

AMB Generali

Financial Results Q1 2005

Presentation May 11, 2005
Investor Relations



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AMB Generali with positive first quarter results

- **Good growth rates in life and health business**
 - **Life total premiums** at +9%
 - **Health gross premiums** increased by +5%
 - **P&C premiums** at -2% due to **selective profit-oriented underwriting**
- **Operating profitability on track**
 - **FTE** already **reduced** in first quarter by **230** out of 350 target for 2005
 - **Combined ratio** stable at **98.4%** and **in line with 2005 target**
- **Improvement of investment income**
 - **Increased investment income** of more than **30%** to **€ 826 m** due to **lower write-downs** caused by **retrospective change** in **IFRS impairment test** rules

Net profit of € 74 m in line with full-year 2005 target



Business development overview

(€)	Q1 05	Q1 04 ¹⁾	Δ Q1 05/04
Total premiums (German GAAP) ²⁾	3.7 bn	3.5 bn	4.5%
Consolidated gross premiums (IFRS) ³⁾	3.4 bn	3.3 bn	3.1%
• Life	1.7 bn	1.5 bn	7.2%
• Health	0.4 bn	0.4 bn	5.4%
• P&C	1.3 bn	1.4 bn	-2.1%
Life new business regular premiums	368 m	349 m	5.4%
Claims & benefits	2.6 bn	2.5 bn	6.0%
Operating expenses	573 m	478 m	20.0%
Investment income (net)	826 m	630 m	31.1%
Profit before tax and scheduled goodwill amortisation	138 m	87 m	51 m
Tax	-64 m	-54 m	-10 m
Net profit before scheduled goodwill amortisation	74 m	33 m	41 m
Scheduled goodwill amortisation	0 m	-8 m	8 m
Net profit	74 m	25 m	49 m
• Attributable to minority interests	1.0 m	0.6 m	0.4 m
Shareholders' equity	3.3 bn	3.2 bn ⁴⁾	4.1% ⁵⁾

1) retrospective adjustments

2) consolidated gross premiums incl. savings portions of unit-linked and Riester contracts

3) excl. savings portions of unit-linked contracts; without effect on profit

4) balance sheet position shown as at 31.12.2004

5) in relation to 31.12.2004



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Excursus: changes in IFRS impairment test rules

IAS 39 implies when decline in fair value of shares, participating interests and fund units triggers off impairment losses

Since Q4 2002

(based on IAS 39,
revised 2000)

- **Best practice** determines **impairment losses when decline** in fair value below acquisition costs of the investment is
"significant (> 20%) **and** prolonged (> 6 months)"
- **Recovery** of investment leads to **reversal of impairment losses** ("write-up") in **income statement**

Since Q1 2005

(based on IAS 39,
revised 2004)

- **Best practice** determines **impairment losses when decline** in fair value below acquisition costs of the investment is
"significant (> 20%) **or** prolonged (> 6 months)"
- **Recovery** of investment leads to **reversal of impairment losses in equity**
- Standard has to be **applied retrospectively**, so that **preceding year figures** had to be adjusted
 - ➔ - **Affected by the change** is investment income and hereby **claims & benefits, tax, net profit** and **shareholders' equity**
 - **Total effect on net profit of first quarter 2004 with € -28 m**

