

Reports to the General Meeting

1. Information Regarding Section 6 Paragraph 2 Sentence 1 and Paragraph 3 Sentence 1 of the Statutes of the Future Allianz SE (Appointment of the First Supervisory Board of Allianz SE and the Substitute Members of the Shareholder Representatives)

Pursuant to Section 6 paragraph 1 of the statutes of the future Allianz SE, the Supervisory Board of the future Allianz SE shall be comprised of 12 members (six shareholder representatives and six employee representatives). The members of the first Supervisory Board may be appointed by the statutes (Art. 40 paragraph 2 sentence 2 of the Council Regulation (EC) No. 2157/2001 (SE-Regulation)). This possibility is used by Section 6 paragraph 2 Sentence 1 of the statutes of Allianz SE which nominates the six shareholder representatives for the Supervisory Board. In Section 6 paragraph 3 sentence 1 of the statutes of the future Allianz SE, two substitute members of the shareholder representatives will be appointed. The employee representatives will be appointed after the completion of the procedure regarding the involvement of the employees in the future Allianz SE pursuant to the Council Directive 2001/86/EC (SE-Employee Involvement Directive).

For information purposes for our shareholders, we provide the following information regarding the six shareholder representatives and their respective substitute members:

Disclaimer

This is a translation of the respective part of the Invitation and Agenda to the Extraordinary General Meeting of Allianz AG. Only the German version of this document is legally binding on Allianz AG. Every effort was made to ensure the accuracy of this translation, which is provided to shareholders for informational purposes only. No warranty is made as to the accuracy of this translation and Allianz AG assumes no liability with respect thereto.

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

Personal Data:

Date of birth: 14. 9. 1948
Place of birth: Goettingen, Germany
Marital status: married, 2 children



Education:

- Studies of Law at the University of Goettingen
- 1st and 2nd State Examination in Law
- Graduation as Dr. jur.

Work Experience:

- 1976–1981 Shell AG, Hamburg – counsel in the Legal Department
- 1981–1984 Shell, London – Business Development Manager for Eastern Europe
- 1984–1986 Shell AG, Hamburg – Head of Lubricant and Fuel Trading Business, Germany
- 1986–1987 Strategic Planning (New Technologies/Diversification)
- 1987–1988 Marketing Erdgas (natural gasoline), Germany
- 1988–1989 Head of Distribution for Aviation and Public Authorities Business
- 1989–1992 Shell, Lisbon – General Manager Portugal
- 1992–1995 Shell, London – Area Coordinator Africa/Coordinator Coal Business Southern Hemisphere
- 1995–1996 Shell, Paris – Member of the Board of Management (Vorstand) of Shell France, responsible for Downstream
- 1996–1998 VEBA OEL AG, Gelsenkirchen – Member of the Board of Management, responsible for Marketing & Distribution, Downstream Overall (from 1. 1. 1998)
- 1998–2002 Stinnes AG, Mülheim an der Ruhr – Chairman of the Board of Management; VEBA AG, Duesseldorf – Member of the Board of Management until 6/2000
- since 1. 5. 2003 E.ON AG, Duesseldorf – Chairman of the Board of Management

Membership in other statutory Supervisory Boards in Germany:

- Allianz AG
- METRO AG
- RAG AG (chairman)
- E.ON Energie AG (group mandate, chairman)
- E.ON Ruhrgas AG (group mandate, chairman)

Membership in Comparable Supervisory Bodies:

- E.ON Nordic AB (group mandate, chairman)
- E.ON US Investments Corp. (group mandate, chairman)
- E.ON UK Limited (group mandate, chairman)
- E.ON Sverige AB (group mandate, chairman)

Dr. Gerhard Cromme, Essen,

Chairman of the Supervisory Board of ThyssenKrupp AG



Personal Data:

Date of birth: 25.2.1943
 Place of birth: Vechta, Germany
 Marital status: married, 4 children

Education:

- Studies of Law and Economics at the Universities of Muenster, Lausanne, Paris and Harvard (PMD)
- 1st and 2nd State Examination in Law
- Graduation as Dr. jur.

Work Experience:

- 1971–1986 Compagnie de Saint-Gobain, last position as Deputy General representative of Compagnie de Saint-Gobain for the Federal Republic of Germany
 at the same time: VEGLA/Vereinigte Glaswerke GmbH, Aix-la-Chapelle (Aachen) Chairman of the Management
- Ab 1986 Krupp-Group
- 1986–1989 Krupp Stahl AG, Bochum – Chairman of the Board of Management
- 1989–1999 Fried. Krupp AG Hoesch-Krupp, Essen/Dortmund
 Chairman of the Board of Management
- 1999–2001 ThyssenKrupp AG – Chairman of the Board of Management
- since 1.10.2001 ThyssenKrupp AG – Chairman of the Supervisory Board

Membership in other statutory Supervisory Boards in Germany:

- Allianz AG
- Axel Springer AG
- Deutsche Lufthansa AG
- E.ON AG
- Hochtief AG
- Siemens AG
- ThyssenKrupp AG (Chairman)
- Volkswagen AG

Membership in Comparable Supervisory Bodies:

- BNP PARIBAS S.A.
- Compagnie de Saint-Gobain
- Suez S.A.

