

Helmut Perlet - CFO Allianz AG

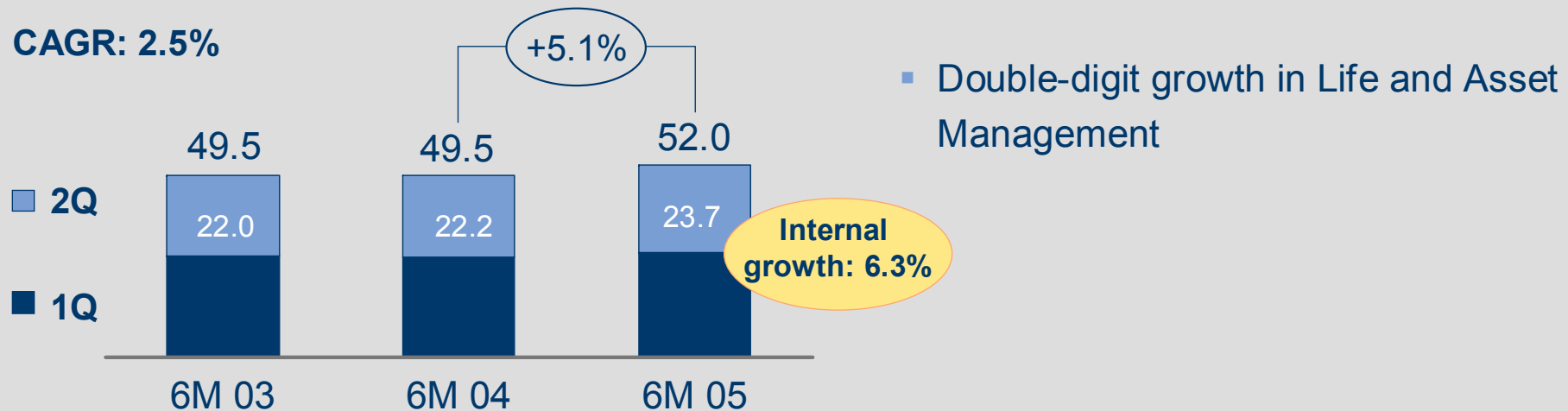
# **Group financial results for the second quarter 2005**

**Analysts' conference call  
August 12, 2005**

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

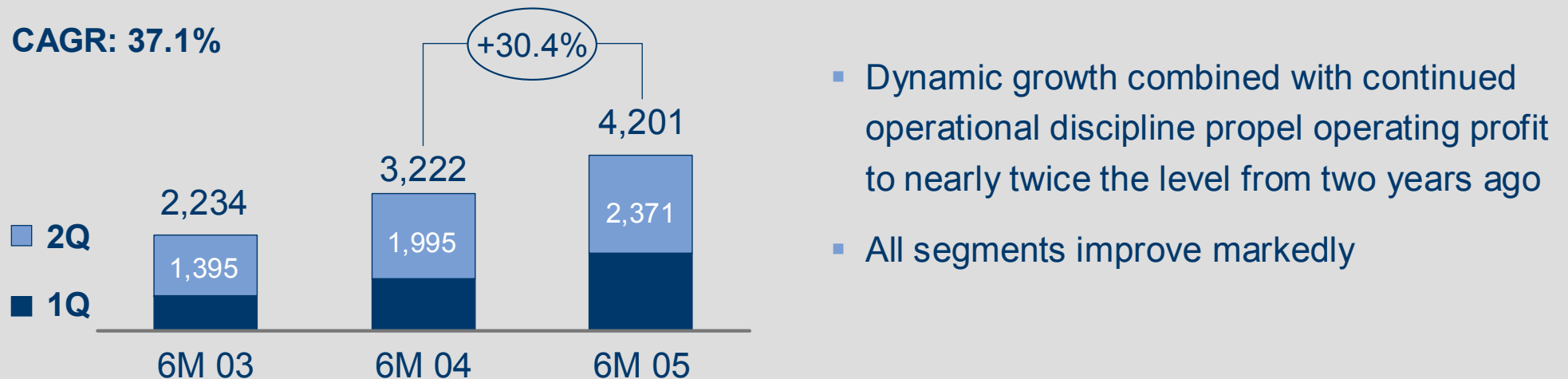
## Total revenues (EUR bn)

CAGR: 2.5%



## Operating profit (EUR m)

CAGR: 37.1%



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

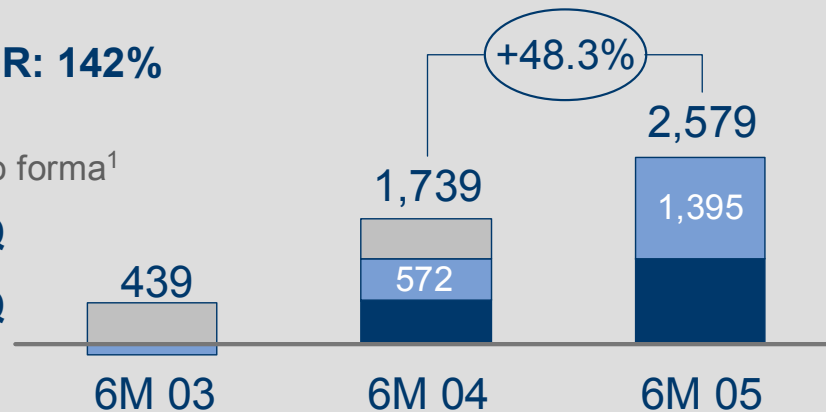
## Net income (EUR m)

CAGR: 142%

■ Pro forma<sup>1</sup>

■ 2Q

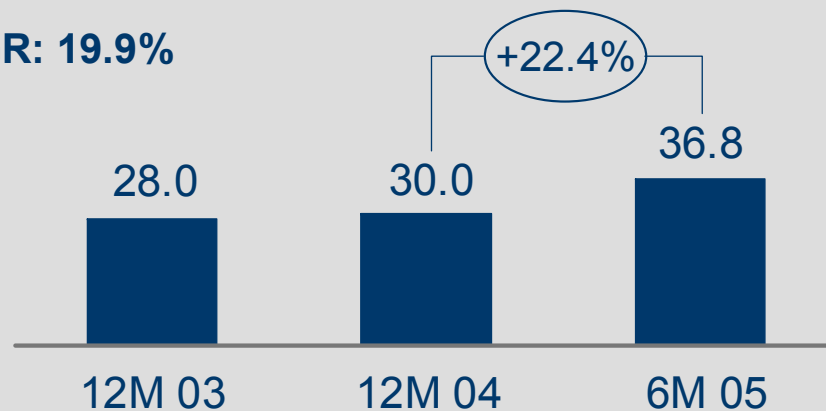
■ 1Q



- Improvement predominantly driven by increased operating profit

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

CAGR: 19.9%



- 31% increase in shareholders' equity over last 1.5 years

**Strong improvements recognized by rating agencies: S&P and AM Best upgraded outlook to "stable"**

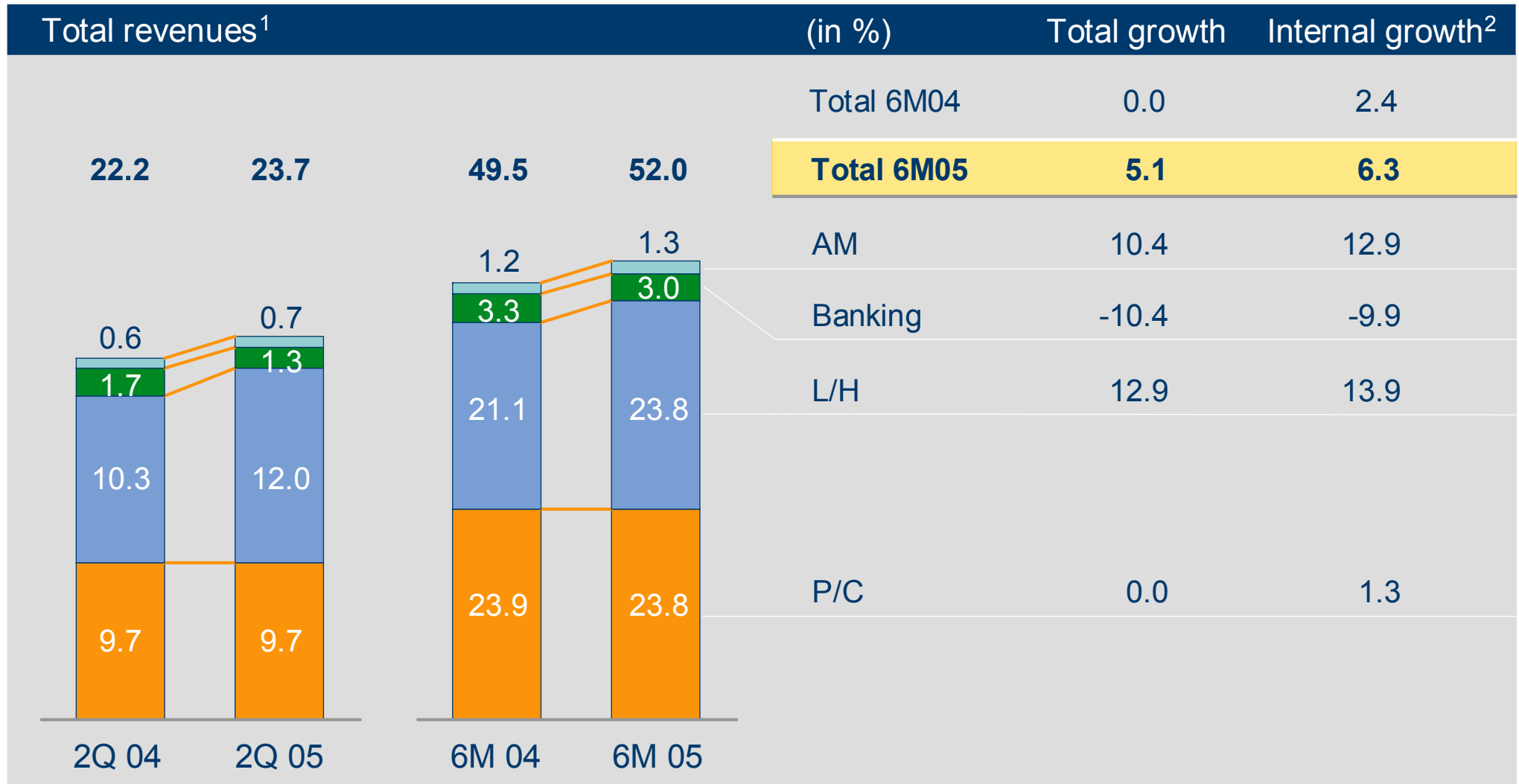
1) Net income contained goodwill amortization (net of tax)  
 2) Excluding minority interest

# Agenda

<b>Group</b>
P/C
L/H
Banking
Asset Management
Capital base and investments
Additional information

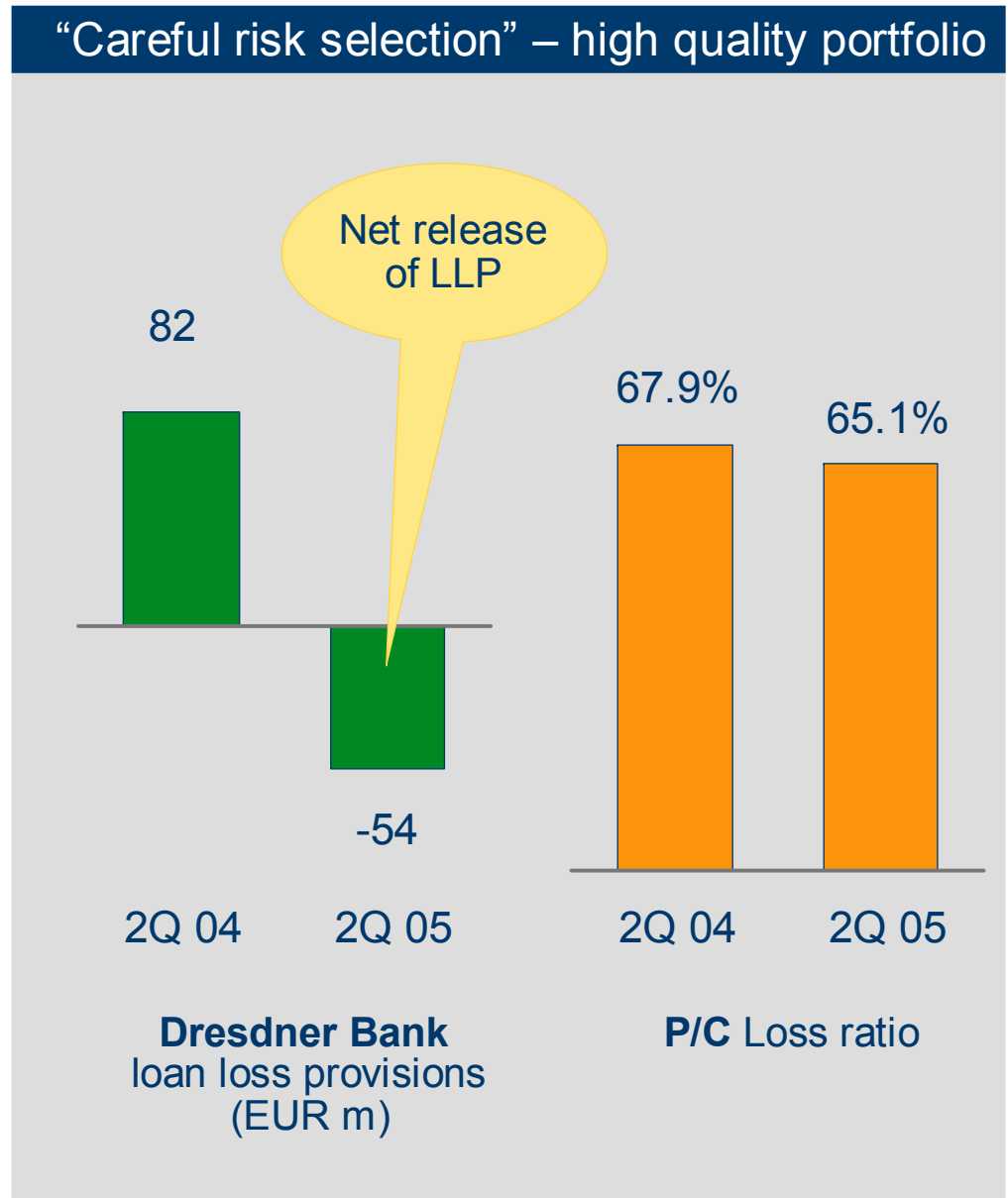
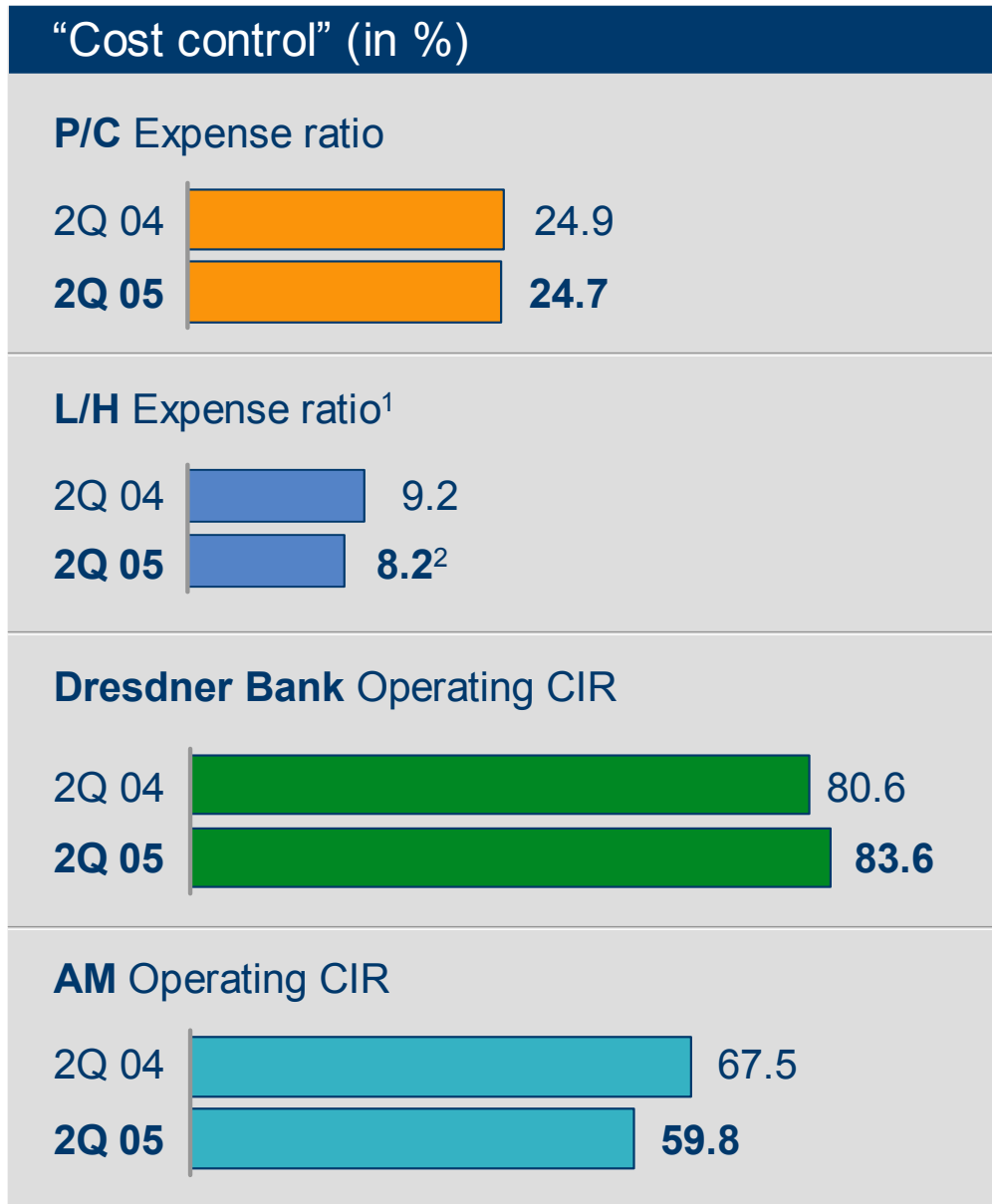
# Double-digit growth in Life and Asset Management