Excursus: revised figures due to retrospective IFRS adjustments

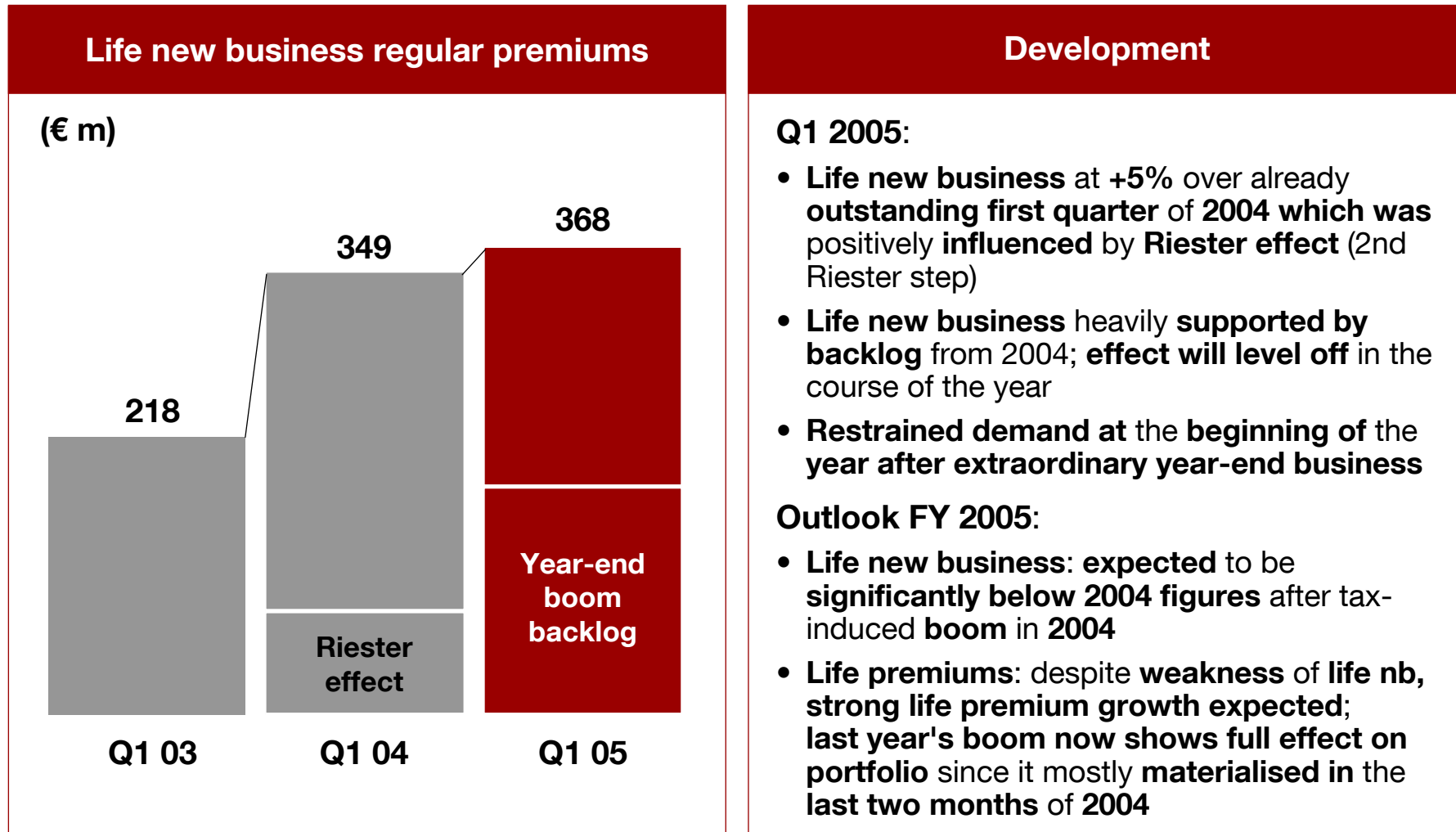
(€)	Q1 04 / <u>After</u> retro- spective adjustment	Q1 04 / <u>Before</u> retro- spective adjustment
Total premiums (German GAAP) ¹⁾	3.5 bn	3.5 bn
Consolidated gross premiums (IFRS) ²⁾	3.3 bn	3.3 bn
• Life	1.5 bn	1.5 bn
• Health	0.4 bn	0.4 bn
• P&C	1.4 bn	1.4 bn
Life new business regular premiums	349 m	349 m
Claims & benefits	2.5 bn	2.6 bn
Operating expenses	478 m	478 m
Investment income (net)	630 m	811 m
Profit before tax and scheduled goodwill amortisation	87 m	127 m
Tax	-54 m	- 66 m
Net profit before scheduled goodwill amortisation	33 m	61 m
Scheduled goodwill amortisation	-8 m	-8 m
Net profit	25 m	53 m
• Attributable to minority interests	0.6 m	0.6 m
Shareholders' equity ³⁾	3.2 bn	3.2 bn

1) consolidated gross premiums incl. savings portions of unit-linked and Riester contracts
2) excl. savings portions of unit-linked contracts; without effect on profit

