

Press Release

Frankfurt, 25 February 2008

Dresdner Bank generates operating profit of €710 million in 2007

- **Successful customer business – record results for Private & Corporate Clients**
- **Write-downs impact Investment Banking – net trading income down substantially year-on-year**
- **Efficiency measures take effect – further systematic reduction in total operating expenses**
- **Continued conservative risk profile in loan portfolio – low level of new loan impairment losses required**
- **Stable capital base and strong liquidity position**

Dresdner Bank generated an **operating profit** of €710 million in the past year, after €1,350 million in 2006. The Bank's customer business saw strong performance in all units, but some areas of Investment Banking were affected by the turbulence on the financial markets in the second half of the year. This led to extensive **write-downs** of €1,275 million in Dresdner Kleinwort's ABS trading book. These charges were partially offset by an increase in operating profit for the **Private & Corporate Clients** division, which rose by just under 13 per cent to the record figure of €884 million.

"The financial market crisis clearly left its mark on our results and led to one-time charges in the third and fourth quarters", said Herbert Walter, Chairman of the Board of Managing Directors of Dresdner Bank. "Nevertheless, the encouraging development of our Private & Corporate Clients division points to the success of our growth initiatives in our customer business. At Dresdner Kleinwort, too, our customer-facing units performed well. All in all, we have delivered the second-best set of results since the Bank was taken over by Allianz."

Record results for Private & Corporate Clients

The **Private & Corporate Clients** business generated record results in the past year, maintaining **total operating income** at a stable level in 2007 despite the difficult environment. At €3,625 million, this was slightly up on the strong figure for the previous year. Banking products, which rose by 6 per cent, were the main driver of this development. On the costs side, the increases in wages and salaries in the previous year were more than offset. The **cost-income ratio** continued to improve, from 75 per cent to 74 per cent.

Within Private & Corporate Clients, the investments business again performed particularly well. Dresdner Bank recorded an increase of 17 per cent to €66.1 billion in the deposits business. The "Laufzeitkonto mit Superzins" high-interest time deposit account alone attracted €3.7 billion in customer funds. The certificates business recorded similar dynamic growth, with sales volumes rising by just under 23 per cent to €11.1 billion.

Investment Banking affected by financial market crisis

Those areas of **Investment Banking** not affected by the financial market crisis reported solid growth. Overall, however, write-downs led to a sharp reversal in operating profit. Whereas an operating profit of €378 million was recorded in the first half of the year, substantial write-downs to the ABS trading book resulted in an operating loss of €659 million in the second half, after an operating profit of €549 million in the previous year. Net of write-downs of €1,275 million, total operating income therefore amounted to €1,628 million. Due to this one-time factor, the cost-income ratio in Investment Banking rose to 137 per cent. At the same time, the division reported a substantial decrease in costs due to the reduction in bonus payments.

The effects of the financial market crisis were concentrated on individual units in the Capital Markets area, rather than Investment Banking as a

whole. Income from interest rate derivatives performed well, rising 68 per cent year on year, while equity derivatives rose 6 per cent. All in all, however, this increased income was not enough to offset the negative effects resulting from the financial market crisis. Total operating income at Capital Markets declined to €196 million.

The Global Banking area was only affected to a minor extent by the financial market crisis. Dresdner Kleinwort recorded particular successes in the areas of Global Cash Management, where income rose by 21 per cent, and M&A Advisory, which rose by 16 per cent. This positive development was due to a large number of growth initiatives launched in 2007. The primary focus is on the need for consolidation in the industrial and services sector and among institutional clients in the core markets of Germany and the United Kingdom. In all, income at Global Banking amounted to €1,344 million.

Net interest and current income and net fee and commission income lifted

Total operating income at Dresdner Bank amounted to €5,446 million in 2007. The income driver was **net interest and current income**, which rose by 15 per cent year on year to €3,061 million. **Net fee and commission income** amounted to €2,866 million, roughly 1 per cent more than the strong prior-year figure.

At €-481 million, **net trading income** was tangibly impacted by the crisis on the international financial markets.

Costs cut further

Thanks to its successful cost management, Dresdner Bank was able to reduce **total operating expenses** by 10.4 per cent year on year to €4,868 million. Total staff costs declined by 14 per cent, due among other things to lower performance-related remuneration, while non-staff operating costs declined by 3.4 per cent. The fact that the **cost-income**

ratio for the Bank as a whole nevertheless rose to 89.4 per cent is due to the substantial decline in income from Investment Banking.

Return impacted by one-time factors

The significant impact on earnings in Investment Banking is reflected in a clear decline in the **return on risk-adjusted capital (RoRAC)**. This also affected the return on equity for the Bank as a whole. RoRAC after tax amounted to 2.5 per cent in the past year, after 9.2 per cent in 2006. By contrast, the Private & Corporate Clients division reported a RoRAC before tax of 27 per cent, an increase in profitability of 3.6 percentage points.

