

**Statement by Michael Diekmann (Allianz SE) on the quarterly figures,
August 3, 2007**

(The spoken word prevails.)

Good morning Ladies and Gentlemen,

Welcome to our teleconference on the business figures of Allianz during the 2nd quarter of 2007. The good performance of the 1st quarter has continued throughout the 2nd quarter. Our earnings performance is in line with our own ambitious goals and we are right on track for the fiscal year 2007 as a whole.

Before I start my presentation, I would like to address two current issues:

First of all, I would like to say a few words about the heavy rainfall and flooding in the United Kingdom and Germany, and the heat wave and fire catastrophes in Southern Europe. Many people and organizations have been affected. These include a large number of Allianz customers and our agents and loss adjusters are currently on the ground providing the best possible support and assistance. This is a special challenge for us during a period of restructuring in the business units and during the vacation period. However, this is our core business, and especially in these situations our customers can rely on Allianz.

The second current issue is the massive uncertainty currently prevailing in the financial markets concerning the effects of securitization risks and loans on banks and insurers worldwide. This is putting share prices in the financial sector under pressure which also affects Allianz. Since we have been emphasizing these risks for more than a year and we have maintained appropriate discipline on the investment and credit side, these excessive effects on Allianz will normalize in due course. Our approach to underwriting and investment has been guided by awareness of the risks and we believe that this course has proved justified. We will continue to do everything in our power to ensure that sales today do not lead to losses tomorrow.

Dr. Perlet will provide you with the key facts on this issue and will then give his usual detailed report on the figures. Before I hand over, I would like to give you a brief report on the progress that has been made on our strategic initiatives.

The good earnings performance during the second quarter and the first half year is once again largely due to our consistent work within the scope of the 3+One Program.

A particular feature here is that we have adopted a parallel work approach: Making the company fit for the future, while increasing profitability. This means we are permanently improving Allianz, making the Group more competitive and driving forward change, while we become profitable at the same time.

This is highly unusual and it is particularly noteworthy. While we have metaphorically been setting up road works all over the place, the traffic – or, earnings performance – has nevertheless been flowing better and faster than before.

The processes of change leading to enhanced profitability, higher levels of competitiveness and customers satisfaction are continuing. During the first half of the year, we achieved the following with 3+One:

Capital base continues strong: We have almost doubled the dividend and our shareholder's equity continues to be at a high level.

Profitability increased again: The operating profit increased in the first half year by 12.7% to 6.2 billion euros.

Complexity further reduced: The Allianz Group has already mastered a consolidation process that many competitors still have ahead of them. We have forged the former patchwork of diverse companies into a strong entity. This has placed us in a better and more powerful position. During the first half year, we further simplified our structures:

1. We embarked on the complete takeover of AGF during the first quarter and this process was completed on July 11. This move has simplified our structures and decision-making processes. The processes of agreement with minority shareholders are eliminated and the synergies generated by the Group can be exploited to the full.
2. As you have seen, we have made progress in Germany with the implementation of our new business model to ensure our market leadership. The simplified procedure for appointing staff significantly accelerates the process. At the latest in the second half of September, individual employees will be informed about their new job. In line with our original projections, the process of job placements will have been completed

by the end of the third quarter 2007.

3. Following the merger of RAS in Italy with Allianz in 2006, in February we commenced the integration of Italian Allianz activities. This involves the three Italian companies RAS, Lloyd Adriatico and Allianz Subalpina which will form a single company. The executive managements and the annual general meetings of the three companies have already agreed to this. Approval still has to be granted by the regulatory authority. We expect a decision in September. Work is being carried out in parallel to provide an efficient organization for the new Allianz Italy in areas like logistics, IT, marketing, customer service, etc.

4. In Russia, we achieved a virtually complete takeover of Rosno. We are now ranked the third biggest insurer in one of the world's large growth markets and we are by far the strongest foreign provider. We continued to expand this position during the second quarter when we took over Russian property insurer Progress-Garant.

5. A consistent divestment policy is part of our approach to reducing complexity. Following the large number of sales carried out in 2004 and 2005, we will continue to divest ourselves given that a shareholding no longer matches our strategic direction. During the second quarter, we sold our bancassurance joint venture Hana Life and our stake in Hana Financial Group in South Korea as well as insurer Adriatica de Seguros in Venezuela.

I now come to the "+One". This relates to the diverse measures across our organization that are geared to enhancing our competitiveness in order to grow profitably over the long-term.

Studies have shown that 80 percent of company revenue growth depends on two factors: growth in a company's competitive markets and acquisitions.

Only 20 percent of overall growth is achieved through shifts in market share. This means:

1. In mature markets, the focus must be on defending market share.
2. In fast-growing markets, market share has to be boosted through acquisitions and/or greenfield operations.
3. Finally, profitable growth above market growth must be achieved through higher competitiveness, which leads to an increase in market share.

