

AMB Generali

Financial Results H1 2006

August 10, 2006
Investor Relations



AMB GENERALI

Ongoing profitable growth in first half of 2006

- **Life and health business with continuously strong growth rates above market level**
 - **Life gross premiums go up +9.4%** (single +166.0%, regular +2.0%)
 - **Health gross premiums increase by +4.7%**
- **P&C premiums go down -1.0%** due to **profit-oriented underwriting**, which is **slightly better** than the market development
- **Improvements in operating profitability**
 - **Reduction by 281 administrative-staff FTE's** in first six months; > 2,000 since 09/2002
 - **Combined ratio of 95.7%** in line with **full-year target**
- **Further increase of investment income to € 1,801 m**

Net profit of € 172 m
in line with full-year 2006 target of > € 340 m



Business development overview

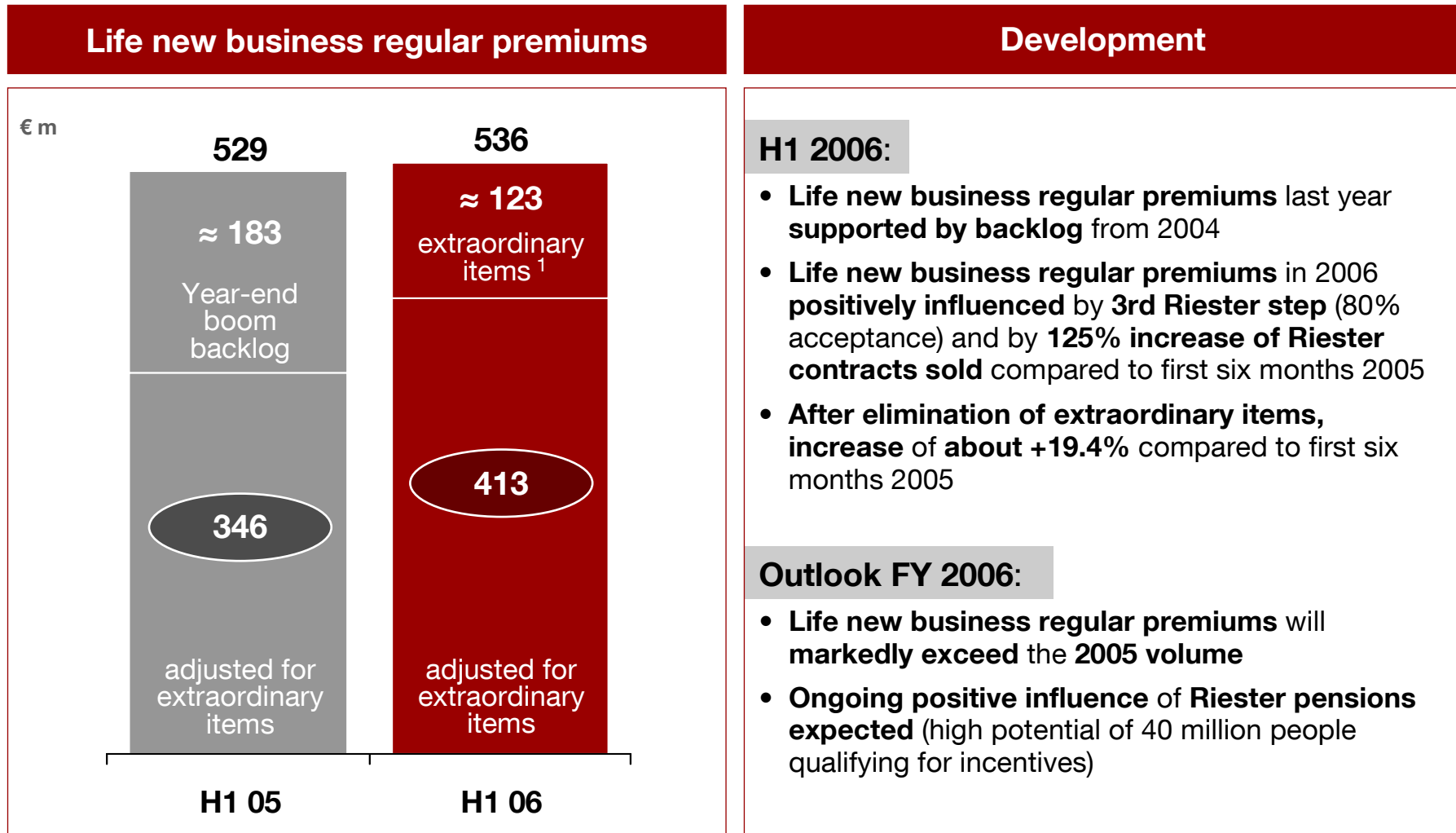
€	H1 06	H1 05	Δ
Total premiums (German GAAP) ¹	6,885 m	6,504 m	5.9%
Consolidated gross premiums (IFRS) ¹	6,088 m	5,867 m	3.8%
• Life	3,426 m	3,222 m	6.3%
• Health	828 m	791 m	4.7%
• P&C	1,834 m	1,854 m	-1.1%
Life new business regular premiums	536 m	529 m	1.2%
Claims & benefits	-5,662 m	-5,308 m	6.7%
Operating expenses	-1,124 m	-1,141 m	-1.5%
Investment income (net)	1,801 m	1,777 m	1.4%
Operating profit	334 m	328 m	6 m
Finance costs	-3 m	-4 m	1 m
Tax	-159 m	-176 m	17 m
Net profit	172 m	148 m	24 m
• Attributable to minority interests	0 m	2 m	-2 m
Shareholders' equity	3,512 m	3,794 m ²	-7.4% ³

