

Merger

of Allianz Aktiengesellschaft

and

RIUNIONE ADRIATICA DI SICURTÀ

Società per Azioni

into Allianz SE

– Merger Documentation

RIUNIONE ADRIATICA DI SICURTÀ

Società per Azioni –

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PART A

Merger Report of RIUNIONE ADRIATICA DI SICURTÀ, Società per Azioni



This document is a non-binding English courtesy translation of the Consob Report pursuant to Article 70 of the Regulation approved by Consob Resolution No. 11971 of 14 May 1999, as amended. The Consob Report in the Italian language is the only official document.

**BOARD OF DIRECTORS
OF 16TH DECEMBER 2005¹**

DIRECTORS' REPORT

**pursuant to Article 2501-*quinquies* of Italian civil code
and to Article 70, par. 2, of Consob Regulation No. 11971 of 14 May 1999
implementing the provisions on issuers**

¹ This report updates, as of the date of approval of the merger plan, the previous report approved by the Board of Directors on 11 September 2005, as reviewed and integrated with the information made public after September 11 2005, following the publication of the call to the extraordinary and special meetings of RAS shareholders, published on September 27, 2005, and the approval of the issuer's statement upon a resolution adopted on October 14, 2005.

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I PRELIMINARY STATEMENT

The management board (*Vorstand*) of Allianz AG (hereafter “**Allianz**”) and the board of directors of RAS S.p.A. (hereafter “**RAS**” or the “**Company**”) have been called to approve a merger plan, providing for the merger of RAS into Allianz with the simultaneous transformation of the latter into an European Company, pursuant to EC Regulation No. 2157/2001 (hereafter the “**Merger**”). According to said integration plan, the Merger will take place following the hive-down of the business of the Company into a subsidiary (hereafter the “**Hive-Down**” and, jointly with the Merger, the “**Transaction**”).

The Board of Directors of RAS, having already resolved on 11th September and on 14th October 2005 on the approval of: (i) the terms of the Transaction and, in particular, the “*range*” exchange ratio related to the Merger; (ii) the communication to the market for a prompt and correct disclosure of the Transaction; (iii) the general terms of the voluntary tender offer by Allianz aimed at the acquisition of all the ordinary and the savings shares of RAS (hereafter, the “**Offer**”); and (iv) the delegation to the Chairman and the Managing Director of the power to call the Board of Directors as well as the shareholders’ meetings, for the approval of all the resolutions necessary for the completion of the Transaction, now have been called to examine and approve the merger plan, including the final exchange ratio in connection with the Merger.

This report, that we submit to your attention, discusses the Merger plan, from a legal and economic point of view, in compliance with Article 2501-*quinquies* of the Italian civil code and to Article 70, par. 2, of Consob Regulation No. 11971 on issuers approved on 14 May 1999 as successively amended.

The Merger plan contains the information, widely described in the following paragraphs of this report, relative to: (i) the date on which the Merger will produce legal, accounting and fiscal effects; (ii) the characteristics and the statutes of the European Company deriving from the Merger; (iii) the Hive-Down; (iv) the conditions and the criteria to exercise the cash exit rights by the RAS’ shareholders legitimated thereto; (v) the exchange ratio; (vi) the sort of RAS’ stock option plans; (vii) the legal treatment of RAS’ savings shareholders in the context of the Merger; (viii) the criteria to assign the shares of the acquiring company and the date on which such shares will give the right to participate to the profits; (ix) the particular advantages in favour of the members of the management and controlling bodies of the incorporating companies; (x) the description of the protections afforded to RAS’ creditors by Italian provisions in the context of the

Merger; and also of the other information relative to the procedure to involve the employees in the European Company.

The Companies participating to the Merger have also carried out the disclosure obligations concerning certain relevant information relating to the Merger, according to Article 21 of EC Regulation n. 2157/2001, and have inserted such information in the attachment II of the Merger plan.

II GENERAL DESCRIPTION OF THE TRANSACTION AND OF ITS GROUNDS, WITH PARTICULAR REGARD TO THE BUSINESS RATIONALE AIMS AND TO THE PLANS OF THE COMPANIES INVOLVED IN THE MERGER

2.1 Description of the companies involved in the Merger: RAS

2.1.1 Name:

Riunione Adriatica di Sicurtà S.p.A.

2.1.2 Registered office:

Milano, Corso Italia n. 23.

2.1.3 Identity data:

RAS is registered in the Company Register of Milan. Its registration, tax and VAT number is 00218610327.

2.1.4 Share capital:

At the time of such report, the share capital of RAS is equal to Euro 403,336,202.40, divided into No. 670,886,994 ordinary shares and No. 1,340,010 saving shares. The ordinary shares, as well as the savings shares, have a par value of Euro 0.60 each.

The extraordinary shareholders' meeting of 29 April 2005 has empowered the Board of Directors, pursuant to Articles 2443 and 2420-ter of the Italian civil code, for five years starting from the resolution: (i) to resolve capital increases, in one or more tranches, up to a

total amount of Euro 516,456,000. Such capital increases could be devoted to the exercise of warrants, options or similar instruments, also issued by third parties; the shares to be issued could also be reserved to the employees of the company and/or of its controlled companies, in accordance with Art. 2441, paragraph 1, 2, 3, 8 of the Italian civil code and, as for the increase of the share capital without consideration, in accordance with Art. 2442 of the Italian civil code; (ii) to issue, in one or more tranches, convertible bonds into new shares of RAS, pursuant to Art. 2420-ter of the Italian civil code, up to a total amount of Euro 1,200,000,000 within the terms fixed by the applicable provisions. The Board of Directors can reserve convertible bonds in favor of employees of RAS and / or of its controlled companies, pursuant to Art. 2441, paragraph 8, of the Italian civil code.

2.1.5 Corporate scope:

The corporate scope of RAS is the carrying out of all kinds of permitted insurance business in any country, either directly or by way of reinsurance or retrocession. The Company may also perform capitalisation and savings transactions, undertake to pay sums or deliver securities issued or guaranteed by States, Provinces and Municipalities, or mortgage bonds, also against payment by instalments, and to manage trusts and assets on behalf of third parties as well as pension funds entities transactions according to current legislation. The Company may also carry out all operations connected with or inherent to the corporate scope, including the acquisition of interests and shareholdings in other Companies or Bodies having a corporate purpose similar, connected or instrumental to its own.

2.1.6 Governing bodies:

a) The Board of Directors

The Board of Directors of RAS, as appointed by the ordinary shareholders' meeting on April 30, 2003 for three financial years (*i.e.* until adoption of the financial statements for the year ending on December 31, 2005) is composed as follows:

Name	Position
Giuseppe Vita	Chairman
Michael Diekmann	Vice-Chairman
Paolo Vagnone	Executive Director
Paolo Biasi	Member
Detlev Bremkamp(*)	Member
Carlo Buora	Member
Vittorio Colao	Member
Nicola Costa	Member
Rodolfo De Benedetti	Member
Klaus Duehrkop	Member
Pietro Ferrero	Member
Francesco Micheli	Member
Salvatore Orlando	Member
Helmut Perlet	Member
Giampiero Pesenti	Member
Andrea Pininfarina	Member
Gianfelice Rocca	Member
Carlo Salvatori	Member
Aldo Andreoni	Secretary of the Board

(*) Mr. Detlev Bremkamp and Mr. Klaus Duehrkop, starting from December 31, 2005, will relinquish their office of directors. In their place the Board of Directors of RAS has co-opted, with effect from 1st January 2006, respectively Dr. Enrico Cucchiani, who will substitute Mr. Detlev Bremkamp also in his offices within the Executive Committee and the Advisory Committees of RAS, and Mr. Joachim Faber.

Executive Committee:

The Executive Committee is composed as follows:

Name	Position
Giuseppe Vita	Chairman
Michael Diekmann	Vice-Chairman
Paolo Vagnone	Executive Director
Detlev Bremkamp ²	Member
Pietro Ferrero	Member
Gianfelice Rocca	Member

b) Advisory Committees to the Board of Directors:

The Board of Directors has set up a number of committees to provide for advice and draw up proposals. The resolutions of the advisory committees are not binding on the Board of Directors. The Board of Directors receives timely and detailed reports on the activities of the

² Until December 31, 2005

advisory committees, which forward documentation about their work and resolutions to the Board of Directors via the Chairman.

The advisory committees are elected annually by the Board of Directors and are the following:

- Committee for the Appointment of Directors:

The Committee for the Appointment of Directors presents its proposals to the Board of Directors when the Board is required to replace one or more Directors or to propose appointments for approval by the shareholders. In drawing up its recommendations, the committee takes into consideration the positions already held by the candidates. The committee also makes proposals to the Board of Directors for the appointment of Directors to other advisory committees, if the Board does not make such appointments directly. The Committee for the Appointment of Directors is currently composed of a majority of non-executive Directors and includes a significant number of independent Directors, as follows:

Name	Position
Giuseppe Vita	Chairman
Michael Diekmann	Vice-Chairman
Paolo Vagnone	Executive Director
Detlev Bremkamp ³	Member
Francesco Micheli	Member
Carlo Salvatori	Member

- Committee for the Remuneration of Directors and General Managers

The Committee for the Remuneration of Directors and General Managers presents proposals to the Board of Directors with regard to the remuneration of the Chairman, the Chief Executive Officer and other Directors who hold special position, and, on the recommendations of the Chief Executive Officer, with regard to the remuneration of the company's General Managers. The Committee also draws up proposals for stock option plans or assignments of shares to the above-mentioned officers. The Committee for the Remuneration of Directors and General Managers is currently made up exclusively of non-executive Directors and by a majority of independent Directors, as follows:

³ Until December 31, 2005

Name	Position
Giuseppe Vita	Chairman
Michael Diekmann	Vice-Chairman
Detlev Breinkamp ⁴	Member
Rodolfo Debenedetti	Member
Vittorio Colao	Member
Gianfelice Rocca	Member

- Internal Audit Committee:

The Internal Audit Committee advises and makes proposals to the Board of Directors on internal audit matters. Specifically, it receives regular reports from the Group Internal Auditing Division and evaluates the Division's work plans. It also assesses the adequacy of accounting policies and their consistency for the purpose of preparation of the consolidated financial statements; it examines the independent auditors' engagement letter; it reports to the Board of Directors on its activities and the adequacy of the internal audit system. The Internal Audit Committee is composed of non-executive Directors, the majority of whom are independent. Its members, who are required to have wide experience in economic and/or financial matters and/or in internal auditing, are the following:

Name	Position
Giuseppe Vita	Chairman
Pietro Ferrero	Member
Gianfelice Rocca	Member
Carlo Salvatori	Member

- Risk Committee:

The Committee advises the board on the definition of risk management policy guidelines relating to risks that entail significant capital absorption within the Group. The committee members are required to possess significant experience in economic and/or financial matters and/or in risk management. The Risk Committee is currently composed of non-executive Directors, the majority of whom are independent, as follows:

⁴ Until December 31, 2005

Name	Position
Giuseppe Vita	Chairman
Carlo Buora	Member
Helmut Perlet	Member
Carlo Salvatori	Member

- Corporate Governance Committee:

The Corporate Governance Committee advises and makes proposals to the Board of Directors on corporate governance issues. In particular, the committee proposes updates on the RAS Corporate Governance Code. The Corporate Governance Committee currently consists of a majority of non-executive Directors and a significant number of independent Directors, as follows:

Name	Position
Giuseppe Vita	Chairman
Michael Diekmann	Vice-Chairman
Paolo Vagnone	Executive Director
Detlev Bremkamp ⁵	Member
Rodolfo De Benedetti	Member
Carlo Salvatori	Member

c) The Board of Statutory Auditors (Collegio Sindacale)

The Board of Statutory Auditors, as appointed by the ordinary shareholders' meeting on April 30, 2003, will remain in office until adoption of financial statements for the year ending on December 31, 2005 and is composed by the following members:

Name	Position
Pietro Manzonetto	Chairman
Paolo Pascot	Member
Giorgio Stroppiana	Member
Michele Carpaneda	Substitute
Luigi Gaspari	Substitute

All the members of the Board of Statutory Auditors are domiciled for their office at RAS's registered office.

⁵ Until December 31, 2005

2.1.7 The RAS shares directly or indirectly owned by the members of the Board of Directors or of the Board of Statutory Auditors.

The following schedule shows the numbers of RAS shares owned, directly or indirectly, by the members of the Board of Directors or of the Board of Statutory Auditors as of December 15, 2005:

BoD and SB	No. of shares as at 31.12.2004	Class of shares	Kind of ownership	Formalities	No. of shares bought	No. of shares sold	No. of shares held at 15.12.2005
Giuseppe Vita Presidente	-				-	-	-
Michael Diekmann Vice Presidente	-				-	-	-
Vagnone Paolo Amm. Delegato	192	Ordinary shares			74.000 ⁶	74.000	192
Paolo Biasi Consigliere	-				-	-	-
Detlev Bremkamp Consigliere	-				-	-	-
Carlo Buora Consigliere	-				-	-	-
Vittorio Colao Consigliere	-				-	-	-
Nicola Costa Consigliere	-				-	-	-
Rodolfo Debenedetti Consigliere	10.000	Ordinary shares			-	-	10.000
Klaus Duehrkop Consigliere	-				-	-	-
Pietro Ferrero Consigliere	-				-	-	-
Francesco Micheli Consigliere	-				-	-	-
Salvatore Orlando Consigliere	-				-	-	-
Helmut Perlet Consigliere	-				-	-	-
Giampiero Pesenti Consigliere	-				-	-	-
Andrea Pininfarina Consigliere	-				-	-	-
Gianfelice Rocca Consigliere	-				-	-	-
Carlo Salvatori Consigliere	-				-	-	-
Pietro Manzozetto Presidente Collegio Sindacale	-				-	-	-
Paolo Pascot Sindaco effettivo	-				-	-	-
Giorgio Stroppiana Sindaco effettivo	-				-	-	-

⁶ The above mentioned number of shares is referred to the shares traded as a consequence of RAS stock option plans

2.2 Description of the companies involved in the Merger: Allianz

2.2.1 Name:

Allianz Aktiengesellschaft, a stock corporation organized in Germany under the German Stock Corporation Act (*Aktiengesetz*).

2.2.2 Registered office:

Königinstrasse 28, 80802, Munich, Germany.

2.2.3 Identity data:

Allianz is registered in the Commercial Register at the local court (*Amtsgericht*) in Munich, Germany, under the entry number HRB 7158.

2.2.4 Share capital:

At the time of such report, the share capital of Allianz is equal to Euro 1,039,462,400⁷, shared into No. 406,040,000 no par value shares that are issued in registered form. All issued registered shares with restricted transferability have a calculated notional value (the proportional amount of the share capital attributable to each share) of Euro 2.56 per share. This includes shares with a nominal portion of the registered share capital of Euro 25,899,136 that were issued in September 2005 out of the Authorized Capital 2004/I under exclusion of the pre-emptive rights of the shareholders and were placed with institutional investors. Finally, shares with a nominal portion of the registered share capital of Euro 2,939,264 were issued in November 2005 to employees out of the Authorized Capital 2004/II. By resolution of the general shareholders' meeting of Allianz on May 4, 2005, the management board was authorised to acquire and use treasury shares up to a maximum of 10% of the registered share capital of Allianz. The authorisations for the acquisition of treasury shares are effective until November 3, 2006. The Management Board of Allianz is authorised to increase once or several times, upon the approval of the supervisory board, the registered share capital of the company until May 4, 2009, by issuance of new registered no-par value shares, against contributions in cash and/or kind, by up to Euro 424,100,864 (Authorised Capital 2004/I). The Management Board is authorised, subject to approval of the

⁷ Inclusive of the share capital increase of Euro 23,040,000 issued upon the exercise of the warrants issued with the conditional capital increase 2004.

Supervisory Board, to exclude shareholders' pre-emptive rights for certain specified reasons. It is proposed to the extraordinary shareholders' meeting of Allianz on February 8, 2006, to renew this authorised capital with a nominal amount of up to Euro 450,000,000 – under cancellation of the aforementioned existing Authorised Capital 2004/I – with a term until February 7, 2011. Moreover, in order to issue new shares to the employees of the company, the Management Board is authorised to increase once or several times, upon the approval of the supervisory board, the registered share capital of the company until May 4, 2009, by issuance of new registered no-par value shares, against contributions in cash, by up to Euro 4,356,736 (Authorised Capital 2004/II). It is proposed to the extraordinary shareholders' meeting of Allianz on February 8, 2006, to renew this authorised capital with a nominal amount of up to Euro 15,000,000 – under cancellation of the aforementioned existing Authorised Capital 2004/II – with a term until February 7, 2011. By resolution of the shareholders' meeting of Allianz on May 4, 2005, the Management Board was authorised, subject to the approval of the Supervisory Board, to issue convertible and option bonds once or several times for a nominal amount of up to Euro 10,000,000,000 within May 4, 2009. The bond holders may be granted conversion or option rights for shares of the company for a portion of the registered share capital of up to Euro 250,000,000. In order to permit the conversion of the above mentioned bonds, the share capital may be conditionally increased by an aggregate amount of up to Euro 250,000,000. Thereof, shares in a total amount of Euro 23,040,000 were issued in 2005 upon the exercise of warrants.

2.2.5 Corporate purpose:

The purpose of Allianz is the direction of an international group of companies, which are active in the areas of insurance, banking, asset management and other financial, consulting and similar services. Allianz holds interests in insurance companies, banks, industrial companies, investment companies and other enterprises. As a reinsurer, Allianz primarily assumes insurance business from its group companies and other companies in which Allianz holds direct or indirect interests. Allianz is authorised to transact any business and to take measures which seem appropriate to serve Allianz's object. It may form and acquire companies and acquire interests in companies as well as manage companies, or it may confine itself to managing its interests. Within the frame-work of its object, Allianz is authorised to raise loans and to issue bonds.

2.2.6 Governing bodies:

a) The Management Board

The Management Board (*Vorstand*) of Allianz consists of ten members. Under the articles of association of Allianz, the Supervisory Board of Allianz determines the size and appoints the members of the Management Board although it must have at least two members. At the date of the present report the Management Board is composed as follows:

Name	Position	Age⁸
Michael Diekman	Chairman of the Management Board	50
Dr. Paul Achleitner	Member	49
Detlev Bremkamp	Member	61
Jan R. Carendi	Member	60
Dr. Joachim Faber	Member	55
Dr. Reiner Hagemann	Member	58
Dr. Helmut Perlet	Member	58
Dr. Gerhard Rupprecht	Member	57
Dr. Herbert Walter	Member	52
Dr. Werner Zedelius	Member	48

Mr. Detlev Bremkamp and Dr. Reiner Hagemann will cease to be members of the management board as of December 31, 2005. As of January 1, 2006 the supervisory board has appointed the following persons as additional members of the management board: (i) Enrico Cucchiani, (ii) Jean-Philippe Thierry and (iii) Clement Booth.

b) The Supervisory Board

The Supervisory Board of Allianz currently consists of 20 members, 10 of whom are elected by the shareholders (the shareholders' representatives) and 10 of whom are elected by the employees of the German companies of the Allianz Group (employee representatives). 3 of the employee representatives are representatives of the trade unions represented in the Allianz Group in Germany. The general meeting of the shareholders may remove any supervisory board member it has elected by a simple majority of the votes cast. The employee representatives may be removed with a majority of three-quarters of the votes cast by those employees who elected them. The main functions of the Supervisory Board are: (i) to oversee the management of the company; (ii) to appoint the members of the management

⁸ At December 31, 2004

board; and (iii) to approve matters in areas where such approval is required by German law or which the Supervisory Board has made generally or in the individual case subject to its approval. The Supervisory Board of Allianz is composed by the following members:

Name	Position	Age
Dr. Henning Schulte-Noelle	Chairman; Shareholder representative	63
Norbert Blix, Deputy	Chairman; Employee representative	56
Dr. Wulf H. Bernotat	Shareholder representative	57
Dr. Diethart Breipohl	Shareholder representative	66
Dr. Gerhard Cromme	Shareholder representative	62
Claudia Eggert-Lehmann	Employee representative	38
Hinrich Feddersen	Employee representative	61
Franz Fehrenbach	Shareholder representative	56
Peter Haimerl	Employee representative	56
Prof. Dr. Rudolf Hickel	Employee representative	63
Dr. Franz B. Humer	Shareholder representative	59
Prof. Dr. Renate Köcher	Shareholder representative	53
Igor Landau	Shareholder representative	61
Dr. Max Link	Employee representative	50
Iris Mischlau-Meyrahn	Employee representative	47
Karl Neumeier	Employee representative	58
Sultan Salam	Employee representative	64
Dr. Manfred Schneider	Shareholder representative	66
Margit Schoffer	Employee representative	49
Prof. Dr. Dennis Snower	Shareholder representative	55

c) Internal Committees

The Supervisory Board of Allianz has established a standing committee, an audit committee, a personnel committee and a mediation committee.

