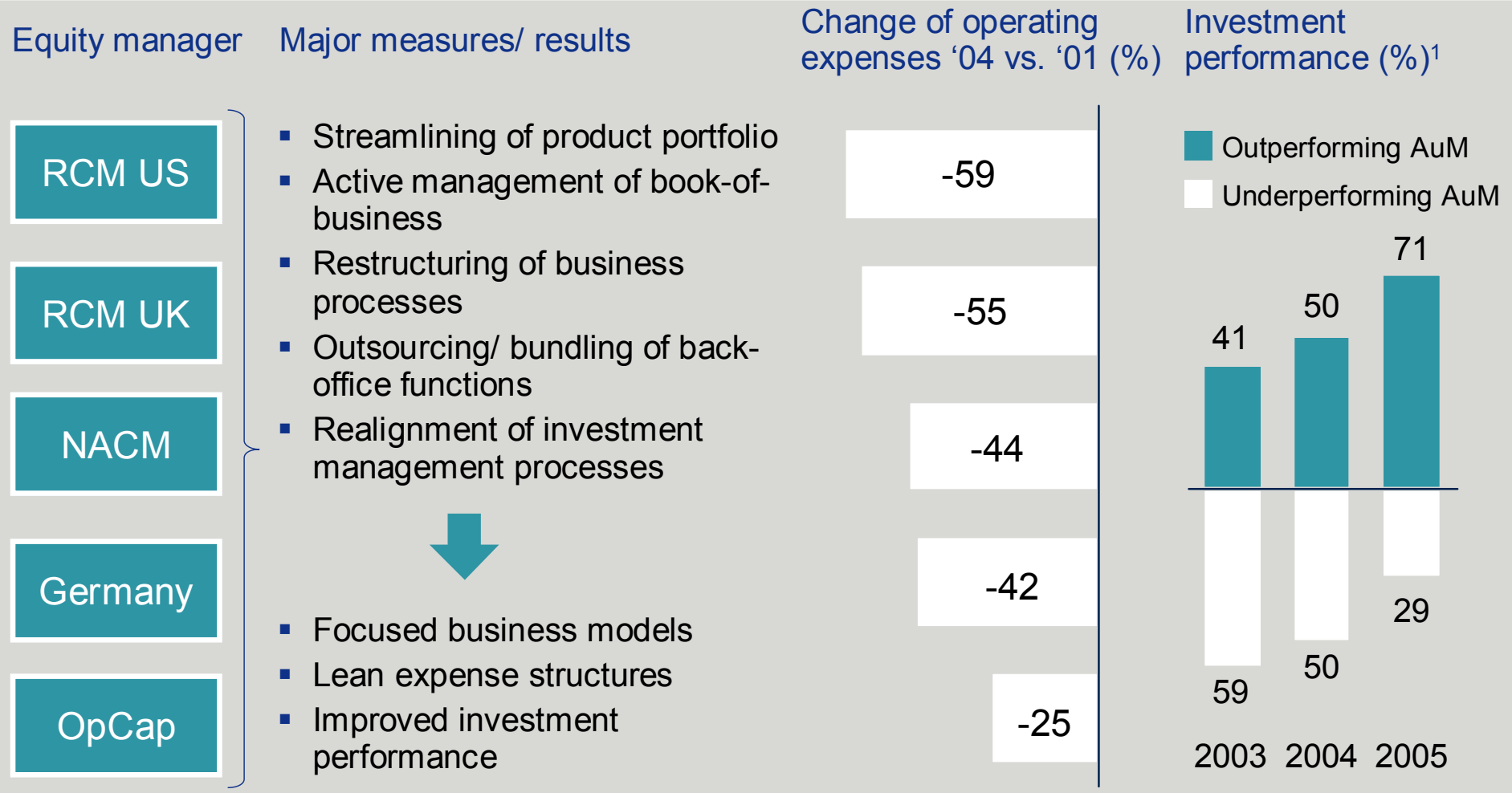


1) Asset-weighted 3-year performance vs. benchmark



# Allianz Global Investors successfully coped with equity market downturn in the early-2000s

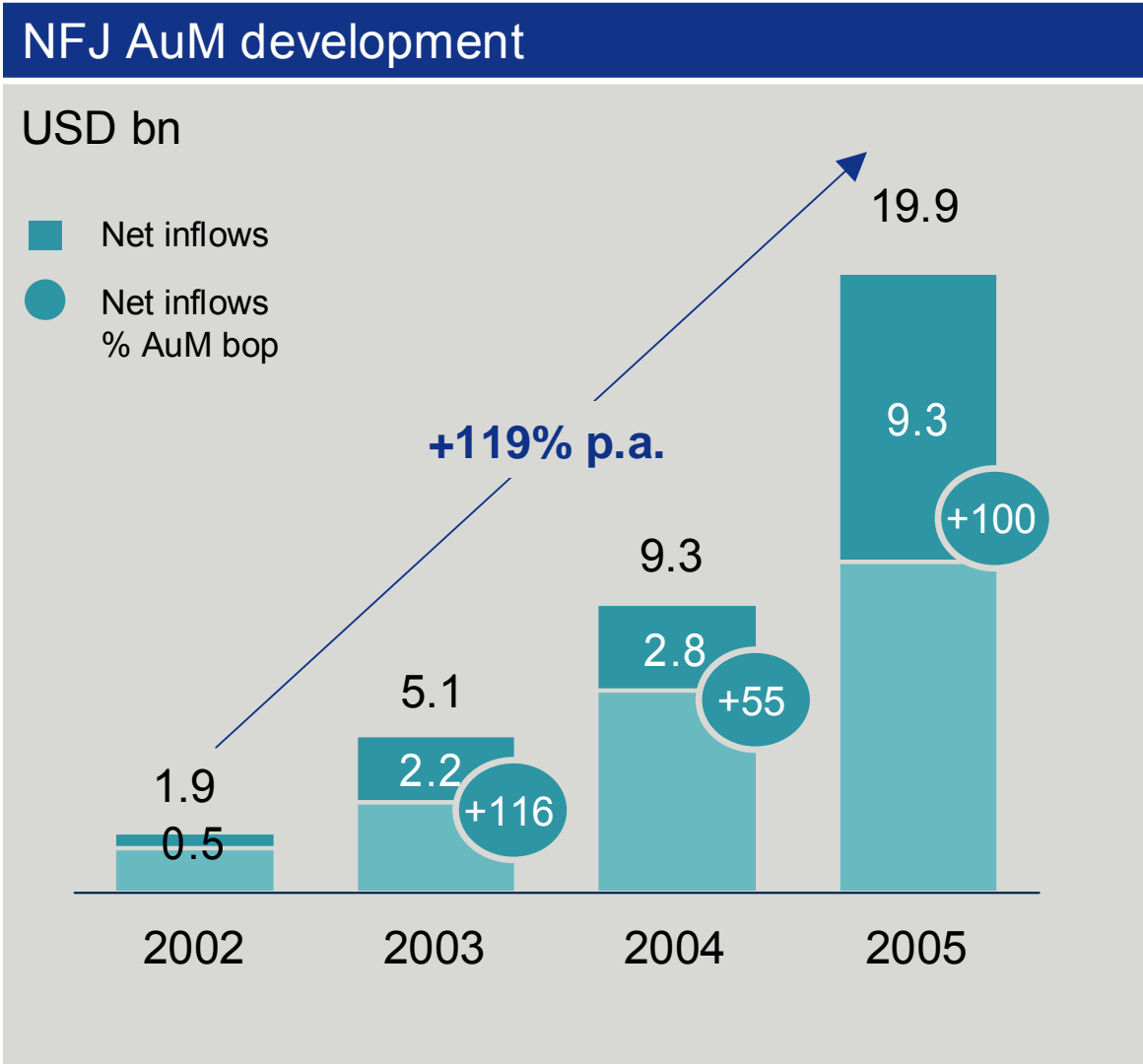
## Restructuring of equity managers



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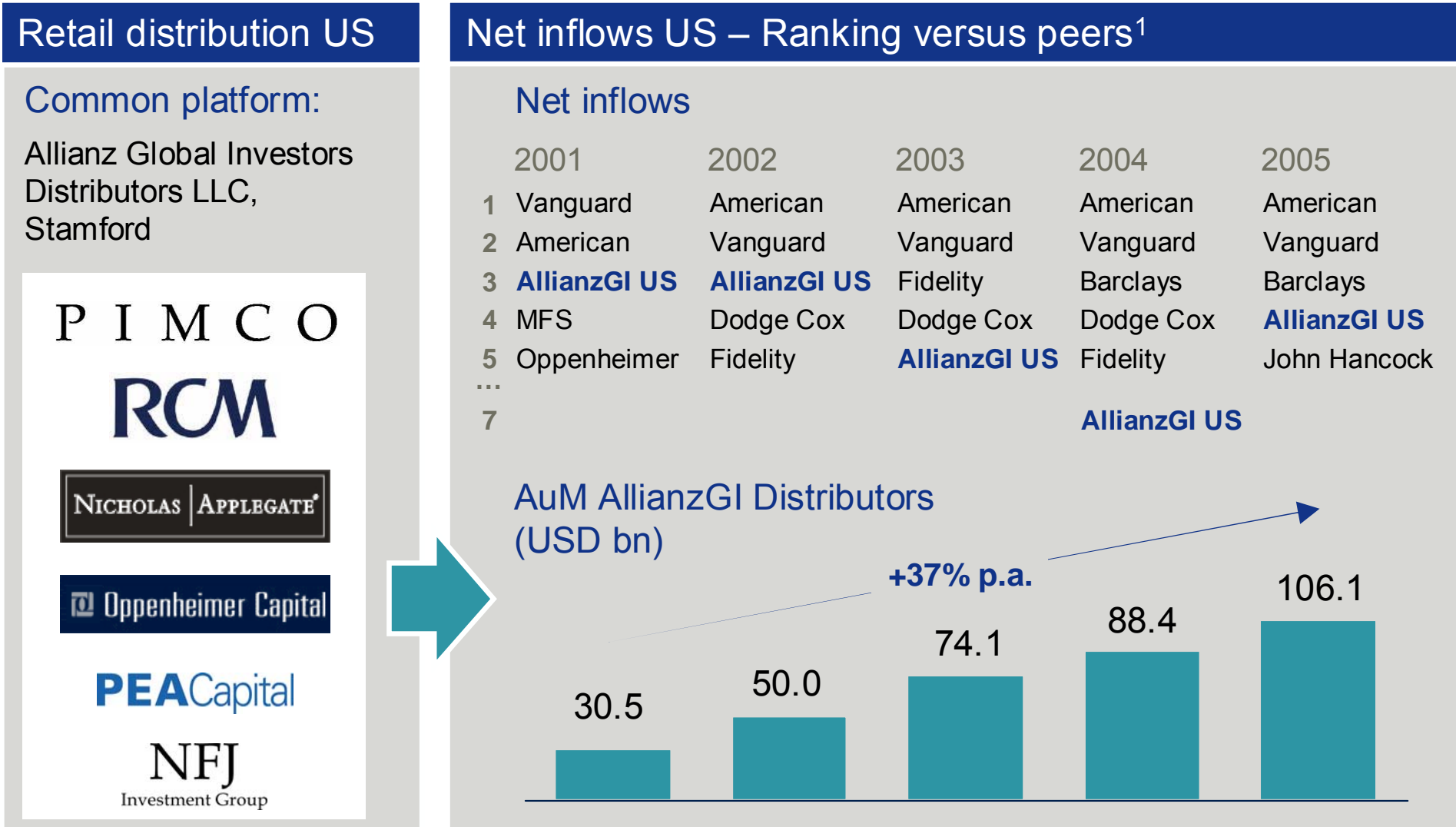
1) Asset-weighted 1-year performance vs. benchmark

