

3^{+One}

Annual General Meeting of Allianz AG

Allianz 

Implementation of reorganization for the German insurance business

- **April 28, 2006: Agreement of a comprehensive and socially responsible compensation scheme for the implementation of the reorganization**
 - Uniform redundancy program agreed for the whole reorganization
 - All necessary agreements concluded for short-term implementation of target structures in sales and central functions
 - Priority for solutions reached by mutual agreement and no redundancy notices for operational reasons over a specified time limit
- **Next stage: Consultation with Worker's Councils on local structures in the target operating model.**

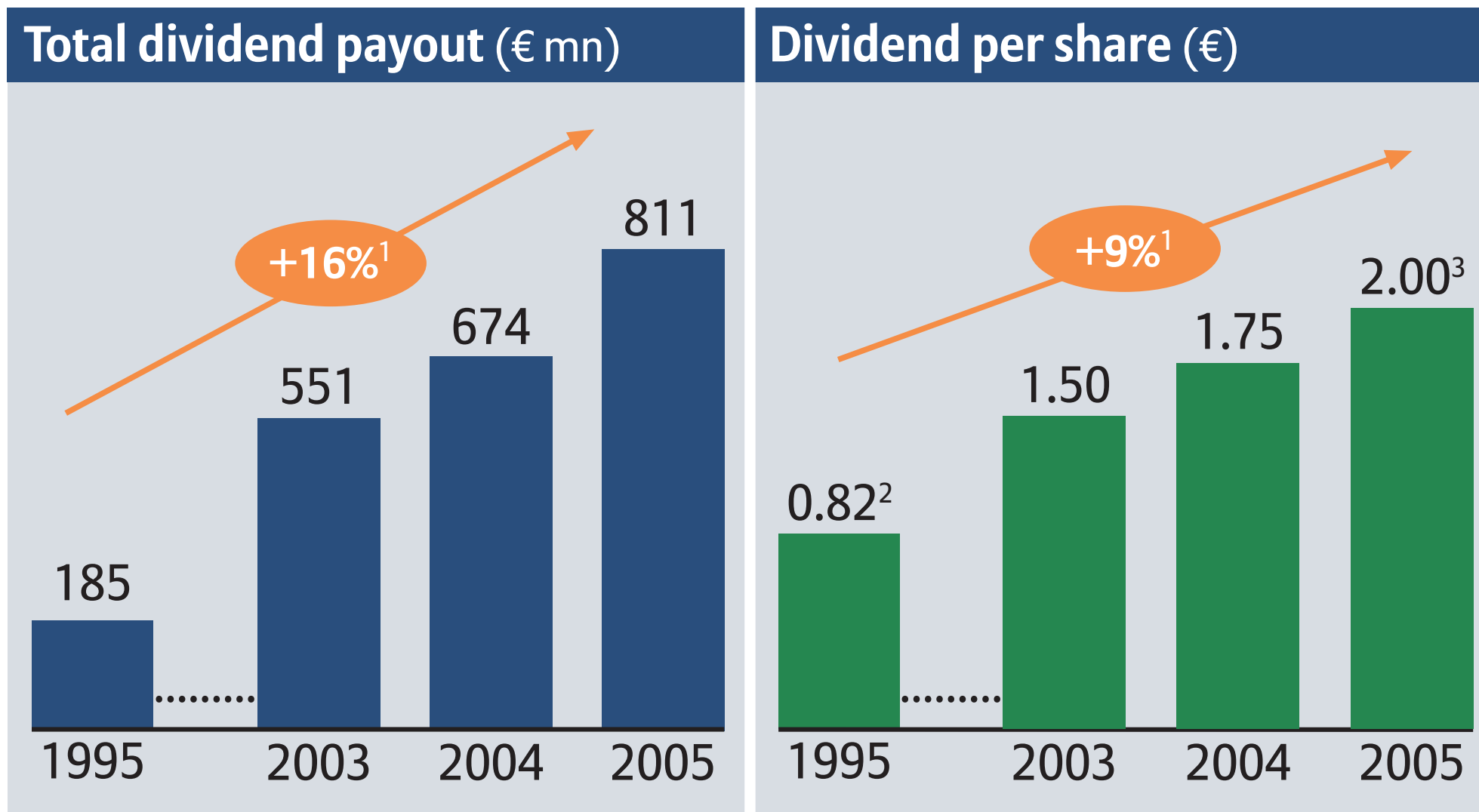
Overview of the Year under Review

€ bn	2004	2005	△ 05/04
▶ Total revenues	96.9	100.9	+4%
▶ Operating profit	6.839	7.743	+13%
▶ Net income	3.352 ¹	4.380	+31%
▶ Earnings per share (in €)	9.16 ¹	11.24	+23%

1) Adjusted for goodwill

▶ **Renewed significant improvement of total revenues and profit**

Dividend proposal







1) CAGR

2) Dividend in cash

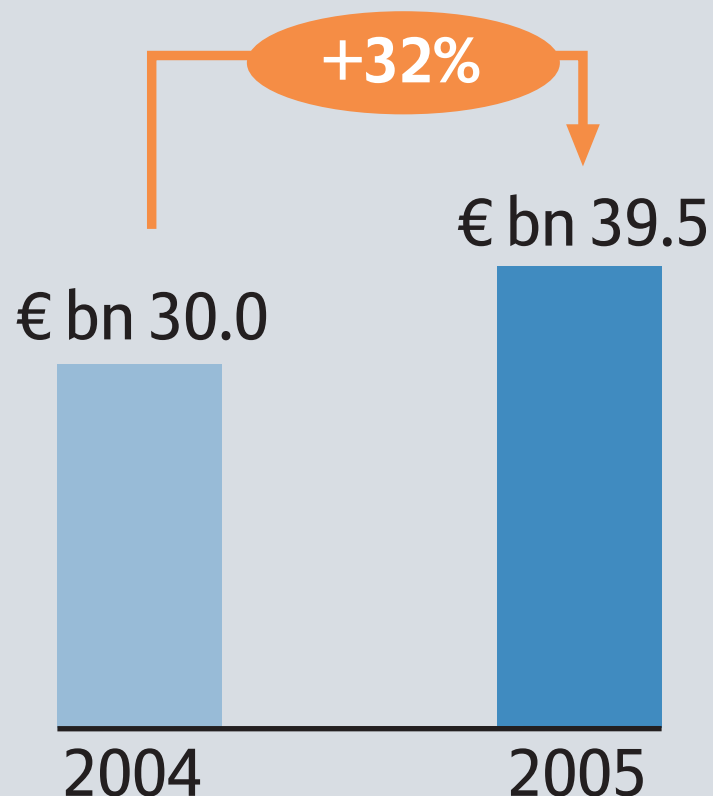
3) Dividend proposal

3+One Program

	Status May 2005
1 Protect and enhance capital base	
2 Substantially strengthen operating profitability	
3 Reduce complexity	
+ One Increase sustainable competitiveness and shareholder value	

1 Capital base significantly strengthened





Shareholders' equity



Changes

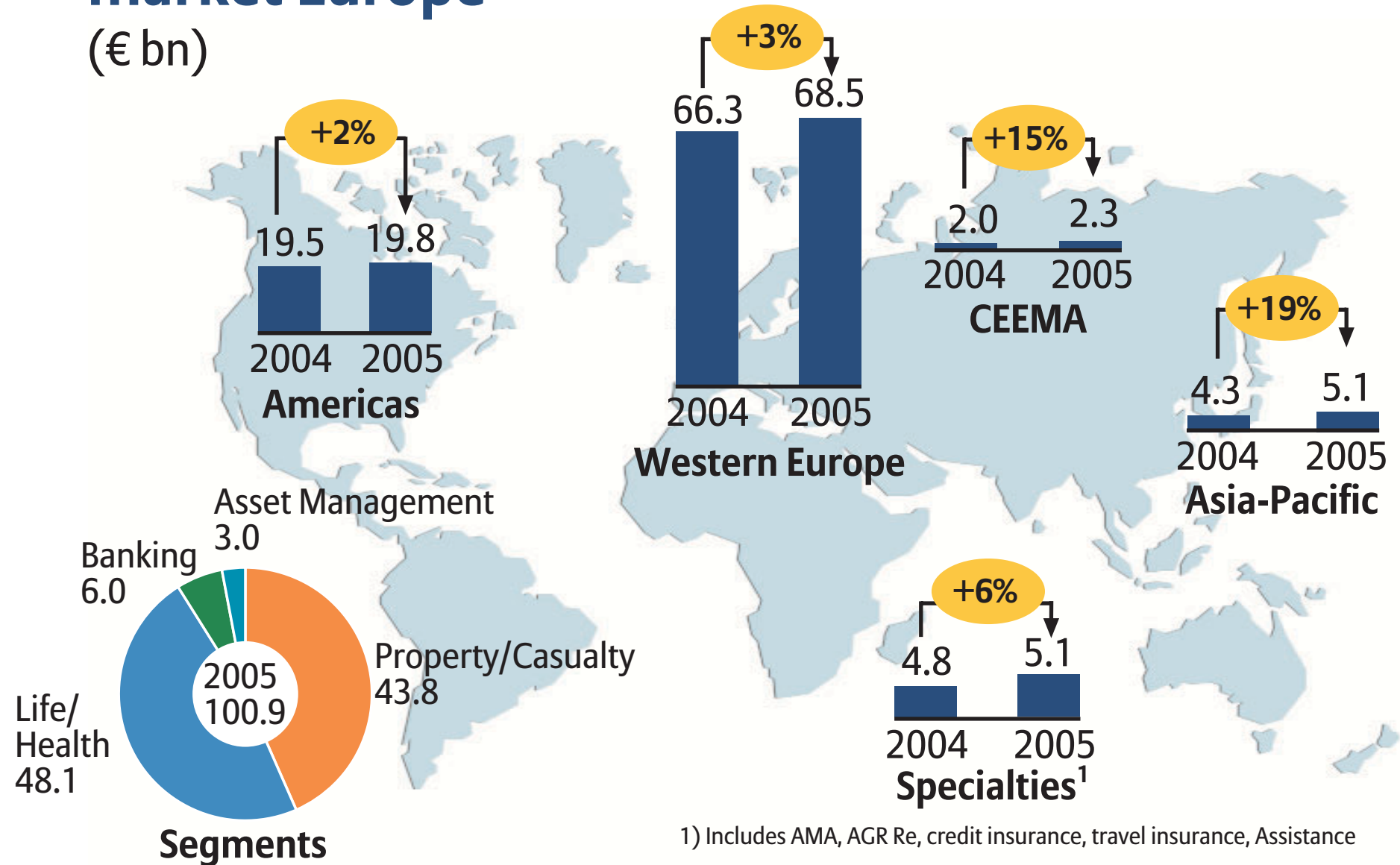
- + Change in unrealized gains/losses, F/X impact: € bn 4.6
- + Net income: € bn 4.4
- + Equity pick-up: € bn 2.5
- Dividend payment: € bn 0.7
- Goodwill: € bn 1.8

3+One Program

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2 Total revenues: strong base in home market Europe

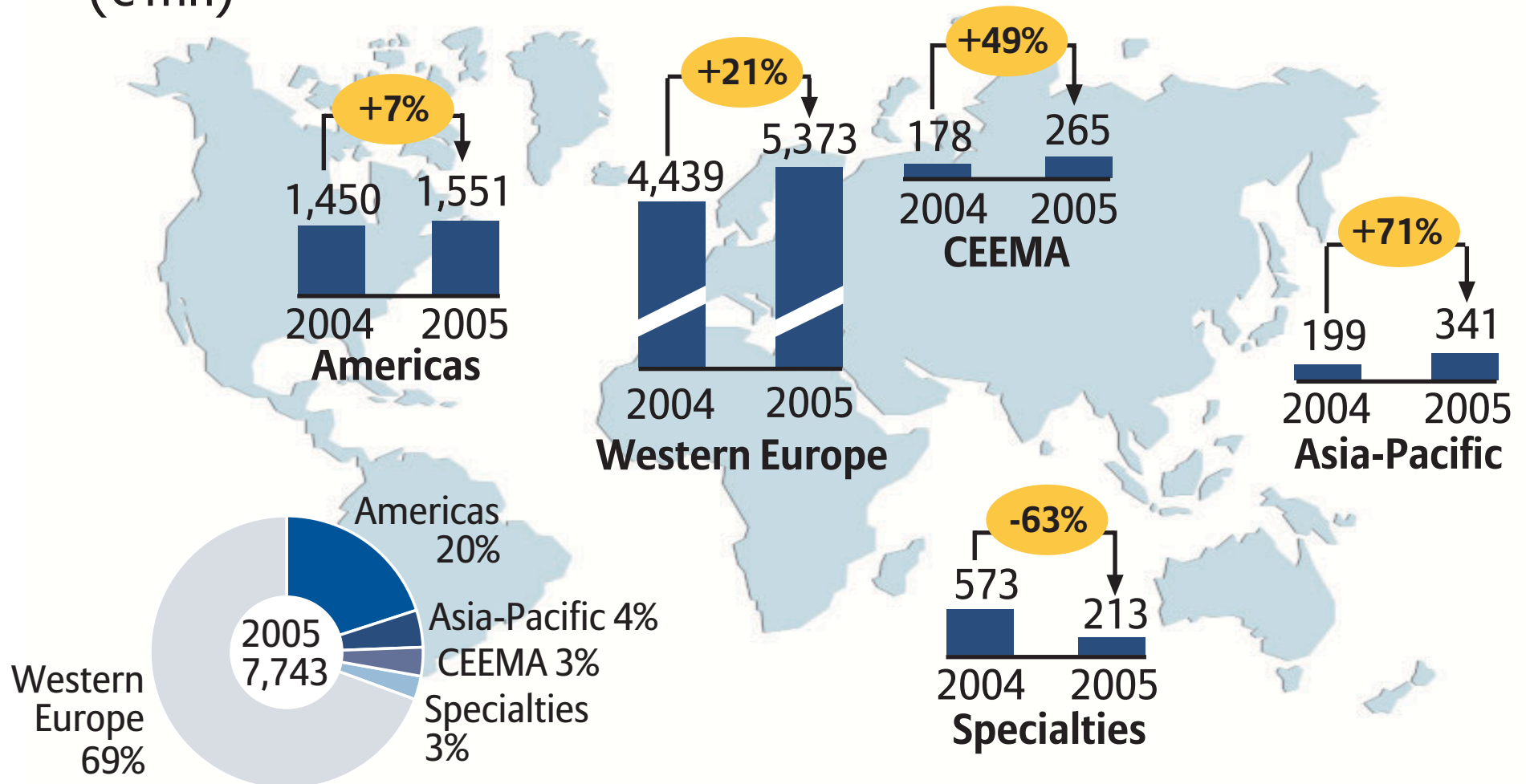
(€ bn)