(EUR bn)



1) All figures fully consolidated; revenues comprise gross premiums written in P/C, statutory premiums in L/H and operating revenues in Banking and Asset Management  
 2) Adjusted for F/X effects and consolidation effects

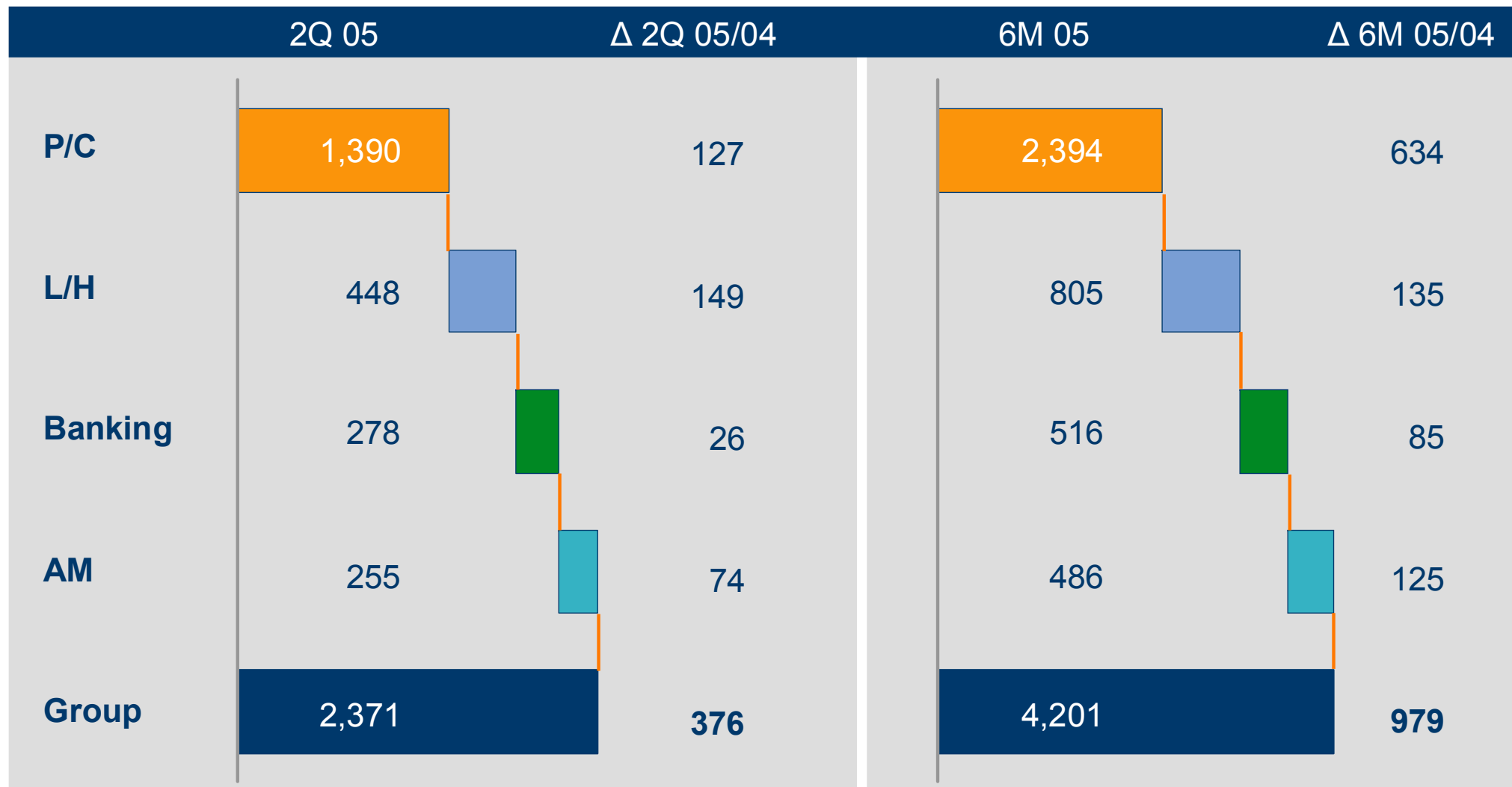
# Operational discipline remains key



1) Expense ratio based on statutory premiums  
 2) True-up effects improve 2Q 05 ratio by 0.12%-p and deteriorate 2Q 04 ratio by -0.19%-p

# Operating profit<sup>1</sup>: all segments improve

(EUR m)



1) Operating profit is a measure which we believe highlights the underlying profitability of our operation. For a description of how we measure operating profit and a reconciliation to profit before taxes and minorities, see section “Additional information” (page 36), segment operating profits; Intra-group dividends received by L/H companies are consolidated

## Operating profit improvement drives bottom-line result (EUR m)

	2Q 05	Δ 2Q 05/04	6M 05	Δ 6M 05/04
<b>Operating profit</b>	<b>2,371</b>	<b>+376</b>	<b>4,201</b>	<b>+979</b>
Net capital gains <sup>1</sup>	304	-290	1,027	-393
Net Impairments	-85	+373	-178	+388
Other	-421	+198	-793	+220
<b>Profit before taxes, minorities, goodwill</b>	<b>2,169</b>	<b>+657</b>	<b>4,257</b>	<b>1,194</b>
Goodwill amortization	0	+294	0	+588
Taxes	-422	-71	-991	-301
Minorities	-352	-57	-687	-91
<b>Net income</b>	<b>1,395</b>	<b>+823</b>	<b>2,579</b>	<b>+1,390</b>

**EUR 1,395m  
quarterly  
net income**

Δ 2Q05 vs.  
2Q04 pro forma<sup>2</sup>:  
EUR +549m

Δ 6M05 vs.  
6M04 pro forma<sup>2</sup>:  
EUR +840m

1) Includes non-operating trading income

2) 2004 net income pro-forma: adjusted for goodwill amortization (net of tax)



# P/C Holding activities: movement overview

**Pro Forma!**

6M 05



- Current investment income
- Acquisition and administrative cost
- Other operating

<b>Operating Profit</b>	2,394	650	3,044	805	48	853	<b>-698</b>
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- Net capital gains
- Interest on debt
- Other non-operating

<b>Net Income<sup>1</sup></b>	2,251	185	2,436	701	29	730	<b>-745</b>
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1) Changes in P/C- und L/H net income do not add up to Holding net income. Reason: consolidations of EUR 531m

# Agenda

Group

**P/C**

L/H

Banking

Asset Management

Capital base and investments

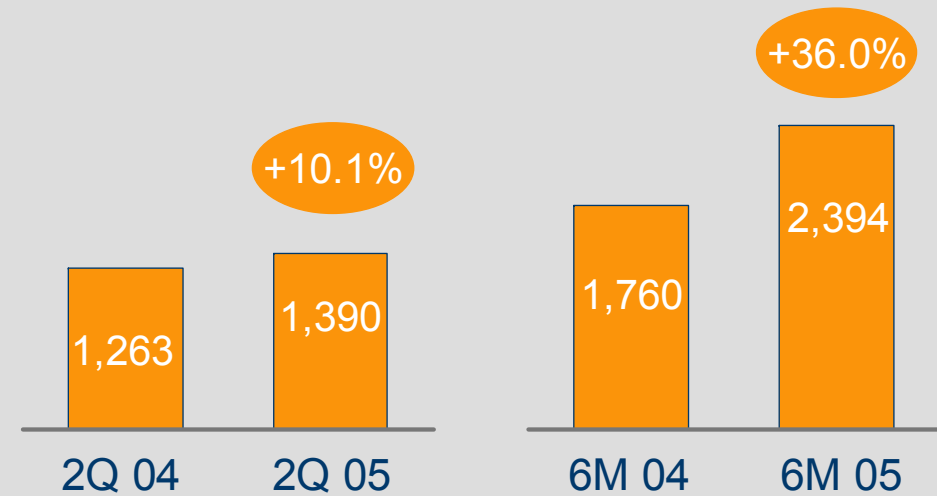
Additional information

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

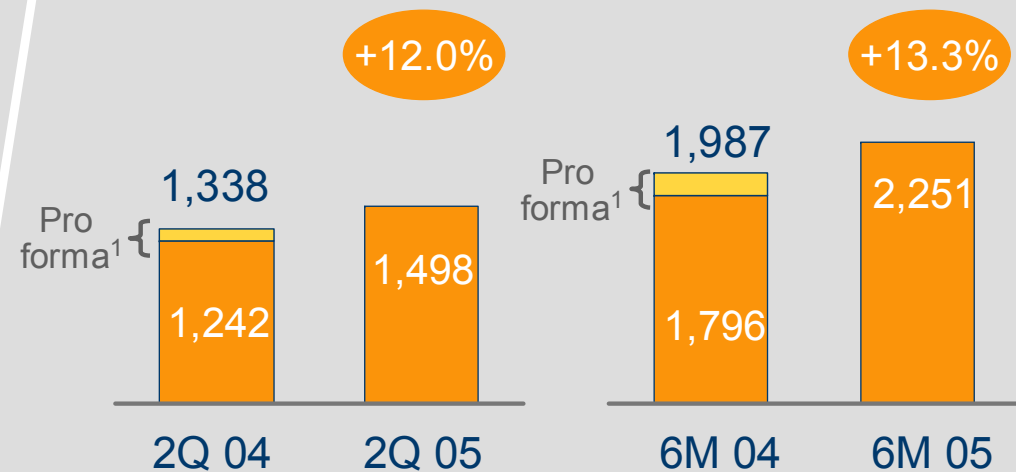
## Drivers

- Operating profit 2Q 05:
  - Combined ratio at 89.8%
  - Current investment income up EUR 93m as dividend yield increases
- Non-operating result 2Q 05:
  - Lower realized gains/losses (EUR -157m)
  - Restructuring charges of EUR 55m
- Net income 2Q 05:
  - Lower tax ratio

## Operating profit



## Net income



1) Net income contained goodwill amortization (net of tax) in 6M 04 of EUR 191m and in 2Q 04 of EUR 96m

# P/C: managed growth

## Gross premiums written drivers

- Solid growth<sup>1</sup> in important markets: Switzerland (+10.1%), Italy (+3.1%), Spain (+4.5%), Australia (+11.8%)
- Willingness to forego volume for profitability: Germany (-2.4%), France (-4.6%), Austria (-2.9%)
- Cycle management where markets soften: UK (-6.7%), AGR<sup>2</sup> (-15.9%)

## Gross premiums written (EUR bn)

Internal growth rate

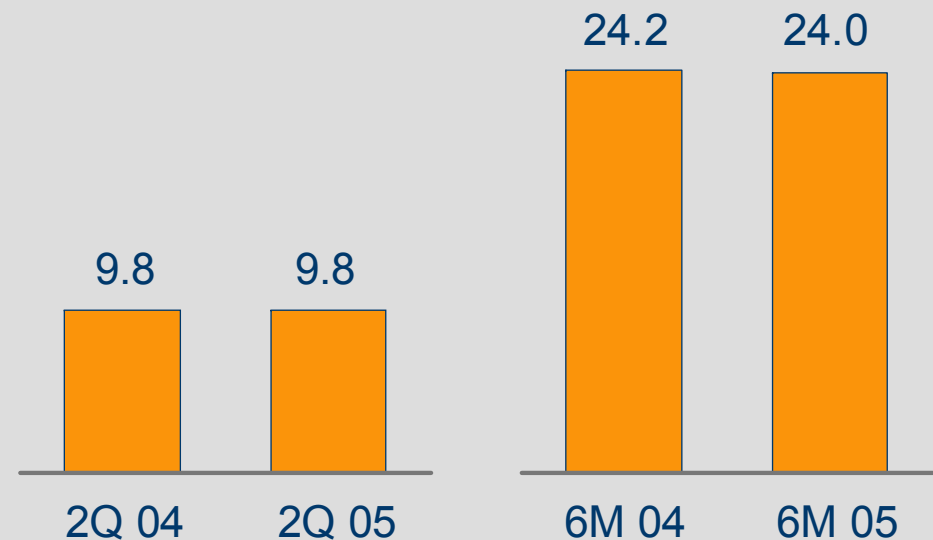
+1.8%

+1.3%

Total growth rate

-0.5%

-1.0%

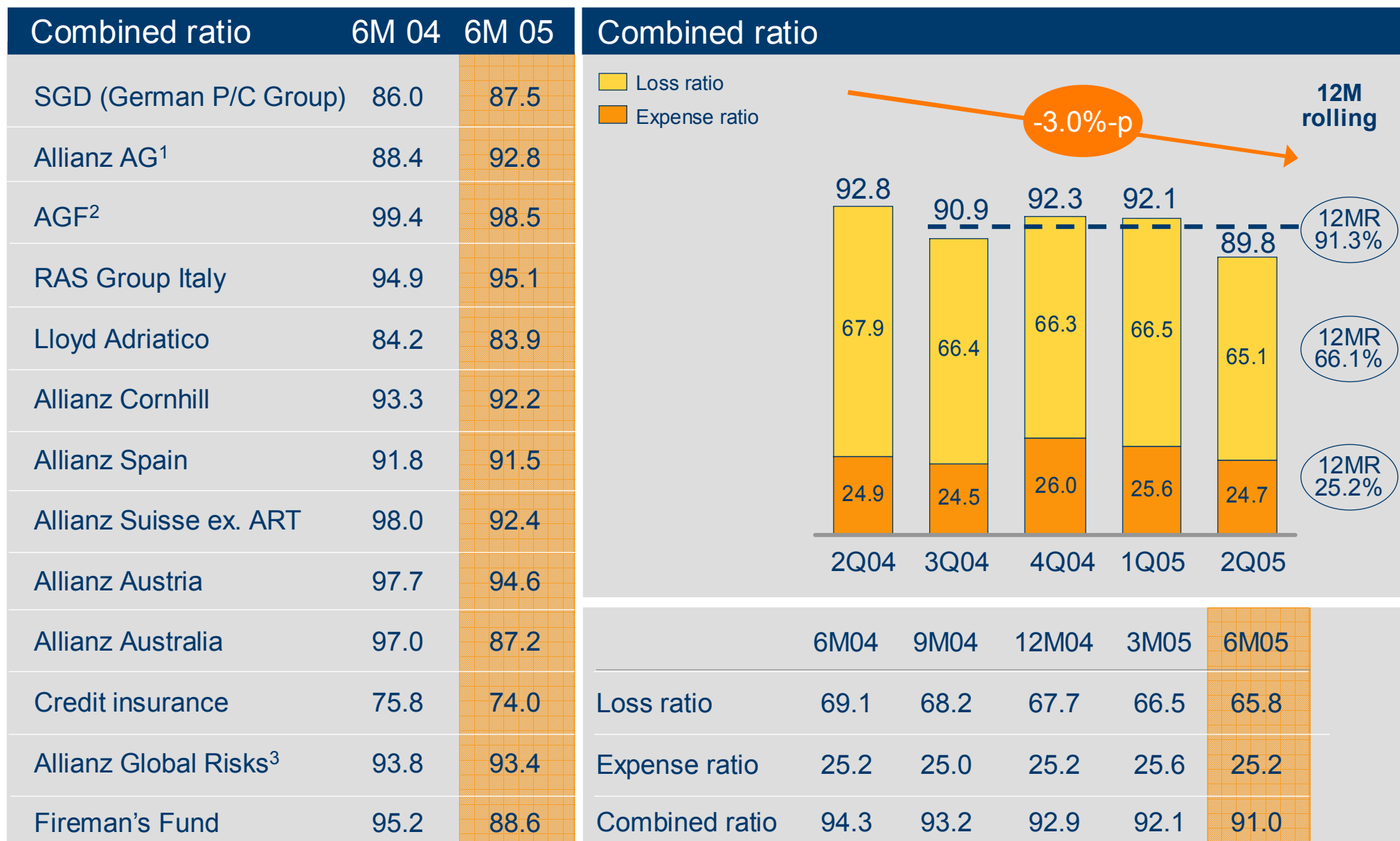


1) All growth figures refer to internal growth, adjusted for F/X and consolidation effects

2) AGR virtual business unit (incl. industrial business not ceded to AGR Re), total growth figure

