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Allianz Group: Preliminary figures for the second quarter of 2006 – Global focus on profitability pays off

Allianz Group increased its operating profit by 19 percent to 2.8 billion euros – Net income up by 64 percent to 2.3 billion euros – Dresdner Bank and Asset Management undergo higher growth – Further improvement in all operational segments

Allianz Group has continued to proceed its course of profitable growth during the second quarter of 2006, according to preliminary figures. The results significantly exceed market expectations. Total revenues amounted to 24.1 billion euros. The operating profit rose by 19 percent compared to previous year's figure from over 2.3 billion euros to almost 2.8 billion euros. Net income increased by 64 percent over the same period from 1.4 billion euros to about 2.3 billion euros. This already includes the restructuring charges of the German insurance business. All operational segments contributed to this improvement compared to previous year's figures:

- The Property and Casualty business recorded again an excellent combined ratio. The ratio of incurred losses and expenses to net earned premiums amounted to 91.9 percent.
- Life insurance posted double-digit growth in operating profit despite a slight dip in sales.
- Dresdner Bank continued its dynamic growth in revenues and profits compared to previous year's quarter.
- Asset Management contributed for the seventh consecutive quarter year-on-year with double-digit growth to the Group's operating profit.

Shareholders' equity of Allianz Group rose by 2.1 percent from 39.5 billion euros as at December 31, 2005 to 40.3 billion euros.

"The very good performance clearly indicates that the initiatives introduced in the context of the 3+One Program already show their impact. This is the result of a profound process of change. All projects are being consistently and systematically implemented by the operating companies," according to Michael Diekmann, CEO of Allianz AG. "Also, we have achieved a significantly more even regional distribution of revenues and operating profits across the globe than has been the case in the past. Our performance has become considerably more robust as a result of stronger diversification within the Group," emphasized Diekmann.

“Based on the very good performance over all operational segments, we expect higher earnings for 2006,” commented Helmut Perlet, board member of Allianz AG. “We are anticipating operating profits in excess of 9 billion euros for the fiscal year 2006, with net income between 5.5 and 6.0 billion euros,” explained Perlet.

Diekmann stressed that the next few years would be shaped by ongoing work on the growth initiatives. “In Germany, restructuring of our insurance business has initiated a process that will again allow us to set benchmarks in customer service and the quality of our products and advice. We will continue to expand our position as market leader,” said Diekmann. He emphasized that the positive performance particularly enables Allianz to providing effective support for staff during the forthcoming changes. “By waiving notices of termination based on operational reasons, members of staff have eighteen months until the end of 2007 to adjust to the changes. We are a fair and reliable partner for our employees and we are supporting them in many different ways during this phase,” comments Diekmann.

Allianz Group - Preliminary Key figures second quarter and first half of 2006

Euro m	2Q 2006	2Q 2005	Δ	6M 2006	6M 2005	Δ			
Total revenues (Euro bn)	24.1	23.7	1.6%	53.7	52.0	3.4%			
Operating profit	2,794	2,346	19.1%	5,471	4,233	29.2%			
- Property-Casualty	1,845	1,650	11.8%	3,231	2,864	12.8%			
- Life/Health	527	472	11.7%	1,250	989	26.4%			
- Banking	266	215	23.7%	813	442	83.9%			
thereof Dresdner Bank	319	205	55.6%	848	414	104.8%			
- Asset Management	297	252	17.9%	601	483	24.4%			
- Corporate	-74	-190	-61.1%	-254	-457	-44.4%			
- Consolidation Adjustments	-67	-53	26.4%	-170	-88	93.2%			
Income before income taxes & minority interests	2,992	2,134	40.2%	6,023	4,389	37.2%			
Income taxes	-357	-405	-11.9%	-1,256	-990	26.9%			
Minority interests in earnings	-356	-339	5.0%	-709	-685	3.5%			
Net income	2,279	1,390	64.0%	4,058	2,714	49.5%			
- Property-Casualty	1,582	1,103	43.4%	2,682	2,099	27.8%			
- Life/Health	328	357	-8.1%	862	736	17.1%			
- Banking	162	252	-35.7%	828	831	-0.4%			
thereof Dresdner Bank	198	246	-19.5%	856	817	4.8%			
- Asset Management	90	77	16.9%	180	107	68.2%			
- Corporate	183	-346	-	-56	-584	-90.4%			
- Consolidation Adjustments	-66	-53	24.5%	-438	-475	-7.8%			
Earnings per share (basic) (Euro)	5.62	3.61	55.7%	10.02	7.11	40.9%			
Ratios:									
- Property-Casualty	Combined ratio	91.9%	92.1%	-0.2%	-p	93.3%	93.0%	0.3%	-p
- Life/Health	Statutory expense ratio	9.9%	8.9%	1.0%	-p	9.0%	7.9%	1.1%	-p
- Dresdner Bank	Cost-income ratio	81.0%	88.6%	-7.6%	-p	77.2%	84.4%	-7.2%	-p
- Asset Management	Cost-income ratio	59.1%	60.7%	-1.6%	-p	59.3%	60.0%	-0.7%	-p
Euro bn	06/30/06	12/31/05	Δ						
Shareholders' equity	40.3	39.5	2.1%	-	-	-			
Third-party assets under management	721	743	-3.0%	-	-	-			

We would like to inform you that our **conference call** will take place on 4 August 2006 at 3.30 p.m. CET / 2.30 p.m. UK time.

The **presentation** charts as well as **Excel spreadsheets of the consolidated financial statements** (by quarters and segments including the operating profit reconciliation) can be downloaded from our website at <http://www.allianz.com/2q> tomorrow at **7.30 a.m. CET / 6.30 a.m. UK time**.

The **interim report** will be available on 11 August 2006 as scheduled. As soon as it is published we will give notice and, in case that any of the preliminary figures will have changed, we will inform you as well.

We would like to inform you about our **“Allianz Mobile Service“**: Up-to-date information on the Allianz share directly on your PDA, Blackberry or mobile phone. Find more information about this service on the website www.allianz.com/wap.

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.