- *Standing Committee*

The Standing Committee, which comprises the chairman of the Supervisory Board, his deputy and three additional members elected by the Supervisory Board, may approve or disapprove certain transactions of Allianz to the extent that such transactions do not fall under the competency of any other committee or are required to be decided by plenary meeting of the Supervisory Board. The Standing Committee examines the corporate governance of Allianz, drafts the declaration of compliance and monitors the efficiency of the work of the Supervisory Board. In addition, it determines the guest status of non-members who wish to attend Supervisory Board meetings as well as changes in form to the articles of association. The members of the Standing Committee are:

Name	Position
Dr. Henning Schulte-Noelle	Chairman
Norbert Blix	Member
Dr. Gerhard Cromme	Member
Peter Haimerl	Member
Dr. Manfred Schneider	Member

- *Audit Committee*

The Audit Committee, established in September 2002, comprises five members elected by the Supervisory Board. The Audit Committee prepares the decisions of the Supervisory Board concerning the Allianz Group's annual financial statements, consolidated financial statements and appointment of the auditors and ascertains the independence of the auditors. Furthermore, the Audit Committee assigns the mandate to the auditors, sets priorities for the audit and determines the compensation of the auditors. In addition, it examines the quarterly reports. After the end of each fiscal year, the Audit Committee examines the annual financial statements and the Allianz Group's consolidated financial statements, examines the risk monitoring system and discusses the auditor's report with the auditors. The members of the Audit Committee are:

Name	Position
Dr. Manfred Schneider	Chairman
Dr. Gerhard Cromme	Member
Claudia Eggert-Lehmann	Member
Prof. Dr. Rudolf Hickel	Member
Dr. Henning Schulte-Noelle	Member

- *Personnel Committee.*

The Personnel Committee consists of the chairman of the Supervisory Board and two other members elected by the Supervisory Board. It prepares the appointment of members of the Management Board. In addition, it tends to on-going personnel matters of the members of the Management Board including their membership on boards of other companies, the payments they receive and the structure of group equity incentives. The members of the Personnel Committee are:

Name	Position
Dr. Henning Schulte-Noelle	Chairman
Norbert Blix	Member
Dr. Gerhard Cromme	Member

- *Mediation Committee.*

The Mediation Committee consists of the chairman of the Supervisory Board and his representative elected according to the rules of the German Co-determination Act of 1976, one member elected by the employees and one member elected by the shareholders. Under paragraph 27(3) of the German Co-determination Act, the Mediation Committee is charged with the solution of conflicts in the appointment of members of the Management Board. If the Supervisory Board in a vote on the appointment or recall of a member of the Management Board fails to obtain the required majority, the Mediation Committee has to present a proposal to the Supervisory Board. The members of the Mediation Committee are:

Name	Position
Dr. Henning Schulte-Noelle	Chairman
Wulf Bernotat	Member
Norbert Blix	Member
Hinrich Feddersen	Member

2.2.7 Allianz shares owned by the members of the Management Board or of the Supervisory Board

As at April 11, 2005 members of the Management Board and Supervisory Board held an aggregate of less than 1% of the ordinary share capital. At the same date based on the Allianz's share register, the members of the Management Board and Supervisory Board held in aggregate approximately 2,970 ordinary shares of Allianz.

2.3 Description of the activities of the company involved into the Merger: RAS

2.3.1 Description of the activities of the RAS Group

With more than five millions clients in Italy, RAS is a leading group in life/non-life insurance and financing sector, able to offer a complete and integrated portfolio of services, which range from risk protection to integrative social security, from investment to financing, from managed and administrated savings to typical banking products. In total consolidated revenues were 15.292 billion euro for the financial year 2004 and 11.779 billion euro for the first nine months of the financial year 2005.

The RAS group uses a variety of distribution and communication channels with its clients, ranging from traditional channels (agents, brokers, financial promoters) to those more recently set up (banking counters, telephone and internet). In particular, at June 30, 2005,

the commercial network included 1,450 insurance agents, 2,800 financial promoters and thanks to bank/insurance agreements, 3,200 banking counters with partner banks. With regard to the most innovative sales channels, a company of the group – GeniaLloyd – is the leader in Italy for the collection of insurance premiums via internet.

The RAS group is meaningfully represented also in the following insurance markets: Switzerland, Austria, Spain and Portugal. At September 30, 2005, RAS controlled 59 companies, 32 of those with the legal office abroad, and more than 14,000 people, thereof more than 5,500 are resident in Italy.

RAS is listed on Italian regulated market named “*Borsa Italiana*”. Allianz - which controls one of the most important insurance and financial group of the world - holds after completion of the voluntary cash tender offer conducted in October and November 2005, 76.3% of the RAS’s share capital.

- 2004 BALANCE SHEET DETAILS AND DETAILS UPDATED AS OF 30 SEPTEMBER 2005

Consolidated profit and losses of RAS Group

The following table sets forth summarized key financial figures of RAS Group as contained in the Group financial reports. After the adoption of IFRS accounting rules by RAS with effect from January 1, 2005, the figures for the 9 months have been prepared on the basis of IFRS (nine months report as of 30 September 2005), whereas the prior years full years figures have followed Italian accounting principles.

	IIIQ 2005	2004	2003	2002	2001
Total premiums					
Premiums gross (millions€)	8,540	16,124	16,569	15,039	12,805
- of which in Italy (millions€)	4,351	10,932 ¹	11,440 ¹	10,117	8,370
Non life					
Premiums gross (millions€)	5,611	7,290	7,017	6,696	6,174
- of which in Italy (millions€)	2,715	3,948	3,794	3,640	3,373
Gross Technical Reserves (millions €)	12,116	11,650	11,389	11,285	9,990
Reserves net ratio (%)	n.s.	162.3	162.1	165.7	155.8
Technical result (millions €)	n.s.	55	-68	-283	-268
Net combined ratio (%)	98.3%	99.2	101.1	104.7	105.6
Life					
Premiums gross (millions €)	2,929	8,834	9,552	8,343	6,631
- of which in Italy (millions €)	1,636	6,984 ¹	7,646 ¹	6,477	4,997
Traditional technical reserves gross (millions €)	32,348	28,108	26,591	26,429	21,217
Technical reserves unit-linked and pension funds (millions €)	18,686	17,255	13,112	8,309	5,462
Technical result (millions €)	n.s.	258	107	118	105
Value of the new business (millions €)	n.s.	182	162	119	90
Value of the life portfolio (millions €)	n.s.	1,575	1,530	1,383	1,285
Financial services					
Net worth under management (millions €)	15,768	14,663	10,838	9,502	10,525
Administered net worth (millions €)	3,046	2,835	2,182	1,208	877
Net worth under management and administered (millions €)	262	730	1,097	936	786
Value of the new business (millions €)	n.s.	28	16	13	21
Value of the portfolio under management (millions €)	n.s.	294	214	224	302
Ordinary results (millions €)	n.s.	1,078	937	137	634
Net income (millions €)	637	691	554	911	402
Net worth including income (millions €)	6,275	4,705	4,391	4,974	4,352
R.O.E. (%)	n.s.	15.2	12.9	19.5	9,4
Investments (millions €)	69,217	43,485	40,694	39,041	32,502
Non realised capital gains on listed securities (millions €)	n.s.	2,510	2,096	1,806	1,774

¹ The premiums of Darta Saving, an Irish company the products of which are distributed in Italy through the RASBank's financial agents, are included.

At September 30, 2005 RAS' Group ranked third on the Italian non-life market for premium income (11% of the non-life Italian market) and in the Italian life market ranked second (10.2% of the life Italian market); in the Personal financial services it ranks third as asset manager (managed and administrated savings, life reserves), with a share of 11.4%.

The two main activities of the RAS Group are carried out by RAS (the insurance activity) and by Rasbank (the banking and financial activity). More in detail, RAS controls in Italy eleven insurance companies, diversified for selling channel and for sector, one bank (RasBank), three asset management companies, one fiduciary company and one intermediary company ("SIM"), mainly operating in corporate finance.

The Italian group comprises also two service companies (IT and damages liquidation) instrumental to the core business. The Italian group comprises a company which works as administrator and accounter of some pension funds and a real estate company. RAS, in

order to diversify its investments, participates also in a small but qualified manner in the agricultural and touristic sector.

RAS Group works abroad mainly in the insurance market, in Switzerland (at September 30, 2005 it ranks fourth on the Non-life sector, with a share of 7% of the relevant market, sixth in the life sector with a share of 5% of the relevant market), in Austria (it ranks among the market leaders with a share of 12% in the Non-life sector and with a share of 9% in the life sector), in Spain (it ranks second on the Non-life sector, with a share of 7% of the relevant market, eighth in the life sector with a share of 3.5% of the relevant market) and in Portugal.

As better described in paragraph 2.4.2 below, the data concerning RAS activities presented by Allianz in its Merger report has been prepared in accordance with its IFRS standards and therefore may also deviate from the IFRS data published by RAS since the criteria for the application of the IFRS standards were different.

2.3.2 RAS Group Non-life business

In the first nine months of 2005 consolidated Non-life premium income was equal to Euro million 5,611. In Italy, where the group is the third largest player on the Non-life market with a share of 10.6%, at September 30, 2005 premiums amounted to Euro 2,715 million. The overall combined ratio was 97.6 %.

In particular, in the Motor lines of business premiums rose to Euro 1,680 million.

In the General Liability sector performance by clients segment reflects significant differences in results:

- in the Personal segment, premium income was equal to Euro 2,130 million;
- in the Small and Medium enterprises segment, premium income was equal to Euro 129 million;
- in the Corporate, Major Accounts and Public Bodies segment, premium income was equal to Euro 440 million.

In Austria, where the RAS Group operates through Allianz Elementar and is among the market leader with a share of 12%, premium income was equal to Euro 763 million. The overall combined ratio rose to 100.2 % at the end of September 2005.

In Switzerland, where the RAS Group operates through Allianz Suisse, which ranks fourth on the Non-life market with an estimated share of 8.4% at the end of September 2005,

premiums written as of September 2005 amounted to Euro 1,195 million. The overall combined ratio was equal to 105.5%, due to the recent floods.

In Spain, where the RAS Group operates through AGF-RAS Holding (equally owned by RAS and AGF), the group is the second player on the Non-life market with an estimated share of 6% at the end of September 2005. Premiums written as of September 2005 amounted to Euro 705 million. The combined ratio was equal to 91% at the end of September 2005.

2.3.3 RAS Group life business

Premium income in the group Life business as of September 30, 2005 is equal to Euro 2,929 million.

Premiums on policies distributed in Italy, where the group ranks second, with a share equal to 11.5% (calculated on the basis of the Italian premiums), were equal to 1.636 Euro million. The decline compared to the previous year results from the new accounting provisions for insurance policies which have been introduced through the new accounting standards. These require to distinguish between investment policies and policies with a high financial risk.

The agency channel is made of 841 agencies, managed by 1,413 subagents and 11,760 life specialist and achieved total premiums of Euro 1,082 million. With regard to the individual policy sector, which generates the highest added value, new business premium income were equal to 455 Euro million.

The financial advisor network, consisting of 2,799 RasBank advisors (of whom approximately 678 working in RAS agencies), had premium income of Euro 474 million. New production on individual policies totalled Euro 298 million.

The bancassurance channel consisting largely of UniCredito bank branches, totalled 3,712 Euro million of written premiums. In particular, new production amounted to 3,410 Euro million.

In Austria, where the group ranks seventh on the life market, with an estimated share of approximately 6%, premiums rose at the end of September 2005, to Euro 209 million. Operations in Austria focus on traditional products distributed through traditional channels.

In Switzerland, where the subsidiary Allianz Suisse Leben is sixth on the Life market, with an estimated share of approximately 5%, premiums reached at the end of September 2005, 869 Euro million.

In Spain, where the group operates through AGF-RAS Holding (equally owned with AGF), the group ranks eighth on the Life market with an estimated share of 3,5%. Premiums reached at the end of September 2005, 160 Euro million.

2.3.4 RAS Group personal financial services

The RASBank network has (including private bankers) 2,799 professional financial advisors, including 678 advisors operating in RAS group insurance agencies. With assets under management of 22.4 Euro billion, at the end of September 2005 RASBank was the third largest financial advisors network in Italy with a share of 10.6%.

RASBank net inflows totalled 740 Euro million, including new life production.

Total inflows for assets under management (net of duplications) were Euro 222 million.

Net inflows for assets under administration were 220 Euro million. At the end of September 2005 current accounts were approximately 145,000. At the end of September 2005, RASBank clients numbered more than 481,000.

RAS provides private banking services through Investitori sgr. This company has eleven private bankers and reported as of September 2005 total inflows of 171 Euro million.

At the end of September 2005, the group's personal financial services for retail clients alone had assets totalling 22,356 Euro million

2.4 Description of the activities of the company involved in the Merger: Allianz

2.4.1 Description of the activities of the Allianz Group

Allianz Group is one of the leading providers of financial services worldwide active in the offering of insurance, banking and asset management products and services, with 178,462 employees (as of September 30, 2005). The total consolidated revenues for the financial year 2004 were EUR 96.875 billion⁹, and EUR 75.733 for the first nine months of the financial year 2005.

⁹ In the financial year 2005 Allianz has adopted the provisions of revised and new accounting standards in accordance with the International Financial Reporting Standards (IFRS). Some of these revised and new provisions also have to be applied with retrospective effect. Therefore, data pertaining to periods before January 1, 2005, also have to be adapted to the revised and new accounting standards, in order to include the effects of the changes (for a table including key indicators for several years on a comparable basis see below). Unless indicated otherwise, the consolidated key indicators of Allianz Group for the financial years 2002, 2003 and 2004 presented on the following pages are data

Headquartered in Munich, Germany, the Allianz Group operates in over 70 countries and is organized in four core business divisions:

- (i) property/casualty insurance;
- (ii) life/health insurance;
- (iii) banking services;
- (iv) asset management services.

2.4.2 Main markets

As from January 1, 2006, in Germany the property/casualty and life/health insurance activities will be consolidated into a new holding company– Allianz Deutschland AG – which will be a wholly-owned subsidiary of Allianz AG (i.e. upon effectiveness of the Merger, Allianz SE). Outside of Germany, the principal markets for the insurance segment of the Allianz Group are France, Italy, the United Kingdom, Switzerland, Spain and the United States.

The banking segment operates through 969 German and non-German branch offices of Dresdner Bank. Its most important market is Germany, but it is also active, with significant operations, in the United Kingdom, the United States and in Asia.

The asset management segment operates on a worldwide basis, with key management centers in Europe at Munich, Frankfurt, Milan, London, Paris; in Asia at Singapore and Hong Kong, and in the United States at Westport (Connecticut), San Francisco, San Diego and Newport Beach (California).

2.4.3 Revenues of Allianz Group segments

The table below sets forth the total group revenues per business segment for the year ended on September 30, 2005 and on September 30, 2004:

which take into consideration the IFRS rules adopted with retrospective effect. Therefore, they may deviate from the data which has already been published by Allianz Group.

	<i>Nine months ended Sept. 30, 2005</i>	<i>Nine months ended Sept. 30, 2004</i>
	Total Revenues ¹⁰ (€ mn)	Total Revenues ¹¹ (€ mn)
Property-Casualty	34,439	34,646
Life-Health	34,942	31,946
Banking	4,611	4,948
Asset management	1,933	1,664

2.4.4 Insurance operations overview

The Allianz Group provides property-casualty and life/health products and services to private and corporate clients in approximately 70 countries worldwide.

The main insurance products and services provided by the Allianz Group include:

- (i) Property/casualty insurance - the Allianz Group provides, among other things, automobile, homeowners, travel and other personal lines products and is a provider of commercial and industrial coverage to business enterprises of all sizes.
- (ii) Life/health insurance - The life-health insurance segment provides endowment, annuity and term insurance products and a wide range of health, disability and related coverage to individual insured, as well as group life, group health and pension products to employers.

In addition, the Allianz Group provides on a global basis certain specialty lines, including credit insurance, international industrial risks reinsurance, marine and aviation insurance, and travel and assistance insurance.

Allianz AG, the parent company of the Allianz Group, also acts as the Allianz Group's reinsurer for almost all of its insurance operations, other than international industrial risks reinsurance. For the German property-casualty subsidiaries (see below) Allianz AG is the primary reinsurer with exception of the credit insurance subsidiary, Euler Hermes, and the international industrial risks reinsurance unit, Allianz Global Risks Re.

As already anticipated, as of January 1, 2006, the German insurance activities were consolidated under the roof of a new holding company. This new holding, Allianz Deutschland AG, is a wholly-owned subsidiary of Allianz, in future Allianz SE. Allianz Versicherungs-AG, Allianz Lebensversicherungs-AG and Allianz Private

¹⁰ Without consolidation adjustments.

¹¹ Without consolidation adjustments.

Krankenversicherungs-AG are since November 2005 controlled subsidiaries of Allianz Deutschland AG.

In other countries, Allianz Group is also among the important property/casualty insurance providers, for instance in France, Italy, the United Kingdom, Switzerland and Spain and is an important provider of life insurance for instance in the United States, in Italy and in France.

Outside of Germany, Allianz AG acts as a reinsurer of Allianz Group subsidiaries. Each subsidiary is able to place reinsurance directly with reinsurers other than Allianz AG, but Allianz AG has a preferred partnership with respect to reinsurance cessions of its subsidiaries based on ordinary market terms and conditions. Furthermore, Allianz AG provides centralized advice to subsidiaries on structuring their own reinsurance programs, establishing lists of permitted reinsurers, and monitoring aggregate exposures to catastrophes and other events.

2.4.5 Banking operations overview

Within the Allianz Group, the banking business segment was established in 2001 following the acquisition of Dresdner Bank AG. Dresdner Bank AG emerged in 1957 from the reunification of three independent banks, which had been formed in 1952 as successor companies of Dresdner Bank, Berlin, which was founded in 1872 in Dresden.

In 2002, Dresdner Bank transferred substantially all of its German asset management subsidiaries to Allianz Global Investors (formerly ADAM). In 2004, Dresdner Bank further transferred RCM Capital Management and other foreign asset management subsidiaries to Allianz Global Investors. In the first nine months of 2005, the operating revenues of Dresdner Bank amounted to Euro 4,413 million as compared to Euro 4,776 millions in the prior year period. In November 2005, Dresdner Bank has announced a reorganisation of its business model. In order to better tap market potential in its corporate client and capital markets business the business divisions Corporate Banking and Dresdner Kleinwort Wasserstein will be combined in the new business unit Corporate & Investment Banking.

A second focus is private clients and business customers. Sales and production for private clients and business customers will in future be combined in the business division Private & Business Clients.

The reorganisation is also aimed at further expanding the cooperation between Dresdner Bank and Allianz.

Also in November 2005, the agreements for the transfer of the participation of Allianz Group in Eurohypo AG of 28.48 % to Commerzbank AG were signed. The transaction will be

implemented in two steps. Effective December 15, 2005, Commerzbank AG acquired a portion corresponding to 7.35% in Eurohypo AG. The acquisition of the remaining portion of the participation in Eurohypo AG, amounting to 21.13% is subject to the fulfillment of customary conditions, in particular the approval by the antitrust authority and the German Financial Services Supervising Authority (BAFIN).