# NFJ's business success driven by consistent strong investment performance



- ### Comments
- Clear focus on deep value investing
  - Consistent strong investment performance
  - Investment style aligned with investor demand in US

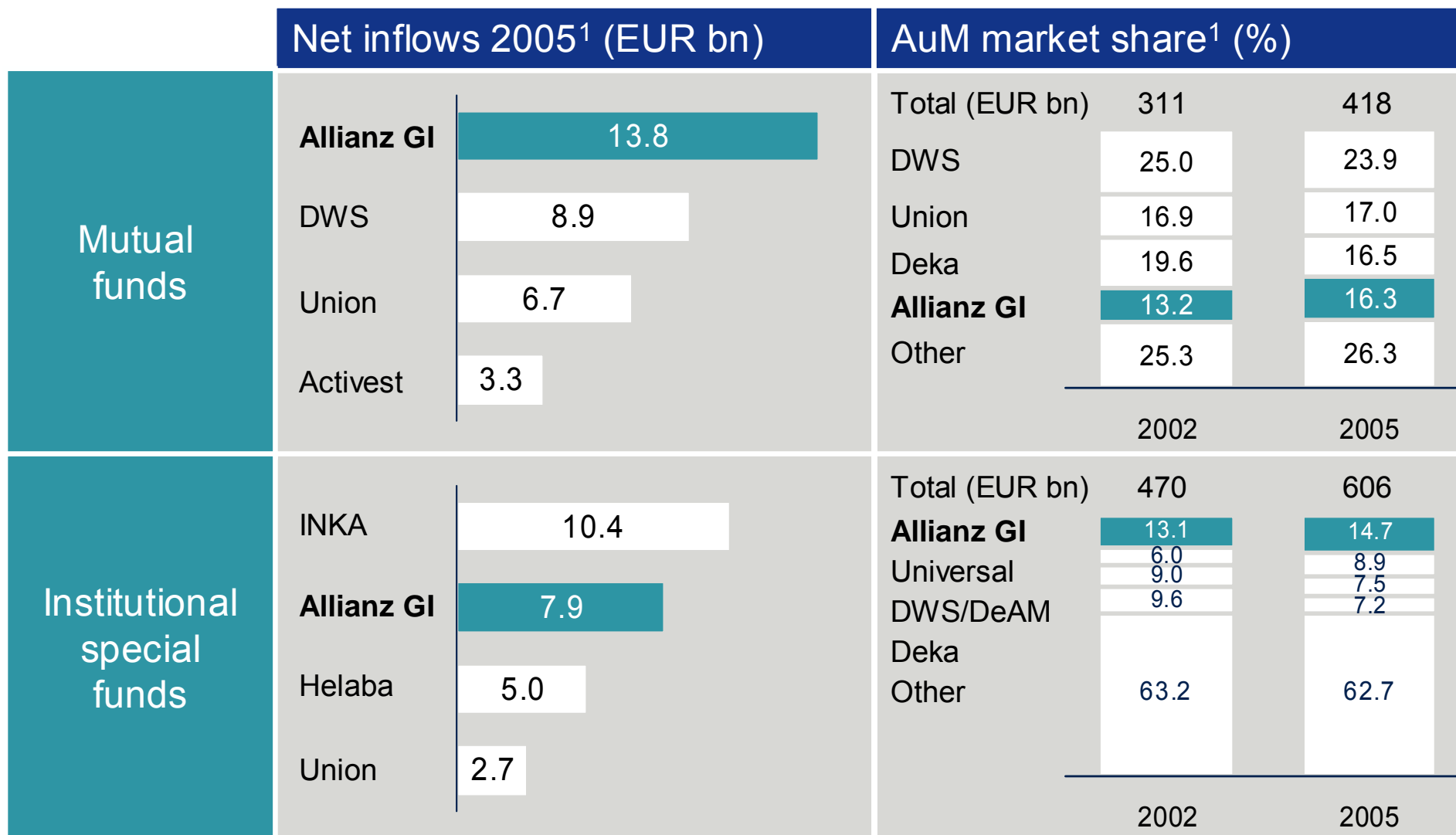
# US Retail: asset and client base growth by leveraging a common distribution platform



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1) Long-term mutual funds

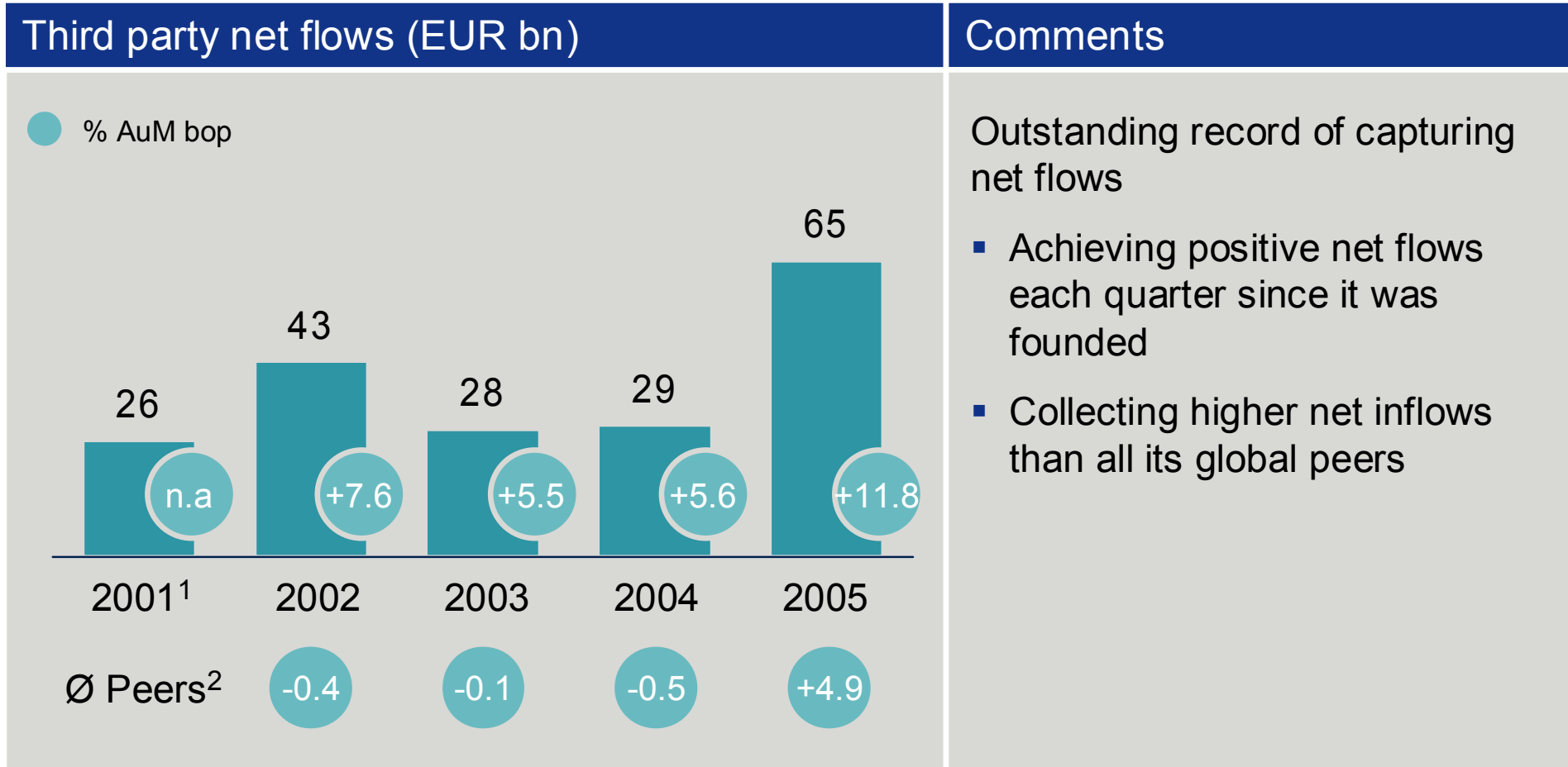
# Germany: leveraging Allianz Group's distribution power and superior products



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1) According to BVI statistics, excluding real estate funds