¹ for consolidated gross premiums German GAAP including and for IFRS excluding savings portions of unit-linked and Riester contracts
² balance-sheet position shown as at 31.12.2005

³ in relation to 31.12.2005



Without extraordinary items, life new business improves significantly



¹ mainly 3rd Riester step

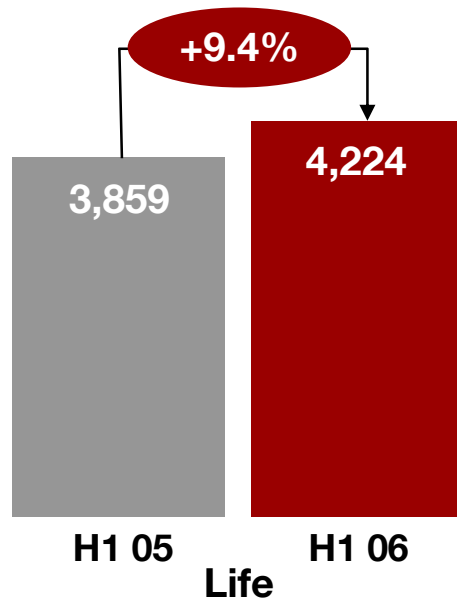


Above-average premium growth in life and health business

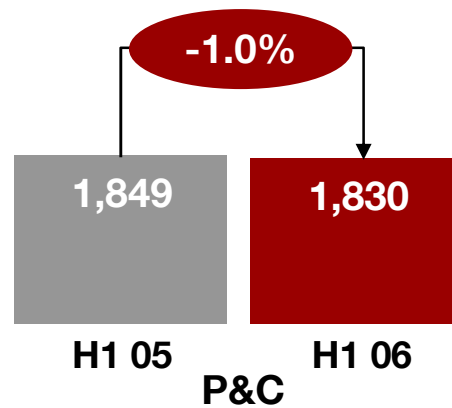
€ m	H1 06	H1 05	Δ
Total premiums (German GAAP)	6,885	6,504	5.9%

- **Positive impulses for growth** due to:
 - 3rd Riester step
 - High level of single-premium business