# P/C: 2Q 05 combined ratio below 90%

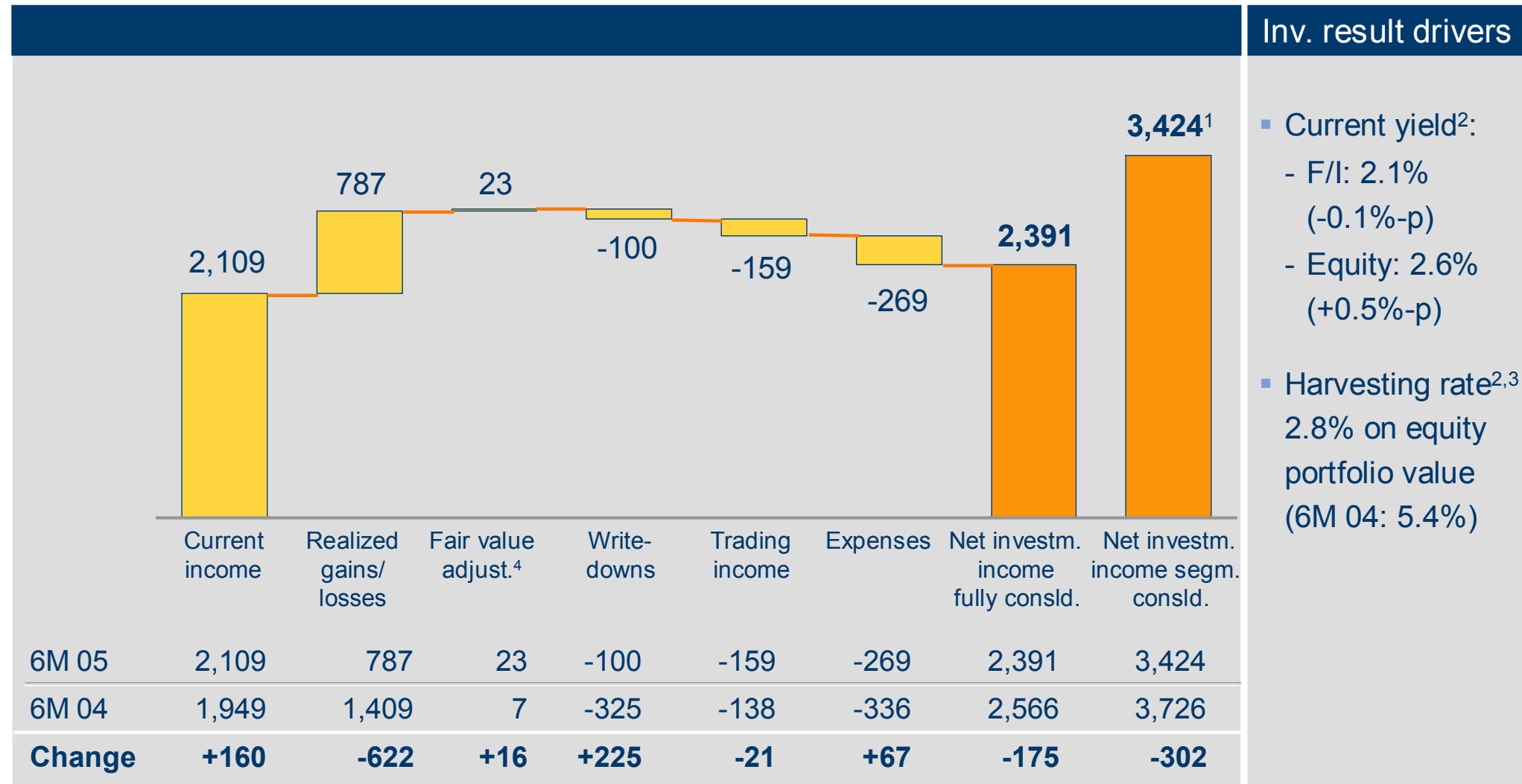
(in %)



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

# P/C: harvesting reduced

(EUR m)



## Inv. result drivers

- Current yield<sup>2</sup>:
  - F/I: 2.1% (-0.1%-p)
  - Equity: 2.6% (+0.5%-p)
- Harvesting rate<sup>2,3</sup> 2.8% on equity portfolio value (6M 04: 5.4%)

1) Reconciliation to fully consolidated net investment income 6M 05: intra-group dividends EUR 1.0bn 2) 6M 05 (vs. 6M 04), not annualized  
 3) Definition "harvesting rate" = (realized gains + fair value adj. - realized losses - write-downs - premium refund of sale of Messer Griesheim (in 6M 04)) ÷ average investments at book values (excl. trading) 4) Reflecting changes in market value of investments kept under fair value designated through profit and loss

# Agenda

Group

P/C

**L/H**

Banking

Asset Management

Capital base and investments

Additional information

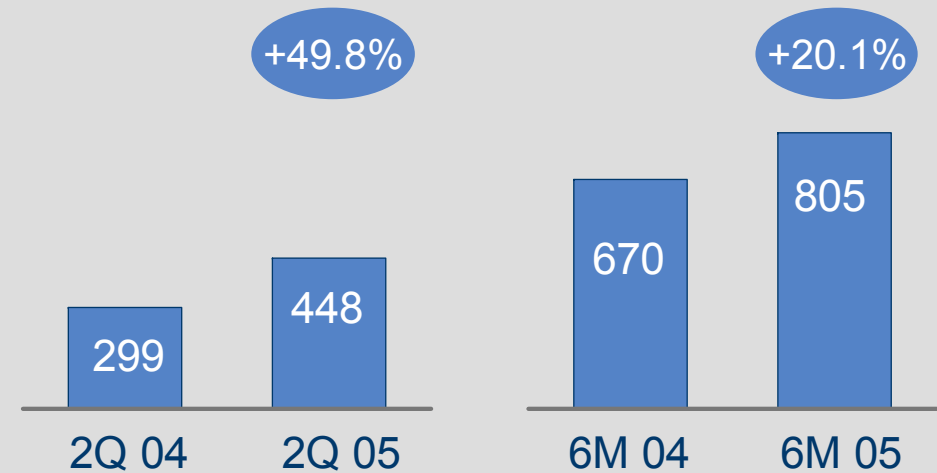
# L/H overview: on track to achieve target

(EUR m)

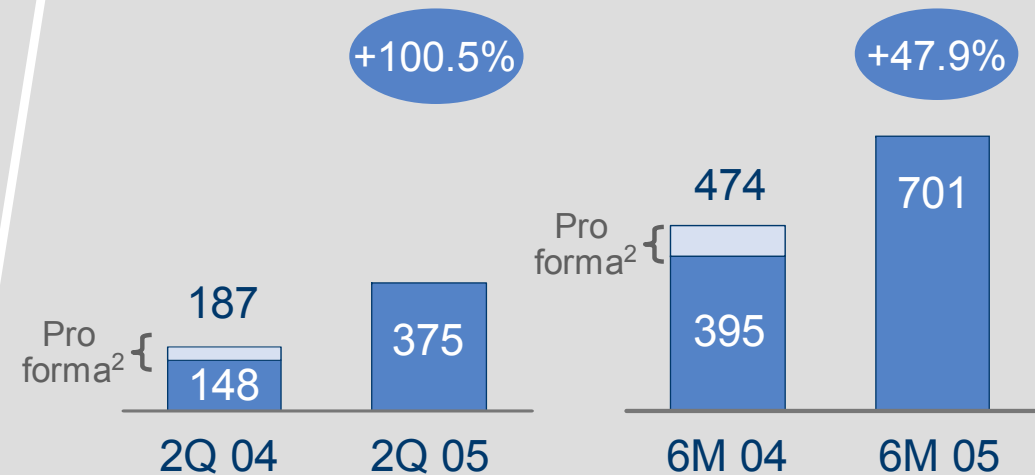
## Drivers

- Operating profit 6M 05 up EUR 135m:
  - Statutory premiums grew 13.9%<sup>1</sup>
  - Current investment income up EUR 222m
  - Acquisition and administrative expenses decreased by EUR 154m
- Net income 6M 05:
  - Tax benefits at AZ Life US

## Operating profit



## Net income



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

2) Net income contained goodwill amortization (net of tax) in 6M 04 of EUR 79m and in 2Q 04 of EUR 39m



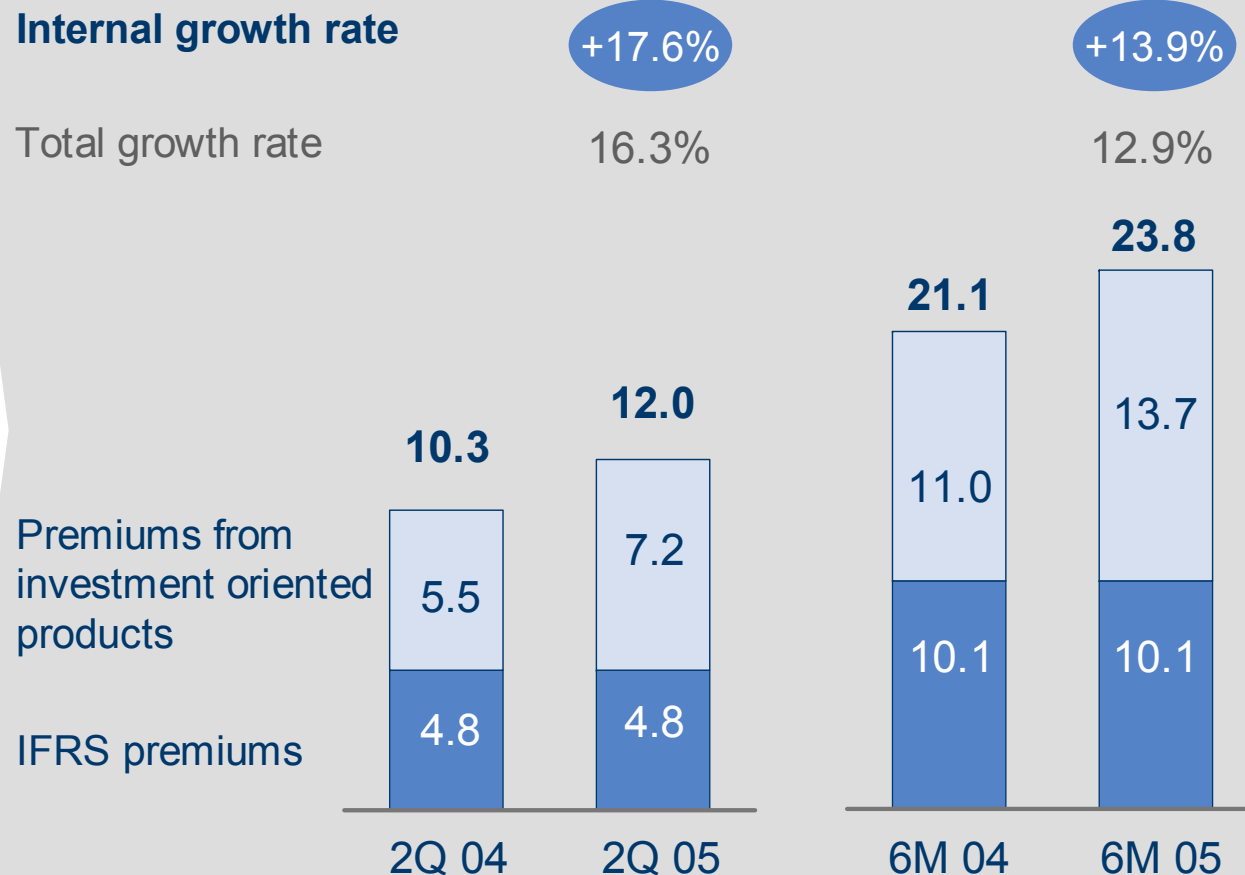
# L/H: ongoing dynamic revenue growth in 2Q 05

## Drivers of statutory premiums<sup>1</sup>

Strong 2Q 05 growth in core markets

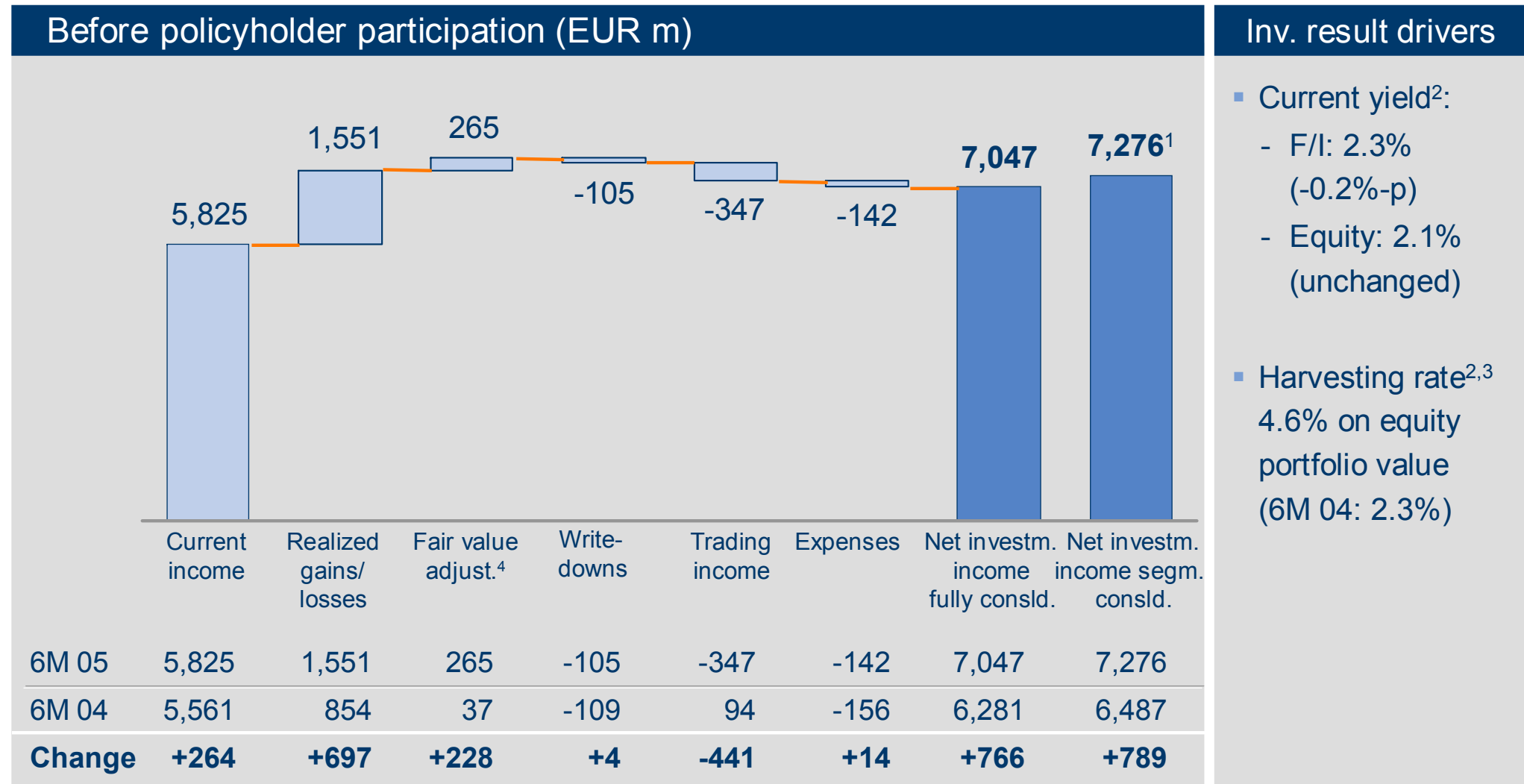
- USA +33.1% (strong demand for equity indexed products)
- Life Germany +8.8% (ongoing impact from “last call” on recurring premiums)
- Italy +19.4% (recovery of banc-assurance channel)
- France +17.5% (higher sales of traditional life products through agents)