3) balance sheet position shown as at 31.12.2004 incl. minority interests

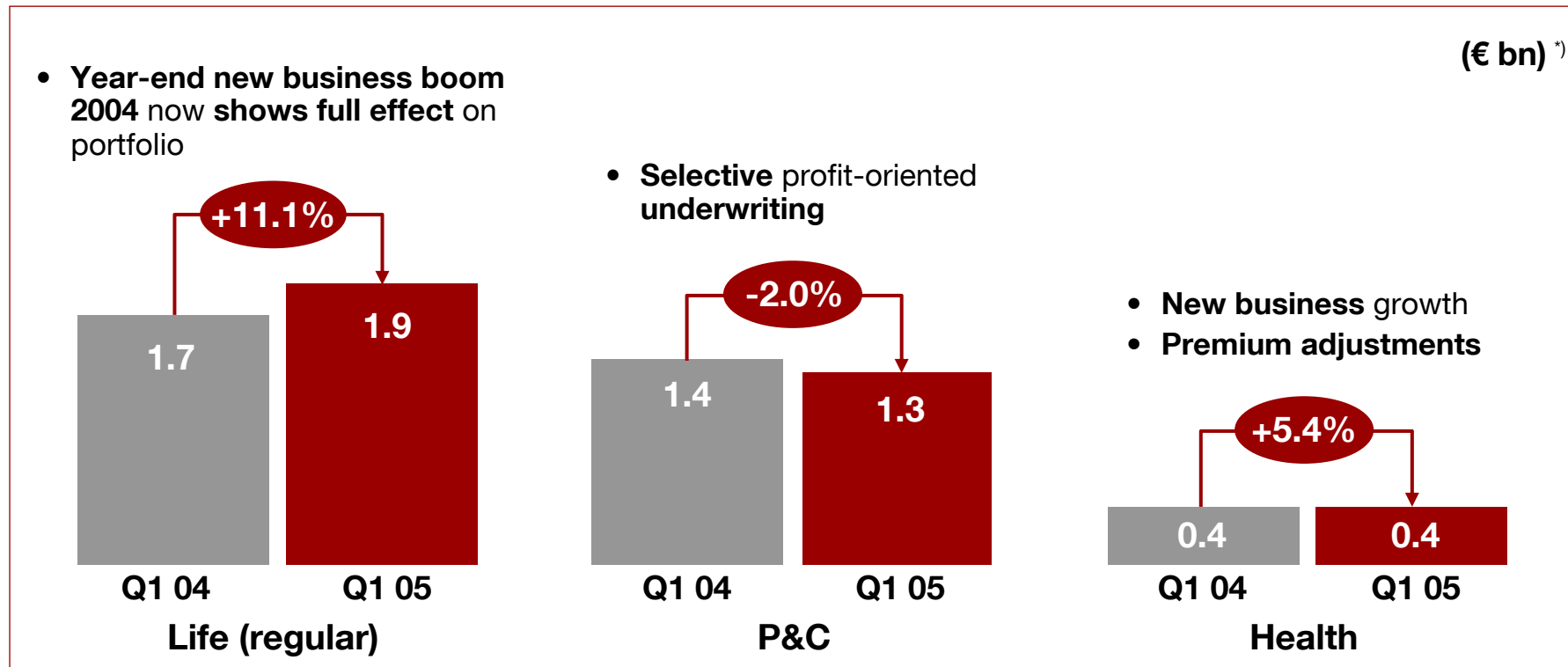


Life new business influenced by various effects in Q1