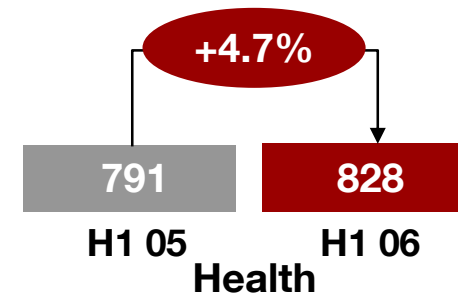
€ m ¹



- Profit-oriented underwriting
- Slightly better than market



- New business
- Premium adjustments

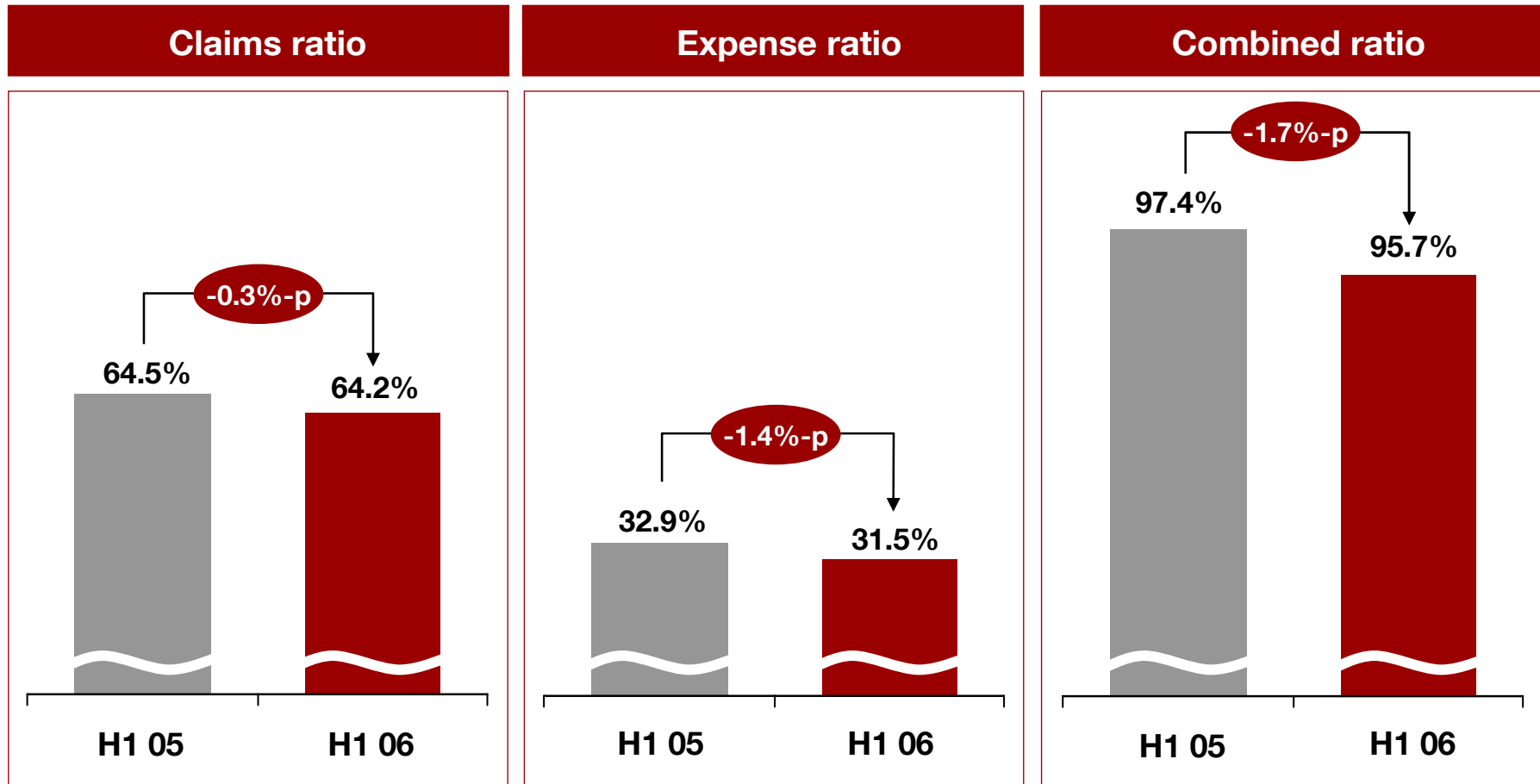