1) Includes AMA, AGR Re, credit insurance, travel insurance, Assistance

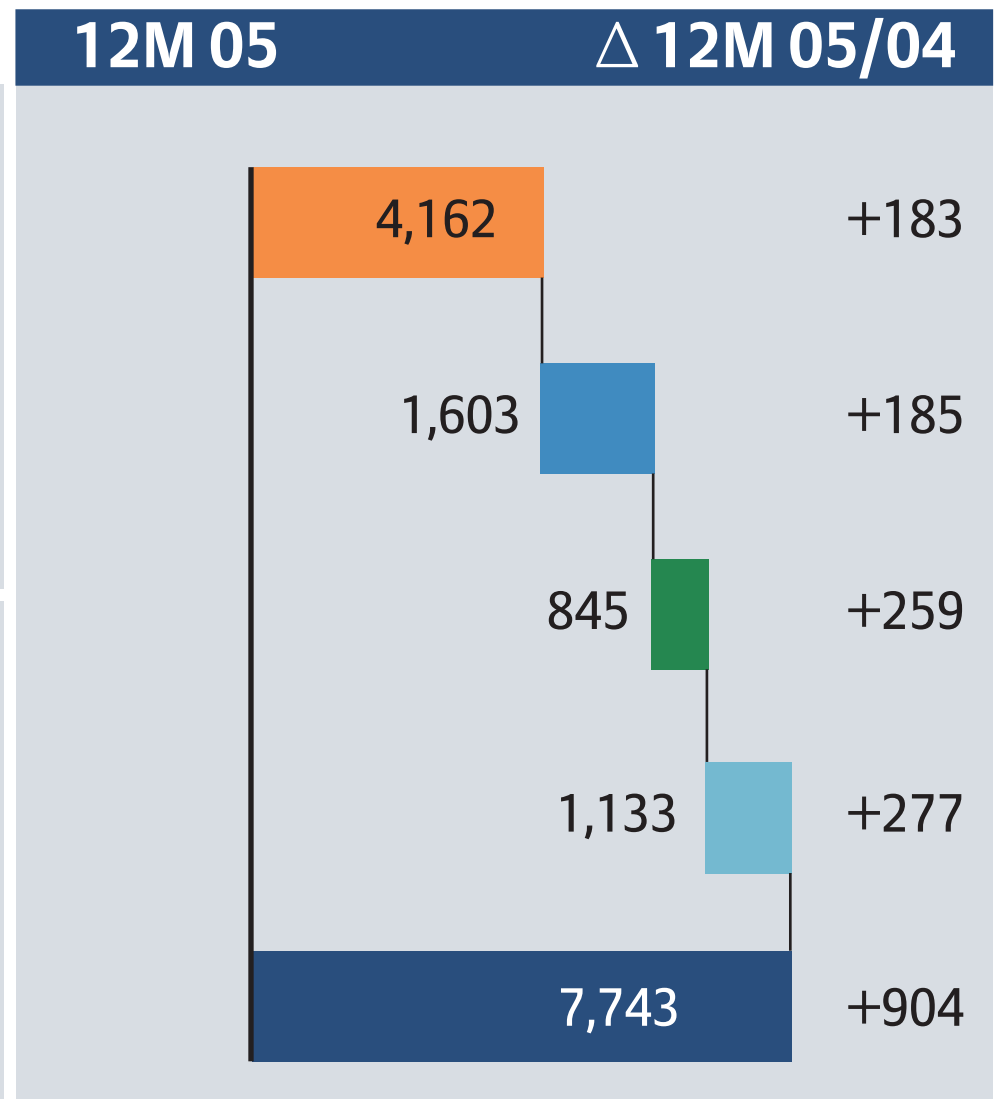
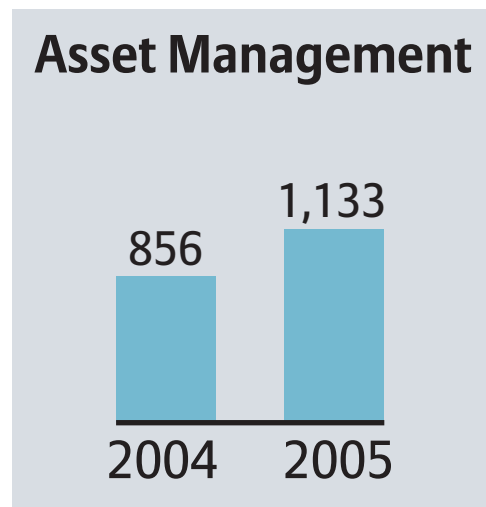
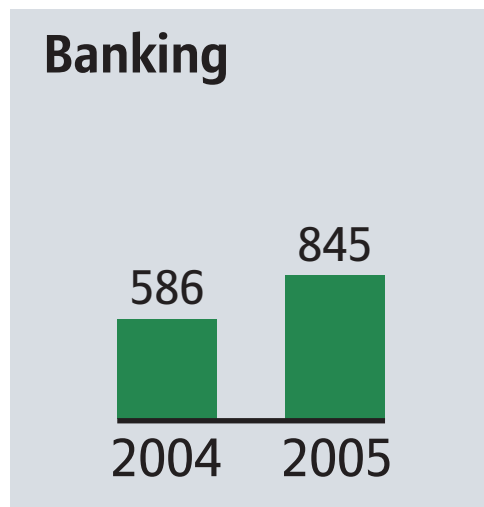
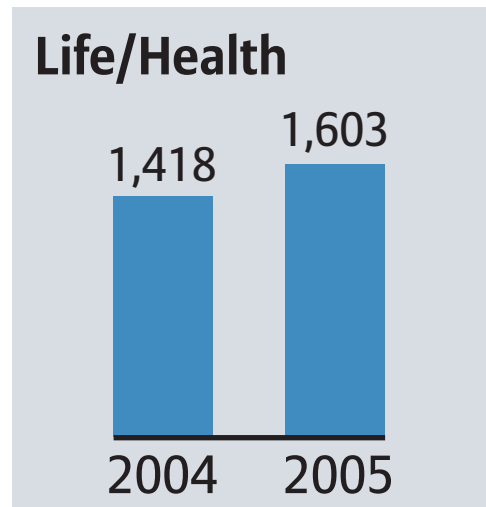
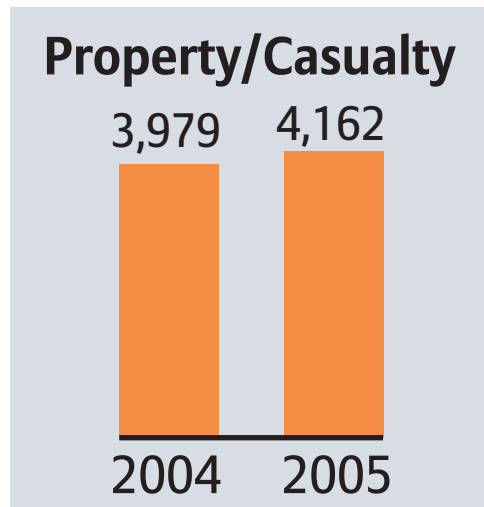
2 Operating profit: significant increase in Europe and growth markets

(€ mn)



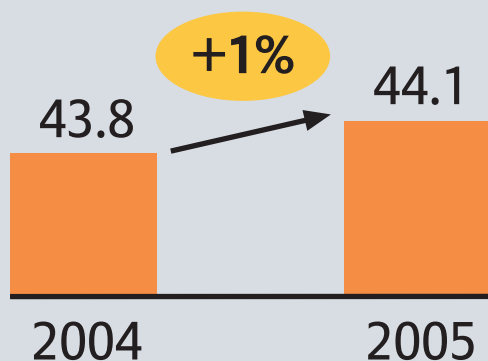
2 Operating profit: all segments improved

(€ mn)

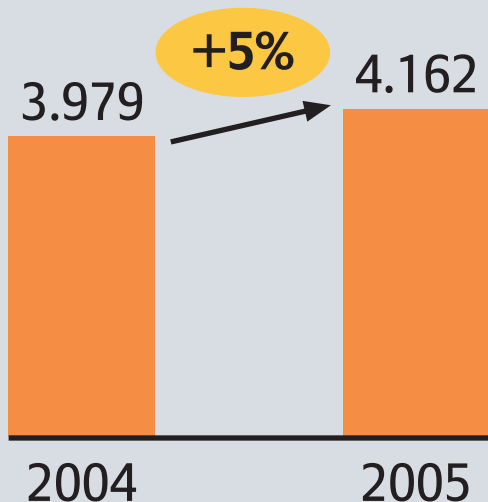


2 Property/Casualty: profits expanded further

Gross premiums (€ bn)



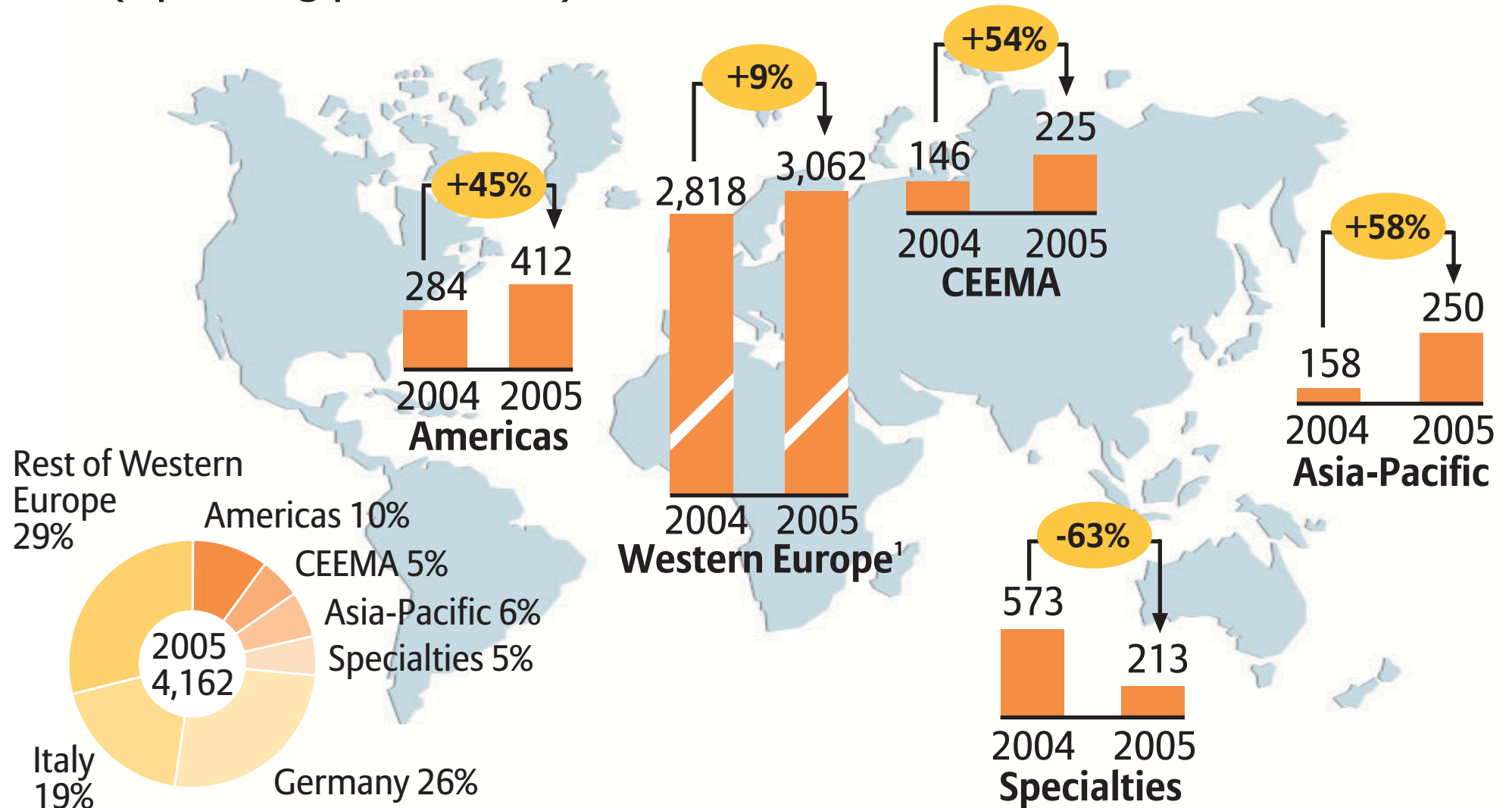
Operating profit (€ bn)



- Internal growth of 2.7% in intensely competitive market environment
- Dynamic profit in all regions
- Combined ratio falls to 92.3% (2004: 92.9%) due to
 - Consistent underwriting policy
 - Cost discipline
- Claims from natural catastrophes amount to € bn 1.1
- Slight increase in net income to € bn 3.5

2 Property/Casualty: dynamic profit in all regions

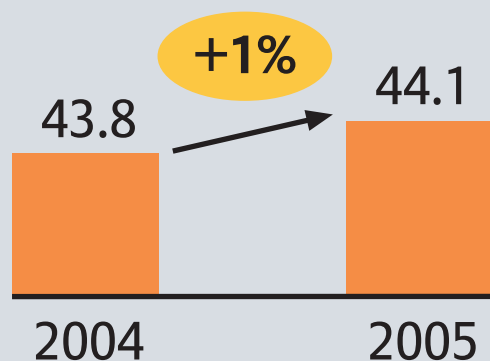
(Operating profit, € mn)



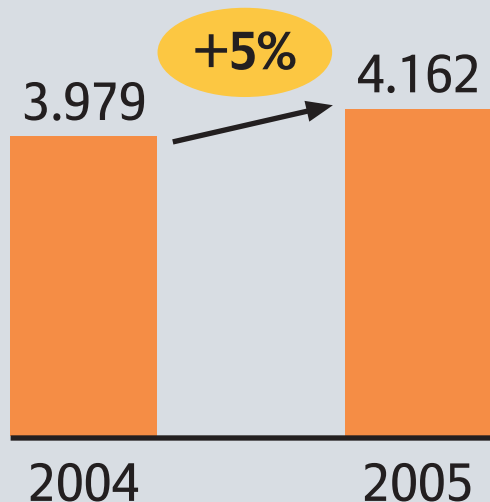
1) Includes Egypt, Ivory Coast, Lebanon and consolidation

2 Property/Casualty: profits expanded further

Gross premiums (€ bn)



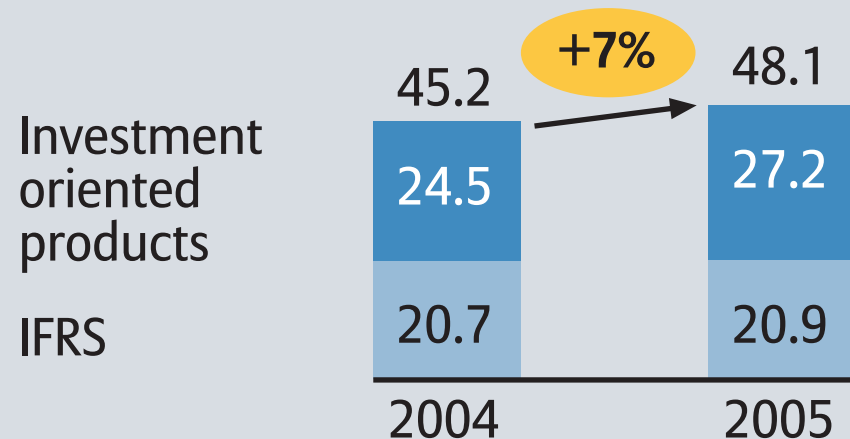
Operating profit (€ bn)