With approximately 969 branch offices, of which 58 outside Germany, and approximately 36,000 employees, Dresdner Bank offers traditional commercial banking services such as deposit taking, lending (including residential mortgage lending) and cash management, as well as corporate finance advisory services, mergers and acquisitions advisory services, capital and money market services, securities underwriting and securities trading and derivative business. In the first nine months of 2005, the operating revenues of Dresdner Bank amounted to € 4,413 million.

2.4.6 Asset management operations overview

In the asset management business, the Allianz Group operates as a global provider of institutional and retail asset management products and services to third-party investors. Moreover, it provides investment management services to the Group's insurance operations. As measured by total assets under management at September 30, 2005, the Allianz Group was among the five largest asset managers in the world. As of September 30, 2005 third-party assets under management amounted to Euro 711 billion. The Allianz Group distributes its asset management services through specialized personnel including bank branch advisors, full-time agents employed by affiliated insurance companies, the internet and other Allianz Group financial planners and advisors.

The Allianz Group conducts its third-party asset management business primarily through operating companies worldwide under the umbrella brand name of "Allianz Global Investors". However, the Allianz Group operates under multiple brand names in different regions.

Third-party assets under management worldwide amounted approximately € 711 billion as of September 30, 2005 (approximately 58% of the total assets under management of Allianz Group as of September 30, 2005).

Allianz Global Investors is organized globally into global equity and global fixed income business lines, each led by a global head. Together with the chief executive officer and chief operating officer of Allianz Global Investors, who set the standards and coordinate corporate

controlling and administration, each global head is also a member of Allianz Global Investors' executive committee, which is responsible for the strategic development and financial performance. In addition, country organizations led by country managers provide shared infrastructure and services.

Allianz Global Investors' management structure has been designed to manage the complexity of its multi-regional, multi-product and multi-channel business activities.

At December 31, 2004, the Allianz Group had 450 portfolio managers and approximately 200 analysts in major markets worldwide providing a comprehensive range of actively managed fixed-income and equity products and services.

2.5 Execution of the Transaction through the transformation of Allianz into a European Company: strategic and industrial grounds

The Transaction is aimed at establishing a European Company in order to achieve the integration of RAS into Allianz. In addition, the Transaction is aimed at implementing a business plan to create strategic and industrial synergies and efficiencies, as well as to improve the competitive position of the Allianz Group and each of its companies, in an increasingly global market of multinational players in the insurance industry. The Merger of RAS into Allianz and the use of the form of the SE can create a platform for all European activities of Allianz Group carried out in Europe and in particular for the industrial activities of the Group.

A number of elements such as: the effects of the so called "globalization", the pressure of the competitive context, the reduction of the margins, the need for a more efficient asset management, the wider range of functions and activities which may be carried out by insurance companies, both in the conventional sectors (i.e. life and casualty insurance), as well as in the management of saving, or in the complementary pension schemes (which are sectors on which the influence of the global context is more evident); require the adoption by primary insurance companies of initiatives focused on the improvement of their efficiency and of their range of products, all in the interest of their customers, employees and distribution network.

The consolidation process to which the insurance sectors, and more in general the financial services sectors, are currently subject, requires the adoption of initiatives focused on the

remodeling of the insurance companies' business organisation. The Transaction is functional to the above mentioned goal, with the transformation of Allianz, as the surviving company, into a European Company. Also the financial markets push for the creation of a streamlined and transparent business model, as it permits on one hand to achieve a more transparent organization and corporate governance and, on the other hand, to improve the financial performance.

The Transaction is consistent with the strategy recently followed by Allianz ("3+1"), which is focused on enhancing its capital base, strengthening operating profitability, simplifying the structure of its group and increasing its competitive position and shareholder value.

The Transaction represents an opportunity for the RAS' shareholders which shall vote in favour of the Merger to become shareholders of Allianz SE, a global insurance group, operating in a large number of countries and active in several businesses. Becoming Allianz's shareholders, would allow RAS's shareholders to benefit from a significant liquidity of Allianz's shares, as Allianz is a public company, with almost the entire share capital free floating, and its shares listed in several international stock exchanges.

In the context of the Transaction, the two enterprises participating in the Merger will however maintain their industrial peculiarities and their trademarks, maintaining thereby also the relationship with their respective customers. In this, the Transaction balances the strong need for integration and internationalization of the business, with the even stronger need for preservation in Italy of an important presence, which will permit the continuation, without interruption, and the development of the current activities of RAS, while allowing for wider synergies.

In such perspective, the Hive-Down of the business of RAS into one Italian wholly-owned subsidiary of RAS preserves the Italian identity of RAS, while offering the following advantages:

- (i) a wider integration and coordination of the business (the existence of two different shareholdings requires the separate evaluation of the respective interests, both in relation to investment strategies and for the setting up of the industrial policies, thereby conflicting with the need of coordination and integration);
- (ii) the value creation in relation to amalgamation of the respective complementary financial services, with the possibility to offer a wider range of services and products both on the Italian market as well as on the international markets;

- (iii) the improvement of cross-selling initiatives, also in the bank-insurance sector on an international scale;
- (iv) the simplification of the group structure and, as a consequence, a more efficient corporate governance structure and the possibility for the company resulting from the Merger, also through the new status of European Company, to widen and consolidate its network and its industrial potentials.

The Merger gives to the RAS' shareholders the possibility to exchange their shares – currently representing the share capital of a company controlled by Allianz and not subject to any take-over – with the shares: (i) issued by a public company which is not subject to the control of another company (and which, as consequence of the Merger will become a European Company); (ii) having an high level of liquidity; and (iii) traded on various regulated markets.

In the context of the Transaction, the RAS shareholders were also given the possibility to immediately liquidate their investment on conditions which are better than those offered by the market. Allianz in fact has launched a voluntary tender Offer for the acquisition of all the ordinary and the savings shares of RAS. The Offer had the features of a voluntary tender Offer by Allianz which was aimed at the acquisition of the overall number of RAS ordinary shares not owned by Allianz, at a price equal to Euros 19.00 and the overall number of RAS savings shares not owned by Allianz at a price equal to Euros 55.00.

The Offer started October, 20 2005 and was completed on November, 30 2005. The terms and conditions of the Offer were precisely analyzed by the Board of Directors of the Company pursuant to the applicable laws and regulations.

As indicated above, the Offer has allowed the RAS shareholders who did not intend to participate in the Transaction, to liquidate their investment immediately and on conditions which are better than those offered by the market at the time the Transaction was announced. The Offer price was higher than (i) the average of the stock market prices of the ordinary and savings RAS shares with reference to the last 6 months preceding the announcement of the Offer; (ii) the price at which the RAS' shareholders could be entitled to exercise their withdrawal right, pursuant to Article 2437 and following of the Italian civil code, considering that the liquidation value for each ordinary share of RAS is equal to Euro 16.72 and the liquidation value for each savings share of RAS is equal to Euro 24.24 (please see paragraph VI below).

The Transaction is the outcome of an exhaustive analysis and evaluation process carried out by the respective managements of Allianz and RAS, with the assistance of primary advisors.

In the context of the Transaction and on condition that the Merger will be carried out, Allianz has declared its intention to apply for the listing of its shares in Borsa Italiana S.p.A..

Allianz and RAS are assisted by external advisors of proven experience and professionalism. In particular, the following advisors are involved in the Transaction and the Offer: (i) the investment bank Goldman Sachs, Mediobanca and Dresdner Kleinwort Wasserstein for Allianz; and (ii) the investment bank Merrill Lynch International for RAS. Unicredit, Banca Mobiliare S.p.A, MCC S.p.A. and Rasfin SIM S.p.A. acted as coordinator for the execution of the Offer. In addition, Allianz has appointed Ernst & Young Wirtschaftsprüfungsgesellschaft (“**Ernst & Young**”) to carry out the evaluation of Allianz and of RAS in order to determine an exchange ratio both for the ordinary shares and the savings shares of RAS; as well as RAS has appointed PriceWaterhouse Coopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt (“**PwC**”), to advise the *Management* of RAS as valuation advisor in the context of the determination of the exchange ratio for the Merger, as better described in paragraph 5.1 below.

2.6 Legal aspects and main steps of the Transaction

2.6.1 The Transaction

The Transaction is articulated into three main corporate transactions: (i) the Merger, (ii) the Hive-Down, and (iii) the Offer.

The Merger shall be carried out pursuant to (i) the provisions of the EU Regulation No. 2157/2001 dated October, 8 2001, which has become effective on October, 8 2004, (ii) the applicable provisions of the Italian civil code, as well as other pertinent Italian laws and regulations, and (iii) the applicable German laws and regulations. The merger will result in the incorporation of RAS into Allianz.

The Merger – the main terms of which are today definitively approved by the management board of Allianz and the board of directors of RAS – shall be submitted, pursuant to Article 23 of the EC Regulation No. 2157/2001 and Italian and German applicable provisions, to the approval of RAS’ extraordinary shareholders meeting called for 3rd February 2006 in first call and on February, 4 2006 in second call, and also of Allianz’s extraordinary shareholders

meeting, that will be called on February, 8 2006. The particular meeting of RAS' savings shareholders, called on February, 3 and 4 2006, respectively in first and second call, will be called upon to approve, pursuant to Article 146, comma 1, lett. b) of Legislative Decree No. 58 dated 24 February 1998 (the "Tuf"), the resolution of RAS' extraordinary shareholders meeting concerning the Merger.

Paragraph V below contains more details on the Merger.

The RAS ordinary and savings shareholders who shall not concur to the approval of shareholders' meeting's resolution resolving on the Transaction (which will entail, *inter alia*, the transfer of the registered office abroad, the change of the corporate purpose and the amendment of the shareholders' participation rights) shall be entitled to withdraw from the Company, pursuant to Article 2437 *et sq.* of the Italian civil code. The following paragraph VI contains more details on the withdrawal right.

As already indicated, through the Offer Allianz aimed to acquire the entire outstanding share capital of RAS it does not already own. Considering RAS' current market capitalization, the threshold triggering the obligation to launch a mandatory residual offer ("*Offerta residuale*") or the restoration of the free float would have been equal to 92.5% of the share capital of RAS, taking into account the principles set forth in Consob Communication No. DME/207876 dated February 2, 2002. In the Offer document, Allianz specified its intention to restore the free float, in case of adherences which will get its stake to a percentage comprised between 92,5% and 98% (which is the percentage set forth by Article 111 of Tuf, for the exercise of the so called "squeeze out" right). However, in light of the results of the Offer, this circumstance did not occur. Paragraph III below contains more details on the Offer.

The Hive-Down shall be carried out in compliance with (i) the relevant provisions of the Italian Civil Code, (ii) the relevant provisions relating to "Life Insurance" and (iii) the relevant provisions relating to "Non-Life Insurance" (the above mentioned provisions related to the insurance activity have been amended fundamentally, such amendments will become effective in the next months). The Hive-Down shall be executed in favor of an Italian wholly-owned subsidiary of RAS (the "**Beneficiary Company**"). Upon the Hive-Down becoming effective, RAS will lose its right to carry on insurance activities. Such right - subject to the ISVAP authorization - will be acquired by the Beneficiary Company. The RAS' shareholders' meeting convened to approve the Merger shall also resolve on the change of the corporate purpose of RAS and on the related amendments to the by-laws (with regard to the

by-laws amendments, it shall be approved a separate report). Paragraph IV below contains more details on the Hive-Down.

2.6.2 The European company

Upon the completion of the Transaction, Allianz shall take the form of a European company (“Allianz SE”) and shall be governed by: (i) the provisions set forth by EC Regulation No. 2157/2001 (concerning the statute of a European company), as well as, (ii) the German laws which would apply to a German SE, *i.e.* the German SE Implementation Act (SEAG) and the German SE Employee Participation Act (SEBG) as well as, to the extent the SE specific laws do not provide otherwise, the German laws applying to a German stock corporation, such as the German Stock Corporation Act (“AktG”), and (iii) the provisions of Allianz SE statutes (all applicable pursuant to the link set forth by Article 9 of the EC Regulation).

The corporate governance of Allianz SE shall be structured into a two-tier system (similar to the “*modello dualistico*” recently introduced also in the Italian civil code by the Italian corporate law reform - Legislative Decree No. 6/2003).

In light of the above, Allianz SE shall comprise: (aa) a general meeting of shareholders (“*Hauptversammlung*”); (bb) a supervisory board (“*Aufsichtsrat*”) and (cc) a management board (“*Vorstand*”). Allianz as an SE intends to reduce the number of members on the supervisory board from currently 20 to 12 members, while maintaining the co-determination structure. Upon effectiveness of the merger, the office of the current members of the management and supervisory boards of Allianz ends. In the same way, the office of the members of the board of directors of RAS ends, since the latter ceases to exist.

The first supervisory board of Allianz SE is composed of shareholder representatives who are being appointed in the statutes of Allianz SE (cf. Article 40 para. 2 sentence 2 SE Regulation and Section 6 para. 2 sentence 1 of the statutes of Allianz). The employee representatives of this first supervisory board of Allianz SE are being appointed by the court after the effectiveness of the Merger.

The first supervisory board of future Allianz SE appoints the members of the management board of Allianz SE already prior to the effectiveness of the Merger (cf. Art. 39 para. 2 sentence 1 SE Regulation).

The Allianz SE general meeting decisions shall in principle be taken by a majority of the votes validly cast (*Grundsatz der einfachen Stimmenmehrheit*), except for the

decisions concerning the amendments of the Allianz SE statutes which should be taken, unless mandatory laws require a higher majority, by a majority of not less than two-thirds of the votes cast. However, the Allianz Statutes provide further that a simple majority of the votes cast is sufficient provided that at least half of the share capital is represented.

The Allianz SE general meeting shall appoint (and shall be entitled to revoke) the shareholders' representatives of the supervisory board, however with respect to employee representatives the general meeting shall be bound to nominations by the employees or their competent representative bodies, and shall not be entitled to revoke the appointment of the employee representatives of the supervisory board; this right is with the employees or competent employee representative bodies which nominated them. The members of the supervisory board shall appoint (and shall be entitled to revoke) the members of the management board of Allianz SE (while the ordinary general meeting of RAS is entitled to appoint both the directors and the members of the board of statutory auditors).

The annual balance-sheet shall be approved by the supervisory board. The general meeting shall be authorized to approve the annual balance-sheet only if it is not approved by the supervisory board or if both the management and the supervisory boards decide to empower the general meeting.

The general meeting resolves on the distribution of the annual net profits. However, while approving the annual balance-sheet, the supervisory and the management boards may decide to assign more than 50% of the annual net profits to the revenue reserves, until one half of the share capital is attained.

The Allianz SE shares shall be no-par value shares (*Stückaktien*) each representing a notional fraction of Euro 2.56 of the share capital. Their notional value shall be calculated by dividing the amount of the share capital by the number of the shares representing the entire share capital (*“valore nominale implicito”*).

As per Italian law provisions, also German law provides that each shareholder shall participate in the company's net profits to be distributed according to the company's resolutions on the matter, according to the percentage of the entire share capital represented by his shares.

Allianz SE's shareholders shall be generally entitled to a subscription right for new shares issued by Allianz SE if the general meeting – or the management board with the consent of the supervisory board if delegated by the general meeting – decides to increase the share capital. Allianz SE's shareholders' subscription right is regulated by provisions substantially similar to the provisions currently governing the RAS' shareholders option rights.

The subscription right may be excluded only: (i) for fractional amounts; (ii) if the share capital increase does not exceed the 10% of the entire pre-existing share capital and the price of the new shares is not substantially lower than the price quoted on the Stock Exchange, or (iii) if resolved upon by the general meeting of shareholders or if the board of management acts on the basis of a resolution of the general meeting of shareholders and, in each case, the exclusion is justified by material reasons, e.g. in the context of a capital increase against contribution in kind.

Each share gives to its owner the voting right (*Stimmrecht*) in the General Meeting. Each share grants one vote in the general meeting of Allianz SE.

Shareholders shall be entitled to participate and to vote in the General Meeting if they have provided notice of their participation in due time and if their respective shares are registered in the share register. The participation right comprises, *inter alia*, the right to be present at the meeting, to speak on the matters on the agenda, to formulate alternative proposals and to require the annotation of the dissenting opinion, if any, regarding certain decisions.

During the general meeting, each shareholder may request for information regarding the company's businesses and transactions to the extent that this information is relevant for a correct evaluation of the matters on the agenda, including an evaluation of the relationships between companies of the same group.

If the disclosure of the information required may cause damages to the company, e.g. because of its confidential nature, the board of management may decide not to disclose such information.

The shareholders which have participated in the general meeting may contest the general meeting resolutions only if they have required the annotation of their dissenting opinion upon the decision (the abstention is not relevant). The absent shareholders may

contest general meeting resolutions only if they were illegitimately excluded from the meeting or if the general meeting was illegitimately convened or the meeting agenda was incomplete or the contestation is based on the alleged pursuit of an illegitimate special advantage of another shareholder to the detriment of the Company.

Each Allianz SE shareholder shall be entitled to contest, without limitations, the general meetings' decisions which are affected by nullity, regardless of whether he participated in such meeting.

One or more Allianz SE shareholders who together hold a certain percentage of Allianz SE share capital are entitled to exercise, *inter alia*, also the following rights:

- One or more Allianz SE shareholders who together hold at least 1% of the share capital or an attributable amount of Euro 100,000 if they were shareholders at the time the asserted misconduct or damages have become public and if the company, among certain further prerequisites, has not filed such action itself, shall be entitled to exercise the liability action against the management and supervisory board members (§ 147 AktG);
- one or more Allianz SE shareholders who together hold at least 5% of the share capital, may request the company to call the general meeting, drawing up the agenda thereof;
- one or more Allianz SE shareholders who together hold at least 5% of the share capital or a percentage of the share capital representing a notional value equal/higher than EUR 500,000 may request an integration of the agenda of a general meeting already convened by the management board (*Vorstand*).

2.6.3 The main steps of the Transaction

The main steps of the Transaction are the following:

- After the adoption of the resolution of the Board of Directors of 11th September 2005, RAS has submitted to the competent court, the request for the appointment of (i) an expert in charge for the evaluation of the RAS assets which will be subject to the Hive-Down, pursuant to Article 2343 of the Italian civil code, and (ii) an expert in charge of the evaluation of the exchange ratio fairness, pursuant to Article 2501-*sexies* of the Italian Civil Code and to Article 22 of the EC Regulation No. 2157/2001. The Court of Milan has appointed on 10th October 2005 the independent auditor Mazars & Guérard

S.p.A. as independent merger expert for RAS. Upon the application of Allianz, the district court of Munich, Germany has appointed on 24 October 2005 the independent auditor Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft as expert for Allianz.

- RAS has activated and completed the informative and consultation procedure vis-à-vis the trade unions, pursuant to Art. 47 of Law No. 428/1999 and Art. 15 of the Collective National Agreement applicable to the Company as regards the various corporate steps of the Transaction (Hive-Down and Merger);
- the beginning of the Offer on 20th October 2005 – upon which the RAS’ Board of Directors has expressed its judgment with the approval of the so-called “comunicato dell’emittente” on 14th October 2005 – and the end of the Offer period, as well as the announcement of the result on November 29, 2005;
- the competent bodies of Allianz and RAS have drawn up at the present date the Merger plan, including the determination of the final exchange ratio. Given that the participation of Allianz into RAS was held by ACIF, the latter sold such participation to Allianz before the approval of the Merger plan by RAS’ Board of Directors;
- within the end of December 2005, RAS and Allianz shall carry on all the disclosure obligations relating to the Merger. As regards RAS, pursuant to Articles 2501-ter and 2501-septies of the Italian civil code; as regards both companies, pursuant to Article 21, lett. b), of the EC Regulation 2157/2001;
- At the beginning of February 2006, the shareholders’ meetings of the companies concerned will take place to approve the Transaction (as regards RAS, the approval of the Merger and of the amendments to its by-laws connected to the Hive-Down);
- following the deposit of the Merger plan, the management of Allianz and RAS will start the procedures for the co-determination with the EU employees of Allianz pursuant to the relevant provisions of the EC Regulation 2157/2001 as integrated by the EC Directive 2001/86; within the terms established by the applicable provisions. The procedure will consist of the establishment of a negotiating body (10 weeks), followed by negotiations of the companies’ representatives of Allianz and RAS with the negotiation body (up to six months);
- subject to the required authorizations being obtained, by January 2006, the Hive-Down should be completed and effective.