¹ gross premiums German GAAP, direct business



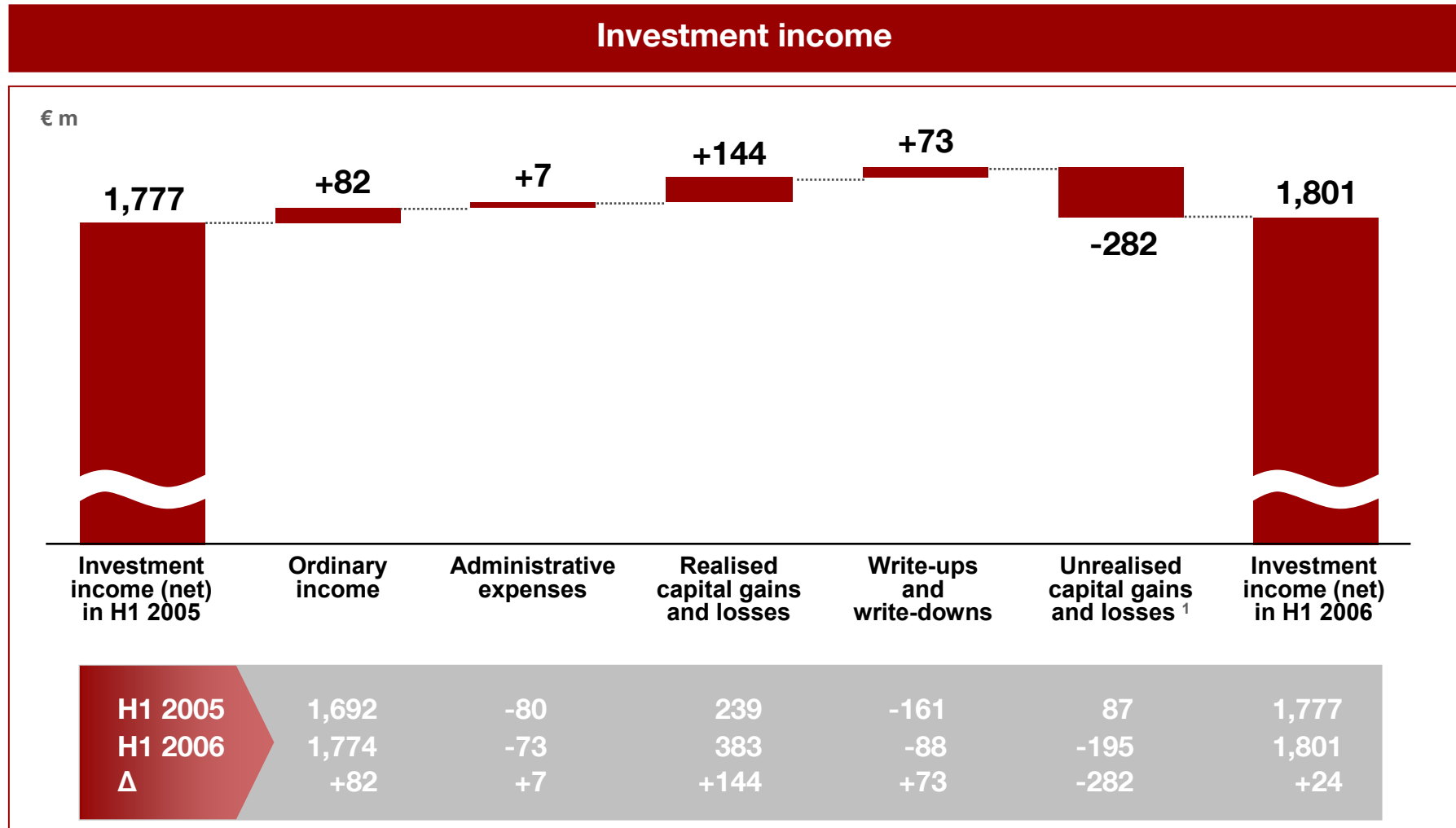
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Combined ratio decreases due to persistent cost reductions and lower claims expenditure