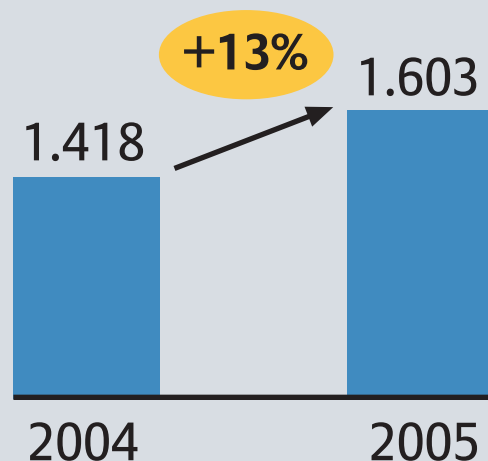
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2 Life/Health: profitable growth

Premium income (€ bn)



Operating profit (€ bn)

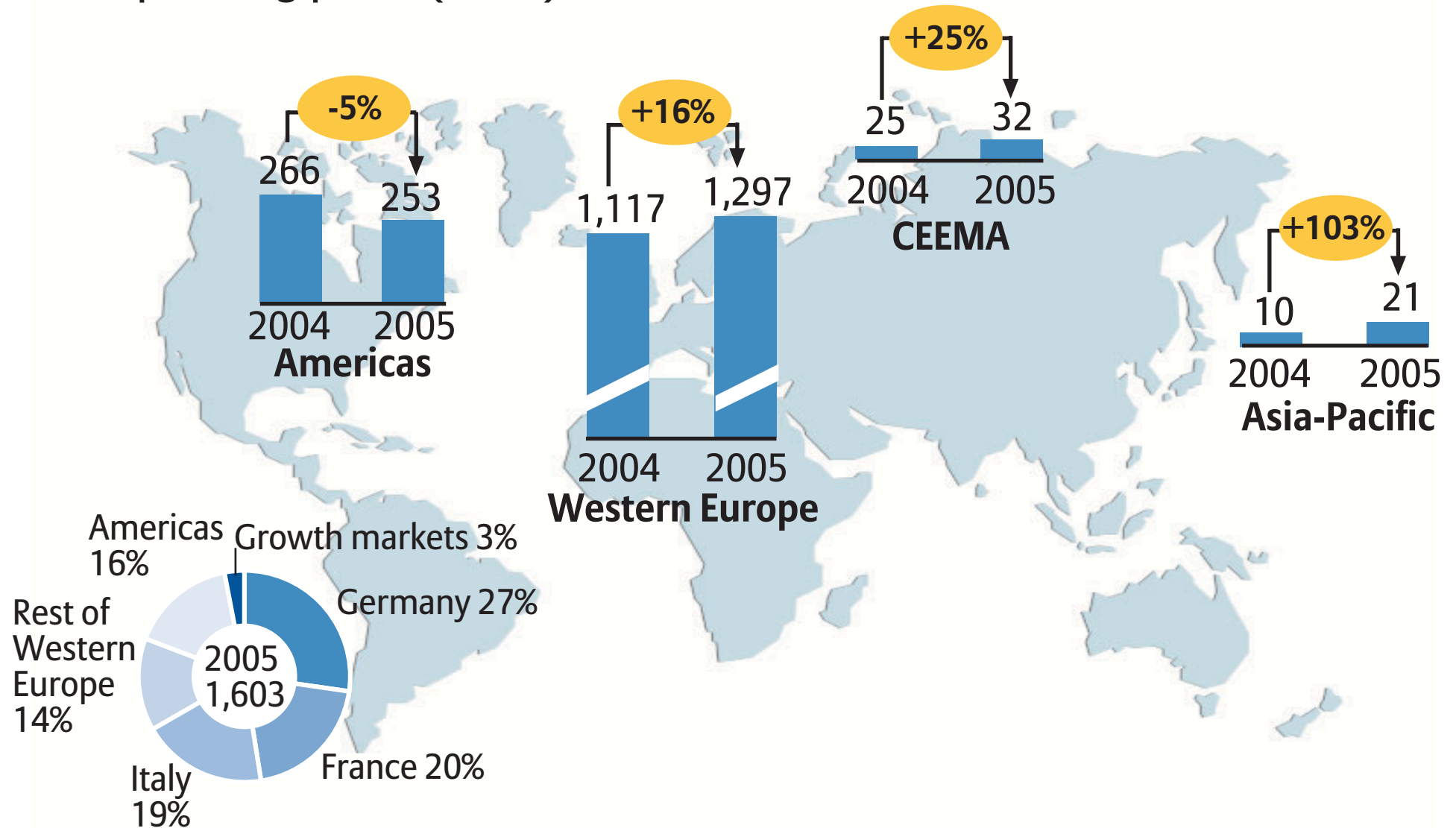


- Significant growth in Europe and growth markets
- New business value continues to improve
- Net income climbs to € bn 1.3 (2004: € bn 1.0)¹
- Europe drives profit growth

1) Adjusted for goodwill

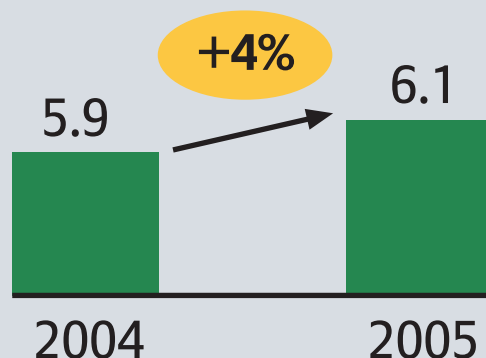
2 Life/Health: Europe drives profit growth

Operating profit (€ mn)

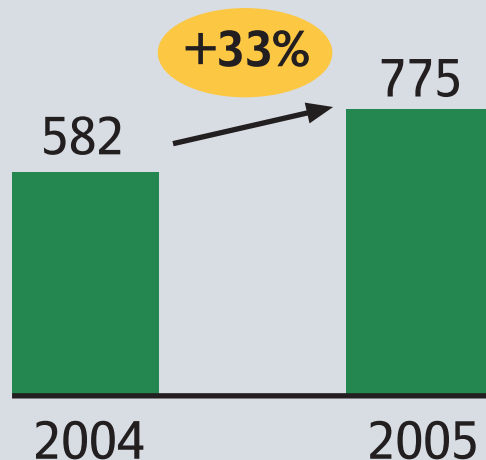


2 Dresdner Bank earns cost of capital

Revenues (strategic business, € bn)



Operating profit (€ mn)



- Growth of strategic business ¹ as planned
- Operating profit significantly increased by
 - Improved loan portfolio
 - Flat cost development
- Net income increases to € bn 1.0² (2004: € mn 408)³

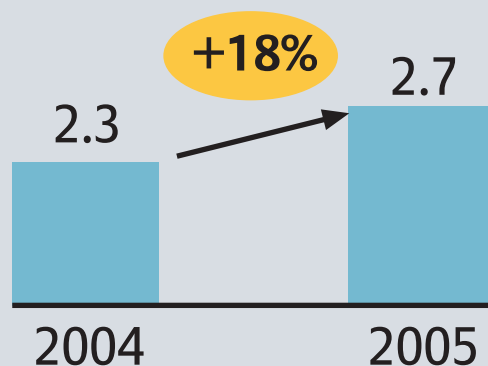
1) Adjusted for IAS 39

2) Incl. unscheduled income from sale of Munich Re shares

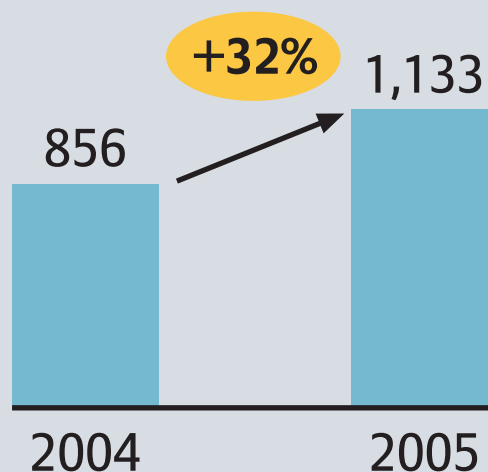
3) Adjusted for goodwill

2 Asset Management – a success story

Revenues (€ bn)



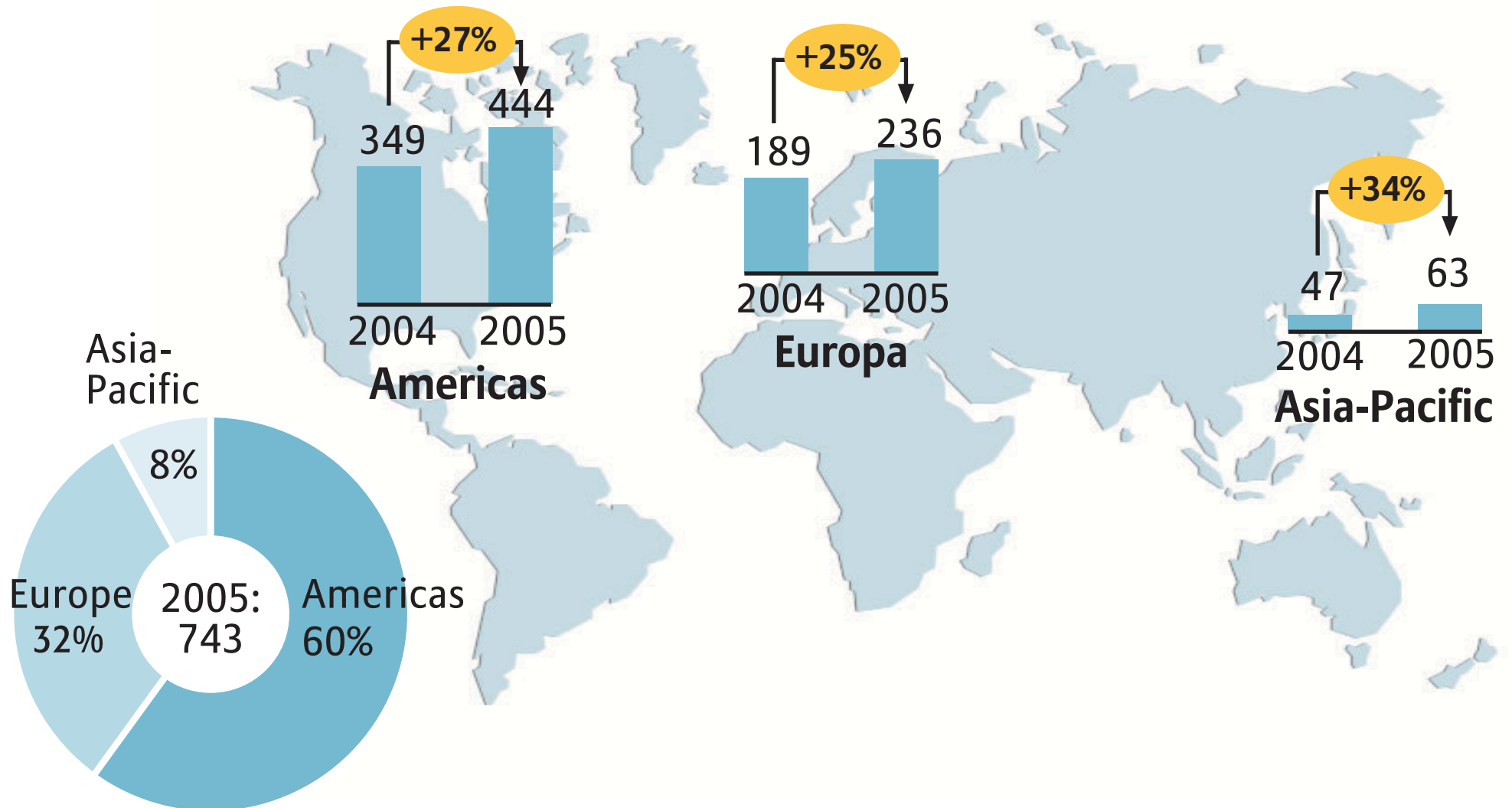
Operating profit (€ mn)







- Growth in revenues/profit through
 - Superior performance
 - Sales strength
- Cost/income ratio at record level of 58.5%
- Net income significantly increased to € mn 237 (2004: € mn -275)
- Assets under management for third parties up by +27% to € bn 743

2 Asset management: growth in all regions

Assets under management for third parties per region (€ bn)

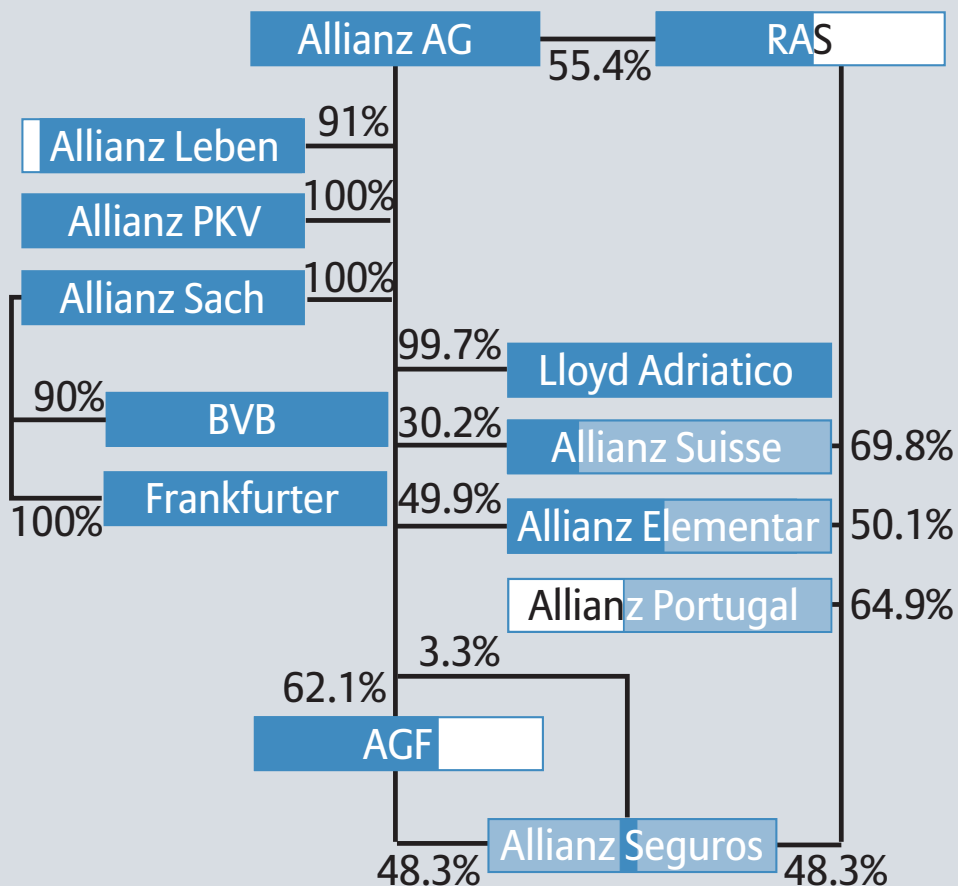


3+One Program

	2005 → 2006
1 Protect and enhance capital base	
2 Substantially strengthen operating profitability	
3 Reduce complexity	
+ One Increase sustainable competitiveness and shareholder value	