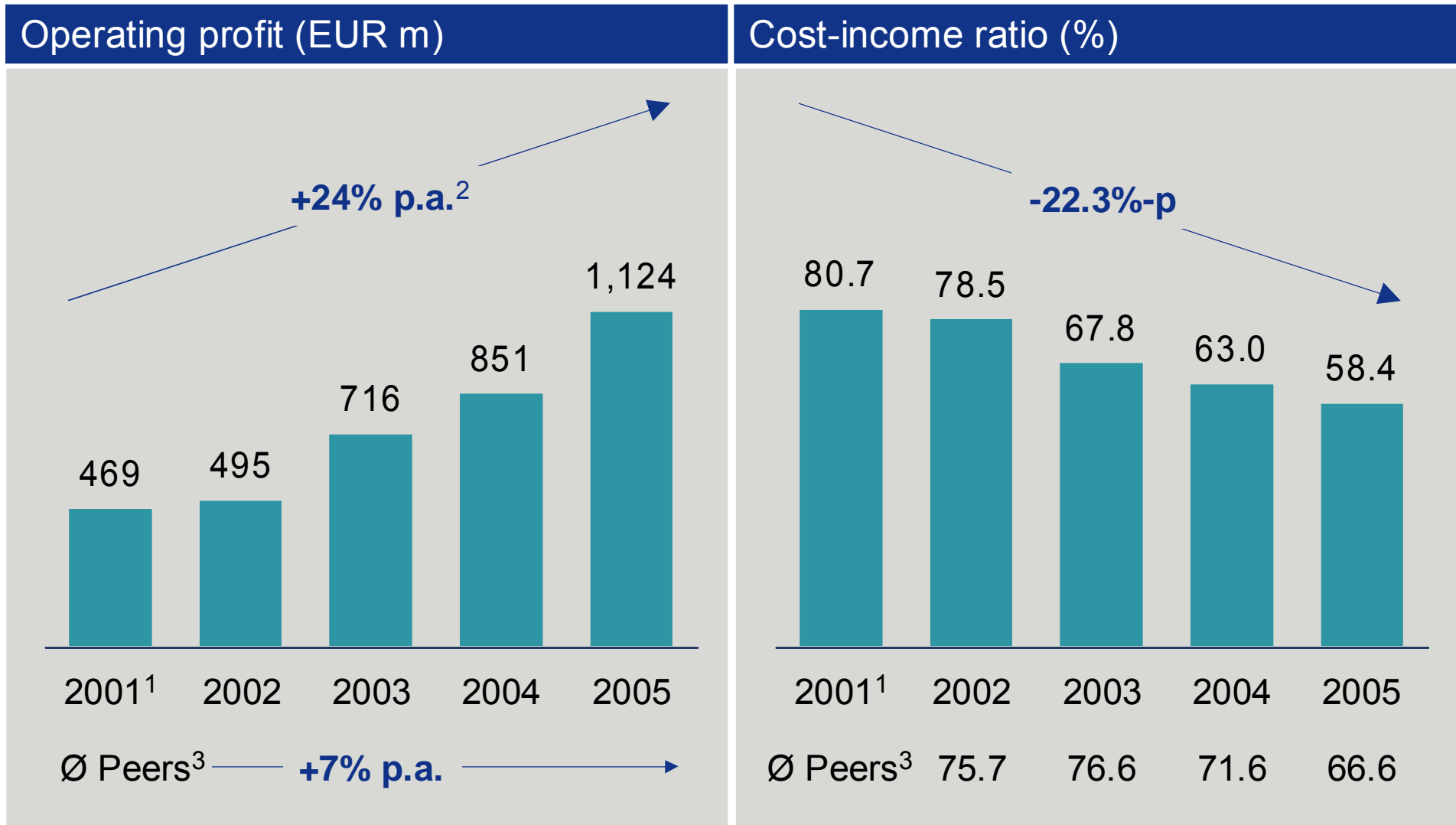
# Allianz Global Investors has consistently proven to be competitive in capturing net flows



1) Dresdner Bank asset management pro-forma included for the full-year 2001

2) Global peer group: Deutsche AM, AXA AM, Legg Mason (until 2004: Citigroup AM), Merrill Lynch IM, UBS Global AM, Amvescap, Franklin; for 2005, additionally Mellon, BlackRock, Morgan Stanley IM, Société Générale AM, Schroders

# Consistently improved profitability

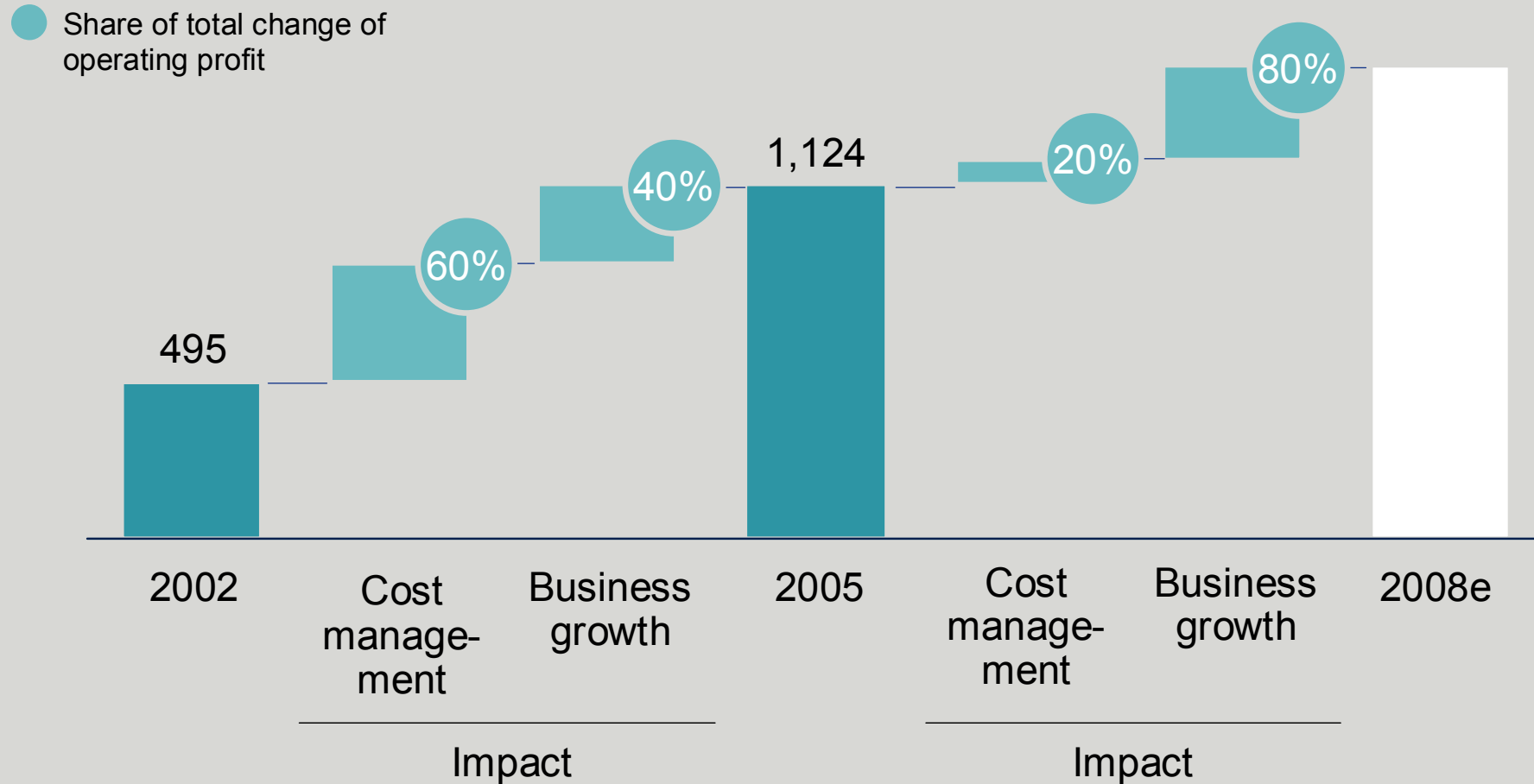


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1) Dresdner Bank asset management pro-forma included for the full-year 2001  
 2) Currency-adjusted +32% p.a.  
 3) Global peer group: Deutsche AM, AXA AM, Legg Mason (until 2004: Citigroup AM), Merrill Lynch IM, UBS Global AM, Amvescap, Franklin; for 2005, additionally Mellon, BlackRock, Morgan Stanley IM, Société Générale AM, Schroders

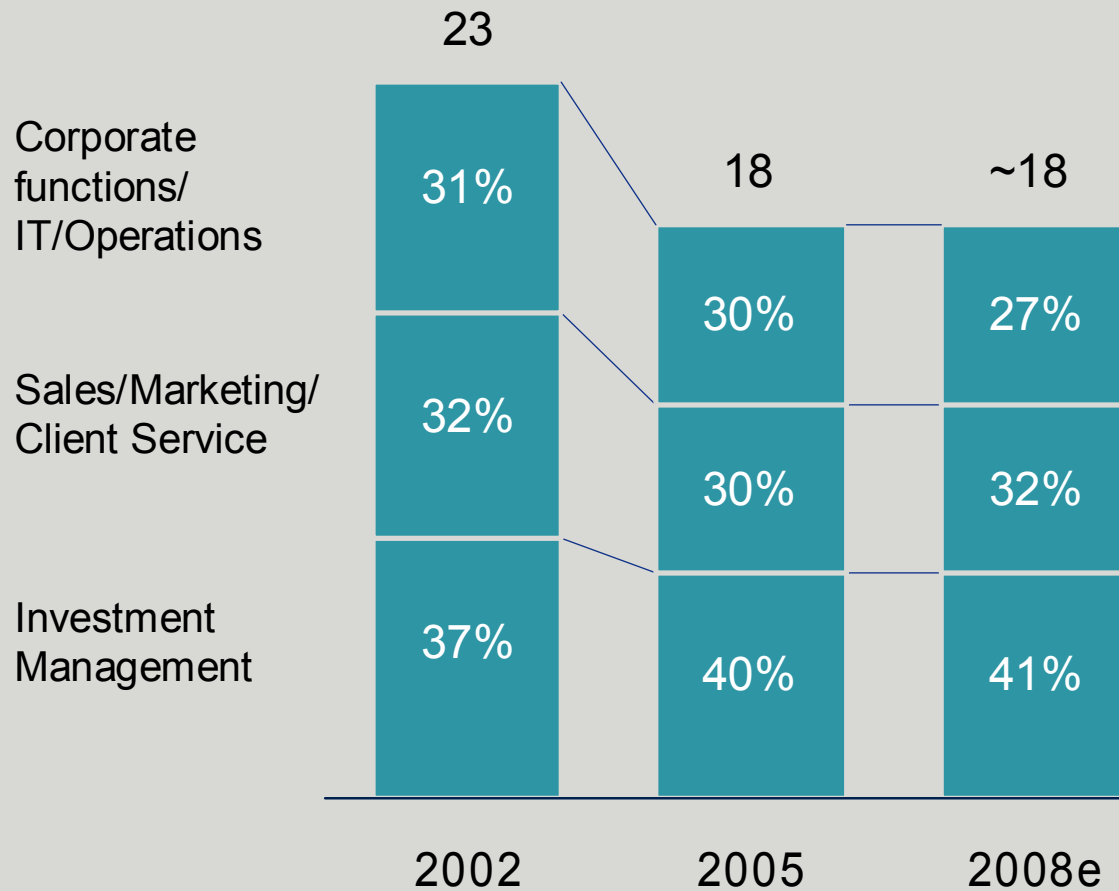
# While cost management remains important, business growth will drive profitability going forward

