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Allianz Group: 2nd Quarter 2005

Allianz on profitable growth course

1.4 billion euros net income – 2.4 billion euros operating result – Strong revenue growth in Life insurance business and Asset Management – Combined ratio below 90 percent in Property and Casualty business

Allianz continued the positive trend in the **second quarter of 2005**. Results significantly exceed market expectations. **Total revenues** increased by 6.6 percent from 22.2 billion to 23.7 billion euros. The **operating result** increased by 18.8 percent from 2.00 billion euros to 2.37 billion euros and is therefore the key driver for **net income**. It increased by some 65 percent from 846 million (adjusted for goodwill amortization after tax) to 1.39 billion euros compared to the prior year period. This included lower capital gains, falling impairments on investments and a lower tax rate.

All business segments contributed to this positive performance. The combined ratio again improved in **Property and Casualty business** from 92.1 percent in the first quarter to 89.8 percent in the second quarter of 2005 (second quarter 2004: 92.8 percent). **Life insurance business** and **Asset Management** continued to show double-digit growth rates for revenues benefiting from the strong demand for products related to retirement provision and wealth accumulation. A temporary weakness in the trading result for **Banking business** was compensated by cost reduction and a favorable development in loan loss provisions.

Shareholders' equity of the Allianz Group (excluding minority interests) increased compared with the year-end 2004 by more than 20 percent from 30.0 billion to 36.8 billion euros.

The detailed **Interim Report for the 2nd quarter 2005** will be published on Friday, August 12, 2005.

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

Cautionary note regarding forward-looking statements

Certain of the statements contained herein may be statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by reason of context, the words 'may, will, should, expects, plans, intends, anticipates, believes, estimates, predicts, potential, or continue' and similar expressions identify forward-looking statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) general economic conditions, including in particular economic conditions in the Allianz

Group's core business and core markets, (ii) performance of financial markets, including emerging markets, (iii) the frequency and severity of insured loss events, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) the extent of credit defaults, (vii) interest rate levels, (viii) currency exchange rates including the Euro-U.S. dollar exchange rate, (ix) changing levels of competition, (x) changes in laws and regulations, including monetary convergence and the European Monetary Union, (xi) changes in the policies of central banks and/or foreign governments, (xii) the impact of acquisitions, including related integration issues, (xiii) reorganization measures, and (xiv) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences. The matters discussed herein may also involve risks and uncertainties described from time to time in Allianz AG's filings with the U.S. Securities and Exchange Commission. The company assumes no obligation to update any forward-looking statement.

No duty to update

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