With all applicable reservations, and taking into account, *inter alia*, the resolutions, requests or timing concerning authorisation process, and other possible unpredictable events, the completion of the Merger is expected to occur not later than in autumn 2006, also considering the maximum period within the procedure for the involvement of the future employees of the European company should be completed. The several steps in which the

Merger is articulated and in particular those regarding the involvement of the employees of the companies participating to the Merger and of their affiliates necessary in light of the relevant applicable European and state provisions (in Italy and in Germany), could extend the usual duration of a national Merger procedure.

The above timing may vary depending on requests or remarks from the competent authorities and, in particular, from Consob, ISVAP and Borsa Italiana S.p.A. or for other circumstances not predictable at this time. However, the specific dates of the main steps of the Transaction shall be announced by the following press releases.

In the following paragraphs there will be examined – on the basis of the chronological criteria – the main features of each Transaction step.

III THE OFFER

As already indicated, Allianz launched, as an integral part of the Transaction, an Offer on the ordinary and savings shares of the Company which it did not already own.

As pointed out in paragraph II above, the Offer was structured as a voluntary tender offer and regarded all of the ordinary and savings shares of RAS, with the only exception of the shares owned by Allianz. The cash consideration for the Offer (also indicated in paragraph II above) incorporated a premium of 14% with respect to the simple average of the official stock market prices of the ordinary shares between March 10, 2005 (six months before announcement of the Offer) and September 9, 2005 (the last open market day before the announcement of the Offer) and of 138% with respect to the simple average of the official prices of the savings shares during the last six months preceding September 9, 2005 (the last open market day before the announcement of the Offer).

The Offer has given the minority shareholders of RAS the opportunity to dispose of their investment at a price higher than that available on the market prior to the announcement. Furthermore, the Offer price was higher than the withdrawal price. As already indicated, the liquidation value for each ordinary share of RAS is Euro 16.72 and the liquidation value for each savings share of RAS is Euro 24.24.

The Offer was launched after the completion of all the formalities provided for by the applicable laws and regulations including the publication of the typical offeror's notice accompanying the Offer.

The additional terms and the conditions of the Offer were examined by the Board of Directors of RAS following the communication of the aforesaid notice, accompanied by the relevant offer document, on October 14, 2005.

The final results of the Offer were taken into account by the current Management Board of Allianz and by the Board of Directors of RAS in order to determine the final exchange ratio between the RAS shares and the Allianz shares.

As already mentioned in paragraph II above, the offer document indicated the intention of Allianz, in the event that after the completion of the Offer Allianz would hold a stake comprised between 92.5% and 98% of the RAS ordinary share capital, to restore the free float. In case such stake was higher than 98% of the RAS ordinary share capital, Allianz had indicated its intention to proceed with the squeeze out procedure set out by Article 111 of the Tuf. The above mentioned scenario did not occur since Allianz, as better described in paragraph 7.1 above, holds No. 512,158,245 of RAS' ordinary shares, representing 76.340% of RAS' ordinary share capital and 76,188% of RAS' total share capital and also No. 954,788 savings shares representing 71.252% of RAS' savings share capital and 0.142% of RAS' total share capital. The consideration for the shares tendered in the Offer was paid on 30th November 2005.

IV THE HIVE-DOWN

The Hive-Down has been submitted for prior authorization to ISVAP and Covip, for the aspects of their respective competence, and shall become effective, however, prior to the completion of the Merger. Provided that the above mentioned authorizations were obtained by the end of 2005, the accounting and fiscal effects of the Hive-Down would be expected for January 1, 2006, simultaneously with the date of accounting and fiscal effectiveness of the Merger.

The object of the Hive-Down is the RAS business, including all the relevant legal relationships, goods, rights, assets and liabilities (the "Going Concern"), except for interests (i) in RAS International NV ("RINV"), the latter being the company which holds interests in foreign companies, and (ii) in Companhia de Seguros Allianz Portugal S.A. and Koc Allianz Sigorta A.S. and Koc Allianz Hayat ve Emeklilik A.S., minor companies, respectively, located in Portugal and Turkey; and for others assets as better described in paragraph 7.2 below.

As consequence of the above, upon completion of the Hive-Down, RAS shall become a holding company which will indirectly carry out the insurance activity by means of managing its participations in other companies and directing and coordinating its subsidiaries.

From the date on which the Hive-Down will become effective, the Beneficiary Company shall adopt a new company name, in order to maintain the identity of RAS. As already indicated in paragraph II above, from the date on which the Hive-Down will become effective, RAS shall lose the authorizations required to carry out insurance activities. Subject to ISVAP's approval, such authorizations shall be acquired by the Beneficiary Company.

As for the Hive-Down, the informative procedures vis-à-vis the competent trade unions have been activated and completed, in compliance with the applicable laws and the applicable collective agreement.

Pursuant to Articles 2343 and 2440 of the Italian Civil Code, RAS has submitted to the competent Court the application for the appointment of the expert in charge of evaluating the Going Concern to be contributed to the Beneficiary Company.

Finally, all other procedures to be put in place vis-à-vis the competent Authorities and the pension funds quotaholders have been started.

The resolution relating to the change of RAS' corporate purpose and to the other amendments to the by-laws in connection with the Hive-Down, shall be submitted to the approval of the extraordinary shareholders' meeting of RAS (the same which will also vote on the Merger).

As already pointed out and described in more detail in paragraph VI below, the RAS shareholders who will not concur to the adoption of such resolution shall be entitled to exercise the withdrawal right, pursuant to Article 2437 *et seq.* of the Italian civil code.

As a consequence of the Hive-Down, the Beneficiary Company shall be wholly owned by RAS until the date on which the Merger will become effective. Upon the effectiveness of the Merger, the Beneficiary Company's share capital will be controlled by Allianz. The Beneficiary Company shall change its company name into "RAS S.p.A."

V THE MERGER.

As already pointed out in paragraph II above, as a consequence of the Merger, Allianz shall take the legal form of a European Company, pursuant to the EC Regulation No. 2157/2001 dated 8 October 2001, which has become effective on 8 October 2004.

The Merger plan was approved today, after the completion of the Offer. The Merger shall become effective after the completion of the Hive-Down.

With respect to the Merger, the co-determination procedures vis-à-vis the employees shall be carried out as provided for by the relevant provisions of the EC Directive 2001/86, which have been implemented in Germany by the “Gesetz über die Beteiligung der Arbeitnehmer in einer Europäischen Gesellschaft” (SE Beteiligungsgesetz – SEBG). In Italy, the employees entitled to participate in the special negotiating body shall be appointed in accordance with Article 3 of the Legislative Decree No. 188 of 19 August 2005. The special negotiating body shall negotiate according to the applicable German law (such law is applicable to the negotiation procedure required for the involvement of the employees into the European Company pursuant to Article 6 of EC Directive 2001/86). This procedure is better described in paragraph 7.4 below.

As consequence of the Merger, Allianz shall succeed into all the assets and liabilities of RAS, except for those included in the Going Concern (as defined above).

The Merger plan was drafted in accordance with Article 20 of EC Regulation No. 2157/2001 and, as for RAS, with Article 2501-*ter* of the Italian Civil Code.

In the context of the Merger, the financial statements (*situazioni patrimoniali*) as of 30 September 2005 were utilized as Merger accounts; the deposits required by the applicable law shall be then completed not later than by the end of January 2006. It is foreseen, in any case, that such deposits will be made until 31 December 2005 (i.e. 30 days before the RAS shareholder meeting related to the approval of the Transaction).

5.1 Description of the exchange ratio and brief analysis on the criteria for the determination of such exchange ratio

After the approval of the terms of the Transaction by the Executive Committee and the Board of Directors of Allianz and RAS on 11 September 2005, the performance of RAS

ordinary and savings shares has been strongly affected by several factors, such as the announcement of the Offer price and the range of the exchange ratio related to the Merger.

As a consequence, the revision today of the results obtained through the valuation methodologies applied by Merrill Lynch International when the Transaction was approved, would not be particularly significant, while such valuation methodologies maintain their validity for the purposes for which they were used. For this reason, the description and the results shown in the following pages have been extracted from the document prepared and approved by the Board of Directors on 11 September 2005.

The aim of the valuation, which was carried out at the time of the approval of the Transaction and is based on prices as of 9 September 2005, of the range of exchange ratio between Allianz and RAS shares is to identify the range of the exchange ratio which, based on data available at that date – and without prejudice to the experts reports on the fairness (“congruità”) of the exchange ratio (as provided by applicable laws) – reflects a valuation, as of 9 September 2005, of the two Companies involved in the Merger, considered on a stand alone basis (therefore, without recognising premiums at the advantage of one company’s shareholders and without considering other additional value components originated from synergies linked to the integration of the two companies) in order to obtain comparable values, within which the exchange ratio falls with respect to the proposed Transaction.

Valuations taken into account (for which, given the cross-border nature of the Merger, German principles and valuation practices have also been taken into account to determine the exchange ratio) have been based on the assumption of operating continuity and can neither be considered a stand-alone valuation of the two companies involved in the merger, nor be compared with potential acquisition or disposal valuations (that usually includes a premium for control or discount for minorities). Such valuations do not reflect any strategic, operating and financial synergies expected from the Merger.

In order to identify the exchange ratio, market practices and valuation methodologies have been applied, that take into account the business model of the two companies and the specific sector in which they operate. Valuations to identify the exchange ratio are based, in fact, on determination and application of homogeneous valuation methodologies for Allianz and RAS.

In particular, the following methodologies have been applied for both companies:

- Methodology of **Market Prices**;
- Methodology of **Sum-of-the-Parts**;
- Methodology of **Market Trading Multiples**;
- Methodology of **Regression Analysis**.

As a supporting methodology, **Financial Analysts' Target Prices** for Allianz and RAS have also been taken into account.

With respect to RAS' saving shares, as of 9 September 2005 and considering that: (i) saving shares represent approximately 0.2% of total RAS' capital; (ii) daily average trading volume and value for saving shares, based on the last six-month average before the announcement of the Transaction, are equal to 2.6 thousand of shares per day, or €0.06 m, or 0.19% of their market value, the value of the saving shares has been deemed not significantly relevant. Therefore, for valuation purposes, saving shares have been treated in the same way as RAS ordinary shares. All valuation methodologies are therefore based on the total number of shares equal to 672,227,004.

In the following paragraphs, the description of valuation methodologies and assumptions for Allianz and RAS is given, both from a theoretical point of view and illustrating the main results.

Methodology of Market Prices

When the companies involved in the merger are listed on the stock market, theory and professional practice suggest to take into consideration the average implied prices of the respective shares, using average figures for a relevant period. In the specific case, the current stock market prices are particularly significant, considering Allianz's and RAS' high liquidity and market capitalisation, the extensive financial analysts' coverage and the composition of the shareholders' base with a wide presence of international institutional investors. As for the current market prices method, implied valuation is obtained from observation of prices on the market for a significant time-range, ending in the proximity of the evaluation date. The application of the market price methodology is based on Allianz and RAS prices during different periods (up to 12 months) before 9 September 2005 (last available trading day before approval of the Transaction). Based on historical price evolution, the one, three, six and twelve month averages fall within a range of relatively constant valuation as shown in the table below. The relevant period was chosen in order to

neutralise the effect of any fluctuation on a short period basis and to attribute a major weight to the most recent prices, since they reflect better the information available to the market.

<i>Average</i>	<i>Market Prices (Ordinary Shares) (€)</i>		<i>Exchange Ratio (X)*</i>
	<i>Allianz</i>	<i>RAS</i>	
<i>Spot Price at 9 September 2005</i>	<i>109.1</i>	<i>17.7</i>	<i>0.162</i>
<i>1 Month Simple Average</i>	<i>107.2</i>	<i>16.9</i>	<i>0.158</i>
<i>3 Month Simple Average</i>	<i>102.2</i>	<i>16.5</i>	<i>0.161</i>
<i>6 Month Simple Average</i>	<i>98.7</i>	<i>16.6</i>	<i>0.169</i>
<i>12 Month Simple Average</i>	<i>94.9</i>	<i>16.6</i>	<i>0.175</i>

Source: FactSet

** Exchange ratio calculated as number of Allianz ordinary shares for each RAS ordinary or saving share*

Methodology of the Sum-of-the-Parts

According to the Sum-of-the-Parts methodology, valuations for Allianz and RAS have been calculated as the sum of the valuations of each of the divisions of both companies, where each division is considered as a business that can be valued separately. With respect to the valuation of each single line, applied valuation methodologies are mainly based on market trading multiples, and take into account profitability and relative contribution of each business to the group.

Business lines considered for Allianz and RAS for the application of the methodologies described above are:

- life insurance;
- P&C insurance;
- asset management; and
- banking.

Economic and financial parameters for this methodology are based on projections of income statement, balance sheet and other relevant financials of Allianz and RAS available as of 9 September 2005 for the year 2005. Trading multiples applied to each business are in line with market practice. Consolidation items have been valued on a P/E basis, applying the implied pre-consolidation P/E.

As a validation method, the implied multiples obtained (based on income statement, balance sheet indicators and embedded value) have been compared with trading multiples of listed companies, which have operations similar to the line of business valued.

The following table includes minimum and maximum values per share of Allianz and RAS' calculated with the sum-of-the-parts methodology.

<i>Value per Share (€)</i>			<i>Exchange Ratio (X)*</i>
<i>Allianz</i>	<i>RAS</i>		
<i>Value per Share</i>	108.0-118.0	15.5-16.5	0.140-0.144

* Exchange ratio calculated as number of Allianz ordinary shares for each RAS ordinary or saving share

Methodology of Market Trading Multiples

The trading multiples methodology is based on the analysis of current ratios between the market capitalisation and specific economic and financial measures for a selected group of companies comparable with the company object of the valuation.

In the specific case, two sets of comparables with Allianz and RAS were selected, taking into consideration size, business mix and geographical diversification. The sample identified for Allianz includes all major European insurance groups with respect to market capitalization, with a significant presence in the P&C and life segments and a significant revenues diversification: AXA, Generali, Aviva and ZFS are particularly relevant in terms of comparability. The sample selected for RAS includes major Italian listed insurance companies and some European insurers with a similar geographic and product diversification profile (such as AGF, AMB Generali and Mapfre). The ratios or multiples chosen are based on insurance market specifics and market practice, according to which importance is given to price/earning per share, price/embedded value earnings per share and price/ embedded value per share multiples. Market capitalisation is based on prices as of 9 September 2005. Reference data for the calculation of the multiples were sourced from consensus of main brokers' estimates for expected earnings in 2005 and 2006, embedded value earnings in 2005 and embedded value in 2005 available as of 9 September 2005. The exchange ratios calculated on that basis are the following:

<i>Value per Share (€)</i>			<i>Exchange Ratio (X)*</i>
<i>Allianz</i>	<i>RAS</i>		
<i>Value per Share</i>	100.0-110.0	16.0-17.0	0.155-0.160

* Exchange ratio calculated as number of Allianz ordinary shares for each RAS ordinary or saving share

Methodology of Regression Analysis

Regression analysis is based on the empirical evidence that there is a correlation between the profitability of a company (measured by the Return on Equity, or ROE) and market valuation of the shareholders' equity of the company, indicated by the multiple P/BV (book value).

For financial services companies, the observed correlation between ROE and P/BV is particularly high. Therefore, this methodology is largely used by market standards. The sample of companies identified for the regression analysis (run on P/BV and ROE for 2005 and 2006) is the same as the one used for the Market Trading Multiples Analysis. In certain cases, however, for the purpose of the regression analysis, those companies with a growth profile and business model significantly different from Allianz and RAS have been excluded; likewise, the analysis excluded those companies with trading multiples significantly different from market average. The reference date for the calculation for the trading multiple is 9 September 2005.

The regression model has been used to estimate implied valuations of Allianz and RAS, based on the estimates of book value and profitability for 2005 and 2006 given by main brokers.

The following table includes values per share for Allianz and RAS calculated with the regression methodology for 2005 and 2006.

	<i>Value per Share (€)</i>		<i>Exchange Ratio (X)*</i>
	<i>Allianz</i>	<i>RAS</i>	
<i>Value per Share</i>	<i>102.0-108.0</i>	<i>18.5-20.5</i>	<i>0.181-0.190</i>

* Exchange ratio calculated as number of Allianz ordinary shares for each RAS ordinary or saving share

Financial Analysts' Target Prices

With this methodology, valuation of Allianz and RAS is based on main domestic and international brokers' reports, in order to compare the correspondent target prices and, thus, the implied exchange ratio. In performing such analysis, only reports issued after 1Q05 and before 9 September 2005 were used. Since target prices, according to common practice for financial analysts, refer to a time horizon of twelve months, the average target price has been discounted to properly reflect the current date of valuation.

<i>Value per Share (€)</i>			
	<i>Allianz</i>	<i>RAS</i>	<i>Exchange Ratio (X)*</i>
<i>Value per Share</i>	<i>104.0-120.0</i>	<i>14.0-19.0</i>	<i>0.135-0.158</i>

* Exchange ratio calculated as number of Allianz ordinary shares for each RAS ordinary or saving share

Brief description of the results deriving from the application of the above mentioned methodologies

The table also shows some values based on evaluations of Allianz and RAS adjusted in consideration of the value deriving from the expected dividends for the year 2005 available as of 9 September 2005, in light of the fact that the Merger shall be concluded within 2006 and that the payment of the dividends by Allianz and RAS will occur for both companies in May.

The adjusted exchange ratio has been determined including adjustments to reflect the fact that RAS shareholders will still get the 2005 RAS dividend before exchanging for Allianz shares, which carry a lower dividend on a relative basis.

<i>METHODOLOGY</i>	<i>EXCHANGE RATIO (X)*</i>	<i>ADJUSTED EXCHANGE RATIO (X)*</i>
<i>Market Prices</i>		
- 9 September 2005	<i>0.162</i>	<i>0.157</i>
<i>Simple averages:</i>		
- 1 Month	<i>0.158</i>	<i>0.153</i>
- 3 Months	<i>0.161</i>	<i>0.155</i>
- 6 Months	<i>0.169</i>	<i>0.163</i>
- 12 Months	<i>0.175</i>	<i>0.170</i>
<i>Sum-of-the-Parts</i>	<i>0.140-0.144</i>	<i>0.135-0.138</i>
<i>Market Trading Multiples</i>	<i>0.155-0.160</i>	<i>0.149-0.154</i>
<i>Regression Analysis</i>	<i>0.181-0.190</i>	<i>0.176-0.185</i>
<i>Financial Analysts' Target Prices</i>	<i>0.135-0.158</i>	<i>0.129-0.154</i>

* Exchange ratio calculated as number of Allianz ordinary shares for each RAS ordinary or saving share

Determination of the final Exchange Ratio

In light of the above, on the basis of recognized valuation methodologies, RAS and Allianz, already on 11 September 2005, have identified the following range for the exchange of shares: from 0.153 to 0.161 ordinary Allianz shares for each ordinary or

saving share of RAS. As already mentioned, following the determination of a range exchange ratio:

- Allianz has engaged Ernst & Young to perform a valuation of both Allianz and RAS to derive the final exchange ratio for both the ordinary and the savings shares of RAS. This valuation has been based on the Standard for carrying out business valuations as applied by the German auditor profession ("IDW S 1", or "Standard");
- RAS has engaged PwC as valuation advisor to advise RAS Management also in order to evaluate, in the interest of RAS, the results deriving from the application of the IDW S 1 methodology.

IDW S 1 valuation methodology

IDW S 1 contains a guideline of principles for the valuation of companies. It was first published on 28 June 2000 and was recently updated.