## Statutory premiums (EUR bn)



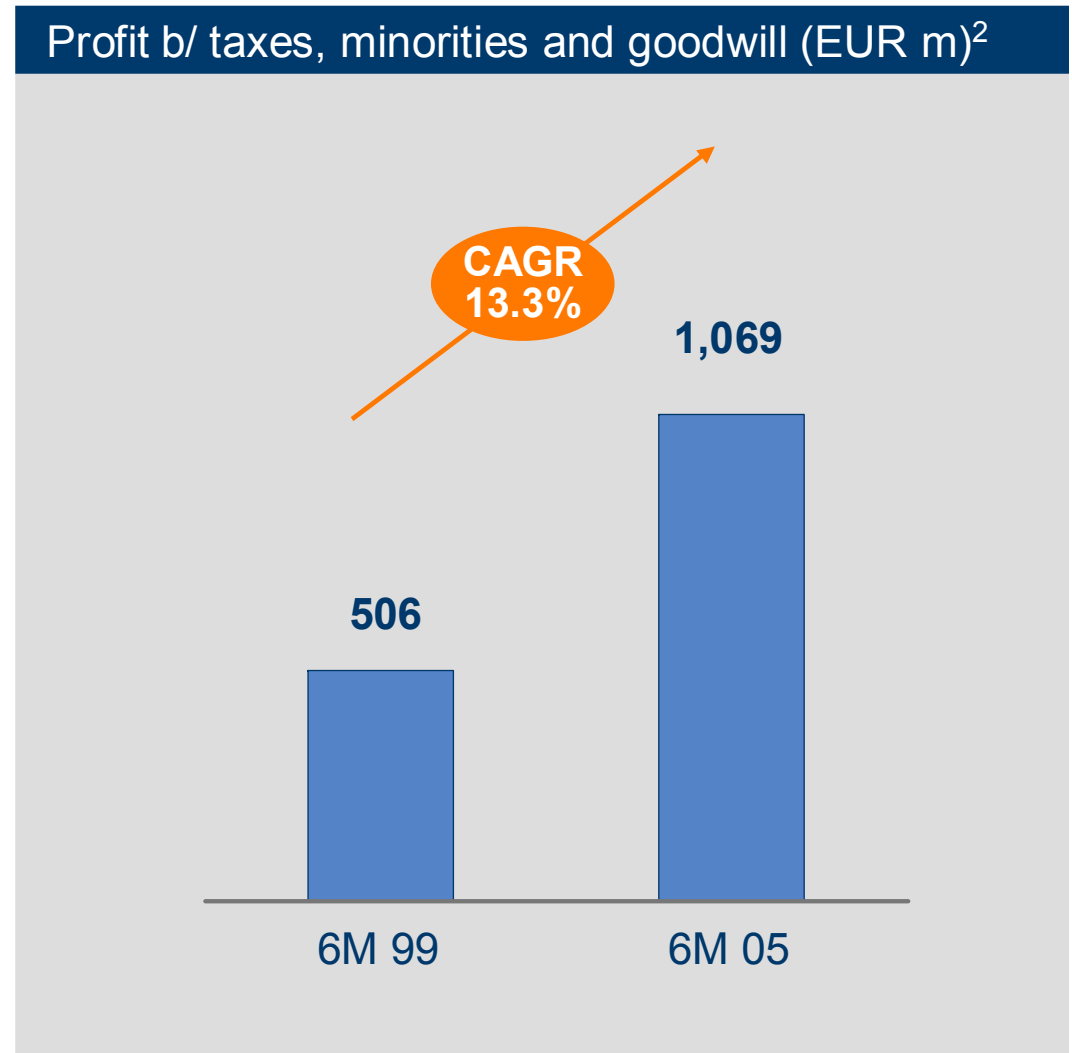
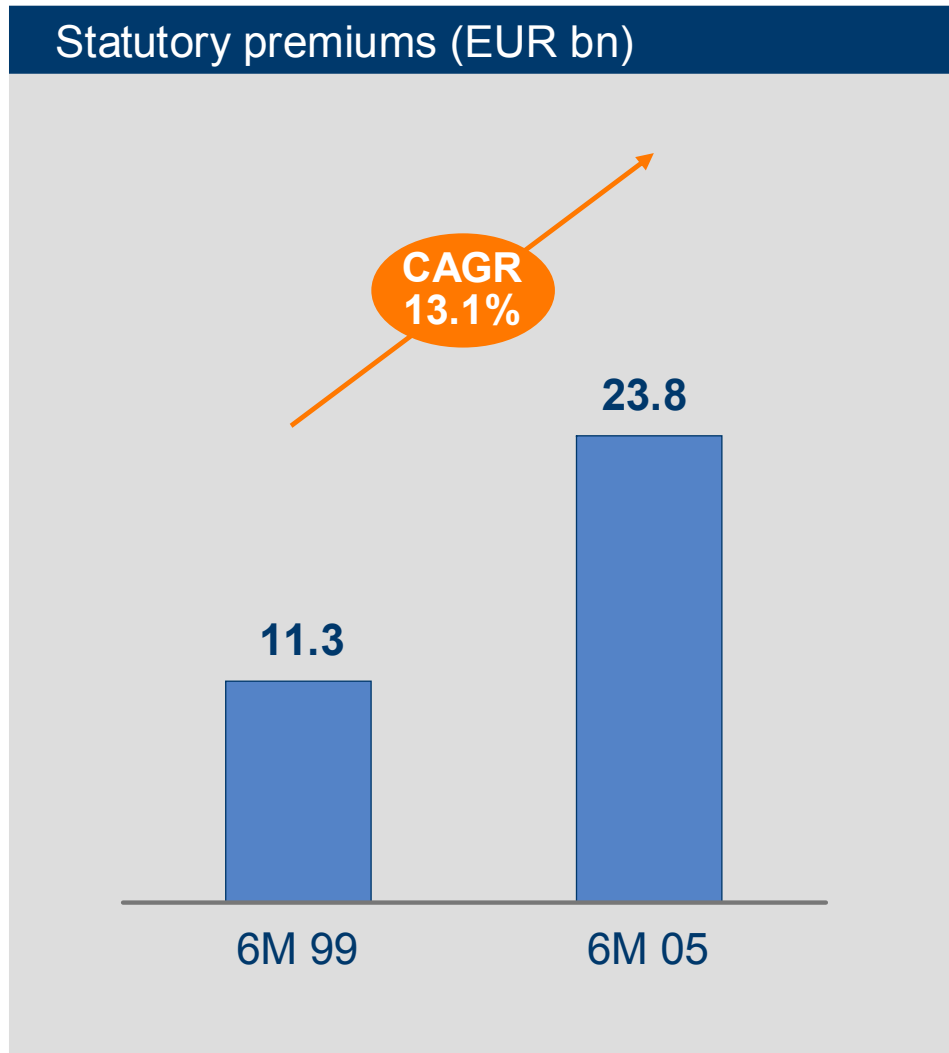
1) All growth figures refer to internal growth, adjusted for F/X and consolidation effects

# L/H: investment result improved by 12.2%



1) Reconciliation to fully consolidated net investment income: intra-group interests EUR 0.1bn, intra-group dividends EUR 0.1bn 2) 6M 05 (vs. 6M 04), not annualized 3) Definition „harvesting rate“ = (realized gains + fair value adj. - realized losses - write-downs) ÷ average investments at book values (excluding trading) 4) Reflecting changes in market value of investments kept under fair value designated through profit and loss

# L/H: “Profitable growth is one word”<sup>1</sup>



1) Quotation from Jan Carendi (board member responsible for Allianz Group’s America division) at an internal meeting

2) Numbers according to accounting standards at that time/stated values

# Agenda

Group

P/C

L/H

## **Banking**

Asset Management

Capital base and investments

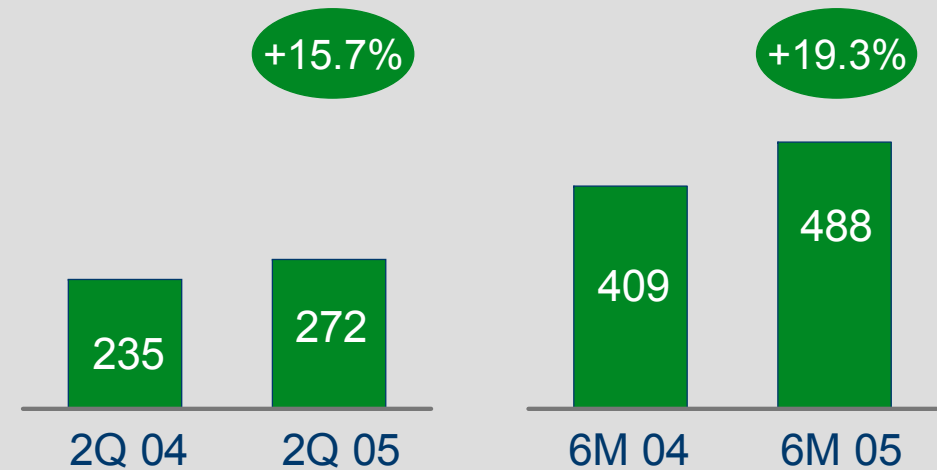
Additional information

# Dresdner Bank<sup>1</sup> overview: on track for profit target (EUR m)

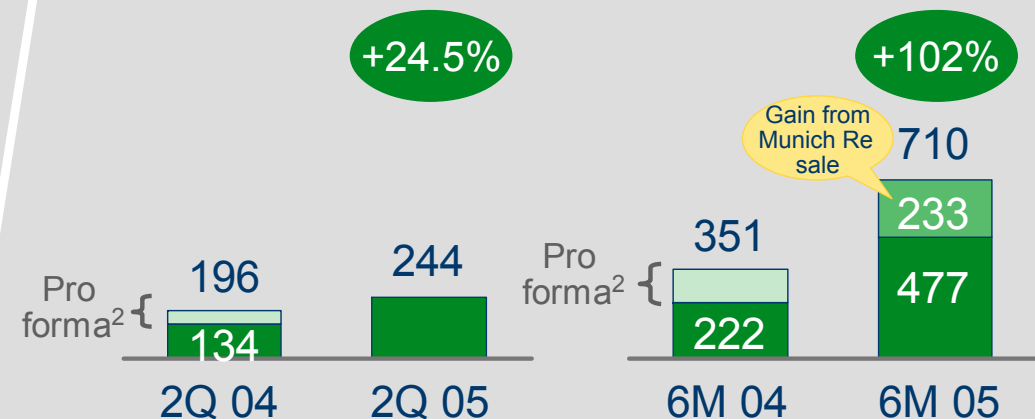
## Drivers

- Operating profit 6M 05 up EUR 79m (2Q: EUR +37m)
  - operating revenues down 10.8% (in 6M)
  - more than compensated by lower expenses and decrease in net loan loss provisions
- Non-operating result in 6M 05 (EUR 494m) mainly driven by realized gains
- 6M 05 net income significantly increased despite higher taxes (EUR +338m)

## Operating profit



## Net income



1) Dresdner Bank contribution to Allianz Banking segment

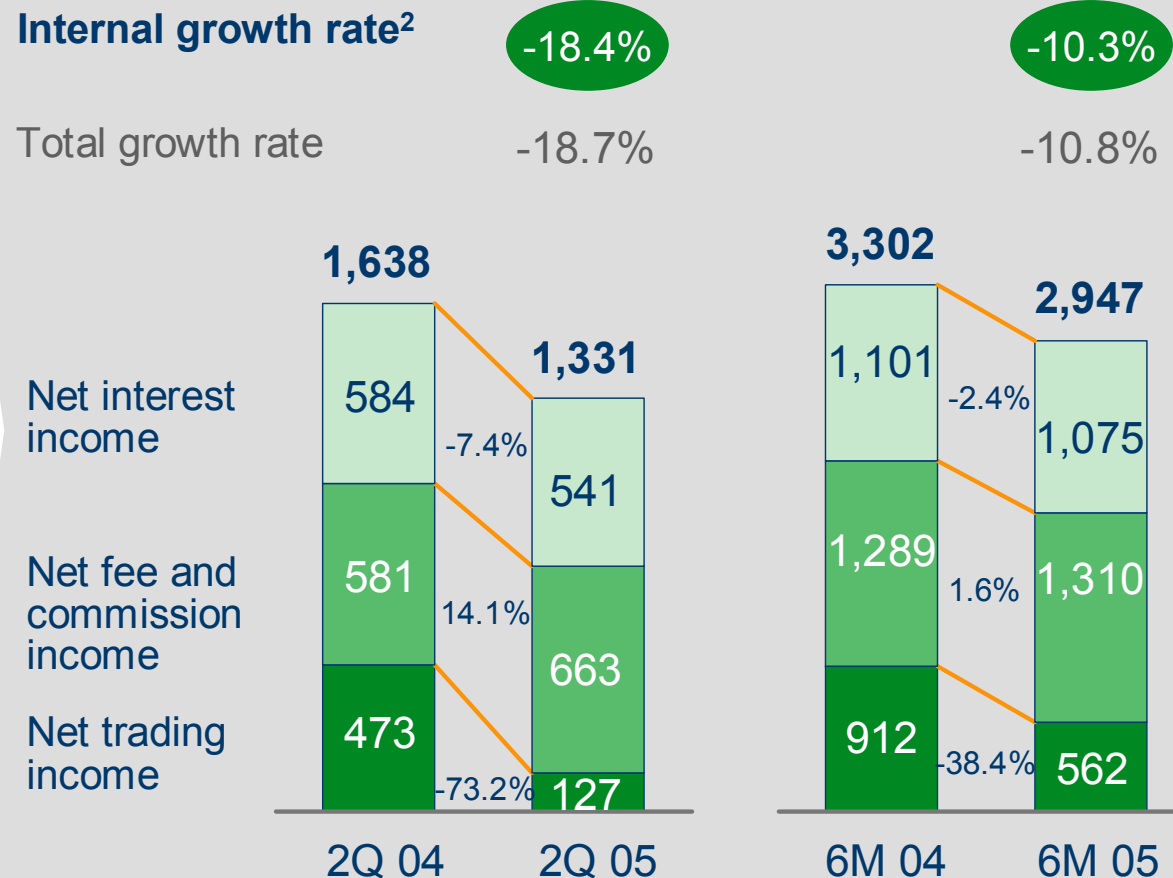
2) Net income contained goodwill amortization (net of tax) in 6M 04 of EUR 129m and in 2Q 04 of EUR 62m

# Dresdner Bank<sup>1</sup>: fee & commission income increased, decline in trading income (EUR m)

## Operating revenue drivers 2Q05

- Slight decrease in net interest income due to further portfolio reductions in IRU as planned
- Higher net fee and commission income mainly from securities business and mergers & acquisitions
- Net trading income April / May distorted by difficult capital markets environment

## Operating revenues



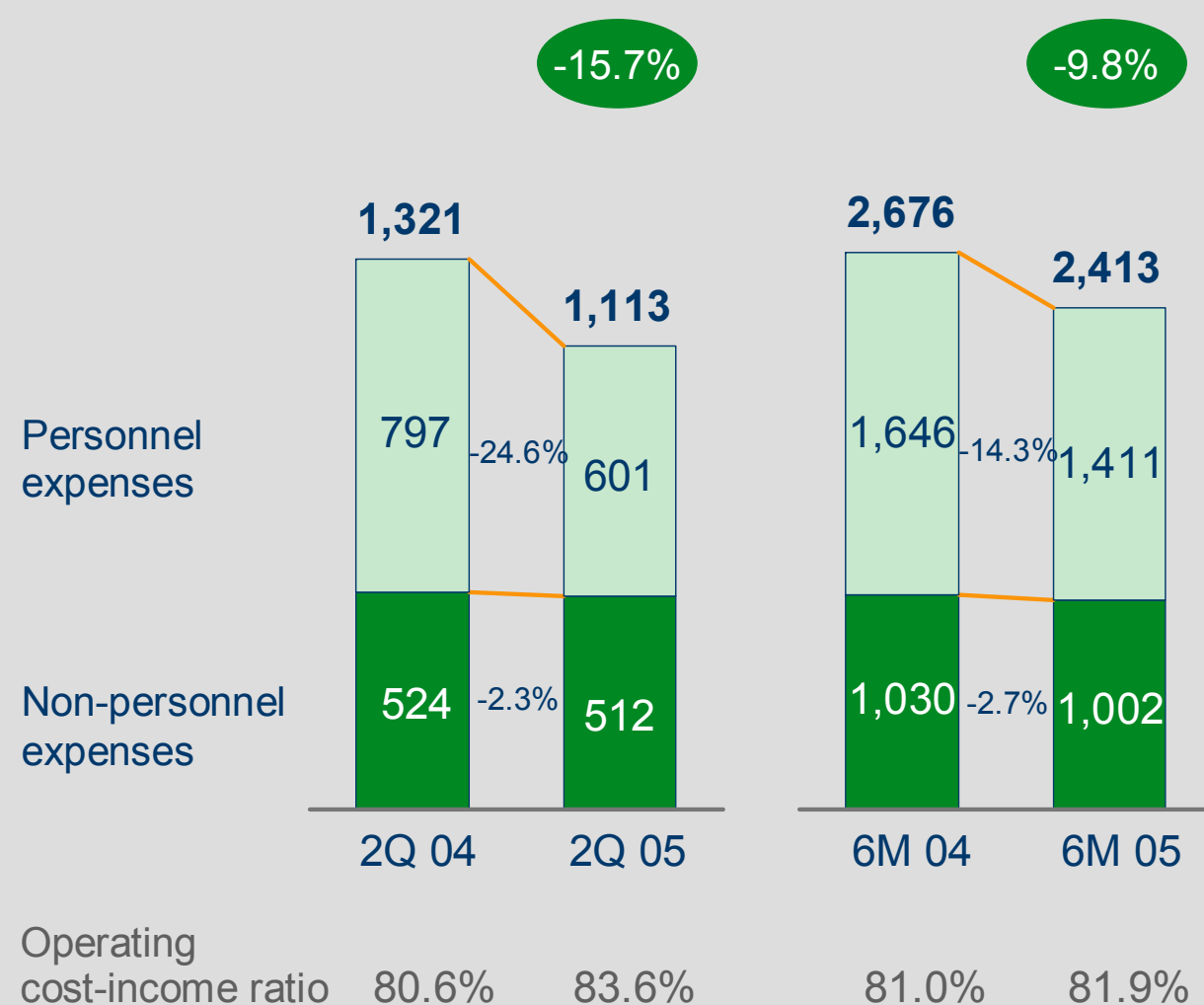
1) Dresdner Bank contribution to Allianz Banking segment  
 2) Adjusted for F/X effects