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



Personal Data:

Date of birth: 1.7.1946
Place of birth: Salzburg, Austria
Marital status: married

Education:

- University of Innsbruck, Dr. jur
- European Institute for Business Administration (INSEAD), MBA

Work Experience:

- 1971–1973 ICME Consulting, Zurich
- 1973–1981 Schering Plough Corporation – inter alia General Manager Ecuador, Great Britain, Portugal
- 1981–1995 Glaxo Holdings plc – inter alia Area Manager Southern Europe, head of Marketing Development and Product Licensing, last position as Chief Operating Director
- since 1995 F. Hoffmann-La Roche AG – member of the Board of Directors Roche Holding AG, Basle, and head of the Pharmaceutical Division
- 1996 F. Hoffmann-La Roche AG – Chief Operating Officer
- 1998 Roche Holding AG – Chief Executive Officer
- 2001 Roche Holding AG – Chairman of the Board of Directors and Chief Executive Officer

Membership in other statutory Supervisory Boards in Germany:

- Allianz AG
- Hoffmann-La Roche AG (group mandate, chairman)
- Roche Deutschland Holding GmbH (group mandate, chairman)
- Roche Diagnostics GmbH (group mandate, chairman)

Membership in Comparable Supervisory Bodies:

- Chugai Pharmaceutical Co. Ltd., Tokyo (group mandate)
- DIAGEO PLC, London
- Roche Holding AG, Basel (group mandate, chairman)

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

Personal Data:

Date of birth: 17. 7. 1952
Place of birth: Frankfurt am Main, Germany

Education:

- Studies of Economics, Communication Sciences and Sociology in Mainz and Munich
- Degree (Diplom) in Economics
- 1985 graduation as Dr. rer. pol. in Munich



Work Experience:

- from 1977 Researcher at Institut für Demoskopie Allensbach
- from 1980 Project leader, inter alia, for the marketing research areas
Financial Services, Energy and New Technologies
- 1988 Joining the management of Institut für Demoskopie Allensbach
- Frequent publications in the Frankfurter Allgemeine Zeitung

Membership in other statutory Supervisory Boards in Germany:

- Allianz AG
- BASF AG
- Infineon Technologies AG
- MAN AG

Igor Landau, Paris,
Member of the Board of Directors of Sanofi-Aventis S.A.

Personal Data:

Date of birth: 13.7.1944
Place of birth: Saint-Flour (Cantal), France
Marital status: married, 1 child

Education:

- Degree at HEC (École des Hautes Études Commerciales)
- MBA, INSEAD Fontainebleau



Work Experience:

- 1968–1970 Roneo GmbH Frankfurt – General Manager
- 1971–1975 McKinsey & Co. – Consultant
- 1975–1981 Rhône-Poulenc – Deputy to the President of the Health Division
- 1981–1992 Rhône-Poulenc – President of the Health Division,
from 1986 on member of the Executive Committee
- 1992–2000 Rhône-Poulenc – Directeur Générale (CEO) and member of
the Board of Directors
- 2000–2002 Aventis S.A. – member of the Board of Management of Aventis S.A.
- 2002–2004 Aventis S.A. – Chairman of the Board of Management of Aventis S.A.

Membership in other statutory Supervisory Boards in Germany:

- adidas-Salomon AG
- Allianz AG
- Dresdner Bank AG

Membership in Comparable Supervisory Bodies:

- H.S.B.C. France
- Essilor S.A.
- Sanofi-Aventis S.A.
- Thomson (until 31.12.2005)

Dr. Henning Schulte-Noelle, Munich,
Chairman of the Supervisory Board of Allianz AG



Personal Data:

Date of birth: 26. 8. 1942
Place of birth: Essen, Germany

Education:

- Studies of Law and Business Administration at the Universities of Tuebingen, Bonn, Cologne, Edinburgh and Pennsylvania
- 1st and 2nd State Examination in Law
- Graduation as Dr. jur.
- Master of Business Administration at Wharton School, University of Pennsylvania

Work Experience:

- 1974 Attorney-at-law in the law firm Eckholt, Westrick and Partners, Frankfurt
- 1975 Joined Allianz Group, positions in administration and sales
- 1979–1983 Head of Chairman's office at the head office in Munich
- 1984–1987 Head of Management of the Branch Office for North-Rhine-Westphalia, Cologne
- 1988 Appointed to the Boards of Management of Allianz Versicherungs-AG and Allianz Lebensversicherungs-AG
- 1991 Appointed Chairman of the Board of Management of Allianz Lebensversicherungs-AG and member of the Board of Management of Allianz AG Holding
- 1. 10. 1991–29. 4. 2003 Chairman of the Board of Management of Allianz AG
- since 29. 4. 2003 Chairman of the Supervisory Board of Allianz AG

Membership in other statutory Supervisory Boards in Germany:

- Allianz AG
- E.ON AG
- Siemens AG
- ThyssenKrupp AG

Substitute Members

Dr. Albrecht E. H. Schäfer, Munich,
Corporate Vice President Siemens AG,
Director Corporate Personnel World



Personal Data:

Date of birth: 3.8.1948
Place of birth: Buckenhof, Germany
Marital status: married, 2 children

Education:

- 1967–1976 Studies of Law at the Universities of Erlangen-Nürnberg, Hamburg (Dr. jur.) and University of Georgia, Athens, Ga. USA (LL.M)
- 1st and 2nd State Examination in Law

Work Experience:

- 1976 Joining the legal department of Siemens AG
- 1983–1987 Head of the legal and tax department of Siemens S.A., Sao Paolo, Brazil
- 1987–1992 Legal and tax department of Siemens AG
- 1992–2004 General counsel of Siemens AG
- since 2004 Head of the division Corporate Personnel World, Siemens AG

No further Memberships

Dr. Jürgen Than, Hofheim a.Ts.,
Attorney at-law,
former General Counsel of Dresdner Bank AG

Personal Data:

Date of birth: 25.7.1941
Place of birth: Chemnitz, Germany
Marital status: married

Education:

- A-Level (Abitur)
- Apprenticeship at a bank
- Studies of Law
- Graduation as Dr. jur.

Work Experience:

- 1972–1992 In-house Counsel of Dresdner Bank AG
- 1992–1997 Deputy General Counsel of Dresdner Bank AG
- 1997–2004 General counsel of Dresdner Bank AG

Membership in other statutory Supervisory Boards in Germany:

- CSC Ploenzke AG (Chairman)
- KarstadtQuelle AG



2. Report on Agenda Item 3 (Creation of an Authorized Capital 2006/I of Allianz AG) and, at the Same Time, on Section 2 Paragraph 3 of the Statutes of the Future Allianz SE (Authorized Capital 2006/I)

On item 1 of the Agenda, the Administration recommends that the merger plan dated December 16, 2005 between Allianz Aktiengesellschaft and RIUNIONE ADRIATICA DI SICURTÀ Società per Azioni, Milan, Italy, be adopted. As a consequence of this merger, Allianz AG will adopt the legal form of a European Company (Societas Europaea), SE. Being an integral part of the merger plan, the requested approval under item 1 of the Agenda also extends to the statutes of the future Allianz SE.

Section 2 paragraph 3 of the statutes of the future Allianz SE provides for an Authorized Capital 2006/I with an aggregate nominal amount of up to EUR 450,000,000 against contributions in cash and/or kind. This Authorized Capital 2006/I at Allianz SE functionally replaces the existing Authorized Capital 2004/I at Allianz AG which consisted originally of an amount of EUR 450,000,000 and after being partially utilized now consists of an amount of EUR 424,100,864. Through the new Authorized Capital 2006/I, in economic terms, the status as of the General Meeting of May 5, 2004, will be achieved again.

In addition, to ensure a synchronization between the Authorized Capitals of Allianz AG and Allianz SE, the proposal of the management under item 3 of the Agenda provides that Allianz AG creates an Authorized

Capital 2006/I and that the Authorized Capital 2004/I shall be cancelled. This Authorized Capital 2006/I to be created by Allianz AG corresponds to the Authorized Capital 2006/I pursuant to Section 2 paragraph 3 of the statutes of Allianz SE which have been proposed in the context of the merger. In order to ensure a synchronization of the Authorized Capital 2006/I of Allianz AG and Allianz SE, Section 2 paragraph 3 of the statutes of Allianz SE provides that the Authorized Capital 2006/I shall comprise in its maximum the amount still existing pursuant to Section 2 paragraph 3 Articles of Association of Allianz AG at the time the merger of RIUNIONE ADRIATICA DI SICURTÀ Società per Azioni into Allianz Aktiengesellschaft has become effective.

The Authorized Capital 2006/I is proposed because both Allianz SE resp. Allianz AG have to be, at any time, in a position to act in a quick and flexible manner for the benefit of their shareholders according to changing market conditions. The Board of Management therefore believes that it is its duty to ensure that the Company always has the required instruments to raise capital, regardless of any current and precise plans for utilization. In most cases, the tight time-frame for decisions regarding capital needs does not allow the Company to be dependent on the cycle of the annual General Meetings. The instrument of "authorized capital" has therefore been created by law to address this issue. The most common purposes for authorized capital are strengthening a company's equity basis and financing acquisitions.

If shares are issued pursuant to the Authorized Capital 2006/I against cash contributions, shareholders generally have subscription rights.

However, upon the approval of the Supervisory Board, it should be possible to exclude shareholders' subscription rights in the case of a capital increase against contributions in cash when the issue price is not substantially lower than the market price, as provided for by Section 186 paragraph 3 sentence 4 of the German Stock Corporation Act. This authorization enables the Company to take advantage, in a quick and flexible manner, of market opportunities in the various areas of its business activities and to meet capital needs on very short notice when necessary. By excluding subscription rights, the Company is given the ability to quickly respond and to place shares at a price close to the market price, i.e. without the discounts usually necessary in connection with the issuance of subscription rights. As a result, the Company benefits from higher proceeds. Furthermore, new investor groups may be attracted by such issuances. When utilizing this authorization, the Board of Management will fix the discount as low as possible in light of the market conditions existing at the time of the placement, and in no event in excess of 5% of the then prevailing market price when utilizing the Authorized Capital 2006/I. Furthermore, pursuant to Section 186 paragraph 3 sentence 4 of the German Stock Corporation Act, the number of shares issued without subscription rights may not exceed 10% of the existing share capital, neither at the