3 Complexity reduced

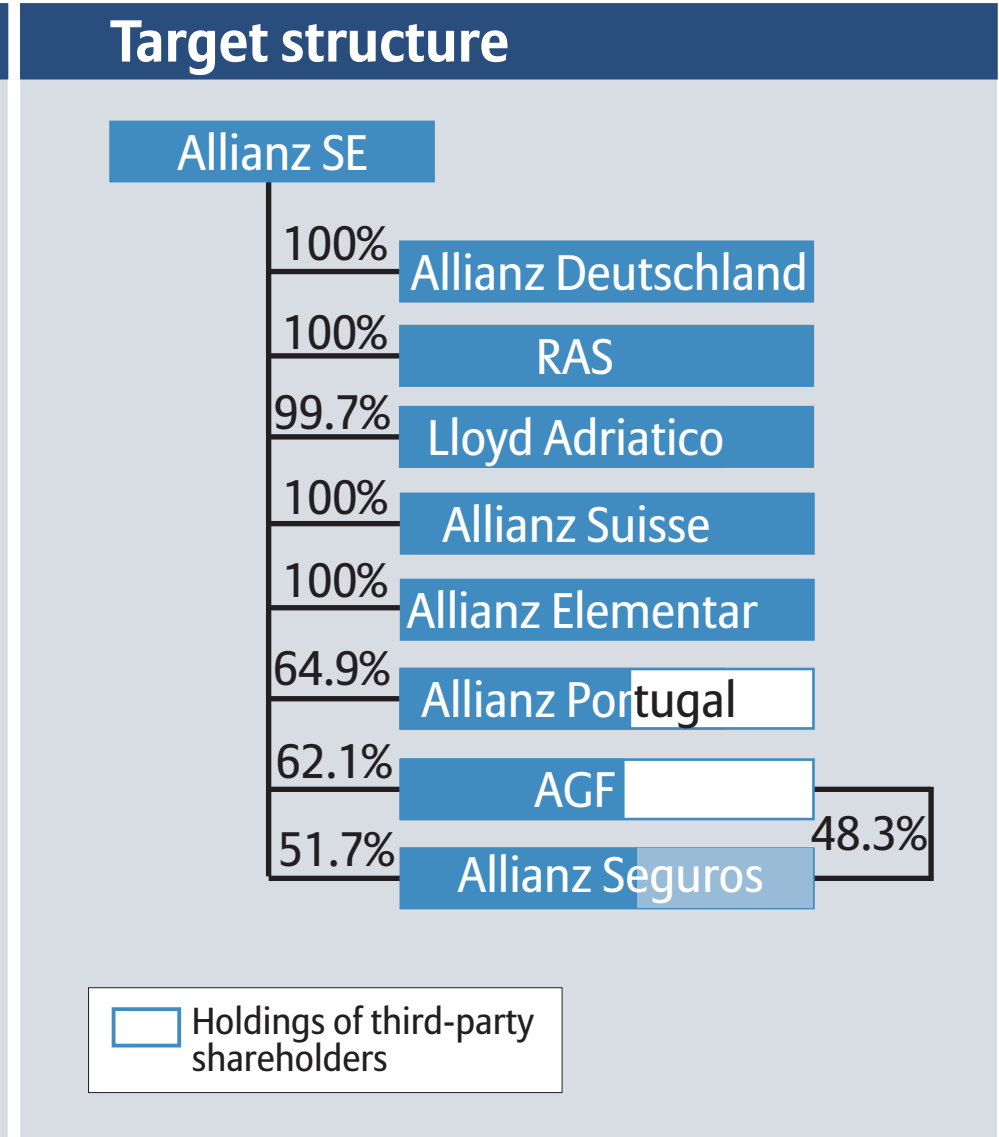
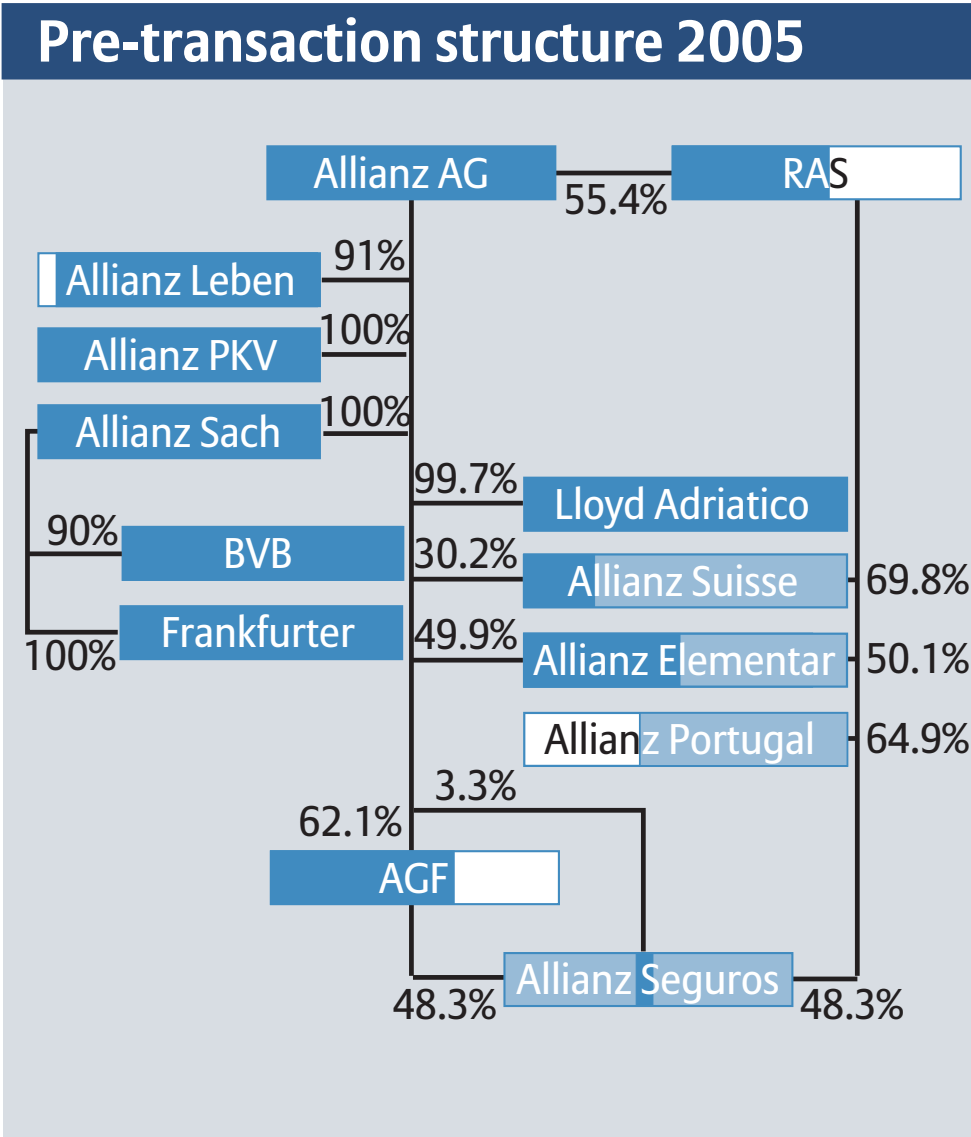
Pre-transaction structure 2005







Action plan

- Reorganization of German insurance business
- Merger RAS/Allianz AG
- Realignment of European Group activities
- Adaptation of organizational structure
- Internationalization of executive bodies

3 Complexity reduced

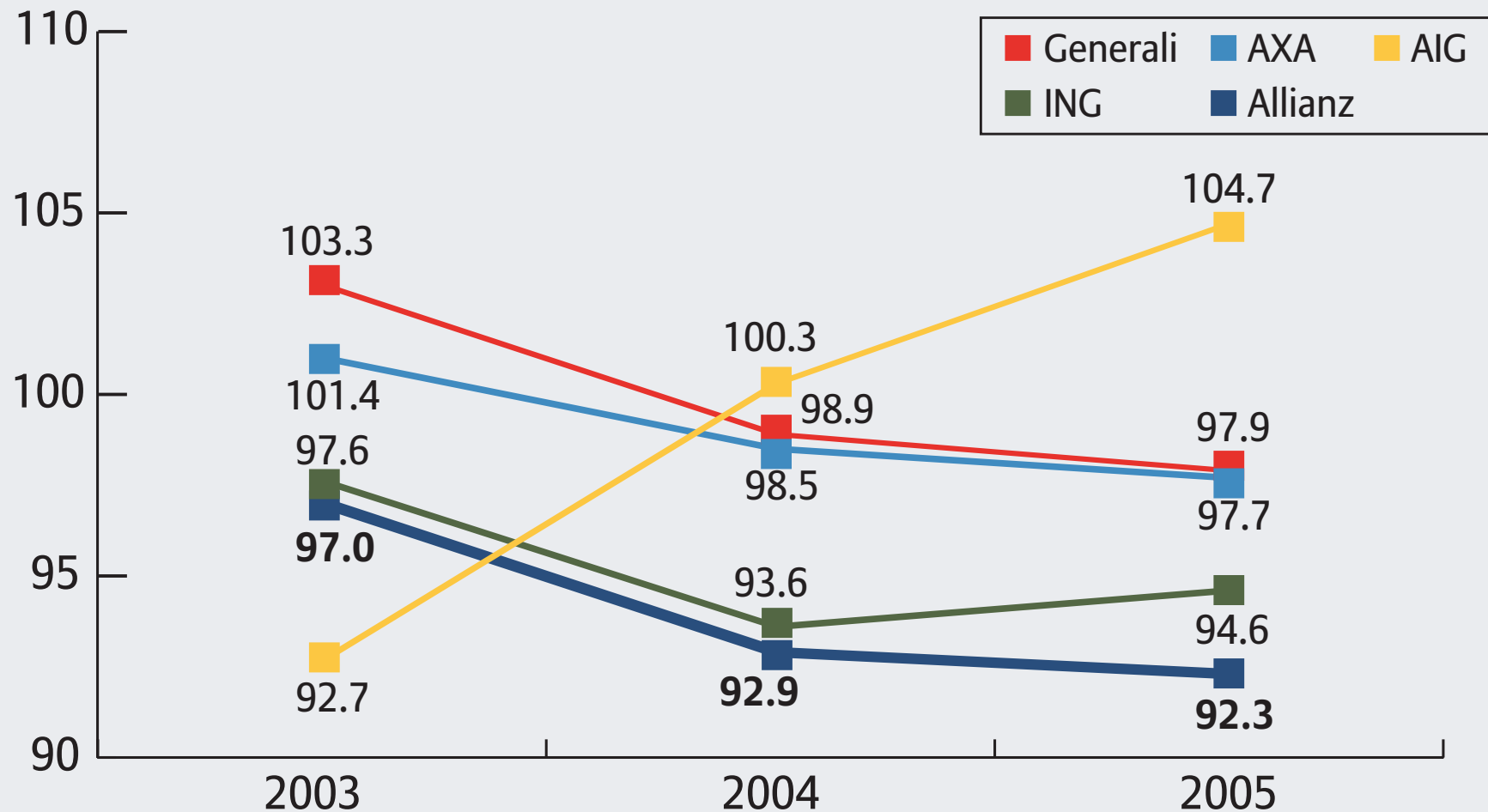


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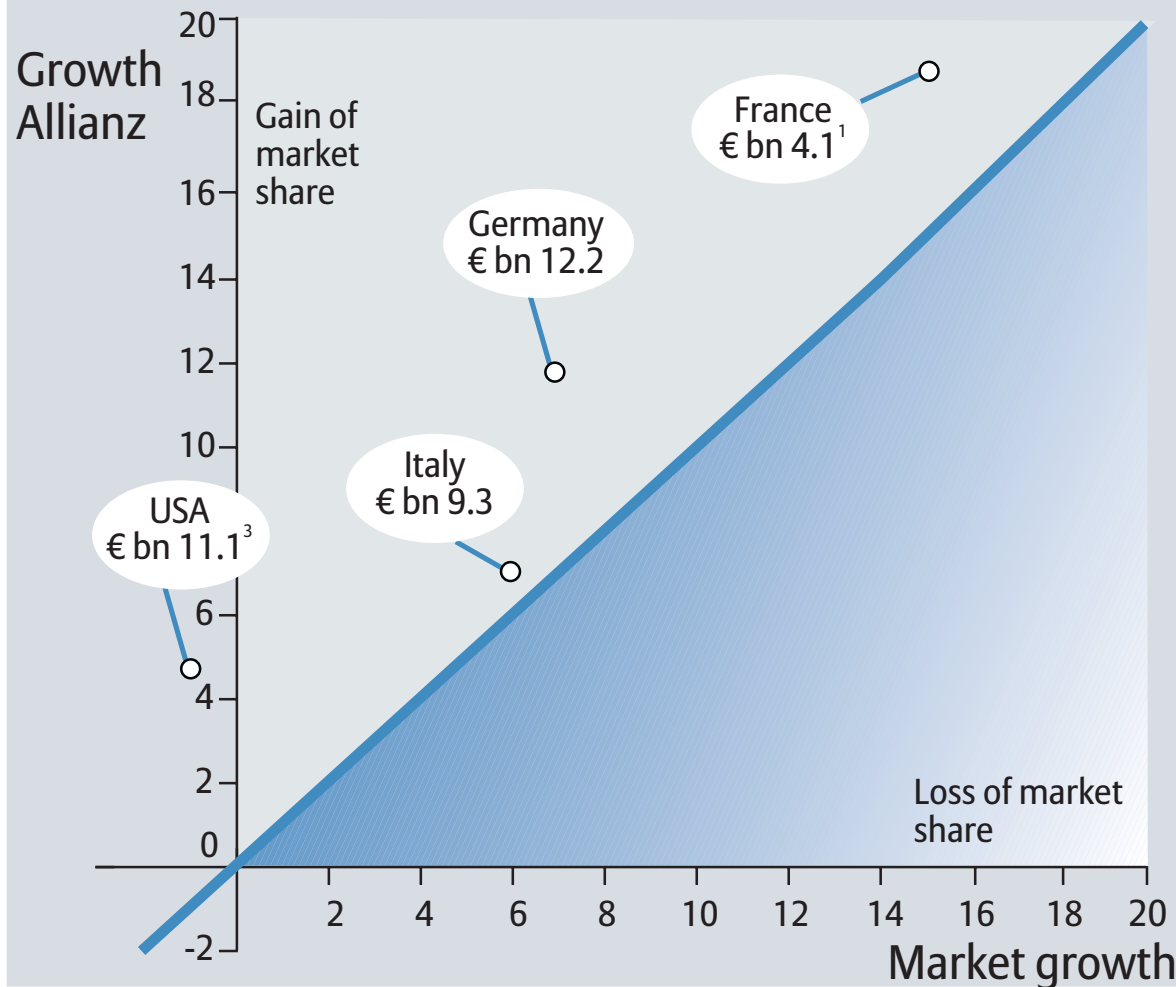
+One Property/Casualty: leading position maintained