## Operating profit driver analysis (EUR m)



# Allianz Global Investors continues to invest in its growth drivers

## Relative operating expenses by function (bps)



### Major Levers

- Further streamlining of processes
- Bundling of functions (e.g., corporate service centers in Europe and Asia)
- Invest in growth opportunities
- Further improve customer satisfaction
- Further invest in the core competence



# Allianz Global Investors' focus going forward

## Main goals for 2006 and beyond

- Top-Quartile investment performance, targeting  $\geq 70\%$ <sup>1</sup> of assets outperforming
- Further improve client satisfaction
- Profitable growth by
  - Leveraging business in US and Germany
  - Expansion in Europe and Asia
  - Capturing global pension opportunity
- Top-Quartile business returns



## Financial goals<sup>2</sup>

- AuM / Revenue growth: 8-12% p.a.
- Third-party net flows:  $\geq 5\%$  p.a.
- Operating Earnings growth: 10% p.a.
- Cost-income ratio:  $\leq 65\%$

Over a full market cycle

1) Asset-weighted 3-year performance vs. benchmark  
2) Assumption: Stable FX-rate USD/EUR

Werner Zedelius, Member of the Board

# Growth Meets Profitability

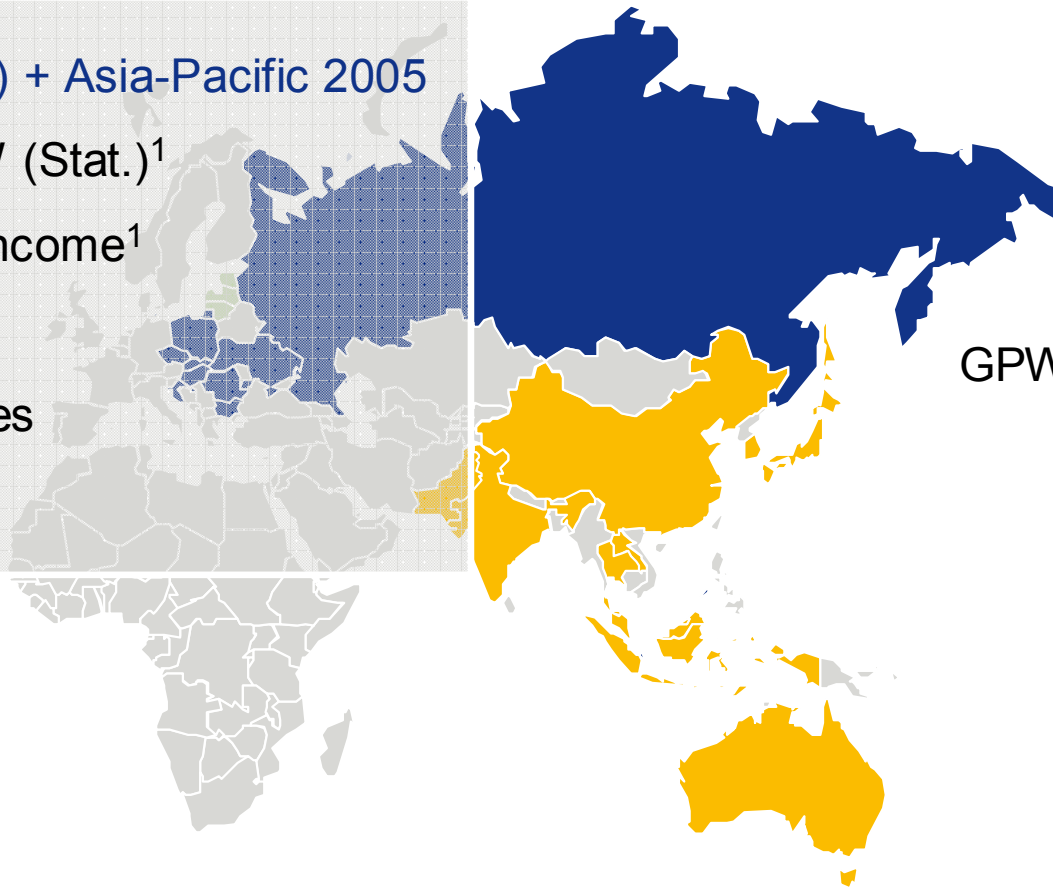
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March 17, 2006

**Allianz** 

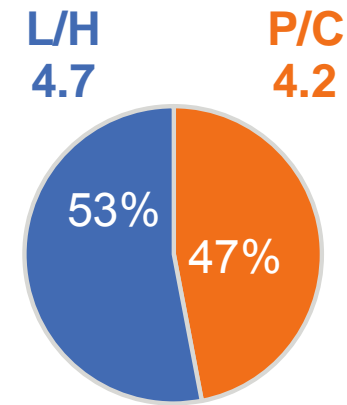
# Growth Markets – who are we?

## New Europe (CEE) + Asia-Pacific 2005

- EUR 8.9bn GPW (Stat.)<sup>1</sup>
- EUR 439m net income<sup>1</sup>
- 23 countries
- 18,300 employees
- 155,000 agents



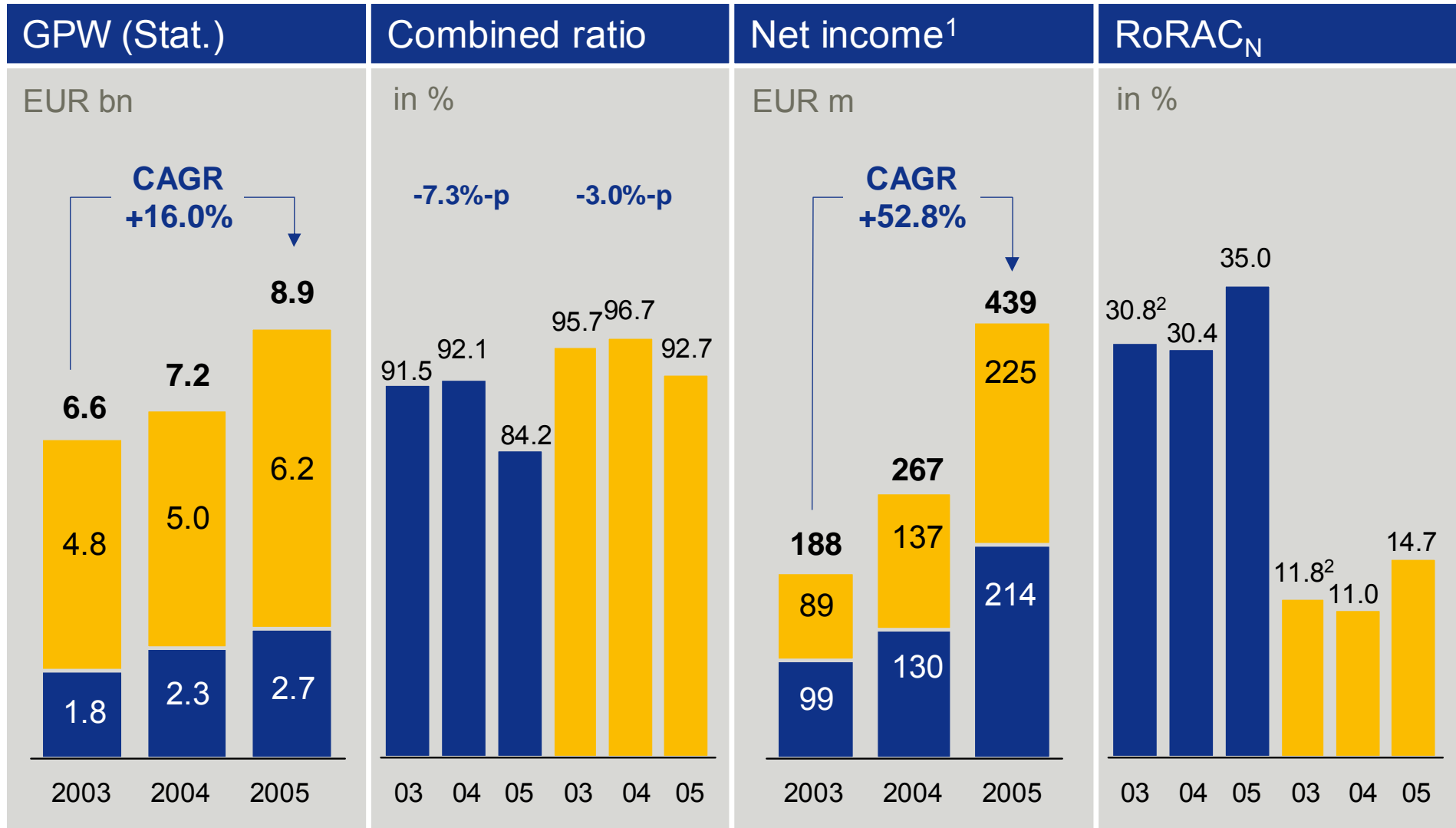
GPW (Stat.)<sup>1</sup>: EUR 8.9bn



▶ Growth markets account for 8% of Allianz total premiums and 10% of total IFRS net income

1) Including non-consolidated OEs (Thailand, India, Russia, Hana)