time of this authorization becoming effective, nor at the time of its exercise. The sale of treasury stock will be counted towards this limitation if the sale occurs during the term of this authorization or the authorization of Allianz SE, respectively, and if subscription rights are excluded pursuant to Section 186 paragraph 3 sentence 4 of the German Stock Corporation Act. In addition, shares issued or required to be issued with respect to bonds carrying conversion or option rights or conversion obligations will also count towards this limit, if the bonds are issued during the term of this authorization or the authorization for Allianz SE, respectively, under exclusion of subscription rights in corresponding application to Section 186 paragraph 3 sentence 4 of the German Stock Corporation Act. These requirements ensure compliance with the legal provisions governing the protection of shareholders against dilution. Each shareholder has, in principle, the opportunity to acquire via the stock exchange the shares necessary to avoid dilution on substantially similar terms, given that the issue price of the new shares is close to the market price and the size of the placement without subscription rights is restricted. This ensures that the economic and voting rights of shareholders are adequately protected when shares are issued from the Authorized Capital 2006/I under exclusion of subscription rights in accordance with the principles provided in Section 186 paragraph 3 sentence 4 of the German Stock Corporation Act, while granting the Company flexibility for the benefit of all of its shareholders.

Furthermore, it shall be possible to exclude shareholders' subscription rights to the extent this is necessary to grant subscription rights to shares to holders of bonds already issued or to be issued in the future that carry conversion and/or option rights, if the terms and conditions of these bonds provide for such subscription rights. Instead of a reduction in the option or conversion price, such bonds usually provide for protection against dilution by granting bond holders subscription rights in subsequent share issuances, in the same manner as shareholders are entitled to subscription rights. Such holders are thus placed in the same position as if they had already exercised their option or conversion rights or a conversion obligation had been fulfilled. Compared to a protection against dilution through reduction of the option or conversion price, this has the advantage that the Company can realize a higher issue price for the shares to be issued in connection with the exercise of a conversion or option right.

Furthermore, the Board of Management shall be authorized, upon the approval of the Supervisory Board, to exclude shareholders' subscription rights with respect to fractional amounts. This enables the Company to increase the share capital in round numbers. The technical handling of an issuance will be facilitated by such authorization. The fractional shares excluded from the subscription rights will be sold in a way most efficient for the Company.

Also, an authorization to exclude shareholders' subscription rights shall be given in the case of a capital increase against contributions in kind. This authorization enables the Board of Management to deliver shares of the Company, as appropriate in the individual cases, in connection with the acquisition of companies or interests in companies, or other assets. In negotiations, there may be situations in which consideration is to be required in the form of shares rather than in cash. This option will increase the company's competitive position with respect to potential acquisition targets and increase its flexibility to take advantage of opportunities to acquire companies, interests in companies or other assets while maintaining its liquidity levels. Using shares as acquisition currency can also be advantageous when optimizing the financing structure. The recommended authorization is not disadvantageous to the Company as the issuance of shares against contributions in kind is only permissible if such contributions in kind represent a fair value compared to the delivered shares.

The Board of Management shall further be authorized to issue shares using the Authorized Capital 2006/1, instead of providing cash settlement, to satisfy in part or in whole securitized or non-securitized monetary claims against the Company. The Company is thus granted additional flexibility to settle such cash claims by the issuance of shares even in instances where it had initially agreed to pay in cash (e. g., for an acquisition target).

Moreover, under the Authorized Capital 2006/I, it shall be possible – under the exclusion of shareholders' subscription rights – to issue shares for the settlement of bonds carrying conversion or option rights originally issued not against contributions in cash but against contributions in kind. This creates the possibility to also use bonds carrying conversion and option rights as acquisition currency in connection with the acquisition of companies, interests in companies, or other assets and therefore also increases the Company's competitive position with respect to attractive acquisition targets.

The Board of Management will carefully analyze in each case whether to exclude shareholders' subscription rights when raising capital pursuant to this authorization. This option will only be used if, following the assessment of the Board of Management and the Supervisory Board, it is deemed to be in the best interest of the Company, and, therefore, of its shareholders.

The Board of Management will report on the use of the authorization at each General Meeting following such use.

3. Report on Agenda Item 4 (Creation of an Authorized Capital 2006/II of Allianz AG) and, at the Same Time, on Section 2 Paragraph 4 of the Statutes of the Future Allianz SE (Authorized Capital 2006/II)

On item 1 of the Agenda the Administration recommends that the merger plan dated December 16, 2005 between Allianz Aktien-

gesellschaft and RIUNIONE ADRIATICA DI SICURTÀ Società per Azioni, Milan, Italy, be adopted. As a consequence of this merger, Allianz AG will adopt the legal form of a European Company (Europäische Gesellschaft or Societas Europaea), SE. Being an integral part of the merger plan, the requested approval under item 1 of the Agenda also extends to the statutes of the future Allianz SE.