According to IDW S 1, the value of a business is based, under the assumption of purely financial objectives, on the present value of net cash flows from the business to the owner (net receipts of the owner of the business). This means that the value of the business is based solely on its ability to earn business profits for the owner.

The valuer can perform various functions involving business valuations. In his function as a neutral valuer, the valuer acts as an expert who determines an objectively-determined value of the business' based on a comprehensible methodology, independent from the individual ideas of the parties concerned regarding the value.

The valuation of a business is based on its earnings potential in place at the date of the valuation. Generally, earnings potential in place is based on success factors which the business possesses at the valuation date.

Businesses are specific combinations of tangible and intangible items which, together, are intended to work jointly to produce business profits. The value of a business is thus not determined as the sum of the individual items of assets and liabilities, but rather by the combination of all items involved in the business.

The business being valued is made up of the assets required for the operations as well as assets not required in the operations, which are to be valued separately.

When calculating business profits' income taxes which are charged to the business must first be deducted.

Income taxes of the business owners must be reflected in the valuation.

The application of the IDW S 1 Standard in order to determine the final exchange ratio

In carrying out its valuation for the determination of the final exchange ratio, the Standard for carrying out business valuations (IDW S 1) has been applied.

Both company values have been calculated according to the valuation method generally used by auditors in Germany for the valuation purpose of mergers, the capitalised earnings method. The capitalised earnings method first determines the present value of the financial surpluses (net cash flows) generated by the operating assets and liabilities. Secondly, the value of non-operating and special items is calculated and added to the result. For the valuation of both companies, homogeneous valuation methodologies have been applied.

The valuations of both Allianz and RAS have been carried out on a stand-alone basis taking into account the existing majority shareholding in RAS by Allianz. This means that positive or negative effects resulting from the merger of RAS into Allianz have been disregarded.

On the basis of the Standard, company values need to be calculated on a specific date, the valuation date. The valuation date is February 3, 2006, the day of the extraordinary shareholders' meeting of RAS and was applied to both companies' valuation. In order to achieve the correct time value, business profits are first discounted to the technical valuation date (1st January 2006), and then accumulated to the 3 February 2006. The technical valuation date defines which cash flows will need to be taken into account in the valuation of both companies.

Both Allianz and RAS have been treated as two distinct valuation objects. Their expected financial surpluses have been separately analysed. The business plans, from which the financial surpluses were derived, are the consolidated plans of Allianz and RAS. Each consolidated plan is covering the business years 2006 to 2008. The plans have been carried out in form of a business segment plan in the four operational segments Property/Casualty, Life/Health, Banking and Asset Management.

The business plan structure reflects the segment structure within Allianz group. The business plan for RAS has also been consolidated in the business plan of Allianz, as RAS is a consolidated legal entity. Corresponding to the presentation in the annual report of Allianz, minorities are shown in the net income planned.

The business plans result from a structured planning process within Allianz group comprising of two main instruments, the strategic dialogue and the planning dialogue which have been carried out for the main entities in both groups.

Both business plans have been examined and analysed. As a result of this analysis, Ernst & Young has not made any adjustments to the business plans. According to the current practice in valuing companies in a merger, comparable aspects have been treated in a comparable manner.

Both company values have been calculated based on the two phase approach. Phase one corresponds to the detailed forecasting period, i.e. business years 2006 until 2008. For the business years thereafter, i.e. from 2009 onwards (referred to as phase two), the capitalisation has been carried out in the form of a terminal value.

In deriving the business profits for the terminal value, the basis for deriving the business profits has been the expected results for the year 2008 assuming that these results are growing with a growth rate of 1.5% p.a. In order to finance the expected growth, an increase of regulatory capital needs to be taken into account.

Furthermore, terminal value business profits cannot be derived directly from the year 2008, as far as certain income or expense items are not to be expected in the same order of magnitude. Adjustments have therefore been made with regard to the Combined Ratio to reflect to the long-term average claims situation. Also, investment income has been recalculated based on long-term average return expectations.

In order to value, it is necessary to discount the future financial cash-flows to the valuation date using an appropriate interest rate. The interest rate is measured against the expected return on a capital investment in the next best alternative. When determining the discount rate it is expedient to break it down into its components, base rate and risk premium. Consideration must also be given to taxation and the possibility of growth in the business profits for the terminal value.

Deriving the base rate, a yield curve has been implied, which is determined based on the current interest rates and the published term structure of interest rates by Deutsche Bundesbank. Based on this approach, it was decided to use a base rate of 4.00%

As an investor would have to pay personal income tax on the financial surpluses from the alternative investment in the capital market, his tax rate has to be included in the computation of the base rate. Following the recommendations of the Institute of German Public Accountants, it was included personal income tax at a standard rate of 35%, reducing the base rate after income tax to 2.60%.

Compared to a risk-free capital market investment an investment in a company always involves risks and opportunities. Empirical analyses of capital market have shown that, in the past, investments in shares exceeded the return on (quasi) risk-free capital market investments by four to six percent on average, depending on the respective period of time considered. In addition, the risk specifically related to a business was taken into account in the form of a beta-factor.

For the purposes of this indicative valuation, risk premiums of 7.15% for Allianz and 4.40% for RAS have been calculated, net of personal income taxes.

The discount rate contains an inflation risk premium. However, business profits do not necessarily change when the inflation rate changes. For the business years

beyond 2008, a growth allowance of 1.5% was assumed. With regard to potential growth and market development future cost increases can be passed through, at least partially, to the customers. This growth rate takes into account that both companies have growth perspectives, however, operate in mature markets.

Assets and liabilities that could be detached and sold individually without affecting the pursuit of the enterprise's objects are valued separately, as non-operating items. There were identified non-operating assets, however in total not of a significant amount, with regard to art, for both Allianz and RAS.

In this valuation, RAS savings shares are treated equally to RAS ordinary shares. This based on scientific investigations as well as court decisions.

Conclusion

In light of the above RAS and Allianz, having taken into account the analyses carried out by their respective advisors, have determined the following exchange ratio:

n. **3** ordinary Allianz shares for n. **19** ordinary RAS share

and

n. **3** ordinary Allianz shares for n. **19** savings RAS share

As anticipated above, the Exchange Ratio is subject to the appraisal of the experts appointed by the competent Courts: Mazars & Guérard S.p.A., as independent expert for RAS; and Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, as independent expert for Allianz.

5.2 Procedure for the assignment of Allianz SE shares and their entitlement date

The Allianz shares issued for the exchange will be assigned pursuant to the procedure described below.

Any RAS shares still represented by certificates may only be exchanged upon delivery of such certificates to an authorized intermediary for deposit with the central securities depository system to be then converted in a dematerialized form.

In such contest, the authorized intermediaries and the trustee will provide the RAS shareholders with a service permitting the liquidation of the fractional shares resulting from the Exchange Ratio, if any, at stock exchange price, with no costs, stamp duty or commissions for the shareholders.

In accordance with the applicable provisions of German laws, RAS has appointed Deutsche Bank Aktiengesellschaft, Frankfurt am Main, Germany, as trustee for receiving the shares of Allianz to be issued and for delivery of those shares to the shareholders of RAS. Deutsche Bank Aktiengesellschaft will avail it self of the services of Deutsche Bank S.p.A., Milan, in the performance of its duties.

Allianz shall deliver the new shares which are represented by a global share certificate to the trustee after the capital increase connected with the Merger has been registered with the competent commercial register in Munich and instruct the trustee, to deliver new shares of Allianz SE to the shareholders of RAS against delivery of their RAS shares only after registration of the Merger in the commercial register of Allianz. The delivery occurs by way of corresponding book transfer of the security deposit accounts by the central depository agent Monte Titoli S.p.A.. Allianz shall bear the costs for conducting the exchange of the shares.

5.3 Date on which the Merger will become effective.

The Merger will become effective with its registration in the commercial register at the registered office of Allianz (cf. Art 27 para. 1 EC Regulation No. 2157/2001). The above mentioned registration shall be announced by means of a public notice on least one Italian national newspapers.

The Management Board of Allianz will ensure that the registration of the Merger in the commercial register of Allianz will take place after the payment of dividends, if any, of Allianz and RAS, respectively, for the fiscal year, which precedes the effectiveness of the Merger.

The Allianz shares issued in the context of the Merger for exchange purposes will have the same entitlement to dividends and the same features and rights of the Allianz ordinary shares which will be outstanding at the time of issuance. As above anticipated, RAS savings shares will also be exchanged into Allianz SE ordinary shares.

5.4 Date from which the results of the activities of the companies involved into the Merger will be attributed to the company resulting from the Merger, and will be recorded, for Italian tax purpose as well, in the latter accounts.

For accounting purposes and pursuant to the combined effects of Articles 20, par. 1, l. (e) of EC Regulation No. 2157/2001 and 2504-bis, par. 3, of the Italian civil code, all actions and transactions of RAS and Allianz shall be deemed for accounting purposes as being those of the SE resulting from the Merger (merger effective date) with effect as of the beginning of January 1 of such year in which the Merger becomes effective upon registration in the commercial register at the registered office of Allianz, and therefore, according to the proposed timetable, as of 1 January 2006. The Merger will be effective for tax purposes, pursuant to Article 123, par. 7, of Presidential Decree No. 917 of December 22, 1986 (the “**TUIR**”).

As of the effective date of the Merger, the company resulting from the Merger will assume all of RAS’ assets, liabilities, rights and obligations. Such rights, assets, liabilities and obligations – including the participation in the Beneficiary Company – shall be owned by Allianz through a permanent establishment in Italy.

5.5 RAS’ stock options plans

At the completion of the Merger, Allianz will take over the RAS stock option plans, therefore, will make available for the owners of RAS stock options a number of ordinary shares for their implementation, adjusted on the basis of the ratio of the original exercise price per RAS ordinary share and the exercise price for per Allianz share. The exercise price shall thereby be Euro 93.99 per Allianz share and correspond to the average price of Allianz shares during the same reference period of time that was applicable for the determination of the original exercise price for the RAS ordinary shares, i.e., from December 31, 2004 through January 31, 2005.

As a result the owners of RAS stock options will have the right to purchase not the original number of ordinary shares of RAS, but the number of ordinary shares of the company resulting from the Merger, determined on the basis of the above mentioned ratio and better described in paragraph 7.3 below.

5.6 Special advantages

Except for the advantages mentioned below, no special advantages within the meaning of Art. 20 para. 1 lit. g) of the EC Regulation No. 2157/2001 were or will be granted in connection with the Merger to the members of the administrative, management, supervisory, or control bodies of RAS or Allianz, nor to the statutory auditors or the independent Merger auditors or other experts of both companies .

In connection with the Merger, the managing member of the Board of Directors (Amministratore Delegato – Direttore Generale) of RAS, Mr. Paolo Vagnone, and further Senior managers of the RAS Group employed in Italy, who are not members of the Board of Directors, were granted the right to exercise their stock option rights granted in 2004 prematurely, *i.e.* during the cash tender offer period from October 20, 2005 through November 23, 2005 and not only during the original exercise period for these stock options from February 1, 2006 through January 31, 2011. All beneficiaries did exercise their respective rights with the effect that RAS granted these beneficiaries a total of 680,000 RAS ordinary shares – 50,000 RAS ordinary shares thereof to the managing member of the board of directors, Mr. Paolo Vagnone – at an exercise price of EUR 14.324 per RAS ordinary share.

As a matter of precaution, it is noted that, notwithstanding the competence of the Supervisory Board of Allianz SE under applicable law, the Members of the Management Board of Allianz AG in office as of the January 1, 2006 are expected to be appointed as Members of the Management Board of Allianz SE. Members of the Management Board of Allianz AG as of January 1, 2006 will be Michael Diekmann, Dr. Paul Achleitner, Clement Booth, Jan R. Carendi, Enrico Cucchiani, Dr. Joachim Faber, Dr. Helmut Perlet, Dr. Gerhard Rupprecht, Jean-Philippe Thierry, Dr. Herbert Walter and Dr. Werner Zedelius.

Furthermore, members and substitute members of the Supervisory Board of Allianz AG shall be appointed members or substitute members of the Supervisory Board of Allianz SE, respectively (see Section 6 para. 2 Sentence 1 and para. 3 sentence 1 of the statutes of Allianz SE that are attached to the merger plan as Annex 1).

The following persons shall be appointed as members of the first Supervisory Board of Allianz SE :

Dr. Wulf H. Bernotat, Chairman of the Management Board of E.ON AG

Dr. Gerhard Cromme, Chairman of the Supervisory Board of ThyssenKrupp AG

Dr. Franz B. Humer, Chairman of the Board of Directors and CEO of F. Hoffmann-La Roche AG;

Prof. Dr. Renate Köcher, Chairperson of the Institut für Demoskopie Allensbach;

Ingo Landau, member of the board of directors of Sanofi-Aventis S.A.;

Dr. Henning Schulte-Noelle, Chairman, former Chairman of the Management Board of Allianz AG.

As their substitute members shall be appointed:

Dr. Albrecht E. H. Schäfer, Corporate Vice President Siemens AG, director Corporate Personnel World; and

Dr. Jürgen Than, attorney at-law, former chief general counsel of Dresdner Bank AG.

As a matter of precaution it is further noted that members of the Board of Directors and the Statutory Auditors of RAS were appointed members of the Board of Directors and the Board of Statutory Auditors of RAS Italia S.p.A., Milan, Italy (in the future to operate under the corporate name RAS S.p.A.) prior to the effectiveness of the merger in the course of the hive-down of the RAS business into RAS Italia S.p.A. (in the future to operate under the corporate name RAS S.p.A.). With regard to the Board of Directors, these are Giuseppe Vita, Michael Diekmann, Paolo Vagnone, Paolo Biasi, Detlev Bremkamp, Carlo Buora, Vittorio Colao, Nicola Costa, Rodolfo De Benedetti, Klaus Duehrkop, Pietro Ferrero, Francesco Micheli, Salvatore Orlando, Helmut Perlet, Giampiero Pesenti, Andrea Pininfarina, Gianfelice Rocca, Carlo Salvatori, whereas Mr. Bremkamp and Mr. Duehrkop will cease to be member as of January 1, 2006. They will be followed by Enrico Cucchiani and Joachim Faber respectively. With regard to the Board of Statutory Auditors, these are Pietro Manzonetto, Paolo Pascot and Giorgio Stroppiana, as well as Michele Carpareda as substitute member.

5.7 Italian tax effects on the Transaction

5.7.1 Tax neutrality

For income tax purposes, pursuant to Articles 172, 178 and 179 of the TUIR, the Merger is tax neutral and, therefore, does not constitute a realization or a distribution of capital gains and losses on the assets of the incorporated company, including inventories and goodwill. In fact, further to the Merger, the assets of RAS not already transferred in the Hive-Down, shall remain in a permanent establishment located in Italy, pursuant to Italian tax law.

5.7.2 Merger differences

The Merger differences, if any, shall not be taxable in Italy, since they are considered neutral for tax purposes. The higher asset values deriving from the utilization of the negative Merger differences, to the extent pertaining to assets attributed to the permanent establishment of Allianz in Italy shall not be subject to taxation but shall be considered for tax purposes at the values resulting from the RAS' tax returns. The permanent establishment of Allianz in Italy shall prepare a specific document, for tax purposes, to reconcile the accounting and tax values.

5.7.3 Italian tax effects on shareholders

As regards Italian tax effects on the shareholders, the exchange of RAS shares does not give rise to the accrual of a taxable income, as the Transaction merely determines the replacement in the shareholders' portfolio of the RAS' shares (which shall be annulled as consequence of the Merger) with Allianz's shares. In other terms, irrespective of whether an actual capital gain will arise (equal to the difference between the cost of the RAS' shares and the value of the shares of Allianz received in exchange), such capital gain will not be relevant for tax purposes.

5.7.4 Registration fee

The Merger – if executed in Italy – will not be subject to VAT pursuant to Article 2, par. 3, lett. f), of the Presidential decree No. 633/1972. According to such provision, in fact, the transfer of assets in a merger context does not represent a disposal for VAT purposes.

Pursuant to Article 4, lett. b), of the first part of the schedule attached to Presidential decree No. 131 of 26 April 1986, the Merger deed will be subject to registration tax at a fixed rate equal to Euros 168.00.

5.8 Expected major shareholders and controlling shareholders, if any, after the completion of the Merger.

Under the German Securities Trading Act (*Wertpapierhandelsgesetz*), holders of voting securities of a listed German company must notify the German Federal Financial Supervisory Authority (the *Bundesanstalt für Finanzdienstleistungsaufsicht*, or “BaFin”) and the company of the level of their holding whenever it reaches, exceeds or falls below specified thresholds. These thresholds are 5%, 10%, 25%, 50% and 75% of a company’s shares. The provisions of the German Securities Trading Act provide several criteria for attribution of shares.

Based on Allianz’s share register and the information provided pursuant to the provisions of the German Securities Trading Act, no shareholder holds, as of the date of this document, directly or indirectly, more than 5% of the share capital of Allianz in his own name.

None of the shareholders exercises control over Allianz.

Also after the completion of the Merger, no shareholder of the company resulting from the Merger should held an interest in that company’s ordinary share capital of more than 5%, on the basis of the shareholder register and pertinent disclosures.

5.9 Legal treatment of the savings shares

The RAS by-laws assign to the RAS’ savings shareholders the following privileges: (i) the net profits resulting from the accounts regularly approved, after deduction of the sum to be allocated to the legal reserves, shall be distributed to savings shares up to the amount corresponding to the 5% of their par value; (ii) the residual profit, after distribution of the privileged dividend to savings shares as indicated in point (i) above, to the extent distributed, is allocated to all the shares so that, however, the savings shares may enjoy an overall dividend higher than that pertaining to the ordinary shares, of an amount ranging from a minimum 2% to a maximum 10% of the share par value; (iii) when in a given fiscal year the savings shares enjoy a dividend lower than that indicated in point (i) above, the balance is recovered in the two following fiscal years.

RAS's savings shareholders will receive ordinary shares in exchange. Also as a consequence of the above, the RAS' savings shareholders shall be called to participate and resolve in a special meeting pursuant to Article 146, par. 1, lett b), of the Tuf. Such savings shareholders' meeting (the "**Special Meeting**") will be held on or immediately after the date on which the RAS extraordinary shareholders' meeting will be held.

In the context of the Transaction, the savings shareholders were also given the possibility to tender their shares in the Offer for a sum equal to Euros 55,00 for each savings share. As already indicated, such sum represented, a premium on the stock market price equal to 138% of the simple average during the six months preceding September 9, 2005 (the last open market day before the announcement of the Offer). Thus, the RAS' savings shareholders who are not willing to participate to the Merger were given the possibility to immediately liquidate their investment at a price higher than those available on the market.

Finally, the RAS savings shareholders not voting in favor of the resolution on their Special Meeting, as well as the other RAS shareholders, could exercise the withdrawal right within the terms indicated in following paragraph VI.

VI THE WITHDRAWAL RIGHT.

The ordinary and savings shareholders of RAS, who will not concur to the adoption of the shareholders' meetings resolutions relating to the Merger and the change of the corporate purpose, will be entitled to withdraw from the Company pursuant to Article 2437 and followings of the Italian civil code. Such withdrawal right will be recognized as a result of: (i) the transfer abroad of the RAS' registered office; (ii) the change of the RAS' corporate scope in connection with the Hive-Down; and (iii) the change of the shareholders' participation rights in the case of the savings shareholders.

Since RAS is a listed company, the liquidation value of shares will be determined pursuant to Article 2437-ter of the Italian Civil Code, by making exclusive reference to the arithmetic average of the shares' closing prices during the six months preceding the publication of the notice calling the shareholders' meeting.

The liquidation value for each ordinary share of RAS is equal to Euro 16.72 and the liquidation value for each savings share of RAS is equal to Euro 24.24.

Pursuant to Article 2437-bis of the Italian civil code, the withdrawal right may be exercised by the entitled shareholders, for all or a part of the shares, by sending a registered letter within fifteen days of the filing with the company register of the resolution concerning the Merger (the filing will be announced by means of a public notice on at least one newspaper having a national distribution). Each shareholders letter shall indicate the name and the address, the domicile for notices relating to the procedure, the fiscal code and the number and class of shares in respect of which the withdrawal right is exercised. The letter must also include the banking account data of the shareholders in order to permit the registration on such account the liquidation value of the shares.