Combined ratio in line with 2006 target

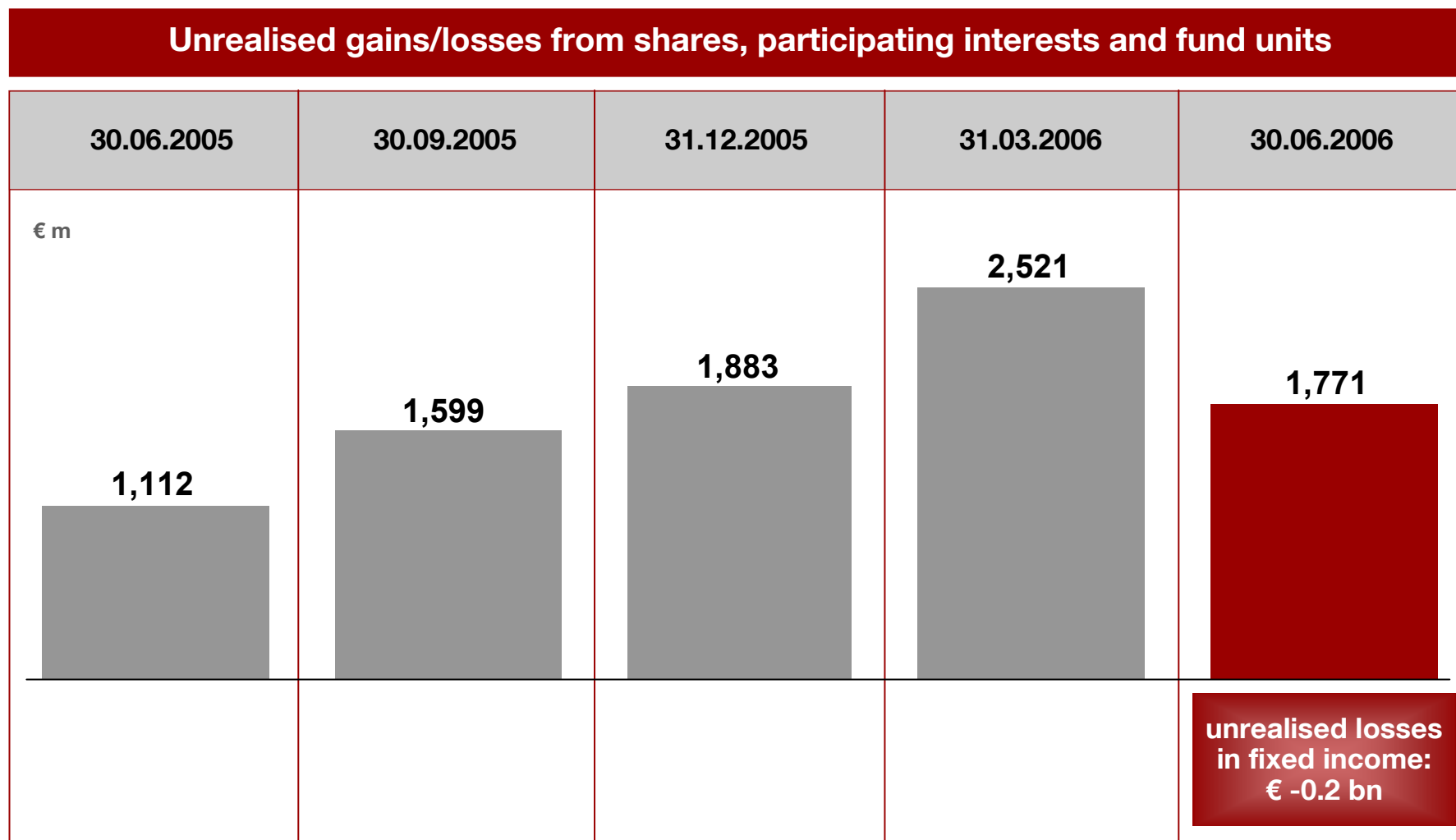
Further increase