Section 2 paragraph 4 of the statutes of the future Allianz SE provides for an Authorized Capital 2006/II against contributions in cash with an aggregate nominal amount of up to EUR 15,000,000 to issue shares to employees. In its function, the Authorized Capital 2006/II at Allianz SE replaces the existing Authorized Capital 2004/II at Allianz AG which consisted originally of an amount of EUR 10,000,000 and, after being partially utilized, now consists of an amount of EUR 4,356,736.

To also ensure a synchronization of the Authorized Capitals of Allianz AG and Allianz SE, the management proposal under item 4 of the Agenda provides that Allianz AG creates an Authorized Capital 2006/II and that the Authorized Capital 2004/II shall be cancelled. This Authorized Capital 2006/II, to be created by Allianz AG, conforms to the Authorized Capital 2006/II pursuant to Section 2 paragraph 4 of the statutes of Allianz SE which have been proposed in the context of the merger. In order to ensure a synchronization of the Authorized Capital 2006/II of Allianz AG

and Allianz SE, Section 2 paragraph 4 of the statutes of Allianz SE provides that the Authorized Capital 2006/II constitutes in its maximum the amount still existing pursuant to Section 2 paragraph 4 of the Articles of Association of Allianz AG at the time of the effectiveness of the merger of RIUNIONE ADRIATICA DI SICURTÀ Società per Azioni into Allianz Aktiengesellschaft.

The proposed authorization is intended to enable the Company to offer treasury shares to the employees of Allianz AG resp. Allianz SE or its Group companies at preferential conditions without having to purchase those shares on the stock exchange.

Offering shares to employees is in the best interest of the Company and its shareholders, because it enhances employee identification with the Company and encourages them to take responsibility for the Company. Under the German Stock Corporation Act, shares required for this purpose may be issued from authorized capital. In order to have sufficient authorized capital for the issuance of stock to employees over the next several years, this authorized capital shall be dimensioned with an amount of EUR 15,000,000. The scope of this authorization has been determined by taking into account the number of employees entitled to participate, the expected subscription results, and the term of the authorization. To be able to offer shares from authorized capital to employees, it is necessary to

exclude shareholders' subscription rights. At the moment, it is not possible to state the issuance price, because neither the date nor the amount of the respective use of the Authorized Capital has been fixed. Shares sold to employees may be offered with customary discounts. Furthermore, the Board of Management may exclude fractional amounts from shareholders' subscription rights, upon the approval of the Supervisory Board, to facilitate the implementation of this capital increase. Employee shares that are not subscribed will be sold over the stock exchange.

4. Report on Agenda Item 5 (Authorization to Issue Bonds Carrying Conversion or Option Rights)

The Board of Management is currently authorized by a resolution of the General Meeting dated May 5, 2004 regarding item 7 of the agenda, to issue by May 4, 2009, bonds carrying conversion or option rights for registered shares in the Company, once or several times, upon approval by the Supervisory Board. Accordingly, bonds carrying conversion and/or option rights (together hereinafter "bonds") can be issued up to a nominal value of EUR 10,000,000,000, with or without a defined period, and be equipped with conversion or option rights for shares in the Company in a proportionate share of the share capital of up to EUR 250,000,000. Under certain circumstances the Board of Management shall be authorized to exclude subscription rights, upon the approval of the Supervisory Board.

To date, the Board of Management has made partial use of this authorization and issued a bond carrying conversion rights in the amount of EUR 1,400,000,000. In order to, in the future, be able to issue in an adequate amount bonds carrying conversion and/or option rights with respect to Allianz SE (the authorization granted to Allianz AG continues to be effective after the effectiveness of the change of legal form in favor of Allianz SE), the management proposes to the General Meeting to approve a new authorization and a new conditional capital for the issuance of bonds carrying conversion and/or option rights. The currently existing authorization to issue bonds – as far as not yet utilized – shall be cancelled. The Conditional Capital 2004 created for the existing authorization shall be reduced accordingly.

We believe that setting the maximum issuance volume at EUR 10,000,000,000 would be useful in exploiting the spectrum of capital markets instruments that securitize conversion or option rights. The conditional capital, in order to meet the obligations arising from the exercise of conversion and option rights, shall be EUR 250,000,000. This increase ensures that the scope of this authorization can be utilized in full. The number of shares required to settle the obligations arising from the exercise of option or conversion rights of a bond with a certain issuance volume generally depends on the market price of the Allianz share at the time the bond is issued. If sufficient

conditional capital is available, the scope of authorization for issuing bonds carrying conversion or option rights can be exploited in full.

The proposed extent of the issuance volume and of the conditional capital has the effect that the status resolved upon by the General Meeting on May 5, 2004 will be achieved on an economic level again.

Adequate equipment with capital is an important prerequisite for the Company's development. By issuing bonds carrying conversion or option rights, the Company can make use of attractive financing opportunities, depending on the market situation, to obtain low-interest capital. The Company benefits from the conversion or option premium. Some hybrid financings can only be placed if option or conversion rights can be granted.

Shareholders will generally be given subscription rights when bonds carrying conversion or option rights are issued.