Combined ratio (in %)



+OneLife: market share expanded in core markets

Premium growth (in %)



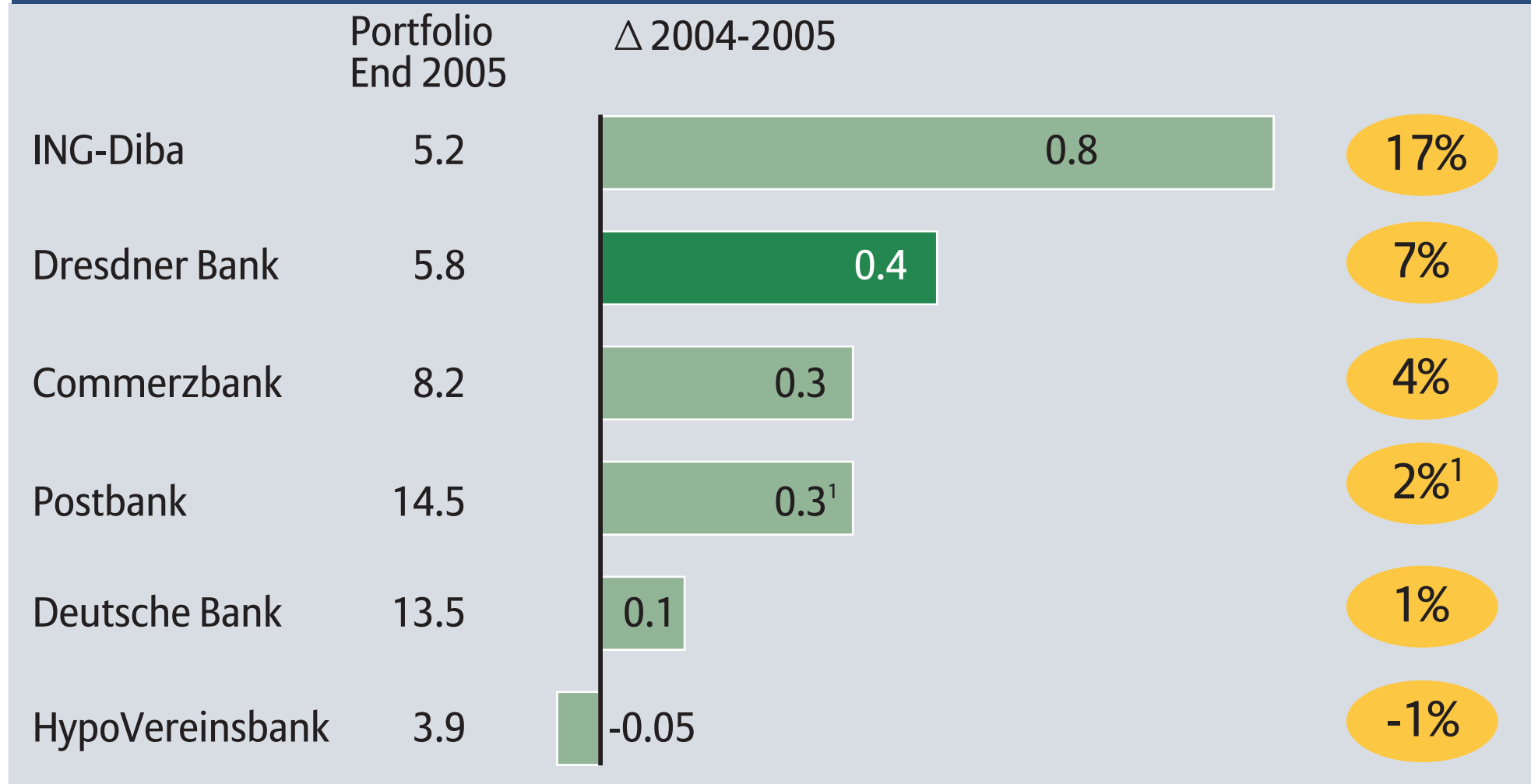
Top 3 Market Position



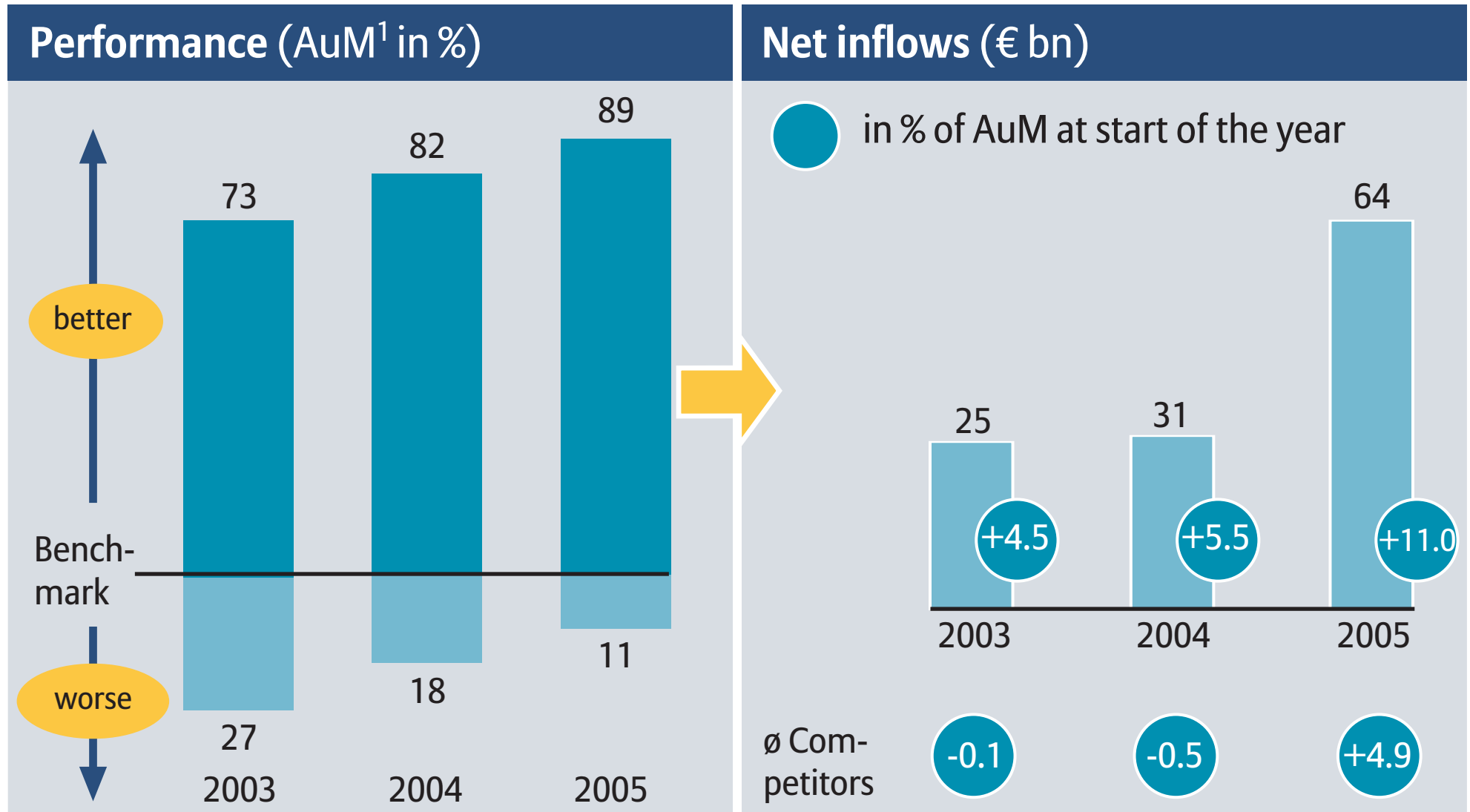
1) Individual business 2) Fixed annuities 3) adjusted

+One Dresdner Bank: customer base expanded

Customers 2004-2005 (mn)



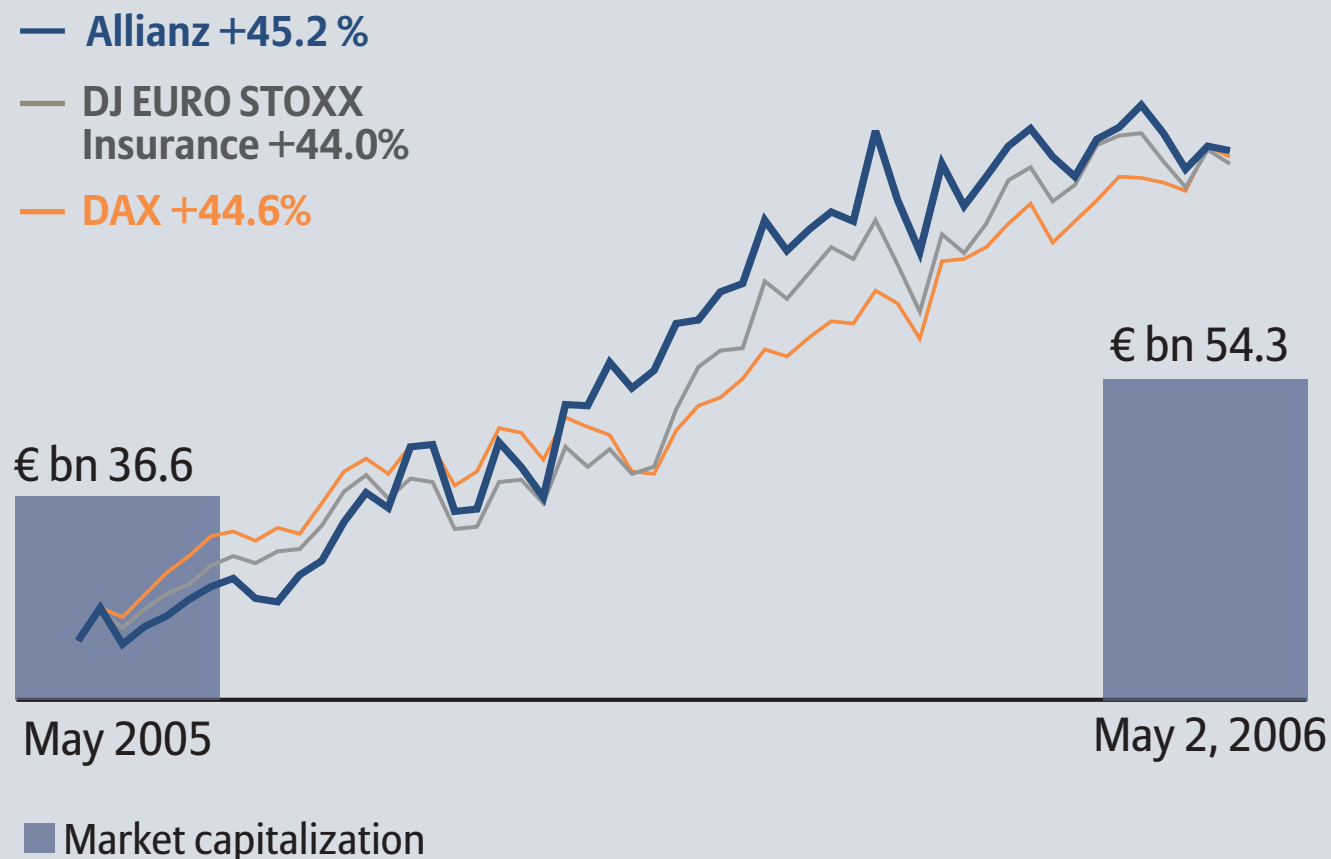
+One Asset: high inflows due to excellent performance



1) 3-year average performance

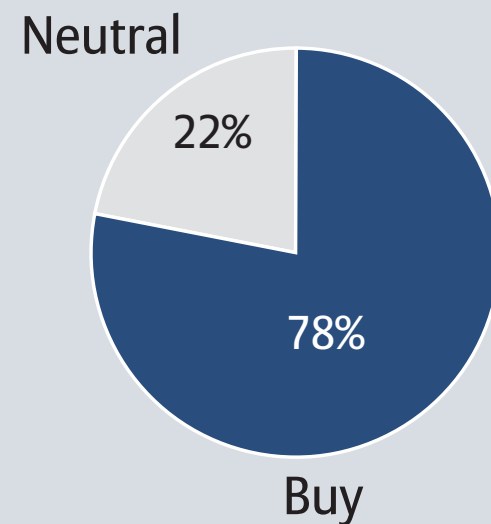
+One Corporate value increased, but price performance only at market levels