of investment income



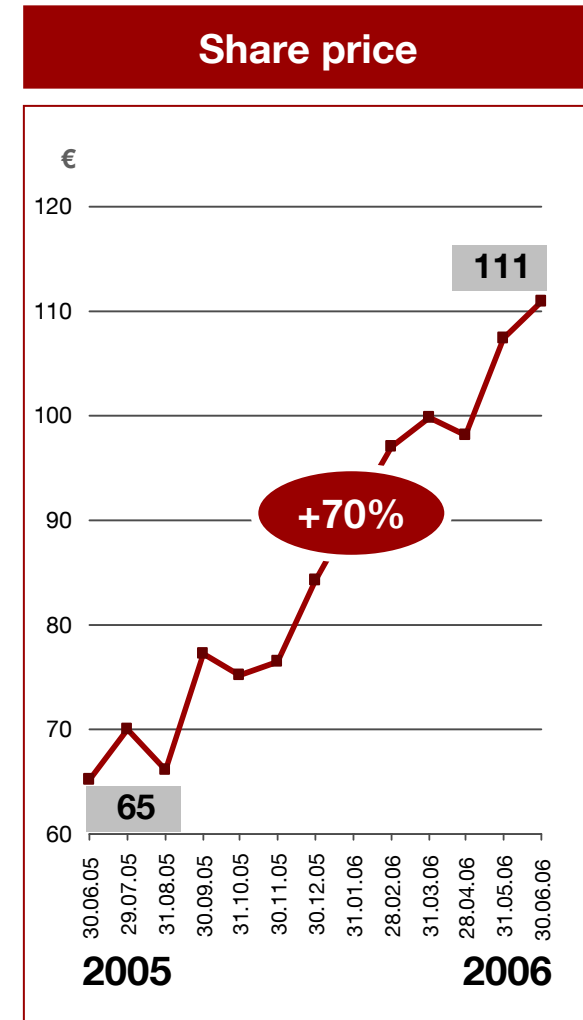
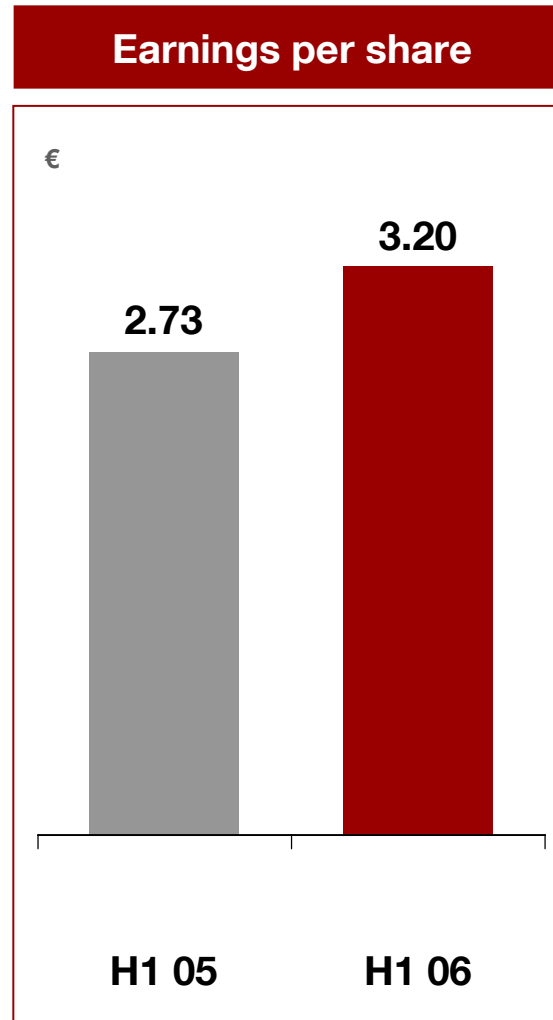