# Dresdner Bank<sup>1</sup>: expenses remain under control (EUR m)

## Operating expense drivers

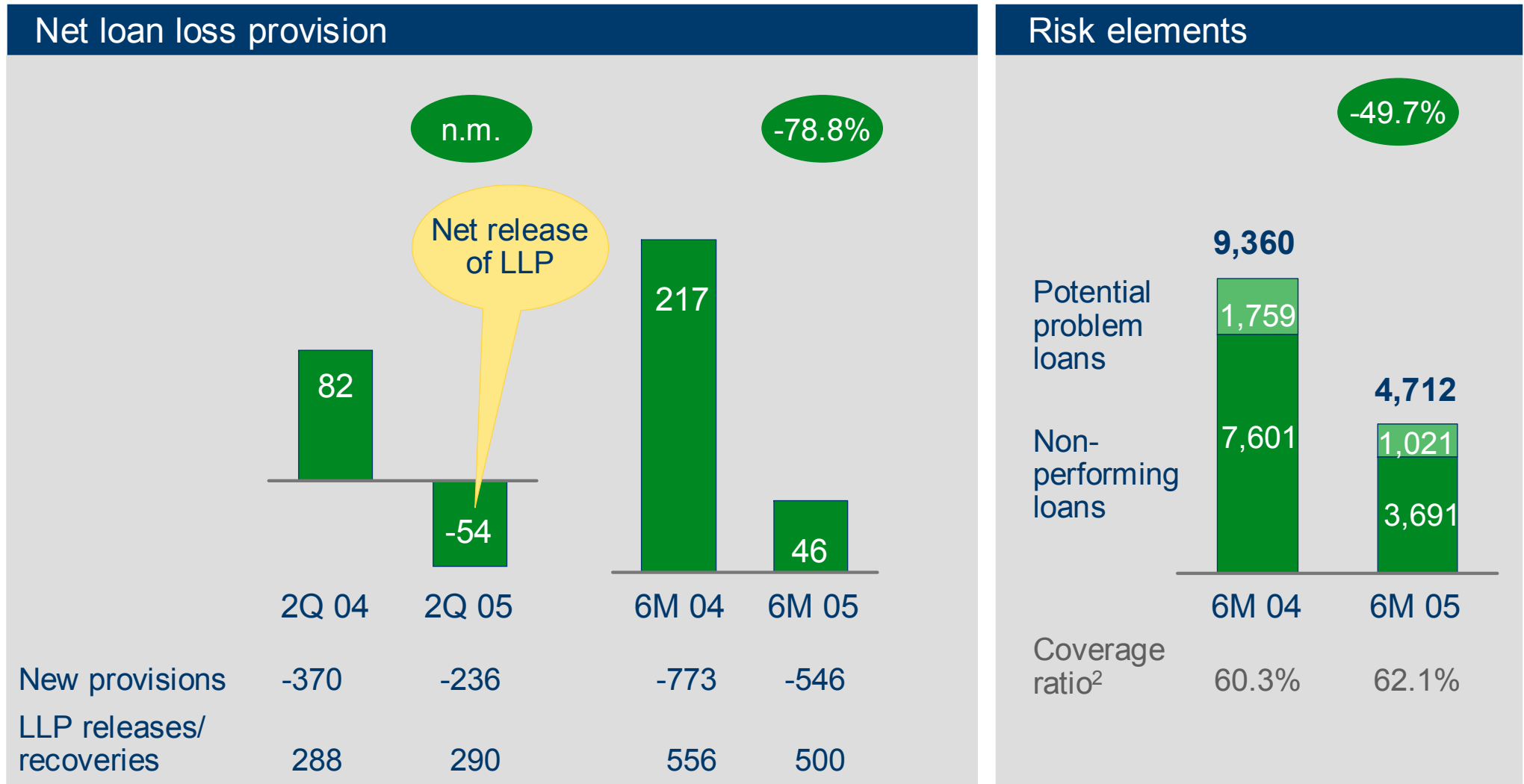
- Reduction in administrative expenses mainly from personnel expenses
  - Lower performance-linked accruals
  - Revised anniversary payments (one-off effect)
  - Further headcount reduction

## Administrative expenses



1) Dresdner Bank contribution to Allianz Banking segment

# Dresdner Bank<sup>1</sup>: coverage ratio improved despite net LLP releases (EUR m)



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



# Agenda

Group

P/C

L/H

Banking

## **Asset Management**

Capital base and investments

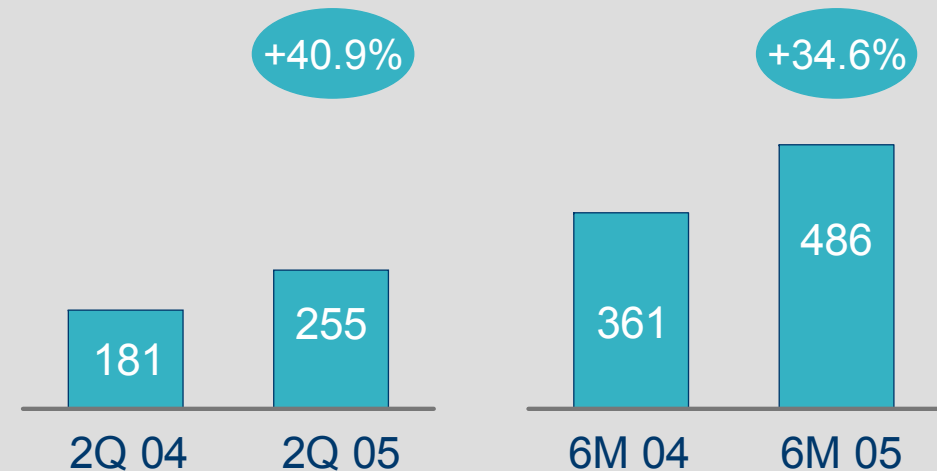
Additional information

# Asset Management overview: strong revenue and profit growth (EUR m)

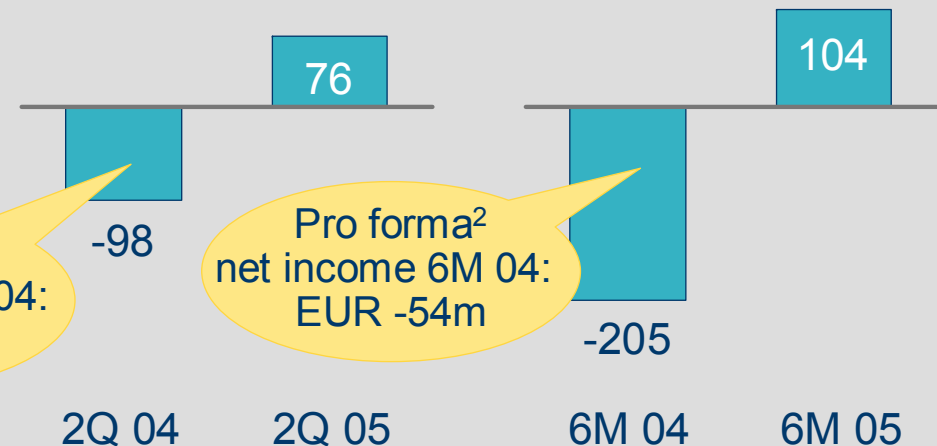
## Drivers

- Operating profit in 2Q 05 +40.9%
  - Strong net inflow (6M 05: EUR +32bn)
  - Operating revenues up 17%<sup>1</sup>
  - Expenses remain flat
  - CIR down to 59.8%
- Net income 2Q 05
  - Acquisition-related expenses expired except for B-units
  - One-off deferred tax benefit (EUR +36m)

## Operating profit



## Net income



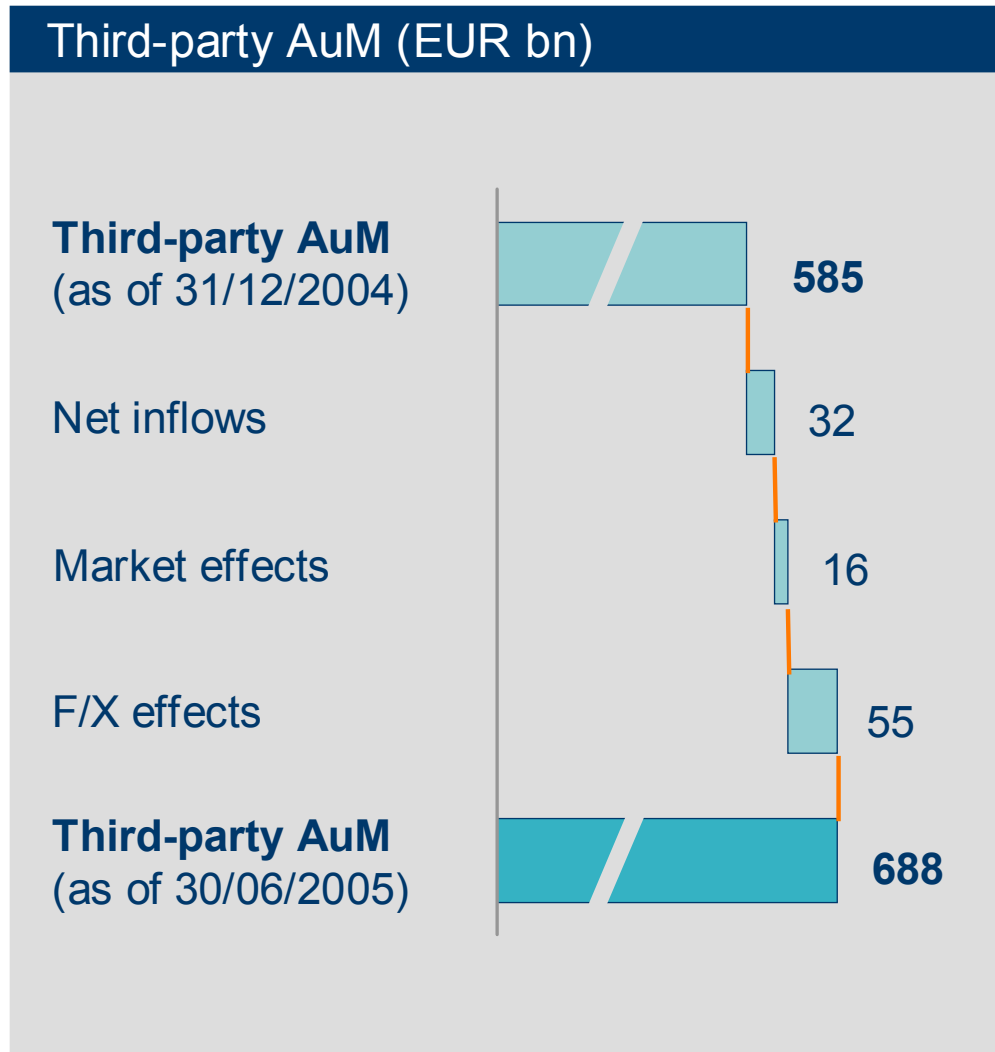
Pro forma<sup>2</sup> net income 2Q 04: EUR -21m

Pro forma<sup>2</sup> net income 6M 04: EUR -54m

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

2) Net income contained goodwill amortization (net of tax) in 6M 04 of EUR 151m and in 2Q 04 of EUR 77m

# Asset Management: EUR 32bn net inflows

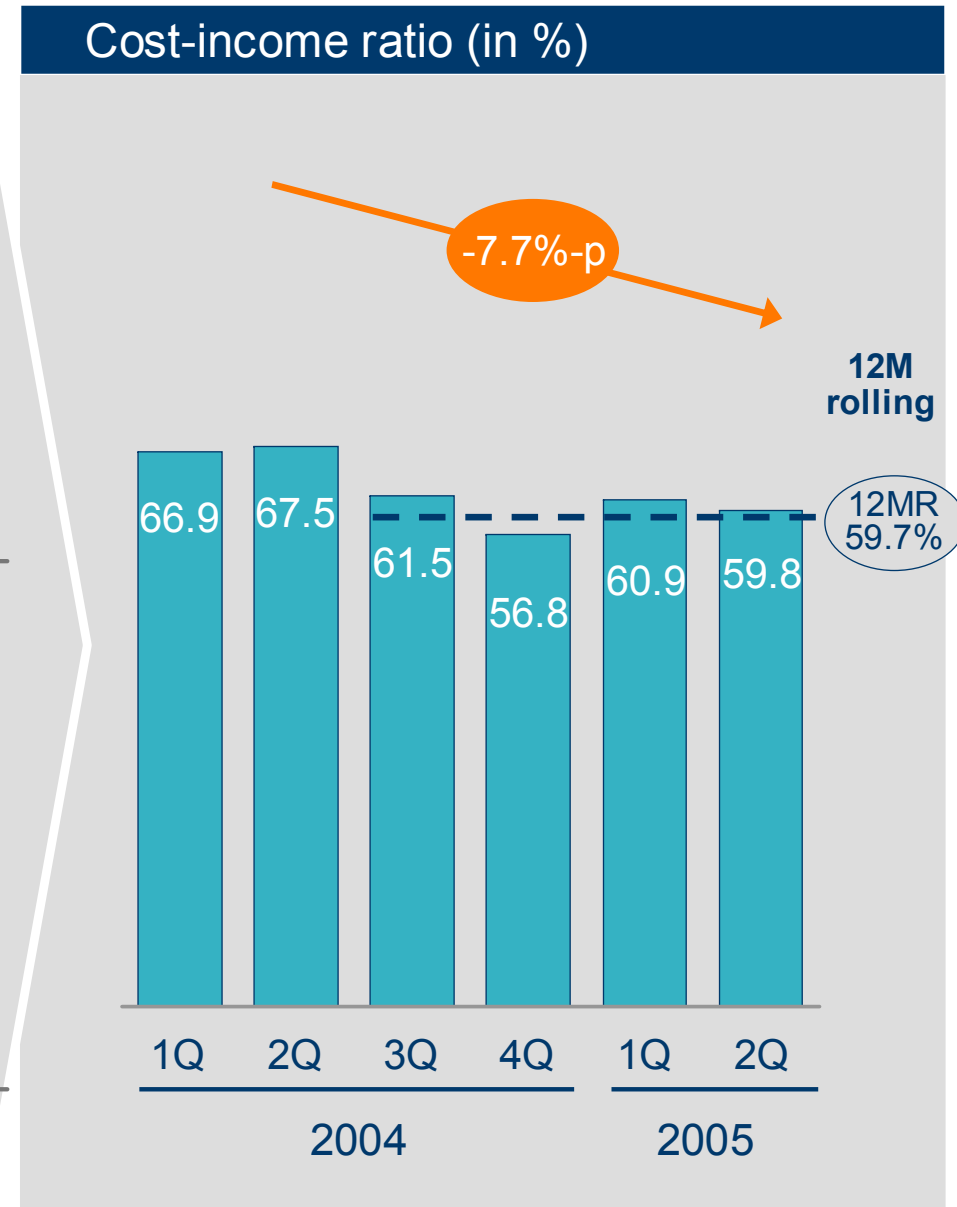
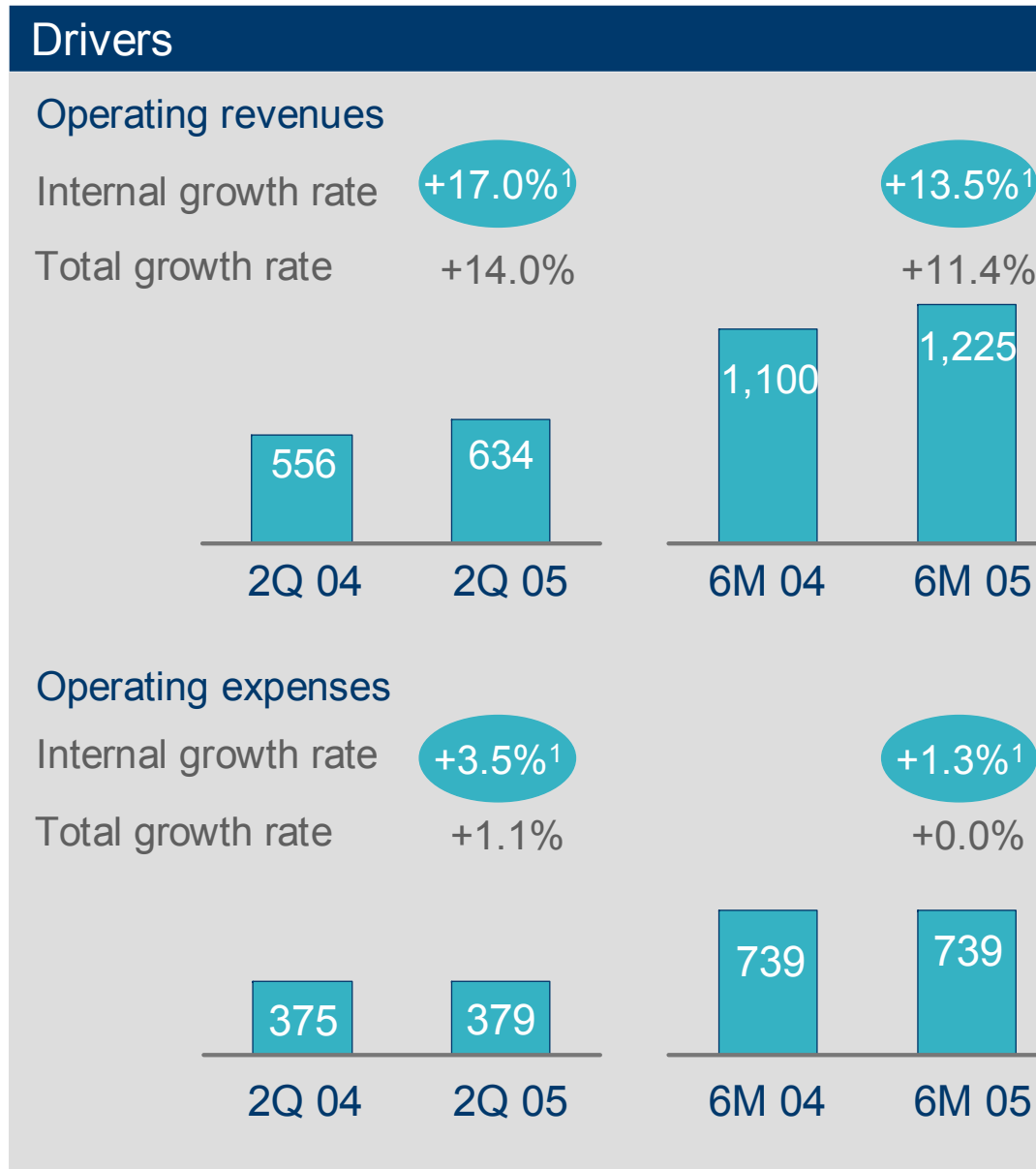