Profit before tax amounted to €843 million. **Profit attributable to Dresdner Bank AG shareholders** was €410 million.

Credit risk under control

Loan impairment losses saw a net reversal of €132 million, following a net addition in 2006. Gross additions of €512 million were offset by gross reversals of €446 million and recoveries on loans previously written off of €198 million. The volume of non-performing loans was reduced further, from €2 billion in the previous year to the current figure of €1.8 billion.

Solid capital base

With a core capital ratio according to Basel I of 9.1 per cent, Dresdner Bank has a solid capital base. The application of the advanced approach in accordance with Basel II would have led to an improvement in the core capital ratio at year-end 2007 to approximately 10.1 per cent. Equity excluding minority interests declined from €12.2 billion to €10.6 billion; this is largely due to the share buyback in the amount of €1.15 billion. Risk-weighted assets amounted to €123.1 billion as at 31 December 2007, 3.6 per cent up on the previous year. Dresdner Bank's total assets declined by 10 per cent to €500.2 billion.

Medium-term performance targets reiterated

Dresdner Bank does not expect any fundamental weakness in growth at a global level. "After stagnating in the first half of 2008, the US economy should gradually recover again. We expect that a weak winter period in the euro zone will be followed by a recovery in the second half of the year", said Chairman of the Board of Managing Directors Herbert Walter at the presentation of the 2007 results. In his opinion, the financial markets will probably gradually calm down. "Despite the short-term perspective that the financial market crisis forces on us, we want to remain focussed on our longer-term agenda", Walter continued. "We are keeping our medium-term performance targets in our sights. We are continuing to aim for a balance between returns and growth."

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Cautionary Note Regarding Forward-Looking Statements

Certain of the statements contained herein may be statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by reason of context, the words "may", "will", "should", "expects", "plans", "intends", "anticipates", "believes", "estimates", "predicts", "potential", or "continue" and similar expressions identify forward-looking statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) general economic conditions, including in particular economic conditions in core businesses and core markets, (ii) performance of financial markets, including emerging markets, (iii) the extent of credit defaults, (iv) interest rate levels, (v) currency exchange rates including the Euro-U.S. dollar exchange rate, (vi) changing levels of competition, (vii) changes in laws and regulations, including monetary convergence and the European Monetary Union, (viii) changes in the policies of central banks and/or foreign governments, (ix) reorganisation measures and (x) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences. The matters discussed herein may also involve risks and uncertainties described from time to time in Allianz AG's filings with the U.S. Securities and Exchange Commission. The company assumes no obligation to update any forward-looking information contained herein.

Note:

The figures given in this press release relate to the Dresdner Bank subgroup and have been prepared in accordance with the IFRSs. The classification of the figures is comparable with those for other major German banks that apply IFRSs. The figures for the Dresdner Bank subgroup prepared in accordance with the IFRSs are not identical to those published by Allianz for its Banking Segment, which includes all of Allianz's banking activities.

Note to editors:

This press release can be downloaded from:
<http://www.dresdner-bank.com/press>

Note to TV journalists regarding satellite transmission:

Time: Monday, 25 February 2008, 3.40 p.m. to 3.55 p.m. via satellite uplink in format 4:3

Content: An approx. 15 minute summary of Dresdner Bank's Annual Earnings Press Conference including an interview with Dr. Herbert Walter, Chairman of the Board of Managing Directors.

The transponder coordinates are as follows:

Satellite:	Atlantic Bird 1 (AB1)	/ Transponder:	B1 CH H, Pos. 12,5° West
Uplink:	14.323,17 POL Y	/ Downlink:	11.023,17 POL X
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(in € million)	1 Jan. – 31 Dec. 2007	1 Jan. – 31 Dec. 2006	Change	
			€ million	per cent
Net interest and current income	3,061	2,664	397	14.9
Net fee and commission income	2,866	2,841	25	0.9
Net trading income	-481	1,278	-1,759	
Other operating income	0	30	-30	-100.0
Total operating income	5,446	6,813	-1,367	-20.1
Administrative expenses	4,849	5,397	-548	-10.2
Other operating expenses	19	39	-20	-51.3
Total operating expenses	4,868	5,436	-568	-10.4
Loan impairment losses	-132	27	-159	
Operating profit	710	1,350	-640	-47.4
Net income from financial investments	183	276	-93	-33.7
Restructuring charges	50	422	-372	-88.2
Profit before tax	843	1,204	-361	-30.0
Tax expense	373	258	115	44.6
Profit after tax	470	946	-476	-50.3
Profit attributable to minority interests	60	76	-16	-21.1
Profit attributable to Dresdner Bank AG shareholders	410	870	-460	-52.9
Cost-income ratio	89.4%	79.8%		
Return on risk-adjusted capital	2.5%	9.2%		
Core capital ratio	9.1%	10.4%		
Total capital ratio	13.8%	15.6%		
Risk-weighted assets	123,115	119,980	3,135	2.6
Employees	26,309	27,625	-1,316	-4.8