# Delivering on promises: growth meets profitability (including non-consolidated OEs)

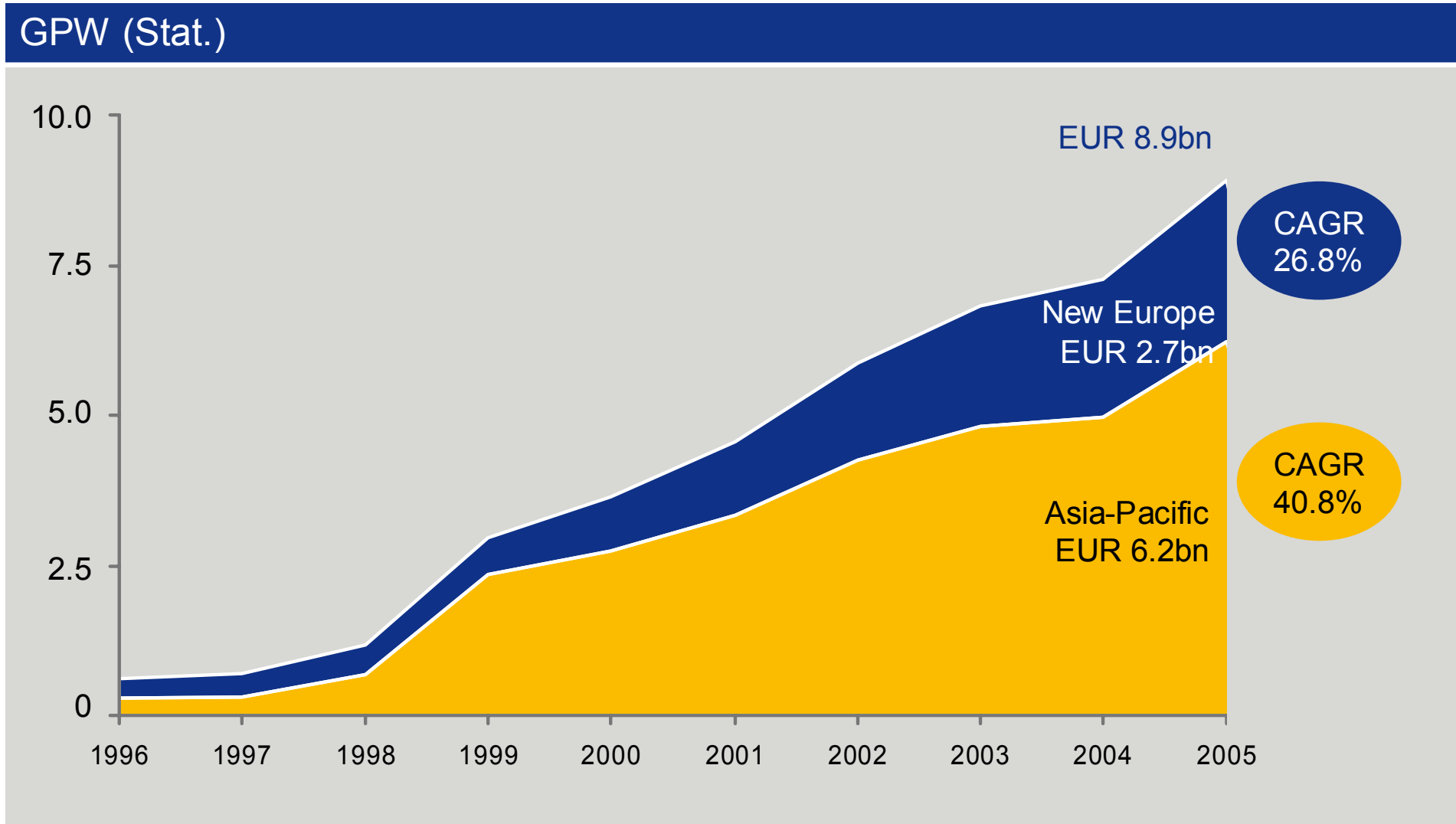


1) Pro forma (2004 and 2003 adjusted for amortization of goodwill)  
 2) Old model based on assigned capital

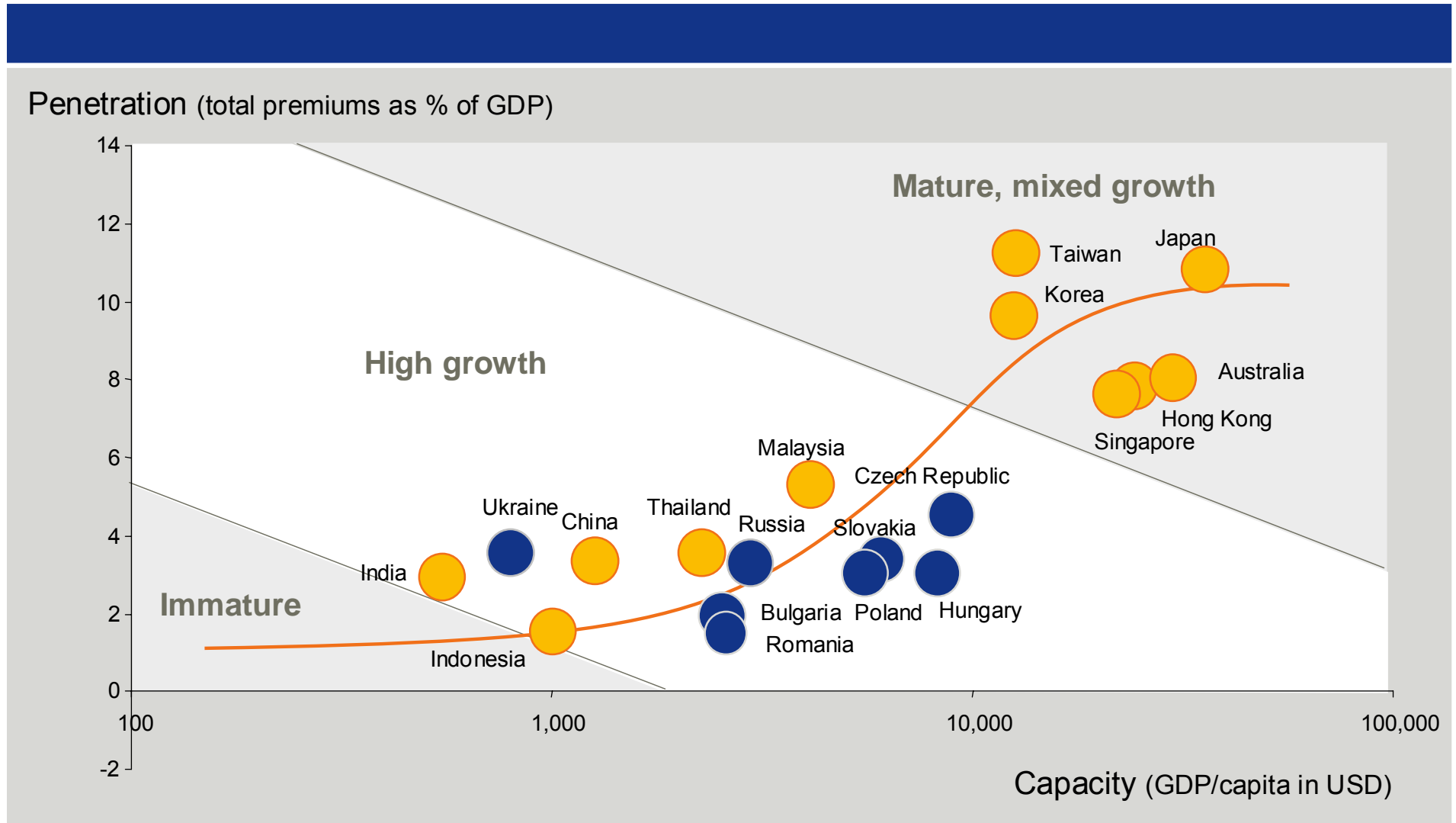
■ New Europe    ■ Asia-Pacific

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# Allianz in growth markets: the road traveled 1996 – 2005 (including non-consolidated OEs)



# We are in the right markets: future growth potential ahead



Source: Dresdner Bank, Swiss Re Sigma, Deutsche Bank

● New Europe ● Asia-Pacific

# Allianz in New Europe: strong in the right markets

## „TOP 1-3“ insurer in 7 of 8 New Europe countries

Leading players	Market position (2004)	Market share (2004)
Slovakia	No. 1	41.9%
Hungary	No. 1	26.5%
Romania	No. 1	20.9%
Bulgaria	No. 1	20.7%
Czech Republic	No. 3	8.2%
Croatia	No. 3	8.2%
Russia <sup>1</sup>	No. 3	7.5%
Poland	No. 4	4.6%
Ukraine (operation started in 2005)		
<b>Total New Europe</b> (excl. Baltic States and Russia)	overall foreign <b>No. 2</b> <b>No. 1</b>	<b>13%</b>



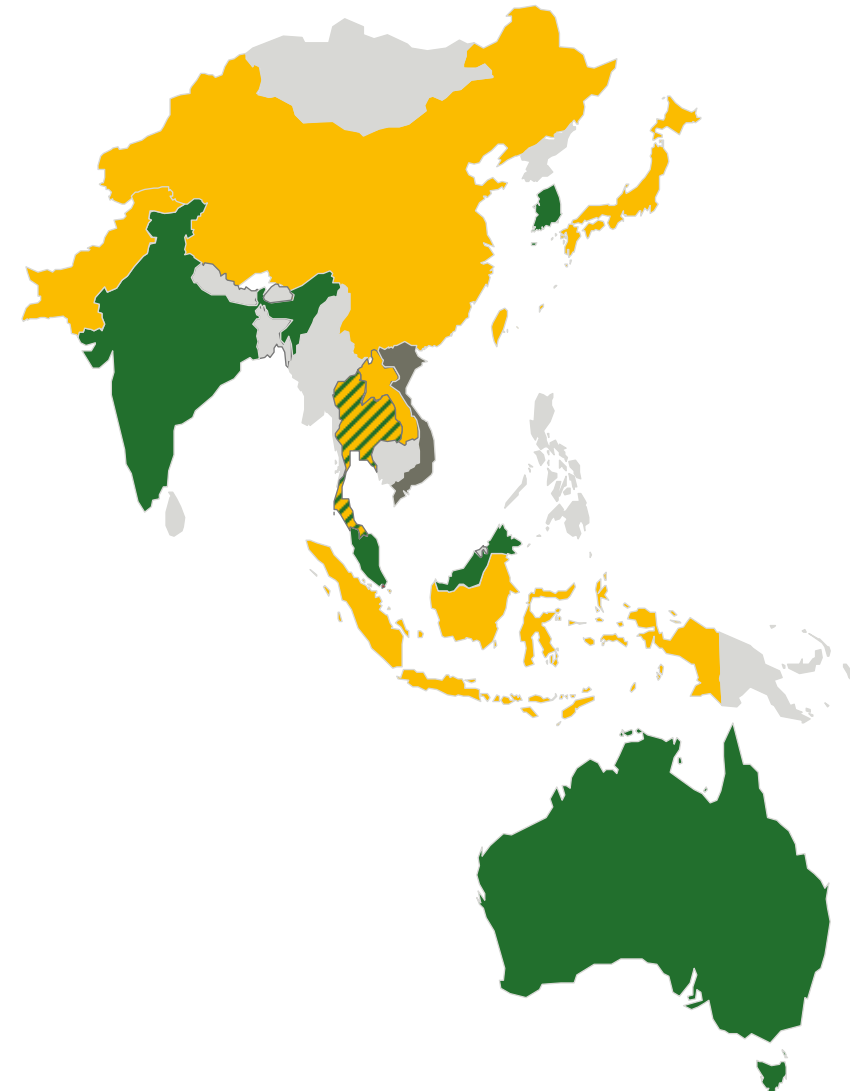
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1) Including ROSNO (Allianz stake 47.4%)

# Allianz in Asia-Pacific: well positioned to grow further

Market position (2004)		
<b>Leading players</b>		
Australia	Non-Life	No. 4
India	Life/Non-Life	No. 2/2 <sup>1</sup>
Korea	Life	No. 4
Malaysia	Life/Non-Life	No. 7/3
Thailand	Life/Non-Life	No. 3/24
<b>Develop into leading players</b>		
Taiwan	Life	No. 4
Indonesia	Life/Non-Life	No. 7/6
China	Life/Non-Life	n.a.
<b>Selected exits</b>		
Vietnam	Non-Life	n.a.
Singapore	Health	n.a.
Taiwan	Non-Life	n.a.