The Board of Management shall, however, upon an issuance against cash contributions, be authorized in corresponding application of Section 186 paragraph 3 sentence 4 of the German Stock Corporation Act to exclude these subscription rights, upon approval of the Supervisory Board, if the issue price of the bonds is not substantially lower than their market value. This can be a suitable way to take advantage of favorable stock

market conditions and to place bonds quickly and flexibly at attractive conditions on the market. The stock markets have become much more volatile. Achieving the most beneficial outcome possible from an issue therefore depends increasingly on the ability to respond to market developments on short notice. Favorable terms that correspond as much as possible to market conditions can generally only be secured if the Company is not tied to them for too long an offer period. In the case of issuances with subscription rights, a considerable discount is generally required to guarantee the attractiveness of the terms and thus the chance of the issue being successful over the entire offer period. Even though Section 186 paragraph 2 of the German Stock Corporation Act now allows the subscription price to be published (and, as such, the terms and conditions of bonds carrying conversion or option rights) up to the third day before the end of the subscription period, there still exists, due to the volatility of the equity markets, a market risk over several days leading to discounts when determining the terms and conditions of the bond and, hence, resulting in terms that are not close to market conditions. Furthermore, when subscription rights are granted, an alternative placement with third parties is more difficult or entails additional efforts, given the uncertainty surrounding the exercise (subscription behavior). After all, the Company cannot react to changes in market conditions on short notice when granting subscription rights, given the dura-

tion of the subscription period. This could lead to the Company procuring capital on unfavorable terms.

Shareholders' interests are protected by the bonds being issued on terms that are not substantially lower than the market value. The market value must be determined using recognized finance-mathematical methods. For this purpose, the opinion of an experienced investment bank or audit firm must be obtained. When determining the price, the Board of Management will take into consideration the then prevailing conditions on the capital markets and keep the discount on the market value as low as possible. This would result in the computed value of the subscription rights being close to zero, thus, ensuring that the shareholders will not suffer any material economic disadvantages from the exclusion of subscription rights. Moreover, shareholders can maintain their share of the share capital of the Company through purchases on virtually the same terms and conditions via the stock exchange. This ensures reasonable protection of their economic interests. The authorization to exclude subscription rights as provided for in Section 186 paragraph 3 sentence 4 of the German Stock Corporation Act only applies to bonds with rights to shares that account for a proportionate share of the share capital of not more than 10%, neither at the time of this authorization becoming effective, nor at the time of its exercise. The sale of treasury stock must be counted towards this limit if

it occurs during the term of this authorization under exclusion of subscription rights in accordance with Section 186 paragraph 3 sentence 4 of the German Stock Corporation Act. In addition, shares issued from Authorized Capital under exclusion of subscription rights in accordance with Section 186 paragraph 3 sentence 4 of the German Stock Corporation Act during the term of this authorization must be counted towards this limit. These provisions serve the interest of shareholders by minimizing the dilution of their investment as much as possible.

Moreover, the Board of Management shall be authorized, upon the approval of the Supervisory Board, to exclude subscription rights with respect to fractional amounts. Such fractional amounts can be the result of the amount of the relevant issuing volume and the need to fix a practicable exchange ratio. In such cases, excluding subscription rights simplifies the execution of the capital increase.

Furthermore, the Board of Management shall be given the authority to exclude, upon the approval of the Supervisory Board, the subscription rights of the shareholders in order to grant the holders of conversion or option rights or the holders of mandatory convertible bonds the same subscription rights which they would be entitled to if they were to exercise their conversion or option rights, or following fulfillment of a conversion obligation, as

applicable. Instead of lowering the option or conversion price, this ensures that holders of option or conversion rights already existing at this point in time can be offered subscription rights as dilution protection. Equipping bonds with such a dilution protection is standard market practice.

Bonds can also be issued against contributions in kind if this is in the interest of the Company. In such cases, the Board of Management shall be authorized to exclude the subscription rights of the shareholders with the approval of the Supervisory Board provided that the value of the contribution in kind is appropriate in relation to the theoretical market value of the bonds as calculated using recognized financial methods. This makes it possible to use bonds in individual cases as acquisition currency, for example when acquiring companies, interests in companies, or other assets. In negotiations, there may be situations in which consideration is to be provided in a form other than cash. This option will increase the Company's competitive position with respect to potential acquisition targets and increase its flexibility to take advantage of opportunities with respect to the acquisition of companies, interests in companies, or other assets, while maintaining its liquidity levels. This can also be advantageous when optimizing the financing structure. The Board of Management will carefully examine each individual case to decide whether to make use of the

authorization to issue bonds with conversion or option rights against contributions in kind under exclusion of subscription rights. It will only do so if such an action is in the interest of the Company and, thus, of its shareholders.

The proposed conditional capital is needed to meet the obligations arising from the conversion or option rights issued with the bonds carrying conversion or option rights or to fulfill conversion obligations on shares of the Company, to the extent that the bonds were issued against cash. Other forms of fulfillment can also be used instead.

The obligations arising from conversion or option rights from bonds issued against contributions in kind cannot, however, be met by using conditional capital. In such cases, the Company must turn either to treasury shares or to an increase of share capital against contributions in kind. For an increase of share capital against contributions in kind, the Authorized Capital 2006/I, as proposed for resolution under item 3 of the agenda, will be available. The claims of the bondholders under the bond would be included as a contribution in kind, whereby the impairment review must also include confirmation of whether the claim is impaired, and that the underlying contribution in kind was appropriate to the issue price.