The shares upon which the withdrawal right is exercised can not be transferred and must be filed in the premises of the Company. In order to exercise the withdrawal right, the status of RAS shareholders must be documented on the date of the extraordinary meeting and continue until the date on which the withdrawal right is exercised. The declaration of withdrawal shall identify, inter alia, the intermediary with whom the shares for which withdrawal rights have been exercised are deposited and the statement to the effect that they are free from pledges and other encumbrances in favor of third parties. Shareholders must also attach an appropriate certification, issued by an authorized intermediary, proving (i) the ownership of the RAS shares before the shareholders' meeting; (ii) the ownership of the RAS shares at the issuance of the certification; (iii) the absence of pledges and other encumbrances in favor of third parties. If the RAS shares are pledged or encumbered in favor of third parties, withdrawing shareholders must attach to the declaration of withdrawal – under penalty of invalidity – a declaration from the pledgee or such other person in whose favor the shares are encumbered and containing their irrevocable consent to RAS to pay for the shares for which the withdrawal right is exercised in accordance with the instructions of the withdrawing shareholders.

The liquidation procedure of RAS shares for which the withdrawal right will have been exercised, shall be carried out in accordance with Article 2437-quater of the Italian Civil Code, by means of a right offering of such shares to all RAS ordinary and savings shareholders, other than the withdrawing shareholders, in proportion to the shares they own (the **“Offering”**).

The Offering shall be directed, without distinction and at the same terms and conditions, to all the RAS' ordinary and savings shareholders, other than the withdrawing ones, in proportion to the number of shares held by each of them.

The acceptance of the Offering shall be permitted within a time limit of not less than 30 days from the date of the filing of the offering with the competent company register, which shall be announced by means of a public notice on at least one national newspapers.

The purchase of shares offered, through the exercise of an option right, shall be executed through authorized intermediaries participating to the system managed by Monte Titoli S.p.A., by signing an appropriate acceptance model, provided for by same authorized intermediaries and available at their premises as well as at RAS premises.

RAS shall communicate to the public, to CONSOB and to Borsa Italiana S.p.A. the results of the Offering, as well as the results of the eventual pre-emption right, if any, according to the formalities required by the applicable law and regulations.

The assignment of the shares subject to the Offering shall be noticed by the competent intermediary to the requesting persons, within the internal terms and the procedure set forth by each of them.

RAS shall communicate the terms and the formalities for the payment and the assignment of the shares subject to the Offering as well as any other information on the Offering, within the notice of the deposit of the Offering in the competent register of enterprises, which shall be published on at least one newspaper having a national impact.

The RAS shareholders which shall exercise the option right, should they make a simultaneous request, shall be entitled to exercise a pre-emption right in respect of any shares not included in the Offering.

The withdrawal price will be paid before the effectiveness of the Merger. The RAS shareholders exercising their withdrawal right and receiving the withdrawal price will not be entitled to any further dividend payment of RAS, if any.

In light of the above, RAS shareholders which have exercised the withdrawal right in accordance with the procedural requirements above mentioned, will be entitled to obtain the redemption of their shares.

VII EVENTS FOLLOWING THE APPROVAL OF THE TRANSACTION BY RAS' BOARD OF DIRECTORS OF 11TH SEPTEMBER 2005

7.1 Update on the Offer

The Offer period, whose general features are described in paragraph III above, started on October 20, 2005 and ended on November 23, 2005, allowing the full execution of the first step of the Transaction.

The Offer was for N. 298,448,011 RAS' ordinary shares and for N. 833,109 RAS' savings shares. The consideration paid in connection with the Offer was Euro 19 per ordinary share and Euro 55 per savings share.

RAS' Board of Directors in its meeting of October 14, 2005 has examined the Offer document and, also on the basis of the analysis of its financial advisor Merrill Lynch International, has approved the issuer's release pursuant to Article 103 of the Italian Financial Act, thereby considering that the price per RAS' ordinary share and the price per savings share offered by Allianz are fair and expressing a favourable evaluation with regard to the Offer.

At the end of the acceptance period, the shares tendered in the Offer amount to No. 139,719,262 ordinary shares (representing 20.826% of RAS' ordinary share capital and 46.815% of the ordinary shares object of the ordinary share Offer) and to No. 328,867 savings shares (representing 24.542% of RAS' savings share capital and 39.475% of the savings shares object of the savings share Offer). Allianz holds No. 512,158,245 RAS' ordinary shares, representing 76.340% of RAS' ordinary share capital and 76.188% of RAS' total share capital and also No. 954,788 savings shares representing 71.252% of RAS' savings share capital and 0.142% of RAS' total share capital. The consideration for the shares tendered in the Offer was paid on November 30, 2005.

On the basis of the results of the Offer, the total amount paid by Allianz, as communicated by Allianz, was approximately equal to Euro 2.7 billion. The above mentioned amount was satisfied by means of Allianz's own funds.

By means of the Offer, Allianz optimised the structure of its share capital also in the perspective of the Merger. In the context of the Merger, RAS' shares held by Allianz are going to be annulled without exchange and therefore, as a result of the Offer, Allianz will reduce the number of shares which have to be issued in exchange for RAS' shares, thus realizing an increase of profits and of the free cash flow yield per share, for the benefit of all shareholders of the company resulting from the Merger.

Until September 30, 2005, Allianz held its interest in RAS through its fully owned subsidiary ACIF S.p.A.. With effect as of September 30, 2005, Allianz has acquired its interest in RAS from ACIF S.p.A..

7.2 Update on the Hive-Down

On November 14, 2004, as already highlighted in paragraph IV above, RAS' Board of Directors has approved the Hive-Down of the Going Concern, including property-casualty and life/health activities and the other connected or instrumental activities carried out in Italy, except for certain assets, in favour of the Beneficiary Company. The Beneficiary Company, wholly owned by RAS, has been incorporated on October 24, 2005 and its company name is RAS Italia S.p.A. ("**RAS Italia**").

The Going Concern includes all current RAS' assets, except for the following which, therefore, will continue to be owned by RAS: (i) Interests in Ras International NV ("**RINV**"), the latter being the company which holds interests in foreign companies; (ii) interests in Companhia de Seguros Allianz Portugal S.A. and Koc Allianz Sigorta S.A. and Koc Allianz Hayat ve Emeklilik A.S., participations in companies located in Portugal and Turkey respectively; (iii) assets and liabilities concerning tax positions referable to RAS and, therefore, not transferable to RAS Italia; (iv) assets and liabilities concerning certain employees connected to specific and not conferred offices (as those in charge of the Consolidated Balance Sheet, of the International Tax Regulation and of the Strategic Planning), for a total amount of about 60 units.

The Going Concern will be transferred at book value, on the basis of RAS' financial statements as of September 30, 2005 (except for some real estate properties in Italy, which will be transferred at market value).

The value of the Going Concern has been appraised, pursuant to Article 2343 of the Italian Civil Code, by the independent auditor Mazars & Guérard S.p.A., acting as the independent expert appointed by the Court of Milan.

On November 16, 2005, RAS Italia's extraordinary shareholders' meeting, having taken into account the expert valuation, has resolved upon the increase of the share capital for an amount equal to Euro 295,000,000 by issuance of 295,000,000 new shares having a par value of Euro 1 each, plus an overpricing equal to Euro 2,005,000,000 to be paid by means of a contribution in kind of the Going Concern.

According to the applicable laws and regulations, the execution of the Hive-Down has been subject to the authorization by ISVAP and COVIP. Subject to the obtainment of such

authorizations, the Hive-Down will produce its civil, accounting and fiscal effects as of January 1, 2006 or as of the following date in light of the obtainment of the above mentioned authorizations. However, the Hive-Down will become effective prior to the effectiveness of the Merger.

The procedure vis-à-vis the trade unions, pursuant to Article 47 of Law No. 428/1990, has already been executed. Such procedure ended in a trade agreement signed by RAS and the trade unions on October 25, 2005. Such agreement provides that, at the completion of the Hive-Down, the same terms and conditions currently applicable will be applied to RAS Italia's employees. Employees not involved in the Hive-Down (about 60 units) will remain, at the date of the Hive-Down, employed by RAS. Therefore their employee relation is going to be subsequently transferred, at the time of Allianz SE's formation, to Allianz SE. Allianz AG has signed a trade agreement in order to guarantee the maintenance of the terms and conditions regulating the RAS's employee relation also after the establishment of Allianz SE.

As already highlighted in paragraph IV above, RAS' extraordinary shareholders' meeting, already convened on February 3, 2006 in first call and on February 4, 2006 in second call, shall vote upon the approval of the Merger, and also upon the amendment of RAS' corporate purpose. From the point of registration of these resolutions and upon effectiveness of the Merger, RAS will coordinate its interests acting as a holding company.

As already highlighted in paragraphs IV and VI above, absent, abstained and dissenting RAS' shareholders will be entitled to withdraw.

Since the Hive-Down is finalised to keep unaltered the national identity of RAS, also in the development of global synergies which may derive from the Integration Plan, RAS Italia's extraordinary meeting, on November 16, 2005, has resolved to modify, with effect from the date in which the Hive-Down will become effective, its company name in "Riunione Adriatica di Sicurtà S.p.A.", shortened "Ras S.p.A.", in order to maintain, also from such viewpoint, the identity of RAS. RAS will maintain, until the shareholders' meeting of February 3, 2006, its corporate name.

Even after the Hive-Down, the Beneficiary Company will continue to be wholly owned by RAS until the Merger will become effective. As a consequence of the Merger, the Beneficiary Company will be wholly owned by Allianz.

7.3. Update on the RAS' stock options plans

This paragraph contains an update on the RAS's stock options plans. In February 2005, based on a stock option plan, Mr Paolo Vagnone (at that time Direttore Generale and currently

managing member of the Board of Directors as Amministratore Delegato) and other senior managers of the RAS Group employed in Italy, who are not members of the RAS Board of Directors, received as part of their remuneration 1,200,000 stock options (thereof 100,000 stock options in favor of Mr. Paolo Vagnone) which entitled the beneficiaries to purchase an equivalent amount of RAS ordinary shares at a price of Euro 17.085 per share. This exercise price corresponds to the average price of RAS ordinary shares in the month preceding the issuance of the stock options, i.e. in the period from December 31st 2004 through January 31, 2005. According to the terms and conditions for the exercise, the stock options are exercisable from February 1, 2008 through January 31, 2012, provided that (i) in the fiscal year 2005 RAS has reached at least 80 % of its planned targets in terms of both increase of value pursuant to the EVA-concept (economic value added) as well as the annual net income under IAS , and (ii) at the point in time at which the respective stock option is exercised, the price per RAS Ordinary Share is at least 10 % higher than the average price in January 2005 (i.e. higher than EUR 18.794).

As a consequence of the leave of some of the beneficiaries, the number of the above stock options is currently reduced to 953,000 (thereof 100,000 stock options in favour of Mr. Paolo Vagnone).

Upon effectiveness of the Merger, these stock options will be adapted as follows: The beneficiaries shall be granted the right to purchase up to a maximum of 173,241 Allianz SE shares in lieu of 953,000 RAS ordinary shares. Thereof, 18,178 Allianz SE shares are accounted for Mr. Paolo Vagnone. The exercise price shall thereby be EUR 93.99 per Allianz share and correspond to the average price of Allianz shares during the same reference period of time that was applicable for the determination of the original exercise price for the RAS ordinary shares, i.e., from December 31, 2004 through January 31, 2005. The number of Allianz SE shares to be delivered to the beneficiaries upon exercise of the stock options shall be calculated according to the ratio of the original exercise price per RAS ordinary share and the exercise price per Allianz share. Condition to the exercise is that RAS in the fiscal year 2005 has reached at least 80% of its planned targets in terms of both increase of value pursuant to the EVA-concept (*economic value added*) and the annual net income under IAS . Allianz intends to deliver the required shares by use of treasury shares.

In connection with the Merger, the managing member of the Board of Directors (Amministratore Delegato – Direttore Generale) of RAS, Mr. Paolo Vagnone, and further senior managers of the RAS Group employed in Italy, who are not members of the Board of Directors, were granted the right to exercise their stock option rights granted in 2004 prematurely, i.e. during the cash tender offer period from October 20, 2005 through November 23, 2005 and not only during the original exercise period for these stock options

from February 1, 2006 through January 31, 2011. All beneficiaries have exercised their respective rights with the effect that RAS granted these beneficiaries a total of 680,000 RAS ordinary shares – 50,000 RAS ordinary shares thereof to the managing member of the board of directors, Mr. Paolo Vagnone – at an exercise price of Euro 14.324 per RAS ordinary share.

7.4 Information on the Procedure for Arrangements for Employee Involvement

In order to secure, in the context of the Merger and the corresponding formation of an SE, the rights already acquired by the employees of Allianz and RAS regarding their involvement in decisions of the company, a procedure for the involvement of the employees in the Allianz SE must be conducted. Its goal is the conclusion of an agreement regarding the involvement of employees within the SE, particularly regarding the co-determination within the Supervisory Board of Allianz SE and the procedure regarding the information and consultation of employees by formation of an SE Works Council or by other means to be agreed upon with the Management Board of Allianz and the Board of Directors of RAS.

The employee involvement procedure is shaped by the principle of protection of the acquired rights of the employees of the companies participating in the foundation of the SE, i.e. Allianz and RAS. The extent of the employee involvement within the SE is determined by the definition of the terms in Section 12 para. 8 of the German SE-Employee Participation Act (*SE-Beteiligungsgesetz*, SEBG), which essentially follows Art. 2 lit k) of the already indicated Council Directive 2001/86/EC of October 8, 2001 supplementing the Statute for a European Company with regard to the involvement of employees. Involvement of employees therefore means every procedure – particularly information, consultation and co-determination – which enables the employee representatives to exercise influence on the decisions made within the company. Information, in this context, means the information of the SE Works Council or other employee representatives by the management body of the SE on issues regarding the SE, one of its subsidiaries or one of its establishments in another Member State, or which involve issues which exceed the authority of the competent bodies on the respective Member State level. The right to consultation means, apart from comments by the employee representatives on events significant to decisions, the exchange between the employee representatives and the management as well as the consultation with the goal of a mutual consent; provided, however, that the management is still given the right to an autonomous decision. Employee involvement is the most far-reaching form of influence; it either relates to the right to appoint or elect members of the Supervisory Board, or, alternatively, the right to propose these members or to object to proposals of third parties.

As parent company of Allianz Group, Allianz has a Supervisory Board with 20 members which is composed on a parity basis in accordance with the German Co-determination Act of 1976 (*Mitbestimmungsgesetz*). With regard to the election of the ten employee representatives on the Supervisory Board of Allianz, only the employees in Germany have the active and passive voting right in accordance with the German Co-determination Act of 1976. Upon effectiveness of the merger and change of legal form of Allianz into an SE, the terms of office of the current employee representatives as well as the shareholder representatives of the Supervisory Board terminate. The provisions of the German Co-determination Act of 1976 (*Mitbestimmungsgesetz*) on the representation of employees within the Supervisory Board of Allianz AG will be substituted by the regime of the German SE-Employee Participation Act and its provisions.

Besides, there are additional supervisory boards in which the employees have co-determination rights in other group companies on the basis of the laws applicable. At Allianz, in addition to the works councils in the individual establishments and the general works councils of the individual German group companies, a group works council exists; these are not affected by the formation of the SE. In addition, a European Works Council (Allianz Europe Committee - AEC) has been established pursuant to the agreement on cross-border information and consultation of Allianz employees as amended by a third amendment dated March 31, 2003 between Allianz and the general works councils of Allianz .

In contrast, at RAS there is presently no employee co-determination at the corporate level, i.e. there are no employee representatives on the Board of Directors of RAS, because this is not provided for by Italian law. However, there are works councils on the operational level.

In principle, the formation of the SE itself has no consequences for the employees of Allianz Group. Their employment contracts are being continued as before with the respective group company; in the case of the employees of Allianz, their employment contracts are being continued unchanged with Allianz SE.

With respect to members of employee representations on an operational level of both Allianz and the Allianz Group, there will be no changes by the change of the legal form into an SE. The existing works councils, general works councils, economic advisory committees (*Wirtschaftsausschüsse*), group works council and other employee representations on an operational level will be retained. Solely the continuity of the AEC is subject to the outcome of the employee involvement proceeding; in case of the application of the statutory fall-back solution, the AEC would be substituted by an SE Works Council (Sections 22 et seq. German SE-Employee Participation Act).

Specific issues only with respect to the employees of RAS will result from the Hive-Down as mentioned above prior to the Merger of RAS into Allianz. The majority of the employees of

RAS will become employees of RAS Italia S.p.A., Milan, in the future operating under the corporate name RAS S.p.A. Approximately 60 employees will not become employees of RAS Italia S.p.A., but will, at first, remain employees of RAS and will become employees of Allianz SE upon the effectiveness of the Merger.

On October 25, 2005, Allianz, RAS and the competent Italian trade unions have concluded an agreement. It provides that those employment contracts which are being transferred to RAS Italia S.p.A., are to be continued by the latter at the same terms and conditions, including stipulations made by collective agreements. Employees of RAS, who become employees of Allianz SE upon the effectiveness of the Merger, will continue to be employed at their current workplaces. Their employment relationships will be continued, and the Italian stipulations made by collective agreements existing at the point in time of the effectiveness of the Merger will continue to exist. The stipulations in collective agreements existing at RAS shall apply to all employees who will be hired after the implementation of the Hive-Down and the Merger. If Allianz SE decides to stop activities that are performed by Italian employees who have been transferred to Allianz SE, the concerned employees shall be entitled to demand within 30 days an equivalent position with RAS Italia S.p.A., at the same employment terms.

The initiation of the employee involvement procedure is conducted in accordance with the provisions of the German SE Employee Participation Act (*SE-Beteiligungsgesetz, SEBG*). It requires that the management bodies of the participating companies, *i.e.* the Management Board of Allianz and the Board of Directors of RAS, request the employees to establish a Special Negotiating Body, and that they notify the employees concerned or their representative bodies, respectively, about the formation project. The procedure is to be initiated – by the required notification – and without further request undue delay after the management bodies of Allianz and RAS have published the Merger plan prepared by them. The required notification of the employees concerned or their representative bodies, respectively, includes, in particular, (i) the identity and structure of Allianz and RAS, their concerned subsidiaries and concerned establishments, as well as their allocation among the Member States; (ii) the bodies representing employees existing within these companies and establishments; (iii) the number of persons employed in these companies and establishments, and the total number of persons employed in a given Member State determined on the basis thereof; and (iv) the number of employees enjoying participation rights in the corporate bodies of these companies.

It is provided by statutory law that the employees concerned or their representative bodies, respectively, appoint or elect the members of the special negotiating body, which is composed of employee representatives from all member states of the EU and from all signatory states of the European Economic Area (EEA) concerned, within a period of ten weeks after the

initiation of the procedure by the required notification of the employees or their representative bodies concerned, respectively.

The establishment and composition of the Special Negotiating Body is, in principle, governed by German law (Section 4 and Section 5 SEBG, respectively). However, with regard to the election or appointment of the members of the Special Negotiating Body from the individual EU Member States and EEA signatory states, the relevant national provisions of law apply. The establishment of the Special Negotiating Body is the responsibility of the concerned employees and their representative bodies, or of the competent trade unions, respectively.

After the nomination of the members of the Special Negotiating Body but, in any case, no later than ten weeks after the initiation of the procedure by the required notification, both the management of Allianz and RAS may convene the constitutive meeting of the Special Negotiating Body.

The negotiations commence on the day to which the management bodies of Allianz and RAS, *i.e.* the Management Board of Allianz and the Board of Directors (Consiglio di Amministrazione) of RAS, have invited for the constitutive meeting of the Special Negotiating Body. Statutory law provides for a maximum duration of the negotiations of six months which, however, the parties may extend to a period of up to one year by mutual resolution.