**Client and asset mix**

Third-party AuM (as of 30/06/2005 = EUR 688bn)

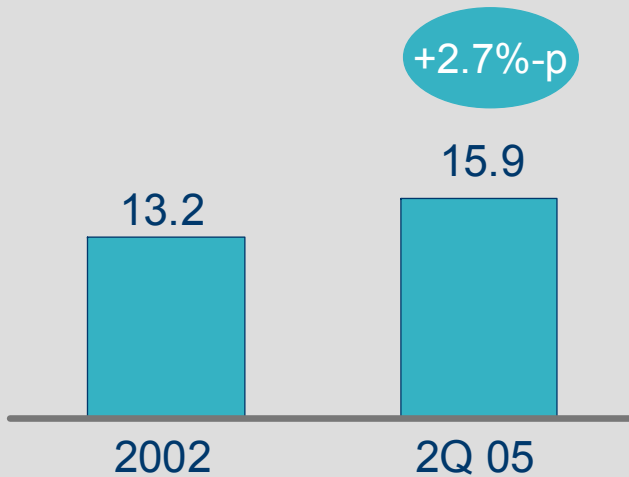
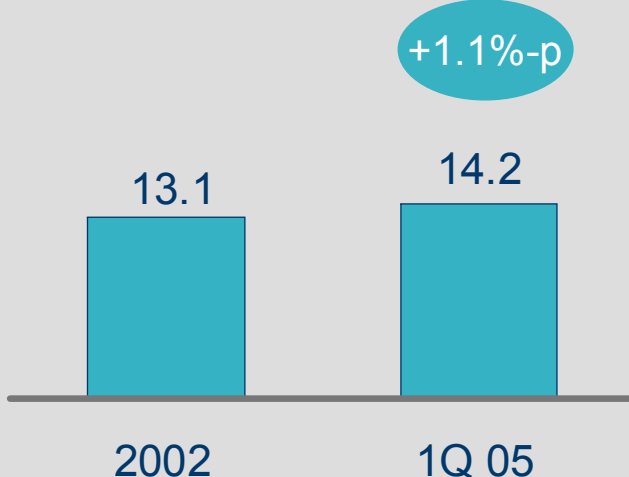
	Retail	Institutional	Σ
Equity	10%	11%	<b>21%</b>
Fixed income	26%	52%	<b>78%</b>
Other	1%	0%	<b>1%</b>
Σ	<b>37%</b>	<b>63%</b>	<b>100%</b>

# Asset Management: strong revenue growth while maintaining cost discipline (EUR m)



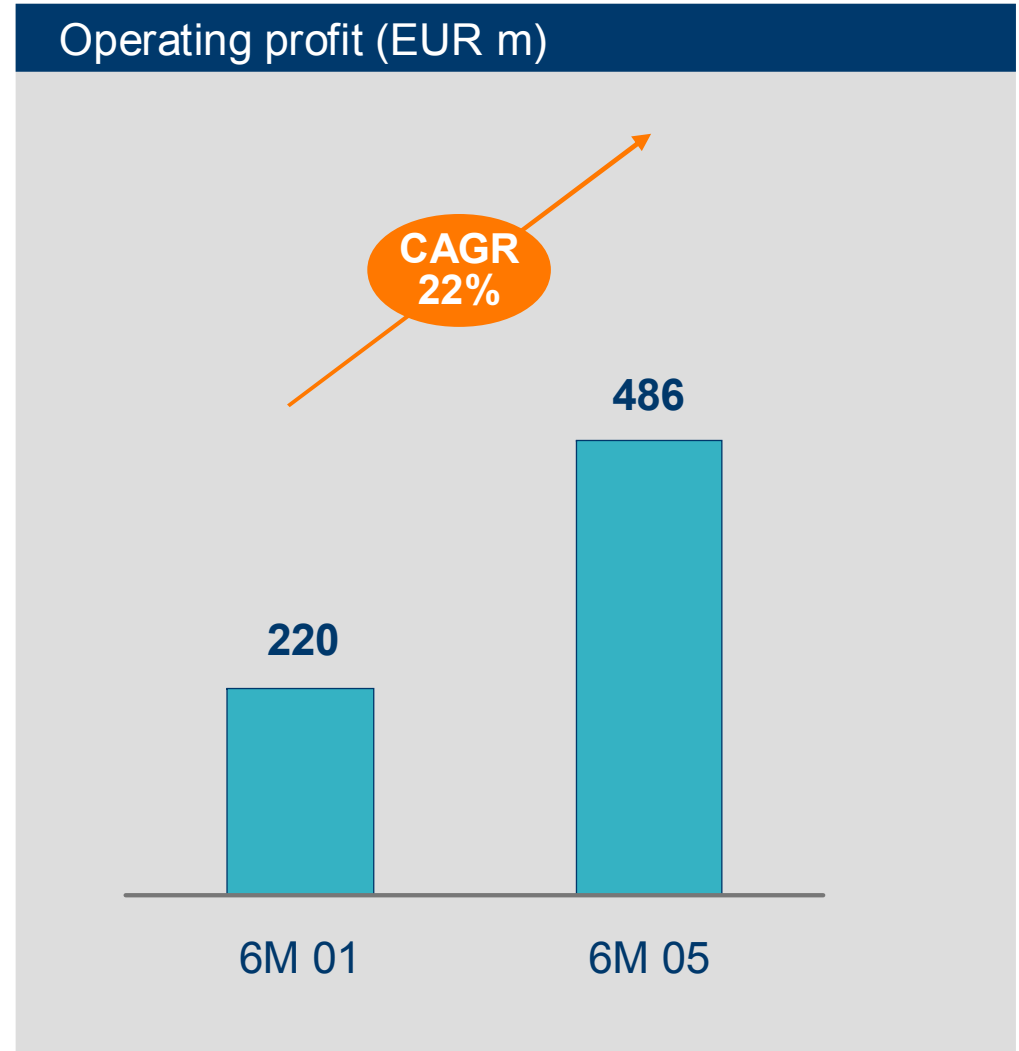
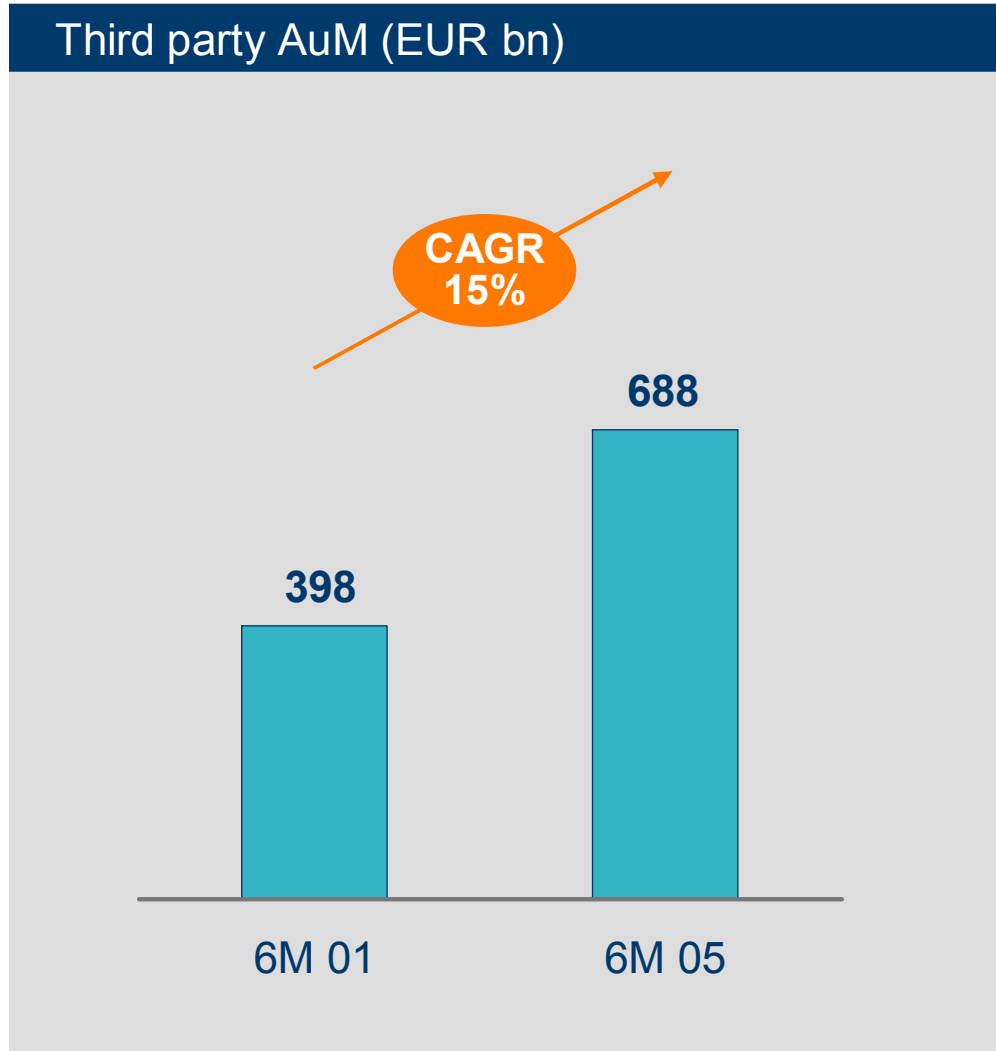
1) Internal growth: adjusted for F/X and consolidation/deconsolidation effects

# Asset Management: Germany, an example of leveraging Allianz Group's distribution power and superior products

Development of market share <sup>1</sup> for ADGI <sup>2</sup> Germany (in %)	Comment						
<p><b>Mutual funds</b></p>  <table border="1"> <caption>Mutual funds market share</caption> <thead> <tr> <th>Year</th> <th>Market Share (%)</th> </tr> </thead> <tbody> <tr> <td>2002</td> <td>13.2</td> </tr> <tr> <td>2Q 05</td> <td>15.9</td> </tr> </tbody> </table> <p>+2.7%-p</p>	Year	Market Share (%)	2002	13.2	2Q 05	15.9	<p>Allianz Dresdner Global Investors Germany</p> <ul style="list-style-type: none"> <li>▪ Market leader in capturing net inflows in 6M 05 (30.2% market share in mutual fund net inflows)</li> <li>▪ Holds #1<sup>1</sup> market position in fixed income business in Germany</li> </ul>
Year	Market Share (%)						
2002	13.2						
2Q 05	15.9						
<p><b>Institutional funds<sup>3</sup></b></p>  <table border="1"> <caption>Institutional funds market share</caption> <thead> <tr> <th>Year</th> <th>Market Share (%)</th> </tr> </thead> <tbody> <tr> <td>2002</td> <td>13.1</td> </tr> <tr> <td>1Q 05</td> <td>14.2</td> </tr> </tbody> </table> <p>+1.1%-p</p>	Year	Market Share (%)	2002	13.1	1Q 05	14.2	<ul style="list-style-type: none"> <li>▪ Continuously gained market share in mutual fund business</li> <li>▪ Manages best-selling fixed income fund in Germany (dit-Euro Bond Total Return)</li> <li>▪ Further strengthened #1 position in institutional business</li> </ul>
Year	Market Share (%)						
2002	13.1						
1Q 05	14.2						

1) According to BVI statistics. Market share based on AuM 2) ADGI = Allianz Dresdner Global Investors 3) Excluding real estate "Spezialfonds"

# Asset Management: impressive volume and profit growth



# Agenda

Group

P/C

L/H

Banking

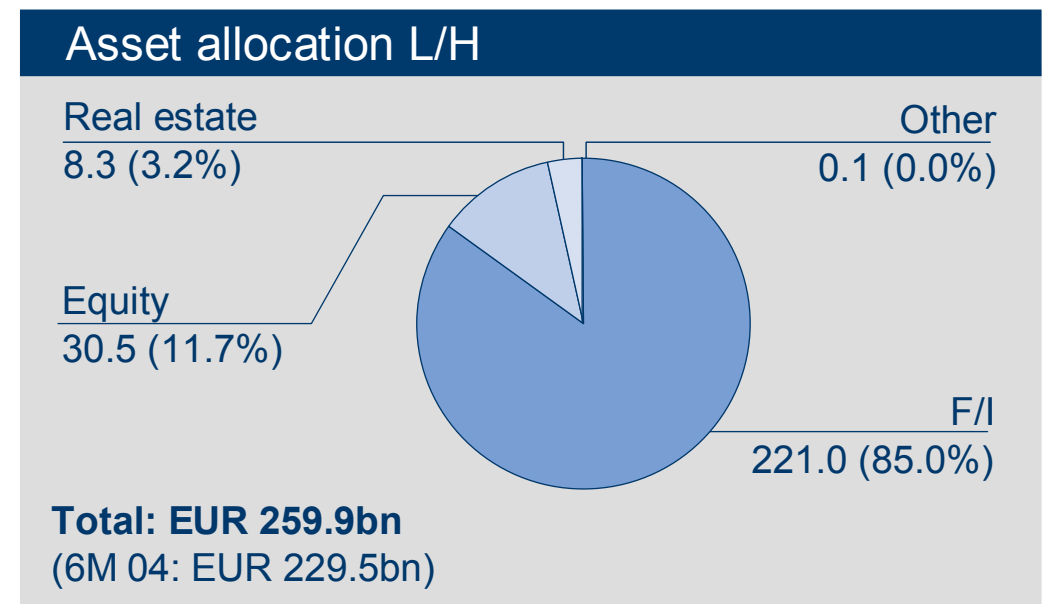
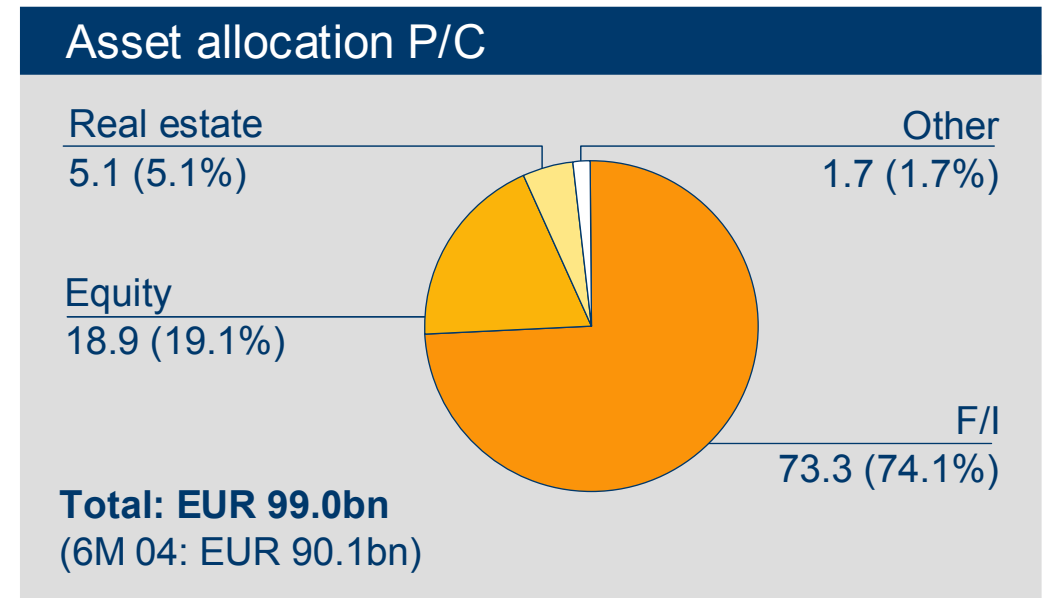
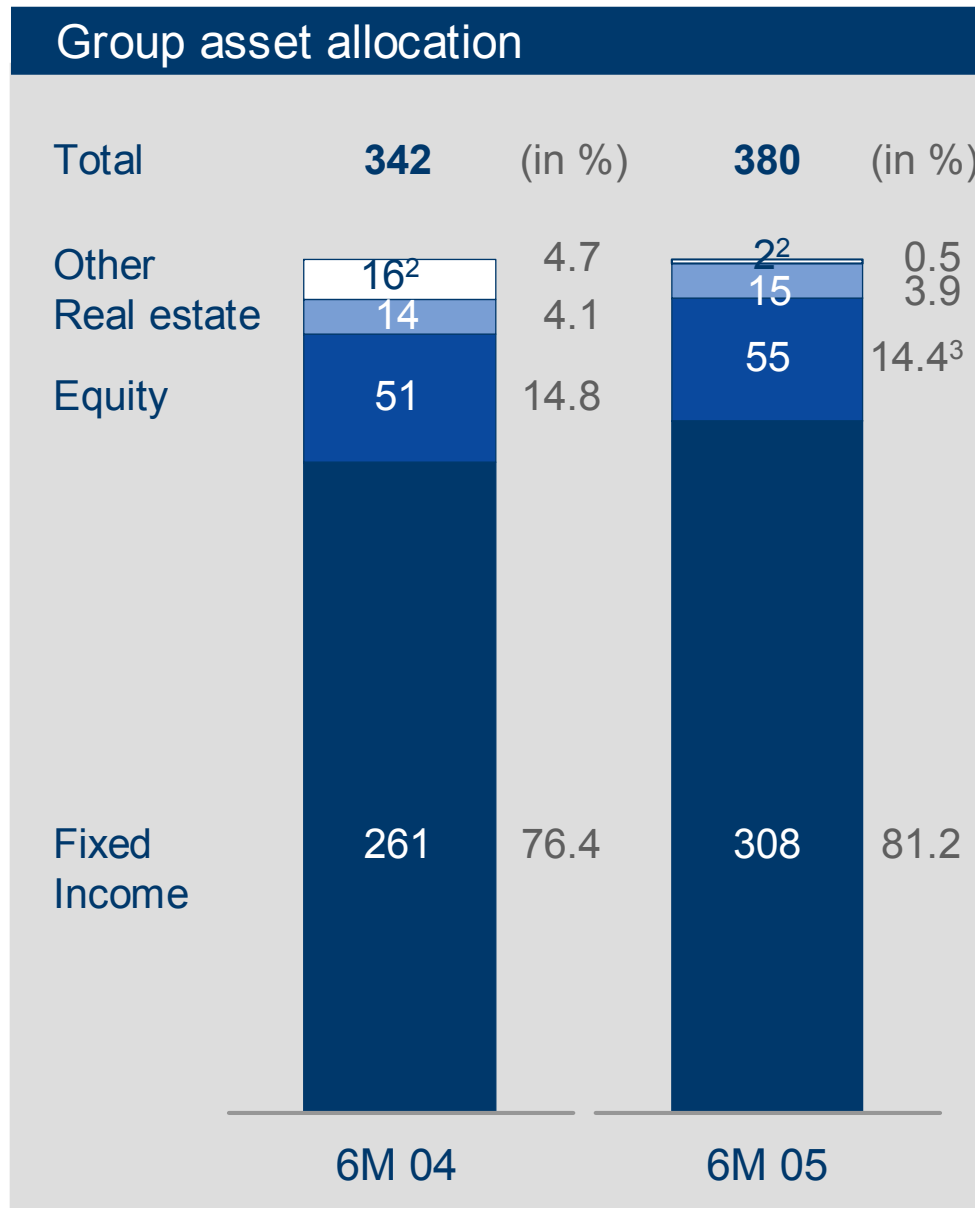
Asset Management