The Board of Management will report on the extent to which it has made use of the authorization to issue bonds carrying

conversion or option rights at the respective next General Meeting following such issuance.

5. Report on Agenda Item 7 (Authorization for Purchase and for Use of Treasury Shares for Other Purposes)

Item 7 contains the proposal to authorize Allianz AG resp. Allianz SE to repurchase its own shares in an amount of up to 10% of the current share capital. This may be done by the Company itself, by other companies controlled by the Company, or by third parties acting for the account of such companies or the account of the Company in the period through August 7, 2007. The authorization for Allianz AG will continue to be effective after the effectiveness of the change of legal form in favor of Allianz SE.

Pursuant to Section 71 paragraph 1 no. 8 of the German Stock Corporation Act, the shares may also be repurchased and sold in ways other than via a stock exchange. In addition to buying over a stock exchange, Allianz AG resp. Allianz SE should also be given the alternative to acquire treasury shares by means of a public tender offer to the shareholders of the Company. The principle of equal treatment set forth by the German Stock Corporation Act must thereby be observed. In this instance, the shareholders may decide how many shares they wish to tender and, if a price range has been fixed, at what price.

Allianz AG resp. Allianz SE shall also be given the option to offer as consideration shares of a listed company within the

meaning of Section 3 paragraph 2 of the German Stock Corporation Act. Pursuant to this provision, a company is deemed to be a listed company if its shares are admitted to trading on a market which is regulated and supervised by state-recognized authorities, has regular trading and is directly or indirectly accessible to the general public. Thus, this provision allows the Company more flexibility than it would have if it were restricted to cash offers. At the same time, the Company would obtain the opportunity to dispose of its shareholdings. Correspondingly, shareholders could exchange all or part of their shares in Allianz for shares in other companies.

If, in case of a public tender offer or a public exchange offer, the number of tendered shares exceeds the number of shares which was intended to be purchased, the purchase shall not take place in the ratio of the participation but in the ratio of the tendered shares. This serves the simplification of the allocation process. A preferred consideration from up to 100 tendered shares per shareholder can be provided for (minimum allocation).

Treasury shares acquired within the scope of this authorization may be used for any lawful purposes, including the following:

The shares can be sold in ways other than through a stock exchange for cash under exclusion of subscription rights. As a prerequisite, these shares must be sold at a price that is at the time of the sale not substantially below the market price of shares

of the Company. This authorization makes use of the eased exclusion of subscription rights provided for by Section 71 paragraph 1 no. 8 in corresponding application of Section 186 paragraph 3 sentence 4 of the German Stock Corporation Act. As shares may be sold only at a price not substantially below the applicable market price, shareholders are duly protected against dilution. The final sales price of the Company's treasury shares will be determined shortly before the sale. The Board of Management will set any potential discount on the shares' market price as low as possible, taking into account market conditions prevailing at the time of placement. The discount on the market price will in no event exceed 5% of the current stock market price at the time of the exercise. This authorization is, however, restricted pursuant to Section 186 paragraph 3 sentence 4 of the German Stock Corporation Act to the extent that the total number of shares issued under exclusion of subscription rights shall not exceed 10% of the share capital of the Company, neither at the time when this authorization takes effect nor at the time when it is exercised. In determining this 10%-limit, all shares must be included that are issued from authorized capital during the term of this authorization under exclusion of subscription rights pursuant to Section 186 paragraph 3 sentence 4 of the German Stock Corporation Act. Furthermore, shares issued or required to be issued to meet obligations arising from bonds carrying conversion or option rights or conversion obligations must also be included in determining this 10%-limit, if these bonds were

issued under exclusion of subscription rights during the term of this authorization in corresponding application of Section 186 paragraph 3 sentence 4 of the German Stock Corporation Act. This limitation, and the fact that the sales price must be based on the stock market price, adequately protects the economic interests and voting rights of the shareholders. The shareholders have the option to maintain the percentage of their interest in the Company by buying Allianz shares over the stock exchange. This authorization is in the interest of the Company because it gives it more flexibility. It enables the Company, for example, to sell treasury shares to institutional investors or to target new investor groups.

The disposal of treasury shares may also be made against contributions in kind under exclusion of shareholders' subscription rights. As a result, the Board of Management would be able to offer treasury shares in appropriate cases as consideration for the acquisition of a company, interests in companies, or other assets. In negotiations, there are situations in which it is necessary to provide treasury shares instead of cash as consideration. The ability to offer treasury shares as consideration is advantageous when competing for attractive acquisition targets and increases flexibility when exploiting market opportunities to acquire companies, interests in companies or other assets, while at the same time maintaining its liquidity. This can also be advantageous when optimizing the financing structure. When determining the valuation ratios, the

Board of Management will ensure that the interest of the shareholders are adequately protected and take into account the stock market price of the Allianz share as a basis to assess the value of the shares offered as consideration.