Strong premium growth in life and health business

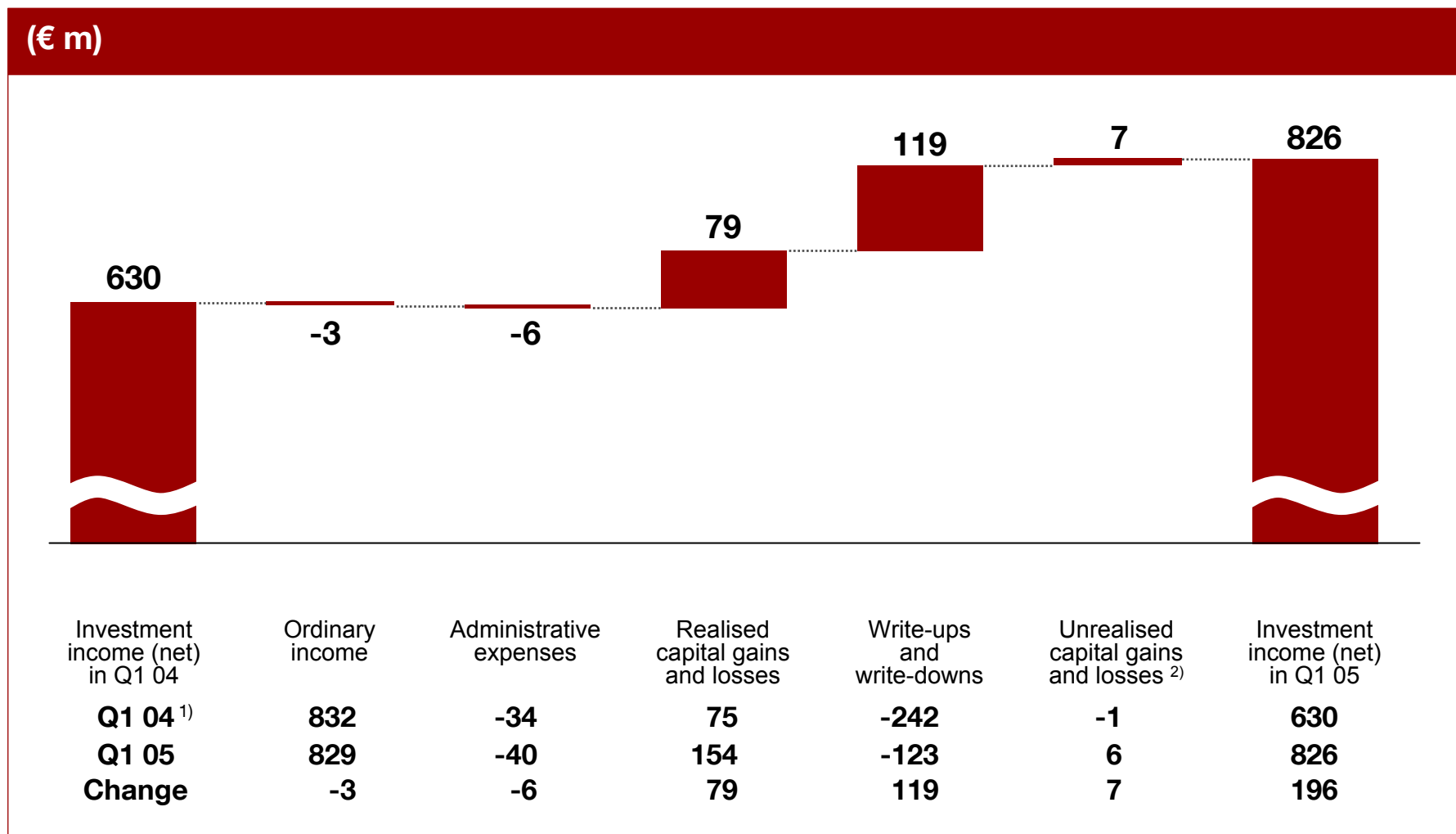
(€ bn)	Q1 05	Q1 04	Δ Q1 05/04
Total premiums (German GAAP)	3.7	3.5	+4.5%