**Capital base and investments**

Additional information

# Asset allocation<sup>1</sup>: 11% asset growth

(EUR bn, in %)

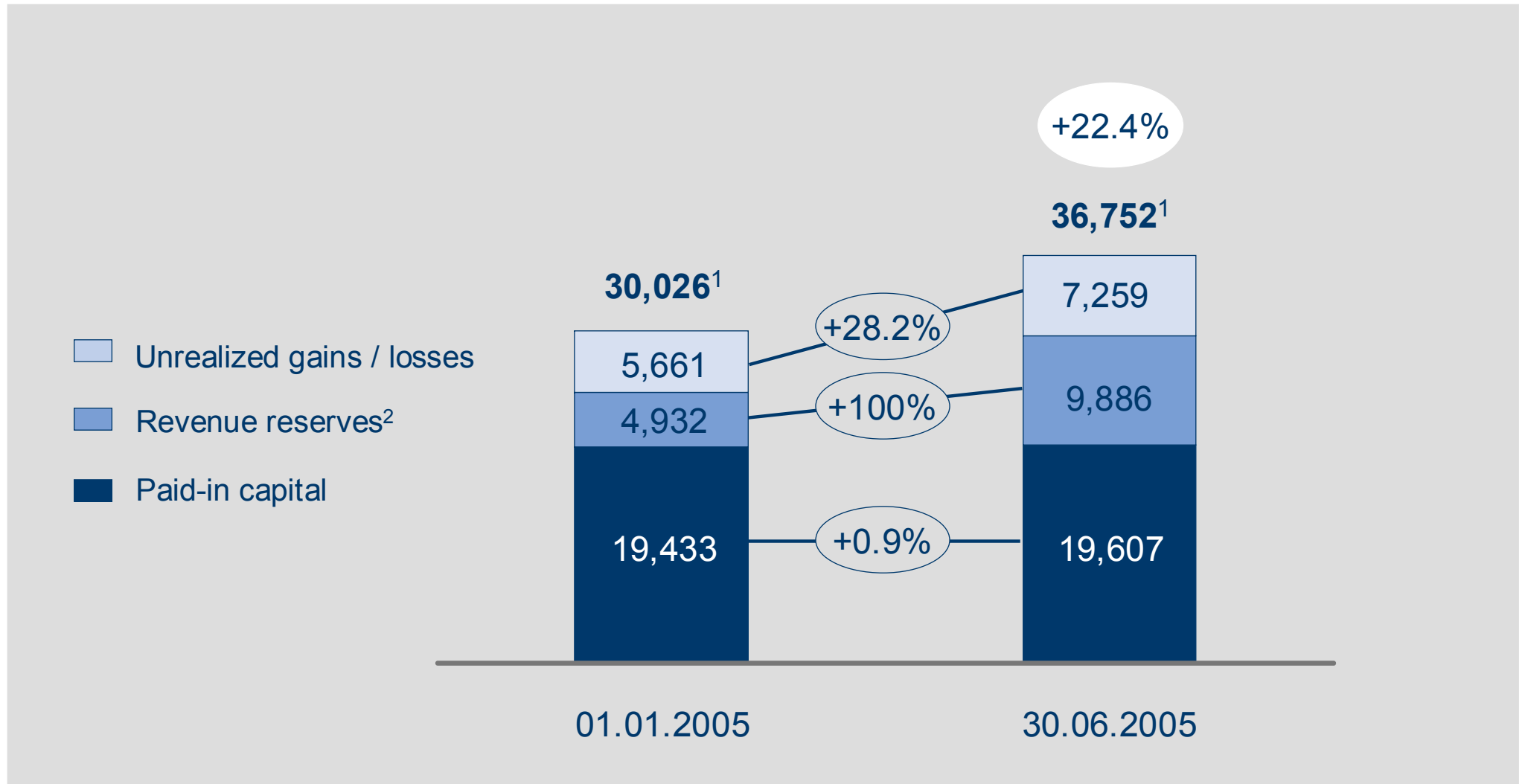


1) All figures fully consolidated; excluding trading    2) Shift resulting from mainly reclassification of short term investments from "other" into "fixed income"  
 3) Adjusted for equity derivatives (incl. BITES-transaction): 13.9%



# Shareholders' equity increased by 22.4%

(EUR m)



1) Excluding minority interest: 01.01.2005: EUR 7,702m; 30.06.2005: EUR 8,296m

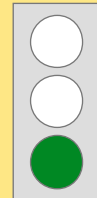
2) Including foreign currency translation adjustments

# Summary

- Earnings power further strengthened
- Continued operating discipline clearly demonstrated
- Further dynamic profitable growth in Life and Asset Management
- Dresdner Bank on track to achieve profit target
- Shareholders equity up by 22.4%

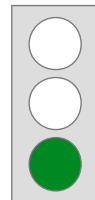
# We expect to outperform

**Focus on profitable growth:  
Group-wide revenue increase in line with 2004**



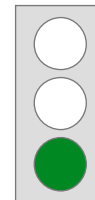
**P/C**

Strong combined ratio below 95%



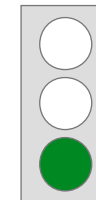
**L/H**

Operating profit of at least EUR 1.5bn



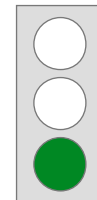
**Banking**

Earn cost of capital



**Asset Mgmt.**

10% increase in operating profit<sup>1</sup>



Caveats, e.g.:

- Nat Cat development unpredictable
- Capital market risks

1) Before F/X effect

# **Additional information**

# Group: result by segments overview

(EUR m)

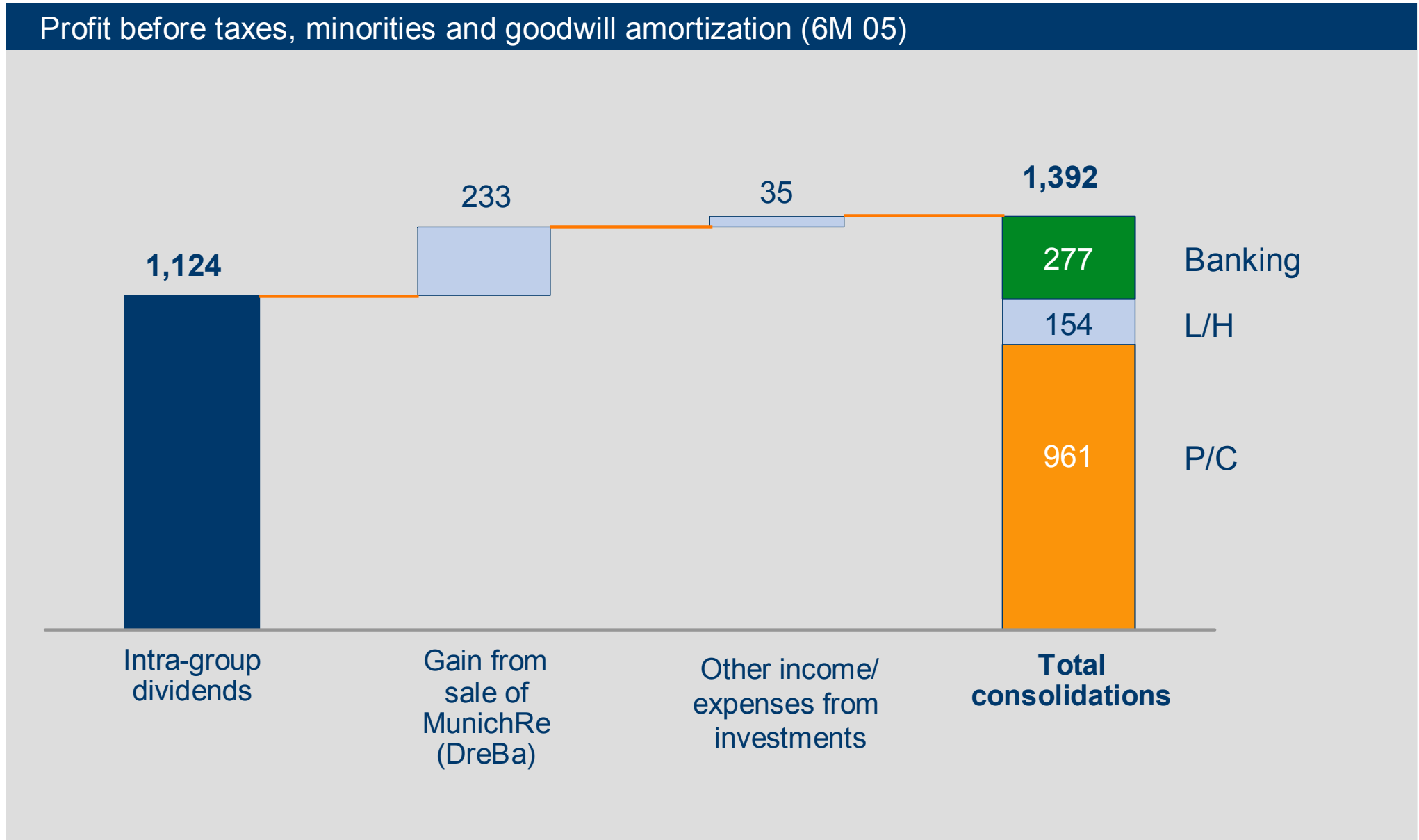
	P/C		L/H <sup>1</sup>		Banking		Asset Mgmt.		Con-solidation		Total	
	6M 2004	6M 2005	6M 2004	6M 2005	6M 2004	6M 2005	6M 2004	6M 2005	6M 2004	6M 2005	6M 2004	6M 2005
<b>Total revenues (EUR bn)</b>	<b>24.2</b>	<b>24.0</b>	<b>21.1</b>	<b>23.8</b>	<b>3.4</b>	<b>3.1</b>	<b>1.1</b>	<b>1.2</b>	<b>-0.4</b>	<b>-0.1</b>	<b>49.5</b>	<b>52.0</b>
<b>Operating profit<sup>2</sup></b>	<b>1,760</b>	<b>2,394</b>	<b>670</b>	<b>805</b>	<b>431</b>	<b>516</b>	<b>361</b>	<b>486</b>	<b>0</b>	<b>0</b>	<b>3,222</b>	<b>4,201</b>
+ Net capital gains <sup>3</sup>	1,051	533	173	259	318	505	0	0	-122	-270	1,420	1,027
- Net impairments	-279	-40	-11	-63	-276	-75	0	0	0	0	-566	-178
± Other non-operating <sup>4</sup>	594	539	65	68	-164	65	-383	-343	-1,125	-1,122	-1,013	-793
<b>= Profit b/ tax, min.,GW</b>	<b>3,126</b>	<b>3,426</b>	<b>897</b>	<b>1,069</b>	<b>309</b>	<b>1,011</b>	<b>-22</b>	<b>143</b>	<b>-1,247</b>	<b>-1,392</b>	<b>3,063</b>	<b>4,257</b>
- Goodwill amortization	-191	0	-79	0	-129	0	-189	0	0	0	-588	0
- Taxes	-581	-626	-238	-118	91	-237	33	-17	5	7	-690	-991
- Minorities	-558	-549	-185	-250	-82	-50	-27	-22	256	184	-596	-687
<b>= Net income</b>	<b>1,796</b>	<b>2,251</b>	<b>395</b>	<b>701</b>	<b>189</b>	<b>724</b>	<b>-205</b>	<b>104</b>	<b>-986</b>	<b>-1,201</b>	<b>1,189</b>	<b>2,579</b>

1) After gains/losses attributable to policyholders    2) Operating profit: intra-group dividends received by L/H companies are consolidated    3) Includes non-operating trading income    4) E.g. intra-group dividends (EUR 1,124m) and interest for Holding finance (EUR 470m); Asset Management: acquisition-related expenses, e.g. B-units (EUR 306m)

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

# Breakdown of profit consolidations

(EUR m)



1) Profit before taxes, minorities and goodwill amortization

## Group: key figures per quarter

(EUR m)

	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q 05	2Q 05	Δ 2Q 05/04
	03			04						
<b>Total revenues<sup>1</sup> (EUR bn)</b>	<b>22.0</b>	<b>21.6</b>	<b>22.8</b>	<b>27.2</b>	<b>22.2</b>	<b>23.1</b>	<b>24.3</b>	<b>28.3</b>	<b>23.7</b>	<b>1.5</b>
<b>Operating profit</b>	<b>1,395</b>	<b>938</b>	<b>894</b>	<b>1,227</b>	<b>1,995</b>	<b>1,875</b>	<b>1,759</b>	<b>1,830</b>	<b>2,371</b>	<b>376</b>
Net capital gains <sup>2</sup>	-142	353	3,936	826	594	331	466	723	304	-290
Net impairments	-327	-148	-871	-108	-458	-182	-263	-93	-85	373
Other <sup>3</sup>	-892	-352	-1,350	-394	-619	-504	-663	-372	-421	198
<b>Profit b/ GW amortization, taxes and minorities</b>	<b>34</b>	<b>791</b>	<b>2,609</b>	<b>1,551</b>	<b>1,512</b>	<b>1,520</b>	<b>1,299</b>	<b>2,088</b>	<b>2,169</b>	<b>657</b>
Goodwill amortization	-294	-296	-518	-294	-294	-297	-279	0	0	294
Taxes	885	31	-788	-339	-351	-485	-428	-569	-422	-71
Minorities	-217	-173	-255	-301	-295	-220	-284	-335	-352	-57
<b>Net income</b>	<b>408</b>	<b>353</b>	<b>1,048</b>	<b>617</b>	<b>572</b>	<b>518</b>	<b>308</b>	<b>1,184</b>	<b>1,395</b>	<b>823</b>
<b>Assets under Management<sup>4</sup> (EUR bn)</b>	<b>413</b>	<b>409</b>	<b>395</b>	<b>421</b>	<b>424</b>	<b>434</b>	<b>444</b>	<b>464</b>	<b>474</b>	<b>50</b>

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

2) Including non-operating trading income

3) 2Q05: e.g. intra-group dividends (EUR 969m) and interest for Holding finance (EUR 213m); Asset Management: acquisition-related expenses, e.g. B-units (EUR 179m)

4) Group own assets (incl. trading), fully consolidated (at market value)

## P/C: key figures and ratios per quarter

(EUR m)