Share price and market value performance







Analysts' opinion

Price target
 (consensus estimate):
 € 155¹

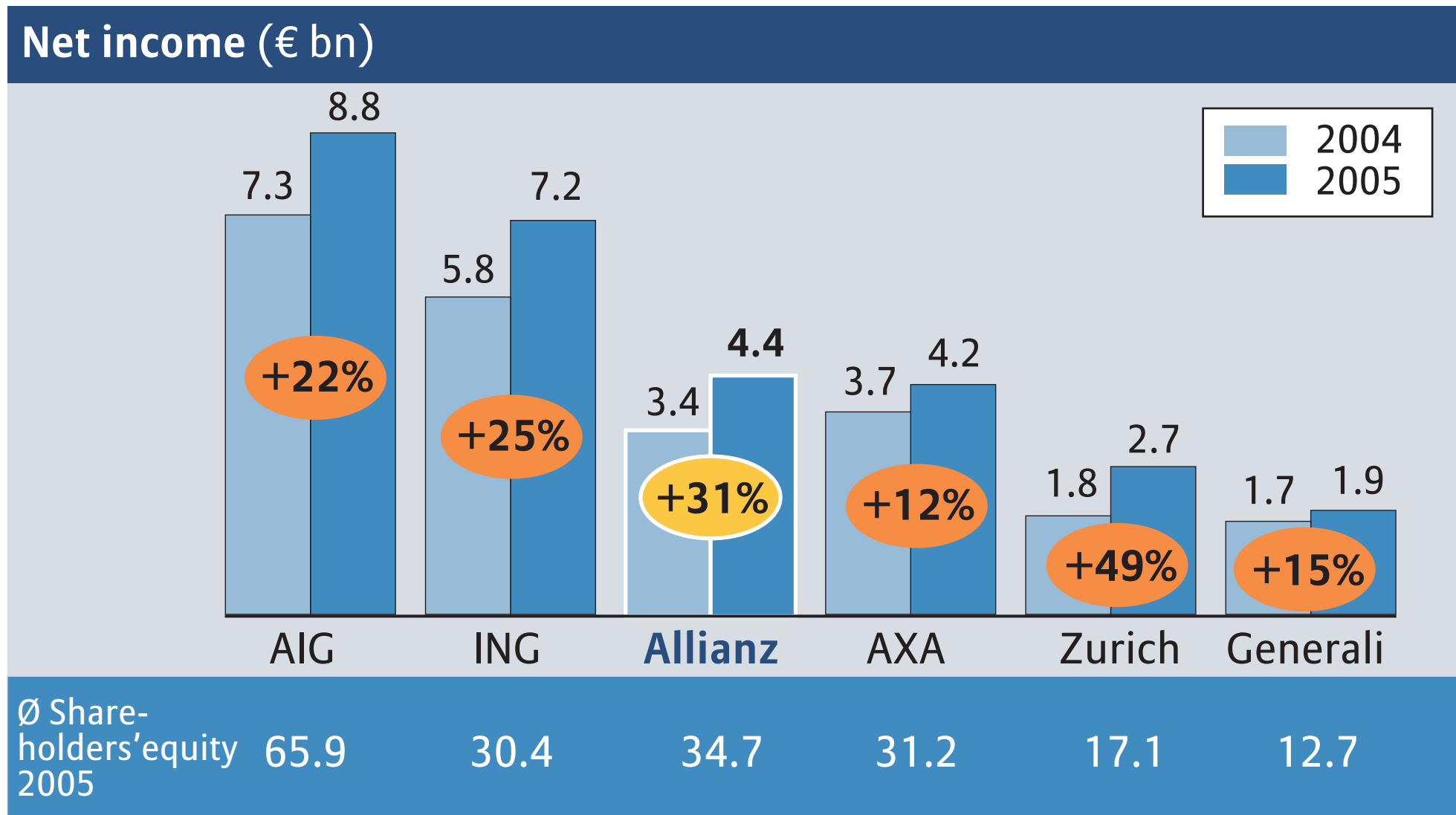


1) 12 months view

3+One: good progress made

	Status May 2006
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<p>+ One Increase sustainable competitiveness and shareholder value</p>	

Allianz compared to peers 2005



An industry at the crossroads

Münchener
Rück baut
Tochter um

**Kampf dem
Wildwuchs**

Die Branche ist im Umbruch. Die Konzerne ordnen ihren Vertrieb und ihre Verwaltung völlig neu. Das kostet viele Jobs. Doch die Kunden profitieren davon.

Gerling Lebensversicherung
baut Firmenstruktur um
Zwischenholding wegen verschärfter Gesetze geplant

Deutsche Axa ändert Strategie radikal
Mit ausländischen Garantiepolen will Versicherer Marktanteile gewinnen · Neue Produkte umgehen deutsche Vorgaben

Italienische Versicherer vor Konsolidierungswelle
Gerüchte um Übernahme von Generali durch Axa – Weitere Gesellschaften im Blickpunkt

ING startet groß angelegte IT-Auslagerung

AMB Generali baut schnell um
Bis zum Sommer will Mutterkonzern alle Aktien aufkaufen · Verlagerung von Betriebsteilen nach Köln

Radikalkur bei der Hamburg-Mannheimer
Vorstandschef baut Aktienbestände und Beteiligungen ab – Hohe Abschreibungen belasten Ergebnis

Das Ende des Idylls

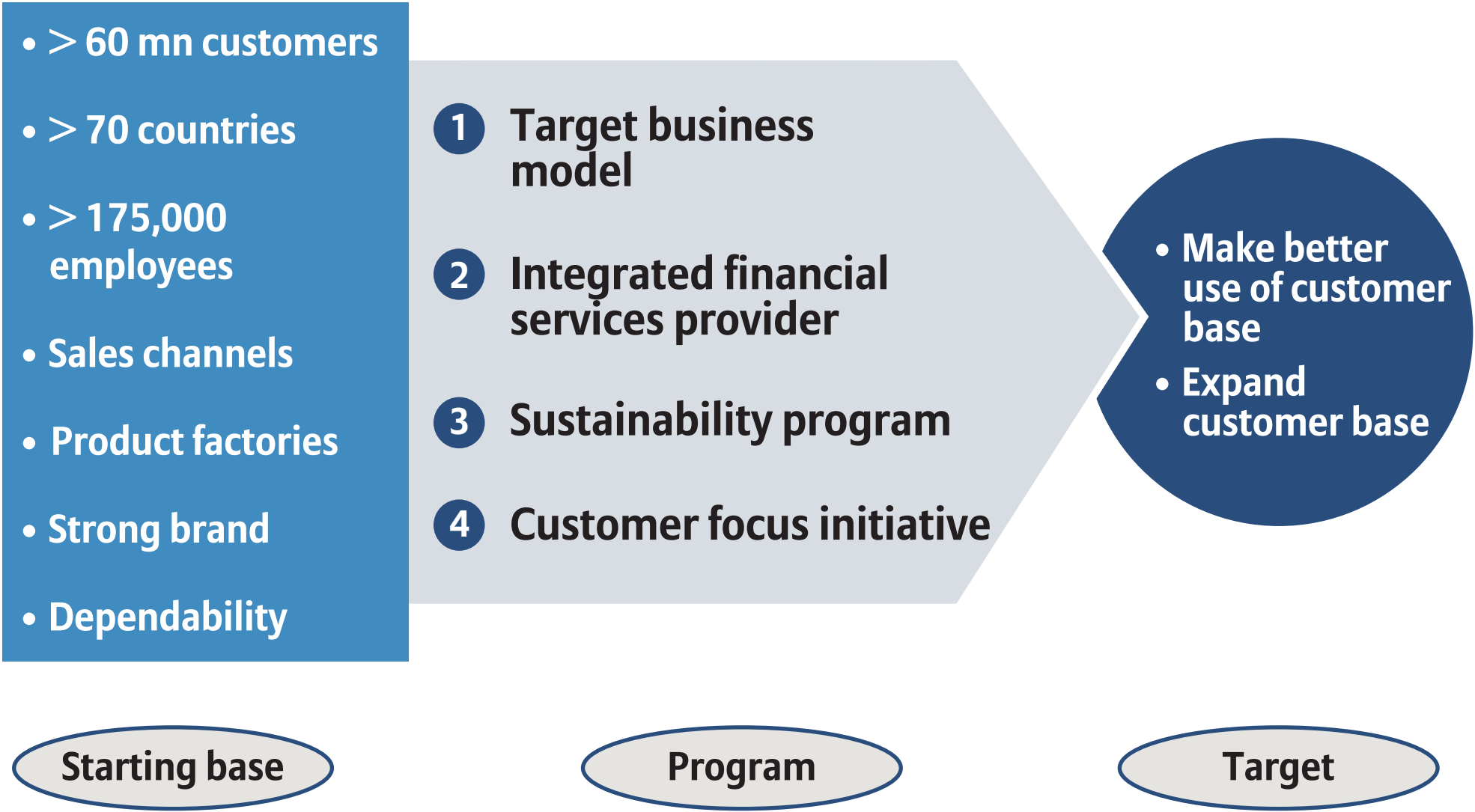
VERSICHERER: Der harte Wettbewerb verändert die Branche und verunsichert die Beschäftigten

ZFS will in Europa Skaleneffekte besser nutzen

Der „Zurich Way“ wird von Jahr zu Jahr etwas steiler – Wachstum in Italien als Vorbild

Fitnessprogramm der Gothaer zahlt sich aus

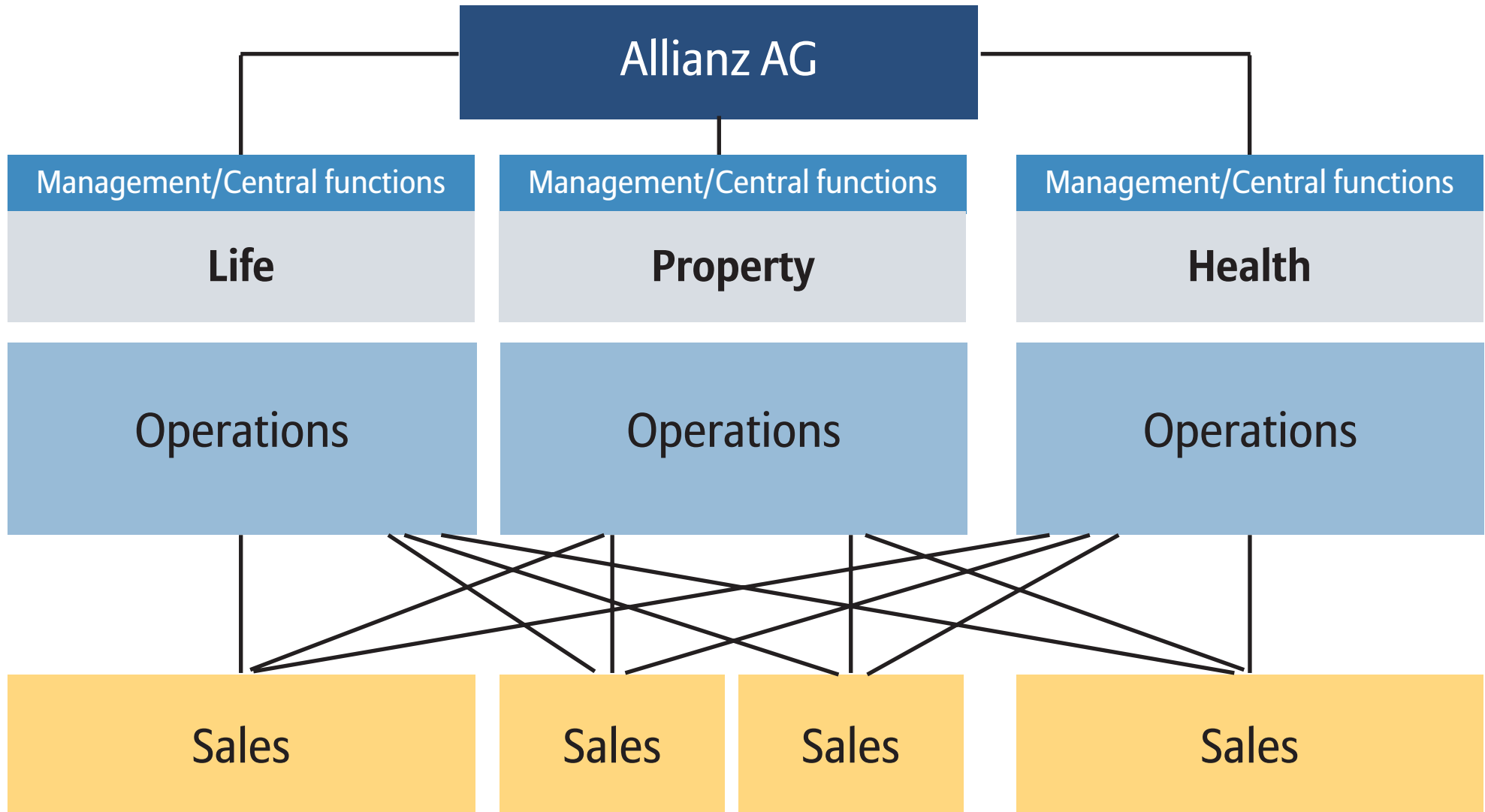
Profitable organic growth



1

Business Models: from product orientation ...