The authorization is also intended to enable the Company to place its own shares for trading on foreign exchanges where it is not yet listed. The listing of Allianz shares on foreign exchanges widens its shareholder base abroad and enhances the attractiveness of its shares as an investment.

Item 5 provides for an authorization of the Board of Management to issue bonds carrying conversion or option rights against contributions in cash or in kind. In order to fulfill the obligations resulting from the bondholders' rights to obtain Allianz shares, it may also be reasonable to use, in part or in whole, treasury shares, rather than have a capital increase. Therefore, this is also contained in the authorization.

The acquired treasury shares may also be offered for sale to the employees of the Company or its Group companies. This may be an economically viable alternative to a capital increase. Offering shares to the employees is in the best interest of the Company and its shareholders, because it enhances employee identification with the Company and encourages them to take responsibility for the Company. For treasury shares to be offered to employees, the

shareholders' subscription rights must be excluded. In determining the price to be paid by the employees, a customary discount on offers of shares to employees may be granted.

Treasury shares may be also used to satisfy obligations to deliver shares arising from the exercise of option rights from the stock option plan set up in 2005 of RIUNIONE ADRIATICA DI SICURTÀ Società per Azioni. RIUNIONE ADRIATICA DI SICURTÀ Società per Azioni is to be merged into Allianz Aktiengesellschaft pursuant to the merger plan dated December 16, 2005. RIUNIONE ADRIATICA DI SICURTÀ Società per Azioni has granted a member of the Board of Directors (Consiglio di Amministrazione) of RIUNIONE ADRIATICA DI SICURTÀ Società per Azioni and executive employees of RIUNIONE ADRIATICA DI SICURTÀ Società per Azioni and its Group companies employed in Italy who are not members of the Board of Directors of RIUNIONE ADRIATICA DI SICURTÀ Società per Azioni option rights to purchase 1,200,000 ordinary shares of RIUNIONE ADRIATICA DI SICURTÀ Società per Azioni (RAS Ordinary Shares). As a result of the resignation of certain beneficiaries under this stock-option plan, the number of purchasable RAS Ordinary Shares was reduced to 953,000. As a result of the merger of RIUNIONE ADRIATICA DI SICURTÀ Società per Azioni into Allianz AG, the stock option plan shall be adapted. The merger plan (see Section 9.2 of the merger plan) states that holders of option rights will receive up to 173,241 shares in Allianz SE

instead of 953,000 RAS Ordinary Shares upon the effectiveness of the merger. The exercise price will be EUR 93.99 per share in Allianz SE. Originally, the issue price amounted to EUR 17.085 per RAS Ordinary Share and corresponded to the average price of the RAS ordinary shares during the month preceding the issuance of the option rights, i.e. December 31, 2004 through January 31, 2005.

The now fixed exercise price per share in Allianz SE amounts to EUR 93.99 and corresponds to the average price per Allianz AG share during the same period of time, i.e. from December 31, 2004 through January 31, 2005. The number of shares in Allianz SE to be granted to the beneficiaries upon exercise of the option rights is calculated by the ratio of the original exercise price for holders of RAS Ordinary Shares to the exercise price per share in Allianz SE. As a result, the beneficiaries will be in the same position as if they had originally been given the right on shares in Allianz SE instead of RAS Ordinary Shares. This was necessary to ensure comparability with the original stock option plan of RIUNIONE ADRIATICA DI SICURTÀ Società per Azioni. The comparability is necessary to ensure certain tax privileges for the beneficiaries. The tax privileges consist of a taxation of share price profits of only 12.5% upon exercise of the option rights and sale of the then granted shares. Therefore, the comparable rights had been formed taking into account the taxation requirements.

Stock options are usual instruments for remuneration of managers and to create certain incentives. The stock options chosen by RIUNIONE ADRIATICA DI SICURTÀ Società per Azioni thereby stay within the timeframe of more than two years for the exercise of the options specified by the German law, and contain, in addition, certain barriers with respect to the business development of the company as well as the share price.

Finally, for the benefit of holders of bonds carrying conversion or option rights or conversion obligations, the authorization allows for the partial exclusion of shareholders' subscription rights in the case of a sale of shares by offering them to the shareholders. This provides the alternative of providing holders of already existing conversion of option rights a subscription right instead of a reduction of the conversion or option price in order to protect them against dilution.

The Company may redeem treasury shares acquired on the basis of this authorization and previous authorizations without obtaining another resolution by the General Meeting. This basically leads to a decrease in the share capital. Alternatively, the Board of Management is authorized to carry out the redemption without changing the share capital pursuant to Section 237 paragraph 3 no. 3 of the German Stock Corporation Act. In this case, the proportionate share in the share capital of the remaining shares

shall be increased pursuant to Section 8 paragraph 3 of the German Stock Corporation Act.

The aforementioned possibilities of utilizing treasury shares do not pertain only to shares purchased on the basis of this authorization, but also to shares acquired (pursuant to Section 71 paragraph 1 no. 8 of the German Stock Corporation Act) on the basis of authorizations granted by previous General Meetings, and shares purchased by Group companies or pursuant to Section 71d sentence 5 of the German Stock Corporation Act.

The Board of Management will report on the use of the Authorization at the next General Meeting.