▶ Future growth will be increasingly driven by our core markets India and China

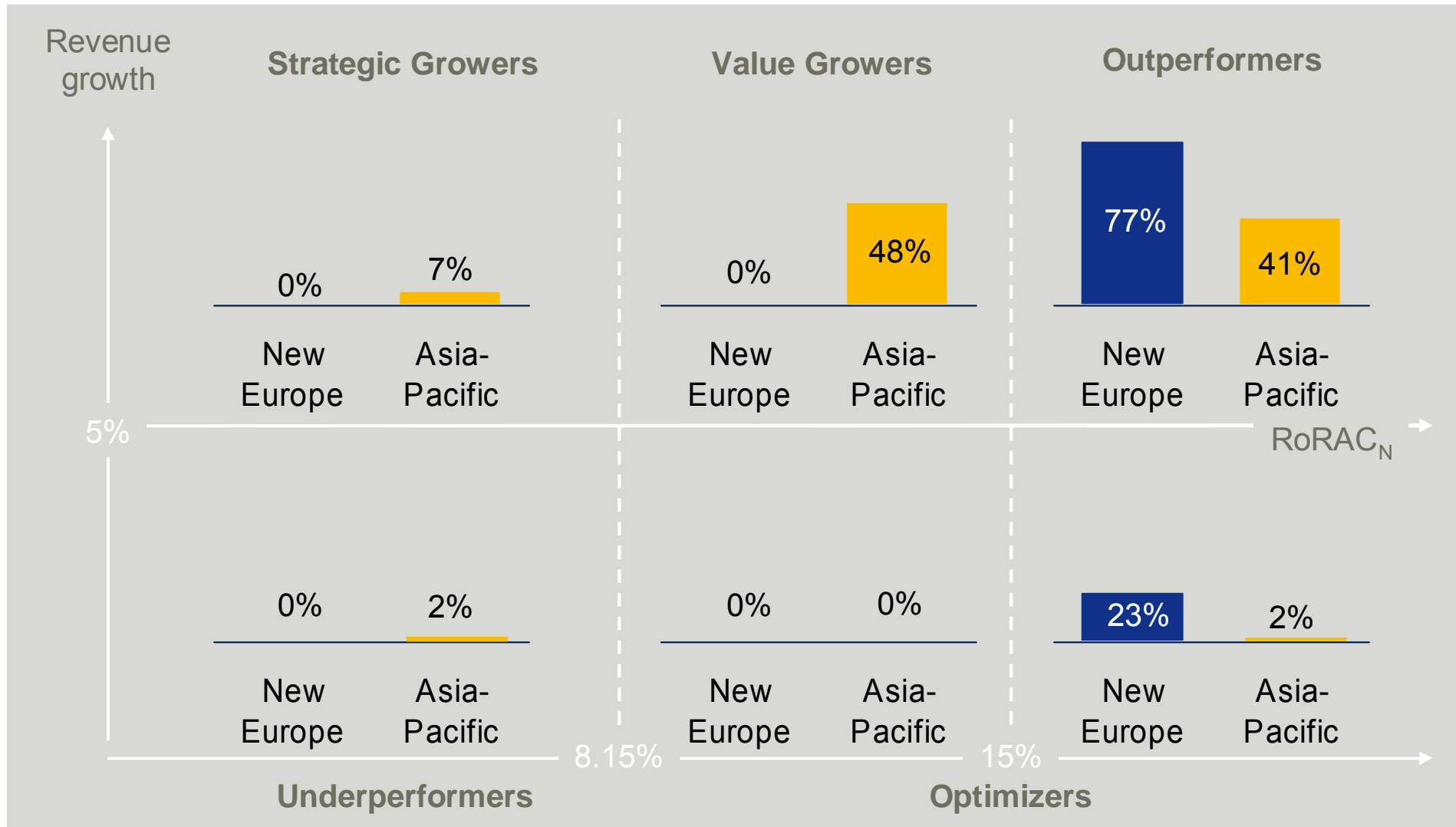


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1) Private insurance sector

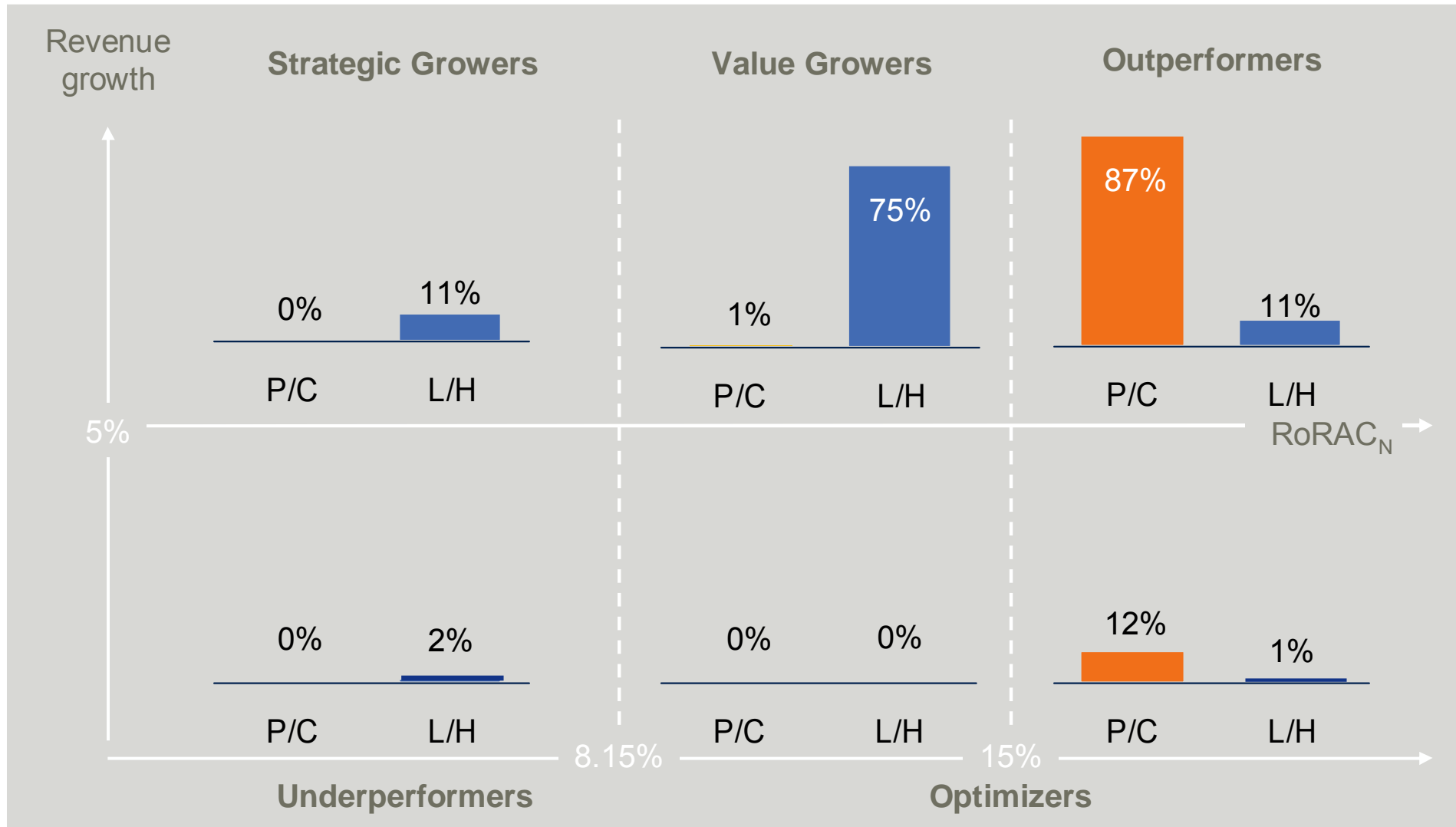


# Growth Markets: profitable and growing (in % of risk-adjusted capital 2005)



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# Growth Markets: profitable and growing (in % of risk-adjusted capital 2005)



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## Core strengths

Life potential	<ul style="list-style-type: none"> <li>Life new business margin 2005 up 2.2%-p to 3.4%</li> <li>ICBC in China, India and EU accession open further growth potential</li> </ul>
Distribution	<ul style="list-style-type: none"> <li>155,000 tied agents backbone for future growth</li> <li>Bancassurance: 80 bank partners</li> <li>Alternative: e.g. market leader with Polish and Australian car dealers</li> </ul>
Pension business New Europe	<ul style="list-style-type: none"> <li>Allianz AuM growing 46% p.a. to EUR 2.5bn (2003-2005); mid-term growth of EUR 1bn p.a. expected</li> </ul>
Sustainability Program	<ul style="list-style-type: none"> <li>Important OEs participate in 1st or 2nd wave</li> <li>Setting-up regional shared service center for finance and accounting in New Europe</li> </ul>