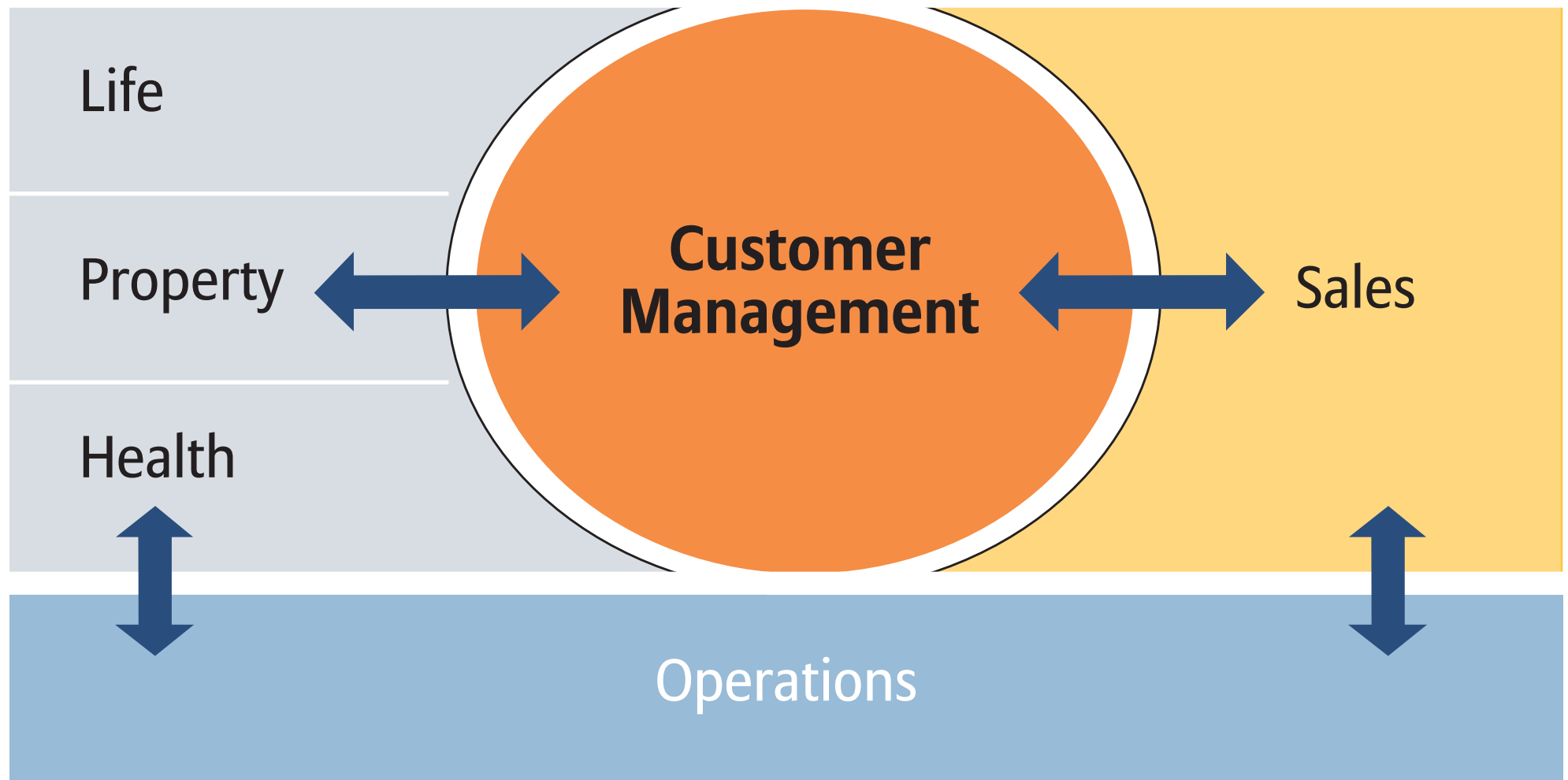
*Germany as
example*



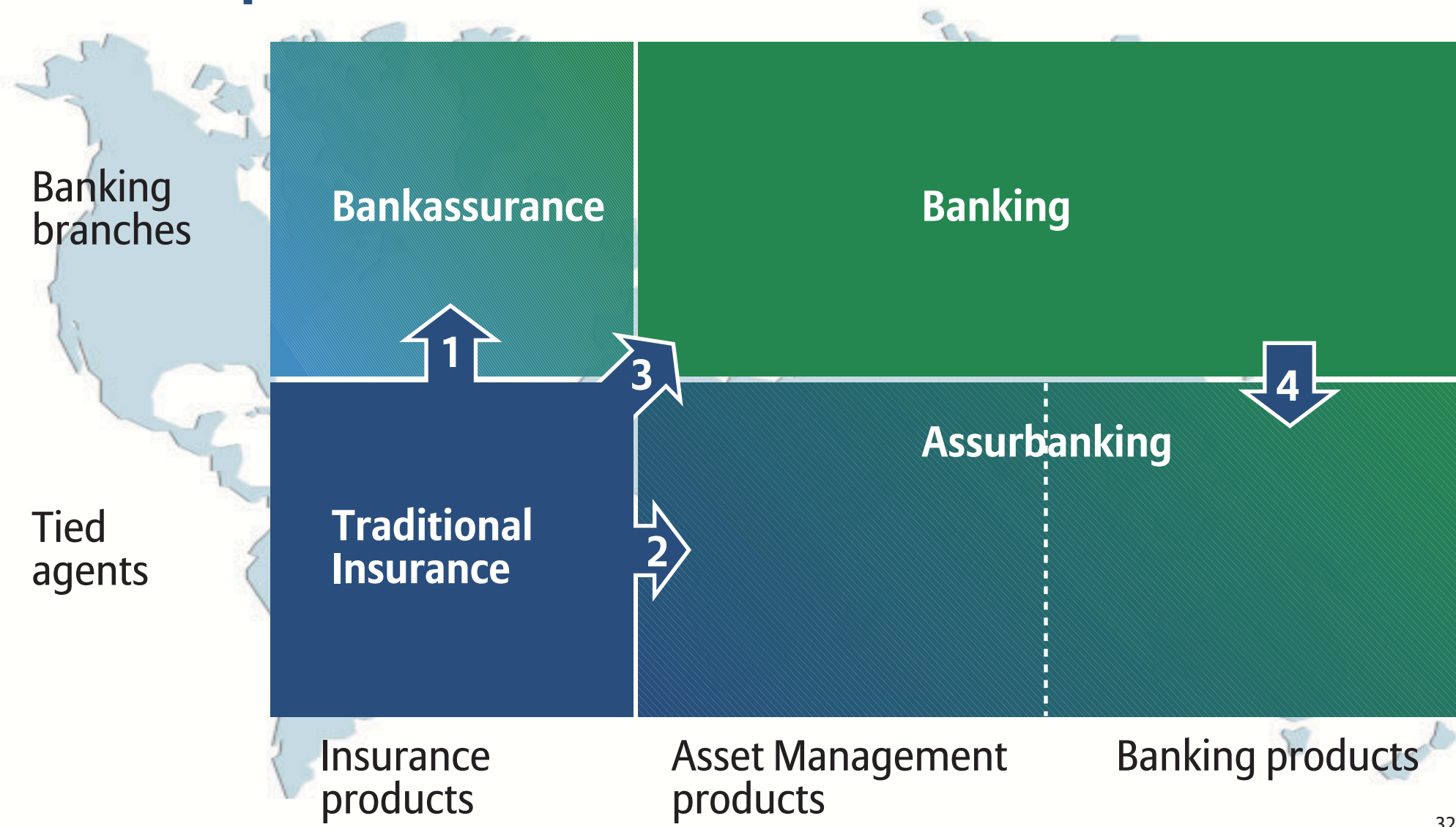
... to customer focus (target model)

*Germany as
example*

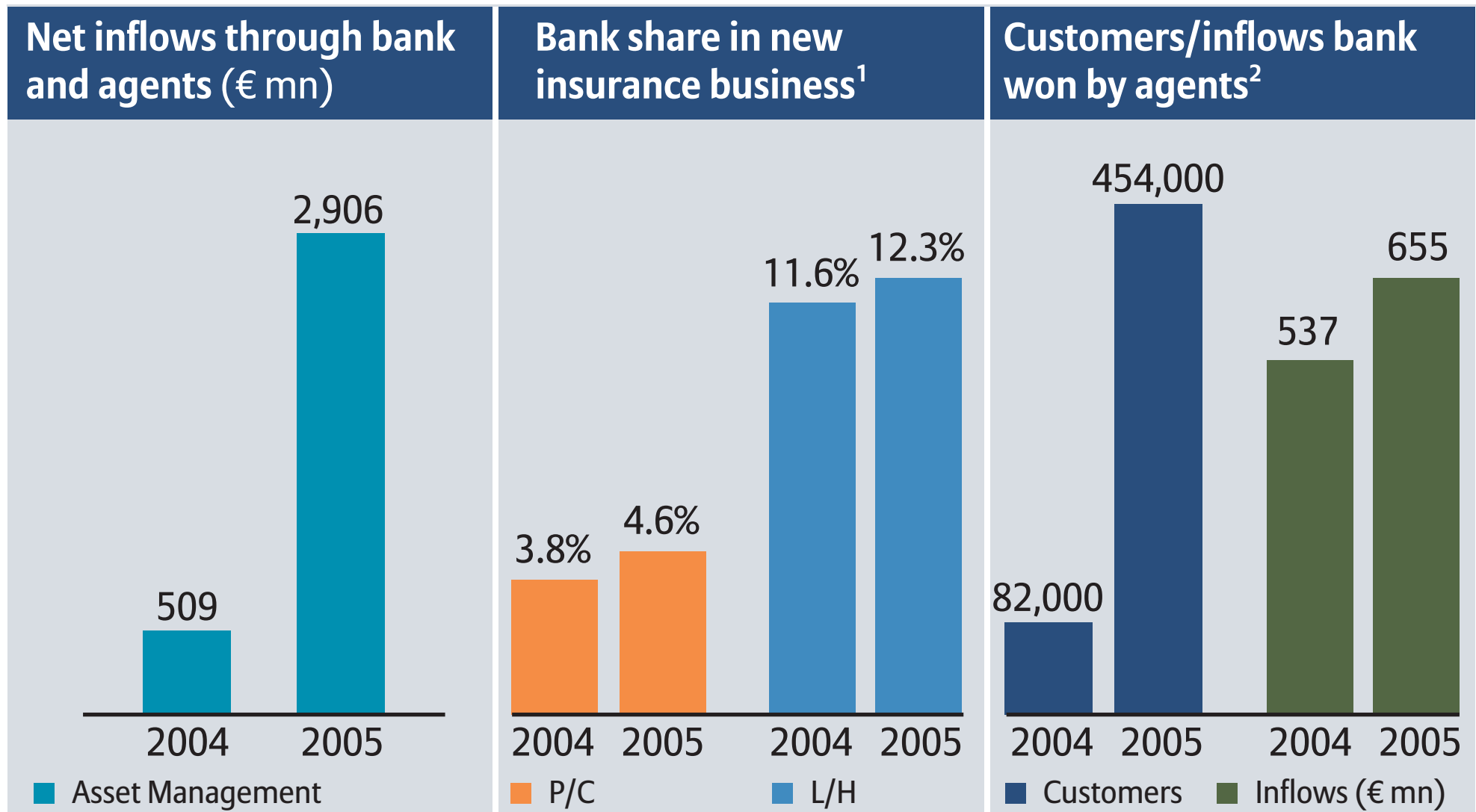
Management/Central functions



Potential of an integrated financial services provider

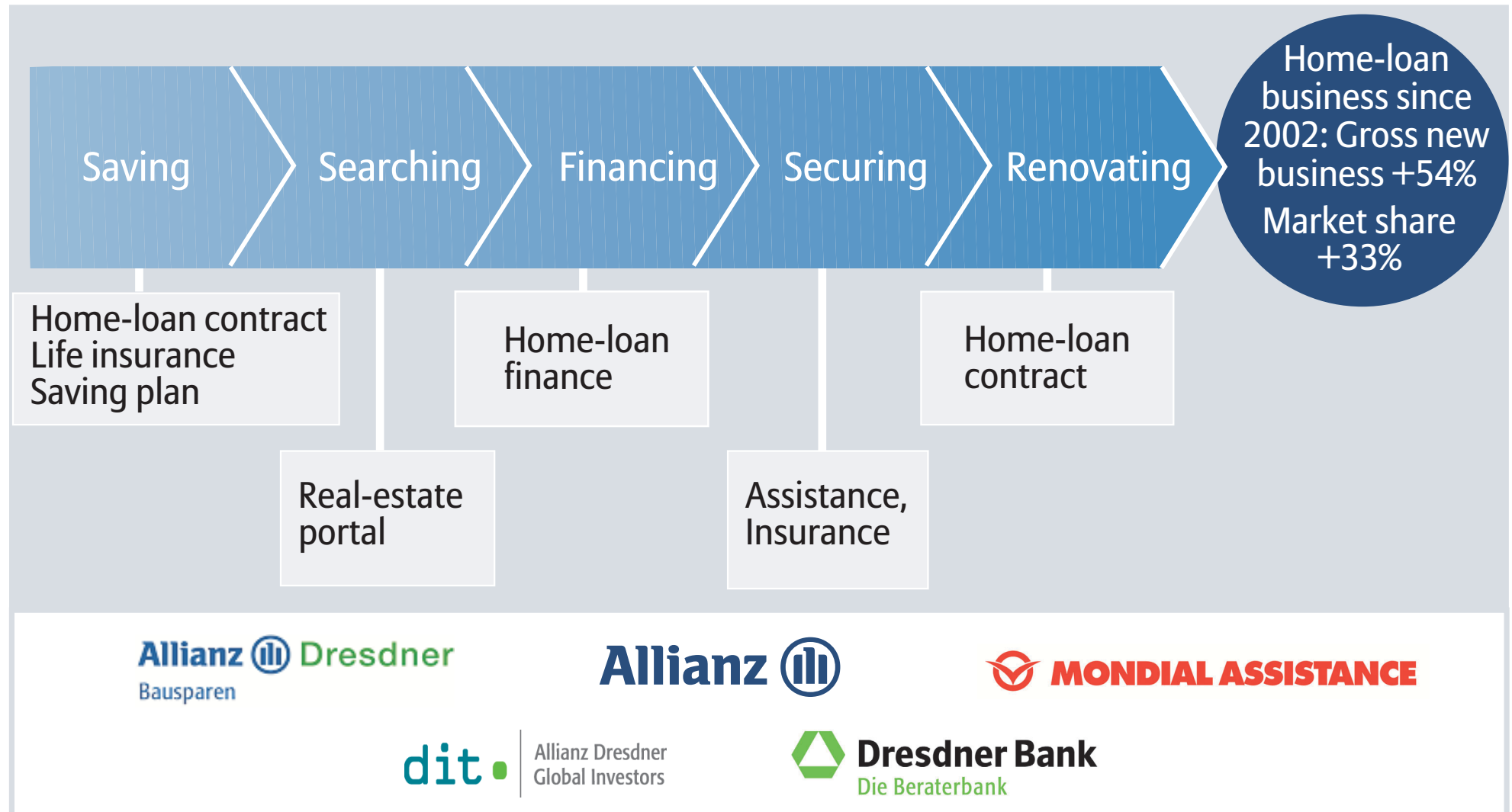


Integrated financial services provider Germany: significant progress

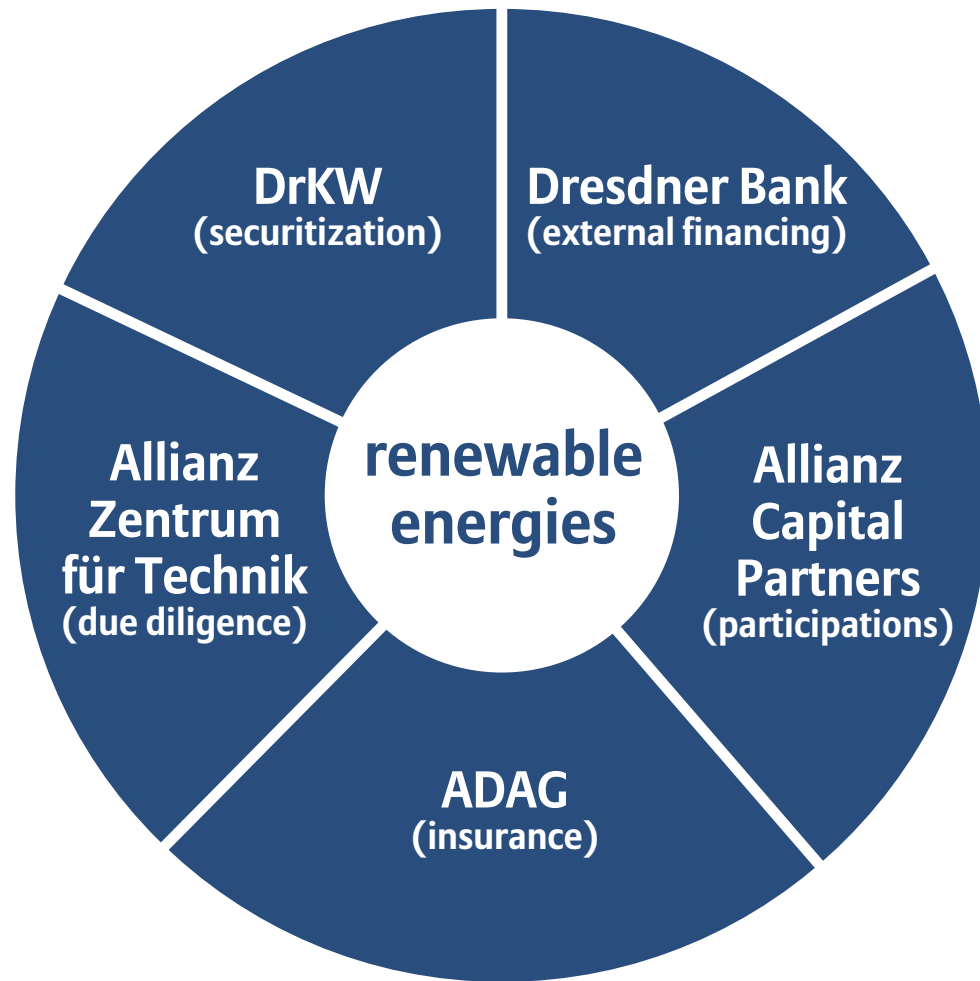


1) According to new business value 2) Customers accumulated, net inflows on annual basis