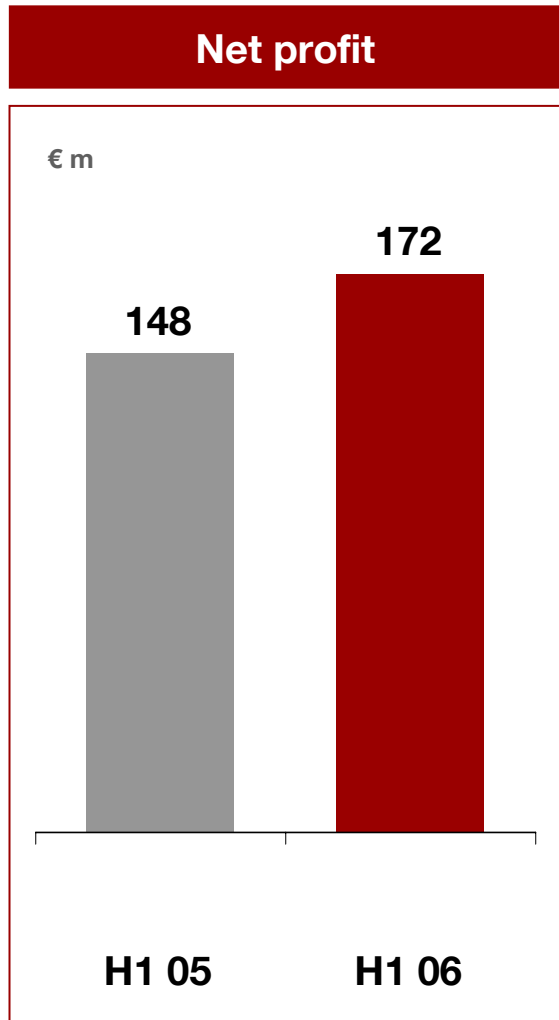
¹ mainly forward transactions in fixed income