# Great progress and prospects in strategic growth markets

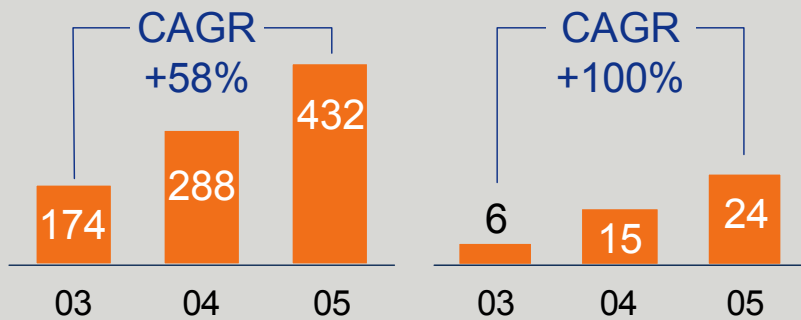
## Russia

### What we have achieved...

**ROSNO**  
Joint Venture with Sistema, Allianz stake 47.4%

#### P/C & Health (EUR m)

GPW



**P/C:** underwriting results outperform local peers

**Life:** launch of 'Allianz Rosno Life' in Q4/2004

**AM:** launch of 'Allianz Rosno Asset Management' in Q4/2004

### ... geared to achieve even more

#### IPO ROSNO

Prepare ROSNO for IPO in 2007

#### Distribution

Expansion into more retail business and Russian regions (e.g. target of 150 points of sale with >2,500 specialized life agents)

#### Operations

Fully involved in Sustainability Program

#### Expansion cross-border into promising CIS markets

'ROSNO Ukraine' established, up and running

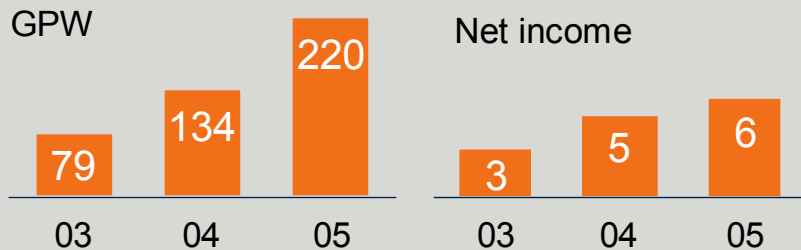
# Great progress and prospects in strategic growth markets

## India

### What we have achieved...

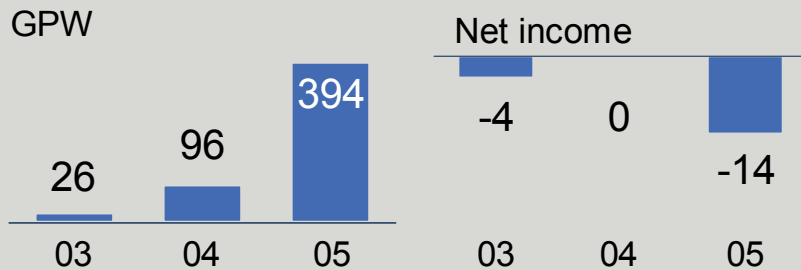
JV with Bajaj Auto since 2001  
Allianz stake in both companies currently 26%

#### Bajaj Allianz General (EUR m)



P/C: ranks # 2, underwriting results outperform local peers, RoRAC > 15%

#### Bajaj Allianz Life (EUR m)



L/H: ranks # 1 in new business<sup>1</sup>

### ...geared to achieve even more

#### Distribution

- P/C:
  - Increase penetration bancassurance
  - Increase cross-selling
- L/H:
  - Increase agents to 100,000
  - 8-10 bank tie ups

#### Operations

- Excellent cost management combined with further growth will result in additional efficiency gains
- Fully involved in Sustainability Program

1) Private insurance sector (Apr 05 – Jan 06)

## Great progress and prospects in strategic growth markets ICBC: quantum leap for Chinese distribution capability



- Largest Chinese retail bank with ~22% market share<sup>1</sup>
- > 20,000 outlets
- > 100m retail customers
- > 8m corporate customers
- USD 680bn deposits



- 2.5% stake
- USD 1bn investment
- ICBC plans IPO in 2006
- Distribution cooperation in life insurance and asset management
- Preferential treatment already started with Allianz (Life)

▶ ICBC – new boost to currently small presence in L/H, P/C and AM

1) June 2005, saving deposits

## Growth Markets – take aways

### Growth meets profitability

- GPW + 16%<sup>1</sup> to EUR 8.9bn
- Net income + 53%<sup>2</sup> to EUR 439m
- We are in the right markets and well positioned
- Further potential out of distribution, products and group initiatives
- Strong across the regions with...
- ...strategic focus on Russia, India, China

 Increasing importance for profitable growth of Allianz Group

1) CAGR 2003-2005; including non-consolidated OEs

2) CAGR 2003-2005; pro forma (2004 and 2003 adjusted for amortization of goodwill); including non-consolidated OEs

# Additional

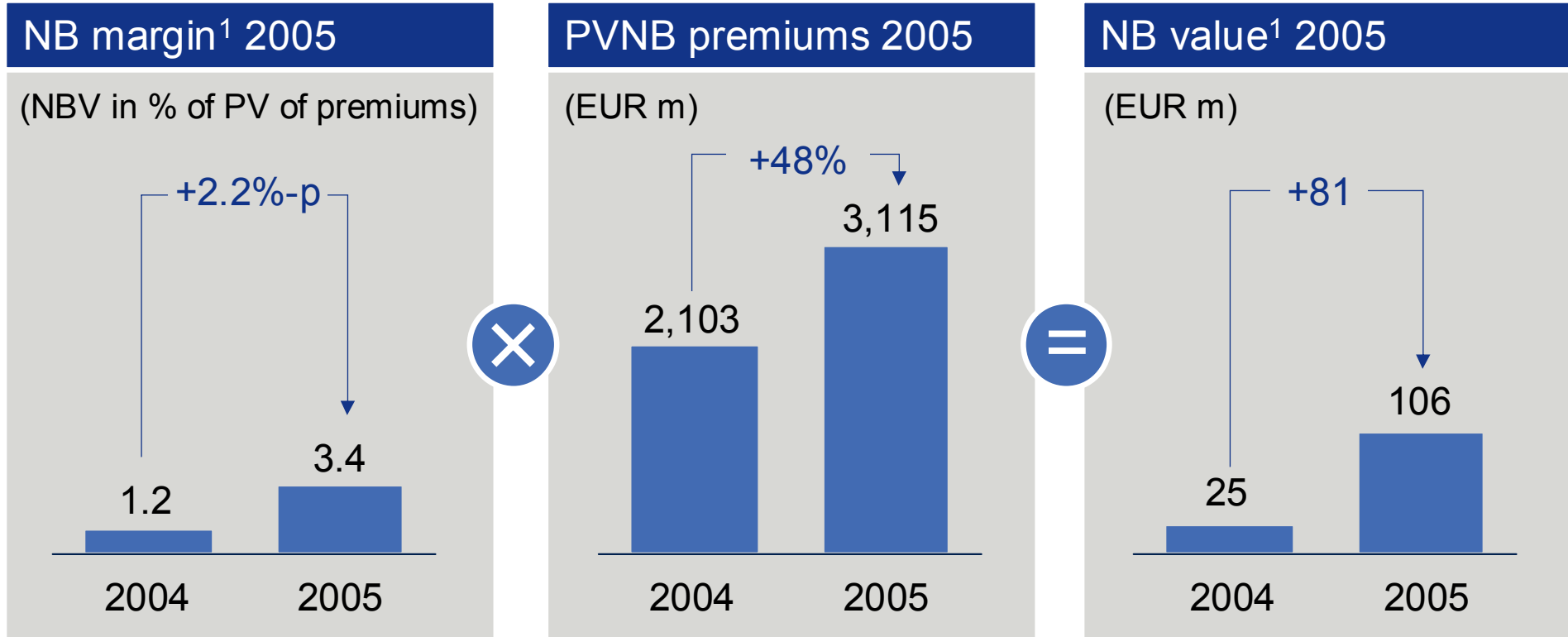


## Core strengths – distribution

Tied Agents	<ul style="list-style-type: none"> <li>▪ Strong backbone for future growth: 155,000 agents</li> <li>▪ AZ India will grow from 500 to 1,000 sales outlets in next 24 months</li> <li>▪ New Europe: widest insurance distribution network</li> </ul>
Bancassurance	<ul style="list-style-type: none"> <li>▪ 80 bank partners in the regions</li> <li>▪ AZ Life Taiwan EUR 160m ANP<sup>1</sup> (64% of total)</li> <li>▪ Success story in New Europe, &gt;40% GPW in Poland (L) &amp; Croatia (L)</li> <li>▪ Strong with more potential: India (L/NL), Korea (L), Thailand (L/NL)</li> </ul>
Alternative	<ul style="list-style-type: none"> <li>▪ Already 20% of ANP in Asia and growing</li> <li>▪ Market leader position in Polish and Australian car dealer business</li> <li>▪ Allianz Australia strong in financial institutions and direct (~20% of GPW, EUR 340m)</li> </ul>

1) Annualized new premium

# Core strengths – life potential for profitable growth (New Europe + Asia-Pacific)



## ▶ Life potential for profitable growth

- Life growth 2005 +34% resulted in GPW (Stat.) EUR 4.7bn
- Future potential esp. ICBC in China, India and EU accession

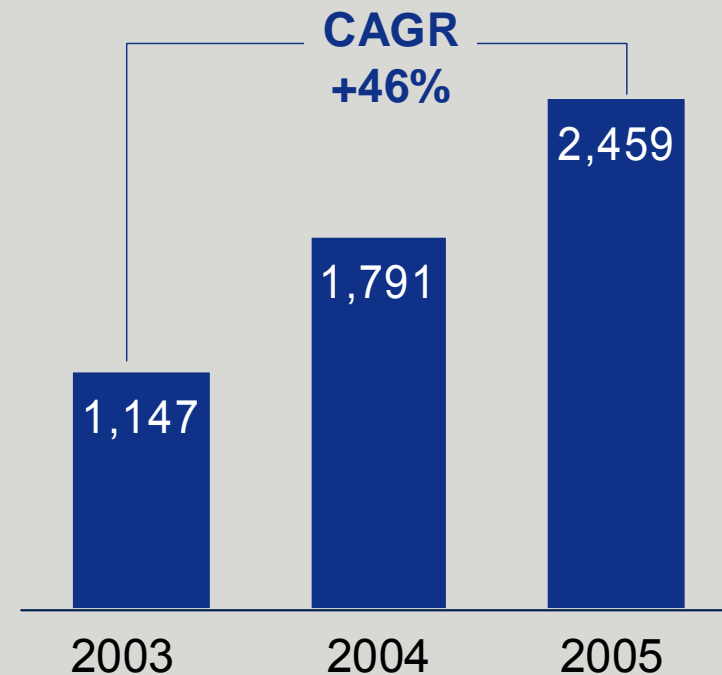
1) Incl. options and guarantees, after acquisition expense overruns and after cost of risk capital