Developing solutions together: building and living



Developing joint solutions: renewable energies



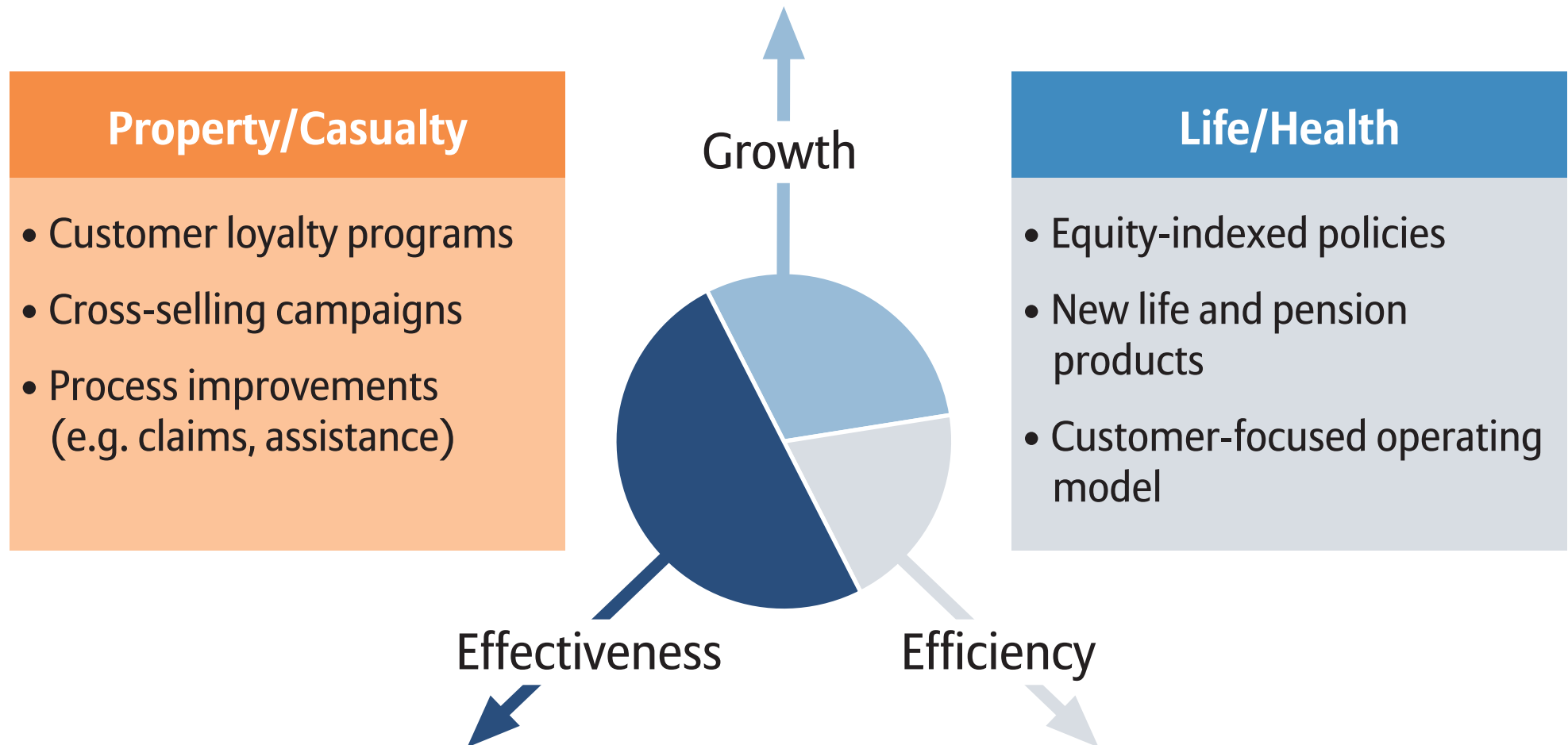
Allianz Capital Partners

**Investments in the
next 5 years**

→ **€ mn 500**

 **By 2020, investments of € bn 200 and 500,000 jobs expected within the industry**

Sustainability program: exchange superior product and service ideas



Example of sustainability program: Allianz Index Policy

Initial situation

- Allianz Life US market leader in equity-indexed products
- Customer benefits: security through guarantees plus profit potential from the equity market

2005:
Introduction in
Taiwan and Korea

March 2006:
Product launch
in Germany

End of 2006:
Product launch
in Italy and
France

- Joint venture between Allianz Leben/DrKW
- More than € mn 100 volume in a few weeks

Adaptation of the product concept to other markets

Customer focus program: growth with satisfied customers

Measures number of promoters

“Would you recommend your insurance company to your friends?”

Satisfaction of Allianz customers

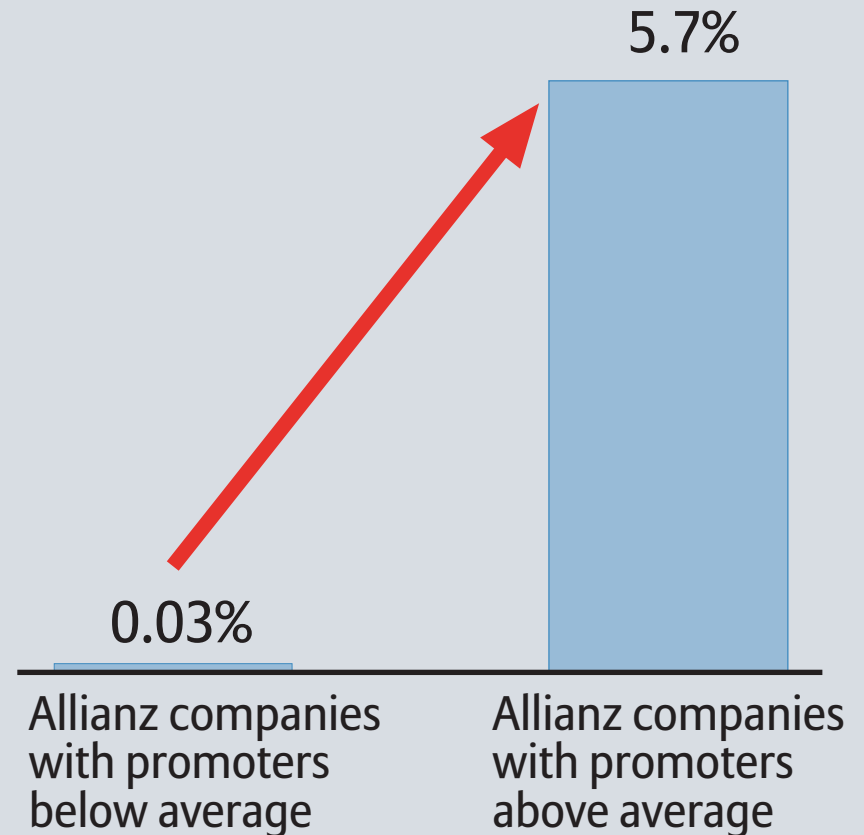


Defined target

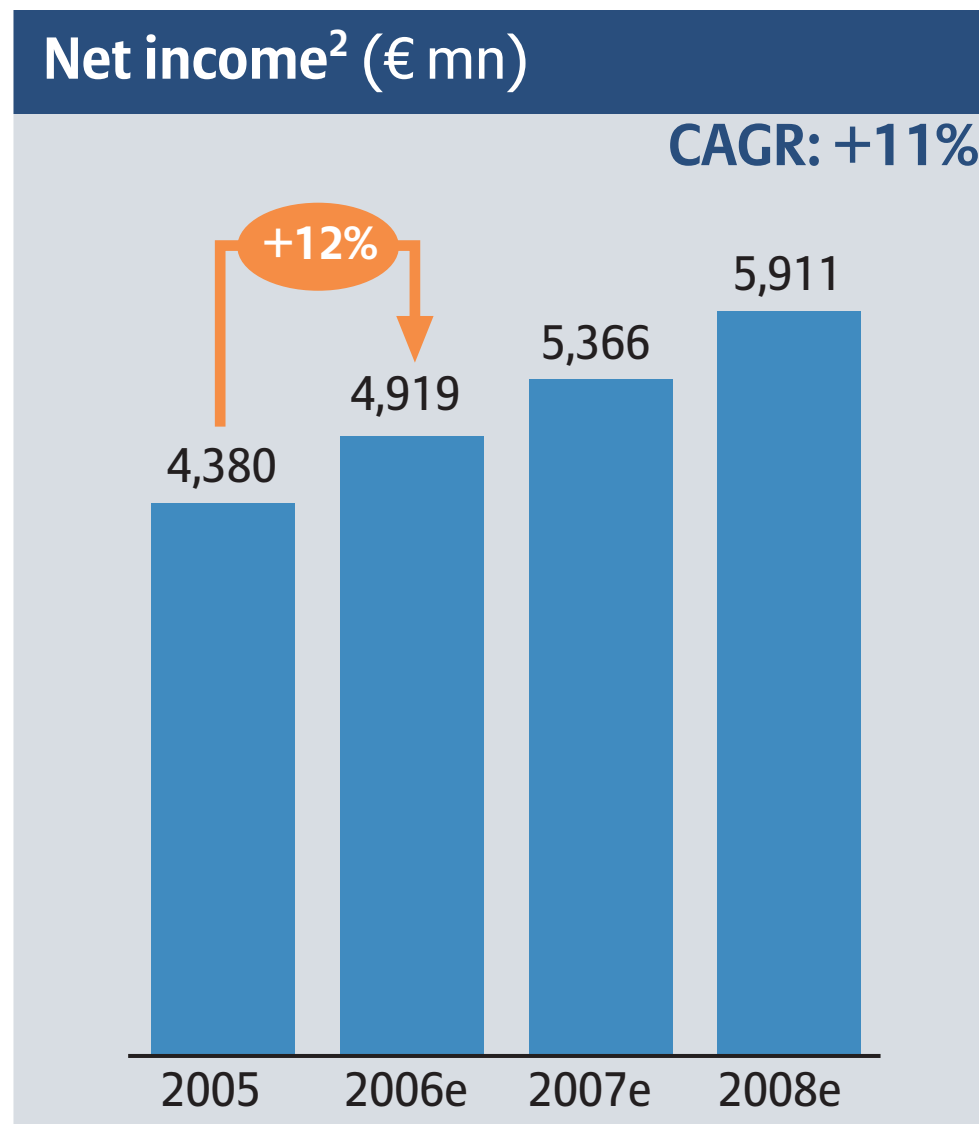
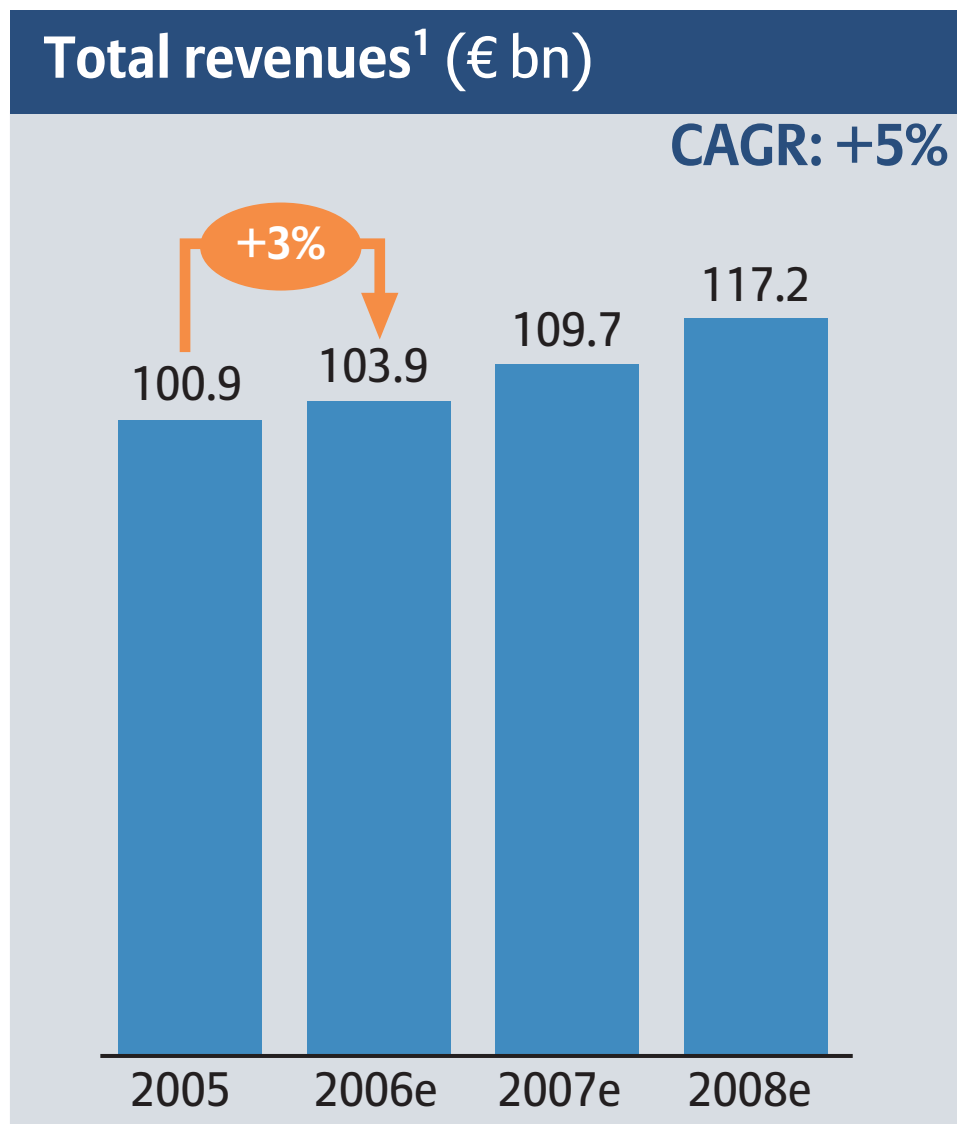


Competitors with highest customer satisfaction

Growth of gross premiums¹



Outlook: continue profitable growth



1) from 2006 forecast sales according to merger report Allianz – RAS, before consolidation of segments

2) from 2006 forecast results according to merger report Allianz – RAS, on basis of 76.3% shareholding in RAS

First quarter 2006: positive development fully confirmed

Preliminary key figures¹

- ▶ Total revenues expanded by +4.9% to € bn 30
- ▶ Operating result improved to € bn 2.7 (+42%)
- ▶ All segments contribute to improvement
- ▶ Net income for the quarter increases from € bn 1.3 to € bn 1.8
- ▶ Shareholders' equity improved to roughly € bn 41

1) Changes in reporting mean that any comparison between individual indicators and the figures reported for the previous year is limited. Figures for the previous year adjusted here.

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.