*) gross premiums German GAAP, direct business



Increase of investment income mainly due to revised IFRS impairments

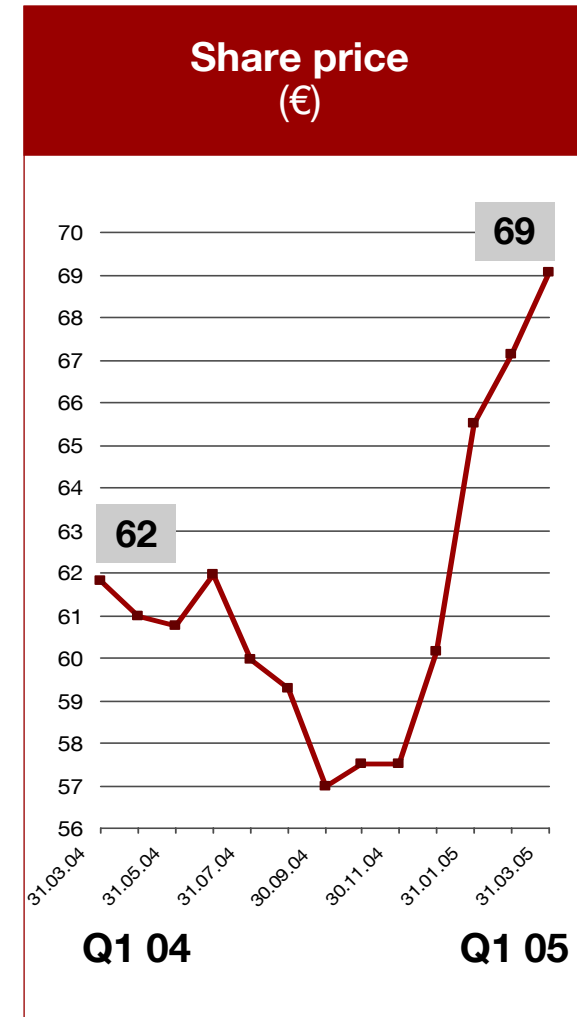
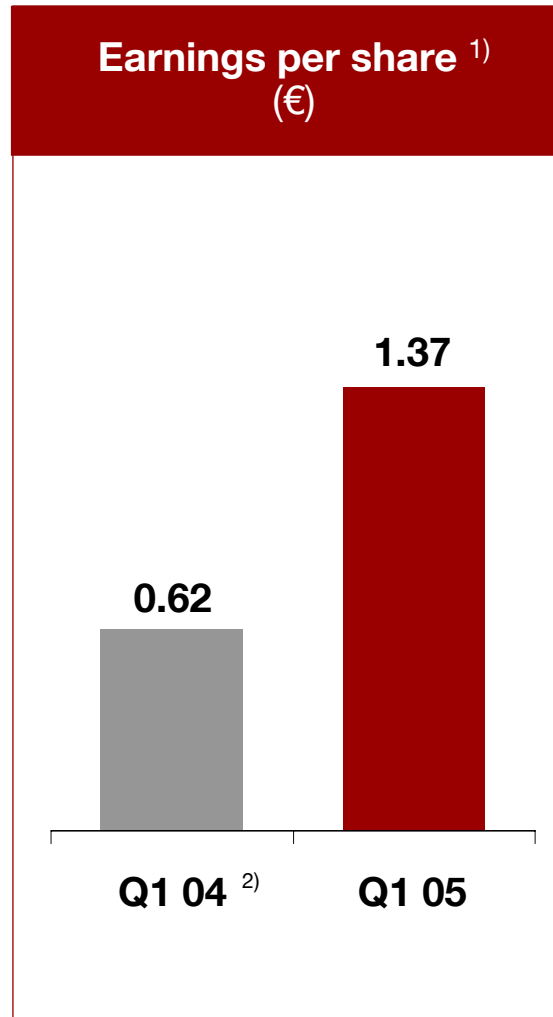
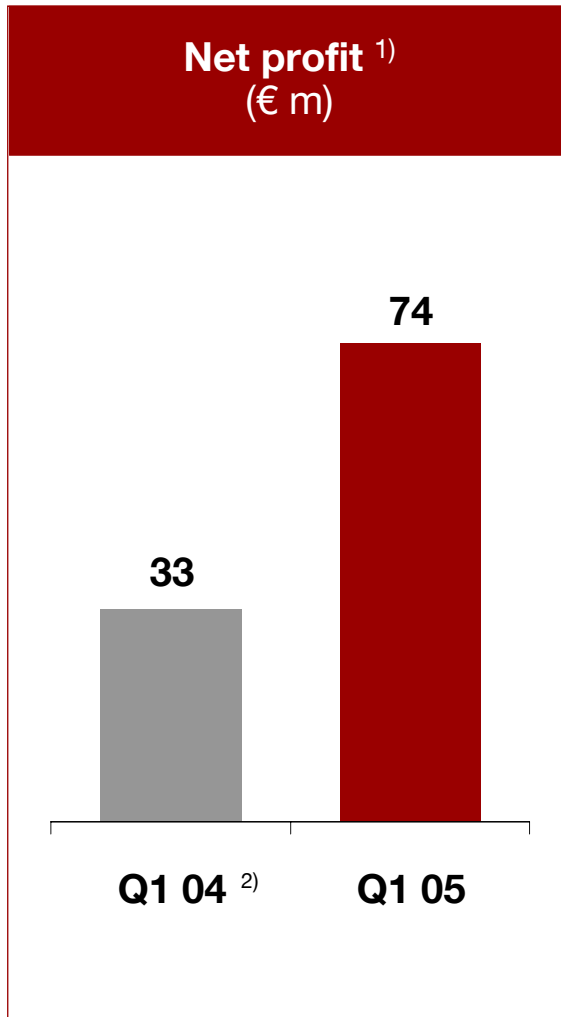