	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q 05	2Q 05	Δ 2Q 05/04
	03			04						
<b>Total revenues (EUR bn)</b>	<b>9.5</b>	<b>10.1</b>	<b>9.2</b>	<b>14.4</b>	<b>9.8</b>	<b>10.4</b>	<b>9.1</b>	<b>14.2</b>	<b>9.8</b>	<b>0.0</b>
<b>Operating profit<sup>1</sup></b>	<b>962</b>	<b>640</b>	<b>553</b>	<b>497</b>	<b>1,263</b>	<b>1,138</b>	<b>1,081</b>	<b>1,004</b>	<b>1,390</b>	<b>127</b>
Net capital gains <sup>2</sup>	-197	405	4,161	671	380	167	346	467	66	-314
Net impairments	-184	-96	-701	-47	-232	-115	-17	-22	-18	214
Other	41	-175	144	-106	700	-103	609	-111	650	-50
<b>Profit b/GW amortization, taxes and minorities</b>	<b>622</b>	<b>774</b>	<b>4,157</b>	<b>1,015</b>	<b>2,111</b>	<b>1,087</b>	<b>2,019</b>	<b>1,338</b>	<b>2,088</b>	<b>-23</b>
Goodwill amortization	-99	-98	-92	-95	-96	-96	-94	0	0	96
Taxes	256	-46	-759	-189	-392	-438	-449	-397	-229	163
Minorities	-97	-76	-133	-177	-381	-129	-423	-188	-361	20
<b>Net income</b>	<b>682</b>	<b>554</b>	<b>3,173</b>	<b>554</b>	<b>1,242</b>	<b>424</b>	<b>1,053</b>	<b>753</b>	<b>1,498</b>	<b>256</b>
Combined ratio (in %)	96.4	96.5	97.5	95.8	92.8	90.9	92.3	92.1	89.8	-3.0
Assets under Management <sup>3</sup> (EUR bn)	92	91	91	93	90	92	91	97	100	10

1) Operating profit: intra-group dividends received by L/H companies are consolidated (incl. trading), fully consolidated (at market value)

2) Includes non-operating trading income

3) Group own assets



## L/H: key figures and ratios per quarter

(EUR m)

	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q 05	2Q 05	Δ 2Q 05/04
	03			04						
<b>Total revenues (EUR bn)</b>	<b>10.4</b>	<b>9.5</b>	<b>11.7</b>	<b>10.8</b>	<b>10.3</b>	<b>10.8</b>	<b>13.2</b>	<b>11.8</b>	<b>12.0</b>	<b>1.7</b>
<b>Operating profit</b>	<b>292</b>	<b>135</b>	<b>383</b>	<b>371</b>	<b>299</b>	<b>378</b>	<b>370</b>	<b>357</b>	<b>448</b>	<b>149</b>
Net capital gains	10	39	82	162	11	33	146	172	87	76
Net impairments	38	-23	75	-13	2	3	-171	-19	-44	-46
Other	44	0	55	10	55	1	96	10	58	3
<b>Profit b/GW amortization, taxes and minorities</b>	<b>384</b>	<b>151</b>	<b>595</b>	<b>530</b>	<b>367</b>	<b>415</b>	<b>441</b>	<b>520</b>	<b>549</b>	<b>182</b>
Goodwill amortization	-44	-44	-267	-40	-39	-40	-40	0	0	39
Taxes	-36	9	-528	-170	-68	-186	-30	-75	-43	25
Minorities	-112	-55	-104	-73	-112	-68	-88	-119	-131	-19
<b>Net income</b>	<b>192</b>	<b>61</b>	<b>-304</b>	<b>247</b>	<b>148</b>	<b>121</b>	<b>283</b>	<b>326</b>	<b>375</b>	<b>227</b>
Statutory expense ratio (in %)	5.5	6.9	7.9	9.2	9.2	10.1	7.9	6.6	8.2	-1.0
Assets under Management <sup>1</sup> (EUR bn)	218	220	219	225	229	233	239	244	258	29

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

# Dresdner Bank<sup>1</sup>: key figures and ratios per quarter

(EUR m)

	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q 05	2Q 05	Δ 2Q 05/04
	03			04						
Net interest income	628	489	768	517	584	657	517	534	541	-43
Net fee and commission income	573	579	564	708	581	569	602	647	663	82
Net trading income	468	319	97	439	473	253	343	435	127	-346
<b>Operating revenues</b>	<b>1,669</b>	<b>1,387</b>	<b>1,429</b>	<b>1,664</b>	<b>1,638</b>	<b>1,479</b>	<b>1,462</b>	<b>1,616</b>	<b>1,331</b>	<b>-307</b>
Administrative expenses	-1,382	-1,484	-1,395	-1,355	-1,321	-1,292	-1,339	-1,300	-1,113	208
Net loan loss provisions	-348	-23	-293	-135	-82	-54	-66	-100	54	136
<b>Operating profit (loss)</b>	<b>-61</b>	<b>-120</b>	<b>-259</b>	<b>174</b>	<b>235</b>	<b>133</b>	<b>57</b>	<b>216</b>	<b>272</b>	<b>37</b>
Other non operating income/ (expenses) (net)	-296	-18	-325	14	-77	-120	-95	50	17	94
Net capital gains and impairments on investments	-133	64	-123	-11	64	72	21	294	138	74
Restructuring charges	-204	-59	-558	-12	-104	-11	-163	0	-5	99
Amortization of goodwill	-60	-58	-73	-67	-62	-65	-50	0	0	62
<b>Earnings fr. ordinary activities b/t.</b>	<b>-754</b>	<b>-191</b>	<b>-1,338</b>	<b>98</b>	<b>56</b>	<b>9</b>	<b>-230</b>	<b>560</b>	<b>422</b>	<b>366</b>
Taxes	632	81	455	9	97	127	48	-74	-158	-255
Minority interests in earnings	0	-2	-15	-19	-19	-18	-3	-20	-20	-1
<b>Net income</b>	<b>-122</b>	<b>-112</b>	<b>-898</b>	<b>88</b>	<b>134</b>	<b>118</b>	<b>-185</b>	<b>466</b>	<b>244</b>	<b>110</b>
RWA EoP (BIS) (EUR bn)	132.5	121.9	111.7	108.1	106.8	104.9	104.9	105.6	108.6 <sup>2</sup>	1.8
Operating cost-income ratio (in %)	82.8	107.0	97.6	81.4	80.6	87.4	91.6	80.4	83.6	+3%-p

1) Dresdner Bank contribution to Allianz Banking segment

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

## Asset Management: key figures and ratios per quarter

(EUR m)

	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q 05	2Q 05	Δ 2Q 05/04
	03			04						
Operating revenues	544	632	574	544	556	564	644	591	634	78
Operating expenses	-361	-424	-369	-364	-375	-347	-366	-360	-379	-4
<b>Operating profit</b>	<b>183</b>	<b>208</b>	<b>205</b>	<b>180</b>	<b>181</b>	<b>217</b>	<b>278</b>	<b>231</b>	<b>255</b>	<b>74</b>
Goodwill amortization & other acquisition-related exp. <sup>1</sup>	-278	-281	-291	-297	-275	-270	-290	-165	-178	97
Taxes <sup>1</sup>	19	15	17	23	10	9	10	-25	8	-2
Minorities <sup>1</sup>	-25	-13	-20	-13	-14	-13	-12	-13	-9	5
<b>Net income</b>	<b>-101</b>	<b>-71</b>	<b>-89</b>	<b>-107</b>	<b>-98</b>	<b>-57</b>	<b>-14</b>	<b>28</b>	<b>76</b>	<b>174</b>
Cost-income ratio (in %)	66.4	67.1	64.3	66.9	67.5	61.5	56.8	60.9	59.8	-7.7%-p
Third-party AuM (EUR bn)	571	571	565	598	599	592	585	624	688	89

1) Including restatement adjustments for PIMCO B-units; no more scheduled goodwill amortization since 2005

# Group asset allocation<sup>1</sup>: breakdown per segment

(EUR bn)

6M 05	Total	in %	P/C	in %	L/H	in %	Bank	in %	AM	in %
Equity	54.6	14.4	18.9	19.1	30.5	11.7	5.2	25.0	0.0	9.2
Fixed income	309.0	81.3	73.3	74.1	221.0	85.0	14.1	68.5	0.5	95.8
Real estate	14.7	3.9	5.1	5.1	8.3	3.2	1.4	6.6	0.0	1.2
Others	1.8	0.5	1.7	1.7	0.1	0.0	0.0	0.0	0.0	-6.3
<b>Subtotal</b>	<b>380.1</b>	<b>100</b>	<b>99.0</b>	<b>100</b>	<b>259.9</b>	<b>100</b>	<b>20.6</b>	<b>100</b>	<b>0.5</b>	<b>100</b>
Trading	93.6		0.6		-2.1		94.9		0.3	
<b>Group assets</b>	<b>473.7</b>		<b>99.6</b>		<b>257.8</b>		<b>115.5</b>		<b>0.8</b>	

1) Group own assets, fully consolidated

# Investment result<sup>1</sup>: breakdown per segment

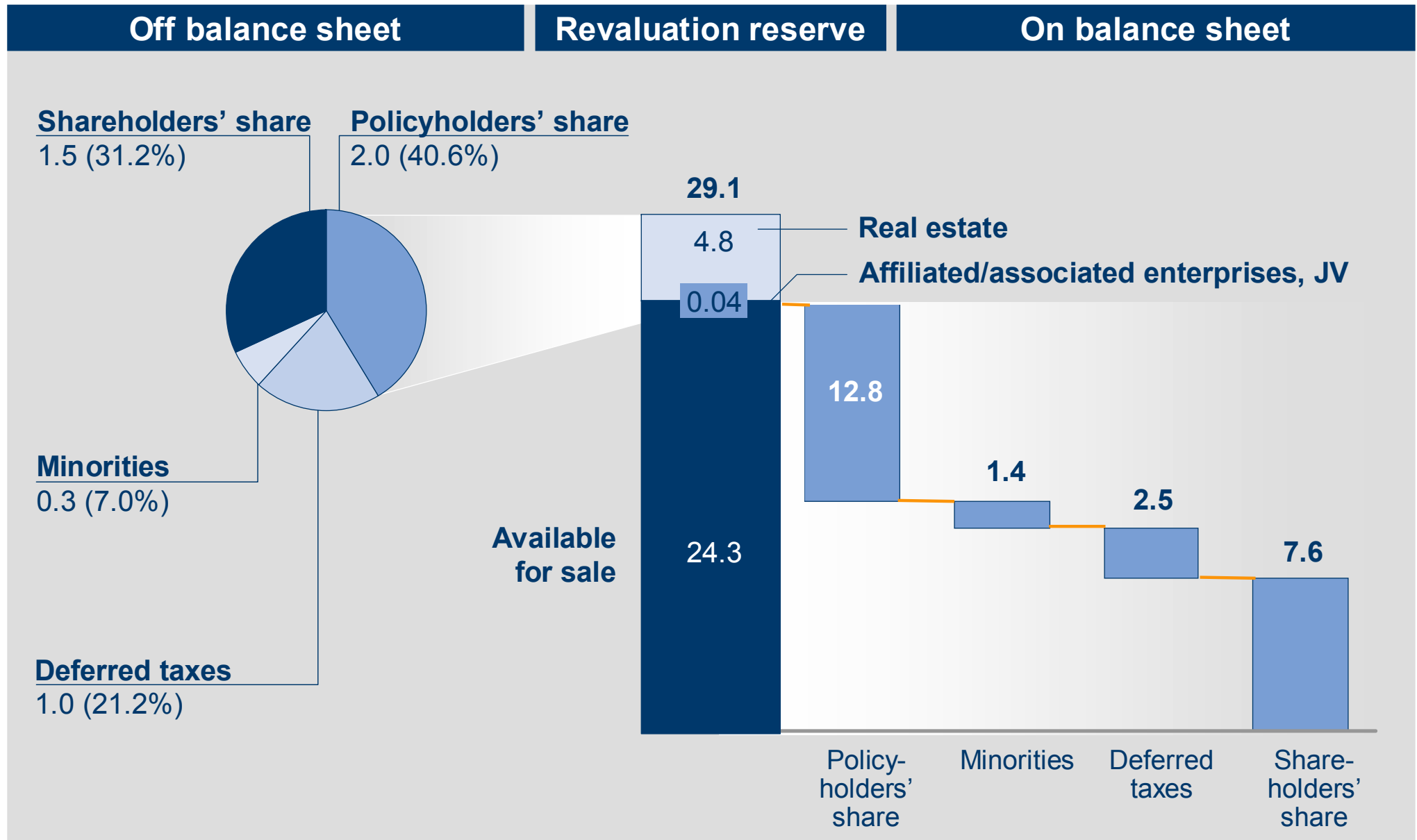
(EUR m)

	Total		P/C		L/H		Banking		AM	
	6M04	6M05	6M04	6M05	6M04	6M05	6M04	6M05	6M04	6M05
Current income	7,998	8,404	1,949	2,109	5,561	5,825	484	463	4	7
Realized gains/losses	2,461	2,582	1,409	787	854	1,551	193	239	5	5
Fair value option	45	289	7	23	37	265	0	0	0	1
Write-downs	-711	-281	-325	-100	-109	-105	-276	-75	0	-1
Expenses	-496	-411	-336	-269	-156	-142	0	0	-4	0
Subtotal	9,297	10,583	2,704	2,550	6,187	7,394	402	627	5	12
Trading income	545	45	-138	-159	94	-347	585	546	4	5
<b>Contribution to group net investment income</b>	<b>9,842</b>	<b>10,628</b>	<b>2,566</b>	<b>2,391</b>	<b>6,281</b>	<b>7,047</b>	<b>986</b>	<b>1,173</b>	<b>9</b>	<b>17</b>
<b>Segment net investment income<sup>2</sup></b>			<b>3,726</b>	<b>3,424</b>	<b>6,487</b>	<b>7,276</b>	<b>1,131</b>	<b>1,439</b>	<b>13</b>	<b>17</b>

1) All figures fully consolidated; figures before policyholder participation 2) Segment consolidated

# Revaluation reserve around EUR 29.1 bn

(EUR bn)



# Reconciliation of P/C and L/H ratios

P/C		L/H	
Loss ratio	Expense ratio	Expense ratio (statutory)	
<b>8.1 Insurance benefits (net)</b> (EUR m)  - Change in aggregate policy and other reserves - Expenses for premium refund - Losses incurred	<b>12.1 Acquisition costs &amp; administrative expenses</b> (EUR m)  - Expenses for management of investments - Expenses for service agreements - Underwriting costs	<b>12.1 Acquisition costs &amp; administrative expenses</b> (EUR m)  - Expenses for service agreem. - Expenses for management of investments - Underwriting costs	
<b>1.1 Net premiums earned</b> (EUR m): 18,987    18,734  <div style="text-align: center;">÷</div>	<b>1.1 Net premiums earned</b> (EUR m): 18,987    18,734  <div style="text-align: center;">÷</div>	<b>1.1 Net premiums earned</b> (EUR m): 9,012    9,563  <div style="text-align: center;">÷</div>	
<div style="text-align: center;">=</div>	<div style="text-align: center;">=</div>	<b>Premiums from inv. oriented products</b> (EUR m): 10,979    13,684  <div style="text-align: center;">+</div>	
<b>Loss ratio:</b> 69.1%    65.8%	<b>Expense ratio:</b> 25.2%    25.2%	<b>Statutory exp. ratio:</b> 9.2%    7.3%  <div style="text-align: center;">=</div>	

1) P/L line item

# P/C-Holding activities: movement analysis

(EUR m)

**Pro Forma!**

6M 05	L/H		P/C		P/C-Hold. activities <sup>1</sup>	Con-solidation <sup>1</sup>
Net premiums earned	+208	Transfer of L/H reinsurance activities from P/C to L/H segment	-208	Transfer of activities dealing with finance, investment and management functions for the Group as a whole	0	0
Current invest. income	+64		-109		+147	-102
Divid. & ins. benefits	-172		+253		-82	+1
Acq. & admin. costs	-52		+350		-266	-32
Other operating	0		+364		-497	+133
<b>Operating profit</b>	<b>+48</b>		<b>+650</b>		<b>-698</b>	<b>0</b>
Net capital gains	0		+74		-64	-10
Net impairments	0		+58		-58	0
Other	0		-158		-359	517
<b>Profit b/taxes, GW, minorities</b>	<b>+48</b>		<b>+624</b>		<b>-1,179</b>	<b>507</b>
Taxes	-19	-422	+441	0		
Minorities	0	-17	-7	+24		
<b>Net income</b>	<b>+29</b>	<b>+185</b>	<b>-745</b>	<b>+531</b>		

1) Dividends received by Holding companies are already consolidated within Holding activities



# Segment overview after separating holding activities

(EUR m)

**Pro Forma!**

6M 05	P/C		L/H	Banking	Asset Mgmt.	Con-solidation <sup>1</sup>	Group
	Insurance	Holding activities <sup>1</sup>					
<b>Combined ratio:</b> - 6M 05: 91.0% - Separating Holding activities: 90.4%							
<b>Operating profit</b>	<b>3,044</b>	<b>-698</b>	<b>853</b>	<b>516</b>	<b>486</b>	<b>0</b>	<b>4,201</b>
Net capital gains	607	-64	259	505	0	-280	1,027
Net impairments	18	-58	-63	-75	0	0	-178
Other non-operating	381	-359	68	65	-343	-605	-793
<b>Profit b/ tax, min.,GW</b>	<b>4,050</b>	<b>-1,179</b>	<b>1,117</b>	<b>1,011</b>	<b>143</b>	<b>-885</b>	<b>4,257</b>
- Goodwill	0	0	0	0	0	0	0
- Taxes	-1,048	441	-137	-237	-17	7	-991
- Minorities	-566	-7	-250	-50	-22	208	-687
<b>= Net income</b>	<b>2,436</b>	<b>-745</b>	<b>730</b>	<b>724</b>	<b>104</b>	<b>-670</b>	<b>2,579</b>
Net income as stated	2,251	--	701	724	104	-1,201	2,579
Change in net income due to pro forma Holding activities	+185	-745	+29	0	0	+531	0

1) Dividends received by Holding companies are already consolidated within Holding activities

# Disclaimer

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

## **Cautionary Note Regarding Forward-Looking Statements**

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

## **No duty to update**

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