If we review the growth data for Allianz in each business segment and market, a

picture emerges that shows marked differences in growth curves. This is most obvious in the development of customer numbers. In recent years, Allianz has boosted its customer base dramatically from 60 million to nearly 75 million. The trend is called “go east”. This increase comes particularly from new markets such as India. The price of that is lower average premiums. However, the growth potential is considerably greater because business grows with the economy. Following this strategy, we can significantly improve the Group’s growth prospects while at the same time increasing profitability.

The Allianz Group is now among the top five providers in 26 markets worldwide. This includes positions among the top five in 16 fast-growing markets. We achieved this position at an early stage through M&A activities and greenfield developments. Overall, we enjoy a highly diversified competitive position in our established markets and in growth regions.

We intend to further develop this position by becoming even more competitive. A range of +One measures is geared to this objective with the ultimate aim of making Allianz the most trusted company in the financial services sector.

I would now like to highlight these measures:

Key word: Customer Focus

Our broad customer base provides a unique source of feedback that we exploit proactively. We regularly obtain customers’ opinions – currently we are talking to 100,000 customers each month – and we are making them the cornerstone of our improvements. Since the start of last year, we have extended implementation of the Customer Focus Initiative to 37 countries, representing 90% of our gross premiums written. We then measure the success of our activities on the basis of customer loyalty. The key factor here is if a customer is willing to recommend us. We use a specific indicator to assess this – the Net Promoter Score. This is one element in the remuneration package for our management. Initial results in Italy and at Fireman’s Fund indicate an increase in customer satisfaction and premium volume.

In industrial business, we have created the Key Account Manager during the process of realigning Allianz Global Corporate and Specialty as the central contact for major industrial companies. This Key Account Manager ensures that the optimum product and solution mix is available to his customers from the diverse range available within the Allianz Group. The upgrade in the S&P rating to AA has strengthened the leading position of AGCS among international industrial insurers.

Key word: Innovative product development to address climate change and demography

As a financial group operating worldwide, we have to identify social, economic and technical developments at an early stage, in order to be in a position to offer our customers appropriate solutions. Apart from special socioeconomic or regional features, changes in environmental factors also exert a long-term effect on our business.

We regard ourselves as an early-warning system for developments of this nature. Minimizing risks is not simply in the interests of our business, we believe it is part of our responsibility to the community. The needs of our customers are changing continuously and form a starting point for our product development.

I would like to present you with three examples in this context:

1.) In the USA, Fireman's Fund is the first and only insurer to offer Green Building Coverage – special insurance coverage for commercial buildings with a “green” certificate. The buildings have been issued with a certificate from the Leadership in Energy & Environmental Design Program and they are granted reductions in premium because the risks are lower here. This rewards the use of ecological and environment-friendly materials and energy-saving electrical equipment.

2.) The grandchildren's EnkelPolice provides comprehensive insurance cover and provision for grandchildren, children, godchildren, nieces and nephews from birth to at least the age of 18. The grandchildren's policy provides protection against the consequences of accident and health and creates an attractive financial cushion. A unit-linked annuity insurance builds up an attractive nest egg for later in life.

3.) In October of last year, we launched a cross-border limited edition of the index-linked insurance policy in six markets across Central and Eastern Europe. This product meets the requirements of many customers for their long-term provision. The Index Policy offers a 100-percent capital and interest guarantee, as well as additional opportunities for returns through participation in rising equity markets.

I would now like to address again the topic of growth from the Group's perspective as well as the flat development in the life insurance business. Ignoring Germany and the USA for a moment, our Life Insurance business is growing at a rate of around 10

percent. The overall growth data for the individual markets will reveal how good the result is by comparison with the competition.

In the USA, we see that the downward trend has come to a halt. Dr. Perlet will discuss this in more detail. In Germany we're again expecting a marked surge in the life insurance business during the second half of the year.

The aim of the Allianz Group is not simply to meet our customers' needs on the basis of products and solutions. As I explained earlier with reference to our product innovations, we are increasingly focusing in distribution on the cooperation between insurance, asset management and banking.

In Germany, we have further developed our sales structure with the assistance of the Bank Agency format. In recent days the 100th bank agency was opened and many agents have expressed an interest in pursuing this route. We are now following this test scenario closely in order to assess it in context. At the same time, we are making every effort to support our sales organization. I am very pleased to note the efficiency and commitment demonstrated by Dresdner Bank, Allianz's German insurance companies and our agents in their work together at all levels.

The good results generated in the past quarter and half year are primarily due to 3+One. We have again improved our performance and extended our competitive position. Finally, the latest rating upgrade by Standard&Poor's to AA has acknowledged the successes we have achieved. I was particularly gratified by this independent confirmation of our good work.

I would now like to hand over to Dr. Perlet, who will explain the figures for the second quarter in detail.

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