1) retrospective adjustments
2) mostly derivatives









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Improved results reflected in share price development



1) before scheduled goodwill amortisation
2) retrospective adjustments

AMB Generali on good track to reach 2005 targets

		Achievements Q1 04	Achievements Q1 05	Targets 2005	Targets 2006
Life/Health	<ul style="list-style-type: none"> •Premium growth ¹⁾ <ul style="list-style-type: none"> - Life regular - Health •Life NBV 	<p>+8.0% +10.7%</p> <p>€ 29 m</p>	<p>+11.1% +5.4%</p> <p>€ 33 m</p>	<p> above market level</p> <p> ²⁾ € 120 m</p>	<p>above market level</p> <p>€ 135 m</p>
P&C	<ul style="list-style-type: none"> •Premium growth ¹⁾ •Combined ratio 	<p>-5.1%</p> <p>98.4%</p>	<p>-2.0%</p> <p>98.4%</p>	<p> market level</p> <p> < 99%</p>	<p>market level</p> <p>< 98%</p>
Overall	<ul style="list-style-type: none"> •General expenses ³⁾ •Net profit <p>before scheduled goodwill amortisation ⁵⁾</p>	<p>€ 460 m</p> <p>€ 33 m ⁴⁾</p>	<p>€ 458 m</p> <p>€ 74 m</p>	<p> € 1,900 m</p> <p> > € 300 m</p>	<p>€ 1,900 m</p> <p>> € 320 m</p>

1) gross premiums German GAAP, direct business

2) mainly influenced by backlog effect

3) German GAAP figure, excluding commissions

4) retrospective adjustments

5) under IFRS 3 goodwill will no longer be amortised on a scheduled basis



Back up



Life development

(€ m) ¹⁾	Q1 05	Q1 04 ²⁾	Δ Q1 05/04
Total premiums (German GAAP) ³⁾	1,969	1,802	9.3%
Gross premiums written (IFRS) ⁴⁾	1,651	1,541	7.2%
Investment income (net)	641	481	33.2%
Claims & benefits (net)	1,774	1,670	6.2%
Expense ratio	18.8%	14.1%	4.7%-p
Tax	28	9	19
Net profit	38	18	20

1) before elimination of intra-group transactions between segments
2) retrospective adjustments

3) gross premiums written incl. savings portions of unit-linked and Riester products
4) excl. savings portions of unit-linked contracts; without effect on income



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Health development

(€ m) ¹⁾	Q1 05	Q1 04 ²⁾	Δ Q1 05/04
Gross premiums written (IFRS)	393	373	5.4%
Investment income (net)	75	41	81.5%
Claims & benefits (net)	396	359	10.3%
Claims ratio	60.9%	59.0%	1.9%-p
Expense ratio	10.9%	11.1%	-0.2%-p
Combined ratio	71.8%	70.1%	1.7%-p
Tax	10	4	6
Net profit	14	4	10

1) before elimination of intra-group transactions between segments

2) retrospective adjustments



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P&C development

(€ m) ¹⁾	Q1 05	Q1 04 ²⁾	Δ Q1 05/04
Gross premiums written (IFRS)	1,332	1,367	-2.6%
Investment income (net)	75	82	-8.1%
Claims & benefits (net)	467	459	1.9%
Claims ratio	65.9%	65.4%	0.5%-p
Expense ratio	32.5%	33.0%	-0.5%-p
Combined ratio	98.4%	98.4%	0%-p
Tax	25	42	-17
Net profit	38	22	16

1) before elimination of intra-group transactions between segments
 2) retrospective adjustments



AMB GENERALI

Contacts

AMB Generali Holding AG
Investor Relations
Aachener und Münchener Allee 9
D-52074 Aachen, GERMANY

Telefax +49 / 2 41 - 4 61 14 86
E-mail investor.relations@amb.de
Internet <http://www.amb.de>



Dr. Sabine Göttgens
Head of Investor Relations

phone +49 / 2 41 - 4 61 11 16
Email sabine.goettgens@amb.de



Sabine Grundmann-Braun
Investor Relations

phone +49 / 2 41 - 4 61 17 91
Email sabine.grundmann@amb.de



Kai Andrei
Investor Relations

phone +49 / 2 41 - 4 61 17 46
Email kai.andrei@amb.de



Ingrid Engel
Investor Relations

phone +49 / 2 41 - 4 61 17 13
Email ingrid.engel@amb.de



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