The negotiation procedure also takes place, if the time limit for the election or appointment of a single or all members of the Special Negotiation Body elapsed for reasons which the employees have to account for (Section 11 para. 2 sentence 1 of the German SE-Employee Participation Act (*SE-Beteiligungsgesetz, SEBG*). It is in the interest of the employees to complete the election or the appointment of the members of the Special Negotiation Body within the ten weeks' time limit. Delays, which are not to be accounted for by the employees, have to be accepted by the management of Allianz and RAS and may lead to a prolongation of the procedure.

Members elected or appointed during the ongoing negotiations are not definitely excluded; they can participate in the negotiations at any time (Section 11 para. 2 sentence 2 of the SE-Employee Participation Act (*SE-Beteiligungsgesetz, SEBG*). A member joining at a later stage, however, has to accept the status of the negotiations as existing at this time. There is no claim for a prolongation of the six months time limit for the negotiations (Section 20 SE-Employee Participation Act (*SE-Beteiligungsgesetz, SEBG*).

The objective of the negotiations is the conclusion of an agreement on the employee involvement in the Allianz SE. Subject matter of the negotiations are the employee co-determination within the Supervisory Board of Allianz SE and the stipulation of a procedure

regarding the information and consultation of the employees, either by way of formation of an SE works council or by other means.

An agreement regarding the involvement of employees with regard to the co-determination within the Supervisory Board shall contain at least stipulations in respect of the number of employee representatives on the Supervisory Board, of the procedure according to which these employee representatives are appointed, and of the rights of such members. According to the binding provision in Art. 40 para. 3 of the SE Regulation, Section 17 para. 1 of the German SE-Implementation Act (SEAG), the statutes of Allianz SE (Annex I to the Merger plan) will stipulate the size of the Supervisory Board. The corresponding provision in the statutes of Allianz SE provides for a Supervisory Board consisting of twelve members. The management bodies of Allianz and RAS have furthermore agreed to maintain the principle of employee co-determination on a parity basis. Accordingly, the statutes of Allianz SE provide for that six of the members of the Supervisory Board are to be appointed by the general meeting upon proposal of the employees. The geographic allocation of these employee representatives is determined according to an agreement, if any, on the involvement of employees; in case such an agreement cannot be reached, the geographic allocation would be determined according to the statutory fall-back solution according to the description below.

With regard to the stipulation of the proceeding regarding the information and consultation of the employees, the agreement has to stipulate whether an SE works council will be formed. In case it is formed, the number of its members and the allocation of seats, the information and consultation rights and the applicable procedure, the frequency of meetings, the financial and material resources to be made available, the date of entry into force and the duration of the agreement, as well as the circumstances in which the agreement is to be renegotiated and the procedure to be used in this regard, have to be stipulated.

Since the negotiating parties are not forced to opt for an SE works council, they can agree on a different procedure by which the information and consultation of the employees is assured.

In addition, the agreement should stipulate that further negotiations regarding employee involvement shall also be opened prior to structural changes to the SE.

The conclusion of an agreement for the involvement of employees requires a resolution adopted by the Special Negotiating Body which generally adopts resolutions by a majority of its members, provided that this majority also represents a majority of the employees. Where an agreement would lead to a reduction of employee co-determination rights, a qualified majority requirement of a two-thirds majority of the members of the Special Negotiating Body applies instead, provided that such majority represents at least two thirds of the employees in at least two Member States.

A reduction of co-determination rights would mean that the ratio of employees within the Supervisory Board of the SE is lower than the highest existing ratio within the participating companies, or that the right to elect, appoint, suggest or send members of a supervisory body of the company, is abolished or restricted. In the Supervisory Board of Allianz, the employees have co-determination rights according to the parity-based co-determination pursuant to the German Co-determination Act of 1976, which grants to the German employees the right to elect half of the twenty members of the Supervisory Board of Allianz AG. It would have to be checked upon adoption of a resolution on the involvement of employees, whether this would result in a reduction of the co-determination rights, compared to that status.

The Special Negotiating Body may theoretically also resolve not to enter into negotiations or to break off already ongoing negotiations. In this case, the qualified majority described above would be required, too. The Supervisory Board of Allianz SE would then not be subject to employee co-determination, neither on the basis of an agreement nor by operation of law; the statutory fall-back solution of the German SE-Employee Participation Act would not apply. The contemplated provision of the statutes would deviate having the effect that the statutes would have to be adapted or the co-determination would have to be implemented solely on the basis of this provision in the statutes.

An SE works council would not be established. Moreover, the provisions on the information and consultation within the EU Member-States and the EEA signatory states will apply, unless a European works council exists. With respect to Allianz SE, the AEC would continue to exist and would still hold the right to information and consultation. Upon the resolution, not to commence negotiations or break off already ongoing negotiations the employee involvement procedure is terminated.

If no agreement regarding the involvement of employees is being reached within the negotiation period, the statutory fall-back solution applies; this can also be agreed upon as the content of the agreement.

In the present case, the statutory fall-back solution with regard to employee co-determination within the Supervisory Board would have the consequence that the principle of employee participation on a parity basis is maintained, so that half of the members of the Supervisory Board of Allianz SE would be employee representatives. However, the employee representatives would no longer be appointed by the employees in Germany alone, but by all employees in Europe. On the basis of the current number of employees and their allocation by countries, in a Supervisory Board composed of twelve members with six employee representatives there would be four seats for employees employed in Germany, one seat for employees employed in France and one seat for employees employed in Great Britain of the Allianz SE.

The employees employed in Germany, France and Great Britain would have to nominate their employee representatives, which are elected by the general meeting of Allianz SE, pursuant to the regulations of their respective country. In case a nomination would not occur, the SE works council would have to nominate them.

With regard to the protection of the right to information and consultation of the employees of Allianz SE, the statutory fall-back solution would have the consequence that an SE works council would have to be established, the function of which would be to safeguard the right to information and consultation of the employees in the SE. It would be responsible for matters which affect the SE itself, one of its subsidiaries or one of its establishments in another Member State, or which go beyond the powers of the competent bodies at the level of the individual Member States. The SE works council would have to be informed and consulted annually with regard to the development of the business situation and the future prospects of the SE. It would have to be informed and consulted with regard to extraordinary circumstances. The composition of the SE works council as well as the election of its members would, in principle, follow the provisions applicable to the composition and appointment of the members of the Special Negotiating Body.

In the event of the application of the statutory-fallback solution, during the existence of the SE, it is to be reviewed every two years by the managing body of the SE whether changes within the SE, its subsidiaries and establishments require an alteration of the composition of the SE works council. In cases where the statutory fall-back solution applies, the SE Works Council, four years after its establishment, has to resolve with the majority of its members, whether negotiations shall be opened with regard to an agreement on the involvement of employees within the SE or whether the then current provisions shall continue to apply. In case a resolution to commence negotiations regarding the employee involvement, the SE works council takes the place of the Special Negotiating Body.

The necessary costs incurred by the constitution and the activity of the Special Negotiation Body are borne by Allianz AG and RAS, and, after its foundation, by Allianz SE, as joint debtors (*Gesamtschuldner*). This obligation to bear the costs covers all material and personal costs, which arise in connection with the activity of the Special Negotiation Body, in particular in connection with the negotiations. In particular, rooms in the necessary size, materials (e.g. telephone, fax, required literature), interpreters and office personnel have to be provided, and the necessary costs for travel, board and lodging of the members of the Special Negotiation Body have to be borne.

For the Board of Directors of RAS S.p.A.

The Chairman and the appointed Director

PART B

**Audit Report of the Merger Auditor for RIUNIONE ADRIATICA DI
SICURTÀ, Società per Azioni**

RIUNIONE ADRIATICA DI SICURTÀ S.p.A.

Plan for the Merger by Incorporation of
Riunione Adriatica di Sicurtà S.p.A.
into
Allianz AG

Auditors' report
relating to the exchange ratio of shares pursuant to
Article 2501-*sexies* of the Italian Civil Code (*)

(This is an English translation of the original Italian document)

(*) *With respect to the CONSOB Communication N. 73063 of October 5, 2000 the above mentioned report, whose translation is attached, does not express an opinion on the fairness of the transaction, the value of the security, or the adequacy of consideration to shareholders, and therefore the issuance of this report would not impair the independence of Mazars & Guérard SpA under the U.S. independence requirements*

**Plan for the merger by incorporation of
Riunione Adriatica di Sicurtà S.p.A.
into
Allianz AG**

**Auditors' report relating to the exchange ratio of shares
pursuant to Article 2501-*sexies* of the Italian Civil Code ⁽¹⁾**
(This is an [English translation of the original Italian document](#))

To the Shareholders of
Riunione Adriatica di Sicurtà S.p.A.

1. Objective, subject and scope of the engagement

We received from Riunione Adriatica di Sicurtà S.p.A., as appointed by the Milan Court on October 11, 2005, the assignment to issue, pursuant to art. 2501-*sexies* of the Italian Civil Code, the report on the exchange ratio between the shares of Allianz AG (hereinafter “Allianz” or “absorbing company”) and those of Riunione Adriatica di Sicurtà S.p.A. (hereinafter referred to as “RAS” or “company to be absorbed”). To this end, we received from RAS the merger plan together accompanied by the report of the Board of Directors, which identifies, explains and justifies, pursuant to art. 2501-*quinquies* of the Italian Civil Code, the exchange ratio of the shares, as well as the balance sheet as of September 30, 2005 according to art. 2501-*quater* of the Italian Civil Code.

(1) With respect to CONSOB Communication No. 73063 of October 5, 2000 the above mentioned report, whose translation is attached, does not express an opinion on the fairness of the transaction, the value of the security, or the adequacy of consideration to shareholders, and therefore the issuance of this report would not impair the independence of Mazars & Guérard SpA under U.S. independence requirements.

The proposed merger plan will be submitted for approval to the extraordinary meeting of the RAS Ordinary Shareholders on first call for February 3, 2006 and, if necessary, on second call for February 4, 2006, as well as, pursuant to article 146, paragraph 1, subparagraph b), of the Financial Law (TUF), the RAS Savings Shareholders on February 3, 4 and 6, 2006, for the first, second and third call, respectively.

Similarly, the shareholders of Allianz will be asked to approve the planned merger in an extraordinary meeting to be held on February 8, 2006.

The assignment to prepare for Allianz a similar report on the appropriateness of the exchange ratio pursuant to art. 22 of EC Regulation 2157/2001 was granted by the President of the Court of Munich (Federal Republic of Germany), on October 14, 2005, to the auditing firm Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft (hereinafter "Deloitte & Touche").

In order to provide the shareholders with adequate information regarding the exchange ratio, this report specifies the methods adopted by the Directors in determining the exchange ratio and the difficulties encountered by them; in addition, this report also indicates whether, under the circumstances, such methods are reasonable and not arbitrary, whether the Directors have considered the respective importance of such methods and whether the methods have been correctly applied.

In our examination of the valuation methods adopted by the Directors, also based on indications from their advisors, we have not performed a valuation of the Companies participating in the merger. This was done solely by the Directors and the advisors appointed by them.

2. Summary of the transaction

The Board of Directors of RAS and the Management and Supervisory Board of Allianz, held on September 11, 8 and 10, 2005, respectively, drafted a plan aimed at reorganizing the Allianz Group (hereinafter "The Transaction"), which "at establishing a European Company in order to achieve the integration of RAS into Allianz. In addition, the Transaction is aimed at implementing a business plan to create strategic and industrial synergies and efficiencies, as well as to improve the competitive position of the Allianz Group and each of its companies, in an increasingly global market of multinational players in the insurance industry. The Merger of RAS into Allianz and the use of the form of the SE can create a platform for all European activities of Allianz Group carried out in Europe and in particular for the industrial activities of the Group...The Transaction is consistent with the strategy recently followed by Allianz ("3+1"), which is focused on enhancing its capital base, strengthening operating profitability, simplifying the structure of its group and increasing its competitive position and shareholder value."

As illustrated in the RAS Director's Report, the proposed transaction entails the merger by incorporation of RAS into Allianz, pursuant to articles 2501 et seq. of the Italian Civil Code.

On December 15 and 16, 2005, the Management Board of Allianz and the RAS Board of Directors approved the proposed merger by incorporation of RAS into Allianz, which confirms the exchange ratio of shares within the range previously indicated by the above bodies on September 8 and 11, 2005, respectively.

The merger will take place using the RAS and Allianz financial statements (situazioni patrimoniali) as of September 30, 2005, adopted by the Boards of Directors of the Companies as balance sheets pursuant to art. 2501-*quarter* of the Italian Civil Code.

Within the context of the Transaction, the Companies' Boards of Management, Supervisory Boards and Boards of Directors, on September 8, 10 and 11, 2005, approved and communicated the general lines of the Allianz group reorganization, which comprises:

- A voluntary public offer for all ordinary and savings shares issued by RAS (jointly defined as "PO"'s), as well as
- The hive-down ("hive-down"), prior to the merger and before its completion, of the corporate unit consisting of the Company's, currently RAS's, insurance business, into a wholly-owned RAS subsidiary, named RAS Italia S.p.A. ("RAS Italia" or the "Transferee Company").

As part of the Transaction, Allianz has launched: (i) a voluntary public offer for 298,448,011 RAS ordinary shares, representing, as of October 20, 2005, 44.486% of RAS's ordinary share capital and 44.397% of RAS's total share capital; (ii) a voluntary public offer for 833,109 RAS savings shares, representing 62.172% of RAS's share capital and approximately 0.124% of RAS's total share capital (hereinafter jointly referred to as the "Offering"). The Offer, launched at a price of € 19 per RAS ordinary share and € 55 per RAS savings share, included a premium of 14% with respect to the simple average of the official stock market prices of ordinary shares between March 10, 2005 (six months prior to the announcement of the Offering) and September 9, 2005 (the last open market day prior to the announcement of the Offering) and of 138% with respect to the simple average of the official stock market prices of RAS savings shares in the 6 months prior to September 9, 2005.

The Offer commenced on October 20 and terminated on November 23, 2005.

At the end of the acceptance period, on November 23, 2005, the shares tendered in the Offer amount to No. 139,719,262 ordinary shares (representing 20.826% of RAS' ordinary share capital and 46.815% of the ordinary shares object of the ordinary share Offer) and to No. 328,867 savings shares (representing 24.542% of RAS' savings share capital and 39.475% of the savings shares object of the savings share Offer). Allianz holds No. 512,158,245 RAS' ordinary shares, representing 76.340% of RAS' ordinary share capital and 76.188% of RAS' total share capital and also No. 954,788 savings shares representing

71.252% of RAS' savings share capital and 0.142% of RAS' total share capital. The consideration for the shares tendered in the Offer was paid on November 30, 2005.

On the basis of the results of the Offer, the total amount paid by Allianz, as communicated by Allianz, was approximately equal to Euro 2.7 billion. The above mentioned amount was satisfied by means of Allianz's own funds.

The merger will involve cancelling the RAS shares owned by Allianz, without receiving any shares in exchange, thereby reducing the amount of the equity to be issued in exchange. Shareholders, other than Allianz and RAS, owning RAS ordinary or savings shares will be assigned newly issued Allianz ordinary shares, using the applicable exchange ratios.

The ordinary and savings shareholders of RAS, who will not concur to the adoption of the shareholders' meetings resolutions relating to the Merger and the change of the corporate purpose, will be entitled to withdraw from the Company pursuant to Article 2437 and followings of the Italian civil code. Such withdrawal right will be recognized as a result of: (i) the transfer abroad of the RAS' registered office; (ii) the change of the RAS' corporate scope; and (iii) the change of the shareholders' participation rights in the case of the savings shareholders.

Since RAS is a listed company, the liquidation value of shares will be determined pursuant to Article 2437-ter of the Italian Civil Code, by making exclusive reference to the arithmetic average of the shares' closing prices during the six months preceding the publication of the notice calling the shareholders' meeting.

The liquidation value for each ordinary share of RAS is equal to Euro 16.72 and the liquidation value for each savings share of RAS is equal to Euro 24.24. Pursuant to article 2504-bis, paragraph 2, of the Italian Civil Code, the effects of the merger will run from the last filing of the merger deed, as required by art. 2504 of the Italian Civil Code, or from such subsequent date provided for by the merger deed.

The transactions of the company to be absorbed, also for income taxes purposes, will be recorded in the books of the absorbing company from January 1 of the year in which the merger becomes effective.

At the completion of the merger, Allianz will take over the RAS stock option plans, therefore, will make available for the owners of RAS stock options a number of Allianz ordinary shares adjusted on the basis of the ratio of the average of the RAS and Allianz ordinary share prices during the period December 31, 2004 to January 31, 2005.

Upon the completion of the Transaction, Allianz shall take the form of a European company ("Allianz SE") and shall be governed by: (i) the provisions set forth by EC Regulation No. 2157/2001 (concerning the statute of a European company), as well as, (ii) the German laws which would apply to a German SE, *i.e.* the German SE Implementation Act (SEAG) and the German SE Employee Participation Act (SEBG) as well as, to the extent the SE specific laws do not provide otherwise, the German laws applying to a German stock corporation, such as the German Stock Corporation Act ("*AktG*"), and (iii) the provisions of Allianz SE by-laws (all applicable pursuant to the link set forth by Article 9 of the EC Regulation).

The corporate governance of Allianz SE shall be structured into a two-tier system similar to the "*modello dualistico*" (recently introduced also in the Italian civil code by the Italian corporate law reform - Legislative Decree No. 6/2003).

The principal trading market for the ordinary shares of Allianz is the Frankfurt Stock Exchange. The shares of Allianz also trade on all other German stock exchanges (*i.e.*, Berlin - Bremen, Düsseldorf, Hamburg, Hanover, Munich and Stuttgart), as well as the stock exchanges in London, Paris and Zurich. The American Depositary Shares of Allianz, each representing one-tenth of a share, trade on the New York Stock Exchange under the symbol "AZ."

In the context of the Transaction and subject to completion of the Merger, Allianz has declared its intention to apply with Borsa Italiana S.p.A. for the listing of its shares.

3. Documentation used

In performing our work, we obtained from RAS and Allianz, such documentation and information as was considered useful in the circumstances. We analyzed the documentation received, and in particular:

- a) the merger plan prepared by the Board of Directors pursuant to art. 2501-sexies of the Civil Code and to RAS Corporate Governance Code and to the EC Regulation 2157/2001 dated October 8, 2001;
- b) the Reports of the respective Board of Directors and Management Board of the Companies addressed to their respective extraordinary shareholders meetings which,, on the basis of the balance sheet as of September 30, 2005, propose the following exchange ratio:

3 Allianz ordinary shares per 19 RAS ordinary and savings shares;

The exchange ratio has been determined by the Board of Directors and Management Board also taking into account the indications contained in the Advisors reports referred to in points b) and c) below. The report of the Board of Directors and Management Board set forth the valuation methods used, the reasons they were chosen, the values resulting from their application and the considerations formulated with regard to them;

- c) the Opinion, dated September 11, 2005, prepared by Merrill Lynch International (hereinafter "Merrill Lynch"), in their capacity as advisor to the Board of Directors;
- d) the report prepared by PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft (hereinafter PricewaterhouseCoopers), as valuation advisor of the Board of Directors, also in order to evaluate, in the interest of RAS, the results deriving from the application of the Association of German Auditors methodology (IDW S 1) ; this report, prepared by order of RAS dated December 16, 2005, evaluates the consistency of the method used by Ernst & Young AG Wirtschaftsprüfungsgesellschaft (hereinafter "Ernst & Young") with the principles set down in IDW S 1 and their adequacy for the purposes of determining the exchange ratio. Ernst & Young received from Allianz the assignment to perform a valuation of Allianz and RAS for the purpose of determining an exchange ratio;
- e) The following documentation, used by the Advisors to prepare their reports and, subsequently, also used by us:
 - the business plans of Allianz and RAS and the support documentation prepared by the management of Allianz and RAS
 - economic and financial plan for the period 2006 – 2008 presented to the Board of Directors meeting of December 16, 2005
 - historical market prices and trading volumes of the Companies' ordinary and savings shares;
 - publicly available information about companies operating in the same sector;
 - financial research and analyses, published by specialized institutions and investment banks;
- f) The following additional documentation was used by us:
 - the financial statements and consolidated financial statements of Allianz and RAS and their main subsidiaries as of December 31, 2004, accompanied by the respective reports of the Boards of Directors, the Reports of Statutory Auditors and the Independent Auditors' Reports;
 - the balance sheets of Allianz and RAS as of September 30, 2005, approved by the Boards of Directors of the Companies pursuant to art. 2501-*quater* of the Civil Code

- data and information obtained from the Advisors and used by them for the determination the exchange ratio;
- exchange ratio report issued on December 16, 2005 by Ernst & Young, in their capacity as expert appraiser of Allianz
- bylaws of the Companies participating in the merger;
- reports of the independent auditors KPMG SpA on the limited independent audit of the RAS half-year report as of June 30, 2005;
- analysis of the main conclusions reached by the independent auditors KPMG SpA and discussion with them on the RAS 2004 financial statements, 2005 half-year report an discussion with them on the subsequent audit activity;
- accounting elements and other information deemed necessary for the purposes of this report.