## Core strengths – pension business

### Allianz in New Europe

- Pension funds operating in six New Europe markets: Bulgaria, Croatia, Hungary & Slovakia (all top 3 positions) + Czech Republic, Poland
- Strong growth in assets of EUR 668m in 2005
- Large base of 2.3m contributors (2004: 1.9m)
- Successful start in obligatory pension business in Slovakia: 288,000 new members; market share: 26%
- Mid-term asset growth 1bn EUR yoy
- Net income above CoC already

Allianz pension assets under management (EUR m)



# Core strengths

## Sustainability Program – Customer Focus Initiative

Sustainability Program	<p>Growth Markets – best practices introduced:</p> <ul style="list-style-type: none"> <li>▪ High number of our OEs covered by the first and second wave of Sustainability Program</li> <li>▪ Successful transfer of product expertise in annuities from US operations (e.g. AZ Taiwan)</li> <li>▪ Setting-up regional shared service center for finance and accounting in New Europe</li> </ul>
Customer Focus Initiative	<ul style="list-style-type: none"> <li>▪ Project started in all key markets leveraging customer feedback</li> <li>▪ Product innovation: first mover in unit linked and Islamic products</li> </ul>

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Analysts' Conference  
March 2006

**Allianz** 

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Analysts' Conference  
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# Glossary (1)

<b>ABO</b>	Accelerated bookbuilding offer
<b>ADAM</b>	Allianz Dresdner Asset Management
<b>AEG</b> (Alterseinkünftegesetz)	German law on retirement savings
<b>AFS</b>	Securities available for sale
<b>AGI</b>	Allianz Global Investors
<b>AGM</b>	Annual General Meeting
<b>AGR</b>	Allianz Global Risks
<b>AMA</b>	Allianz Marine & Aviation
<b>ANP</b>	Annualized new premium
<b>ART</b>	Allianz Risk Transfer
<b>Assets under management</b> (AuM)	Sum of investments marked-to-market which is managed by the Group with responsibility for the performance of the investments
<b>BaFin</b> (Bundesanstalt für Finanzdienstleistungsaufsicht)	Federal Financial Supervisory Authority
<b>BIS</b>	Bank for International Settlement
<b>BITES</b>	Basket index tracking equity-linked securities
<b>B-units</b>	Interest in PIMCO giving a priority claim on operating profit available for distribution
<b>bop</b>	Beginning of period

## Glossary (2)

<b>CAGR</b>	Compounded average growth rate
<b>Capital ratios (BIS)</b>	Ratios calculated by banks conducting international business, in accordance with the Basel Capital Accord drawn up under the guidance of the Bank for International Settlements
- Tier I ratio:	Relation of core capital to risk-weighted assets. Core capital (Tier I capital) mainly consists of shareholders' equity and minority interest, hybrid capital plus other adjustments
- Total capital ratio:	Relation of Tier I plus Tier II capital to risk-weighted assets. Tier II capital (supplementary capital) comprises profit participation certificates, subordinated liabilities and revaluation reserves on securities and other adjustments
<b>CB</b>	Corporate Banking
<b>CEE</b>	Central and Eastern Europe
<b>CFI</b>	Customer focus initiative
<b>CIR</b>	Cost-income ratio
<b>Loss ratio</b>	Claims and claims adjustment expenses as % of net premiums earned
<b>Combined ratio</b>	Sum of loss ratio and expense ratio
<b>Cost of risk-adjusted capital (CRC)</b>	Future differences between cost of capital and expected investment return on risk-adjusted capital, discounted at risk discount rate (RDR)
<b>Current yield</b>	(Interest payments (fixed-income) + dividends (equities) + current income from real estate) / average investments at book value
<b>DAC</b>	Deferred acquisition costs
<b>European Embedded Value (EEV)</b>	Net asset value (NAV) + present value of future profits (PVFP) – cost of risk-adjusted capital (CRC) – time value of options and guarantees

## Glossary (3)

<b>EGM</b>	Extraordinary general meeting
<b>eop</b>	End of period
<b>EPSA</b>	Same as EPSR, but adjusted for the impact of extraordinary items
<b>Equity gearing</b>	Equity exposure (attributable to shareholders) divided by NAV
<b>Excess capital (XS)</b>	Net asset value (NAV) – risk-adjusted capital (RAC)
<b>Expense ratio</b>	Commissions, other acquisition expenses, general and administrative expenses as % of net premiums earned
<b>F/I</b>	Fixed income
<b>FTE</b>	Full-time equivalents
<b>GDP</b>	Gross domestic product
<b>Goodwill</b>	Difference between a subsidiary's purchase price and its shareholders' equity at the time of purchase
<b>GPW (gross premiums written)</b>	Total premiums for insurance contracts (including investment products) written during a specific period, without deducting premiums ceded
<b>Harvesting rate</b>	Realized gains + write-ups – realized losses – write-downs / average investments at book value (excl. trading)
<b>HGB</b>	German GAAP
<b>ICBC</b>	Industrial and Commercial Bank of China
<b>IFRS</b>	International Financial Reporting Standards (formerly IAS)

## Glossary (4)

<b>IFSP</b>	Integrated financial services provider
<b>IRU</b>	Institutional Restructuring Unit
<b>KPI</b>	Key performance indicator
<b>L/H</b>	Life and health insurance
<b>LoB</b>	Line of business
<b>Net asset value (NAV)</b>	Shareholders equity + off-balance reserves (attributable to shareholders)
<b>New business margin</b>	Value of new business divided by present value of new business premium, discounted at risk discount rate
<b>New business spread</b>	Value of new business in % of present value of technical reserves (after cost of holding risk-adjusted capital)
<b>NOPAT</b>	Normalized profit after taxes
<b>NPL</b>	Non-performing loans
<b>NPV</b>	Net present value
<b>OE</b>	Operating entity
<b>Operating CIR (L/H)</b>	Expenses (benefits incurred + commissions and administrative expenses + interest expenses + investment expenses + other underwriting income/expenses + other non-underwriting income/expenses + scheduled depreciations (tangible assets)) divided by income (net premiums earned + current income + trading income)
<b>Operating profit</b>	Profit before taxes and minorities + goodwill amortization – net capital gains (attributable to shareholders) + net impairments (attributable to shareholders) +/- other non operating items

## Glossary (5)

<b>PBI</b>	Private Banking International
<b>P/C</b>	Property and casualty insurance
<b>PeB</b>	Personal Banking
<b>PBB</b>	Private and Business Banking
<b>PPL</b>	Potential problem loans
<b>Present value of new business premiums</b>	Discounted value of new regular premiums + the total amount of single premiums received in the year
<b>Present value of future profits (PVFP)</b>	Future local statutory shareholder profits discounted at risk discount rate (RDR); includes value of unrealized gains on assets backing policy reserves
<b>RfB</b>	Reserve for premium refunds
<b>Risk-adjusted capital (RAC)</b>	Maximum of internal risk capital determined in a stochastic process and local solvency
<b>Risk capital</b>	Minimum capital required to ensure solvency over the course of one year with a certain probability which is linked to our rating ambition
<b>Risk discount rate (RDR)</b>	Cost of capital (CAPM basis; risk free rates in line with economic assumptions; equity risk premium 3.5%; beta = 0.9)
<b>RoRACN (Group)</b>	Normalized return on RAC including holding (expenses, debt service, reinsurance)
<b>RoRACN (Operating units)</b>	Normalized return on RAC excluding holding (expenses, debt service, reinsurance) and diversification effects
<b>RoE</b>	Return on equity (net income / average shareholders' equity)
<b>RWA (Risk-weighted assets)</b>	All assets of the bank multiplied by the respective risk-weight according to the risk rate of each type of asset



## Glossary (6)

<b>SE</b>	Societas Europaea (European stock corporation)
<b>Statutory premiums</b>	Premium income under local GAAP
<b>T-shares</b>	Treasury shares
<b>Tax ratio</b>	Tax expenditure as % of profit before tax and goodwill (effective tax ratio); tax expenditure adjusted for extraordinary tax effects as % of profit before tax and goodwill (adjusted tax ratio)
<b>Tied agent</b>	An agent that works exclusively for one insurance company
<b>Total risk elements</b>	According to SEC guide 3: non-performing loans and potential problem loans
<b>Total yield</b>	$(\text{Current yield} + \text{net capital gains} - \text{net impairments}) / \text{average investments at book value}$
<b>UCG</b>	Unrealized capital gains
<b>UPR</b>	Unallocated profit sharing reserves
<b>VAG</b> (Versicherungsaufsichtsgesetz)	German insurance supervisory law
<b>Value-at-Risk (VaR)</b>	Potential loss which may occur during a pre-defined period of time, based on a given confidence level and certain assumptions regarding changes of market parameters
<b>Value of new business (VNB)</b>	Present value of future profits (PVFP) – cost of risk-adjusted capital (CRC) at issue date
<b>Valued total premiums of new business</b>	Sales performance measure almost similar to premium volume of new business over term of policies
<b>VOBA</b>	Value of business acquired
<b>yoy</b>	Year on year

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## Financial calendar 2006/2007<sup>1</sup>

03	May 2006	Annual General Meeting
12	May 2006	Financial report first quarter of 2006
11	August 2006	Financial report first half 2006
10	November 2006	Financial report first three quarters 2006
22	February 2007	Financial press conference for the 2006 fiscal year
23	February 2007	Analysts' conference on fiscal year 2006 in Munich
28	February 2007	Analysts' conference on fiscal year 2006 in London
02	May 2007	Annual General Meeting 2007
11	May 2007	Financial report first quarter of 2007
10	August 2007	Financial report first half 2007
14	November 2007	Financial report first three quarters of 2007

1) For updates please see [www.allianz.com/investor-relations](http://www.allianz.com/investor-relations)

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