Decline in reserves of dividend-bearing securities due to change of capital-market situation



Positive development of shareholder value



Ambitious financial targets for sustainable profitability

		Achievements H1 05	Achievements H1 06	Targets 2006
Life/Health	Premium growth ¹ Life regular Health	+9.0% +5.4%	+2.0% +4.7%	above market level
	Life NBV, EEV ²	€ 59 m	€ 66 m	€ 135 m
P&C	Premium growth ¹	-1.2%	-1.0%	market level
	Combined ratio	97.4%	95.7%	< 98% against difficult market environment
Overall	General expenses ³	€ 923 m	€ 888 m	€ 1,830 m
	Net profit	€ 148 m	€ 172 m	> € 340 m

¹ gross premiums German GAAP, direct business

² before Cost of Capital, reflects current business volumes and product mix, excluding changes in risk-free yield

³ German GAAP figures, excl. commissions



Hybrid capital for AMB Generali to increase return for shareholders

Status as at 31.12.2005

- **Solid capital position without any capital increase**
- **Adequate capitalisation** within economic and regulatory environment; **excess capital** of € 409 m despite difficult years, **solvency ratio** of app. 200%



no capital increase required for solvency purposes

€ 300 m hybrid capital will be invested to transfer good return in health to shareholders

Central as health insurer of the AMB Generali Group

- **Private health insurance as growth market with high profitability** due to premium adjustment flexibility
- **Central as one of the leading health insurers** with app. € 1.6 bn premiums and app. 1.6 million insured persons
- **Above market average growth** of 8.4% (GWP; CAGR 2002-2005)
- **Continuous increase of bottom line result** (2003: € 19 m, 2004: € 28 m, 2005: € 37 m)
- **RoEC 2005** of roughly 18%
- Present **shareholder structure: AMB Generali Holding AG 54.1%; Group life company 45.9%**

Hybrid capital will be invested to transfer health stake from life insurer to holding company

- **Simplified Group structure enhances the transparency** for **shareholders** and **analysts**
- **Profit** of the stake will **no longer be distributed to policyholders** of the life insurer (90 : 10 rule)
- **Acquisition** of outstanding stake **will increase AMB Generali's overall return**
- **EV and RoEV** will be completely **transferred to shareholders**
- **Benefiting from a favourable capital market environment** which offers **"cheap" hybrid capital** at the moment
- **Hybrid capital is accepted as risk capital** by the BaFin (Solvency II) as well as by Standard & Poor's



Impact of the healthcare reform

Basic features of the healthcare reform

- **Plurality of healthcare system is maintained**
 - **Private full-health insurance** continues to be a **business field**
 - **Creation of a health fund** (Gesundheitsfonds) **not including private-sector health insurers**
 - **Ageing reserves for in-force and new business** can be **transferred** to a **new insurer**
- **Income ceiling for compulsory health insurance not raised**
 - **Three-year waiting period** for **employees before changing to private-sector health insurance**
 - **Free-lancers, self-employed and civil servants** are still free to become **privately insured**
- **Introduction of a basic tariff in private-sector health insurance, obligation of insurers to accept applicants** for basic cover and to establish ageing reserves
- **Persons without health insurance to be taken up by private or statutory health insurance**, depending on where they were previously insured

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- **Private-sector health insurance** continues to be an **important business field**
 - In the long term, a **high level of healthcare** can **only be provided by a private complementary health cover** on a **funded basis**
 - **Flexibility to adjust the business model**



- **# 6 in the German health insurance market**
- **Excellently positioned with broad range of high-quality products in full and complementary covers**



- **Exclusive co-operation with „Techniker Krankenkasse“** (# 3 of German statutory health insurers)
- **Growing importance of private complementary covers for members of statutory health insurance**



Back up



Development of segments ¹

€ m	Life			Health			P&C		
	H1 06	H1 05	Δ	H1 06	H1 05	Δ	H1 06	H1 05	Δ
Total premiums (German GAAP)	4,224 ²	3,859 ²	9.5%	828	791	4.7%	1,833	1,849	-0.9%
Gross premiums written (IFRS)	3,427 ²	3,222 ²	6.4%	828	791	4.7%	1,833	1,849	-0.9%
Investment income (net)	1,364	1,420	-3.9%	141	143	-1.2%	209	137	52.8%
Claims & benefits (net)	-3,907	-3,581	9.1%	-835	-803	4.0%	-922	-923	-0.2%
Claims ratio	-	-	-	57.2%	57.1%	0.1%-p	64.2%	64.5%	-0.3%-p
Expense ratio	17.5%	19.3%	-1.8%-p	12.0%	10.0%	2.0%-p	31.5%	32.9%	-1.4%-p
Combined ratio	-	-	-	69.2%	67.1%	2.1%-p	95.7%	97.4%	-1.7%-p
Operating profit	114	202	-88	23	41	-18	194	99	95
Finance costs	0	0	0	0	0	0	0	0	0
Tax	-55	-113	58	-23	-17	-6	-68	-44	-24
Net profit ³	59	89	-30	0	24	-24	126	55	71

¹ before elimination of intra-group transactions between segments

² for consolidated gross premiums German GAAP including and for IFRS excluding savings portions of unit-linked and Riester contracts

³ the decrease of the segment results in life and health - mainly attributable to the charge from the consolidation of the merger of an intermediate holding company into AMB Generali Holding AG - was compensated by the extraordinarily positive development in P&C



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