Finally, we obtained representations from Allianz and RAS, based on management's best knowledge, that no significant changes occurred in the data and information used in conducting our analyses.

4. Valuation methods used by the Board of Directors to determine the exchange ratio

The Directors, also supported by their Advisors, considering the importance and complexity of the merger transaction, deemed appropriate to identify the valuation methods which, in addition to be in accordance with current best practice, would enable the two companies to be valued on a homogeneous basis.

4.1 Selection of the methods and valuation criteria

The Board of Directors of RAS determined the exchange ratio, having taken into account the analyses carried out by the advisors, on the basis of valuation methods, generally accepted and deemed appropriate to express the value of the entities involved in the merger, considering the activities carried out by the absorbing company and by the company to be absorbed.

In addition, as suggested by corporate doctrine and professional practice, the Directors compared the values attributed to the companies participating in the merger process under the assumption that they will continue as a going concern.

Furthermore, in consideration of the cross-border nature of the Merger, German principles and valuation practices have also been taken into account to determine the exchange ratio.

These values cannot be considered representative of a valuation in absolute terms of the companies participating in the merger, nor can they be compared with any acquisition or sale prices (which normally reflect majority premiums and minority discounts).

The Directors of RAS, supported by their Advisors, selected the valuation methods and criteria to be applied in this case, taking into account:

- the specific objectives attributed to the valuations with reference to the underlying transaction;
- the nature of the activities carried out by each company participating in the merger.

In connection with these aspects, the Directors referred to the purpose of the valuation and to the relevant factors that make it possible to estimate the value of the entities concerned. As the objective is to express comparable values in order to determine the exchange ratio, the Directors adopted valuation methods based on similar criteria for both of the companies involved in the merger.

In particular, the following methodologies have been applied for both companies:

- **Stock Market Prices** method;
- **Sum-of-Parts** method;
- **Market Multiples** method
- **Regression** method

As a supporting methodology, **Financial Analysts' Target Prices** for Allianz and RAS have also been taken into account.

Finally, as indicated above, given the cross-border nature of the merger, RAS engaged PricewaterhouseCoopers as valuation advisor to advise the RAS management, also in order to evaluate, in the interest of RAS, the results deriving from the application of the Association of German Auditors methodology (IDW S 1).

With respect to RAS' saving shares, considering that: (i) saving shares represent approximately 0.2% of total RAS' capital; (ii) daily average trading volume and value for saving shares, based on the last six-month average before the announcement of the Transaction, are equal to 2.6 thousand of shares per day, or €0.06 m, or 0.19% of their market value, the value of the saving shares has been deemed not significantly relevant. Therefore, for valuation purposes, saving shares have been treated in the same way as RAS ordinary shares. All valuation methodologies are therefore based on the total number of shares equal to 672,227,004.

4.1.1 Stock Market Prices Method

When the companies involved in the merger are listed on the stock market, theory and professional practice suggest to take into consideration the average implied prices of the respective shares, using average figures for a relevant period. In the specific case, the current stock market prices are particularly significant, considering Allianz's and RAS' high liquidity and market capitalisation, the extensive financial analysts' coverage and the composition of the shareholders' base with a wide presence of international institutional investors.

As for the current market prices method, implied valuation is obtained from observation of prices on the market for a significant time-range, ending in the proximity of the evaluation date. The application of the market price methodology is based on Allianz and RAS prices during different periods (up to 12 months) before 9 September 2005 (last available trading day before approval of the Transaction). Based on historical price evolution, the one, three, six and twelve month averages fall within a range of relatively constant valuation as shown in the table below. The relevant period was chosen in order to neutralise the effect of any fluctuation on a short period basis and to attribute a major weight to the most recent prices, since they reflect better the information available to the market.

4.1.2 Sum-of-Parts Method

According to the Sum-of-the-Parts methodology, valuations for Allianz and RAS have been calculated as the sum of the valuations of each of the divisions of both companies, where each division is considered as a business that can be valued separately. With respect to the valuation of each single line, applied valuation methodologies are mainly based on market trading multiples, and take into account profitability and relative contribution of each business to the group.

Business lines considered for Allianz and RAS for the application of the methodologies described above are:

- life insurance business;
- casualty insurance business;
- asset management business; and
- banking business.

Economic and financial parameters for this methodology are based on projections of income statement, balance sheet and other relevant financials of Allianz and RAS available for the year 2005. Trading multiples applied to each business are in line with market practice. Consolidation items have been valued on a P/E basis, applying the implied pre-consolidation P/E.

As a validation method, the implied multiples obtained (based on income statement, balance sheet indicators and embedded value) have been compared with trading multiples of listed companies, which have operations similar to the line of business valued.

4.1.3 Market Multiples Method

The trading multiples methodology is based on the analysis of current ratios between the market capitalisation and specific economic and financial measures for a selected group of companies comparable with the company object of the valuation.

In the specific case, two sets of comparables with Allianz and RAS were selected, taking into consideration size, business mix and geographical diversification. The sample identified for Allianz includes all major European insurance groups with respect to market capitalization, with a significant presence in the P&C and life segments and a significant revenues diversification: AXA, Generali, Aviva and ZFS are particularly relevant in terms of comparability. The sample selected for RAS includes major Italian listed insurance companies and some European insurers with a similar geographic and product diversification profile (such as AGF, AMB Generali and Mapfre). The ratios or multiples chosen are based on insurance market specifics and market practice, according to which importance is given to price/earning per share, price/embedded value earnings per share and price/ embedded value per share multiples.

4.1.4 Regression Analysis

Regression analysis is based on the empirical evidence that there is a correlation between the profitability of a company (measured by the Return on Equity, or ROE) and market valuation of the shareholders' equity of the company, indicated by the multiple P/BV (book value).

For financial services companies, the observed correlation between ROE and P/BV is particularly high. Therefore, this methodology is largely used by market standards. The sample of companies identified for the regression analysis (run on P/BV and ROE for 2005 and 2006) is the same as the one used for the Market Trading Multiples Analysis. In certain cases, however, for the purpose of the regression analysis, those companies with a growth profile and business model significantly different from Allianz and RAS have been excluded; likewise, the analysis excluded those companies with trading multiples significantly different from market average. The reference date for the calculation for the trading multiple is 9 September 2005.

The regression model has been used to estimate implied valuations of Allianz and RAS, based on the estimates of book value and profitability for 2005 and 2006 given by main brokers.

4.1.5 Financial analysts' target prices

With this methodology, valuation of Allianz and RAS is based on main domestic and international brokers' reports, in order to compare the correspondent target prices and, thus, the implied exchange ratio. In performing such analysis, only reports issued after 1Q05 and before 9 September 2005 were used. Since target prices, according to common practice for financial analysts, refer to a time horizon of twelve months, the average target price has been discounted to properly reflect the current date of valuation.

4.1.6 Discounted earnings method – Standard (IDW S 1)

In carrying out its valuation for the determination of the final exchange ratio, the Standard for carrying out business valuations (IDW S 1) has been applied.

According to this standard, the value of a company is based, under the assumption of purely financial objectives, on the present value of net cash flows from the business to the shareholder (net receipts of the shareholder of the company). This means that the value of the business is based solely on its ability to earn business profits for the shareholder.

The valuations of both Allianz and RAS have been carried out on a stand-alone basis taking into account the existing majority shareholding in RAS by Allianz. This means that positive or negative effects resulting from the merger of RAS into Allianz have been disregarded. The companies expected financial surpluses have been separately analyzed. The business plans, from which the financial surpluses were derived, are the consolidated plans of Allianz and RAS covering the period 2006 to 2008, and, concerning RAS, presented to the Board of Directors meeting held on December 16, 2005.

The business plans result from a structured planning process within Allianz group and RAS group: the strategic dialogue and the planning dialogue .

Both company values have been calculated based on the two phase approach. Phase one corresponds to the detailed forecasting period, i.e. business years 2006 until 2008. For the business years thereafter, i.e. from 2009 onwards (referred to as phase two), the capitalisation has been carried out in the form of a terminal value.

In deriving the business profits for the terminal value, the basis for deriving the business profits has been the expected results for the year 2008 assuming that these results are growing with a growth rate of 1.5% p.a.

In order to value, it is necessary to discount the future financial cash-flows to the valuation date using an appropriate interest rate. The interest rate is measured against the expected return on a capital investment in the next best alternative. When determining the discount rate it is expedient to break it down into its components, base rate and risk premium..

Deriving the base rate, a yield curve has been implied, which is determined based on the current interest rates and the published term structure of interest rates by Deutsche Bundesbank. Based on this approach, it was decided to use a base rate of 4.00%, and after income tax reduced to 2.60%. In addition, the risk specifically related to a business was taken into account in the form of a beta-factor.

5. Valuation difficulties encountered by the Directors

In performing the valuations for purposes of determining the exchange ratio, the Board of Directors of RAS did not report having encountered any difficulty.

6. Results emerging from the valuation performed by the Directors

6.1 Stock Market Prices

Market prices (ordinary shares) (€)	Allianz	RAS	Exchange ratio (X)*
Spot value at September 9, 2005	109,1	17,7	0,162
Simple 1-month average	107,2	16,9	0,158
Simple 3-month average	102,2	16,5	0,161
Simple 6-month average	98,7	16,6	0,169
Simple 12-month average	94,9	16,6	0,175

* Number of ordinary Allianz shares for every RAS ordinary or savings share

6.2 Sum-of-Parts

Value per Share (€)	Allianz	RAS	Exchange ratio (X)*
Value per Share	108,0-118,0	15,5-16,5	0,140-0,144

* Number of ordinary Allianz shares for every RAS ordinary or savings share

6.3 Market Multiples

Value per Share (€)	Allianz	RAS	Exchange ratio (X)*
Value per Share	100,0-110,0	16,0-17,0	0,155-0,160

* Number of ordinary Allianz shares for every RAS ordinary or savings share

6.4 Regression Analysis

Value per Share (€)	Allianz	RAS	Exchange ratio (X)*
Value per Share	102,0-108,0	18,5-20,5	0,181-0,190

* Number of ordinary Allianz shares for every RAS ordinary or savings share

6.5 Financial Analysts Consensus Method, as a control method

For purposes of verifying the accuracy of the exchange ratios determined with the above-mentioned criteria, the Directors made a further test using the criteria of financial analysts' estimates.

Value per Share (€)	Allianz	RAS	Exchange ratio (X)*
Value per Share	104,0-120,0	14,0-19,0	0,135-0,158

* Number of ordinary Allianz shares for every RAS ordinary or savings share

The Directors were reassured by the fact that these values are in line with the exchange ratios based on the fundamentals as shown in the previous paragraph.

6.6 Determination of the Exchange Ratio

Based on the valuations carried out with the help of their respective Advisors, the Directors defined the values of the companies taking part in the merger for the purpose of calculating the exchange ratio. The adjusted exchange ratio has been determined, including the adjustments for taking into account the fact that the RAS shareholders will receive the RAS dividend for 2005, before exchanging the RAS shares for Allianz shares, which have a lower dividend than the RAS on a relative basis.

Methods (ordinary shares)	Exchange ratio* (X)	Adjusted exchange ratio (X)*
Stock Market Price Method		
- Spot value at September 9, 2005	0,162	0,157
- Simple 1-month average	0,158	0,153
- Simple 3-month average	0,161	0,155
- Simple 6-month average	0,169	0,163
- Simple 12-month average	0,175	0,170
Sum-of-the-parts Method	0,140-0,144	0,135-0,138
Market multiples method	0,155-0,160	0,149-0,154
Regression method	0,181-0,190	0,176-0,185
Financial Analysts Consensus Method	0,135-0,158	0,129-0,154

* Number of ordinary Allianz shares for every RAS ordinary or savings share

Insofar as the Discount earnings method "IDW S 1" is concerned, the Directors reached, also on the basis of the indications received from their own advisor PricewaterhouseCoopers, the determination of a punctual ratio equal to 0.1579.

On these basis, the Board of Directors of RAS and the Management Board of Allianz have set the following exchange ratio:

3 ordinary Allianz shares for 19 RAS ordinary and savings shares.

6.7 Procedures for assigning the shares and carrying out the share exchange

Allianz will increase its own share capital by a maximum nominal amount of 64,315,543.04 € through the issuance of a maximum of 25,123,259 ordinary shares, in application of the exchange ratio determined above, without taking into account the ordinary and savings shares of RAS held by it and the treasury stock held by RAS, which will be voided without exchange.

The Directors have provided that:

- Any RAS shares still represented by certificates may only be exchanged upon delivery of such certificates to an authorized intermediary for deposit with the central securities depository system to be then converted in a dematerialized form;
- In such contest, the authorized intermediaries and the trustee will provide the RAS shareholders with a service permitting the liquidation of the fractional shares resulting from the Exchange Ratio, if any, at stock exchange price, with no costs, stamp duty or commissions for the shareholders;

- In accordance with the applicable provisions of German laws, RAS has appointed Deutsche Bank Aktiengesellschaft, Frankfurt am Main, Germany, as trustee for receiving the shares of Allianz to be issued and for delivery of those shares to the shareholders of RAS. Deutsche Bank Aktiengesellschaft will avail it self of the services of Deutsche Bank S.p.A., Milan, in the performance of its duties.
- Allianz shall deliver the new shares which are represented by a global share certificate to the trustee after the capital increase connected with the Merger has been registered with the competent commercial register in Munich and instruct the trustee, to deliver new shares of Allianz SE to the shareholders of RAS against delivery of their RAS shares only after registration of the Merger in the commercial register of Allianz. The delivery occurs by way of corresponding book transfer of the security deposit accounts by the central depository agent Monte Titoli S.p.A. Allianz shall bear the costs for conducting the exchange of the shares.

7. Work performed

7.1 Work performed on the "documentation utilized" as mentioned above at point 3.

Considering the valuation methods used by the Directors, also on the basis of the Advisors' indications, we have performed the following activities:

- The RAS individual and consolidated annual financial statements at December 31, 2004 were subject to an independent audit by KPMG SpA, which issued the respective reports dated April 7, 2005;
- The consolidated half-year report at June 30, 2005 was subject to a limited independent audit by KPMG SpA, which issued the report dated November 15, 2005;
- We discussed with RAS and with its auditors the accounting principles used and the key events concerning the drafting of the annual financial statements and the half-year reports mentioned above.
- information-gathering, through discussion with the RAS and Allianz managements, about events occurring after the closing of the balance sheet as of September 30, 2005 of RAS and Allianz which can have a significant effect on the determination of the values that are the subject matter of this review;
- for the aforesaid 2006-2008 Allianz and RAS business plans, notwithstanding the uncertainties and limitations attendant upon any type of forecast condition, we discussed with the Allianz Management and with the RAS Management the main characteristics of the forecasting process and the criteria used for their compilation.

The above activities have been performed to the extent necessary for the purpose of our engagement, indicated in paragraph 1 above.

7.2 Work performed on the methods used to determine the exchange ratio

We have examined the methods followed by the Directors, also based on the indications given by their Advisors, for the determination of the relative value of the Companies and, thus, of the Exchange Ratio, ascertaining their technical suitability under the circumstances.

We have also performed the following procedures:

- analysis of the Directors' report on the proposed merger and of those prepared by the Advisors to verify the completeness and consistency of the procedures followed by the Directors in determining the exchange ratio, as well as the homogeneity in the application of the valuation methods;
- sensitivity analyses on the valuation methods used to verify to what extent the exchange ratio would be affected by changes in significant assumptions and parameters applied in the Advisors' reports;
- verification of the consistency of the data used with respect to the reference sources and with the "Documentation utilized," as described in item 3 above;
- verification of the mathematical correctness of the computation of the exchange ratio, by applying the valuation methods adopted by the Directors, also based on the indications given by their Advisors;
- meetings with the Advisors of RAS and of Allianz to discuss the activities performed, the problems encountered and the solutions adopted.

We have also obtained representation that, with reference to the individual business units considered on a stand-alone basis, to the RAS Management's best knowledge, no changes have taken place to the data and information taken into consideration in performing our analyses.

8. Comments on the suitability of the methods used and the validity of the estimates made

With reference to this engagement, we believe it is worth noting that the principal purpose of the decision-making process used by the Directors was to make an estimate of the relative values of the Companies involved in the merger, by applying homogeneous criteria, in order to obtain the exchange ratio.

In fact, the main objective of valuations for mergers is to identify comparable values in order to determine the exchange ratio, rather than to determine absolute values for the Companies concerned. As such, valuations for merger transactions have a meaning solely in respect of their relative profile and cannot be regarded as estimates of the absolute values of the Companies involved, for transactions different from the merger and for which they were not made.

In connection with the valuation methods adopted, we note that:

- they are widely used in Italian and international professional practice, they have solid doctrinal bases and are based on parameters determined according to a generally accepted methodology;
- they appear adequate in the circumstances, in light of the characteristics of the companies involved in the merger;
- the valuations were prepared on a going-concern basis, and in keeping with the valuation context required for a merger, the methods were carried out on a stand-alone basis;
- the approach adopted by the Directors complies with the requirement to use homogeneous valuation methods, thereby achieving comparable values;
- the use of principal methods and a control method has, in any case, made it possible to enlarge the valuation process and test the results obtained.

We have the following comments on the ways in which the Directors developed the valuation methods:

- the stock market price method, used by the Directors, is particularly indicated in the case of companies with high market capitalization, a large and widespread float, and high trading volumes;
- the sum-of-the-parts method is generally applied in professional practice in the valuation of complex enterprises characterized by the existence of multiple business areas.
- the market multiples method allows for an analysis of the ratios existing between market capitalization and some relevant equity and earnings items for a selected group of listed insurance companies comparable to the companies object of valuation.
- The regression analysis is based on the empirical evidence that there is a correlation between the profitability of a company (measured as Return on Equity, or ROE) and market valuation of the shareholders' equity, indicated by the multiple P/BV (book value). For financial services companies, the correlation observed between ROE and P/BV is particularly high.
- Finally, the results obtained are supported as well by the analysis of the consensus expressed by financial analysts in the three months prior to the announcement of the transaction.

- In addition, the Discounted Earnings Method "IDW S 1" criterion, establishing that the value of a business is based, under the assumption of purely financial objectives, on the present value of net cash flows from the business to the shareholder (net receipts of the shareholder of the company): this means that the value of the company is based solely on its ability to earn business profits for the shareholder.

9. Specific limitations encountered by the auditor in carrying out this engagement

During our engagement, we did not encounter any limitations or difficulties worthy of mention in this section of the report.

10. Conclusions

Based on the documentation examined and the procedures described above, and considering the nature and extent of our work as explained in this report, we are of the opinion that the valuation methods used by the Directors, also based on indications from their Advisors, are reasonable and not arbitrary under the circumstances, and that they have been correctly applied in calculating the following exchange ratio contained in the merger plan, namely:

3 ordinary Allianz shares for 19 RAS ordinary and savings shares.

Milan, December 23, 2005

Mazars & Guérard S.p.A.

s/ Vincenzo Miceli
Partner